



Quarterly Activities Report & Appendix 4C

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Highlights

FY23 Cash Flow	Cash Balance	Operating Cash Flow
\$16m	\$3.2m*	Positive
In receipts from customers	As of 30 September 2022	for 3 rd Quarter running

*Cash position decreased on prior quarter through capital equipment purchases that have increased asset position

- Successful launch of dedicated fleet hire business in July 2022
- Over \$5 million in site-ready fleet vehicles offered for long-term hire
- Over 80% of fleet already deployed to customers, one month post launch
- Future fleet capital expenditure funded via asset finance facilities
- SSH Group improves working capital facility arrangements to support growth by executing new agreement with the National Australia Bank (**NAB**).
- SSH Group People will transition to become part of Bridge Resources Pty Ltd in Q2 FY23. Bridge Resources Pty Ltd is SSH Groups dedicated recruitment and staff resourcing business division.

SSH Group Ltd. (ASX:SSH) (**Company** or **SSH**) is pleased to release its September 2022 Quarterly Activities Report and Appendix 4C.

September FY22 Quarter Financial Position

Revenue from Company operations for the quarter totalled \$12.75m. Gross margin for the quarter was 21.8%, improving on prior and corresponding quarters (Sept 21 10.7% and June 22 13.8%). The gross margin improvement follows the expansion and inclusion of equipment rental services in the revenue and operations of the Company. For the quarter equipment services contributed Revenue of \$1.8m and GM of \$1.2m.

As of 30 September 2022, the Company had a cash balance of \$3.2m and access to circa \$8m in facilities to fund asset acquisitions and supporting growth of the Bridge Resources and SSH Group Safety.

Operational cash flows were positive for the quarter following the positive EBITDA result of the quarter. With the total cash balance decreasing over the quarter due to equipment acquisitions and scheduled debt repayments.

Capital expenditure for the quarter included the acquisition of the Tru Fleet vehicles. This capex was majority funded via debt facilities.

SSH Group and Subsidiary Businesses





Bridge Resources (previously SSH People)

Bridge Resources (works previously conducted under SSH Group People) is a dedicated recruitment and staff resourcing business to the construction, civil, and resources markets to meet the defined sets of skills, qualifications, and experience required to fill short term and ongoing vacancies and labour needs on behalf of clients.

Launched to the market on Monday 3 October 2022, Bridge Resources will build on the well-established history SSH Group People has, for successfully delivering labour hire and recruitment services to some of the Western Australia's most iconic projects and largest mine sites.

Bridge Resources has been established as a dedicated business to focus on expanding the services SSH Group People delivers, and to deliver an expanding range of recruitment and staffing solutions to the construction, mining, and civil industries.

Further information on Bridge Resources is available at www.bridgeresources.com.au.



Tru Fleet

The Company established Tru Fleet Pty Ltd (Tru Fleet), a dedicated fleet hire business within the equipment rental market. Tru Fleet is positioned in this market to deliver flexible, reliable, site-ready fleet hire services for the Australian resource, civil and construction markets.

During the quarter the Company successfully launched the Tru Fleet hire business with over \$5 million in site-ready vehicles offered for long-term hire. With over 80% of the fleet deployed to customers in just one month post launch. Vehicle deployment locations include the Goldfields, Pilbara and the North-West region.

Headquartered in a large, dedicated depot in Perth, Western Australia, Tru Fleet is ideally located for easy access to all road and rail logistics infrastructure systems that service the Gascoyne, Goldfields, Great Southern, Kimberley, Mid-West, Pilbara, South-West, and Wheatbelt regions across the State.

After extensive market testing which informed the development of scalable and robust processes and systems throughout the preceding quarter, Tru Fleet held a successful market launch in July 2022.

Since this launch, Tru Fleet's focus has been on the development of strong business relationships, marketing, and servicing customers.



Figure 1: Tru Fleet Launch Event July 2022

Corporate

SSH Group Working Capital Facility

During the quarter the Company advised it had formalised an agreement with National Australia Bank (NAB) to provide a working capital facility for the SSH Group People, SSH Group Safety, and Bridge Resources businesses.

This agreement is the next stage of a strong relationship between SSH Group and NAB, which grew following the provision of funding for the Group’s acquisition of Karratha Machinery Hire in May 2022.

Linked to the debtor balances of the businesses, this working capital facility will fund up to 80% of the debtor balances to a limit of \$8m. Charges on the facility relate to the value funded at a floating interest rate and a fixed monthly charge. The NAB facility is well-aligned with Group operations and provides significant economic advantages to the operating businesses

Additional Information

The SSH Group provides the following additional information relating to expenditure during the quarter and since listing:

1. ASX Listing Rule 4.7C.2: The quarter was included in a period covered by a “use of funds” statement following the SSH’s admission to the Official List of ASX on 17 September 2021. Pursuant to listing rule 1.1 condition 3, a comparison of the entity’s actual expenditure on the individual items in the “use of funds” statement in the prospectus since the date of admission against the estimated expenditure on those items in the “use of funds” is set out below:

Use of Funds	Prospectus \$	Actual Expenditure to date \$
Site Services Holdings Group Operational Expenditure		
Retire extended short-term payables	1,105,000	1,105,000
Reduce short-term debt	645,000	645,000
Capital equipment purchases	2,500,000	2,500,000
Site Services Holdings Group Operational Expenditure Sub-Total	4,250,000	4,250,000
Corporate and administration costs	-	-
Costs of the Offers and Acquisition	637,414	429,000
Working capital	1,806,586	2,015,000

Total Funds Allocated	6,694,000	6,694,000
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As of 30 September 2022, the Company has fulfilled all “use of funds” commitments outlined in the SSH Group Prospectus.

- ASX Listing Rule 4.7C.3: Payments to related parties of the SSH and their associates during the quarter: \$188,000. These payments relate to executive and non-executive directors’ fees and remuneration payments for executive directors as per the Executive Service Agreements.

ASX Announcements

This Quarterly Activities Report contains information reported in the following announcements released during the June quarter.

30 September 2022	SSH Group Ltd Operational Update – September 2022
30 August 2022	FY22 Results Presentation – SSH Group Ltd
30 August 2022	FY22 Annual Report – SSH Group Ltd
30 August 2022	FY22 Appendix 4E – SSH Group Ltd
16 August 2022	Tru Fleet Vehicle Hire Launches with 80% Utilisation Rate

Authorisation

This announcement has been authorised for release by the Board.

About SSH Group

SSH Group Ltd is an Australian-listed Company that operates businesses working with the construction, resources, and civil market sectors within Australia.

Our Businesses

SSH Group Ltd builds and acquires quality businesses within growth markets that demonstrate scalability and the strong potential for high return on investment. Through our businesses, SSH Group Ltd is committed to improving outcomes for Australian projects and communities.



SSH Safety

273 Great Eastern Highway
Belmont, WA 6104

www.sshgroup.com.au/safety



Bridge Resources

Unit 1, 12 Cowcher Place
Belmont, WA 6104

www.bridgeresources.com.au



Tru Fleet

100 Daddow Road
Kewdale, WA 6105

www.trufleet.com.au



Karratha Machinery Hire

Lot 1105 Lambden Rd
Karratha WA 6714

www.karrathamachineryhire.com.au

Further Details

ASX Market Data

www2.asx.com.au/markets/company/ssh

Investor Portal

www.sshgroup.com.au/investors-media

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Appendix 4C

Quarterly cash flow report for entities

subject to Listing Rule 4.7B

Name of entity

SSH Group Limited

ABN

Quarter ended ("current quarter")

79 140 110 130

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	16,362	16,362
1.2	Payments for		
	product manufacturing and operating costs	(13,126)	(13,126)
	advertising and marketing	(33)	(33)
	leased assets	(55)	(55)
	staff costs	(1,752)	(1,752)
	administration and corporate costs	(378)	(378)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(400)	(400)
1.6	Income taxes paid	7	7
1.7	Government grants and tax incentives	-	-
1.9	Net cash from / (used in) operating activities	625	625

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	entities	-	-
	businesses	-	-
	property, plant, and equipment	(3,399)	(3,399)
	investments	(55)	(55)
	intellectual property	-	-
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	entities	-	-
	businesses	-	-
	property, plant, and equipment	169	169
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,285)	(3,285)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,953	2,953
3.6	Repayment of borrowings	(2,398)	(2,398)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	555	555
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,346	5,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	625	625
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,285)	(3,285)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	555	555
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,241	3,241

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
5.	Reconciliation of cash and cash equivalents at the end of the quarter to the related items in the accounts (as shown in the consolidated statement of cash flows)		
5.1	Bank balances	3,241	3,241
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,241	3,241
Consolidated statement of cash flows		Current quarter \$A'000	
6.	Payments to related parties of the entity and their associates		
6.1	Aggregate amount of payments to related parties and their associates included in item 1		188
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.			

Consolidated statement of cash flows		Total facility at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.	Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.		
7.1	Loan and asset finance facilities	20,605	16,605
7.2	Credit standby arrangements	-	-
7.3	Debtor Funding Facility	8,000	3,763
7.4	Total financing facilities	28,605	20,368
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Through its Subsidiaries SSH Group Machinery Hire Pty Ltd and Complete Equipment Australia, the Company has drawn loans from NAB, which funded the acquisition of Karratha Machinery Hire during the quarter. The loans are amortising monthly over a five-year period. A \$9m equipment loan is fixed at 5.9%, whilst a \$2m Business markets loan is subject to floating interest rates for the period of the loan.</p> <p>The Company has a number of finance lease/hire purchase agreements, secured only over light vehicles funded. Interest charges are fixed at the time of entry into the arrangement. The facility is provided by Toyota Financial Services Limited, Nissan Financial Services and Daimler Financial Services. The Company has access to a further \$4m in its facilities to fund further vehicle acquisitions which is sufficient to meet current capex forecasts.</p> <p>Through its subsidiary Site Services Enterprises Pty Ltd (as trustee of two unit trusts), the Company has an agreement with National Australia Bank for an advance against all trade receivables owed by its customers, (Debtor funding facility). The agreement secures the debtors to National Australia Bank, interest charges are variable linked to BBSY rates plus an agreed margin.</p> <p>Funding is available based on total debtor balances and cannot exceed 80% of the debtor book. The total limit of the facility is \$8m.</p>			

Consolidated statement of cash flows		\$A'000
8.	Estimated cash available for future operating activities	
8.1	Net cash from / (used in) operating activities (item 1.9)	625
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,241
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,241
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A - Positive net operating cash flow
<p>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	N/A	
<p>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</p>		

Compliance statement

This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A. This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: The SSH Group Ltd Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.