



Press releases

Stockholm, February 20, 2019 (21:00 CET)

SSM is to take further saving measures to increase Group's profitability during 2019

During 2018, SSM adapted its strategy and housing product to meet the changed financial situation of its target group. In addition, the company worked continuously to lower its cost base. Due to the already optimized organization at the end of 2018, the company's total salary costs for 2019 will decrease by -15.0 percent, which corresponds to 14.0 MSEK on full year. To further accelerate the reduction of the cost base, SSM will introduce a cost-efficiency program that aims to reduce the company's overhead costs by 50.0 percent, which corresponds to 25.0 MSEK in comparison with 2018 year's level.

The housing market in Stockholm remains cautious despite a certain level of stabilization during 2018, mainly in the secondary market. At the end of 2018, SSM adapted its strategy and housing product to meet the changed financial situation of its target group that arose mainly as a result of increased amortization requirements, maximum debt-to-income limits and internal interest calculations at banks. During 2018, SSM signed 101 pre-purchase agreements, 38 of which during the fourth quarter. The sales rate for projects in production was 96.9 percent at the end of the year.

In light of the change, SSM adjusted its strategic product mix, which means that in the near future and going forward, the company intends to increase the production of rental apartments to 50.0 percent of its portfolio. Another strategically important adjustment was to prompt adjust prices to under 2.0 MSEK in projects where sales had started. SSM achieved this by redesigning a number of units as smaller and even more space-efficient homes. The company's goal is for at least 90.0 percent of its cooperative apartments to cost less than 2.0 MSEK.

In order to increase the company's profitability in 2019, continuous work has been done in 2018 to reduce the company's cost base. As a result of the organization's already implemented optimization, 2019's salary costs will decrease by -15.0 percent, which corresponds to about 14.0 MSEK, compared to the 2018 outcome. In order to further accelerate the reduction SSM has introduced a cost-efficiency program to reduce the company's overhead costs by 50.0 percent compared with 2018, which corresponds to about 25.0 MSEK. The costs mainly refer to Group-wide central costs, costs for consulting services and costs for marketing and branding.

The information in this press release is such, which SSM Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 21:00 CET on February 20, 2019.

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About SSM Holding AB (publ)

SSM produces functionally smart and affordable homes with attractive common areas, close to public transport and the city center for the company's target group – the urbanites of tomorrow. The company envisions a housing market that is accessible to as many people as possible and aspires to produce 50 percent cooperative apartments and 50 percent rental units. SSM is the leading property developer in its niche within the Greater Stockholm area and at year-end 2018, the company has approximately 6,500 building permits in its portfolio. SSM has been listed on Nasdaq Stockholm (Small-cap) since April 6, 2017. www.ssmlivinggroup.com