

## Q2 result in line with our expectations

SSH Q2 result was in line with our expectations. Outlook for 2019 is unchanged; SSH expects double digit percentage growth from software business (software fees, professional services, and recurring revenue) at comparable exchange rates

- Q2 net sales were EUR 4.0 million (vs. 4.4m our expectation)
- Software fees were EUR 1.7 million (1.9m Evli), Professional services were EUR 0.1 million (0.3m Evli), and Recurring revenue was EUR 2.2 million (2.2m Evli)
- Q2 operating profit was EUR 0.4 million (vs. 0.4m our expectation)
- EPS was 0.00 (vs. 0.00 our estimate)
- Liquid assets were EUR 11.2 m (12.3m Q1/19)
- **Business outlook for 2019 unchanged:** SSH expects double digit percentage growth from software business (software fees, professional services, and recurring revenue) at comparable exchange rates

Rating	 SELL
Share price, EUR (Last trading day's closing price)	1.49
Target price, EUR	1.1
Latest change in recommendation	13-Feb-19
Latest report on company	11-Jun-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	38,802
No. of shares fully diluted, '000's	38,802
Market cap, EURm	58
Free float, %	-
Exchange rate EUR/USD	-
Reuters code	SSH1C.HE
Bloomberg code	SSH1V.FH
Average daily volume, EURm	-
Next interim report	23-Oct-19
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 BUY  HOLD  SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	16	-2	-10.5%	-2	-0.08	-21.9	4.1	93.2	-39.1	0.00
2018	18	1	2.7%	1	-0.01	-163.0	5.5	68.3	202.5	0.00
2019E	17	0	1.2%	0	-0.02	-64.3	3.4	38.2	289.9	0.00
2020E	19	0	2.1%	0	0.00	-880.7	3.0	23.2	142.4	0.00
2021E	21	2	7.0%	1	0.03	50.4	2.6	17.7	36.6	0.00
Market cap, EURm	58			BV per share 2019E, EUR		0.0	CAGR EPS 2018-21, %		0.0	
Net debt 2019E, EURm	-1			Price/book 2019E		41.3	CAGR sales 2018-21, %		5.4	
Enterprise value, EURm	58			Dividend yield 2019E, %		0.0	ROE 2019E, %		-64.2	
Total assets 2019E, EURm	23			Tax rate 2019E, %		0.0	ROCE 2019E, %		1.4	
Goodwill 2019E, EURm	0			Equity ratio 2019E, %		9.4	PEG, P/E 19/CAGR		0.0	

All the important disclosures can be found on the last pages of this report.

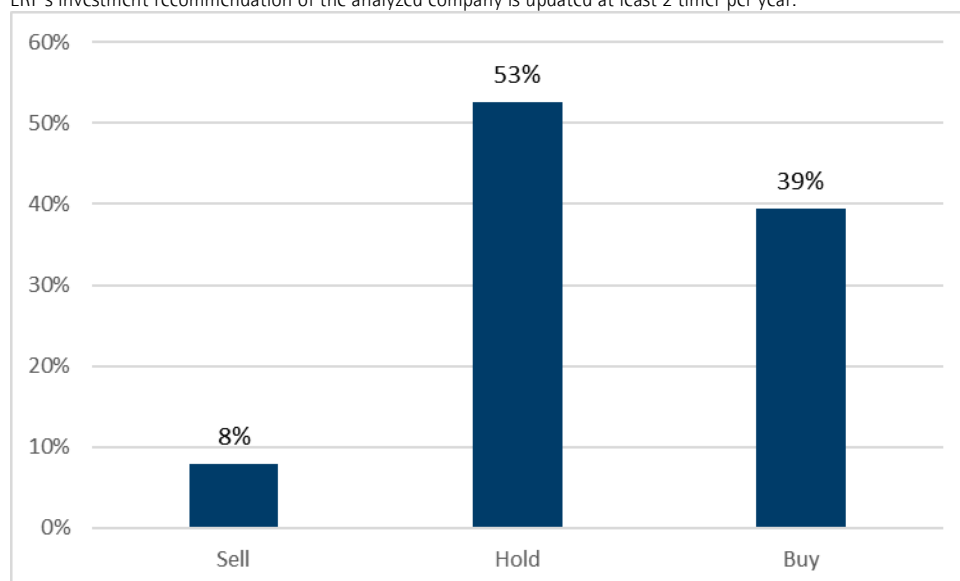
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Forslund

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