

ALMA MEDIA

Q1 2016

Kai Telanne, President and CEO

Juha Nuutinen, CFO

29 April 2016

@AlmaMedia_IR

29.4.2016

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Agenda

Highlights

Market development

Financial development

Strategy and outlook

Q & A



Alma Media's Q1 in brief

Group revenue and result increased as expected

- Alma Media's revenue increased by 20.6% to MEUR 86.7 due to the Talentum acquisition, among other reasons.
- Operating profit excluding non-recurring items rose to MEUR 5.5, which was particularly attributable the improved results of the recruitment business and Italehti.
- Non-recurring items increased to MEUR 3.0 and were related to restructuring costs.

Positive business development

- Alma Markets: The strong development of the national economies of Eastern Central Europe continued, supporting the growth and profitability of the recruitment business.
- Alma Talent: The integration of Talentum's business operations progressed to the implementation phase as planned.
- Alma News & Life: Programmatic buying and mobile advertising saw substantial growth, online sales grew to account for almost 40% of the business unit's revenue.
- Alma Regions: Profitability improved following restructuring and the divestment of loss-making businesses.

MARKET DEVELOPMENT IN FINLAND

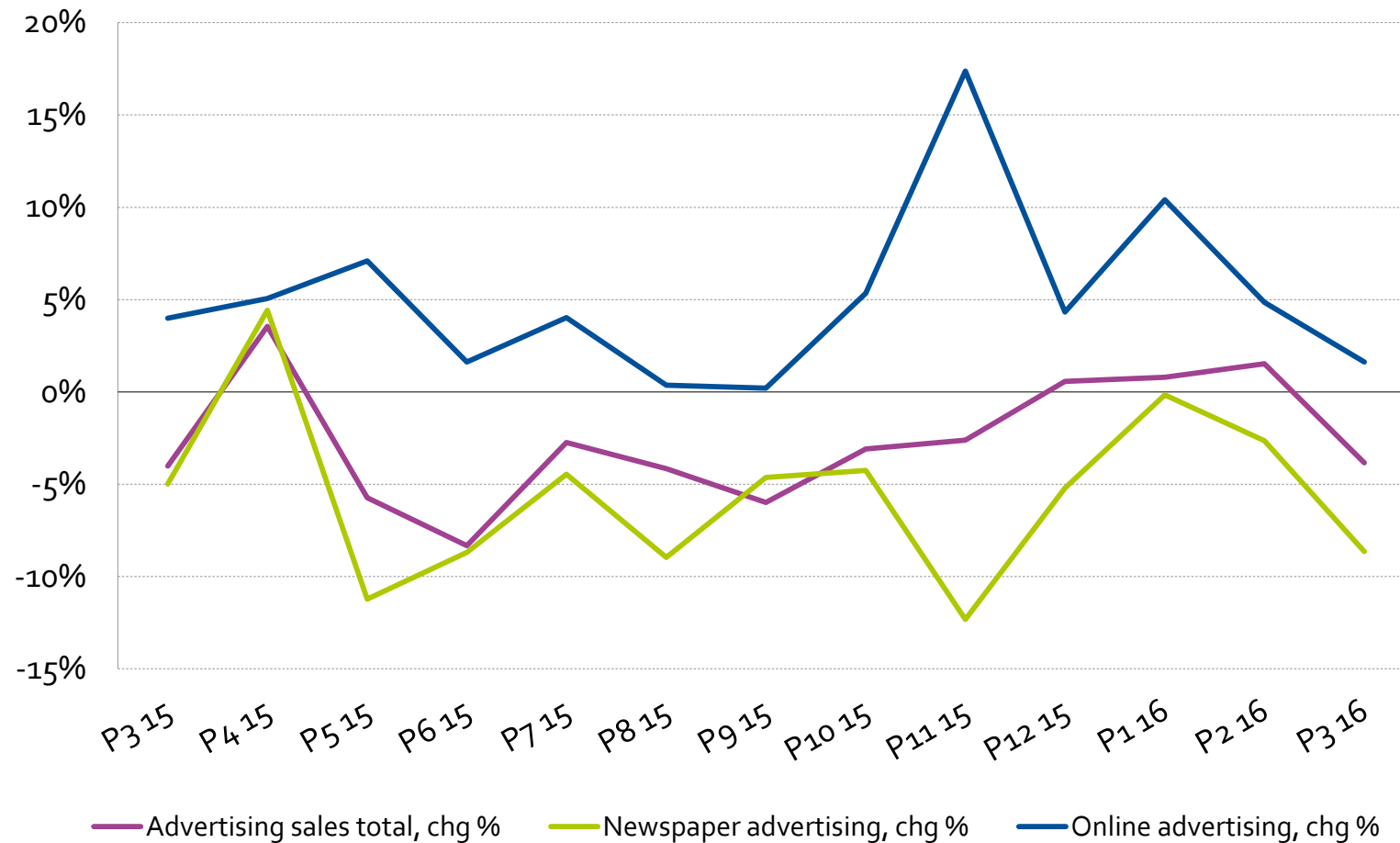
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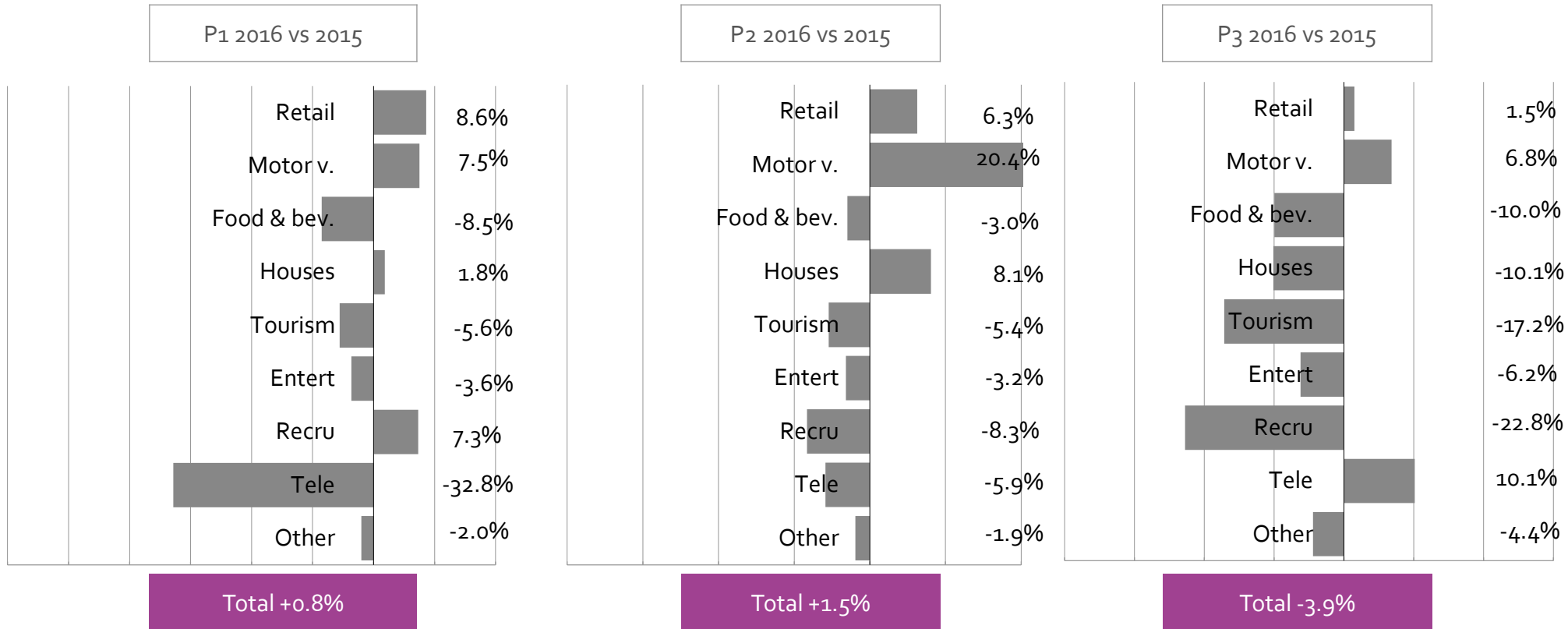
Advertising sales change 3/2015 - 3/2016



Source: TNS Media Intelligence

Advertising saw slight growth early in the year but was in the red in March

Total market, change from previous year



Source: TNS Media Intelligence

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ALMA MEDIA'S PROFIT PERFORMANCE

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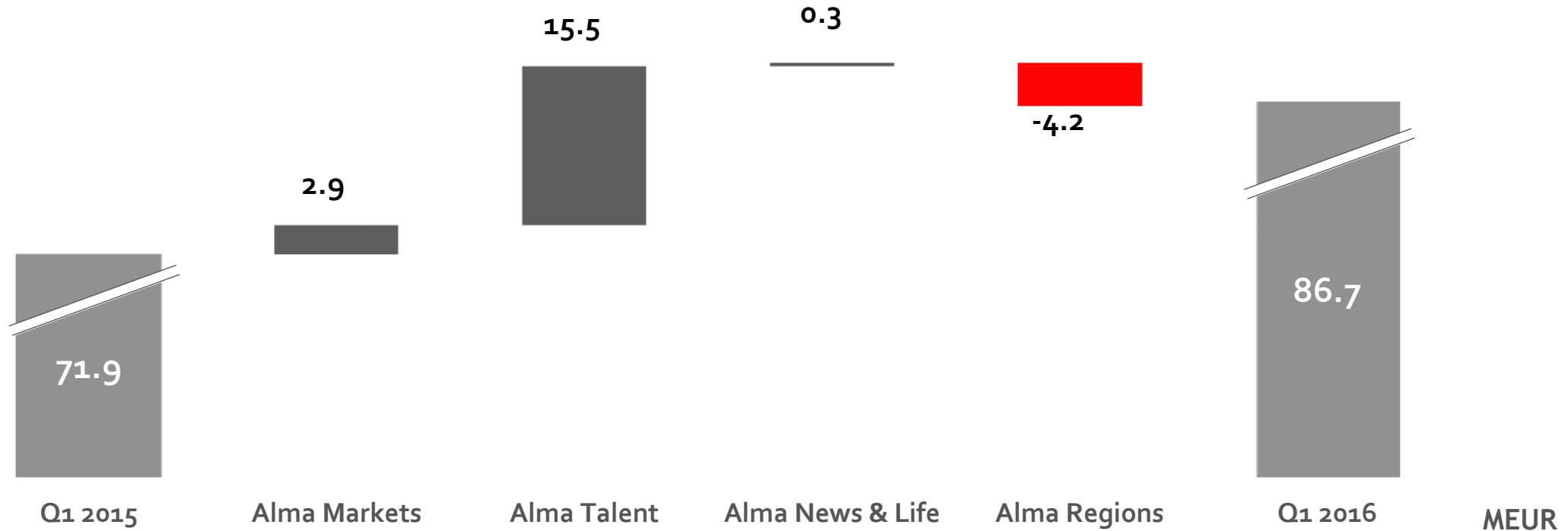
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ALMA STR

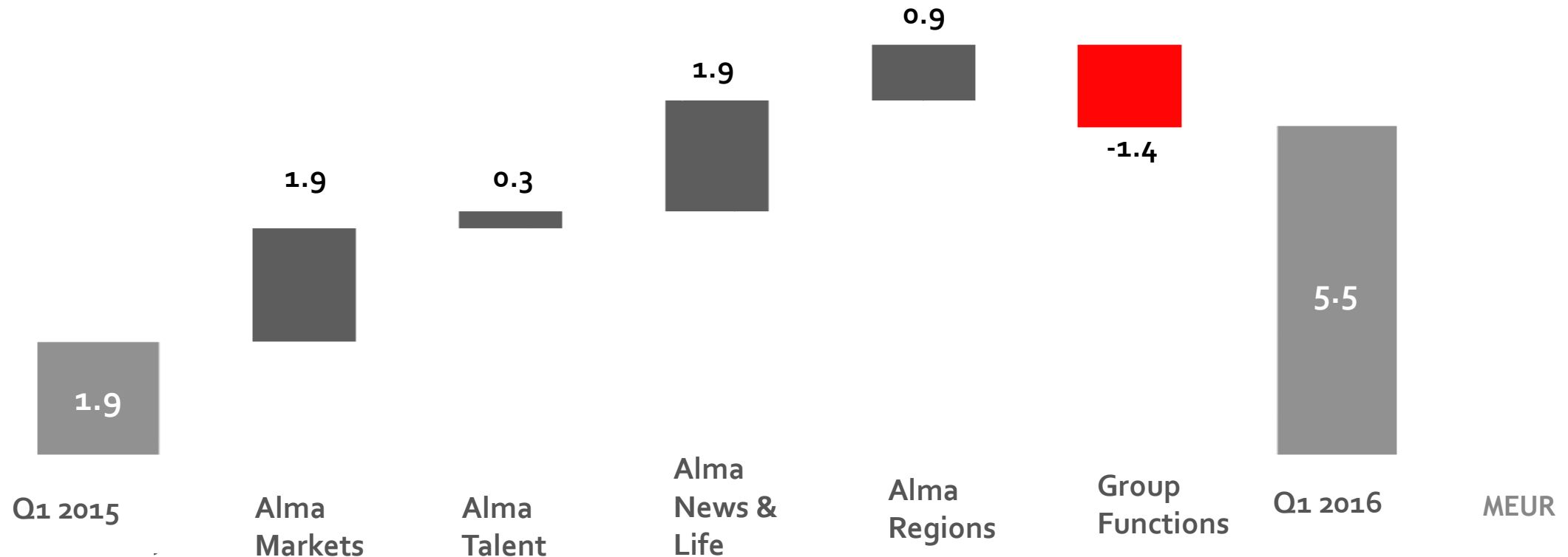
Revenue Q1: expected growth achieved

- Q1 revenue +20.6% to MEUR 86.7 due to the Talentum acquisition, among other reasons.
- Revenue grew in three of Alma Media's business segments. The revenue of Alma Regions was weighed down by a decrease in advertising and content revenue as well as divestments.

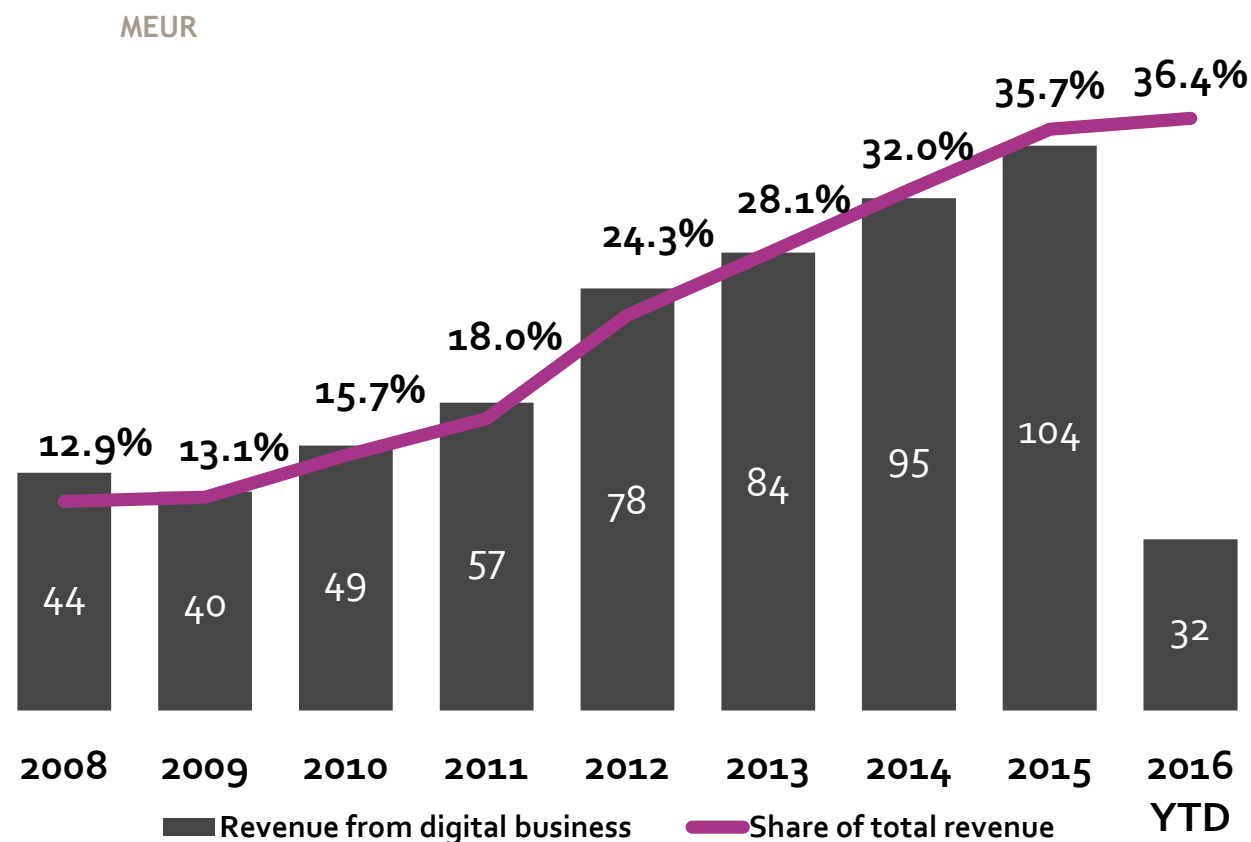


Operating profit Q1: profitability improved across the board

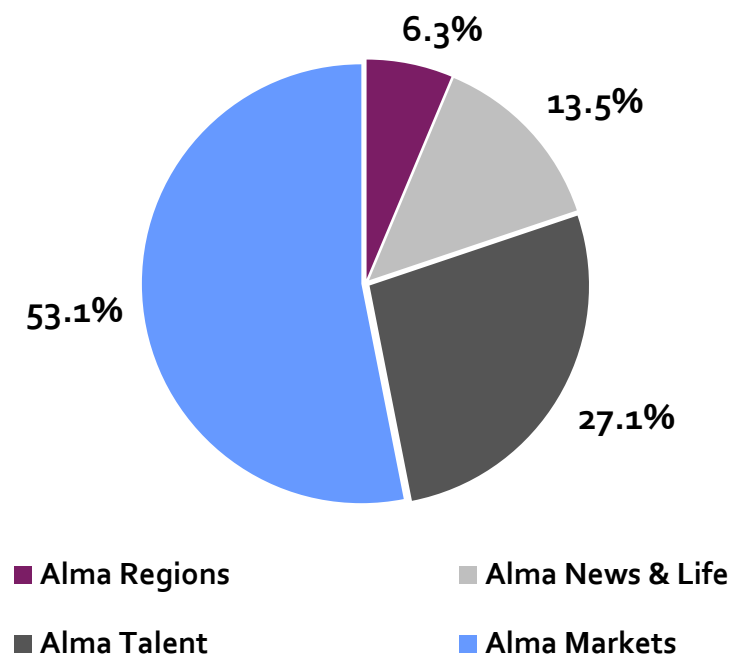
- Operating profit excluding non-recurring items rose to MEUR 5.5, which was particularly attributable the improved results of the recruitment business and Italehti.



Digital business grew by 30.7% in Q1

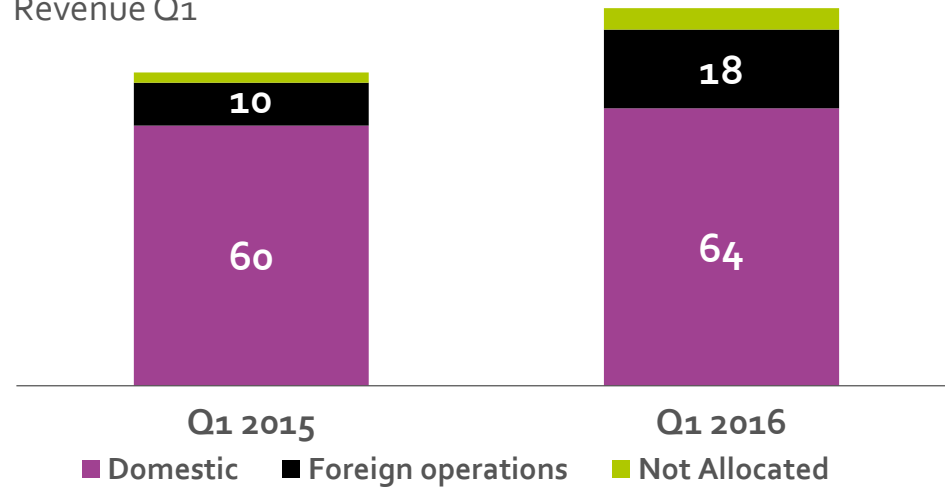


Digital business by segments
Q1/2016

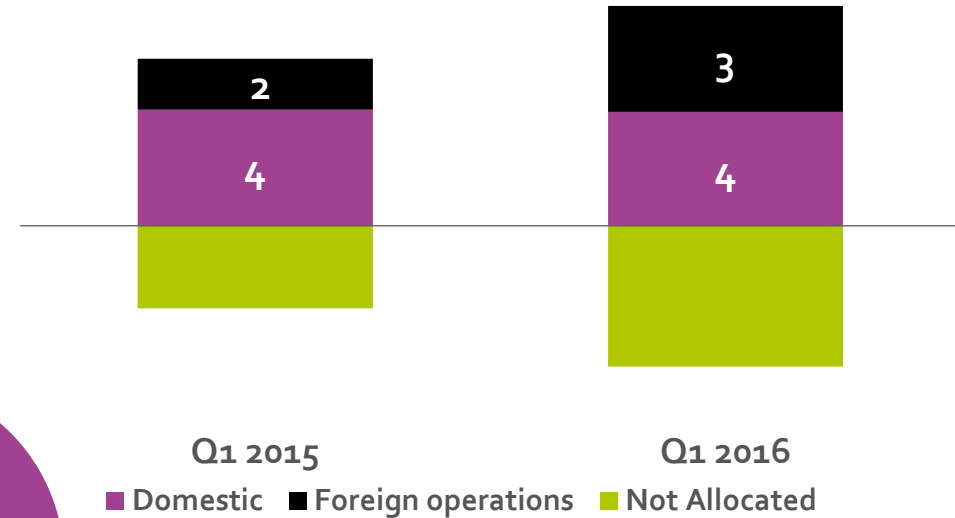


Alma Media's international business is growing and profitable

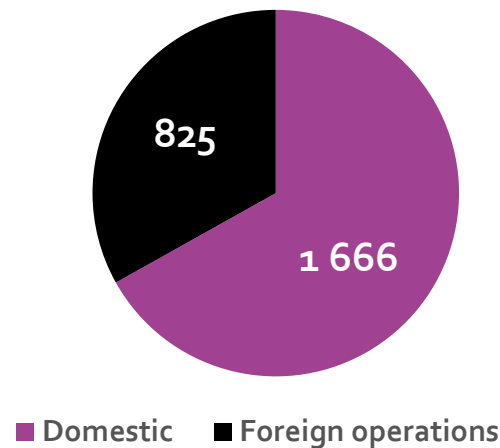
Revenue Q1



Operating profit Q1, including non-recurring items



Personnel Q1 2016



Talentum delisting completed

- Alma Media has posted a security approved by the arbitral tribunal in connection with the redemption of the minority shares in Talentum and thus acquired title to all of the outstanding shares in Talentum.
- The minority shareholders of Talentum participating in the redemption proceedings are entitled to the redemption price and the interest accruing thereon. The redemption price will be determined in the final arbitral award.
- The Talentum share was delisted from the official list of the Helsinki Stock Exchange on 21 April 2016.



FINANCIAL REVIEW

Juha Nuutinen, CFO

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Kauppalehti

Kauppalehti

Koulutuksesta
viedään liikaa



OMXH +1,22%

Päästöistä vuosien sotku

Diesel-autojen päästöjä peukaloitui Volkswagen joutui perkaamaan petoksensa seurauksia vielä pitkään. Johto väistää vastuunsa.

OMXH +0,06%

Kauppalehti



Eurooppa



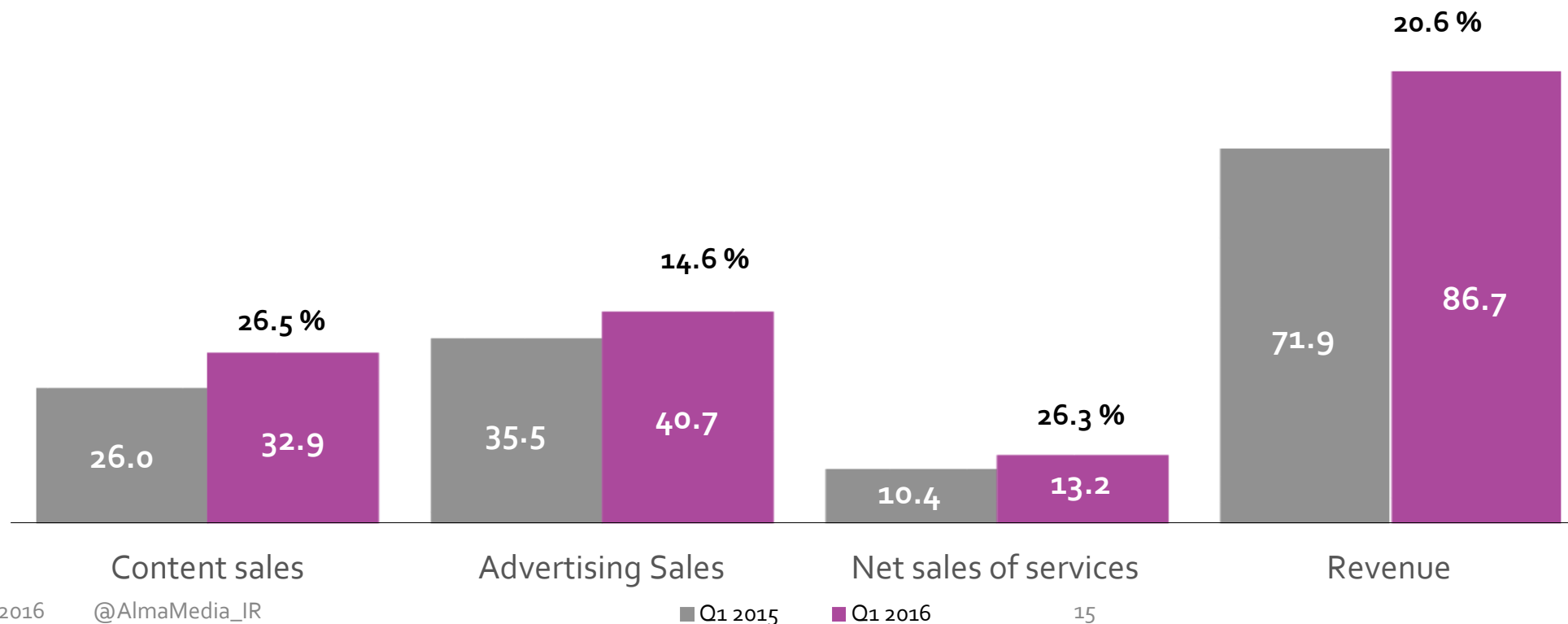
Long-term financial targets

Alma Media's financial targets	2012	2013	2014	2015	Q1/2016	Target level
Digital business growth	36.8%	8.4%	11.9%	8.7%	30.7%	> 15%
Return on Investment (ROI), %	13.8%	10.0%	9.8%	6.9%	4.5%	> 15%
Dividend payout ratio*	45%	50%	63%	92%	n/a	> 50%

* Includes capital repayment to shareholders.

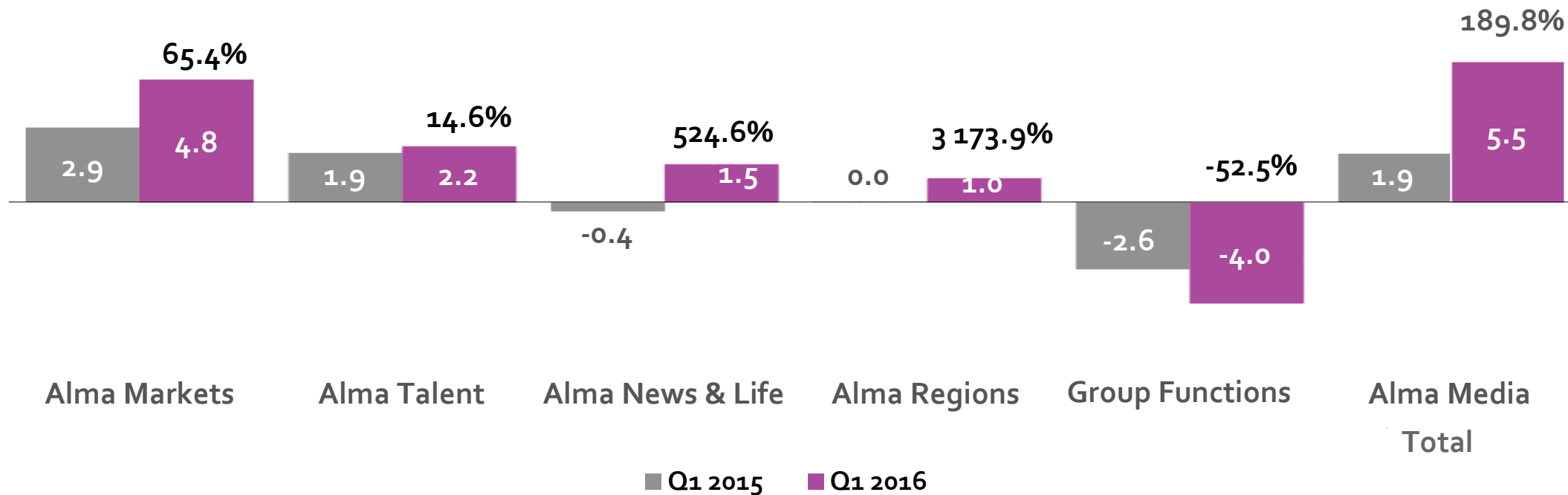
Revenue breakdown Q1/2016

- Content revenue +26.5% to MEUR 32.9.
 - Talentum's effect on content revenue MEUR +9.5.
- Advertising revenue +14.6% to MEUR 40.7.
 - Online advertising sales +29.5% to MEUR 24.3.
 - Advertising sales for print media -1.9% to MEUR 16.4.
 - Talentum's effect on the increase in advertising revenue was MEUR +3.3.



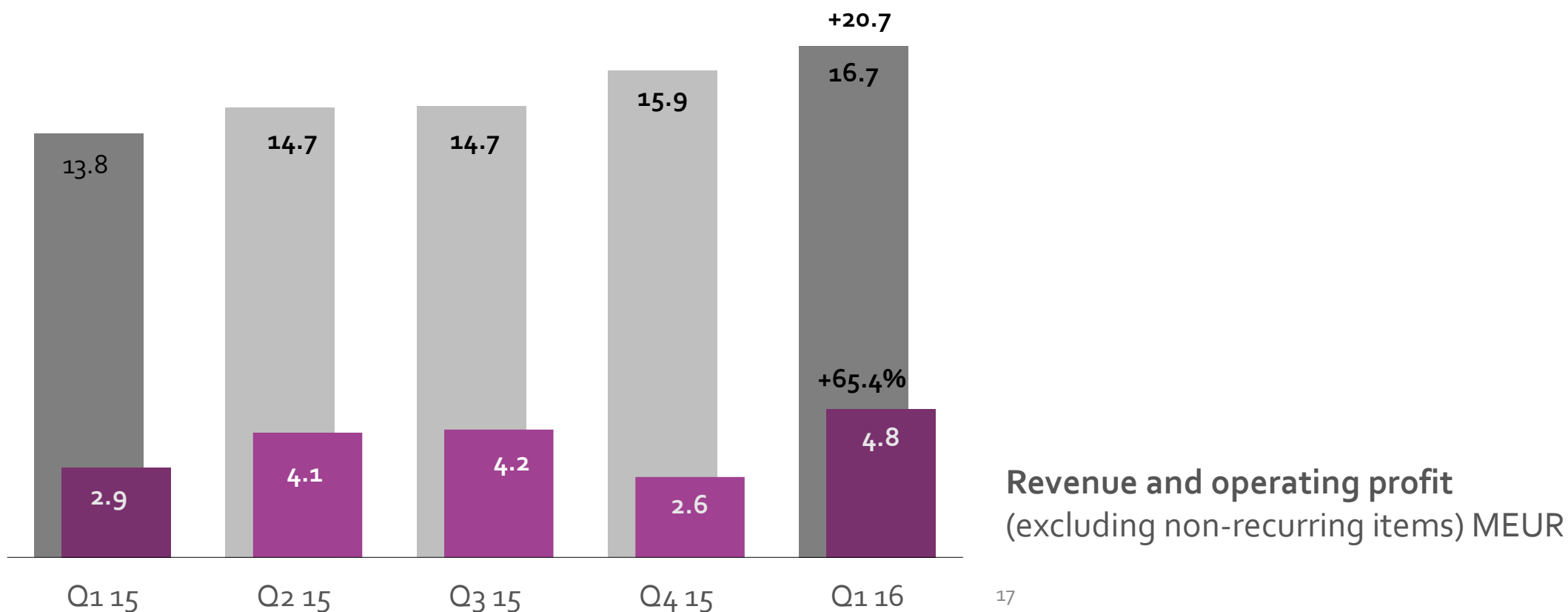
Operating profit breakdown Q1/2016

- Operating profit excluding non-recurring items was MEUR 5.5 , or 6.4% of revenue.
- The operating profit includes net non-recurring items in the amount of MEUR -3.0 (0.8) related to restructuring.
- Total expenses increased by 20.5% and amounted to MEUR 84.5. Talentum's effect on the increase in total expenses was MEUR 18.9.



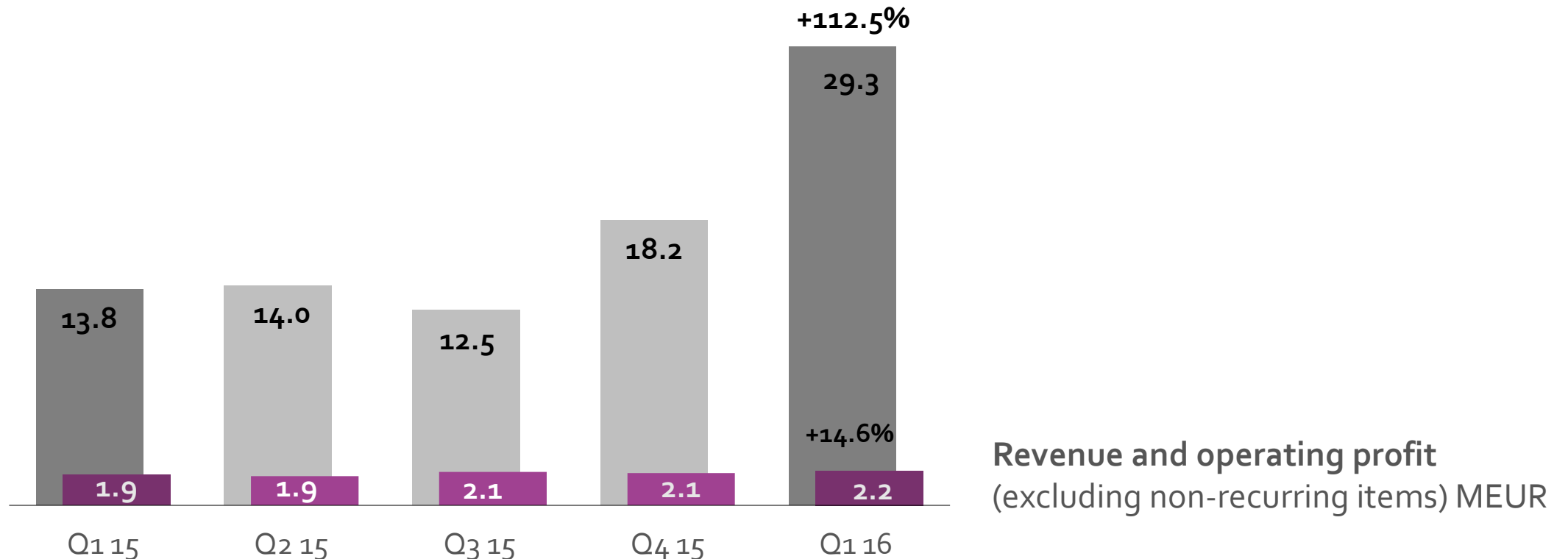
Alma Markets Q1/2016: a strong quarter

- Alma Markets' revenue Q1 +20.7% to MEUR 16.7.
- Revenue from the recruitment business increased by 20.2% and it accounted for 76.6% of the segment's revenue in Q1/2016.
- The domestic operations of Alma Markets also developed favourably.
- Operations were highly profitable, with operating profit excluding non-recurring items increasing by 65.4% to MEUR 4.8. in Q1/2016.



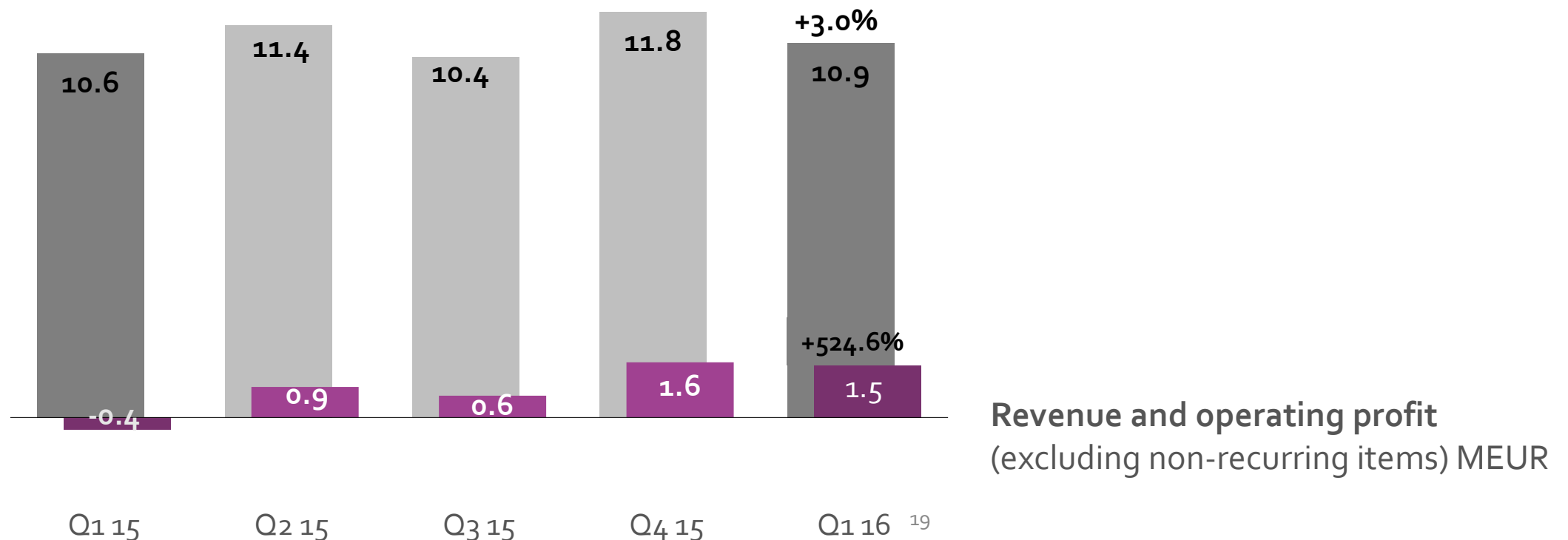
Alma Talent Q1/2016: integration process moved forward as planned

- Revenue +112.5% to MEUR 29.3. Operating profit excluding non-recurring items +14.6% to MEUR 2.2.
- The Talentum businesses contributed MEUR 18.4 to the increase in revenue. The Alma360 business, divested in 2015, represented a decrease in revenue of MEUR -2.7.
- Alma Talent's comparable revenue and operating profit excluding non-recurring items remained at the previous year's level.
- The integration of Talentum's business operations into the new organisation progressed according to plan.



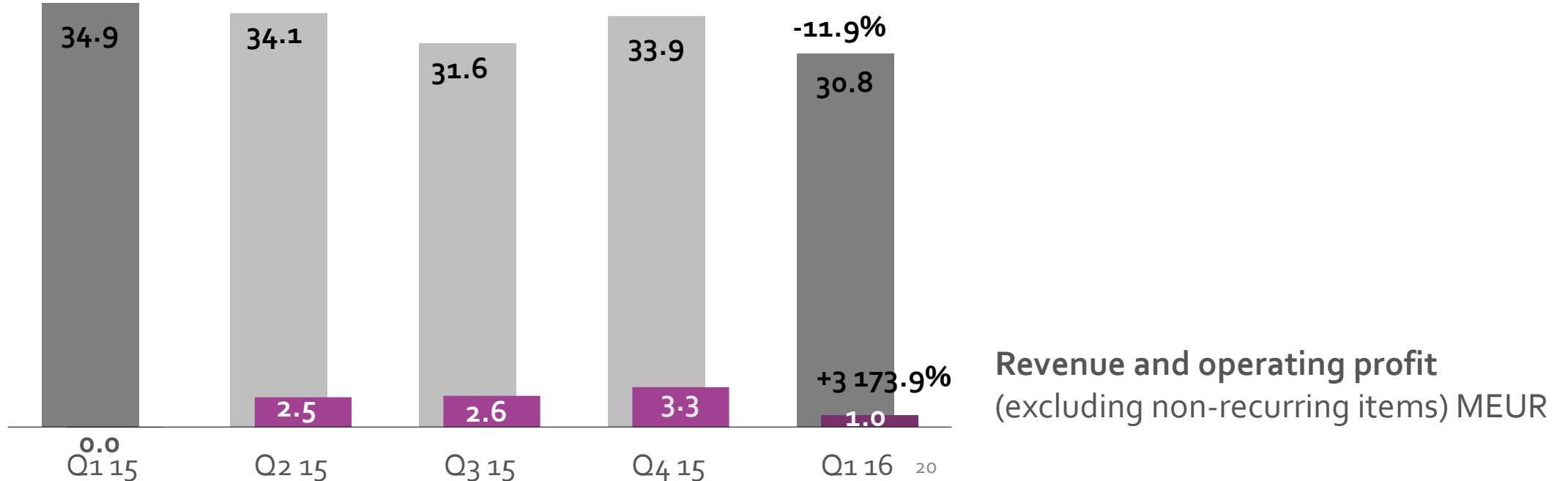
Alma News & Life Q1/2016: growth in digital advertising

- Revenue +3.0% to MEUR 10.9. Operating profit excluding non-recurring items was MEUR 1.5.
- Content revenue and the single-copy sales of afternoon papers continued to decline in Q1.
- The upturn in digital advertising achieved late last year saw the segment's advertising revenue grow by 28.4%.
- Online sales grew to account for almost 40% of the Alma News & Life segment's revenue.

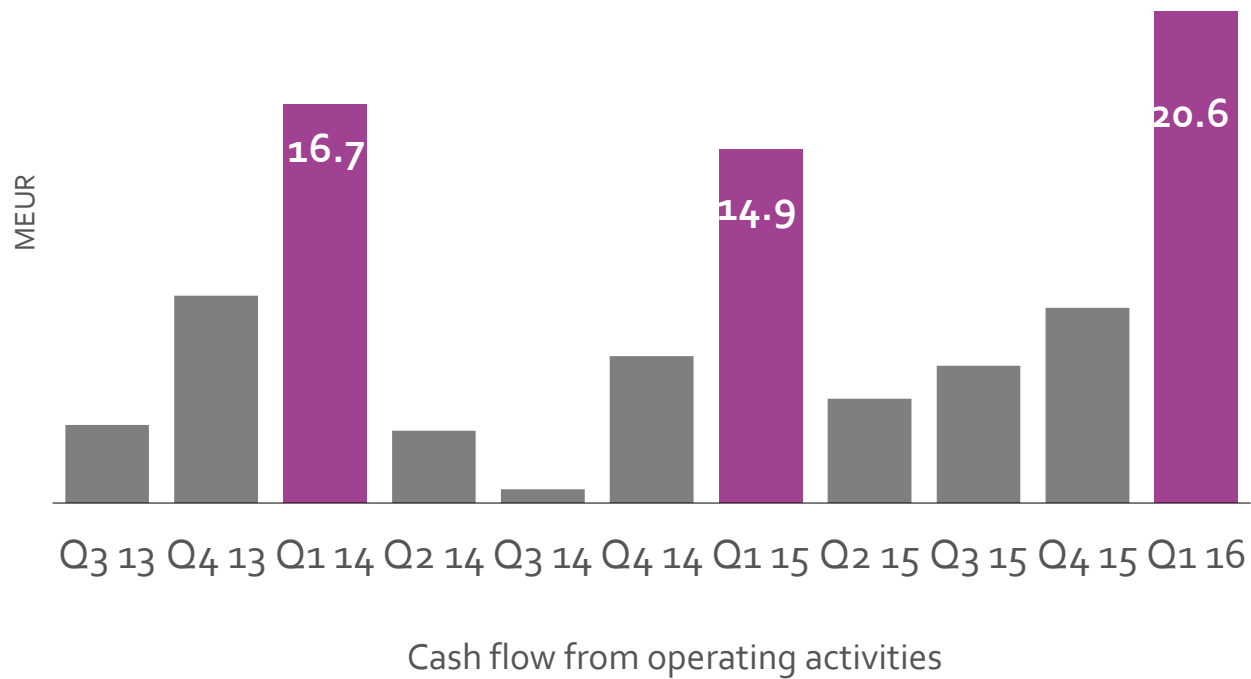


Alma Regions Q1/2016: continued renewal

- Revenue -11.9% to MEUR 30.8, but operating profit excluding non-recurring items MEUR 1.0 was boosted by restructuring measures aimed at reducing the cost structure of publishing operations.
- Alma Regions renewed the online publications and mobile services of many of its various media in Q1.
- Customer service and advertisement production functions were reorganised.



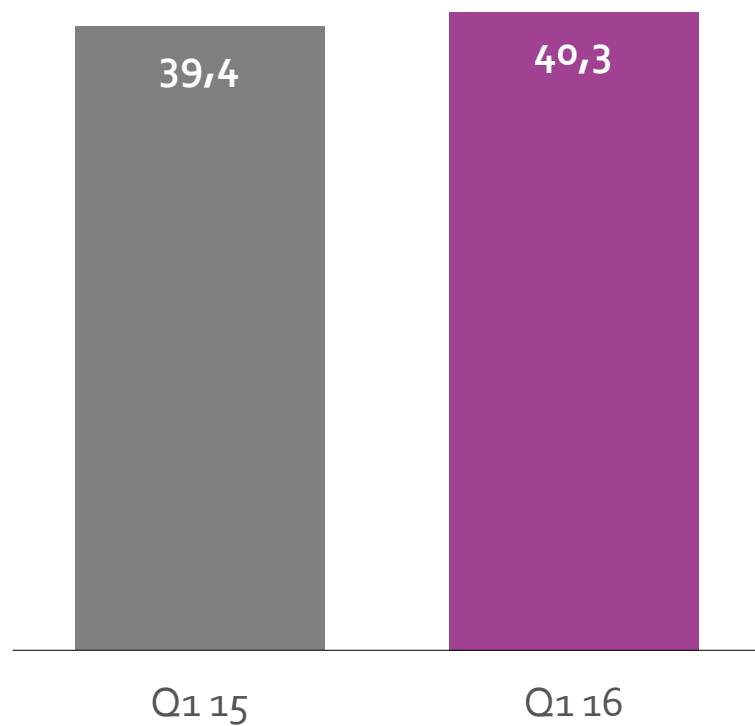
Cash flow from operating activities and investments



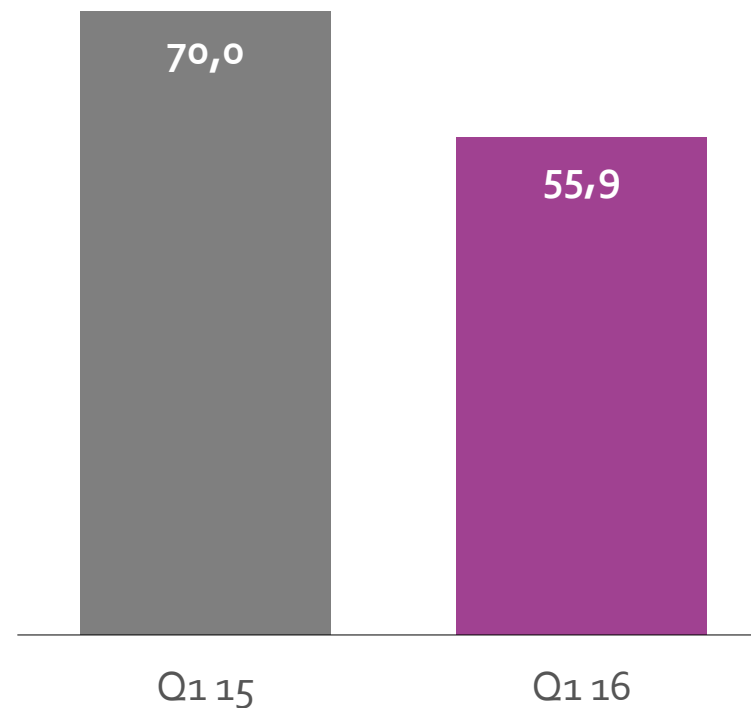
Equity ratio and Gearing

IFRS

Equity ratio, %

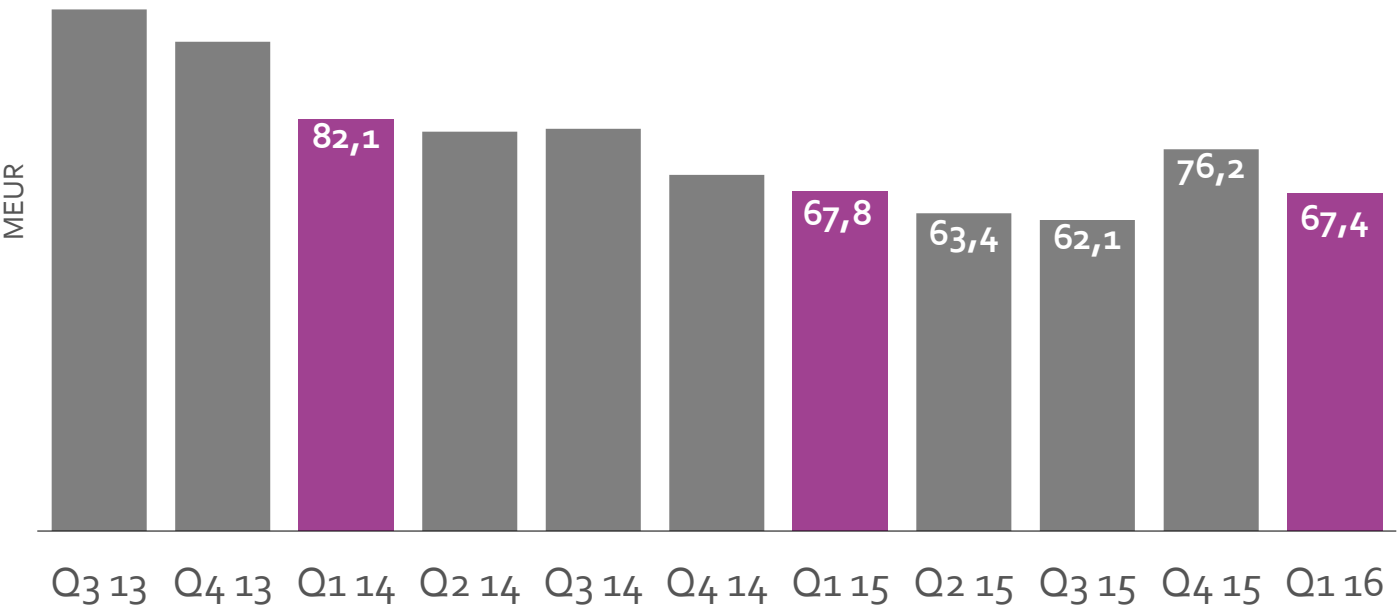


Gearing, %



Interest-bearing liabilities

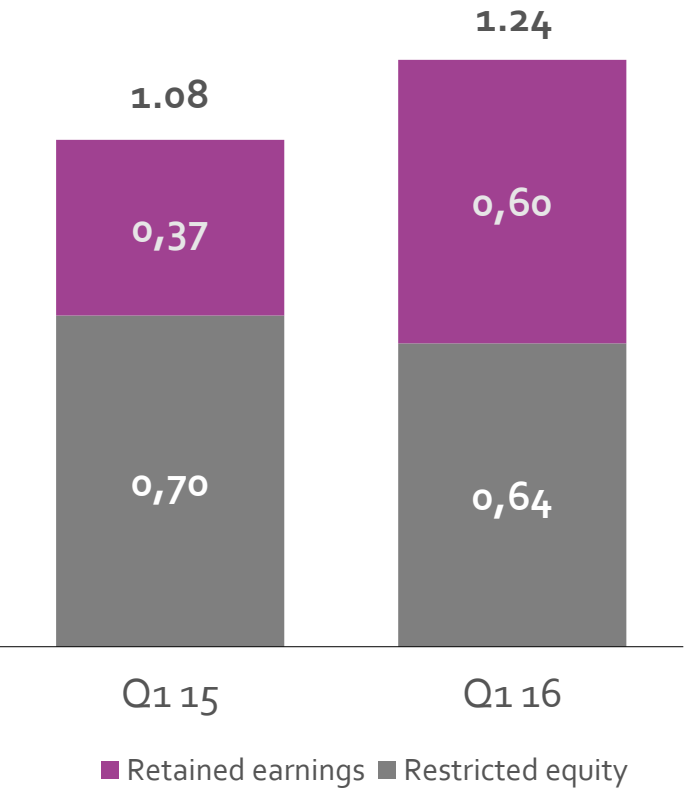
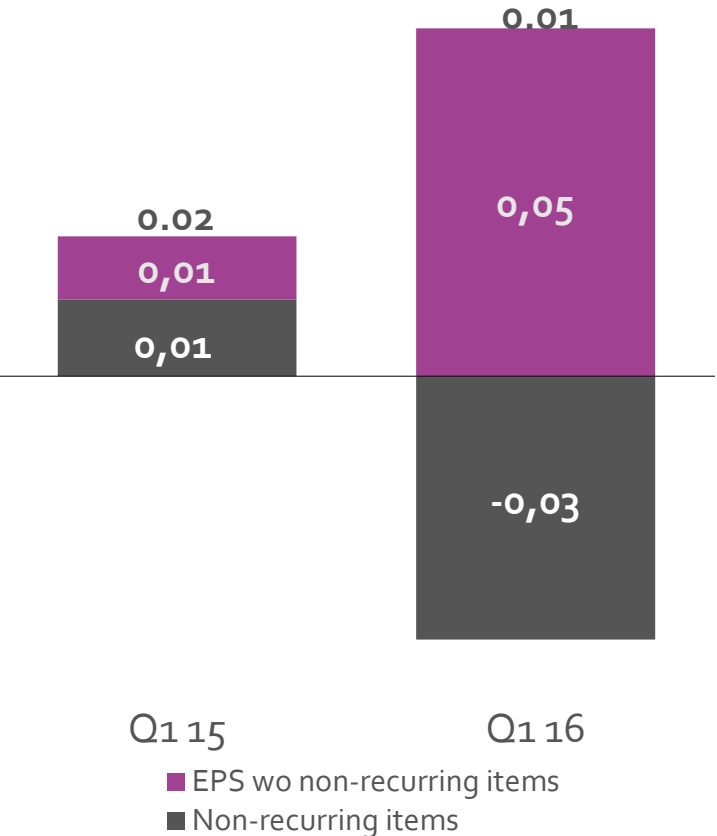
Net debt Q3/2013-Q1/2016



Net debt distribution

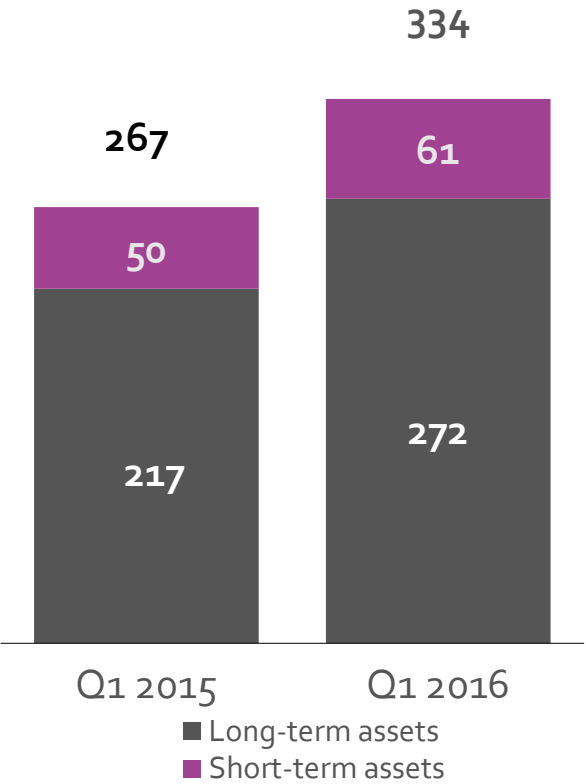
	Q1/2016
Financial leasing	63.8
Financial loans	15.4
Commercial papers	12.0
Cash and cash equivalents	-23.8
Total	67.4

EPS and shareholders' equity per share

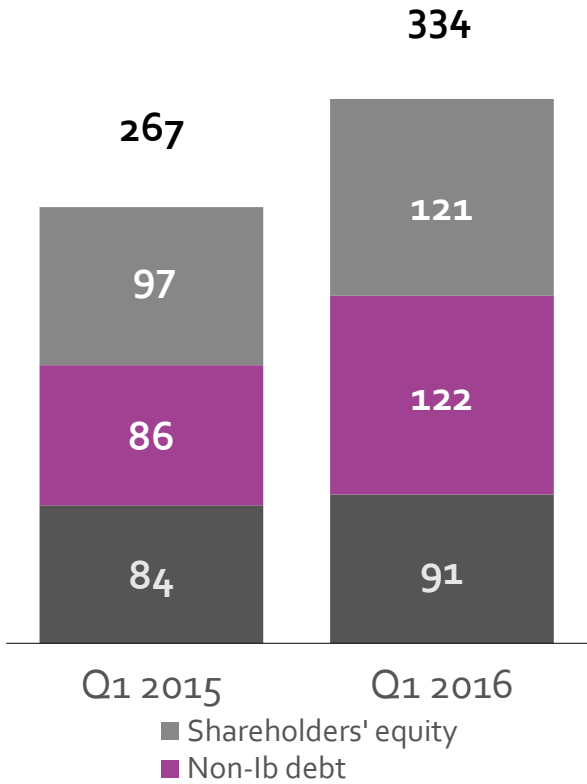


Balance Sheet

Assets



Liabilities



STRATEGY AND OUTLOOK

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Strategic development areas

Multi-channel
content

Marketing
solutions

Digital services

Resources and
expertise

We will build new capacities, seek efficiency and
accelerate growth in digital services and
media.

Extensive renewal of websites in Alma Regions

- The websites of all of Alma Regions' media will be renewed by the end of May 2016
 - Responsive websites
 - New customer service pages

AAMULEHTI

Vaihda uuteen sovellukseen, jossa mukana näköislehden lisäksi myös päivittyvä uutisvirta ja AL Klippi



The rapidly changing labour markets
are continuously requiring new and
innovative recruitment methods.

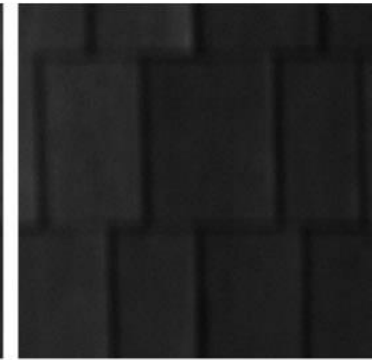
Job search is going
mobile

**PRÁCE
ZA
ROHEM**



POSLONAUT

Programmatic buying growing rapidly in Finland



2015
investments in
Finland
MEUR 18.4
(+202%)*



Buying processes are
changing: sales competence
and resources

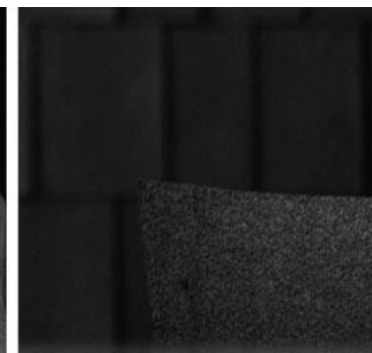


2014
investments in
Finland
MEUR 6.1*



Source: IAB
Finland

A focus of development for
Alma Media in 2016



Digital service development

Competitive
tender
service for car
servicing
[Autojerry.fi](https://www.autojerry.fi)

NettiKoti, a provider of ERP
systems for construction and
renovation (51%)



AL
MA TALENT

Outlook

- The Finnish economy is expected to show zero growth or only slight growth in 2016. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see continued economic growth, but at a lower rate than in 2015.
- Macroeconomic development affects both consumer demand and advertising volume. The structural transformation of advertising will continue in 2016; online advertising will grow, while print media advertising will decline. Total advertising volume is not expected to increase in Finland in 2016.
- The Talentum acquisition completed in late 2015 will increase Alma Media's revenue and operating profit in 2016. In 2016, Alma Media expects its full-year revenue and operating profit excluding non-recurring items to increase from the 2015 level. The full-year revenue for 2015 was MEUR 291.5, and operating profit excluding non-recurring items was MEUR 23.4.

Lowering the digital VAT rate

- The European Commission's VAT reform plan has opened up the opportunity for the application of a reduced VAT rate for digital content as early as in 2016.
- Following the decision at the EU level, expectations now turn towards national decisions.
- Would boost the competitiveness of Finnish media companies.

THANK YOU!

Upcoming events in the investor calendar:

- CMD: 17 May 2016 /Helsinki
- Q2 result: 22 July 2016

