

ALMA MEDIA

Q3/2016

Living
Information

Kai Telanne, President and CEO

Juha Nuutinen, CFO

28 October 2016

Agenda

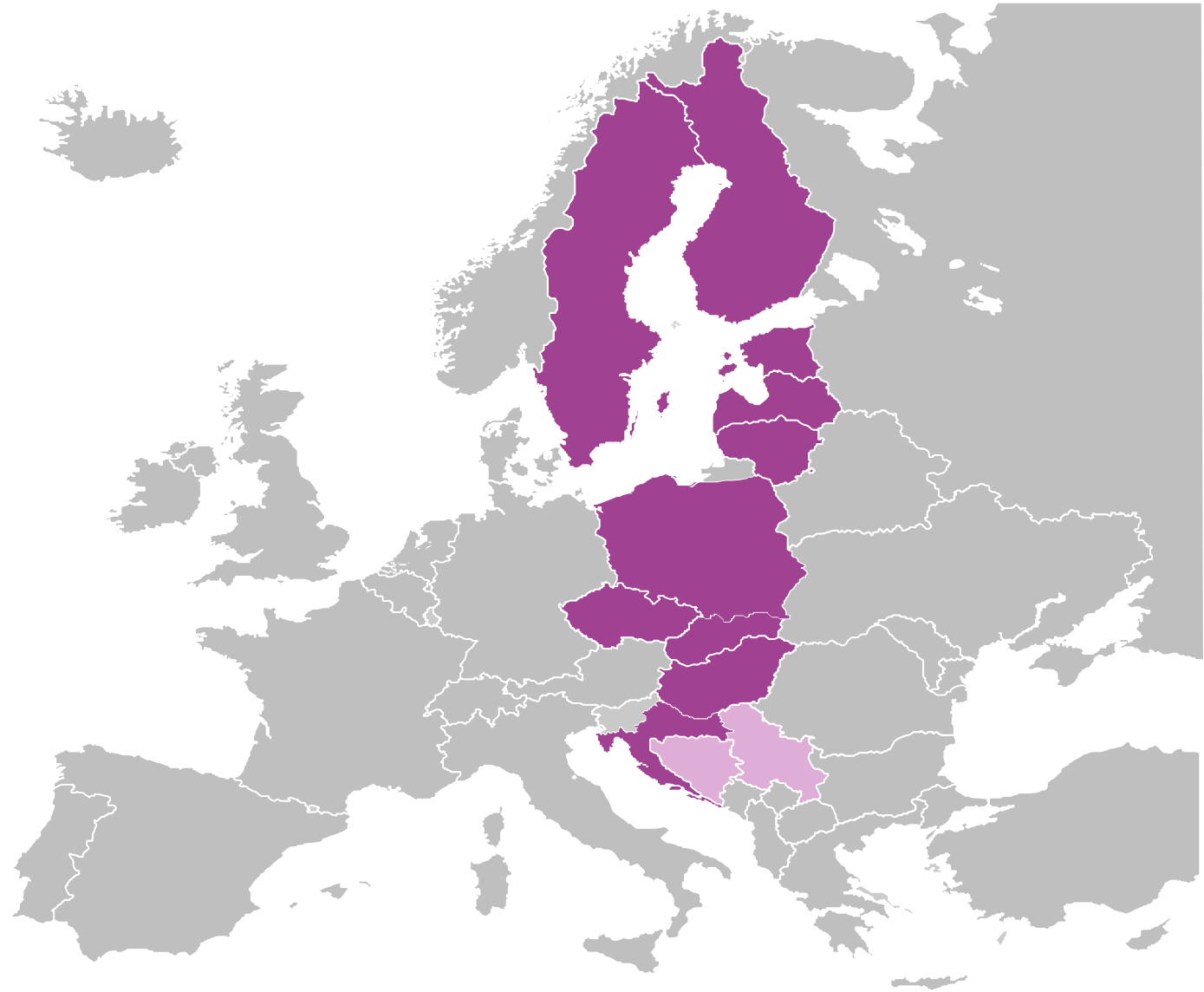
Highlights

Market development

Financial development

Strategy and outlook

Q & A



Alma Media's Q3/2016 in brief

Business continued to develop favourably

- Alma Media's revenue increased by 18.9% to MEUR 80.9.
- Adjusted operating profit grew by 20.1% to MEUR 9.1.
- Revenue from online business grew to MEUR 32.3 and represented 40.0% of the Group's total revenue.
- Financial position improved further: equity ratio 44.1% and gearing 51.0%.

Among the Group's businesses, Alma Markets and Alma News & Life saw strong growth in Q3

- Alma Markets: international recruitment services and domestic marketplaces achieved strong growth.
- Alma Talent: profitability on previous year's level, as expected. Integration of Talentum progressed as planned and the cost synergies were in line with expectations.
- Alma News & Life: the improved result is attributable to strong growth in online advertising and the shift to programmatic buying in digital advertising.
- Alma Regions: a difficult quarter in terms of both content revenue and advertising sales.

MARKET DEVELOPMENT IN FINLAND

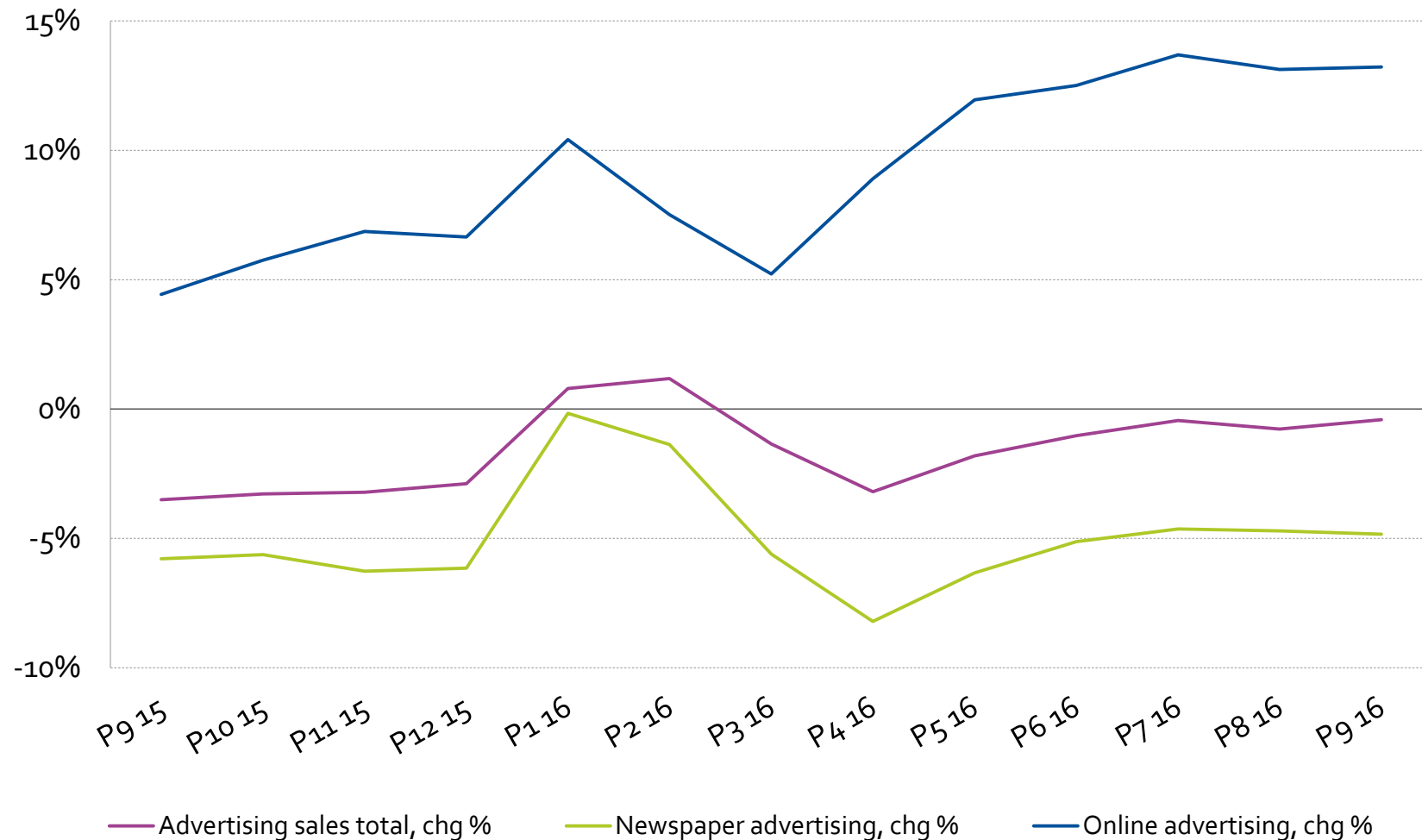
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@AlmaMedia_IR



Overall the advertising market remains subdued

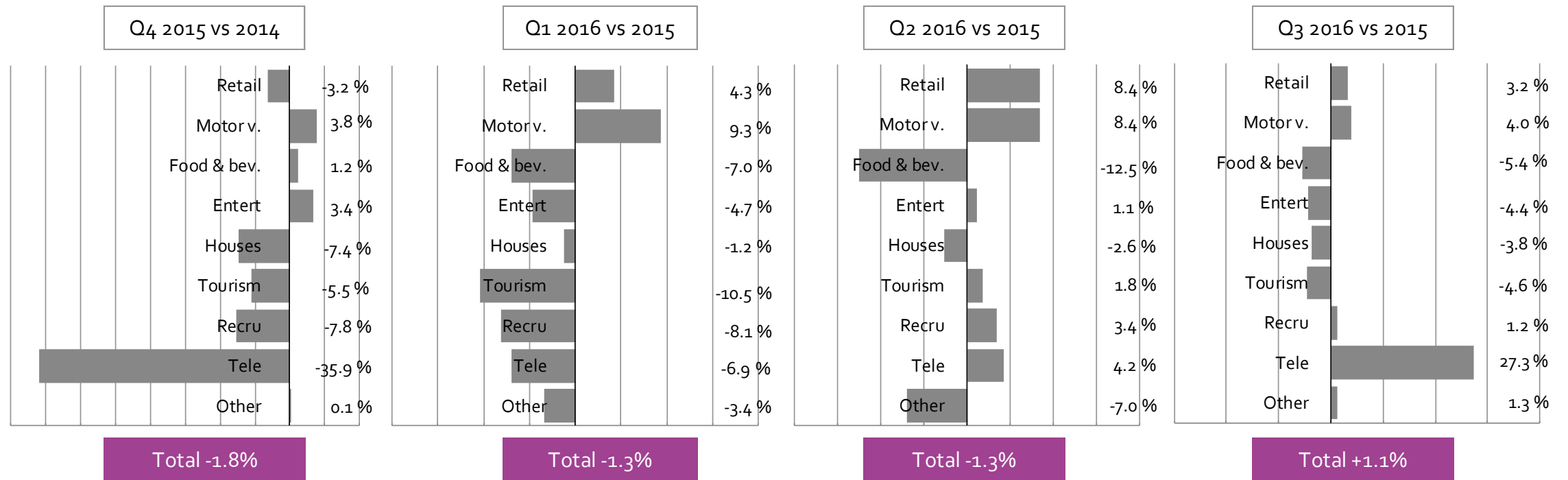
Strong growth in online advertising



Advertising sales change,
cumulative development
9/2015 - 9/2016

Media advertising has increased particularly in the telecom, motor vehicle and retail sectors

Total market, change from previous year



Source: TNS Ad Intelligence

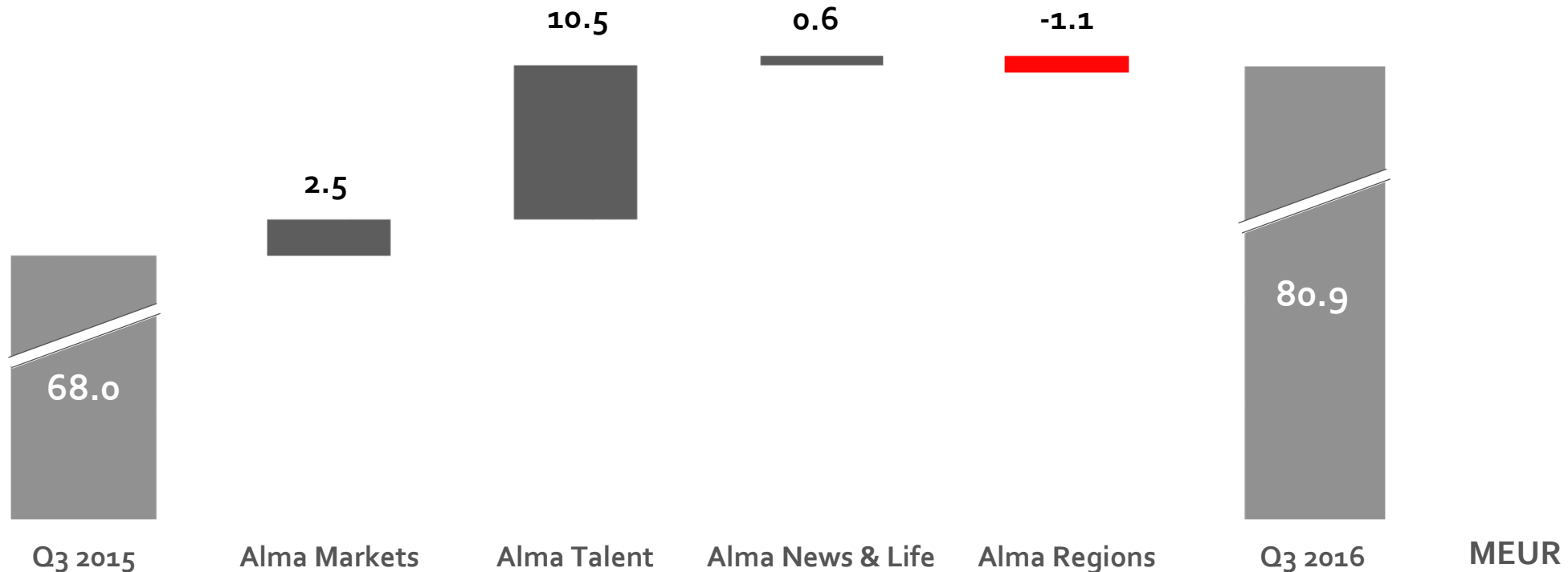
ALMA MEDIA'S PROFIT PERFORMANCE

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Revenue Q3: The positive development seen in H1 continued in Q3

- Revenue grew by 18.9% to MEUR 80.9, particularly due to the positive sales development of Alma Markets and Alma News & Life. Alma Talent's revenue grew as a result of the Talentum acquisition. Alma Regions had a difficult quarter in terms of both content revenue and advertising sales.

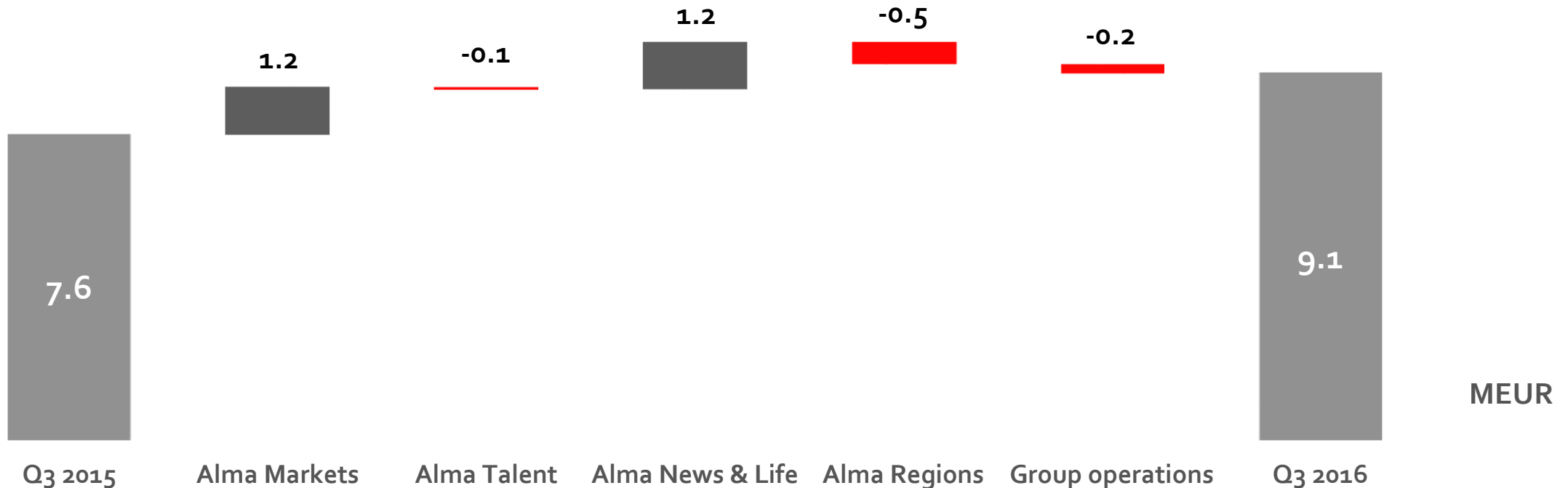
Change in revenue Q3/2015–Q3/2016,
MEUR



Adjusted operating profit Q3: Operating profit excluding non-recurring items improved

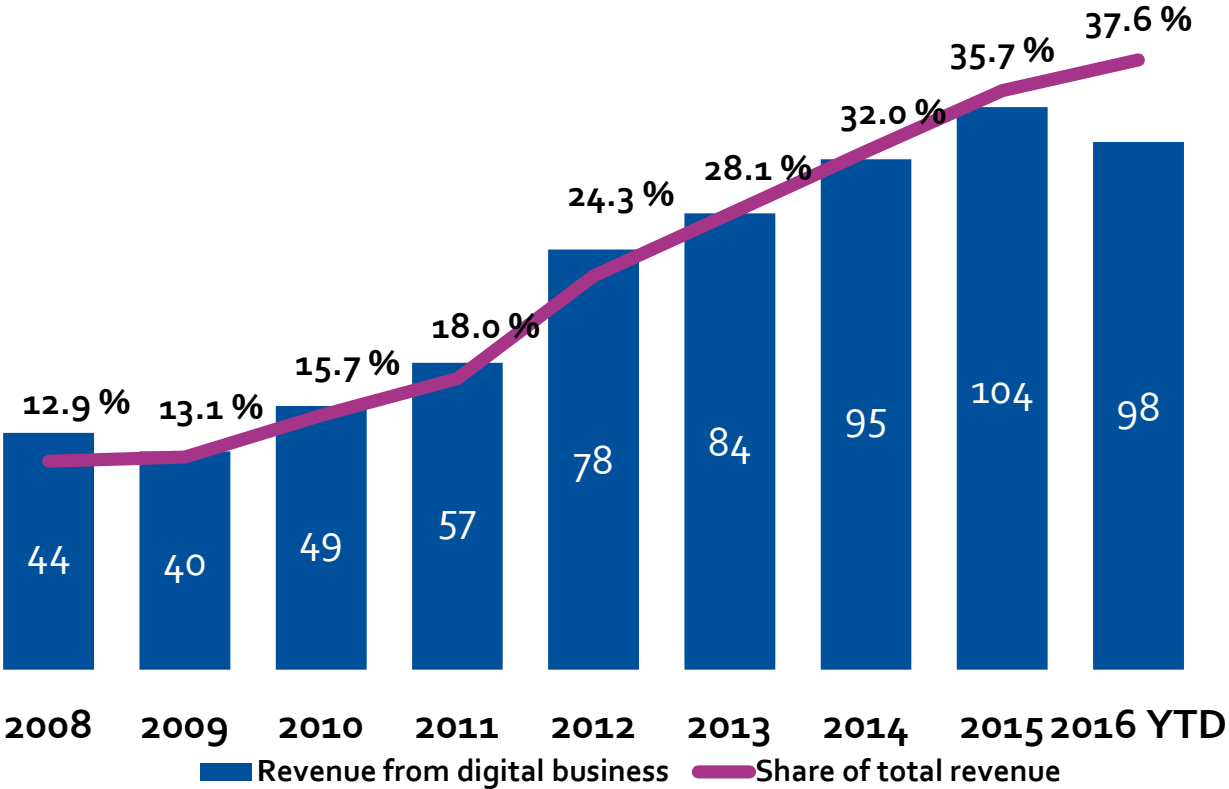
- Adjusted operating profit grew by 20.1% to MEUR 9.1 and was 11.2% (11.1%) of revenue. The improvement was attributable to the strong growth of Alma Markets and Alma News & Life.
- The operating profit includes net adjusted items in the amount of MEUR -0.2 (-1.6) related to restructuring and gains on sales from acquisitions achieved in stages.

Change in adjusted operating profit
Q3/2015–Q3/2016, MEUR

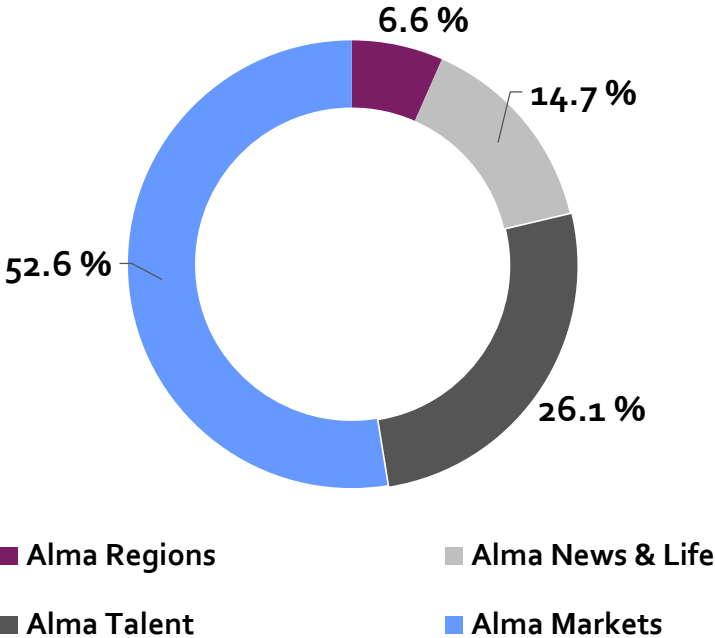


Digital business grew by 31.7 % in Q3/2016

Accounted for 40% of the Group's revenue in Q3

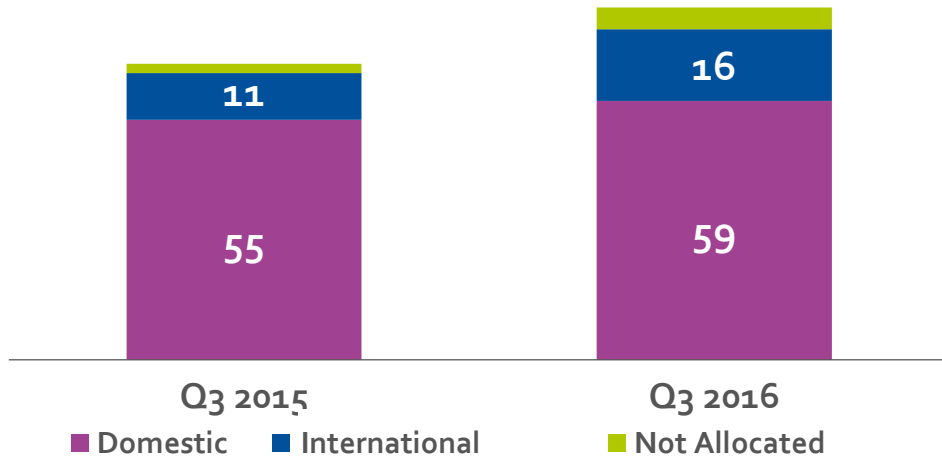


Digital business by segments
Q3/2016

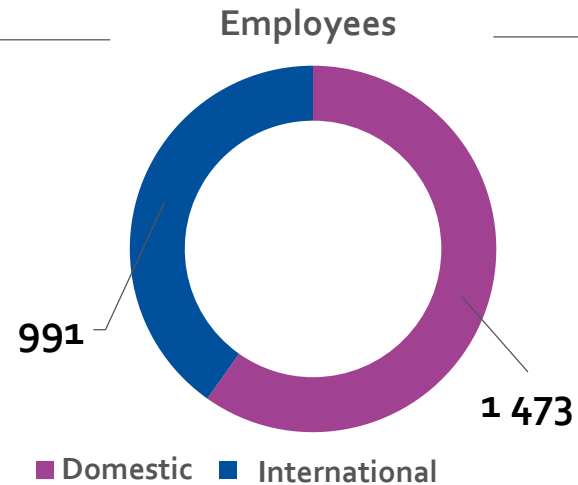
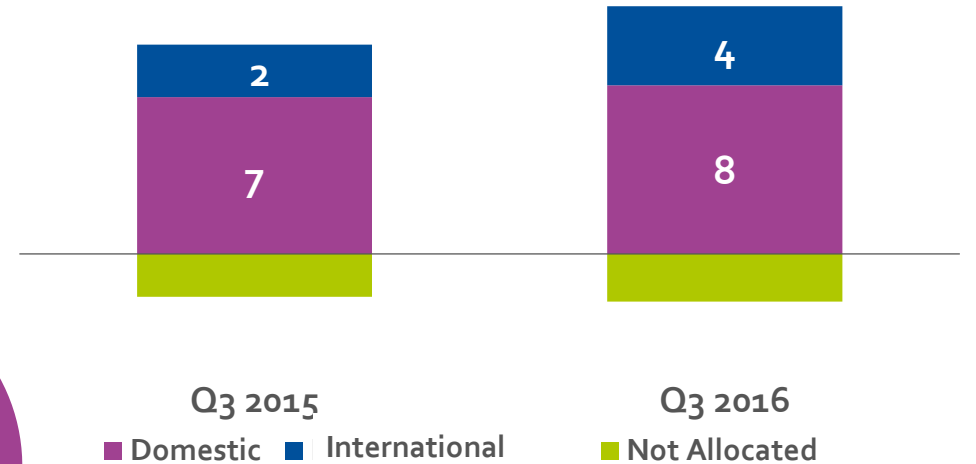


A significant share of Alma Media's result comes from international operations

Revenue, MEUR



Adjusted operating profit, MEUR



FINANCIAL REVIEW

Juha Nuutinen, CFO

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Long-term financial targets

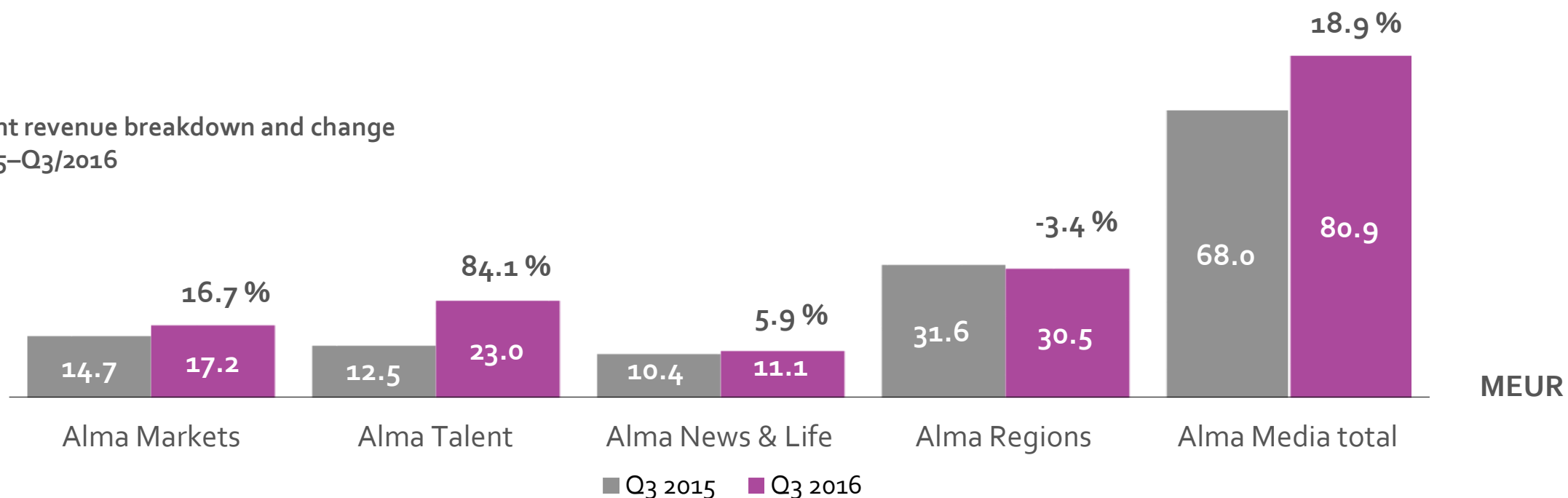
Alma Media's financial targets	2012	2013	2014	2015	1–9/2016	Target level
Digital business growth	36.8%	8.4%	11.9%	8.7%	30.6%	> 15%
Return on Investment (ROI), %	13.8%	10.0%	9.8%	6.9%	10.4%	> 15%
Dividend payout ratio*	45%	50%	63%	92%	n/a	> 50%

*Includes capital repayment to shareholders.

Revenue breakdown Q3/2016

- Content revenue +18.8% (MEUR +4.8)
 - Comparable content revenue -6.7% due to the lower circulations of print media.
- Advertising revenue +15.9% (MEUR +5.4)
 - Online advertising sales +23.7% (MEUR +4.6).
 - Advertising sales for print media +5.5% (MEUR +0.8).

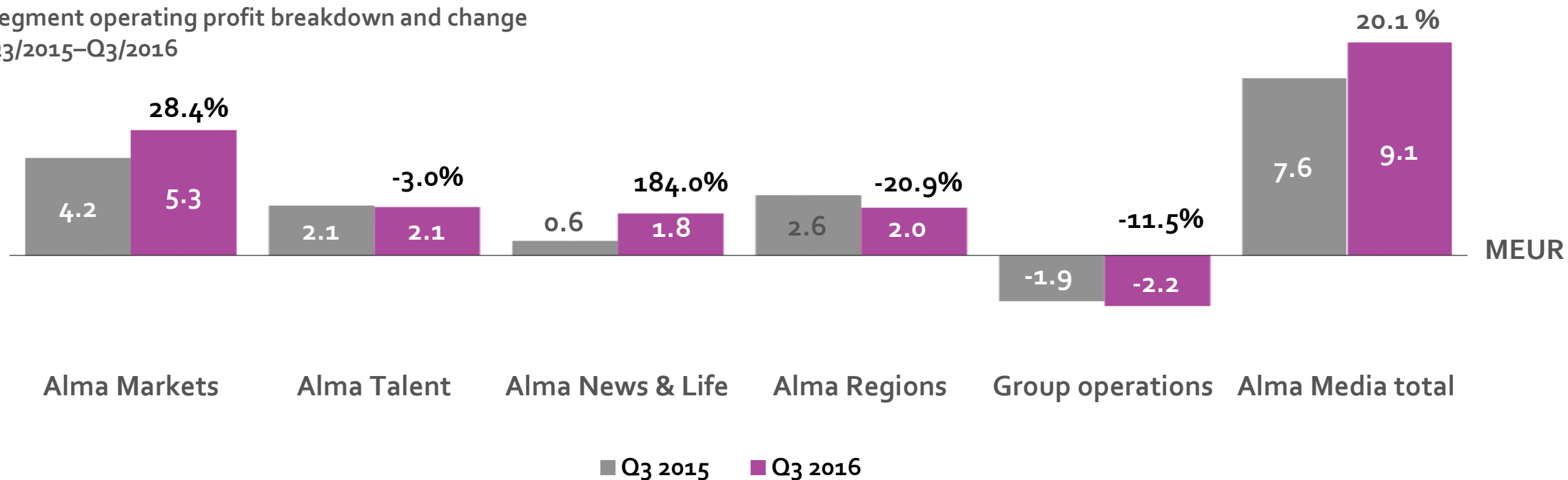
Segment revenue breakdown and change
Q3/2015–Q3/2016



Operating profit breakdown Q3/2016

- Adjusted operating profit was MEUR 9.1 (7.6), or 11.2% (11.1%) of revenue.
- The operating profit includes net adjusted items of MEUR -0.2 (-1.6) related to restructuring.

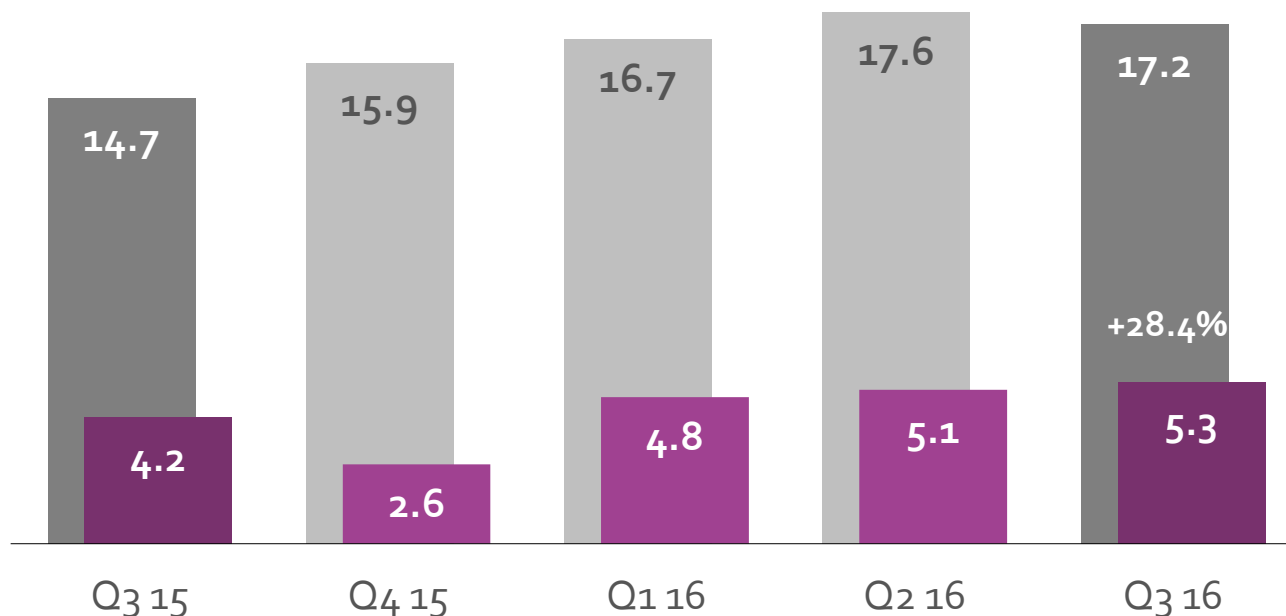
Segment operating profit breakdown and change
Q3/2015–Q3/2016



Alma Markets Q3/2016: Continued strong development

- Revenue grew by 16.7% to MEUR 17.2. The segment's international operations continued to see strong growth. In Finland, revenue increased across all business areas: housing, automotive and recruitment.
- Total revenue from the recruitment business increased by 15.0% and it accounted for 75.6% of the segment's revenue.
- Profitability also improved. Adjusted operating profit increased by 28.4% to MEUR 5.3.

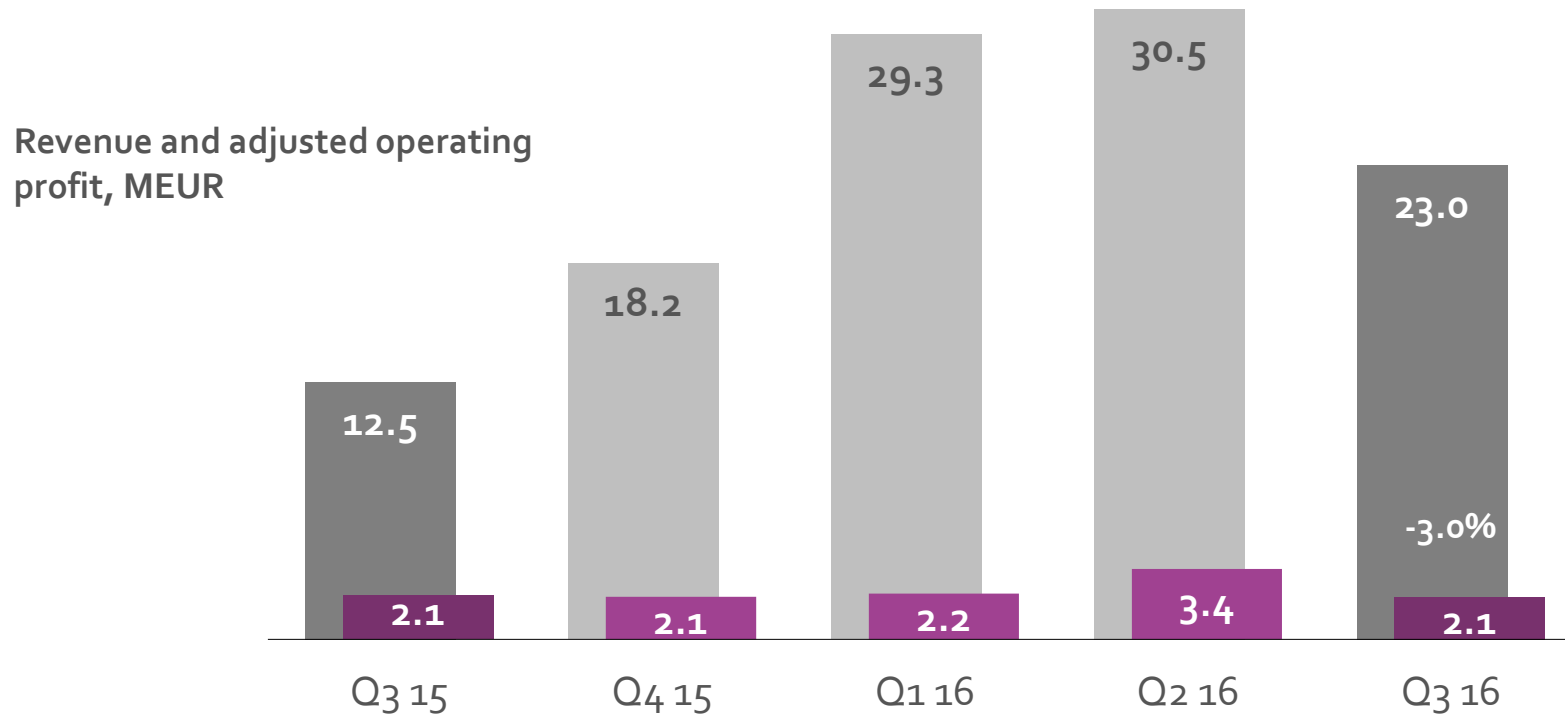
Revenue and adjusted operating profit,
MEUR



Acquisitions
(Autosofta, NettiKoti, Urakkamaailma)
increased the segment's revenue by
MEUR 0.4.

Alma Talent Q3/2016: Profitability unchanged year-on-year

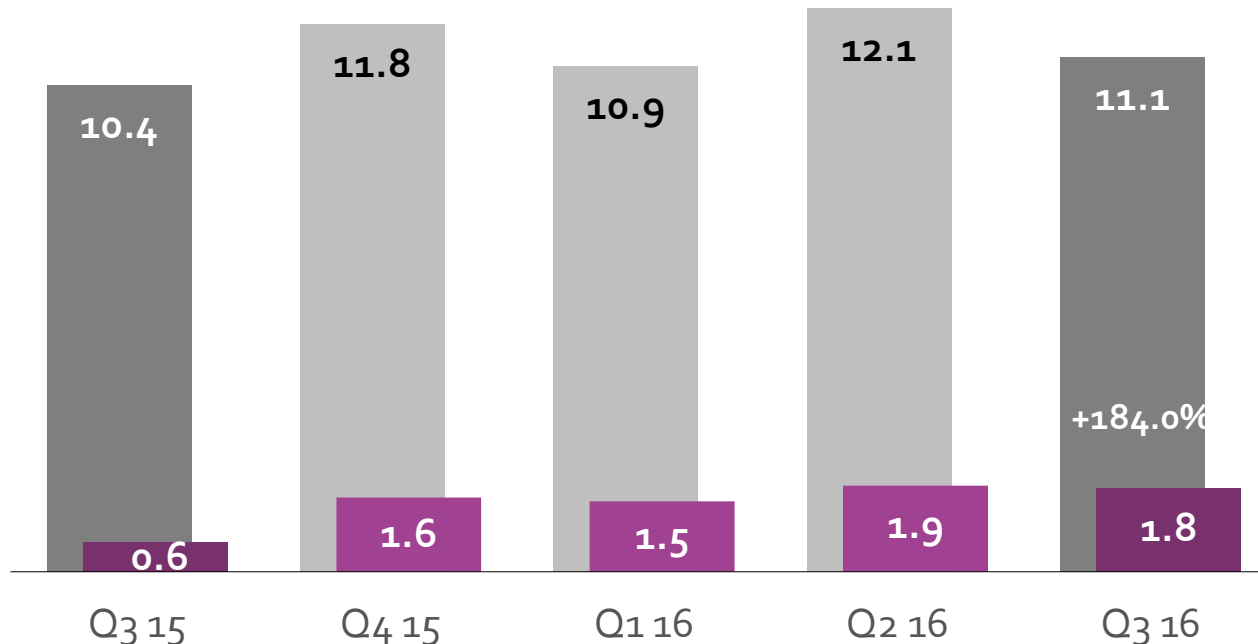
- Revenue grew by 84.1% to MEUR 23.0. Comparable revenue declined by 6.5%, particularly due to advertising sales in Sweden and the Events business.
- The integration of the Talentum businesses has progressed according to plan and the estimated cost synergies have been achieved as planned.
- Adjusted operating profit declined by 3.0% to MEUR 2.1.



Alma News & Life Q3/2016: Result boosted by digital advertising

- Revenue grew by 5.9% to MEUR 11.1. Adjusted operating profit tripled to MEUR 1.8.
- The positive development of the digital business and declining single-copy sales saw the online business increase its share of the segment's total revenue to 46.2%.
- Online advertising revenue grew by 39.6% to MEUR 4.3. Growth was achieved particularly in programmatic buying, which accounted for 34,8% of Italehti's online advertising revenue.

Revenue and adjusted operating profit, MEUR

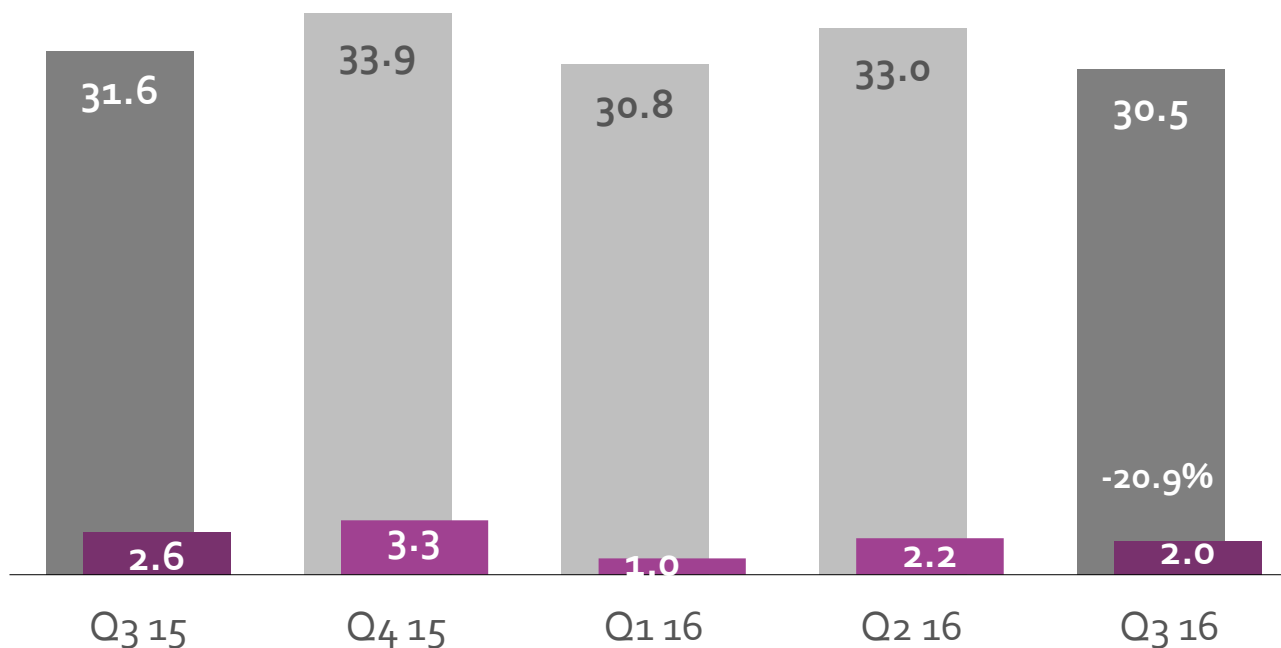


The Rantapallo.fi acquisition contributed MEUR 0.5 to the increase in revenue

Alma Regions Q3/2016: A challenging quarter

- Revenue decreased by 3.4% to MEUR 30.5, adjusted operating profit down 20.9% to MEUR 2.0.
- Measures to promote customers' shift to digital are continuing. Online business accounted for 7.3% (3.3%) of the segment's revenue.
- Adjusted total expenses declined to MEUR 28.6 (29.1) as a result of efficiency improvement measures.

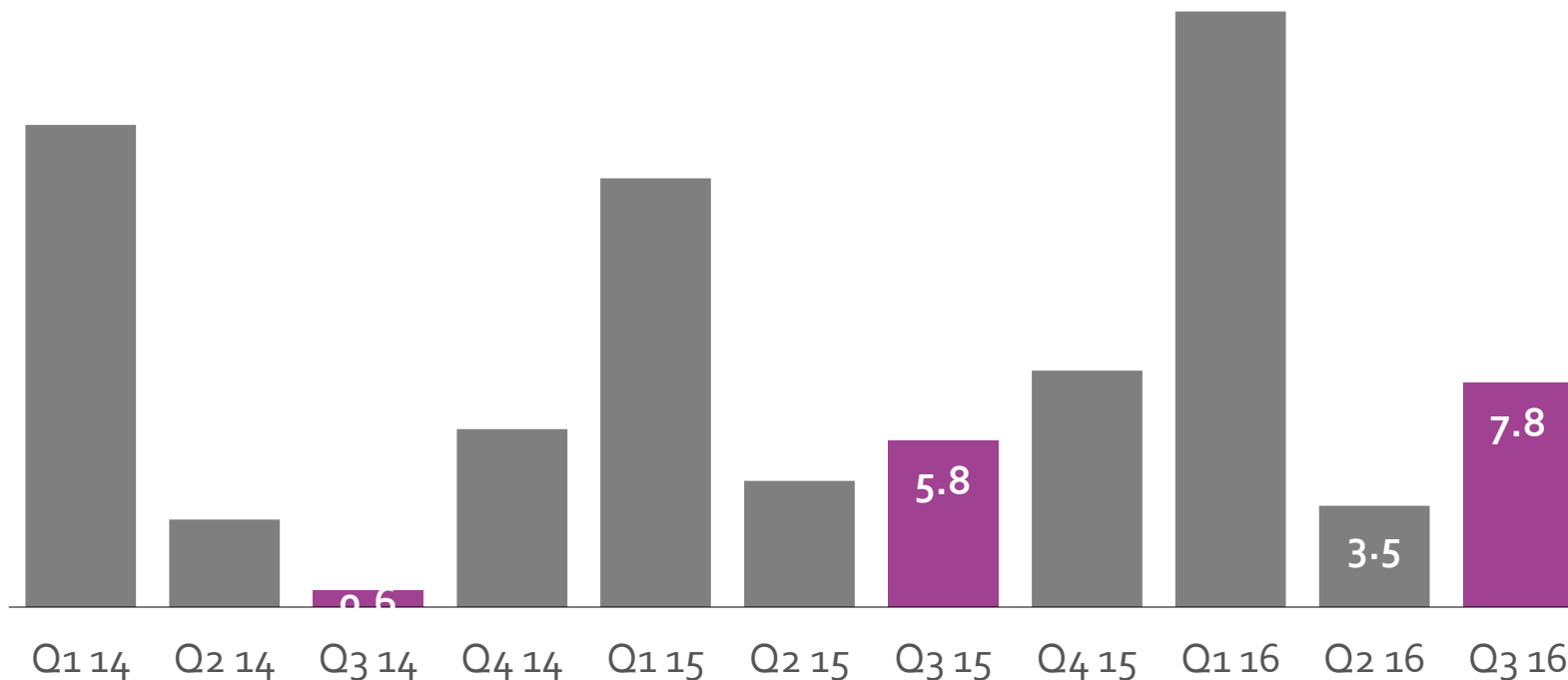
Revenue and adjusted operating profit, MEUR



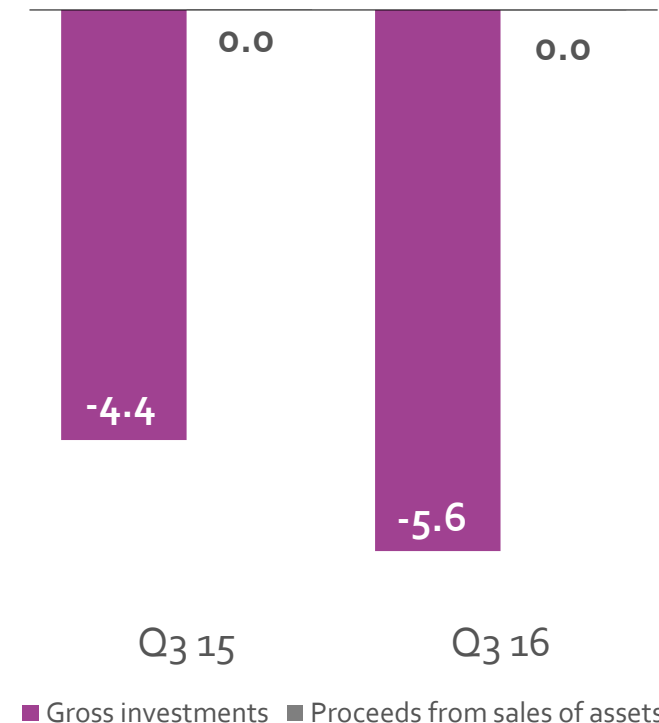
Operating cash flow and capital expenditure

- Operating cash flow increased to MEUR 7.8 (5.8) due to the stronger result.
- Cash flow from investing activities amounted to MEUR -5.6 (-4.4). Maintenance investments totalled MEUR -1.5. Acquisitions include the redemption of minority shares in Talentum and the acquisition of the Uusi Suomi business.
- Cash flow before financing was MEUR 2.2 (1.3).

Cash flow from operating activities, MEUR



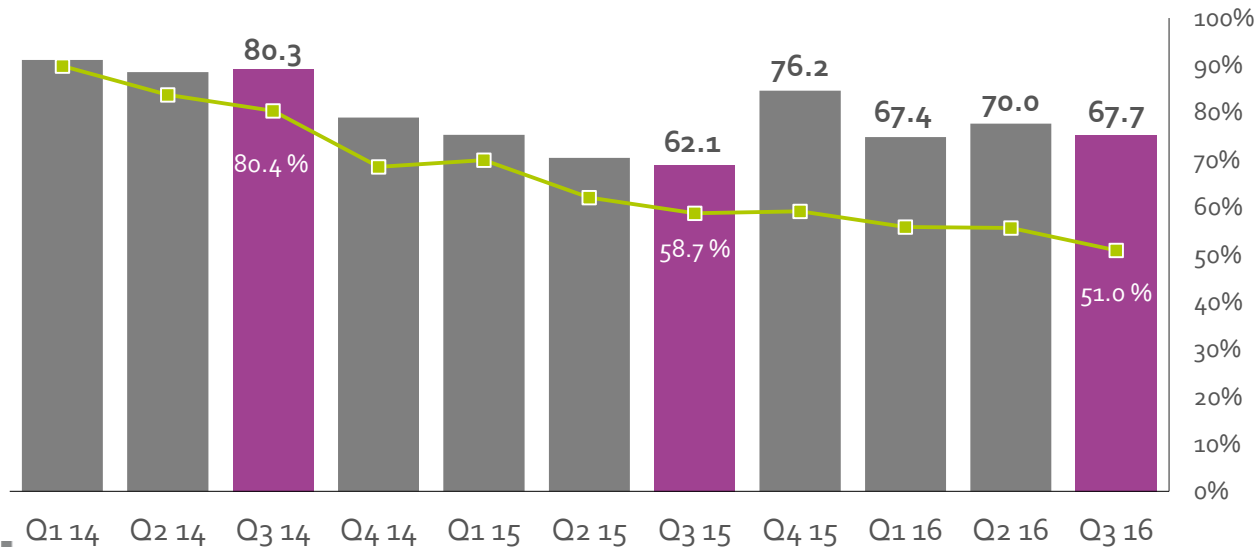
Cash flow from investing activities, MEUR



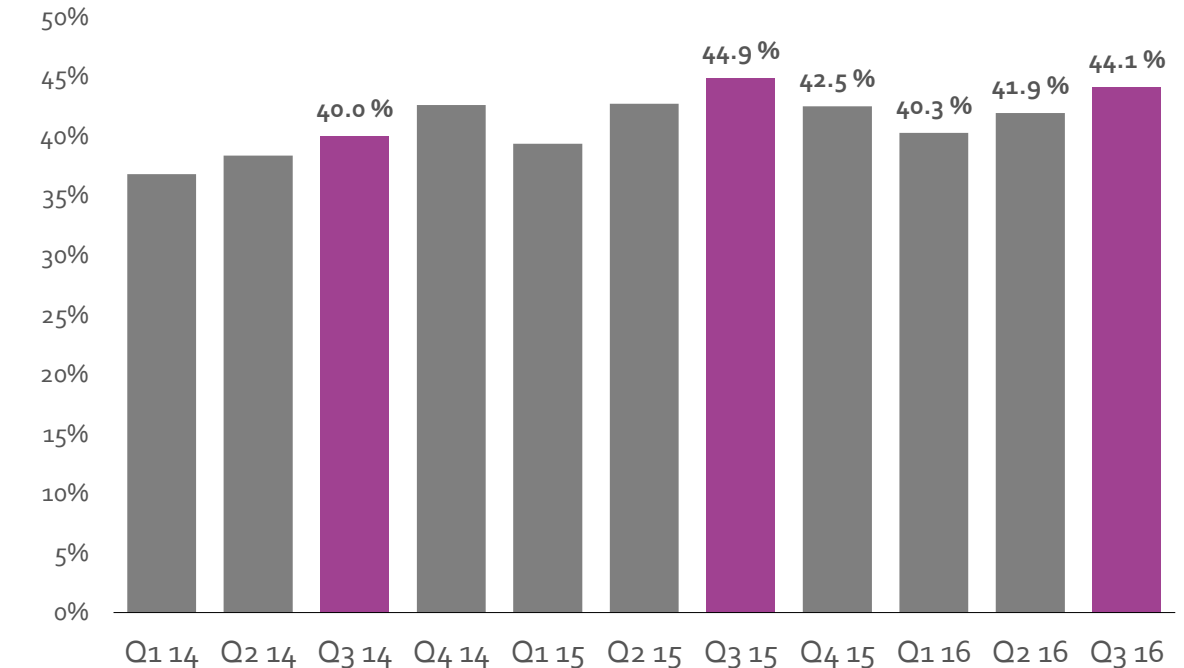
Interest-bearing liabilities decreased, equity ratio improved

- At the end of September, the gearing ratio was 51% and net debt stood at MEUR 67.7.
- Interest-bearing liabilities totalled MEUR 89.0 at the end of September. Of the interest-bearing liabilities, non-current liabilities accounted for MEUR 73.9.
- The equity ratio rose almost back to the pre-Talentum acquisition level.

Net debt, MEUR and gearing, %
Q1/2014–Q3/2016



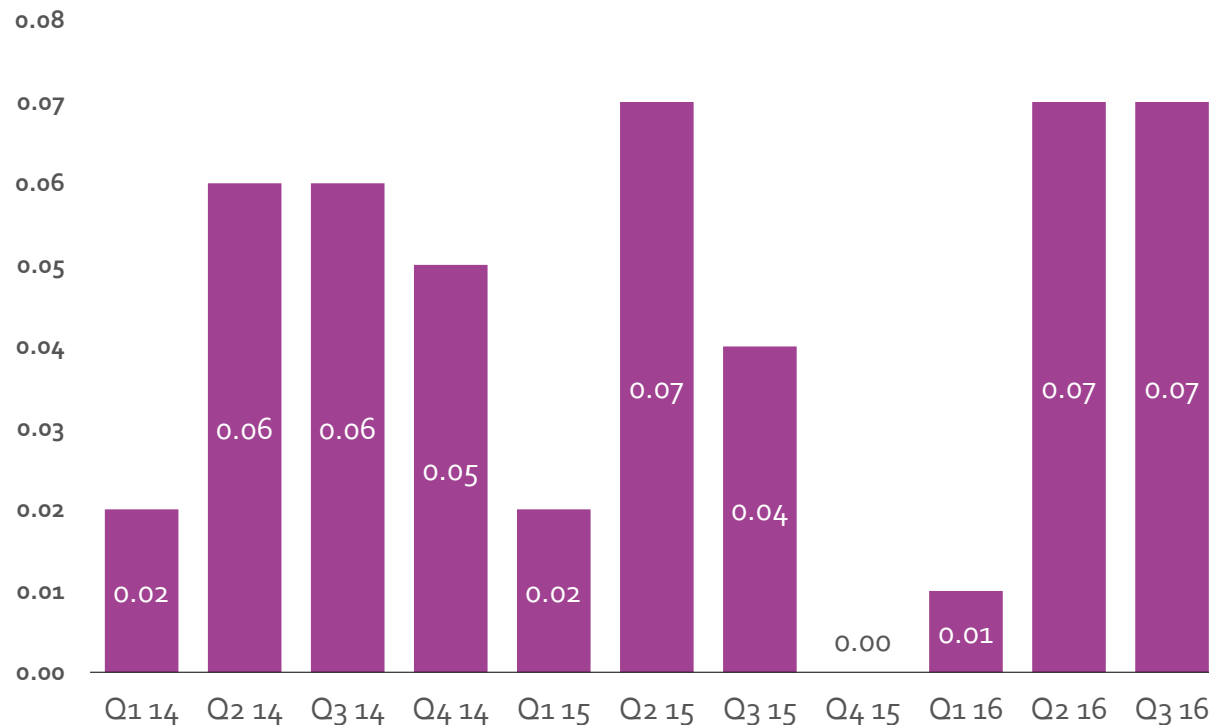
Equity ratio,
Q1/2014–Q3/2016



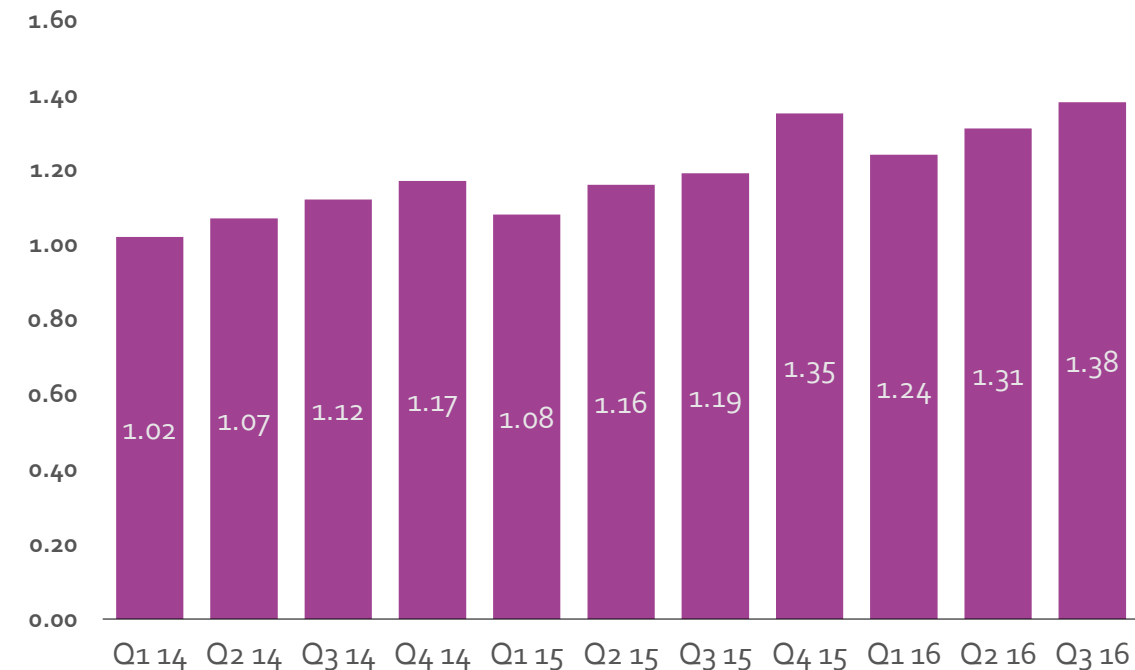
EPS and equity per share

- EPS in Q3 increased to EUR 0.07 (EUR 0.04) due to the improved result. The comparison period also included adjusted items of MEUR -1.6.

Earnings per share, EUR



Shareholders' equity per share, EUR





STRATEGY AND OUTLOOK

Kai Telanne

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Strategic development areas

**Multi-channel
content**

**Marketing
solutions**

Digital services

**Resources and
expertise**

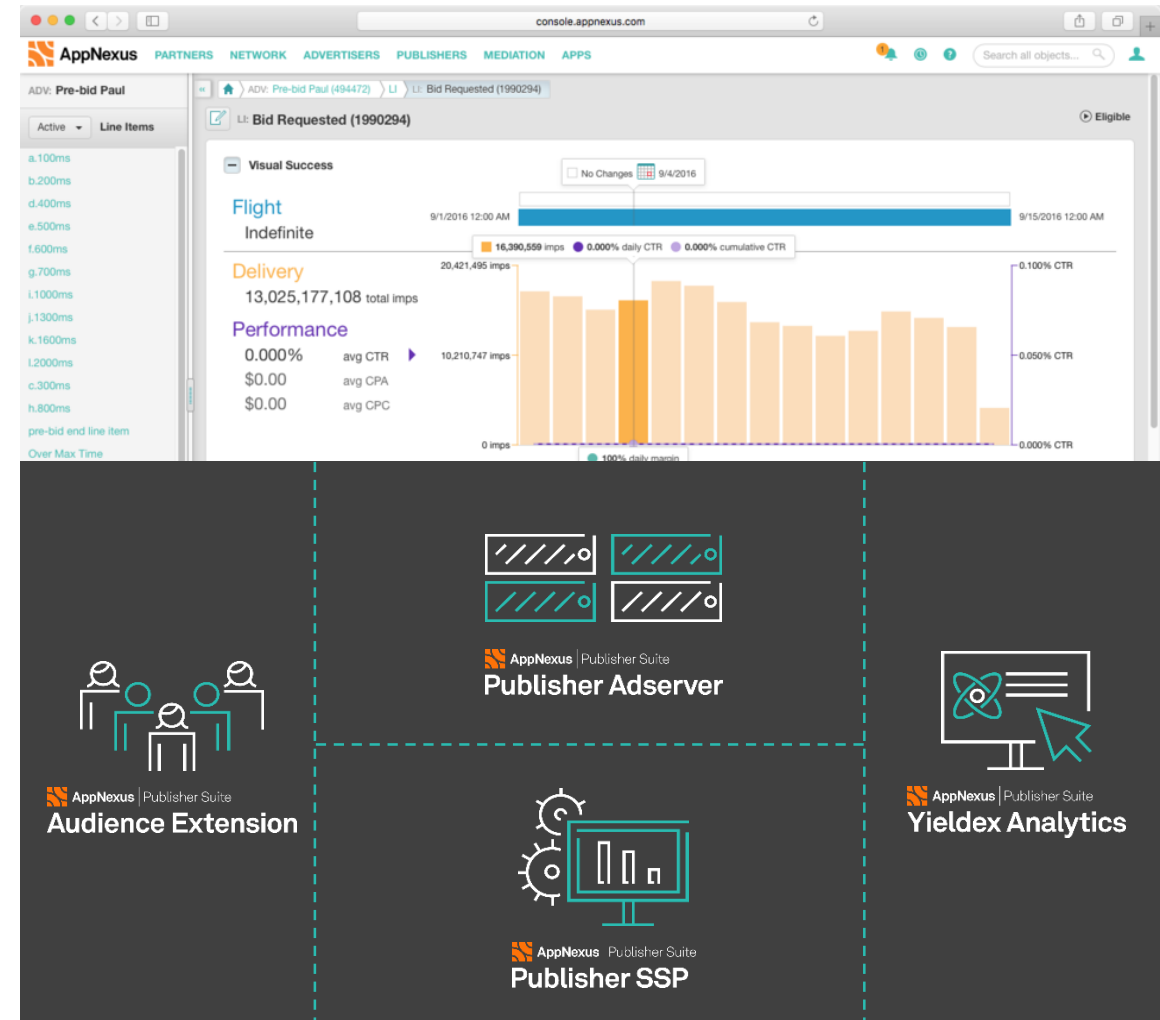
**We will build new capabilities, seek efficiency and
accelerate growth in digital services and
media.**

Digital advertising distribution system

Marketing
solutions

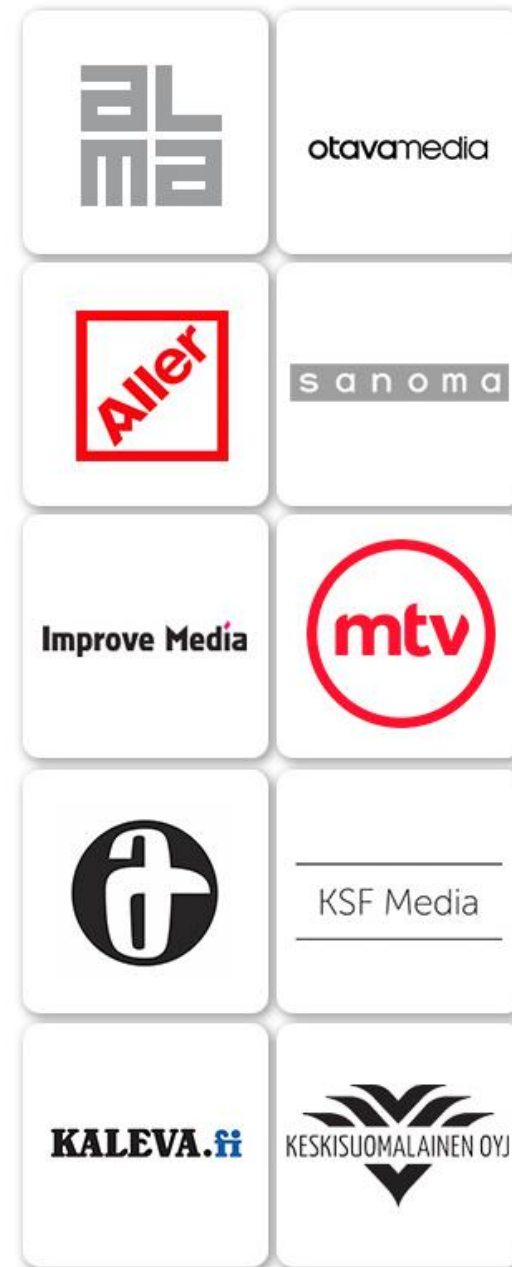
- Investment in a comprehensive digital advertising distribution system, cooperation with AppNexus.
 - Modernises and enhances the efficiency of digital advertising functions with regard to management, optimisation, forecasting, yield analysis and programmatic buying.
 - Will be deployed in 2016 in the media network formed by Alma Media's news media, lifestyle media and marketplaces.
 - The Alma network is one of Finland's largest media networks. Alma digital network reaches 68 % of Finns aged 15 to 74*

*Sources: TNS Metrix, TNS Atlas H1/2016



Finnish media companies' Automated Guaranteed market place

- Alma and 9 other largest Finnish media companies launched on October 25 a shared Automated Guaranteed digital advertising market place.
- It makes easier and faster for media agencies to plan and buy digital advertising
 - Allows buyers to select suitable media and products, check the availability of impressions, negotiate prices, ad placements and deliver materials.
 - The marketplace covers desktop, mobile and video advertising products.

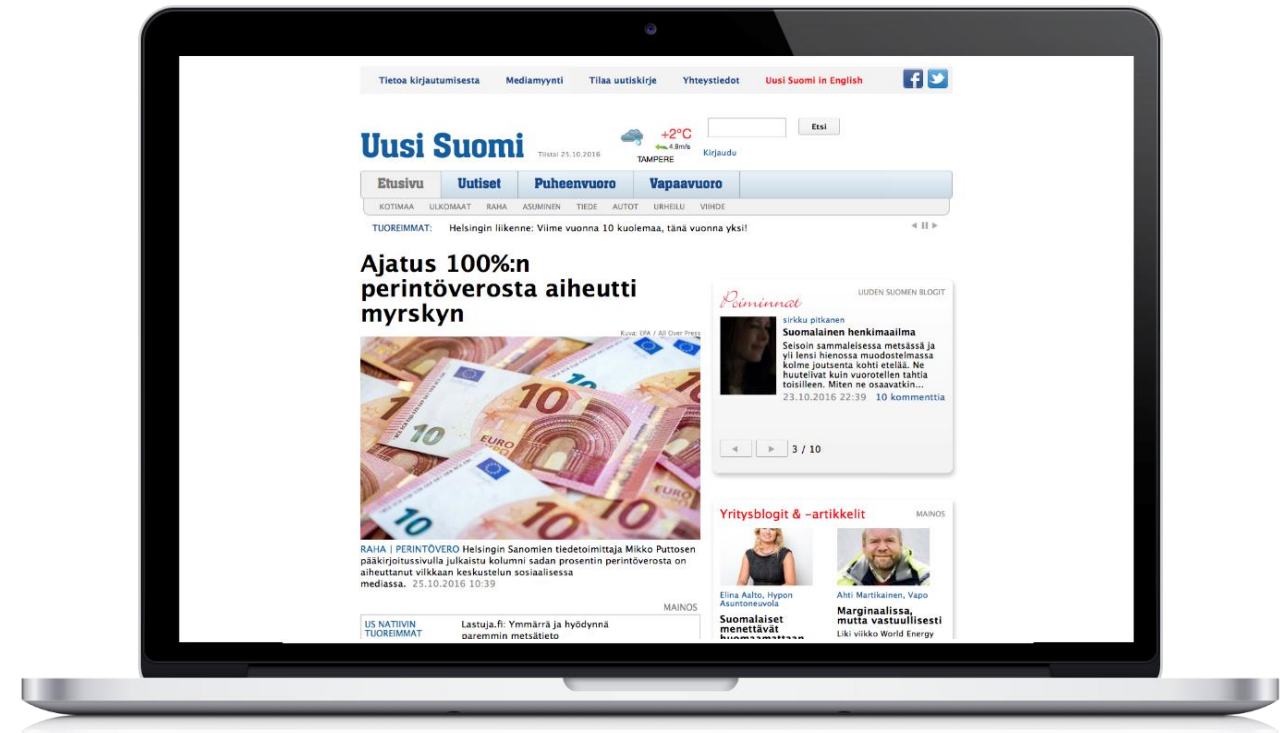


Marketing
solutions

Uusi Suomi returns to Alma Media

Multi-channel
content

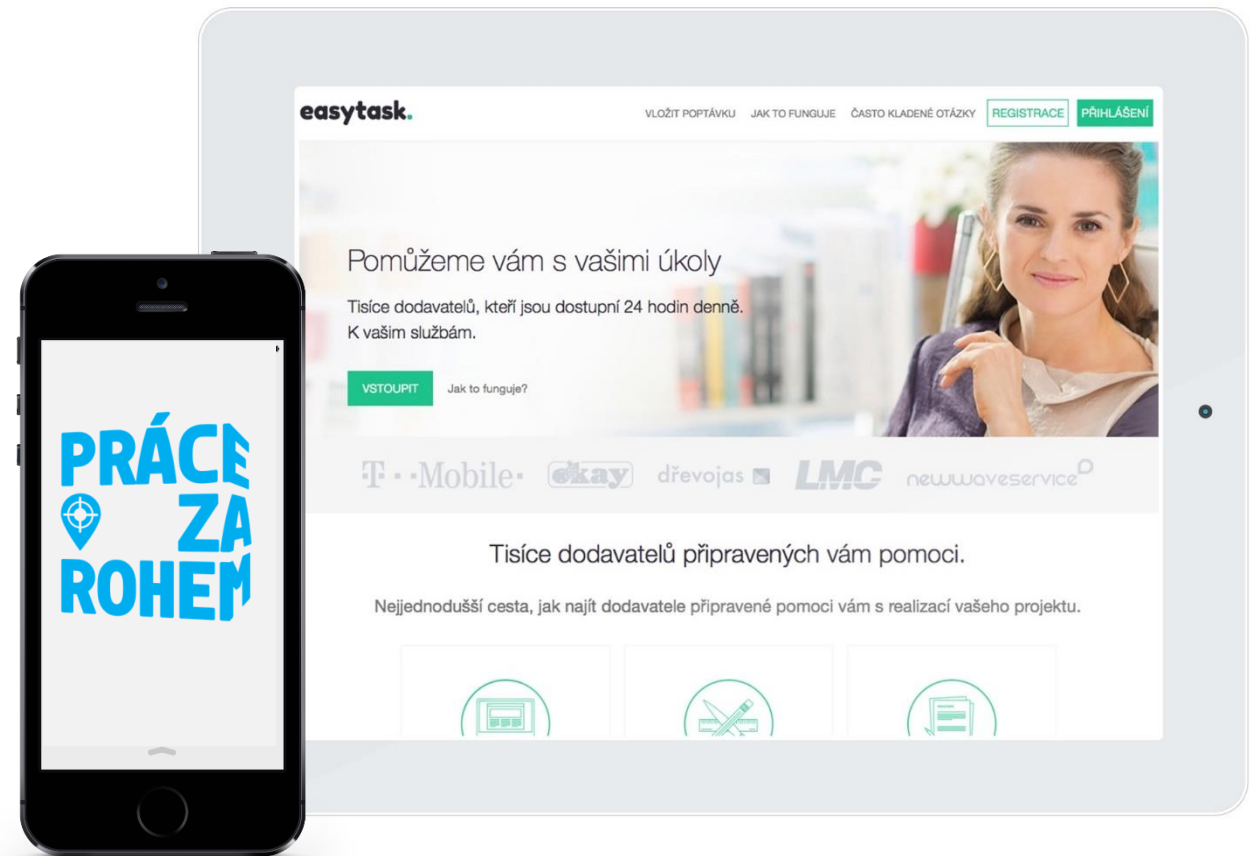
- Alma Media acquired the business of Uusi Suomi, a digital news and blog service that specialises in social dialogue.
- Measured by the number of visitors, Uusi Suomi is one of the largest online services in Finland. Its average weekly reach, measured by TNS Metrix, is currently approximately 350,000.
- In addition to news services, Uusi Suomi offers its readers the blog services Puheenvuoro and Vapaavuoro.
- Uusi Suomi was added to the Alma Talent business unit.



Additional services in recruitment

Digital services

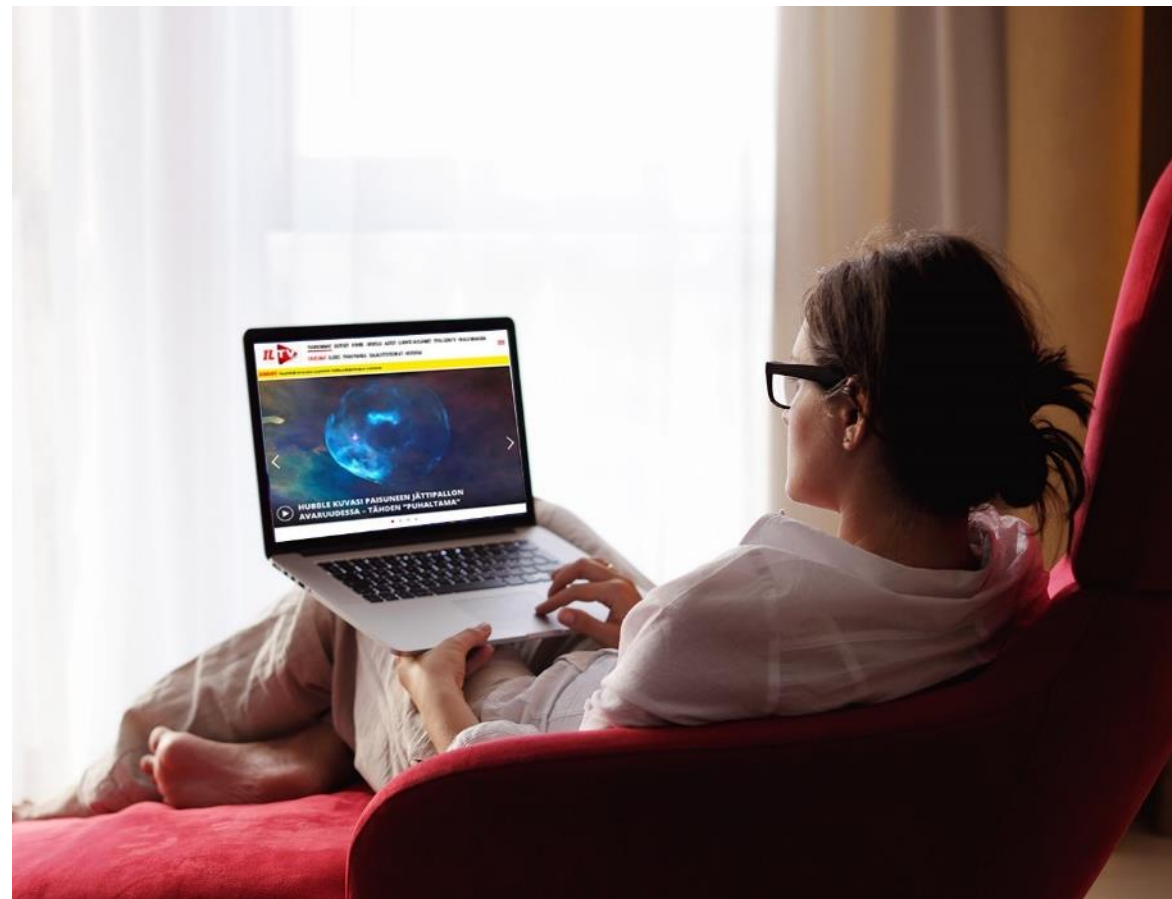
- Pracezarohem.cz (Work Behind the Corner), a mobile service which provides information on vacancies based on geographic proximity, has been well received after its launch in the Czech Republic and the service has seen rapid growth in its visitor numbers.
- Another service that has become popular is Easytask.cz, an online service that helps businesses find temporary staff.



IL-TV: over 5 million plays per week

Advertisement production also to product portfolio

- IL-TV exceeded the milestone of five million plays per week during the review period, which is a significant amount even by international standards.
- Launched in 2007, IL-TV is one of Finland's first online video services.
- Alma News & Life's online television service IL-TV has begun to produce advertising videos and TV commercials in addition to online TV programmes and programme formats.



Alma Talent's integration progressing as planned

- The names of Alma Talent's service businesses will be harmonised during the autumn.
- The visual identity of all businesses will be made consistent with the Alma brand.
- The strategy drafted for digital media products and services progressed to the project implementation phase, such as Kauppalehti's stock exchange service on mobile.
- Cooperation between Alma Talent and Monster in recruitment advertising started.
- Restructuring measures continued in Alma Talent's Swedish businesses.



Outlook

- Alma Media revised its outlook for 2016 in a release published on 14 September 2016. In 2016, the company expects its full-year revenue and adjusted operating profit to increase clearly from the 2015 level. Outlook for 2016 according to the release published on 14 September 2016:
- The Finnish economy is expected to show zero growth or only slight growth in 2016. Alma Media's main 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.
- 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 adjusted operating profit to increase clearly from the 2015 level. The full-year revenue for 2015 was MEUR 291.5, and the adjusted operating profit was MEUR 23.4.

THANK YOU!

Upcoming events in the investor calendar:

- Q4 result and financial statements release 2016: 10 February 2017
- Annual General Meeting: 22 March 2017.
- Financial Statements, Report by the Board of Directors, Auditor's Report and Corporate Governance Statement for the 2016 financial year: 1 March 2017

