

ALMA MEDIA

Q3/2017

Kai Telanne, President and CEO

Juha Nuutinen, CFO

Living
Information

Prague, Czech



Agenda

Highlights

Market development

Business performance

Financial position

Strategy and outlook

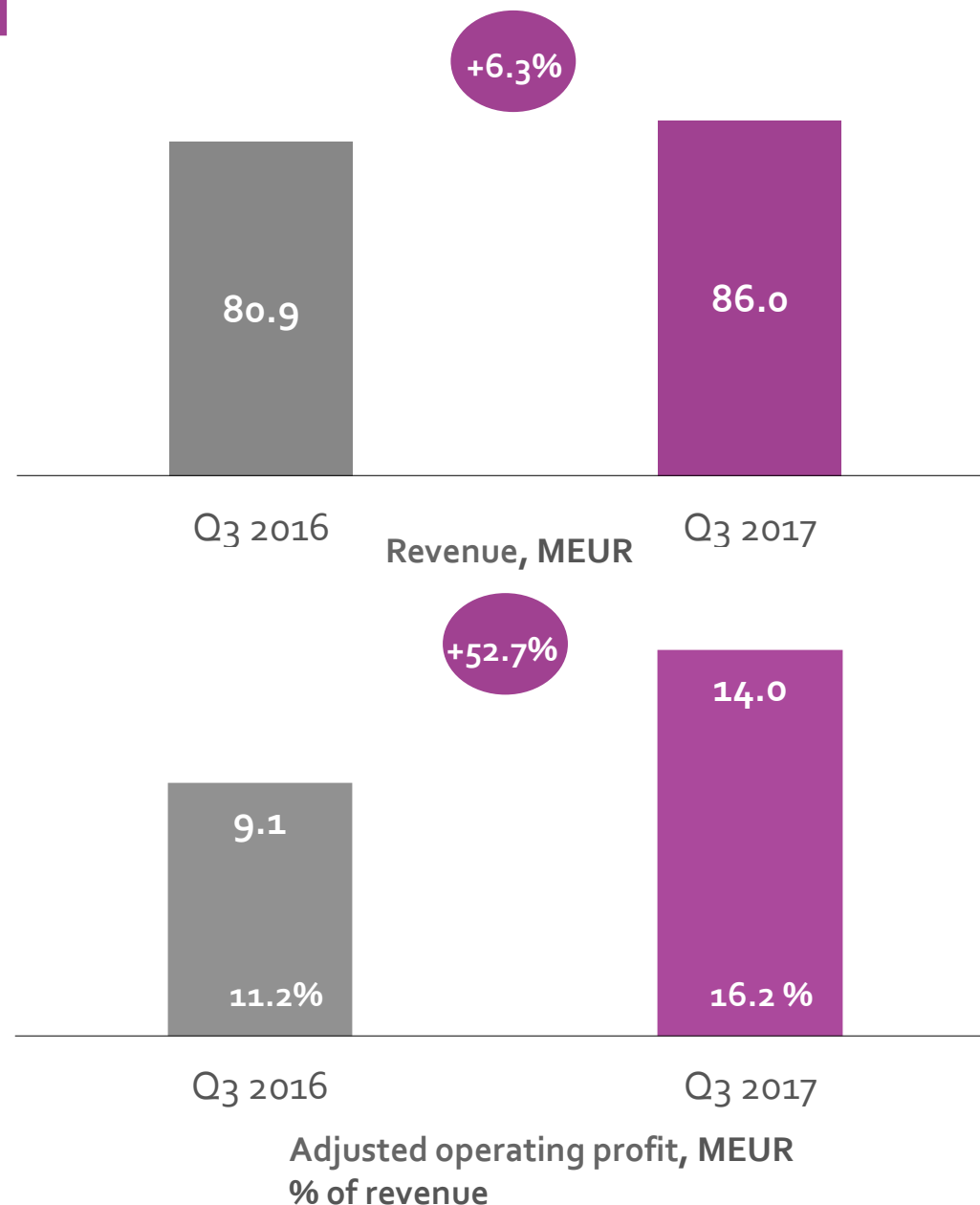
Q&A



Alma Media's Q3/2017 in brief

Profitability growing strongly

- Revenue grew by 6.3% to MEUR 86.0.
- Adjusted operating profit grew by 52.7% to MEUR 14.0.
- The good profitability development of the first half of the year continued, supported by the continued excellent profit performance in the Alma Markets segment as well as cost savings generated by previously implemented restructuring measures in Alma Talent, Alma Regions and shared operations.



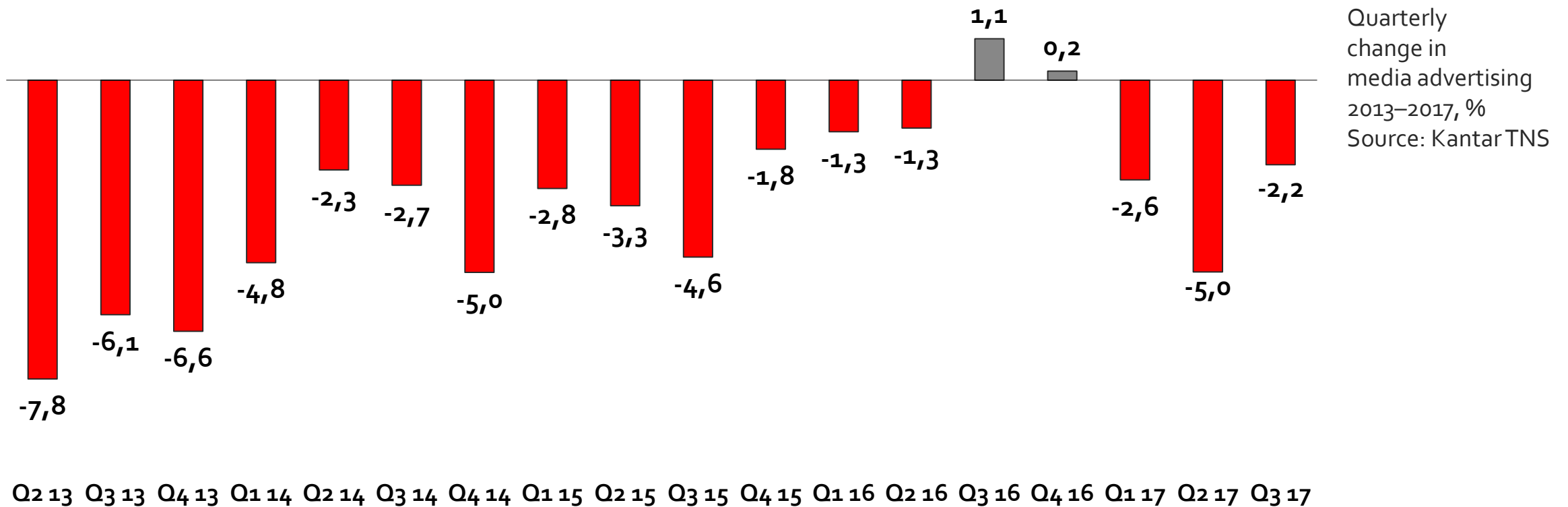


MARKET DEVELOPMENT

Prague, Czech



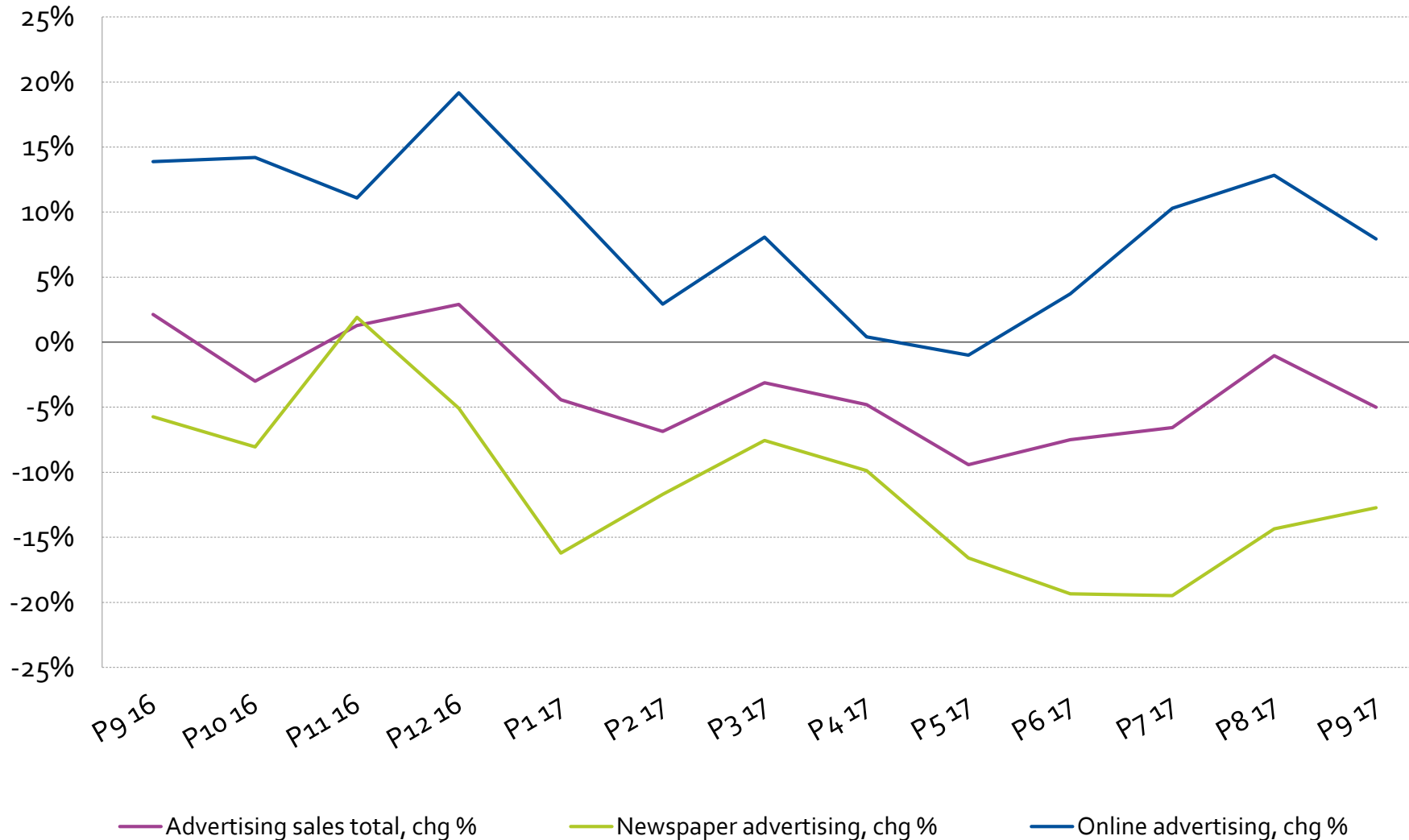
Finland's economy is growing, but the positive boost has not reached the advertising market



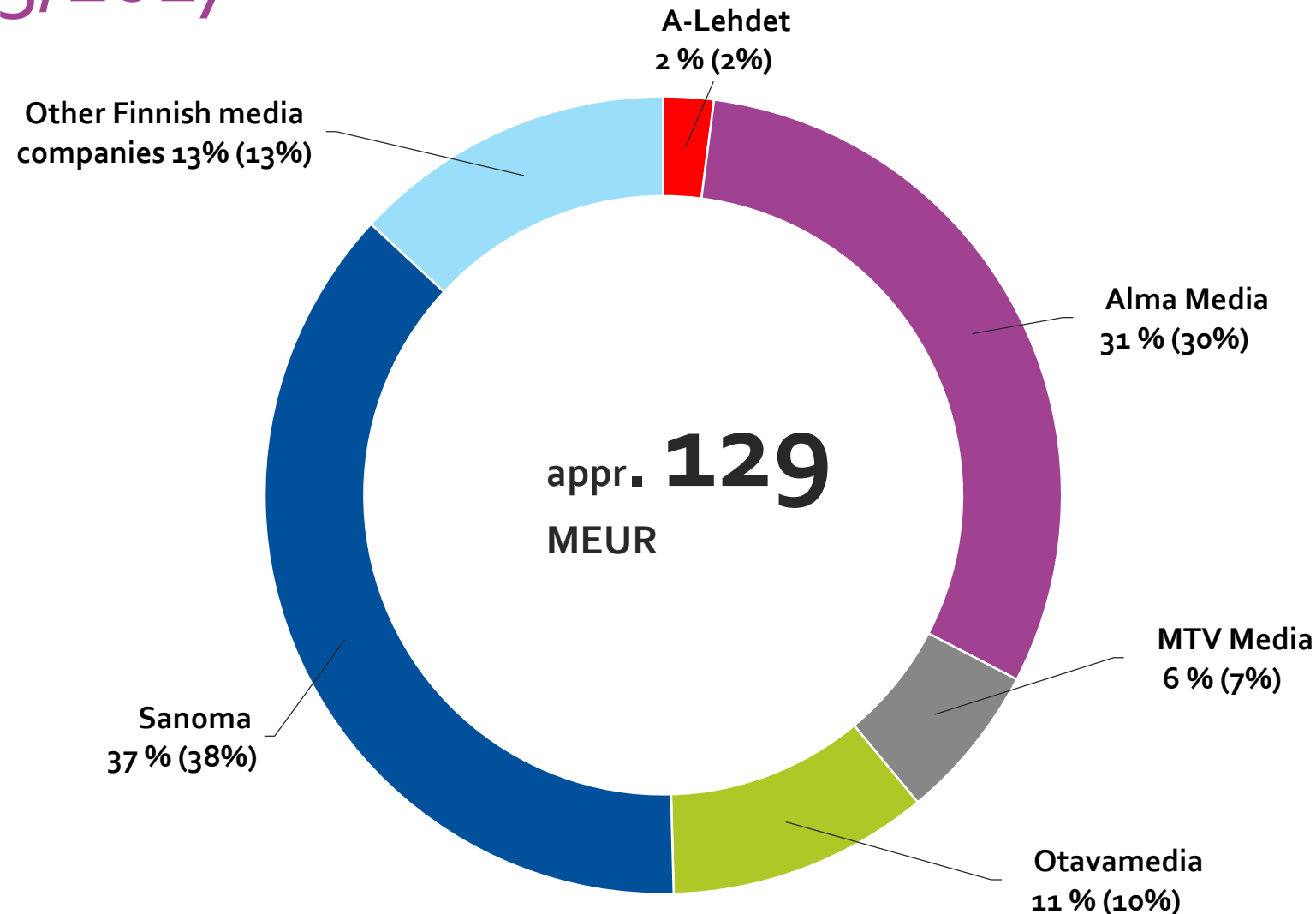
eMarketer's forecast for the global advertising market in 2017: media advertising will grow by 7% this year. The growth of the Finnish advertising market is among the slowest.*

*Source: eMarketer ad spending estimates 2017

Only slight growth in online advertising



Online advertising by Finnish media companies in Q1-Q3/2017

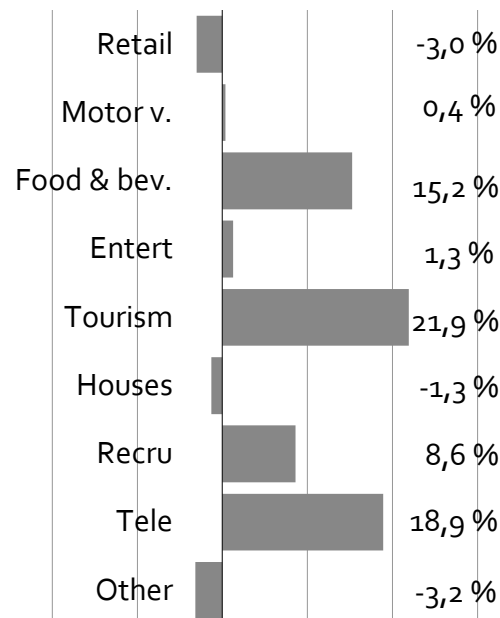


Market shares of
Finnish media
companies Q1-
Q3/2017 (H1/2017)
Source: Kantar TNS

Media advertising was still subdued in Q3/2017

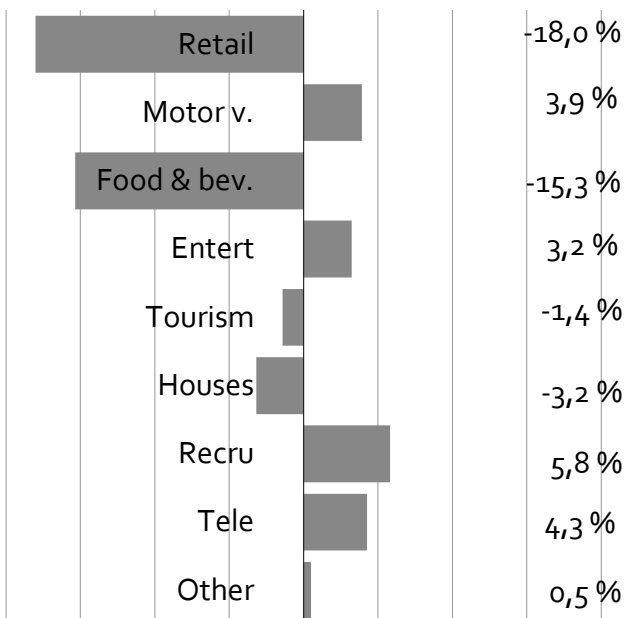
Growth was only seen in recruitment and tourism advertising

Q4 2016 vs 2015



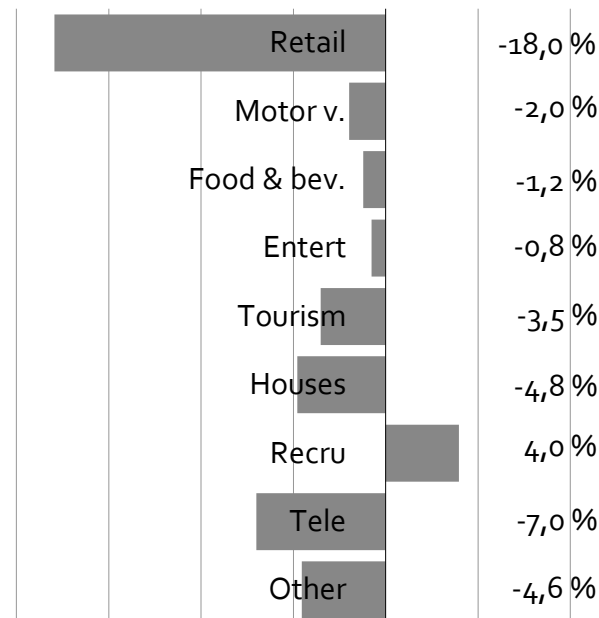
Total +0.2 %

Q1 2017 vs 2016



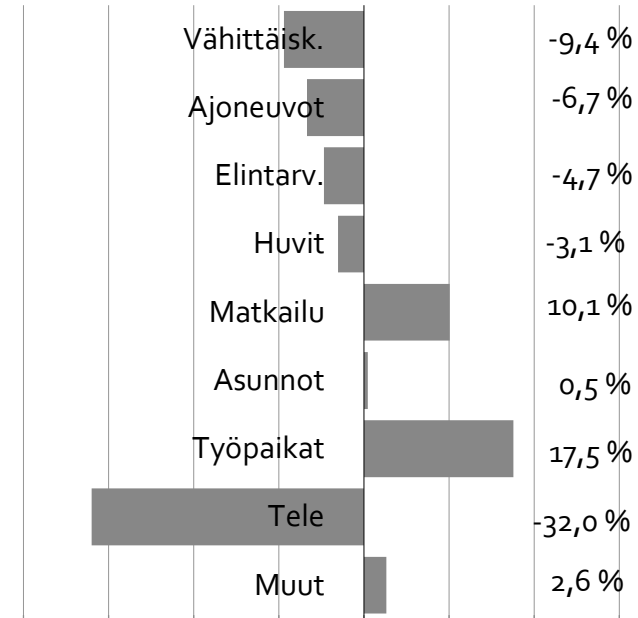
Total -2.6 %

Q2 2017 vs 2016



Total -5.0 %

Q3 2017 vs 2016



Total -2.2 %

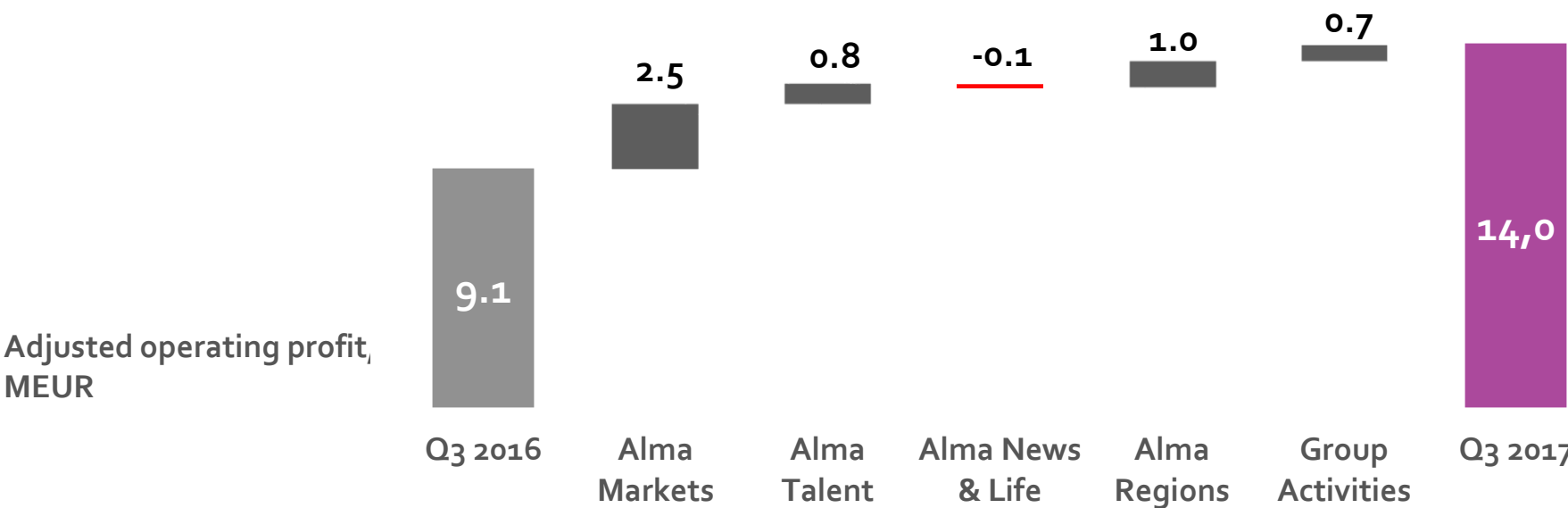
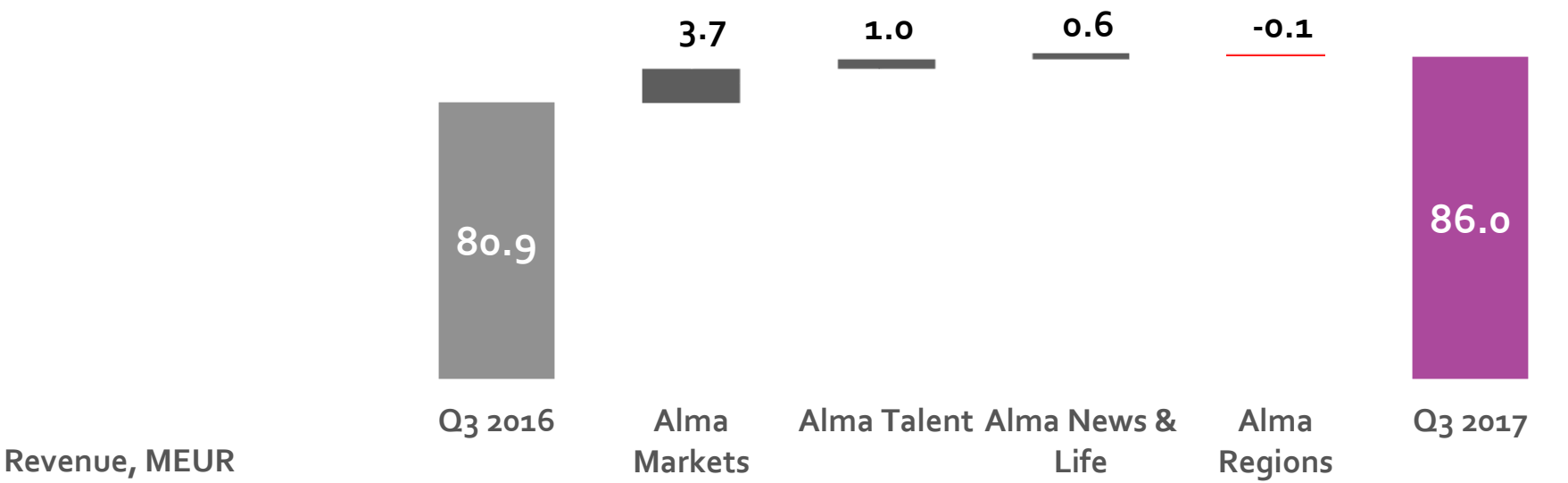
Source: Kantar TNS

BUSINESS PERFORMANCE

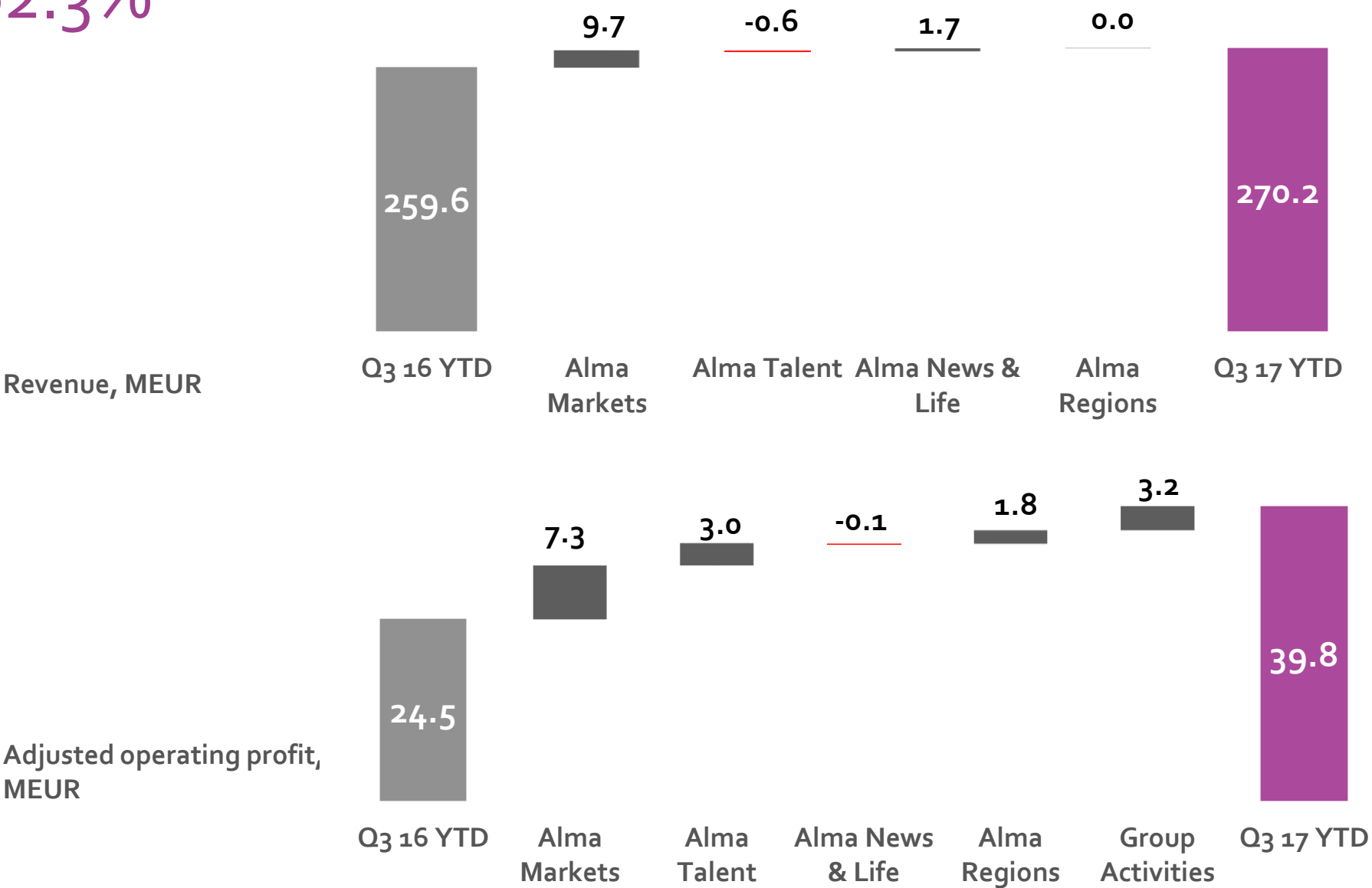


Helsinki, Finland

Q3/2017: Revenue +6.3% and adj. operating profit +52.7%

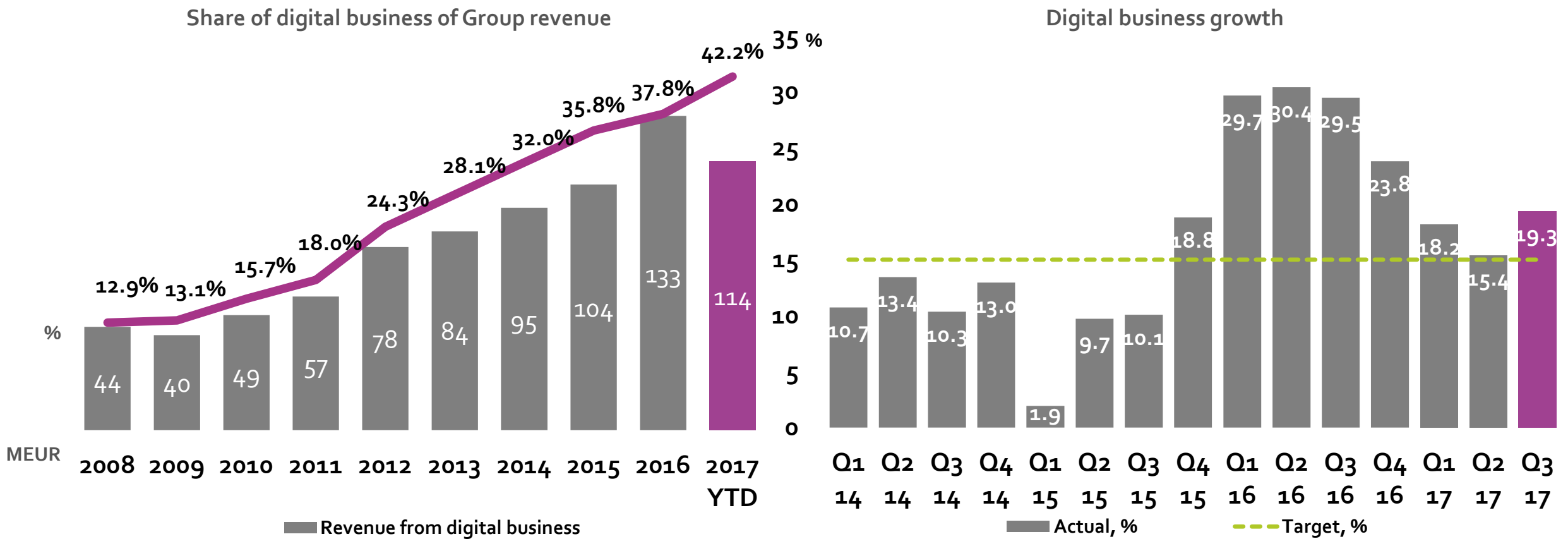


Q1-Q3/2017: Revenue +4,1% and adj. operating profit +62.3%

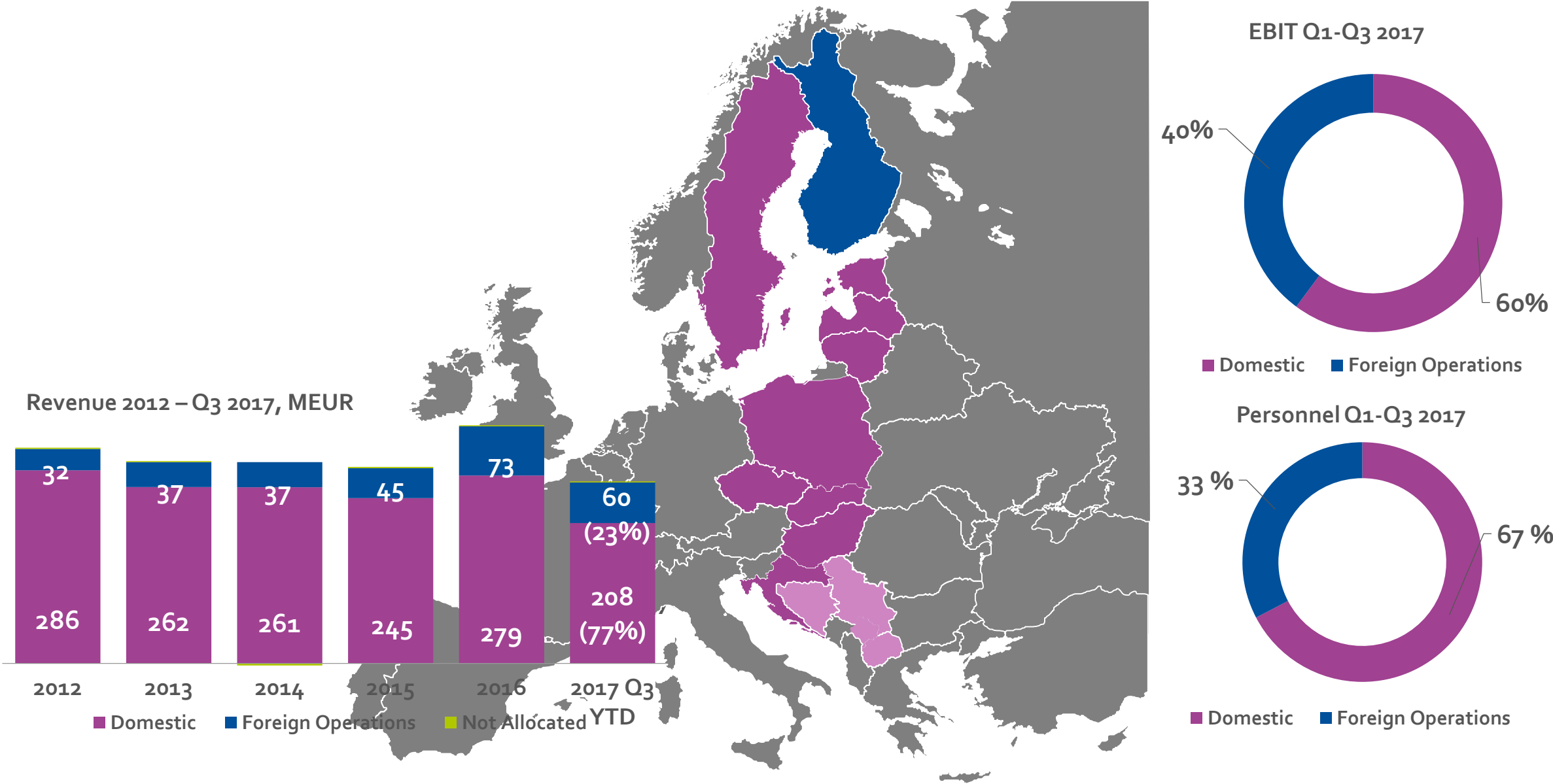


Continued growth in digital business

- Digital business accounted for 44,1% of Group revenue in Q3/2017.

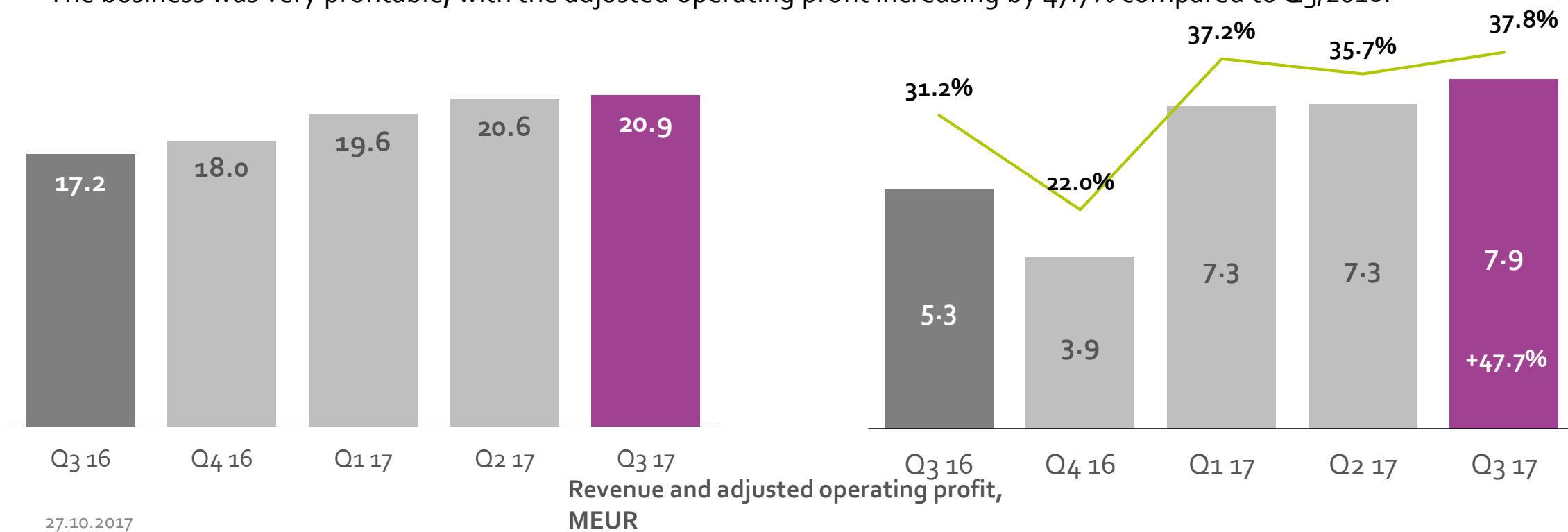


Alma's operations in Finland and internationally



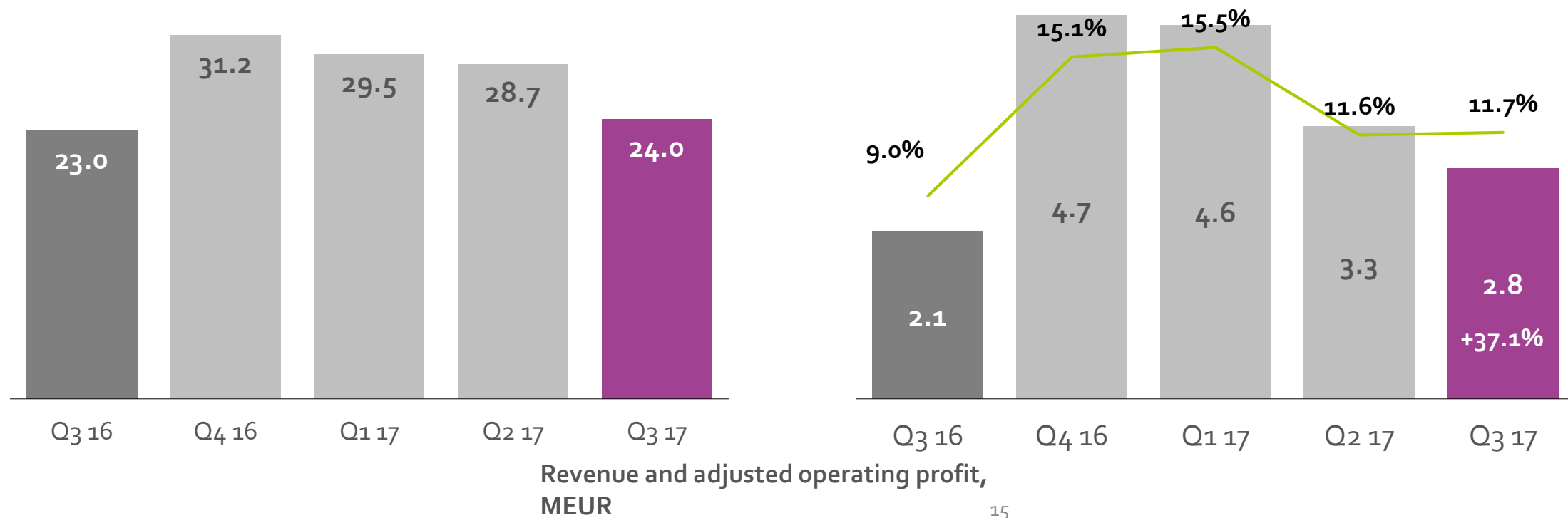
Alma Markets Q3/2017: Continued on a strong growth path

- Revenue from the recruitment business +25.1%, accounted for 77.8% of the segment's revenue.
- Revenue growth continued to be supported by the market development in the Eastern Central European countries. Growth continued to be particularly strong in the Czech Republic. Growth also continued in the Finnish marketplaces, and the development projects for new online services continued as planned. The segment's result was also improved by lower depreciation.
- The business was very profitable, with the adjusted operating profit increasing by 47.7% compared to Q3/2016.



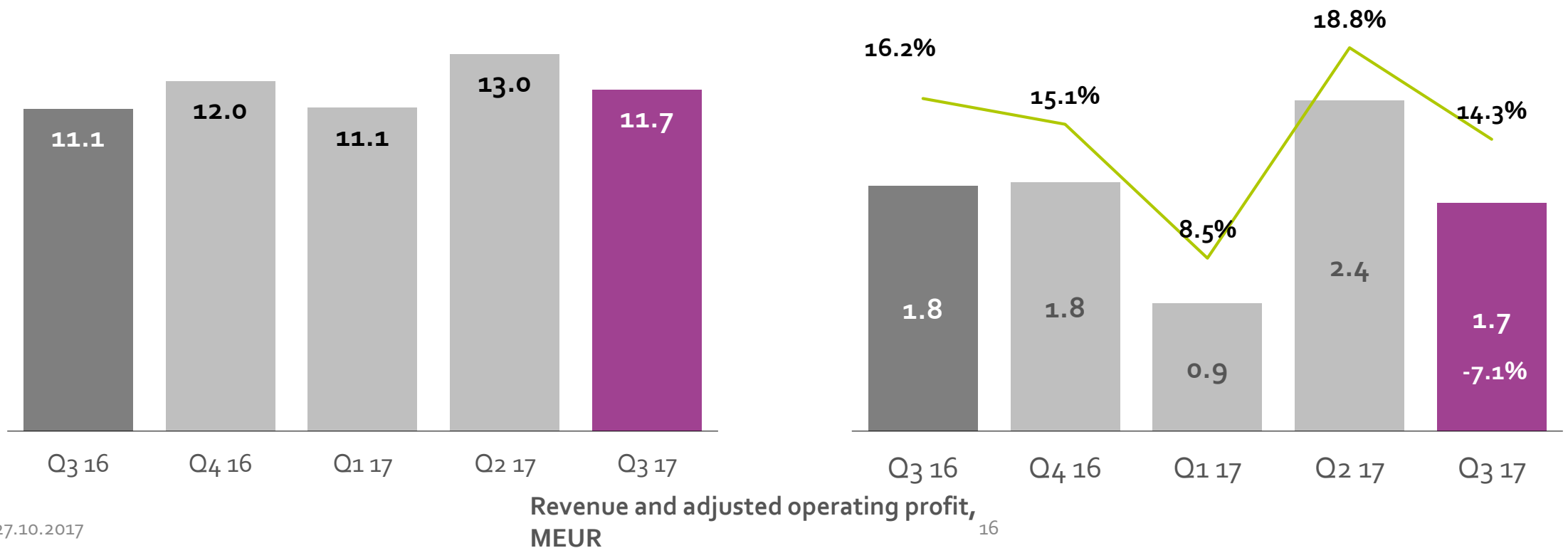
Alma Talent Q3/2017: Revenue up by advertising and the acquisition of Mediutiset

- Adjusted operating profit was +37.1% thanks to the implemented cost savings.
- Revenue +4.5%. The growth is attributable to successes in digital advertising and content marketing, as well as the full merger of Mediutiset into Alma Talent in July.
- Content revenue was MEUR 10.2 (10.1), on a par with the level of the previous year.



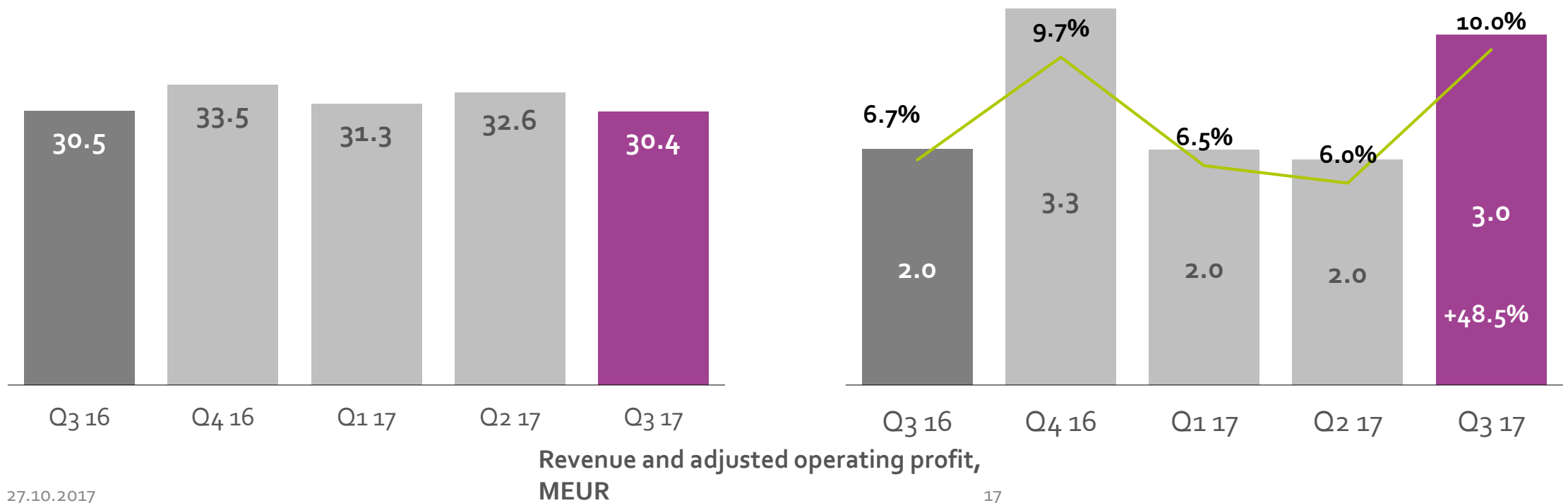
Alma News & Life Q3/2017: Positive development in digital advertising compensated for the decline in content revenue

- Content revenue -10.5% due to the decline of Italehti's print circulation.
- Advertising sales in total +14.6%. Digital advertising sales +20.1%. Alma News & Life has further strengthened its foothold in programmatic buying and mobile advertising, such as mobile-optimised Rich Media implementations.
- Costs were increased by investments in the new reservation system for the Matkapörssi service, for example.



Alma Regions Q3/2017: Profitability up in the printing and distribution business and in the publishing business in Lapland

- The segment's advertising sales was -9.7% due to reduced advertising spending in the retail sector. Advertising sales for print media -11.8%. The segment's digital advertising sales increased by 20.3%.
- Content revenue +2.0% to MEUR 14.8, due to the growth in digital subscriptions.
- Service revenue was increased by +15.9% due to growth in the external revenue of printing and delivery operations. The segment's adjusted operating profit +48.5% to MEUR 3.0.



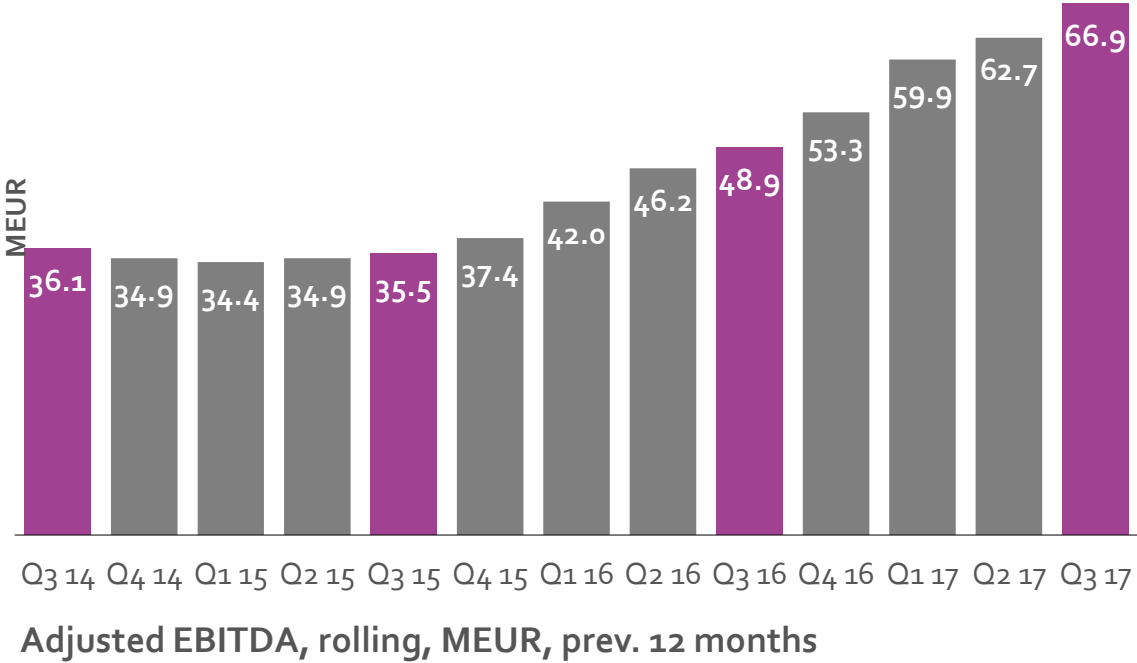
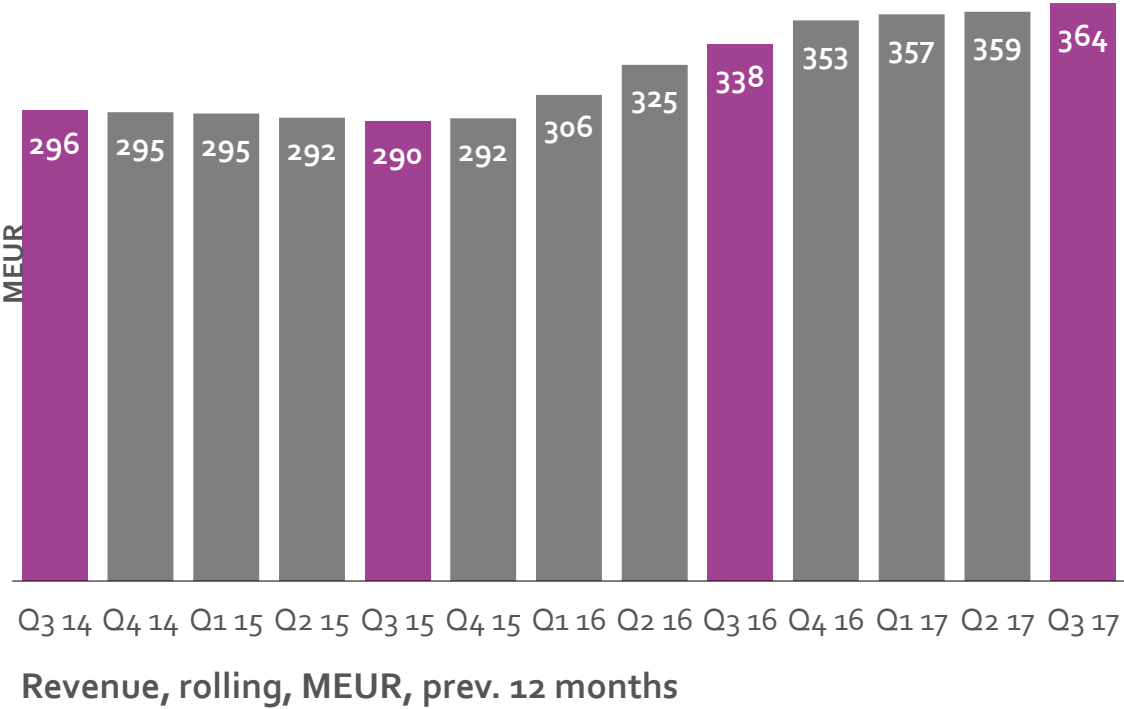
FINANCIAL POSITION

Juha Nuutinen, CFO

Budapest, Hungary

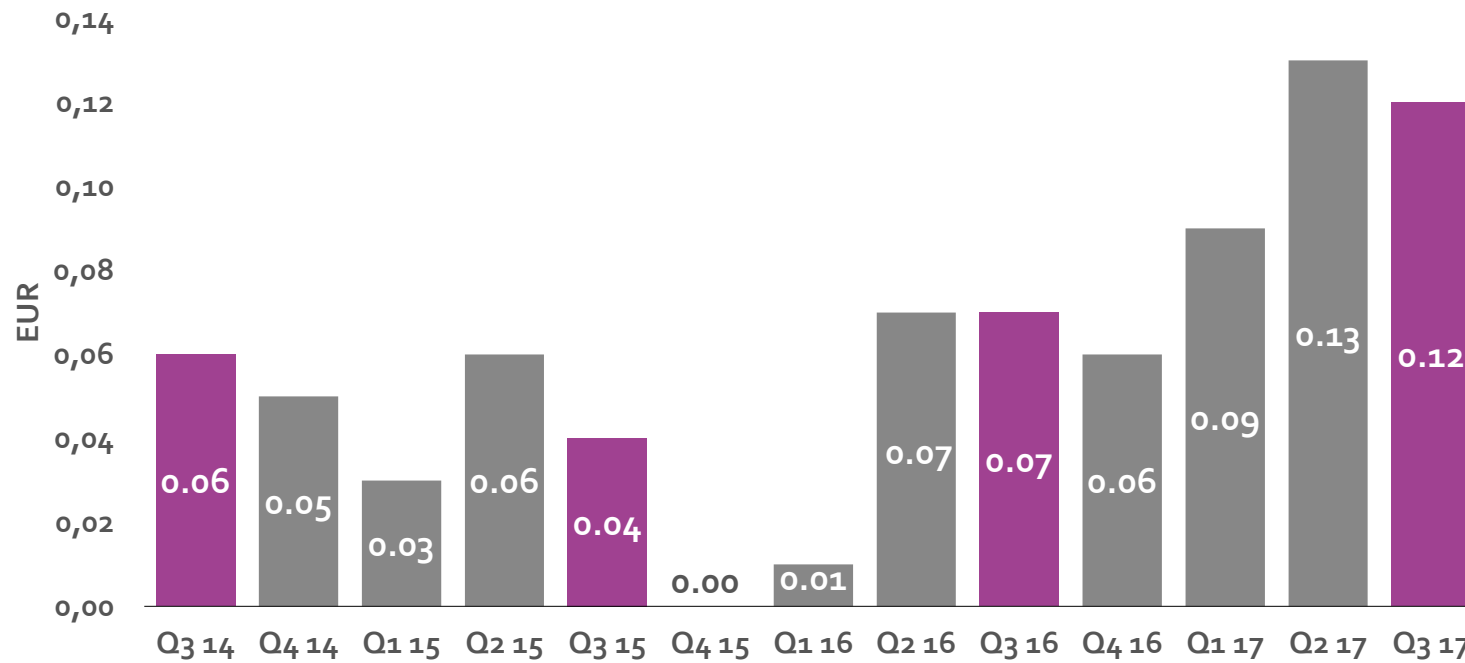


Development of revenue and EBITDA



EPS

- Q3 earnings per share EUR 0.12 (EUR 0.07). Adjusted items MEUR 0.3 (Q3/2016: MEUR -0.2).

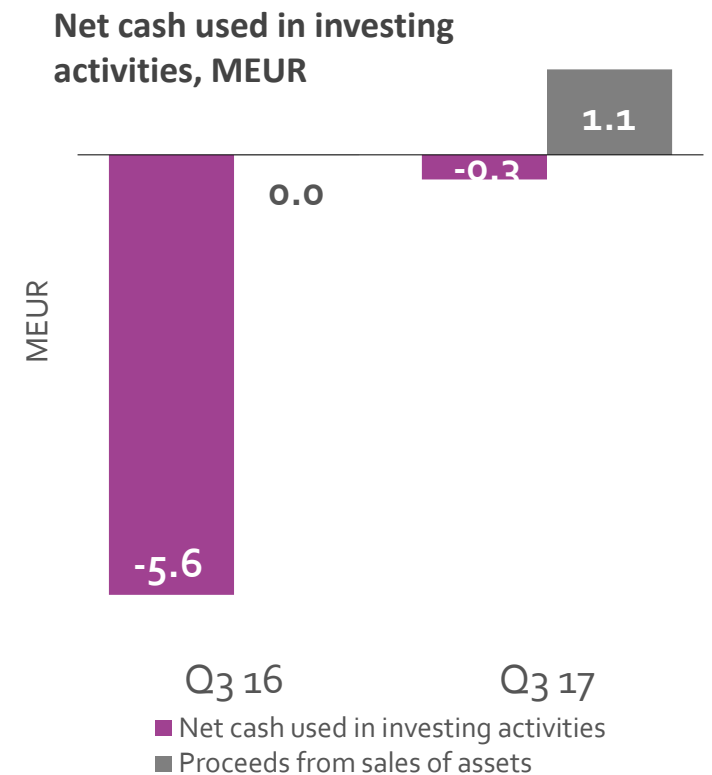
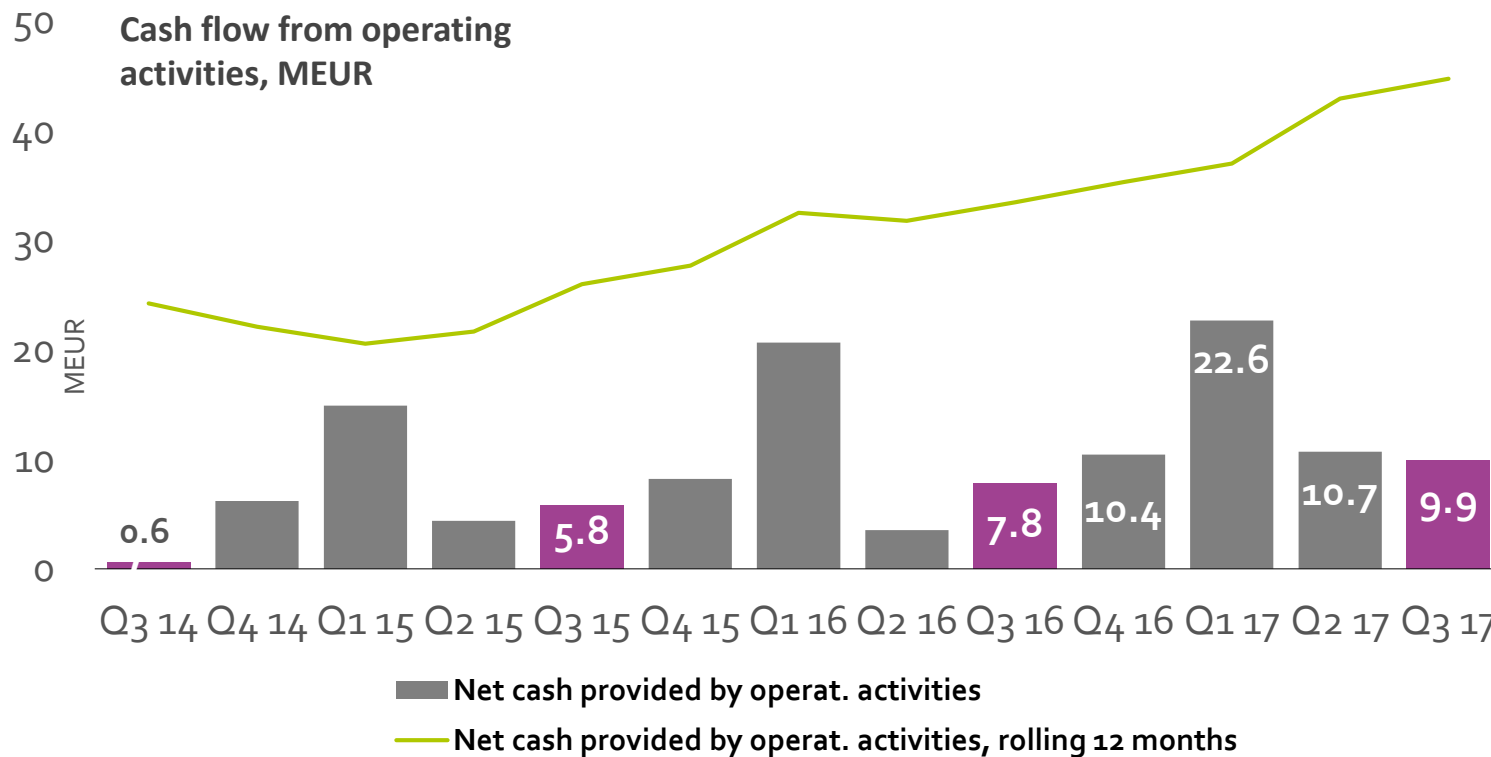


Earnings per share, EUR



Operating cash flow and capital expenditure

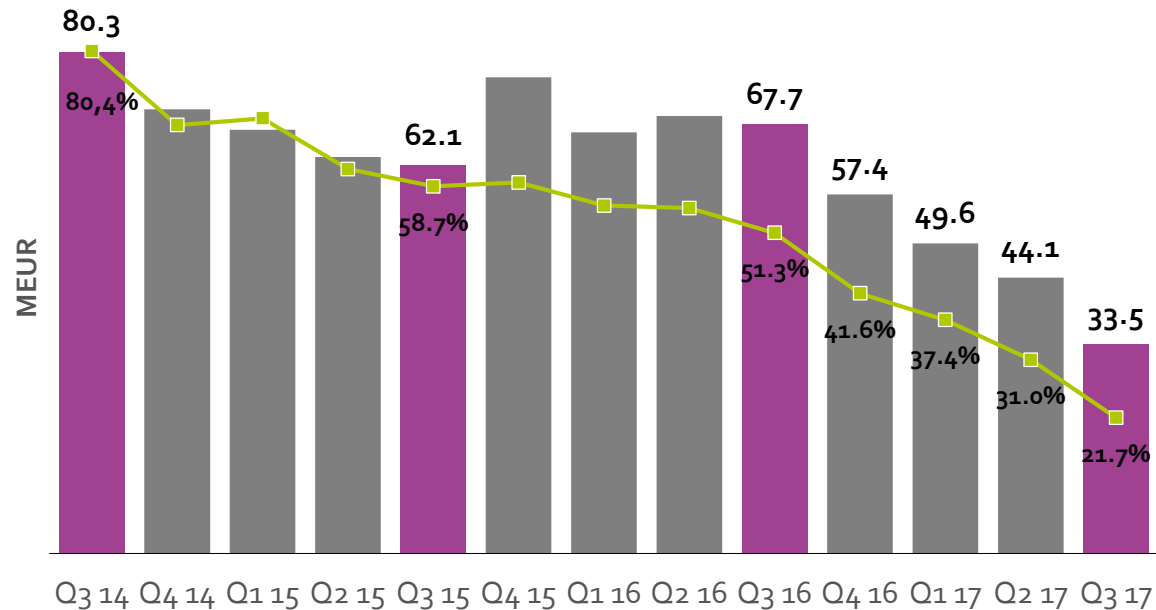
- Operating cash flow in July–September improved to MEUR 9.9 (7.8) due to the stronger result.
- Q3/2017 cash flow from investing activities amounted to MEUR 0.8 (-5.6), including proceeds from sale of the VysokeSkoly online service.
- Cash flow before financing Q3/2017 was MEUR 10.7 (2.2).



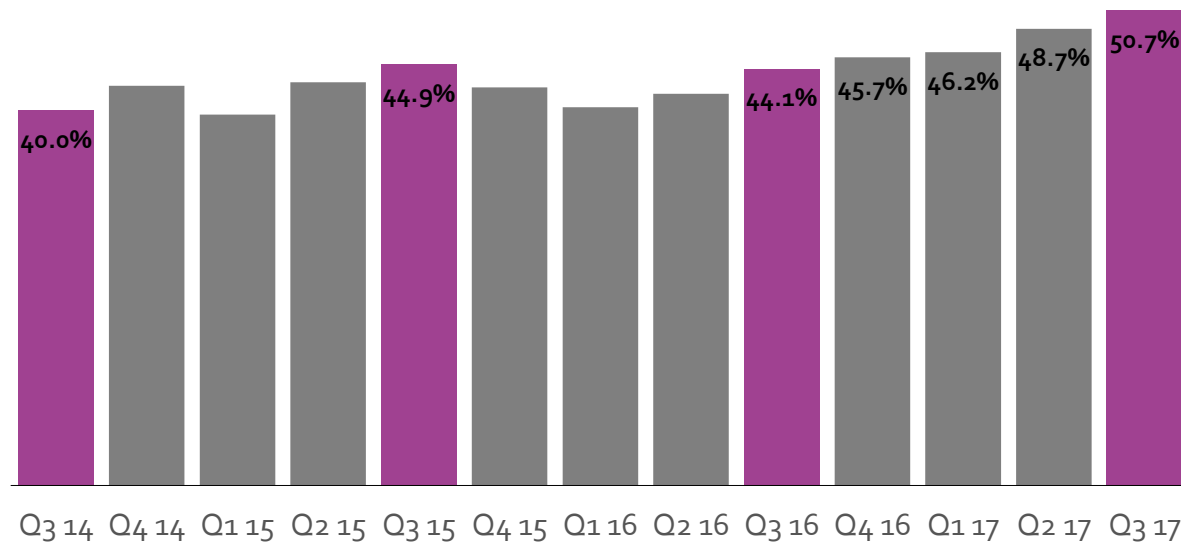
Interest-bearing liabilities decreased, equity ratio improved

- At the end of September, the gearing ratio was 21.7% and net debt stood at MEUR 33.5.
- At the end of September, interest-bearing liabilities totalled MEUR 67.3, of which MEUR 61.9 were non-current liabilities.
- The equity ratio continued to improve.

Net debt, MEUR and gearing, %
Q3/2014–Q3/2017

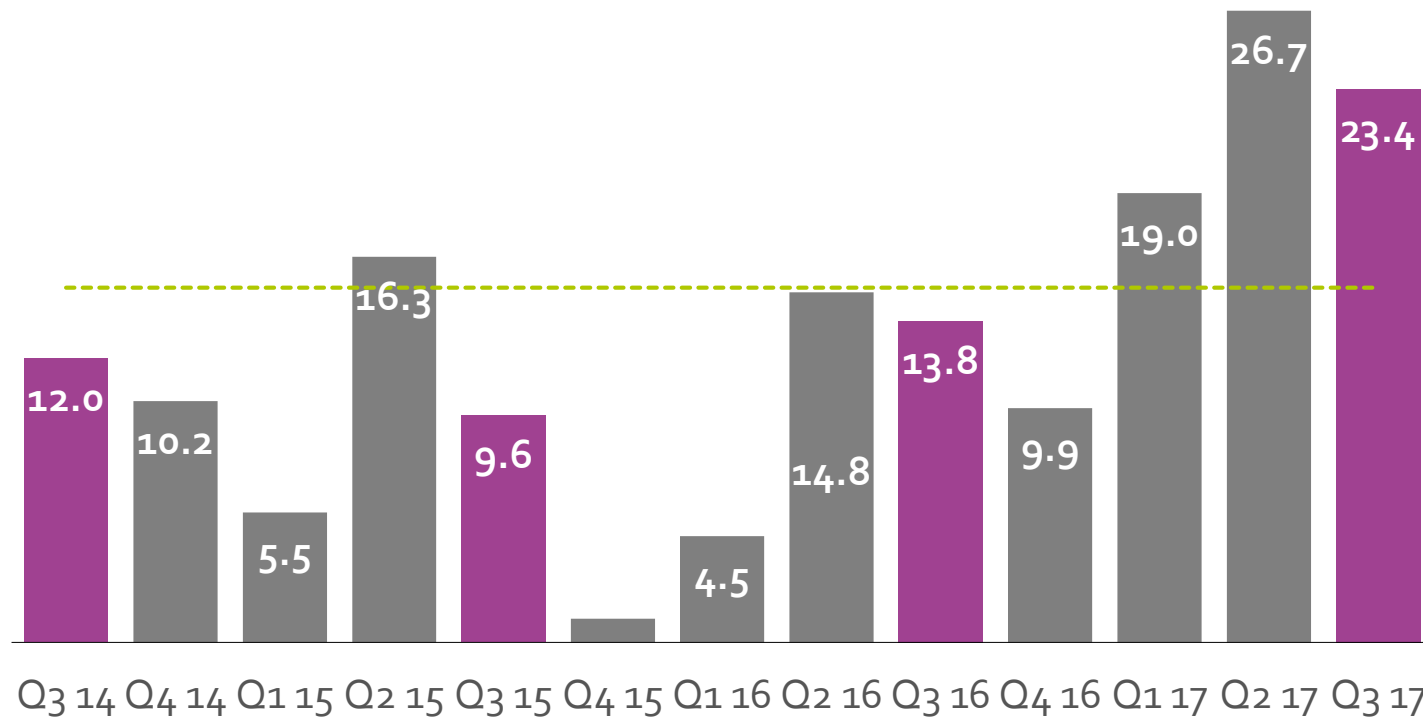


Equity ratio,
Q3/2014–Q3/2017



Return on investment

- Return on investment exceeded the target by a clear margin.



Return on investment % and target 15%



A large, blue, mechanical arm, resembling a robotic claw or a piece of industrial machinery, is positioned in the foreground on the left. It has a smooth, metallic finish and several circular components. The arm is pointing towards a cityscape in the background. The city is densely packed with buildings, many of which have red-tiled roofs. The sky is a mix of orange, pink, and blue, indicating a sunset or sunrise. The overall scene is a blend of modern technology and urban landscape.

STRATEGY AND OUTLOOK

Kai Telanne

Zagreb, Croatia



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.**

Rovaniemi, Finland

Viewability

Marketing solutions

- Alma has initiated measures to improve the visibility, functioning and effectiveness of advertising; the most important of these is the viewability project.
- Viewability values are used to measure how long advertisements are displayed and how well they are noticed on the screen. These have a major impact on the effectiveness of advertising.
- According to a survey, Alma's inventory of programmatic buying has obtained above average values compared to the market.
- We regularly monitor and develop the effectiveness of advertising together with our customers.



Minority stake in Muuttomaailma

Digital services

- As a continuation to its previous company acquisitions in the competitive bidding and comparison market, Alma Mediapartners acquired a minority share (25%) in Muuttomaailma Oy in July.
- Muuttomaailma.fi carries out competitive bidding between moving service providers and offers users of the Etuovi.com and Vuokraovi.com services a convenient way to arrange their move.
- Muuttomaailma currently mediates hundreds of moves each month.



Talouselämä was renewed

- The largest financial magazine in the Nordic countries, Alma Talent's Talouselämä and its online service, underwent a redesign during the review period.
- In accordance with Alma Talent's digital strategy, some of the articles on the website moved behind a paywall, accessible only to subscribers.
- Talouselämä, established in 1938, is a financial medium, with a weekly reach of 335,000 readers (Finnish National Readership Survey, spring 2017).

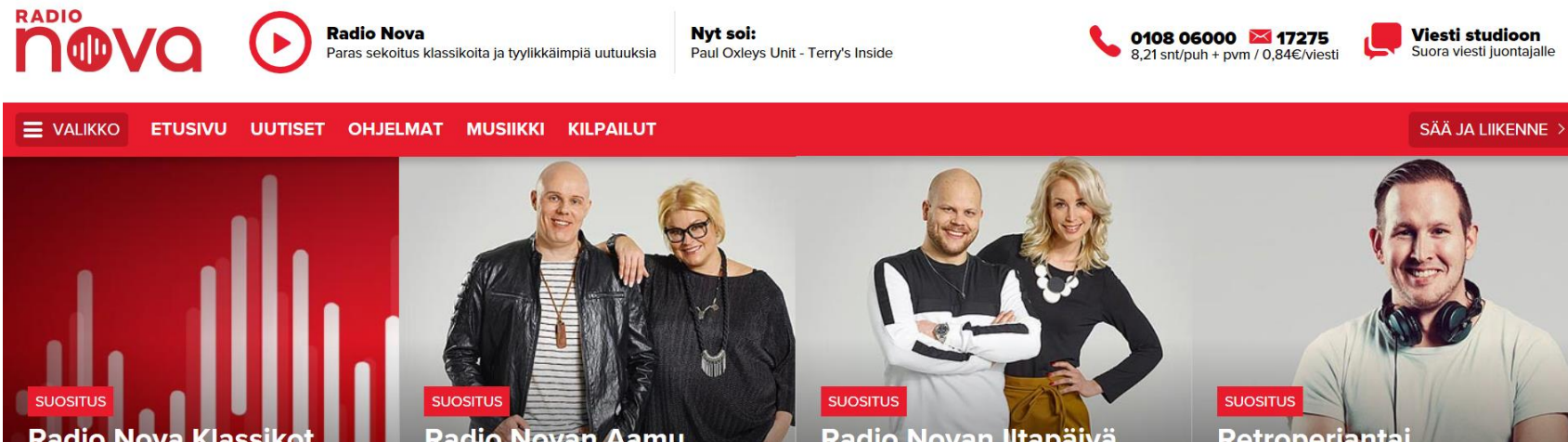
Multi-channel
content



Alma Media and Bauer Media started cooperation in radio reporting

Multi-channel
content

- In October, Iltalehti started to produce news broadcasts for Bauer Media's biggest radio stations, Radio Nova and Iskelmä. The customised news to be produced for the stations will be broadcast 17 times on weekdays between 6 am and 10 pm and 15 times at weekends between 8 am and 10 pm.
- Radio Nova is Finland's most popular commercial radio station with 1.3 million weekly listeners and Iskelmä has just over 700,000 listeners a week. (National Radio Survey, KRT).
- Bauer Media is Finland's biggest radio media company.



RADIO
nova

ISKELMÄ

The local papers in Pohjois-Pohjanmaa were sold to Kaleva

Content

- The reorganisation of Alma Regions' operations continued, and the local newspapers published by it in Pohjois-Pohjanmaa, the Raahen Seutu and Raahelainen papers published in Raahe and the Pyhäjokiseutu paper published in Oulainen, transferred into the ownership of Kaleva's subsidiary Kaleva365 Oy.
- Nineteen of the newspapers' employees were transferred to the new owner as old employees from the beginning of October 2017.

Pyhäjokiseutu
Raahelainen
Raahen Seutu

Outlook for 2017

- The Finnish economy is expected to grow by 1–3% in 2017. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see economic growth of 2–4%. Macroeconomic development affects both consumer demand and advertising volume. The structural transformation of advertising will continue in 2017; online advertising will grow, while print media advertising will decline.
- In 2017, Alma Media expects its full-year revenue to remain at the previous year's level and its adjusted operating profit to clearly increase from the 2016 level. The full-year revenue for 2016 was MEUR 353.2, and the adjusted operating profit was MEUR 35.2.

Equal operating conditions

- In September, the Finnish Government approved a subsidy for commercial television news and current affairs programmes.
- Alma Media's opinion is that the vitality of commercial media and the pluralism of news cannot be built on government subsidies.
- Sustainable business can only be created when companies have the ability to renew themselves amidst changes in their operating environment, instead of relying on public funding.
- Equal operating conditions must be provided for all players without subsidies that distort competition.



THANK YOU! QUESTIONS?

Upcoming events in the
investor calendar

CMD 28.11.2017

Q4 Interim Report and Financial
Statement Bulletin for financial
year 2017 14.2.2018

Warsaw, Poland

