An aerial photograph of a European city, likely Prague, taken from a high vantage point. The foreground shows a dense cluster of buildings with red-tiled roofs. In the background, a hill with a church spire is visible under a warm, orange-hued sky at sunset. A white rectangular text box is centered over the middle of the image.

14.02.2018

Alma Media Q4/2017 and FY/2017

Kai Telanne, President and CEO

Juha Nuutinen, CFO

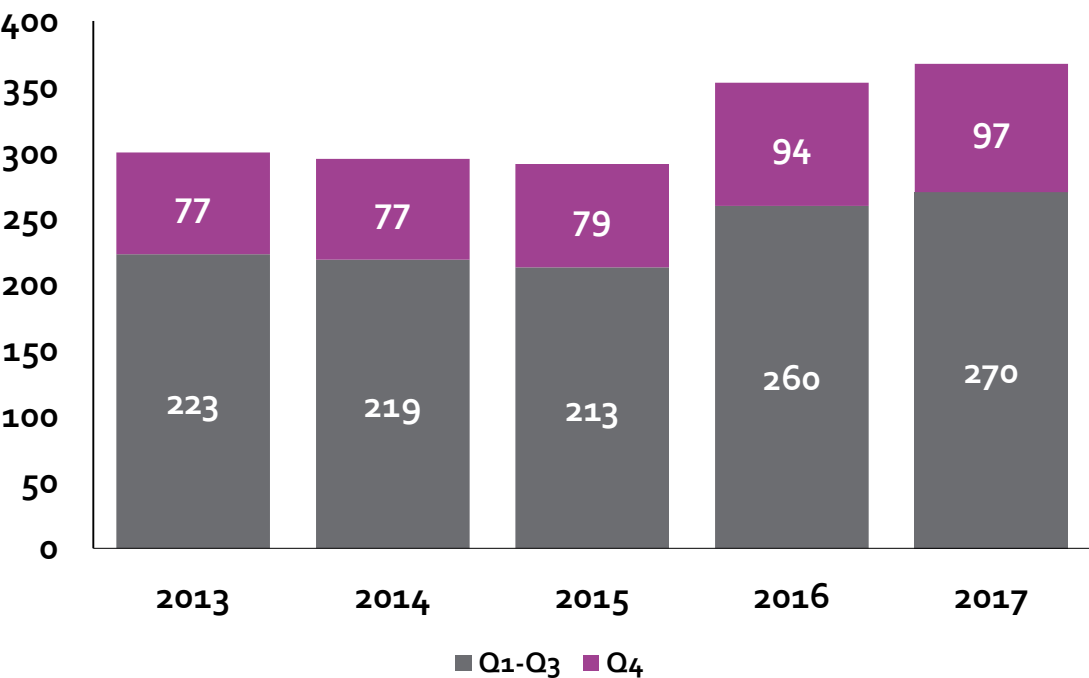


Agenda

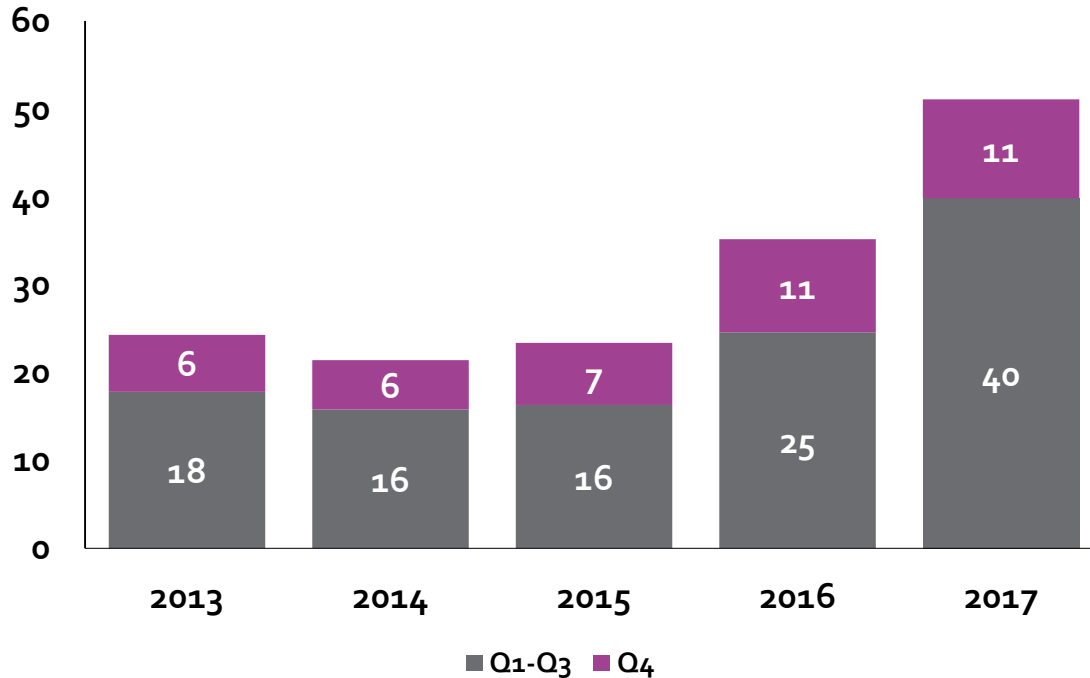
Highlights of profit performance
Advertising market development
Business development by unit
Financial position
Strategy and outlook
Q&A



Our business continued to develop favourably



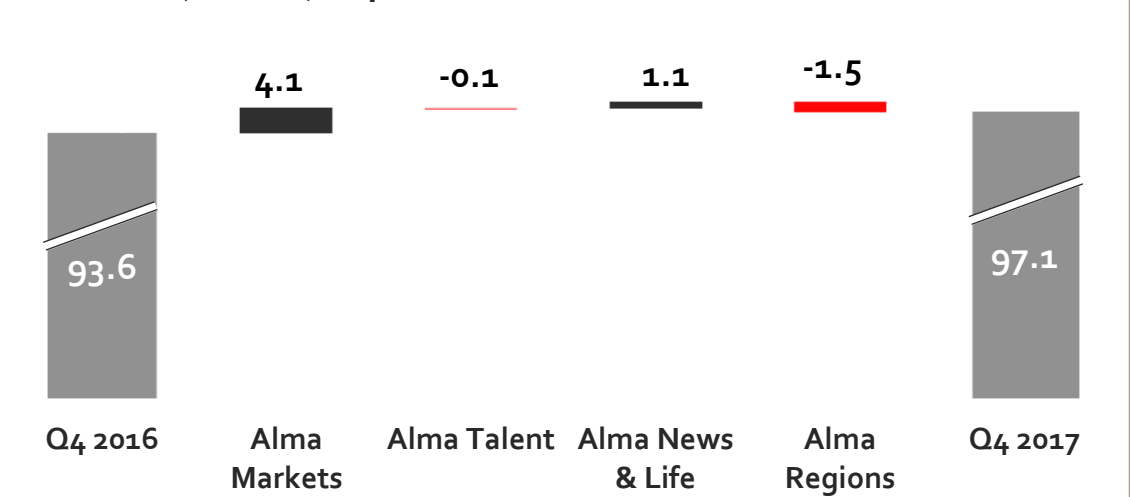
Development of revenue 2013–2017



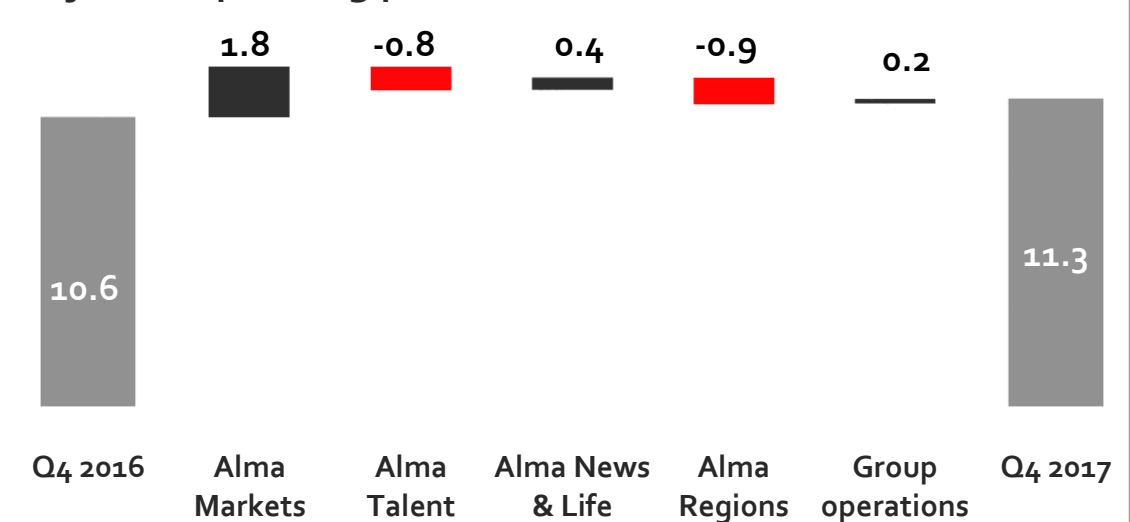
Development of adjusted operating profit 2013–2017

Revenue and adjusted operating profit Q4/FY2017

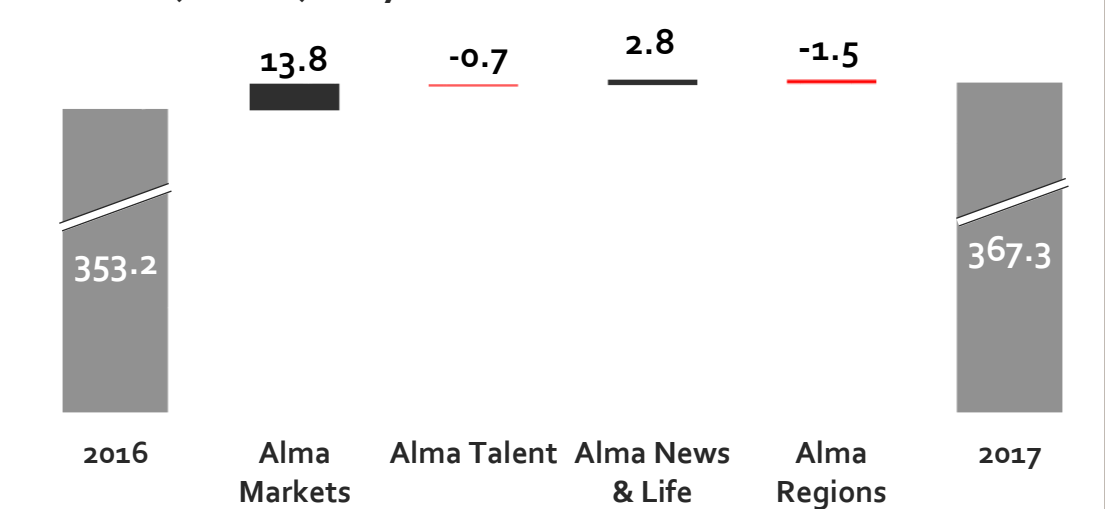
Revenue (MEUR) Q4



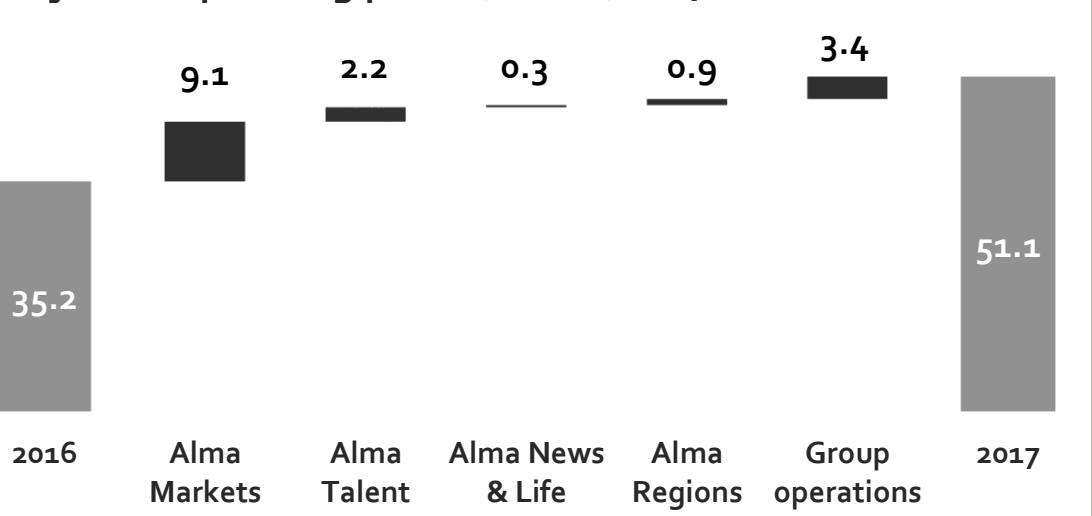
Adjusted operating profit (MEUR) Q4



Revenue (MEUR) 2017



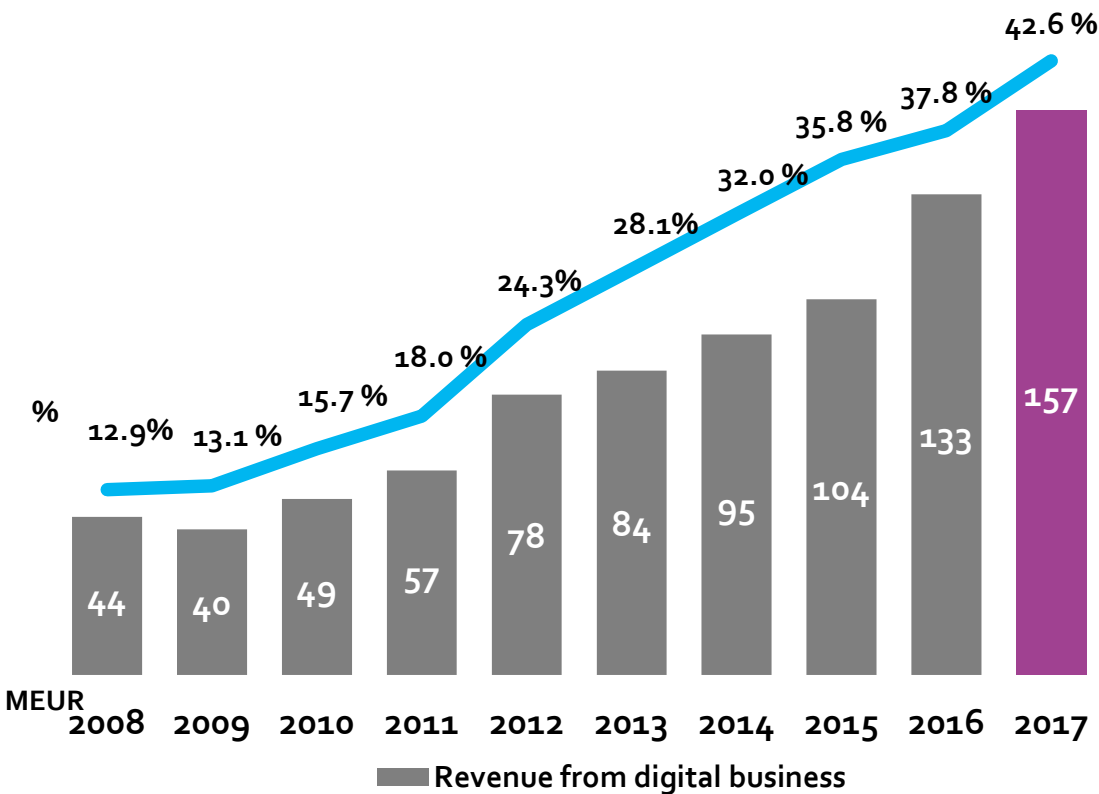
Adjusted operating profit (MEUR) 2017



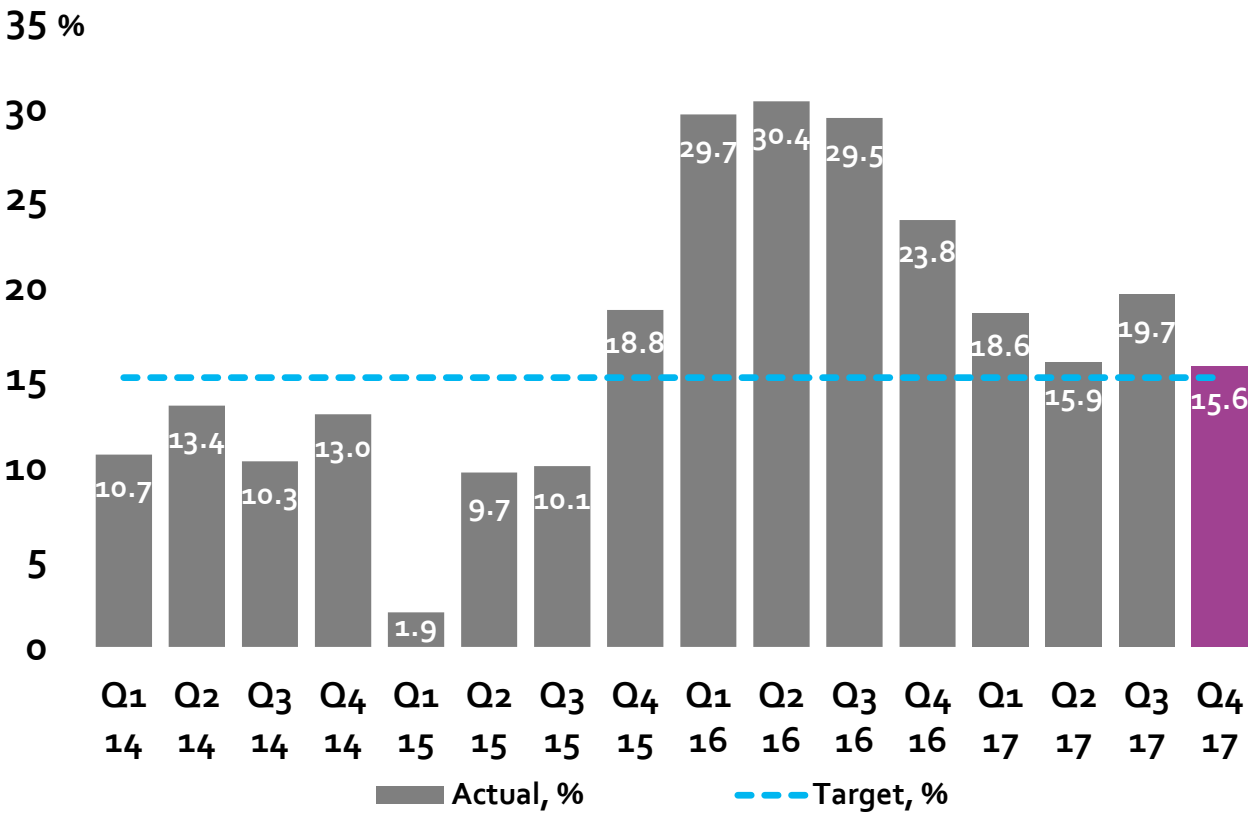
Digital business amounted to over MEUR 150

In Q4/2017, digital business accounted for 43.3% of Group revenue.

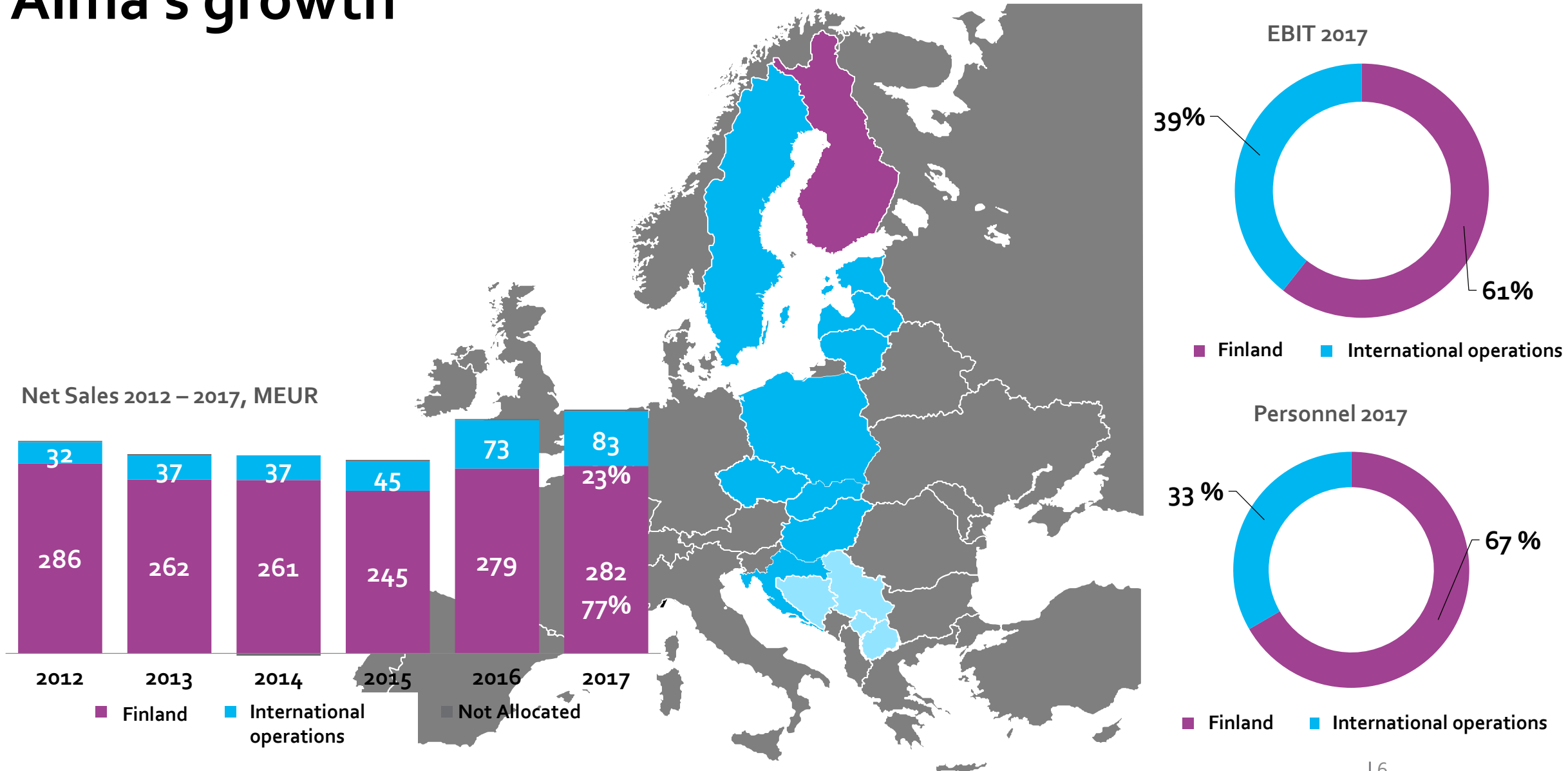
Share of digital business of Group revenue



Digital business growth



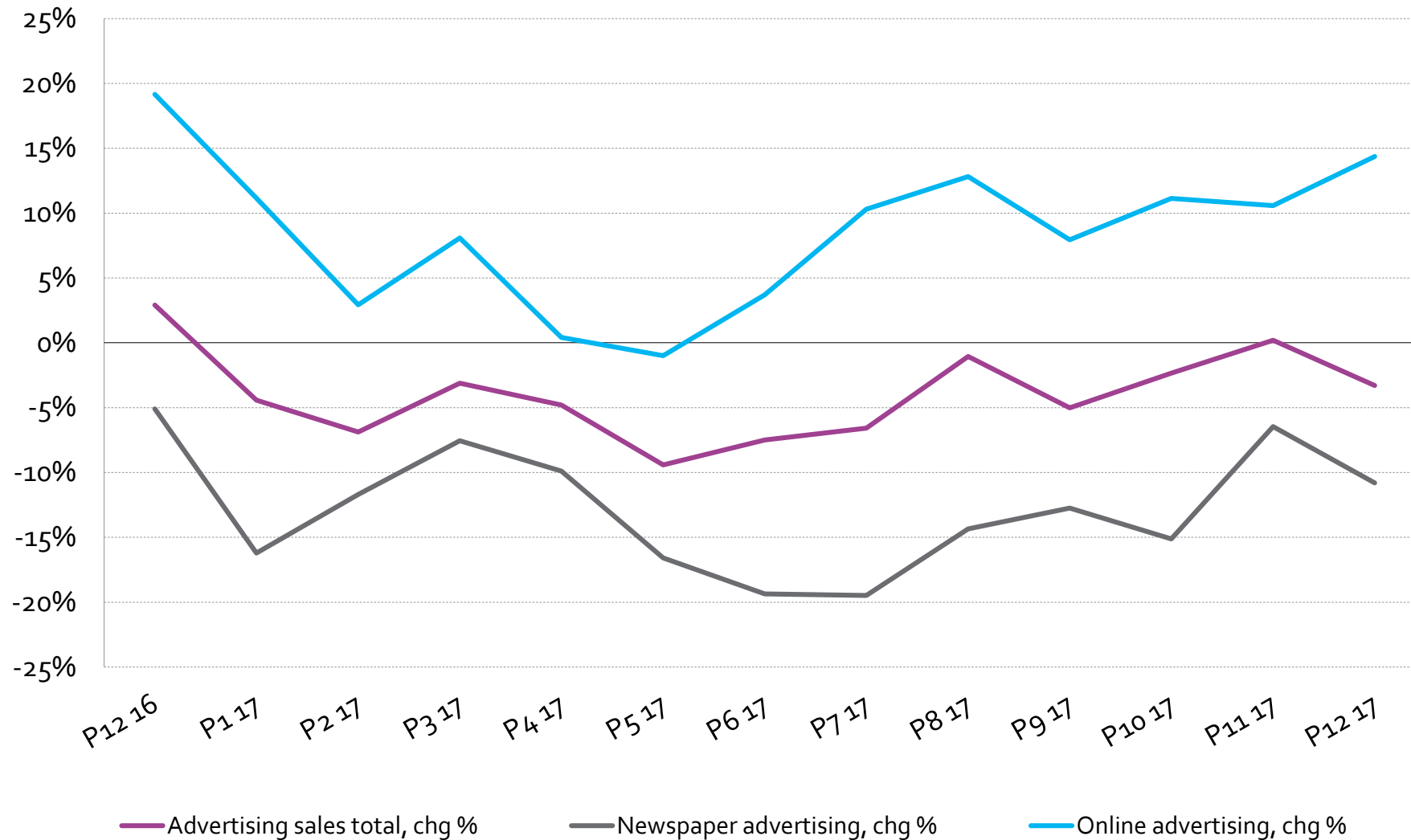
International business is increasingly important in Alma's growth



A nighttime photograph of the Helsinki City Hall, a large, ornate stone building with many arched windows, some of which are brightly lit from within. In the foreground, a group of people is ice skating on a frozen body of water. The scene is illuminated by streetlights and the building's own lights, creating a warm, golden glow. The text "ADVERTISING MARKET DEVELOPMENT IN FINLAND" is overlaid in white, bold, sans-serif capital letters on the left side of the image.

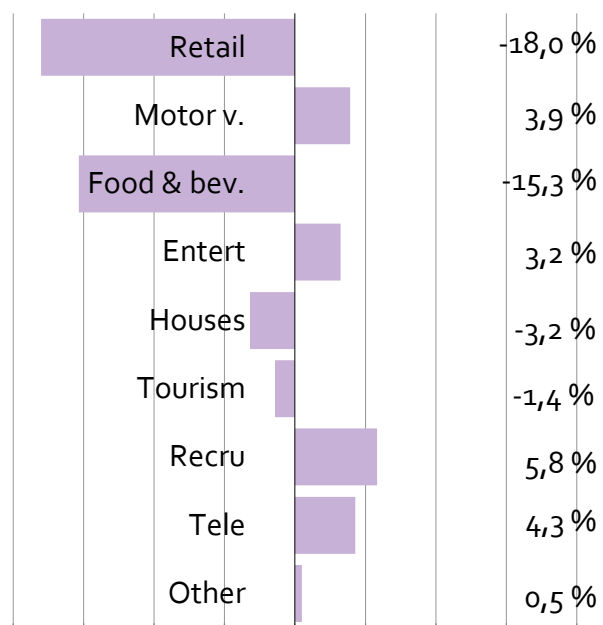
ADVERTISING MARKET DEVELOPMENT IN FINLAND

The advertising market was negative in 2017



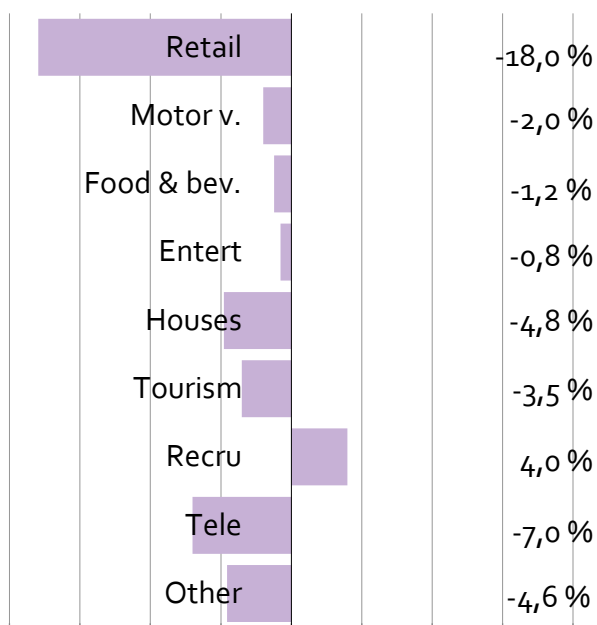
Economy's growth spurt is reflected in job and housing advertising

Q1 2017 vs 2016



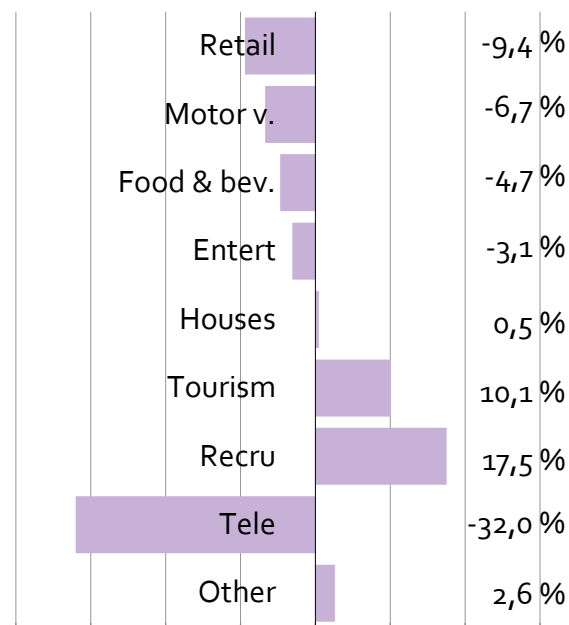
Total -2.6 %

Q2 2017 vs 2016



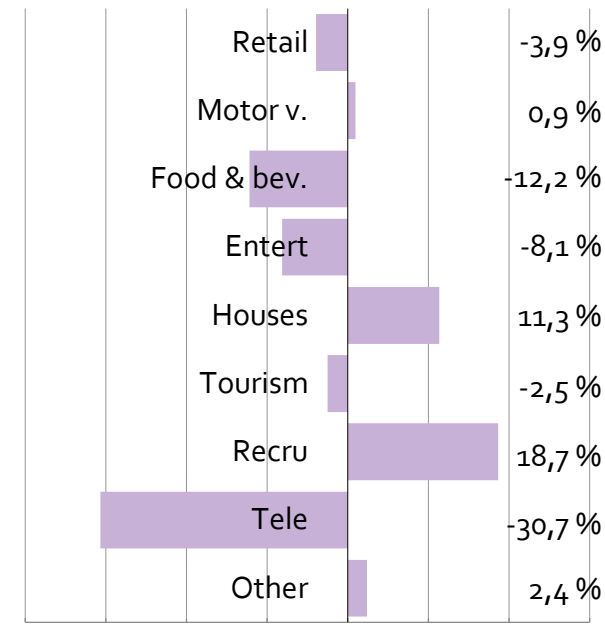
Total -5.0 %

Q3 2017 vs 2016



Total -2.2 %

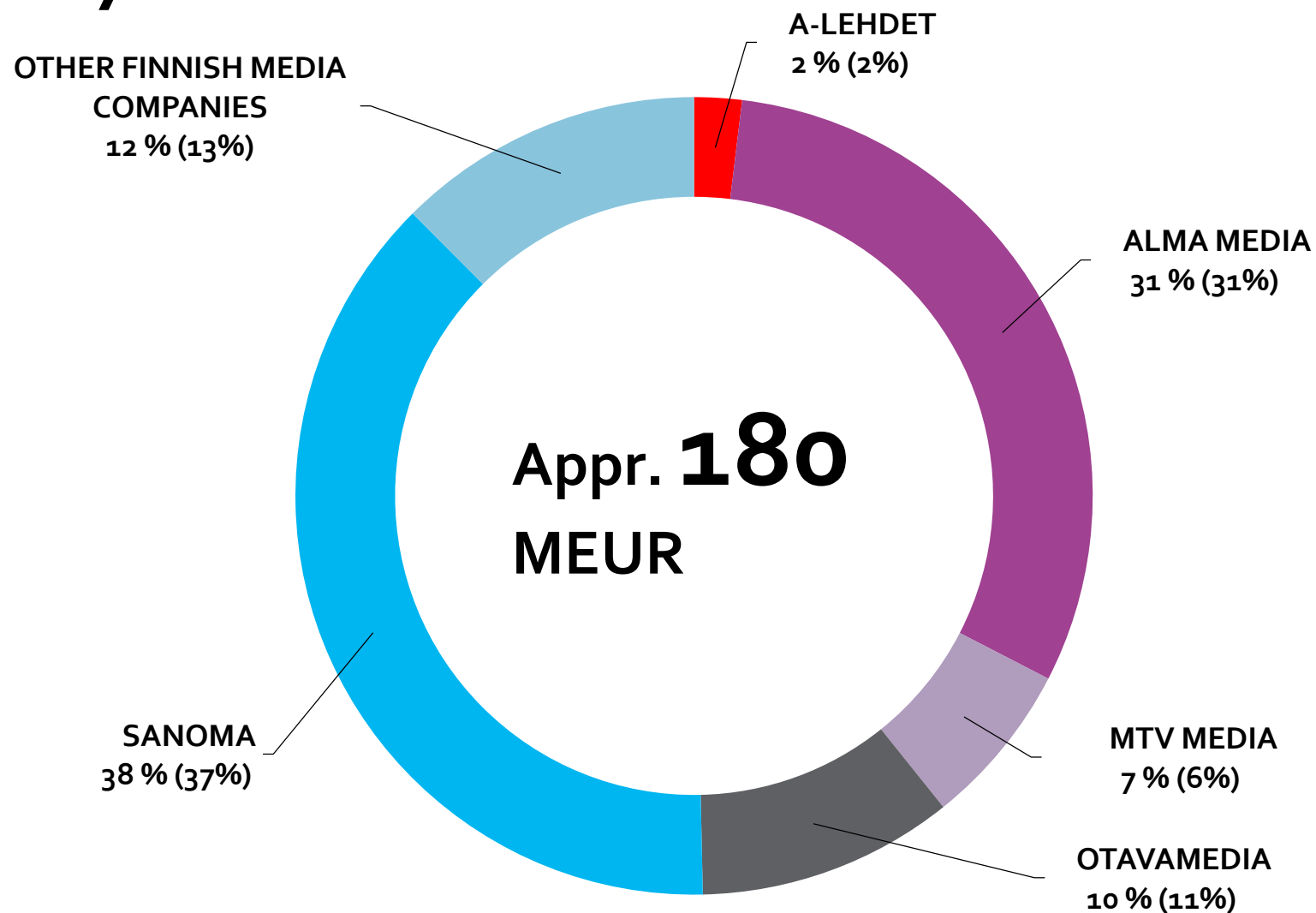
Q4 2017 vs 2016



Total -1.1 %

Source: Kantar TNS

Online advertising in Finland by media company Q1-Q4/2017



Online advertising
by media company
FY/2017 (versus Q1-Q3/2017.)

The combined advertising sales
of Google and Facebook in Finland
in 2017 amounted to MEUR
181.5, or 14.9% of all advertising sales.

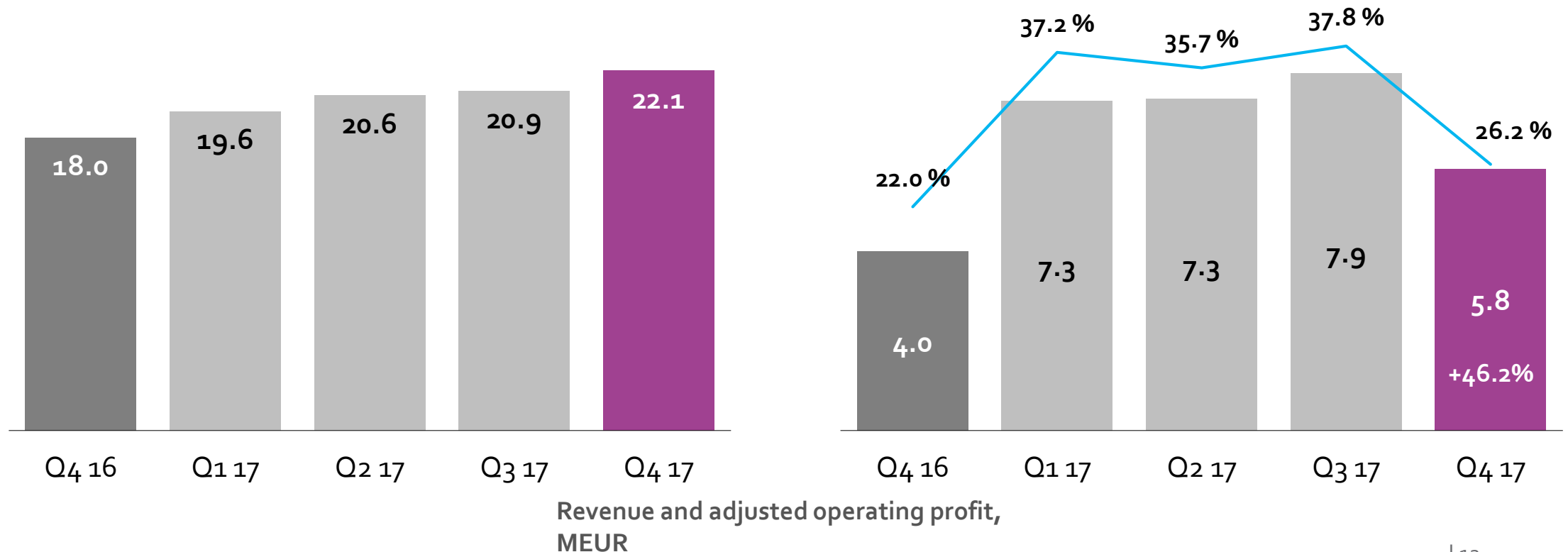
Source: Kantar TNS

DEVELOPMENT BY BUSINESS SEGMENTS



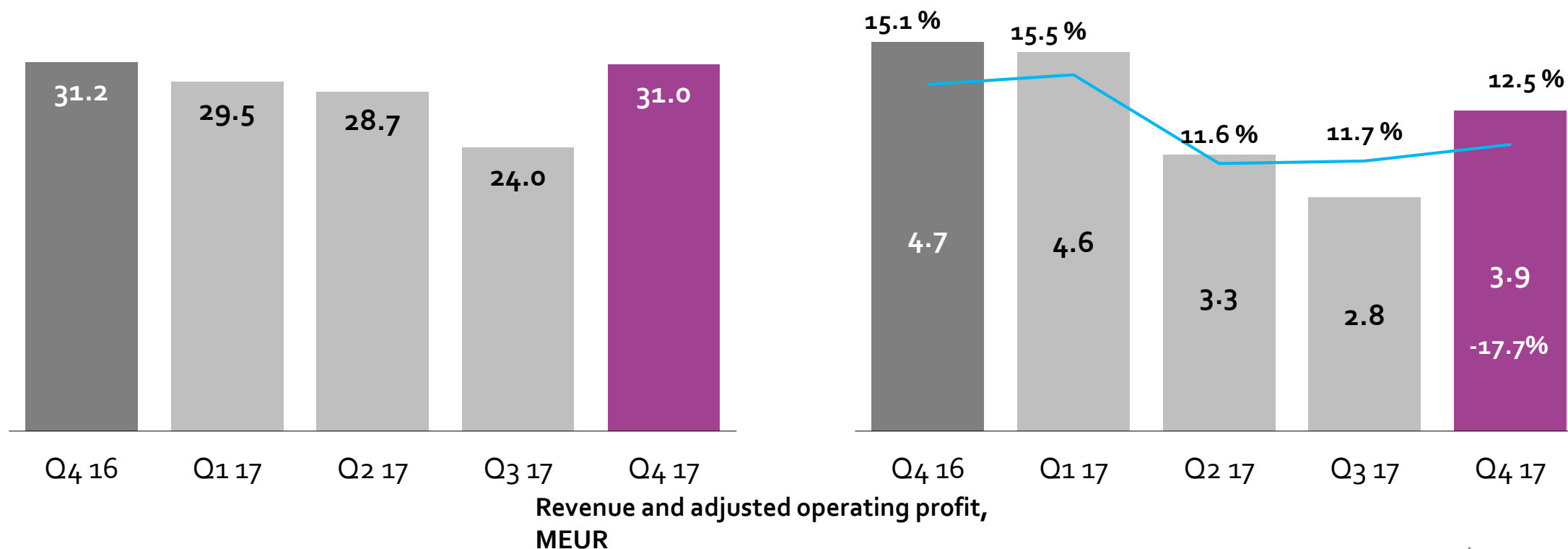
Alma Markets Q4/2017: Profitable growth continued

- Revenue from the recruitment business +26.2%, accounted for 79.5% of the segment's revenue.
- Costs were increased by investments in sales and marketing as well as the development of online services, such as the renewed Etuovi online service.



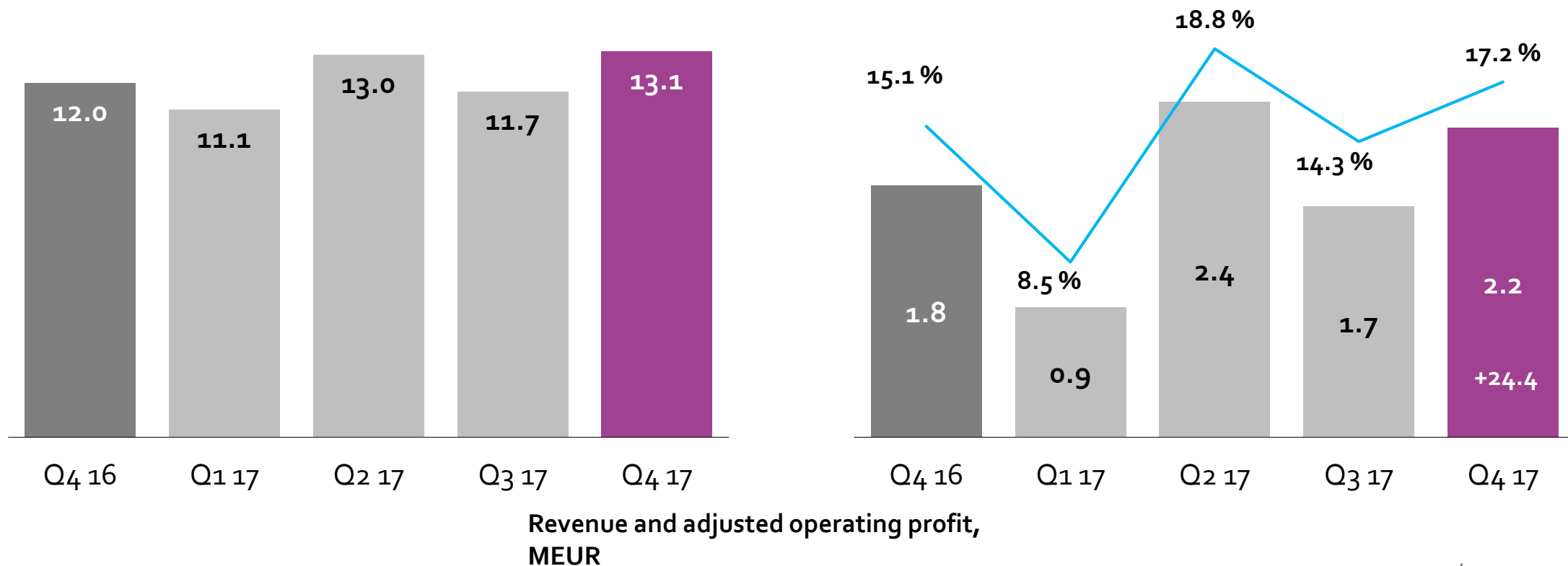
Alma Talent Q4/2017: Profitability was weighed down by expenses

- Content revenue declined by -2.2% to MEUR 13.3. The decline in content revenue was attributable to lower print media content sales. Advertising sales increased by 11.9% to MEUR 10.1. The acquisition of Mediutiset boosted advertising sales by MEUR 0.5.
- The increase in total expenses was mainly attributable to a write-down on the book inventory and growth in employee expenses.



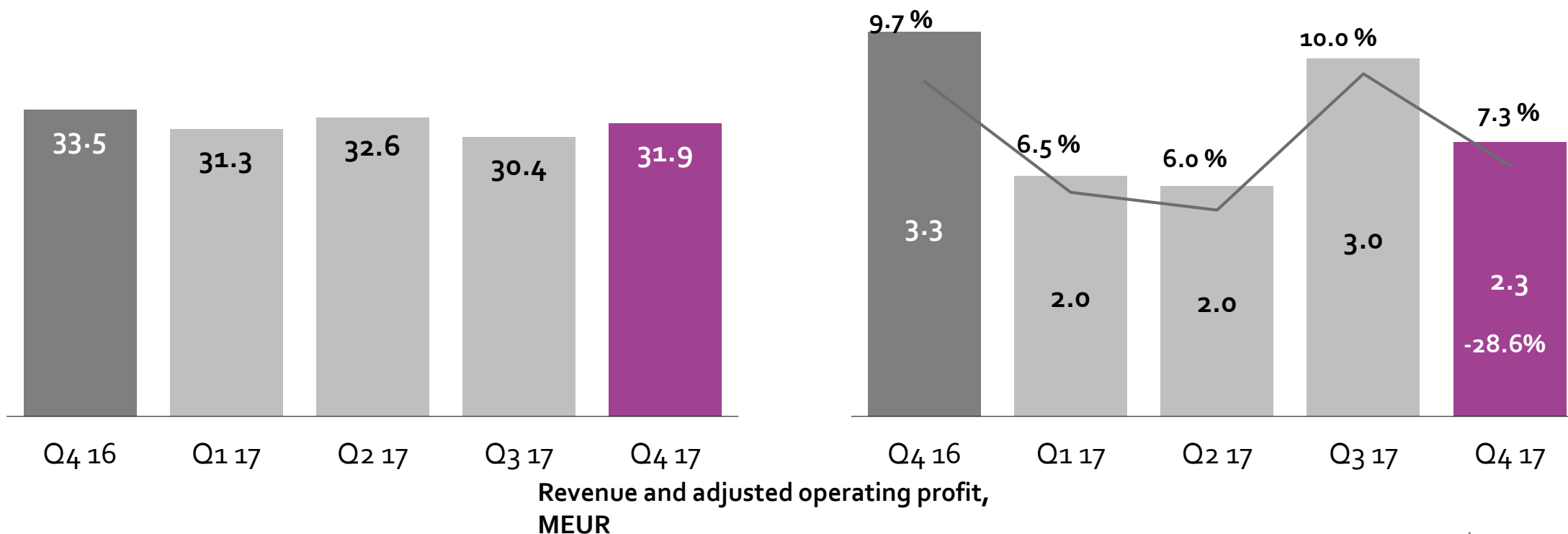
Alma News & Life Q4/2017: Digital advertising at a record level

- Advertising sales in total +23.9%. Digital advertising sales +26.7%, print media advertising sales +10.3%.
- Content revenue -8.1% due to the decline of Iltalehti's print circulation.



Alma Regions Q4/2017: The structural transformation of advertising cut regional newspaper advertising

- The segment's advertising sales was -13.8% due to reduced advertising spending in the retail sector. Advertising sales for print media -15.1%. The segment's digital advertising sales increased by 4.1%.
- Content revenue -0.7% to MEUR 14.5. The investment in the growth of digital subscriptions progressed according to plan.
- Service revenue was increased by +10% due to growth in the external revenue of printing and delivery operations.

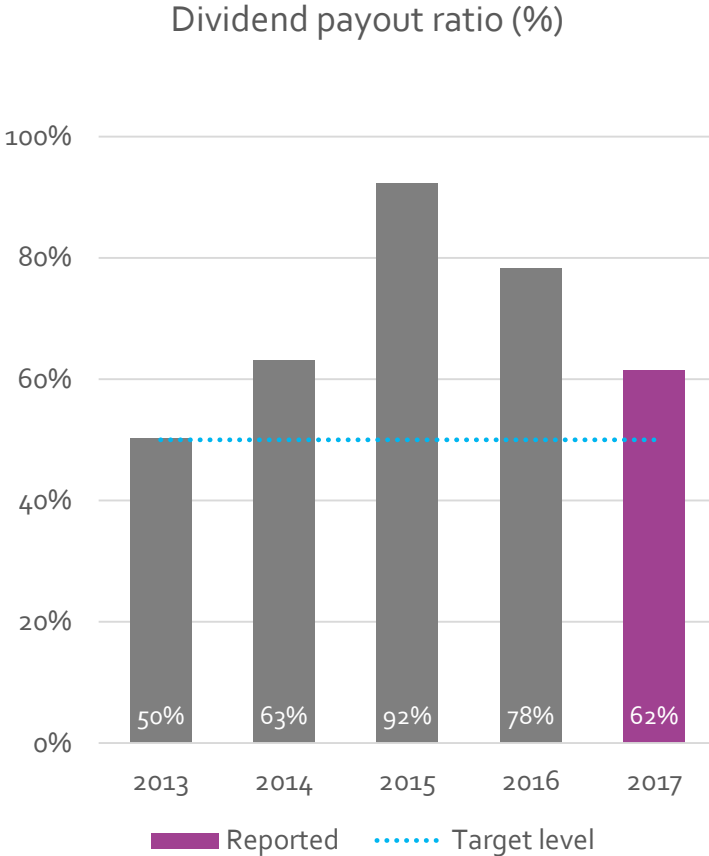
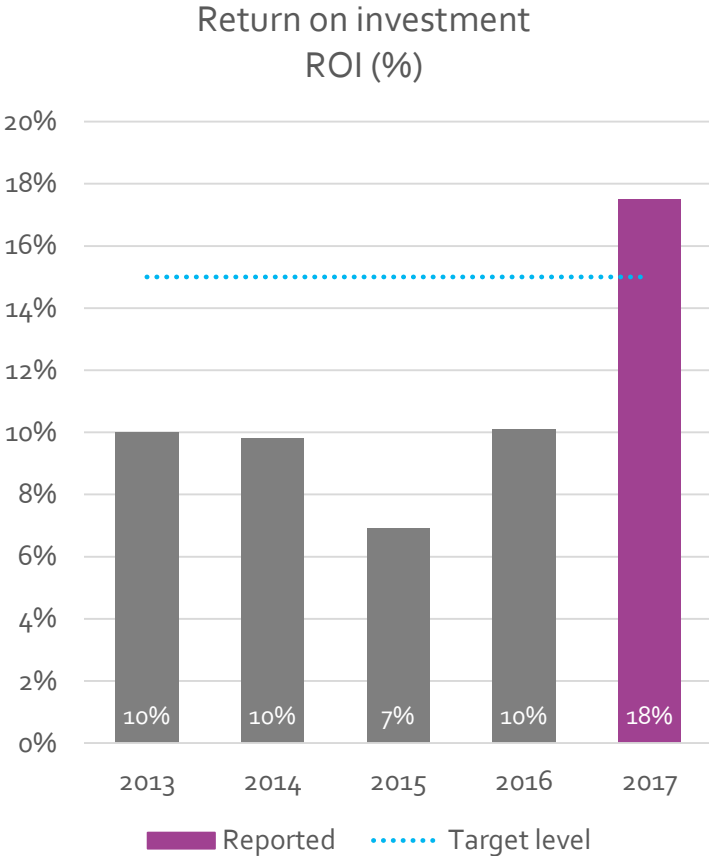
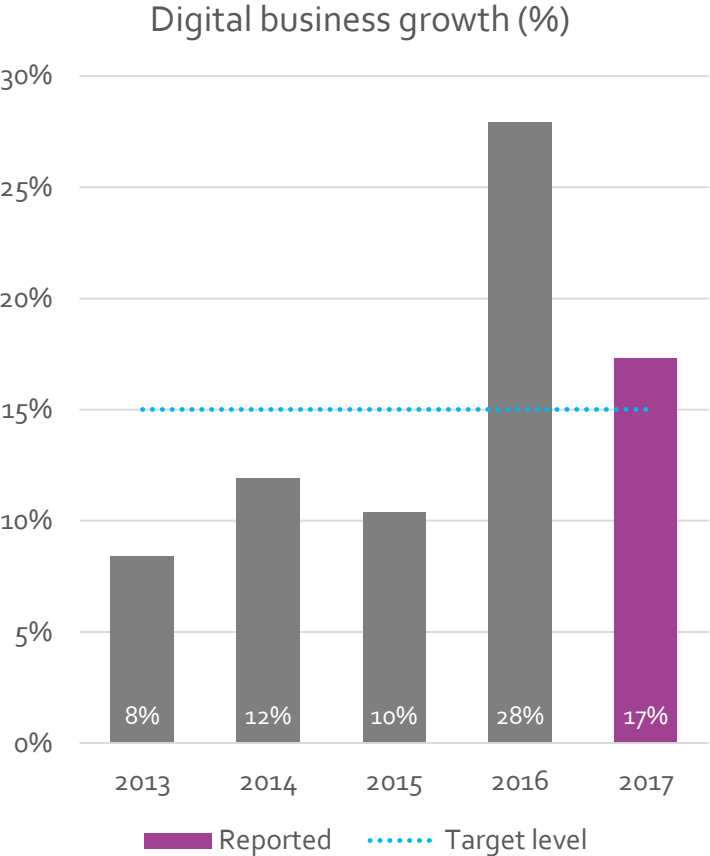


The background of the slide is a photograph of a sunset. The sky is a mix of bright yellow and orange, with the sun's glow visible. In the foreground, there are dark, thin silhouettes of plant stems and small flower heads, some in focus and others blurred. The overall mood is serene and natural.

FINANCIAL POSITION

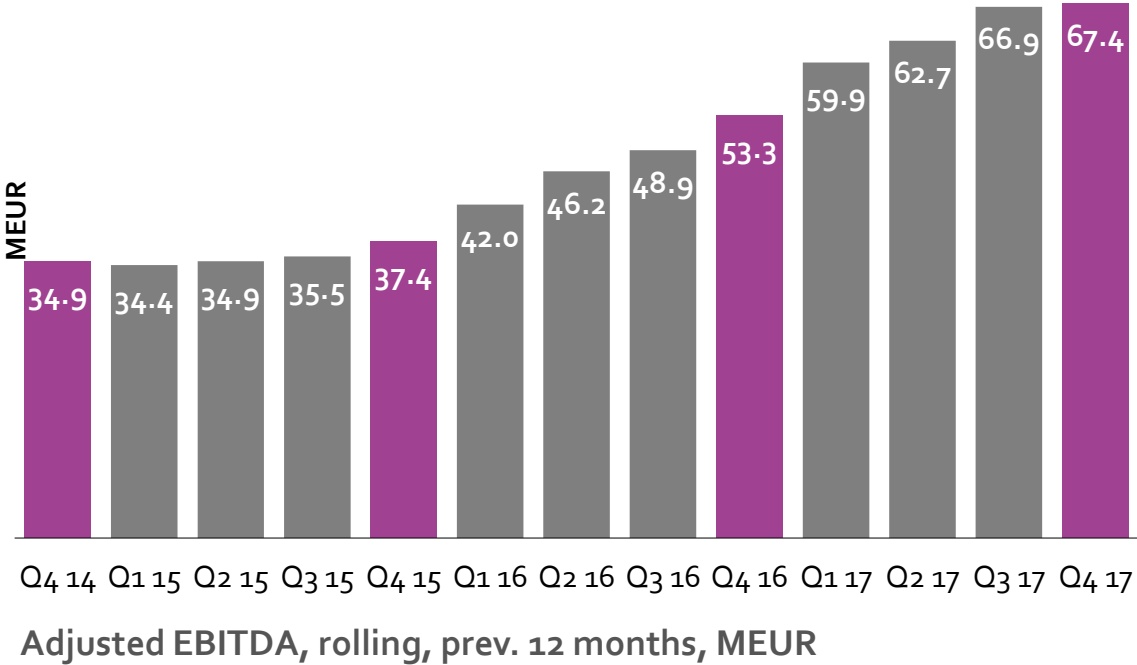
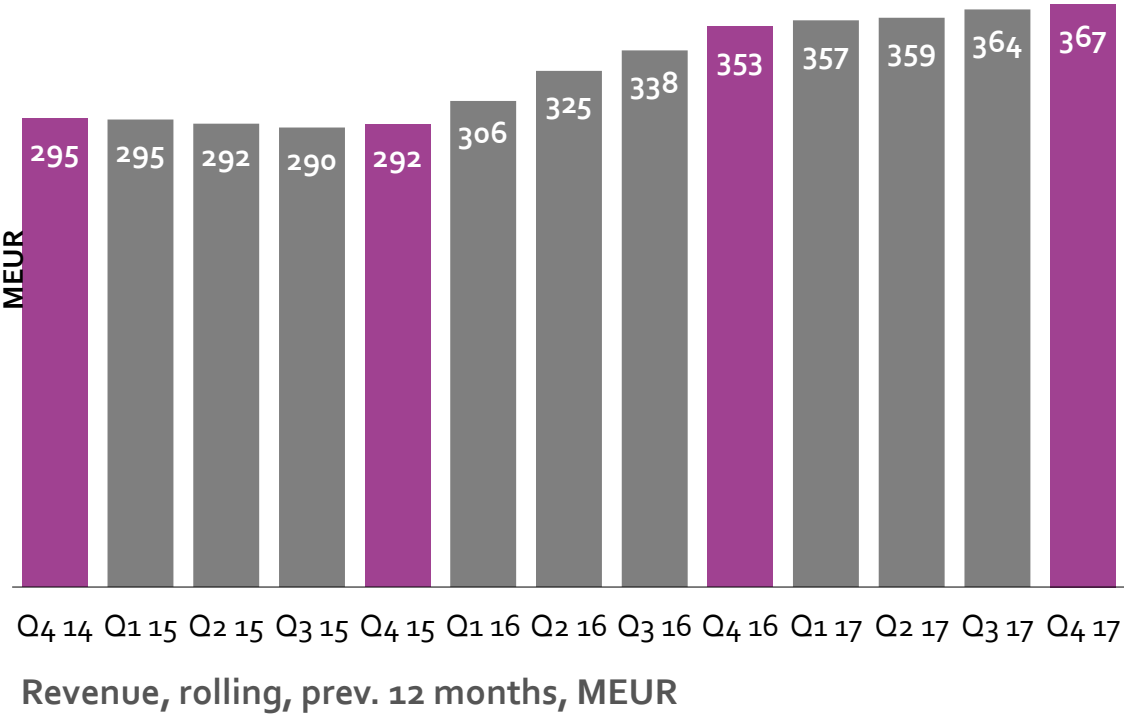
Juha Nuutinen, CFO

In 2017, we achieved our long-term financial targets



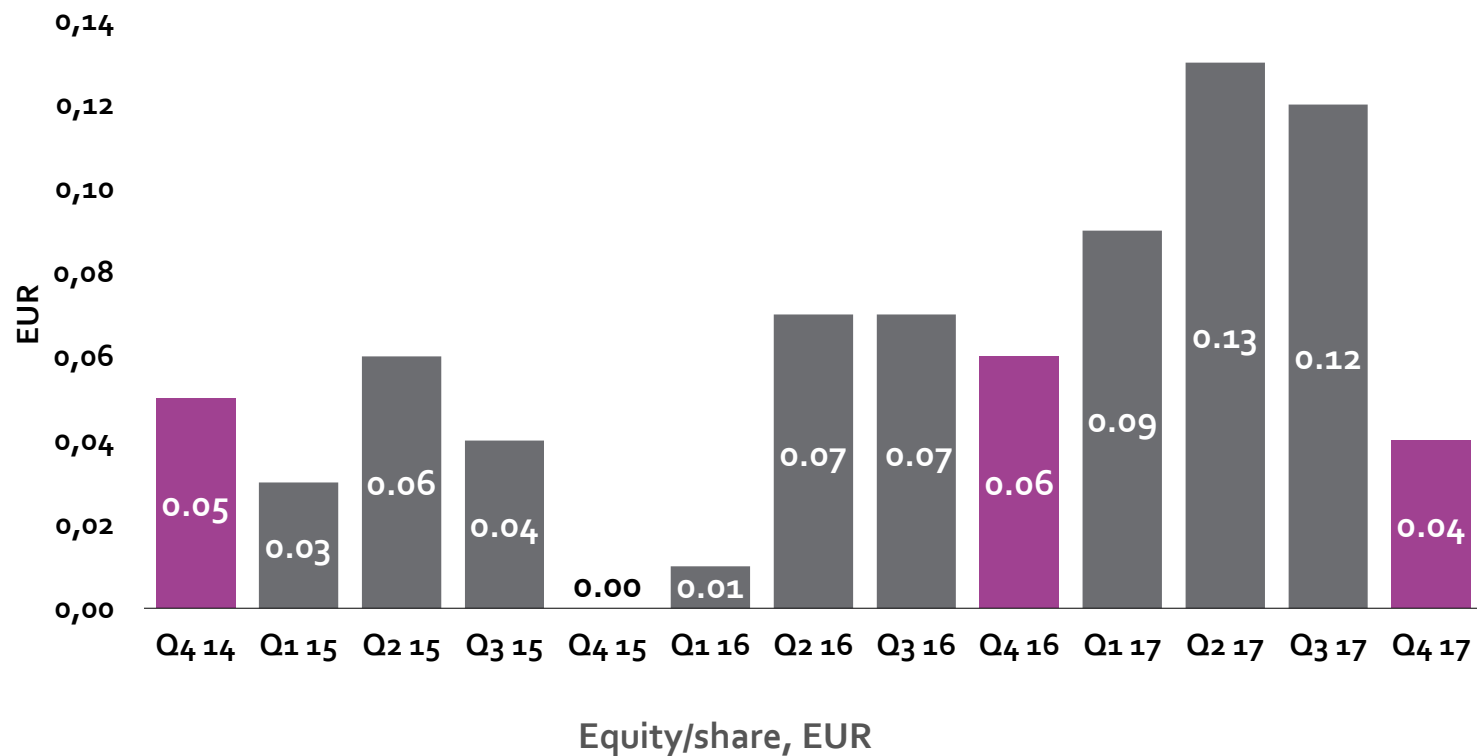
Development of revenue and EBITDA

Organic revenue growth 3.1% in Q4/2017 and 3.7% in FY/2017.



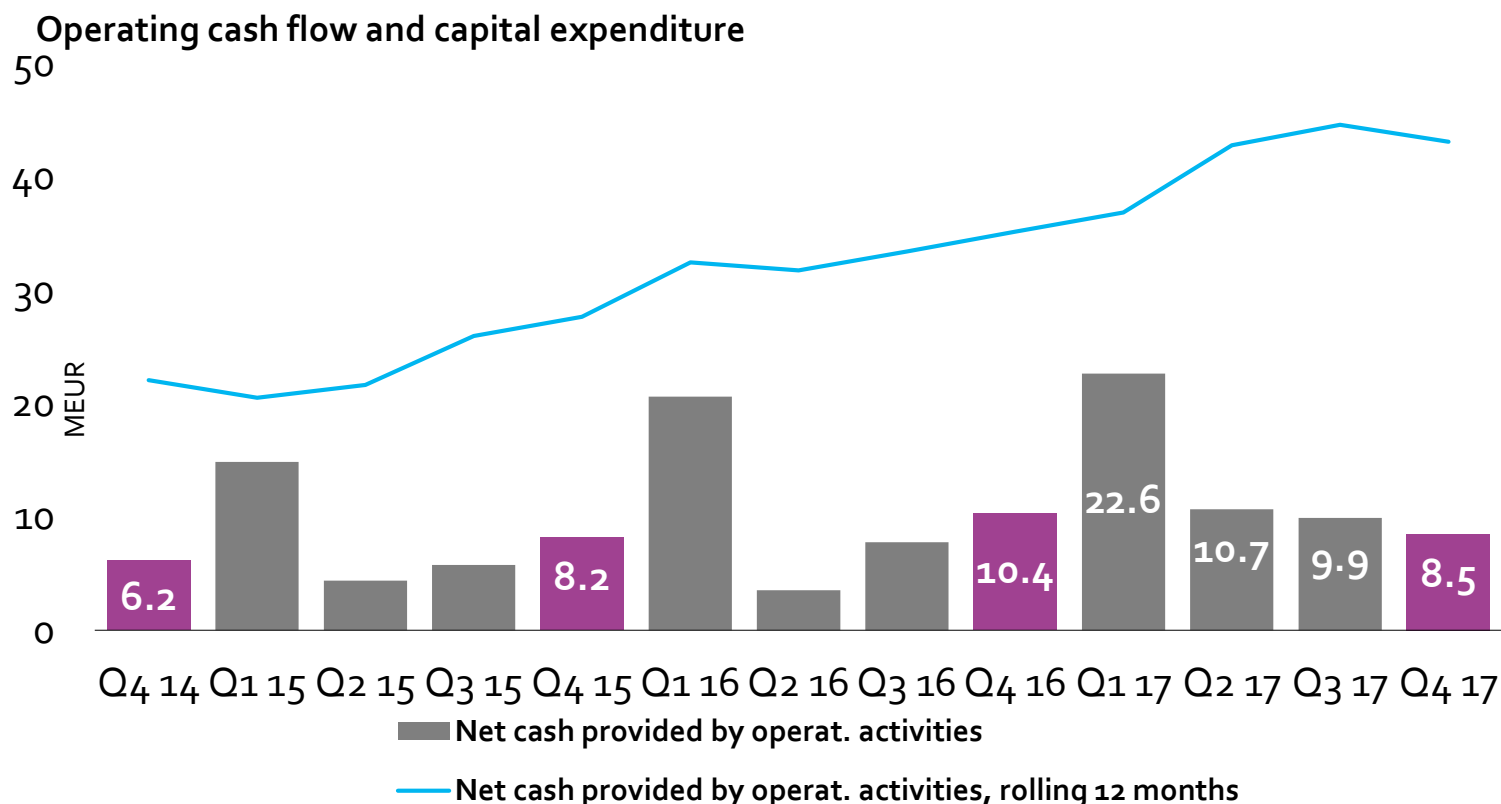
EPS

- Earnings per share in Q4 were EUR 0.04 (EUR 0.06). Adjusted items MEUR -5.4 (Q4/2016: MEUR -4.3).
- The Board's dividend proposal is EUR 0.24 (0.16) per share.

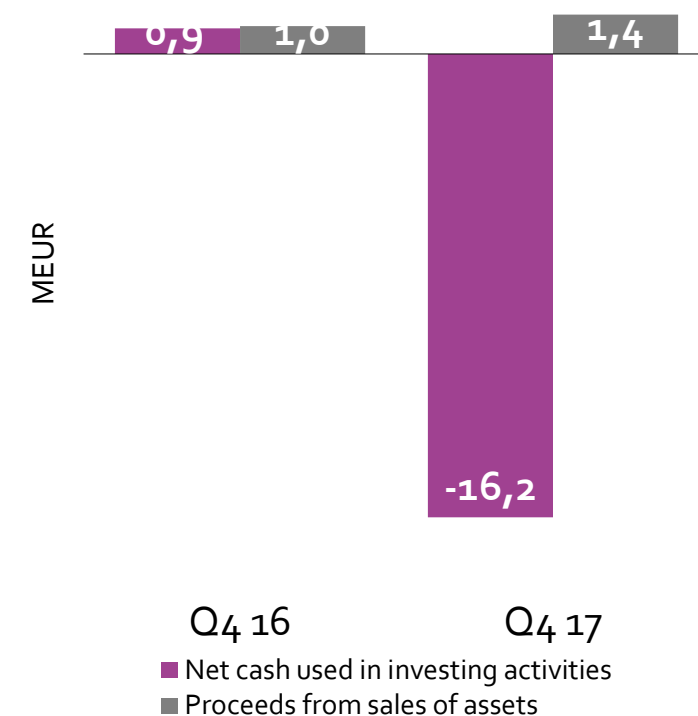


Operating cash flow and capital expenditure

- Cash flow from operating activities in Q4/2017 was MEUR 8.5 (10.4). The decrease was due to higher taxes paid and a higher level of working capital.
- Cash flow from investment activities was MEUR -14.7 (0.9) in Q4/2017, including the redemption of the Patamäenkatu property in Tampere.
- Cash flow before financing activities amounted to MEUR -6.2 (11.3) in Q4/2017.



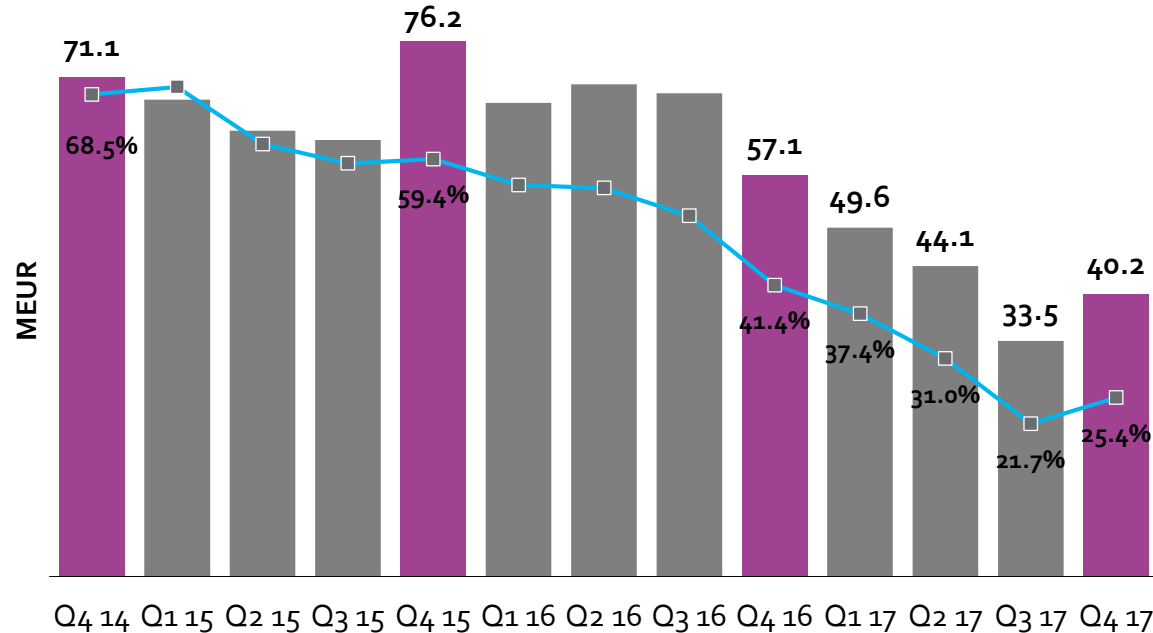
Cash flow from investing activities, MEUR



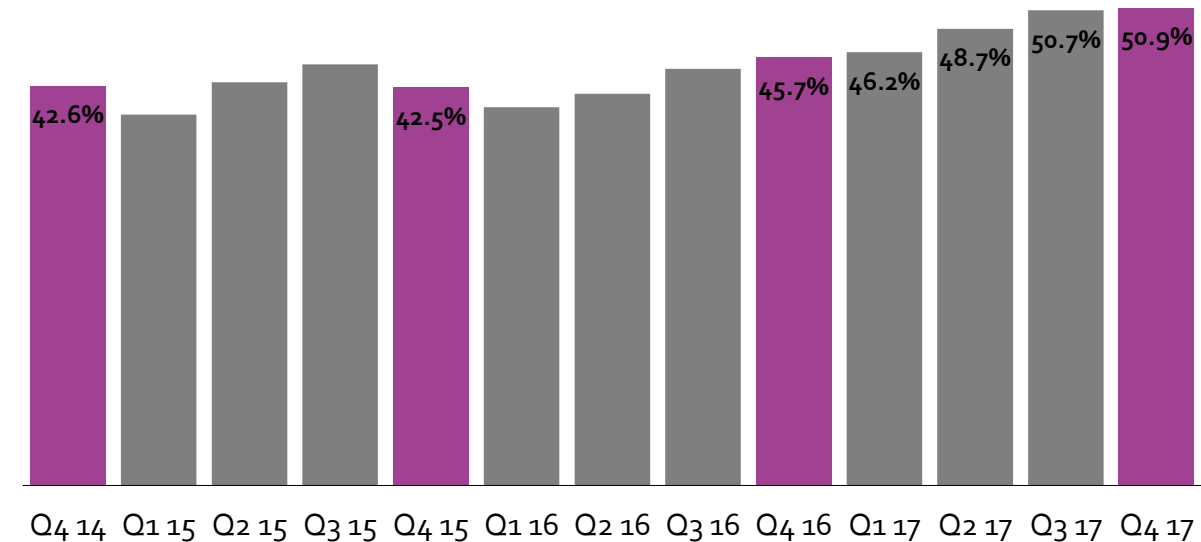
Interest-bearing liabilities grew due to investments

- At the end of December, the gearing ratio was 25.4% and net debt stood at MEUR 40.2.
- At the end of December, interest-bearing liabilities totalled MEUR 61.0, of which MEUR 56.0 were non-current liabilities.
- Equity ratio has continued to improve.

Net debt, MEUR and gearing, %
Q4/2014–Q4/2017



Equity ratio,
Q4/2014–Q4/2017



STRATEGY AND OUTLOOK

Kai Telanne, President and CEO





STRATEGIC DEVELOPMENT AREAS

Content

**Marketing
solutions**

**Service
business**

**Resources and
expertise**

Sustainable growth by making use of
digitisation opportunities.

Content marketing

Marketing solutions

- Content marketing is one of the fastest growing areas in marketing.
- At Alma, this includes customer content entities and advertisers' articles integrated into the media. Native solutions have been complemented by videos and social media channels.
- Alma has also provided training for its customers on content marketing and expanded its network of freelancers for commercial content.



eCom to boost digital subscriptions

Content

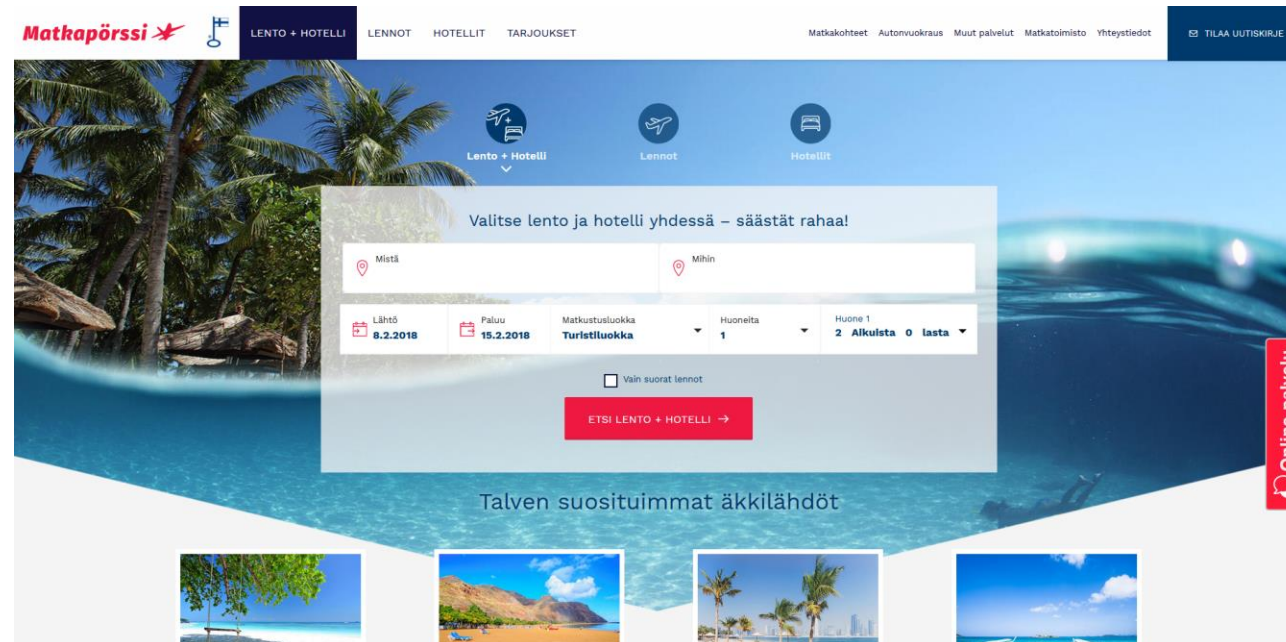
- Alma Media has established a joint eCom team between the business units to develop digital subscription sales as well as increase and share knowledge related to content e-commerce.
- With the support of the eCom team, the digital customer path is actively managed in order to increase reader loyalty and subscription propensity.
- This also enables Alma-level campaigns and measures to be implemented more easily.



Matkapörssi was renewed

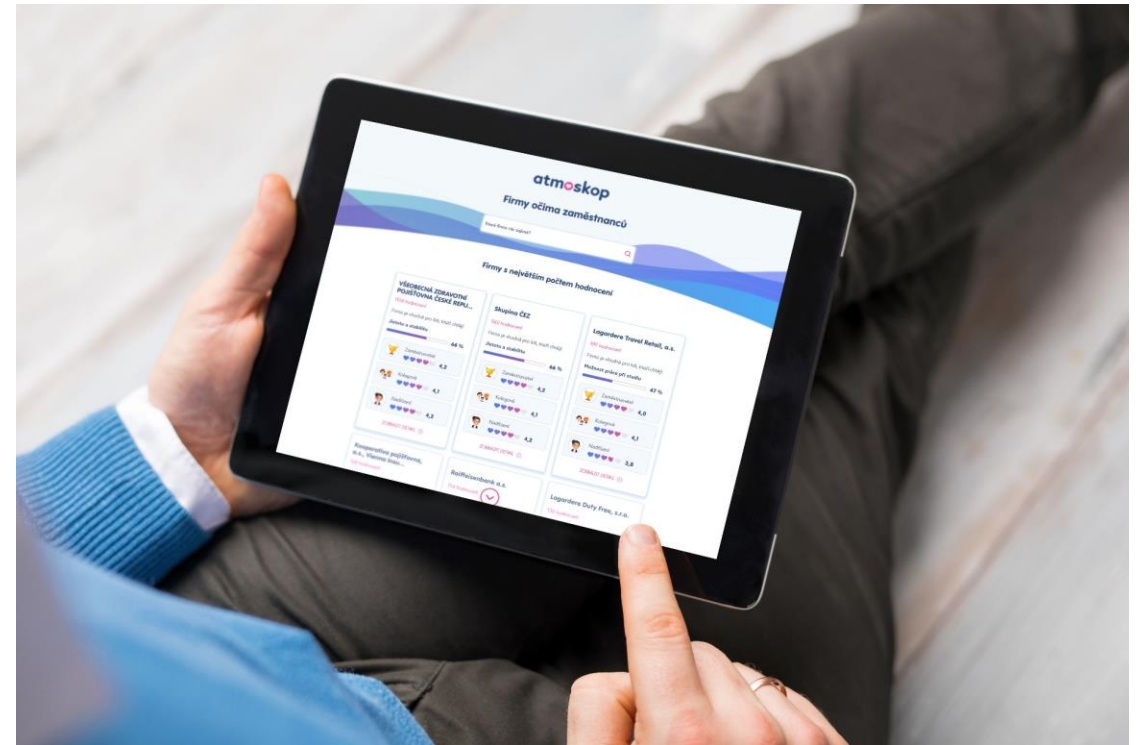
Service
business

- The new online store for the Matkapörssi service was launched in November.
- The reservation system of the online travel agency makes it easy to buy package tours, flights and hotel accommodation from any device.
- Additional services, such as transport services, seat reservations and travel insurance, can also be bought as part of the booking process.

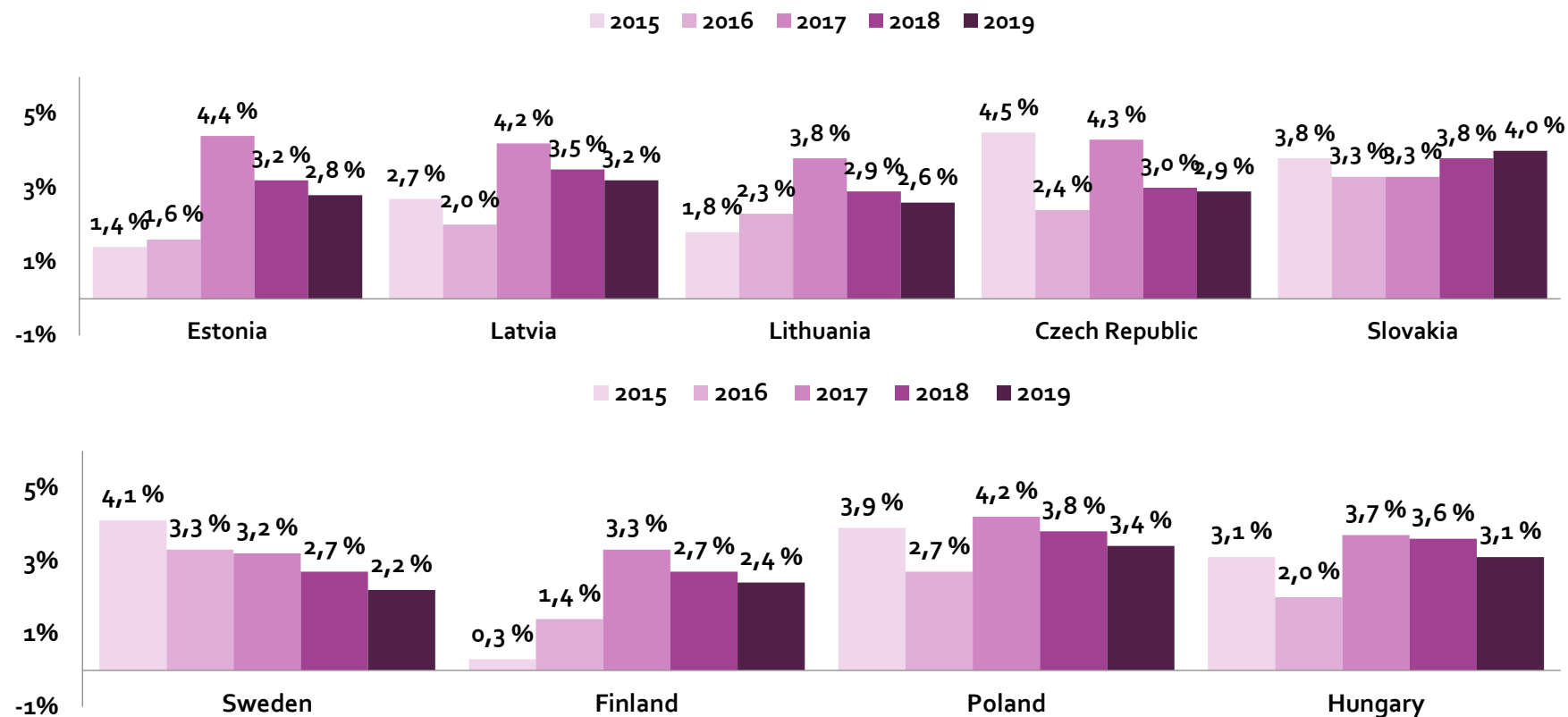


New mobile services for recruitment

- LMC has expanded its product portfolio to include mobile services that take advantage of social media, such as a service focusing on recommendations from colleagues and conveniently sharing job advertisements in social media.
- During the review period, LMC launched a similar employer rating service, Atmoskop.
- In this service, employees can share their reviews on employers and companies' corporate cultures.



GDP forecasts for Alma's operating countries, 2015–2019E



Alma Media's operating environment and outlook for 2018

Operating environment in 2018

The Finnish economy is expected to experience strong growth in 2018. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see economic growth of 3–4%. The structural transformation of the media will continue in 2018; online content sales will grow, while the demand for print media will decline.

Outlook for 2018

In 2018, Alma Media expects its full-year revenue to remain at the previous year's level and its adjusted operating profit to increase from the 2017 level. The full-year revenue for 2017 was MEUR 367.3, and the adjusted operating profit was MEUR 51.1.



THANK YOU! QUESTIONS?

Upcoming events in the investor calendar

- Financial statements, Report by the Board of Directors and Corporate Governance Statement 21 February 2018.
- Annual Review in week 11
- Annual General Meeting: 14 March 2018
- Q1/2018: 25 April 2018