Agenda

Performance highlights
Advertising market development
Business development by unit
Financial position
Strategy and outlook
Q&A
Alma Media Q2/2018 in brief

Adjusted operating profit at good year-on-year level

- Alma Media’s revenue decreased by 5.1% to MEUR 88.9. Divested and acquired businesses’ net effect on revenue was MEUR -4.4.
- Adjusted operating profit on par with the comparison period at MEUR 12.9.
Revenue and adj. operating profit Q2/2018

Businesses developed at unequal pace

- Alma Markets as again the strongest driver of growth and profitability.
- At Alma Talent stable revenue development and improved profitability in Finland. Challenges continued in Sweden.
- The structural transformation of media was reflected in the Alma Consumer’s result as print media continued to decline.
Revenue and adj. operating profit H1/2018

Revenue (MEUR) H1

<table>
<thead>
<tr>
<th></th>
<th>H1 17</th>
<th>Alma Markets</th>
<th>Alma Talent</th>
<th>Alma Consumer</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>184.2</td>
<td>7.8</td>
<td>-2.3</td>
<td>-8.3</td>
<td>181.1</td>
</tr>
</tbody>
</table>

Adjusted operating profit (MEUR) H1

<table>
<thead>
<tr>
<th></th>
<th>H1 17</th>
<th>Alma Markets</th>
<th>Alma Talent</th>
<th>Alma Consumer</th>
<th>Group operations</th>
<th>H1 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.8</td>
<td></td>
<td>2.1</td>
<td>-0.8</td>
<td>-2.3</td>
<td>0.3</td>
<td>25.1</td>
</tr>
</tbody>
</table>
Digital business growth

- The share of digital business of Group revenue is approaching 50%.
ADVERTISING MARKET DEVELOPMENT
IN FINLAND
The domestic advertising market remains subdued

Change in media advertising in Q2/2015 – Q2/2018
Source: Kantar TNS
Advertising trends by media group in Finland Q2/2018

January-May/2018 development in Sweden:
- total advertising volume +5.6% (+3.6%), online media +5.4% (+10.8%), trade magazines -19.8% (+9.0%)

Source: Kantar TNS, Sveriges Mediebyråer
The Finnish economic upturn is reflected in housing and job advertisements

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017 vs 2016</th>
<th>Q4 2017 vs 2016</th>
<th>Q1 2018 vs 2017</th>
<th>Q2 2018 vs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>-9.4%</td>
<td>-3.9%</td>
<td>-4.7%</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Food &amp; bev.</td>
<td>-4.7%</td>
<td>-12.2%</td>
<td>9.7%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Motor v.</td>
<td>-6.7%</td>
<td>0.9%</td>
<td>-5.1%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Tourism</td>
<td>10.1%</td>
<td>-2.5%</td>
<td>7.5%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Entert</td>
<td>-3.1%</td>
<td>-8.1%</td>
<td>-3.3%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Houses</td>
<td>0.5%</td>
<td>11.3%</td>
<td>-0.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Recru</td>
<td>17.5%</td>
<td>18.7%</td>
<td>8.6%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Tele</td>
<td>-32.0%</td>
<td>-30.7%</td>
<td>-35.4%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Other</td>
<td>2.6%</td>
<td>2.4%</td>
<td>-3.9%</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

Total -2.2%  Total -1.1%  Total -2.3%  Total -2.5%

Biggest advertising sectors
Source: Kantar TNS
Online advertising in Finland by media companies in H1/2018

- A-LEHDET: 2% (2%)
- ALMA MEDIA: 30% (30%)
- MTV MEDIA: 7% (7%)
- OTAVAMEDIA: 11% (11%)
- OTHER FINNISH MEDIA COMPANIES: 11% (13%)
- SANOMA: 39% (37%)

Appr. 94 MEUR

Source: Kantar TNS
DEVELOPMENT BY BUSINESS SEGMENTS
Alma Markets Q2/2018: Profitable business growth continued

- International recruitment services and domestic marketplaces both contributed to segment’s excellent performance, supported by favourable market development. Revenue growth remained strong in Finland, the Czech Republic and Croatia.
- Recruitment business revenue +15.6%, accounted for 76.1% of the segment’s revenue.
- Adjusted total expenses +18.1% to MEUR 15.7. Expenses up due to launch and marketing investments in a new mobile recruitment service in Poland (MEUR 0.4), among other things.

Revenue and adjusted operating profit, MEUR

<table>
<thead>
<tr>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.6</td>
<td>20.9</td>
<td>22.1</td>
<td>23.8</td>
<td>24.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3</td>
<td>7.9</td>
<td>5.8</td>
<td>8.2</td>
<td>8.6</td>
</tr>
</tbody>
</table>

Acquisitions increased the segment’s revenue by MEUR 0.7 and operating profit by MEUR 0.2.
Alma Talent Q2/2018: Profitability improved in Finland, but the business development in Sweden was weak

- Advertising sales -1.0%, digital advertising sales +3.1%. In Finland, advertising was on par with the previous year in Q2, but advertising continued to decline in Sweden. Acquired businesses increased advertising revenue by MEUR 0.3.
- Content revenue -1.8%. Digital content revenue grew by 3.1%.
- Adjusted total expenses -3.8% to MEUR 24.3. Total expenses decreased in Finland due to cost savings and previously implemented restructuring measures.
Alma Consumer Q2/2018: The decline of print media sales reduced profitability

- Revenue was reduced e.g. by the divestment of the newspaper business in Lapland. The result was weighed down by the decline of advertising sales in print media and the falling single-copy sales of Iltalehti. The development of programmatic buying revenue weaker than expected.
- Excluding divested operations advertising sales was -8.4% (digital was -2.9% and print media was -11.9%) and content revenue -4.7%. Content revenue from regional media was on par with Q2/2017. Content revenue fell due to the decline of Iltalehti’s print circulation.
- Adjusted total expenses -14.3% to MEUR 34.6. The effect of divested businesses was MEUR -5.4.
FINANCIAL POSITION

Juha Nuutinen, CFO
Long-term financial targets


Return on investment: ROI (%)


Dividend payout ratio (%)

Development of revenue and EBITDA

Organic revenue growth -0.5% in Q2/2018.

Revenue, rolling, prev. 12 months, MEUR

<table>
<thead>
<tr>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>325</td>
<td>338</td>
<td>353</td>
<td>357</td>
<td>359</td>
<td>364</td>
<td>367</td>
<td>369</td>
<td>364</td>
</tr>
</tbody>
</table>

Adjusted EBITDA, rolling, prev. 12 months, MEUR

<table>
<thead>
<tr>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q1 18</th>
<th>Q2 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>46.2</td>
<td>48.9</td>
<td>53.3</td>
<td>59.9</td>
<td>62.7</td>
<td>66.9</td>
<td>67.4</td>
<td>67.2</td>
<td>66.9</td>
</tr>
</tbody>
</table>
**EPS**

- Earnings per share in Q2 were EUR 0.15 (EUR 0.13). Adjusted items MEUR 4.5 (Q2/2017: MEUR 1.8).
Operating cash flow and capital expenditure

- In Q2/2018, cash flow from operating activities was MEUR 3.7 (10.7). The decrease is due on higher taxes paid year-on-year and higher working capital. Cumulative cash flow from operating activities in H1 was on par with the previous year.
- In Q2/2018, cash flow from investment activities was MEUR 2.6 (-1.2), including the divestment of the newspaper business in Lapland.
- Cash flow before financing activities amounted to MEUR 6.3 (9.5) in Q2/2018.
Interest-bearing liabilities and equity ratio

• At the end of June, the gearing ratio was 21.4% and net debt stood at MEUR 34.7.
• At the end of June, interest-bearing liabilities totalled MEUR 58.8, of which MEUR 54.1 were non-current liabilities.
• Equity ratio was 52.0%.
### IFRS 16 and estimated effects on Alma Media’s financial position

#### IFRS 16: Estimated effect on Alma Media financial reporting (preliminary)

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property &amp; other lease</td>
<td>60.1</td>
<td>60.1</td>
<td>52.1</td>
<td>52.1</td>
</tr>
<tr>
<td>Car lease</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>IT lease</td>
<td>-1.7</td>
<td>-1.8</td>
<td>-1.7</td>
<td>-1.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>59.1</strong></td>
<td><strong>59.1</strong></td>
<td><strong>51.2</strong></td>
<td><strong>51.1</strong></td>
</tr>
</tbody>
</table>

#### Profit & Loss (MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Full-Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other expenses - <em>decrease</em></td>
<td>7.8</td>
</tr>
<tr>
<td>Ebitda</td>
<td>7.8</td>
</tr>
<tr>
<td>Depreciation - <em>increase</em></td>
<td>-7.2</td>
</tr>
<tr>
<td>Ebit</td>
<td>0.6</td>
</tr>
<tr>
<td>Interest expense - <em>increase</em></td>
<td>-0.6</td>
</tr>
<tr>
<td>Result</td>
<td>0.0</td>
</tr>
</tbody>
</table>

#### IFRS 16: Balanse sheet and key financial ratios (preliminary)

<table>
<thead>
<tr>
<th></th>
<th>Reported Dec 2017</th>
<th>Adjusted Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets total, MEUR</td>
<td>333.8</td>
<td>392.9</td>
</tr>
<tr>
<td>Interest bearing debt, MEUR</td>
<td>61.3</td>
<td>120.4</td>
</tr>
<tr>
<td>Net debt, MEUR</td>
<td>40.2</td>
<td>99.3</td>
</tr>
<tr>
<td>Equity ratio, %</td>
<td>50.9</td>
<td>42.8</td>
</tr>
<tr>
<td>Net debt/EBITDA ratio</td>
<td>0.6</td>
<td>1.3</td>
</tr>
<tr>
<td>EBITDA, MEUR</td>
<td>66.9</td>
<td>74.7</td>
</tr>
<tr>
<td>EBITDA adjusted, MEUR</td>
<td>67.4</td>
<td>75.2</td>
</tr>
<tr>
<td>EBIT, MEUR</td>
<td>46.6</td>
<td>47.2</td>
</tr>
<tr>
<td>EBIT adjusted, MEUR</td>
<td>51.1</td>
<td>51.7</td>
</tr>
<tr>
<td>EPS</td>
<td>0.39</td>
<td>0.39</td>
</tr>
</tbody>
</table>
STRATEGY

Kai Telanne, President and CEO
Accelerating sustainable growth

GROWTH DRIVERS

DIGITAL BUSINESS
MULTI-CHANNEL MEDIA SOLUTIONS
STRONG BRANDS
SERVICE BUSINESS
INTERNATIONALISATION
NEW BUSINESS AREAS
STRONG FINANCIAL POSITION

GROUP STRATEGIC INITIATIVES

ALMA MEDIA SOLUTIONS
ECOM CONTENT AND SERVICES
DATA
ALMA THEMES AND SERVICES
TRAFFIC MANAGEMENT
The strategic eCom initiative aims to achieve growth in digital content revenue and in the user volumes of digital content products. Stabilizing digital products as part of the consumer’s daily life.

Measures taken in Q2

- developing the quality and value of digital content (“Tähtijutut”/star stories)
- increasing user activity, visiting frequency and subscriber retention
- strengthening digital culture and cooperation inside the organisation.
Divestment and discontinued operations in June-July 2018

• Business development in Sweden was below target level
  • decision to discontinue Alma Talent Events Ab business operations
  • Dagens Media Sverige Ab (Dagens Media and Medievärlden) was sold to Bonnier Business Media.
• Alma Talent sold its CRM system reselling and maintenance business to CRM-service Oy.
• Alma Consumer sold its Matkapörssi and Lentokeskus businesses to Lakeuden Matkat Oy.
• Alma Media sold its old office and production facility in Tampere to Ab Sagax.
Integration of Alma Consumer completed

• Objectives
  • digital business growth in content, services and advertising
  • ensuring the revenue development of print media
  • the best services and marketing solutions
  • strengthening local, regional and national operations.

• The unit’s management model has been finalised and the management team appointed. In addition, the content sales and digital development functions were organised.

• Statutory personnel negotiations held in relation to the integration process led to reductions corresponding to eight person-years.

• The business unit’s strategy process will begin in Q3.
  • One of the goals of the strategy process is to identify new business initiatives.
Outlook

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 (unchanged)

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

• Q3/2018: 25.10.2018