



ALMA MEDIA Q1/2018

Kai Telanne, President and CEO
Juha Nuutinen, CFO

Agenda

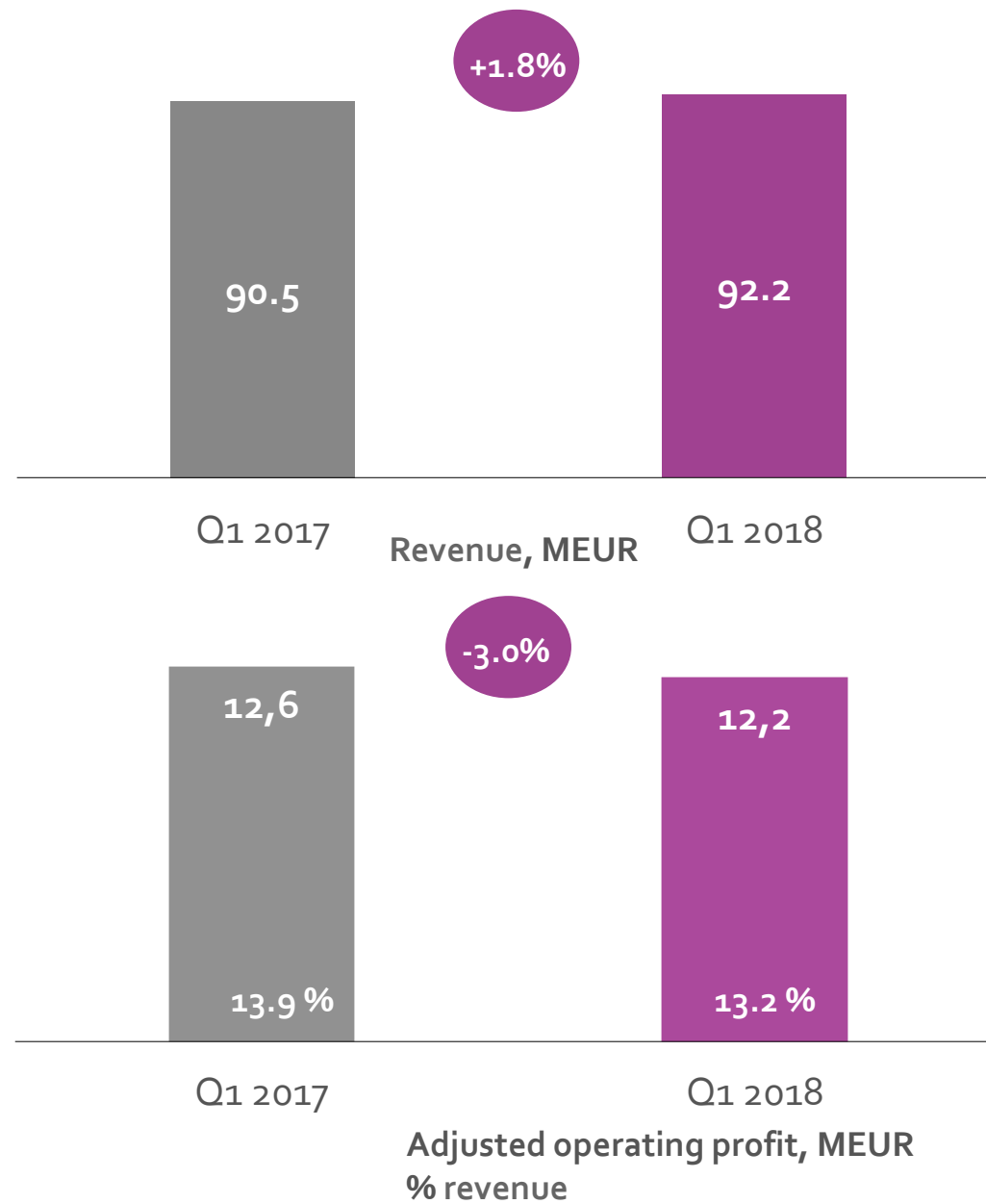
Highlights of profit performance
Advertising market development
Business development by unit
Financial position
Strategy and outlook
Q&A



Alma Media Q1/ 2018 in brief

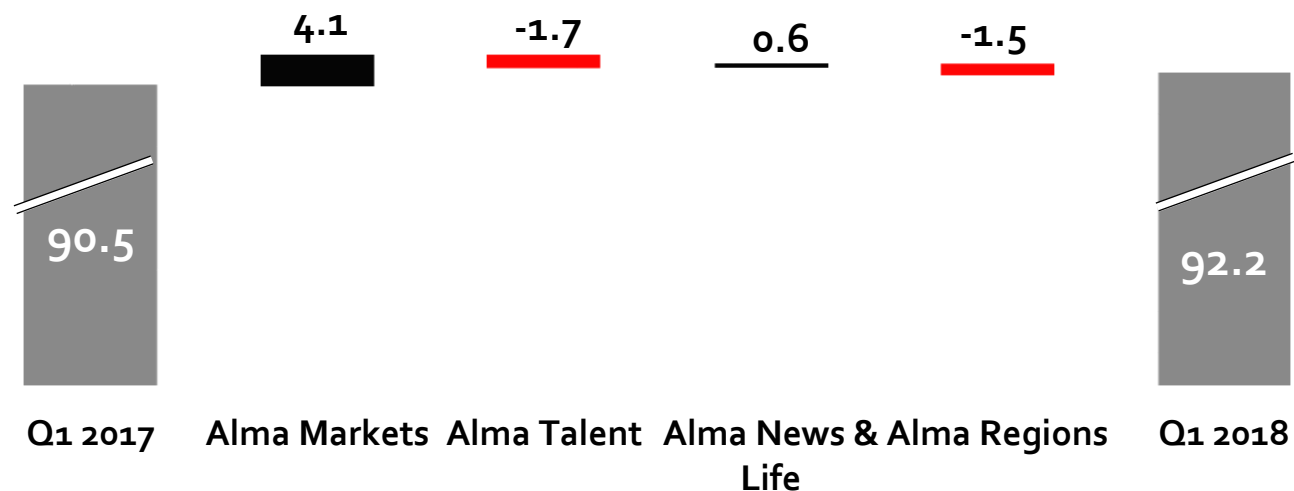
Business development twofold

- The revenue and profitability of Alma's businesses furthest in digital transformation continued to see growth in Q1/2018.
- The result of print media businesses declined due to the weaker advertising market.
- Alma Media's revenue increased by 1.8% to MEUR 92.2 and adjusted operating profit decreased by 3.0% to MEUR 12.2.

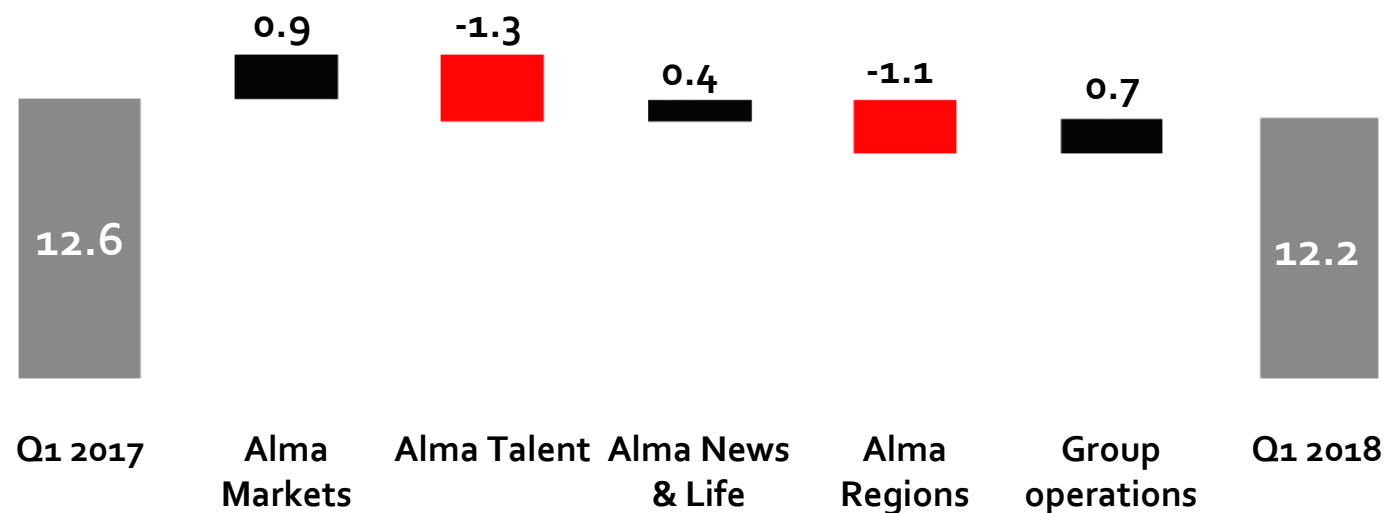


Revenue and adj. operating profit Q1/2018

Revenue (MEUR) Q1

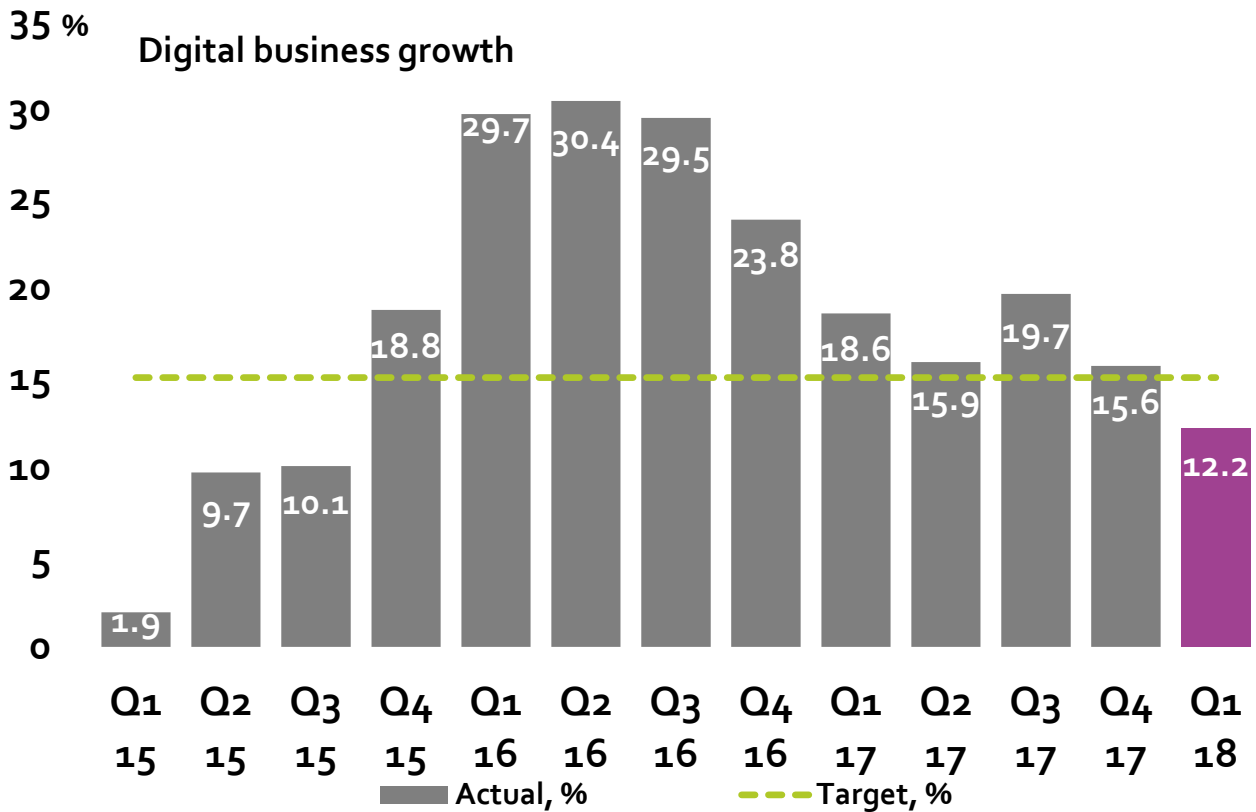
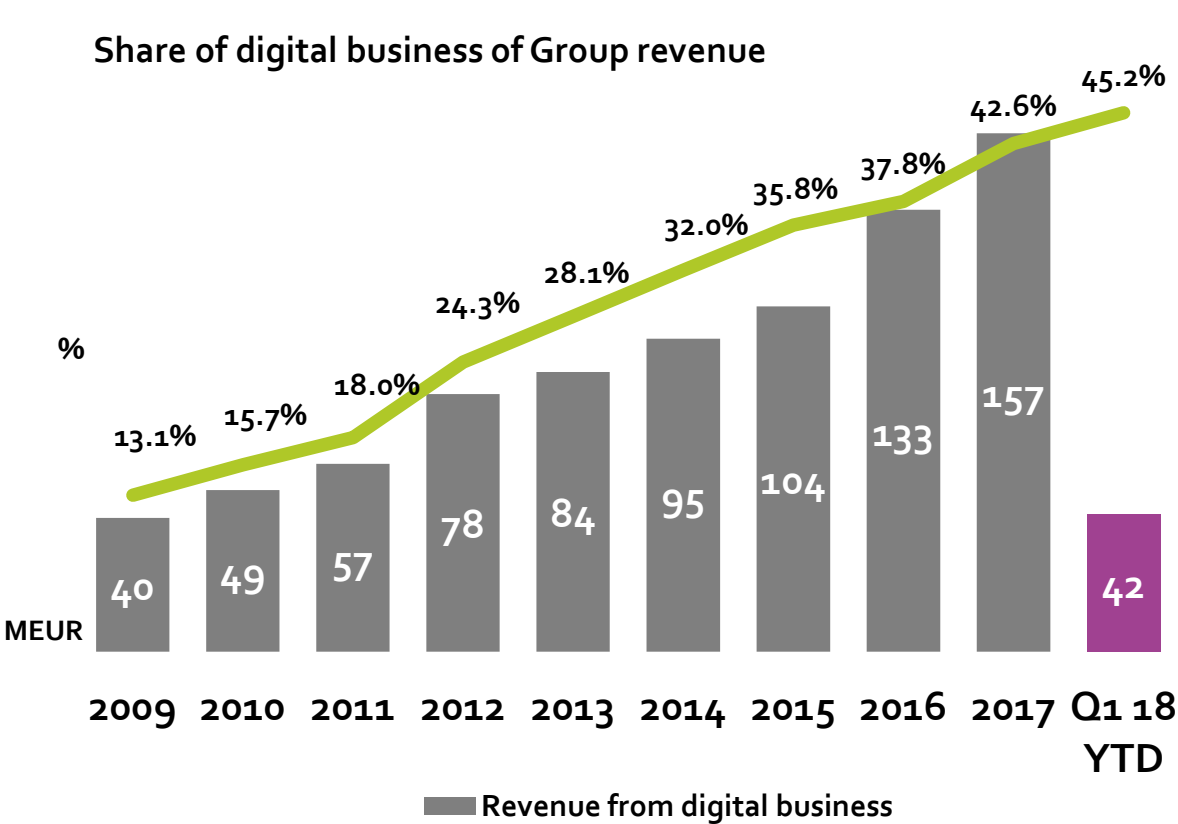


Adjusted operating profit (MEUR) Q1



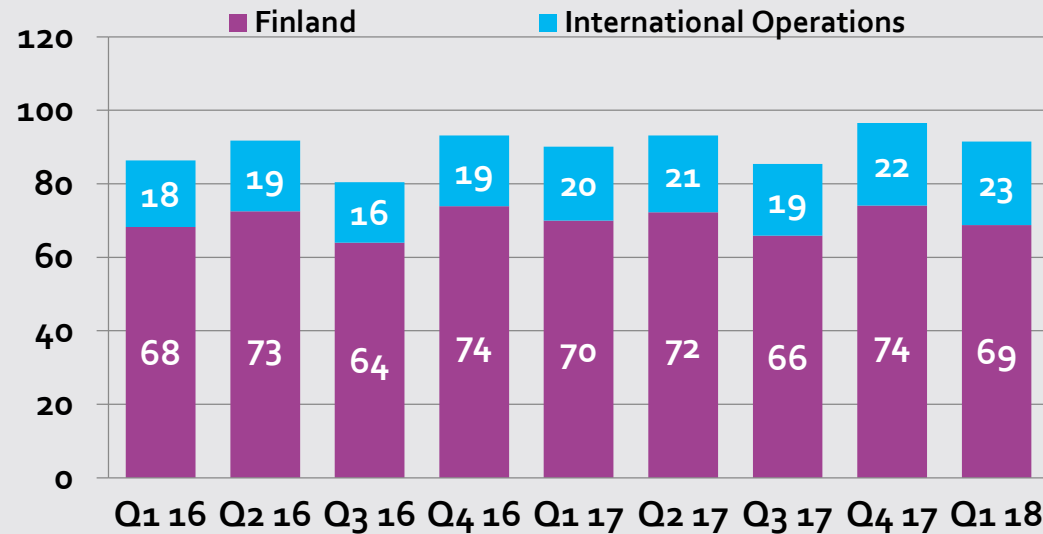
Digital business growth

- The share of digital business of Group revenue is approaching 50 %.

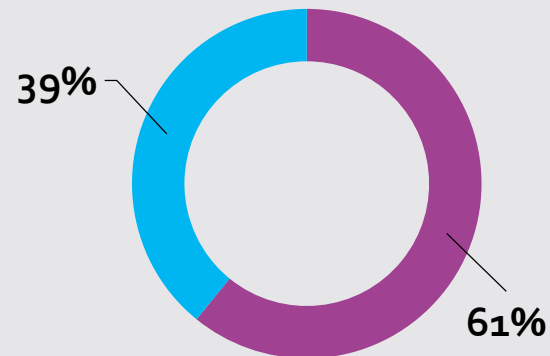


International business

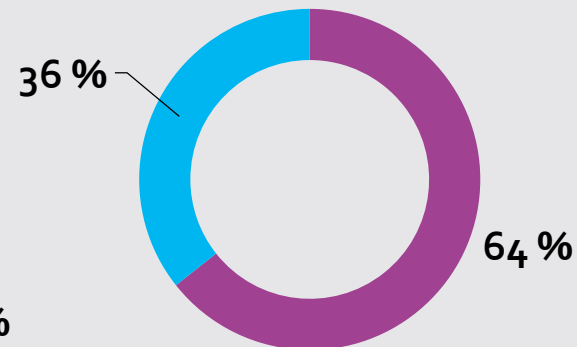
Revenue Q1/2016 - Q1/2018



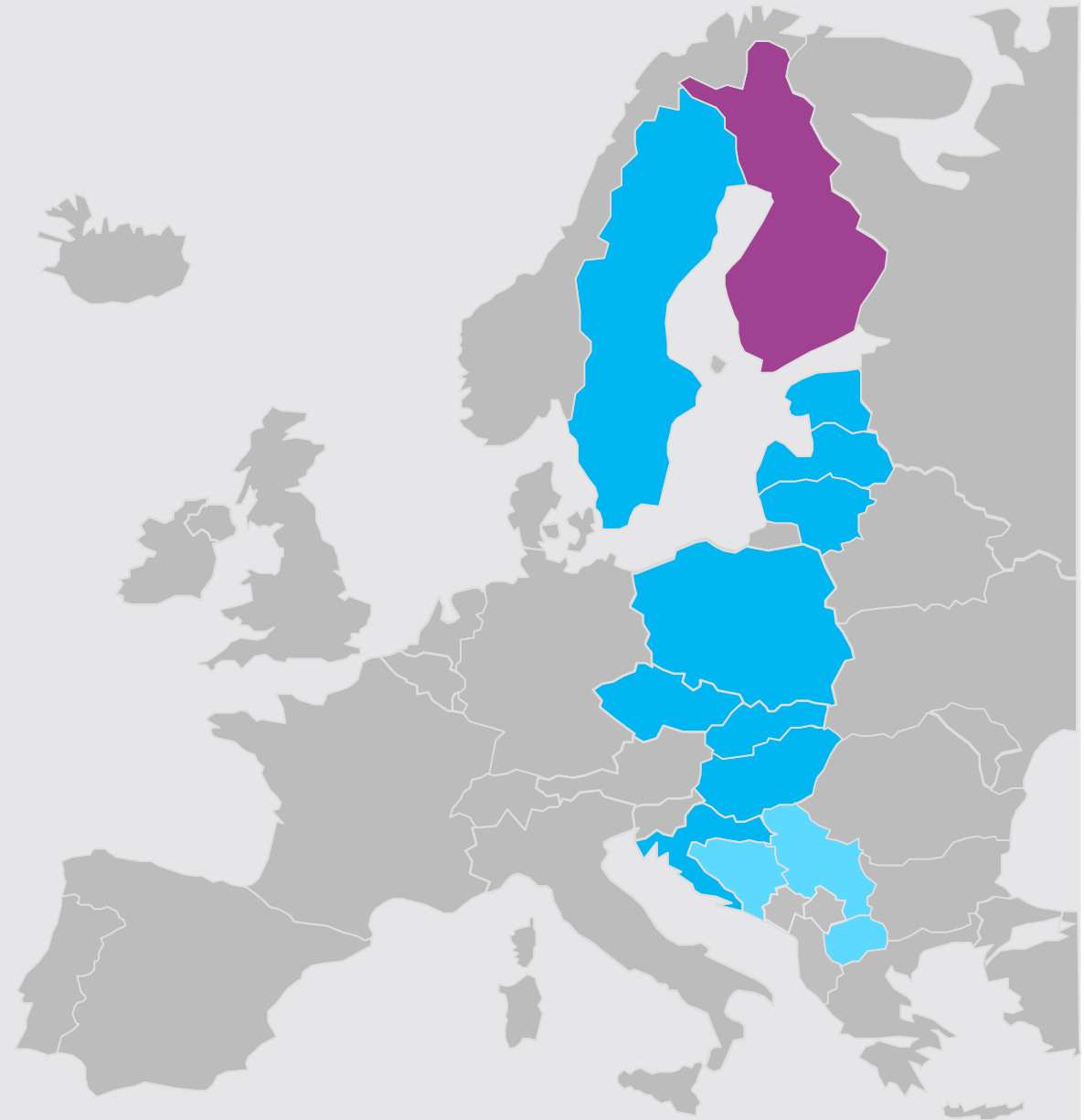
Operating profit Q1/2018



Personnel Q1/2018



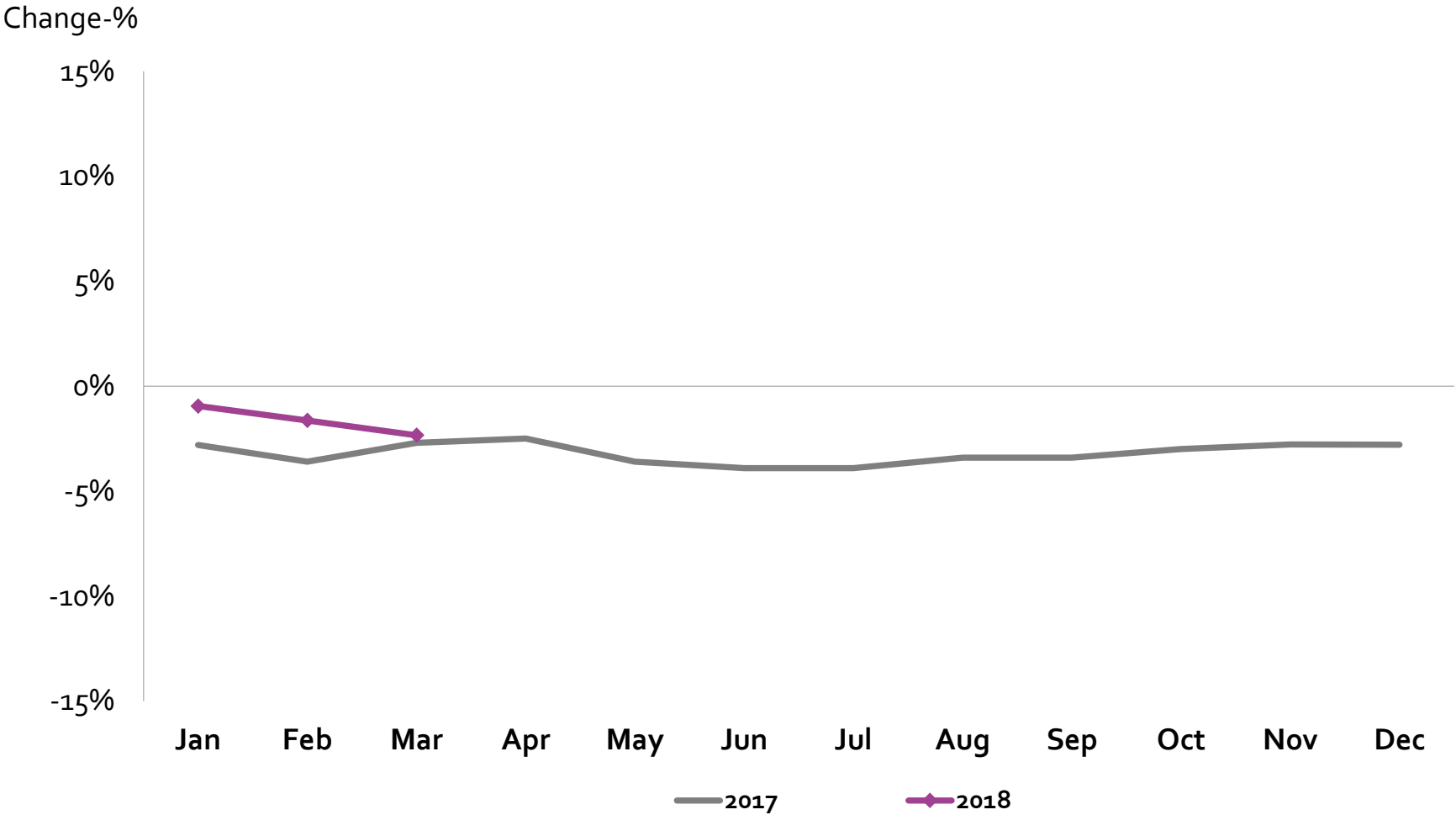
Finland International Operations Finland International Operations





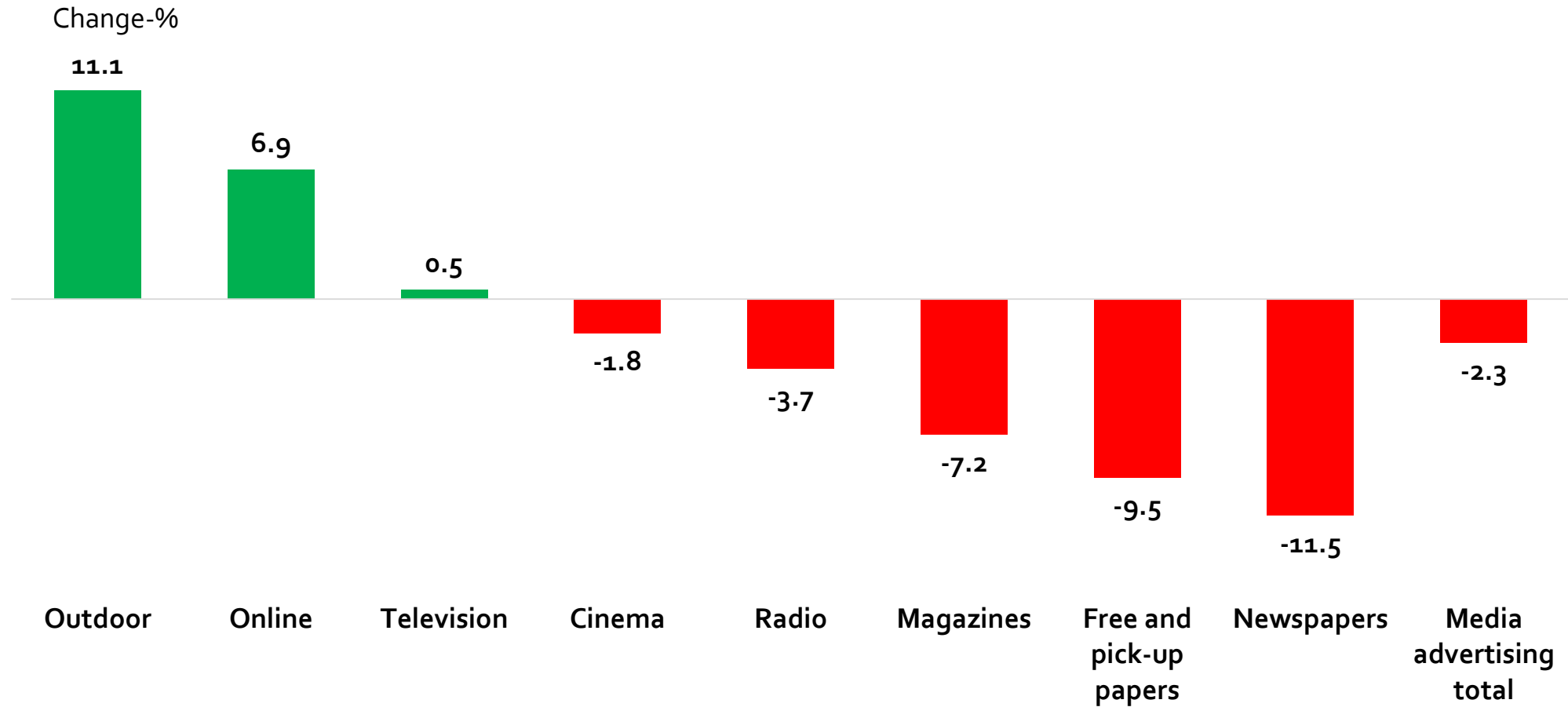
ADVERTISING MARKET DEVELOPMENT IN FINLAND

The Media Advertising Expenditure Trends in Finland



Source: Kantar TNS

Advertising trends by media group Q1/2018



Q1/2018 development in Sweden:

- total advertising volume +4.3% (+6.6%), online media +5.2% (+10.2%), trade magazines -20.3% (+5.0%)

Source: Kantar TNS,
Sveriges Mediebyråer

Advertising trend by category Q1/2018



Change-%

Finance	30.6
Building	12.1
Food industry	9.7
Travelling	7.5



Change-%

Telecom	-35.4
Cosmetics	-16.2
Drugs	-10.1
Oil and energy companies	- 7.5

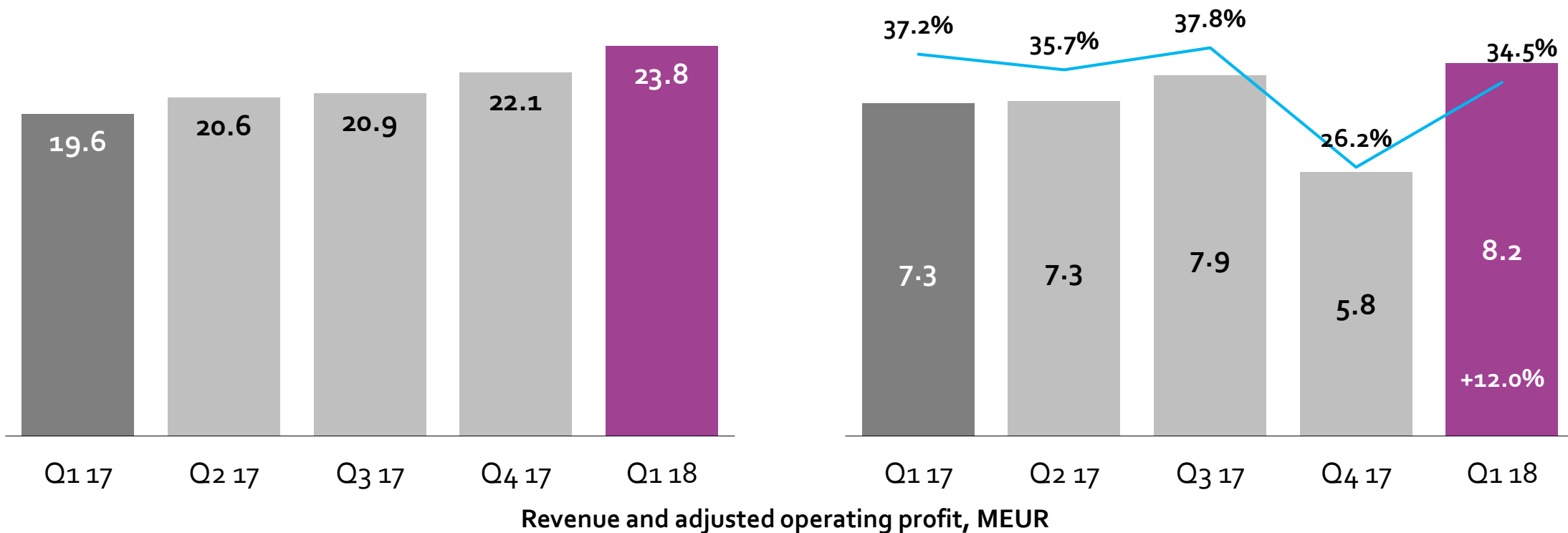
Source: Kantar TNS

DEVELOPMENT BY BUSINESS SEGMENTS



Alma Markets Q1/2018: Profitable growth, investments in new business areas

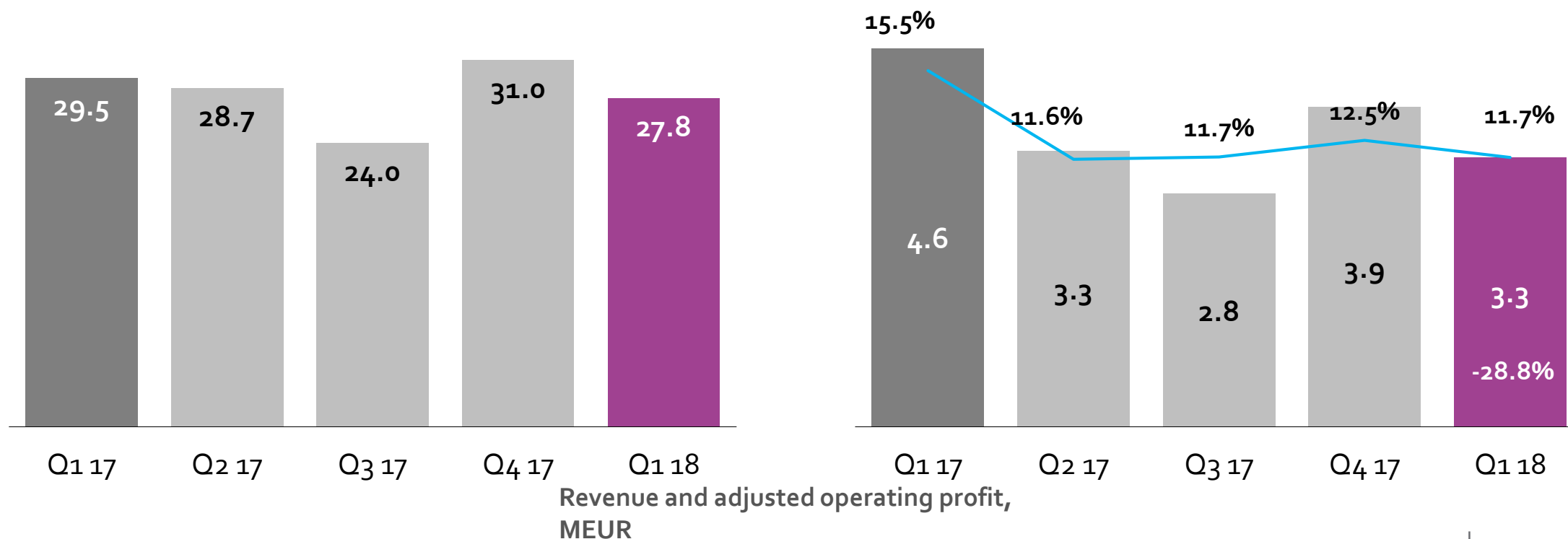
- Growth driven by favourable international operating environment, strong market position and successful sales work in Eastern Central Europe and domestic marketplaces.
- Revenue from the recruitment business +20.2%, accounted for 76.9% of the segment's revenue.
- Total expenses MEUR 15.6. Expenses rose by LMC's expansion into Poland (MEUR 0.4) as well as investments in sales, marketing and online services (Etuovi mobile service).



Acquisitions increased the segment's revenue by MEUR 0.7 and operating profit by MEUR 0.2.

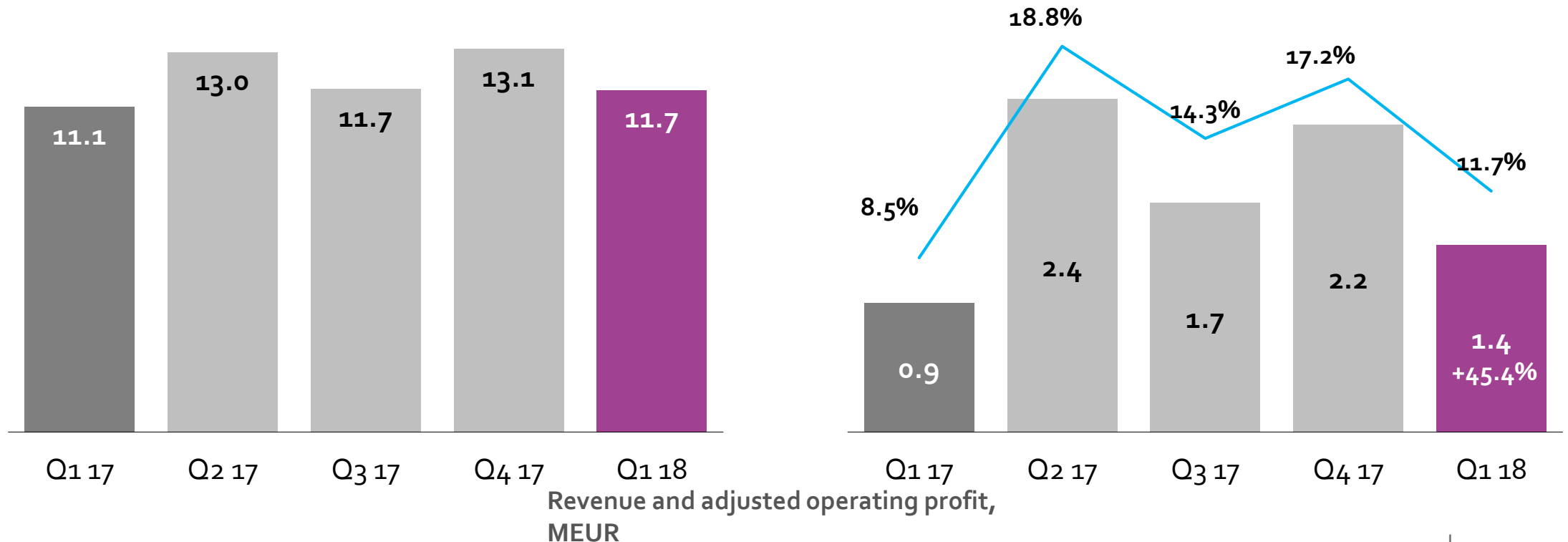
Alma Talent Q1/2018: Lower advertising revenue and Swedish operations weighed down results

- Advertising sales -10.1%. The significant decrease of advertising revenue in Finland, compared to the exceptionally strong Q1/2017, was due to a decline in advertising spending in a few key industries in decision-maker and financial media. Advertising also declined in Swedish trade media.
- Content revenue -1.7%. In the Finnish media business, digital content revenue and digital subscriptions increased in line with expectations, which compensated for the decline in print media content revenue.
- Total expenses MEUR 24.6 (25.0). The decrease in total expenses was attributable to the segment's operations in Finland.



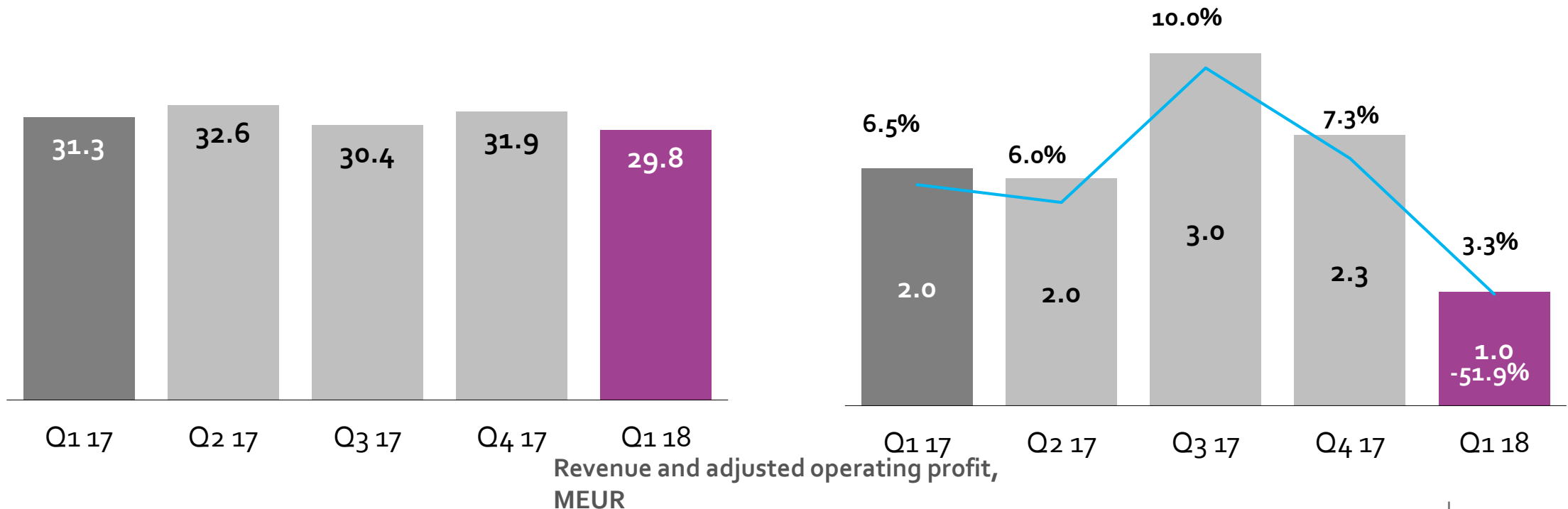
Alma News & Life Q1/2018: Digital advertising remained at a record level

- Good progress in the digital transformation: digital business now represents 55% of the segment's revenue.
- Tenth consecutive quarter of growth in advertising revenue. Q1/2018 total advertising sales +24.0%, digital advertising sales 27.5% and print media advertising sales +8.5%.
- Content revenue -13.5% due to the decline of Italehti's print circulation.



Alma Regions Q1/2018: The structural transformation of advertising decreased regional newspaper advertising

- Advertising sales -13.5% due to reduced advertising spending in retail. Print media advertising -12.7%. Digital advertising -22.4%. Municipal election advertising contributed MEUR 0.5 in revenue in Q1/2017.
- Content revenue -1.6% . The effect of divested operations on the decrease in content revenue was MEUR -0.3. Digital content revenue developed positively.
- Expenses up by higher paper prices as well as higher volume-linked employee expenses in distribution operations. The effect of divested operations on the decrease in expenses was MEUR 0.6. Adjusted total expenses MEUR 28.9 (29.3).

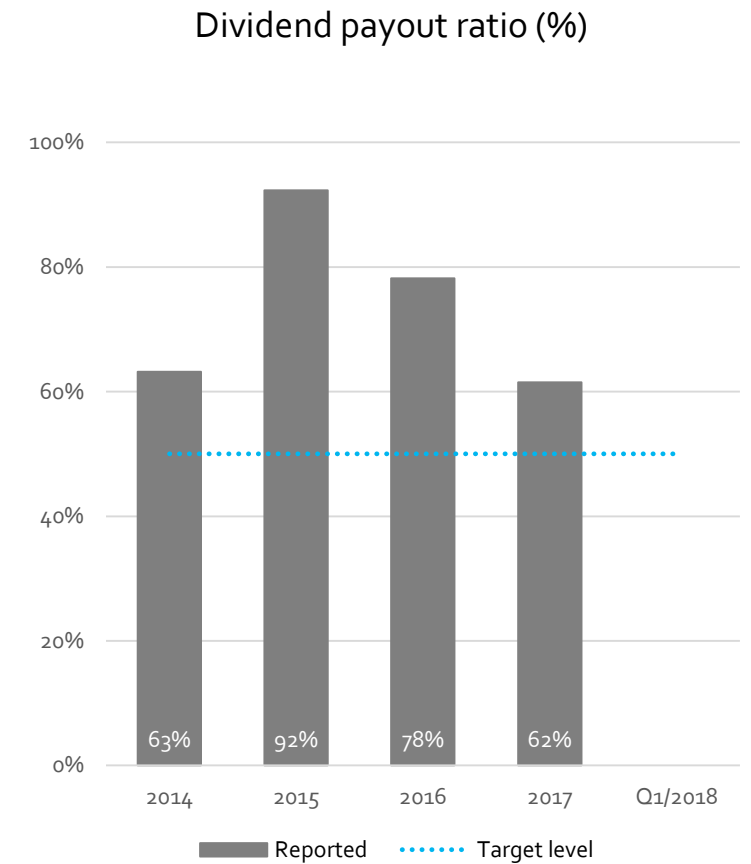
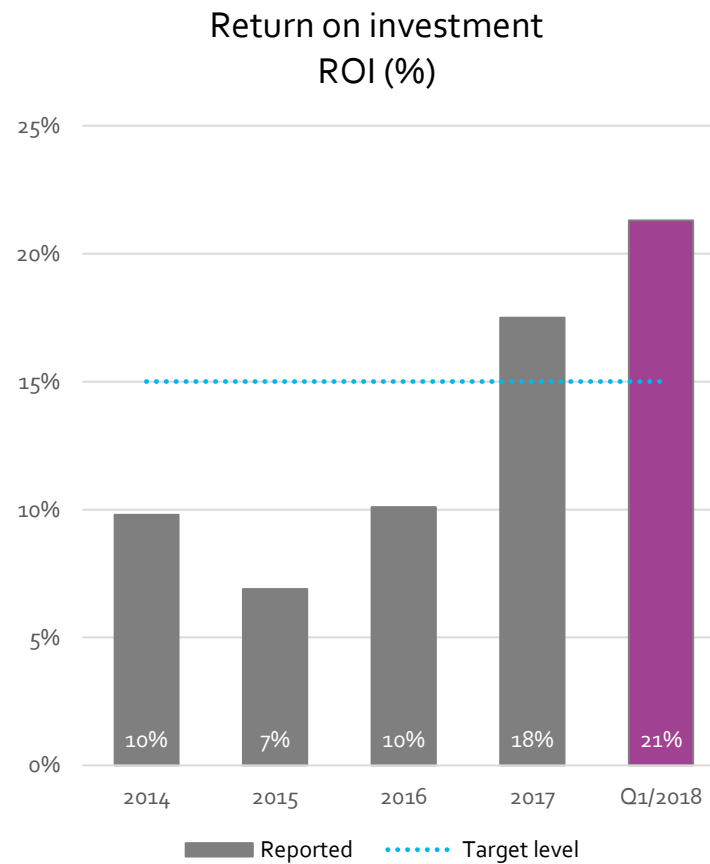
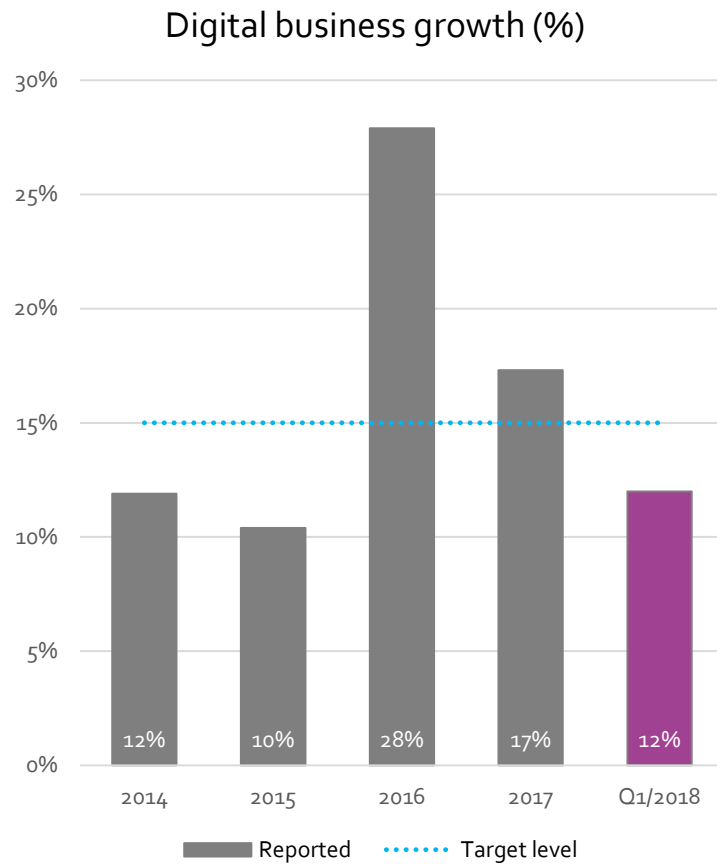


FINANCIAL POSITION

Juha Nuutinen, CFO

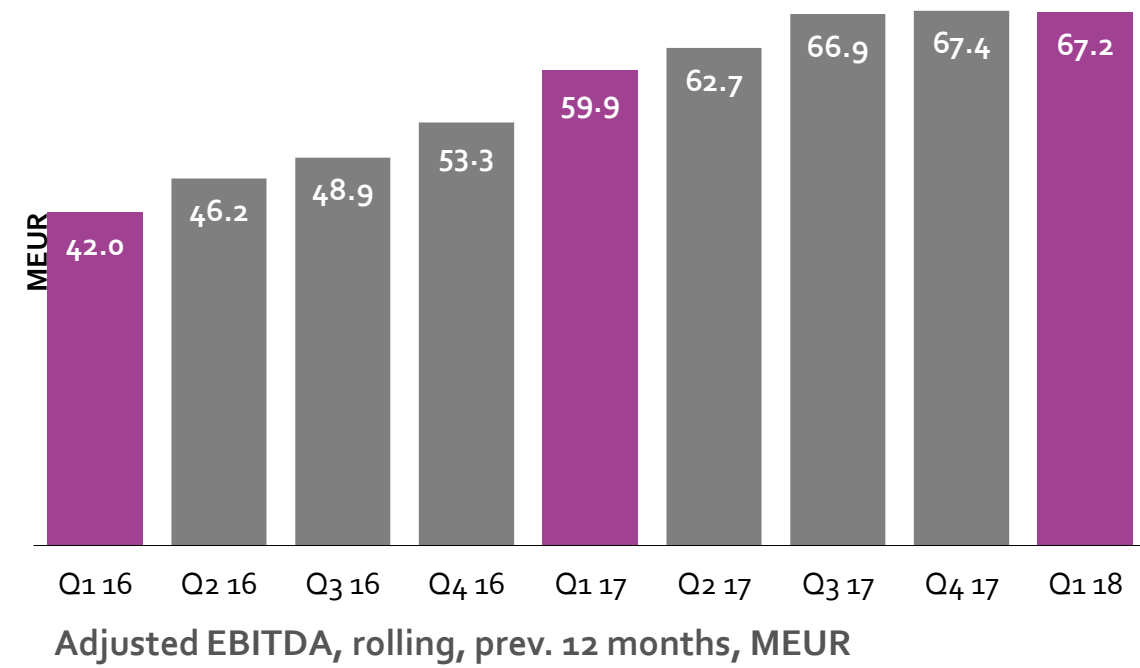
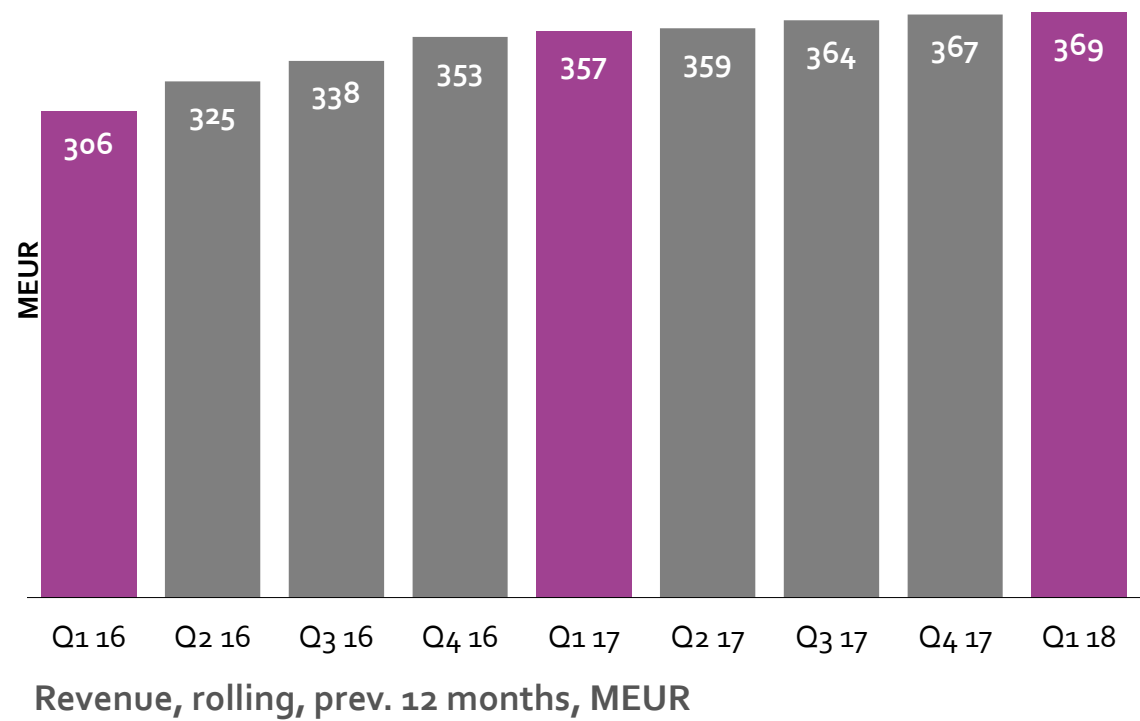


Long-term financial targets



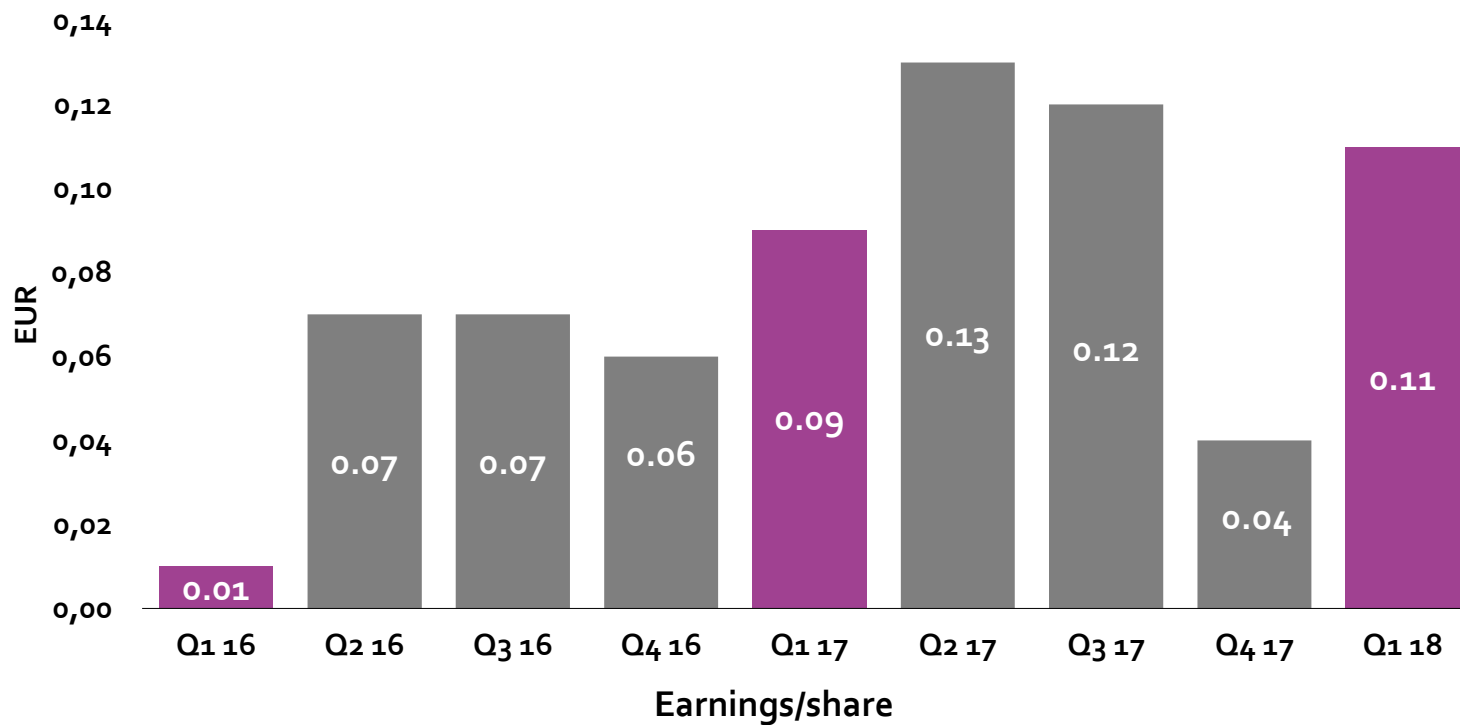
Development of revenue and EBITDA

Organic revenue growth 0.7% in Q1/2018.



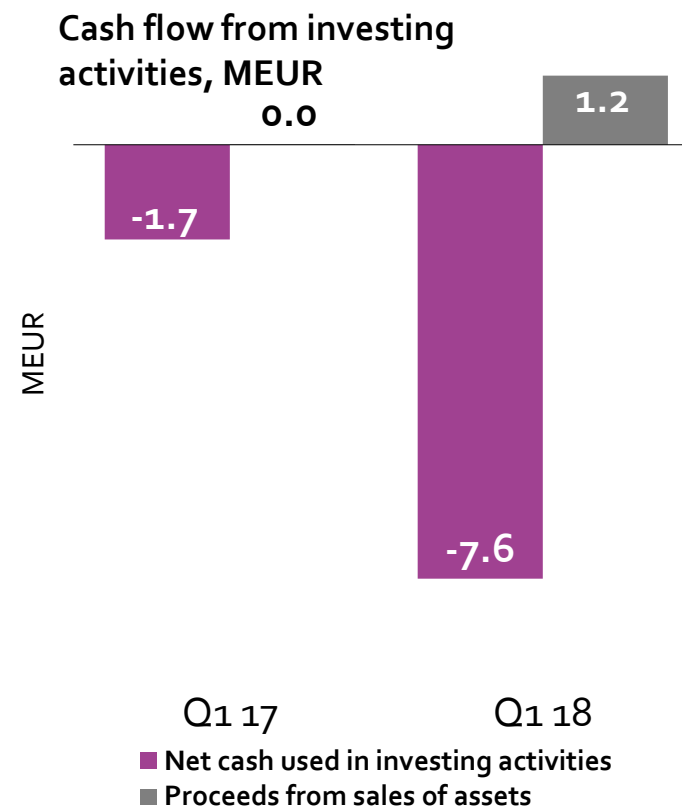
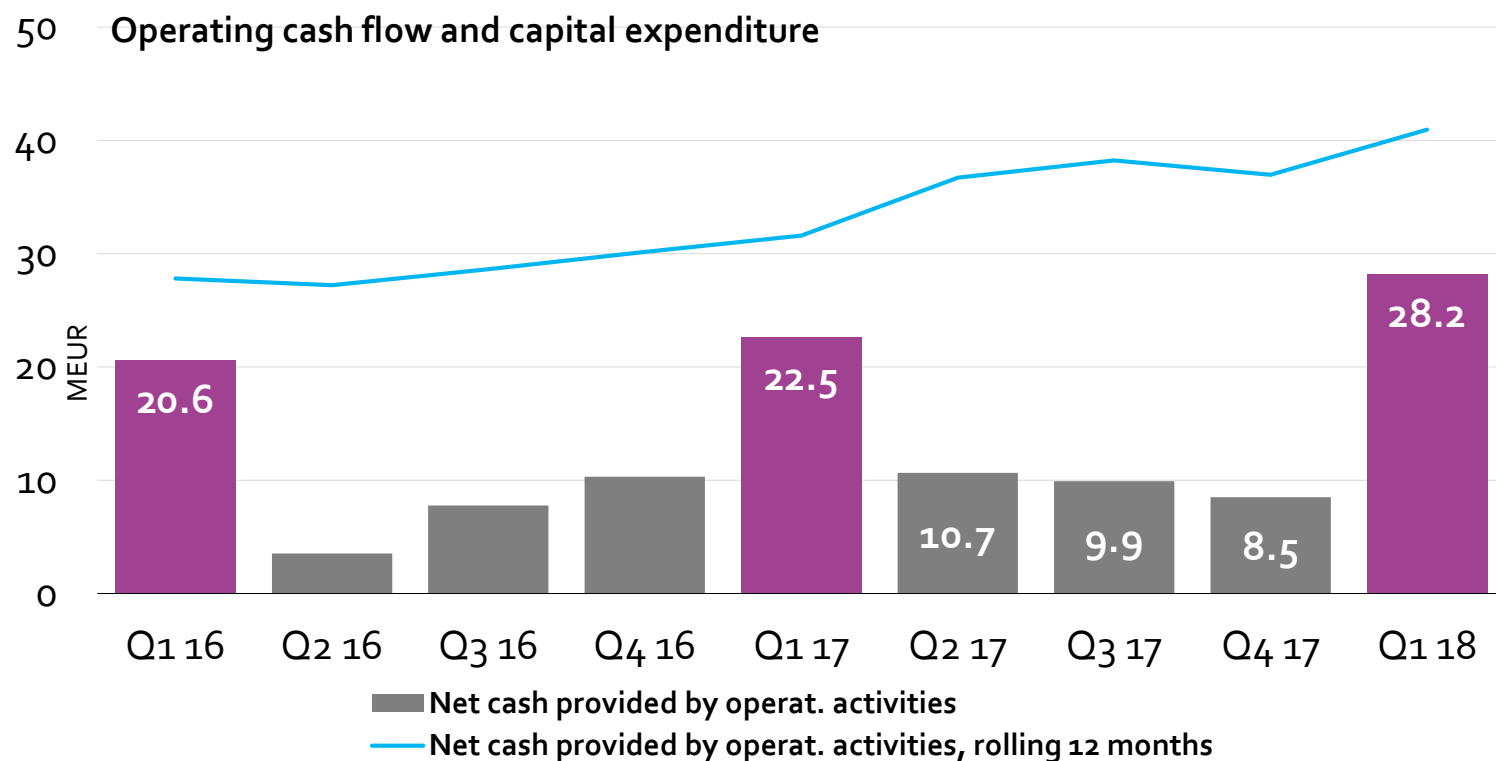
EPS

- Earnings per share in Q1 were EUR 0.11 (EUR 0.09). Adjusted items MEUR 0.7 (Q1/2017: MEUR -1.2).



Operating cash flow and capital expenditure

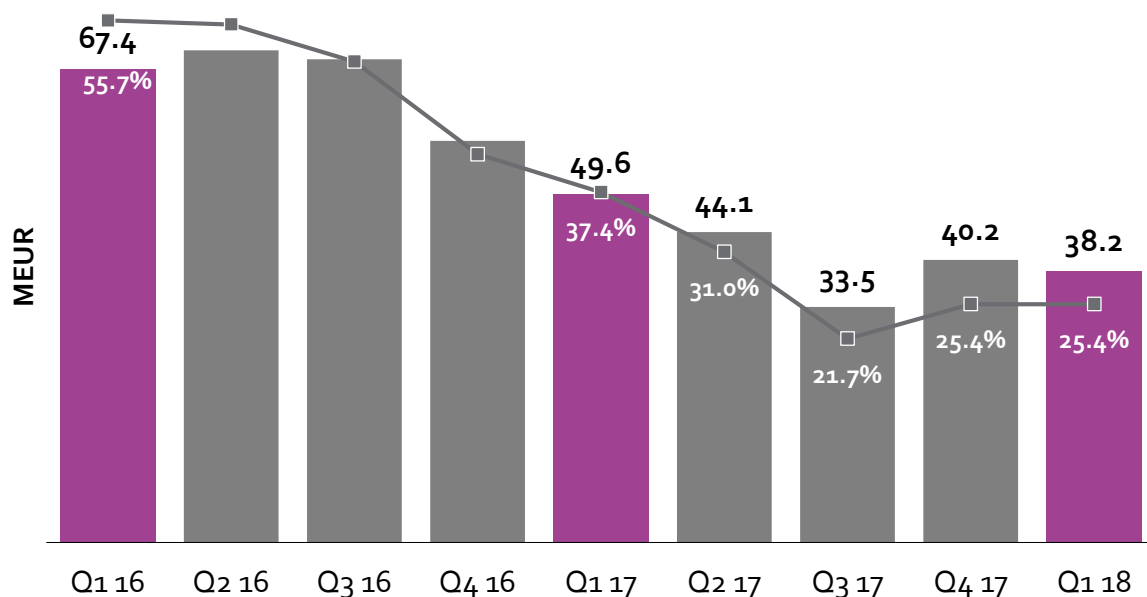
- In Q1/2018, cash flow from operating activities was MEUR 28.2 (22.5), the increase was due to a favourable change in working capital.
- In Q1/2018, cash flow from investment activities was MEUR -6.4 (-1.7), including the acquisitions of Käyttösofta Oy, AutoJerry Oy and Katsastus.fi.
- Cash flow before financing activities amounted to MEUR 21.9 (20.9) in Q1/2018.



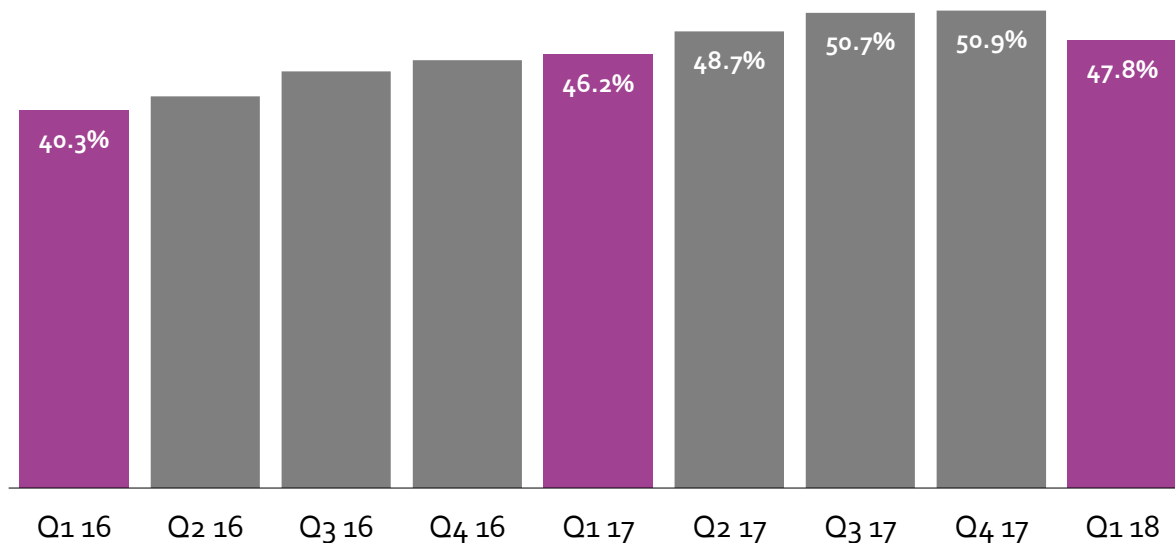
Interest-bearing liabilities and equity ratio

- At the end of March, the gearing ratio was 25.4% and net debt stood at MEUR 38.2.
- At the end of March, interest-bearing liabilities totalled MEUR 65.1, of which MEUR 54.9 were non-current liabilities.
- Equity ratio was 47.8 %.

Net debt, MEUR and gearing, %
Q1/2016–Q1/2018



Equity ratio,
Q1/2016–Q1/2018



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

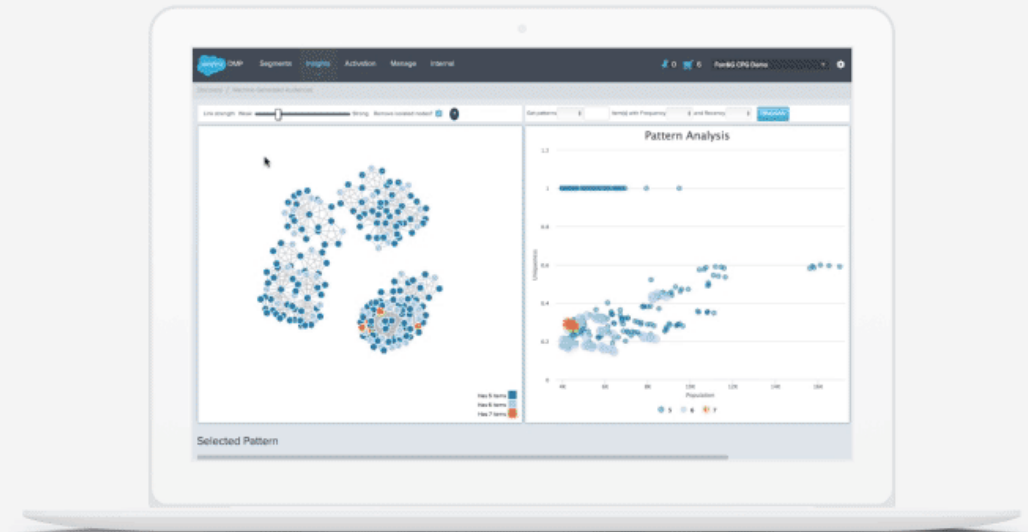
ALMA MEDIA SOLUTIONS
ECOM CONTENT AND SERVICES
DATA
ALMA THEMES AND SERVICES
TRAFFIC MANAGEMENT

Data Management Platform

- Captures behavioural data from websites and apps
- Unifies data across multiple devices
- Combines behavioural data with offline data (e.g. CRM)
- Segments users and sends segments to activation

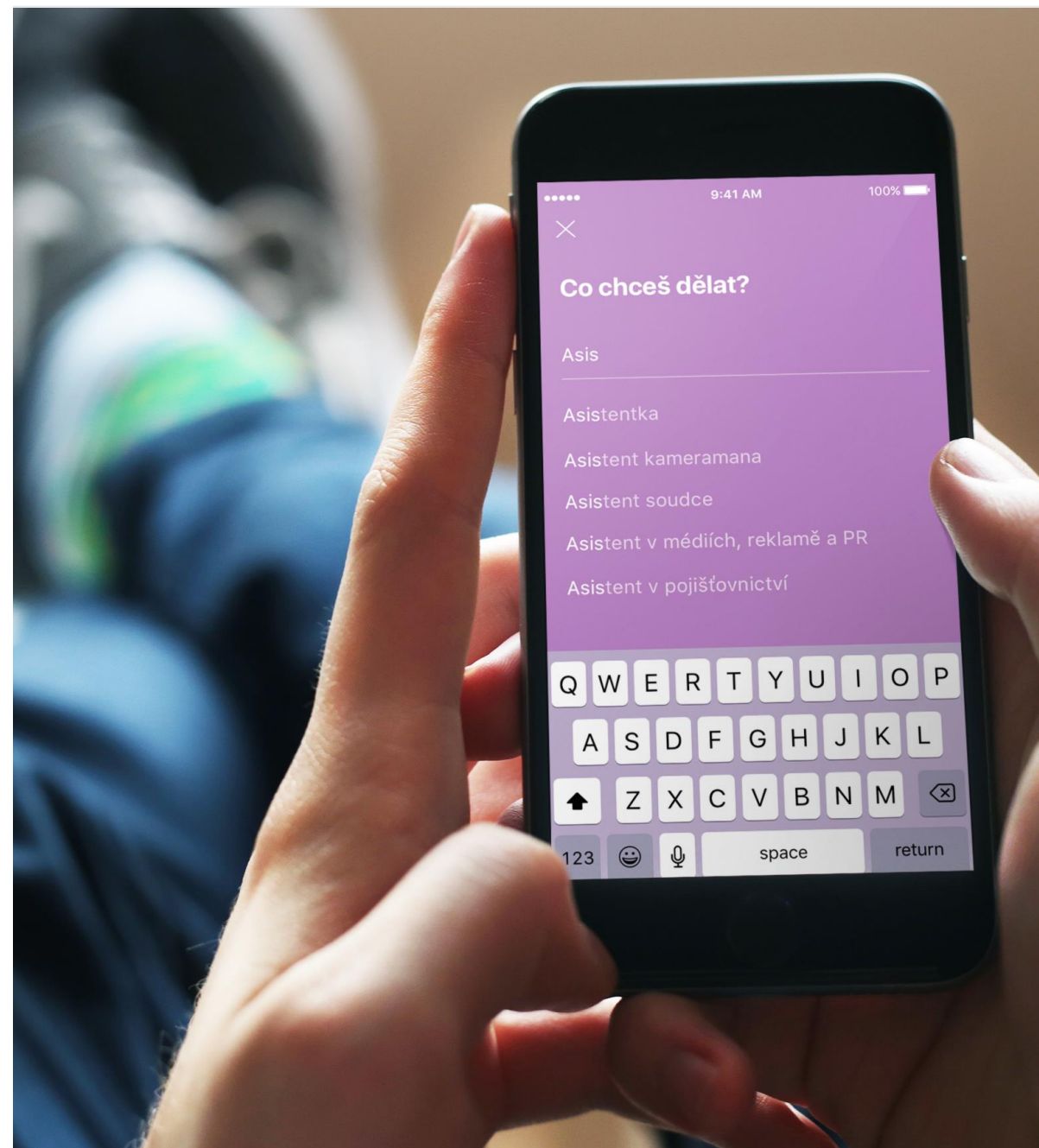
to create

- more relevant segments and data for advertisers
- ... and for subscription & service sales
- personalized services for end users



LMC expands its business to Poland

- LMC has expanded operations to Poland with the launch of Prace za Rohem, a mobile service providing information on vacancies based on geographic proximity.
- The service is still in the launch phase and the users on a free trial period, but the service has already received by end-March:
 - 300,000 application downloads
 - 115,000 received applications from job seekers
 - about 4,000 job adverts



Alma's add-on investments Q1/2018

- Käyttösofta Oy (100%), providing web-based ERP system in the construction, renovation and technical building service industries.
- Investments in competitive tender services
 - AutoJerry Oy, a competitive tendering platform for car servicing (100%)
 - Katsastushinnat.fi, a platform for comparing vehicle inspection services (100%)
 - Etua Oy, a loan comparison service (20%)



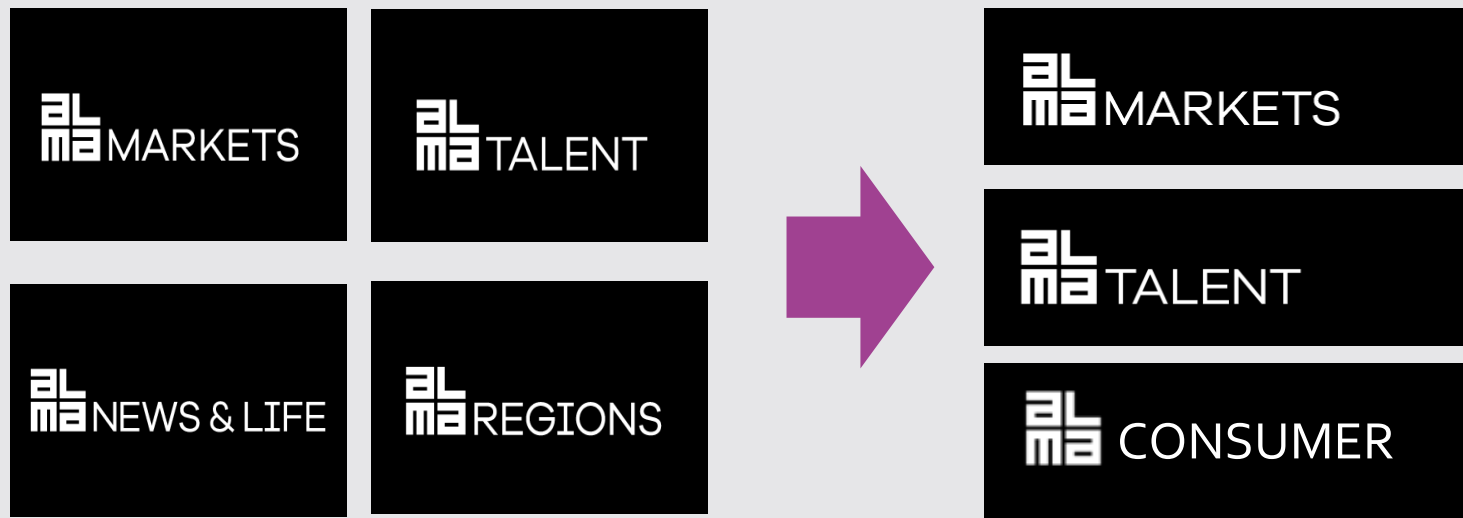
Divestment of Lapin Kansa

- The newspaper and distribution business in Lapland was sold to Kaleva.
 - In the regional and local media business, Alma focuses on the regions of Pirkanmaa and Satakunta.
 - The regional newspaper Lapin Kansa, the town papers Uusi Rovaniemi and Lounais-Lappi as well as Alma Manu Oy's distribution business in Lapland were sold.
 - The transaction took effect at the beginning of April 2018.
 - The number of employees in the newspaper business was 68 and in the distribution business 88.

Lapin Kansa



Alma Consumer, a new unit focused on consumer media



Integration and planning process underway:

- practical measures and potential cost synergies arising from the combination are assessed.



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

- Q2/2018: 18.7.2018
- Q3/2018: 25.10.2018



