



**Q2 2020: COVID-19 impacted significantly revenue,  
profitability more resilient due to cost savings**

**CEO Kai Telanne and CFO Juha Nuutinen**



# Highlights of Alma Media Q2 2020

- In April–June, COVID-19 pandemic impacted significantly revenue of continuing operations, profitability more resilient due to cost savings.
- Alma Media is well prepared for current uncertainty and future recovery with a very solid financial position: at the end of June, net-debt stood at MEUR -57.4.



# COVID-19 affected Alma Media in Q2

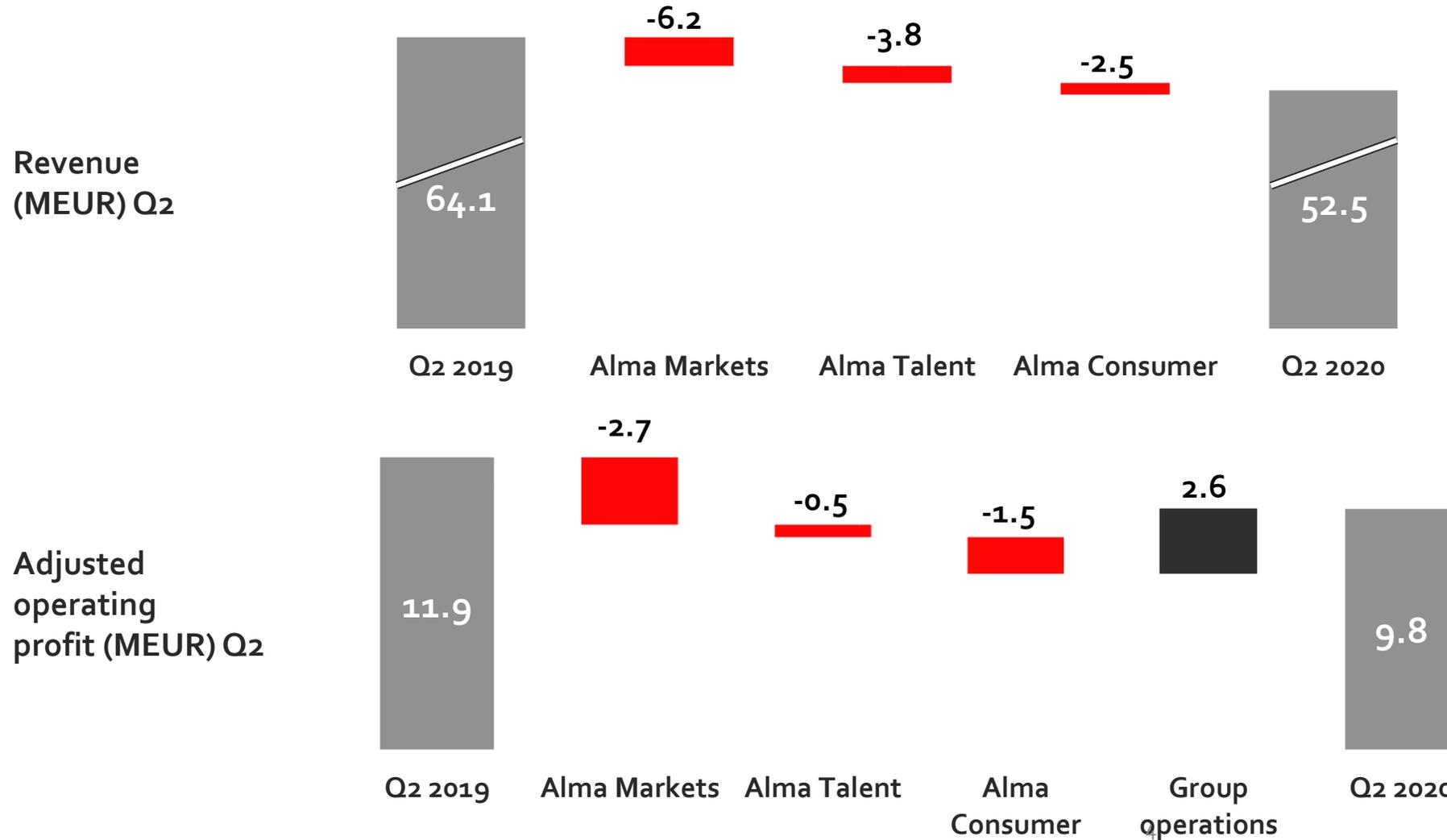
- Focus on securing health and safety of employees and business continuity
  - Remote work encouraged whenever possible.
- Overall rapid cost reductions exceeded previous estimate
  - Contraction of marketing investments and personnel costs, reduction of external services and postponement of non-critical development projects.
- Uncertainty in operating environment continues and visibility remains weak.
- Solid balance sheet, sufficient liquidity and contingency plans (different recovery scenarios) support gradual rebound from the COVID-19 crisis.



	Revenue change due to COVID-19*	Cost adjustments MEUR
Alma Markets	-24.2%	3.9
Alma Talent	-8.4%	1.9
Alma Consumer	-20.2%	1.3
Group operations		1.3
Total	-16.3%	8.4

\*excluding divested businesses

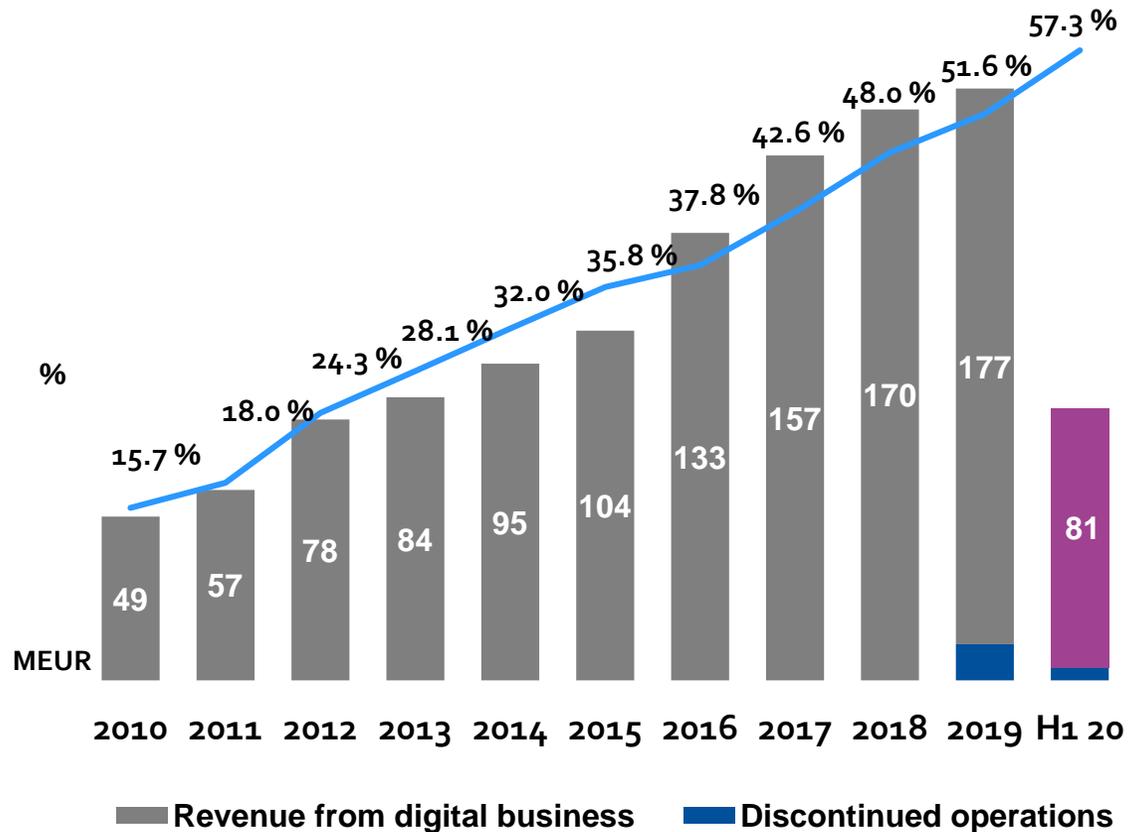
# Clear decline in revenue, profitability more resilient due to cost savings



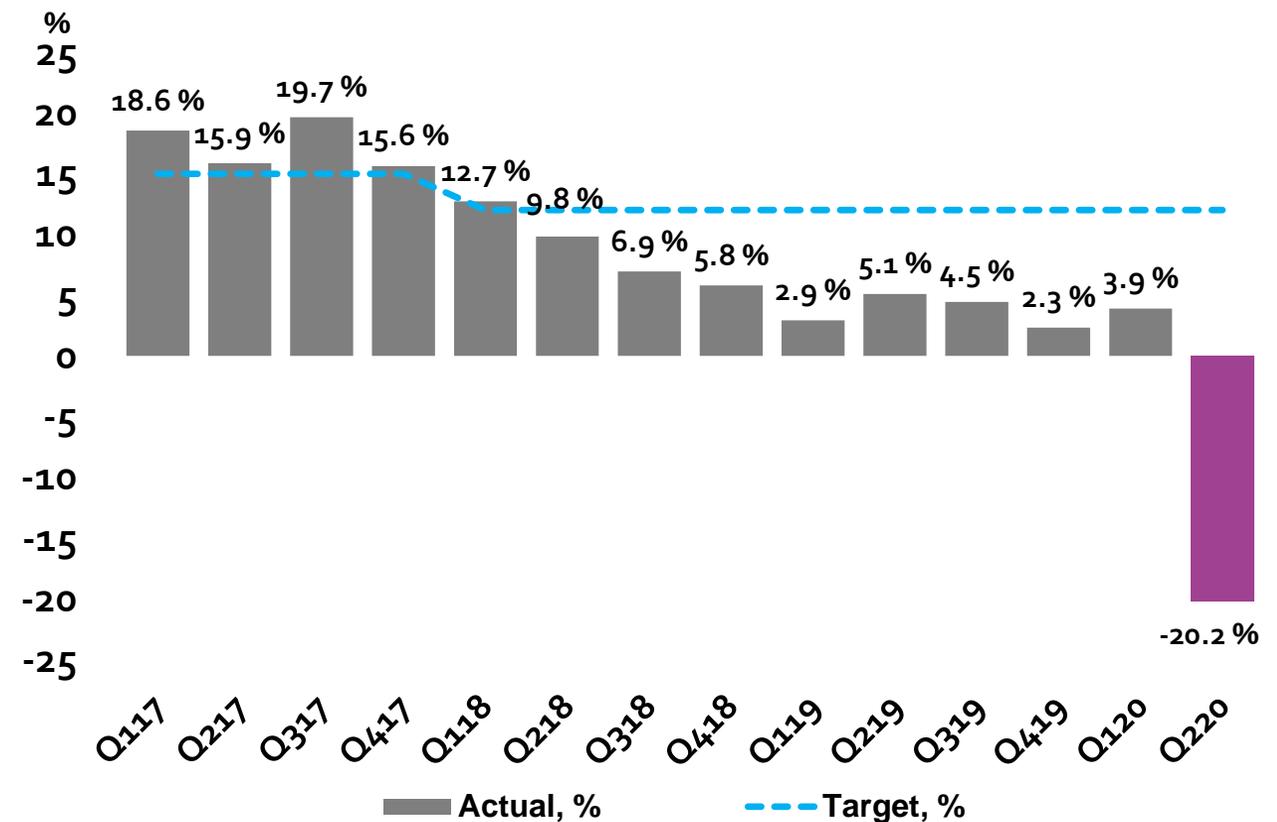
# Development of digital business

In continuing operations, digital business accounted for 67.5% of revenue (-17.7 %) in Q2/2020.

Share of digital business of Group revenue



Digital business growth\*



\*Including discontinued operations





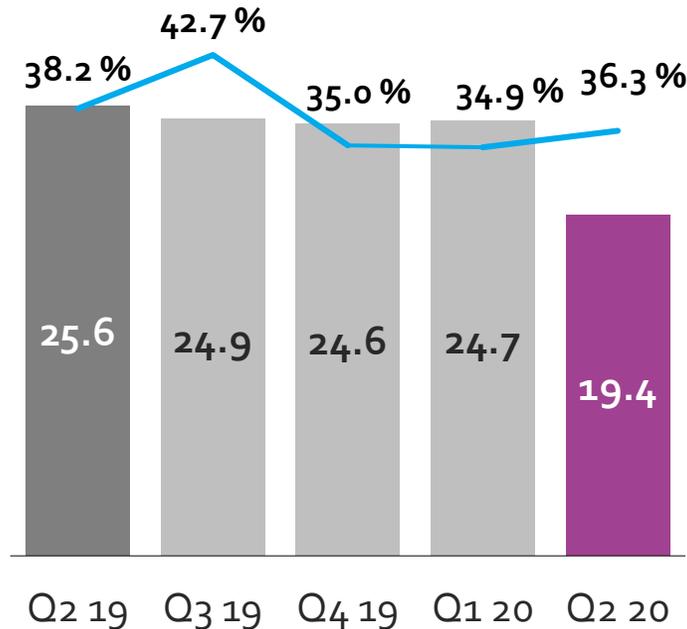
# DEVELOPMENT BY BUSINESS SEGMENTS



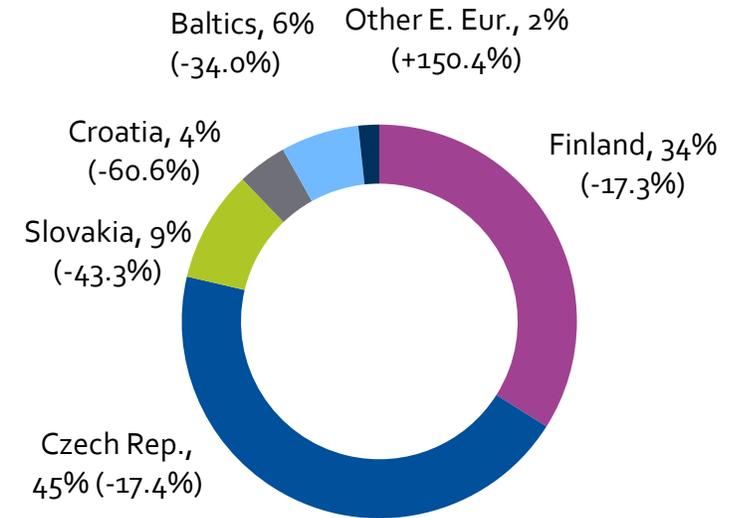
# Alma Markets Q2: Significant cost cuts softened the decline in profitability

- Clear decline in revenue by -24.2% to MEUR 19.4 and profitability by -28.0% to MEUR 7.0.
- Share of segment revenue: recruitment 69.6 % (-29.2 %), housing 20.3 % (-13 %) and cars 10.2% (-2.4 %).
- COVID-19 hit the hardest recruitment; outlook remains unclear for H2 due to negative impact of decline in customer invoicing in Q2.
- Housing and cars started to recover midway quarter.

Revenue MEUR and adjusted operating margin %



Share of segment revenue by country in Q2/2020 (revenue change rates in brackets)

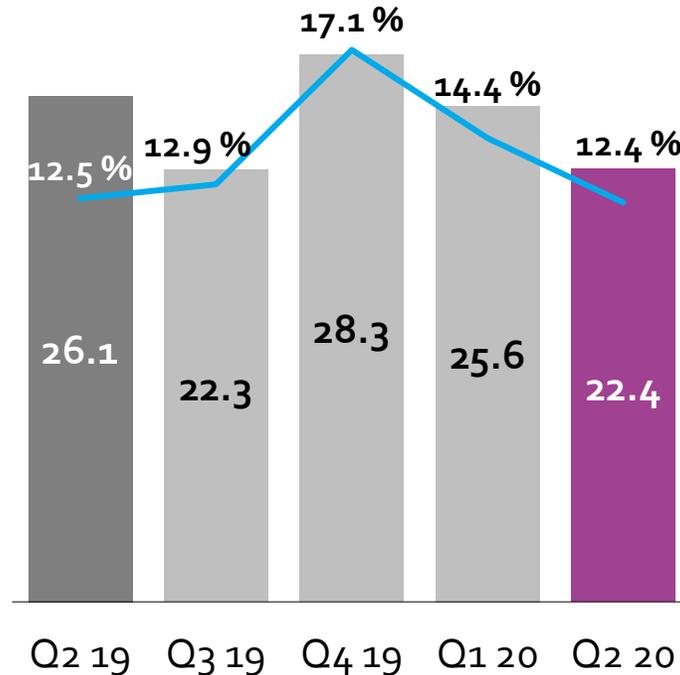


Revenue decline range 16–60%

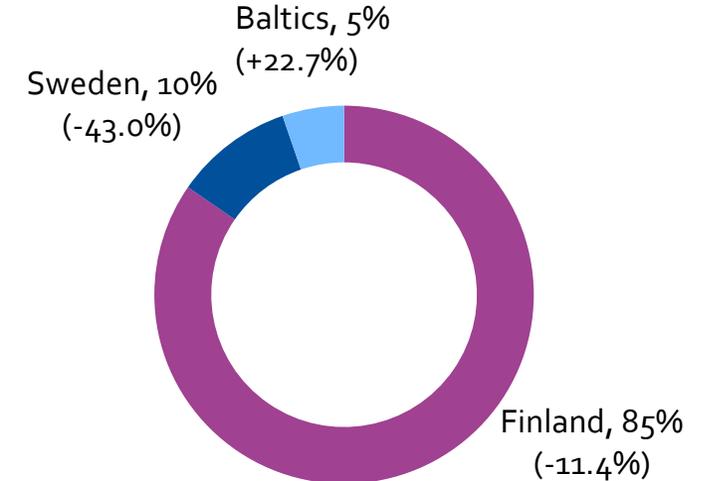
# Alma Talent Q2: Diversified sales mix provided resilience as advertising decreased

- Revenue -14.4 % to MEUR 22.4, decrease mainly in advertising sales, but also in education and events businesses.
- Other businesses stabilized, such as information services, book publishing, digital business premises services and direct marketing.
- Digital media content kept on growing (+46 %), record-high need for high-quality media content.
- Adjusted operating profit -15.3 % to MEUR 2.8.

Revenue MEUR and adjusted operating margin %



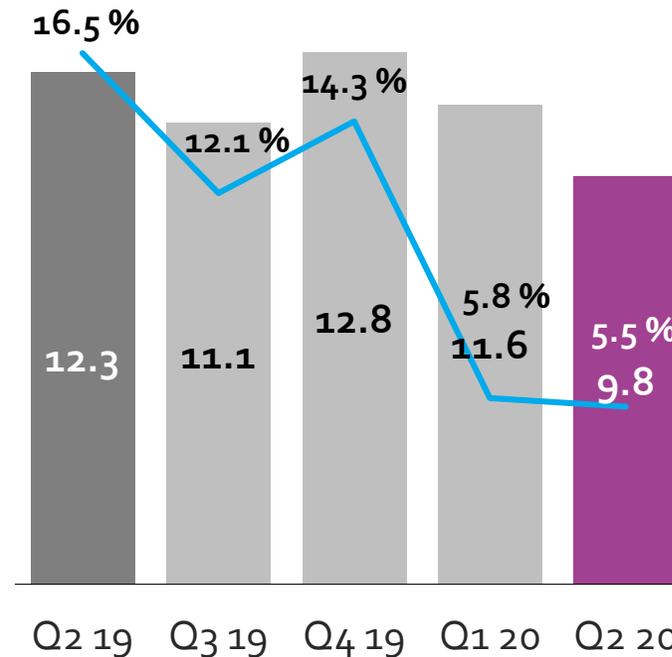
Share of segment revenue by country in Q2/2020 (revenue change rates in brackets)



# Alma Consumer Q2: Lower operating profit due to sharp decline in advertising

- Revenue -20.2% to MEUR 9.8. Advertising fell -31.8% and has not significantly rebounded as the market situation remains challenging.
- Content sales -13.3%, the rate of decline in Ittalehti's single-copy sales decreased slightly as retail locations reopened and restrictions on movement were lifted.
- Loan comparison service Etua.fi developed well in Q2.
- Good development in numbers of visitors at Ittalehti.fi continued, page views +20%\*.
- Adjusted operating profit MEUR 0.5.

Revenue MEUR and adjusted operating margin %





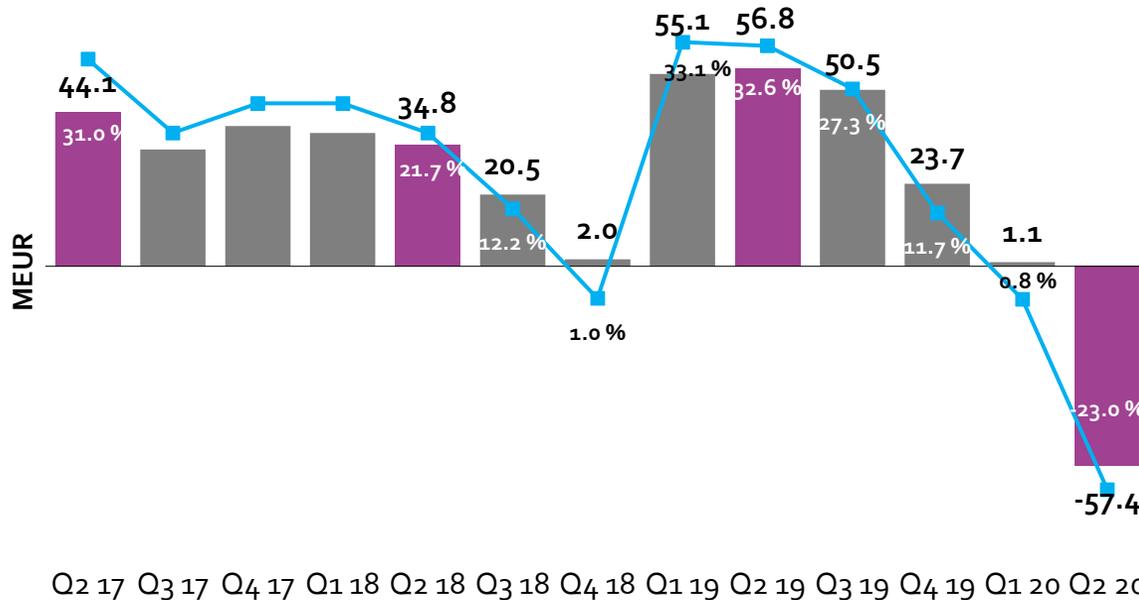
# FINANCIAL POSITION

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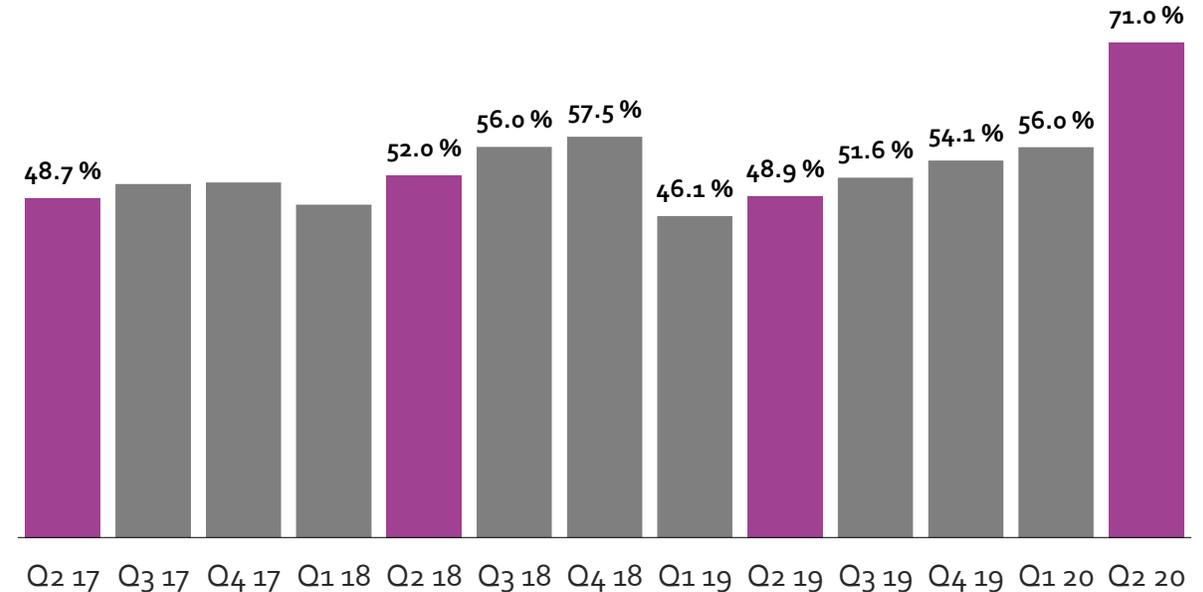
# Strong financial position

- At the end of June, gearing was -23.0%. Net cash of MEUR 57.4.
- Interest-bearing liabilities totalled MEUR 40.3, consisting entirely of lease liabilities.
- Equity ratio 71.0 %

Net debt, MEUR and gearing, %; Q2/2017–Q2/2020



Equity ratio; Q1/2017–Q1/2020

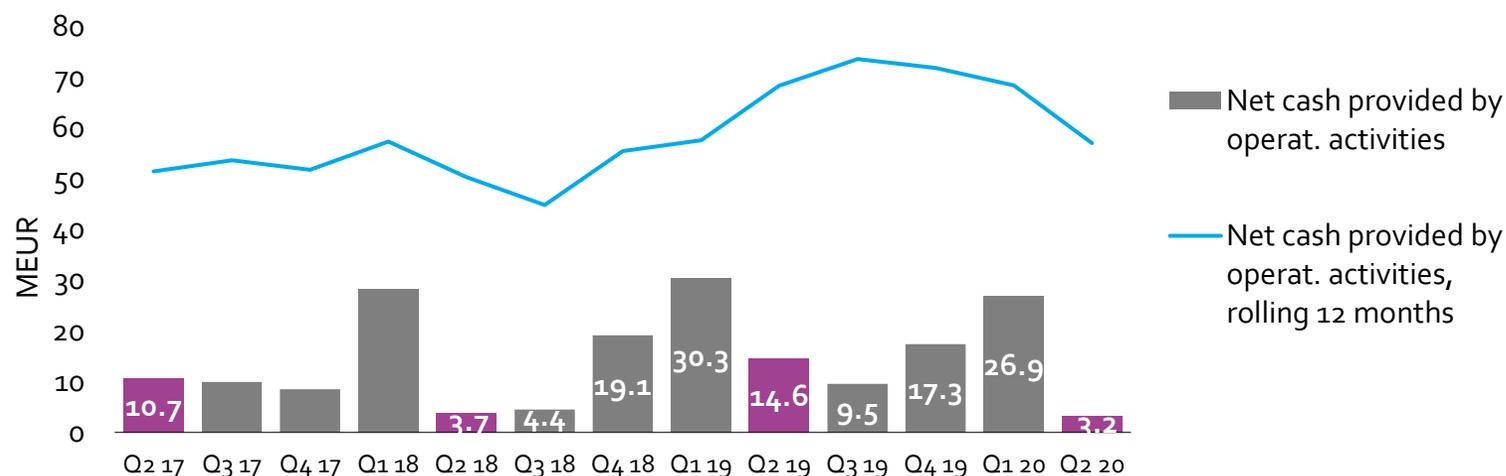


# Cash flow\* burdened by COVID-19

- Cash flow from operating activities in Q2/2020 was MEUR 3.2 (14.6), due to
  - weaker result
  - decrease in customer invoicing in recruitment business
  - discontinuing operations included only for April
  - strong cash flow in Q2/2019
- Cash flow from investment activities was MEUR 47.9 (-12.3) in Q2: includes capital gains from the divestment of the regional news media business and printing operations.
- The coronavirus epidemic will have a negative effect on operating cash flow also in future due to weaker profitability.
- No substantial increase in credit loss risks and no evidence of impairment risk concerning goodwill in Q2 .

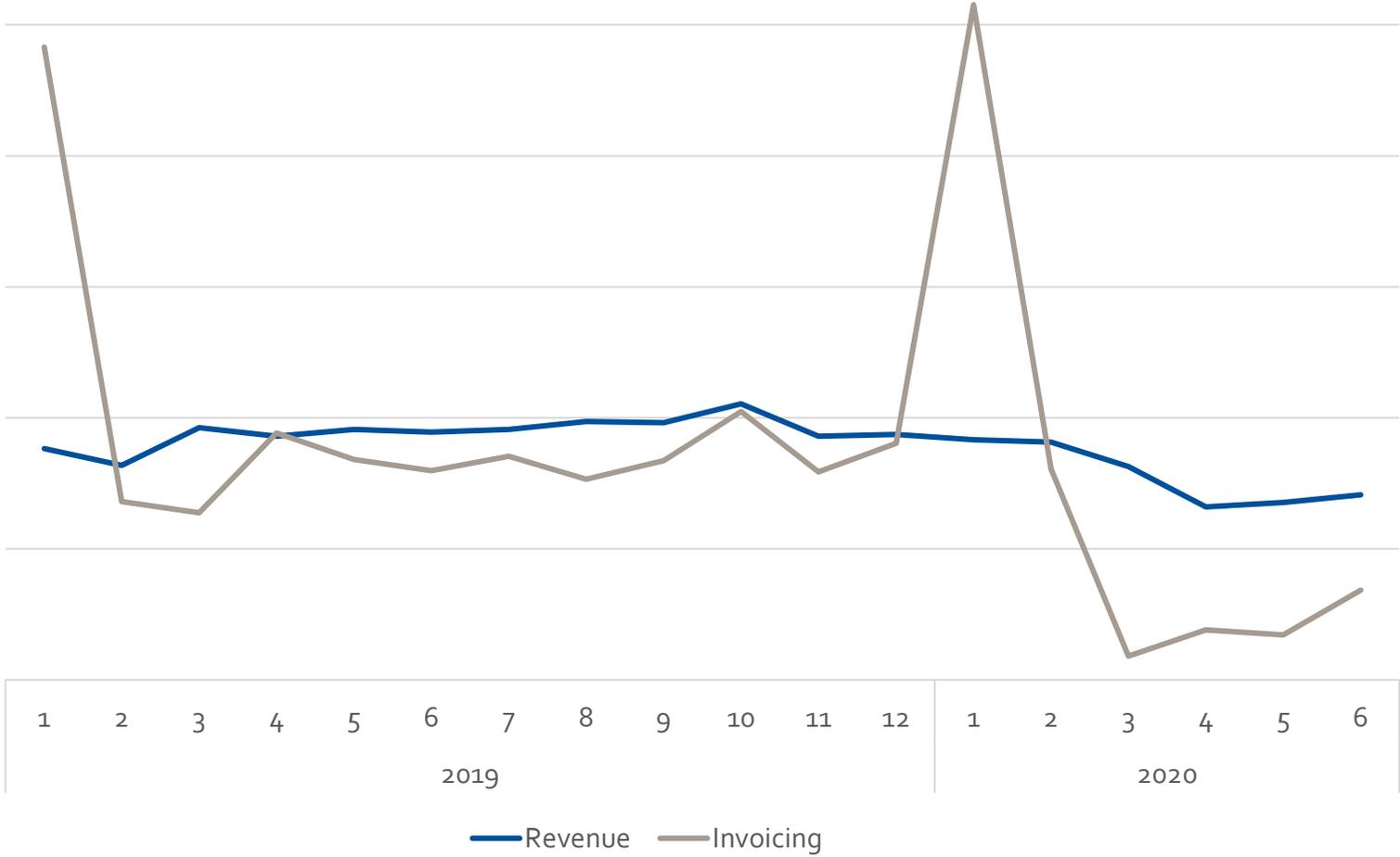
\* Cash flow including discontinued operations

Operating cash flow and capital expenditure



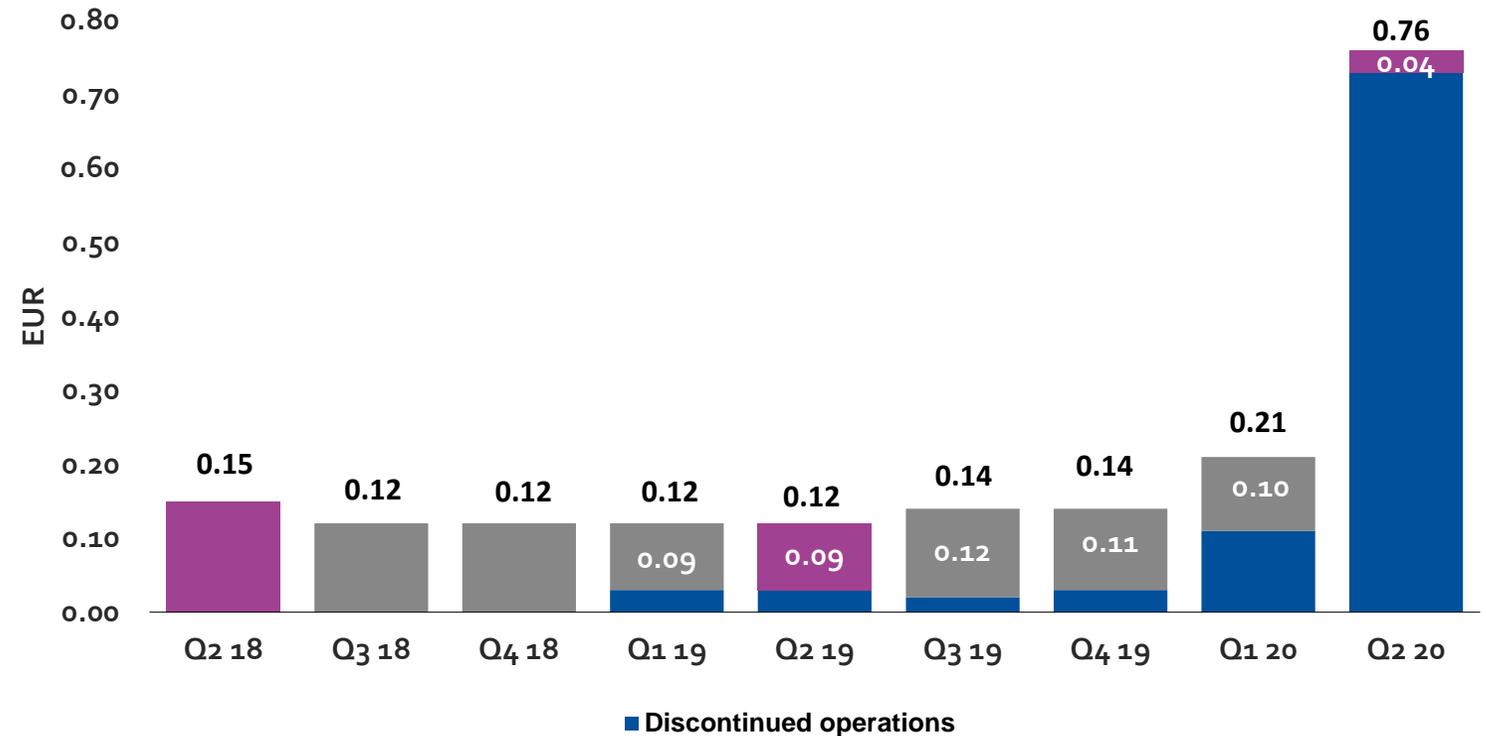
Capital expenditure and acquisitions, MEUR	2020 H1	2019 H1	2019
Capex	1.3	1.2	2.5
Acquisitions	6.1	5.8	10.2
<b>Total</b>	<b>7.4</b>	<b>7.1</b>	<b>12.6</b>

# Case LMC: revenue & invoicing recognition



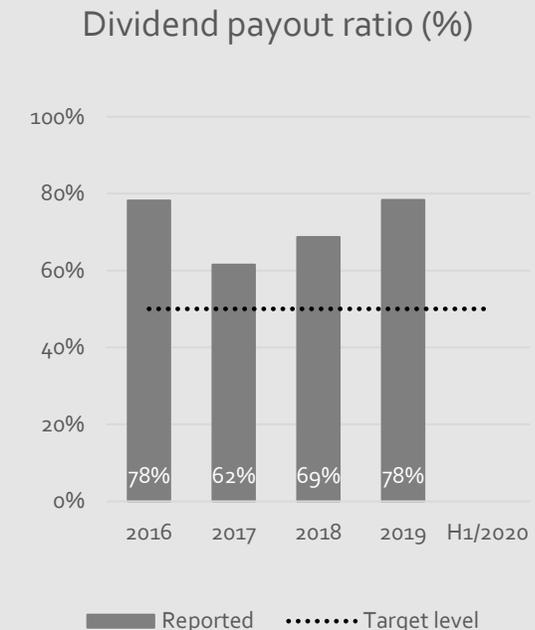
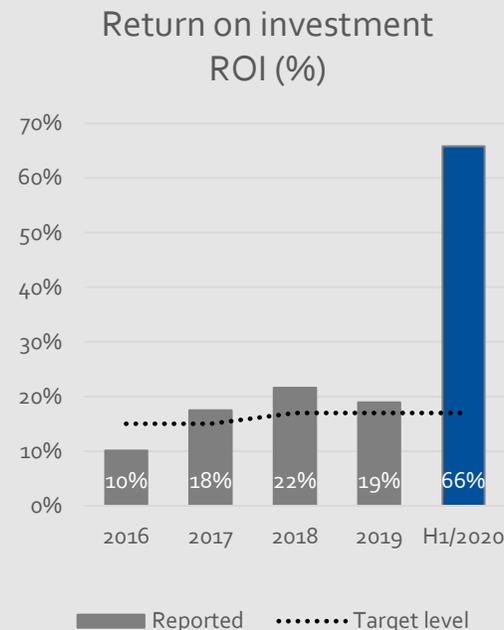
# EPS

- Earnings per share from Continuing operations in Q2/2020 were EUR 0.04 (EUR 0.09). Adjusted items in Q2/2020 MEUR -2.9 (MEUR -0.1).
- Earnings per share including discontinued operations EUR 0.76 (0.12), includes also capital gain of the regional media business and printing operations.



# Long-term financial targets\*

Financial target	Long-term target level	Performance H1/2020
Digital business growth, %*	>12%	-8% <span style="color: red;">●</span>
ROI, %**	>17%	66% <span style="color: lime;">●</span>
Dividend payout ratio	>50%	



\*includes continued and discontinued operations \*\* includes adjusted items such as capital gain on the sale of the regional news media business

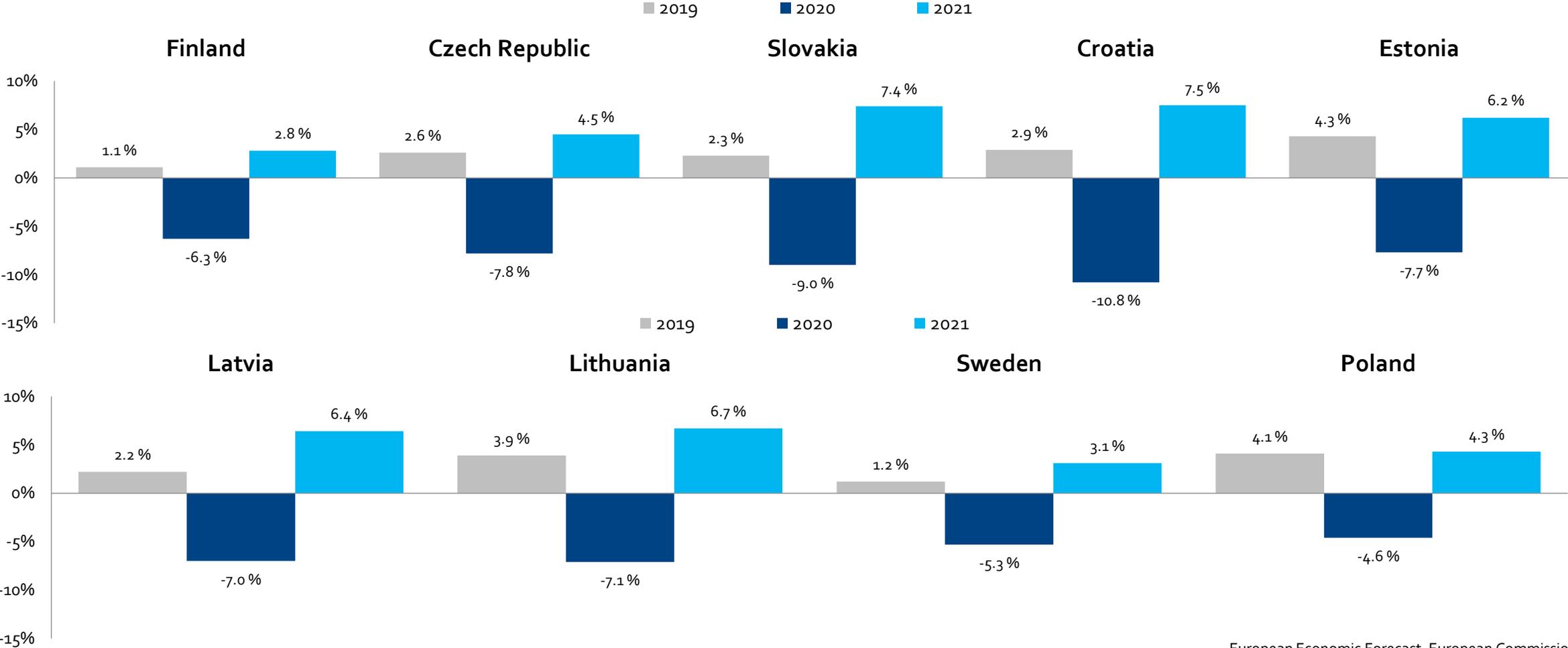
A woman with blonde hair in a bun, wearing a red life vest over a black and white striped shirt and denim shorts, stands on the deck of a boat. She is looking out over a vast, blue body of water under a clear sky. The text "OPERATING ENVIRONMENT" is overlaid in white, bold, sans-serif font across the center of the image. The name "HILLHOLMEN" is visible on the back of her life vest.

# OPERATING ENVIRONMENT



# European Commission: A deep and uneven recession and uncertain recovery

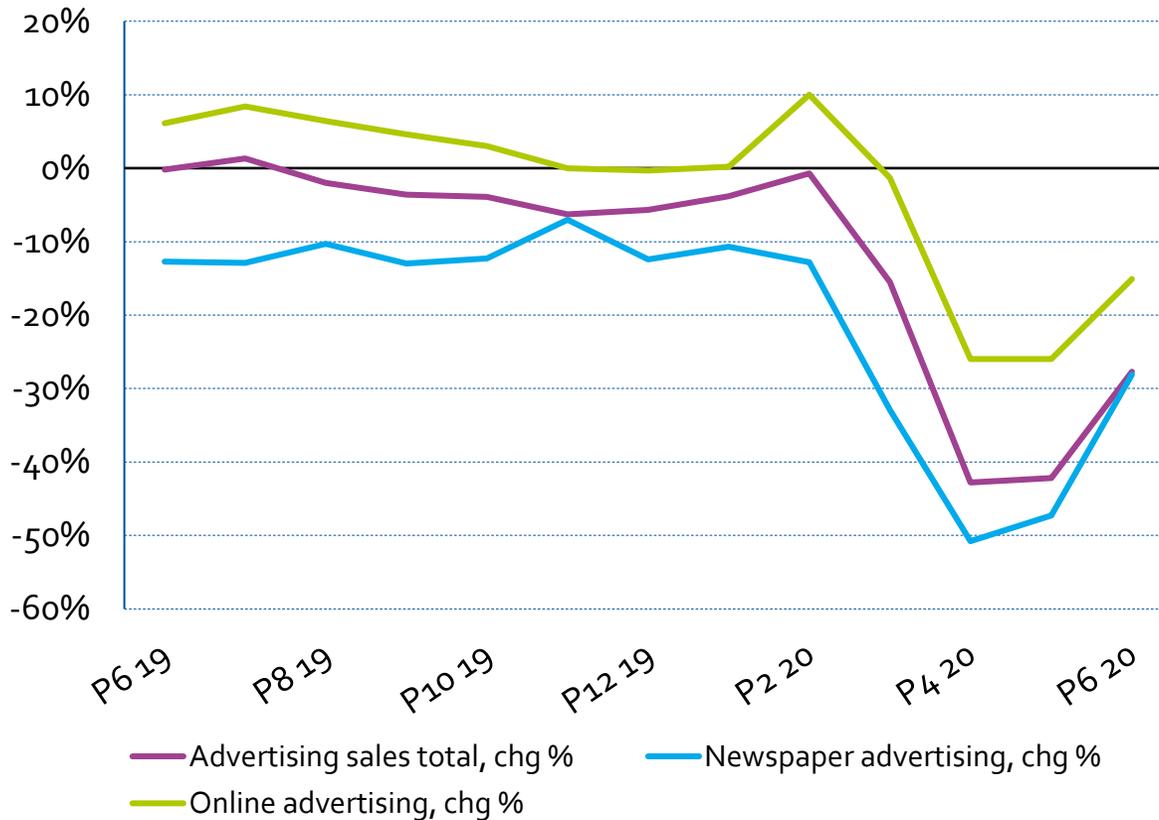
GDP forecasts in Alma's operating countries 2019-2021E



# Finnish Advertising Market: Massive impact of COVID-19

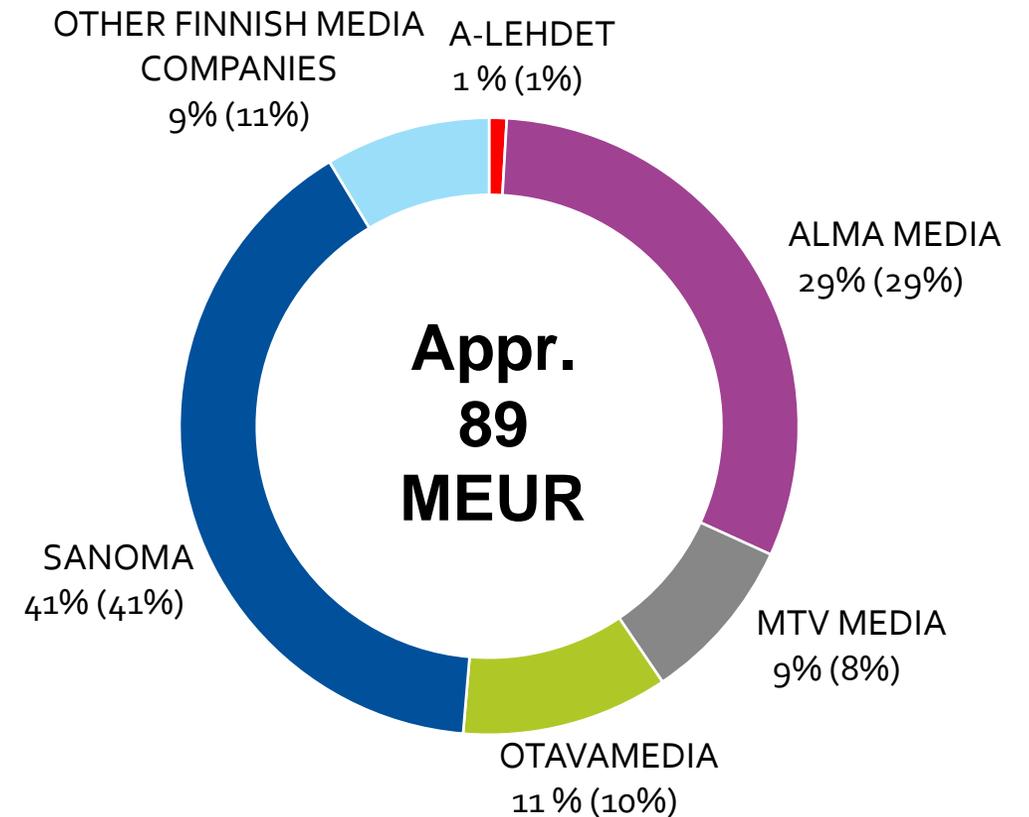
Monthly change in media advertising 6/2019–6/2020

Source: Kantar TNS

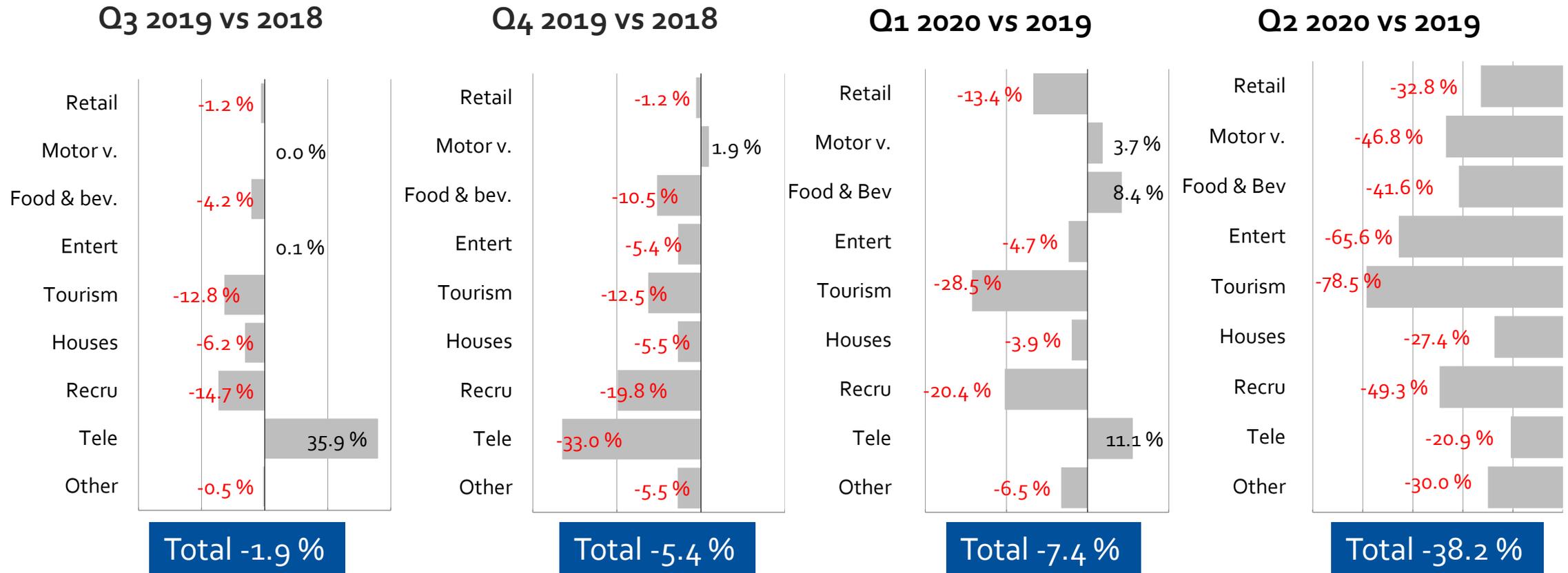


Online advertising by Finnish media companies H1/2020 (H1/2019)

Source: Kantar TNS



# In Q2 all sectors contracted heavily



Source: Kantar TNS

# STRATEGY AND OUTLOOK



# Q2 in brief

- The sale of the regional news media business and printing operations to Sanoma was completed at the end of April.
- The shift of the strategic focus to digital business continued in Sweden:
  - Alma Talent sold the share capital of Alma Talent Ab to New Technology Media Group Ab in June. Ny Teknik, Lag & Avtal, Arbetarskydd, Personal & ledarskap and Teknikhistoria and employees were transferred to the new owner.
  - Earlier in 2020, Affärsvärlden business publication was sold to BörsPlus Ab.
  - In 2018, Dagens Media was sold to Bonnier Business Media Sweden Ab.

# Outlook for 2020

- The uncertainty in operating environment is continuing and visibility remains weak.
- Alma Media expects its full-year revenue and adjusted operating profit from continuing operations in 2020 to decline significantly from the 2019 level.
- In 2019, the full-year revenue of the continuing operations was MEUR 250.2 and the adjusted operating profit was MEUR 49.4.

# Strategic focus on digital

Growing  
marketplace  
business

Leveraging  
professional media  
and b2b-services

Developing national  
multi-channel  
consumer media and  
services

# Strategic fundamentals for driving growth and value

**1**

Monetizing audiences  
of digital content and  
services

**2**

Exploiting data  
and investing in  
technological  
capabilities

**3**

Solid financial base –  
asset-light and scalable  
business model

Higher ARPU

Maintaining and building market leader position in chosen verticals to support margins  
Double-digit growth of digital content and service revenue  
#2 digital advertising network in Finland, over 90 % of advertising digital

# THANK YOU! QUESTIONS?

## Upcoming events in the investor calendar:

- Interim report for January–September 2020 on Thursday, 22 October 2020

