

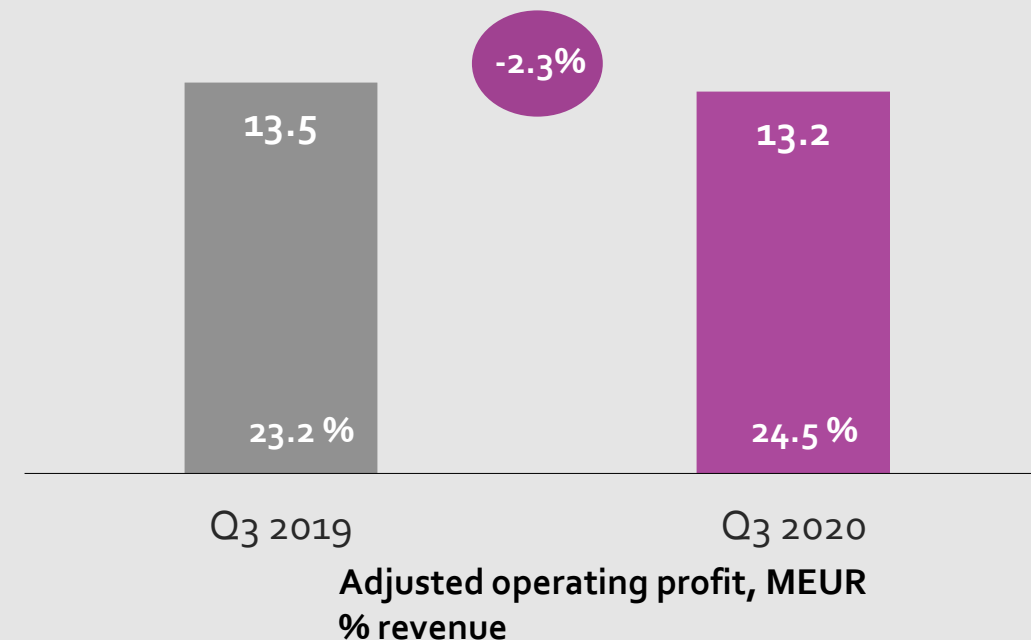
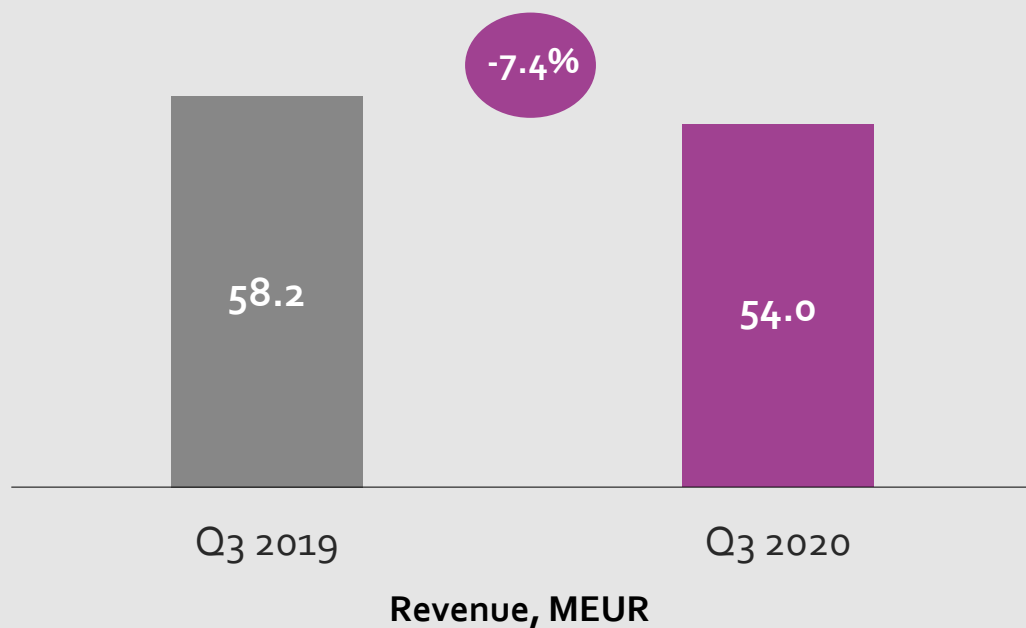


## **Q3 2020: Gradual recovery despite challenging operating environment**

CEO Kai Telanne and CFO Juha Nuutinen

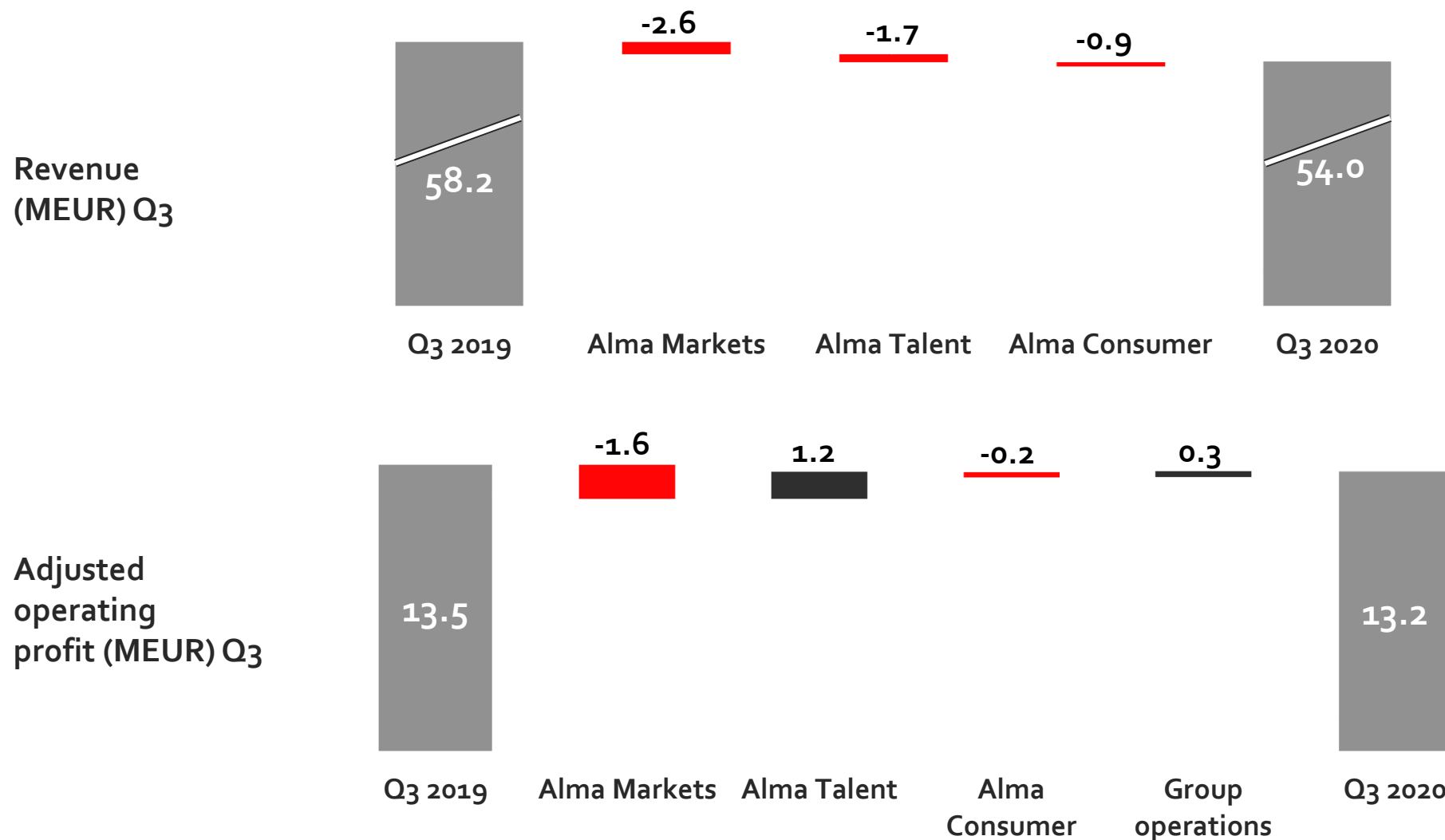
# Highlights of Alma Media Q3 2020

- Despite COVID-19 pandemic, operating environment showed signs of gradual recovery, sharp decline in revenue slowed down and profitability development stable.
- Liquidity and funding position remains good: at the end of September, net-cash stood at MEUR 65.9.



# Gradual recovery throughout the quarter

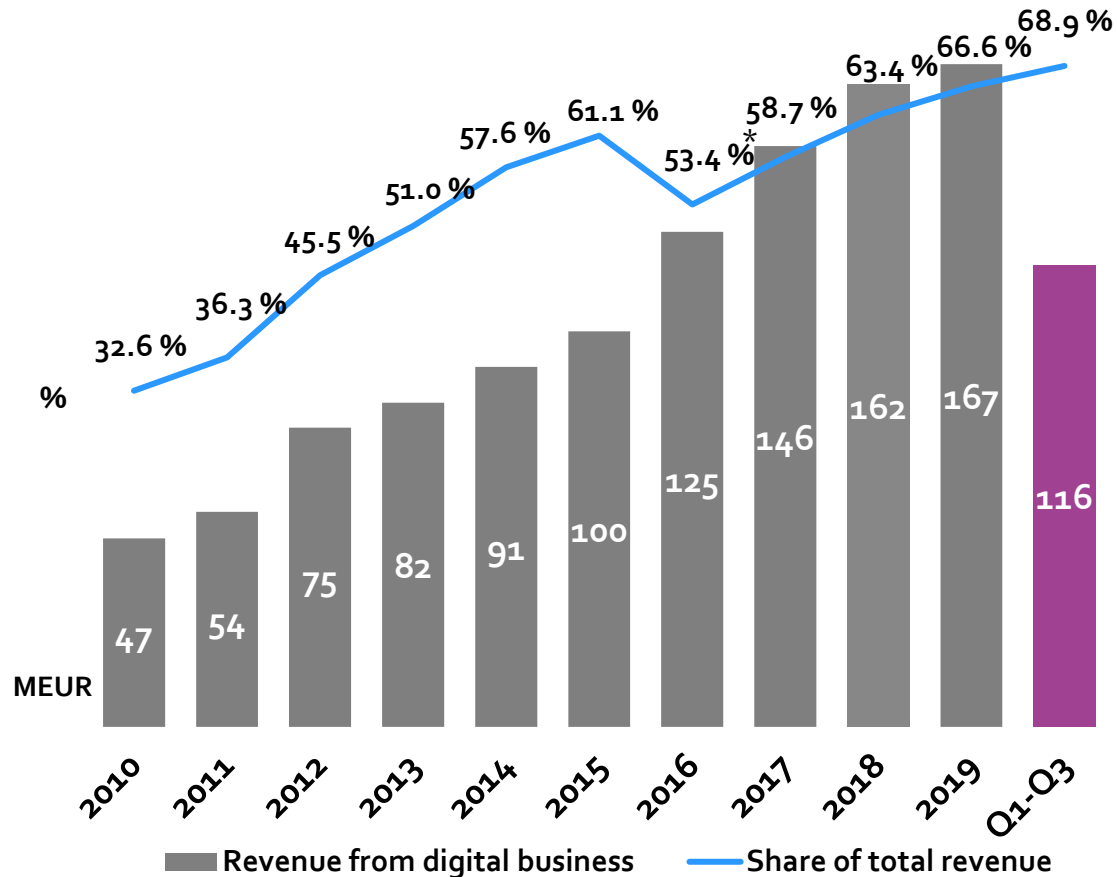
- digital operational efficiency and cost reductions supported margins



# Development of digital business

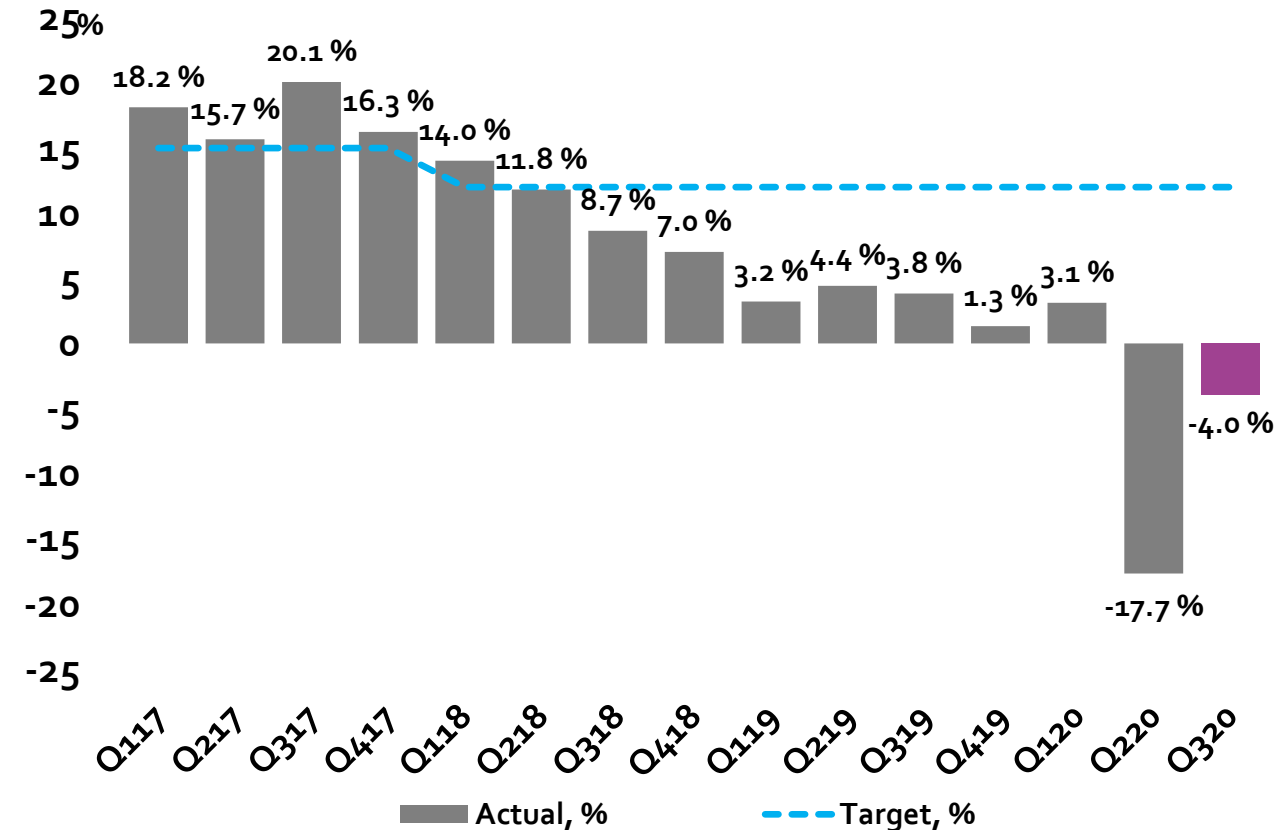
In continuing operations, digital business accounted for 71.3% of revenue in Q3/2020.

Share of digital business of Group revenue (continuing operations)



\*Acquisition of Talentum in 2015

Digital business growth (continuing operations)





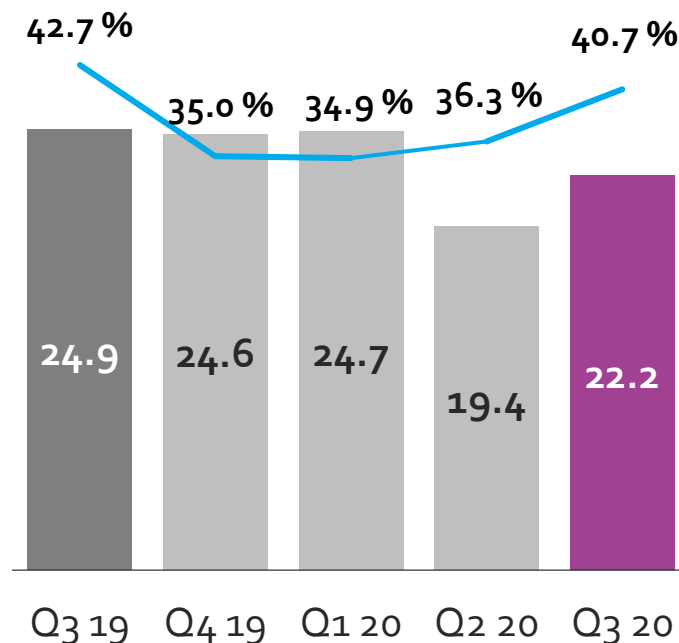
A person is seen from behind, standing on a rocky beach and looking out at a vast, calm ocean under a dark, overcast sky. The person is holding a large, bright red umbrella. The scene is moody and atmospheric, with the red of the umbrella providing a strong contrast to the cool blues and greys of the environment.

# DEVELOPMENT BY BUSINESS SEGMENTS

# Alma Markets Q3: Sharp decline in recruitment business slowed down, comparison and rental housing services mitigated fall in profits

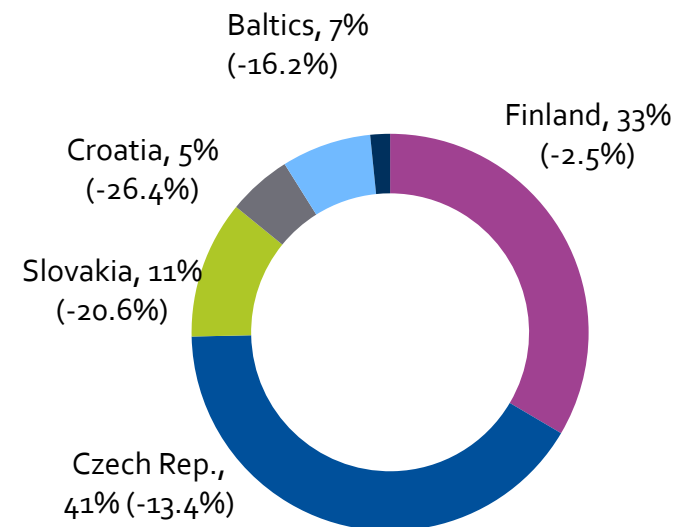
- Revenue -10.5% to MEUR 22.2.
- In Central Europe, operating environment somewhat stabilized as no strict restrictions imposed despite epidemic continuing.
- Demand for comparison and rental housing services increased throughout the quarter.
- Adj. operating profit -14.8% to MEUR 9.0.
- Negative impact of steep drop in customer invoicing in Q2 burdens recruitment revenue until H1/2021.
- Currently COVID-19 cases in sharp rise in Czech and Slovakia.

Revenue MEUR and adjusted operating margin %



Share of segment revenue:  
recruitment 69.8 % (-15.9 %),  
housing 21.1 % (+6 %) and cars 9.1% (0 %).

Share of segment revenue by country in Q3/2020 (revenue change rates in brackets)

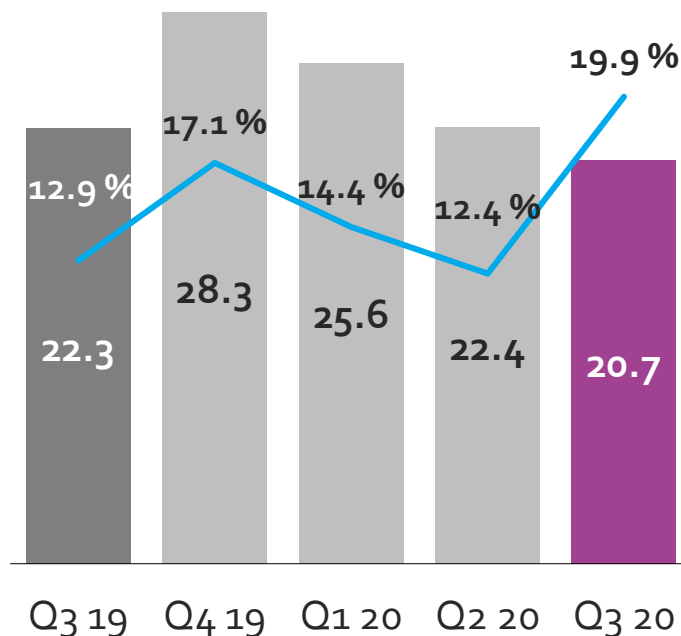


Revenue decline in recruitment  
range 13-36 % in Q3 (16-60% in Q2)

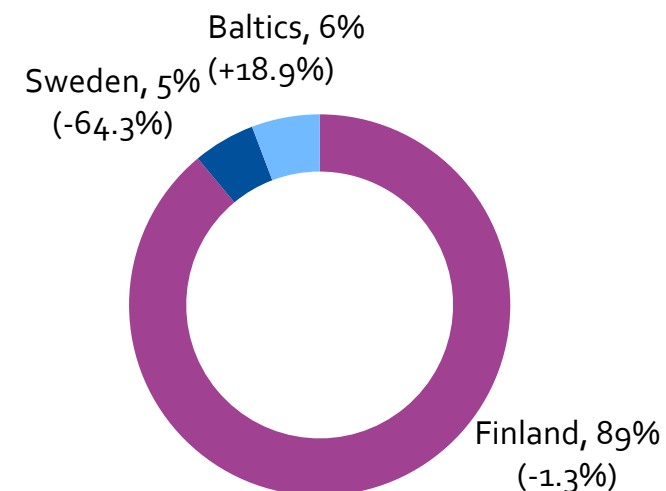
# Alma Talent Q3: Focus on digital increased revenue and improved profitability, digital ratio exceeded 50% of revenue

- Revenue -7.4 % to MEUR 20.7, excluding divested Swedish media businesses, revenue of continuing operations increased.
- Demand for high-quality media content continued, digital media content sales +46 %.
- From services, especially direct marketing and b-to-b marketplace services grew during the quarter.
- Advertising recovered nearly y-on-y level, excluding event business.
- Adjusted operating profit +42.6% to MEUR 4.1.

Revenue MEUR and adjusted operating margin %



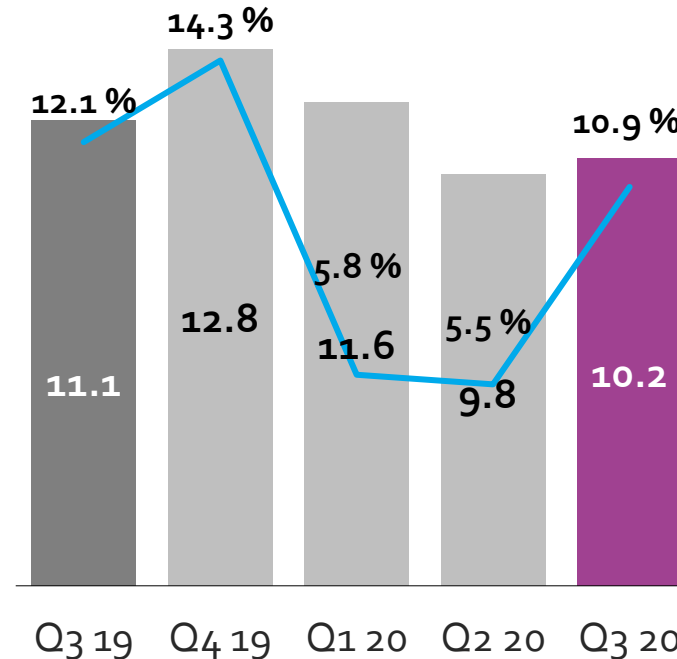
Share of segment revenue by country in Q3/2020 (revenue change rates in brackets)



# Alma Consumer Q3: Recovery of advertising and cost savings softened the decline in profitability

- Revenue -8.1% to MEUR 10.2.
- A rebound in advertising to y-on-y level, increase especially in automotive and retail advertising compared to Q2.
- Content sales -20.9%, as restrictions on travelling affected single-copy sales of Italehti.
- Digital services developed well in Q3, except for service related to travel and tourism.
- The level of visitors at Italehti.fi permanently at higher level and readers more committed, page views +15%\*.
- Adjusted operating profit -17.5 % MEUR 1.1.

Revenue MEUR and adjusted operating margin %





A photograph of six red apples with some yellow streaks, arranged on a teal-colored wooden plank background. The apples are scattered across the right half of the image. The text "FINANCIAL POSITION" is centered over the middle of the image.

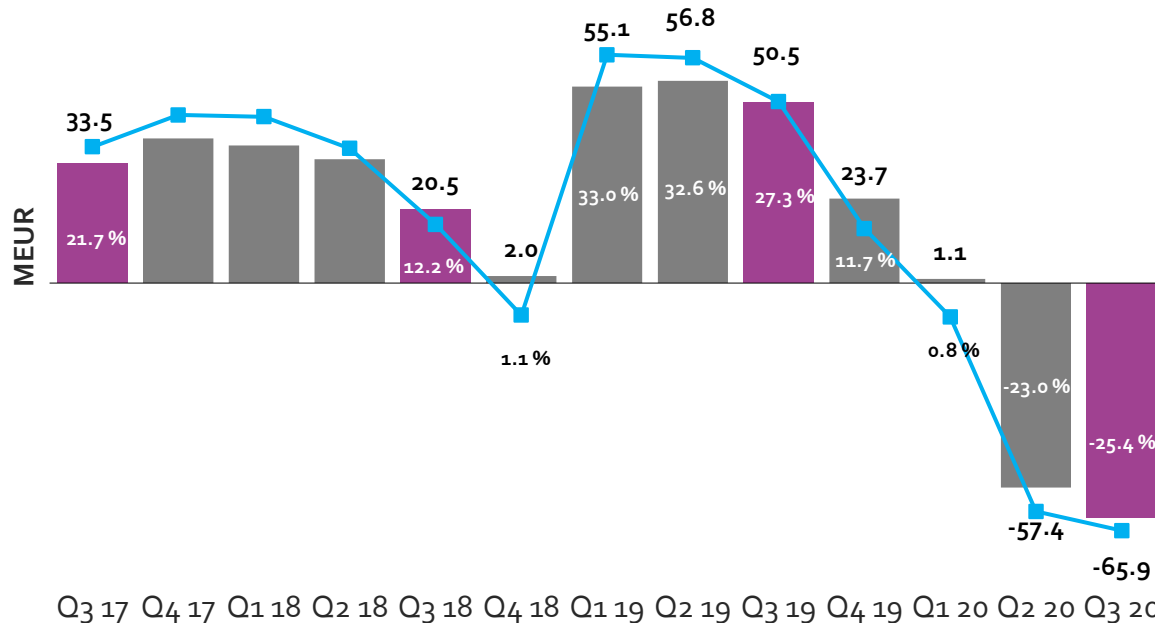
# FINANCIAL POSITION



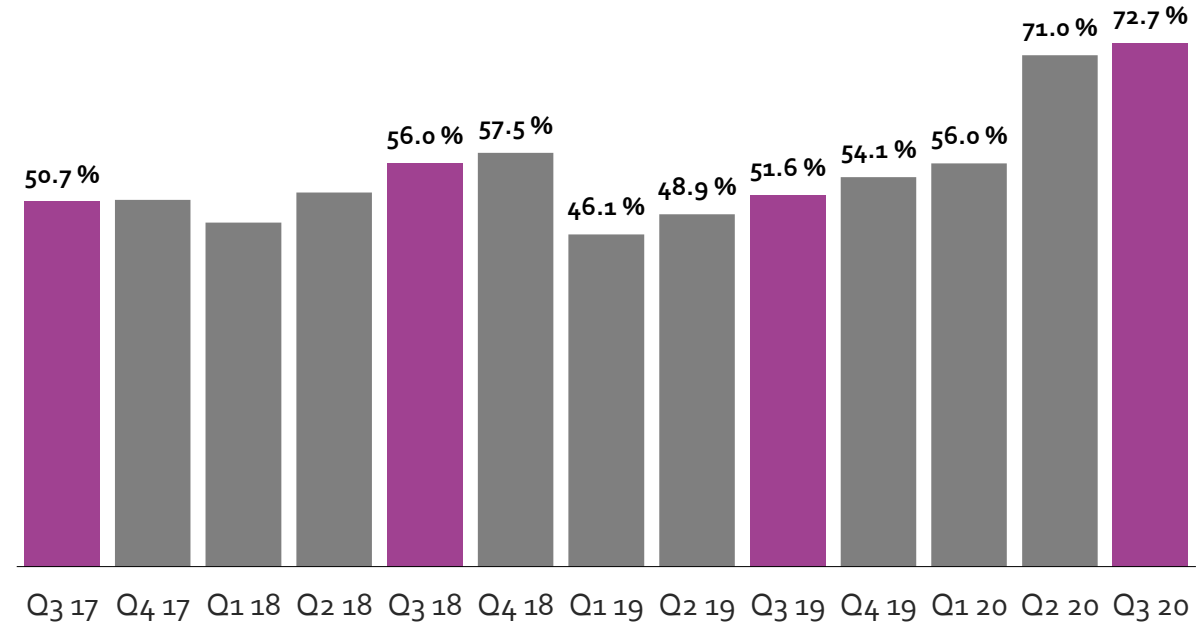
# Strong financial position

- At the end of September, gearing was -25.4%. Net cash of MEUR 65.9.
- Interest-bearing liabilities totalled MEUR 39.7, consisting entirely of lease liabilities.
- Equity ratio 72.7 %.

Net debt, MEUR and gearing, %; Q3/2017–Q3/2020



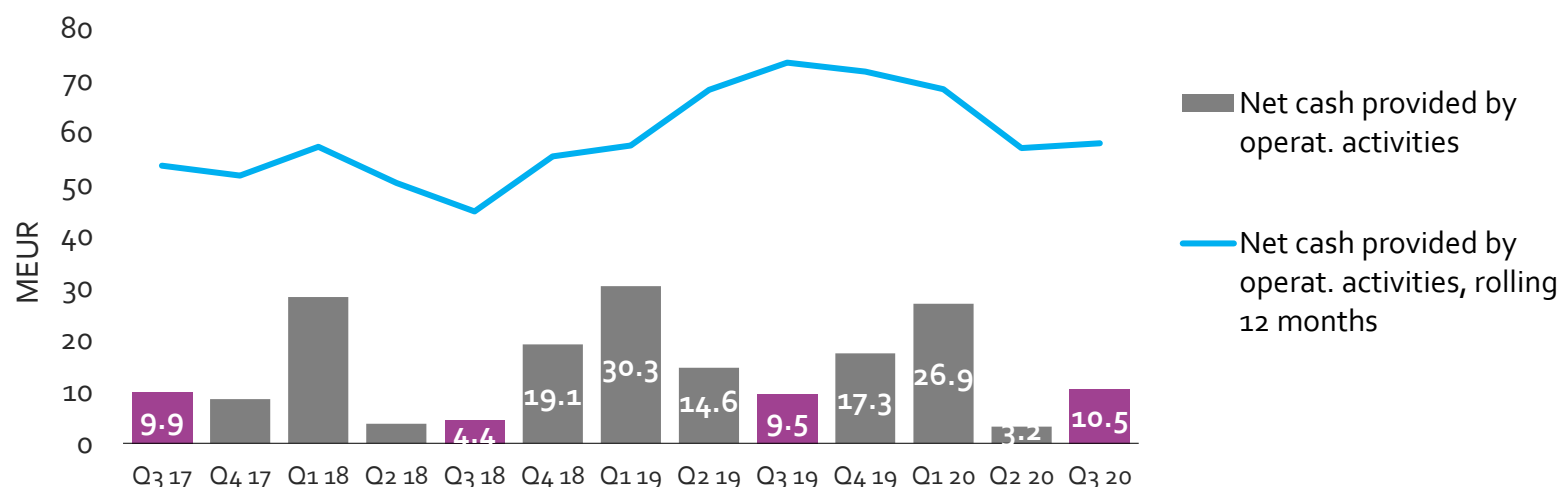
Equity ratio; Q3/2017–Q3/2020



# Cash flow\* stable despite COVID-19

- Cash flow from operating activities in Q3/2020 was MEUR 10.5 (9.5) due to lower working capital level.
- Cash flow from investment activities was MEUR -0.3 (-3.2) in Q3.
- No substantial increase in credit loss risks and no evidence of impairment risk concerning goodwill in Q3.

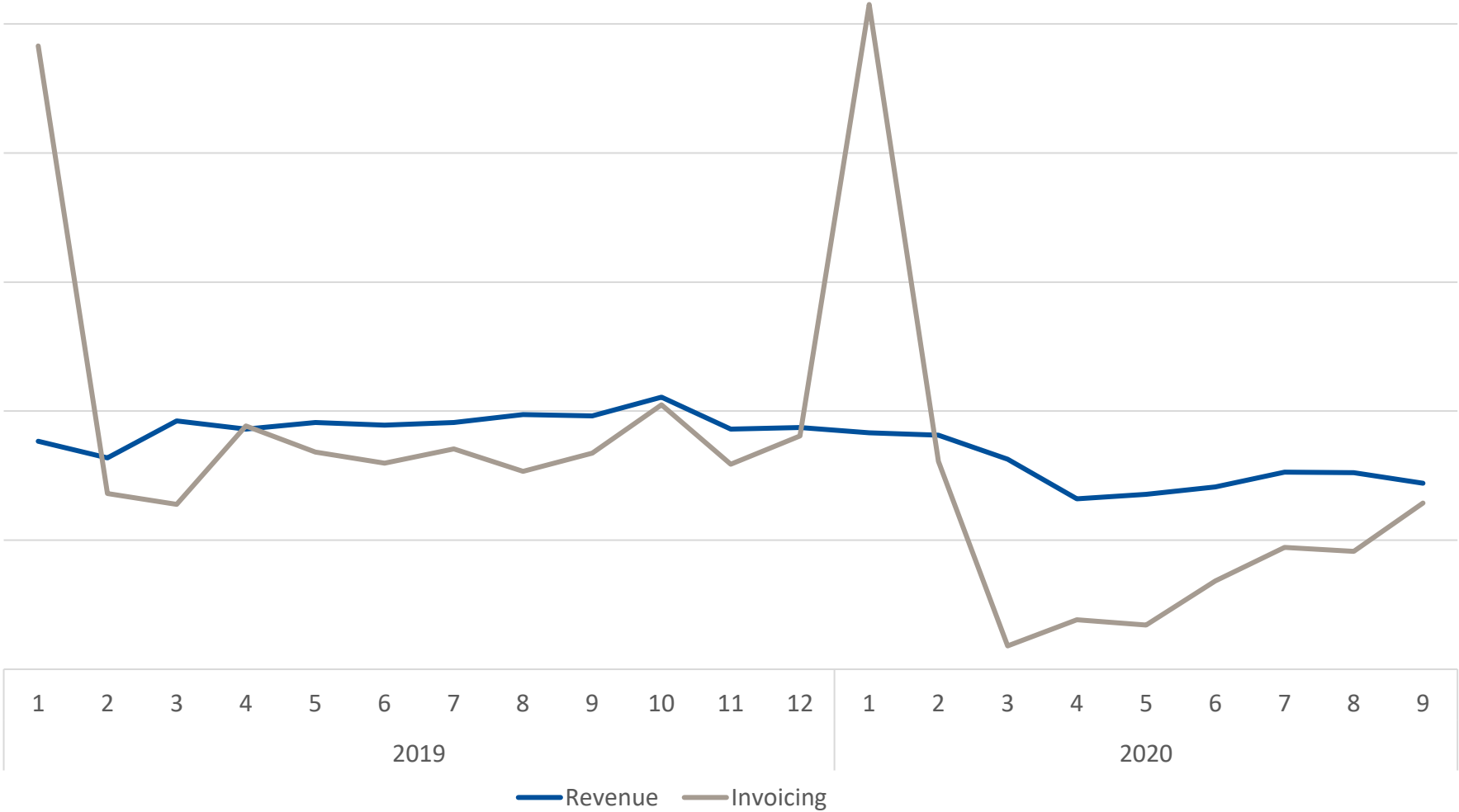
Operating cash flow and capital expenditure



Capital expenditure and acquisitions, MEUR	2020 1-9	2019 1-9	2019
Capex	3.2	1.8	2.5
Acquisitions	6.1	10.2	10.2
Total	9.3	12.0	12.6

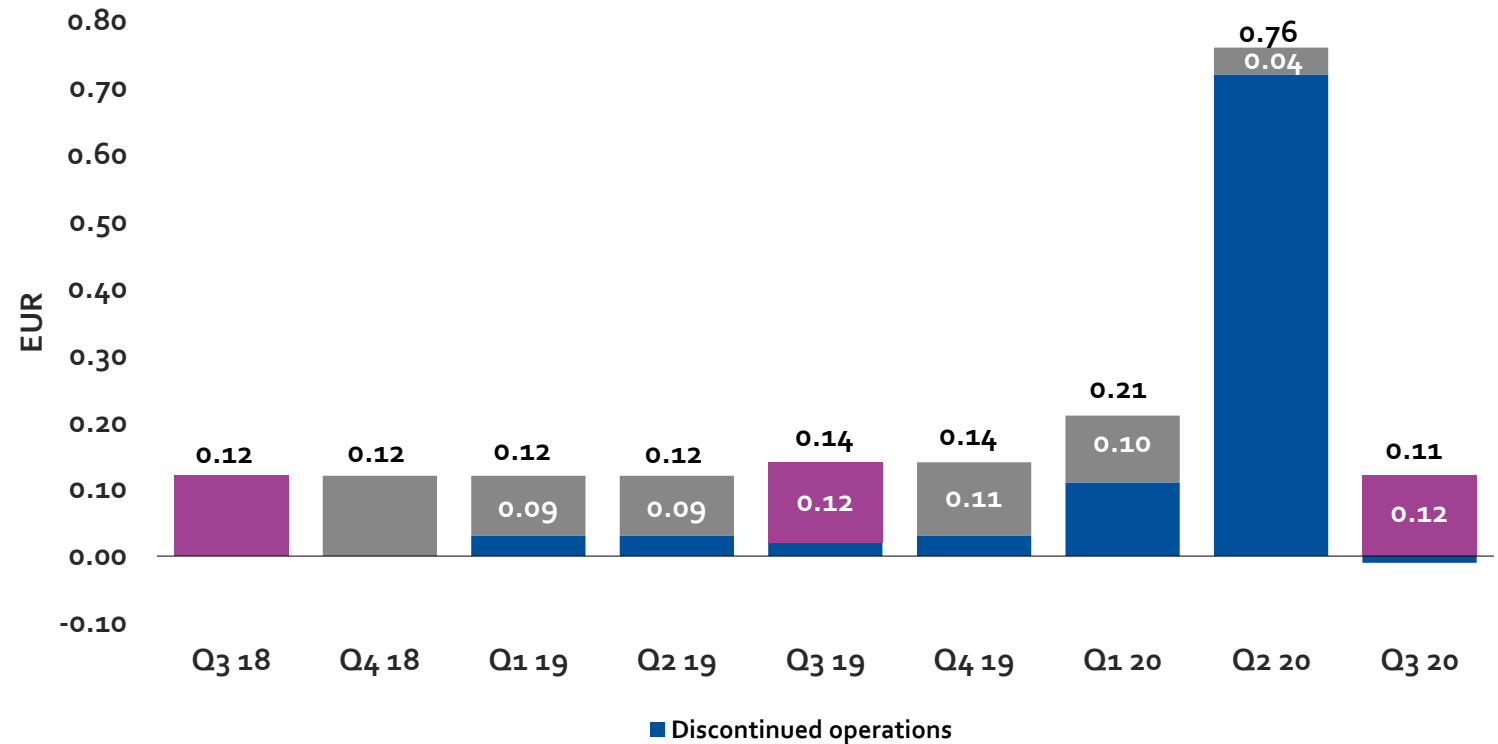
\* Cash flow including discontinued operations

# Case LMC: revenue & invoicing recognition





# EPS

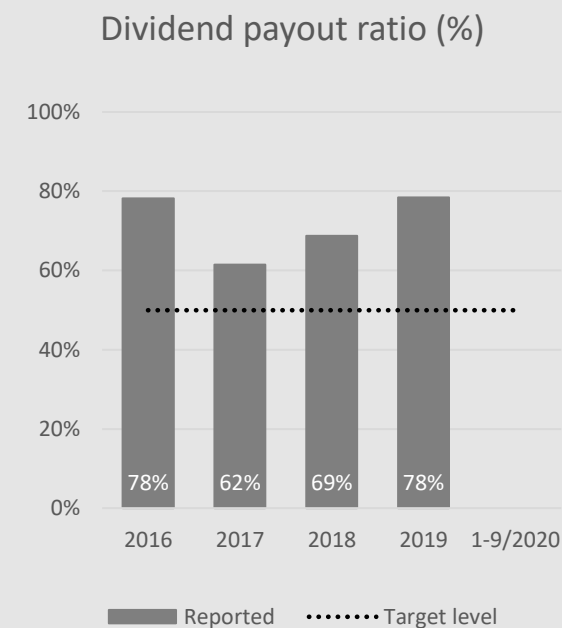
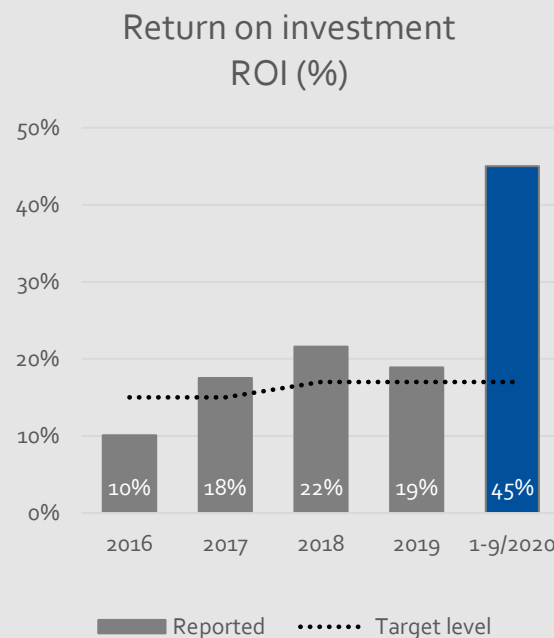
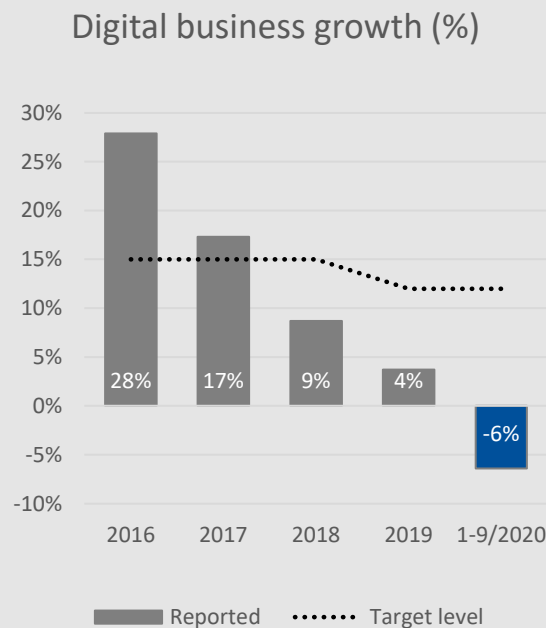
- Earnings per share from Continuing operations in Q3/2020 were EUR 0.12 (EUR 0.12). Adjusted items in Q3/2020 MEUR 0.0 (MEUR 0.1).
- Earnings per share including discontinued operations EUR 0.11 (0.14).





# Long-term financial targets\*

Financial target	Long-term target level	Performance Q1-Q3/2020
Digital business growth, %*	>12%	-6% 
ROI, %**	>17%	45% 
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 close-up photograph of numerous water droplets of various sizes on a glass surface, likely a window. The background is a blurred city street at night, with warm yellow and orange lights from buildings and street lamps, and a prominent red light source, possibly a traffic light or a car's brake light, visible through the glass. The overall mood is atmospheric and urban.

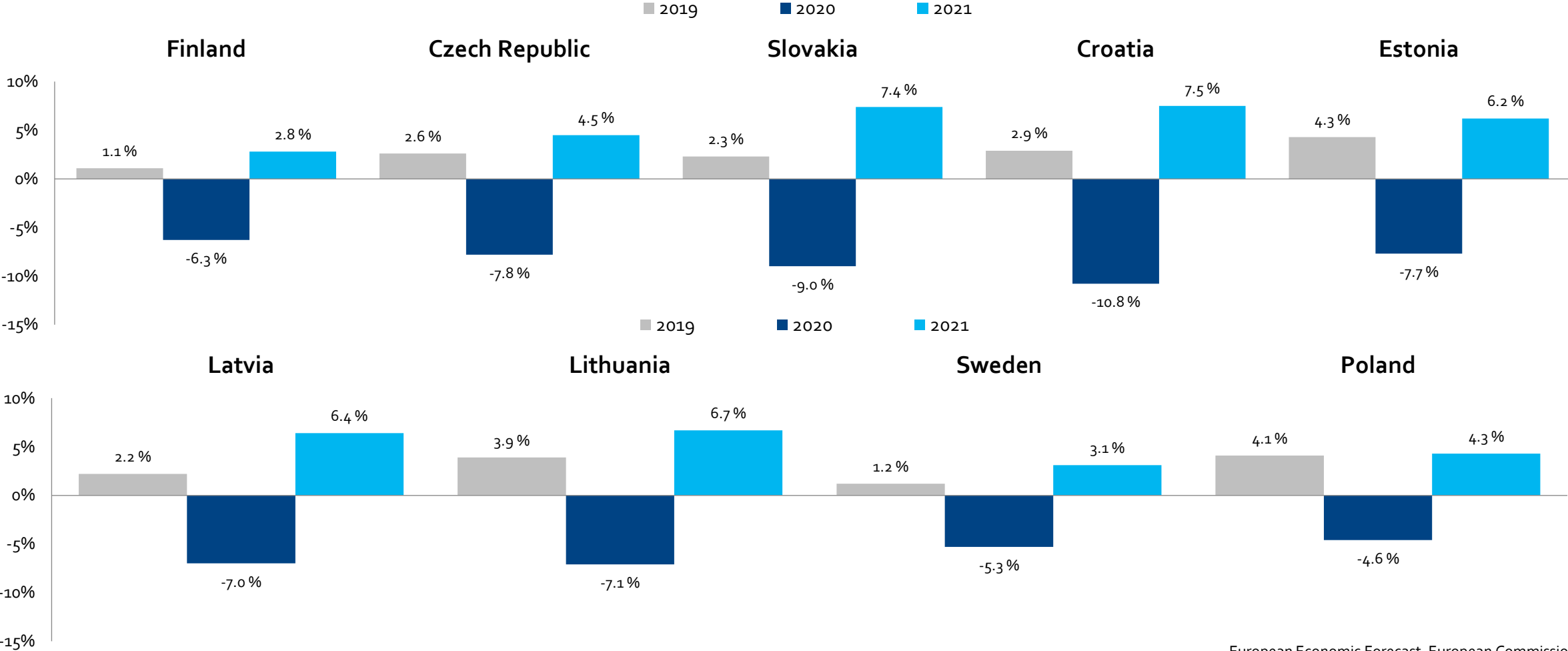
# OPERATING ENVIRONMENT





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

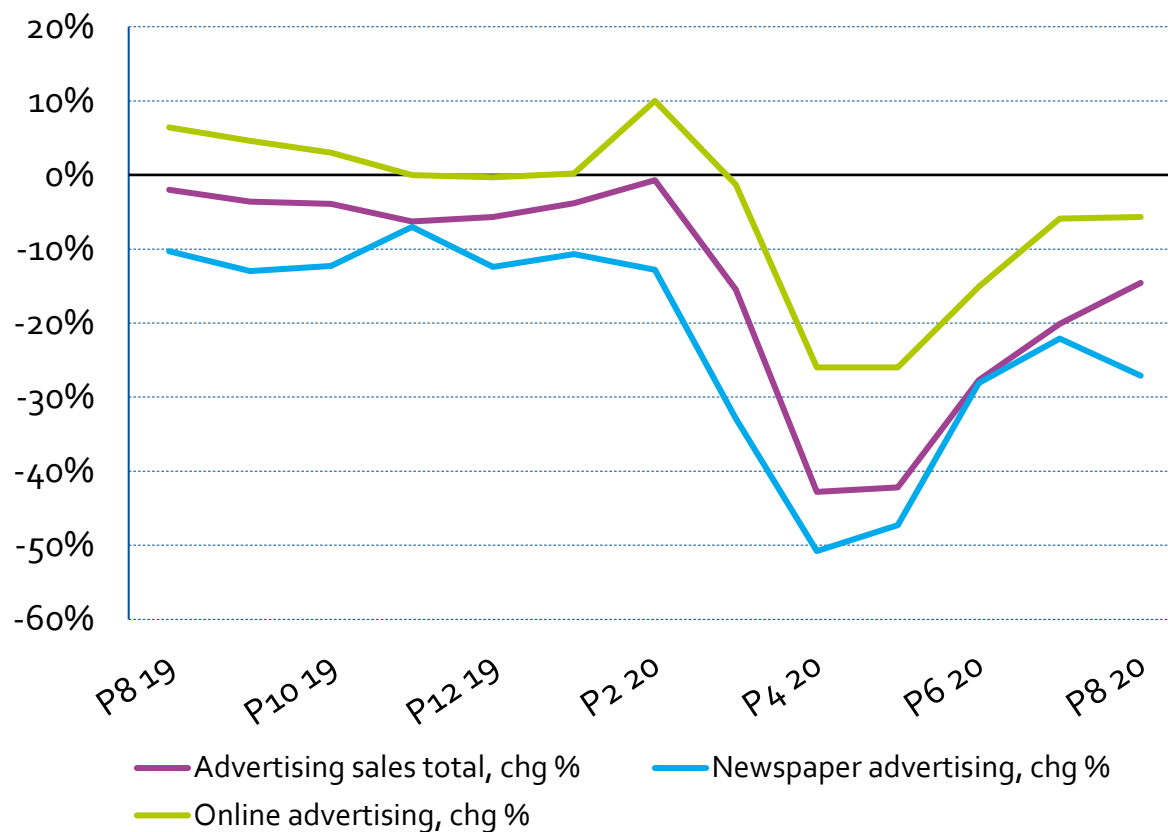
GDP forecasts in Alma's operating countries 2019-2021E



# Finnish Advertising Market: in July-August the sharp decline levelled off

Monthly change in media advertising 8/2019–8/2020

Source: Kantar TNS







# STRATEGY AND OUTLOOK





# Strategic focus on digital

Growing  
marketplace  
business

Leveraging  
professional media  
and b2b-services

Developing national  
multi-channel  
consumer media and  
services

# Q3 in brief

- Education platform Seduo launched in Finland as Alma Talent Seduo
  - the scalable digital service's content tailored to match local culture, development of local competence and local expertise.
  - Seduo set to be introduced in other Alma Career countries.
- Alma Career invested MEUR 0.5 in digital staffing services company Treamer
  - staffing services provides a platform connecting gig workers and employers.
- Alma Talent's strategic transformation to focus on paid digital media continues
  - statutory personnel negotiations regarding Metallitekniikka, Tekniikan Historia and Markkinointi&Mainonta and their potential discontinuation began during Q3

Alma Account to be expanded to cover all digital media and services.



## Why Alma Account?

- Large and rich user data
  - For customer relationship management
- ↓
- Segments to target in sales
  - Cross-unit data for service design
  - Stronger customer retention through increased relevance
- ↓
- Drives higher ARPU
  - Unifies digital customer experience of Alma Network

# Outlook for 2020 (unchanged)

- 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.



# THANK YOU! QUESTIONS?

Upcoming events in the investor calendar:

- Financial Statement Bulletin for financial year 2020 on Wednesday, 17 February 2021
- Interim report for January–March 2021 on Wednesday, 21 April 2021
- Interim report for January–June 2021 on Wednesday, 21 July 2021
- Interim report for January–September 2021 on Thursday, 21 October 2021

