

A nighttime photograph of Prague, Czech Republic, featuring the illuminated Charles Bridge over the Vltava River, with the Old Town Square and St. Nicholas Church in the background. The city lights are reflected in the water.

# ALMA MEDIA Q2/2017

Kai Telanne, President and CEO  
Juha Nuutinen, CFO

Living  
Information

Prague, Czech



# Agenda

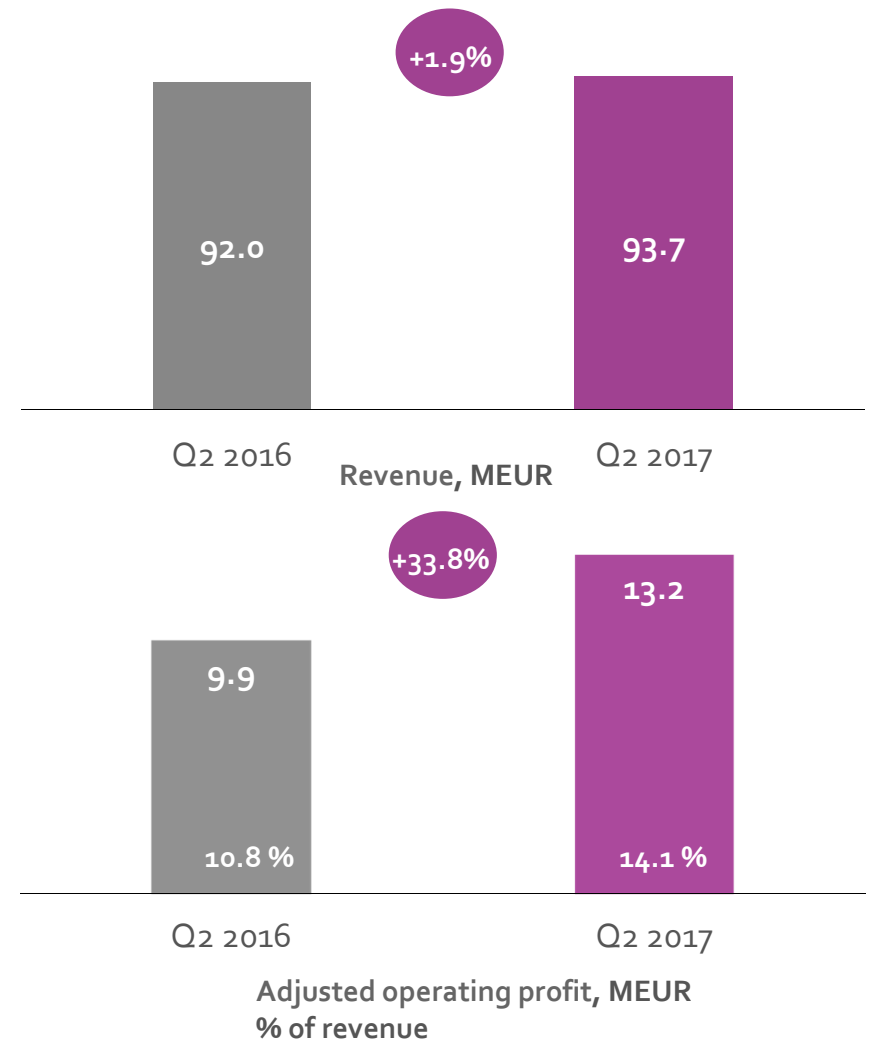
Highlights  
Market development  
Business performance  
Financial position  
Strategy and outlook  
Q&A



# Alma Media's Q2/2017 in brief

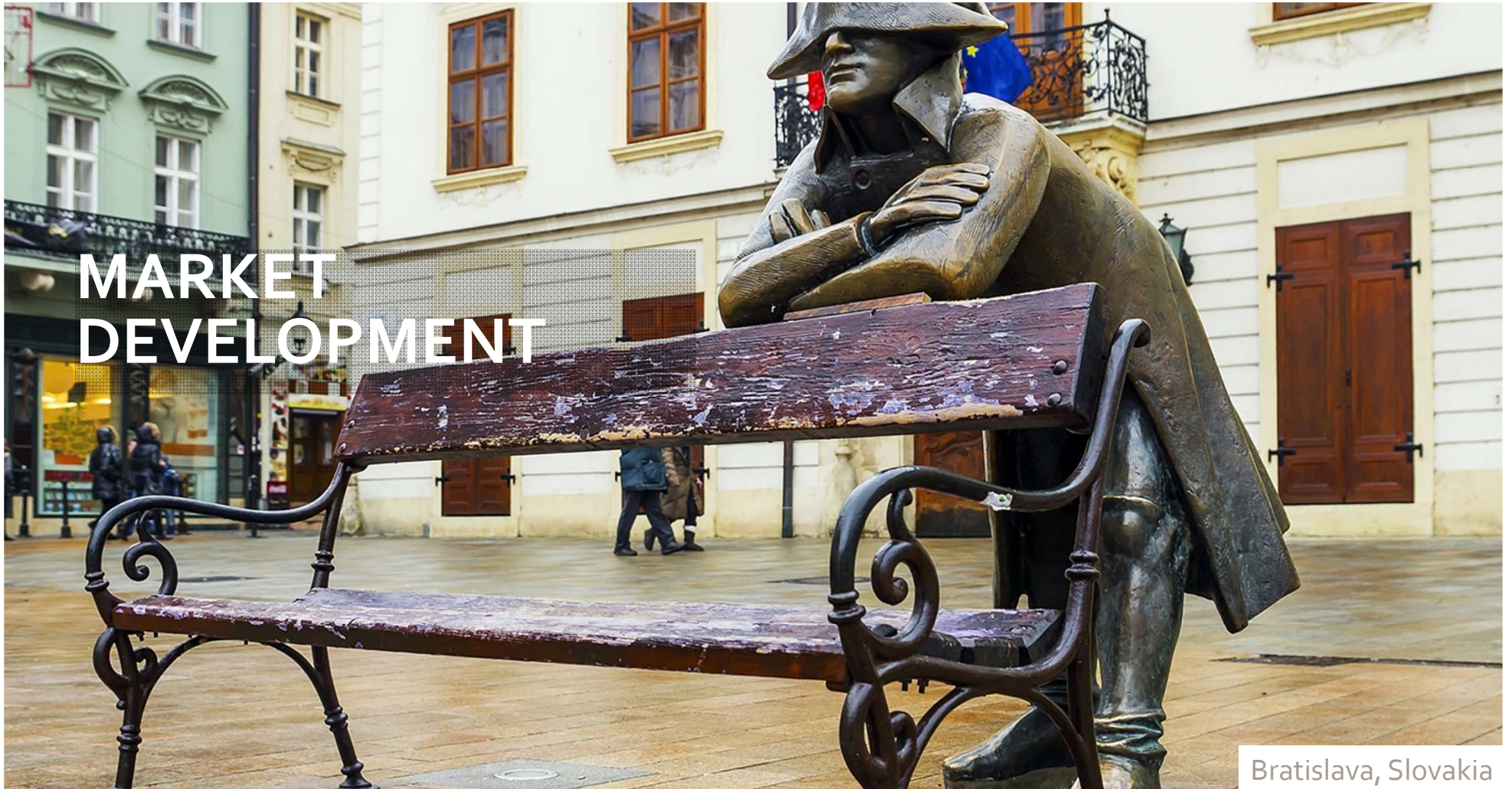
## Good development of profitability

- Revenue grew by 1.9% to MEUR 93.7.
- Adjusted operating profit grew by 33.8% to MEUR 13.2.
- Profitability was improved by the continued excellent development of sales in the Alma Markets segment as well as cost savings generated by previously implemented restructuring measures in Alma Talent, Alma Regions and shared operations.



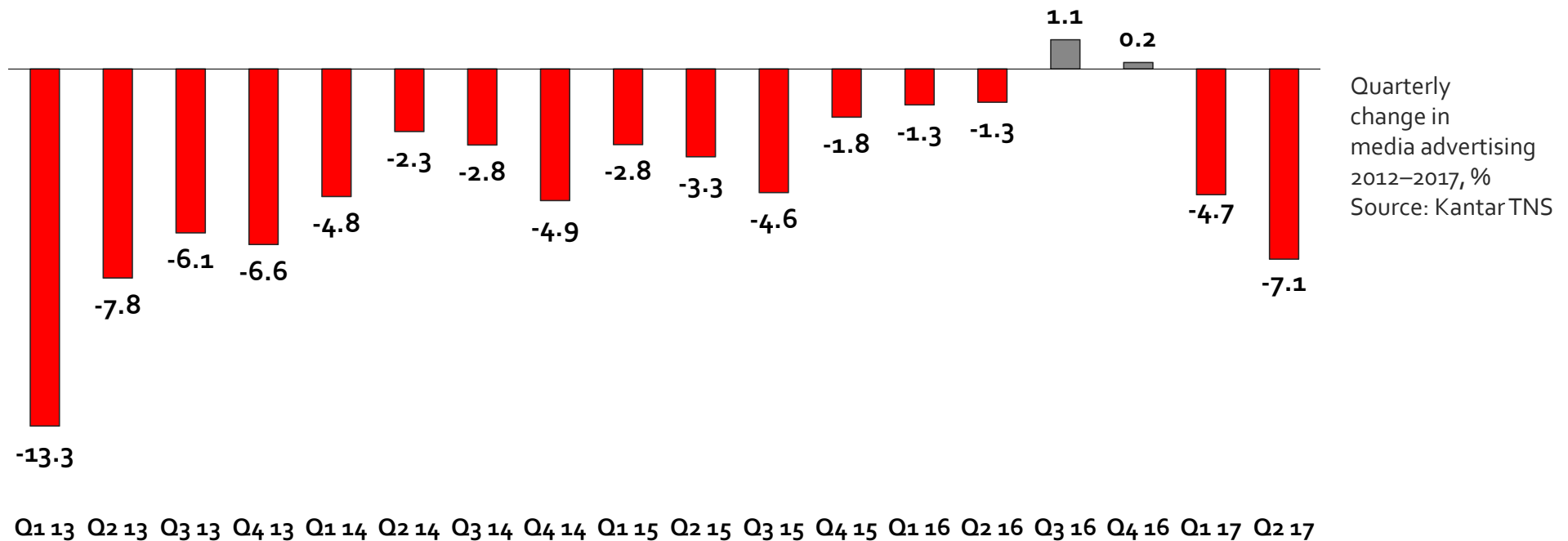


# MARKET DEVELOPMENT

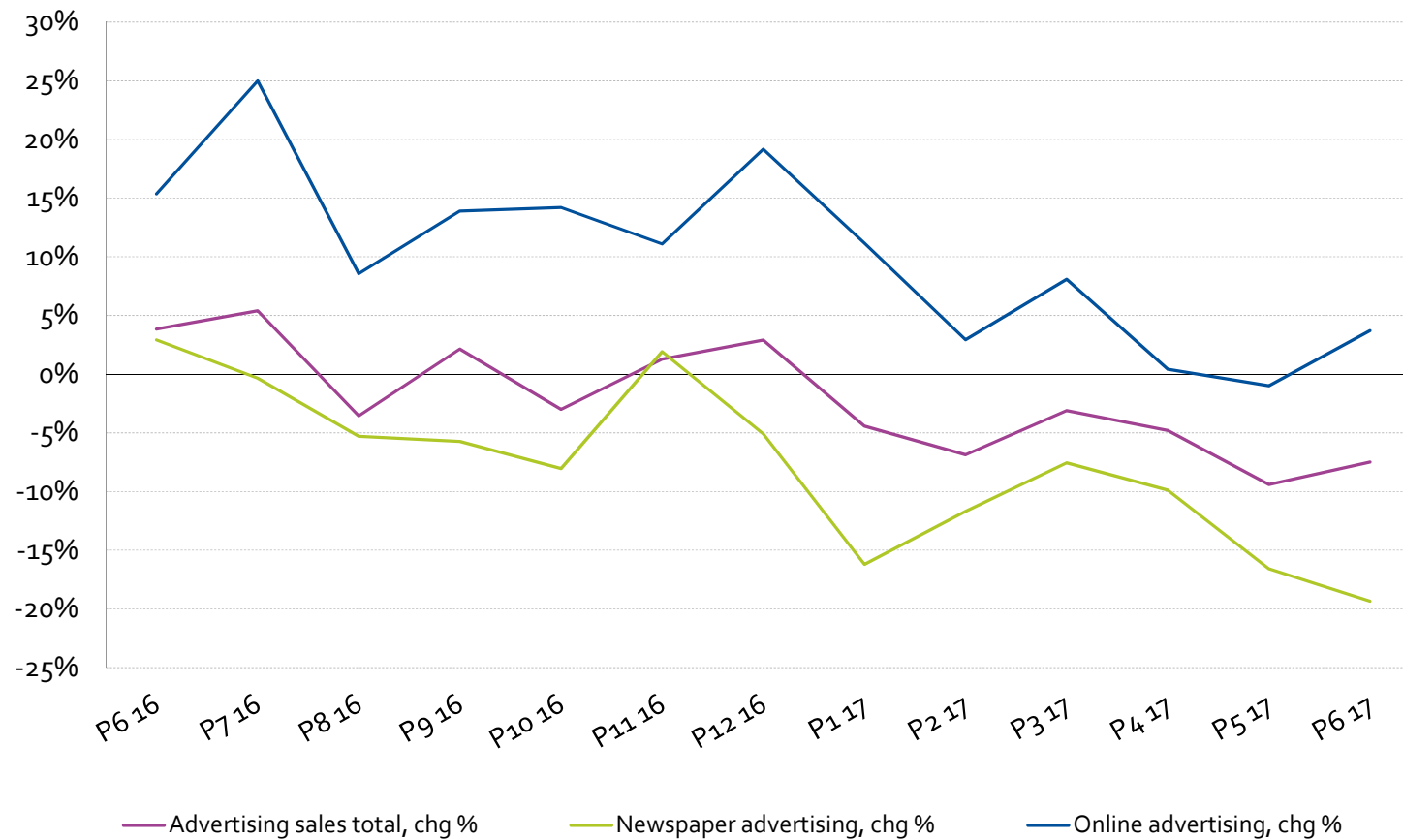


Bratislava, Slovakia

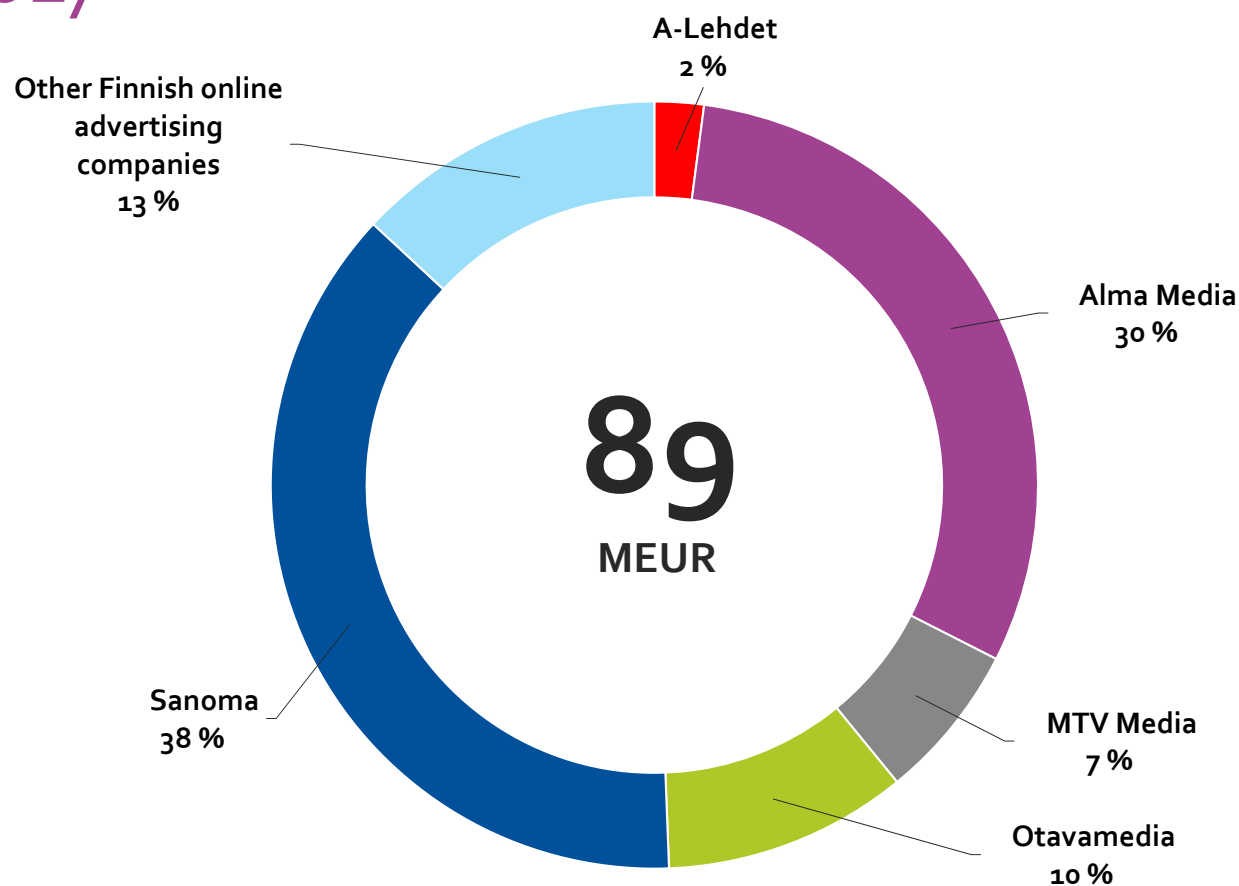
## The economic climate in Finland is brightest in years, but the advertising market remains subdued



# Only slight growth in online advertising



# Online advertising by Finnish media companies in H1/2017

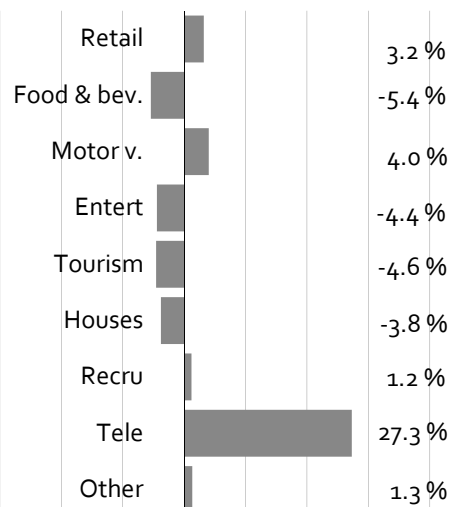


Market shares of  
Finnish media  
companies  
Source: Kantar TNS

# Media advertising was subdued across the board in Q2/2017

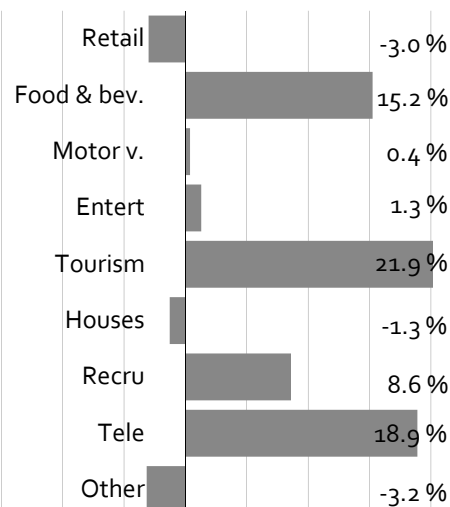
Growth was only seen in recruitment advertising

Q3 2016 vs 2015



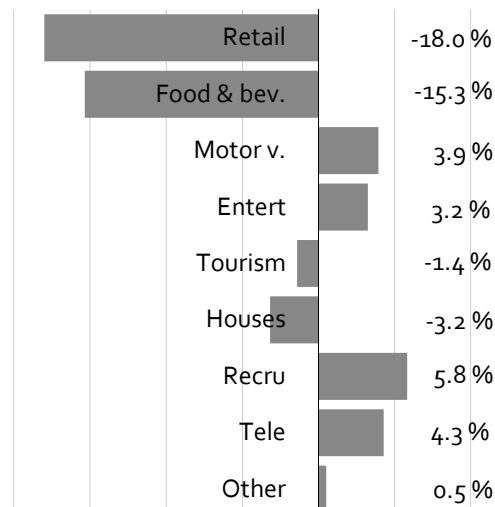
Total +1.1%

Q4 2016 vs 2015



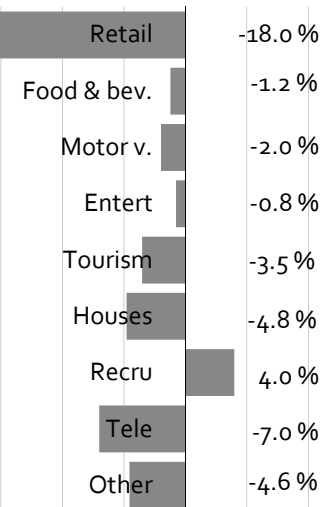
Total +0.2%

Q1 2017 vs 2016



Total -4.7%

Q2 2017 vs 2016



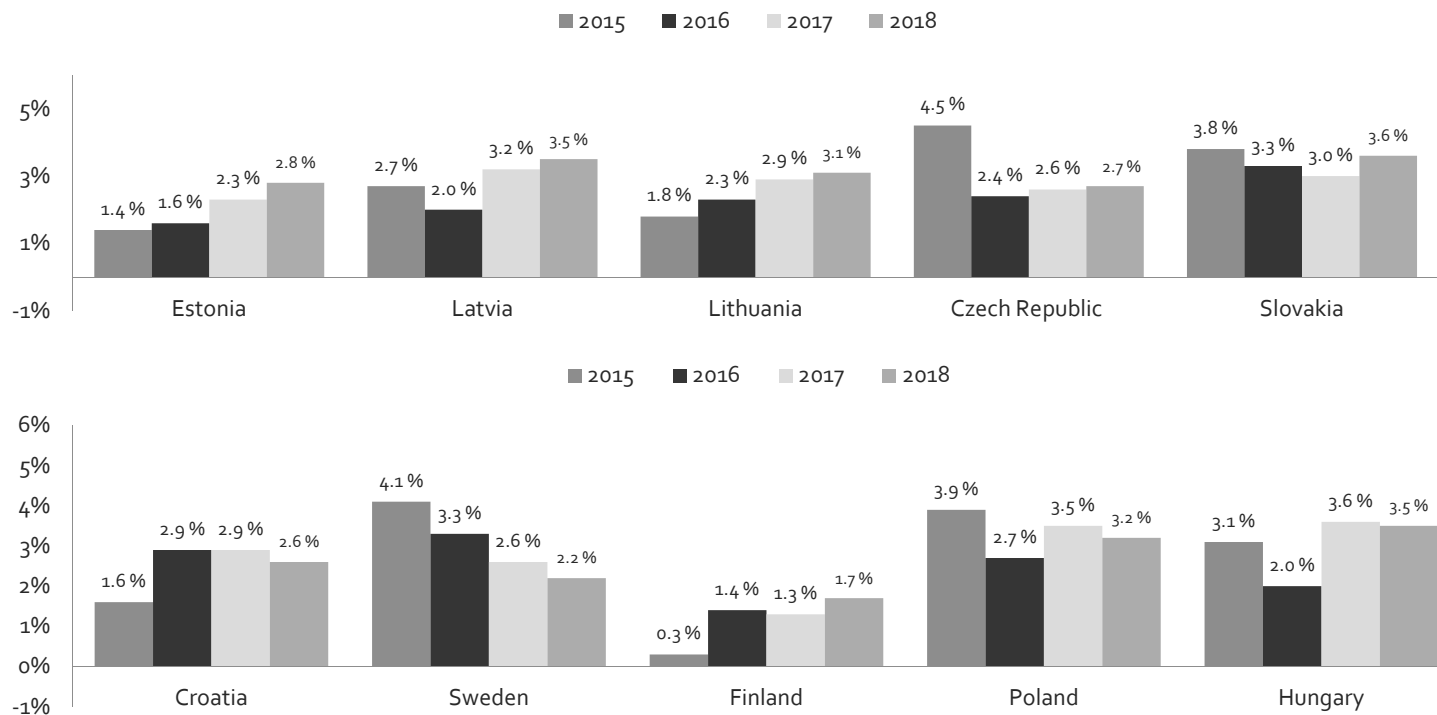
Total -7.1%

Source: Kantar TNS



# Development of GDP in Alma's operating countries

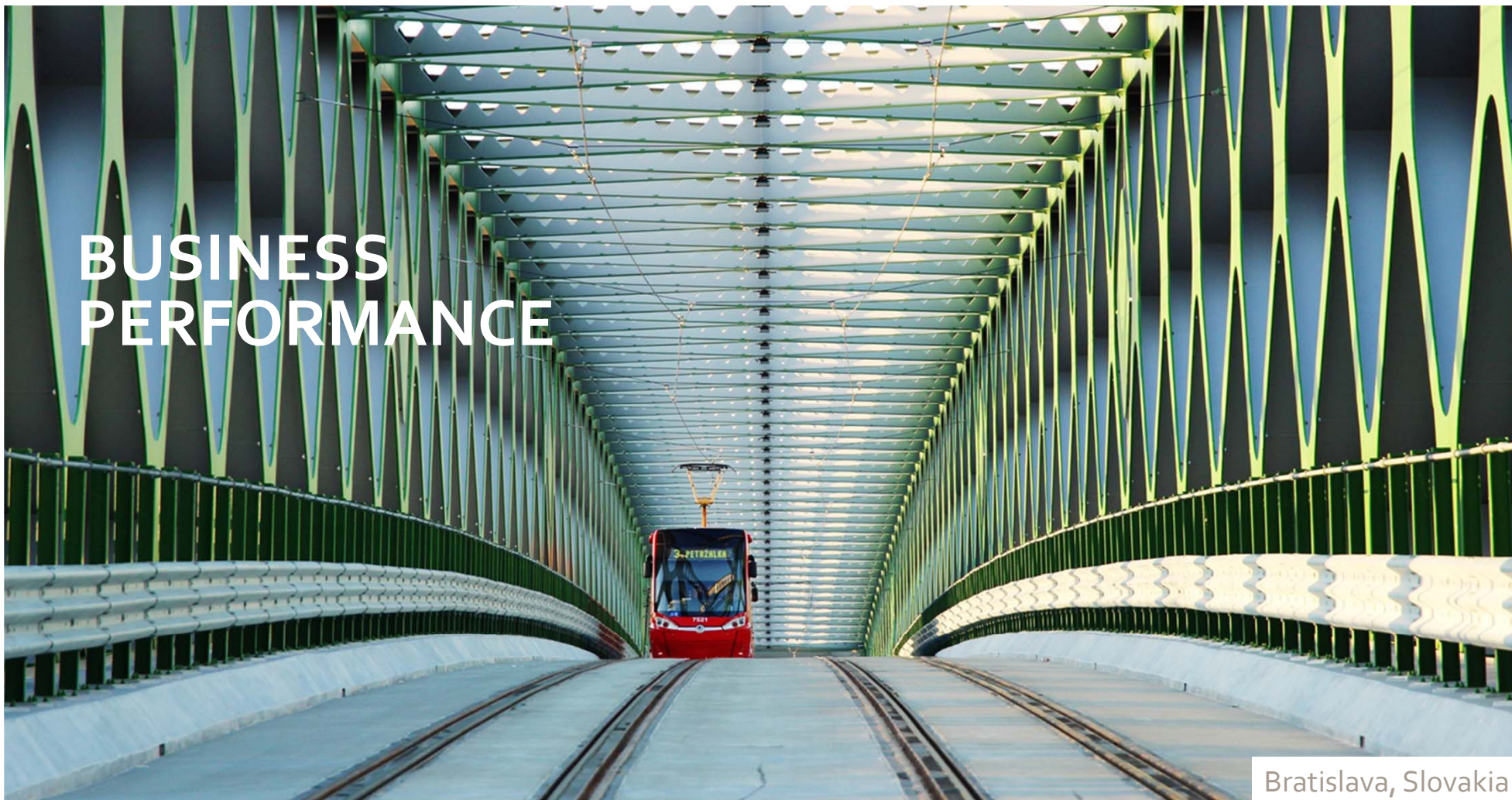
GDP forecasts for Alma's operating countries, 2015–2018E



Source: European Economic Forecast, EU Commission  
Spring 05/2017.

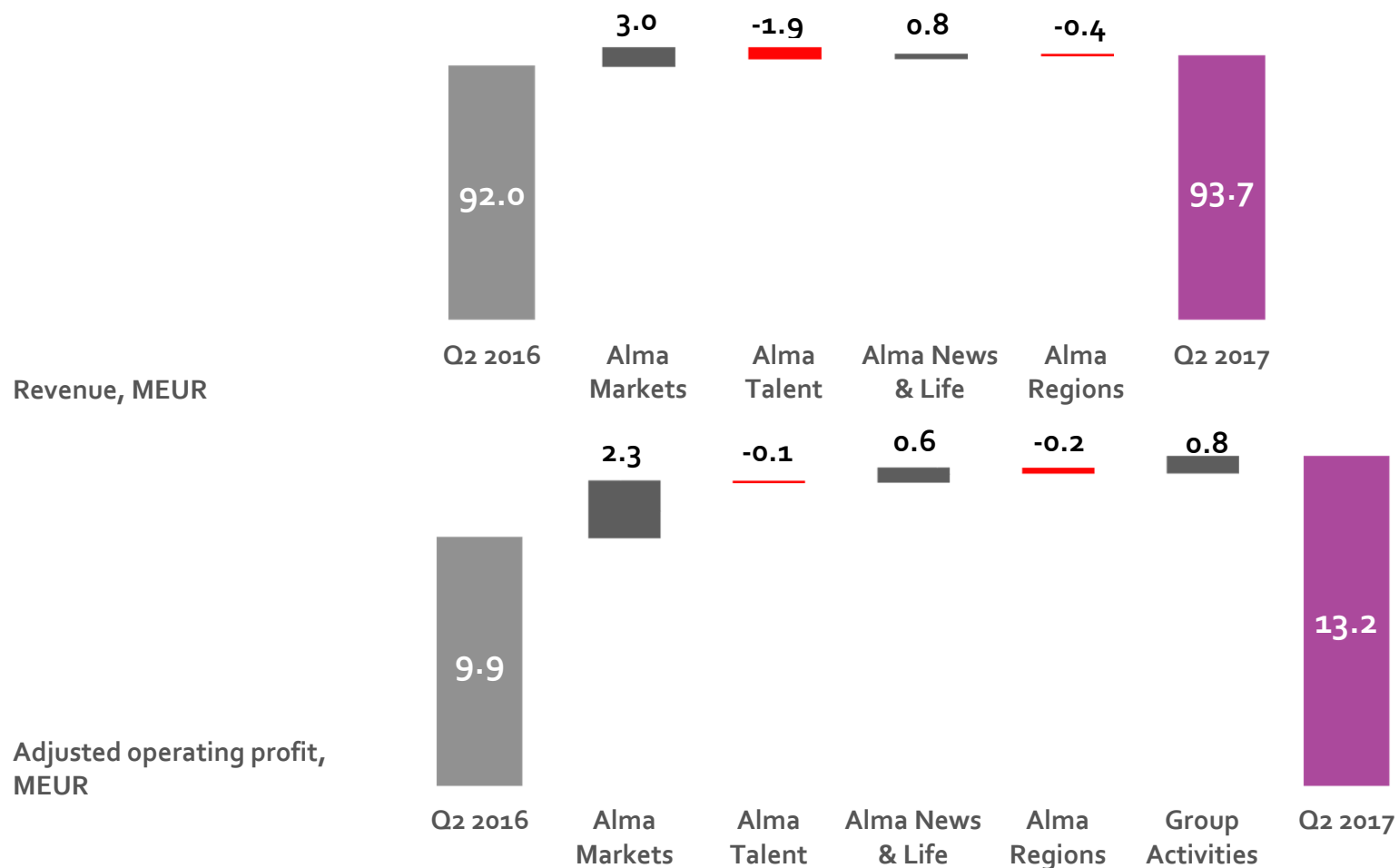


# BUSINESS PERFORMANCE

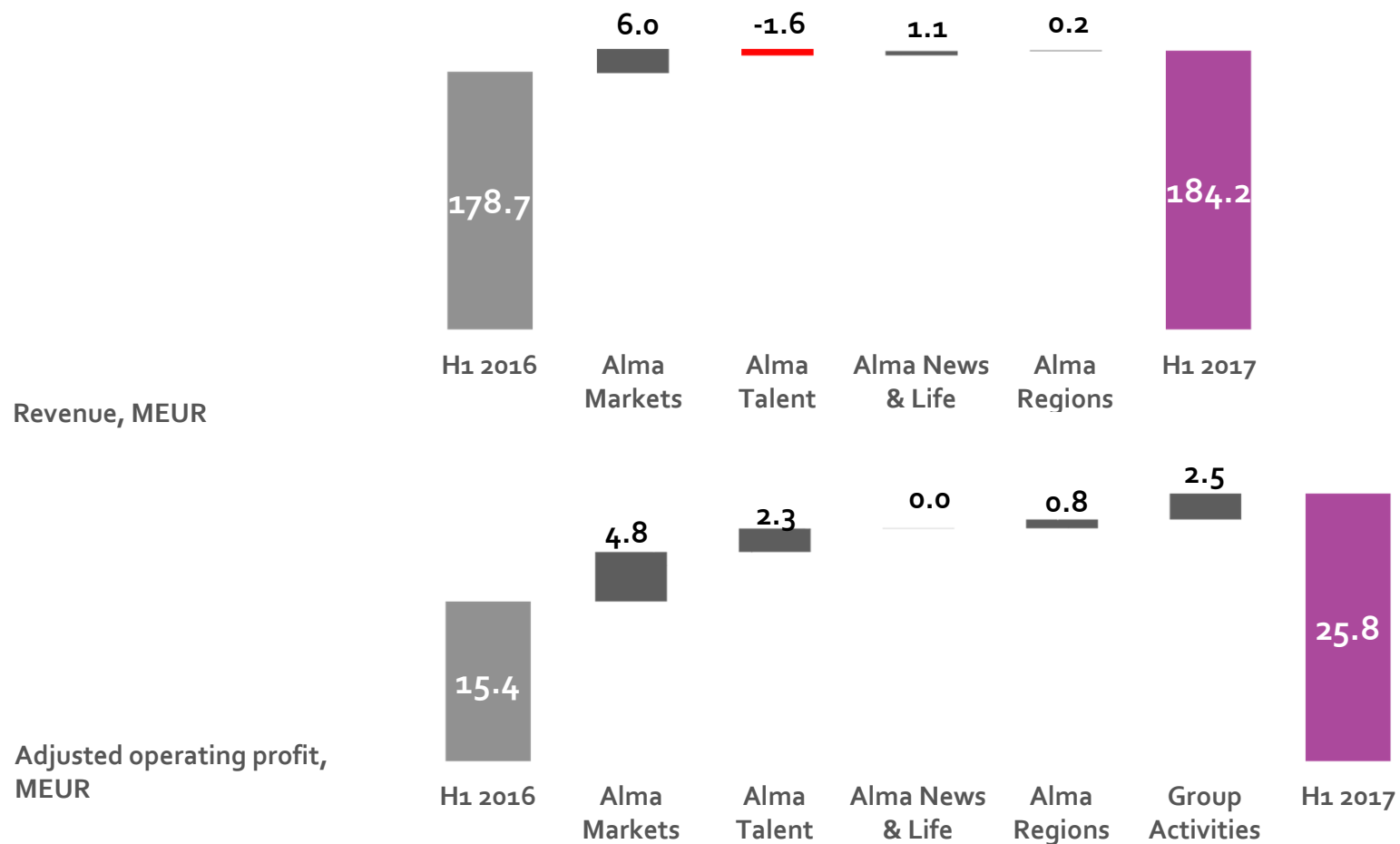


Bratislava, Slovakia

## Q2/2017: Revenue +1.9% ja adjusted operating profit +33.8%

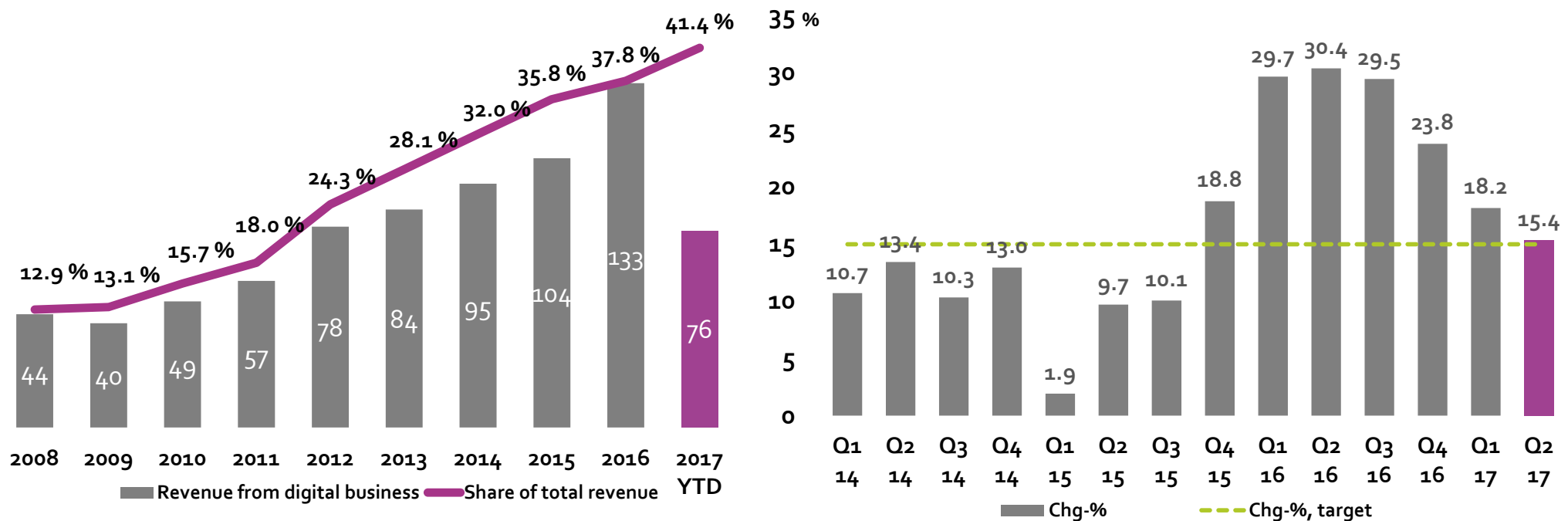


## H1/2017: Revenue +3.1% and adjusted operating profit +67.6%



# Continued growth in digital business

- Digital business accounted for 41% of Group revenue in Q2/2017.

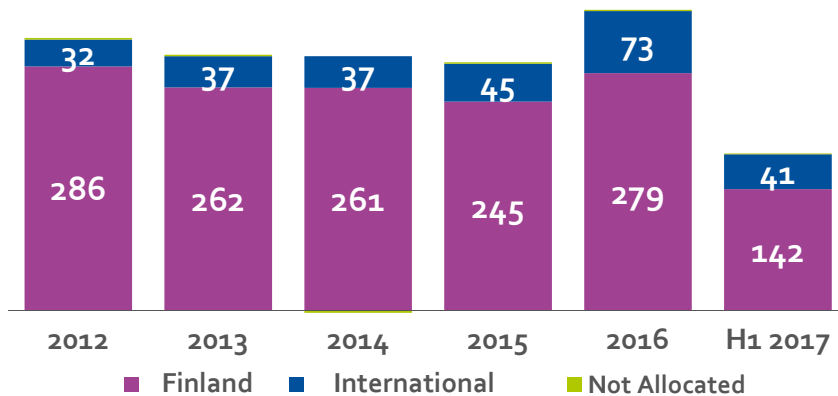




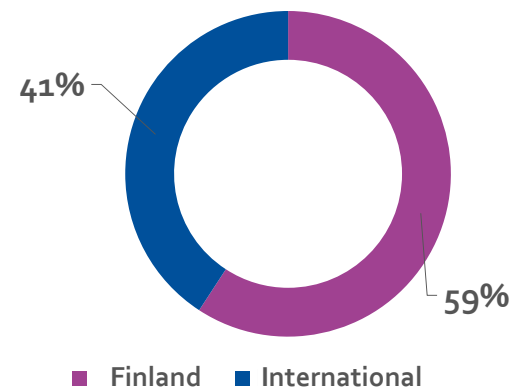
# Alma's operations in Finland and internationally

- International operations play an increasingly significant role in the Alma Media Group's growth and profitability.

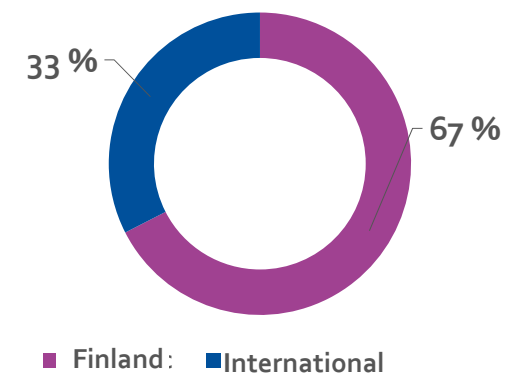
Revenue 2012–H1 2017, MEUR



Operating profit H1 2017

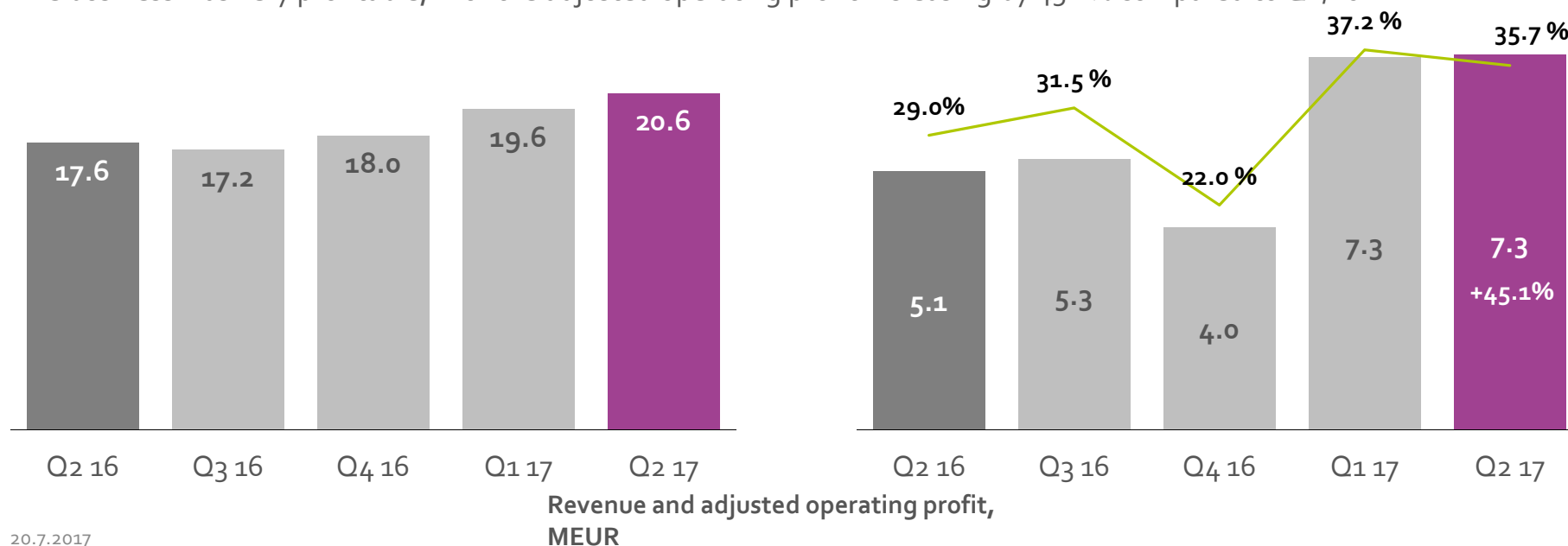


Personnel H1 2017



# Alma Markets Q2/2017: Operating profit at a record level

- Revenue from the recruitment business +19.6%, accounted for 77.5% of the segment's revenue.
- Continued growth in Eastern Central Europe, especially the Czech Republic and Croatia. The growth of marketplaces in Finland was attributable to active marketing efforts and online service development as well as the favourable economic cycle. The result was also improved by lower depreciation.
- The business was very profitable, with the adjusted operating profit increasing by 45.1% compared to Q2/2016.



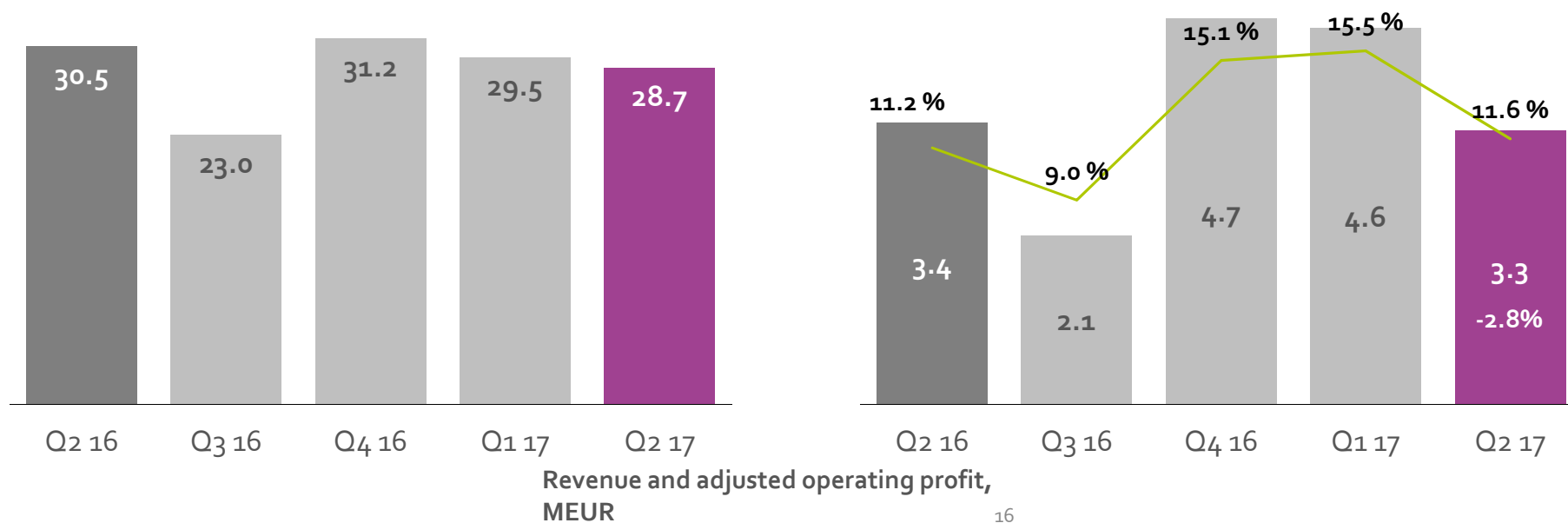
20.7.2017



# Alma Talent Q2/2017:

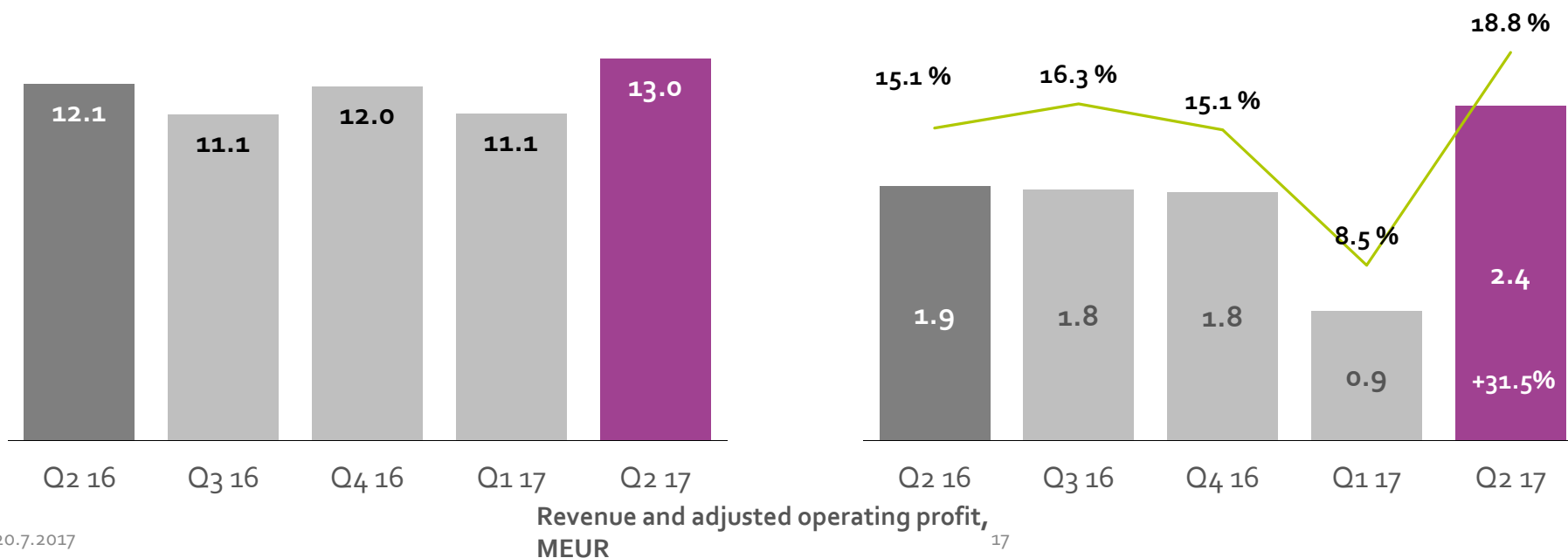
## Operating profit was close to the previous year's level

- Adjusted operating profit remained almost on a par with the comparison period thanks to cost savings.
- Revenue -6.1%. Attributable to discontinued operations in the service business as well as the decline of print media subscription revenue and book sales. Content revenue -7.7%.
- Overall advertising sales were on a par with the previous year.



# Alma News & Life Q2/2017: Digital business already accounts for more than half of the segment's revenue

- Content revenue -7.9% due to the decline of Italehti's print circulation.
- Total advertising sales +14%. Digital advertising revenue +28.5%, boosted particularly by mobile advertising and programmatic buying.
- Growth in service revenue was supported by the Rantapallo acquisition made in 2016.



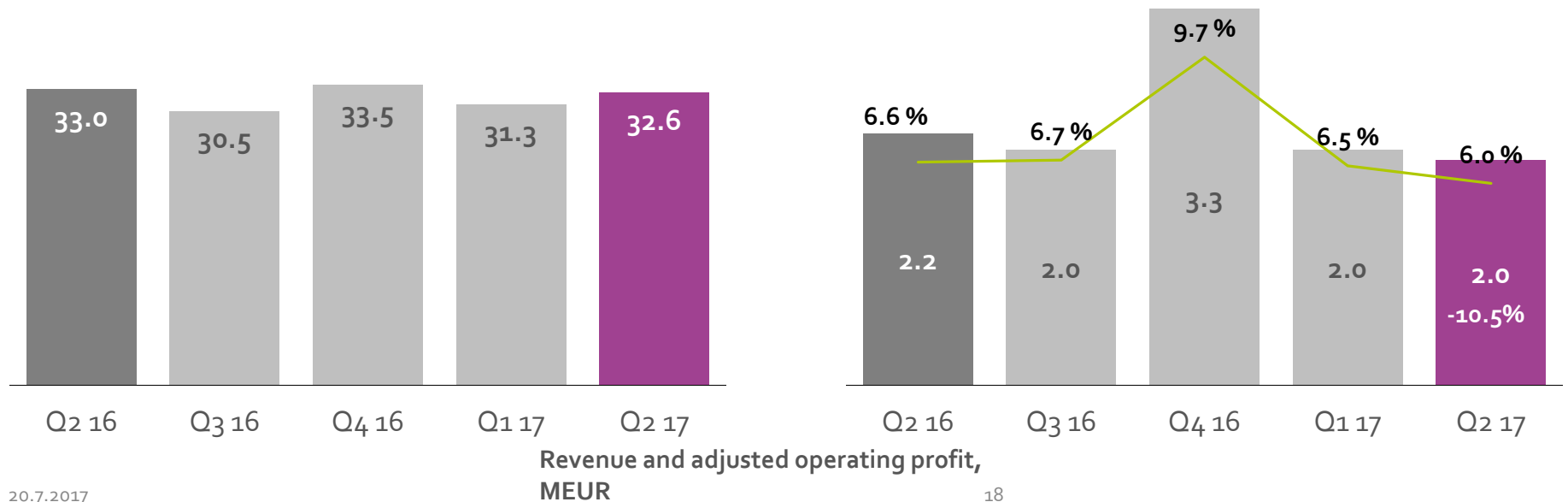
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## Alma Regions Q2/2017:

### Profitability was weighed down by the decline of print media advertising

- The segment's advertising sales -7.9% in spite of the boost provided by the municipal elections. Advertising sales for print media -9.2%. The retail sector, in particular, has reduced its spending on print media advertising.
- Content revenue +1.3% to MEUR 14.3 thanks to the strong sales of online content.
- Service revenue was increased by growth in the external revenue of printing and delivery operations. The segment's adjusted operating profit declined by 10,5% to MEUR 2.0.







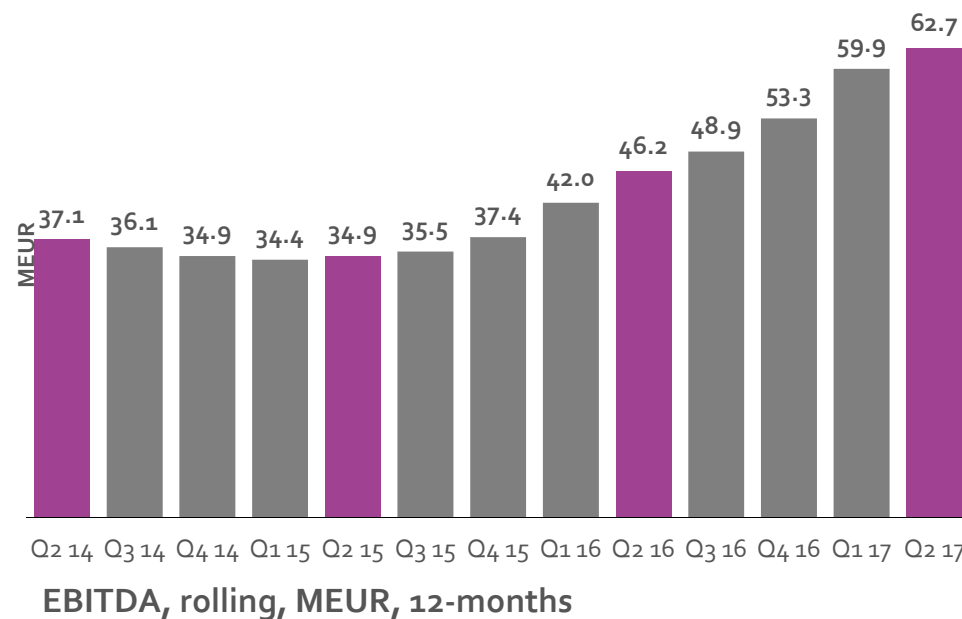
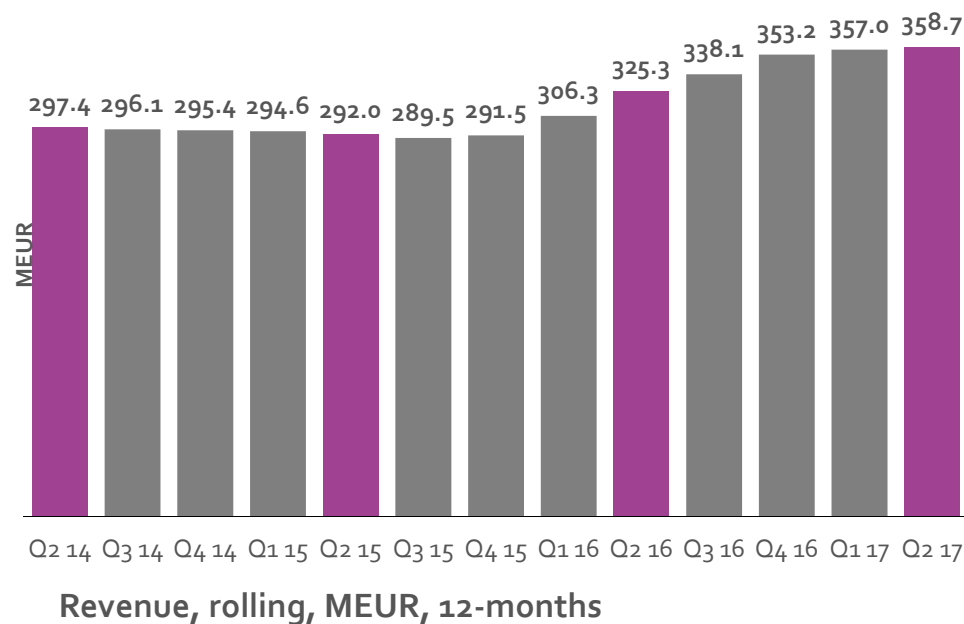
# FINANCIAL POSITION

Juha Nuutinen, CFO

Riga, Latvia

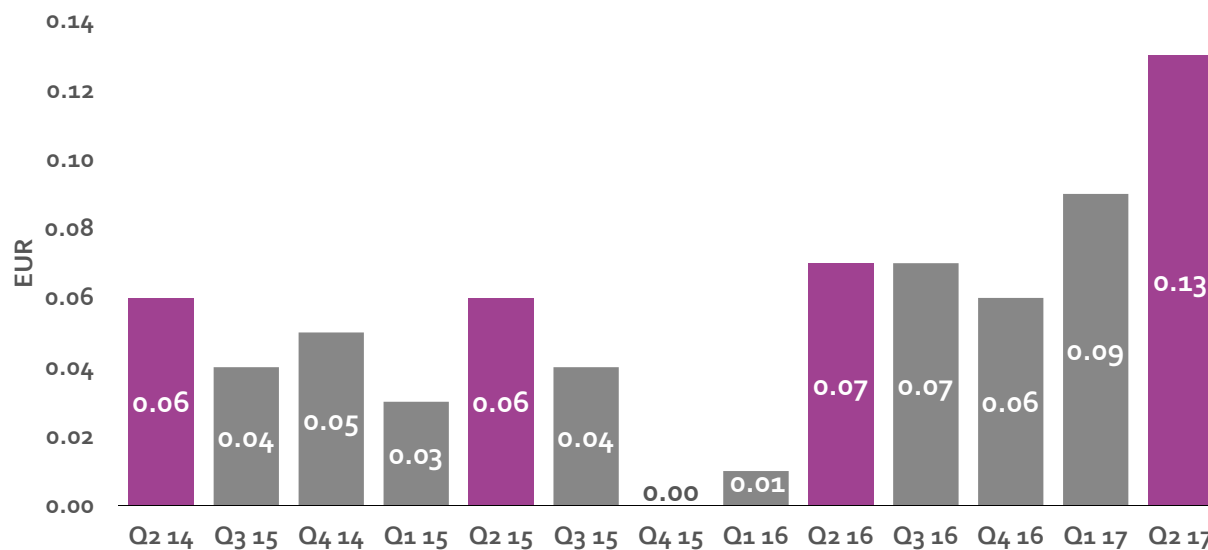


# Development of revenue and EBITDA



# EPS

- Q2 earnings per share EUR 0.13 (EUR 0.07). Adjusted items MEUR 1.8 (Q2/2016: MEUR -0.8).

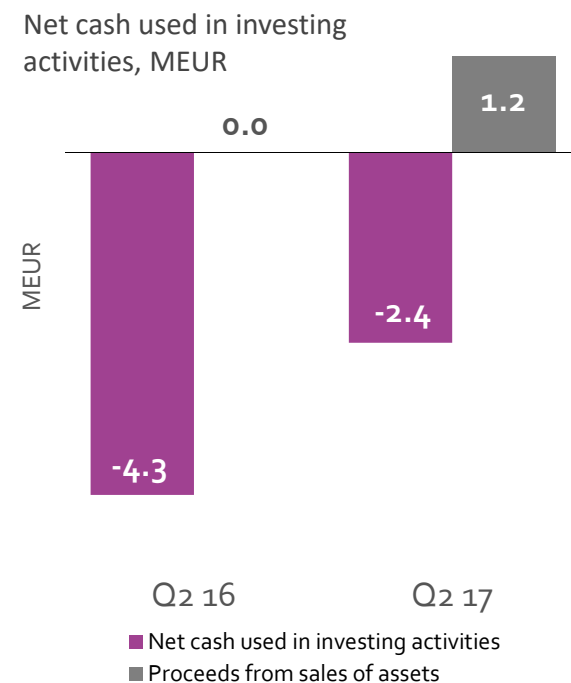
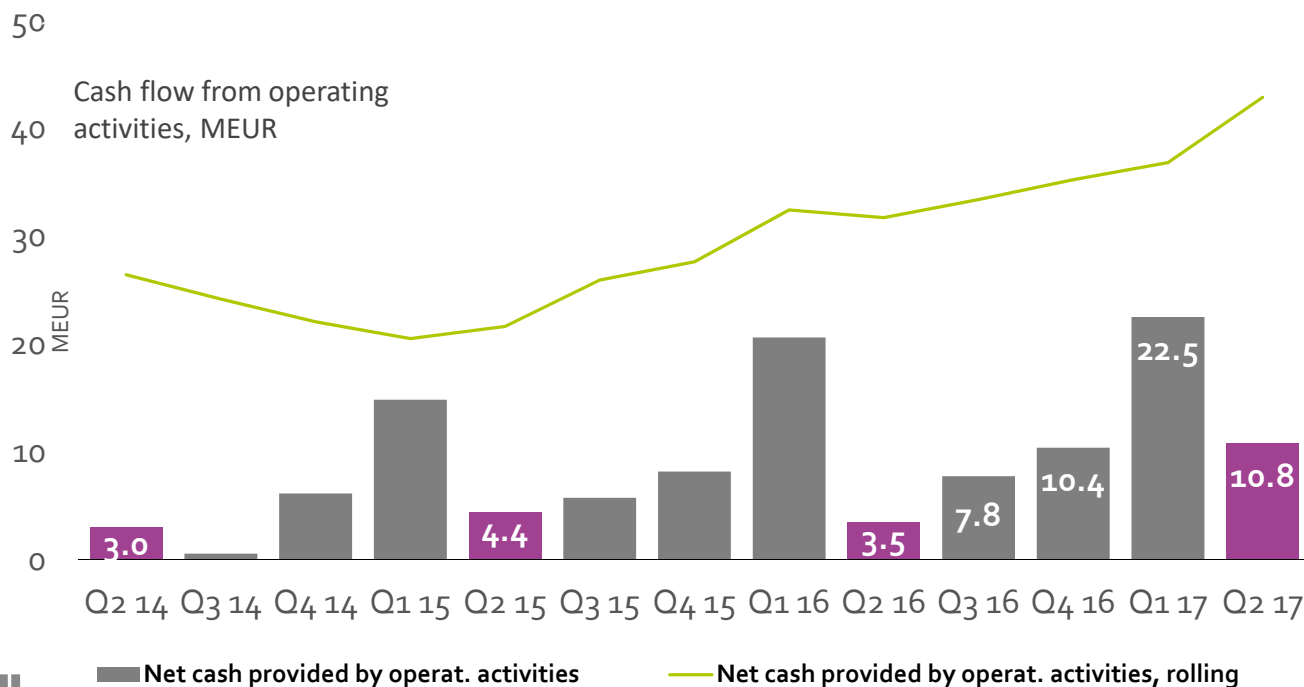


Earnings per share, EUR



# Operating cash flow and capital expenditure

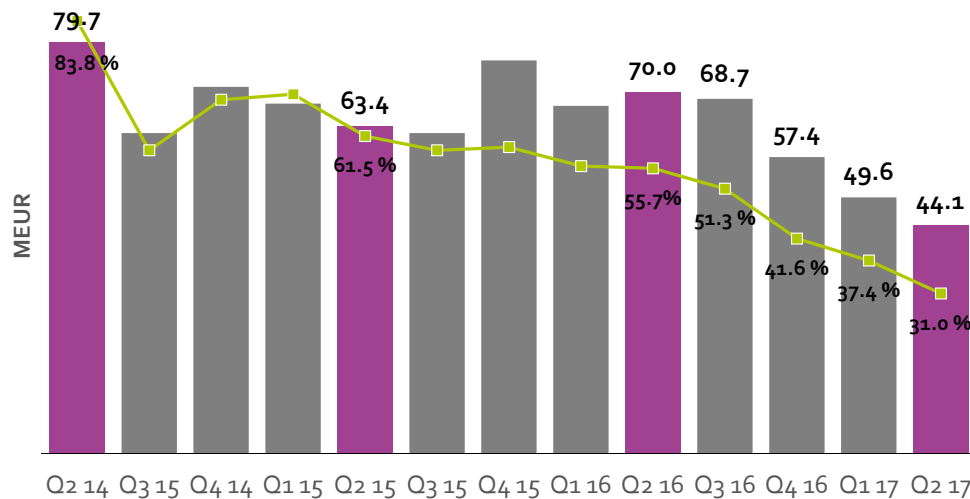
- Operating cash flow in April–June improved to MEUR 10.8 (3.5) due to the stronger result.
- Q2/2017 cash flow from investing activities amounted to MEUR -1.2 (-4.3), including the Mediutiset acquisition and maintenance investments.
- Cash flow before financing was MEUR 9.6 (-0.8).



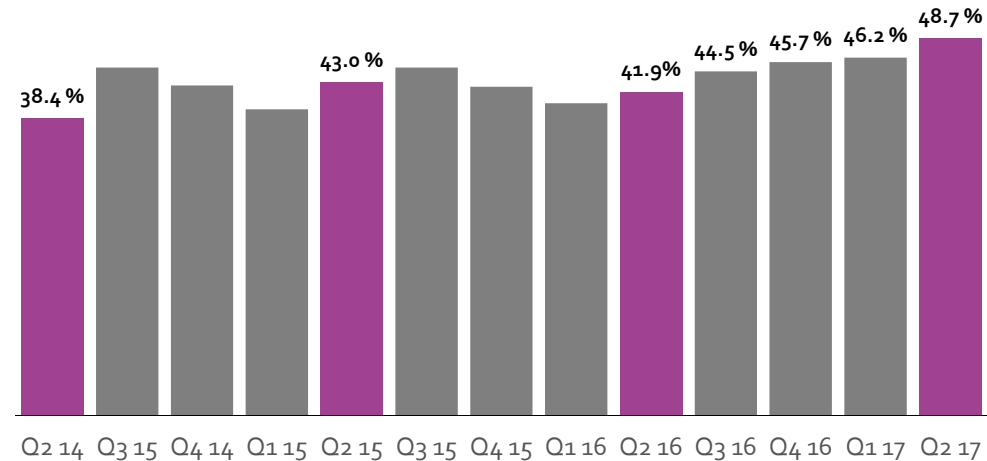
# Interest-bearing liabilities decreased, equity ratio improved

- At the end of June, the gearing ratio was 31.0% and net debt stood at MEUR 44.1.
- At the end of June, interest-bearing liabilities totalled MEUR 68.6, of which MEUR 63.1 were non-current liabilities.
- The equity ratio continued to improve and is at its highest level since 2011.

Net debt, MEUR and gearing, %  
Q2/2014–Q2/2017



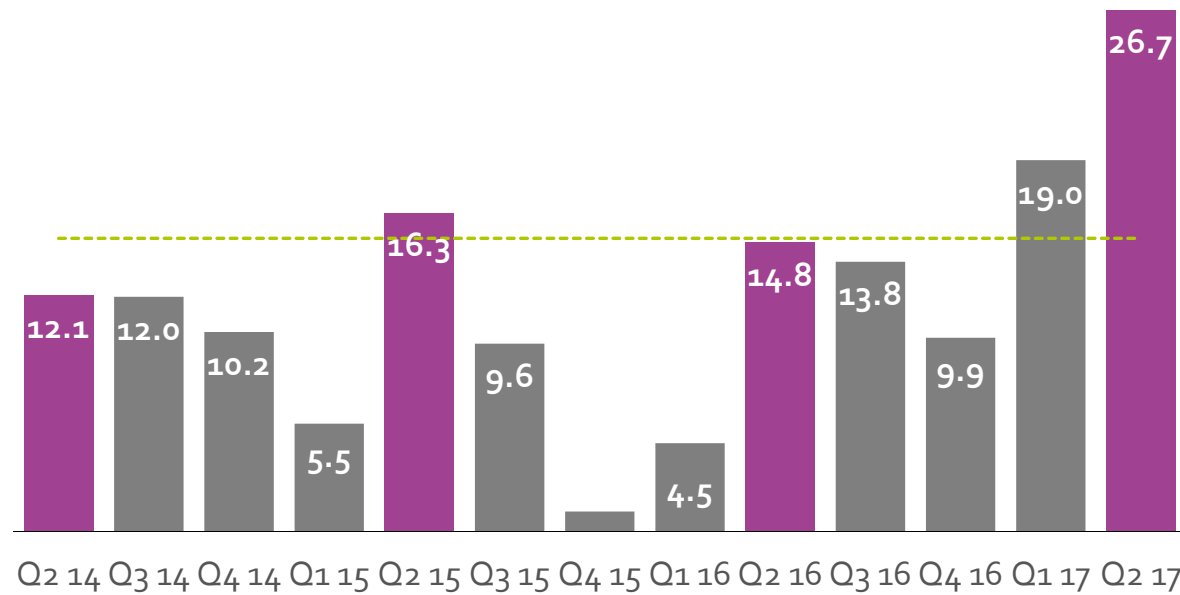
Equity ratio,  
Q2/2014–Q2/2017





# Return on investment

- Return on investment exceeded the target by a clear margin and showed significant growth.



Return on investment % and target level 15 %



A group of people are running on a cobblestone bridge in Prague at sunrise. The scene is bathed in a warm, golden light, with long shadows cast across the bridge. In the background, the silhouettes of Prague's historic architecture, including spires and domes, are visible against the bright sky. The runners are seen from behind, moving away from the camera towards the city.

# STRATEGY AND OUTLOOK

Kai Telanne

Prague, Czech





A cable-stayed bridge at night, illuminated with vibrant blue, purple, and green lights. The bridge's structure is silhouetted against a dark sky, with the lights creating a dynamic and modern aesthetic. The bridge spans a body of water, with city lights visible in the distance.

# Strategic development areas

Multi-channel  
content

Marketing  
solutions

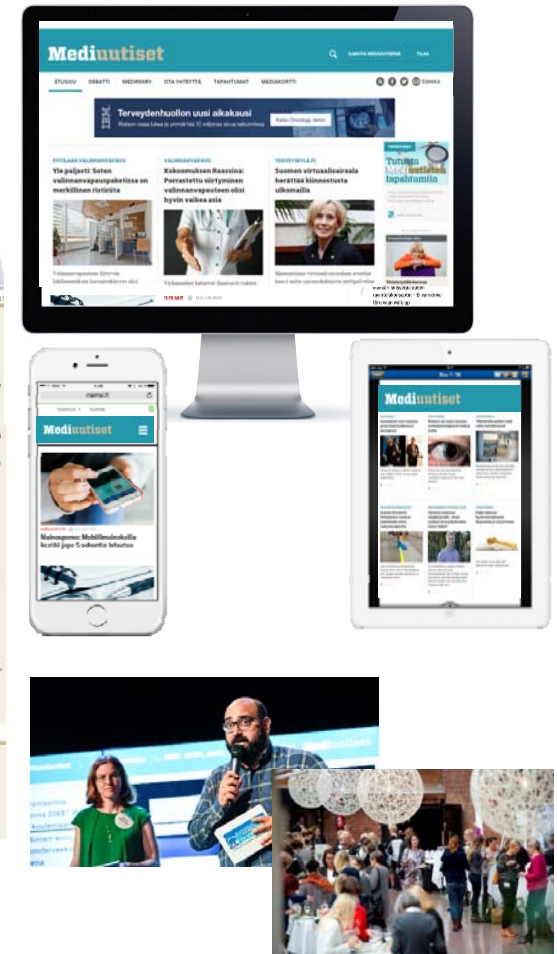
Digital services

Resources and  
expertise

We will build new capabilities, seek efficiency and  
accelerate growth in digital services and media.

# Alma acquires full ownership of Mediutiset

- To further broaden its target groups, Alma Talent acquired full ownership of Mediutiset from Bonnier Business Press, which is part of the Bonnier Group. Alma Talent previously held a 50% stake in Mediutiset.
- Mediutiset is an independent health care news media company for physicians, medical professionals and decision-makers in public health care and companies.
- Mediutiset also arranges events and seminars on health care.



# Päivärinta Uncensored

- Alma News & Life has invested in video production and the development of multimedia solutions in order to increase the size of its digital media audience.
- May saw the launch of Sensuroimaton Päivärinta (*Päivärinta Uncensored*), a new web TV talk show. At its peak, the audience of journalist Susanne Päivärinta's weekly live IL-TV talk show has exceeded 400,000 video starts, boosting the growth of Italehti's video advertising.
- Italehti also began making live broadcasts with smartphones in the spring.

ILTALEHTI

**PÄIVÄRINTA**  
**SENSUROIMATON**



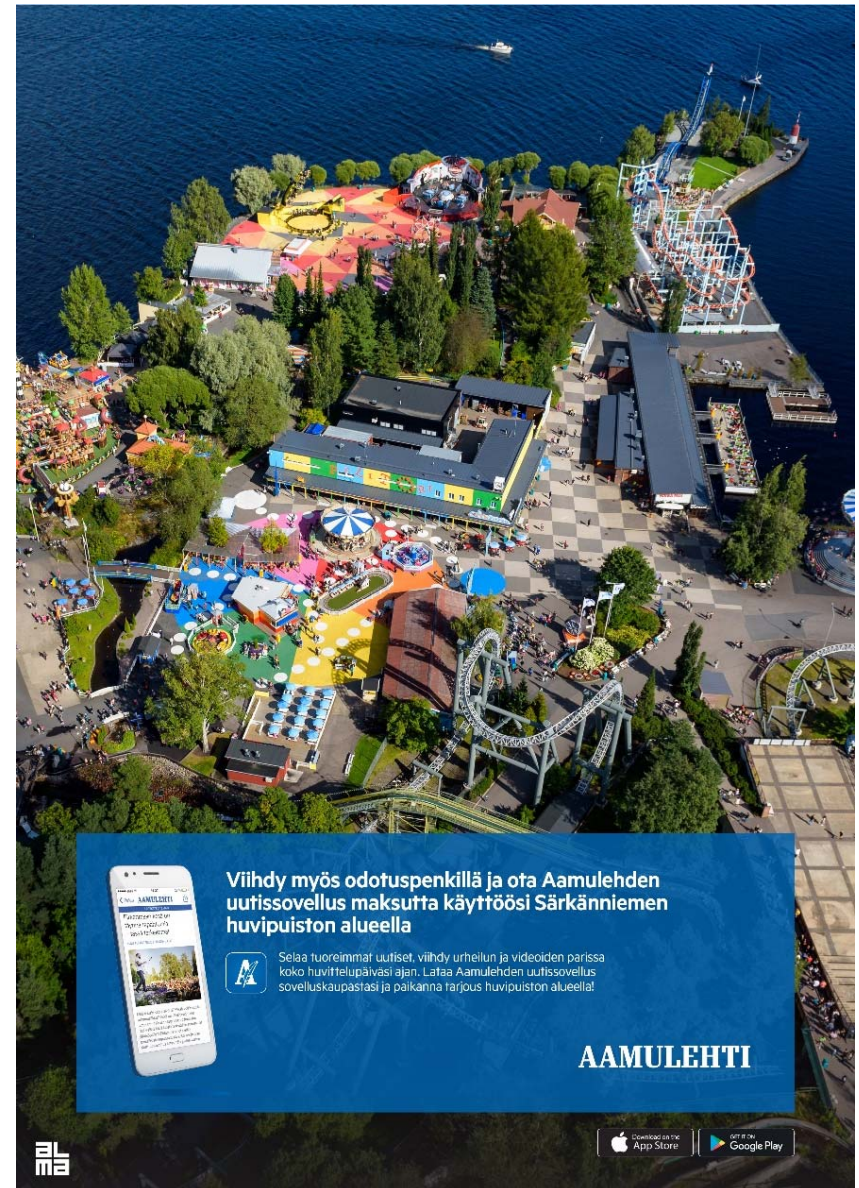
**VIE SINUT YTIMEEN**  
ILTV.FI/PAIVARINTA

**ALKAEN 3.5.**



# Geolocation delivers Aamulehti news at Särkänniemi

- During the summer, Alma Media piloted a geolocation-based service at the Särkänniemi amusement park in Tampere to provide free access to the Aamulehti news application for customers visiting the park.
- In the future, geolocation can also be used in the delivery of other content services, such as news and tips on nearby events and attractions as well as various product and service offers that are of interest to customers.
- The geolocation service is part of Alma Regions' Reviiri project.





# Autotalli.com mobility service – Convenient and carefree car access without ownership.

## From car ownership to sharing and rental

- There is an ongoing emergence of new market alternatives that offer mobility as a service instead of car ownership.
- As a market leader in this new wave of driving-related services, Autotalli.com is looking to increase public awareness of the many possibilities that are out there.
- We are creating and developing a new and more convenient era of car access.



A full range of market offerings and information at a single address



Easy comparison of mobility services



Submit a single request to receive competitive bids and find the best option





seduoCZ

In the Czech Republic, LMC's Seduo training portal and learning platform works in cooperation with instructors, several universities and training companies to provide more than 100 online courses in different fields. More than 180,000 students of various ages have already participated in training on Seduo.

# Outlook

(unchanged; last revised on 13 July 2017)

The Finnish economy is expected to grow by 1–3% in 2017. Alma Media's significant operating countries in Eastern Central Europe, such as the Czech Republic and Slovakia, are expected to see economic growth of 2–4%. Macroeconomic development affects both consumer demand and advertising volume. The structural transformation of advertising will continue in 2017; online advertising will grow, while print media advertising will decline.

In 2017, Alma Media expects its full-year revenue to remain at the previous year's level and its adjusted operating profit to clearly increase from the 2016 level. The full-year revenue for 2016 was MEUR 353.2, and the adjusted operating profit was MEUR 35.2.



# Regulation and media sector

## **VAT on digital publications**

- EU's finance ministers in June did not yet reach a unanimous decision, but the Finnish government has indicated it is ready to make a national decision in the autumn, provided that permission from the EU is obtained before that time.

## **Subsidy for news in commercial media**

- The government's supplementary budget decision on a narrowly targeted news subsidy is problematic.





# THANK YOU! QUESTIONS?

Upcoming events in the investor  
calendar

Q3 Interim Report: 27 October 2017



Helsinki,  
Finland

