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Speakers:	Kai Telanne, CEO Juho Nuutinen, CFO
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PRESENTATION

Elina Kukkonen

Good morning, ladies and gentlemen, and welcome to this interim report session of Alma Media, First Quarter 2021. My name is Elina Kukkonen. I'm responsible for the Communications and Brand in Alma. The agenda for the morning is that first our CEO, Mr Telanne, presents the results of the business segments and followed by our CFO, Mr Juha Nuutinen, on the financial position of Alma. After Mr Nuutinen, Mr Telanne continues about the outlook and the implementation of Alma Media's strategy.

After the presentations we'll have the Q&A session. First, we take the questions from the conference call line and then all the questions from the online. All questions are more than welcome, of course.

So, once again, thank you for joining this stream and this session this morning. Hope you can hear and see us all clearly. So now, Mr Kai Telanne, I hand it over to you, please. The stage is yours.

Kai Telanne

Thank you very much, Elina, and good morning on my behalf as well. As usual, I start with the main events and figures of the Corporation and the segment figures as well, and Juha Nuutinen, our CFO, will follow with the financials after my presentation.

We had a very good start to the year. Actually, it was better than we expected before, despite the continuing uncertainties in the operating environment due to COVID-19. We had a nice rebound in almost every business and in every country, which is, of course, a good sign for coming weeks and months for the company.

We had a slight decline in revenues, but the adjusted operating profit was almost on last year's level, which was, of course, a good achievement from our businesses in every country.

As you noticed, we have put our balance sheet 'in work', we have done what we have promised to you. We've spent over 200 million euros, according to our strategy to leverage the business, especially the digital business marketplaces and so on. So, due to this, the gearing has increased remarkably. And during the last or coming months, the change in the balance sheet is significant. But luckily, we have high cash conversion. So, we are quite confident that this will work nicely.

We have differences in different segments, as you can notice from this slide. A slight decline in revenues in all segments, but really nice development in profitability in Alma Talent and Alma Consumer, according to our plan, but even better than we thought.

We had a decline in recruitment and especially in print media content and advertising sales. We have noticed and said also before that the print business is going to continue to decline. There is not any change seen in the market. So that's what we are expecting to happen also in the near future. So, the print advertising is going to decline and print content is going to decline, but we are able to mitigate those declines nicely with the good development in digital content sales and digital advertising.

Digital advertising and overall digital business in the Group is improving step by step from the bottom of the second quarter of 2020 when we had -17% decline because of the burst of the COVID-19. Since then, the development has stabilised and now during the first quarter, we are on a positive side.

As you can notice from the left side of this slide, 74% of our revenues are now coming from digital sources. This is nicely according to our plan and strategy.

I will take a very short dive into our business segment figures and main events so that you can get a clear picture of what has happened and what is happening in the different business units.

I start from Alma Career. Of course, in every country, the situation is still difficult because of COVID-19 and the revenues are under pressure, even though we have now quite a nice development and a positive trend in invoicing, which is picking up in every country. So, as you might remember, we had quite tough comparables during January and February, which were quite good, also last year, and then the problems came in during the end of March.

We had a decline of revenue around 12%. We are on a very good profitability level still because we saved expenses, more than 5% and that's, of course, the way we do when we see the revenues going down.

We have quite a good development in this kind of add-on, added value services like Seduo that you have heard about, starting from Czech Republic and we have leveraged these new services to Slovakia and Finland as well.

So, negative on the revenue side, positive signs on invoicing and sales. And we expect Career segment to perform better and actually quite well during coming months. I'm very happy with the performance actually of this segment.

In Alma Talent, which is the business-to-business segment, business media and business services, we had a very good performance across the board in almost every business. We had a nice revenue improvement of 6% of continuing operations, digitalisation rate rose to 55%, which is, of course, according to our strategy. We had a very positive revenue, a profit developed also in Telemarketing and Talent services. So, that means that almost every part of the business is developing favourably. Adjusted operating profit grew nicely, 41.4%, which is very good, better than expected.

The adjusted operating margin of Alma Talent, all in all, is 21.3%, which is much better than we thought we could achieve under these circumstances. 51% of revenues of this segment are coming from the Media businesses like Kauppalehti, Talouselämä, Tekniikka & Talous and so on, and 33% – one third – of these segments' revenues are coming from different kind of services on a high profitability level. A very good start for our business-to-business service in Finland and Sweden and Baltic countries.

And then lastly, the Alma Consumer: this is a reorganised group of Iltalehti Media and different kind of Finnish consumer digital services like houses and premises. And so those are the services that we use to run under the Alma Media partners before.

Growth is driven by marketplaces like houses and premises and different kind of comparison services. They are still performing really good, growing on a high profitability level. On the negative side, we had the declining single copy sales of Iltalehti and also the print advertising sales are declining heavily. In this segment, the role of print advertising is already really small, so we don't suffer that much. So that is not that remarkable in this sense.

But on the other hand, the digital advertising and digital content marketing and mobile marketing, these are really important for us. And the development of those were really favourable in our case – a nice growth. And because of the decline in print-related expenses and good development in advertising and digital, our adjusted operating profit grew almost 30% during the first quarter. So, this is also a very good start for the Alma Consumer segment.

In this segment, the revenue split by vertical, as seen on the right side of this slide, in Media and Ad-financed Services almost 60%, housing 23%, and cooperation and sharing economy services around 9%.

So, this is the summary of Consumer Group, also a very good start for the year, really happy with this. And now I give the floor to Juha Nuutinen and he will go through the financials, the balance sheet issues and others, and then I will come back after that with the strategy and the outlook of the remainder of the year. Thank you very much.

Juha Nuutinen

Thank you. Thank you, Kai, and good morning also on my behalf. We had several M&A actions and acquisitions during the last quarter and also in December. So that's our focus in this financial position, in my view. And those acquisitions will naturally have quite a big impact on financial position and net debt.

So, let's look at the net debt situation at the moment. At the end of March, we had an interest-bearing net debt of 39 million euros and an equity ratio of 40%. These figures do not include yet the Nettix acquisition which will happen in April. Our net debt will be increased by 170 million because of that acquisition. So, from an equity ratio point of view, we will be at the level of approximately of 30% at the end of June. And so, the Nettix will have a big impact in that aspect as well. We have the bridge loan facility taken in March, and that 50 million is taken in March and 170 million in April.

Then, cash flow. This graph includes the continued operations, but also divested business cash flow. So that explains most of the decrease in cash flow in operating cash flow during the first quarter. But there is also other issues as well. For example, we paid income taxes 3 million more than the year before. And that's affecting also here. And also, our EBITA was slightly weaker than the year before concerning continued operations.

Also, these new businesses will be more balanced from the cash flow point of view during the year compared to the earlier years, where most of the cash flow was generated in the first quarter. Now, starting this year, this will be more balanced, and the cash flow is generated more evenly during the year.

And then, of course, we have a lot of acquisitions and that's why our cash flow from investment activities was a pretty big number, actually – 64 million we used for acquisitions in Netello Systems, Quantiq, which operates under Techloop brand. And also, we purchased the remaining shares in Alma Career with 59 million euros.

This graph we have presented to you also since last June, so this tells you our recruitment business invoicing compared to revenue and in Czech Republic, in our LMC company, and like Kai mentioned earlier, we had a really good invoicing period in the first quarter and this graph tells you also that; that we are in the level where we were in 2019 and early 2020. And so, our revenue will increase now starting from the second quarter. And this tells a pretty positive trend towards the year end and we are pretty happy with this invoicing amounts from January to March this year.

Earnings per share: this graph tells you the earnings per share from continued operations, it was 9 cents and the last year it was 10 cents. So, there was a slight decrease there because there were adjusted items, especially last year – 1 million positive. So that's affecting mostly in the earnings per share. This purchase of minority shares in Alma Career will have a positive effect on earnings per share starting April, and it will increase the earnings per share from that quarter. This first quarter, there is a positive effect from the redemption of minority shares in Alma Media Partners that's affecting already in this first quarter figures.

We have kept our long-term financial targets the same that they were previously and due to our business growth, this is one of our main drivers. We put it here in the graph as a yellow, even if we are behind the long-term target. The reason for that is that we have a quite positive trend now. And taking into account the recruitment business, positive invoicing, in the first quarter, it will bring us revenue growth starting from the second quarter. And that's why we are optimistic from the second and third quarter of this year from this digital business growth point of view.

Our return on investment is 15%, which is a good level, despite our quite heavy investments. So, we are on a good track in that sense. Dividend payout ratio: we come back to this later.

So, that was the financial status and please, after this presentation, we can go detailed with your questions, but now I give the speech to Kai. Thank you.

Kai Telanne

Thank you very much, Juha, I will continue with a few remarks about the operating environment and the outlook and strategy as well.

There's, of course, the question of the underlying economy and environment during the coming months. Unfortunately, we don't have a very new forecast for the European Commission or other institutions; these are the winter forecasts. But our view is that there's not a big change in underlying markets, that the businesses are running surprisingly well in every country, having in mind the difficult situation with COVID-19, like in Czech Republic and Slovakia; the businesses are running, and the companies are trying to keep the businesses open. So, we are expecting the environment and the underlying economies to develop favourably, even though we have poor visibility. So, we don't see any big difficulties in the business environment. So, we will continue with the current strategy and run the businesses as expected.

In Finland, the ad market is on a quite negative side still and that is because of the poor performance of print advertising, especially the newspaper and magazine advertising, which is still on a highly negative side. Luckily, we have the digital advertising, online advertising on a positive side, as we had also in Alma Media, our market share is developing favourably, and the businesses are running nicely. The decline of the Finnish market, as well as other European markets are coming from the print side. We have had also the news from the printing forest sector lately, which shows how difficult the situation in the print business is.

While 75% of our businesses are coming from digital sources, so we don't suffer that much of this poor development of the print sector. But still, it has also some effect on our business is, unfortunately, and that will continue.

A few words about the strategy: I just want to remind you the key elements of Alma’s strategy, our transformational strategy that we will continue. The first thing is to continue with the transformation of the core business, which means, of course, to accelerate the digitalisation of the print media business. Still, we have the print media, we are on a good way to transform it to digital and good achievements and results on that, like in Alma Talent and in Consumer as well. We will activate the cooperation within the Group and different business units. So, we want to have all the benefits of this kind of Group-wide cooperation and use all the abilities and skills that we have inside the Group for the benefit of every business unit.

And of course, we will continue to divest or discontinue this kind of unprofitable or lower profitable businesses if we see those. We don't have any big problems at the moment with unprofitable businesses, which you can see from the profitability of the company, of course, but we will have a close look at every business all the time.

The second part of the strategy is, of course, to continue growing in digital businesses, which means that we continue to diversify our business from media to marketplaces and digital services. We have very good initiatives like in Talent segment in this kind of diversifying to digital services with the profitable way. We will, of course, concentrate more on the services with synergy benefits. So, we will use all the abilities and the resources that we have for this kind of new initiatives.

We will continue diversifying the business in different kind of value chains to new business areas like from a classified business to services around Housing and Premises, Career and Cars, and so on. And of course, one of the key elements is to continue to develop this kind of world-class digital capabilities, skills, human resources, and technology. This is one of the key elements, of course, and that development will continue also in the future.

The third part of the strategy is to continue on internationalising the company, to expand to new geographies, if possible, in order to speed up the growth and to decrease the dependency on Finnish economy. We want to continue on expanding our business in current geographies and then also to expand and leverage the current businesses to new businesses in current geographies, like this kind of add-on services close to our current core business like this kind of recruitment verticals or core verticals or whatever.

So, this is the core, quite simple: transform the core, growing digital, and internationalise. This is what we are going to continue.

A few examples of this strategy during the first quarter: Alma Career, we acquired the remaining shares of the Alma Career minority, 16.7%. So, we now own the full package of Alma Career, the whole business. As you might remember, we acquired also the other minorities from the Media Partners, the Finnish classified businesses during last year, the end of last year.

This quarter we acquired 60% of a local Netello Systems, which is a company that provides this kind of digital marketing solutions to SMEs especially. This is an add-on to our extremely good advertising or marketing digital services. And the third example is also from Alma Career where we acquired a Czech start-up, which is called Quantiq, which is a company, a SaaS-based recruitment service, especially concentrated on recruiting IT professionals and businesses. The brand is Techloop.io, actually. So, these are very good examples of the transactions that we have made and the way of going forward with our strategy.

This is only a reminder of a major investment that we did. You all know that we acquired Nettix with 170 million euros. I want to go through this in detail. This is in the material; just to remind you what we did with the balance sheet in work. This is a continuation of our digitalisation strategy, and this is a nice add-on to our business.

The acquisition was completed on 1st of April. So, it will be in our books during the second quarter. At the moment we have the TSA period going on and the integration process is ongoing nicely. We are in a good speed with this. We will hear, of course, more of this during the coming months.

We organised in a new way inside the Alma Consumer. If you remember, we told you that we will put all the Finnish consumer businesses in one entity – it's called Alma Consumer. So, this is a combination of leading digital brand of Iltalehti and leading digital verticals in Finnish scale, in Houses and Premises, Cars, different kind of comparison services and so on. Highly digital – 78% digital business on a high profitability level. So, by doing this, we will get all the synergies and keep the leading marketing position of ours also in the coming months. So, the integration is going on and proceeding nicely as expected.

And then the last outlook for the year. We will repeat our outlook, even though the uncertainty is going to continue. We expect our full year revenue and adjusted operating profit to increase compared to last year.

So, this is what I had in mind. Thank you very much. If you have any kind of questions, I'm more than happy to answer those, and Juha Nuutinen as well. Please, put your questions.

Q&A

Elina Kukkonen

OK, Operator, I hope you can hear us. We will be ready for questions.

Operator

Yes, no problem. Just a reminder that if you would like to ask any questions, please press 01 on your telephone keypad. There will now just be a brief pause while questions are being registered. The first question comes from the line of Pete-Veikko Kujala from SEB. Please go ahead. Your line is open.

Pete-Veikko Kujala

Hi. Pete-Veikko Kujala calling from SEB. Thanks for taking my questions. Just if we start with Alma Career minority share acquisition, can you discuss a little bit about this, why you decided that this is now a kind of good place and time to acquire these shares, and was this a long discussion with the previous owner or did it come as a kind of a surprise that now is a possibility to acquire the shares?

Kai Telanne

Well, that's a good question, thank you. It was not a very long discussion. We came to the conclusion quite easily. But the idea, of course was to use the balance sheet and the resources that we have to run the business as one entity with our own targets and our way to get all the benefits of the cooperation at the company, especially in the Career unit. And after we organised in a new way, it is quite a natural thing that at Alma Career you have all the resources in one hand, and we can develop the business from our purposes and according to our target. So, this is quite a normal thing.

The timing of course, is more or less coming from the ability to fund this kind of acquisition after we divested the regional media business. So we had room of proceeding with this kind of things as we did with the Media Partners minority.

Pete-Veikko Kujala

Yes, thanks very clear. Moving on to the business side. You mentioned that invoicing has gone very well during Q1 and that you expect growth in the Alma Career segment in Q2. Do you expect this growth to be broad based across the different countries or are there some differences? Are some countries lagging behind or is this very even kind of growth year over year across countries?

Kai Telanne

Well, there are differences, it's a good question. But it seems that almost every country is developing favourably in terms of invoicing and sales at the moment. As you notice the LMC development also in revenue – was it -10%? – and in the worst case it's about, in Croatia and Slovakia, -20 or -21. So there are differences still. And that's of course partly because of the differences in the COVID situation, but also with the differences of the way of running the business. So, we have a differences organising the sales business in Czech Republic and Slovakia.

So, in Slovakia Career business is more based on self-service and in Czech Republic we have a strong sales organisations pushing the sales and driving the sales on. So, there are differences. Like in Baltic countries, the revenue was on last year's level more or less, plus 1% or something like that, which is of course quite an interesting thing, even though there are difficulties also in Baltic countries with the COVID situation. But to summarise this, we see that the sales are picking up in all countries. We will still face difficulties of course in the market because of the disease, but things are running to a right direction at the moment. So we are expecting our revenues to develop favourably during coming months and quarters, as I said before.

Pete-Veikko Kujala

Yes, thanks, very clear. And lastly, on Alma Career from my side. If I remember correctly, you mentioned that you had reduced some marketing expenses in the segment. But if invoicing, and when invoicing was very strong in Q1, shouldn't this kind of be tide with higher marketing expenses, if the market demand is quite strong? So how should we think about the expenses in the Career segment as we move forward?

Kai Telanne

Yeah, the sales expenses are increasing with the invoicing and sales, so we have sales dependent costs, of course. The sales expenses are increasing which is natural and then the marketing expenses are highly dependent on the new initiatives that we do or have there. If you have new launches or new product features and so on and so we are increasing the marketing and we have had marketing expenses like launching the Seduo in Slovakia and we have marketing expenses, put on the table in Finland, where we are launching new services, but all in all we are careful, of course. At the moment we are careful with the marketing costs in all segments, because the situation with the COVID-19 is still unclear.

So, our way of running the business that you have to be careful with the cost if you don't know how the revenues are continuing. So, if we are seeing the good development of the revenues as we expect, so we are releasing the costs of course, hand in hand with that.

Pete-Veikko Kujala

Yes, it makes sense, thank you. Then on Alma Talent, it seems the margins keep on continuously surprising – at least myself. Can you discuss a little bit the different businesses when we split it to Media and Services and then the direct marketing which you show also in the presentation? What kind of profitability differences are there between these different businesses? Are there significant difference?

Kai Telanne

Well, broadly, I could say that this kind of classified marketplaces or marketplaces, also in the business-to-business sidebar are more profitable than the traditional print media business. That is not news for anybody. So broadly, you can say that the new businesses in Talent like marketplaces or this kind of data businesses that we are creating and innovating at the moment are very profitable ones. And the new initiatives like DIAS, it will be really profitable. Also, it is growing nicely on a profitable way, so we are expecting that part of the business of the segment also to develop very favourably in the future.

And then on the other hand, the traditional media business is also trending nicely because the transformation from print to digital brings the favourable profitability along that, while we are getting rid of the print-related costs at the same time, increasing the highly profitable digital business. So, the machine is working as expected. During the times I think also the media business profitability will increase as it does in the digital marketplaces and service business.

So, the long story short, the service business and the marketplaces business also in Talent segment is really profitable but our telemarketing businesses have been surprisingly good for years and it is still improving, which is also a nice surprise for me. So, we are doing that very effectively. We have very skilled management and personnel there and it's been running nicely also during this quarter.

But you will see the favourable development and the split between the businesses from now on also in the Talent segment.

Pete-Veikko Kujala

All right, that's all from me. Many thanks, thank you.

Operator

Thank you. The next question comes from the line of Sami Sarkamies from Nordea. Please go ahead. Your line is open.

Sami Sarkamies

Hi, it's Sami Sarkamies here from Nordea. I'll first come back to the topic of operating costs. You disclosed that operating costs are about 5% lower for both Career and Consumer. Are you planning on maintaining such a lower level also in the coming quarters? I.e. not completely dropping at a temporary cost measures from last year and what would need to happen for you to completely drop this temporary cost measures?

Kai Telanne

Actually, we don't have this kind of temporary cost measures anymore in place, so we are more on a normal cost level. On the consumer side, the decline of the cost came from the print-related costs with the volumes,

like the single copy sales are declining and of course the advertising as well. It doesn't have that big effect, but especially the single copy sales are declining, which means we have a declining paper, print and delivery costs. So that is the main reason on that side.

In Career, the main decline came from marketing expenses. And with the increasing sales, the sales costs will increase, but the overall situation in the company is that the continuing businesses' costs are developing more or less according to the inflation rate.

And if you want to somehow calculate the cost base, I think a good target is to compare this year's costs to 2019 also, which was a more or less normal level. It was a top year. We had high sales costs, but if we are going to reach the good level of 2019 in sales, I will expect that those sales costs are approaching to that that level.

To summarise, we don't have at the moment this kind of COVID-related savings in place in any business, so we are trying to exit the situation and we are exiting the situation according to the strategy and trying to normalise the business as soon as possible, which means of course that we expect the second half of the year to be more close to the normalised situation like 2019 situation than we have had during the last year.

Sami Sarkamies

Okay, thanks, that's very helpful. Then I would continue on Talent. Could you still briefly summarise sort of the reasons for strong development at Talent in Q1?

Kai Telanne

Well, first of all, we had a good develop and continuing businesses – the revenues grew nicely. As it comes from digital advertising, digital content sales and digital marketplaces and data businesses from Mega, the telemarketing. And that was it actually, more or less. So, we have several nicely performing businesses in the segment. Almost every business is picking up and proceeding, at least according to the plan or even better. And then the transformational strategy from print to digital is working nicely in this group. We have 55% approximately of digital business in the company, so there is still room for improvements; 45% of the business is non-digital and the transformation is working as expected and the profitability is improving.

And then secondly, we have a focus in developing the profitable digital services in the segment and we are in an early stage, more or less. We have had this business nicely but still, we have a lot of room to improve and the investment that we are making like the DIAS and other service investments inside the Group are working according to the strategy and they are growing, and we want to grow organically and un-organically in this segment. So, the transformation of current businesses and the new investment into new businesses are the reason and the profitable ones. That's how it goes.

Sami Sarkamies

Okay, thanks. Then on Alma Career: I'd ask that which year do you expect revenues to be back at 2019 peak level?

Kai Telanne

By the end of the year, we are at that level. It remains to be seen. Of course, we are heavily dependent on the underlying market, that you very well know, but it seems that the invoicing level, the safe level is close to the top years' invoicing and sales level in many businesses, which is a very good sign for the revenue development. We have this kind of revenue recognition problem, which is of course a bit annoying when you don't see very quickly the change in revenues when we have the same change in invoicing and sales, but the invoicing level at the moment is a good sign for a good develop and also in the coming months.

So, I hope that by the end of the year we are in our sales especially and hopefully in revenues, we are at a good and decent level.

Sami Sarkamies

Yeah, is that implying that next year revenues for Career could be at 2019 level?

Kai Telanne

Yeah, absolutely. Like we know that the poor performance of invoicing during the first half of last year is burdening the revenues of this year's first half and the second half should be better. And if a good performance in sales and invoicing continues, 2022 will be good. It will be good in this, so we are expecting a highly improving revenues and profitability, of course, in that case.

Sami Sarkamies

Okay, and then finally, I'd like to ask about your plans for deleveraging. Firstly, for how many years do you think you will be paying down debt and will not be in a position to do any material new accusations? And then secondly, as you continue to deleverage, are you planning on paying a rising dividend?

Kai Telanne

Yeah, I start from the last part of the question. So, our plan is to continue in paying increasing dividends; stable but increasing dividends. So, we're not planning to decrease the level of dividend payments, which means that we are now in a phase of digesting the investments and make sure that they are running as expected with the high cash conversion rate and of course profitability.

So, it might take some years before we are in the same situation with this balance sheet to do major investments. But we have a high cash conversion rate, which means that we are quite confident in being able to pay back the debt and continue with the add-on investment that we have in plan and also continuing the development of the businesses, also obviously organically in different segments. So, like we have said before, we think that the net debt level 3.5 is quite an okay-ish and healthy level in our case and we are now after this Nettix investment and new debt, we are close to that and we want to deleverage from that a little bit in order to leave room for some extraordinary things, if those happen.

But like I said, things are going in the right direction, so we are confident in our ability to handle this situation very well.

Sami Sarkamies

Okay, thank you very much. I don't have any further questions.

Operator

Thank you. Just a reminder that if you would like to ask a question, please press 01 on your telephone keypad. The next question comes from the line of Pia Rosqvist from Carnegie. Please go ahead. Your line is open.

Pia Rosqvist

Hi, it's Pia from Carnegie. I think my questions on costs have been answered, but can you please remind us on any particular seasonality in your business in terms of the costs or revenues for this year?

Kai Telanne

If I try to repeat, if I heard it right. So, you're asking about seasonality of the businesses also on the cost side?

Pia Rosqvist

Yes, please.

Kai Telanne

All right. Well, in terms of revenues, of course, there's a seasonality in cash flow like the subscription business. A big part of the subscription revenues are coming in in the first quarter of the year. And then on the other hand, in Alma Career, for example, the last one usually are quite silent, so there are differences. And also like the book business. They are heavily concentrated on the last quarter during the Christmas time and so on.

But I think that our portfolio is more balanced than ever because of the increased part of digital services and different kind of digital marketplaces that we have which are more stable in that sense than some other services. So, I would say that the seasonality of the business with the increased diversity of the company has lessened than increased.

Pia Rosqvist

Okay, thanks. Then looking at the regional sales split, Sweden has due to divestments decreased clearly in size and if I remember correctly, Objektvision is the only service you have left in Sweden. How committed are you to the Swedish market? Or what are your plans?

Kai Telanne

Well, as I said before, the Swedish market is interesting. At the moment, we don't have any other activities than Objektvision which is running nicely. But in a broad sense, we are interested in the Swedish market as we are interested in the Finnish market. So, the time will show if we found any new ways of approaching the Swedish market or invest in there.

Pia Rosqvist

Okay, that's all. Thank you.

Kai Telanne

Thank you very much.

Operator

Thank you. There are no further audio questions, but I will pass back for any web questions.

Elina Kukkonen

Thank you, Operator. We have one question from Petri Gostowski from the online. It's a two-part question: first about the guidance and then about the marketing spending. It goes like this: The guidance upgrade was obviously driven by the Nettix acquisition, but it seems that the economic recovery is picking up. Do you see that your outlook has improved recently compared to what the situation was when your previous guidance was given the last quarter of 2020? And the other part is that you had some savings from lower marketing costs, for example, Career segment. Will you accelerate marketing spending in the short term, or do you expect the current level to hold in the coming quarters?

Kai Telanne

Well, I start from the last part of the question. It’s a good question, actually. So, we will release the marketing costs hand in hand with the increase in revenues in Career. So that is the question.

So, if the business is running nicely and favourably and increasing as expected, we are releasing hand in hand the costs – not in advance.

And the other part of the question, we don't want to go ahead the development, so we want to see how COVID develops, how the economies are opening and so on. So, we are holding on the current outlook. But the good start of the year is quite encouraging. So, if things are changing heavily, there is a chance, of course, for a better-than-expected development. But of course, there's a chance, of course, to the other side. If you don't manage in handling the disease, the businesses might go to the other direction. We have also always, of course, that possibility.

But the first signs are really good. So, we are confident with the current outlook and if something more positive happens, we will come out with a new outlook of course.

Elina Kukkonen

Thank you. Currently, there are no other questions at the moment.

Kai Telanne

Okay, in that case, I thank you very much for your attention and hope we will see after the latest after this second quarter results presentation. And in the meantime, any time if you have any questions, just post those via email or call us. We are here to serve you. Thank you very much.

Operator

Thank you for attending. You may now disconnect your lines.