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Alma Media

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MODULAR FINANCE

Speakers

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Vesa-Pekka Kirsi
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Taru Lehtinen
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Teemu Salmi
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Santtu Elsinen
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Prepared Remarks

Elina Kukkonen
EVP of Communications and Brand | Alma Media

Good morning, ladies and gentlemen, and welcome to this Interim Report Session of Alma Media's Third Quarter 2026. My name is Elina Kukkonen, and I am responsible for the Communications and Brand of Alma. We will begin with the presentation shortly, and as usual, our CEO, Mr. Kai Telanne, will go first on stage. He will present the overall result of Alma Media's third quarter and also highlight the performance of each of our business segments, Alma Career, Alma Marketplaces, and Alma News Media. After Kai's presentation, our CFO, Mrs. Taru Lehtinen, will present the financial position of Alma Media today. Then Mr. Telanne returns about the strategy and also our outlook. So this is the snapshot of the agenda of today. We have reserved plenty of time also for your questions, so please do not hesitate to ask any questions online and also here at the premises.

Elina Kukkonen
EVP of Communications and Brand | Alma Media

Our director for Investor Relations, Mr. Teemu Salmi, will moderate the questions online. We also have present here today Alma Group management team's EVP, Mr. Santtu Elsinen, and also Vesa-Pekka Kirsi to answer your questions. So once again, welcome to this session. Nice to have you online and also here at Alma House. Please, Mr. Telanne, the stage is yours.

Kai Telanne
CEO | Alma Media

Thank you. Thank you, Elina. Welcome. Good morning, everybody. To add on to Elina's message, we have also our CDO, Tommi Raivisto; if you have very detailed or deep AI-related or tech-related questions, I will direct them to Tommi. I start from the main numbers as usually. A few words maybe of the environment, I mean the business environment mostly in Finland and abroad, and then finally, a few words about the strategy and the outlook of this year. Of course, you might ask whatever you want. We try to answer the questions. I am really happy to show you these figures because this was once again all-time high quarter for our company, both on revenues and profitability. As we might remember, the third quarter is usually really good in our businesses, especially on the Marketplaces segment, which actually performed extremely well again.

Kai Telanne
CEO | Alma Media

The revenue increased by 6.3%, reaching the long-term target level of 5%, as we have disclosed. The organic revenue growth was 5.5% on local currencies and so forth. EUR 26.3 million of operating profit, 31.2% from revenues, and it seems that we have now, at least from a quarter's point of view, reached the long-term target that we have disclosed of 30% EBIT for the company. Digital sales are running smoothly up, and the print part is declining as expected, 88% during the third quarter digital revenue. So we have well in line with our own targets of the transformation of the business.

Kai Telanne
CEO | Alma Media

Of course, with the good result, good cost control, good cash flow, our financial position has been improving steadily step by step, and now the leverage 1.0 and equity ratio 55%, which is, of course, really good for further purposes if we want to do even some bigger investments. I am really delighted to see that all the segments performed really well. This has continued for many quarters already. Actually, during the whole year, one can say Alma Career, our marketplaces, are contributing mostly on the revenues and all segments on profitability. So good organic growth and add on from the bolt-on acquisitions. Most of the growth came, as we can see here, from digital services, more than 15% growth, and still a nice growth also for the classifieds, 7% growth on a very demanding market, I would say.

Kai Telanne
CEO | Alma Media

As you might know and remember, the Finnish underlying classified market, especially on houses and premises and cars, are on a low side, and we haven't seen any recovery yet. I come back to this a little bit later. We have gained market share in Finnish digital advertising as well. The Finnish ad market is on a low level as well as we know. And good performance on content revenues. Digital subscriptions is the key, of course, in our case. The print subscription base is declining slightly, but the digital growth is around 10%, which is, of course, the reason for the good overall content revenue development. So the rolling last 12 months digital share, 87%. The last quarter, 88%. So according to the strategy nicely. So let's jump into the business segments a little bit further.

Kai Telanne
CEO | Alma Media

I show you this just to remind you what are the segments, but then also to show you that for the first time this quarter, Santtu Elsinen should be quite happy because we have this kind of smallish, joyful internal competition. The marketplaces segment took the first place on revenues and profitability for the first time. I just heard that this won't prevail. Vesa promised to take over —

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

We'll see.

Kai Telanne
CEO | Alma Media

—take over during the next quarters. As said, really happy for the performance of all the businesses. I start from the Alma Career. That is the international part in classified recruitment services, HR services in 10 countries on a high profitability level. We have been able to sustain and defend the profitability nicely. The growth came mostly from Career Central, which is the businesses in Central, Eastern Europe, Czechia, and Slovakia. Revenues for the whole segment, 5.7% up, local currency is 4.2%. Invoicing is growing, which is a good sign also for the further revenue development. We have still some extra costs because of our own initiatives for product development, for reorganizing the businesses, for cloud migration, and so on. Hopefully, we can get rid of most of those during this and next year.

Kai Telanne
CEO | Alma Media

The competitiveness of our businesses and products are improving step by step with these initiatives. Classified, 6.3% up, digital services slightly up. Now it seems that the core business has started to grow step by step. We might agree that from the year shift to 2025, and especially during the first quarter of 2025, our invoicing has been growing more than revenue. We actually seen the change already then. To be honest, the volume change is not remarkable yet. From this slide, we can see that number of paid job ads have not increased. It has been stable. The good revenue development in this segment comes from add-on services and product price initiatives and development. We have been able to increase priceslightly,ly especially in Career Central. Secondly, Alma Marketplaces, good performance.

Kai Telanne
CEO | Alma Media

Again, revenue up 13% and profitability 30% with all over the place across all business unit, as you can see from this slide. The market for houses and premises in Finland has been really poor. I have a few lights around this, as well as in mobility. Our performance compared to the market has been extremely good. The real estate business in Sweden has been really good. Our transactional services like DIAS has been growing steadily and nicely during the period as well and so forth. Insights revenues 11% up, mobility revenues 4% up, and comparison services 39% up. There we had some acquisitions of especially on the Effortia, as you might remember. The contribution to the revenues came mostly from digital services during third quarter and classifieds, as said. 39.7% EBIT up from the last year's 34%.

Kai Telanne
CEO | Alma Media

That is more or less according or even above our own expectations and plans. We are going nicely to the targets that we have set for the segment. The environment is not easy. It is actually quite difficult. Here we have some pictures from the housing and marketplace markets. Unfortunately, the quarter-on-quarter yearly comparison is quite depressing, 15.6% down. Sold apartments in Finland: only 244 new apartments sold during the quarter in whole Finland. It is on a very low level, as we can all understand. Due to this, there is not too much extra movement on our housing classified marketplaces, but it is stable. We are happy that despite the desperate situation in the housing market, the marketplaces of ours are working pretty well. As you can see, the average weekly reach in our services is growing from the last year, almost 10%.

Kai Telanne
CEO | Alma Media

The market is, and the businesses are working and running properly or actually pretty well from a customer's point of view also. The same from a mobility market, stable, low-level market on sold cars. No big news even on new cars. Slight decline on listings in our marketplaces, but good growth on reach on our marketplaces. There are activities, and activity level still from a visitor's point of view is high, but there are lack of listings or no growth on listings on the marketplace, which is, of course, a sad thing. Despite this, a really good performance on revenue and profitability-wise on our marketplaces segment. Good job there.

Kai Telanne
CEO | Alma Media

Thirdly, Alma News Media on par on revenue side, adjusted operating profit up more than 6%, good cost control, good development on digital content revenues, slightly declining print revenues, like 6% in our case, and high demand on journalism continued. We have been able to go forward with the digital subscriptions also on consumer side, like Iltalehti Plus. We have at the moment totally in the segment 240,000 digital subscriptions in place. Adjusted expenses down 2.2%, as you can see from here, broadly stable on a comparable basis. The decline came mostly on divested businesses and print-related businesses, where the print business is declining, like printing and delivery. This is the summary of the business segments, good performance in all segments, and hopefully the good run continues. Now it is time for Elina. This is the Finnish market update. I will not go further with this.

Kai Telanne
CEO | Alma Media

You have read the news already. Taru will continue with the financial position, balance sheet, and so on. I come back a little bit later. Thank you.

Taru Lehtinen
CFO | Alma Media

Thank you, Kai, and welcome to our analyst deals info also from my behalf. Like Kai just explained, we have a good quarter behind us. All of our segments were able to increase the profitability during the Q3, and this is evidently shown in our financials quite clearly. Our net debt was EUR 20 million below the level of the end of the June, and our cash flow is progressing really nicely, and also our earning per share was increasing by 23%. Let me go through our financial position in more details. Like I said, our interest-bearing net debt was EUR 105 million in the end of the September, and that was actually EUR 40 million lower than in the previous year at the same time and EUR 20 million lower than in the end of the June.

Taru Lehtinen
CFO | Alma Media

We did not repay our long-term loans during the Q3 or took any new loans. We only paid approximately EUR 2 million of finance lease payments during the Q3. This was more like a cash-generating quarter for us while our cash amounting EUR 44 million in the end of September, against the previous year, EUR 36 million. So EUR 20 million higher than in the end of June. We have our commercial paper program for EUR 100 million. We issued the EUR 10 million paper in the end of June, against the EUR 12 million in the previous year. And we have the EUR 30 million credit facility agreement, which was unused in the end of September.

Taru Lehtinen
CFO | Alma Media

It is worth mentioning that the interest is a little bit higher than in the previous year, so our average interest rate during the Q3 was 3%, compared to 2.6% in the previous year due to the higher market interest rates. And good to keep in mind that we have hedged approximately half of the loans with the interest rate derivative. And of course, with this strong development in our balance sheet, also our balance sheet KPIs are progressing really nicely. Our equity ratio reached 55%, compared to 49% in the previous year, and the gearing reached 40% compared to 60%. Which means that our balance sheet is in a good shape at the moment for future investments. Moving on to cash flow. Our operating cash flow for Q3 was EUR 21.8 million, compared to EUR 21.5 million.

Taru Lehtinen
CFO | Alma Media

It's good to keep in mind that the net working capital has sometimes seasonal fluctuations between quarters, which of course affect for the quarter-level operating cash flow. Therefore, it's worth looking at the cash flow for the full year. So the full year cash flow for our businesses was EUR 66 million compared to previous year's EUR 59 million, mainly coming from the extremely good result, EUR 7.4 million, offsetting the taxes paid by EUR 3.2 million, higher than in the previous year. This is, of course, reflecting the good performance in result, but also including some tax payments for the previous year. The change in working capital doesn't make that big role for the full year or the first nine-month operating cash flow.

Taru Lehtinen
CFO | Alma Media

It is also worth mentioning that the advance received amounted EUR 50.8 million in the end of September, which was EUR 1.4 million higher than in the previous year. And the cash flow after investments was EUR 21.4 million against the EUR 15.1 million, and EUR 64 million against EUR 37 million in the first nine-month of the year. And the difference is mainly explained, of course, that the investments has been lower this year than in the previous year. Our investments amounted EUR 0.4 million during the Q3, compared the previous year, EUR 6.4 million, and in the first nine-month, EUR 2 million compared to EUR 22 million, and explained by the previous year acquisitions. And during the first month of the year, we haven't done any acquisitions. And the CapEx level is related to our product development projects for this year.

Taru Lehtinen
CFO | Alma Media

But even though the CapEx level is quite small at the moment, it doesn't indicate that we don't do the product development. As you know, we are actually heavily investing in our products, but we are mainly showing these expenses as operating expenses directly in the profit and loss statement. As you know, approximately one-third of our employees are more or less related to product development. It is also worth mentioning that the depreciations are EUR 1.2 million lower than in the previous year, and the difference is coming from the PPA depreciations related to marketplaces. So we have extremely good profitability development in Alma Marketplaces, and it's good to remember that one-third of that improvement is originating from the decrease of PPAs. As we have communicated earlier, we expect the full year effect of this to amount approximately EUR 4 million. Then moving to earning per share.

Taru Lehtinen
CFO | Alma Media

Extremely good quarter for us. Earning per share for Q3 was EUR 0.25 compared to EUR 0.20. Of course, the good adjusted operating profit is a big reason behind this development. We didn't have any adjusted items during the Q3, which means that the quality of earnings is good. Our reported operating margin is equal to adjusted operating margin. In addition to that, we have one fair value adjustment originating from the interest rate derivative agreements amounting to EUR 1 million against EUR 0.3 million in the previous year. Those are the main reasons behind the earnings per share development. Then finally, our long-term financial targets, which are revenue growth of above 5%, adjusted operating margin above 30%, and leverage above 2.5x or in the range below 2.5x. Last 12 months, revenue growth is 5.2%, which is slightly above our long-term target.

Taru Lehtinen
CFO | Alma Media

Our organic revenue growth was 5.5% in quarter three, so progressing really nicely. Revenue originating from the Alma Marketplaces business and also contributed by good development in Alma Career Czechia. Of course, our adjusted operating margin now the last 12 months is 27.1% compared to the last 12 months at the end of June, 26.4%, which is a clear indication that we are progressing quite nicely towards our long-term target. The leverage at one at the moment, so our balance sheet is now in a good shape. All in all, a good quarter. All of our businesses are improving their profitability, and our balance sheet is progressing according to our plan. That was all from me. Kai, please.

Kai Telanne
CEO | Alma Media

Thank you very much for the good numbers. A few words about the operating environment before we go to the outlook and strategy. Unfortunately, it seems that the turbulence around us, especially on the global arena, continues. My understanding is that mostly because of this, the consumer confidence dropped again quite heavily in Finland, 9.7% during the last period, as you can see from this curve. The business confidence continued to go further. It took a little bit of a drop down also during the last measurement, but overall, the trend is up. That comes, of course, mostly from the industry's exports, manufacturing services in retail. The construction is, of course, suffering from the poor housing market and consumer confidence. From this point of view, we don't expect quick changes in the underlying markets of our businesses like houses and premises.

Kai Telanne
CEO | Alma Media

Unfortunately, we haven't changed the rebound yet, but we have been waiting for quite a while, meaning that we have to be able to continue with the good run with our own initiatives in these circumstances. We will definitely do that. In the longer term, the latest estimates forecast for underlying GDP growth in our main markets and even the smallest markets is slightly positive, as we can see here. There are some downgrades for this year in some markets, but most of them seem to be growing slightly next year. This is an okay basis for our new plans for next year and the coming years. We haven't seen many changes in unemployment rates. From the labor side, quite steady development. No big changes this year. Even slightly better situations seem to be expected or forecasted for the next year. It's okay.

Kai Telanne
CEO | Alma Media

Not big changes, but we can manage with this as well. Inflation seems to be handled pretty well in most places this year. There are a few differences, but overall, the 2% or 2.5% target for the European countries seems to be reachable. Not maybe next year because of the disturbances of the oil and energy prices, but no big changes here. From the consumer point of view, I would say that the biggest worry at the moment is still the aggression in Ukraine and maybe in Iran as well. How do we then go forward? No need to change the route. As we all know, we are at the moment integrating digital platforms in order to leverage our position across the value chains of our customers. We do this with the help of AI, of course.

Kai Telanne
CEO | Alma Media

Now we are in a position of deploying heavily the AI into our processes, into our services, to serve our customers even better than we have done before. Of course, we do this kind of bolt-on acquisitions to fill possible gaps in the portfolio that we might have. Of course, now while the balance sheet is getting stronger and stronger, we have room for bigger investments as well. We have been able to defend our leading positions in all the businesses where we are in. We haven't lost market share in any place, I would say. That's a good sign of our capability to develop the brands, to have the necessary human skills and capabilities, and in deploying the technology for these purposes. Our strategy guidelines are really clear.

Kai Telanne
CEO | Alma Media

We continue to transform our internal work, redesigning the work inside the company with the help of AI to be more effective in the future. We continue transforming those capabilities in growing the business, in developing the services for our customers, and then finally to scale the capabilities that we already have built with the platforms in all segments and all businesses. This kind of stepwise approach is what we have employed. As I said before, and informed the market investors and all of you many times already, we see AI and data as a strategic competitive advantage. So far, during the couple of two years maybe at the moment, we have concentrated mostly on improving our internal productivity. We have deployed the technology. We have learned how to use it on individual level and team level. We have moved step by step to improving our customer experience.

Kai Telanne
CEO | Alma Media

We have developed extra features into the services. We have acquired new services already, AI-related or assisted services. Step by step, I would say that we are at the moment in between of step one and two. We continue, of course, in redesigning the work to be more profitable, more agile in product development, more cost-effective. But the winning recipe would and will be while we can transfer all these capabilities into the market for the benefits of our customers. We are not yet on stage three with the new business models, but we will see the day also in the future. On bolt-on acquisitions, we just disclosed information and signed the transaction yesterday, KTI Kiinteistötieto, in order to develop our position in the real estate data and information services market.

Kai Telanne
CEO | Alma Media

As you know, how we have built this portfolio is around the core step by step. We have built the services, data information services capabilities, in order to build this kind of end-to-end platforms. End-to-end platforms which are highly competitive and fulfills completely the needs of our customers who are doing the business in real estate sector, in this case, or cars and premises or other information-related services. This is a business of EUR 3 million, 20 employees, that will be integrated into the company during the coming months and quarters. The customers for this kind of business, they are, I would say, the usual suspects, like real estate investors, owners, developers, financers, and others who are active in the sector.

Kai Telanne
CEO | Alma Media

The sellers were property owners and developers association, Rakli ry, registered association, and the Finnish Real Estate Federation. We have Santtu Elsinen here who is the criminal here for this acquisition. If you have any questions, you might pose the questions to him. As said, if you have any AI-related questions, Tommi is happy to answer those as well. Finally, the outlook, as you noticed, we make a positive profit warning relating to the revenues. We have said before that the profitability is going to grow from last year, and now we can say that also the revenue is growing. That is because of the good run during the first three quarters of this year. As we can see that there are no big changes in the market seen during the last part of the year, not to any direction.

Kai Telanne
CEO | Alma Media

Our own initiatives are working as expected, so we can say that we are quite confident with this outlook for the full year. That is it. Upcoming events, so fourth quarter report presentation and event, 4th February next year. Now it is time for questions, so whatever you might have in your mind, please. We are ready to start the questions-and-answers session. Please.

Q&A

Teemu Salmi
Director of Investor Relations | Alma Media

Petri Gostowski from Inderes. Starting off with Career. We obviously know the Czech market has good momentum, but can you give an update on the other markets? I see that you reported modest growth in Career North, something that we haven't seen for a while—

Kai Telanne
CEO | Alma Media

Yeah.

Teemu Salmi
Director of Investor Relations | Alma Media

—if I recall.

Kai Telanne
CEO | Alma Media

Yeah.

Teemu Salmi
Director of Investor Relations | Alma Media

Is there any positive trends in other markets?

Kai Telanne
CEO | Alma Media

Yeah. Maybe Vesa-Pekka Kirsi, who is in charge of the segment, can take a deeper dive in this.

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

Thank you for the question. Yes, Czech is clearly the driving force. Actually related to Career Central, in the third quarter, also the last month of September was very positive in Slovakia. Slovakia has been a bit of a problem child because of the environment, and that at least seems to be a sign of something turning. Is that a continuous? We can't yet say, but that was a positive signal also from Slovakia. Regarding Career North, you're correct, especially Estonia and Latvia are the two markets. Latvia is our biggest market in the North, and Estonia second biggest. Both of those are showing, and actually already has shown for quite some time, a growth in invoicing and sales. There's no reason for that not to continue. In South, which is basically three markets, Croatia, North Macedonia, and Bosnia, our biggest market is Croatia.

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

In Croatia, our situation is stable, flat, and we expect that to actually turn into increase next year, but it has been flat this year. The reason for decline there has been basically Bosnia, where we had some big projects a year ago and those projects were ending, so that's why the comparison this year has been lower. But also South is expected to start also showing growth, but that's in brief.

Kai Telanne
CEO | Alma Media

All right. Thank you.

Teemu Salmi
Director of Investor Relations | Alma Media

Thank you. Jumping into Alma Marketplaces and the real estate business. You said that the growth was broad-based. Obviously, we know the Swedish real estate business, the growth drivers there, but can you help us understand what are the other growth drivers given that the Finnish housing market is practically dead?

Kai Telanne
CEO | Alma Media

Yeah. Santtu Elsinen, leader of the segment, can continue. Yeah.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Yes. Like I said, the growth was generally broad across the board. We have seen increasing demand for our Insights, so data-driven products. We have gained new clients within this area and have hopes that we can grow those clientships in the future. Also, some growth in the classical classified advertising, mainly due to the packaging efforts and the new features that we have brought available. I would generally say that it was fairly broad across the board.

Teemu Salmi
Director of Investor Relations | Alma Media

Lastly, on News Media. We have seen the costs come down for quite some time there. Now they were kind of on comparison periods level. Going on forward, do you still see room to cut costs there, or will the profitability improvement be more driven by top line and the change in the revenue mix?

Kai Telanne
CEO | Alma Media

Yeah. Hopefully top line, but while there is still this print business in place, which is declining now 6.1% overall print decline, but the print business is declining and the cost related to the print business, they are declining as well, like print cost and delivery costs. So there we have a declining curve or trend. But we have, of course, investments and initiatives on the digital side, so those costs are slightly going up. So overall, we have been able to mitigate the cost increases on the digital side with the decline of the print side. But then also the divested businesses. So now we do not have, at the moment, these kind of divestments in place and hopefully we do not need to do those also in the future.

Kai Telanne
CEO | Alma Media

I would say that the good result would be that if you can keep the costs on par with the current development. We've been able to mitigate the cost inflation like salary inflation and other cost inflation with a good cost control. But on the other hand, we don't see any major needs for increasing the cost heavily. The initiatives on new businesses are, at the moment, on the new gaming market part of the business. We have some extra cost for content around this kind of content, journalistic content, and some new costs on technology, advertising technology or the arena around that. But not too much.

Teemu Salmi
Director of Investor Relations | Alma Media

Thank you very much. Many good questions from online community. Thank you all and keep them coming. Let's start off with Sanna Perälä from Nordea Markets. You noted in your CEO review that performance was supported by favorable business mix. Could you elaborate on that? How was that favorable?

Kai Telanne
CEO | Alma Media

Quite a broad question, but we have quite a broad line of different kind of businesses around specific core businesses like on houses and premises, cars. We have a good bunch of Insights services around those in order to have this kind of end-to-end platform. As we know, we have more than 100 sites all over Europe and in Finland in order to serve the customers a good sort of classifieds and supporting Insights services. That's the idea of saying that we have a good portfolio. We haven't put all the eggs in one basket, but quite a diversified portfolio of services in different segments. That's how we try to describe it. And it seems that most or all of them are working in favor of our long-term targets and in favor of our customers' needs at the moment as complementary or supporting end-to-end platforms.

Kai Telanne
CEO | Alma Media

That's the clue. If Santtu or Vesa-Pekka, if you want to continue somehow on a specific topic or not, you can do that. But that's how I actually, on broad level, try to describe the idea or the strategy of a diversified complete portfolio of services for specific needs. Most of our initiatives or investments during last quarters or even years has gone to improving our ability to serve our customers with high-quality data. Like we saw yesterday's acquisition and others, like we have bought Netwheels or Edilex or whatever. The core idea is to understand the data-related needs of our customers and to serve them, to fulfill their needs in many areas and in as many areas as we can in our case. Quite a—I would say, long answer for a simple question.

Teemu Salmi
Director of Investor Relations | Alma Media

I think for the sake of time, we can move forward. This is also from Sanna. Marketplaces had a strong performance and margin increased by 5 percentage points from last quarter/year. What drove the performance and is the margin level development more structural or just unusually favorable for Q3? Following up, is the 40% margin sustainable and classified was surprisingly strong. How come? So many questions. Should we [crosstalk].

Kai Telanne
CEO | Alma Media

Yeah. I can start and then Santtu can continue. We are actually benefiting now from the investments that we have done during last even three, four years as we have acquired new businesses. We have invested in business, how we call them, like ERP systems or business systems and those for houses and premises markets or the agencies or car dealers or for anyone who takes part in the value chain. So those investments are paying off right now. So we have implemented the services to the customer step by step, and this is working as expected. So we have been, of course, waiting for the payback time for the investments more or less. And then good growth, organic growth in other business as well. But, Santtu, you can continue if you want.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Yes. Thank you, Kai. So, commenting on or actually repeating what I said previously and also Kai's message. So, the performance was broad across the different businesses that we have. I am not giving any forward-looking statements on how the margin is expected to develop in the forthcoming quarters. But if you look at the past, you can see a gradual improvement of the margins that we have been doing, and hopefully we can continue on the same path. We have plans for that and obviously following those plans. Classified has been surprisingly strong. I agree that given the market conditions that you have all seen a few minutes ago. I think this can be mostly attributed that we have succeeded in doing the productization part of our services. So we have created new packages, improved the features. There has been customer demand for those packages, et cetera.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Of course, we will continue with this part further on. KTI acquisition is a good example of this, that how we can hopefully add additional value to our end customers.

Teemu Salmi
Director of Investor Relations | Alma Media

Thank you. Pia Rosqvist-Heinsalmi from DNB Carnegie. This is actually, you might keep the microphone just for the safe side because there are several questions from Marketplaces business in Sweden. How much of the earning and/or margin improvement in Marketplaces can be attributed to the continued strong development of the business in Sweden?

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Okay. There again, we don't comment this on an individual business level, but as Kai has many times said, it has been a successful business and we do expect that it's also successful in the future.

Kai Telanne
CEO | Alma Media

Again, continue a little bit on this, even on a little bit more broad level, not on a single business level, not even on a segment level, but on company level. I come back into this slide. We are pretty confident that we have a lot to do and room for development in our internal productivity and the ways of working still. We are on early phase, I would say. Now we are in a situation that we have a quite a clear understanding that what can be done, how the redesign of work could be done in order to achieve the quality improvements in the processes, in the ways of working, in order to move the capabilities for the benefits of our customers step by step in improving the products, in shortening the time to market for new features and products and so on.

Kai Telanne
CEO | Alma Media

Our broad understanding inside the company is that the productivity of the company will improve in the future and further. Like we have now reached during the third quarter, which is, I would say the best quarter in the year, a high profitability margin. But as I've said many times before, we are on a way to improve the profitability also in the future with the help of redesigning the work, with the help of learning on individual and team level and as a corporate level altogether in using the newest technology and combining the skills inside the company in leveraging and scaling the businesses and the knowledge in the company and so on. We are really excited the possibilities also here. We try to leverage this understanding and the new initiatives and the learnings of the initiatives in every business.

Kai Telanne
CEO | Alma Media

So what we learn in one business, we try to leverage that into other businesses. As we know, we have 100 sites and different domains all over the place. Of course, we want to leverage the best skills and the knowledge into every business. So that is the strategy, of course, in this kind of synergistic company as Alma is.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Yeah, if I can continue a bit onward from Kai's comment. We have been investing into data platforms for the past 10 years. We have been investing heavily into platform renewals for many years within Marketplaces. Same goes also for Career and News Media as well. So these investments kind of produce fruit now. So we have renewed our ways of operating with the product and building the product. With the help of AI, we are able to deliver many more features in any given timeframe than we have been able to do in the past few years. This translates to new features, new commercial opportunities, and also then via that, hopefully to new revenue. We have seen a clear improvement in this area now within the past year or so.

Kai Telanne
CEO | Alma Media

Yeah, clear.

Teemu Salmi
Director of Investor Relations | Alma Media

For the sake of transparency, I would just repeat, is there anything more you would like to add? The three follow-up questions were: What is the demand outlook for the business? Do you see further room for improvement in Sweden? And finally, how has your market share developed lately? Is there anything you would like to add there?

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Yeah, a few comments there. We do see that there is still demand for the business. Of course, the demand that we see fluctuates with the market demand, absolutely. If there are a lot of free or vacant properties, they need more marketing and more efforts to get tenants into them. That drives partially the market demand. We have quite many ideas how we will launch new features and products into this space, but more about those later when they have been actually launched. We do expect to generate also additional revenue via these initiatives. The market share in Sweden, we have one main competitor in a commercial property space in Sweden. We have been growing, and according to the figures available publicly, they have been diminishing. I guess that translates to positive market share development.

Kai Telanne
CEO | Alma Media

Yeah. We can say that we have remarkable investments in product development and in tech at the moment in Swedish real estate businesses as well. We are quite confident that the good run will continue.

Teemu Salmi
Director of Investor Relations | Alma Media

Thank you. Nikko Ruokangas from SEB. We have seen news that you're getting a new competitor for Etuovi in Finland. What do you think about that? Are you concerned, or does this require changes from your operations?

Kai Telanne
CEO | Alma Media

No. I would say that, of course, there will be new competition coming and going. We are happy to welcome, of course, the competition. It keeps us running and awake. That's our answer. We are not worried, but we have to be awake and we have to be fast in order to serve the customers better in the future. The answer is that welcome.

Teemu Salmi
Director of Investor Relations | Alma Media

Okay. With the new acquisition, we have two questions from Pia Rosqvist. Acquiring KTI Kiinteistötieto. Can you please add more color on the type of data KTI offers? How does it fill potential gaps in your current offering?

Kai Telanne
CEO | Alma Media

Okay. Santtu can take this.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Good. KTI has three main product categories. The most important of them is benchmarking. It is a collection of different services where you input your actual data as a shopping center owner or as a property owner, and then you can compare it with the market averages from similar properties. This works very much like media intelligence services that Kantar offers or Korn Ferry offers similar salary comparison data, where you input your actual real figures into the system and then you can monitor your performance against that. It is a unique data asset. Obviously, the data owners are very careful about their data, and they are not willing to disclose it to many parties, so you need to be a trusted partner for them. The second part of KTI is market information, which is more report-oriented.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Overall market trends, like about transactions, rental markets, shopping centers, operational costs, et cetera. There is a smaller kind of a bespoke analysis service where you can order different kinds of analysis from the experts at KTI. We see interesting possibilities here in enriching KTI's data set with the assets that we have, and hopefully then building new business and new products on top of that. Since KTI is a 23-person company, we have a bit of bigger resources and I think can add a lot of value to the future product development.

Teemu Salmi
Director of Investor Relations | Alma Media

Maybe you should keep the microphone for a little bit longer. Joona Harjama from OP Corporate Bank is asking, what magnitude of synergies you expect to reach in KTI acquisition?

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Since it is a fairly small operation, 23 persons, there are of course certain customer synergies with IT and connectivity and those kind of topics. I do not think that there will be major cost synergies. Top-line synergies we think will be significant in the future.

Teemu Salmi
Director of Investor Relations | Alma Media

Thank you. Nikko Ruokangas is asking about the guidance. You raised your sales guidance. Did you consider also raising guidance for adjusted EBIT growth to be more than just growth?

Kai Telanne
CEO | Alma Media

No. Not yet. No, we are confident and we are happy with the current guidance with the profitability.

Teemu Salmi
Director of Investor Relations | Alma Media

Okay. Maybe the microphone should be forwarded. Tommi, there's many questions from AI. First from Pia Rosqvist, when could we see new business models to be launched with the support of AI?

Tommi Raivisto
EVP and Chief Digital Officer | Alma Media

Well, I think what I can say is that we are obviously looking very closely what's happening in the market, and AI is changing the field quite a lot in both B2B and B2C. We are proactively working on our strategy and plans how to make use of that. But I think that's all I can say at the moment.

Kai Telanne
CEO | Alma Media

We have one quite clear, I would say like Edilex AI. It's a good example of a new business model. Of course, it's a stepwise approach from the previous or the old way of working, like coming from print business to digital business and now AI-related or assisted or even more on that. But we will definitely see some of those in the future, and we have a good possibility to be the one who can develop those.

Teemu Salmi
Director of Investor Relations | Alma Media

Thank you. Sanna Perälä from Nordea Markets. Can you give some color on how much does AI development weigh on the cost side at the moment? Do you have any quantifiable data on created AI efficiency or potential developments?

Tommi Raivisto
EVP and Chief Digital Officer | Alma Media

Well, first of all, we do use AI also a lot on other areas. Development is just one of the areas. The AI adoption is basically in every team and in every function. But when it comes to development, like Santtu said, yes, we are seeing that we can be faster to react to new market needs and there is some measured productivity increase as well. Of course, the challenge that I think every organization is facing is that creating new features faster does not necessarily directly translate to increased revenue. I think this is why it is so important, like Kai has been talking about connecting this to customer benefits and that is primarily what we are. Speed is a good thing, and we believe that it is a competitive advantage, but then of course it has to be used right.

Tommi Raivisto
EVP and Chief Digital Officer | Alma Media

In terms of the question about costs, I think our AI costs have been increasing quite a lot, which is kind of a sign of a broad adoption as it should. The focus is shifting from understanding what is the value that we get out of that investment. I think the proper way for us to manage it is that we look at it on a team basis. If spending more on AI is good for the contribution margin, then we may do that. But it is something that we have to take into account that we are just not burning tokens, but we are actually creating value for customers.

Teemu Salmi
Director of Investor Relations | Alma Media

Nikko Ruokangas from SEB. You mentioned that AI was utilized to improve both internal productivity and customer-facing solutions. Has AI had any tangible impact on your sales growth this year through stronger future offering?

Tommi Raivisto
EVP and Chief Digital Officer | Alma Media

Yeah, I think maybe Vesa and Santtu can complement this on their part, but my personal perception is yes. The tangible one is a bit difficult to answer because, for example, if we think about a salesperson being better prepared to meet customers and being able to spend more time with customers. How are we going to quantify that in a tangible way? But for sure, we are seeing benefits on personal and we are seeing on team level. But maybe quick comments from Santtu and Vesa.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Yeah, so without being overtly specific, and I'm glancing whether Taru gives me bad looks, but let's say that we already make seven-figure sums from AI-related revenue in the segment. It is not a huge amount of money, but it starts to be a significant revenue source. We have very many initiatives which we expect to contribute to this development.

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

It's a question that has multiple ways of answering, but there's a couple of points. First, AI efficiencies in sales is not yet in every single day operation, but clear operation that we have in our biggest markets already in the day-to-day work. AI helping sales teams prepare, analyze, and also succeed in their sales jobs. I see a lot of opportunity in that, in helping us to reach more customers, serve more customers, and be much better prepared and also better selling. The other one is how AI is coming into the features of the software. There are ways on that. Some of them are just improving features existing, some of them are revenue building as Santtu just pointed. In recruiting this means usually offering value-added services on top of normal advertising or search.

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

This we already doing in our ATS program, for instance, in Czechia, where Teamio ATS is providing AI features for reviewing applicants and so forth. Introducing more of these will be an absolute roadmap for Career as well. Maybe that's in a brief.

Kai Telanne
CEO | Alma Media

Yeah. A few points to complement. We consider AI being an investment for the future. Actually, we do all the AI tech costs and put them into costs in our P&L. That is our way. But they are investments for the future, and the payback time will come. We have ideas, of course, how this all will pay back in the businesses. The targets are business-level targets. We do not have any specific AI targets, but the targets are to improve internal productivity. We manage the AI costs or the AI initiatives as we manage any other costs or initiatives. They are part of the table or the board. The idea is, of course, to manage them as any other costs. Nothing special in that case. But of course, we have to have the tools.

Kai Telanne
CEO | Alma Media

We have to have the ability to use the tools, and this is a learning process. in order to have the payback, we have to learn to use the tools and so on. We have to be patient. We have learned this journey already. We are in a similar situation where we were when we started the digital transformation. We started to put money in changing the business into digital from the print world, and now the payback time has come. Last 10 years, our profitability has come every year upwards from EUR 20 million to the current situation because the investments that we did earlier. Now we are in the same situation. We are putting the new technology in play and wait for the payback to come.

Kai Telanne
CEO | Alma Media

It is not a problem if it comes next week or next quarter or next year, but the idea is that it will come. If it does not, we skip. We throw them away. Right.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

If I can add one small point there. We are actually making more revenue from AI than what we are paying for the tools already. It is a net positive effect already, and I expect that this lever is much stronger in the forthcoming quarters and years.

Kai Telanne
CEO | Alma Media

Yep.

Teemu Salmi
Director of Investor Relations | Alma Media

There is one more question. Thank you so much for good questions. This comes from Nikko Ruokangas, SEB. How do you see your AI future offering comparing to peers in, A, marketplaces and, B, Career?

Kai Telanne
CEO | Alma Media

Okay, maybe the chance from the Alma Marketplaces and Career can answer.

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

Yes, as already briefly mentioned, AI is a clear component in services like recruitment. Searching for people, finding them is an important part in any recruitment. Handling the group of people you have found all the way down to the recruitment, signing the paper, and even beyond that when the people are learning their new position. Those are the areas where our customers are expecting to be served, and those are the areas where we expect to serve them. That is the whole service level from finding to recruiting and onboarding is where we see ourselves. AI has a clear role in all of those steps, and many of those we will build, but not all. We are also looking to, as in Alma Marketplaces, to find those components from the market by partners or by M&A.

Kai Telanne
CEO | Alma Media

How do you see the peers and the competition doing this?

Vesa-Pekka Kirsi
EVP of Alma Career | Alma Media

At the moment in the peer level, we see a competition or race towards AI-driven recruitment. This is happening especially in the startup world that we keep our eyes on, and which is also a source for us in the future for solutions.

Kai Telanne
CEO | Alma Media

Yep.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

Generally speaking, I think everybody is creating a lot of features for their products if they have resources for it. We have features that are similar to our competitors. We have some features which they don't. Our strength in general lies in our wide coverage of the value chain because many of our competitors are either focused on data space, they are focused on the systems, or they are focused on the marketplaces. But very few of those are actually serving the whole value chain like we are doing. I think we have excellent opportunities here to use AI in a way that it is difficult for our competitors. Then on an individual feature level, like I said, of course, everybody is building what they see fit for their customers. But Tommi, we have over 100 different development projects ongoing, both for internal purposes and mostly for external features.

Santtu Elsinen
EVP of Alma Marketplaces | Alma Media

I think we will stay at least on par with the competition.

Kai Telanne
CEO | Alma Media

This actually what Santtu just said is the answer to the Pia Rosqvist question about the broad portfolio of services and the idea behind that.

Tommi Raivisto
EVP and Chief Digital Officer | Alma Media

Yes. Just to build that a little bit. It is getting easier and faster and cheaper to create software and services. There are other factors, of course, that are also important and may be harder to copy. For example, proprietary data, customer relations, and brand, and these sort of topics. I think the competition is not only, of course, on the creating something new to the market, but there are many other factors that are important.

Kai Telanne
CEO | Alma Media

Yeah. Thank you. All right. Are we clear now? Then we can finalize. Thank you very much for your attention. As I said before we meet next time in February next year with the full year result and presentation. Thank you so much. Have a nice day.