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# Alma Media Oyj (ALMA.FI)

Q3 2024 Earnings Call

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#### Kai Telanne

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#### Taru Lehtinen

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### MANAGEMENT DISCUSSION SECTION

#### Elina Kukkonen

Senior Vice President-Communications & Brand, Alma Media Oyj

Good morning, ladies and gentlemen, and welcome to this interim report session of Alma Media's third quarter 2024. My name is Elina Kukkonen, and I'm responsible of the communications and brand here in Alma. We begin with our presentation shortly, and as usual, the first to go on stage will be our CEO, Mr. Kai Telanne. He will present the overall result of Alma Media and highlight the performance of each business segment. Alma Career, Alma Marketplaces, and Alma News Media. And after Mr. Telanne, our CFO, Mrs. Taru Lehtinen, she will present the financial position of Alma Media today. And after Taru, Mr. Telanne continues with the strategy and outlook, so how we're going forward.

And as usual and always, we welcome all questions. You can use the chat function if you're following us online and we take also the questions from the Alma business premises first. Our Director of Investor Relations, Mr. Teemu Salmi, will speak up all the questions to answer. So, once again, welcome. And those following us on stream, it's really nice to have you here also. Thank you.

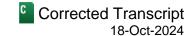
#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

Good morning, everybody, and welcome on my behalf as well. Let's have a brief look at the third quarter result of Alma and the main achievements that we have had. And as Elina mentioned, I'll start with the figures, Taru will continue with the balance sheet and so on, and then we finalize the presentation with the discussion around the strategy. We have refined a little bit of our strategy, but not many big changes, but it's good for you to know that there is a little bit of gear shift for us.

Maybe you already had time to read the interim report, but just to repeat, we had a quite a solid quarter,

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especially in terms of the turbulent around us. I mean, the quite poorly developing surroundings and the business environment, the demand speed on a low side mostly in every sector, sector of ours, and in every region more or less, but there seem to be some light in the tunnel. We have recently seen some nice development, especially in September, in our businesses almost all over the place. So, we might see a good development at the end of the year. It is really a bit of uncertain at this point, but good signs are already there.

We had a slight revenue growth, though, 2.4%. Most of that came from acquisition of the Netwheels, but in certain areas, we had quite a nice organic growth. We come later into this. And due to the good revenue development, and a good cost measures that we have, the adjusted operating profit developed favorably, almost 7%, to all time-high one quarter result of 29.1%. So, this is Alma Media's all-time-high profitability for a single quarter.

The transformation has continued as expected. This is no news for you. The print business is still declining as it has before, around 10%. And with the growth of the digital, the share of digital revenues of ours is growing as expected. The final figure for the third quarter was 86%. And the rolling 12 months is about 84% for us. So, there is not much of the print business anymore in our balance sheet and the business are proceeding as expected.

With a good profitability and cash flow and the cash conversion of us, the balance sheet is developing as expected, and our CFO Taru Lehtinen is able to pay the debt as planned.

The equity ratio is on a healthy level, and the leverage is getting down. So, we have around €150 million, €200 million room for investments already now and getting better. We will be – with this speed, debt free in three years around or something like that.

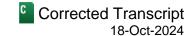
The Marketplaces was the driver for the revenue growth this quarter. And then, of course, the Netwheels acquisition and a smooth integration of Netwheels into the business resulted in a good result for the Marketplaces segment and for the cars and motors business of ours. We had also 5.5% organic growth in the segment, which is actually quite a good achievement compared to the market.

As we know, the houses and premises business in Finland is on a very low level, but the commercial premises business is growing much better than we anticipated before, especially in Sweden. As we know they have – everything is better in Sweden, as they say, but especially the commercial premises business is really, really good. And our growth is extremely good there and the business is really very healthy and profitable, but also in Finland. So, that sector is doing well.

And then the News Media, as we've known, EVP J-P Loimovuori with his team, they are really careful with the costs and they are running the business carefully. So, the profitability has been improving all the time. And compared to the colleagues of ours, it's on a healthy level and in a very good level. Nice growth of the profitability despite the decline in revenues.

Most of the growth, as we can see from the right side of this slide, comes from the services, and this is nicely going according to the plan and the strategy as you have noticed. We have the strategy to move from print to digital, from digital media to services. And we have invested in services like the Netwheels, and that works pretty well. So, the growth comes from profitable digital services more than the media business. And then that brings the transformation even further in the future.

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Let's then take a short look at the different segments and then we can go further. So, this is the setup of the businesses, as you know. From the beginning of April, we've organized a bit differently. We have Alma Career, Marketplaces, and News Media, and those are the main figures of the segments.

I start from the Career, which is the biggest one and the most profitable part of the business. We had a decent development despite a difficult circumstances in every markets. And the story of the year has been that the further you are in the South, the better it is. And the northern you are, the more difficult it gets. And in Finland, we have had a really difficult labor market and it seem to continue. There's not any movement yet, and not much development in Finnish or in Baltic revenues. In Central Europe, a decent and a good sign there is that despite the slight decline of the invoicing, meaning sales, the development with the comparable currencies has stabilized and it's on par with the last year's level. So, that means that the sales that has been declining in the biggest market has bottomed at the moment. And we hope to see the change so that it starts to grow again, meaning Czech Republic most. In Slovakia, we have had a good development so far and that seem to continue.

We have run the Career United project for a couple of years already, and it continues and it's actually has speeded up. So, we are well in track or on track with that, but we have – so, we'll take double cost in certain areas still, and we hope to get rid of the old cost that we aim at by the end of next year or so. So, those are the main goals for finalizing the project and putting that in place for normal daily work.

We might use the chance later, maybe with the fourth quarter report, so that EVP Vesa-Pekka Kirsi, who's leading the business, the segment, can take a deeper dive with you into the development and the work that we have done there, or then maybe with the CMD, that we might build up later on. We don't have time for that right now. But also here, the decline has come from the advertising, meaning the ad market is really on a low side, and the classified business is quite close to the normal, and the growth comes from digital services, meaning this kind of add-on services that we have created around the normal job classifieds.

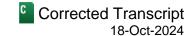
The profitability for quarter, it's on par with the last year's level, meaning 43.2%. But there's lot of room to develop still. In the long term, we have a proper plan to develop the profitability further. And we are really, really confident that that will also happen. And with the developing market, we will see a nice growth of the revenues and profitability leveraging the business to the right direction. So, we had €700,000 negative effect on the revenues during this quarter because of the koruna modest development.

As said, we don't spend time on this, but you have the slides there telling us about the development of the sales and the invoicing, which is leveling out at the moment and giving us confidence on the turnaround of the businesses for the coming years. And of course, we come later to the forecast of the overall economies. They are supporting our view on a positive change.

Marketplaces, as said, a nice growth, organically 5.5%, and then the Netwheels operation smoothly in and careful with the costs, ended up to a 35.3% profitability, nicely up. The housing market, as said, is on a low level, but there are signs as we have read from the news as well, and we feel it with the discussion with our customers that they are increasing demand and activities on the housing market at the moment, and they are increasing demand of the loans for the banks – or for the households from the banks in that sector, which is, of course, a good sign for us as well.

The car business is on a low side as well, especially the new car sales is on a very low side, but we are strong in the used car segment, which drives our businesses to right direction. And we did, again, a nice quarter with the cars and other vehicles altogether. So, the growth and the increasing profitability drives the profitability of the

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whole segment. And as mentioned, the commercial premises profitability is lifting the overall performance nicely. €24.5 million of revenues and close to €9 million of EBIT for the guarter.

And here we can see how the services are developing on a high two-digit growth, and the decline comes here from the advertising. So, that tells us the overall economy has not yet started to grow in Finland or normalizing more or less. But that will eventually happen.

There are few slides about the market. As said, the housing market is on positive side, but the mobility market on the negative side still, and that is because of the new car sales on a very low level, all-time lowest level.

And then finally, Alma News Media, as said, you might have noticed that we have personnel negotiations going on. So, we are focusing these businesses into the best parts of the business, meaning the news media around Kauppalehti, Iltalehti, Talouselämä, and the biggest titles and issues. And then moving the resources for the businesses that are growing or where we can see the growth in the future. So, that is the target that we have at the moment. I would say, in corporate level, quite smallish movement, so to say, not dramatic, but this is like a normal way of proceeding for us. We are refining the businesses all the time to focus on the most interesting parts.

But very careful with the costs. Even there's a modest decline in the business and the revenues, partly coming due to our own initiatives, but mostly because of the markets, meaning that the advertising is still on a negative side, but the subscription, meaning content business, is growing, which is one of the key elements in the strategy to grow in digital subscriptions and content in Iltalehti and Kauppalehti as well. Both are growing nicely up.

And profitability on 16.4% of revenues. In this kind of circumstances, on European level, I would say that that is a decent level for a media business and quite happy having seen that development during the year and the last years. And there's also a good plan going forward. We have lot of room in the digital subscription base. Hopefully, the market will change also for the advertising business. We have a good knowledge and technology in place. There are no big worries here going in further, but a lot of work ahead, of course. And we will hear more about this later.

As seen, 11.6% down the print business in News Media, which is quite a lot. But to remember around 40% of the segment's business is print business and gradually declining. Juha-Petri Loimovuori is here: you can ask what he has done and the team has done, and what is in ahead.

Taru, would you like to continue with the figures?

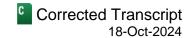
#### Taru Lehtinen

Chief Financial Officer, Alma Media Oyj

Yes, please. Good morning, everyone also from my behalf. Quite nice report! We were able to report quite nicely financial result in Q3 and that also contributed quite nicely to our financial position. But before going to that into more detail, I would like to summarize our business performance against our long-term targets.

As you all know, we have set a 5% long-term revenue growth target, and in Q3, we were almost halfway of that target. But due to the moderate or a little bit more moderate development in the beginning of the year, the full year nine months, first nine-month revenue development was 2%. And this was contributed by acquisitions, €6.8 million coming from the acquisitions. Netwheels, of course, the biggest one there. But on the other hand, offsetting the negative koruna currency rate change, €2.5 million in 2024 and in the first nine month.

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Our organic growth was more or less on par. But bear on mind, like I already went through quite carefully, that actually we have been able to gain growth in the more profitable product lines in digital service, while our print-related revenue streams has been declining with less profitable product margin. And that, of course, is contributing quite nicely to our operating margin. And with the support of the record-high 29% EBIT margin in Q3, we were able to reach more or less our long-term target of 25% now during the first nine month in 2024.

That, of course, is also supporting our cost initiatives. We have been really careful with our costs during the past month. At the same time, we have been able to continue to develop our product development in Alma Career and in Alma Marketplaces, but also in the Alma News Media. And like I said, for example, the Al initiatives that we are running at the moment are supported in the costs in that sense. And the leverage is continuing as expected, 1.7. So, we are more or less reaching now the year-end balance last year after the Netwheels acquisition and safely below the 2.5, which is our long-term target.

But then going to the balance sheet, and like, Kai, you already kindly mentioned, we haven't repaid any loans during the Q3, but actually the net debt has decreased by €14 million. And this has mainly come from the – that we have increased cash. So, now, we have a good opportunities to repay the loans in Q4.

Our KPIs are in the good level, equity ratio in 46% and gearing going also nicely down to 70%. Our interest rate was, in average, 3.8% compared to previous year 4%. And this is also including now the positive gain from our interest derivatives. In Q4, it was €0.5 million; and in year-to-date numbers, it's €1.4 million. The actual gain from our interest derivative agreements.

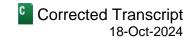
And then moving on cash flow, actually the Q4 – Q3 was quite strong with cash flow development, of course, supported by our good development in profitability development, but also contributed by the decline of working capital. There's not any specific single item explaining the development of working capital, more or less this kind of normal fluctuations between the quarters and months. But maybe taking into account and pointing out that the development or declined development of advanced payments received is now – has been slower than our quarter in 2024.

The taxes that has been explaining the better cash flow in the beginning of the year is now stabilizing. So, no big changes on that. And the cash flow after investments amounting €16.4 million compared to €10.5 million in the previous year. We had quite low activity in the investments in Q3, only €1 million CapEx, no acquisition, and no additions to financial leases. And those CapEx investments was related to our product development projects in mobility services and also some investments here at Alma, Alma House premises. But nothing new in the investment side during Q3.

And then finally, the earnings per share and the financial results. Our earnings per share was €0.18 compared €0.19 in the previous year. Of course, the strong operating margin supporting the development. But on the other hand, offsetting by the little bit higher interest costs, but maybe the most relevant item explaining the lower level of earnings per share compared to previous year is the fair value adjustments of interest derivative. When we see a good decline in the long-term interest rate, that caused then the negative fair value adjustments to our interest derivatives in that sense. But in the year-to-date numbers, it's more or less on par. So, the change on interest derivatives doesn't have an effect in the cumulative numbers.

But that's all from me. Kai, please, continue.

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#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

Thank you, Taru. As already mentioned, you have time for questions after the presentation. Let's have a look at some key points from the operating environment going forward, our strategy, and then finally, the outlook for the rest of the year.

As said and mentioned before, there are signs of recovery. These are the current estimates of the European Commission. We have already read from the newspapers some new estimates from the local banks as well.

And they're all telling us that there are hope in the markets, as we have seen in all of the markets of ours. The estimates for the coming year and coming years especially are optimistic despite the quite pessimistic global situation and turbulence. And I guess that comes mainly from the good development of inflation going down to the 2% target or even below, which might bring other difficulties, of course. But with the inflation going down, the interest rates seem to go down through the decisions for the Fed and ECB seem to be favorable for this.

And that brings the consumer confidence that we need for our businesses like for consumers to be confident to buy durables, like houses and premises and cars, and for the companies to be – or have courage enough to invest into people. Hence, with these circumstances, we might be able to plan a little bit faster growth than we have had during this year.

The challenges in the environment in long term, they prevail. These are the ones that we face, and we have been able to tackle these quite well. There's no news in this or we don't need to concentrate on that.

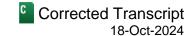
We have already seen, in the Finnish ad market, slightly positive development during the last months. These August figures are the last ones that we have got from the Kantar. But it seems that the companies start or are starting step-by-step to invest more into marketing as well, if there is any sign of the demand in the market.

We have started to refine our strategy as well. This is the position where we are at the moment. And as we know, we are strong in the Eastern Europe, and in that sense, we calculate Finland being part of the Eastern Europe also. So, we have aimed at being the major player in the markets that we had chosen and we are quite well in there. We are moving ahead in the Balkan area and it's good to actually recognize at the moment how the revenues are split between different revenue sources of the company. That is something that describes pretty well the strategy and the transformational journey that the company has lived during the last 20 years. I'll come later to this.

So, 41% of the revenues coming from classified businesses, meaning the verticals that we are major players in the field. We have evenly distributed revenues between advertising and content, 17%. And I remind you that we started the journey with the digitalization. We had 99% or more of print revenues, and split between content and advertising evenly 50/50 around. And then services 19%. So, during the journey of the transformation, the share of digital services has already surpassed the amount of advertising, for example, or the content. So, the sort of transformation continues as expected and as planned. Then some other services still there.

So, what we have now done? We have refined the strategy, and we started to communicate internally what is awaited, innovated in the future. As said and as communicated before, we have transformed the businesses from print to digital for 20 years, from media to services, and now we are in a conjunction of a new decade, meaning that we start or we started already to transform our businesses to the era of AI. And that means

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that we will deploy the modern technology in every business, in every team, in every work that we do inside the company in order to expand our role in the value chains.

So, we are combining the platforms of our customers into a very solid end-to-end solutions like around houses and premises, cars and whatever. We integrate our platforms with the technology to the platforms of our paying customers, meaning the companies. That will end up to a very personal and personalized services for different needs, meaning that, in the future, we will see a completely different way of using the services that we have at the moment. And, of course, we will continue to drive the growth that we will see organically with a well-known processes of mergers and acquisitions that we have done during the years.

And all that will speed up the development of ours heavily. So, we have decided to deploy this kind of 10x strategy, meaning that the time to market for us will be much shorter and faster than we have experienced so far, meaning that with the technology, the development of services like we have had during the years for the systems in houses and premises or cars or Career, the processes will shorten remarkably and the agility of the company will develop heavily during the coming years.

We will grow in the digital. So, we will continue in growing our position in the value chains in the digital arena with the technology. And due to this, we will speed up and enhance our ability to scale the businesses, leverage the business to other areas as well during the journey. This is a really demanding organizational learning journey that we have ahead in front of us, and we have already started. And to do this, you have to have the balance sheet that we have and we will put that at work. So, that is the message.

Our personnel is really keen on jumping on board. As we have already noticed, they are really keen on learning and doing the work, because of the good experiences that we have had of the digital transformation during the last two decades. We will concentrate still on the main areas where we have the best seat, where we expect to have the biggest possibilities, and those are the advanced marketplaces, intelligent insight services, and inspiring media as we have. So, these are, in broad sense, the areas that we work. And as said, we drive synergies by sharing all the audiences between the services, the data, technology, and ad sales in Finland to properly use all the resources inside the company and share the best knowledge inside the company. And one of the way of harnessing these capabilities is to move from advertising to transactional businesses that we are moving right now, and other ways of growing as well that we'll come later into with you.

And lastly, the outlook for the year. We are, at the moment, quite confident that we can stay with the outlook. The business seem to run smoothly. And what we have said here is that we can keep the previous outlook unchanged saying that we will reach our – last year's revenue and operating profit during the year.

So, this was the story more or less. To wrap up, quite solid quarter. I'm satisfied with the development in every segment. Some of them went even better than expected and no big worries, would say, in front of us at the moment in any sector. We have a good tempo and pulse in the company and the resources are in place, more or less.

That's it. Thank you very much for your attention. And now if you have any questions, we are more than happy to answer those.

### QUESTION AND ANSWER SECTION

#### Nikko Ruokangas

Analyst, Skandinaviska Enskilda Banken AB (Finland)

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Right. Nikko Ruokangas from SEB. Thank you for the presentations. I have a couple of questions. Starting with Career, where your sales from the south area, which has been a growth driver there, decreased slightly. So, have you seen some kind of change in the trend there? And was that also area where you saw improvement in September?

#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj



Well, in the south, it seems to be stabilizing. There has been a really good growth because of the travel industry, and now it seem to be stabilizing. That's what we have seen. Actually, that was something that we already anticipated to happen before. There's no clear reason for the south Career businesses to continue with the double-digit growth further. It's on a healthy level and a really profitable business. It means that, in coming quarters and months, the overall economies need to start to improve if we would like to see the growth of the south business, as we have seen in the beginning of the year.

Or, Vesa-Pekka, do you have any other view?

#### Vesa-Pekka Kirsi

Executive Vice President-Alma Career, Alma Media Oyj



There's perhaps one detail to add. There is some seasonality this year – in this quarter that was different to previous, and that was that we had some of our events usually in September, but this year they were already in March, which is also shifting some of the revenues of the south from the third quarter actually already to the second quarter or first. So, that's just a slight addition to Kai's point.

#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj



Yeah, good. Good addition.

#### Nikko Ruokangas

Analyst, Skandinaviska Enskilda Banken AB (Finland)

Okay. Understand. Then your sales increased clearly organically in mobility and real estate verticals, and also about growth of average listings there. So, could you a bit discuss more about drivers in volumes, prices, and new services there, and how revenues divide?

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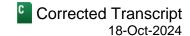
#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj



If I start from the mobility. So, the big picture is that the good development comes from used car business and the data around the mobility businesses like from the Netwheels. We have been able to increase the volume slightly and increase the prices slightly. And that's, of course, one of the elements behind the good development. The used car businesses has not started to grow yet, and the new car advertising actually has not yet started to grow, at least remarkably. So, that is somehow, I would say, in a very difficult position, the whole

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industry more or less, because of many reasons. We don't wait that to develop or to start to develop very quickly. But the used car business and the service business around our car classified is developing favorably. There's a lot to do.

Then, on the houses and premises side, as said, the commercial premises, they are growing amazingly, I would say. So, the need for the services, especially in Sweden, is on a higher level and growing in Finland as well. And then, the other businesses around the houses and premises, like classifieds in Finland, the volume is okay. The prices, we haven't increased the prices a lot. And the competition is high in Finland, among the houses and premises, we have a tight competition with our competitor. So, it's difficult to move fast on that area. So, that will continue.

What else? And then the digital services around these sectors like the OviPro, the systems for the businesses, the OviPro program has advanced smoothly and we are deploying the customers or starting the deployments, started them already, and the new customers are coming in. And the same process going on cars and that will continue. So, we have a quite thorough investment program there where we have still, let's say, the extra costs compared to the normal level. But this is more or less the overall situation.

#### Nikko Ruokangas

Analyst, Skandinaviska Enskilda Banken AB (Finland)

When will the OviPro be there up and running?

Kai Telanne
President, Chief Executive Officer & Chairman, Alma Media Oyj

definitely, there will be the cost for the next year of this project as well.

Hopefully, by the end of next year, the project will – as the software development project, the core coding project would stop by the end of this year, if I remember right. But the cost will continue in integrating the customers inside the system, will continue next year. So, we have still this kind of integration costs, extra costs the full next year, I would say at least. I can't say how much of the cost will remain for the whole year, but there is, of course –

#### Nikko Ruokangas

Analyst, Skandinaviska Enskilda Banken AB (Finland)

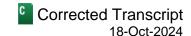
All right, thanks. Then on our new strategic initiatives you discussed about, so how fast are you moving with those and how fast do you expect them to also be material to you? And then which one do you see in terms of Al more important to you, additional sales from maybe additional services you offer to customers or internal efficiency you gain from that?

Kai Telanne
President, Chief Executive Officer & Chairman, Alma Media Oyj

Yeah. As we understand the development of the AI, we need to have this kind of step-by-step approach because it's – more than anything, it's a learning curve for the company and the corporation. So, we will learn by doing also step-by-step the new things. But we start from the internal efficiencies. Of course, we have to get to know – everybody inside the company has to get to know how to – what is possible and how to deploy the normal everyday capabilities of the AI into the everyday work and so on.

But then deeper into the businesses, so we start from the cost initiatives or the efficiency initiatives. So, that is the first thing, which is, of course, the easiest one. How to speed up the development? How to get or increase the cost effectiveness in software development and so on, and there are high hopes in there. Some of the – some

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part of the effectiveness is already seen there in the software development, but there's a lot to come. So, the agility is improving with that side. And like having this 10x target means that we will either speed up the development with current resources heavily or decrease the resources for the current businesses heavily during the coming years. And what we wait for is remarkable cost efficiencies during the coming five years inside the company.

So, this is – the efficiency layer is the first one. Then comes the revenue side. So, how to deploy the new capabilities into the current services? We have already started. The newest thing is the vector search in the Career where we have actually created, during the last year and this year, a state-of-the-art search engine in specific purposes into the Career, which we leverage inside the whole group. And this kind of initiatives are coming up all the time, step-by-step. In order to leverage the knowledge, we have decided to work even better together, create this kind of themes around the Al all over the place. We have, at the moment, around 50 different kind of Al project, corporate-level Al initiatives going on.

So, how to deploy the AI into current services in order to make them better for the customers and guarantee the matchmaking like in cars, houses, and premises, and so on? That is the second layer. And then the third layer is totally new business, and that is not yet to be seen, but it will be there. Hand-in-hand with the capabilities developing, we will end up to a new services as well, but that is something that we will see in the future. We are not yet there. But that is something that will eventually happen when we are on the next level of the AI development, and we are investing into the capabilities at the moment all the time.

Nikko Ruokangas Analyst, Skandinaviska Enskilda Banken AB (Finland)	C	
All right. Understand. I'll pass the turn to others to ask. Thanks.		
Kai Telanne President, Chief Executive Officer & Chairman, Alma Media Oyj	Д	
Thank you.		
Sanna Perälä Analyst, Nordea Bank Abp	C	

Right. Thank you. Sanna Perälä from Nordea. If we move back to the Career invoicing slide you had or the graphic you showed...

...and perhaps just how should we interpret the graph and that the invoicing levels are on a par with revenue at the moment? How should we look at the revenue development going forward and when should we wait for growth numbers in that segment?

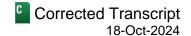
#### Kai Telanne

Hopefully, next week, but that's not a promise. So, you're talking and asking about this slide here. So, the big picture is that, when the invoicing is above the revenue curve, the revenue growth is to be seen or weighted there. And when the invoicing curve is closing or even getting below the revenue curve, we will see a negative development in the revenues. So, the answer here is that we are not – so, we don't wait for the revenues to decline, but we hope – Vesa-Pekka, are we confident? – that the revenue development has bottomed more or less at the moment.

President, Chief Executive Officer & Chairman, Alma Media Oyi



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So, when we started the year here, we saw that the invoicing started to decline early, already at the end of 2022, meaning that the order book was declining in the Career segment. So, we get less orders than we disclosed into the revenues at that time because of the deferred revenue recognition. And now, when these are closing each other, the situations seem to change. And here we have the opposite. This is how it hopefully looks like in the future as we had 2021, meaning that the invoicing started to increase and that brought later the revenue up, right? So, the description of the deferred revenue recognition of the Career segment.

Sanna Perälä

Analyst, Nordea Bank Abp

Right. Thank you. That's very clear. And then I had a question about -or considering the housing market and your services there, DIAS and perhaps also OviPro, are you able to maintain or even grow your market share as the activity gradually picks up in the markets? Or how are you looking at your market share?

Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

Yeah. It's a very good question. We can say that we have by far the best services in the sector and the technology. We have now one of the big customers integrating the system in houses and premises. We can't have many big customers at the same time. So, it's like step-by-step because it's quite a huge task. But the service is fantastic and we are really confident that we can get the market more or less. And then like the DIAS, if I remember right, around half of the sales or the volume of how sales are done through DIAS technology at the moment, and there's no sign that to go down but to go forward. It's obvious because it's fantastic. So, end-to-end solution. So, it's a test of time for the market to recognize and start to feel the difference and the advantages of the state-of-the-art end-to-end solution and the effectiveness, of course, of the solution. So, that is going smoothly up.

Sanna Perälä

Analyst, Nordea Bank Abp

Right. Thank you. That's all from me now.

Pia Rosqvist-Heinsalmi

Analyst, Carnegie Investment Bank AB (Finland)

Yes, hi. It's Pia Rosqvist from Carnegie.

Regarding OviPro now being rolled out and deployed, where on the journey are you? So, how far are you from being 100% deployed?

Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

Α

Don't know because now we have the first big deployment start date and it takes time because you need to have this kind of customer-specific refinement and adjustment for the front end, and that should be done for the first big customer by the second quarter, if I remember right, of next year. I guess I remember it right. And then we can take the next one. That has to be a step-by-step approach. And every big customer needs some kind of smallest refinements for the service. So, that will continue.

But for the basic coding and software development, there's no need to start from the beginning like – that is there. And what we do is just to do the configurations, the customer-specific configuration, and then we start to deploy the AI step-by-step into the current setup while we develop these features.

### Pia Rosqvist-Heinsalmi

Analyst, Carnegie Investment Bank AB (Finland)



Thank you. Then the revenue in the Nordic business premises vertical, that grew strongly. How much is increased volumes, how much is pricing, and how much is then kind of pricing and productization?

#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj



Roughly, I would say that it's a combination of volume and price, product development. Peter Bergström is running the business there. He actually doesn't do list price increases. All the time, they do enhancements for the product and the service so that, if you get price increase, you get better product or service at the same time. So, it's a combination of these. And then the volume, the volume is increasing. So, there's more activities going on, which is, of course, might be one sign of the recovery of the economy as well.

### Pia Rosqvist-Heinsalmi

Analyst, Carnegie Investment Bank AB (Finland)



Thank you. Then you mentioned a tight competitive situation in the Finnish housing marketplace. So, how do you view your position? Are you taking a more offensive or a more defensive position now in this competitive situation?

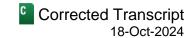
#### Kai Telanne

So, we have more or less like a 50/50 situation right now in housing and premises in Finland with the competitor. I wouldn't say that we take offensive or defensive. We do both step-by-step, depending on the market or the business or the area. It varies a little bit. And, of course, we have our own plan. We are not actually following what the competitor does, but we follow our own plan and it's a step-by-step plan where we develop the service and market the service when there's something to market, and then we take care of the customer shifts, of course. We play our own game, which is working smoothly and we continue that way. But, of course, we are aware of the competition and we need to invest both into the product development and into the marketing to stay a major player in the market.

#### Pia Rosqvist-Heinsalmi



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Analyst, Carnegie Investment Bank AB (Finland)

Q

Thank you. Then to Alma News Media, what would you say are the key success factors behind this really high profitability of 16.4% in this challenging market? And how sustainable is this level when the market, at some point, hopefully picks up?

#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj



A good leadership, of course. That's the key element. It's a remarkable series of different kind of initiatives. There's not the one trick I would say that – if you really want to achieve the 20% EBIT target that you hope that we and the team has for coming years, they haven't – maybe he's laughing there. He has not disclosed that, but I have that in my mind. He said that once. And it's a series of different kind of initiatives. So, you have to have continuous product development initiatives and a good cooperation inside the medias and the group, like a very good combination of the teams and individuals from journalists, advertising department, content or subscription department, technology, marketing, delivery, and so on. So, that's a result of an extremely good teamwork inside the team.

And then, you have to have the idea, a clear view that what is doable, when it's doable, and then a clear plan how to do that step-by-step. So, this kind of profitability or product development or reach or circulation, it's not reachable in a month or not even in a year. You have to understand that this is a step-by-step approach you have to have, but you have to go forward all the time.

And then, of course, one of the things that is that you have your eye on the customer. Whatever you do there, you have your eye on the customer, which is the end customer, the reader. And in order to serve the reader with the best possible way, you have to deploy the technology, the human capacity, the marketing, and all those. And at the end of the day, that will result into the good advertising or into the service revenues or circulation revenues and those. But you have to be consistent, decisive, and patient. I'm not patient enough for that, but J-P is patient enough for running the News business.

And now, as you noticed, we have, again, an initiative to focus on the most interesting parts of the News Media businesses. So, they are restructuring, coming on to concentrate on the biggest titles and issues and services like Kauppalehti, Italehti, Talouselämä, and those, where we clearly can see that there's a bright future in front of us and the capabilities and resources to develop towards the coming future.

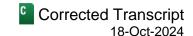
#### Pia Rosqvist-Heinsalmi

Analyst, Carnegie Investment Bank AB (Finland)



Thank you. Then regarding your strategy, you say you are speeding up transformation and putting your balance sheet at use. So, are you looking now for larger M&A or kind of continuing on this smaller bolt-on path?

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#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

Α

No, we are doing both. Always when we develop the services, we have two options on the table, to develop by ourselves or to buy something that is already in the market. We will continue that. So, whatever we do, we have always the evaluation on the table that what is the best way to do. And in order to have those options, you have to have the balance sheet, of course. So, you have – the business have to be in order, profitable, growing, in order to have the options that we have. So, we will continue with the add-on investments anyway. And now we have step-by-step more room for the bigger investments.

And I would say that, of course, we will use the room at the end of the day. We have always some targets where we have our eye on and we have ongoing negotiations, of course, time to time for these. But as we are not a bank, and we want to continue with the continuously developing dividend payment. We are not aiming at a jump on that, as said. So, we are not giving out the investment room of the company – or actually that's not – like I can't decide that. It's actually the shareholders' decision at the end of the day. But that's what I've heard. And because of this, we have room for bigger investment. As said, now we have around €200 million. Next year, we will have €250 million, and then €300 million, and so on, or something like that.

And the businesses we are looking at, they are the best businesses in the markets or different market. Of course, we don't aim at buying any crap and, of course, that – the costs. But those are the businesses that we find possibilities to speed up the growth, to integrate into our businesses and to create the portfolio that we have in mind for the future, and that's the way. So, long story short, we will do the bigger moves as well.

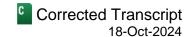
#### Pia Rosqvist-Heinsalmi

Analyst, Carnegie Investment Bank AB (Finland)



Good. Thank you. Then still to this refined strategy and AI and the potential to improve efficiency and profitability, that's not yet reflected in your profitability target, but I feel that you indicate that there is room to improve.

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#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

Of course. We will definitely. Now, we are at the target level – as Taru said, we are now at the target level of 25%. I am pretty sure we will increase the ambition level later at some point. If we can see the change in the market and the positive development there in the mood and the confidence in the market, we will come back to that. But, of course, with the AI asset, with the 10x strategy, we aim at reducing the costs clearly in the current businesses, and at the same time, we aim at speeding up the development heavily with the services that we are doing.

I would say that, from my point of view, the product development phases that we have and the projects, they are far too long in these circumstances and especially in the future. If you have a two years' process for a software development, it's beyond the world in the new world, I mean, in AI world. It has to be much shorter, the period to develop new services, which means that the agility needs to be improved, and by that, the product – or the cost effectiveness will definitely get better. High targets on that. We will come back later into this.

effectiveness will definitely get better. High targets on that, we will come back later into this.	
Pia Rosqvist-Heinsalmi	
Analyst, Carnegie Investment Bank AB (Finland)	Q
Thank you.	
Petri Gostowski Analyst, Inderes Oyj	Q
Petri Gostowski from Inderes. Can you comment your market position in the housing marketpla compared between different regions in Finland, say, the capital area and other parts of the court	•
Kai Telanne President, Chief Executive Officer & Chairman, Alma Media Oyj	A
Like we have been the market leader outside of Helsinki. And at the moment, it seems that we even, 50/50 market share, more or less. It depends on the various – a little bit according to the marketing campaigns and so on. But that's from the visitor side of you. But if we compare the rebusiness where the profitability comes, we are by far the biggest one in that sense as far as we	marketing or the evenues and the
Petri Gostowski Analyst, Inderes Oyj	Q
Thank you. Another question on Al. You talked about your own initiatives, but can you commer seeing in the competitive landscape? Are there potentially some new initiatives from competitor	•
Kai Telanne President, Chief Executive Officer & Chairman, Alma Media Oyj	A
On what market?	
Petri Gostowski Analyst, Inderes Oyj	Q
On AI generally.	

#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

А

Yeah, definitely. Worldwide, the investments on AI, they are huge at the moment. And if we go back 20 years, when we started the journey, the digital journey, we had the similar situation. So, there were somebody who invested a lot into the technology globally, and then the Internet came in and so on. And a lot of new businesses or competitors or services popped out and the same will happen in the era of AI definitely. We don't know where they come and what they are, but our estimate is there will be definitely be new competition.

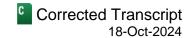
And if you want to be competitive in the new era, you have to start now – or actually you had to start a year ago as we did. Otherwise, you're behind. The short answer is that, yes, there will be international competition. There will be domestic competition in every markets. And then there's a question that, are you competitive enough in order to succeed in the markets? And we will be. That is the answer.

We've shown before that, even there's a high local tech competition and the local giants coming in, you can be competitive if you use your resources cleverly and you have to have a little bit different strategy and stance into the businesses that the big ones, like the global giants, as we have. We have had the customer intimacy strategy where we are in a very, very clear and close connection with the customers and aware of their needs, their specific needs, and then we refine our services for their needs compared to the global giants, where they have one product strategy and a low customer intimacy. And that will also happen in the era of AI, no doubt. That is some of the basic ideas. But at the same time, we will move further to a very individual services with the AI and some new competitors might arise.

What we do is that we integrate our services into bigger platforms of ours. So, we are combining all our services into the platforms, and then we are integrating our platforms into our customers' platforms, as you noticed. That is the key idea of the development of the company like we do right now. Like for the houses and premises, OviPro. It's a good example how we'll proceed. With the cars and premises, we have the same. With the Career, we do the same all the time. So, this add-on services are creating this kind of platforms that we are integrating into one unity, which we integrate into the platforms of our customers, right?

Petri Gostowski	
Analyst, Inderes Oyj	Q
Thank you.	
Kai Telanne	
	٨
President, Chief Executive Officer & Chairman, Alma Media Oyj	A
Thank you very much. Any other questions?	

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#### Elina Kukkonen

Senior Vice President-Communications & Brand, Alma Media Oyj

Before other questions, I could add-on here. Our Executive Vice President, Mr. Santtu Elsinen, he's on holiday, but he is commenting on the previous discussion on the housing and marketplaces. Regarding Sanna Perälä's question, Santtu comments that we will have increased support for different transaction types in DIAS. So, this will grow the potential market.

And for Pia Rosqvist-Heinsalmi question, a part of the smaller customers have been transferred from Kivi to OviPro and we are working currently with bigger clients. The deployments will continue into the 2026. So, that was from Santtu.

We have no further online questions.

#### Kai Telanne

President, Chief Executive Officer & Chairman, Alma Media Oyj

In that case, we thank you very much for your attention. We will have 5th February Q4 interim report and result presentation for FY2024. In the meantime, I hope you all have a great autumn and a nice weekend. Thank you very much.

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