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Sanoma

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Speakers



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Prepared Remarks

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Good morning everyone and welcome to Sanoma's full year 2025 results presentation. My name is Kaisa Uurasmaa, I'm heading Investor Relations and Sustainability at Sanoma. In 2025, our Adjusted Operating Profit and Free Cash Flow improved, and this was driven by Learning. Today, President and CEO Rob Kolkman and CFO Alex Green will tell you more about our results and the outlook for 2026. After the presentation, we will host a Q&A session. We will first take questions from here at Sanoma House. Please use the microphone. Then we will hand over to the telephone line, and then you can also use the chat function in the webcast platform. After the presentation, the recording of the whole event will be available on our website. With this, I would like to hand over to Rob. Please.

**Rob Kolkman**

President and CEO | Sanoma

Thank you, Kaisa. Good morning everyone. It's my pleasure to present the full year results 2025 to you today. Indeed, the results show improvement in the adjusted operating profit and free cash flow. That's now really ahead, of course, of the step change we expect for 2026. Let me, as per usual, zoom in on the total numbers first and then go both learning and media more specifically. Today, I will come back after Alex's presentation to actually go more specifically into 2026 and our expectations there. If you look at the total numbers, then a lot of this was, of course, already very visible in the results in quarter three, as quarter three is such a big quarter for us.

**Rob Kolkman**

President and CEO | Sanoma

So trends very firmly are the same, which is around the net sales, having that impact due to the discontinuation of the low-value learning material distribution contracts and the lower advertising sales, in line with what we saw already. Really good growth on the adjusted operating profit, going to EUR 188 compared to EUR 180 the year before. And that also indicates higher margins in both Learning and Media Finland. Free cash flow continues to improve, now a 10% improvement year-on-year. And that's driven by the elements you see here. So besides the higher earnings, also some lower financing costs and working capital movements. And Alex will zoom in on that a little bit more in a minute.

**Rob Kolkman**

President and CEO | Sanoma

As a result of this, we see really good continuation of the deleveraging of the balance sheet that now improved to 1.8, which is, of course, a good position to be in ahead of the repayment of the hybrid bond that we also reconfirmed today. So as a result of these numbers, the board is proposing a dividend of EUR 0.42, which is up EUR 0.03 or 8% year-on-year to be paid in the usual three equal installments. As mentioned, I will come back to the outlook, but this is now really indicating the step change that we see for the coming years with regard to growth and profitability. So that means for 2026, net sales expected to be between EUR 1.29 billion and EUR 1.34 billion, and our Adjusted Operating Profit taking that step up to between EUR 205 and EUR 225, up from EUR 188 this year.

**Rob Kolkman**

President and CEO | Sanoma

I'll touch back on that at the end of the presentation. I would also like to come back to the slide that I showed at the Capital Markets Day, which is, of course, now updated for the full year impact of our results, which shows the successful delivery on our key focus areas, which, as a reminder, was, of course, to do with improving our profitability, both in Learning and in Media, improving the free cash flow, and as a result of that, the deleveraging of the balance sheet. You see that here, Learning in the last couple of years coming from 18.7%-20.4%, and this year, as we've indicated, going clearly above 23%. Media Finland, in what still is a tough economic environment, of course, you see the improvements there from 6.7%-8.8%.

**Rob Kolkman**

President and CEO | Sanoma

Then the cash flow, as indicated as well, really strongly already growing ahead of the growth that we expect in the EBIT going forward. So from EUR 105 a couple of years ago to EUR 160. And as mentioned, a significant deleveraging of the balance sheet as a result of that. Let me now zoom in on Learning first and then Media. So on Learning, very much, of course, the trends continued for the full year. Quarter four is a small quarter, as you all are aware. Good to highlight there that the growth in learning content sales was indeed partially offsetting the lower distribution that we indicated. And within that, if I zoom in a little bit more, then you see really good growth in the Netherlands, about 9% growth on the learning content sales. And that's driven by new product launches and also improving market position.

**Rob Kolkman**

President and CEO | Sanoma

If you look at Poland, yes, Poland and Spain were both at the lower end of the cycle. But in Poland, we were very pleased to see that there was this strong growth in our digital platform sales. And as we call that, supported by B2C demand, which effectively means also selling directly to the parents and students with services and content. And then the impact of this discontinuation of the distribution contracts was about EUR 25 million. If you then look at the profit side for learning, that improved for the full year, both in absolute terms as well as in margin to the 20.4% and the EUR 152 million. Reasons for the improvements are, of course, partly top-line driven, the higher share of learning content sales, which is higher margin compared to the low-value distribution, and also a slightly more digital sales mix.

**Rob Kolkman**

President and CEO | Sanoma

So very much continuation of what you already saw in quarter three. Also, good to see that we have Program Solar successfully completed, as indicated as well in the Capital Markets Day, which already helped us a bit in these numbers, but of course, really sets us up for significant operating leverage in the years to come, starting in 2026 when our volumes go up as well. In 2025, we also saw lower paper and printing costs in learning, and that, of course, is mostly volume-driven. Let me now zoom in on media. In media, there we, of course, see the longer-term trend of the digital transformation continuing, meaning the move to digital away from print. If you then look at it, our digital subscriptions partially offset the lower advertising sales in the year itself.

**Rob Kolkman**

President and CEO | Sanoma

If you look at the subscription sales, really good growth there, another year of good growth with Ruutu+, and the digital new subscriptions also grew. So very much confirming this path of digital transformation. On the advertising side, there you do see for the market as a whole and also for us that that is still a tough market environment. And also the advertising sales declined for the full year, driven by lower TV and newspaper advertising. As a reminder, the majority of that in our case was also to do with the ending of that reselling contract for a third party, which, relatively speaking, for advertising was lower margin. And then on the other sales, there is some decline on the external printing services.

**Rob Kolkman**

President and CEO | Sanoma

If you then see how that is reflected in the profit, we are very pleased to see that the profit continues to improve in margin terms, so 8.8% compared to 8.2% a year ago. That's driven partly by growth in digital subscriptions, also lower paper printing distribution cost here, which is largely volume, some lower TV programming cost, and then, of course, adversely to that, the impact of the advertising sales. But overall, Pia and the team have done another year of a really good cost containment and cost focus that also supports this improvement in margin. All this results to the board proposing the dividends that I already mentioned of EUR 0.42 per share, EUR 0.03 up or 8% up year-over-year, about EUR 68 million in cash. In the old terminology, that is a 43% payout.

**Rob Kolkman**

President and CEO | Sanoma

If you include the lease payments, which is our new way of looking at the cash flow to better reflect our real cash, it's 53%. And Alex will touch on that in a minute a bit more as well. And as mentioned, the usual three equal installments is proposed, and here you see the specific dates of that. Let me now hand over to Alex to talk through the financials, and then I will come back to give more color to the 2026 expectations. Alex.

**Alex Green**

CFO | Sanoma

Thank you, Rob. Good to be here with you again today. Let's start the financials as usual with the Q4 earnings position, as you see here. Pretty stable year-over-year at EUR -27, but in each business, there is some offset. On the learning side, coming through from the sales, we see an increase coming from the growing digital platform sales in Poland, offsetting the lower sales in Spain, which is mainly phasing because they came more in Q3 rather than Q4. In the Media Finland business, the weaker advertising sales we saw in Q4 with the market down is offset by the continued growth in the digital subscription sales, particularly Ruutu+, and also lower costs, both on the paper side and also in TV programming costs. Excuse me.

**Alex Green**

CFO | Sanoma

If I move to the financial table and focus on the right-hand side, you can see there the increase in Adjusted Operating Profit, which leads to the Adjusted EPS increase you see towards the bottom. IACs at a high level of EUR 106 million for 2025, substantially because of the Manu plant closure and also the non-cash impairment of the Iddink learning materials intangible asset coming in there, the remainder being relating to a number of strategic development projects. If you look further down, the net financial items, a dramatic drop, so EUR 24 million this year versus EUR 33 million last year with both lower debt levels and also lower average interest rates leading to the result for the period there of EUR 20 million.

**Alex Green**

CFO | Sanoma

Moving on to the free cash flow, and as usual at the year-end, we show you the walk at the top right here, free cash flow improving to EUR 160 million from EUR 145 million last year. And you can see their impact coming from the performance, the lower interest rates in the financial items I just mentioned, continuous improvement in working capital here, offsetting the increase in tax, which has got some phasing elements in terms of between the years. And on the bottom right, we show also the new definition of free cash flow that we're going to use starting from 2026. So the 2025 number was EUR 129 million versus the EUR 160 million, so roughly EUR 30 million of lease payments, lease liabilities in there. You can see there on the trend, it's a fairly stable amount as the line follows.

**Alex Green**

CFO | Sanoma

And so we will, going forward, use that definition as announced at the Capital Markets Day. Moving to the net debt and the leverage, you can see there our new target of 2.5 that we announced before, and we are at 1.8 coming down from the sort of mid-year peak. So well below that target with net debt coming down to EUR 486 million. We also announced that we would no longer consider the equity ratio a target, so we wouldn't highlight it here, although we'll continue to report it. But for the period now, it's at 47.1%, so increasing versus last year and well within our sort of discontinuing target range. Looking at the debt maturity profile, so as we announced we were going to, we signed a syndicated term loan in December 2025 of EUR 220 million.

**Alex Green**

CFO | Sanoma

That has a slightly more than three-year period, so it actually matures in March 2029 with extension options. We drew down half of it in December to help prepay the term loan that we took out for the Pearson acquisition. We will withdraw or draw down the remaining amount in March to refinance as part of the refinancing of the hybrid bond, which we announced that we confirmed this morning that we were going to repay at the reset date in March 2026. So nothing else maturing in 2026, although the revolving credit facility is maturing in 2027. But our plan is to actually start the refinancing that later this year.

**Alex Green**

CFO | Sanoma

And finally, very proud to stand here and confirm that we were awarded CDP Climate A List status recently in December. So only learning company there, one of only 11 Finnish companies. So hugely proud to stand here on behalf of the team and say that. And all our other ESG ratings have also improved or remain on a very good level. So this is a key part of who we are, and we're very pleased with this. With that, I'll hand back to Rob to talk more about the future.

**Rob Kolkman**

President and CEO | Sanoma

Thank you, Alex. And indeed, let's now go to more specifics around 2026, but also in the broader context of what we presented at the Capital Markets Day. So just as a reminder, our growth powered by learning is really focused on high single-digit organic earnings growth happening in the period up to 2030. And 2026 is really a step change towards that, a real significant improvement in profitability. The drivers in the coming period are really what is reflected here.

**Rob Kolkman**

President and CEO | Sanoma

And just to touch on that, on the organic side, it is about the learning growth. It's about the sales growing with mid-single digits, the adjusted operating profit having high single-digit growth. And as a reminder, of course, the Dutch distribution is that last year in 2026 where we still see a top-line impact, but not a bottom-line impact on that. On the media side, there are two things driving it. On the one hand, it's that continued digital transformation that we have been doing successfully over the last few years, and we are focused on continuing to do that, of course, going forward. And that results in the top-line being more or less stable and the Adjusted Operating Profit to grow with low single-digit.

**Rob Kolkman**

President and CEO | Sanoma

However, organically on top of that, we, of course, see the opening of the gambling market as a real growth driver for advertising across Finland and therefore also for us as a company. And that together leads on the organic sides for an earnings growth that is high single digits for the group overall. And we will do all that with a firm focus on keeping a solid balance sheet, which is reflected in the targets around the net debt over Adjusted EBITDA staying below the 2.5. And of course, dividend remains, as you've now seen for the last few years as well, and going forward as well, remains a very important part of our investment story. Let me now zoom in a little bit more on what's now driving that growth.

**Rob Kolkman**

President and CEO | Sanoma

There are two key organic parts, which is that capturing the curriculum renewal cycle and the shaping of market. As you saw in the Capital Markets Day, we see a lot of growth in our operating markets in the years to come, supported by curriculum renewals, more funding into the market, new products that we can bring there. On top of that, we're very excited to see how we can shape K-12 across Europe towards more personalized learning, embracing AI, but firmly with the human oversight in mind, and as a basis, our high-quality content and knowledge about the different European education markets. All that is that organic part towards high single-digit growth. On top of that, on top of the organic targets, we, of course, continue to focus on M&A. We are focused on creating value-creating M&A, increasing the scale of how we operate.

**Rob Kolkman**

President and CEO | Sanoma

And that can either be, as a reminder, because we add businesses to markets where we're already active in K-12, so really benefiting from the scale in that market, or adding new countries in K-12 to it. So that's on top of the organic growth there. The outlook, as I already highlighted, is what you see here. Again, I would now like to zoom in a little bit more specifically on what that now means when we say demand for learning content will increase and also the advertising market in Finland will be relatively stable. So let's take them one by one. So if you look at 2026 for learning, there's really that step change in growth. And that's to do with the learning content sales in Poland and in Spain in particular, those two, but also that continued growth that I highlighted for the Netherlands in 2025.

**Rob Kolkman**

President and CEO | Sanoma

We expect the Netherlands to also continue to grow going forward with new products and that strong position we have in that market. You will not see that just at a country level fully because of the Dutch distribution business decline in 2026 on the top line of EUR 40 million with no impact, as highlighted before, on the profit. And all that together leads, and we reconfirm that today, very much to an expectation that our Adjusted Operating Profit margin will improve to clearly above 23% this year. So real growth, step change in learning. On the media side, we are, of course, in the year before the opening up of the gambling market. So we continue with that digital transformation. So we expect to continue to grow in digital subscription sales, more than offsetting decline in print. We expect the advertising sales to be relatively stable.

**Rob Kolkman**

President and CEO | Sanoma

To just give a little bit more context to that, if you look at last year, that was for advertising overall as a market, of course, still a very tough environment. And we also think it's not all of a sudden going to be better in 2026. What we do see is the expectation that it would slowly improve throughout the year, but it still probably will have a soft start to 2026 as a market overall. But also there, the trend, of course, continues of digital offsetting the lower print and TV advertising.



Rob Kolkman

President and CEO | Sanoma

And then on top of all this, very important in the last few years and continues to be important, is the efficiency improvement that we will continue to do. And Pia and the team, of course, have a great track record in making that happen. That also will remain an important part going forward of our performance. That gives a bit more context for specifically this year, which is that significant step change in profit growth driven by learning in 2026. With that, I would now like to ask my colleagues back on stage so that we can do the Q&A.

Q&A

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you, Rob. Thank you, Alex. We will now start the Q&A. If there are questions from here at Sanoma House, please raise your hand for the microphone. Yeah, we have Petri from Inderes. Please.

**Petri Gostowski**

Equity Analyst and Head of Research | Inderes

Thank you. I'll kick off with the Solar impact on 2025 figures. Can you quantify the impact?

**Rob Kolkman**

President and CEO | Sanoma

Quantify the impact. So we had an impact in the cash side, as we've talked about before. So the increase in cash that we see did have some of the impacts of the lower kind of people costs and also the impacts there. In terms of the P&L, the actions we took were designed to get to the margins in 2026, which are clearly above 23% as per our guidance. That's basically the main factor there. There's nothing specific, I would say, about 2025.

**Alex Green**

CFO | Sanoma

No, maybe to add, if you think about the core elements there, there was, of course, big reorganizations we also did in Spain and in Poland. Those are reflected in the overall numbers if you think about EBE, sort of personnel cost in particular. I think the real benefit on volume, so the cost of our production, that will, of course, really show 2026 onwards.

**Petri Gostowski**

Equity Analyst and Head of Research | Inderes

Thank you. Then on learning and digital platform growth in Poland, can you help me understand where are you in terms of, say, market penetration and how much more room is there for continued growth?

**Rob Kolkman**

President and CEO | Sanoma

Yes, actually, we do look at Poland as a market where we see a lot of opportunity outside of curriculum as well, which is to do with the direct-to-parents option. So we have, to give you a feel, it's about 1 million subscribers we have on that digital solution that I highlighted. So that's really good. And that's, of course, a platform to then offer more and more personalized learning and also content to the parents and also to the students directly. So we see a lot of opportunity there. That will not be overnight. That will really be continuously adding more products and solutions to that offering. But the reach is absolutely there.

**Petri Gostowski**

Equity Analyst and Head of Research | Inderes

Then one additional question on advertising sales. I mean, we saw a weak market, and we can talk about the economic situation and so on. But looking at the December sales, it was, I could say, maybe a bit of a scary figure, the -9%. What's your take on this?

**Rob Kolkman**

President and CEO | Sanoma

Yes, so there's a couple of things there. It was indeed lower even than, of course, the rest of the year. We did see that towards the end of the year, that really sort of dried up for a couple of weeks, you could argue. If I now look at the start of the year, I don't see that kind of level continuing. So from that point of view, it's still a soft market. It's still a challenging market. But that's where our guidance is coming from.

**Rob Kolkman**

President and CEO | Sanoma

We do see it overall for the year as being relatively stable. But as I also highlighted in my presentation, I think the start of the year will still be more towards the lower side of that and then some gradual improvement. I think it's good to highlight as well, this is what we also prepare for when you think about our cost containment actions and therefore continuing to focus on making sure that we protect our margins.

**Petri Gostowski**

Equity Analyst and Head of Research | Inderes

Thank you.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you, Petri. And then we have Samu from Nordea. Please.

**Analyst**

Hi, and thank you for your presentation. Maybe two questions. First of all, of course, 2026 marks the curriculum renewals in your major markets like Spain and Poland. But how are the negotiations here progressing, and what kind of timing assumptions we should be aware of, and if possible, maybe from a more financial perspective?

**Rob Kolkman**

President and CEO | Sanoma

Yeah, so good question, of course. If you think about it, in years where we have big growth on curriculum, we do, of course, have some costs that go ahead of the revenue, logically speaking. So that's to do with people. That's to do with sales costs, marketing costs, etc. So in these relatively small quarters that we have, first of all, you could see that a bit. The other side of it is that our starting point is the market share and the market position we have in all these markets, which is, of course, as you know, mostly the number one, number two position. So that's the starting point. That's also where we go in, of course, to create the growth. So from that point of view, our position is strong.

**Rob Kolkman**

President and CEO | Sanoma

But it is absolutely true, of course, this is in quarter two in particular, all about the presales activities. Indicators are always limited. The only market that we always see being a bit ahead of the game in the way of knowing where it's going is Finland in particular because of earlier holidays and things like that. But the big markets, Poland and Spain, is really firmly a quarter three before that's really visible.

**Analyst**

All right, thank you. Then perhaps on capital allocation now that we did even proposed to increase, and of course, the leverage targets tightened in the CMD. How we should think that you aim to balance M&A, for example, versus these higher payouts?

**Rob Kolkman**

President and CEO | Sanoma

Yeah, I think M&A ambitions and program has not changed, and everything said about M&A is true. We're working very hard on it. We have around EUR 300 million headroom for acquisitions at the moment that will grow as we go through. So we don't see a problem in capital allocating the dividend, the internal use for operating, and for M&A.

**Analyst**

All right, thank you.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

If I continue from the chat with that topic a bit, there was a question that is the kind of: is the repayment of the hybrid bond now in March somehow limiting the M&A opportunity in the short term?

**Rob Kolkman**

President and CEO | Sanoma

So I would say not because the cash generation has enabled us to refinance that at a sort of lower level of debt. Yes, it is true that during the middle of the year, the balance sheet sort of ratios come down a bit. But we have strong relationships with our relationship banks, and that we still do have headroom in the middle of the year. But there's always abilities to kind of take waivers and get through that middle of the year period because it's the slightly artificial limitation in the middle of the year. Because at a full year period, as you say, we have plenty of room.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you. If no further questions from the audience here, I would like to hand over to the telephone line. Please.

**Operator**

The next question comes from Sami Sarkamies from Danske Bank. Please go ahead.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

Hi, thanks for taking my questions. I will do this one by one. Starting from guidance, just wanted to confirm, is the guidance midpoint assuming above 23% EBIT margin for learning and flat EBIT for media?

**Rob Kolkman**

President and CEO | Sanoma

That's correct.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

Okay. And then on the learning outlook, just wanted to ask, what would be the key uncertainties? Think about the guidance range. And then for media, why haven't you penciled in any profit growth? Because I guess you will only be reinvesting part of the savings from printing facility closure.

**Rob Kolkman**

President and CEO | Sanoma

Yeah, I think you're touching, of course, on the key, let's say, uncertainty for the year around the media performance, right? And that is indeed to do with how will the market ultimately pan out, particularly on the advertising side. And there, I think it's fair to say that we are preparing for the fact that that is still not an easy market to operate in. So, of course, that could end up going better if we do see improvement happening. But for now, we are really focused on making sure that we can also deal with a situation where that relatively stable means maybe one or two percentage points down as well.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

Okay, and what about learning? What would be key uncertainties there?

**Rob Kolkman**

President and CEO | Sanoma

Well, if you think about learning, it comes down to the fact the key growth drivers are around our learning content sales this year, right? So that's to do with the fact that we, of course, are able to really maintain our strong market position, which I'm very confident of that we will. But, of course, it's a big year, and of course, that is mostly in quarter three that that will show. So I think it's that kind of the real performance now on the learning content sales and the curriculum renewals. That's, of course, the key element of the growth driver. But that's also where the bigger sort of differences can still be.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

Okay. Then my next question would be to Alex. Just wanted to understand free cash flow outlook for this year. You will be obviously benefiting from earnings growth, but how should one think about net working capital development in 2026?

**Alex Green**

CFO | Sanoma

Yes, so as you saw, we saw an increase from 145-160 by old definition in 2025. The 160 equates to 129 in the new definition. We expect a moderate growth of that still in 2026. As I said before, we see earnings growth in 2026. Some of that we see early in the cash, but we still nonetheless expect moderate cash flow growth in 2026.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

Okay, so does it mean that net working capital could be a headwind in 2026?

**Alex Green**

CFO | Sanoma

Yeah, I mean, we do, as a business, have quite large cash movements that we sort of balance off in the years. So it won't necessarily be the positive part of that graph that it was this year, if you see what I mean. So yes, a slight headwind.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

Yeah. Okay, and then final question for Rob. You talk a lot about AI, but I would like to ask that how could you see it as a potential threat to Sanoma?

**Rob Kolkman**

President and CEO | Sanoma

Yeah, so if you look at it, we are trying to be realistic about AI in a fast-moving environment. So the positives, I, of course, highlighted on that. I think for me, it's all about making sure we go fast enough embracing AI across our business, both in media as well as in learning. And that means we should be the one leading the changes towards personalized learning.

**Rob Kolkman**

President and CEO | Sanoma

If you think about the learning side, we should be the one making those efficiency moves in media, in particular, also in the newsroom. So it's the speed of change that is, of course, very important to be focused on. And I think as an organization, we're very aware of it. We do everything we can to make that happen. To your point on threat, yeah, it's about making sure that we are the leading ones, both on the media and the learning side for this.

**Sami Sarkamies**

Equity Research Analyst | Danske Bank

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

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you, Sami. We have further questions from the telephone line, I assume.

**Operator**

The next question comes from Nikko Ruokangas from SEB. Please go ahead.

**Nikko Ruokangas**

Equity Research Analyst | SEB

Hello, this is Nikko Ruokangas from SEB. Thank you for the presentation. Could you discuss a bit more further on the seasonality you see not only in Media Finland but overall both businesses in terms of profitability and cash flow in 2026? And then should we expect further material non-recurring items also in 2026?

**Alex Green**

CFO | Sanoma

So if I take the seasonality one first and if I take the cash flow one first, as I said, we expect the cash flow to have a moderate increase. But the moderate increase will still be in the same rough profile as you've seen in the last couple of years. Obviously, a lot of cash goes out at the beginning and comes back in at the end. In terms of the P&L side, Rob touched on it earlier.

**Alex Green**

CFO | Sanoma

On the learning side, because we're ramping up for curriculum renewals, there is some extra costs in sort of people and marketing, which we'll see a little bit of that in the first part of the year. In terms of the IACs, the non-recurring items, I mean, obviously, we had a large amount this year with two major events, with the Sanoma Manu closure and also the Iddink intangible write-down. We won't see that next year, so we'll see a substantial decrease in that IAC line in 2026.

**Nikko Ruokangas**

Equity Research Analyst | SEB

Okay, thanks. Then on the depreciations, you have been talking about for a couple of years that the Program Solar should lead to lower depreciations in 2026 now. So should that come kind of gradually over the year, or should we see those impacts already in each one?

**Alex Green**

CFO | Sanoma

That will kind of come evenly throughout the year at a lower level. There shouldn't be any sudden changes in that line.

**Nikko Ruokangas**

Equity Research Analyst | SEB

All right, thanks. That's all from me.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you, Nikko. And we don't have any further questions from the telephone line. We have a few in the chat. So continuing on the advertising, so it seems that the -9% advertising development in Finland in December is a talking point to several people in the audience. And further question on that is that, is there anything particular that is attributable to? So was there something weakening in the segment or changes in advertisers' behavior, more retail direct marketing, or anything like that that you could point out?

**Rob Kolkman**

President and CEO | Sanoma

Yeah, so the only thing we noticed, because of course, we are at the end of that, is that it was particularly towards the last part of the month. That was a real slowdown of activity with the key advertisers in Finland towards the second half of December. That was stronger than also the year before. It's not so much that we can easily pinpoint to specifics deeper than that. As I highlighted, if you then see about the start of the year, it's still a tough market condition, but it's not that kind of percentage that we see going through.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Exactly. And then further on advertising, how would you describe the health of the Finnish TV advertising market and the outlook? And is Sanoma performing better or weaker than the market? Of course, last year was impacted by the discontinuation of this reselling deal.

**Rob Kolkman**

President and CEO | Sanoma

Correct, correct. And if you take that out, then we actually performed well on the TV market, which is, of course, still a challenging market overall, as we know. And there, of course, I've also said it before, but the longer-term element there is we do see the need for investments in content, not just from us, but also from other players in the market. That needs to be in line with the market size, so to speak. So we do see that still being a market part that is quite competitive, of course.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you. Then a question on 2026 and the financial costs. What is the expectation on that, given also the repayment of the hybrid bond?

**Alex Green**

CFO | Sanoma

So good question. So we went from, I think it was, what is it, 35-24 roughly for this year. So that's the level of costs we have for 2025. We expect similar level costs in 2026 with two sort of offsetting impacts. We expect net debt to come down with the increased free cash flow generation. However, because we are repaying the hybrid bond, we will have net debt going up a bit as we refinance that with normal debt. And so that net-net with extra interest will get to us about the same level. So expecting similar levels of financial costs in 2026.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Thank you. Further question on M&A. Could you please elaborate on the M&A strategy for 2630? What kind of target types and regions, and how does AI influence which companies you would like to acquire or which capabilities to build in-house?

**Rob Kolkman**

President and CEO | Sanoma

Yes, so let me tackle that because there's several elements to that, of course, right? So first of all, on the M&A, our focus is first and foremost on K-12. And we think there is still a lot we can do here in Europe because Europe is still a very fragmented market. So that could be, and our focus is on, in the markets we are active in, can we create more scale by basically buying, doing M&A with smaller players there, adding it to our already strong presence in that market. So that's one element. Then, of course, if you look at the map of Europe, there are clearly some areas and countries where there is good K-12 business. We would love to play a role there, but it needs to be for the right price. It needs to be value-creating.

**Rob Kolkman**

President and CEO | Sanoma

And also, of course, there needs to be the ability to step in those markets. The targets need to be also available. So that's on that side. Touch on another important point, which is, of course, we do see the market move more and more over time towards personalized learning. So we also look at, can we add personalized learning solutions to the offering we already have in the markets that we are active in? And that's an element that firmly fits within our K-12 focus. And that could also then be this constant question around, what do you do yourself?

**Rob Kolkman**

President and CEO | Sanoma

Where do you actually benefit from doing an acquisition? And where do you partner? Partnerships come into play there as well, like we also highlighted in the capital markets there, for example, in Spain. We have one or two good partnerships there. We will continue to look at that as well. So several aspects.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

Yeah. And maybe to highlight still that the potential M&A impact is not included in our current financial targets.

**Rob Kolkman**

President and CEO | Sanoma

Correct.

**Kaisa Uurasmaa**

Head of Investor Relations and Sustainability | Sanoma

If no further questions, the chat is now also emptied. We start to conclude the presentation. As a reminder, we will publish our annual report end of March. Then the Q1 results will be published 7th of May on the same day as we will be hosting our Annual General Meeting. With that, thank you all for active participation. Please be in touch afterwards to us at IR with any further questions and wishing you a great day. Thank you.