

Q1 2022 Interim Report:

Solid start to the year

Susan Duinhoven, President & CEO
Alex Green, CFO



Q1 2022:

Solid start to the year

Net sales

211m€

(2021: 210)

Comparable net sales growth

1%

(2021: 3%)

Operational EBIT excl. PPA

-10m€

(2021: -10)

Free cash flow

-39m€

(2021: -48)

Net debt / Adj. EBITDA

2.6

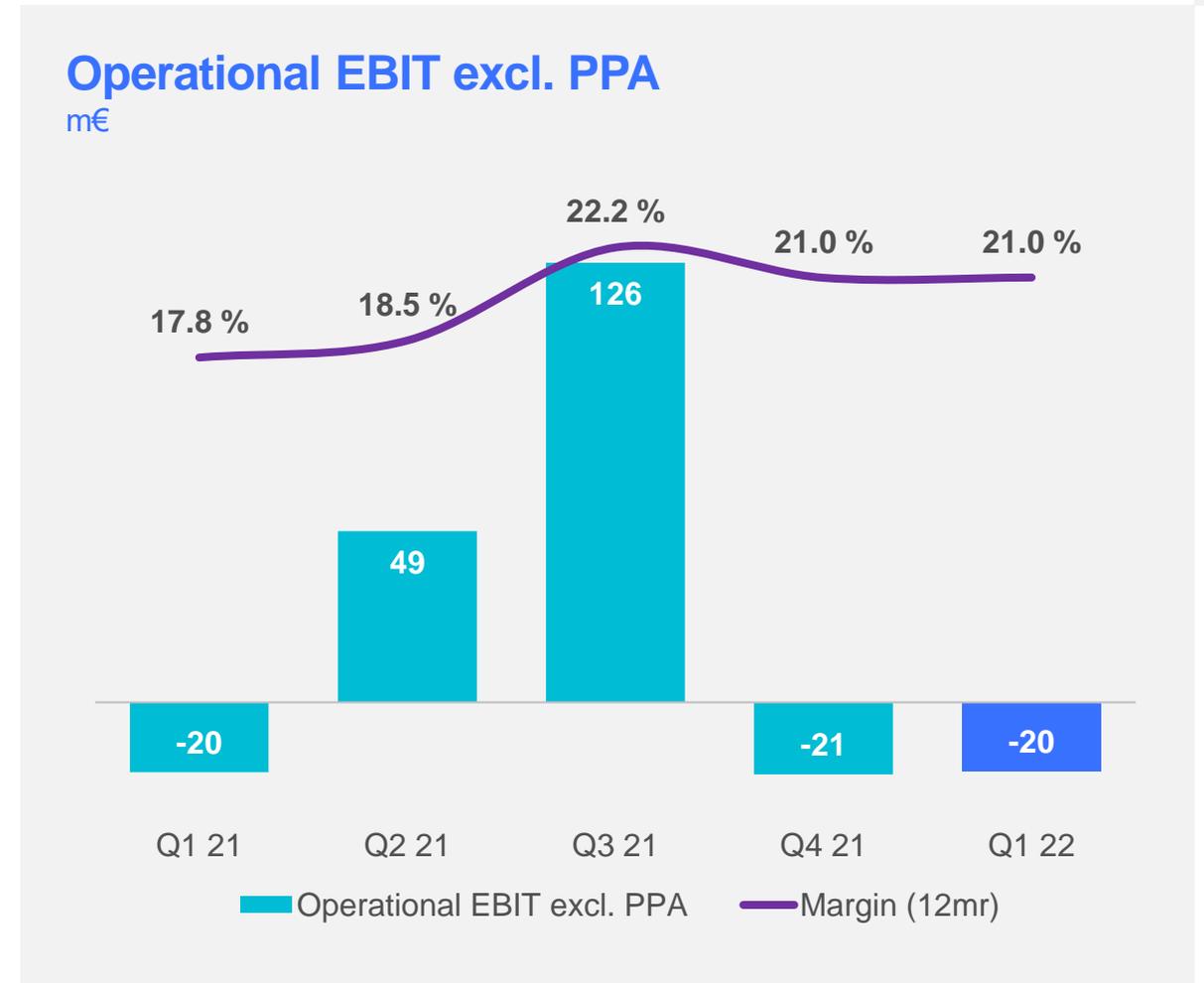
(2021: 2.8)

- The Group's net sales were at the previous year's level in both businesses
- Operational EBIT excl. PPA remained stable and was negative in line with the typical seasonality in Learning
- Free cash flow improved while being seasonally negative
- Leverage improved to 2.6 being well below our long-term target of <3.0
- Outlook for 2022 remains unchanged



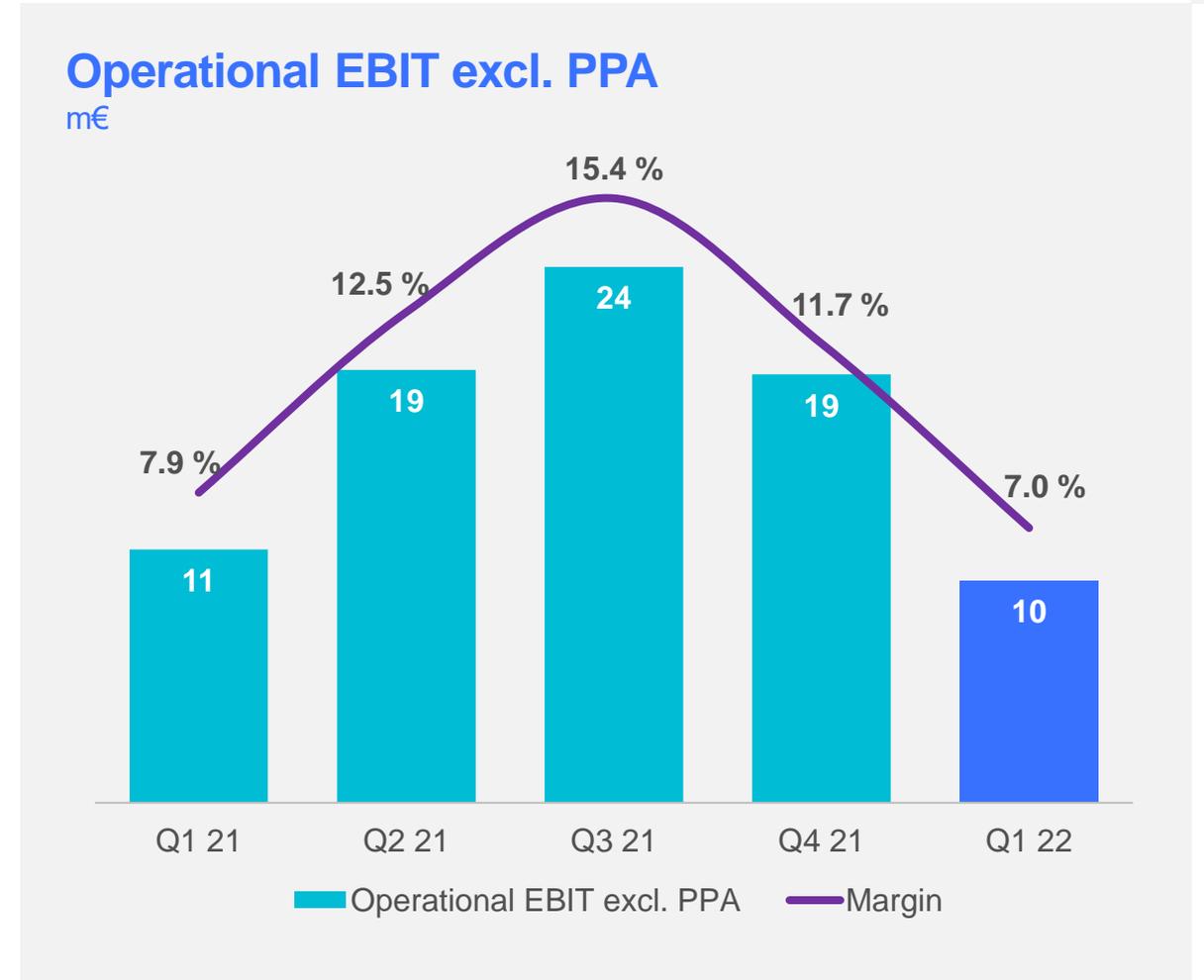
Good performance in a seasonally small quarter

- Net sales were 69m€ (2021: 68)
 - Net sales grew in the Netherlands and Finland, where increasing digital sales is recognised throughout the year
- Operational EBIT excl. PPA was stable at -20m€ (2021: -20)
 - Marketing and other fixed expenses increased in Spain ahead of the new curriculum launch in September, and decreased in Poland where the latest curriculum renewal ended in autumn 2021
- We are well-prepared for the high season during the second and in particular third quarter across the business
 - In Spain we currently expect 12 out of 17 regions to implement the new curriculum in 2022 – representing slightly more than half of the total market volume in 2022–23



Stable quarter in a changing operating environment

- Net sales remained stable at 142m€ (2021: 142)
 - Total subscription sales declined slightly partially due to normalising corona-driven growth and distribution issues, while the number of digital subscriptions continued to grow
 - Advertising sales were stable, supported by growth in digital and radio while TV was slightly lower
 - The war in Ukraine had a delay on advertising demand in March; full year advertising market expected to be stable vs. 2021
- Operational EBIT excl. PPA declined slightly to 10m€ (2021: 11)
 - Somewhat higher personnel and pension costs
 - Increasing paper costs as expected
- Ticket sales for the first full summer event season post-corona are successfully underway



Together with our employees, we support the people in Ukraine – the war has a limited impact on the business

- We are shocked and appalled by the Russian invasion in Ukraine and we stand with the Ukrainian people
- Overall, the war has so far had a limited impact on our business
 - We have discontinued sourcing paper from Russia – complementary supply mainly from Central Europe
 - We expect only some indirect impacts on operating costs and customer demand
- Sanoma and our employees made donations to the Red Cross to support the humanitarian aid to Ukraine
- Through our businesses we are supporting in different ways e.g.
 - In Poland, intensive support and communication activities for teachers, students and schools
 - itslearning digital learning platform translated to Ukrainian and Russian
 - All digital news about the war in Ukraine free for all readers
 - Helsingin Sanomat publishes online news in Russian together with Dagens Nyheter (Sweden) and Politiken (Denmark)



Outlook for 2022 (unchanged)

- In 2022, Sanoma expects that the Group's reported net sales will be 1.25–1.30bn€ (2021: 1.25).
- The Group's operational EBIT margin excluding PPA is expected to be between 15–16% (2021: 15.8%).

Regarding the operating environment Sanoma expects that:

- The continuing coronavirus pandemic will not have a significant impact on its businesses.
- The advertising market in Finland will be stable.



Financials

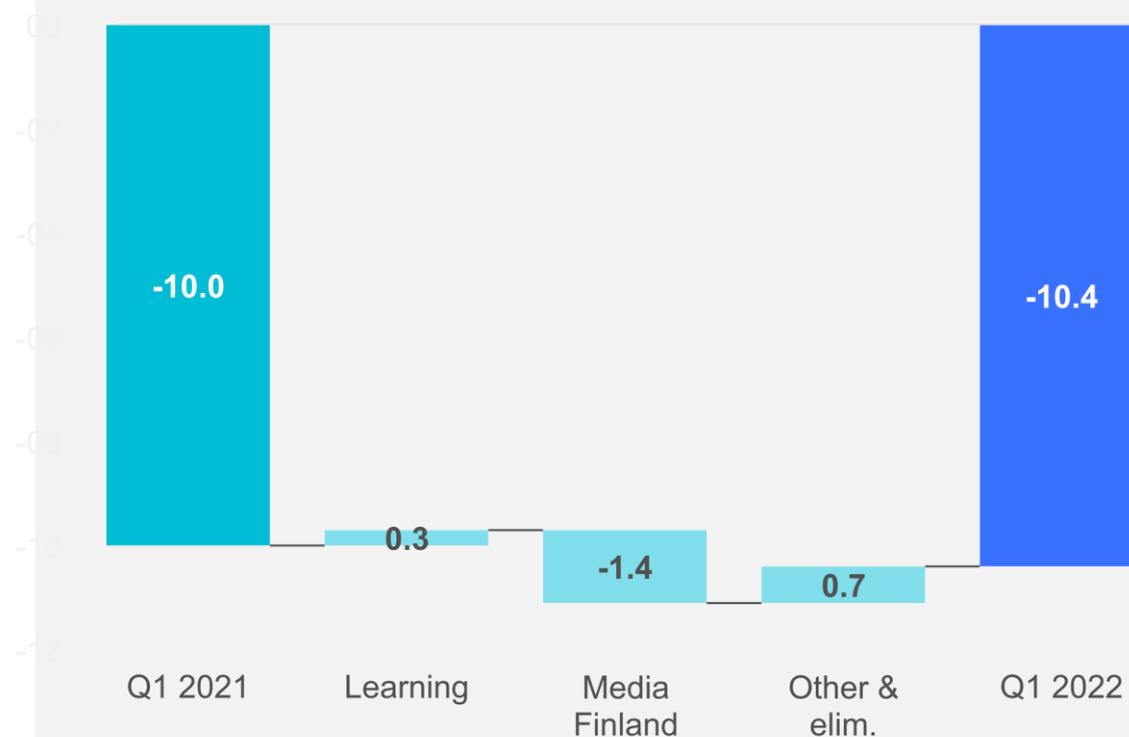


Solid overall profitability development during the quarter

Learning	<ul style="list-style-type: none"> + Lower marketing expenses in Poland – Higher marketing expenses in Spain
Media Finland	<ul style="list-style-type: none"> + Lower TV production costs due to phasing – Increasing paper and printing costs – Somewhat higher personnel and pension costs
Other & elim.	<ul style="list-style-type: none"> + Decrease in personnel costs largely due to lower LTI provisions + Lower technology costs due to phasing between quarters <p>➤ For Other & eliminations, FY 2022 expected to remain stable vs. 2021</p>

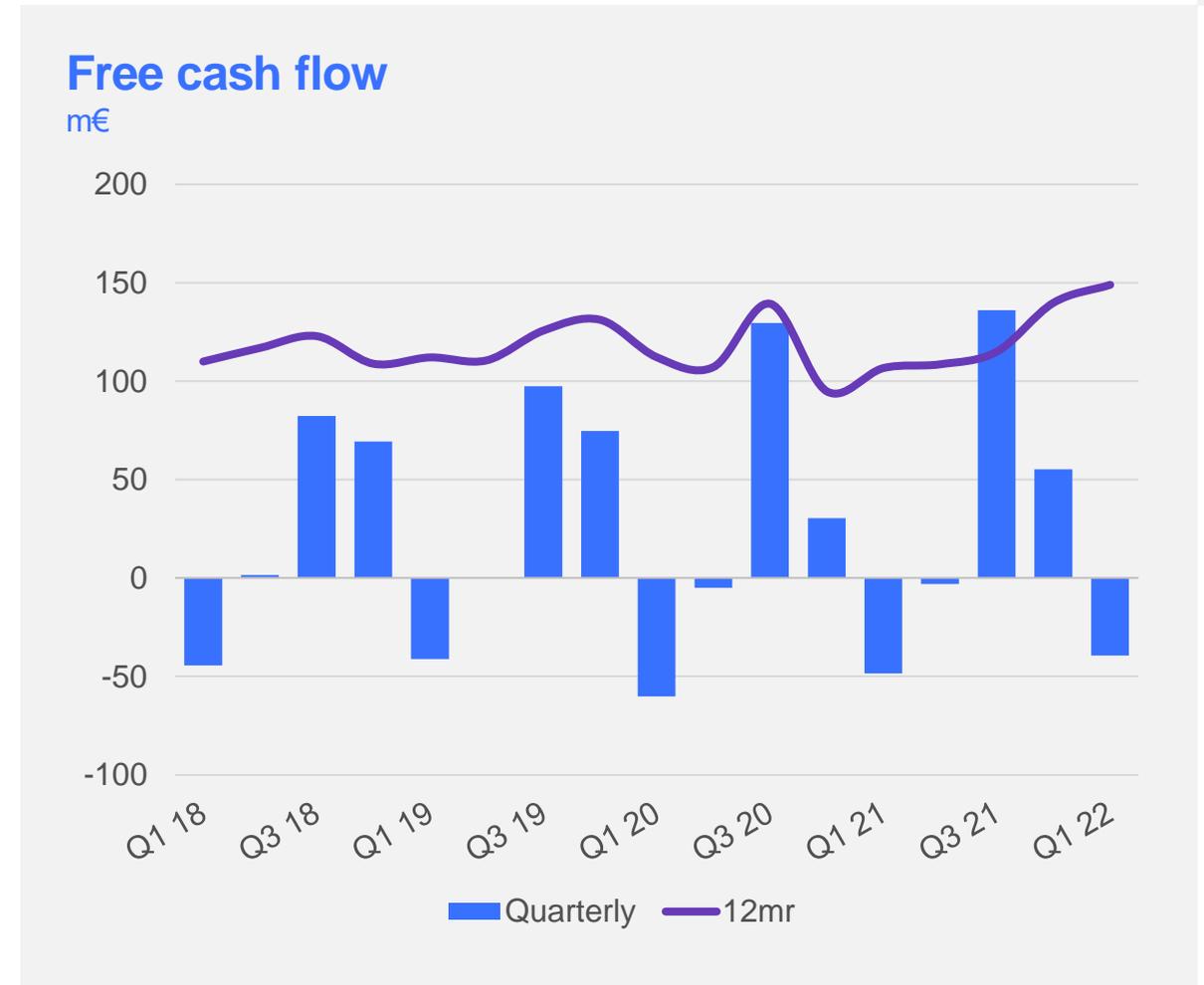
Operational EBIT excl. PPA Q1 22 vs. Q1 21

m€



Free cash flow improved while being seasonally negative

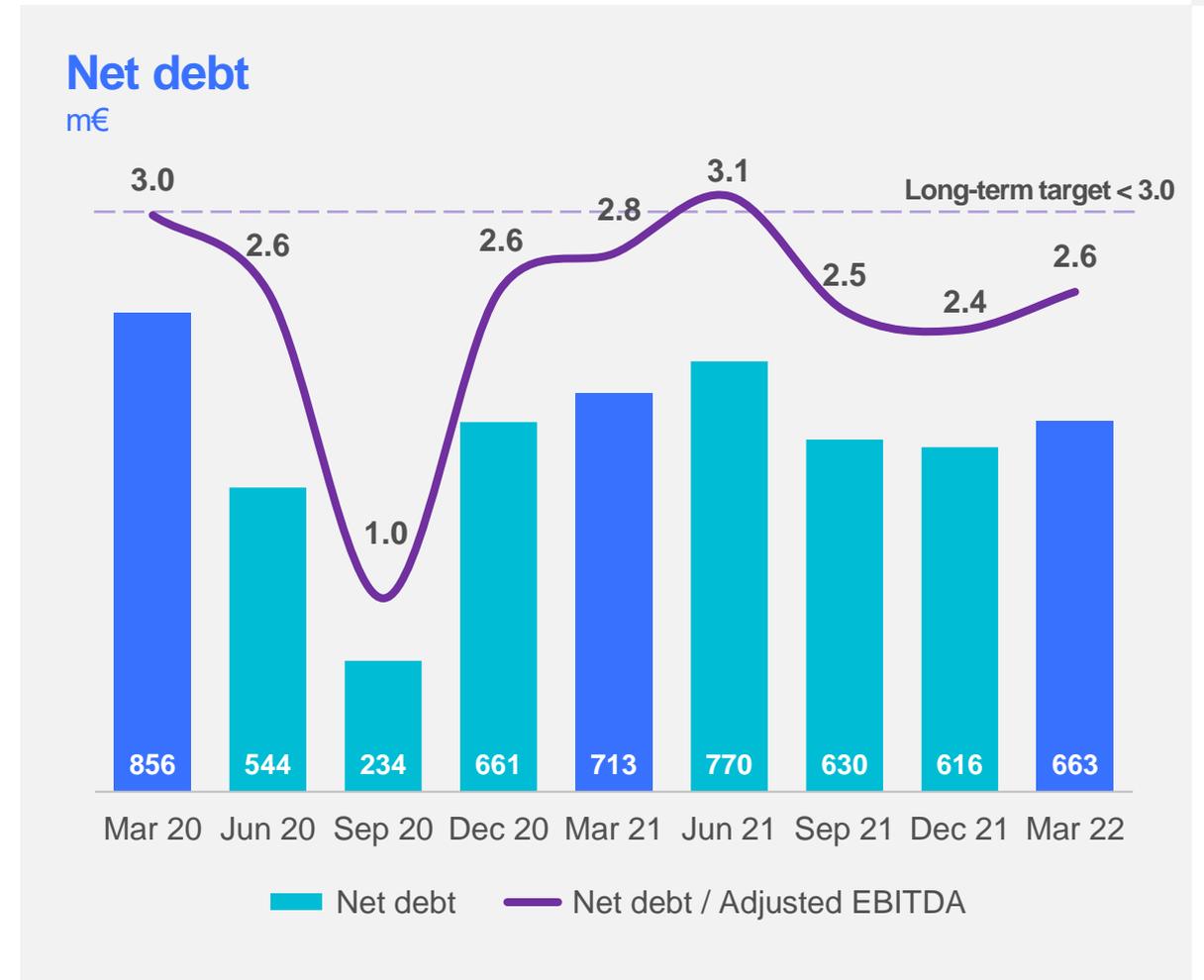
- Free cash flow improved to -39m€ (2021: -48) while being negative due to typical seasonality of the business
 - + Lower working capital in Media Finland
 - + Positive income taxes
 - Higher capital expenditure
- 12-month rolling free cash flow continued to improve to 149m€ (2021: 107)
- First instalment of the dividend for 2021, 0.27€/share, was paid in April. The second instalment of 0.27€/share will be paid in November



Free cash flow = Cash flow from operations less capital expenditure

Healthy balance sheet with headroom for M&A

- Net debt / Adj. EBITDA was 2.6 (2021: 2.8), well below our long-term target of <3.0
- Interest-bearing net debt decreased by 7% to 663m€ (2021: 713)
- Equity ratio was 39.3% (2021: 37.9%), well within our long-term target level of 35-45%
- Net financial items were -3m€ (2021: -4)





Save the
Date

Deep-dive: Leveraging digital learning

9 June 2022

Virtual presentation and roundtable discussion with Rob Kolkman (CEO, Sanoma Learning) and Alex Green (CFO, Sanoma Group)

Financial reporting in 2022

Half-Year Report 2022

27 July

Interim Report Q3 2022

27 October

Q&A



Appendix



Sanoma in 2021

 NET SALES
1,252m€

 NON-PRINT SALES
53%

 OPERATIONAL EBIT MARGIN
15.8%

 PERSONNEL
over **5,000**

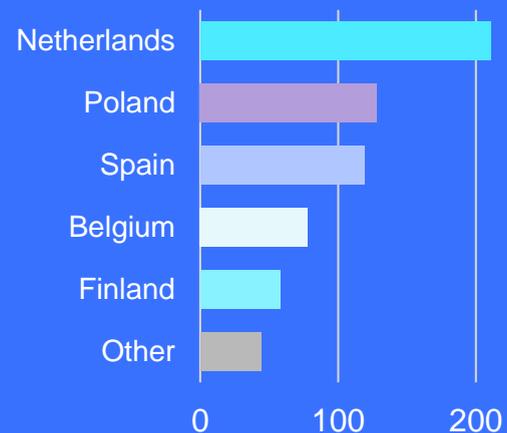
Learning

Net sales **637m€**

Non-print **57%**

Margin **21.0%**

NET SALES



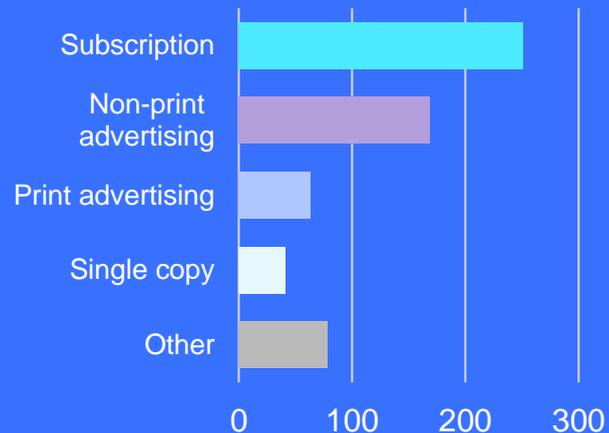
Media Finland

Net sales **615m€**

Non-print **49%**

Margin **11.9%**

NET SALES



Group key figures Q1 2022

m€	Q1 2022	Q1 2021
Net sales	210.6	210.1
Operational EBITDA	28.8	30.7
margin	13.7%	14.6%
Operational EBIT excl. PPA	-10.4	-10.0
margin	-4.9%	-4.8%
EBIT	-22.0	-23.8
Result for the period	-18.3	-24.4
Free cash flow	-39.3	-48.4
Equity ratio	39.3%	37.9%
Net debt	663.0	713.4
Net debt / Adj. EBITDA	2.6	2.8
Operational EPS, €	-0.10	-0.12
EPS, €	-0.11	-0.15

	Q1 2022	Q1 2021
Average number of employees (FTE)	4,826	4,845
Number of employees at the end of the period (FTE)	4,852	4,853

All income statement related figures cover Continuing operations only. Balance sheet and cash flow figures cover also Discontinued operations.

Learning: Quarterly key figures

m€	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21
Net sales	69.3	88.5	331.6	149.0	68.2
Operational EBITDA	-1.3	3.0	144.9	66.0	-0.9
Operational EBIT excl. PPA	-19.7	-20.6	125.6	48.9	-20.0
margin	-28.4%	-23.3%	37.9%	32.8%	-29.3%
IACs	-1.0	-4.4	-4.3	-0.9	-1.6
PPAs	-7.0	-6.6	-9.2	-9.3	-7.2
EBIT	-27.7	-31.6	112.2	38.7	-28.7
Capital expenditure	8.9	9.7	7.7	8.2	8.0
Average number of employees (FTE)	2,591	2,599	2,601	2,592	2,581

Media Finland: Quarterly key figures

m€	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21
Net sales	141.6	164.1	154.8	154.1	142.2
Operational EBITDA	30.7	41.9	40.9	40.0	32.2
Operational EBIT excl. PPA	9.9	19.1	23.9	19.3	11.3
margin	7.0%	11.7%	15.4%	12.5%	7.9%
IACs	-0.6	-1.7	-0.8	-1.5	-2.1
PPAs	-1.8	-1.7	-1.7	-1.7	-1.7
EBIT	7.5	15.7	21.3	16.1	7.5
Capital expenditure	1.1	1.1	1.2	1.0	1.5
Average number of employees (FTE)	2,099	2,072	2,090	2,082	2,056

Finnish advertising market development

Finnish measured media advertising markets

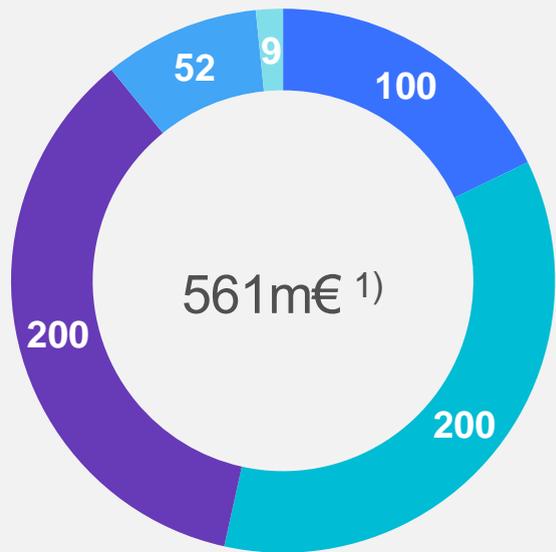
	Q1 22	FY 20	Q4 20	Q3 20	Q2 20	Q1 20
Newspapers	0%	3%	2%	0%	36%	-14%
Magazines	-14%	-4%	-5%	-4%	11%	-16%
TV	-2%	9%	0%	4%	43%	-3%
Radio	16%	18%	21%	12%	47%	-7%
Online (excl. search and social media)	12%	18%	13%	14%	43%	6%
Total market	7%	10%	7%	7%	43%	-9%

Source: Kantar TNS, Media Advertising Trends, March 2021

External debt portfolio on 31 March 2022

External debt structure ¹⁾

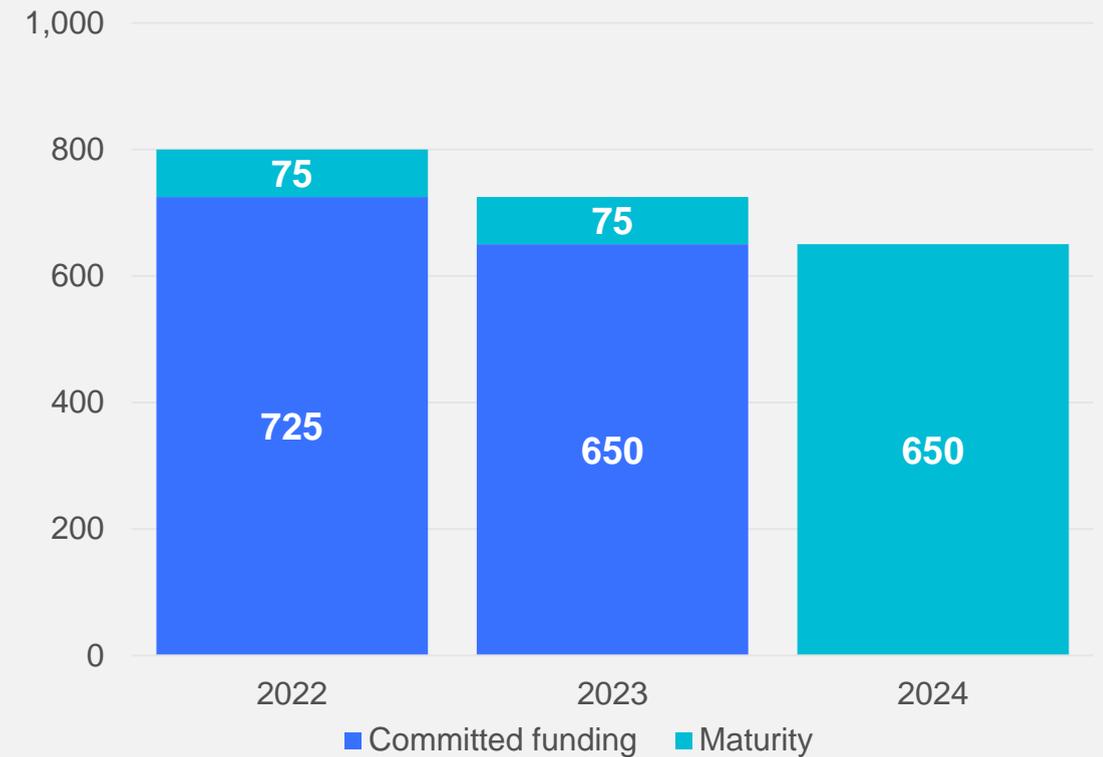
m€, 31 Mar 2022



- Term loan 2019
- Term loan 2020
- Bond
- Commercial papers
- Other loans

Maturity profile 2022–2024

m€, 31 Mar 2022



¹⁾ Excl. IFRS 16 liabilities

Largest shareholders

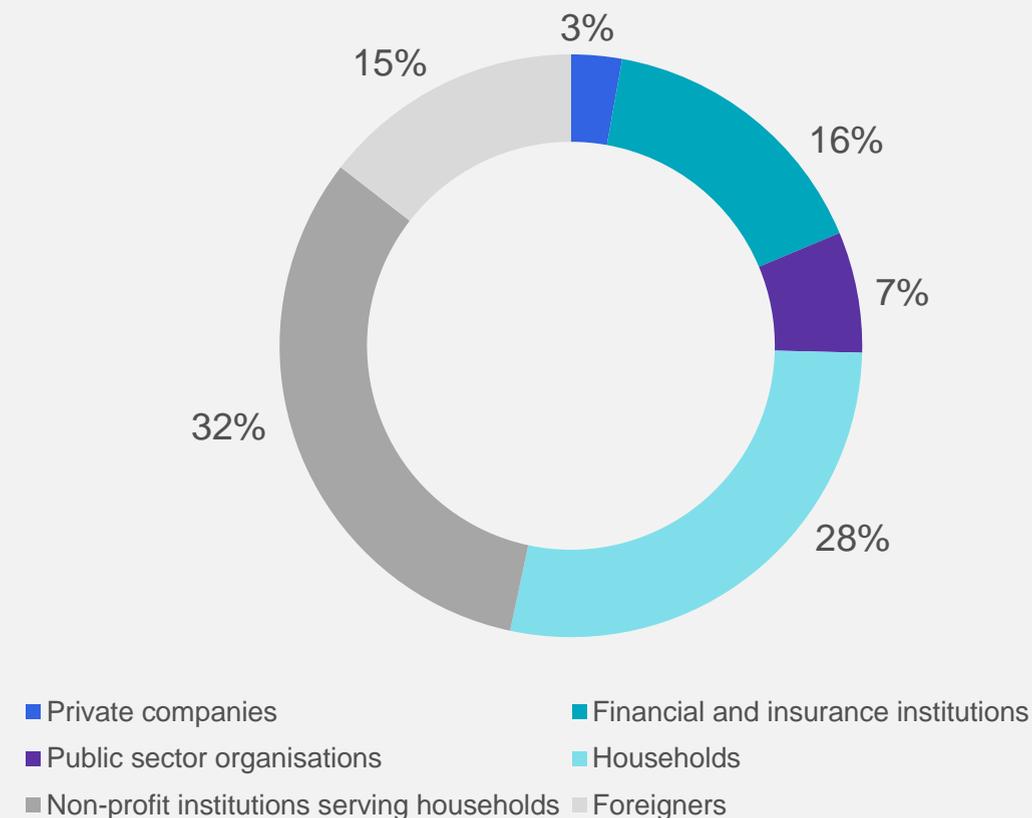
31 March 2022

Largest shareholders

Shareholders	Number of shares	% of shares
1. Jane and Aatos Erkko Foundation	39,820,286	24.4
2. Antti Herlin Holding Manutas Oy: 12.10%, personal: 0.02%	19,816,800	12.1
3. Langenskiöld Robin	12,273,371	7.5
4. Seppälä Rafaela	10,273,370	6.3
5. Helsingin Sanomat Foundation	4,701,570	2.9
6. Ilmarinen Mutual Pension Insurance Company	4,514,800	2.8
7. Varma Mutual Pension Insurance Company	2,792,136	1.7
8. Noyer Alex	1,903,965	1.2
9. Aubouin Lorna	1,852,470	1.1
10. The State Pension Fund	1,760,000	1.1
10 largest shareholders, total	99,708,768	61.0
Foreign holding *	19,770,991	12.1
Other shareholders	44,085,904	27.0
Total number of shares	163,565,663	100.0
Total number of shareholders	23,642	

* Including only nominee registered shares

Holding by sector



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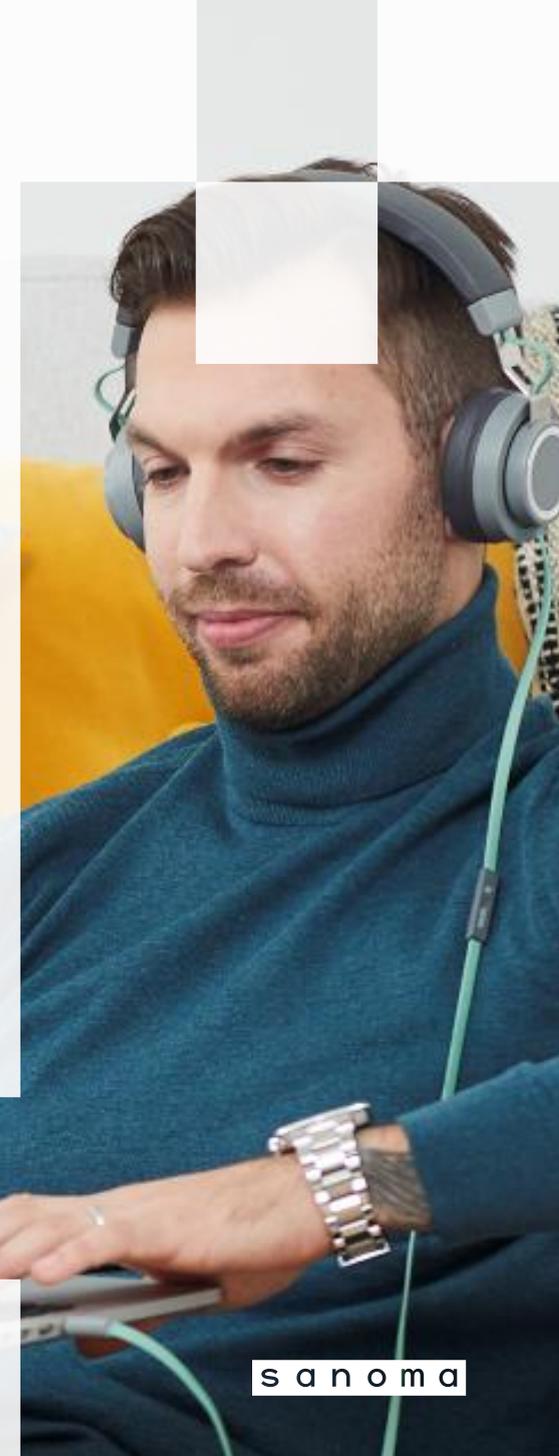
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