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PRESENTATION

Kaisa Uurasmaa

Good morning, ladies and gentlemen and welcome to Sanoma's 2021 full-year results presentation. My name is Kaisa Uurasmaa. I'm Head of Investor Relations and Sustainability at Sanoma. And today we have President and CEO, Susan Duinhoven, and CFO and COO, Markus Holm presenting the results.

After the presentation, we will host a Q&A session. We will first take questions from the telephone line and then you can also use the chat function in the webcast platform. So, we take those questions after the questions from the telephone.

And this event will be recorded, and the recording will be available on our website soon after the event.

We had a strong year last year and now I'm happy to hand over to Susan to tell you more about it. Please.

Susan Duinhoven

Thank you, Kaisa, and also from my end, a warm welcome to this full-year 2021 results presentation. And as Kaisa already said, we had a strong year. Good growth, both in sales and in profitability in both our businesses. And if we look at the sales and we see now €1.25 billion sales, 18% up from last year. And what we're particularly pleased with is that 7% of that growth was comparable sales growth.

So, all in all, operational EBIT improved with 26%, €197 million in total for the year. That brought the operational EBIT margin, excluding PPA to 15.8%, 1.1 percentage point up from last year. And then the free cash flow, of course, followed that good result, improved to €140 million - €45 million up. And that was the overall EBITDA improvements that created that cash - comparable sales growth, and of course also the Santillana acquisition. That cash inflow reduced our leverage and our net debt over EBITDA declined to 2.4 and is now well below our long-term target of below three.

The Board therefore proposes a dividend of €0.54, which is €0.02 up from the €0.52 of 2021.

The outlook for 2022. The Group reported net sales will be between €1.25 and €1.3 billion and our operational EBIT margin excluding PPA is expected to be between 15% and 16%.

But if we then look at the qualitative progress that we have made during 2021, we're also very pleased. We see that the integration of the recently acquired businesses took, of course, quite a bit of our focus in this year, and both the integration of Santillana in Spain, but also the regional news business in Finland went very well. And the regional news integration is now finalised, and we have achieved there the full synergy potential that we had estimated. So, even slightly over €13 million.

But also, the digitalisation in our business continued during 2021 and that supports our overall business transformation. In Learning, we see the positive impact of the increased usage of our digital platforms and our digital content. We see that especially in the Netherlands, and in itslearning having its positive effect on both the sales and the EBIT results.



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In Media Finland we see a continued solid growth of our digital subscriptions both in news and in entertainment. And we're particularly pleased with the growth of 21% in our digital advertising, which truly converts both the subscription and the advertising business more and more into digital business.

But you will also remember that last year we published our updated sustainability strategy in March, and we committed to the science-based targets, the emission reduction targets, and we undersigned the UN Global Compact. And that resulted then in the second half of the year in significant improvements in our key ESG ratings. And, for example, the CDP rating score improved from the D last year to a B this year.

But all in all, also the organisation and the overall business showed very strong resilience in the second year of the pandemic. We showed strong growth in sales and earnings, even though the events business was still significantly impacted in Finland by the Corona restrictions.

But I'm particularly proud and want to thank all our teams across all the countries very much for their resilience in coping with these difficult circumstances and creating such a good business result throughout the business. We see that the employee engagement is still at a high level, even though it's a little bit lower than in the in the peak year in 2020, but still well below the European average. So, proud of the teams and proud to be part of that.

If we now go in a bit more detail in the two of the businesses. So, starting with Learning. If we look at Learning, we saw organic growth 7% above our long-term target and the Santillana acquisition both contributing to that strong sales growth - 28% up from last year, now well above the €600 million with €637 million in total.

And the growth was both in our material business and in our digital platform business. Learning material businesses grew in all the markets but the strongest and most prominent growth was in Poland and in the Netherlands. In Poland, it was the last year of the curriculum reform that gave an absolute boost, and we know that this was the last year of that set of curriculum reforms that the Polish market has experienced. So, 2022 will be a significantly lower market, but then to pick up again in 2023 with the new grades being reformed.

In the Netherlands we see a continued support in the shift to the subscription model, so that supports both our sales and our profitability in that business, and we were also helped with increased spending in the Dutch market. That was specifically focused on 2021 and especially in primary education, quite strong. So there, in order to help students recover from the delays and the school closures, schools spent some extra on material. In both markets we saw market share growth being supportive, not only, of course, of 2021, but also of the years to come.

If we look then at the digital learning platform business, there we saw specifically itslearning very good growth from new customers, especially in the German market. And there we had of course a bit of a benefit from the digital education that was now needed during the pandemic period.

So, all in all, strong organic and acquisition growth in Learning, then also leading to a 40% growth in operational EBIT, excluding PPA. So, €134 million in profitability coming from those two same sources and majority of the improvement coming from the acquisition of Santillana in Spain, but then also supported by strong organic growth.

And the margin then increased with 1.8 percentage points to a 21% margin. And if you look at the curve, you really see the development over the last years of our Learning business. Strong revenue growth coming from both acquisitions and



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organic growth, where the organic growth in 2020 and 2021 was already on the high end and now even over our long-term target, but also the profitability with 21% already approaching the 23% that we see as a realistic long-term target. And of course in Learning, that goes with ups and downs, depending on the acquisitions, but also depending on the curriculum.

So, if we then go to Media Finland. There, solid net sales growth. 9% in total, bringing it above €600 million and then organic growth of 7%. And that organic growth came again also from the growth in subscription sales. Helsingin Sanomat subscriptions 1% growth year-on-year is the fifth year in a row that the number of subscribers increases and already over 70% of the HS subscribers generate digital revenues.

But not only news. Also on the entertainment side, subscriptions increasing with Ruutu+, our video on-demand platform, that grew 15% last year and now landed at the year end around 320,000 subscribers in total.

The advertising sales recovered from the 2020 Corona year and grew 7% year-on-year but is still 5% below the 2019 level. We're particularly enthusiastic about the growth in the digital advertising. 21% growth there is truly strong, and it now outweighs the decline in print advertising. And that is at the end of 2021, for example, we saw in our news business that the digital advertising sales is already larger than the print advertising. So, becoming truly a digital company also in media.

If we then look at the events business, that was one of the businesses that was impacted by the pandemic. We saw the net sales coming to €14 million, which was of course significantly up from last year but still well below half of the 2019 level. And we did not see any profit contribution from that business. The sales growth then also resulted in earnings improvement, and the EBIT grew with 10% to €74 million. Margin stable at 11.9%, already very close to our long-term target's lower limit. The earnings improvement as the sales driven by the rebound in the advertising, and the continued increase in subscription sales.

There were also some offsetting costs, and that was typically the higher personnel costs, and that was more due to the low comparable year of 2020, where we halved the bonus provisions, and the pension was delayed in the Finnish market - the pension payments. So that created a low 2020 against which 2021 showed a higher personnel cost.

The paper cost increased slightly in the fourth quarter but there, due to longer-term contracts, still very modest impact, but there we expect significantly higher costs during 2022. If you look at the picture, the graph clearly shows, I think, a remarkable stable business - even with two years of a pandemic - sales now being well above €600 million and a profitability that is already close to the long-term financial target. So, the increased digitalisation in that business further helping the media business along.

And this is a moment where I really would like to thank the media team in Finland for an exceptional performance to create such a stable business.

The Board then proposes a dividend of €0.54 following this good result, which is €0.02 up from last year – the €0.52 per share – and it represents in total a payout of €88 million. And the yield of 4% when we take the stock price at the end of 2021. In order to accommodate the usual seasonality in our cash flow in the business, we pay the dividends typically in two parts. €0.27 will be paid on April 20th with a record date of April 11th, and then a €0.27 in November with a record date that is going to be decided in the October board meeting.



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The dividend policy is unchanged. Sanoma aims to pay an increasing dividend equal to 40% to 60% of the annual free cash flow.

And if we then look to 2022 and look at the outlook that we have in place, we see another good year in front of us and we expect Group reported net sales to be between €1.25 billion and €1.3 billion. The Group's operational EBIT margin, excluding PPA, is expected to be between 15% and 16%.

And when we then look at our operational environment, we think that the continuing Coronavirus pandemic will not have a significant impact on our business. And we expect the advertising market in Finland to be rather stable.

If I then give a bit more colour to that 2022 outlook and our expectation for another good year. We expect to have solid performance again and we have a very strong pipeline of acquisition opportunities that we think will materialise.

If we look into the learning market, there we see curriculum changes, as always in learning. In Spain we expect to see a growth in revenue due to the curriculum change that will start in 2022. The split between 2022 and 2023 is still uncertain and will remain a bit uncertain probably till the summer period.

But there we also need to take into the back of our minds that the first year of a curriculum change typically also goes with marketing and sales costs. So, the full profitability of that business will come more towards 2023. However, the increase in sales in Spain we expect to be able to compensate the logical decline that we will see in the Polish market. After heavy years of market growth, the Polish market will decline significantly.

If we then look at the Finnish media business and the advertising marketing in particular, we will think that that market shows continued strength as it did in 2021. And for our own performance, we think that our digital advertising will continue to grow strongly and the fact that the print advertising is only 25% of our total advertising base means that the regular decline that you see in print will be less impactful on our overall result.

If we look at raw materials, we see that the cost will increase. Paper and printing costs between the two businesses are expected to increase by about €10 million, equally split between the learning and the media business. This will have only a temporary margin impact because over time we will be able to translate the higher costs into our pricing. And of course, this higher cost base is already included in our outlook that I just mentioned.

We will this year also make some investments and some further investments into our digital platforms and harmonising those platforms, but also in adapting our offices to the new ways of working in the different territories to enable people to come back to the office in a safe environment and with hybrid working.

But all in all, we think strong year 2022, a strong pipeline of acquisition opportunities, and therefore we keep our long-term targets very much unchanged, and we target in Learning 2% to 5% comparable growth and over 23% operational EBIT margin, excluding PPA. And we think that is very realistic. The Media Finland business - stable revenues and a slight increase still in operational EBIT margin in the longer term of 12% to 14%.

Now, in December we also announced that Alex Green is appointed as the new CFO for Sanoma, and Alex will start with us on the 1st of March. And he will be, as usual, responsible for all the Group's finance functions. And he joins us from eBay, where he worked since 2013 as the overall CFO for the Classifieds Group. We're very grateful to Markus Holm for



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the last five years of excellent performance and growth in the company. And we're also very happy that he will be with us still the summertime to make sure that there is a solid and complete hand-over to Alex Green.

And with this I would like then to hand over to Markus for his last quarterly result presentation. Markus.

Markus Holm

Thank you very much, Susan. It's been a truly exciting journey this past five years that I'm happy and proud to have been part of. And I'm really confident that this successful journey will continue as well. Also, a warm welcome to Alex Green.

Let's then have a look at the earnings for 2021. We had a strong earnings growth that was driven by solid organic net sales growth and also the acquisitions in both businesses. If we look at Learning, we saw a €38 million improvement in operational EBIT, excluding PPA, explained by mainly the acquisition of Santillana, but also organic growth across main markets, in particular Poland and Netherlands.

Media Finland, we saw a €6.9 million improvement in EBIT and there as a positive the growth in B2B, and also the acquisition of the regional news media business in April 2020.

The overall operational expenses normalised so that was a negative impact. Also the fact that personnel costs, especially due to the lower bonus provisions and pension payments in 2020, has also normalised, so that was a negative in the year. And then we saw no profit contribution of the events business compared to then the positive impact that we had in 2020 of the insurance compensation received. And as a small negative also the divestment of Oikotie that we did in July 2020.

In Other, there we had a negative €4.3 million impact and that was mainly due to a low level in 2020, when we had reversals of bonus provisions, lower pension payments and similar.

Looking then at free cash flow, that improved significantly in 2021 from €95 million to €140 million. And the operational impact you can see here, improved EBITDA in both Learning and Media Finland, a solid free cash flow contribution of Santillana, and then as a negative, of course, higher taxes with the improving results. We had also a non-operational impact and there as you may remember the negative free cash flow of the divested Media Netherlands business in the comparison period, that is a positive impact now than when we compare of some €22 million. And then the prepayment of the VAT claim related to magazine distribution for 2015-2018 period; that was a negative €21 million. So those more or less offset each other.

As we've said before, the group's free cash flow will be adjusted for dividend calculation purposes by the €21 million related to the prepayment of VAT claim.

Then I want to give you a bit of flavour on 2022 and what to expect also from a free cash flow perspective. And if we start with the EBITDA. Of course, we see a good underlying EBITDA development there. But as Susan mentioned earlier, we have some pressures in the raw material costs, that is paper and print costs, where we see a roughly €10 million impact split 50/50 between the businesses in rough terms. So, that negative impact there until we then see a catching up in terms of higher pricing and so forth.



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Then we have - also in 2020 - in the cash flow a positive impact that we had that a significant prepayment of VAT in 2021. But on the other hand, we have then significantly higher investments in digital platforms and office adaptation of roughly the same size – some €20 million in total. And then due to higher results, also somewhat higher taxes. So, overall we expect the 2022 free cash flow to decline slightly.

Leverage continued to improve. Net debt to adjusted EBITDA was 2.4 compared to 2.6 the year before. Equity ratio at 40.6 compared to 37.4 in the comparison period. And the net financial expenses in the quarter, we had a positive €1 million impact due to a change in fair value of a liability related to earlier acquisition in Learning. And if we look on the full year, the net financial expenses were stable at €9 million with average interest rate of a good 1.1%. And the amount of external loans somewhat higher compared to 2020.

As we've said before, we have a good €300 million to €400 million headroom for M&A and intend to use that to grow our K12 learning business.

And we see a strong progress towards our long-term financial targets. If you look on the leverage target, equity ratio and the dividend, they're all within the ranges that we have set. And in terms of profitability, also in Learning, a good development towards our long-term target of 23%. Media Finland at 11.9%, now already close to the 12% to 14% EBIT target.

Finally, just a reminder of our financial reporting in 2022. The Annual Report will be published on week nine and our AGM will be held on Thursday 7th of April. That concludes my part. Thank you very much.

Kaisa Uurasmaa

Thank you, Markus. Thank you, Susan. We will now start the Q&A session. And before I hand over to the telephone line, I would like to remind you that you can also use the chat function in the webcast. Operator, please.



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Q&A

Operator

Thank you. If you have a question for the speakers, please press 01 on your telephone keypad. Please press 02 to withdraw your question. Please hold until we have the first question.

The first question is from Panu Laitinmäki from Danske Bank. Your line is now open. Please go ahead.

Panu Laitinmäki

Yes, hi, thank you. I have three questions. Firstly, on the guidance in terms of Learning. So, just to understand what to expect. Should we kind of expect that Learning's EBIT will decline this year if you have a flat organic sales, losing high margin in sales in Poland, and then gaining a bit lower margin in Spain? And then you have the €5 million headwind from the paper costs this year. So, what is the kind of outlook for Learning's EBIT?

Markus Holm

The EBIT in say absolute Euro terms, fairly stable. Of course there is the underlying effect of the raw material costs there and with somewhat higher sales, we see the margin slightly down.

Panu Laitinmäki

Right, thanks. Then, secondly, on the subscription sales in Media Finland, revenue was down 1% in Q4, which is like the first negative development in two years. So, it's kind of thinking about the long-term outlook. How should we think about this line? Is it growing? Are you kind of getting the – are the growing parts offsetting the decline in the newspapers and magazines or how do you see the kind of growth trajectory in 22 and beyond?

Susan Duinhoven

Yeah, I think there, I would say looking at quarterly trends is a little bit dangerous in that sense. So, I don't think you should take from one quarter. You can better take for the total year effect and what you then for example see is that on the subscription level, the very steep growth that we had in 2020, for example, that has become a bit more modest, so Helsingin Sanomat - 1% growth, Ruutu 15% growth. So, those spikes, let's say, that were very much in the peak of the Corona pandemic, those have now come down, but a very stable modestly growing business is what you need to look at.



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Panu Laitinmäki

All right. Thanks. And the final question is on M&A; you again have a quite strong balance sheet and you have indicated you are looking for like acquisitions in Learning. I understand it's difficult to comment on these things, but is there anything you can say about the pipeline? Like is it more likely to see a bigger move or more like a larger number of smaller deals and how soon should we expect something to happen or any comments there?

Susan Duinhoven

You already gave the answer. That is of course impossible for me to comment on apart from saying that in the last year we have of course focused on the integration. We're very happy that those integrations go well because that is what creates, of course, the value also from these acquisitions, and that we have now also been able to prepare for the next acquisitions for the full year. So that's where we're saying, "Solid pipeline, keep watching this channel."

Panu Laitinmäki

All right, thank you.

Operator

The next question is from Sami Sarkamies from Nordea. Your line is now open. Please go ahead.

Sami Sarkamies

Hi, thanks. I have several questions, starting from the costs. You are expecting a €10 million increase in printing and paper costs. And you were making the point that this is a temporary headwind. I think in Learning, you will be able to compensate this with price increases going into '23. But how will you be able to compensate this at Media Finland?

Susan Duinhoven

Yeah, I think also in Media Finland we'll need to look at price increases, so I think those things are going to be looking and seeing how much of that cost increase will sustain, how much of that margin pressure will then be able to come back through pricing. And this is where we are constantly adapting prices in all our products, and this will be done on a regular basis. So all we're saying is the cost increases that will be there; in the start, we will not be able to compensate everything, and then over time, we will.



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Sami Sarkamies

Okay. And then moving on to the extra investments you mentioned on digital platforms. Can you please elaborate on whether these are related to Learning or Media Finland and give a ballpark estimate on their cost impact during this year?

Susan Duinhoven

Yeah, we see this as investments, so as CapEx. So, that's where we categorise this as cash flow impact and not as profit impact. The investments, they will be both in Media Finland and in Learning. So, in Learning a lot is about continuously developing our platforms, but also harmonising because with the acquisitions of the last couple of years, we have, of course, also duplicating platforms that now need to be modularised and then integrated. So that is a sizable project.

But also in Media Finland, our consumer-facing and our editorial systems and applications constantly need updating, for example, also on the subscription management side. So, those platform integrations and improvements, both businesses will be impacted as also both businesses will be impacted from, again, a cash flow perspective by the office renovations and adaptations.

Sami Sarkamies

Okay, that's very clear. Then moving on to your guidance. If we look at your guidance relative to the initial guidance for last year, you're providing a more narrow top line guidance range while you continue with a similar wide margin range. Can you explain why there seems to be such big uncertainty on the cost level?

Susan Duinhoven

No, I don't think that there is a particular wide range. I mean, the one percentage point is typically how we guide. We have, of course, advertising sales throughout the year as we indicate in our expectations on the environment that always contribute very highly. The incremental contribution from advertising sales adds very strongly to the profitability. So this is, for us, not an unusual range.

We have considered narrowing now the range, at least on the sales side, because we think that the impacts of the Corona pandemic will no longer be there. So, even if the pandemic itself might still continue or linger on, we don't think that it will have a sizeable impact on our business anymore, and that is the reason to reduce the range on the top line.

Sami Sarkamies

Okay. And then finally, on the outlook for Media Finland. I think you're saying that you're assuming a stable advertising media market this year. Does it mean that you're not assuming any growth? Because I think that last year the market was still 8% below the 2019 level.



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Susan Duinhoven

Yes, you're right. That is our assumption. Our assumption is stable and that, in our terminology, that means plus or minus 2%. So, that's our assumption. We think that some of the segments might really grow and also need much more advertising. So, some industry segments. But we also assume that some of the industries might be hampered the coming year by supply chain shortage or personnel shortage, and that is what makes us cautious on the overall full-year estimation of the stability of the market.

Sami Sarkamies

Okay. And then I would still have one question on the margin outlook for Media Finland. I think you already answered the question regarding Learning. But I mean, if you look at the sort of parameters, it's maybe a bit hard to see Media Finland margins down this year as you will be able to benefit from high margin events revenues and there's still remaining synergies from the regional media acquisition. So is it safe to assume that Media Finland should be in a position to grow margin this year?

Susan Duinhoven

Yeah, we leave those mathematics - let's say, we leave that to you. We typically guide on a Group level, not on a BU level. We do indicate that also the other category will be more stable at the level of the 2021. So I think then you'll have all the ingredients in place to do that math. But of course the variation in the margin and the variation in the sales gives some room there. But I think the overall is both businesses had a strong year in 2021 and we expect that to continue in 2022.

Sami Sarkamies

Okay, thanks. I don't have any further questions.

Operator

And the next question is from Maria Wikström, SEB. Your line is now open. Please go ahead.

Maria Wikström

Thank you. This is Maria from SEB. Most of my questions were actually already answered, but I have a few ones here. And talking about the paper and printing cost inflation. And I think a lot of the sector companies are saying that you, as a buyer, want and also the seller want to move to shorter contracts, and previously you always had a longer-term contract. So, little bit curious here if the contract structure has moved now lately, that if - I mean that prices would go down, would you benefit from that? Or do you still have these long contract structures that you are basically fixed with this pricing that it is at the moment?



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Susan Duinhoven

The contract lengths have not changed that much, I must say, in the last years; they're typically six to nine months. Depends a little bit on the moment, but that has not changed. And of course, sellers of paper and pulp put out messages in the market to signal their wishes. But it has not changed in recent years, and we also don't see it changing now.

Maria Wikström

Very clear, thank you. And then the other question. I think we talked about that a little bit. I mean, you invest in the digital platforms and I'm kind of curious on the Media Finland side that now when we had a like very quick pick-up in digitalisation during the pandemic that if you have discovered like new types of synergy savings, I mean, now when you have a bigger portfolio of newspapers, both, I mean regional and domestic.

Susan Duinhoven

Yeah, absolutely. I mean, that is a big part of those synergies that I indicated that we have achieved is bringing all the papers on the similar platforms, and then the benefit of that is also that every development that you then make, be it in the subscription part of the platform, or in the, let's say, publication part of the platform or the editorial, it immediately applies to all the titles. So, that's the beauty that we have with the scale.

The same applies in Learning. When you make one change in Bingel, it can immediately be used in all the countries. So, in the digital platforms we see the core of the benefit of scale.

Maria Wikström

Perfect. And then maybe one more on the cost side and what kind of personnel cost inflation you are looking for for 22.

Susan Duinhoven

Yeah, we're of course - the general trend in the market is that the high inflation or higher than the past years' inflation in general will translate itself also on the personnel side and we will, of course, be fair there as an employer. And at the same time we need to be also fair to our customers, who will also not have endless amounts of budget to buy our product. So, that's the balancing act I think that every company nowadays will be faced with. And that is, of course, a little bit different than we had in the past years where there was, at least in the general economic environment, hardly any inflation.

Maria Wikström

Perfect, and then the final question. You sold one of your printing mills just recently. Is there any divestment that we should expect now during this year?



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Susan Duinhoven

No, the printing plant I would say is really a minor operational adjustment because in that printing plant, both our companies were already printing, so it was really a small switch in ownership. We still are going to be printed there. So, I would not consider that anything material and when we would consider divesting something then you will hear it, of course, at the appropriate time, but we are very happy with the portfolio of businesses and assets that we have at this moment in time.

Maria Wikström

Perfect, thank you. This is all from me today.

Operator

And the next question is from Pia Rosqvist from Carnegie. Your line is now open. Please go ahead.

Pia Rosqvist

Yes, hello, it's Pia from Carnegie. I've got two questions relating to Learning. First of all, in Spain we've seen that the business is very Q3-tilted and I'm now just looking forward and trying to grasp when we can see a change or when we will learn how the Spanish business then develops during 2022. So, do you expect it to be more Q3-tilted and that we don't see much of an effect yet in Q2?

Susan Duinhoven

Yeah, I definitely don't expect any significant effect to be seen in Q1 and Q2. Definitely not on the revenue side. Back to school - irrespective of curriculum - the back to school in Spain is in September, so that's the moment where we can do the revenues. And given the fact that the Spanish market is still very print-oriented and not very digital, there is not very much deferred revenues during the year. So, it will be just like every other year in Spain; very much Q3 and sometimes even a little bit Q4-oriented pattern.

Pia Rosqvist

Okay, good, that's clear. Thank you. Then still in Learning, can you give us an update on how your subscription-related sales in Learning has developed during 2021? So, where are we in various countries and how has particularly then the Netherlands developed, which has the highest digitalisation rate?



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Susan Duinhoven

Yes, that's a very good question. And in the Q3 report we already indicated - because the Dutch market was then already visible - that in the Dutch market we're now above 60% in subscription revenues out of the total revenues. So progression there step by step doing very well.

In the other markets you still see that digitalisation is the first step that needs to happen. So, take the Polish or the Spanish market; if digitalisation is only 3% or 4%, you cannot expect in the coming years a lot of subscription sales. So where you start seeing now a bit is in Finland, where you see a bit is in Sweden, but that's about it. So you need to have the highly digitalised countries, and then once it is truly digital and people are buying more of a digital licence than a book in their mind, then the subscription is the natural next step. So, in that sense, good progress, specifically in the Netherlands. Introduction now into Finland, but these are truly longer-term trends.

Pia Rosqvist

Okay. Thanks. And then finally can you assess what your market share is now at the end of the 2021 in your market?

Susan Duinhoven

Yeah, that is - on a market-by-market basis - I must say, not ready for publication. And with that I mean is, this is largely also sales estimate-based. In some countries, like the Netherlands, there are systems where most of the publishers provide all their data to an independent body who then also publishes, let's say, the market shares. So, on a country-by-country basis and in some countries more prominent than in others, the fact that we feel certain enough to claim that in the Netherlands and Poland we have grown market share is that we-- the increase is prominent enough for us to be able to say it like this. But to publish individual numbers, I would not feel comfortable with.

Pia Rosqvist

Okay, that's clear. Thank you, that's all from me.

Operator

And there are no further questions on the telephone line.

Kaisa Uurasmaa

Okay, thank you, Operator. And we have a few questions from Patrick Gostowski from Inderes via the chat. The first one I would like to ask for Markus. "What kind of earnings impacts do we expect from the festival business if Corona will not impact the number of festivals?"



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Markus Holm

Yes, without any Corona impacts of the festivals, we see then a normal year where the magnitude on EBIT is some 5 million to 6 million in the festivals business. So that is roughly when we last year then had almost zero EBIT.

Kaisa Uurasmaa

And that impact is already included in our outlook.

Markus Holm

That is assumed in the outlook, yes.

Kaisa Uurasmaa

Thank you, Markus. And then about advertising, maybe Susan. "How do we foresee the advertising market development split between digital and print?"

Susan Duinhoven

We expect that if we look at the trends in the market, that that will follow very much the trends of the last couple of years, so digital increasing and print advertising decreasing.

Kaisa Uurasmaa

Okay. And then continuing from there, "Do we expect the decline in print to offset the growth in digital advertising and therefore we see a stable market development or how do you see that?"

Susan Duinhoven

Yeah, I think for the compensation of digital and print, there I'm specifically talking about our own business. When we look at the market as a whole, then of course the TV and the radio businesses are large components as well. So, we expect that the overall market is stable and within our own business, we expect the decline of print to be compensated by the increase in digital.

Kaisa Uurasmaa

And there, we already actually have a higher share of digital advertising in news media.



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Susan Duinhoven

Yes, basically.

Kaisa Uurasmaa

Okay. There are no further questions in the chat, so I would like to thank all participants joining this webcast and enjoy the Friday, and we will naturally be available at Investor Relations to continue to discuss and answer further questions if needed. Thank you.

Susan Duinhoven

Thank you.

Markus Holm

Thank you.