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Two focused and leading  
businesses poised for  
further growth

Susan Duinhoven, President & CEO  
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# Two focused and leading businesses poised for further growth

- We continue to grow Sanoma Learning, the leading European K12 learning business
- We are the leading cross-media company in Finland and continue our successful digital transformation
- We have 300-400m€ headroom for M&A and focus on growing our learning business further
- We pay a solid dividend
- Sanoma is a sustainable investment with learning and media having a positive impact on society

# We have accelerated our transformation

≈ 800m€ invested

More than 400m€ new, highly profitable net sales acquired

**Four acquisitions  
in K12 learning  
services in 2019**

Iddink | Itslearning |  
Clickedu | Essener

**Regional news  
media business  
in Finland  
in April 2020**

**Santillana, leading  
provider of K12  
learning content  
in Spain; closed on  
31 December 2020**

**Two focused,  
leading  
businesses  
with solid  
profitability and  
cash flows**

ACQUISITIONS

DIVESTMENTS

**Media  
Netherlands  
in April 2020**

**Online classifieds  
business Oikotie  
in July 2020**

**300-400m€  
headroom for  
M&A**

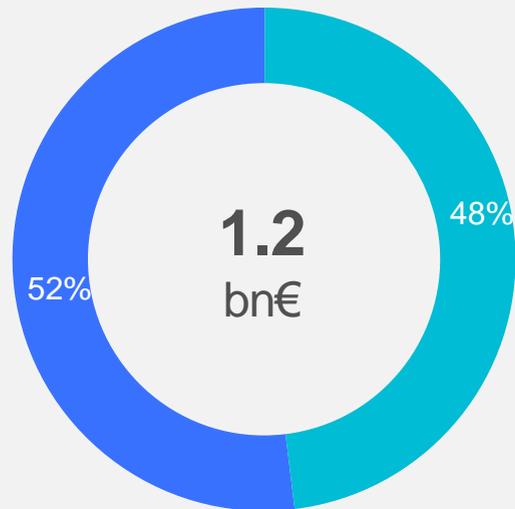
≈ 700m€ divestment proceeds received

≈ 400m€ net sales divested

# Learning is now contributing close to 70% of Group earnings

We have a balanced net sales profile...

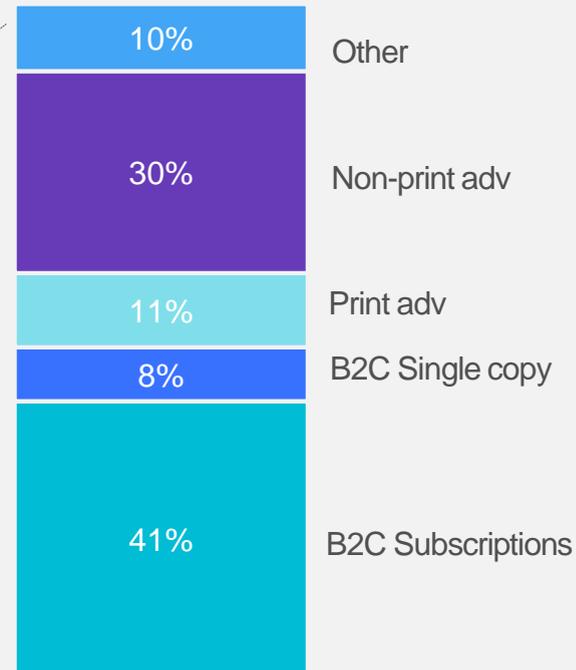
Net sales by SBU



Learning Media Finland

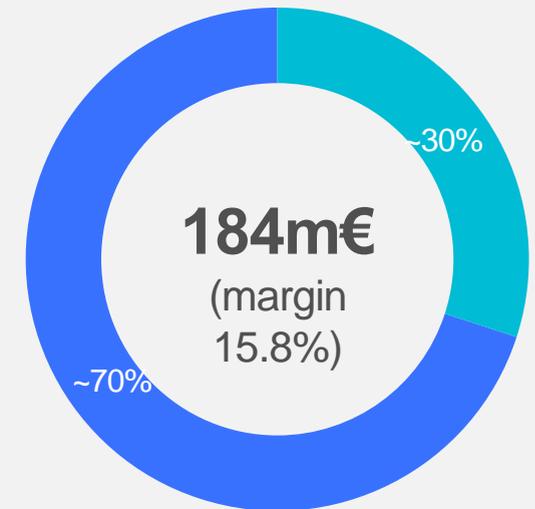
...with B2C about half of media sales

Group net sales by category, %



Learning close to 70% of earnings

Operational EBIT excl. PPA by SBU



Learning Media Finland

Pro forma incl. Santillana Spain as presented in Sanoma's stock exchange release on 8 March 2021

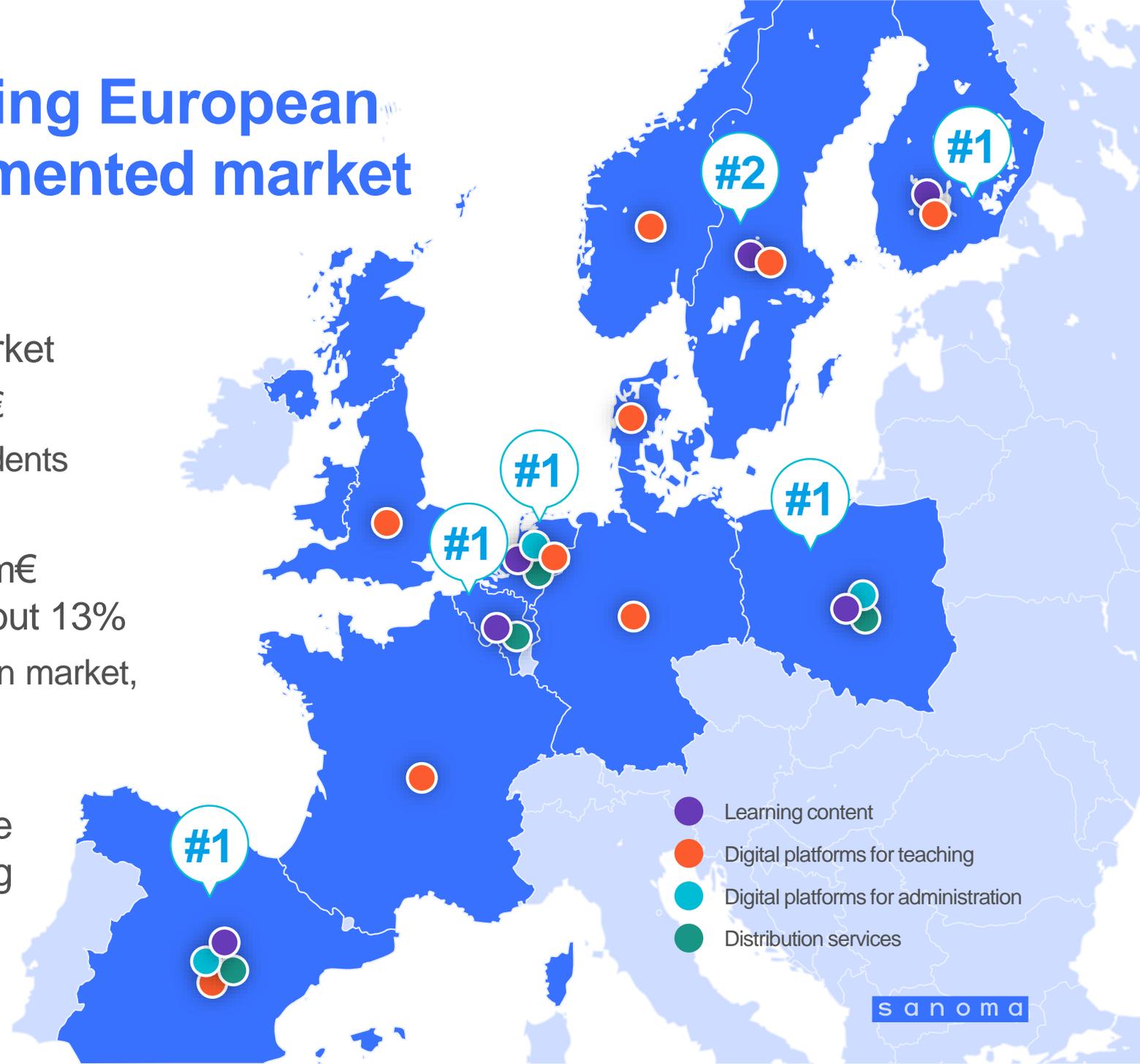
# We continue to grow Sanoma Learning with strong focus on K12 learning services...

- **We focus on growing our K12 learning services**
  - K12 being primary, secondary and vocational education
  - Learning services being blended learning content (print & digital), digital platforms for teaching and administration as well as content distribution
  - High barriers to entry due to local nature of the business
  - Three growth levers: **market share gains, expansion of services and M&A**
- **We share our best-in-class digital platforms and our European footprint gives us unique benefits of scale**
  - Transitioning towards a subscription model
- **Long-term financial targets**
  - Comparable net sales growth 2-5%
  - Operational EBIT margin excl. PPA above 23% over time including the acquisition of Santillana



# ... and we are the leading European player in a highly fragmented market

- European K12 learning services market
  - Fragmented market of approx. 4-5bn€
  - Serving a total of about 75 million students
- Our annual net sales of around 600m€ represent a market share of only about 13%
  - Already leading player in the European market, serving over 20 million students
- Opportunity to increase market share in existing markets and by expanding into new markets



# Strategic levers support our growth ambitions

## Our growth levers

3

**M&A:** enter new geographies in K12 and expand our offering in existing markets

2-5% p.a. organic growth target

2

**Increase value per student** through extending offerings, Classroom as a Service

1

**Grow market share** by continuing to win in local markets

2020

**Long term profitability\* target of above 23%** enables us to continue investing while delivering a solid cashflow

\* Operational EBIT excluding PPA for the whole of Sanoma Learning

# We continue to grow our learning business through M&A

- We have a well-developed pipeline and a good momentum for further acquisitions
  - Focus on European K12 learning services
  - Both learning content and digital platform businesses
  - Entering new geographies and expanding our offering in current markets
- Our leverage target is **below 3.0**
  - Stable and predictable Learning business close to 70% of Group earnings
- Our M&A headroom allows us to participate in the ongoing consolidation in the European K12 learning services market

M&A headroom

**300-400**m€

by end of 2022

# Sanoma is the leading media company in Finland successful in its digital transformation

- **Focused media company with scale**
  - **Focus: News & feature, entertainment and B2B marketing solutions**
  - Highly synergistic, bolt-on acquisitions could be considered
- **Increasing share of consumer income and subscriptions in both news and entertainment**
  - B2C sales now  $\approx$  50% of total net sales ( $\approx$  45% in 2016)
- **Proven track record of a successful digital transformation**
  - Helsingin Sanomat news subscriptions increasing for the 4<sup>th</sup> consecutive year, already above 400,000 – more than 70% generating digital income
  - Ruutu+ Video-on-Demand with more than 300,000 subscriptions
- **Solid performance towards long-term financial targets**
  - Stable comparable net sales growth +/-2%
  - Increasing operational EBIT margin excl. PPA 12-14%



# Solid dividend for our shareholders while growing through M&A

- A dividend of 0.52€ (2019: 0.50) per share is paid for 2020
  - Representing a total of approx. 85m€
- Paid in two parts
  - 0.26€ on 22 April 2021
  - 0.26€ on 4 November 2021

## Dividend policy:

Sanoma aims to pay an increasing dividend, equal to 40–60% of annual free cash flow

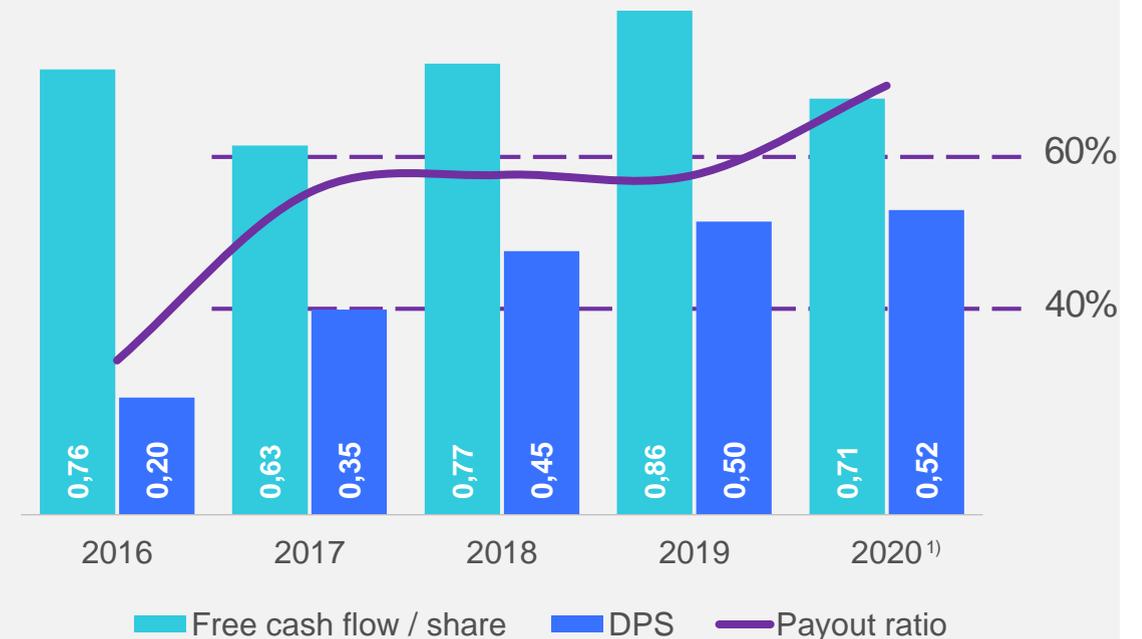
Dividend yield

**3.8%**

as of 31 December 2021

## Dividend per share

€



<sup>1)</sup> FCF excl. free cash flow of the divested Media Netherlands, -22m€

# Sanoma is a sustainable investment with solid ESG performance

MSCI rating

**AA**

Scale AAA – CCC

Sustainalytics risk rating

**9.8**

Scale 0–100,  
lower score = lower risk

CDP score

**B**

Climate Change and Forest  
Scale A – D-

ISS rating

**C**

Scale A – D

## Aligned with UN SDGs

Sustainable Development Goals integrated into our strategy

## Signatory of UN Global Compact

Committed to the Ten Principles of UN Global Compact

## Science Based Targets

Committed to set emission reduction criteria according to SBTi



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Thank You!



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