

s a n o m a

2024

Increased operational EBIT and strong free cash flow improvement

Rob Kolkman
President & CEO

Annual General Meeting 2025





sanoma

We are a leading European K12 learning company & #1 digital cross-media company in Finland...

...and have a positive impact on the lives of millions of people every day

Reaching

96%

of all Finns every week



Serving

25million

students across Europe



FY 2024

Continued progress towards our mid- and long-term targets


Increasing profitability of Learning and Media Finland

Improving cash flow generation

Strengthening the balance sheet

Operational EBIT margin excl. PPA

	2024	Target
Learning	19.2% (18.7%)	> 23% from 2026 onwards
Media Finland	8.2% (6.7%)	12-14%

Group free cash flow	145m€ (105)	
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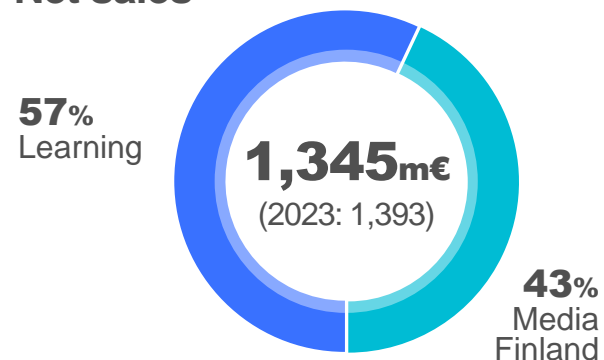
Net debt / Adj. EBITDA	2.2 (2.8)	< 3.0
Equity ratio	45.0% (42.5%)	35-45%

* 2023 data in brackets

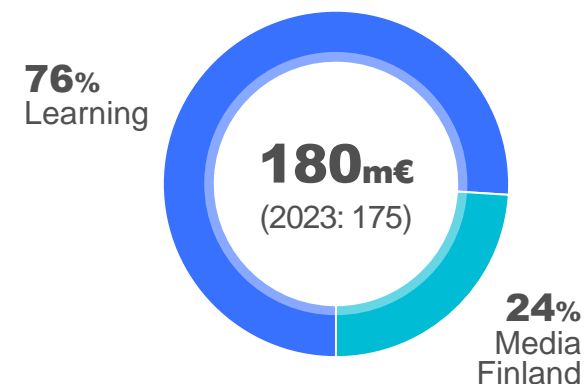


Increased operational EBIT and strong free cash flow improvement

Net sales



Operational EBIT excl.PPA



Organic net sales development

-2%

(2023: 2%)

Operational EBIT margin excl. PPA

13.4%

(2023: 12.6%)

Free cash flow

145m€

(2023: 105)

Net debt / Adj. EBITDA

2.2

(2023: 2.8)

- Net sales declined slightly mainly due to the planned discontinuation of low-value learning material distribution contracts in the Netherlands and Belgium and divestments in both businesses
- Group's operational EBIT excl. PPA improved, higher margins in both businesses
- Strong free cash flow improvement driven by higher EBITDA and lower investments
- Program Solar materially completed, supports reaching Learning's long-term profitability target of 23% in 2026
- Continued progress in deleveraging the balance sheet, leverage improved to 2.2
- The Board is proposing a dividend of 0.39€ (2023: 0.37) to be paid in three equal instalments

Good progress among the key sustainability themes



84% of teachers say that Sanoma's materials support in reaching curriculum objectives

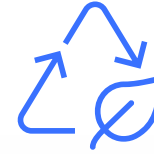
78% of teachers agree that learning materials support their efficiency



53 media brands with an increasingly important role in promoting independent journalism and freedom of expression



The Employee Experience Index remained on a good level at **7.4** (2023: 7.5) and close to our long-term target of ≥ 7.5



-44% reduction in own operations GHG emissions* resulting mainly from transition to renewable energy

-38% reduction in value chain GHG emissions* driven by digital transformation and co-operation with paper and print suppliers

2024 sustainability performance in full is presented in the first **Sustainability Statement** prepared according to the ESRS standards

Lower net sales due to discontinuation of low value contracts, margin improved

- Net sales amounted to 764m€ (2023: 795)
 - Planned discontinuation of low value distribution contracts in the Netherlands and Belgium continued
 - Growth in learning content sales particularly in Poland and the Netherlands offset the impact of lower cycle in Spain
- Operational EBIT excl. PPA amounted to 147m€ (2023: 148), margin improved to 19.2% (2023: 18.7%)
 - Net sales decrease in Spain
 - Lower paper and personnel costs and price increases in other learning content markets supported earnings
 - Divestment of Stark had a minor adverse impact on earnings
- As planned, Program Solar materially completed with first impacts visible in 2024 free cash flow and cost base



Learning content
~79%
of net sales

Continued growth in digital and improved margin

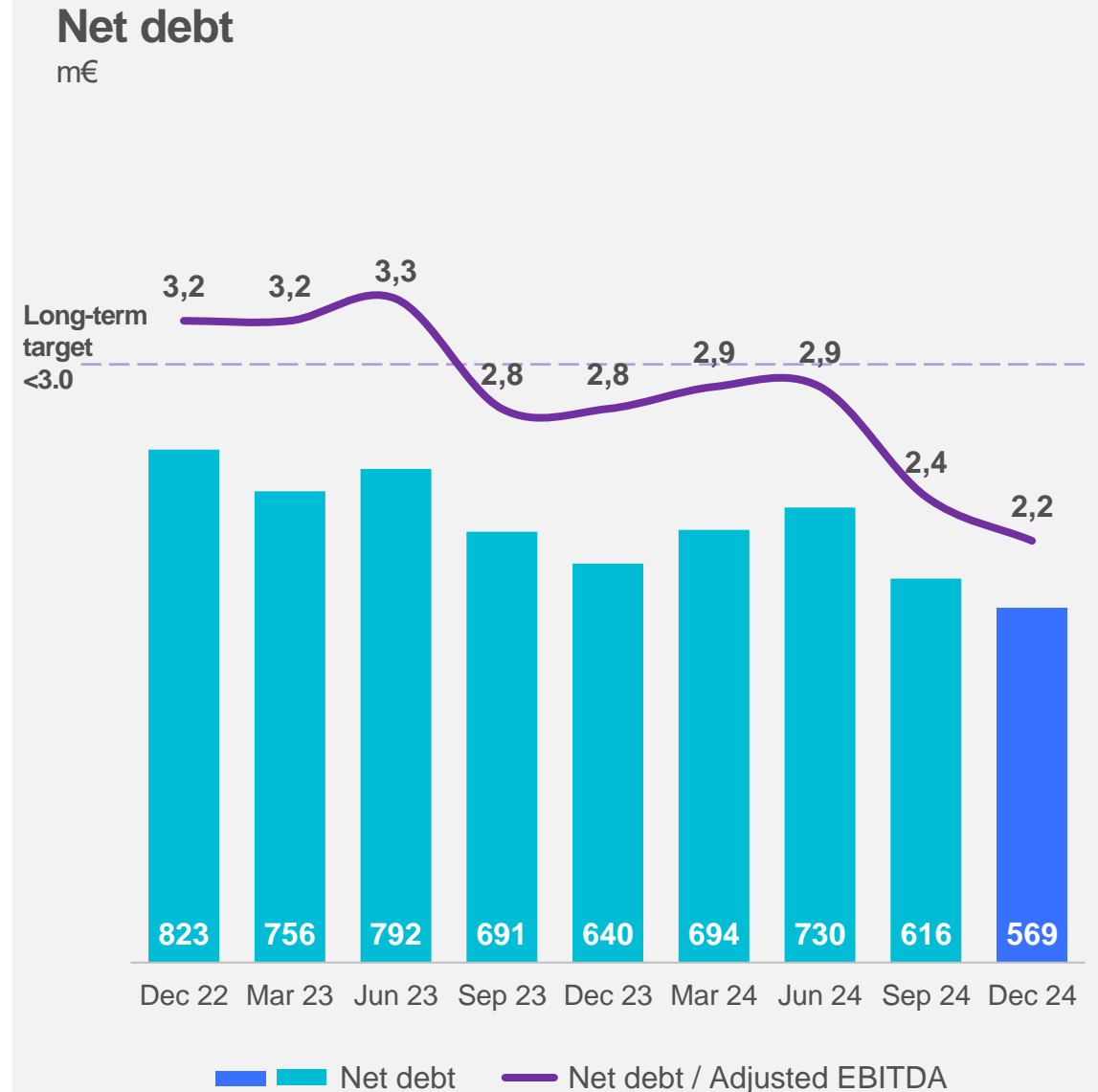
- Net sales amounted to 581m€ (2023: 598)
 - Subscription sales grew by 3% driven by continued growth in VOD and digital news media
 - Advertising sales declined by 2% mostly due to newsprint and TV, while growth in digital continued
 - Portfolio changes* had an impact of -10m€
- Operational EBIT excl. PPA improved to 48m€ (2023:40) and margin to 8.2% (2023: 6.7%)
 - Attributable to continued growth in digital advertising and subscription sales and lower paper and personnel costs

1.4m
subscriptions



Continued progress in deleveraging the balance sheet

- Net debt and leverage significantly lower vs. previous year
 - Net debt / Adj. EBITDA improved to 2.2 (2023: 2.8), below the long-term target of < 3.0
- Equity ratio at 45.0% (2023: 42.5%) within the long-term target range of 35–45%
- Refinancing improved the maturity of external debt
 - Maturity of the 300m€ RCF extended to November 2027
 - 150m€ Social Bond with a maturity of 3 years issued in September

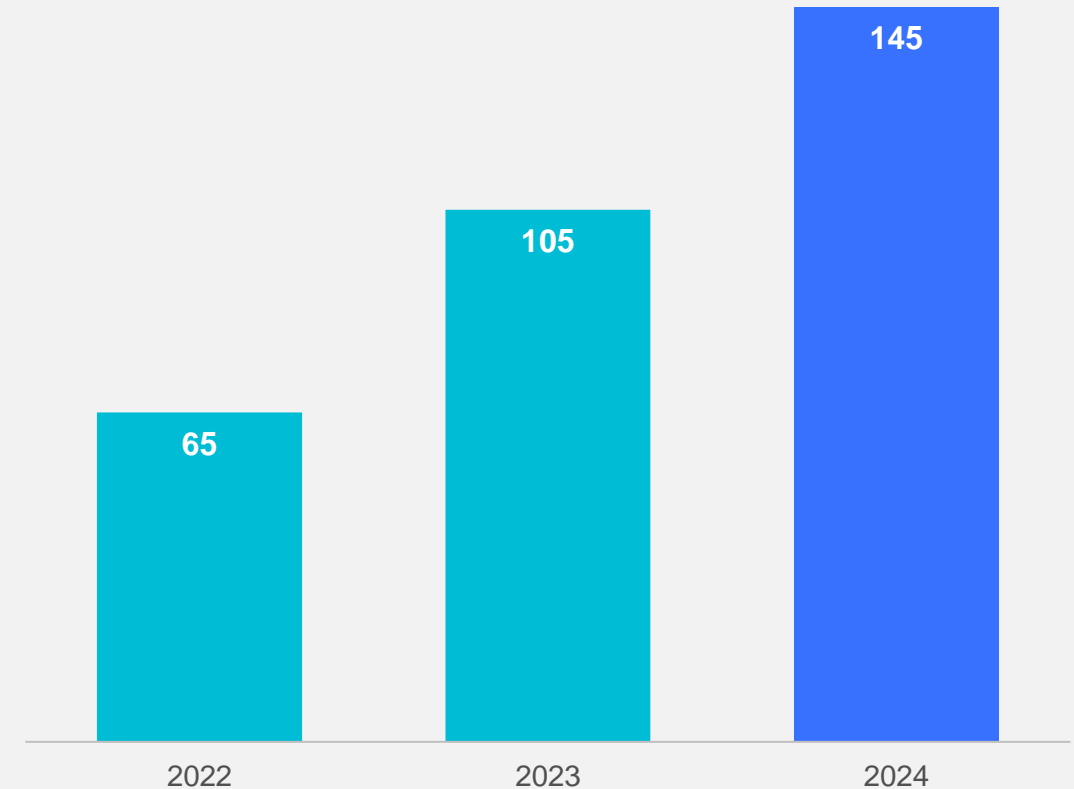


150m€ hybrid bond, issued in March 2023, is booked as equity, and excluded from net debt and net financial items.

Strong free cash flow improvement

- Free cash flow improved to 145m€ (2023: 105) in 2024
 - + Higher operational results
 - + Lower investments in prepublication costs partly driven by Solar
 - + Lower investments in TV programme rights
 - + Lower taxes paid, partially due to phasing between years
 - Higher financing costs
- Free cash flow expected to increase further in 2025

Free cash flow
m€



Free cash flow = Cash flow from operations minus capital expenditure
For 2022, underlying FCF of 65m€ excl. operational cash flow of the acquired Italian and German business and the pre-payment of the VAT claim

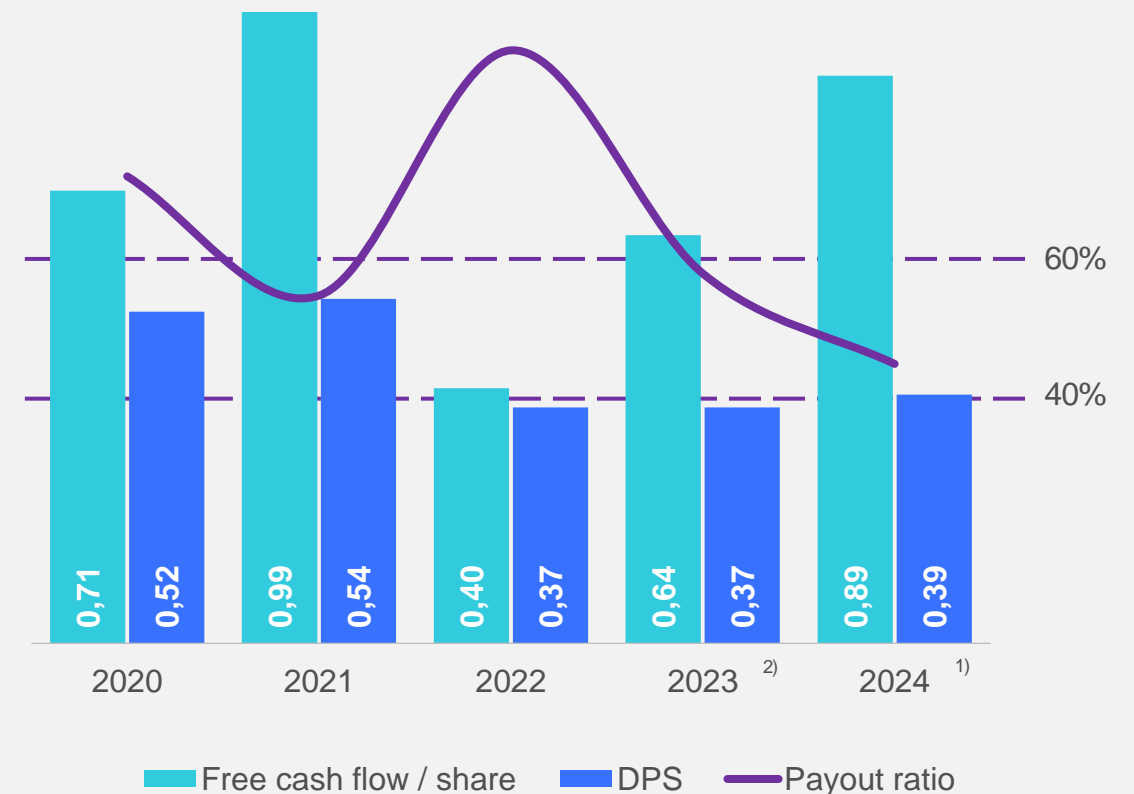
The Board proposes a dividend of 0.39€ per share

- The Board proposes a dividend of 0.39€ (2023: 0.37) per share to be paid for 2024
 - Representing a total of approx. 64m€
 - Pay-out of 44% of FCF
- To be paid in three equal parts following the seasonality in Sanoma's free cash flow
 - 0.13€ on 9 May (record date 2 May)
 - 0.13€ in September (record date tbc early September)
 - 0.13€ in November (record date tbc late October)

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

When proposing a dividend to the AGM, the Board of Directors will look at the general macro-economic environment, Sanoma's current and target capital structure, Sanoma's future business plans and investment needs as well as both previous year's cash flows and expected future cash flows affecting capital structure.

Dividend per share
€



¹⁾ Board's proposal to the AGM

²⁾ Underlying FCF 65m€ excl. operational cash flow of the acquired Italian and German business and the pre-payment of the VAT claim

Responsible use of AI in Media and Learning

Driver for product innovation and productivity

With human oversight following ethical principles, the use of AI can improve the way we create, teach, learn, and work

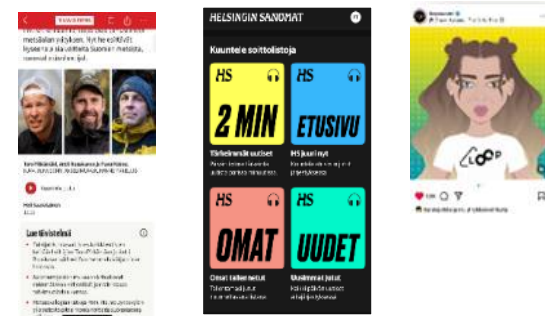
In Learning – to support our teachers and students

- **AI toolkit for teachers:** Create surveys, supportive materials and generate ideas for teaching activities
- **Tutor AI for teachers:** Develop AI prompt skills and support creation of teaching activities and assessment
- **Speech coach for students:** Help students improve pronunciation in a foreign language, personalised feedback, integrated into our methods



In Media – to engage and support media users

- **Personalisation:** AI supported content delivery in news brands
- **AI bots:** Interactive AI assisted journalistic services, customer service chatbot for consumers
- **AI news summaries:** Article summaries reviewed by journalists for a quick overview of the story to readers
- **Audio:** News as audio, local news reports for radio produced and read by AI, first AI-assisted, virtual DJ on the Finnish radio



Internally – to improve work efficiency

- **Generative AI in content creation:** Partnership in Spain to support content creation, translations and optimising workflows
- **GitHub Copilot for engineering:** AI assistance for development teams to improve productivity in coding
- **MS Copilot for employees:** Support efficiency, providing secure assistance with content creation and problem-solving



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Sanoma, a leading K12 learning content provider in the Nordics

Kirsi Harra-Vauhkonen
Managing Director
Sanoma Learning Nordics





We support teachers to help all students reach their full potential

2.3 million students ▪ 200,000 teachers ▪ in Finland and Sweden

With the teachers, for the teachers

- We co-create engaging, curriculum-aligned materials with teachers
- Our learning materials combine the pedagogical expertise of the author teams with technological and design expertise
- Our content creation is customer-centric from start to finish

High
number of
teachers
involved

A photograph of a teacher and a student sitting at a table in a classroom. The teacher, a woman with blonde hair, is smiling and looking at the student. The student, a young woman with long blonde hair and glasses, is also smiling and looking at the teacher. They are both looking at a tablet computer on the table. There are notebooks and pens on the table. The background shows other students and a classroom setting.

94%

of teachers in Finland and Sweden believe that a balanced approach including both print and digital leads to best learning outcomes

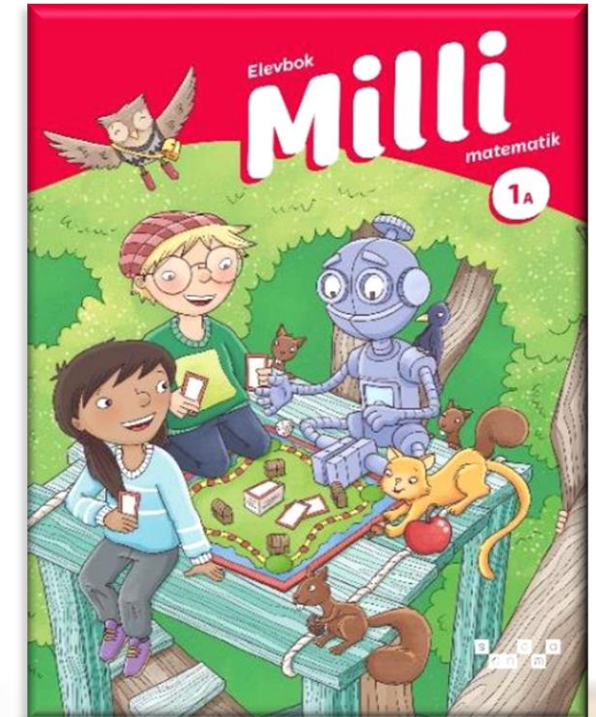
The most successful math book in Finland – now also in Sweden

- Engaging characters and story inspire and support learning
- Videos, songs, and animations support teaching
- Hands-on activities to support learning
- Empowers every student to discover their unique learning style
- New assessment solutions, goal discussions, and self-assessment

2018 Finland



2024 Sweden

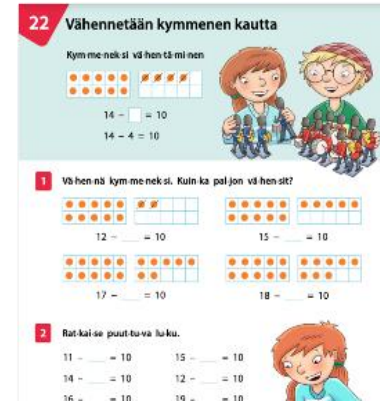


Localisation
based on
Swedish
curriculum
and teaching
culture

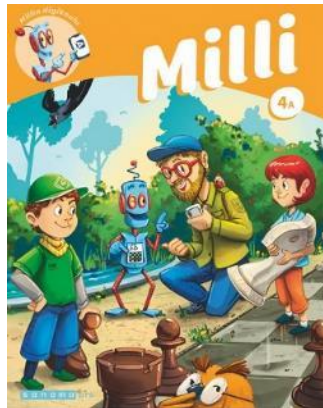
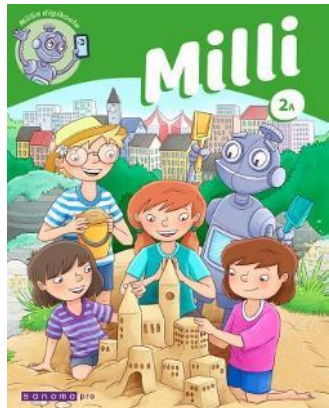
Learning maths with Milli: A pupil's path



Teacher introduces the topic, classroom learning



Learn and practice the basics



Independent practice and homework



Personalised exercises



Gamified digital exercises



About

25%

of pupils in grades
1–9 received
intensified or
special support in
Finland in 2023

**Language teachers
often lack sufficient
time to provide
personalised
feedback on
pronunciation**





Teachers are at the heart of K12 education

We are here to support with reliable and high-quality learning materials

s a n o m a

Sanoma Media Finland, a leading digital cross- media company

Pia Kalsta
CEO
Sanoma Media Finland



This is Sanoma Media Finland

Trusted and interesting journalism, inspiring entertainment

Entertainment

TIKKURILAFestivaali

HIMOS
JUHANNUS

RADIO ROCK

SUOMI
POP

supla

liv

4

ruutu

Sim

News & Feature

et TIEDE LUONTO kodin TIEDE ^{Walt Disney} AKU ANKKA GLORIA

menaiset

ILTA-SANOMAT

SATAKUNNAN KANSA
Länsi-Suomi

AAMULEHTI

HELSINGIN SANOMAT

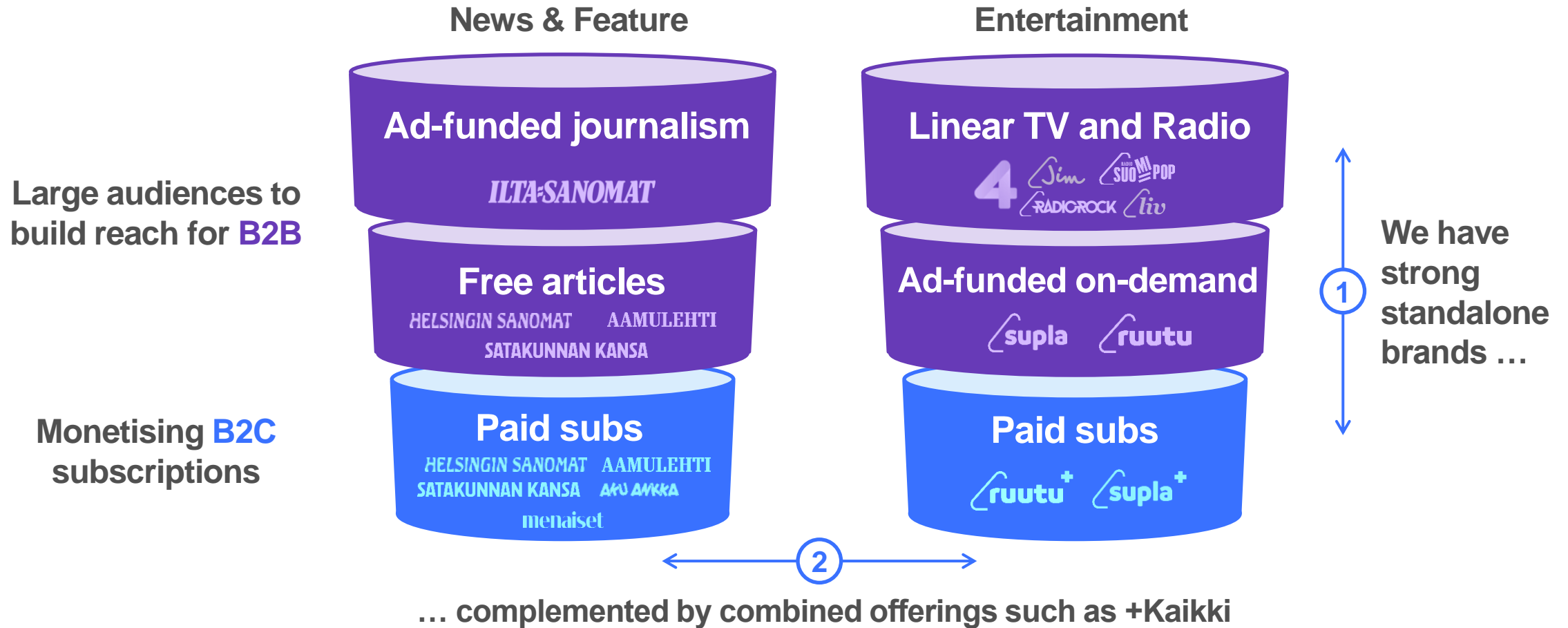
96%

weekly reach –
88% digital

1.4m

subscriptions –
850,000 pay for digital

Strong portfolio of independent and complementing brands with substantial commercial synergies



+Kaikki: all digital Sanoma content under one simple plan



Combined offering of Sanoma's digital media subscriptions all-in-one, available since January 2025 for 24.99€ per month

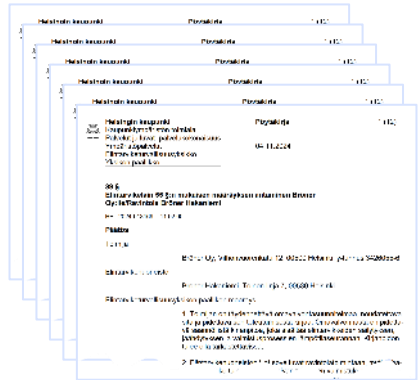
- Based on identified demand of versatile media usage and Nordic examples
- Complementing individual subscriptions with national or local news media, entertainment or lifestyle content at a reasonable price
- Hassle-free subscription and family sharing under single account
- +Kaikki has improved retention and cross-usage – HS, IS, and Ruutu+ the most used products

AI augmented in different stages of journalistic work

From more efficient work processes to an enriched consumer experience – AI supports or produces, humans check.

News acquisition

Automatic searches in APIs



Watchdog APP 08:02
Head of Unit, Urban Environment Division - Food Safety Unit
04.11.2024 : The City of Helsinki ordered Restaurant Bröner Hakaniemi to correct serious food hygiene problems .
Additional information.

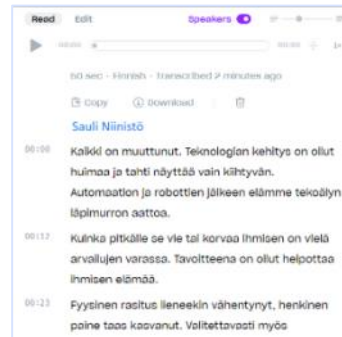
City issues remarks to Hakaniemi's acclaimed kebab restaurant

Restaurants | The Food Inspectorate prepared to impose a penalty notice if the deficiencies were not corrected by Tuesday.



Transcription

Converting interviews or speech into text saves 10,000 hours of working time per year



AI formats

Interactive user experience

2024 PRESIDENTINVAALIT

Mihin aikaan äänestys loppuu Yhdysvalloissa?

Äänestys Yhdysvalloissa päättyy eri aikoina eri osavaltioissa. Esimerkiksi tärkeistä osavaltioista äänestys päättyy ensimmäisenä osassa Floridaa sekä Georgiassa ja Virginiassa kello 2.00 Suomen aikaa. Pohjois-Carolinassa äänestys päättyy kello 2.30, ja suurin osa osavaltioista, kuten Michigan ja Pennsylvania, alkaa laskea ääniä kello 3.00. Kaliforniassa äänestys päättyy kello 6.00, ja suurin osa Alaskasta sulkee äänestyspaikkansa kello 7.00 Suomen aikaa ¹.

Artikkelit

1. Tässä kaikki, mitä Yhdysvaltain vaaliyön etenemisestä tulee tietää 5.11.2024

Onko äänestys sähköinen vai paperilipuilla?

Yhdysvalloissa äänestetään sekä sähköisesti että paperilipuilla. Äänestyskoneet ovat olennainen osa vaalijärjestelmää, ja niitä käytetään erityisesti siksi, että äänestyslipukkeet voivat olla monisivuisia ja sisältää monia eri vaaleja. Äänestyskoneet eivät ole yhteydessä verkkoon, ja niiden käytöstä jää aina paperijälki, jota voidaan tarkastella jälkikäteen ¹. Lisäksi äänestyslipukkeet ovat monisivuisia ja sisältävät useita eri kysymyksiä, mikä tekee niiden täyttämisestä aikaa vievää ².

Artikkelit

1. Asiantuntija: Näin vilpin yrittäjät paljastetaan Yhdysvaltain

Summaries

A better experience for the busy reader



Tero Pitkämäki, Antti Ruuskanen ja Panu Halme.
KUVA: JULIA SORRI, AKSELI MURAJA, HANNE MANELIUS

Kuuntele juttu

Heli Saavalainen
13:23

Lue tiivistelmä

- Tutkijat kumoavat lähes kaikki entisten keihäänheittäjien Tero Pitkämäen ja Antti Ruuskanen väitteet Suomen metsistä ja niiden hoidosta.
- Asiantuntijoiden mukaan väitteet ovat enimmäkseen virheellisiä ja ristiriidassa tutkimustiedon kanssa.
- Metsäekologian tutkija Panu Halme Jyväskylän yliopistosta pitää monia väitteitä suoranaista valheina.

SULJE

Versioning

Audio versions of news articles 100,000 starts a day





A positive impact on the life of every Finn
**Successful in accelerating
digital transformation**

**A leader in reliable and
engaging journalism**

**Strong position in domestic
high-reach entertainment**

Sustainable profitability

Looking forward



Key factors influencing 2025 performance

Learning

- Net sales:
 - Growth in other learning content businesses more than offsetting the last year of lower cycle in Spain
 - Ongoing discontinuation of low value distribution contracts in the Netherlands with expected impact of approx. 25-30m€ in 2025
- More efficient cost base, largely driven by Solar, leading to slightly improving margin in the year before larger curriculum renewals

Expected 2025 financial impact y-o-y

- Lower net sales
- Stable operational earnings, slightly improving margin

Long-term targets for SBUs unchanged

- Organic growth 2–5%
- Operational EBIT margin excl. PPA >23% from 2026 onwards

Media Finland

- Net sales:
 - Continued modest growth in subscription sales driven by digital and price increases
 - Slightly lower B2B advertising sales; growth in digital mostly offsetting lower print and TV
- Continuing efficiency improvement driving stable operational earnings and slightly improving margin

- Slightly lower net sales
- Stable operational earnings, slightly improving margin

- Organic growth +/-2%
- Operational EBIT margin excl. PPA 12–14%

Outlook for 2025

- In 2025, Sanoma expects that the Group's reported net sales will be 1.28–1.33bn€ (2024: 1.34)
- The Group's operational EBIT excluding PPA is expected to be 170–190m€ (2024: 180)
- The outlook is based on the following assumptions:
 - Demand for learning content will be relatively stable across the Group's main operating markets
 - The advertising market in Finland will be relatively stable



We continue with our ambitious strategy for sustainable long-term growth

- Increasing profitability and free cash flow
- Growing organically in Learning with curriculum renewals accelerating from 2026
- Successful and accelerating digital transformation in Media Finland
- Expanding through value-creating M&A in K12 learning services
- Meeting leverage and equity ratio targets
- Increasing dividend, equal to 40–60% of annual free cash flow

Our purpose
Through learning and media, we have a positive impact on the lives of millions of people every day



s a n o m a

Thank You!