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Unique sustainability profile with increasing profitability

Alex Green, CFO, Sanoma
OP Bond Seminar, May 2025



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
- Meeting leverage and equity ratio targets
- Expanding through value-creating M&A in K12 learning services

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





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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



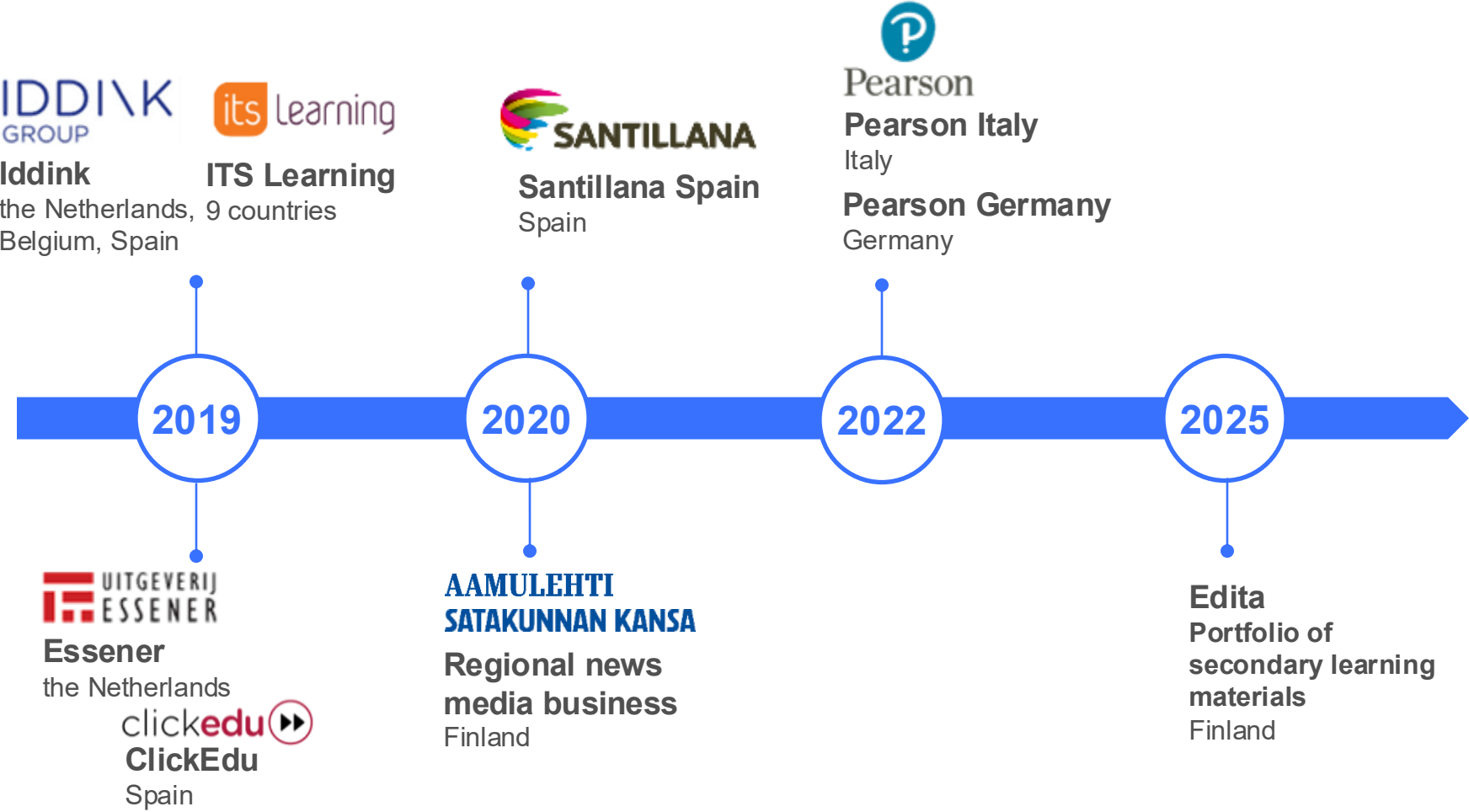
Serving

25million

students across
Europe



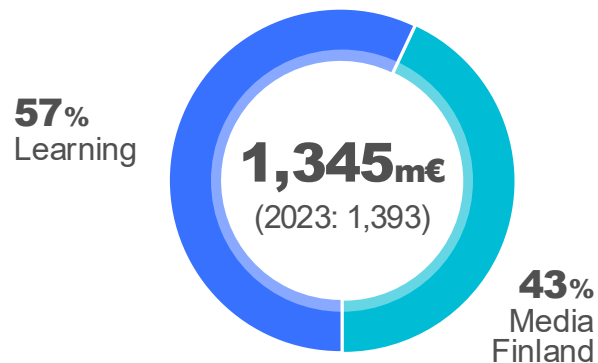
We have more than doubled Learning's net sales, creating a leading European K12 learning business



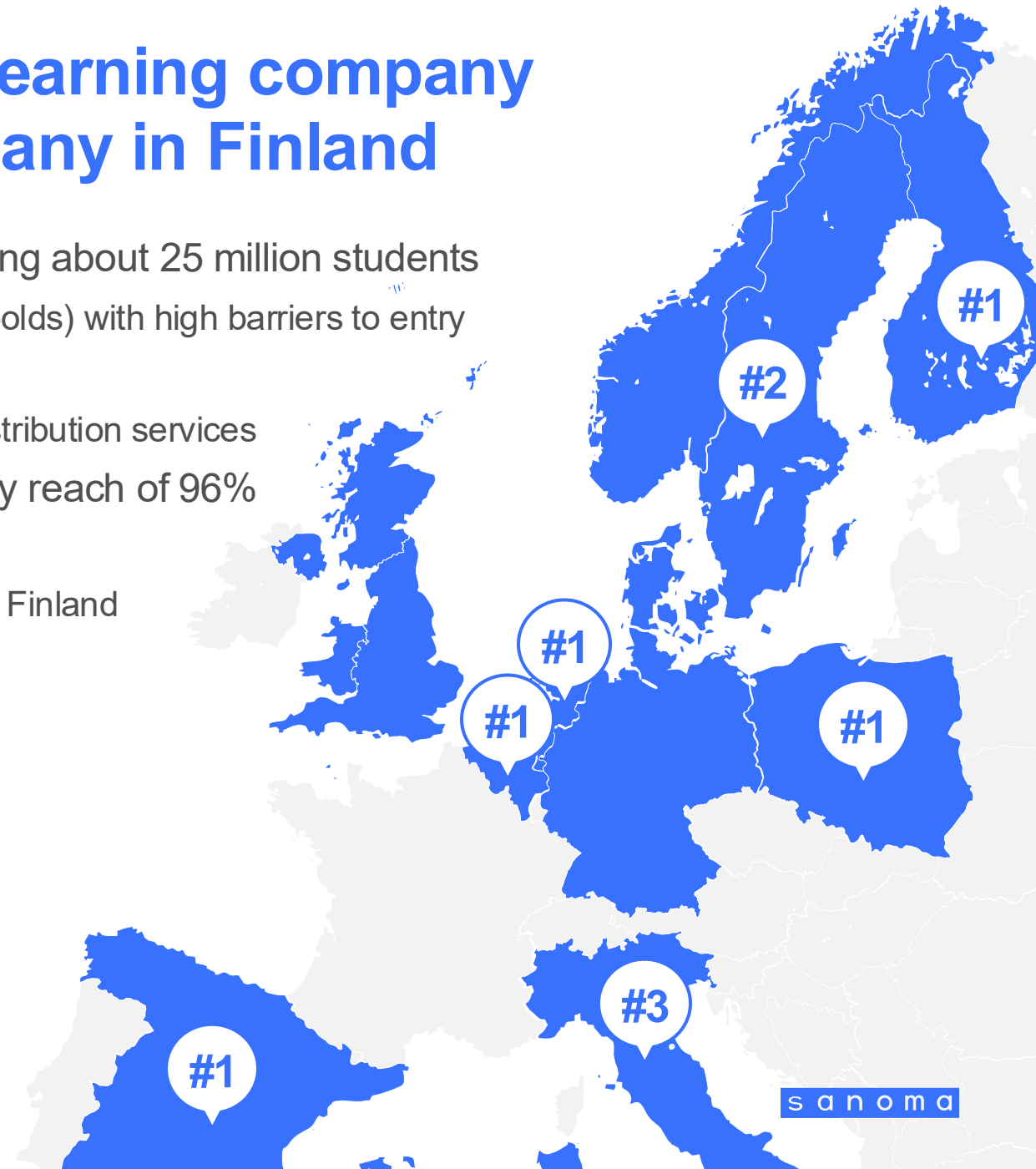
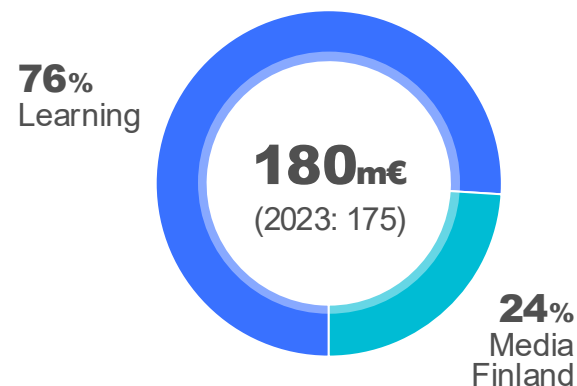
We are a leading European K12 learning company and #1 digital cross-media company in Finland

- We are a leading European K12 learning company serving about 25 million students
 - Focusing on stable and resilient K12 market (i.e., 6–18-year-olds) with high barriers to entry
 - Teachers and schools are our primary customers
 - Providing printed and digital content, digital platforms and distribution services
- We are Finland's #1 digital media company with a weekly reach of 96%
 - News & feature, Entertainment and B2B marketing solutions
 - 850k paid for digital subscriptions, out of 2.7m households in Finland
 - Print advertising already <10% of net sales

Net sales



Operational EBIT excl.PPA



We support teachers to help all students reach their full potential

A photograph of a male teacher with grey hair and a beard, wearing a light blue t-shirt, leaning over a desk. He is pointing at a tablet held by a young female student with blonde hair, wearing a green shirt. They are both looking at the tablet with interest. The background is slightly blurred, showing a classroom setting.

A leading
European K12
learning
services
company

- **We focus on K12**, which is primary, secondary and vocational education (i.e., 6–18-year-olds)
 - Supporting about 25 million students in 12 European countries
 - Having a ~17% market share
- **Teachers and schools are our primary customers**
 - Teachers are key decision-makers on which learning content to use and typically change learning materials every 4–8 years
 - In our operating countries, learning content is largely publicly funded and typically represents 1–3% of public education spend
- **Our learning services provide teachers with everything they need**
 - Printed and digital learning content created together with teachers and matching the local curriculum
 - Digital learning platforms, either linked to our content or open
 - Content distribution services
- **Our content has a positive impact on learning outcomes**
 - Inclusive learning materials promote equal learning opportunities and support diversity and differentiation

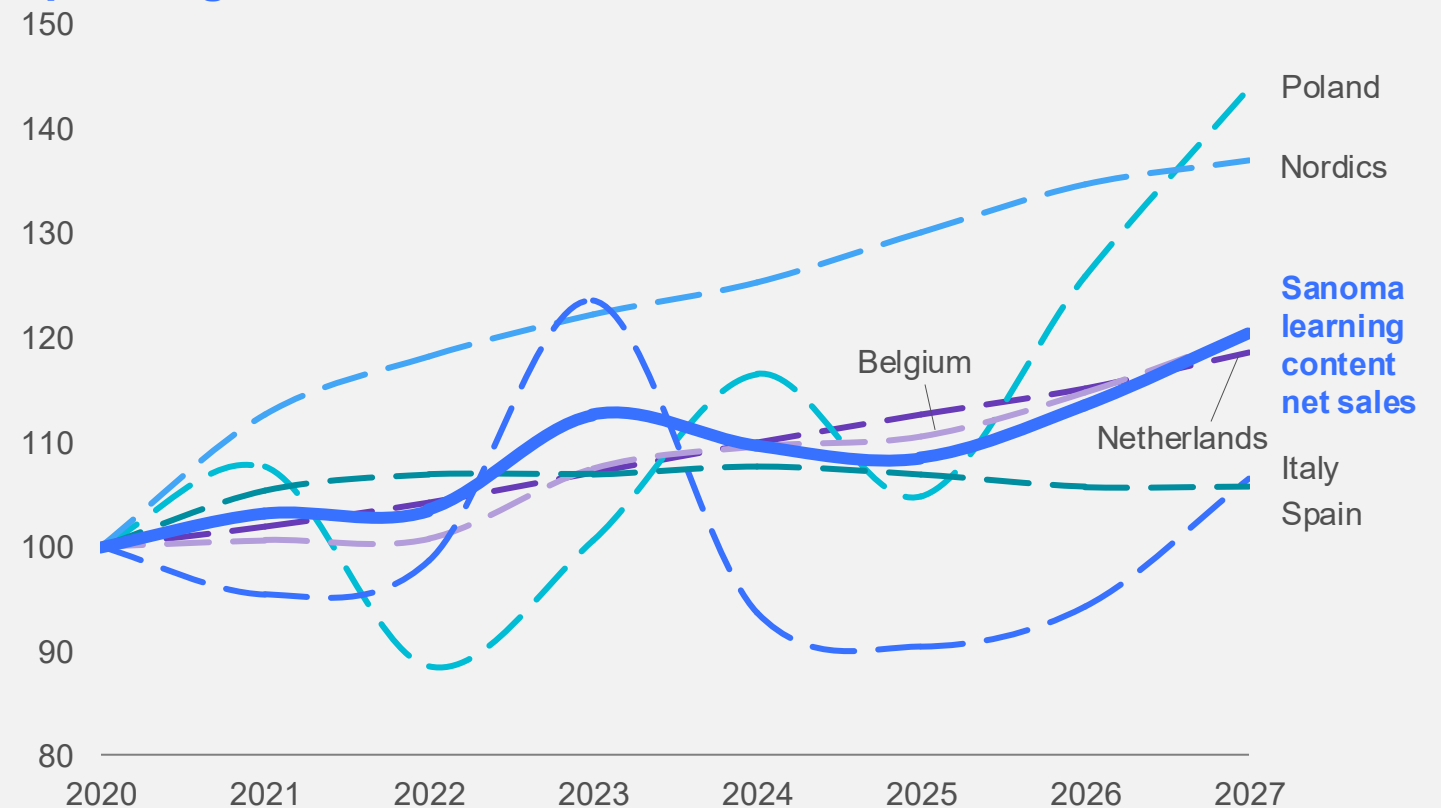
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Demand for learning content expected to grow in our major operating countries from 2026

- Expected development of learning content sales in 2025–2027 is a function of changes in
 - Number of students →
 - Expenditure →
 - Market share →

Learning content
79%
of net sales
in 2024

K12 publishing market values in Sanoma's key operating countries indexed to 2020



This is Sanoma Media Finland

Trusted and interesting journalism, inspiring entertainment

Entertainment

News & Feature

TIKKURILAFestivaali

HIMOS
JUHANNUKSE

RADIO ROCK

SUOMI
POP

supla

liv

4

ruutu

Sim

et TIEDE
LUONTO

kodin
KODALIN

TIEDE

AKU ANKKA

GLORIA

menaiset

ILTA-SANOMAT

SATAKUNNAN KANSA
Länsi-Suomi

AAMULEHTI

HELSINGIN SANOMAT

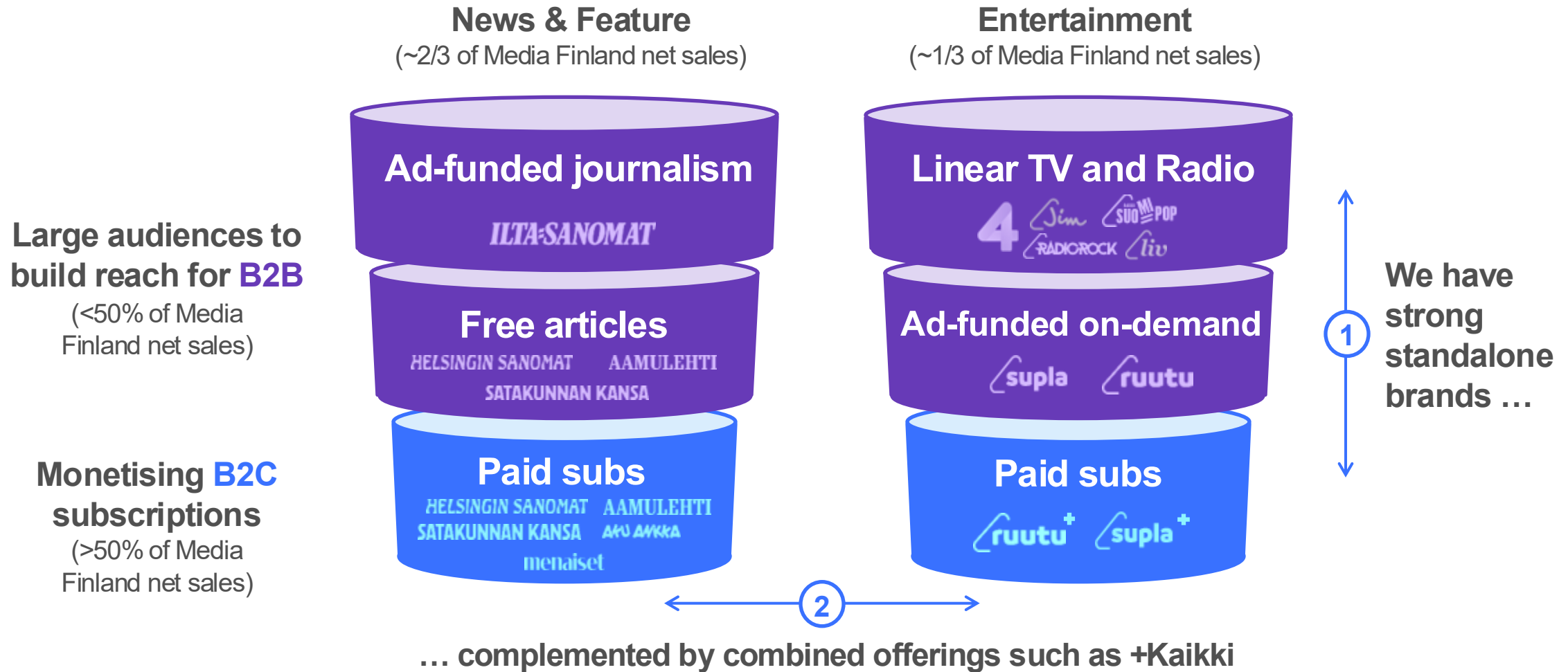
96%

weekly reach –
88% digital

1.4m

subscriptions –
850,000 pay for digital

Strong portfolio of independent and complementing brands with substantial commercial synergies



Responsible use of AI in our businesses

Driver for product innovation and productivity

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

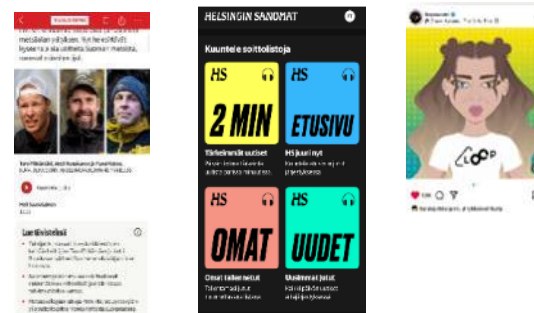
In Media Finland – to engage and support media users

- **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

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



Sanoma represents a unique sustainability profile

We have a unique sustainability profile...

Intrinsic positive impact of both business in the lives of millions of people every day combined with ambitious targets and solid ESG performance

...clear commitments and ambitious targets

- Alignment with UN Sustainable Development Goals
- Signatory of UN Global Compact
- Included in Nasdaq Helsinki Sustainability Index
- Emission reduction targets for Scopes 1, 2 and 3* validated by Science Based Targets initiative
- Sustainability targets linked to the 300m€ revolving credit facility
- 3-year bond of 150m€ issued in line with Sanoma's Social Bond Framework, supporting access to quality education

ISS Prime

B-

Scale D to A+

Sustainalytics

11.3

Scale 100-0,
lower score = lower risk

CDP Climate

A-

Scale D- to A

S&P Global ESG

51

Scale 0-100

MSCI

AA

Scale CCC to AAA

Upright

72%

Scale CC to AAA

Social Bond Framework linked to promoting access to education



- We provide access to essential education across our target population of about 25 million K12 students
- Our learning solutions
 - support diversity, accessibility and differentiation
 - are enhanced to increase learning impact among all students and address barriers to learning through traditional formats
 - support personalisation in increasingly diverse classrooms
 - contribute to equity



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

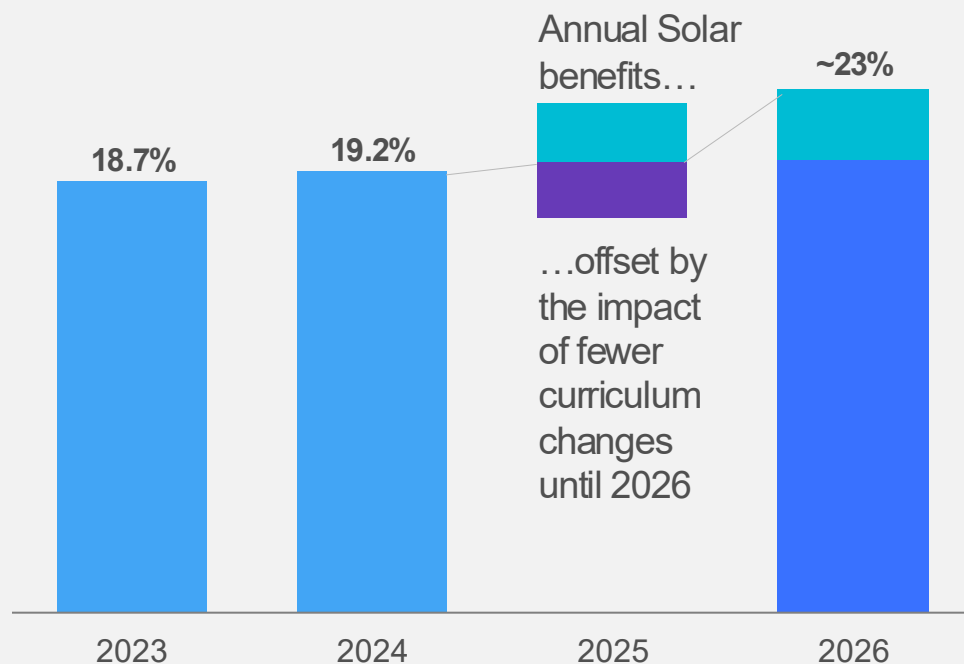


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We are taking actions to improve margins in both Learning and Media Finland

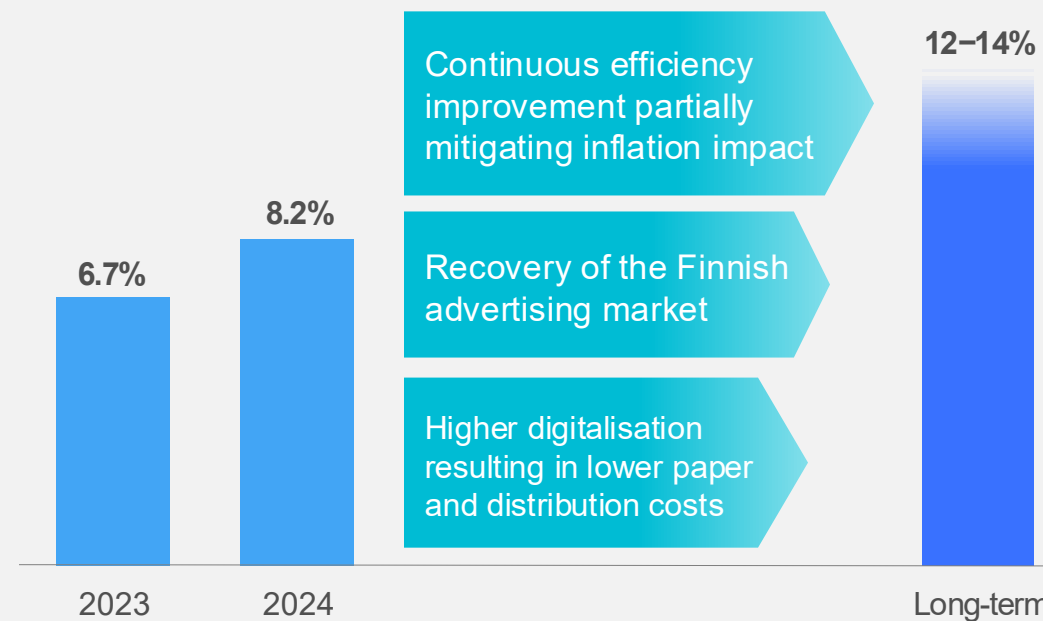
Learning's profitability to reach the long-term target of 23% in 2026 supported by Solar

Operational EBIT margin excl. PPA, %



Media Finland's profitability to improve towards the target of 12–14% in the long-term

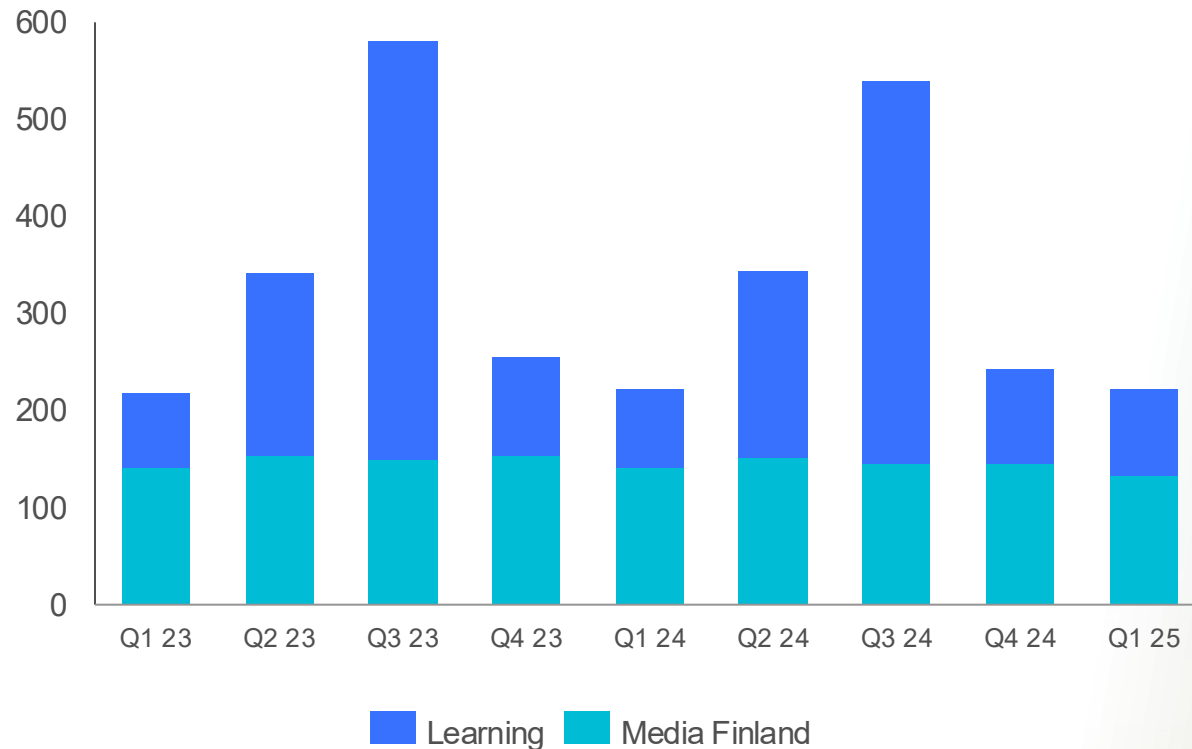
Operational EBIT margin excl. PPA, %



We have a strong portfolio with high seasonality

Seasonality between quarters is typical for K12 learning business

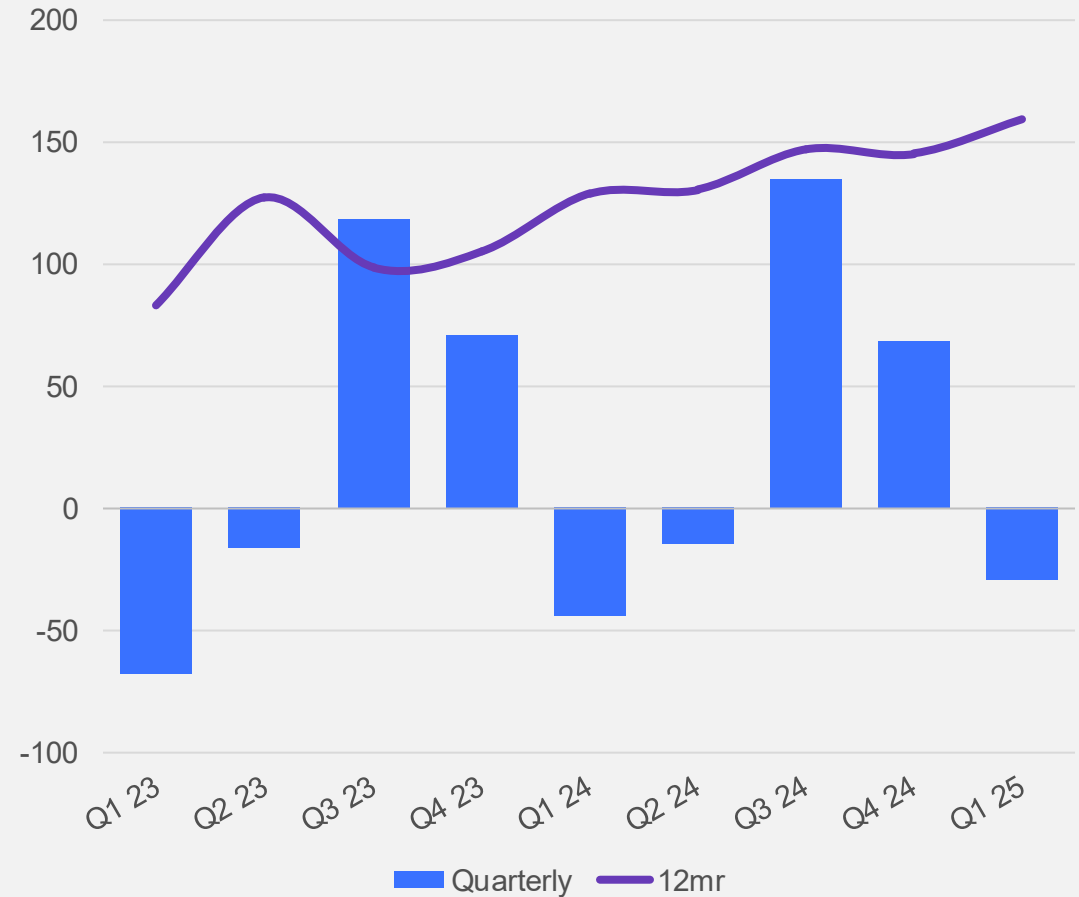
Net sales, m€



Continued free cash flow improvement

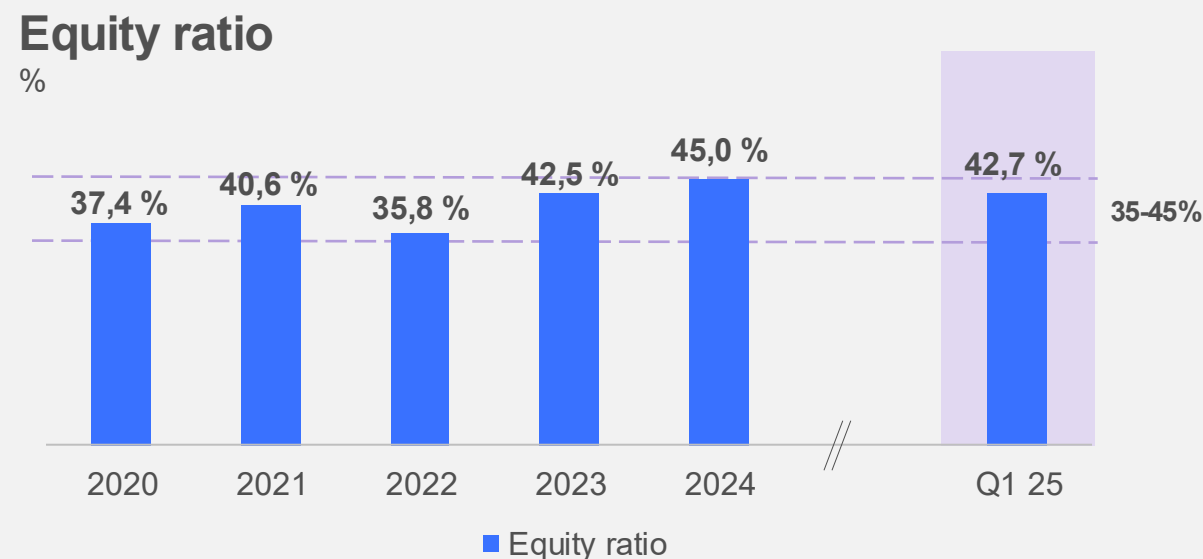
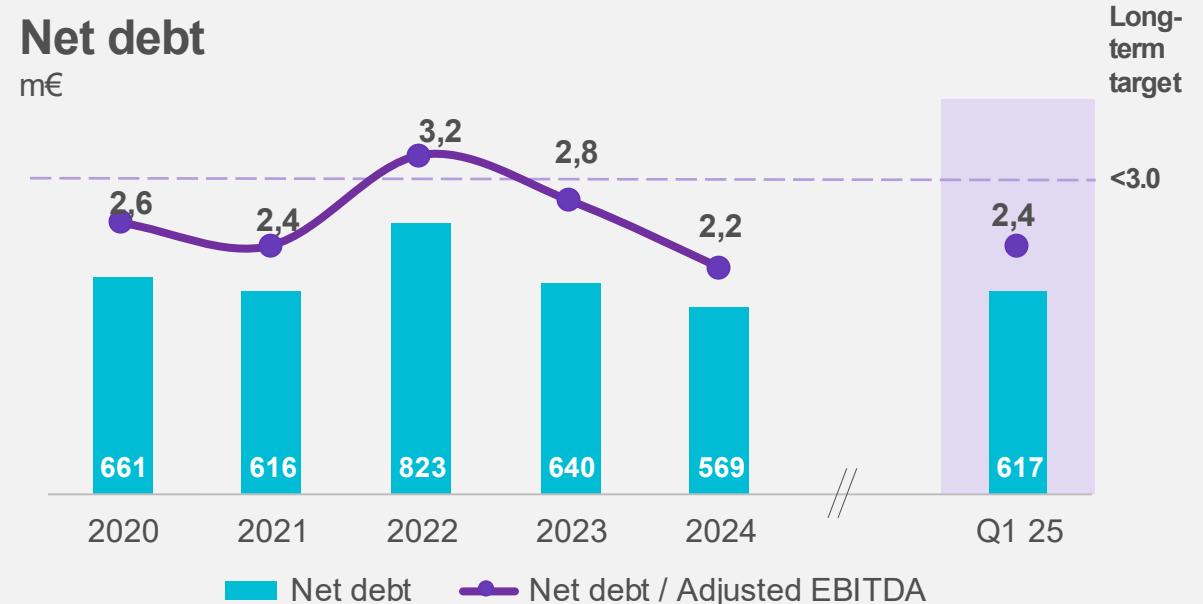
- Free cash flow improved to 145m€ (2023: 105) in FY 2024 and to -30m€ (2024: -44) in Q1 although being negative according to its seasonal pattern
- Q1 improvement driven by
 - + Positive working capital development in Learning
 - + Higher operational earnings in Learning
 - + Lower financial items
 - Higher investments in TV programs
- Full-year free cash flow expected to increase further in 2025 vs. 2024 (145m€)

Free cash flow
m€



Continued progress in deleveraging the balance sheet

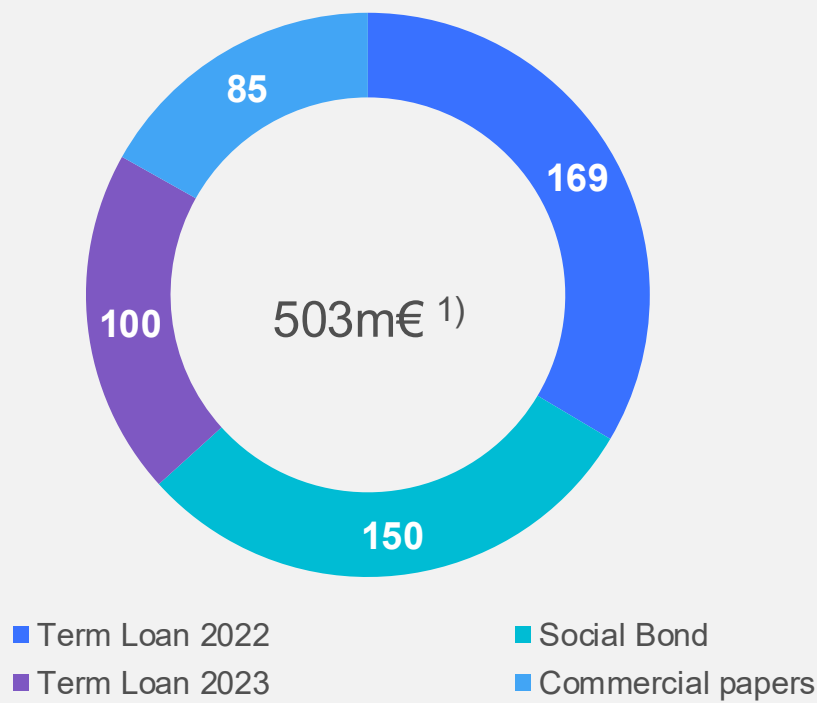
- At the end of Q1 2025, net debt amounted to 617m€ and decreased year-on-year, although increased from Q4 2024 due to its seasonal pattern
 - Net debt / Adj. EBITDA at 2.4 (2024: 2.9)
 - Equity ratio improved to 42.7% (2024: 42.0%)
- Net financial items amounted to -33m€ in 2024 (2023: -31)
 - Average interest rate of external loans increased to 4.8% (2023: 3.6%)
- 150m€ hybrid bond (reset date March 2026) booked as equity, and excluded from net debt and net financial items



We have a well-balanced debt portfolio

External debt structure ¹⁾

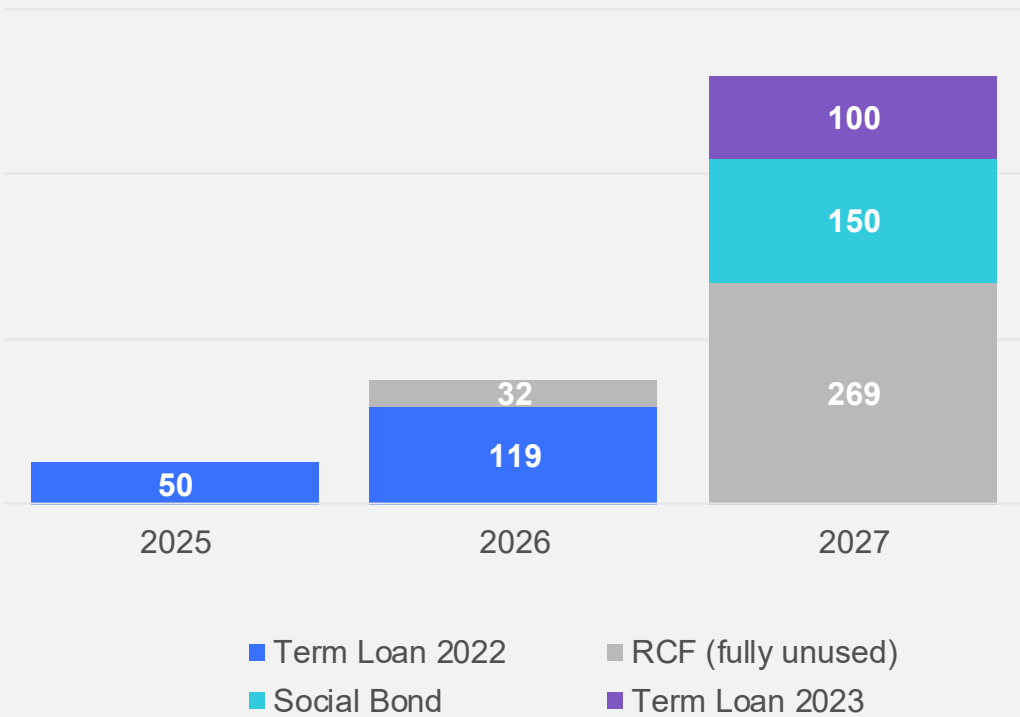
m€, 31 March 2025



¹⁾ Excl. IFRS 16 liabilities and 150m€ hybrid bond

Maturity profile of external debt

m€, 31 March 2025



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

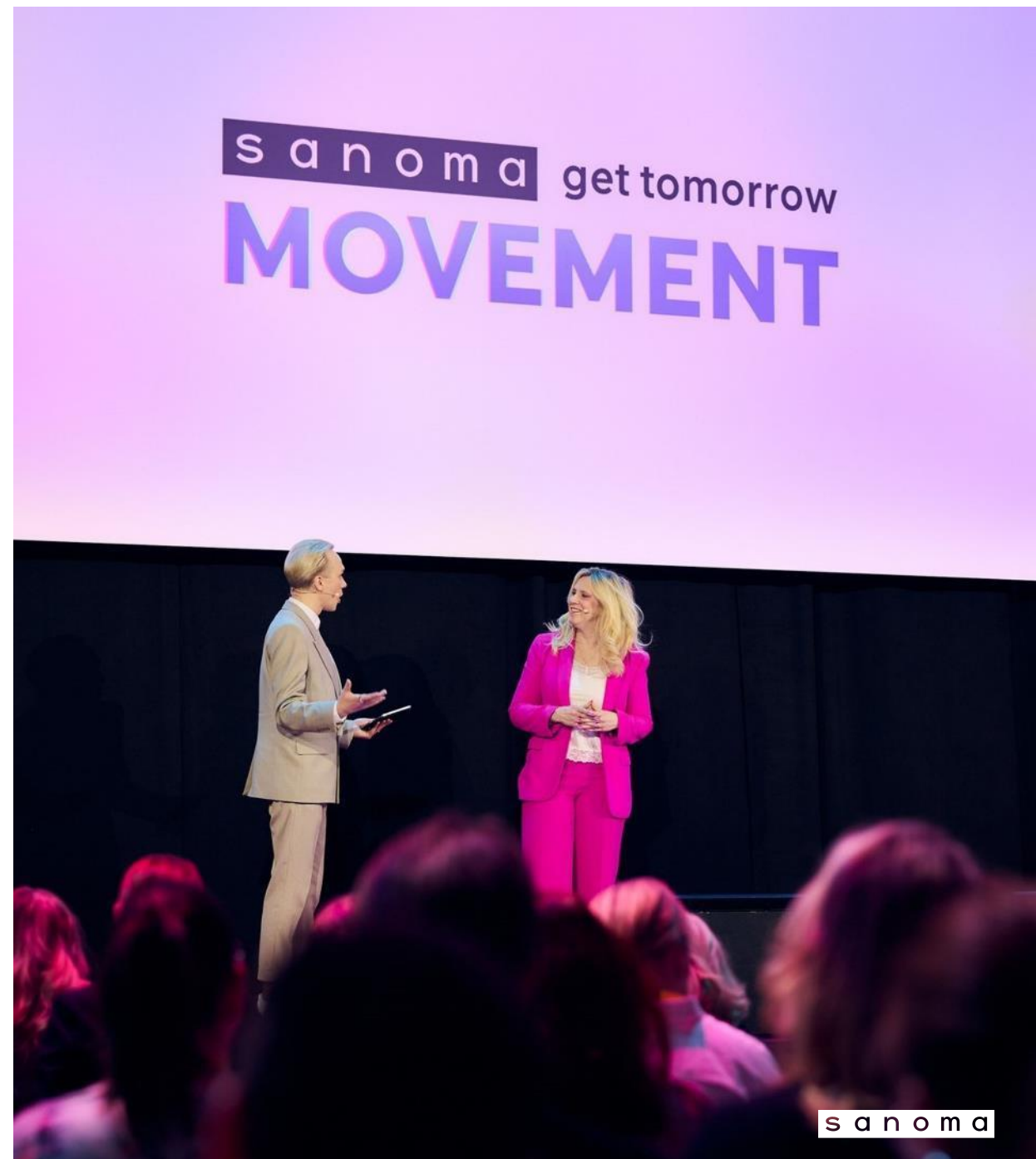
- Net sales:
 - Continued modest growth in subscription sales driven by digital and price increases
 - Slightly lower B2B advertising sales; growth in digital mostly offsetting lower print and TV
- Continuing efficiency improvement driving stable operational earnings and slightly improving margin

- 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



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- Growing organically in Learning with curriculum renewals accelerating from 2026
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Our purpose
Through learning and media, we have a positive impact on the lives of millions of people every day



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Thank You!

Sanoma in 2024

NET SALES
 **1,345m€**

NON-PRINT SALES
 **51%**

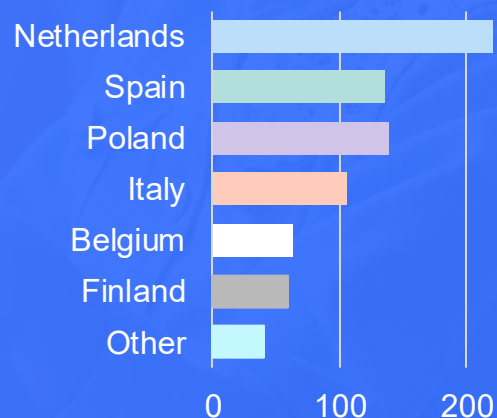
OPERATIONAL EBIT MARGIN
 **13.4%**

PERSONNEL
 **4,800**

Learning

Net sales **764m€**
Non-print **46%**
Margin **19.2%**

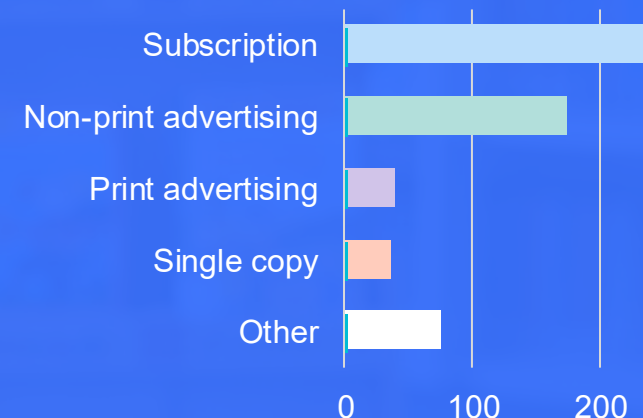
Net sales, m€



Media Finland

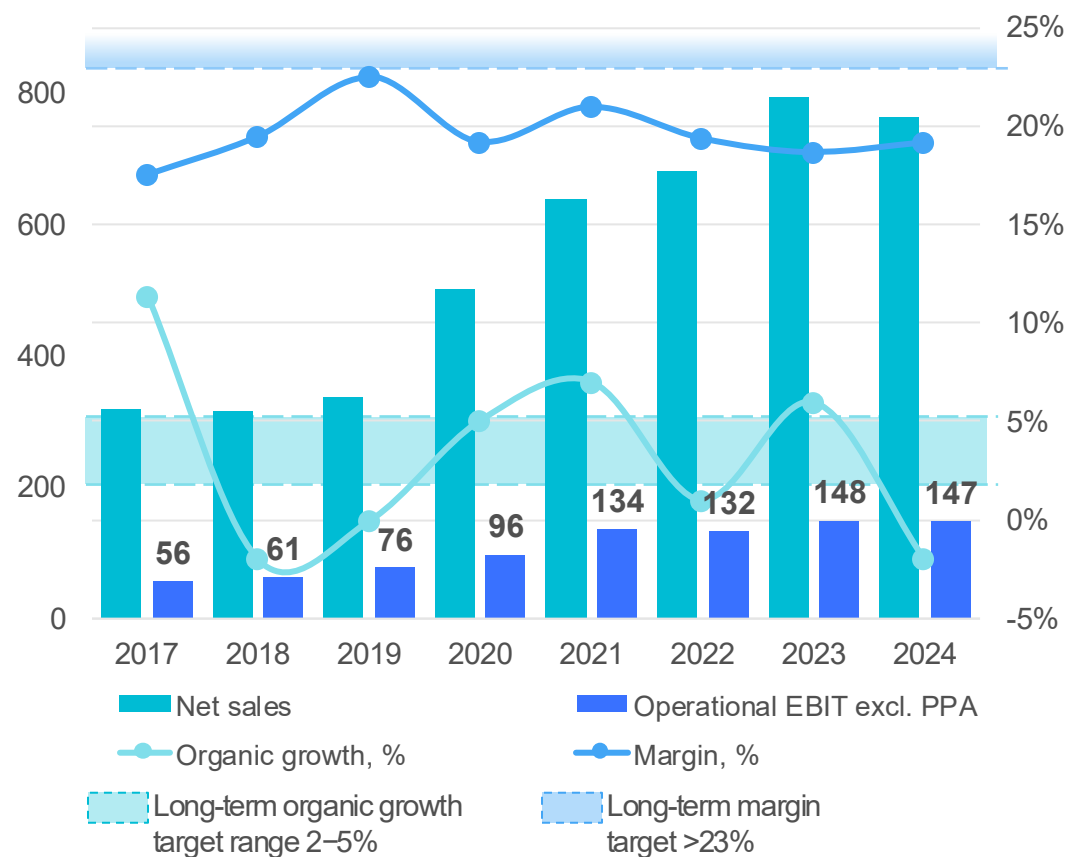
Net sales **581m€**
Non-print **57%**
Margin **8.2%**

Net sales, m€

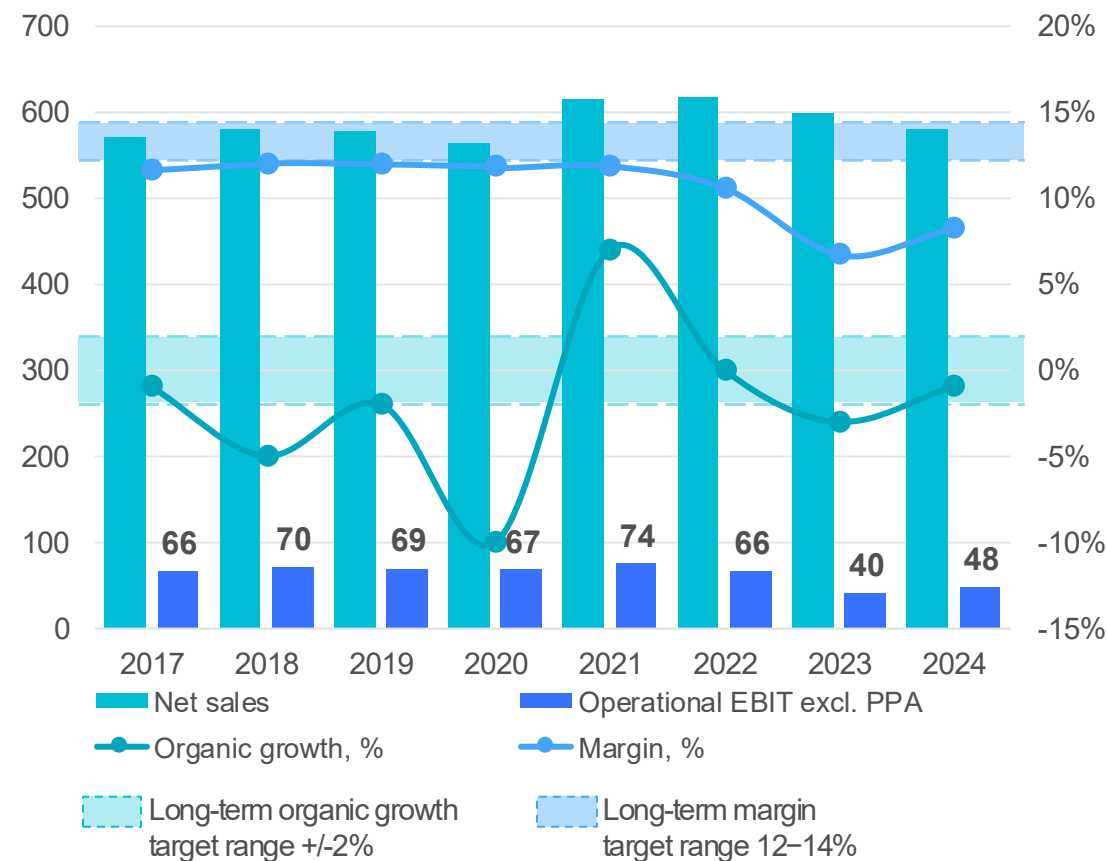


Long-term financial performance by SBU

Learning



Media Finland



Good progress among the key sustainability themes



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

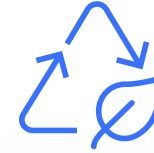
78% of teachers agree that learning materials support their efficiency



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

Program Solar mostly completed

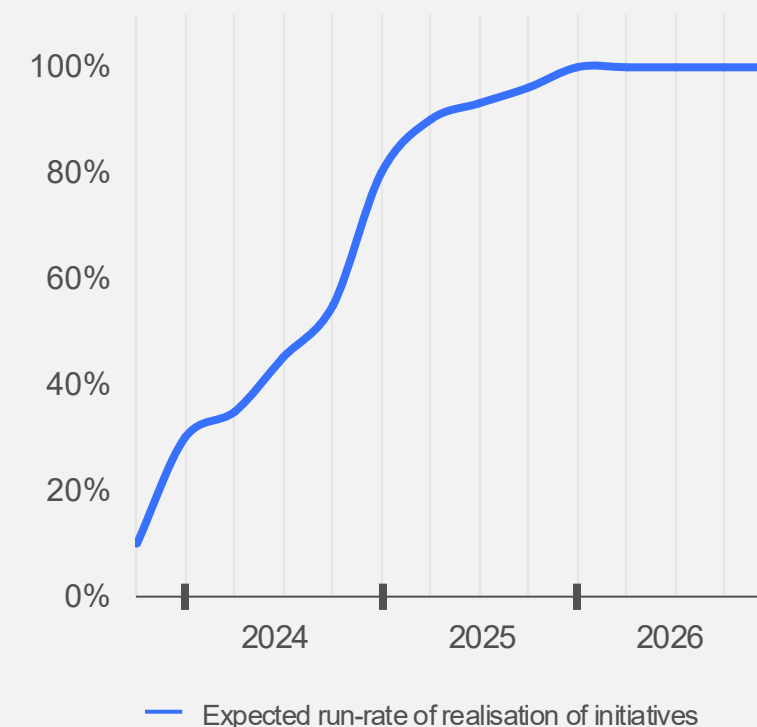
- Program Solar initiatives were mostly completed by the end of Q1 2025
 - On track to deliver the 55m€ efficiencies in 2026
 - Supports reaching Learning's long-term profitability target of 23% in 2026
 - First impacts were visible in Q1 2025 in free cash flow and cost base

Program streams touching our key operations across countries

Organisational optimisation	<ul style="list-style-type: none">■ Post-curriculum renewal optimisation in Spain and Poland■ Optimising selected other operations
Publishing process improvement	<ul style="list-style-type: none">■ Increasingly leveraging benefits of scale in content creation (sharing) and production (centres of excellence)■ Reviewing publishing portfolios and plans
Harmonisation of digital platforms	<ul style="list-style-type: none">■ Optimising product development and maintenance through outsourcing and nearshoring mainly to Poland and Spain
Other optimisations	<ul style="list-style-type: none">■ Rightsizing support functions by optimising the overall organisational structure

Realisation of Solar initiatives

Run-rate of savings in 2026

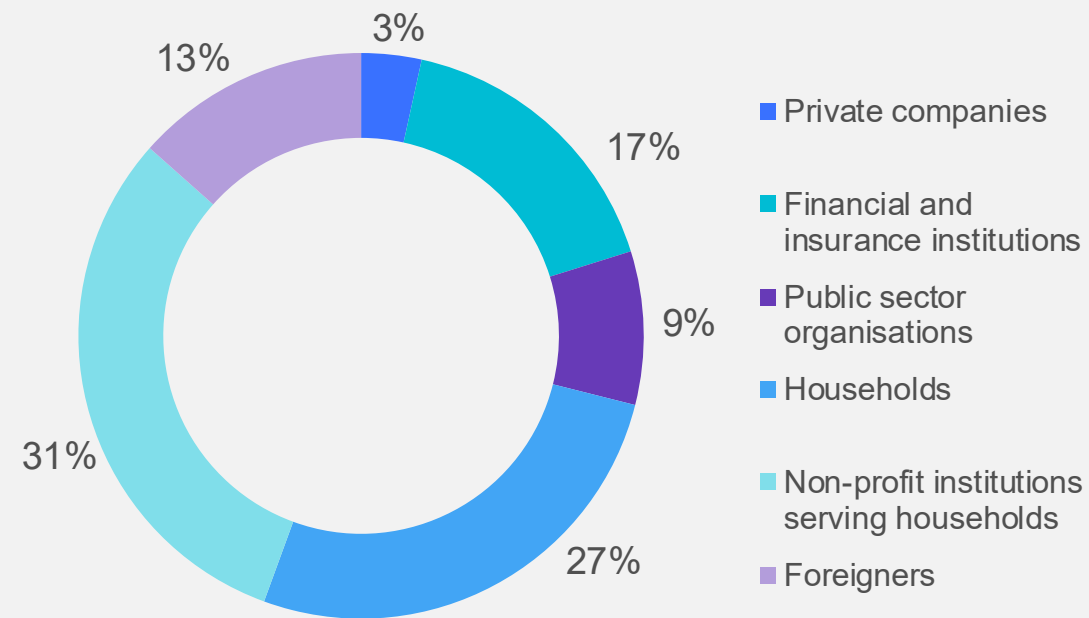


Largest shareholders

31 March 2025, source: Euroclear

Shareholders	Number of shares	% of shares
1. Jane and Aatos Erkkö Foundation	39,820,286	24.35
2. Holding Manutas Oy	21,870,000	13.37
3. Langenskiöld Robin	12,273,371	7.50
4. Seppälä Rafaela	7,654,746	4.68
5. Varma Mutual Pension Insurance Company	5,538,352	3.39
6. Helsingin Sanomat Foundation	4,701,570	2.87
7. Ilmarinen Mutual Pension Insurance Company	4,103,424	2.51
8. Noyer Alex	3,213,277	1.96
9. Elo Mutual Pension Insurance Company	2,488,710	1.52
10. Bernardin-Aubouin Lorna	1,852,470	1.13
10 largest shareholders, total	103,516,206	63.28
Nominee registered	16,662,882	10.19
Other shareholders	43,386,575	26.53
Total number of shares	163,565,663	100.00
Total number of shareholders	24,122	

Holding by sector



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