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Creating value through strong media Brands

Peter de Mönnink, CEO of Sanoma Media BeNe
Sanoma Capital Markets Day 2017



Who are we? Company profile of Sanoma BeNe excluding SBS



€ 544m

net sales in 2016

2016 SMBeNe – including Veronica Magazine



€ 70m

Operational EBIT in 2016

2016 SMBeNe – including Veronica Magazine

+27%
vs 2015



1,288 FTEs

in 2016

SMH 969, SMB 282, VM 33, Aldipress 81



>10 Key brands
with cross media activities



1.1m paying
subscribers in Sanoma
Netherlands



1.5m
Sanoma Accounts
activated in 2016



9.7m reach on
Digital
Assets in march 2017

#1
of NL
players



6m
stream starts per week

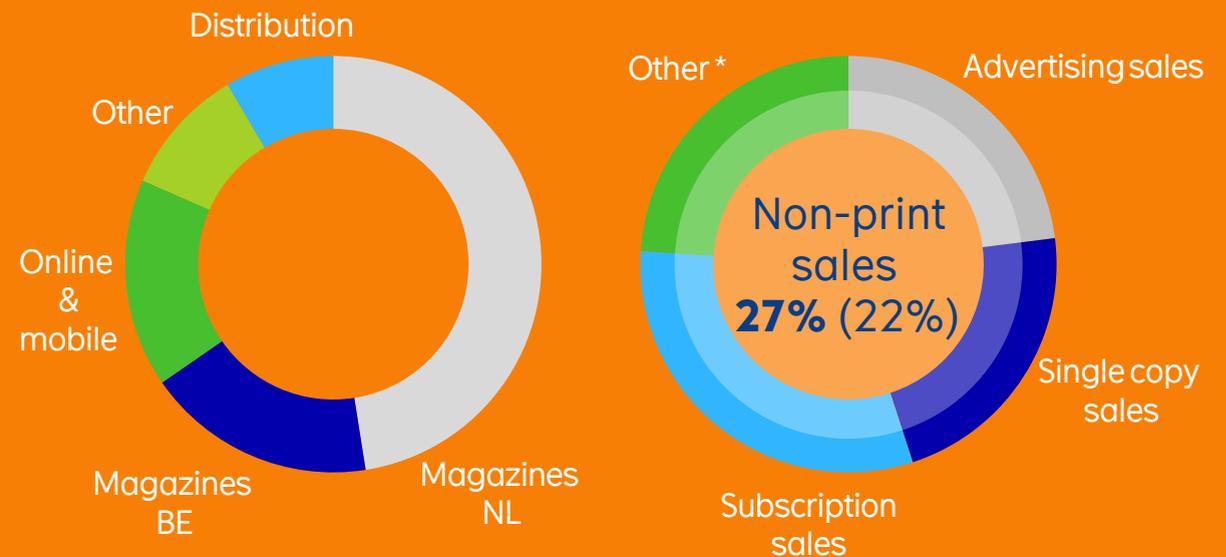
Week 15 in 2017 – all time high

Solid performance

Key figures, pro forma excl. SBS

EUR million	2016	2015
Net sales	544	597
Organic growth	1.1%	0.6%
Operational EBITDA	87	76
	16.0%	12.8%
Operational EBIT	70	55
	12.9%	9.3%
Employees (FTE)	1,288	1,517

Composition of net sales, 2016 excl. SBS



* Other sales mainly include press distribution, custom publishing, events, books, e-Commerce and marketing services.

How will Sanoma BeNe enhance its future growth potential?



Overall

Focus on those markets where Sanoma brands are strongholds

Cross media revenue development

Cost base after SBS divestment

Cash flow and cash conversion



B2C

Top 10 strong brands

Branding, bonding bundling

Sanoma Account

Strong online position with NU.nl

1.1 million paying subscribers



B2B

Cross-media and data as key differentiator

#1 Player in selected domains in terms of reach, quality and engagement

Client Cases: Highly attractive partner (alliances per brand)

6 main market trends are shaping and challenging the Dutch media industry



1. New business models emerging, allowing incumbent players to tap into new opportunities



2. Marketers look for alternative models. Change from awareness to performance-based



3. Power of international giants. Local trusted brands have a favourable position



4. Rapidly changing consumer buying behaviour



5. Big data shaping the industry
Programmatic buying turns into Programmatic marketing



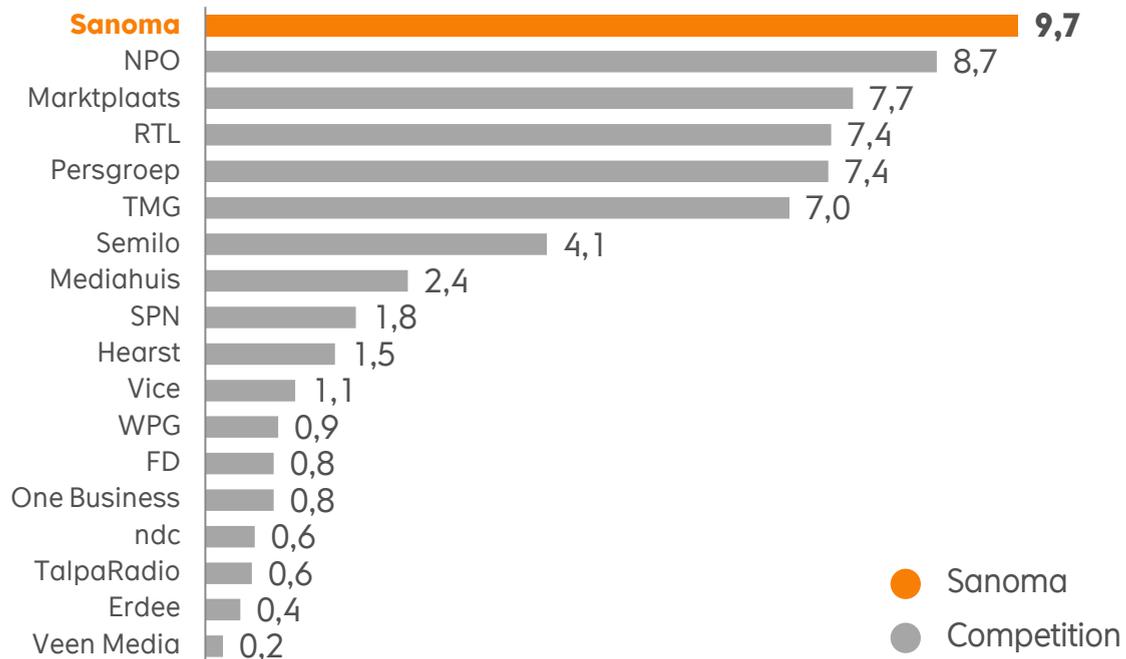
6. Changing demographics in readership, wealthy audience and positive impact on retention

Sanoma's position in Digital and Print



#1 local player in Digital reach with **9.7m** unique visitors*

Top 20 local Digital publishers in monthly reach (m)*

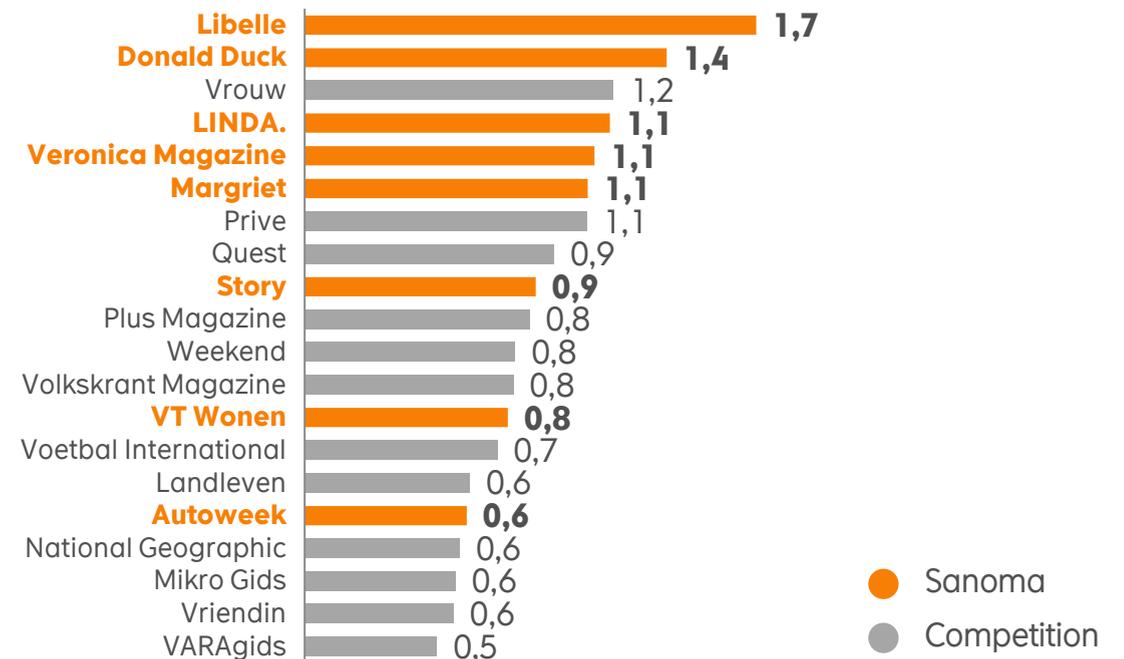


* Source Nobo March 2017 - Digital reach excludes international players as Google/ Facebook



#1 local player in Magazine reach with **7.5m** readers*

Top 20 Magazine assets in monthly reach (m)*

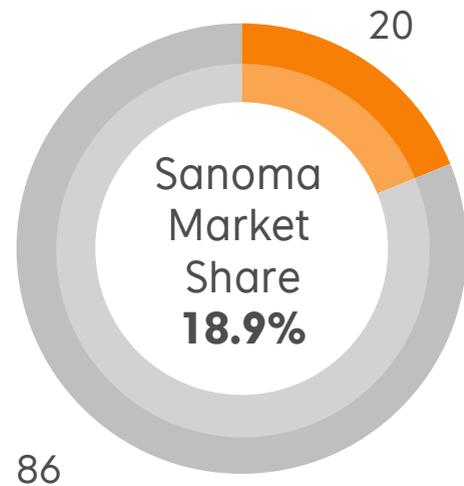


* Source NOM 2016 - Magazine reach excludes free circulation magazines like Allerhande

The strongholds: leading in selected Domains

Belgium market 2016

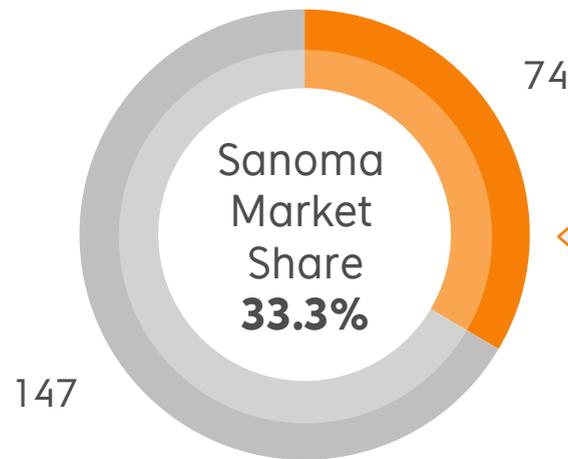
Paid circulation (million copies)



● Sanoma Belgium ● Other

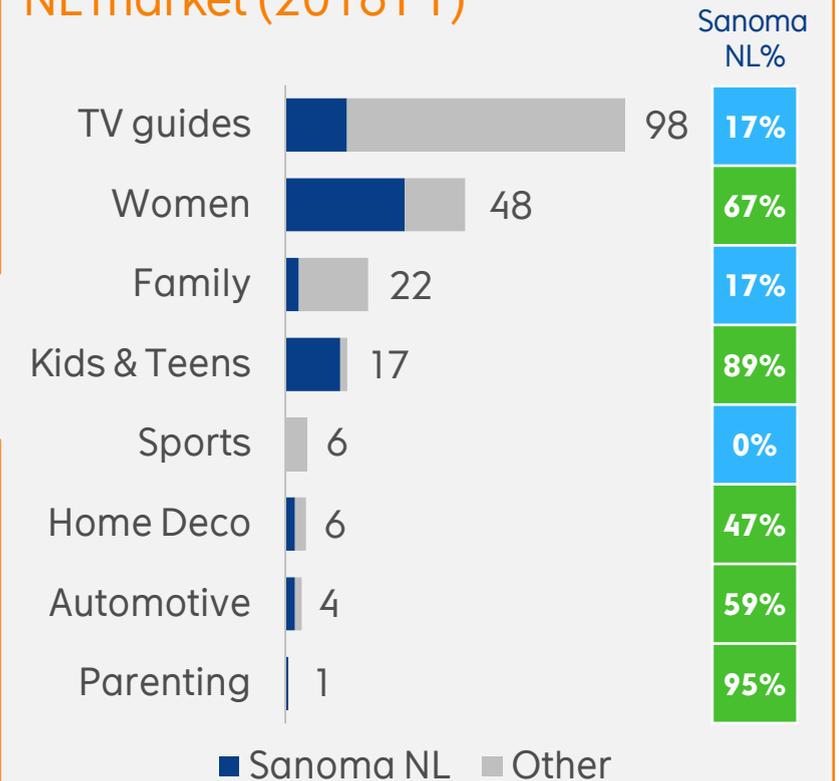
Dutch market 2016

Paid circulation (million copies)



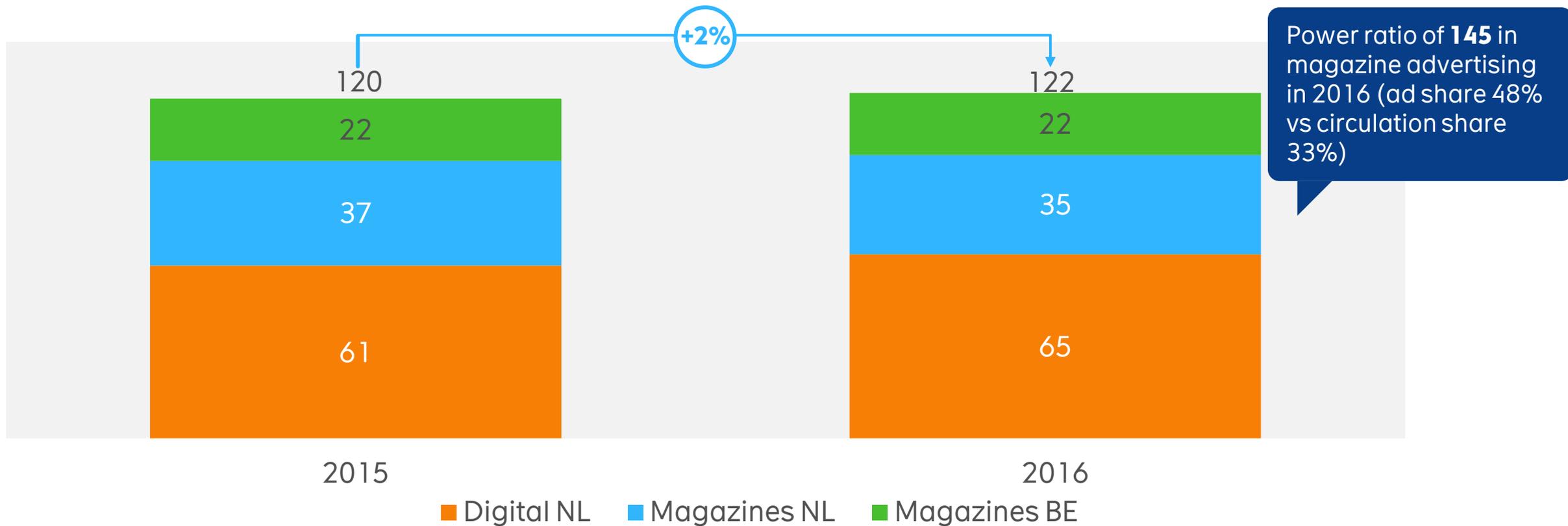
● Sanoma Netherlands ● Other

Paid circulation (m) per segment NL market (2016 FY)



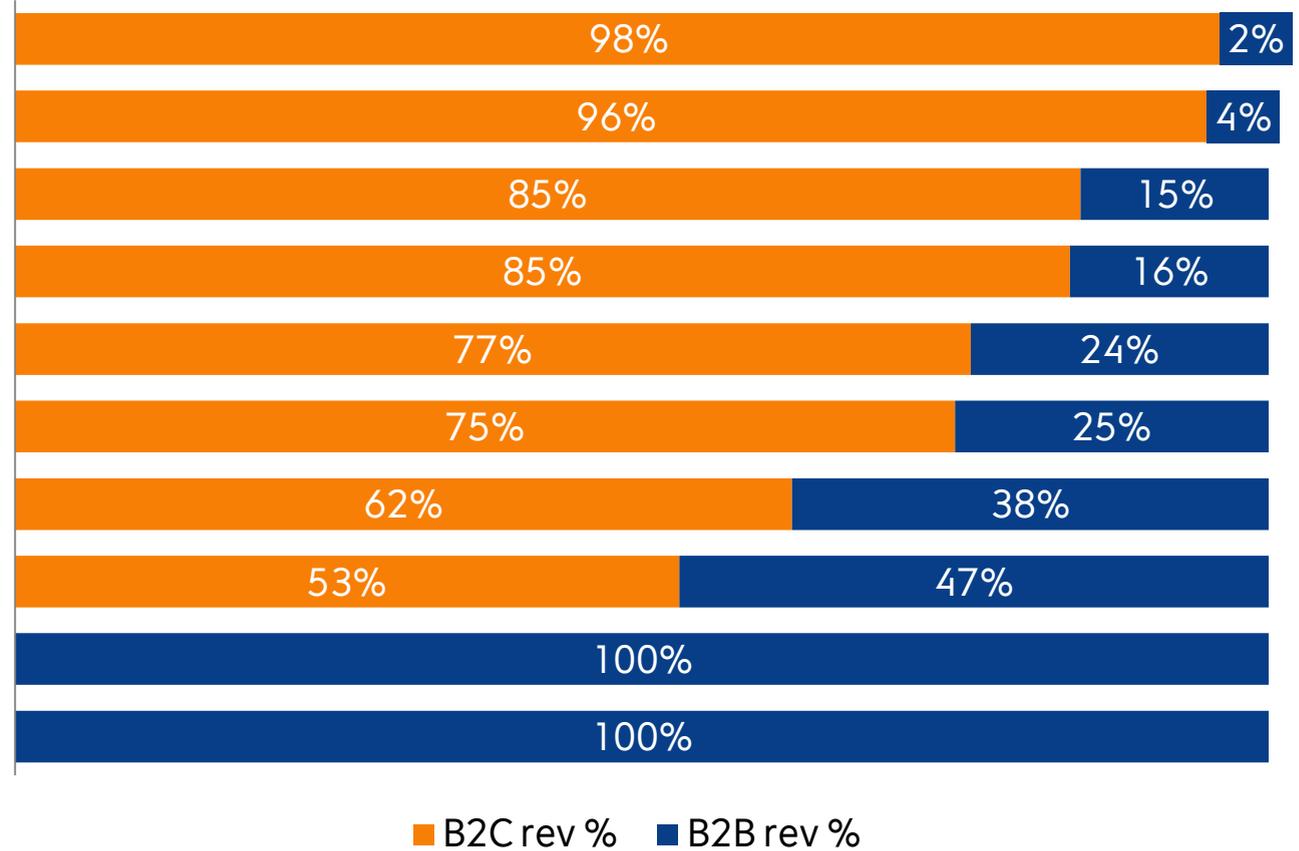
Leading position is reflected in stable advertising revenues

B2B advertising revenues Sanoma Media BeNe, EUR million

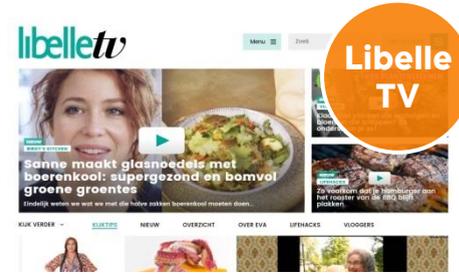
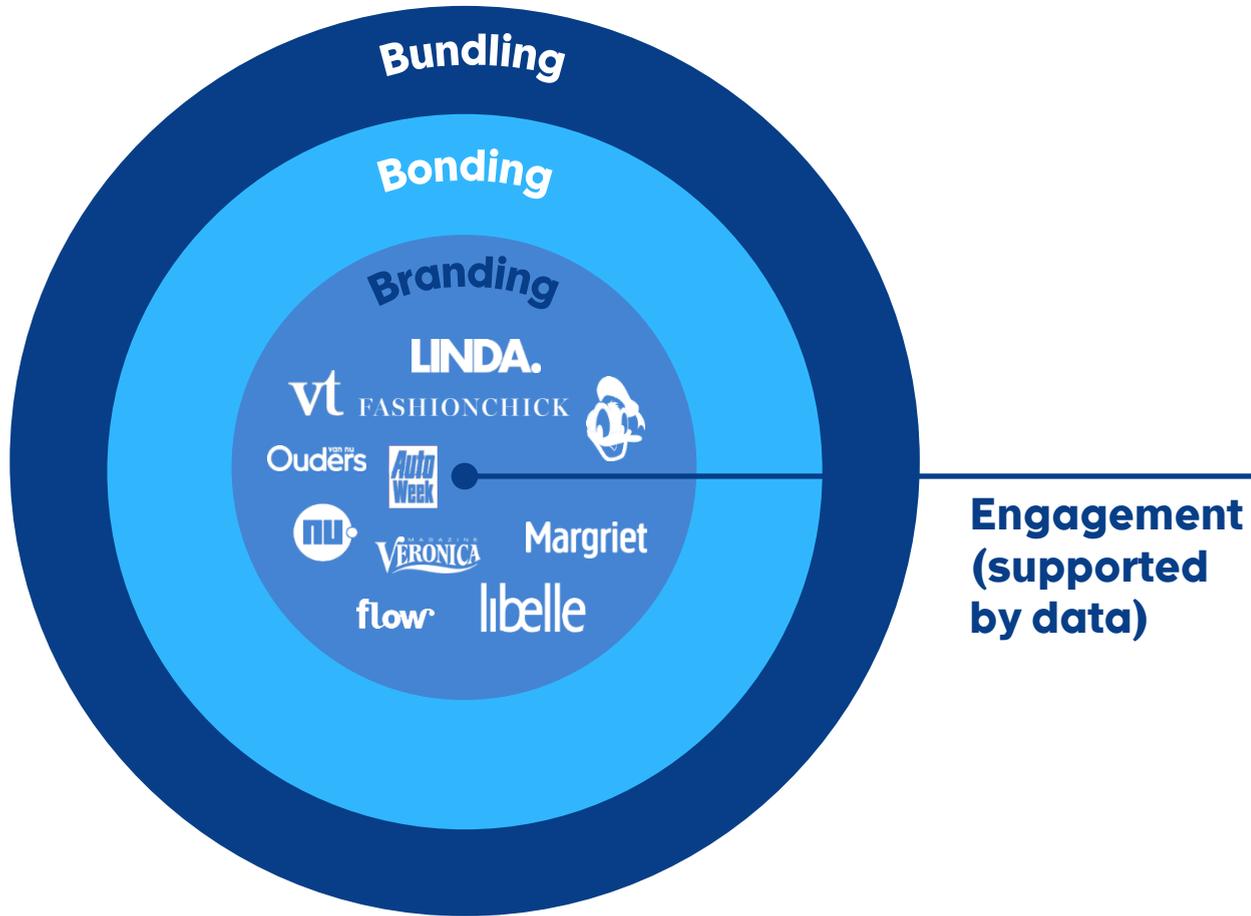


Creating value through top 10 strong media brands

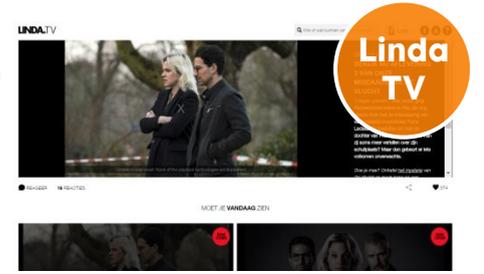
flow	International mindfulness & lifestyle brand
DONALD DUCK	#2 magazine of NL in reach
Margriet	Strong Women brand with > 1m reach
libelle	Largest Dutch women brand
Auto Week	Biggest Automotive magazine in NL
vtwonen.nl	360 Home Deco brand With e-commerce, print, TV and an event with >80k visitors
LINDA.	Upcoming women brand Even showing growth in circulation
Ouders van nu	Largest parent brand in NL Strong online and ecommerce focus
FASHIONCHICK	Large online Fashion storefront Strong engagement with millennials
nu	Online Pure-player, 100% B2B revenue



Sanoma organizes around strong A-brands



Libelle's own tv channel with popular formats like Lifehacks and Over Eva; the first online tv soap



Engaging users with beautiful personal stories and unique LINDA formats



Expansion of NU sport towards a strong cross-media brand with significant position in TV & Online



Inspiring online and print content and engaging event and tv program and a succesful vtwonen online shop



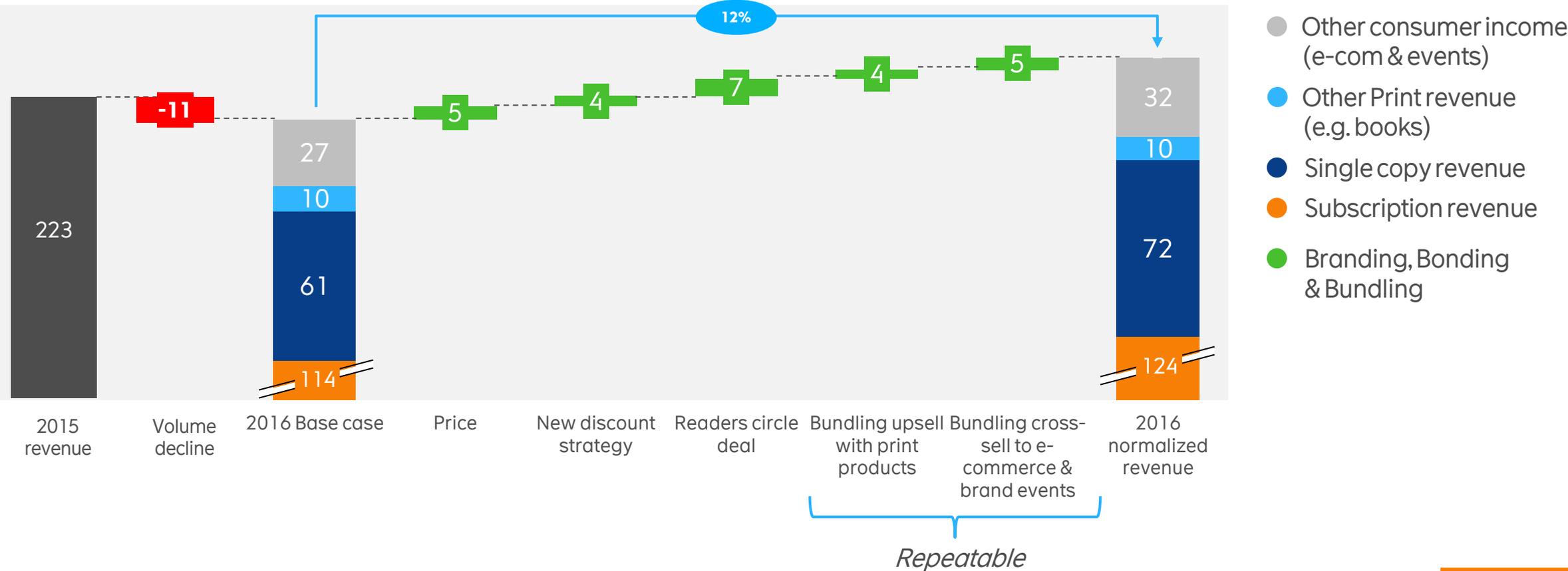
Donald Duck branded type course teaches the engaged Donald Duck reader how to type



Engaging personal online content, a print magazine, an event, tv program and shop

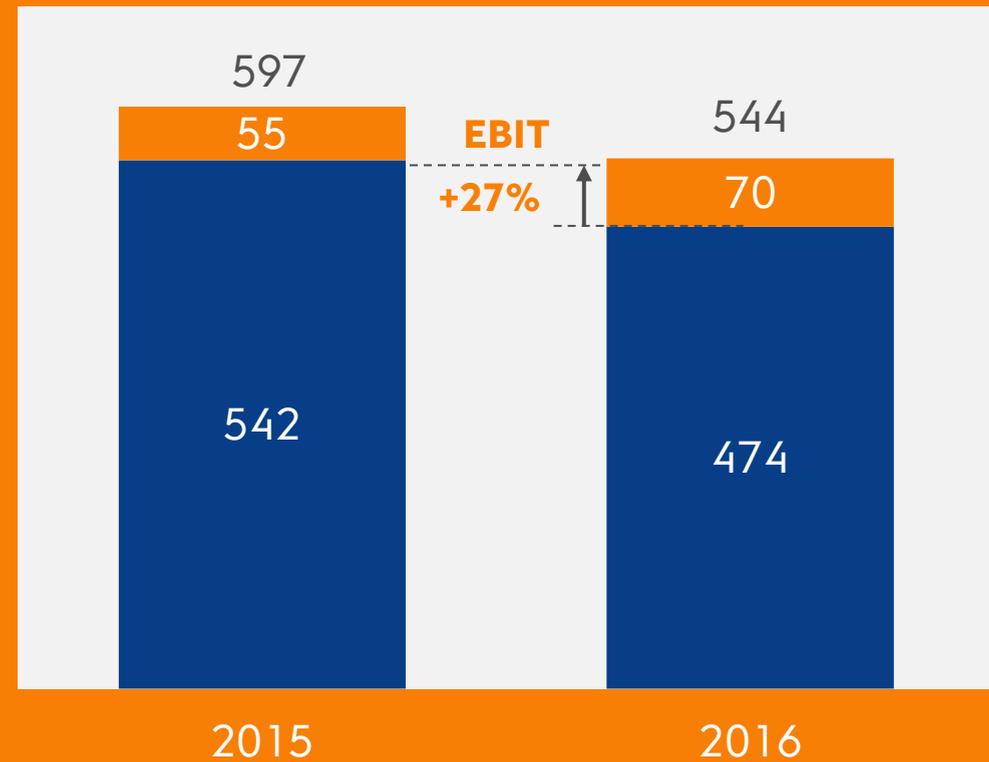
This strategy stabilizes the topline and creates more brand value

Sanoma NL B2C normalized revenues 2016, EUR million



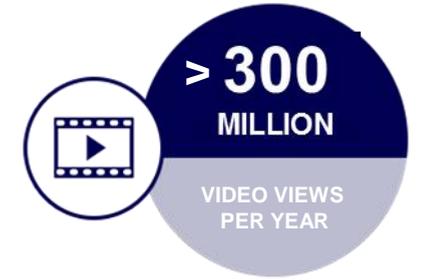
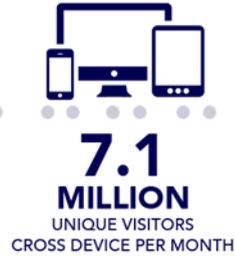
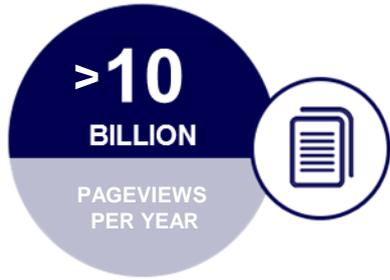
Continuous cost innovation

- We have identified areas for enhanced **operational excellence & efficiency**
- Multiple projects in
 - Content creation
 - Purchasing, staffing, technology, infrastructure, etc.



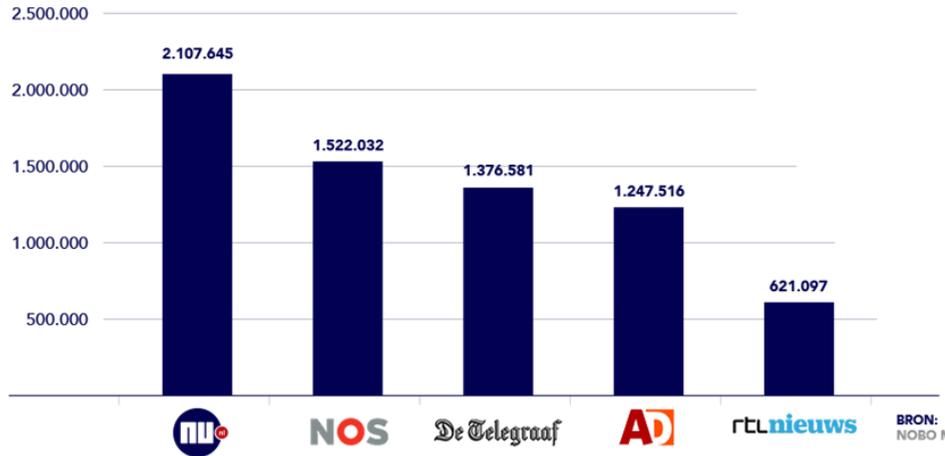
NU.NL THE NUMBER #1 NEWS BRAND OF THE NETHERLANDS

HIGHEST BRAND AWARENESS (78%) AND BRAND PREFERENCE (37%) OF ALL NEWS BRANDS



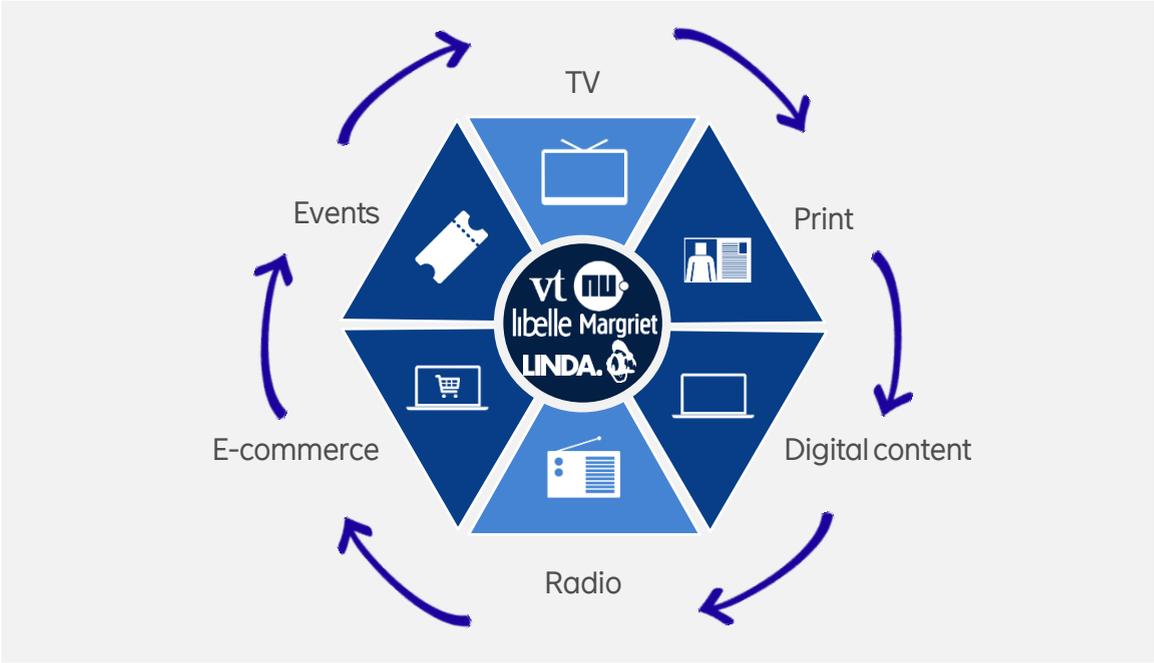
NU.NL IS MORE THAN NEWS. IT'S ALL ABOUT **SPORTS**, **ENTERTAINMENT**, **LIFESTYLE**, **TECH**, **BUSINESS**, LOCAL NEWS AND THE BEST VIDEO'S

AVERAGE DAILY REACH NU.NL AND COMPETITORS (AGE 13+)

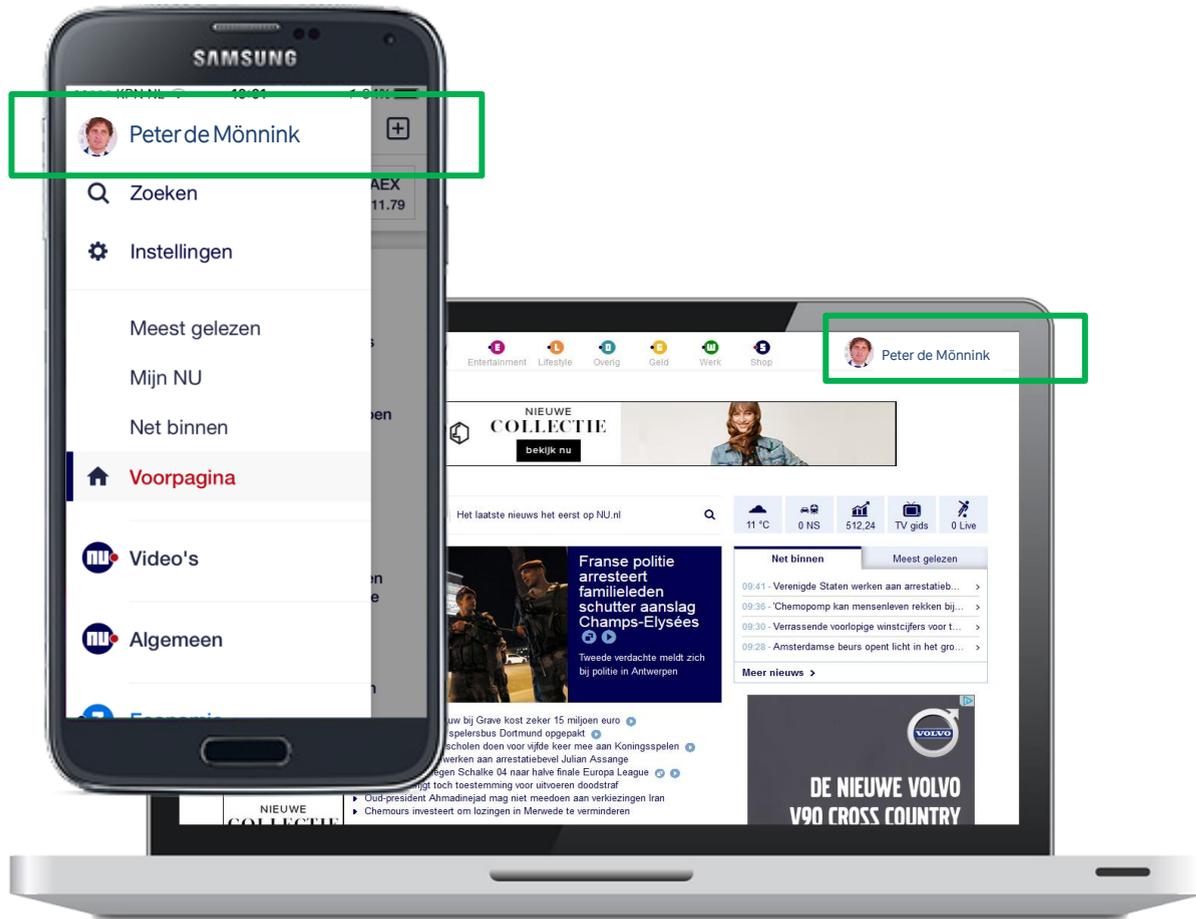


Source: NOBO March 2017

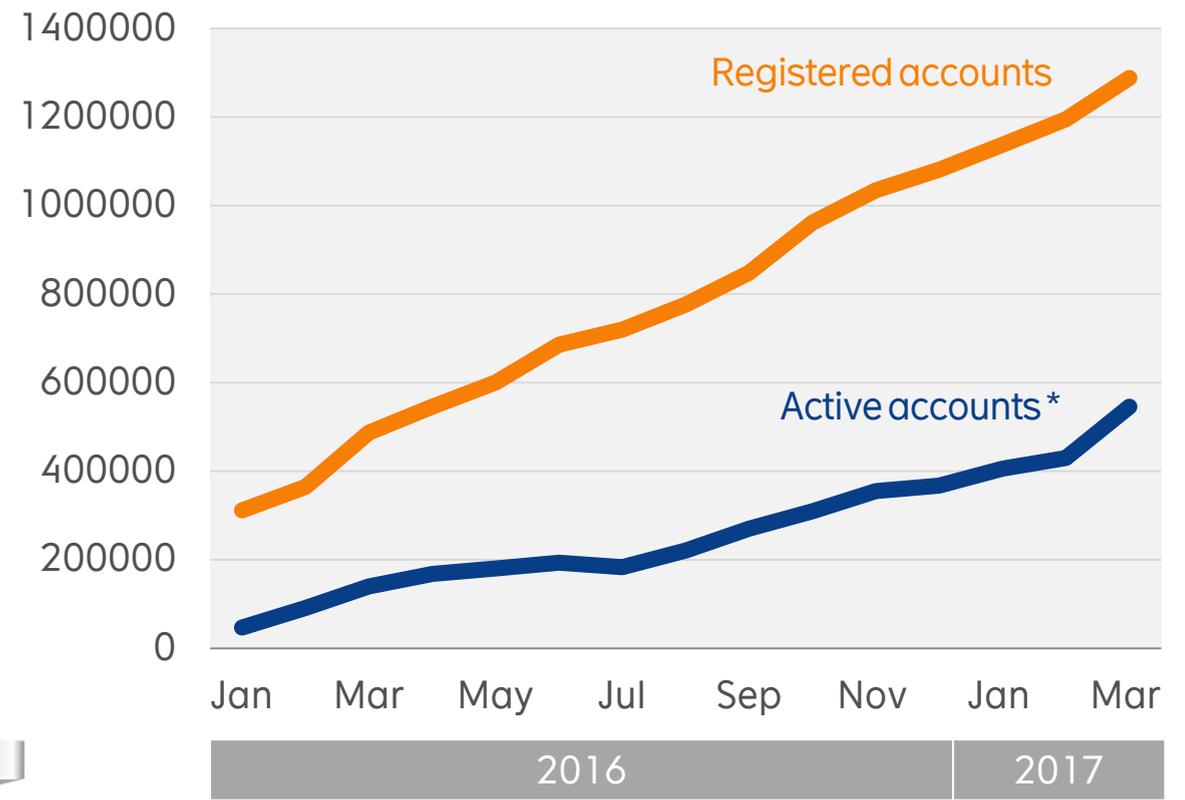
Differentiation in B2B is based on data and cross-media solutions



Sanoma Account ensures cross-channel identification throughout the whole Sanoma network of Brands

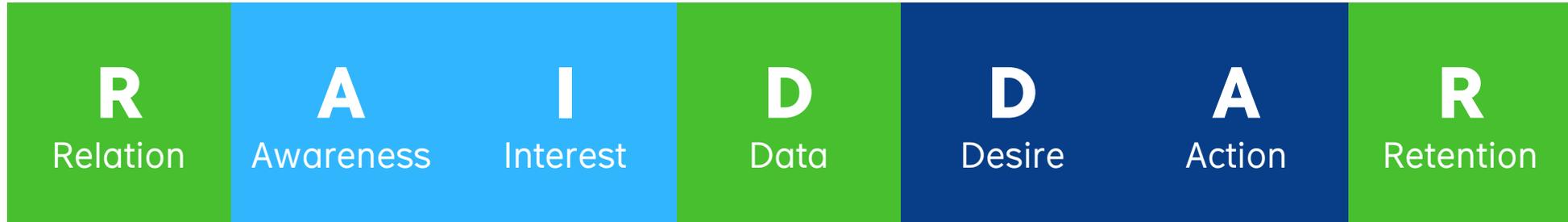
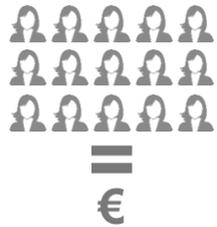


Active Sanoma accounts per month

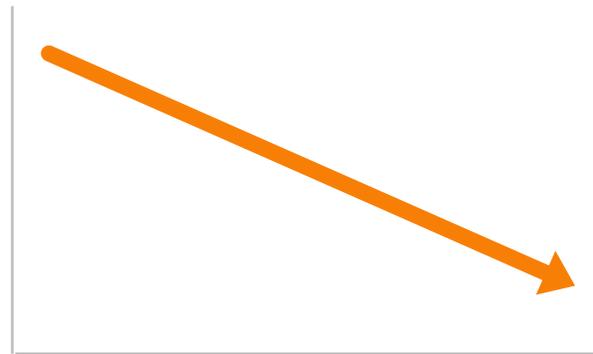


* Logged in in the past 28 days

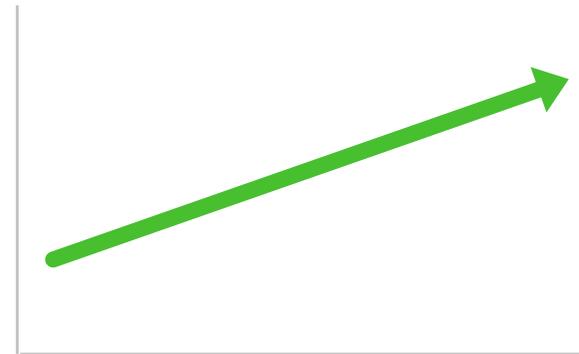
Data is essential to future growth in the B2B markets



Declining B2B demand in awareness/ reach based deals



Growing B2B demand in performance/ transaction based deals



Illustrating our B2B strategy

Findio case

Selling personal loans



findio

A consumer credit brand of Crédit Agricole

Increase supported brand awareness in key target group to 3%.



Trigger to connect

Use goodwill vtwonen to inform and interact with consumer



Inform to learn

Acquire 10,000 leads and 1,200 contracts in year 1



Interact to convince



Encourage to convert



Confirm to reassure



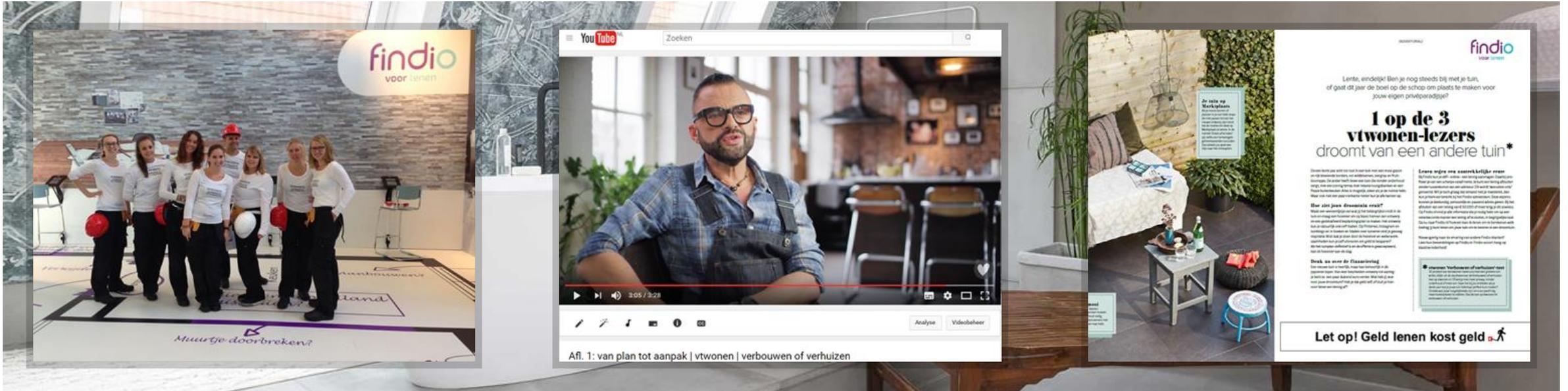
Engage to delight



Motivate to promote

Findio case

What can we offer Findio



Trigger
to connect



Inform
to learn



Interact
to convince



Encourage
to convert



Confirm
to reassure



Engage
to delight



Motivate
to promote

Findio case
The results

10%
 supported
 brand
 awareness
 among TV
 viewers



Trigger
to connect



Inform
to learn



Interact
to convince



Encourage
to convert



Confirm
to reassure



Engage
to delight



Motivate
to promote

12,500 leads
 within 6 months

New projection:
20,000 leads
 in year 1

**Extension of
 the vtwomen
 contract**

And

**New contract
 for Automotive**

Total deal value

= >€5m

Hema (&LINDA) case: celebrating the 90th birthday

HEMA



HEMA

HEMA is a Dutch retailer, a real household brand, with 500 stores in the Netherlands

Create awareness for HEMAs birthday (in line with their DNA)



Trigger
to connect



Inform
to learn



Interact
to convince

Indirectly drive store traffic (core however is awareness for birthday)



Encourage
to convert



Confirm
to reassure



Engage
to delight



Motivate
to promote

Why the HEMA marketeers choose LINDA?

HEMA



LINDA. The brand with the best reach in its audience based on the **full 360**
(Branding, Bonding, Bundling in optima forma)

LINDA.MAGAZINE

- 12 x a year LINDA.
- Sold copies: 237,000
- Subscribers: 129,000
- Average reach: 1,140,000+

LINDANIEUWS

- 3.5 million visitors p/m
- 26.2 million page views p/m
- 550K facebook followers

LINDA.FESTIVAL

- 2nd edition in 2017
- 2 day festival
- 14,000 visitors

LINDA.TV

- 356,000 app downloads
- 1.6 million sessions
- 7 million page views

Hema (&LINDA) case: the solution

The campaign consisted of a social campaign **‘who deserves a cake?’**, in-store activation in the form of a baking contest, beautiful stories of 90 years old on Linda.tv and to top it all: TAART. (translation: CAKE) Magazine: 90 years of HEMA through the eyes of LINDA.



Trigger to connect



Inform to learn



Interact to convince



Encourage to convert



Confirm to reassure



Engage to delight



Motivate to promote

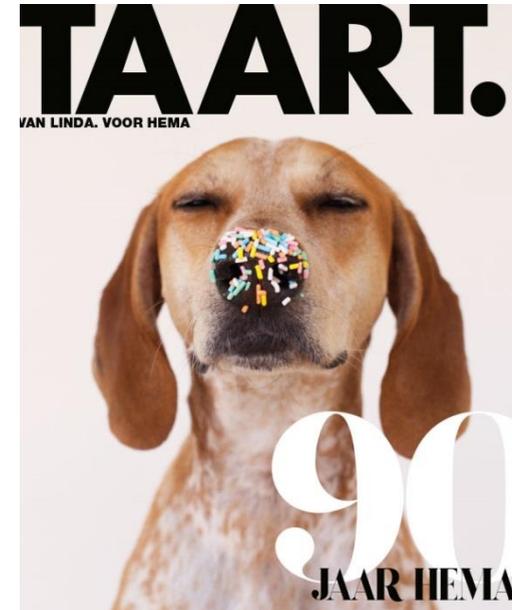
Hema (&LINDA) case: the results

2 million
were reached by
TAART.magazine

One third
of NL women
were somehow
aware of
campaign

Print campaign was
evaluated with
a 9.5*

50% of LINDA readers
stated to be proud at the
nostalgic HEMA brand due
to the campaign



Trigger
to connect



Inform
to learn



Interact
to convince



Encourage
to convert



Confirm
to reassure



Engage
to delight



Motivate
to promote

*Mediacom evaluation Jan 2017

Summary

In conclusion...

- 1. We are creating value through strong media brands**
- 2. Financial performance has been strong. Expectations are positive.**
- 3. Employee Engagement Scores have consistently grown and we have a highly motivated workforce**
- 4. Awards and Customer cases underscore the strength of the value propositions within the top-rated portfolio**
- 5. Enhancing data propositions is key for the future growth. We are on track to accelerate a roll-out of Sanoma Account.**
- 6. We will continue to actively manage the brand portfolio**

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