

S

a

o m

a

Full year result 2016

Susan Duinhoven, President and CEO

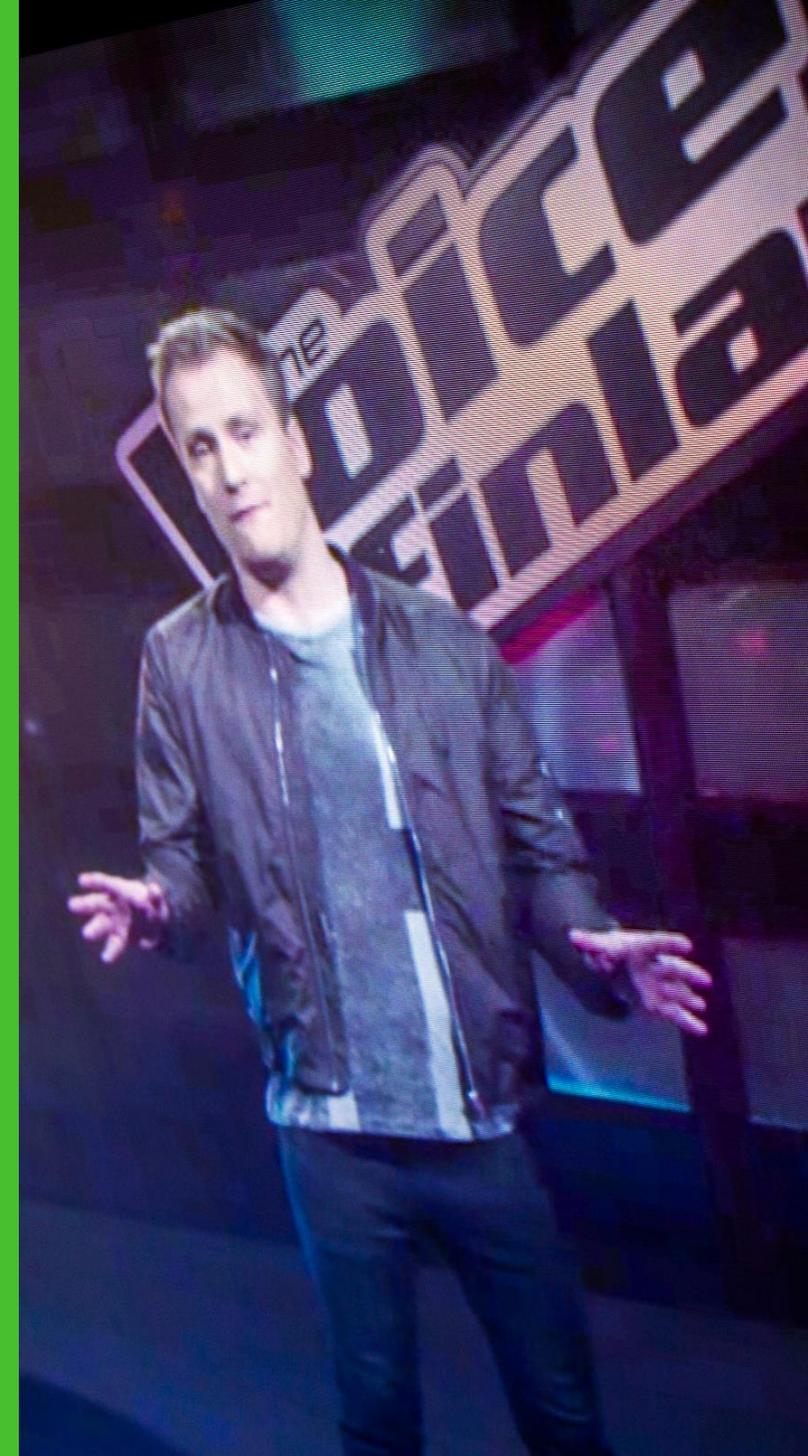
Kim Ignatius, CFO

7 February 2017

n

Back on track...

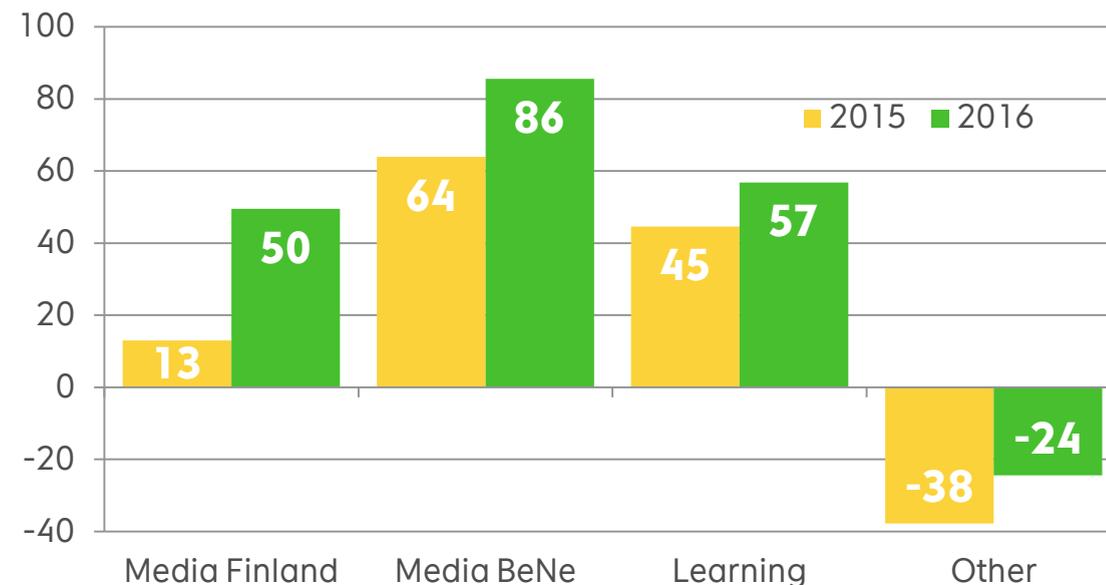
- Q4: Operational **EBIT improvement continued**
EUR 1.4 million (-8.4)
- FY2016:
 - **Operational EBIT doubled** to EUR 168 million (84)
 - Organic **net sales stable** (+0.1%)
 - Deleveraging continued as planned:
net debt / adj. EBITDA 3.2 (5.1) after redemption of hybrid
- **Outlook** for 2017:
 - For 2017, Sanoma expects that the Group's consolidated **Net Sales** adjusted for structural changes will be stable and the operational **EBIT Margin** will be around 10%
- Dividend of EUR 0.20 (0.10) proposed for 2016
 - **New dividend policy from 2017 onwards:**
Increasing dividend, equal to 40–60% of annual cash flow from operations less capital expenditure



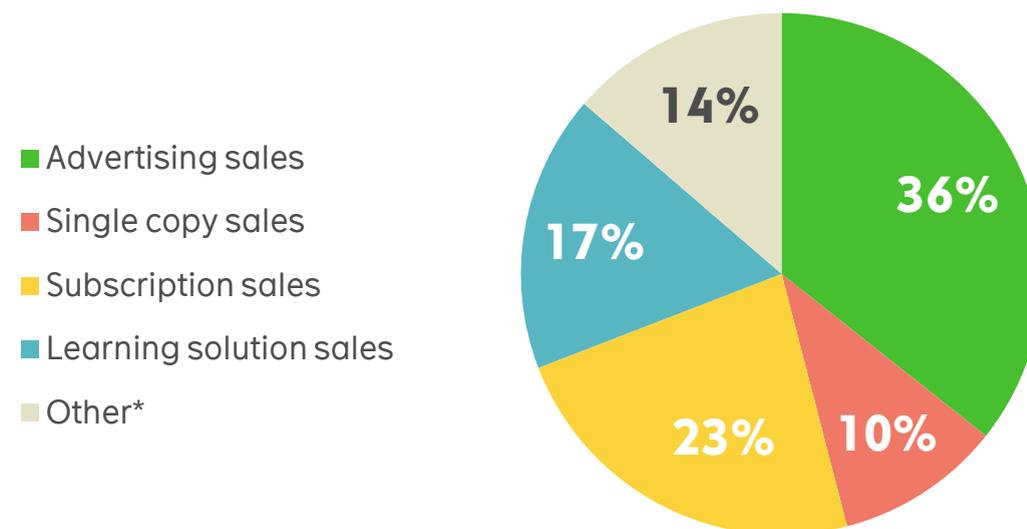
...faster than expected

Sanoma Group EUR million	2016	2015
Net sales	1,639.1	1,716.7
Organic growth	0.1%	-3.4%
Operational EBIT	167.9	83.7
Operational EBIT-%	10.2%	4.9%

Full year operational EBIT, MEUR



Composition of net sales 2016



*Other sales mainly include press distribution and marketing services, custom publishing, event marketing, books and printing services.

Media Advertising Markets

Netherlands	Q1/16	Q2/16	Q3/16	Q4/16
Magazines	-8%	-8%	-9%	-3%
TV	+6%	-2%	-5%	-5%
Online*	+10%	+14%	+8%	+8%
Total market*	+4%	+4%	+1%	+1%

FY/15	FY/16
-13%	-7%
+1%	-2%
+8%	+10%
+1%	+3%

Finland	Q1/16	Q2/16	Q3/16	Q4/16
Newspapers	-6%	-5%	-3%	-4%
Magazines	-11%	-10%	-4%	-12%
TV	-2%	-4%	+2%	+1%
Radio	+15%	+3%	+2%	-4%
Online*	+5%	+18%	+17%	+15%
Total market*	-1%	-1%	+1%	+0%

FY/15	FY/16
-6%	-4%
-14%	-9%
-4%	-1%
+3%	+3%
+7%	+13%
-2%	+1%

*Source: NL: Sanoma estimates, incl. online search. FI: TNS Gallup. Quarterly figures excl. online search, Full year numbers in Finland are based on a larger amount of data than quarterly numbers and include online search. Total market in both countries includes other smaller categories such as cinema and outdoor advertising.

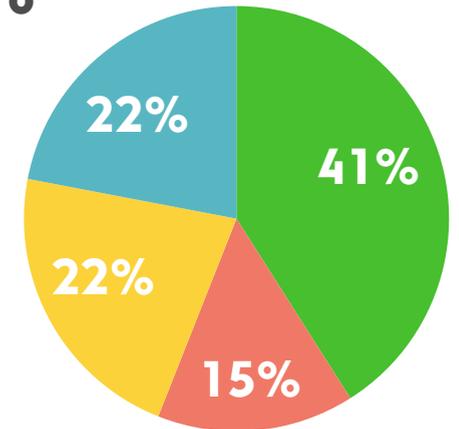
FY16 Media BeNe

Improved performance in print & online portfolio

- Operational EBIT **up by 34%** with all business units contributing
 - Improvement driven by organic sales development and cost innovations
- Organic net sales **stable (+0.5%)**
 - Dutch print & online portfolio performed well, TV sales stable
 - Non-print sales 54% (49%)
- Solid market position
 - Sanoma **1# Dutch online publisher**, reaching 66.9% of the population monthly
 - Mercurs brand award for LINDA magazine, Brand innovation award for LINDA.tv

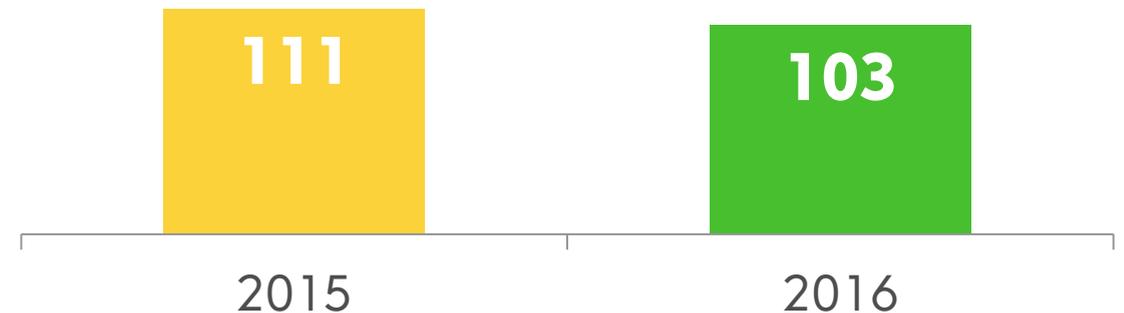
Composition of net sales 2016

- Advertising sales
- Single copy sales
- Subscription sales
- Other*



*Other sales mainly include press distribution and marketing services, custom publishing, event marketing and books.

TV viewing during prime time* (20-54 years) (Dutch FTA market, average minutes/day)



* Prime time: 18–24

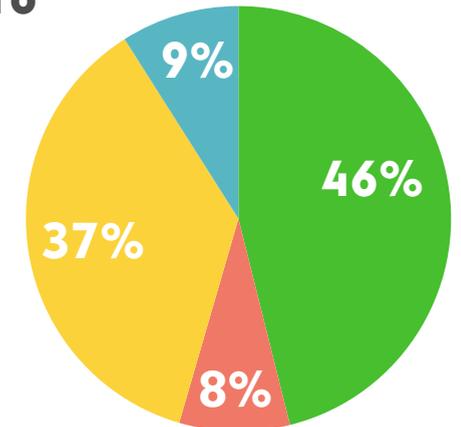
FY16 Media Finland

Transformation ahead of plan

- Operational EBIT **improved** to EUR 50 million (13), all business units contributing
 - Driven by advertising sales as well as cost and process innovations (started in Q3/15)
 - Revenue, cost and process innovations will continue, development costs impacting profitability in 2017
- Organic net sales **stable (+0.7%)**
 - Growing TV and online advertising sales; new revenue streams like events
 - Non-print sales grew to 42% (38%)
 - Underlying market remains challenging
- Market **position improved**
 - 28% of Finnish ad market (27%)

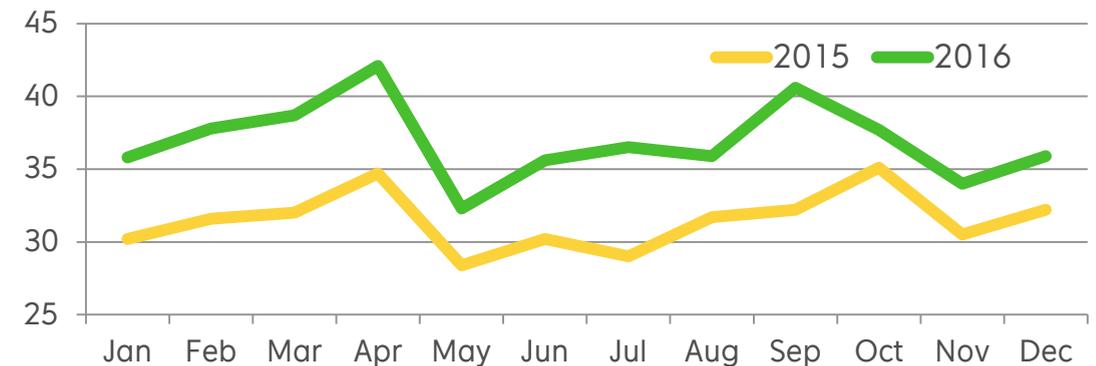
Composition of net sales 2016

- Advertising sales
- Single copy sales
- Subscription sales
- Other*



*Other sales mainly include marketing services, custom publishing, event marketing, books and printing services.

Nelonen TV viewing share Commercial TV (10-44 years)

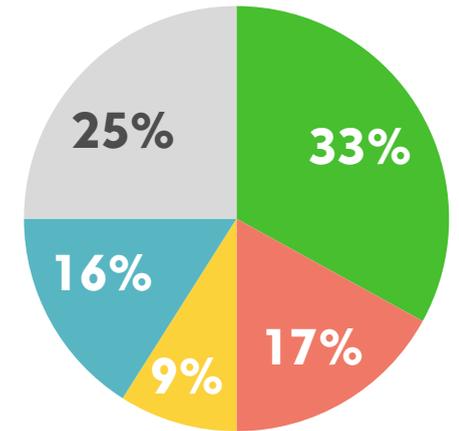


FY16 Learning

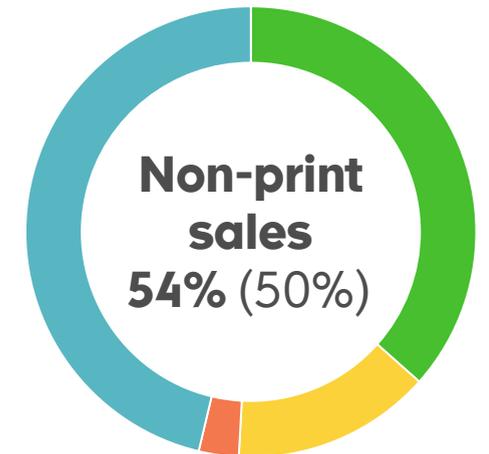
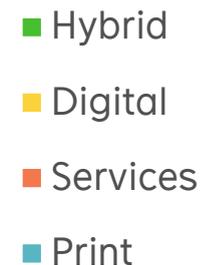
Solid net sales and significant profitability improvement

- Clear improvement in profitability, operational EBIT **+27%**
 - Cost innovations, prepublication amortisation schedule changes and De Boeck contributing (integration restructuring agreed with unions)
- Net sales **grew 8%** in Western Europe
 - Curriculum changes, success in digital offering
 - Acquisition of De Boeck
- Legislation in Poland affected sales
 - Market **position further strengthened** in 2016
 - New reform as of 2017 offers opportunities to leverage this strong market position

Net sales by country 2016



Composition of net sales 2016

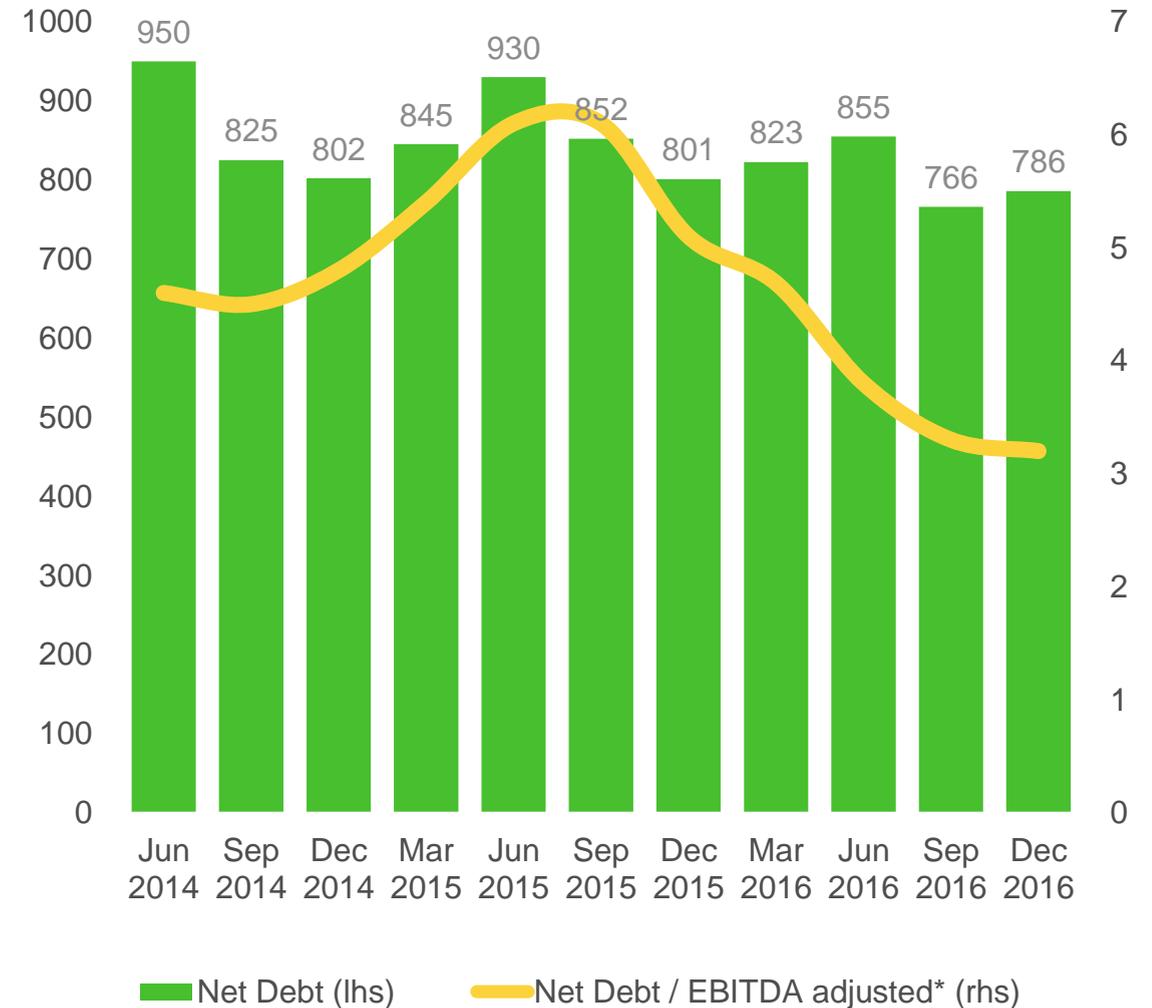


Successful deleveraging

Hybrid Bond redeemed

- Cash flow from operations less capex **increased** to EUR 119 million (-30)
- Net debt: EUR 786 million (801)
 - Net debt/EBITDA* adjusted 3.2 times (5.1) after redemption of Hybrid Bond
 - Without redemption, net debt/EBITDA* adjusted would have been 2.8 times
- Equity ratio: 41.0% (39.5%)
- Continued improvement of cash flows and deleveraging will have **positive effect** on operational EPS going forward

Key figures



*EBITDA adjusted: 12-month rolling operational EBITDA, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on cash-flow basis

Increasing dividend

New dividend policy

- For 2016, Board proposes dividend of EUR 0.20 (0.10) per share.
- The dividend policy from 2017 onwards: Sanoma aims to pay an **increasing dividend**, equal to 40–60% of annual cash flow from operations less capital expenditure.

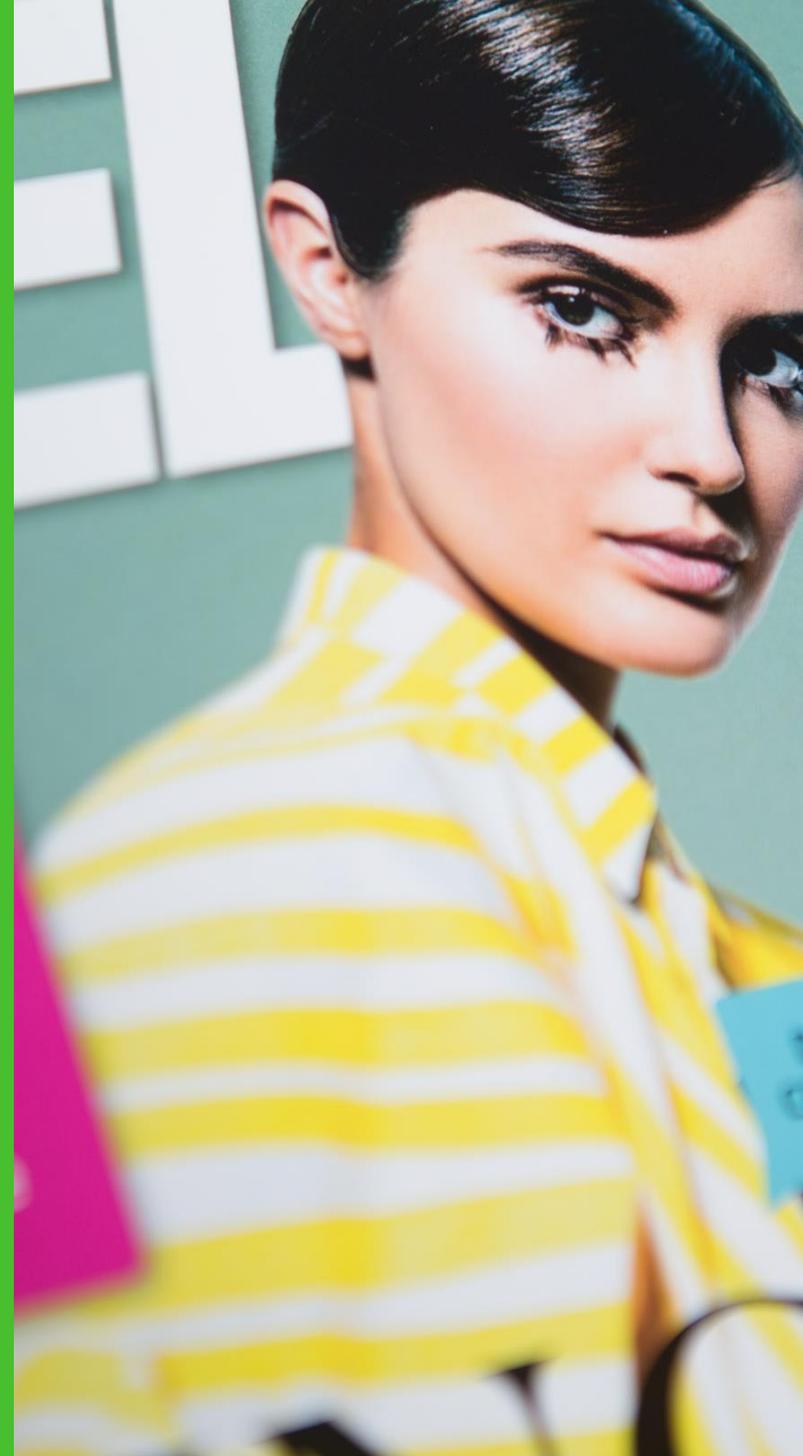
When proposing a dividend to the AGM, the Board of Directors will look at the general macro-economic environment, Sanoma's current and target capital structure, Sanoma's future business plans and investment needs as well as both previous year's cash flows and expected future cash flows affecting capital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

Renewed long-term financial targets

	New target	Old target
Net debt / EBITDA	< 2.5	< 3.5
Equity ratio	35%-45%	35%-45%

Outlook for 2017

- For 2017, Sanoma expects that the Group's consolidated
 - Net Sales adjusted for structural changes will be stable and
 - The operational EBIT margin will be around 10%
- The outlook is based on the assumption of the advertising market development in Finland and the Netherlands being in line with that of 2016



HELSINGIN SANOMAT

Asiakastuki

Financials

Luetuimmat

JUURI NYT

1. Nyt.fi: M
hämment
raitin
talle
tta soiv

s a n o m a

Income Statement

EUR million	10-12/2016	10-12/2015	1-12/2016	1-12/2015
Net sales	398.1	409.3	1,639.1	1,716.7
Operational EBITDA	86.7	89.1	452.4	389.7
of net sales	21.8%	21.8%	27.6%	22.7%
Amortisations related to TV programme rights	-53.8	-51.5	-180.9	-186.2
Amortisations related to prepublication rights	-3.7	-4.9	-20.4	-24.4
Other amortisations	-24.1	-35.4	-66.1	-73.2
Depreciation	-3.7	-5.6	-17.2	-22.2
Operational EBIT	1.4	-8.4	167.9	83.7
of net sales	0.3 %	-2.1 %	10.2 %	4.9 %

Sanoma cost structure improved

Operational fixed cost split (EUR million)
and share of net sales

48% ➔ **44%**

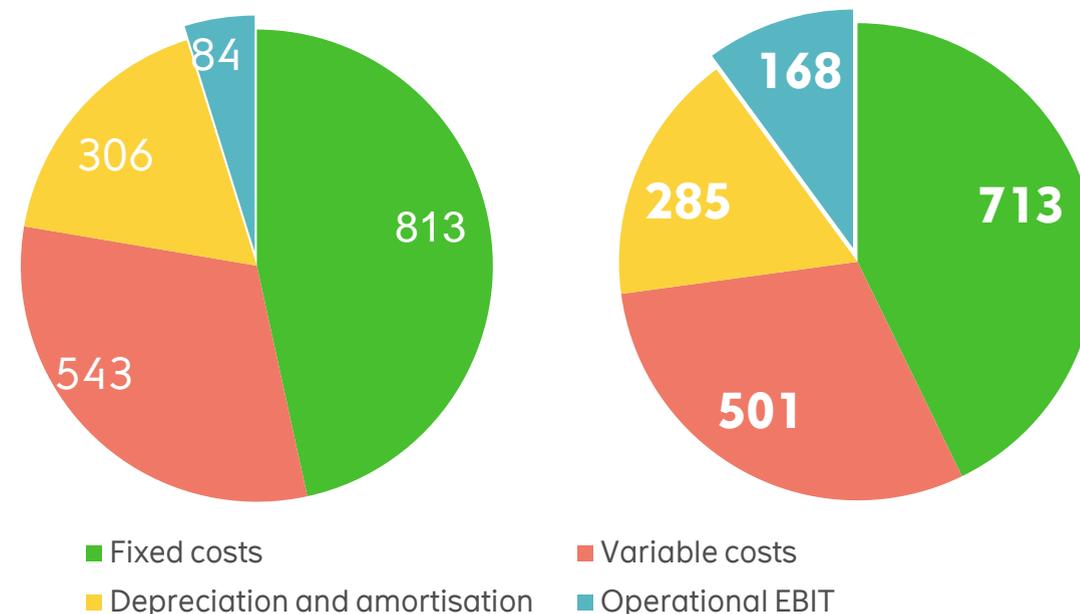
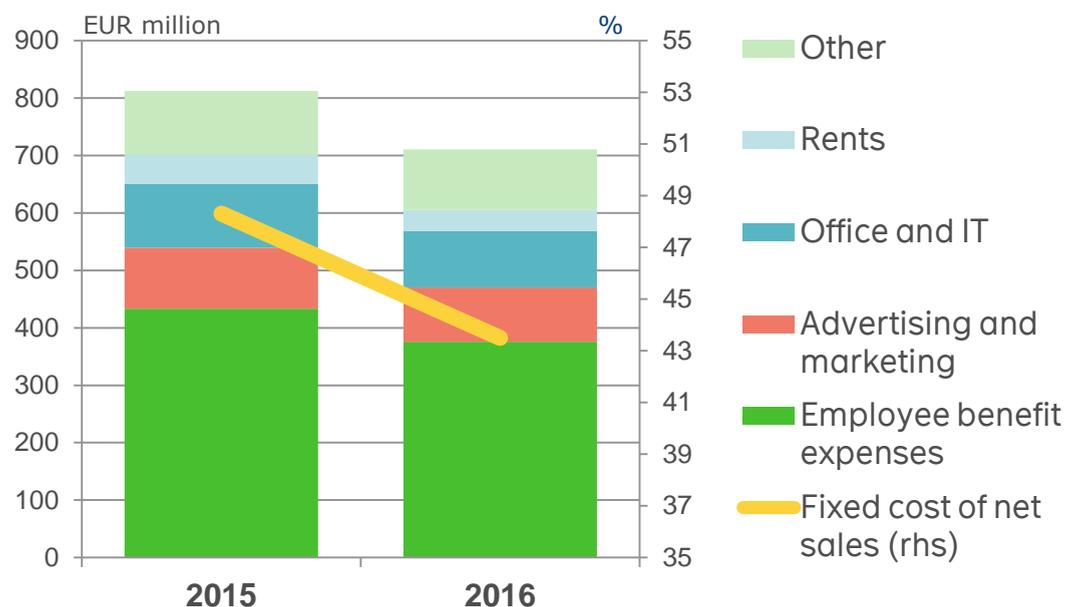
Net sales and operational cost structure

2015:

1,717 MEUR ➔

2016:

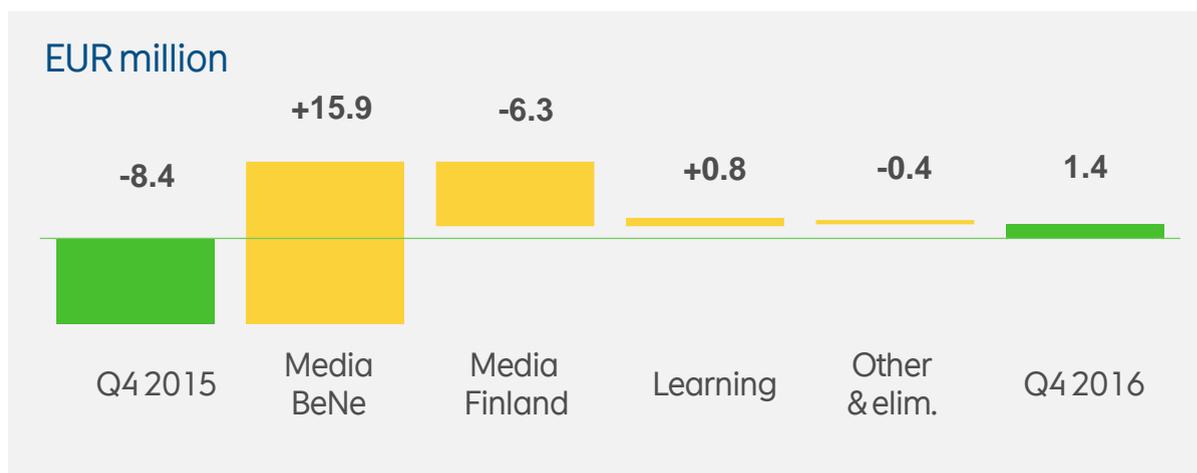
1,639 MEUR



Operational EBIT Development

Q4/2016

EUR million	Q4/2016	Q4/2015
Group	1.4	-8.4
Media BeNe	26.8	10.9
Media Finland	9.3	15.6
Learning	-23.8	-24.6
Other & elim.	-10.8	-10.4



Media BeNe:

- + Cost innovations
- + Higher program rights impairment in 2015
- Higher targeted investments to programming
- Divestments of non-core, non-strategic operations

Media Finland:

- + Higher advertising sales
- Higher variable remuneration
- Rental provisions for unused office space
- Suunta development costs

Learning:

- + Increased sales
- + Restructuring savings
- De Boeck integration – seasonally loss making
- Phasing of marketing and ICT costs

Income Statement

EUR million	10-12/2016	10-12/2015	1-12/2016	1-12/2015
Net sales	398.1	409.3	1,639.1	1,716.7
Operational EBITDA	86.7	89.1	452.4	389.7
Operational EBIT	1.4	-8.4	167.9	83.7
Items affecting comparability	-24.6	-122.4	28.7	-206.8
Operating profit	-23.2	-131.9	196.6	-123.1
Total financial items	-13.2	-8.8	-37.0	-27.6
Result before taxes	-38.4	-142.0	157.2	-151.4
Income taxes	6.3	10.7	-41.2	-6.3
Result for the period	-32.1	-131.4	116.0	-157.7
Result attributable to:				
Equity holders of the parent company	-31.8	-111.4	110.8	-142.6
Non-controlling interests	-0.3	-20.0	5.2	-15.0
Earnings per share	-0.20	-0.69	0.65	-0.91
Operational EPS	-0.07	-0.09	0.51	0.13

Free cash flow

Cash flow from operations less CAPEX

EUR million	10-12/2016	10-12/2015	1-12/2016	1-12/2015
Operational EBITDA	86.7	89.1	452.4	389.7
TV programme costs	-34.1	-46.1	-179.3	-197.6
Prepublication costs	-7.4	-7.3	-27.9	-28.9
Change in working capital*	93.8	63.8	-47.9	-1.2
Interest paid	-5.2	-1.9	-41.5	-27.6
Other financial items	-4.7	-1.8	-4.3	-4.8
Taxes paid**	-7.8	-1.5	-23.4	-36.0
Other adjustments	-15.6	-25.7	25.4	-68.1
Cash flow from operations	105.8	68.7	153.5	25.5
Cash CAPEX	-11.6	-11.3	-34.5	-55.1
Free cash flow	94.2	57.3	118.9	-29.6
Cash flow from operations / share, EUR	0.65	0.42	0.95	0.16
Free cash flow / share, EUR	0.58	0.35	0.73	-0.18

Operational free cash flow

(without items effecting comparability)

	1-12/2016	1-12/2015
	452.4	389.7
	-179.3	-197.6
	-27.9	-28.9
	44.8	-3.4
	-41.5	-27.6
	-4.3	-4.8
	-35.2	-34.3
	-6.3	-4.5
	202.7	88.5
	-34.5	-55.1
	168.2	33.5
	1.25	0.54
	1.04	0.21

*Change in working capital includes in Q2 2016 the final settlement of Dutch pension plan change from defined benefit to defined contribution.

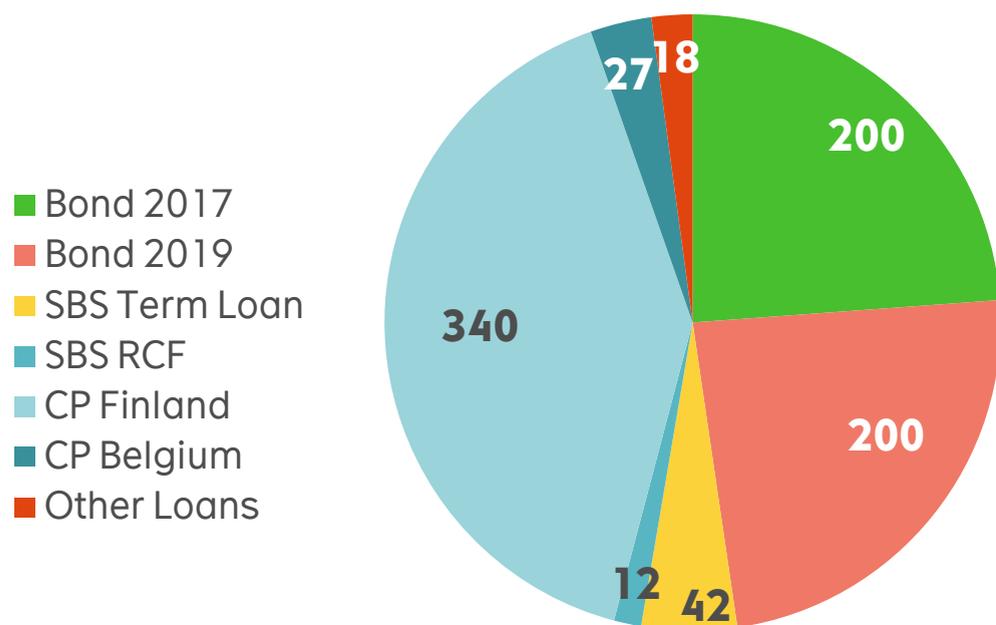
** Taxes paid include tax for the gain on the sale of Sanoma House paid in Q2 2015.

Funding

31.12.2016

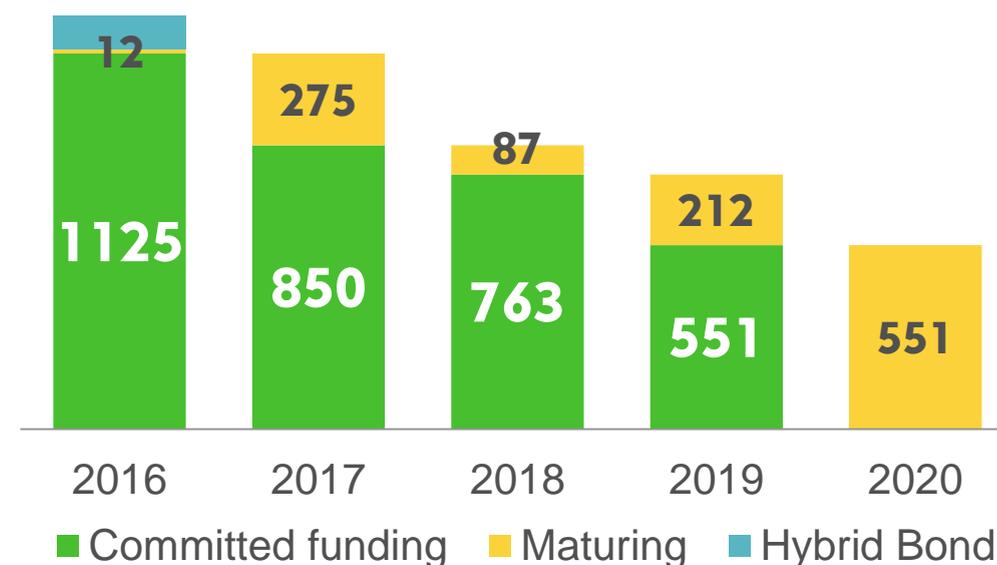
Debt structure

as of 31 December 2016, MEUR



Maturity profile of committed funding

as of 31 December 2016, MEUR



- Average interest rate 2.8 % (2.7) p.a.
- Interest sensitivity of 1% change is EUR 2.2 million and duration is 12 months

- EUR 100 million Hybrid bond was redeemed
- EUR 500 RCF will expire on February 2020
- The EUR 200 million bond will mature in March 2017. The plan is not to issue a new bond, but to refinance it using bank facilities and the CP market

Q & A

Extra
**GROTE
JAAR
HOROSCOOP**
Alles over geluk, werk
en gezondheid

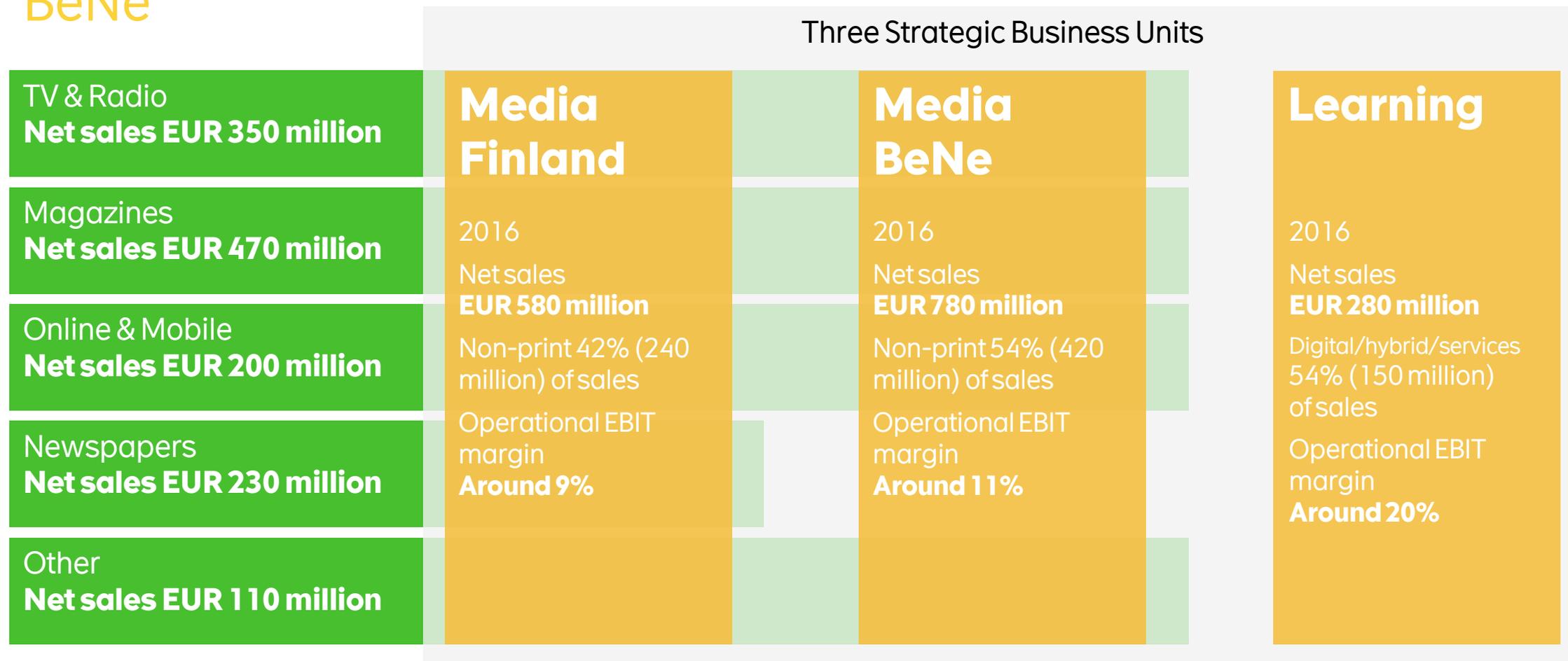
"IK BEN
ENORM
BRUTAAAL"

WOMEN
Mag

Appendix

Summary of Operating Performance

Non-print sales in 2016: EUR 620 million in Media Finland and Media BeNe



* Figures rounded to closest EUR 10 million.

In addition, 'Other' sales totalled EUR 10 million, not including Parent company, other centralised Group costs and eliminations

Media BeNe key figures

EUR million	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	FY/16	FY/15
Net sales	218.0	179.7	202.6	175.6	227.6	196.4	216.0	189.5	775.9	829.5
Digital	97.1	71.4	82.3	68.2	94.9	70.6	83.9	67.1	318.9	316.6
Print	88.9	85.5	92.1	87.1	102.3	102.6	109.4	105.6	353.5	419.9
Other	32.0	22.8	28.3	20.4	30.4	23.1	22.7	16.8	103.5	93.0
Operational EBIT	26.8	21.8	29.6	7.4	10.9	20.1	27.1	5.8	85.6	63.9
<i>% of Net sales</i>	<i>12.3</i>	<i>12.1</i>	<i>14.6</i>	<i>4.2</i>	<i>4.8</i>	<i>10.2</i>	<i>12.5</i>	<i>3.1</i>	<i>11.0</i>	<i>7.7</i>
Number of employees (FTE)*	1,768	1,775	1,781	1,841	2,020	2,045	2,081	2,250	1,768	2,020

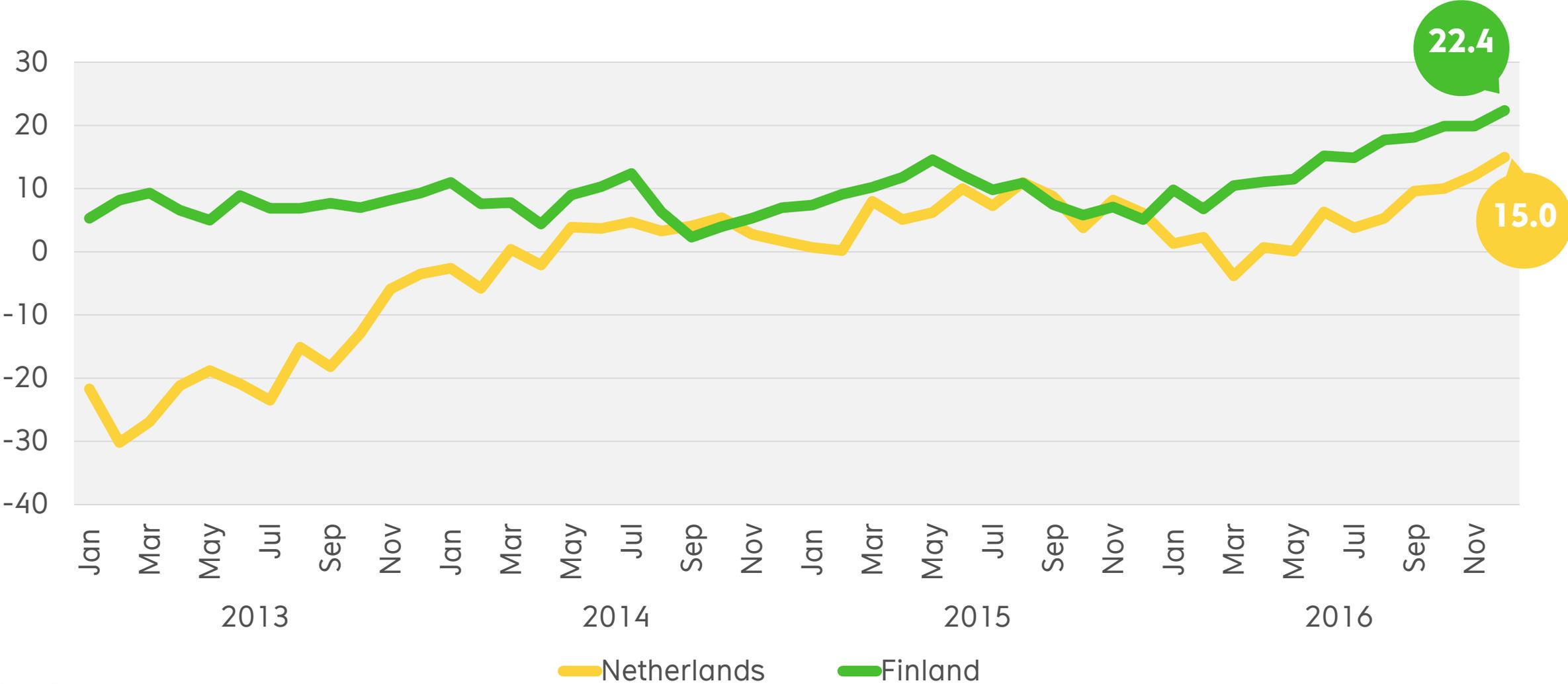
Media Finland key figures

EUR million	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	FY/16	FY/15
Net sales	152.4	133.8	150.1	144.5	152.2	131.9	145.7	143.0	580.9	572.8
Digital	64.0	52.2	63.5	58.3	59.3	46.6	56.9	50.0	237.9	212.8
Print	87.2	80.4	85.9	85.3	92.0	84.8	89.7	90.5	338.9	356.9
Other	1.2	1.3	0.8	0.9	0.9	0.5	-0.9	2.5	4.1	3.0
Operational EBIT	9.3	10.2	19.0	11.0	15.6	2.0	-2.5	-2.1	49.5	13.0
<i>% of Net sales</i>	<i>6.1</i>	<i>7.6</i>	<i>12.7</i>	<i>7.6</i>	<i>10.2</i>	<i>1.5</i>	<i>-1.7</i>	<i>-1.5</i>	<i>8.5</i>	<i>2.3</i>
Number of employees (FTE)*	1,718	1,749	1,907	1,794	1,863	2,100	2,319	2,095	1,718	1,863

Learning key figures

EUR million	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	FY/16	FY/15
Net sales	28.0	124.7	97.1	32.9	23.7	121.2	98.0	37.5	282.6	280.3
Netherlands	6.5	25.8	42.4	19.7	6.4	27.5	39.9	21.5	94.4	95.3
Poland	8.0	50.1	8.2	4.5	7.7	56.6	12.8	6.7	70.8	83.9
Finland	5.5	14.5	24.9	3.2	3.4	11.0	25.5	3.8	48.1	43.6
Belgium	4.0	24.1	15.3	1.4	3.2	16.3	14.3	1.5	44.8	35.2
Sweden	4.3	10.2	6.5	4.1	3.4	10.2	5.7	4.1	25.1	23.3
Other and eliminations	-0.2	0.0	-0.3	-0.3	-0.4	-0.3	-0.2	-0.1	-0.6	-1.1
Operational EBIT	-23.8	50.5	41.1	-10.9	-24.6	49.5	32.4	-12.7	56.8	44.6
<i>% of Net sales</i>	<i>-84.9</i>	<i>40.5</i>	<i>42.3</i>	<i>-33.1</i>	<i>-103.7</i>	<i>40.8</i>	<i>33.1</i>	<i>-33.9</i>	<i>20.1</i>	<i>15.9</i>
Number of employees (FTE)*	1,439	1,426	1,431	1,364	1,507	1,527	1,515	1,515	1,439	1,507

Consumer Confidence

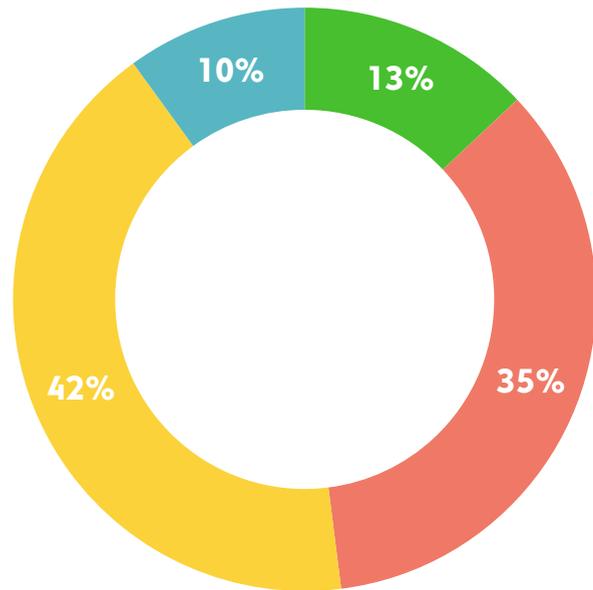


Source: Eurostat

Learning – Net Sales and EBIT Seasonality

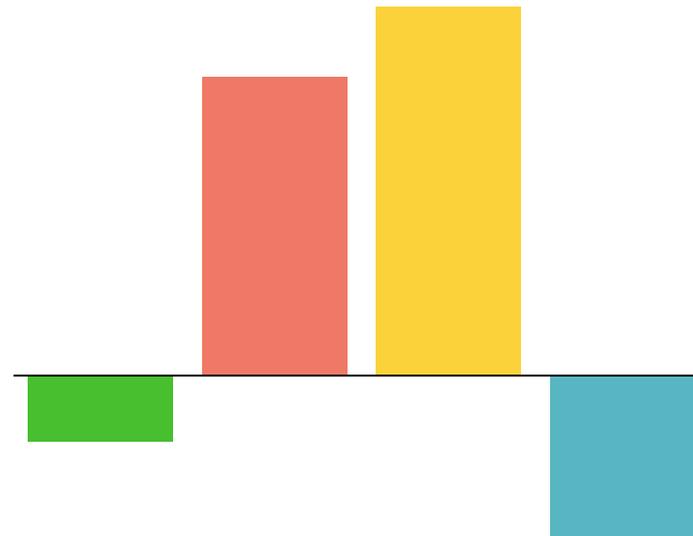
2012–2016 average for Learning

Net sales split



■ Q1 ■ Q2 ■ Q3 ■ Q4

Operational EBIT split in relative terms



Q1 Q2 Q3 Q4



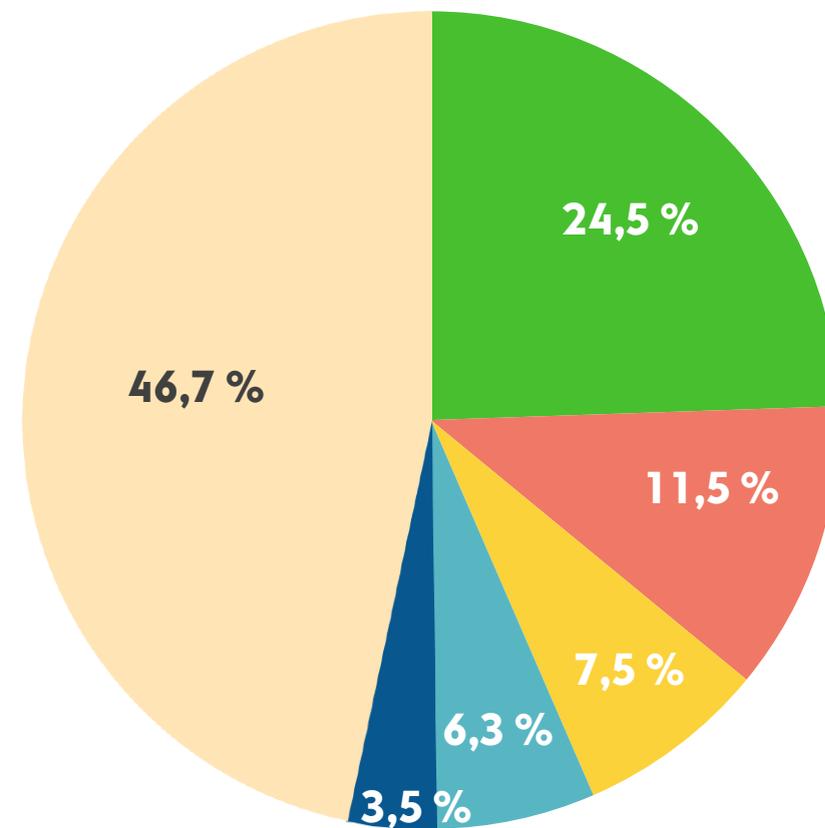
Sanoma – Largest Shareholders

	% of shares and votes
30 December 2016	
1. Jane and Aatos Erkko Foundation	24.46
2. Antti Herlin (Holding Manutas Oy: 11.47%, personal: 0.02%)	11.49
3. Robin Langenskiöld	7.54
4. Rafaela Seppälä	6.31
5. Helsingin Sanomat Foundation	3.50
6. Ilmarinen Mutual Pension Insurance Company	2.19
7. The State Pension Fund	1.28
8. Foundation for Actors' Old-Age Home	1.23
9. Alex Noyer	1.19
10. Lorna Auboin	1.14
Foreign ownership in total*	15.4%
Total number of shares	162,812,093
Total number of shareholders	21,829

Institutional investors: around 70% of shares

Private investors: around 30% of shares

*Including nominee registered shareholders



■ Jane and Aatos Erkko Foundation
 ■ Antti Herlin
■ Robin Langenskiöld
 ■ Rafaela Seppälä
■ Helsingin Sanomat Foundation
 ■ Others

Analyst Coverage

Carnegie Investment Bank

Matti Riikonen
tel. +358 9 6187 1231
Carnegie.fi

Danske Markets Equities

Panu Laitinmäki
tel. +358 10 236 4867
Danskeequities.com

Evli Bank

Jaakko Tyrväinen
tel. +358 9 4766 9205
Evli.com

Handelsbanken Capital Markets

Rasmus Engberg
tel. +46 8 701 5116
Handelsbanken.com/
capitalmarkets

Inderes

Jesse Kinnunen
tel. +358 50 373 8027
Inderes.fi

Nordea

Sami Sarkamies
tel. +358 9 165 59928
Nordea.com/markets

Pohjola

Kimmo Stenvall
tel. +358 10 252 4561
Pohjola.fi

SEB Enskilda

Jutta Rahikainen
tel. +358 9 6162 8058
Enskilda.fi

Sanoma's Investor Relations

Ms Anna Tuominen

tel. +358 40 584 6944

anna.tuominen@sanoma.com

Mr Anssi Imppola

tel. +358 40 832 0128

anssi.imppola@sanoma.com



Important Notice

The information above contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance, including, but not limited to, expectations regarding market growth and development as well growth and profitability of Sanoma. In some cases, such forward-looking statements can be identified by terminology such as “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements included herein are based on information presently available to Sanoma and, accordingly, Sanoma assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Sanoma or otherwise to engage in any investment activity.

s a n o m a

Extra
**GROTE
JAAR**
HOROSCOOP
Alles over geluk, werk
en gezondheid

"IK BEN
ENORM
BRUTAAAL"

WOMAN
Mag