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Roadshow presentation

October – December 2017

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Sanoma in brief

Sanoma Nowadays

(pro forma 2016
excluding SBS)

Net sales
EUR 1,407 million

Non-print sales
38% (EUR 540 million)

Operational EBIT margin
Above **10%**

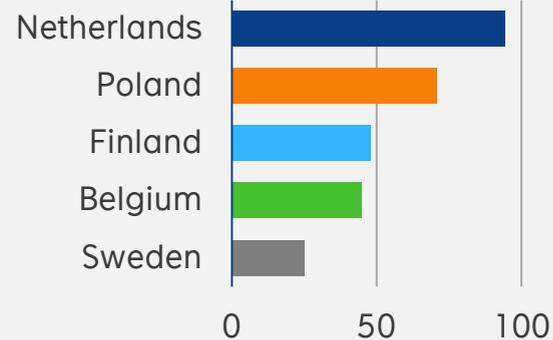
Learning

EUR 280 million

54% (EUR 150 million)

Around **20%**

Net sales 2016 (EUR million)



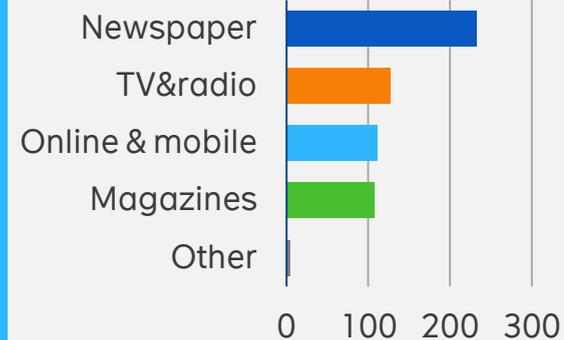
Media Finland

EUR 580 million

42% (EUR 240 million)

Around **9%**

Net sales 2016 (EUR million)



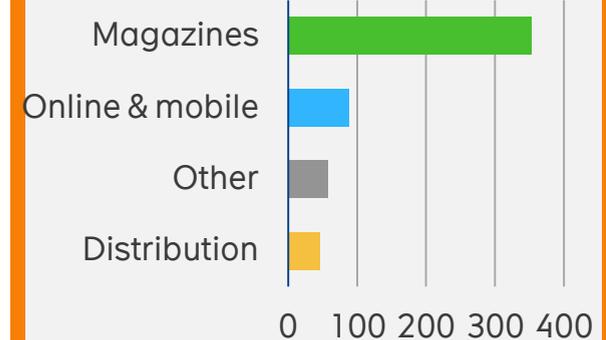
Media BeNe

EUR 540 million

27% (EUR 140 million)

Around **13%**

Net sales 2016 (EUR million)

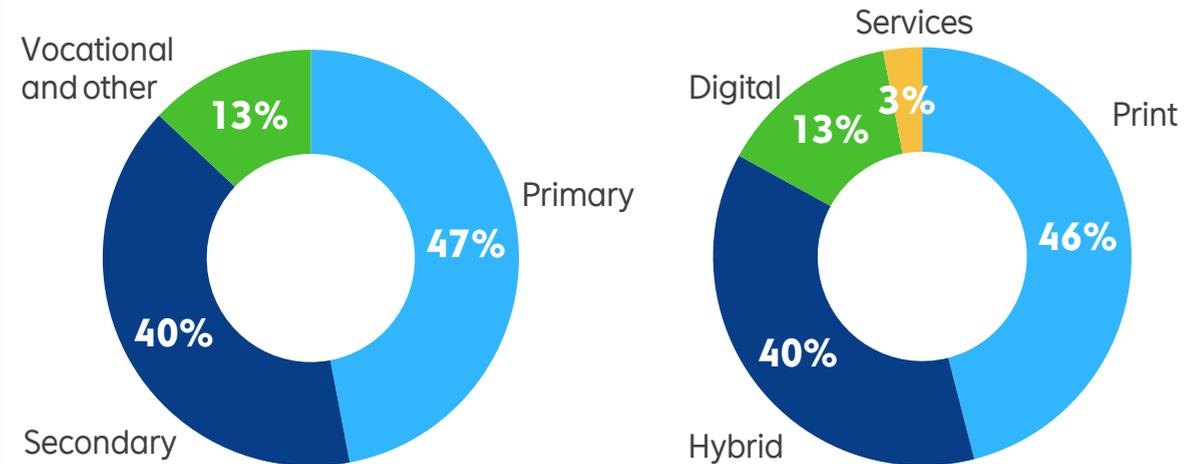


Sanoma Learning:

A leading learning company in Northern Europe

- Leading positions in countries with some of world's best educational systems: The Netherlands, Poland, Finland, Belgium and Sweden
- Solutions that drive higher learning outcomes, engagement and efficiencies
- Forerunning digital learning company with scalable technologies
- Focus on technologies, the best talents and local relationships

Net sales split in 2016



Key figures

EUR million	2016	2015
Net sales	283	280
Organic growth	-2.5%	-4.0%
Operational EBITDA*	95	83
Margin	33.7%	29.7%
Operational EBIT	57	45
Margin	20.1%	15.9%
Employees (FTE)	1,439	1,507

* Prepublication costs are booked as amortisations below EBITDA.

sanoma

Our methods save teachers' time 8 hours/week and improve learning outcomes and student engagement

We enable learning impact*

Learning outcomes

95%

Student engagement

85%

Better efficiency for teachers

8 hrs/
week

By supporting key activities in the teaching and learning cycle



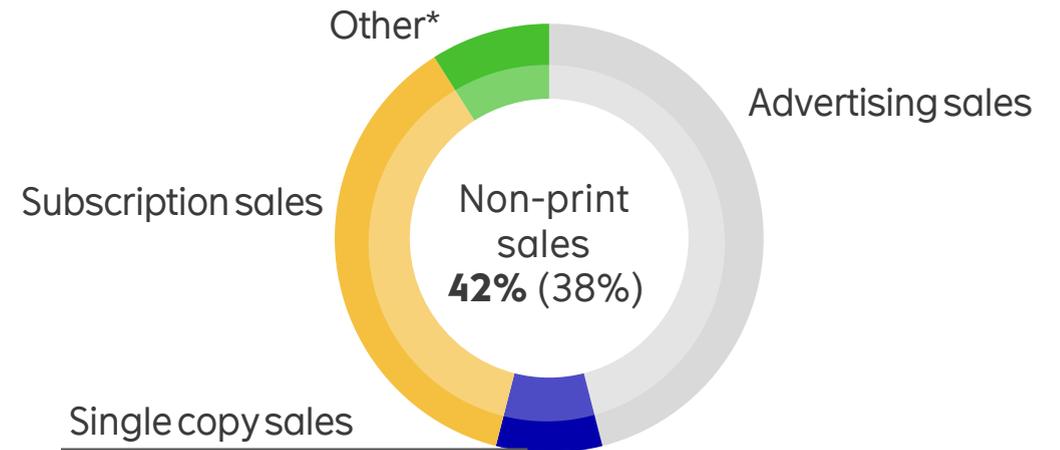
With comprehensive learning solutions

- Instruction
- Teacher guides
- Exercising
- Analytics
- Platform & Distribution
- Services

Sanoma Media Finland: A leading media company in Finland

- Leading position and strong brands in all media platforms:
 - Fully integrated TV business with growing viewership
 - Leading news player in print and online with a hybrid offering
 - Reaching 97% of Finns every week
- Unique offering and solutions to advertisers
- Solid track record on digital transformation

Net sales split in 2016



Key figures

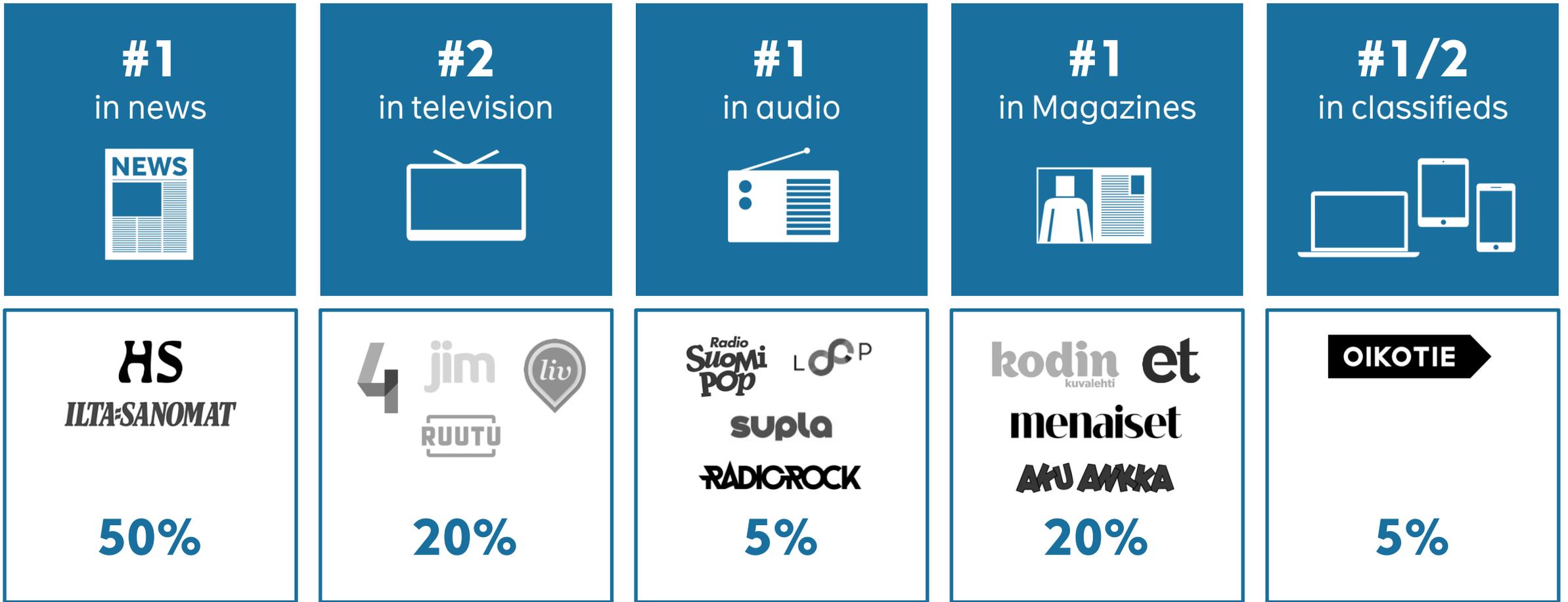
EUR million	2016	2015
Net sales	581	573
Organic growth	0.7%	-4.1%
Operational EBITDA**	143	117
Margin	24.7%	20.4%
Operational EBIT	50	13
Margin	8.5%	2.3%
Employees (FTE)	1,718	1,863

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

** TV programme and prepublication costs are booked as amortisations below EBITDA.

Strong brands in all media platforms

Engaging consumer oriented content

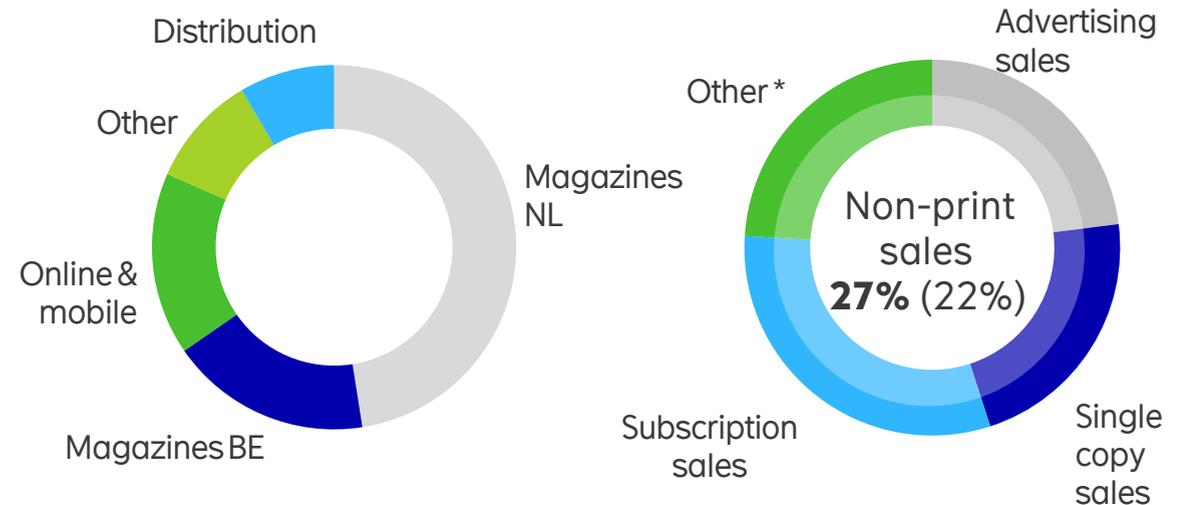


Sanoma Media BeNe:

Profitable market leader in the Netherlands and Belgium

- Market leader in magazine print and online domain
 - Sanoma's magazines reach 7.5 million readers every month
 - 10 strong cross-media brands in Women, Home & Deco and Kids & Teens domains; 6 out of TOP 10 brands in the Netherlands are published by Sanoma
- #1 local online player in NL market reaching 9.7 million unique visitors monthly
- Strong position in B2B marketing, improved offering through use of data

Net sales split in 2016



Key figures (pro forma excl. SBS)

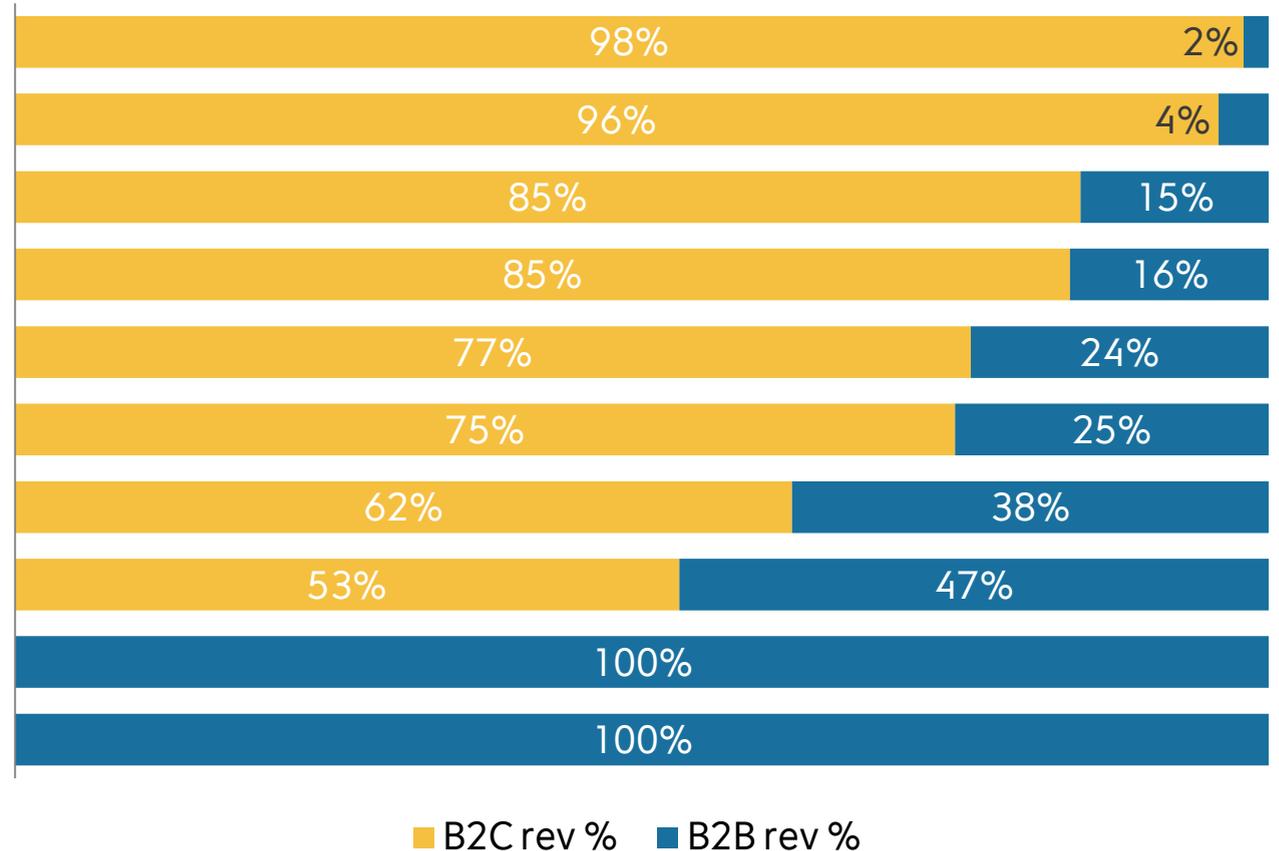
EUR million	2016	2015
Net sales	544	597
Organic growth	1.1%	0.6%
Operational EBITDA**	87	76
Margin	16.0%	12.8%
Operational EBIT	70	55
Margin	12.9%	9.3%
Employees (FTE)	1,288	1,517

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

** TV programme and prepublication costs are booked as amortisations below EBITDA.

Creating value through 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



Strategy and financial targets

Focus on our Strongholds

Learning

- Create top line growth in existing and adjacent markets
- Further process improvements driving profitability and cash flow increase
- Potential for highly synergetic bolt-on acquisitions

Media Finland

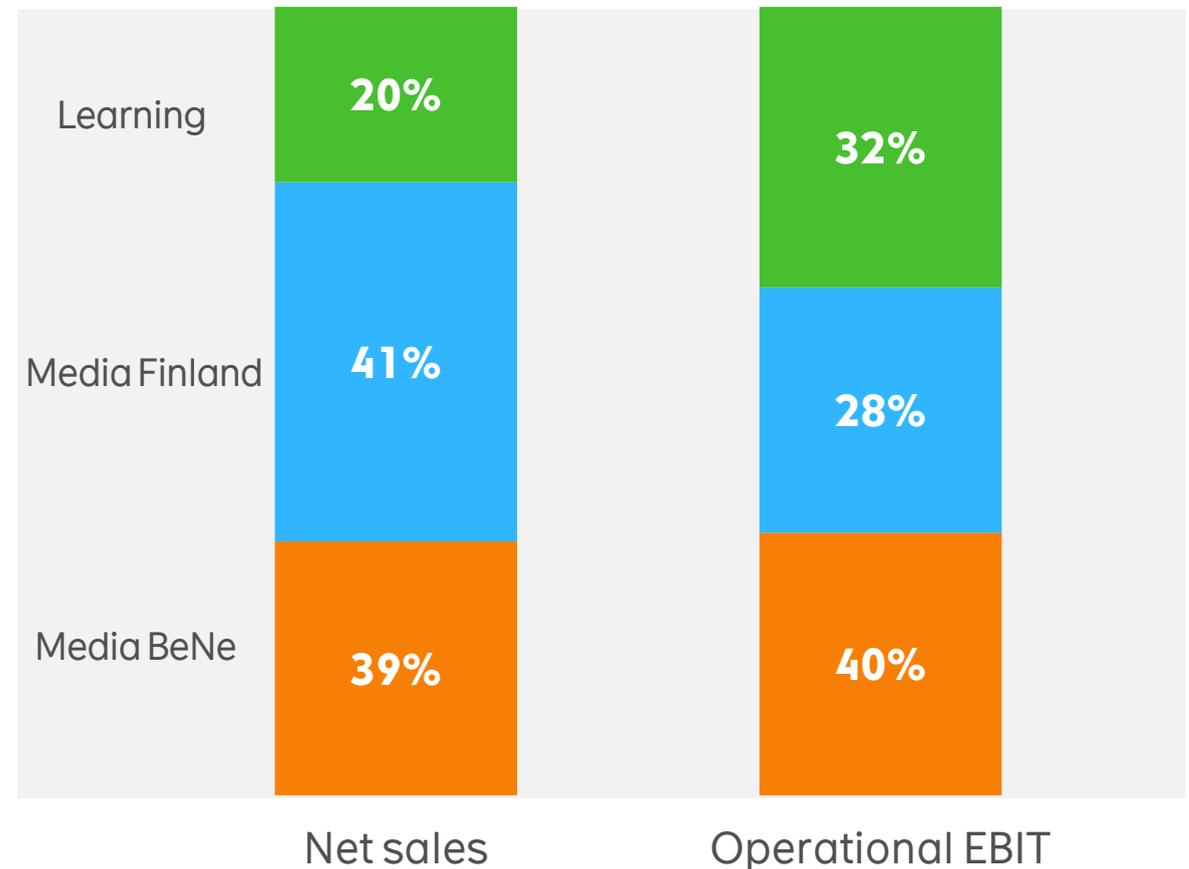
- Developing our cross media operations offering unique reach and targeting opportunities to our customers
- Continuing building the digital offering
- Improving processes and systems driving efficiencies and increases in profitability

Media Bene

- Expanding the large media brands across media segments into events, digital video and e-commerce
- Continue improving profitability through cost innovations
- Active portfolio management, attractive cash flow generation

Businesses where we have or can reach a leading position

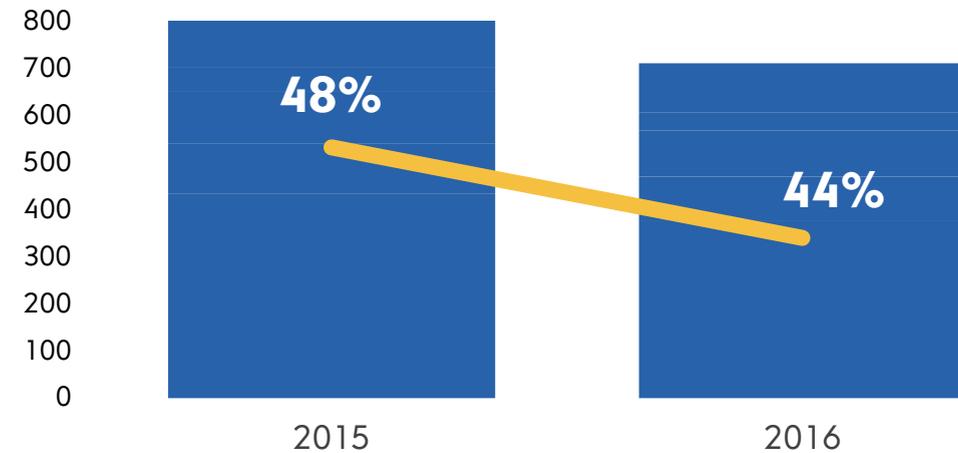
Sanoma 2016 excl. SBS



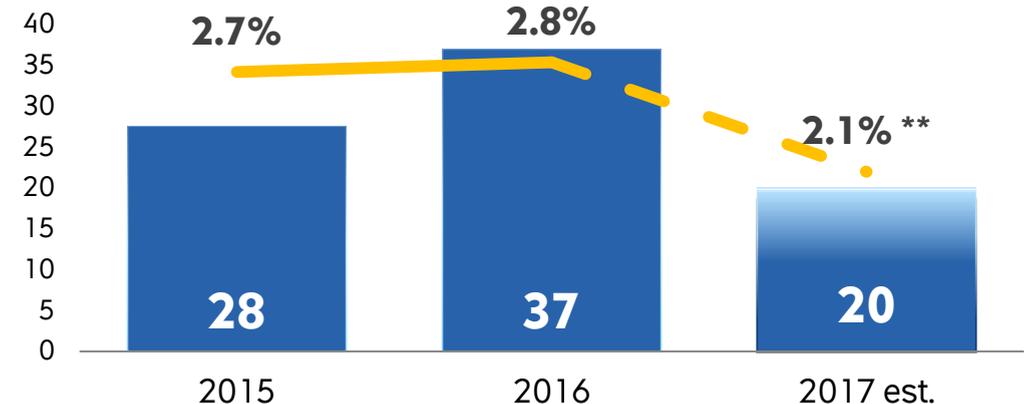
Continuous profitability improvement through cost innovation

- Harmonizing, improving processes and saving costs in businesses and functions, for example in:
 - Sales
 - Distribution
 - Procurement
 - Finance
 - HQ and support functions
- Discontinuing unprofitable businesses and activities
- Further reducing financing costs

Reported operational fixed costs, EUR million % of net sales



Net financial expenses, EUR million Average interest rate*, %



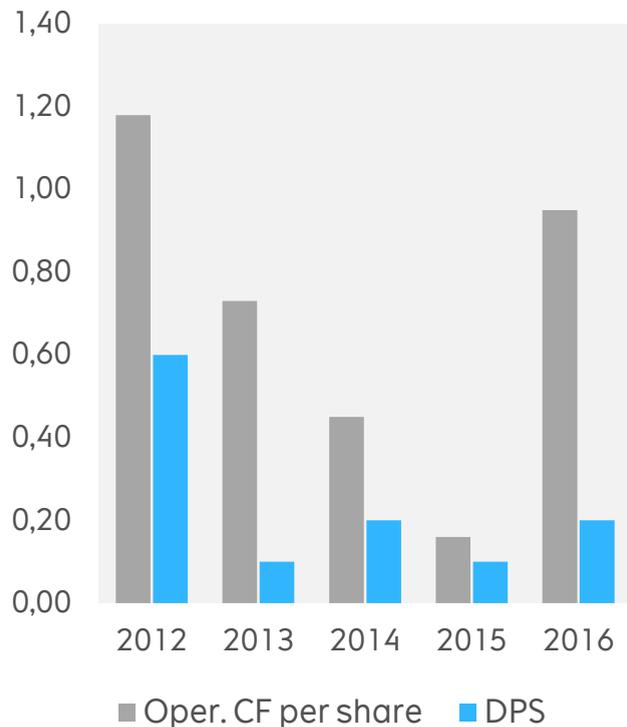
*Average interest of interest-bearing net liabilities including derivatives at the year end.

** As stated in CMD in May 2017

Long-term financial targets

Increasing dividend

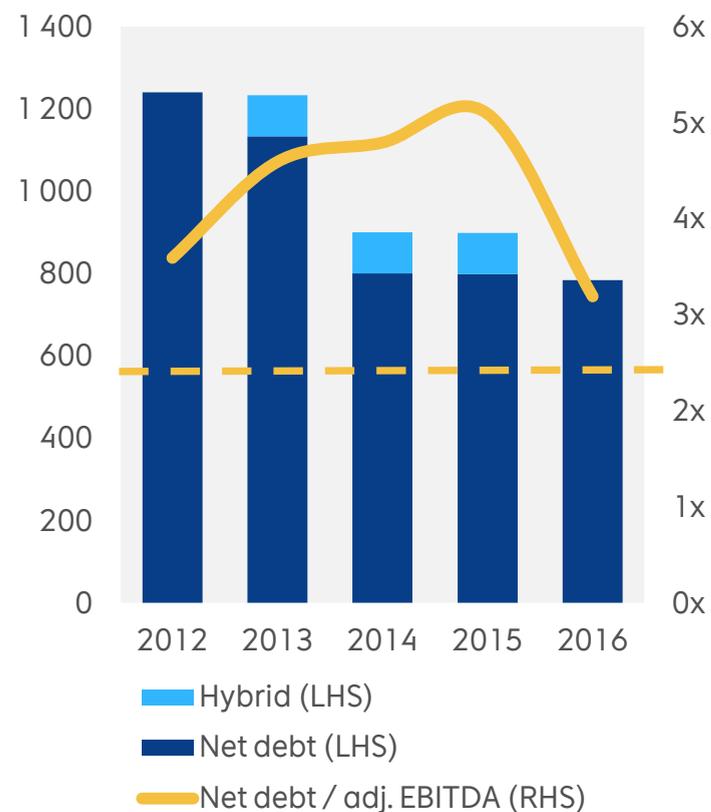
Target payout ratio 40-60% of operating CF less capex



Leverage* below 2.5

End of Q3 2017

- 2.2



Equity ratio 35 – 45%

End of Q3 2017

- 34.2%



Sanoma as an investment

- **Strongholds – leading market positions**
Ensures competitiveness even in changing markets
- **Stable net sales**
'Build and Buy' incl. highly synergetic bolt-on acquisitions
- **Improved profitability**
Process and business improvements
- **Strong cash flow**
Financial and strategic flexibility
- **Growing dividend**
40–60% of annual cash flow from operations less capital expenditure

Q3 2017

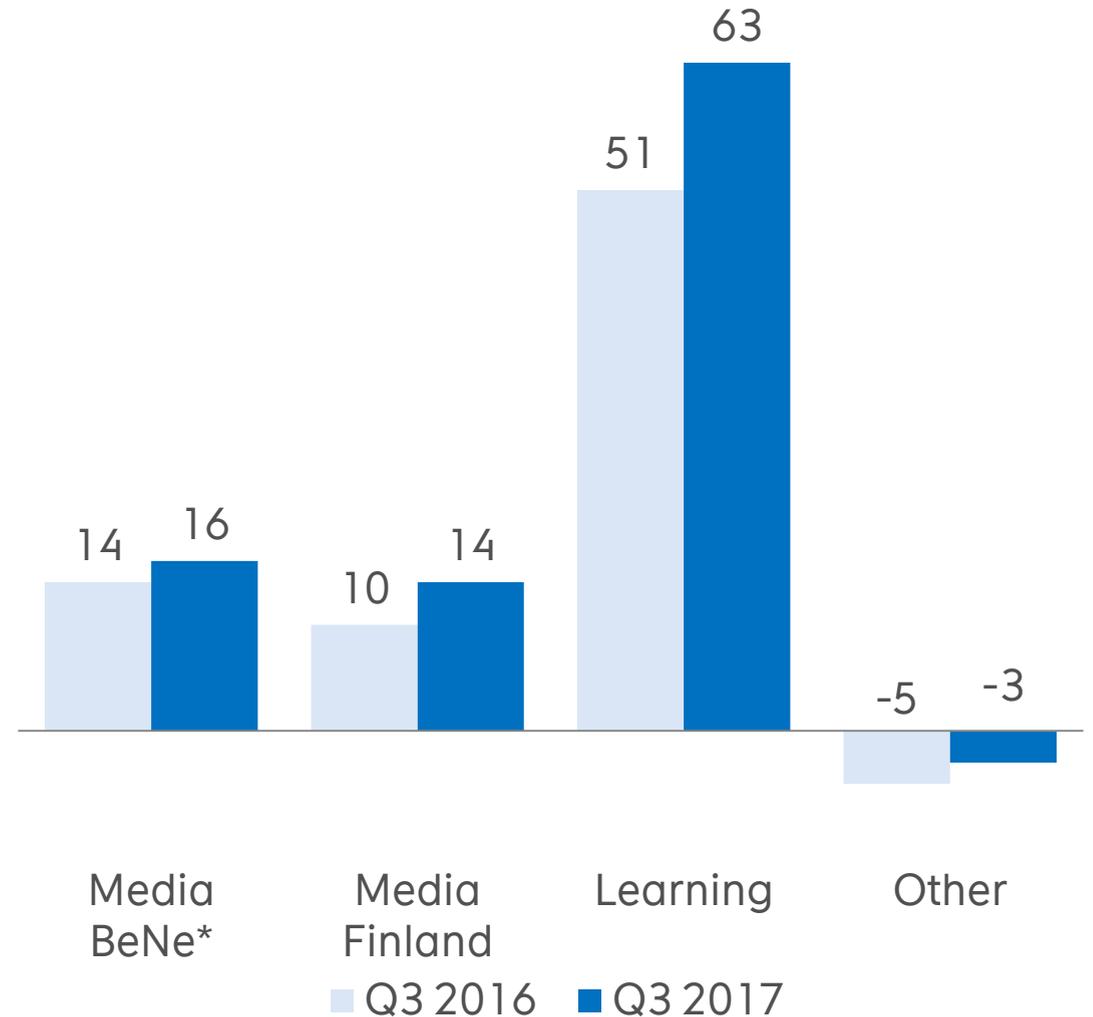
Highlights of Q3 2017

- **Net sales grew organically 5.4%, driven by Learning**
 - Group's net sales EUR 405 million
 - Learning gained share in Poland, in an exceptionally large market due to overlapping educational reforms
- **Profitability improved by 27%**
 - Group's operational EBIT EUR 89 million (2016: 70, adjusted for SBS)
 - Higher sales in Learning and cost innovations throughout business units
- **Operational EPS up by 30% to EUR 0.39** (2016: 0.30, including SBS)
- **Leverage down to 2.2** (2016: 3.3), **reaching the long-term target level**
- **Improved Outlook for FY 2017: Operational EBIT margin expected to be above 12%**
(as revised on October 24, 2017)

Q3 2017 Operational EBIT improved across business units

EUR million	Q3 17	Q3 16	Change
Net sales adjusted for SBS	405	388	
Organic growth	5%	-2%	
Net sales	405	438	
Operational EBIT adjusted for SBS	89	70	27%
Operational EBIT	89	78	

Q3 Operational EBIT EUR million



*Adjusted for SBS

Q3 Comparable Operational EBIT, adjusted for SBS, improved significantly

Media BeNe:

- + Cost innovations in print and online portfolio
- Lower advertising in the Netherlands
- Lower sales in Belgium

Media Finland:

- + Cost innovations
- + Growth in non-print sales
- + Growth in HS subscription sales
- Amortisation related to ice hockey TV rights at the same level as in Q3 2016

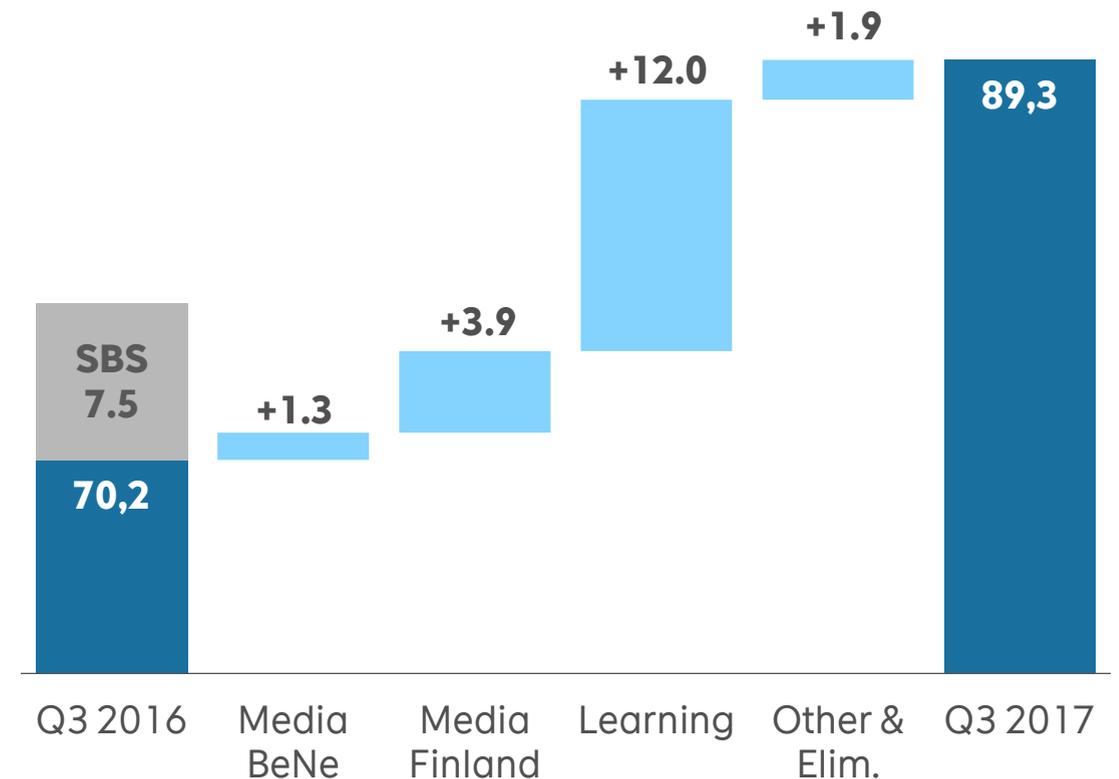
Learning:

- + Strong sales in Poland and partial catch up in the Netherlands after soft Q2
- + Cost innovations and integration benefits
- Higher development costs and SAM
- Lower sales in Finland due to different timing vs. last year

Other:

- + Cost reductions and changes in internal allocations bringing more of the costs into the operating units

EUR million



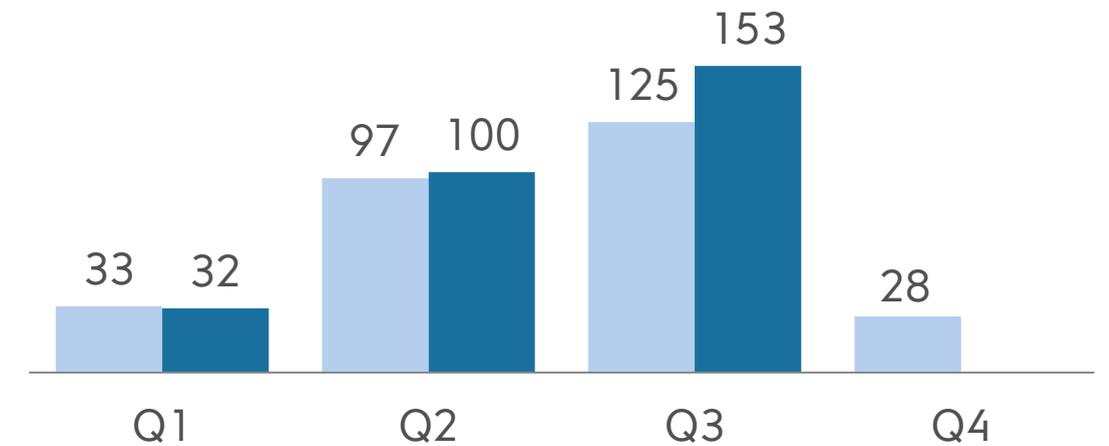
Learning YTD Q3

Strong sales growth

- **Net Sales grew organically 10%**
 - Successful sales of new learning methods in a favorable market situation in Poland
 - Partial recovery of sales in the Netherlands
- Operational EBIT stable
 - **Strong EBIT in Q3** compensating for higher development costs in Q2
 - Continuing higher depreciation & amortisation as well as start up costs of the Safety training (SAM) initiative

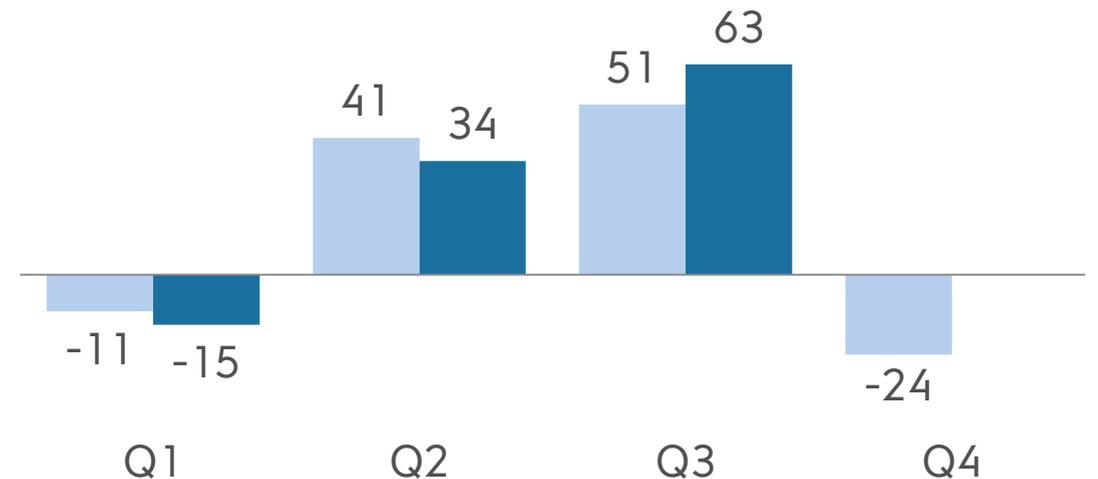
Quarterly net sales, EUR million

YTD Q3 EUR 285 million (2016:255)



Quarterly operational EBIT, EUR million

YTD Q3 EUR 82 million (2016:81)

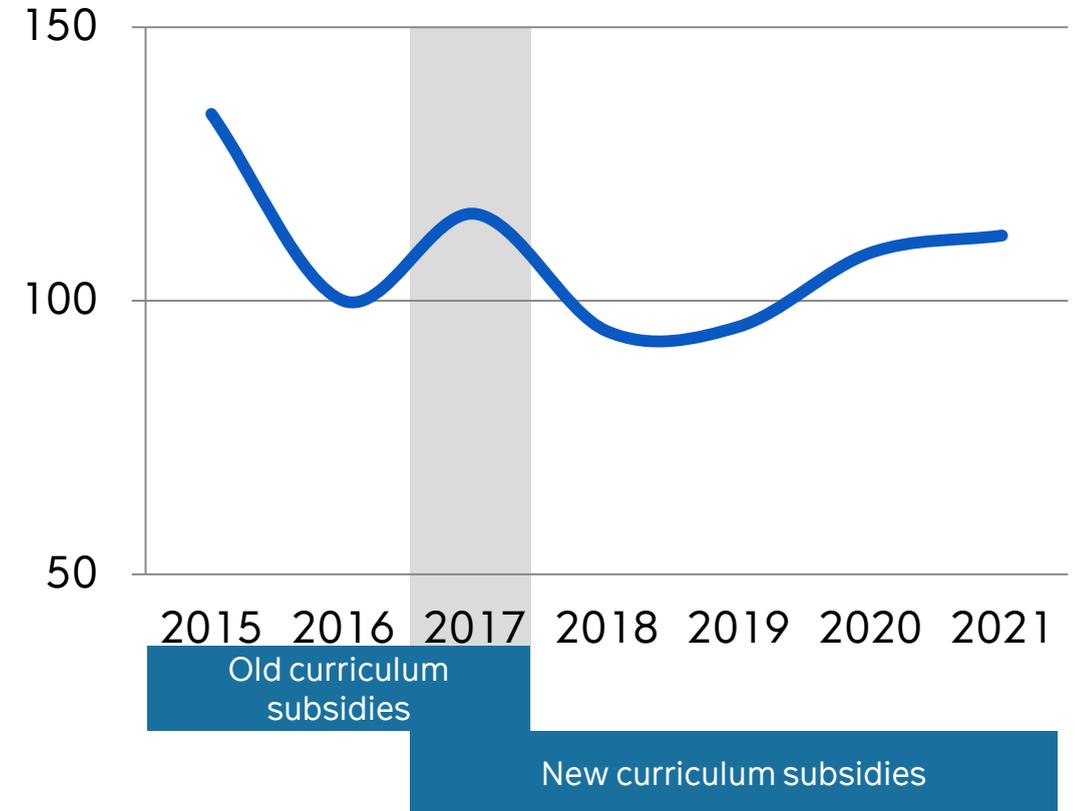


Exceptionally positive market momentum in Poland

- Polish market benefits from a unique situation in 2017 of two overlapping curriculum reforms
- **Sanoma has gained share** in the Polish market with 'one-stop-shop' concept
 - Part of higher sales is third party products generating only a distribution margin to Sanoma
- Higher sales especially in Q3 have compensated for the costs related to curriculum reforms earlier in 2017

Polish market* benefits in 2017 from curriculum reforms

(index 2016 = 100)



*Source: Ministry of Education in Poland and Sanoma estimates. Market size development 2018–2021 is based on topics and grades where Sanoma is active.

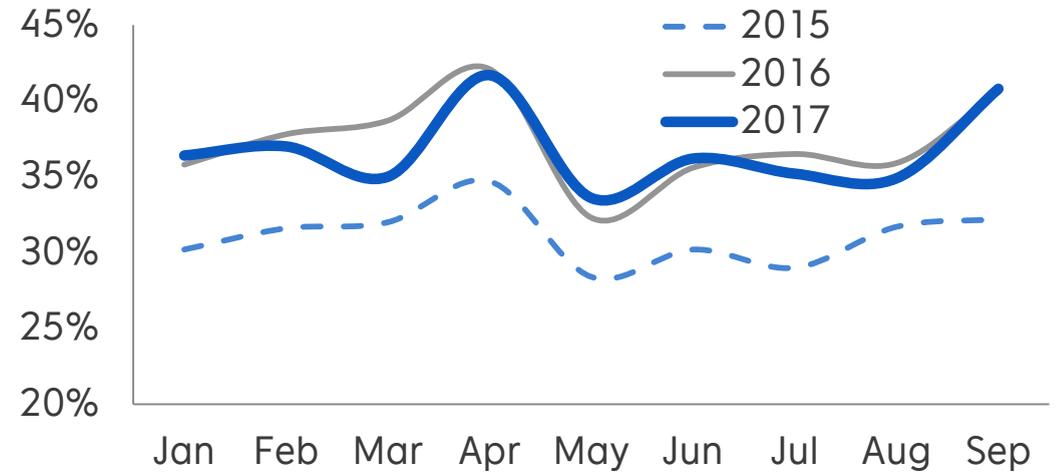
Media Finland Q3

Cost innovations continued to support profitability improvement

- Net sales were stable, adjusted for structural changes
- **Non-print sales continued to increase** and represented 42% of total
- **Operational EBIT improved 38%** supported by cost innovations
- The total number of **HS subscriptions** increased for the fifth month in a row to **379.000**
- **Nelonen** channels were **the most watched** and reach of Ruutu VOD increased 79% compared to Q3 2016

Nelonen TV viewing share

Commercial TV (10-44 years)



IS

Steady online YTD growth for the biggest news outlet

+4%

Weekly visits

+14%

Time spent weekly on site

Finnish Measured Media Advertising Markets

	Q1 16	Q2 16	Q3 16	FY 16	Q1 17	Q2 17	Q3 17
Newspapers	-6%	-5%	-3%	-4%	-9%	-12%	-12%
Magazines	-11%	-10%	-4%	-9%	-7%	-12%	-9%
TV	-2%	-4%	+2%	-1%	-6%	-7%	-4%
Radio	+15%	+3%	+2%	+3%	+4%	+0%	+8%
Online*	+5%	+18%	+17%	+13%	+8%	+1%	+10%
Total market*	-1%	-1%	+1%	+1%	-3%	-5%	-2%

Source: Kantar TNS, Media advertising trends 8/2017

* Quarterly figures excl. online search, Full year numbers are based on a larger amount of data than quarterly numbers and include online search. Total market includes other smaller categories such as cinema and outdoor advertising.

Media BeNe Q3

Continuous profitability improvement

- **EBIT** adjusted for SBS **improved 9%** as a result of cost innovations in the support functions
- Net sales adjusted for structural changes declined by 5%, in line with market
- **All-time-high online reach** for libelle.nl in September
- NU.nl user engagement increased 11% to **record high level**

libelle.nl all-time-high reach in September:

libelle

1.7
million
unique monthly
visitors
in September

Successful events:

vtwonen & design event visitors clearly higher



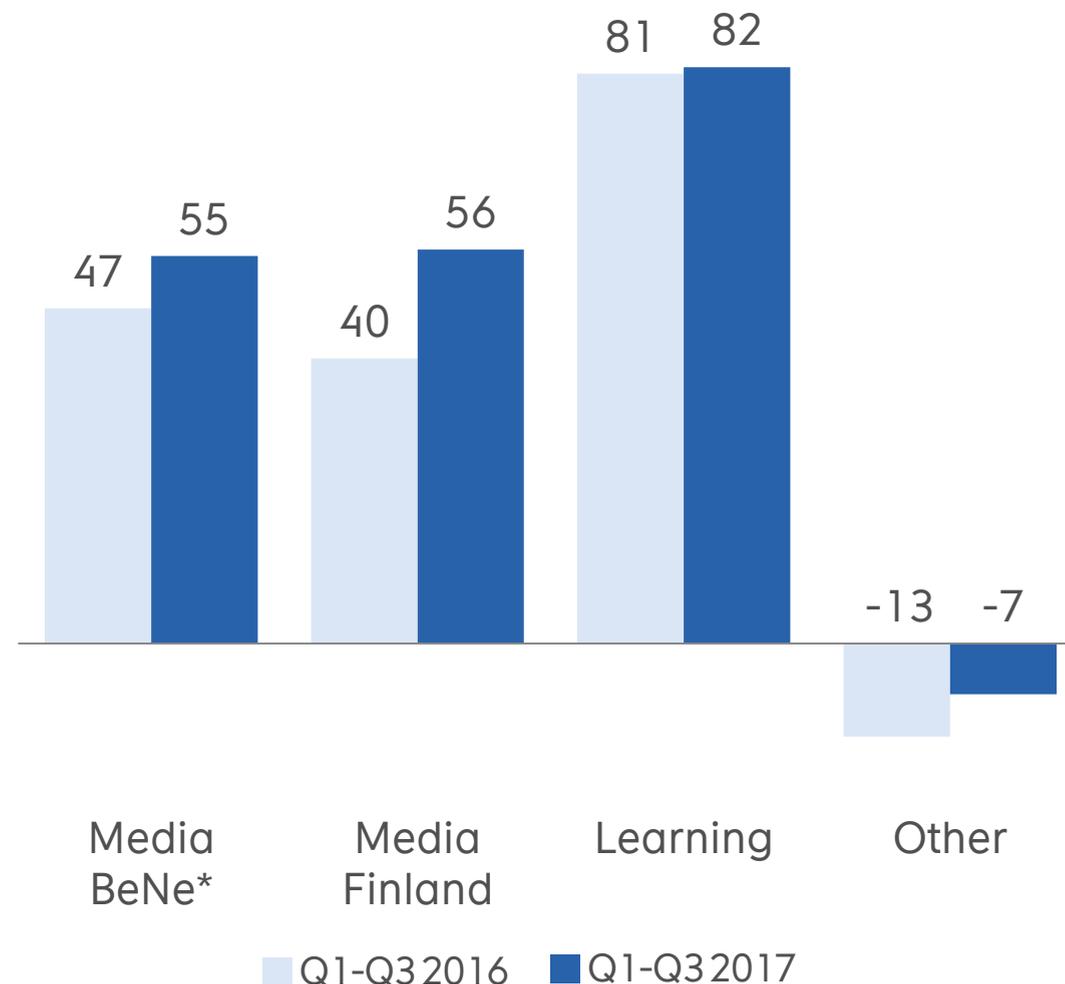
Sanoma Q1-Q3 2017

Strong operational improvement in Media businesses

EUR million	Q1-Q3 17	Q1-Q3 16	Change
Net sales adjusted for SBS	1,083	1,079	
Organic growth adjusted for SBS	1%	0%	
Net sales	1,190	1,241	
Operational EBIT adjusted for SBS	185	155	19%
Operational EBIT	182	167	

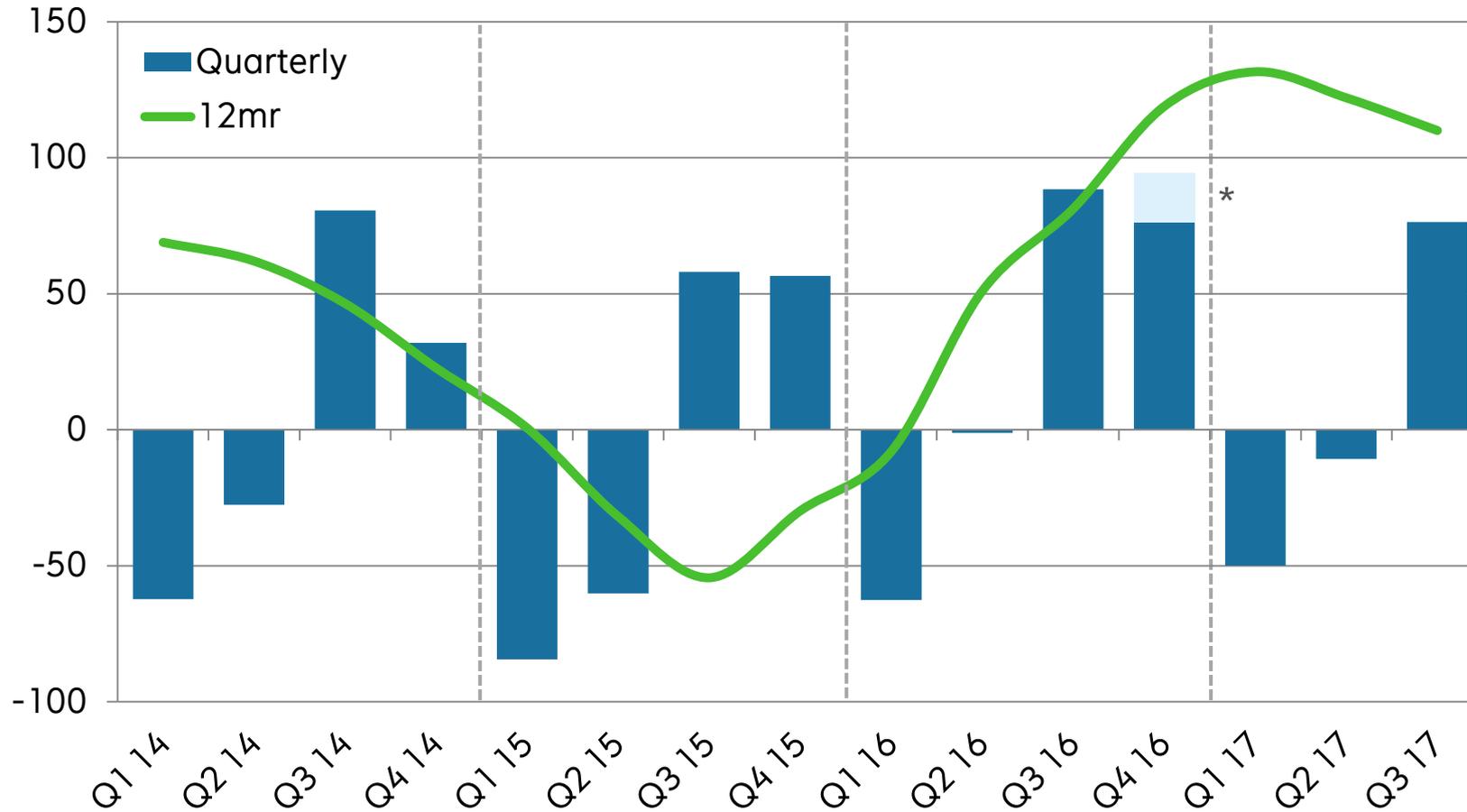
Q1-Q3 Operational EBIT

EUR million



*Adjusted for SBS

Free Cash Flow (12 mr) on a good level



Free cash flow = Cash flow from operations less cash capex

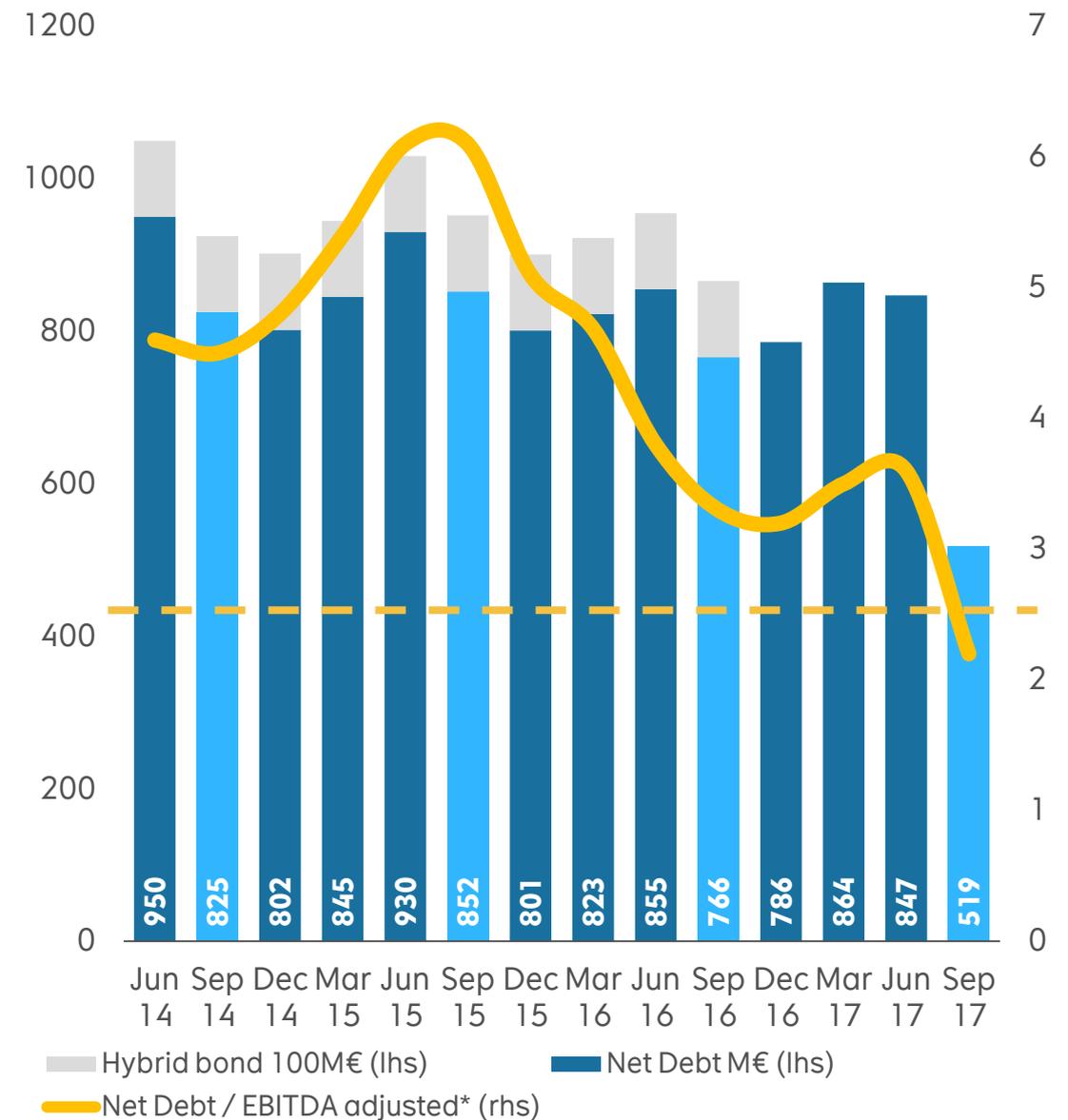
YTD Q3 2017

- + Higher EBITDA
- + Significantly lower financial items
- Working capital change
- Higher taxes paid

* Exceptional positive working capital change in Q4 2016

Leveraging reached long term target level

- Net debt to adjusted EBITDA* at 2.2 at the end of Q3 (2016: 3.3); **reached long term target** level of below 2.5
- EUR 237 million from SBS divestment was used to reduce debt
- Net debt EUR 519 million at the end of Q3 (2016: 766)



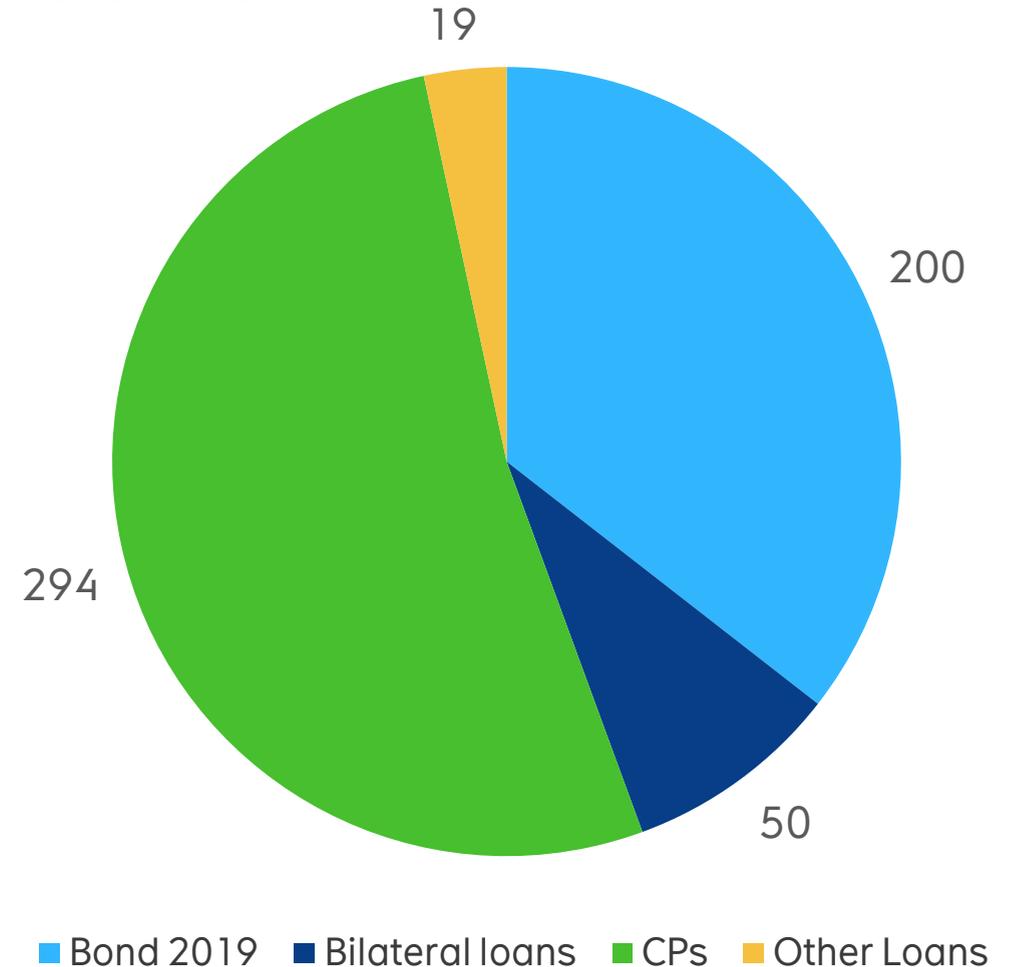
* EBITDA adjusted: 12-month rolling operational EBITDA, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on cash-flow basis

Lower Financing Costs

- Net financial items YTD EUR -16 million (2016: -24)
- Average interest rate during 1-9/2017 down to 2.0% (2016: 2.8%)
- EUR 200 million of Bond 2017 repaid in March, using commercial papers and bank financing

Debt structure as of 30 September 2017

EUR 555 million



Group Outlook for 2017

As revised on October 24

Sanoma expects that the Group's

- Consolidated net sales adjusted for structural changes, including the divestment of SBS, will be stable
- The operational EBIT margin will be **above 12%**.



Largest Shareholders

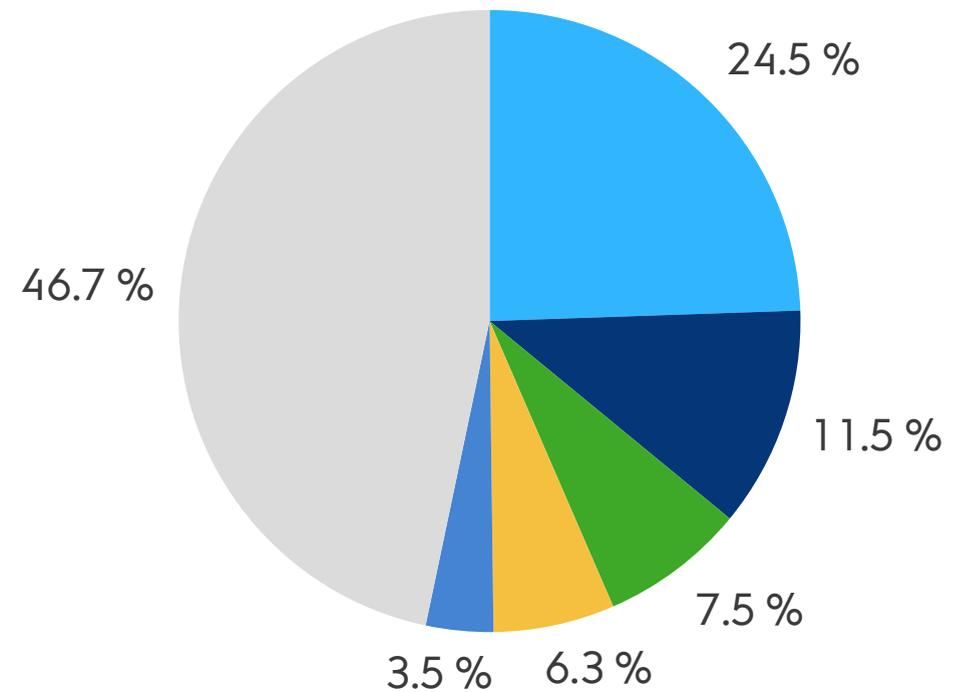
30 September 2017

	% of shares and votes
1. Jane and Aatos Erkko Foundation	24.46
2. Antti Herlin (Holding Manutas Oy: 11.47%, personal: 0.02%)	11.69
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. Foundation for Actors' Old-Age Home	1.23
8. Alex Noyer	1.19
9. The State Pension Fund	1.14
10. Lorna Auboin	1.14
Foreign ownership in total*	17.64%
Total number of shares	162,812,093
Total number of shareholders	21,099

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

Appendix

Reported Income Statement

EUR million	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Net sales	404.6	438.1	1,189.9	1,241.0	1,639.1
Operational EBITDA	124.5	139.3	354.9	365.7	452.4
Operational EBIT	89.3	77.7	182.4	166.5	167.9
Items affecting comparability	-3.0	-2.6	-434.4	53.3	28.7
Operating profit	86.3	75.1	-252.0	219.8	196.6
Total financial items	-4.6	-6.1	-15.6	-23.8	-37.0
Result before taxes	82.0	68.6	-266.4	195.6	157.2
Income taxes	-20.7	-17.3	-44.6	-47.5	-41.2
Result for the period	61.3	51.3	-310.9	148.1	116.0
Result attributable to:					
Equity holders of the parent company	60.8	48.8	-174.5	142.5	110.8
Non-controlling interests	0.4	2.5	-136.4	5.5	5.2
Earnings per share	0.37	0.29	-1.07	0.85	0.65
Operational EPS	0.39	0.30	0.73	0.58	0.51

Key Indicators

Adjusted for the SBS divestment

EUR million	7-9/2017	7-9/2016	Change, %	1-9/2017	1-9/2016	Change, %	1-12/2016
Net sales	404.6	387.8	4.3	1,083.1	1,079.1	0.4	1,407.0
EBITDA	121.8	106.9	13.9	289.1	327.4	-11.7	353.3
Operational EBIT	89.3	70.2	27.1	184.8	155.1	19.1	152.6
% of net sales	22.1	18.1		17.1	14.4		10.8
Operating profit	86.5	68.6	26.0	174.9	209.4	-16.5	188.3
Result for the period	61.4	46.7	31.6	115.2	140.4	-18.0	110.2
Cash flow from operations	85.6	102.5	-16.5	47.9	58.1	-17.6	141.2
Capital expenditure *	9.2	6.1	51.5	26.2	19.1	36.9	30.4
% of net sales	2.3	1.6		2.4	1.8		2.2
Number of employees at the end of the period (FTE)				4,655	4,894	-4.9	4,847
Average number of employees (FTE)				4,780	5,059	-5.5	5,006
Earnings/share, EUR	0.38	0.28	36.3	0.70	0.83	-15.5	0.63
Operational earnings/share, EUR	0.39	0.28	39.1	0.74	0.55	33.9	0.47
Cash flow from operations/share, EUR	0.53	0.63	-16.6	0.29	0.36	-17.7	0.87

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