Roadshow presentation June 2018

Building on our solid base for selective growth

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Sanoma in brief

Sanoma in 2017

NET SALES
EUR 1,327 million

NON-PRINT SALES
40%

OPERATIONAL EBIT MARGIN
13.6%

Media Finland

EUR 571 million
44% non-print
11.5% margin

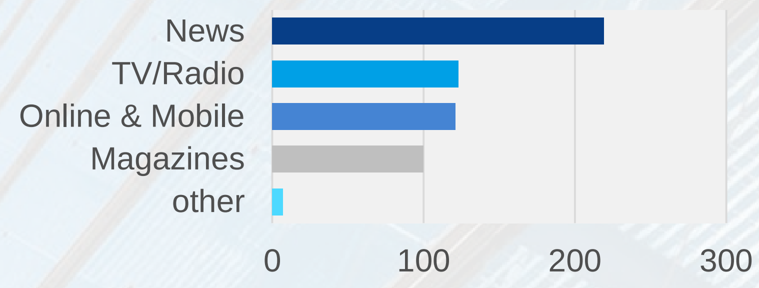
Media Netherlands

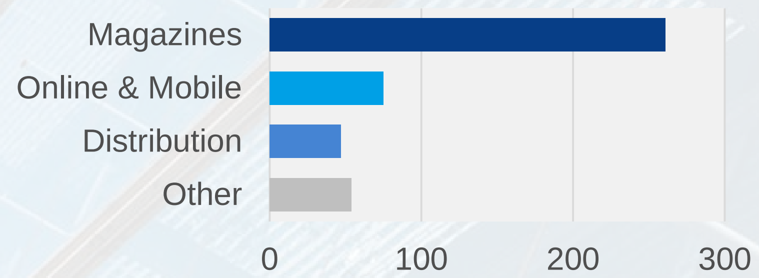
EUR 440 million
30% non-print
15.5% margin

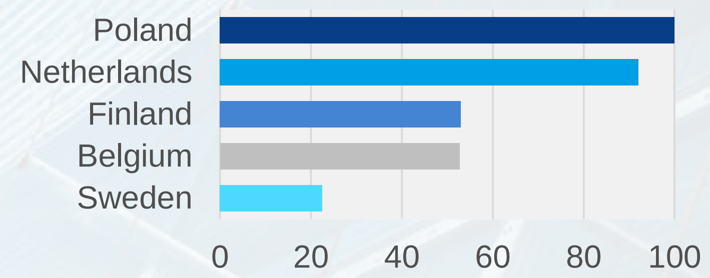
Learning

EUR 318 million
45% non-print
17.5% margin

Net sales 2017







Net sales

M€ 571

(2016: 581)

Operational EBIT

M€ 66

(2016: 50)

Margin

11.5%

(2016: 8.5%)

Employees (FTE)

1,700

(2016: 1,800)

Media Finland

- Leading media company in Finland
- Information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels
- Reaching 95% of all Finns weekly
- A trusted partner with insight, impact and reach for advertisers

Focus: Continuing to strengthen our market position

- Improved competitiveness and profitability
- Strengthening positions in three areas:
  - Growing in entertainment
  - Transforming B2B offering and organization
  - Building on our unique position in the news media

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Net sales

M€ 440

(2016: 459)

Operational EBIT

M€ 68

(2016: 67)

Margin

15.5%

(2016: 14.7%)

Employees

1,100

(2016: 1,200)

Media Netherlands

- Dutch consumer media operations and the press distribution business Aldipress
- Leading cross media portfolio with strong brands and market positions in magazines, news, digital, events and e-commerce
- Content and customer data combined to develop successful marketing solutions for our clients
- Reaching 12+ million consumers every month

Focus: Profitability and cash flow generation

- Stable core business with >1.3m subscriptions
- NU.nl & data business will drive value creation through topline growth
- Strong profitability with 15.5% EBIT margin
- Increasing cash conversion as portfolio restructuring is now completed

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Net sales

M€ 318

(2016: 283)

Operational EBIT

M€ 56

(2016: 57)

Margin

17.5%

(2016: 20.1%)

Employees (FTE)

1,400

(2016: 1,400)

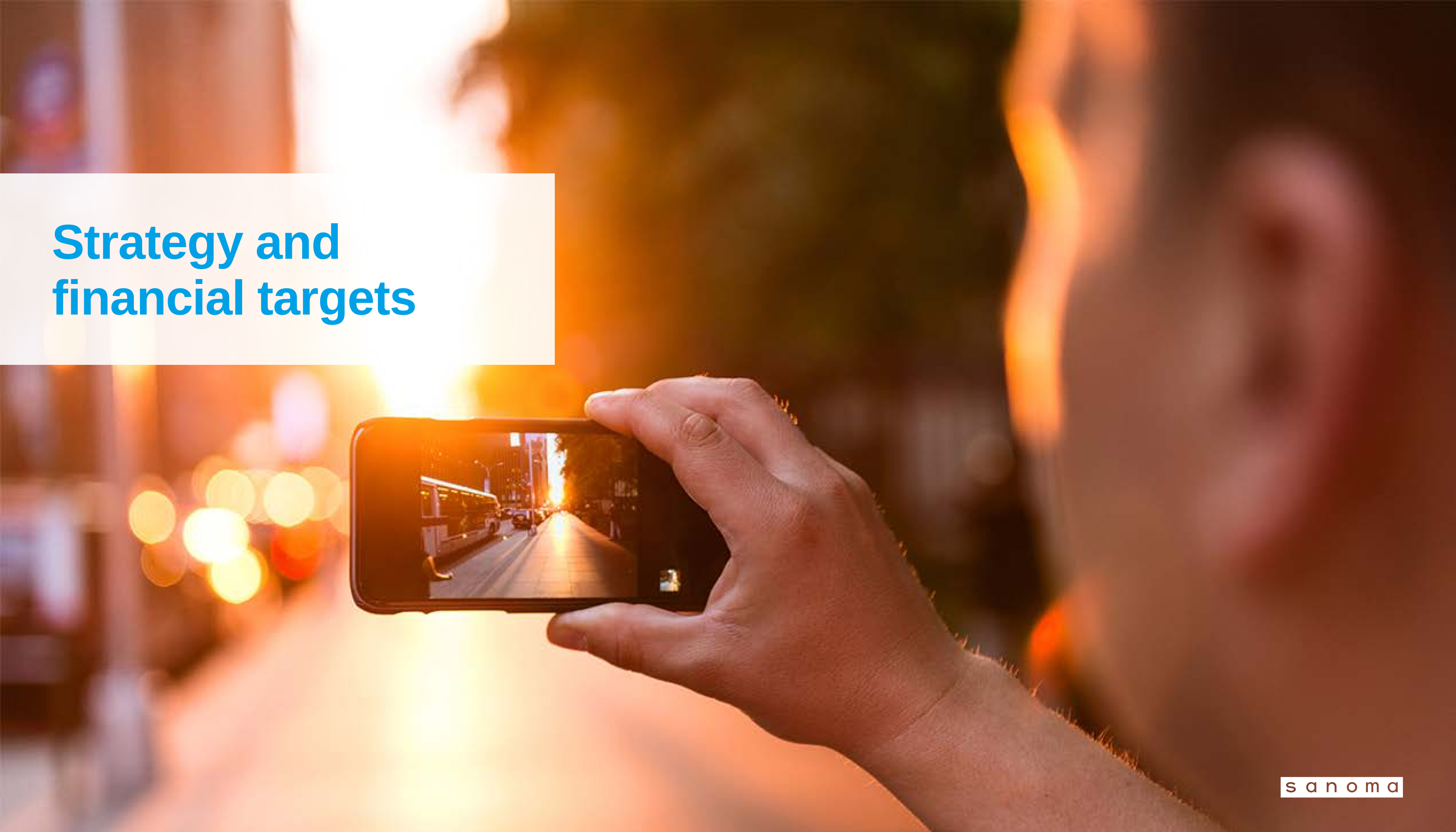
Learning

- Leading positions in countries with some of world's best educational systems
- Solutions that drive higher learning outcomes, engagement and efficiencies
- Scalable technologies to support leadership in the digital transformation
- A clear strategy to become a European champion

Focus: Creating a European Champion in Learning

- Organic growth in footprint markets
- Capturing synergies across borders
- Pursuing M&A in K12 and adjacent markets

Strategy and financial targets



We are building on a solid base for selective growth

We have completed major portfolio changes

We continue to focus on our customers, profitability & cash flow…

… and increasingly focus on selective growth through M&A

Resulting in:

- Solid profitability
- Growing cash flow
- Increasing dividends
- Equity ratio and leverage within long-term target

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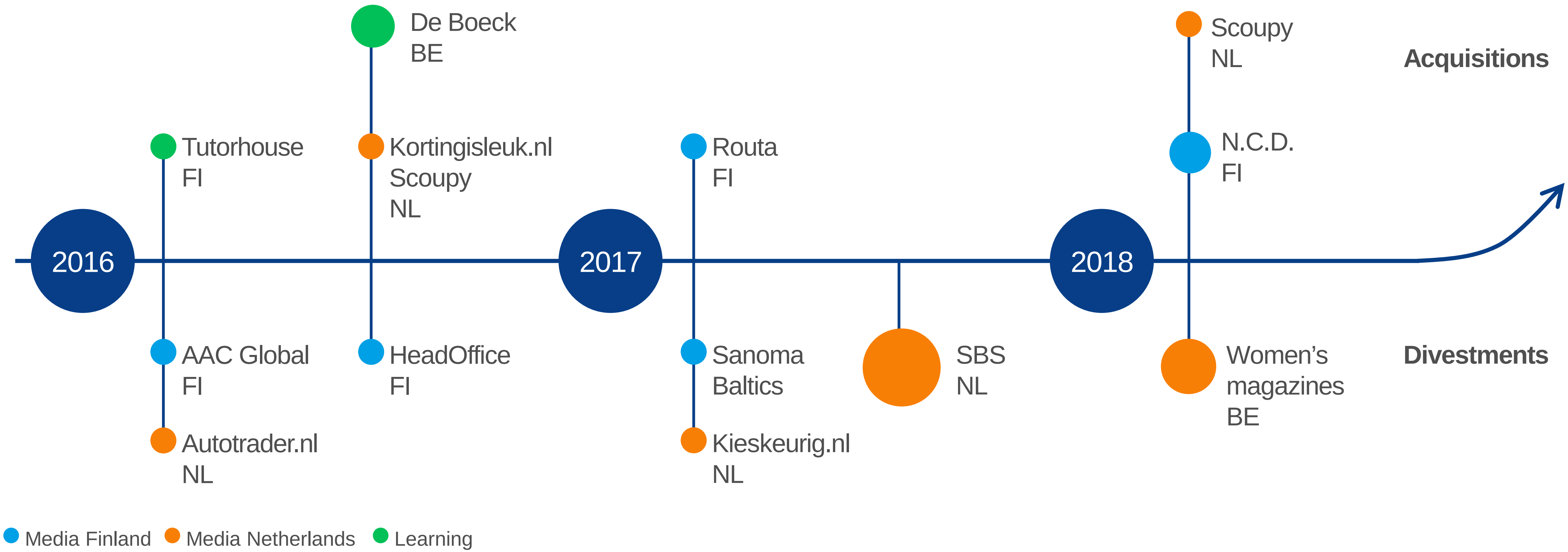
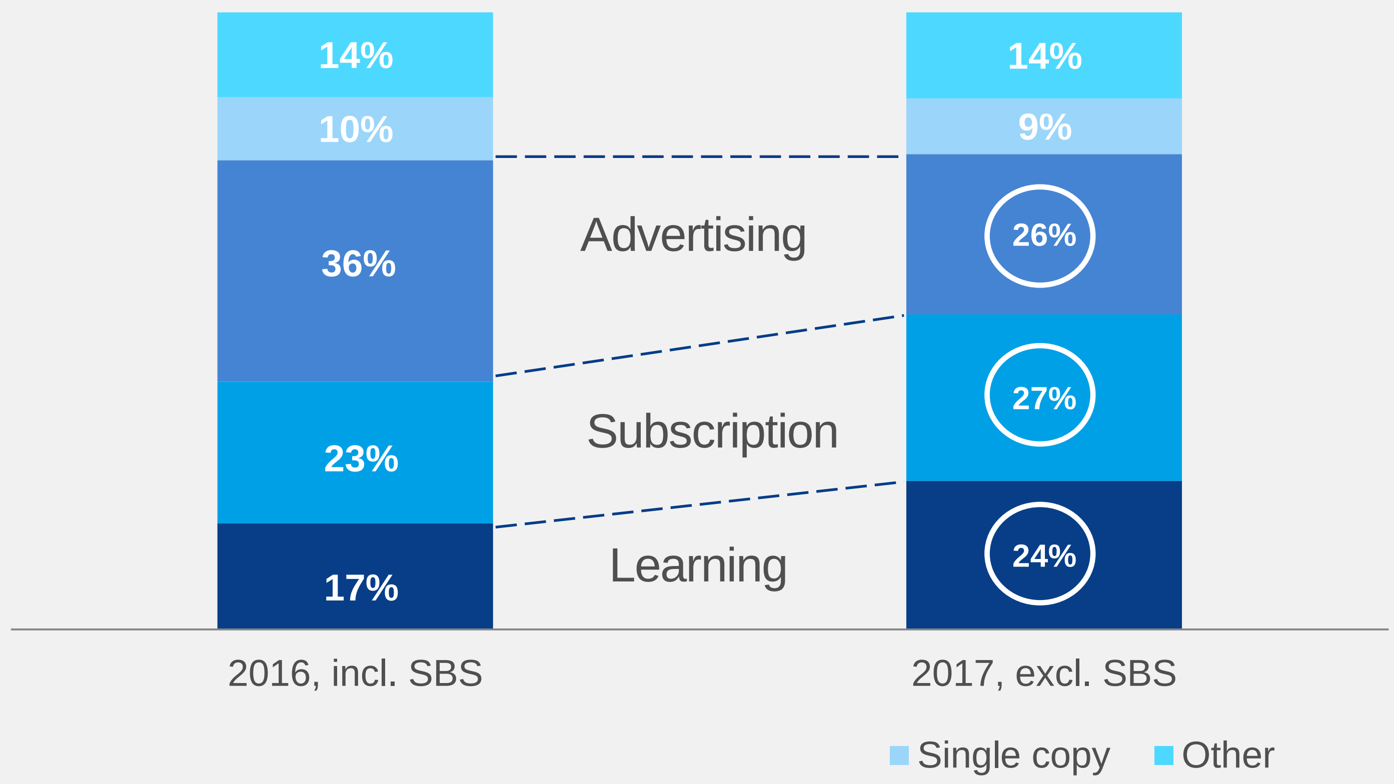
Our major portfolio changes are now completed…



…resulting in a more balanced business portfolio

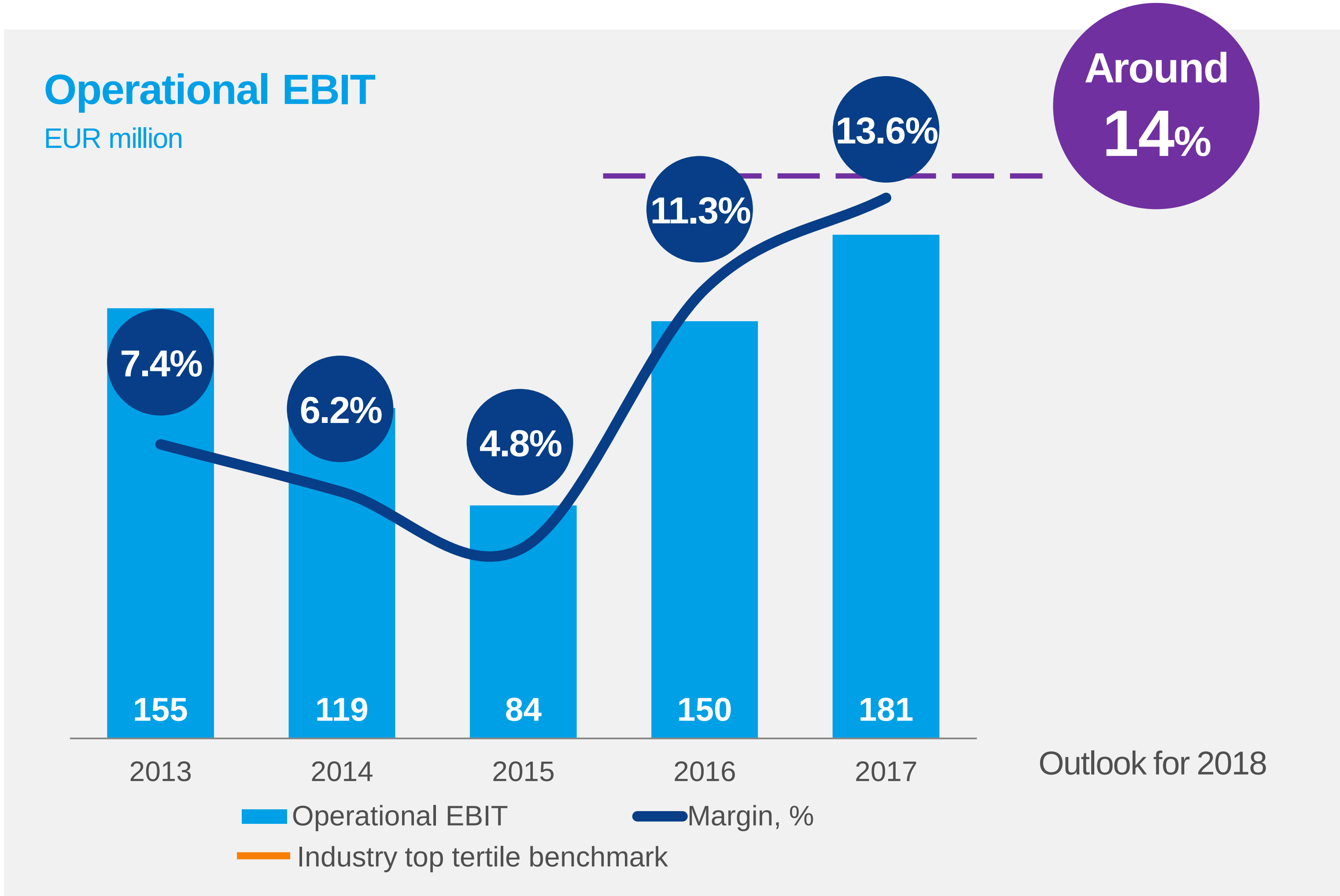
- Higher share of more stable subscription and learning sales
- Lower exposure to more volatile advertising sales
  - Finland 75% of the Group's advertising sales: MEUR 250
  - The Netherlands 25%: MEUR 80
- Overall focus on our stronghold positions in all segments we operate in

Group net sales by category



Our profitability has improved…

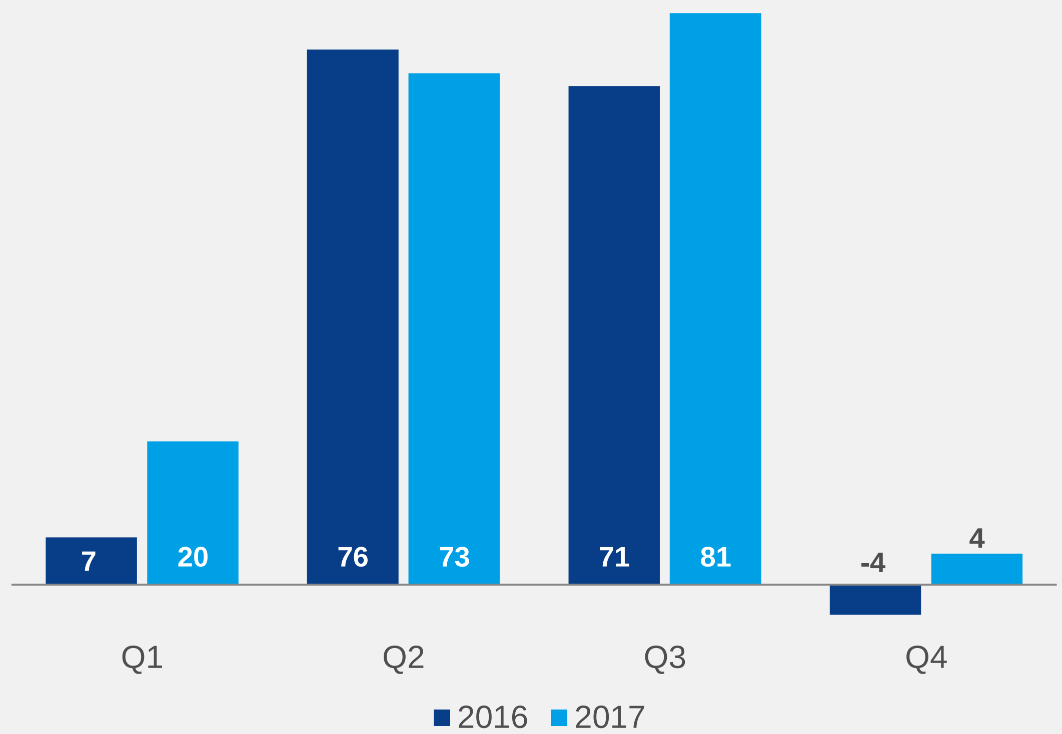
- Profitability continued to improve in 2017
  - Streamlined and more efficient operations
  - Divestments of Dutch TV operations SBS and Belgian women's magazine portfolio
  - Cost innovations
- Outlook for 2018 operational EBIT margin is around 14%
- EBIT margin is in line with the top tertile industry benchmark of 14% in 2017



… and has a characteristic annual seasonality pattern

- Our quarterly financial performance is strongly affected by the seasonal pattern of the Learning business:
  - Q1 and Q4 are typically loss-making, while most of net sales and earnings are accrued during Q2 and Q3
- In 2018, we are experiencing a structural shift to later ordering in Learning mainly due to
  - Increasing share of digital learning methods
  - Optimisation of supply and inventories throughout the chain
  - Increased importance of Poland where deliveries are typically close to school start

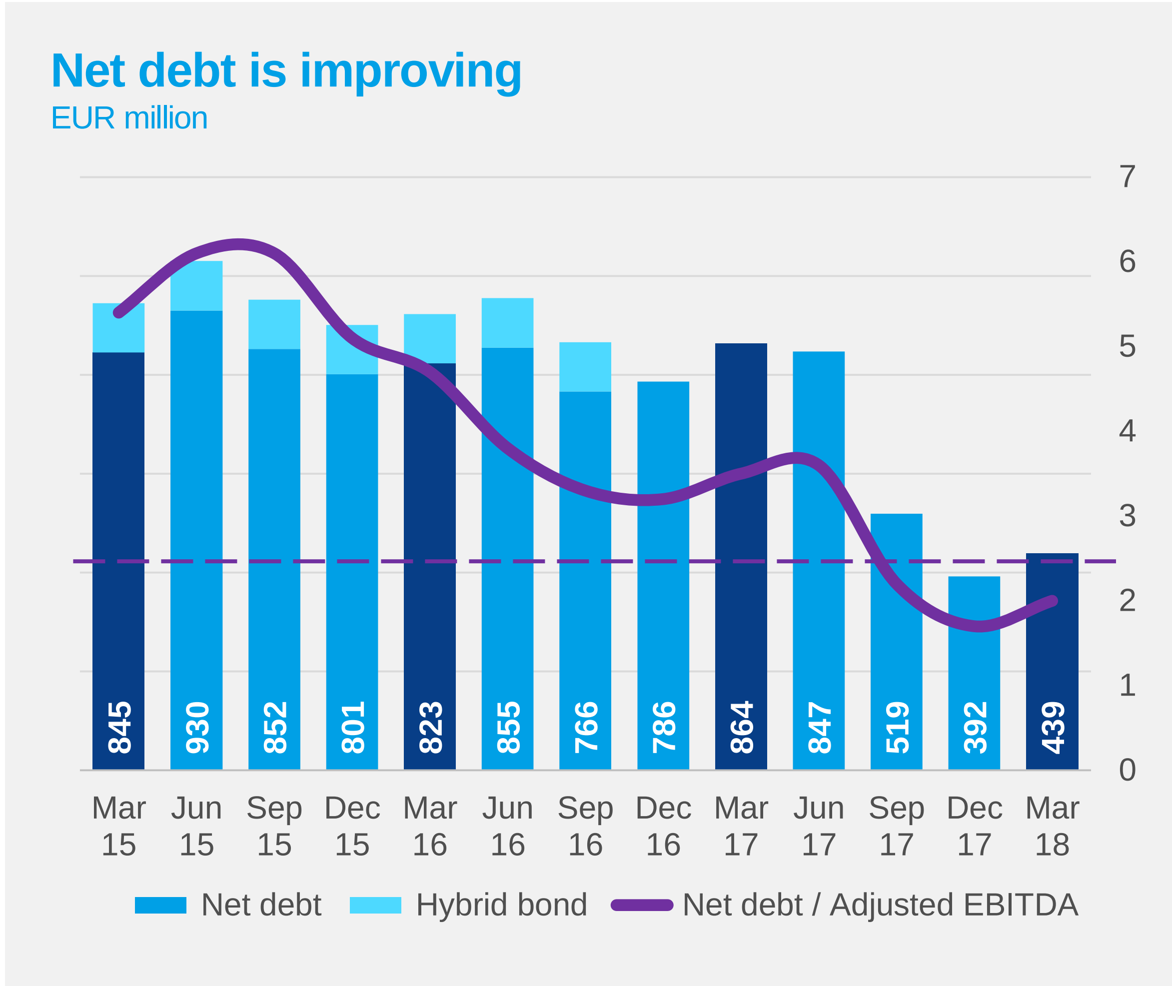
Operational EBIT
EUR million



2016 figures not restated for IFRS 15

Our leverage is at the long-term target level (< 2.5 net debt/adj. EBITDA)

- Our leverage has decreased rapidly: Net debt / adjusted EBITDA from 3.6 at the end of Q1 2017 to **2.0** at the end of Q1 2018
- At the same time, net debt nearly halved to EUR **439** million
- Equity ratio **34.1%** at the end of Q1 2018
  - Long-term target 35-45%



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We are targeting a higher cash conversion

Our mid-term cash conversion * target is 60-70%

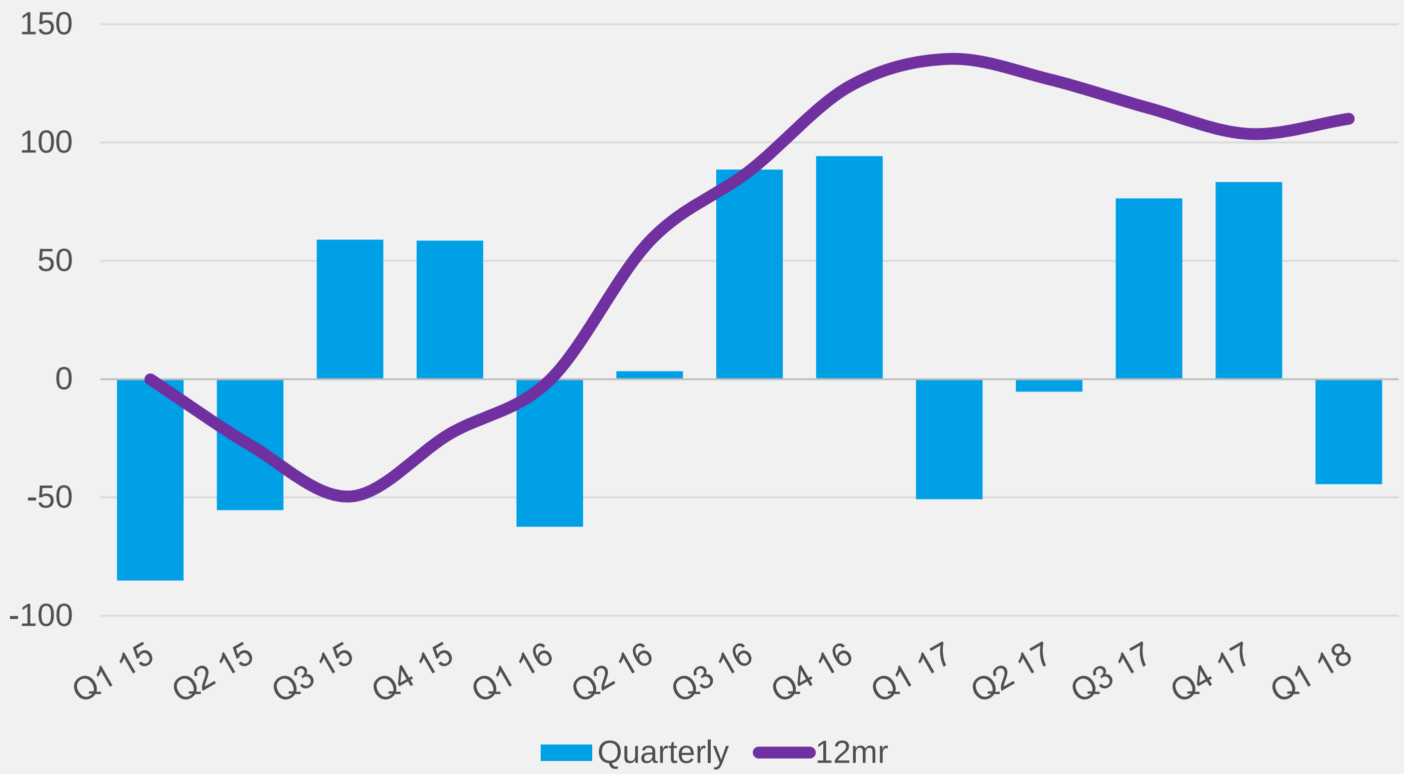
- In 2017, cash conversion approx. 50%

Assumptions for key cash flow elements for 2018

- Profitability improvement
- Lower net financing costs
- Lower IAC in continuing operations
- Stable working capital
- Stable capex

Free cash flow is increasing

EUR million



Free cash flow = Cash flow from operations less capital expenditure

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* Cash conversion = Free Cash Flow / EBITDA adjusted for non-operative items minus investments into TV program rights and prepublication assets

We expect headroom for acquisitions to increase to EUR 300-400 million…

- With our leverage at the target level (net debt / adj. EBITDA < 2.5), we estimate to have approx. EUR **300-400** million headroom for acquisitions in 2019, due to
  - Solid profitability
  - Improved free cash flow
  - Reduced leverage
- In addition, we have flexibility to temporarily exceed the leverage target level if we identify a major transaction fitting our M&A criteria

… with selective growth through M&A opportunities across all three businesses

- Synergistic bolt-on acquisitions
- Organic growth initiatives
- Active portfolio management

Learning

Three target areas

- Core business in current footprint markets
- Adjacent business in current footprint markets
- Core business outside current footprint markets

Media Finland

Three target areas

- Entertainment: Total TV strategy and live experiences
- News, feature & lifestyle: Aiming for growth in B2C
- B2B: Growth in value-added services and supporting SME companies

Media Netherlands

Target area

- Value creation through topline growth by increasing value of advertising

We are fully committed to our dividend policy

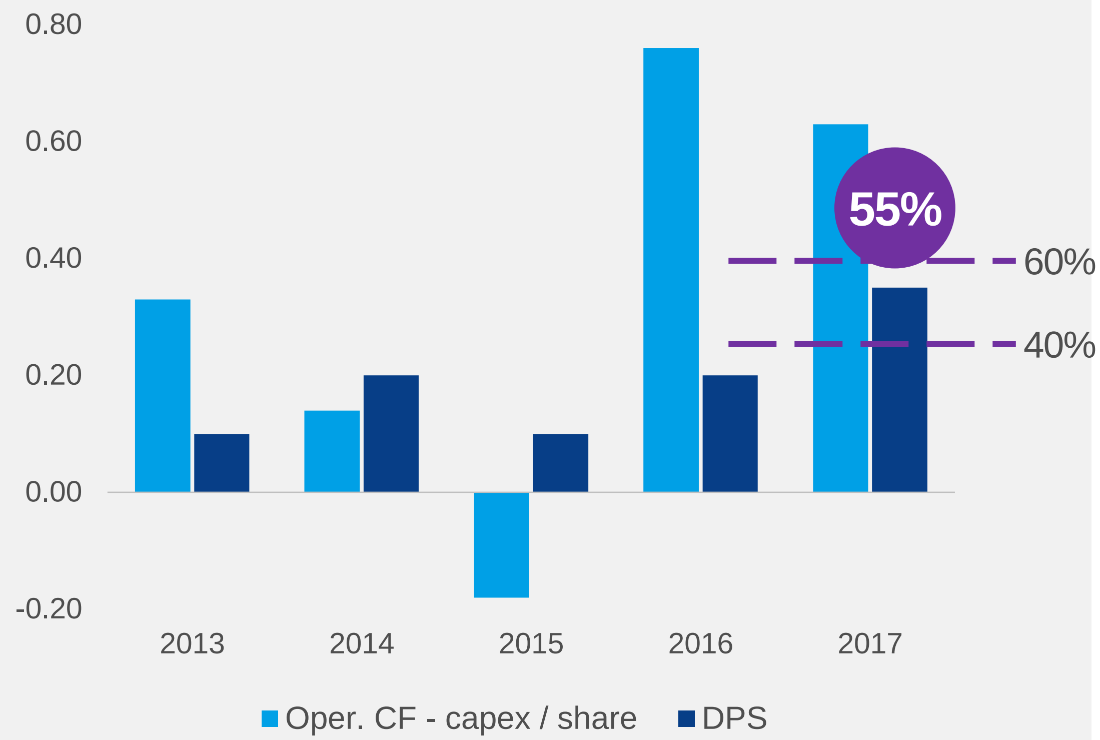
Dividend policy:

Sanoma aims to pay an increasing dividend, equal to 40–60% of annual cash flow from operations, after 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, future business plans and investment needs as well as both previous year's cash flows and expected future cash flows affecting capital structure.

Progressive dividend

EUR



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We continue to focus on our role in society

Content

- Journalistic content supporting freedom of speech and independent information gathering
- Local entertainment contributing to shared values and experiences
- Data assisting in serving relevant content to audiences while focus on ‘avoiding in creating an information bubble’

Learning

- Our modern learning methods supporting teachers in developing the full potential of every pupil
- Helping in building a strong foundation for a stable, productive and prosperous society
- Data being central to adaptive learning methods and measuring learning impact

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Solid performance and compliance in

Responsible data use / Talent and diversity management / Journalistic ethics / Privacy and security / Responsible business practices / Environmental management / Supply chain management

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Q1 2018

Highlights Q1 2018

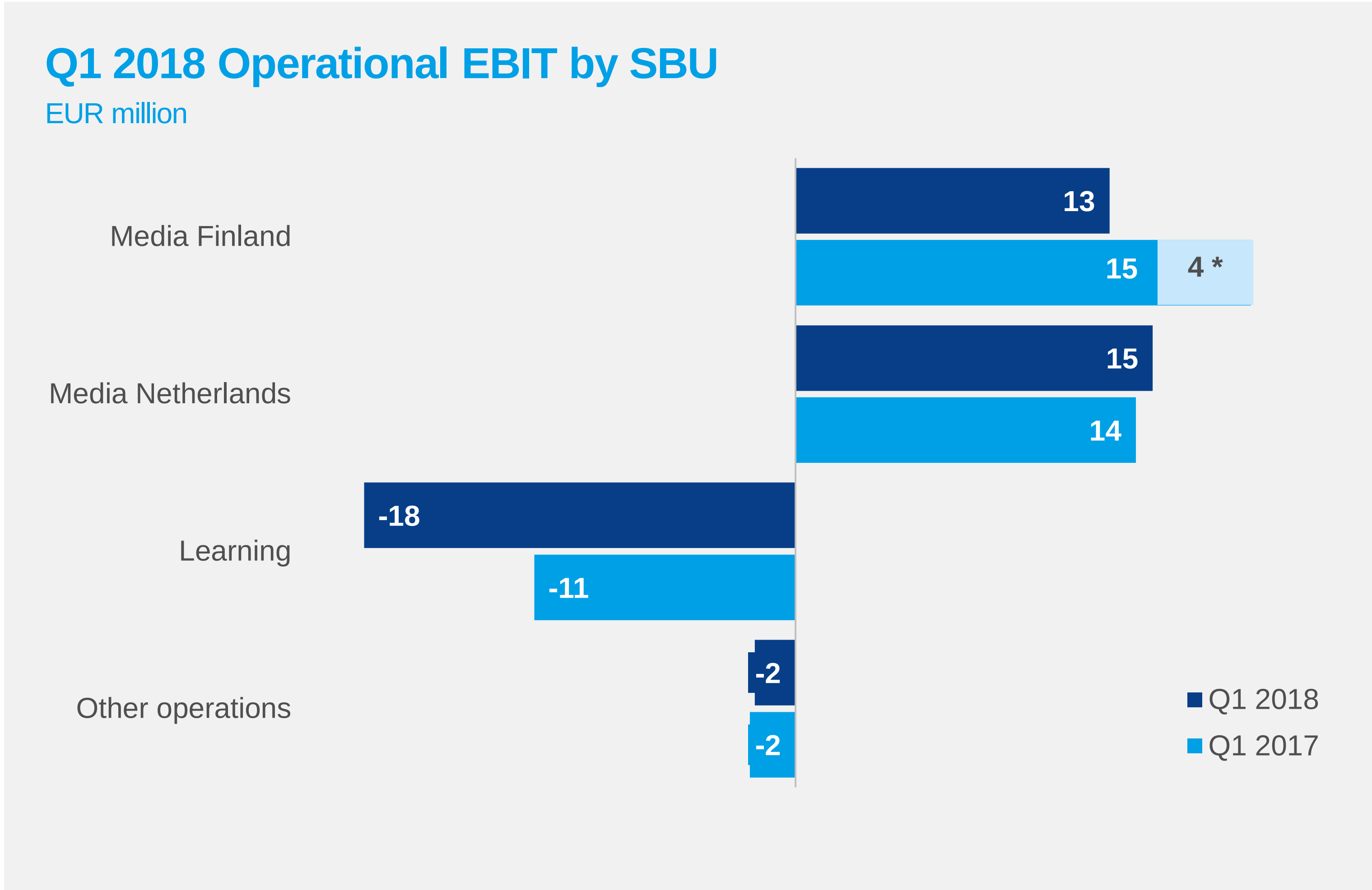
Net sales	Operational EBIT	Operational EPS	Free cash flow
M€ 262	M€ 8	€ 0.02	M€ -44
(2017: 282)	(2017: 20)	(2017: 0.06)	(2017: -47)

- Outlook for 2018 unchanged
- The pattern of our business and financial performance will be different in 2018 vs. 2017 with more emphasis on the second half of the year
- Intention to divest the Belgian women's magazine portfolio was announced in January and the transaction is expected to be closed early Q3 2018.
- The acquisition of the festival and event business of N.C.D. Production in Finland (2017 net sales approx. EUR 20 million) was announced in March and closed in April.

All figures presented in this report are for continuing operations only. All annual and quarterly figures presented in this report have been restated to account for IFRS 15 standard. All comparisons of the Group and Media Netherlands figures are made against figures adjusted for the SBS divestment. More information on the restatement and adjustments is available on p. 3 of the Q1 2018 Interim Report.

Earnings developed in line with net sales

- Operational EBIT of Media Finland declined following lower net sales
  - Q1 2017 included an EUR 4 million positive one-off correction to earlier accounting (* in the graph)
- Operational EBIT of Media Netherlands grew slightly as a result of cost innovations
- Learning's Operational EBIT declined due to changes in the phasing of business between quarters
- Costs of Other operations in line with Q1 17



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EBIT development by SBU in Q1 2018

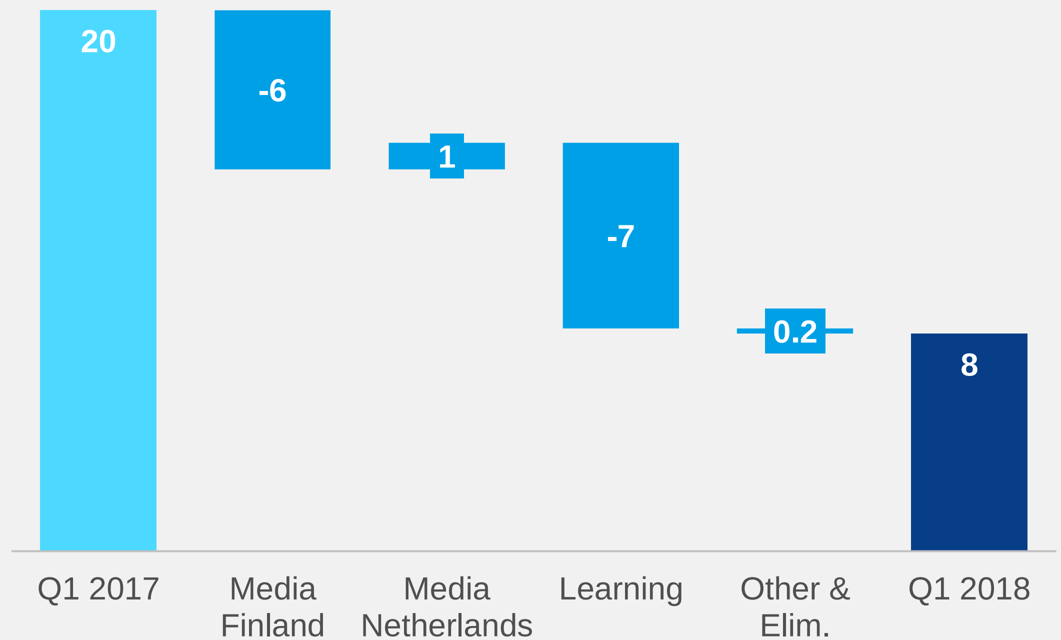
Media Finland	-	One-off correction of EUR 4 million included in Q1 2017 Operational EBIT
	-	Soft advertising sales, in line with market
	+	Ruutu+ performed well
Media Netherlands	+	Lower personnel costs due to streamlined organisation post-SBS divestment
	+	Stable circulation sales
Learning	-	Lower sales in the Netherlands following structural phasing of orders
	+	Net sales ahead of PY in Poland and Finland

Expected EBIT shift of approx. EUR 15-20 million from H1 to H2 2018 (vs. 2017) – Main items:

- **Media Finland:** ending of the Liiga contract (no write-off in Q3), one-off in Q1 17, NCD acquisition
- **Media Netherlands:** lower fixed costs
- **Learning:** shift in the ordering pattern in the Netherlands, exceptional growth in Poland in Q3 17

Operational EBIT Q1 18 vs. Q1 17 by SBU

EUR million

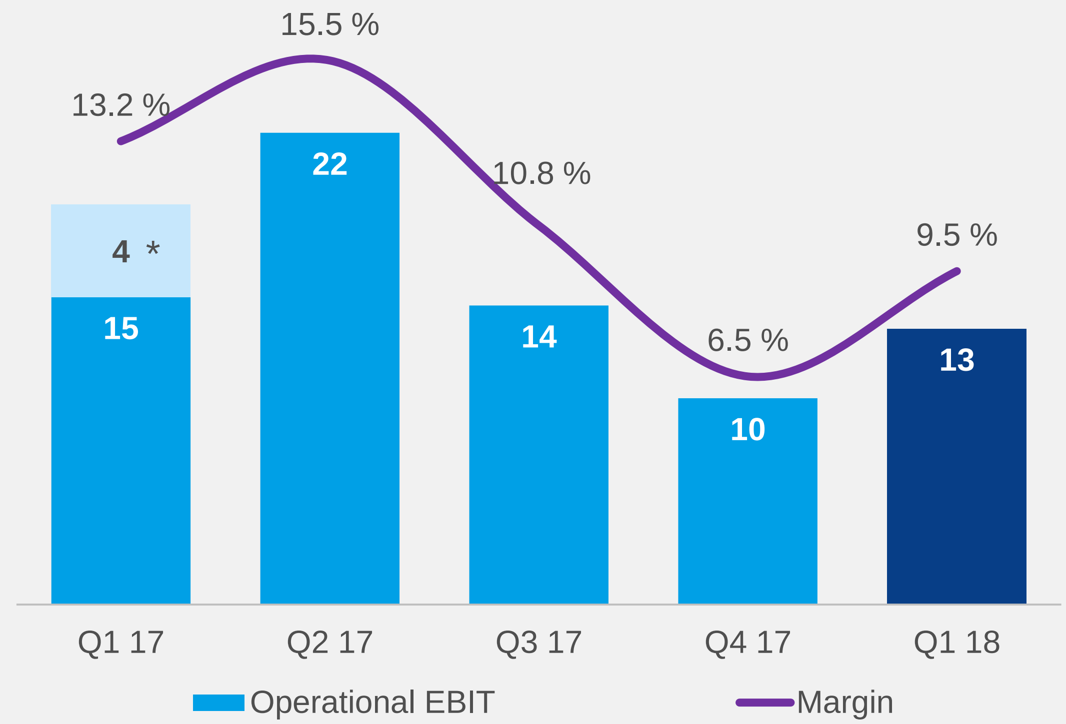


Media Finland: Strengthening the events business

- Net sales declined to EUR 137 million (2017: 144, incl. EUR 3 million one-off correction)
  - Advertising sales followed the slightly declining market development
  - Subscription sales stable
  - Ruutu+ subscriptions grew more than 80% vs. Q1 17
- Operational EBIT decreased to EUR 13 million (2017: 19, incl. EUR 4 million one-off correction *) following the net sales development
- Strengthened position in festival and events business in Finland with the acquisition of N.C.D. Production
  - Growing market of live events
  - Annual net sales approx. EUR 20 million in 2017
  - Business focused strongly in Q2 and Q3
  - Overall profitability above media industry

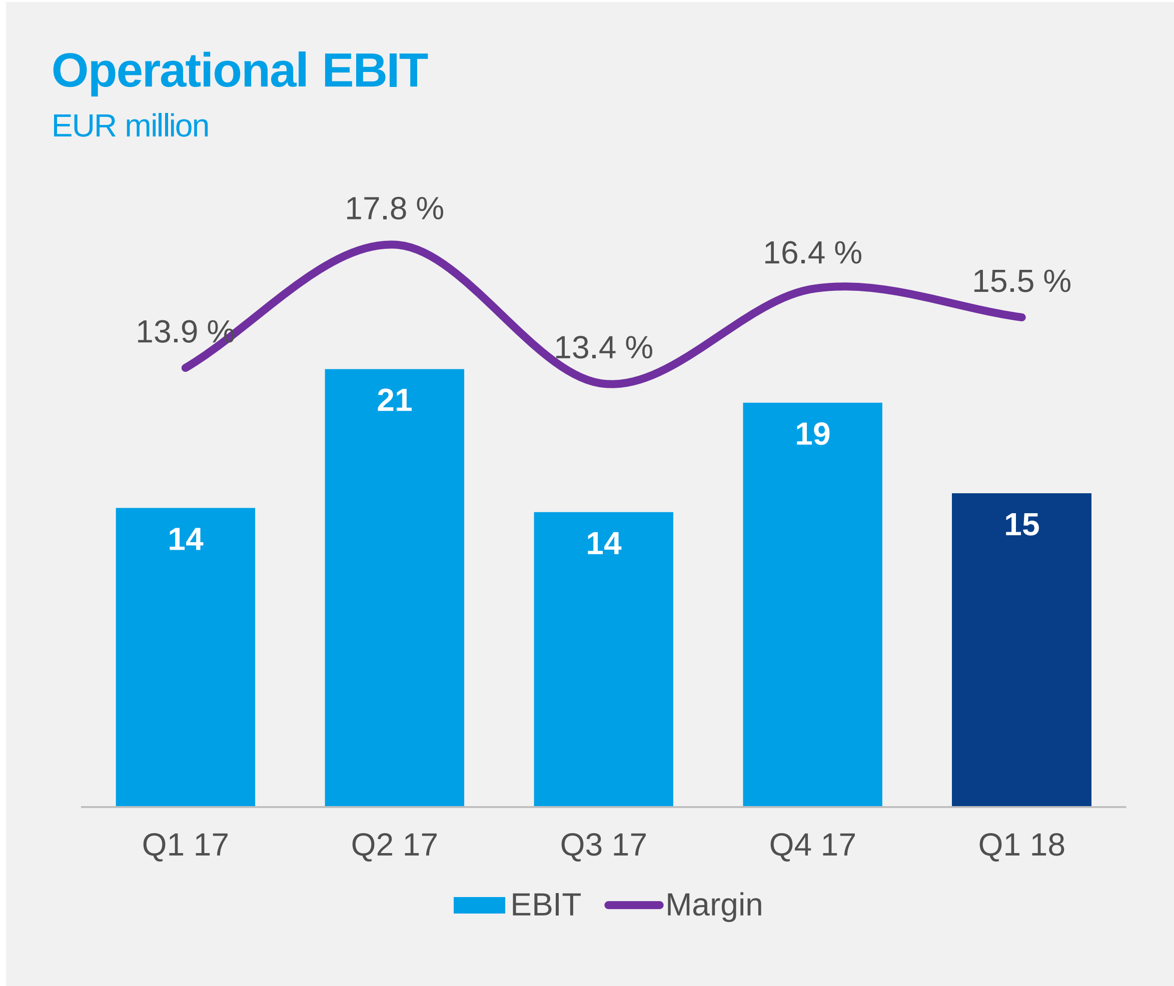
Operational EBIT

EUR million



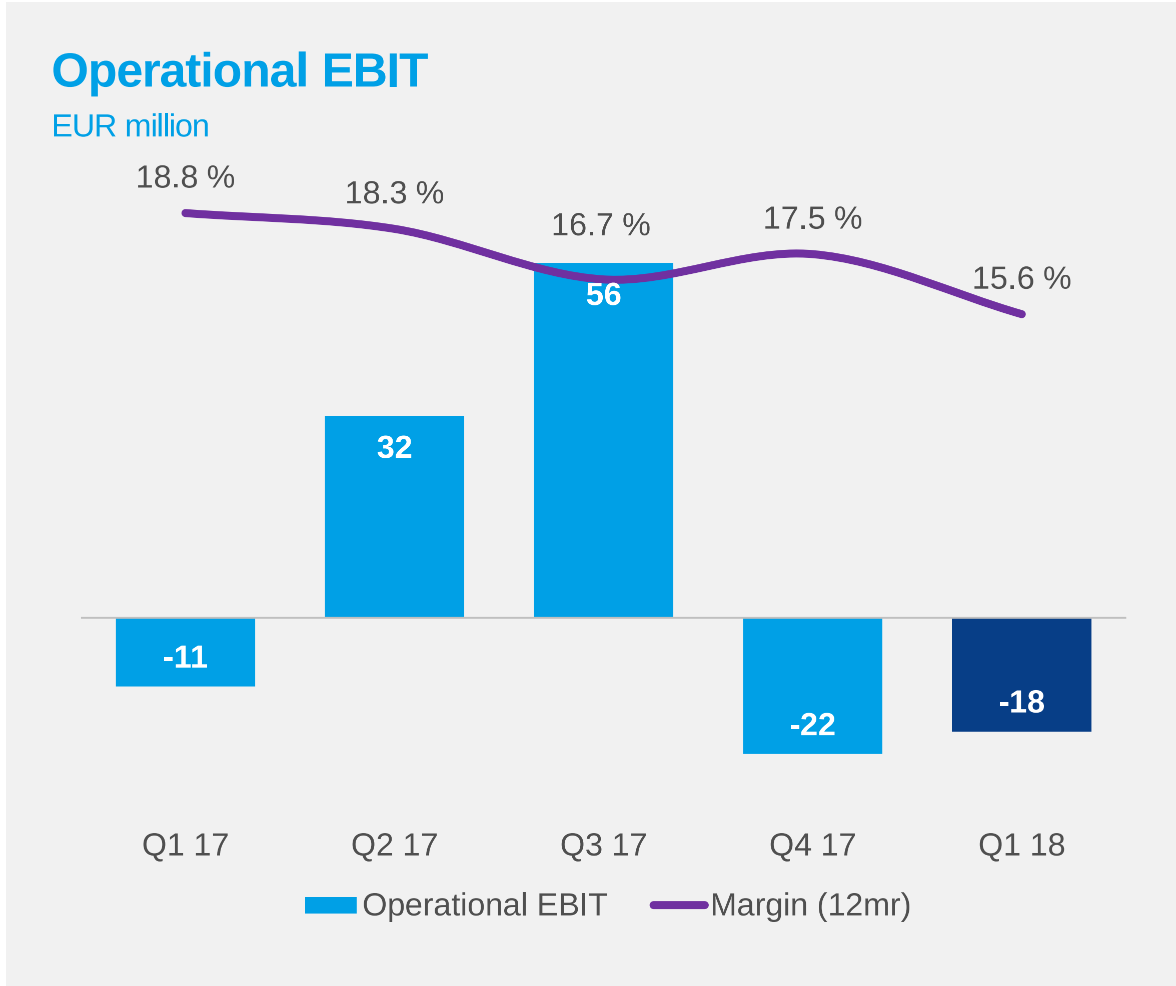
Media Netherlands: Earnings improved

- Net sales declined to EUR 96 million (2017: 102)
  - Stable circulation sales
  - Advertising sales declined due to the divestment of Kieskeurig.nl in Q2 2017 and soft market momentum
- Operational EBIT improved to EUR 15 million (2017: 14) with a solid margin of 15.5% (2017: 13.9%)
  - Benefits of streamlined organisation
  - Last year's cost innovations in fixed costs
- Divestment of Belgian women's magazine portfolio is going according to the plan
  - Expected closing early Q3 2018



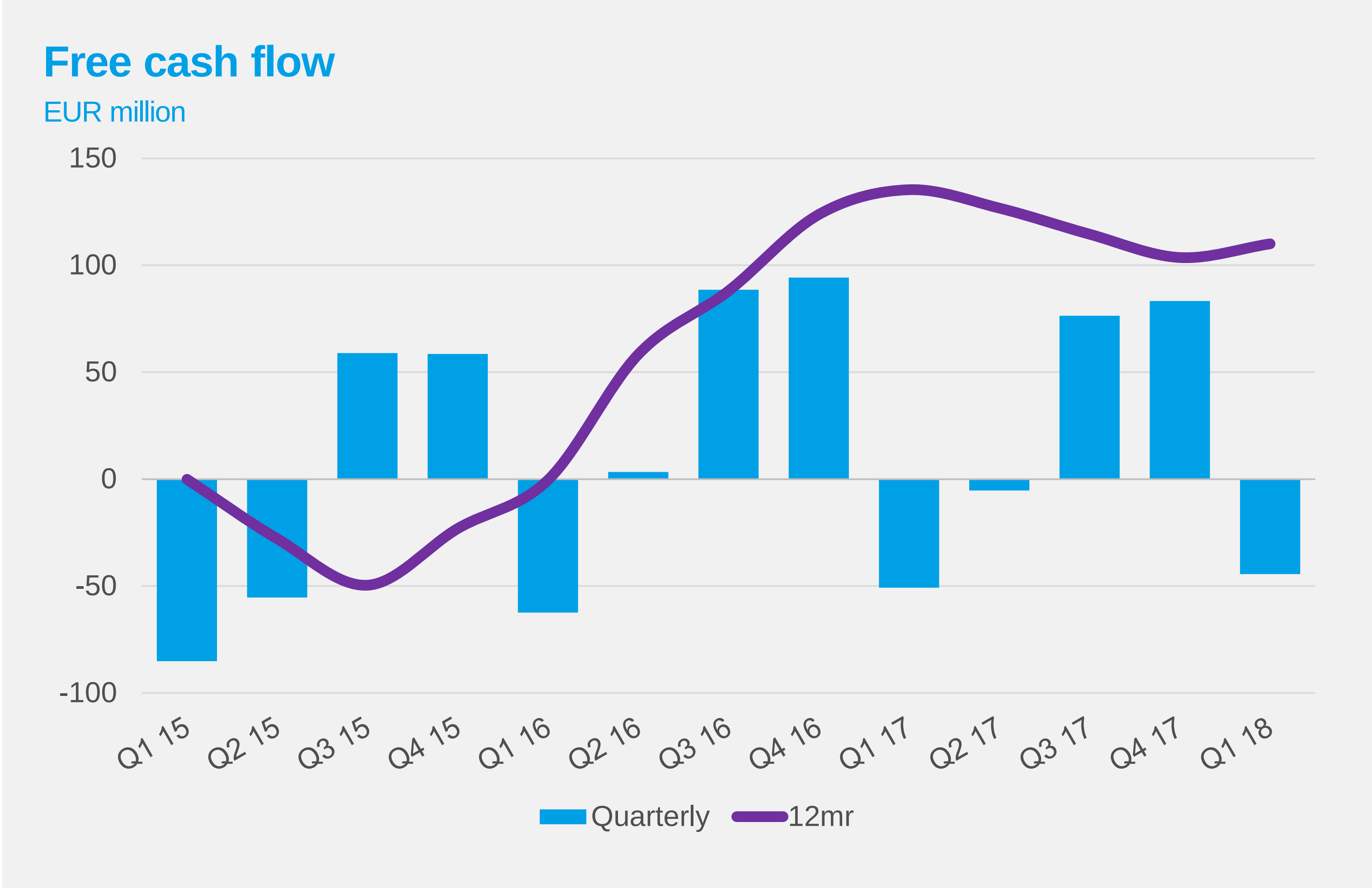
Learning: Structural shift to later ordering

- Net sales declined to EUR 29 million (2017: 36)
  - Traditional spring orders moving from Q1 to Q2-Q3 especially in the Netherlands
  - Net sales grew in Poland and Finland
- Operational EBIT declined in line with net sales to EUR -18 million (2017: -11)
- Too early to draw conclusions in seasonally small quarter
- The lower 12 mr operational EBIT margin is due to
  - Strong Polish growth in 2017 partially from lower margin distributor sales
  - Shift in Q1 ordering with proportionately higher fixed costs



Free cash flow (12mr) on a good level

- Main cash flow impacts in Q1 2018 vs. Q1 2017
  - \+ Lower net financial items
  - – Lower operational EBITDA
  - – Higher taxes as a result of real estate sale of Ludviginkatu in Helsinki in Q4 2017
- Divestment of Belgian women's magazine portfolio expected to have a negative impact of approx. EUR 18 million on cash flow from operations in H2 2018, compensated by the cash consideration of the divestment (below cash flow from operations)



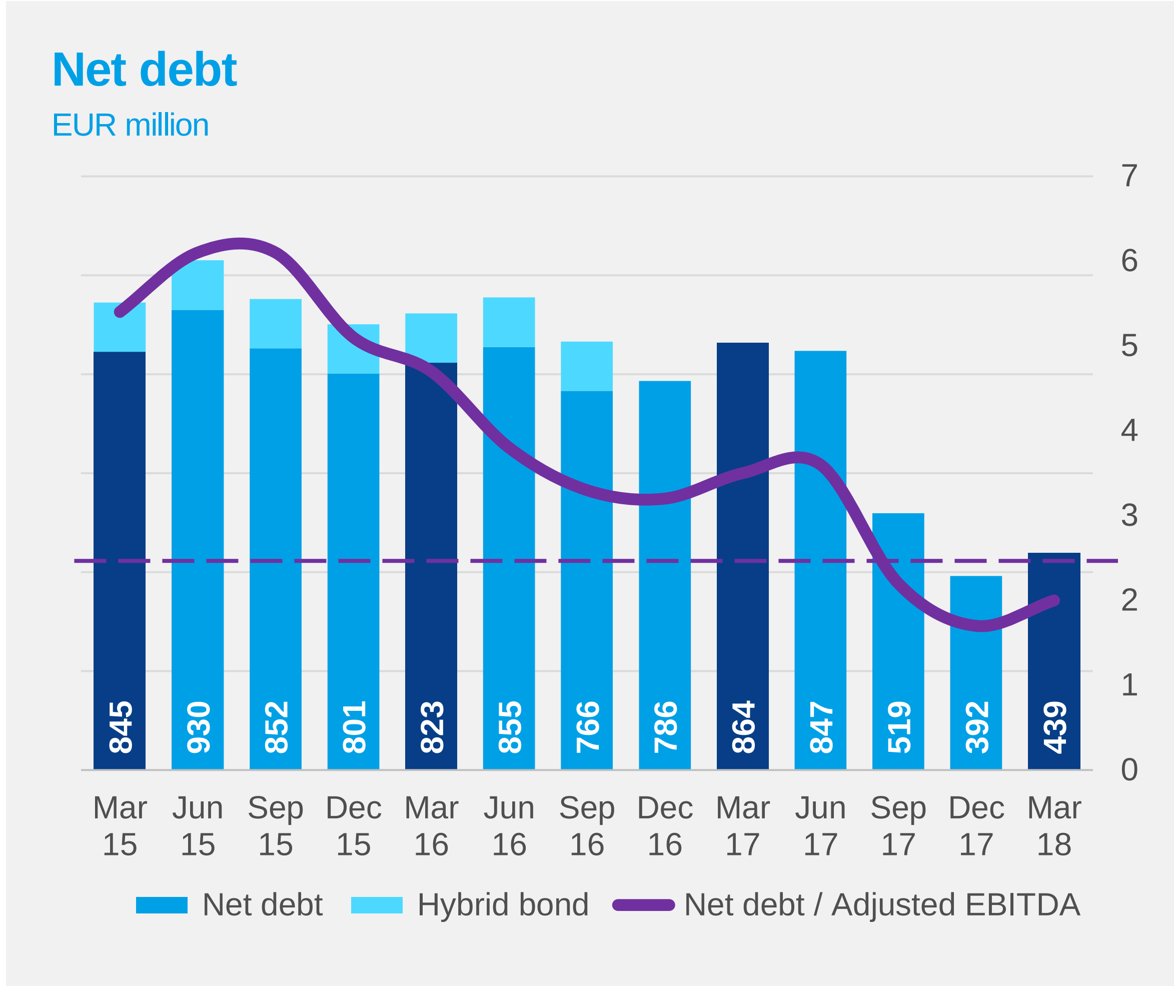
Free cash flow = Cash flow from operations less capital expenditure

Net debt substantially lower vs. Q1 2017

- At the end of Q1 2018
  - Net debt to adjusted EBITDA at 2.0 (2017: 3.5)
  - Net debt EUR 439 million (2017: 864)
  - Equity ratio 34.1% (2017: 27.3)

- Average interest rate was 2.6% (2017: 2.5%) in Q1 2018

- Net financial items decreased to EUR -3 million (2017: -7)
  - Lower external debt
  - Repayment of EUR 200 million bond with 5% coupon rate in March 2017



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Outlook for 2018

(unchanged)

In 2018, Sanoma expects that the Group's

- **Consolidated net sales adjusted for structural changes will be slightly below 2017**
- **Operational EBIT margin will be around 14%.**

The outlook is based on an assumption of the consumer confidence and advertising markets in the Netherlands and Finland being in line with that of 2017.

Appendix

We adapt to a rapidly changing media landscape

1 Increasing time used on media though mostly mobile

- Constant growth in time spent
- Lower value mobile advertising model

2 Video is used more and more

- Requires different 'story telling' utilizing expertise from our media portfolio
- Having to constantly reduce production costs

3 Data is increasingly important

- Recommendations increase engagement of users
- Advertisers willing to pay for increased conversion
- News skill sets in organization and full compliance on security and privacy are required

4 The role of technology is expanding

- High user experience requirements
- Use of Machine Learning and AI in analysis and content production
- Increasing investments may lead to industry consolidation

5 Consumers' willingness to pay for online is increasing

- Increases commercialization opportunities for us
- Online subscription news
- Subscription based VOD

6 Marketers are seeking efficiencies and impact by a balanced use of media channels

- Strength of traditional mass media in reaching new customers recognized again
- Value of curated media as safe environment for brands

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Sanoma in 2017

NET SALES
EUR 1,327 million

NON-PRINT SALES
40%

OPERATIONAL EBIT MARGIN
13.6%

Media Finland

EUR 571 million

44%

Around **12%**

Media Netherlands

EUR 437 million

30%

Around **16%**

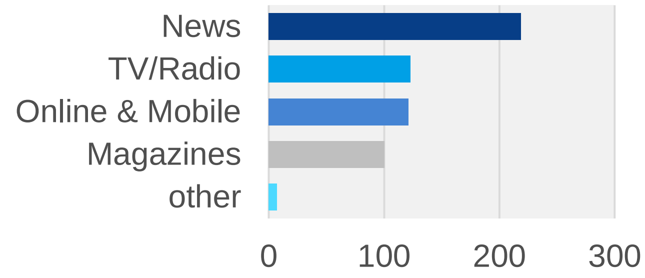
Learning

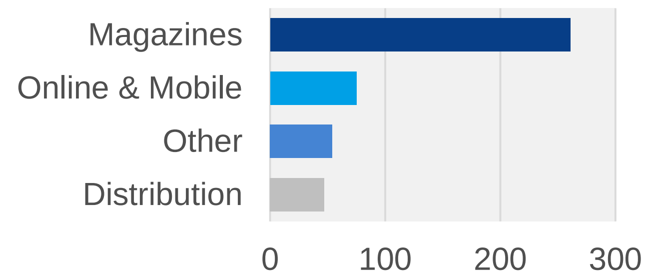
EUR 320 million

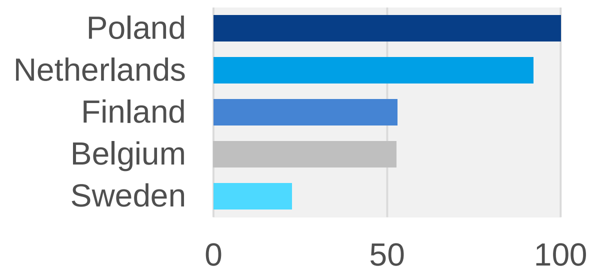
45%

Around **18%**

Net sales 2017







Media Finland: Quarterly key figures

EUR million	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	**137.0**	150.4	131.3	144.5	144.1
Operational EBITDA	**35.8**	35.3	35.5	42.1	42,9
Operational EBIT	**13.1**	9.8	14.2	22.4	19.0
margin	**9.5%**	6.5%	10.8%	15.5%	13.2%
EBIT	**11.6**	8.2	13.5	30.5	19.6
Capital expenditure	**1.8**	0.5	3.0	1.9	1.0
Average number of employees (FTE)	**1,709**	1,744	1,755	1,744	1,719

Media Netherlands: Quarterly key figures

Adjusted for the SBS divestment

EUR million	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	**95.8**	116.9	103.9	116.9	101.9
Operational EBITDA	**16.3**	21.9	16.0	22.9	16.4
Operational EBIT	**14.9**	19.2	14.0	20.8	14.2
margin	**15.5%**	16.4%	13.4%	17.8%	13.9%
EBIT	**16.9**	14.2	11.3	15.9	14.2
Capital expenditure	**0.9**	0.4	0.2	0.3	1.3
Average number of employees (FTE)	**1,054**	1,132	1,144	1,172	1,183

Learning: Quarterly key figures

EUR million	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	**28.9**	38.5	145.7	97.9	36.2
Operational EBITDA	**-7.3**	-7.2	66.1	41.8	-0.7
Operational EBIT	**-18.0**	-21.6	56.1	31.9	-10.9
margin	**-62.2%**	-56.0%	38.5%	32.6%	-30.0%
EBIT	**-18.4**	-23.7	56.2	22.8	-11.4
Capital expenditure	**3.5**	6.0	4.1	5.2	3.3
Average number of employees (FTE)	**1,353**	1,401	1,413	1,430	1,442

Overall advertising market declined by 2% in Finland in Q1 2018

Finnish measured media advertising markets

	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Newspapers	**-12%**	-10%	-12%	-12%	-9%
Magazines	**-7%**	-1%	-9%	-12%	-7%
TV	**1%**	-4%	-4%	-7%	-6%
Radio	**-4%**	4%	8%	0%	4%
Online	**7%**	12%	10%	1%	8%
Total market	**-2%**	**-1%**	**-2%**	**-5%**	**-3%**

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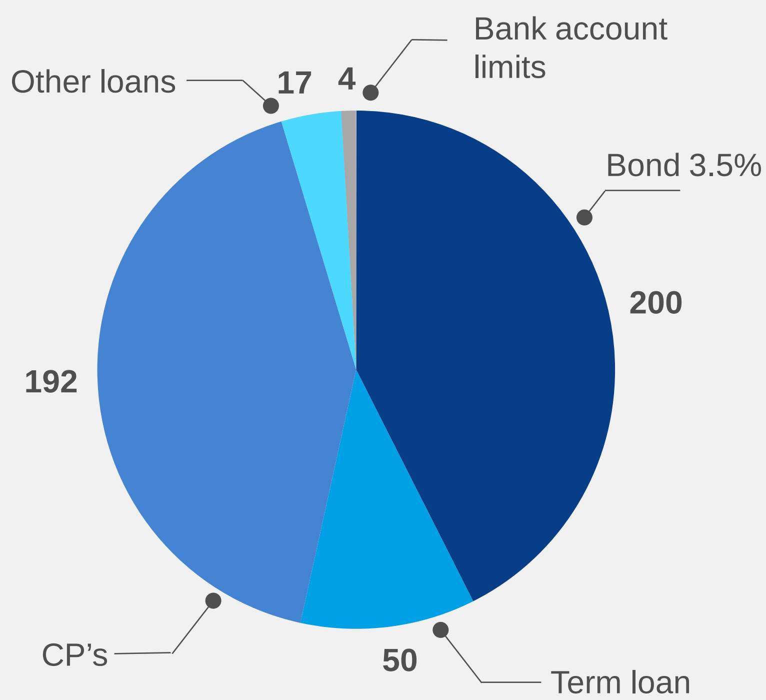
Source: Kantar TNS, Media Advertising Trends, March 2018. Online excl. search and social media.

We have a balanced debt portfolio and lower net financial expenses

- Next refinancing early 2019 for the EUR 300 million RCF
- The EUR 200 million bond will be repaid or refinanced depending on acquisition funding requirements
- Average interest rate decreased to **2.1%** in 2017 (2016: 2.8%)
- Net financial expenses decreased to EUR **23** million (2016: 37)
  - Further decrease in 2018

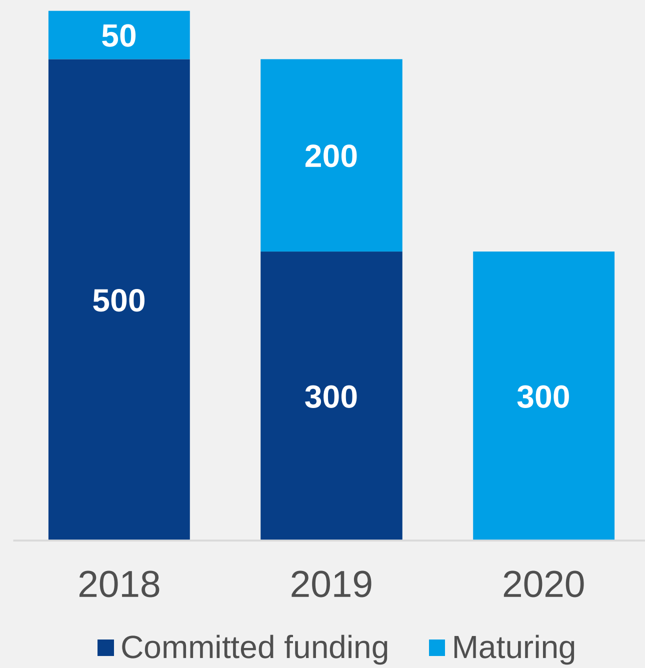
Debt structure

EUR million, 31 March 2018



Maturity profile

EUR million, 31 March 2018



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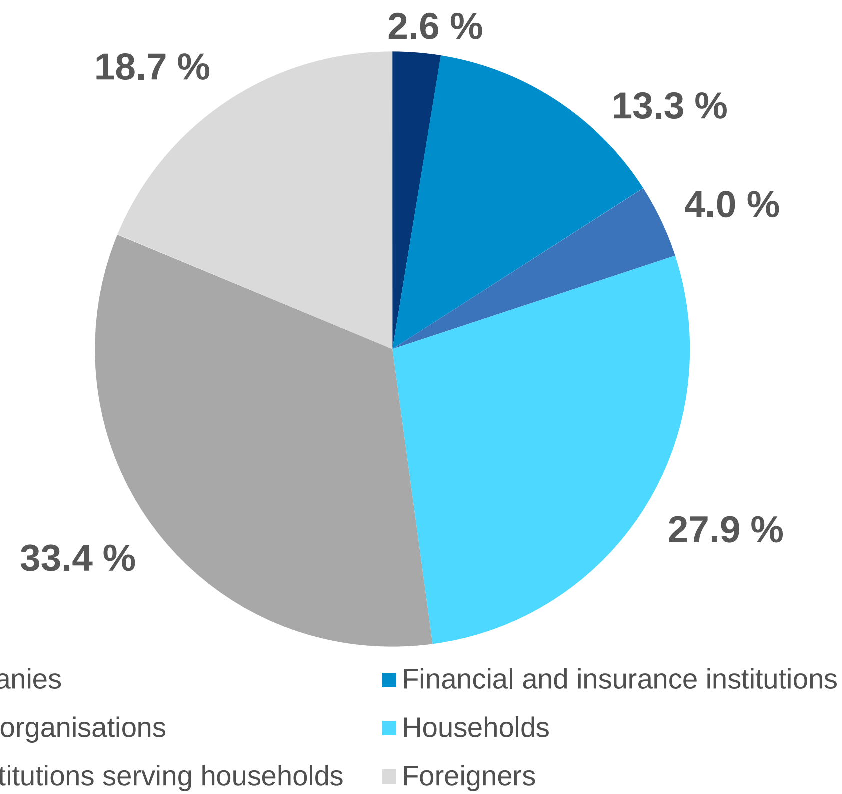
Largest shareholders
31 May 2018

Largest shareholders

31 May 2018	Number of shares	
1. Jane and Aatos Erkko Foundation	**39,820,286**	24.4%
2. Antti Herlin (Holding Manutas Oy: 11.91%, personal: 0.02%)	**19,506,800**	11.9%
3. Robin Langenskiöld	**12,273,371**	7.5%
4. Rafaela Seppälä	**10,273,370**	6.3%
5. Helsingin Sanomat Foundation	**5,701,570**	3.5%
6. Ilmarinen Mutual Pension Insurance Company	**3,572,220**	2.2%
7. Foundation for Actors' Old-Age Home	**2,000,000**	1.2%
8. Alex Noyer	**1,908,965**	1.2%
9. The State Pension Fund	**1,860,000**	1.1%
10. Lorna Auboin	**1,852,470**	1.1%
10 largest shareholders total	**98,769,052**	**60.4%**
Foreign holding *	**30,579,291**	**18.7%**
Other shareholders	**34,217,320**	**20.9%**
Total number of shares	**163,565,663**	**100.0%**
Total number of shareholders	**20,566**	

Holding by category



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Financial reporting in 2018

24 July	2018 Half-year Report
24 October	Q3 2018 Interim Report

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Analyst coverage

Carnegie Investment Bank	Matti Riikonen	+358 9 6187 1231
Danske Markets Equities	Panu Laitinmäki	+358 10 236 4867
Handelsbanken CM	Rasmus Engberg	+46 8 701 5116
Inderes	Petri Aho	+358 50 340 2986
Nordea	Sami Sarkamies	+358 9 165 59928
Pohjola	Kimmo Stenvall	+358 10 252 4561
SEB Enskilda	Jutta Rahikainen	+358 9 6162 8058

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Adjustments and restatements

- All 2016-2017 figures presented in this presentation are for continuing operations only.
  - Sanoma announced on 16 January 2018 the intention to divest its Belgian women's magazine portfolio. The divested business was consequently classified as Discontinued operations in 2017 financial reporting.
- All annual and quarterly figures for 2017 presented in this presentation have been restated to account for IFRS 15 standard.
  - Restated figures have been published as a stock exchange release on 29 March 2018.
- All income statement and balance sheet related Group and Media Netherlands figures for 2016-2017 are adjusted for the SBS divestment.
  - Sanoma divested the Dutch TV operations of SBS on 19 July 2017. SBS was consolidated in Sanoma's income statement until 30 June 2017 as part of Media Netherlands SBU. To enhance comparability between reporting periods, all income statement and balance sheet related key figures for 2016-2017 for the Group and for Media Netherlands are presented excluding SBS.
- More information on the adjustments and restatement is available on p. 3 of the Q1 2018 Interim Report.

Disclaimer

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Please contact our Investor Relations:

Kaisa Uurasmaa, Head of IR & CSR
M +358 40 560 5601
E kaisa.uurasmaa@sanoma.com

ir@sanoma.com
www.sanoma.com