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Sanoma acquires Iddink, a leading Dutch educational platform and service provider

News conference, 12 December 2018

Susan Duinhoven, President & CEO
Markus Holm, CFO & COO



Iddink provides Sanoma Learning a platform for future growth

- Sanoma becomes a leading educational platform and service provider in the Netherlands
 - Increases the scale for investments in customers and platforms
 - Enables development of seamless digital learning solution for pupils, parents, teachers and schools, benefitting the whole value chain
- The acquisition strengthens our position in Belgium and expands the footprint into Spain
- Iddink's net sales were EUR 141 million and operational EBITDA EUR 27 million in 2017
 - Purchase price EUR 277 million, representing an EV / Operational EBITDA multiple of 10.3x
 - Expected annual synergies of EUR 6 million to be realised in full within 3 years
- The acquisition increases Learning's share of Sanoma's business and improves revenue visibility

Iddink in brief

- Net sales EUR 141 million and operational EBITDA EUR 27 million (incl. rental book depreciation of EUR 16 million) in 2017
- Operations in the Netherlands, Belgium and Spain
- In the Dutch market, Iddink provides educational platforms and services both for secondary and vocational education and operates in three business areas:
 - Distribution of printed and digital learning methods with strong rental book sales
 - Student information systems, Magister and Eduarte
 - Data analytics and learning solutions
- 300 employees, about half of them working in educational technology
- Strong and experienced management team, committed to continue at Sanoma Learning

Iddink strengthens Sanoma's position as a leading European learning company

Belgium

Market size 1.5 million pupils

Net sales 2017
Sanoma MEUR 52
Iddink MEUR 21

The Netherlands

Market size 2.4 million pupils

Net sales 2017
Sanoma MEUR 92
Iddink MEUR 108

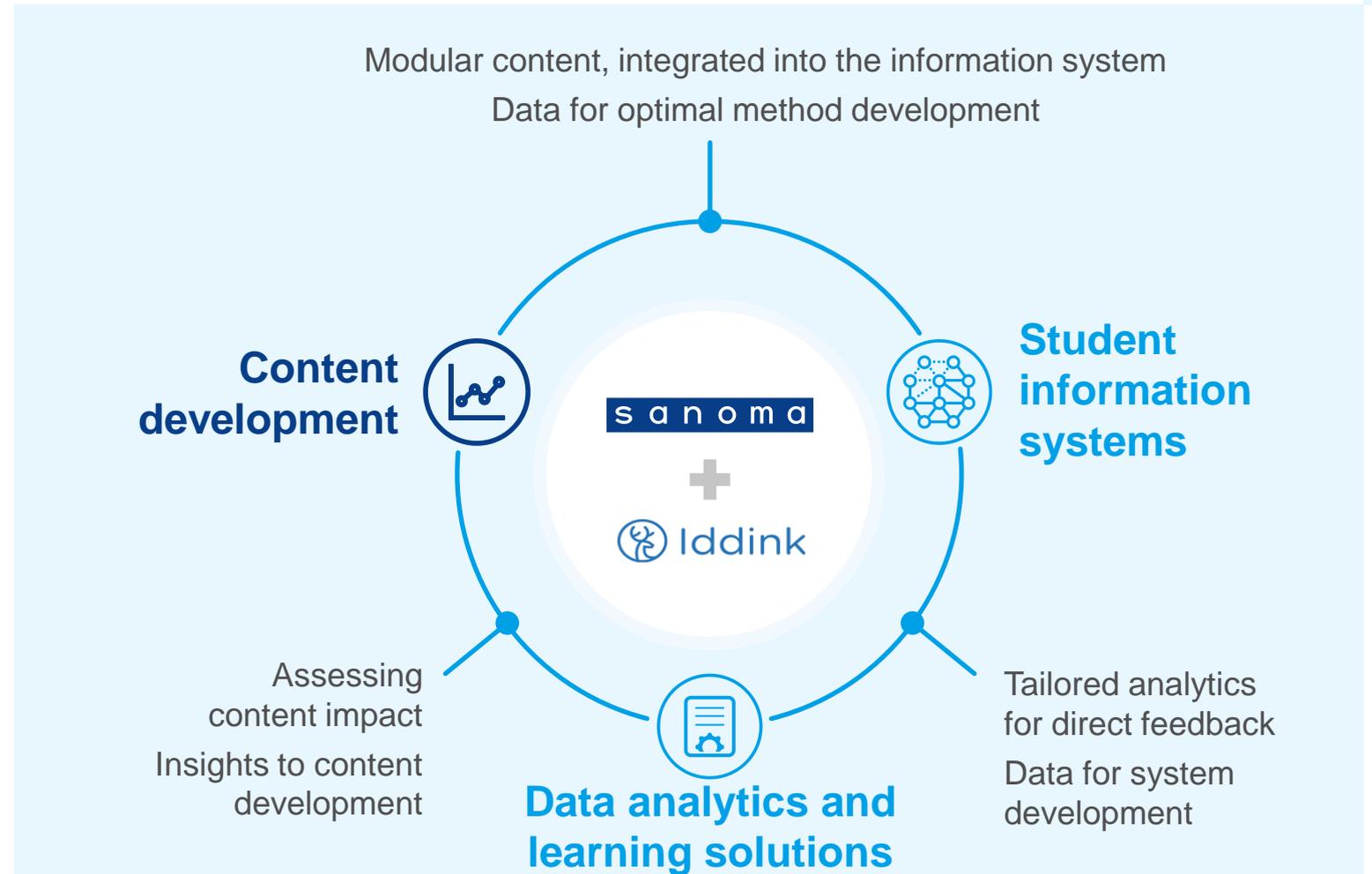
Spain / Catalonia

Market size 8.1 / 1.3 million pupils

Net sales 2017
Iddink MEUR 11

Together Sanoma and Iddink have potential to develop education experience and drive continuous improvement

- Together, Sanoma and Iddink will develop seamless digital solutions for the benefit of the whole educational market
- Daily operations and organisations will remain separate
- Iddink continues to serve all publishers and content providers in its markets

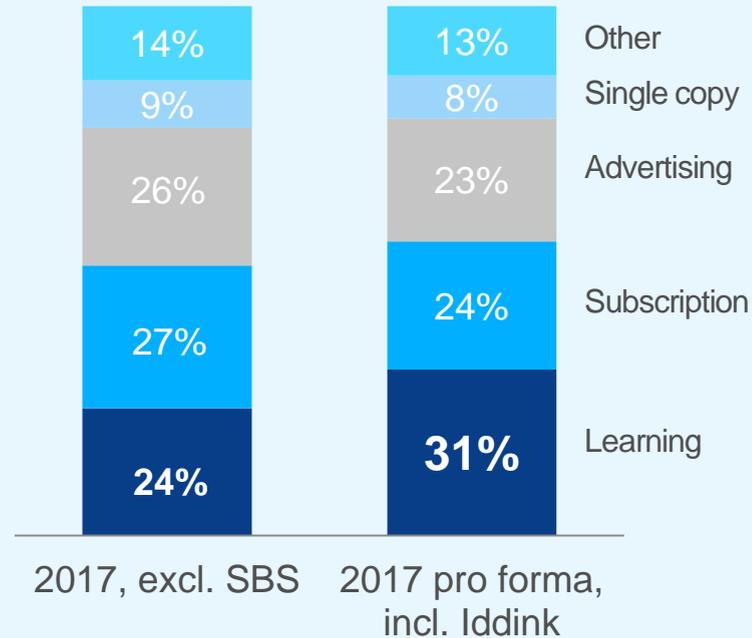


With Iddink, our business portfolio becomes more balanced towards Learning

The acquisition increases the share of Learning in Sanoma's business portfolio

- Higher share of more stable learning sales
- Higher net sales growth rate for Learning
- Learning's share of Sanoma's operational EBITDA to grow to 39% (pro forma 2017)

Sanoma Group
Net sales by category



Operational EBITDA* by SBU



* Operational EBITDA incl. TV-programming rights, pre-publication costs and rental book depreciation

Acquisition valuation and funding

Valuation

- Cash and debt free purchase price EUR 277 million
- EV/EBITDA multiples
 - 10.3x operational EBITDA (incl. rental book depreciation of EUR 16 million)
 - 6.4x reported EBITDA

Funding

- Acquisition will be financed with debt
- Committed bridge facility of EUR 300 million with Nordea Bank Abp and OP Corporate Bank plc
- Bridge facility to be replaced by longer term funding prior to the closing of the acquisition

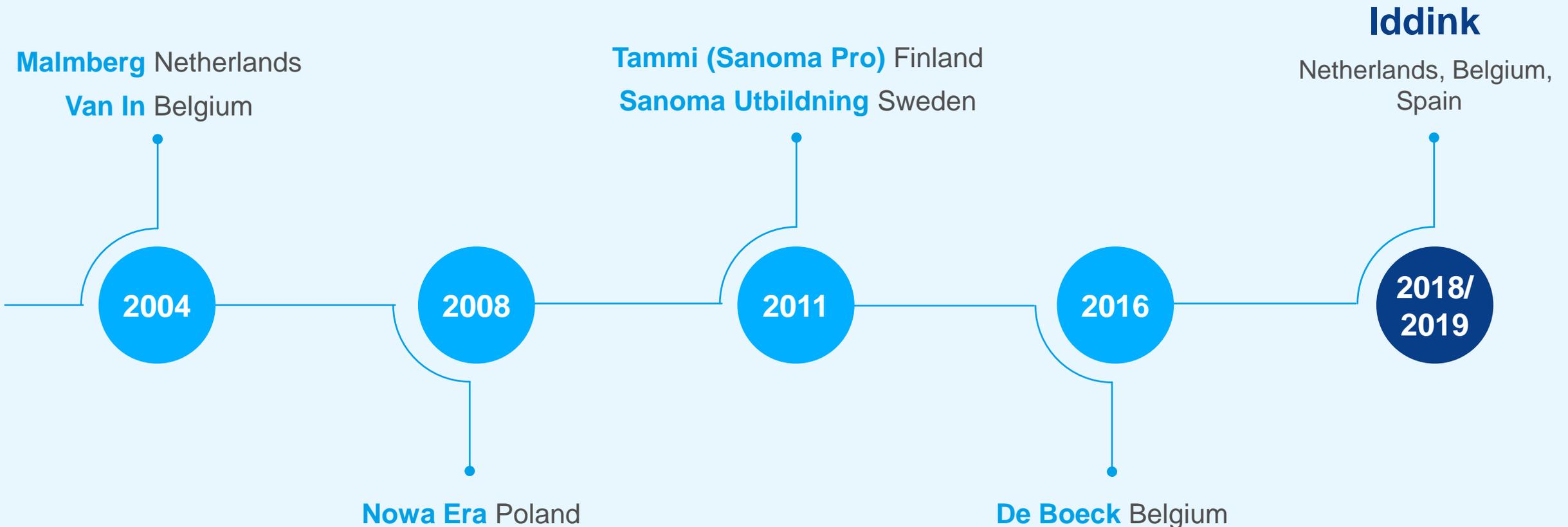
Net debt / Adj. EBITDA ratio (under IFRS 16) expected to

- Temporarily exceed the long-term target level of <2.5 after closing
- Return to around the long-term target level by the end of 2019

Acquisition expected to be closed in Q2-Q3 2019

- The transaction is subject to customary closing conditions, including
 - The approval of competition authorities
 - Completion of works council consultation procedures at Iddink
- Iddink's valuable technologies and customer agreements are booked as intangible assets
 - Due to the transaction, Sanoma's depreciations of intangible assets will increase
- After closing, Iddink will be reported as part of Sanoma Learning SBU

Sanoma Learning is successfully built through M&A



Acquisition of Iddink fits well in Sanoma's growth strategy

Focus on selective growth

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

Learning

- › Core business in current markets
- › Core business in new markets
- › Adjacent business in current markets

Media Finland

- › Entertainment
- › News, feature and lifestyle
- › B2B

Media Netherlands

- › News & data
- › Creating 360 media brands

SANOMA AS AN INVESTMENT:

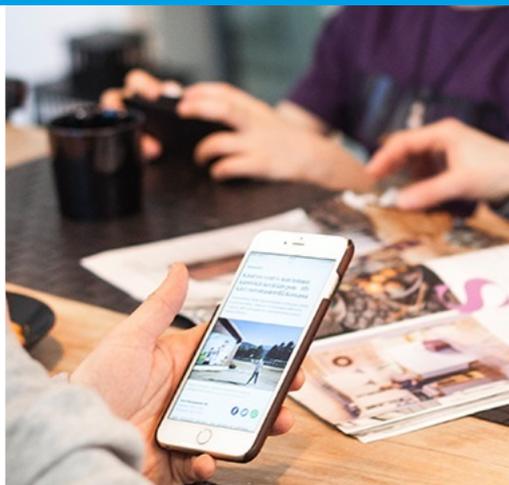
A leading European learning and media company



Growing dividends



Strong and balanced business portfolio



Continued focus on selective growth



Solid profitability and improving cash flow



Equity ratio and leverage within long-term target

A young girl with brown hair and blue eyes, wearing a bright yellow sweater, is sitting at a desk in a classroom. She has her right arm raised high, and she is smiling slightly. In the background, other children are also raising their hands, and the classroom environment is visible with wooden desks and a light-colored wall.

Q&A

A young boy and girl are sitting at a white table, reading books. The boy is on the left, wearing a light blue long-sleeved shirt, and the girl is on the right, wearing a teal short-sleeved shirt. They are both smiling and looking down at their books. There are several books on the table, including one that is open in the foreground. The background is a bright, modern interior with a white table and blue chairs.

Appendix

Sanoma in 2017



NET SALES
EUR 1,327 million



NON-PRINT SALES
40%



OPERATIONAL EBIT MARGIN
13.6%

Learning



EUR 318 million



45%



17.5%

Media Finland



EUR 570 million



45%



11.5%

Media Netherlands



EUR 440 million

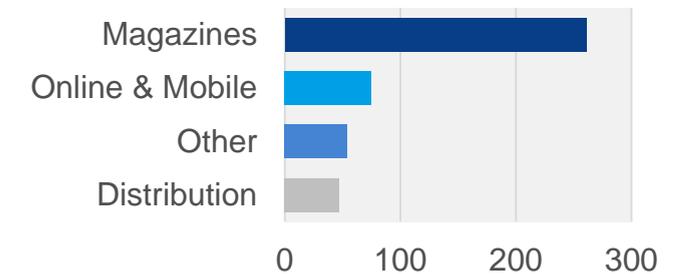
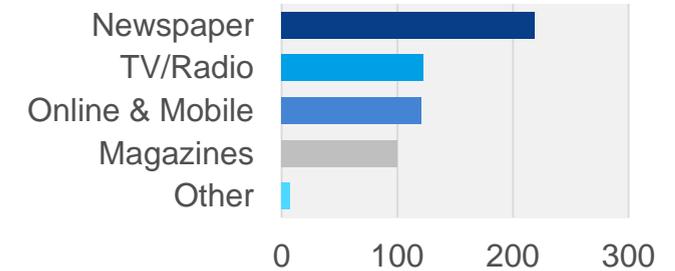
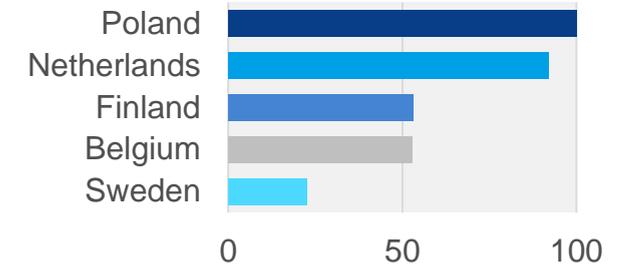


29%



15.5%

Net sales 2017



Learning: Quarterly key figures

EUR million	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Net sales	136.3	108.3	28.9	38.5	145.7	97.9	36.2
Operational EBITDA	64.2	54.3	-7.3	-7.2	66.1	41.8	-0.7
Operational EBIT	53.4	43.7	-18.0	-21.6	56.1	31.9	-10.9
margin	39.2%	40.3%	-62.2%	-56.0%	38.5%	32.6%	-30.0%
EBIT	52.1	42.4	-18.4	-23.7	56.2	22.8	-11.4
Capital expenditure	5.2	4.3	3.5	6.6	4.1	5.2	3.3
Average number of employees (FTE)	1,350	1,352	1,353	1,401	1,413	1,430	1,442

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