

# 2019: A year of transformation

AGM 2020

Shortened business overview presentation

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# Sanoma has transformed significantly during 2019

**Growing the learning business  
with four acquisitions**

**Divestment of Sanoma Media  
Netherlands announced in  
December 2019**

**Acquisition of Alma Media's  
regional news media business  
announced in February 2020**



**Two strong  
businesses,  
Learning and  
Media Finland,  
ready for  
growth**

**400m€  
headroom  
for M&A**

**SBU-level  
targets for  
comparable net  
sales growth  
and profitability**

# FY 2019: Net sales grew and profitability improved

Net sales	Operational EBIT excl. PPA	Operational EBIT margin excl. PPA	Operational EPS	Free cash flow	Number of employees
<b>913m€</b> (2018: 891)	<b>135m€</b> (2018: 123)	<b>14.8%</b> (2018: 13.8%)	<b>0.49</b> (2018: 0.49)	<b>131m€</b> (2018: 109)	<b>4,000</b> (2018: 3,400)

- Net sales grew as a result of acquisitions; comparable net sales development was -1% (2018: -4%)
- Clear profitability improvement driven by acquisitions and High Five business development programme in Learning
- Result for the period, including discontinued operations, was 13m€ (2018: 126) and included 105 m€ capital loss related to the divestment of Media Netherlands
- Free cash flow includes 25m€ improvement due to IFRS 16

## Learning:

# Profitability improved, net sales grew through acquisitions

- Net sales grew to 337m€ (2018: 313) through four acquisitions:
  - Iddink, itslearning, Essener and Clickedu
  - Approx. 180m€ new topline from 2020 onwards
- Comparable net sales was stable
  - Net sales growth in Belgium and Poland due to curriculum renewals
  - Sales in the Netherlands at the previous year's level
  - Sales decline in Finland due to ending of the curriculum renewal in 2018 and increasing share of digital learning materials
- Operational EBIT excl. PPA improved by 15% to 73m€ (2018: 64)
  - Equally as a result of the Iddink acquisition and High Five business improvement programme

**15m**

(2018: 6m)

users in Sanoma's  
digital platforms

**+8m**

due to  
acquisitions

Organic  
growth

**+1m**

## Media Finland:

# Stable net sales and profitability

- FY net sales stable at 577m€ (2018: 579)
- Continued success of HS
  - Total number of HS subscriptions grew for the third year in a row
  - Subscription sales for HS is at all-time-high
- Acquisition of Alma Media's regional news media business supports the growth of digital subscription base – closing expected at the end of April
- Monthly visits at IS.fi all-time-high in December
- Digital advertising sales grew by 6%, total advertising sales -1% in-line with market \*
- Operational EBIT excl. PPA stable at 69m€ (2018: 70)



Total number of subscriptions

**397k**



Growth in subscription base

**+8%**

**IS**

Up to

**42m**

weekly site visits

# Both businesses well on track in 2019 towards their long-term financial targets

Key ratios	Long-term target	FY 2019
Learning		
Comparable net sales growth	2-5%	0%
Operational EBIT margin excl. PPA	20-22%	21.7%
Media Finland		
Comparable net sales growth	+/-2%	-2%
Operational EBIT margin excl. PPA	12-14%	12.0%

# Announcement in December 2019: Sanoma divests Media Netherlands to DPG Media

- Important step in Sanoma's strategic transformation
- Enterprise value of the divested business is EUR 460 million
  - Corresponding to EV / EBITDA multiple of 6.5 (LTM Q3 2019 adjusted)
- Sanoma Media Netherlands consists of leading Dutch and Belgian magazines (incl. Libelle, Donald Duck, vtwonen) and the online news brand NU.nl
  - Net sales 368m€ and operational EBIT excl. PPA 70m€ in 2019
- DPG Media is the leading Dutch and Belgian cross-media company with strong positions in news, radio and TV
- Sanoma's exposure to print magazine business, which as a stand-alone business is difficult to convert to digital, will be reduced
- Transaction is subject to customary closing conditions, closing expected during Q2 2020

# Our leverage will improve again after the closing of Media Netherlands divestment

## Key ratios

## Long-term target

## 31 Dec 2019

Net debt /  
adj. EBITDA

< 2.5

2.7

Equity ratio

35-45%

30.5%

Dividend payout

Increasing dividend  
40-60%  
of free cash flow

58%

Expected to return to the long-term target level after closing of the Media Netherlands divestment.

# Board proposes a dividend of 0.50€ for 2019

## Paid in two equal installments

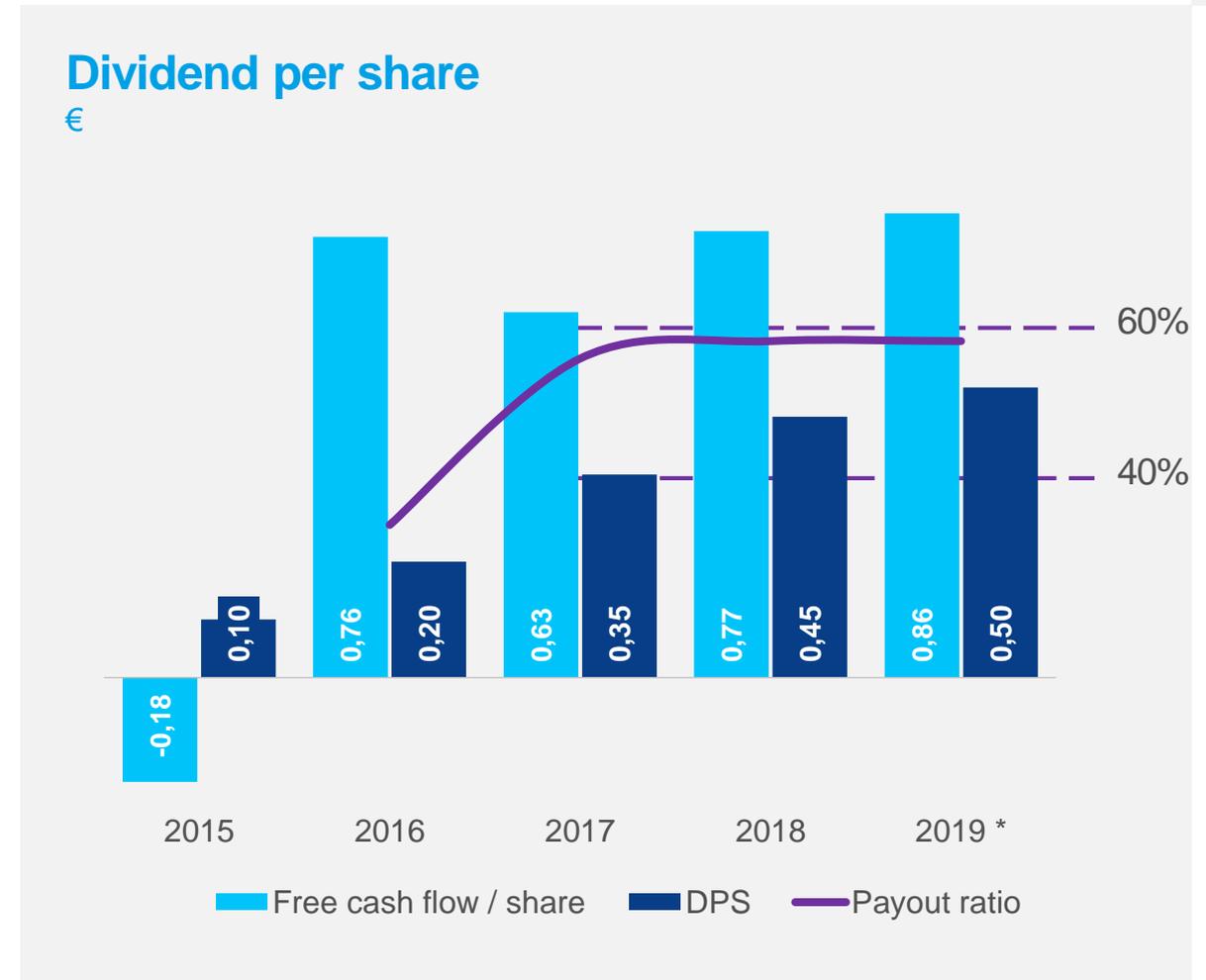
### Dividend Policy

Sanoma aims to pay an increasing dividend, equal to 40–60% of annual free cash flow

### Dividend yield

# 5.3%

as of 31 Dec 2019



# From 2020 onwards Sanoma Executive Management Team consist of four members



**Susan Duinhoven**  
President and CEO  
Sanoma Corporation



**Markus Holm**  
CFO & COO  
Sanoma Corporation



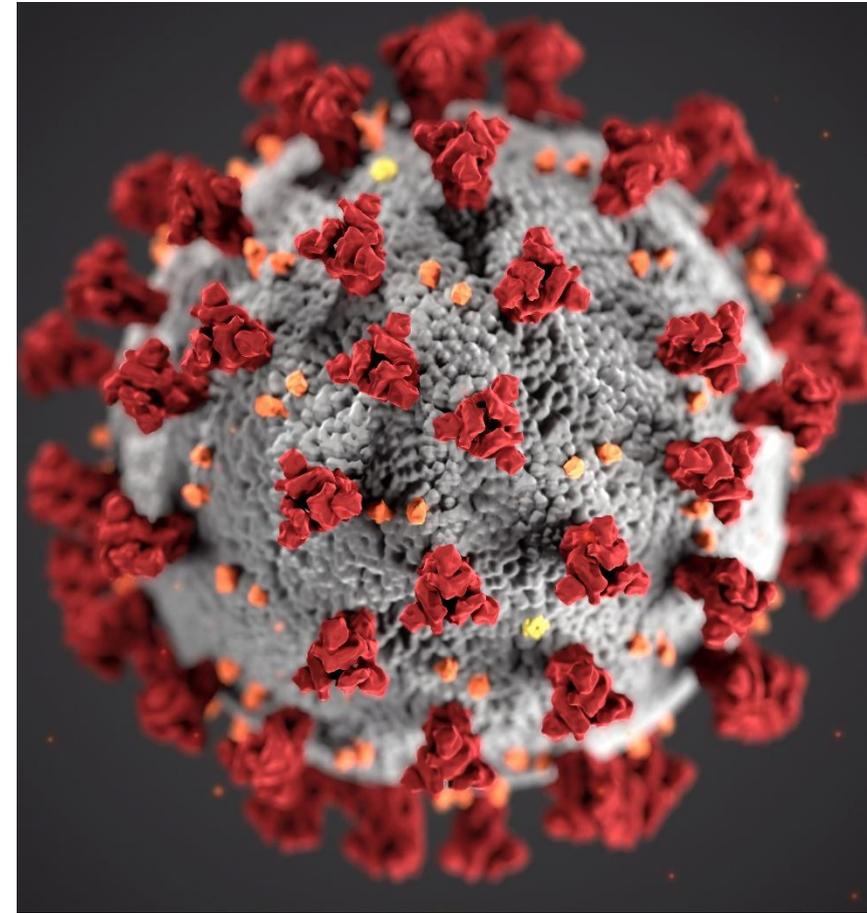
**Pia Kalsta**  
CEO  
Media Finland



**Rob Kolkman**  
CEO  
Learning (as of 1 Jan 2020)  
Media Netherlands (till closing)

# Outlook for 2020 withdrawn temporarily due to the corona virus outbreak; significant business impact expected

- On 24 March 2020 Sanoma temporarily withdrew its Outlook for 2020 due to the corona virus outbreak
  - Too early to make reliable and specific estimates for an adjusted Outlook in the currently rapidly evolving situation
  - Sanoma expects to give an updated Outlook for 2020 later during the year
  - Before to the corona virus outbreak Sanoma's net sales and profitability developed according to expectations
- No material impact expected on net sales and profitability of the Learning business
- Media Finland's key business areas significantly impacted are:
  - B2B advertising (net sales 247m€ in 2019)
  - Events (net sales approx. 35m€ in 2019)
- Long term targets and prospects of the business unchanged



A young boy with curly hair, wearing a yellow shirt, is sitting on a grey couch and looking at a tablet. Next to him, a young girl with bangs is also sitting on the couch, holding a tablet. In the background, a woman is leaning over a table, looking at papers. The scene is set in a bright, modern living room.

**Both learning and media have an important role in society. Sanoma has a positive impact on the lives of millions of people every day.**

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