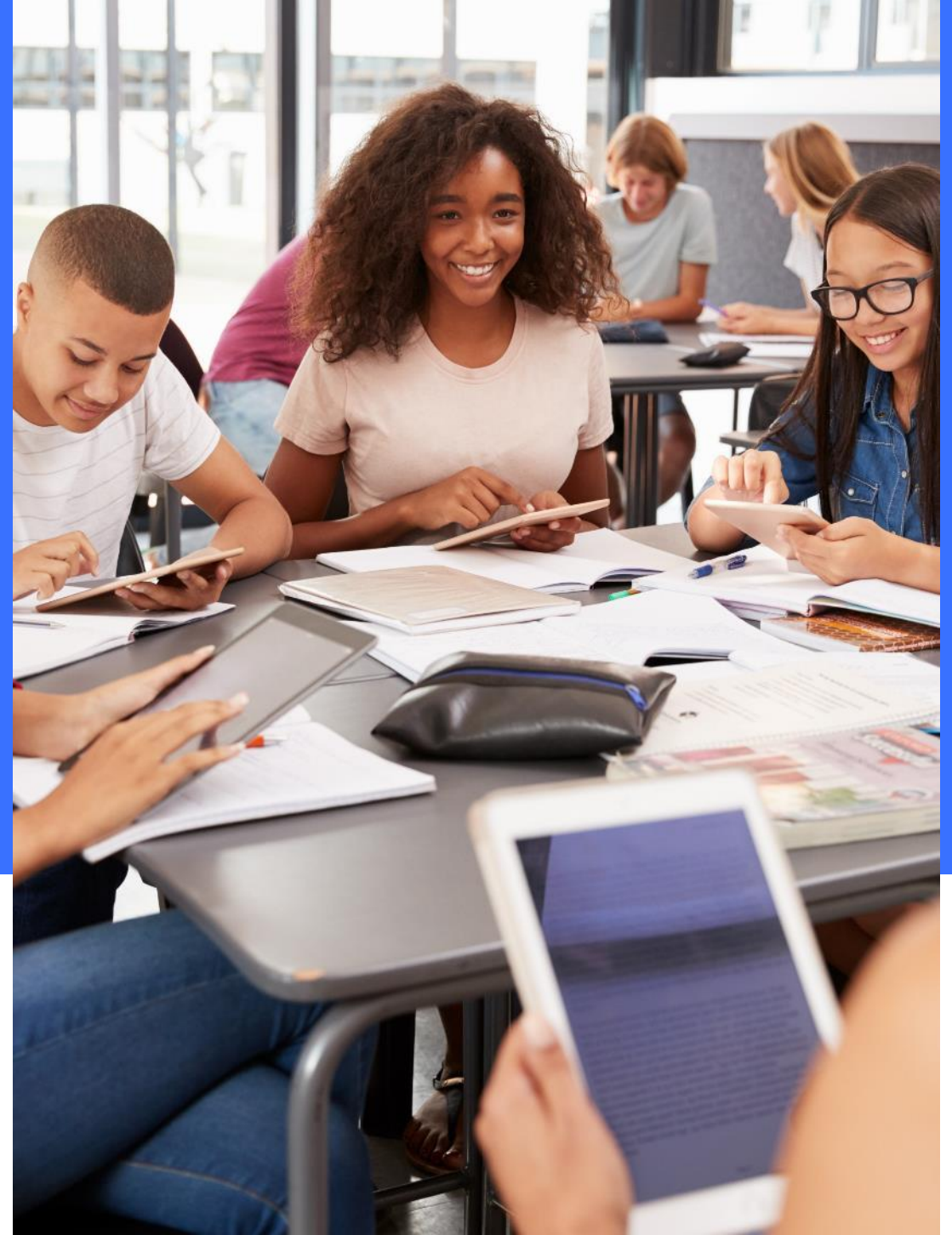


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Half-Year Report 2022:

Net sales grew, operational EBIT lower due to shift to Q3 in Spain; FY 2022 Outlook unchanged

Susan Duinhoven, President & CEO
Alex Green, CFO

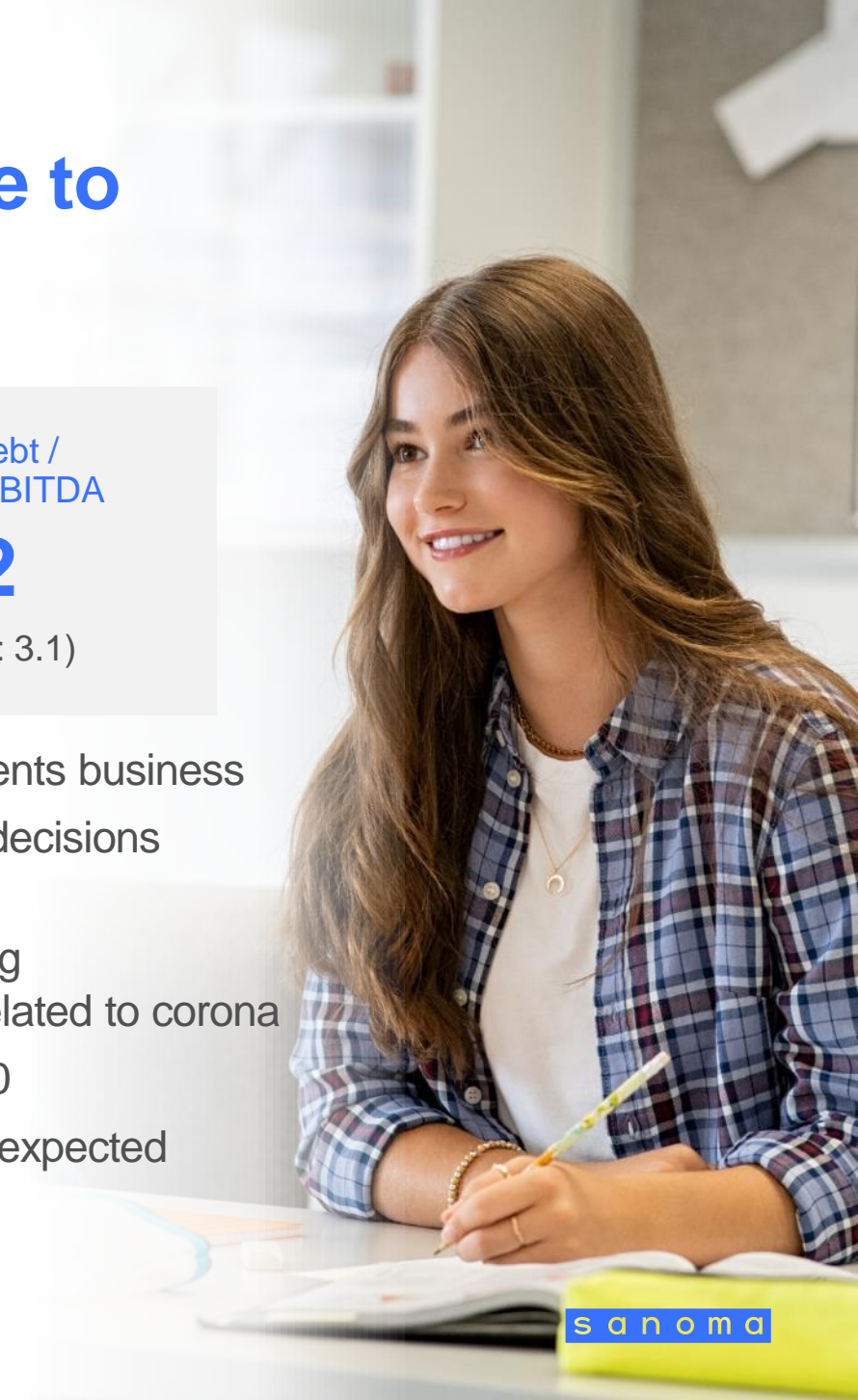


H1 2022:

Net sales grew, operational EBIT lower due to shift to Q3 in Spain

Net sales	Comparable net sales growth	Operational EBIT excl. PPA	Free cash flow	Net debt / Adj. EBITDA
524m€	2%	43m€	-99m€	3.2
(2021: 513)	(2021: 7%)	(2021: 55)	(2021: -51)	(2021: 3.1)

- Net sales were stable in Learning and grew in Media Finland driven by the events business
- Operational EBIT excl. PPA was mainly affected by late regional government decisions leading to later deliveries in Spain
- Free cash flow exceptionally low due to lower earnings, changes in net working capital, higher investments and higher bonus payments vs. low comparable related to corona
- At its annual peak, leverage was somewhat above our long-term target of <3.0
- Acquisition of Pearson Italy and Germany was announced on 7 June, closing expected later in Q3 2022
- Outlook for 2022 remains unchanged



Stable revenue with variation between countries...

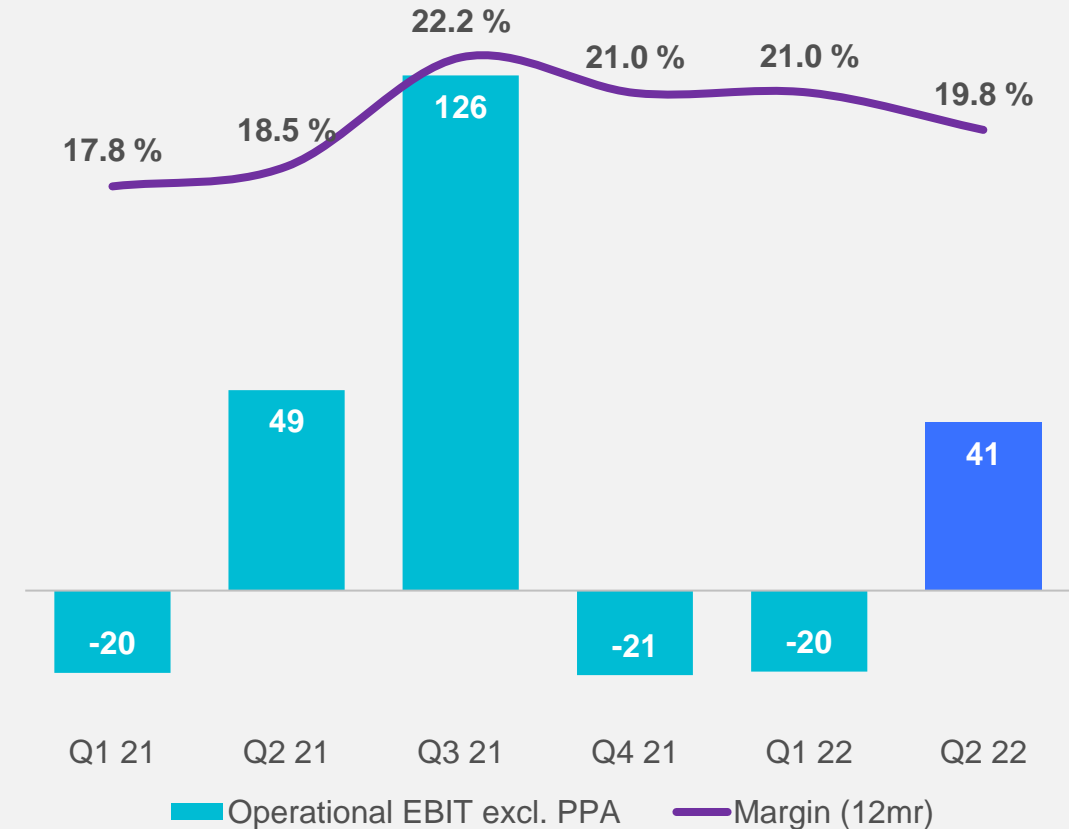
- Net sales were stable at 219m€ (2021: 217)
 - Net sales grew in Belgium, Finland and the Netherlands mainly due to earlier ordering pattern, being further supported by growing market demand and increasing digital sales
 - Earlier ordering pattern led to net sales growth also in Poland
 - In Spain, significant part of net sales shifted from Q2 to Q3 due to late regional government decisions leading to delayed deliveries
 - Late curriculum decisions led to later printing and deliveries; net sales in Spain is expected to grow in 2022
 - 12 out of 17 regions expected to implement the new curriculum in 2022, yet with lower number of subjects
 - Phased implementation during 2022–23 will have slightly stronger focus on 2023 and some postponement even to 2024



...while earnings were lower mainly due to shift in sales in Spain

- Operational EBIT excl. PPA was 21m€ (2021: 29)
 - Shifting sales and higher marketing & other fixed expenses in Spain ahead of start of deliveries related to the new curriculum
 - Positive sales-driven earnings impact from other markets despite higher paper costs
 - Lower marketing and other fixed expenses in Poland, where the latest curriculum renewal ended in autumn 2021

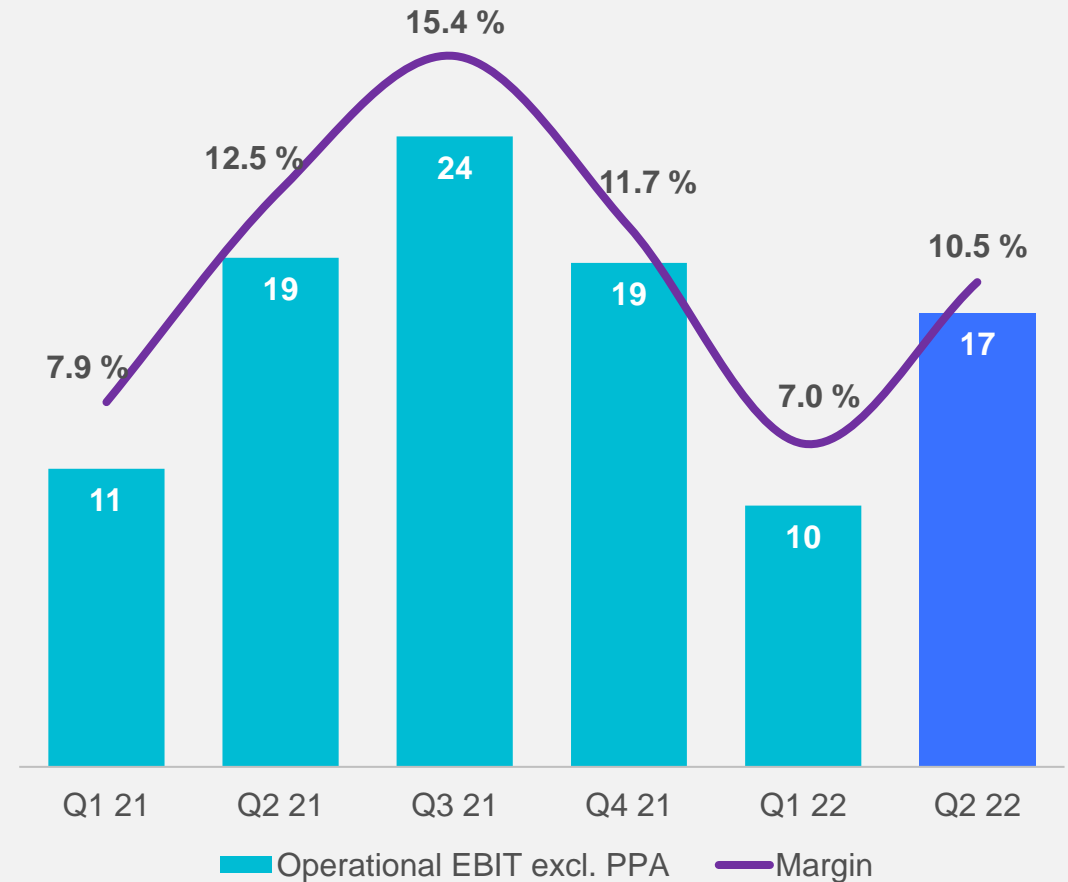
Operational EBIT excl. PPA
m€



Net sales grew, lower profitability

- Net sales grew to 164m€ (2021: 154)
 - Total advertising sales were stable in-line with the market
 - Digital and radio advertising sales continued to grow
 - Print and TV advertising sales declined
 - Subscription sales were stable
 - Trending downwards after strong corona-driven growth
 - Events business contributed to net sales growth by 8m€
- Operational EBIT excl. PPA was 17m€ (2021: 19)
 - Higher paper costs
 - Low profitability of the festivals due to lower-than-expected number of visitors

Operational EBIT excl. PPA
m€




Outlook for 2022 (unchanged)

- In 2022, Sanoma expects that the Group's reported net sales will be 1.25–1.30bn€ (2021: 1.25).
- The Group's operational EBIT margin excluding PPA is expected to be between 15–16% (2021: 15.8%).
- Regarding the operating environment Sanoma expects that:
 - The continuing coronavirus pandemic will not have a significant impact on its businesses.
 - The advertising market in Finland will be stable.



On June 7, Sanoma acquired Pearson's K12 learning business in Italy

- Sanoma enters Italy, one of the largest K12 learning services markets in Europe
- The acquisition also includes a small exam preparation business in Germany
- Increases the Group's net sales by 117m€ to ~1.4bn€ (pro forma 2021) with ~55% coming from Learning
- Increases Learning's contribution of operational EBIT excl. PPA (pro forma 2021) by 18m€ to ~70% of the Group
- Solid contribution to Group's free cash flow
- EV is 190m€, multiple 6.4x (EV / Pro forma adjusted EBITDA 2021) or 7.2x incl. estimated integration costs and additional investments in digital development



Closing of the transaction expected later in Q3

Confirmation obtained that no filing required under the 'Golden Power' rule

In June, we announced the strategic growth ambition for the Group's net sales for 2030

- We are aiming for the Group's net sales to be **over 2bn€ by 2030**, with **at least 75% coming from the learning business**
- Central levers in achieving the ambition are
 - Organic growth in-line with long-term targets of 2–5% p.a. for Learning and +/-2% for Media Finland
 - Growth through acquisitions while paying an increasing dividend
 - Solid cash flow generation of the learning and media businesses enable expansion of the debt capacity for further M&A
 - Keeping the leverage (net debt / adjusted EBITDA) within the long-term target of below 3.0
 - In addition, equity could be considered for funding further growth, if it creates value for all shareholders



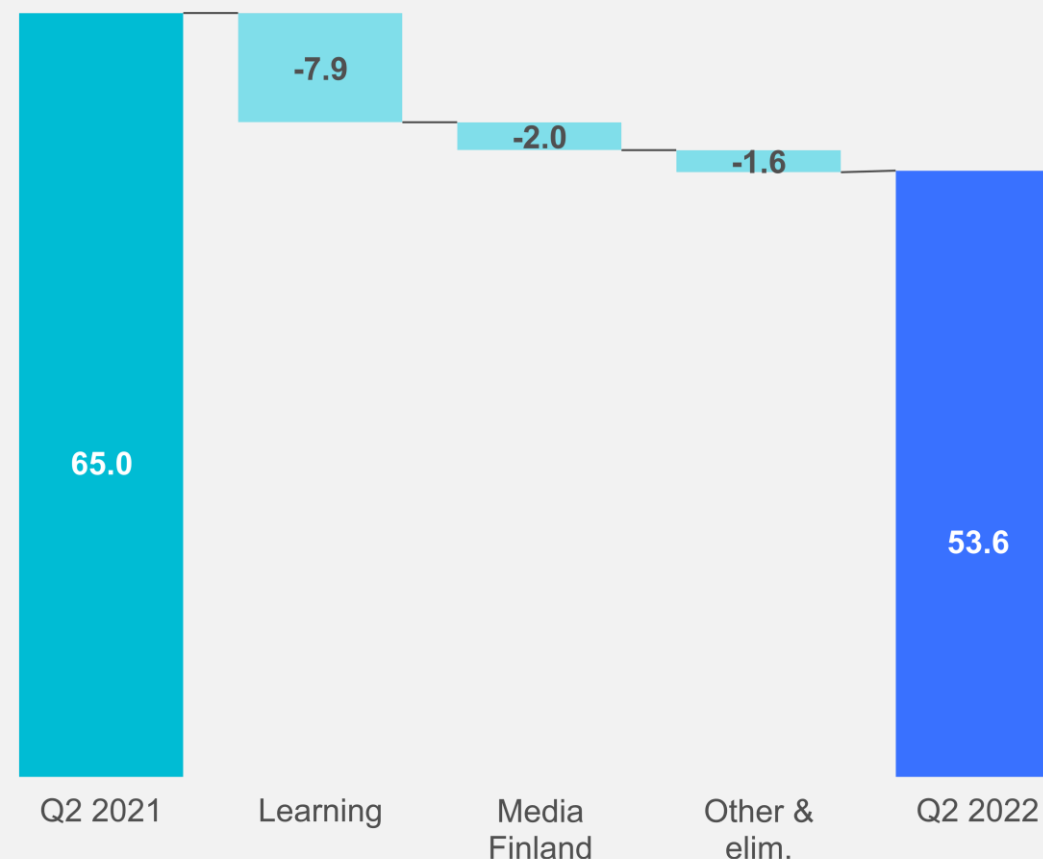
Financials



Operational EBIT lower in Q2

Learning	<ul style="list-style-type: none"> + Net sales growth in the Netherlands, Belgium, Finland and Poland - Lower sales in Spain - Higher marketing and other fixed expenses in Spain - Higher paper costs
Media Finland	<ul style="list-style-type: none"> - Primarily higher paper costs
Other & elim.	<ul style="list-style-type: none"> - Higher technology costs due to phasing from Q1 ➤ For Other & eliminations, FY 2022 expected to remain stable vs. 2021

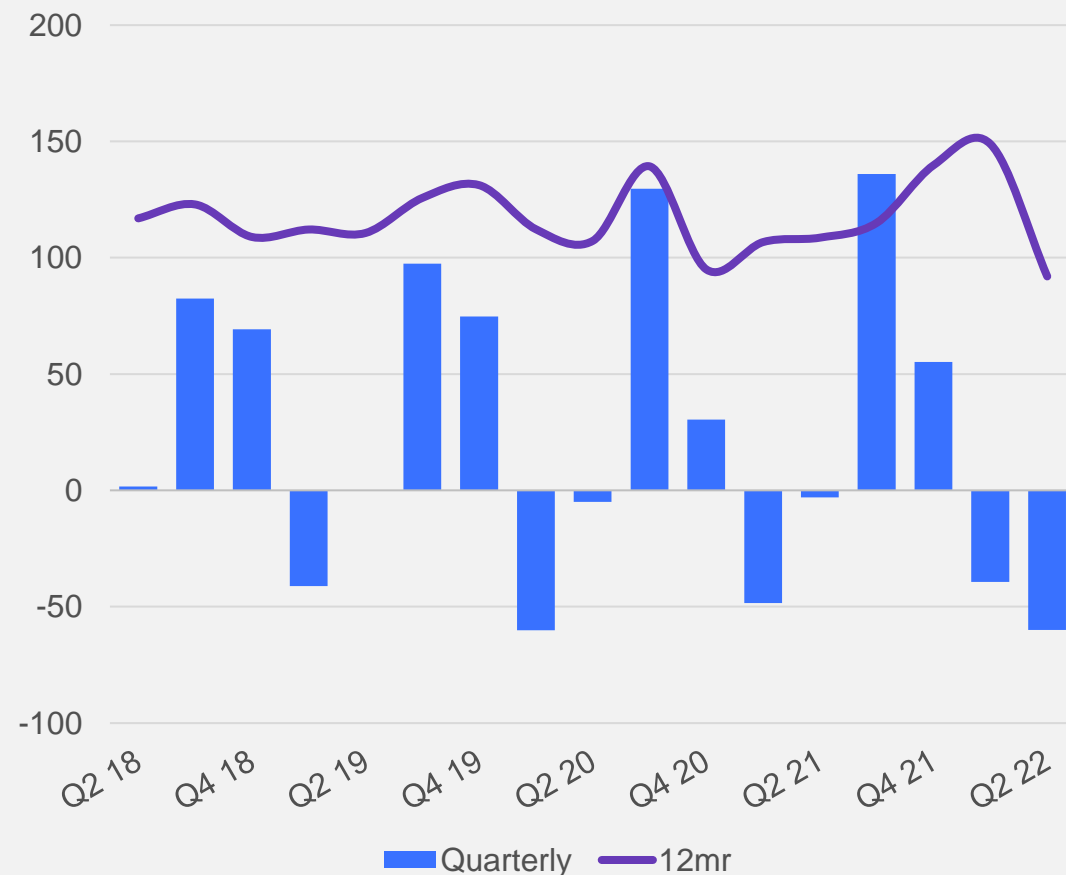
Operational EBIT excl. PPA Q2 22 vs. Q2 21
m€



Shift between quarters and higher investments reduced free cash flow

- Free cash flow reduced to -99m€ (2021: -51) in H1
 - Lower EBITDA
 - Higher net working capital
 - Higher investments in digital development and office adaptation as indicated earlier
 - Higher bonus payments compared to lower previous year levels due to corona
- As indicated in February, FY 2022 FCF expected to decline slightly
- Acquisition of Pearson's Italian and German businesses will add to free cash flow in 2022
- First instalment of the dividend for 2021, 0.27€/share, was paid in April
 - Second equal instalment will be paid in November

Free cash flow
m€

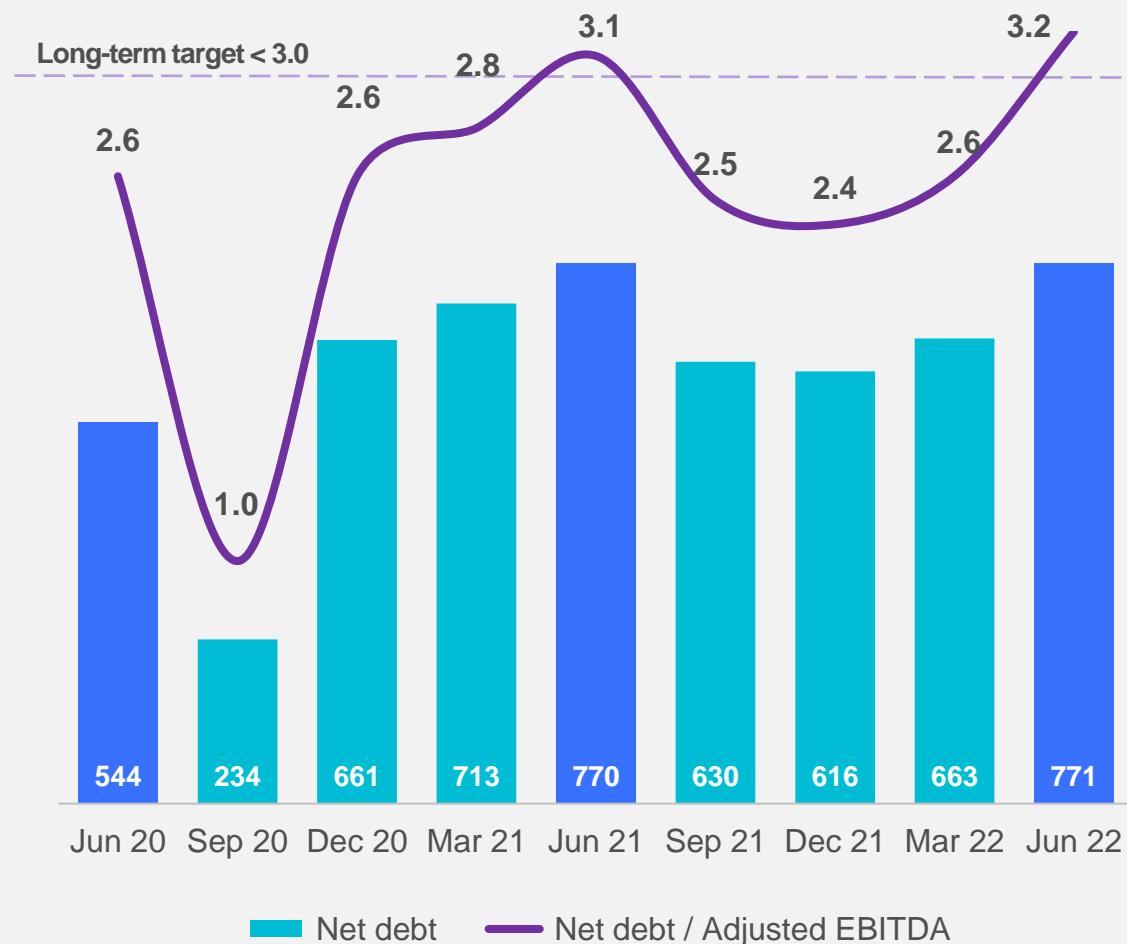


Free cash flow = Cash flow from operations less capital expenditure

Balance sheet impacted by typical seasonality

- Net debt / Adj. EBITDA was 3.2 (2021: 3.1), seasonally somewhat above our long-term target of <math><3.0</math>
- Interest-bearing net debt totalled 771m€ (2021: 770)
- Equity ratio was 33.7% (2021: 32.9%)
- Net financial items decreased
 - At zero (2021: -3) for Q2 due to 3m€ impact from revised valuation related to M&A liabilities
 - The underlying interest expenses remained at the previous year's level
- Underwritten funding for the Pearson acquisition in place

Net debt m€





Financial reporting in 2022

Interim Report Q3 2022

27 October


Q&A





Appendix




Sanoma in 2021

 NET SALES
1,252m€

 NON-PRINT SALES
53%

 OPERATIONAL EBIT MARGIN
15.8%

 PERSONNEL
over **5,000**

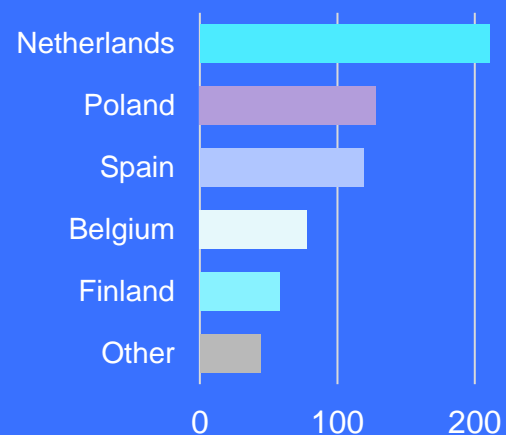
Learning

Net sales **637m€**

Non-print **57%**

Margin **21.0%**

NET SALES



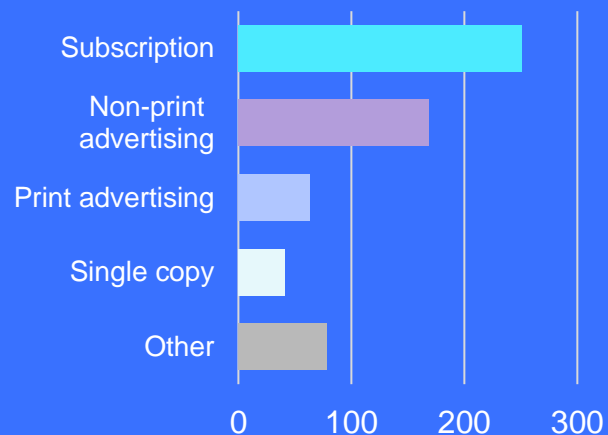
Media Finland

Net sales **615m€**

Non-print **49%**

Margin **11.9%**

NET SALES



Group key figures Q2 2022

m€	Q2 2022	Q2 2021
Net sales	313.2	302.8
Operational EBITDA	92.9	103.7
margin	29.7%	34.3%
Operational EBIT excl. PPA	53.6	65.0
margin	17.1%	21.5%
EBIT	38.5	51.5
Result for the period	30.8	37.0
Free cash flow	-60.0	-3.0
Equity ratio	33.7%	32.9%
Net debt	770.9	769.8
Net debt / Adj. EBITDA	3.2	3.1
Operational EPS, €	0.21	0.24
EPS, €	0.19	0.22

	Q2 2022	Q2 2021
Average number of employees (FTE)	4,906	4,887
Number of employees at the end of the period (FTE)	5,117	5,059

All income statement related figures cover Continuing operations only. Balance sheet and cash flow figures cover also Discontinued operations.

Learning: Quarterly key figures

m€	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21
Net sales	149.8	69.3	88.5	331.6	149.0	68.2
Operational EBITDA	58.6	-1.3	3.0	144.9	66.0	-0.9
Operational EBIT excl. PPA	41.0	-19.7	-20.6	125.6	48.9	-20.0
margin	27.4%	-28.4%	-23.3%	37.9%	32.8%	-29.3%
IACs	-2.6	-1.0	-4.4	-4.3	-0.9	-1.6
PPAs	-7.9	-7.0	-6.6	-9.2	-9.3	-7.2
EBIT	30.5	-27.7	-31.6	112.2	38.7	-28.7
Capital expenditure	11.2	8.9	9.7	7.7	8.2	8.0
Average number of employees (FTE)	2,605	2,591	2,599	2,601	2,592	2,581

Media Finland: Quarterly key figures

m€	Q2 22	Q1 22	Q4 21	Q3 21	Q2 21	Q1 21
Net sales	163.7	141.6	164.1	154.8	154.1	142.2
Operational EBITDA	38.8	30.7	41.9	40.9	40.0	32.2
Operational EBIT excl. PPA	17.2	9.9	19.1	23.9	19.3	11.3
margin	10.5%	7.0%	11.7%	15.4%	12.5%	7.9%
IACs	-0.8	-0.6	-1.7	-0.8	-1.5	-2.1
PPAs	-1.8	-1.8	-1.7	-1.7	-1.7	-1.7
EBIT	14.6	7.5	15.7	21.3	16.1	7.5
Capital expenditure	3.0	1.1	1.1	1.2	1.0	1.5
Average number of employees (FTE)	2,158	2,099	2,072	2,090	2,082	2,056

Finnish advertising market development

Finnish measured media advertising markets

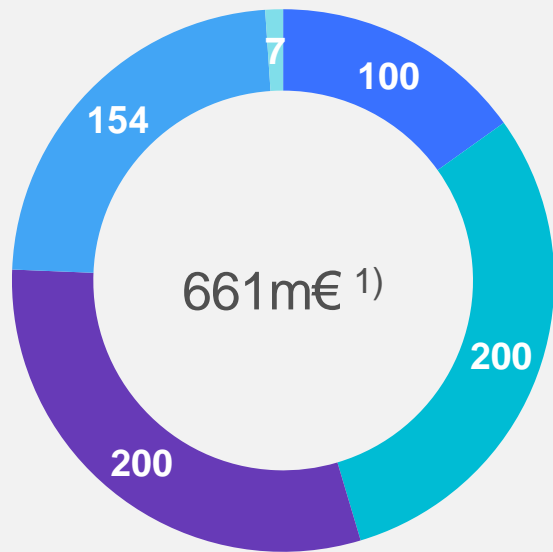
	Q2 22	Q1 22	FY 21	Q4 21	Q3 21	Q2 21	Q1 21
Newspapers	-12%	0%	3%	2%	0%	36%	-14%
Magazines	-5%	-14%	-4%	-5%	-4%	11%	-16%
TV	-1%	-2%	9%	0%	4%	43%	-3%
Radio	12%	16%	18%	21%	12%	47%	-7%
Online (excl. search and social media)	4%	12%	18%	13%	14%	43%	6%
Total market	2%	7%	10%	7%	7%	43%	-9%

Source: Kantar TNS, Media Advertising Trends, June 2022

External debt portfolio on 30 June 2022

External debt structure ¹⁾

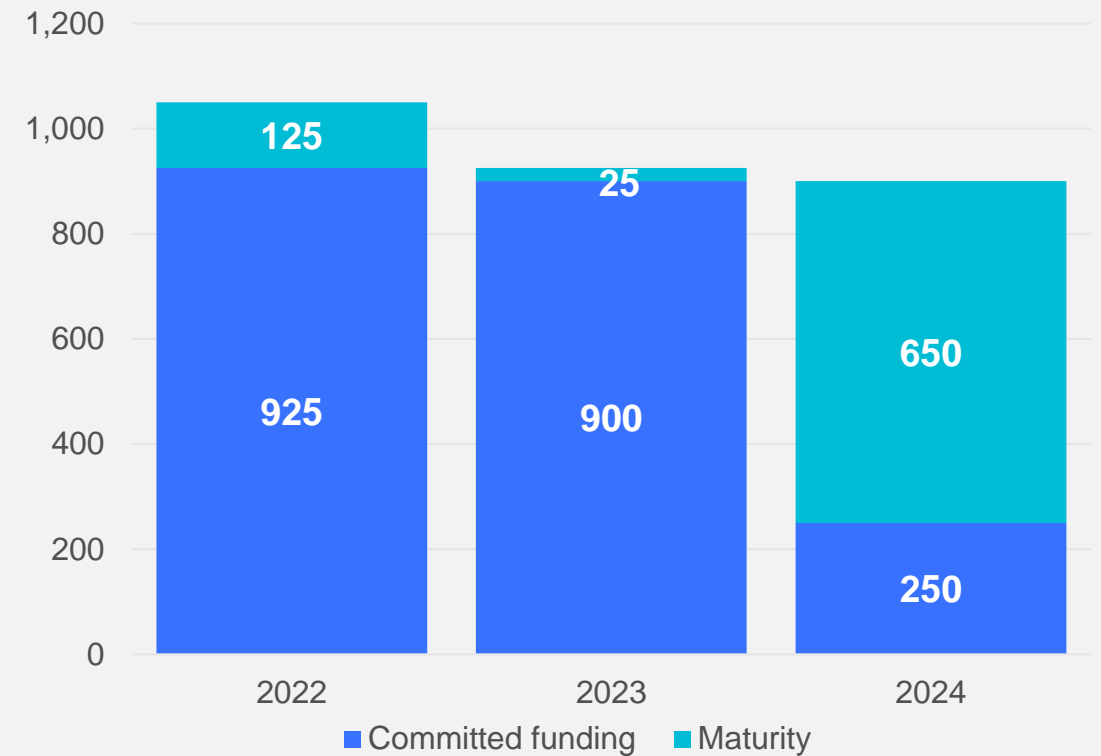
m€, 30 Jun 2022



- Term loan 2019
- Term loan 2020
- Bond
- Commercial papers
- Other loans

Maturity profile 2022–2024

m€, 30 Jun 2022



¹⁾ Excl. IFRS 16 liabilities

Largest shareholders

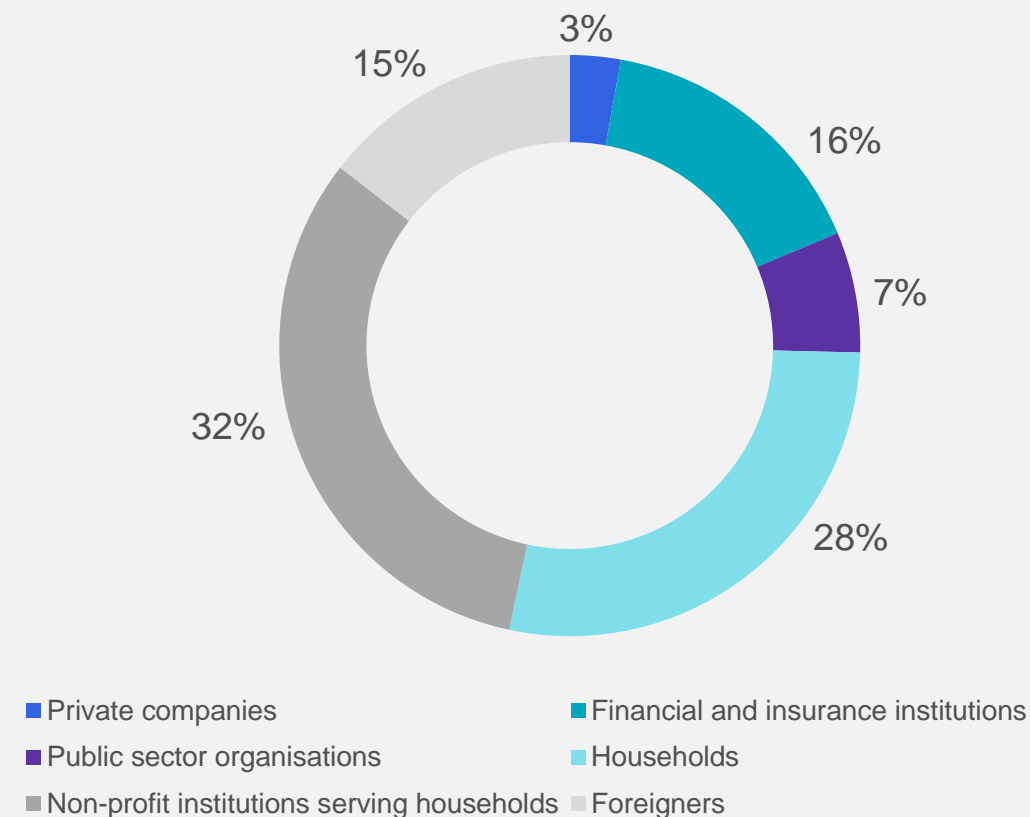
30 June 2022

Largest shareholders

Shareholders	Number of shares	% of shares
1. Jane and Aatos Erkko Foundation	39,820,286	24.4
2. Antti Herlin Holding Manutas Oy: 12.10%, personal: 0.02%	19,816,800	12.1
3. Langenskiöld Robin	12,273,371	7.5
4. Seppälä Rafaela	10,273,370	6.3
5. Helsingin Sanomat Foundation	4,701,570	2.9
6. Ilmarinen Mutual Pension Insurance Company	4,514,800	2.8
7. Varma Mutual Pension Insurance Company	2,792,136	1.7
8. Noyer Alex	1,903,965	1.2
9. Aubouin Lorna	1,852,470	1.1
10. The State Pension Fund	1,760,000	1.1
10 largest shareholders, total	99,708,768	61.0
Foreign holding *	20,210,806	12.4
Other shareholders	43,646,089	26.6
Total number of shares	163,565,663	100.0
Total number of shareholders	23,512	

* Including only nominee registered shares

Holding by sector



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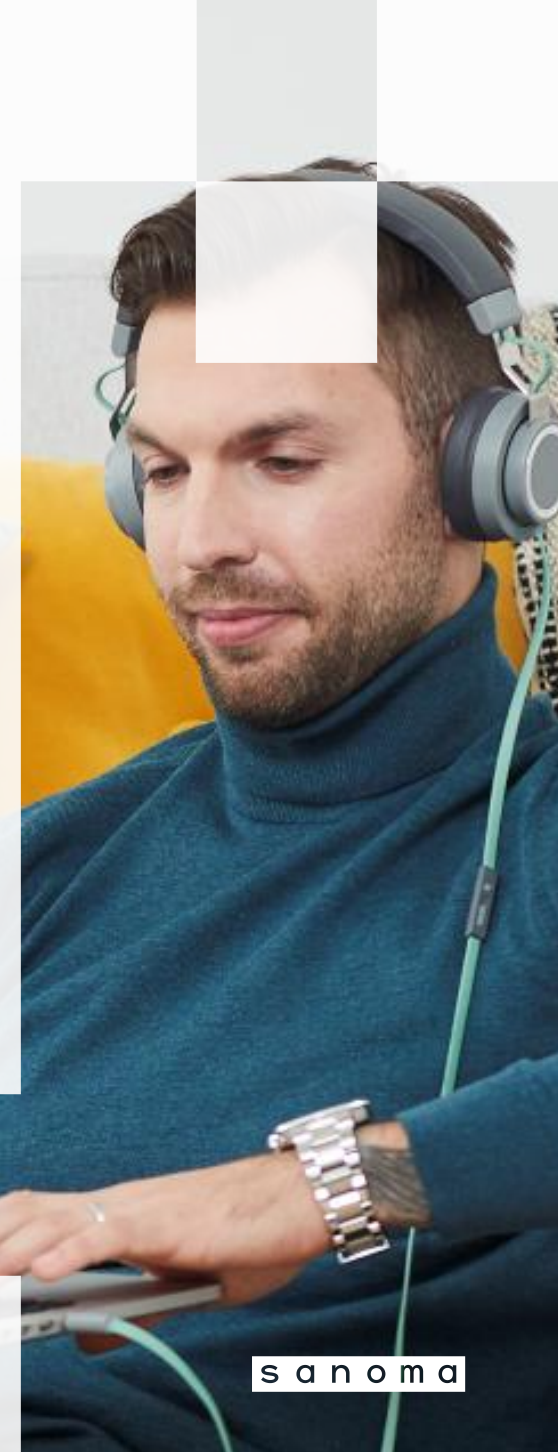
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