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

Roadshow presentation, March 2020

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SANOMA AS AN INVESTMENT:

Two strong businesses, focus on growth and dividends

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   Leading cross-media offering with stable net sales and improving profitability
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5. **Growing dividend**
   Supported by good profitability and solid cash flow

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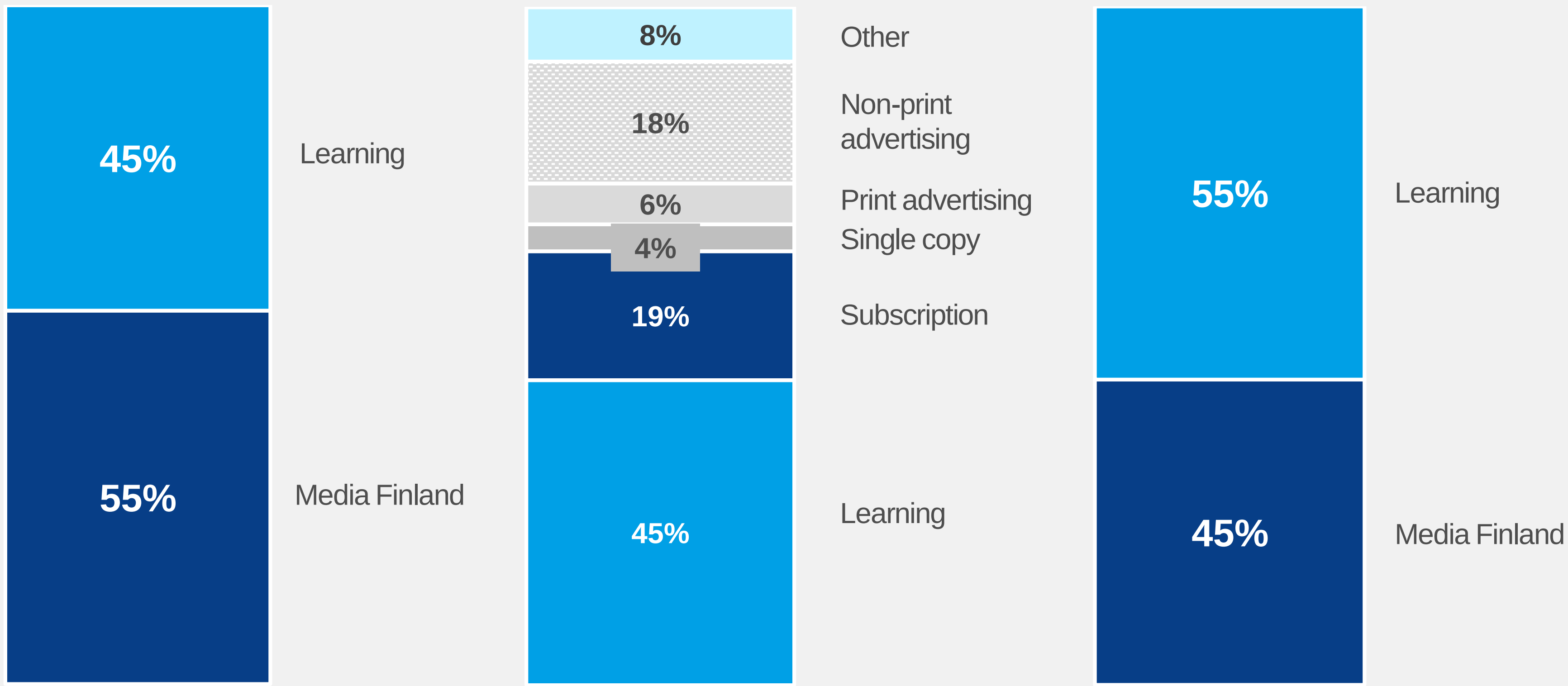
We have a well-balanced business portfolio with 55% of earnings from the learning business

Sanoma Learning
A growing European-based learning company offering blended learning solutions, platforms and educational services

Sanoma Media Finland
The leading cross-media company in Finland focusing on news & feature, entertainment and B2B marketing solutions

Net sales ≈ 1,050m€ *

Operational EBIT excl. PPA ≈ 150m€ *



* LTM Q3 2019 incl. Iddink, Essener and itslearning, excl. Media Netherlands divestment of which was announced on 10 December 2019

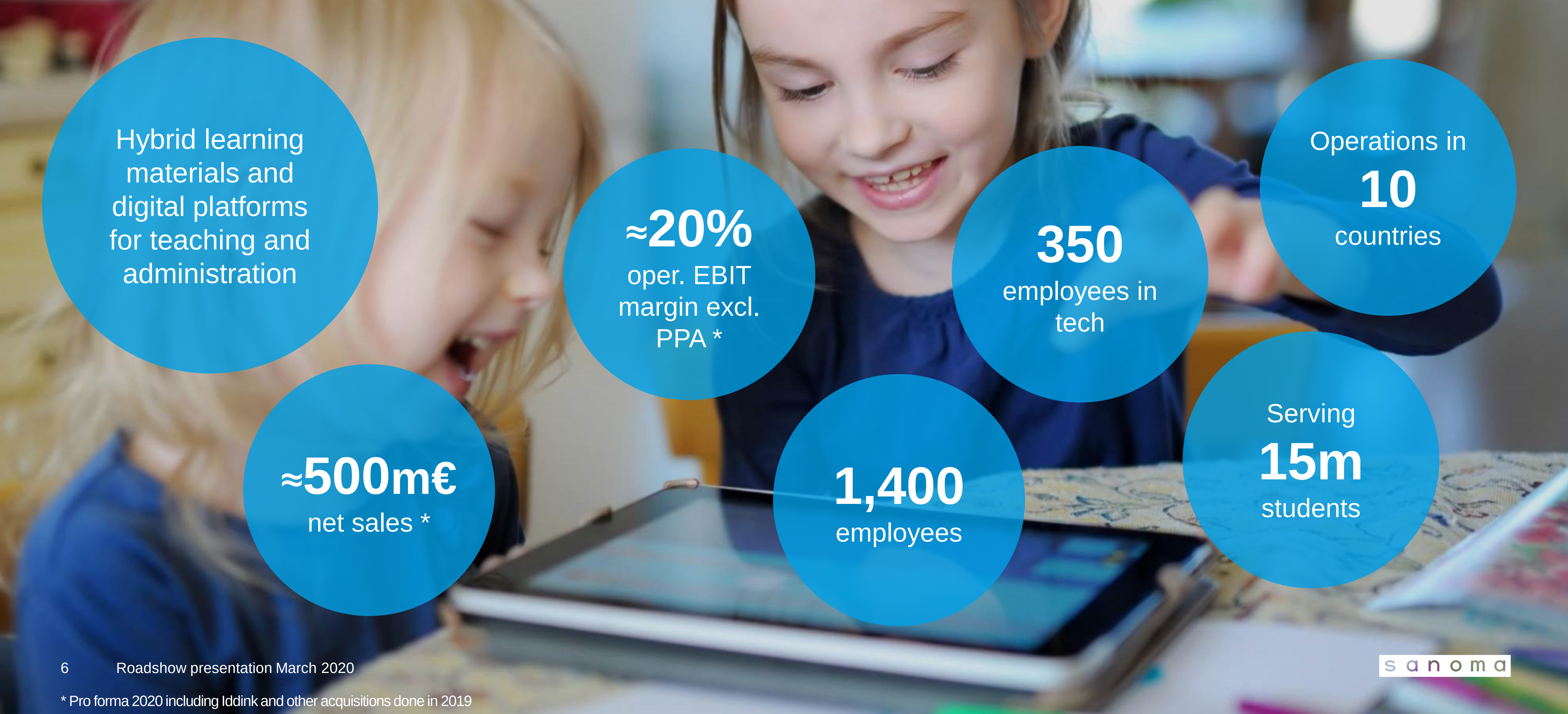
Both learning and media have an important role in society

- Our modern learning methods and platforms support teachers in developing the full potential of every student
- Helps in building a strong foundation for a stable, productive and prosperous society

- Journalistic content supports freedom of speech and independent information gathering
- Local entertainment contributes to shared values and experiences
- Responsible advertising supports local economic growth

Responsible business practices across the value chain

Sanoma Learning, a growing European education company…



* Pro forma 2020 including Iddink and other acquisitions done in 2019

…with strong digital footprint and benefits of scale

- **Growing net sales and solid profitability**: Net sales close to 500m€ and Operational EBIT margin excl. PPA around 20% in 2020 (est)
- **Leading market positions** in digitally advanced markets: Serving 15m students in 10 European countries
- **Excellent materials, methods and digital platforms** supporting teachers and pupils
- **Readiness for further M&A growth**
- **Positive impact on society** by better learning outcomes

New long-term targets

Net sales	▪ Organic growth with curriculum changes and increasing digitalisation ▪ New geographies and expanding technology and service offering	**2-5%** **Comparable net sales growth**
Profitability	▪ Steady profitability ▪ Synergies of recent acquisitions ▪ Scale benefits to be leveraged through acquisitions	**20-22%** **Operational EBIT margin excl. PPA**

Media Finland, the leading cross media company…

Strong, independent media for generations to come

12.0%
oper. EBIT margin excl. PPA

1,800
employees

577m€
net sales

50%
non-print

97%
weekly reach

All figures for FY 2019

… with stable net sales and improving profitability

- **Stable net sales**: 580 m€, 50% non-print
- **Improving profitability**: Operational EBIT margin excl. PPA 12.8% (LTM Sep 2019)
- **Solid positions in news & feature, entertainment and B2B marketing solutions**: weekly reach of 97% of all Finns
- **Simplified organization**
- **Important role in society**: independent journalism and local entertainment for generations to come

New long-term targets

Net sales	▪ Stable revenue in a transforming media market ▪ Growth esp. in news and entertainment subscriptions, radio and events	**+/- 2%** **Comparable net sales growth**
Profitability	▪ Increased profitability through digitalisation ▪ Simplification of the business and operations	**12-14%** **Operational EBIT margin excl. PPA**

Highly synergistic acquisition supporting the growth of Sanoma's digital news subscriptions in Finland

Sanoma has signed an agreement (Feb 11, 2020) to acquire Alma Media's regional news media business in Finland with net sales of 94m€ and adjusted EBITDA of 20m€ * for 2019

Highly synergistic bolt-on acquisition: estimated net synergies 13m€ from 2022 onwards

Agreed enterprise value 115m€, multiple 5.8 (EV / Pro forma adjusted EBITDA*) and 3.5 including also synergies

Growing our **digital subscription** base

Supporting Media Finland's **long-term profitability target** (12-14% oper. EBIT margin excl. PPA)

Sustainable future for independent domestic journalism in Finland

Efficiency in shared operations, better **financial returns** on digital investments

Strengthening Media Finland in one of its strategic core businesses, **news & feature**

* Pro forma 2019, including the impact of the delivery outsourcing agreement that came into effect on 1 January 2020.

As a Group, we have M&A headroom of 400 m€ with solid pipelines in both businesses

Headroom for acquisitions

400 m€

Learning

Media Finland

M&A focus areas

Using our scale and capabilities in learning design, technology and services to

- Enter new geographies
- Expand offering in existing markets

Synergistic acquisitions

- News & Feature
- Entertainment
- B2B marketing solutions

Solid M&A pipelines in both businesses; expected to materialise in 12-18 months

Our leverage will improve with the divestment of Media Netherlands

Key ratios	Long-term target	31 Dec 2019	
Net debt / adj. EBITDA	< 2.5	2.7	Expected to return to the long-term target level after closing of the Media Netherlands divestment.
Equity ratio	35-45%	30.5%	
Dividend payout	Increasing dividend 40-60% of free cash flow	58%	

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Growing dividend supported by good profitability and solid cash flow

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

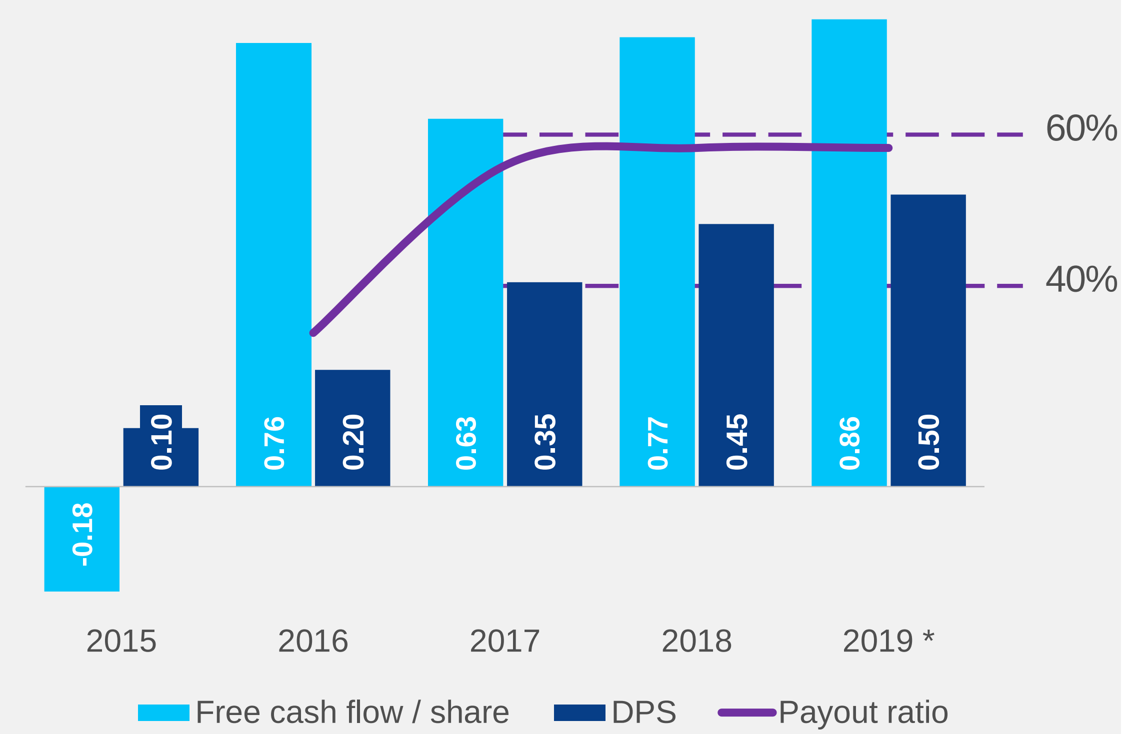
Dividend yield

5.3%

as of 31 Dec 2019

Dividend per share

€



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* Board's proposal. FCF excl. 10m€ settlement of a rental contract related to discontinued operations divested in June 2018 in Belgium

Learning as a business

We focus on learning services for K12

Key Market Sectors	Education						
	Pre-school	K12			Higher education	Corporate learning	Life-long learning
		Primary	Secondary	Vocational			
School infrastructure ▪ ICT and other equipment ▪ Distribution & Maintenance services							
Learning services ▪ Content: materials and methods ▪ Material distribution ▪ Digital platforms		Sanoma Learning					
School management							
Additional services ▪ Supplying personnel ▪ Boot-camps ▪ Tutoring							

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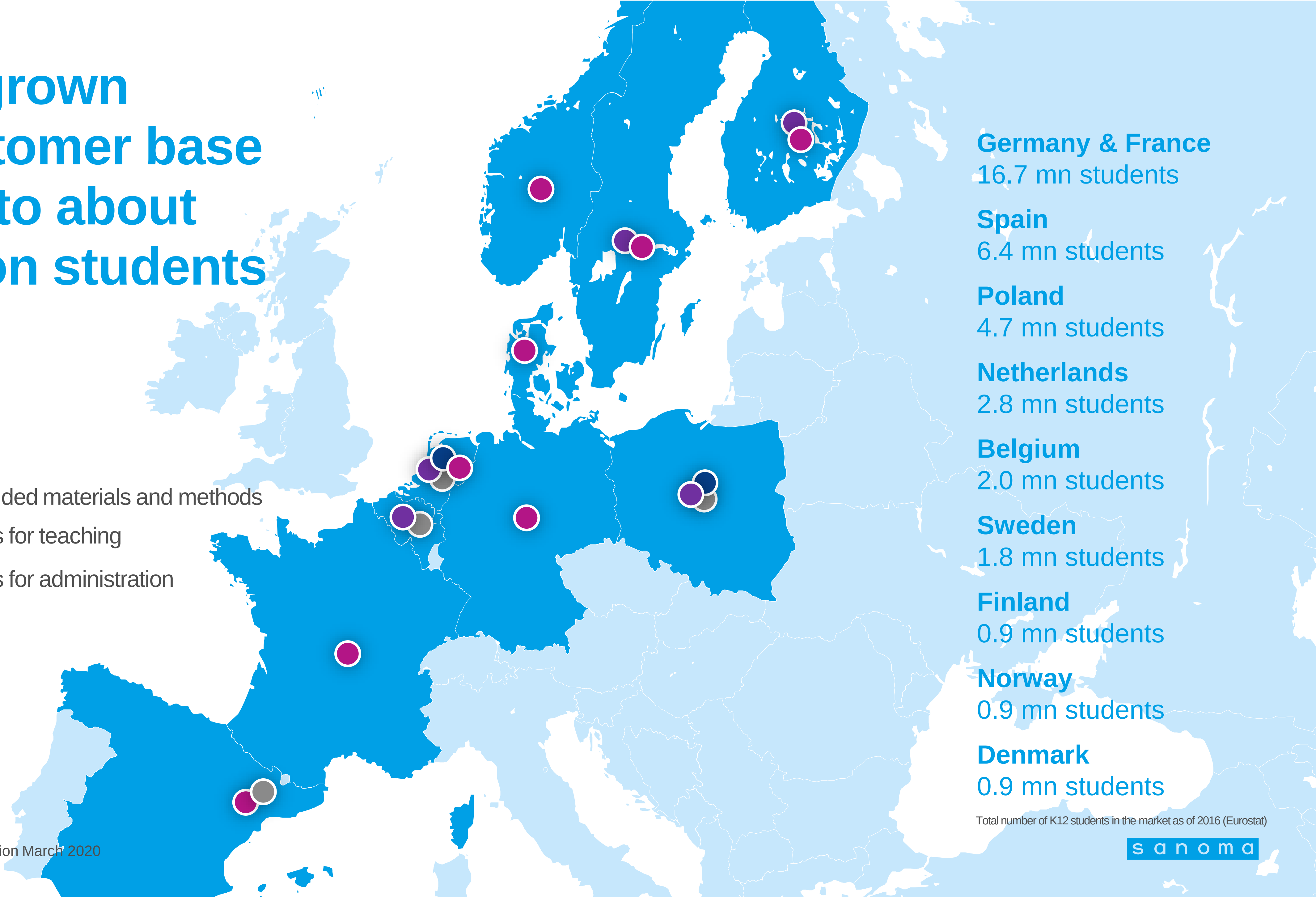
We have grown from a publisher into an integrated provider of learning services…

Learning services	Net sales * 480m€		Commercial contact: Teachers	Commercial contact: Administrators
Content: blended materials and methods	55%	bingel, Kampus	✓	
Material distribution	30%	IDDINK GROUP, nowa era		✓
Digital platforms for teaching	5%	Magister.me, itslearning, [click edu	✓	✓
Digital platforms for administration	5%	Magister, EduArte, VULCAN, [click edu	✓	✓
Testing and analytics	5%	TEAS, QUAYN, Bureau ICE, TIG	✓	✓

* Incl. Iddink, Essener and itslearning LTM Q3 2019

… and grown our customer base by 50% to about 15 million students



- Creation of blended materials and methods
- Digital platforms for teaching
- Digital platforms for administration
- Distribution

Germany & France
16.7 mn students

Spain
6.4 mn students

Poland
4.7 mn students

Netherlands
2.8 mn students

Belgium
2.0 mn students

Sweden
1.8 mn students

Finland
0.9 mn students

Norway
0.9 mn students

Denmark
0.9 mn students

Total number of K12 students in the market as of 2016 (Eurostat)

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We have strengthened our positions through acquisitions in the last year

- In 2019, we have invested 300m€ and **extended our footprint significantly through acquisitions**
- As a result of the recent acquisitions, we have **direct access to school administrators**, who manage a broader budget than our traditional stronghold, materials and methods
- We aim to provide **”Classroom as a Service”** – one-stop-shop for a broader portfolio of services needed by the K12 schools
- Market for learning materials and methods is expected to be stable in the long-term, but **significant growth in the Polish and Dutch markets in 2020-2021**
  - Due to our recent market share increase (from 39.2% in 2017 to 40.5% in 2019), we will benefit even more from the market growth in the coming years
  - Expected to boost net sales and have a positive impact on profitability in 2020
- Gradual conversion from single product sales to **subscription model** increases attractiveness of K12 learning services market
  - Introduced already in the Dutch market

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Long-term learning method market stable, but significant growth in the Polish and Dutch markets in 2020-2021

The **Polish** market grows as

- In 2020 three out of the eight grades of all Primary schools will exchange their textbooks to updated methods, and in 2021 as well
- Impact of the Secondary reform continues

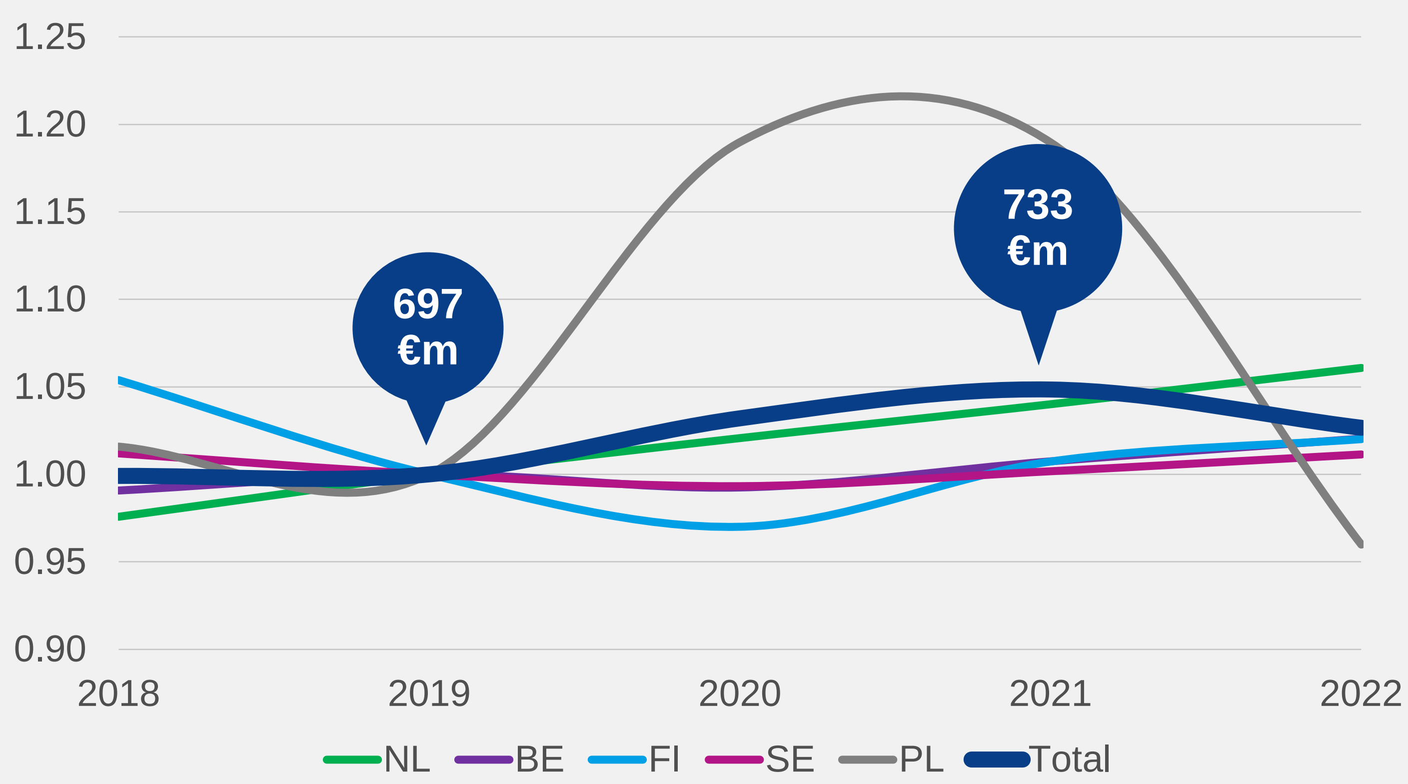
The **Dutch** market grows as

- Primary mathematics method renewal accelerating
- Additional sales related to the subscription model

Finland to rebound

- The upper Secondary reform in 2021

Market value*, indexed to 2019



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* Estimated net spend after distributor discounts. Learning material and method market, does not include spend on administrative workflow platforms a.o.

Increasing attractiveness of K12 learning services with conversion from single product to subscription model

Successfully introduced in the Dutch market

From…
the traditional model each product sold separately

- Traditional book, rental or re-use
- Digital content
- Additional tools

…to
a subscription model with annual fee per student with unlimited use of all products

- Mix of print and digital
- Up-to-date online learning materials
- Combined text/workbooks allow students to write in their books
- Teacher dashboard
- Adaptive and personalized learning
- Teacher trainings & workshops

Benefits for all

- For students, more up-to-date materials, books can be retained
- For schools, stable and predictable cost of learning materials
- For distributors, lower cost due to no return flows
- For us, the loss of sales due to excessive re-use of material and second-hand market is reduced, more even sales

Sanoma Learning has been successfully built through M&A to approximately 500m€ business…

1999
- **Sanoma WSOY** – Finland

2004
- **Van In** – Belgium
- **Malmberg** – the Netherlands

2008
- **Nowa Era** – Poland

2011
- **Tammi (Sanoma Pro)** – Finland
- **Sanoma Utbildning** – Sweden

2016
- **De Boeck** – Belgium

2019
- **Iddink** – the Netherlands, Belgium, Spain
- **Essener** – the Netherlands
- **ITS Learning** – 9 countries
- **ClickEdu** – Spain

… and we have readiness to continue to grow through M&A

- Using our scale and capabilities in learning design, technology and services
  - To enter new geographies in K12
  - To expand our offering in existing markets
- With the “High Five” business development program we have achieved scale benefits in our existing businesses, which we can leverage with recent acquisitions and future M&A

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Media Finland as a business

We have simplified our organization into three core businesses

News & feature	▪ Sustainable demand ▪ Our strong history and position ▪ Our proven track record in successful digital transformation	Leading in domestic, independent journalism
Entertainment	▪ Growing market ▪ Unique combination of strengths ▪ Important role in total advertising portfolio	Leading entertainment house with most attractive brands and stars
B2B marketing solutions	▪ Our reach has value for marketeers ▪ A unique, comprehensive portfolio and offering to further build on ▪ Growth opportunities in the markets	Marketing partner of choice

Subscription base of Helsingin Sanomat, the largest daily newspaper in Finland, growing for third consecutive year

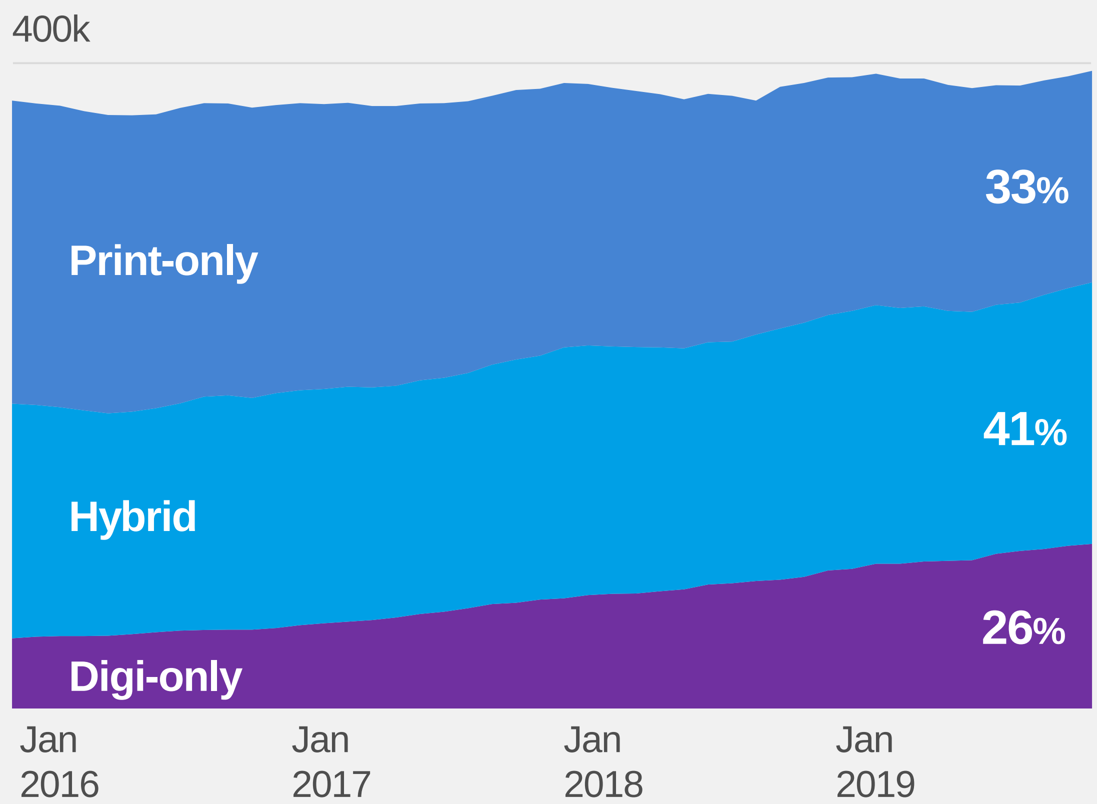
Number of digital-only subscriptions at HS now above 100k

- Appealing digital experience has attracted also younger subscribers
- Easy availability of the digital product has increased reach
- Future success in digital requires scale
- Growth in digital subscription base a key focus area

Benefit of feature content e.g. Tiede science articles

- Feature content behind the paywall improves retention and brings new subscribers
- 40% of articles behind the paywall are feature content, bringing 60% of trial subscriptions

Growth in HS subscription base 1-2% annually



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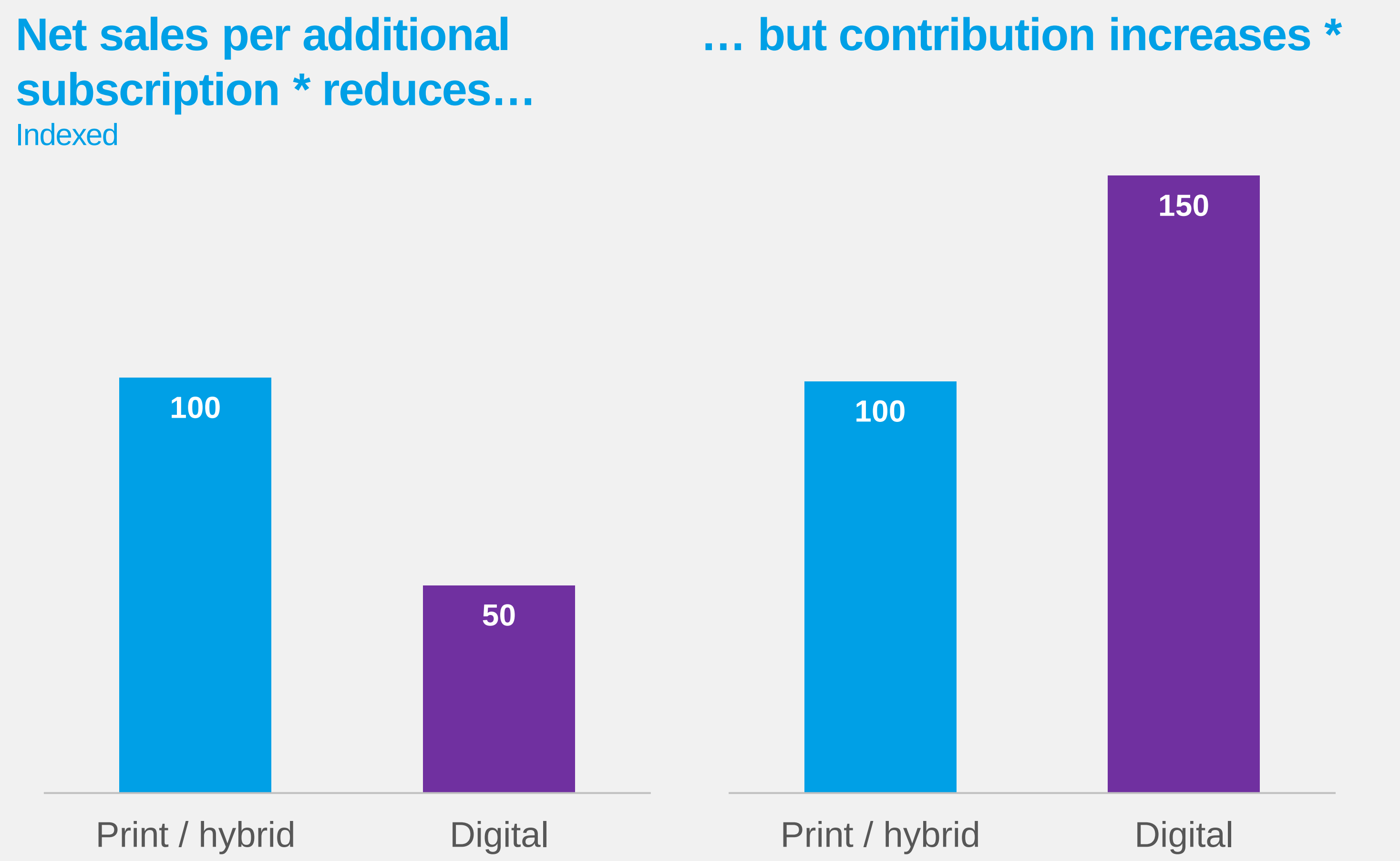
Digital transformation reduces net sales but increases contribution per incremental subscriber

- Acquiring an additional subscriber for digital instead of printed news will
  - Generate half the net incremental sales due to lower consumer prices
  - Increase contribution by 50% due to absence of print and esp. distribution costs
- Active conversion of larger number of subscribers from print to digital would be not create additional contribution due to
  - Stranded costs related to printing and distribution
  - Potential loss of advertising revenues
  - Lack of consumer readiness



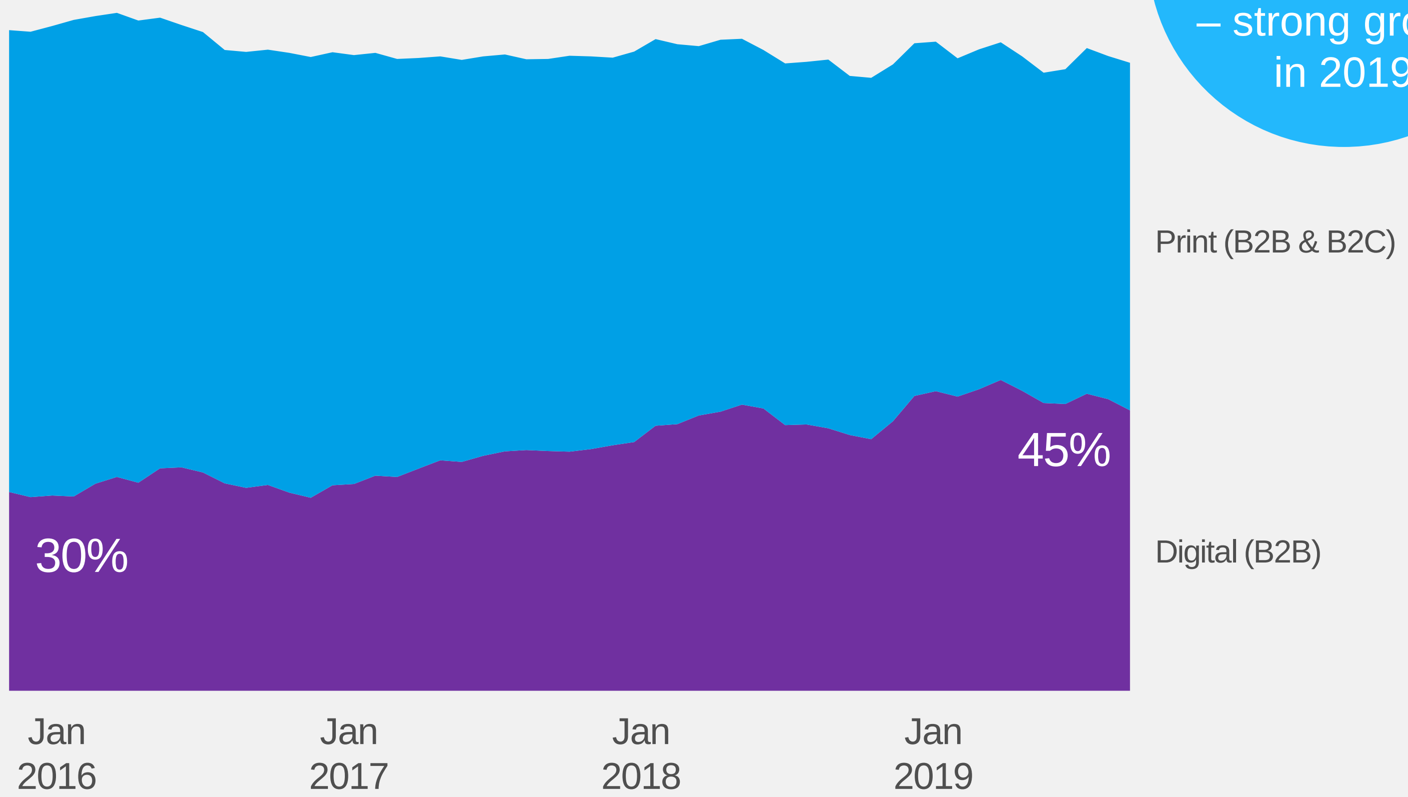
* Excluding impact of digital transformation on advertising revenues

The tabloid Ilta-Sanomat has stable net sales through increasing digital advertising

- Digitalisation has increased the reach significantly
  - Reaches the whole of Finland and often audiences who don't currently subscribe to news
  - Provides easy and free access to curated news from professional journalists
- Stable net sales due to increasing digital B2B advertising income compensating lower single copy sales
- Improved profitability with an additional digital reader having nearly double the contribution compared to a print reader *

42m site visits a week – strong growth in 2019

Net sales split print vs. digital



* Converting a reader from print to digital leaves stranded cost in printing, distribution and news stand marketing

In entertainment, we have leading positions and benefit from the full-range portfolio

	TV & video	Radio & audio	Live events
Our market positions	#1-2	#1	#1
Examples of our brands	4, Ruutu, Jim, Liv	Radio SuomiPop, Radio Aalto, Supla	SuomiPop Festivaali, Himos Juhannus

Benefits of the full-range portfolio

- Content formats, e.g. The Voice of Finland and The Best Singers
- Appealing to the local artists
- In-house marketing power
- Generating unique consumer insight

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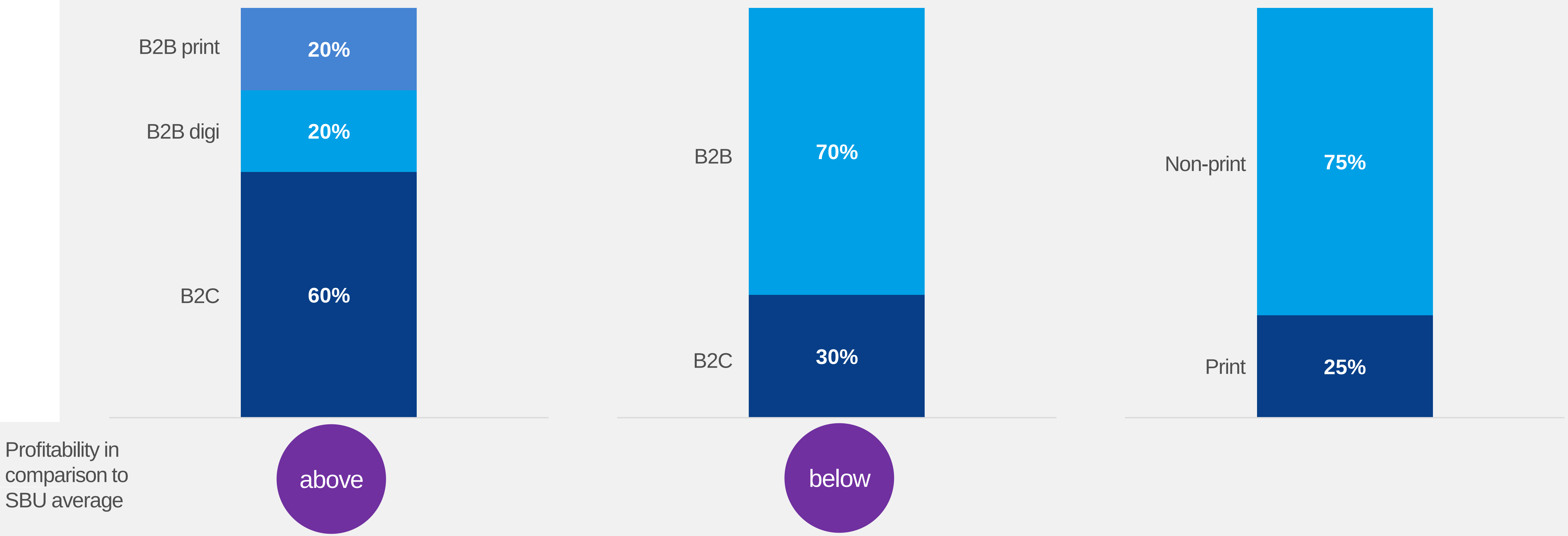
75% of advertising sales is non-print

News & feature ≈ 290m€ | **Entertainment ≈ 170m€** | **Total advertising sales ≈ 250m€ ***



* Incl. magazines and classifieds in addition to news media and entertainment

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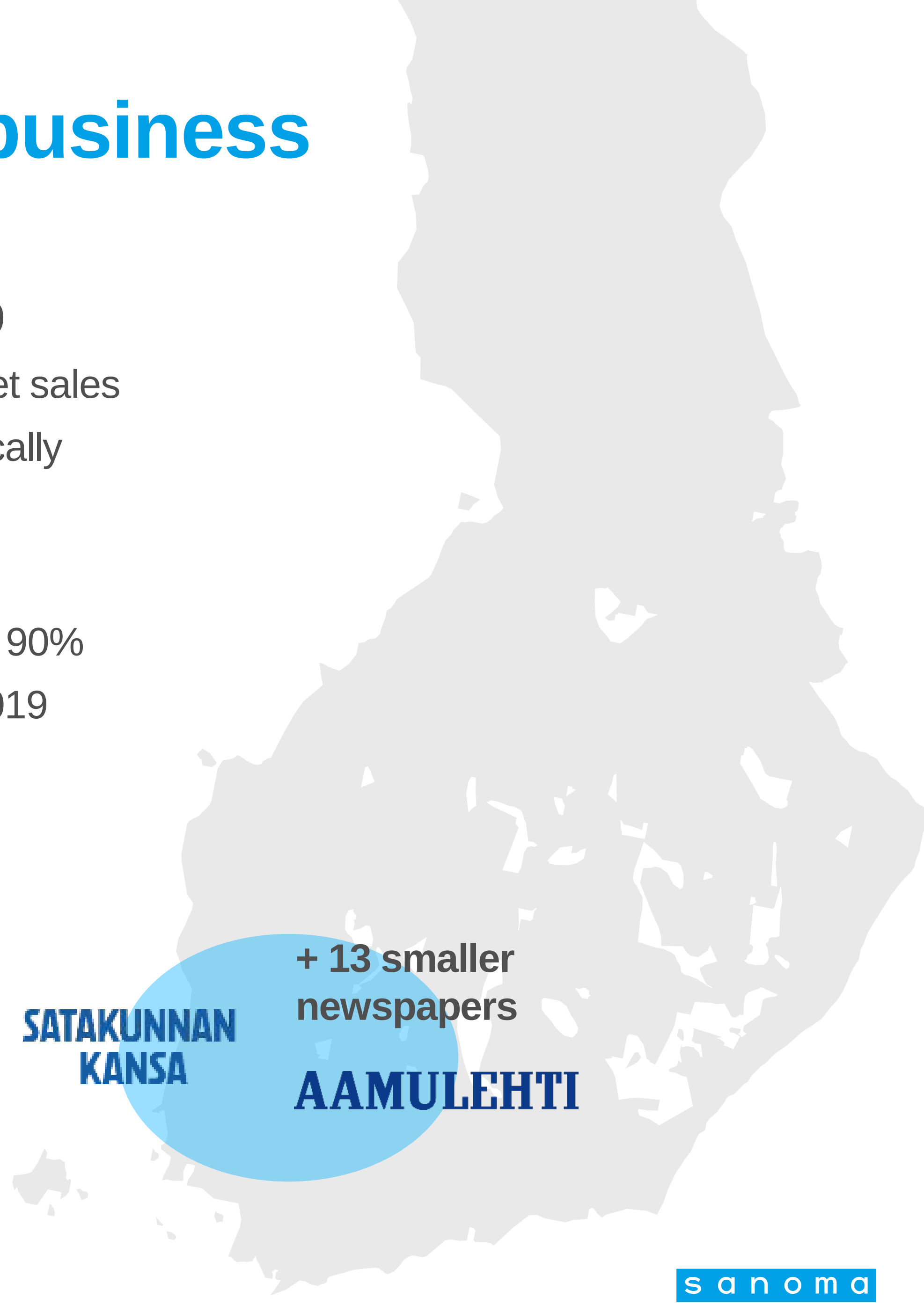
Acquisition of Alma Media's regional news media business

Announced on 11 February 2020

Alma Media’s regional news media business

- Net sales of 94m€ and adjusted EBITDA of approx. 20m€ * in 2019
  - Subscriptions are approx. 60% and advertising is approx. 40% of total net sales
  - Majority of print advertising sales comes from regional advertising – typically more stable than national print advertising
- Acquired titles have a total of 190k subscriptions (end of 2019)
  - Titles have strong position in their own regions, with a total reach of over 90%
  - Approx. 14% of subscriptions are digital-only; grew approx. by 60% in 2019
  - As a comparison: total number of subscriptions for HS is 397k, with share of digital-only being 27% (end of 2019)
- Alma Manu’s state-of-the-art printing facility in Tampere, leased with a book value of 41m€ (end of 2019)
- Approx. 365 FTE (beginning of 2020)
  - Shared administrative operations will stay at Alma



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* Pro forma 2019, including the impact of the delivery outsourcing agreement that came into effect on 1 January 2020

Highly synergistic acquisition supporting the growth of Sanoma's digital news subscriptions in Finland

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Highly synergistic bolt-on acquisition: estimated net synergies 13m€ from 2022 onwards

Agreed enterprise value 115m€, multiple 5.8 (EV / Pro forma adjusted EBITDA*) and 3.5 including also synergies

Growing our **digital subscription** base

Supporting Media Finland's **long-term profitability target** (12-14% oper. EBIT margin excl. PPA)

Sustainable future for independent domestic journalism in Finland

Efficiency in shared operations, better **financial returns** on digital investments

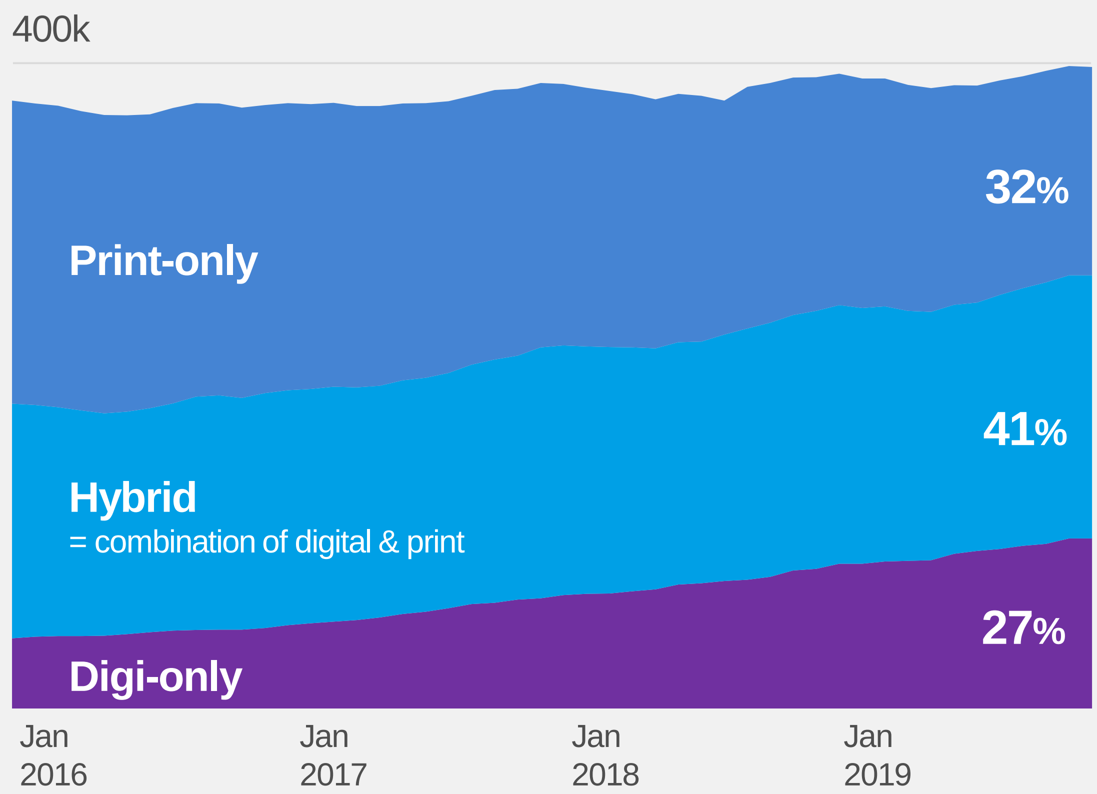
Strengthening Media Finland in one of its strategic core businesses, **news & feature**

* Pro forma 2019, including the impact of the delivery outsourcing agreement that came into effect on 1 January 2020.

Recent learnings and successes at Helsingin Sanomat supporting combined digital growth

- Number of digital-only subscriptions at HS is now above 100k, equalling more than 27% of total subscription base
  - Total number of subscriptions grew for the third year in a row, with strongest growth in digital
  - Already 2/3 of all subscriptions include a digital component
  - Appealing digital experience has attracted younger audiences
- Aim to accelerate digital growth in the acquired titles
  - Share of digital-only 14% (end of 2019); grew by approx. 60% in 2019
  - Better financial returns on increasing investments in digital development to be achieved
  - Attractive higher contribution for additional digital subscriber compared to print
- Future success in digital requires scale

1-2% annual growth in HS subscription base



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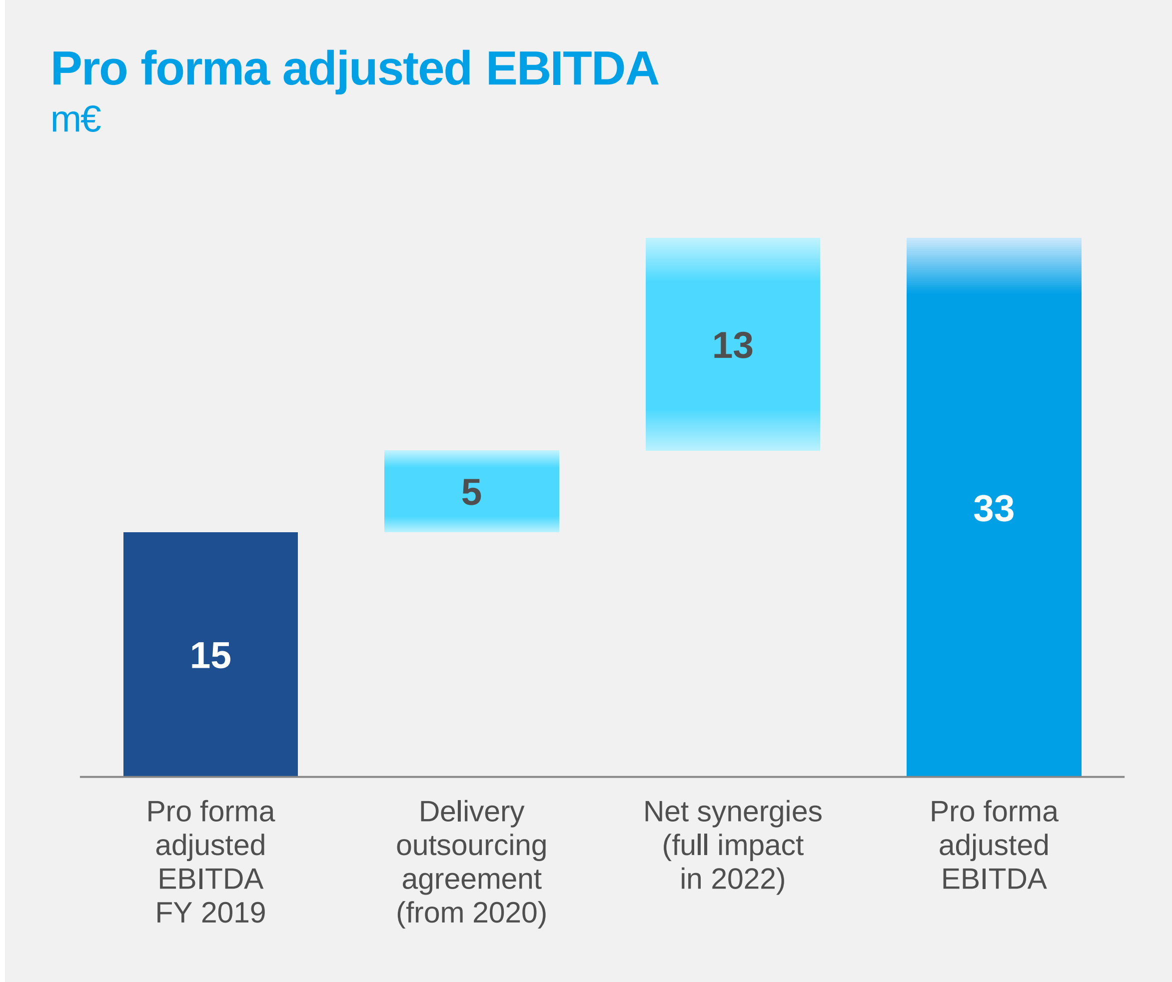
Attractive valuation for highly synergistic bolt-on acquisition

- Enterprise value of 115m€, including 42m€ of net debt and advances received (end of 2019)
- EV / Pro forma adjusted EBITDA multiples
  - 5.8 incl. impact of the delivery outsourcing agreement *
  - 3.5 incl. net synergies also
- Expected annual cost savings of approx. 5m€ related to the delivery outsourcing agreement with full impact already in 2020 *
- Annual estimated net synergies of approx. 13m€, expected to be realised in full in 2022
  - Half related to operational efficiency, procurement and IT
  - The other half to shared operations and support functions



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* Pro forma 2019, including the impact of the delivery outsourcing agreement that came into effect on 1 January 2020.

Independence of the strong regional titles, led by dedicated Editors-in-Chiefs, will continue after the acquisition

The acquisition will include:

- Alma Media Kustannus Oy
  - Leading regional newspapers Aamulehti (founded in 1881) and Satakunnan Kansa (founded in 1873)
  - Thirteen smaller newspapers in Tampere region as well as Western and Central Finland
- Alma Manu Oy
  - A state-of-the-art printing facility in Tampere
- The acquired business will report to Sanoma Media Finland's News & Feature unit, which currently consists of HS, IS and seven magazine titles

Janakkalan Sanomat
Jokilaakso
Jämsän Seutu
Kankaanpään Seutu
KMV-lehti
Merikarvia-lehti
Nokian Uutiset
Rannikkoseutu
Suur-Keuruu
Sydän-Satakunta
Tyrvään Sanomat
Valkeakosken Sanomat
Vekkari
alma manu

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Funding, transaction costs and closing

- Sanoma will finance the acquisition through existing debt facilities
- Transaction and integration costs of approx. 6m€ to be booked as IACs in Sanoma Media Finland’s 2020 result
- The transaction is subject to customary closing conditions, including approval by the Finnish Competition and Consumer Authority, and is expected to be finalized during 2020
- After closing, the acquired business will be reported as part of Sanoma Media Finland SBU

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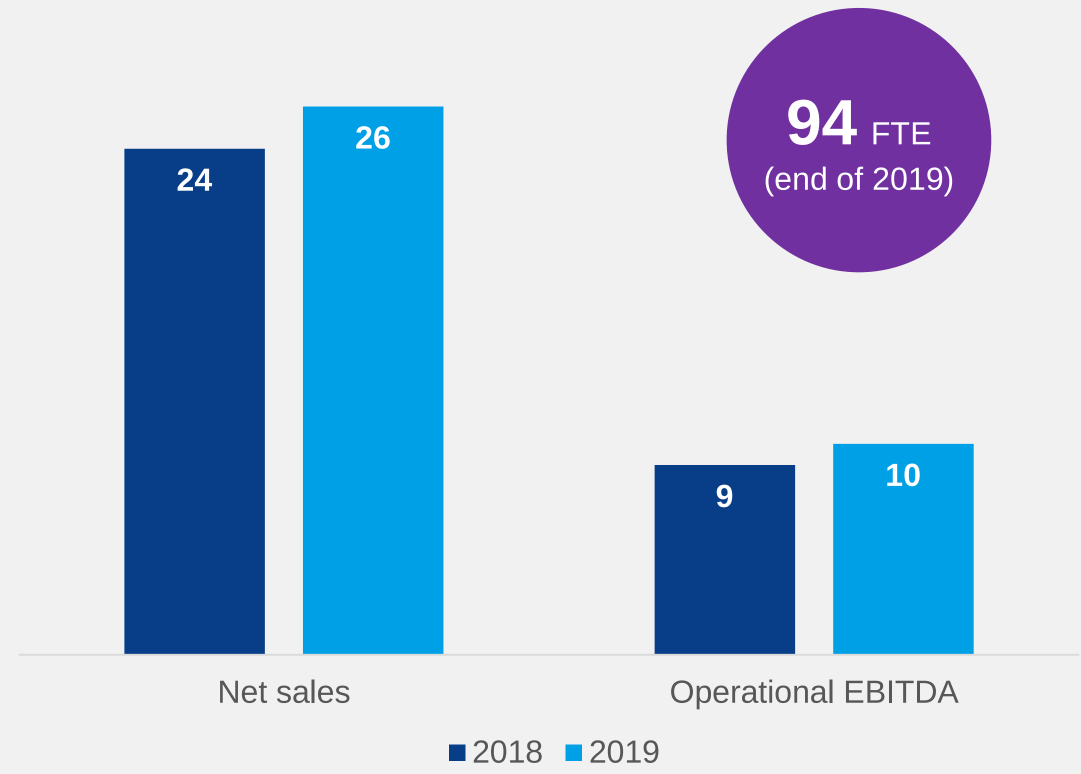
Evaluating strategic options for Sanoma’s online classifieds’ business

- Sanoma has decided to evaluate strategic options for Oikotie Ltd., a leading online classifieds player in Finland
  - The leading Finnish online classifieds sites in recruiting and housing
  - Sites on construction and renovation (rakentaja.fi) and electricity comparison (sähkövertailu.fi)
- The evaluation is in-line with Sanoma Media Finland’s focus on its core strategic businesses: news & feature, entertainment and B2B marketing solutions
- Divestment of the business can be one of the potential outcomes of the evaluation
- Sanoma will release further information as soon as the evaluation is completed

Net sales growth and profitability improvement

m€, pro forma



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FY 2019 Financials

2019 was a year of transformation

Growing the learning business with four acquisitions

Divestment of Sanoma Media Netherlands announced in December

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

On 10 December 2019, Sanoma announced it has signed an agreement to divest the strategic business unit Sanoma Media Netherlands, which is consequently reported as Discontinued operations in this presentation. Further information on p. 54.

FY 2019: Net sales grew and profitability improved

Net sales	Operational EBIT excl. PPA	Operational EBIT margin excl. PPA	Free cash flow	Net debt / Adj. EBITDA
913m€	**135m€**	**14.8%**	**131m€**	**2.7**
(2018: 891)	(2018: 123)	(2018: 13.8%)	(2018: 109)	(2018: 1.4)

- 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
- Group cost of 3.9m€ (2018: 3.5) related to Media Netherlands divestment included
- Free cash flow includes 25m€ improvement due to IFRS 16
- Leverage temporarily above the long-term target level due to the Iddink acquisition and IFRS 16
- Board proposes a dividend of 0.50€ to be paid in two equal instalments

Earnings improved in Learning and were stable in Media Finland

Learning

- Earnings improved significantly as a result of acquisitions and High Five business development programme

Media Finland

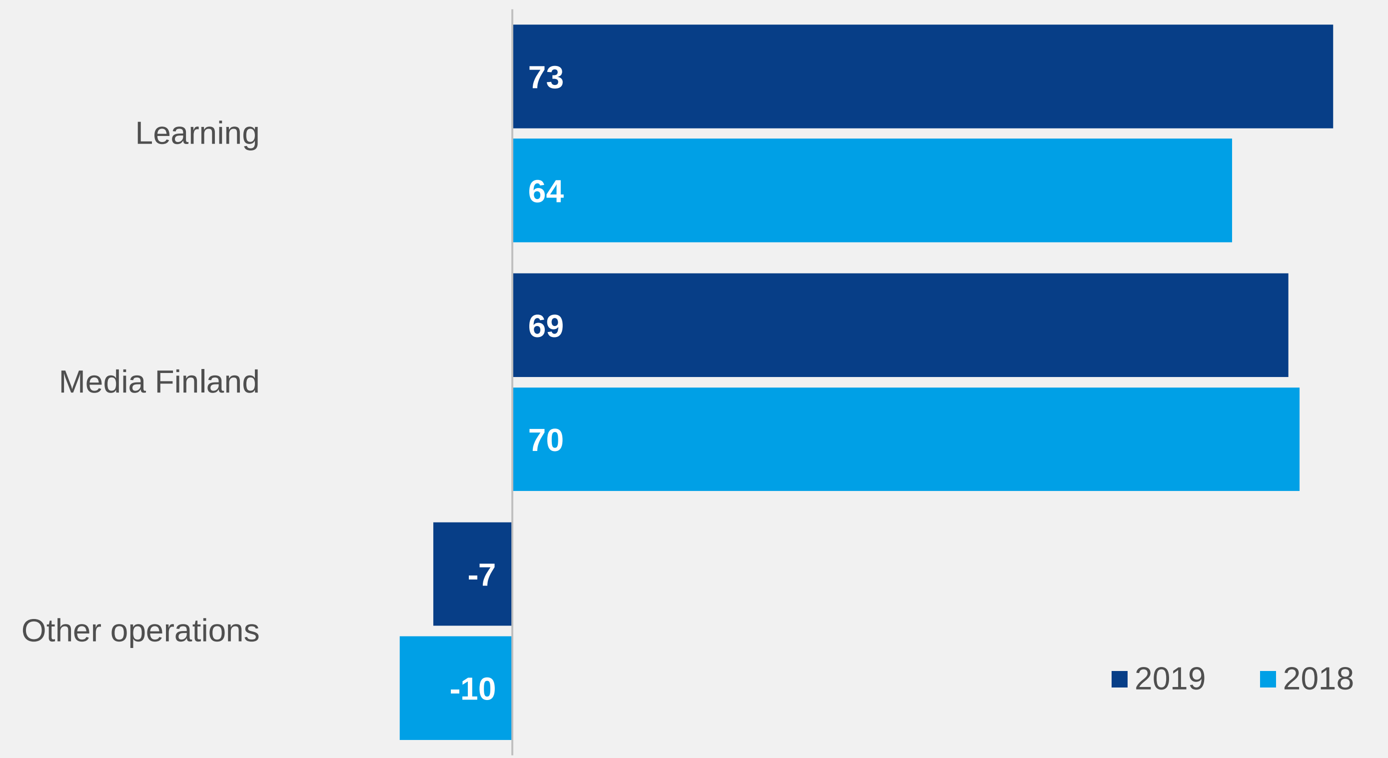
- Stable net sales and earnings

Other operations

- Exceptionally low costs across cost categories

Operational EBIT excl. PPA by SBU

m€

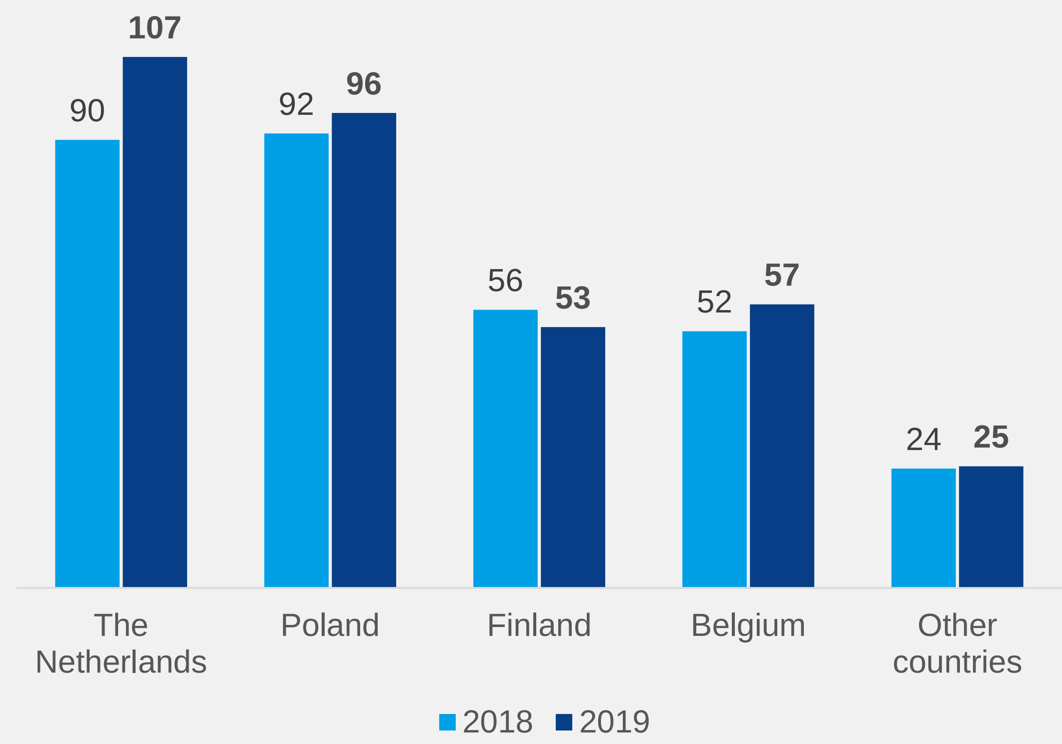


Learning:
Net sales grew through acquisitions in 2019…

- Net sales grew to 337m€ (2018: 313) through acquisitions
- In 2019, Iddink performed according to our expectations
  - Net sales 22m€ in Q4 2019 (2018: 25) and 157m€ (2018: 141) in FY 2019
  - Of which group internal sales 17m€ in 2019 (2018: 17)
  - Operational EBIT excl. PPA 5m€ in Q4 2019 (2018: 6) and 22m€ in FY 2019 (2018: 20)
- Itslearning contributed by 2m€ on net sales
- Two smaller acquisitions, Essener and Clickedu, done in November-December

Net sales by country

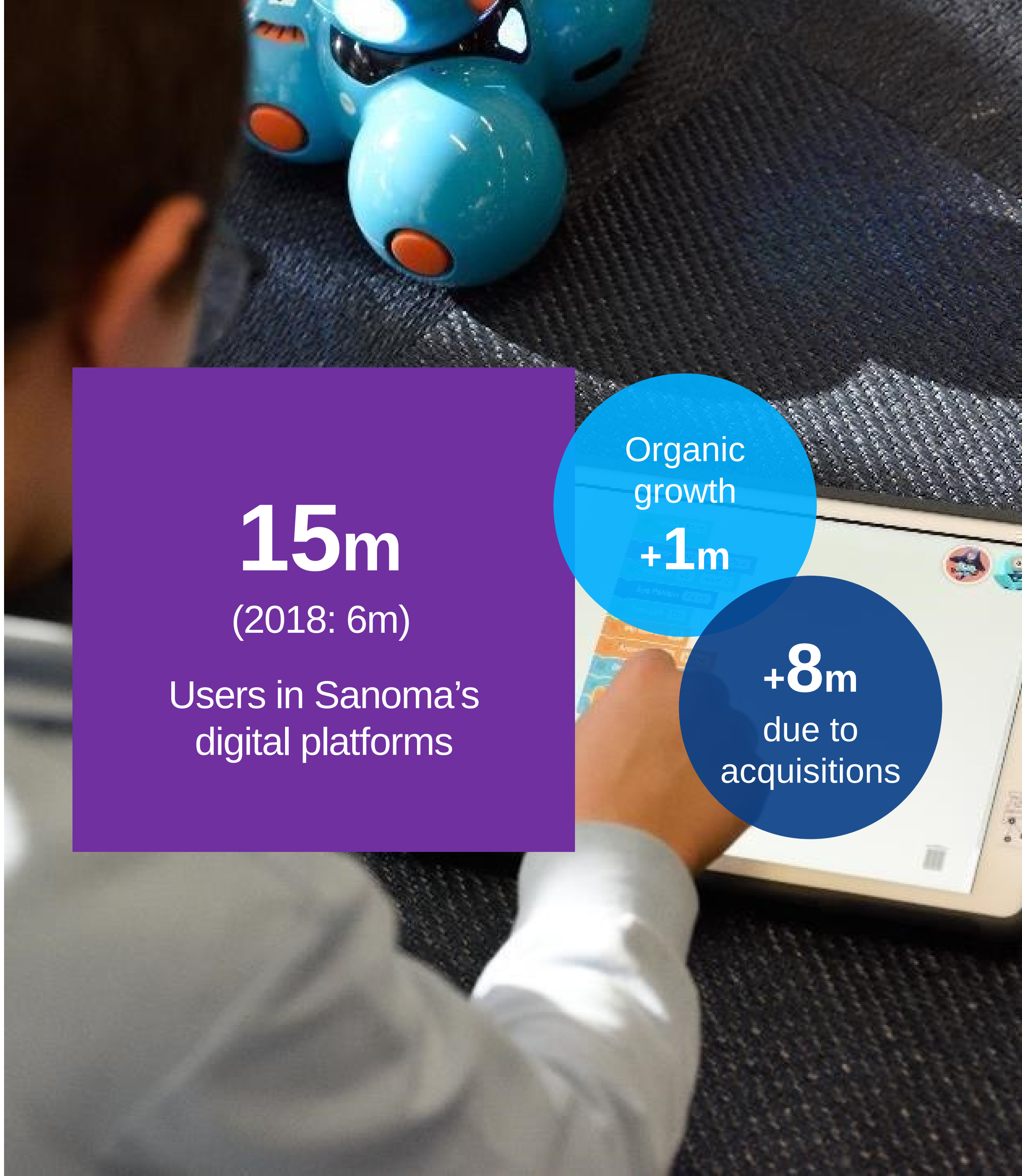
m€



Other countries include Sweden, Spain, Norway, Denmark, France and Germany
Iddink Q4 2019 net sales included in the Netherlands, Belgium and Spain

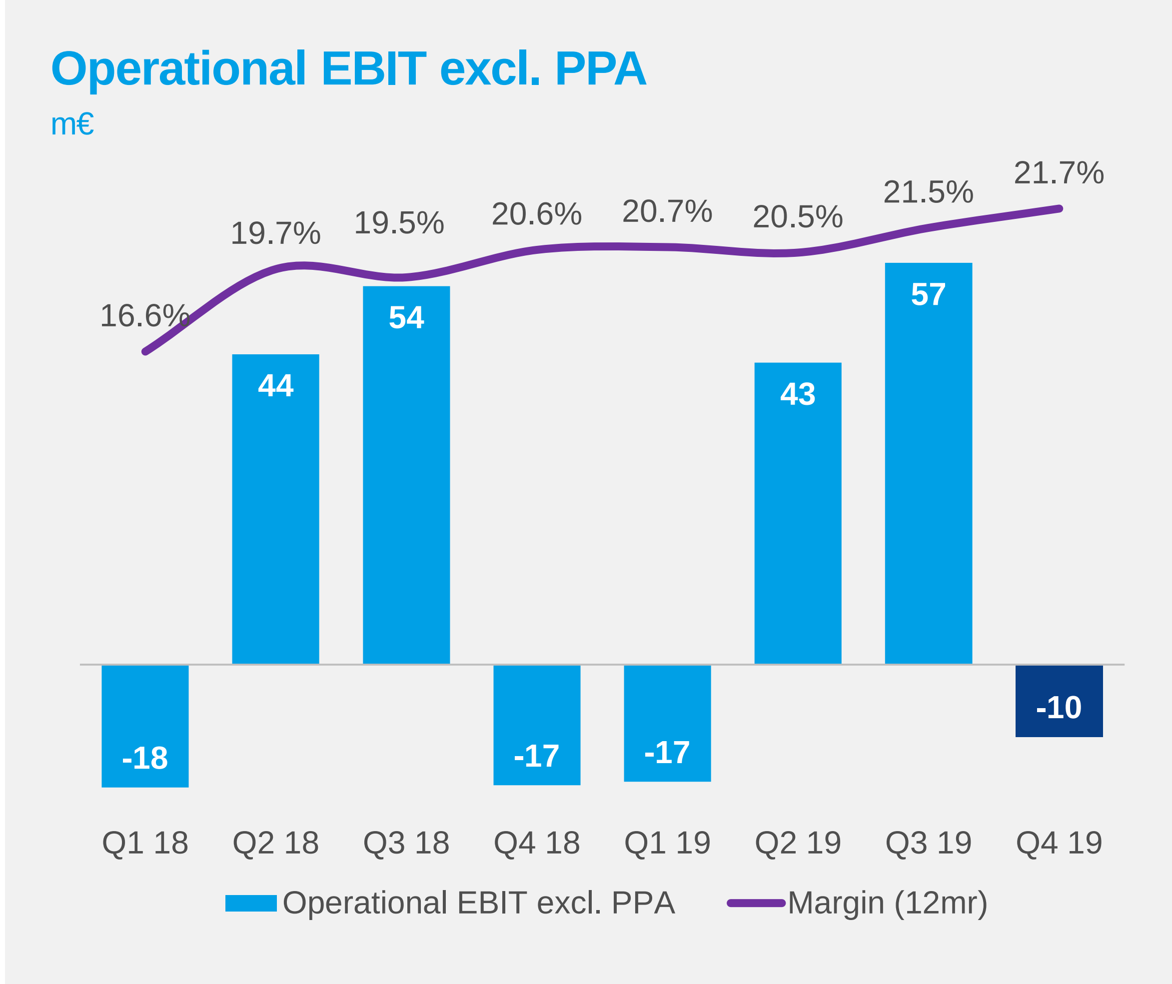
Learning:
…while being stable on a comparable basis

- Net sales growth in Belgium and Poland during curriculum renewals
- The Netherlands at the previous year's level
- Decline in Finland
  - Ending of the curriculum renewal in 2018
  - Increasing share of digital learning materials
- In 2020-21, market growth in learning materials expected in Poland, the Netherlands and Finland



Learning:
Profitability improved in existing business and by Iddink acquisition

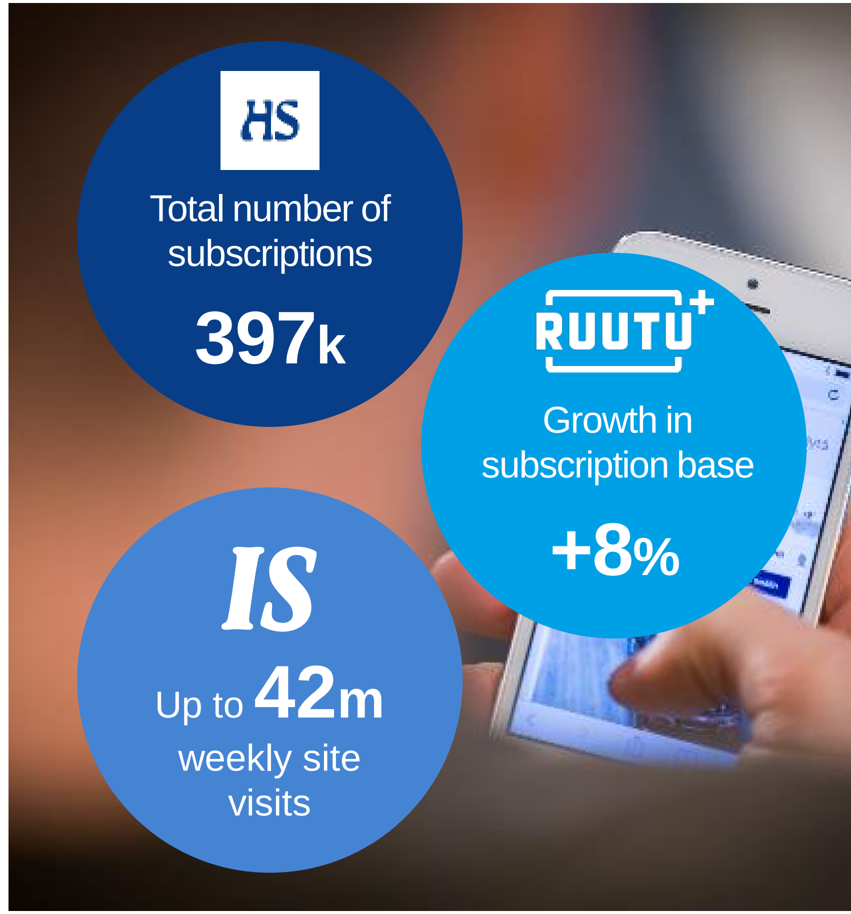
- Operational EBIT excl. PPA improved by 15% to 73m€ (2018: 64)
  - Half of the improvement attributable to lower variable and fixed expenses in the underlying business largely as a result of the High Five business development programme
  - The other half attributable to the acquisition of Iddink



Media Finland:
Continued growth in digital subscription sales…

- FY net sales stable at 577m€ (2018: 579)
- Total number of HS subscriptions grew for the third year in a row and subscription sales for HS is at all-time-high
- Monthly visits at IS.fi all-time-high in December
- News & Feature unit started on 1 October: Combines HS and IS with seven magazine brands to facilitate e.g. sharing of content for the digital audience
- Continued success in digital subscription sales of Ruutu+ offsetting the impact of the discontinuation of pay-TV in H2 2018
- Solid growth in the festival and events business
- Digital advertising sales grew by 6%, total advertising sales -1%
  - Total advertising market -1% in 2019 *
  - Digital advertising market +4% and +9% incl. search and social media *

Detailed data on Finnish advertising market development is available on p. 28.



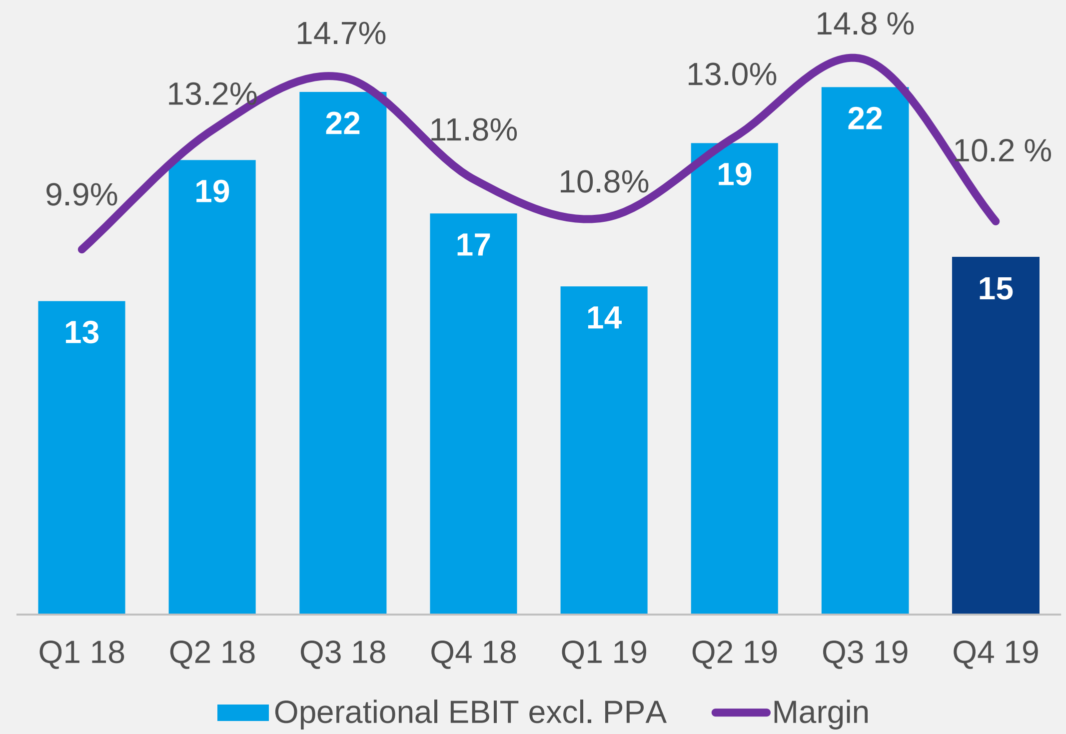
* Source: Kantar TNS, Media Advertising Trends, December 2019

Media Finland:
… and stable profitability

- Operational EBIT excl. PPA stable at 69 m€ (2018: 70)
  - \+ Improved profitability of the festival and events business
  - \+ Lower marketing, paper, distribution and other operating costs
  - – Higher TV programme costs related to FOX channels
  - – Write-down related to discontinued IT solutions was done in Q4

Operational EBIT excl. PPA

m€



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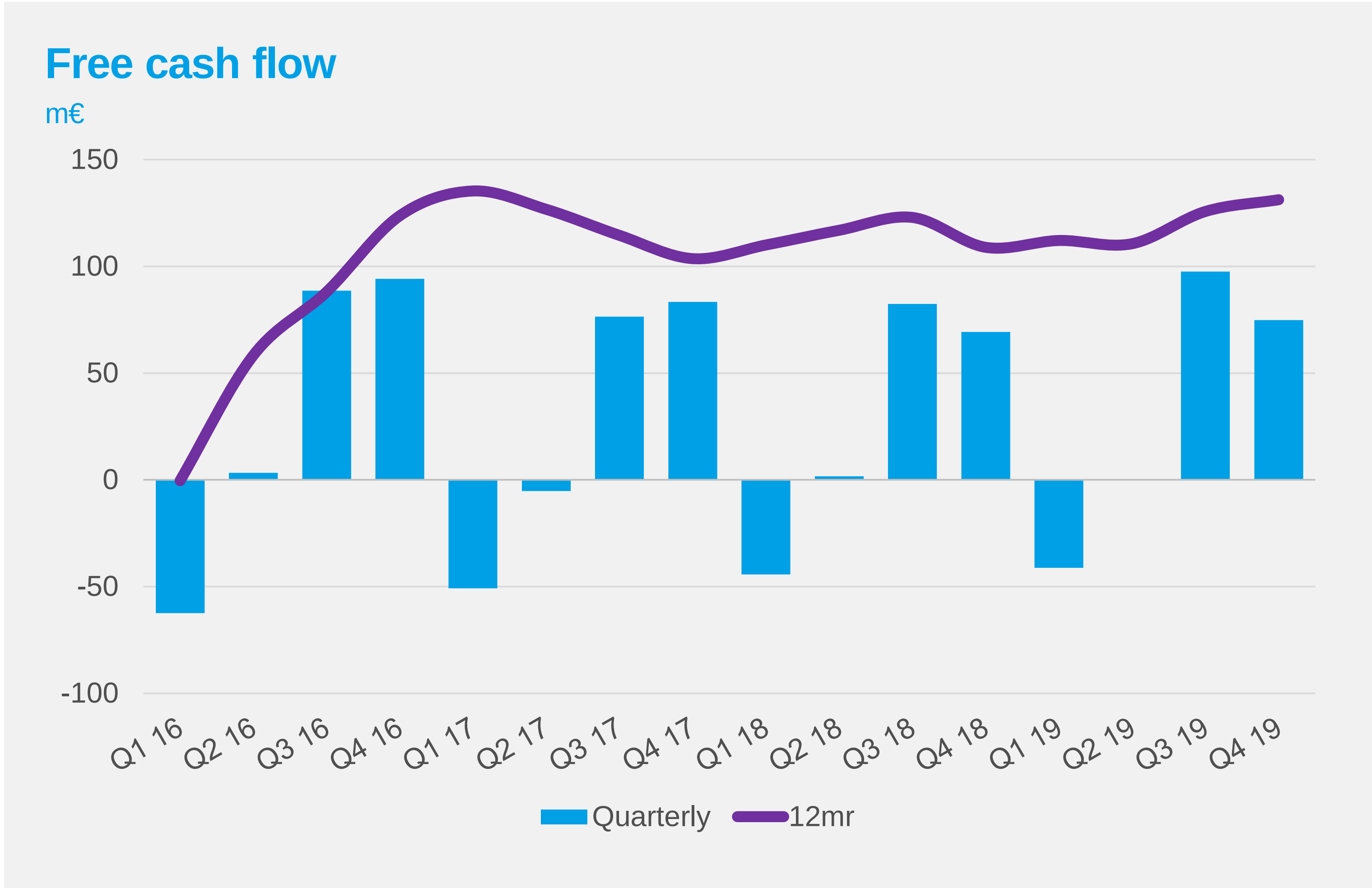
On track towards our long-term financial targets

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%

Solid free cash flow

- In 2019, free cash flow improved to 131m€ (2018: 109)
  - \+ Implementation of the IFRS 16 standard improved the free cash flow by 25m€
  - \+ Lower taxes paid
  - – 10m€ settlement of a rental contract related to Discontinued operations divested in June 2018 in Belgium
  - – Higher IACs related to M&A and changes in IT infrastructure and services
  - – Divestment of LINDA. Magazine



Free cash flow = Cash flow from operations less capital expenditure

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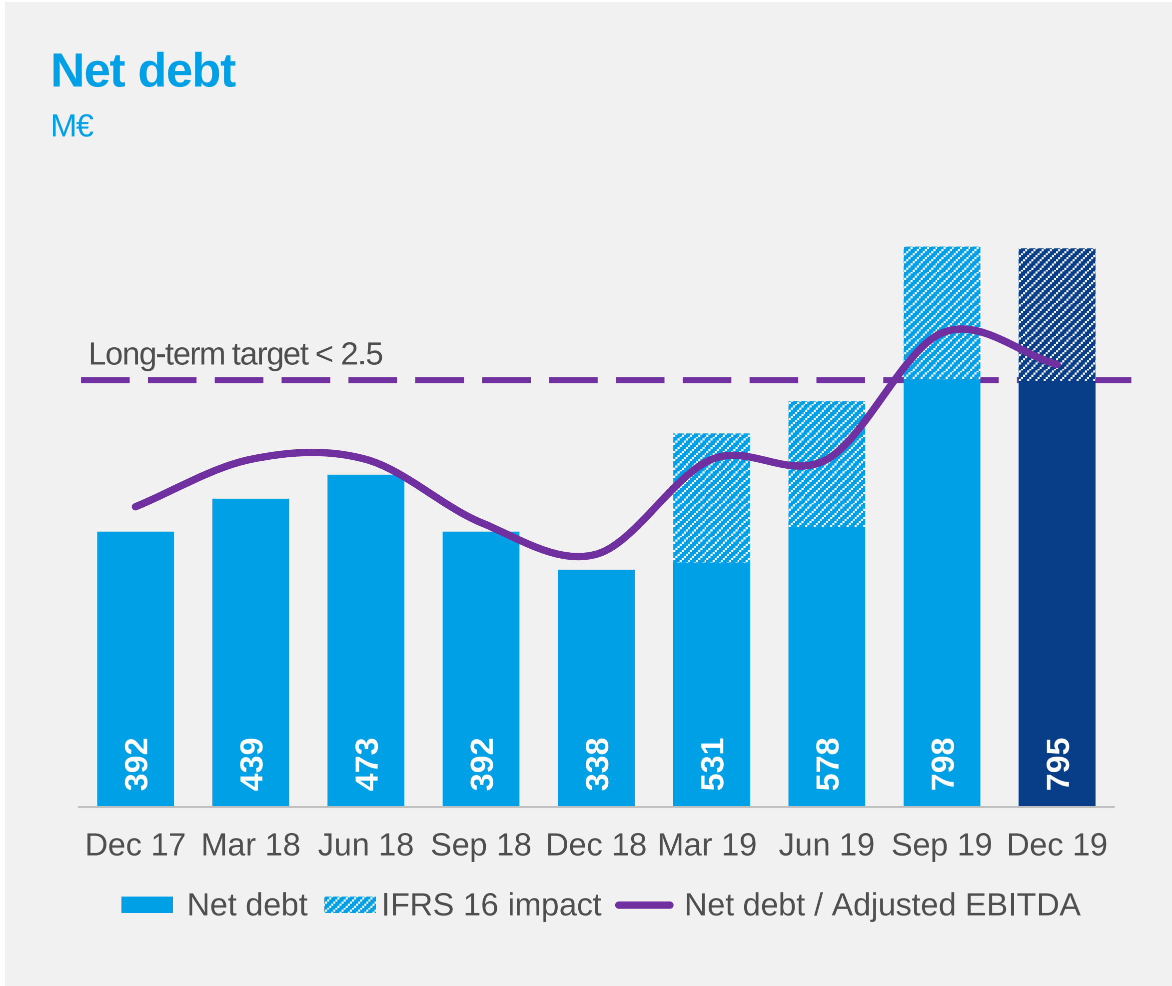
Net debt higher due to Iddink acquisition and IFRS 16

	Q4 18	Q4 19	IFRS 16 impact
Net debt	338	795	+188
Net debt / Adj. EBITDA	1.4	2.7	+0.4
Equity ratio	44.7%	30.5%	-3.5%-p.

- Acquisition of Iddink and IFRS 16 raised the net debt / Adj. EBITDA above the long-term target level
- Equity ratio declined below the long-term target level due to 105m€ capital loss related to the divestment of Media Netherlands, the Iddink acquisition and IFRS 16
- Both expected to return to the target level upon receipt of the proceeds of the Media Netherlands divestment

Summary of key impacts of the implementation of IFRS 16 on P/L, BS and CF is available in the Appendix, p. 57.

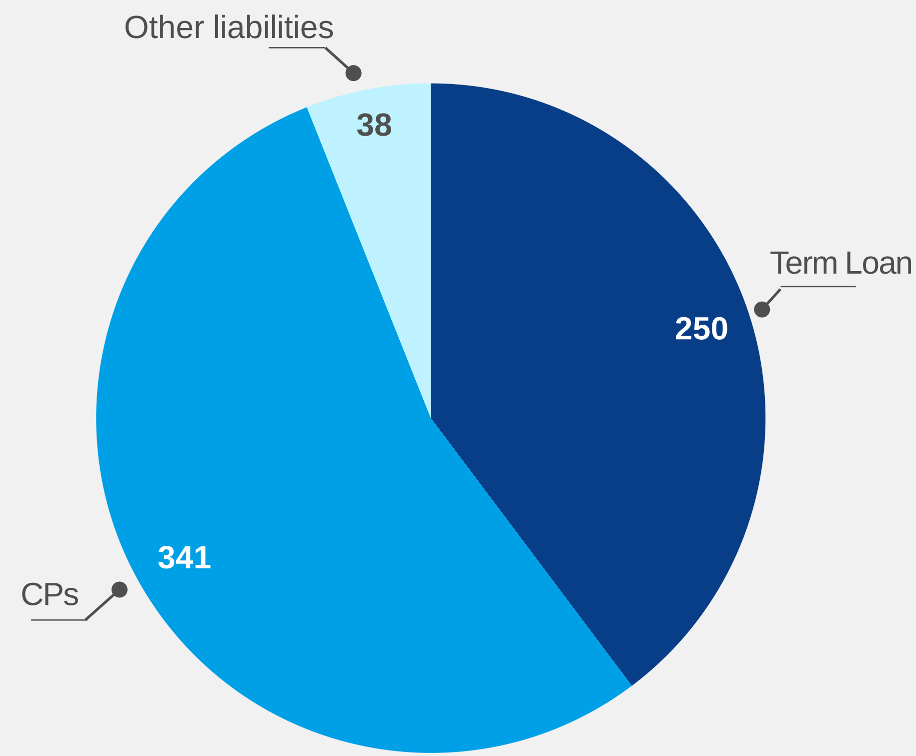


200m€ bond repaid in November

- 200m€ bond was repaid at the end of November
  - Expected to significantly reduce financial expenses going forward
- 250m€ 4-year term loan was drawn in September to finance the acquisition of Iddink
- Net financial items -22m€ in 2019 (2018: -12)
  - IFRS 16 impact -5m€
  - Exchange rate loss of 3m€ related to liquidated Ukrainian subsidiary
- Average interest rate 2.3% (2018: 2.5%)
  - Expected to be below 1% in 2020

Debt structure

m€, 31 December 2019



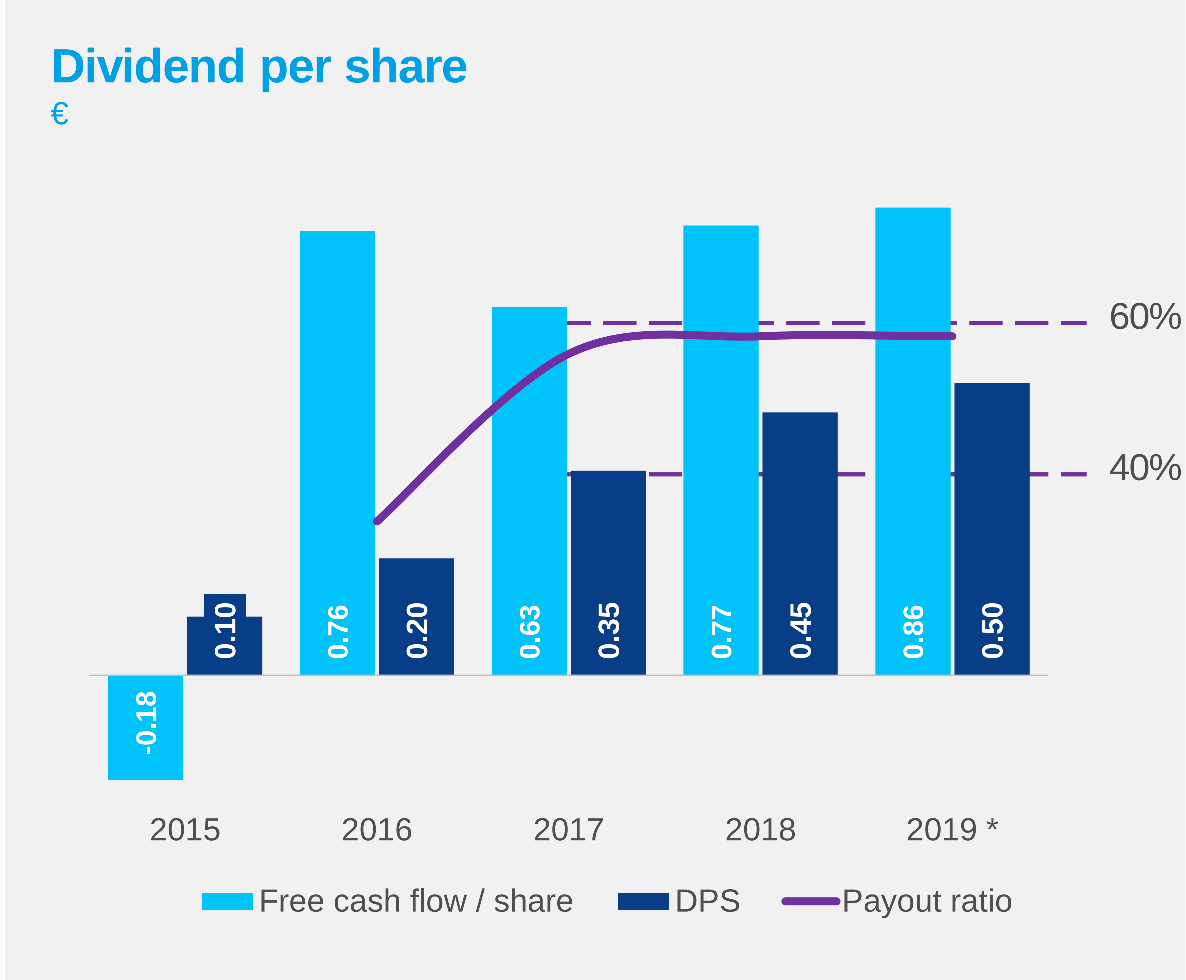
* Book value 199m€

The Board proposes a dividend of 0.50€

- The Board proposes a dividend of 0.50€ per share to be paid for 2019
  - Increase of 11% vs. 2018
  - Representing a total of approx. 82m€
- 58% of free cash flow *
- To be paid in two parts
  - 0.25€ on 3 April (record date 27 March)
  - 0.25€ in November (record date tbc in October)

Dividend policy:

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



* Board's proposal. FCF excl. 10m€ settlement of a rental contract related to discontinued operations divested in June 2018 in Belgium

Outlook for 2020

In 2020, Sanoma expects that the Group's

- **Comparable net sales will be <u>stable</u>,** and
- **Operational EBIT margin excl. PPA * will be <u>around 15%</u> (2019: 14.8%).**

The outlook was given on 7 February and does not include any assumptions related to the acquisition of Alma Media's regional news media business, which was announced on 11 February.

* PPA = purchase price allocation amortisations

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Appendix

Divestment of Media Netherlands

- On 10 December 2019, Sanoma announced it has signed an agreement to divest the strategic business unit Sanoma Media Netherlands
- Media Netherlands is consequently reported as Discontinued operations in Sanoma's 2019 financial reporting
- Unless otherwise stated, all income statement related quarterly and FY figures in this presentation, including corresponding periods in 2018, cover continuing operations only
- Continuing operations include Sanoma Learning and Sanoma Media Finland SBUs
- Figures related to balance sheet and cash flow include both continuing and discontinued operations
- Due to the divestment, Group costs are allocated to Learning and Media Finland SBUs only and SBU-level comparative information for 2018 and 2019 has been adjusted accordingly (restated Q1 18–Q3 19 figures on p. 58 and 60)

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Sanoma in 2019

NET SALES
EUR 913 million

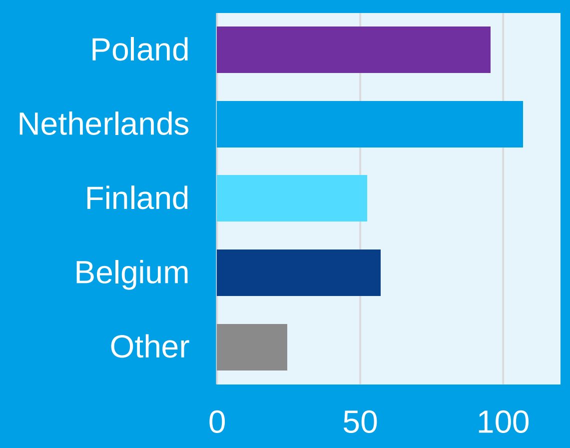
NON-PRINT SALES
51%

OPERATIONAL EBIT MARGIN
14.8%

Learning

EUR 337 million
49%
21.7%

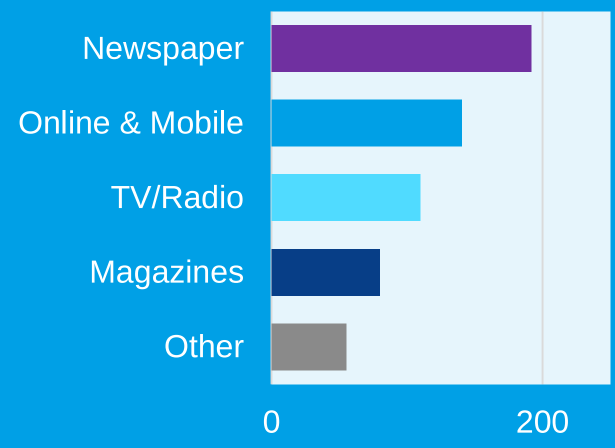
NET SALES 2019



Media Finland

EUR 577 million
53%
12.0%

NET SALES 2019



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Group key figures 2019

EUR million	2019	2018
Net sales	**913.3**	891.4
Operational EBIT excl. PPA	**135.2**	122.8
margin	**14.8%**	13.8%
EBIT	**102.1**	106.7
Result for the period	**63.1**	72.6
Free cash flow	**131.3**	108.9
Equity ratio	**30.5%**	44.7%
Net debt	**794.7**	337.8
Net debt / Adj. EBITDA	**2.7**	1.4
Operational EPS	**0.49**	0.49
EPS	**0.38**	0.44

EUR	2019	2018
Average number of employees (FTE)	**3,567**	3,404
Number of employees at the end of the year (FTE)	**3,953**	3,410
Dividend per share	**0.50**	0.45

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

IFRS 16 impact on key ratios

- Sanoma has adopted the new IFRS 16 Leases standard as of 1 Jan 2019
  - Lease agreements are recognised in the balance sheet as right-of-use assets and interest-bearing liabilities
  - Cost of leasing is recognised as depreciation and interest expense, not as operational rental expense
- Sanoma applies the modified retrospective method
  - 2018 financials have not been restated
  - Main impacts on key ratios are summarised on this page
  - More information is available in the Full-Year 2019 Result

- Main impacts related to the implementation of IFRS 16 standard on key ratios in Q4 2019 and FY 2019:

MEUR	Q4 2019	FY 2019
Operational EBITDA	6.4	22.6
Depreciation	-5.9	-21.0
Operational EBIT excl. PPA	0.5	1.6
Net financial expenses	-1.3	-5.1
Net result	-0.6	-2.7
Cash flow from operations	7.2	24.8
Cash flow from financing	-7.2	-24.8
Net cash flow	0.0	0.0
Net debt		188.4
Net debt / Adj. EBITDA		0.4
Equity ratio		-3.5

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

Learning: Adjusted * quarterly key figures

EUR million	FY 19	FY 18	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18
Net sales	**336.7**	313.3	**61.4**	138.4	105.4	31.4	39.8	136.3	108.3	28.9
EBIT	**55.0**	55.0	**-19.3**	52.0	41.0	-18.6	-20.3	51.8	42.1	-18.6
Items affecting comparability (IACs)	**-12.1**	-5.1	**-5.5**	-4.4	-1.1	-1.1	-2.2	-1.3	-1.3	-0.4
PPA amortisations	**-6.1**	-3.4	**-3.6**	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
Operational EBIT excl. PPA	**73.2**	63.5	**-10.3**	57.2	43.0	-16.7	-17.2	53.9	44.2	-17.5
margin	**21.7%**	20.3%	**-16.7%**	41.3%	40.7%	-53.1%	-43.3%	39.6%	40.8%	-60.3%
Capital expenditure	**21.9**	19.8	**8.3**	4.7	5.2	3.8	6.8	5.2	4.3	3.5
Average number of employees (FTE)	**1,488**	1,351	**1,488**	1,398	1,361	1,355	1,351	1,350	1,352	1,353

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* After the divestment of Media Netherlands, the remaining Group costs have been allocated to Learning (approx. 1.5m€ for 2019) and Media Finland (approx. 2.5m€ for 2019) and SBU-level comparative information for 2018 and 2019 has been adjusted accordingly.

Iddink reported financials for 2019

Preliminarily adjusted for IFRS, unaudited

Key quarterly income statement figures

EUR million	**FY 19**	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	FY 18
Net sales	**156.9**	**21.7**	95.7	20.6	18.9	23.8	82.5	18.8	16.6	141.7
Incl. Group internal sales	**16.5**	**0.1**	8.3	7.9	0.2	0.3	4.9	11.6	0.1	16.9
EBITDA	**45.3**	**11.5**	16.7	9.0	8.1	6.8	16.9	7.6	8.4	39.7
Depreciation and amortisation*	**34.7**	**8.9**	10.0	7.9	7.9	7.5	7.3	7.4	7.3	29.4
Reported EBIT	**10.6**	**2.6**	6.7	1.1	0.2	-0.7	9.6	0.3	1.1	10.3
Items affecting comparability	**-4.0**	**-0.3**	-3.8	0.0	0.0	-0.4	-0.4	-1.3	-0.9	-3.0
PPA amortisations	**-7.6**	**-2.5**	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-1.7	-6.8
Operational EBIT excl. PPA	**22.3**	**5.4**	12.1	2.8	1.9	1.4	11.7	3.3	3.7	20.1

* Incl. rental book depreciations of EUR 16.6 million in 2018.

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Media Finland: Adjusted * quarterly key figures

EUR million	FY 19	FY 18	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18
Net sales	**576.8**	578.5	**144.2**	146.5	154.5	131.6	144.5	150.7	146.2	137.0
EBIT	**54.9**	59.3	**11.9**	19.0	14.7	9.3	9.3	19.2	19.9	11.0
Items affecting comparability (IACs)	**-10.0**	-7.1	**-1.7**	-1.5	-3.6	-3.1	-6.2	-1.4	1.9	-1.5
PPA amortisations	**-4.4**	-3.2	**-1.1**	-1.1	-1.1	-1.1	-1.0	-1.0	-0.7	-0.4
Operational EBIT excl. PPA	**69.4**	69.6	**14.7**	21.7	19.4	13.5	16.5	21.5	18.7	12.9
margin	**12.0%**	12.0%	**10.2%**	14.8%	12.6%	10.3%	11.4%	14.3%	12.8%	9.4%
Capital expenditure	**3.8**	4.1	**1.1**	0.9	1.2	0.7	1.1	0.7	0.5	1.8
Average number of employees (FTE)	**1,804**	1,781	**1,804**	1,811	1,793	1,764	1,781	1,779	1,742	1,709

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* After the divestment of Media Netherlands, the remaining Group costs have been allocated to Learning (approx. 1.5m€ for 2019) and Media Finland (approx. 2.5m€ for 2019) and SBU-level comparative information for 2018 and 2019 has been adjusted accordingly.

Finnish advertising market stable in 2019

Finnish measured media advertising markets

	FY 19	Q4 19	Q3 19	Q2 19	Q1 19	FY 18	Q4 18	Q3 18	Q2 18	Q1 18
Newspapers	**-9%**	-10%	-12%	-2%	-7%	**-11%**	-12%	-8%	-13%	-12%
Magazines	**-7%**	-11%	-8%	-2%	-5%	**-5%**	-2%	-3%	-10%	-7%
TV	**-5%**	-8%	-5%	1%	-7%	**0%**	-1%	1%	1%	1%
Radio	**6%**	2%	6%	10%	7%	**4%**	4%	2%	11%	-4%
Online *	**4%**	1%	6%	9%	2%	**3%**	2%	2%	3%	7%
Total market	**-1%**	-5%	-2%	**5%**	**-2%**	**-2%**	**-2%**	**-1%**	**-3%**	**-2%**

Online incl. search and social media in 2019

+9%

(2018: +14%)

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Source: Kantar TNS, Media Advertising Trends, December 2019 * Excl. search and social media

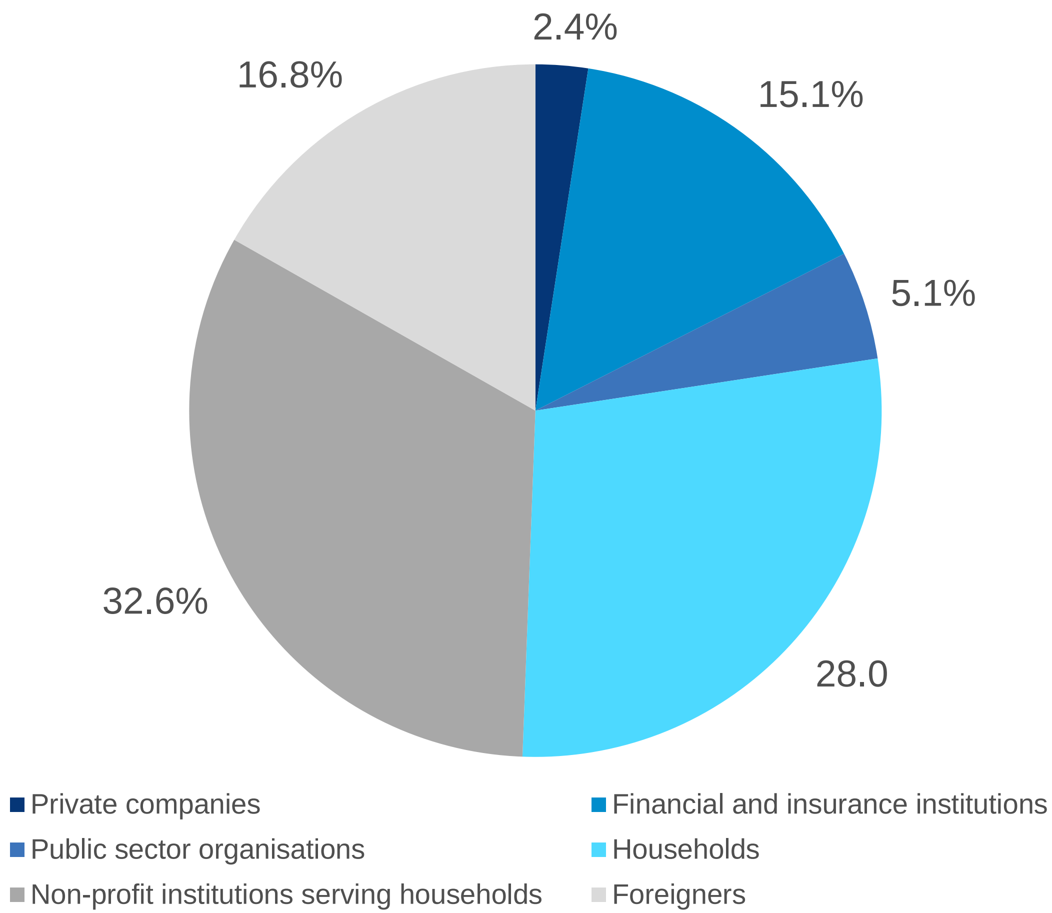
Largest shareholders

31 December 2019

Largest shareholders

	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	**4,667,597**	2.9%
7. Alex Noyer	**1,903,965**	1.2%
8. Foundation for Actors' Old-Age Home	**1,900,000**	1.2%
9. Lorna Aubouin	**1,852,470**	1.1%
10. The State Pension Fund	**1,760,000**	1.1%
10 largest shareholders total	**99,659,429**	**61.1%**
Foreign holding *	**27,450,665**	**16.8%**
Other shareholders	**36,455,569**	**22.1%**
Total number of shares	**163,565,663**	**100.0%**
Total number of shareholders	**20,730**	

Holding by category



* Including nominee registered shares

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Inderes	Petri Aho	+358 50 340 2986
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Nordea	Sami Sarkamies	+358 9 5300 5176
OP Financial Group	Joonas Häyhä	+358 10 252 4504
SEB Enskilda	Pete-Veikko Kujala	+358 9 6162 8578

Financial reporting in 2020

Week 10	Financial Statements and Directors' Report 2019
25 March	Annual General Meeting 2020
29 April	Q1 2020 Interim Report
24 July	Q2 2020 Interim Report
29 October	Q3 2020 Interim Report

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Disclaimer

The information above contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance, including, but not limited to, expectations regarding market growth and development as well growth and profitability of Sanoma. In some cases, such forward-looking statements can be identified by terminology such as “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements included herein are based on information presently available to Sanoma and, accordingly, Sanoma assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

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