sanoma

Full-Year Result 2023:

Net sales growth and operational EBIT driven by strong performance in Learning

Rob Kolkman, President & CEO

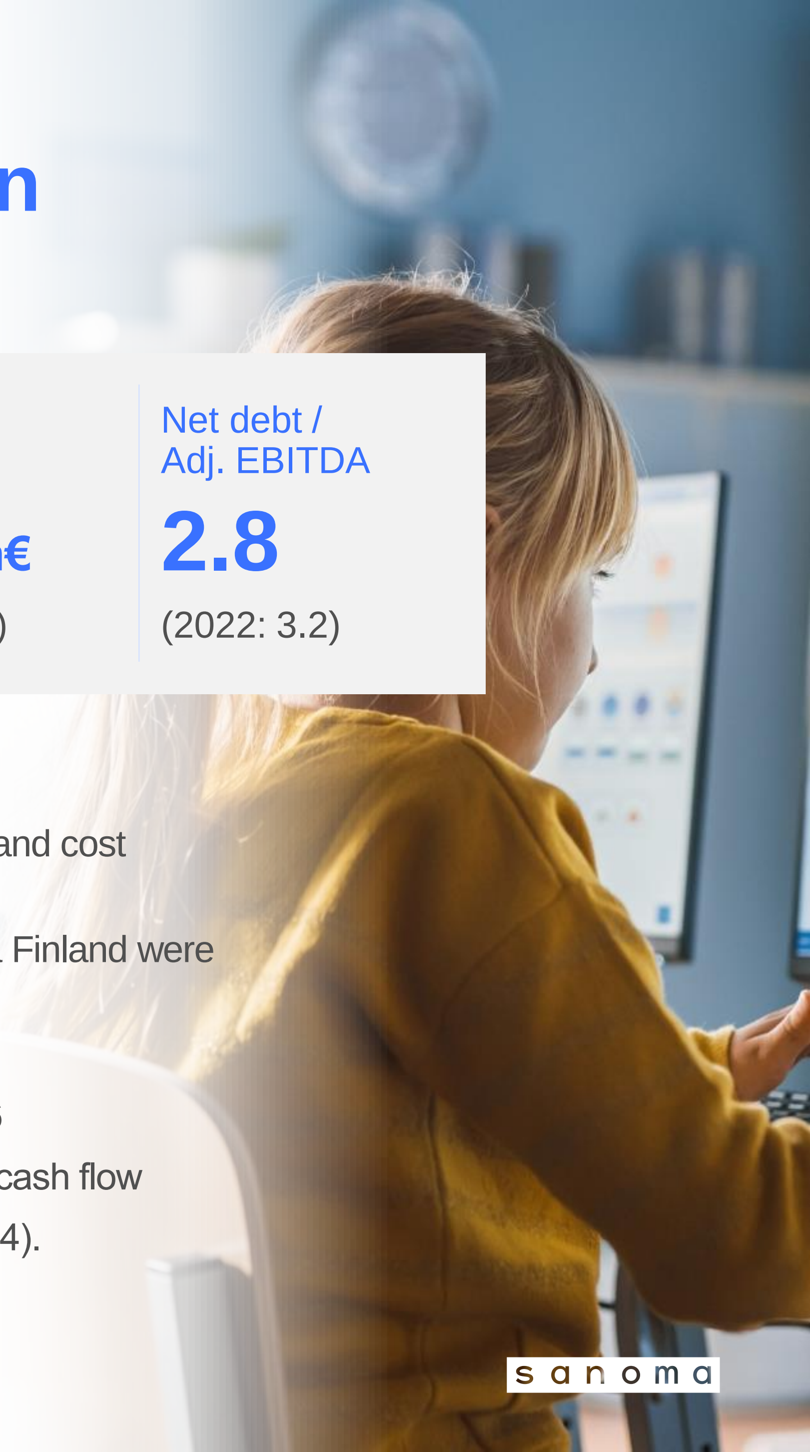
Alex Green, CFO

FY 2023

Net sales growth and operational EBIT driven by strong performance in Learning

Net sales	Organic net sales growth	Operational EBIT excl. PPA	Operational EBIT margin excl. PPA	Free cash flow	Net debt / Adj. EBITDA
1,393m€	**2%**	**175m€**	**12.6%**	**105m€**	**2.8**
(2022: 1,298)	(2022: 1%)	(2022: 189)	(2022: 14.6%)	(2022: 112)	(2022: 3.2)

- Strong net sales growth of 17% in Learning, coming organically (6%) and from the Italian acquisition; slight net sales decline in Media Finland
- Operational EBIT improvement in Learning more than offset by the impact of lower advertising sales and cost inflation in Media Finland
- In free cash flow, positive one-off impact in 2022 of the Italian acquisition and lower earnings in Media Finland were mostly mitigated by strong organic growth and active working capital management in Learning
- Leverage improved to 2.8, meeting the long-term target level of below 3.0
- Efficiency program Solar in Learning on track to reach the long-term profitability target of 23% in 2026
- Board proposes a dividend of 0.37€ per share (2022: 0.37), corresponding to 58% of underlying free cash flow
- Outlook: In 2024, Sanoma expects that the Group's reported net sales will be 1.29–1.34bn€ (2023: 1.4). The Group's operational EBIT excluding PPA is expected to be between 160−180m€ (2023: 175).



sanoma

LEARNING FY 2023

Strong net sales growth…

- Net sales grew by 17% to 795m€ (2022: 681)
  - Organic growth of 6% driven by all major learning content markets
    - 18% growth in Spain following the successful implementation of the final phase of the LOMLOE curriculum renewal
    - 15% growth in Poland resulting from a minor curriculum renewal
    - In the Netherlands, continued good growth in learning content sales was more than offset by the discontinuation of low value distribution contracts
    - Successful implementation of price increases
  - The Italian business contributed 105m€ to net sales (2022: 31)

[1)] Excl. Italian and German businesses acquired in August 2022

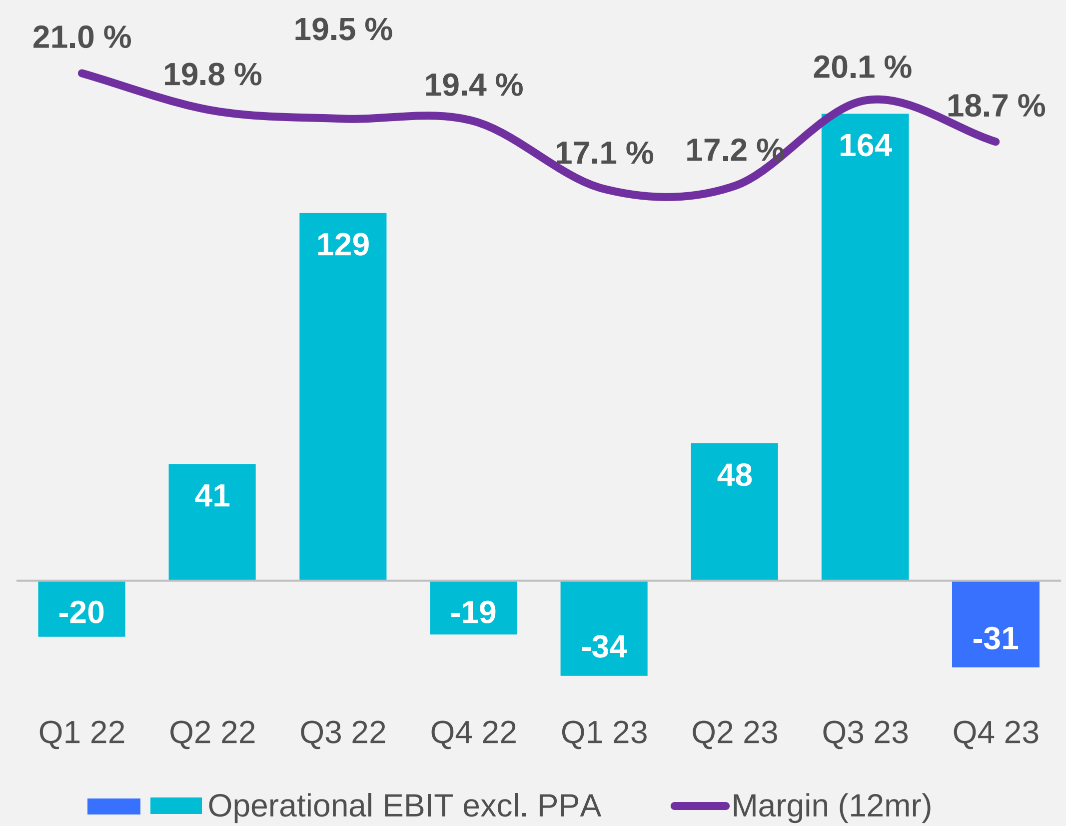
LEARNING FY 2023

…led to solid earnings improvement

- Operational EBIT excl. PPA increased to 148m€ (2022: 132)
  - Successful implementation of the final phase of the LOMLOE curriculum renewal in Spain and minor curriculum renewal in Poland
  - Overall strong organic growth, partially driven by successful implementation of the price increases
  - The Italian business had a solid positive contribution on earnings

Operational EBIT excl. PPA

m€



sanoma

Efficiency program Solar in Learning on track

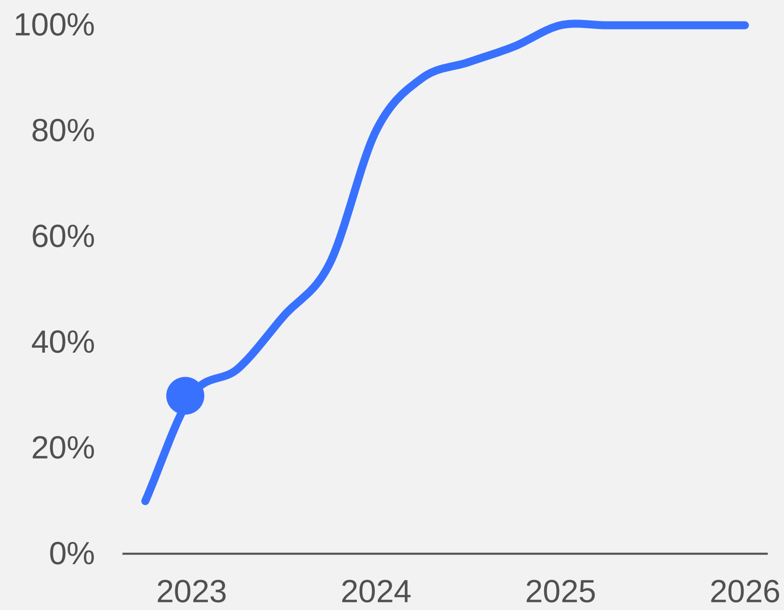
- Program Solar, launched in October 2023, aims to operational efficiencies amounting to approx. 55m€ annual operational EBIT from 2026 onwards

Program streams touching our key operations across countries

Organisational optimisation	▪ Post-curriculum renewal optimisation in Spain and Poland ▪ Optimising selected other operations
Publishing process improvement	▪ Increasingly leveraging benefits of scale in content creation (sharing) and production (centres of excellence) ▪ Reviewing publishing portfolios and plans
Harmonisation of digital platforms	▪ Optimising product development and maintenance through outsourcing and nearshoring mainly to Poland and Spain
Other optimisations	▪ Rightsizing support functions by optimising the overall organisational structure

Realisation of Solar initiatives

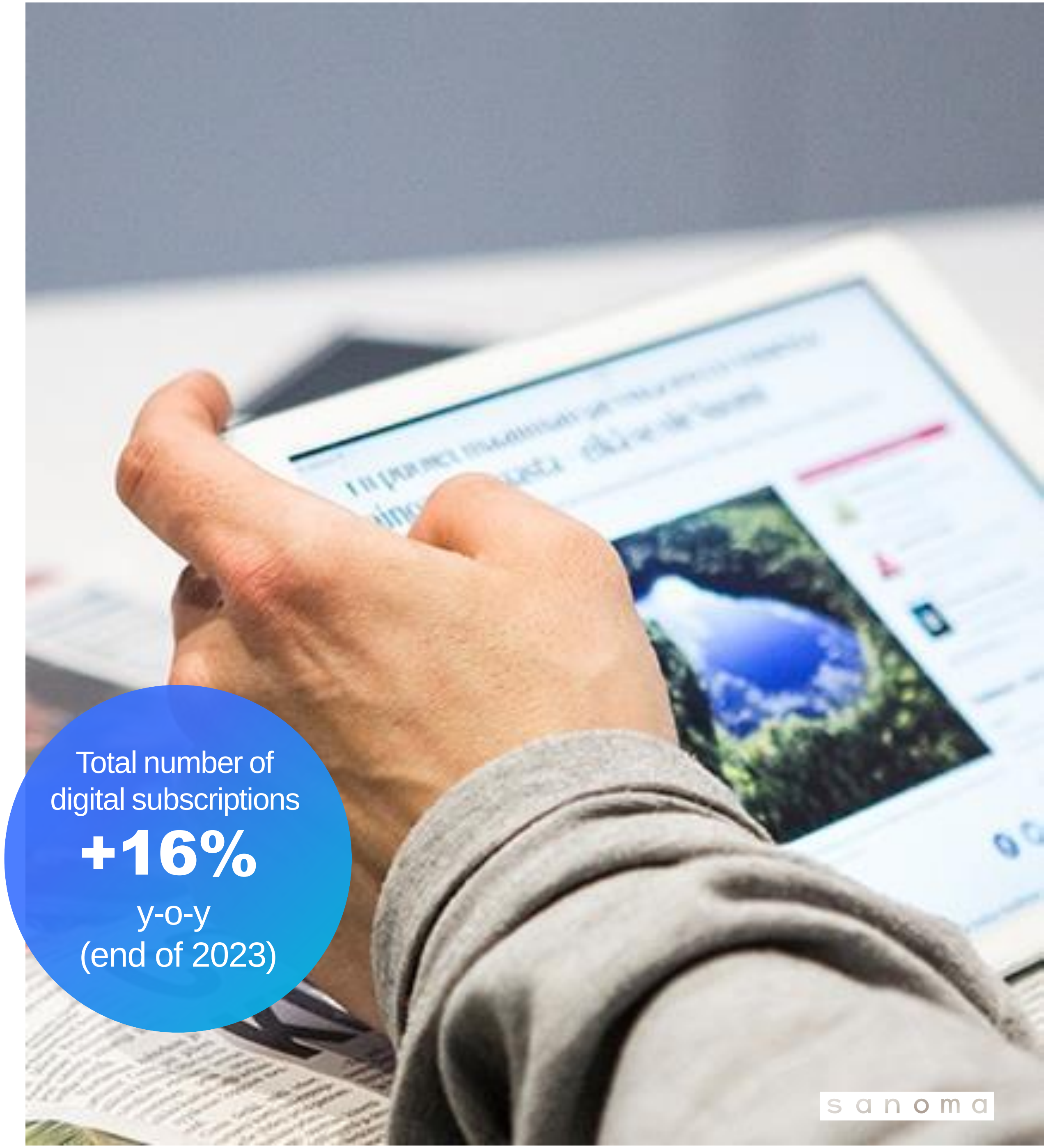
Run-rate of savings in 2026



MEDIA FINLAND FY 2023

Advertising had an adverse impact on net sales…

- Net sales declined slightly to 598m€ (2022: 618)
  - Advertising sales declined by 7% mostly due to newsprint and TV
    - Digital advertising sales continued to grow
    - Share of print advertising decreased to 8% of Media Finland's net sales (2022: 9%)
  - Comparable subscription sales grew slightly
    - Successful implementation of price increases
    - Minor increase in the subscription base
  - Other sales stable
    - Solid performance of the events and festival business
    - Decline in external printing sales as a result of slightly lower volumes and lower paper prices



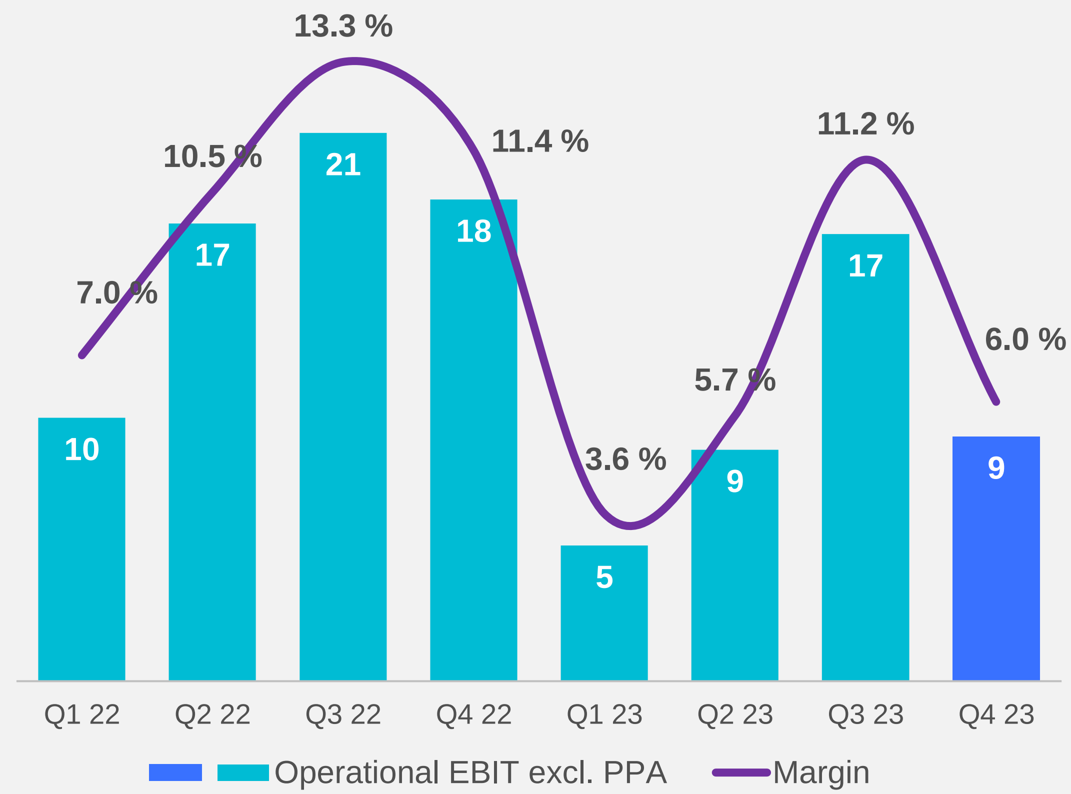
MEDIA FINLAND FY 2023

…resulting in lower earnings

- Operational EBIT excl. PPA decreased to 40m€ (2022: 66) according to expectations
  - Majority of the impact from lower advertising sales
  - Personnel costs increased due to salary inflation and normalised bonus provisions
  - Partially mitigated by lower paper, printing and distribution costs and active cost containment actions

Operational EBIT excl. PPA

m€



sanoma

The Board proposes a dividend of 0.37€ per share

- The Board proposes a dividend of 0.37€ (2022: 0.37) per share to be paid for 2023
  – Representing a total of approx. 60m€
  – Pay-out of 58% of underlying FCF [1)]
- To be paid in three parts following the seasonality in Sanoma's free cash flow
  – 0.13€ on 26 April (record date 19 April)
  – 0.13€ in September (record date tbc early September)
  – 0.11€ in November (record date tbc late October)

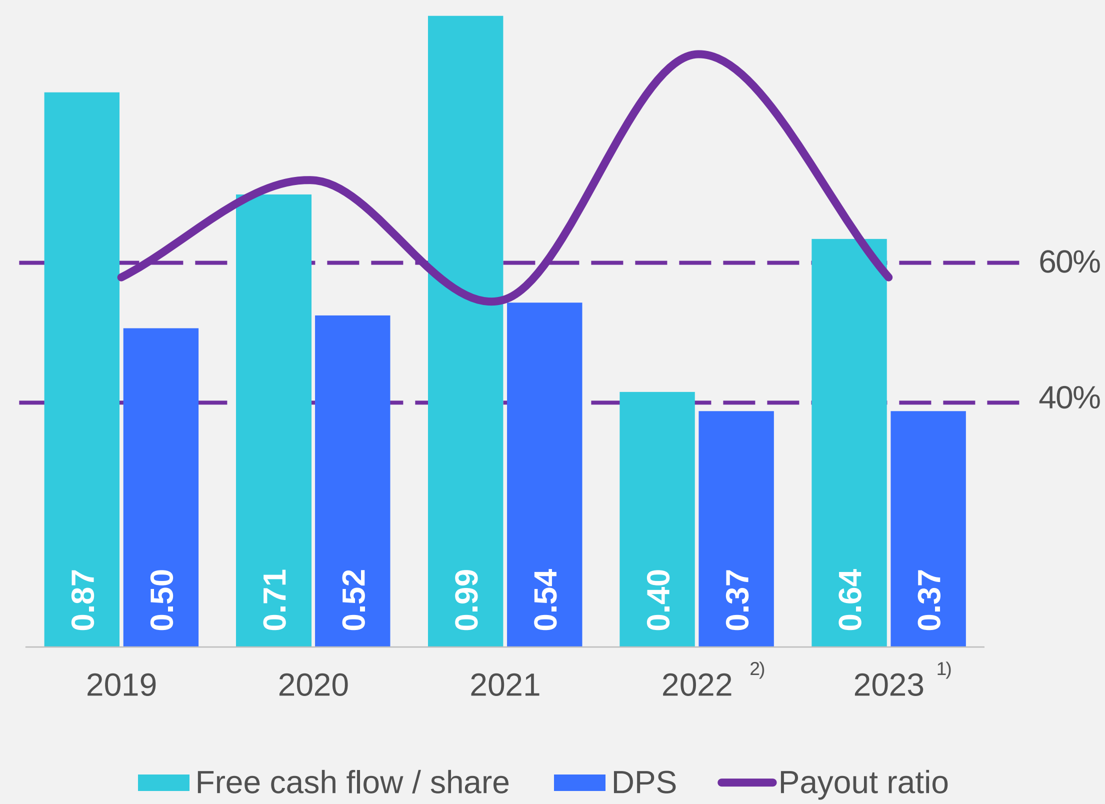
Dividend policy:

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

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, Sanoma's future business plans and investment needs as well as both previous year's cash flows and expected future cash flows affecting capital structure.

Dividend per share

€



1) Board's proposal to the AGM
2) Underlying FCF 65m€ excl. operational cash flow of the acquired Italian and German business and the pre-payment of the VAT claim

sanoma

Key factors influencing 2024 performance

Learning

	Expected 2024 financial impact y-o-y	Long-term targets for SBUs unchanged
▪ Comparable net sales impacted by – Lower cycle in Spain mitigated by growth in other learning content businesses – Discontinuation of low value distribution contracts ▪ Successful implementation of price increases and first benefits of Program Solar mitigating the inflation impact ▪ Divestment of German exam preparation business Stark	▪ Lower reported net sales ▪ Relatively stable margin	▪ Organic growth 2−5% ▪ Operational EBIT margin excl. PPA >23% from 2026 onwards

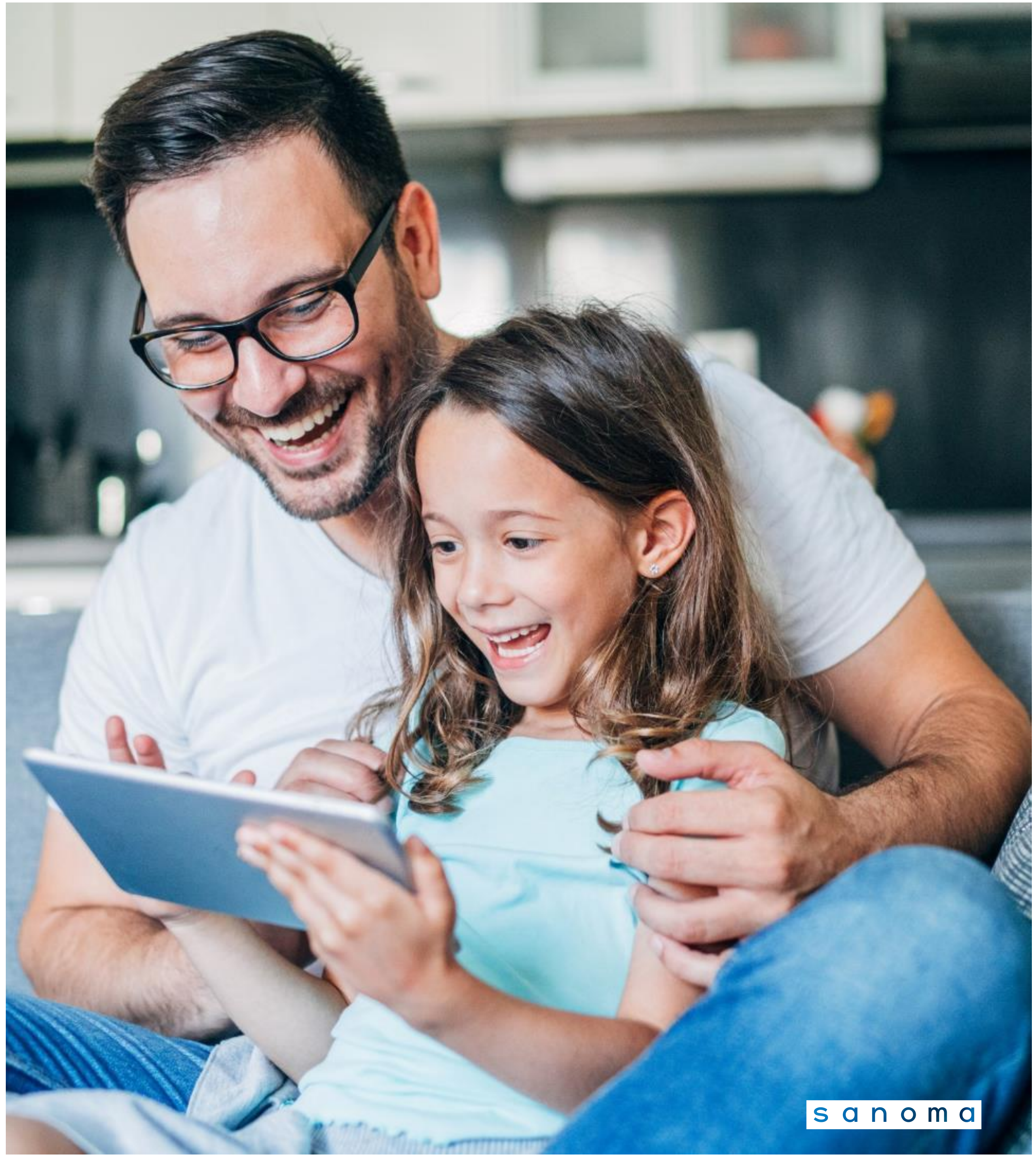
Media Finland

	Expected 2024 financial impact y-o-y	Long-term targets for SBUs unchanged
▪ Comparable net sales relatively stable in-line with expected economic environment in Finland – Subscription sales to grow modestly driven by digital – Slightly lower B2B advertising sales and smaller portfolio in live events ▪ Continuous efficiency improvement mitigating the inflation impact ▪ Divestment of Netwheels	▪ Slightly lower reported net sales ▪ Modest earnings and margin improvement	▪ Organic growth +/-2% ▪ Operational EBIT margin excl. PPA 12−14%

Outlook for 2024

- In 2024, Sanoma expects that the Group's reported net sales will be 1.29–1.34bn€ (2023: 1.4)
- The Group's operational EBIT excluding PPA is expected to be 160–180m€ (2023: 175)

- Regarding the operating environment Sanoma expects that:
  - The advertising market in Finland will decline slightly
  - The development in the economies of the Group's operating countries is expected to be relatively stable



Three strategic focus areas to deliver increasing profitability and prepare for future growth

Mid-term focus areas

1. Increasing profitability of Learning and Media Finland

2. Growing organically and through smaller in-market acquisitions

3. Deleveraging the balance sheet

Our purpose
Through learning and media, we have a positive impact on the lives of millions of people every day

sanoma

2030 growth ambition and long-term financial targets unchanged

- We are aiming for the Group's net sales to be **over 2bn€ by 2030**, with **at least 75% coming from the learning business**
  - Over the cycle, organic growth in-line with long-term targets in Learning and Media Finland
  - In Learning, focus on in-market acquisitions in the short-term, while we continue to be open to all value creating M&A opportunities if they arise

- Long-term targets for the SBUs unchanged
- Long-term financial targets for the Group unchanged
  - Net debt / Adj. EBITDA <3.0
  - Equity ratio 35−45%

Financials

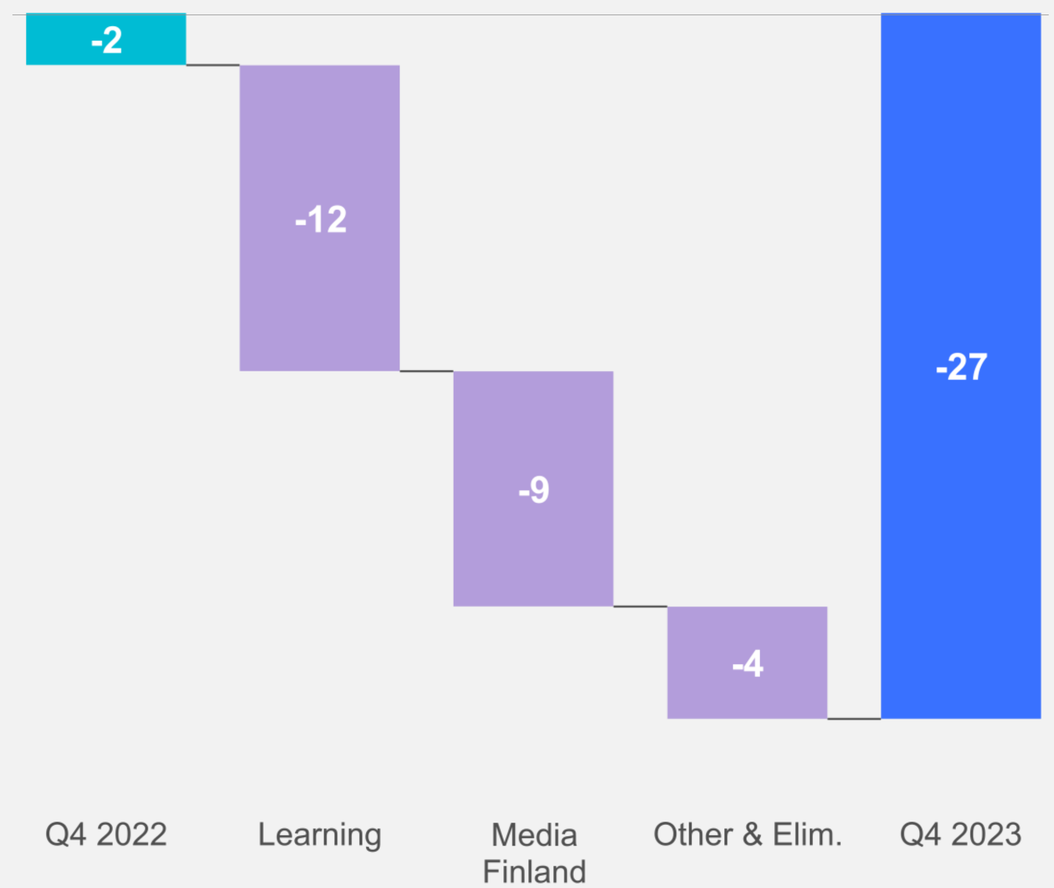
Q4 2023

Increased seasonality due to larger Learning business

Learning	–	Normalised phasing between Q3 and Q4 compared to delayed deliveries in Spain and the Netherlands in 2022
	+	Different sales mix in Poland with larger share of higher margin sales
Media Finland	–	Lower advertising and external printing sales
	–	Higher personnel costs due to salary inflation and normalised bonus provisions
	–	Higher TV program costs driven by Elisa deal and higher amortisation of TV broadcasting rights before year-end
	+	Lower paper, printing and distribution costs, other active cost containment actions
Other & elim.	–	Higher personnel costs due to normalised bonus provisions
	–	Different phasing of costs vs. PY

Operational EBIT excl. PPA Q4 2023 vs. Q4 2022

m€

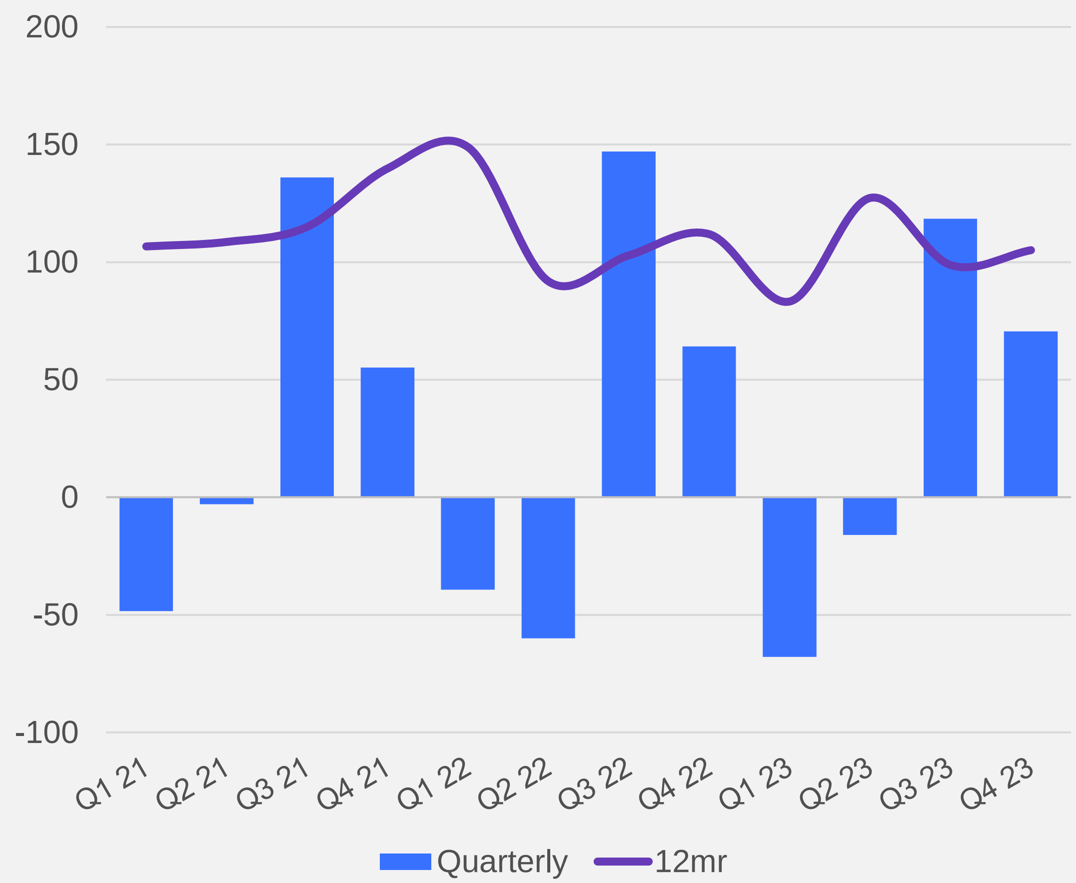


Solid improvement in the underlying free cash flow

- Free cash flow in 2023 was 105m€ (2022: 112)
  - \+ Active working capital management in Learning
  - \+ Lower taxes
  - \+ Lower capital expenditure
  - – Higher financing costs
  - – Lower earnings in Media Finland
  - – Impact of the Italian and German businesses due to the timing of the closing in August 2022
- For FY 2024, free cash flow expected to be similar to 2023
  - \+ Lower content creation investments with no major curriculum renewals
  - \+ Maintaining the improved working capital management
  - – Further increase in financing costs due to refinancing of 200m€ bond maturing in March
  - – Solar IACs partially mitigated by the first benefits of the program

Free cash flow

m€



Free cash flow = Cash flow from operations less capital expenditure

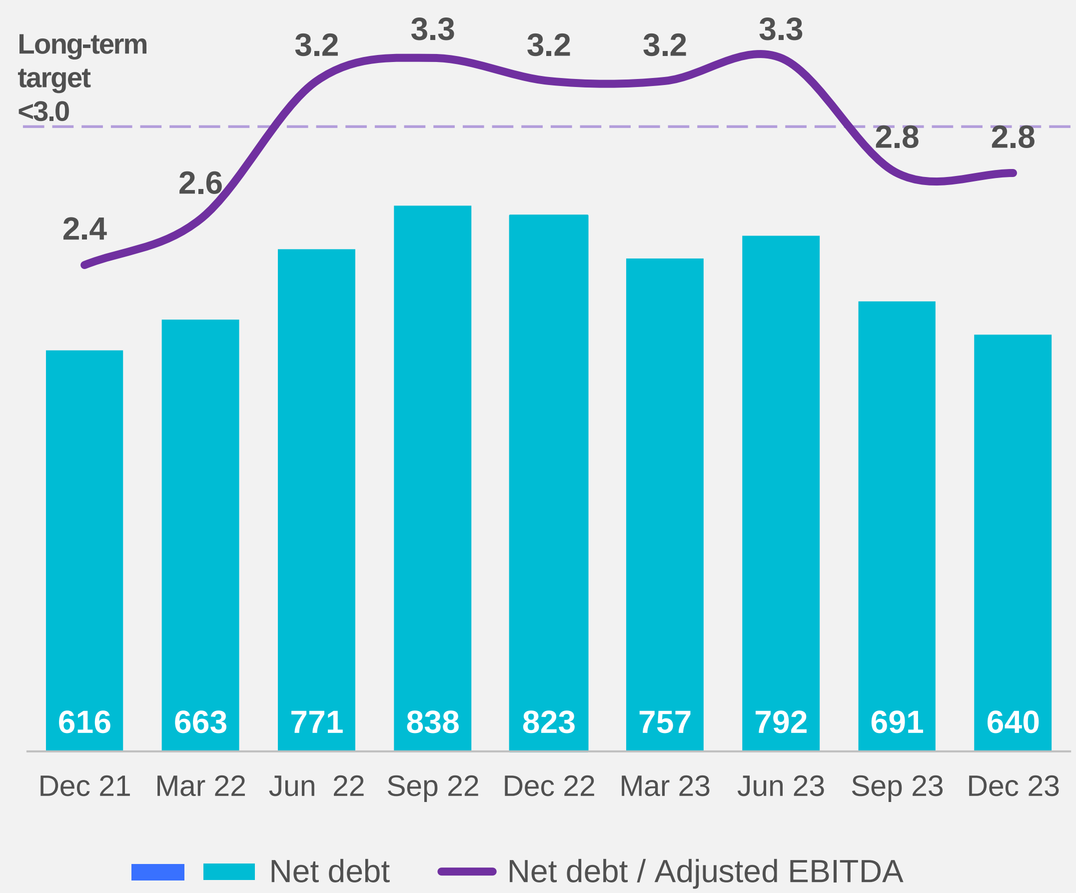
sanoma

Leverage remains below the long-term target level

- Net debt amounted to 640m€ and decreased both vs. PY and end of Q3 in-line with the annual seasonality of Learning
  - Net debt / Adj. EBITDA at 2.8 (2022: 3.2)
  - Equity ratio improved to 42.5% (2022: 35.8%)
- Net financial items increased to -31m€ (2022: -13) in 2023 due to the increase in interest rates
  - Average interest rate of external loans 3.6% (2022: 1.5%)
  - In Q4, the net financial items amounted to -7m€ (2022: -6)
- 150m€ hybrid bond booked as equity, and excluded from net debt and net financial items

Net debt

m€

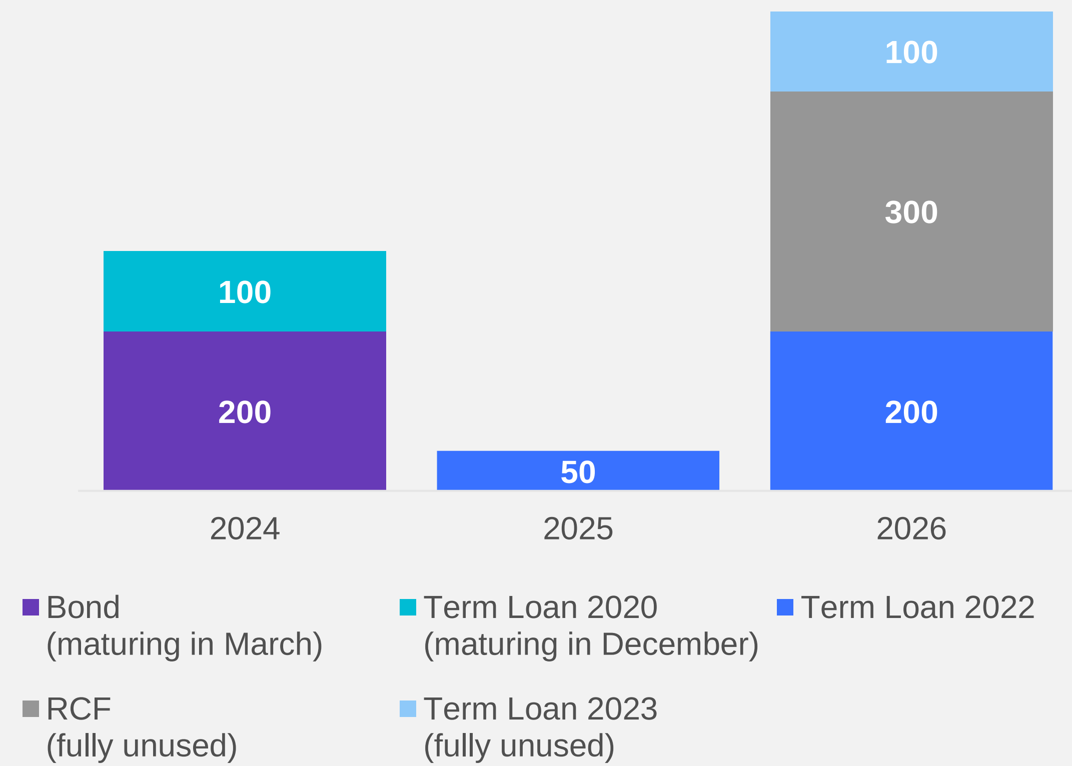


Refinancing in place for 200m€ bond maturing in March 2024

- 200m€ bond maturing in March 2024 will be paid back with
  - New 100m€ term loan that was signed in October and will be drawn down in March
  - Maturity of the term loan is 12 months + 10 months extension option at Sanoma's discretion
  - Existing funding facilities
- In addition, maturity of the 300m€ Revolving Credit Facility was extended to November 2026

Maturity profile of external debt

m€, 31 December 2023



More information on the debt portfolio is available in the appendix on p. 31

Q&A

Financial reporting in 2024

Annual Report 2023	week 10
AGM 2024	17 April
Interim Report Q1 2024	8 May
Half-Year Report 2024	24 July
Interim Report Q3 2024	31 October

Appendix

Sanoma in **2023**

NET SALES
1,393m€

NON-PRINT SALES
51%

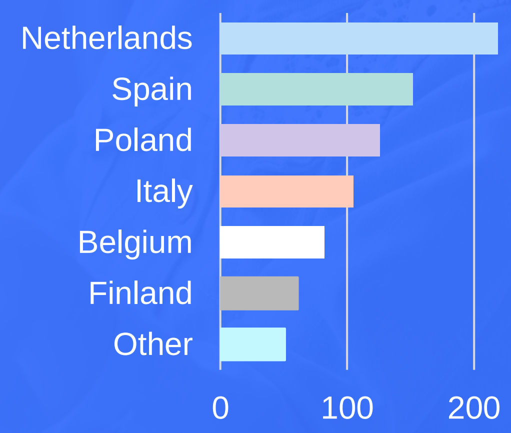
OPERATIONAL EBIT MARGIN
12.6%

PERSONNEL
over 5,000

Learning

Net sales **795m€**
Non-print **48%**
Margin **18.7%**

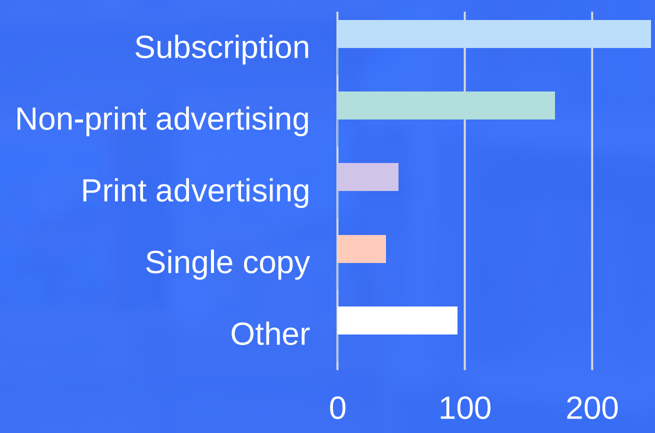
Net sales, m€



Media Finland

Net sales **598m€**
Non-print **54%**
Margin **6.7%**

Net sales, m€



Group key figures Q4 2023

m€	Q4 2023	Q4 2022
Net sales	253.4	259.5
Operational EBITDA	27.8	45.3
margin	11.0%	17.4%
Operational EBIT excl. PPA	-27.0	-2.3
margin	-10.7%	-0.9%
EBIT	-51.4	-20.8
Result for the period	-44.6	-21.1
Free cash flow	70.5	64.2
Equity ratio	42.5%	35.8%
Net debt	639.7	823.4
Net debt / Adj. EBITDA	2.8	3.2
Operational EPS, €	-0.22	-0.07
EPS, €	-0.29	-0.13

	Q4 2023	Q4 2022
Average number of employees (FTE)	5,119	5,018
Number of employees at the end of the period (FTE)	5,017	5,079

sanoma

Group key figures FY 2023

m€	FY 2023	FY 2022
Net sales	**1,392.9**	1,298.3
Operational EBITDA	**358.3**	355.4
margin	**25.7%**	27.4%
Operational EBIT excl. PPA	**175.4**	189.3
margin	**12.6%**	14.6%
EBIT	**51.7**	112.0
Result for the period	**4.1**	77.0
Free cash flow	**105.1**	111.7
Equity ratio	**42.5%**	35.8%
Net debt	**639.7**	823.4
Net debt / Adj. EBITDA	**2.8**	3.2
Operational EPS, €	**0.39**	0.65
EPS, €	**-0.03**	0.47

	FY 2023	FY 2022
Average number of employees (FTE)	**5,119**	5,018
Number of employees at the end of the period (FTE)	**5,017**	5,079

Learning: Quarterly key figures

m€	FY 23	FY 22	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
Net sales	795.2	681.0	100.4	430.4	188.0	76.3	101.6	360.3	149.8	69.3
Operational EBITDA	237.6	212.8	-5.5	186.4	69.5	-12.9	4.8	150.7	58.6	-1.3
Operational EBIT excl. PPA	148.4	131.8	-30.6	164.3	48.3	-33.5	-18.9	129.4	41.0	-19.7
margin	18.7%	19.4%	-30.5%	38.2%	25.7%	-43.9%	-18.6%	35.9%	27.4%	-28.4%
IACs	-43.4	-32.2	-12.2	-23.2	-5.9	-2.0	-6.3	-22.3	-2.6	-1.0
PPAs	-34.5	-32.5	-8.2	-8.7	-9.3	-8.3	-8.8	-8.7	-7.9	-7.0
EBIT	70.6	67.2	-51.1	132.4	33.1	-43.8	-34.0	98.4	30.5	-27.7
Capital expenditure	33.8	40.4	10.2	6.0	9.5	8.1	12.5	7.7	11.2	8.9
Average number of employees (FTE)	2,849	2,717	2,849	2,863	2,855	2,834	2,717	2,674	2,605	2,591

sanoma

Media Finland: Quarterly key figures

m€	FY 23	FY 22	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
Net sales	**597.8**	618.1	**153.1**	149.9	153.4	141.5	158.0	154.8	163.7	141.6
Operational EBITDA	**132.4**	150.2	**38.6**	35.9	31.3	26.6	41.7	39.2	38.8	30.7
Operational EBIT excl. PPA	**39.8**	65.8	**9.2**	16.8	8.7	5.1	18.1	20.6	17.2	9.9
margin	**6.7%**	10.6%	**6.0%**	11.2%	5.7%	3.6%	11.4%	13.3%	10.5%	7.0%
IACs	**-41.3**	-4.6	**-2.3**	-0.5	-36.5	-1.9	-2.5	-0.7	-0.8	-0.6
PPAs	**-6.8**	-6.9	**-1.8**	-1.6	-1.7	-1.7	-1.7	-1.7	-1.8	-1.8
EBIT	**-8.4**	54.3	5.1	14.6	-29.5	1.5	13.9	18.2	14.6	7.5
Capital expenditure	**8.6**	8.9	1.9	1.3	2.7	2.7	2.3	2.6	3.0	1.1
Average number of employees (FTE)	**2,144**	2,160	**2,144**	2,148	2,132	2,093	2,160	2,178	2,158	2,099

Finnish advertising market development 1/2

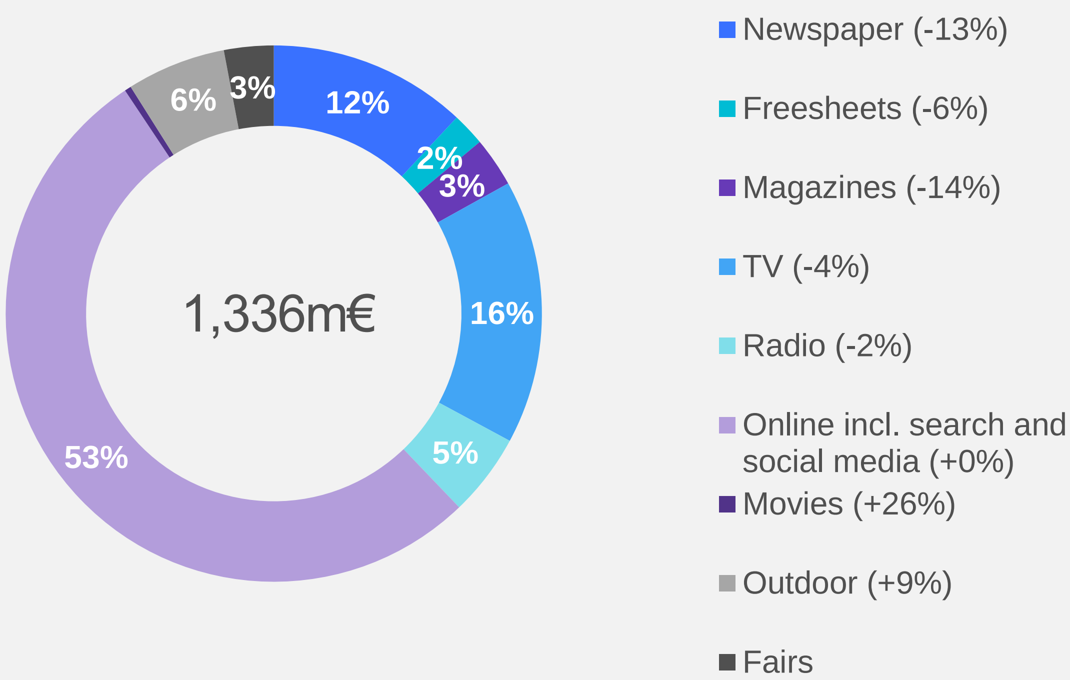
Finnish measured media advertising markets

	FY 23	Q4 23	Q3 23	Q2 23	Q1 23	FY 22	Q4 22	Q3 22	Q2 22	Q1 22
Newspapers	**-13%**	**-13%**	-14%	-11%	-7%	**-7%**	-13%	-7%	-12%	0%
Magazines	**-15%**	**-14%**	-17%	-22%	-6%	**-11%**	-20%	-5%	-5%	-14%
TV	**-4%**	**-6%**	-5%	-4%	-1%	**-3%**	-5%	-4%	-1%	-2%
Radio	**-2%**	**-4%**	0%	-8%	5%	**4%**	-7%	-3%	12%	16%
Online (excl. search and social media)	**-2%**	**-1%**	-2%	-4%	0%	**5%**	-1%	6%	4%	12%
Total market	**-4%**	**-5%**	-6%	-6%	1%	**0%**	-7%	0%	2%	7%

Source: Kantar TNS, Media Advertising Trends, December 2023

Finnish advertising market development 2/2

Share of media advertising groups and development in 2023 (change % vs 2022)



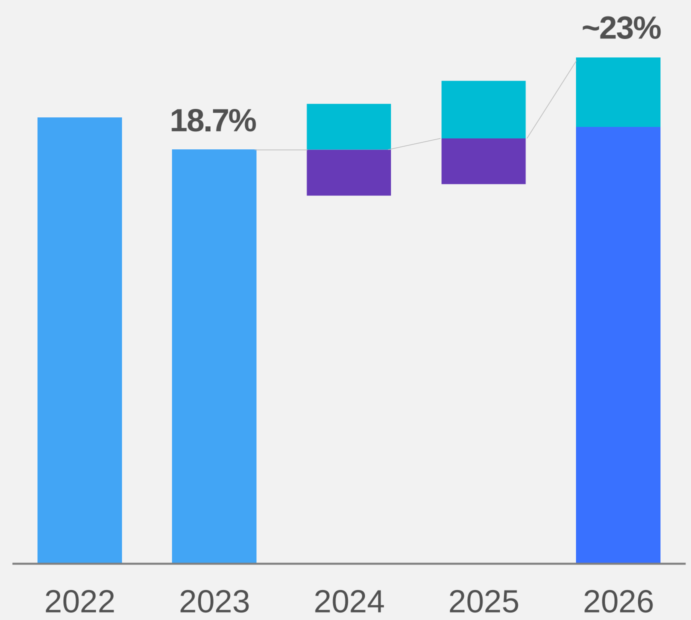
Source: Kantar TNS, Media Advertising Trends, December 2023

Learning's profitability to reach its long-term target of 23% in 2026 through program Solar

- Program "Solar" aims to streamline Learning operations and processes
  - Brings full benefits from the increased scale of the Learning business
- Operational efficiencies amounting to approx. 55m€ annual operational EBIT, from 2026 onwards, are coming from:
  - Organisational optimisation* post curriculum renewals in Poland and Spain
  - Process improvements in all publishing operations
  - Continuing harmonisation of digital learning platforms
  - Overhead and other optimisations* across the SBU
- Costs related to Solar totalling ~45m€, booked as IACs in Learning
  - 22m€ of IACs booked in 2023
  - Rest of the costs expected in 2024
- The margin improvement from Solar is expected to come with net sales in 2026 back to the 2023 peak levels due to
  - Lower demand for learning content in 2024−2025 after recent curriculum renewals
  - Continuing rationalisation of lower margin contracts and businesses
- In addition to improving margins, our focus in 2024−2026 will be on improving our K12 offering, small in-market acquisitions and deleveraging the balance sheet

Full margin potential will be visible in 2026

Operational EBIT margin excl. PPA, %



sanoma

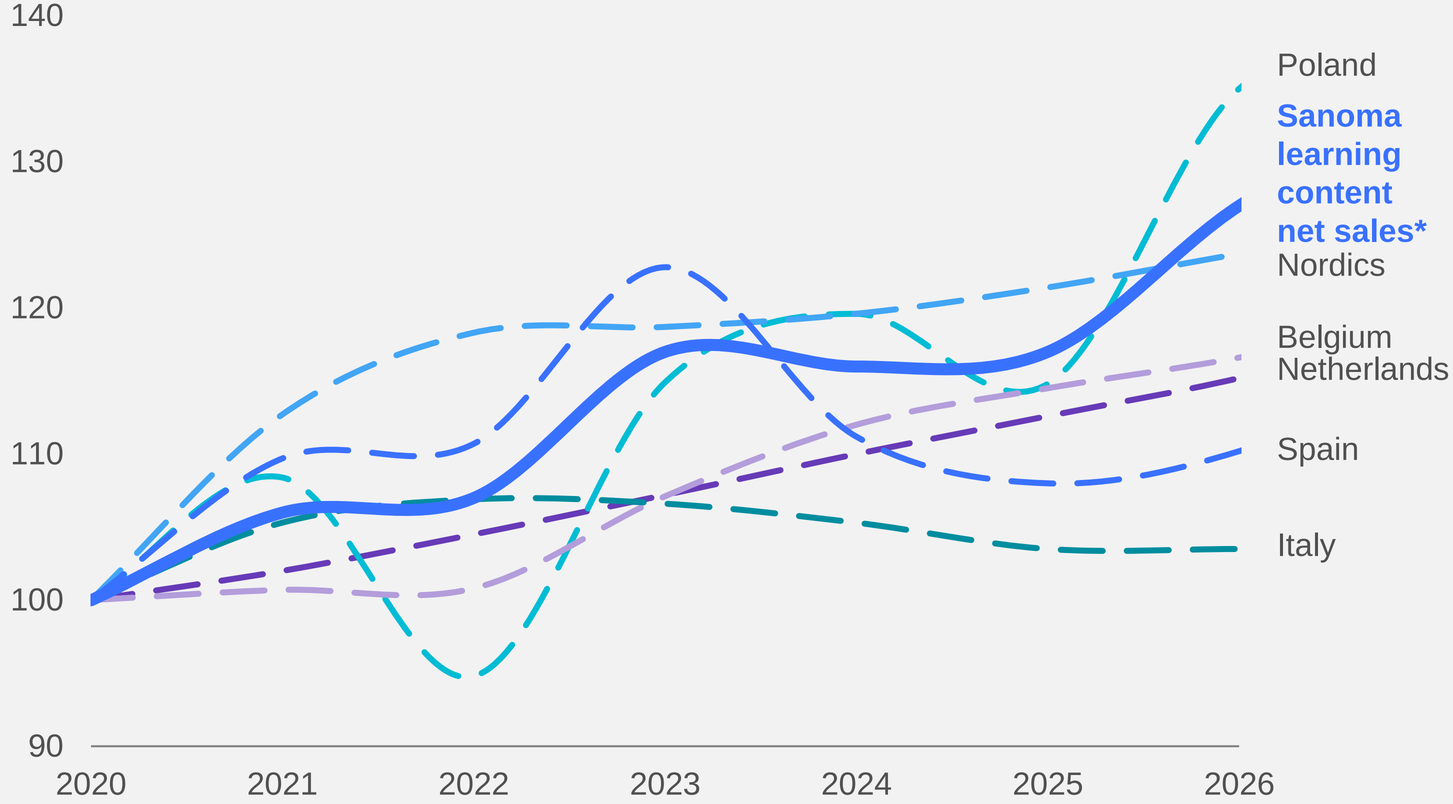
* All organisational optimisation actions are subject to works council negotiations and other local legal procedures.

Learning content sales vary driven by curriculum renewals in our major operating countries

Learning content **74%** of net sales in 2023

- Expected development of learning content sales in 2024−2026 is a function of changes in
  - Number of students ↘
  - Expenditure ↗
  - Market share ↗
- Mix within learning content sales is changing

K12 publishing market values in Sanoma's key operating countries indexed to 2020

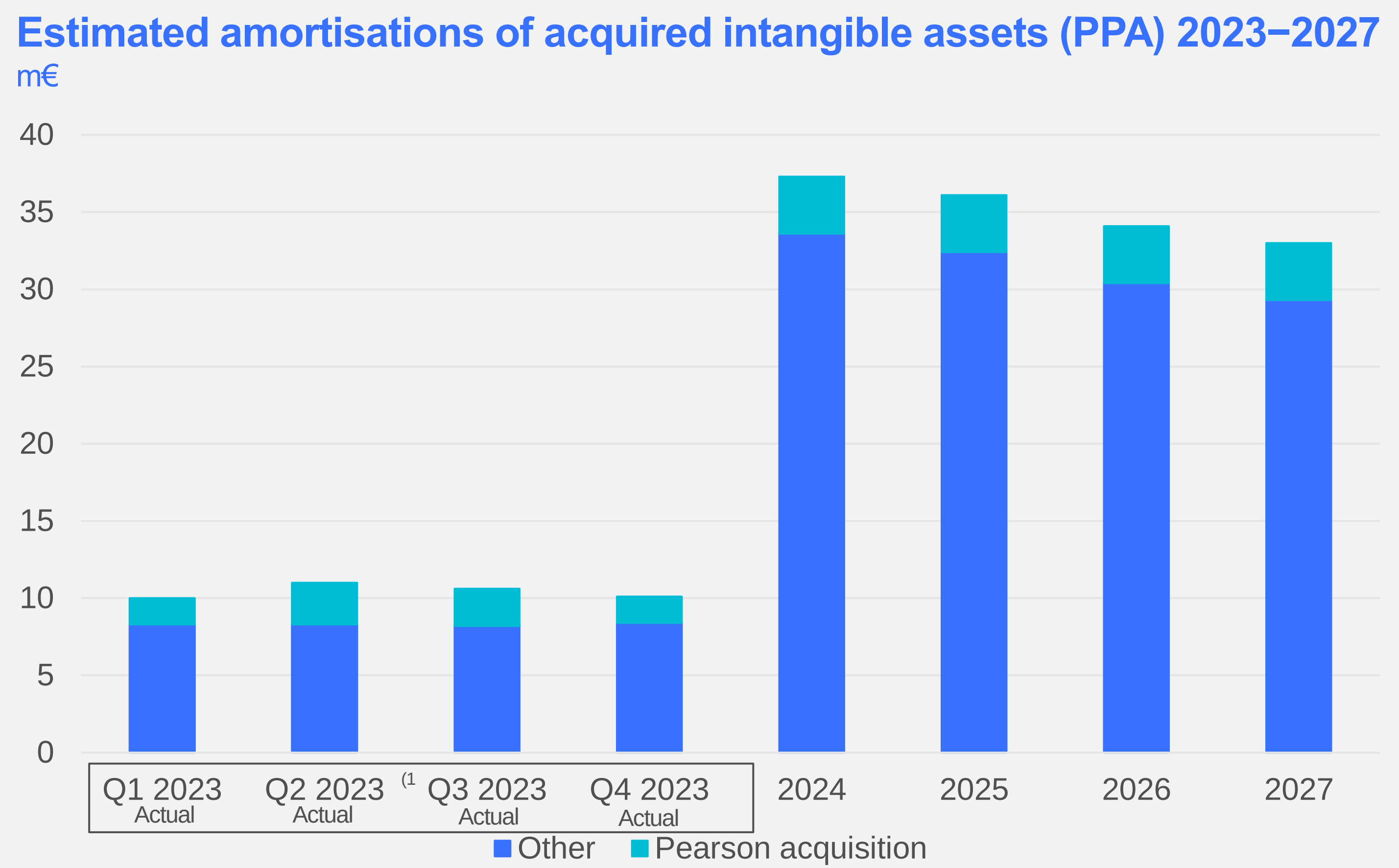


sanoma

* Sanoma learning content net sales excl. the impact of Pearson acquisition in 2022 and 2023

Estimated amortisations of acquired intangible assets (PPA) of the Group

- Acquired subsidiaries are consolidated using the acquisition method, whereby the cost is allocated to the acquired assets and liabilities assumed at their fair value on the date of acquisition
- With regard to the acquisition of new assets, the Group assesses the expected useful life of the intangible right and determines the useful life on the basis of the best knowledge available on the assessment date
- Amortisation is calculated using the straight-line method
- More information about the accounting policies related to intangible assets can be found in the Financial Statements 2022
- The annual PPA amortisation related to the Pearson acquisition (closed on 31 August 2022) is approx. 4m€, and an additional approx. 10m€ of inventory step-up amortisations is booked in the first 24 months after the closing

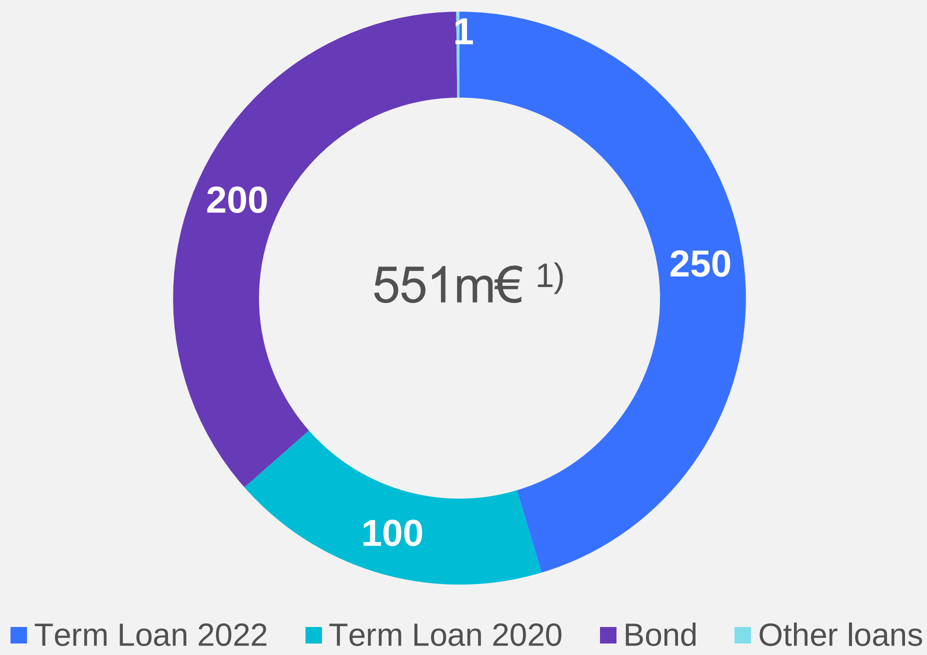


[1] The Pearson acquisition related PPA amortisations in Q2 and Q3 2023 are higher due to the inventory step-up amortisations

We have a well-balanced debt portfolio

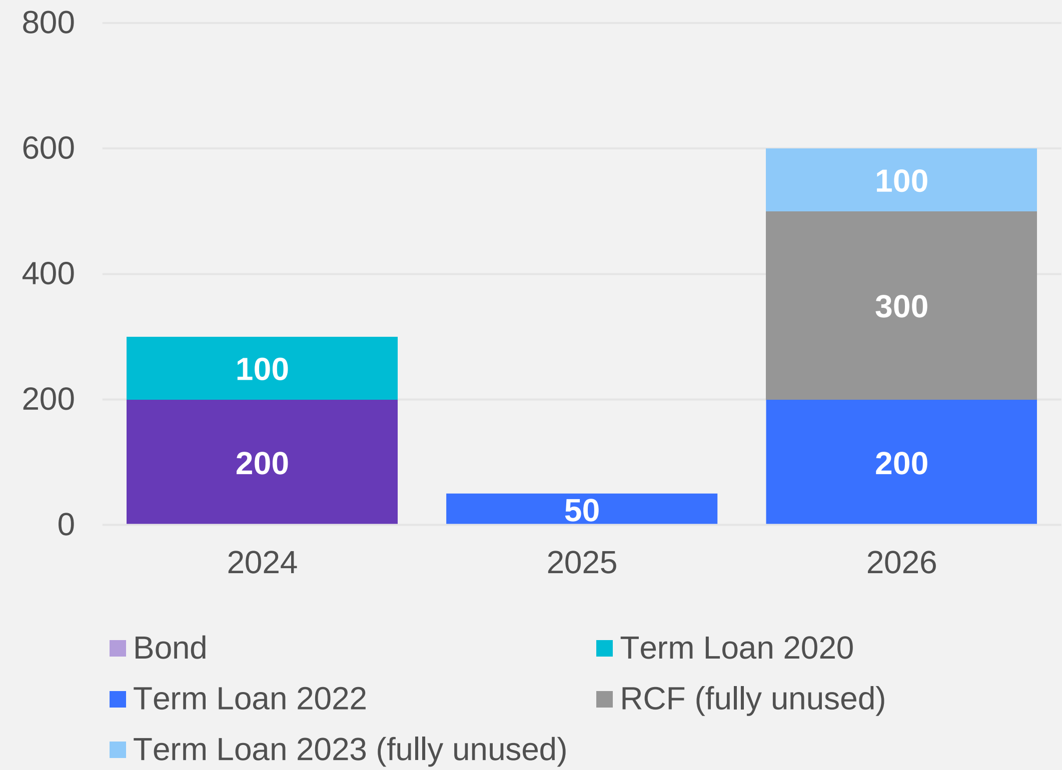
External debt structure [1)]

m€, 31 December 2023



Maturity profile 2024–2026

m€, 31 December 2023



[1)] Excl. IFRS 16 liabilities

150m€ hybrid bond was issued in March

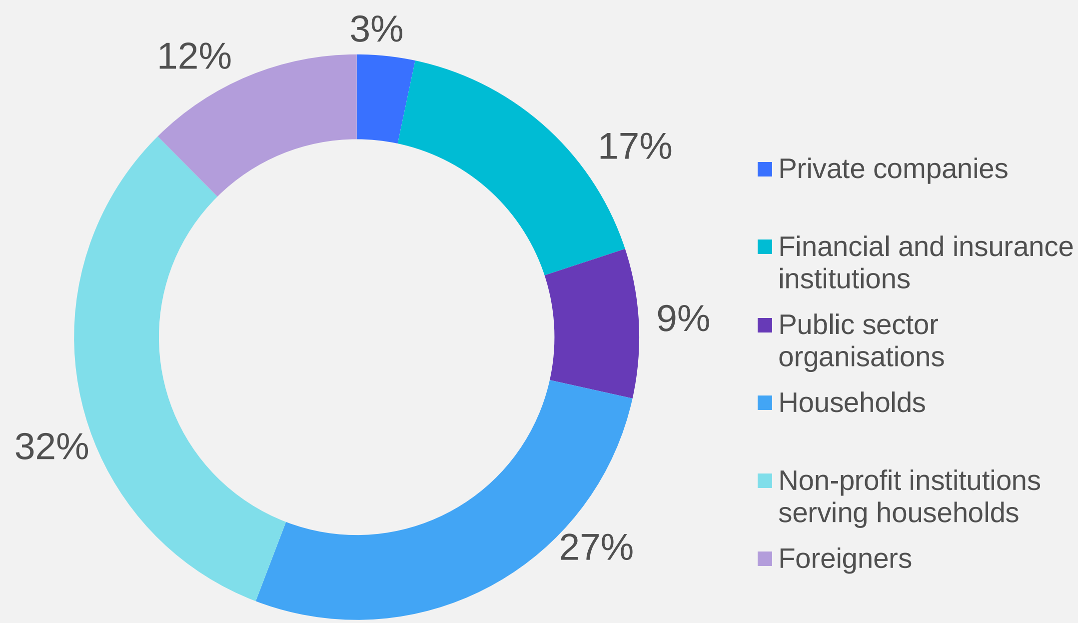
- The bond seen as the best way to strengthen the balance sheet and to increase financial flexibility that supports the execution of the strategic plan at all times
- With the learning business being an increasing part of Sanoma, its annual cyclicality relating to the school year cycle requires different levels of capital during H1 and H2
- The hybrid bond is treated as equity in the consolidated financial statements and is not included in net debt or leverage
- Fixed coupon interest of 8.0% p.a.
- Reset date 16 March 2026

Largest shareholders
30 December 2023

Largest shareholders

	Shareholders	Number of shares	% of shares
1.	Jane and Aatos Erkko Foundation	39,820,286	24.35
2.	Holding Manutas Oy	21,585,000	13.2
3.	Langenskiöld Robin	12,273,371	7.5
4.	Seppälä Rafaela	7,654,746	4.68
5.	Varma Mutual Pension Insurance Company	5,538,352	3.39
6.	Helsingin Sanomat Foundation	4,701,570	2.87
7.	Ilmarinen Mutual Pension Insurance Company	4,007,300	2.45
8.	Noyer Alex	3,213,277	1.96
9.	Elo Mutual Pension Insurance Company	2,188,000	1.34
10.	Bernardin-Aubouin Lorna	1,852,470	1.13
	10 largest shareholders, total	**102,834,372**	**62.87**
	Foreign holding	15,105,793	9.24
	Other shareholders	45,625,498	27.89
	Total number of shares	**163,565,663**	**100.00**
	Total number of shareholders	**24,756**	

Holding by sector



Analyst coverage

Carnegie Investment Bank	Pia Rosqvist-Heinsalmi	+358 9 6187 1232
Danske Markets Equities	Sami Sarkamies	+358 10 546 8468
Inderes	Petri Gostowski	+358 40 821 5982
Kepler Cheuvreux	Kristoffer Carleskär	+44 207 621 5149
Nordea	Sanna Perälä	+358 40 779 0845
OP Corporate Bank	Kimmo Stenvall	+358 10 252 4561
SEB	Maria Wikström	+358 9 6162 8685

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.

Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Sanoma or otherwise to engage in any investment activity.

Please contact our Investor Relations:

Kaisa Uurasmaa, Head of IR & Sustainability

+358 40 560 5601 | kaisa.uurasmaa@sanoma.com

ir@sanoma.com | www.sanoma.com