



AGM 2022

2021: Year of strong growth and improved sustainability performance

Susan Duinhoven, President & CEO

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Successful year with strong growth in a pandemic environment



Strong operational resilience also in the second year of corona pandemic



Integration of the acquired businesses proceeded successfully



Digitalisation continued to support business transformation



ESG performance improved

2021: Strong growth in net sales and operational EBIT in both businesses

Net sales

1,252m€

(2020: 1,062)

Comparable net sales growth

7%

(2020: -4%)

Operational EBIT excl. PPA

197m€

(2020: 157)

Operational EBIT margin excl. PPA

15.8%

(2020: 14.7%)

Free cash flow

140m€

(2020: 95)

Net debt/Adj. EBITDA

2.4

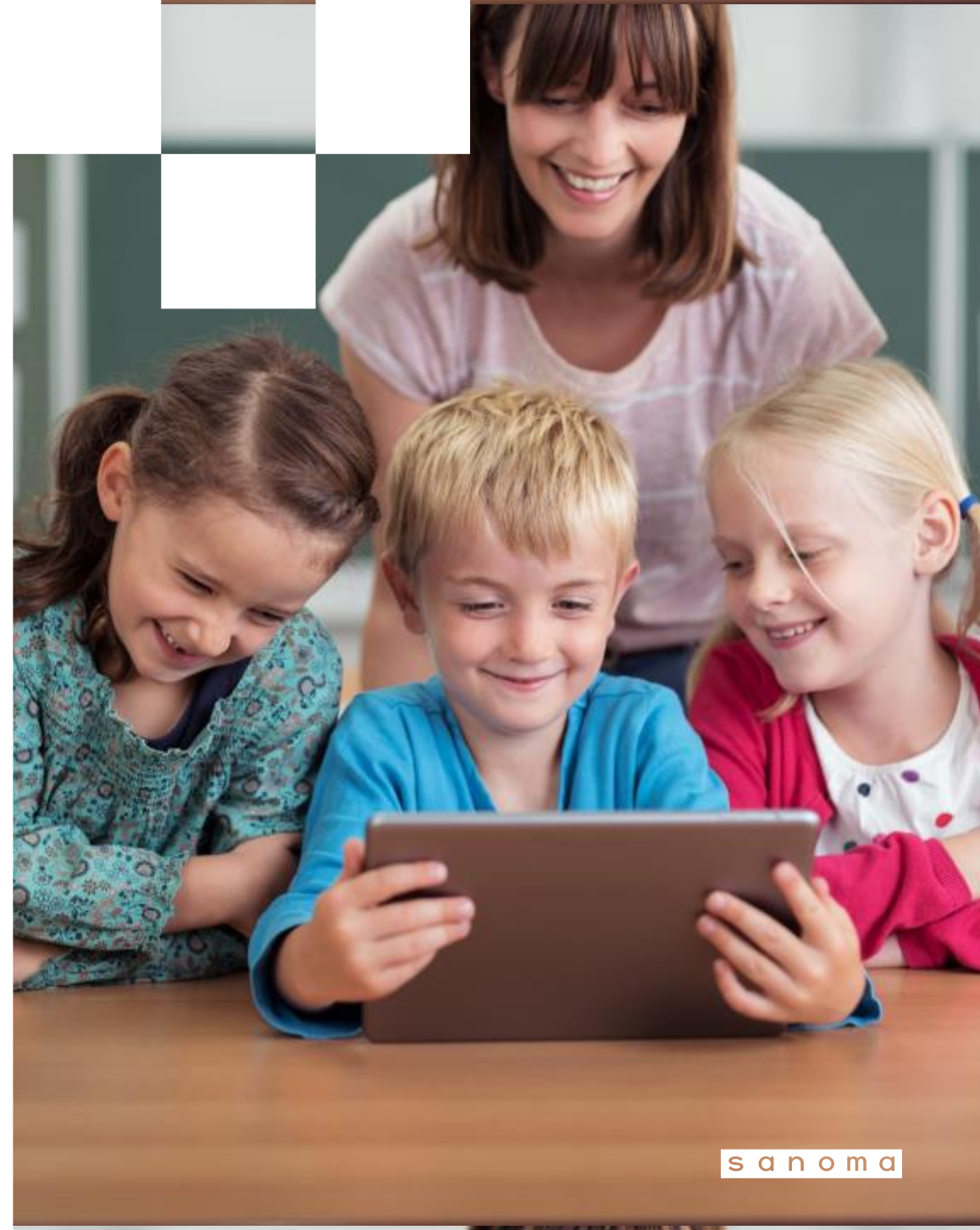
(2020: 2.6)

- The Group's net sales grew by 18% with 7% comparable growth
- Operational EBIT excl. PPA improved by 26% following the net sales growth
- Free cash flow improved by 45m€ following the EBITDA improvement incl. Santillana acquisition
- Leverage improved to 2.4, well below our long-term target of <3.0



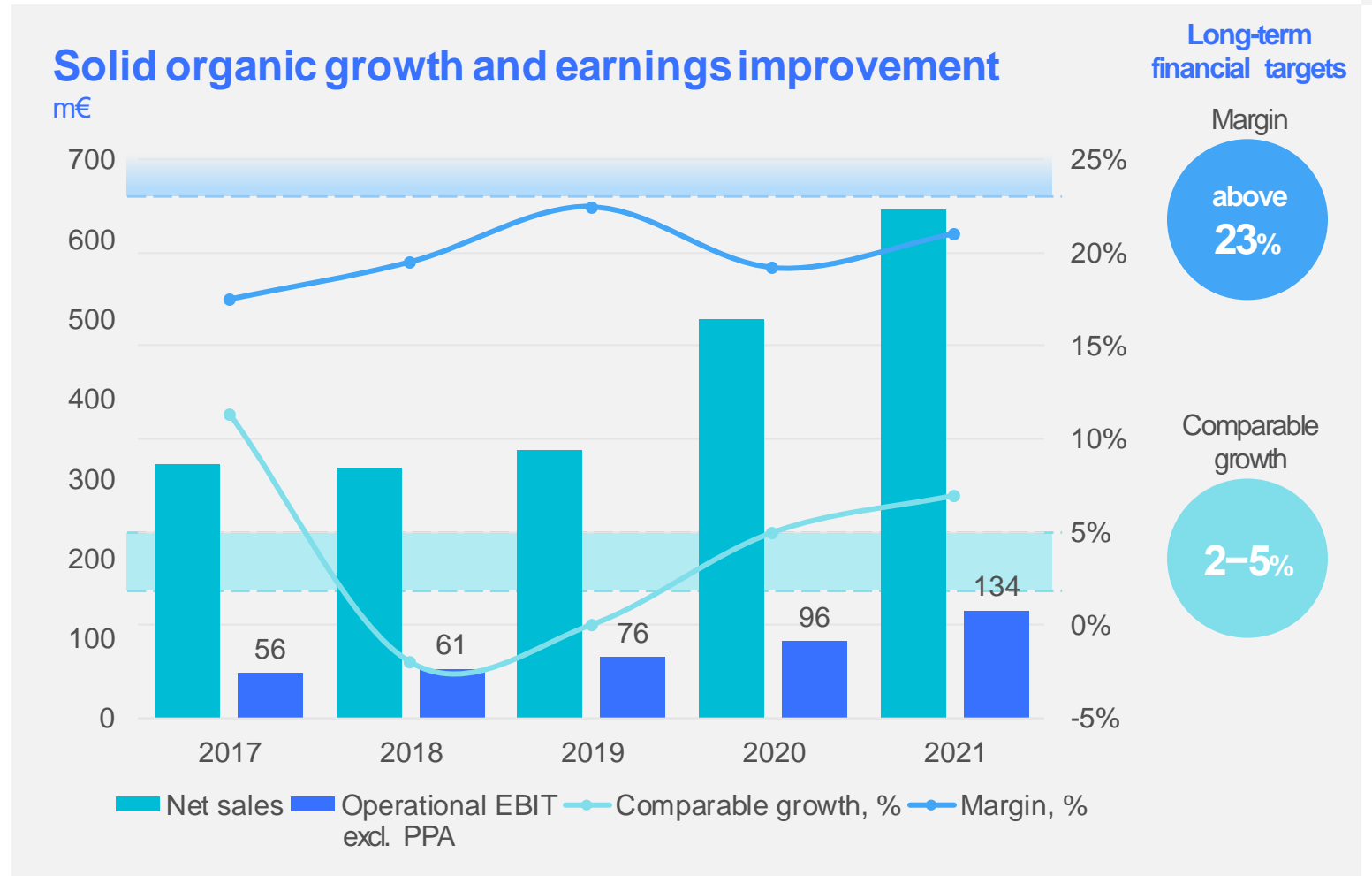
Organic growth and Santillana acquisition drove net sales...

- Net sales grew by 28% to 637m€ (2020: 500)
 - Comparable growth was 7% (2020: 5%), above our long-term target of 2–5%
- Learning material sales grew across all markets, strongest growth in Poland and the Netherlands
 - In Poland, the latest curriculum renewals amplified the sales
 - In the Netherlands, shift to subscription model and overall increased spending on education drove growth
 - Market shares grew in both key markets
- Digital learning platform business grew as a result of sales to new customers especially in Germany



... and resulted in strong profitability improvement

- Operational EBIT excl. PPA grew by 40% to 134m€ (2020: 96) following the net sales growth
 - Majority of the improvement resulted from the acquisition of Santillana in Spain
 - Strong organic growth further contributed to earnings improvement
- Margin improved by 1.8%-points to 21.0% (2020: 19.2%)



Santillana integration progressed well in 2021

- Over 500 new colleagues joined Sanoma on 31 Dec 2020 with the acquisition of Santillana in Spain
- The integration has progressed according to plan and Santillana's first year as part of Sanoma was successful
- Achieving of the targeted annual synergies (approx. 4m€) in-line with plans
 - The synergies are expected to be realised in full by 2023
 - Mainly relate to procurement, technology as well as shared operations and support functions
- The Santillana team is well prepared for the educational reform in 2022–23
 - Pace and phasing continue to be partially uncertain
 - Local authorities in Spain have not yet concluded their decision taking

Solid net sales growth...

- Net sales grew by 9% to 615m€ (2020: 563), organic growth 7%
- Solid growth in subscription sales
 - Number of HS subscriptions grew by 1% y-o-y, more than 70% of HS subscriptions generate digital revenues
 - Number of Ruutu+ subscriptions grew by 15% y-o-y to around 320,000 in total
- Advertising sales grew by 7% y-o-y while still being 5% below the 2019 level ⁽¹⁾
 - Strong 21% growth in digital advertising sales outweighs the decline in print ⁽¹⁾
 - At the end of 2021 digital advertising sales in news & feature already larger than print
- Net sales of the events business were 14m€ (2020: 0), representing less than half of the 2019 level with no profit contribution



...and corresponding earnings improvement

- Operational EBIT excl. PPA increased by 10% to 74m€ (2020: 67), margin stable at 11.9% (2020: 11.8%)
 - Earnings improvement driven by rebound in advertising and increase in subscription sales
 - Partially offset by higher personnel costs, especially due to lower bonus provisions and pension payments in the previous year

Solid top-line and profitability development



Long-term financial targets

Margin

12-14%

Comparable growth

+/-2%

Integration of the regional news media business was finalised in 2021

- Leading regional newspapers Aamulehti and Satakunnan Kansa as well as 13 smaller newspapers
- Over 350 new employees joined Sanoma – great cultural fit
- Largest synergies from operational efficiency, procurement and IT, as well as shared operations and support functions
- Editorial teams have continued independently and share content between all titles at the direction of the editors-in-chief

Full synergies of
13m€
achieved by 2022
as planned

Strong
20%
growth in digital
subscriptions in
2021

Passionate and dedicated people are key to our success

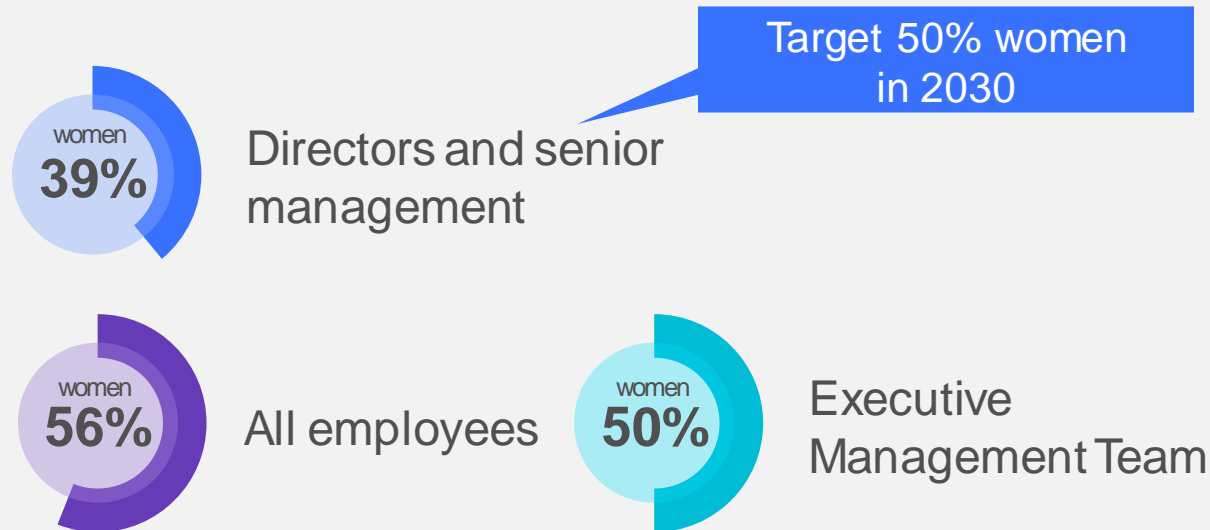
- We employ more than 5,000 people in 11 countries
- Coronavirus pandemic continued to impact our way of working – our initial focus was in ensuring health and safety, and providing best tools and options for the ‘hybrid’ working model
- Annual Employee Engagement Survey brings us valuable insight into employees’ wellbeing, views and development needs
 - High response rate of 90% in 2021
 - Employee Experience Index declined slightly to 7.3 (2020: 7.4) being above the European benchmark – our long-term target is to be at 7.5 or above
- Key focus areas in our people strategy are
 - Being a great workplace with an inspiring and sustainable company culture
 - Promoting wellbeing, training and safety
 - Creating an equal and inclusive workplace together



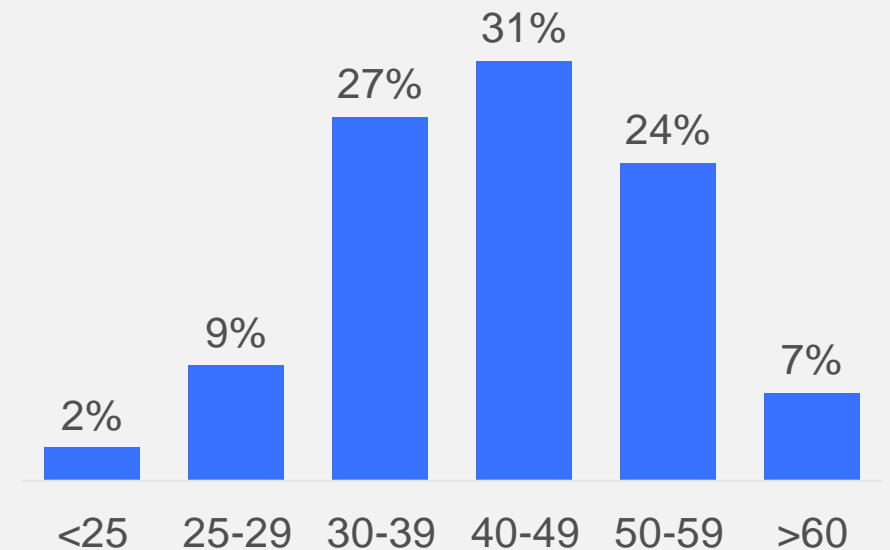
Equal, diverse and inspiring workplace creates better results

- In our 2021 survey, equal opportunities was rated at 7.3 – our target is to be above 7.6
- We take action to enhance diversity, equality and inclusion in 2022 and beyond

Good gender balance, long-term target to increase share of women in senior management



Employees across all age groups



Management team focused on growing Sanoma further

Sanoma Executive Management Team



Susan Duinhoven
President & CEO
(since 1 October 2015)



Alex Green
CFO
(since 1 March 2022)



Rob Kolkman
CEO, Learning
(since 1 January 2019)



Pia Kalsta
CEO, Media Finland
(since 1 January 2015)

Alex Green the new CFO as of 1 March 2022

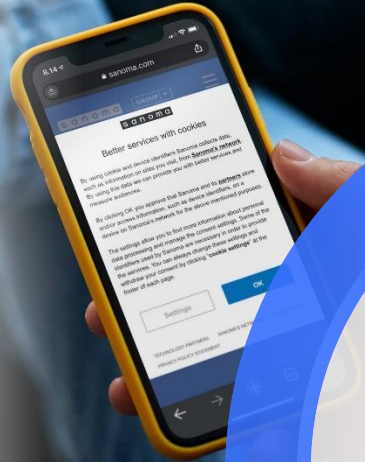
- Alex Green is
 - responsible for the Group's Finance Functions
 - member of Sanoma's Executive Management Team
 - reporting to the President & CEO Susan Duinhoven
- Alex joined Sanoma from eBay, where he has worked as CFO of eBay Classifieds Group (eCG) since 2013
- Sanoma's previous CFO & COO Markus Holm will continue until 1 July 2022 with focus on the hand-over and strategic development projects

Ambitious ESG targets and improved performance in 2021

Trustworthy data

Target: Continuous privacy and security training for our employees

No major data breaches



Positive impact of

Inclusive learning

Empowering learning of over 20 million students

&

Sustainable media

Trusted journalism and inspiring entertainment for all Finns

Valued people

Target: Employee Engagement Index (EEI) above 7.5

EEI 7.3



Responsible business practices

Target: All employees participating in annual conduct trainings

97% of employees participated the Code of Conduct e-learning



Vital environment

Target: Carbon-neutral by 2030

54% decline in our own operations greenhouse gas emissions



Our strong sustainability performance is reflected in improved ESG ratings

MSCI rating

AA

Scale AAA – CCC

Sustainalytics
risk rating

9.8

Scale 0 – 100,
lower score = lower risk

CDP score

B

Scale A – D-

ISS rating

C-

Scale A – D

Upright net impact

AA+

Scale AAA – C

Outlook for 2022

- 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.



Together with our employees, we support the people in Ukraine – limited impact of the war on the business

- We are shocked and appalled by the Russian invasion in Ukraine and we stand with the Ukrainian people
- Sanoma and our employees made donations to the Red Cross to support the humanitarian aid to the Ukraine
- Through our businesses we are supporting in different ways e.g.
 - In Poland, intensive support and communication activities for teachers, students and schools
 - itslearning digital learning platform translated to Ukrainian and Russian
 - All digital news about the war in Ukraine free for all readers
 - Helsingin Sanomat publishes online news in Russian together with Dagens Nyheter (Sweden) and Politiken (Denmark)
- Overall, the war has so far had a limited impact on our business
 - We have discontinued sourcing paper from Russia – complementary supply mainly from Central Europe
 - We expect only some indirect impacts on operating costs and customer demand



Growing through M&A while paying an increasing dividend

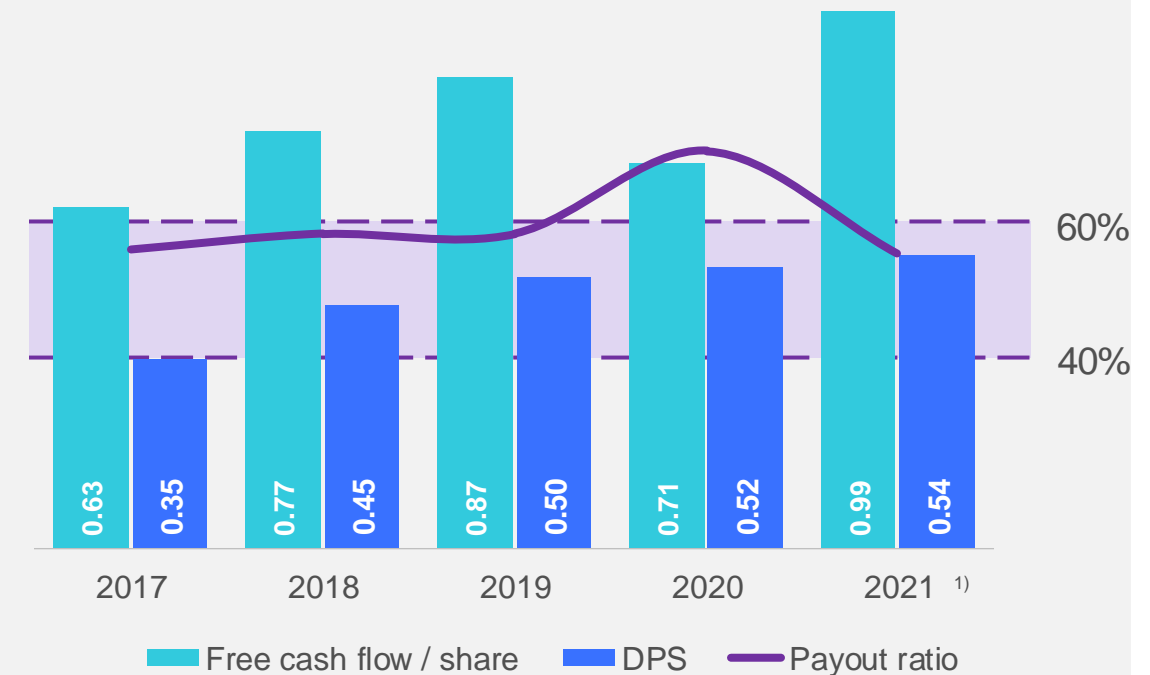
- The Board proposes a dividend of 0.54€ (2020: 0.52) per share to be paid for 2021
 - Representing a total of approx. 88m€
 - Yield 4.0% at the end of 2021
- To be paid in two parts
 - 0.27€ on 20 April (record date 11 April)
 - 0.27€ in November (record date tbc in October)

Dividend policy:

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

Dividend per share

€



¹⁾ Board's proposal. 2021 FCF excl. the net free cash flow impact of the VAT prepayment amounting to 21m€. 2020 FCF excl. the divested Media Netherlands, -22m€.

We have a healthy pipeline of M&A opportunities in K12 learning business



We aim to grow in K12 learning content by

- Strengthening our position in current operating countries
- Entering new geographies where spending on education is stable or increasing
- Expanding also outside Europe as long as it fits our criteria



We aim to acquire businesses that

- Focus on K12 learning content
- Have leading, #1–3 market position
- Operate in markets with high barriers to entry
- Are growing, profitable and cash generative
- Provide opportunities for synergies



Our M&A pipeline is healthy

- Market consolidation driven by accelerating digitalisation
- Majority of potential target companies owned by families, foundations or private equity
- Experienced in complex separations and integrations



Leading learning company capturing growth in an attractive market




- We are one of the global leaders in K12 education serving over 20 million students
- We are Finland's leading cross-media company and we continue our successful digital transformation
- We aim to grow our learning business through M&A while paying an increasing dividend
- Through learning and media, we have a positive impact on the lives of millions of people every day


Thank you for your support!


Appendix




Sanoma in 2021

 **NET SALES**
1,252m€

 **NON-PRINT SALES**
53%

 **OPERATIONAL EBIT MARGIN**
15.8%

 **PERSONNEL**
over 5,000

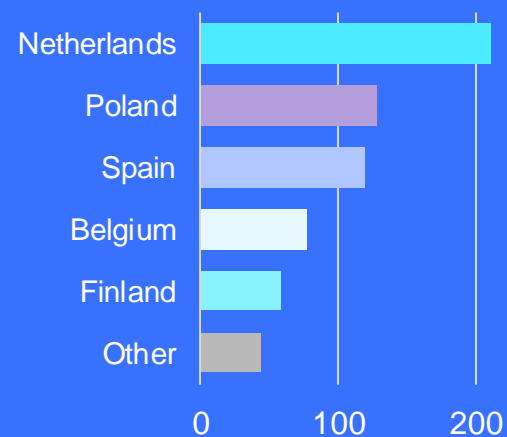
Learning

Net sales **637m€**

Non-print **57%**

Margin **21.0%**

NET SALES



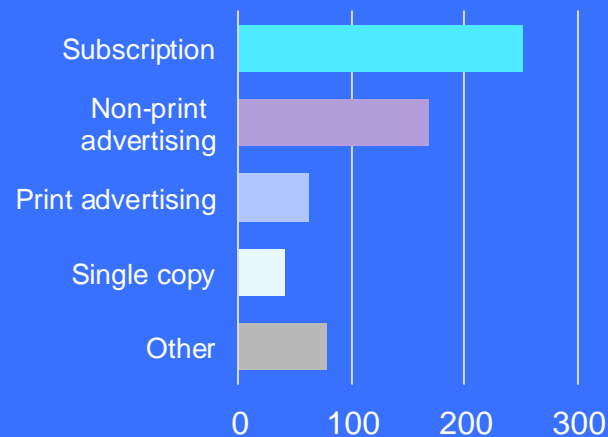
Media Finland

Net sales **615m€**

Non-print **49%**

Margin **11.9%**

NET SALES



Group key figures FY 2021

m€	2021	2020
Net sales	1,251.6	1,061.7
Operational EBITDA	361.0	309.9
margin	28.8%	29.2%
Operational EBIT excl. PPA	197.2	156.5
margin	15.8%	14.7%
EBIT	142.4	270.1
Result for the period	101.4	237.8
Free cash flow	139.7	94.8
Equity ratio	40.6%	37.4%
Net debt	616.4	660.7
Net debt/ Adj. EBITDA	2.4	2.6
Operational EPS, €	0.69	0.58
EPS, €	0.62	1.46

	2021	2020
Average number of employees (FTE)	4,885	4,255
Number of employees at the end of the period (FTE)	4,822	4,806

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

Strong progress towards our long-term financial targets

GROUP	Long-term target	31 Dec 2021
Net debt / adj. EBITDA	below 3.0	2.4
Equity ratio	35-45%	40.6%
Dividend	Increasing dividend 40-60% of free cash flow	55%
LEARNING		FY 2021
Comparable net sales development Operational EBIT margin excl. PPA	2-5% above 23%	7% 21.0%
MEDIA FINLAND		
Comparable net sales development Operational EBIT margin excl. PPA	+/-2% 12-14%	7% 11.9%

Largest shareholders

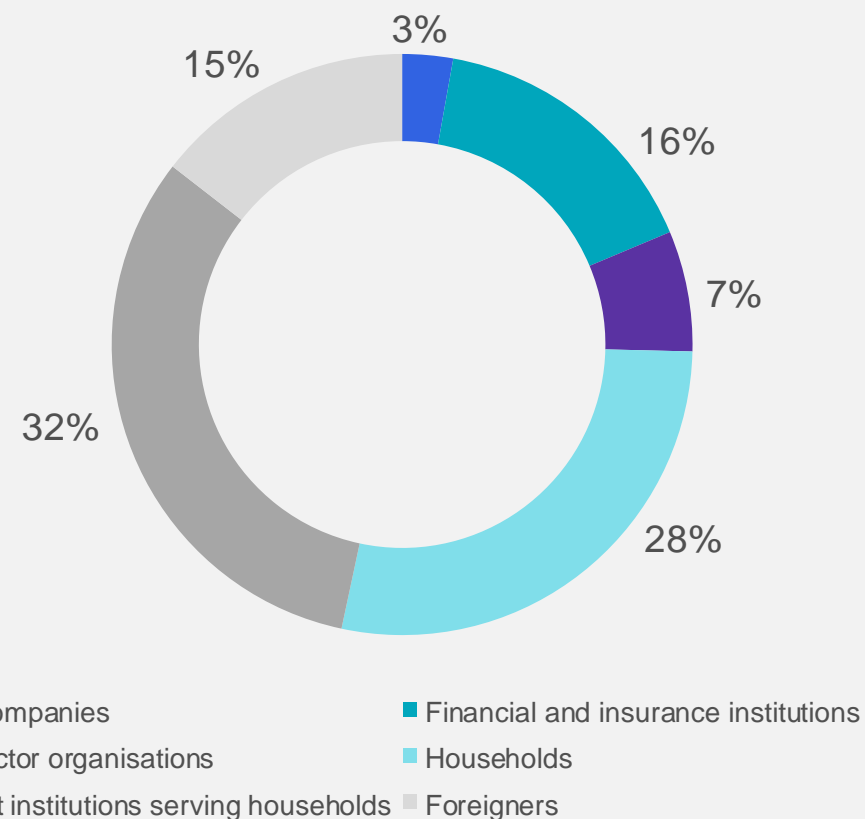
31 March 2022

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 *	19,770,991	12.1
Other shareholders	44,085,904	27.0
Total number of shares	163,565,663	100.0
Total number of shareholders	23,642	

* Including nominee registered shares

Holding by sector



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