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Interim Report Q1 2025

# Improved performance driven by Learning in a seasonally small quarter

Rob Kolkman, President & CEO

Alex Green, CFO



Q1 2025

# Improved performance driven by Learning in a seasonally small quarter

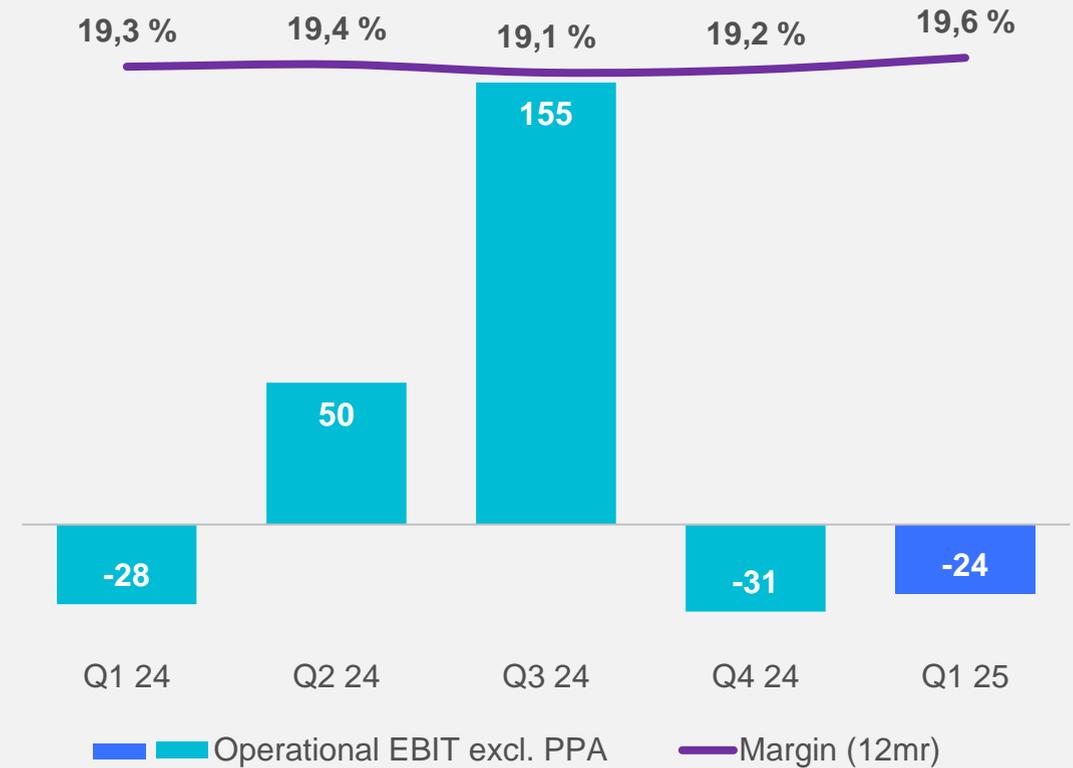
Net sales	Organic net sales development	Operational EBIT excl. PPA	Free cash flow	Net debt / Adj. EBITDA
<b>221 m€</b> (2024: 221)	<b>0%</b> (2024: 5%)	<b>-19 m€</b> (2024: -24)	<b>-30 m€</b> (2024: -44)	<b>2.4</b> (2024: 2.9)

- Net sales were stable with the impact of Learning growth driven by the Netherlands and Poland offsetting the lower advertising sales in Media Finland
- Group's operational EBIT excl. PPA improved in Learning as a result of net sales growth and improved cost efficiency, while being stable in Media Finland
- Free cash flow improved driven by the strong performance and a net working capital improvement
- Program Solar initiatives mostly completed and first impacts visible in free cash flow and cost base
- Continued progress in deleveraging the balance sheet
- **Outlook for 2025 unchanged:**
  - Reported net sales will be 1.28–1.33bn€ (2024: 1.3)
  - Operational EBIT excluding PPA is expected to be 170–190m€ (2024: 180).

# Net sales grew and operational earnings improved

- Net sales increased to 89m€ (2024: 81) in a seasonally small quarter
  - Growth in learning content sales in the Netherlands, partially driven by earlier ordering
  - Increased digital platform sales in Poland
- Operational EBIT excl. PPA improved to -24m€ (2024: -28)
  - Growing net sales
  - First impacts of Solar visible in cost base

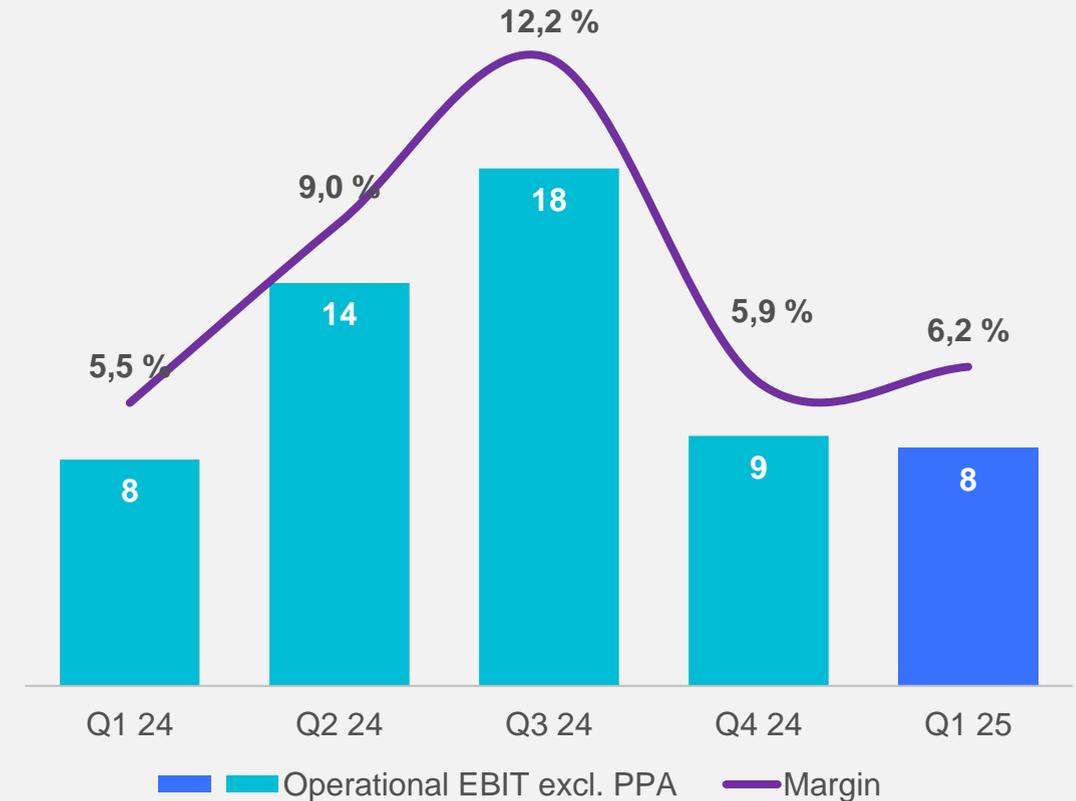
Operational EBIT excl. PPA  
m€



# Stable operational earnings

- Net sales amounted to 132m€ (2024: 140)
    - Advertising sales decreased
      - TV, print and radio decreased incl. the impact of ending the reselling of certain third-party TV channel advertising in the beginning of 2025
      - Digital advertising sales continued to grow
    - Continued growth in subscription sales driven by Ruutu+
  - Operational EBIT excl. PPA stable at 8m€ (2024: 8)
    - Supported by growing subscription sales and lower paper costs, driven by volumes
    - Lower advertising sales had an adverse impact
    - Continuing improvement in operational efficiency
- We expect softness in the advertising market to continue, especially in comparison to Q2 2024

## Operational EBIT excl. PPA m€



# Outlook for 2025 (unchanged)

- In 2025, Sanoma expects that the Group's reported net sales will be 1.28–1.33bn€ (2024: 1.34)
- The Group's operational EBIT excluding PPA is expected to be 170–190m€ (2024: 180)
- The outlook is based on the following assumptions:
  - Demand for learning content will be relatively stable across the Group's main operating markets
  - The advertising market in Finland will be relatively stable



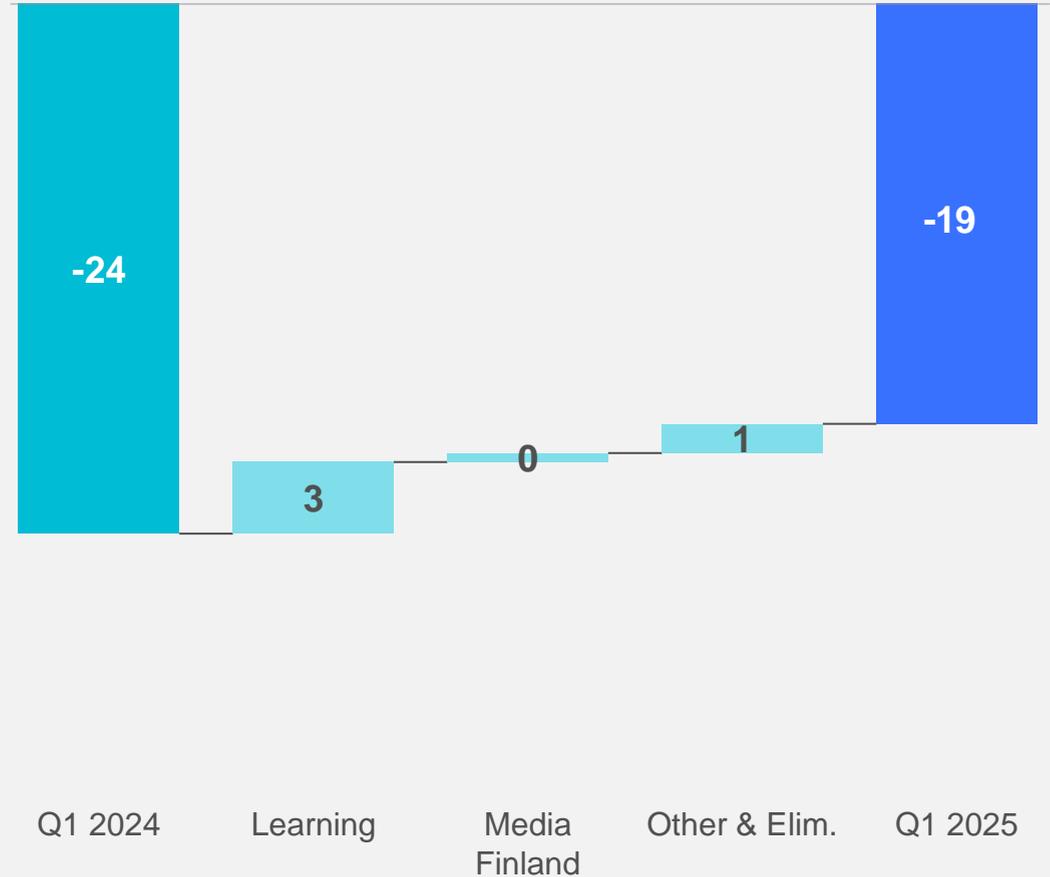
# Financials

Q1 2025

# Improved operational EBIT driven by Learning

<b>Learning</b>	<ul style="list-style-type: none"><li>+ Growth in learning content sales in the Netherlands, partially driven by earlier ordering</li><li>+ Increased digital platform sales in Poland</li><li>+ First impacts of Solar visible in cost base</li></ul>
<b>Media Finland</b>	<ul style="list-style-type: none"><li>+ Continued growth in subscription sales driven by Ruutu+</li><li>+ Lower paper costs driven by volume</li><li>+ Continuing improvement in operational efficiency</li><li>- Lower advertising sales</li></ul>
<b>Other &amp; elim.</b>	<ul style="list-style-type: none"><li>➤ FY 2025 costs expected to be similar to 2024</li></ul>

Operational EBIT excl. PPA Q1 2025 vs. Q1 2024  
m€



# Income statement items relatively stable

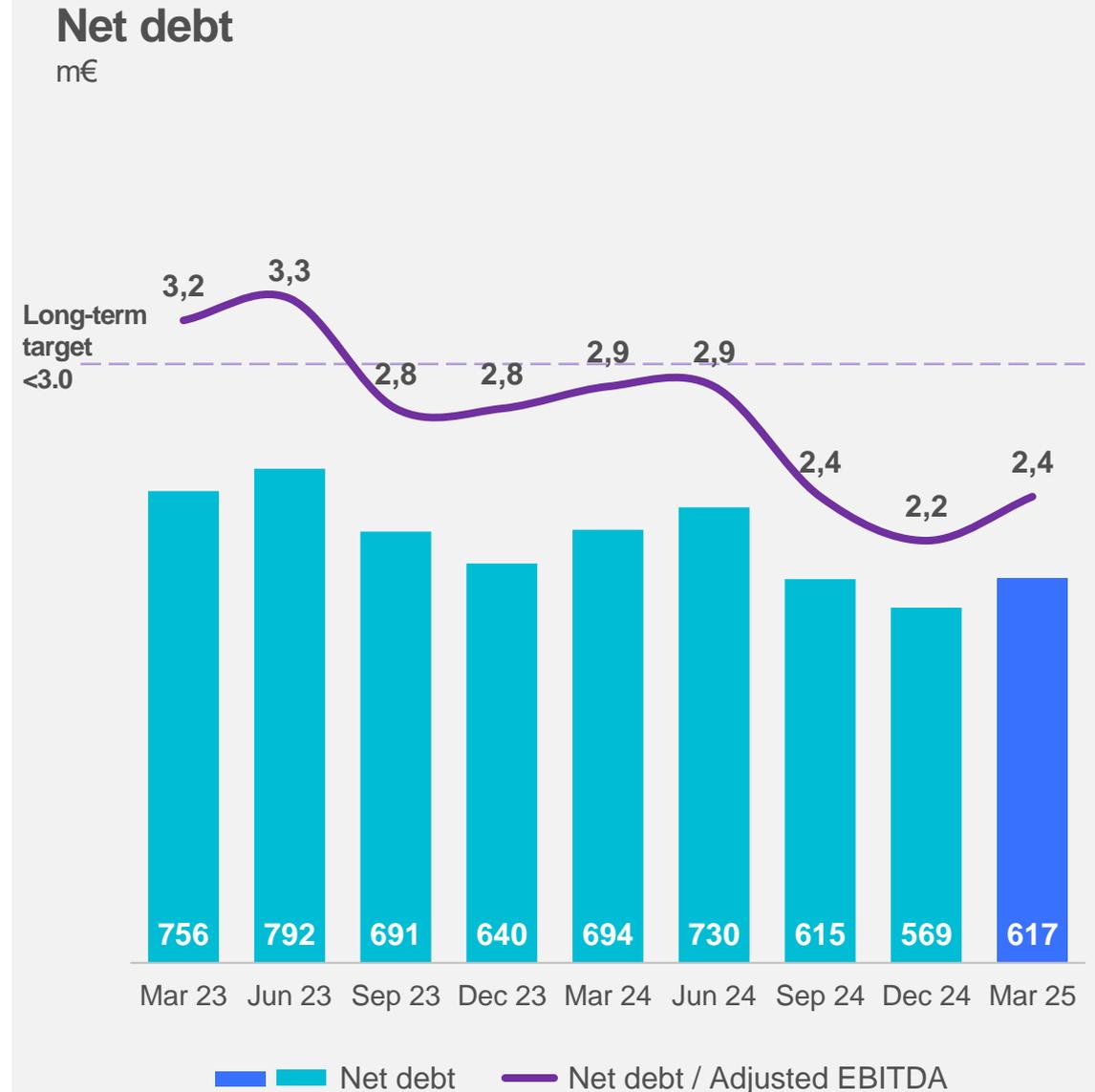
- IACs were -4m€ (2024: 2) and consisted mainly of strategic development costs
  - 1m€ of costs related to Solar
  - Q1 2024 included capital gain from divestments
- EBIT stable as the impact of improved operational earnings was offset by IAC costs (positive IACs in 2024)
- Net financial items declined slightly
  - Lower amount of external debt
  - Average interest rate of external loans relatively stable at 4.2% (2024: 4.3%)

## Key income statement related items Q1 2025

m€	Q1 2025	Q1 2024
<b>Operational EBIT excl. PPA</b>	-18.8	-23.7
IACs	-3.7	1.5
PPAs	-8.8	-9.2
<b>EBIT</b>	<b>-31.3</b>	<b>-31.4</b>
Net financial items	-6.3	-6.8
<b>RESULT BEFORE TAXES</b>	<b>-37.6</b>	<b>-38.3</b>
Income taxes	9.1	10.8
<b>RESULT FOR THE PERIOD</b>	<b>-28.4</b>	<b>-27.6</b>
<b>Operational EPS, €</b>	<b>-0.17</b>	<b>-0.20</b>
<b>EPS, €</b>	<b>-0.19</b>	<b>-0.18</b>

# Continued progress in deleveraging the balance sheet

- Net debt and leverage significantly lower vs. previous year
  - Net debt / Adj. EBITDA improved to 2.4 (2024: 2.9), below the long-term target of < 3.0
- Equity ratio at 42.7% (2024: 42.0%) within the long-term target range of 35–45%

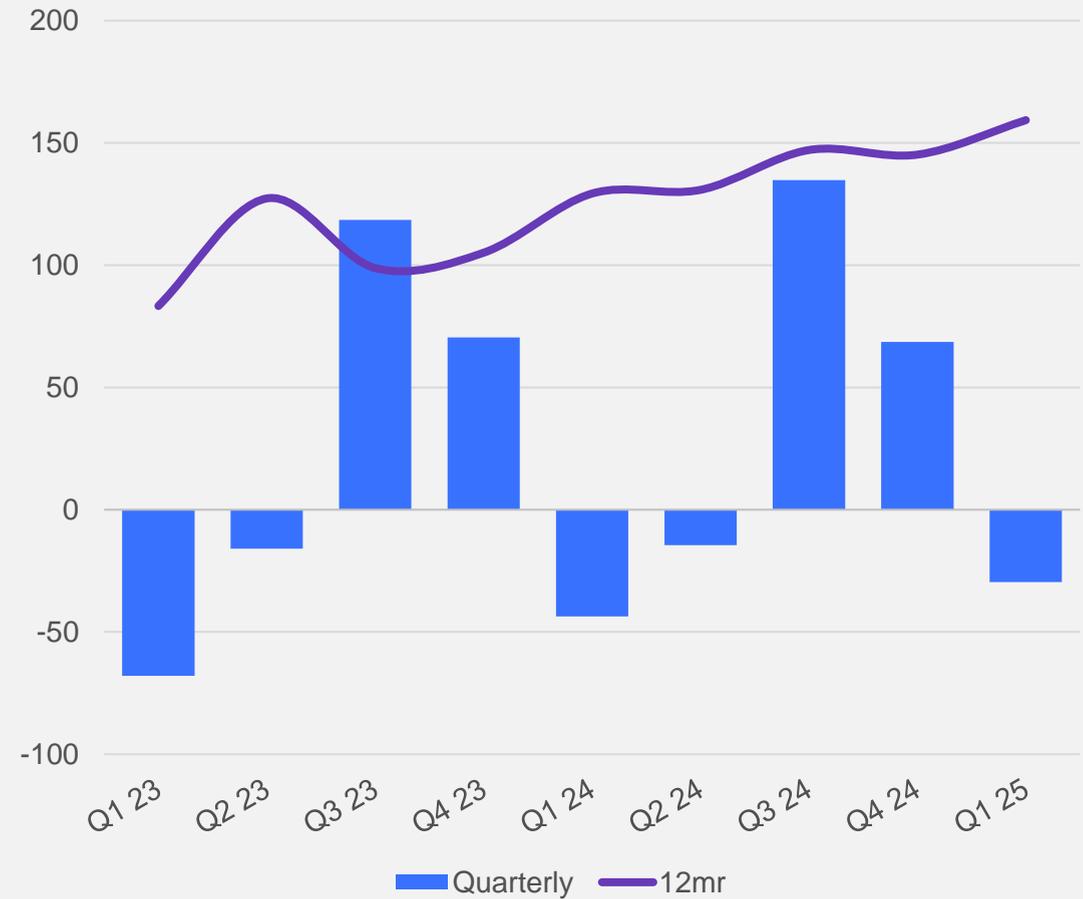


150m€ hybrid bond, issued in March 2023, is booked as equity, and excluded from net debt and net financial items.

# Strong free cash flow improvement

- Free cash flow improved to -30m€ (2024: -44)
  - + Positive working capital development in Learning
  - + Higher operational earnings in Learning
  - + Lower financial items
  - Higher investments in TV programs
- Full-year free cash flow expected to increase further in 2025 vs. 2024 (145m€)

Free cash flow  
m€



Free cash flow = Cash flow from operations less capital expenditure

# Q&A





# Financial reporting in 2025

Half-Year Report 2025      30 July

Interim Report Q3 2025      30 October

# Appendix



# Sanoma in 2024

NET SALES  
 **1,345m€**

NON-PRINT SALES  
 **51%**

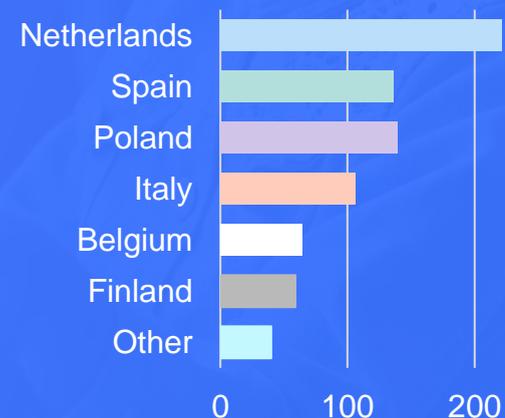
OPERATIONAL EBIT MARGIN  
 **13.4%**

PERSONNEL  
 **4,800**

## Learning

Net sales **764m€**  
Non-print **46%**  
Margin **19.2%**

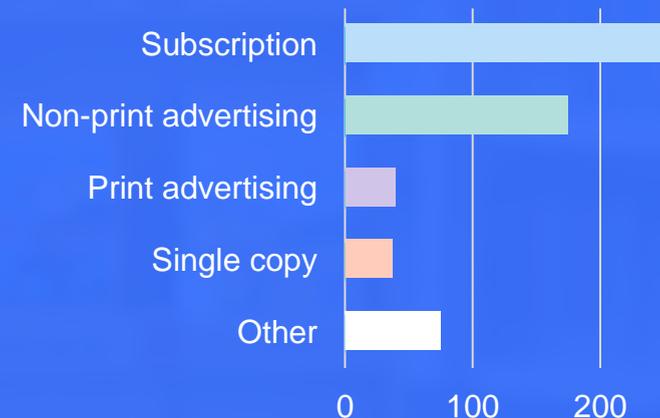
### Net sales, m€



## Media Finland

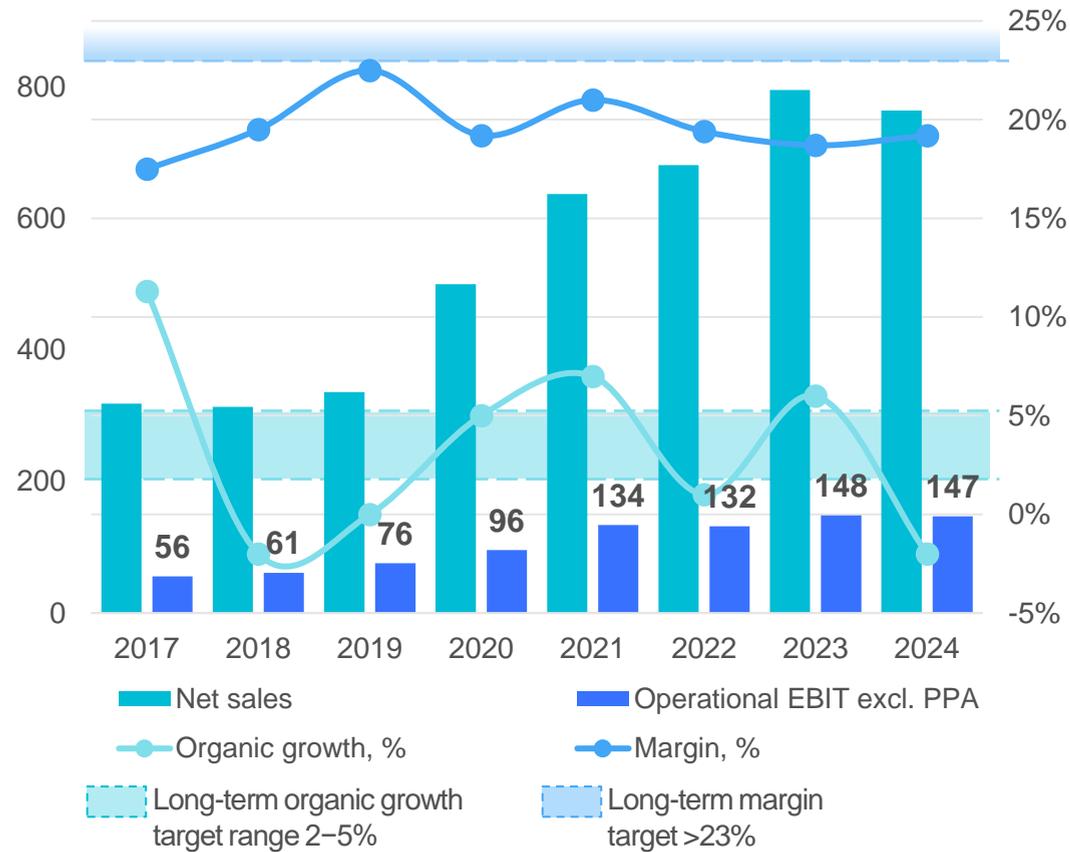
Net sales **581m€**  
Non-print **57%**  
Margin **8.2%**

### Net sales, m€

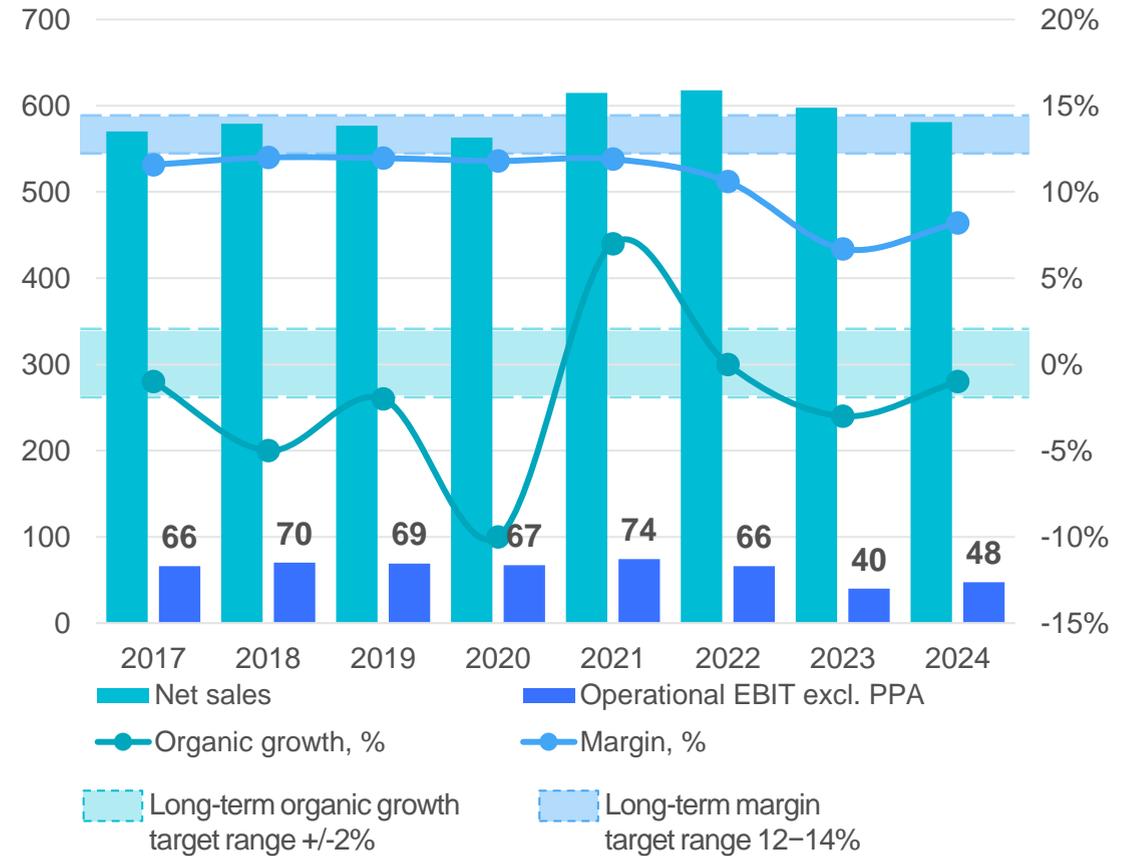


# Unchanged long-term targets in both businesses...

## Learning



## Media Finland



# ...and good progress towards the Group's ambitious long-term targets

Our key long-term financial and sustainability targets (FY 2024 in brackets)

Net debt /  
Adj. EBITDA

**< 3.0**

(2.2)

Equity  
ratio

**35-45%**

(45.0%)

Increasing  
dividend

**40-60%**

of free cash flow  
(44%, Board's proposal)

Employee Experience  
Index

**>7.5**

by 2030  
(7.4)

Management  
gender balance

**50/50**

by 2030  
(2023: 45 women / 55 men)

Annual Scope 1 & 2  
emission reductions of

**-4.6%**

in line with SBTi by 2030  
(2024: -44%\*)

Annual Scope 3  
emission reductions of

**-4.2%**

in line with SBTi by 2030  
(2024: -38%\*)

**95%**  
of our total  
GHG emissions  
from the value  
chain (Scope 3)

# Group: key figures Q1 2025

m€	Q1 2025	Q1 2024
Net sales	221.1	220.9
Operational EBITDA	26.0	21.2
margin	11.7%	9.6%
Operational EBIT excl. PPA	-18.8	-23.7
margin	-8.5%	-10.7%
EBIT	-31.3	-31.4
Result for the period	-28.4	-27.6
Free cash flow	-29.6	-43.7
Equity ratio	42.7%	42.0%
Net debt	617.0	694.1
Net debt / Adj. EBITDA	2.4	2.9
Operational EPS, €	-0.17	-0.20
EPS, €	-0.19	-0.18

	Q1 2025	Q1 2024
Average number of employees (FTE)	4,594	4,834
Number of employees at the end of the period (FTE)	4,604	4,817

# Learning: Quarterly key figures

m€	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24
Net sales	89.1	96.5	395.9	190.6	81.1
Operational EBITDA	-0.6	-4.3	178.9	72.2	-5.2
Operational EBIT excl. PPA	-24.4	-30.6	155.2	49.8	-27.6
margin	-27.4%	-31.7%	39.2%	26.1%	-34.0%
IACs	-2.3	-5.9	-42.3	-5.8	-3.4
PPAs	-7.3	-7.4	-7.7	-7.7	-7.6
EBIT	-34.0	-43.9	105.2	36.3	-38.5
Capital expenditure	6.2	7.2	6.8	8.2	8.1
Average number of employees (FTE)	2,488	2,612	2,627	2,630	2,631

# Program Solar mostly completed

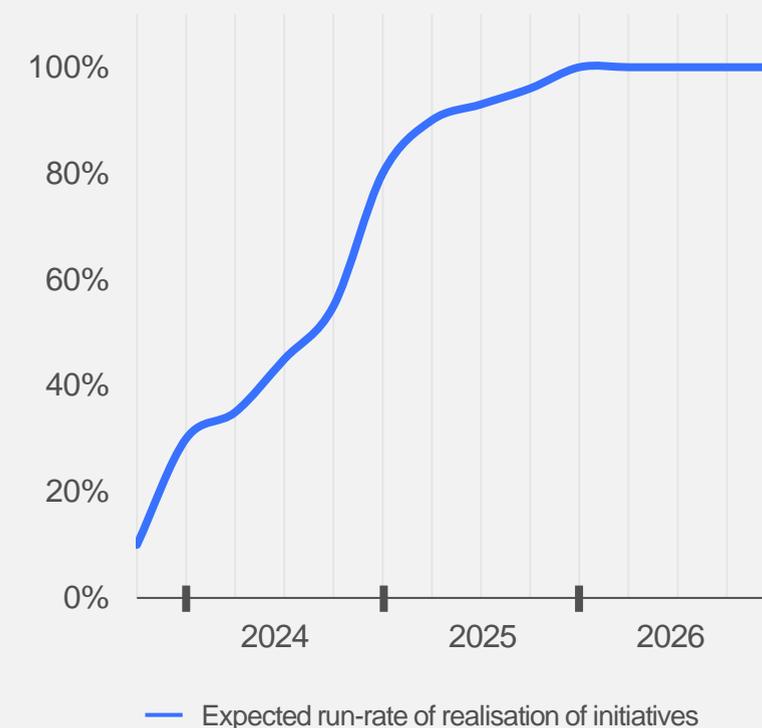
- Program Solar initiatives were mostly completed by the end of Q1 2025
  - On track to deliver the 55m€ efficiencies in 2026
  - Supports reaching Learning's long-term profitability target of 23% in 2026
  - First impacts were visible in Q1 2025 in free cash flow and cost base

## Program streams touching our key operations across countries

<b>Organisational optimisation</b>	<ul style="list-style-type: none"><li>■ Post-curriculum renewal optimisation in Spain and Poland</li><li>■ Optimising selected other operations</li></ul>
<b>Publishing process improvement</b>	<ul style="list-style-type: none"><li>■ Increasingly leveraging benefits of scale in content creation (sharing) and production (centres of excellence)</li><li>■ Reviewing publishing portfolios and plans</li></ul>
<b>Harmonisation of digital platforms</b>	<ul style="list-style-type: none"><li>■ Optimising product development and maintenance through outsourcing and nearshoring mainly to Poland and Spain</li></ul>
<b>Other optimisations</b>	<ul style="list-style-type: none"><li>■ Rightsizing support functions by optimising the overall organisational structure</li></ul>

## Realisation of Solar initiatives

Run-rate of savings in 2026



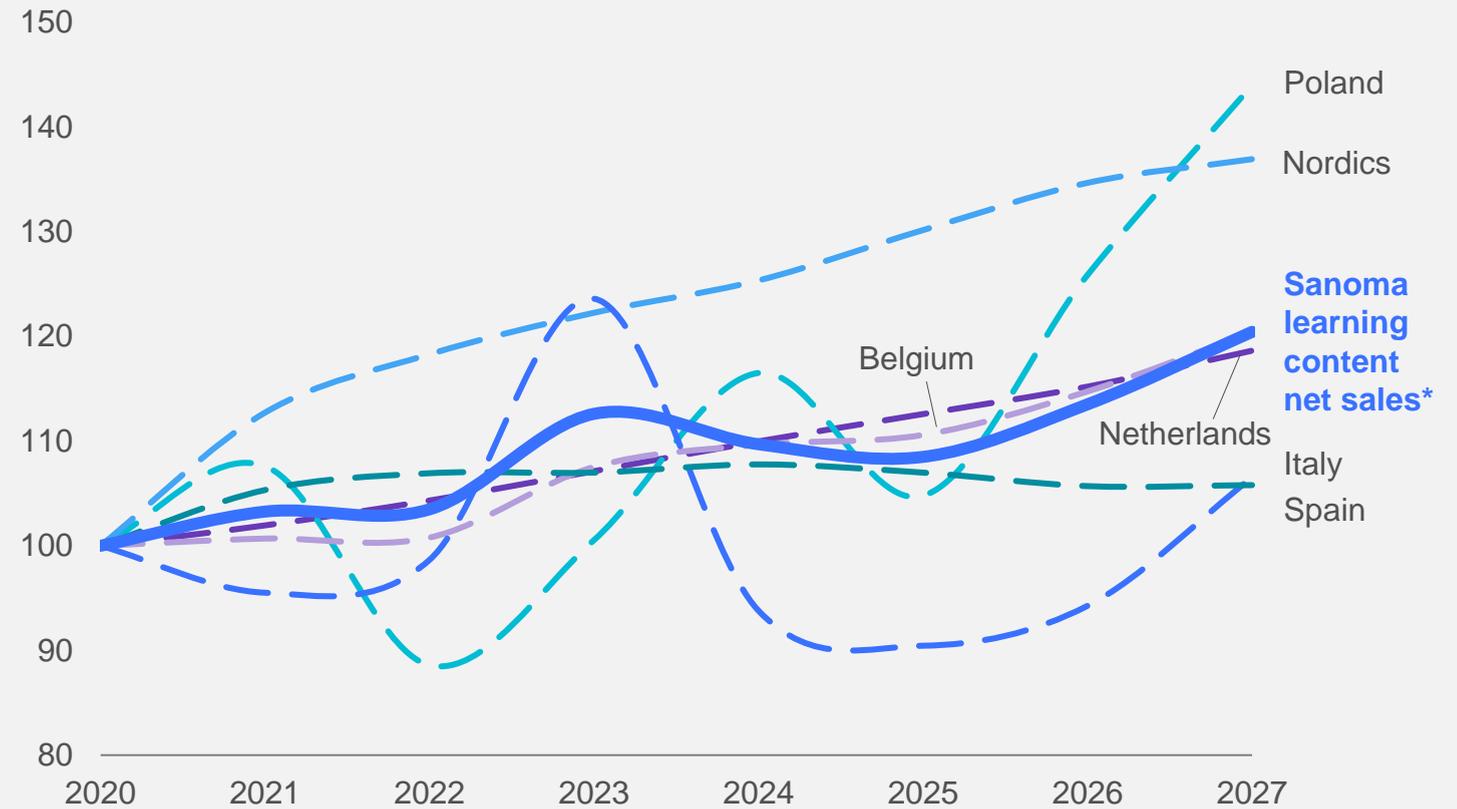
# Current view on curriculum renewals in Learning's major operating countries

Learning content  
**79%**  
of net sales  
in 2024

Expected development of learning content sales in 2025–2027 is a function of changes in

- Number of students →
- Expenditure →
- Market share →

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



# Media Finland: Quarterly key figures

m€	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24
Net sales	132.1	145.0	144.1	151.9	139.9
Operational EBITDA	28.8	32.7	35.3	34.5	29.9
Operational EBIT excl. PPA	8.1	8.5	17.6	13.7	7.7
margin	6.2%	5.9%	12.2%	9.0%	5.5%
IACs	0.2	-3.3	-1.5	-2.5	4.4
PPAs	-1.6	-1.6	-1.6	-1.6	-1.6
EBIT	6.8	3.6	14.5	9.6	10.5
Capital expenditure	2.7	2.8	1.2	1.2	2.0
Average number of employees (FTE)	2,005	2,109	2,131	2,121	2,101

# Finnish advertising market development

## Finnish measured media advertising markets

	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24
Newspapers	-12%	-16%	-17%	-17%	-20%
Magazines	-19%	-10%	-12%	-9%	-12%
TV	-4%	-2%	3%	2%	3%
Radio	-3%	-3%	-5%	3%	-4%
Online (excl. search and social media)	-2%	-2%	3%	4%	-2%
<b>Total market*</b>	<b>-3%</b>	<b>-6%</b>	<b>-1%</b>	<b>-1%</b>	<b>-6%</b>

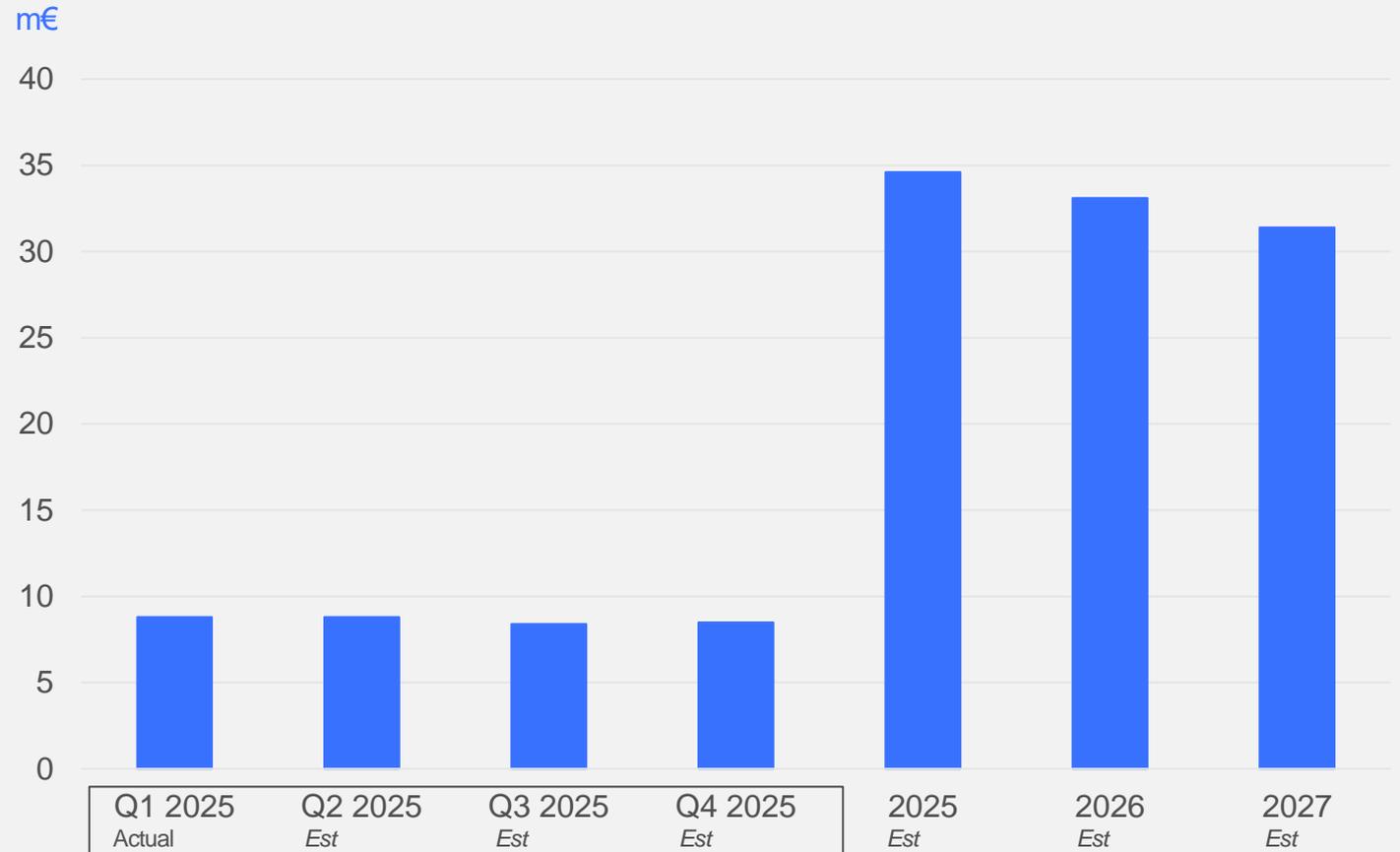
Source: Kantar TNS, Media Advertising Trends, March 2025

\* Total market also includes media groups not relevant to Sanoma

# 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
- In FY 2025, the PPA is estimated to total to approx. 35m€
- More information about the accounting policies related to intangible assets can be found in the Financial Statements 2024

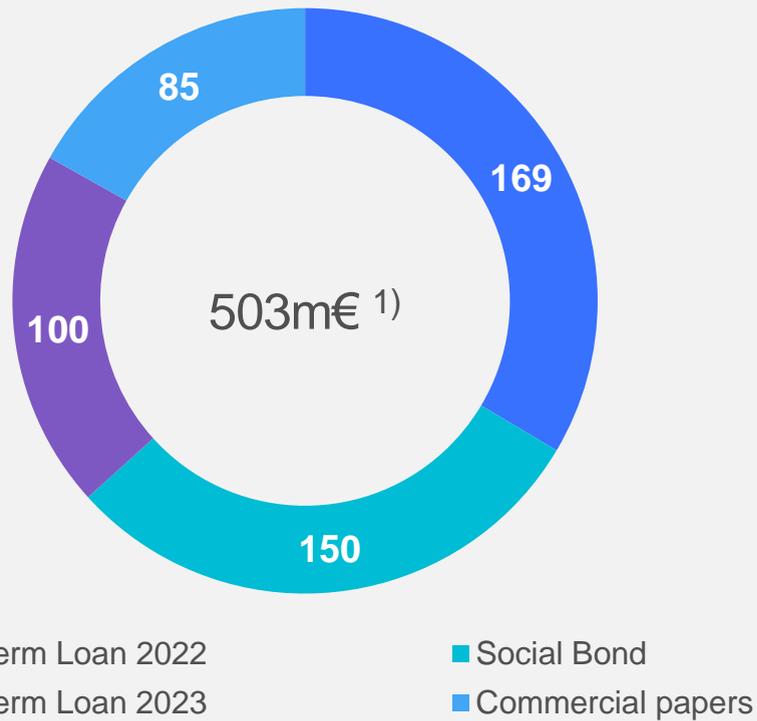
Estimated amortisations of acquired intangible assets (PPA) 2025–2027



# Group debt portfolio, March 2025

## External debt structure <sup>1)</sup>

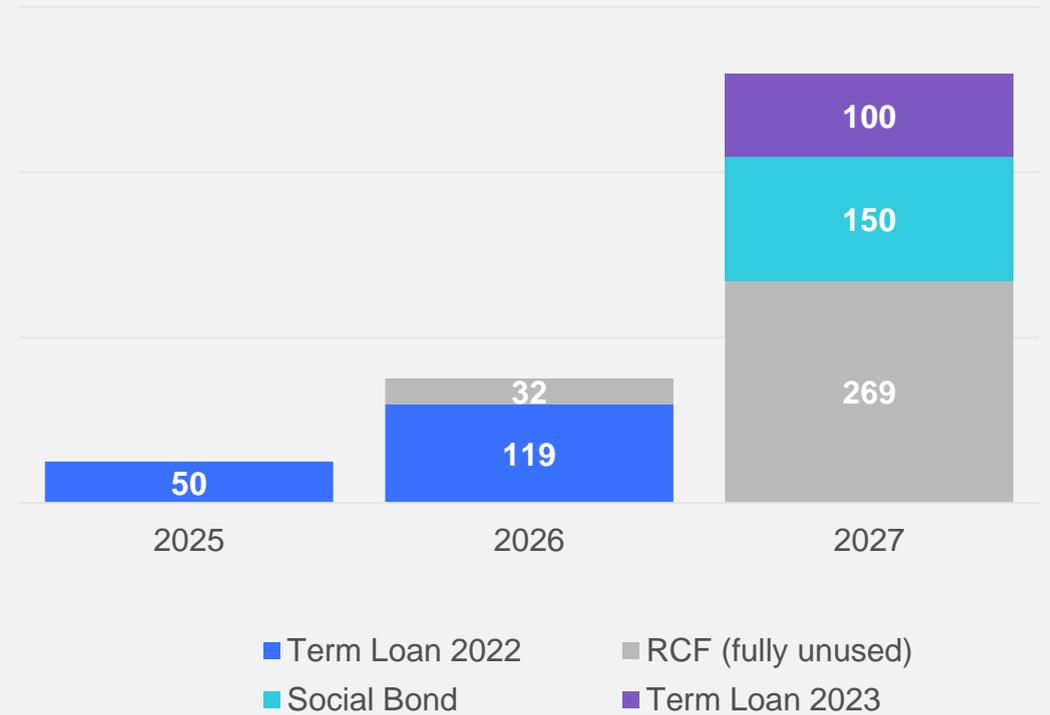
m€, 31 March 2025



<sup>1)</sup> Excl. IFRS 16 liabilities

## Maturity profile of external debt

m€, 31 March 2025



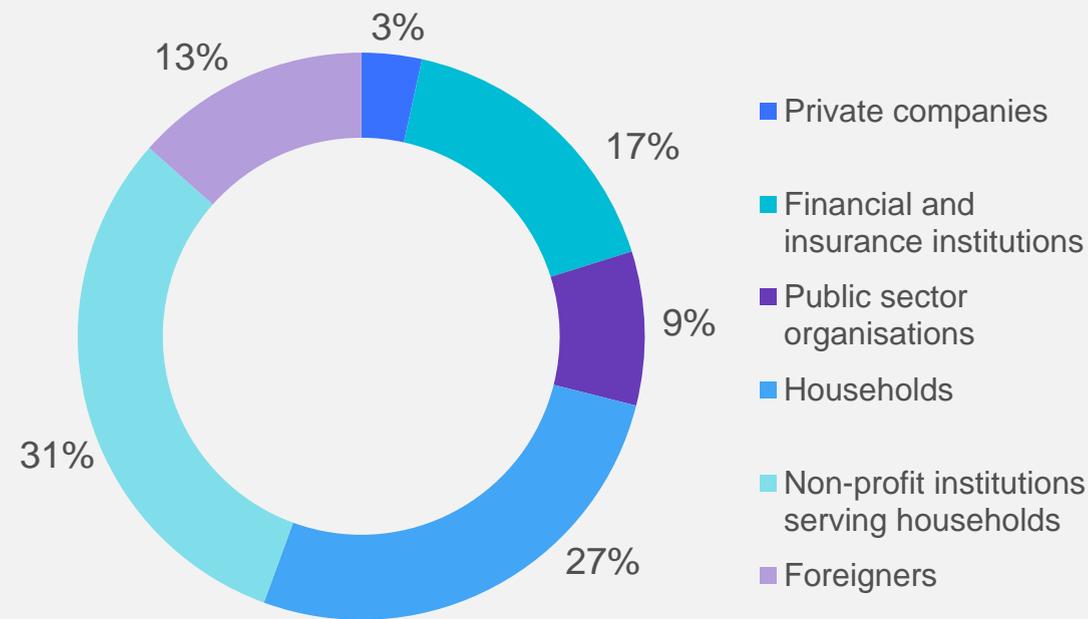
# Largest shareholders

31 March 2025

## Largest shareholders

Shareholders	Number of shares	% of shares
1. Jane and Aatos Erkkö Foundation	39,820,286	24.35
2. Holding Manutas Oy	21,870,000	13.37
3. Langenskiöld Robin	12,273,371	7.50
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	4,103,424	2.51
8. Noyer Alex	3,213,277	1.96
9. Elo Mutual Pension Insurance Company	2,488,710	1.52
10. Bernardin-Aubouin Lorna	1,852,470	1.13
<b>10 largest shareholders, total</b>	<b>103,516,206</b>	<b>63.28</b>
Nominee registered	16,662,882	10.19
Other shareholders	43,386,575	26.53
<b>Total number of shares</b>	<b>163,565,663</b>	<b>100.00</b>
<b>Total number of shareholders</b>	<b>24,122</b>	

## Holding by sector



# Analyst coverage

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**Danske Markets Equities**

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