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Investor presentation

February 2017

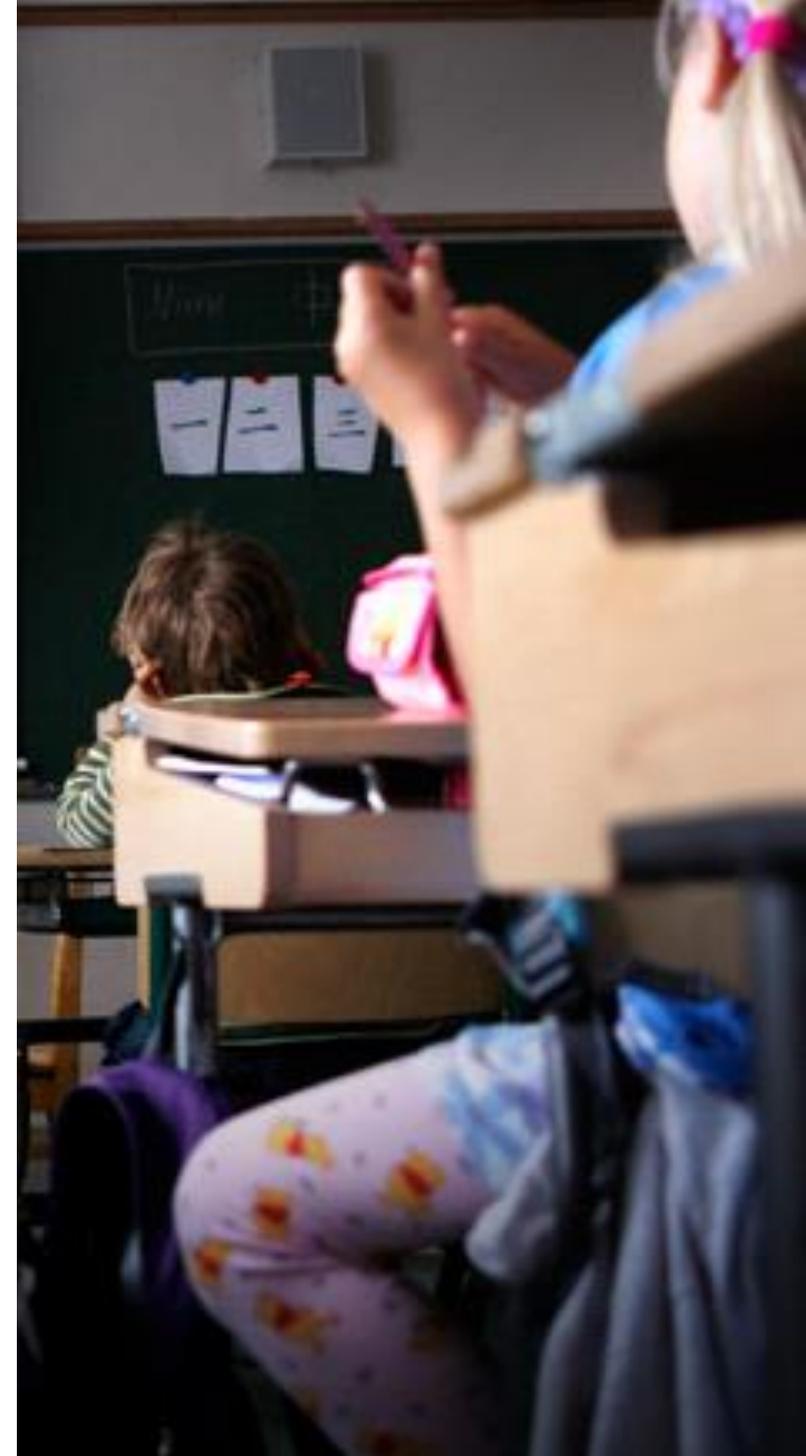
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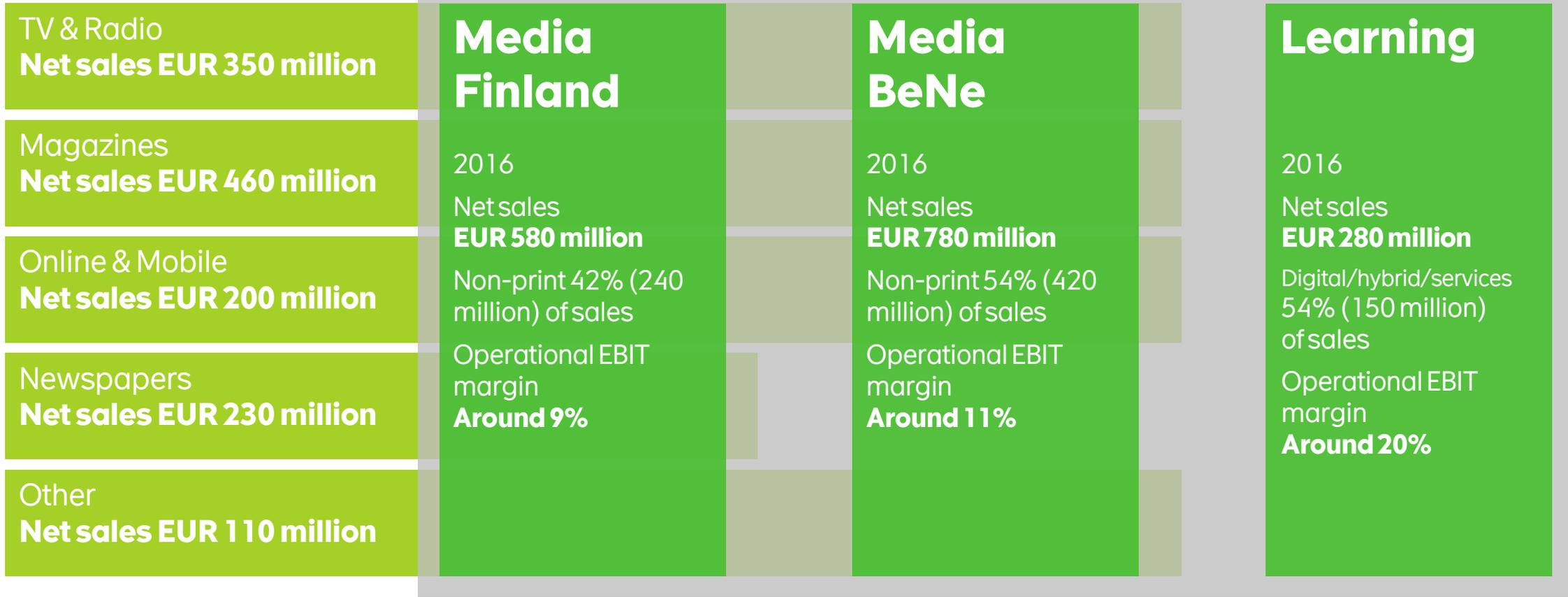


Contents

- **About Sanoma**
- **FY & Q4 2016 Result**
- **Three Strategic Business Units**
- **Appendix**



Three Strategic Business Units



NOTE: Figures rounded to closest EUR 10 million.

Strong Brands, Great Content, Loyal Customers

TV/Radio



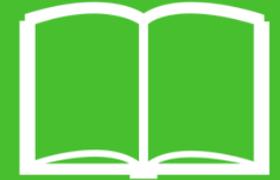
News/ Classifieds



Magazines



Learning



Elements of Sanoma's Transformation

Tailoring to customers requires superior data and analysis

Digitalisation is not a goal, it is a way of serving

From content orientation to customer and data orientation: big cultural shift from our journalistic heritage

User experience and customer service critical differentiators

Print is still the medium of choice for many customers, lets not make them feel undesired

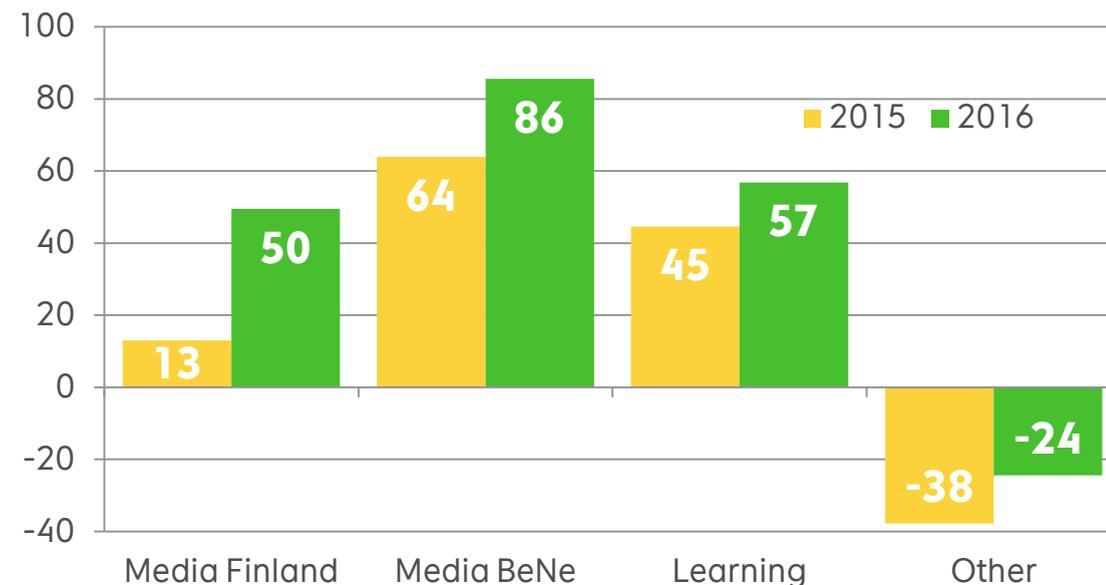
We serve advertisers with data driven Marketing & Sales Solutions

From 'striving for dominance' in local markets to active cooperation between regional players

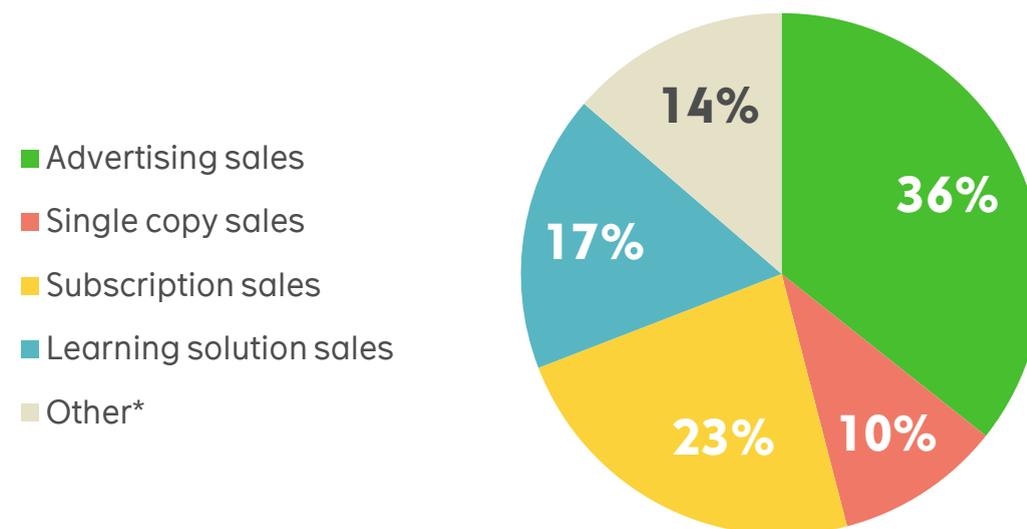
2016: Back on track faster than expected

Sanoma Group EUR million	2016	2015
Net sales	1,639.1	1,716.7
Organic growth	0.1%	-3.4%
Operational EBIT	167.9	83.7
Operational EBIT-%	10.2%	4.9%

Full year operational EBIT, MEUR



Composition of net sales 2016



* Other sales mainly include press distribution and marketing services, custom publishing, event marketing, books and printing services.

Increasing dividend

New dividend policy

- For 2016, Board proposes dividend of EUR 0.20 (0.10) per share.
- The dividend policy from 2017 onwards: Sanoma aims to pay an **increasing dividend**, equal to 40–60% of annual cash flow from operations less capital expenditure.

Renewed long-term financial targets

	New target	Old target
Net debt / EBITDA	< 2.5	< 3.5
Equity ratio	35%-45%	35%-45%

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.

Progress in Key Strategic Priorities



Fulfil customer needs in selected media brands and domains

Growth from cross-media, improved offering to customers

Utilise growth and digital transformation opportunities in Learning

Growth in Western Europe, increasing digital usage on learning platforms

Accelerate cost innovation

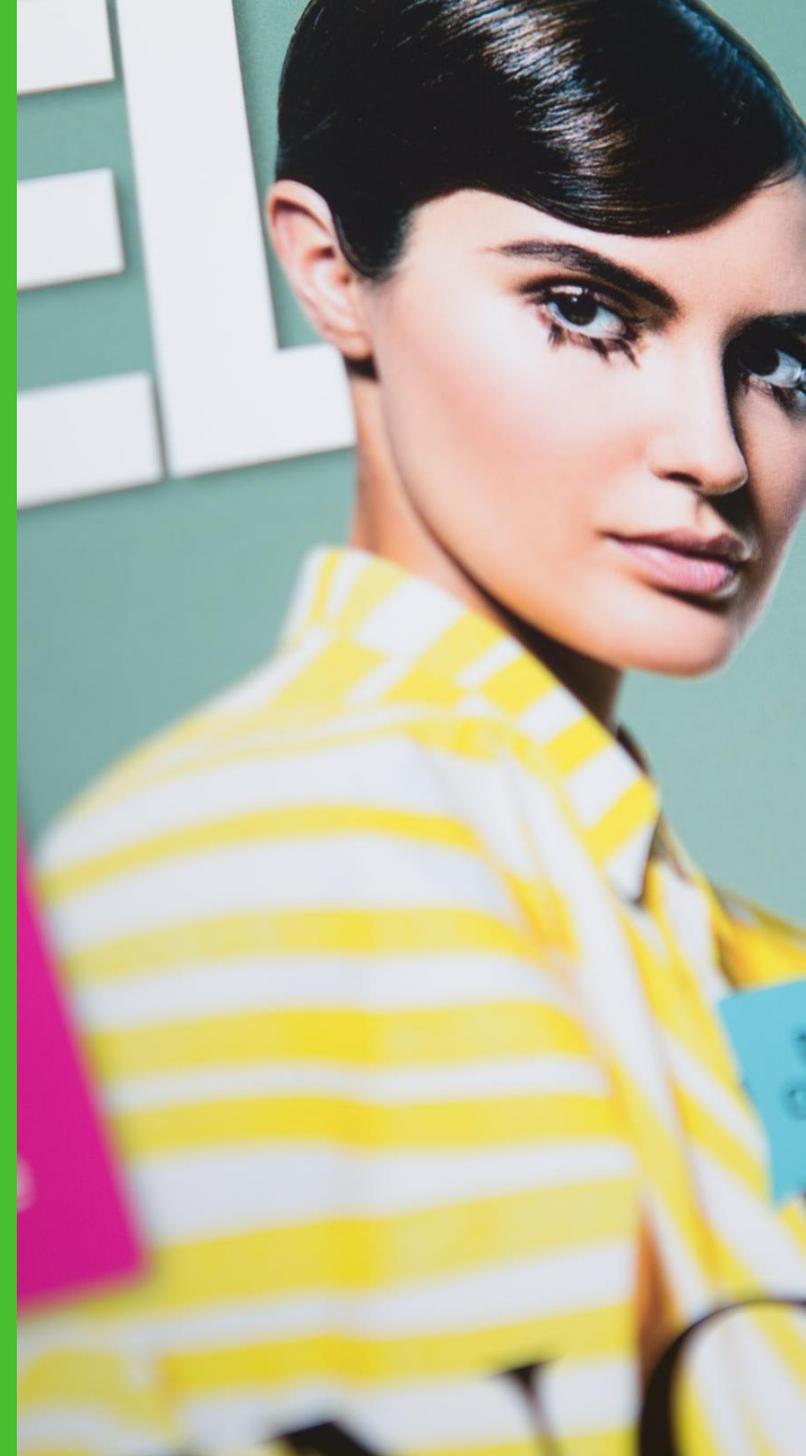
Suunta in Finland, further BeNe and Digital integration

Improve cash conversion and deleverage our business

Deleveraging on track: net debt/EBITDA 3.2

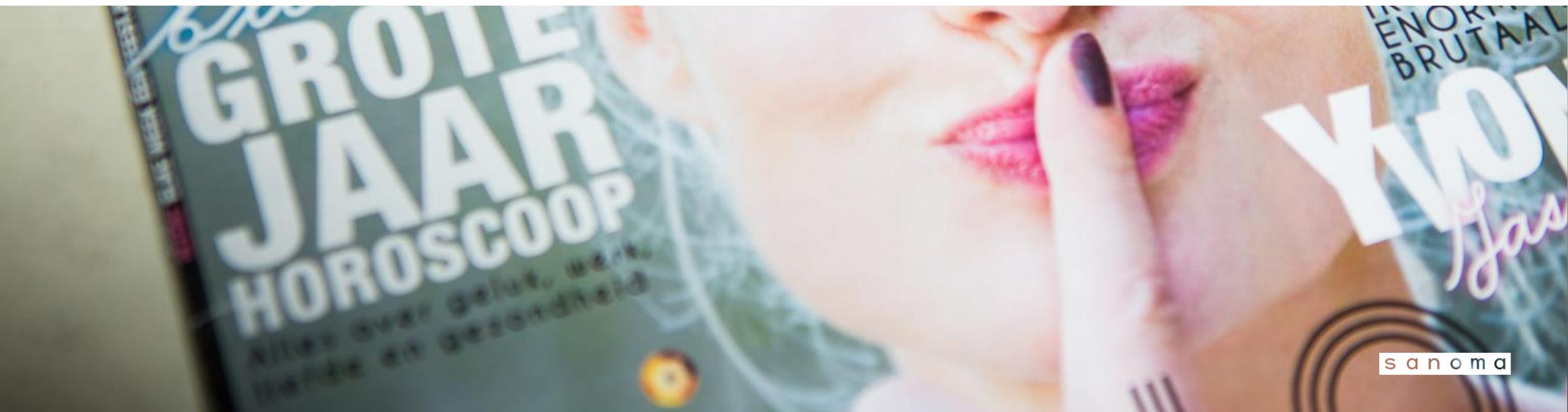
Outlook for 2017

- For 2017, Sanoma expects that the Group's consolidated
 - Net Sales adjusted for structural changes will be stable and
 - The operational EBIT margin will be around 10%
- The outlook is based on the assumption of the advertising market development in Finland and the Netherlands being in line with that of 2016





FY & Q4 2016 Result



2016: Back on track

- Q4: Operational **EBIT improvement continued**
EUR 1.4 million (-8.4)
- FY2016:
 - **Operational EBIT doubled** to EUR 168 million (84)
 - Organic **net sales stable** (+0.1%)
 - Deleveraging continued as planned:
net debt / adj. EBITDA 3.2 (5.1) after redemption of hybrid
- **Outlook** for 2017:
 - For 2017, Sanoma expects that the Group's consolidated **Net Sales** adjusted for structural changes will be stable and the operational **EBIT Margin** will be around 10%
- Dividend of EUR 0.20 (0.10) proposed for 2016
 - **New dividend policy from 2017 onwards:**
Increasing dividend, equal to 40–60% of annual cash flow from operations less capital expenditure



Media Advertising Markets

Netherlands	Q1/16	Q2/16	Q3/16	Q4/16
Magazines	-8%	-8%	-9%	-3%
TV	+6%	-2%	-5%	-5%
Online*	+10%	+14%	+8%	+8%
Total market*	+4%	+4%	+1%	+1%

FY/15	FY/16
-13%	-7%
+1%	-2%
+8%	+10%
+1%	+3%

Finland	Q1/16	Q2/16	Q3/16	Q4/16
Newspapers	-6%	-5%	-3%	-4%
Magazines	-11%	-10%	-4%	-12%
TV	-2%	-4%	+2%	+1%
Radio	+15%	+3%	+2%	-4%
Online*	+5%	+18%	+17%	+15%
Total market*	-1%	-1%	+1%	+0%

FY/15	FY/16
-6%	-4%
-14%	-9%
-4%	-1%
+3%	+3%
+7%	+13%
-2%	+1%

* Source: NL: Sanoma estimates, incl. online search. FI: TNS Gallup. Quarterly figures excl. online search, Full year numbers in Finland are based on a larger amount of data than quarterly numbers and include online search. Total market in both countries includes other smaller categories such as cinema and outdoor advertising.

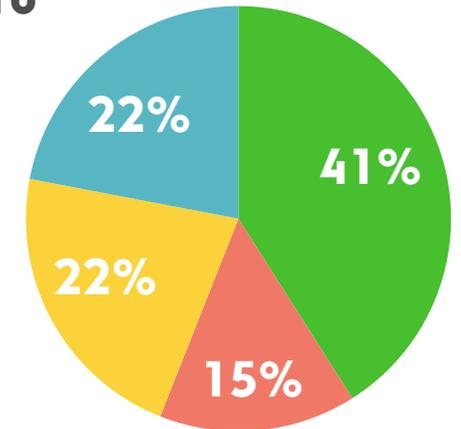
FY16 Media BeNe

Improved performance in print & online portfolio

- Operational EBIT **up by 34%** with all business units contributing
 - Improvement driven by organic sales development and cost innovations
- Organic net sales **stable (+0.5%)**
 - Dutch print & online portfolio performed well, TV sales stable
 - Non-print sales 54% (49%)
- Solid market position
 - Sanoma **1# Dutch online publisher**, reaching 66.9% of the population monthly
 - Mercurs brand award for LINDA magazine, Brand innovation award for LINDA.tv

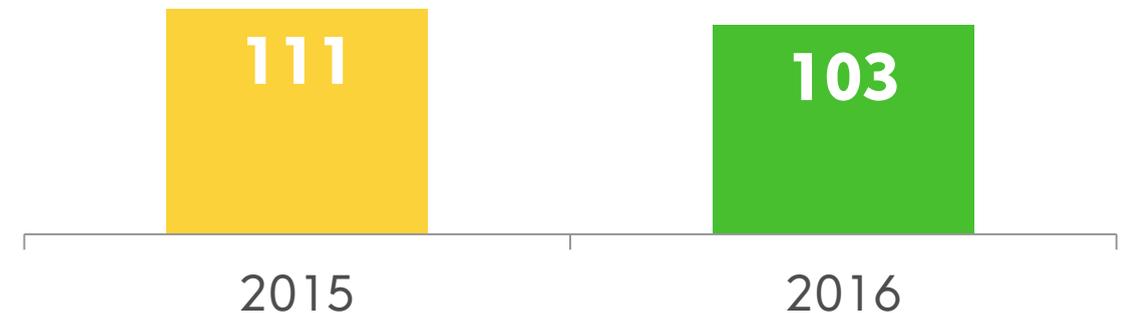
Composition of net sales 2016

- Advertising sales
- Single copy sales
- Subscription sales
- Other*



*Other sales mainly include press distribution and marketing services, custom publishing, event marketing and books.

TV viewing during prime time* (20-54 years) (Dutch FTA market, average minutes/day)



* Prime time: 18–24

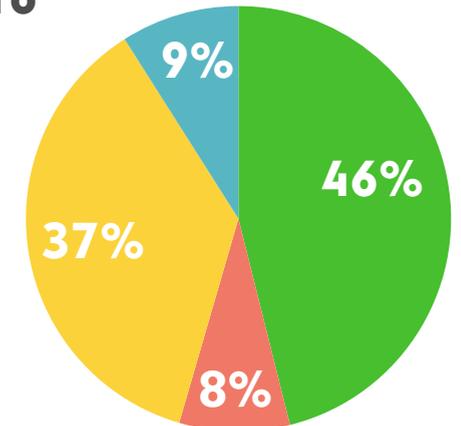
FY16 Media Finland

Transformation ahead of plan

- Operational EBIT **improved** to EUR 50 million (13), all business units contributing
 - Driven by advertising sales as well as cost and process innovations (started in Q3/15)
 - Revenue, cost and process innovations will continue, development costs impacting profitability in 2017
- Organic net sales **stable (+0.7%)**
 - Growing TV and online advertising sales; new revenue streams like events
 - Non-print sales grew to 42% (38%)
 - Underlying market remains challenging
- Market **position improved**
 - 28% of Finnish ad market (27%)

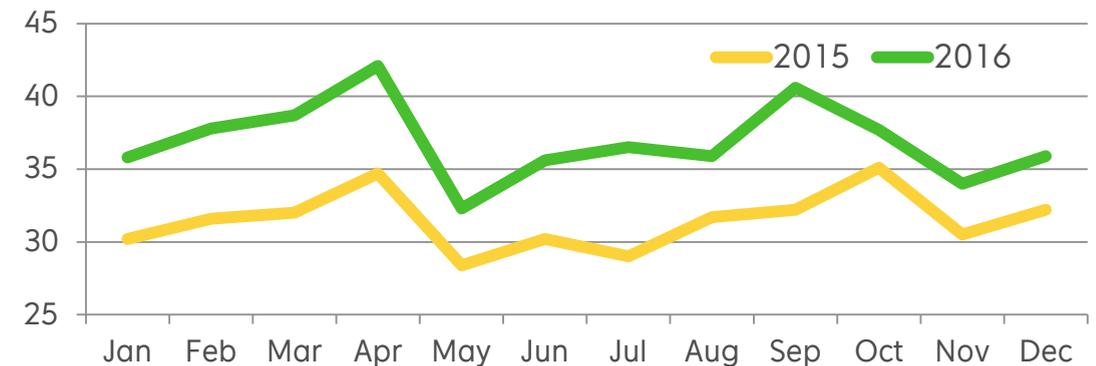
Composition of net sales 2016

- Advertising sales
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- Other*



* Other sales mainly include marketing services, custom publishing, event marketing, books and printing services.

Nelonen TV viewing share Commercial TV (10-44 years)

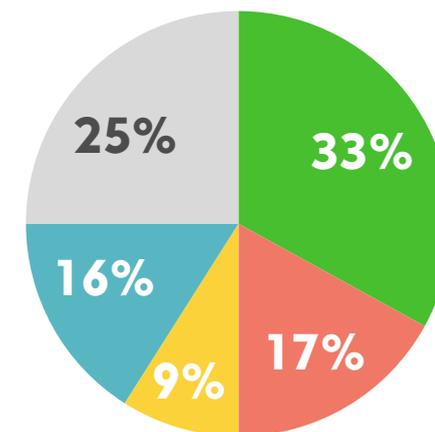


FY16 Learning

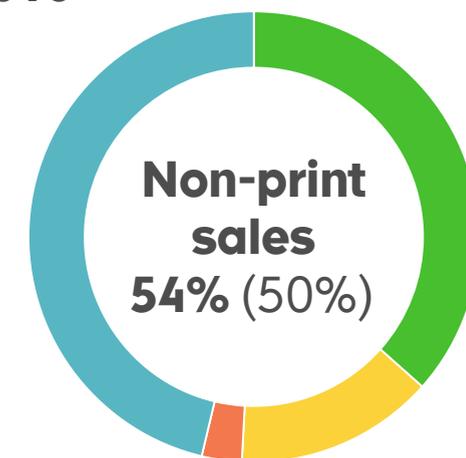
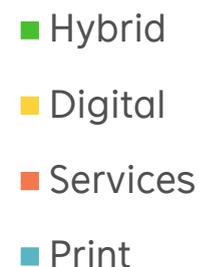
Solid net sales and significant profitability improvement

- Clear improvement in profitability, operational EBIT **+27%**
 - Cost innovations, prepublication amortisation schedule changes and De Boeck contributing (integration restructuring agreed with unions)
- Net sales **grew 8%** in Western Europe
 - Curriculum changes, success in digital offering
 - Acquisition of De Boeck
- Legislation in Poland affected sales
 - Market **position further strengthened** in 2016
 - New reform as of 2017 offers opportunities to leverage this strong market position

Net sales by country 2016



Composition of net sales 2016



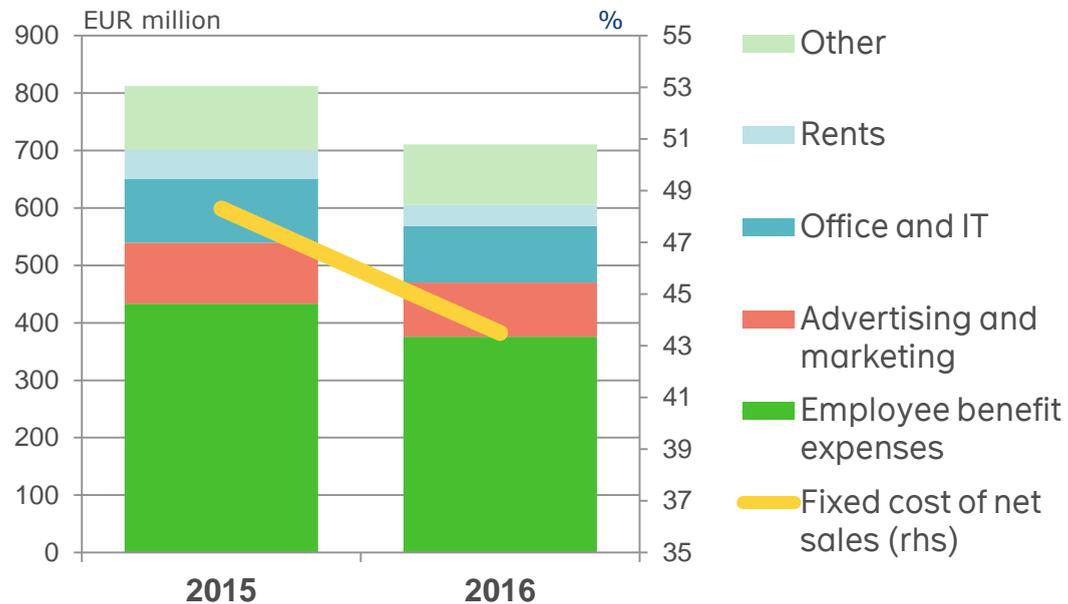
Operational EBIT 2016 doubled

EUR million	10-12/2016	10-12/2015	1-12/2016	1-12/2015
Net sales	398.1	409.3	1,639.1	1,716.7
Operational EBITDA	86.7	89.1	452.4	389.7
Amortisations related to TV programme rights	-53.8	-51.5	-180.9	-186.2
Amortisations related to prepublication rights	-3.7	-4.9	-20.4	-24.4
Other amortisations	-24.1	-35.4	-66.1	-73.2
Depreciation	-3.7	-5.6	-17.2	-22.2
Operational EBIT	1.4	-8.4	167.9	83.7
Items affecting comparability	-24.6	-122.4	28.7	-206.8
Operating profit	-23.2	-131.9	196.6	-123.1
Total financial items	-13.2	-8.8	-37.0	-27.6
Result before taxes	-38.4	-142.0	157.2	-151.4
Income taxes	6.3	10.7	-41.2	-6.3
Result for the period	-32.1	-131.4	116.0	-157.7
Result attributable to:				
Equity holders of the parent company	-31.8	-111.4	110.8	-142.6
Non-controlling interests	-0.3	-20.0	5.2	-15.0
Earnings per share	-0.20	-0.69	0.65	-0.91
Operational EPS	-0.07	-0.09	0.51	0.13

Sanoma cost structure improved

Operational fixed cost split (EUR million)
and share of net sales

48% ➔ **44%**



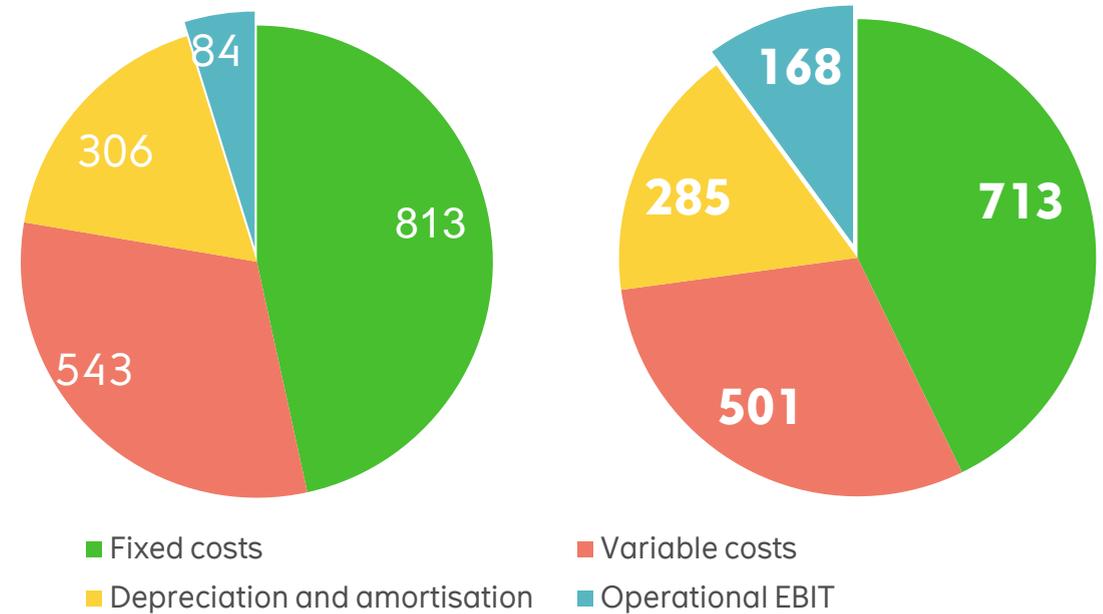
Net sales and operational cost structure

2015:

1,717 MEUR ➔

2016:

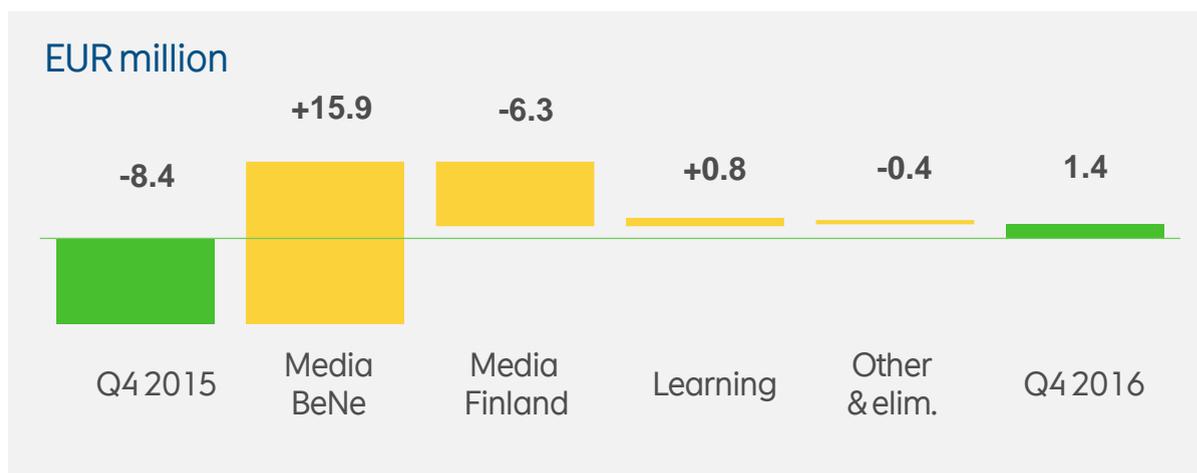
1,639 MEUR



Operational EBIT Development

Q4/2016

EUR million	Q4/2016	Q4/2015
Group	1.4	-8.4
Media BeNe	26.8	10.9
Media Finland	9.3	15.6
Learning	-23.8	-24.6
Other & elim.	-10.8	-10.4



Media BeNe:

- + Cost innovations
- + Higher program rights impairment in 2015
- Higher targeted investments to programming
- Divestments of non-core, non-strategic operations

Media Finland:

- + Higher advertising sales
- Higher variable remuneration
- Rental provisions for unused office space
- Suunta development costs

Learning:

- + Increased sales
- + Restructuring savings
- De Boeck integration – seasonally loss making
- Phasing of marketing and ICT costs

Improved free cash flow

Cash flow from operations less CAPEX

EUR million	10-12/2016	10-12/2015	1-12/2016	1-12/2015
Operational EBITDA	86.7	89.1	452.4	389.7
TV programme costs	-34.1	-46.1	-179.3	-197.6
Prepublication costs	-7.4	-7.3	-27.9	-28.9
Change in working capital*	93.8	63.8	-47.9	-1.2
Interest paid	-5.2	-1.9	-41.5	-27.6
Other financial items	-4.7	-1.8	-4.3	-4.8
Taxes paid**	-7.8	-1.5	-23.4	-36.0
Other adjustments	-15.6	-25.7	25.4	-68.1
Cash flow from operations	105.8	68.7	153.5	25.5
Cash CAPEX	-11.6	-11.3	-34.5	-55.1
Free cash flow	94.2	57.3	118.9	-29.6
Cash flow from operations / share, EUR	0.65	0.42	0.95	0.16
Free cash flow / share, EUR	0.58	0.35	0.73	-0.18

Operational free cash flow

(without items effecting comparability)

	1-12/2016	1-12/2015
	452.4	389.7
	-179.3	-197.6
	-27.9	-28.9
	44.8	-3.4
	-41.5	-27.6
	-4.3	-4.8
	-35.2	-34.3
	-6.3	-4.5
	202.7	88.5
	-34.5	-55.1
	168.2	33.5
	1.25	0.54
	1.04	0.21

*Change in working capital includes in Q2 2016 the final settlement of Dutch pension plan change from defined benefit to defined contribution.

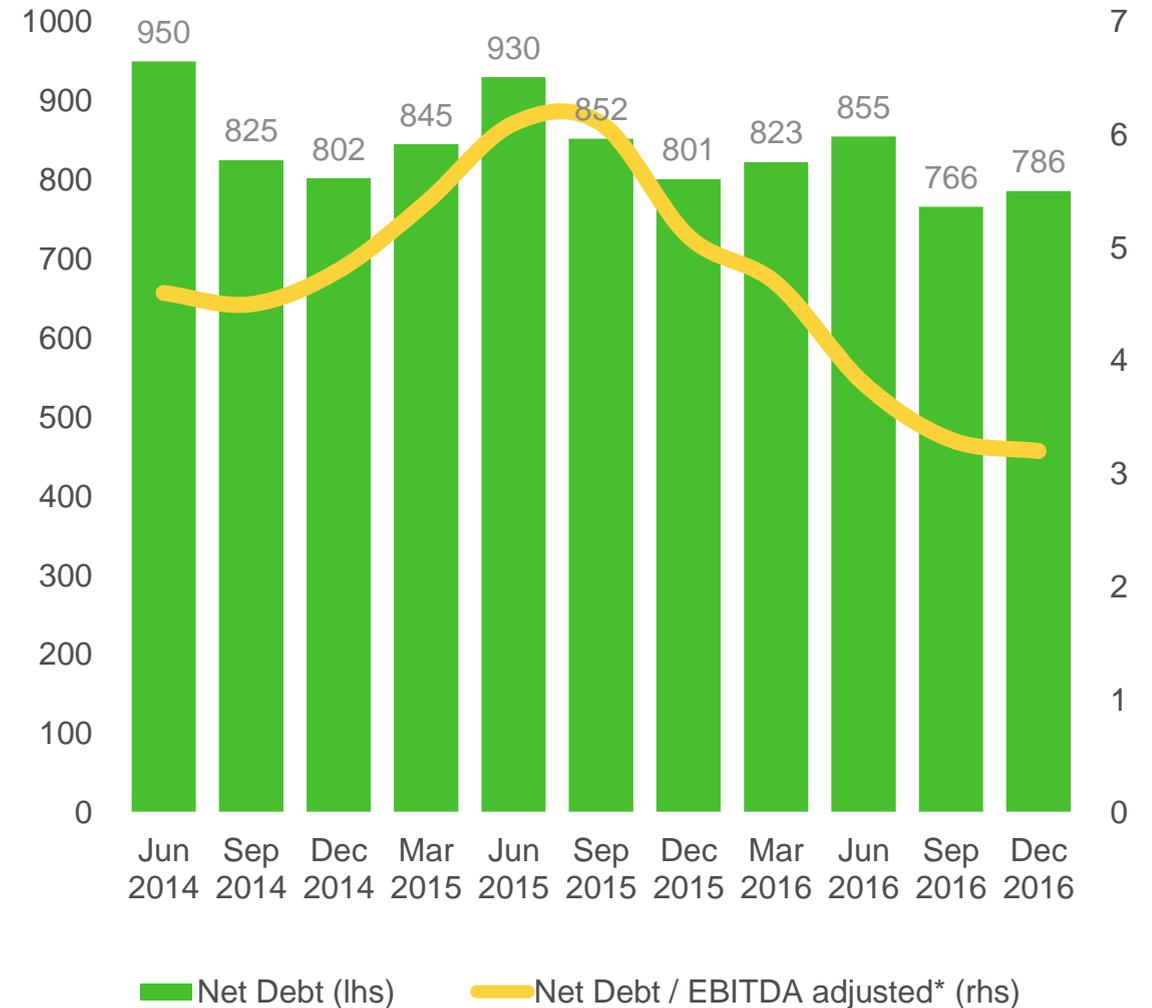
** Taxes paid include tax for the gain on the sale of Sanoma House paid in Q2 2015.

Successful deleveraging

Hybrid Bond redeemed

- Cash flow from operations less capex **increased** to EUR 119 million (-30)
- Net debt: EUR 786 million (801)
 - Net debt/EBITDA* adjusted 3.2 times (5.1) after redemption of Hybrid Bond
 - Without redemption, net debt/EBITDA* adjusted would have been 2.8 times
- Equity ratio: 41.0% (39.5%)
- Continued improvement of cash flows and deleveraging will have **positive effect** on operational EPS going forward

Key figures

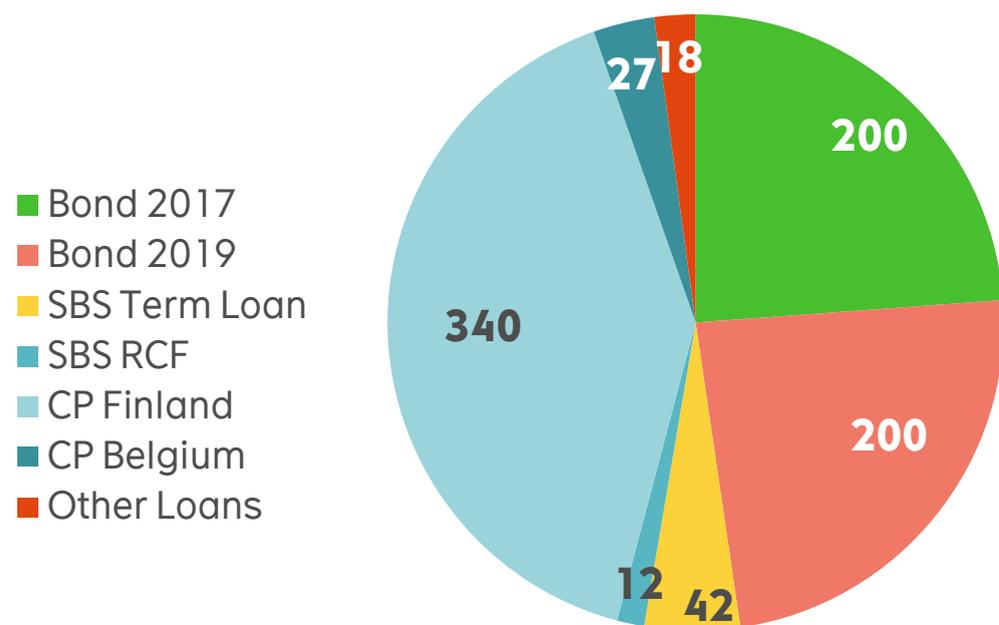


* EBITDA adjusted: 12-month rolling operational EBITDA, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on cash-flow basis

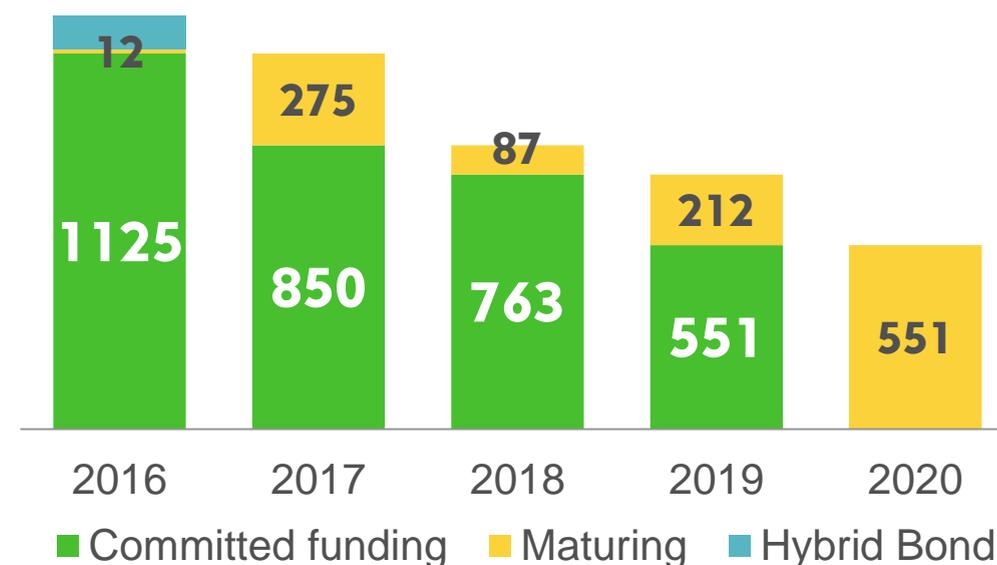
Funding

As of 31.12.2016

Debt structure, MEUR



Maturity profile of committed funding, MEUR



- Average interest rate 2.8 % (2.7) p.a.
- Interest sensitivity of 1% change is EUR 2.2 million and duration is 12 months

- EUR 100 million Hybrid bond was redeemed
- EUR 500 RCF will expire on February 2020
- The EUR 200 million bond will mature in March 2017. The plan is not to issue a new bond, but to refinance it using bank facilities and the CP market



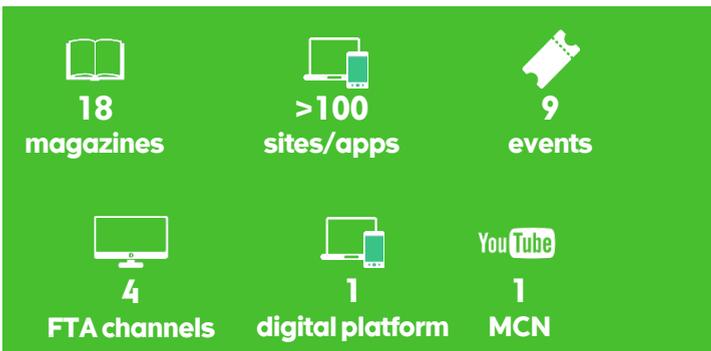
Three Strategic Business Units

Media BeNe - Strong Media Portfolio

Cross-media brands the key differentiator

Strong reach in TV, magazines and online

Netherlands: TV + Magazines + Digital Media



Belgium: Content Media



- #1 in consumer magazines
- #1 in online advertising (excl. search)
- #2 commercial television
- #1 in digital news services

90%
monthly
reach in NL

1.4
million
subscribers
in print

60%
monthly
reach in BE

5,000
B2B
customers

- Dutch and Belgian consumer media operations and press distribution Aldipress
- Over 50 strong brands and strong market positions in every part of media in NL
- Prominent multi-media company in BE
- By combining content and customer data, we develop marketing solutions for our clients

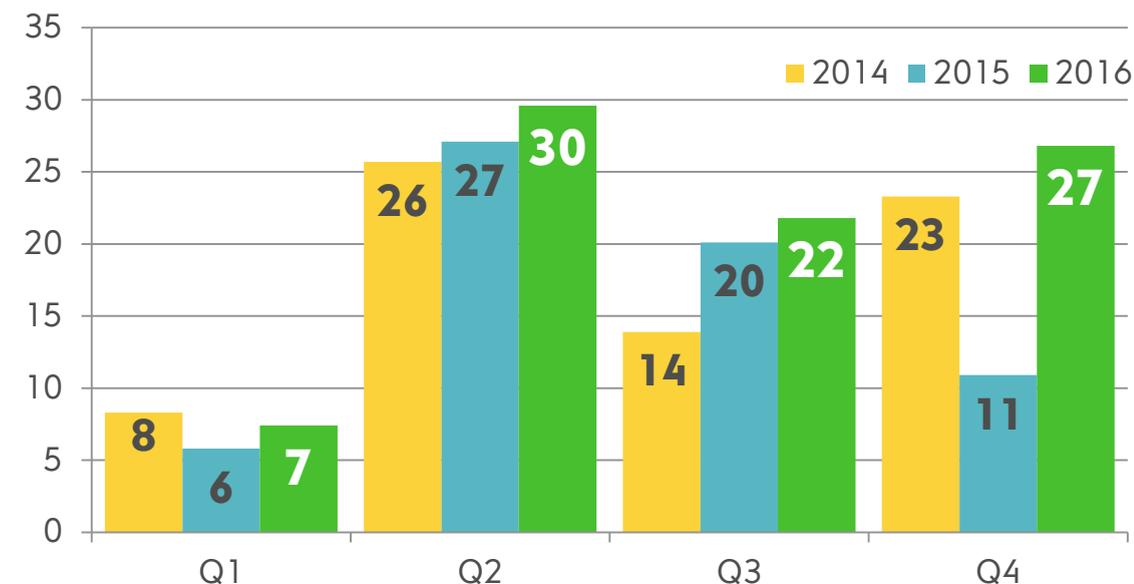
Media BeNe financials

Media BeNe

EUR million

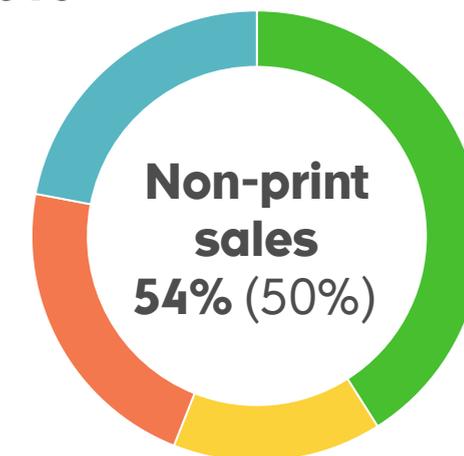
	2016	2015
Net sales	775.9	829.5
Organic growth	0.5%	-1.4%
Operational EBIT	85.6	63.9
Operational EBIT-%	11.0%	7.7%

Quarterly operational EBIT, MEUR



Composition of net sales 2016

- Advertising sales
- Single copy sales
- Subscription sales
- Other*



*Other sales mainly include press distribution and marketing services, custom publishing, event marketing and books.

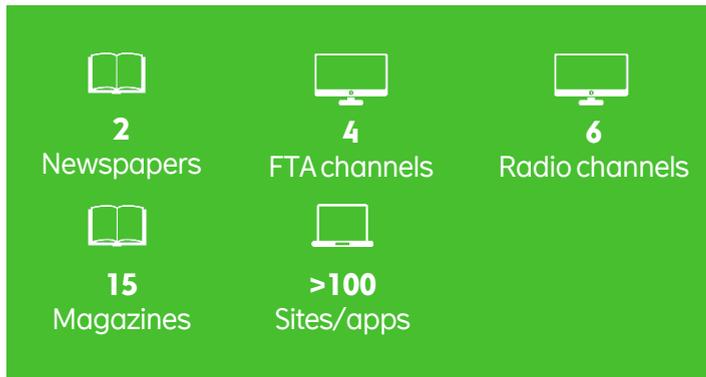
Media BeNe key figures

EUR million	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	FY/16	FY/15
Net sales	218.0	179.7	202.6	175.6	227.6	196.4	216.0	189.5	775.9	829.5
Digital	97.1	71.4	82.3	68.2	94.9	70.6	83.9	67.1	318.9	316.6
Print	88.9	85.5	92.1	87.1	102.3	102.6	109.4	105.6	353.5	419.9
Other	32.0	22.8	28.3	20.4	30.4	23.1	22.7	16.8	103.5	93.0
Operational EBIT	26.8	21.8	29.6	7.4	10.9	20.1	27.1	5.8	85.6	63.9
<i>% of Net sales</i>	<i>12.3</i>	<i>12.1</i>	<i>14.6</i>	<i>4.2</i>	<i>4.8</i>	<i>10.2</i>	<i>12.5</i>	<i>3.1</i>	<i>11.0</i>	<i>7.7</i>
Number of employees (FTE)*	1,768	1,775	1,781	1,841	2,020	2,045	2,081	2,250	1,768	2,020

Media Finland – Unique Reach into Population

Strong customer connection across media groups

Unique cross-media position



#1 in newspapers
#1 in magazines
#1 in online advertising excl. search
#2 in commercial television
#1 in commercial radio

96%
weekly reach
in total
population

1
million
paying
customers

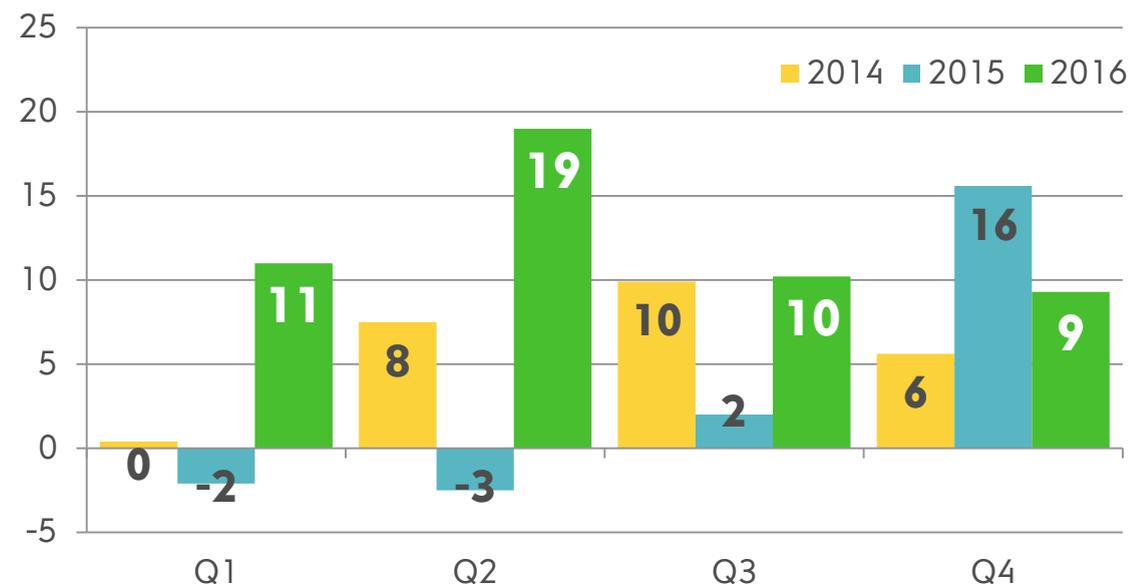
12,000
B2B
Customers

- Leading media company in Finland
- Leading brands and services
- Operate through multiple media platforms
- Brands reach almost all Finns every day.
- For advertisers, a trusted partner with insight, impact and reach

Media Finland financials

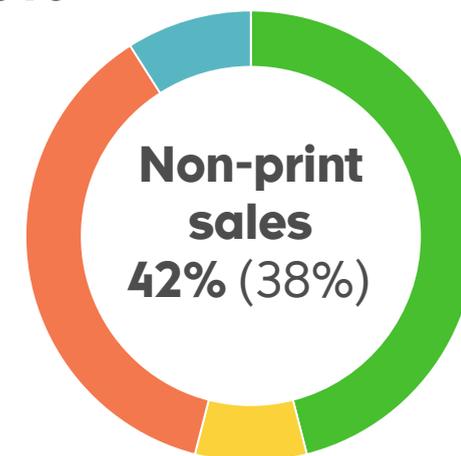
Media Finland EUR million	2016	2015
Net sales	580.9	572.8
Organic growth	0.7%	-4.1%
Operational EBIT	49.5	13.0
Operational EBIT-%	8.5%	2.3%

Quarterly operational EBIT, MEUR



Composition of net sales 2016

- Advertising sales
- Single copy sales
- Subscription sales
- Other*



*Other sales mainly include press distribution and marketing services, custom publishing, event marketing and books.

Media Finland key figures

EUR million	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	FY/16	FY/15
Net sales	152.4	133.8	150.1	144.5	152.2	131.9	145.7	143.0	580.9	572.8
Digital	64.0	52.2	63.5	58.3	59.3	46.6	56.9	50.0	237.9	212.8
Print	87.2	80.4	85.9	85.3	92.0	84.8	89.7	90.5	338.9	356.9
Other	1.2	1.3	0.8	0.9	0.9	0.5	-0.9	2.5	4.1	3.0
Operational EBIT	9.3	10.2	19.0	11.0	15.6	2.0	-2.5	-2.1	49.5	13.0
<i>% of Net sales</i>	<i>6.1</i>	<i>7.6</i>	<i>12.7</i>	<i>7.6</i>	<i>10.2</i>	<i>1.5</i>	<i>-1.7</i>	<i>-1.5</i>	<i>8.5</i>	<i>2.3</i>
Number of employees (FTE)*	1,718	1,749	1,907	1,794	1,863	2,100	2,319	2,095	1,718	1,863

Learning – Leading in 5 European Countries

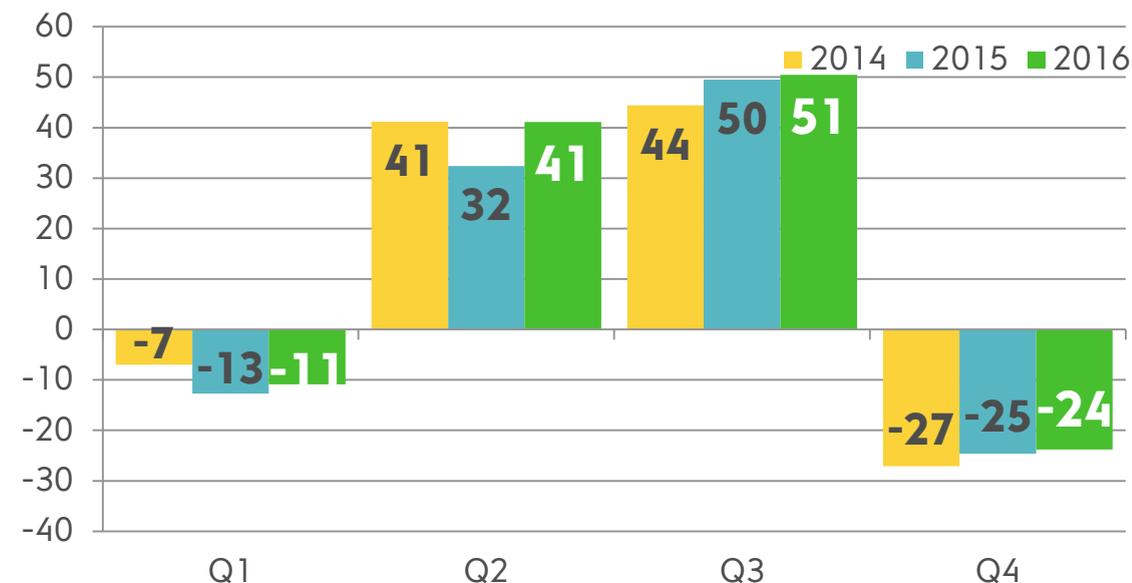
- Focus in primary, secondary and vocational education
- One of Europe's leading learning companies serving 10 million students and one million teachers
- Multi-channel learning solutions engage students in achieving good learning outcomes and support effective work of the professional teachers

	Brand	Position	Market share
Netherlands	Malmberg	#2	30%
Finland	Sanoma PRO	#1	60%
Belgium	Van In	#1	40%
Sweden	Utbildning	#2	30%
Poland	Nowa Era	#1	40%

Learning financials

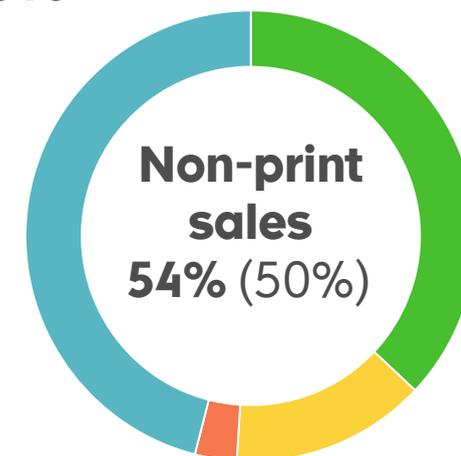
Learning EUR million	2016	2015
Net sales	282.6	280.3
Netherlands	94.4	95.3
Poland	70.8	83.9
Finland	48.1	43.6
Belgium	44.8	35.2
Sweden	25.1	23.3
Operational EBIT	56.8	44.6
Operational EBIT-%	20.1%	15.9%

Quarterly operational EBIT, MEUR



Composition of net sales 2016

- Hybrid
- Digital
- Services
- Print



*Other sales mainly include press distribution and marketing services, custom publishing, event marketing and books.

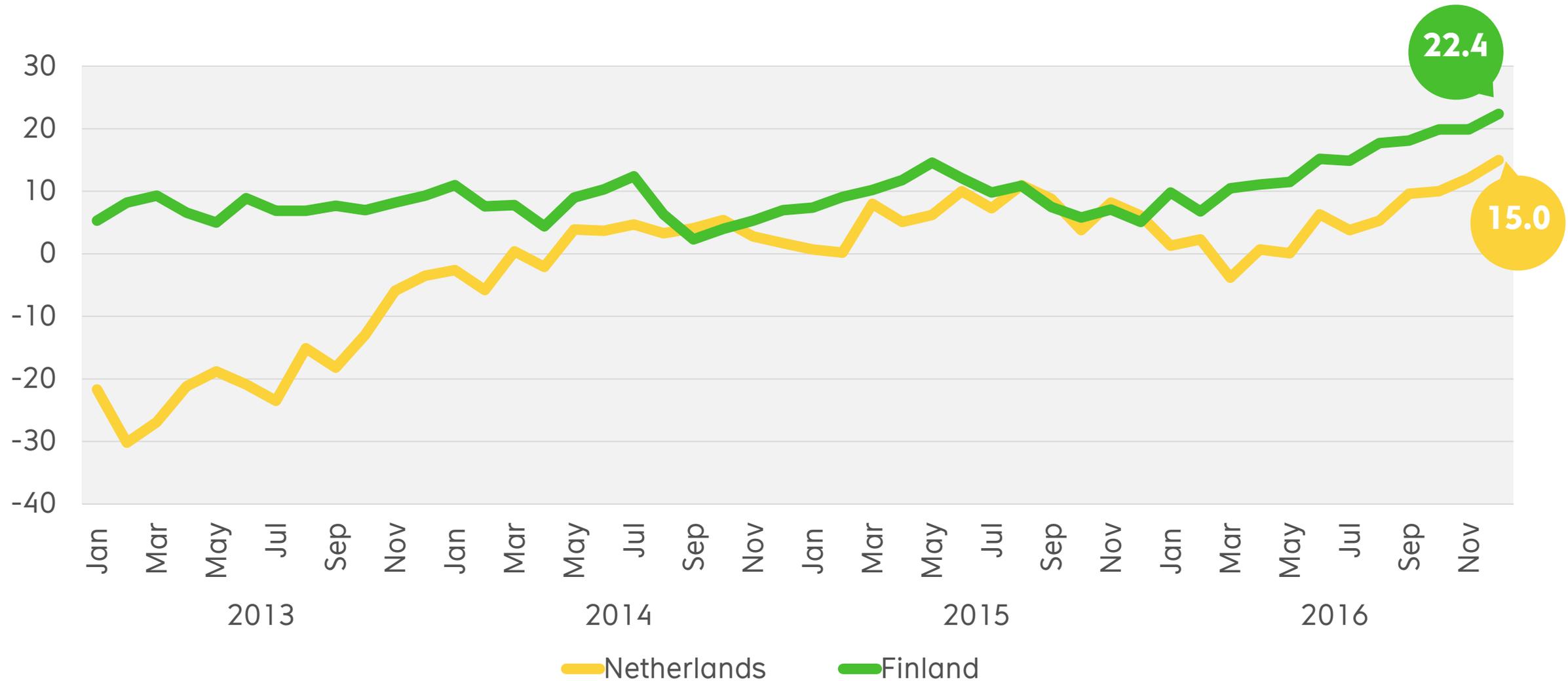
Learning key figures

EUR million	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	FY/16	FY/15
Net sales	28.0	124.7	97.1	32.9	23.7	121.2	98.0	37.5	282.6	280.3
Netherlands	6.5	25.8	42.4	19.7	6.4	27.5	39.9	21.5	94.4	95.3
Poland	8.0	50.1	8.2	4.5	7.7	56.6	12.8	6.7	70.8	83.9
Finland	5.5	14.5	24.9	3.2	3.4	11.0	25.5	3.8	48.1	43.6
Belgium	4.0	24.1	15.3	1.4	3.2	16.3	14.3	1.5	44.8	35.2
Sweden	4.3	10.2	6.5	4.1	3.4	10.2	5.7	4.1	25.1	23.3
Other and eliminations	-0.2	0.0	-0.3	-0.3	-0.4	-0.3	-0.2	-0.1	-0.6	-1.1
Operational EBIT	-23.8	50.5	41.1	-10.9	-24.6	49.5	32.4	-12.7	56.8	44.6
<i>% of Net sales</i>	<i>-84.9</i>	<i>40.5</i>	<i>42.3</i>	<i>-33.1</i>	<i>-103.7</i>	<i>40.8</i>	<i>33.1</i>	<i>-33.9</i>	<i>20.1</i>	<i>15.9</i>
Number of employees (FTE)*	1,439	1,426	1,431	1,364	1,507	1,527	1,515	1,515	1,439	1,507

Appendix



Consumer Confidence



Source: Eurostat

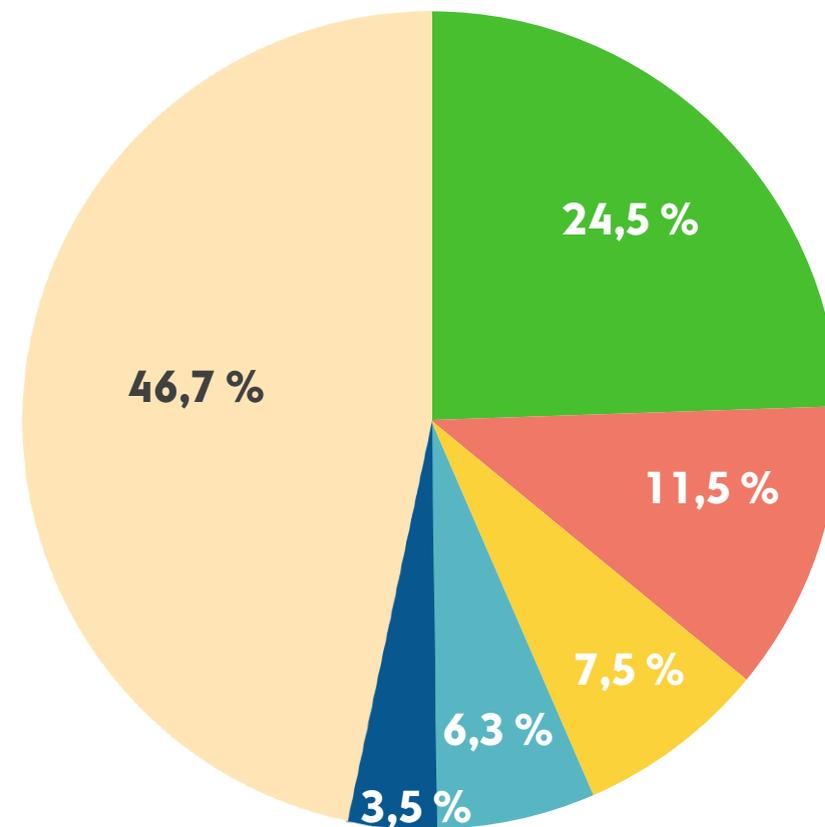
Sanoma – Largest Shareholders

	% of shares and votes
31 January 2017	
1. Jane and Aatos Erkko Foundation	24.46
2. Antti Herlin (Holding Manutas Oy: 11.47%, personal: 0.02%)	11.49
3. Robin Langenskiöld	7.54
4. Rafaela Seppälä	6.31
5. Helsingin Sanomat Foundation	3.50
6. Ilmarinen Mutual Pension Insurance Company	2.19
7. The State Pension Fund	1.28
8. Foundation for Actors' Old-Age Home	1.23
9. Alex Noyer	1.19
10. Lorna Auboin	1.14
Foreign ownership in total*	16.4%
Total number of shares	162,812,093
Total number of shareholders	21,652

Institutional investors: around 70% of shares

Private investors: around 30% of shares

*Including nominee registered shareholders



■ Jane and Aatos Erkko Foundation
 ■ Antti Herlin
■ Robin Langenskiöld
 ■ Rafaela Seppälä
■ Helsingin Sanomat Foundation
 ■ Others

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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.

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