

A wide-angle photograph of the Sanoma building at night. The building is a multi-story structure with a complex facade. The left side is covered in a dense network of metal scaffolding, through which the interior lights and some office spaces are visible. The right side of the building features a modern, curved facade with large glass windows and a prominent, curved, metallic-looking structure. The sky is a deep blue, and the ground is covered in snow. Several people are walking in the foreground. The text "Sanoma 2017" is overlaid in large white letters across the center of the image. Below it, the name "Susan Duinhoven" and her title "President and CEO, Sanoma Corporation" are also overlaid in white text. Various logos and signs are visible on the building, including "Sanoma", "Hietalahti", "Veripalvelu", "estetia", "Matti", and "SANOMATALO".

Sanoma 2017

Susan Duinhoven
President and CEO, Sanoma Corporation



Overview of presentation

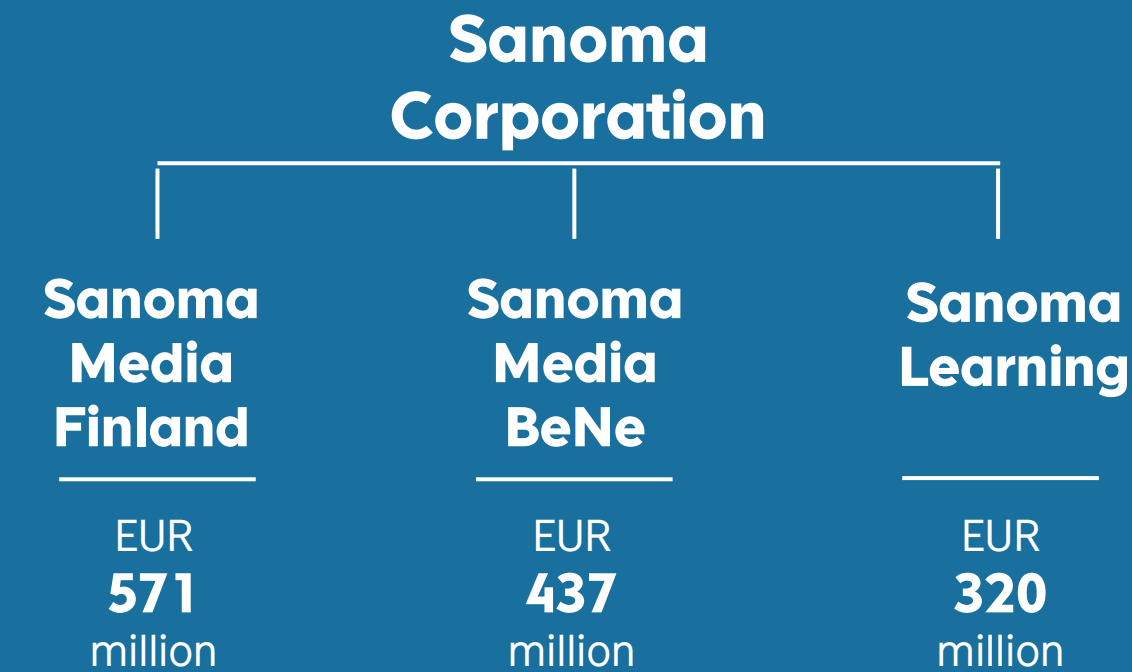
1. Highlights 2017
2. Three Business Cases 2017
3. Dividend Proposal
4. Looking forward to 2018 and beyond
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Sanoma in 2017



Net sales:
Operational EBIT:
EBIT %:
Personnel:

EUR **1,327** million
EUR **181** million
13,6%
4.425

All income statement related FY figures for 2017 are adjusted for the SBS divestment and cover continuing operations only unless otherwise stated.

Our Operational Geographies



2017: A year of change – major portfolio restructuring completed

Media BeNe

- Divestment of Dutch TV operations SBS
- Acquisition of Veronica Magazine (TV Guide)
- Kieskeurig divestment
- Intention to sell our women magazines titles in Belgium

The SBS logo consists of the letters 'SBS' in a bold, blue, sans-serif font.The Veronica Magazine logo features the word 'VERONICA' in a red, stylized, serif font with a white outline, and the word 'MAGAZINE' in a smaller, black, sans-serif font above it.

Media Finland

- Sanoma Media Finland increased its share in the SME marketing company Routa
- Sanoma Baltics divestment

The Routa logo features a stylized 'Z' shape composed of three overlapping geometric shapes: a yellow one at the top, a black one in the middle, and a pink one at the bottom. Below the 'Z' is the word 'ROUTA' in a bold, pink, sans-serif font, and below that is the text 'a Sanoma company' in a smaller, black, sans-serif font.

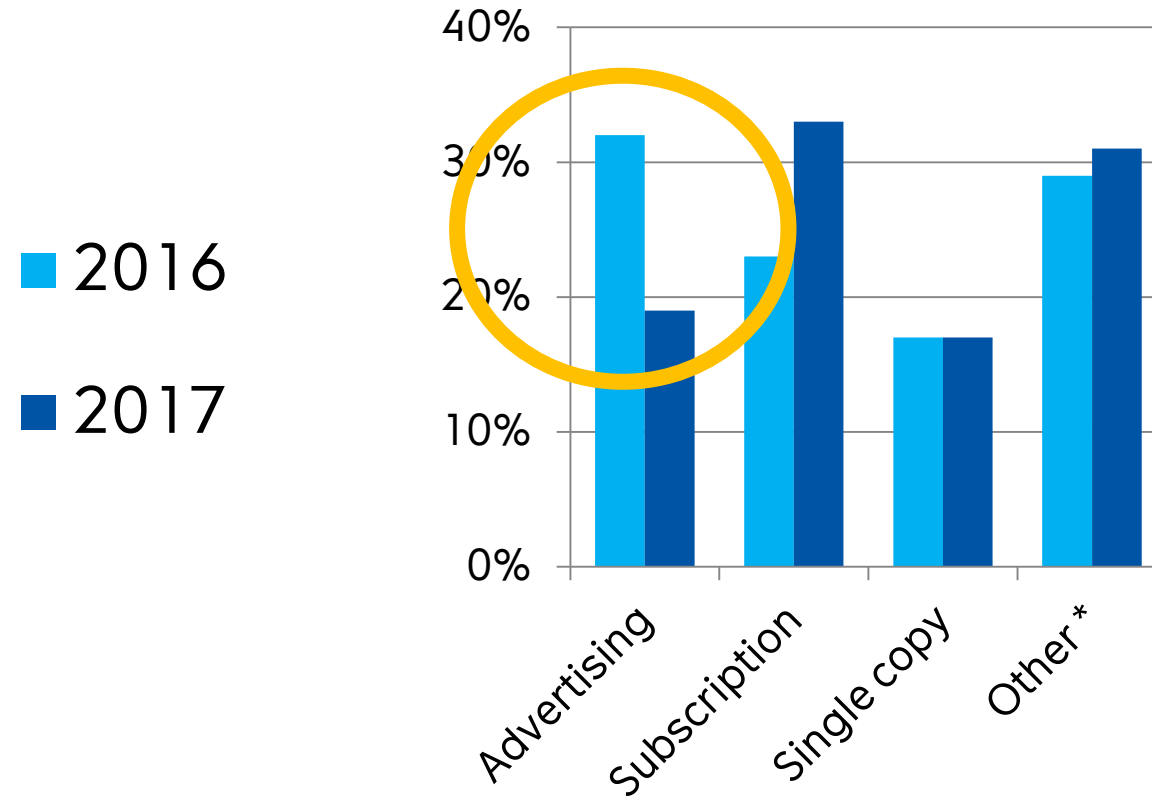
Learning

- DeBoeck in Belgium fully integrated into Van In
- YDP integrated into Nowa Era Poland

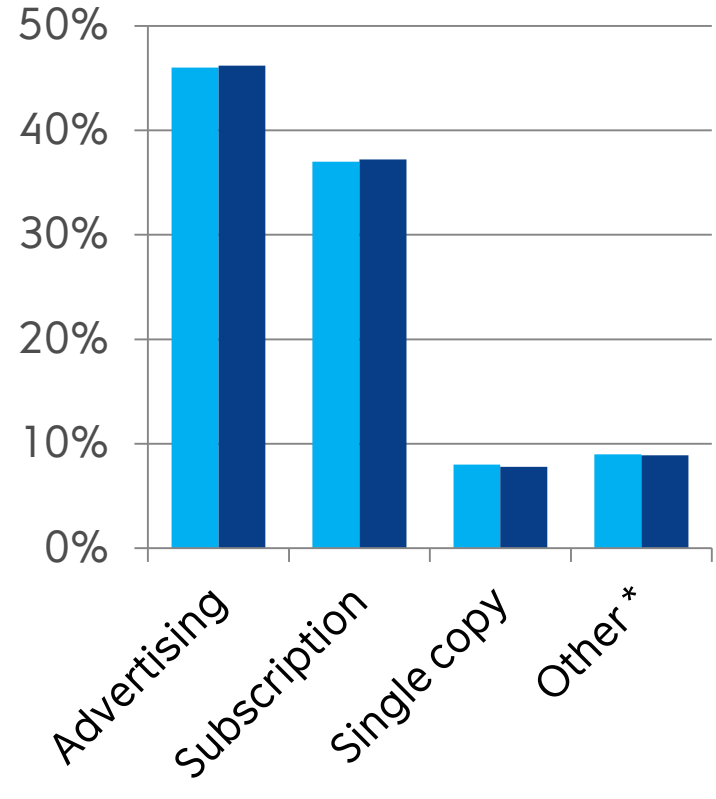
The Van In logo features a stylized 'V' shape composed of two overlapping geometric shapes: a yellow one at the top and a pink one at the bottom. To the right of the 'V' is the text 'van in' in a bold, black, sans-serif font, and below that is the text 'a Sanoma company' in a smaller, black, sans-serif font.

Composition of Net Sales changed - lower dependency on advertising

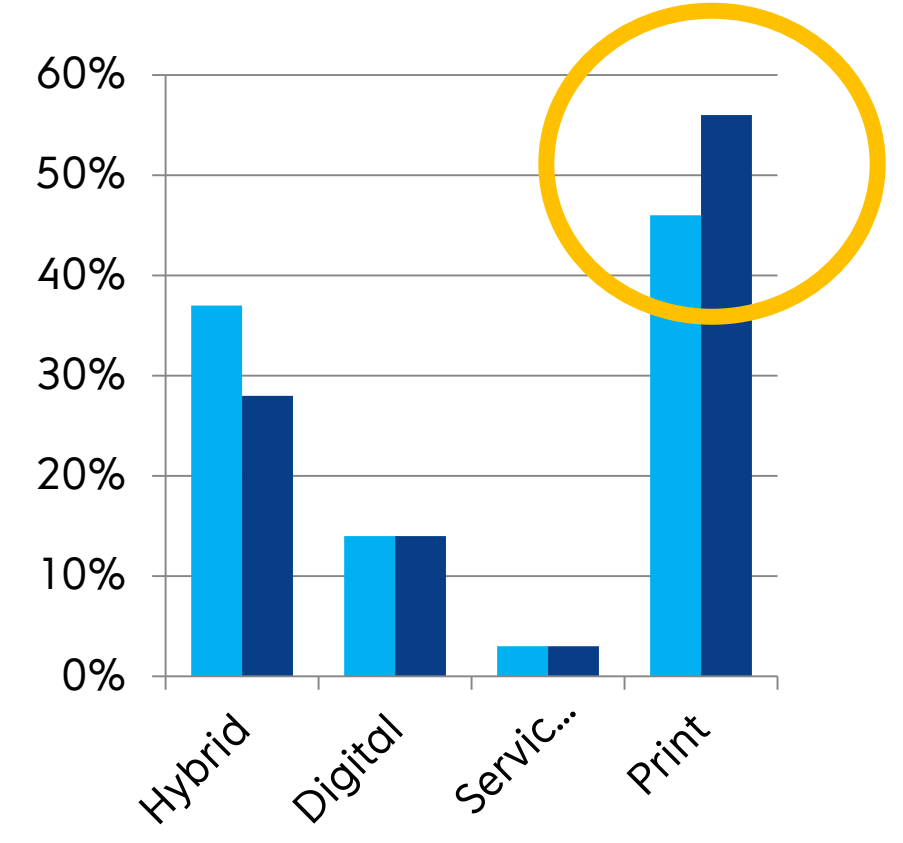
Media BeNe



Media Finland



Learning



Finnish measured media advertising markets

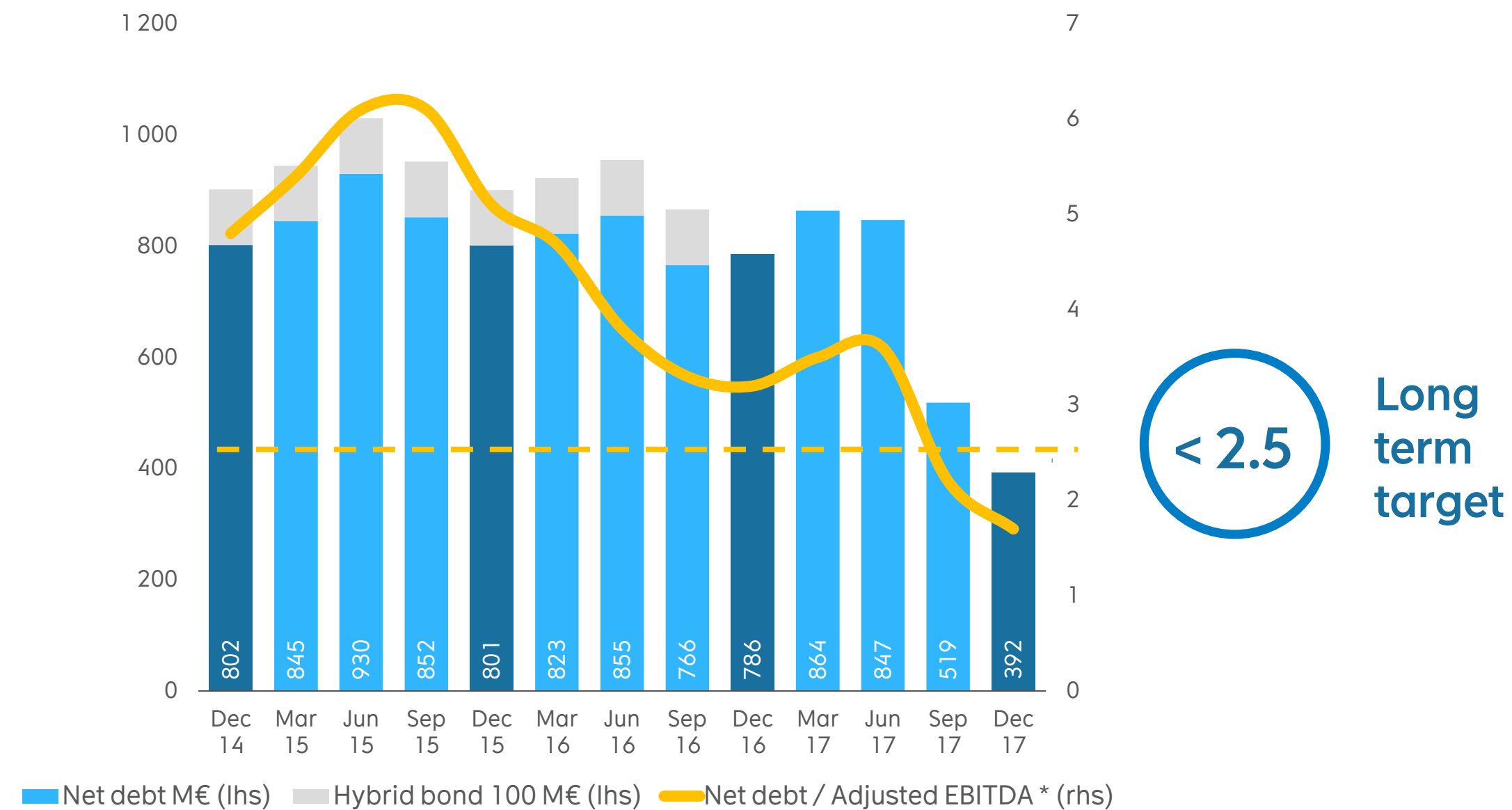
	FY15	FY 16	FY 17
Newspapers	-6%	-4%	-11%
Magazines	-14%	-9%	-6%
TV	-4%	-1%	-5%
Radio	3%	3%	4%
Online	7%	13%	7%
Total market	-2%	1%	-3%



Second year of solid operational EBIT improvement

- **Profitability improved by 21%**
Operational EBIT EUR 181 million (2016: 150)
- **Net sales were stable**
EUR 1,327 million (2016: 1,322)
- **Operational EPS improved by 56%**
EUR 0.72 (2016: 0.46)
- **Leverage down to 1.7 (2016: 3.2)**
Debt at 392 MEUR by end of 2017 (2016: 786)

Net debt to adjusted EBITDA



Performance vs. peer group in line with our earlier ambitions

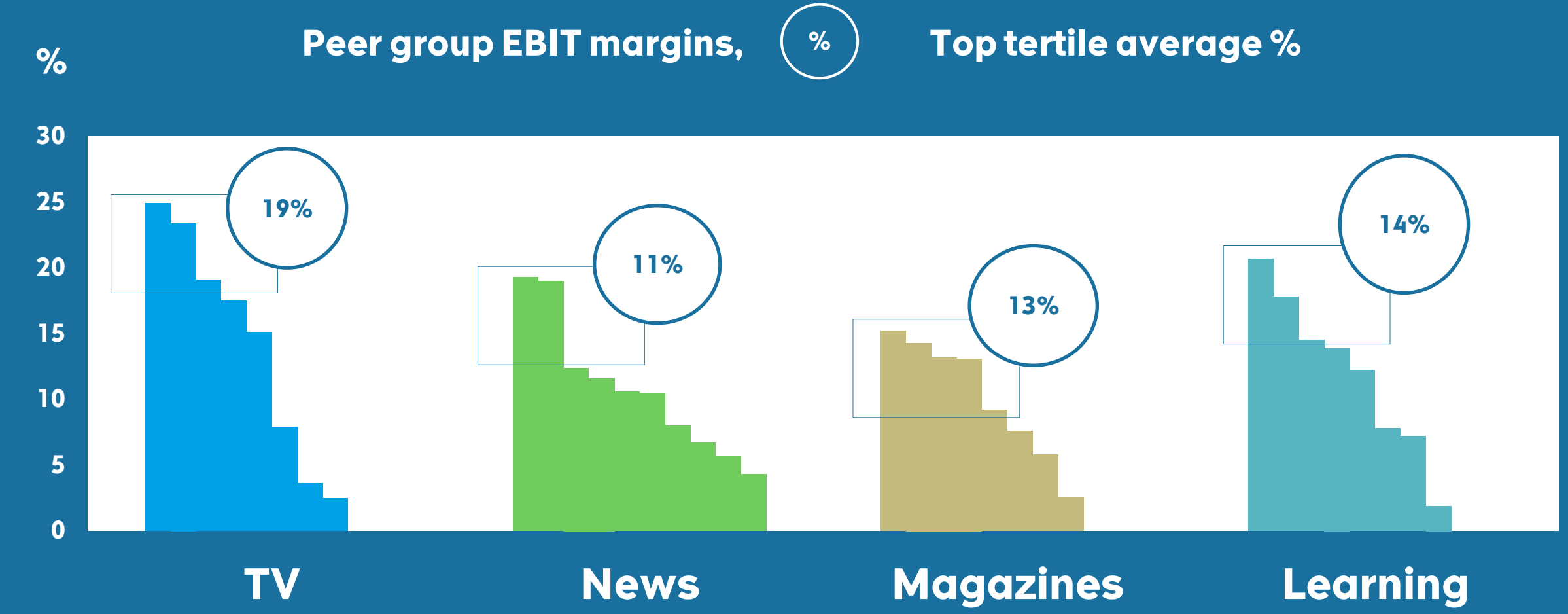
Equivalent Peer Group
operational EBIT



Sanoma 2017
operational EBIT



EBIT in top tertile of companies with Sanoma's composition

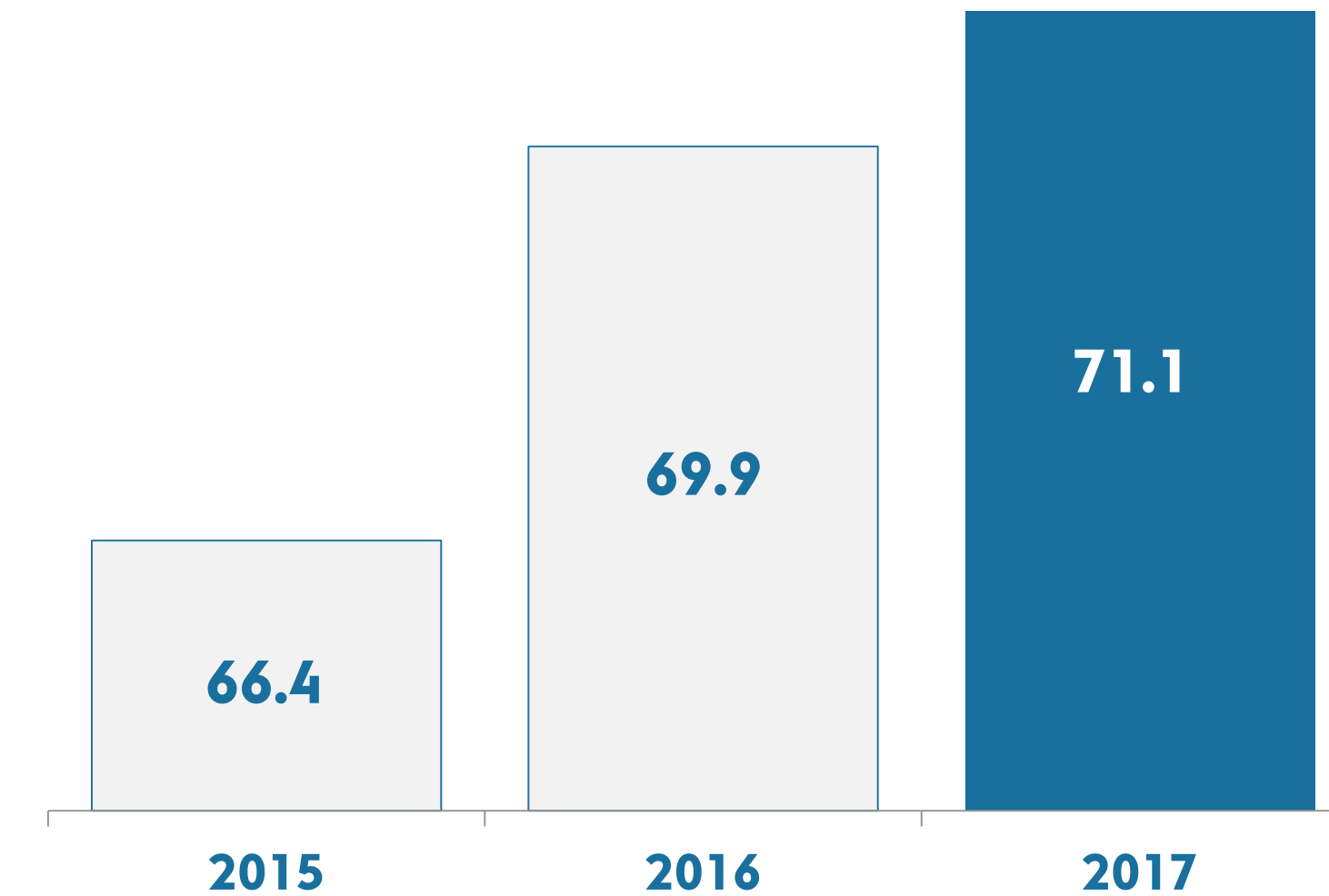


Latest available peer group data from 2016

Spirit in the organisation also improved further

- **Solid improvement** in the engagement score
- **Renewed organisational structure** in place in SMBeNe following divestments
- Passionate and **highly professional teams** throughout the organisation
- **Focus on investment in capabilities** of our employees to support strategic goals
- **4,425 FTE's employed** by end of 2017

People Power Rating[®]





Overview of presentation

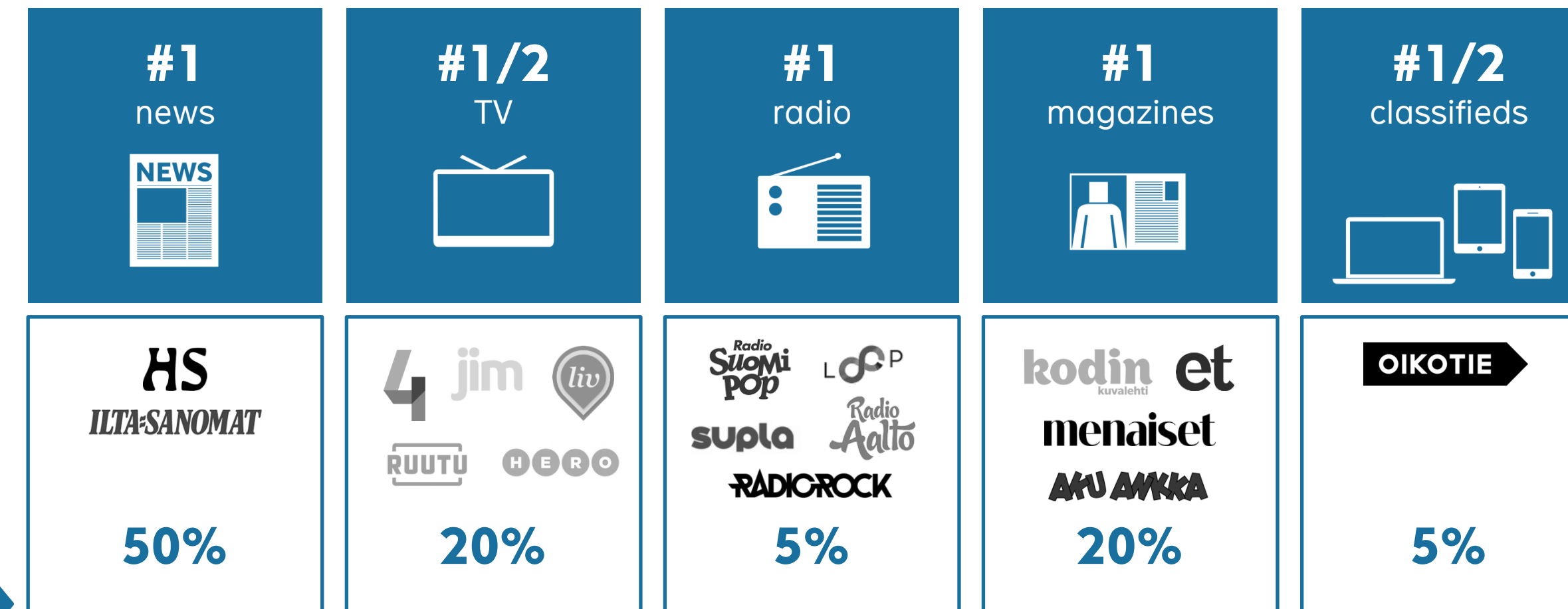
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Sanoma Media Finland - No. 1 media player in Finland

- Strong **media brands**
- We reach **97 %** of all Finns every week
- **Unique** offering and proposition to advertisers
- **Successful** digital transformation
- Solid **improvement** in profitability to 11.5% margin

Share of revenues

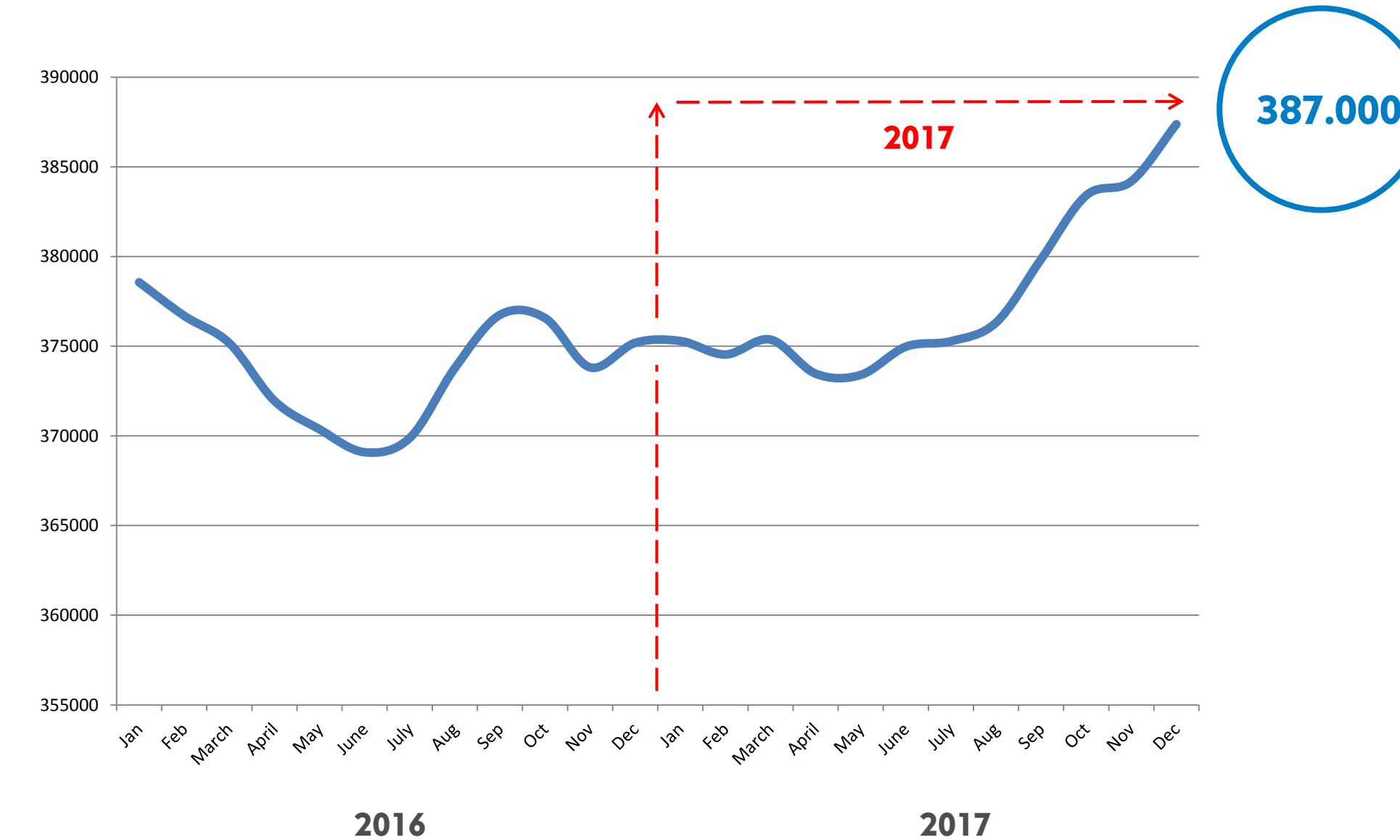
Strong media brands



Helsingin Sanomat subscription base increased

- HS has **developed** a number of subscription products to fit consumer needs
 - HS digital and lately launched HS Mini for young and single user households
 - Weekend print + digital
 - HS Viikko product + digital
- HS digital product has **grown steadily**
- 2017: a historical turn to **growth of total subscribers**
 - Updated brand strategy
 - Content offering targeted to younger audiences (10-45)
 - Diamond articles successful for customer acquisition

HS subscriptions, print & digital in total



Media Netherlands – Three strong asset groupings

Value growth through NU.nl & Data business

Blockbuster Media Brands

Cross media
expansion with high
cash conversion

NU.nl and data business

Creating growth in high value
business

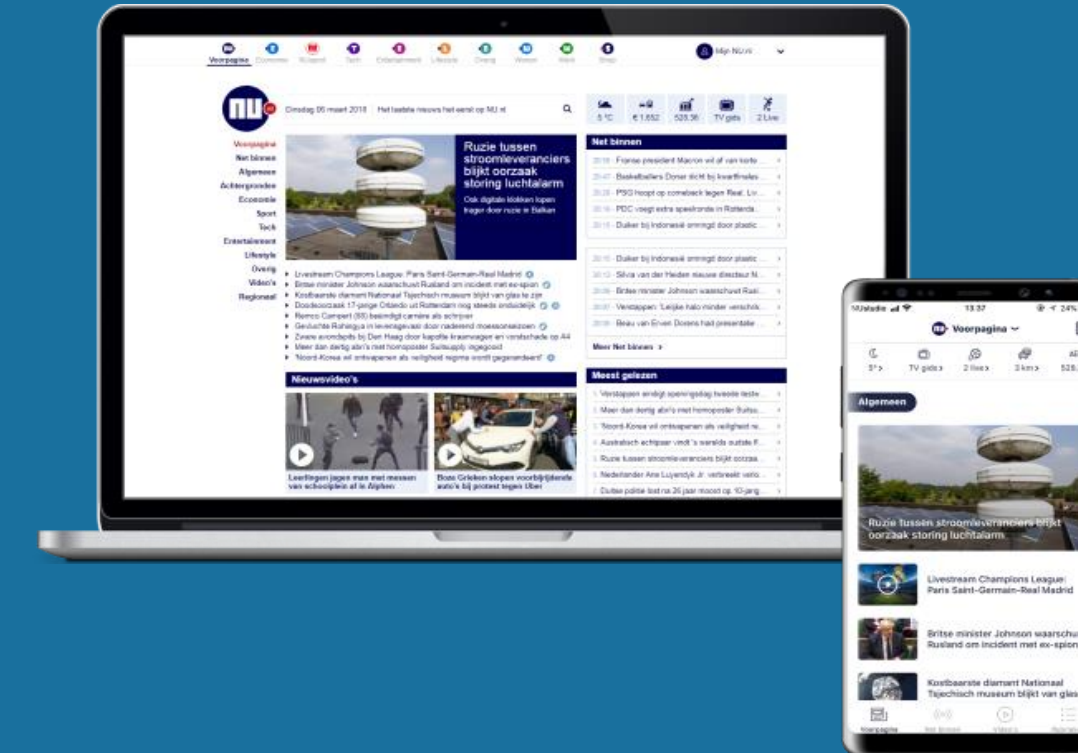


Special Interest Media Brands

Selected
opportunities with
high
cost efficiency

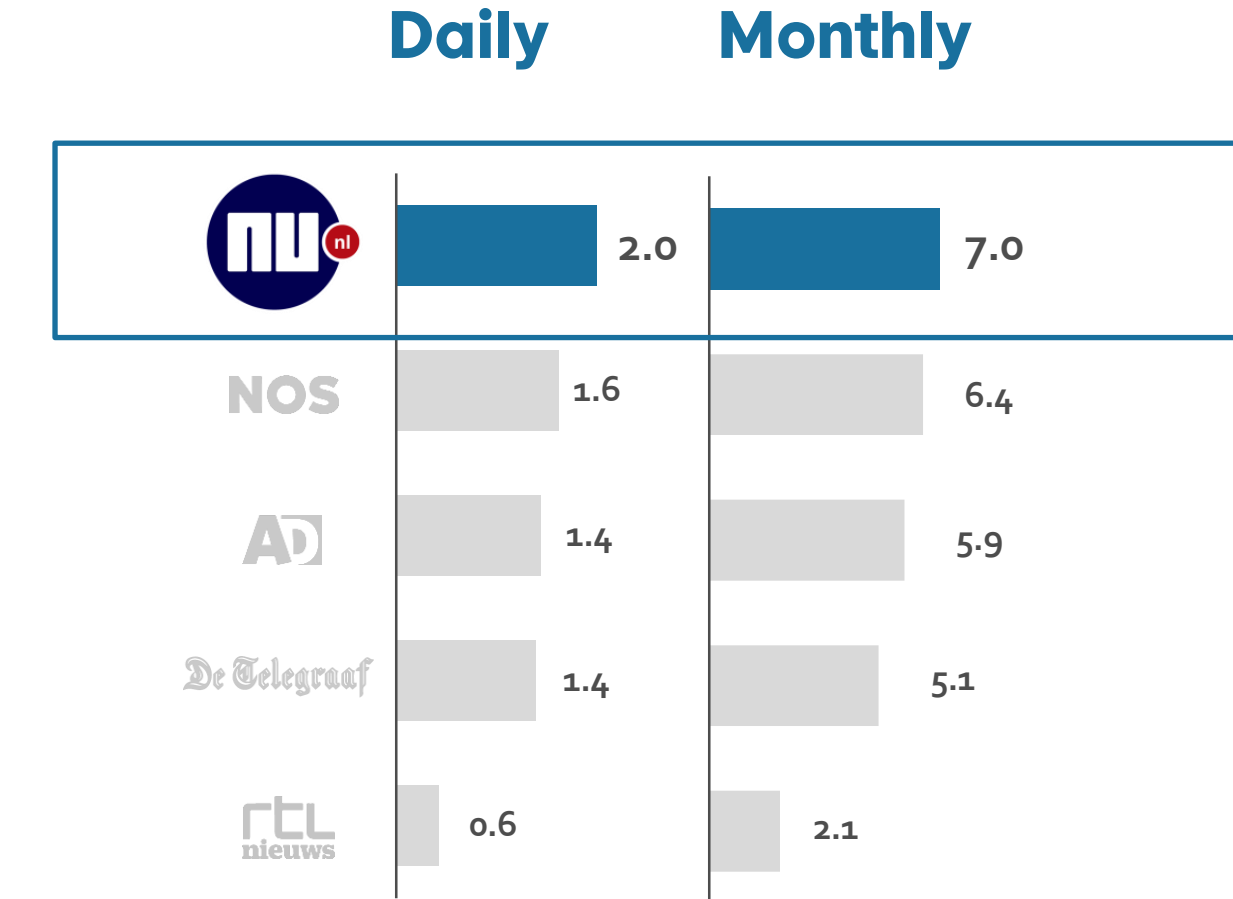


NU.nl – largest digital news platform in the Netherlands



- **Digital-only news platform** since 1999
- **800 million** page views monthly
- **High organic traffic (90%)** due to large volume of installed apps
- Monthly reach **47 % in NL**

Average unique reach (million)



Source: NOBO, age 6+, Q1 2018

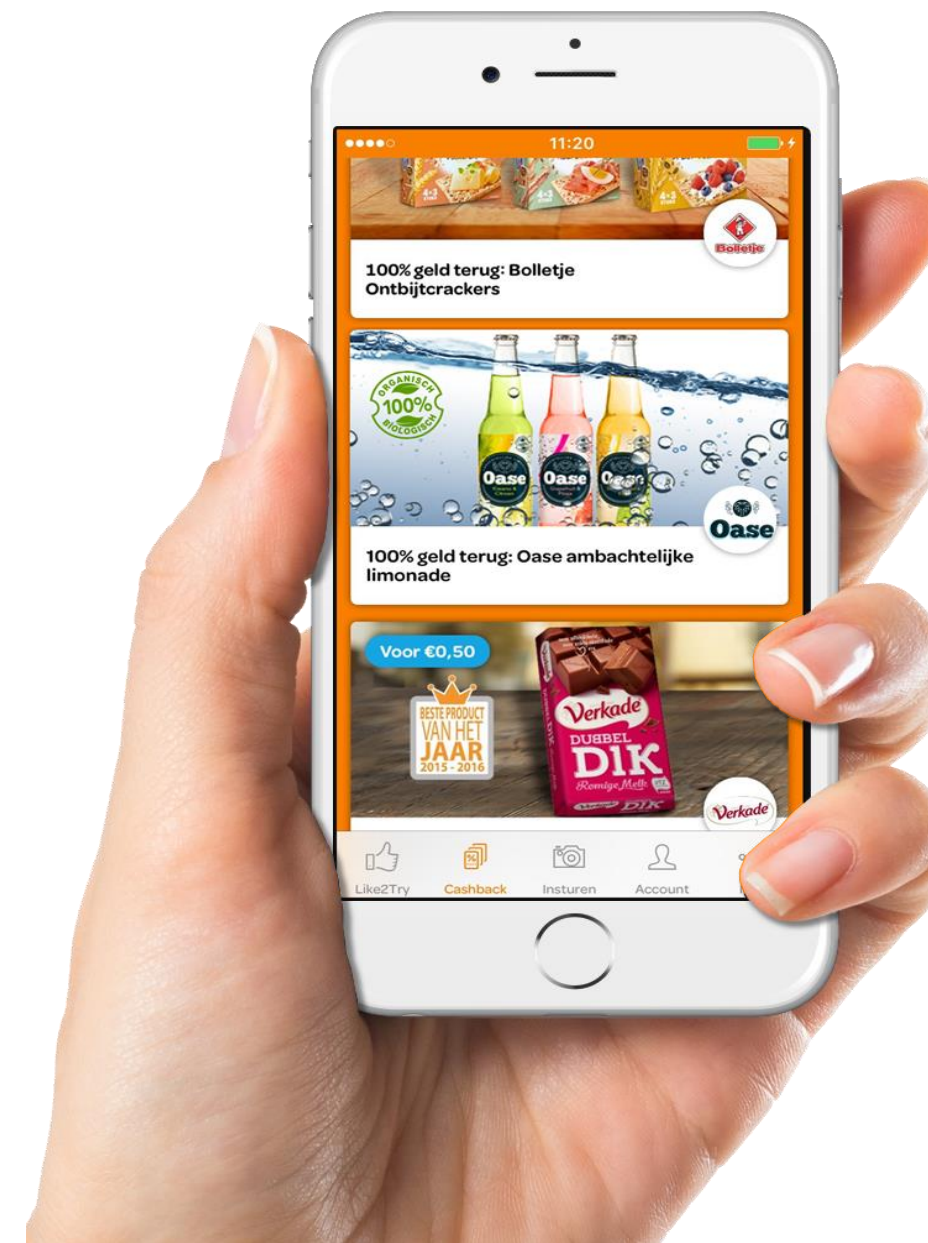
Scoupy – cashback app targets FMCG advertisers

CONSUMER VALUE PROPOSITION

- **Discount and trials** on new products
- Scan receipt of purchase to **get cashback**
- In-app scan and cashback solution is **one-of-a-kind** in the FMCG market
- **215,000 unique** active accounts and over 900,000 in database

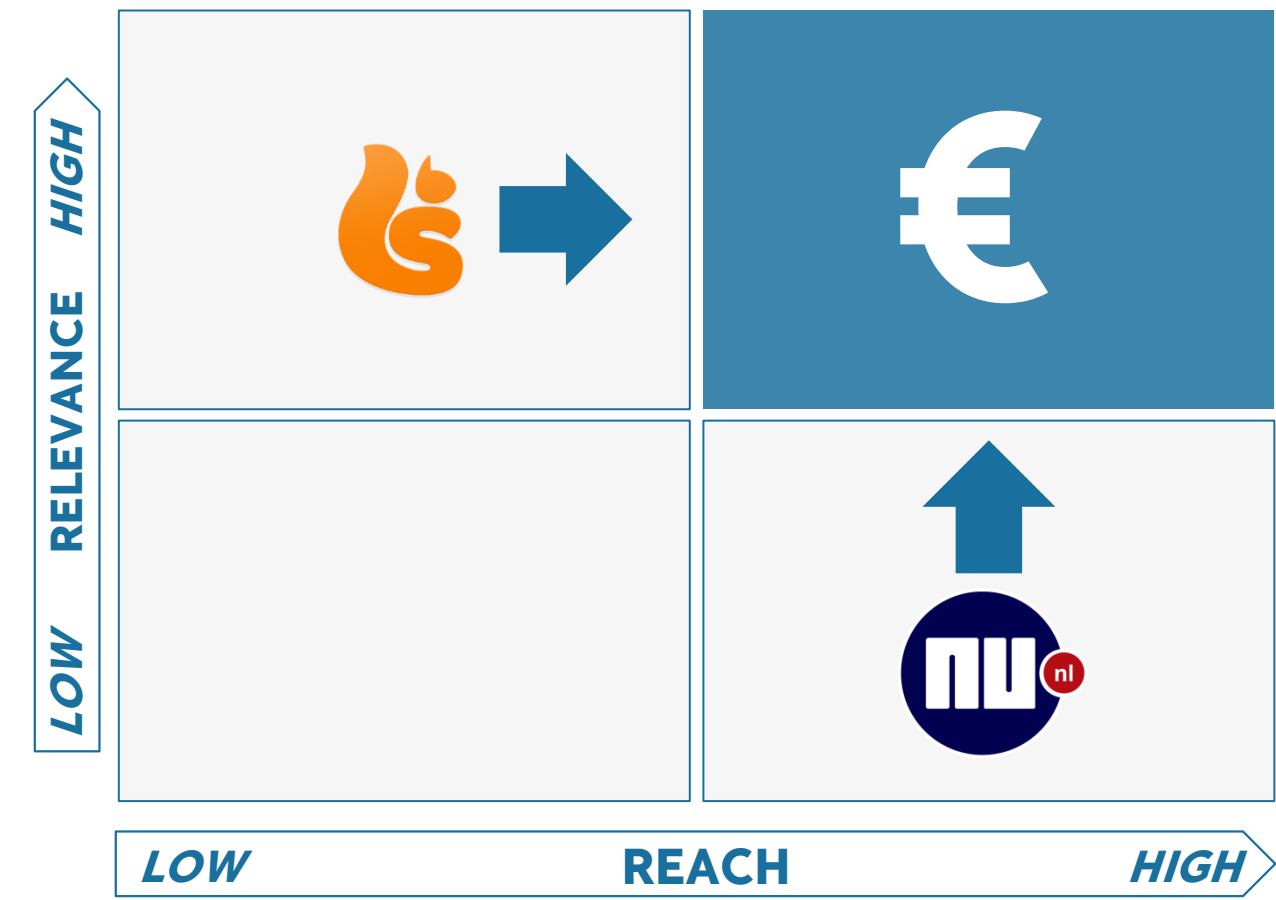
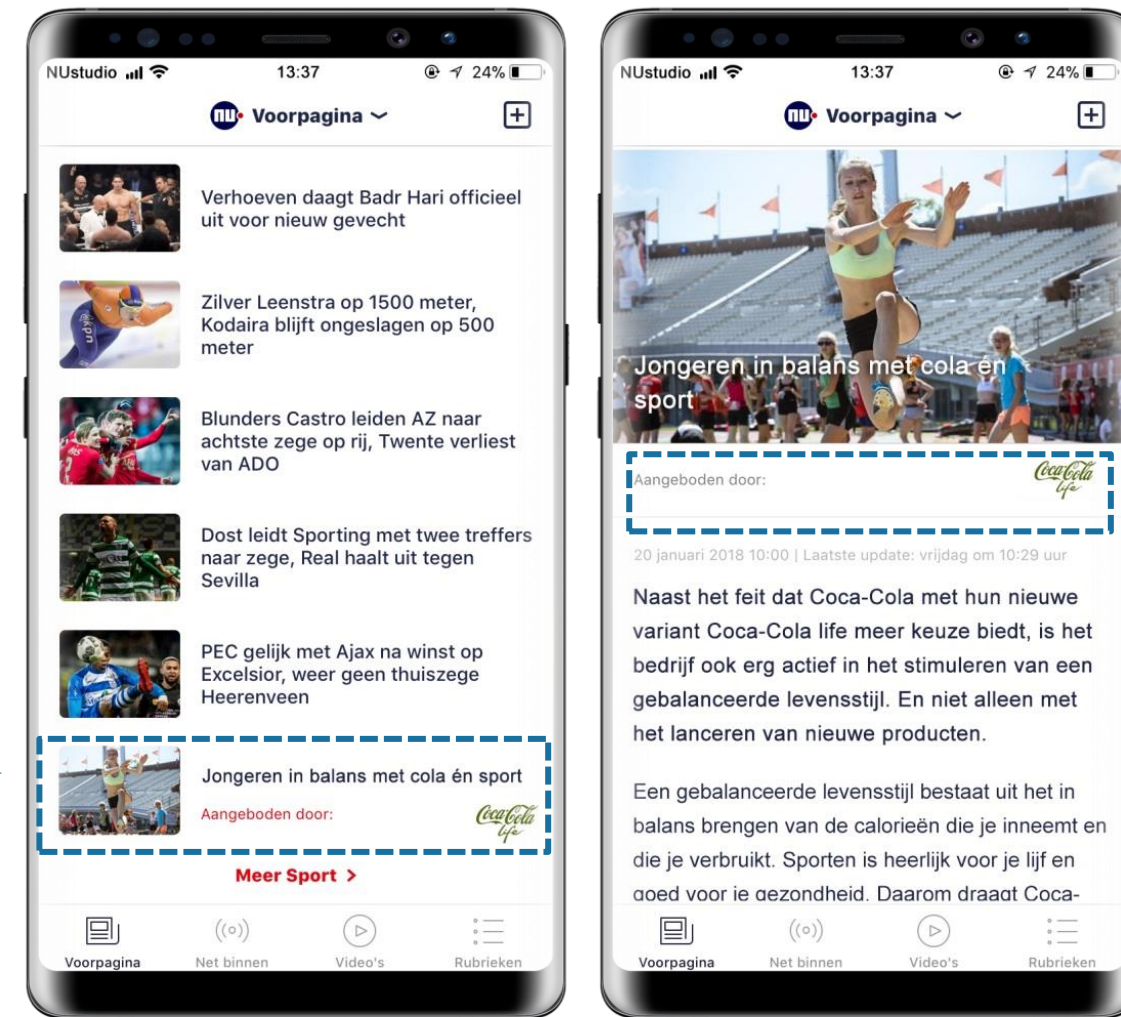
BUSINESS-TO-BUSINESS VALUE PROPOSITION

- **Boost new products** and get feedback
- Independent of retailers and **influence customer behaviour** directly
- **Collect consumer data and insights** e.g. all products on receipt, supermarket location, demographics



Combining Scoupy and NU.nl: Consumer engagement on high reach platform

Coca Cola can **direct retarget** Pepsi drinkers



Nowa Era is the largest educational publisher in Poland

- Educational market with a 50 million population
- “One Stop Shop” model combining publisher and distributor role
- Educational reform in accordance with new law signed in January 2017
- Nowa Era published 46 new methods by September 2017
- Unique market size in 2017 due to overlapping reforms

Net sales

EUR 100 million

Publications sold

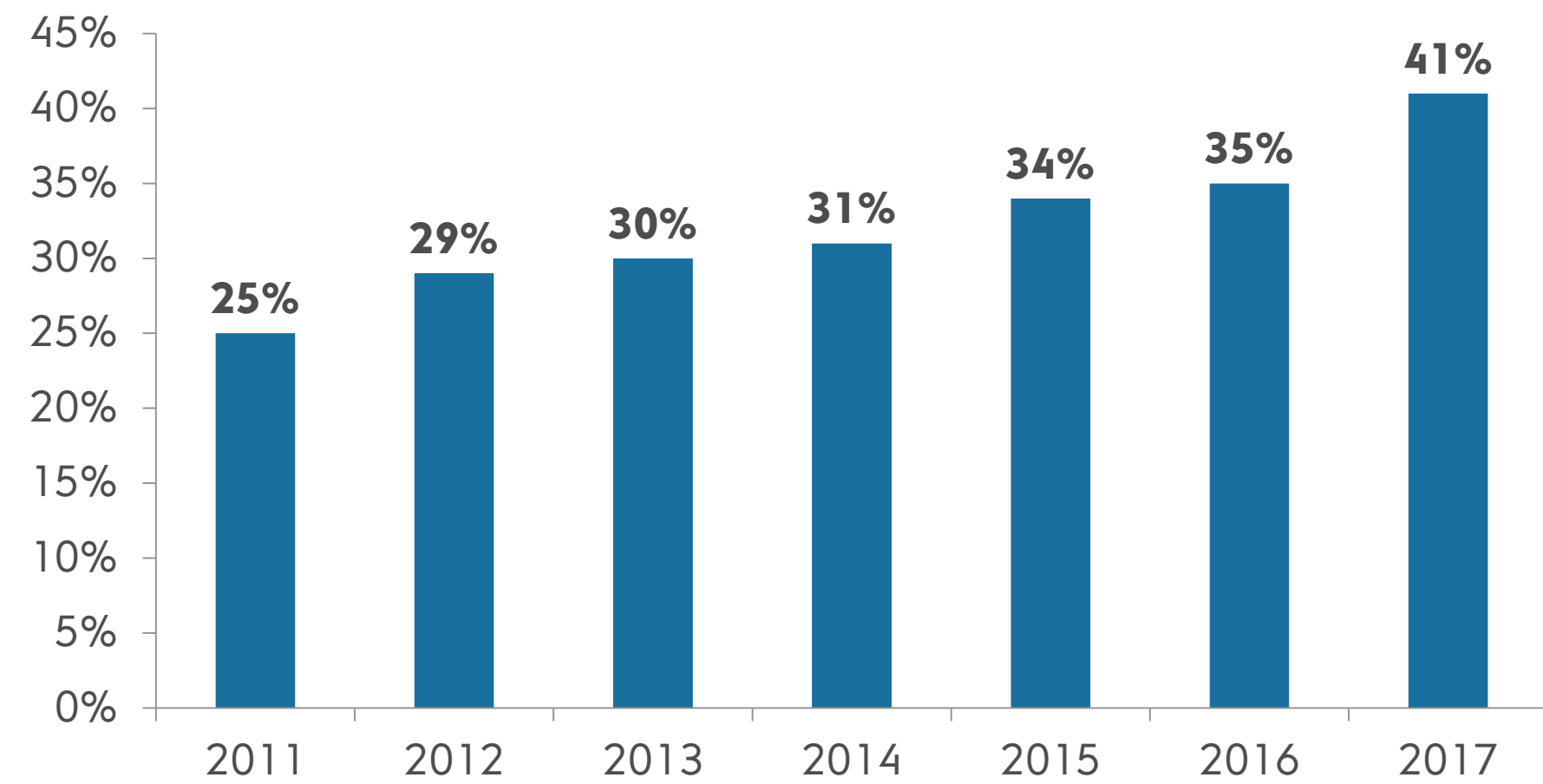
17.4 million

Employees

630



Nowa Era gained market during the recent years of change in the Polish educational market





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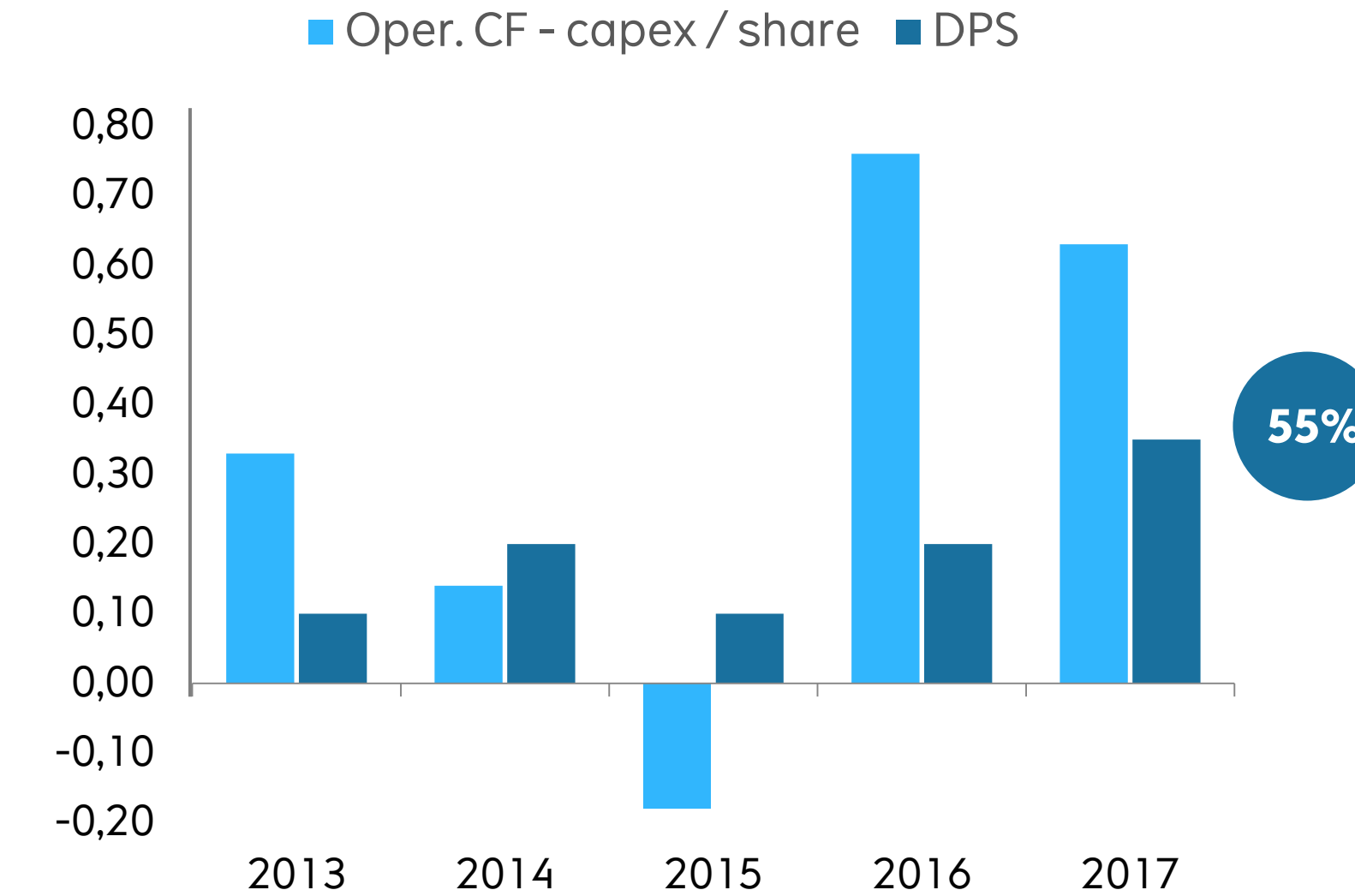
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The Board proposes a dividend of EUR 0.35 per share

- For 2017, Board proposes dividend of **EUR 0.35** (2016: 0.20) per share
 - **55%** of operational cash flow minus capex
 - To be paid in **two instalments**, EUR 0.20 on April 4 and EUR 0.15 on November 1, 2018
- Dividend policy:
Sanoma aims to pay an increasing dividend, equal to 40–60% of annual cash flow from operations less capital expenditure

Dividend development 2013–2017

EUR





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Sanoma Executive Management Team



Susan Duinhoven
President and CEO



Markus Holm
CFO and COO



Marc Duijndam
CEO, Media BeNe



Pia Kalsta
CEO, Media Finland



John Martin
CEO, Sanoma Learning

Introducing Marc Duijndam

CEO Sanoma Media BeNe since Jan 1, 2018

- More than **20 years** work experience in media in the Netherlands and Belgium focussed on online and data businesses
- From BtoB sales account manager to CEO: started as account manager for Startpagina.nl (now part of Sanoma Media BeNe)
- Previously held positions as Country Director of Google in the Benelux and Advisor to LinkedIn's European management
- Recently served as CEO of Funda, the largest Dutch real-estate classified site
- Holds several Non-Executive positions in online business in the Netherlands:
Vonq, Inshared, Relay42 and Holland Venture



Sanoma in 2018 and beyond

Major portfolio changes completed

Smaller portfolio adjustments in our core businesses still to be expected – part of normal operation

Continued focus on profitability & cash flow

- Constant cost innovations
- Restructuring costs to decrease
- Cash conversion to increase

Increasing focus on growth

- Market and geographic expansion in Learning
- Highly synergetic bolt-on acquisitions

Resulting in

- Improved profitability
- Stronger cash generation
- Increasing dividend
- Equity ratio and leverage within long-term target

Solid base with improved profitability and leverage within the long-term target range



Growth through bolt-on acquisitions both in existing businesses and in adjacent areas

- **Small synergetic, bolt-on** acquisitions
 - Fitting within the **same eco-systems** and **customer groups**
 - **Consolidation** acquisitions building on Sanoma's existing businesses
 - **Adjacent businesses** utilizing our core strengths and assets
- **Examples:** Scoupy in the Netherlands, De Boeck in Learning in Belgium
- **Recent example** N.C.D. festival business in Finland
 - **Building on relationships with talent** in entertainment and music industry
 - **Ability to promote** festivals effectively both in mass and targeted media
 - Integrating with Sanoma's **existing and growing** events business



Outlook for 2018

Sanoma expects that the Group's

- Consolidated net sales, adjusted for structural changes, will be **slightly below 2017**
- Operational EBIT margin will be **around 14%**

The outlook is based on the assumption of the consumer confidence and advertising markets in the Netherlands and Finland being in line with that of 2017





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Sanoma 2017

Markus Holm

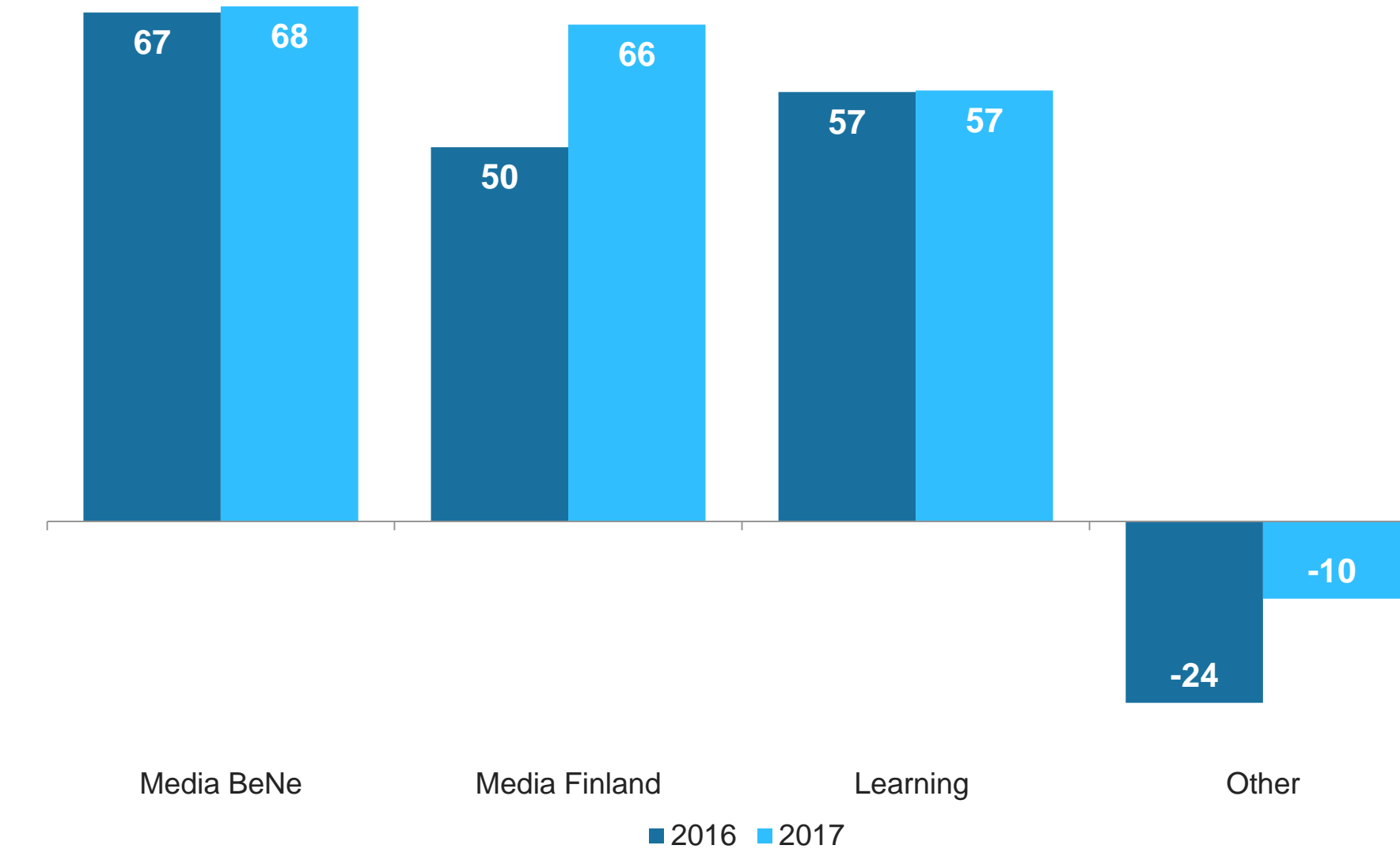
CFO and COO, Sanoma Corporation

KESKUSTAKIRJASTO

Key figures 2017

- Net sales EUR 1,327 million (2016: 1,322)
- Operational EBIT EUR 181 million (2016: 150) or 13.6% of net sales (2016: 11.3%)
- Sanoma divested its Dutch FTA TV operations, SBS, for EUR 237 million
- Items affecting comparability EUR -417 million (2016: 42)
- EBIT EUR -239 million (2016: 207)
- Operational EPS EUR 0.72 (2016: 0.46)
- Cash flow from operations EUR 141 million (2016: 158)

Operational EBIT by SBU in 2017 MEUR



Media Finland: **Significant profitability improvement**

Net sales

EUR **571** million

(2016:581)

Operational EBIT

EUR **66** million

(2016:50)

Operational EBIT

11.5%

(2016:8.5%)

- Net sales were stable
- Non-print sales grew by 4%
- Operational EBIT improved 33% driven by continued cost and process innovations
- Operational EBIT margin grew significantly
- The total number of HS subscriptions increased throughout H2
- Nelonen Media's commercial viewing share on a good level and strong growth in the reach of the Ruutu VOD



Media BeNe: A year of change

Net sales

EUR **437** million

(2016: 459)

Operational EBIT

EUR **68** million

(2016: 67)

Operational EBIT

15.6%

(2016: 14.7%)

- Net sales declined mainly due to the divestment of Kieskeurig.nl
- Subscription sales grew
- Operational EBIT improved slightly
- Operational EBIT margin improved
 - Cost innovations had a positive impact on profit
- Major portfolio changes were finalized



Learning: Net sales growth of 13%

Net sales
EUR **320** million

(2016:283)

Operational EBIT
EUR **57** million

(2016:57)

Operational EBIT
17.8%

(2016:20.1%)

- Growth was strongest in Poland with market share gain in a strongly grown market due to curriculum reform
 - Net sales grew also in Finland and Belgium
- Operational EBITDA improved by 13 %
- Operational EBIT was stable
 - Positive earnings impact from higher net sales and cost innovations
 - Higher development costs, increased depreciation and amortisation

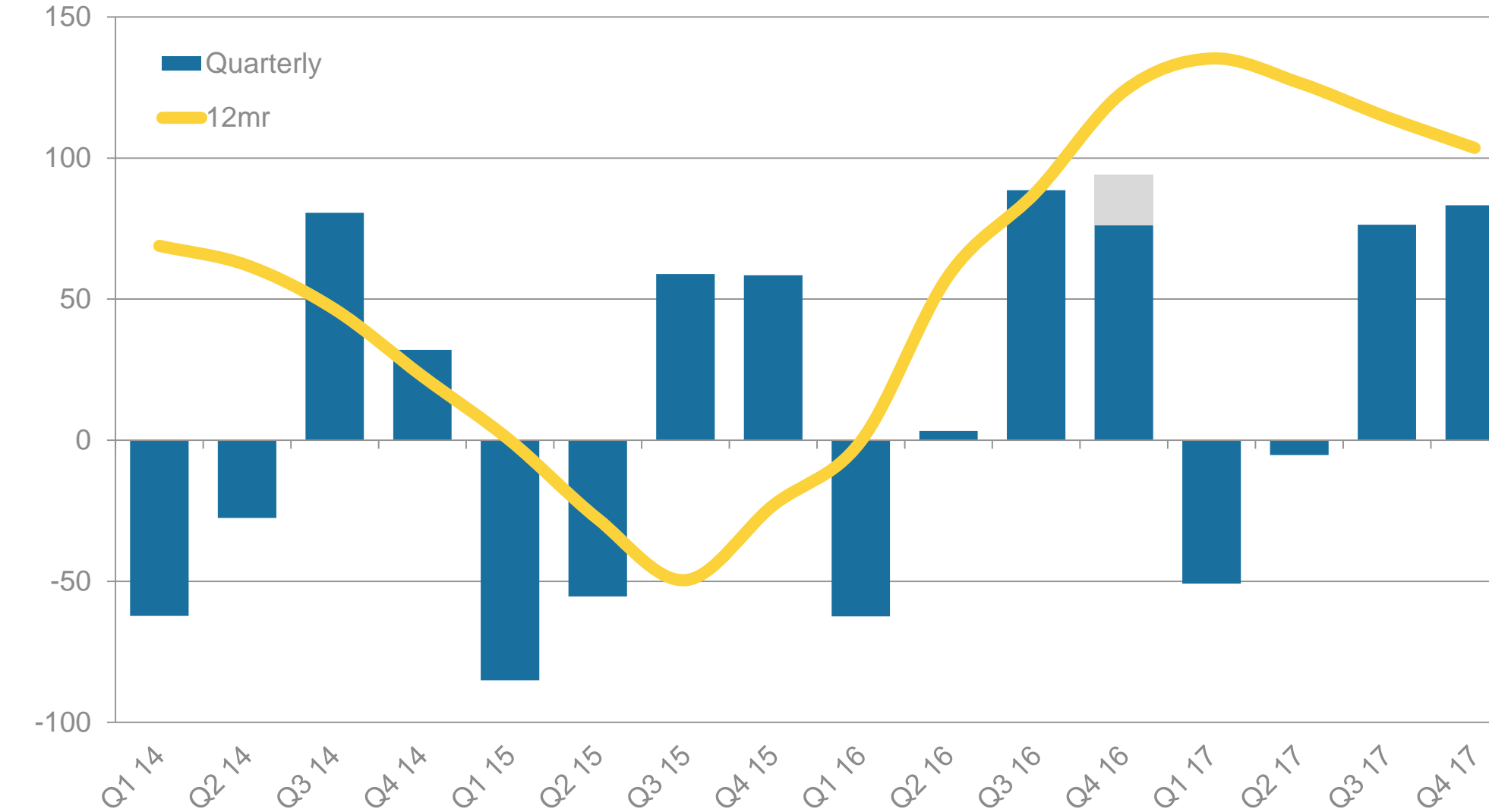


Free cash flow on a good level

- Free cash flow was EUR 104 million (2016: 124)
- Higher EBITDA
- Significantly lower financial cost
- Non-recurring restructuring costs
- Higher taxes paid
- Working capital change

Improved cash flow

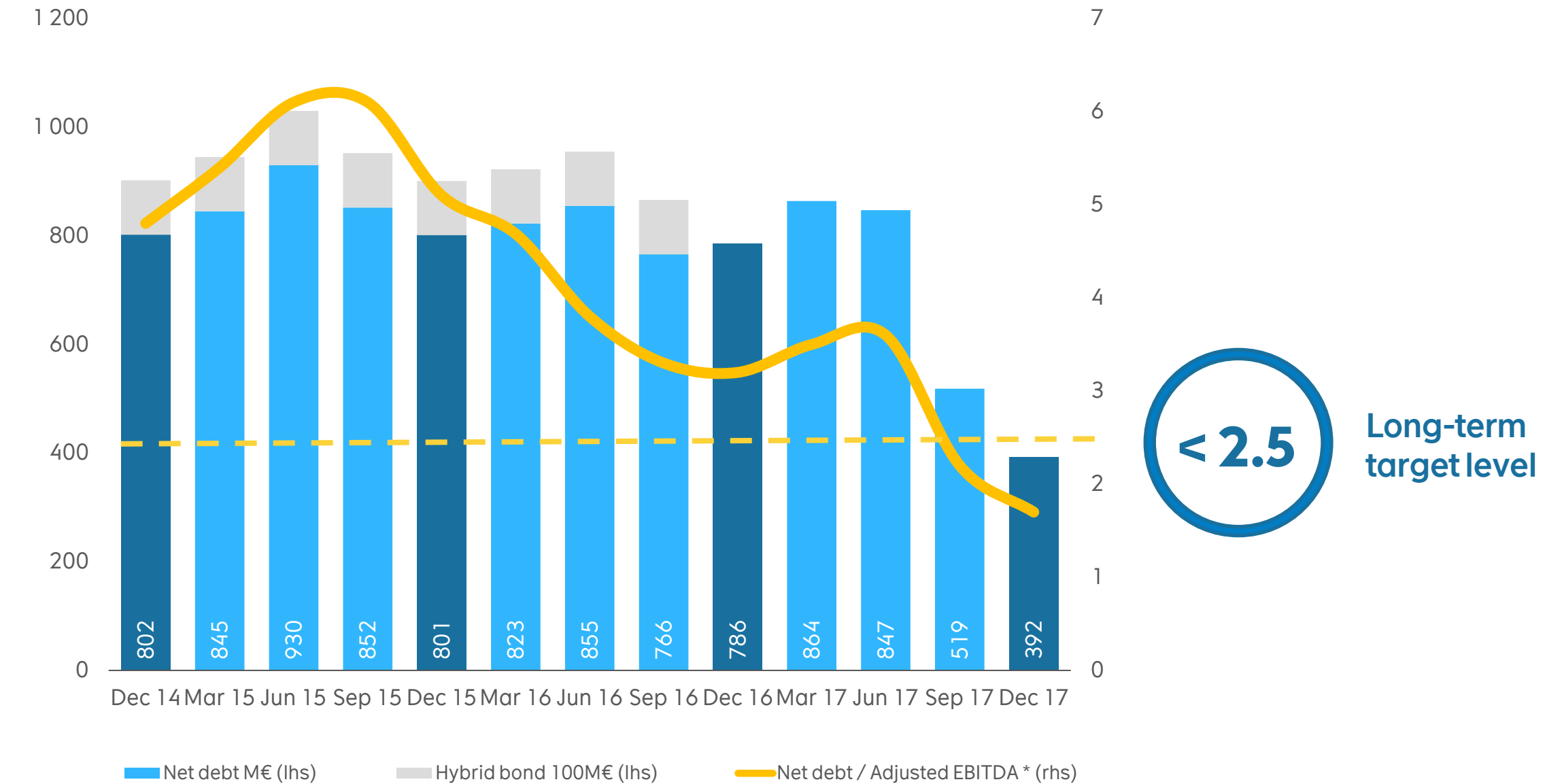
Weakened cash flow



Leverage below the long-term target level

- Net debt to adjusted EBITDA at 1.7 at the end of 2017 (2016: 3.2)
- EUR 237 million from SBS divestment was used to reduce debt
- Net debt EUR 392 million at the end of 2017 (2016: 786)
- Equity ratio recovered to 38.5% being within the long-term target range of 35–45%

Net debt

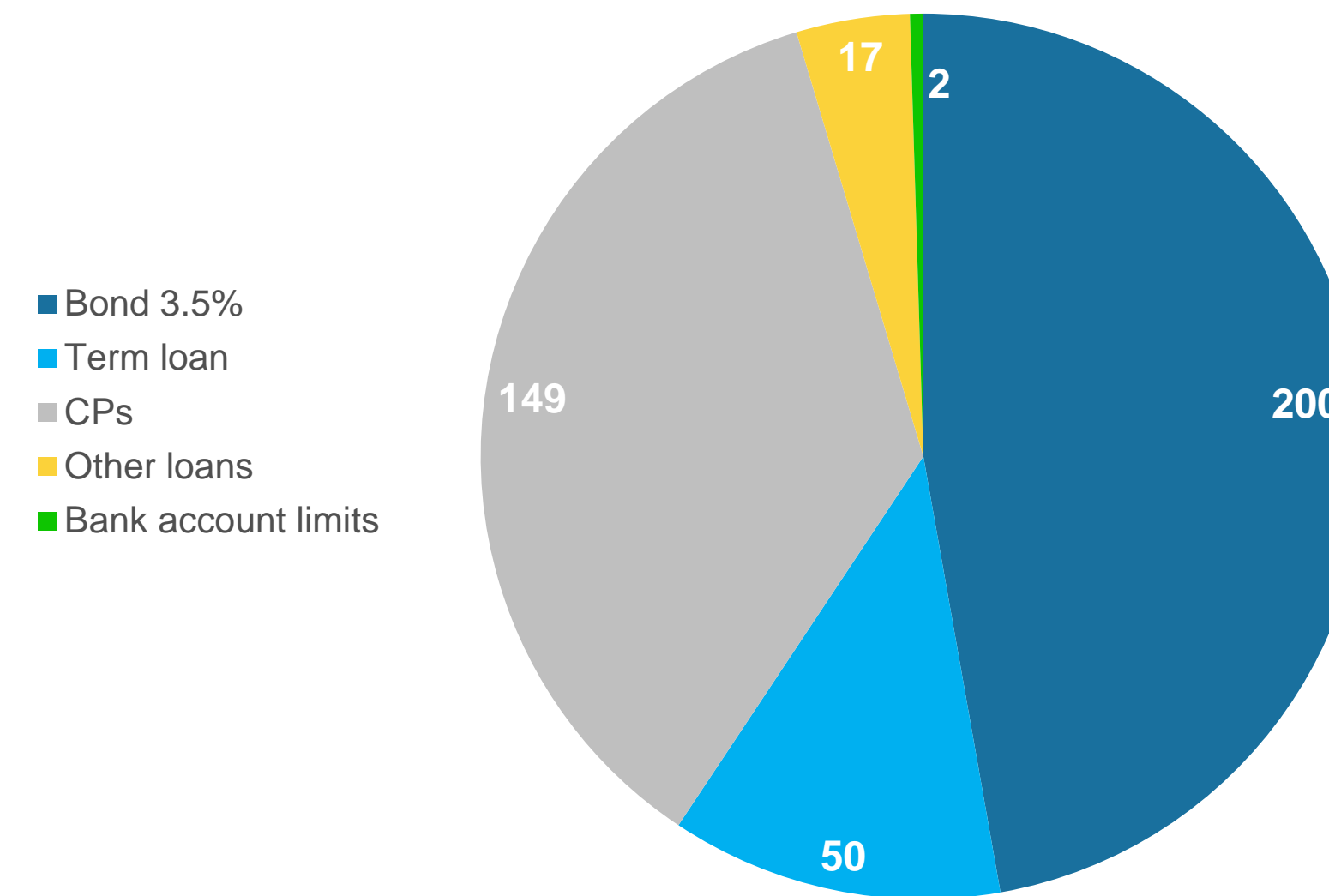


Significantly lower financing costs

- Net financial items decreased to EUR -23 million (2016: -37)
- Average interest rate down to 2.1% (2016: 2.8 %)
- EUR 200 million of Bond 2017 was repaid in March, using commercial papers and bank financing

Debt structure

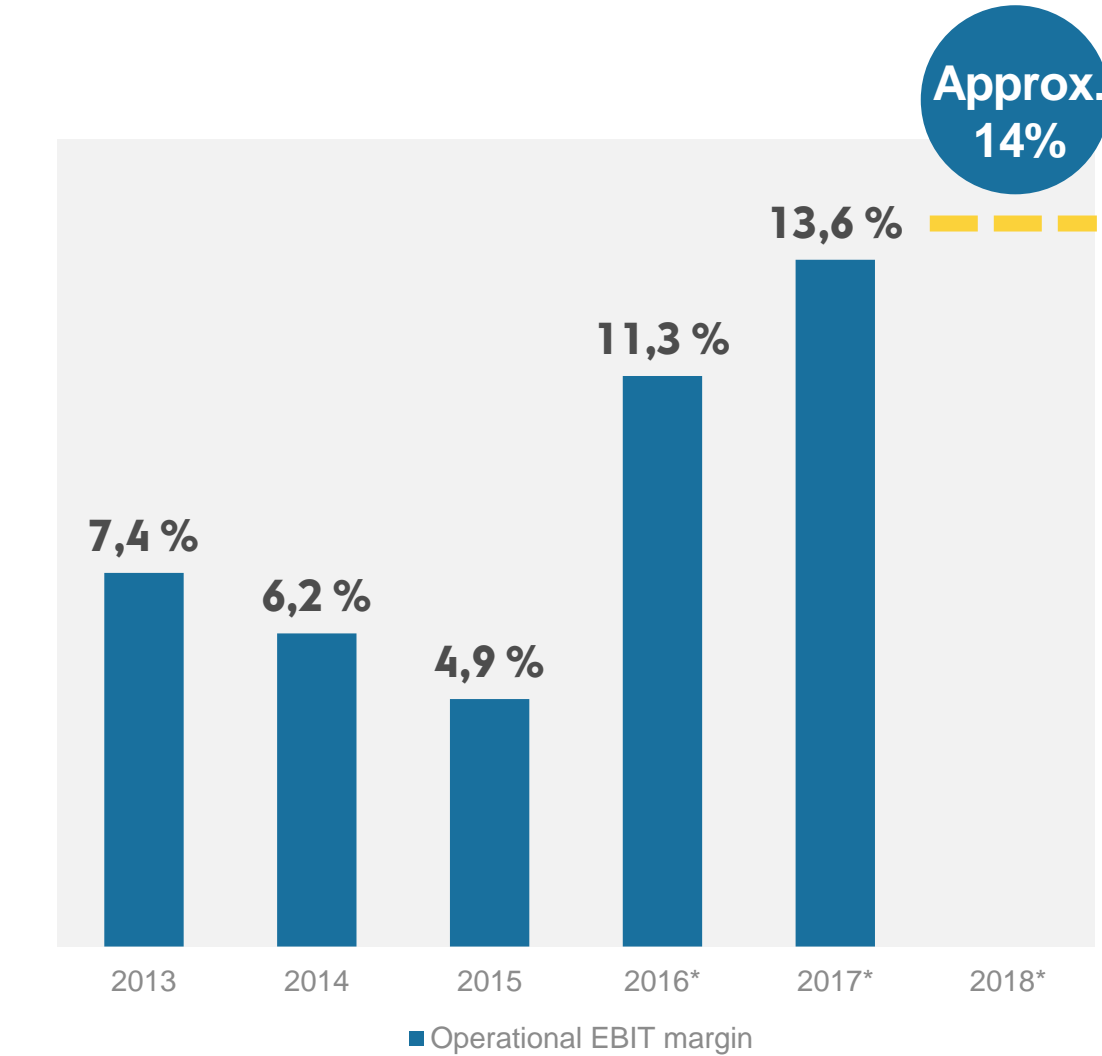
EUR 418 million, 31 December 2017



Sanoma as an investment

- Major portfolio changes completed
- Focus on customer and profitability
- Stronger cash generation
- Increasing dividend
- Equity and leverage within long-term target
- Increasing focus on growth

Operational EBIT margin

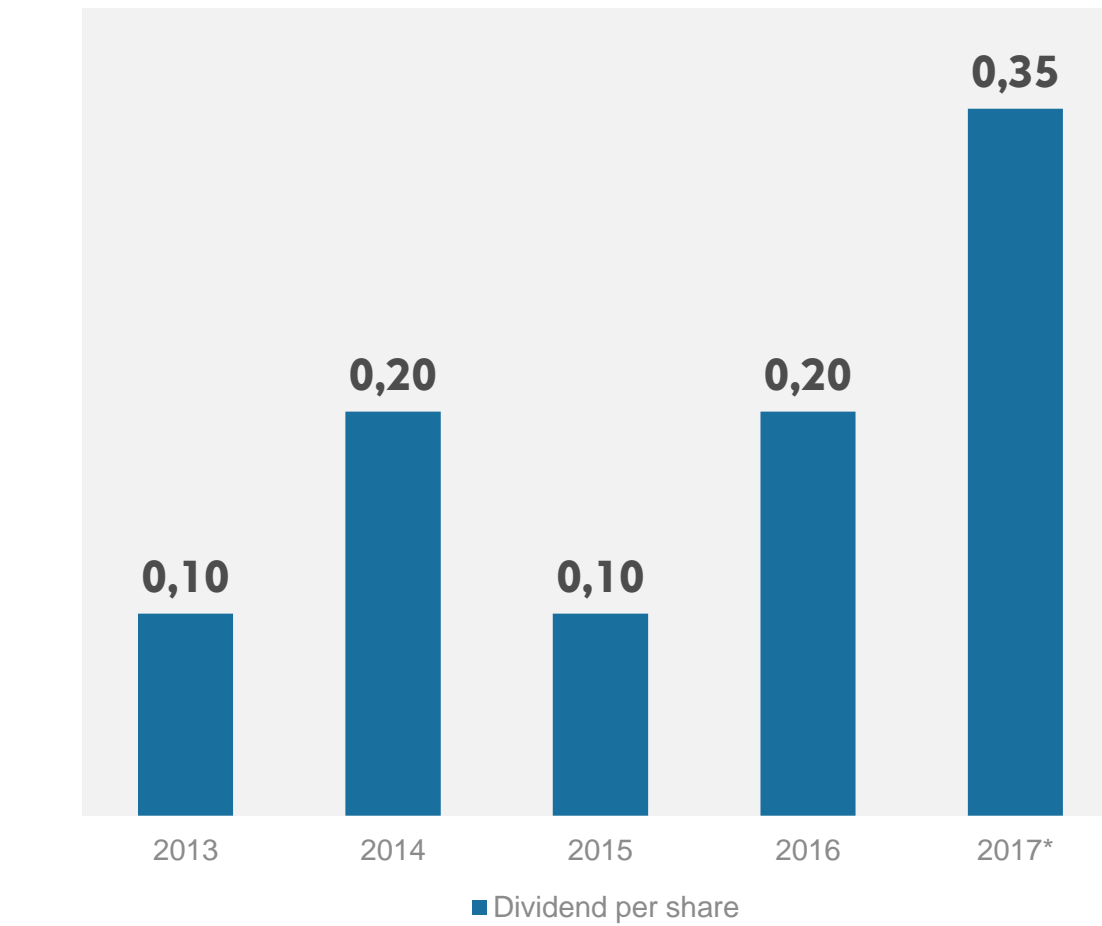


* 2016-2017 figures adjusted for the SBS divestment, 2018 based on published outlook

Dividend development

2013–2017

EUR/share



* Board proposal