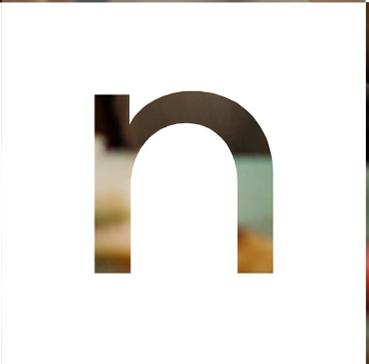


Two strong businesses ready for growth

Analyst and Investor Update 2019
18 December 2019, Helsinki



Agenda

9:15

Welcome

**Sanoma Group:
Two strong businesses ready for growth
Q&A**

CEO Susan Duinhoven
CFO & COO Markus Holm

Coffee and break-out sessions

**Media Finland:
Stable net sales and improving profitability
Q&A**

CEO Susan Duinhoven
CFO & COO Markus Holm

Coffee and break-out sessions

**Learning:
Growing business with strong digital footprint and
benefits of scale
Q&A**

CEO Susan Duinhoven
CFO & COO Markus Holm

12:00

Buffet lunch and break-out sessions

13:00

End of event

Sanoma Executive Management Team



Susan Duinhoven
President and CEO
Sanoma Corporation



Markus Holm
CFO & COO
Sanoma Corporation



Pia Kalsta
CEO
Media Finland



Rob Kolkman
CEO
Media Netherlands
Learning (as of 1 Jan 2020)

Two strong businesses ready for growth

CEO Susan Duinhoven

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SANOMA AS AN INVESTMENT:

Two strong businesses, focus on growth and dividends

☑ **Solid net sales and profitability**

☑ **Sanoma Learning**

Growing business with strong digital footprint and benefits of scale

☑ **Sanoma Media Finland**

Leading cross-media offering with stable net sales and improving profitability

☑ **M&A headroom of 400m€**

☑ **Growing dividend**

Supported by good profitability and solid cash flow

Transforming Sanoma

Finnish media business
since 1889

Building European
learning business
since 1999

Building festival
and events business
in Finland

Acquisition of
Iddink

2017-2018

2019

Divestment of SBS

Divestment of
Belgian women's
magazines

Divestment of
Sanoma Media
Netherlands

Divestment of
LINDA. magazine

M&A
headroom
of **400m€**

Balanced
portfolio
with two
strong SBUs

Growth
opportunities
with solid M&A
pipelines in
both
businesses

Both learning and media have an important role in society



Learning

- Our modern learning methods and platforms support teachers in developing the full potential of every student
- Helps in building a strong foundation for a stable, productive and prosperous society



Media

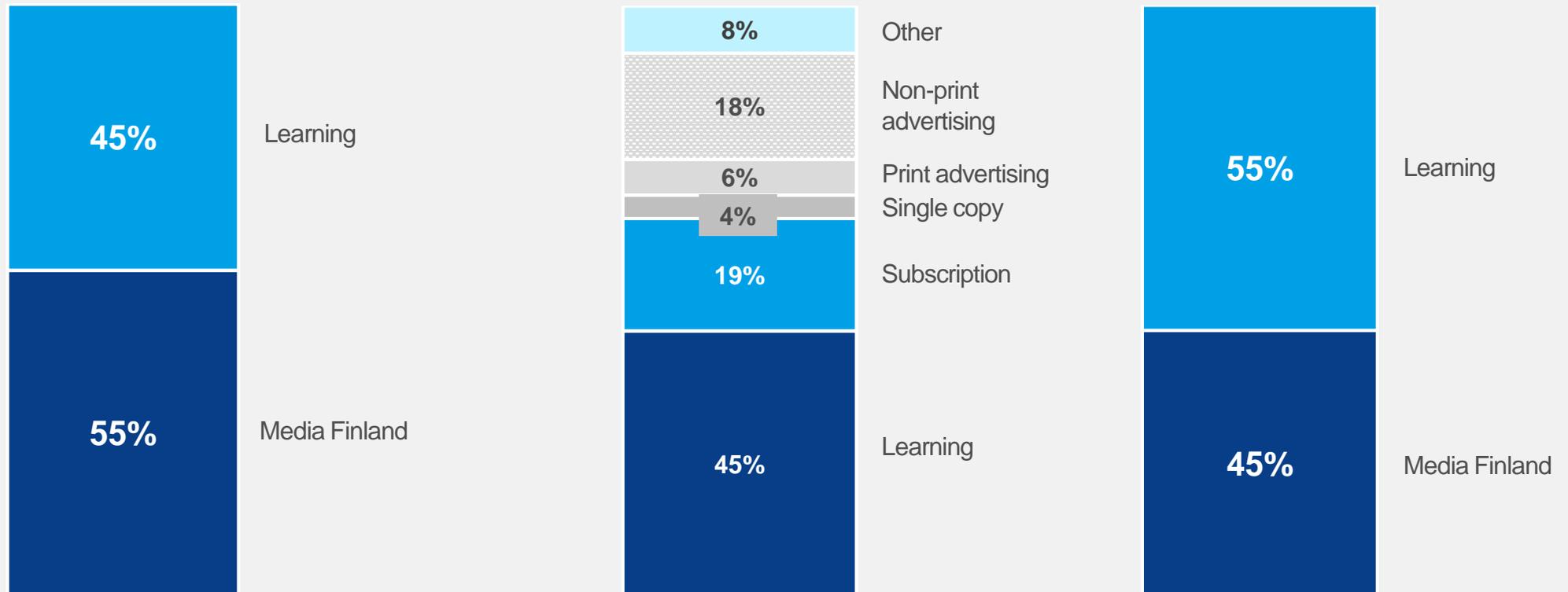
- Journalistic content supports freedom of speech and independent information gathering
- Local entertainment contributes to shared values and experiences
- Responsible advertising supports local economic growth

Responsible business practices across the value chain

We have a well-balanced business portfolio with 55% of earnings from the learning business

Learning and subscription more than half of net sales *...

... and majority of profitability *



* LTM Q3 2019 incl. Iddink, Essener and itslearning, excl. Sanoma Media Netherlands

A growing European-based education company...

≈ 300m€

≈ 500m€ net sales *

10m

15m students & teachers

Operations in 5

10 European countries

European Champion in blended learning solutions, platforms and educational services

...with an organic growth ambition and strong profitability

Sanoma Learning

New long-term target

Net sales

- Organic growth with curriculum changes and increasing digitalisation
- New geographies and expanding technology and service offering

2-5%
Comparable net
sales growth

Profitability

- Steady profitability
- Synergies of recent acquisitions
- Scale benefits to be leveraged through acquisitions

20-22%
Operational EBIT
margin excl. PPA

Media Finland, the leading cross media company...

**Strong,
independent
media for
generations
to come**

12.8%
oper. EBIT
excl. PPA *

1,800
employees

580m€
net sales *

50%
non-print

97%
weekly reach

...with stable net sales and improving profitability

Sanoma Media Finland

New long-term target

Net sales

- Stable revenue in a transforming media market
- Growth esp. in news and entertainment subscriptions, radio and events

+/- 2%
Comparable net
sales growth

Profitability

- Increased profitability through digitalisation
- Simplification of the business and operations

12-14%
Operational EBIT
margin excl. PPA

M&A headroom of 400 m€ with solid pipelines in both businesses

Headroom for acquisitions

**400
m€**

Learning

**Media
Finland**

M&A focus areas

Using our scale and capabilities in learning design, technology and services to

- Enter new geographies
- Expand offering in existing markets

Synergistic acquisitions

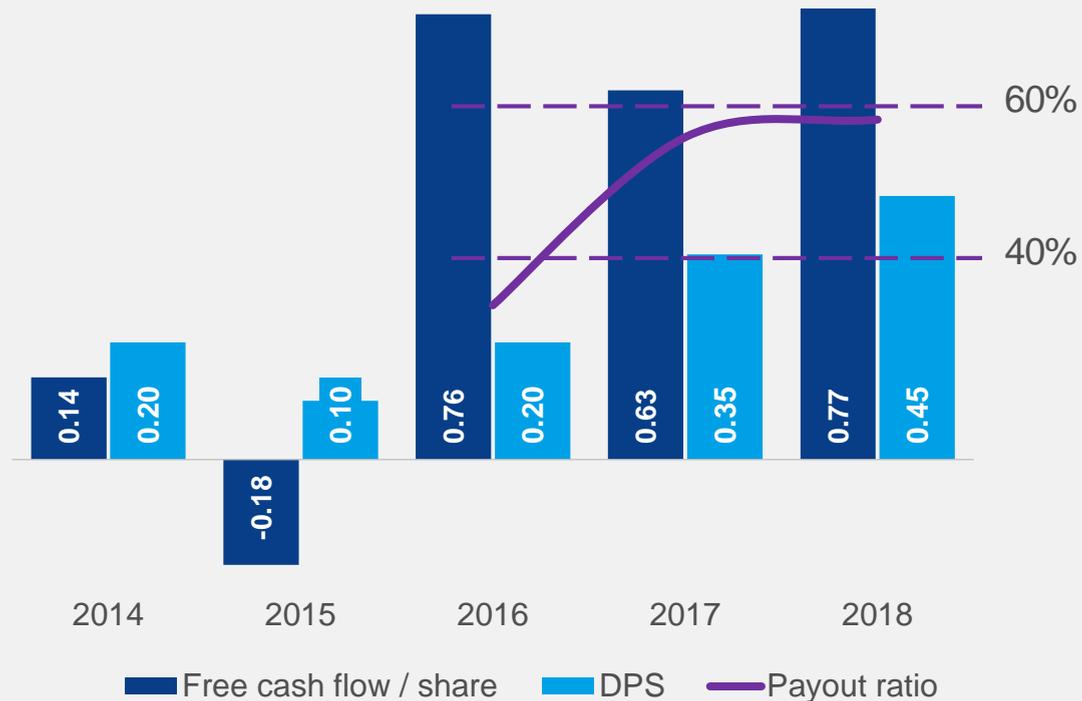
- News & Feature
- Entertainment
- B2B marketing solutions

**Solid M&A
pipelines in
both
businesses;
expected to
materialise in
12-18 months**

Growing dividend supported by good profitability and solid cash flow

Dividend per share

€



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

Dividend yield

4.8%

as of 30 Nov 2019

SANOMA AS AN INVESTMENT:

Two strong businesses, focus on growth and dividends

☑ **Solid net sales and profitability**

☑ **Sanoma Learning**

Growing business with strong digital footprint and benefits of scale

☑ **Sanoma Media Finland**

Leading cross-media offering with stable net sales and improving profitability

☑ **M&A headroom of 400m€**

☑ **Growing dividend**

Supported by good profitability and solid cash flow

A warm, indoor scene featuring two young children in the foreground, both focused on their tablets. The child on the left has curly brown hair and wears a yellow sweater, while the child on the right has straight brown hair and wears a light-colored top. In the background, a woman with long dark hair is leaning over a table, smiling. The setting appears to be a living room with soft lighting and a window in the background.

**... with a positive impact on
the lives of millions of people every day**

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Solid cash flow and balance sheet enable growth through M&A and growing dividend

CFO & COO Markus Holm

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**Solid cash flow and
balance sheet enable
growth through M&A
and growing dividend**

- ☑ **New long-term net sales and profitability targets for SBUs**
- ☑ **Solid cash flow**
- ☑ **400m€ headroom for M&A**
- ☑ **Growing dividend**

A growing European-based education company and the leading cross-media company in Finland

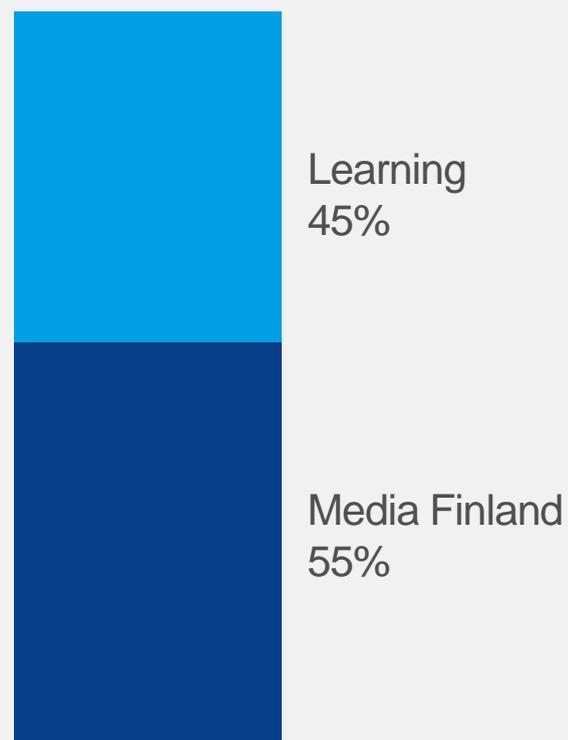
Sanoma Learning

A growing European-based learning company offering blended learning solutions, platforms and educational services

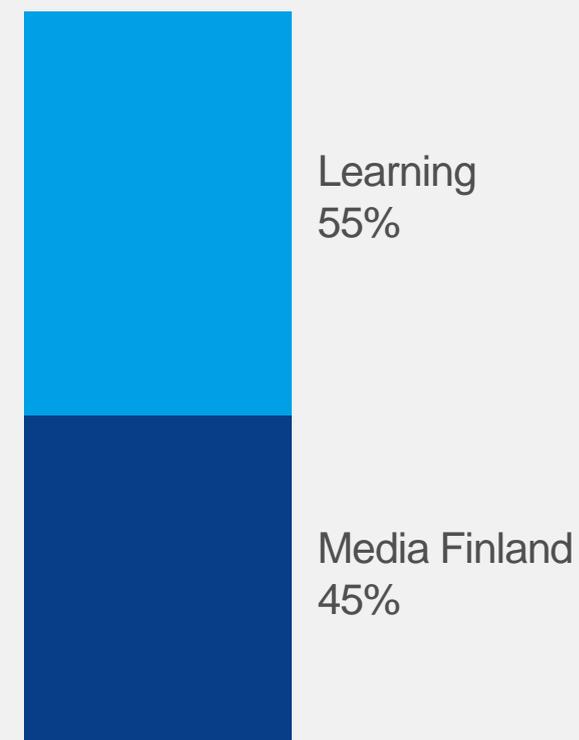
Sanoma Media Finland

The leading cross-media company in Finland focusing on news & feature, entertainment and B2B marketing solutions

Net sales $\approx 1,050\text{m€}^*$



Oper. EBIT excl. PPA $\approx 150\text{m€}^*$



We have launched new long-term targets on growth and profitability for the SBUs...

Learning

Comparable net sales growth

2-5%

Operational EBIT margin excl. PPA

20-22%

Sanoma Media Finland

Comparable net sales growth

+/-2%

Operational EBIT margin excl. PPA

12-14%

New long-term targets

... while our earlier long-term financial targets remain unchanged

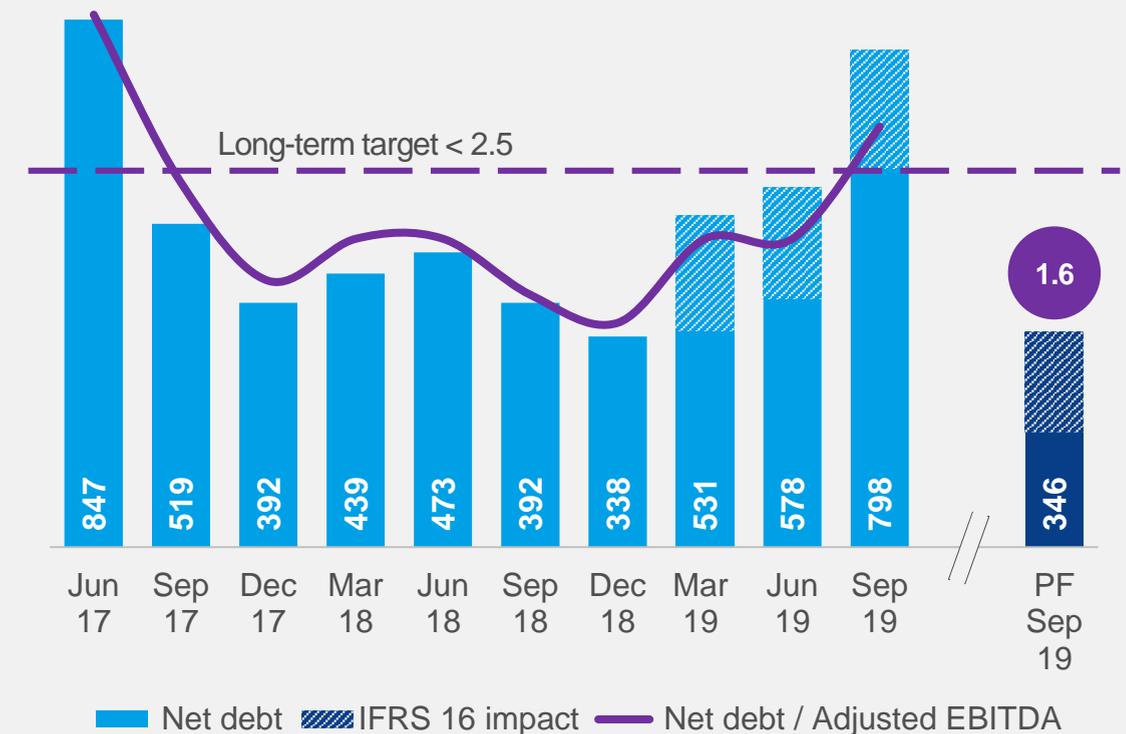
Key ratios	Long-term target	30 Sep 2019	PF 30 Sep 2019 *
Net debt / adj. EBITDA	< 2.5	2.8	1.6
Equity ratio	35-45%	33.8%	Temporarily below the long- term target level
Dividend payout	Increasing dividend 40-60% of free cash flow	58% (2018 **)	

Our leverage will significantly improve with the divestment of Media Netherlands...

Enterprise value (EV) 460m€

- Divestment proceeds will be used to reduce debt
- Net debt decreases to 346m€ (pro forma 30 Sep 19)
- Leverage decreases to 1.6 (pro forma 30 Sep 19)

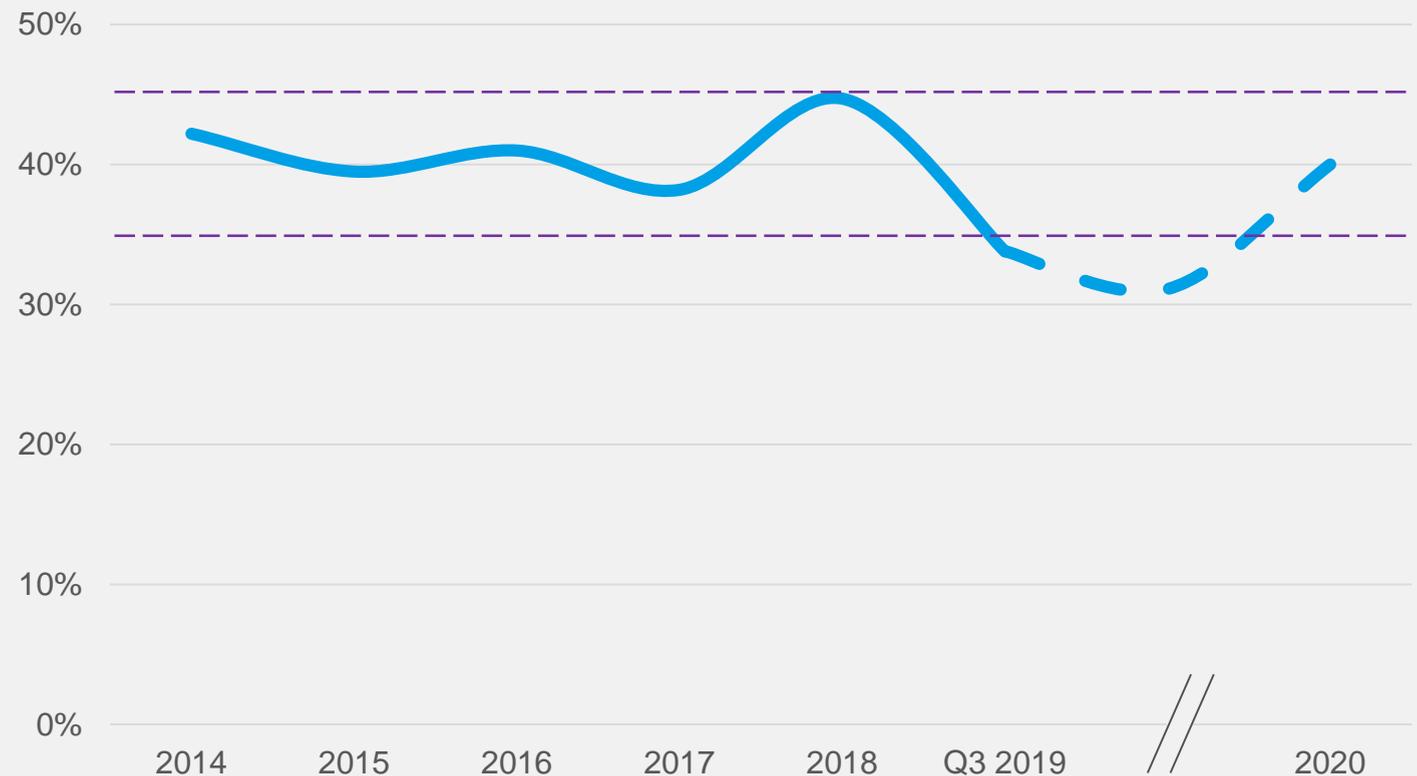
Net debt
m€



... and equity ratio is expected to return to the target level in 2020

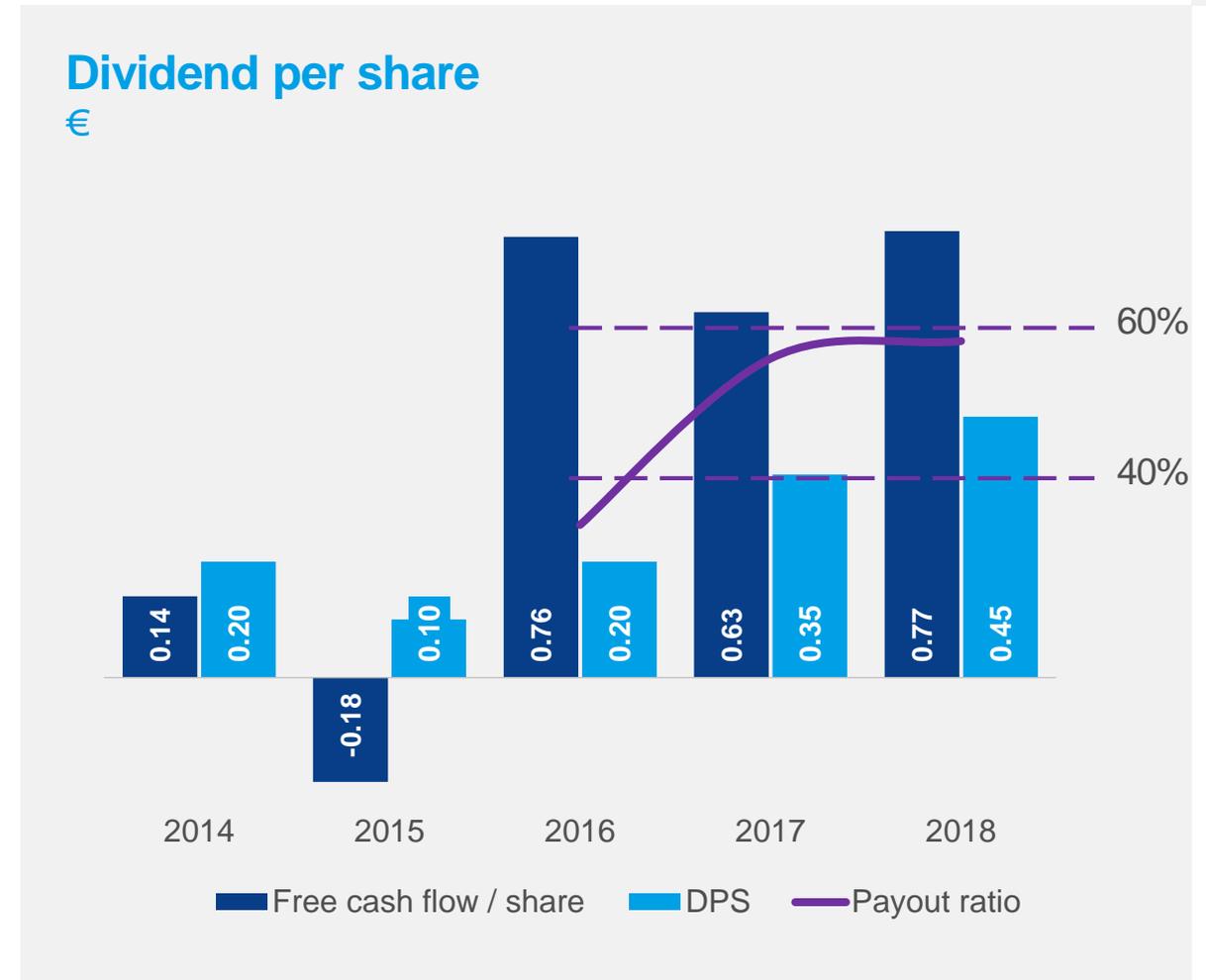
- A non-cash capital loss of approx. 110m€ related to the divestment of Sanoma Media Netherlands to be booked in Q4 2019
- Equity ratio is expected to temporarily reduce below the long-term target level of 35-45%
 - Expected to return to the target level upon closing of the divestment

Equity ratio



Growing dividend supported by good profitability and solid cash flow

- Sanoma aims to pay an increasing dividend, equal to 40–60% of annual free cash flow
- Dividend for 2019 will be determined based on free cash flow from both continuing and discontinued operations
- We are committed to a growing dividend
 - Dividend may temporarily exceed the payout range of 40-60%



Key financial impacts of Media Netherlands divestment

Divestment of Media Netherlands was announced on 10 December

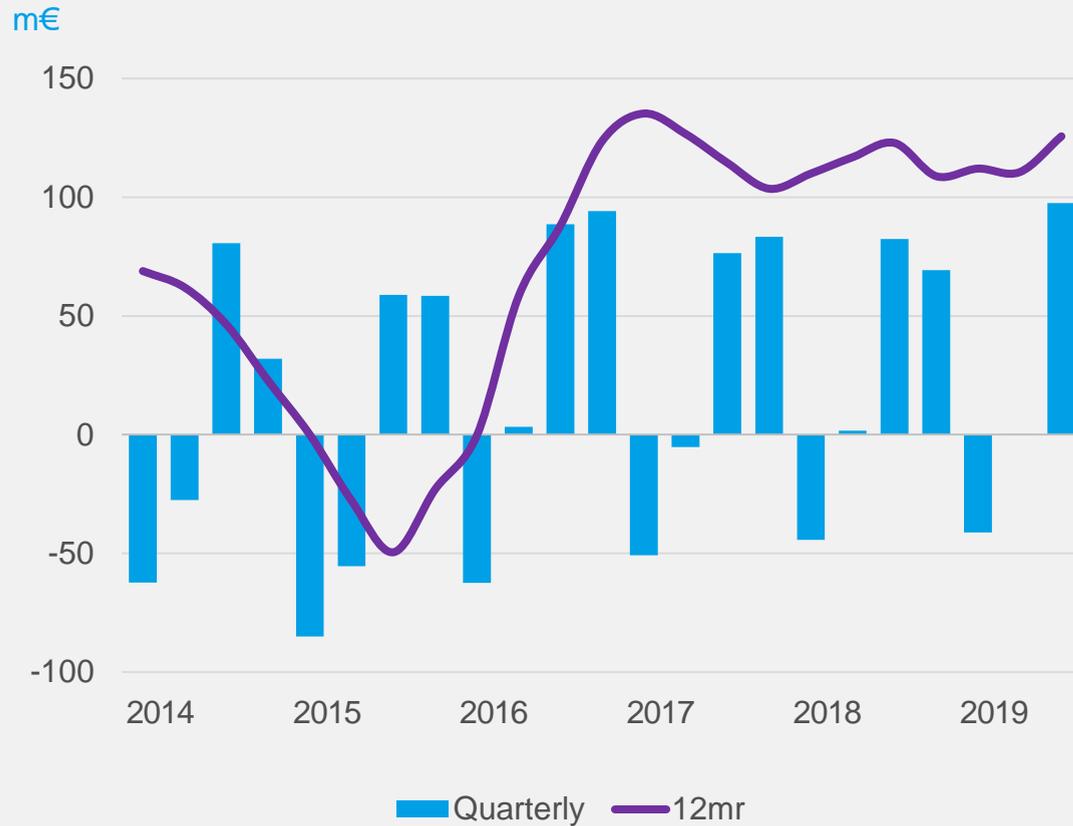
- EV 460m€, EV / EBITDA multiple 6.5
 - Net sales 360m€ and operational EBIT excl. PPA 70m€ (LTM Q3 2019)
 - Leading Dutch and Belgian magazines (incl. Libelle, Donald Duck, vtwonen) and the online news brand NU.nl
 - Expected closing latest during Q3 2020
-
- Sanoma Media Netherlands will be reported as discontinued operations in Sanoma's 2019 financial statements
 - Continuing operations consist of Sanoma Learning and Sanoma Media Finland
 - Transaction costs of 7m€ will be booked as items affecting comparability (IAC) in discontinued operations Q4 2019 result
 - Outlook for 2019 was redefined to include continuing operations only, i.e.
 - Comparable net sales in line with 2018 and operational EBIT margin excl. PPA around 15%

Key assumptions on 2019-2020 financials

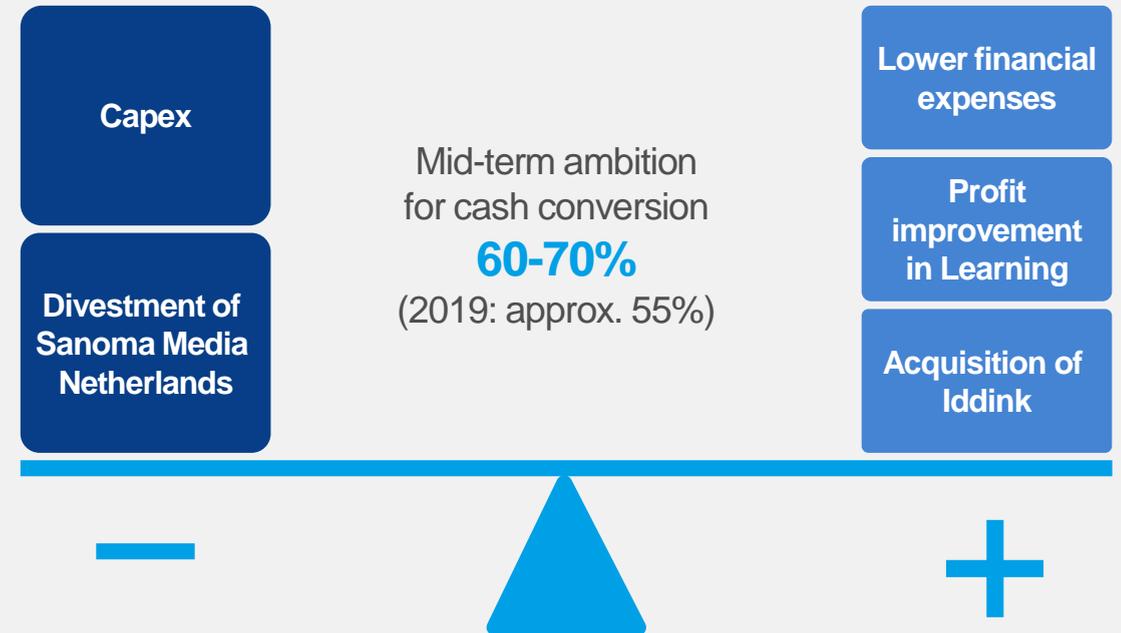
- Total goodwill in consolidated balance sheet expected to reduce to approx. 450m€ (pro forma 30 Sep 19) as result of
 - The divestment of Sanoma Media Netherlands
 - The purchase price allocation of the acquired Iddink assets
- Learning to account approx. 80% and Media Finland approx. 20% of the total goodwill
- Expenses of Other operations expected to be stable in 2020 compared to 2019
- Average interest rate of external loans to decrease from 2.4% (YTD Nov 2019) to below 1% in 2020
 - Net financial items expected to be 7-10m€ in 2020 incl. IFRS 16 impact
- Average nominal tax rate expected to decline by approx. 1%-point to 22%
- Capex is expected to increase to an annual level of 40-50m€
 - Growth due to increased proportion of ed tech business in Learning

Solid free cash flow development is expected to continue

Free cash flow has been stable...



... and is expected to be on a good level in 2020



M&A headroom of 400 m€ with solid pipelines in both businesses

Headroom for acquisitions

**400
m€**

Learning

**Media
Finland**

M&A focus areas

Using our scale and capabilities in learning design, technology and services to

- Enter new geographies
- Expand offering in existing markets

Synergistic acquisitions

- News & Feature
- Entertainment
- B2B marketing solutions

**Solid M&A
pipelines in
both
businesses;
expected to
materialise in
12-18 months**

SANOMA AS AN INVESTMENT:

Two strong businesses, focus on growth and dividends

- ✓ **Solid net sales and profitability**
- ✓ **Sanoma Learning**
Growing business with strong digital footprint and benefits of scale
- ✓ **Sanoma Media Finland**
Leading cross-media offering with stable net sales and improving profitability
- ✓ **M&A headroom of 400m€**
- ✓ **Growing dividend**
Supported by good profitability and solid cash flow

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**Media Finland:
Stable net sales and improving profitability**



MEDIA FINLAND:

Stable net sales and improving profitability

- ☑ **Stable net sales**
- ☑ **Improving profitability**
- ☑ **Solid positions in news & feature, entertainment and B2B marketing solutions**
- ☑ **Simplified organization**
- ☑ **Important role in society: independent journalism and local entertainment**

We are the leading cross media company in Finland

Strong,
independent
media for
generations
to come

12.8%
oper. EBIT
excl. PPA *

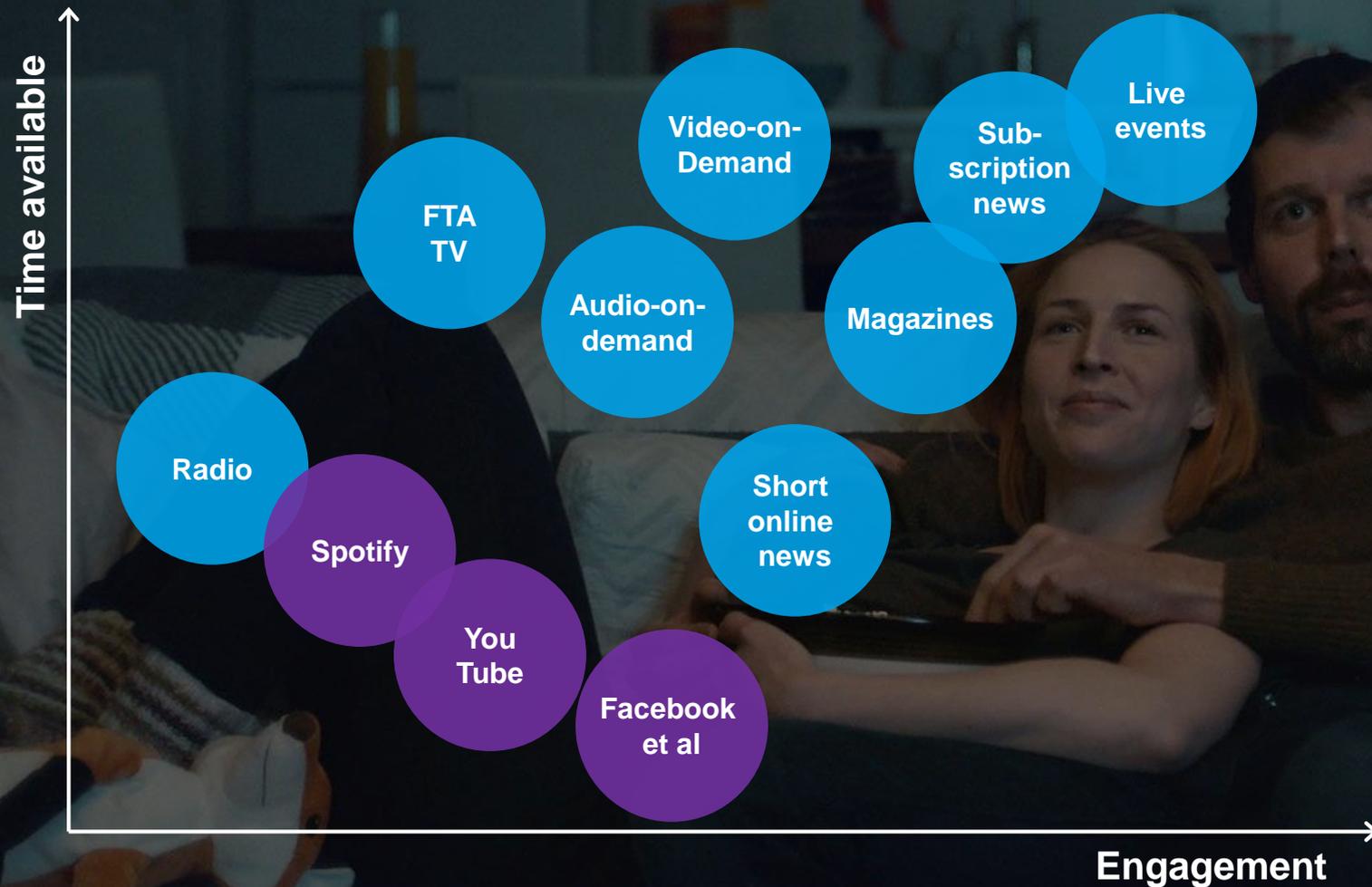
1,800
employees

580m€
net sales *

50%
non-print

97%
weekly reach

Changing consumer behavior drives growth in subscription media

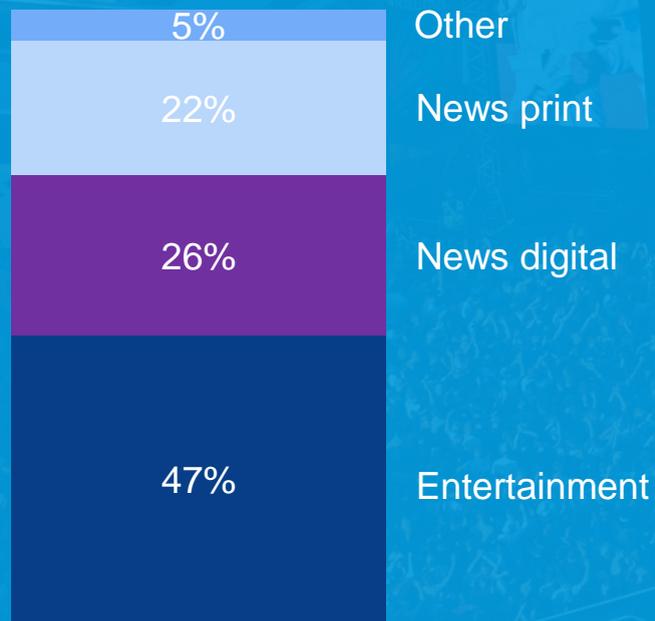


Increasing

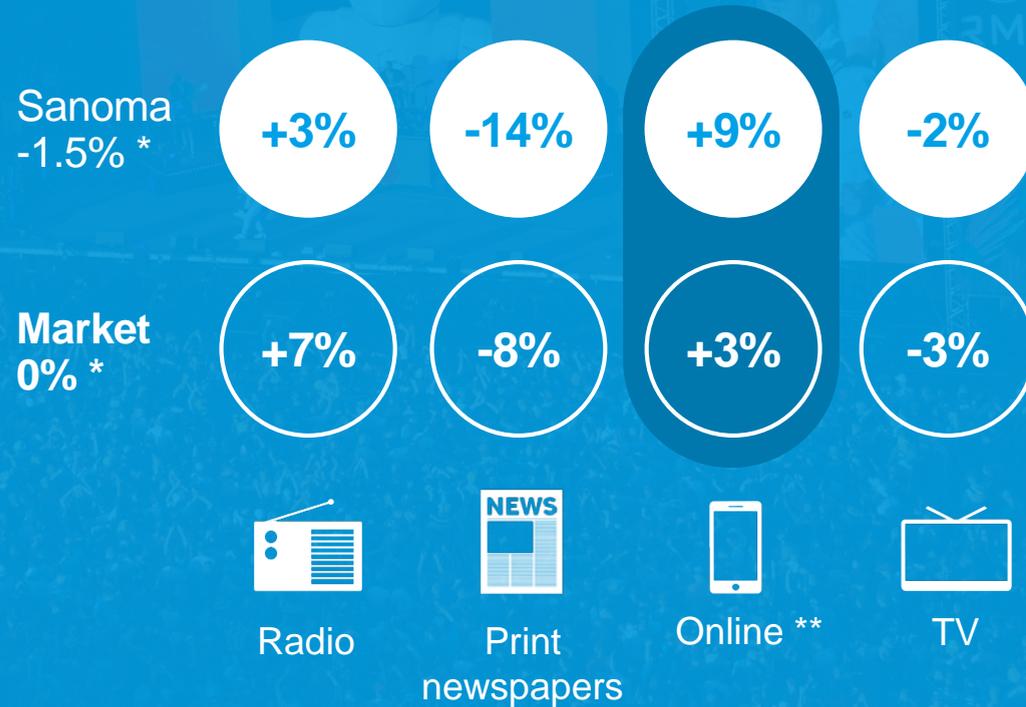
- Free-time and ease of access drives demand for entertainment
- Willingness to pay for high-quality news, video and audio on a subscription basis
- Interest in lifestyle and feature content if placed on news platforms

75% of our advertising is non-print and digital is growing

Our exposure to print advertising amounts only to approx. 60m€..



... and we are growing in online advertising



We have simplified our organization into three core businesses



News & feature

- Sustainable demand
- Our strong history and position
- Our proven track record in successful digital transformation

Leading in domestic, independent journalism



Entertainment

- Growing market
- Unique combination of strengths
- Important role in total advertising portfolio

Leading entertainment house with most attractive brands and stars



B2B marketing solutions

- Our reach has value for marketers
- A unique, comprehensive portfolio and offering to further build on
- Growth opportunities in the markets

Marketing partner of choice

Combining News & Feature attracts new subscribers...

Leading news brands

IS



HS

Strong feature brands

VAUVA Meidän **PERHE**

menaiset

GLORIAN **ruoka&viini**

SPORT TIEDE

Focus on

**Growing digitally active
subscription base**

**Growing the daily
national reach**

...Helsingin Sanomat subscription base growing for third consecutive year

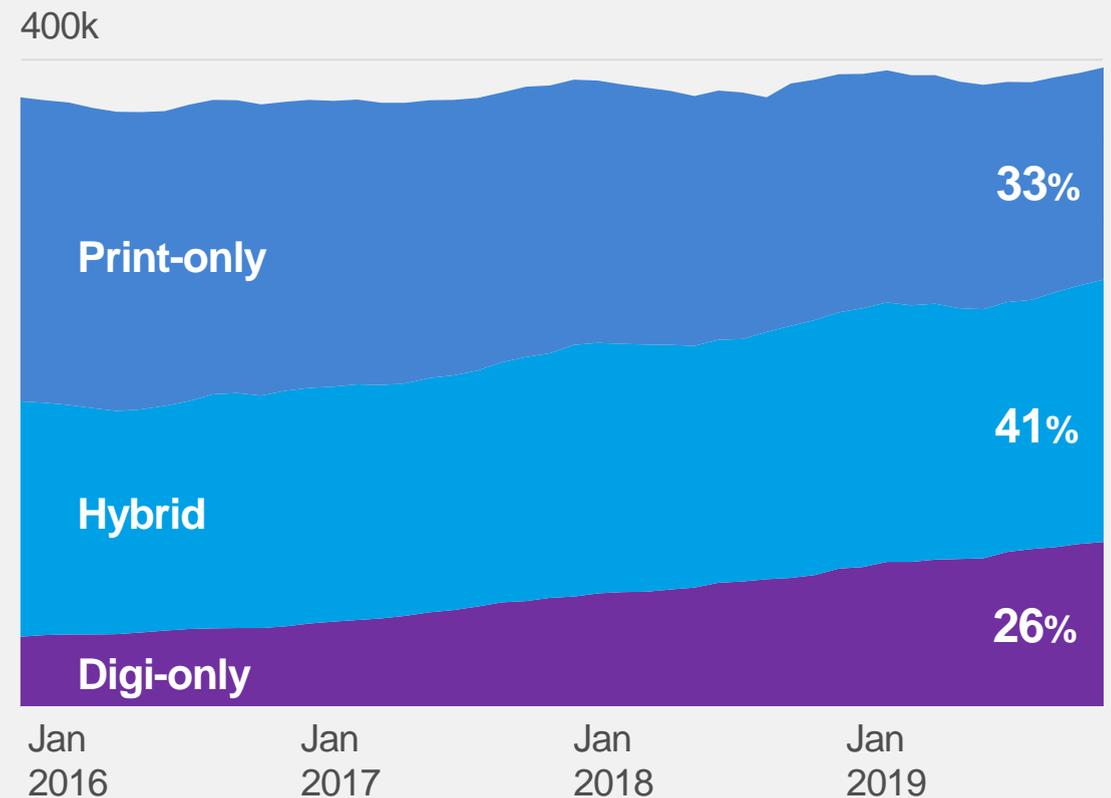
Number of digital-only subscriptions at HS now above 100k

- Appealing digital experience has attracted also younger subscribers
- Easy availability of the digital product has increased reach
- Future success in digital requires scale
- Growth in digital subscription base a key focus area

Benefit of feature content e.g. Tiede science articles

- Feature content behind the paywall improves retention and brings new subscribers
- 40% of articles behind the paywall are feature content, bringing 60% of trial subscriptions

Growth in HS subscription base 1-2% annually

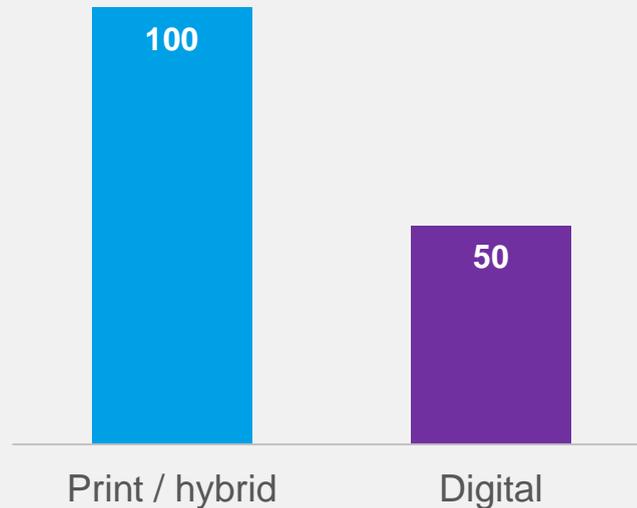


Digital transformation reduces net sales but increases contribution per incremental subscriber

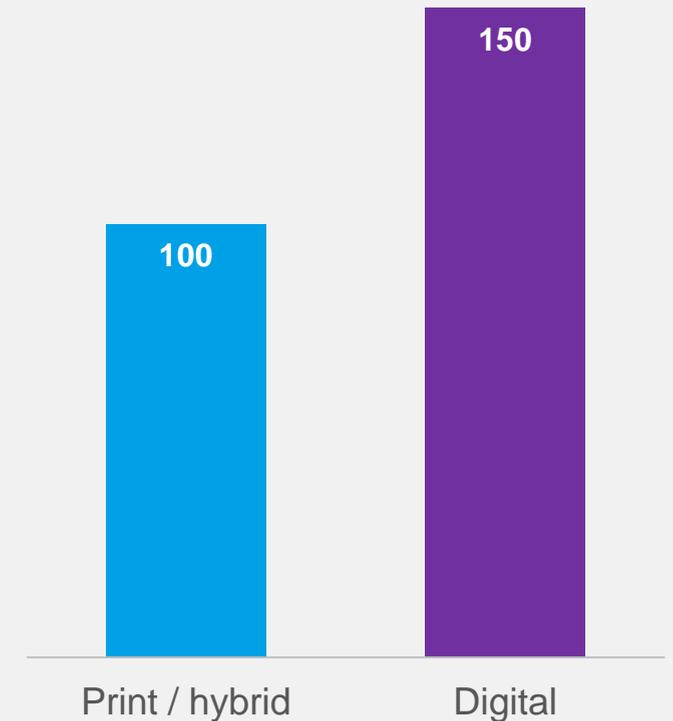
- Acquiring an additional subscriber for digital instead of printed news will
 - Generate half the net incremental sales due to lower consumer prices
 - Increase contribution by 50% due to absence of print and esp. distribution costs
- Active conversion of larger number of subscribers from print to digital would not create additional contribution due to
 - Stranded costs related to printing and distribution
 - Potential loss of advertising revenues
 - Lack of consumer readiness

Net sales per additional subscription * reduces...

Indexed



... but contribution increases *

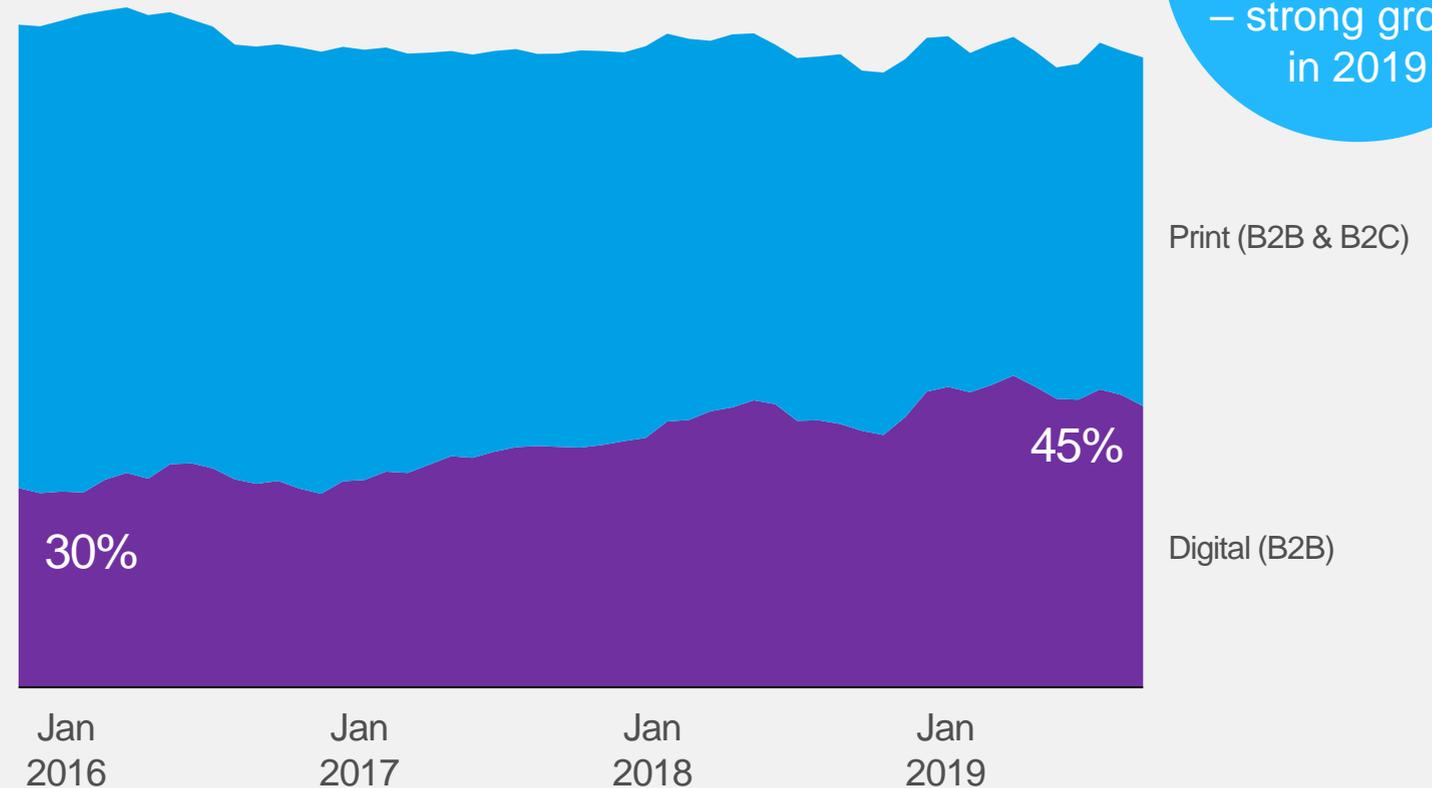


* Excluding impact of digital transformation on advertising revenues

Ilta-Sanomat has stable net sales through increasing digital advertising

- Digitalisation has increased the reach significantly
 - Reaches the whole of Finland and often audiences who don't currently subscribe to news
 - Provides easy and free access to curated news from professional journalists
- Stable net sales due to increasing digital B2B advertising income compensating lower single copy sales
- Improved profitability with an additional digital reader having nearly double the contribution compared to a print reader *

Net sales split print vs. digital



42m

site visits a week
– strong growth
in 2019

In entertainment, we focus on growing the VOD subscription business, radio and events

Build on our unique total portfolio...

Unique mass reach in B2B

...and our VOD and audio success

Attractive and growing events markets

Leading positions in three key areas of entertainment

TV & video

Radio & audio

Live events

Our market positions

#1-2

#1

#1

4

RUUTU

jim

liv

Radio Suomipop

supla

Radio Aalto

helmi RADIO

RADIOROCK

SuomiPOP FESTIVAALI

HIMOS JUHANNUS

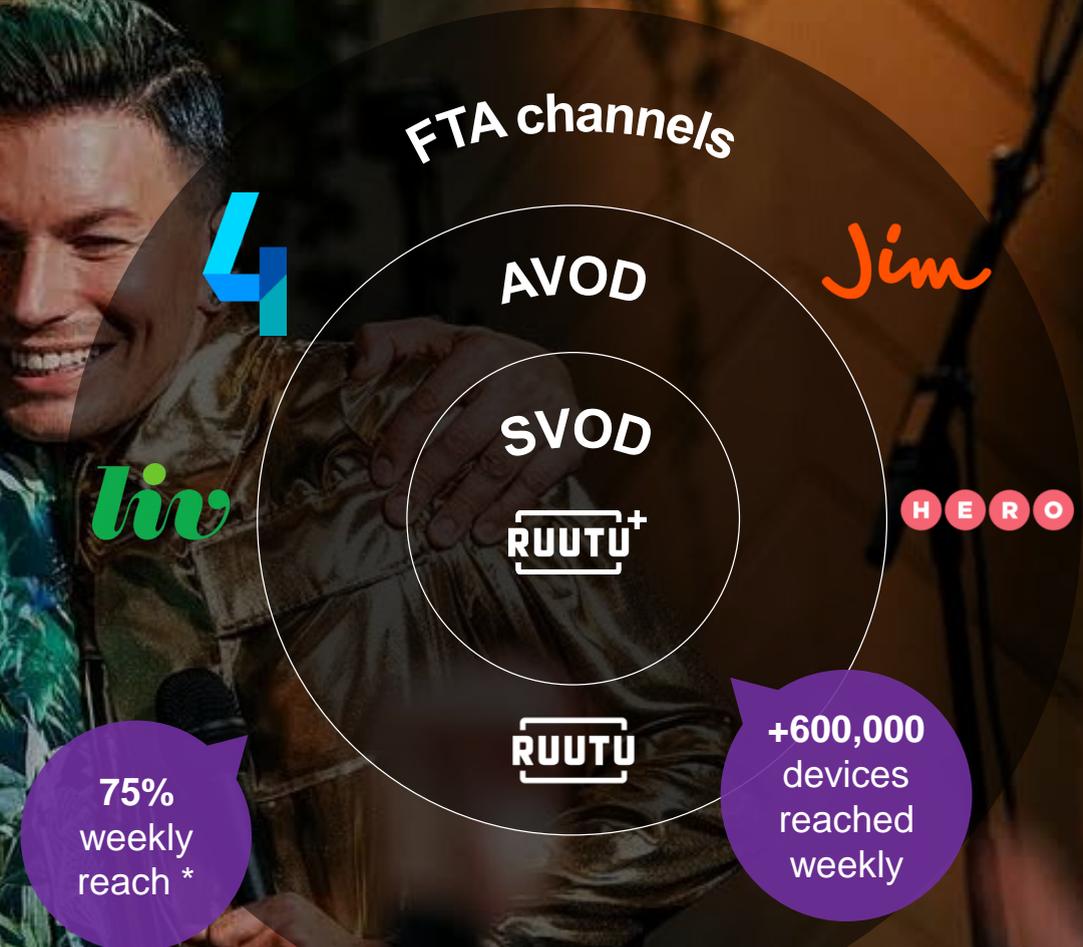
ROCKFEST

TIKKURILAFestivaali

SOLAR SOUND FESTIVAL

WANAJA FESTIVAL

Our Total TV strategy enables us to flexibly follow the consumer from linear TV to VOD...



- Monetizing content investments across platforms
- Combining reach and targeting opportunities across FTA and VOD for advertisers
- FTA TV advertising prices still on a low level
 - Finnish advertising prices 1/3 of European average
 - Over capacity has started to diminish in H2 2019
 - Our market share has also started to improve

... which has led to strong growth in Ruutu+ SVOD business

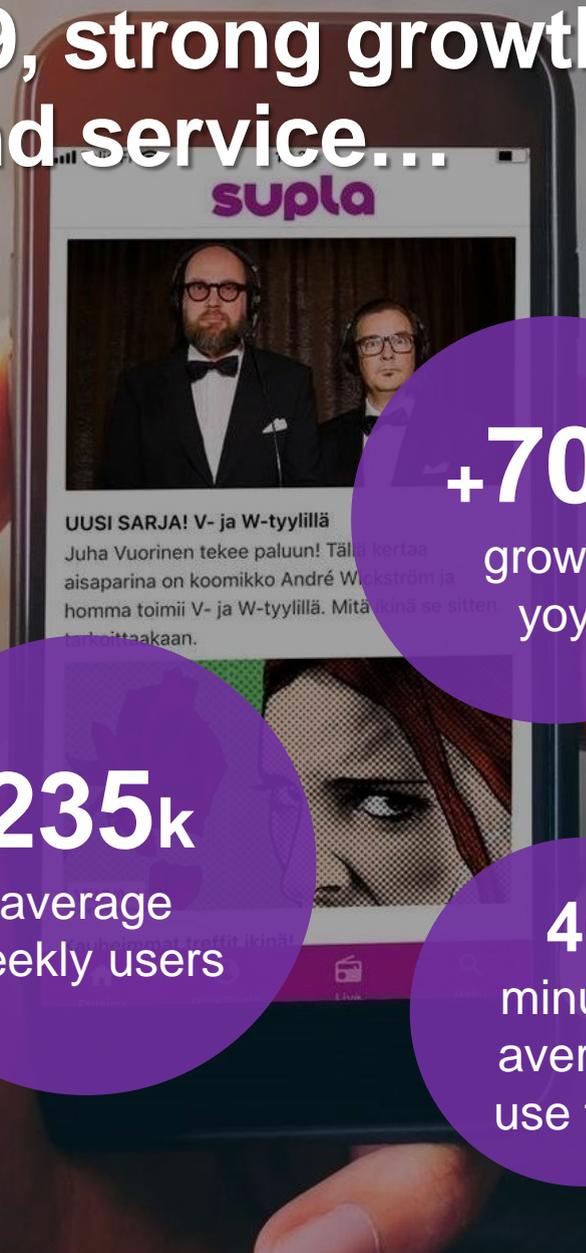
Total number of
Ruutu+
subscriptions

265k

Y-o-y growth

25%

In 2019, strong growth in the use of Supla, our audio-on-demand service...



+70%
growth
yoy

235k
average
weekly users

46
minutes
average
use time

....as well as in radio

- National reach ~90% with three channels: SuomiPop, Loop and Rock
- Recently strengthened our position in regional radio by acquiring
 - Aito Radio – regional reach of 80% across Finland
 - Business FM
- Important addition to our regional B2B marketing solutions

We have strengthened our position in live events

- Built through acquisitions in 2018-2019
 - NCD with 30 events in 2017, Tikkurila Festival in 2018 and RockFest in 2019
- Net sales 35m€, improved profitability (YTD Q3 2019)
- Solid portfolio with 23 festivals and 7 concerts
- High customer satisfaction 4.2 out of 5
- Continued interest to grow in live events
 - Market growth expected to continue
 - Our share only 10% of a fragmented market
 - We will focus on long-term brand building over one-off concerts
 - Proven competitive advantages as part of full entertainment portfolio

450k
visitors in
2019

Benefits of our full range entertainment portfolio

TV & video

Radio & audio

Live events

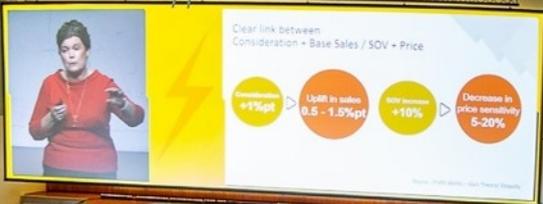
Content formats, e.g. The Voice of Finland and The Best Singers (Vain Elämää)

Appealing to the local artists

In-house marketing power

Generating unique consumer insight

Financials



Leading cross-media offering with stable net sales and improving profitability

Sanoma Media Finland

Net sales

- Stable revenue in a transforming media market
- Growth esp. in news and entertainment subscriptions, radio and events

Profitability

- Increased profitability through digitalization
- Simplification of the business and operations

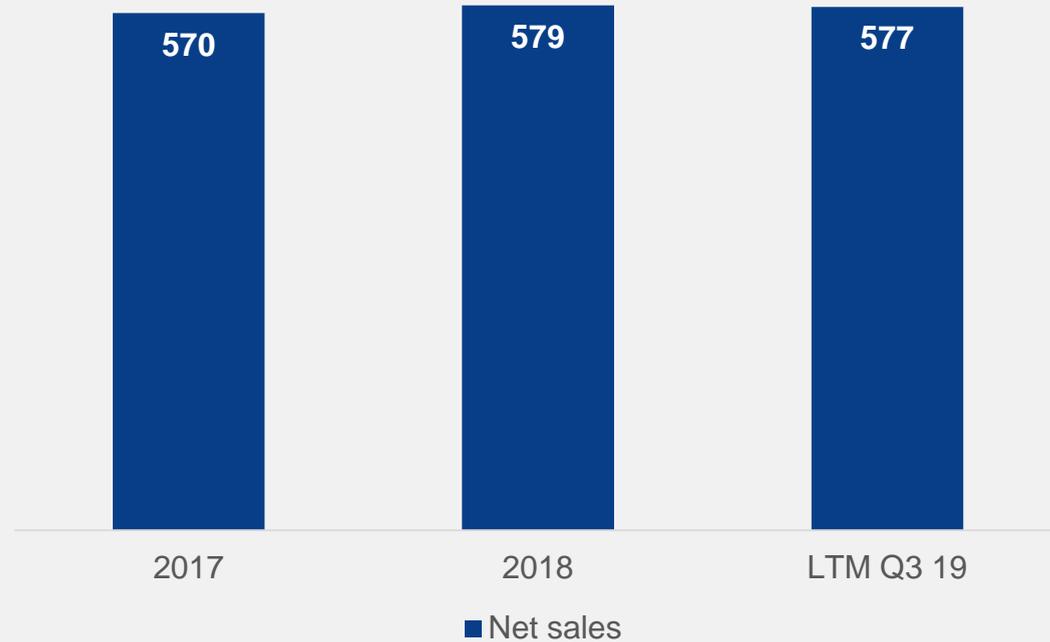
Long-term target

+/- 2%
Comparable net
sales growth

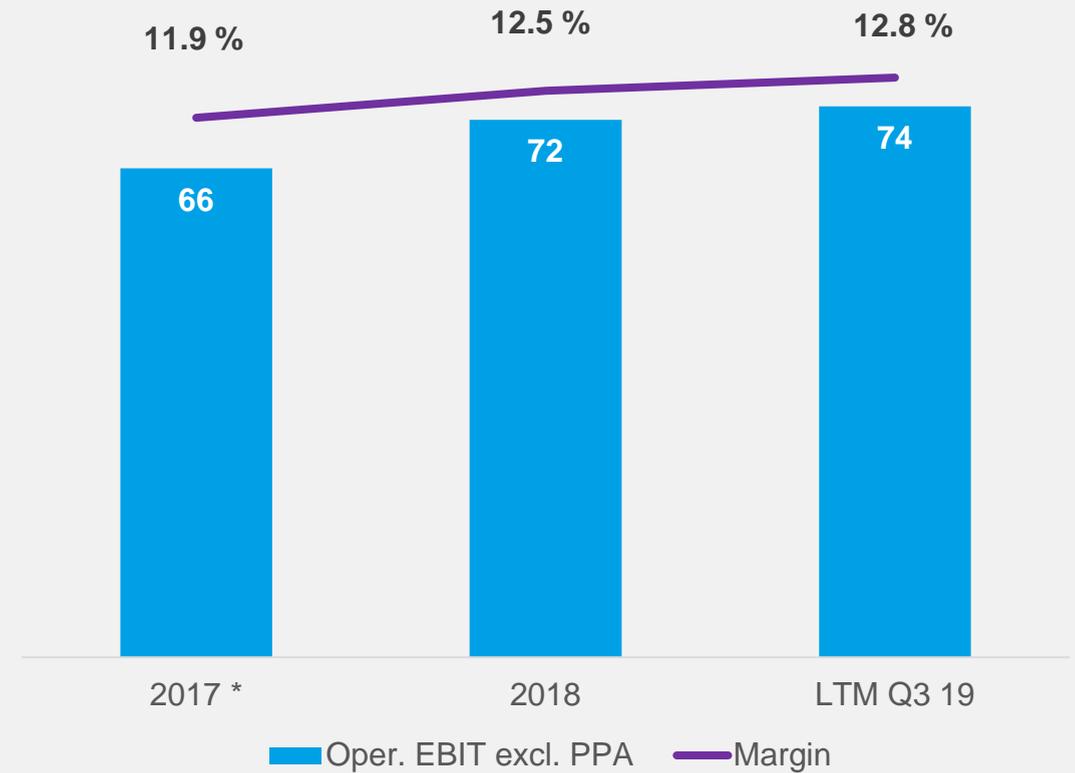
12-14%
Operational EBIT
margin excl. PPA

Our profitability has improved while net sales have been stable

Net sales
m€



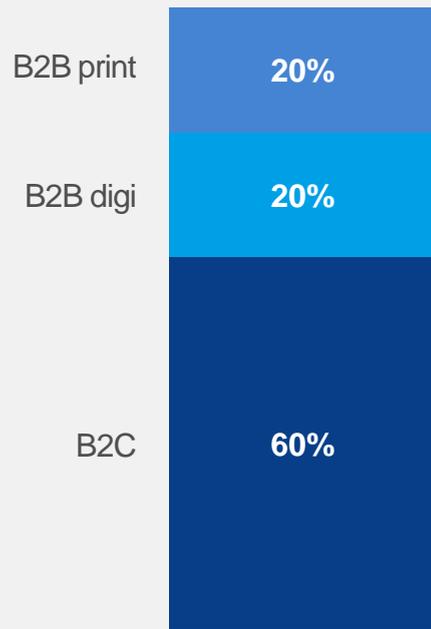
Operational EBIT excl. PPA
m€



* 2017 Operational EBIT

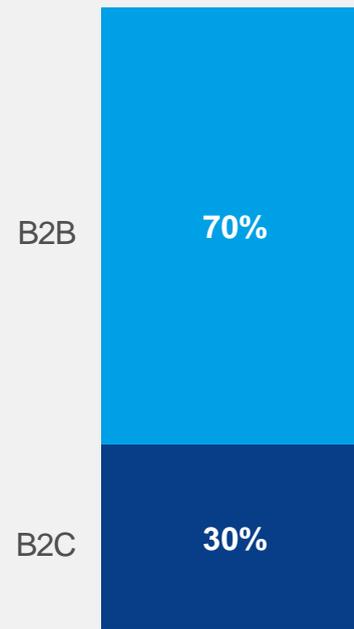
75% of advertising sales is non-print

News & feature ≈ 290m€



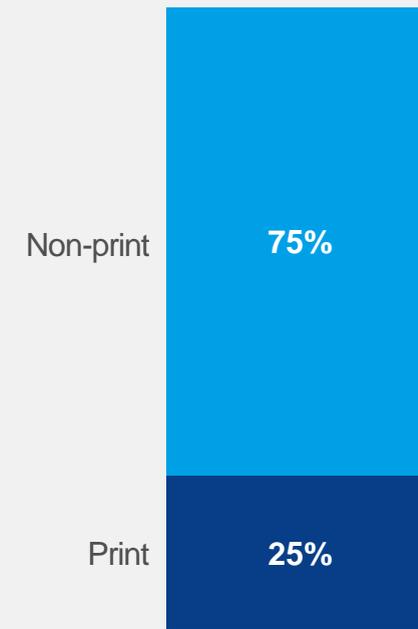
above

Entertainment ≈ 170m€



below

Total advertising sales ≈ 250m€ *



above

Profitability in comparison to SBU average

* Incl. magazines and classifieds in addition to news media and entertainment

Profitability improvement through digitalization and simplification

Transformation to digital subscriptions

Move from print to digital advertising

More simple business, organization and IT infrastructure



MEDIA FINLAND:

Stable net sales and improving profitability

- ☑ **Stable net sales**
- ☑ **Improving profitability**
- ☑ **Solid positions in news & feature, entertainment and B2B marketing solutions**
- ☑ **Simplified organization**
- ☑ **Important role in society: independent journalism and local entertainment**

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**Learning:
Growing business with strong digital
footprint and benefits of scale**



LEARNING:

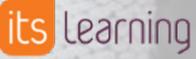
**Growing business with
strong digital footprint
and benefits of scale**

- ✓ **Growing net sales and solid profitability**
- ✓ **Leading market positions in digitally advanced markets**
- ✓ **Excellent materials, methods and digital platforms supporting teachers and pupils**
- ✓ **Readiness for further M&A growth**
- ✓ **Positive impact on society by better learning outcomes**

We focus on learning services for K12

	Education						
Key Market Sectors	Pre-school	Primary	K12 Secondary	Vocational	Higher education	Corporate learning	Life-long learning
School infrastructure <ul style="list-style-type: none"> ICT and other equipment Distribution & Maintenance services 							
Learning services <ul style="list-style-type: none"> Content: materials and methods Material distribution Digital platforms 		Sanoma Learning					
School management							
Additional services <ul style="list-style-type: none"> Supplying personnel Boot-camps Tutoring 							

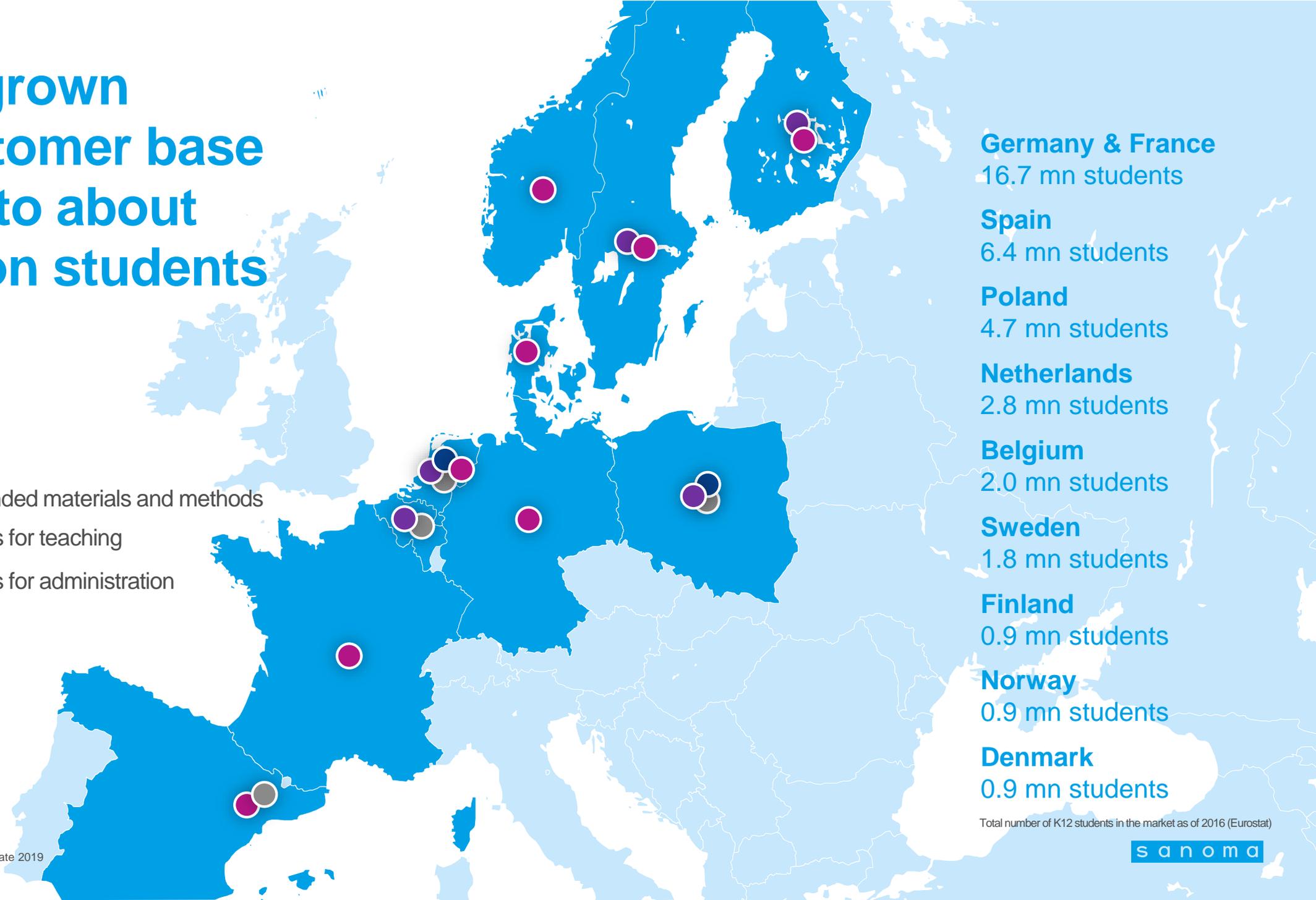
We have grown from a publisher into an integrated provider of learning services...

Learning services	Net sales *	Commercial contact	
		Teachers	Administrators
Content: blended materials and methods	55%	 	<input checked="" type="checkbox"/>
Material distribution	30%	 	<input checked="" type="checkbox"/>
Digital platforms for teaching	5%	  	<input checked="" type="checkbox"/>
Digital platforms for administration	5%	   	<input checked="" type="checkbox"/>
Testing and analytics	5%	   	<input checked="" type="checkbox"/>

* Incl. Iddink, Essener and itslearning LTM Q3 2019

... and grown our customer base by 50% to about 15 million students

- Creation of blended materials and methods
- Digital platforms for teaching
- Digital platforms for administration
- Distribution



Germany & France
16.7 mn students

Spain
6.4 mn students

Poland
4.7 mn students

Netherlands
2.8 mn students

Belgium
2.0 mn students

Sweden
1.8 mn students

Finland
0.9 mn students

Norway
0.9 mn students

Denmark
0.9 mn students

Total number of K12 students in the market as of 2016 (Eurostat)

In 2019, we have invested 300m€ and extended our footprint significantly through acquisitions

	Netherlands	Poland	Belgium	Finland	Sweden	Spain	Norway, France, Germany, Denmark
Creation of blended learning materials and methods	Malmberg Essener	Nowa Era	Van In	Sanoma Pro	Sanoma Utbildning		
Material distribution	Iddink	Nowa Era	Iddink			Iddink	
Digital platforms for teaching	ITSL	Vulcan		ITSL	ITSL	ClickEdu	ITSL
Digital platforms for administration							
Testing and analytics	Bureau ICE Iddink						

■ Sanoma Learning 2018 ■ 2019 acquisitions

Itslearning expands our footprint in digital platforms in Europe

- Itslearning is an international provider of cloud-based digital platform for teaching, founded in Norway in 1999
- Net sales 30m€ in 2018
- 200 employees, 1/3 working in ed tech
- Currently operations in Norway, Denmark, Netherlands, Finland, Germany, France, UK, US and serving several other countries through third party distributors
- We will revisit Itslearning geographic spread with the team in the coming year and focus on profitable growth
- Benefits to Sanoma:
 - Expands our geographical footprint
 - Access to digital-native knowhow and management
 - Some synergies on back-office and technical infrastructure

>6m
active
users

Iddink has broadened our opportunities for growth

- Net sales 142m€ and operational EBIT excl. PPA 20m€ in 2018
- Iddink provides learning services both for secondary and vocational education
 - Distribution of printed and digital learning materials and methods with strong rental book sales
 - Digital platforms for teaching and administration, Magister and Eduarte
 - Data analytics and testing
- 300 employees, about half of them working in educational technology
- Operations in the Netherlands, Belgium and Spain

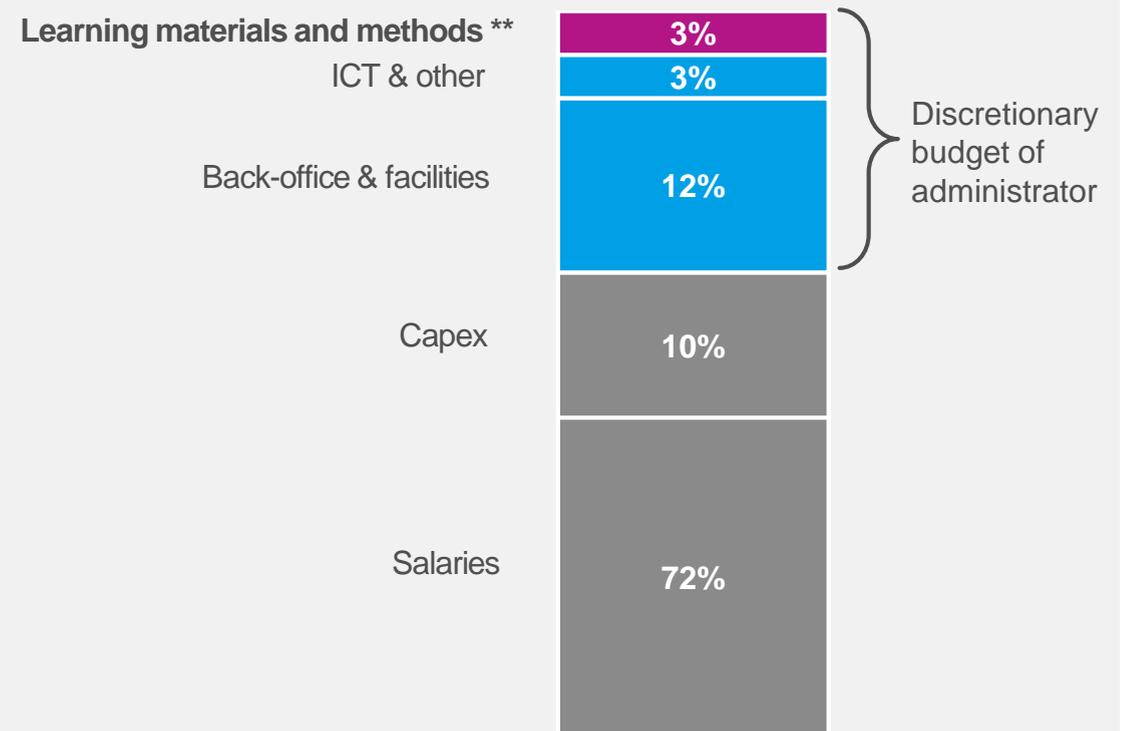
Sanoma acquired Clickedu, a digital learning platform provider in Spain on 17 Dec 2019

Our direct access to school administrators enables us to grow by extending our service offering

Expanding to “Classroom as a Service” especially in the Netherlands

- Currently, majority of our net sales comes from learning materials and methods, which is only a small part of the total expenditure of a school
- Due to recent acquisitions, we have direct access to school administration managing a broader budget than materials and methods
- We aim to provide “Classroom as a Service”, offering a broader portfolio of services
- Similar to our successful “one-stop-shop” approach implemented earlier in Poland

Typical expenditure of a school for each K12 pupil *



* Eurostat data for Netherlands

** Including other learning materials (assessment, home study etc.)

The core of our business continues to build on high-quality learning methods as efficiency tools for teaching

92%

Of teachers say our methods improve learning outcomes *

83%

improve student engagement*

8hrs/week

create better efficiency for teachers

Long-term learning method market stable, but significant growth in the Polish and Dutch markets in 2020-2021

The Polish market grows as

- In 2020 three out of the eight grades of all Primary schools will exchange their textbooks to updated methods, and in 2021 as well
- Impact of the Secondary reform continues

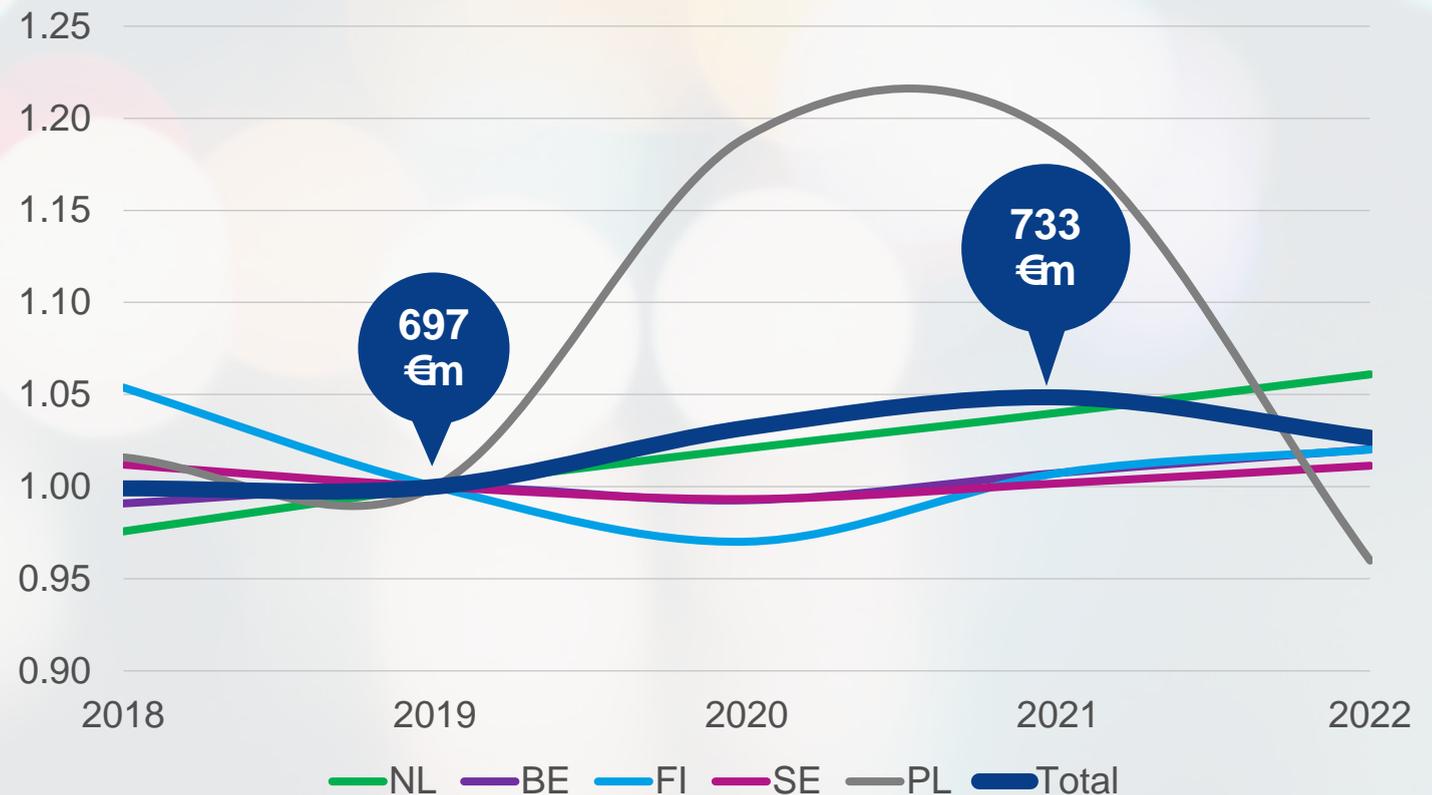
The Dutch market grows as

- Primary mathematics method renewal accelerating
- Additional sales related to the subscription model

Finland to rebound

- The upper Secondary reform in 2021

Market value*, indexed to 2019

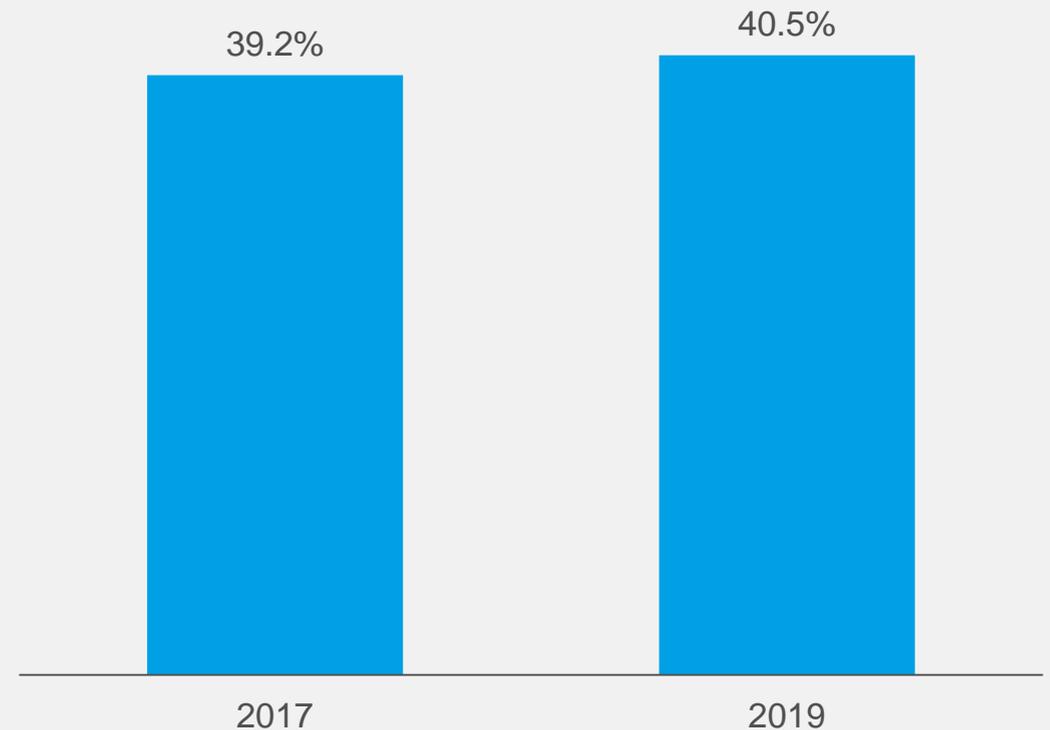


Growth by capturing market share in learning materials and methods

- Due to our recent market share increase we will benefit even more from the market growth in the coming years
- Increasing digitalization of the markets creates further growth opportunities
- Curriculum changes in main markets expected to boost net sales and have a positive impact on profitability in 2020

Our market share in learning materials

incl. Poland, the Netherlands, Finland, Belgium and Sweden



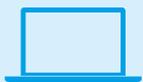
Increasing attractiveness of K12 learning services with conversion from single product to subscription model

Successfully introduced in the Dutch market

From...
the traditional model each product sold separately



Traditional book, rental or re-use



Digital content



Additional tools

...to
a subscription model with annual fee per student with unlimited use of all products

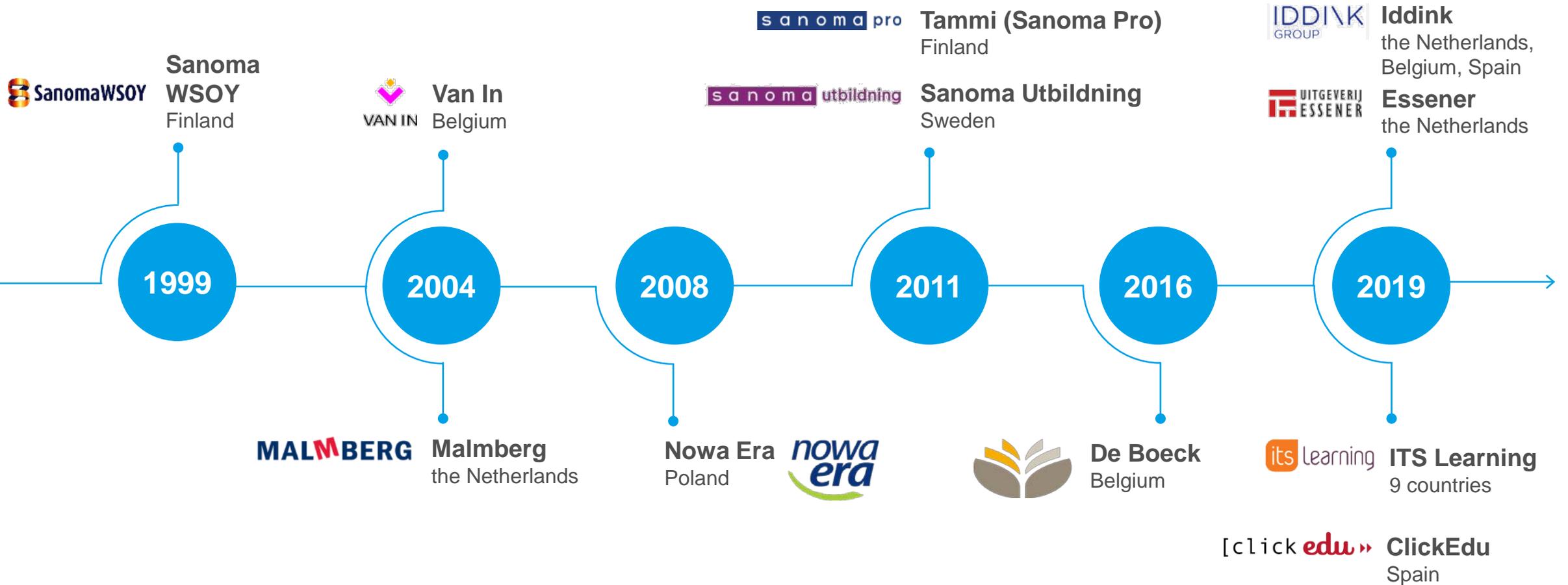


- Mix of print and digital
- Up-to-date online learning materials
- Combined text/workbooks allow students to write in their books
- Teacher dashboard
- Adaptive and personalized learning
- Teacher trainings & workshops

Benefits for all

- For students, more up-to-date materials, books can be retained
- For schools, stable and predictable cost of learning materials
- For distributors, lower cost due to no return flows
- For us, the loss of sales due to excessive re-use of material and second-hand market is reduced, more even sales

Sanoma Learning has been successfully built through M&A to approximately 500m€ business...





**... and we now again have
the financial strength to
continue to grow through M&A**

- Using our scale and capabilities in learning design, technology and services
 - To enter new geographies in K12
 - To expand our offering in existing markets
- With the “High Five” business development program we have achieved scale benefits in our existing businesses, which we can leverage with recent acquisitions and future M&A

A group of young women are gathered around a laptop, looking at the screen with interest. The woman in the center is wearing a grey hoodie with black and red stripes on the sleeves that say "ONLINE" and "OFFLINE". The woman on the left is wearing a pink hoodie with "Digital Super D" written on it. The woman on the right is wearing a dark grey hoodie with "VIR" visible. The background is a blurred indoor setting.

Financials

Growing business with strong base and benefits of scale

Sanoma Learning

Net sales

- Organic growth with curriculum changes and increasing digitalisation
- New geographies and expanding technology and service offering

Profitability

- Steady profitability improvement
- Synergies of recent acquisitions
- Scale benefits to be leveraged with acquisitions

New long-term targets

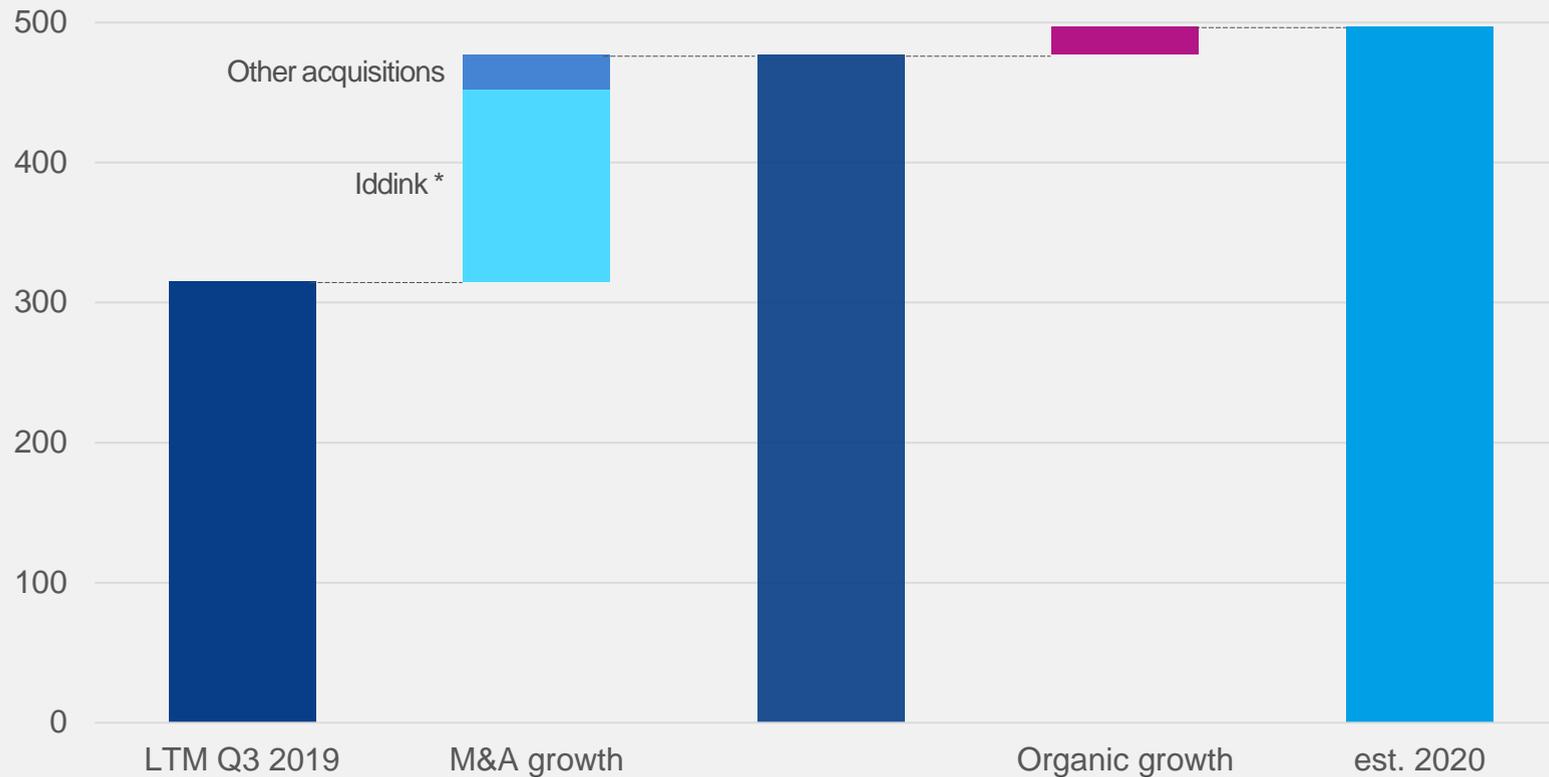
2-5%
Comparable net
sales growth

20-22%
Operational EBIT
margin excl. PPA

Net sales expected to be close to 500m€ in 2020

Net sales

m€



* incl. organic growth

With curriculum renewals and H5 benefits, oper. EBIT margin excl. PPA is expected to be around 20% already in 2020

Financial impacts of recent acquisitions in 2019-2020

Iddink

- In total, annual PPAs for Iddink expected to amount to approx. 10m€ (unaudited)
 - At closing, Iddink's stand-alone PPAs amounted to approx. 7m€
 - Revaluation and depreciation times as according to Sanoma accounting principles

itslearning

- Operating in 9 countries with net sales of 30m€ in 2018 and profitability around break-even
- Turnaround programme for 1-2 years
 - Net sales expected to decline by approx. 1/3 in 2020 due to strategic evaluation
 - Gradually improving profitability

Both businesses will be managed largely stand-alone, some synergies e.g. from procurement and finance integration

High Five has brought significant cost benefits and scalability for M&A

Procurement and supply chain:

Savings on paper, print, services etc.

Technology:

Common investments & centralized organisation

Creation of materials and methods:

Process harmonisation & optimising content procurement

Common Finance:

Process harmonisation & outsourcing



LEARNING:

Growing business with strong digital footprint and benefits of scale

- ✓ **Growing net sales and solid profitability**
- ✓ **Leading market positions in digitally advanced markets**
- ✓ **Excellent materials, methods and digital platforms supporting teachers and pupils**
- ✓ **Readiness for further M&A growth**
- ✓ **Positive impact on society by better learning outcomes**

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