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Capital Markets Day 2020

**Two focused and leading businesses
poised for further growth**

8 December 2020

Today's speakers: 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
Learning

Agenda

- | | | |
|-------|--|-----------------|
| 14:00 | Welcome | |
| | Two focused and leading businesses poised for further growth
Q&A | Susan Duinhoven |
| | Sanoma Learning: Leading European K12 business focused on growth
Q&A | Rob Kolkman |
| | <i>Break</i> | |
| | Media Finland: Leading media company successful in digital transformation
Q&A | Pia Kalsta |
| | Financial strength to grow our European K12 learning business
Q&A | Markus Holm |
| 16:15 | End of event | |
| 16:25 | Roundtable discussion with Rob Kolkman and Pia Kalsta in Teams | |

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Two focused and leading
businesses poised for
further growth

Susan Duinhoven, President & CEO

Capital Markets Day 2020

sanoma



Two focused and leading businesses poised for further growth

- We continue to grow Sanoma Learning, the leading European K12 learning business
- We are the leading cross-media company in Finland and continue our successful digital transformation
- We have 300-400m€ headroom for M&A and focus on growing our learning business further
- We pay a solid dividend
- Sanoma is a sustainable investment with learning and media having a positive impact on society

We have accelerated our transformation during the past year

≈ 800m€ invested

More than 400m€ new, highly profitable net sales acquired

Four acquisitions in K12 learning services in 2019

Iddink | Itslearning | Clickedu | Essener

Regional news media business in Finland

Santillana Spain, leading provider of K12 learning content in Spain

ACQUISITIONS

DIVESTMENTS

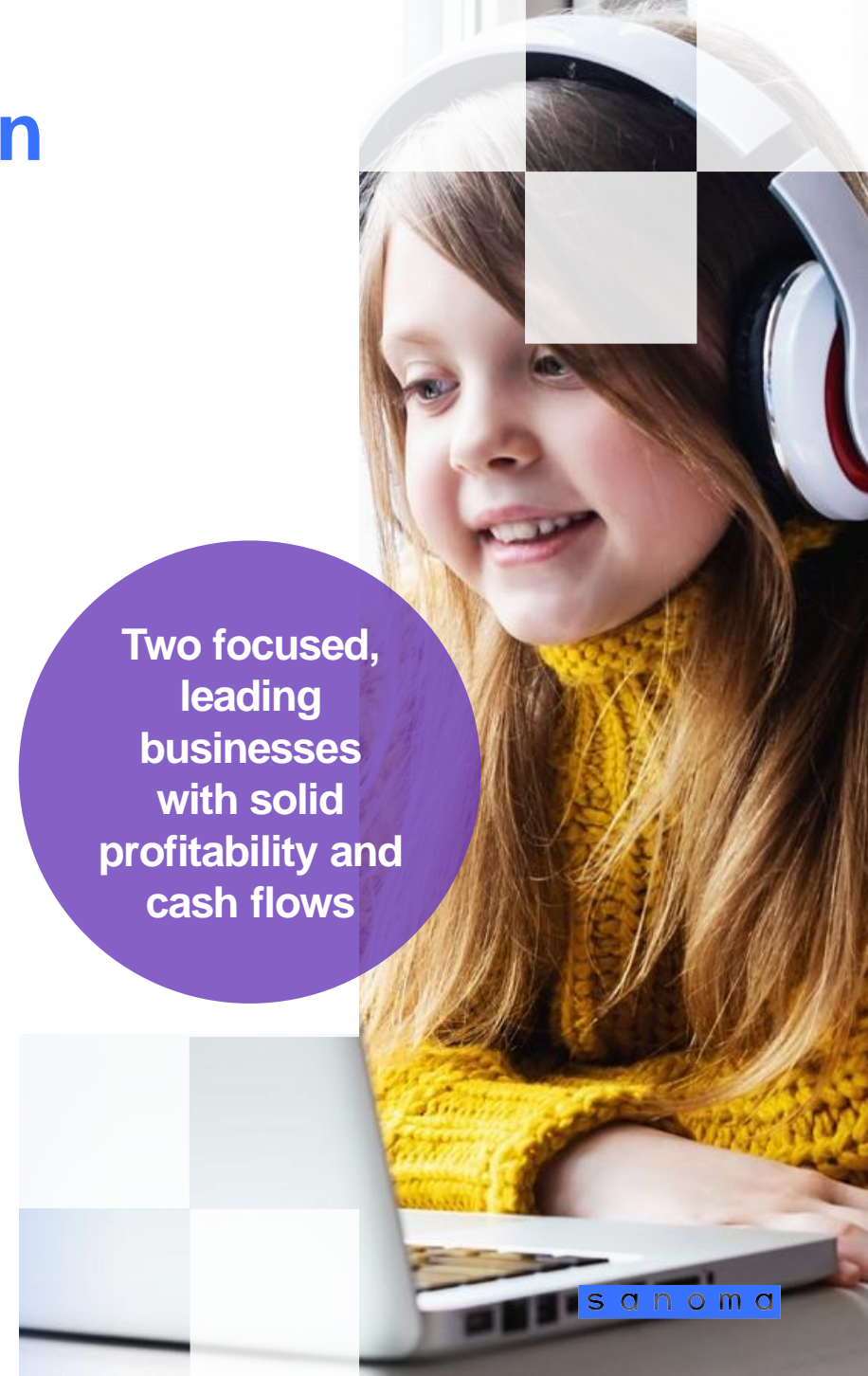
Media Netherlands

Online classifieds business Oikotie

Two focused, leading businesses with solid profitability and cash flows

≈ 700m€ divestment proceeds received

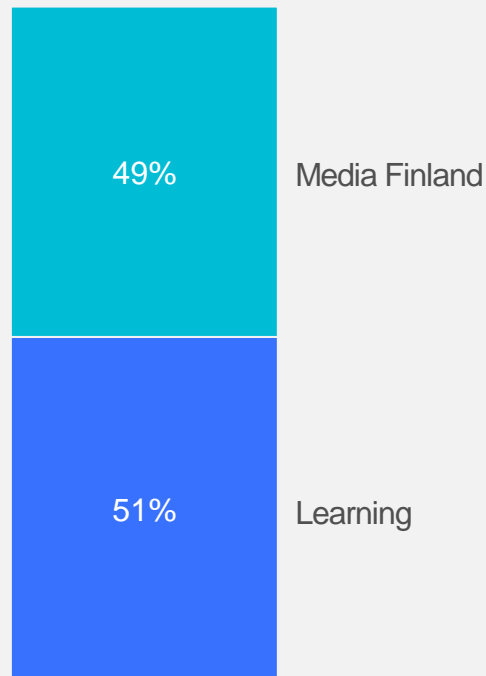
≈ 400m€ net sales divested



Learning is now contributing close to 70% of Group earnings

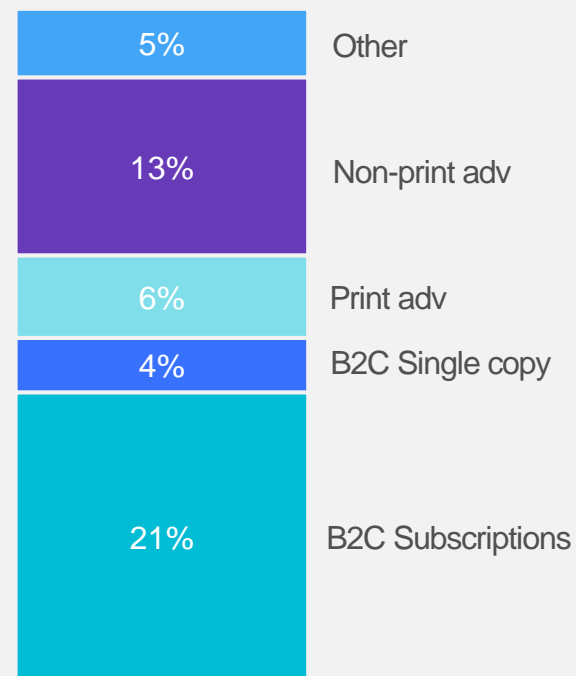
We have a balanced revenue profile with...

Net sales by SBU, %



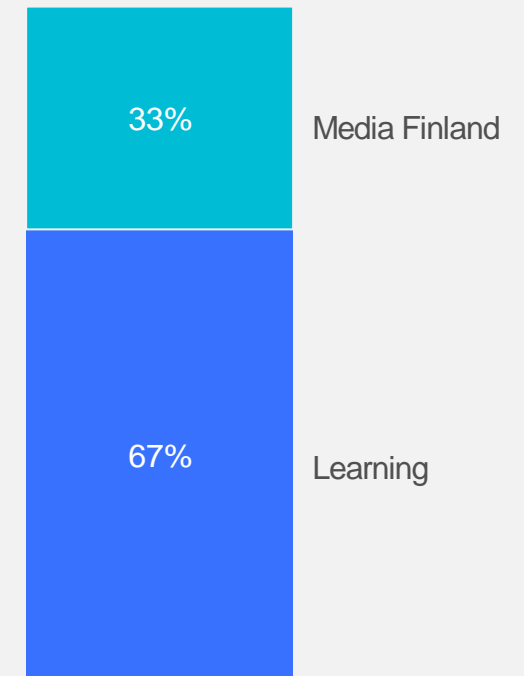
...B2C more than half of our media sales

Group net sales by category, %



Learning close to 70% of earnings

Operational EBIT excl. PPA by SBU, %

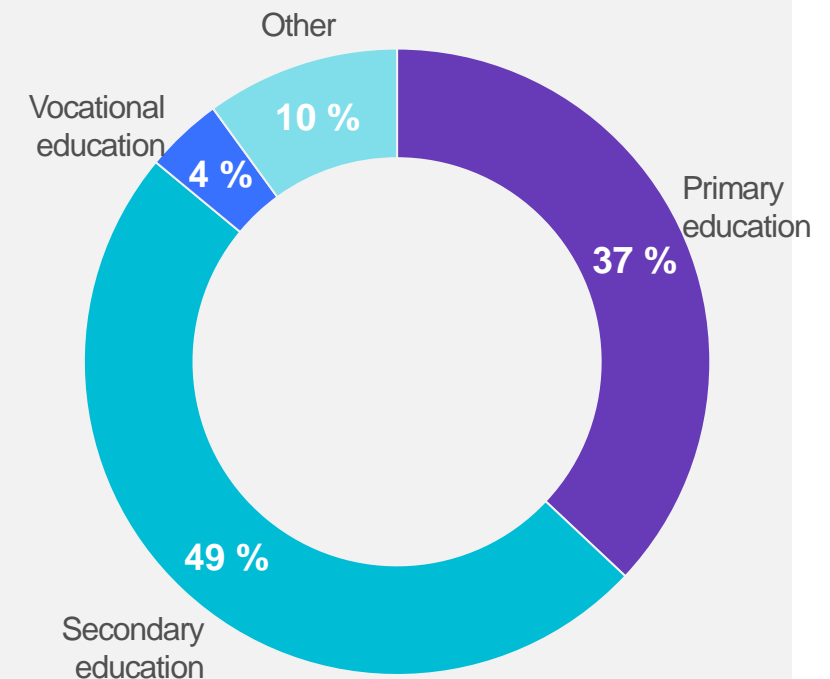


All figures pro forma LTM Q3 2020 incl. the impact of acquisitions and divestments

We continue to grow Sanoma Learning with strong focus on K12 learning services...

- **We focus on growing our K12 learning services**
 - K12 being primary, secondary and vocational education
 - Learning services being blended learning content (print & digital), digital platforms for teaching and administration as well as content distribution
 - High barriers to entry due to local nature of the business
 - Three growth levers: market share gains, expansion of services and M&A
- **We share our best-in-class digital platforms and our European footprint gives us unique benefits of scale**
 - Transitioning towards a subscription model
- **We upgraded our long-term profitability target**
 - Operational EBIT margin excl. PPA will be 'above 23%' over time including the acquisition of Santillana Spain
 - Comparable net sales growth 2-5% (unchanged)

Net sales split
Pro forma LTM Q3 2020



... and we are the leading European player in a highly fragmented market

- European K12 learning services market
 - Fragmented market of approx. 4-5bn€
 - Serving a total of about 75 million students
- Our annual net sales of around 600m€ represent a market share of only about 13%
 - Already leading player in the European market, serving over 20 million students
- Opportunity to increase market share in existing markets and by expanding into new markets



We continue to grow our learning business through M&A

- We have a well-developed pipeline and a good momentum for further acquisitions
 - Focus on European K12 learning services
 - Both learning content and digital platform businesses
 - Entering new geographies and expanding our offering in current markets
- We have increased our leverage target to **'below 3.0'** (previous target: below 2.5)
 - Stable and predictable Learning business now close to 70% of Group earnings
- Our M&A headroom allows us to participate in the ongoing consolidation in the European K12 learning services market

M&A headroom

300-400m€

by 2022

Sanoma is the leading media company in Finland successful in its digital transformation...

- **Focused media company with scale**
 - News & feature, entertainment and B2B marketing solutions
 - Highly synergistic, bolt-on acquisitions could be considered
- **Increasing share of consumer income and subscriptions in both news and entertainment**
 - B2C sales now 50% of total net sales (≈ 45% in 2016)
- **Proven track record of a successful digital transformation**
 - Helsingin Sanomat news subscriptions increasing for 4th consecutive year, now already above 400,000
 - Ruutu+ Video-on-Demand with more than 300,000 subscriptions
- **Solid performance towards long-term financial targets**
 - Stable comparable net sales growth +/-2%
 - Increasing operational EBIT margin excl. PPA 12-14%



... and has proven resilience even in an exceptional year

- Corona pandemic had a significant impact on Finland's advertising and events market in 2020
 - Our advertising sales declined by 13% in January-September, strong recovery since September
 - We have been gaining 2-3%-points in market share over the year
 - No live events and festivals took place in 2020 – business still contributed due to insurance compensation
- Efficient cost containment across the business, resulting in total savings of 15-20m€
- For 2021 we expect with continuing recovery
 - Costs to return to near normal levels
 - Continuing low visibility in advertising demand
 - In live events business, highly flexible cost structure

Solid dividend for our shareholders while growing through M&A

Dividend policy unchanged

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

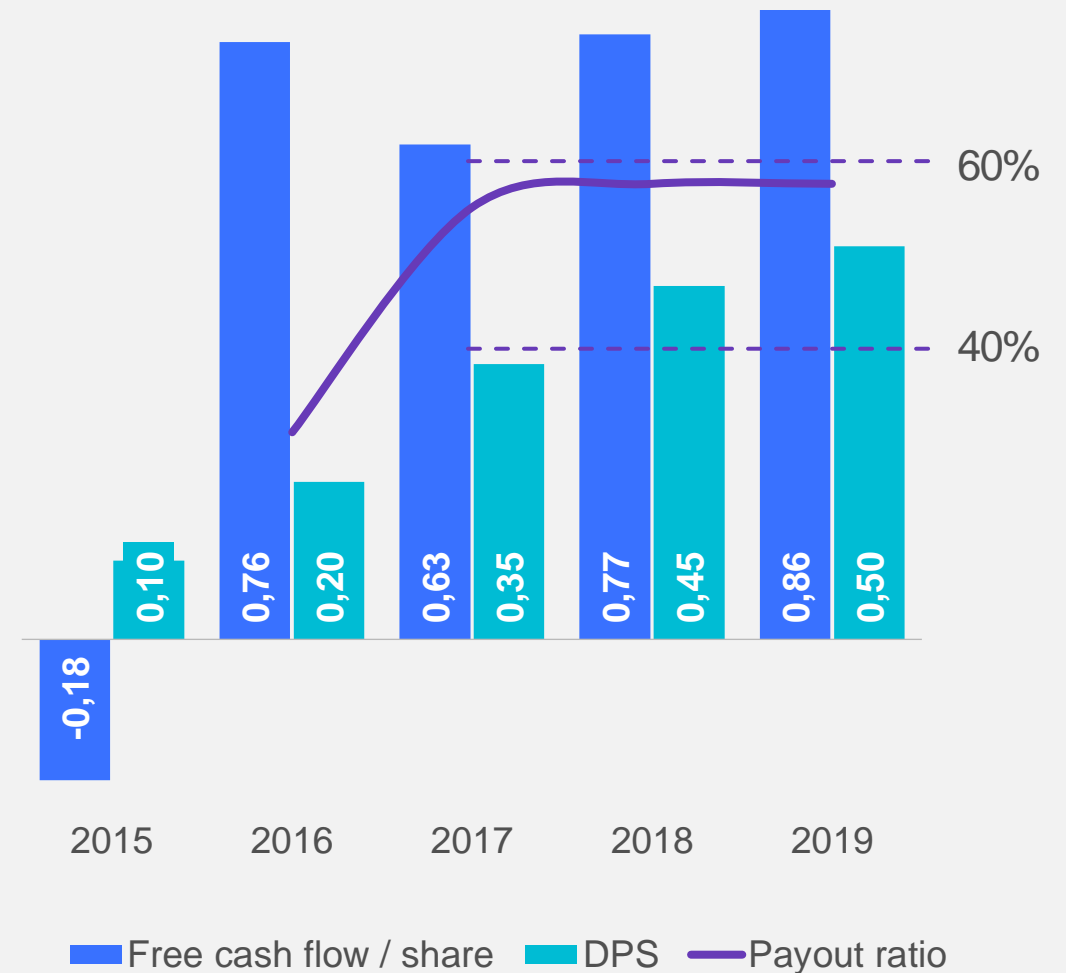
Dividend yield

4.1%

as of 30 Nov 2020

Dividend per share

€



Learning and media have a positive impact on society



Inclusive learning

We develop inclusive learning solutions that help all students to achieve their potential.



Sustainable media

We provide trusted Finnish journalism and inspiring entertainment, now and in the future.



Trustworthy data

We use the data you trust us with to make learning and media better.



Vital environment

We act to protect the climate and build awareness of sustainability.



Value people

We promote equality and provide an inspiring workplace with excellent opportunities to develop.



Responsible and ethical business practices and supply chain integrity are fundamental for us.



Two focused and leading businesses poised for further growth

- We continue to grow Sanoma Learning, the leading European K12 learning business
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Q&A

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Sanoma Learning: Leading European K12 business focused on growth

Rob Kolkman, CEO
Capital Markets Day 2020

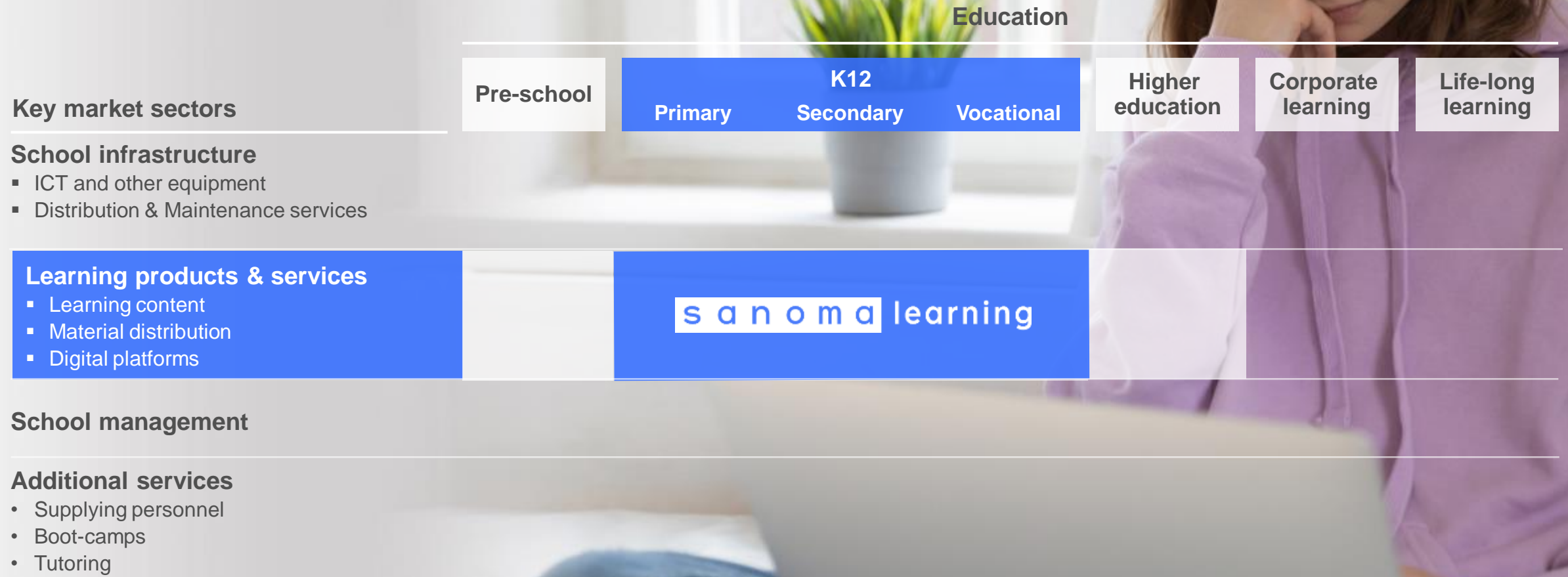


LEARNING:









Market leader in European K12 with strong digital footprint and benefits of scale

- Upgrading long-term profitability target to 'above 23%' operational EBIT margin excl. PPA
- Successfully executing on M&A strategy
- Increasing attractiveness due to conversion from single product to subscription model
- Best-in-class materials, blended methods and common digital platforms and technology
- Positive impact on society by better learning outcomes

We are a focused European provider of K12 learning products and services

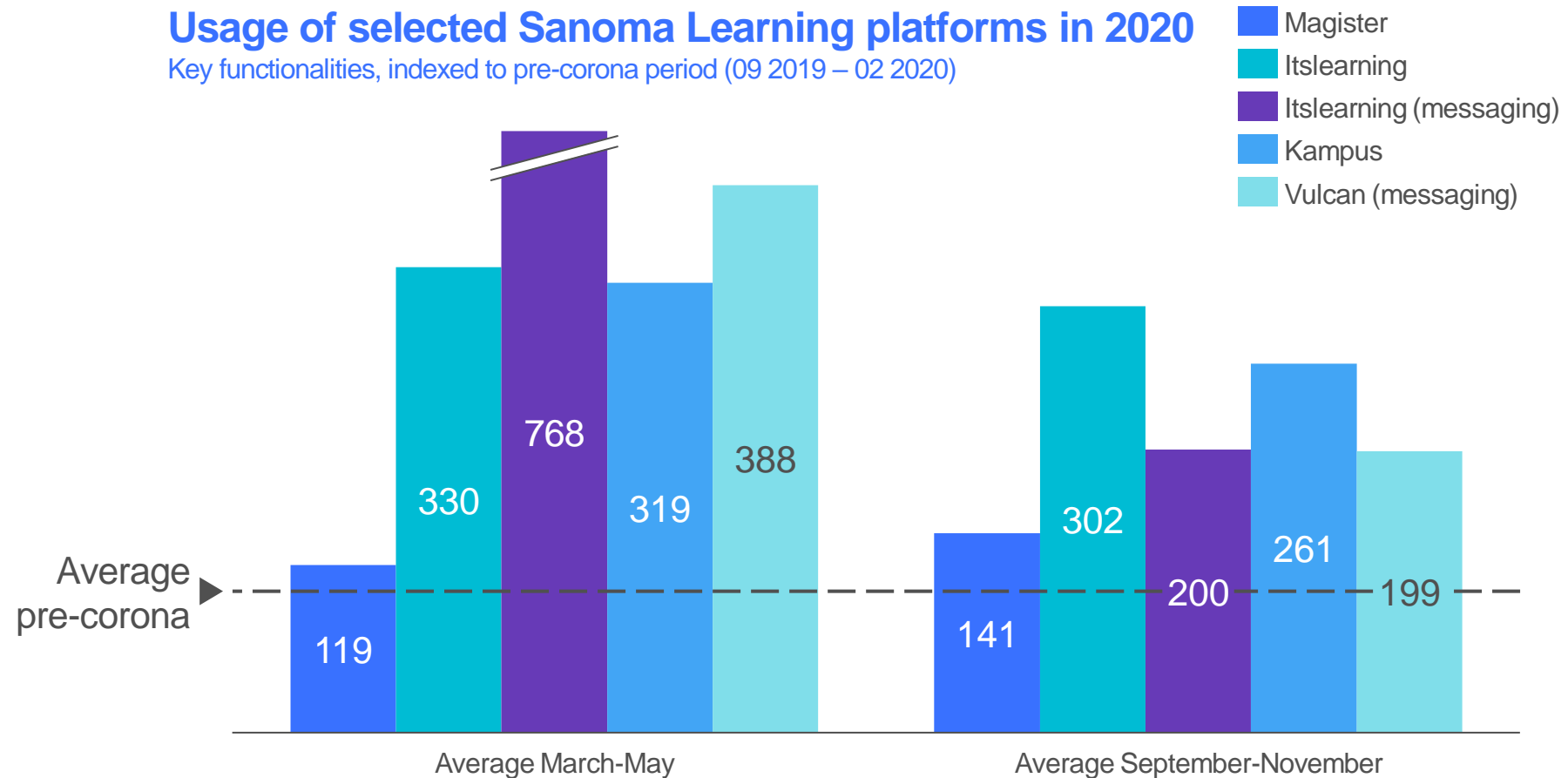


We have developed as a publisher of learning materials into an integrated provider...

Learning products & services	Net sales share*	Commercial contact	
		Teachers	Administrators
Blended learning content	60%	 	<input checked="" type="checkbox"/>
Material distribution	25%	 	<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"/>

... with significant increase in usage on platforms supporting teachers during the corona pandemic

- Platforms performed well to deal with increased usage
- Previously less digitized markets like Poland have escalated to intense usage levels
- Integrations of MS Teams and Google for education supports teachers and students



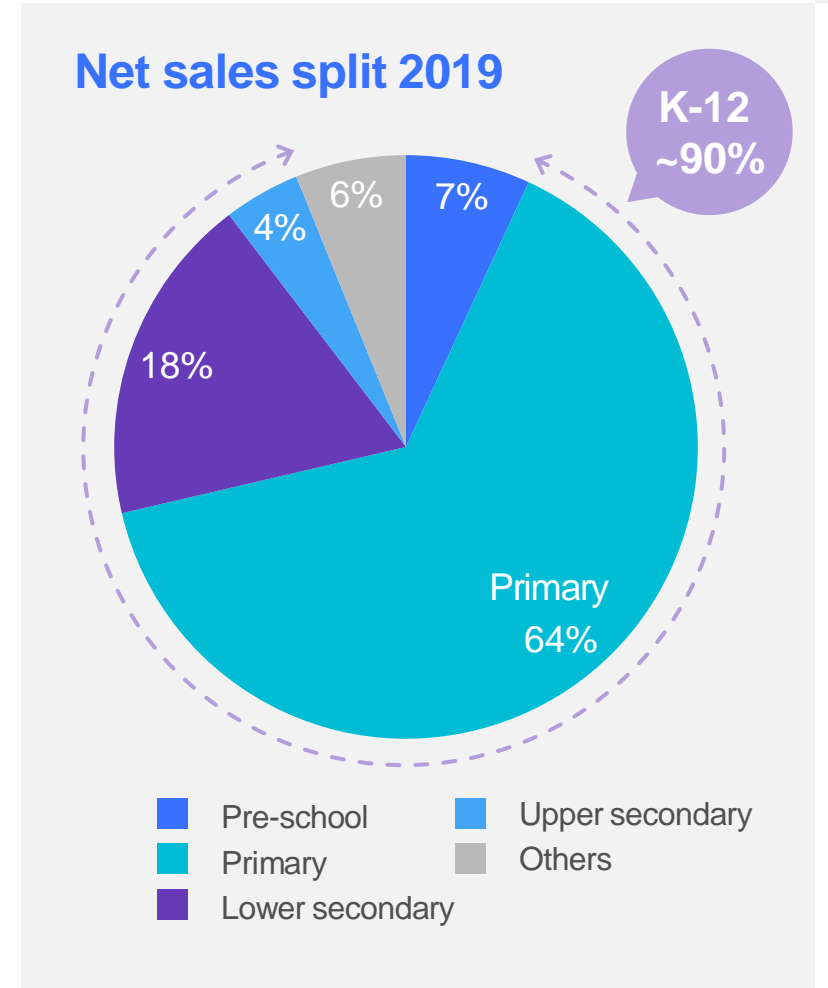
We support the education of around 20 million students...

- Total European K12 learning products and services market is valued at 4-5bn€
- With our market share of ~13% we are leading the market
- We operate in more than 10 countries
 - Most competitors operate locally only in one or a few countries



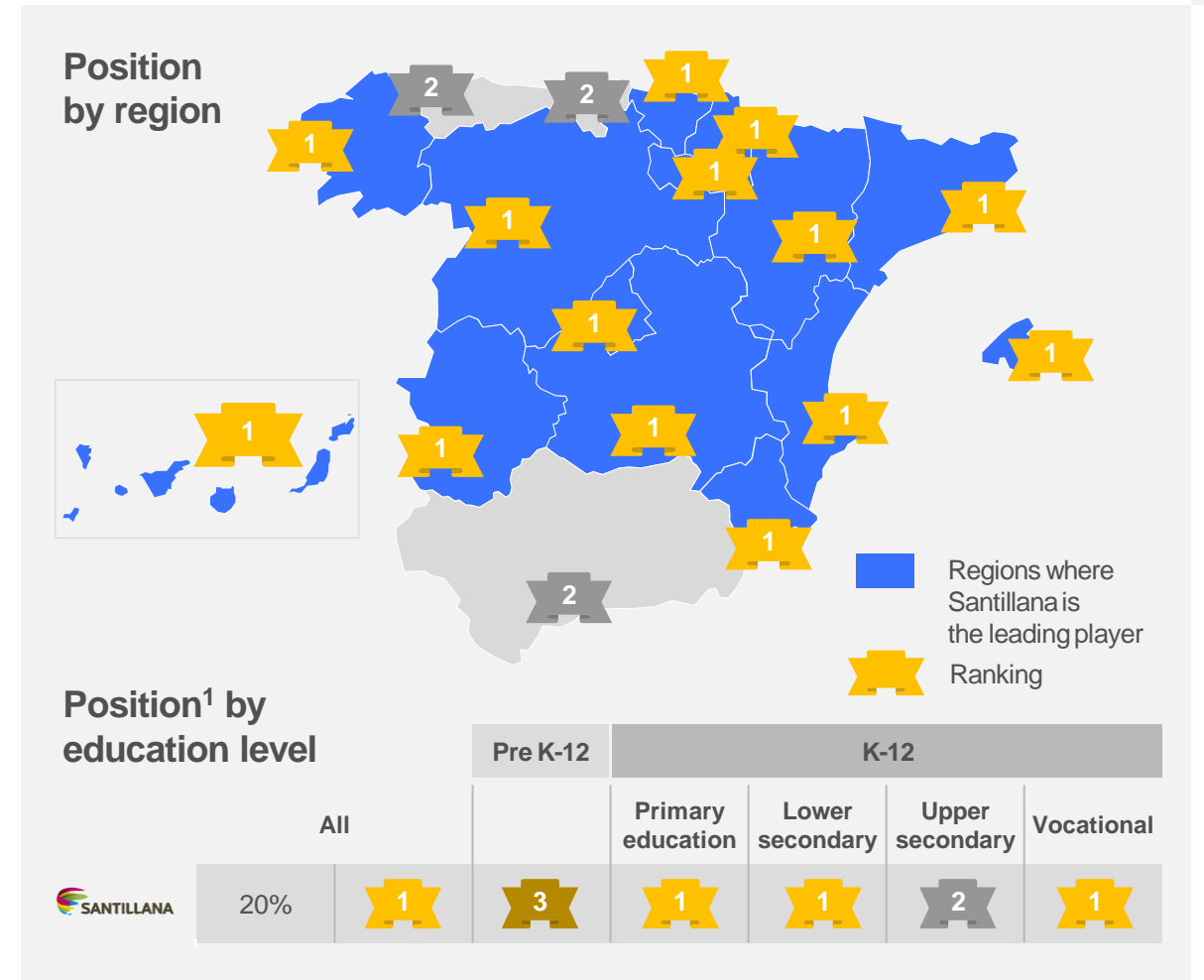
... and have expanded our footprint in blended learning solutions in Europe with the acquisition of Santillana

- Santillana Spain is a leading provider of learning materials, primarily textbooks, for primary and secondary education in Spain
- Net sales of 122m€ and standalone operational EBIT excl. PPA 37m€ (margin 30%) – annual average 2016-2019
- In 2019, only 2% of Santillana Spain's net sales were digital: above the market average in Spain
- 570 employees: 40% in commercial and 30% in content development functions
- Strong and experienced management team, committed to the business



Santillana is a leader with a unique value proposition in Spain, a market with high barriers to entry

- Unique value proposition
 - Commercial teams well embedded in 17 autonomous regions in Spain
 - Central and regional content development teams
 - Strong brands in all subjects, such as Santillana, Loqueleo and Richmond
 - Growing digital position in typically still non-digitalised Spanish market
- Well positioned to roll out Sanoma Learning primary education platform (Bingel)



Notes: (1) Market share in terms of users. A user is defined as a student being prescribed a textbook from a publishers for a given scholar year. Given subject diversity, a student is likely user of multiple editorial. Also being user of an editorial does not necessarily imply a textbook purchase: (2) Market share in terms of students

Strategic levers support our growth ambitions...

Our growth levers

3

M&A: enter new geographies in K12 and expand our offering in existing markets

2-5% p.a. organic growth target

2

Increase value per student through extending offerings, Classroom as a Service

1

Grow market share by continuing to win in local markets

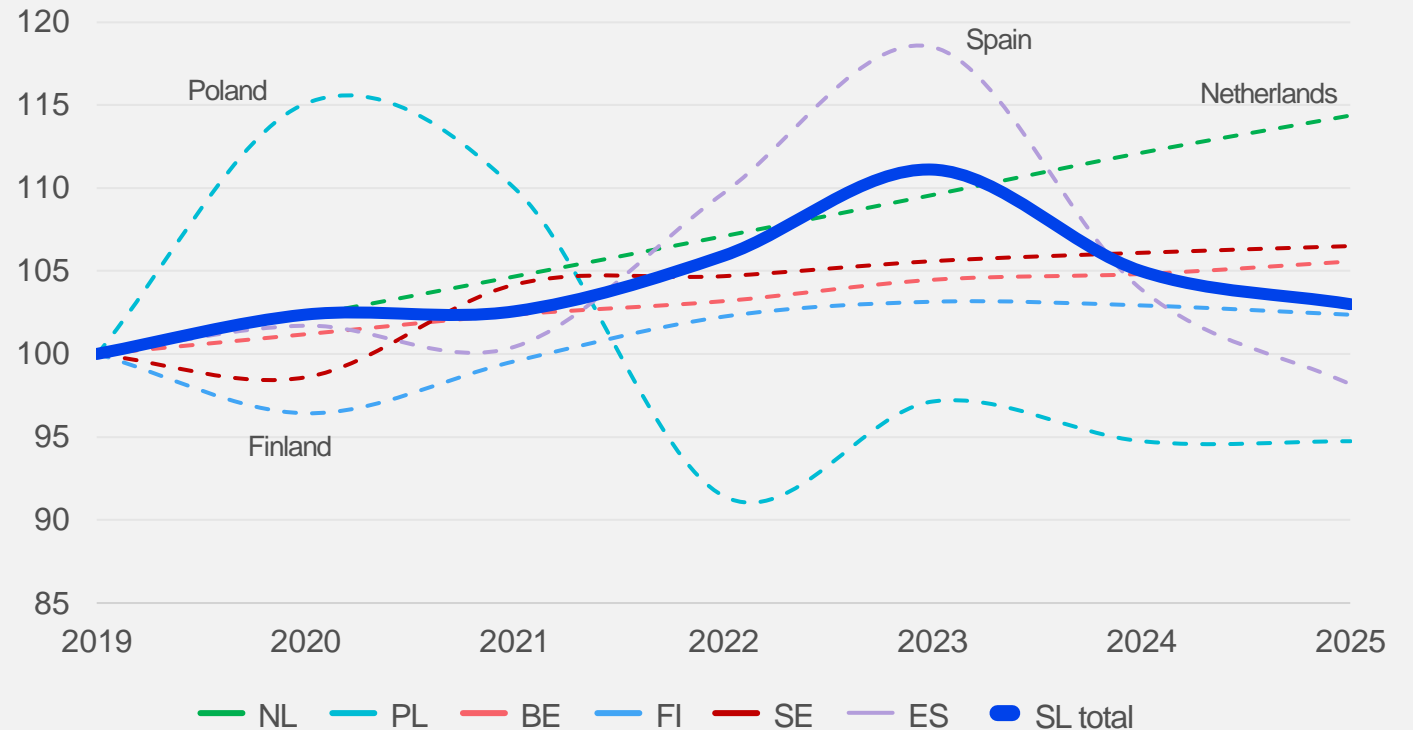
2020

Long term profitability* target of above 23% enables us to continue investing while delivering a solid cashflow

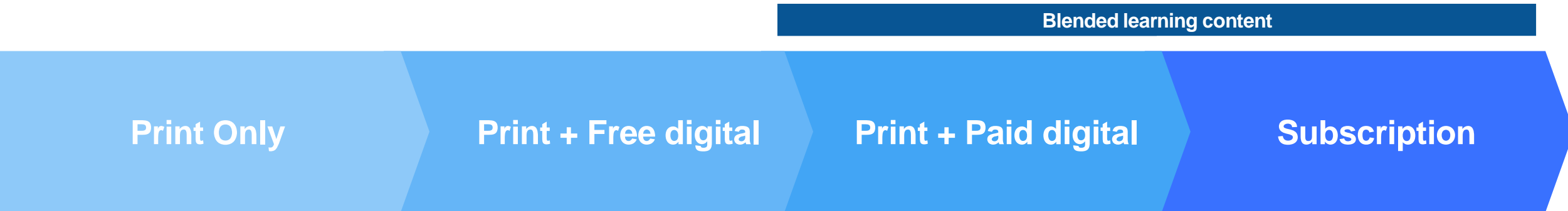
... with modest market growth over the cycle

- In **Poland**, fluctuations due to the educational reform ending in 2020-2021
- In **Spain**, the LOMLOE reform is driving fluctuation in 2022-2024
- **Dutch** market will be modestly growing due to increased value per student
- In **Finland**, with the upper secondary reform of 2021 the market will rebound, similarly in Sweden

Value of K12 publishing market*



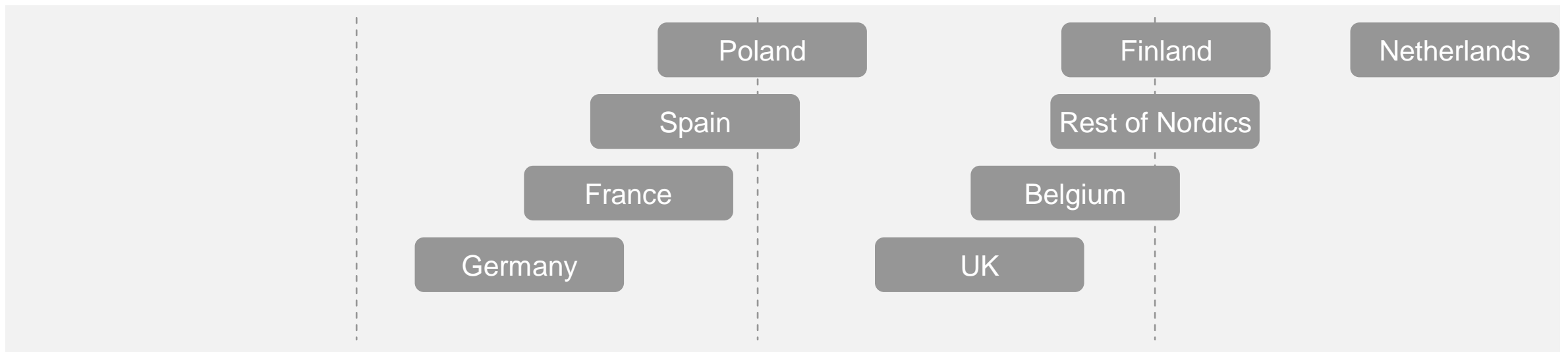
Through greater integration of products and services, the market is shifting towards a subscription model...



Greater benefits for all through subscription

- 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 Sanoma: reduced second-hand market, more efficient content creation and more predictable sales

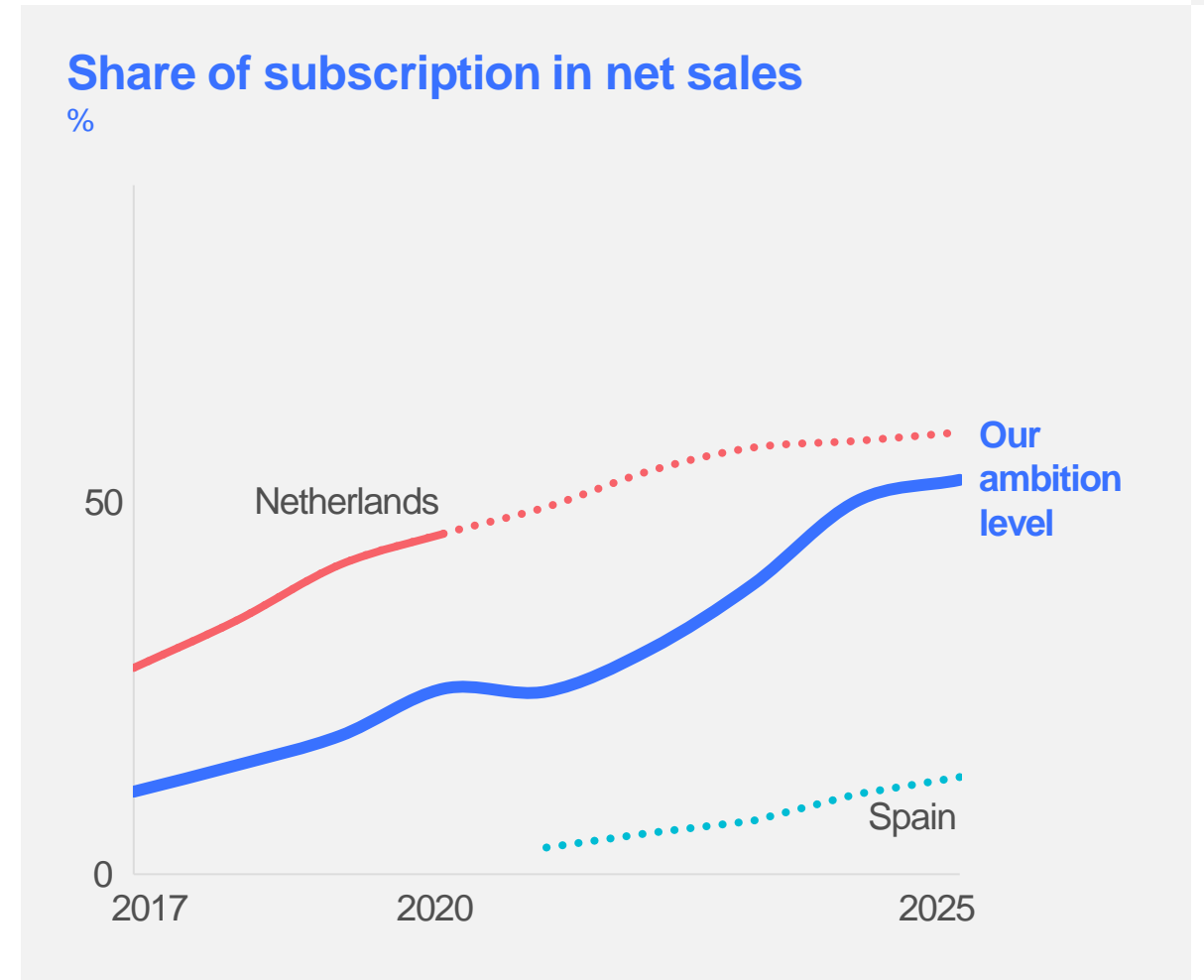
... the pace of this shift differs by country but we aim to move to the subscription model across all our European markets...



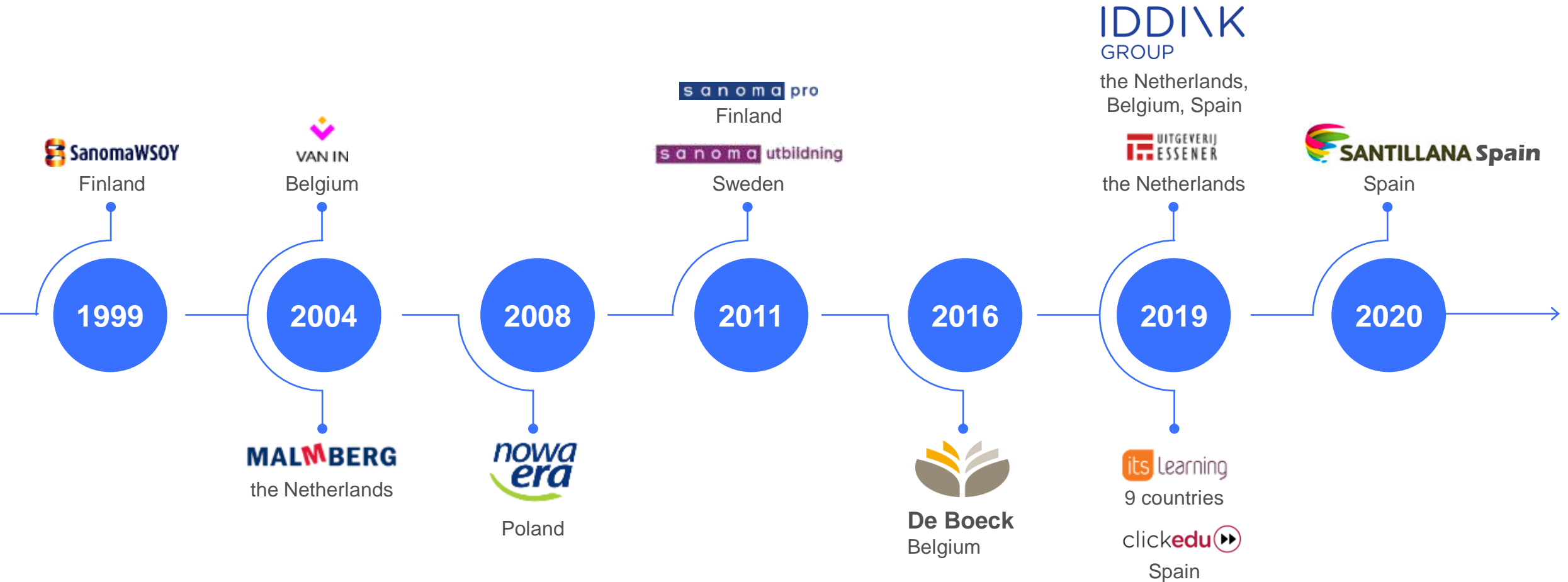
Sanoma view of the state of maturity of the various countries

... increasing the share of subscription in net sales to above 50%

- Currently, subscription sales represent approx. 25% of our net sales
- Ambition supported by various initiatives to raise this to over 50% by 2025
- With countries at different stages of digitalisation the transition will take time
- Reduced second-hand market, more efficient content creation and more predictable sales
- Customer benefit: Continuous access to most up-to-date materials



We have been successful in M&A...



... and we want to continue to grow in European K12 through M&A

- Using our scale and capabilities in learning products & services
 - To enter new geographies
 - To expand our offering in existing markets
- Increase market leader position in K12





LEARNING:

Market leader in European K12 with strong digital footprint and benefits of scale

- Upgrading long-term profitability target to 'above 23%' operational EBIT margin excl. PPA
- Successfully executing on M&A strategy
- Increasing attractiveness due to conversion from single product to subscription model
- Best-in-class materials, blended methods and common digital platforms and technology
- Positive impact on society by better learning outcomes

A woman with long, wavy brown hair is leaning over a young girl with pigtails, both focused on drawing on a piece of paper on a light-colored floor mat. The girl is wearing a yellow dress and holding a pencil. The woman is wearing a plaid shirt over a white t-shirt and a watch. In the background, a man in a light blue shirt is sitting at a table, working on a laptop. The setting is a bright, modern living room with a white sofa and a potted plant.

Q&A



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Media Finland: Leading media company successful in digital transformation

Pia Kalsta, CEO Sanoma Media Finland
Capital Markets Day 2020



MEDIA FINLAND:

Leading media company successful in digital transformation

- Leading positions in news & features, entertainment and B2B marketing solutions
- Rapidly increasing digital subscriptions
- Stable net sales (+/-2%*) and improving profitability (12-14%*)
- Important role in Finnish society: independent journalism and local entertainment

Finland's leading cross media company...

580m€
net sales

10.9%
oper. EBIT
margin excl. PPA

>50%
B2C revenue

97%
weekly reach

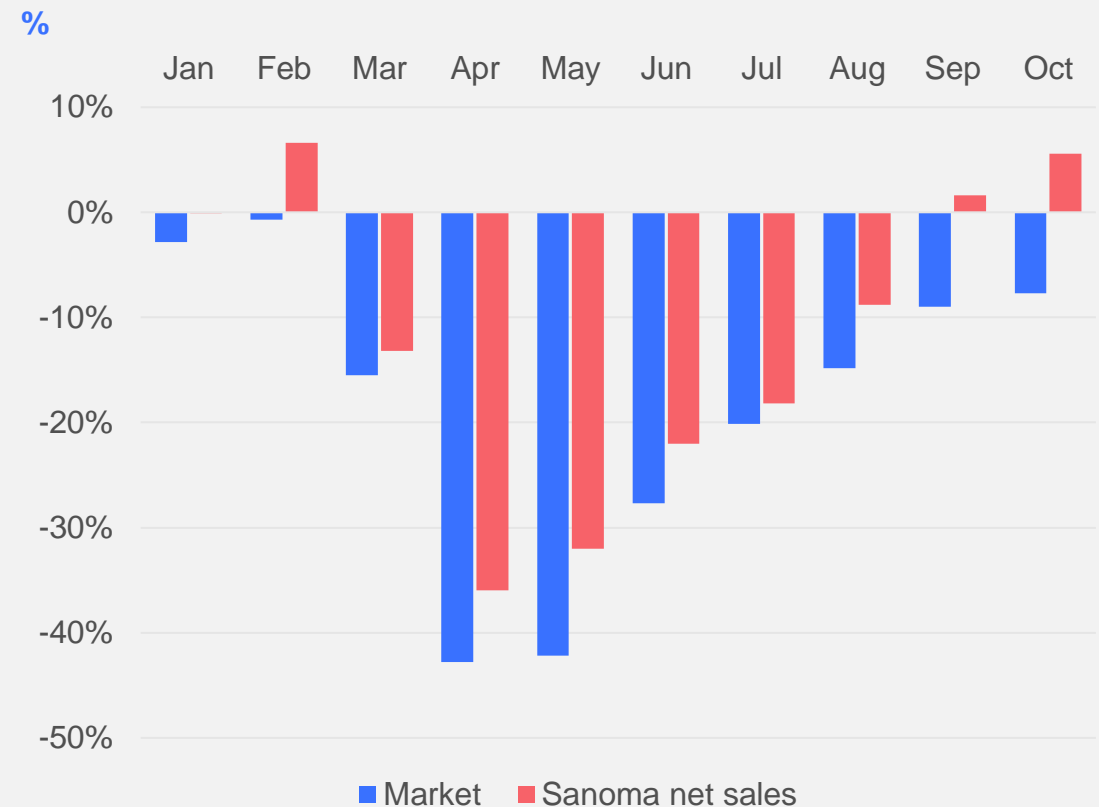
Long-term
target for
comparable
growth
+/-2%

Long-term
target
12-14%

...while outperforming the advertising market despite challenging conditions

- Advertising sales have made a significant recovery in H2 2020 as marketing spend has resumed in many industries not significantly affected by corona
 - Industry variance is high – travel industry has cut budgets considerably in 2020, whereas FMCG and retail show better results in ad spend
- We have outperformed the market especially in online, TV, radio and magazine advertising
 - Overall, our January–September 2020 comparable advertising sales -13% vs. market -21%
- Uncertainty is expected to continue, with limited visibility into 2021

Monthly advertising development, Jan-Oct 2020*



* For Sanoma, comparable development excl. the impact of acquisitions and divestments

In 2020, we continued to implement our digital transformation strategy...

Strong digital growth

- ➔ Helsingin Sanomat (HS) **70% out of over 400k** subscriptions include a payable digital element (+8% YoY)
- ➔ Ruutu+ SVOD subscriptions over **300K** (+16% YoY)
- ➔ Ilta-Sanomat (IS) average weekly visits over **43M** (+17% YoY)

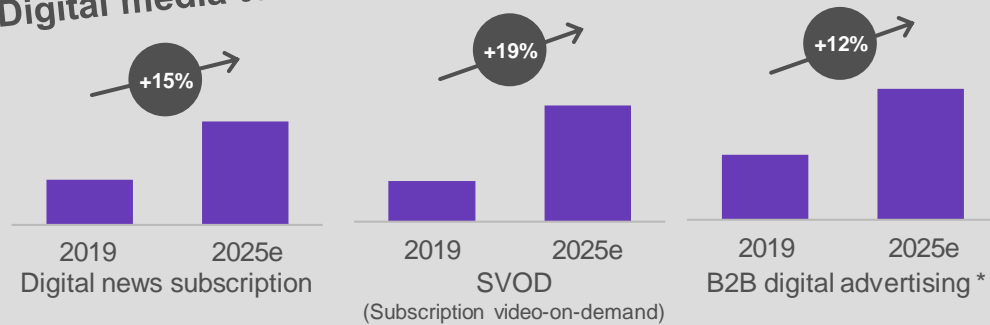
Focus on core business

- Combined News & Features organisation settled in and showing strategic benefits of close cooperation across the brands
- Integration of the acquired regional news media business proceeding according to plan
- Online classifieds business Oikotie divested to Schibsted

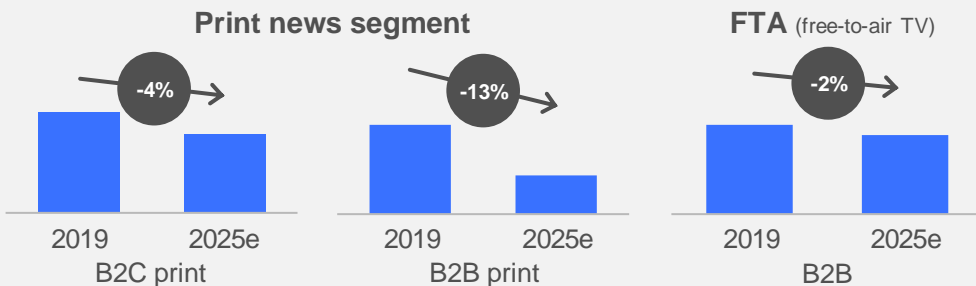
Long-term digital transformation of media continues – corona accelerating digital adoption both in B2C and B2B

Finnish media market outlook

Digital media to double



Traditional media to slowly decline



Market drivers long-term

- **Consumer willingness to pay** for high-quality news, video and audio on a subscription basis is growing
- **Increasing interest in lifestyle and feature** content if placed on news platforms
- **Transformation from linear TV to on-demand** continues with growth driven by increased penetration and stacking behavior
- **Advertising spend is shifting towards digital** and customer data is a prerequisite for selling digital advertising
- **FTA more resilient to traditional media decline** since FTA and digital complement each other well

We have leading positions in news & feature, entertainment and B2B marketing solutions



News & feature

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

#1 in domestic,
independent journalism



Entertainment

- Increasing consumer revenue
- Unique combination of strengths across media types
- Important role in total advertising portfolio

#1 in domestic entertainment
with most attractive
brands and stars



B2B marketing solutions

- A unique, multimedia offering to build effective marketing solutions
- Strong digital advertising growth supported by improved data and targeting capabilities
- Strong sales organisation with superior knowledge of local market and customers

#1 marketing partner helping
companies to grow in Finland

NEWS & FEATURE

#1 in Finnish journalism, further strengthened by acquired regional news media

Leading national and regional news media



IS

AAMULEHTI
SATAKUNNAN KANSA

TIEDE

menaiset

GLORIAN
ruoka&viini

Focus on

- Growing digitally active subscription base
- Growing daily national reach



CASE REGIONAL MEDIA

Integration and synergy capture proceeding to plan

Background

- On 30 April 2020, Sanoma acquired Alma Media's regional news media business in Finland

Deal rationale

- Highly synergistic bolt-on acquisition
- Strengthening one of our strategic core businesses, news & feature
- Growing our digital subscription base
- Efficiency in shared operations
- Better financial returns on digital investments
- Supporting our long-term profitability target (12-14% operational EBIT margin excl. PPA)

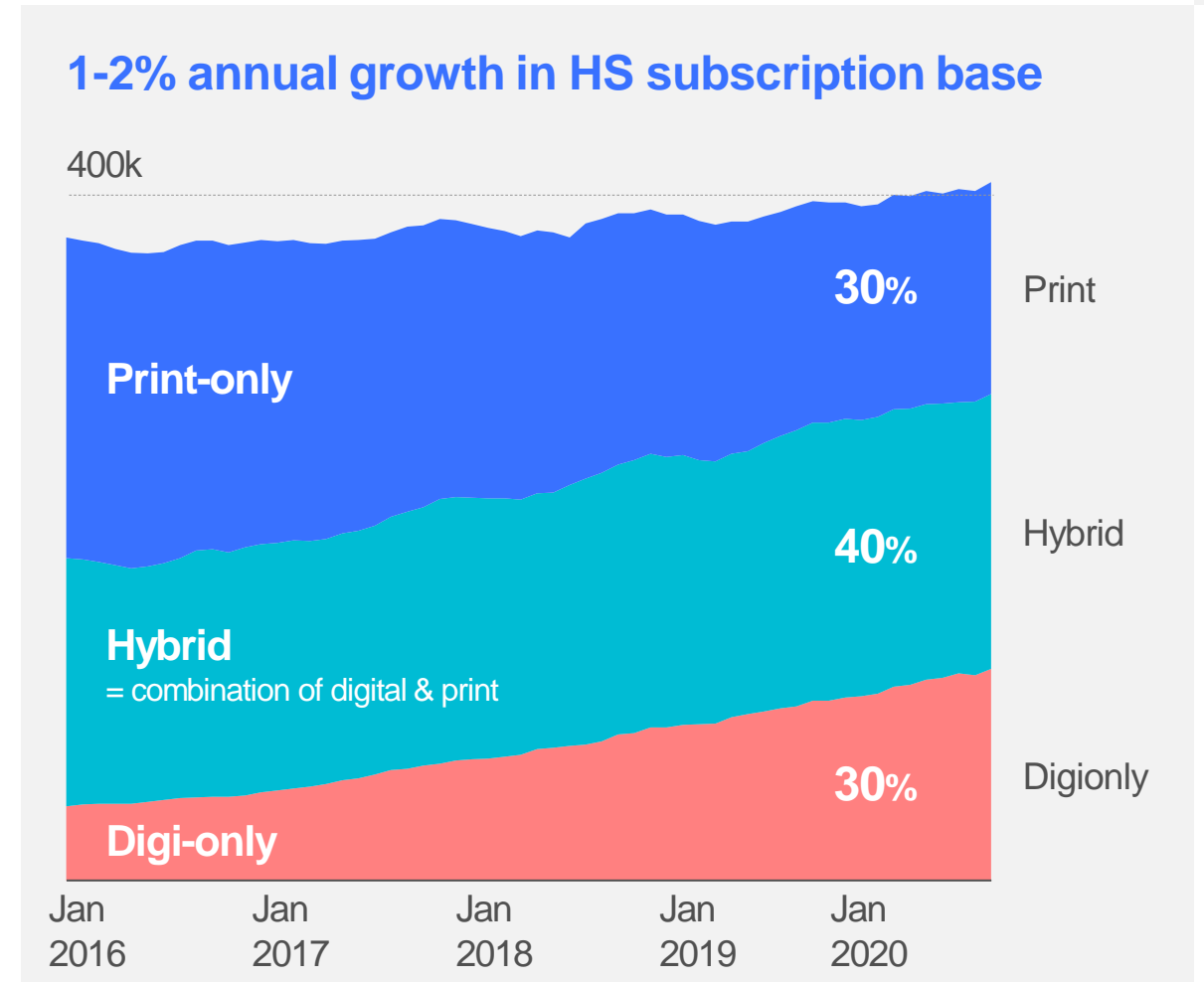
Synergy realization on track to achieve full run rate net synergies of **13m€ by 2022**

Strong digital subscription growth of **46% YoY**

Integration proceeding well e.g. harmonised ways of working and IT systems

Subscriptions growing for the fourth year in a row with strong growth in digital

- HS total number of subscriptions over 400k
- Number of digital-only subscriptions well above 100k, 30% of total subscription base
 - Already 70% of all subscriptions include a digital component
 - Appealing digital experience has attracted younger audiences
- Future success in digital requires further scale
- New content areas support subscription growth
 - HS Kids News, successfully launched in August 2020
 - HS Business News to strengthen business reporting, launch in March 2021

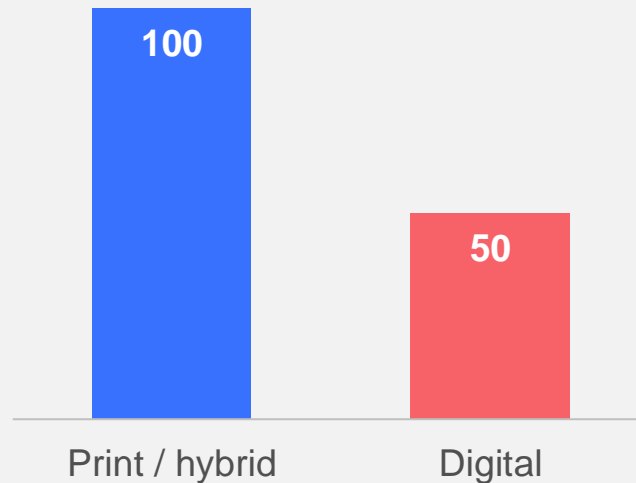


Digital transformation increases profit contribution per incremental subscriber, but reduces net sales

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

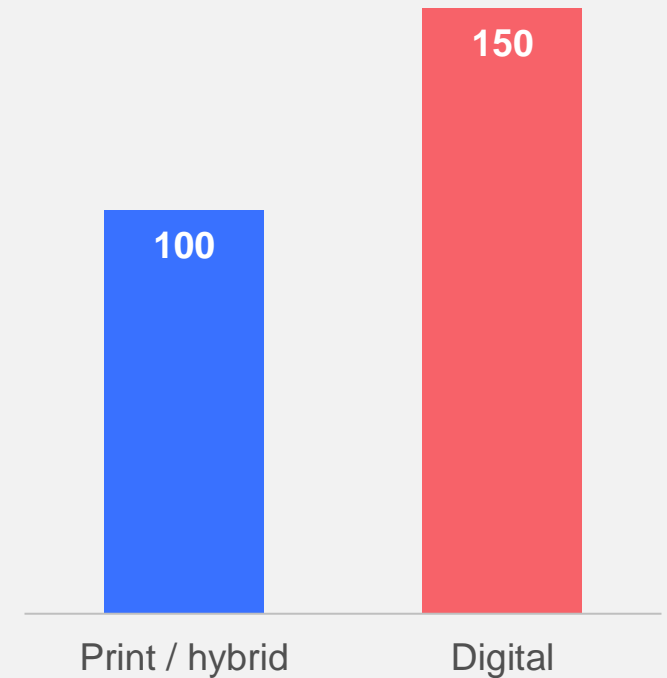
Net sales per additional subscription* reduces...

Indexed



... but profit contribution increases*

Indexed



* Excluding impact of digital transformation on advertising revenues

CASE ILTA-SANOMAT

Stable net sales driven by digital advertising

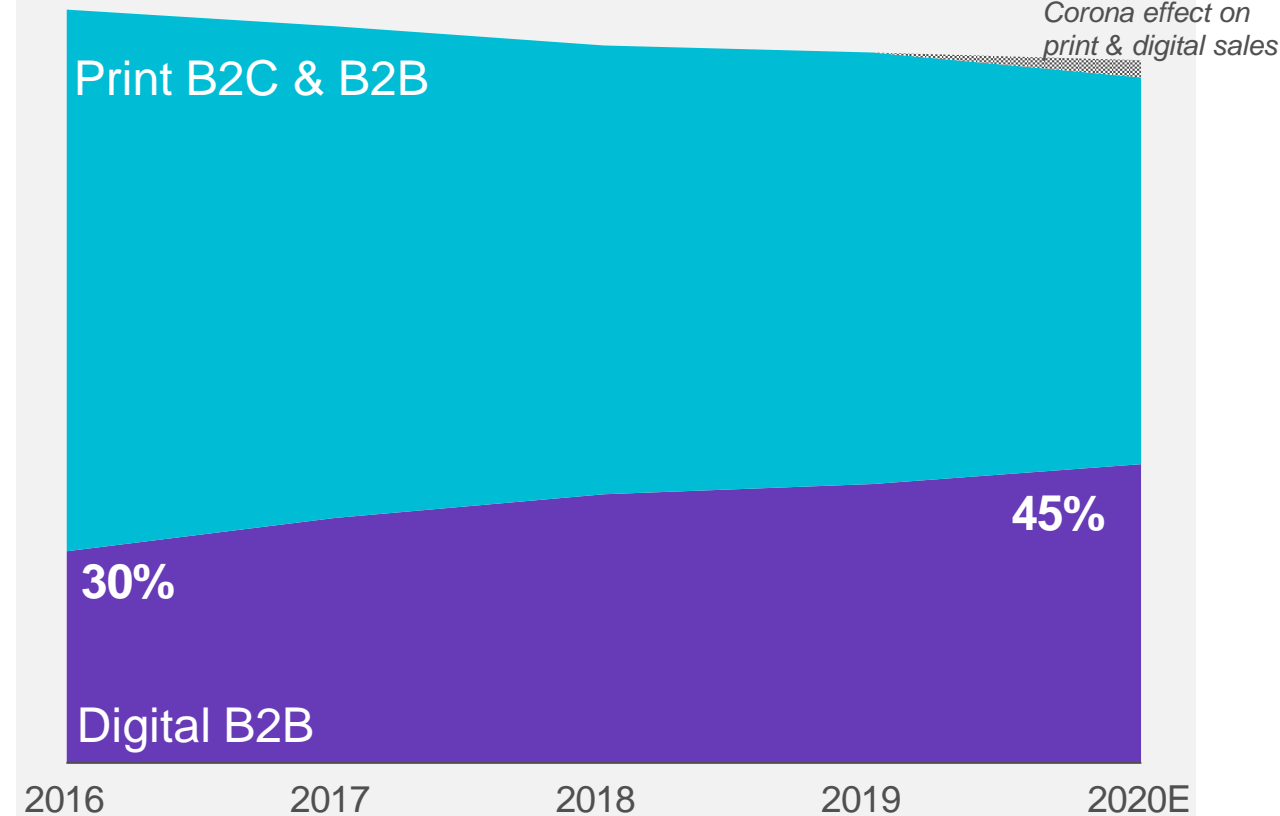
- Digitalisation has increased the reach significantly
 - IS reaches the whole of Finland and often audiences who don't currently subscribe to news
 - Provides easy and free access to curated news from professional journalists
- Increasing digital B2B sales compensating lower single copy sales
- IS aims to grow further through improved personalisation driving usage growth as well as through focused content for younger and female audiences

ILTA-SANOMAT

menaiset

43m
site visits a
week +17%
YoY

Net sales split print vs. digital



ENTERTAINMENT

We have leading positions in our selected areas

TV & video

Radio & audio

Live events

Our market positions

#1-2

#2

#1

ruutu Sim liv

4

Radio Suomipop **supla**

Radio Aalto helmi RADIO **RADIOROCK**

SuomiPop **FESTIVAALI**

HIMOS JUHANNUS

ROCKFEST

TIKKURILAFestivaali

SOLARSOUND FESTIVAL



WANAJA FESTIVAL

Entertainment is expected to return to growth as corona impact likely to be temporary

TV & video

- Drive growth in subscription-based VOD service Ruutu+
- Enable reach and targeting opportunities across FTA and VOD for advertisers
- Potential for FTA price increase when demand and supply becomes more balanced like in other western markets

Radio & audio

- Capture potential from regional advertising
- Maintain national radio market position
- Drive growth in subscription-based audio service Supla+

Live events

- Long-term growth market
- We aim to be the leading organizer of live events in Finland
- Further opportunities in developing the festival brands and B2B sales

Our mid- and long-term priorities

CASE RUUTU+

All time high subscriptions in our SVOD business

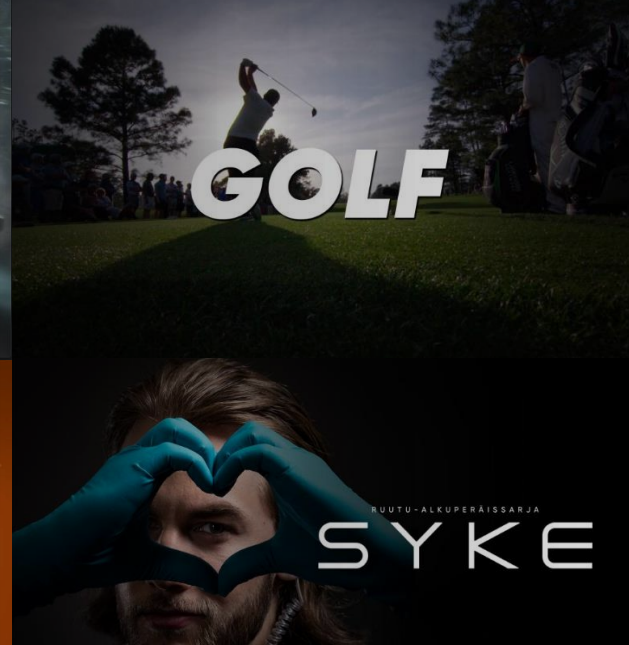
Total number of Ruutu+ subscriptions

>300k

YoY growth

16%

Differentiation through focus on Finnish entertainment and national and regional sports, combined with affordable SVOD pricing



B2B MARKETING SOLUTIONS

Increasingly stronger position also in the SME segment

SME (small and mid-size enterprise) customers – significant potential to grow

- Our market share in SME is relatively low (~15% vs. over 30% in large customers)
- Position further strengthened through regional news and regional radio acquisitions as well as digital offering
- Already large customer base and superior sales organisation

Large customers – grow market share

- Multimedia offering provides competitive advantage and supports market share growth

Market share per customer segment* 2020

Large customers

>30%

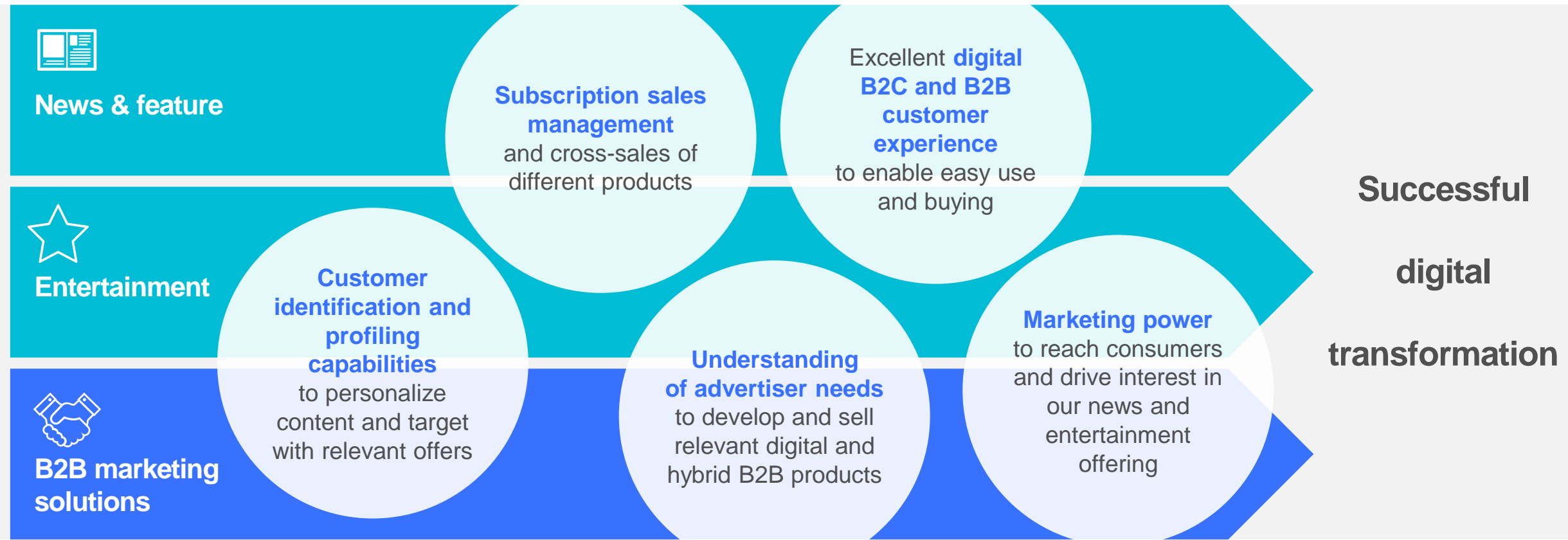
SME customers

~15%

* Excluding digital international media companies

Our digital transformation is driven by a unique combination of success factors, shared between businesses

Success factors across our units





MEDIA FINLAND:

Leading media company successful in digital transformation

- Leading positions in news & features, entertainment and B2B marketing solutions
- Rapidly increasing digital subscriptions
- Stable net sales (+/-2%*) and improving profitability (12-14%*)
- Important role in Finnish society: independent journalism and local entertainment

A group of diverse people are singing on a stage. The background is a large, illuminated film strip graphic. In the center, a woman with a large, bright red wig and a red sequined top is singing enthusiastically with her right arm raised. To her right, a blonde woman in a dark sequined top is also singing. Other participants include a man in a black suit, a woman with purple hair, and a woman in a blue top. The scene is lit with blue and white lights, creating a vibrant atmosphere.

Q&A

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Financial strength to grow our European K12 learning business

Markus Holm, CFO & COO

Capital Markets Day 2020



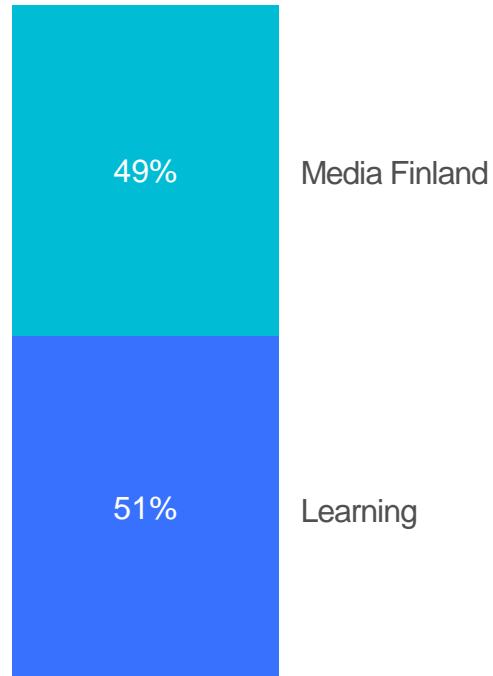
Financial strength to grow our European K12 learning business

- Both Learning and Media Finland performing well towards their long-term targets
- Increased long-term target for Learning's operational EBIT margin excl. PPA, 'above 23%'
- We will deliver an improving cash flow
- We have a 300-400m€ headroom for M&A by 2022
- We continue to pay a solid dividend

Learning's share of our earnings close to 70%

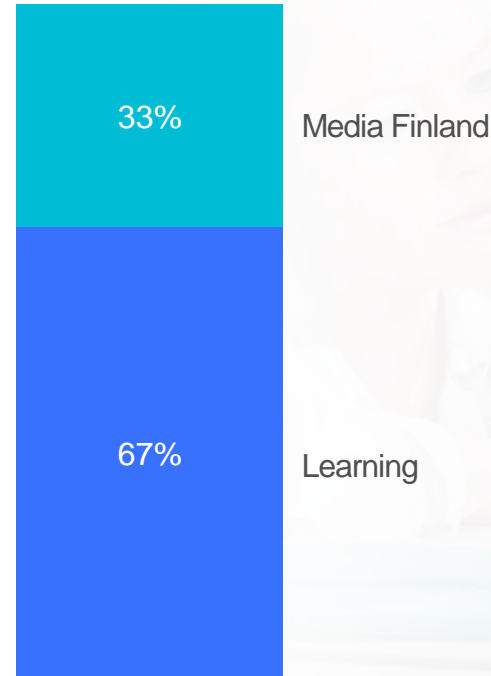
We have a balanced portfolio

Net sales by SBU, %



Learning close to 70% of earnings

Operational EBIT excl. PPA by SBU, %



We have raised Learning's margin target to reflect the Santillana Spain acquisition

- Learning's target of operational EBIT margin excl. PPA increased to 'above 23%' from previous 20-22%
- Media Finland's target of operational EBIT margin excl. PPA remains unchanged
 - Proven resilience in an exceptional year
 - Annual impact on EBIT margin of approx. -1%-points related to the divestment of Oikotie

Learning

Long-term targets

Comparable net sales growth

2-5%

Updated target *

Operational EBIT margin excl. PPA

> 23%

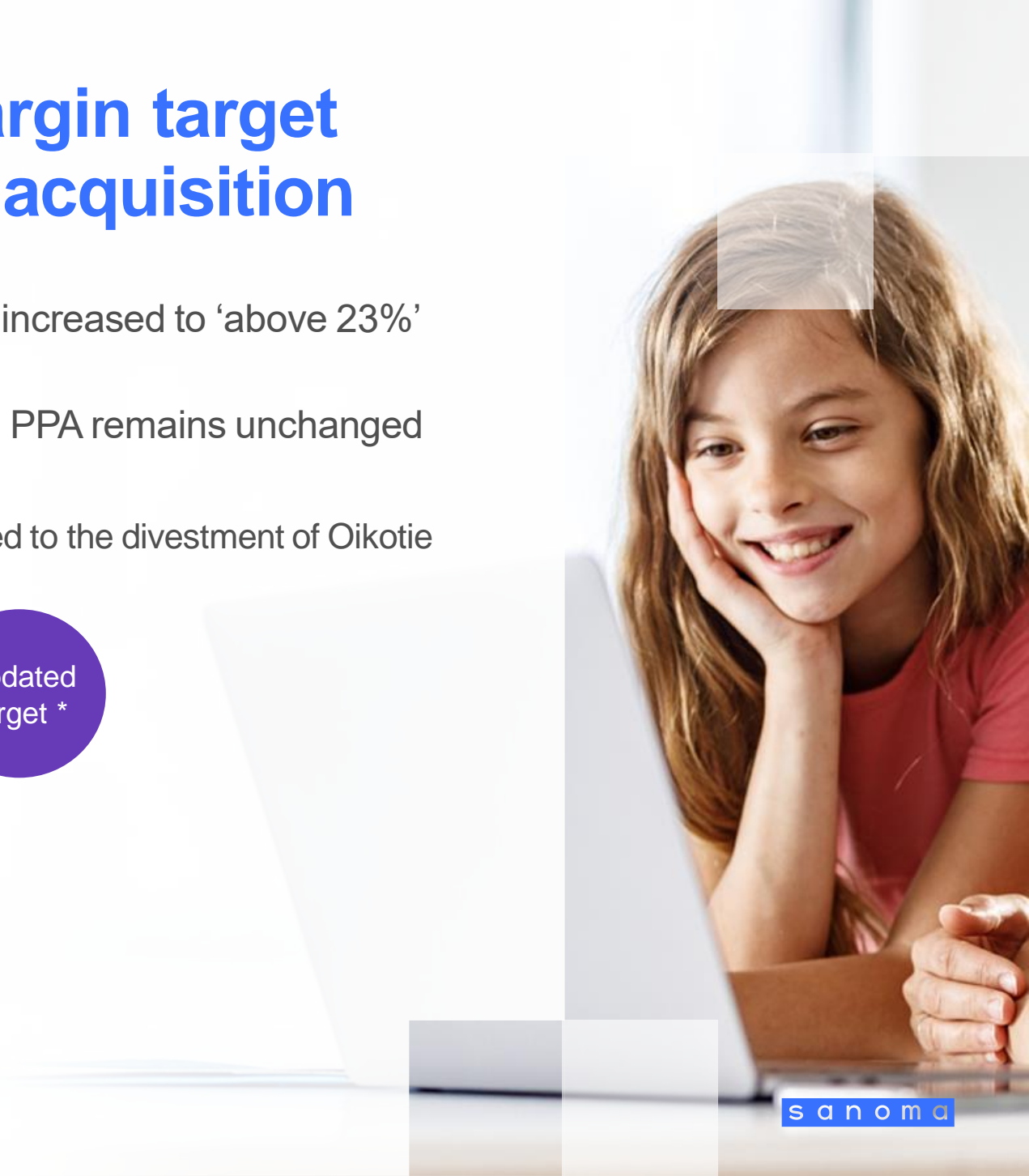
Media Finland

Comparable net sales growth

+/-2%

Operational EBIT margin excl. PPA

12-14%



Proven resilience even in an exceptional year 2020...

- Learning's net sales will be around 500m€ and operational EBIT margin excl. PPA around 20%
 - No major impact due to the coronavirus
- Media Finland has proven its resilience despite the significant impacts of corona
 - Advertising sales declined by 13% in January-September 2020, recovery has continued throughout Q4
 - Net sales of the live events business were close to zero, but positive earnings contribution due to the insurance compensation
 - Successful integration of the regional news media business
 - Effective cost mitigation throughout the year

Outlook for 2020

(given on 8 October)

- In 2020, Sanoma expects that the Group's reported net sales will be around 1,050m€ (2019: 913).
- The Group's operational EBIT margin excluding PPA is expected to be around 14% (2019: 14.8%), which in this case means the margin is not expected to be below 13% or above 15%.
- The outlook is based on the assumption that the advertising market decline in Finland in 2020 will be between 15-20% compared to 2019.

...largely supported by significant but temporary cost savings in Media Finland

Temporary savings in key cost categories in 2020

15-20m€

- Lower operating and content costs to mitigate the corona impact
- Lower paper and printing costs as a result of lower unit prices and volumes
- Insurance compensation related to cancelled events

2021 outlook for key financials

- Impact of structural changes somewhat positive
 - + Acquired regional news media business
 - Divested online classifieds business
- Impacts of the organic developments expected to roughly offset each other
 - + Rebound of the advertising and events businesses
 - Rebound in cost of sales and fixed cost
 - Personnel
 - Content
 - Marketing and general
 - + Paper
 - Costs of growth initiatives in digital news media

Learning's net sales and profitability expected to grow in 2021

- We expect strong organic growth driven by curriculum renewals especially in Poland and the Netherlands
- Improving profitability driven by organic growth, to be further supported by Santillana Spain acquisition
- Closing preparations of the Santillana Spain acquisition proceeding ahead of the original plan
 - Transaction related IACs approx. 2m€ in Q4 2020 and approx. 4m€ at closing
 - Estimated integration IACs and capex approx. 7m€, splitting across 18 months after closing
 - Estimated annual synergies of 4m€ starting to be visible from 2022 onwards

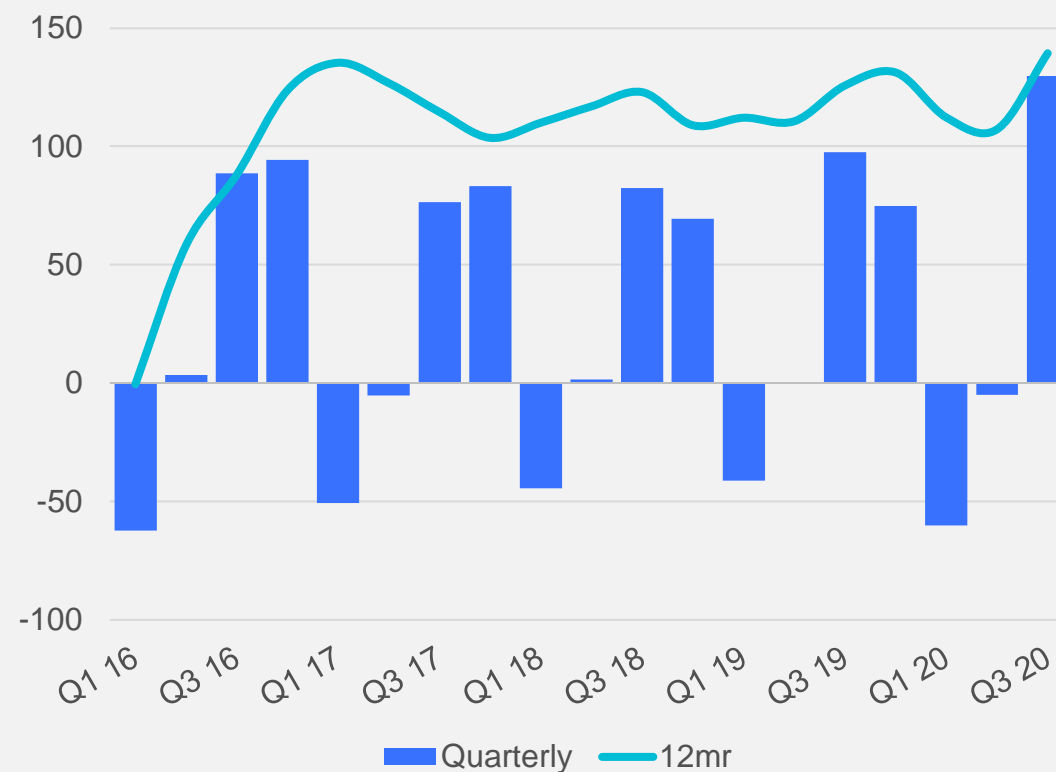
We will deliver an improving free cash flow

Key items estimated to have an impact on our free cash flow in 2020 and 2021

	Impact in 2020	Impact in 2021
Divestment of Media Netherlands	↓	↑
Operating cash flow from Santillana Spain	-	↑
Transaction and integration costs (IACs)	↑	↑
Comparable EBITDA	↓	↑
Divestment of Oikotie	↓	↓
Capex	↓	↓
Financial expenses and taxes	↑	↓

Free cash flow

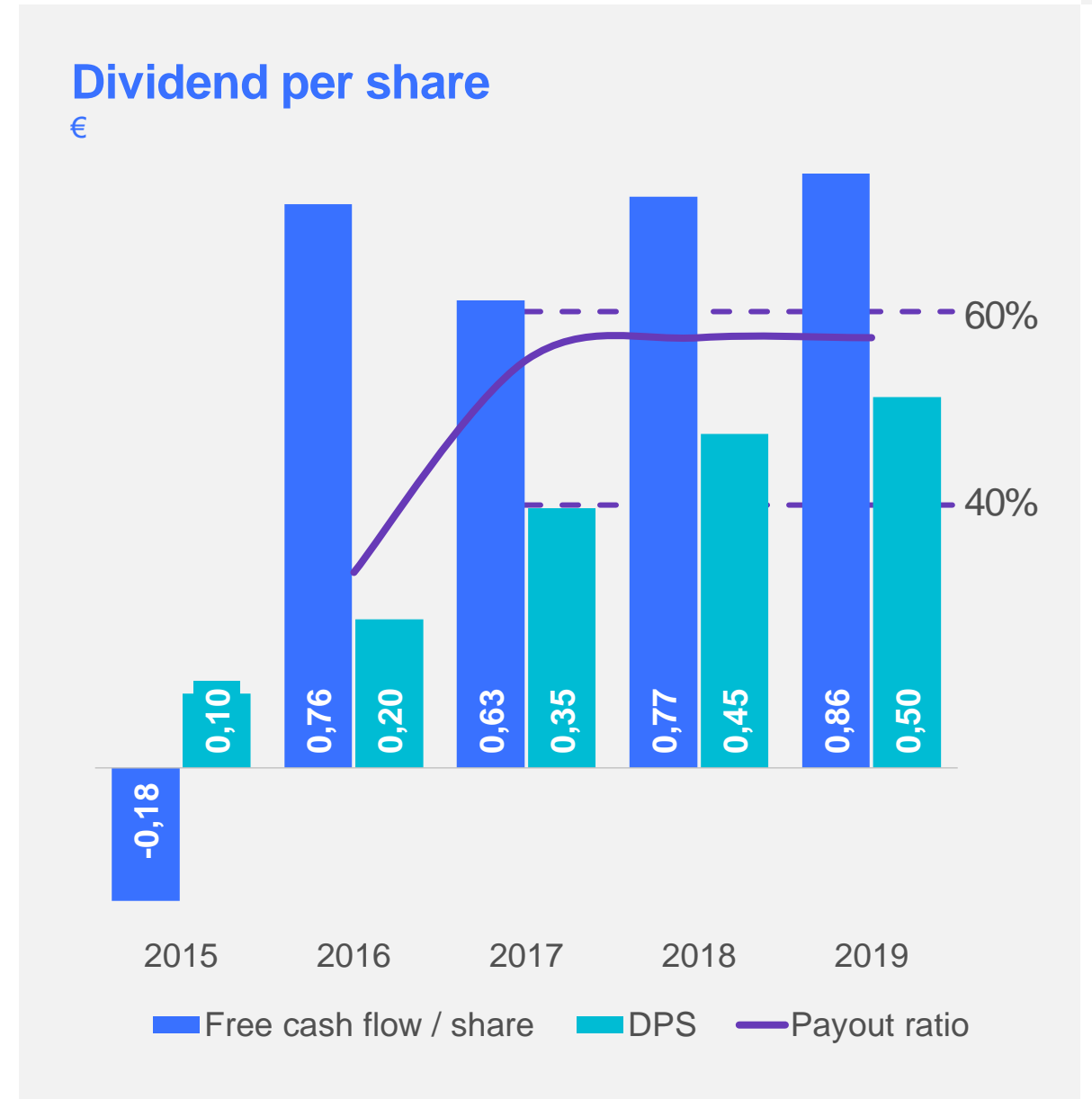
m€



The Group's strong financial position and improving cash flow allow us to pay a solid dividend

Dividend policy unchanged

- Sanoma aims to pay an increasing dividend, equal to 40–60% of annual free cash flow
- Payment in two instalments in-line with annual seasonality of our cash flow
- 22m€ negative operating cash flow of the divested Media Netherlands will be excluded from FY 2020 free cash flow for dividend calculation purposes



With a solid financial position, we have introduced a higher leverage target

- We have increased our leverage target* to 'below 3.0' (previous: below 2.5) as
 - Increasing share of growing and more predictable learning business
 - IFRS 16 increased our leverage by 0.6 from the beginning of 2019, but we did not adjust our target at that moment
- Santillana Spain acquisition will increase our leverage close to the new target in 2021

Long-term financial targets

Updated target

30 Sep 2020

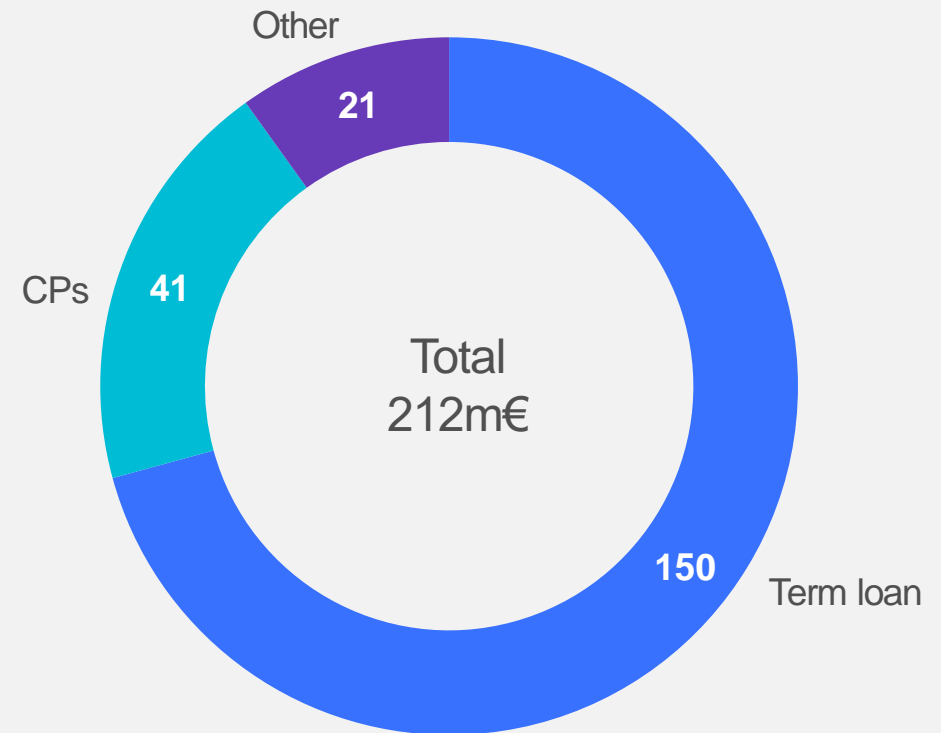
Net debt / adj. EBITDA	< 3.0	1.0
Equity ratio	35-45%	48.5%
Dividend	Increasing dividend 40-60% of free cash flow	58% (2019)

We have diversified funding sources available...

- Bridge financing facility of 480m€* in place to finance Santillana Spain acquisition
 - Maximum maturity 12 + 6 months
 - Part of the bridge funding converted into a 3+1 year syndicated term loan of 200m€ with ten banks as announced on 3 December
 - Average interest rate incl. the syndicated debt facility will remain below 1%
- Aim to further diversify funding sources when converting the rest of the bridge financing into long-term financing
- Strong, long-term relations with syndicate banks to finance further add-on M&A opportunities

External loans

30 September 2020



... and continue to grow our learning business through M&A

- We have a well-developed pipeline and a good momentum for further acquisitions
 - Focus on European K12 learning services
 - Both learning content and digital platform businesses
 - Entering new geographies and expanding our offering in current markets
- Our M&A headroom allows us to participate in the ongoing consolidation in the European K12 learning services market

M&A headroom
300-400m€
in 2022



Financial strength to grow our European K12 learning business

- Both Learning and Media Finland performing well towards their long-term targets
- Increased long-term target for Learning's operational EBIT margin excl. PPA, 'above 23%'
- We will deliver an improving cash flow
- We have a 300-400m€ headroom for M&A by 2022
- We continue to pay a solid dividend

A close-up photograph of two young girls sitting at a wooden table. The girl on the left has long blonde hair and is wearing a yellow long-sleeved shirt. She is pointing at a tablet computer on the table. The girl on the right has dark hair in a braid and is wearing a pink top. She is smiling and looking at the tablet. The background is blurred, showing an indoor setting with windows.

Q&A



Thank you!

Disclaimer

The information above contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance, including, but not limited to, expectations regarding market growth and development as well growth and profitability of Sanoma. In some cases, such forward-looking statements can be identified by terminology such as “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements included herein are based on information presently available to Sanoma and, accordingly, Sanoma assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

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