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# Sanoma: An innovative and agile learning and media company

We impact the lives of millions of people every day

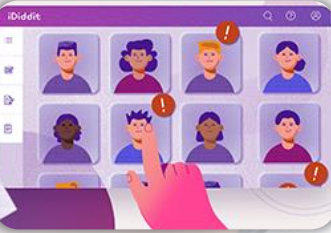
Rob Kolkman, President & CEO

Inderes Investor Day, 27 May 2024



sanoma

We are a leading  
European K12  
learning company  
and  
#1 digital media  
company in Finland...

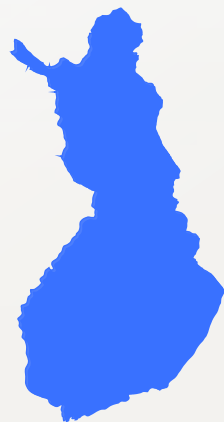


...and have a positive impact on the lives of millions of people every day

Reaching

**97%**

of all Finns every week



Serving

**25 million**

students across Europe

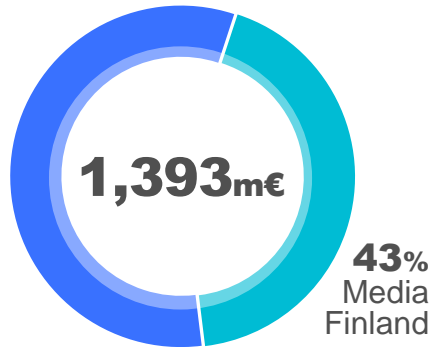


# Sanoma at a glance

## Net sales

FY 2023

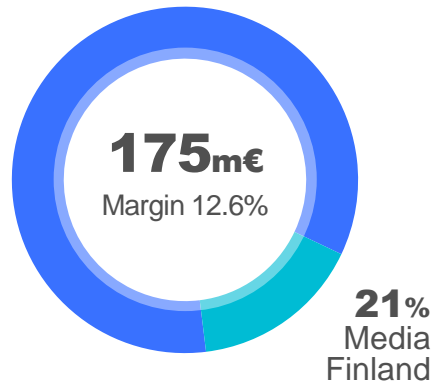
**57%**  
Learning



## Operational EBIT excl.PPA

FY 2023

**79%**  
Learning



## A leading European K12 learning company

- Size doubled in the past five years resulting from M&A and organic growth
- Serving approx. 25 million students
- Leading positions in key markets
- Stable and resilient K12 market
- High barriers to entry

Net sales **795m€**

Operational EBIT excl. PPA **148m€**, corresponding to **18.7%**

## #1 digital media company in Finland

- Leading Finnish media brands in News & feature, Entertainment and B2B marketing solutions
- 900k subscriptions with paid for digital, out of 2.7m households in Finland
- Print advertising <10% of net sales

Net sales **598m€**

Operational EBIT excl. PPA **40m€**, corresponding to **6.7%**

## Sanoma Group

Net debt / Adj. EBITDA

**2.8**

Equity ratio

**42.5%**

Free cash flow

**105m€**

Free cash flow per share

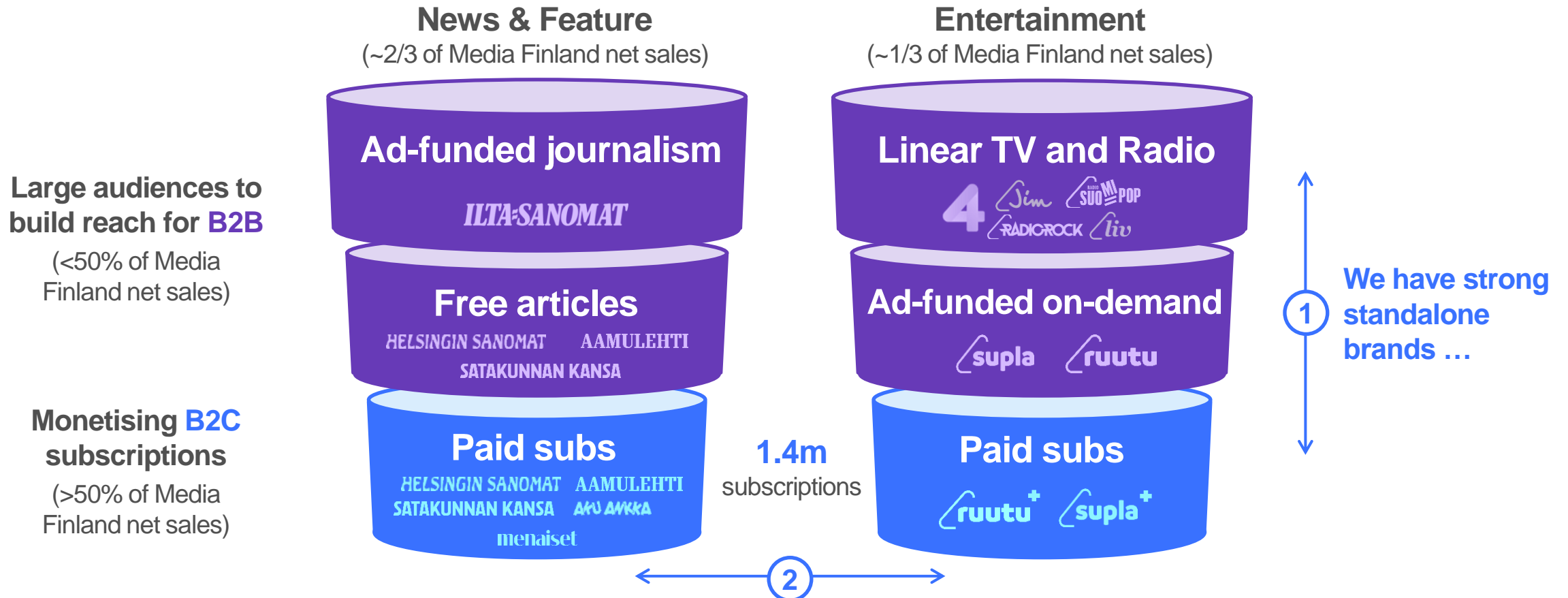
**0.64€**

Dividend per share

**0.37€**

# We are Finland's #1 digital media company reaching 97% of all Finns every week

Strong portfolio of independent and complementing brands with substantial digital synergies



# We are a leading European K12 learning company

- **We focus on K12**, which is primary, secondary and vocational education (ie. 6–18 year-olds)
- **Teachers and schools are our primary customers, and we provide them with everything they need**
  - Teachers are key decision-makers on which learning content to use
  - They typically change learning materials every 4–8 years
  - In our operating countries, learning content is largely publicly funded and typically represents 1–3% of public education spend
- **Our learning content has a positive impact on learning outcomes**

Supporting about  
**25**  
million students

# Different blended offerings reflect the different stages of our markets

Blended learning is the preferred solution for teachers

Print

Different levels of blended learning

Digital



Print book with digital version



Print book with digital version and exercise platform



Print and digital fully blended adding distinctly different parts of the learning experience

Teacher materials on how to teach blended learning

# Generative AI brings opportunities and new ways of working

- AI helps us become more efficient e.g. in editorial processes both in learning and media
- We have established clear guidelines and processes for the ethical use of AI

## In media, editorial use without compromising our foremost priorities of trusted journalism

### For example:

- News summaries, effective especially with younger audiences and increase time spent on an article
- Predictive headline analytics and suggestions to the editors
- Improved advertising targeting capabilities
- *Text to speech* transforming news articles to audio



## In learning, many potential use cases

### For example:

- Immersive reader already integrated in learning platforms
- Personalised learning experience
- Efficiency for teachers' day-to-day work through insights and routine time-savers
- Curriculum and pedagogy development, new skills to teach and learn





# Sanoma represents a unique sustainability profile

## We have a unique sustainability profile...

Intrinsic positive impact of both business in the lives of millions of people every day combined with ambitious targets and solid ESG performance

## ...clear commitments and ambitious targets

- Alignment with UN Sustainable Development Goals
- Signatory of UN Global Compact
- Included in Nasdaq Helsinki Sustainability Index
- Emission reduction targets for Scopes 1, 2 and 3\* validated by Science Based Targets initiative
- Sustainability targets linked to the 300m€ revolving credit facility

\* Scope 3 categories included in the target are purchased goods and services, fuel and energy related activities, and upstream transportation and distribution, base year for all targets 2021

MSCI

**AA**

Scale CCC to AAA

Sustainalytics

**10.4**

Scale 100-0,  
lower score = lower risk

Upright

**74%**

Scale CC to AAA

ISS

**C+**

Scale D to A+

CDP Climate

**A-**

Scale D- to A

S&P Global ESG

**44**

Scale 0-100

# Solid position and clear path to meet our long-term financial targets

Increasing profitability

Improving cash flow generation

Strengthening the balance sheet

## Long-term financial targets

### Learning

Organic growth	2–5%
Operational EBIT margin excl. PPA	> 23% (from 2026 onwards)

### Media Finland

Organic growth	+/- 2%
Operational EBIT margin excl. PPA	12–14%

### Sanoma Group

Net debt / Adj. EBITDA	< 3.0
Equity ratio	35–45%
Dividend policy	Increasing dividend, 40–60% of annual free cash flow *





**Our purpose**  
Through learning  
and media, we  
have a positive  
impact on the lives  
of millions of people  
every day

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## Key takeaways

- Aiming for the Group's net sales to be over 2bn€ by 2030, with at least 75% coming from the learning business
  - Continued focus on M&A in Learning
- Learning achieving its long-term profitability target of 23% by 2026, supported by our increased scale
- Dividend continues to be an important part of our equity story, payout ratio 40–60% of free cash flow

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Thank You!