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**Interim Report
Q3 2024**

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Solid quarter delivering improved operational EBIT for the first nine months

Q3 2024

- The Group's net sales amounted to EUR 540.0 million (2023: 580.3). In Learning, the net sales were mainly impacted by the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium, while lower sales in Spain were largely offset by growth in other learning content markets. In Media Finland, net sales declined slightly mainly due to recent small divestments. The Group's organic net sales development was -6% (2023: 6%).
- The Group's operational EBIT excl. PPA amounted to EUR 170.0 million (2023: 179.4). In Learning, earnings were impacted by the lower sales in Spain. Earnings improved in Media Finland.
- EBIT decreased to EUR 116.9 million (2023: 146.7), mainly as a result of EUR 28 million impairments largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium. As a result, the Group's items affecting comparability (IACs) increased to EUR -43.9 million (2023: -22.3). Purchase price allocation adjustments and amortisations (PPAs) amounted to EUR 9.3 million (2023: 10.4).
- Operational EPS was stable at EUR 0.70 (2023: 0.70).
- EPS was EUR 0.50 (2023: 0.59).
- The Group's Outlook for 2024 is narrowed: In 2024, Sanoma expects that the Group's reported net sales will be EUR 1.32–1.34 billion (2023: 1.4). The Group's operational EBIT excl. PPA is expected to be EUR 170–180 million (2023: 175).
- On 5 September 2024, Sanoma issued a EUR 150 million 3-year social bond. In accordance with Sanoma's Social Bond Framework, published on 2 September 2024, the funds will be used to finance or refinance expenditures aimed at improving access to essential education services.
- On 28 August 2024, Sanoma announced that the Supreme Administrative Court has rejected Sanoma's application for permission to appeal the administrative court's decision regarding the value added tax (VAT) payment decision given by the Finnish Tax Adjustment Board related to the tax audits at Sanoma Media Finland Oy for the years 2015–2018. The decision had no impact on Sanoma's financials or free cash flow, as the VAT claim has been paid in 2021 and booked in Sanoma's result in Q2 2023.

Q1–Q3 2024

- The Group's net sales amounted to EUR 1,103.4 million (2023: 1,139.4). In Learning, net sales were mainly impacted by the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium. In Media Finland, net sales declined slightly, mainly due to recent small divestments. The Group's organic net sales development was -2% (2023: 3%), being -3% in Learning and 0% in Media Finland.
- The Group's operational EBIT excl. PPA improved to EUR 207.3 million (2023: 202.4). Earnings were relatively stable in Learning and improved in Media Finland driven by growing digital subscription and advertising sales and lower paper costs.
- EBIT improved to EUR 128.7 million (2023: 103.2). IACs decreased to EUR -50.8 million (2023: -68.0) despite higher impairments and restructuring costs in the third quarter, as the comparison period included a EUR 36 million booking related to VAT claims in Media Finland. PPAs amounted to EUR 27.7 million (2023: 31.3).
- Operational EPS improved to EUR 0.68 (2023: 0.61).
- EPS was EUR 0.45 (2023: 0.26).
- Free cash flow improved significantly and amounted to EUR 76.7 million (2023: 34.6). The improvement was mainly driven by lower investments in prepublication assets, partially resulting from the process and efficiency improvement Program Solar, lower investments in TV programme rights and continued active working capital management.
- Net debt/Adj. EBITDA was 2.4 (2023: 2.8), being within the long-term target level of 'below 3.0'.
- On 17 April 2024, the Annual General Meeting decided that a dividend of EUR 0.37 per share (2023: 0.37) shall be paid for 2024 in three instalments. The first instalment of EUR 0.13 was paid on 26 April, the second instalment of EUR 0.13 on 24 September and the third instalment of EUR 0.11 will be paid on 5 November.
- In January 2024, Sanoma announced two small divestments: Stark in Learning and Netwheels in Media Finland.

Outlook for 2024 (narrowed)

In 2024, Sanoma expects that the Group's reported net sales will be EUR 1.32–1.34 billion (2023: 1.4). The Group's operational EBIT excl. PPA is expected to be EUR 170–180 million (2023: 175).

Regarding the operating environment, Sanoma expects that:

- The advertising market in Finland will decline slightly.
- The development in the economies of the Group's operating countries is expected to be relatively stable.

Previous outlook (given 7 February 2024)

In 2024, Sanoma expects that the Group's reported net sales will be EUR 1.29–1.34 billion (2023: 1.4). The Group's operational EBIT excl. PPA is expected to be EUR 160–180 million (2023: 175).

Regarding the operating environment, Sanoma expects that:

- The advertising market in Finland will decline slightly.
- The development in the economies of the Group's operating countries is expected to be relatively stable.

Alternative performance measures and discontinued operations

Sanoma presents certain financial performance measures on a non-IFRS basis as alternative performance measures (APMs). Sanoma considers that these alternative performance measures provide useful and relevant supplemental information to the management and investors on Sanoma's financial performance, financial position or cash flows. Some APMs exclude certain non-operational or non-cash valuation items affecting comparability (IACs) and are provided to reflect the underlying business performance and to enhance comparability between reporting periods. The APMs should not be considered as a substitute for performance measures in accordance with IFRS.

Definitions of key IFRS indicators and APMs are available on p. [31](#). Reconciliations are available on p. [16](#).

Key indicators

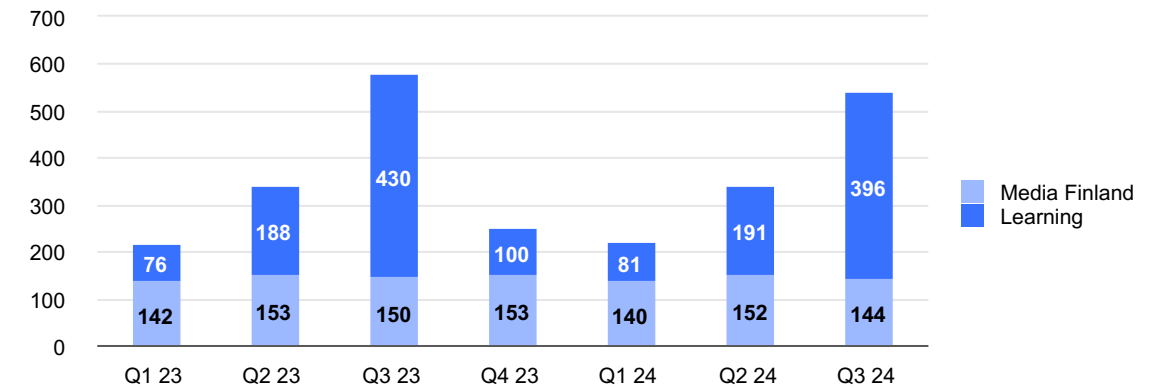
EUR million	Q3 2024	Q3 2023	Change	Q1–Q3 2024	Q1–Q3 2023	Change	FY 2023
Net sales	540.0	580.3	-7%	1,103.4	1,139.4	-3%	1,392.9
Operational EBITDA 1)	211.8	220.9	-4%	337.4	330.5	2%	358.3
Margin 1)	39.2%	38.1%		30.6%	29.0%		25.7%
Operational EBIT excl. PPA 2)	170.0	179.4	-5%	207.3	202.4	2%	175.4
Margin 2)	31.5%	30.9%		18.8%	17.8%		12.6%
EBIT	116.9	146.7	-20%	128.7	103.2	25%	51.7
Result for the period	84.0	99.7	-16%	80.8	48.7	66%	4.1
Free cash flow	134.8	118.5	14%	76.7	34.6	121%	105.1
Equity ratio 3)				40.8%	39.5%		42.5%
Net debt				615.5	691.4	-11%	639.7
Net debt / Adj. EBITDA				2.4	2.8	-14%	2.8
Operational EPS, EUR 1)	0.70	0.70	1%	0.68	0.61	11%	0.39
EPS, EUR	0.50	0.59	-16%	0.45	0.26	72%	-0.03
Free cash flow per share, EUR	0.82	0.73	14%	0.47	0.21	121%	0.64
Average number of employees (FTE)				4,858	5,141	-5%	5,119
Number of employees at the end of the period (FTE)				4,751	5,095	-7%	5,017

1) Excluding IACs

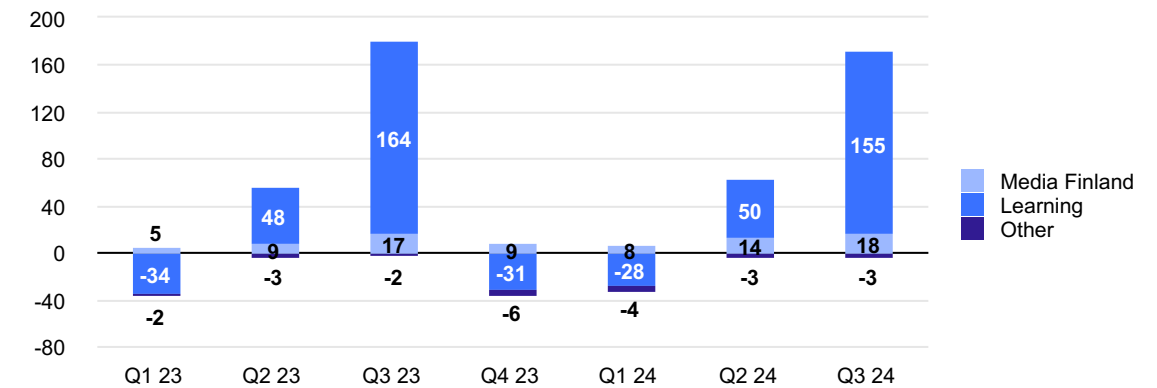
2) Excluding IACs and purchase price allocation adjustments and amortisations (PPAs)

3) Advances received included in the formula of equity ratio were EUR 186.1 million in Q1–Q3 2024 (2023: 174.1).

Net sales, m€



Operational EBIT excl. PPA, m€



President and CEO Rob Kolkman:

"We had a solid third quarter in both Learning and Media Finland, which – combined with our strong performance during the first half of the year – led to improved operational EBIT excl. PPA and strong free cash flow for January–September.

The third quarter is always the important high season in Learning, and this year it made the expected decrease in net sales driven by the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium visible in our numbers. In the learning content business, the decline of net sales in Spain resulting from the lower curriculum cycle was in line with our expectations, and it was more than offset by growth in other learning content markets, in particular Poland and the Netherlands. In Italy, we saw a successful transition of users to the new Sanoma platform *My digital book*, with nearly half a million students and teachers already logging in. Our organic growth was largely driven by the continued above average price increases implemented across the learning content business. As the cost inflation in our operating markets has largely normalised, we also expect the price increases to mostly normalise going forward. We are satisfied with the earnings development in Learning and continue to expect a stable margin for the full year 2024 compared to 2023.

The implementation of Program Solar has continued throughout the year according to our plans. We are continuing the post-curriculum renewal optimisation in Spain and the newly established Tech hubs have started to contribute significantly as well. Supported by our increased scale and Program Solar, we are on track to reach Learning's long-term profitability (operational EBIT margin excl. PPA) target of 23% by 2026.

In Media Finland, the good development in both digital subscription and advertising sales continued. Growth in digital subscriptions was driven by the SVOD service Ruutu+, accelerated by new partnerships started in 2023. In advertising, we are happy to see the continued growth in digital offsetting the impact of the expected, longer term declining trend in print. Supported by lower paper and printing costs, the operational EBIT excl. PPA continued to improve slightly. We continue to expect the advertising market in Finland to decline slightly for the full year 2024.

Our free cash flow improved significantly. The stronger free cash flow was mainly attributable to lower investments in prepublication costs, partially resulting from Program Solar, and TV programme rights, active working capital management across the business and higher operational earnings in particular in Media Finland. The deleveraging of our balance sheet is progressing well. Our net debt and leverage improved year-on-year and Net debt / Adjusted EBITDA was well below the long-term target of < 3.0.

In September, we established our first Social Bond Framework and issued a EUR 150 million 3-year Social Bond, which became the first social bond issued by a corporate in Finland. The Social Bond Framework emphasises the unique positive impact our learning business has on society, offering investors the ability to support equal access to education by investing in Sanoma. Together with the extension of the maturity of the majority of our EUR 300 million Revolving Credit Facility by one year to November 2027, the Social Bond clearly extended the average maturity of our external debt portfolio and diversified our funding sources. During the third quarter, we also improved our scoring in two key ESG ratings, ISS Corporate Rating and S&P Global Corporate Sustainability Assessment, and both ratings are now among the leading levels in our industry.

Following our solid performance in January–September, we have narrowed the ranges in our Outlook for 2024 to the upper end of the original ranges. Beyond 2024, discontinuation of the low value distribution contracts in the Netherlands and Belgium will continue to have an adverse impact on Learning's net sales development. In Media Finland, we expect the solid growth in digital subscription sales to moderate somewhat, driven by continuing uncertainty among Finnish consumers and more demanding comparison figures, and the uncertainty in advertising demand to continue. Particularly attributable to Program Solar, we expect our free cash flow for 2024 to improve compared to the previous year, and the same trend to continue going forward.

During the first nine months of 2024, we have achieved solid progress in Learning and a profitability improvement in Media Finland, deleveraged our balance sheet, completed the refinancing of our long-term funding and generated a strong free cash flow. We continue to be fully focused on delivering on our strategic focus areas for 2024–2026, which are 1) increasing the profitability of Learning and Media Finland, 2) growing organically and through in-market acquisitions, and 3) deleveraging the balance sheet. I would like to extend my warmest thanks to all our teams for delivering the good results and supporting our customers in the best possible way."

Financial review Q3 2024

Net sales by SBU

EUR million	Q3 2024	Q3 2023	Change
Learning	395.9	430.4	-8%
Media Finland	144.1	149.9	-4%
Other operations and eliminations	0.0	0.0	-7%
Group total	540.0	580.3	-7%

Net sales decreased in both businesses and the Group's net sales amounted to EUR 540.0 million (2023: 580.3). In Learning, net sales were mainly impacted by the planned discontinuation of low value distribution contracts in the Netherlands and Belgium, while the expected net sales decline in Spain, resulting from the ending of the LOMLOE curriculum renewal, was largely offset by net sales growth in other learning content markets. In Media Finland, net sales declined slightly. Subscription sales continued to grow and advertising sales were stable, while other sales declined due to recent small divestments, phasing of event sales and lower external printing sales. The Group's comparable net sales development was -6% (2023: 6%).

Operational EBIT excl. PPA by SBU

EUR million	Q3 2024	Q3 2023	Change
Learning	155.2	164.3	-6%
Media Finland	17.6	16.8	5%
Other operations and eliminations	-2.8	-1.7	-65%
Group total	170.0	179.4	-5%

Operational EBIT excl. PPA declined to EUR 170.0 million (2023: 179.4). In Learning, earnings were mainly impacted by the lower sales in Spain. Earnings improved in Media Finland as the impact from growing digital subscription and advertising sales was further amplified by lower paper costs. Costs in the Other operations were higher, mainly due to phasing of technology expenses between quarters.

IACs, PPAs and reconciliation of operational EBIT excl. PPA

EUR million	Q3 2024	Q3 2023
EBIT	116.9	146.7
Items affecting comparability (IACs)		
Restructuring expenses	-15.9	-17.4
Of which related to Program Solar	-12.4	
Impairments	-27.9	-6.0
Capital gains/losses		1.1
IACs total	-43.9	-22.3
Purchase price allocation adjustments and amortisations (PPAs)	-9.3	-10.4
Operational EBIT excl. PPA	170.0	179.4

A detailed reconciliation on SBU level is presented on p. 16.

EBIT decreased to EUR 116.9 million (2023: 146.7) as a result of higher IACs and lower operational earnings. The Group's IACs increased to EUR -43.9 million (2023: -22.3) and consisted of impairments, which were largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium as well as strategic development costs, including Program Solar. PPAs amounted to EUR 9.3 million (2023: 10.4).

Net financial items were stable at EUR -8.7 million (2023: -8.8) as the impact of higher average interest rates was mitigated by a lower amount of external debt.

Result before taxes amounted to EUR 108.3 million (2023: 138.0) and was impacted by the higher impairments. Income taxes were EUR -24.3 million (2023: -38.3). The result for the period was EUR 84.0 million (2023: 99.7).

Operational earnings per share was stable at EUR 0.70 (2023: 0.70) and earnings per share amounted to EUR 0.50 (2023: 0.59).

Financial review Q1–Q3 2024

Net sales by SBU

EUR million	Q1–Q3 2024	Q1–Q3 2023	Change
Learning	667.7	694.8	-4%
Media Finland	435.9	444.8	-2%
Other operations and eliminations	-0.2	-0.1	-31%
Group total	1,103.4	1,139.4	-3%

The Group's net sales decreased to EUR 1,103.4 million (2023: 1,139.4). In Learning, net sales declined mainly due to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium. The net sales decline in Spain during the third quarter was offset by growth in other learning content businesses, in particular in Poland and the Netherlands. In Media Finland, net sales declined slightly mainly due to the recent small divestments. The Group's comparable net sales development was -2% (2023: 3%), amounting to -3% in Learning and 0% in Media Finland.

Operational EBIT excl. PPA by SBU

EUR million	Q1–Q3 2024	Q1–Q3 2023	Change
Learning	177.5	179.1	-1%
Media Finland	38.9	30.5	28%
Other operations and eliminations	-9.1	-7.2	-27%
Group total	207.3	202.4	2%

Operational EBIT excl. PPA improved slightly to EUR 207.3 million (2023: 202.4). In Learning, earnings were relatively stable. In Media Finland, earnings improvement was driven by higher digital subscription and advertising sales as well as lower paper costs. Costs in the Other operations were higher, mainly due to phasing of technology expenses.

IACs, PPAs and reconciliation of operational EBIT excl. PPA

EUR million	Q1–Q3 2024	Q1–Q3 2023
EBIT	128.7	103.2
Items affecting comparability (IACs)		
Restructuring expenses	-28.1	-28.3
Of which related to Program Solar	-14.9	
Impairments	-27.9	-8.3
Capital gains/losses	5.2	4.6
VAT claims for years 2015–2018 and 2019–2021		-35.9
IACs total	-50.8	-68.0
Purchase price allocation adjustments and amortisations (PPAs)	-27.7	-31.3
Operational EBIT excl. PPA	207.3	202.4

A detailed reconciliation on SBU level is presented on p. 16

EBIT increased to EUR 128.7 million (2023: 103.2), driven by lower IACs and improved operational earnings. The Group's IACs decreased to EUR -50.8 million (2023: -68.0) and consisted mainly of impairments, which were largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium as well as strategic development costs, including Program Solar. The comparison period included an EUR 36 million booking related to VAT claims in Media Finland. PPAs amounted to EUR 27.7 million (2023: 31.3).

Net financial items increased to EUR -26.2 million (2023: -23.5) as a result of higher interest rates. The impact was partially mitigated by lower amount of external debt. The average interest rate of external loans was 4.9% (2023: 3.6%).

Result before taxes increased to EUR 102.5 million (2023: 78.7) driven by the improved EBIT. Income taxes amounted to EUR -21.6 million (2023: -30.0). The result for the period was EUR 80.8 million (2023: 48.7).

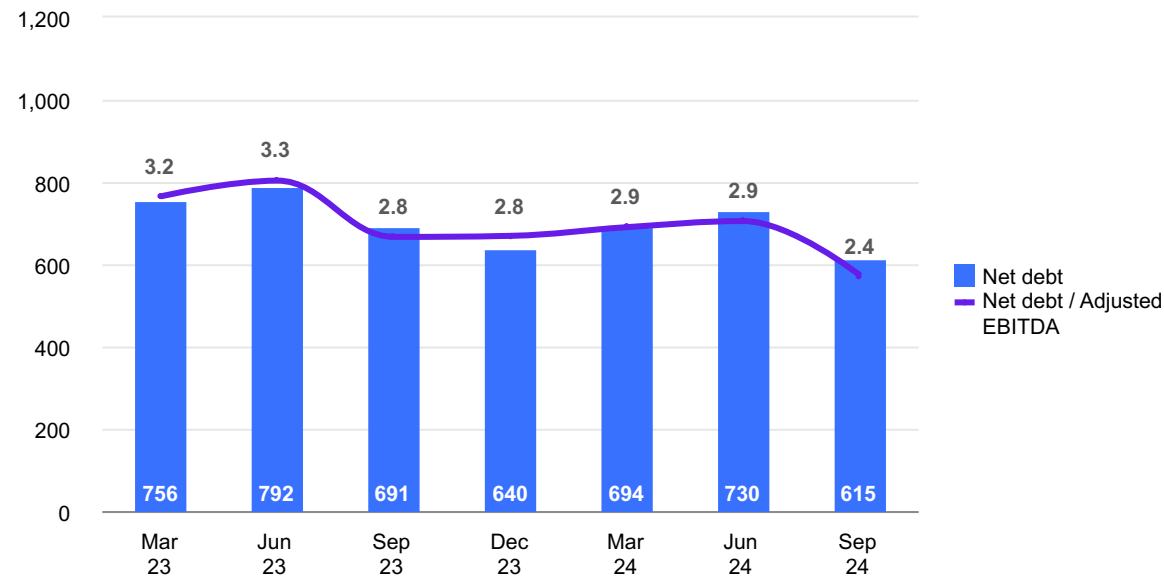
Operational earnings per share improved to EUR 0.68 (2023: 0.61) and earnings per share to EUR 0.45 (2023: 0.26).

Financial position

At the end of September 2024, net debt amounted to EUR 615.5 million (2023: 691.4) and the net debt to adjusted EBITDA ratio improved to 2.4 (2023: 2.8), being within the long-term target of below 3.0. The net debt decreased not only compared to the previous year, but also compared to the end of June 2024 in line with the seasonality of the learning business. In September 2024, Sanoma issued a EUR 150 million 3-year social bond and used part of the funds to prepay a EUR 100 million term loan related to the acquisition of Santillana due in December 2024. The issuance of the Social Bond, together with the extension of the maturity of the majority of Sanoma's EUR 300 million committed Revolving Credit Facility (RCF) to November 2027, significantly extended the average maturity of Sanoma's external debt (more information on p. 27). The RCF was fully unused. Equity ratio was 40.8% (2023: 39.5%), being within the long-term target range of 35–45%.

At the end of September 2024, the Group's equity totalled EUR 814.6 million (2023: 828.6) and the consolidated balance sheet amounted to EUR 2,180.3 million (2023: 2,273.8).

Net debt, m€

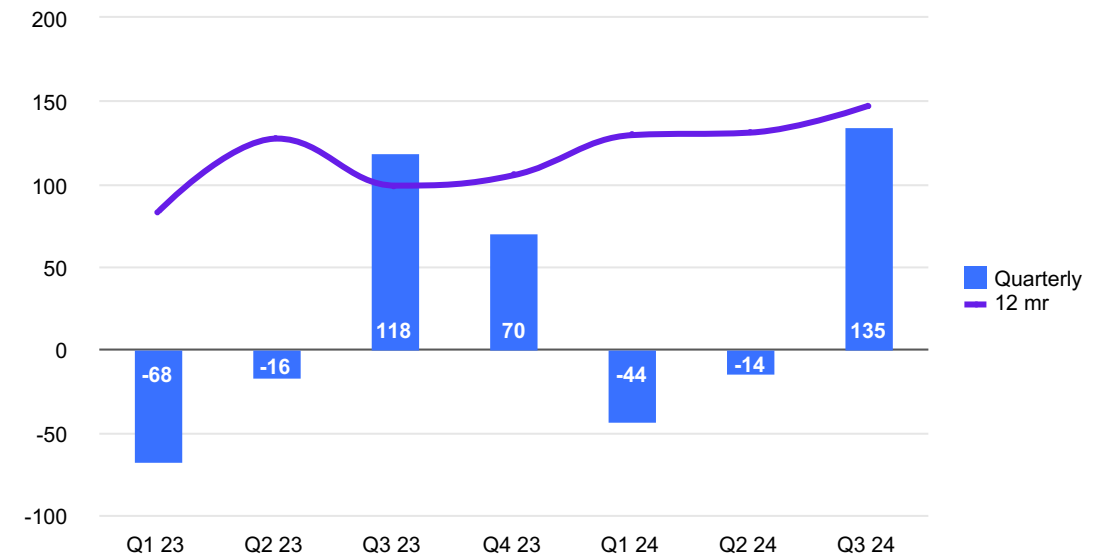


Cash flow

The Group's free cash flow improved significantly to EUR 76.7 million (2023: 34.6) or EUR 0.47 per share (2023: 0.21). The improvement was driven by lower investments in prepublication assets, partially resulting from Program Solar, and TV programme rights as well as continued active working capital management across the business. Higher operational earnings in both SBUs also supported free cash flow. The impact of higher financial expenses paid was offset by lower taxes paid.

Capital expenditure included in the Group's free cash flow decreased slightly to EUR 27.7 million (2023: 31.0) and mainly consisted of growth investments in digital platforms in Learning as well as other technology investments in both SBUs.

Free cash flow, m€



Progress in Program Solar in Learning

On 26 October 2023, Sanoma announced that Sanoma Learning's operational EBIT margin excl. PPA is expected to reach its long-term target level of 23% in 2026 (2023: 18.7%), supported by the new process and efficiency improvement program, Solar. Annual operational efficiencies from Program Solar are estimated to amount to approx. EUR 55 million from 2026 onwards. The implementation of Solar is progressing on track, with 80% of the initiatives expected to be finalised during 2024.

The costs related to the program are estimated to be approx. EUR 45 million and are mainly related to restructuring expenses. The majority of Solar-related costs will occur during 2023–2024. The costs of the program are treated as IACs and are booked in Learning's result. They amounted to EUR 15 million in January–September 2024 and EUR 22 million in FY 2023. All organisational optimisation actions are subject to works council negotiations and other local legal procedures.

Learning

Sanoma Learning is the leading European learning company, serving about 25 million students across Europe. Our learning products and services enable teachers to develop the talents of every child to reach their potential. We offer printed and digital learning materials as well as digital learning and teaching platforms for K12, i.e. primary, secondary and vocational education, and we aim to continue to grow our business in Europe and beyond. We develop our methodologies based on deep teacher and student insight and truly understanding their individual needs. By combining our educational technologies and pedagogical expertise, we create learning products and services with the highest learning impact.

Key indicators

EUR million	Q3 2024	Q3 2023	Change	Q1–Q3 2024	Q1–Q3 2023	Change	FY 2023
Net sales	395.9	430.4	-8%	667.7	694.8	-4%	795.2
Operational EBITDA 1)	178.9	186.4	-4%	245.9	243.1	1%	237.6
Operational EBIT excl. PPA 2)	155.2	164.3	-6%	177.5	179.1	-1%	148.4
Margin 2)	39.2%	38.2%		26.6%	25.8%		18.7%
EBIT	105.2	132.4	-21%	103.0	121.6	-15%	70.6
Capital expenditure	6.8	6.0	14%	23.1	23.7	-2%	33.8
Average number of employees (FTE)				2,627	2,863	-8%	2,849

1) Excluding IACs

2) Excluding IACs of EUR -42.3 million in Q3 2024 (2023: -23.2), EUR -51.5 million in Q1–Q3 2024 (2023: -31.1) and EUR -43.4 million in FY 2023 as well as PPA adjustments and amortisations of EUR 7.7 million in Q3 2024 (2023: 8.7), EUR 23.0 million in Q1–Q3 2024 (2023: 26.3) and EUR 34.5 million in FY 2023.

Full reconciliation of operational EBITDA and operational EBIT excl. PPAs presented in a separate table on p. 16.

Net sales by country

EUR million	Q3 2024	Q3 2023	Change	Q1–Q3 2024	Q1–Q3 2023	Change	FY 2023
The Netherlands	112.3	117.3	-4%	191.8	191.9	0%	218.7
Poland	100.3	90.1	11%	118.4	106.9	11%	125.7
Spain	78.4	99.3	-21%	121.8	139.5	-13%	152.4
Italy	59.5	57.6	3%	96.8	94.3	3%	104.7
Finland	8.5	8.8	-4%	50.4	52.6	-4%	60.9
Belgium	26.2	41.0	-36%	58.2	73.9	-21%	82.1
Other countries and eliminations 1)	10.8	16.3	-34%	30.2	35.7	-15%	50.8
Net sales total	395.9	430.4	-8%	667.7	694.8	-4%	795.2

1) Other countries include Sweden, Norway, France, Germany, Denmark and the UK.

The learning business has, by its nature, an annual cycle with strong seasonality. Most net sales and earnings are accrued during the second and third quarters, while the first and fourth quarters are typically smaller in net sales and loss-making. Shifts of single orders between quarters may have a material impact when comparing quarterly net sales and earnings on a year-on-year basis, and therefore year-to-date figures typically provide a more comprehensive picture of Learning's business performance and development than quarterly figures.

Q3 2024

Net sales of Learning decreased to EUR 395.9 million (2023: 430.4). Planned discontinuation of low-value distribution contracts in the Netherlands and Belgium continued, and was reflected in the net sales. The expected adverse net sales impact of the ending of the LOMLOE curriculum renewal in Spain was offset by growing learning content sales in other major operating countries. Divestment of the exam preparation business Stark at the beginning of 2024 had a EUR -5 million impact on net sales.

Operational EBIT excl. PPA decreased to EUR 155.2 million (2023: 164.3) as a result of the lower net sales in Spain.

EBIT amounted to EUR 105.2 million (2023: 132.4). IACs increased to EUR -42.3 million (2023: -23.2) and consisted of impairments, which were largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium as well as costs related to Program Solar. PPAs amounted to EUR 7.7 million (2023: 8.7).

Capital expenditure amounted to EUR 6.8 million (2023: 6.0) and mainly consisted of growth investments in digital platforms and ICT.

Q1–Q3 2024

Net sales of Learning decreased to EUR 667.7 million (2023: 694.8) due to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium. After the ending of the LOMLOE curriculum renewal, net sales decreased during the third quarter in Spain. This was offset by growing learning content sales in other major operating countries, particularly Poland and the Netherlands. Organic net sales development was -3% (2023: 7%). Divestment of the exam preparation business Stark at the beginning of 2024 had a EUR -9 million impact on net sales.

Operational EBIT excl. PPA was relatively stable and amounted to EUR 177.5 million (2023: 179.1). Earnings decreased due to lower sales in Spain, while lower paper costs and price increases supported earnings in other learning content markets.

EBIT amounted to EUR 103.0 million (2023: 121.6). IACs increased to EUR -51.5 million (2023: -31.1) and consisted of impairments, which were largely related to the planned discontinuation of low-value distribution contracts in the Netherlands and Belgium as well as costs related to Program Solar. PPAs amounted to EUR 23.0 million (2023: 26.3).

Capital expenditure amounted to EUR 23.1 million (2023: 23.7) and mainly consisted of growth investments in digital platforms and ICT.

Media Finland

Sanoma Media Finland is the leading cross-media company in Finland, reaching 97% of all Finns weekly. We provide information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels. We have leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop. For advertisers, we are a trusted partner with insight, impact and reach.

Key indicators

EUR million	Q3 2024	Q3 2023	Change	Q1–Q3 2024	Q1–Q3 2023	Change	FY 2023
Net sales	144.1	149.9	-4%	435.9	444.8	-2%	597.8
Operational EBITDA 1)	35.3	35.9	-2%	99.7	93.8	6%	132.4
Operational EBIT excl. PPA 2)	17.6	16.8	5%	38.9	30.5	28%	39.8
Margin 2)	12.2%	11.2%		8.9%	6.9%		6.7%
EBIT	14.5	14.6	-1%	34.6	-13.5	357%	-8.4
Capital expenditure	1.2	1.3	-11%	4.4	6.7	-34%	8.6
Average number of employees (FTE)				2,131	2,148	-1%	2,144

1) Excluding IACs

2) Excluding IACs of EUR -1.5 million in Q3 2024 (2023: -0.5), EUR 0.4 million in Q1–Q3 2024 (2023: -39.0) and EUR -41.3 million in FY 2023 as well as PPA adjustments and amortisations of EUR 1.6 million in Q3 2024 (2023: 1.6), EUR 4.7 million in Q1–Q3 2024 (2023: 5.0) and EUR 6.8 million in FY 2023.

Full reconciliation of operational EBITDA and operational EBIT excl. PPA is presented in a separate table on p. 16.

Net sales by category

EUR million	Q3 2024	Q3 2023	Change	Q1–Q3 2024	Q1–Q3 2023	Change	FY 2023
Print	60.8	65.7	-7%	187.9	203.4	-8%	272.8
Non-print	83.3	84.2	-1%	248.0	241.4	3%	325.0
Net sales total	144.1	149.9	-4%	435.9	444.8	-2%	597.8

EUR million	Q3 2024	Q3 2023	Change	Q1–Q3 2024	Q1–Q3 2023	Change	FY 2023
Advertising sales	46.7	47.2	-1%	156.3	156.2	0%	219.2
Subscription sales	63.5	61.3	4%	190.3	182.6	4%	246.0
Single copy sales	9.5	10.0	-5%	27.9	28.9	-3%	38.3
Other	24.4	31.4	-22%	61.4	77.1	-20%	94.3
Net sales total	144.1	149.9	-4%	435.9	444.8	-2%	597.8

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

Q3 2024

Net sales of Media Finland declined to EUR 144.1 million (2023: 149.9). Advertising sales were stable as lower sales in newsprint and TV advertising was offset by growth in digital. Subscription sales continued to increase, especially driven by growth in SVOD service Ruutu+. The decline in other sales was attributable to the recent small divestments, phasing of events and lower external printing sales.

According to the Finnish Advertising Trends survey for September 2024 by Kantar TNS, the advertising market in Finland declined by 1% year-on-year on a net basis in the third quarter. Advertising grew by 3% in online (excluding search and social media) and by 3% in TV, while declining by 17% in newspapers, by 12% in magazines and by 5% in radio.

Operational EBIT excl. PPA increased to EUR 17.6 million (2023: 16.8). The positive earnings impact from growing digital subscription and advertising sales offset the adverse impact of print. Earnings were further supported by lower paper costs resulting from the decline in both prices and volumes.

EBIT was stable at EUR 14.5 million (2023: 14.6). The IACs increased to EUR -1.5 million (2023: -0.5) and consisted of strategic development costs. PPAs were EUR 1.6 million (2023: 1.6).

Capital expenditure amounted to EUR 1.2 million (2023: 1.3) and consisted of investments in technology and adapting offices to the hybrid way of working.

Personnel

In January-September 2024, the average number of employees in full-time equivalents (FTE) was 4,858 (2023: 5,141). The average number of employees (FTE) per SBU was as follows: Learning 2,627 (2023: 2,863), Media Finland 2,131 (2023: 2,148) and Other operations 100 (2023: 130).

At the end of September 2024, the number of employees (FTE) of the Group decreased to 4,751 (2023: 5,095) mainly due to the first impacts of Program Solar in Learning and recent divestments.

Employee benefit expenses decreased to EUR 296.3 million (2023: 304.0) mainly as a result of the implementation of Program Solar in Learning.

Acquisitions and divestments

On 18 January 2024, Sanoma announced that it will divest its majority holding in Netwheels Oy to Alma Media. Net sales of the divested business were approx. EUR 8 million in 2023 and the company employed 29 people who were transferred to the buyer at completion. The transaction was completed at the end of January.

On 8 January 2024, Sanoma announced it had divested Stark, an exam preparation business in Germany, which it acquired with the Italian K12 learning content business from Pearson in August 2022. Net sales of the divested business were approx. EUR 14 million in 2023 and the company employed 56 people who were transferred to the buyer with the divestment.

Information on acquisitions and divestments conducted in 2023 and earlier is available at www.sanoma.com/en/investors/sanoma-as-an-investment/.

Events during the reporting period

On 5 September 2024, Sanoma issued a EUR 150 million 3-year social bond. The bond matures on 13 September 2027. It carries a fixed annual interest of 4.000% and had an issue price of 99.872%. The offering was allocated to over 40 investors. In accordance with Sanoma's Social Bond Framework, published on 2 September 2024, the funds will be used to finance or refinance expenditures aimed at improving access to essential education services.

On 28 August 2024, Sanoma announced that the Supreme Administrative Court had rejected Sanoma's application for a permission to appeal the administrative court's decision regarding the value added tax (VAT) payment decision given by the Finnish Tax Adjustment Board related to the tax audits at Sanoma Media Finland Oy for the years 2015–2018. The decision had no impact on Sanoma's financials or free cash flow, as the VAT claim has been paid in 2021 and booked in Sanoma's result in Q2 2023.

On 19 June 2024, Sanoma announced the composition of its Shareholders' Nomination Committee. The four largest shareholders have appointed the following members to the Shareholders' Nomination Committee: Juhani Mäkinen (Vice Chair of the Board, Jane and Aatos Erkko Foundation), Antti Herlin (Chair of the Board, Holding Manutas), Robin Langenskiöld (3rd

largest shareholder in Sanoma) and Rafaela Seppälä (4th largest shareholder in Sanoma). At its meeting on 19 June 2024, the Committee elected Juhani Mäkinen as Chair of the Committee and invited Pekka Ala-Pietilä, Chair of Sanoma's Board of Directors, to serve as an expert on the Committee.

Sustainability

In October 2024, Sanoma's score in the ISS ESG Corporate Rating improved to Prime B- (earlier C+) and Sanoma is now among the leaders in its industry.

On 5 September 2024, Sanoma issued a EUR 150 million Social Bond, which was also the first corporate social bond in Finland (more information on p. 11.).

On 2 September 2024, Sanoma launched a Social Bond Framework that is applicable for the issuance of social bonds. The funds Sanoma raises through the issuance of social bonds will be used to finance or refinance expenditures aimed at improving access to essential education services. The framework was developed in accordance with the International Capital Market Association's (ICMA) Social Bond Principles 2023, confirmed in a Second Party Opinion provided by ISS-Corporate. According to ISS-Corporate, the framework will contribute to the advancement of UN SDG 4 Quality Education and is consistent with Sanoma's Sustainability Strategy.

In August 2024, Sanoma's score in the annual S&P Global Corporate Sustainability Assessment improved to 51 out of 100 (earlier 44). Sanoma is now ranked in the top three percent within its industry.

On 7 June 2024, Sanoma announced that it has invested in renewable electricity production in Finland. In total 2,125 solar panels were installed on the roofs of Sanomatalo in Helsinki and the printing house in Tampere during June–July 2024. The annual output of the panels is approx. 700 MWh. The investment supports both Sanoma's aim of using only fossil-free energy and reducing indirect Scope 2 emissions from its own operations.

On 3 May 2024, Sanoma celebrated International Press Freedom Day.

In March 2024, Sanoma's score in the Sustainalytics Risk Rating improved to 10.4.

On 5 March 2024, Sanoma published its annual Sustainability Report as a part of the Annual Report 2023. The Sustainability Report is compiled according to the Global Reporting Initiative (GRI) Standards. The report also includes reporting according to the Sustainability Accounting Standard Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) as well as Sanoma's Human Rights Statement. In addition, the Report of the Board of Directors includes reporting according to the Non-Financial Reporting (NFR) Directive and the EU Taxonomy for sustainable activities. A limited assurance engagement was conducted on selected material economic, social and environmental sustainability indicators in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) by PricewaterhouseCoopers, an independent third party.

In February 2024, Sanoma was awarded the leadership level score of A- in the global CDP Climate Change rating for the second consecutive year. In addition, Sanoma maintained a solid CDP Forest rating of B. CDP scoring is considered the gold standard of corporate environmental transparency and varies on a scale from A to D-.

Key ESG Ratings

Rating	Sanoma score	Scale (low to high)	Change from previous scoring	Rating within industry	Last update
MSCI ESG rating	AA	CCC to AAA	Unchanged	Above industry average level	Q3 2022
ISS Corporate Rating	Prime B-	D to A+	Improved from C+ to B-	Among industry leaders	Q3 2024
Sustainalytics Risk Rating	10.4	100–0	Improved by 0.5	Above industry average level	Q1 2024
CDP Climate Change and Forest	Climate A - Forest B	D- to A	Unchanged	Among industry leaders in climate	Q1 2024
S&P Global Corporate Sustainability Assessment (CSA)	51/100	0–100	Improved by 7 points	Among top 3% decile in the industry	Q3 2024
Upright Net Impact	+74%	from limitless negative % to +100%	Unchanged	Among highest decile in the industry	Q2 2024

Share capital and shareholders

At the end of September 2024, Sanoma's registered share capital was EUR 71.3 million (2023: 71.3), and the total number of shares was 163,565,663 (2023: 163,565,663), including 83,491 (2023: 298,045) of its own shares. Sanoma's own shares represented 0.1% (2023: 0.2%) of all shares and votes. The number of outstanding shares excluding Sanoma's own shares was 163,482,172 (2023: 163,267,618).

In March 2024, Sanoma delivered a total of 214,554 (2023: 89,850) of its own shares (without consideration and after taxes) as part of its long-term share-based incentive plans.

Sanoma had 24,858 (2023: 24,466) registered shareholders at the end of September 2024.

Share trading and performance

At the end of September 2024, Sanoma's market capitalisation was EUR 1,105.1 million (2023: 1,136.3), with Sanoma's share closing at EUR 6.76 (2023: 6.96). In January–September 2024, the volume-weighted average price of Sanoma's share on Nasdaq Helsinki Ltd. was EUR 6.76 (2023: 7.81), with a low of EUR 6.27 (2023: 5.91) and a high of EUR 7.67 (2023: 10.30).

In January–September 2024, the cumulative value of Sanoma's share turnover on Nasdaq Helsinki Ltd. was EUR 55 million (2023: 121). The trading volume of 8.1 million shares (2023: 15.5) equalled an average daily turnover of 42,800 shares (2023: 82,300). The traded shares accounted for some 5% (2023: 10%) of the average number of shares. Sanoma's share turnover,

including alternative trading venues, CBOE DXE, Turquoise and Frankfurt, was 10 million shares (2023: 19). Nasdaq Helsinki represented 83% (2023: 82%) of the share turnover. (Source: Euroland)

Decisions of the Annual General Meeting

Sanoma Corporation's Annual General Meeting (AGM) was held on 17 April 2024 in Helsinki. For the purposes of expanding the opportunities for shareholders' participation, the opportunity was reserved for the shareholders to exercise their rights by voting in advance.

The meeting adopted the Financial Statements, the Board of Directors' Report and the Auditor's Report for the year 2023 as well as discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023. In addition, the meeting made an advisory decision on the adoption of the Remuneration Report of the governing bodies.

The AGM resolved that a dividend on EUR 0.37 per share shall be paid. The dividend shall be paid in three instalments. The first instalment of EUR 0.13 per share was paid to a shareholder who was registered in the shareholder register of the Company maintained by Euroclear Finland Oy on the dividend record date 19 April 2024. The payment date was 26 April 2024.

The second instalment of EUR 0.13 per share was paid to a shareholder who was registered in the shareholder register of the Company maintained by Euroclear Finland Oy on the dividend record date 17 September 2024. The payment date for the instalment was 24 September 2024.

As decided by the Board of Directors in its meeting on 30 October 2024, the third instalment of EUR 0.11 per share is paid to a shareholder who is registered in the shareholder register of the Company maintained by Euroclear Finland Oy on the dividend record date 5 November 2024. The payment date for the instalment is 12 November 2024.

The AGM resolved that the number of the members of the Board of Directors shall be set at eight. Pekka Ala-Pietilä, Julian Drinkall, Rolf Grisebach, Anna Herlin, Mika Ihamuotila, Sebastian Langenskiöld and Eugenie van Wiechen were re-elected as members, and Klaus Cawén was elected as a new member of the Board of Directors. Pekka Ala-Pietilä was elected as the Chair of the Board and Klaus Cawén as the Vice Chair. The term of all Board members ends at the end of the AGM 2025.

The AGM resolved that the remuneration payable to the members of the Board of Directors remains unchanged. The monthly remunerations are EUR 12,000 for the Chair of the Board of Directors, EUR 7,000 for the Vice Chair of the Board of Directors, and EUR 6,000 for the members of the Board of Directors.

The meeting fees of the Board of Directors are:

- For Board members who reside outside Finland: EUR 1,000 / Board meeting where the member was present;
- For members of the Board of Directors who reside in Finland: No separate fee is paid for attending Board meetings
- For the Chairs of Board of Directors' Committees: EUR 3,500 / Committee meeting participated in;

- For Committee members who reside outside Finland: EUR 2,500 / Committee meeting where the member was present and EUR 1,500 / Committee meeting participated in; and
- For Committee members who reside in Finland: EUR 1,500 / Committee meeting participated.

The meeting fees of the Shareholders' Nomination Committee remain unchanged and are:

- For the Chair of the Shareholders' Nomination Committee: EUR 3,500 / Committee meeting participated in;
- For members of the Shareholders' Nomination Committee who reside outside Finland: EUR 2,500 / Committee meeting where the member was present and EUR 1,500 / Committee meeting participated in; and
- For members of the Shareholders' Nomination Committee who reside in Finland: EUR 1,500 / Committee meeting participated in.

The AGM appointed audit firm PricewaterhouseCoopers Oy as the Auditor and the Sustainability Auditor of the Company with Tiina Puukkonieni, Authorised Public Accountant, Authorised Sustainability Auditor (ASA), as the Auditor with principal responsibility and responsible Sustainability Auditor. The Auditor and Sustainability Auditor shall be reimbursed against an invoice approved by the Company.

The AGM authorised the Board of Directors to decide on the repurchase of a maximum of 16,000,000 of the Company's own shares (approx. 9.8% of all shares of the Company) in one or several instalments. The shares shall be repurchased with funds from the Company's unrestricted shareholders' equity, and the repurchases shall reduce funds available for distribution of profits. The authorisation will be valid until 30 June 2025 and it terminates the corresponding authorisation granted by the AGM 2023. The shares shall be repurchased to develop the Company's capital structure, to carry out or finance potential corporate acquisitions or other business arrangements or agreements, to be used as a part of the Company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled.

The AGM authorised the Board of Directors to decide on issuance of new shares and the conveyance of the Company's own shares held by the Company (treasury shares) and the issuance of option rights and other special rights entitling to shares as specified in Chapter 10, Section 1 of the Finnish Companies Act. Option rights and other special rights entitling to shares as specified in Chapter 10, Section 1 of the Finnish Companies Act may not be granted as part of the Company's incentive programme. The Board will be entitled to decide on the issuance of a maximum of 16,000,000 new shares (approx. 9.8% of all shares of the Company) as well as conveyance of a maximum of 21,000,000 treasury shares held by the Company in one or several instalments. The issuance of shares, the conveyance of treasury shares and the granting of option rights and other special rights entitling to shares may be done in deviation from the shareholders' pre-emptive right (directed issue). The authorisation will be valid until 30 June 2025 and it will replace the corresponding authorisation granted by the AGM 2023.

Seasonal fluctuation

Seasonal fluctuations in both Learning and Media Finland influence the Group's net sales and EBIT. The learning business has, by its nature, an annual cycle with strong seasonality. Most net sales and earnings are accrued during the second and third quarters, while the first and fourth quarters are typically loss-making. The acquisitions in Italy and Spain, completed in 2020–2022, have further increased the overall seasonality and the importance of the third quarter, when the new school year starts, for the business. Shifts of single orders between quarters may have a material impact when comparing quarterly net sales and earnings on a year-on-year basis, and thus year-to-date figures typically provide a more comprehensive picture of Learning's business performance and development.

In the media business, net sales and earnings are particularly affected by the development of advertising. Advertising sales are influenced, for example, by the number of newspaper and magazine issues published each quarter, which varies annually. TV advertising in Finland is usually strongest in the second and fourth quarters. The events business in Finland is typically focused on the second and third quarters. In June–August 2024, Sanoma arranged 12 festivals (2023: 13), of which five took place in the second quarter (2023: 3) and seven (2023: 10) in the third quarter.

Significant near-term risks and uncertainties

Sanoma is exposed to numerous risks and opportunities that may arise from its own operations or the changing operating environment in the short or long term. Sanoma divides its key risks into four main categories: strategic, operational, non-financial and financial risks. A comprehensive overview of significant risks that could have a negative impact on Sanoma's business, performance, or financial status are described in the Report of the Board of Directors, part of the Annual Report 2023, on pages 142–150, and in the listing prospectus of the EUR 150 million Social Bond, on pages 1–15. These risks still apply. The main updates and the most significant near-term risks and uncertainties are summarised in each Interim Report and are described below.

The general economic and political conditions in Sanoma's operating countries and overall industry trends could influence Sanoma's business activities and operational and financial performance. In Media Finland, these risks are typically associated with advertising demand and consumer spending. The demand for advertising derived from printed media and FTA TV has been in decline in recent years as advertisers shift to digital channels, and this trend is expected to continue.

The media markets in which the Group operates are highly competitive and include many regional, national and international companies. Competition is affected by the level of consolidation within the Group's markets as well as by the development of alternative distribution channels, especially for digital products and services offered by the Group. Competition may arise from large international media companies entering new geographic markets or expanding the distribution of their products and services to new distribution channels. Risks may arise if competitors are faster than the Group to adopt new technologies, such as generative AI and alternative forms of media or digital destinations, catering to both consumer and advertiser needs. Consolidation within relevant markets may increase existing competition or give rise to new entrants in the market. In Sanoma Learning, there is a similar risk stemming from large international media companies, digital entrants, educational technology companies, open educational resources, user-generated content or digital tools.

Changes in education or digital platforms-related regulation could have a material effect on Sanoma's commercial propositions, technology or content investment needs, or financial performance. The introduction or delay, pace, scope and timing of changes in education related legislation, or their reflections in public educational spending, in the markets in which Sanoma operates – most notably in Poland or Spain, but potentially also other markets – may also influence the performance of Learning as a whole. Legislation related to learning is typically country-specific, which limits the magnitude of the said risk at the Group level.

Sanoma's planned cost management actions include Program Solar in Learning, which is expected to bring annual EUR 55 million benefits from 2026 onwards. Failure in implementing the cost savings actions related to Program Solar may have an impact on Sanoma's financial performance in the coming years.

Data is an increasingly essential part of Sanoma's products and services in both Learning and Media Finland. Sanoma is exposed to potential data breaches resulting from unauthorised or accidental loss of, or access to, personal data managed by Sanoma or by third parties processing data on Sanoma's behalf. In addition, Sanoma is subject to privacy laws, such as the General Data Protection Regulation (GDPR). Non-compliance with them, or potential inadequacy of the data protection processes and practices may cause problems, difficulties or additional costs to Sanoma.

Changes in the geopolitical situation globally, including the continuing wars in Ukraine and the Middle East, could have an impact on the demand of the Group's products and services and the availability and price of the key supplies used by the Group.

The Group's interest rate risk is mainly related to changes in the reference rates and loan margins of floating rate loans in its loan portfolio. Thus, a significant rise in interest rates would lead to an increase in financial expenses. A failure to manage interest rate risk may have an adverse effect on the Group's financial performance and position. In September 2024, Sanoma issued an EUR 150 million fixed-rate 3-year Social Bond, which reduced the interest rate sensitivity of the external debt portfolio.

Changes in taxation, as well as in the interpretation of tax laws and practices applicable to Sanoma's products and services or their distribution, e.g. VAT, may have an effect on the Group's operations or its financial performance. Sanoma booked a total net amount of EUR 31 million of VAT claims for the years 2015–2018 and 2019–2021 concerning the treatment of VAT of certain magazines that were printed in multiple locations in Europe and processed in and distributed through a centralised logistics centre in Norway, as IACs in Media Finland's result in 2023. In August 2024, the Supreme Administrative Court has rejected Sanoma's application for permission to appeal the decision regarding the years 2015–2018. Thus, it will not give a resolution to the company's appeal. A decision regarding 2019–2021 is still pending. The VAT regulations have changed as of 1 July 2021 and, thus, further claims related to the matter are not expected.

At the end of September 2024, Sanoma's consolidated balance sheet included EUR 1,471.4 million (2023: 1,545.8) of goodwill, immaterial rights and other intangible assets. The majority of these are related to the learning business. In accordance with IFRS, instead of goodwill being amortised regularly, it is tested for impairment on an annual basis or more frequently if there is any indication of impairment. Changes in business fundamentals could lead to further impairment, thus impacting Sanoma's and equity-related ratios. Further, as Sanoma's strategic aim is to grow through acquisitions, material

amounts of goodwill, immaterial rights and other intangible assets might be recorded on Sanoma's balance sheet in connection with the completions of acquisitions and may be impaired in the future. In January–September 2024, impairments of other intangible assets amounted to EUR 27.0 million (2023: 0.7) and mainly related to the discontinuation of low value distribution contracts in the Netherlands and Belgium.

Financial reporting in 2025

Sanoma will publish the following financial reports during 2025:

Full-Year Result 2024	Tuesday, 11 February 2025
Interim Report 1 January–31 March 2025	Tuesday, 29 April 2025
Half-Year Report 1 January–30 June 2025	Wednesday, 30 July 2025
Interim Report 1 January–30 September 2025	Thursday, 30 October 2025

Sanoma's Financial Statements and Directors' Report for 2024 will be published during week 14, which starts on 31 March 2025. The Annual General Meeting 2025 is planned to be held on Tuesday, 29 April 2025 in Helsinki. To use the shareholders' right to have matters dealt with by the General Meeting, a written request should be sent to the Board of Directors by Tuesday, 14 January 2025 at the latest.

Helsinki, 30 October 2024

Board of Directors
Sanoma Corporation

Reconciliation of operational EBIT excl. PPA

EUR million	Q3 2024	Q3 2023	Q1–Q3 2024	Q1–Q3 2023	FY 2023
EBIT	116.9	146.7	128.7	103.2	51.7
Items affecting comparability (IACs) and PPA adjustments and amortisations					
Learning					
Impairments	-27.9	-6.0	-27.9	-6.0	-10.1
Capital gains/losses			-0.4		
Restructuring expenses	-14.4	-17.2	-23.1	-25.1	-33.3
PPA adjustments and amortisations	-7.7	-8.7	-23.0	-26.3	-34.5
Media Finland					
Impairments				-2.3	-3.2
Capital gains/losses			5.6	1.6	1.6
Restructuring expenses	-1.5	-0.5	-5.3	-2.4	-3.8
VAT claims for years 2015–2018 and 2019–2021				-35.9	-35.9
PPA adjustments and amortisations	-1.6	-1.6	-4.7	-5.0	-6.8
Other operations					
Capital gains/losses		1.1		2.9	2.9
Restructuring expenses	-0.1	0.3	0.3	-0.8	-0.6
Items affecting comparability (IACs) and PPA adjustments and amortisations total	-53.1	-32.7	-78.6	-99.3	-123.7
Operational EBIT excl. PPA	170.0	179.4	207.3	202.4	175.4
Depreciation of buildings and structures	-6.5	-6.6	-19.9	-19.8	-27.9
Depreciation of rental books	-0.9	-2.0	-2.9	-6.4	-7.4
Amortisation of film and TV broadcasting rights	-10.9	-12.3	-40.3	-42.0	-58.9
Amortisation of prepublication rights	-11.8	-10.6	-33.5	-29.7	-42.5
Other depreciations, amortisations and impairments	-39.6	-15.9	-62.4	-38.6	-57.8
Items affecting comparability in depreciation, amortisation and impairments	27.9	6.0	28.9	8.3	11.6
Operational EBITDA	211.8	220.9	337.4	330.5	358.3

Items affecting comparability (IACs) in results of associated companies

EUR million	Q3 2024	Q3 2023	Q1–Q3 2024	Q1–Q3 2023	FY 2023
Media Finland					
Fair value remeasurement of previously held equity interest				-1.0	-1.0

Reconciliation of operational EPS

EUR million	Q3 2024	Q3 2023	Q1–Q3 2024	Q1–Q3 2023	FY 2023
Result for the period attributable to the equity holders of the Parent Company	83.9	99.3	80.8	48.0	3.3
Accrued interest on the hybrid bond net of tax	-2.4	-2.4	-7.2	-5.2	-7.6
Items affecting comparability	43.9	22.3	50.8	69.0	83.3
Tax effect of items affecting comparability	-11.0	-5.6	-14.0	-12.2	-14.6
Operational result for the period attributable to the equity holders of the Parent Company	114.4	113.6	110.4	99.6	64.4
Weighted average number of shares on the market	163,482,172	163,267,618	163,435,803	163,248,200	163,253,094
Operational EPS	0.70	0.70	0.68	0.61	0.39

Reconciliation of net debt

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current financial liabilities	448.3	349.7	249.4
Current financial liabilities	86.9	255.9	301.4
Non-current lease liabilities	110.1	130.8	124.8
Current lease liabilities	29.8	29.5	30.0
Cash and cash equivalents	-59.7	-74.4	-65.9
Net debt	615.5	691.4	639.7

Reconciliation of adjusted EBITDA

EUR million	Q1–Q3 2024	Q1–Q3 2023	FY 2023
12-month rolling operational EBITDA	365.1	375.8	358.3
Impact of acquired and divested operations	-2.0	-0.6	0.1
Impact of programming rights	-52.9	-61.5	-64.9
Impact of prepublication rights	-47.9	-56.1	-55.3
Impact of rental books	-4.3	-8.7	-8.7
Adjusted EBITDA	258.0	248.9	229.5

Reconciliation of comparable net sales growth

EUR million	Q3 2024	Q3 2023	Q1–Q3 2024	Q1–Q3 2023
Group				
Net sales	540.0	580.3	1,103.4	1,139.4
Impact of acquired and divested operations	-0.6	-7.9	-3.0	-20.1
Comparable net sales	539.4	572.4	1,100.4	1,119.3
Comparable net sales growth	-6%	6%	-2%	3%
Learning				
Net sales	395.9	430.4	667.7	694.8
Impact of acquired and divested operations		-4.6		-9.4
Comparable net sales	395.9	425.9	667.7	685.4
Comparable net sales growth	-7%	9%	-3%	7%
Media Finland				
Net sales	144.1	149.9	435.9	444.8
Impact of acquired and divested operations	-0.6	-3.4	-3.0	-10.6
Comparable net sales	143.5	146.5	432.9	434.1
Comparable net sales growth	-2%	-3%	0%	-3%

Income statement by quarter

EUR million	Q1 2024	Q2 2024	Q3 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
NET SALES	220.9	342.4	540.0	217.8	341.3	580.3	253.4	1,392.9
Other operating income	9.2	5.0	6.8	7.3	5.5	6.0	6.7	25.6
Materials and services	-65.8	-98.4	-195.5	-73.5	-101.9	-227.8	-83.9	-487.0
Employee benefit expenses	-98.1	-99.0	-99.2	-97.2	-102.6	-104.2	-101.4	-405.4
Other operating expenses	-43.8	-53.3	-56.5	-43.0	-87.9	-50.1	-58.1	-239.0
Share of results in joint ventures	0.3	0.2	0.3	0.2	0.2	0.3	0.0	0.7
Depreciation, amortisation and impairment losses	-54.1	-53.7	-78.9	-54.7	-55.1	-57.9	-68.2	-235.9
EBIT	-31.4	43.2	116.9	-43.1	-0.5	146.7	-51.4	51.7
Share of results in associated companies	-0.1	0.0	0.0	-1.0	0.0	0.0	0.4	-0.6
Financial income	2.0	0.7	2.1	2.4	6.2	-0.3	0.4	8.6
Financial expenses	-8.8	-11.4	-10.8	-8.8	-14.4	-8.4	-7.4	-39.1
RESULT BEFORE TAXES	-38.3	32.5	108.3	-50.6	-8.7	138.0	-58.1	20.6
Income taxes	10.8	-8.1	-24.3	10.8	-2.5	-38.3	13.5	-16.5
RESULT FOR THE PERIOD	-27.6	24.4	84.0	-39.8	-11.2	99.7	-44.6	4.1
Result attributable to:								
Equity holders of the Parent Company	-27.7	24.5	83.9	-40.0	-11.4	99.3	-44.7	3.3
Non-controlling interests	0.1	0.0	0.0	0.2	0.2	0.3	0.1	0.8
Earnings per share for result attributable to the equity holders of the Parent Company:								
Earnings per share, EUR	-0.18	0.14	0.50	-0.25	-0.08	0.59	-0.29	-0.03
Diluted earnings per share, EUR	-0.18	0.14	0.50	-0.25	-0.08	0.59	-0.29	-0.03

Net sales by SBU

EUR million	Q1 2024	Q2 2024	Q3 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Learning	81.1	190.6	395.9	76.3	188.0	430.4	100.4	795.2
Media Finland	139.9	151.9	144.1	141.5	153.4	149.9	153.1	597.8
Other operations and eliminations	-0.1	-0.1	0.0	-0.1	-0.1	0.0	0.0	-0.2
Total	220.9	342.4	540.0	217.8	341.3	580.3	253.4	1,392.9

EBIT by SBU

EUR million	Q1 2024	Q2 2024	Q3 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Learning	-38.5	36.3	105.2	-43.8	33.1	132.4	-51.1	70.6
Media Finland	10.5	9.6	14.5	1.5	-29.5	14.6	5.1	-8.4
Other operations and eliminations	-3.4	-2.7	-2.8	-0.7	-4.1	-0.3	-5.5	-10.5
Total	-31.4	43.2	116.9	-43.1	-0.5	146.7	-51.4	51.7

Operational EBIT excl. PPA by SBU

EUR million	Q1 2024	Q2 2024	Q3 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Learning	-27.6	49.8	155.2	-33.5	48.3	164.3	-30.6	148.4
Media Finland	7.7	13.7	17.6	5.1	8.7	16.8	9.2	39.8
Other operations and eliminations	-3.8	-2.6	-2.8	-2.3	-3.3	-1.7	-5.7	-12.9
Total	-23.7	61.0	170.0	-30.7	53.7	179.4	-27.0	175.4

Interim report (unaudited)

Accounting policies

Sanoma Group prepares its Interim Report in accordance with IAS 34 'Interim Financial Reporting' while adhering to related IFRS standards and interpretations applicable within the EU on 30 September 2024. The accounting policies of the Interim Report, the definitions of key indicators as well as the explanations of use and definitions of Alternative Performance Measures (APMs) are available in the Annual Report 2023. All figures have been rounded and consequently the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Consolidated income statement

EUR million	Q3 2024	Q3 2023	Q1–Q3 2024	Q1–Q3 2023	FY 2023
NET SALES	540.0	580.3	1,103.4	1,139.4	1,392.9
Other operating income	6.8	6.0	20.9	18.9	25.6
Materials and services	-195.5	-227.8	-359.7	-403.2	-487.0
Employee benefit expenses	-99.2	-104.2	-296.3	-304.0	-405.4
Other operating expenses	-56.5	-50.1	-153.6	-181.0	-239.0
Share of results in joint ventures	0.3	0.3	0.8	0.7	0.7
Depreciation, amortisation and impairment losses	-78.9	-57.9	-186.8	-167.7	-235.9
EBIT	116.9	146.7	128.7	103.2	51.7
Share of results in associated companies	0.0	0.0	0.0	-1.0	-0.6
Financial income	2.1	-0.3	4.8	8.2	8.6
Financial expenses	-10.8	-8.4	-31.0	-31.7	-39.1
RESULT BEFORE TAXES	108.3	138.0	102.5	78.7	20.6
Income taxes	-24.3	-38.3	-21.6	-30.0	-16.5
RESULT FOR THE PERIOD	84.0	99.7	80.8	48.7	4.1
Result attributable to:					
Equity holders of the Parent Company	83.9	99.3	80.8	48.0	3.3
Non-controlling interests	0.0	0.3	0.1	0.7	0.8
Earnings per share for result attributable to the equity holders of the Parent Company:					
Earnings per share, EUR	0.50	0.59	0.45	0.26	-0.03
Diluted earnings per share, EUR	0.50	0.59	0.45	0.26	-0.03

Statement of comprehensive income

EUR million	Q3 2024	Q3 2023	Q1–Q3 2024	Q1–Q3 2023	FY 2023
Result for the period	84.0	99.7	80.8	48.7	4.1
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Change in translation differences	0.2	-0.7	0.0	-0.7	1.7
Items that will not be reclassified to profit or loss					
Defined benefit plans	-1.6	9.9	6.4	4.9	15.7
Income tax related to defined benefit plans	0.3	-2.0	-1.3	-1.0	-3.2
Other comprehensive income for the period, net of tax	-1.1	7.2	5.2	3.2	14.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	82.9	106.9	86.0	51.9	18.3
Total comprehensive income attributable to:					
Equity holders of the Parent Company	82.8	106.5	85.9	51.2	17.5
Non-controlling interests	0.0	0.3	0.1	0.7	0.8

Consolidated balance sheet

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Property, plant and equipment	37.5	42.5	40.3
Right-of-use assets	128.1	151.4	144.2
Investment property	2.9	2.9	2.9
Goodwill	809.7	813.1	812.2
Other intangible assets	661.7	732.6	720.5
Equity-accounted investees	3.5	3.4	3.6
Other investments	2.8	3.8	2.8
Deferred tax receivables	9.4	3.6	5.5
Non-current receivables	37.0	23.6	31.4
NON-CURRENT ASSETS, TOTAL	1,692.7	1,777.1	1,763.4
Inventories	55.1	75.2	53.5
Income tax receivables	20.0	15.9	13.9
Contract assets	1.9	1.6	0.5
Trade and other receivables	351.0	329.5	139.4
Cash and cash equivalents	59.7	74.4	65.9
CURRENT ASSETS, TOTAL	487.6	496.7	273.2
ASSETS, TOTAL	2,180.3	2,273.8	2,036.6
EQUITY AND LIABILITIES			
EQUITY			
Share capital	71.3	71.3	71.3
Treasury shares	-1.1	-4.1	-4.1
Fund for invested unrestricted equity	209.8	209.8	209.8
Other equity	384.4	400.3	370.8
Total equity attributable to the equity holders of the Parent Company	664.4	677.3	647.7
Hybrid bond	149.1	148.9	149.1
Non-controlling interests	1.1	2.5	2.6
EQUITY, TOTAL	814.6	828.6	799.4

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Deferred tax liabilities	102.3	116.0	116.0
Pension obligations	4.8	6.1	3.4
Provisions	2.6	1.8	2.0
Financial liabilities	448.3	349.7	249.4
Lease liabilities	110.1	130.8	124.8
Contract liabilities	2.3	1.7	0.8
Trade and other payables	1.9	2.5	2.5
NON-CURRENT LIABILITIES, TOTAL	672.4	608.6	498.9
Provisions	15.2	14.6	12.3
Financial liabilities	86.9	255.9	301.4
Lease liabilities	29.8	29.5	30.0
Income tax liabilities	36.3	31.1	0.6
Contract liabilities	182.8	171.4	151.9
Trade and other payables	342.4	334.1	242.1
CURRENT LIABILITIES, TOTAL	693.3	836.5	738.3
LIABILITIES, TOTAL	1,365.7	1,445.2	1,237.2
EQUITY AND LIABILITIES, TOTAL	2,180.3	2,273.8	2,036.6

Changes in consolidated equity

EUR million	Equity attributable to the equity holders of the Parent Company							
	Share capital	Treasury shares	Fund for invested unrestricted equity	Other equity	Total	Hybrid bond	Non-controlling interests	Equity, total
Equity at 1 Jan 2023	71.3	-5.2	209.8	419.2	695.1		7.0	702.1
Comprehensive income for the period				51.2	51.2		0.7	51.9
Share-based compensation				1.7	1.7			1.7
Shares delivered		1.1		-1.1				
Dividends				-60.4	-60.4		-0.7	-61.1
Acquisitions and other changes in non-controlling interests				1.7	1.7		-4.5	-2.8
Interest on hybrid bond				-12.0	-12.0			-12.0
Issuance of hybrid bond (net of issuance costs)						148.9		148.9
Equity at 30 Sep 2023	71.3	-4.1	209.8	400.3	677.3	148.9	2.5	828.6
Equity at 1 Jan 2024	71.3	-4.1	209.8	370.8	647.7	149.1	2.6	799.4
Comprehensive income for the period				85.9	85.9		0.1	86.0
Share-based compensation				0.8	0.8			0.8
Shares delivered		3.0		-3.0				
Dividends				-60.5	-60.5			-60.5
Acquisitions and other changes in non-controlling interests							-1.5	-1.5
Interest on hybrid bond				-9.6	-9.6			-9.6
Equity at 30 Sep 2024	71.3	-1.1	209.8	384.4	664.4	149.1	1.1	814.6

Consolidated cash flow statement

EUR million	Q1–Q3 2024	Q1–Q3 2023	FY 2023
OPERATIONS			
Result for the period	80.8	48.7	4.1
Adjustments			
Income taxes	21.6	30.0	16.5
Financial income and expenses	26.2	23.5	30.5
Share of results in equity-accounted investees	-0.7	0.3	-0.1
Depreciation, amortisation and impairment losses	186.8	167.7	235.9
Gains/losses on sales of non-current assets	-6.1	-4.9	-6.0
Other adjustments	4.1	5.6	7.3
Adjustments, total	231.9	222.2	284.1
Change in working capital	-96.4	-68.0	48.3
Acquisitions of broadcasting rights, prepublication costs and rental books	-75.2	-99.0	-128.9
Dividends received	0.9	0.3	0.6
Interest paid and other financial items	-29.3	-21.3	-26.4
Taxes paid	-8.4	-17.2	-33.6
Cash flow from operations	104.3	65.6	148.2
INVESTMENTS			
Capital expenditure	-27.7	-31.0	-43.1
Operations acquired	-0.8	-0.8	-0.4
Proceeds from sale of tangible and intangible assets	1.7	7.0	9.3
Operations sold	5.6	3.5	3.5
Loans granted	0.0	0.0	0.0
Repayments of loan receivables	0.0		
Interest received	1.3	1.3	2.2
Cash flow from investments	-19.9	-19.9	-28.5
Cash flow before financing	84.4	45.7	119.6

EUR million	Q1–Q3 2024	Q1–Q3 2023	FY 2023
FINANCING			
Proceeds from issue of hybrid bond (net of issuance costs)		148.9	148.9
Change in loans with short maturity	36.9	-40.0	-69.7
Drawings of other loans	249.2	0.6	0.6
Repayments of other loans	-299.7	-50.3	-76.2
Payment of lease liabilities	-23.8	-22.8	-31.1
Acquisitions of non-controlling interests		-7.1	-7.1
Interest paid on hybrid bond	-12.0		
Dividends paid	-40.6	-41.2	-61.1
Cash flow from financing	-90.0	-12.0	-95.8
CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT	-5.5	33.7	23.9
Effect of exchange rate differences on cash and cash equivalents	0.0	-0.3	0.3
Net change in cash and cash equivalents	-5.5	33.4	24.1
Cash and cash equivalents at the beginning of the period	65.1	41.0	41.0
Cash and cash equivalents at the end of the period	59.7	74.4	65.1
FREE CASH FLOW (Cash flow from operations - Capital expenditure)	76.7	34.6	105.1

At the end of September 2024, cash and cash equivalents in the cash flow statement include cash and cash equivalents less bank overdrafts of EUR 0.0 million (2023: 0.0).

Segment information

Sanoma reports two operating segments, which are its two strategic business units Sanoma Learning and Sanoma Media Finland. This is aligned with the way Sanoma manages the businesses.

Sanoma Learning is the leading European learning company, serving about 25 million students across Europe. Our learning products and services enable teachers to develop the talents of every child to reach their potential. We offer printed and digital learning materials as well as digital learning and teaching platforms for K12. i.e. primary, secondary and vocational education, and we aim to continue to grow our business in Europe and beyond. We develop our methodologies based on deep teacher and student insight and truly understanding their individual needs. By combining our educational technologies and pedagogical expertise, we create learning products and services with the highest learning impact.

Sanoma Media Finland is the leading cross-media company in Finland, reaching 97% of all Finns weekly. We provide information, experiences, inspiration and entertainment through multiple media platforms: newspapers, TV, radio, events, magazines, online and mobile channels. We have leading brands and services, such as Helsingin Sanomat, Ilta-Sanomat, Aamulehti, Me Naiset, Aku Ankka, Nelonen, Ruutu, Supla and Radio Suomipop. For advertisers, we are a trusted partner with insight, impact and reach.

In addition to the Group eliminations, the column other operations/eliminations includes non-core operations, head office functions and items not allocated to segments. Segment assets do not include cash and cash equivalents, interest-bearing receivables, tax receivables or deferred tax receivables. Transactions between segments are based on market prices.

Segment information 1 January–30 September 2024

EUR million	Learning	Media Finland	Other operations/eliminations	Total
External net sales	667.7	435.7		1,103.4
Internal net sales		0.2	-0.2	
Net sales, total	667.7	435.9	-0.2	1,103.4
EBIT	103.0	34.6	-8.8	128.7
Operational EBIT excl. PPA	177.5	38.9	-9.1	207.3
Share of results in associated companies		0.0		0.0
Financial income			4.8	4.8
Financial expenses			-31.0	-31.0
Result before taxes				102.5
Income taxes				-21.6
Result for the period				80.8
Segment assets	1,881.1	345.3	-135.2	2,091.2

Segment information 1 January–30 September 2023

EUR million	Learning	Media Finland	Other operations/eliminations	Total
External net sales	694.8	444.6		1,139.4
Internal net sales	0.0	0.1	-0.1	
Net sales, total	694.8	444.8	-0.1	1,139.4
EBIT	121.6	-13.5	-5.0	103.2
Operational EBIT excl. PPA	179.1	30.5	-7.2	202.4
Share of results in associated companies		-1.0		-1.0
Financial income			8.2	8.2
Financial expenses			-31.7	-31.7
Result before taxes				78.7
Income taxes				-30.0
Result for the period				48.7
Segment assets	1,928.5	388.2	-136.8	2,179.8

Net sales

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's two operating segments, which are also its strategic business units.

Disaggregation of revenue 1 January–30 September 2024

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
Finland	50.4	435.9	-0.2	486.1
The Netherlands	191.8			191.8
Poland	118.4			118.4
Spain	121.8			121.8
Italy	96.8			96.8
Belgium	58.2			58.2
Other companies and eliminations	30.2			30.2
Primary geographical markets	667.7	435.9	-0.2	1,103.4
Learning solutions	547.9			547.9
Advertising		156.3	-0.1	156.1
Subscription		190.3	0.0	190.3
Single copy		27.9		27.9
Other	119.7	61.4	-0.1	181.1
Major product lines/services	667.7	435.9	-0.2	1,103.4
Recognition at a point-in-time	556.9	116.8	-0.2	673.6
Recognition over-time	110.8	319.0		429.8
Timing of revenue recognition	667.7	435.9	-0.2	1,103.4

Disaggregation of revenue 1 January–30 September 2023

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
Finland	52.6	444.8	-0.1	497.2
The Netherlands	191.9			191.9
Poland	106.9			106.9
Spain	139.5			139.5
Italy	94.3			94.3
Belgium	73.9			73.9
Other companies and eliminations	35.7			35.7
Primary geographical markets	694.8	444.8	-0.1	1,139.4
Learning solutions	568.2		0.0	568.2
Advertising		156.2	-0.1	156.1
Subscription		182.6	0.0	182.6
Single copy		28.9		28.9
Other	126.6	77.1	0.0	203.6
Major product lines/services	694.8	444.8	-0.1	1,139.4
Recognition at a point-in-time	576.7	139.9	-0.1	716.4
Recognition over-time	118.1	304.9		423.0
Timing of revenue recognition	694.8	444.8	-0.1	1,139.4

Changes in property, plant and equipment and right of use assets

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Carrying amount at 1 Jan	184.5	205.7	205.7
Increases	19.3	34.7	39.2
Acquisitions of operations		0.1	0.1
Decreases	-4.3	-4.5	-5.6
Disposal of operations	-0.1		
Depreciation for the period	-31.8	-36.4	-48.7
Impairment losses for the period	-2.0	-6.0	-7.0
Exchange rate differences and other changes	0.0	0.2	0.7
Carrying amount at the end of the period	165.6	193.9	184.5

Changes in other intangible assets

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Carrying amount at 1 Jan	720.5	739.0	739.0
Increases	94.9	115.5	156.1
Acquisitions of operations		2.0	2.0
Decreases		-0.2	-0.1
Disposal of operations	-0.9		
Depreciation for the period	-125.6	-122.2	-169.6
Impairment losses for the period	-27.3	-0.8	-8.4
Exchange rate differences and other changes	0.0	-0.6	1.5
Carrying amount at the end of the period	661.7	732.6	720.5

Maturity of financial liabilities

EUR million	2024	2025	2026	2027	2028	2029–	Total
Loans from financial institutions	4.4	67.3	211.5	103.7			386.9
Bonds		6.0	6.0	156.0			168.0
Commercial paper programmes	37.0						37.0
Lease liabilities	7.9	29.1	25.9	25.8	35.2	16.0	139.9
Other interest-bearing liabilities	0.0						0.0
Trade payables and other liabilities 1)	168.1						168.1
Derivatives							
Inflow (-)	-14.6						-14.6
Outflow (+)	14.7						14.7
Total	217.5	102.4	243.4	285.5	35.2	16.0	900.0

1) Trade payables and other liabilities do not include accrued expenses and advances received.

Acquisitions and divestments

Acquisitions in 2024

No acquisitions were conducted during Q1–Q3 2024.

Impact of business acquisitions on Group's assets and liabilities

EUR million	Q1–Q3 2024	FY 2023
Property, plant and equipment		0.0
Right-of-use assets		0.1
Intangible assets		2.0
Other non-current assets		0.0
Other current assets		3.3
Assets, total		5.4
Non-current liabilities		-2.3
Current liabilities		-2.5
Liabilities, total		-4.8
Fair value of acquired net assets		0.6
Acquisition cost		1.6
Fair value of previously held interest		0.2
Fair value of acquired net assets		-0.6
Goodwill from the acquisitions		1.2

Acquisitions of non-controlling interests

EUR million	Q1–Q3 2024	FY 2023
Acquisition cost		2.8
Book value of the acquired interest		1.1
Impact on consolidated equity		-1.7

Cash paid to obtain control, net of cash acquired

EUR million	Q1–Q3 2024	FY 2023
Acquisition cost		1.6
Cash and cash equivalents of acquired operations		-1.5
Decrease (+) / increase (-) in acquisition liabilities	0.8	0.2
Cash paid to obtain control, net of cash acquired	0.8	0.4
Acquisition cost		2.8
Decrease (+) / increase (-) in acquisition liabilities		4.3
Cash paid on acquisitions of non-controlling interests		7.1

Divestments in 2024

On 2 April 2024, Sanoma divested Valopilkku to Fonecta Group. Valopilkku is one of Finland's best-known taxi booking applications with users all over Finland.

On 31 January 2024, Sanoma divested its majority holding in Netwheels Oy to Alma Media. Netwheels Oy offers car sales software as a service (SaaS) to a large corporate customer base in the automotive industry in Finland. Sanoma Media Finland Oy held a total of 55.8% in Netwheels. In 2023, net sales of Netwheels Oy were approx. EUR 8 million and it employed 29 people, who were transferred to the buyer with the divestment.

On 2 January 2024, Sanoma divested Stark, an exam preparation business in Germany, which it acquired with the Italian K12 learning content business from Pearson in August 2022. The buyer was the original founder of the business, Mr. Stark. In 2023, Stark's net sales were approx. EUR 14 million and the company employed 56 people, who were transferred to the buyer with the divestment.

Impact of divestments on Group's assets and liabilities

EUR million	Q1–Q3 2024	FY 2023
Property, plant and equipment	0.0	
Goodwill	2.3	
Other intangible assets	0.9	
Inventories	0.2	
Trade and other receivables	2.7	
Cash and cash equivalents	6.6	
Assets, total	12.8	
Deferred tax liabilities	0.0	
Financial liabilities	-0.4	
Trade and other payables	-4.5	
Liabilities, total	-5.0	
Derecognised non-controlling interest	-1.5	
Net assets	6.3	
Sales price	12.2	1.6
Transaction fees paid	-0.7	
Net result from sale of operations	5.2	1.6

Cash flow from sale of operations

EUR million	Q1–Q3 2024	FY 2023
Sales price	12.2	1.6
Cash and cash equivalents of divested operations	-6.6	
Decrease (+) / increase (-) in receivables from divestment		1.9
Cash flow from sale of operations	5.6	3.5

Contingent liabilities

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Contingencies for own commitments			
Pledges	0.8	0.9	0.9
Other items	24.3	24.3	24.3
Contingencies for own commitments total	25.1	25.2	25.2
Other commitments			
Royalties	0.1	0.9	0.5
Commitments for acquisitions of intangible assets (film and TV broadcasting rights included)	48.3	48.0	40.7
Other items	99.3	92.1	90.6
Other commitments total	147.6	141.0	131.8
Total	172.7	166.2	157.0

Derivative instruments

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Fair values			
Currency derivatives			
Forward contracts (positive fair values)	0.0	0.1	0.0
Forward contracts (negative fair values)	-0.2		0.0
Nominal values			
Currency derivatives			
Forward contracts	14.7	11.7	9.7

The fair value of the foreign currency forward contracts is determined using forward exchange market rates at the balance sheet date.

Disputes and litigations

On 8 June 2023, Sanoma announced that the Administrative Court had rejected the company's appeal concerning the VAT payment decisions regarding the tax audits at Sanoma Media Finland Oy for the years 2015–2018. The case concerned the treatment of VAT of certain magazines that were printed in multiple locations in Europe, and processed in and distributed through a centralised logistics centre in Norway.

Based on the decision from the Finnish Tax Adjustment Board on 29 April 2021, Sanoma paid EUR 25 million of VAT, penalties and interests in July 2021 in order to avoid further interest accumulation. Sanoma considered this payment to be a deposit with the tax authority while the dispute was ongoing, and consequently reported the amount paid as a receivable. On August 2021, the tax authorities made an ex officio decision on a corporate income tax adjustment as a consequence of value added tax adjustment and refunded EUR 3 million of corporate income tax to Sanoma. Sanoma considered this refund to be a liability towards the tax authority while the dispute was ongoing, and consequently reported the amount received as a liability. According to the Administrative Court's decision on 8 June 2023, and pursuant to the Tax Assessment Procedure Act, no tax will be refunded to Sanoma. The Supreme Administrative Court has rejected Sanoma's application for a permission to appeal the administrative court's decision regarding the VAT payment decision given by the Finnish Tax Adjustment Board. Thus, the Supreme Administrative Court will not give a resolution to the company's appeal. Based to the Supreme Administrative Court's decision the administrative court's negative decision will hold. The decision has no impact on Sanoma's financials or free cash flow, as the VAT claim has been paid in 2021 and booked in Sanoma's result in Q2 2023.

On 16 December 2022, Sanoma announced that it had received similar payment decisions based on the tax audits for the years 2019–2021. Based on the payment decisions, Sanoma paid EUR 11 million of VAT, penalties and interests in December 2022 in order to avoid interest accumulation. Sanoma considered this payment to be a deposit with the tax authority, and reported the amount paid as a receivable. In March 2023, the tax authorities made an ex officio decision on a corporate income tax adjustment as a consequence of value added tax and refunded EUR 2 million of corporate income tax to Sanoma. Sanoma considered this refund to be a liability towards the tax authority, and reported the amount received as a liability. Sanoma has appealed the decisions to the Finnish Tax Adjustment Board, where the process is still ongoing.

Based on the Administrative Court's decision given on 8 June 2023, the VAT claims for both the years 2015–2018 and 2019–2021 amounting to EUR 36 million were booked as other operating expenses in Q2 2023 result and a positive EUR 5 million adjustment to the income taxes. The VAT regulations changed on 1 July 2021 so further tax audits related to the matter are not expected.

Definitions of key indicators

KPI	Definition	Reason to use
Comparable (or organic) net sales (growth)	= Net sales (growth) adjusted for the impact of acquisitions and divestments	Complements reported net sales by reflecting the underlying business performance and enhancing comparability between reporting periods
Items affecting comparability (IACs)	= Gains/losses on sale, restructuring incl. transaction and integration costs of acquisitions or efficiency program expenses and impairments that exceed EUR 1 million	Used to reflect the underlying business performance and enhance comparability between reporting periods
Operational EBITDA	= EBIT + depreciation, amortisation and impairments – IACs	Measures the profitability before non-cash based depreciation and amortisation, reflects the underlying business performance and enhances comparability between reporting periods
Purchase price allocation adjustments and amortisations (PPAs)	= Purchase price allocation amortisations and cost impact of the inventory fair value adjustments	A component used in the calculation of KPIs (incl. operational EBIT excl. PPA)
Operational EBIT excl. PPA	= EBIT – IACs – Purchase price allocation adjustments and amortisations (PPAs)	Measures the profitability excl. acquisition-related PPA adjustments and amortisations, reflects the underlying business performance and enhances comparability between reporting periods
Equity ratio, %	= $\frac{\text{Equity total}}{\text{Balance sheet total} - \text{advances received}} \times 100$	One of Sanoma's long-term financial targets, measures the relative proportion of equity to total assets
Free cash flow	= Cash flow from operations – capital expenditure	Basis for Sanoma's dividend policy
Free cash flow / share	= $\frac{\text{Free cash flow}}{\text{Weighted average number of shares on the market}}$	Basis for Sanoma's dividend policy

KPI	Definition	Reason to use
Net debt	= Interest-bearing liabilities (short or long-term liabilities which have separately determined interest cost) – cash and cash equivalents	Measures Sanoma's net debt position
Net debt / Adj. EBITDA	= $\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$ The adjusted EBITDA used in this ratio is the 12-month rolling operational EBITDA, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on cash flow basis	One of Sanoma's long-term financial targets, provides investors information on Sanoma's ability to service its debt
Net financial items	= Financial income – financial expenses	Measures Sanoma's net financing cost
EPS	= $\frac{\text{Result for the period attributable to the equity holders of the Parent Company} - \text{tax adjusted interest on hybrid loan}}{\text{Weighted average number of shares on the market}}$	Measures Sanoma's result for the period per share
Operational EPS	= $\frac{\text{Result for the period attributable to the equity holders of the Parent Company} - \text{tax adjusted interest on hybrid loan} - \text{IACs} - \text{tax effect of IACs} - \text{non-controlling interests' share of IACs}}{\text{Weighted average number of shares on the market}}$	In addition to EPS, reflects the underlying business performance and enhances comparability between reporting periods

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