

Half-Year Report
2024

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SANOMA CORPORATION, HALF-YEAR REPORT JANUARY–JUNE 2024

Strong earnings improvement in both Learning and Media

Q2 2024

- Net sales amounted to EUR 342 million (2023: 341). Net sales grew in Learning and were relatively stable in Media Finland. The Group's organic net sales growth was 1% (2023: 0%).
- Operational EBIT excl. PPA increased to EUR 61 million (2023: 54). Strong earnings growth in Media Finland was also supported by an improvement in Learning.
- EBIT increased to EUR 43 million (2023: -1). Items affecting comparability (IACs) decreased to EUR -8 million (2023: -43), as Q2 2023 included an EUR 36 million booking related to VAT claims in Media Finland. Purchase price allocation adjustments and amortisations (PPAs) were EUR 9 million (2023: 11).
- Operational EPS was EUR 0.17 (2023: 0.14).
- EPS was EUR 0.14 (2023: -0.08).
- 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 will be paid in September and the third instalment of EUR 0.11 in November.

H1 2024

- The Group's net sales amounted to EUR 563 million (2023: 559). In Learning, net sales grew in most major operating markets supported by earlier ordering. In Media Finland, net sales were relatively stable. The Group's organic net sales growth was 3% (2023: 0%), amounting to 5% in Learning and 1% in Media Finland.
- The Group's operational EBIT excl. PPA increased to EUR 37 million (2023: 23) because of strong earnings improvement in both businesses. In Learning, earnings increased as a result of active cost management and higher net sales. Growth in digital subscription sales and lower paper costs supported earnings in Media Finland.
- EBIT increased to EUR 12 million (2023: -44). IACs decreased to EUR -7 million (2023: -46). PPAs were EUR 19 million (2023: 21).
- Operational EPS amounted to EUR -0.02 (2023: -0.09).
- EPS was EUR -0.05 (2023: -0.33).
- Free cash flow improved significantly to EUR -58 million (2023: -84), while being negative in line with the seasonal pattern of the learning business. The improvement was mainly attributable to higher earnings and lower investments.
- Net debt/Adj. EBITDA improved to 2.9 (2023: 3.3), being at the long-term target level of 'below 3.0'.
- In January 2024, Sanoma announced two small divestments: Stark in Learning and Netwheels in Media Finland.

Outlook for 2024 (unchanged)

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. 37. Reconciliations are available on p. 18.

Key indicators

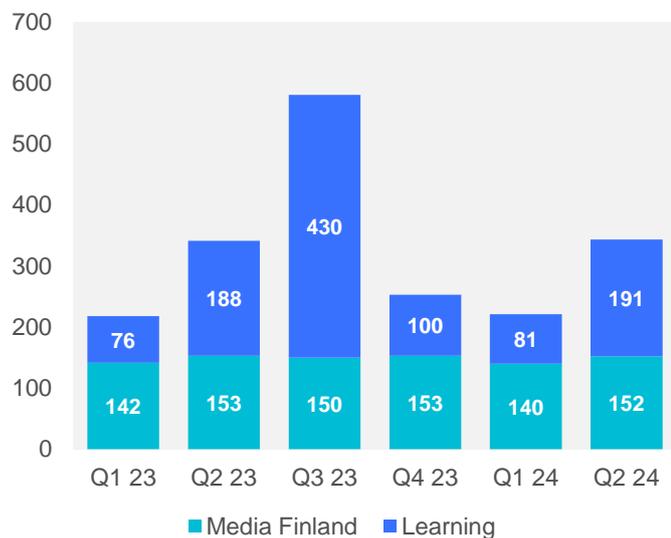
EUR million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	FY 2023
Net sales	342.4	341.3	0%	563.3	559.1	1%	1,392.9
Operational EBITDA ¹⁾	104.4	97.9	7%	125.6	109.6	15%	358.3
Margin ¹⁾	30.5%	28.7%		22.3%	19.6%		25.7%
Operational EBIT excl. PPA ²⁾	61.0	53.7	14%	37.2	23.0	62%	175.4
Margin ²⁾	17.8%	15.7%		6.6%	4.1%		12.6%
EBIT	43.2	-0.5		11.8	-43.6	127%	51.7
Result for the period	24.4	-11.2	318%	-3.1	-51.0	94%	4.1
Free cash flow	-14.5	-16.0	9%	-58.2	-83.9	31%	105.1
Equity ratio ³⁾				37.4%	35.4%		42.5%
Net debt				729.6	792.0	-8%	639.7
Net debt / Adj. EBITDA				2.9	3.3	-12%	2.8
Operational EPS, EUR ¹⁾	0.17	0.14	23%	-0.02	-0.09	72%	0.39
EPS, EUR	0.14	-0.08	260%	-0.05	-0.33	85%	-0.03
Free cash flow per share, EUR	-0.09	-0.10	10%	-0.36	-0.51	31%	0.64
Average number of employees (FTE)				4,852	5,116	-5%	5,119
Number of employees at the end of the period (FTE)				4,963	5,295	-6%	5,017

¹⁾ Excluding IACs

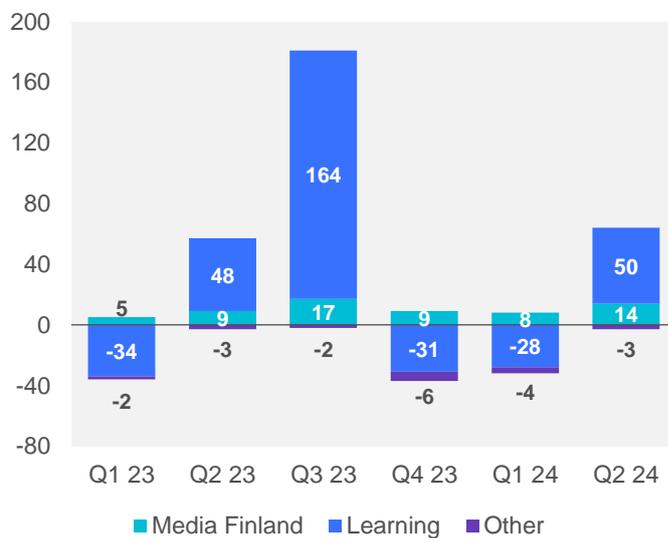
²⁾ Excluding IACs and purchase price allocation adjustments and amortisations (PPAs)

³⁾ Advances received included in the formula of equity ratio were EUR 162.8 million in H1 2024 (2023: 175.1).

Net sales, m€



Operational EBIT excl. PPA, m€



President and CEO Rob Kolkman:

“We have had a good first half of the year with strong earnings improvement in both Learning and Media Finland. The positive impacts of active cost containment measures, lower paper prices and carefully implemented price increases seen already during the first quarter continued throughout the reporting period and resulted in around 50% improvement in both businesses’ first half operational EBIT excl. PPA compared to last year.

As a significant part of our full-year operational earnings is dependent on the outcome of the third quarter high season in Learning and the development of the Finnish advertising market in July–December, we are keeping our Outlook for 2024 unchanged.

In Learning, net sales grew in most of our major operating countries, especially Spain and the Netherlands, partially supported by earlier ordering. During the upcoming third quarter high season, we expect growth in other learning content markets to offset the expected decline in Spain resulting from the lower curriculum cycle. When adding the impact of the discontinuation of low-value Dutch distribution contracts, we continue to expect lower net sales and a stable margin for the full year 2024.

The implementation of the process and efficiency improvement program, Solar, continued to proceed according to our plans across all streams. We have, for example, established a sizable Tech hub in Poland that will bring benefits both to us and our customers in the years to come. During the first half of the year, we saw the first results of Solar initiatives taken in Spain at the end of 2023 in Learning’s personnel expenses. 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, we have seen good development in both digital subscription and advertising sales throughout the first half of the year. Together with a lower cost base – to a great extent driven by lower paper and printing costs – this has resulted in an approx. EUR 7 million improvement in Media Finland’s operational EBIT excl. PPA. We expect this improvement to hold for the full year and July–December operational earnings to be similar to 2023. This is due to the advertising market in Finland declining slightly, a stronger prior year comparable for both advertising and subscription sales, and continuing, but lower, paper cost gains.

The significant improvement in the Group’s free cash flow was mainly attributable to higher earnings in both businesses, lower investments, active working capital management and some phasing. Our net debt and leverage improved year-on-year and Net debt / Adjusted EBITDA was below the long-term target of < 3.0. In line with the annual seasonality of the learning business, the ratio is expected to decline further during the second half of this year.

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 during the first half of the year and supporting our customers in the best possible way.”

Financial review Q2 2024

Net sales by SBU

EUR million	Q2 2024	Q2 2023	Change
Learning	190.6	188.0	1%
Media Finland	151.9	153.4	-1%
Other operations and eliminations	-0.1	-0.1	-30%
Group total	342.4	341.3	0%

The Group's net sales amounted to EUR 342 million (2023: 341). In Learning, net sales grew in most markets, especially in Spain and the Netherlands, supported by earlier ordering. In Media Finland, net sales were relatively stable as growth in subscription sales partially offset lower other sales. The Group's comparable net sales growth was 1% (2023: 0%).

Operational EBIT excl. PPA by SBU

EUR million	Q2 2024	Q2 2023	Change
Learning	49.8	48.3	3%
Media Finland	13.7	8.7	57%
Other operations and eliminations	-2.6	-3.3	21%
Group total	61.0	53.7	14%

The Group's operational EBIT excl. PPA increased to EUR 61 million (2023: 54) driven by strong performance in Media Finland and lower paper costs in both businesses. In Learning, stable net sales with some positive mix impact supported earnings. In Media Finland, earnings improvement was driven by digital subscription and advertising sales. The Other operations' earnings improved due to the phasing of expenses.

IACs, PPAs and reconciliation of operational EBIT excl. PPA

EUR million	Q2 2024	Q2 2023
EBIT	43.2	-0.5
Items affecting comparability (IACs)		
Restructuring expenses	-8.5	-7.7
Of which related to Program Solar	-2.2	
Capital gains/losses	0.1	0.4
VAT claims for years 2015–2018 and 2019–2021		-35.9
IACs total	-8.4	-43.3
Purchase price allocation adjustments and amortisations (PPAs)	-9.3	-10.9
Operational EBIT excl. PPA	61.0	53.7

A detailed reconciliation on SBU level is presented on p. 18.

EBIT increased to EUR 43 million (2023: -1) as the comparison period EBIT included an EUR 36 million booking related to VAT claims in Media Finland. EBIT was further supported by improved operational performance. The IACs decreased to EUR -8 million (2023: -43) as the comparison period included the VAT-related booking mentioned above. The restructuring expenses consisted of integration costs of recent acquisitions, and strategic development costs, including Program Solar. PPAs were EUR 9 million (2023: 11).

Net financial items amounted to EUR -11 million (2023: -8) and increased mainly as a result of an increase in the average interest rate of external loans driven by the repayment of the EUR 200 million bond in March.

Result before taxes increased to EUR 33 million (2023: -9) mainly due to lower IACs and higher operational earnings. Income taxes amounted to EUR -8 million (2023: -3). The result for the period was EUR 24 million (2023: -11).

Operational earnings per share were EUR 0.17 (2023: 0.14) and earnings per share EUR 0.14 (2023: -0.08).

Financial review H1 2024

Net sales by SBU

EUR million	H1 2024	H1 2023	Change
Learning	271.7	264.3	3%
Media Finland	291.8	294.9	-1%
Other operations and eliminations	-0.2	-0.1	-35%
Group total	563.3	559.1	1%

The Group's net sales amounted to EUR 563 million (2023: 559). In Learning, net sales grew in most major operating countries, especially in Spain and the Netherlands, supported by earlier ordering. In Media Finland, net sales were relatively stable as growth in subscription sales partially offset lower other sales. The Group's comparable net sales growth was 3% (2023: 0%), amounting to 5% in Learning and 1% in Media Finland.

Operational EBIT excl. PPA by SBU

EUR million	H1 2024	H1 2023	Change
Learning	22.2	14.7	51%
Media Finland	21.4	13.8	55%
Other operations and eliminations	-6.4	-5.5	-16%
Group total	37.2	23.0	62%

Operational EBIT excl. PPA increased to EUR 37 million (2023: 23) as a result of strong earnings improvement in both businesses. In Learning, earnings increased because of active cost management and higher net sales. In Media Finland, earnings improvement was driven by growing digital subscription sales and lower paper costs. The Other operations' earnings decreased mainly due to the phasing of personnel and other expenses.

IACs, PPAs and reconciliation of operational EBIT excl. PPA

EUR million	H1 2024	H1 2023
EBIT	11.8	-43.6
Items affecting comparability (IACs)		
Restructuring expenses	-12.2	-10.9
Of which related to Program Solar	-2.5	
Impairments		-2.3
Capital gains/losses	5.2	3.5
VAT claims for years 2015–2018 and 2019–2021		-35.9
IACs total	-7.0	-45.7
Purchase price allocation adjustments and amortisations (PPAs)	-18.5	-20.9
Operational EBIT excl. PPA	37.2	23.0

A detailed reconciliation on SBU level is presented on p. 18.

EBIT increased to EUR 12 million (2023: -44) as the comparison period included an EUR 36 million booking related to VAT claims in Media Finland. EBIT was further supported by higher operational earnings. The IACs decreased to EUR -7 million (2023: -46) as the comparison period included the VAT-related booking mentioned above. The restructuring expenses were related to the integration costs of recent acquisitions and strategic development costs, including Program Solar. The capital gains were related to the divestment of Netwheels in Media Finland in January. PPAs amounted to EUR 19 million (2023: 21).

Net financial items increased to EUR -18 million (2023: -15) mainly as a result of an increase in average interest rate of external loans, which was 4.8% (2023: 3.2%).

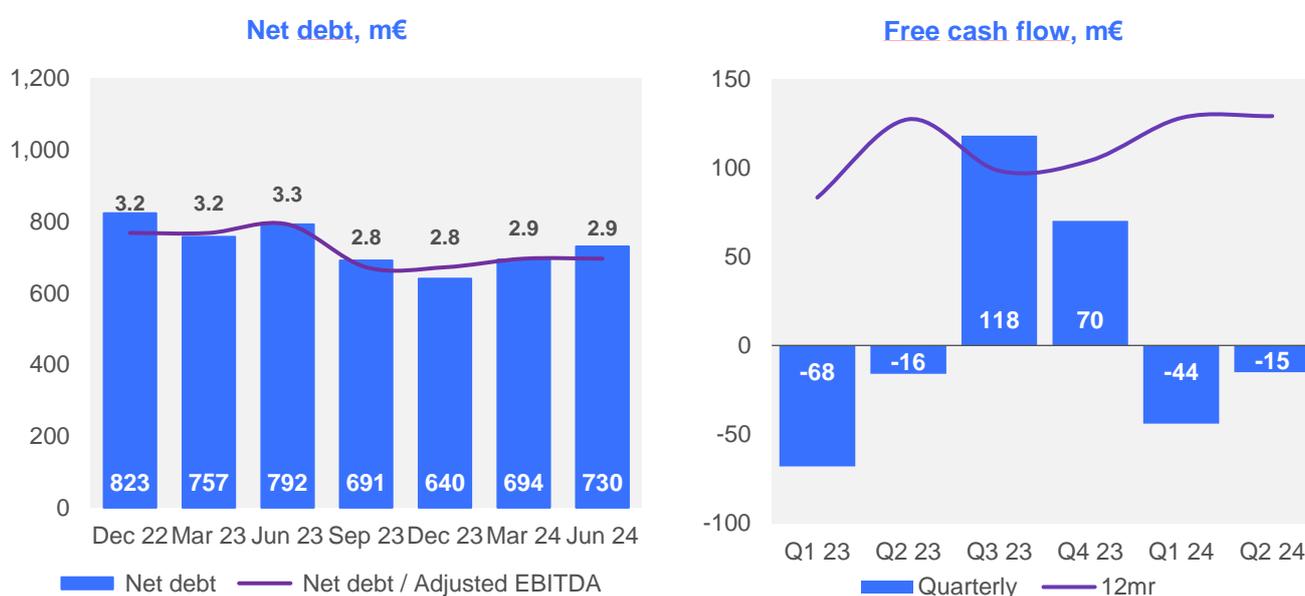
The result before taxes increased to EUR -6 million (2023: -59) mainly due to lower IACs and higher operational earnings. Income taxes were positive and amounted to EUR 3 million (2023: 8). The result for the period was EUR -3 million (2023: -51).

Operational earnings per share increased to EUR -0.02 (2023: -0.09) and earnings per share to EUR -0.05 (2023: -0.33).

Financial position

At the end of June 2024, net debt amounted to EUR 730 million (2023: 792). The net debt declined year-on-year, while increasing compared to the end of March 2024 in line with the annual seasonality of the learning business. The net debt to adjusted EBITDA ratio was 2.9 (2023: 3.3) being below the long-term target of below 3.0. The equity ratio was 37.4% (2023: 35.4%) being within the long-term target range of 35–45%.

At the end of June 2024, the Group's equity totalled EUR 731 million (2023: 721) and the consolidated balance sheet amounted to EUR 2,117 million (2023: 2,213).



Cash flow

The Group's free cash flow increased to EUR -58 million (2023: -84) or EUR -0.36 per share (2023: -0.51), but was negative according to the seasonal pattern of the learning business. Higher earnings in both businesses, lower investments and active working capital management, partially due to phasing, supported free cash flow development. Net financial items increased slightly.

Capital expenditure included in the Group's free cash flow amounted to EUR 20 million (2023: 24) and mainly consisted of growth investments in digital platforms and ICT in Learning as well as investments in adapting offices to the hybrid way of working and in technology development in Media Finland.

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 has started and 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 costs of the program are treated as IACs and are booked in Learning's result. The majority of Solar-related costs will occur during 2023–2024. The costs of the program, treated as IACs, were EUR 3 million in H1 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 one of the global leaders in K12 education, 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	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	FY 2023
Net sales	190.6	188.0	1%	271.7	264.3	3%	795.2
Operational EBITDA ¹⁾	72.2	69.5	4%	67.0	56.7	18%	237.6
Operational EBIT excl. PPA ²⁾	49.8	48.3	3%	22.2	14.7	51%	148.4
Margin ²⁾	26.1%	25.7%		8.2%	5.6%		18.7%
EBIT	36.3	33.1	10%	-2.3	-10.8	79%	70.6
Capital expenditure	8.2	9.5	-14%	16.3	17.7	-8%	33.8
Average number of employees (FTE)				2,630	2,855	-8%	2,849

¹⁾ Excluding IACs

²⁾ Excluding IACs of EUR -5.8 million in Q2 2024 (2023: -5.9), EUR -9.2 million in H1 2024 (2023: -8.0) and EUR -43.4 million in FY 2023 as well as PPA adjustments and amortisations of EUR 7.7 million in Q2 2024 (2023: 9.3), EUR 15.3 million in H1 2024 (2022: 17.5) and EUR 34.5 million in FY 2023.

Full reconciliation of operational EBITDA and operational EBIT excl. PPA is presented in a separate table on p. 18.

Net sales by country

EUR million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	FY 2023
The Netherlands	42.4	40.9	4%	79.5	74.6	7%	218.7
Poland	9.4	8.8	7%	18.1	16.8	8%	125.7
Spain	36.9	35.1	5%	43.4	40.1	8%	152.4
Italy	29.8	29.4	1%	37.3	36.7	2%	104.7
Finland	35.4	36.9	-4%	42.0	43.8	-4%	60.9
Belgium	24.5	27.6	-11%	31.9	33.0	-3%	82.1
Other countries and eliminations ¹⁾	12.2	9.5	29%	19.4	19.4	0%	50.8
Net sales total	190.6	188.0	1%	271.7	264.3	3%	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.

Q2 2024

Net sales of Learning amounted to EUR 191 million (2023: 188). Net sales grew in most markets, especially in Spain and the Netherlands, supported by earlier ordering. Net sales declined in Belgium due to the timing impact of earlier ordering in the first quarter. Divestment of the exam preparation business Stark in the beginning of 2024 had a EUR -1 million impact on net sales.

Operational EBIT excl. PPA improved to EUR 50 million (2023: 48). The earnings were supported by stable net sales with some positive mix impact as well as lower paper, printing and personnel costs.

Following the higher operational earnings, EBIT amounted to EUR 36 million (2023: 33). IACs amounted to EUR -6 million (2023: -6) and mainly consisted of integration costs related to recent acquisitions and costs related to Program Solar. PPAs were EUR 8 million (2023: 9).

Capital expenditure amounted to EUR 8 million (2023: 10) and mainly consisted of growth investments in digital platforms and ICT.

H1 2024

Net sales of Learning grew to EUR 272 million (2023: 264) as a result of good 5% (2023: 4%) organic growth. Net sales grew in most major operating countries. In the Netherlands, net sales growth was driven by earlier phasing in the learning content business, while distribution sales were stable. In Spain, the final impact of the LOMLOE curriculum renewal resulted in earlier ordering and higher sales. Net sales also grew in Poland. 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 increased to EUR 22 million (2023: 15). Earnings were supported by higher net sales as well as lower paper, printing and personnel costs.

Following the higher operational earnings, EBIT amounted to EUR -2 million (2023: -11). IACs amounted to EUR -9 million (2023: -8) and mainly consisted of integration costs of recent acquisitions and costs related to Program Solar. PPAs were EUR 15 million (2023: 18).

Capital expenditure amounted to EUR 16 million (2023: 18) and mainly consisted of growth investments in digital platforms and ICT.

Media Finland

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	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	FY 2023
Net sales	151.9	153.4	-1%	291.8	294.9	-1%	597.8
Operational EBITDA ¹⁾	34.5	31.3	10%	64.4	57.9	11%	132.4
Operational EBIT excl. PPA ²⁾	13.7	8.7	57%	21.4	13.8	55%	39.8
Margin ²⁾	9.0%	5.7%		7.3%	4.7%		6.7%
EBIT	9.6	-29.5	133%	20.1	-28.0	172%	-8.4
Capital expenditure	1.2	2.7	-54%	3.3	5.4	-39%	8.6
Average number of employees (FTE)				2,121	2,132	0%	2,144

¹⁾ Excluding IACs

²⁾ Excluding IACs of EUR -2.5 million in Q2 2024 (2023: -36.5), EUR 1.9 million in H1 2024 (2023:-38.4) and EUR -41.3 million in FY 2023 as well as PPA adjustments and amortisations of EUR 1.6 million in Q2 2024 (2023: 1.7), EUR 3.2 million in H1 2024 (2023: 3.4) 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. 18.

Net sales by category

EUR million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	FY 2023
Print	63.3	68.7	-8%	127.1	137.8	-8%	272.8
Non-print	88.6	84.7	5%	164.7	157.1	5%	325.0
Net sales total	151.9	153.4	-1%	291.8	294.9	-1%	597.8

EUR million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change	FY 2023
Advertising sales	58.3	57.6	1%	109.6	109.0	1%	219.2
Subscription sales	62.9	59.5	6%	126.7	121.3	4%	246.0
Single copy sales	9.5	9.8	-3%	18.5	18.9	-2%	38.3
Other	21.1	26.5	-20%	37.0	45.7	-19%	94.3
Net sales total	151.9	153.4	-1%	291.8	294.9	-1%	597.8

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

Q2 2024

Net sales of Media Finland were relatively stable at EUR 152 million (2023: 153). Total advertising sales were close to the previous year's level as growth in online, TV and radio advertising compensated for the decline in print advertising. Subscription sales increased supported by good development in digital subscriptions, in particular the SVOD service Ruutu+. Other sales were impacted by recent small divestments and lower external printing sales. In addition, event sales were lower as the phasing impact of two more festivals held in the second quarter – compared to the previous year when they were in the third quarter – did not fully offset the impact of the postponing of the largest festival in the portfolio, Rockfest, to June 2025.

According to the Finnish Advertising Trends survey for June 2024 by Kantar TNS, the advertising market in Finland declined by 1% year-on-year on a net basis in the second quarter (including the impact of election advertising). Advertising declined

by 17% in newspapers and by 9% in magazines, while growing by 4% in online (excluding search and social media), by 3% in radio and by 2% in TV.

Operational EBIT excl. PPA increased to EUR 14 million (2023: 9). Earnings improvement was mainly attributable to good development in digital subscription and advertising sales as well as lower paper costs. In addition, the phasing of festivals between the second and third quarter supported earnings.

EBIT increased to EUR 10 million (2023: -30) supported by improved operational earnings and lower IACs. IACs decreased to EUR -3 million (2023: -37) as the comparison period included the booking of the EUR 36 million VAT claims. PPAs were EUR 2 million (2023: 2).

Capital expenditure decreased to EUR 1 million (2023: 3) and consisted of investments in adapting offices to the hybrid way of working and in technology.

Personnel

In January–June 2024, the average number of employees in full-time equivalents (FTE) was 4,852 (2023: 5,116). The average number of employees (FTE) per SBU was as follows: Learning 2,630 (2023: 2,855), Media Finland 2,121 (2023: 2,132) and Other operations 101 (2023: 130).

At the end of June 2024, the number of employees (FTE) of the Group decreased to 4,963 (2023: 5,295) mainly due to the recent divestments and the first impacts of Program Solar in Learning.

Employee benefit expenses were stable at EUR 197 million (2023: 200).

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 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

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 to 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 C+	D to A+	Unchanged	Among the highest decile in the industry	Q3 2023
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)	44/100	0–100	Declined by 5 points	Among top 9% in the industry	Q4 2023
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 June 2024, Sanoma's registered share capital was EUR 71 million (2023: 71), 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 24,889 (2023: 24,801) registered shareholders at the end of June 2024.

Share trading and performance

At the end of June 2024, Sanoma's market capitalisation was EUR 1,061 million (2023: 1,084) with the company's share closing at EUR 6.49 (2023: 6.64). In January–June 2024, the volume-weighted average price of Sanoma's share on Nasdaq Helsinki Ltd. Was EUR 6.80 (2023: 8.08), with a low of EUR 6.27 (2023: 6.64) and a high of EUR 7.67 (2023: 10.30).

In January–June 2024, the cumulative value of Sanoma's share turnover on Nasdaq Helsinki Ltd. Was EUR 39 million (2023: 99). The trading volume of 6 million shares (2023: 12) equalled an average daily turnover of 46,000 shares (2023: 99,000). The traded shares accounted for some 4% (2023: 7%) of the average number of shares. Sanoma's share turnover, including alternative trading venues, CBOE DXE, Turquoise and Frankfurt, was 7 million shares (2023: 15). Nasdaq Helsinki represented 82% (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 shall be paid in September 2024. The second instalment shall be paid to a shareholder who is registered in the shareholder register of the Company maintained by Euroclear Finland Oy on the dividend record date, which, together with the dividend payment date, shall be decided by the Board of Directors in its meeting scheduled for 12 September 2024.

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

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 Puukkoniemi, 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 is arranging 12 festivals (2023: 13), of which 5 took place in the second quarter (2023: 3).

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. These risks still apply. Main updates and the most significant near-term risks and uncertainties are summarised in each Interim Report and are described below.

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. Consolidation within relevant markets may increase existing competition or give rise to new entrants in the market. The demand for advertising derived from printed media has also been in decline in recent years as advertisers shift to digital channels, and this trend is expected to continue.

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 war in Ukraine and the unrest in 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.

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. Sanoma has applied for permission to appeal the 2015–2018 decision to the Supreme Administrative Court, where the permission and the decision are 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 June 2024, Sanoma's consolidated balance sheet included EUR 1,511 million (2023: 1,545) 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.

Financial reporting in 2024

Sanoma will publish the following financial report during 2024:

Interim Report 1 January–30 September 2024

Thursday, 31 October 2024

Helsinki, 23 July 2024

Board of Directors
Sanoma Corporation

Reconciliation of operational EBIT excl. PPA

EUR million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
EBIT	43.2	-0.5	11.8	-43.6	51.7
Items affecting comparability (IACs) and PPA adjustments and amortisations					
Learning					
Impairments					-10.1
Capital gains/losses			-0.4		
Restructuring expenses	-5.8	-5.9	-8.7	-8.0	-33.3
PPA adjustments and amortisations	-7.7	-9.3	-15.3	-17.5	-34.5
Media Finland					
Impairments				-2.3	-3.2
Capital gains/losses	0.1	0.4	5.6	1.6	1.6
Restructuring expenses	-2.6	-1.0	-3.8	-1.8	-3.8
VAT claims for years 2015-2018 and 2019-2021		-35.9		-35.9	-35.9
PPA adjustments and amortisations	-1.6	-1.7	-3.2	-3.4	-6.8
Other operations					
Capital gains/losses				1.9	2.9
Restructuring expenses	-0.1	-0.8	0.4	-1.1	-0.6
Items affecting comparability (IACs) and PPA adjustments and amortisations total	-17.7	-54.2	-25.5	-66.6	-123.7
Operational EBIT excl. PPA	61.0	53.7	37.2	23.0	175.4
Depreciation of buildings and structures	-6.7	-6.8	-13.5	-13.2	-27.9
Depreciation of rental books	-1.0	-2.1	-2.1	-4.3	-7.4
Amortisation of film and TV broadcasting rights	-14.1	-15.6	-29.4	-29.7	-58.9
Amortisation of prepublication rights	-10.8	-10.8	-21.6	-19.0	-42.5
Other depreciations, amortisations and impairments	-11.8	-8.8	-22.8	-22.6	-57.8
Items affecting comparability in depreciation, amortisation and impairments	1.0		1.0	2.3	11.6
Operational EBITDA	104.4	97.9	125.6	109.6	358.3

Items affecting comparability (IACs) in results of associated companies

EUR million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Media Finland					
Fair value remeasurement of previously held equity interest				-1.0	-1.0

Reconciliation of operational EPS

EUR million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Result for the period attributable to the equity holders of the Parent Company	24.5	-11.4	-3.2	-51.4	3.3
Accrued interest on the hybrid bond net of tax	-2.4	-2.8	-4.8	-2.8	-7.6
Items affecting comparability	8.4	43.3	7.0	46.7	83.3
Tax effect of items affecting comparability	-2.0	-6.4	-3.0	-6.5	-14.6
Operational result for the period attributable to the equity holders of the Parent Company	28.5	22.6	-4.0	-14.0	64.4
Weighted average number of shares on the market	163,482,172	163,267,618	163,412,235	163,238,330	163,253,094
Operational EPS	0.17	0.14	-0.02	-0.09	0.39

Reconciliation of net debt

EUR million	30 June 2024	30 Jun 2023	31 Dec 2023
Non-current financial liabilities	349.6	550.0	249.4
Current financial liabilities	264.9	105.2	301.4
Non-current lease liabilities	114.9	137.8	124.8
Current lease liabilities	30.1	29.5	30.0
Cash and cash equivalents	-29.9	-30.6	-65.9
Net debt	729.6	792.0	639.7

Reconciliation of adjusted EBITDA

EUR million	H1 2024	H1 2023	FY 2023
12-month rolling operational EBITDA	374.3	343.2	358.3
Impact of acquired and divested operations	-3.9	14.0	0.1
Impact of programming rights	-60.6	-56.0	-64.9
Impact of prepublication rights	-52.6	-57.1	-55.3
Impact of rental books	-8.7	-7.5	-8.7
Adjusted EBITDA	248.4	236.6	229.5

Reconciliation of comparable net sales growth

EUR million	Q2 2024	Q2 2023	H1 2024	H1 2023
Group				
Net sales	342.4	341.3	563.3	559.1
Impact of acquired and divested operations	-1.2	-4.7	-2.3	-12.2
Comparable net sales	341.2	336.6	561.0	546.9
Learning				
Net sales	190.6	188.0	271.7	264.3
Impact of acquired and divested operations	0.0	-1.3	0.0	-4.9
Comparable net sales	190.6	186.7	271.7	259.5
Media Finland				
Net sales	151.9	153.4	291.8	294.9
Impact of acquired and divested operations	-1.2	-3.4	-2.3	-7.3
Comparable net sales	150.7	150.0	289.5	287.6

Income statement by quarter

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

Net sales by SBU

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

EBIT by SBU

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

Operational EBIT excl. PPA by SBU

EUR million	Q1 2024	Q2 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Learning	-27.6	49.8	-33.5	48.3	164.3	-30.6	148.4
Media Finland	7.7	13.7	5.1	8.7	16.8	9.2	39.8
Other operations and eliminations	-3.8	-2.6	-2.3	-3.3	-1.7	-5.7	-12.9
Total	-23.7	61.0	-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 June 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	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
NET SALES	342.4	341.3	563.3	559.1	1,392.9
Other operating income	5.0	5.5	14.1	12.8	25.6
Materials and services	-98.4	-101.9	-164.2	-175.4	-487.0
Employee benefit expenses	-99.0	-102.6	-197.1	-199.8	-405.4
Other operating expenses	-53.3	-87.9	-97.0	-130.9	-239.0
Share of results in joint ventures	0.2	0.2	0.5	0.5	0.7
Depreciation, amortisation and impairment losses	-53.7	-55.1	-107.8	-109.8	-235.9
EBIT	43.2	-0.5	11.8	-43.6	51.7
Share of results in associated companies	0.0	0.0	-0.1	-1.0	-0.6
Financial income	0.7	6.2	2.7	8.6	8.6
Financial expenses	-11.4	-14.4	-20.2	-23.2	-39.1
RESULT BEFORE TAXES	32.5	-8.7	-5.8	-59.3	20.6
Income taxes	-8.1	-2.5	2.7	8.3	-16.5
RESULT FOR THE PERIOD	24.4	-11.2	-3.1	-51.0	4.1
Result attributable to:					
Equity holders of the Parent Company	24.5	-11.4	-3.2	-51.4	3.3
Non-controlling interests	0.0	0.2	0.1	0.4	0.8
Earnings per share for result attributable to the equity holders of the Parent Company:					
Earnings per share, EUR	0.14	-0.08	-0.05	-0.33	-0.03
Diluted earnings per share, EUR	0.14	-0.08	-0.05	-0.33	-0.03

Statement of comprehensive income

EUR million	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Result for the period	24.4	-11.2	-3.1	-51.0	4.1
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Change in translation differences	0.1	0.3	-0.1	0.1	1.7
Items that will not be reclassified to profit or loss					
Defined benefit plans	4.0	-0.9	8.0	-5.0	15.7
Income tax related to defined benefit plans	-0.8	0.2	-1.6	1.0	-3.2
Other comprehensive income for the period, net of tax	3.4	-0.4	6.3	-4.0	14.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27.8	-11.7	3.1	-55.0	18.3
Total comprehensive income attributable to:					
Equity holders of the Parent Company	27.8	-11.8	3.1	-55.3	17.5
Non-controlling interests	0.0	0.2	0.1	0.4	0.8

Consolidated balance sheet

EUR million	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Property, plant and equipment	36.1	44.2	40.3
Right-of-use assets	133.4	159.0	144.2
Investment property	2.9	3.5	2.9
Goodwill	809.9	812.2	812.2
Other intangible assets	700.6	732.6	720.5
Equity-accounted investees	3.5	3.1	3.6
Other investments	2.8	3.8	2.8
Deferred tax receivables	6.5	14.5	5.5
Non-current receivables	38.8	14.0	31.4
NON-CURRENT ASSETS, TOTAL	1,734.6	1,786.9	1,763.4
Inventories	97.4	139.4	53.5
Income tax receivables	18.4	17.5	13.9
Contract assets	1.6	1.2	0.5
Trade and other receivables	235.2	237.1	139.4
Cash and cash equivalents	29.9	30.6	65.9
CURRENT ASSETS, TOTAL	382.5	425.8	273.2
ASSETS, TOTAL	2,117.1	2,212.7	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	301.0	292.9	370.8
Hybrid bond	149.1	148.9	149.1
Total equity attributable to the equity holders of the Parent Company	730.1	718.8	796.8
Non-controlling interests	1.1	2.1	2.6
EQUITY, TOTAL	731.1	720.9	799.4
Deferred tax liabilities	107.2	115.1	116.0
Pension obligations	4.2	5.5	3.4
Provisions	1.9	0.1	2.0
Financial liabilities	349.6	550.0	249.4
Lease liabilities	114.9	137.8	124.8
Contract liabilities	0.9	1.8	0.8
Trade and other payables	2.0	3.4	2.5
NON-CURRENT LIABILITIES, TOTAL	580.7	813.9	498.9
Provisions	3.6	2.5	12.3
Financial liabilities	264.9	105.2	301.4
Lease liabilities	30.1	29.5	30.0
Income tax liabilities	8.3	10.5	0.6
Contract liabilities	160.9	171.9	151.9
Trade and other payables	337.4	358.2	242.1
CURRENT LIABILITIES, TOTAL	805.3	677.9	738.3
LIABILITIES, TOTAL	1,386.0	1,491.7	1,237.2
EQUITY AND LIABILITIES, TOTAL	2,117.1	2,212.7	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	Hybrid bond	Total	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				-55.3		-55.3	0.4	-55.0
Share-based compensation				0.8		0.8		0.8
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		148.9
Equity at 30 Jun 2023	71.3	-4.1	209.8	292.9	148.9	718.8	2.1	720.9
Equity at 1 Jan 2024	71.3	-4.1	209.8	370.8	149.1	796.8	2.6	799.4
Comprehensive income for the period				3.1		3.1	0.1	3.1
Share-based compensation				0.2		0.2		0.2
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 Jun 2024	71.3	-1.1	209.8	301.0	149.1	730.1	1.1	731.1

Consolidated cash flow statement

EUR million	H1 2024	H1 2023	FY 2023
OPERATIONS			
Result for the period	-3.1	-51.0	4.1
Adjustments			
Income taxes	-2.7	-8.3	16.5
Financial income and expenses	17.5	14.7	30.5
Share of results in equity-accounted investees	-0.4	0.6	-0.1
Depreciation, amortisation and impairment losses	107.8	109.8	235.9
Gains/losses on sales of non-current assets	-6.0	-3.8	-6.0
Other adjustments	3.3	3.6	7.3
Adjustments, total	119.6	116.6	284.1
Change in working capital	-85.3	-47.8	48.3
Acquisitions of broadcasting rights, prepublication costs and rental books	-49.8	-56.8	-128.9
Dividends received	0.5	0.3	0.6
Interest paid and other financial items	-17.4	-14.1	-26.4
Taxes paid	-3.0	-7.4	-33.6
Cash flow from operations	-38.4	-60.2	148.2
INVESTMENTS			
Capital expenditure	-19.7	-23.6	-43.1
Operations acquired	0.0	-0.4	-0.4
Proceeds from sale of tangible and intangible assets	1.2	4.5	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	0.9	0.9	2.2
Cash flow from investments	-12.1	-15.1	-28.5
Cash flow before financing	-50.5	-75.3	119.6
FINANCING			
Proceeds from issue of hybrid bond (net of issuance costs)		148.9	148.9
Change in loans with short maturity	161.8	7.8	-69.7
Drawings of other loans	100.1	0.6	0.6
Repayments of other loans	-199.9	-50.4	-76.2
Payment of lease liabilities	-15.8	-15.5	-31.1
Acquisitions of non-controlling interests		-7.1	-7.1
Interest paid on hybrid bond	-12.0		
Dividends paid	-21.3	-21.7	-61.1
Cash flow from financing	12.9	62.6	-95.8
CHANGE IN CASH AND CASH EQUIVALENTS ACCORDING TO CASH FLOW STATEMENT	-37.6	-12.7	23.9
Effect of exchange rate differences on cash and cash equivalents	0.0	0.2	0.3
Net change in cash and cash equivalents	-37.6	-12.5	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	27.6	28.5	65.1
FREE CASH FLOW (Cash flow from operations – Capital expenditure)	-58.2	-83.9	105.1

At the end of June 2024, cash and cash equivalents in the cash flow statement include cash and cash equivalents less bank overdrafts of EUR 2.3 million (2023: 2.1).

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 June 2024

EUR million	Learning	Media Finland	Other operations/eliminations	Total
External net sales	271.7	291.6		563.3
Internal net sales		0.2	-0.2	
Net sales, total	271.7	291.8	-0.2	563.3
EBIT	-2.3	20.1	-6.0	11.8
Operational EBIT excl. PPA	22.2	21.4	-6.4	37.2
Share of results in associated companies		-0.1		-0.1
Financial income			2.7	2.7
Financial expenses			-20.2	-20.2
Result before taxes				-5.8
Income taxes				2.7
Result for the period				-3.1
Segment assets	1,841.9	352.6	-132.2	2,062.3

Segment information 1 January–30 June 2023

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
External net sales	264.3	294.8		559.1
Internal net sales	0.0	0.1	-0.1	
Net sales, total	264.3	294.9	-0.1	559.1
EBIT	-10.8	-28.0	-4.8	-43.6
Operational EBIT excl. PPA	14.7	13.8	-5.5	23.0
Share of results in associated companies		-1.0		-1.0
Financial income			8.6	8.6
Financial expenses			-23.2	-23.2
Result before taxes				-59.3
Income taxes				8.3
Result for the period				-51.0
Segment assets	1,907.8	387.4	-145.1	2,150.1

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 June 2024

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
Finland	42.0	291.8	-0.2	333.6
The Netherlands	79.5			79.5
Poland	18.1			18.1
Spain	43.4			43.4
Italy	37.3			37.3
Belgium	31.9			31.9
Other companies and eliminations	19.4			19.4
Primary geographical markets	271.7	291.8	-0.2	563.3
Learning solutions	257.3			257.3
Advertising		109.6	-0.1	109.5
Subscription		126.7	0.0	126.7
Single copy		18.5		18.5
Other	14.4	37.0	-0.1	51.4
Major product lines/services	271.7	291.8	-0.2	563.3
Recognition at a point-in-time	194.6	75.0	-0.2	269.4
Recognition over-time	77.1	216.8		294.0
Timing of revenue recognition	271.7	291.8	-0.2	563.3

Disaggregation of revenue 1 January–30 June 2023

EUR million	Learning	Media Finland	Other operations/ eliminations	Total
Finland	43.8	294.9	-0.1	338.6
The Netherlands	74.6			74.6
Poland	16.8			16.8
Spain	40.1			40.1
Italy	36.7			36.7
Belgium	33.0			33.0
Other companies and eliminations	19.4			19.4
Primary geographical markets	264.3	294.9	-0.1	559.1
Learning solutions	253.3		0.0	253.3
Advertising		109.0	-0.1	108.9
Subscription		121.3	0.0	121.3
Single copy		18.9		18.9
Other	11.1	45.7	0.0	56.7
Major product lines/services	264.3	294.9	-0.1	559.1
Recognition at a point-in-time	191.2	89.0	-0.1	280.1
Recognition over-time	73.1	205.9		279.0
Timing of revenue recognition	264.3	294.9	-0.1	559.1

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

EUR million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Carrying amount at 1 Jan	184.5	205.7	205.7
Increases	11.5	23.3	39.2
Acquisitions of operations		0.1	0.1
Decreases	-3.9	-1.6	-5.6
Disposal of operations	-0.1		
Depreciation for the period	-21.5	-24.7	-48.7
Impairment losses for the period	-1.0	0.0	-7.0
Exchange rate differences and other changes	0.0	0.4	0.7
Carrying amount at the end of the period	169.6	203.3	184.5

Changes in other intangible assets

EUR million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Carrying amount at 1 Jan	720.5	739.0	739.0
Increases	66.3	75.1	156.1
Acquisitions of operations		1.4	2.0
Decreases		-0.2	-0.1
Disposal of operations	-0.9		
Depreciation for the period	-85.2	-82.2	-169.6
Impairment losses for the period	-0.2	-0.7	-8.4
Exchange rate differences and other changes	-0.1	0.1	1.5
Carrying amount at the end of the period	700.6	732.6	720.5

Acquisitions and divestments

Acquisitions in 2024

No acquisitions were conducted during H1.

Impact of business acquisitions on Group's assets and liabilities

EUR million	H1 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	H1 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	H1 2024	FY 2023
Acquisition cost		1.6
Cash and cash equivalents of acquired operations		-1.5
Decrease (+) / increase (-) in acquisition liabilities	0.0	0.2
Cash paid to obtain control, net of cash acquired	0.0	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	H1 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	H1 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 Jun 2024	30 Jun 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	0.4	1.3	0.5
Commitments for acquisitions of intangible assets (film and TV broadcasting rights included)	47.7	40.6	40.7
Other items	84.7	95.7	90.6
Other commitments total	132.8	137.6	131.8
Total	157.9	162.8	157.0

Derivative instruments

EUR million	30 Jun 2024	30 Jun 2023	31 Dec 2023
Fair values			
Currency derivatives			
Forward contracts (positive fair values)	0.1	0.0	0.0
Forward contracts (negative fair values)	-0.1	0.0	0.0
Nominal values			
Currency derivatives			
Forward contracts	10.5	5.2	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. Sanoma has applied for permission to appeal the decision to the Supreme Administrative Court.

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	Reflects the underlying business performance and enhances comparability between reporting periods
Operational EBITDA	= Operating profit + 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
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	= $\frac{\text{Net debt}}{\text{The adjusted EBITDA used in this ratio is the 12-month rolling operational EBITDA, where acquired operations are included and divested operations excluded, and where programming rights and prepublication rights have been raised above EBITDA on cash flow basis}}$	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	= $\frac{\text{Result for the period attributable to the equity holders of the Parent Company – tax adjusted interest on hybrid loan}}{\text{Weighted average number of shares on the market}}$	Measures Sanoma's result for the period per share
Operational EPS	= $\frac{\text{Result for the period attributable to the equity holders of the Parent Company – tax adjusted interest on hybrid loan – IACs – tax effect of IACs – non-controlling interests' share of IACs}}{\text{Weighted average number of shares on the market}}$	In addition to EPS, reflects the underlying business performance and enhances comparability between reporting periods