

OUR ENVIRONMENT



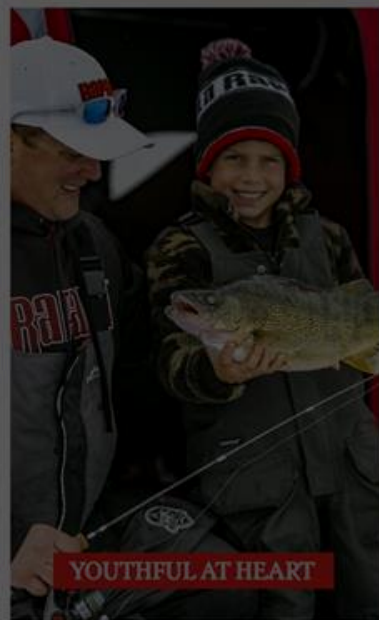
PROUD OF OUR HERITAGE



PASSIONATE ANGLERS



PROGRESSIVE



YOUTHFUL AT HEART



COMMITTED TO QUALITY

RAPALA VMC CORPORATION

FULL YEAR 2022



ONLY THE BEST



INCLUSION



DO IT OUR WAY



PREMIUM PERFORMANCE



WORLD CITIZENS



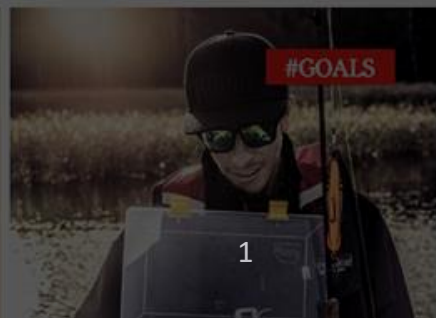
DEMANDING



Rapala® VMC



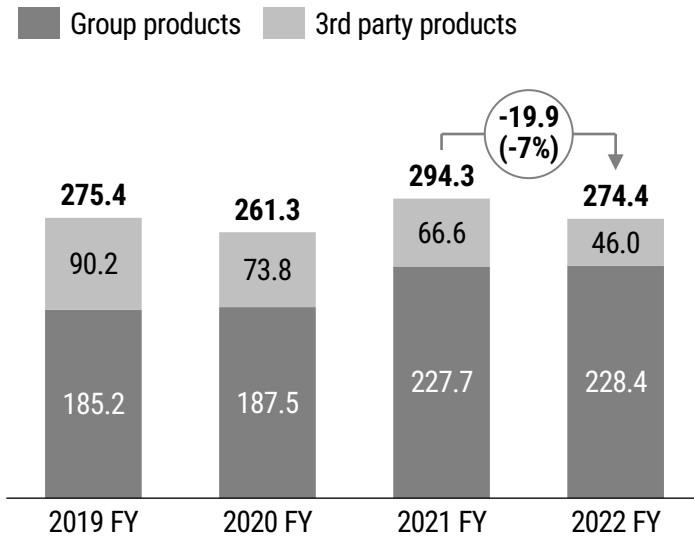
110% AUTHENTIC



#GOALS

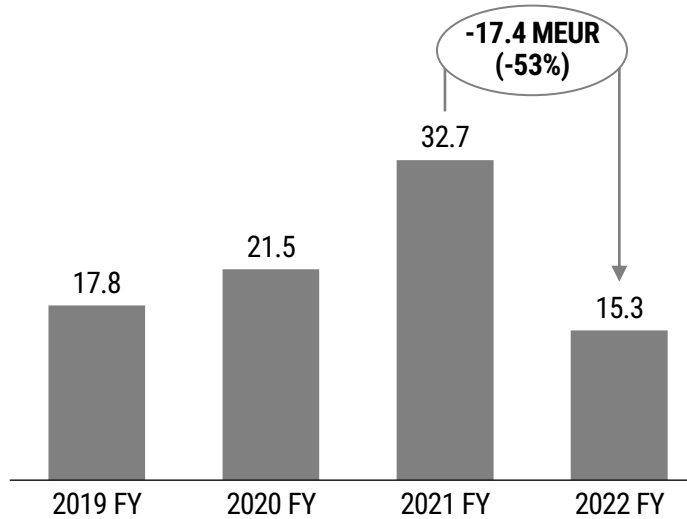
Sales and profitability decreased from last year in tough trading conditions, but successful inventory management initiatives brought the inventory value down by 17.8 MEUR from June to December

Net sales (MEUR)



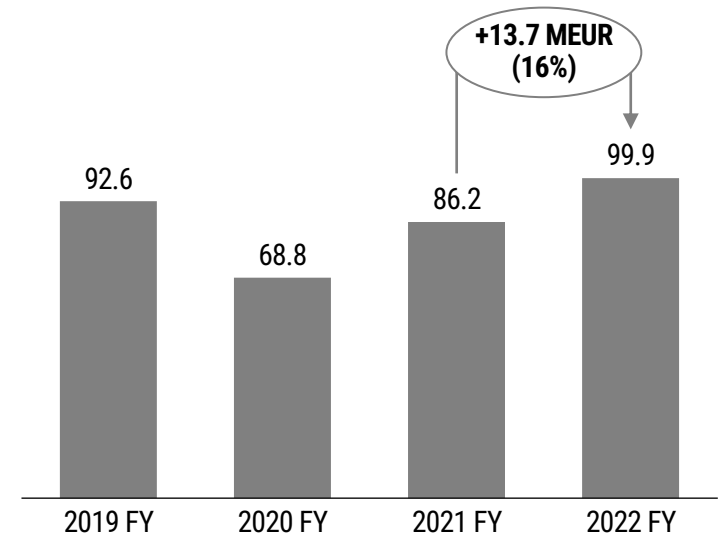
- FX comparable change: -13% (-39.3 MEUR)
- Group Products sales decreased 15.2 MEUR from 2021 using comparable FX rates, covering 83% of total sales (77% in 2021)
- Very challenging market environment due to sharp post-covid market normalization, strong destocking at retail level, cold and prolonged winter 21/22 in the Northern hemisphere, high inflation in the key markets and the war in Ukraine

Comparable operating profit (MEUR)



- The decreased profitability was driven by lower sales especially in open water fishing market
- High inflation and freight costs put pressure on the margin, but the impact was mostly offset by timely price increases in all markets
- Operating expenses were scrutinized throughout the year to offset the impact of decreasing sales on profitability

Inventory value (MEUR)



- FX comparable change: +13% (+11.8 MEUR)
- Inventory landed on a higher level in the first half of the year due to supply chain disruptions, sharp market reset and wide destocking at the retail level
- Strong inventory clearance activities were successfully executed in the second half of the year, bringing the inventory down by 17.8 MEUR from June to December

Short term outlook

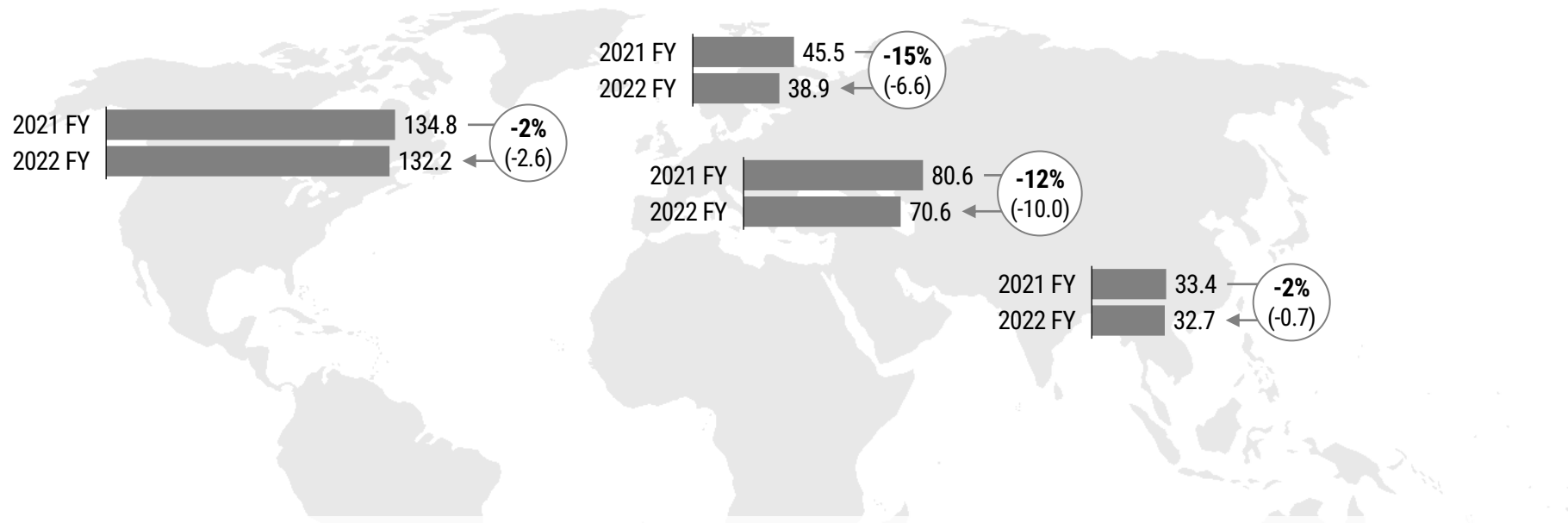
- The Group expects **2023 full year comparable operating profit** (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to **decrease from 2022**. Cash flow from operations is expected to be on a good level.
- Market outlook for 2023 continues to be challenging in the Group's key markets.
- Retail inventories in the overall fishing segment continue to be high and due to poor winter weathers, sales of winter business will be affected both in the Nordics and North America.
- The global macroeconomic situation also affects purchase behavior at retail and consumer level.



KEY FIGURES

MEUR	2022 FY	2021 FY
Net sales	274,4	294,3
Operating profit	12,3	32,1
Operating profit, % of net sales	4,5 %	10,9 %
Comparable operating profit	15,3	32,7
Comparable operating profit, % of net sales	5,6 %	11,1 %
Net profit for the period	3,7	19,8
EPS (basic), EUR	0,10	0,45
Cash flow from operations	-12,9	24,4
Net interest-bearing debt	107,1	70,6
ROCE, %	5,4 %	16,1 %
Gearing, %	77,0 %	50,7 %
Equity to assets, %	41,2 %	44,2 %

Trading conditions slowed from the exceptional comparison period and resulted in decline in sales



North America

- FX comparable change: -12% (-18.4 MEUR)
- The decrease in sales was caused by cold and delayed spring and sharp post-covid market normalization, amplified by retailer destocking
- High inflation and high gas prices affected purchasing decisions both at retail level and amongst consumers

Nordic

- FX comparable change: -14% (-6.4 MEUR)
- Strategic focus on Group Products and the successful launch of Okuma distribution helped to maintain sales of continuing business close to last year's level despite the delayed spring
- Based on our strategy, sales of Third Party products decreased

Rest of Europe

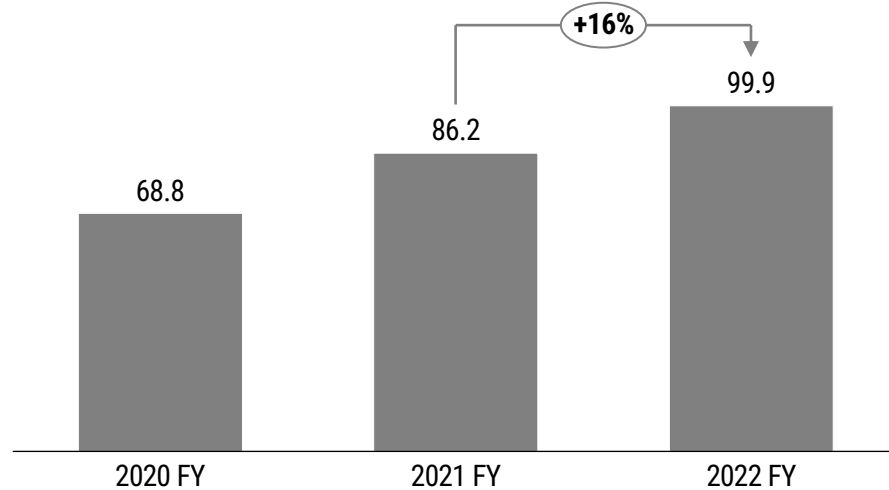
- FX comparable change: -15% (-12.6 MEUR)
- The war in Ukraine, delayed spring, retailer destocking and strategic termination of certain Third Party distributions had a negative impact on sales
- Group Product sales still above the comparison period due to the successful start of Okuma distribution

Rest of the World

- FX comparable change: -5% (-2.0 MEUR)
- Group Product sales remained solid throughout the year, landing close to last year's level
- Decrease in sales follows the exit of certain Third Party distribution agreements

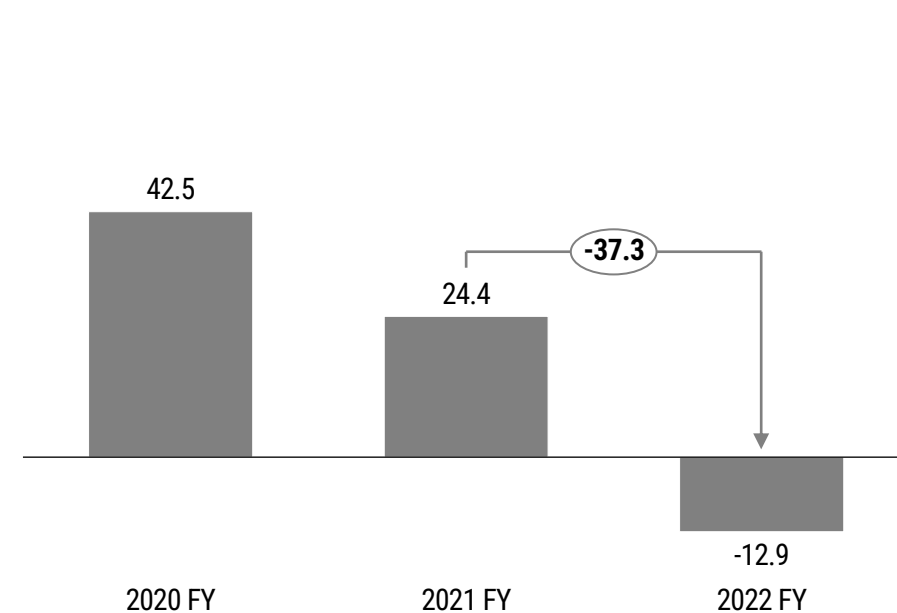
Cash flow from operations affected by the decreased profitability and negative net change in working capital, but inventory value decreased from H1/22 thanks to strong inventory clearance actions

Inventory (MEUR)



- End of December 2022 inventory was 99.9 MEUR
 - In the first half of the year, inventory landed on a higher level due to the supply chain disruptions, sharp market reset and wide destocking at the retail level.
 - Strong inventory clearance activities were successfully executed in the second half of the year, which brought the inventory down by 17.8 MEUR from June to December.

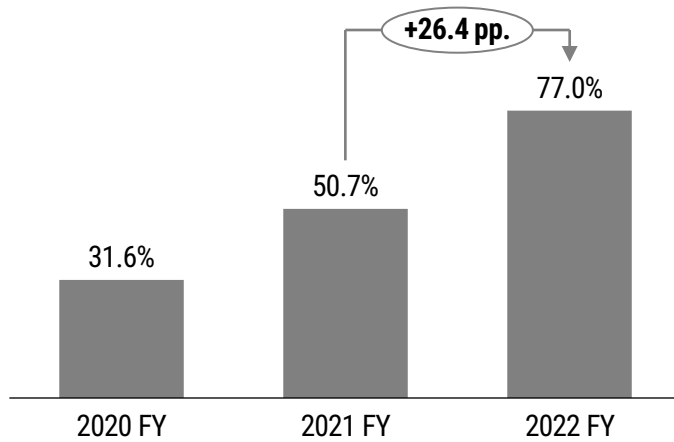
Cash flow from operations (MEUR)



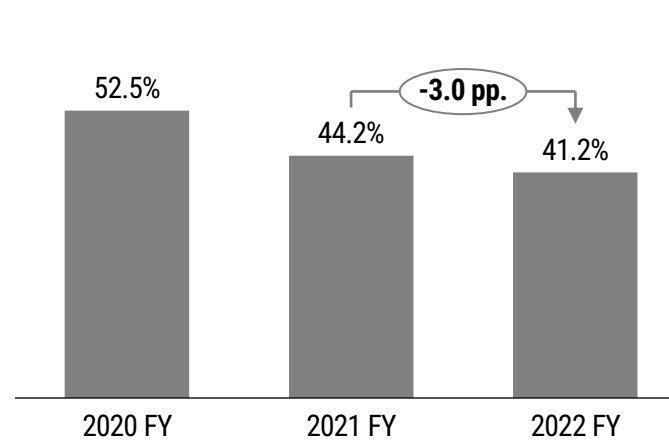
- Cash flow from operations -12.9 MEUR
 - Decreased cash flow was driven by the decreased profitability and negative impact from the net change in working capital.

Net interest-bearing debt increased from prior year, temporary changes to financial covenants agreed

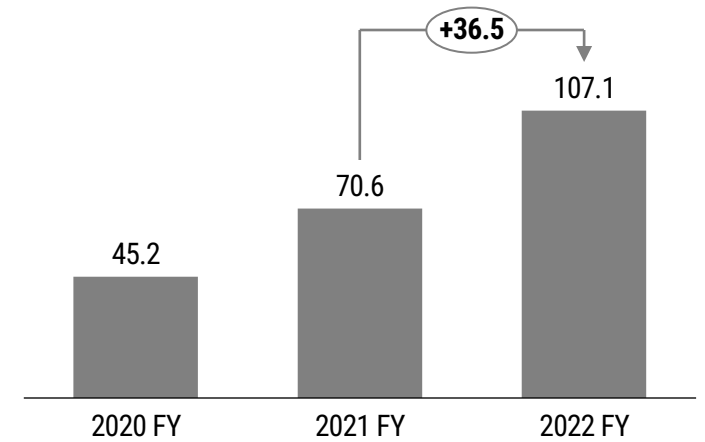
Gearing (%)



Equity ratio (%)



Net interest-bearing debt (MEUR)



- Liquidity position of the Group was good
 - Undrawn committed long-term credit facilities amounted to 20.8 MEUR at the end of the period
 - Gearing ratio increased and equity-to-assets ratio came down, but Group's cash position remains good; cash and cash equivalents amount 29.0 MEUR on December 31, 2022

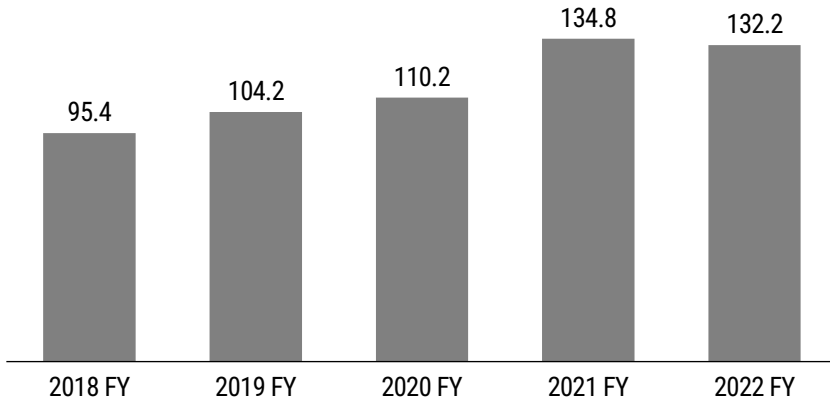
- The Group has agreed with its lenders to temporarily change financial covenants used in its loan agreements for the periods from Q3/2022 to Q1/2023
- The Group fulfils all the requirements of the lenders and expects to do this also in the future

APPENDIX

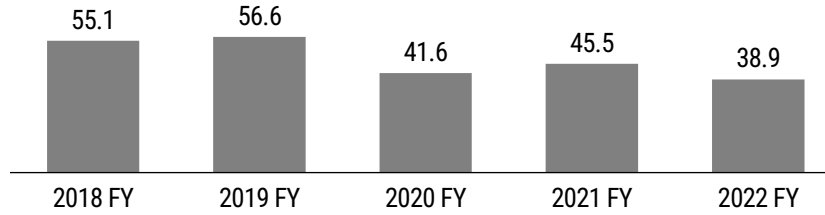
Rapala[®]
VMC

GEOGRAPHICAL NET SALES

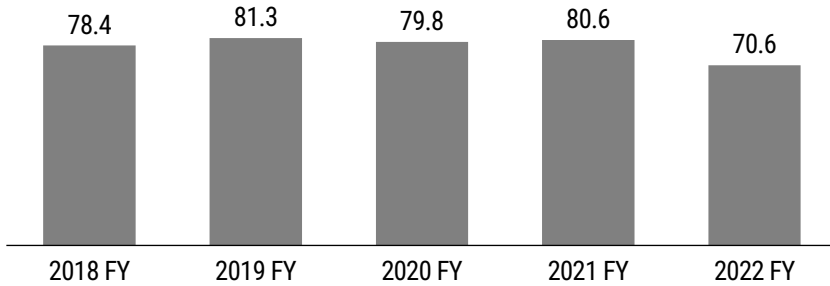
North America (MEUR)



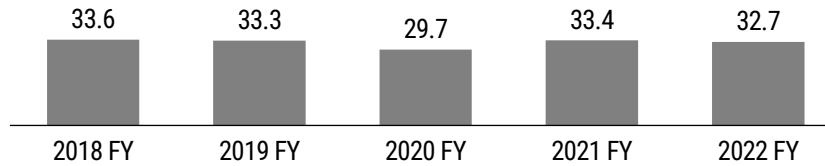
Nordic (MEUR)



Rest of Europe (MEUR)



Rest of the World (MEUR)



PROFIT AND LOSS STATEMENT

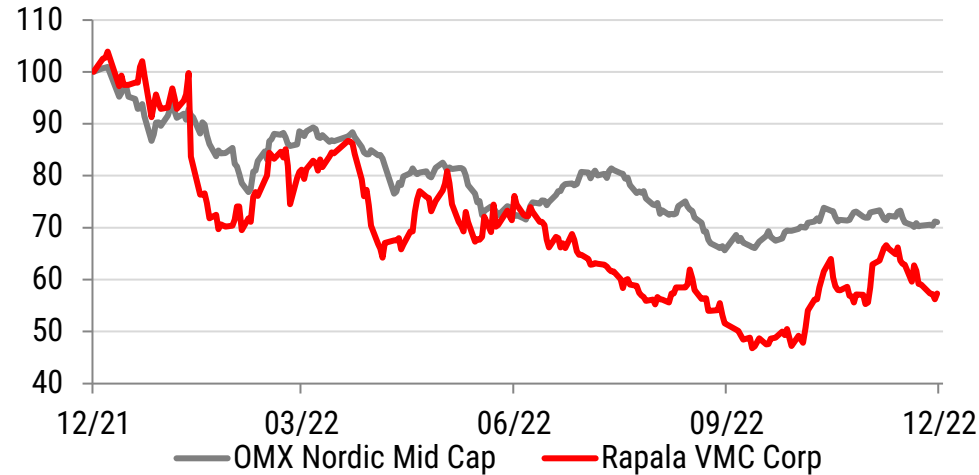
MEUR	2022 FY	2021 FY
Net sales	274,4	294,3
Other operating income	0,4	1,6
Materials and services	125,2	134,0
Personnel expenses	71,5	71,6
Other costs and expenses	52,3	48,4
Share of results in associates and joint ventures	-2,3	0,2
EBITDA	23,6	42,0
Depreciation, amortization and impairments	11,3	9,9
OPERATING PROFIT (EBIT)	12,3	32,1
Financial income and expenses	3,5	4,1
PROFIT BEFORE TAXES	8,8	28,0
Income taxes	5,1	8,2
NET PROFIT FOR THE PERIOD	3,7	19,8

BALANCE SHEET

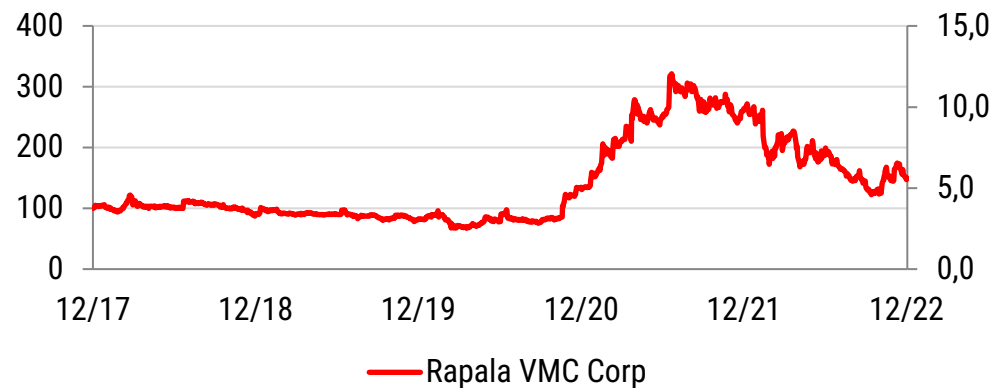
MEUR	2022 FY	2021 FY
ASSETS		
Non-current assets		
Intangible assets	84,7	80,8
Property, plant and equipment	28,6	24,4
Right-of-use asset	16,0	10,7
Non-current assets		
Interest-bearing	11,8	7,6
Non-interest-bearing	13,1	14,5
	154,3	138,0
Current assets		
Inventories	99,9	86,2
Current assets		
Interest-bearing	2,8	-
Non-interest-bearing	52,1	63,5
Cash and cash equivalents	29,0	27,8
	183,9	177,5
TOTAL ASSETS	338,1	315,5
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the company	139,0	139,3
	139,0	139,8
Non-current liabilities		
Interest-bearing	41,5	51,8
Non-interest-bearing	11,1	10,8
Right-of-use liabilities	11,8	7,4
	64,3	70,1
Current liabilities		
Interest-bearing	92,9	43,0
Non-interest-bearing	37,3	59,5
Right-of-use liabilities	4,6	3,7
	134,8	106,2
TOTAL EQUITY AND LIABILITIES	338,1	315,5

SHARES AND SHAREHOLDERS

Share Price Index Performance



Share Price Development, 2017-2022



SHARE RELATED DATA (12/2022)

Market capitalization	194.4 MEUR
12-month high / low	9.16 / 4.08 EUR
All-time high / low	10.95 / 2.15 EUR

MAJOR SHAREHOLDERS (12/2022)

% OF TOTAL

Viellard Migeon & Cie	39,2 %
Nordea Funds	12,3 %
The State Pension Fund	3,3 %
Shimano Singapore Private Limited	2,3 %
Ilmarinen Mutual Pension Insurance	0,7 %
eQ Nordic Small Cap	0,7 %
Coble James Jay	0,6 %
Aktia Funds	0,6 %
Taaleritehdas Mikro Markka Funds	0,5 %
Elo Mutual Pension Insurance	0,4 %
Own shares	0,3 %