



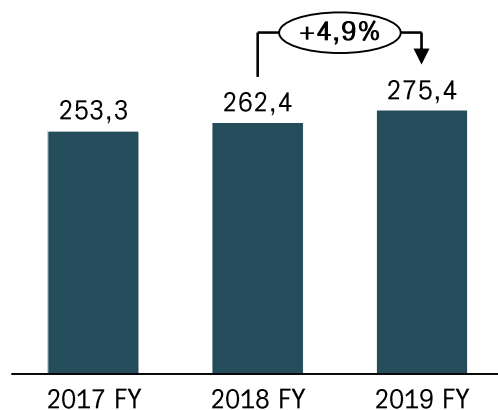
RAPALA VMC CORPORATION

FULL YEAR 2019

February 12, 2020

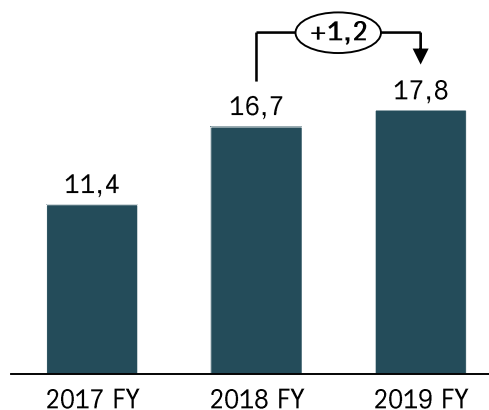
SALES AND PROFITABILITY GREW FROM LAST YEAR

NET SALES
(MEUR)



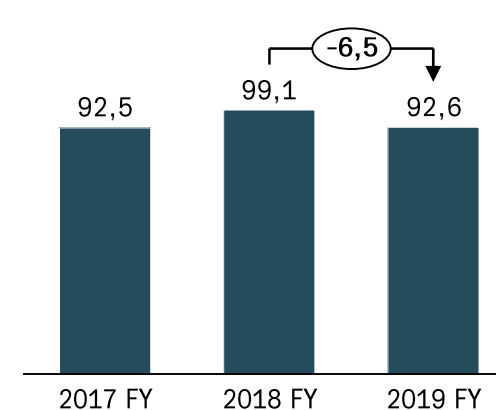
- FX comparable change: +3,3% (+8,7 MEUR)
- Stable growth from most regions and both segments

COMPARABLE OPERATING PROFIT
(MEUR)



- FX comparable change: +4,7% (+0,8 MEUR)
- Sales growth driving profitability improvement
- Turnaround project at Indonesian lure manufacturing operations developing well

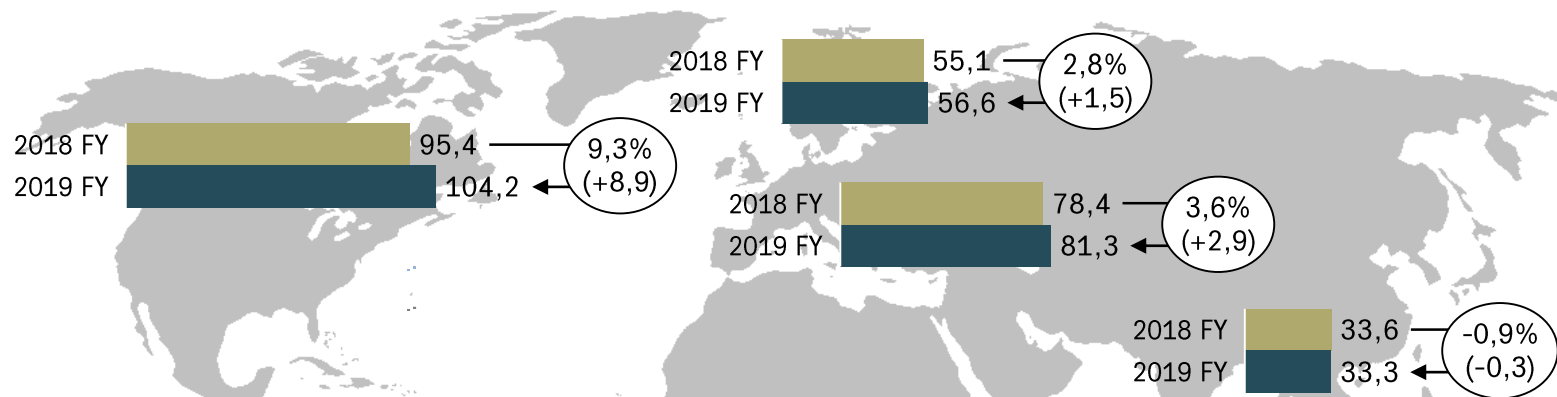
INVENTORY VALUE
(MEUR)



- FX comparable change: -8,1% (-8,1 MEUR)
- Several actions in supply chain management are paying off

- EPS is 0,10 EUR (0,13)

SALES GROWTH IN NORTH AMERICA AND EUROPE



NORTH AMERICA

- FX comparable change: +4,1% (+4,1 MEUR)
- The Group is very well positioned with all major customers and all retail channels in North America

NORDIC

- FX comparable change: +3,9% (+2,1 MEUR)
- Sales growth driven by good winter sports sales in Finland.
- Sales in Denmark and Norway decreased from the comparison period

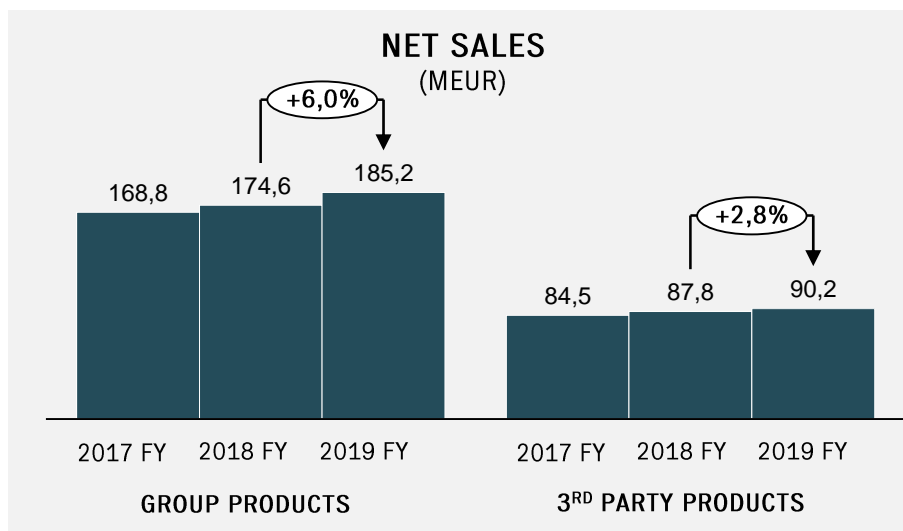
REST OF EUROPE

- FX comparable change: +3,5% (+2,7 MEUR)
- Sales growth supported by the successful ramp up of Group's own sales operations in some of the key Central European markets

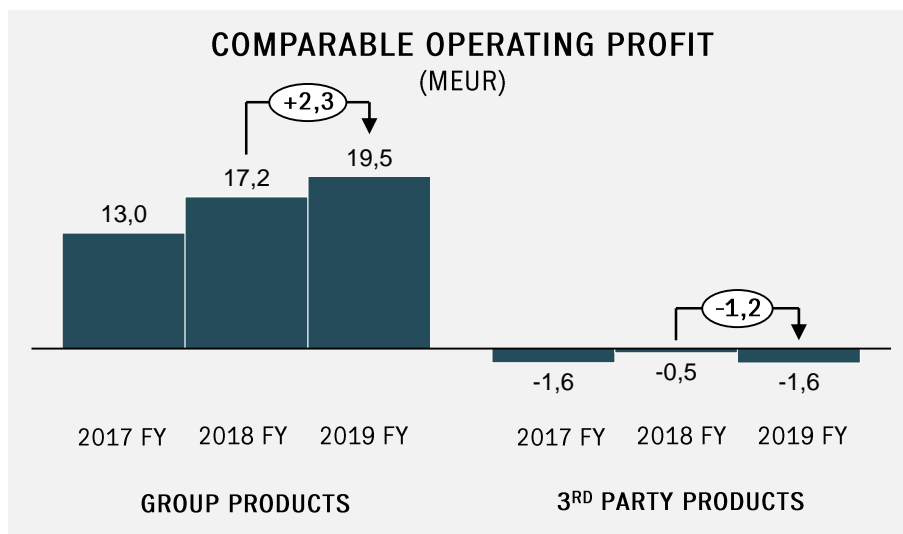
REST OF THE WORLD

- FX comparable change: -0,6% (-0,2 MEUR)
- South-Africa as well as the Latin American markets contributed positively to the Rest of the World market

BOTH SEGMENTS GREW FROM LAST YEAR



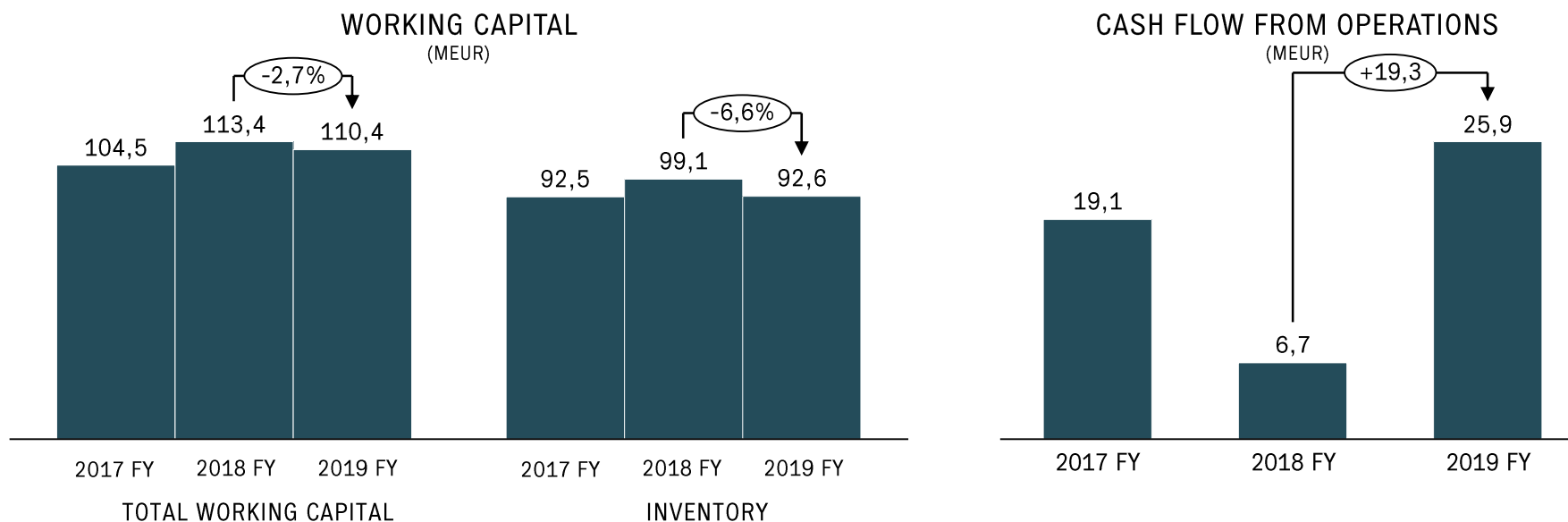
- Group Products' net sales mostly driven by the North American market
- Third Party Products' sales increase driven by strong sales in Nordic and Rest of Europe markets



- Profitability increase driven by topline growth in Group Products
- Third Party Products' profitability declined ahead of future changes in the product portfolio

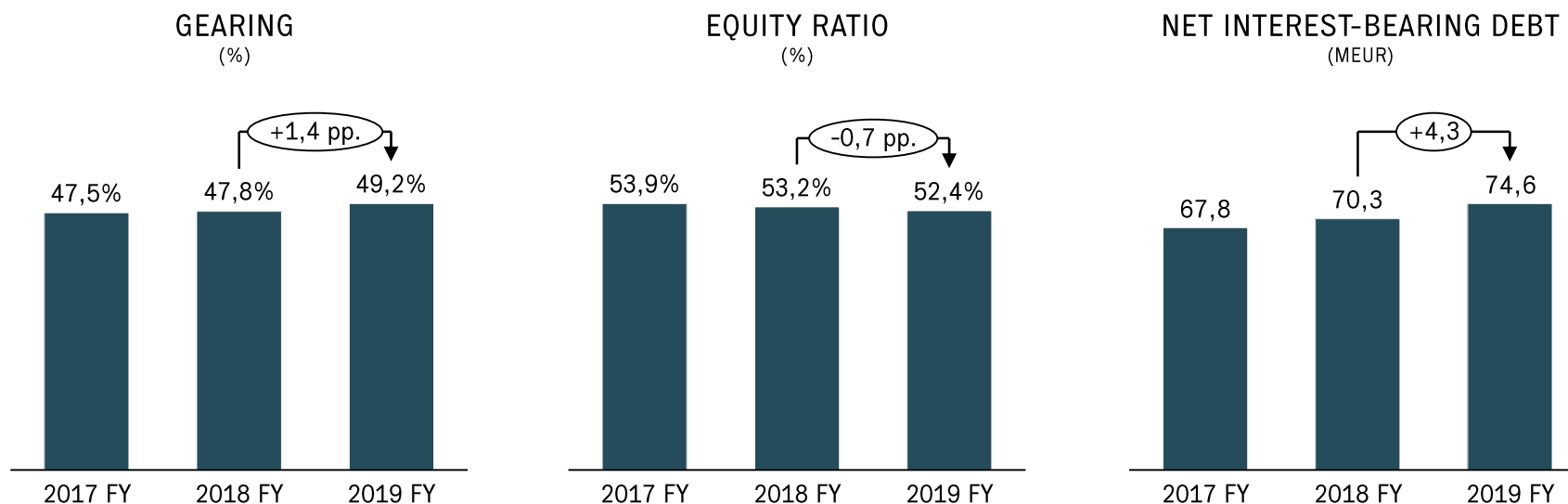
CASH FLOW AND WORKING CAPITAL

- Total working capital was 110.4 MEUR
 - Several actions in supply chain management are yielding results
- Cash flow from operations at a high level of 25.9 MEUR
- As contrary to previous year cash was released from inventories and accounts receivables
- The application of IFRS 16 accounting standard had a positive impact of 6.1 MEUR on Cash Flow when comparing 2019 to 2018



FINANCIAL POSITION

- Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 29.9 MEUR.
- The application of IFRS 16 accounting standard increased interest-bearing debt by 13.5 MEUR. **Excluding the IFRS 16 impact, net debt reduced from 70.3 MEUR to 61.1 MEUR**
- Leverage level was below covenant level and the Group is compliant with all financial covenants.



EXECUTION OF GROUP STRATEGY PROCEEDING

Competitive advantages

1

Brand portfolio

2

Own manufacturing platform and established sourcing channels

3

Research and development capabilities

4

Broad own distribution network and strong local presence

Unique competitive advantages form the foundation for Rapala's strategy

Organic growth within fishing

- Market and customer focus
- Growth from niches and specific product categories
- Leveraging Group's brands with innovative marketing and brand management

Improving profitability and lightening balance sheet

- Rigid management of product portfolio
- Securing return on capital of all businesses
- Tight cost and capital control
- Supply chain development

Improving operational performance

- Operating in an integrated manner
- Optimizing end-to-end performance of the Group
- Increased speed and agility, responsiveness and efficiency
- Utilizing strong local presence

Solid financial and operational platform for long term growth

Mid- to long term target is to return to more aggressive growth track and actively seek synergistic growth opportunities also outside of fishing tackle business.

SHORT-TERM OUTLOOK AND GUIDANCE

- Market outlook for Group Products in North America is positive and the Group sees continued healthy consumer demand for its products via old and new channels. Furthermore, the Group's position with major customers in North America is strong. In Europe the execution of the restructuring program and changes in Third Party Products business affects market visibility for 2020. Furthermore, extraordinary winter weathers in Europe will affect negatively winter sports business.
- The Group expects 2020 full year net sales with comparable FX rates and comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to decline from 2019.
- The decline in sales is coming from the decrease in Third Party Products business, which is expected to lead to decline in the Group's comparable EBIT. Several restructuring projects are taking place, but their financial impact will for the most part start to materialize in full year figures in 2021. Furthermore, the potential slowdown in global economic growth might have some impact on retail and consumer demand. In addition, weather changes may affect the sales of the Group.

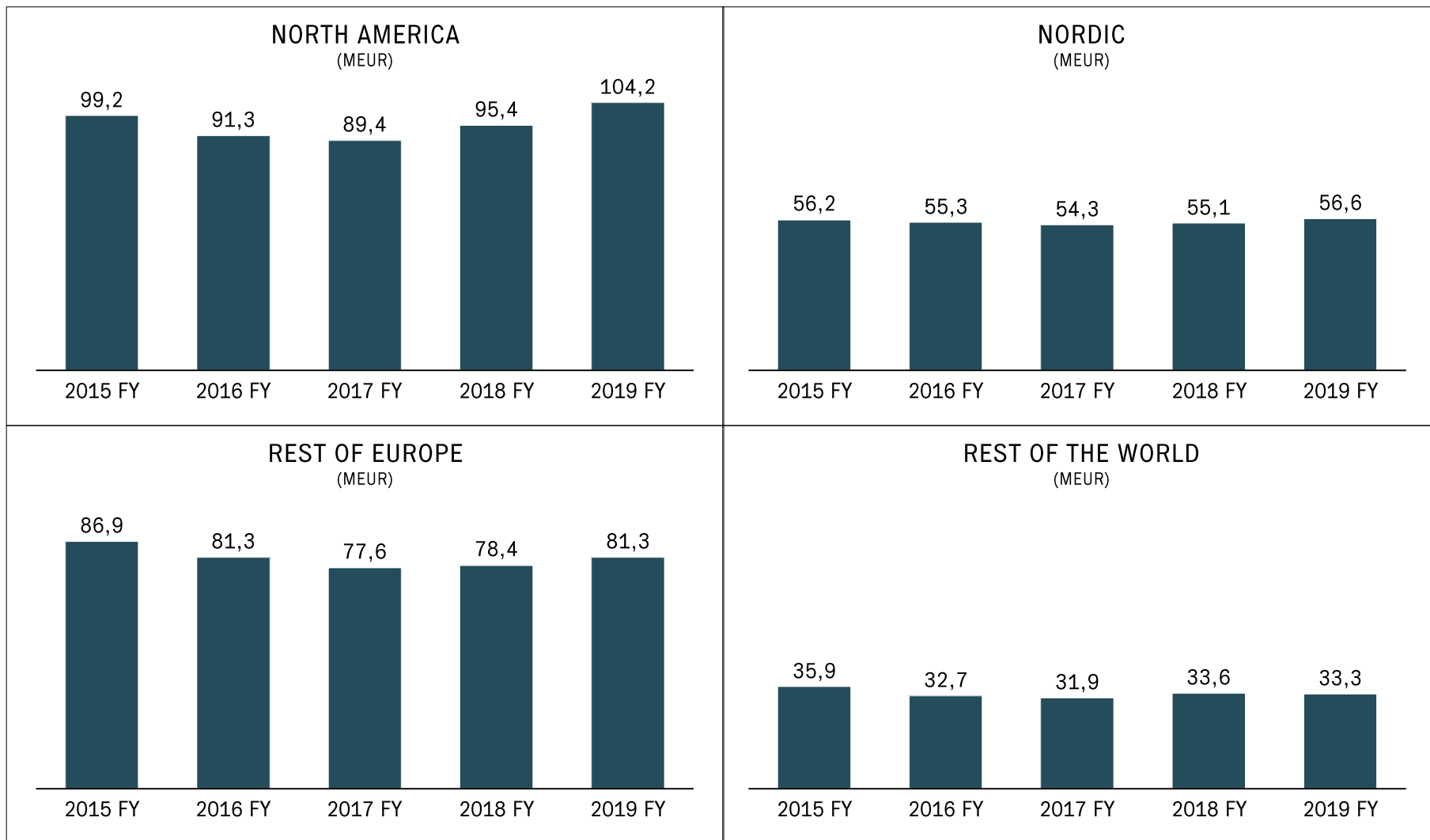
APPENDICES

RAPALA VMC CORP.

KEY FIGURES

MEUR	2019 FY	2018 FY
Net sales	275,4	262,4
Operating profit	13,4	14,8
Operating profit, % of net sales	4,9 %	5,6 %
Comparable operating profit	17,8	16,7
Comparable operating profit, % of net sales	6,5 %	6,4 %
Net profit for the period	4,1	6,5
EPS (basic), EUR	0,10	0,13
Cash flow from operations	25,9	6,7
Net interest-bearing debt	74,6	70,3
ROCE, %	6,0 %	6,9 %
Gearing, %	49,2 %	47,8 %
Equity to assets, %	52,4 %	53,2 %

GEOGRAPHICAL NET SALES



PROFIT AND LOSS STATEMENT

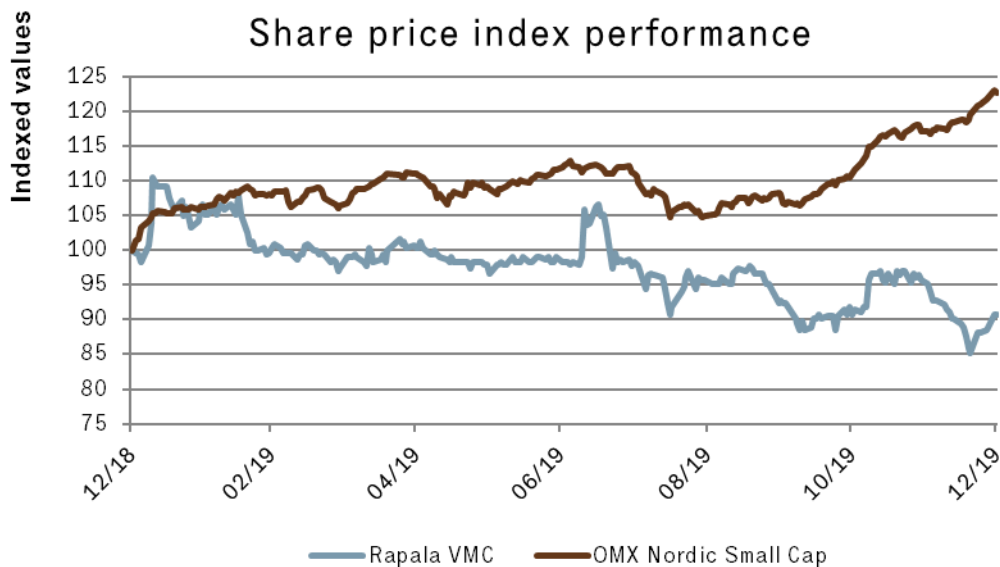
MEUR	2019 FY	2018 FY
Net sales	275,4	262,4
Other operating income	2,2	0,9
Materials and services	131,2	121,7
Personnel expenses	71,6	68,8
Other costs and expenses	48,6	50,4
Share of results in associates and joint ventures	-0,2	0,0
EBITDA	26,0	22,4
Depreciation, amortization and impairments	12,6	7,6
OPERATING PROFIT (EBIT)	13,4	14,8
Financial income and expenses	3,6	2,1
PROFIT BEFORE TAXES	9,8	12,7
Income taxes	5,8	6,2
NET PROFIT FOR THE PERIOD	4,1	6,5

BALANCE SHEET

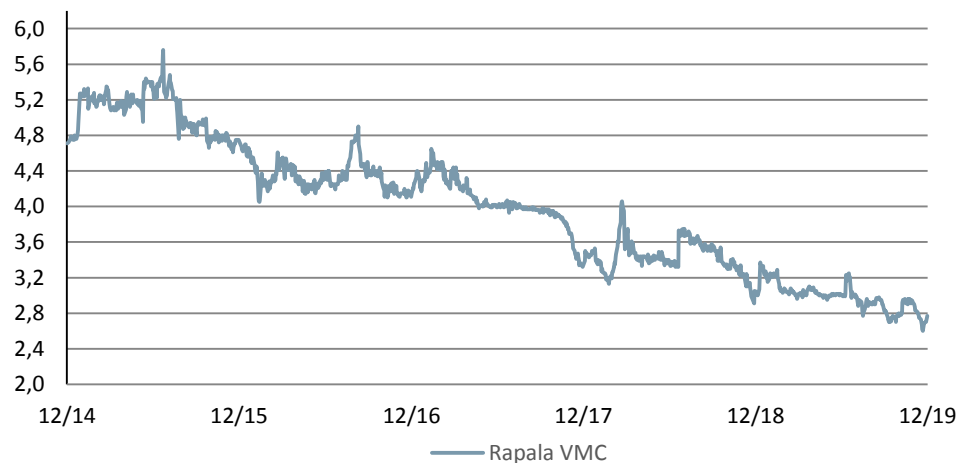
MEUR	2019 FY	2018 FY
ASSETS		
Non-current assets		
Intangible assets	75,5	74,5
Property, plant and equipment	26,9	29,5
Right-of-use asset	13,3	-
Non-current assets		
Interest-bearing	7,8	0,0
Non-interest-bearing	9,2	5,8
	132,8	109,8
Current assets		
Inventories	92,6	99,1
Current assets		
Interest-bearing	-	-
Non-interest-bearing	51,8	54,8
Cash and cash equivalents	12,3	13,4
	156,7	167,3
TOTAL ASSETS	289,5	277,1
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the company	121,9	117,0
Non-controlling interests	4,6	5,1
Hybrid bond	25,0	25,0
	151,6	147,1
Non-current liabilities		
Interest-bearing	46,0	10,1
Non-interest-bearing	8,5	8,1
Lease liabilities	9,0	-
	63,5	18,2
Current liabilities		
Interest-bearing	35,3	73,7
Non-interest-bearing	34,7	38,1
Lease liabilities	4,4	-
	74,4	111,8
TOTAL EQUITY AND LIABILITIES	289,5	277,1

SHARES AND SHAREHOLDERS

Share price index performance



Share Price performance



SHARE RELATED DATA (12/2019)

Market capitalization	106.8 MEUR
12-month high / low	3.43 / 2.56 EUR
All-time high / low	8.40 / 2.50 EUR

MAJOR SHAREHOLDERS (12/2019)

	% OF TOTAL
Viellard Migeon & Cie	38,5 %
Sofina S.A.	19,2 %
Nordea Funds	13,3 %
The State Pension Fund	3,3 %
Shimano Singapore Private Limited	2,3 %
Taaleritehdas Funds	1,5 %
Ilmarinen Mutual Pension Insurance	0,7 %
Säästöpankki Funds	0,7 %
Coble James Jay	0,6 %
Elo Mutual Pension Insurance	0,4 %
Own shares	1,2 %

RAPALA VMC CORP.