



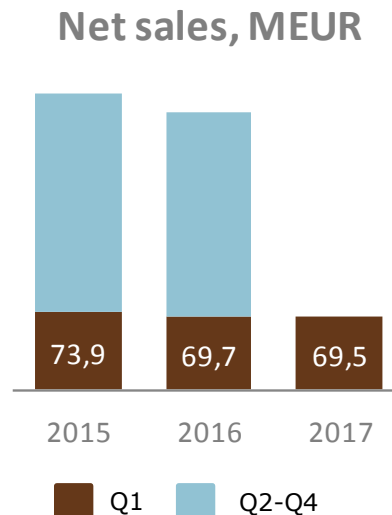
# RAPALA VMC CORPORATION Q1 2017

April 28, 2017

RAPALA VMC CORP.

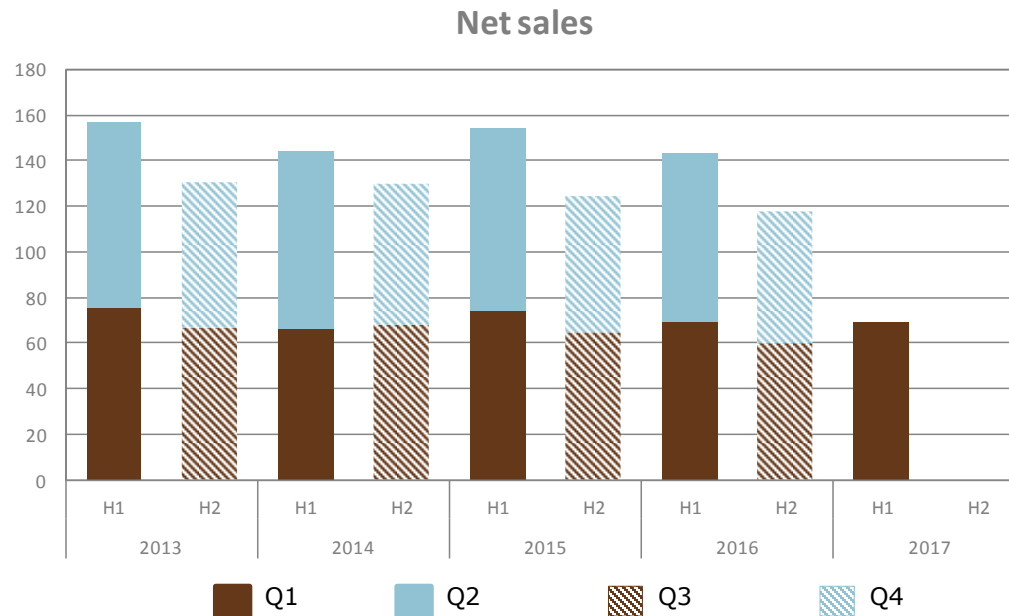
# Summary of Q1 2017

- NET SALES 69.5 MEUR (69.7) (0%)
  - With comparable exchange rates sales down 4%
- FULL YEAR OUTLOOK CHANGED FROM FEBRUARY 16, 2017
  - Following the recent changes in the US retail environment, the Group's 2017 full year outlook has been updated. Full year net sales are expected to be above last year's level and comparable operating profit below last year level
- LEVERAGE RATIO (NET DEBT TO EBITDA) CONTINUES TO BE HIGH
  - Group has agreed with its lenders on higher covenant levels covering also first quarter of 2017
- INITIATIVES RELATING TO EXECUTION OF THE GROUP'S UPDATED STRATEGY PROCEEDING
  - Progress will be communicated in more detail later during the year

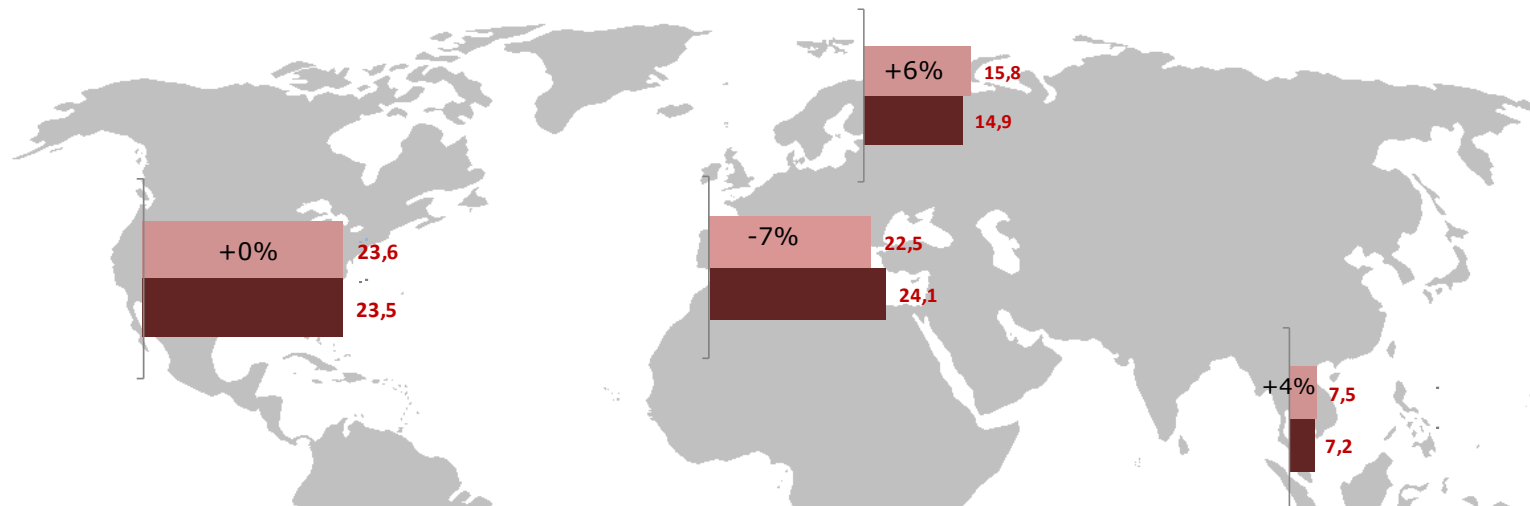


# Net Sales

- Q1 NET SALES 69.5 MEUR (69.7) (0%)
  - Changes in FX rates increased sales by approximately 2.3 MEUR. With comparable FX sales down by 4%.
  - Fishing tackle retail business under turmoil and structural changes, especially in the Group's biggest market, the US, as consumers are increasingly shifting into digital channels. Several big players, including some of the Group's biggest customers, are in financial distress.
  - Year started slower than expected also in Europe's big markets France and Russia
  - Good sales of ice fishing and winter sport products, as well as Marttiini knives and Dynamite Baits' products
  - Sales developed well in Canada, Norway and Portugal, among others



# Net Sales Q1 2017 – Geographical Areas



## • NORTH AMERICA

- Comparable net sales -3%
- Structural change in retail business in the US, as traditional retail giving way to e-commerce – many big retailers and distributors facing financial challenges or even closing business
- Sales in Canada recovered
- No signs of losing market share

## • NORDICS

- Comparable net sales +6%
- Good sales in Norway and the Group’s Marttiini knife unit, Sweden also slightly above last year
- In Finland sales slightly behind last year’s strong level
- In Denmark sales below last year due to lower hunting sales and tightening price competition

## • REST OF EUROPE

- Comparable net sales -10%
- Continuing challenges in the biggest markets, Russia and France
- Sales in France below last year, impacted by tightening competition and general consumer uncertainties
- Strengthened Russian ruble did not materialized into higher consumer demand
- Sales in Poland below last year following changes in product portfolio
- Positive trends shown in UK and Portugal

## • REST OF THE WORLD

- Comparable net sales -4%
- Decreased sales in Thailand, where the market suffering
- Sales to non-Group distribution channels down
- Sales in South-Africa above last year, supported by new hunting and outdoor business and sales to Middle East – North Africa

# Net Sales – Product Segments

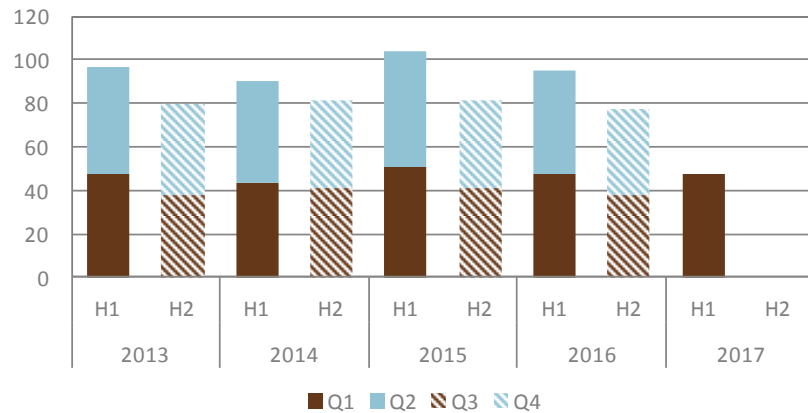
- **GROUP PRODUCTS Q1 47.6 MEUR (47.2) (+1%)**

- Comparable net sales -2%
- Group fishing products sales down, partly offset by increase in other group product sales
- Lure sales below last year’s level in North America, but increased in some other areas, including Portugal and Latin America. Sales of fishing tools and accessories also below last year’s level, while winter fishing products and carp fishing products increased from last year.
- Other group products sales increased, supported by increased Marttiini knife sales and especially good sales of the Finland 100 Years jubilee knife. Winter sport sales up supported by more favorable winter weathers.

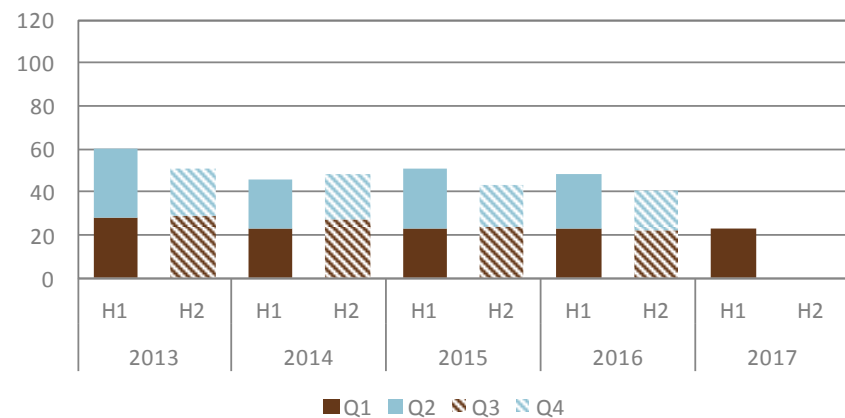
- **THIRD PARTY PRODUCTS Q1 22.0 MEUR (22.5) (-2%)**

- Comparable net sales -6%
- Third party fishing products sales down, affected by the loss of a product category in Poland as well as the challenging market situation in France and Russia. Good winter fishing conditions helped grow the winter fishing electronics sales in the US.
- Third party hunting sales slightly up and winter sports also above last year

**Group products**



**Third party products**





END OF PRESENTATION

RAPALA VMC CORP.

# APPENDICES

RAPALA VMC CORP.

# Shares and Shareholders

## SHARE RELATED DATA (3/2017)

- Market capitalization 166.32 MEUR
- 12-month high/low 4.90/4.02 EUR
- All-time high/low 8.40/2.50 EUR

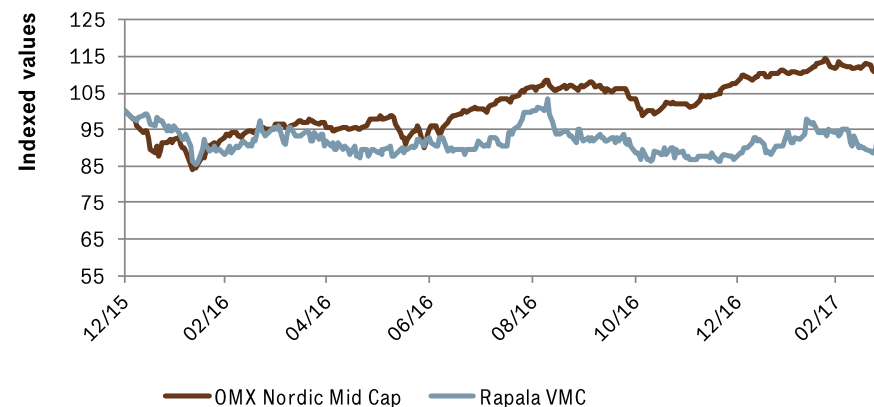
## MAJOR SHAREHOLDERS (3/2017)

- VMC Holdings 38%
- Sofina 19%
- Nordea Funds 10%
- Odin Funds 3%
- State Pension fund 3%
- Shimano 2%
- Taaleritehdas funds 2%
- Ilmarinen 1%
- Tapiola Funds 1%
- Elo Mutual Pension Insurance 0.4%

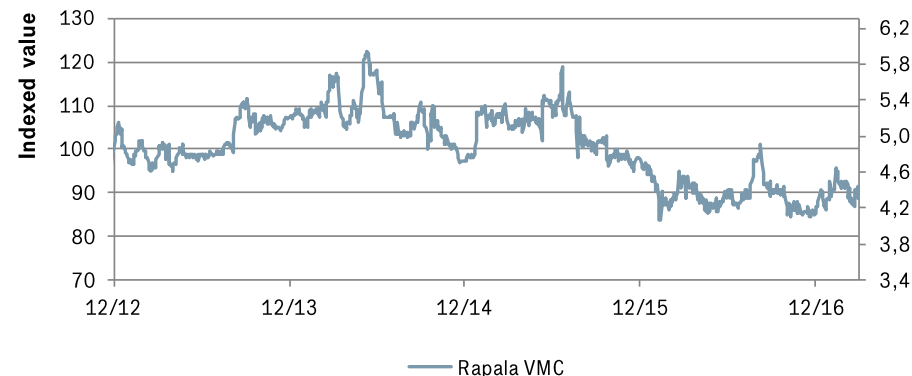
Own shares: 677 208 shares (1.7%)

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Share price index performance from Jan 2016 – Mar 2017

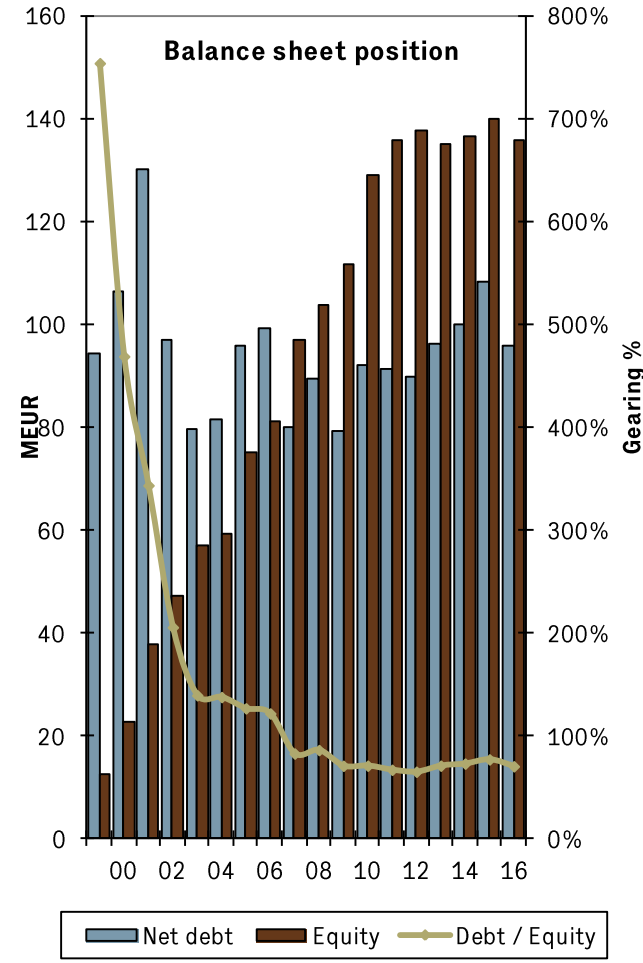
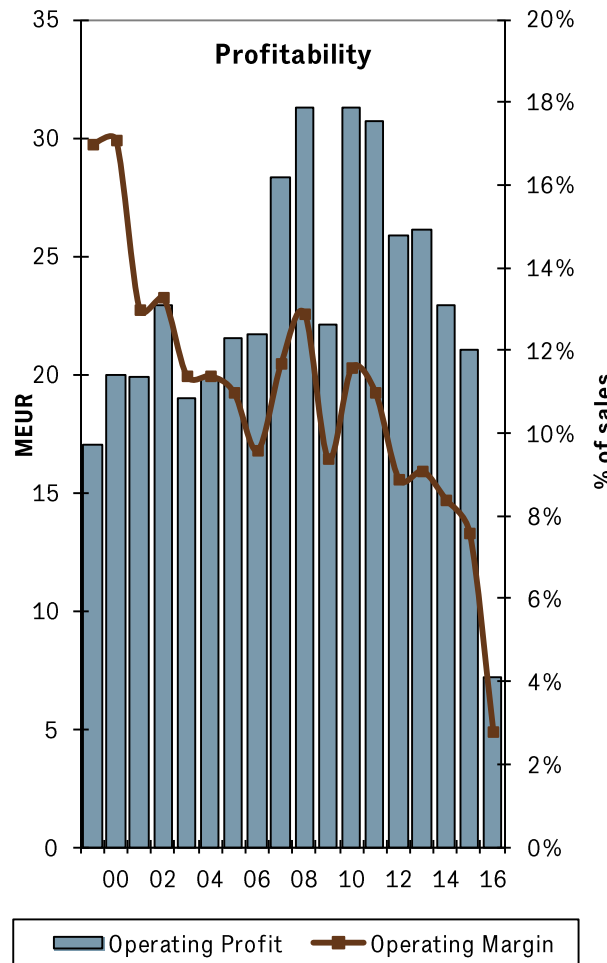
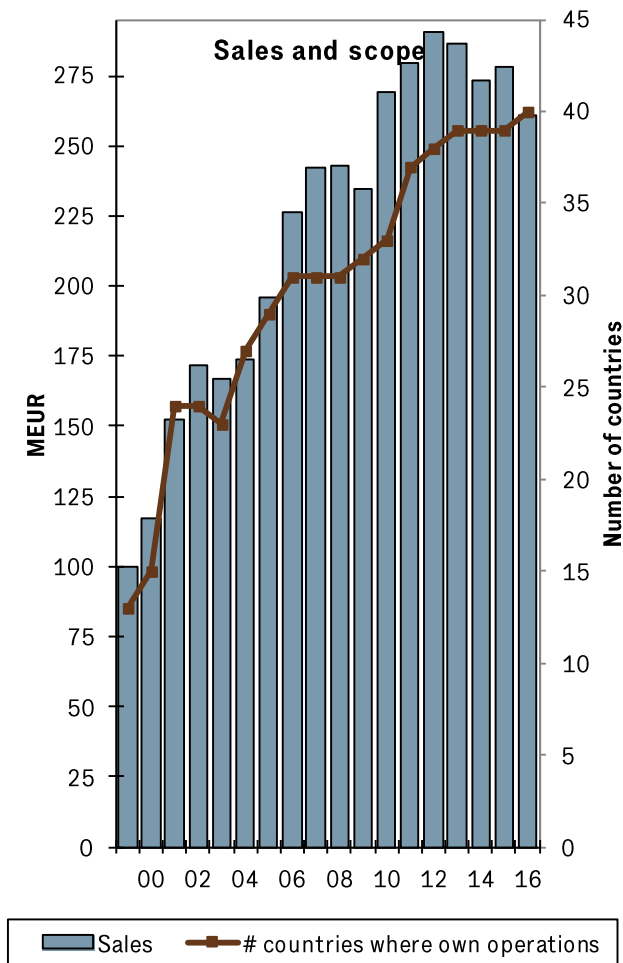


Share price performance from Jan 2013 – Mar 2017





# Financial Trends



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