

A scenic landscape photograph of a mountain valley. In the foreground, a shallow stream flows over dark, wet rocks. The water is clear, reflecting the surrounding environment. In the middle ground, a calm lake stretches across the valley, mirroring the sky and the distant mountains. The background features rugged, dark mountains with some patches of autumn-colored vegetation. The sky is a clear, pale blue.

# RAPALA VMC CORPORATION Q3 2016

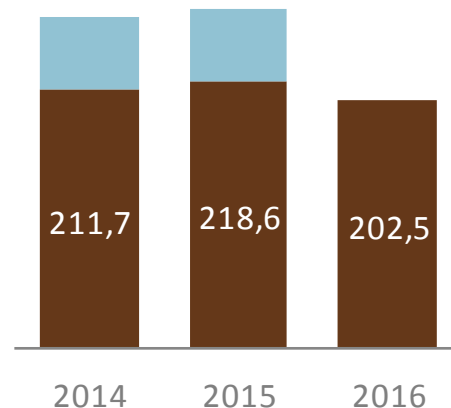
October 28, 2016

RAPALA VMC CORP.

# Summary of Q1-Q3 2016

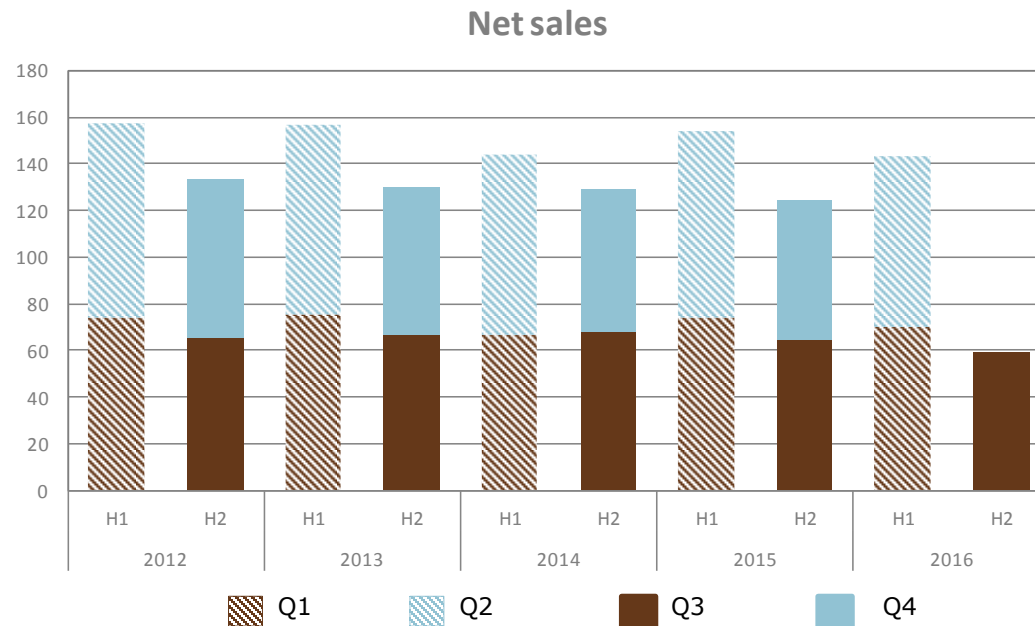
- NET SALES 202.5 MEUR (218.6) (-7%)
  - With comparable exchange rates sales down 6%
- FULL YEAR GUIDANCE UNCHANGED FROM H1/2016
  - Full year net sales and comparable operating profit expected to be below 2015 levels
- LEVERAGE RATIO (NET DEBT TO EBITDA) CONTINUES TO BE HIGH
  - Group is taking measures to decrease the leverage ratio and expects to be compliant with its loan agreements at the year-end
- CHANGES IN MANAGEMENT ORGANISATION EFFECTIVE SEPTEMBER 1, 2016
  - Key task to turn the financial trends back to growth track, restore the profitability and improve the capital efficiency

Net sales, MEUR

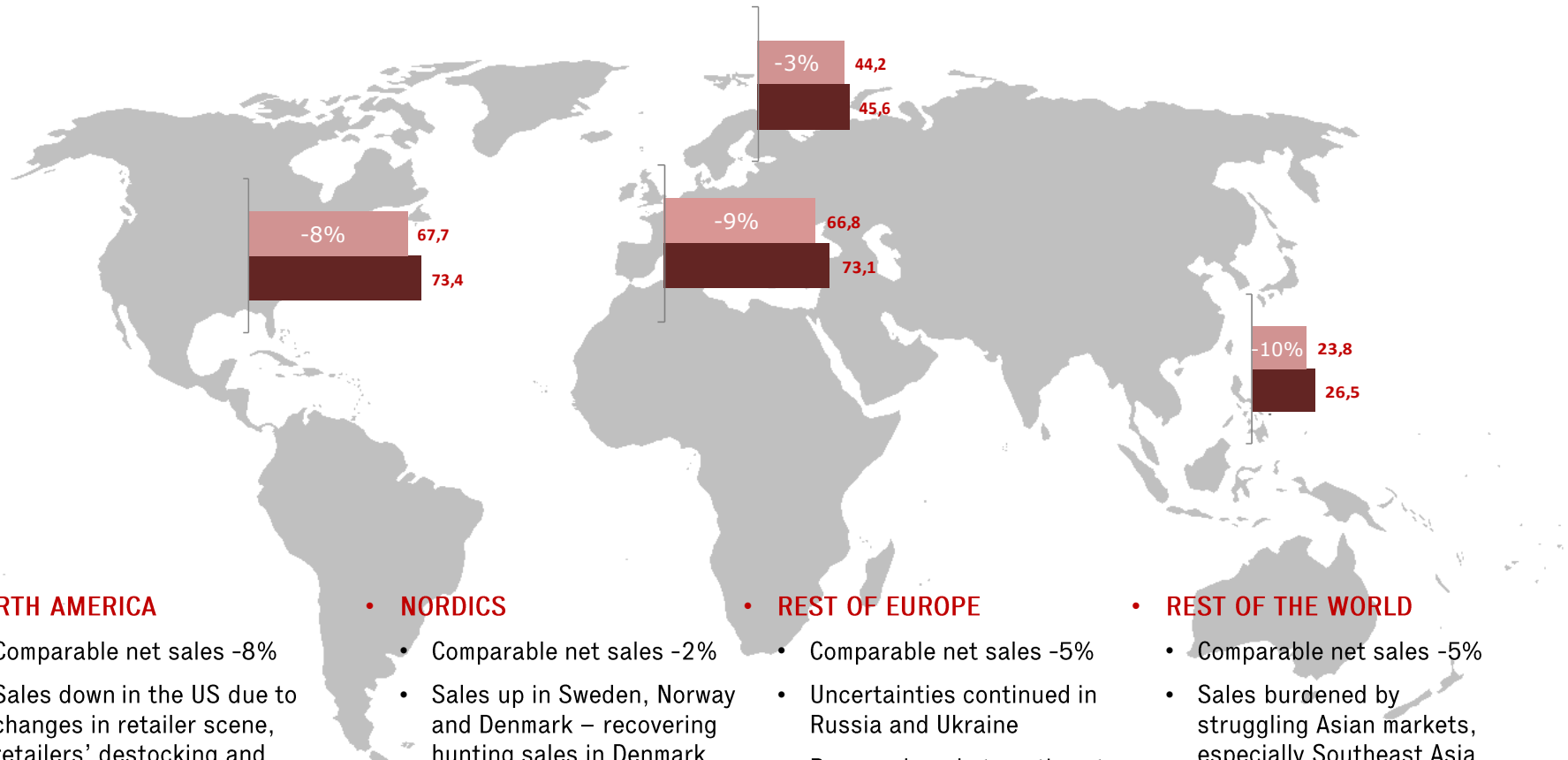


# Net Sales

- Q1-Q3 NET SALES 202.5 MEUR (218.6) (-7%)
  - Changes in FX rates explain approximately 4.0 MEUR. With comparable FX sales -6%
  - Trading conditions continued to be challenging, although sales for the third quarter in the biggest market in the US were above last year's level
  - Struggling market situation in Russia continued, sales also down in France, while sales improving in Spain, South Africa and Chile supported by expansion into new business segments
  - Favorable weather conditions supported summer fishing tackle sales in Q3, while presales of winter fishing and sports equipment were hit by the last winter's excess stock at retail
  - Q3: 59.4 MEUR (64.5) (-8%, comparable -7%)



# Net Sales Q1-Q3 2016 – Geographical Areas



## • NORTH AMERICA

- Comparable net sales -8%
- Sales down in the US due to changes in retailer scene, retailers' destocking and change in purchasing behavior
- Q3 US sales up, especially in lures. Customer demand good.
- Weak economic situation in Canada

## • NORDICS

- Comparable net sales -2%
- Sales up in Sweden, Norway and Denmark – recovering hunting sales in Denmark and Sweden
- In Finland Q3 sales down by slower winter sports and outdoor sales

## • REST OF EUROPE

- Comparable net sales -5%
- Uncertainties continued in Russia and Ukraine
- Reserved market sentiment and tightened price competition continued in France
- Nine month sales up in Spain supported by export to Latin America

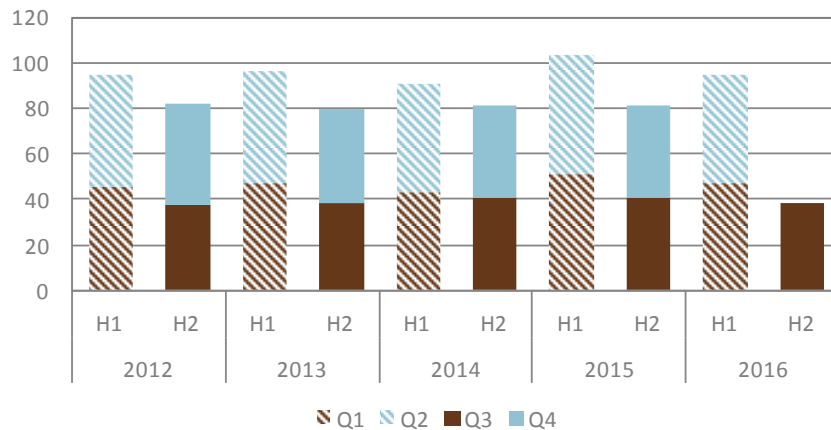
## • REST OF THE WORLD

- Comparable net sales -5%
- Sales burdened by struggling Asian markets, especially Southeast Asia
- Sales in South-Africa continued strong, supported by new outdoor and hunting business

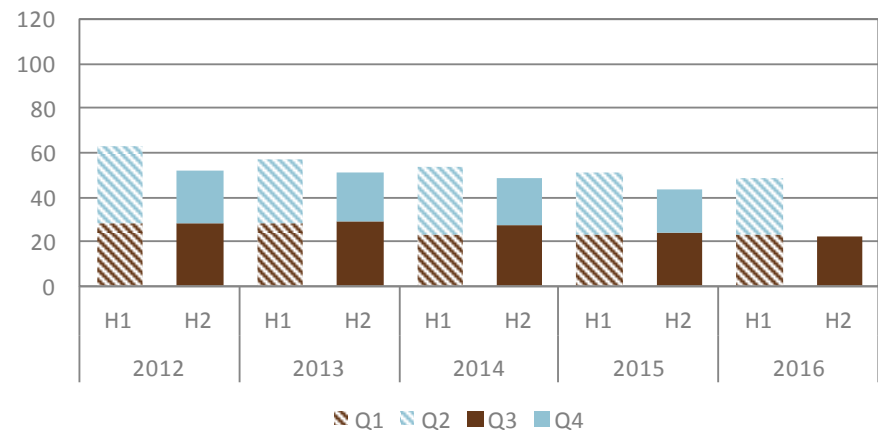
# Net Sales – Product Segments

- GROUP PRODUCTS Q1-Q3 132.9 MEUR (144.5) (-8%)
  - Comparable net sales -7%
  - Nine month sales down in nearly all categories. Q3 the sales of fishing lures well above last year in the US, and at last year's level for the group. Q3 fishing accessory sales below last year.
  - Q3: 37.9 MEUR (41.0) (-8%, comparable -7%)
- THIRD PARTY PRODUCTS Q1-Q3 69.6 MEUR (74.0) (-6%)
  - Comparable net sales -3%
  - Economic situation in Russia and difficult market situation in France continued to reduce Third Party Products sales
  - Third party hunting sales up for the nine months in the new hunting distribution countries and for Q3 in the Nordic
  - Q3: 21.5 MEUR (23.6) (-9%, comparable -7%)

## Group products



## Third party products



A wide-angle landscape photograph of a calm lake in a mountain valley. The water is clear and reflects the surrounding mountains and sky. Several large, dark rocks are scattered in the foreground and middle ground. The mountains in the background are rugged and have some autumn-colored vegetation. The sky is a clear, pale blue. The text 'END OF PRESENTATION' is overlaid in the center of the image in a white, bold, sans-serif font.

END OF PRESENTATION

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# APPENDICES

RAPALA VMC CORP.

# Shares and Shareholders

## SHARE RELATED DATA (9/2016)

- Market capitalization 167.09 MEUR
- 12-month high/low 5.00/3.90 EUR
- All-time high/low 8.40/2.50 EUR

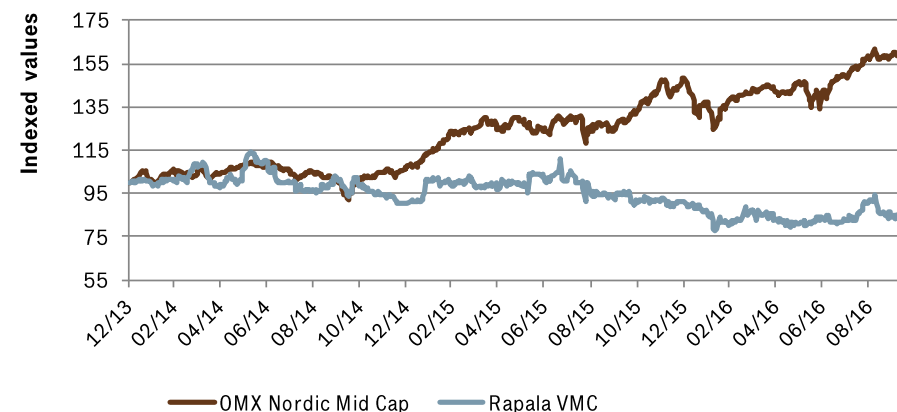
## MAJOR SHAREHOLDERS (9/2016)

- VMC Holdings 38%
- Sofina 19%
- Nordea Funds 11%
- Odin Funds 3%
- State Pension fund 3%
- Shimano 2%
- Taaleritehdas funds 2%
- Ilmarinen 1%
- Tapiola Funds 1%
- Elo Mutual Pension Insurance 0.4%

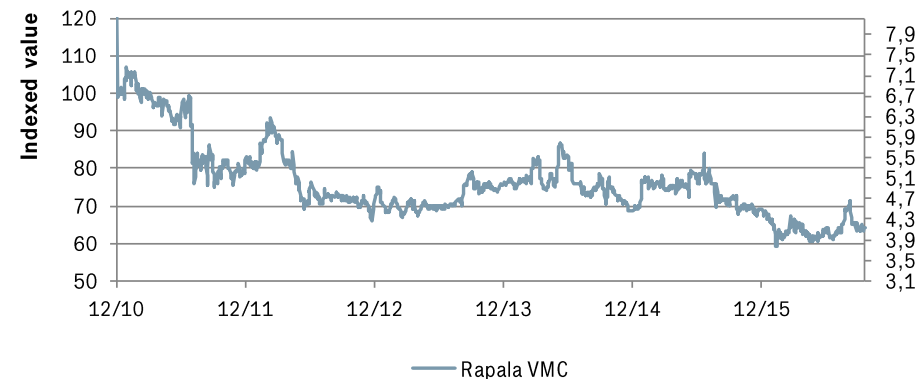
Own shares: 677 208 shares (1.7%)

**RAPALA VMC CORP.**

Share price index performance from Dec 2013 –

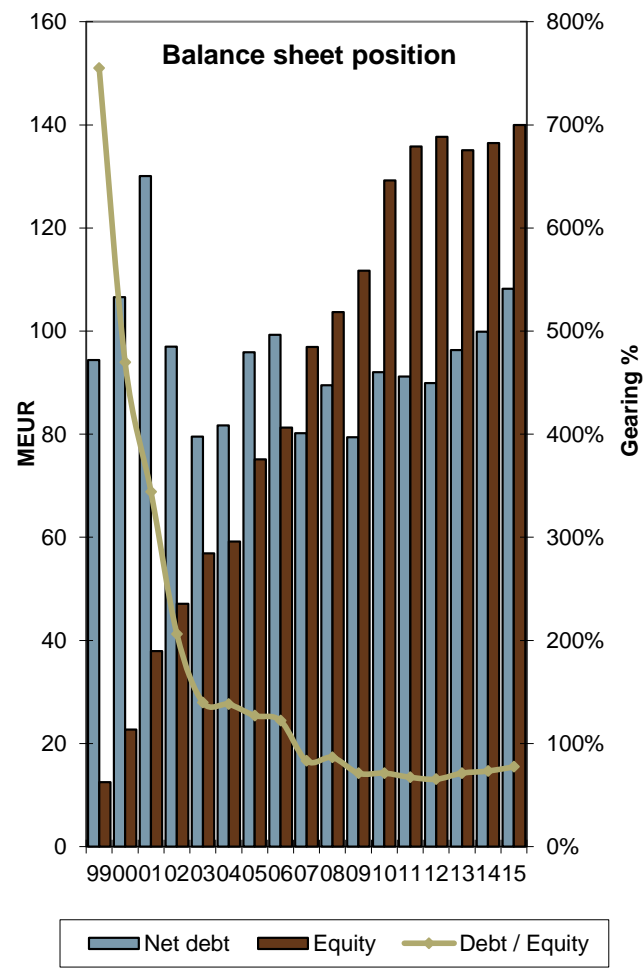
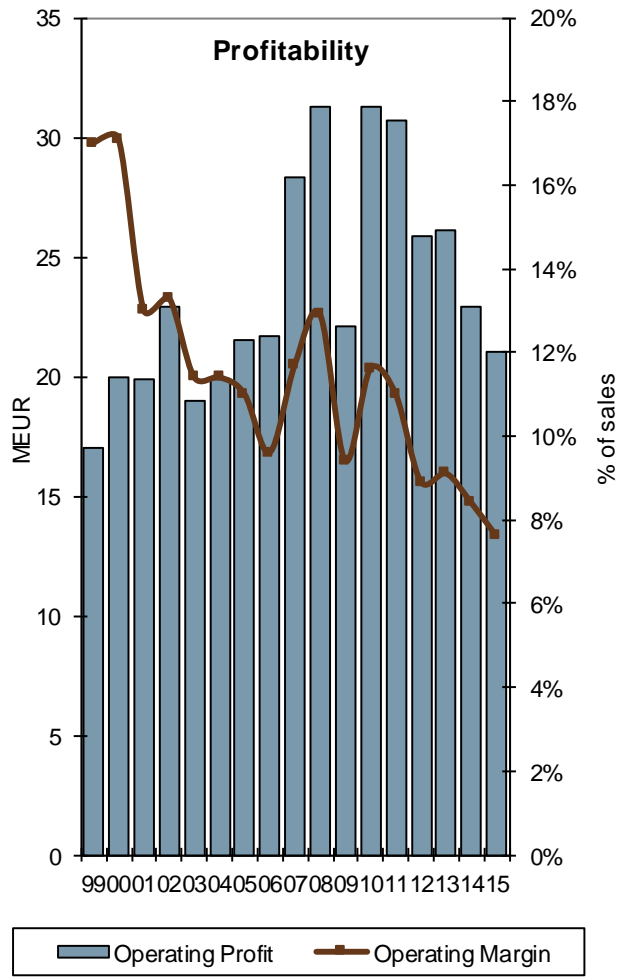
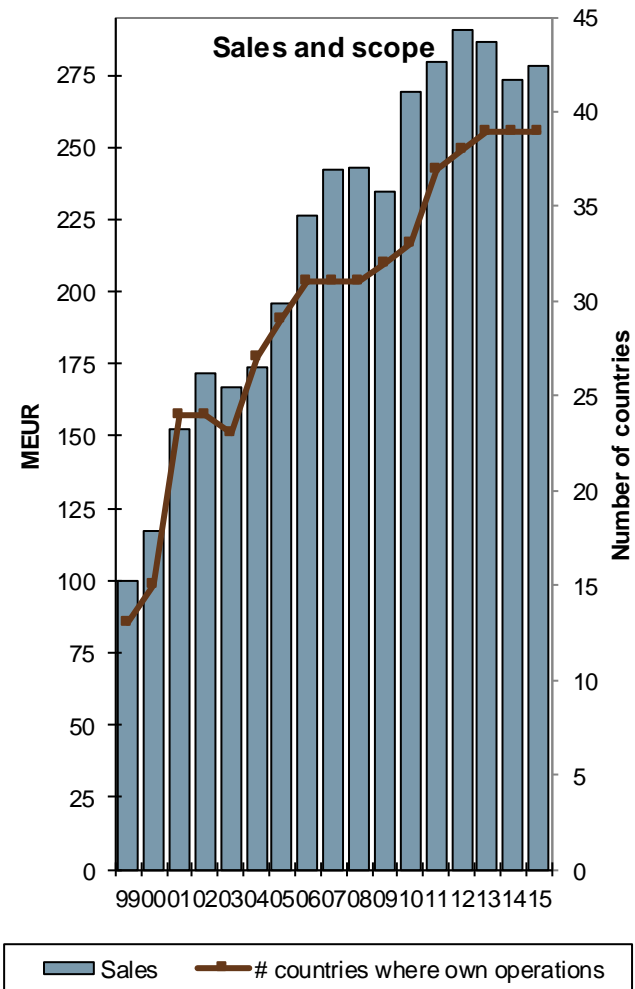


Share price performance from Dec 2010 –





# Financial Trends



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