

OUR ENVIRONMENT



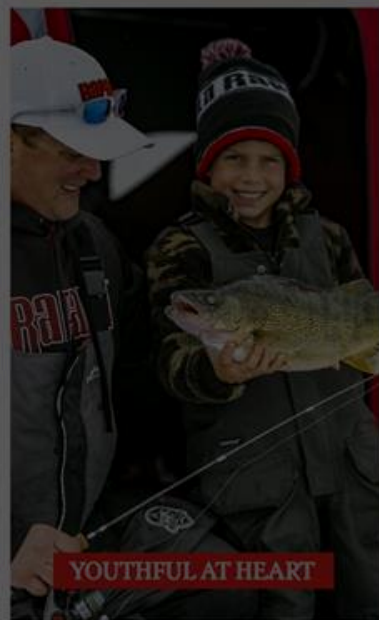
PROUD OF OUR HERITAGE



PASSIONATE ANGLERS



PROGRESSIVE



YOUTHFUL AT HEART



COMMITTED TO QUALITY

RAPALA VMC CORPORATION



ONLY THE BEST



INCLUSION

1st HALF 2023



DO IT OUR WAY



PREMIUM PERFORMANCE



Holds the world record for world records.

WORLD CITIZENS



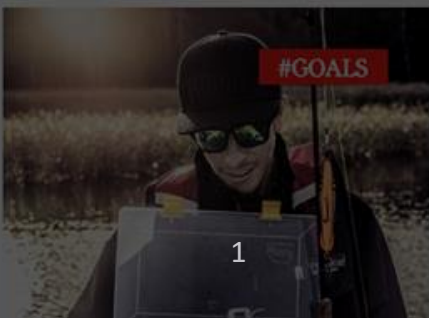
DEMANDING



Rapala[®] VMC



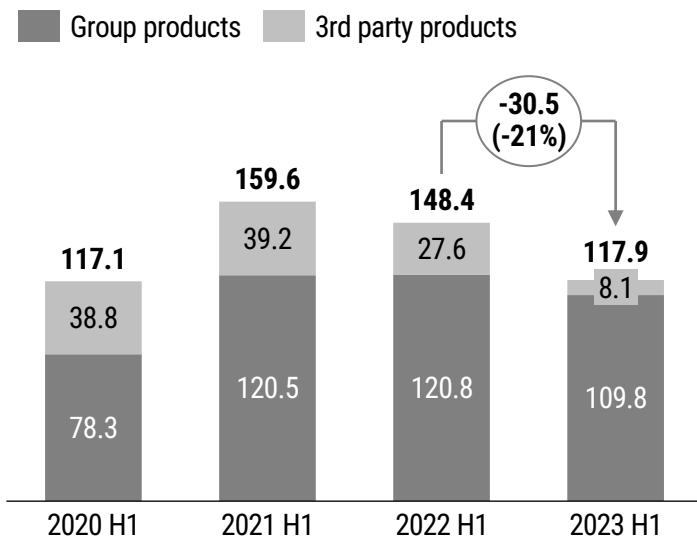
110% AUTHENTIC



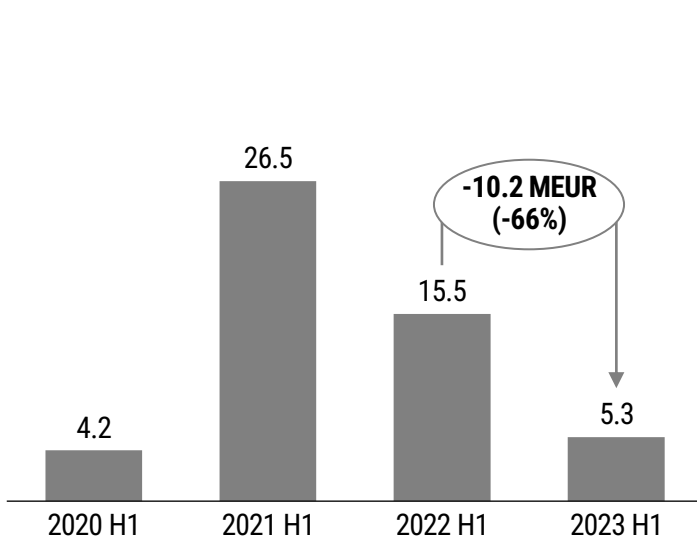
#GOALS

Declining sales and profitability amidst challenging trading environment – savings program started in operating expenses

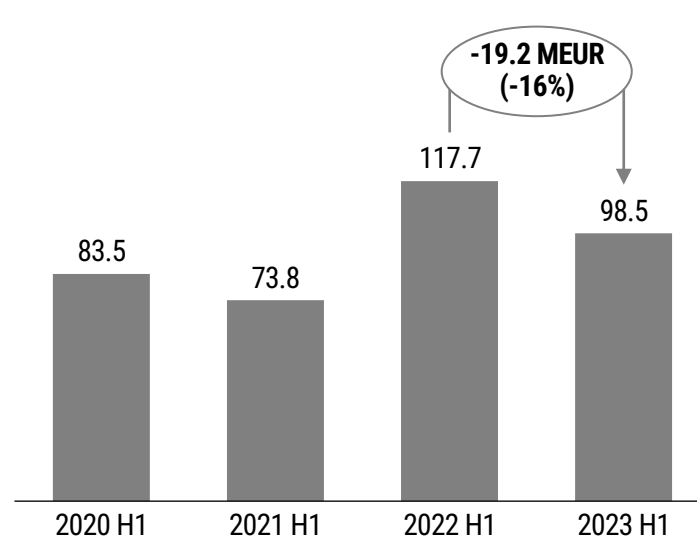
Net sales (MEUR)



Comparable operating profit (MEUR)



Inventory value (MEUR)



- FX comparable change: -20% (-30.1 MEUR)
- Group Products sales decreased 11.0 MEUR from 2022 using comparable FX rates, covering 93% of total sales (81% in 2022)
- High inventories at retail and distributor level are being liquidated, which continued to squeeze manufacturers of fishing tackle equipment.
- Poor winter replenishment sales and strategic outsourcing of 13 Fishing products sold to DQC International

- The decreased profitability was driven by lower sales in both open water market and in winter businesses
- High inflation and production transfer from Sortavala and Vääksy to Pärnu put pressure on production costs, however the impact of the latter is only temporary
- In operating expenses, the Group started a savings program aimed at reducing expenses by 6 MEUR on an annual level. Measures include restructuring of Helsinki headquarters.

- FX comparable change: -12% (14.1 MEUR)
- The change in obsolescence allowance decreased inventory value by 1.3 MEUR
- Comparison period includes high winter inventory and increasing impact of resolving supply chain disruption.
- Inventory clearance actions are taking place and manufacturing capacity is being adjusted to accommodate further decrease in inventory

Short term outlook updated on June 30, 2023

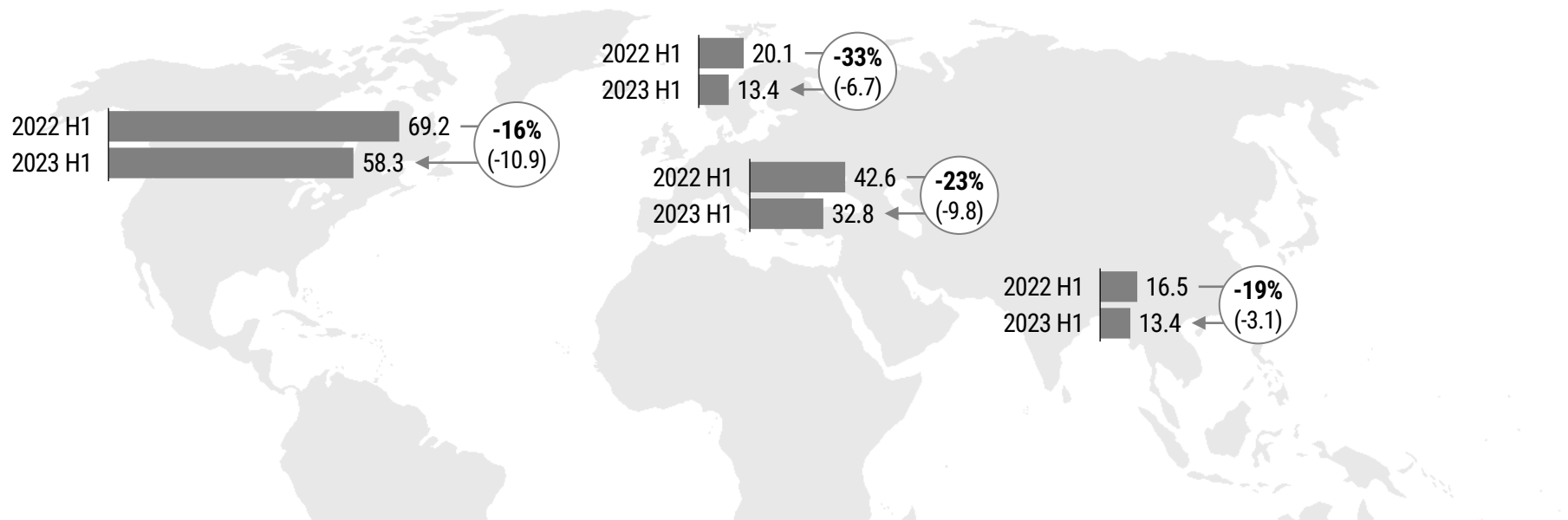
- The Group expects **2023 full year comparable operating profit** (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to **be significantly below the previous year**.
- Market outlook for 2023 continues to be challenging in the Group's key markets.
- The global macroeconomic situation affects purchase behavior at retail and consumer level.



KEY FIGURES

MEUR	2023 H1	2022 H1
Net sales	117,9	148,4
Operating profit	4,4	13,6
Operating profit, % of net sales	3,7 %	9,2 %
Comparable operating profit	5,3	15,5
Comparable operating profit, % of net sales	4,5 %	10,5 %
Net profit for the period	-1,1	8,7
EPS (basic), EUR	-0,03	0,22
Cash flow from operations	18,6	-8,6
Net interest-bearing debt	98,0	99,4
ROCE, %	3,7 %	11,9 %
Gearing, %	73,4 %	66,7 %
Equity to assets, %	41,7 %	42,3 %

Trading conditions remained challenging due to the global economic slowdown and high inflation



North America

- FX comparable change: -16% (-10.5 MEUR)
- Majority of the decline relates to sales of Third Party Products following a strategic decision to outsource the supply chain function of 13 Fishing products sold to DQC International (13 Fishing USA) – excluding this, sales were down 4%
- Replenishment sales in the ice fishing segment were low

Nordic

- FX comparable change: -32% (-6.3 MEUR)
- High inventories at retail level and macroeconomic headwinds had a significant impact on the sales
- Destocking continued throughout H1 impacting both pre-season and replenishment sales
- Winter replenishment sales decreased following low sell-through in retail.

Rest of Europe

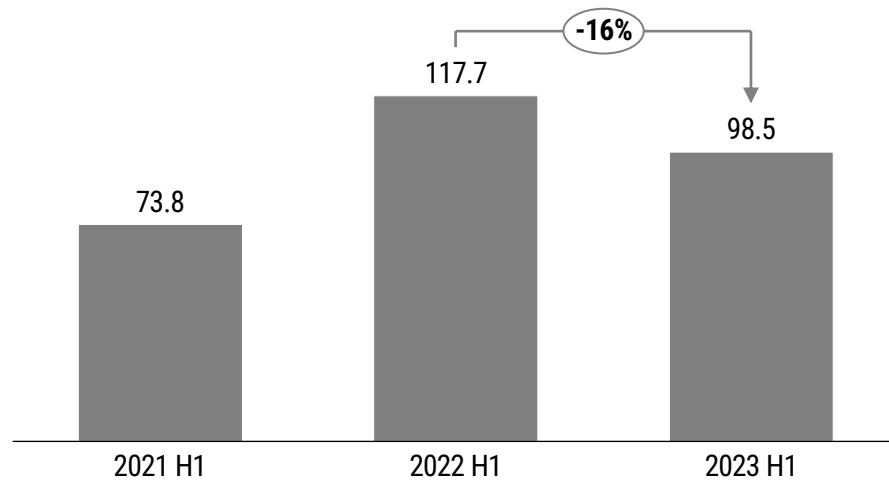
- FX comparable change: -23% (-9.7 MEUR)
- High inventories at retail level and macroeconomic headwinds had a significant impact on the sales
- Destocking continued throughout H1 but started showing signs of slowing down towards the end of the reporting period

Rest of the World

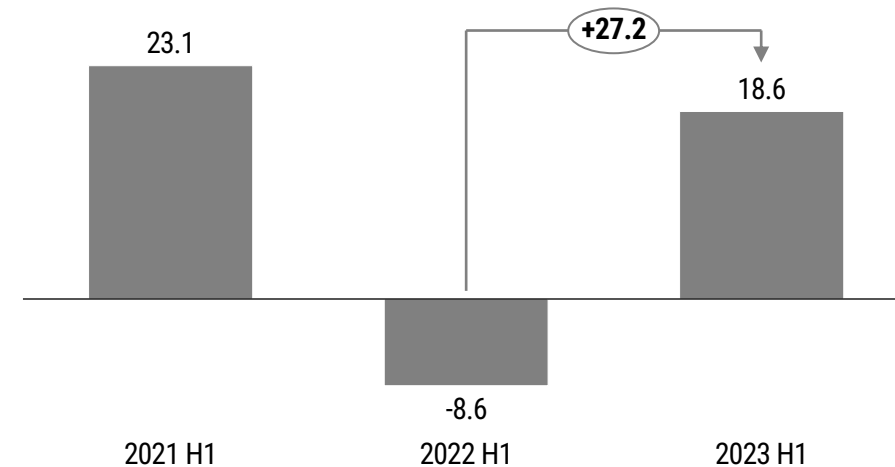
- FX comparable change: -18% (-2.9 MEUR)
- Decline in sales follows the macroeconomic headwinds and consumer cautiousness
- Australia and Brazil continued to grow sales, whereas China and Japan witnessed a sharp decline in sales

Cash flow from operations supported by net change in working capital. Comparison period impacted by resolving supply chain disruption and build-up of record high winter business inventory

Inventory (MEUR)



Cash flow from operations (MEUR)

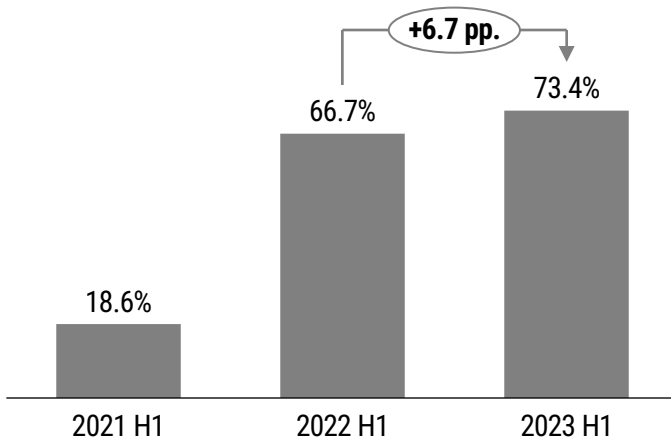


- End of June 2023 inventory was 98.5 MEUR
 - The change in obsolescence allowance decreased inventory value by 1.3 MEUR and changes in translation exchange rates by 1.9 MEUR
 - Inventory landed close to year-end level but below last year as prior year was impacted by resolving supply chain disruptions and market reset
 - Ambitious inventory clearance actions are taking place and manufacturing capacity is being adjusted

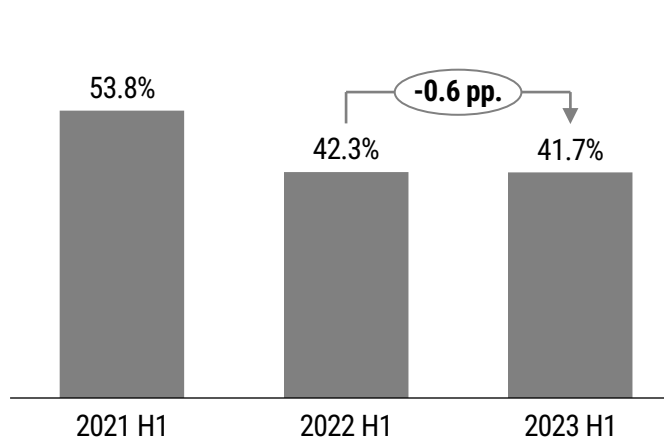
- Cash flow from operations was 18.6 MEUR
 - Change in net working capital contributed positively to operating cash flow
 - Comparison period is impacted by resolving supply chain disruption and related inventory increase coupled with buildup of record-high winter business inventory

Gearing ratio increased and equity-to-assets ratio decreased from the last year, temporary changes to financial covenants agreed

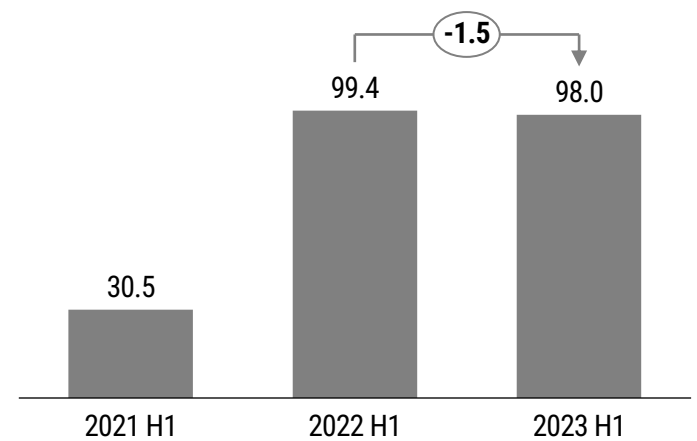
Gearing (%)



Equity ratio (%)



Net interest-bearing debt (MEUR)



- Liquidity position of the Group was good
 - Undrawn committed long-term credit facilities amounted to 14.8 MEUR at the end of the period
 - Gearing ratio increased and equity-to-assets ratio decreased from last year, but the Group's cash position remains good; cash and cash equivalents amounted to 24.5 MEUR on June 30, 2023.

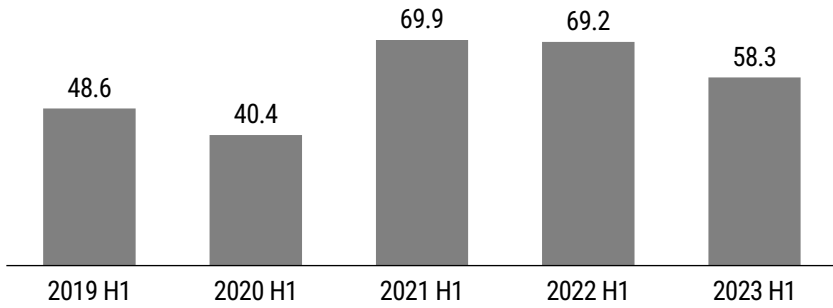
- The Group had agreed with its lenders to temporarily change financial covenants used in its loan agreements for the periods from Q3/2022 to Q1/2023. During the reporting period, this was extended to cover Q2/2023.
- Net debt / EBITDA covenant replaced by absolute EBITDA covenant in Q2
- The Group is currently compliant with all financial covenants and expects to comply with future bank requirements as well.

APPENDIX

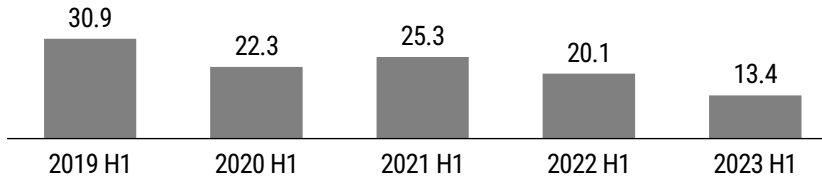
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GEOGRAPHICAL NET SALES

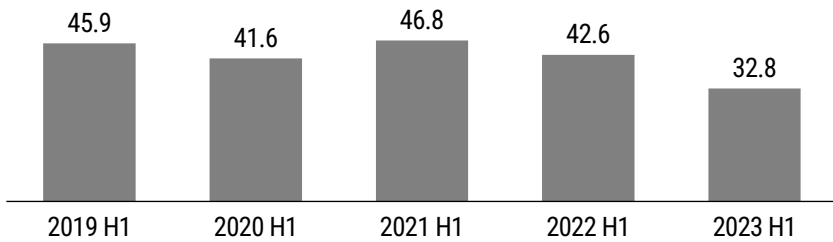
North America (MEUR)



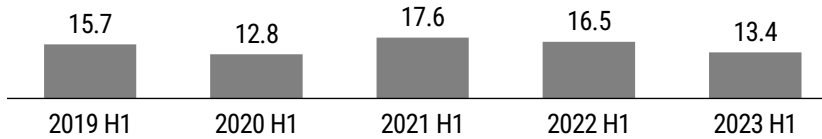
Nordic (MEUR)



Rest of Europe (MEUR)



Rest of the World (MEUR)



PROFIT AND LOSS STATEMENT

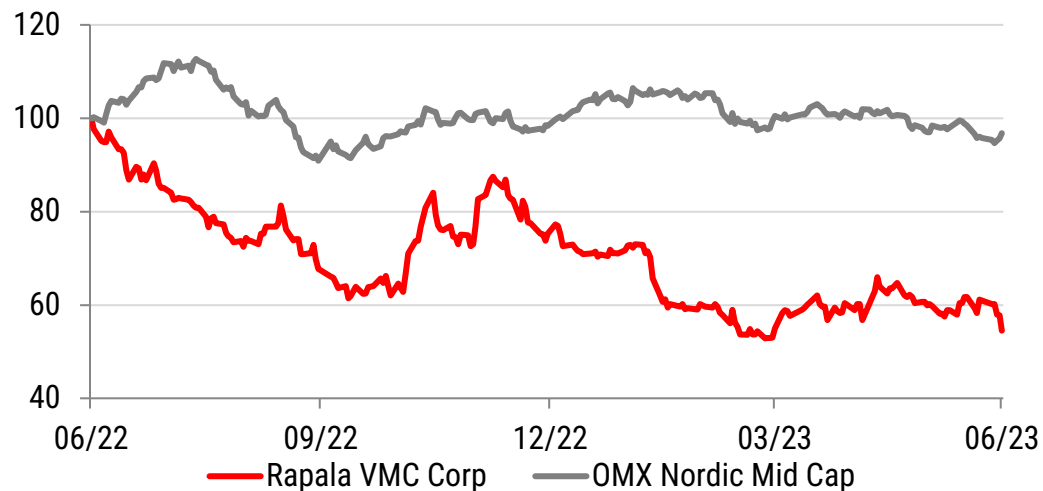
MEUR	2023 H1	2022 H1
Net sales	117,9	148,4
Other operating income	0,2	0,3
Materials and services	48,0	63,9
Personnel expenses	33,6	37,4
Other costs and expenses	25,1	27,3
Share of results in associates and joint ventures	-1,3	-0,7
EBITDA	10,0	19,4
Depreciation, amortization and impairments	5,6	5,8
OPERATING PROFIT (EBIT)	4,4	13,6
Financial income and expenses	4,9	1,1
PROFIT BEFORE TAXES	-0,5	12,5
Income taxes	0,6	3,9
NET PROFIT FOR THE PERIOD	-1,1	8,7

BALANCE SHEET

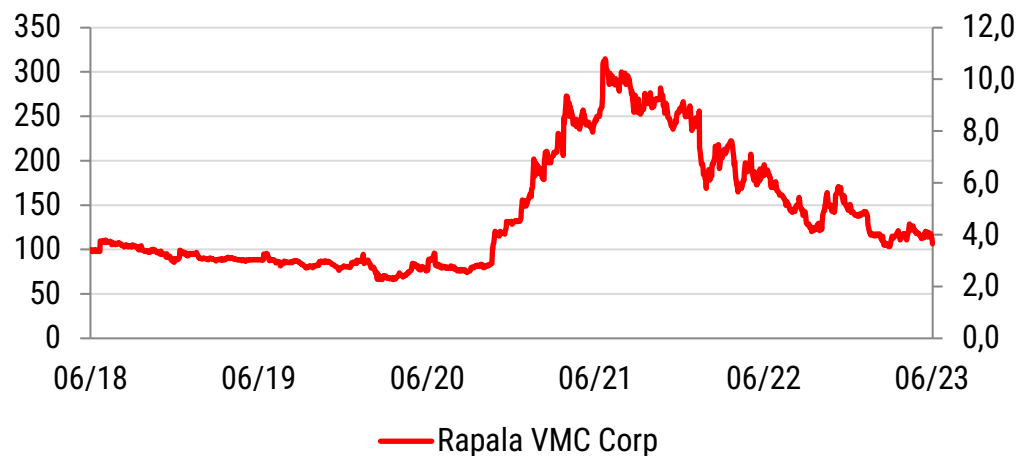
MEUR	2023 H1	2022 H1
ASSETS		
Non-current assets		
Intangible assets	85,9	84,0
Property, plant and equipment	27,9	27,0
Right-of-use asset	15,7	15,9
Non-current assets		
Interest-bearing	14,3	8,3
Non-interest-bearing	11,3	15,1
	155,0	150,4
Current assets		
Inventories	98,5	117,7
Current assets		
Interest-bearing	-	-
Non-interest-bearing	42,2	59,7
Cash and cash equivalents	24,5	25,2
	165,3	202,6
TOTAL ASSETS	320,3	353,0
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the equity holders of the company	133,5	149,0
	133,5	149,0
Non-current liabilities		
Interest-bearing	0,5	41,9
Non-interest-bearing	10,0	12,5
Right-of-use liabilities	11,2	12,0
	21,6	66,3
Current liabilities		
Interest-bearing	120,2	74,7
Non-interest-bearing	40,1	58,6
Right-of-use liabilities	4,9	4,4
	165,2	137,7
TOTAL EQUITY AND LIABILITIES	320,3	353,0

SHARES AND SHAREHOLDERS

Share Price Index Performance



Share Price Development, 2018-2023



SHARE RELATED DATA (6/2023)

Market capitalization	140.7 MEUR
12-month high / low	6.64 / 3.51 EUR
All-time high / low	10.95 / 2.15 EUR

MAJOR SHAREHOLDERS (6/2023)

% OF TOTAL

Viellard Migeon & Cie	39,9 %
Nordea Funds	12,3 %
The State Pension Fund	3,3 %
Shimano Singapore Private Limited	2,3 %
Ilmarinen Mutual Pension Insurance	0,7 %
Coble James Jay	0,6 %
Aktia Funds	0,6 %
Taaleritehdas Mikro Markka Funds	0,5 %
Elo Mutual Pension Insurance	0,4 %
Overseas Cattle Company Oy Ltd	0,4 %
Own shares	0,3 %