

2026

Q1

BUSINESS
REVIEW



Rapala
VME

Rapala VMC Corporation's Business Review Q1/2026: Positive start driven by new product introductions and strong fill rates for seasonal load orders

January-March (Q1) in brief

- Net sales were 69.5 MEUR, up 6% from previous year (65.3).
With comparable exchange rates sales were 13% up from previous year.
- Comparable operating profit* was 7.8 MEUR (5.6).
- Cash flow from operations was -3.8 MEUR (-9.3).
- Inventories were 82.5 MEUR (84.9).
- Short-term outlook: The Group expects 2026 full year comparable operating profit* to increase from 2025.

President and CEO Cyrille Viellard: "A positive start to 2026 with 13% sales growth at comparable exchange rates, supported by exciting new product introductions and efficient supply chain execution, enabled an encouraging performance despite continued global market uncertainty. I would like to extend a sincere thank you to the entire Rapala VMC team for their dedication to deliver this solid Q1 in turbulent conditions.

Under our flagship Rapala brand, key new products—including CrushCity Mooch Minnow, Claptail, Harvest Shad and Snare—have been very well received by the market. Our Sufix fishing lines division, a leader across braids, nylon monofilaments, and fluorocarbon lines, continued to deliver strong momentum, further supported by the launch of the Sufix Defcon fluorocarbon range.

Growth in Rapala CrushCity soft baits continues to fuel demand for our innovative VMC jigs. The VMC Minnow Shaker, awarded "Best Terminal Tackle" at ICAST last year, has successfully translated into strong commercial performance. Overall, all brands benefited from positive momentum across the portfolio, underlining the strength of our innovation-driven strategy backed by our portfolio of trusted brands.

In the Northern Hemisphere, where the majority of our sales are generated, Q1 is a critical period as retailers prepare for the open water season and replenish inventory. Careful planning and timely ordering resulted in early deliveries and high fill rates, while simultaneously reducing inventory levels.

The positive sales development, combined with continued cost discipline, resulted in improved profitability in line with expectations, with comparable operating profit increasing by 39% year-on-year.

Looking ahead, we remain cautious given geopolitical volatility and inflationary pressures driven by rising oil prices, that is impacting raw materials such as plastics and could affect end consumer demand. Nevertheless, we remain confident in our resilience and our ability to further improve comparable operating profit in 2026."

Key figures

	Q1	Q1	Change	FY
MEUR	2026	2025	%	2025
Net sales	69.5	65.3	6%	227.5
Operating profit	7.7	6.0	28%	4.2
% of net sales	11.1 %	9.1%		1.9%
Comparable operating profit *	7.8	5.6	39%	8.4
% of net sales	11.2%	8.6%		3.7%
Cash flow from operations	-3.8	-9.3	59%	5.5
Gearing %	54.4 %	46.7%		53.5%

* Excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability. Other items affecting comparability include material restructuring costs, impairments, gains and losses on business combinations and disposals, insurance compensations and other non-operational items.

Market Environment

During the first quarter, operating environment improved although the positive development varied geographically. The North American market remained strong, supported by resilient consumer demand. Despite continued geopolitical turbulence, consumer interest in fishing remained healthy, with North American consumers appearing relatively less impacted by international uncertainty in their purchasing behavior. The European and Asian markets remain subdued due to continued trade tensions and high-intensity conflicts in Europe and the Middle East.

Business Review January–March 2026

The Group's net sales for the year were 6% above the comparison period with reported translation exchange rates. With comparable translation exchange rates, net sales were organically up by 13% from the comparison period.

North America

Sales in North America increased by 8% from the comparison period. With comparable translation exchange rates sales were up by 20%.

Sales in North America were exceptionally strong during the quarter, partly explained by tariff-related price increases. A strong ice fishing season supported replenishment orders, and retailer interest ahead of the summer fishing season remained healthy with a solid order book and clean sales pipeline. New product introductions continued to drive sales, and growth was broad-based across the main brands.

Europe

Sales in the European market increased by 4% from the comparison period. With comparable translation exchange rates sales were up 4%.

Overall demand developed positively during the quarter, although with notable differences across countries. First quarter pre-season deliveries for the summer fishing season topped last year's level although the region continued to face soft market conditions and retailers focused on preserving cash. Continued focus on strategic brands and key customer relationships together with good delivery reliability supported sales development. Lower OEM hook sales slowed overall sales growth, primarily due to softer customer demand.

Rest of the World

Sales in the rest of the world increased by 3% from the comparison period. With comparable translation exchange rates sales were up 7%.

Sales continued difficult and decreased in Asian markets due to global trade disputes weighing on consumer sentiment and discretionary spending. Growth in the region came solely from Latin American markets where growth was broad-based and further supported by the new Okuma distribution in Chile.

External net sales by area

	Q1	Q1	Change	Comparable	FY
MEUR	2026	2025	%	change %	2025
North America	40.5	37.5	8 %	20 %	122.8
Europe	22.7	21.8	4 %	4 %	79.7
Rest of the World	6.3	6.1	3 %	7 %	25.0
Total	69.5	65.3	6 %	13 %	227.5

Financial Results and Profitability

Comparable operating profit increased by 2.2 MEUR from 5.6 MEUR to 7.8 MEUR. Reported operating profit increased by 1.7 MEUR from the comparison period and the items affecting comparability had a positive impact of 0.1 MEUR (negative 0.4) on reported operating profit.

Comparable operating profit margin was 11.2% (8.6) for the first quarter. The improved profitability was primarily driven by strong sales growth. Sales margin improved slightly during the period, while continued cost discipline kept operating expenses close to the prior year level.

Reported operating profit includes a -0.1 MEUR (0.5) mark-to-market valuation of operative currency derivatives. Other items affecting comparability, included in the reported operating profit were 0.0 MEUR (0.1).

Financial Position

Cash flow from operations improved from the previous year and landed at -3.8 MEUR (-9.3). Change in net working capital had a negative 12.7 MEUR (negative 15.5 MEUR) impact on cash flow. Working capital was seasonally elevated during the first quarter, primarily driven by increased receivables associated with pre-season sales programs. Excluding working capital impact, cash flow from operations improved from the previous year and was 8.9 MEUR (6.3). Strong focus on cash flow remains a key priority for the Group.

At the end of the period inventory was 82.5 MEUR (84.9). Changes in translation exchange rates decreased inventory value by 2.2 MEUR. Inventories increased due to U.S. tariffs, which were capitalized into inventory values. Excluding the tariff impact, inventories decreased and inventory turn improved from prior year.

Net cash used in investing activities was -0.9 MEUR (-0.9). Capital expenditure was 0.9 MEUR (1.0) and disposals 0.0 MEUR (0.1). Expenditure consisted mainly of maintenance of manufacturing capacity and investments in new products.

Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 19.6 MEUR. Commercial papers sold under the commercial paper program amounted to 19.0 MEUR (29.0) at the end of the reporting period. Gearing ratio increased and equity-to-assets ratio decreased from last year. On Q1/2026 testing date, the financial leverage ratio landed at 3.59. The Group is currently compliant with all financial covenants and expects to comply with future bank requirements as well. The Group's liquidity position remains good, and cash and cash equivalents amounted to 21.6 MEUR at the end of the reporting period.

Key figures

MEUR	Q1 2026	Q1 2025	Change %	FY 2025
Cash flow from operations	-3.8	-9.3	59%	5.5
Inventory at the end of the period	82.5	84.9	-3%	84.4
Net cash used in investing activities	-0.9	-0.9	-3%	-2.7
Net interest-bearing debt at end of period	77.7	72.6	7%	72.9
Gearing %	54.4%	46.7%		53.5%
Equity-to-assets ratio at end of period, %	47.9%	48.4%		49.3%

Short-term Outlook for 2026 (unchanged)

Rapala VMC Oyj expects 2026 full-year operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to increase from 2025.

Short-term risks and uncertainties and the seasonality of the business are described in more detail in the annual report 2025.

Accounting principles

The financial information included in this business review is unaudited. This business review has not been prepared in accordance with IAS 34 (Interim Financial Reporting). The figures in brackets refer to the corresponding period last year, and the comparison period means the corresponding period in the previous year, unless otherwise stated.

The accounting principles adopted in the preparation of this report are consistent with those used in the preparation of the financial statements 2025.

Historical key figures 2024-2026

MEUR	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net sales	58.9	61.7	49.2	51.2	65.3	60.1	54.8	47.2	69.5
EBITDA	4.5	12.4	2.5	1.7	8.8	6.2	4.3	-3.5	10.4
Operating profit/loss (EBIT)	1.7	9.4	-0.6	-2.0	6.0	3.1	1.6	-6.5	7.7
Comparable operating profit/loss	2.1	4.1	-0.2	0.2	5.6	3.0	1.5	-1.7	7.8
Inventory	87.0	84.7	83.3	84.2	84.9	82.2	85.2	84.4	82.5
Operating cash flow	3.1	15.1	4.6	0.5	-9.3	15.5	-1.8	1.1	-3.8
Net cash used in investing activities	-1.3	7.0	-0.2	-0.9	-0.9	0.1	-0.7	-1.3	-0.9
Net debt at the end of the reporting period	80.3	59.9	55.9	61.8	72.6	58.6	62.0	72.9	77.7

Helsinki, May 13, 2026
Board of Directors of Rapala VMC Corporation

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