



RAPALA VMC CORPORATION ISSUES A NEGATIVE PROFIT WARNING: EXPECTS FULL YEAR COMPARABLE OPERATING PROFIT TO BE SIGNIFICANTLY BELOW THE PREVIOUS YEAR

Rapala VMC Corporation ("Rapala VMC") updates its full year outlook for 2022. Full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) for 2022 is expected to be significantly below previous year.

The key drivers behind the decreased outlook are that open water fishing season in 2022 was short and marked by strong destocking at retail level with very low purchase levels. Open-to-buy dollars at retail level are at a minimum level. Weathers were also abnormal in all key continents, which caused further pressure to the season. Secondly, the whole sport fishing market is globally impacted by the difficult macroeconomic outlook with the impacts from low consumer spending when energy prices are rocketing, and inflation is high. This is confirmed by sports retailers reports on bad performance on sales over the summer.

Despite the difficult trading conditions in 2022, strategy execution is not slowing down. On the contrary, it is being accelerated in several areas. As an example, supply chain and operations management areas have been accelerated in light of the fast post-covid market normalization. In the important and growing rod and reel category, Okuma is off to a very strong start in Europe. The high brand awareness, wide product range and great value of Okuma is well suitable for current market conditions. It is also rewarding to see that we are currently benefitting from our strong position in the winter fishing category, which has resulted in a strong start of the winter fishing season, confirming that there are pockets of growth, which the group will be utilizing despite the difficult trading conditions.

The updated outlook for 2022:

Rapala VMC group expects 2022 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.

The previous outlook for 2022 (issued on April 28, 2022):

The Group expects 2022 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to be below the previous year.

A more detailed review of Rapala VMC's possible risks and uncertainties can be found on the company's website www.rapalavmc.com and in the *Short-term Outlook and Risks* section of the Half year financial report release published on July 14, 2022.

Helsinki, 31 August 2022

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About Rapala VMC Corporation

Rapala group is the world's leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. Group has a strong global position also in other fishing categories and Rapala's distribution network is largest in the fishing industry. The main manufacturing facilities are in Finland, France, Estonia, and the UK. Rapala group's brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Sufix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini, Peltonen and 13 Fishing outside of the USA as well as Okuma in Europe. Group, with net sales of EUR 294 million in 2021, employs some 1 800 people in approximately 40 countries. Rapala VMC Corporation's share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.