

RAPALA VMC CORPORATION STRENGTHENS ITS ROD AND REEL BUSINESS BY ACQUIRING OKUMA BRAND AND ASSOCIATED PROPERTY RIGHTS FROM OKUMA FISHING TACKLE CO. LTD IN EUROPE AND RUSSIA AND CONCLUDES SUPPLY AGREEMENT FOR THE AREA

Rapala VMC Corporation (“Rapala VMC”) and Okuma Fishing Tackle Co Ltd (“Okuma”) have agreed that Okuma will transfer to Rapala VMC its European and Russian trademarks and associated intangible assets against a consideration of 8 million USD. Simultaneously Rapala VMC and Okuma have agreed to conclude a supply agreement to buy Okuma branded reels and rods from Okuma. Rapala will commence with the sales of Okuma products to some extent in selected European countries in 2021, but the large scale European wide and Russian launch of Okuma brand will occur in 2022. Through combination of Okuma’s innovation and manufacturing capabilities with Rapala VMC’s strong marketing, customer knowledge and distribution power a solid platform for future growth in Europe and Russia will be created. This combination has no effect on Okuma’s operations or business outside Europe and Russia.

Okuma, known worldwide for its high-quality rods and reels, is a Taiwan based company established some 30 years ago by Mr. Charles Chang. The company has manufacturing facilities and R&D centers in Taiwan and China. Okuma has fully owned distribution companies in USA and Japan. Okuma has won Best in Category awards at many recent industry’s ICAST and EFTTEX show’s and is generally recognized as one of the top players in the global rod and reel business. Okuma’s current sales in Europe and Russia through distributors at wholesale value in Europe and Russia exceeds slightly 10 million EUR.

Okuma’s product range is very suitable for the European and Russian fishing styles and Okuma will become the flagship brand in Rapala VMC’s current European rod & reel product portfolio. Together with the 13 Fishing brand and other Rapala VMC’s Group brands this impressive product offering will be a winning platform in the region. Furthermore, Rapala VMC will make very strong marketing investments to support the Okuma brand in its growth journey.

“Rapala VMC is widely regarded as the strongest distribution company in our industry having the widest and strongest customer base in Europe. Where Okuma excels in new product innovation and manufacturing, Rapala VMC excels in brand building, marketing, operations and customer service. I am confident that Rapala VMC will take very good care of Okuma brand and Okuma’s current customers in the in region. Being able to join Rapala VMC in Europe and in Russia will allow Okuma to concentrate into its core manufacturing and innovation strengths. This marriage will accelerate the growth of Okuma branded business and it will increase the awareness and strength of Okuma brand among consumers worldwide”, says Charles Chang, Chairman and Founder of Okuma Fishing Tackle Co.Ltd.

“This is a dream deal for both Okuma and Rapala VMC. Charles Chang and his team have done an excellent job to build the Okuma brand and product portfolio to a highly commercial Rod & Reel offering being able to fight for market share in the largest Rod & Reel categories in Europe. Our sales teams are getting geared up to present in 2022 all European fishing tackle shops the impressive Okuma product range, which will allow retailers to earn a solid product margin and for consumers to learn more about the Okuma brand backed up by significantly increased marketing investments. Our new PD&I center for Rods & Reels in Taiwan, Taichung, headed up by Enrico Ravenni will work closely together with Charles Chang’s PD team to scale up the Okuma product range in rods and combos. We see significant opportunities for growth for Okuma in reels, rods and combo’s in Europe”, says Nicolas Warchalowski, President and CEO of Rapala VMC Corporation.

Rapala VMC will initiate negotiations with Shimano Europe BV to end the distribution of Shimano branded products and joint ownership of Rapala VMC distribution companies situated in Russia, Kazakhstan, Czech, Belarus, Hungary, Romania and Croatia.

RAPALA VMC CORPORATION

Nicolas Warchalowski
Chief Executive Officer

For further information, please contact:

Nicolas Warchalowski, Chief Executive Officer, +358 9 7562 540
Olli Aho, Investor Relations, +358 9 7562 540
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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, Russia, Indonesia 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 and Peltonen as well as 13 Fishing outside of the USA. Group, with net sales of EUR 275 million in 2019, employs some 2 100 people in 42 countries. Rapala VMC Corporation’s share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.