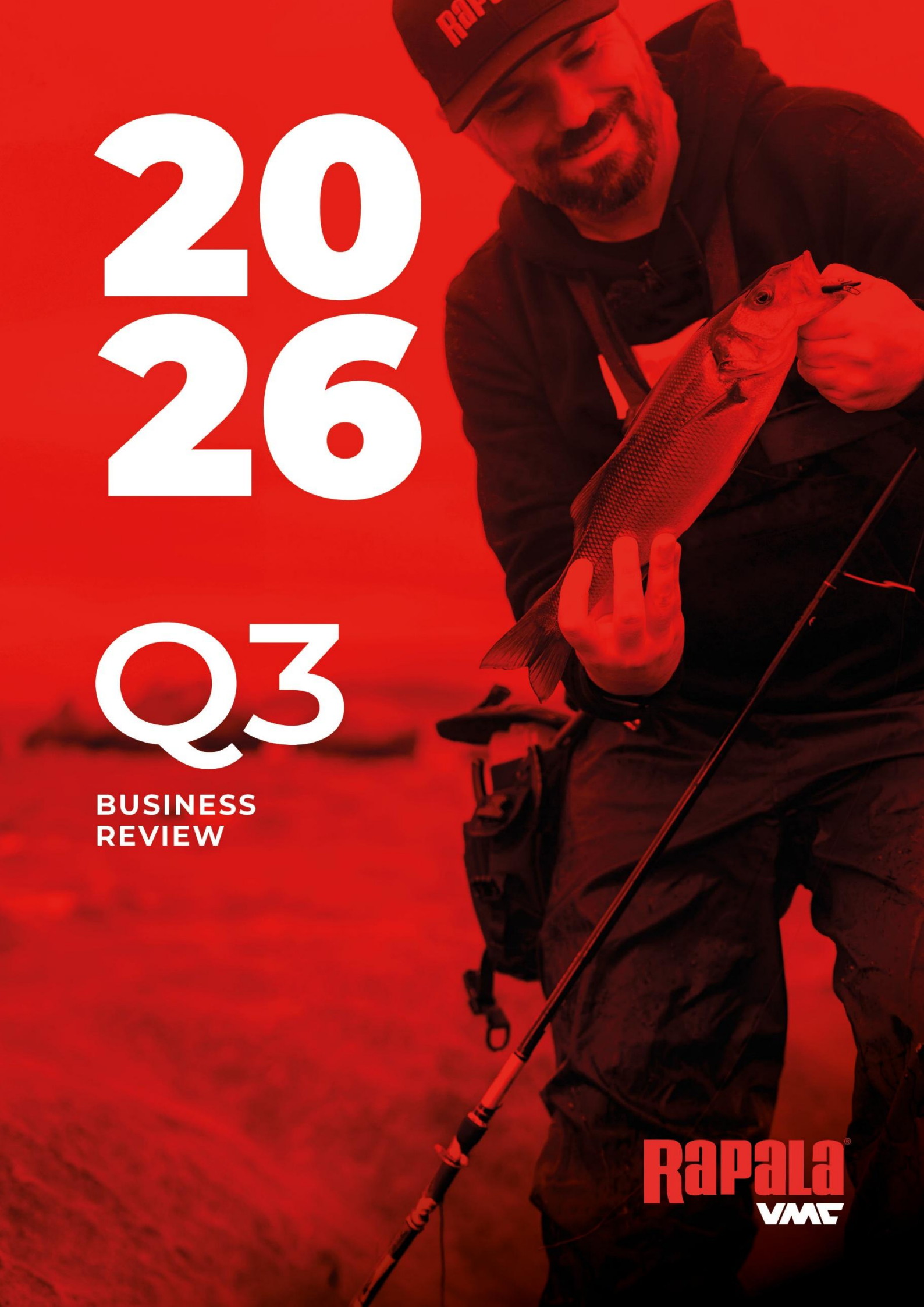


A man with a beard, wearing a dark jacket and a cap with the Rapala logo, is smiling and holding a large fish. He is also holding a fishing rod. The background is a body of water. The entire image has a red overlay.

2026

Q3

**BUSINESS
REVIEW**

Rapala
VMC

Rapala VMC's Q3/2026: North America remained robust while large parts of Europe faced a challenging drought situation

July-September (Q3) in brief

- Net sales were 56.4 MEUR, up 3% from previous year (54.8).
With comparable exchange rates sales were 2% up from previous year.
- Comparable operating profit* was 2.0 MEUR (1.5).
- Cash flow from operations was 3.7 MEUR (-1.8).

January-September (Q1-Q3) in brief

- Net sales were 191.2 MEUR, up 6% from previous year (180.3).
With comparable exchange rates sales were 8% up from previous year.
- Comparable operating profit* was 15.5 MEUR (10.1).
- Cash flow from operations was 20.3 MEUR (4.4).
- Inventories were 86.6 MEUR (85.2).
- Short-term outlook: The Group expects 2026 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to be in the range of 12 to 14 MEUR (2025: 8.4 MEUR).

President and CEO Cyrille Viellard: "Q3 sales improved overall compared with the previous year. North America remained robust, while Europe's strong start to the year has now been fully offset by a challenging summer with severe drought conditions in key continental European markets affecting recreational fishing activity. Improved margins through active portfolio management, better inventory turns and disciplined cost control, allowed us to improve operating profit versus last year. Once again, congratulations to all Rapala VMC team members around the world for this achievement!

The ICAST trade show in the US in July 2026 confirmed the strength of our innovation pipeline and industry recognition, with four Best of Category awards, including two in the important and growing Rapala softbait segment. The awards reflect the strong appetite for our products in North America. Our global brand strategies are delivering results, enabling more focused, longer-term and effective actions across the different market segments we serve.

Cash flow remains a core focus and was supported by the completion of IEEPA tariff refunds. Net debt, including the hybrid bond, decreased by 7.6 MEUR year-on-year, while we continued to support growth in the US and invest in new products. While we remain confident in our innovation pipeline and product offering for the 2027 open water season, we remain prudent in the near term, as our business is highly dependent on favorable snow and ice conditions in key markets, against a backdrop of continued global economic and geopolitical uncertainty."

Key figures

	Q3	Q3	Q1-Q3	Q1-Q3	FY
MEUR	2026	2025	2026	2025	2025
Net sales	56.4	54.8	191.2	180.3	227.5
Operating profit	5.7	1.6	21.5	10.7	4.2
% of net sales	10.2%	2.9%	11.3%	5.9%	1.9%
Comparable operating profit *	2.0	1.5	15.5	10.1	8.4
% of net sales	3.6%	2.8%	8.1%	5.6%	3.7%
Cash flow from operations	3.7	-1.8	20.3	4.4	5.5
Gearing %	39.8%	42.1%	39.8%	42.1%	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, regulatory-related items and other non-operational items.

Market Environment

During the third quarter, geopolitical instability continued to affect the operating environment, while tariff-related volatility eased. Despite ongoing uncertainty, the North American market remained resilient, supported by improved consumer demand compared with the prior year. In Europe, drought conditions weighed on the market, and consumer demand remained soft.

Business Review January–September 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 8% from the comparison period.

North America

Sales in North America increased by 11% from the comparison period. With comparable translation exchange rates sales were up by 16%.

Sales in the North American market remained strong in the third quarter, building on the solid performance in the first half of the year. Open-water replenishment sales remained on a good level, and deliveries of winter fishing load-in orders started well towards the end of the reporting period. Broad-based growth in the third quarter was further supported by a new third-party distribution partnership in Canada.

Europe

Sales in the European market decreased by 1% from the comparison period with both reporting and comparable translation exchange rates.

Third-quarter sales remained under pressure due to adverse weather conditions and drought, which continued to weaken consumer demand in parts of continental Europe. Despite growth across several areas of the business, year-to-date sales declined slightly compared to the prior year, primarily due to weaker sales of brands more exposed to drought-affected markets.

Rest of the World

Sales in the rest of the world increased by 4% from the comparison period. With comparable translation exchange rates sales were up by 2%.

Sales remained above the prior year level despite some softness in sales in the third quarter. In Asian markets, high fuel prices and overall economic uncertainty weighed on consumer demand. Latin American sales levelled off following a prolonged period of strong growth.

External net sales by area

	Q3	Q3	Change	Comparable	FY
MEUR	2026	2025	%	change %	2025
North America	31.8	29.4	+8%	+7%	122.8
Europe	18.0	18.3	-2%	-2%	79.7
Rest of the World	6.6	7.1	-7%	-11%	25.0
Total	56.4	54.8	+3%	+2%	227.5

	Q1-Q3	Q1-Q3	Change	Comparable	FY
MEUR	2026	2025	%	change %	2025
North America	109.1	98.4	+11%	+16%	122.8
Europe	62.3	62.8	-1%	-1%	79.7
Rest of the World	19.8	19.1	+4%	+2%	25.0
Total	191.2	180.3	+6%	+8%	227.5

Financial Results and Profitability

Comparable operating profit for January–September increased by 5.3 MEUR from 10.1 MEUR to 15.5 MEUR. Reported operating profit increased by 10.8 MEUR from the comparison period and the items affecting comparability had a positive impact of 6.0 MEUR (0.6) on reported operating profit of which 6.1 MEUR related to tariff refunds received in the US.

Comparable operating profit margin for the January–September was 8.1% (5.6). The improved profitability was primarily driven by increased sales in the open water markets. Overall profitability also benefitted from slightly improved sales margin while continued cost discipline kept operating expenses close to the prior year level. Reported operating profit includes a negative 0.2 MEUR (positive 0.7) mark-to-market valuation of operative currency derivatives. Other items affecting comparability were 6.2 MEUR (negative 0.2). This amount primarily consists of refunds of the IEEPA tariffs in the US. Prior year's other items include the disposal of real estate in Finland, as well as a non-cash currency translation loss relating to the closure of the Russian manufacturing operation.

Financial Position

Cash flow from operations improved for January–September and landed at 20.3 MEUR (4.4). Change in net working capital had a negative 4.5 MEUR (negative 8.5 MEUR) impact on cash flow. Excluding working capital impact, cash flow from operations improved from the previous year and was 24.8 MEUR (12.9). Strong cash flow reflected solid operating performance during the first nine months of the year, further supported by the IEEPA tariff refunds.

At the end of the period inventory was 86.6 MEUR (85.2). Changes in foreign exchange rates increased inventory value by 1.6 MEUR. The change in obsolescence allowance decreased inventory value by 2.2 MEUR. The increase in the allowance reflects a more prudent approach to slow-moving inventory and ongoing efforts to ensure a healthy inventory composition going forward. The organic increase in inventory was EUR 2.0 MEUR, partly reflecting the build-up of new products in preparation for the 2027 summer fishing season.

Net cash used in investing activities for January–September was 2.5 MEUR (1.4). Capital expenditure was 2.7 MEUR (2.7) and disposals 0.2 MEUR (1.3). Expenditure consisted mainly of maintenance of manufacturing capacity and investments in new products. Prior year disposals include proceeds from the sale of real estate in Finland.

Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 36.1 MEUR. Commercial papers sold under the commercial paper program amounted to 14.0 MEUR (15.0) at the end of the reporting period. Gearing ratio decreased and equity-to-assets ratio increased from last year. On Q3/2026 testing date, the financial leverage ratio landed at 1.94. 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 16.0 MEUR at the end of the reporting period.

Key figures

	Q3	Q3	Q1-Q3	Q1-Q3	FY
MEUR	2026	2025	2026	2025	2025
Cash flow from operations	3.7	-1.8	20.3	4.4	5.5
Inventory at the end of the period	86.6	85.2	86.6	85.2	84.4
Net cash used in investing activities	-0.9	-0.7	-2.5	-1.4	-2.7
Net interest-bearing debt at end of period	59.4	62.0	59.4	62.0	72.9
Gearing %	39.8%	42.1%	39.8%	42.1%	53.5%
Equity-to-assets ratio at end of period, %	53.0%	52.1%	53.0%	52.1%	49.3%

Short-term Outlook for 2026 (unchanged)

Rapala VMC expects 2026 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to be in the range of 12 to 14 MEUR (2025: 8.4 MEUR).

Short-term risks and uncertainties and the seasonality of the business are described in more detail in the H1/2026 release and in the annual report 2025.

Accounting principles

The financial information presented in this business review is unaudited and the business review has not been prepared in accordance with IAS 34 Interim Financial Reporting. Unless otherwise stated, figures in brackets and references to the comparison period relate to the corresponding period of the previous year.

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

Helsinki, October 29, 2026
Board of Directors of Rapala VMC Corporation

For further information, please contact:
Cyrille Viellard, President and Chief Executive Officer, +358 9 7562 540
Miikka Tarna, Chief Financial Officer, +358 9 7562 540
Tuomo Leino, Investor Relations, +358 9 7562 540

Financial information will be available at www.rapalavmc.com