

Continues to improve

Duell delivered slightly better figures than we had expected for the seasonally quiet Q1 of its fiscal year. Market environment remains tense, yet we expect growth in Europe coupled with efficiency measures to deliver improvement from last year also on an annual basis.

Q1 establishes a solid base for the year

Duell's Q1 net sales grew 4.7% y/y to EUR 28.3m (EUR 27.0m in Q1/24, EUR 27.5m Evli). Sales growth exceeded our estimates in both the Nordics and Europe. While adverse weather effects impacted sales negatively in the Nordics, the company was able to grow its sales in the region slightly y/y. Duell grew strongly in Europe with 9% growth y/y coming fully from organic sources. We expect that the company's largest markets in Europe, France, the UK and Germany have performed well while the strongest growth has come from growth markets such as Poland and Benelux region. The company's gross margin improved more than we had estimated as it ticked up to 24.9%, up from 23.9% in Q1/24. The company has effectively passed on fluctuating logistics costs and defended its prices. Operating expenses were mostly in line with our estimates and the company's adj. EBITA was at EUR 0.7m (EUR 0.3m in Q1/24), slightly higher than our estimate of EUR 0.5m.

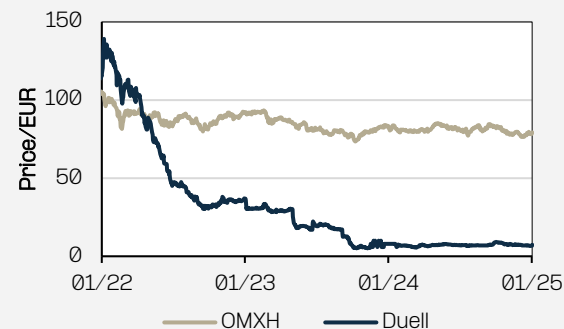
Expecting improvement on a full-year basis

Duell kept its relatively broad guidance unchanged. In line with the guidance, we expect net sales growth of 4.1% y/y in 2025E to EUR 130m. We estimate that growth will come from both of operating regions. In Europe, we anticipate growth to continue despite the challenging comparison period, as we expect that the new accounts acquired in Central Europe will continue to contribute to future growth. We retain our conservative outlook on the Nordics and expect only slight growth mainly due to easier comparable periods especially in Q2 and Q3 as the visibility remains rather limited for the high season. Duell completed its change negotiations related to the efficiency programme and expects that it will achieve the targeted annual cost savings of approximately EUR 1m. With some positive adjustments, we model adj. EBITA of EUR 8.2m for 2025E with a margin of 6.3%.

BUY with a TP of EUR 9.0

With our updated estimates for 2025–2026E, the company is priced at 7–6x adj. EV/EBIT. The pricing remains conservative, and it presents a significant discount to the peer group and fair value derived from our DCF.

Rating ++ Buy



| | |
|---|------------------------|
| Share price, EUR (Last trading day's closing price) | 7.40 |
| Target price, EUR | 9.0 |
| Latest change in recommendation | 28-Mar-24 |
| Latest report on company | 09-Jan-25 |
| Research paid by issuer: | YES |
| No. of shares outstanding, '000's | 5 161 |
| No. of shares fully diluted, '000's | 5 161 |
| Market cap, EURm | 38 |
| Free float, % | |
| Exchange rate | 1.0 |
| Reuters code | DUELL.HE |
| Bloomberg code | DUELL FH |
| Average daily volume, EUR | |
| Next interim report | 10-Apr-25 |
| Web site | investors.duell.eu |
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++ BUY ◻ HOLD - SELL

KEY FIGURES

| | Sales EURm | EBIT EURm | EBIT % | FCF EURm | EPS EUR | P/E (x) | EV/Sales (x) | EV/EBIT (x) | FCF yield % | DPS EUR |
|-------|---------------|--------------|-----------|-------------|------------|------------|-----------------|----------------|----------------|------------|
| 2023 | 118.8 | 1.0 | 0.9% | 4.8 | -1.58 | -12.7 | 0.5 | 56.2 | 18.8% | |
| 2024 | 124.7 | 0.8 | 0.7% | -5.1 | -0.51 | 77.6 | 0.5 | 66.9 | -13.8% | |
| 2025E | 129.8 | 5.2 | 4.0% | 2.6 | 0.47 | 15.6 | 0.4 | 10.7 | 6.8% | 0.14 |
| 2026E | 136.8 | 6.8 | 5.0% | 2.8 | 0.76 | 9.8 | 0.4 | 7.8 | 7.2% | 0.23 |
| 2027E | 140.8 | 8.1 | 5.8% | 5.8 | 0.99 | 7.5 | 0.3 | 6.0 | 15.2% | 0.30 |

| | | | | | |
|--------------------------|----|-------------------------|--------|-----------------------|---------|
| Market cap, EURm | 38 | Gearing 2025E, % | 31.3 % | CAGR EPS 2024–27, % | 121.3 % |
| Net debt 2025E, EURm | 17 | Price/book 2025 | 0.7 | CAGR Sales 2024–27, % | 4.2 % |
| Enterprise value, EURm | 55 | Dividend yield 2025E, % | 1.9 % | ROE 2025E, % | 4.6 % |
| Total assets 2025E, EURm | 88 | Tax rate 2025E, % | 16.5 % | ROCE 2025E, % | 6.7 % |
| Goodwill 2025E, EURm | 16 | Equity ratio 2025E, % | 61.2 % | PEG, P/E 25/CAGR | 0.4 |

All the important disclosures can be found on the last pages of this report

Table 1: Estimate summary

| | Q1/'24 | Q2/'24 | Q3/'24 | Q4/'24 | 2 024 | Q1/'25E | Q2/'25E | Q3/'25E | Q4/'25E | 2025E | 2026E | 2027E |
|-------------------------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Total Net sales | 27.0 | 28.2 | 37.9 | 31.6 | 124.7 | 28.3 | 28.6 | 39.6 | 33.2 | 129.8 | 136.8 | 140.8 |
| y/y % | 4.9% | 10.2% | 0.6% | 5.8% | 4.9% | 4.7% | 1.7% | 4.5% | 5.2% | 4.1% | 5.4% | 3.0% |
| EBITA | (0.5) | (0.7) | 2.9 | 1.9 | 3.6 | 0.6 | 1.8 | 3.6 | 2.0 | 8.1 | 9.6 | 10.9 |
| EBITA % | -1.7% | -2.6% | 7.7% | 6.0% | 2.9% | 2.0% | 6.2% | 9.2% | 6.0% | 6.2% | 7.0% | 7.8% |
| EBIT | (1.1) | (1.4) | 2.2 | 1.2 | 0.8 | (0.1) | 1.1 | 3.0 | 1.3 | 5.1 | 6.8 | 8.1 |
| EBIT % | -4.2% | -5.1% | 5.9% | 3.7% | 0.7% | -0.5% | 3.7% | 7.5% | 3.9% | 3.9% | 5.0% | 5.8% |
| Items affecting comparability | (0.7) | (2.1) | (0.3) | 0.5 | (2.6) | (0.1) | - | - | - | (0.1) | - | - |
| Adj. EBITA | 0.3 | 1.4 | 3.2 | 1.4 | 6.2 | 0.7 | 1.8 | 3.6 | 2.0 | 8.2 | 9.6 | 10.9 |
| Adj. EBITA % | 1.0% | 4.9% | 8.4% | 4.3% | 5.0% | 2.4% | 6.2% | 9.2% | 6.0% | 6.3% | 7.0% | 7.8% |
| Adj. EBIT | (0.4) | 0.7 | 2.5 | 0.7 | 3.4 | (0.0) | 1.1 | 3.0 | 1.3 | 5.2 | 6.8 | 8.1 |
| Adj. EBIT % | -1.5% | 2.4% | 6.6% | 2.1% | 2.7% | -0.1% | 3.7% | 7.5% | 3.9% | 4.0% | 5.0% | 5.8% |

Source: Duell, Evli Research

Slight positive estimate adjustments

We have increased our net sales estimate for 2025E to EUR 129.8m (prev. EUR 127.7m) as we expect slight growth from the Nordics against relatively easy comparable figures and continued growth in the European growth market. Although we model growth, the market data from Europe has been somewhat mixed. The new motorcycle registrations in five of the largest markets (France, Germany, Italy, Spain and the UK) increased slightly during the first nine months of 2024. While the total grew, the number of registrations declined in markets important for Duell (France, the UK and Germany). Duell is a new and small player in the market, and we anticipate that the new accounts acquired in Central Europe will contribute to growth also going forward. Duell completed its change negotiations related to the efficiency programme and expects that it will achieve the targeted annual cost savings of approximately EUR 1m. We now estimate some positive effect on adj. profitability already in Q2 while we see majority of the impact in Q3 and Q4 and the start of the next fiscal year. The efficiency measures will generate some non-recurring costs for Q2/25. We have not included NRIs in our estimates going forward and we base our valuation on adj. figures that exclude NRIs. We now estimate adj. EBITA of EUR 8.2m (prev. EUR 7.4m) with a margin of 6.3% (prev. 5.8%) due to slightly better than expected Q1 and slightly increased estimates for the remaining three quarters.

Table 2: Estimate summary

| Peer group | MCAP MEUR | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|---------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | 25 | 26 | 27 | 25 | 26 | 27 | 25 | 26 | 27 |
| Relais Group | 239 | 7.3x | 6.9x | 7.5x | 10.9x | 10.1x | 10.8x | 10.5x | 9.4x | 9.6x |
| Pierce Group | 52 | 3.0x | 2.5x | | 6.1x | 4.1x | | 10.7x | 7.5x | |
| Auto Partner SA | 541 | | | | 7.6x | 6.4x | 5.6x | | | |
| Delticom | 34 | 5.1x | 4.5x | | 9.5x | 8.1x | | 5.2x | 4.2x | |
| Halfords Group | 327 | 3.3x | 3.1x | | 13.6x | 11.3x | | 12.7x | 9.7x | |
| Inter Cars | 1935 | 7.4x | 6.7x | | 8.9x | 8.2x | 7.5x | 9.1x | 8.2x | |
| MEKO | 636 | 5.6x | 5.4x | | 10.0x | 8.9x | | 8.6x | 8.4x | |
| Oponeo pl | 153 | 8.3x | 7.3x | 6.8x | 10.2x | 9.0x | 8.5x | 10.9x | 9.9x | 9.3x |
| Peer Group Average | 490 | 5.7x | 5.2x | 7.1x | 9.6x | 8.3x | 8.1x | 9.7x | 8.2x | 9.4x |
| Peer Group Median | 283 | 5.6x | 5.4x | 7.1x | 9.7x | 8.6x | 8.0x | 10.5x | 8.4x | 9.4x |
| Duell (Evli est.)* | 38 | 6.2x | 5.0x | 4.0x | 6.7x | 5.5x | 4.4x | 7.3x | 5.7x | 4.8x |

Duell prem./disc. to peer median

11% -8% -43% -31% -35% -44% -31% -32% -49%

Source FactSet, Evli Research

*Duell's figures adjusted for goodwill depreciation and non-recurring items.

| VALUATION RESULTS | BASE CASE DETAILS | VALUATION ASSUMPTIONS | ASSUMPTIONS FOR WACC |
|--------------------------|------------------------------|------------------------|---|
| Current share price | 7.40 PV of Free Cash Flow | 40 Long-term growth, % | 2.0 % Risk-free interest rate, % 2.50 % |
| DCF share value | 10.15 PV of Horizon value | 32 WACC, % | 10.2 % Market risk premium, % 6.5 % |
| Share price potential, % | 37.2 % Unconsolidated equity | 0 Spread, % | 0.5 % Debt risk premium % 4.5 % |
| Maximum value | 11.1 Marketable securities | 9 Minimum WACC, % | 9.7 % Equity beta coefficient 1.50 |
| Minimum value | 9.4 Debt – dividend | -29 Maximum WACC, % | 10.7 % Target debt ratio, % 40 % |
| Horizon value, % | 45.0 % Value of stock | 52 No. of shares, Mn | 5.2 Effective tax rate, % 20 % |

| DCF valuation, EURm | 2024 | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E | TERMINAL |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| Net sales | 125 | 130 | 137 | 141 | 145 | 148 | 151 | 154 | 157 | 160 | 163 | 167 |
| Sales growth (%) | 4.9% | 4.1% | 5.4% | 3.0% | 3.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Operating income (EBIT) | 1 | 5 | 7 | 8 | 9 | 10 | 10 | 10 | 10 | 10 | 11 | 11 |
| Operating income margin % | 0.7% | 4.0% | 5.0% | 5.8% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% |
| + Depreciation+amort. | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 3 | 1 | 1 | 1 | |
| EBITDA | 5 | 9 | 10 | 12 | 13 | 13 | 14 | 13 | 11 | 11 | 12 | |
| - Paid taxes | -2 | -1 | -2 | -2 | -2 | -2 | -3 | -2 | -2 | -2 | -2 | |
| - Change in NWC | -5 | -3 | -3 | -2 | -2 | -1 | -1 | -1 | -2 | -2 | -2 | |
| NWC / Sales, % | 38.9% | 39.3% | 39.9% | 40.1% | 40.4% | 40.6% | 40.8% | 40.9% | 41.1% | 41.3% | 41.4% | |
| + Change in other liabs | 0 | | | | | | | | | | | |
| - Operative CAPEX | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | |
| opCAPEX / Sales, % | 1.0% | 0.9% | 0.9% | 0.8% | 0.8% | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% | |
| - Acquisitions | | | | | | | | | | | | |
| + Divestments | | | | | | | | | | | | |
| - Other items | | | | | | | | | | | | |
| = FCFF | -3 | 4 | 4 | 7 | 8 | 8 | 9 | 8 | 7 | 7 | 7 | 85 |
| = Discounted FCF | | 4 | 3 | 5 | 5 | 5 | 5 | 4 | 3 | 3 | 3 | 32 |
| = DFCF min WACC | | 4 | 3 | 5 | 5 | 5 | 5 | 4 | 3 | 3 | 3 | 36 |
| = DFCF max WACC | | 4 | 3 | 5 | 5 | 5 | 5 | 4 | 3 | 3 | 2 | 29 |

Sensitivity analysis, EUR

| | Terminal WACC | | | | |
|-----------------|---------------|--------|---------|---------|---------|
| | 8.19 % | 9.19 % | 10.19 % | 11.19 % | 12.19 % |
| Terminal EBIT-% | | | | | |
| 4.50 % | 9.85 | 8.34 | 7.15 | 6.20 | 5.41 |
| 5.50 % | 12.23 | 10.21 | 8.65 | 7.42 | 6.42 |
| 6.50 % | 14.61 | 12.08 | 10.15 | 8.64 | 7.42 |
| 7.50 % | 16.99 | 13.95 | 11.65 | 9.86 | 8.43 |
| 8.50 % | 19.37 | 15.82 | 13.15 | 11.09 | 9.44 |

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
|-----------------------------|---------|---------|--------|--------|--------|---------|---------|---------|---------|--------|--------|--------|
| Net sales | 27.0 | 28.2 | 37.9 | 31.6 | 124.7 | 28.3 | 28.6 | 39.6 | 33.2 | 129.8 | 136.8 | 140.8 |
| EBITDA | -0.2 | -0.6 | 3.2 | 2.1 | 4.6 | 0.8 | 2.0 | 3.9 | 2.3 | 9.0 | 10.2 | 11.9 |
| <i>EBITDA margin (%)</i> | -0.7% | -2.0% | 8.4% | 6.8% | 3.7% | 2.9% | 7.1% | 9.8% | 6.8% | 6.9% | 7.5% | 8.5% |
| EBIT | -1.1 | -1.4 | 2.2 | 1.2 | 0.8 | -0.1 | 1.1 | 3.0 | 1.3 | 5.2 | 6.8 | 8.1 |
| <i>EBIT margin (%)</i> | -4.3% | -5.1% | 5.9% | 3.7% | 0.7% | -0.5% | 3.8% | 7.5% | 3.9% | 4.0% | 5.0% | 5.8% |
| Net financial items | -0.7 | -0.8 | -0.9 | -0.1 | -2.5 | -0.5 | -0.4 | -0.4 | -0.4 | -1.7 | -1.2 | -1.0 |
| Pre-tax profit | -1.8 | -2.2 | 1.3 | 1.1 | -1.7 | -0.6 | 0.7 | 2.6 | 0.9 | 3.5 | 5.6 | 7.1 |
| Tax | -0.1 | -0.1 | -0.2 | -0.5 | -1.0 | 0.2 | -0.3 | -0.6 | -0.3 | -1.0 | -1.7 | -2.0 |
| <i>Tax rate (%)</i> | -10.8% | -8.1% | 9.9% | 28.5% | 86.0% | -281.9% | 20.0% | 20.0% | 20.0% | 16.5% | 20.0% | 20.0% |
| Net profit | -2.0 | -2.4 | 1.1 | 0.6 | -2.6 | -0.4 | 0.4 | 1.9 | 0.6 | 2.4 | 3.9 | 5.1 |
| EPS | -0.38 | -0.46 | 0.22 | 0.11 | -0.51 | -0.08 | 0.08 | 0.37 | 0.11 | 0.47 | 0.76 | 0.99 |
| EPS adj. (diluted) | -0.24 | -0.05 | 0.27 | 0.11 | 0.09 | -0.08 | 0.08 | 0.37 | 0.11 | 0.47 | 0.76 | 0.99 |
| Dividend per share | | | | | | | | | | 0.14 | 0.23 | 0.30 |
| SALES, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
| Nordics | 15.1 | 15.7 | 19.5 | 15.9 | 66.2 | 15.3 | 15.9 | 20.3 | 16.4 | 67.9 | 69.9 | 71.3 |
| Europe | 11.9 | 12.5 | 18.4 | 15.7 | 58.5 | 13.0 | 12.7 | 19.3 | 16.9 | 61.9 | 66.9 | 69.5 |
| Total | 27.0 | 28.2 | 37.9 | 31.6 | 124.7 | 28.3 | 28.6 | 39.6 | 33.2 | 129.8 | 136.8 | 140.8 |
| SALES GROWTH, Y/Y% | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
| Nordics | -5.7% | -3.8% | -10.8% | 4.9% | -4.6% | 1.4% | 1.6% | 4.0% | 3.0% | 2.6% | 3.0% | 2.0% |
| Europe | 22.4% | 35.0% | 16.4% | 6.6% | 18.1% | 9.0% | 2.0% | 5.0% | 7.5% | 5.9% | 8.0% | 4.0% |
| Total | 4.9% | 10.2% | 0.6% | 5.7% | 4.9% | 4.8% | 1.7% | 4.5% | 5.2% | 4.1% | 5.4% | 3.0% |
| EBIT, EURm | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
| Group | -1.1 | -1.4 | 2.2 | 1.2 | 0.8 | -0.1 | 1.1 | 3.0 | 1.3 | 5.2 | 6.8 | 8.1 |
| Total | -1.1 | -1.4 | 2.2 | 1.2 | 0.8 | -0.1 | 1.1 | 3.0 | 1.3 | 5.2 | 6.8 | 8.1 |
| EBIT margin % | 2024Q1 | 2024Q2 | 2024Q3 | 2024Q4 | 2024 | 2025Q1E | 2025Q2E | 2025Q3E | 2025Q4E | 2025E | 2026E | 2027E |
| Group | -100.0% | -100.0% | 100.0% | 100.0% | 100.0% | -100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Total | -4.3% | -5.1% | 5.9% | 3.7% | 0.7% | -0.5% | 3.8% | 7.5% | 3.9% | 4.0% | 5.0% | 5.8% |

| INCOME STATEMENT, EURm | 2020 | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|--|------|-------|-------|-------|-------|-------|-------|-------|
| Sales | | 76.8 | 124.0 | 118.8 | 124.7 | 129.8 | 136.8 | 140.8 |
| <i>Sales growth (%)</i> | | | 61.5% | -4.2% | 4.9% | 4.1% | 5.4% | 3.0% |
| EBITDA | | 8.3 | 7.4 | 4.1 | 4.6 | 9.0 | 10.2 | 11.9 |
| <i>EBITDA margin (%)</i> | | 10.8% | 5.9% | 3.4% | 3.7% | 6.9% | 7.5% | 8.5% |
| Depreciation | | -1.0 | -0.7 | -0.9 | -0.9 | -1.0 | -0.7 | -1.0 |
| EBITA | | 7.3 | 6.7 | 3.2 | 3.6 | 8.0 | 9.6 | 10.9 |
| Goodwill amortization / writedown | | | -1.7 | -2.2 | -2.8 | -2.8 | -2.8 | -2.8 |
| EBIT | | 7.3 | 4.9 | 1.0 | 0.8 | 5.2 | 6.8 | 8.1 |
| <i>EBIT margin (%)</i> | | 9.5% | 4.0% | 0.9% | 0.7% | 4.0% | 5.0% | 5.8% |
| Reported EBIT | | 7.3 | 4.9 | 1.0 | 0.8 | 5.2 | 6.8 | 8.1 |
| <i>EBIT margin (reported) (%)</i> | | 9.5% | 4.0% | 0.9% | 0.7% | 4.0% | 5.0% | 5.8% |
| Net financials | | -2.7 | -1.9 | -3.4 | -2.5 | -1.7 | -1.2 | -1.0 |
| Pre-tax profit | | 4.6 | 3.0 | -2.4 | -1.7 | 3.5 | 5.6 | 7.1 |
| Taxes | | -1.2 | -1.1 | -0.4 | -1.0 | -1.0 | -1.7 | -2.0 |
| Minority shares | | | | | | | | |
| Net profit | | 3.3 | 1.9 | -2.8 | -2.6 | 2.4 | 3.9 | 5.1 |
| Cash NRIs | | | | | | | | |
| Non-cash NRIs | | | | | | | | |
| BALANCE SHEET, EURm | | | | | | | | |
| Assets | | | | | | | | |
| Fixed assets | 1 | 2 | 2 | 4 | 4 | 4 | 4 | 4 |
| Goodwill | | 14 | 16 | 21 | 19 | 16 | 14 | 11 |
| Right of use assets | | | | | | | | |
| Inventory | 29 | 35 | 48 | 50 | 45 | 47 | 49 | 51 |
| Receivables | 16 | 16 | 25 | 18 | 17 | 18 | 18 | 19 |
| Liquid funds | 3 | 3 | 4 | 2 | 9 | 4 | 4 | 6 |
| Total assets | 48 | 69 | 95 | 95 | 94 | 88 | 90 | 91 |
| Liabilities | | | | | | | | |
| Shareholders' equity | 11 | 11 | 32 | 37 | 52 | 54 | 57 | 61 |
| Minority interest | | | | | | | | |
| Convertibles | | | | | | | | |
| Lease liabilities | | | | | | | | |
| Deferred taxes | 0 | 0 | 0 | 0 | | | | |
| Interest bearing debt | 41 | 41 | 49 | 34 | 29 | 21 | 19 | 16 |
| Non-interest bearing current liabilities | | | | | | | | |
| Other interest-free debt | 17 | 17 | 15 | 24 | 13 | 13 | 13 | 13 |
| Total liabilities | 69 | 69 | 95 | 95 | 94 | 88 | 90 | 91 |
| CASH FLOW, EURm | | | | | | | | |
| + EBITDA | | 8 | 7 | 4 | 5 | 9 | 10 | 12 |
| - Net financial items | | -3 | -2 | -3 | -3 | -2 | -1 | -1 |
| - Taxes | 0 | -1 | -1 | 0 | -1 | -1 | -2 | -2 |
| - Increase in Net Working Capital | -28 | -6 | -24 | 14 | -5 | -3 | -3 | -2 |
| +/- Other | | | | | | | | |
| = Cash flow from operations | -28 | -2 | -20 | 15 | -4 | 4 | 4 | 7 |
| - Capex | -1 | -16 | -6 | -10 | -1 | -1 | -1 | -1 |
| - Acquisitions | | | | | | | | |
| + Divestments | | | | | | | | |
| = Free cash flow | -29 | -17 | -25 | 5 | -5 | 3 | 3 | 6 |
| +/- New issues/buybacks | 11 | -3 | 19 | 8 | 17 | | | |
| - Paid dividend | | | | | | 1 | 1 | 2 |
| +/- Other | 21 | 21 | 7 | -14 | -5 | -8 | -2 | -3 |
| Change in cash | 3 | | 1 | -2 | 7 | -5 | 0 | 2 |

| KEY FIGURES | 2021 | 2022 | 2023 | 2024 | 2025E | 2026E | 2027E |
|--|--------|--------|-------|--------|-------|-------|-------|
| M-cap | | | 26 | 37 | 38 | 38 | 38 |
| Net debt (excl. convertibles) | 39 | 45 | 32 | 20 | 17 | 15 | 10 |
| Enterprise value | 39 | 45 | 58 | 56 | 55 | 53 | 48 |
| Sales | 77 | 124 | 119 | 125 | 130 | 137 | 141 |
| EBITDA | 8 | 7 | 4 | 5 | 9 | 10 | 12 |
| EBIT | 7 | 5 | 1 | 1 | 5 | 7 | 8 |
| Pre-tax | 5 | 3 | -2 | -2 | 3 | 6 | 7 |
| Earnings | 3 | 2 | -3 | -3 | 2 | 4 | 5 |
| Equity book value (excl. minorities) | 11 | 32 | 37 | 52 | 54 | 57 | 61 |
| Valuation multiple | | | | | | | |
| EV/Sales | 0.5 | 0.4 | 0.5 | 0.5 | 0.4 | 0.4 | 0.3 |
| EV/EBITDA | 4.6 | 6.0 | 14.1 | 12.3 | 6.1 | 5.2 | 4.1 |
| EV/EBITA | 5.3 | 6.7 | 18.0 | 15.6 | 6.9 | 5.5 | 4.4 |
| EV/EBIT | 5.3 | 9.1 | 56.2 | 66.9 | 10.7 | 7.8 | 6.0 |
| EV/OCF | -24.9 | -2.3 | 4.0 | -14.5 | 14.8 | 13.6 | 7.0 |
| EV/FCF | -2.5 | -1.9 | 7.6 | -18.2 | 13.7 | 14.3 | 7.3 |
| P/FCFR | | | 0.3 | 0.0 | 14.6 | 13.9 | 6.6 |
| P/E | | | -12.7 | 77.6 | 15.6 | 9.8 | 7.5 |
| P/BV | | | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 |
| Target EV/EBITDA | | | | | 7.0 | 6.0 | 4.8 |
| Target EV/EBIT | | | | | 12.3 | 9.1 | 7.0 |
| Target EV/FCFF | | | | | 24.3 | 22.3 | 9.8 |
| Target P/BV | | | | | 0.9 | 0.8 | 0.8 |
| Target P/E, diluted | | | | | 19.0 | 11.9 | 9.1 |
| Per share measures | | | | | | | |
| Number of shares (million) | | 150 | 180 | 5.18 | 5.16 | 5.16 | 5.16 |
| Number of shares (diluted, million) | | 150 | 180 | 5.18 | 5.16 | 5.16 | 5.16 |
| EPS | | 1.29 | -1.58 | -0.51 | 0.47 | 0.76 | 0.99 |
| Operating cash flow per share | | -13.08 | 8.09 | -0.75 | 0.72 | 0.76 | 1.34 |
| Free cash flow per share | | -16.83 | 2.68 | -0.98 | 0.51 | 0.53 | 1.12 |
| Book value per share | | 21.24 | 20.45 | 9.96 | 10.48 | 11.10 | 11.86 |
| Dividend per share | | | | | 0.14 | 0.23 | 0.30 |
| Dividend payout ratio, % | | | | | 30.0% | 30.0% | 30.0% |
| Dividend yield, % | | | | | 1.9% | 3.1% | 4.0% |
| FCF yield, % | | | 18.8% | -13.8% | 6.8% | 7.2% | 15.2% |
| Efficiency measures | | | | | | | |
| ROE | 31.7% | 9.1% | -8.3% | -5.9% | 4.6% | 7.0% | 8.6% |
| ROCE | 14.0% | 7.4% | 1.4% | 1.1% | 6.7% | 9.0% | 10.6% |
| Financial ratios | | | | | | | |
| Inventories as % of sales | 45.5% | 38.6% | 41.7% | 36.1% | 36.1% | 36.1% | 36.1% |
| Receivables as % of sales | 20.8% | 20.1% | 15.4% | 13.5% | 13.5% | 13.5% | 13.5% |
| Non-int. bearing liabilities as % of sales | | | | | | | |
| NWC/sales, % | 44.2% | 46.8% | 36.7% | 38.9% | 39.3% | 39.9% | 40.1% |
| Operative CAPEX/Sales, % | 20.7% | 4.5% | 8.2% | 1.0% | 0.9% | 0.9% | 0.8% |
| CAPEX/sales (incl. acquisitions), % | 20.7% | 4.5% | 8.2% | 1.0% | 0.9% | 0.9% | 0.8% |
| FCFF/EBITDA | -1.9 | -3.2 | 1.9 | -0.7 | 0.4 | 0.4 | 0.6 |
| Net Debt/EBITDA, book-weighted | 4.6 | 6.0 | 7.8 | 4.3 | 1.9 | 1.5 | 0.9 |
| Debt/equity, market-weighted | | | 1.3 | 0.8 | 0.5 | 0.5 | 0.4 |
| Equity ratio, book-weighted | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.6 | 0.7 |
| Gearing, % | 367.7% | 139.9% | 86.8% | 37.9% | 31.3% | 26.1% | 16.8% |

COMPANY DESCRIPTION: Duell, a Finnish distribution company, operates within the European powersports aftermarket. Founded in 1983 by Tom and Stefan Nylund, the company is headquartered in Mustasaari, Finland, and has established warehouses and sales offices throughout Europe. Its primary warehouses are situated in Mustasaari, Finland, and Tranås, Sweden, while additional warehouses are located in the Netherlands, United Kingdom, Finland (Tampere) and France. During FY 2024, 53% of Duell's sales came from the Nordics and while the rest of the Europe accounted for 47%. Approximately 80% of the sales were generated through the distribution of third-party products, while the remaining 20% came from the distribution of Duell's own brand products, which are designed by Duell but manufactured in Asia.

INVESTMENT CASE: After a period of strong performance in 2021 and the early months of 2022, the European powersports aftermarket saw a slowdown towards the end of 2022 and into 2023. The market dynamics are largely influenced by the number of registered powersports vehicles and the willingness of consumers to spend on aftermarket products and accessories. While a steady demand remained for essential parts, the sector as a whole slowed down significantly in 2023. The downturn impacted Duell's financial results, with a 4% drop in net sales for the fiscal year 2023, and the adjusted EBITA margin declining to 3.9%, a decrease from the previous year's 7.0%. The combination of a weak operational performance and a burdened balance sheet, exacerbated by elevated inventory levels, led the company to complete a rights issue in December 2023. In 2024, the company's net sales grew 4.9% despite the challenging market while organic net sales were flat. Especially the Nordic market remained challenging while the company grew faster in Europe. Adjusted EBITA improved to EUR 6.2m (EUR 4.6m) and the adjusted EBITA margin to 5.0% (3.9%). After the challenging period, Duell is making progress with its turnaround despite a tough market, and the overall risk has been reduced thanks to balance sheet deleveraging.

| OWNERSHIP STRUCTURE | SHARES | EURm | % |
|---|-----------|--------|--------|
| Hartwall Capital Oy Ab | 1 566 316 | 11.591 | 30.4 % |
| Sponsor Capital Oy | 526 085 | 3.893 | 10.2 % |
| Keskinäinen Työeläkevakuutusyhtiö Varma | 238 517 | 1.765 | 4.6 % |
| Säästöpankki Fonder | 226 377 | 1.675 | 4.4 % |
| Danske Invest Finnish Equity Fund | 141 834 | 1.050 | 2.7 % |
| Erikoissijoitusrahasto Aktia Mikro Markka | 118 605 | 0.878 | 2.3 % |
| Keskinäinen Työeläkevakuutusyhtiö Elo | 108 800 | 0.805 | 2.1 % |
| Twin Engine Oy | 85 000 | 0.629 | 1.6 % |
| Evli Finland Select Fund | 67 500 | 0.499 | 1.3 % |
| Jarkko Ämmälä | 66 055 | 0.489 | 1.3 % |
| Ten largest | 3 145 089 | 23.274 | 60.9 % |
| Residual | 2 015 485 | 14.915 | 39.1 % |
| Total | 5 160 574 | 38.188 | 100% |

EARNINGS CALENDAR

| | |
|------------------|-----------------|
| January 16, 2025 | Q1 report |
| April 10, 2025 | Q2 report |
| July 03, 2025 | Q3 report |
| October 16, 2025 | FY 2025 Results |

OTHER EVENTS

COMPANY MISCELLANEOUS

| | |
|-------------------------|--------------------------------|
| CEO: Magnus Miemois | Kauppatie 19, 65610 Mustasaari |
| CFO: Caj Malmsten | Tel: +358 40 674 5257 |
| IR: Pellervo Hämäläinen | |

DEFINITIONS

| | |
|--|---|
| <p>P/E</p> $\frac{\text{Price per share}}{\text{Earnings per share}}$ | <p>EPS</p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$ |
| <p>P/BV</p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$ | <p>DPS</p> <p>Dividend for the financial period per share</p> |
| <p>Market cap</p> <p>Price per share * Number of shares</p> | <p>OCF (Operating cash flow)</p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p> |
| <p>EV (Enterprise value)</p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p> | <p>FCF (Free cash flow)</p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p> |
| <p>EV/Sales</p> $\frac{\text{Enterprise value}}{\text{Sales}}$ | <p>FCF yield, %</p> $\frac{\text{Free cash flow}}{\text{Market cap}}$ |
| <p>EV/EBITDA</p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$ | <p>Operative CAPEX / Sales</p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$ |
| <p>EV/EBIT</p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$ | <p>Net working capital</p> <p>Current assets – current liabilities</p> |
| <p>Net debt</p> <p>Interest bearing debt – financial assets</p> | <p>Capital employed / Share</p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$ |
| <p>Total assets</p> <p>Balance sheet total</p> | <p>Gearing</p> $\frac{\text{Net debt}}{\text{Equity}}$ |
| <p>Div yield, %</p> $\frac{\text{Dividend per share}}{\text{Price per share}}$ | <p>Debt/Equity, %</p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$ |
| <p>Payout ratio, %</p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$ | <p>Equity ratio, %</p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$ |
| <p>ROCE, %</p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$ | <p>CAGR, %</p> <p>Cumulative annual growth rate = Average growth rate per year</p> |
| <p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$ | |

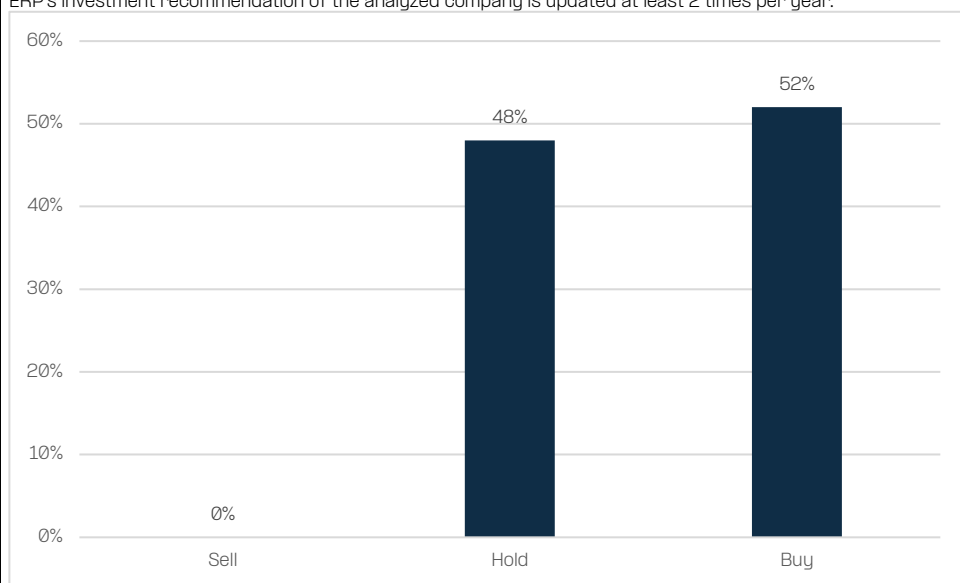
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Investment recommendations are defined as follows:

| | |
|--------------------------------------|----------------|
| Target price compared to share price | Recommendation |
| < -10 % | SELL |
| -10 - (+10) % | HOLD |
| > 10 % | BUY |

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Name(s) of the analyst(s): Atte Jortikka

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