

Gaining traction

Duell's FY 2024 showed promising signs of a return to profitable growth track, following a challenging 2023 resulting in a rights issue. While we see the company gaining traction, the conditions remain slippery.

European powersports powerhouse

Duell is a powersports aftermarket distribution company established in 1983, headquartered in Mustasaari, Finland with warehouses and sales offices across Europe. It serves as a source for a diverse range of equipment and parts in all major powersports categories, acting as a convenient one-stop-shop. With approximately 600 brand owners and manufacturers, including Duell's own brands, the company ensures a wide supply network. Dealers benefit from Duell's distinctive brand and product selection, offering roughly 130,000 SKUs with fast delivery times across Europe. Duell also acts as a valuable online partner for dealers who are adopting the omni-channel approach in their operations.

Growth in Europe remains the key

For FY 2025, Duell expects organic net sales with comparable currencies to be at or above the previous year's level while adjusted EBITA is anticipated to improve. We now forecast net sales of EUR 129m (+3.8% y/y) and adjusted EBITA of EUR 7.9m (margin 6.1% vs. 5.0% FY 2024) for FY 2025E. The main growth driver in our estimates for 2025E and onwards remains European markets namely France, Germany, the United Kingdom and the Benelux region. For Q2/25, we expect organic growth to slow slightly due to stronger comparison period and a weaker winter period in the Nordics, which likely impacted snowmobile related sales more than we saw in Q1. Overall, we still expect relatively flat sales as we model continued growth in Europe. We note that although the snowmobile category plays a significant role during the company's winter season, it is smaller in scale compared to summer categories such as motorcycling and biking.

BUY with a TP of EUR 8.5 (prev. EUR 9.0)

After some estimate revisions, we update our TP to EUR 8.5 while we maintain rating at BUY. Duell is priced at 6–5x EV/EBITDA and 7–5x adj. P/E on our estimates for FY 2025–2026E. The current pricing presents a noticeable discount to the fair value derived from our discounted cash flow model. We see the valuation cautious especially considering the current depressed earnings.

Rating

++ Buy



Share price, EUR (Last trading day's closing price) **6.58**
Target price, EUR 8.5

Latest change in recommendation 02–Apr–24

Latest report on company 02–Apr–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 34

Free float, % 60.0 %

Exchange rate 1.0

Reuters code DUELL.HE

Bloomberg code DUELL FH

Average daily volume, EURm 0.1

Next interim report 10–Apr–25

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++ BUY ++ ACCUMULATE ■ REDUCE ■■ 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		–12.7	0.5	56.2	18.8%	
2024	124.7	0.8	0.7%	–5.1		77.6	0.5	66.9	–13.8%	
2025E	129.4	4.9	3.8%	2.3	0.43	15.3	0.4	10.5	6.8%	0.13
2026E	137.1	6.5	4.8%	2.5	0.71	9.2	0.4	7.6	7.3%	0.21
2027E	141.2	7.4	5.2%	5.1	0.86	7.6	0.3	6.2	15.0%	0.26
Market cap, EURm	34		Gearing 2025E, %		32.0 %		CAGR EPS 2024–27, %			
Net debt 2025E, EURm	17		Price/book 2025E		0.6		CAGR Sales 2024–27, %		4.2 %	
Enterprise value, EURm	51		Dividend yield 2025E, %		2.0 %		ROE 2025E, %		4.2 %	
Total assets 2025E, EURm	88		Tax rate 2025E, %		16.4 %		ROCE 2025E, %		6.3 %	
Goodwill 2025E, EURm	16		Equity ratio 2025E, %		60.9 %		PEG, P/E 25/CAGR		0.4	

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

Investment summary

Duell is a Finnish distribution company that operates within the European powersports aftermarket. Founded in 1983, 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. Duell was listed on the Nasdaq First North Growth Market Finland in 2021. The company since has completed five acquisitions during 2021–2023 in the Netherlands, France, Finland, and the United Kingdom. Duell sources products from global brand owners and manufacturers. The company serves as a one-stop shop for powersports aftermarket equipment and spare parts, covering over 500 brands and approximately 130,000 SKUs. Duell's customers include around 8,500 dealers across Europe, ranging from traditional brick-and-mortar retailers to e-commerce players.

The tough market environment led to a rights issue

The underlying powersports aftermarket has been challenging after the post-COVID boom due to heightened geopolitical uncertainty, inflation and interest rates. These factors have led to a downturn in overall market growth, especially in the Nordic region, causing Duell's organic net sales to fall during 2023. Following weak FY 2023 results and a strained balance sheet due to growth investments and high inventory, the company initiated a rights issue at year-end. This generated EUR 17.7 million in net proceeds. During FY 2024, Duell experienced a return to profitable growth despite the challenging market conditions. The company's net sales grew by 4.9% year-over-year, reaching EUR 125 million. The growth was supported by the acquisition of Tran-Am in the United Kingdom and organic growth in the European market. At the same time, adj. EBITA margin increased to 5.0% (3.9% in 2023).

Duell is a large player in the Nordic market

Duell has a commanding market share in its Nordic main markets, in Europe, Duell is clearly a challenger with smaller market share. In 2020, Duell estimated that its market share in Finland was roughly 18%, in Sweden 11% and in Norway 7%. We expect that the market share has remained relatively steady in the Nordics. Achieving long-term competitive advantages in the powersports aftermarket distribution is challenging. In our view, Duell's competitive strength lies in its size. Duell holds a prominent position in the European powersports aftermarket distribution sector, granting it several advantages over smaller competitors. The company possesses an extensive range of brands and maintains a robust dealer network in both the Nordics and the broader European market.

Organic growth should pick up in 2025

For FY 2025, Duell expects organic net sales to be at or above the previous year's level while adjusted EBITA is anticipated to increase. We estimate net sales of EUR 129m (+3.8% y/y) and adjusted EBITA of EUR 7.9m (margin 6.1% vs. 5.0%) for FY 2025E. Growth is expected to pick up in H2 due to easier comparable figures and improved market conditions, particularly in Europe, where Duell achieved 9% organic growth y/y in Q1/25. While adverse weather impacted Nordic sales in the first quarter, growth in the region was slightly positive. Second quarter organic growth is estimated to slow down due to stronger comparable figures and weaker snowmobile product sales. Duell expects to achieve EUR 1m in annual cost savings from recent negotiations, driving improved profitability alongside increased volumes.

Valuation is undemanding

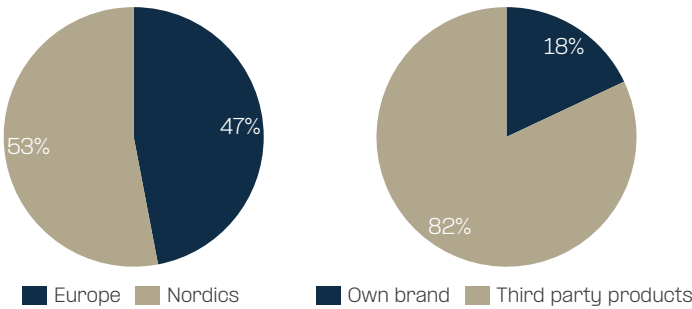
Duell is priced at 6–5x EV/EBITDA and 7–5x adj. P/E on our estimates for FY 2025–2026E. We find the pricing modest in relation to both the company's own historical valuation levels and the peer group. Our DCF suggests a fair value of EUR 11.0, highlighting considerable upside potential compared to the current share price, provided the turnaround proceeds as we anticipate.

Company overview

Powersports
aftermarket distributor
founded in 1983

Duell is a distribution company based in Finland that 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. In 2018, Duell received investment from Sponsor Capital and was listed to the Nasdaq First North Growth Market Finland in 2021. The company has completed five acquisitions during 2021–2023 in the Netherlands, France, Finland and in the United Kingdom. During FY 2024, 53% of Duell’s sales came from the Nordics and 47% from Europe excluding Nordics. Approximately 82% of the sales were generated through the distribution of third-party products, while the remaining 18% came from the distribution of Duell’s own brand products, which are designed by Duell but manufactured in Asia.

Figure 1: Geographic (lhs) & brand portfolio sales split, in percentage of total %, 2024



Source: Duell, Evli Research

Wide product offering
for traditional

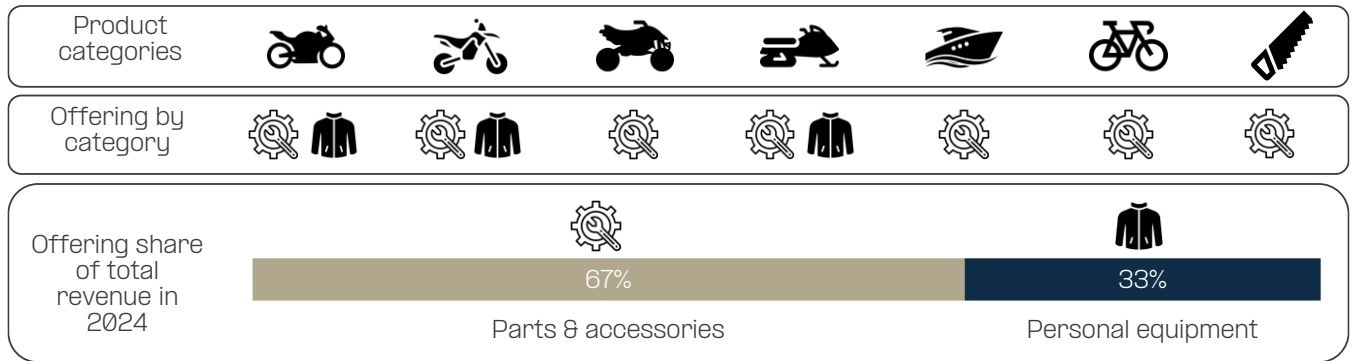
The suppliers of the company consist of both the brand owners and manufacturers for Duell’s own brands. Duell provides an extensive range of products tailored for all four seasons, encompassing various categories such as onroad motorcycles, offroad motorcycles, ATVs, snowmobiles, bicycles, marine products and gardening and forestry. In addition to offering established brands, the company engages in the development and distribution of products under its own brands. Own brand sales accounted for roughly one-fifth of the total net sales in 2024. Duell’s customers include traditional players such as retailers, specialty shops, repair shops, spare parts shops and powersports equipment manufacturers. In addition to the traditional dealers, the company distributes products to various e-commerce players across Europe. The product offering includes both technical spare parts, accessories and personal equipment. According to our analysis, Duell has more exposure to the personal equipment segment compared to its main competitors. Approximately two-thirds of the company’s sales are derived from technical spare parts and accessories sales, while the remaining one-third comes from personal equipment sales.

Duell has evolved into a
significant distributor of
powersports
aftermarket products in
the Nordics and Europe

In 2013, Duell first expanded abroad as it established a new company SDBC Motor AB in Sweden. During 2014, the company further expanded in Sweden by acquiring Garage24. In 2018, a Finnish private equity company Sponsor Capital joined as the main owner to support the company’s organic and inorganic expansion. In 2019, the company purchased Halvarssons and Lindstrands brands and established companies in the United Kingdom, Norway and Central Europe. In 2021, Duell was listed on the First North exchange and acquired three companies in Central Europe, including

French Tecno Globe and Dutch IGM Trading. In 2022 and 2023, Duell continued to acquire companies and expand to new regions, acquiring French Dutch Techno Motor Veghel in 2022 and TranAm from the United Kingdom in 2023.

Figure 2: Product offering



Source: Duell, Evli Research

Aggressive growth during 2020–2022

Duell experienced significant growth during the early 2020s, with its sales increasing from EUR 60 million in 2020 to EUR 124 million in 2022. This growth was primarily driven by acquisitions and strong organic development, supported by the expansion of its brand portfolio, geographical reach, and market share, especially within the European market. In 2022, Duell's revenue growth was 61.5% year-over-year, with organic growth accounting for 15.7%. Approximately three-fourths of this sales increase resulted from acquisitions. The company's profitability declined y/y as EBITA margin was 7.0% in 2022, down from 10.5% the year earlier. The decline was caused by reduced gross margins due to increased logistics costs, along with increased personnel and other operating expenses supporting the company's growth.

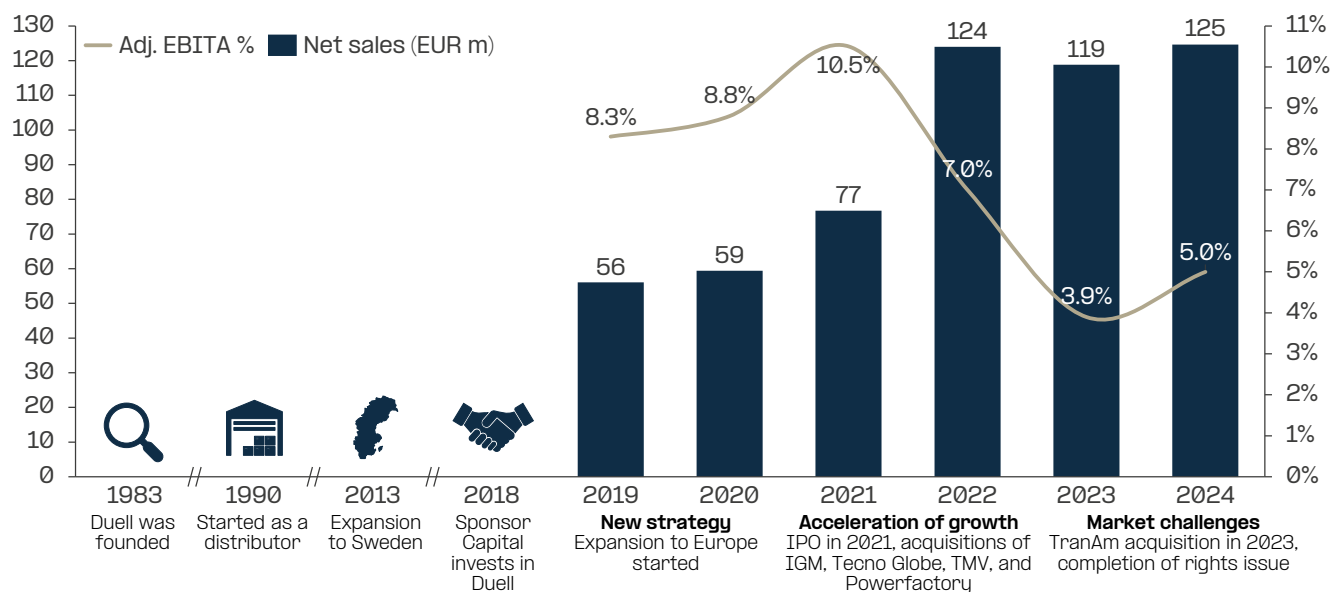
Market kept challenging during 2023

The financial year 2023 was particularly tough for Duell, marked by uncertain markets and rising inflation that led to a downturn in market growth, especially in the Nordic regions. The company's net sales dropped by 4% to EUR 119 million, and the adjusted EBITA fell to EUR 4.6 million. A profitability improvement program was initiated, focusing on product mix optimization, in addition, the company held change negotiations resulting in total reduction of 34 positions. Following weak FY 2023 results and a strained balance sheet due to growth investments and high inventory, the company initiated a rights issue at year-end. This generated EUR 17.7 million in net proceeds.

2024 initiated a return to profitable growth

While the market remained challenging during FY 2024, the company was able to grow 5.7% y/y and adj. EBITA improved and was at EUR 6.2m or 5.0% of net sales. The market in the Nordics remained weak as net sales declined over 5% year over year. The overall growth was supported by the Tran-Am acquisition in the United Kingdom and organic growth in the European market. Following the completion of the rights issue and improved operational performance, the company's net debt to adjusted EBITDA ratio decreased to 2.8x at the end of FY 2024, compared to 6.9x the previous year.

Figure 3: Overview of Duell's history, net sales in EURm (lhs) & adj. EBITA % (rhs)



Source: Duell, Evli Research

Business model

Duell controls a vital part of the powersports after market value chain

Duell distributes powersports aftermarket equipment, sourcing products from global brand owners and manufacturers. Duell's customers are powersports aftermarket dealers. Duell offers brand owners a robust network of roughly 8,500 dealers in Europe. For dealers, Duell acts as a one-stop shop for powersports aftermarket equipment and spare parts covering 500 brands and roughly 130,000 SKUs. Duell delivers products to over 10 countries across the Europe with overnight shipments to Finland, Sweden and some parts of Norway. The fast delivery times are possible because of the strategically placed warehouses which service the local markets. Most of the company's products are third-party products designed and manufactured by the company's suppliers, yet Duell also has its own private label products which are designed by Duell and manufactured by a third party.

Figure 4: Duell locations



Source: Duell, Evli Research

6 warehouses across Europe

Duell distributes the products through six of its own warehouses across the Europe. Duell's main warehouses are located in Mustasaari, Finland and Tranås, Sweden. The company's original warehouse in Mustasaari consists of roughly 10 000 square meters of warehouse space and stocks wide variety of products in motorcycle, snowmobile, ATV and marine segments. Mustasaari warehouse services the Nordic and Baltic market. The company's second main warehouse is located in Tranås, Sweden and consist of roughly 8 000 square meters of warehouse space and stocks mainly personal equipment products. The Tranås warehouse services markets in Sweden, Finland, Norway, Denmark, UK and Middle and Southern Europe. Duell's smaller warehouses (Le Cavalerie, Tampere, New Milton) service mostly local markets. The acquired New Milton warehouse (TranAm acquisition completed in 2023) serves the UK market and decreases the company's Brexit-related expenses by enabling direct shipment of products from manufacturers to the UK. In addition to the current warehouses, the company has also opened a new larger warehouse in Southern France which services the Southern European market.

8500 active dealers

Duell has a vast dealer network for its products across Europe with over 8500 active dealers. Majority of the dealers are traditional brick-and-mortar players yet roughly one fourth of the clients are e-commerce players. Although online sales account for only roughly one fourth of the overall sales, the customer segment is expanding at a quicker pace than the conventional dealer segment. In addition to new dealers conducting business through e-commerce, traditional brick-and-mortar clients are beginning to embrace the omnichannel business model which further accelerates the e-commerce segment growth. The traditional dealers can be divided into four groups:

- Retailers (Examples: Puuilo, Motonet, Rusta)
- Specialty shops (Examples: Loukko.com, Tarvikekeskus, Northbike)
- Repair and spare parts shops (Examples: Vianor, Wasa Bike Point, Northbike)
- Equipment manufacturers (Examples: Targa, Buster, Saxdor)

The different segments demand slightly different brands and products. For example, equipment manufacturers and repair and spare parts shops source mainly technical and spare parts while retailers and specialty shops source also personal equipment in addition to parts. The powersports aftermarket e-commerce market is experiencing more rapid growth compared to the traditional dealer segment. It is anticipated that e-commerce penetration within the powersports aftermarket will continue to rise in the coming years. Duell has various e-commerce clients such as XLMoto, Motoaction.se, Skoterdelen and Sledstore.

Most of the client orders are made through dealer portal

One of the key platforms for the company is its digital dealer portal where most of the dealers place their orders. The share of orders made through the dealer portal has increased as we expect that over 90% of the orders are made through the dealer portal while in 2019, the share was 83%. The dealers can place orders around the clock through the dealer portal, the dealer portal includes product information to enhance experience. The delivery times range from 1–3 business days in the Nordics to 1–7 days in the European market.

Figure 5: Duell value chain position as powersports aftermarket one-stop shop distributor



Source: Duell, Evli Research

Wholesale distribution is an integral part of the supply chain across various industries. Its primary function involves purchasing goods in large quantities from manufacturers or suppliers and subsequently selling them in smaller quantities to retailers, dealers, or other customers. Wholesale distributors often establish exclusive agreements with specific brands or manufacturers, granting them sole distribution rights in certain markets. The major expenses for wholesalers typically revolve around the cost of goods sold, which encompasses the purchase price of products and associated logistics costs. The wholesale distribution business model generally requires a relatively low level of capital investment. However, a significant portion of a wholesaler's cash is tied up in inventory. This is because wholesalers place emphasis on their ability to provide swift deliveries and offer a wide range of products, which serves as a key competitive advantage in the industry.

One-stop shop for powersports aftermarket equipment and parts

Duell plays a critical role in the value chain of the powersports aftermarket by serving as a source for a wide range of equipment and parts across all categories of powersports. Essentially, the company serves as a one-stop shop for all powersports aftermarket categories. On the supply side, the company's suppliers include roughly 600 owners of brands as well as manufacturers of Duell's own brands that are largely based in Asia. For third-party brand owners, Duell offers a dealer network of over 8500 dealers across Europe. The company's largest clients include both traditional dealers such as retailers, specialty shops, repair shops and equipment manufacturers and dealers that focus on E-commerce. For dealers, Duell offers unique brand and product range with 130,000 SKUs from over 500 brands. In addition, Duell offers dealers fast deliveries as more than 95% of its products are available at any time with overnight deliveries in its main markets.

Product offering

>500 brands and >600 suppliers globally

Duell has over 600 suppliers globally which supply the company with the best brands in the powersports aftermarket. The "best brands" according to the company's categorization include brands such as Airoh, Alpinestars, Continental, Dunlop, HJC, Michelin, Pirelli, Rukka, Schuberth, Scorpio and Sena. Alongside premium brands, Duell also distributes cost-effective products from over 200 suppliers to address the demand for more affordable options. The company's suppliers range from brand owners to firms in Asia that provide products under Duell's own brands.

Duell offers a wide product segment assortment

Duell's brand and product offering covers multiple different powersports segments including motorcycling, ATV, snowmobiles, cycling and marine. The newest addition to the product offering was cycling products that were added to the catalogue after the acquisitions of Tecno Globe and Powerfactory. In addition to powersports and cycling, the company offers parts, accessories, tools and equipment for gardening and forestry. This is natural for Duell as many of its customers stock garden and forest products such as chainsaws, grass trimmers and lawn mowers.

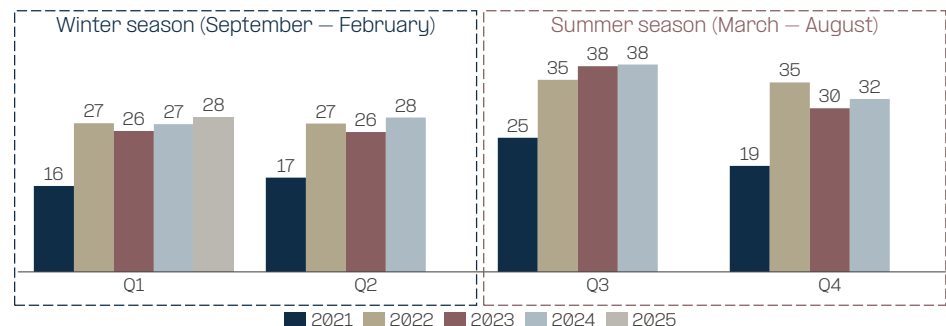
Duell's own brands were fifth of total sales during fiscal 2024

Duell compliments its vast third-party brand offering with a comprehensive own brand portfolio across the different product categories. During the latest fiscal year that ended 08/2024, own brand sales formed roughly 20% of total net sales. The company's own brand products are manufactured in Asia yet designed by Duell in Finland. The own brand products offer higher margin potential as a result of larger orders and direct sourcing from the manufacturer.

Demand for powersports products is seasonal

Duell's fiscal year begins in September, coinciding with the start of the company's season. Duell's first and second quarters fall under the winter season, which tends to be quieter for the company. The snowmobile product segment is significant during the winter season, as most items from this segment are sold in the first half of the fiscal year. Demand for the snowmobile segment products depends on the weather and the amount of snow during the given period. As per discussions with management, approximately one-fifth of a quarter's sales are from pre-sales, with the rest occurring within the season. Pre-sales demand has slightly decreased in recent years due to weaker market conditions. The pre-sales for the summer season occur in the first quarter of the fiscal year. Duell's strongest quarters are typically Q3 and Q4, which fall between March and August, corresponding to the spring and summer months – the primary season for motorcycling.

Figure 6: Net sales, in EUR m, quarterly, Q1 2021– Q1 2025




























Source: Duell, Evli Research

Onroad motorcycling is
Duell's spearhead
product category

Duell's onroad offering includes technical spare parts such as wheels, brakes, controls, exhaust etc. In addition to parts, the onroad personal equipment offering includes motorcycle clothing, accessories and protective equipment. Duell's onroad offering is its spearhead product category which is utilized when entering new markets. Important onroad category brands include Alpinestars, Schubert and HJC. The company offers three own onroad motorcycling clothing brands: Halvarsson, Lindstrands and Grand Canyon.

Figure 7: Brand and product offering overview

		Own brands	Third party brands
Personal equipment		   	    
Technical and spare parts		      	       

Source: Duell, Evli Research



Duell acquired Halvarsson and Lindstrands brands in 2019. Duell's own brand Halvarsson focuses on safe, comfortable and stylish onroad motorcycling clothing. The Halvarsson offering maintains a traditional design while ensuring safety standards are met. The brand offers clothing items such as jackets, pants, gloves, underwear, accessories and protectors. The pricing of Halvarsson products is similar compared to the best brands that Duell stocks. The Halvarsson brand is available across the Europe through 216 dealers, according to the brands website, most of the dealers are located in the Nordics, United Kingdom, and Germany. Duell's own brand Lindstrands was acquired in 2019 and it is based in Malung, Sweden. The brand focuses on providing safe, high quality, sustainable and stylish motorcycling equipment. The Lindstrands brand offers personal equipment that is more technical and sportier compared to Halvarsson. The brand is stocked by 214 dealers in similar location as Halvarsson brand. In 2021, Duell acquired Dutch IGM Trading BV and German Grand Canyon GmbH, with the acquisition, Duell added Grand Canyon onroad motorcycling personal equipment brand to its own brand portfolio. Grand Canyon has similar product offering compared to Halvarsson and Lindstrands yet the collection blends classic motorcycle styles, modern sporty and urban looks as well as an authentic retro style.

Offroad segment
offering emphasizes
functionality and safety

Duell also offers a wide range of off-road products, including technical components, spare parts, and personal gear. Product assortment includes items such as suspension, engine and other parts as well as personal equipment items such as clothing, helmets, goggles and other safety equipment. The items offered in the offroad motorcycling segment are sportier and more technical compared to onroad motorcycling. Best third-party brands in offroad motorcycling include Pirelli, Dunlop and Leatt.

ATV is an important segment in the Nordics

Duell's ATV products include technical and spare parts for ATV's such as engine parts, exhausts, winches and other accessories. ATV product segment doesn't include personal equipment as the offroad segment's personal equipment is suitable for ATV use. ATV product category is strong especially in Finland and Sweden and according to the company, has great growth potential in the Northern Norway. For example, winter products such as snowblowers are particularly useful in the Nordics. Important third-party brands for ATV product segment include Ultratec, Bronco, Camso and ITP.



Duell has three own brands providing accessories, components, and spare parts for motorcycles, snowmobiles, ATVs, mopeds, and scooters. Hyper brand was established in 2014 and Hyper's products include powesports accessories such as jump starters, helmet lights, led indicators, mirrors and other accessories. Sixty5 offers a wide range of spare parts for MC and MX bikes. The offering includes parts such as cylinder kits, starter motors, seats, footpegs, clutch sets etc. Tec-X offers accessories and components for mopeds and scooters. Products include bodywork kits, exhausts, cylinder kits, brake disks, headlights etc.

Duell's snowmobile product offering includes parts, accessories and personal equipment for snowmobiles. The range of products includes tracks, engine parts, accessories, and personal equipment such as boots, overalls, gloves, goggles, and jackets. The personal equipment offering is important for the snowmobile segment, the company's own brand AMOQ being one of the main personal equipment brands in the category. Other important snowmobile brands include Camso, SnoX (Duell's own brand) and Scott. AMOQ offers personal equipment products for snow and MX categories. The offering includes monosuits, jackets, goggles, lenses, gloves and other clothes and equipment for snowmobile and MX uses. NEXT products include parts and accessories for snowmobiles such as handlebars, killswitches, ice scratchers and runner pairs. Sno-X supplies a comprehensive range of spare parts and components for snowmobiles, including cylinders, hoses, starter kits, starter motors, stators, and more.

Duell's marine offering includes boat parts, accessories and watersports items. The company's own brand offering for the marine segment includes three brands. Qvarken brand's offering include wide range of boat accessories and marine equipment such as ropes, anchors, marine and rigging hardware, dock and mooring accessories and chains. Qvarken is stocked by dealers specialized in marine products and general retailers such as Kärkkäinen in Finland. Sea-X offers high-quality spare parts for boats, the offering includes products such as repair kits, fuel pumps, impellers etc. The products are stocked by similar dealers as Qvarken accessories and marine equipment products. Black Island offers different watersports products such as SUP boards, pumps, paddles, dry bags, leashes, life jackets etc. All three of the company's own brands in the marine category have been developed in-house by Duell.

Strategy

Duell's strategy is focused on growth

Duell's key strategic objectives is to become the best partner for dealers and brand owners throughout Europe and strengthening its leading market position in the Nordics and. The company aims to grow organically and through acquisitions, promotion of online sales and by developing its brand portfolio. The company's strategic priorities are the following:

- Geographical market expansion
- Partner for building online sales
- Brand portfolio development

Duell holds dominant market share, especially in the Nordics where according to our understanding, the company commands roughly fifth of the total market. In addition to Nordics, the company holds a leading market position in the Baltics. As the company's position is already strong in the Nordics, the main organic and inorganic growth opportunities lie in the wider European market. Duell has done multiple acquisitions during the last years including acquisitions in the Benelux region, Finland UK and France. Acting as a partner for building online sales is an important organic growth driver in Duell's growth strategy as the market is experiencing a surge in online sales. To answer the growing demand in e-commerce, Duell provides business to business online stores and system integrations. Currently, roughly 25% of the company's net sales come from e-commerce dealers. Duell also prioritizes brand portfolio development to support its growth strategy. The company's objective is to optimize its product portfolio to have products in various price points by attracting top brand suppliers through a compelling value proposition that leverages the company's extensive network of dealers. In addition to third party brands, the company aims to develop and acquire its own brands. With its own brands, the company can have higher margins compared to third party brands.

Duell's medium term (3–5 years) targets are the following:

- Net sales in the range of EUR 200–300m, achieved through both organic and inorganic growth
- Adjusted EBITA-% at least 13%
- Net debt to adjusted EBITDA ratio 2–3x

The company's total revenue for FY 2024 was EUR 125m, reaching the growth target by the end of FY 2027 requires at least 17% CAGR revenue growth. Duell grew at 18% CAGR during 2021–2024. The growth target will require continued strong organic growth coupled with inorganic growth. The pace of Duell's future organic growth will largely depend on the European market, where there are greater opportunities for expansion due to the company's relatively smaller market share in the region. The organic growth in the Nordics will likely align with the overall market development as the company's market share is already significant in the region. Duell's medium target for adjusted EBITA-% requires substantial improvement in profitability as the company's EBITA margin peaked at 10.5% in 2021 yet stayed well below 10% during 2022–2024. The main ways to improve profitability include higher volumes, higher share of own brands and overall operational efficiency. The company's medium-term target for leverage is net debt to adjusted EBITDA ratio of 2–3x. Duell's net debt to adjusted EBITDA at the end of FY 2024 was at 2.8x, in line with the leverage target thanks to improved operational performance and the completed rights issue.

Acquisitions

2-year acquisition
drought to end in 2025?

Duell has conducted five acquisitions during the last few years. The company has acquired companies from across Europe with diverse brand portfolios and vast network of dealers. According to our analysis, the company has completed the acquisitions at LTM EV/EBIT multiple of 6–7x. Given the company's strengthened balance sheet following the successful completion of the rights issue, it is likely that acquisitions will resume in the short to medium term depending on the operational performance.

We have identified four key areas of importance for Duell's M&A activity:

- **New geographics:** The company seeks to grow, especially in the European market through acquisitions. During the last three years, the company has acquired TranAm from United Kingdom, TMV from the Netherlands, Tecno Globe from France, IGM from the Netherlands and Grand Canyon from Germany. The company's market share is still relatively small in the European market compared to Nordics so we expect that the company can continue its geographic expansion through acquisitions.
- **New segments:** Duell's main focus is on powersports equipment yet with the acquisitions of Tecno Globe and PowerFactory, the company expanded into distribution and wholesale of bicycle equipment and accessories in France and in the Nordics. We see it unlikely that the company will expand further away from powersports segment, yet the company could add new segments through M&A which support its current product offering.
- **New dealers and cross-sale potential:** With the acquisitions, Duell seeks to increase its dealer base across Europe. Duell has added thousands of new dealers with the acquisitions during the last few years. Adding new dealers is also important for the cross-sale potential Duell can for example offer its own higher margin brand offering through the acquired dealer network.
- **Expansion of the brand portfolio:** Through acquisitions, Duell can add new brands to its portfolio that complement the existing brands. The acquired companies may hold exclusive rights to certain brands in specific markets relevant to Duell

Most of the recent acquisitions have been made to increase the company's presence in new geographic markets. The European growth has been supported by acquiring IGM and Tecno Globe in 2021, TMV in 2022 and TranAm in 2023. Besides expanding its geographic presence through M&A, Duell has also entered the bicycle segment by acquiring Tecno Globe and PowerFactory. Each of the acquisitions has expanded Duell's brand portfolio and increased its dealer network throughout Europe. The acquisitions have enabled Duell to acquire new own brands and expand the marketing of its own brands through the acquired companies.

Fragmented market
continues to offer
opportunities for M&A in
the future

The European powersports aftermarket distribution is fragmented and Duell is one of the largest players. We see it likely that the company will continue to grow through M&A according to its current strategy. The company has identified several potential targets in Europe. According to comments made by the management, Duell's sweet spot in terms of size of the acquired companies is roughly EUR 10–15m of revenue. Therefore, we see that the company is likely to continue to acquire mid-sized companies operating in the market, especially in Europe.

Short descriptions of recent acquisitions

08/2021



Duell's first international acquisition was completed in July 2021 as the company acquired Dutch IGM Trading BV and the associated German Grand Canyon GmbH. With the acquisition, Duell got access to strategically important logistics locations and access to a new trade network in Germany. In addition, Duell complimented its own brand offering with Grand Canyon brand which offers onroad motorcycle personal equipment and clothing.

08/2021



Tecno Globe, founded in 1995, is a distributor and wholesaler of onroad motorcycle and bicycle equipment, accessories and parts. Duell acquired Tecno Globe in August 2021. Tecno Globe's sales are divided roughly evenly between bicycle and motorcycle products. The acquisition of Tecno Globe was the company's initial expansion to the bicycle segment. Tecno Globe delivers products for over 4000 dealers in France, the company focuses its offering on high-tech technology products from blue chip brands such as Tomtom and Garmin. In addition to high quality third-party brands, the company stocks its own brands such as CTR, Racedream and Ubikha. In 2020, the company had EUR 21.4m in sales.

02/2022



TMV, founded in 1977, is a distributor and wholesaler of motocross and offroad products in the Benelux region. The company concentrates on spare parts and accessories and stocks wide variety of brands such as Twin Air, Progrip and Pirelli. The company's operations are strategically located in Veghel which is the motocross hub of Netherlands and therefore close to many dealers active in the area. TMV's annual sales during 2021 were roughly EUR 3.5m.

05/2022



PowerFactory is a distributor and wholesaler with a focus on bicycle equipment and accessories. PowerFactory was founded in 1964 and had revenue of EUR 15.1m and EBITDA of EUR 1.4m in 2021. The majority of the company's revenue originates from Finland, but it has also ventured into Sweden for further growth. PowerFactory's offering consists of over 12000 SKUs that it offers to dealer network of over 2000 dealers across Finland and Sweden. The company's headquarter and warehouse is located in Tampere. The acquisition further supports Duell's expansion to the bicycle segment as it was the company's second acquisition in the segment. In addition to segment expansion, the acquisition brought new brands into Duell's brand portfolio to further enhance the offering. The purchase price of the shares in PowerFactory Oy was EUR 9.2m.

02/2023



Duell's latest acquisition was TranAm Ltd from United Kingdom. TranAm, founded in 1976, is a leading UK based distributor and wholesaler of motorcycling accessories and clothing. TranAm has reach of over 400 dealers in the United Kingdom including some of the largest retail chains and shops. The company has a focus on motorcycling as over 90% of total sales are related to motorcycling accessory and clothing distribution. TranAm was acquired to support Duell's expansion to the UK market and enhance Duell's brand portfolio. In addition, TranAm has a UK warehouse and therefore Duell benefits from product deliveries straight into and from the UK warehouse (compared to shipping from Europe to UK). The purchase price of TranAm Ltd was GBP 11.9m, completed in two tranches of which second (40%, or roughly GBP 4.8m) was paid during H2/2023.

Market

Duell's primary market includes onroad and offroad motorcycle spare parts and accessories. The motorcycle market amounted to approximately EUR 6 billion in Europe in 2023. Similarly, the addressable market for the bicycle segment reached EUR 6 billion. Although Duell does not disclose its net sales by specific market segments, it is apparent that the company's market share remains relatively small compared to the total. The market is fragmented and highly competitive with lots of small local players active in it. There are a handful of larger players in the European market with roughly 10–15% market share. Although there is no current market research available on the company's geographic markets, it is estimated that approximately 5% of the total market is in the Nordic region, with most of the market situated in other parts of Europe. The other product categories of Duell; ATVs, snowmobiles, boats, and bicycles, exhibit comparable market characteristics to the motorcycle segment. However, defining the market for these categories is harder. In the snowmobile segment, the demand is heavily focused on the Nordic region. The market is also seasonal, and weather-dependent given the terrain required for the vehicle type.

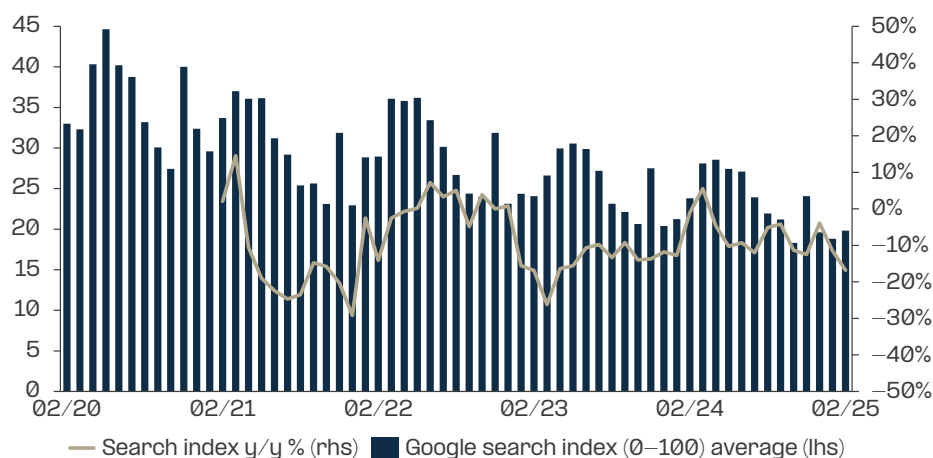
COVID-19 led to overstock across the value chain

The development of the powersports aftermarket has typically correlated with the growth of the registered powersports vehicle fleet. The vehicle pool has grown steadily, for example during the financial crisis, the new motorcycle registration growth slowed down, yet the European registered motorcycle pool continued to expand. Additionally, a significant portion of the products, such as spare parts, are regularly replaced due to wear and tear, resulting in more consistent demand. However, despite its previous resilience to economic downturns and steady development, the powersports aftermarket equipment and parts market has experienced volatility during the last few years. First, the market witnessed a surge in demand due to COVID-19 as consumer spending on recreational activities increased. The surge in demand across several industries in connection with the COVID-19 restrictions led to widespread supply chain issues. As a result of the witnessed supply chain issues, both the distributors and dealers increased their inventory levels to secure product availability. During 2022, the consumer confidence started to decrease rapidly in Duell's main markets because of the war in Ukraine, higher inflation, and interest rates. Due to the slowing demand and high inventory levels in the industry, the powersports market has faced significant challenges starting from H2/2022. We assume that the dealer inventory levels have largely normalized now as some of Duell's customers are already starting to increase their inventory levels. While the markets have somewhat stabilized, many dealers still aim to have lower inventory levels due to market uncertainty.

Search data shows a negative trend from the post-COVID highs

The web and search traffic of major e-commerce websites serve as an indicator for the level of activity in the underlying powersports aftermarket. For the search statistics, we have considered five large powersports websites MOTEA, 24MX, XLMOTO, FC-Moto and Motoblouz. Although these websites offer products across nearly all of Duell's product segments, they primarily specialize in offroad and onroad motorcycle aftermarket products. The search data shows high search traffic for the years 2020–2021 after which the search traffic has clearly slowed down. The decline has persisted through 2023–2025, with a slower rate of decrease observed in 2024–2025. Furthermore, supporting the evidence from search analytics, one of Europe's leading powersports aftermarket e-commerce dealers, Pierce Group (which owns webstore brands 24MX, XLMOTO and Sledstore), reports its active customer base which declined throughout Q4/22 – Q3/24.

Figure 8: Average search engine interest for five large European powersports aftermarket websites, 2/20 – 2/25, index 1–100 (lhs) & index y/y change % (rhs)



Source: Google Trends, Evli Research

Market drivers

The growth in the overall European powersports aftersales market is driven by two main drivers: 1) the number of registered powersports vehicles and 2) the average purchases made by the drivers. In addition to the main growth drivers, there are many long-term market trends such as electrification, market consolidation and e-commerce growth that shape the market going forward.

Powersports vehicle pool and new registrations

The no. of registered powersports vehicles peaked in 2021 in the Nordics

Over the past decade, the number of registered vehicles in the Nordics has experienced an average annual growth rate of approximately 1–2%. However, there have been variations observed across different vehicle segments and geographical regions. The aggregate data for the Nordics shows that the number of registered motorcycles has grown at a 1.0% CAGR over the past decade, while snowmobiles and ATVs have increased at 2.0% and mopeds at a 0.2% CAGR. Snow mobiles and ATVs have clearly grown at a faster pace compared to motorcycles and mopeds. The underdeveloped market characteristic (compared to motorcycles) is among several potential reasons for the development. The total registered motorcycle fleet in the Nordics has declined slightly during the last four years. The main reason we see is that the COVID-19 induced higher demand in 2020–2021 as the total registered vehicle fleet grew 1.9% and 1.5% respectively. Since the peak in 2021, the fleet declined by 1% in 2022, and has then recovered slightly in 2023 and 2024. The decline has been sharp in Norway, yet according to our understanding, this is partly due to policy change which has made deregistration of vehicles easier in Norway leading to lower year-end registration figures for seasonal vehicles such as motorcycles and mopeds.

Table 1: Number of registered vehicles in the Nordics by market, in 000s of registered vehicles, 2013–2024

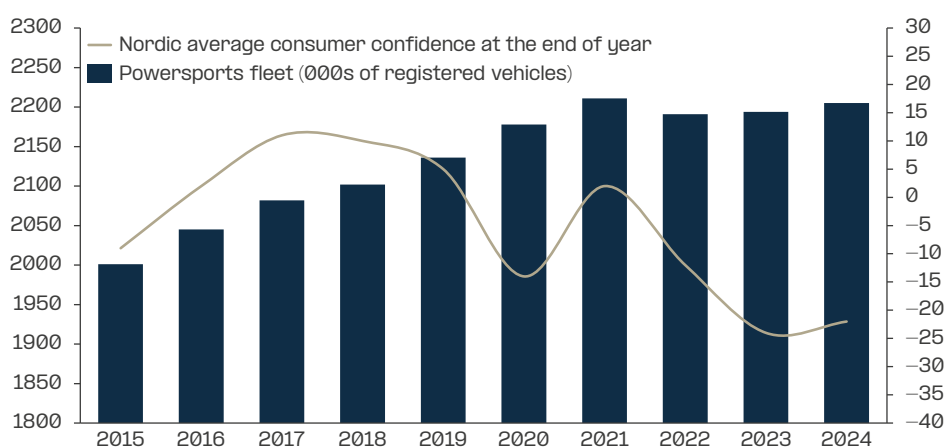
000s of registered vehicles	2 013	2 014	2 015	2 016	2 017	2 018	2 019	2 020	2 021	2 022	2 023	2 024	5-year CAGR %	10-year CAGR %
Motorcycles	252	267	262	266	270	274	279	283	288	292	297	300	1.2%	1.4%
Snow mobiles & ATVs	154	158	162	165	169	173	179	182	186	191	196	200	1.8%	2.1%
Mopeds	303	311	319	326	334	340	345	353	358	363	367	371	1.0%	1.5%
Total Finland	708	726	743	757	773	787	803	819	832	847	860	871	1.2%	1.6%
Total Finland y/y %	–	2.5%	2.3%	1.9%	2.1%	1.8%	2.0%	2.0%	1.6%	1.8%	1.5%	1.3%		
Motorcycles	285	289	292	298	300	300	302	310	313	314	315	318	0.5%	0.9%
Snow mobiles & ATVs	239	247	257	266	277	283	290	294	302	307	316	318	1.6%	2.2%
Mopeds	73	75	76	77	83	86	92	103	102	104	104	105	0.4%	3.4%
Total Sweden	597	610	625	642	659	670	684	707	717	725	735	742	1.0%	1.7%
Total Sweden y/y %	–	2.2%	2.4%	2.7%	2.7%	1.6%	2.2%	3.3%	1.4%	1.1%	1.4%	0.9%		
Motorcycles	162	168	176	184	190	193	198	208	215	184	178	177	–3.1%	0.1%
Snow mobiles & ATVs	76	78	82	86	88	89	92	93	96	96	94	93	–0.1%	1.2%
Mopeds	176	178	178	178	172	163	159	156	154	142	132	127	–4.1%	–3.3%
Total Norway	414	423	436	448	450	445	450	457	465	422	403	397	–2.8%	–0.9%
Total Norway y/y %	–	2.0%	3.2%	2.7%	0.4%	(1.1%)	1.0%	1.7%	1.8%	(9.3%)	(4.5%)	(1.7%)		
Motorcycles	150	150	152	153	156	158	161	162	166	168	169	170	1.0%	1.2%
Mopeds	50	48	46	45	43	42	38	32	30	29	27	26	–4.5%	–5.7%
Total Denmark	199	198	198	198	199	200	199	194	196	197	196	196	0.2%	–0.1%
Total Denmark y/y %	–	(0.6%)	(0.3%)	0.3%	0.7%	0.5%	(0.6%)	(2.5%)	0.8%	0.6%	(0.3%)	(0.3%)		
Motorcycles	848	864	882	902	916	925	940	963	981	959	959	966	0.1%	0.9%
Snow mobiles & ATVs	489	482	500	517	534	546	561	570	584	594	605	610	1.4%	2.0%
Mopeds	602	612	619	626	632	631	635	645	645	638	631	629	–0.5%	0.2%
Total Nordics	1 919	1 957	2 001	2 045	2 082	2 102	2 136	2 178	2 211	2 191	2 194	2 205	0.3%	1.0%
Total Nordics y/y %	–	2.0%	2.3%	2.2%	1.8%	1.0%	1.6%	1.9%	1.5%	(0.9%)	0.2%	0.5%		

Source: Statistics Finland, Statistic Sweden, Statistics Norway, Evli Research

Motorcycle registrations in major European markets increased by approximately 6% per year from 2019 to 2024

According to a third-party market report conducted in connection with the company's initial public offering, the European motorcycle pool experienced a growth rate of approximately 3.4% from 2000 to 2019. Analysis of the new registration data provided by the European Association of Motorcycle Manufacturers reveals that new motorcycle registrations in the main European markets increased by approximately 6% from 2019 to 2024. During the same period, new moped registrations in the main European markets declined 4% on average p.a. although there was a significant surge of approximately 15% in 2020, attributed to the COVID-19 induced demand for mopeds.

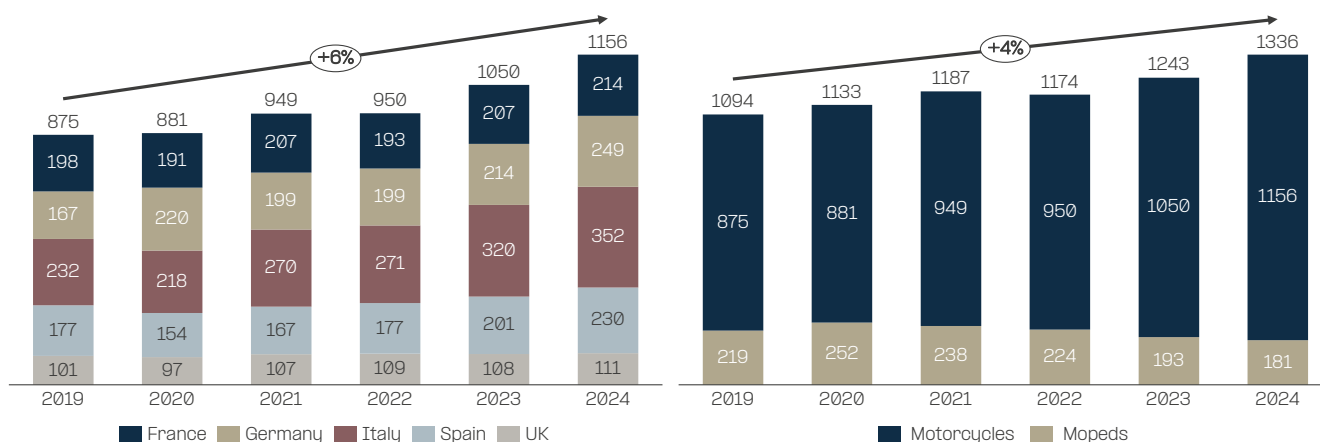
Figure 9: Nordic consumer confidence (average at the end of the year, rhs) & registered powersports fleet (000s of vehicles, lhs), 2015–2024



Source: Factset, Statistics Finland, Statistic Sweden, Statistics Norway, Evli Research

COVID-19 did not affect registrations negatively, yet the war in Ukraine, higher inflation and interest rates did

Figure 10: Number of yearly new motorcycle registrations (lhs) and number of new motorcycle and moped registrations in the European main markets (rhs), in thousands of vehicles, 2019–2024



Source: European Association of Motorcycle Manufacturers, Evli Research

Average purchase value

The rise in average purchase value represents another key growth factor for the powersports aftermarket. According to a third-party market analysis conducted in connection with the company's IPO, the average purchase value during 2010–2019 grew at roughly 0.9% CAGR in the onroad motorcycle segment and by 1.2% CAGR in the offroad segment. According to the same study, onroad drivers spent roughly EUR 366 on equipment and parts in 2019 while offroad drivers spent EUR 724. The main reasons for the higher amount spent by offroad drivers are the free-time nature of the offroad and faster wear of the parts because of the more demanding offroad driving. The average purchase value per driver is expected to grow at a similar, slow pace in the future. According to Pierce group, the average spend per snowmobile rider is similar compared to motorcycle riders.

Market trends

Electrification of powersports vehicles

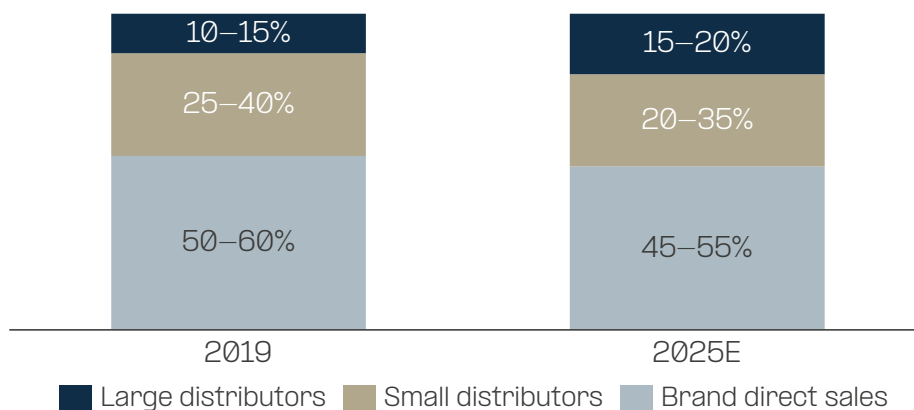
According to the International Energy Agency (IEA), the advancement of electrification in the automotive market has continued as in 2023, electric vehicles represented approximately 18% of all new car sales, an increase from 14% in 2022 and a significant rise from just 2% five years prior, in 2018. Global auto and motorcycle manufacturer Honda estimates that roughly 5% of motorcycle sales will be electric in 2026, growing to 15% by 2030. According to statistics by the European Association of Motorcycle Manufacturers, the share of electric motorcycles of total motorcycle new registrations in the European main markets has declined during the recent years as the share of total registration (ICE + Electric) was only 2.5% in 2024 while in 2022 the share was 4.6%. Approximately 28% of total moped registrations in Europe were electric. Although this is a larger share compared to motorcycles, it has also decreased from 33% in 2022. According to the large powersports OEM Polaris, the main drivers for electrification of powersports vehicles are for example the faster acceleration and higher power of EVs, greater control, lower cost of ownership, lower noise and CO2 emissions. On the other hand, the main barriers for electrification in the powersports base include battery technology, charging infrastructure, demanding use cases, lack of DIY & modification and riders' emotional connection to sounds and smells of ICE powered vehicles. According to Duell, the demand for powersports aftermarket equipment and parts is likely to stay similar despite the

electrification megatrend as for example the part demand will shift from parts such as engine components and oils to batteries and charging cables while the equipment side is likely to stay unchanged.

Large distributors are seizing market share

The European powersports aftermarket distribution is currently consolidating and the large distributors such as Duell are taking market share over especially smaller distributors. The importance of larger distributors is increasing because of scale benefits. For brands, larger distributors are more beneficial as they typically have a wider dealer network reach, have continuous and large orders, offer brand and marketing support with market insight and better supply chain financing. For dealers, the benefits of larger distributors include wider brand offering, flexibility in payment terms and efficient ordering processes.

Figure 11: European motorcycle aftermarket products distribution market share development estimate, 2019–2025E



Source: Duell, Evli Research

E-commerce

The online market penetration for onroad and offroad markets is approximately 20%, with a higher penetration observed in the offroad segment. E-commerce penetration is expected to grow at a faster speed compared to the overall market as penetration is expected to grow further. The growth in e-commerce is coming from both increased sales from e-commerce pure plays and from traditional brick-and-mortar dealers building online sales channels to support their business. Powersports aftermarket products are well suited for e-commerce as the consumers are often well aware of the products they need, and the niche products are often hard to find in a traditional brick-and-mortar store. In addition, a significant share of the parts and equipment are purchased to replace old parts and equipment due to wear and tear. The COVID-19 pandemic has further accelerated e-commerce growth as consumers have got more familiar with online stores.

Competition

Strong market share in the Nordics

Duell has a commanding market share in its Nordic main markets, in Europe, Duell is clearly a challenger with smaller market share. In 2020, Duell estimated that its market share in Finland was roughly 18%, in Sweden 11% and in Norway 7%. We expect that the market share has remained relatively steady in the Nordics. In addition to the Nordics, Duell estimated that it has a leading position in the Baltics. In Europe, the company is still a relatively small player, and its market share is small. The market is generally characterized by a high number of competitors with local presence. There are a couple of larger competitors that are present in many of the markets where Duell operates. Duell's competitors can be divided into three distinct groups:

- Large distributors with European reach and wide segment offering
- Small local distributors
- Brand direct sales to dealers/consumers
































Wide offering covering multiple segments

Based on our analysis, Duell provides one of the most comprehensive ranges in the European powersports aftermarket, both geographically and across various segments. Most of the smaller competitors are active in only a few of the key European markets or have product segment offering that focuses on certain niches. Competitors like Hostettler and PDG participate in various European markets but concentrate on a limited number of powersports segments. In addition to Duell, only Parts Europe is active in multiple European markets and in almost all of the product segment categories that Duell offers. According to the company and our analysis, the closest competitors in the European powersports aftermarket products distribution are Parts Europe and Bihr, which are active in most of the markets where also Duell is active.

DTD (direct to dealer) and DTC (direct to consumer) models pose a threat for distributors

Based on our analysis, there are potential risks linked to the expansion of brand direct sales, despite the company's expectation that large distributors will gain market share from both smaller distributors and brand direct sales. Some larger dealers prefer direct relationships with external brands as it offers them opportunities to lower the sourcing costs among other benefits. We see that the risk is largest with products that are popular and where the orders are large and continuous. The dealer segment that is likely and has utilized direct purchases the most are the large e-commerce dealers, which also benefit from the current shift from brick-to-mortar to e-commerce. In addition, brands such as Fox Racing and Alpinestars are already active in the direct-to-consumer (DTC) market. While the direct-to-consumer (DTC) model may pose a potential challenge for powersports distributors and dealers, it is generally accessible only to the most established brands. The DTC business model necessitates significant investments from the brand and requires a robust overall brand presence. Furthermore, brands that employ the DTC approach typically do not sell all their products directly to consumers; for instance, Duell continues to distribute products from both Fox Racing and Alpinestars, despite their adoption of the DTC model.

Figure 12: Examples of Duell's competitors

	Product segments							Geographic presence
								
Duell's main competitors		✓	✓	✓	✓	✓	✓	
		✓	✓	✓	✓	✓	✓	
		✓	✓	✓	✓	✗	✗	
		✓	✓	✓	✗	✗	✗	
		✓	✓	✓	✗	✗	✗	
		✓	✓	✗	✗	✗	✗	
		✓	✓	✓	✗	✗	✗	
		✓	✓	✗	✗	✗	✗	
		✓	✓	✗	✗	✗	✗	
		✓	✗	✓	✗	✗	✗	
		✓	✓	✓	✗	✗	✗	
		✓	✗	✗	✗	✗	✗	

Source: Duell, company websites, Evli Research

Few larger players in the European market

Duell's largest European competitors are private and therefore do not disclose their financials publicly. According to our analysis, the largest European competitors include Bihr, Parts Europe, SGR Group, Powersports Distribution Group and Hostettler. Bihr is one of the largest and oldest players in the market. Bihr was founded in 1975 and has over 1000 employees and over 50 000 square meters of logistics space. Parts Europe is a subsidiary of LeMans Corporation established in 2008 with approximately 330 employees and net sales of EUR 140m in 2023. Other major European competitors are Powersports Distribution Group with 250 employees and SGR Group with 130 employees.

Duell competes with broad offering, strong brand portfolio and dealer network

Achieving long-term competitive advantages in the powersports aftermarket distribution is challenging. In our view, Duell's competitive strength lies in its size. Duell holds a prominent position in the European powersports aftermarket distribution sector, granting it several advantages over smaller competitors. The company possesses an extensive range of brands and maintains a robust dealer network in both the Nordics and the broader European market. With its widespread reach, Duell serves as an appealing distributor for brands, as it connects them to over 8,500 dealers across Europe through a single channel. Conversely, we recognize that smaller retailers particularly benefit from Duell's diverse brand portfolio, allowing them to consolidate their purchases. Our primary concern in terms of competition stems from large, specialized retailers, who often prefer procuring directly from brand owners to enhance their gross margins. On the other hand, we see that Duell plays a crucial role as a valuable partner for small and medium-sized dealers who are starting to adopt the omni-channel approach in their operations. Furthermore, while the powersports aftermarket distribution lacks substantial barriers to entry, it is worth noting that exclusive distribution rights allocated to specific brands pose challenges for other companies attempting to enter the market. According to our analysis and the company's comments, Duell possesses exclusive rights to part of the third-party brands it provides in certain markets.

Financial performance

Rights issue coupled with improved profitability lowered leverage in 2024

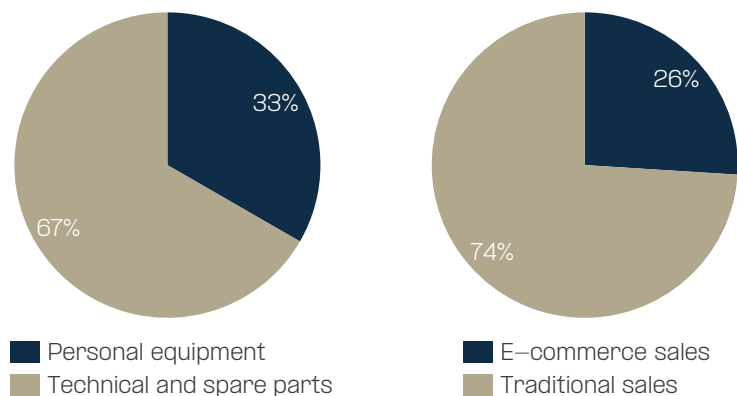
Duell's FY 2024 was a clear step in the right direction as its net sales grew 4.9% year over year aided by acquisition of Tran-Am while comparable sales were flat. At the same time, adj. EBITA improved to EUR 6.2m (2023 EUR 4.6m) with a margin of 5.0% (3.9%). While organic growth was still slow, especially due to the continued weak market in the Nordics, the company was able to improve its profitability by streamlining its operations. Planned debt service in August 2024 was completed and the leverage ratio was at 2.8x at the end of FY 2024, within the medium-term target range of 2–3x. While improved profitability helped, the major component in the lowered leverage ratio was the completed rights issue during the fiscal year. The net proceeds of the rights issue were EUR 17.7m which were used to repay EUR 2.5m of its debt related to the facilities agreement and deferred purchase price of roughly GBP 4.9m related to the TranAm acquisition. Overall, we see that FY 2024 was an important first step in the company's journey back to profitable growth track.

Revenue

Technical and spare parts are the largest product categories by revenue

Duell's revenue consists of powersports equipment sales to dealers across Europe. The company's offering includes equipment and accessories such as parts and personal equipment for different powersports segments such as onroad motorcycles, offroad motorcycles, snow mobiles, ATVs, bicycles and boats. Duell has also introduced gardening and forestry products to its catalogue as many of its customers stock the products in addition to the powersports goods. During the fiscal year 2024, 18% of the company's sales came from own brands and 25% from online sales. Approximately one-third of total sales is derived from personal equipment, while the remaining two-thirds is generated from technical and spare parts sales. Geographically, roughly half, or 53% came from the Nordics. The share of Nordics has been declining as in fiscal year 2021, roughly 82% of the net sales came from the Nordic market. The company's revenue outside the Nordics has grown significantly, attributable to acquisitions in the European market and relatively lower market shares compared to the Nordics, resulting in faster organic growth.

Figure 13: Product category (lhs) & dealer sales channel revenue split, in percentage of total revenue

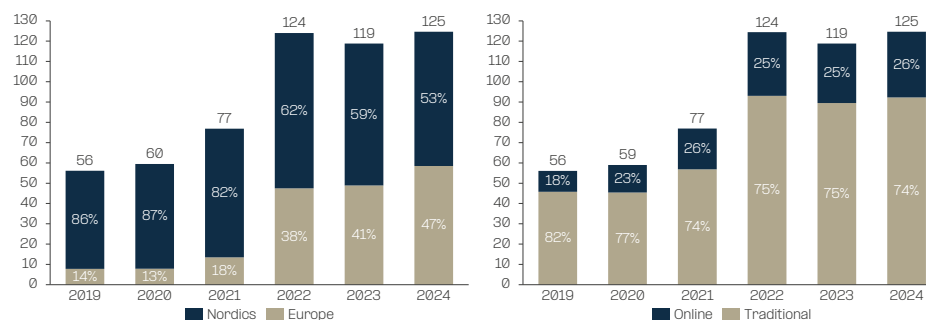


Source: Duell, Evli Research

Growth rate depends on the market conditions and successfulness of Duell's growth strategy

Duell's organic growth rate is influenced by both market and company factors. Market factors are linked to the development of the underlying European market for powersports equipment and parts. The sector's development and growth depend on various elements such as the number of registered vehicles, their age, condition, and consumers' willingness to invest in powersports aftermarket products. Company factors are related to the company's ability to implement its growth strategy effectively. A key aspect of this strategy is the expansion into new geographical markets. The company is currently concentrating on expanding its presence in several European countries, namely the Netherlands, France, Germany, the United Kingdom, and Spain. Duell has established sales offices in France, the United Kingdom, and the Netherlands to facilitate its growth in Europe. Alongside organic expansion into new markets, one of the primary factors driving growth is M&A. Over the past few years, the company has bolstered its growth outside the Nordics by acquiring TranAm, TMV, Tecno Globe, and IGM. As per the company's growth strategy, it also seeks to become a collaborative force in developing online sales. We consider this to be a crucial driver of growth, given that the European powersports aftermarket is projected to transition towards e-commerce, leading to accelerated growth rates compared to the overall market.

Figure 14: Geographic (lhs) and dealer channel revenue development, in % of total and total in EUR m, FY 2019–2024

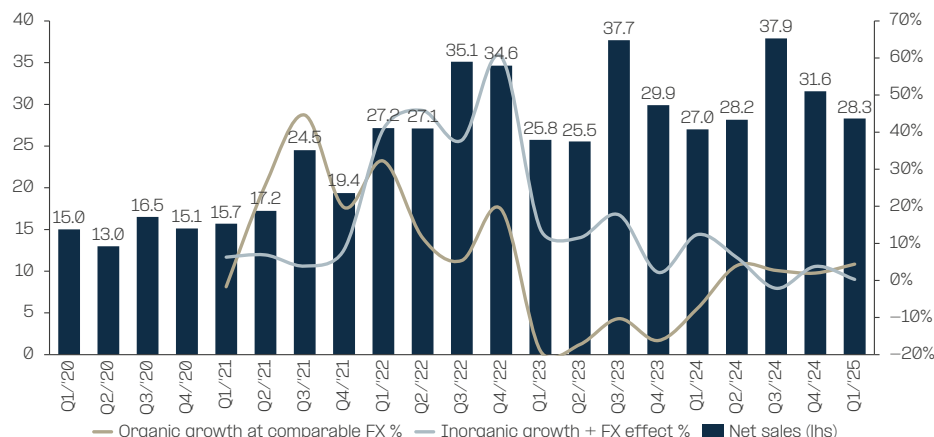


Source: Duell, Evli Research

Duell's growth has historically topped market growth

Prior to Duell's initial public offering, the company exhibited a revenue CAGR of approximately 20%, surpassing the overall market growth by a significant margin. The company's higher-than-the-market revenue growth pre-IPO resulted from adding new brands to the brand portfolio, increases in market share and expansion into new markets. The company's growth continued throughout 2021–2022 in both organic and inorganic terms as net sales grew 29.1% in 2021 and 61.5% in 2022 with organic growth at 24.1% and 15.7% respectively. In 2023 total net sales declined 4.2% year over year while in organic terms, sales declined 15.6%. The primary factor contributing to the decline in organic sales was the challenging market conditions. The combination of excess inventory and low demand led to a slow down across the European powersports value chain. Net sales returned to growth in FY 2024 as sales grew 4.9% and organic net sales grew 0.3%. Sales growth continued in the first quarter of FY 2025 with growth of 4.7% coming fully from organic sources. The markets continue to be challenging but have shown stability compared to previous years.

Figure 15: Net sales development (in EUR m, lhs) and organic & inorganic y/y growth rate in percentage, quarterly, Q1 2020 – Q1 2025



Source: Duell, Evli Research

Targets EUR 200–300m net sales in the medium-term

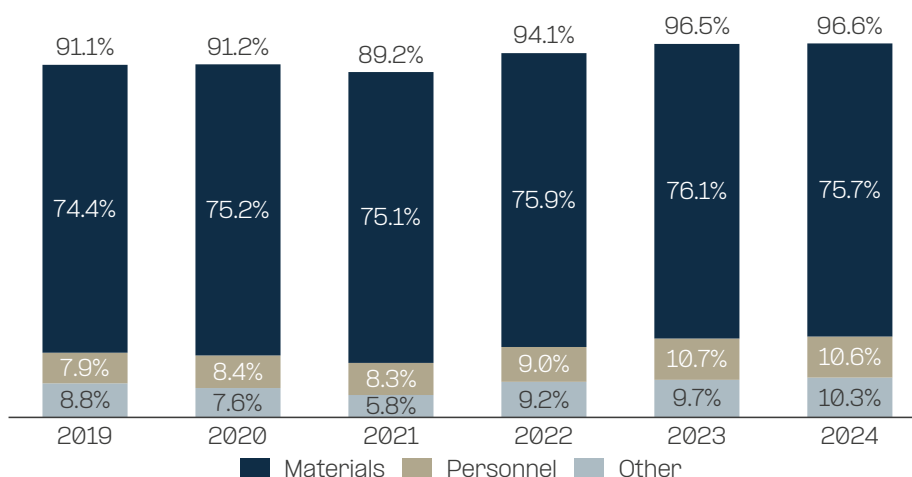
During the fiscal year 2024, Duell generated revenue of EUR 125 million. Duell aims for net sales of EUR 200–300 million in the medium term (3–5 years), achieved through both organic and inorganic growth. This revenue target implies a minimum average annual growth rate (CAGR) of approximately 17% over the next three years. In contrast, the market is projected to experience a low single-digit growth rate during the same period. While the growth target remains ambitious compared to the market growth rate, we see few potential ways for the company to achieve the target. Due to improved balance sheet position, the company could continue acquisitions in the European market in line with its strategy. The European powersports aftermarket distribution remains fragmented, offering potential for acquisitions. The opportunity for organic growth is also significant in the European market, where the company is still an emerging player, and we foresee potential for increasing market share within the region. Although there are opportunities for organic growth, it is evident that acquisitions are necessary for the company to achieve the sales target.

Profitability

Main cost items are related to COGS

Most of Duell's costs are variable by nature and are related to the procurement of products that the company distributes. Duell has maintained a relatively stable cost structure throughout the fiscal years 2019–2024. The most significant cost component for the company, materials costs, consistently accounted for approximately 74–76% of total revenue. Personnel costs have represented around 8–11% of total revenue, while other operating costs have also made up approximately 8–10% of total revenue. Other operating costs are mostly fixed costs related to costs such as rents, sales and marketing and IT costs, other personnel costs, and uncertain receivables. As Duell reports in accordance with Finnish Accounting Standards (FAS), the leases are recognized as expenses instead of depreciation of right-of-use assets.

Figure 16: Main OPEX items as % of net sales, 2019–2024



Source: Duell, Evli Research

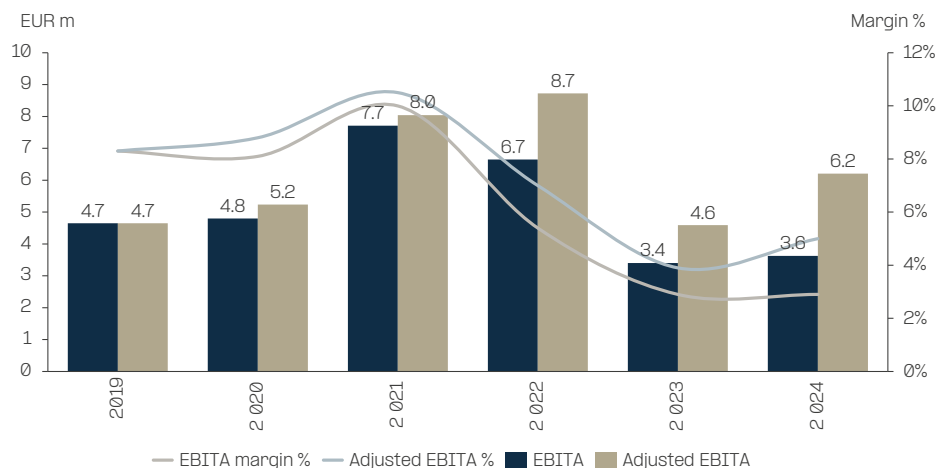
Gross margin has been steady at roughly 24–25%

Duell has maintained a consistent gross margin of approximately 24–25% over the past five years, aligning well with other European distribution companies. In FY 2024, Duell's gross margin improved to EUR 30.3m or 24.3% from EUR 28.3m or 23.9%. Adjusting for items affecting comparability, the gross margin grew on absolute terms from EUR 28.5m to EUR 29.9m yet stayed level in terms of gross margin percentage at 24%. The items affecting comparability were related to a change of accounting principles related to inventory in connection with the Q4/24 report. We assume that the slightly weaker gross margin during 2022–2024 has been a result of the tightened competitive environment coupled with higher logistics costs. Since a significant portion of Duell's inventory is sourced from overseas, the logistics expenses are a significant factor in the total product costs.

The downward trend in profitability ended in 2024

Duell's profitability grew in both absolute and relative terms in FY 2024 as adj. EBITA improved to EUR 6.2 (2023 EUR 4.6) with a margin of 5.0% (3.9%). The main reason for the improvement was the company's focus on profitability during the fiscal year. In addition, the gross margin improved on reported terms, while it remained flat on adjusted terms. The rights issue completed during the fiscal year resulted in a negative effect of EUR 2.8m which affected the reported figures.

Figure 17: EBITA & adjusted EBITA (in EUR m, lhs) and EBITA & adjusted EBITA margin development, annually, 2019–2024



Source: Duell, Evli Research

EUR 1m of cost savings expected to be achieved mainly in FY 2025

In October 2024, Duell announced the commencement of change negotiations. The objective is to enhance operational efficiency by adjusting operations and workload in response to current weaker market conditions. The change negotiations were completed in January 2025, and the company expects that it will achieve the targeted annual cost savings of approximately EUR 1m across the group mainly during the financial year 2025. Per management comments, some of the effects will trickle down to H1 of the financial year 2026. The total annual effect of EUR 1 million will consist of approximately half of personnel cost reductions and half of other efficiency measures.

Mid-term profitability target >13% adj. EBITA

In the medium-term, the company targets adjusted EBITA margin of at least 13%. Duell's adjusted EBITA has hovered around 4–10% during 2019–2024. For the fiscal year 2025, the company anticipates an improvement in adjusted EBITA from the 2024 level of 5.0%. The main ways how Duell aims to improve its profitability towards the mid-term target:

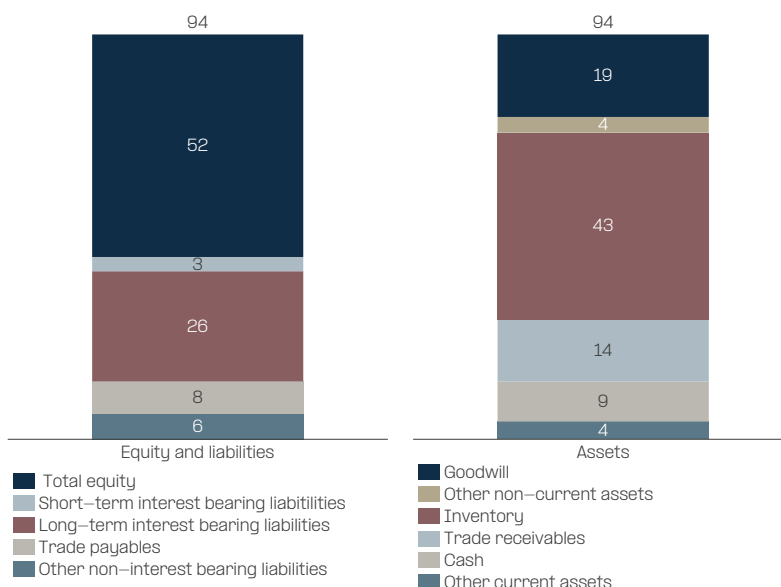
- **Own brand sales:** One of the main ways to improve the company's gross margins is to increase the share of own brands sales. Own brand sales were 18.0% of the total net sales in FY 2025. Duell own target for own brands sales is 25% of total sales.
- **Volume growth:** Despite most of the company's costs are variable and related to procurement of the items sold, a large part of the other operating costs are fixed or semi-fixed which provide some scalability for the company through volume growth.
- **Operational efficiency:** One of the current key focus areas of the company is operational efficiency, the company aims to improve profitability through personnel reductions for FY 2025 and going forward.

Financial position

Duell's assets comprise of working capital and goodwill

Duell's business model requires a low amount of investment in tangible assets as the company leases and/or rents its premises and machinery and equipment. The largest asset item on the tangible asset side was goodwill at EUR 19.1m, which has been formed through the acquisition that the company has made. While the business model is asset light on the tangible side, the largest asset item in the company's balance sheet is inventory. Inventory at the end of fiscal year 2024 was EUR 43.3 million, compared to EUR 49.5 million the previous year. The second largest item on the current asset side was trade receivables at EUR 14.4m. On the liability side, the company had EUR 25.6m of non-current loans from financial institutions.

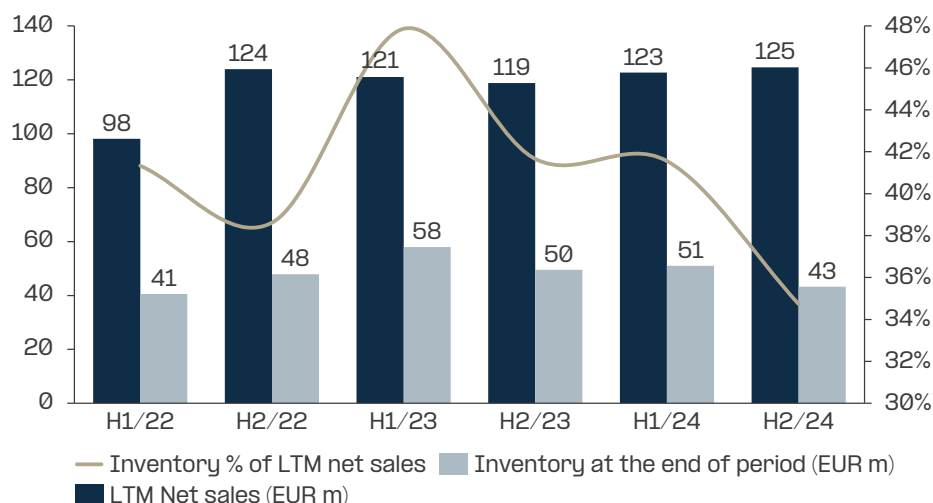
Figure 18: Duell balance sheet composition, end of FY 2024, in EUR m



Source: Duell, Evli Research

Duell's business model necessitates a substantial inventory holding to effectively meet dealer demand and ensure a broad selection with fast deliveries. The company aims to make orders available for dealers overnight, especially in the Nordics, which requires the company to stock a wide variety of items. Duell experienced a rapid increase in inventory levels due to supply chain challenges caused by the COVID-19 pandemic. During the period of 2022–2023, Duell faced a scenario in which its inventory levels were excessively high because of dealers decreasing their stock levels. Partly due to the high inventory levels, the company was not able to meet conditions for its debt covenants (net debt to EBITDA) at the end of FY 2023. One of the main strategic goals for fiscal years 2023–2024 was the reduction of inventory levels. At the end of FY 2024, the company had total inventory of EUR 43.3m or 34.7% of FY 2024 net sales, the decline was substantial from FY 2023 where inventory was at EUR 49.5m or 41.7% of net sales. The company's business model makes achieving a significantly lower inventory level challenging. We see that maintaining an inventory level of roughly 30–40% of net sales is realistic given the company's business model.

Figure 19: Total inventory and LTM net sales (in EUR m, lhs) and average inventory to sales (rhs), biannually, H1 2022 – H2 2024

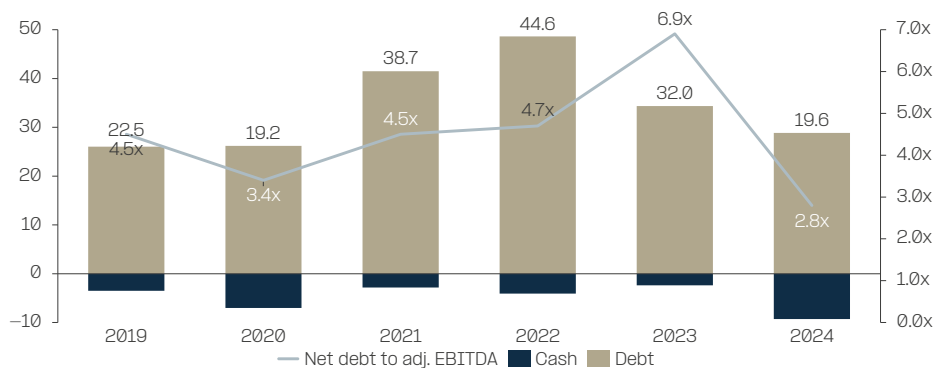


Source: Duell, Evli Research

Leverage target was reached at the end of FY 2024

Duell's medium-term financial target is to have net debt to adjusted EBITDA in the range of 2–3x. The ratio has hovered around 3–7x during 2019–2024, and at the end of FY 2024, the ratio was at 2.8x which was in line with the threshold agreed for the company's debt covenant. The primary factor contributing to the reduced leverage ratio was the successful rights issue completed during the fiscal year. The company raised EUR 17.7 million, which was utilized to repay EUR 2.5 million of its debt associated with the facilities agreement and approximately GBP 4.9 million in deferred purchase price related to the TranAm acquisition.

Figure 20: Net debt development (in EUR m, lhs) and net debt to adj. EBITDA ratio, at the end of FY, 2019–2024



Source: Duell, Evli Research

Estimates

For FY 2025, the company expects that while the markets have somewhat stabilized, consumer sentiment will remain fragile due to the ongoing uncertainties. While markets remain uncertain, the demand is expected to be slightly better compared to FY 2024. Duell's financial guidance for 2025 is as follows:

- Duell expects that organic net sales with comparable currencies will be at the same level or higher than previous year.
- Duell will continue to focus on improving profitability and expects adjusted EBITA to improve from last year's level.

We expect growth to pick up in H2 partly helped by easier comparables

Duell's first quarter of its fiscal year 2025 showed promising signs as it delivered slightly better figures than we had expected for both net sales and profitability. 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 coming fully from organic sources. For Q2/25, we now estimate nearly flat sales y/y partly due to stronger organic growth in Q2/24. Additionally, we expect that the slower start of the winter season in the Nordics has affected the company's snow mobile products in-season sales more than during the first quarter when it only affected the demand during the latter part of the quarter. For H2, we forecast slightly stronger growth compared to the last fiscal year as Duell grew organically at a low single-digit rate. We also expect that the somewhat improved market conditions and continued strong growth in the European market will support the company during the second half. Duell concluded change negotiations in January. The company expects that it will achieve the targeted annual cost savings of approximately EUR 1m across the group mainly during the financial year 2025. We forecast that the expected cost savings, in addition to increased volumes, will drive improving profitability, especially in H2. Overall, we expect net sales of EUR 129m for FY 2025E, with net sales growth of 3.8% y/y. For adj. operating profit (EBITA), we forecast EUR 7.9m (2024: 6.2m) with a margin of 6.1% (5.0%).

Organic growth to pick up slightly in FY 2026

As commented earlier, the underlying powersports aftermarket is growing at a low single digit growth rate driven by various factors such as the number of registered powersports vehicles, their age, condition, and, importantly, consumers' willingness to invest in powersports aftermarket products. We estimate that the company's growth in the Nordics is likely to follow the slow, low single-digit market growth rate also in the future. The European growth market remains the primary catalyst for Duell's organic growth. We estimate that the company has the potential to outpace market growth in Europe, particularly considering that its market share in Europe (excluding the Nordics) is considerably lower compared to the Nordics, where the company holds a dominant position. We estimate that the company's organic growth will pick up slightly in 2026E as we expect the powersports aftermarket value chain to continue to normalize especially in the Nordics while the company keeps growing faster than the market in Europe.

Volume growth + improving efficiency = higher margins

We forecast margin improvement to continue in the medium term, driven by higher volumes and increased cost efficiency leading to lower relative personnel and other operating expenses (as % of net sales). Our gross margin estimate remains relatively steady throughout the estimate period. While most of the EUR 1m targeted operating expense savings will be achieved during FY 2025, we expect part of the savings to materialize fully during H1/2026. We estimate Duell's other operating expenses, consisting of expenses related to sales and marketing, IT, other personnel costs and outsourced administrative services to decline closer to 7% of net sales in 2027E (10.3%

in FY 2024, including non-recurring rights issue costs of EUR 2.8m or roughly 2% of net sales). The other operating expenses are partly fixed and therefore do not scale in hand with revenue growth.

Net sales target
requires rapid growth

Most of Duell's revenue growth during the last years has come from inorganic sources as the company completed five acquisitions during 2021–2023. The company's total revenue for FY 2024 was EUR 125m, reaching the growth target of EUR 200–300m in 3–5 years requires materially faster growth than the overall underlying market. As a result of the company's historic appetite for M&A and strong growth aspirations, we see likely that Duell will continue to acquire companies especially in its European growth markets. Due to the nature of acquisitions, we have not included any inorganic growth in our estimates.

We will maintain a
conservative long-term
profitability forecast

Duell aims to achieve an adjusted EBITA margin of at least 13% as its medium-term profitability target. However, our current estimates project an EBITA margin of 7–9% during the forecast period, which falls significantly short of the company's target. Based on our understanding, Duell has not achieved an EBITA margin of 13% in recent years. The company's highest recorded profitability between 2019 and 2024 was an adjusted EBITA margin of 10.5% in 2021, driven by strong and profitable organic and inorganic growth. We view the profitability target as ambitious, as achieving it would require favorable market conditions, operational efficiency, and likely acquisitions that enhance margins.

Table 2: Estimate summary

	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2 024	Q1/'25	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Total net sales	27.0	28.2	37.9	31.6	124.7	28.3	28.3	39.6	33.2	129.4	137.1	141.2
<i>y/y %</i>	<i>4.9%</i>	<i>10.2%</i>	<i>0.6%</i>	<i>5.8%</i>	<i>4.9%</i>	<i>4.7%</i>	<i>0.5%</i>	<i>4.5%</i>	<i>5.2%</i>	<i>3.8%</i>	<i>5.9%</i>	<i>3.0%</i>
EBITA	(0.5)	(0.7)	2.9	1.9	3.6	0.6	1.5	3.6	2.0	7.8	9.3	10.2
<i>EBITA %</i>	<i>-1.7%</i>	<i>-2.6%</i>	<i>7.7%</i>	<i>6.0%</i>	<i>2.9%</i>	<i>2.0%</i>	<i>5.2%</i>	<i>9.2%</i>	<i>6.0%</i>	<i>6.0%</i>	<i>6.8%</i>	<i>7.2%</i>
EBIT	(1.1)	(1.4)	2.2	1.2	0.8	(0.1)	0.8	3.0	1.3	4.8	6.5	7.4
<i>EBIT %</i>	<i>-4.2%</i>	<i>-5.1%</i>	<i>5.9%</i>	<i>3.7%</i>	<i>0.7%</i>	<i>-0.5%</i>	<i>2.8%</i>	<i>7.5%</i>	<i>3.9%</i>	<i>3.7%</i>	<i>4.8%</i>	<i>5.2%</i>
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	1.5	3.6	2.0	7.9	9.3	10.2
<i>Adj. EBITA %</i>	<i>1.0%</i>	<i>4.9%</i>	<i>8.4%</i>	<i>4.3%</i>	<i>5.0%</i>	<i>2.4%</i>	<i>5.2%</i>	<i>9.2%</i>	<i>6.0%</i>	<i>6.1%</i>	<i>6.8%</i>	<i>7.2%</i>
Adj. EBIT	(0.4)	0.7	2.5	0.7	3.4	(0.0)	0.8	3.0	1.3	5.0	6.5	7.4
<i>Adj. EBIT %</i>	<i>-1.5%</i>	<i>2.4%</i>	<i>6.6%</i>	<i>2.1%</i>	<i>2.7%</i>	<i>-0.1%</i>	<i>2.8%</i>	<i>7.5%</i>	<i>3.9%</i>	<i>3.8%</i>	<i>4.8%</i>	<i>5.2%</i>

Source: Duell, Evli Research estimates

Valuation

BUY with a TP of EUR 8.5 (prev. EUR 9.0)

Following minor adjustments to our estimates, we revise our TP to EUR 8.5 (prev. EUR 9.0) while maintaining rating at BUY. Our valuation primarily relies on peer multiples and the discounted cash flow model. Duell is priced at adj. EV/EBITA of 6–5x and 7–5x P/E on our estimates for 2025–2026E, which we see as conservative levels for the company especially considering the current depressed earnings due to challenging market conditions. There are no direct comparable public companies. Our main peer group consists of European companies that are active in car and powersports aftermarket retail and/or distribution. The company's current pricing presents a discount of roughly 10–40% compared to the European peer group. Alongside peer multiples, the discounted cash flow analysis indicates an even wider discount compared to the current market price. This highlights the considerable upside potential should the turnaround proceed as we anticipate. We retain our long-term estimates well below Duell's own targets for both sales growth and profitability. We believe that achieving an adjusted EBITA margin of at least 13% necessitates a significantly larger scale and favorable market conditions. As previously stated, we consider that the company would require further acquisitions to reach a net sales range of EUR 200–300 million during the current strategy period. However, we have not included potential future acquisitions in our current estimates.

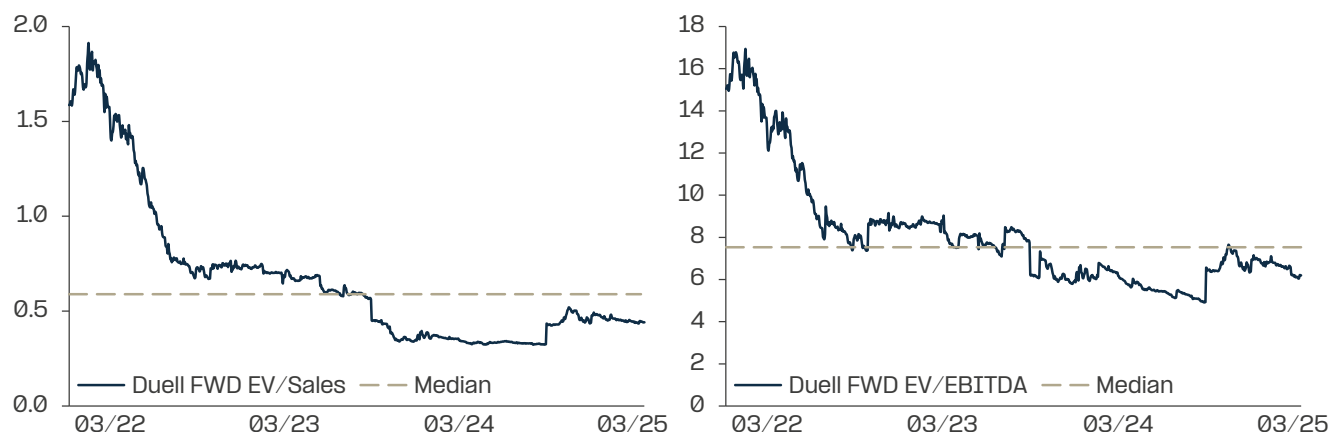
Trading significantly below its own historical valuation levels

Duell has historically been priced at 0.6x EV/Sales, EV/EBITDA of 8x and 9x P/E (median, FWD multiples). The company's valuation levels at the time of the initial public offering were roughly 2–3 times higher compared to the historical median levels at 18–20x P/E, 15–16 EV/EBITDA and 1.6–1.8x EV/Sales. The company is currently priced at 7–6x P/E and EV/EBITDA and 0.4x EV/Sales. While we consider the current pricing to be conservative in absolute terms, we believe it more accurately reflects a normalized macroeconomic environment. Our view is that the valuation levels seen directly after the initial public offering were affected by the interest rate levels at the time and the strong demand and outlook in the powersports aftermarket.

DCF points towards significant upside, despite conservative estimates vs. targets

Our long-term estimates are at conservative levels compared to the company's own targets. We model Duell's reaching 5.2% EBIT margin (7.2% EBITA margin) in 2027E with net sales of EUR 141m resulting in EBIT of EUR 7.4m (EBITA EUR 10.2m). We model sales growth of 3–6% during 2025–2028E after that which we expect growth to slow down. We assume terminal net sales growth rate of 2.0%. For profitability, we estimate terminal EBIT margin of 7%. As commented earlier, the company's business model is relatively asset light and requires low amount of capital investments. We assume annual capital expenditure of roughly EUR 1m for the estimate period. While the business model is CAPEX light, we forecast that capital will remain tied into working capital. With WACC of 10.2%, our DCF points towards a fair value of approximately EUR 11.0 per share, considerably higher than the current market pricing.

Figure 21: Duell FWD EV/Sales (lhs) & EV/EBITDA (rhs), 03/22–03/25



Source: Factset, Evli Research

No directly comparable peer companies

There is no direct peer companies listed for Duell. We have picked companies to the peer group based on similar product offering characteristics, end-markets, cost structure and cash flow profiles. Our peer group consists mostly of European companies that are active in car and/or powersports aftermarket retail and distribution. Historically, the European peer group has traded at roughly 11x FWD P/E and EV/EBIT.

Short description of the main European peer companies:

Relais Group is a Finnish company that acts as an active consolidator in the Nordic vehicle aftermarket. Relais employs 1278 professionals in 6 countries. The company offers both products and services for vehicle life cycle enhancement, the offering includes third party brands and Relais own brands. Roughly third of the company's sales in 2024 was from repair and maintenance services while the rest was distributed between products related to spare parts, lightning and equipment.

Pierce Group is a Swedish company active in the powersports aftermarket e-commerce. Pierce Group is headquartered in Stockholm, with a centralized warehouse in Poland and customer service in Barcelona, in total, the company employs roughly 325 employees. It owns powersports e-commerce webstore brands 24MX, XLMoto and Sledstore. In addition to retail, the company owns its own product brands which it stocks in the webstores. Pierce Group is one of Duell's e-commerce customers as Duell lists 24MX, XLMoto and Sledstore as e-commerce dealer reference clients.

Auto Partner is a Polish company that acts as an importer and distributor of spare parts for cars, light commercial vehicles and motorcycles. The company has branch offices all over the Europe. Auto Partner is one of the largest distributors of automotive parts in Poland with a nearly 10% market share, in addition to Poland, roughly 50% of total sales come from foreign markets. Like many other importers and distributors, Auto Partner has established its own brands to complement its third party brand offering.

Inter Cars is a Polish company that imports and distributes automotive spare parts for passenger cars and commercial vehicles. In addition to automotive aftermarket products, the company stocks garage equipment and motorcycle spare and tuning parts. Inter Cars operates across the Europe in 18 countries and is one of the largest

automotive spare part distributors in the market. The company stocks roughly 550,000 SKUs and has over 585 branches in its main markets in OEE.

Delticom is a German company based in Hanover that is the European market leader for online tire and wheel sales and distribution. The company was founded in 1999 and operates primarily in Europe and the USA. Delticom's offering includes a range of over 600 brands and more than 40,000 tire models for cars and motorcycles. Delticom's ~350 online shops and distribution platforms serve 73 countries in total with more than 17 million customers.

MEKO is a Swedish company that is a market leader in spare parts and car services in the Nordics. The company is active in 8 markets, employs over 6000 employees, operates through 600 branches and over 4000 affiliated workshops. MEKO offers automotive spare-parts and services through its chains in the northern Europe including FTZ, Inter-Team, Koivunen, MECA, Mekonomen and Sørensen og Balchen.

No directly comparable peer companies

There are more publicly listed companies in the United States operating in the automotive and/or powersports aftermarket distribution and retail, these companies include names such as Advance Auto Parts, AutoZone, LKQ, Genuine Parts and O'Reilly Automotive. We find that these companies differ from the European peer group due to their average size, margin levels and cash flow generation ability. We have included the American peer group into the report, yet we do not currently use it as a reference in Duell's valuation. Historically, the American peer group has traded at roughly 17x FWD P/E and 13x FWD EV/EBIT equivalent to approximately 20–50% premium compared to the European peer group.

Table 3: Peer group multiples

European peers	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
Relais Group	255	7.3x	6.9x	6.6x	11.3x	10.0x	9.2x	10.9x	9.7x	8.9x
Pierce Group	72	4.4x	3.6x	3.2x	8.8x	5.9x	5.1x	14.0x	9.8x	8.4x
Auto Partner SA	559	7.3x	6.1x		8.2x	6.9x	5.9x			
Inter Cars	1788	7.2x	6.4x		8.6x	7.7x	7.0x	8.2x	7.4x	
MEKO	661	6.0x	5.5x	5.4x	10.5x	9.4x	9.2x	9.2x	8.6x	8.6x
Delticom	34	5.5x	4.9x	4.5x	10.6x	9.1x	8.0x	7.7x	5.6x	4.8x
Peer Group Average	561	6.3x	5.6x	4.9x	9.7x	8.2x	7.4x	10.0x	8.2x	7.7x
Peer Group Median	407	6.6x	5.8x	5.0x	9.7x	8.4x	7.5x	9.2x	8.6x	8.5x
Duell (Evli est.)*	34	5.9x	4.8x	4.1x	6.5x	5.3x	4.5x	6.8x	5.2x	4.7x
<i>Duell prem./disc. to peer median</i>		<i>–10 %</i>	<i>–18 %</i>	<i>–19 %</i>	<i>–33 %</i>	<i>–37 %</i>	<i>–40 %</i>	<i>–27 %</i>	<i>–39 %</i>	<i>–45 %</i>

North American peers	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
Advance Auto Parts	2160	10.4x	8.0x	6.6x	27.7x	16.5x	11.0x	26.3x	13.0x	8.3x
AutoZone	59008	17.6x	16.3x	15.5x	20.4x	18.9x	17.5x	24.4x	21.7x	19.3x
LKQ	10277	9.7x	9.2x	8.8x	11.2x	11.1x	10.6x	12.0x	11.1x	10.4x
Genuine Parts	15206	11.0x	10.1x	9.4x	13.4x	12.7x	11.5x	15.0x	13.5x	12.3x
O'Reilly Automotive	75812	23.4x	21.8x	20.0x	26.5x	24.5x	22.8x	32.4x	28.9x	25.8x
Peer Group Average	32493	14.4x	13.1x	12.1x	19.8x	16.8x	14.7x	22.0x	17.6x	15.2x
Peer Group Median	15206	11.0x	10.1x	9.4x	20.4x	16.5x	11.5x	24.4x	13.5x	12.3x
Duell (Evli est.)*	34	5.9x	4.8x	4.1x	6.5x	5.3x	4.5x	6.8x	5.2x	4.7x
<i>Duell prem./disc. to peer median</i>		<i>–46 %</i>	<i>–53 %</i>	<i>–57 %</i>	<i>–68 %</i>	<i>–68 %</i>	<i>–61 %</i>	<i>–72 %</i>	<i>–61 %</i>	<i>–62 %</i>
<i>*Duell's figures adjusted for goodwill depreciation and non-recurring items.</i>										
<i>Source FactSet, Evli Research</i>										

Table 4: Peer group overview

	Sales	Sales gr.			EBIT-%*			Div. yield		
	24	25	26	27	25	26	27	25	26	27
Relais Group	323	4.2%	3.6%	3.3%	10.7 %	11.6 %	12.2 %	3.4 %	3.7 %	4.0 %
Pierce Group	146	11.2%	8.5%	7.5%	3.5 %	4.8 %	5.3 %	0.0 %	0.0 %	0.0 %
Auto Partner SA			18.8%	1.2%	6.9 %	6.9 %	8.1 %			
Delticom	482	-1.2%	2.5%	2.5%	2.1 %	2.4 %	2.7 %	5.3 %	6.4 %	7.2 %
Inter Cars	4686	11.6%	9.5%	1.1%	5.5 %	5.6 %	6.1 %	0.4 %	1.4 %	
MEKO	1604	11.2%	1.7%	1.8%	5.9 %	6.5 %	6.5 %	3.6 %	3.5 %	3.9 %
Advance Auto Parts	8656	-9.5%	1.3%	2.7%	2.0 %	3.2 %	4.8 %	2.6 %	2.6 %	2.6 %
AutoZone	16254	9.0%	6.1%	7.3%	19.9 %	20.2 %	20.4 %	0.0 %	0.0 %	0.0 %
LKQ	13705	-3.2%	3.0%	-1.7%	10.4 %	10.2 %	10.8 %			
Genuine Parts	22439	-0.9%	4.2%	5.1%	6.9 %	7.0 %	7.3 %	3.5 %	3.6 %	3.8 %
O'Reilly Automotive	16113	1.4%	6.2%	6.3%	19.6 %	20.0 %	20.2 %	0.0 %	0.0 %	0.0 %
Peer Group Average	7588	3.4%	5.9%	3.4%	8.5 %	9.0 %	9.5 %	2.1 %	2.4 %	2.7 %
Peer Group Median	4686	2.8%	4.2%	2.7%	6.9 %	6.9 %	7.3 %	2.6 %	2.6 %	3.2 %
Duell (Evli est.)	125	3.8%	5.9%	3.0%	6.1 %	6.8 %	7.2 %	2.0 %	3.3 %	3.9 %

*Duell prem./disc. to peer median**Source FactSet, Evli Research*** Duell EBITA-%*

Investment risks

Supply chain	Duell functions as an intermediary between manufacturers and brand owners on one end and dealers/retailers on the other end, fulfilling its role as a wholesale distributor. Due to its business model and value chain position, the company is sensitive to supply chain disruptions. The latest example of such disruption was the COVID-19 pandemic which affected supply chains across many industries including the powersports aftermarket where most of the manufacturing is done in Asia.
Inventory management	Inventory management plays a crucial role for the company as a significant portion of its capital is tied to the inventory. The company's business model requires relatively high inventory levels as Duell aims to make orders available to customers overnight. Demand for Duell's products is seasonal, which further complicates the optimization. If the company fails to sell its seasonal inventory, it might have to do fire sales and discounts, which lowers the gross margin potential. During 2022-2023, this risk materialized due to supply chain disruptions and weakening demand, resulting in the company's inventories reaching very high levels.
Market	Despite the historical resilience to economic downturns, the powersports aftermarket is not immune to overall development of the economy. Some of the products, such as spare parts, are regularly replaced due to wear and tear, resulting in a more consistent demand. The market experienced a significant increase in demand as consumer spending on recreational activities rose due to COVID-19. However, the demand slowed down in 2022 as a result of the war in Ukraine and continued to decrease throughout 2023. Similar sudden shocks will put pressure on the powersports aftermarket in the future, yet we see the underlying market development relatively stable as a result of steadily increasing registered powersports vehicle pool and average purchases.
Brand direct sales	We consider direct sales by brands a competitive threat to Duell. Brand direct sales refer to situations where brands sell directly to dealers or consumers, thereby bypassing intermediaries like Duell in the distribution process. Our primary concern in terms of competition stems from large, specialized retailers, who often prefer procuring directly from brand owners to enhance their gross margins. On the other hand, we see that Duell plays a crucial role as a valuable partner for small and medium-sized dealers who are starting to adopt the omni-channel approach in their operations.
Integration of acquired companies	Duell's growth strategy relies on both organic and inorganic growth. In recent years, the company has successfully acquired five companies across Europe. However, the integration of these acquired companies carries certain risks, such as the possibility of not achieving the intended strategic goals or synergies initially envisioned. Nonetheless, the integration of the acquired companies has reportedly proceeded according to plan, as stated by the company. Given its current strategy and the ongoing industry consolidation trend, it is probable that Duell will continue its pursuit of acquiring businesses in the future.
Balance sheet	Duell's covenant terms for loans were breached at the end of FY 2023 as net debt to EBITDA reached 6.9x. As mentioned, the company was able to complete the rights issue to strengthen its balance sheet at the start of 2024. At the end of FY 2024, the leverage ratio was at 2.8x, in line with the company's target and the conditions for the covenants were met. While we see the current balance sheet situation vastly improved, the leverage ratio remains at the upper end of the company's target.

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price

< -10%
-10 – 0%
0 – (+10)%
> 10%

Recommendation

SELL
REDUCE
ACCUMULATE
BUY

OLD

Target price compared to share price

< -10%
-10 – (+10)%
> 10%

Recommendation

SELL
HOLD
BUY

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	6.58 PV of Free Cash Flow	40 Long-term growth, %	2.0 % Risk-free interest rate, %	2.50 %
DCF share value	10.99 PV of Horizon value	36 WACC, %	10.2 % Market risk premium, %	6.5 %
Share price potential, %	67.0 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	4.5 %
Maximum value	12.0 Marketable securities	9 Minimum WACC, %	9.7 % Equity beta coefficient	1.50
Minimum value	10.1 Debt – dividend	–29 Maximum WACC, %	10.7 % Target debt ratio, %	40 %
Horizon value, %	47.4 % Value of stock	57 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	129	137	141	145	148	151	154	157	161	164	167
Sales growth (%)	4.9%	3.8%	5.9%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	1	5	7	7	9	10	10	11	11	11	11	12
Operating income margin %	0.7%	3.8%	4.8%	5.2%	6.0%	6.5%	6.5%	7.0%	7.0%	7.0%	7.0%	7.0%
+ Depreciation+amort.	4	4	4	4	4	4	4	3	1	1	1	
EBITDA	5	9	10	11	13	13	14	14	12	12	13	
– Paid taxes	–2	–1	–2	–2	–2	–2	–3	–3	–2	–2	–2	
– Change in NWC	–5	–2	–4	–2	–2	–1	–1	–1	–2	–2	–2	
NWC / Sales, %	38.9%	39.3%	39.9%	40.2%	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%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	–3	4	3	6	7	8	9	9	7	7	7	93
= Discounted FCFF		3	3	5	5	5	5	5	3	3	3	36
= DFCF min WACC		3	3	5	5	5	5	5	4	3	3	40
= DFCF max WACC		3	3	5	5	5	5	5	3	3	3	33

Sensitivity analysis, EUR

		Terminal WACC				
		8.19 %	9.19 %	10.19 %	11.19 %	12.19 %
Terminal EBIT–%	5.00 %	10.99	9.26	7.92	6.85	5.96
	6.00 %	13.42	11.17	9.46	8.10	7.00
	7.00 %	15.84	13.08	10.99	9.35	8.03
	8.00 %	18.27	14.99	12.52	10.60	9.07
	9.00 %	20.70	16.90	14.06	11.85	10.10

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	28.3	39.6	33.2	129.4	137.1	141.2
EBITDA	-0.2	-0.6	3.2	2.1	4.6	0.8	1.7	3.9	2.3	8.7	10.2	11.1
EBITDA margin (%)	-0.7%	-2.0%	8.4%	6.8%	3.7%	2.9%	6.2%	9.8%	6.8%	6.7%	7.5%	7.9%
EBIT	-1.1	-1.4	2.2	1.2	0.8	-0.1	0.8	3.0	1.3	4.9	6.5	7.4
EBIT margin (%)	-4.3%	-5.1%	5.9%	3.7%	0.7%	-0.5%	2.8%	7.5%	3.9%	3.8%	4.8%	5.2%
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	-1.1
Pre-tax profit	-1.8	-2.2	1.3	1.1	-1.7	-0.6	0.4	2.6	0.9	3.2	5.3	6.3
Tax	-0.1	-0.1	-0.2	-0.5	-1.0	0.2	-0.2	-0.6	-0.3	-1.0	-1.6	-1.8
Tax rate (%)	-10.8%	-8.1%	9.9%	28.5%	86.0%	-281.9%	20.0%	20.0%	20.0%	16.4%	20.0%	20.0%
Net profit	-2.0	-2.4	1.1	0.6	-2.6	-0.4	0.2	1.9	0.6	2.2	3.7	4.4
EPS						-0.08	0.03	0.37	0.11	0.43	0.71	0.86
EPS adj. (diluted)						-0.08	0.03	0.37	0.11	0.43	0.71	0.86
Dividend per share										0.13	0.21	0.26
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	15.2	20.3	16.4	67.2	69.2	70.6
Europe	11.9	12.5	18.4	15.7	58.5	13.0	13.1	19.3	16.9	62.3	67.9	70.6
Total	27.0	28.2	37.9	31.6	124.7	28.3	28.3	39.6	33.2	129.4	137.1	141.2
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%	-3.0%	4.0%	3.0%	1.5%	3.0%	2.0%
Europe	22.4%	35.0%	16.4%	6.6%	18.1%	9.0%	5.0%	5.0%	7.5%	6.5%	9.0%	4.0%
Total	4.9%	10.2%	0.6%	5.7%	4.9%	4.8%	0.5%	4.5%	5.2%	3.8%	5.9%	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	0.8	3.0	1.3	4.9	6.5	7.4
Total	-1.1	-1.4	2.2	1.2	0.8	-0.1	0.8	3.0	1.3	4.9	6.5	7.4
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%	2.8%	7.5%	3.9%	3.8%	4.8%	5.2%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales		76.8	124.0	118.8	124.7	129.4	137.1	141.2
<i>Sales growth (%)</i>			61.5%	-4.2%	4.9%	3.8%	5.9%	3.0%
EBITDA		8.3	7.4	4.1	4.6	8.7	10.2	11.1
<i>EBITDA margin (%)</i>		10.8%	5.9%	3.4%	3.7%	6.7%	7.5%	7.9%
Depreciation		-1.0	-0.7	-0.9	-0.9	-1.0	-0.9	-1.0
EBITA		7.3	6.7	3.2	3.6	7.7	9.3	10.2
Goodwill amortization / writedown			-1.7	-2.2	-2.8	-2.8	-2.8	-2.8
EBIT		7.3	4.9	1.0	0.8	4.9	6.5	7.4
<i>EBIT margin (%)</i>		9.5%	4.0%	0.9%	0.7%	3.8%	4.8%	5.2%
Reported EBIT		7.3	4.9	1.0	0.8	4.9	6.5	7.4
<i>EBIT margin (reported) (%)</i>		9.5%	4.0%	0.9%	0.7%	3.8%	4.8%	5.2%
Net financials		-2.7	-1.9	-3.4	-2.5	-1.7	-1.2	-1.1
Pre-tax profit		4.6	3.0	-2.4	-1.7	3.2	5.3	6.3
Taxes		-1.2	-1.1	-0.4	-1.0	-1.0	-1.6	-1.8
Minority shares								
Net profit		3.3	1.9	-2.8	-2.6	2.2	3.7	4.4
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	2	2	2	4	4	4	4	4
Goodwill	6	14	16	21	19	16	14	11
Right of use assets								
Inventory	21	35	48	50	45	47	49	51
Receivables	11	16	25	18	17	17	18	19
Liquid funds	3	3	4	2	9	4	4	6
Total assets	42	69	95	95	94	88	90	91
Liabilities								
Shareholders' equity	11	11	32	37	52	54	57	60
Minority interest								
Convertibles								
Lease liabilities								
Deferred taxes	0	0	0	0				
Interest bearing debt	15	41	49	34	29	21	20	17
Non-interest bearing current liabilities								
Other interest-free debt	17	17	15	24	13	13	13	13
Total liabilities	43	69	95	95	94	88	90	91
CASH FLOW, EURm								
+ EBITDA		8	7	4	5	9	10	11
- Net financial items		-3	-2	-3	-3	-2	-1	-1
- Taxes	0	-1	-1	0	-1	-1	-2	-2
- Increase in Net Working Capital	-15	-19	-24	14	-5	-2	-4	-2
+/- Other								
= Cash flow from operations	-15	-15	-20	15	-4	4	4	6
- Capex	-8	-9	-6	-10	-1	-1	-1	-1
- Acquisitions								
+ Divestments								
= Free cash flow	-22	-24	-25	5	-5	2	2	5
+/- New issues/buybacks	11	-3	19	8	17			
- Paid dividend						1	1	1
+/- Other	14	27	7	-14	-5	-8	-2	-2
Change in cash	3		1	-2	7	-5	0	2

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap			26	37	34	34	34
Net debt (excl. convertibles)	39	45	32	20	17	15	11
Enterprise value	39	45	58	56	51	49	45
Sales	77	124	119	125	129	137	141
EBITDA	8	7	4	5	9	10	11
EBIT	7	5	1	1	5	7	7
Pre-tax	5	3	-2	-2	3	5	6
Earnings	3	2	-3	-3	2	4	4
Equity book value (excl. minorities)	11	32	37	52	54	57	60

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
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	5.9	4.8	4.1
EV/EBITA	5.3	6.7	18.0	15.6	6.7	5.3	4.5
EV/EBIT	5.3	9.1	56.2	66.9	10.5	7.6	6.2
EV/OCF	-2.6	-2.3	4.0	-14.5	14.0	13.6	7.4
EV/FCF	-1.8	-1.9	7.6	-18.2	13.7	14.3	7.6
P/FCFR			62.7	-7.2	14.6	13.7	6.7
P/E			-12.7	77.6	15.3	9.2	7.6
P/BV			0.7	0.7	0.6	0.6	0.6
Target EV/EBITDA					7.0	5.8	5.0
Target EV/EBIT					12.5	9.1	7.5
Target EV/FCFF					26.4	23.9	10.9
Target P/BV					0.8	0.8	0.7
Target P/E, diluted			-15.4	-145.8	19.8	11.9	9.9

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)		299.91	359.89	1 036.33	5.16	5.16	5.16
Number of shares (diluted, million)		299.91	359.89	1 036.33	5.16	5.16	5.16
EPS		0.01	-0.01	0.00	0.43	0.71	0.86
Operating cash flow per share		-0.07	0.04		0.71	0.70	1.20
Free cash flow per share		-0.08	0.01	0.00	0.45	0.48	0.99
Book value per share		0.11	0.10	0.05	10.44	11.02	11.67
Dividend per share					0.13	0.21	0.26
Dividend payout ratio, %					30.0%	30.0%	30.0%
Dividend yield, %					2.0%	3.3%	3.9%
FCF yield, %			18.8%	-13.8%	6.8%	7.3%	15.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	31.7%	9.1%	-8.3%	-5.9%	4.2%	6.7%	7.6%
ROCE	18.8%	7.4%	1.4%	1.1%	6.3%	8.6%	9.6%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
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%	40.2%
Operative CAPEX/Sales, %	11.7%	4.5%	8.2%	1.0%	1.0%	0.8%	0.8%
CAPEX/sales (incl. acquisitions), %	11.7%	4.5%	8.2%	1.0%	1.0%	0.8%	0.8%
FCFF/EBITDA	-2.6	-3.2	1.9	-0.7	0.4	0.3	0.5
Net Debt/EBITDA, book-weighted	4.6	6.0	7.8	4.3	2.0	1.5	1.0
Debt/equity, market-weighted			1.3	0.8	0.6	0.6	0.5
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%	32.0%	27.1%	19.0%

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	10.306	30.4 %
Sponsor Capital Oy	526 085	3.462	10.2 %
Keskinäinen Työeläkevakuutusyhtiö Varma	238 517	1.569	4.6 %
Säästöpankki Fonder	226 377	1.490	4.4 %
Danske Invest Finnish Equity Fund	141 834	0.933	2.7 %
Erikoissijoitusrahasto Aktia Mikro Markka	118 605	0.780	2.3 %
Keskinäinen Työeläkevakuutusyhtiö Elo	108 800	0.716	2.1 %
Twin Engine Oy	85 000	0.559	1.6 %
Valjakka Juha Matti	67 500	0.444	1.3 %
Evli Finland Select Fund	66 055	0.435	1.3 %
Ten largest	3 145 089	20.695	60.9 %
Residual	2 015 485	13.262	39.1 %
Total	5 160 574	33.957	100%

EARNINGS CALENDAR

April 10, 2025	Q2 report
July 03, 2025	Q3 report
October 16, 2025	FY 2025 Results

OTHER EVENTS**COMPANY MISCELLANEOUS**

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OFO: Caj Malmsten	Tel: +358 40 674 5257
IR: Pellervo Hämäläinen	

DEFINITIONS

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

Important Disclosures

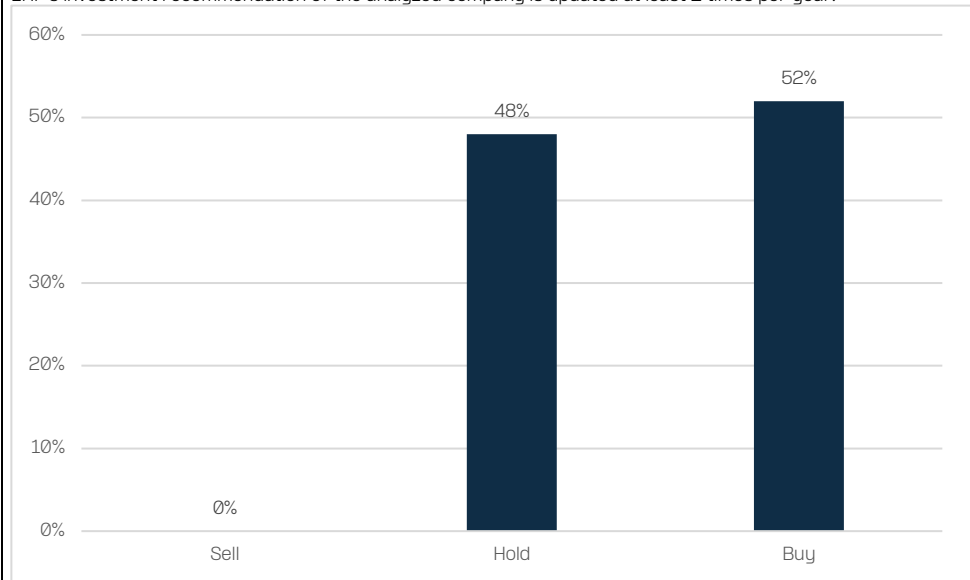
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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