

Softness to continue

Duell released a profit warning ahead of the FY 2023 earnings which will be published 9th of October. The preliminary FY 2023 figures were clearly lower than we had anticipated. We downgrade our rating to HOLD (BUY) and TP to EUR 0.9 (1.4).

Preliminary FY 2023 figures short of our estimates

In connection with the profit warning, Duell provided preliminary financial information regarding FY 2023 figures. Duell now expects net sales to be approximately EUR 118 million (EUR 124m FY 2022, EUR 125m Evli est.) and adjusted EBITA to be approximately EUR 4.5m (EUR 8.7m FY 2022, EUR 7.4m Evli est.). The preliminary figures imply net sales of roughly EUR 29m (-16% y/y) and adjusted EBITA of roughly EUR 0.1m during Q4.

Market pressure expected to persist

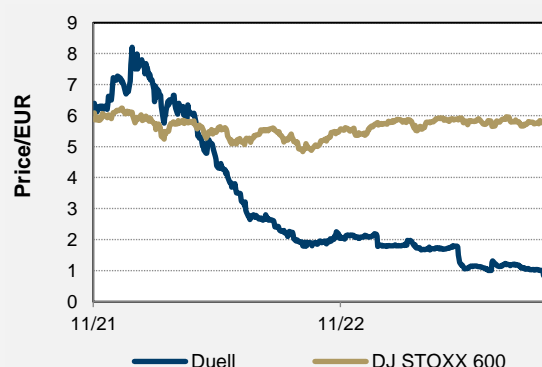
For FY 2023, our estimates now align with the preliminary figures provided by the company for revenue and adj. EBITA. We previously estimated revenue growth of 4.1% y/y for Q4 2023 driven by inorganic growth while we estimated that the organic sales continue to decline. With the implied net sales of EUR 29m in Q4, the company's net sales declined roughly 16% y/y. Adj. EBITA was also clearly lower than our estimate. Our interpretation is that the weak net sales and profitability were driven by lower-than-expected volumes, FX related losses and discount sales. In addition to the preliminary figures, Duell also commented that it has been able to reduce inventory levels as planned which lowers the net debt. We now estimate that the market pressure is likely to continue as we see no signs of fast recovery in the consumer confidence across the operating regions. In addition, Duell's customers have indicated that the conservative approach to inventory management is likely to continue. In addition to FY 2023, we have revised our estimates for coming years as we see the softness likely to continue especially during FY 2024.

HOLD (BUY) with a TP of EUR 0.9 (1.4)

With the substantial downward revisions to our estimates, we downgrade our rating to HOLD (BUY) and TP to EUR 0.9 (1.4). The beforementioned headwinds are likely to continue to affect Duell's performance. On the other hand, the decrease in inventory levels eases short-term balance sheet pressure.

Rating

HOLD



Share price, EUR (Last trading day's closing price) 0.84

Target price, EUR 0.9

Latest change in recommendation 20-Sep-23

Latest report on company 13-Jul-23

Research paid by issuer: YES

No. of shares outstanding, '000's 30,545

No. of shares fully diluted, '000's 30,545

Market cap, EURm 26

Free float, %

Exchange rate EUR 1.000

Reuters code DUELL.HE

Bloomberg code DUELL.FH

Average daily volume, EURm 0.1

Next interim report 09-Oct-23

Web site <https://investors.duell.eu/>

Analyst Atte Jortikka

E-mail atte.jortikka@evli.com

Telephone +358 400 543 725

BUY HOLD SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2021	76.8	7.3	9.5%	-17.5	0.00	0.0	0.5	5.3	0.0	0.00
2022	124.0	4.9	4.0%	-25.2	0.08	0.0	0.4	9.1	0.0	0.00
2023E	118.0	1.5	1.3%	-2.2	-0.09	-14.4	0.5	42.4	-8.6	0.00
2024E	120.3	4.2	3.5%	0.7	0.02	40.1	0.5	15.0	2.6	0.00
2025E	125.8	5.7	4.6%	0.4	0.06	13.7	0.5	10.9	1.4	0.02
Market cap, EURm	26		Gearing 2023E, %	100.3		CAGR EPS 2022-25, %		-6.7		
Net debt 2023E, EURm	38		Price/book 2023E	0.7		CAGR sales 2022-25, %		0.5		
Enterprise value, EURm	64		Dividend yield 2023E, %	0.0		ROE 2023E, %		-7.5		
Total assets 2023E, EURm	93		Tax rate 2023E, %	-11.3		ROCE 2023E, %		1.9		
Goodwill 2023E, EURm	20		Equity ratio 2023E, %	40.9		PEG, P/E 23/CAGR		0.0		

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

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Q4 performance a letdown after a promising Q3

Duell's Q3 2023 can be considered solid when taking into account the prevailing market environment. The company's net sales increased 7.4% y/y driven by inorganic growth, as the organic revenue continued to decline (-10.3% y/y in Q3). In term of profitability, the company was able to improve adjusted EBITA margin to 10.1% (8.6% in Q3 2022). Additionally, the net working capital improved as a result of decrease in inventory levels. With the improving performance, we estimated that while the company's organic growth is expected to continue to decline, especially the TranAm acquisition will continue to drive the inorganic net sales growth in Q4. Our estimate for Q4 2023 revenue was clearly too optimistic as according to the company's preliminary figures, revenue in Q4 came in at EUR 29m (EUR 36m Evli est.). With the lower-than-expected volumes, the company's adj. EBITA was roughly EUR 0.1m (EUR 3.0m Evli est.) in Q4 2023. The reason for weak results for Q4 were lower than expected demand and exchange rate fluctuations. In addition, we see that the inventory reduction measures have likely resulted in gross margin pressure.

Weakness likely to persist

We have updated the FY 2023 preliminary figures to our estimates, in addition, we have revised our estimates downwards for the coming years. We see that the current low consumer confidence coupled with conservative inventory management approach of Duell's clients will likely result in continued weakness especially in FY 2024. For FY 2024, we revise our revenue estimate to EUR 120.3m (prev. EUR 134.5m), growing 1.9% y/y. With the expected weak volumes, continued supply chain pressure and weak consumer sentiment, we estimate EBITA of EUR 6.2m (prev. EUR 9.0m) with EBITA margin of 5.2% (prev. 6.7%). While the company may enhance its margin further through the ongoing margin improvement program and cost structure optimization, we will await tangible evidence of the efforts for now.

HOLD (BUY) with a TP of EUR 0.9 (1.4)

With the updated estimates, the adj. EV/EBITA (adjusted for NRIs and goodwill amortization) for FY 2023 is at 14.2x, the adj. P/E is negative as we expect negative adj. EPS for the year. For FY 2024, the adj. EV/EBIT is at 10.1x and adj. P/E at 9.7x which are roughly in line with the European peer companies yet approximately 30-35% lower than the multiples for the North American peer group. As mentioned in our company report, we believe the discount compared to the North American peer companies is well-founded due to size, margin level and cash flow generation differences. As the consumer sentiment is likely to stay weak and the visibility for the turnaround is increasingly gloomy, we downgrade our rating to HOLD (BUY) and TP to EUR 0.9 (1.4).

Table 1: Valuation summary

Valuation	EUR per share
24E Adj. P/E*	0.8
24E Adj. EV/EBIT*	0.8
DCF	1.2
Target price	0.9

Prem./disc. to current share price

7%

** Adjusted for items affecting comparability and goodwill depreciation*

Source: Evli Research

Table 2: Estimate summary

	Q1/'22	Q2/'22	Q3/'22	Q4/'22	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23E	2023E	2024E	2025E
Total Net sales	27.2	27.1	35.1	34.6	124.0	25.7	25.5	37.7	29.0	118.0	120.3	125.8
<i>y/y %</i>	<i>73.0%</i>	<i>57.4%</i>	<i>43.5%</i>	<i>79.6%</i>	<i>61.5%</i>	<i>-5.4%</i>	<i>-5.7%</i>	<i>7.4%</i>	<i>-16.2%</i>	<i>-4.8%</i>	<i>1.9%</i>	<i>4.5%</i>
EBITA	(0.2)	2.1	3.0	1.8	6.7	(0.6)	0.9	3.2	0.1	3.7	6.2	7.7
<i>EBITA %</i>	<i>-0.7%</i>	<i>7.6%</i>	<i>8.6%</i>	<i>5.1%</i>	<i>5.4%</i>	<i>-2.2%</i>	<i>3.4%</i>	<i>8.6%</i>	<i>0.5%</i>	<i>3.1%</i>	<i>5.2%</i>	<i>6.2%</i>
EBIT	(0.6)	1.6	2.6	1.3	4.9	(1.1)	0.4	2.6	(0.4)	1.5	4.2	5.7
<i>EBIT %</i>	<i>-2.2%</i>	<i>6.1%</i>	<i>7.3%</i>	<i>3.7%</i>	<i>4.0%</i>	<i>-4.1%</i>	<i>1.5%</i>	<i>6.8%</i>	<i>-1.2%</i>	<i>1.3%</i>	<i>3.5%</i>	<i>4.6%</i>
Items affecting comparability	(2.1)	(0.0)	(0.0)	-	(2.1)	(0.1)	(0.1)	(0.6)	-	(0.8)	-	-
Adj. EBITA	1.9	2.1	3.0	1.8	8.7	(0.4)	1.0	3.8	0.1	4.5	6.2	7.7
<i>Adj. EBITA %</i>	<i>6.8%</i>	<i>7.7%</i>	<i>8.6%</i>	<i>5.1%</i>	<i>7.0%</i>	<i>-1.7%</i>	<i>3.8%</i>	<i>10.1%</i>	<i>0.5%</i>	<i>3.8%</i>	<i>5.2%</i>	<i>6.2%</i>
Adj. EBIT	1.5	1.7	2.6	1.3	7.0	(0.9)	0.5	3.1	(0.4)	2.3	4.2	5.7
<i>Adj. EBIT %</i>	<i>5.4%</i>	<i>6.2%</i>	<i>7.3%</i>	<i>3.7%</i>	<i>5.6%</i>	<i>-3.6%</i>	<i>1.9%</i>	<i>8.3%</i>	<i>-1.2%</i>	<i>2.0%</i>	<i>3.5%</i>	<i>4.6%</i>
Adj. EPS	0.03	0.07	0.09	0.05	0.23	(0.04)	(0.02)	0.06	(0.03)	(0.03)	0.09	0.13

Source: Duell, Evli Research

Table 3: Estimate changes

Estimate changes	2023			2024		
	Old	New	Change %	Old	New	Change %
Net sales	125.0	118.0	-5.6%	134.5	120.3	-10.5%
<i>sales growth %</i>	<i>0.8%</i>	<i>-4.8%</i>		<i>7.6%</i>	<i>1.9%</i>	
Adj. EBITA	7.4	4.5	-38.8%	9.0	6.2	-30.8%
<i>Adj. EBITA margin</i>	<i>5.9%</i>	<i>3.8%</i>		<i>6.7%</i>	<i>5.2%</i>	
EBIT	4.4	1.5	-65.5%	7.0	4.2	-39.6%
<i>EBIT margin</i>	<i>3.5%</i>	<i>1.3%</i>		<i>5.2%</i>	<i>3.5%</i>	
Adj. EPS	0.06	-0.03	-148.6%	0.15	0.09	-42.4%

Source: Duell, Evli Research

Table 4: Peer group overview

Peer group Europe	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E			EV/Sales		
		23	24	25	23	24	25	23	24	25	23	24	25
Relais Group	212	8.1x	7.3x	6.9x	13.8x	11.8x	10.4x	15.5x	11.5x	10.1x	1.3x	1.2x	1.1x
Pierce Group	44	10.9x	5.0x	3.4x		14.4x	6.7x	56.9x	15.4x	8.0x	0.3x	0.2x	0.2x
Auto Partner SA	630				10.7x	8.9x	8.2x				0.9x	0.8x	0.7x
Delticom	37	8.0x	7.3x	6.8x	22.1x	19.5x	16.5x	13.6x	10.1x	8.5x	0.2x	0.2x	0.2x
Halfords Group	501	4.2x	3.9x	3.6x	12.1x	10.1x	8.6x	11.1x	8.9x	7.5x	0.5x	0.4x	0.4x
Inter Cars	1759	7.6x	7.2x	6.7x	8.6x	8.1x	7.5x	9.4x	8.7x	7.8x	0.6x	0.5x	0.5x
MEKO	456	5.7x	5.4x	5.3x	9.9x	9.2x	8.9x	9.2x	7.9x	7.4x	0.7x	0.6x	0.6x
Peer group average	472	7.4x	6.0x	5.4x	12.9x	11.7x	9.5x	19.3x	10.4x	8.2x	0.6x	0.6x	0.5x
Peer group median	334	7.8x	6.3x	6.0x	11.4x	10.1x	8.6x	12.4x	9.5x	7.9x	0.6x	0.5x	0.5x
Duell (Evli est.)*	26	11.8x	9.0x	7.3x	14.2x	10.1x	8.1x	-30.6x	9.7x	6.6x	0.5x	0.5x	0.4x

Duell prem./disc. to peer median

50.9% 42.6% 23.0% 24.5% 0.8% -6.3% neg. 2.4% -16.1% -14.3% -12.1% -10.7%

Source FactSet, Evli Research

*Adjusted for items affecting comparability and goodwill depreciation

Peer group North America	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E			EV/Sales		
		23	24	25	23	24	25	23	24	25	23	24	25
Advance Auto Parts	3335	9.6x	9.0x	8.3x	15.9x	14.2x	13.2x	12.7x	10.9x	9.2x	0.7x	0.6x	0.6x
AutoZone	43755	13.9x	13.4x	12.7x	15.8x	15.3x	14.4x	17.4x	16.0x	14.5x	3.2x	3.1x	2.9x
LKQ	12575	9.5x	8.7x	8.4x	11.0x	10.0x	9.9x	12.7x	11.4x	10.6x	1.2x	1.2x	1.2x
Genuine Parts	19555	11.3x	10.5x	9.3x	14.0x	13.0x	11.2x	16.2x	14.9x	13.4x	1.1x	1.0x	1.0x
O'Reilly Automotive	53169	18.6x	17.3x	16.5x	21.0x	19.7x	18.6x	25.0x	22.4x	20.3x	4.2x	4.0x	3.8x
CarParts.com	224	9.6x	7.3x	4.9x			27.4x			35.1x	0.3x	0.3x	0.2x
LKQ	12575	9.5x	8.7x	8.4x	11.0x	10.0x	9.9x	12.7x	11.4x	10.6x	1.2x	1.2x	-0.5x
Peer group average	20741	12.1x	11.0x	10.0x	15.6x	14.4x	15.8x	16.8x	15.1x	17.2x	1.8x	1.7x	1.6x
Peer group median	12575	10.5x	9.8x	8.9x	15.8x	14.2x	13.8x	16.2x	14.9x	14.0x	1.2x	1.1x	1.1x
Duell (Evli est.)*	26	11.8x	9.0x	7.3x	14.2x	10.1x	8.1x	-30.6x	9.7x	6.6x	0.5x	0.5x	0.4x

Duell prem./disc. to peer median

12.6% -8.0% -17.2% -10.6% -28.5% -41.2% neg. -34.8% -52.6% -56.5% -57.3% -59.0%

Source FactSet, Evli Research

*Adjusted for items affecting comparability and goodwill depreciation

Source: Duell, Evli Research

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VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.84 PV of Free Cash Flow	35 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	1.24 PV of Horizon value	48 WACC, %	9.0 Market risk premium, %	6.5
Share price potential, %	48.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	4.5
Maximum value	1.5 Marketable securities	4 Minimum WACC, %	8.5 Equity beta coefficient	1.20
Minimum value	1.1 Debt - dividend	-49 Maximum WACC, %	9.5 Target debt ratio, %	40
Horizon value, %	57.9 Value of stock	38 Nr of shares, Mn	30.5 Effective tax rate, %	20

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	124	118	120	126	131	134	136	139	141	143	145	147
<i>Sales growth, %</i>	<i>61.5</i>	<i>-4.8</i>	<i>1.9</i>	<i>4.5</i>	<i>4.3</i>	<i>2.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>
Operating income (EBIT)	5	2	4	6	7	8	9	9	9	9	9	10
<i>Operating income margin, %</i>	<i>4.0</i>	<i>1.3</i>	<i>3.5</i>	<i>4.6</i>	<i>5.5</i>	<i>6.0</i>	<i>6.5</i>	<i>6.5</i>	<i>6.5</i>	<i>6.5</i>	<i>6.5</i>	<i>6.5</i>
+ Depreciation+amort.	2	3	2	2	3	3	3	3	3	3	3	3
EBITDA	7	4	6	8	10	11	12	12	12	12	12	12
- Paid taxes	-1	0	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2
- Change in NWC	-24	4	-1	-3	-3	-2	-1	-1	-1	-1	-1	-1
<i>NWC / Sales, %</i>	<i>46.7</i>	<i>45.4</i>	<i>45.5</i>	<i>45.9</i>	<i>46.2</i>	<i>46.3</i>	<i>46.4</i>	<i>46.6</i>	<i>46.7</i>	<i>46.8</i>	<i>46.8</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-6	-7	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	<i>4.5</i>	<i>5.8</i>	<i>0.9</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	-24	2	3	3	4	6	7	8	8	8	8	107
= Discounted FCFF		2	3	2	3	4	5	4	4	4	4	48
= DFCF min WACC		2	3	2	3	4	5	4	4	4	4	53
= DFCF max WACC		2	3	2	3	4	5	4	4	4	3	43

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INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	27.1	27.1	35.1	34.6	124.0	25.8	25.5	37.7	29.0	118.0	120.3	125.8
EBITDA	0.0	2.2	3.2	2.0	7.4	0.0	0.7	3.3	0.3	4.3	6.5	8.2
<i>EBITDA margin (%)</i>	<i>-0.1</i>	<i>8.2</i>	<i>9.1</i>	<i>5.7</i>	<i>6.0</i>	<i>0.0</i>	<i>2.8</i>	<i>8.6</i>	<i>1.2</i>	<i>3.7</i>	<i>5.4</i>	<i>6.5</i>
EBIT	-0.6	1.7	2.6	1.3	4.9	-0.7	0.0	2.6	-0.4	1.5	4.2	5.7
<i>EBIT margin (%)</i>	<i>-2.2</i>	<i>6.1</i>	<i>7.3</i>	<i>3.7</i>	<i>4.0</i>	<i>-2.7</i>	<i>0.0</i>	<i>6.8</i>	<i>-1.2</i>	<i>1.3</i>	<i>3.5</i>	<i>4.6</i>
Net financial items	0.0	-1.1	1.1	-1.9	-1.9	-0.5	-0.5	-1.8	-1.2	-4.0	-2.9	-2.9
Pre-tax profit	-0.6	0.5	3.7	-0.6	3.0	-1.2	-0.5	0.8	-1.6	-2.5	1.3	2.8
Tax	0.0	-0.6	0.6	-1.1	-1.1	0.0	0.0	-0.2	0.2	-0.1	-0.7	-1.0
<i>Tax rate (%)</i>	<i>0.0</i>	<i>58.4</i>	<i>-13.8</i>	<i>-788.9</i>	<i>22.5</i>	<i>-4.6</i>	<i>-137.5</i>	<i>12.0</i>	<i>14.8</i>	<i>-11.3</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-0.6	0.0	4.2	-1.7	1.9	-1.3	-0.6	0.6	-1.4	-2.6	0.6	1.9
EPS	-0.02	0.00	0.17	-0.07	0.08	-0.04	-0.02	0.02	-0.05	-0.09	0.02	0.06
EPS adjusted (diluted no. of shares)	-0.02	0.00	0.17	-0.07	0.08	-0.04	-0.01	0.04	-0.05	-0.06	0.02	0.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
SALES, EURm												
Nordics	16.4	17.8	22.1	20.1	76.4	16.0	16.3	21.9	15.9	70.1	71.0	72.8
Europe	10.7	9.3	13.0	14.6	47.6	9.7	9.2	15.8	13.1	47.9	49.3	53.0
Total	27.1	27.1	35.1	34.6	124.0	25.8	25.5	37.7	29.0	118.0	120.3	125.8
SALES GROWTH, Y/Y %												
<i>Nordics</i>	<i>24.0</i>	<i>19.8</i>	<i>11.4</i>	<i>30.7</i>	<i>20.7</i>	<i>-2.5</i>	<i>-8.3</i>	<i>-1.1</i>	<i>-20.6</i>	<i>-8.2</i>	<i>1.3</i>	<i>2.5</i>
<i>Europe</i>	<i>323.3</i>	<i>292.2</i>	<i>185.6</i>	<i>263.3</i>	<i>253.4</i>	<i>-9.1</i>	<i>-1.0</i>	<i>21.5</i>	<i>-10.0</i>	<i>0.6</i>	<i>2.9</i>	<i>7.5</i>
Total	72.1	57.4	43.9	78.8	61.5	-5.1	-5.8	7.3	-16.2	-4.8	1.9	4.5
EBIT, EURm												
Group	-0.6	1.7	2.6	1.3	4.9	-0.7	0.0	2.6	-0.4	1.5	4.2	5.7
Total	-0.6	1.7	2.6	1.3	4.9	-0.7	0.0	2.6	-0.4	1.5	4.2	5.7
EBIT margin, %												
Total	-2.2	6.1	7.3	3.7	4.0	-2.7	0.0	6.8	-1.2	1.3	3.5	4.6

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INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	0.0	0.0	0.0	76.8	124.0	118.0	120.3	125.8
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>61.5</i>	<i>-4.8</i>	<i>1.9</i>	<i>4.5</i>
EBITDA	0.0	0.0	0.0	8.3	7.4	4.3	6.5	8.2
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>10.8</i>	<i>6.0</i>	<i>3.7</i>	<i>5.4</i>	<i>6.5</i>
Depreciation	0.0	0.0	0.0	-1.0	-0.7	-0.8	-0.3	-0.5
EBITA	0.0	0.0	0.0	7.3	6.7	3.5	6.2	7.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	-1.7	-2.0	-2.0	-2.0
EBIT	0.0	0.0	0.0	7.3	4.9	1.5	4.2	5.7
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>4.0</i>	<i>1.3</i>	<i>3.5</i>	<i>4.6</i>
Reported EBIT	0.0	0.0	0.0	7.3	4.9	1.5	4.2	5.7
<i>EBIT margin (reported) (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>4.0</i>	<i>1.3</i>	<i>3.5</i>	<i>4.6</i>
Net financials	0.0	0.0	0.0	-2.7	-1.9	-4.0	-2.9	-2.9
Pre-tax profit	0.0	0.0	0.0	4.6	3.0	-2.5	1.3	2.8
Taxes	0.0	0.0	0.0	-1.2	-1.1	-0.1	-0.7	-1.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	0.0	0.0	3.3	1.9	-2.6	0.6	1.9
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	0	0	1	2	2	2	3	4
Goodwill	0	0	0	14	16	20	18	16
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	29	35	48	42	43	45
Receivables	0	0	16	16	25	24	24	25
Liquid funds	0	0	3	3	4	4	4	4
Total assets	0	0	48	69	95	93	93	95
Liabilities								
Shareholder's equity	0	0	11	11	32	38	39	40
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	0	0	41	41	49	42	41	41
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	0	0	17	17	15	13	13	13
Total liabilities	0	0	69	69	95	93	93	95
CASH FLOW, EURm								
+ EBITDA	0	0	0	8	7	4	6	8
- Net financial items	0	0	0	-3	-2	-4	-3	-3
- Taxes	0	0	0	-1	-1	0	-1	-1
- Increase in Net Working Capital	0	0	-28	-6	-24	4	-1	-3
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	0	0	-28	-2	-20	5	2	1
- Capex	0	0	-1	-16	-6	-7	-1	-1
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	0	-29	-17	-25	-2	1	0
+/- New issues/buybacks	0	0	11	-3	19	9	0	0
- Paid dividend	0	0	0	0	0	0	0	0
+/- Other	0	0	21	21	7	-7	-1	0
Change in cash	0	0	3	0	1	0	0	0

Consumer Discretionary Distribution/Finland, September 21, 2023
Preview

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	0	0	0	0	26	26	26
Net debt (excl. convertibles)	0	39	39	45	38	37	37
Enterprise value	0	39	39	45	64	63	63
Sales	0	0	77	124	118	120	126
EBITDA	0	0	8	7	4	6	8
EBIT	0	0	7	5	2	4	6
Pre-tax	0	0	5	3	-3	1	3
Earnings	0	0	3	2	-3	1	2
Equity book value (excl. minorities)	0	11	11	32	38	39	40
Valuation multiples							
EV/sales	0.0	0.0	0.5	0.4	0.5	0.5	0.5
EV/EBITDA	0.0	0.0	4.6	6.0	14.7	9.7	7.7
EV/EBITA	0.0	0.0	5.3	6.7	18.2	10.1	8.1
EV/EBIT	0.0	0.0	5.3	9.1	42.4	15.0	10.9
EV/OCF	0.0	-1.4	-24.9	-2.3	13.7	37.1	44.2
EV/FCFF	0.0	-1.4	-2.5	-1.9	27.8	21.0	23.4
P/FCFE	0.0	0.0	0.0	0.0	-11.6	38.0	70.6
P/E	0.0	0.0	0.0	0.0	-14.4	40.1	13.7
P/B	0.0	0.0	0.0	0.0	0.7	0.7	0.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	15.2	10.0	7.9
Target EV/EBIT	0.0	0.0	0.0	0.0	43.6	15.4	11.3
Target EV/FCF	0.0	0.0	0.0	0.0	-29.7	96.0	177.5
Target P/B	0.0	0.0	0.0	0.0	0.7	0.7	0.7
Target P/E	0.0	0.0	0.0	0.0	-15.4	43.0	14.6
Per share measures							
Number of shares	0	0	0	25,455	30,545	30,545	30,545
Number of shares (diluted)	0	0	0	25,455	30,545	30,545	30,545
EPS	0.00	0.00	0.00	0.08	-0.09	0.02	0.06
Operating cash flow per share	0.00	0.00	0.00	-0.77	0.15	0.06	0.05
Free cash flow per share	0.00	0.00	0.00	-0.99	-0.07	0.02	0.01
Book value per share	0.00	0.00	0.00	1.25	1.24	1.26	1.32
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.02
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	0.0	2.2
FCF yield, %	0.0	0.0	0.0	0.0	-8.6	2.6	1.4
Efficiency measures							
ROE	0.0	0.0	31.7	9.1	-7.5	1.7	4.8
ROCE	0.0	0.0	14.0	7.4	1.9	5.3	7.1
Financial ratios							
Inventories as % of sales	0.0	0.0	45.5	38.6	36.0	36.0	36.0
Receivables as % of sales	0.0	0.0	20.8	20.1	20.2	20.2	20.0
Non-interest bearing liabilities as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NWC/sales, %	0.0	0.0	44.2	46.7	45.4	45.5	45.9
Operative CAPEX/sales, %	0.0	0.0	20.7	4.5	5.8	0.9	0.8
CAPEX/sales (incl. acquisitions), %	0.0	0.0	20.7	4.5	5.8	0.9	0.8
FCFF/EBITDA	0.0	0.0	-1.9	-3.2	0.5	0.5	0.3
Net debt/EBITDA, book-weighted	0.0	0.0	4.6	6.0	8.8	5.8	4.5
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	1.6	1.6	1.6
Equity ratio, book-weighted	0.0	15.2	15.2	33.4	40.9	41.5	42.8
Gearing, %	0.0	367.7	367.7	139.9	100.3	96.9	91.5

Consumer Discretionary Distribution/Finland, September 21, 2023
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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 2022, 62% of Duell's sales came from the Nordics and 38% from Europe excluding Nordics. 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: Following robust market conditions in 2021 and early 2022, the European powersports aftermarket has experienced a significant deceleration during late 2022 and start of 2023. The primary factors influencing the market are the quantity of registered powersports vehicles and consumers' inclination to invest in aftermarket parts and equipment. While the demand for parts remains relatively resilient due to its necessity-driven nature, the overall market has experienced a notable slowdown in 2023. As a result of the market slowdown, Duell witnessed an 14.7% decline in organic sales during the first nine months of FY 2023. The decline in sales has led to an accumulation of the company's inventories, making inventory reduction one of the company's objective for the second half of 2023.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Hartwall Capital Oy Ab	6,732,558	5.655	22.0%
Sponsor Capital Oy	3,094,614	2.599	10.1%
Säästöpankki Fonder	1,631,627	1.371	5.3%
Keskinäinen Työeläkevakuutusyhtiö Varma	1,403,038	1.179	4.6%
Jarkko Ämmälä	1,200,000	1.008	3.9%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,168,992	0.982	3.8%
Erikoissijoitusrahasto Aktia Mikro Markka	697,673	0.586	2.3%
Keskinäinen Työeläkevakuutusyhtiö Elo	640,000	0.538	2.1%
Oy 4N-Group Ab	587,863	0.494	1.9%
Dennis Nylund	470,000	0.395	1.5%
Ten largest	17,626,365	14.806	58%
Residual	12,919,109	10.852	42%
Total	30,545,474	25.658	100%

EARNINGS CALENDAR

October 09, 2023	FY 2023 Results
January 18, 2024	Q1 report
April 04, 2024	Q2 report
July 03, 2024	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Jarkko Ämmälä	Kauppatie 19, 65610 Mustasaari
CFO: Riitta Niemelä	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	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	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 per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

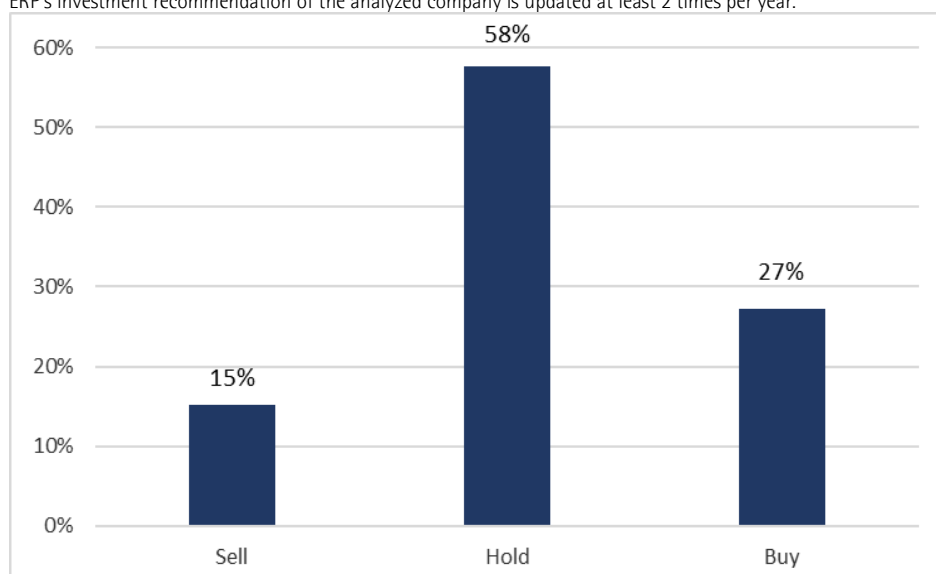
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Name(s) of the analyst(s): Jortikka

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Arttu Heikura	+358 40 082 8098
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------



EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000