

## Rights issue terms announced

Duell announced the terms of its fully guaranteed rights offering. The strengthened balance sheet post RI lowers risk, yet continued market weakness is likely to hinder the operational performance.

### Gross proceeds of EUR 20.2m, with up to 1b of new shares

Duell announced a fully guaranteed EUR 20.2m right offering, each shareholder will receive one subscription right on the record date which entitles its holder to subscribe for 33 offer shares at a subscription price of EUR 0.02. The net proceeds are expected to be roughly EUR 17.7m. The proceeds will be 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. In addition, the proceeds aid in executing the company's strategy for European expansion and overall self-help. We consider the left-over proceeds rather as an "insurance policy" and expect no further acquisitions in the short term. The TERP is slightly below EUR 0.03 for which the subscription price presents a discount of roughly 32.4%.

### Strengthened balance sheet post RI reduces the risk level

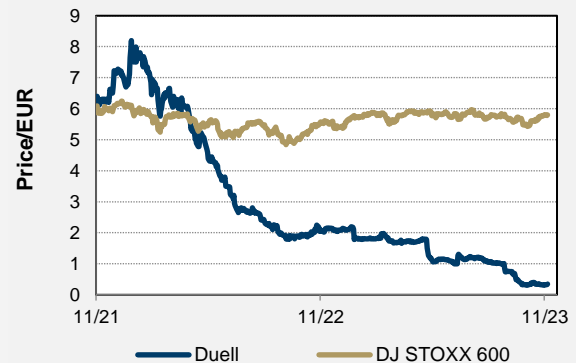
With EUR 17.7m in net proceeds, Duell's net debt to adjusted EBITDA ratio drops to roughly 3.7x when considering net debt at the end of Q4/23 and FY 23 adjusted EBITDA. The ratio still falls short of the company's medium-term target for leverage of net debt to adjusted EBITDA of 2-3x yet is considerably healthier than the 7x at the end of Q4/23. Based on our current estimates, the net debt to adjusted EBITDA will fall below 3x at the end of 2024. Duell aims to repay EUR 2.5m of its credit facility, the impact on our interest expense forecasts is only slight.

### HOLD (SELL) with a TP of EUR 0.03 (EUR 0.40)

Despite a stronger balance sheet reducing risk, we anticipate ongoing market weakness to continue to hinder the development operationally. The 2023 result doesn't support the current valuation, for 2024E, the valuation is relatively neutral when compared to our European peer group. The 2025E adj. EV/EBIT stands at 6.0x, which is already a low level. We see further self-help potential in 2024E and beyond, yet the visibility remains low. Considering the decline in share price since our latest update and the RI, we reduce our TP to EUR 0.03 (EUR 0.40) while adjusting our rating to HOLD (prev. SELL).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 0.03

Target price, EUR 0.03

Latest change in recommendation 30-Nov-23

Latest report on company 30-Nov-23

Research paid by issuer: YES

No. of shares outstanding, '000's 1,038,546

No. of shares fully diluted, '000's 1,038,546

Market cap, EURm 31

Free float, %

Exchange rate EUR 1.000

Reuters code DUELL.HE

Bloomberg code DUELL.FH

Average daily volume, EURm 0.1

Next interim report 18-Jan-24

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

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■ BUY ■ HOLD ■ SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	124.0	4.9	4.0%	-25.2	0.01	0.0	0.4	9.1	0.0	0.00
2023	118.8	1.0	0.9%	-1.1	-0.01	-12.7	0.5	62.3	-4.3	0.00
2024E	117.7	3.8	3.2%	20.9	0.00	44.8	0.4	12.7	67.0	0.00
2025E	123.1	5.8	4.7%	1.1	0.00	10.3	0.4	8.1	3.5	0.00
2026E	127.6	6.4	5.0%	2.7	0.00	8.1	0.4	7.1	8.7	0.00
Market cap, EURm			31	Gearing 2024E, %			30.6	CAGR EPS 2023-26, %		0.0
Net debt 2024E, EURm			17	Price/book 2024E			0.6	CAGR sales 2023-26, %		2.4
Enterprise value, EURm			48	Dividend yield 2024E, %			0.0	ROE 2024E, %		1.5
Total assets 2024E, EURm			106	Tax rate 2024E, %			15.7	ROCE 2024E, %		4.8
Goodwill 2024E, EURm			25	Equity ratio 2024E, %			52.4	PEG, P/E 24/CAGR		0.5

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

**Table 1: Indicative timetable for the rights issue**

Unexercised rights expire without value at 21<sup>st</sup> of December 2023

Rights issue: Indicative timetable		Date
1 Dec 2023	First trading date of Duell's shares excl. rights	
4 Dec 2023	Record date of the offering	4 Dec 2023
<b>7 Dec 2023</b>	<b>Subscription period of the offering commences</b>	7 Dec 2023
on or about 7 Dec 2023	Trading in the subscription rights commences	on or about 7 Dec 2023
8 Dec 2023	Trading in the interim shares commences	8 Dec 2023
15 Dec 2023	Trading in the subscription rights ends	15 Dec 2023
<b>21 Dec 2023</b>	<b>Subscription period of the offering ends and unexercised rights expire without value</b>	<b>21 Dec 2023</b>
27 Dec 2023	Announcement of the preliminary results	on or about 27 Dec 2023
29 Dec 2023	Announcement of the final result	on or about 29 Dec 2023
on or about 2 Jan 2024	Trading in the interim shares ends	on or about 2 Jan 2024
on or about 2 Jan 2024	The offer shares are registered in the trade register	on or about 2 Jan 2024
on or about 3 Jan 2024	The offer shares subscribed in the offering will be recorded in the book-entry accounts of investors	on or about 3 Jan 2024
on or about 3 Jan 2024	Trading in the offer shares commences	on or about 3 Jan 2024

Source: Duell, Evli Research

Typical RI discount, dilution substantial for a shareholder who doesn't participate

Each shareholder will receive one subscription right on the record date which entitles its holder to subscribe for 33 offer shares at a subscription price of EUR 0.02. The TERP is slightly below EUR 0.03 for which the subscription price presents a discount of roughly 32.4%, hence the value of a right is approximately EUR 0.32. According to our understanding the discount is fairly well in line with the typical RI discounts. Following the RI, the company's share count will surge from roughly 30m to over 1b, a 34x increase. Shareholders who don't participate in the RI will face significant dilution of ownership. The subscription period of the offering ends 21<sup>st</sup> of December, shareholders should exercise or sell their exercise rights before the date as the unexercised right expires without value.

**Table 2: Peer group**

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	7.4x	6.9x	13.2x	11.5x	10.5x	15.1x	11.4x	10.1x	1.3x	1.2x	1.1x
Pierce Group	44		4.6x	3.3x		14.3x	6.9x		16.2x	9.3x	0.2x	0.2x	0.2x
Auto Partner SA	762	10.4x	8.7x	6.9x	11.4x	9.5x	8.3x				1.0x	0.8x	0.7x
Delticom	33	7.7x	7.0x	6.5x	22.2x	18.4x	15.9x	11.9x	10.5x	7.7x	0.2x	0.2x	0.2x
Halfords Group	478	4.2x	4.0x	3.7x	12.9x	11.0x	9.3x	11.2x	9.3x	7.6x	0.5x	0.5x	0.4x
Inter Cars	1897	7.9x	7.5x	6.9x	8.5x	8.0x	7.3x	9.1x	8.6x	7.9x	0.6x	0.5x	0.5x
MEKO	515	5.8x	5.4x	5.2x	10.3x	9.1x	8.7x	10.1x	8.6x	8.0x	0.7x	0.6x	0.6x
<b>Peer group average</b>	<b>512</b>	<b>7.4x</b>	<b>6.4x</b>	<b>5.6x</b>	<b>13.1x</b>	<b>11.7x</b>	<b>9.6x</b>	<b>11.5x</b>	<b>10.8x</b>	<b>8.4x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.5x</b>
<b>Peer group median</b>	<b>345</b>	<b>7.8x</b>	<b>7.0x</b>	<b>6.5x</b>	<b>12.1x</b>	<b>11.0x</b>	<b>8.7x</b>	<b>11.2x</b>	<b>9.9x</b>	<b>7.9x</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.5x</b>
<b>Duell (Evli est.)*</b>		<b>9.6x</b>	<b>7.2x</b>	<b>5.4x</b>	<b>11.5x</b>	<b>8.2x</b>	<b>6.0x</b>	<b>20.2x</b>	<b>11.4x</b>	<b>6.1x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.4x</b>

Duell prem./disc. to peer median

22.9% 3.0% -16.9% -5.0% -25.5% -31.1% 80.1% 15.2% -22.5% -15.1% -10.9% -7.1%

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	2770	11.7x	9.6x	8.6x	25.2x	17.1x	15.5x	22.1x	12.9x	9.8x	0.6x	0.6x	0.6x
AutoZone	42180	14.0x	13.5x	12.9x	16.0x	15.4x	14.5x	17.5x	16.1x	14.5x	3.2x	3.1x	2.9x
LKQ	10921	9.9x	8.8x	8.4x	11.8x	10.4x	10.0x	11.9x	10.6x	9.7x	1.2x	1.1x	1.1x
Genuine Parts	17061	10.4x	9.8x	8.9x	12.6x	11.8x	10.4x	14.3x	13.4x	12.2x	1.0x	0.9x	0.9x
O'Reilly Automotive	53267	18.8x	17.6x	16.7x	21.3x	20.0x	18.8x	25.7x	23.0x	20.8x	4.3x	4.1x	3.8x
CarParts.com	161	7.5x	6.5x	4.9x							0.2x	0.2x	0.2x
LKQ	10921	9.9x	8.8x	8.4x	11.8x	10.4x	10.0x	11.9x	10.6x	9.7x	1.2x	1.1x	3.3x
<b>Peer group average</b>	<b>19612</b>	<b>12.1x</b>	<b>11.0x</b>	<b>10.1x</b>	<b>17.4x</b>	<b>14.9x</b>	<b>13.8x</b>	<b>18.3x</b>	<b>15.2x</b>	<b>13.4x</b>	<b>1.8x</b>	<b>1.7x</b>	<b>1.6x</b>
<b>Peer group median</b>	<b>10921</b>	<b>11.1x</b>	<b>9.7x</b>	<b>8.8x</b>	<b>16.0x</b>	<b>15.4x</b>	<b>14.5x</b>	<b>17.5x</b>	<b>13.4x</b>	<b>12.2x</b>	<b>1.1x</b>	<b>1.0x</b>	<b>1.0x</b>
<b>Duell (Evli est.)*</b>		<b>9.6x</b>	<b>7.2x</b>	<b>5.4x</b>	<b>11.5x</b>	<b>8.2x</b>	<b>6.0x</b>	<b>20.2x</b>	<b>11.4x</b>	<b>6.1x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.4x</b>

Duell prem./disc. to peer median

-12.9% -25.5% -38.2% -27.7% -46.8% -59.0% 15.1% -15.2% -49.9% -54.5% -54.9% -56.0%

Source FactSet, Evli Research

\*Adjusted for items affecting comparability and goodwill depreciation

Table 3: Estimate overview

	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2 023	Q1/'24E	Q2/'24E	Q3/'24E	Q4/'24E	2024E	2025E	2026E
<b>Total Net sales</b>	<b>124.0</b>	<b>25.7</b>	<b>25.5</b>	<b>37.7</b>	<b>29.9</b>	<b>118.8</b>	<b>24.5</b>	<b>24.7</b>	<b>35.6</b>	<b>32.9</b>	<b>117.7</b>	<b>123.1</b>	<b>127.6</b>
<i>y/y %</i>	<i>61.5%</i>	<i>-5.4%</i>	<i>-5.7%</i>	<i>7.4%</i>	<i>-13.8%</i>	<i>-4.2%</i>	<i>-4.8%</i>	<i>-3.2%</i>	<i>-5.4%</i>	<i>10.0%</i>	<i>-1.0%</i>	<i>4.6%</i>	<i>3.6%</i>
<b>EBITA</b>	<b>6.7</b>	<b>(0.6)</b>	<b>0.9</b>	<b>3.2</b>	<b>(0.1)</b>	<b>3.4</b>	<b>0.4</b>	<b>0.5</b>	<b>2.6</b>	<b>2.2</b>	<b>5.8</b>	<b>7.8</b>	<b>8.4</b>
<i>EBITA %</i>	<i>5.4%</i>	<i>-2.2%</i>	<i>3.4%</i>	<i>8.6%</i>	<i>-0.5%</i>	<i>2.9%</i>	<i>1.8%</i>	<i>2.2%</i>	<i>7.4%</i>	<i>6.6%</i>	<i>4.9%</i>	<i>6.3%</i>	<i>6.6%</i>
<b>EBIT</b>	<b>4.9</b>	<b>(1.1)</b>	<b>0.4</b>	<b>2.6</b>	<b>(0.8)</b>	<b>1.0</b>	<b>(0.1)</b>	<b>0.0</b>	<b>2.1</b>	<b>1.7</b>	<b>3.8</b>	<b>5.8</b>	<b>6.4</b>
<i>EBIT %</i>	<i>4.0%</i>	<i>-4.1%</i>	<i>1.5%</i>	<i>6.8%</i>	<i>-2.8%</i>	<i>0.9%</i>	<i>-0.2%</i>	<i>0.2%</i>	<i>6.0%</i>	<i>5.1%</i>	<i>3.2%</i>	<i>4.7%</i>	<i>5.0%</i>
Items affecting comparability	(2.1)	(0.1)	(0.1)	(0.6)	(0.4)	(1.2)	-	-	-	-	-	-	-
<b>Adj. EBITA</b>	<b>8.7</b>	<b>(0.4)</b>	<b>1.0</b>	<b>3.8</b>	<b>(0.5)</b>	<b>4.6</b>	<b>0.4</b>	<b>0.5</b>	<b>2.6</b>	<b>2.2</b>	<b>5.8</b>	<b>7.8</b>	<b>8.4</b>
<i>Adj. EBITA %</i>	<i>7.0%</i>	<i>-1.7%</i>	<i>3.8%</i>	<i>10.1%</i>	<i>-1.7%</i>	<i>3.9%</i>	<i>1.8%</i>	<i>2.2%</i>	<i>7.4%</i>	<i>6.6%</i>	<i>4.9%</i>	<i>6.3%</i>	<i>6.6%</i>
<b>Adj. EBIT</b>	<b>7.0</b>	<b>(0.9)</b>	<b>0.5</b>	<b>3.1</b>	<b>(1.2)</b>	<b>2.2</b>	<b>(0.1)</b>	<b>0.0</b>	<b>2.1</b>	<b>1.7</b>	<b>3.8</b>	<b>5.8</b>	<b>6.4</b>
<i>Adj. EBIT %</i>	<i>5.6%</i>	<i>-3.6%</i>	<i>1.9%</i>	<i>8.3%</i>	<i>-4.0%</i>	<i>1.9%</i>	<i>-0.2%</i>	<i>0.2%</i>	<i>6.0%</i>	<i>5.1%</i>	<i>3.2%</i>	<i>4.7%</i>	<i>5.0%</i>

Source: Evli Research

Consumer Discretionary Distribution/Finland, December 1, 2023  
Company update

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.03 PV of Free Cash Flow	50 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	0.04 PV of Horizon value	34 WACC, %	10.2 Market risk premium, %	6.5
Share price potential, %	48.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	4.5
Maximum value	0.0 Marketable securities	2 Minimum WACC, %	9.7 Equity beta coefficient	1.50
Minimum value	0.0 Debt - dividend	-41 Maximum WACC, %	10.7 Target debt ratio, %	40
Horizon value, %	40.2 Value of stock	46 Nr of shares, Mn	1,038.5 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	119	118	123	128	131	133	135	137	139	141	143	145
<i>Sales growth, %</i>	-4.2	-1.0	4.6	3.6	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Operating income (EBIT)	1	4	6	6	8	9	9	9	9	9	9	9
<i>Operating income margin, %</i>	0.9	3.2	4.7	5.0	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5
+ Depreciation+amort.	3	3	2	2	3	3	3	3	3	3	3	3
EBITDA	4	7	8	9	10	11	12	12	12	12	12	12
- Paid taxes	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
- Change in NWC	14	1	-3	-2	-2	-1	-1	-1	-1	-1	-1	-1
<i>NWC / Sales, %</i>	36.8	36.6	37.5	38.2	38.6	38.9	39.1	39.4	39.6	39.9	40.1	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-16	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	13.1	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
- 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	18	0	0	0	0	0	0	0	0	0	0
= FCFF	2	23	2	4	6	7	7	7	7	8	8	90
= Discounted FCFF		21	2	3	4	4	4	4	3	3	3	34
= DFCF min WACC		21	2	3	4	4	4	4	4	3	3	38
= DFCF max WACC		21	2	3	4	4	4	4	3	3	3	31

Consumer Discretionary Distribution/Finland, December 1, 2023  
Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	25.8	25.5	37.7	29.9	118.8	24.5	24.7	35.6	32.9	117.7	123.1	127.6
EBITDA	0.0	0.7	3.3	0.1	4.1	0.6	0.7	2.8	2.4	6.6	8.1	8.8
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>2.8</i>	<i>8.6</i>	<i>0.3</i>	<i>3.4</i>	<i>2.6</i>	<i>3.0</i>	<i>8.0</i>	<i>7.2</i>	<i>5.6</i>	<i>6.6</i>	<i>6.9</i>
EBIT	-0.7	0.0	2.6	-0.8	1.0	-0.1	0.0	2.1	1.7	3.8	5.8	6.4
<i>EBIT margin (%)</i>	<i>-2.7</i>	<i>0.0</i>	<i>6.8</i>	<i>-2.8</i>	<i>0.9</i>	<i>-0.2</i>	<i>0.2</i>	<i>6.0</i>	<i>5.1</i>	<i>3.2</i>	<i>4.7</i>	<i>5.0</i>
Net financial items	-0.5	-0.5	-1.8	-0.6	-3.4	-0.6	-0.6	-0.6	-0.6	-2.6	-1.6	-1.0
Pre-tax profit	-1.2	-0.5	0.8	-1.4	-2.4	-0.7	-0.6	1.5	1.0	1.2	4.3	5.3
Tax	0.0	0.0	-0.2	-0.2	-0.4	0.0	0.0	-0.3	-0.2	-0.5	-1.3	-1.5
<i>Tax rate (%)</i>	<i>-4.6</i>	<i>-137.5</i>	<i>12.0</i>	<i>-30.3</i>	<i>-194.7</i>	<i>0.0</i>	<i>0.0</i>	<i>15.0</i>	<i>13.4</i>	<i>15.7</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-1.3	-0.6	0.6	-1.6	-2.8	-0.7	-0.6	1.2	0.8	0.7	3.0	3.9
EPS	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS adjusted (diluted no. of shares)	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00
<b>SALES, EURm</b>												
Nordics	16.0	16.3	21.9	15.2	69.3	15.2	15.5	20.2	16.7	67.6	69.3	71.0
Europe	9.7	9.2	15.8	14.7	49.5	9.3	9.2	15.4	16.2	50.1	53.9	56.6
<b>Total</b>	<b>25.8</b>	<b>25.5</b>	<b>37.7</b>	<b>29.9</b>	<b>118.8</b>	<b>24.5</b>	<b>24.7</b>	<b>35.6</b>	<b>32.9</b>	<b>117.7</b>	<b>123.1</b>	<b>127.6</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Nordics</i>	<i>-2.5</i>	<i>-8.3</i>	<i>-1.1</i>	<i>-24.5</i>	<i>-9.2</i>	<i>-5.0</i>	<i>-5.0</i>	<i>-7.5</i>	<i>10.0</i>	<i>-2.5</i>	<i>2.5</i>	<i>2.5</i>
<i>Europe</i>	<i>-9.1</i>	<i>-1.0</i>	<i>21.5</i>	<i>1.1</i>	<i>4.0</i>	<i>-5.0</i>	<i>0.0</i>	<i>-2.5</i>	<i>10.0</i>	<i>1.2</i>	<i>7.5</i>	<i>5.0</i>
<b>Total</b>	<b>-5.1</b>	<b>-5.8</b>	<b>7.3</b>	<b>-13.8</b>	<b>-4.2</b>	<b>-5.0</b>	<b>-3.2</b>	<b>-5.4</b>	<b>10.0</b>	<b>-1.0</b>	<b>4.6</b>	<b>3.6</b>
<b>EBIT, EURm</b>												
Group	-0.7	0.0	2.6	-0.8	1.0	-0.1	0.0	2.1	1.7	3.8	5.8	6.4
<b>Total</b>	<b>-0.7</b>	<b>0.0</b>	<b>2.6</b>	<b>-0.8</b>	<b>1.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>2.1</b>	<b>1.7</b>	<b>3.8</b>	<b>5.8</b>	<b>6.4</b>
<b>EBIT margin, %</b>												
<i>Group</i>		<i>0.0</i>				<i>-58,165.2</i>	<i>44,557.6</i>					
<b>Total</b>	<b>-2.7</b>	<b>0.0</b>	<b>6.8</b>	<b>-2.8</b>	<b>0.9</b>	<b>-0.2</b>	<b>0.2</b>	<b>6.0</b>	<b>5.1</b>	<b>3.2</b>	<b>4.7</b>	<b>5.0</b>

Consumer Discretionary Distribution/Finland, December 1, 2023  
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INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	0.0	0.0	76.8	124.0	118.8	117.7	123.1	127.6
<i>Sales growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>61.5</i>	<i>-4.2</i>	<i>-1.0</i>	<i>4.6</i>	<i>3.6</i>
EBITDA	0.0	0.0	8.3	7.4	4.1	6.6	8.1	8.8
<i>EBITDA margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>10.8</i>	<i>6.0</i>	<i>3.4</i>	<i>5.6</i>	<i>6.6</i>	<i>6.9</i>
Depreciation	0.0	0.0	-1.0	-0.7	-0.9	-0.8	-0.3	-0.4
EBITA	0.0	0.0	7.3	6.7	3.2	5.8	7.8	8.4
Goodwill amortization / writedown	0.0	0.0	0.0	-1.7	-2.2	-2.0	-2.0	-2.0
EBIT	0.0	0.0	7.3	4.9	1.0	3.8	5.8	6.4
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>4.0</i>	<i>0.9</i>	<i>3.2</i>	<i>4.7</i>	<i>5.0</i>
Reported EBIT	0.0	0.0	7.3	4.9	1.0	3.8	5.8	6.4
<i>EBIT margin (reported) (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>4.0</i>	<i>0.9</i>	<i>3.2</i>	<i>4.7</i>	<i>5.0</i>
Net financials	0.0	0.0	-2.7	-1.9	-3.4	-2.6	-1.6	-1.0
Pre-tax profit	0.0	0.0	4.6	3.0	-2.4	1.2	4.3	5.3
Taxes	0.0	0.0	-1.2	-1.1	-0.4	-0.5	-1.3	-1.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	0.0	3.3	1.9	-2.8	0.7	3.0	3.9
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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	0	1	2	2	4	4	5	6
Goodwill	0	0	14	16	27	25	23	21
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	29	35	48	50	49	51	53
Receivables	0	16	16	25	18	18	19	20
Liquid funds	0	3	3	4	2	9	2	3
Total assets	0	48	69	95	101	106	101	102
<b>Liabilities</b>								
Shareholder's equity	0	11	11	32	37	55	58	61
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	41	41	49	41	26	18	17
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	0	17	17	15	24	24	24	24
Total liabilities	0	69	69	95	102	106	101	102
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	0	8	7	4	7	8	9
- Net financial items	0	0	-3	-2	-3	-3	-2	-1
- Taxes	0	0	-1	-1	0	-1	-1	-1
- Increase in Net Working Capital	0	-28	-6	-24	14	1	-3	-2
+/- Other	0	0	0	0	0	18	0	0
= Cash flow from operations	0	-28	-2	-20	14	22	2	4
- Capex	0	-1	-16	-6	-16	-1	-1	-1
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	-29	-17	-25	-1	21	1	3
+/- New issues/buybacks	0	11	-3	19	8	18	0	0
- Paid dividend	0	0	0	0	0	0	0	-1
+/- Other	0	21	21	7	-8	-32	-8	-2
Change in cash	0	3	0	1	-2	7	-7	0

Consumer Discretionary Distribution/Finland, December 1, 2023  
Company update

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	0	0	0	26	31	31	31
Net debt (excl. convertibles)	39	39	45	38	17	16	14
Enterprise value	39	39	45	64	48	47	45
Sales	0	77	124	119	118	123	128
EBITDA	0	8	7	4	7	8	9
EBIT	0	7	5	1	4	6	6
Pre-tax	0	5	3	-2	1	4	5
Earnings	0	3	2	-3	1	3	4
Equity book value (excl. minorities)	11	11	32	37	55	58	61
<b>Valuation multiples</b>							
EV/sales	0.0	0.5	0.4	0.5	0.4	0.4	0.4
EV/EBITDA	0.0	4.6	6.0	15.7	7.3	5.8	5.1
EV/EBITA	0.0	5.3	6.7	19.9	8.3	6.0	5.4
EV/EBIT	0.0	5.3	9.1	62.3	12.7	8.1	7.1
EV/OCF	-1.4	-24.9	-2.3	4.4	2.2	21.2	11.8
EV/FCFF	-1.4	-2.5	-1.9	39.0	2.1	20.3	12.7
P/FCFE	0.0	0.0	0.0	-273.8	1.5	29.0	11.5
P/E	0.0	0.0	0.0	-12.7	44.8	10.3	8.1
P/B	0.0	0.0	0.0	0.7	0.6	0.5	0.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.3	5.8	5.1
Target EV/EBIT	0.0	0.0	0.0	0.0	12.7	8.1	7.1
Target EV/FCF	0.0	0.0	0.0	0.0	2.3	43.7	16.7
Target P/B	0.0	0.0	0.0	0.0	0.6	0.5	0.5
Target P/E	0.0	0.0	0.0	0.0	44.8	10.3	8.1
<b>Per share measures</b>							
Number of shares	0	0	299,910	359,892	1,038,546	1,038,546	1,038,546
Number of shares (diluted)	0	0	299,910	359,892	1,038,546	1,038,546	1,038,546
EPS	0.00	0.00	0.01	-0.01	0.00	0.00	0.00
Operating cash flow per share	0.00	0.00	-0.07	0.04	0.02	0.00	0.00
Free cash flow per share	0.00	0.00	-0.08	0.00	0.02	0.00	0.00
Book value per share	0.00	0.00	0.11	0.10	0.05	0.06	0.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout ratio, %	0.0	0.0	0.0	0.0	0.0	30.0	30.0
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	2.9	3.7
FCF yield, %	0.0	0.0	0.0	-4.3	67.0	3.5	8.7
<b>Efficiency measures</b>							
ROE	0.0	31.7	9.1	-8.3	1.5	5.3	6.5
ROCE	0.0	14.0	7.4	1.3	4.8	7.4	8.3
<b>Financial ratios</b>							
Inventories as % of sales	0.0	45.5	38.6	41.7	41.7	41.7	41.7
Receivables as % of sales	0.0	20.8	20.1	15.5	15.5	15.4	15.4
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	44.2	46.7	36.8	36.6	37.5	38.2
Operative CAPEX/sales, %	0.0	20.7	4.5	13.1	0.8	0.9	0.9
CAPEX/sales (incl. acquisitions), %	0.0	20.7	4.5	13.1	0.8	0.9	0.9
FCFF/EBITDA	0.0	-1.9	-3.2	0.4	3.5	0.3	0.4
Net debt/EBITDA, book-weighted	0.0	4.6	6.0	9.4	2.6	2.0	1.6
Debt/equity, market-weighted	0.0	0.0	0.0	1.6	0.8	0.6	0.5
Equity ratio, book-weighted	15.2	15.2	33.4	36.2	52.4	57.8	60.0
Gearing, %	367.7	367.7	139.9	103.6	30.6	27.2	22.9

Consumer Discretionary Distribution/Finland, December 1, 2023  
Company update

**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	0.202	0.6%
Sponsor Capital Oy	3,094,614	0.093	0.3%
Säästöpankki Fonder	1,631,627	0.049	0.2%
Keskinäinen Työeläkevakuutusyhtiö Varma	1,403,038	0.042	0.1%
Jarkko Ämmälä	1,200,000	0.036	0.1%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,168,992	0.035	0.1%
Erikoissijoitusrahasto Aktia Mikro Markka	697,673	0.021	0.1%
Keskinäinen Työeläkevakuutusyhtiö Elo	640,000	0.019	0.1%
Oy 4N-Group Ab	587,863	0.018	0.1%
Dennis Nylund	470,000	0.014	0.0%
Ten largest	17,626,365	0.529	2%
Residual	1,020,919,751	30.628	98%
Total	1,038,546,116	31.156	100%

**EARNINGS CALENDAR**

January 18, 2024	Q1 report
April 04, 2024	Q2 report
July 03, 2024	Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

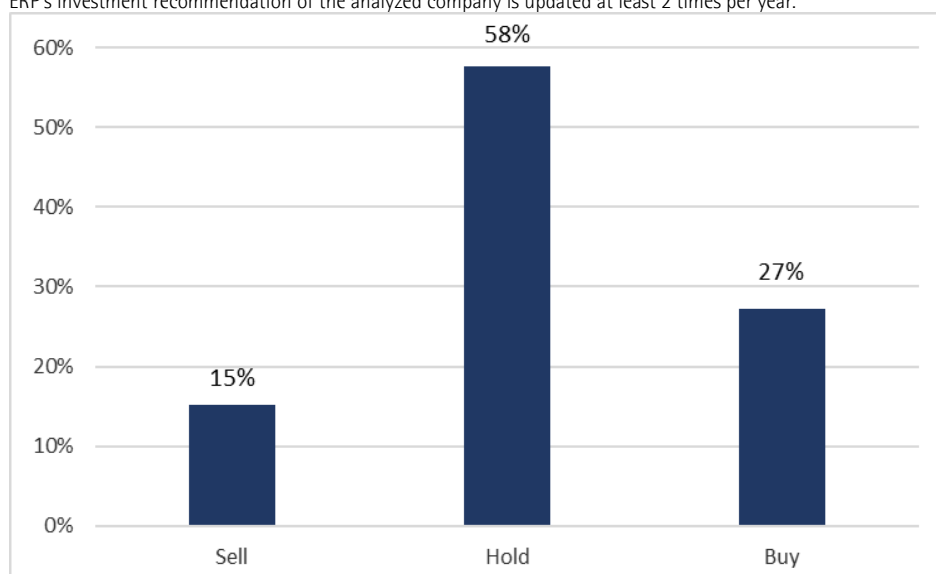
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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