

## Seasonal slowness ahead

Duell publishes its Q1 2024 business report on 18<sup>th</sup> of January. The company's RI was successful as expected yet we predict that the market softness continued to affect the company's performance during the seasonally slow Q1.

### Completed rights issue reduces the risk level

Duell completed its rights issue (RI) in December as the offering was oversubscribed. We updated the effects of the RI to our estimates in early December as the company had a subscription guarantee undertaking given by Hartwall Capital. As the RI was oversubscribed, the guarantee was not used. After the RI, there are over 1b shares outstanding and net proceeds of EUR 17.7m from the offering. With the net proceeds, Duell's net debt to adjusted EBITDA ratio drops to roughly 3.7x at the end of 2023 and below 3.0x based on our estimates for 2024E.

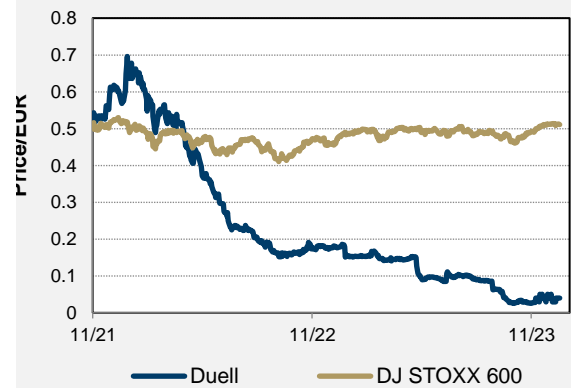
### Expecting slow Q1 due to seasonality and market dynamics

First quarter is typically the lowest sales quarter and includes large amount of seasonal pre-sales with discounted prices to dealers. The snowmobile and ATV product segments are important during the winter season as most of the segment items are sold during the first half of the fiscal year. We expect that the powersports market has continued to decline during the quarter and that dealers have continued to implement cautious inventory policies. We have made only slight adjustments to our estimates. We expect net sales of EUR 24.5m for Q1/24, down 5% y/y from EUR 25.8m in Q1/23. With the lower volumes, our estimate for adj. EBITA in Q1/24 is only slightly positive at EUR 0.0m (EUR -0.4m Q1/23). We expect a slight improvement in profitability due to Duell's cost efficiency efforts, although we predict only a modest impact due to projected lower net sales.

### HOLD with a TP of EUR 0.04 (EUR 0.03)

We retain our rating at HOLD yet adjust our TP to EUR 0.04 (EUR 0.03). Duell trades at 9.8x and 7.0x on adj. EV/EBITA for 2024E and 2025E. The 2024E multiples are slightly elevated, yet we continue to see the long-term upside potential albeit the visibility to the projected turnaround remains low. The 2025E adj. P/E and EV/EBITA imply a discount of 5-21% relative to our main peer group and DCF indicates an upside of 27%.

## Rating 🟡 HOLD



Share price, EUR (Last trading day's closing price)	0.04
Target price, EUR	0.04

Latest change in recommendation	01-Dec-23
Latest report on company	01-Dec-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	42
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	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
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	117.1	3.1	2.7%	21.3	0.00	-1,275.6	0.5	18.7	51.2	0.00
2025E	122.5	5.3	4.3%	1.3	0.00	17.2	0.5	10.8	3.1	0.00
2026E	126.9	5.9	4.7%	3.1	0.00	12.3	0.4	9.2	7.3	0.00

Market cap, EURm	42	Gearing 2024E, %	30.3	CAGR EPS 2023-26, %	0.0
Net debt 2024E, EURm	17	Price/book 2024E	0.8	CAGR sales 2023-26, %	2.2
Enterprise value, EURm	58	Dividend yield 2024E, %	0.0	ROE 2024E, %	-0.1
Total assets 2024E, EURm	105	Tax rate 2024E, %	16.4	ROCE 2024E, %	3.9
Goodwill 2024E, EURm	24	Equity ratio 2024E, %	52.0	PEG, P/E 24/CAGR	0.0

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

Table 1: Estimate summary

	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>36.2</b>	<b>31.7</b>	<b>117.1</b>	<b>122.5</b>	<b>126.9</b>
y/y %	61.5%	-5.4%	-5.7%	7.4%	-13.8%	-4.2%	-4.8%	-3.2%	-4.0%	6.2%	-1.5%	4.6%	3.6%
<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>0.0</b>	<b>0.5</b>	<b>3.2</b>	<b>2.2</b>	<b>5.9</b>	<b>8.1</b>	<b>8.7</b>
EBITA %	5.4%	-2.2%	3.4%	8.6%	-0.5%	2.9%	0.2%	1.8%	9.0%	6.8%	5.0%	6.6%	6.9%
<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>(0.7)</b>	<b>(0.2)</b>	<b>2.5</b>	<b>1.5</b>	<b>3.1</b>	<b>5.3</b>	<b>5.9</b>
EBIT %	4.0%	-4.1%	1.5%	6.8%	-2.8%	0.9%	-2.7%	-1.0%	7.0%	4.6%	2.7%	4.3%	4.7%
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>0.2</b>	<b>4.6</b>	<b>0.0</b>	<b>0.5</b>	<b>3.2</b>	<b>2.2</b>	<b>5.9</b>	<b>8.1</b>	<b>8.7</b>
Adj. EBITA %	7.0%	-1.7%	3.8%	10.1%	0.8%	3.9%	0.2%	1.8%	9.0%	6.8%	5.0%	6.6%	6.9%
<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>(0.7)</b>	<b>(0.2)</b>	<b>2.5</b>	<b>1.5</b>	<b>3.1</b>	<b>5.3</b>	<b>5.9</b>
Adj. EBIT %	5.6%	-3.6%	1.9%	8.3%	-4.0%	1.9%	-2.7%	-1.0%	7.0%	4.6%	2.7%	4.3%	4.7%

Source: Duell, Evli Research

Table 2: Peer group overview

Peer group Europe	Market capitalization mEUR	EV/EBITDA		EV/EBIT		P/E		EV/Sales					
		24	25	24	25	24	25	24	25				
Relais Group	238	7.9x	7.4x	12.4x	11.3x	12.8x	11.2x	1.3x	1.2x				
Pierce Group	47	5.0x	3.6x	15.5x	7.5x	17.2x	9.9x	0.3x	0.2x				
Auto Partner SA	743	8.5x	6.8x	9.3x	8.1x	12.1x	10.0x	0.8x	0.7x				
Delticom	30	6.8x	6.3x	17.9x	15.4x	9.5x	6.9x	0.2x	0.2x				
Halfords Group	453	3.8x	3.5x	10.8x	9.1x	9.0x	7.4x	0.4x	0.4x				
Inter Cars	1818	7.3x	6.6x	7.7x	7.0x	8.2x	7.4x	0.5x	0.5x				
MEKO	556	5.5x	5.3x	9.4x	8.9x	9.1x	8.4x	0.7x	0.6x				
<b>Peer group average</b>	<b>506</b>	<b>6.4x</b>	<b>5.6x</b>	<b>11.9x</b>	<b>9.6x</b>	<b>11.1x</b>	<b>8.7x</b>	<b>0.6x</b>	<b>0.6x</b>				
<b>Peer group median</b>	<b>345</b>	<b>6.8x</b>	<b>6.3x</b>	<b>10.8x</b>	<b>8.9x</b>	<b>9.5x</b>	<b>8.4x</b>	<b>0.5x</b>	<b>0.5x</b>				
<b>Duell (Evli est.)*</b>	<b>41</b>	<b>8.7x</b>	<b>6.4x</b>	<b>9.8x</b>	<b>7.0x</b>	<b>15.0x</b>	<b>8.0x</b>	<b>0.5x</b>	<b>0.5x</b>				
<i>Duell prem./disc. to peer median</i>				26.8%	1.3%	-9.2%	-21.0%	58.3%	-5.4%	-1.6%	2.0%		

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					
		24	25	24	25	24	25	24	25				
Advance Auto Parts	3308	10.5x	9.5x	19.3x	17.4x	16.2x	12.4x	0.6x	0.6x				
AutoZone	40002	13.0x	12.3x	14.9x	14.0x	15.5x	13.9x	3.0x	2.8x				
LKQ	11473	9.1x	8.7x	10.8x	10.4x	11.2x	10.2x	1.2x	1.1x				
Genuine Parts	17598	10.1x	9.2x	12.2x	10.7x	13.9x	12.8x	1.0x	0.9x				
O'Reilly Automotive	50520	16.8x	16.0x	19.1x	18.0x	21.9x	19.7x	3.9x	3.7x				
LKQ	11473	9.1x	8.7x	10.8x	10.4x	11.2x	10.2x	1.2x	3.6x				
<b>Peer group average</b>	<b>19220</b>	<b>11.0x</b>	<b>11.2x</b>	<b>15.3x</b>	<b>14.1x</b>	<b>15.7x</b>	<b>13.8x</b>	<b>1.7x</b>	<b>1.8x</b>				
<b>Peer group median</b>	<b>11473</b>	<b>10.3x</b>	<b>9.5x</b>	<b>14.9x</b>	<b>14.0x</b>	<b>15.5x</b>	<b>12.8x</b>	<b>1.1x</b>	<b>1.1x</b>				
<b>Duell (Evli est.)*</b>	<b>41</b>	<b>8.7x</b>	<b>6.4x</b>	<b>9.8x</b>	<b>7.0x</b>	<b>15.0x</b>	<b>8.0x</b>	<b>0.5x</b>	<b>0.5x</b>				
<i>Duell prem./disc. to peer median</i>				-16.2%	-32.7%	-34.2%	-49.7%	-2.9%	-37.7%	-53.4%	-59.0%		

Source FactSet, Evli Research

\* Adjusted for items affecting comparability and goodwill depreciation

Consumer Discretionary Distribution/Finland, January 11, 2024  
Preview

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.04 PV of Free Cash Flow	54 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	0.05 PV of Horizon value	37 WACC, %	10.2 Market risk premium, %	6.5
Share price potential, %	27.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	4.5
Maximum value	0.1 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, %	40.6 Value of stock	53 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	117	123	127	130	132	134	136	138	140	142	144
<i>Sales growth, %</i>	-4.2	-1.5	4.6	3.6	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Operating income (EBIT)	1	3	5	6	8	9	9	9	9	9	9	9
<i>Operating income margin, %</i>	0.9	2.7	4.3	4.7	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5
+ Depreciation+amort.	3	4	3	3	3	3	4	4	4	4	4	4
EBITDA	4	7	8	9	11	12	12	12	13	13	13	
- Paid taxes	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	
- Change in NWC	14	1	-3	-2	-2	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	36.8	36.5	37.4	38.1	38.5	38.8	39.0	39.3	39.5	39.8	40.0	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-16	-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	0.8	0.8	0.7
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	18	0	0	0	0	0	0	0	0	0	
= FCFF	2	23	3	4	6	8	8	8	8	8	8	97
= Discounted FCFF		21	2	3	4	5	4	4	4	3	3	37
= DFCF min WACC		21	2	3	4	5	4	4	4	4	3	41
= DFCF max WACC		21	2	3	4	5	4	4	4	3	3	33

Consumer Discretionary Distribution/Finland, January 11, 2024  
Preview

## 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	36.2	31.7	117.1	122.5	126.9
EBITDA	0.0	0.7	3.3	0.1	4.1	0.2	0.7	3.4	2.4	6.7	8.3	9.2
<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>1.0</i>	<i>2.6</i>	<i>9.5</i>	<i>7.5</i>	<i>5.7</i>	<i>6.8</i>	<i>7.2</i>
EBIT	-0.7	0.0	2.6	-0.8	1.0	-0.7	-0.2	2.5	1.5	3.1	5.3	5.9
<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>-2.7</i>	<i>-1.0</i>	<i>7.0</i>	<i>4.6</i>	<i>2.7</i>	<i>4.3</i>	<i>4.7</i>
Net financial items	-0.5	-0.5	-1.8	-0.6	-3.4	-0.6	-0.6	-0.6	-0.6	-2.6	-1.5	-1.0
Pre-tax profit	-1.2	-0.5	0.8	-1.4	-2.4	-1.3	-0.9	1.9	0.8	0.5	3.7	4.9
Tax	0.0	0.0	-0.2	-0.2	-0.4	0.0	0.0	-0.4	-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>14.6</i>	<i>10.8</i>	<i>16.4</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-1.3	-0.6	0.6	-1.6	-2.8	-1.3	-0.9	1.5	0.7	0.0	2.4	3.4
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	20.8	15.9	67.4	69.1	70.8
Europe	9.7	9.2	15.8	14.7	49.5	9.3	9.2	15.4	15.8	49.7	53.5	56.1
Total	25.8	25.5	37.7	29.9	118.8	24.5	24.7	36.2	31.7	117.1	122.5	126.9
<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>-5.0</i>	<i>5.0</i>	<i>-2.8</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>7.5</i>	<i>0.4</i>	<i>7.5</i>	<i>5.0</i>
<i>Total</i>	<i>-5.1</i>	<i>-5.8</i>	<i>7.3</i>	<i>-13.8</i>	<i>-4.2</i>	<i>-5.0</i>	<i>-3.2</i>	<i>-3.9</i>	<i>6.2</i>	<i>-1.5</i>	<i>4.6</i>	<i>3.6</i>
<b>EBIT, EURm</b>												
Group	-0.7	0.0	2.6	-0.8	1.0	-0.7	-0.2	2.5	1.5	3.1	5.3	5.9
Total	-0.7	0.0	2.6	-0.8	1.0	-0.7	-0.2	2.5	1.5	3.1	5.3	5.9
<b>EBIT margin, %</b>												
<i>Total</i>	<i>-2.7</i>	<i>0.0</i>	<i>6.8</i>	<i>-2.8</i>	<i>0.9</i>	<i>-2.7</i>	<i>-1.0</i>	<i>7.0</i>	<i>4.6</i>	<i>2.7</i>	<i>4.3</i>	<i>4.7</i>

Consumer Discretionary Distribution/Finland, January 11, 2024  
Preview

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	0.0	0.0	76.8	124.0	118.8	117.1	122.5	126.9
<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>-1.5</i>	<i>4.6</i>	<i>3.6</i>
EBITDA	0.0	0.0	8.3	7.4	4.1	6.7	8.3	9.2
<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>5.7</i>	<i>6.8</i>	<i>7.2</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	5.9	8.1	8.7
Goodwill amortization / writedown	0.0	0.0	0.0	-1.7	-2.2	-2.8	-2.8	-2.8
EBIT	0.0	0.0	7.3	4.9	1.0	3.1	5.3	5.9
<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>2.7</i>	<i>4.3</i>	<i>4.7</i>
Reported EBIT	0.0	0.0	7.3	4.9	1.0	3.1	5.3	5.9
<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>2.7</i>	<i>4.3</i>	<i>4.7</i>
Net financials	0.0	0.0	-2.7	-1.9	-3.4	-2.6	-1.5	-1.0
Pre-tax profit	0.0	0.0	4.6	3.0	-2.4	0.5	3.7	4.9
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	0.0	2.4	3.4
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>								
Assets								
Fixed assets	0	1	2	2	4	4	5	6
Goodwill	0	0	14	16	27	24	22	19
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	105	99	99
Liabilities								
Shareholder's equity	0	11	11	32	37	55	57	60
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	15
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	105	99	99
<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	-2
- 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, January 11, 2024  
Preview

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	0	0	0	26	42	42	42
Net debt (excl. convertibles)	39	39	45	38	17	15	13
Enterprise value	39	39	45	64	58	57	54
Sales	0	77	124	119	117	123	127
EBITDA	0	8	7	4	7	8	9
EBIT	0	7	5	1	3	5	6
Pre-tax	0	5	3	-2	1	4	5
Earnings	0	3	2	-3	0	2	3
Equity book value (excl. minorities)	11	11	32	37	55	57	60
<b>Valuation multiples</b>							
EV/sales	0.0	0.5	0.4	0.5	0.5	0.5	0.4
EV/EBITDA	0.0	4.6	6.0	15.7	8.7	6.8	5.9
EV/EBITA	0.0	5.3	6.7	19.9	9.8	7.0	6.2
EV/EBIT	0.0	5.3	9.1	62.3	18.7	10.8	9.2
EV/OCF	-1.4	-24.9	-2.3	4.4	2.6	23.3	13.1
EV/FCFF	-1.4	-2.5	-1.9	39.0	2.5	22.5	14.2
P/FCFE	0.0	0.0	0.0	-273.8	2.0	31.9	13.6
P/E	0.0	0.0	0.0	-12.7	-1,275.6	17.2	12.3
P/B	0.0	0.0	0.0	0.7	0.8	0.7	0.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.7	6.8	5.9
Target EV/EBIT	0.0	0.0	0.0	0.0	18.7	10.8	9.2
Target EV/FCF	0.0	0.0	0.0	0.0	2.7	43.6	17.8
Target P/B	0.0	0.0	0.0	0.0	0.8	0.7	0.7
Target P/E	0.0	0.0	0.0	0.0	-1,275.6	17.2	12.3
<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	0.05	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	1.7	2.4
FCF yield, %	0.0	0.0	0.0	-4.3	51.2	3.1	7.3
<b>Efficiency measures</b>							
ROE	0.0	31.7	9.1	-8.3	-0.1	4.3	5.8
ROCE	0.0	14.0	7.4	1.3	3.9	6.8	7.9
<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	15.5	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	36.5	37.4	38.1
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	2.5	1.8	1.4
Debt/equity, market-weighted	0.0	0.0	0.0	1.6	0.6	0.4	0.4
Equity ratio, book-weighted	15.2	15.2	33.4	36.2	52.0	57.6	60.0
Gearing, %	367.7	367.7	139.9	103.6	30.3	26.7	21.6

Consumer Discretionary Distribution/Finland, January 11, 2024  
Preview

**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 2023, 59% of Duell's sales came from the Nordics and while the rest of the Europe accounted for 41%. Approximately 78% of the sales were generated through the distribution of third-party products, while the remaining 22% 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 has seen a marked 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 there remains a steady demand for essential parts, the sector as a whole has slowed down significantly in 2023. This downturn has 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.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Hartwall Capital Oy Ab	7,985,425	0.319	0.8%
Sponsor Capital Oy	3,094,614	0.124	0.3%
Keskinäinen Työeläkevakuutusyhtiö Varma	1,403,038	0.056	0.1%
Säästöpankki Fonder	1,331,627	0.053	0.1%
Jarkko Ämmälä	1,100,000	0.044	0.1%
Erikoissijoitusrahasto Aktia Mikro Markka	697,673	0.028	0.1%
Keskinäinen Työeläkevakuutusyhtiö Elo	640,000	0.026	0.1%
Oy 4N-Group Ab	587,863	0.024	0.1%
Evli Finland Select Fund	402,895	0.016	0.0%
S-bank Fenno Equity Fund	382,921	0.015	0.0%
Ten largest	17,626,056	0.705	2%
Residual	1,020,920,060	40.837	98%
Total	1,038,546,116	41.542	100%

**EARNINGS CALENDAR**

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



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

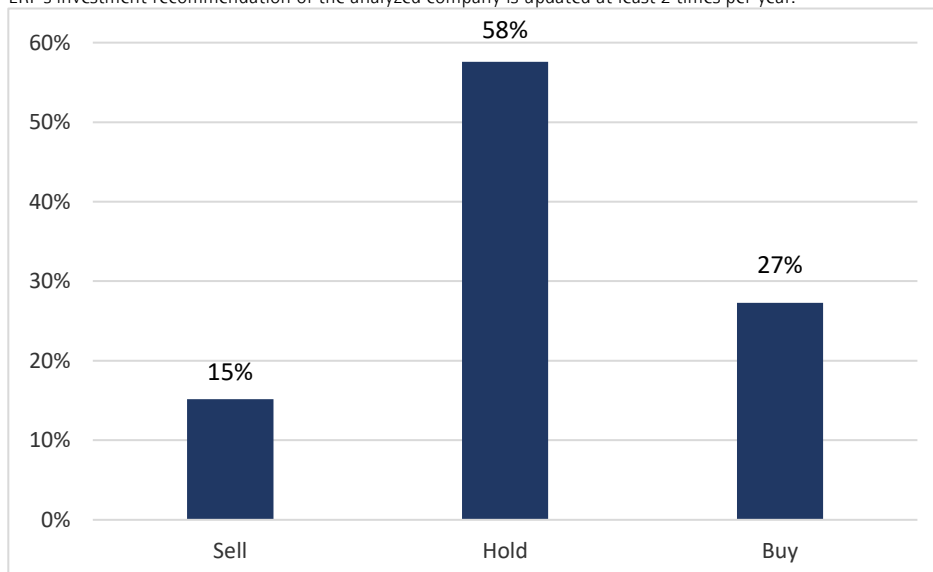
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on 11.1.2024, 8:50. This report has been published on 11.1.2024, 9:00.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP may pursue an assignment from the issuer(s) of the financial instruments mentioned in the recommendation or this report. These assignments may have a limited economic or financial impact on ERP and/or Evli. Under such assignments ERP may perform services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli is not a member of the

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

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lijja	+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**

Atte Jortikka	+358 40 054 3725
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149

**Evli Investment Solutions**

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

**EVLI****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