

Promising start for the fiscal year

Duell's results exceeded our estimates for revenue and adj. EBITA. The revenue beat was largely due to our cautious net sales estimates for Rest of Europe.

Q1 figures were above our estimates

The company reported net sales of EUR 27.0m in Q1 (Q1/23: EUR 25.8m, Evli: EUR 24.5m). Net sales in the Nordics were EUR 15.1m (Q1/23: EUR 16.0m, Evli: EUR 15.2m), while net sales in Rest of Europe were EUR 11.9m (Q1/23: EUR 9.7m, Evli: EUR 9.3m). For Rest of Europe, our prediction for both organic and inorganic net sales development were too conservative. With the higher sales, the adj. EBITA was slightly higher than we estimated at EUR 0.3m (Evli: EUR 0.0m), as the company was able to improve its gross margin and had a lower comparable cost base. Due to seasonality, the company's NWC and net debt increased q/q yet were at a lower level when compared to Q1 2023.

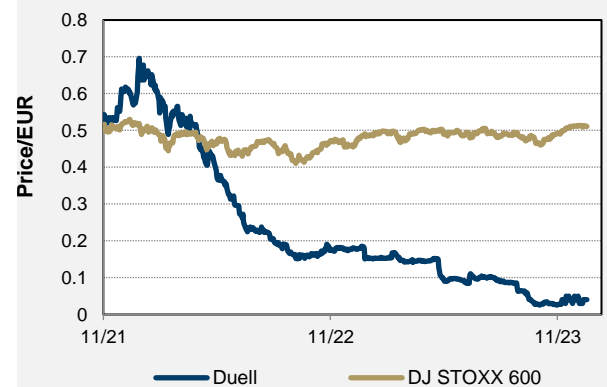
End-market to remain challenging throughout the FY 2024

Duell maintained its outlook for FY 2024; Duell will keep up its programme to improve profitability and strengthen the net working capital position in financial year 2024. Duell expects adjusted EBITA to increase from the level of the previous year. With the higher than anticipated organic and inorganic net sales growth in Rest of Europe, we raise our estimates especially for Q2/24 as Tran-Am acquisition will keep contributing to inorganic sales growth. The adjustments for the FY 2024 estimate are minor, we raise our net sales estimate to EUR 120.1m (prev. EUR 117.7m) and adj. EBITA to EUR 6.0m (prev. EUR 5.9m). We still anticipate soft market conditions for the whole of FY 2024 as the end-market is expected to stay weak and dealers persist in their cautious inventory management approach. In addition, the current geopolitical tensions bring upside risk to logistics costs.

HOLD with a TP of EUR 0.04 (0.04)

With no major changes to our estimates, the 2024E multiples remain elevated. On the other hand, the 2025 adj. P/E and EV/EBITA imply a discount of 5-20% relative to our main peer group and DCF indicates an upside of 26%. Considering the strengthened balance sheet post-RI and a positive start to the FY, we base our valuation on 24-25E multiples along with DCF.

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	11-Jan-24
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

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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	120.1	2.5	2.1%	19.1	0.00	-62.0	0.5	24.1	46.0	0.00
2025E	122.8	5.3	4.3%	2.9	0.00	17.2	0.5	10.9	6.9	0.00
2026E	127.2	6.0	4.7%	3.0	0.00	12.3	0.4	9.3	7.1	0.00
Market cap, EURm		42	Gearing 2024E, %			34.6	CAGR EPS 2023-26, %			0.0
Net debt 2024E, EURm		19	Price/book 2024E			0.8	CAGR sales 2023-26, %			2.3
Enterprise value, EURm		60	Dividend yield 2024E, %			0.0	ROE 2024E, %			-1.5
Total assets 2024E, EURm		104	Tax rate 2024E, %			19.6	ROCE 2024E, %			3.2
Goodwill 2024E, EURm		24	Equity ratio 2024E, %			51.7	PEG, P/E 24/CAGR			0.0

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

Consumer Discretionary Distribution/Finland, January 19, 2024 Company update

Growth in Rest of Europe was stronger than we expected

The company reported net sales of EUR 27.0m in Q1 (Q1/23: EUR 25.8m, Evli: EUR 24.5m). The main reason for higher-than-expected net sales was growth of over 22% in Rest of Europe. Our estimate for organic sales decline was too steep and on the other hand, the company grew faster inorganically than we had estimated. Overall, Duell's net sales declined organically 7.5%, at a notably lower rate when compared to FY 2023. With the higher net sales, the adj. EBITA was slightly higher than we estimated at EUR 0.3m (Evli: EUR 0.0m), as the company was able to improve its gross margin and had a lower comparable cost base. Albeit a slower quarter for Duell seasonally, Q1 still provided a promising start for the fiscal year aided by winter season demand starting early in the Nordics. Duell had a net income of about EUR -1.8m in Q1, which included EUR 0.7m of NRI's from cost-saving program expenses and rights offering expenses. Duell does not disclose its interest expenses in Q1 and Q3, yet we think they were around EUR 0.7m in Q1, close to our projection. The company's NWC and net debt went up q/q due to seasonality, but they were lower than in Q1 2023. When considering the RI, the net debt was at EUR 27.5m and net debt to LTM adj. EBITDA at roughly 4.4x, which can still be considered a high level. Operating free cash flow was EUR -6.2m, down from EUR -5.0m in Q1 2023.

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
Total Net sales	124.0	25.8	25.5	37.7	29.9	118.8	27.0	25.2	36.2	31.7	120.1	122.8	127.2
<i>y/y %</i>	<i>61.5%</i>	<i>-5.0%</i>	<i>-5.7%</i>	<i>7.4%</i>	<i>-13.8%</i>	<i>-4.2%</i>	<i>4.7%</i>	<i>-1.4%</i>	<i>-4.0%</i>	<i>6.2%</i>	<i>1.1%</i>	<i>2.2%</i>	<i>3.6%</i>
EBITA	6.7	(0.6)	0.9	3.2	(0.1)	3.4	(0.5)	0.5	3.2	2.1	5.3	8.1	8.8
<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>-1.7%</i>	<i>1.8%</i>	<i>8.8%</i>	<i>6.6%</i>	<i>4.4%</i>	<i>6.6%</i>	<i>6.9%</i>
EBIT	4.9	(1.1)	0.4	2.6	(0.8)	1.0	(1.1)	(0.2)	2.5	1.4	2.5	5.3	6.0
<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>-4.2%</i>	<i>-1.0%</i>	<i>6.8%</i>	<i>4.4%</i>	<i>2.1%</i>	<i>4.3%</i>	<i>4.7%</i>
Items affecting comparability	(2.1)	(0.1)	(0.1)	(0.6)	(0.4)	(1.2)	(0.7)	-	-	-	(0.7)	-	-
Adj. EBITA	8.7	(0.4)	1.0	3.8	0.2	4.6	0.3	0.5	3.2	2.1	6.0	8.1	8.8
<i>Adj. EBITA %</i>	<i>7.0%</i>	<i>-1.7%</i>	<i>3.8%</i>	<i>10.1%</i>	<i>0.8%</i>	<i>3.9%</i>	<i>1.0%</i>	<i>1.8%</i>	<i>8.8%</i>	<i>6.6%</i>	<i>5.0%</i>	<i>6.6%</i>	<i>6.9%</i>
Adj. EBIT	7.0	(0.9)	0.5	3.1	(1.2)	2.2	(0.4)	(0.2)	2.5	1.4	3.2	5.3	6.0
<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>-1.5%</i>	<i>-1.0%</i>	<i>6.8%</i>	<i>4.4%</i>	<i>2.7%</i>	<i>4.3%</i>	<i>4.7%</i>

Source: Duell, Evli Research

Near-term valuation remains challenging, yet long-term potential persists

Based on our estimates, the FY 2024E will be a challenging one for the company. The multiples for 2024E, adj. EV/EBITA of 10.0x and P/E of 14.6x, are elevated both in absolute and relative terms. With the projected turnaround, the multiples fall to significantly lower levels for 2025 providing discount of roughly 5-20% compared to our main peer group (adj. EV/EBITA and P/E). In addition, our discounted cash flow points towards an upside of 26% from the current share price levels. Considering the strengthened balance sheet post-RI and a positive start to the FY, we base our valuation on 24-25E multiples along with DCF. We retain our rating at HOLD with a TP of EUR 0.04.

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
Peer group average	506	6.4x	5.6x	11.9x	9.6x	11.1x	8.7x	0.6x	0.6x
Peer group median	345	6.8x	6.3x	10.8x	8.9x	9.5x	8.4x	0.5x	0.5x
Duell (Evli est.)*	41	8.5x	6.3x	10.0x	7.1x	14.6x	8.0x	0.5x	0.5x

Duell prem./disc. to peer median

24.7% -0.7% -7.5% -20.4% 53.6% -5.4% -0.5% 2.9%

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
Peer group average	19220	11.0x	11.2x	15.3x	14.1x	15.7x	13.8x	1.7x	1.8x
Peer group median	11473	10.3x	9.5x	14.9x	14.0x	15.5x	12.8x	1.1x	1.1x
Duell (Evli est.)*	41	8.5x	6.3x	10.0x	7.1x	14.6x	8.0x	0.5x	0.5x

Duell prem./disc. to peer median

-17.6% -34.0% -33.0% -49.3% -5.8% -37.6% -52.9% -58.6%

Source FactSet, Evli Research

* Adjusted for items affecting comparability and goodwill depreciation

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VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.04 PV of Free Cash Flow	53 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, %	25.6 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, %	41.0 Value of stock	52 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	120	123	127	130	132	134	136	138	140	143	145
<i>Sales growth, %</i>	-4.2	1.1	2.2	3.6	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Operating income (EBIT)	1	2	5	6	8	9	9	9	9	9	9	9
<i>Operating income margin, %</i>	0.9	2.1	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	
EBITDA	4	6	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	-1	-3	-2	-1	-1	-1	-1	-1	-1	
<i>NWC / Sales, %</i>	36.8	37.0	37.4	38.1	38.5	38.8	39.1	39.3	39.6	39.8	40.1	
+ 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	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.7	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	21	4	4	6	8	8	8	8	8	8	97
= Discounted FCFF		19	3	3	4	5	4	4	4	3	3	37
= DFCF min WACC		19	3	3	4	5	5	4	4	4	3	41
= DFCF max WACC		19	3	3	4	5	4	4	4	3	3	34

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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	27.0	25.2	36.2	31.7	120.1	122.8	127.2
EBITDA	0.0	0.7	3.3	0.1	4.1	-0.2	0.7	3.4	2.4	6.3	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>-0.7</i>	<i>2.9</i>	<i>9.5</i>	<i>7.5</i>	<i>5.3</i>	<i>6.7</i>	<i>7.2</i>
EBIT	-0.7	0.0	2.6	-0.8	1.0	-1.1	-0.2	2.5	1.4	2.5	5.3	6.0
<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>-4.2</i>	<i>-1.0</i>	<i>6.8</i>	<i>4.4</i>	<i>2.1</i>	<i>4.3</i>	<i>4.7</i>
Net financial items	-0.5	-0.5	-1.8	-0.6	-3.4	-0.7	-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	-1.8	-0.9	1.8	0.8	-0.2	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>14.5</i>	<i>10.4</i>	<i>19.6</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-1.3	-0.6	0.6	-1.6	-2.8	-1.8	-0.9	1.5	0.6	-0.7	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
SALES, EURm												
Nordics	16.0	16.3	21.9	15.2	69.3	15.1	15.5	20.8	15.9	67.3	67.3	68.9
Europe	9.7	9.2	15.8	14.7	49.5	11.9	9.7	15.4	15.8	52.9	55.5	58.3
Total	25.8	25.5	37.7	29.9	118.8	27.0	25.2	36.2	31.7	120.1	122.8	127.2
SALES GROWTH, Y/Y %												
<i>Nordics</i>	<i>-2.5</i>	<i>-8.3</i>	<i>-1.1</i>	<i>-24.5</i>	<i>-9.2</i>	<i>-5.7</i>	<i>-5.0</i>	<i>-5.0</i>	<i>5.0</i>	<i>-3.0</i>	<i>0.0</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>22.4</i>	<i>5.0</i>	<i>-2.5</i>	<i>7.5</i>	<i>6.8</i>	<i>5.0</i>	<i>5.0</i>
Total	-5.1	-5.8	7.3	-13.8	-4.2	4.9	-1.4	-3.9	6.2	1.1	2.2	3.6
EBIT, EURm												
Group	-0.7	0.0	2.6	-0.8	1.0	-1.1	-0.2	2.5	1.4	2.5	5.3	6.0
Total	-0.7	0.0	2.6	-0.8	1.0	-1.1	-0.2	2.5	1.4	2.5	5.3	6.0
EBIT margin, %												
<i>Total</i>	<i>-2.7</i>	<i>0.0</i>	<i>6.8</i>	<i>-2.8</i>	<i>0.9</i>	<i>-4.2</i>	<i>-1.0</i>	<i>6.8</i>	<i>4.4</i>	<i>2.1</i>	<i>4.3</i>	<i>4.7</i>

Consumer Discretionary Distribution /Finland, January 19, 2024
Company update

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	0.0	0.0	76.8	124.0	118.8	120.1	122.8	127.2
<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>1.1</i>	<i>2.2</i>	<i>3.6</i>
EBITDA	0.0	0.0	8.3	7.4	4.1	6.3	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>5.3</i>	<i>6.7</i>	<i>7.2</i>
Depreciation	0.0	0.0	-1.0	-0.7	-0.9	-1.1	-0.2	-0.4
EBITA	0.0	0.0	7.3	6.7	3.2	5.3	8.1	8.8
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	2.5	5.3	6.0
<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>2.1</i>	<i>4.3</i>	<i>4.7</i>
Reported EBIT	0.0	0.0	7.3	4.9	1.0	2.5	5.3	6.0
<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>2.1</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	-0.2	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	-0.7	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
BALANCE SHEET, EURm								
Assets								
Fixed assets	0	1	2	2	4	4	5	5
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	50	51	53
Receivables	0	16	16	25	18	19	19	20
Liquid funds	0	3	3	4	2	7	2	3
Total assets	0	48	69	95	101	104	99	99
Liabilities								
Shareholder's equity	0	11	11	32	37	54	56	59
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	16
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	104	99	99
CASH FLOW, EURm								
+ EBITDA	0	0	8	7	4	6	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	-1	-3
+/- Other	0	0	0	0	0	18	0	0
= Cash flow from operations	0	-28	-2	-20	14	20	4	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	19	3	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	5	-5	0

Consumer Discretionary Distribution /Finland, January 19, 2024
Company update

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	19	16	14
Enterprise value	39	39	45	64	60	57	55
Sales	0	77	124	119	120	123	127
EBITDA	0	8	7	4	6	8	9
EBIT	0	7	5	1	2	5	6
Pre-tax	0	5	3	-2	0	4	5
Earnings	0	3	2	-3	-1	2	3
Equity book value (excl. minorities)	11	11	32	37	54	56	59
Valuation multiples							
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	9.5	6.9	6.0
EV/EBITA	0.0	5.3	6.7	19.9	11.4	7.1	6.3
EV/EBIT	0.0	5.3	9.1	62.3	24.1	10.9	9.3
EV/OCF	-1.4	-24.9	-2.3	4.4	3.0	14.6	13.5
EV/FCFF	-1.4	-2.5	-1.9	39.0	2.8	14.0	14.6
P/FCFE	0.0	0.0	0.0	-273.8	2.2	14.5	14.0
P/E	0.0	0.0	0.0	-12.7	-62.0	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	9.5	6.9	6.0
Target EV/EBIT	0.0	0.0	0.0	0.0	24.1	10.9	9.3
Target EV/FCF	0.0	0.0	0.0	0.0	3.1	20.0	18.6
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	-62.0	17.2	12.3
Per share measures							
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	46.0	6.9	7.1
Efficiency measures							
ROE	0.0	31.7	9.1	-8.3	-1.5	4.4	5.9
ROCE	0.0	14.0	7.4	1.3	3.2	6.8	8.0
Financial ratios							
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	37.0	37.4	38.1
Operative CAPEX/sales, %	0.0	20.7	4.5	13.1	0.9	0.9	0.9
CAPEX/sales (incl. acquisitions), %	0.0	20.7	4.5	13.1	0.9	0.9	0.9
FCFF/EBITDA	0.0	-1.9	-3.2	0.4	3.4	0.5	0.4
Net debt/EBITDA, book-weighted	0.0	4.6	6.0	9.4	2.9	1.9	1.5
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	51.7	56.9	59.3
Gearing, %	367.7	367.7	139.9	103.6	34.6	28.1	23.0

Consumer Discretionary Distribution /Finland, January 19, 2024
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 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> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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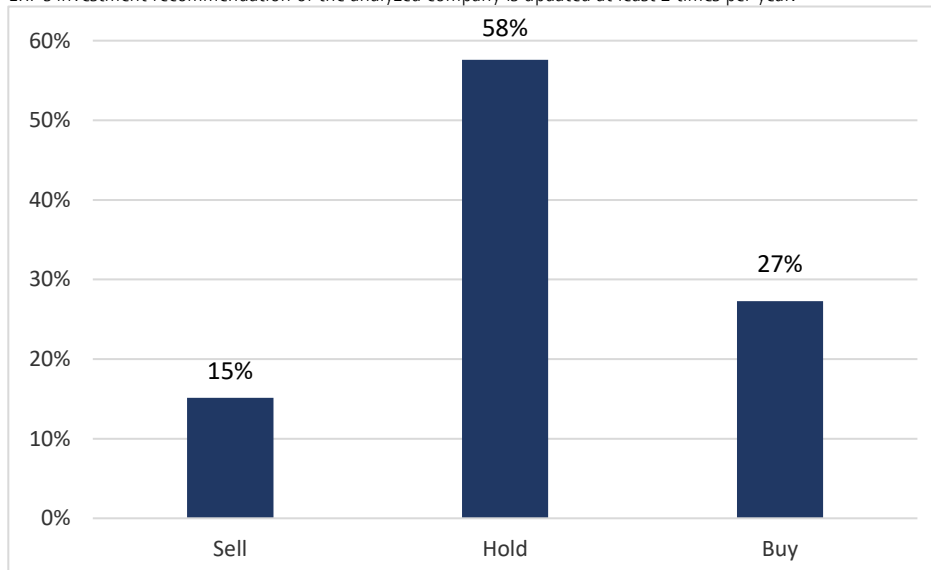
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Consumer Discretionary Distribution /Finland, January 19, 2024
Company update

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