

Expecting continued good progress

Duell publishes its business review for Q3 (March–May) on Wednesday 3rd of July. We expect continued good execution especially in Europe during the company's most important quarter of the fiscal year.

First half of the fiscal year showed promising signs Duell's net sales increased 7.5% to EUR 55.2m in H1 driven by inorganic growth as organic sales with comparable currencies decreased 0.8% y/y. While organic growth was slow for the first half, the company already grew organically in Q2/24 driven especially by good execution in the European market despite the off-season. With the stronger than expected growth, adj. EBITA came in at EUR 1.4m for Q2, above our estimate of EUR 0.8m, for the H1, adj. EBITA was at EUR 1.6m (EUR 0.6m H1/23).

Expecting slight growth for Q3 driven by rest of Europe

Our estimates remain unchanged ahead of the Q3 business review. We expect 3% y/y growth with net sales of EUR 38.8m and adj. EBITA of 3.9m (EUR 3.8m Q3/23). We expect the Nordic market to have remained tough during the third quarter. Registration of onroad motorcycles paint two-sided picture with new registrations down in Finland for the first five months of 2024 while in Sweden the registrations have increased. Indicating a still weaker market in the Nordics is the lower search traffic for the leading Nordic powersports aftermarket webstores. On the other hand, we expect that the dealer inventory reductions have slowed down as many dealers operate with already low inventory levels. We expect no changes in the European market as we estimate continued organic growth in Central European key geographies. On the cost side, we see some gross margin pressure due to ongoing issues in the Red Sea increasing freight rates starting from end of 2023.

BUY with a TP of EUR 0.04

Despite the share price rally since our rating upgrade ahead of the H1/24 report, Duell's valuation remains undemanding for the coming years. Duell trades at 7–5x adj. EV/EBIT and 12–6x adj. P/E for 24–25E, with a substantial discount compared to the European peer group. We retain our rating at BUY with a TP of EUR 0.04.



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%	4.8	-0.01	-12.7	0.5	56.2	18.8	0.00
2024E	125.7	1.2	1.0%	-0.2	0.00	78.9	0.4	41.0	-0.6	0.00
2025E	129.4	6.4	5.0%	3.7	0.00	10.1	0.4	7.1	9.9	0.00
2026E	133.5	8.4	6.3%	5.6	0.01	6.6	0.3	4.9	15.0	0.00
Market cap, EURm			37	Gearing 2024E, %			22.0	CAGR EPS 2023-26, %		0.0
Net debt 2024E, EURm			12	Price/book 2024E			0.7	CAGR sales 2023-26, %		4.0
Enterprise value, EURm			49	Dividend yield 2024E, %			0.0	ROE 2024E, %		-5.2
Total assets 2024E, EURm			99	Tax rate 2024E, %			63.5	ROCE 2024E, %		1.6
Goodwill 2024E, EURm			20	Equity ratio 2024E, %			55.2	PEG, P/E 24/CAGR		0.6

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

Figure 1: Estimate summary

	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2 023	Q1/'24	Q2/'24	Q3/'24E	Q4/'24E	2024E	2025E	2026E
Total Net sales	124.0	25.8	25.5	37.7	29.9	118.8	27.0	28.2	38.8	31.7	125.7	129.4	133.5
y/y %	61.5%	-5.0%	-5.7%	7.4%	-13.8%	-4.2%	4.7%	10.2%	3.0%	6.2%	5.8%	2.9%	3.2%
EBITA	6.7	(0.6)	0.9	3.2	(0.1)	3.4	(0.5)	(0.7)	3.9	1.3	4.0	9.2	11.2
EBITA %	5.4%	-2.2%	3.4%	8.6%	-0.5%	2.9%	-1.7%	-2.6%	10.0%	4.0%	3.2%	7.1%	8.4%
EBIT	4.9	(1.1)	0.4	2.6	(0.8)	1.0	(1.1)	(1.4)	3.2	0.6	1.2	6.4	8.4
EBIT %	4.0%	-4.1%	1.5%	6.8%	-2.8%	0.9%	-4.2%	-5.1%	8.2%	1.8%	1.0%	5.0%	6.3%
Items affecting comparability	(2.1)	(0.1)	(0.1)	(0.6)	(0.4)	(1.2)	(0.7)	(2.1)	-	-	(2.8)	-	-
Adj. EBITA	8.7	(0.4)	1.0	3.8	0.2	4.6	0.3	1.4	3.9	1.3	6.8	9.2	11.2
Adj. EBITA %	7.0%	-1.7%	3.8%	10.1%	0.8%	3.9%	1.0%	4.9%	10.0%	4.0%	5.4%	7.1%	8.4%
Adj. EBIT	7.0	(0.9)	0.5	3.1	(1.2)	2.2	(0.4)	0.7	3.2	0.6	4.0	6.4	8.4
Adj. EBIT %	5.6%	-3.6%	1.9%	8.3%	-4.0%	1.9%	-1.5%	2.4%	8.2%	1.8%	3.2%	5.0%	6.3%

Source: Duell, Evli Research

Figure 2: Peer group overview

Peer group Europe	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Relais Group	248	8.0x	7.6x	7.2x	12.3x	11.5x	10.6x	14.8x	12.4x	10.9x
Pierce Group	66	5.3x	4.2x	3.7x	13.6x	8.2x	6.7x	15.1x	12.5x	10.3x
Auto Partner SA	728	7.8x	6.5x		9.1x	7.5x				
Delticom	40	4.7x	4.1x	3.8x	8.6x	7.5x	6.9x	6.8x	5.7x	5.0x
Halfords Group	361	3.7x	3.4x	3.0x	14.3x	12.0x	8.9x	13.2x	10.3x	6.9x
Inter Cars	1832	7.8x	7.0x	6.3x	9.1x	8.1x	7.5x	9.8x	8.6x	7.7x
MEKO	585	6.0x	5.7x	5.5x	10.5x	9.8x	9.3x	10.1x	9.1x	8.3x
Opono pl	193	10.5x	9.7x	9.0x	13.9x	12.7x	11.7x	16.0x	14.2x	13.0x
Peer Group Average	507	6.7x	6.0x	5.5x	11.4x	9.7x	8.8x	12.2x	10.4x	8.9x
Peer Group Median	305	6.9x	6.1x	5.5x	11.4x	9.0x	8.9x	13.2x	10.3x	8.3x
Duell (Evli est.)	36	6.3x	4.4x	3.4x	7.2x	5.0x	3.7x	11.7x	5.8x	4.4x

Duell prem./disc. to peer median

-8 % -27 % -39 % -36 % -45 % -59 % -12 % -44 % -47 %

Source FactSet, Evli Research

Peer group North America	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Advance Auto Parts	3523	10.8x	10.1x	9.7x	19.6x	17.4x	15.9x	17.4x	14.5x	13.0x
AutoZone	47245	14.7x	14.1x	13.4x	16.9x	16.2x	15.3x	19.0x	17.4x	15.7x
LKQ	10352	8.7x	8.1x	7.7x	10.6x	9.5x	9.5x	10.6x	9.5x	8.9x
Genuine Parts	17978	10.3x	9.6x	8.9x	12.5x	11.0x	10.3x	14.0x	12.8x	11.9x
O'Reilly Automotive	58032	18.5x	17.5x	16.3x	21.0x	19.7x	18.4x	25.1x	22.6x	20.2x
CarParts.com	53	18.8x	10.0x							
Peer Group Average	22864	13.6x	11.5x	11.2x	16.1x	14.8x	13.9x	17.2x	15.4x	13.9x
Peer Group Median	14165	12.8x	10.0x	9.7x	16.9x	16.2x	15.3x	17.4x	14.5x	13.0x
Duell (Evli est.)	36	6.3x	4.4x	3.4x	7.2x	5.0x	3.7x	11.7x	5.8x	4.4x

Duell (Evli est.)

-50 % -56 % -65 % -57 % -69 % -76 % -33 % -60 % -66 %

Duell prem./disc. to peer median

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.04 PV of Free Cash Flow	41 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	0.05 PV of Horizon value	41 WACC, %	10.2 Market risk premium, %	6.5
Share price potential, %	34.1 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	-34 Maximum WACC, %	10.7 Target debt ratio, %	40
Horizon value, %	49.5 Value of stock	50 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	126	129	134	137	139	141	143	145	147	150	152
<i>Sales growth, %</i>	-4.2	5.8	2.9	3.2	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Operating income (EBIT)	1	1	6	8	9	9	9	9	9	10	10	10
<i>Operating income margin, %</i>	0.9	1.0	5.0	6.3	6.5	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	5	9	12	12	12	13	13	13	13	13	
- Paid taxes	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3
- Change in NWC	14	1	-2	-2	-2	-1	-1	-1	-1	-1	-1	-1
<i>NWC / Sales, %</i>	36.7	34.1	34.7	35.2	35.6	35.9	36.1	36.4	36.6	36.8	37.1	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-10	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	8.2	1.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	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	0	0	0	0	0	0	0	0	0	0	0
= FCFF	8	2	5	6	7	8	8	8	8	9	9	102
= Discounted FCFF		2	4	5	5	5	5	4	4	4	3	41
= DFCF min WACC		2	4	5	5	5	5	5	4	4	4	45
= DFCF max WACC		2	4	5	5	5	5	4	4	4	3	37

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	25.8	25.5	37.7	29.9	118.8	27.0	28.2	38.8	31.7	125.7	129.4	133.5
EBITDA	0.0	0.7	3.3	0.1	4.1	-0.2	-0.5	4.2	1.5	5.0	9.4	11.6
<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>-2.0</i>	<i>10.7</i>	<i>4.9</i>	<i>3.9</i>	<i>7.3</i>	<i>8.7</i>
EBIT	-0.7	0.0	2.6	-0.8	1.0	-1.1	-1.4	3.2	0.6	1.2	6.4	8.4
<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>-4.2</i>	<i>-5.1</i>	<i>8.2</i>	<i>1.8</i>	<i>1.0</i>	<i>5.0</i>	<i>6.3</i>
Net financial items	-0.5	-0.5	-1.8	-0.6	-3.4	-0.7	-0.8	-0.6	-0.6	-2.8	-1.1	-0.6
Pre-tax profit	-1.2	-0.5	0.8	-1.4	-2.4	-1.8	-2.2	2.5	-0.1	-1.6	5.3	7.8
Tax	0.0	0.0	-0.2	-0.2	-0.4	-0.1	-0.1	-0.5	0.0	-0.7	-1.6	-2.1
<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>-10.8</i>	<i>-8.1</i>	<i>15.7</i>	<i>-2.4</i>	<i>63.5</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-1.3	-0.6	0.6	-1.6	-2.8	-2.0	-2.4	2.0	-0.1	-2.4	3.7	5.7
EPS	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01
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	0.01
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	15.7	21.4	15.9	68.1	69.5	71.2
Europe	9.7	9.2	15.8	14.7	49.5	11.9	12.5	17.4	15.8	57.6	59.9	62.3
Total	25.8	25.5	37.7	29.9	118.8	27.0	28.2	38.8	31.7	125.7	129.4	133.5
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>-3.8</i>	<i>-2.0</i>	<i>5.0</i>	<i>-1.7</i>	<i>2.0</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>35.0</i>	<i>10.0</i>	<i>7.5</i>	<i>16.3</i>	<i>4.0</i>	<i>4.0</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>4.9</i>	<i>10.2</i>	<i>3.0</i>	<i>6.2</i>	<i>5.8</i>	<i>2.9</i>	<i>3.2</i>
EBIT, EURm												
Group	-0.7	0.0	2.6	-0.8	1.0	-1.1	-1.4	3.2	0.6	1.2	6.4	8.4
Total	-0.7	0.0	2.6	-0.8	1.0	-1.1	-1.4	3.2	0.6	1.2	6.4	8.4
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>-5.1</i>	<i>8.2</i>	<i>1.8</i>	<i>1.0</i>	<i>5.0</i>	<i>6.3</i>

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	0.0	0.0	76.8	124.0	118.8	125.7	129.4	133.5
<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>5.8</i>	<i>2.9</i>	<i>3.2</i>
EBITDA	0.0	0.0	8.3	7.4	4.1	5.0	9.4	11.6
<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>3.9</i>	<i>7.3</i>	<i>8.7</i>
Depreciation	0.0	0.0	-1.0	-0.7	-0.9	-1.0	-0.2	-0.4
EBITA	0.0	0.0	7.3	6.7	3.2	4.0	9.2	11.2
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	1.2	6.4	8.4
<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>1.0</i>	<i>5.0</i>	<i>6.3</i>
Reported EBIT	0.0	0.0	7.3	4.9	1.0	1.2	6.4	8.4
<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>1.0</i>	<i>5.0</i>	<i>6.3</i>
Net financials	0.0	0.0	-2.7	-1.9	-3.4	-2.8	-1.1	-0.6
Pre-tax profit	0.0	0.0	4.6	3.0	-2.4	-1.6	5.3	7.8
Taxes	0.0	0.0	-1.2	-1.1	-0.4	-0.7	-1.6	-2.1
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	-2.4	3.7	5.7
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	6
Goodwill	0	0	14	16	21	20	17	14
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	29	35	48	50	48	49	51
Receivables	0	16	16	25	18	19	20	20
Liquid funds	0	3	3	4	2	8	4	4
Total assets	0	48	69	95	95	99	95	95
Liabilities								
Shareholder's equity	0	11	11	32	37	55	58	63
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	34	20	12	8
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	95	99	95	95
CASH FLOW, EURm								
+ EBITDA	0	0	8	7	4	5	9	12
- Net financial items	0	0	-3	-2	-3	-3	-1	-1
- Taxes	0	0	-1	-1	0	-1	-2	-2
- Increase in Net Working Capital	0	-28	-6	-24	14	1	-2	-2
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	0	-28	-2	-20	15	2	5	7
- Capex	0	-1	-16	-6	-10	-2	-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	5	0	4	6
+/- New issues/buybacks	0	11	-3	19	8	20	0	0
- Paid dividend	0	0	0	0	0	0	0	-1
+/- Other	0	21	21	7	-14	-14	-8	-4
Change in cash	0	3	0	1	-2	6	-4	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	0	0	0	26	37	37	37
Net debt (excl. convertibles)	39	39	45	32	12	8	4
Enterprise value	39	39	45	58	49	46	41
Sales	0	77	124	119	126	129	134
EBITDA	0	8	7	4	5	9	12
EBIT	0	7	5	1	1	6	8
Pre-tax	0	5	3	-2	-2	5	8
Earnings	0	3	2	-3	-2	4	6
Equity book value (excl. minorities)	11	11	32	37	55	58	63
Valuation multiples							
EV/sales	0.0	0.5	0.4	0.5	0.4	0.4	0.3
EV/EBITDA	0.0	4.6	6.0	14.1	9.9	4.8	3.5
EV/EBITA	0.0	5.3	6.7	18.0	12.4	4.9	3.7
EV/EBIT	0.0	5.3	9.1	56.2	41.0	7.1	4.9
EV/OCF	-1.4	-24.9	-2.3	4.0	23.6	9.6	6.1
EV/FCFF	-1.4	-2.5	-1.9	7.6	24.4	10.0	6.8
P/FCFE	0.0	0.0	0.0	62.7	-162.0	10.1	6.6
P/E	0.0	0.0	0.0	-12.7	78.9	10.1	6.6
P/B	0.0	0.0	0.0	0.7	0.7	0.6	0.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.8	5.3	3.9
Target EV/EBIT	0.0	0.0	0.0	0.0	44.5	7.8	5.4
Target EV/FCF	0.0	0.0	0.0	0.0	-232.7	13.6	8.1
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	87.9	11.3	7.3
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	0.01
Operating cash flow per share	0.00	0.00	-0.07	0.04	0.00	0.00	0.01
Free cash flow per share	0.00	0.00	-0.08	0.01	0.00	0.00	0.01
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	3.0	4.6
FCF yield, %	0.0	0.0	0.0	18.8	-0.6	9.9	15.0
Efficiency measures							
ROE	0.0	31.7	9.1	-8.3	-5.2	6.5	9.4
ROCE	0.0	14.0	7.4	1.4	1.6	8.9	11.9
Financial ratios							
Inventories as % of sales	0.0	45.5	38.6	41.7	38.0	38.0	38.0
Receivables as % of sales	0.0	20.8	20.1	15.3	15.3	15.3	15.3
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	36.7	34.1	34.7	35.2
Operative CAPEX/sales, %	0.0	20.7	4.5	8.2	1.8	0.8	0.8
CAPEX/sales (incl. acquisitions), %	0.0	20.7	4.5	8.2	1.8	0.8	0.8
FCFF/EBITDA	0.0	-1.9	-3.2	1.9	0.4	0.5	0.5
Net debt/EBITDA, book-weighted	0.0	4.6	6.0	7.8	2.4	0.9	0.3
Debt/equity, market-weighted	0.0	0.0	0.0	1.3	0.5	0.3	0.2
Equity ratio, book-weighted	15.2	15.2	33.4	38.5	55.2	61.5	66.2
Gearing, %	367.7	367.7	139.9	86.8	22.0	14.3	6.1

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	313,263,140	11.246	30.2%
Sponsor Capital Oy	105,216,876	3.777	10.1%
Keskinäinen Työeläkevakuutusyhtiö Varma	47,703,292	1.713	4.6%
Säästöpankki Fonder	45,275,318	1.625	4.4%
Danske Invest Finnish Equity Fund	28,556,894	1.025	2.7%
Erikoissijoitusrahasto Aktia Mikro Markka	23,720,882	0.852	2.3%
Keskinäinen Työeläkevakuutusyhtiö Elo	21,760,000	0.781	2.1%
Twin Engine Oy	14,000,000	0.503	1.3%
Evli Finland Select Fund	13,698,430	0.492	1.3%
Jarkko Ämmälä	13,211,000	0.474	1.3%
Ten largest	626,405,833	22.488	60%
Residual	412,140,283	14.796	40%
Total	1,038,546,116	37.284	100%

EARNINGS CALENDAR

July 03, 2024

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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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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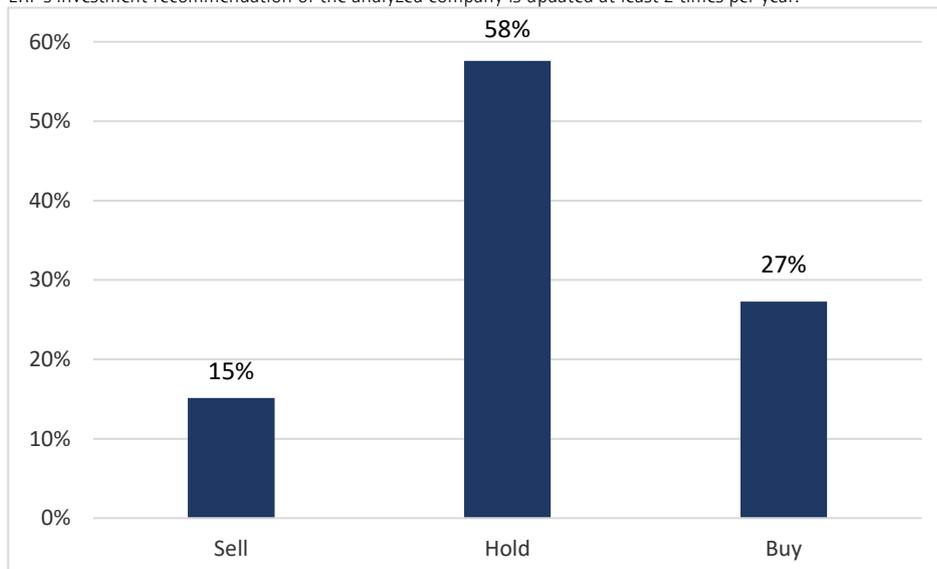
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Investment recommendations are defined as follows:

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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