

## Should still improve despite headwinds

Duell publishes its Q4 (6–8/24) figures on Wednesday 9<sup>th</sup> of October. The Nordic market continues to challenge as the end-markets remain quiet and dealer inventories are at historically low levels. Despite the market conditions, we expect improvement y/y driven by growth in Europe and weak comparison period Q4/23.

### All quiet on the Nordic front

During the first nine months of the fiscal year, the company's organic net sales decreased 2.6% y/y as the Nordic market remained challenging. Consumer confidence in Finland and Norway is still low, and although it has improved in Sweden, there are no significant changes in consumer spending year-over-year. The search engine traffic for the largest Nordic powersports aftermarket e-commerce platforms mirror the development as the search volumes have decreased during the summer. Our interest in the report lies on the market commentary and outlook for FY 2025. Due to the unpredictable market, Duell could give a relatively broad guidance, similar to this year's.

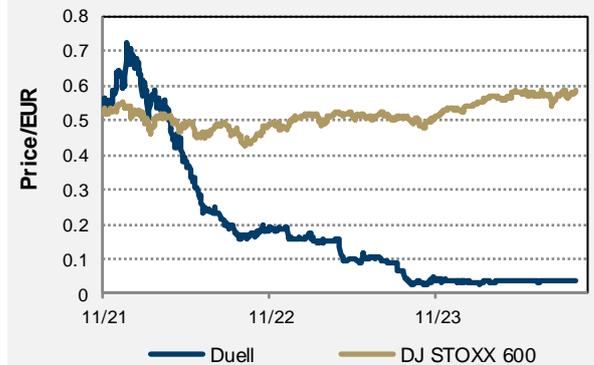
### Should still improve y/y against weak comparables

We have reduced our net sales forecast slightly for the Nordic region for Q4. However, we still expect Q4/24 growth from other European markets, with a slower decline in Nordic sales (vs. 1–9/24) due to the weaker Q4/23 comparison period. We also expect an improved gross margin as the company's inventory levels have declined and therefore need for discount sales is lower, which lowered the margins for the comparison period. Nevertheless, we expect discounting and higher logistics costs to continue to put strain on the gross margin in Q4. For 2025E, we project that growth will remain fueled by the rest of Europe, with improved margins resulting from operating leverage and the company's ongoing profitability improvement program.

### BUY with a TP of EUR 0.04

After only minor estimate adjustments, we keep our rating and TP unchanged. The long-term potential remains high, while visibility into the projected turnaround is still relatively low.

## Rating + BUY



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

Target price, EUR 0.04

Latest change in recommendation 28-Mar-24

Latest report on company 4-Jul-24

Research paid by issuer: YES

No. of shares outstanding, '000's 1,033,976

No. of shares fully diluted, '000's 1,033,976

Market cap, EURm 38

Free float, % -

Exchange rate EUR -

Reuters code DUELL.HE

Bloomberg code DUELL.FH

Average daily volume, EURm 0.1

Next interim report 09-Oct-24

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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%	-1.5	-0.01	-12.7	0.5	62.3	-5.7	0.00
2024E	124.4	0.3	0.2%	1.8	0.00	-334.5	0.4	201.0	4.8	0.00
2025E	129.3	5.1	4.0%	1.8	0.00	15.5	0.4	10.3	4.7	0.00
2026E	134.4	8.2	6.1%	4.6	0.01	7.3	0.4	5.9	12.0	0.00
Market cap, EURm				38	Gearing 2024E, %		30.3	CAGR EPS 2023–26, %		0.0
Net debt 2024E, EURm				16	Price/book 2024E		0.7	CAGR sales 2023–26, %		4.2
Enterprise value, EURm				54	Dividend yield 2024E, %		0.0	ROE 2024E, %		-7.1
Total assets 2024E, EURm				94	Tax rate 2024E, %		-3,096.6	ROCE 2024E, %		0.4
Goodwill 2024E, EURm				20	Equity ratio 2024E, %		57.2	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/'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	37.9	31.3	124.4	129.3	134.4
y/y %	61.5%	-5.0%	-5.7%	7.4%	-13.8%	-4.2%	4.7%	10.2%	0.6%	4.9%	4.7%	3.9%	4.0%
EBITA	6.7	(0.6)	0.9	3.2	(0.1)	3.4	(0.5)	(0.7)	2.9	1.3	3.0	7.9	11.0
EBITA %	5.4%	-2.2%	3.4%	8.6%	-0.5%	2.9%	-1.7%	-2.6%	7.7%	4.2%	2.5%	6.1%	8.2%
EBIT	4.9	(1.1)	0.4	2.6	(0.8)	1.0	(1.1)	(1.4)	2.2	0.6	0.3	5.1	8.2
EBIT %	4.0%	-4.1%	1.5%	6.8%	-2.8%	0.9%	-4.2%	-5.1%	5.9%	1.9%	0.2%	4.0%	6.1%
Items affecting comparability	(2.1)	(0.1)	(0.1)	(0.6)	(0.4)	(1.2)	(0.7)	(2.1)	(0.3)	-	(3.1)	-	-
Adj. EBITA	8.7	(0.4)	1.0	3.8	0.2	4.6	0.3	1.4	3.2	1.3	6.1	7.9	11.0
Adj. EBITA %	7.0%	-1.7%	3.8%	10.1%	0.8%	3.9%	1.0%	4.9%	8.4%	4.2%	4.9%	6.1%	8.2%
Adj. EBIT	7.0	(0.9)	0.5	3.1	(1.2)	2.2	(0.4)	0.7	2.5	0.6	3.4	5.1	8.2
Adj. EBIT %	5.6%	-3.6%	1.9%	8.3%	-4.0%	1.9%	-1.5%	2.4%	6.6%	1.9%	2.7%	4.0%	6.1%

Source: Duell, Evli Research

Table 2: Peer group

Peer group Europe	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Relais Group	272	8.3x	7.8x	7.4x	12.4x	11.5x	10.8x	14.1x	12.1x	10.8x
Pierce Group	54	3.1x	2.4x	2.0x	9.4x	5.3x	3.8x	15.1x	11.5x	8.6x
Auto Partner SA	702	9.6x	7.9x	6.4x	11.3x	9.3x	7.9x	13.5x	11.5x	9.2x
Delticom	37	5.9x	5.2x	4.6x	12.2x	9.7x	8.2x	8.9x	5.6x	4.5x
Halfords Group	394	3.9x	3.6x	3.3x	14.9x	13.1x	10.2x	14.6x	11.8x	8.5x
Inter Cars	1708	7.9x	6.9x	6.2x	9.0x	8.0x	7.3x	9.6x	8.2x	7.3x
MEKO	699	6.6x	6.0x	5.8x	12.3x	10.7x	9.5x	12.1x	9.6x	9.4x
Oponoo pl	220	11.5x	10.5x	9.5x	14.7x	13.4x	12.1x	17.8x	16.0x	14.5x
Peer Group Average	511	<b>7.1x</b>	<b>6.3x</b>	<b>5.7x</b>	<b>12.0x</b>	<b>10.1x</b>	<b>8.7x</b>	<b>13.2x</b>	<b>10.8x</b>	<b>9.1x</b>
Peer Group Median	333	<b>7.2x</b>	<b>6.5x</b>	<b>6.0x</b>	<b>12.2x</b>	<b>10.2x</b>	<b>8.9x</b>	<b>13.8x</b>	<b>11.5x</b>	<b>8.9x</b>
Duell (Evli est.)	<b>36</b>	<b>7.6x</b>	<b>5.9x</b>	<b>4.0x</b>	<b>8.8x</b>	<b>6.6x</b>	<b>4.4x</b>	<b>15.4x</b>	<b>7.2x</b>	<b>4.8x</b>

Duell prem./disc. to peer median

6 % -9 % -32 % -28 % -35 % -50 % 11 % -37 % -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	2085	10.4x	10.0x	9.4x	23.5x	20.7x	18.2x	18.3x	13.9x	11.3x
AutoZone	48216	15.5x	15.1x	14.2x	17.9x	17.4x	16.4x	21.0x	19.3x	17.3x
LKQ	9416	9.1x	8.6x	8.4x	10.6x	9.9x	10.0x	11.3x	10.1x	9.3x
Genuine Parts	17436	11.1x	10.3x	9.6x	13.8x	11.9x	11.2x	14.8x	13.6x	12.9x
O'Reilly Automotive	59853	20.1x	19.0x	17.8x	23.0x	21.5x	20.1x	27.9x	25.1x	22.4x
Peer Group Average	27401	<b>13.2x</b>	<b>12.6x</b>	<b>11.9x</b>	<b>17.7x</b>	<b>16.3x</b>	<b>15.2x</b>	<b>18.7x</b>	<b>16.4x</b>	<b>14.6x</b>
Peer Group Median	17436	<b>11.1x</b>	<b>10.3x</b>	<b>9.6x</b>	<b>17.9x</b>	<b>17.4x</b>	<b>16.4x</b>	<b>18.3x</b>	<b>13.9x</b>	<b>12.9x</b>
Duell (Evli est.)	<b>36</b>	<b>7.6x</b>	<b>5.9x</b>	<b>4.0x</b>	<b>8.8x</b>	<b>6.6x</b>	<b>4.4x</b>	<b>15.4x</b>	<b>7.2x</b>	<b>4.8x</b>

Duell prem./disc. to peer median

-31 % -43 % -58 % -51 % -62 % -73 % -16 % -48 % -63 %

Source FactSet, Evli Research

Duell's multiples adjusted for goodwill depreciation and non-recurring items.

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.04 PV of Free Cash Flow	43 Long-term growth, %	1.5 Risk-free interest rate, %	2.50
DCF share value	0.04 PV of Horizon value	42 WACC, %	10.2 Market risk premium, %	6.5
Share price potential, %	21.7 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, %	49.4 Value of stock	46 Nr of shares, Mn	1,034.0 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	119	124	129	134	138	140	142	144	146	148	151	153
<i>Sales growth, %</i>	-4.2	4.7	3.9	4.0	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Operating income (EBIT)	1	0	5	8	9	9	9	9	10	10	10	10
<i>Operating income margin, %</i>	0.9	0.2	4.0	6.1	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	4	8	11	12	13	13	13	13	13	14	
- Paid taxes	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3
- Change in NWC	8	4	-3	-3	-2	-1	-1	-1	-1	-1	-1	-1
<i>NWC / Sales, %</i>	42.0	37.2	37.8	38.4	38.7	38.9	39.1	39.3	39.5	39.7	39.9	
+ 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	0.9	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	1	4	3	5	7	8	8	8	9	9	9	102
= Discounted FCFF		4	3	4	5	5	5	5	4	4	4	42
= DFCF min WACC		4	3	4	5	5	5	5	4	4	4	46
= DFCF max WACC		4	3	4	5	5	5	4	4	4	3	38

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	25.8	25.5	37.7	29.9	118.8	27.0	28.2	37.9	31.3	124.4	129.3	134.4
EBITDA	0.0	0.7	3.3	0.1	4.1	-0.2	-0.5	3.2	1.6	4.0	8.1	11.4
<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>8.4</i>	<i>5.0</i>	<i>3.2</i>	<i>6.3</i>	<i>8.5</i>
EBIT	-0.7	0.0	2.6	-0.8	1.0	-1.1	-1.4	2.2	0.6	0.3	5.1	8.2
<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>5.9</i>	<i>1.9</i>	<i>0.2</i>	<i>4.0</i>	<i>6.1</i>
Net financial items	-0.5	-0.5	-1.8	-0.6	-3.4	-0.7	-0.8	-0.9	-0.6	-3.1	-1.3	-1.0
Pre-tax profit	-1.2	-0.5	0.8	-1.4	-2.4	-1.8	-2.2	1.3	0.0	-2.8	3.8	7.2
Tax	0.0	0.0	-0.2	-0.2	-0.4	-0.1	-0.1	-0.2	0.0	-0.4	-1.3	-2.0
<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>9.9</i>	<i>-1.3</i>	<i>-3,096.6</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	1.1	0.0	-3.2	2.5	5.2
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
<b>SALES, EURm</b>												
Nordics	16.0	16.3	21.9	15.2	69.3	15.1	15.7	19.5	14.4	64.7	66.0	67.9
Europe	9.7	9.2	15.8	14.7	49.5	11.9	12.5	18.4	16.9	59.7	63.3	66.5
Total	25.8	25.5	37.7	29.9	118.8	27.0	28.2	37.9	31.3	124.4	129.3	134.4
<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>-5.7</i>	<i>-3.8</i>	<i>-10.8</i>	<i>-5.0</i>	<i>-6.7</i>	<i>2.0</i>	<i>3.0</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>16.4</i>	<i>15.0</i>	<i>20.6</i>	<i>6.0</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>4.9</i>	<i>10.2</i>	<i>0.6</i>	<i>4.9</i>	<i>4.7</i>	<i>3.9</i>	<i>4.0</i>
<b>EBIT, EURm</b>												
Group	-0.7	0.0	2.6	-0.8	1.0	-1.1	-1.4	2.2	0.6	0.3	5.1	8.2
Total	-0.7	0.0	2.6	-0.8	1.0	-1.1	-1.4	2.2	0.6	0.3	5.1	8.2
<b>EBIT margin, %</b>												
<i>Group</i>		<i>0.0</i>								<i>67,436.9</i>		
<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>5.9</i>	<i>1.9</i>	<i>0.2</i>	<i>4.0</i>	<i>6.1</i>

Consumer Durables/Finland, October 1, 2024  
Preview

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	0.0	0.0	76.8	124.0	118.8	124.4	129.3	134.4
<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>4.7</i>	<i>3.9</i>	<i>4.0</i>
EBITDA	0.0	0.0	8.3	7.4	4.1	4.0	8.1	11.4
<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>3.2</i>	<i>6.3</i>	<i>8.5</i>
Depreciation	0.0	0.0	-1.0	-0.7	-0.9	-0.9	-0.2	-0.4
EBITA	0.0	0.0	7.3	6.7	3.2	3.1	7.9	11.0
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	0.3	5.1	8.2
<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>0.2</i>	<i>4.0</i>	<i>6.1</i>
Reported EBIT	0.0	0.0	7.3	4.9	1.0	0.3	5.1	8.2
<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>0.2</i>	<i>4.0</i>	<i>6.1</i>
Net financials	0.0	0.0	-2.7	-1.9	-3.4	-3.1	-1.3	-1.0
Pre-tax profit	0.0	0.0	4.6	3.0	-2.4	-2.8	3.8	7.2
Taxes	0.0	0.0	-1.2	-1.1	-0.4	-0.4	-1.3	-2.0
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.0	0.0	3.3	1.9	-2.8	-3.2	2.5	5.2
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	21	20	17	14
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	29	35	48	50	47	49	51
Receivables	0	16	16	25	18	19	20	21
Liquid funds	0	3	3	4	2	4	4	4
Total assets	0	48	69	95	95	94	95	96
Liabilities								
Shareholder's equity	0	11	11	32	37	54	56	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	20	18	15
Non-interest bearing current liabilities	0	0	0	0	0	0	0	0
Other interest-free debt	0	17	17	15	18	20	20	20
Total liabilities	0	69	69	95	95	94	95	96
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	0	8	7	4	4	8	11
- Net financial items	0	0	-3	-2	-3	-3	-1	-1
- Taxes	0	0	-1	-1	0	0	-1	-2
- Increase in Net Working Capital	0	-28	-6	-24	8	4	-3	-3
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	0	-28	-2	-20	8	4	3	6
- 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	-1	2	2	5
+/- 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	-8	-21	-2	-4
Change in cash	0	3	0	1	-2	1	0	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	0	0	0	26	38	38	38
Net debt (excl. convertibles)	39	39	45	38	16	14	11
Enterprise value	39	39	45	64	54	52	49
Sales	0	77	124	119	124	129	134
EBITDA	0	8	7	4	4	8	11
EBIT	0	7	5	1	0	5	8
Pre-tax	0	5	3	-2	-3	4	7
Earnings	0	3	2	-3	-3	2	5
Equity book value (excl. minorities)	11	11	32	37	54	56	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	13.6	6.4	4.3
EV/EBITA	0.0	5.3	6.7	19.9	17.8	6.6	4.4
EV/EBIT	0.0	5.3	9.1	62.3	201.0	10.3	5.9
EV/OCF	-1.4	-24.9	-2.3	7.7	13.2	18.0	8.5
EV/FCFF	-1.4	-2.5	-1.9	49.1	12.7	18.3	9.1
P/FCFE	0.0	0.0	0.0	-206.5	21.0	21.2	8.3
P/E	0.0	0.0	0.0	-12.7	-334.5	15.5	7.3
P/B	0.0	0.0	0.0	0.7	0.7	0.7	0.6
Target EV/EBITDA	0.0	0.0	0.0	0.0	14.4	6.9	4.6
Target EV/EBIT	0.0	0.0	0.0	0.0	213.6	10.9	6.4
Target EV/FCF	0.0	0.0	0.0	0.0	31.8	31.2	11.4
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	-364.6	16.9	8.0
<b>Per share measures</b>							
Number of shares	0	0	299,910	359,892	1,033,976	1,033,976	1,033,976
Number of shares (diluted)	0	0	299,910	359,892	1,033,976	1,033,976	1,033,976
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	0.02	0.00	0.00	0.01
Free cash flow per share	0.00	0.00	-0.08	0.00	0.00	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	1.9	4.1
FCF yield, %	0.0	0.0	0.0	-5.7	4.8	4.7	12.0
<b>Efficiency measures</b>							
ROE	0.0	31.7	9.1	-8.3	-7.1	4.5	8.9
ROCE	0.0	14.0	7.4	1.3	0.4	6.9	10.9
<b>Financial ratios</b>							
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	42.0	37.2	37.8	38.4
Operative CAPEX/sales, %	0.0	20.7	4.5	8.2	1.8	0.9	0.8
CAPEX/sales (incl. acquisitions), %	0.0	20.7	4.5	8.2	1.8	0.9	0.8
FCFF/EBITDA	0.0	-1.9	-3.2	0.3	1.1	0.4	0.5
Net debt/EBITDA, book-weighted	0.0	4.6	6.0	9.4	4.1	1.8	0.9
Debt/equity, market-weighted	0.0	0.0	0.0	1.6	0.5	0.5	0.4
Equity ratio, book-weighted	15.2	15.2	33.4	38.5	57.2	59.3	63.5
Gearing, %	367.7	367.7	139.9	103.9	30.3	25.8	17.5

**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	11.497	30.3%
Sponsor Capital Oy	105,216,876	3.861	10.2%
Keskinäinen Työeläkevakuutusyhtiö Varma	47,703,292	1.751	4.6%
Säästöpankki Fonder	45,275,318	1.662	4.4%
Danske Invest Finnish Equity Fund	30,858,066	1.132	3.0%
Erikoissijoitusrahasto Aktia Mikro Markka	23,720,882	0.871	2.3%
Keskinäinen Työeläkevakuutusyhtiö Elo	21,760,000	0.799	2.1%
Twin Engine Oy	16,475,013	0.605	1.6%
Evli Finland Select Fund	13,500,000	0.495	1.3%
Jarkko Ämmälä	13,211,000	0.485	1.3%
Ten largest	630,983,587	23.157	61%
Residual	402,992,529	14.790	39%
Total	1,033,976,116	37.947	100%

**EARNINGS CALENDAR**

October 09, 2024

FY 2024 Results

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

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Kauppatie 19, 65610 Mustasaari

CFO: Caj Malmsten

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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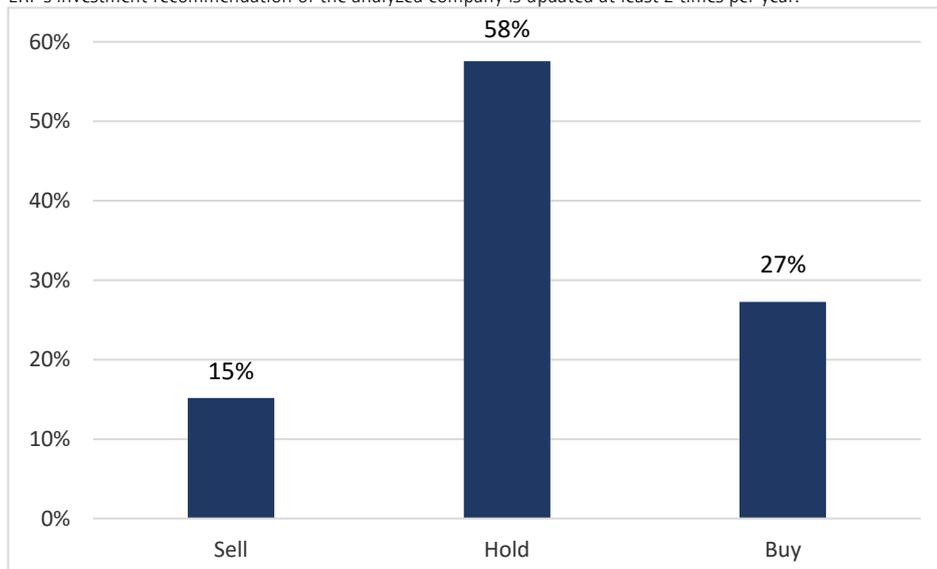
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Investment recommendations are defined as follows:

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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