

# Duell Corporation

## Half-Year Financial Report 2024

September 2023-February 2024

April 4, 2024

Jarkko Ämmälä, CEO

Riitta Niemelä, CFO

Pellervo Hämäläinen, IR



YEARS

# A leading Nordic and European powersports aftermarket distributor

**119 M€**

Net sales  
9/2022–8/2023

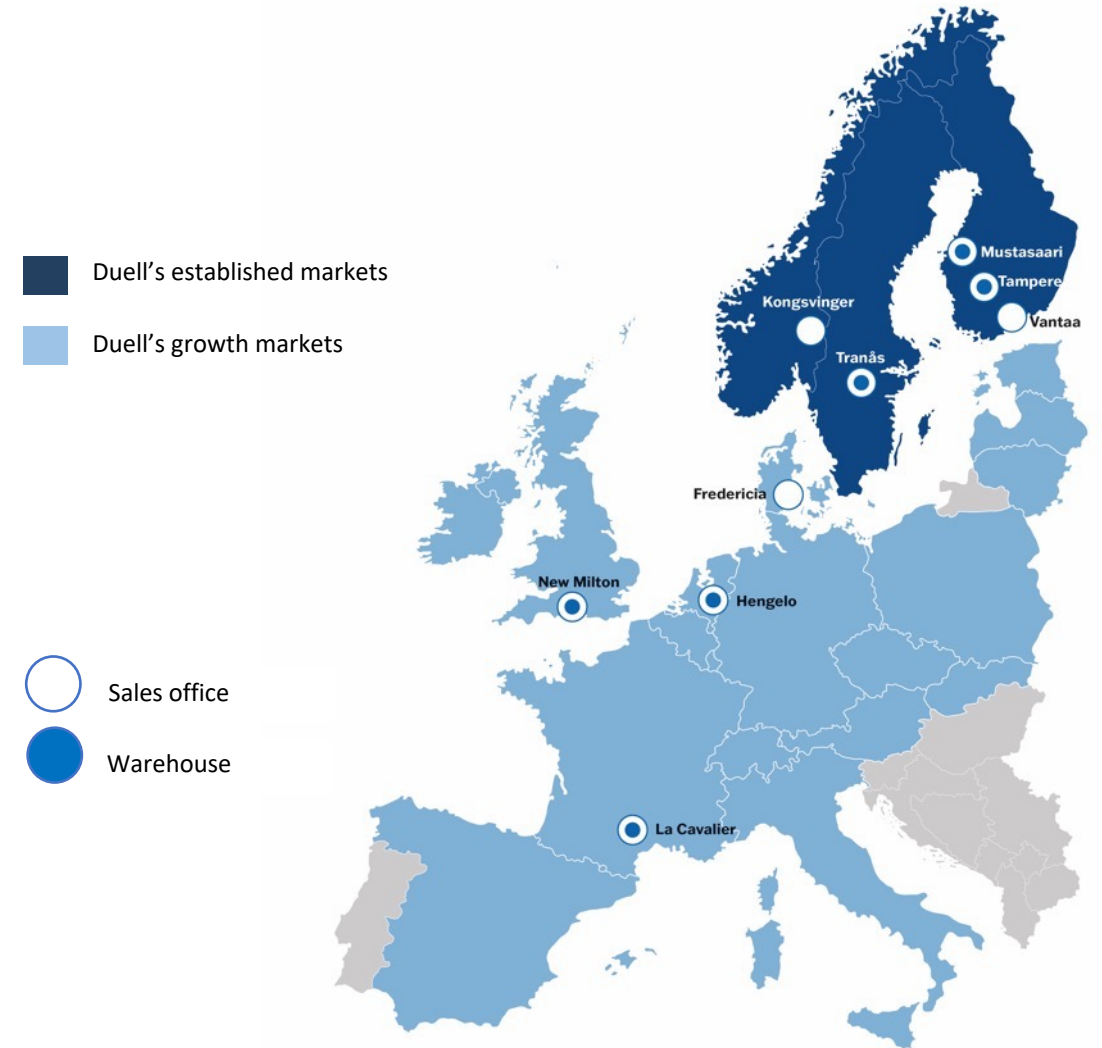
**3.9%**

Adjusted EBITA  
9/2022–8/2023

## Key figures\*

- 150,000 SKUs
- >550 brands
- 600 suppliers
- 8,500 active dealers
  - 4,500 in Nordics
  - 4,000 in Rest of Europe
- All Sales Channels
- >200 employees
  - 67% in Nordics
  - 33% in rest of Europe

\*) Approximately



# All powersports spare parts, accessories and personal equipment from motorbikes to marine



# Business Report

Q2 (December 2023-February 2024)  
H1 (September 2023-February 2024)



YEARS

# Solid second quarter despite challenging market conditions

## Financial Position strengthened



Net sales increased  
by 10.2 %

- Net sales with comparable currencies increased by 15.9% due to TranAm acquisition and increase in Revenue in some Duell's growth markets in Europe
- Organic net sales with comparable currencies increased by 4.0% attributable to Duell's growth markets in Europe

Adjusted EBITA margin  
increased

- Adjusted EBITA margin increased from 3.8% to 4.9%
- Gross margin decreased by EUR 300 thousand
  - Impact of increased shipping costs
  - Impact of currency exchange rates
- Fixed cost control

Financial position  
improved

- Net debt decreased by EUR 33 million
  - Directed share issue and rights offering
- Net working capital decreased by approximately EUR 8 million
  - Efficient NWC management

Year-on-year comparison

# Main events in Q2 2024

- Duell paid out the deferred purchase price of Tran-Am's acquisition, approx. GBP 4.9 million, on December 28, 2023
- Duell received targeted gross proceeds of EUR 20.2 million and net proceeds of EUR 17.7 million from rights issue
  - Trading in the new shares started on January 3, 2024
- The renegotiated financing agreement between Duell and Nordea entered into force
- Magnus Miemois started as COO and Deputy CEO of Duell on January 1, 2024
- Duell announced on January 30, 2024, of the decision of CFO Riitta Niemelä, to leave the company
- Duell announced on February 6, 2024, about Board's resolution to establish a new share-based incentive plan for selected key employees of the Group



# Summary of Q2 and H1 2024 financials

## Net sales Q2

- Nordics, EUR 15.7 million (16.3)
  - 55.8% of net sales (63.9%)
- Rest of Europe, EUR 12.5 million (9.2)
  - 44.2% of net sales (36.1%)
  - TranAm not in comparable figures

## Focus on profitability improvement and strengthening of capital structure

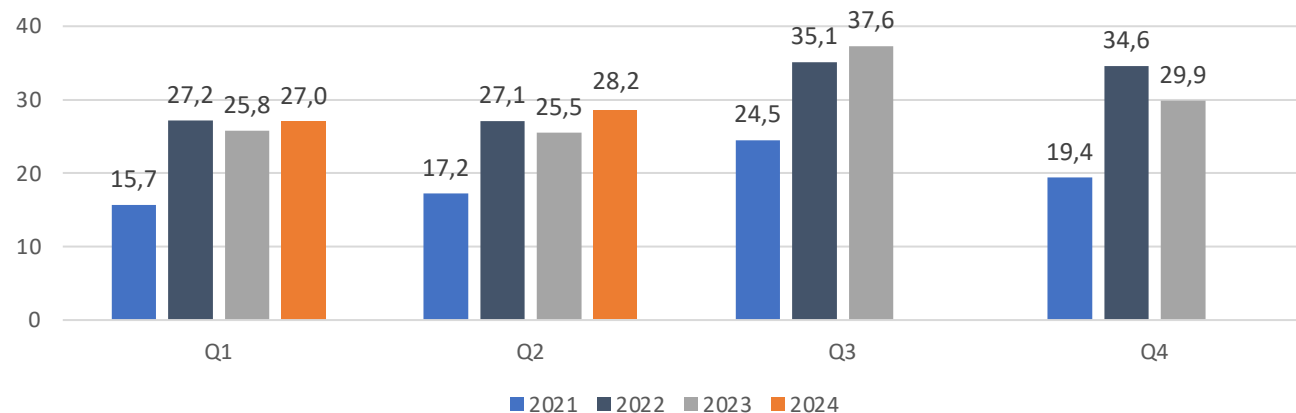
- Profitability improvement programme continued
- Management of working capital continued
- Lower comparable cost base

Key figures and ratios EUR thousand	Q2 2024 (12/2023-2/2024)	Q2 2023 (12/2022-2/2023)	H1 2024 (9/2023-2/2024)	H1 2023 (9/2022-2/2023)	FY 2023 (9/2022-8/2023)
<b>Net sales</b>	<b>28,155</b>	<b>25,543</b>	<b>55,169</b>	<b>51,294</b>	<b>118,832</b>
Net sales growth, %	10.2	-5.7	7.5	-5.4	-4.2
Net sales with comparable currencies, %	15.9	-2.5	11.6	-3.4	-1.0
Organic net sales growth with comparable currencies, %	4.0	-17.3	-0.8	-18.6	-15.6
Gross margin	7,106	6,758	13,562	12,493	28,344
Gross margin, %	25.2	26.5	24.6	24.4	23.9
EBITDA	-551	1,090	-744	733	4,307
Items affecting comparability, EBITDA	-2.0	4.3	-1.3	1.4	1,193
Adjusted EBITDA	1,548	1,193	2,086	972	5,499
Adjusted EBITDA margin, %	5.5	4.7	3.8	1.9	4.6
<b>Adjusted EBITA</b>	<b>1,371</b>	<b>976</b>	<b>1,645</b>	<b>550</b>	<b>4,594</b>
<b>Adjusted EBITA margin, %</b>	<b>4.9</b>	<b>3.8</b>	<b>3.0</b>	<b>1.1</b>	<b>3.9</b>
Adjusted operating profit	677	478	259	-446	2,234
Adjusted operating profit margin, %	2.4	1.9	0.5	-0.9	1.9
Earnings per share (EUR)	0.00	-0.01	-0.01	-0.07	-0.1
Investments in tangible and intangible assets excluding brand acquisitions	172	669	439	1,083	2,481
Net debt*	29,917	62,785	29,917	62,785	38,248
Net working capital	58,897	66,912	58,897	66,912	49,873
Operating free cash flows	-1,399	-1,412	-7,559	-4,903	16,392

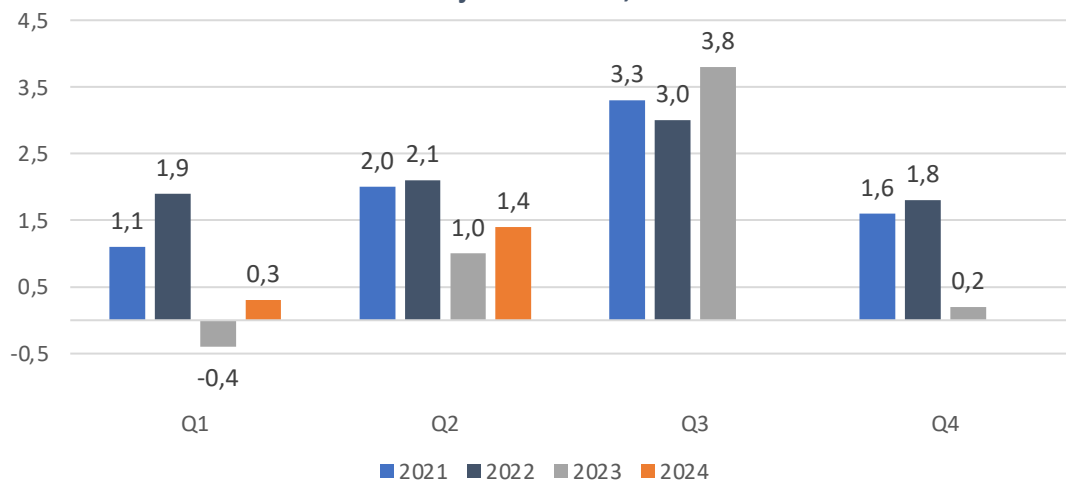
\*) Net debt in comparable figures includes the purchase price from the TranAm acquisition GBP 11,9 million

# Quarterly development 2021-2024

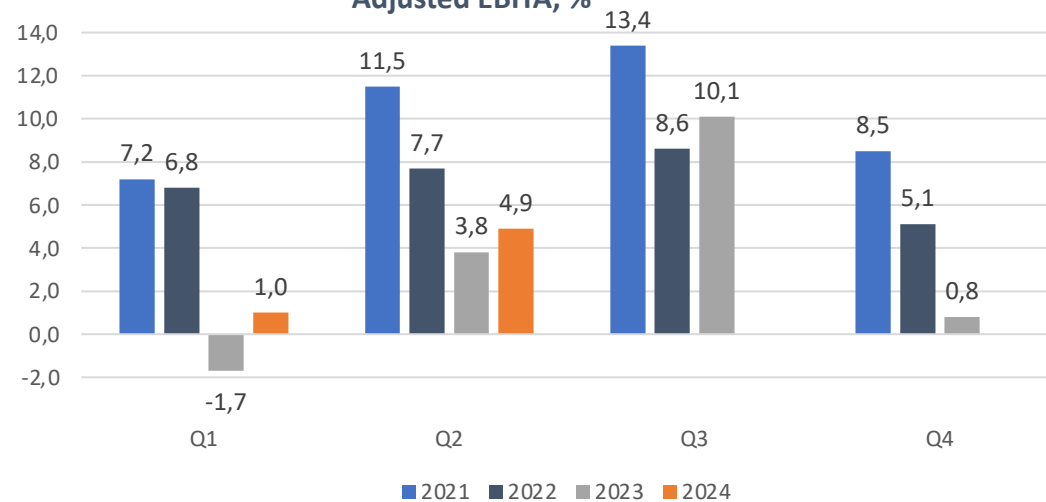
Net sales, M€



Adjusted EBITA, M€



Adjusted EBITA, %





# *Focus areas and outlook for financial year 2024*

## **Focus during financial year 2024**

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- To respond to the prolonged soft market Duell will continue the profitability improvement initiatives
- Optimisation of net working capital will continue by decreasing inventory levels and improving procurement terms further

## **Outlook for financial year 2024 (unchanged)**

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- Market uncertainty and weakness will persist in financial year 2024. Overall challenging market situation has lowered consumer confidence and demand. These factors will weaken the predictability and therefore Duell is not giving outlook for net sales for financial year 2024.
- Duell will continue its profitability improvement programme and enhance the net working capital position in financial year 2024. Duell estimates adjusted EBITA to improve from previous year's level.

# Vision, mission, values and strategy

## VISION

The preferred wholesale partner for brand owners and dealers in Europe

## MISSION

To provide the most reliable distribution channel of top brands through dealers to consumers in Europe

## VALUES

Passion  
Trust  
Partnership

## STRATEGY

Geographical market expansion  
Partner for online sales  
Brand portfolio development



# Duell's added value in the value chain



## For brand owners

- Extensive dealer network
- Timely orders, local storage and credibility
- Marketing and aftersales support
- Customer insights with local market knowledge



## Duell's core

- Leading broad brand portfolio
- Strong local sales presence
- Technology at heart of operations
- Logistics optimised to serve all channels and markets



## For dealers

- Broad offering of leading brands from entry-level to high-end products
- Comprehensive product information
- Efficient and flexible logistics chains
- Low inventory requirements



**HQ | Mustasaari, Finland**

**T | +358 (0) 20 118 000**

**E | [info@duell.eu](mailto:info@duell.eu) | [forename.surname@duell.eu](mailto:forename.surname@duell.eu)**

**W | [www.duell.eu](http://www.duell.eu)**

**HQ | Duell Oyj | Kauppatie 19 | 65610 Mustasaari | Finland**

**Offices & warehouses | Finland | Sweden | Norway | Denmark  
| Netherlands | Germany | France | United Kingdom**