

# Duell Corporation

Financial Year 2024 and Q4/2024 Financial Report  
September 2023-August (FY 2024)  
June-August 2024 (Q4)

October 9, 2024

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# *Progress with both Central European growth strategy and profitability improvements*

- Financials

- Net sales growth, despite challenging market conditions
- Improved profitability
- Inventory level optimisation continued
- Financial position significantly strengthened

- Markets & Product Categories

- Progress with Central European growth strategy, while Nordics remained soft
- Good demand in Nordic Bicycle parts category
- MC registrations in Nordics declined, flat to moderate increase in Central European countries
- Demand in Marine category continued to decline





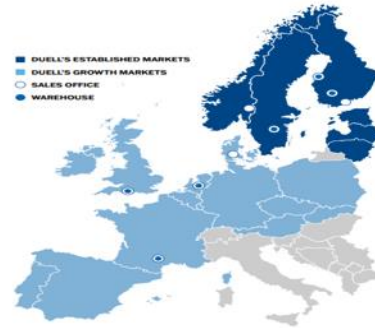
# Operational highlights Q4 2024

## Bicycle Nordics



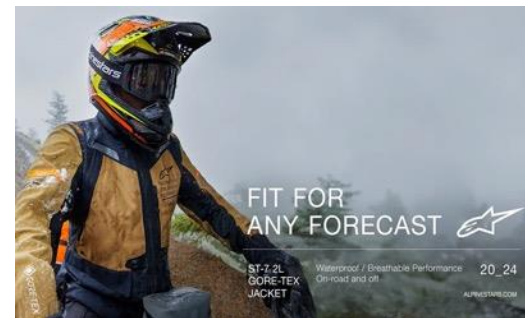
Bicycle category for spare parts and accessories developed favourably in Finland and Sweden

## Central Europe



Strategic focus on driving growth in the Central Europe market has progressed successfully.

## Alpinestars



All time high sales volumes. Motorcycle & Bicycle rider gear assortment. Extended market area in Europe.

## Garden category



A growing category for Duell's broad assortment. Strategic fit as many dealers also carry garden and forest products.

# Key figures

## Q4 2024

## FY 2024

Net sales

- **31.6** MEUR (29.9)
- **+5.8%** growth (-14%)

Net sales

- **124.7** MEUR (118,8)
- **+4,9%** growth (-4.2%)

Profitability

- **23,2%** Gross Margin (21,9%)
- **1.4** MEUR Adj. EBITA (0.2)
- **4.3%** Adj. EBITA, % (0.8%)

Profitability

- **24,3%** Gross Margin (23,9%)
- **6.2** MEUR Adj. EBITA (4.6)
- **5,0%** Adj. EBITA, % (3.9%)

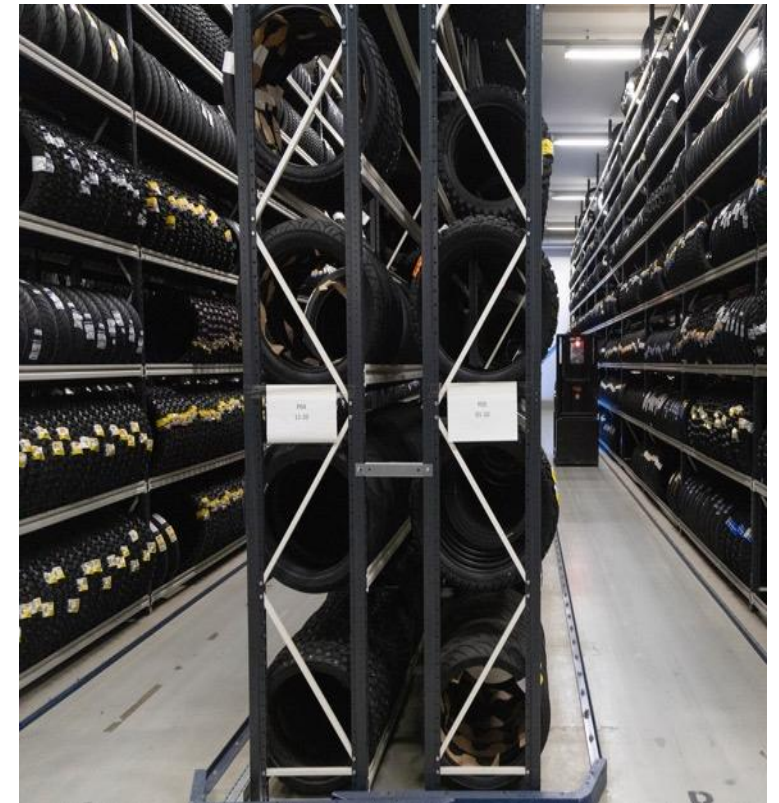
Financial position

- **19.6** MEUR Net Debt (38.2)
- **2.8x** Leverage (6.9x)
- **5.8** MEUR Operating Free Cash Flow (16.4)

# Change in Accounting principles

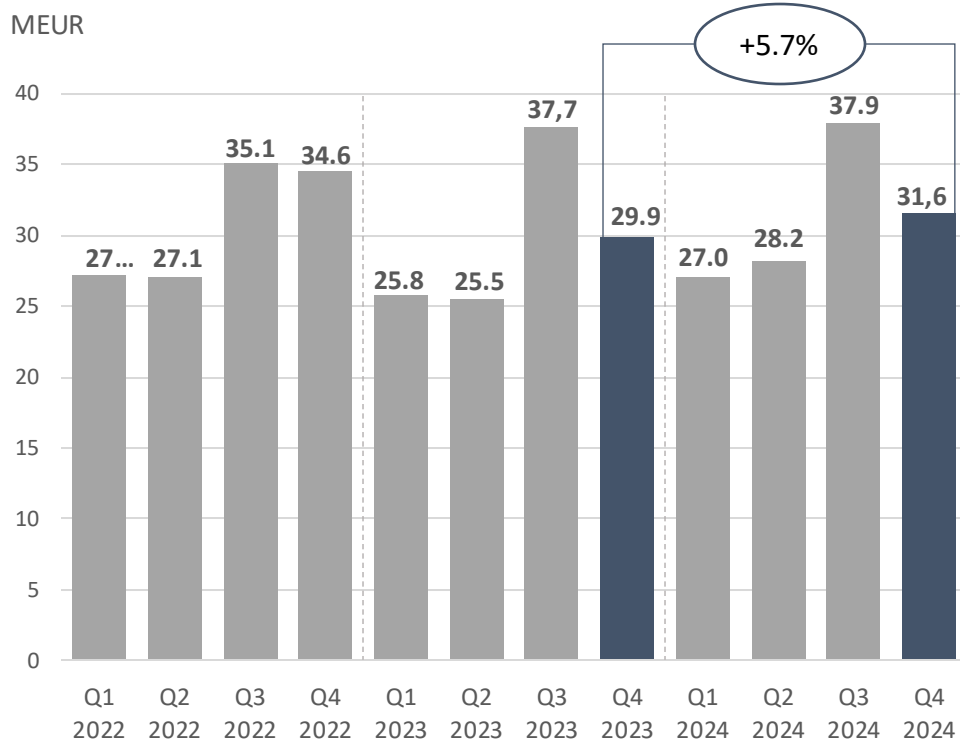
- Duell has changed its accounting principles related to inventory valuation and overdue receivables
  - Inventory valuation is done according to inventory aging, applying set write down profiles
  - The principles related to provisions for bad debt have been tightened and provisions made at given overdue thresholds
- This change impacts both income statement and balance sheet positions, as detailed in the below table

Income statement impact	MEUR	Balance sheet impact	MEUR
Impact on gross margin (inventory)	0.4	Inventory and receivables valuation impact	-4.0
Impact on EBITDA (receivables)	0.3	Net tax impact	0.5
<b>Net impact, income statement</b>	<b>0.8</b>	<b>Net impact, equity</b>	<b>-3.5</b>

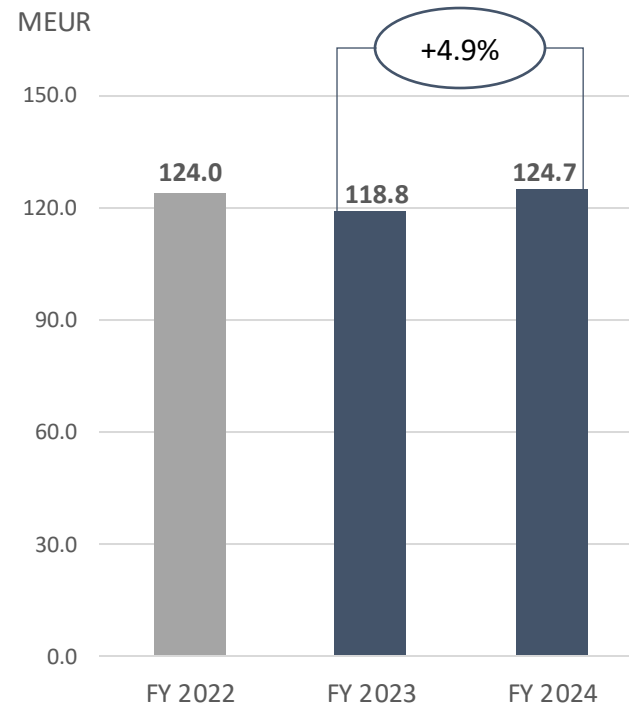


# Quarterly and annual net sales development 2022-2024

Quarterly net sales



Annual net sales, FY



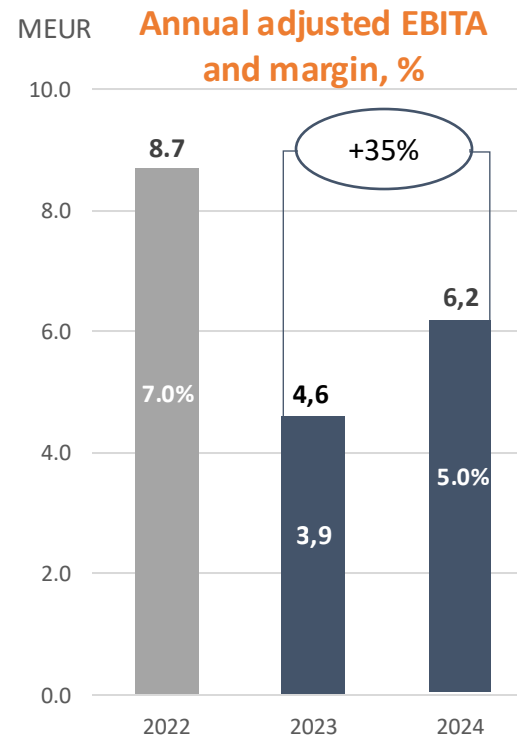
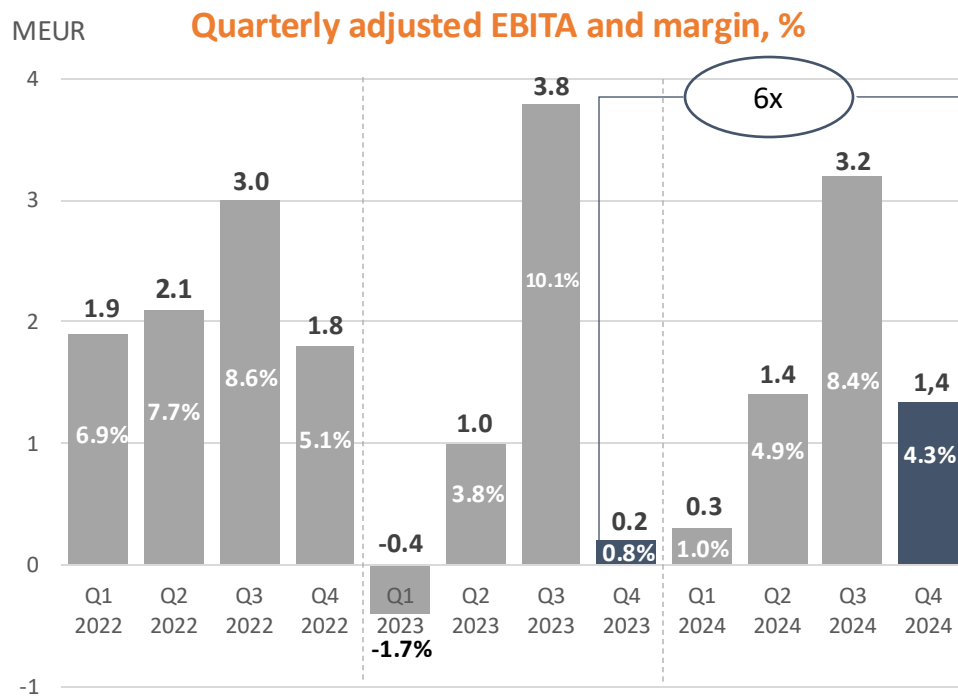
## Q4 2024

- Nordics Bicycle market and Central European Powersports market important growth streams in Q4
- 50% Nordics / 50% Central Europe (58/42)
- Own brands sales 15.9% (15.0%)
- Online sales 25.8% (27.4%)

## FY 2024

- Progress with Central European growth strategy
- Like-for-like growth +0.3% as TranAm not fully part of comparison period
- 53% Nordics / 47% Central Europe (59/41)
- Own brands sales 18.0% (21.8%)
- Online sales 26.0% (24.7%)

# Quarterly and annual profitability development 2022-2024



## Q4

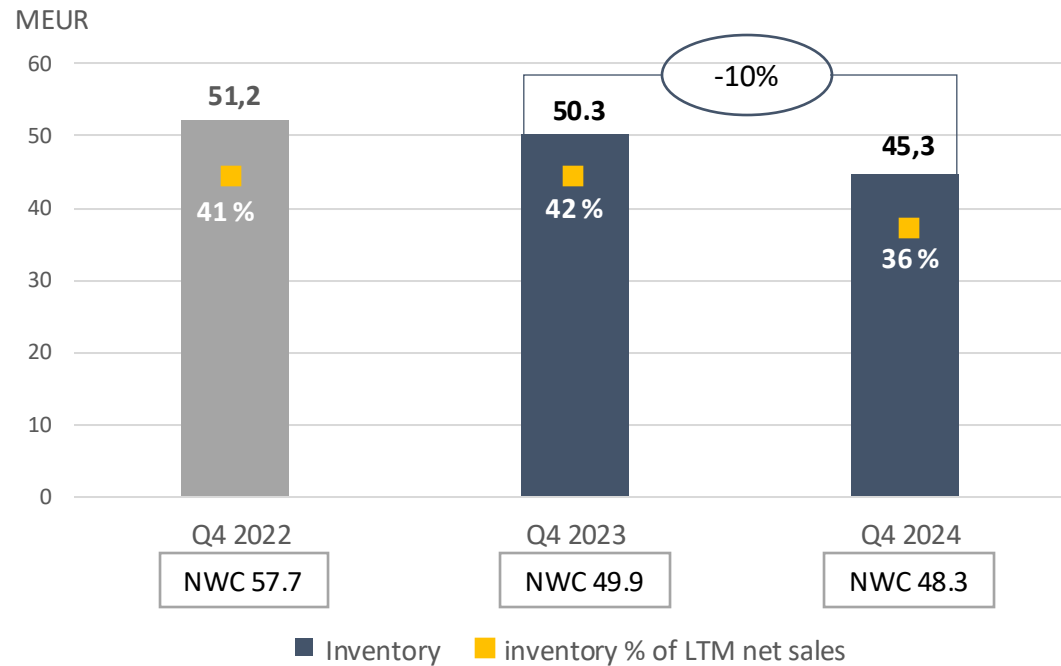
- Adjusted EBITA 1.4 MEUR
- Cost control focus, soft-landing increased logistics costs

## FY 2024

- Adjusted EBITA 6.2 MEUR (4.6), increase of 34%
- Adjusted EBITA margin 5.0% (3.9%)

# Inventory and NWC development Q4 2022-2024

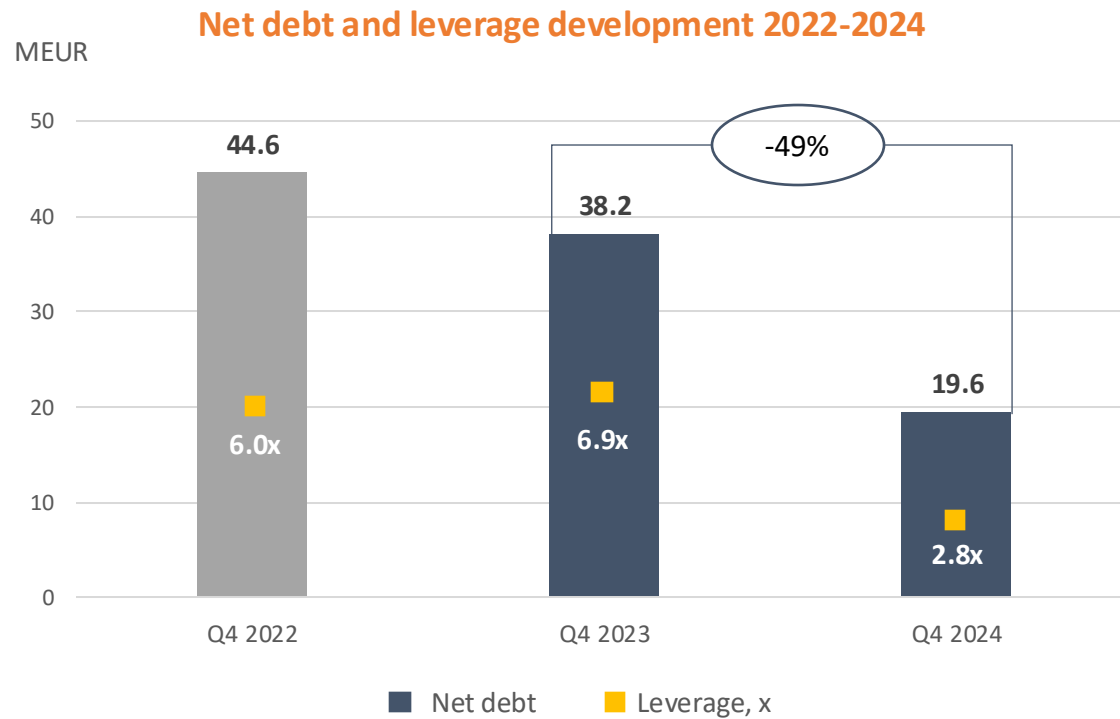
## Quarterly inventory, NWC and % of LTM net sales development



- Improved inventory turnover and efficiency, 36% of Net Sales
- Ripple effects of the disruptions in logistics chains during springtime were still visible in Q4, which delayed improvements in inventory reductions.
- Change in accounting principles related to inventory had a one-time effect of -2.7 MEUR
- Improved Net Working Capital position mainly through inventory reduction



# Financial position FY development 2022-2024



- Significantly improved financial position
- Planned debt service in August 2024 completed
- Net cash reserves at the end of the period 9.3 MEUR
- Leverage ratio within the medium-term target range of 2-3x

# 2025 guidance and medium-term financial targets

## 2025 guidance

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- Markets have somewhat stabilised, but consumer sentiment remains fragile due to uncertainties. Duell expects the demand over the next 12 months to be slightly better than the comparison period, but there may be variations between product categories.
- The industry in which Duell operates remains relatively fragmented, which provides long-term opportunities and favours the larger players, of which Duell is one.
- Therefore, our guidance for financial year 2025 is, that:
  - Duell expects that organic net sales with comparable currencies will be at the same level or higher than previous year.
  - Duell will continue to focus on improving profitability and expects adjusted EBITA to improve from last year's level.

## Medium-term financial targets (3-5 years)

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- Growth
  - Net sales in the range of EUR 200-300 million in medium term, achieved through yearly growth organically and inorganically
- Profitability
  - Adjusted EBITA margin of at least 13% in the medium-term
- Leverage
  - Net debt to adjusted EBITDA ratio in the range of 2-3x. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions)

# Key events after review period

- Efficiency program launched
  - Aim of improving operational efficiency by adapting operations and workloads to the current market situation and seasonal variations
  - Annualised cost savings of approximately 1 MEUR, mainly in the financial year 2025
  - The estimated magnitude of redundancies in the Duell Group is up to 20 positions, including a maximum of 9 in Finland
- Reverse share split
  - The Board has proposed the AGM to decide on a reverse share split transaction based on the ratio 1 for 200



# Strategy and focus areas on financial year 2025

## Strategy

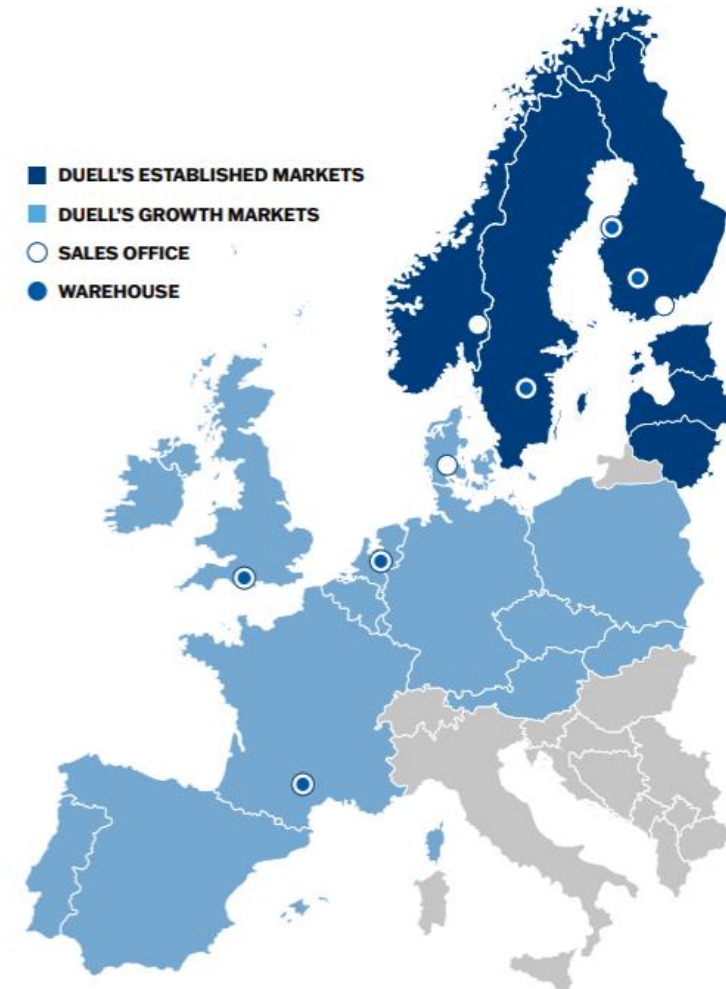
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- Geographical expansion
- Partner for online sales
- Product portfolio development

## Focus areas

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- Profitability improvement
- Growth
- Efficient net working capital management





# Duell has strong position in value chain



# Summary

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- Solid financial year 2024 with improved profitability and financial position
- Growing Central European business
- Execution of growth strategy with improved profitability in 2025





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