

Duell Corporation

Financial Report Q1 2024
September 2023-November 2023



YEARS

A leading Nordic and European powersports aftermarket distributor

119 M€ (124)

Net sales
9/2022–8/2023

3.9% (7.0)

Adjusted EBITA
9/2022–8/2023

Key figures*

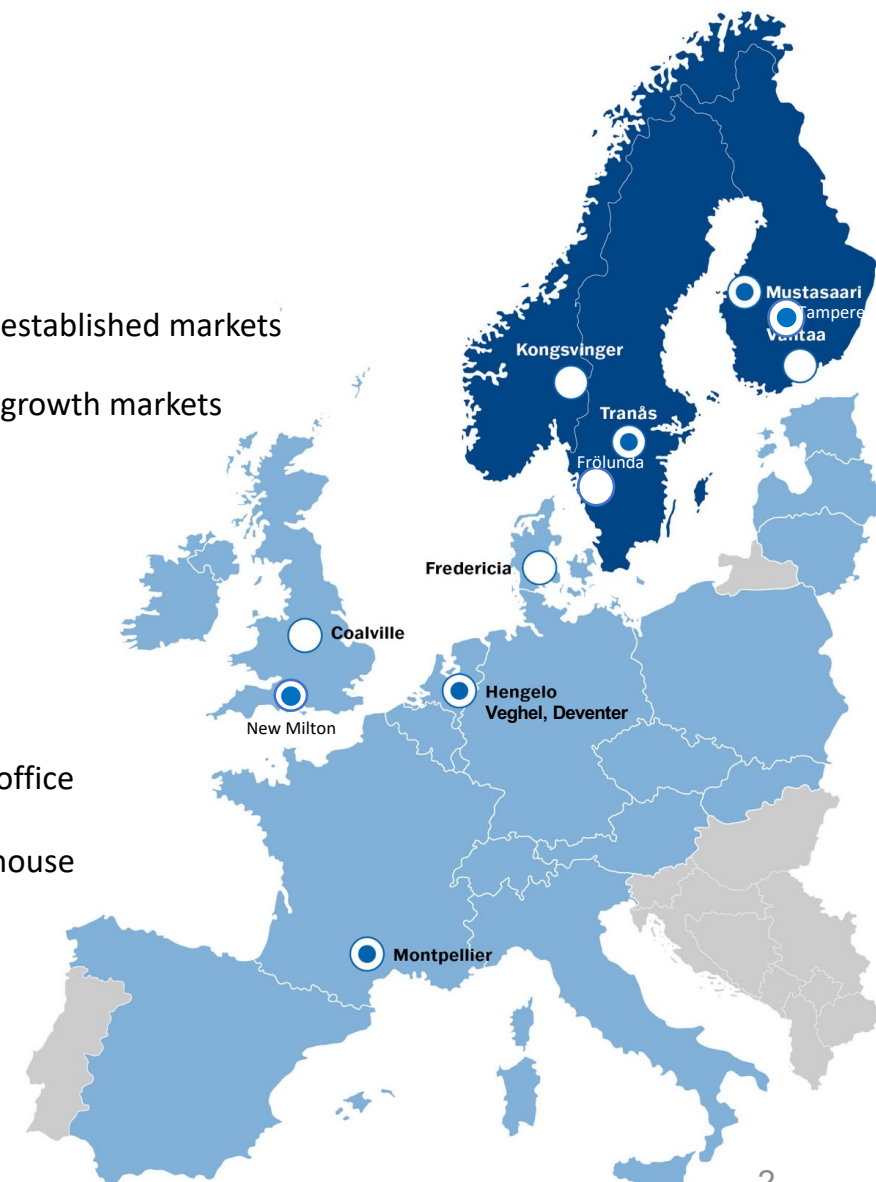
- 150,000 SKUs
- >550 brands
- 600 suppliers
- 8,500 active dealers
- >200 employees

■ Duell's established markets

■ Duell's growth markets

○ Sales office

● Warehouse



*) Approximately

All powersports accessories from motorbikes to marine

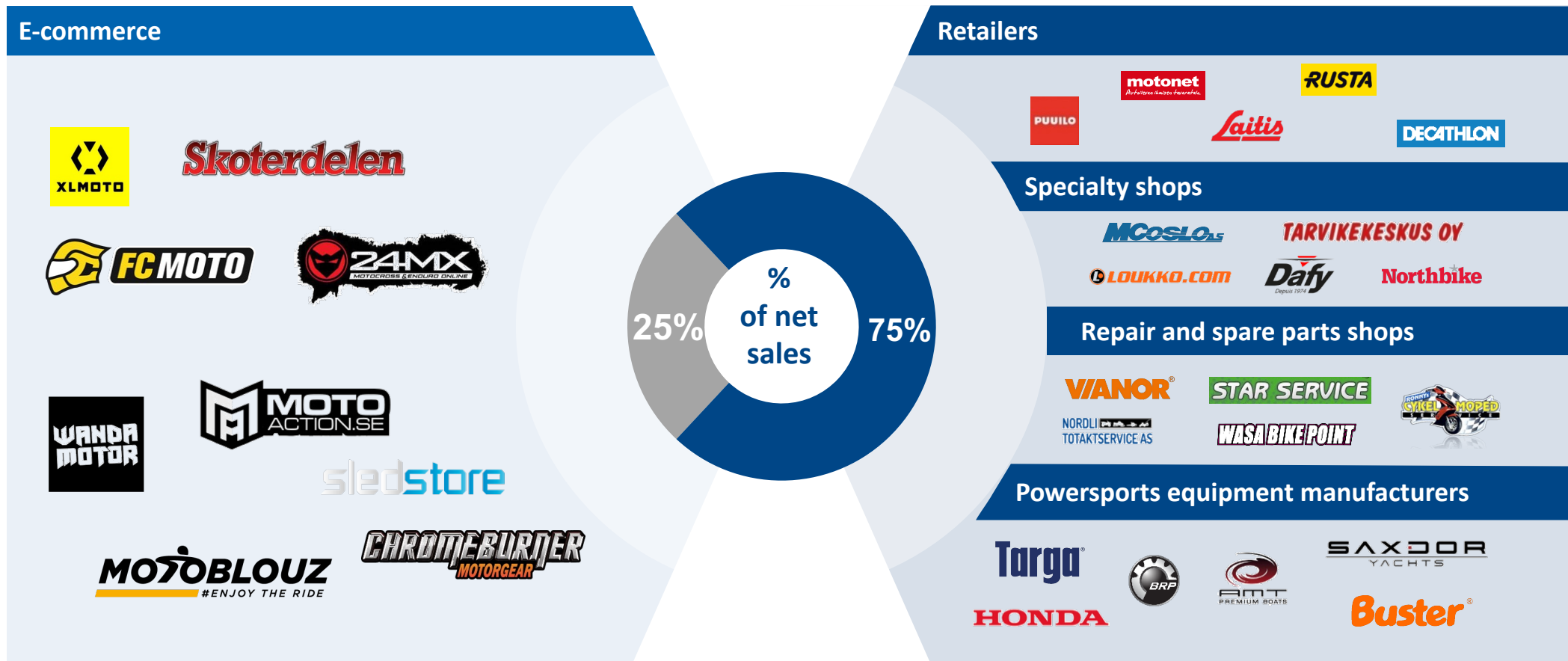


Technical and spare parts 70%

Personal equipment 30%

Strong presence in all dealer channels

Sales split by customer type



Q1 2024 Business Report

DUELL 

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YEARS

Q1: Focusing on profitability improvement in challenging market conditions



Net sales increased
by 4.9%

- Net sales with comparable currencies increased by 7.4%
- Organic net sales decreased by 7.5%

Gross margin and
adjusted EBITA margin
increased

- Gross margin increased from 22.3% to 23.9%
- Adjusted EBITA margin increased from -1.7% to 1.0%
- Lower comparable cost base

Net working capital
improved

- Net working capital improved by approx. 7 M€
- Comparable net working capital improved by approx. 13 M€

Year-on-year comparison

Main events in Q1 2024 and after review period

- Cost savings programme to adjust operating costs to lower-than-expected demand completed in September
- Appointment of Magnus Miemois, a new COO and Deputy CEO was announced in September
 - Started on January 1, 2024
- New financial agreement in November
- Duell received targeted gross proceeds of EUR 20.2 million and net proceeds of EUR 17.7 million from rights issue
 - Rights issue was oversubscribed
 - A total of 1,008,000,642 shares were registered in the trade register on January 2, 2024, amounted to 1,038,546,116 shares



Summary of Q1 2024 financials

Net sales Q1

- Nordics, 15.1 M€ (16.0)
 - 55.9% of net sales (62.2%)
- Rest of Europe, 11.9 M€ (9.7)
 - 44.1% of net sales (37.8%)
 - TranAm not in comparable figures

Focus on profitability improvement and strengthening of capital structure

- Profitability improvement programme ongoing
- Management of working capital continued
- Impact of completed restructuring program will be realised mainly in FY 2024

Key figures and ratios EUR thousand	Q1 2024 (9/2023- 11/2023)	Q1 2023 9/2022- 11/2022)	FY 2023 (9/2022- 8/2023)
Net sales	27,014	25,751	118,832
Net sales growth, %	4.9	-5.2	-4.2
Net sales with comparable currencies, %	7.4	-3.4	-1.0
Organic net sales growth, %	-7.5	-19.0	-15.6
Gross margin	6,456	5,736	28,344
Gross margin, %	23.9	22.3	23.9
EBITDA	-193	-357	4,307
Items affecting comparability, EBITDA	731	135	1,193
Adjusted EBITDA	538	-222	5,499
Adjusted EBITDA margin, %	2.0	-0.9	4.6
Adjusted EBITA	274	-426	4,594
Adjusted EBITA margin, %	1.0	-1.7	3.9
Adjusted operating profit	-417	-924	2,234
Adjusted operating profit margin, %	-1.5	-3.6	1.9
Earnings per share (EUR)	-0.06	-0.06	-0.10
Investments in tangible and intangible assets excluding brand acquisitions	267	413	2,481
Net debt*	45,177	50,398	38,248
Net working capital**	55,456	62,108	49,873
Operating free cash flows	-6,160	-4,972	16,392

*) Net debt includes the remaining purchase price of some EUR 5.6 million from the TranAm acquisition

***) Net working capital includes TranAm's net working capital

Focus areas and outlook for financial year 2024

Focus during financial year 2024

- Profitability improvement programme will continue throughout 2024
- Optimisation of net working capital will continue by decreasing inventory levels and improving procurement terms further

Outlook for financial year 2024 (unchanged)

- 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.
- As planned, the company has strengthened its capital structure through a rights issue at the end of 2023.

Strategic objectives and cornerstones

Key strategic objectives

- To be the best partner for dealers and brand owners throughout Europe
- Strengthen the leading market position in the Nordics

Strategic cornerstones

- Geographical market expansion
- Partner for building online sales
- Brand portfolio development



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