



**Duell Corporation**  
**Nine Months 2024 Financial Report**  
September 2023-May 2024



This is not an interim report in accordance with IAS 34. The company complies with the semi-annual reports required by the Securities Markets Act and normally publishes business reports for the first three and first nine months of the year, which present key information describing the company's financial development. Unaudited financials presented below:

### **Good sales in high season despite challenging market conditions**

#### **March 2024–May 2024 "Q3 2024" (comparable figures in parenthesis 3/2023-5/2023):**

- Net sales increased 0,6% to EUR 37.9 million (EUR 37.7 million). Net sales with comparable currencies increased 2.7 %. Organic net sales increased 2.7%.
- Adjusted EBITDA was EUR 3.4 million (EUR 4.1 million) with an adjusted EBITDA margin of 9.1% (10.8%).
- Adjusted EBITA was EUR 3.2 million (EUR 3.8 million) with an adjusted EBITA margin of 8.4% (10.1%).
- Adjusted operating profit was EUR 2.5 million (EUR 3.1 million) with a margin of 6.6% (8.3%).

#### **September 2023–May 2024 "1-9/2024" (comparable figures in parenthesis 9/2022-5/2023):**

- Net sales increased 4.6% to EUR 93.1 million (EUR 89.0 million). Net sales with comparable currencies increased 4.3 %. Organic net sales decreased 2.6%.
- Adjusted EBITDA was EUR 5.5 million (EUR 5.0 million) with an adjusted EBITDA margin of 5.9% (5.7%).
- Adjusted EBITA was EUR 4.8 million (EUR 4.4 million) with an adjusted EBITA margin of 5.2% (4.9%).
- Adjusted operating profit was EUR 2.8 million (EUR 2.7 million) with a margin of 3.0% (3.0%).
- Earnings per share was EUR -0.006 (EUR -0,04) at end of May 2024.

#### **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.

#### **CEO Magnus Miemois commenting the third quarter:**

The third quarter was largely in line with our expectations, net sales and adjusted EBITA close to the previous year's level. Net sales increased by 0.6 percent and adjusted EBITA was EUR 3.2 million, down EUR 0.6 million on the previous year. The gross margin increased slightly by 0.1 percentage points. The sales margin was weighed down by, among other things, delayed deliveries due to challenges in the Red Sea shipping, additional logistics costs due to the Finnish strike and higher container prices.

Logistics challenges due to market disruptions delayed certain deliveries. Some manufacturers have adapted their production to lower demand, which has led to difficulties in product availability. To ensure the availability of products to dealers, we kept stock levels slightly higher. The competitive situation remained unchanged and various players are looking for growth outside their traditional markets. We expect the decline in interest rates to have a positive impact on consumer behaviour, but the direct impact will be delayed.

Among the product categories, cycling showed signs of recovery, especially in Finland. We have also increased the product portfolio in this category with new brands. In the motorcycle category, demand was

steady, as we expected, but in the boating category demand was low. In the UK, we have already expanded the product portfolio early in the year with the introduction of our own brands of motorcycle garments.

We announced a reorganisation to better support the execution of our strategy with a stronger market focus. The new operating model will also allow for more effective integration at Group level to accelerate organic growth. This change will also provide a stronger basis for purchases and product portfolio development. The profitability improvement programme, which has so far focused on the Nordic countries and has moved from planning to execution mode.

Key figures and ratios EUR thousand	Q3 2024 (3/2024- 5/2024)	Q3 2023 (3/2023- 5/2023)	1-9 2024 (9/2023- 5/2024)	1-9 2023 (9/2022- 5/2023)	2023 (9/2022- 8/2023)
Net sales	37,904	37,673	93,073	88,967	118,832
Net sales growth, %	0.6	7.4	4.6	-0.4	-4.2
Net sales growth with comparable currencies, %	2.7	8.1	4.3	1.7	-1.0
Organic net sales growth with comparable currencies, %	2.7	-10.3	-2.6	-14.7	-15.6
Gross margin	9,453	9,301	23,015	21,794	28,344
Gross margin, %	24.9	24.7	24.7	24.5	23.9
EBITDA	3,172	3,472	2,428	4,205	4,307
EBITDA margin, %	8.4	9.2	2.6	4.7	3.6
Items affecting comparability, Gross margin	-	-	-	-	131
Items affecting comparability, EBITDA	269	584	3,099	823	1,193
Adjusted EBITDA	3,441	4,056	5,527	5,028	5,499
Adjusted EBITDA margin, %	9.1	10.8	5.9	5.7	4.6
EBITA	2,928	3,235	1,743	3,547	3,401
EBITA margin, %	7.7	8.6	1.9	4.0	2.9
Adjusted EBITA	3,197	3,819	4,842	4,370	4,594
Adjusted EBITA margin, %	8.4	10.1	5.2	4.9	3.9
Operating profit	2,233	2,554	-337	1,869	1,041
Operating profit margin, %	5.9	6.8	-0.4	2.1	0.9
Adjusted operating profit	2,502	3,138	2,762	2,692	2,234
Adjusted operating profit margin, %	6.6	8.3	3.0	3.0	1.9
Earnings per share, basic, EUR	-0.003	0.02	-0.006	-0.04	-0.1
Earnings per share, diluted, EUR	-0.003	0.02	-0.006	-0.04	-0.1
Number of outstanding shares at the end of the period, basic	1,038,546,116	30,545,474	1,038,546,116	30,545,474	30,545,474
Number of outstanding shares at the end of the period, diluted	1,038,546,116	30,545,474	1,038,546,116	30,545,474	30,545,474
Weighted average number of shares, basic	1,038,546,116	30,213,459	572,003,019	27,058,301	27,937,259
Weighted average number of shares, diluted	1,038,546,116	30,213,459	572,003,019	27,058,301	27,937,25

Investments in tangible and intangible assets excluding acquisitions	189	394	628	1,477	2,481
Net debt	27,086	48,585	27,086	48,585	38,248
Net working capital	57,665	61,756	57,665	61,756	49,873
Operating free cash flows	3,214	12,177	-4,345	5,793	16,392

Operational key figures	Q3 2024 (3/2024- 5/2024)	Q3 2023 (3/2023- 5/2023)	1-9 2024 (9/2023- 5/2024)	1-9 2023 (9/2022- 5/2023)	2023 (9/2022- 8/2023)
Number of brands	548	557	548	557	562
Share of own brand sales, % of total	16.3	19.1	19.3	23.0	21.8
Share of online sales, % of total	26.4	24.4	25.8	23.7	24.7
Equity ratio, %	53.1	34.3	53.1	34.3	38.6
Full-time equivalent employees*	217	218	218	229	218

\*) Including seasonal employees and 24 TranAm employees from March 2023 onwards.

Net sales, EUR thousand	Q3 2024 (3/2024- 5/2024)	Q3 2023 (3/2023- 5/2023)	1-9 2024 (9/2023- 5/2024)	1-9 2023 (9/2022- 5/2023)	2023 (9/2022- 8/2023)
Nordics	19,482	22,459	50,267	54,774	69,926
Rest of Europe	18,422	15,217	42,806	34,193	48,906
Total	37,904	37,673	93,073	88,967	118,832

## Financial position and cash flow

Duell's consolidated balance sheet total on May 31, 2024, was EUR 101.9 million (112.3). The amount of consolidated goodwill in the balance sheet was EUR 19.7million (22.0). Duell's equity ratio was 53.1 % (34.3) on May 31, 2024, and Group's return on equity was -9.5% (-3.0).

Duell's total net cash flow from operating activities was negative EUR 8.3 million (4.2). The decrease in net cash flow from operating activities was due to net working capital, which increased by EUR 7.8 million from the end of last financial year. Net working capital amounted to EUR 57.7 million (61.8) on May 5, 2024, a decrease of EUR 4.1 million.

Duell's net debt was EUR 27.1 million on May 5, 2024 (48.6). Net debt was decreased by the rights issue and loan repayments in the second quarter of 2024. Duell net debt comprises of cash and cash equivalents and loans from credit institutions. The covenants for loans from financial institutions relate to net debt to EBITDA (Leverage), level of EBITDA and the amount of net debt in proportion to equity (Gearing). Leverage at the end of the third quarter was 4.5x. The conditions for the covenants were met for the review period.

## Significant events during the reporting period

Duell appointed Juha Lindroos as the company's interim Chief Financial Officer (CFO) and member of Management Team from March 18, 2024. Juha Lindroos has long experience in financial operations expertise and management in several companies including listed companies and has also a background in the wholesale industry.

Duell announced on September 29, 2023, about the plan that Duell Corporation's COO and Deputy CEO Magnus Miemois will become CEO of Duell Corporation during 2024. In connection with this change, the current CEO Jarkko Ämmälä will become Duell's Commercial Director. This change was confirmed by Duell's Board of Directors on May 7, 2024, which took effect on June 1, 2024.

Duell announced on May 23, 2024, that it is renewing its organisation from June 1, 2024, with the aim of investing in growth, developing strategic partnerships and improving efficiency. Management Team from June 1, 2024

Magnus Miemois, CEO, interim role in Nordics market responsibility  
Jarkko Ämmälä, Commercial Director, Central Europe market responsibility  
Jukka Smolander, Director, Purchasing  
Juha Lindroos, Interim CFO  
Heidi Markkanen, Chief Digital Officer  
Pia Hoseus, HR Director  
Pellervo Hämäläinen, Communications and Investor Relations Manager

Joakim Vest and Erwin Van Hoof, members of the current Management Team, will continue to work for the company, but will not be members of the Management Team as of June 1, 2024.

### **Significant events after review period**

Duell announced on June 10, 2024, that it has appointed Caj Malmsten as the company's Chief Financial Officer (CFO) and member of Management Team from August 19, 2024. Malmsten joins Duell from his position as Ab Ekeri Oy's CFO. Prior Ekeri, Malmsten has worked for Wärtsilä for 20 years in several global management positions and has also overseas experience in Switzerland and France. Interim CFO, Juha Lindroos, will remain with Duell until the end of September 2024.

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

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 2-3. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions).

### **Duell's Financial Reporting and Annual General Meeting in 2024**

Duell will publish financial information in 2024 as follows:

- Financial Statements Bulletin for the fiscal year 9/2023–8/2024 (Q4 2024) on Wednesday, October 9, 2024.

Annual Report the week starting on October 21, 2024.

Duell's Annual General Meeting of shareholders is scheduled for Wednesday, November 20, 2024.

The financial reviews and the annual report will be available after publication on the company's investor website at ([https://investors.duell.eu/en/reports\\_and\\_presentations](https://investors.duell.eu/en/reports_and_presentations)).

### **Further information**

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**Duell Corporation** (Duell) is an import and wholesale company based in Mustasaari, Finland, established in 1983. Duell imports, manufactures, and sells products through an extensive distribution network in Europe covering approximately 8,500 dealers. The range of products includes approximately 150,000 items under more than 550 brands. The assortment covers spare parts and accessories for motorcycling, bicycling, ATVs/UTVs, mopeds and scooters, snowmobiling, and marine. Logistics centres are in Finland, Sweden, Netherlands, France, and the UK. Duell's net sales in 2023 was EUR 119 million and it employs over 200 people. Duell's shares are listed on the Nasdaq First North Growth Market Finland marketplace. [www.duell.eu](http://www.duell.eu)