

Duell Corporation

***Half-Year Financial Report
September 2021 - February 2022
and Second Quarter***



A leading Nordic powersports aftermarket distributor

+29.1%

NET SALES GROWTH
9/2020–8/2021

10.5%

Adjusted EBITA
9/2020–8/2021

77 M€ (102)

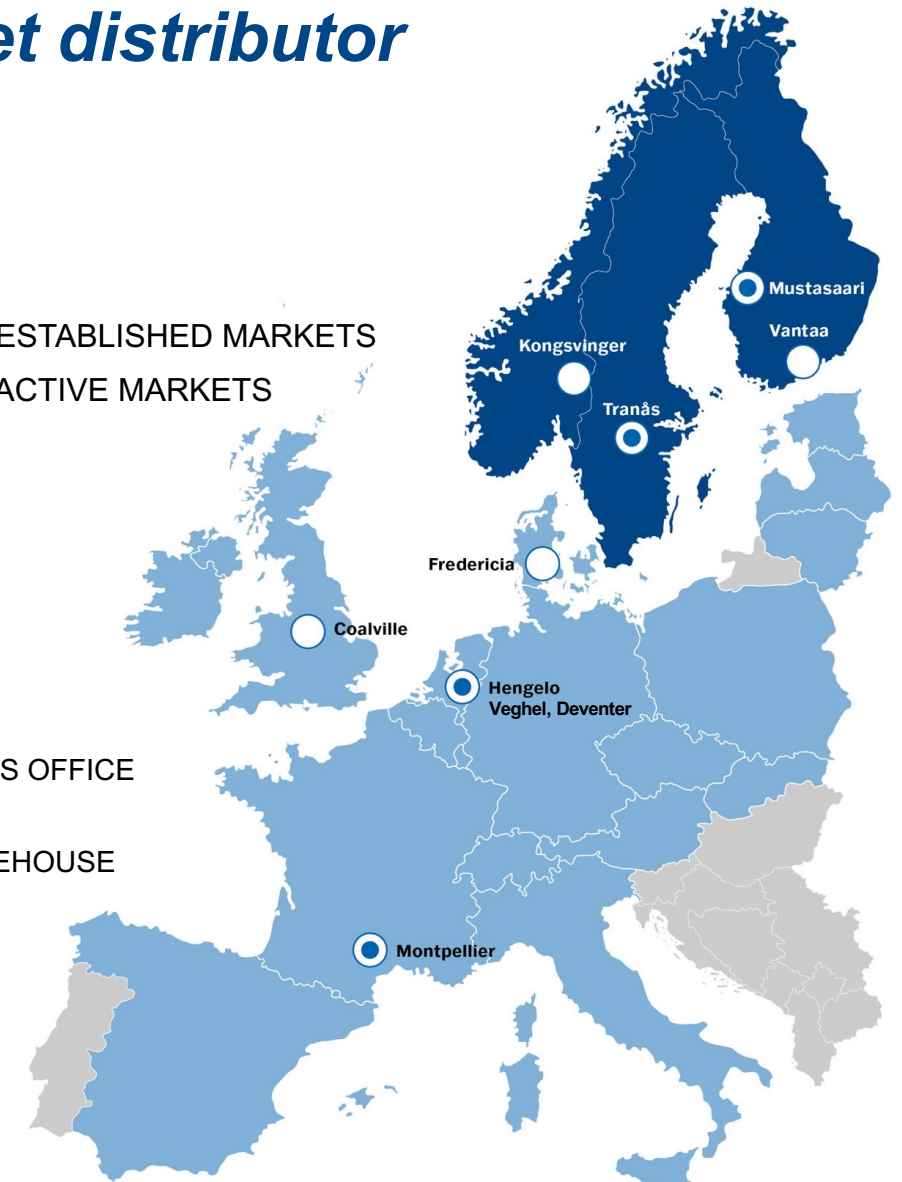
NET SALES (PRO FORMA)
9/2020–8/2021

Around

- 150,000 SKUs
- 340 brands
- 7,500 active dealers
- 90% of orders in digital format
- 170 employees

■ DUELL'S ESTABLISHED MARKETS
■ DUELL'S ACTIVE MARKETS

○ SALES OFFICE
● WAREHOUSE



Q2 and H1 2022

Business update



Q2: Strong net sales growth despite supply headwinds



Net sales grew by 57%

- 12% organic growth driven by snowmobile and ATV
- EUR 2 million missed sales due to longer delivery lead times
- Integration of the acquisitions in Europe proceeding well

EBITA improved by 5%

- Adjusted EBITA margin 7.7% (11.5%)
- Stable gross margin despite increased logistic costs
- Impact of higher fixed costs from European operations, net sales focusing on Q2 and Q3

Techno Motor Veghel BV acquisition in Netherlands

- Significant player in offroad market
- Hundreds of new customers
- Significant new brands

Net sales grew by 64% and adjusted EBITA improved by 26% in H1 2022

- Net sales growth in all markets
 - Nordics 22%
 - Europe 308%
- Measures to mitigate the impacts of the increased uncertainties in Duell's operating environment drove higher cost and working capital
- IPO costs of EUR 2.1 million in items affecting comparability in H1 2022

Key figures and ratios EUR thousand	H1 2022 (9/2021- 2/2022)	H1 2021 (9/2020- 2/2021)	Q2 2022 (12/2021- 2/2022)	Q2 2021 (12/2020- 2/2021)	FY 2021 (9/20- 8/21)
Net sales	54,237	32,992	27,103	17,224	76,756
Net sales growth, %	64.4	18.0	57.4	32.7	29.1
Organic net sales growth, %	21.4	11.0	11.5	25.8	24.1
EBITDA	2,207	3,359	2,236	2,088	8,322
Items affecting comparability, EBITDA	2,072	41	21	41	333
Adjusted EBITDA	4,279	3,400	2,257	2,130	8,656
Adjusted EBITDA margin, %	7.9	10.3	8.3	12.4	11.3
Adjusted EBITA	3,947	3,123	2,089	1,985	8,044
Adjusted EBITA margin, %	7.3	9.3	7.7	11.5	10.5
Adjusted operating profit	3,136	2,817	1,669	1,851	7,615
Adjusted operating profit margin, %	5.8	8.5	6.2	10.7	9.9
Earnings per share	-0.02	-	-	-	-
Investments in tangible and intangible assets excluding brand acquisitions	134	224	95	124	398
Net debt	37,606	24,993	37,606	24,933	38,683
Net working capital	51,222	27,196	51,222	27,196	33,744
Operating free cash flows	-12,965	-4,089	-5,485	1,613	2,329

Increased uncertainty in the operating environment

External factors

- The market uncertainty caused by COVID-19 pandemic will continue
- Market visibility has weakened further, due to the Russian invasion of Ukraine
 - Duell's direct exposure to these two markets are not material as it doesn't have own operations nor current sales in them
- It is expected that the turbulent market conditions will have impact for the rest of Duell's ongoing fiscal year

Mitigation

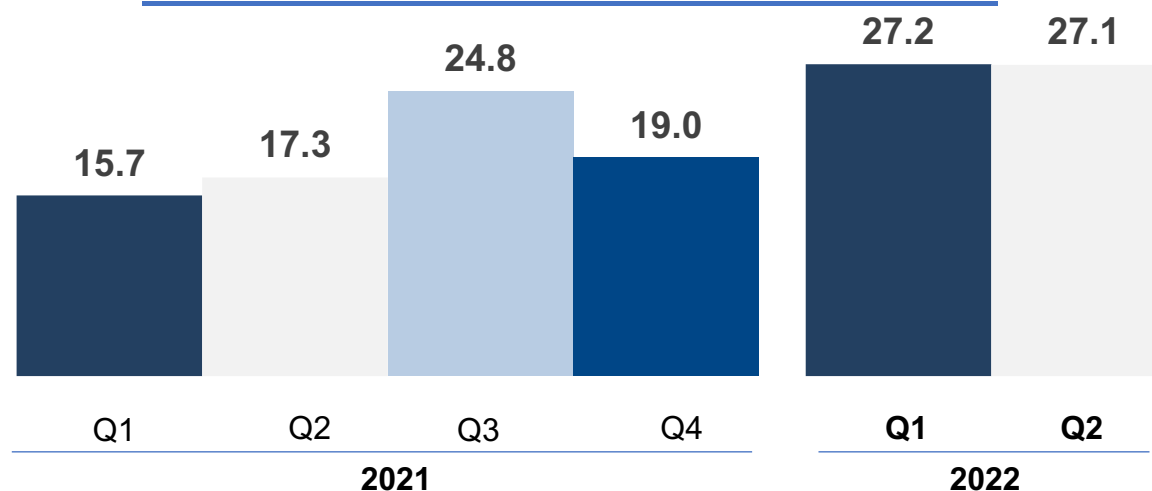
- Duell has been successful in mitigating the situation caused by continuous challenges to the supply chain



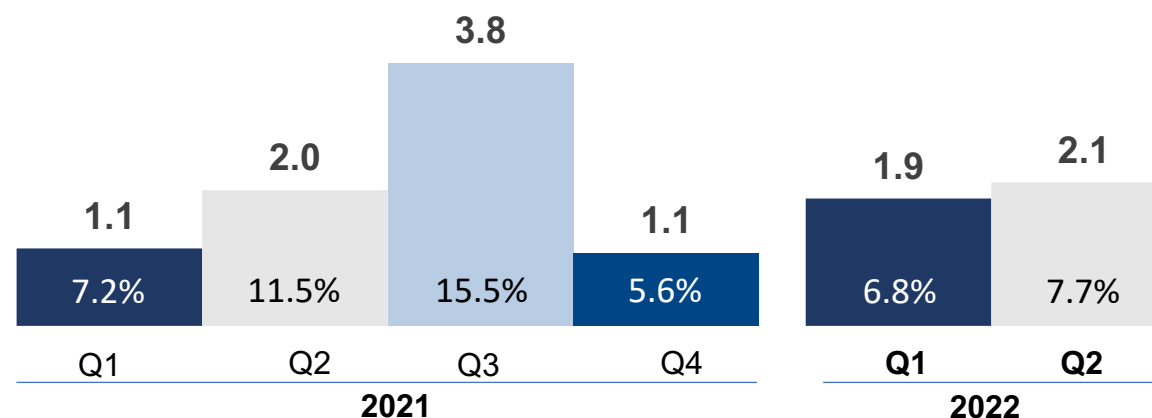
Seasonality is typical in Duell's sales by quarters

- Q2 is winter season in the Nordics, especially snowmobile and ATV categories
- EUR 2 million worth of sales missed due to longer delivery lead times
- Q2 2022 includes the impact from the acquisitions
- Q3 and Q4 are the strongest sales quarters due to summer season pre-sales and increasing European impact

Quarterly net sales development, EUR million



Quarterly adjusted EBITA, EUR million and adjusted EBITA margin



Duell outlook 2022 and mid-term financial targets

	Target	Description	Latest audited report
Outlook 2022	Organic net sales growth in 2022 15%	<i>"In 2022, Duell expects its net sales growth to be at least 15%. Organic net sales growth is calculated excluding the impact of acquisitions and divestments."</i>	Organic net sales growth in FY 2021 24.1%
Growth	Net sales of €200–300m	<i>"Net sales between €200-300m by the end of 2025, achieved through a combination of an organic growth rate of clearly above 10% p.a. and acquisitions"</i>	Pro forma net sales FY 2021 €102m
Profitability	Adjusted EBITA margin >13%	<i>"Adjusted EBITA-margin of at least 13% in the medium-term"</i>	Adjusted EBITA margin FY 2021 10.5%
Leverage	Net debt ratio 2–3x	<i>"Net debt to adj. EBITDA in the range of 2-3x. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions)"</i>	Net debt ratio in FY 2021 4.5x

Strategic objectives and cornerstones

Key strategic objectives

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

Strategic cornerstones and related achievements

- **Geographical market expansion**
 - TMV acquisition strengthening position in the Benelux market
- **Partner for building online sales**
 - Investing in a new e-commerce platform
- **Brand portfolio development**
 - >50 new brands in H1 2022

Three important acquisitions to drive market expansion



Deal highlights (June 2021) ¹⁾

- Strong market position in Benelux and Germany
- Access to 800+ dealers
- New growth leg for Duell's own brands
- Cross-selling potential
- 10 employees

Portfolio of attractive brands:



Deal highlights (August 2021) ¹⁾

- Strong market position in France
- Access to 3,000+ dealers
- Opportunity to strengthen Duell's operational platform and presence in European focus market
- Bike business and cross-selling potential
- 44 employees

Portfolio of attractive brands:



Deal highlights (February 2022) ¹⁾

- Strong offroad market position in Benelux region, but also in the rest of Europe
- Access to 600+ dealers
- New growth leg for Duell's own brands
- Cross-selling potential
- 7 employees

Portfolio of attractive brands:



Summary of H1

- First half in line of expectations despite market uncertainty
- Inventory levels have been raised to ensure future sales and customer deliveries
- The integration of acquisitions are progressing as planned and the mapping of new targets continues to be active
- The implementation of the strategy is progressing as planned



H1/Q2

