

Duell Corporation

***Financial Report
September 2021 - August 2022
and Fourth Quarter
November 10, 2022***

***Jarkko Ämmälä, CEO
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A leading Nordic and European powersports aftermarket distributor

124 M€ (77)

NET SALES
9/2021–8/2022

+61.5%

NET SALES GROWTH
9/2021–8/2022

7.0% (10.5)

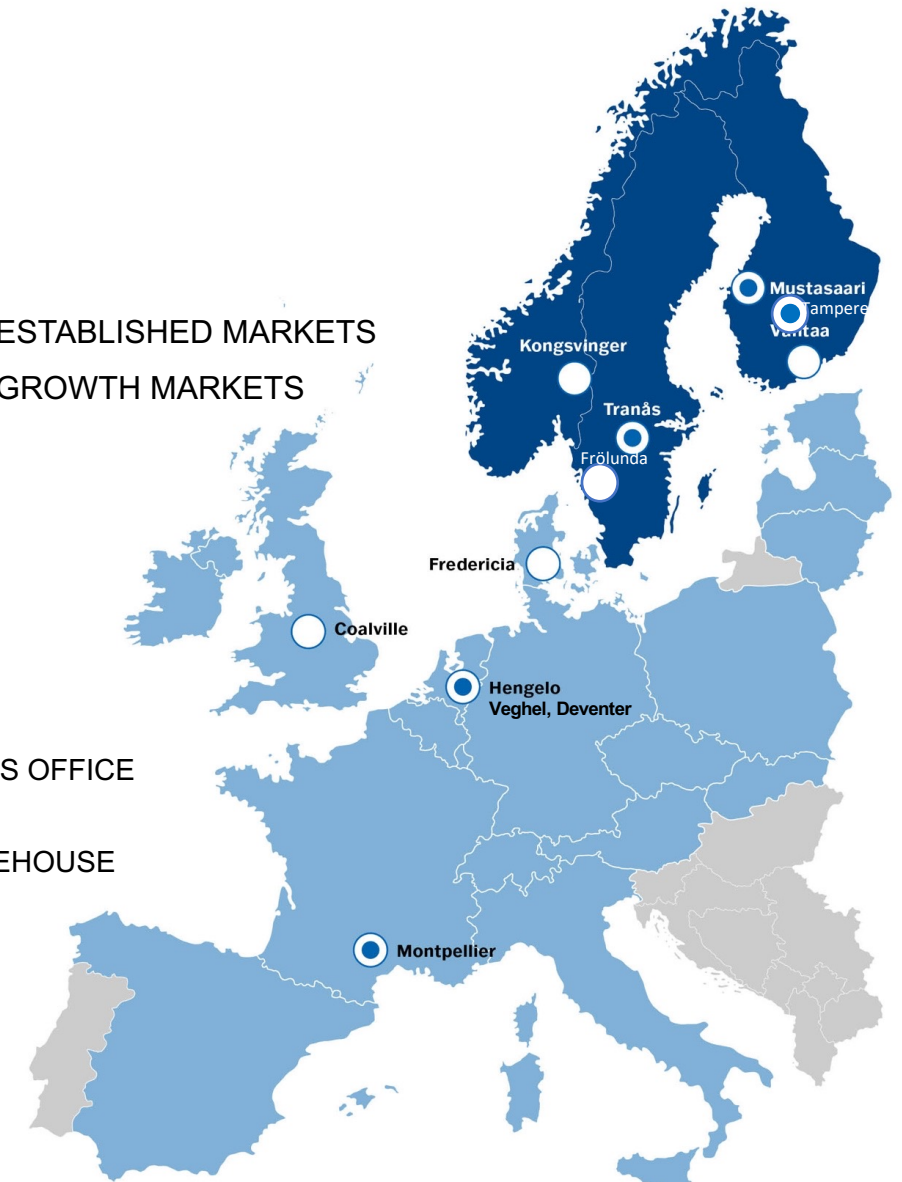
Adjusted EBITA
9/2021–8/2022

Key figures*

- 150,000 SKUs
- 500 brands
- 600 suppliers
- 8,500 active dealers
- 220 employees

■ DUELL'S ESTABLISHED MARKETS
■ DUELL'S GROWTH MARKETS

○ SALES OFFICE
● WAREHOUSE



*) Approximately

All powersports accessories from motorbikes to marine



We cover all fields of powersports products: apparel, accessories, and parts of ATV/UTV, bicycle, marine, offroad and onroad motorcycles as well as snowmobile.

TECHNICAL AND SPARE PARTS 2/3



Break/clutch handling



Tires



Shock absorbers



Engines



Engine parts



Chains

PERSONAL EQUIPMENT 1/3



Helmets



Motorcycle boots



Protective wear



Life jackets



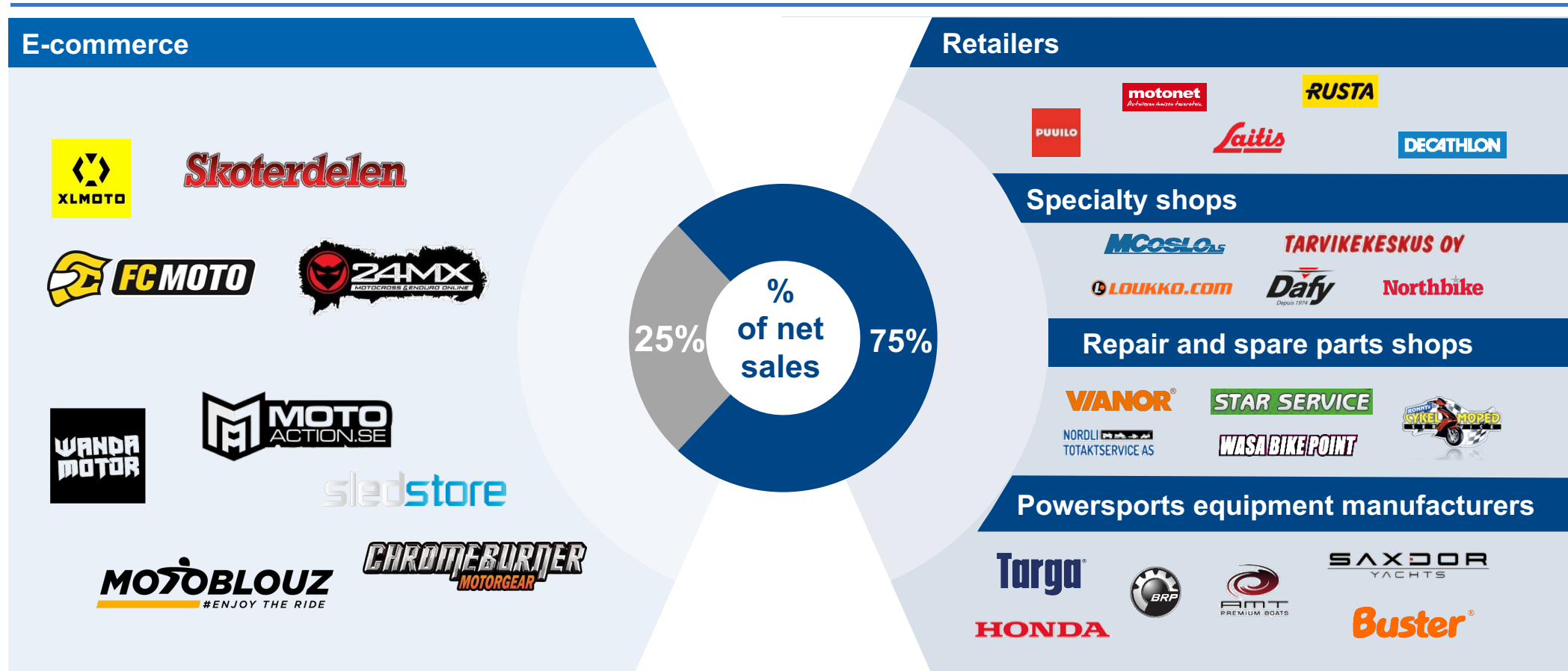
Goggles



Bike GPS trackers

Strong presence in all dealer channels

Sales split by customer type



Q4 and full year 2022

9/2021-8/2022

Business report



Q4: Strong growth with fluctuating customer demand



Net sales grew
by 79.6%

- 19.2% organic growth driven by European growth strategy
- Integration of the acquisitions proceeding as planned

EBITA increased
by 26.6%

- Adjusted EBITA margin 5.1% (8.5%)
- Gross margin 21.4% (22.8%)
- Impact of increasing costs

Customer demand

- Customer demand started to decrease again during Q4
- The importance of strategic cornerstones; geographical expansion, partner for online sales and brand portfolio development

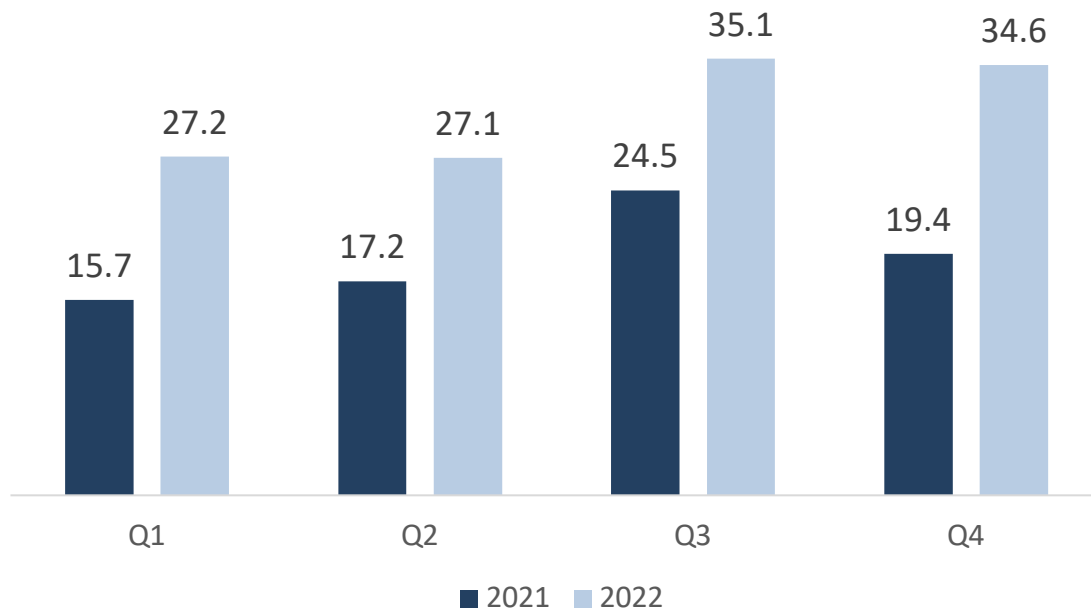
Net sales grew by 61.5% and adjusted EBITA improved by 8.5% in 9/2021-8/2022

- A year of growth in an uncertain market
- Net sales growth in all markets in 2022
 - Nordics +20.7%
 - Other Europe +253.4%
- Focus on optimising networking capital by decreasing inventory levels
 - Expected to be realised in FY 2023

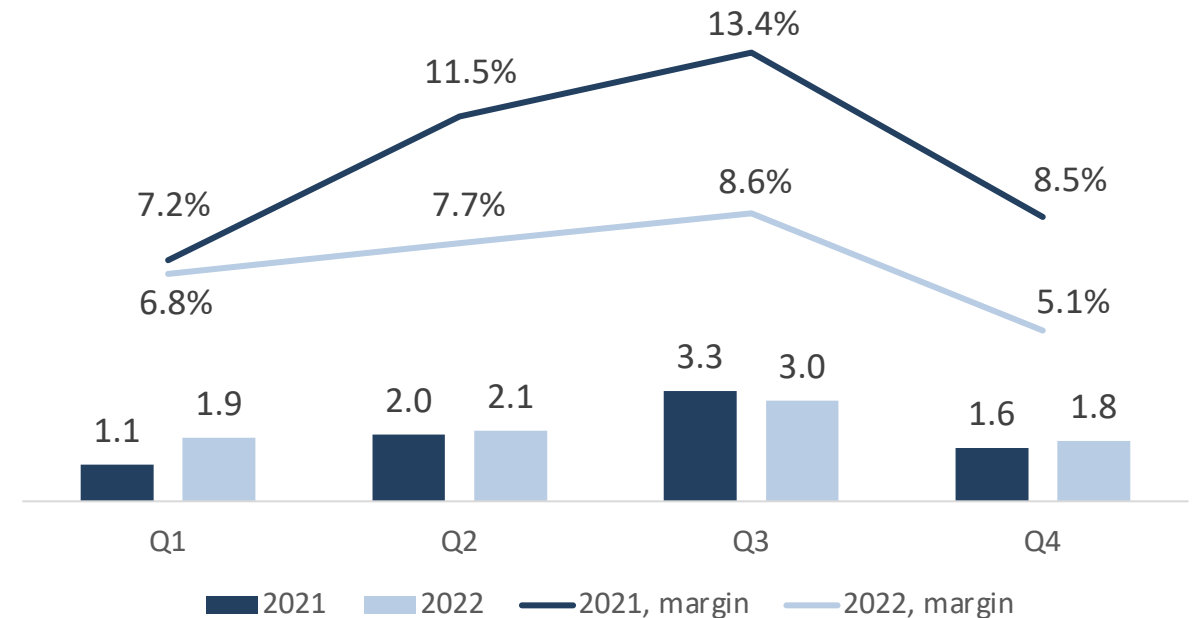
Key figures and ratios EUR thousand	FY 2022 (9/2021-8/2022)	FY 2021 (9/2020-8/2021)	Q4 2022 (6/2022-8/2022)	Q4 2021 (6/2021-8/2021)
Net sales	123,991	76,756	34,636	19,369
Net sales growth, %	61.5	29.1	79.6	28.0
Organic net sales growth, %	15.7	24.1	19.2	19.7
EBITDA	7,383	8,322	1,984	1,584
Items affecting comparability, EBITDA	2,074	333	0	239
Adjusted EBITDA	9,457	8,665	1,984	1,823
Adjusted EBITDA margin, %	7.6	11.3	5.7	9.4
Adjusted EBITA	8,726	8,044	1,776	1,642
Adjusted EBITA margin, %	7.0	10.5	5.1	8.5
Adjusted operating profit	6,978	7,615	1,271	1,673
Adjusted operating profit margin, %	5.6	9.9	3.7	8.6
Earnings per share	0.08	-	0.03	-
Investments in tangible and intangible assets excluding brand acquisitions	-915	-398	-453	-
Net debt	-44,571	-38,683	-44,571	-38,683
Net working capital	57,718	33,744	57,718	33,744
Operating free cash flows	-1,818	2,329	8,941	3,666

Seasonality is typical in Duell's sales by quarters

Quarterly net sales development, EUR million



Quarterly adjusted EBITA, EUR million and adjusted EBITA, % margin



Increased uncertainty in the operating environment continued

External factors

- The market uncertainty caused by COVID-19 pandemic will continue
 - Supply chain challenges improved towards end of the period
 - Market visibility continued to be weakened due to the war in Ukraine, causing inflation which impacts customer confidence
- It is expected that the turbulent market conditions will affect FY 2023

Focus in 2023

- Continue European growth strategy
- Optimising inventory levels
- Cost efficiency program



Outlook for financial year 2023

- The market continues to be uncertain. The accelerating inflation and the overall economic environment have decreased consumer confidence. These factors will reduce predictability. Duell will continue to execute its growth strategy despite uncertain market conditions.
- Duell expects to have net sales growth organically and inorganically. Adjusted EBITA is expected to grow both in absolute and relative terms for the current financial year ending August 31, 2023. Organic net sales growth is calculated excluding the impact of acquisitions and divestments.

Duell medium-term financial targets (changed)

	Target	Description	Latest audited report
Growth	Net sales of €200–300m	<p><i>“Net sales between €200-300m by the end of 2025, achieved through with yearly growth organically and inorganically”</i></p> <p><i>(The growth target remains unchanged, but the part of organic growth has been updated. Previous: “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></p>	Net sales FY 2022 €124m
Profitability	Adjusted EBITA margin >13%	<i>“Adjusted EBITA-margin of at least 13% in the medium-term”</i>	Adjusted EBITA margin FY 2022 7.0%
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 2022 4.7x

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**
 - Entry new markets organically and with acquisitions strengthening the position in the Europe
- **Partner for building online sales**
 - Investing in a new e-commerce platform
- **Brand portfolio development**
 - > 200 new brands in 2022

Four important acquisitions to drive market expansion

DEAL HIGHLIGHTS

PowerFactory Nordic Oy Ab, May 2022

- Strong bicycle position in Finland and Sweden
- Entry to Nordic bicycle market
- Access to 2,000 dealers
- Cross-selling potential
- 40 employees

PORTFOLIO OF ATTRACTIVE BRANDS



DEAL HIGHLIGHTS



Techno Motor Veghel B.V, February 2022

- Strong offroad position in Benelux, 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



DEAL HIGHLIGHTS



Tecno Globe SAS, August 2021

- Strong position in France
- Access to 3,000 dealers
- Strengthening operational platform and presence in European market
- Entry to bike business with cross-selling potential
- 44 employees

PORTFOLIO OF ATTRACTIVE BRANDS



DEAL HIGHLIGHTS



IGM Trading B.V, June 2021

- Strong 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



Duell 