

Duell Corporation

***Business report
September – November 2021
(Q1 2022)***



Q1 2022

Business update



Strong net sales and adjusted EBITA growth in Q1 2022



Net sales grew by 73%

Adjusted EBITA improved by 62%

Listed in First North Growth Market since Nov 24, 2021

- 9 new brands
- Successful launch of a new own brand “Amoq” in the snowmobile category
- Growth in all markets and product lines
- Integration of the acquisitions in France and in the Netherlands proceeding well
- Adjusted EBITA margin 6.8% (7.2%) impacted by seasonal sales and relatively high fixed costs
- Compared to the other quarters, Q1 profitability typically the lowest

Strong organic growth in Q1 2022

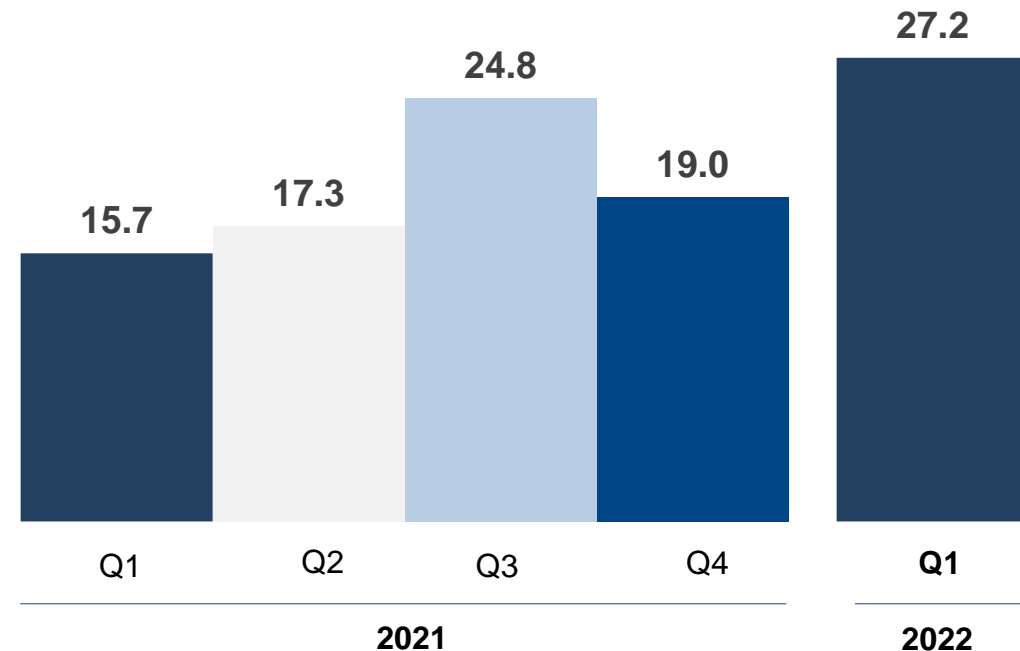
- Listing fees and expenses amounted to EUR 2 million
- Strong organic growth drove higher net working capital
- Net debt decreased due to paying back loans, including convertible loan and proceeds from the share issue

Key figures and ratios EUR thousand	Q1 2022 (9-11/2021)	Q1 2021 (9-11/2020)	FY 2021 (9/20-8/21)
Net sales	27,154	15,697	76,756
Net sales growth, %	73.0%	4.6%	29.1%
Organic net sales growth, %	32.2%	-1.7%	24.1%
EBITDA	-31	1,261	8,322
Items affecting comparability, EBITDA	2,051	0	333
Adjusted EBITDA	2,020	1,261	8,656
Adjusted EBITDA margin, %	7.4%	8.0%	11.3%
Adjusted EBITA	1,856	1,129	8,044
Adjusted EBITA margin, %	6.8%	7.2%	10.5%
Adjusted operating profit	1,465	956	7,615
Adjusted operating profit margin, %	5.4%	6.1%	9.9%
Earnings per share	-0.07	-	-
Investments in tangible and intangible assets excluding brand acquisitions	-40	-101	-398
Net debt	27,627	26,282	38,683
Net working capital	41,080	26,464	33,744
Operating free cash flows	-7,460	-5,702	2,329

Q1 is typically the lowest sales quarter including large amount of seasonal pre-sales

- Q1 pre-sales related to winter season, especially snowmobile and ATV categories
- Q1 2022 includes the impact from the acquisitions
- Q3 the strongest sales quarter due to summer season pre-sales

Quarterly net sales development, EUR million



Duell outlook 2022 and mid-term financial targets

The uncertainty caused by COVID-19 continues in the market and reduces predictability. In practice, the situation causes continuous challenges to Duell supply chain. Duell has been successful in mitigating the situation. However, the mitigation actions have led to a temporarily higher inventories and working capital.

	Target	Description	Latest reported
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 Q1 2022 32%
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 Q1 2022 2.9x

Duell Corporation

Investment case



A leading Nordic powersports aftermarket distributor

+17%

NET SALES GROWTH (CAGR)
9/2019–8/2021

9.5%

OPERATING PROFIT MARGIN
9/2020–8/2021

102 M€

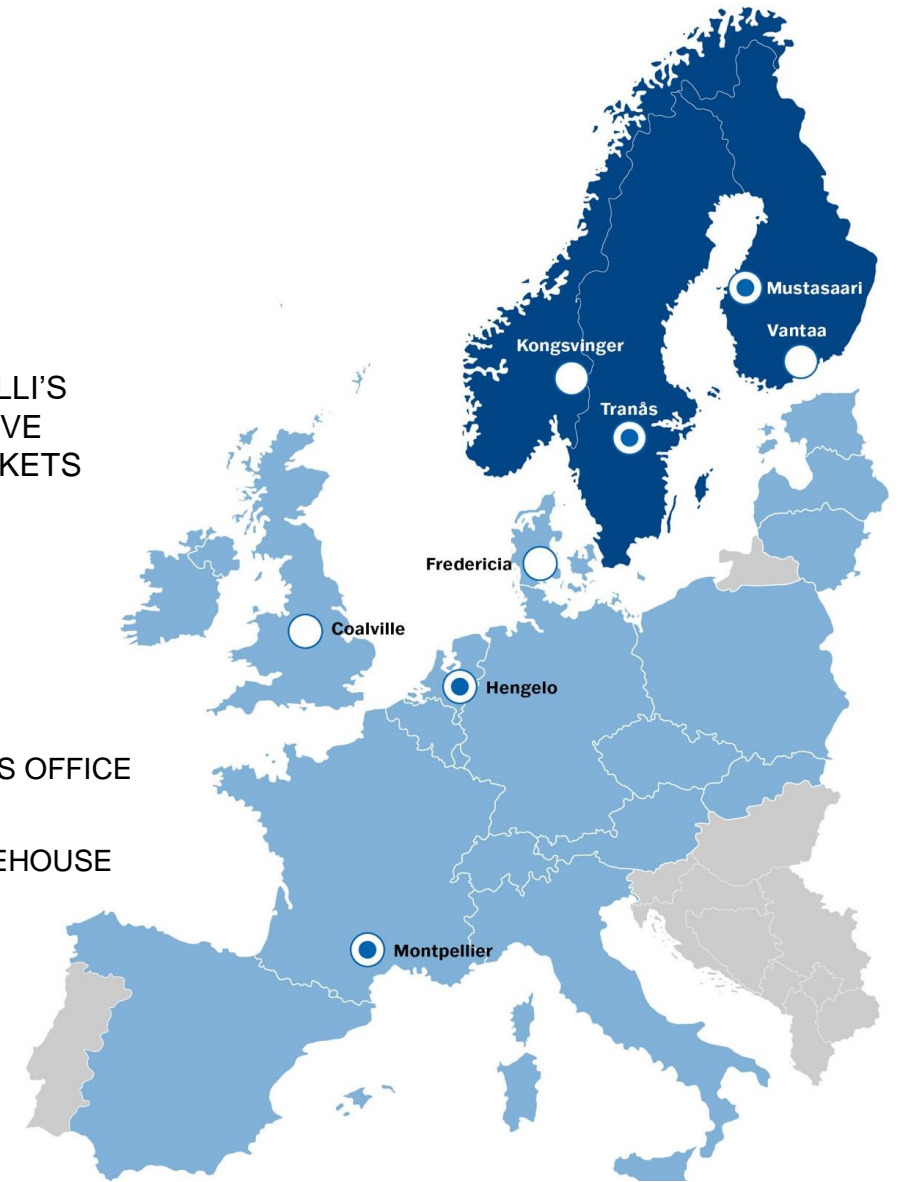
PRO FORMA NET SALES
9/2020–8/2021

- Around 150,000 SKUs
- Over 290 brands
- Around 7,500 active dealers
- Around 90% of orders in digital format (9/20–9/21)
- Around 170 employees

■ DUELLI'S
ACTIVE
MARKETS

○ SALES OFFICE

● WAREHOUSE



Six product categories for all four seasons



Onroad MC

Offroad MC

ATV

Marine

Snowmobile

Bicycle

TECHNICAL AND SPARE PARTS 63% ¹⁾



Break/clutch handling



Tires



Shock absorbers



Engines



Engine parts



Chains

PERSONAL EQUIPMENT 37% ¹⁾



Helmets



Motorcycle boots



Protective wear



Life jackets



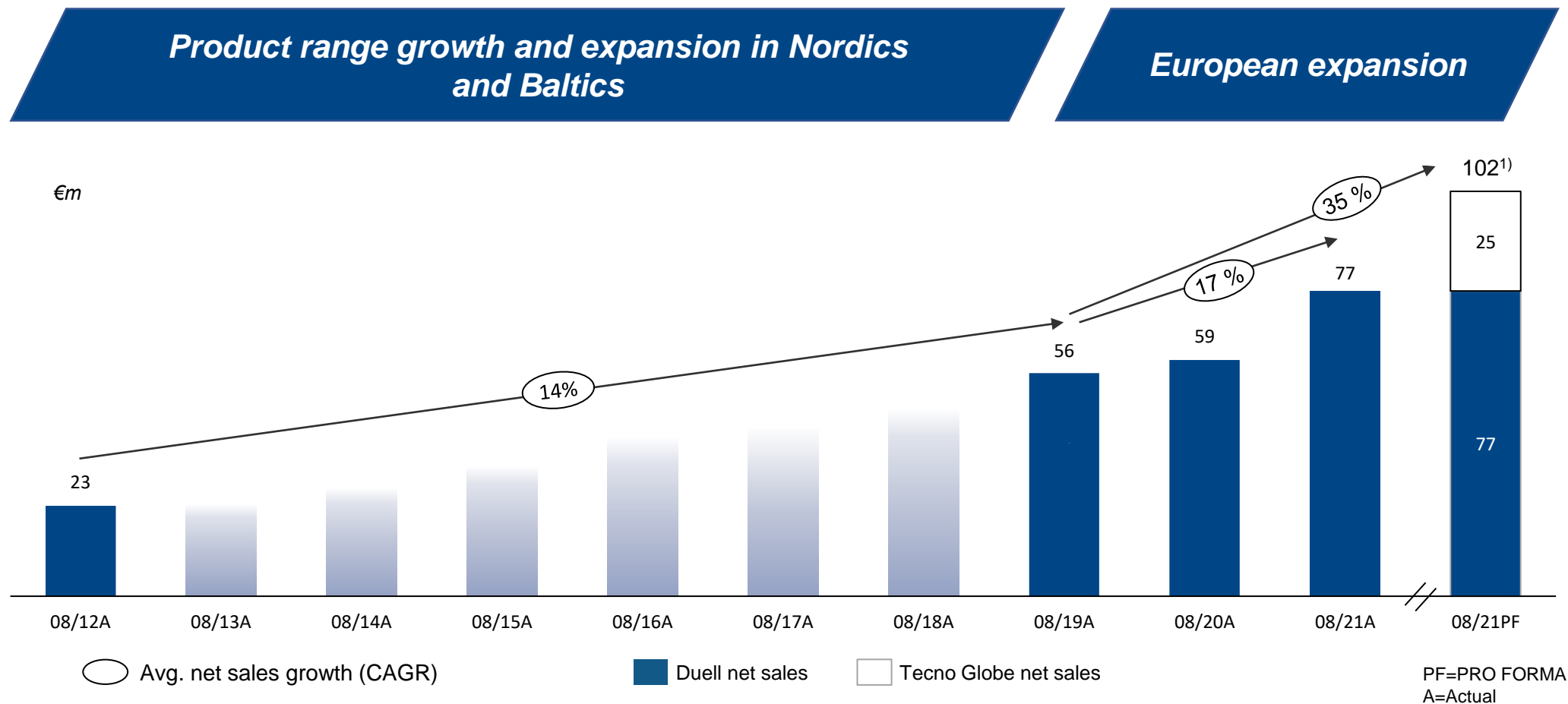
Goggles



Bike GPS trackers

1) 9/2020-8/2021, does not include Tecno Globe

Double-digit organic growth complemented by M&A



1) Pro forma full-year impact of the acquisition of Tecno Globe in 08/2021. IGM has been consolidated on 30.6.2021, and is included in Duell figures from 1.7.2021 onwards

Duell's addressable market¹⁾ is large, growing and resilient

Growing rider base

Over 16 million bikers in Europe¹⁾

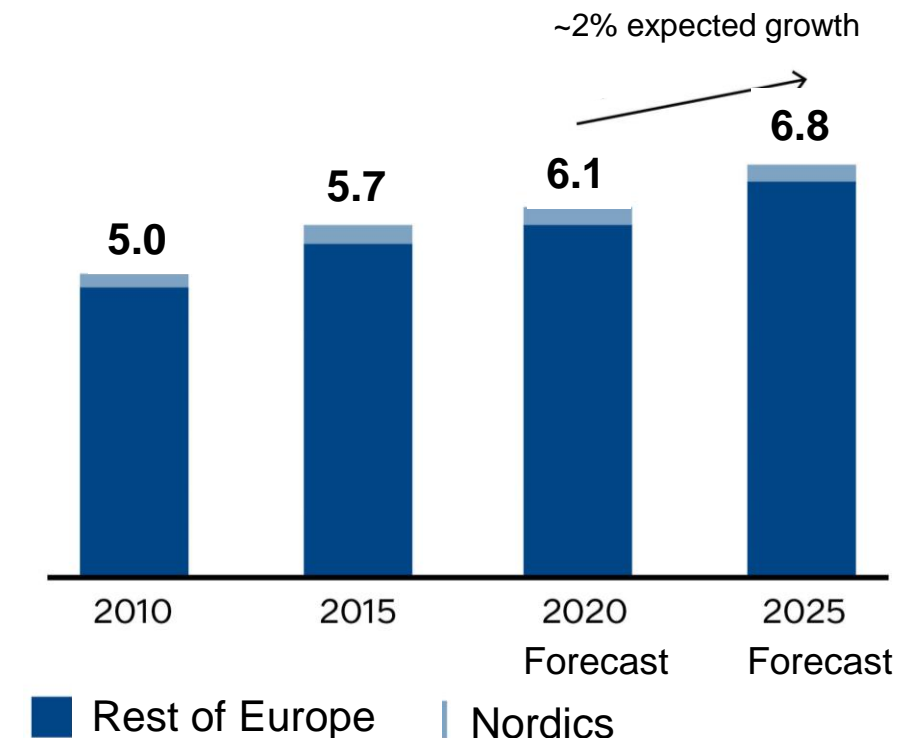


Growing average spend

In 2019, average spend EUR 366 for onroad bikers and EUR 724 for offroad bikers¹⁾

Addressable market size¹⁾

EUR bn

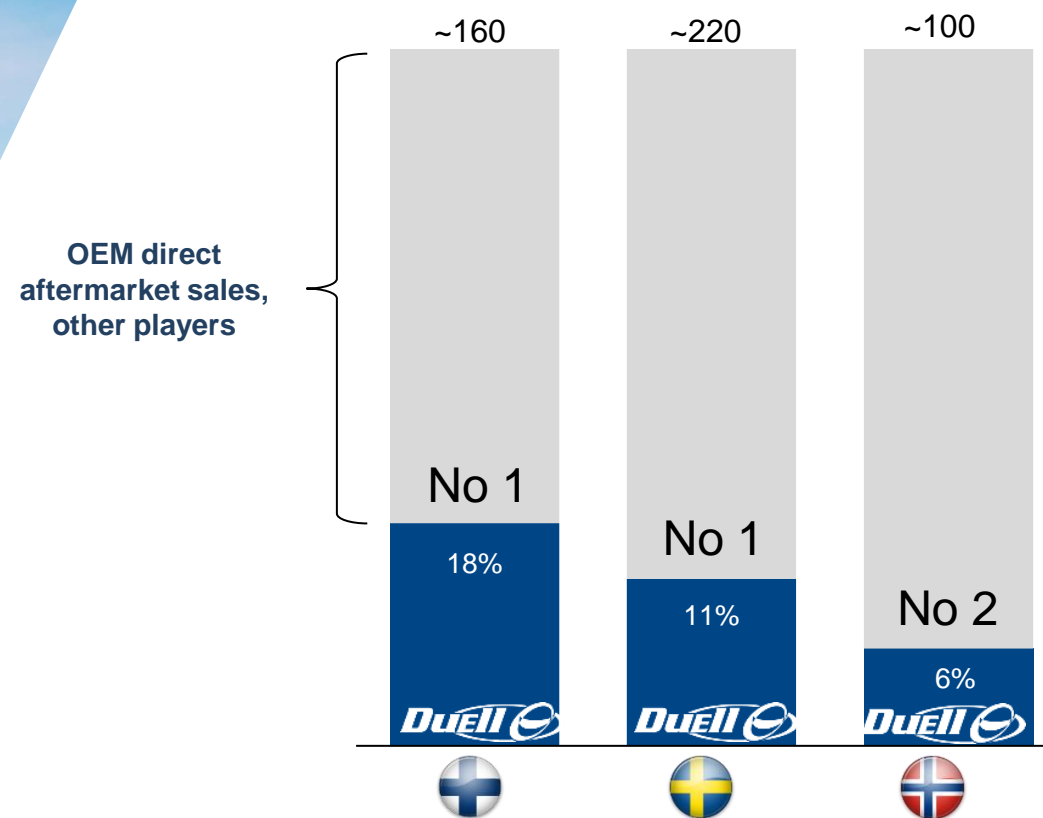


¹⁾ Nordic and Rest of Europe includes onroad & offroad MC spare parts and personal equipment market sizes. Source: Third party market study commissioned by Duell in the spring of 2021, informed by multiple sources, including IMF, Market specialist interviews, Eurostat, BMI, and Orbis

Leading Nordic player



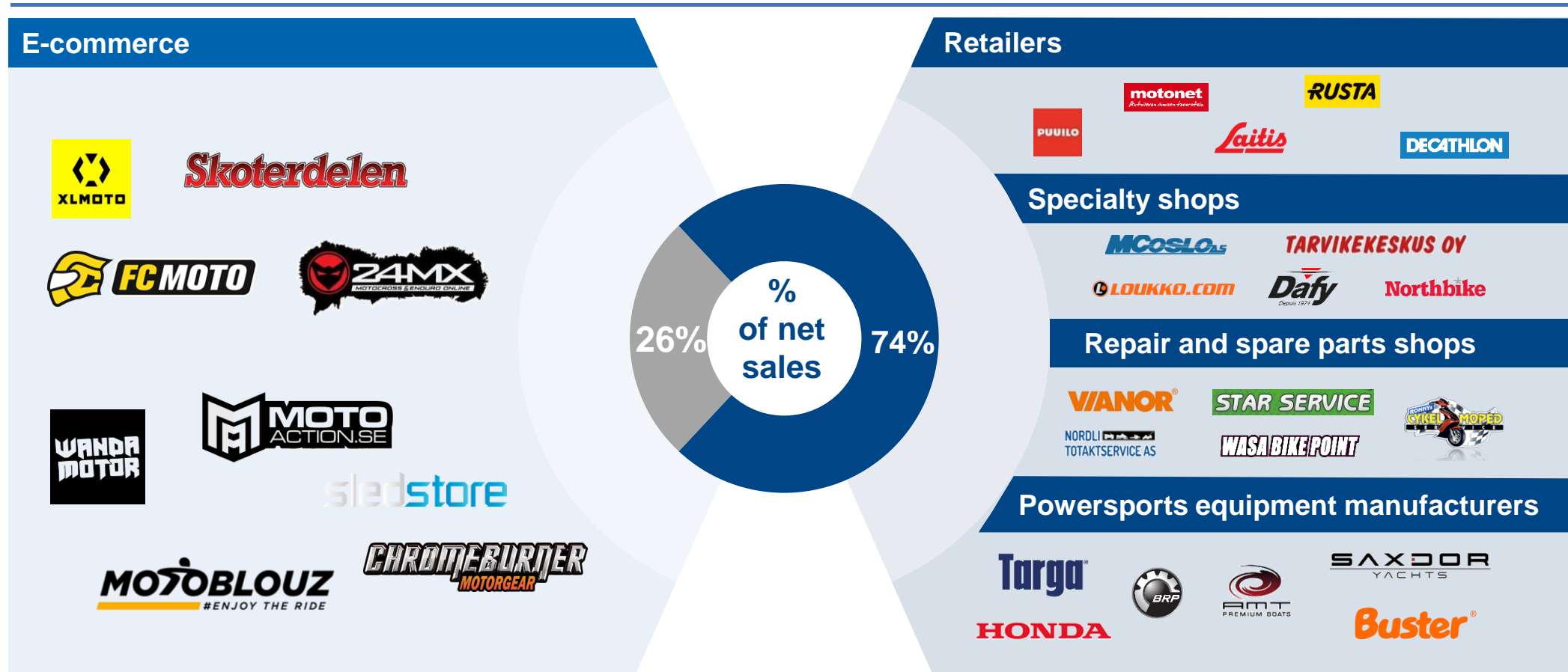
Nordic market sizes (€m) and Duell's market shares (%), 2020¹⁾



1) At the end of August 2021. Powersport distributor market sizes calculated as Duell's sales / indicative market share. Nordic market size defined as MC onroad, MC offroad, ATV, Snowmobile and Marine spare parts and accessories (except marine Norway). Total market size includes OEM

Strong presence in all dealer channels

Sales split by customer type (FY 08/21)

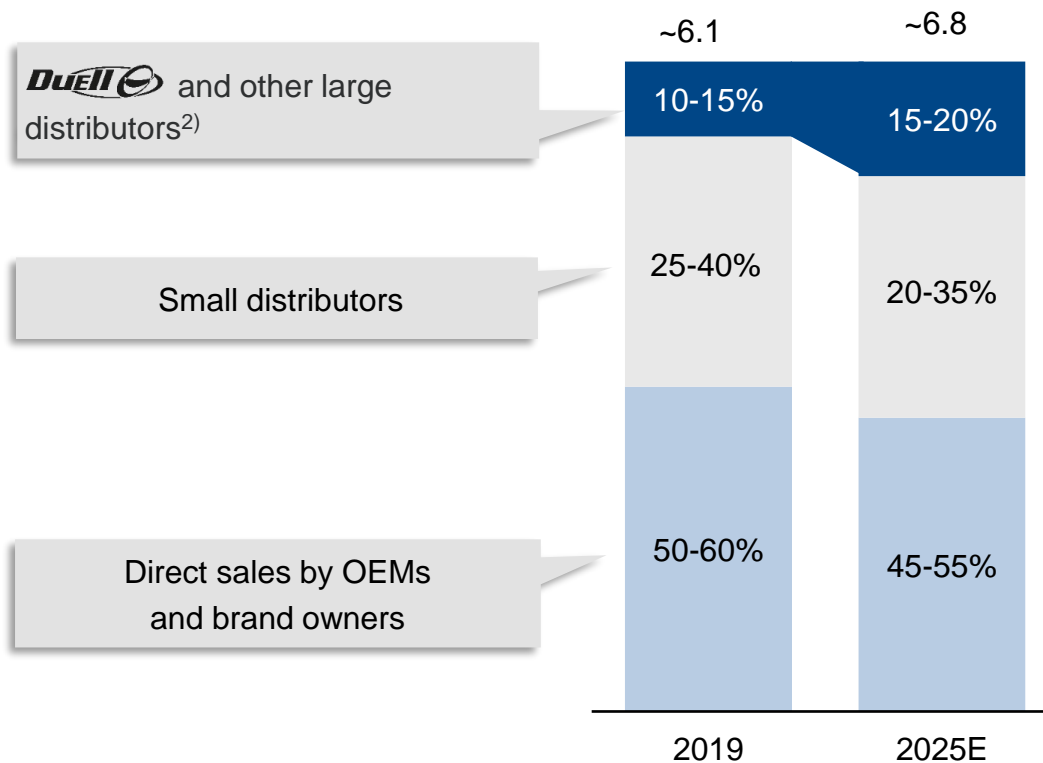


1) Does not include Tecno Globe clients

Large distributors are growing and taking market share

Consolidation and scale benefits
will increase the role of large players

Market development (EURbn, %)¹⁾



Fragmented market with few dominating players

Selected players



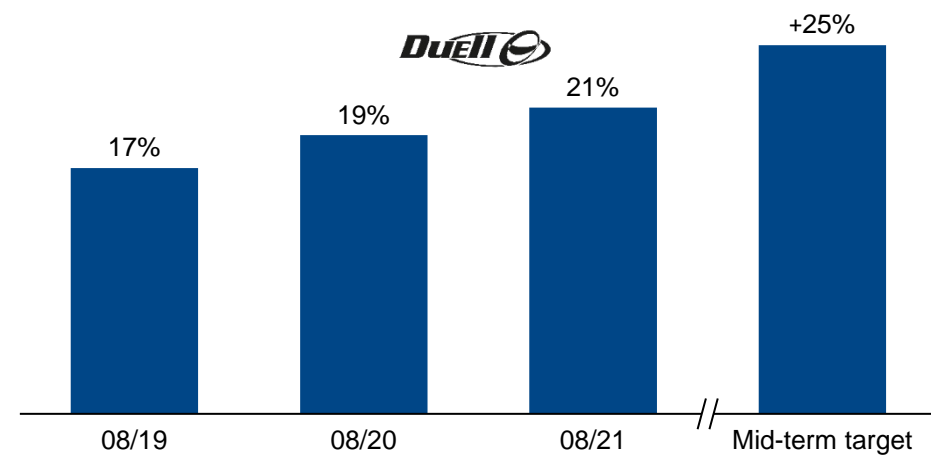
1) Source: Third party market study commissioned by Duell in the spring of 2021 informed by multiple sources including desktop research and company websites



Own brands support profitable growth

Own brand share of sales is expected to increase

Own brand share of sales (excl. Tecno Globe)



Examples of strategically important own brands



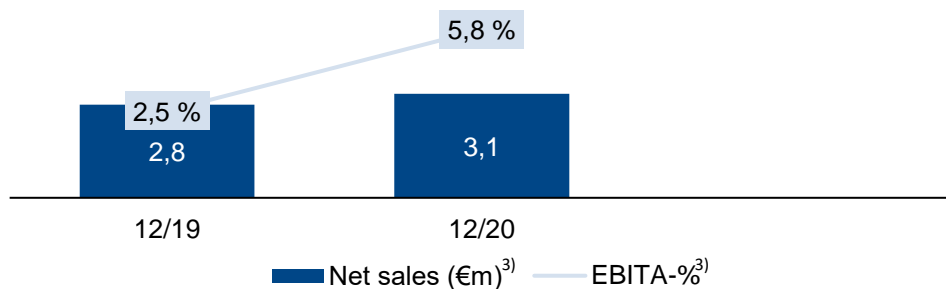
Two important acquisitions to drive market expansion



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

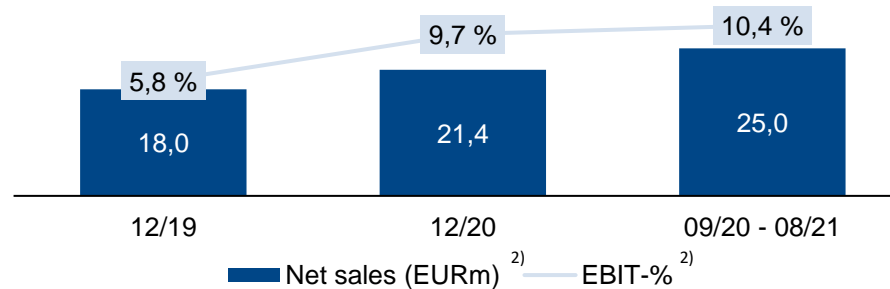
Portfolio of attractive brands:



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:



Note: 1) Source: Company information; 2) According to French GAAP; 3) According to Dutch GAAP.
Source: Company information

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

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



HQ | Mustasaari, Finland

T | +358 (0) 20 118 000

E | info@duell.eu | forename.surname@duell.eu

W | www.duell.eu

Duell Bike-Center Oy | Kauppatie 19 | 65610 Mustasaari | Finland

SDBC Motor AB | Bredkärrsgatan 10 | 57392 Tranås | Sweden

SDBC Motor AB Denmark | c/o Regnskabskontoret Løve ApS, Hasle | 8210 Aarhus | Denmark

Duell AS | Kristian Walbys veg 5 | NO-2212 Kongsvinger | Norway

Duell UK Ltd. | Unit 1 Whitwick Business Centre | Coalville LE 67 4JP | UK