

A promising start to the year

Duell reported Q1 net sales at EUR 28.3m, just surpassing our forecast of EUR 27.5m, while adjusted EBITA reached EUR 0.7m, also higher than our prediction of EUR 0.5m. The performance in the Nordics was stronger than expected despite the late start of Nordic winter season.

- Duell's Q1 net sales grew 4.7% y/y to EUR 28.3m (EUR 27.0m in Q1/24, EUR 27.5m Evli).
- Net sales in the Nordics amounted to EUR 15.3m (EUR 15.1m in Q1/24, EUR 14.9m Evli), in Rest of Europe net sales stood at EUR 13.0m (EUR 11.9m in Q1/24, EUR 12.5m Evli).
- Adj. EBITA in Q1 amounted to EUR 0.7m (EUR 0.3m in Q1/24, EUR 0.5m Evli). Duell's gross margin increased from 23.9% in Q1/24 to 24.9%.
- Duell presented its consolidated income statement alongside the business review, revealing no significant deviations in operating expenses, majority of the positive delta in profitability vs. our estimates was due to better gross margin than expected.
- Duell also announced that it has completed the change negotiations that were announced in October. Targeted cost savings are approximately EUR 1m across the group and the savings will be spread over the last three quarters of the fiscal year 2025.
- Net debt was at EUR 24.7m at the end of the quarter, down from 45.2m in Q1/24, driven by the completed rights issue. Net debt was up compared to end of the fiscal year 2024 due to seasonality as the company's inventory levels are typically higher in Q1 vs. Q4.
- Guidance 2025 (unchanged): Organic net sales with comparable currencies will be at the same level or higher than previous year. Adjusted EBITA to improve from last year's level.

Rating 🇺🇸🇩🇪 Buy

	Q1/25	Actual	Evli	Q1/24
Revenue		28.3	27.5	27.0
<i>Nordics</i>		15.3	14.9	15.1
<i>Europe</i>		13.0	12.5	11.9
Adj. EBITA		0.7	0.5	0.3
<i>Adj. EBITA margin</i>		2.4 %	1.8 %	1.0 %

Source: Duell, Evli Research

Share price, EUR (Last trading day's closing price)	6.75
Target price, EUR	9.0
Latest change in recommendation	28-Mar-24
Latest report on company	09-Jan-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	5 161
No. of shares fully diluted, '000's	5 161
Market cap, EURm	35
Free float, %	
Exchange rate	1.0
Reuters code	DUELL.HE
Bloomberg code	DUELL FH
Average daily volume, EURm	
Next interim report	16-Jan-25
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PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	118.8	1.0	0.9%	4.8	-1.58	-12.7	0.5	56.2	18.8%	
2024	124.7	0.8	0.7%	-5.1	-0.51	77.6	0.5	66.9	-13.8%	
2025E	127.7	4.6	3.6%	3.1	0.36	18.8	0.4	11.2	8.9%	0.11
2026E	132.7	6.8	5.1%	3.3	0.76	8.9	0.4	7.2	9.4%	0.23
2027E	136.6	8.1	5.9%	5.2	0.99	6.8	0.3	5.5	15.1%	0.30
Market cap, EURm		35	Gearing 2025E, %		30.8 %	CAGR EPS 2024-27, %		121.2 %		
Net debt 2025E, EURm		16	Price/book 2025E		0.7	CAGR Sales 2024-27, %		3.1 %		
Enterprise value, EURm		51	Dividend yield 2025E, %		1.6 %	ROE 2025E, %		3.5 %		
Total assets 2025E, EURm		87	Tax rate 2025E, %		19.7 %	ROCE 2025E, %		5.9 %		
Goodwill 2025E, EURm		16	Equity ratio 2025E, %		61.4 %	PEG, P/E 25/CAGR		0.4		

All the important disclosures can be found on the last pages of this report

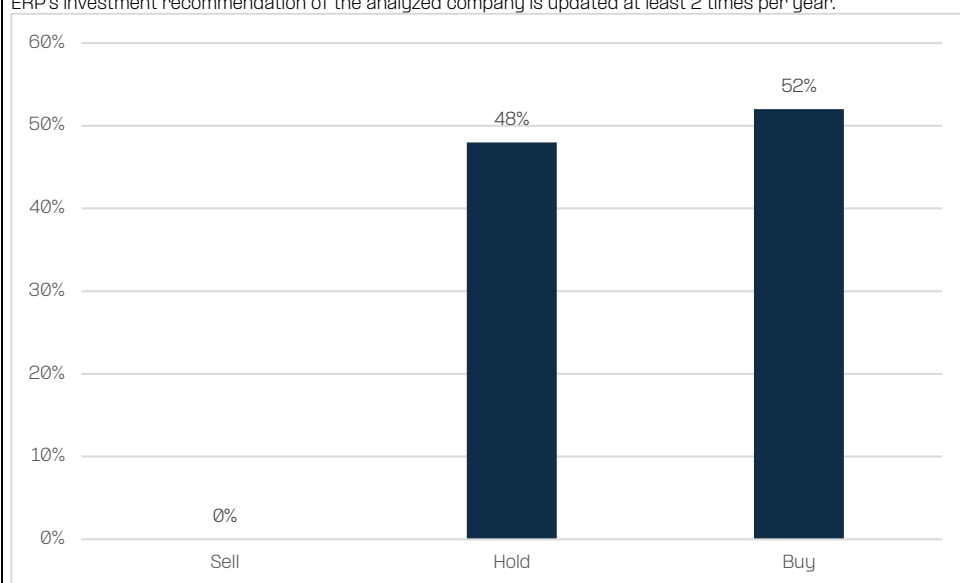
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Atte Jortikka

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