

Not all negative

Duell's Q3 figures were anticipated to be weak following the profit warning. While profitability was below expectations, volumes exceeded our forecasts. In addition, developments in NWC, cash flow, and net debt were positives easing concerns related to leverage.

- Duell's Q3 net sales grew 0.7% y/y to EUR 38.2m (EUR 37.9m in Q3/24, EUR 36.5m Evli). Net sales with comparable FX decreased -0.8%.
- Net sales in the Nordics amounted to EUR 18.7m, surpassing our estimate of EUR 17.5m. In Central Europe, net sales grew to EUR 19.5m (EUR 18.4m in Q3/24, EUR 19.0m Evli).
- Growth in European e-commerce space continued as the share of online sales amounted to 30% of total net sales in Q3/2025, up from 26% in Q3/2024.
- Adj. EBITA in Q3 amounted to EUR 2.1m (EUR 3.2m in Q3/24, EUR 2.6m Evli). Duell's gross margin declined to 21.7% from 24.9% in Q3/24.
- The primary reason for the lower-than-estimated margin was the reduced gross margin which was likely affected by sales mix and NWC management.
- Cash level at the end of period was at EUR 5.9m (EUR 4.2m Q3/2024). Cash flow from operating activities for the quarter was EUR 8.0m, notably up from EUR 3.4m last year.
- Net working capital decreased to EUR 52.5m (EUR 57.7m Q3/24) and inventories as % of LTM net sales declined to 39.1% from 40.5% in Q3/24.
- Net debt was at EUR 21.6m at the end of the quarter (EUR 27.1m at the end of Q3/24), net debt to LTM adj. EBITDA was 3.4 (4.5) and the covenants were met.
- As communicated earlier, Duell lowered its guidance for FY 2025 as it now expects organic net sales with comparable currencies to be at the same level or lower as the previous year (prev. same level or higher). In terms of profitability, Duell expects adj. EBITA to be below last year's level (prev. to improve from last year's level).

Rating

Accumulate

	Q3/25	Actual	Evli	Q3/24
Revenue		38.2	36.5	37.9
<i>Nordics</i>		18.7	17.5	19.5
<i>Europe</i>		19.5	19.0	18.4
Adj. EBITA		2.1	2.6	3.2
<i>Adj. EBITA margin</i>		5.5 %	7.0 %	8.4 %

Source: Duell, Evli Research

Share price, EUR (Last trading day's closing price) **4.28**
Target price, EUR 5.3

Latest change in recommendation 01-Jul-25

Latest report on company 01-Jul-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 22

Free float, % 60.0 %

Exchange rate 1.0

Reuters code DUELL.HE

Bloomberg code DUELL FH

Average daily volume, EURm

Next interim report 03-Jul-25

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BUY ACCUMULATE REDUCE SELL

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	-0.01	-12.7	0.5	56.2	18.8%	
2024	124.7	0.8	0.7%	-5.1	0.00	65.7	0.4	60.2	-16.3%	
2025E	123.3	2.2	1.8%	0.7	-0.05	-81.9	0.3	19.0	3.2%	
2026E	127.7	3.8	2.9%	4.2	0.23	18.8	0.3	9.8	18.9%	
2027E	134.1	4.9	3.6%	1.6	0.42	10.1	0.3	7.2	7.2%	0.13
Market cap, EURm				22	Gearing 2025E, %		36.7 %	CAGR EPS 2024-27, %		874.9 %
Net debt 2025E, EURm				19	Price/book 2025E		0.4	CAGR Sales 2024-27, %		2.5 %
Enterprise value, EURm				41	Dividend yield 2025E, %		0.0 %	ROE 2025E, %		-0.5 %
Total assets 2025E, EURm				87	Tax rate 2025E, %		14.6 %	ROCE 2025E, %		2.8 %
Goodwill 2025E, EURm				16	Equity ratio 2025E, %		58.8 %	PEG, P/E 25/CAGR		0.0

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

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Target price compared to share price

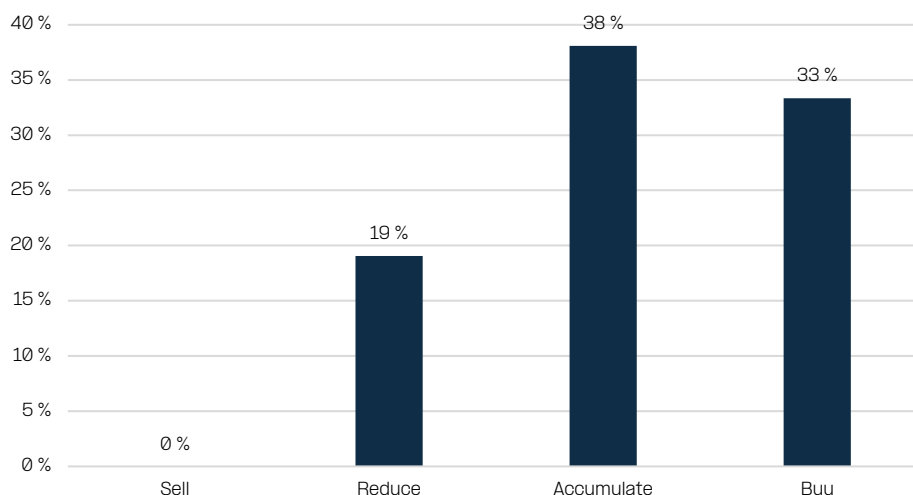
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
REDUCE
ACCUMULATE
BUY

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

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