

Mixed development

Duell reported Q2 net sales at EUR 29.3m, surpassing our forecast of EUR 28.3m, while adjusted EBITA reached EUR 1.1m, falling short of our estimate of EUR 1.5m. Growth in Europe exceeded our forecasts, while slow demand for snowmobile products due to weather conditions impacted margins more than we had expected.

- Duell's Q2 net sales grew 3.9% y/y to EUR 29.3m (EUR 28.2m in Q2/24, EUR 28.3m Evli).
- Net sales in the Nordics amounted to EUR 15.1m in line with our estimates. (EUR 15.7m in Q2/24, EUR 15.2m Evli) In Rest of Europe, net sales grew to EUR 14.2m (EUR 12.5m in Q2/24, EUR 13.1m Evli).
- Management identified major e-commerce clients as a key driver of sales growth in Europe. The share of online sales amounted to 32.7% of total net sales in Q2/2025, up from 26.4% in Q2/2024.
- Adj. EBITA in Q2 amounted to EUR 1.1m (EUR 1.4m in Q2/24, EUR 1.5m Evli). Duell's gross margin declined to 23.5% from 25.2% in Q2/24.
- The primary reason for the lower-than-estimated margin was the reduced gross margin, as the slower sales of snowmobile products impacted margins more than anticipated.
- Cash level at the end of period was at EUR 0.2m (EUR 0.9m Q2/2024). Although this can be attributed to seasonality as the company readies for its peak season, the level at the end of the quarter was notably low.
- Net working capital stayed roughly in line with the comparison period at EUR 58.5m while inventories as % of LTM net sales declined to 39.5% from 42.7% in Q2/24.
- Net debt was at EUR 29.3m at the end of the quarter (EUR 29.9m at the end of Q2/24), net debt to LTM adj. EBITDA was 4.0 (4.5), despite this, the covenants were met.

Rating

++ Buy

	Q2/25	Actual	Evli	Q2/24
Revenue		29.3	28.3	28.2
Nordics		15.1	15.2	15.7
Europe		14.2	13.1	12.5
Adj. EBITA		1.1	1.5	1.4
Adj. EBITA margin		3.9 %	5.2 %	4.9 %

Source: Duell, Evli Research

Share price, EUR (Last trading day's closing price)	5.72
Target price, EUR	8.5
Latest change in recommendation	02-Apr-24
Latest report on company	02-Apr-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	30
Free float, %	60.0 %
Exchange rate	1.0
Reuters code	DUELL.HE
Bloomberg code	DUELL FH
Average daily volume, EURm	0.1
Next interim report	10-Apr-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		77.6	0.5	66.9	-13.8%	
2025E	129.4	4.9	3.8%	2.3	0.43	13.3	0.4	9.6	7.9%	0.13
2026E	137.1	6.5	4.8%	2.5	0.71	8.0	0.3	6.9	8.4%	0.21
2027E	141.2	7.4	5.2%	5.1	0.86	6.6	0.3	5.6	17.2%	0.26
Market cap, EURm				30	Gearing 2025E, %		32.0 %	CAGR EPS 2024-27, %		
Net debt 2025E, EURm				17	Price/book 2025E		0.5	CAGR Sales 2024-27, %		4.2 %
Enterprise value, EURm				47	Dividend yield 2025E, %		2.3 %	ROE 2025E, %		4.2 %
Total assets 2025E, EURm				88	Tax rate 2025E, %		16.4 %	ROCE 2025E, %		6.3 %
Goodwill 2025E, EURm				16	Equity ratio 2025E, %		60.9 %	PEG, P/E 25/CAGR		0.3

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 - 0 %	REDUCE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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Recommendation	Percentage
Sell	0%
Hold	48%
Buy	52%

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here. As ERP is currently updating its ratings methodology, the graph will be updated in due time to reflect the changes.

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

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