

Quarter slightly better than feared after yesterday's profit warning

Duell issued a profit warning yesterday ahead of its Q2 note, significantly lowering guidance for both net sales and adj. EBITA. Our estimates still reflected the old guidance. While Q2 performance remained challenging, the outcome was somewhat better than anticipated, given the magnitude of the profit warning, implying a weaker outlook for H2.

- Duell's Q2 net sales declined -2% y/y to EUR 28.8m (EUR 29.3m in Q2'25, EUR 27.4m Evli). Net sales with comparable FX increased 0.4%.
- Adj. EBITA in Q2 amounted to EUR 0.4m (EUR 1.1m in Q2'25, EUR 0.7m Evli).
- Duell's gross margin decreased from 23.5% in Q2'25 to 22.6%.
- Net sales in the Nordics were EUR ~14.7m (Q2'25: EUR 15.1m), in line with our EUR 14.6m estimate.
- In Central Europe, net sales declined slightly to EUR ~14.1m (EUR 14.2m in Q2'25, EUR 12.8m Evli). Changes in the French brand portfolio continued to weigh on both net sales and profitability in the area.
- Cash flow from operating activities in Q2 was EUR -2.2m (Q2'25: EUR -4.6m).
- Net debt at the end of the period was at EUR 25.5m (Q2'25: EUR 29.3m), and LTM net debt/adj. EBITDA increased to 5.4x (Q2'25: 4.0x). The covenants for Q2'26 were amended and the conditions were met.
- Net working capital decreased to EUR 54.2m, (EUR 58.5m Q2'25) while inventories as % of LTM net sales increased to 40.3% from 39.5% in Q2'25.
- Net sales performance exceeded expectations, and we believe that the company prioritized sell-through to improve net working capital and lower inventory levels, which had a negative impact on margins.
- **Guidance (lowered prior to the Q2 report):** Duell expects organic net sales to be around EUR 115m and adjusted EBITA to be around EUR 2m. Previously Duell expected organic net sales at the same level as last year (EUR 126.6m) and adj. EBITA at the same level as last year (EUR 4.9m).
- In addition, Duell expects NRIs of EUR 2-3 million, as the reorganization of its supply chain and the optimization of inventory levels have a one-off negative impact on its full-year results.
- The revised guidance implies a 12% decline in net sales and ~40% decline for adj. EBITA in H2 y/y.

Rating

Accumulate

Q2'26	Actual	Evli	Year ago	Q1'26
Net sales	28.8	27.4	29.3	25.0
<i>Nordics</i>	14.7	14.6	15.1	13.7
<i>Europe</i>	14.1	12.8	14.2	11.2
Adj. EBITA	0.4	0.7	1.1	4.9
<i>Adj. EBITA margin</i>	1.2 %	2.5 %	3.9 %	19.8 %

Source: Duell, Evli Research

Share price, EUR (Last trading day's closing price)	1.31
Target price, EUR	2.3
Latest change in recommendation	01-Jul-25
Latest report on company	07-Apr-26
Research paid by issuer:	YES
No. of shares outstanding, '000's	5 184
No. of shares fully diluted, '000's	5 184
Market cap, EURm	7
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	09-Apr-26
Web site	investors.duell.eu
Analyst	Atte Pitkajarvi
E-mail	atte.pitkajarvi@evli.com
Telephone	+358 440 476 597

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KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2024	124.7	0.8	0.7%	-5.1	0.00	65.7	0.4	60.2	-16.3%	
2025	126.6	1.2	0.9%	0.1	-0.20	-21.0	0.3	35.8	0.3%	
2026E	122.5	1.2	1.0%	3.7	-0.27	-4.8	0.2	19.3	54.0%	
2027E	126.7	2.6	2.1%	1.3	0.05	26.4	0.2	8.5	18.9%	0.01
2028E	132.3	4.7	3.5%	2.6	0.42	3.1	0.1	4.2	38.8%	0.13
Market cap, EURm				7	Gearing 2026E, %		34.1 %	CAGR EPS 2025-28, %		0.0 %
Net debt 2026E, EURm				17	Price/book 2026E		0.1	CAGR Sales 2025-28, %		1.5 %
Enterprise value, EURm				23	Dividend yield 2026E, %		0.0 %	ROE 2026E, %		-2.9 %
Total assets 2026E, EURm				83	Tax rate 2026E, %		28.1 %	ROCE 2026E, %		1.7 %
Goodwill 2026E, EURm				13	Equity ratio 2026E, %		58.3 %	PEG, P/E 26/CAGR		0.0

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

Important Disclosures

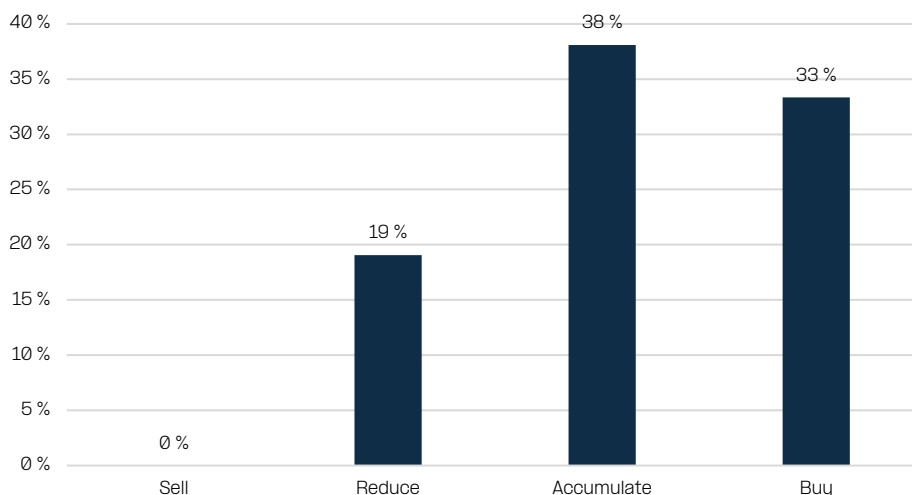
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	REDUCE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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Name(s) of the analyst(s): Pitkääjärvi

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Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head) +358 9 4766 9123
Aleksi Jalava +358 9 4766 9123
Pasi Väisänen +358 9 4766 9123

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

Equity Research

Jerker Salokivi (head) +358 9 4766 9149
Joonas Ilvonen +358 44 430 9071
Atte Jortikka +358 40 054 3725
Atte Pitkäljärvi +358 44 047 6597

EVLI

EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000