

Inorganic growth supported the result

Duell was able to grow its revenue 4.9% y/y during the seasonally slow Q1 as the inorganic growth supported the company's development. With the stronger than expected sales, the adj. EBITA was slightly higher than expected at EUR 0.3m (Evli est. EUR 0.0m)

- Q1 net sales came in at EUR 27.0m (EUR 25.8m in Q1/23, EUR 24.5m Evli).
- Net sales in the Nordics amounted to EUR 15.1m (EUR 16.0m in Q1/23, EUR 15.2m Evli), in Rest of Europe net sales stood at EUR 11.9m (EUR 9.7m in Q1/23, EUR 9.3m Evli)
- Net sales development was better than expected in the rest of Europe as inorganic growth was even stronger than we had expected.
- Adj. EBITA in Q1 amounted to EUR 0.3m (EUR -0.4m in Q1/23, EUR 0.0m Evli).
- Net debt at the end of Q1 stood at EUR 45.2m, up q/q from EUR 38.2m at the end of FY 2023, yet down y/y from EUR 50.4m at the end of Q1/23.
- Similarly, NWC increased q/q to EUR 55.5m from EUR 49.9m at the end of FY 2023, yet down y/y from EUR 62.1m at the end of Q1/23
- Operating free cash flow amounted to EUR -6.2m (Q1/23: EUR -5.0m).
- **Outlook for FY 2024 (unchanged):** Net sales guidance not given due to weakened market predictability. Duell will continue its profitability improvement programme and enhance the net working capital position in financial year 2024. Duell estimates adjusted EBITA to improve from previous year's level.

Rating 🟡 HOLD				
	Q1/24	Actual	Evli	Q1/23
Revenue		27.0	24.5	25.8
Nordics		15.1	15.2	16.0
Europe		11.9	9.3	9.7
Adj. EBITA		0.3	0.0	(0.4)
Source: Duell, Evli Research				
Share price, EUR (Last trading day's closing price)				0.04
Target price, EUR				0.04
Latest change in recommendation				01-Dec-23
Latest report on company				11-Jan-24
Research paid by issuer:				YES
No. of shares outstanding, '000's				1,038,546
No. of shares fully diluted, '000's				1,038,546
Market cap, EURm				42
Free float, %				0.0
Exchange rate EUR				1.000
Reuters code				DUELLHE
Bloomberg code				DUELL FH
Average daily volume, EURm				0.1
Next interim report				18-Jan-24
Web site				investors.duell.eu
Analyst				Atte Jortikka
E-mail				atte.jortikka@evli.co
Telephone				+358 400 543 725

🟢 BUY 🟡 HOLD 🔴 SELL

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
2022	124.0	4.9	4.0%	-25.2	0.01	0.0	0.4	9.1	0.0	0.00
2023	118.8	1.0	0.9%	-1.1	-0.01	-12.7	0.5	62.3	-4.3	0.00
2024E	117.1	3.1	2.7%	21.3	0.00	-1,275.6	0.5	18.7	51.2	0.00
2025E	122.5	5.3	4.3%	1.3	0.00	17.2	0.5	10.8	3.1	0.00
2026E	126.9	5.9	4.7%	3.1	0.00	12.3	0.4	9.2	7.3	0.00

Market cap, EURm	42	BV per share 2024E, EUR	30.3	CAGR EPS 2023-26, %	0.0
Net debt 2024E, EURm	17	Price/book 2024E	0.8	CAGR sales 2023-26, %	2.2
Enterprise value, EURm	58	Dividend yield 2024E, %	0.0	ROE 2024E, %	-0.1
Total assets 2024E, EURm	105	Tax rate 2024E, %	16.4	ROCE 2024E, %	3.9
Goodwill 2024E, EURm	24	Equity ratio 2024E, %	52.0	PEG, P/E 24/CAGR	0.0

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

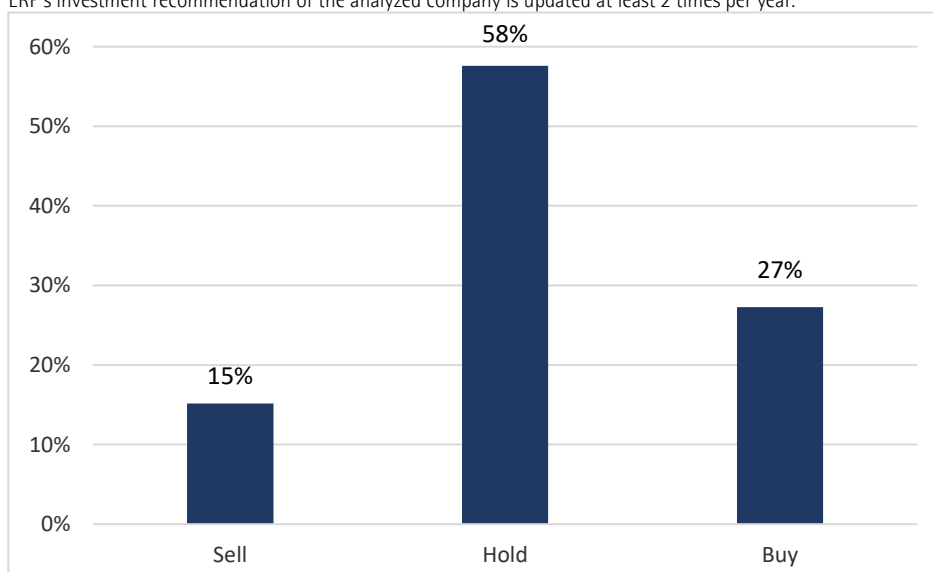
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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Contact information

SALES, TRADING AND RESEARCH

Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lijja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Atte Jortikka +358 40 054 3725
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

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