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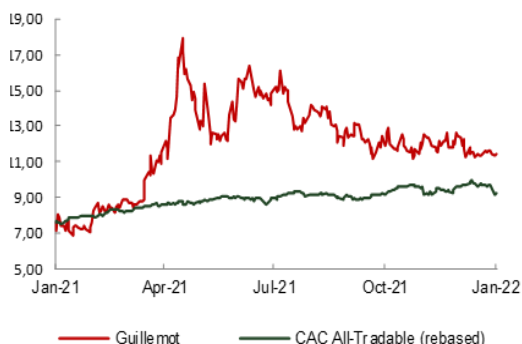
Recommendation	1. Strong Buy
Closing Price on 27 Oct. 2021	€ 13.74
Target Price	€ 26.50 (+92.9%)

Market data

Reuters / Bloomberg Ticker	GTCN.PA / GUI:FP
Market capitalisation (€m)	210
Enterprise value (€m)	213.7
Free Float (€m)	63.5 (30.2 %)
Number of shares	15 287 480
Daily volume	€ 420 637
Capital turnover rate (1 year)	29.44%
High (52 weeks)	€ 17.90
Low (52 weeks)	€ 11.18

Performances

Absolute perf.	1 month	6 months	12 months
	-7%	-24%	+ 50.7%

**Current shareholding structure**Free Float: 30.23 % ; Guillemot Brothers & Family: 69.49%
Treasury stocks: 0.28 %**Agenda**

2021 Results to be released on March 24th, 2022

Key figures

	2019	2020	2021E	2022E	2023E
Sales (€m)	60.9	120.6	176.8	205.7	231.1
Change (%)	-25.1%	98.1%	46.6%	16.3%	12.4%
EBITDA (€m)	2.0	26.1	42.2	50.2	56.5
EBIT (€m) **	-2.6	23.1	33.6	40	45
Ebit margin (%)	-4.3%	19.1%	19%	19.4%	19.5%
Net profit gp (€m) *	-2.4	22.1	32.5	38.8	43.3
Net margin (%) *	-3.9%	18.3%	18.4%	18.8%	18.7%
EPS *	-0.16	1.45	2.13	2.53	2.83

Ratios (Excluding Valuation of Ubisoft shares)

	2019	2020	2021E	2022E	2023E
EV / Sales	0.6	0.7	0.9	0.6	0.3
EV / EBITDA	17.1	3.2	3.9	2.4	1.1
EV / EBIT	ns	3.7	4.9	3	1.4
P / E *	ns	4.6	6.5	5.4	4.9
Gearing (%)	20%	-23%	-40%	-61%	-75%
Net deb. / EBITDA	5.1	-0.7	-1.1	-1.8	-2.6
ROCE (%)	-8%	93%	93%	112%	135%

* Restated items for unrealized capital gains/losses on the securities portfolio

** Including, during FY 2020, a €4.1m recognition as reversal of impairment on the Thrustmaster brand

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The company has pushed back its limits in Q4 2021, highlighting a strong growth in its business. Revenues for the quarter reached € 65.6 M (+65 % YoY), well above our expectations of € 51 M. The annual turnover has thus increased to € 176.8 M (+47 % YoY). Throughout the year, the group has successfully increased its production levels and logistics capacities in order to guarantee availability of its products to consumers. Coupled with the various partnerships signed (with *Airbus* and *Boeing* in particular), this strategy has paid off. Despite a high basis of comparison, *Thrustmaster's* sales have grown in Q4 by +69 %, reaching € 62.4 M, while *Hercules* has achieved sales of € 3.2M (+14 % YoY). We increased our TP to **€ 26.50 (+€ 2.00) – Strong Buy reiterated.**

A global growth

Guillemot closed its 2021 fiscal year with a very significant sales growth, up +65 % in Q4 2021 to reach € 65.6 M.

In details:

- **Thrustmaster** posted a turnover of € 62.4 M in Q4 2021 (+69 % YoY). This persistent growth is due to the wide availability of products, both at e-tailers and physical distributors, and to the recognized quality of the group's products. Indeed, the new *T248* for *Playstation 5* launched during the last quarter has led to as strong sales dynamic, despite the low availability of the consoles. The yokes signed in partnership with *Boeing* also recorded strong sales over the period, as did the gamepads in the high-end segment.
- The **Hercules** brand, focused on Djing's niche products, continued its growth phase, with sales of € 3.2 M (+14 % YoY), driven in particular by the good market penetration of its latest release: the *DjControl Mix*.

With this Q4 contribution, annual sales reached a record level of € 176.8 M, up +47 % YoY. Sales growth was almost homogeneous around the world: +41 % in North America, +53 % in Europe and +38 % in the rest of the world.

The challenge of shipping goods met with flying colors!

In our previous publication, we indicated that the challenge for Q4 would be to deliver goods to consumers. Given the figures which largely exceeded our estimates (€ 65.6 M vs. € 51.0 M est.), we can affirm that the group has met the latter challenge with flying colors, thanks to its well-executed product pre-routing strategy.

Strong Buy reiterated: TP raised to € 26.50 (+€ 2.00)

Over the past few months, the group has pursued its investment in partnerships, both in the eSports world and with game developers, and has announced major releases, notably its successful steering wheel *T248* on Xbox. Beyond these elements, we believe that Guillemot now has all the logistical and operational capacities to durably deliver sales over € 200 M per year, in line with the announced guidance for 2022 sales > € 200 M. We raised our 2021 EPS to € 2.13 (vs. € 1.91 previously) as well as our TP to **€ 26.50 (vs. € 24.50) – Strong Buy reiterated.**

Important disclosures

Genesta Equity Research ratings and target prices definition

Genesta Equity Research stock market recommendations reflect the absolute change expected in the share price from a six to twelve-months perspective (in local currencies).

1. Strong buy	The absolute share price performance is expected to be at least +25 %
2. Buy	The absolute share price performance is expected to be comprised between +10 % and +25 %
3. Neutral	The absolute share price performance is expected to be comprised between +10 % et -10 %
4. Sell	The absolute share price underperformance is expected to be comprised between -10 % et -25 %
5. Strong Sell	The absolute share price underperformance is expected to be at least -25 %

Details of valuation methods used by Genesta Equity Research in target price calculations are available at www.genesta-finance.com.

Detection of potential conflicts of interest

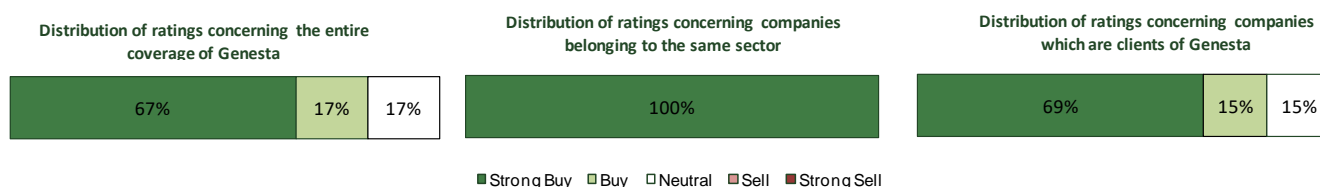
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No	No	No	No	Yes	No	No

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Rating and target price evolution throughout the last 12 months

Date of 1 st publication	Rating	Target Price
January 31 st 2022	Equity Flash Strong Buy	€ 26.50
November 2 nd 2021	Equity Flash Strong Buy	€ 24.50
September 27 th 2021	Semi-annual Research Strong Buy	€ 23.55
August 2 nd 2021	Equity Flash Strong Buy	€ 20.30
May 3 rd 2021	Equity Flash Strong Buy	€ 21.25
March 29 th 2021	Annual Research Strong Buy	€ 18.80
February 1 st 2021	Equity Flash Buy	€ 12.45

Ratings distribution



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