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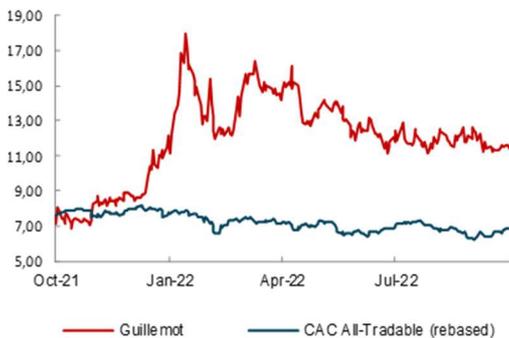
<b>Recommendation</b>	<b>1. Strong Buy</b>
<b>Closing Price on October 28 2022</b>	<b>€ 12.56</b>
<b>Target Price</b>	<b>€ 16.65 (+32.6%)</b>

**Market data**

Reuters / Bloomberg Ticker	GTCN.PA / GUI:FP
Market capitalisation (€m)	192.0
Enterprise value (€m)	187.0
Free Float (€m)	58.04 (30.2 %)
Number of shares	15 287 480
Daily volume	€ 359 805
Capital turnover rate (1 year)	27.55%
High (52 weeks)	€ 16.54
Low (52 weeks)	€ 9.65

**Performances**

Absolute perf.	1 month	6 months	12 months
	23.9%	-5.1%	10%

**Current shareholding structure**Free Float: 30.2 % ; Guillemot Family: 69.5%  
Treasury stocks: 0.3 %**Agenda**

Q4 2022 turnover to be released on January 26th, 2023

**Key figures**

	2020	2021	2022E	2023E	2024E
Sales (€m)	120.6	176.8	206.9	227.9	246.7
Change (%)	98.1%	46.5%	17.1%	10.1%	8.2%
EBITDA (€m)	26.1	39.7	42.9	46.3	51.9
EBIT (€m) **	23.1	33.0	35.0	36.3	39.3
Ebit margin (%)	19.1%	18.7%	16.9%	15.9%	15.9%
Net profit gp (€m) *	22.1	30.0	32.0	34.6	37.6
Net margin (%) *	18.3%	17.0%	15.4%	15.2%	15.3%
EPS *	1.45	1.96	2.09	2.26	2.46

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

**Ratios (Excluding Valuation of Ubisoft shares)**

	2020	2021	2022E	2023E	2024E
EV / Sales	0.7	1.1	0.7	0.5	0.3
EV / EBITDA	3.2	4.7	3.2	2.3	1.5
EV / EBIT	3.7	5.7	3.9	3.0	2.0
P / E *	4.6	6.4	6.0	5.6	5.1
Gearing (%)	-23%	-6%	-61%	-70%	-72%
Net debt/EBITDA	-0.7	-0.1	-1.3	-1.8	-2.2
ROCE (%)	93%	49%	66%	81%	92%

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

**Guillemot****Growth challenge met!**

Following a strong first half of 2022 (€98.1 million in turnover, +39% YoY), Guillemot has confirmed its ability to grow in a particularly difficult context, posting a +6 % YoY increase in Q3 2022 turnover (€43.0 million vs. an estimated €44.0 million). The group's two brands have once again posted growth over the quarter, both Thrustmaster, with growth of +3 % YoY (€39.8 million in sales), and Hercules (€3.2 million in sales), which has grown by +45 % YoY, with no contribution from the OEM activity. These figures bring our cumulative sales for the 2022 first three quarters to €141.1 million, up +27 % YoY. As the macroeconomic context is deteriorating, as is the outlook for the sector, we are slightly lowering our 2022 sales target to €206.9 m (vs. €212.0 m previously). **Strong Buy** opinion reiterated, TP at **€16.65 (vs. €17.00 previously)**.

**Growth still on track**

This quarter, Guillemot continued its uninterrupted growth trajectory since 2020, despite a significant base effect combined with a particularly challenging environment. Business volume for the quarter was €43.0 million (vs. €44.0 million est.), up +6 % YoY. In details:

- **Thrustmaster** posted a business volume of €39.8 million, an increase of +3 % YoY. With no major news over the period, this growth is the result of the brand's efforts to gain market share in its various products and geographical areas. Conscious of the importance of continuing its communication efforts by participating in major events, the group took advantage of the Paris Motor Show to make its Racing products known to as many people as possible, and in particular the new *T128* mass-market steering wheel.
- The **Hercules** brand, focused on *DJing* products, recorded a sales volume of €3.2 million (+45 % YoY) exclusively on its own-brand products, thus demonstrating the quality of the offer and the relevance of the marketing carried out in recent years.

These figures lead to a cumulative business volume over 9 months of €141.1 million, up +27 % YoY.

**A year-end in chiaroscuro**

The group tells us that an important product news, both in the *Flying* and in the *Racing*, will take place in Q4 2022, which will progressively reward the R&D efforts made by the group. Moreover, Guillemot should benefit from the integration in "full quarter" of its new entry-level release: the *T128*.

However, the global macroeconomic and logistical context continues to contract, leading to inflation, which could have an effect on discretionary household consumption at the end of the year. Also, the lack of game releases could dampen sales potential. We are therefore slightly lowering our FY 2022 sales target to €206.9 m (vs. €212.0 m previously).

**Strong Buy opinion reiterated, TP at €16.65**

Despite the context, we remain optimistic about the stock, which has demonstrated its ability to outperform its markets and to grow in a contracting environment. We therefore **reiterate** our **Strong Buy** rating on the stock, with EPS 2022 at €2.09 / share (vs. €2.20 previously) and have revised our price target to **€16.65** (vs. €17.00 previously).

## Important disclosures

### In Extenso Financement & Marché ratings and target prices definition

In Extenso Financement & Marché stock market recommendations reflect the absolute change expected in the share price from a six to twelve-months perspective (in local currencies).

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

Details of valuation methods used by In Extenso Financement & Marché in target price calculations are available at [www.genesta-finance.com](http://www.genesta-finance.com).

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### Rating and target price evolution throughout the last 12 months

Date	Opinion	Objectif de cours
October 31 <sup>st</sup> 2022	Equity Flash <b>Strong Buy</b>	€ 16.65
October 4 <sup>th</sup> 2022	Semi-annual Research <b>Strong Buy</b>	€ 17.00
August 1 <sup>st</sup> 2022	Equity Flash <b>Strong Buy</b>	€ 19.70
July 5 <sup>th</sup> 2022	Sectoral study <b>Strong Buy</b>	€ 19.65
May 2 <sup>nd</sup> 2022	Equity Flash <b>Strong Buy</b>	€ 19.30
March 30 <sup>th</sup> 2022	Annual Research <b>Strong Buy</b>	€ 19.60
January 31 <sup>st</sup> 2022	Equity Flash <b>Strong Buy</b>	€ 26.50

### Ratings distribution



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