

Date of first publication: 29<sup>th</sup> of March 2025**Maud Servagnat**

Equity Analyst

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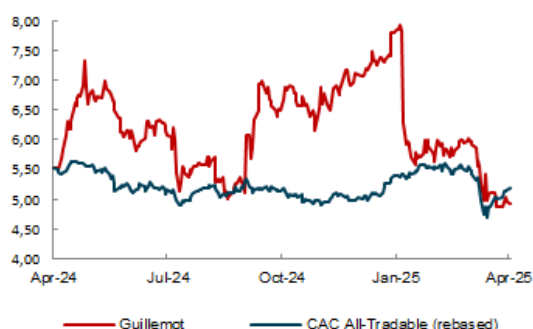
<b>Recommendation</b>	<b>2. Buy</b>
<b>Closing Price on 28 April 2025</b>	<b>€ 4.93</b>
<b>Target Price</b>	<b>€ 6.10 (+23.8%)</b>

**Market data**

Reuters / Bloomberg Ticker	GTCN.PA / GUI:FP
Market capitalisation (€m)	74.4
Enterprise value (€m)	53.1
Free Float (€m)	22.49 (30.2%)
Number of shares	15 087 480
Daily volume	€ 86 618
Capital turnover rate (1 year)	14,67%
High (52 weeks)	€ 7,92
Low (52 weeks)	€ 4,88

**Performances**

Absolute perf.	1 month	6 months	12 months
	-16,7%	-26,2%	-10,7%

**Current shareholding structure**

Free Float: 30.2% ; Guillemot Family: 69.5%  
Treasury stocks: 0.3%

**Agenda**

H1 2025 sales : 30 July 2025 (after market)

**Key figures**

	2023	2024	2025E	2026E	2027E
Sales (€m)	119,1	125,1	113,0	120,2	127,5
Change (%)	-36,6%	5,0%	-9,7%	6,4%	6,1%
EBITDA (€m)	10,9	14,2	13,2	17,1	19,8
EBIT (€m)	2,5	3,7	4,2	7,5	9,6
Ebit margin (%)	2,1%	3,0%	3,7%	6,2%	7,5%
Net profit gp (€m) *	2,5	5,6	3,2	5,5	7,1
Net margin (%) *	2,1%	4,5%	2,8%	4,6%	5,6%
EPS *	0,17	0,38	0,22	0,38	0,48

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

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

	2023	2024	2025E	2027E	2027E
EV / Sales	0,5	0,4	0,3	0,2	0,2
EV / EBITDA	5,1	3,4	2,7	1,7	1,1
EV / EBIT	22,1	13,0	8,5	3,8	2,4
P / E *	29,4	12,9	22,9	13,1	10,2
	0,0	0,0	0,0	0,0	0,0
Gearing (%)	-16%	-24%	-35%	-40%	-43%
Net debt/EBITDA	-1,5	-1,7	-2,8	-2,6	-2,5
ROCE (%)	1%	1%	3%	5%	6%

**Guillemot****Wheels decline in Q1; uncertainties in 2025**

The group reported Q1 2025 revenue down -10% YoY. Thrustmaster declined -11%, mainly due to lower steering wheel sales. The financial situation was still very healthy at the end of March. Guillemot revised its 2025 guidance downwards and now anticipates revenue > €110 M and positive operating profit (vs. revenue growth and RO > 0). The uncertainty related to new customs duties weighs on demand in the US and Europe. The group is managing its commercial policy (inventories and prices) according to developments. Conversely, the momentum in Racing and the group's new products should help mitigate the effects of this instability. We reduce our estimates (in line with guidance) and our PO from €7.1 to €6.1. The stock currently trades at 2.6x 12-month EV/EBITDA vs. its historical average at 3.8x. Buy reiterated.

**Q1 2025 sales down -10% due to lower wheels**

The group reported Q1 2025 revenue of €25 M, down -10% YoY. Thrustmaster recorded revenue of €22 M, down -11%, primarily due to declining steering wheel sales. Conversely, joystick and gamepad sales grew over the period. Hercules saw a limited decline of -3%. The financial situation remained very healthy at the end of March 2025, with negative net debt at €26.7 M (excluding Ubisoft shares).

**2025: uncertainty tempered by Racing and new features**

Guillemot revised its 2025 guidance downwards and now anticipates revenue > €110 M and positive operating profit. Previously, the group anticipated further revenue growth and an operating profit > 0. Uncertainty related to new customs duties is weighing on demand for gaming accessories in the US and Europe. Sales in the US represent 25% of the group's revenue. Guillemot anticipated the increase in new customs duties by increasing its local inventories. Thus, the majority of needs should be covered until this fall. These inventories should also allow for a transition with price increases for consumers. The group will manage its commercial policy according to macroeconomic developments. At the same time, the momentum in Racing and the strength of the group's new products should help mitigate the effects of this instability.

**TP adjusted to €6.1 (from €7.1) - Buy reiterated**

We reduce our estimates (in line with guidance) given geopolitical instability and the lack of medium-term visibility. Our new price target comes down from €7.1 to €6.1 (DCF and comps average). The stock currently trades at 2.6x 12-month EV/EBITDA vs. its historical average at 3.8x whereas the group has managed to double its sales level compared to the pre-Covid situation (achieved sales of c.€61 M in 2019 vs. c.€125 M in 2024). Buy reiterated.

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## Financials

P&L - FY end December 31st (€M)	2023	2024	2025E	2026E	2027E
Sales	119.1	125.12	113	120.2	127.5
% change	-36.6%	5%	-9.7%	6.4%	6.1%
Gross margin	58.02	66.59	58.99	64.56	69.14
% of sales	48.7%	53.2%	52.2%	53.7%	54.2%
EBITDA	10.9	14.2	13.2	17.1	19.8
% EBITDA margin	9.1%	11.4%	11.7%	14.2%	15.5%
EBIT	2.5	3.7	4.2	7.5	9.6
% EBIT margin	2.1.0%	3%	3.7%	6.2%	7.5%
Financial result (without Ubi impact)	0.06	1.85	0	0	0
Earnings before tax	2.6	5.6	4.2	7.5	9.6
Income tax	0.11	0	1.05	1.95	2.5
Net income (with Ubi impact)	0.96	1.2	3.2	5.5	7.1
Restated group net income (w/o Ubi)	2.5	5.6	3.2	5.5	7.1
% of sales	2.1%	4.5%	2.8%	4.6%	5.6%
EPS with Ubi impact	0.07	0.08	0.22	0.38	0.48
EPS w/o Ubi impact	0.17	0.38	0.22	0.38	0.48
B/S (€M)	2023	2024	2025E	2026E	2027E
Non-current assets	38.1	41.7	40.4	38.9	37.2
Inventories	45.7	38.3	35.2	36.2	38.4
Trade receivables	36.1	32.5	29.3	30	31.8
Other receivables	3.6	2.8	2.3	2.2	2.3
Financial assets	10.3	5.8	5.8	5.8	5.8
Current tax assets	4.2	0.8	0.8	0.8	0.8
Cash and cash equivalents	25.7	30.6	41.6	48.5	54.7
Current assets	125.6	110.9	114.9	123.5	133.8
TOTAL ASSETS	163.7	152.5	155.3	162.4	171
Consolidated shareholders' equity	101.8	100.3	103.4	109	116.1
Non-current liabilities	6.5	5.6	3.6	3.6	3.6
Trade payables	25.4	22	23.7	25.2	26.8
Short-term borrowings	4.3	3.3	3.3	3.3	3.3
Taxes payable	0.8	1	1	1	1
Other liabilities	24.8	20.3	20.3	20.3	20.3
Current liabilities	55.4	46.6	48.3	49.8	51.4
Total liabilities and equity	163.7	152.5	155.3	162.4	171
Debt/Cash situation (€M)	2023	2024	2025E	2026E	2027E
Total debt	9.1	6.9	4.9	4.9	4.9
Cash	25.7	30.6	41.6	48.5	54.7
Net debt (net cash)	-16.7	-23.7	-36.7	-43.6	-49.8
Gearing %	-16.4%	-23.7%	-35.5%	-40%	-42.9%
WCR (€M)	2023	2024	2025E	2026E	2027E
WCR	34,3	30,3	21,7	21,8	24,5
% of sales	28.8	24.22	19.25	18.2	19.2
# days	105.13	88.41	70.24	66.3	70.1
Change in WCR	1.65	4.01	8.57	-0.1	-2.6
Consolidated cash flow statement (€M)	2023	2024	2025E	2026E	2027E
Operating cash flow after cost of net financial debt	7	12.4	10.2	13.2	15.3
Net cash flows from operating activities	5.5	18.1	18.8	13	12.7
Net cash flows from investing activities	-6.5	-6.4	-5.8	-6.1	-6.5
Total cash flows from financing activities	-8.3	-6.6	-2	0	0
Change in cash	-9.5	4.9	11	6.9	6.2

Source: In Extenso Finance estimates

## Q1 2025 sales

The group reported Q1 2025 revenue of €25 M, down -10% YoY.

- Thrustmaster recorded revenue of €22 M, down -11%, primarily due to declining steering wheel sales. Conversely, joystick and gamepad sales grew over the period.
- Hercules saw a limited decline of -3%.

The financial situation remained very healthy at the end of March 2025, with negative net debt at €26.7 M (excluding Ubisoft shares).

## Sales by period (€ M)

CA par marque (M€)											
	2022	2023								2024	2025
	FY	FY	Q1	Q2	H1	Q3	9M	Q4	H2	FY	Q1
Hercules	12,5	14,2	3,1	2,2	5,3	3,0	8,3	3,7	6,7	12,0	3,0
Thrustmaster	175,5	104,9	24,7	26	50,7	33,5	84,2	28,9	62,4	113,1	22,0
<b>TOTAL</b>	<b>188</b>	<b>119,1</b>	<b>27,8</b>	<b>28,2</b>	<b>56</b>	<b>36,5</b>	<b>92,5</b>	<b>32,6</b>	<b>69,1</b>	<b>125,1</b>	<b>25,0</b>

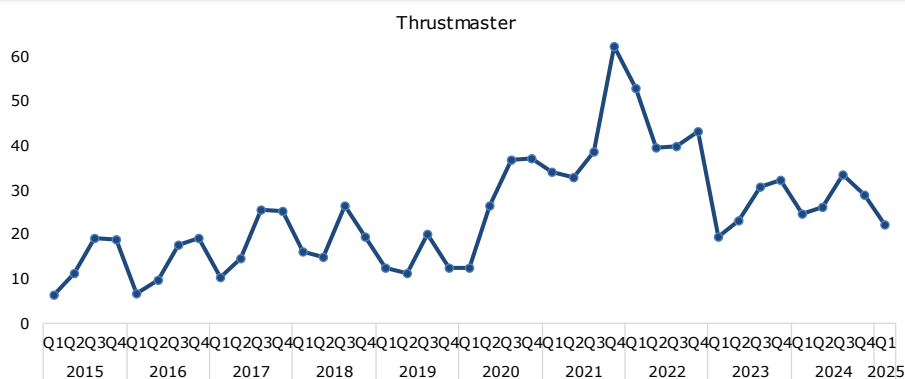
Var YoY (%)											
	2022	2023								2024	2025
	FY	FY	Q1	Q2	H1	Q3	9M	Q4	H2	FY	Q1
Hercules	38,9%	13,6%	24,0%	-33,3%	-8,6%	-37,5%	-21,7%	2,8%	-20,2%	-15,5%	-3,2%
Thrustmaster	4,6%	-40,2%	28,0%	13,0%	19,8%	9,5%	15,5%	-9,7%	-0,4%	7,8%	-10,9%
<b>TOTAL</b>	<b>6,3%</b>	<b>-36,6%</b>	<b>27,5%</b>	<b>7,2%</b>	<b>16,4%</b>	<b>3,1%</b>	<b>10,8%</b>	<b>-8,5%</b>	<b>-2,7%</b>	<b>5,0%</b>	<b>-10,1%</b>

% des ventes annuelles											
	2022	2023								2024	
	FY	FY	Q1	Q2	H1	Q3	9M	Q4	H2	FY	Q1
Hercules			26%	18%	44%	25%	69%	31%	56%		
Thrustmaster			22%	23%	45%	30%	74%	26%	55%		
<b>TOTAL</b>			<b>22%</b>	<b>23%</b>	<b>45%</b>	<b>29%</b>	<b>74%</b>	<b>26%</b>	<b>55%</b>		

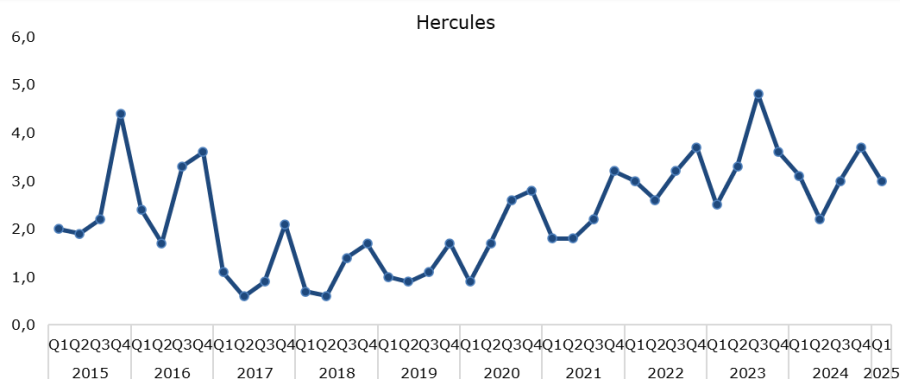
Source : Company & In Extenso Finance

## Thrustmaster Q sales (€ M)



Source : Company & In Extenso Finance

## Hercules Q sales (M€)



Source : Société & In Extenso Finance

**Outlook: geopolitical instability mitigated by Racing and new developments**

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Uncertainty related to new customs duties is weighing on demand for gaming accessories in the US and Europe. Sales in the US represent 25% of the group's revenue. Guillemot anticipated the increase in new customs duties by increasing its local inventories. Thus, the majority of needs should be covered until this fall. These inventories should also allow for a transition with price increases for consumers. The group will manage its commercial policy according to macroeconomic developments.

At the same time, the momentum in Racing and the strength of the group's new products should help mitigate the effects of this instability.

Racing news is expected to be particularly strong in Q2, with the launch of two flagship games (FORZA HORIZON 5 and EA SPORTS™ F1®25) expected to boost sales.

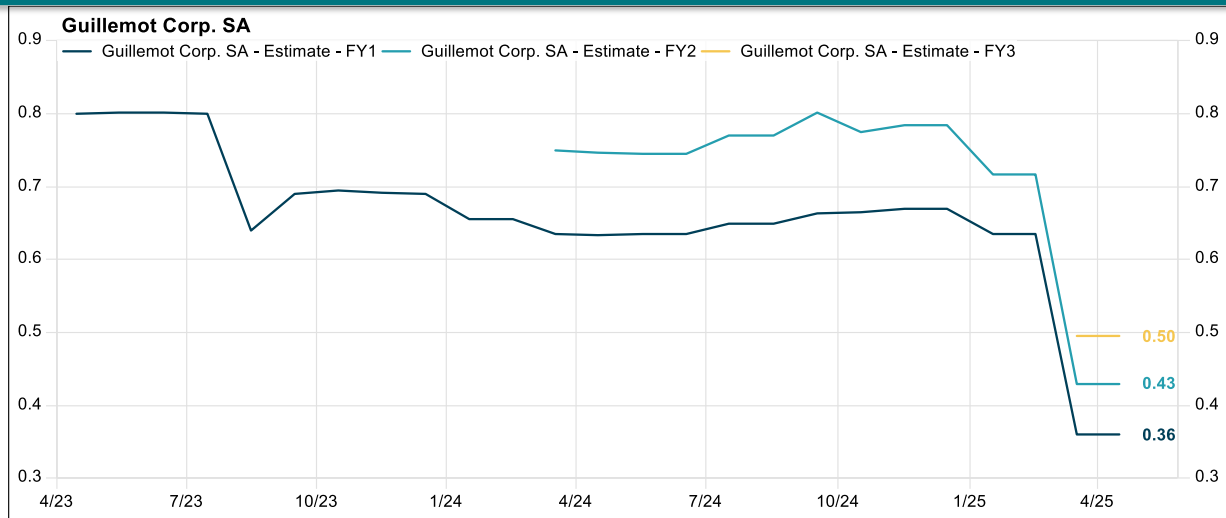
At the same time, the group is ramping up production of its new T598 racing wheel and preparing the release of two new Ferrari-licensed racing wheels in Q3.

At the end of April, Thrustmaster will release its new modular and upgradeable metal pedal set, Raceline Pedals III.

Moreover, the group is expanding its flying range with the launch of two new Sol-R joysticks intended for a new space simulation segment.

## Consensus EPS

### 2024-26E consensus EPS

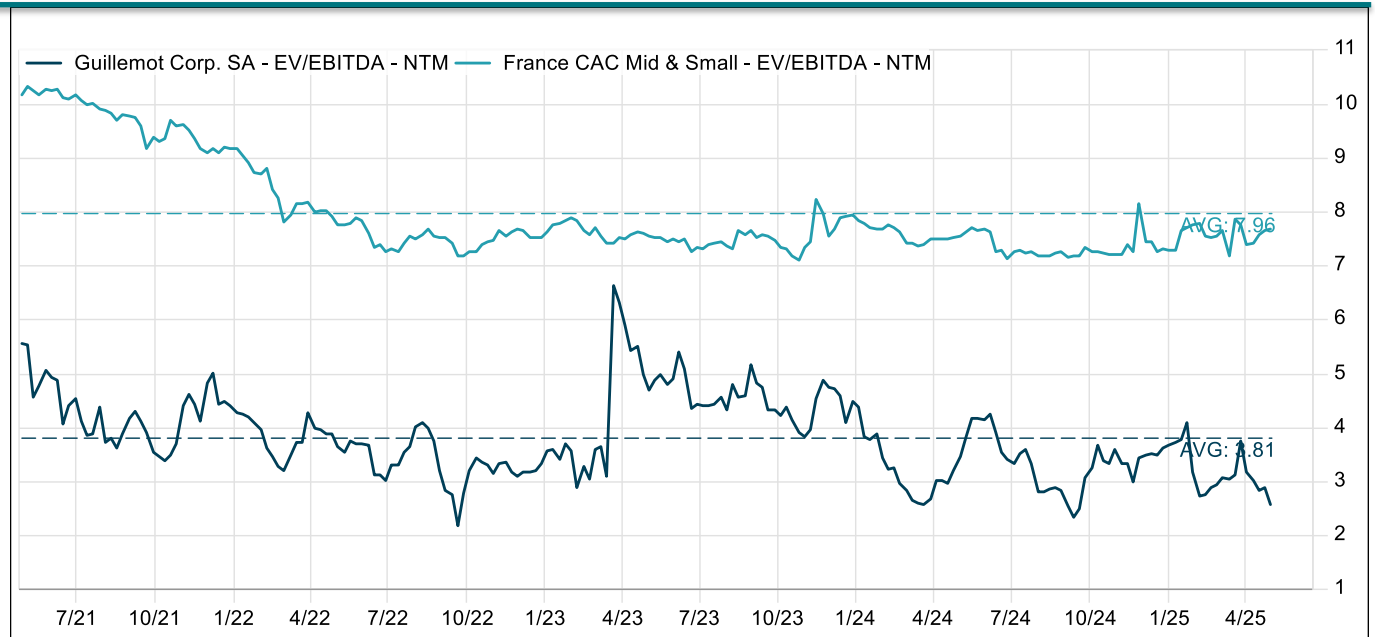


Source : Factset & In Extenso Finance

### Attractive valuation multiples vs history

Shares currently trade at 2,6x NTM EV/EBITDA vs. historical average of 3,8x despite group sales having doubled from about €61 M in 2019 to c. €125 M in 2024.

### NTM EV/EBITDA



Source : Factset & In Extenso Finance  
NB : NTM = next 12 months

## Important disclosures

### In Extenso Finance ratings and target prices definition

In Extenso Finance 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 Finance in target price calculations are available at [https://finance.inextenso.fr/wp-content/uploads/2022/11/Methode\\_Valo\\_Analyse\\_Fin\\_IEFM.pdf](https://finance.inextenso.fr/wp-content/uploads/2022/11/Methode_Valo_Analyse_Fin_IEFM.pdf)

### Detection of potential conflicts of interest

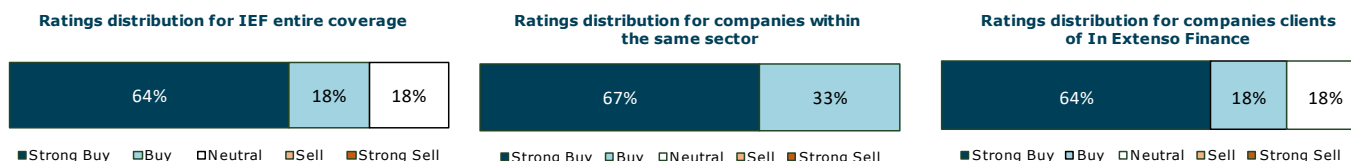
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### Rating and target price evolution throughout the last 12 months

Date	Rating	Target price
April 29 <sup>th</sup> 2025	Equity Flash <b>Buy</b>	€ 6.1
March 27 <sup>th</sup> 2025	Annual Research <b>Buy</b>	€ 7.1
February 3 <sup>rd</sup> 2025	Equity Flash <b>Buy</b>	€ 7.5
November 4 <sup>th</sup> 2024	Equity Flash <b>Buy</b>	€ 8.0
September 27 <sup>th</sup> 2024	Semi-annual Research <b>Strong Buy</b>	€ 7.5
July 26 <sup>th</sup> 2024	Equity Flash <b>Buy</b>	€ 7.1

### Ratings distribution



## Additional disclosures

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