Title: F This ■■■
Author: disoriented_llama
Created 2021-08-06 13:59:47 UTC
Permalink: /r/TheGloryHodl/comments/oz76xx/f_this/
Url: /r/DDintoGME/comments/oyohql/its_time_to_talk_about_some_f_words_buckle_up/
Is_self: False

Linked Post:
Body:

Friends, Family, and Fellow ■'s - First, **FUNDAMENTALS**, followed by **FUEL FOR** ■, then **FILTERING FUD,** and finished with **FRESH FOCUS.** Buckle Up.

[Da Fuk??](https://gifs.ninja/wp-content/uploads/40G4zFt.mp4)

1. FUNDAMENTALS

Just a sneaky peak at a new DD, or are you really ready to talk about some F words? Forewarning, my ■ is smooth, am I not a financial advisor, and this is not financial advice. What are fundamentals even?

"Fundamentals" are metrics used with the market capitalization($) to find valuation multiples. I will present a hypothetical fundamental analysis of 5 companies only represented by emojis for clarity.

METRIC	■	■	■■	■■	■
Revenue	1.3	0.4	7.7	42	5.3
Market Cap	59	15	37	704	11
MC/Rev	45	38	5	17	2
Debt	1.9	11	0.3	13	0.2
Rev/Debt	0.7	0.1	26	3	26

Here's some further background on the emoji companies -

* ■ is an "app" that creates revenue primarily through selling the data the app users create through financial transactions. The CEO recently had his cell phone seized by federal regulators as part of an on going criminal investigation, and regulators are considering new regulations that can potentially eliminate the companies primary source of revenue.
* ■ shows art and creates revenue by selling tickets to view art.
* ■■ is a retailer the creates revenue through ecommerce, and most customers provide steady reoccurring monthly revenue. The founder of the company is currently the chairman of the■board .
* ■■ manufactures automobiles and creates revenue through sales and government tax credits.
* ■ is a retailer and primarily creates revenue through selling goods, and is currently growing ecommerce sales over 100% annually. The company is developing new ways to integrate and monetize the use of new technology (NFTs) in its business, which will likely lead to continued revenue growth and drive future growth.

Using the data from the table above and the small bit of background information, the following thesis could be formed regarding the investment risk and likely outcomes -

* ■ - **HIGH RISK - Fundamentally overvalued - Price target much lower**

* Rev/Debt multiple is less than one, indicating the company may have difficulty servicing the debt if revenue decreases
* Extreme Valuation - The value of the company is 45 times the revenue
* Many "Other" Risks, including potential criminal charges against CEO and loss of primary revenue source due to new regulations.

* ■ **- HIGH RISK - Fundamentally overvalued - Price target lower**

* Rev/Debt multiple is less than one, indicating the company may have difficulty servicing the debt if revenue decreases
* High Valuation - The value of the company is 38 times the revenue
* **■■ - LOW RISK - Fundamentally fair to undervalued - Price target higher**

* Rev/Debt much higher than 1, indicating its very likely the company can service its debt, even if revenue declines significantly.
* Fair/under Valued - The value of the company is 5 times revenue
* **■■ - MODERATE RISK - fundamentally fair to overvalued - Price target flat to lower**

* Rev/Debt slightly higher than 1, indicating modest risk that the company can not service debt if revenue declines.
* Fair/Over Valued - company valued 17 times revenue.
* **■ - LOW RISK - Fundamentally undervalued - Price target much higher**

* Rev/Debt much higher than 1, indicating its very likely the company can service its debt, even if revenue declines significantly.
* Under Valued - The value of the company is 2 times revenue

If you didn't know how to do fundamental analysis before, you just hypothetically learned how to analyze hypothetical fundamentals of emojis. Now we can get to the good stuff.

2. ■FUEL■

The real world fundamentals of GME are very similar to the ■ fundamentals from the example above, but much more exciting. Why? Because besides having $1.7 Billion in cash and only $200mil in long term debt, GME has many intangible assets and growth prospects not shown in the example. Wut Mean? GME is fundamentally undervalued and there is a high probability the stock price will rise from current levels.

* **Intangibles** \- These are things that may be difficult to value or quantify, but certainly created shareholder value. Things like "brand value", customer engagement, and investor confidence in the company leadership. Over the past year, GME has seen a significant increase in consumer engagement and satisfaction. This can be quantified by tracking customers reviews of the company and customer/general public engagement with the company on social media, such as twitter, and high participation in GME sponsored events like Mine Hunt. GME has also been one of the most talked about companies in the world, through MSM and alternative media like reddit. All of this things have helped contribute to GME's brand value, which is currently one of the most recognized companies in the world. Additionally, GME is lead by an inspirational and well respected chairman, Ryan Cohen, and the board is filled with savvy and sophisticated individuals with many decades of collective experience and leadership in the most successful companies in the world like Amazon and Google. While the value of GME's board and management team is not yet quantifiable due to many joining in the last year, the results and value they create for shareholders will be quantifiable in the future through earnings releases.
* **Growth Prospects -** Digital assets, NFTs, blockchain, and digital currencies are relatively new technologies that have had explosive growth in recent years, and there plenty of signs this growth is going to continue or accelerate over the next decade. This growth can be quantified through outright values/market cap growth in digital currencies, and are just now gaining momentum in main stream adoption and use. Telsa was the largest market cap company in the world that recently purchased and still holds a large amount of digital assets. Disruptive fintech companies like Sofi, Square, Paypal, and COIN have all begun offering digital assets to their customers. These fintech companies are approaching the size and scale to seriously challenge the legacy banking industry, and it is likely the banking institutions will need to focus and growth their presence in digital assets or they risk becoming obsolete and eventually forgotten and replaced. All of the companies listed above trade at revenue multiples much higher than GME's current 2x multiple. GME is developing a new NFT business that has the potential to be the first large scale platform with millions of users that can monetize NFTs and incentivize content creators to use the platform to distribute their content. The gaming industry has seen explosive growth recently, and generates more than $200 Billion annually, and just entered a new bullish business cycle with new gaming

consoles. The demand for the new consoles is greater than producers ability to supply, which while frustrating to consumers that have to wait, is a beautiful dynamic for investors that gives confidence the industry will continue to have strong growth in the future. The closest parallel the NFT/digital assets have in history is the internet, and the story of NFTs is still in the 1st inning. GME has positioned it's to dominate the NFT space, establish a first mover advantage, and completely transform the primary source of the companies revenue generation. This is reminiscent of Google before their IPO, and Netflix before they shifted to streaming and original content creation.

The growth rate of companies revenue is arguably the most important metric that determine valuation multiples. The stronger the growth, the higher the revenue multiple will be for high growth stonks. The future of GME's revenue growth will be dependent on the success of NFT monetization and continued customer satisfaction and engagement. These things are just getting started, and at this stage of the game, trying to estimate what these growth rates will be isn't even necessary, because it's too early to even quantify. The only thing that matters, is the macro direction of the trend, and that is higher, MUCH higher. This will not always be the case, but it is in this moment in time, because the new board/management need time to implement this new strategy and business segment to generate enough data points to appropriately quantify things. Additionally, Ryan Cohen has made it clear the he intends to keep the details of his strategy secured internally at GME to help ensure he is able to maintain a "first mover" advantage and not tip off competitors. As a shareholder, I take him at his word on this and I can be patient, because this is a logically prudent business decision for a company with 26 times the annual revenue of its long term debt. I urge fellow shareholders to take the same mentality, as **demanding more details at this point in time is detrimental to the company's long term prospects and only beneficial to GME competitors and others that want to see the company fail.**

BTW, check out the revenue multiples on all the companies in the digital asset space at the moment. They are all higher, and most MUCH higher, than the multiple GME has. If GME was not already a well established company with $5Billion plus in annual revenue, but instead a startup looking to IPO, would that new IPO go to market with a revenue multiple of only 2x, or would it be closer to the 45x revenue multiple hood closed the day with yesterday? ■

3. FILTERING FUD - HAVE NO FEAR, UNCERTAINTY, or DOUBT

Meme Stonk. Reddit Raiders and Rallies. Dumb Money. Mother of all Short Squeeze. MOASS? Yeah, I said it, but please don't let the emotions I may be triggering boil into a rage and shouts of "SHILL!". You are in midst of highly sophisticated psychological warfare lead by the highly trained antagonists, so lets talk about it and strengthen your mental defenses. Consider this free therapy.

Thomas Picketty released "Capital in the 21st Century" a few years ago, and it may be the most important economic book of this century. If you can read, I recommend it. The main takeaway is the wealth gap between rich and poor across the world has been getting wider for many decades, and is likely going to continue to widen further unless significant structural changes are made. The best quantifiable tool to shrink the wealth gap is education and the diffusion of knowledge across society. I'm doing my best with this post and my presence on this sub to spread some knowledge and form new wrinkles, and I ask you the reader to do the same.

Time for some critical thinking. What emotions and thoughts do the terms like "Meme Stonk", "Reddit Raiders", and "Dumb Money retailers" invoke? For me, it invokes fear that I'm merely a peasant who's thoughts and intelligence is inferior to the financial elite, as well as doubt that my logic and analysis that seems to go against the elites narrative is somehow wrong, or that I'm missing something. It's derogatory. It is intended to be. Wall Street is salty they were not the first ones to get into an investment with fabulous future prospects, and somehow a group of ■s that snorts crayons and does questionable things with ■s were the earliest investors.

So let's get controversial. The greatest FUD of all time, or the Mother of all FUD, is indeed the "mother of all short squeezes". The MOASS. Why? Because it's the most provoking, it gets the people going the hardest. While the creation and viral growth across the interwebs of "MOASS" was not FUD in the beginning of the story, it is now the greatest single piece of propaganda the wagers of phycological warfare have, and the most effective. This ties back to the MOASS being a once in a lifetime event that has never occurred before or will ever occur again. A singularity. Seasoned ■■■ think it is inevitable.

Many others, however, do not, and this is the key.

The concept of MOASS can easily be disregarded by the masses not invested in GME to be a conspiracy, and further divide by comparing MOASS believers to QAnon followers or flat earthers. This is the single greatest narrative and tool that can and is being used at the moment to spread FUD and keep new potential buyers of GME on the sidelines.

So do I believe in the MOASS? IT DOES NOT MATTER and I do not care if you believe in it or you don't! So let's wrap this up.

4. FRESH (re)FOCUS

Deep Fucking Value. I am not talking about [u/deepfuckingvalue](https://www.reddit.com/u/deepfuckingvalue/), I'm referring to the deep fucking value GME offers that was part of his original thesis. The value of GME based on the current share price remains disconnected and discounted to the future prospects of the company. **GME is grossly undervalued. Period.**

The narrative has lost focus from the most important aspect of GME as an investment, and as a stonk in general. The company has greatly improved the balance sheet since DFV became involved, and the growth prospects also grown significantly, all while many of DFV's earlier predictions, such as improving cash flow and earning from new console cycles, are coming into fruition.

Illegal market manipulation and fuckery, naked shorts, synthetic shares, failures to deliver - these things are and have happened, and will likely continue to happen. Eventually, the shorts are going to have to close, because there is very little chance GME completely fails and needs to file bankruptcy. This may cause the MOASS, sure, but that is not the focus of the narrative, and should not be the primary reason you are invested in the company. The company and the fundamental need to be the focus. **GME is undervalued and the stock price will rise over time as the company valuation reflects new fundamentals.**

Wen moon though? Don't know, and don't care. The longer we stay on earth, the more time I get to get my money right and buy more shares and the lower my capital gain tax will ultimately be. Use this time to continue training and strengthening those ■■'s fellow ■s and BUCKLE UP. You're going to need an unbreakable ■ grip on the ■ soon to survive the turbulence caused by leaving the atmosphere on the way to the ■. Again, this is not financial advice.