

Title: This comment was ghost posted...Shocking...

Author: disoriented_llama

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Url: <https://i.redd.it/i9f1xwedaec71.png>

Is_self: False



Posted by Power to the Players just now

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GameStop is playing it safe. This comment by u/AJDillonsMiddleLeg deserves its own post.

Discussion



AJDillonsMiddleLeg · 31m

Everyone keeps parroting that GameStop can end it by issuing a dividend. The problem here is that issuing a dividend doesn't do anything to benefit GameStop the business. That would be specifically intended to cause a short squeeze, which they have to make sure they're protected from legally. The abusive shortselling, over the course of two years, has allowed them to not only raise over a billion in net capital, but reduce the total number of issued shares. They bought back over 22M shares for \$115M in 2019 and have since raised \$1.7billion with 8.5M shares. Netting them 13.5M shares and \$1.6B.

People crying out for a dividend care more about the short squeeze happening in the near term than they do about the business. GameStop is better off deploying that capital in a way that increases the value of the business. The only risk to the short squeeze is GameStop going bankrupt, which they've effectively rendered impossible. Time will trigger the squeeze. Be patient.

Also, I'm not saying they **won't** issue a dividend. I'm just saying they don't have to, and we really shouldn't be hoping for that.



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