

Title: What Does Success Look Like at the NFT Marketplace?

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There have been some posts showing that the early beta version of the marketplace has an average of about \$1M/day in transactions, for an average of about \$25k/day revenue to Gamestop.

Obviously, that is not enough to make a real difference to the company.

So I tried to estimate what the transaction volume on the NFT Marketplace would have to be to get Gamestop profitable.

The 12 month trailing losses of Gamestop is \$6.32/share or about \$480M, or about \$40M in losses each month. That is also about what was reported for Q1.

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1326380/000132638022000072/gme-20220430.htm>

\$157.3M operating losses in Feb/March/April.

Net cash flow used in operating activities of \$303.9M in Q1.

So about \$50M losses per month and about \$100M reduction in cash.

Assuming that the NFT marketplace has zero operating and support cost (100% gross margin) and assuming Gamestop gets 2.5% of transactions on the marketplace that would mean that Gamestop reaches break-even with NFT Marketplace transaction rate of about $\$50M / 2.5\% = \$2000M$ / month or about \$67M per day. (Or about \$24B/year).

Am I looking at this correctly?

Does anybody have their own set of calculations?