

Title: Break Even with NFT Art Sales - \$14.8B

Author: Complex-Lab8670

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In a prior post, I said that, holding SG&A; margin steady, GME would need to make an additional \$1.6b in retail sales to break even, adding an additional \$369m in profit.

[\$1.6B in Retail Sales to Break Even](<https://preview.redd.it/er4eazm33bb91.png?width=805&format;=png&auto;=webp&s;=60b58116505c81c2ae547e64408d027fecf96769>)

We have a new data point: % fee from NFT Art sales. Now knowing this, what is the dollar amount of transactions that must go through for GME to break even? That amount is approximately \$14.7B.

[\$14.8B in NFT Art Transaction to Break Even](<https://preview.redd.it/x94a12st2bb91.png?width=1162&format;=png&auto;=webp&s;=b02db8525a292bdb76b67947687c11c37f107c85>)

Based on forward guidance from the executive team where it was said they'd be able to finance forward operations with cash flow from company operations rather than cash raised from the offering, I would guess they need to launch some other form of NFT product over the next few months - sales from NFT Art would have to be extraordinary (\$14.8b!) to just break even.

One additional bonus analysis based on the reduction in force information published last week. The "what-if" here is if GME decided to maintain just a retail business. It was mentioned that there were an additional 600 employees hired over the last year or so. I assume they are all tech employees brought in to build the NFT Marketplace. At an average salary cost of \$100k + 25% benefits costs, the total cost of the NFT team would be \$75m. Finally, if those employees were never hired, their P&L; would look slightly different showing a \$294m loss rather than \$369m.

<https://preview.redd.it/2nkl8nok5bb91.png?width=1062&format;=png&auto;=webp&s;=9ac8d502db7be5f6a2f75763beca344274def915>