Title: Funko Quarterly Earnings - The Path to Transformation for GME
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Alright Retards with the hard "T",

I tag this as "Fluff" as I have very little motivation to do actual thorough DD but this analysis ain't shite either.

I do, however, leave you, with some reasons to believe the transformation is well under way.

FUNKO reported on 08/06. QoQ Vs. Y-Ago, Sales Comparison indicates they're up 24, or 80 Million dollars. H1 22 Vs. 21, they're up 47%, or 200 million dollars.

Gamestop is their primary retail partner, it is safe to assume that at least 50-60% of Funko's total sales are through their GameStop (I suspect this estimate to be quite conservative).

Growth in Funko Sales are across their multiple segments but I draw particular attention to Loungefly. Loungefly now represents over 22% of Funko's total sales, up from 13% in comparison to same period Y-Ago. Loungefly is primarily licensed wearables (think backpacks).

I suspect this is why Gamestop is leaning into the back to school promotion at the current moment but at a larger scale, why they're leaning into physical toys, boardgames and such at an increasing rate.

In the short term, these increases in collectibles sold at Gamestop puts them dangerously close from a break even quarter when you also factor in recent reductions in labor and other SGA.

While we've seen gamestop register trademarks for GMErica (apparel) and GS Kids, no formal announcements have been made by the organization as of yet.

With the combined positive trends in their existing toy, collectible and wearable lines, I anticipate the focus of the organization to shift here in the short term, be the source of the primary speaking points during the earnings call while also being the driver of a positive surprise earnings call next week. I would anticipate the formal announcement of their expansion into toys via acquisition or the development of new store segments (AKA, standalone Gamestop Kid sites). I anticipate the creation of standalone non-GameStop sites (think buybuybaby for B.B.B.Y, Old Navy for the Gap) as an alternative way to manage decline (and perhaps spur growth) at their non-expiring lease contracts.

This isn't financial advice. I literally couldn't bother myself to do a deep dive here to save my life. But these bullet point numbers look good and I suspect this is where their head is at currently in terms of priorities and focus.

Recent Funko 10-Q: https://www.sec.gov/ix?doc=/Archives/edgar/data/1704711/000170471122000029/fnko-20220630.htm