

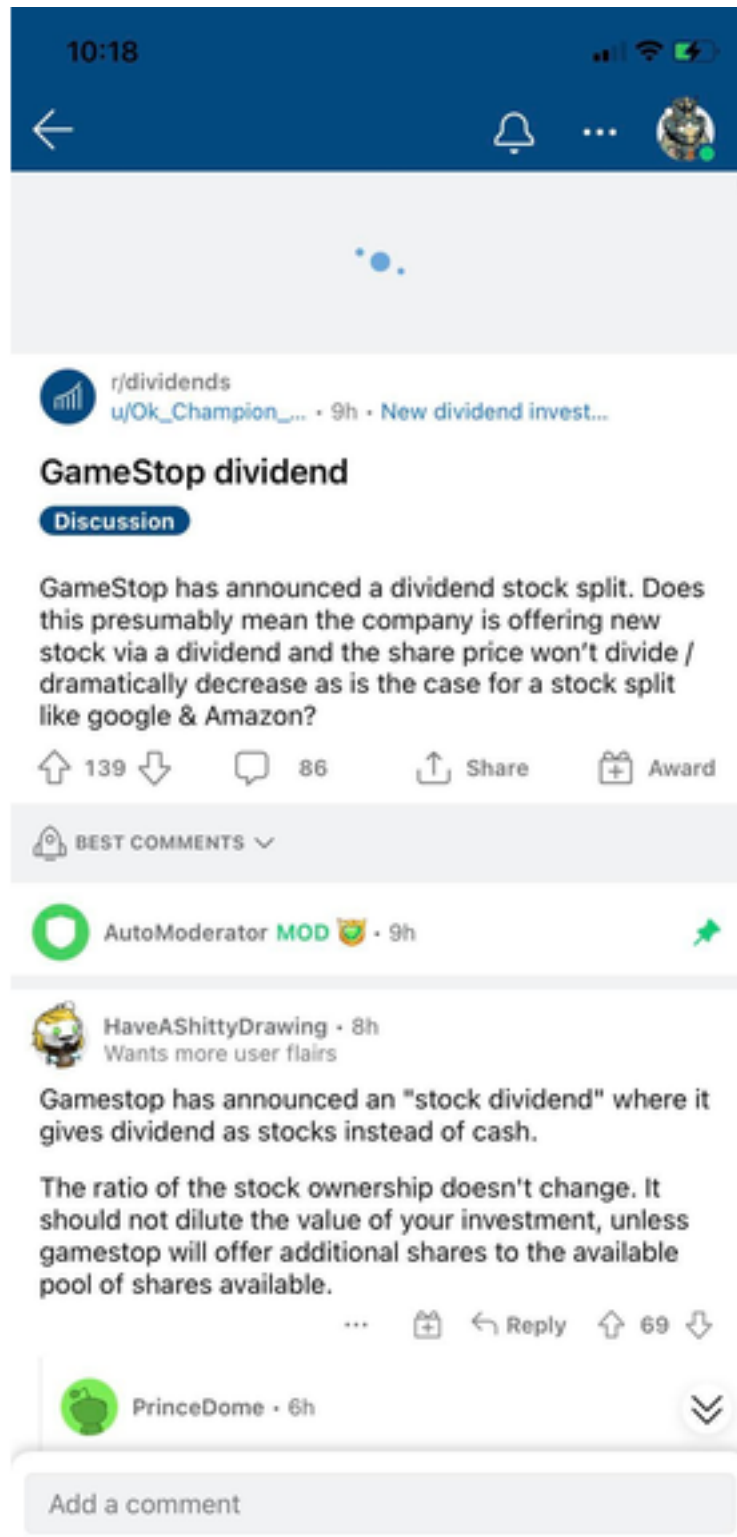
Title: Finally gaining interest from "real" investors

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Created 2022-04-01 15:19:52 UTC

Permalink: /r/GME/comments/ttt9l4/finally_gaining_interest_from_real_investors/

Url: <https://www.reddit.com/gallery/ttt9l4>



10:18



← r/dividends



145



86



Share



Award



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But how exactly does this work?

Specifically, where does gme get the shares from? I mean I've read that a company can't hold their own shares ie. When a company buys back shares, they are destroyed. If this is correct, the shares they give out have to be "created", which will dilute the price?

While writing it came to my mind, that if every shareholder gets an equal part of shares, based on his part of all shares, the amount of total shares will increase, the price per share should drop but the monetary amount for each holder should remain the same.

I am really confused right now, help.



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1 Award

Here is investopedia article, it should give more info: <https://www.investopedia.com/terms/s/stockdividend.asp>

The company (Gamestop) in this case can issue new shares out of thin air as they please (for this example as an dividend), but essentially the company gives you as an shareholder new shares that dilute overall stock price, but not your personal investment value as the new shares are given to the existing shareholders. Given if the company doesn't issue new shares at the same time. Stock dilution vastly differs from this, as stocks are sold at the open pool and will dilute



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