

Equity Research Report: GameStop Corporation

Income Statement Analysis

Financial Analysis Report: GameStop Corp. ## Income Statement Analysis (FY 2025) GameStop has achieved a remarkable financial turnaround, reporting net income of \$131.3 million in fiscal 2025, a substantial increase from \$6.7 million in 2024. This represents a 3.4% net profit margin compared to just 0.1% in the previous year. The improvement comes despite a 27.5% decline in net sales to \$3.82 billion, demonstrating effective cost management. The company's gross profit margin improved significantly to 29.1% from 24.5%, reflecting a strategic shift toward higher-margin product categories. Collectibles now represent 18.8% of sales (up from 14.3%), while pre-owned hardware and accessories increased to 11.5% (from 9.3%). Operating expenses were reduced by \$193.5 million (14.6%), primarily through labor cost reductions, decreased consulting services, and reduced marketing expenses. However, SG&A; as a percentage of sales increased to 29.6% from 25.1% due to the sales decline outpacing cost reductions. The most significant contributor to profitability was interest income, which increased by \$113.9 million to \$163.4 million, driven by higher cash reserves from equity offerings and improved interest rates

Balance Sheet Analysis

Financial Analysis Report: GameStop Corp. Balance Sheet Scrutiny (2023-2025) ## Fiscal Year 2025 Analysis GameStop's financial position strengthened dramatically in 2025, with total assets increasing to \$5.87 billion from \$2.71 billion in 2024. The company's liquidity position improved substantially with cash and cash equivalents surging to \$4.76 billion (compared to \$921.7 million in 2024), representing 81% of total assets. Current ratio improved to 8.05 from 2.11 in 2024, indicating exceptional short-term solvency. Total debt decreased to \$410.7 million from \$602.8 million, while stockholders' equity increased to \$4.93 billion, resulting in a debt-to-equity ratio of just 0.08, reflecting minimal financial leverage and strong financial stability. ## Fiscal Year 2024 Analysis In 2024, GameStop maintained a stable financial position with total assets of \$2.71 billion, down from \$3.11 billion in 2023. The company's liquidity remained adequate with a current ratio of 2.11, though cash and cash equivalents decreased to \$921.7 million from \$1.14 billion in 2023. Total debt slightly decreased to \$602.8 million

Cashflow Analysis

Cash Flow Analysis: GameStop Corp. FY2024 GameStop's cash position dramatically improved in FY2024, with total cash and equivalents increasing to \$4.8 billion from \$1.2 billion in FY2023. Operating cash flow turned positive at \$145.7 million (compared to -\$203.7 million in FY2023), driven by improved inventory management and reduced receivables. The company generated \$265.1 million from investing activities, primarily from marketable securities maturities. Most significantly, financing activities provided \$3.4 billion through ATM stock offerings, demonstrating strong market confidence. This substantial cash infusion positions GameStop with exceptional liquidity for its investment strategy while continuing store optimization efforts.

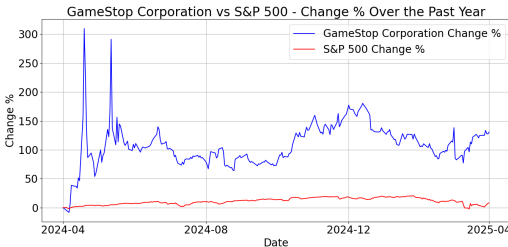
Summarization

Financial Analysis Report: GameStop Corp. (FY 2024) ## Executive Summary GameStop Corp. has achieved a significant financial transformation in fiscal year 2024, demonstrating improved profitability despite revenue challenges. The company reported net income of \$131.3 million (3.4% of net sales), a substantial increase from \$6.7 million (0.1%) in the prior year. This improvement occurred despite a 27.5% decline in net sales to \$3.82 billion, highlighting effective cost management and strategic repositioning. The company's financial position has strengthened dramatically, with cash and cash equivalents increasing to \$4.76 billion, providing substantial resources for future investments and operational flexibility. ## Income Statement Analysis ### Revenue Trends GameStop experienced a significant decline in total net sales, decreasing by 27.5% to \$3.82 billion compared to \$5.27 billion in the prior year. This decline was observed across all geographic segments: - United States: 24.9% decrease to \$2.58 billion - Canada: 30.2% decrease to \$204.3 million - Australia: 22.5% decrease to \$404.9 million - Europe: 38.0% decrease to \$638.1 million The sales decline affected all product categories: - Hardware and accessories: 29

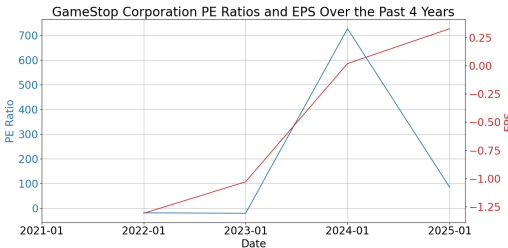
Key data

6m avg daily val (USDmn)	10.65
Closing Price (USD)	27.46
Market Cap (USDmn)	12276.93
52 Week Price Range (USD)	10.7 - 64.83
BVPS (USD)	11.029

Share Performance



PE & EPS



Income Statement

FY (USD mn)	2025	2024	2023
Tax Effect Of Unusual Items	-417100.0	-1.008	-567000.0
Tax Rate For Calcs	0.043	0.21	0.21
Normalized EBITDA	32.1	31.3	-244.5
Total Unusual Items	-9.7	-4.8	-2.7
Total Unusual Items Excluding Goodwill	-9.7	-4.8	-2.7
Net Income From Continuing Operation Net Minority Interest	131.3	6.7	-313.1
Reconciled Depreciation	38.9	56.2	61.7
Reconciled Cost Of Revenue	2709.1	3978.6	4555.1
EBITDA	22.4	26.5	-247.2
EBIT	-16.5	-29.7	-308.9
Net Interest Income	163.4	49.5	9.5
Interest Expense	nan	nan	nan
Interest Income	163.4	49.5	9.5
Normalized Income	140.5829	10.492	-310.967
Net Income From Continuing And Discontinued Operation	131.3	6.7	-313.1
Total Expenses	3839.5	5302.5	6236.1
Total Operating Income As Reported	-26.2	-34.5	-311.6
Diluted Average Shares	394.7	305.2	304.2
Basic Average Shares	394.1	305.1	304.2
Diluted EPS	0.33	0.02	-1.03
Basic EPS	0.33	0.02	-1.03
Diluted NI Availto Com Stockholders	131.3	6.7	-313.1
Net Income Common Stockholders	131.3	6.7	-313.1
Net Income	131.3	6.7	-313.1
Net Income Including Noncontrolling Interests	131.3	6.7	-313.1
Net Income Discontinuous Operations	nan	nan	0.0
Net Income Continuous Operations	131.3	6.7	-313.1
Tax Provision	5.9	6.4	11.0
Pretax Income	137.2	13.1	-302.1
Other Income Expense	-9.7	-6.7	-2.7
Other Non Operating Income Expenses	nan	-1.9	nan
Special Income Charges	-9.7	-4.8	-2.7
Gain On Sale Of Ppe	nan	nan	0.0
Write Off	9.7	4.8	2.7
Impairment Of Capital Assets	nan	nan	2.7
Net Non Operating Interest Income Expense	163.4	49.5	9.5
Total Other Finance Cost	nan	-49.5	-9.5
Interest Expense Non Operating	nan	nan	nan
Interest Income Non Operating	163.4	49.5	9.5
Operating Income	-16.5	-29.7	-308.9
Operating Expense	1130.4	1323.9	1681.0
Selling General And Administration	1130.4	1323.9	1681.0
Gross Profit	1113.9	1294.2	1372.1
Cost Of Revenue	2709.1	3978.6	4555.1
Total Revenue	3823.0	5272.8	5927.2
Operating Revenue	3823.0	5272.8	5927.2

Cash Flow Sheet

FY (USD mn)	2025	2024	2023
Free Cash Flow	129.6	-238.6	52.3
Repurchase Of Capital Stock	nan	nan	nan
Repayment Of Debt	-10.8	-10.7	-3.9
Issuance Of Debt	nan	nan	0.0
Issuance Of Capital Stock	3453.8	0.0	0.0
Capital Expenditure	-16.1	-34.9	-55.9
Interest Paid Supplemental Data	1.2	3.2	2.6
Income Tax Paid Supplemental Data	6.2	6.2	13.5
End Cash Position	4789.8	938.9	1196.0
Other Cash Adjustment Outside Changein Cash	nan	nan	nan
Beginning Cash Position	938.9	1196.0	1319.9
Effect Of Exchange Rate Changes	-2.9	-8.6	-1.5
Changes In Cash	3853.8	-248.5	-122.4
Financing Cash Flow	3443.0	-11.6	-7.9
Cash Flow From Continuing Financing Activities	3443.0	-11.6	-7.9
Net Other Financing Charges	nan	nan	nan
Proceeds From Stock Option Exercised	0.0	-900000.0	-4.0
Cash Dividends Paid	nan	nan	0.0
Common Stock Dividend Paid	nan	nan	0.0
Net Common Stock Issuance	3453.8	0.0	0.0
Common Stock Payments	nan	nan	nan
Common Stock Issuance	3453.8	0.0	0.0
Net Issuance Payments Of Debt	-10.8	-10.7	-3.9
Net Short Term Debt Issuance	nan	0.0	0.0
Short Term Debt Payments	nan	0.0	0.0
Short Term Debt Issuance	nan	nan	0.0
Net Long Term Debt Issuance	-10.8	-10.7	-3.9
Long Term Debt Payments	-10.8	-10.7	-3.9
Long Term Debt Issuance	nan	nan	0.0
Investing Cash Flow	265.1	-33.2	-222.7
Cash Flow From Continuing Investing Activities	265.1	-33.2	-222.7
Net Other Investing Changes	3.5	nan	600000.0
Net Investment Purchase And Sale	255.4	-14.2	-249.3
Sale Of Investment	316.8	312.6	27.5
Purchase Of Investment	-61.4	-326.8	-276.8
Net Business Purchase And Sale	7.0	0.0	0.0
Sale Of Business	7.0	0.0	0.0
Net Intangibles Purchase And Sale	0.0	2.8	81.9
Sale Of Intangibles	0.0	2.8	81.9
Net PPE Purchase And Sale	15.3	13.1	0.0
Sale Of PPE	15.3	13.1	0.0
Purchase Of PPE	nan	nan	nan
Capital Expenditure Reported	-16.1	-34.9	-55.9
Operating Cash Flow	145.7	-203.7	108.2
Cash Flow From Continuing Operating Activities	145.7	-203.7	108.2
Change In Working Capital	-42.9	-295.8	288.9
Change In Other Working Capital	5.3	-10.5	167.5
Change In Other Current Liabilities	3.0	-2.9	0.0
Change In Payables And Accrued Expense	-179.5	-397.7	-66.2
Change In Prepaid Assets	4.9	10.4	-25.2
Change In Inventory	94.5	39.9	229.6
Change In Receivables	28.9	65.0	-16.8
Other Non Cash Items	1.2	800000.0	1.2
Stock Based Compensation	16.4	22.2	40.1
Asset Impairment Charge	9.7	4.8	36.7
Deferred Tax	-1.8	-100000.0	-2.6
Deferred Income Tax	-1.8	-100000.0	-2.6
Depreciation Amortization Depletion	38.9	56.2	61.7
Depreciation And Amortization	38.9	56.2	61.7

Amortization Cash Flow	500000.0	900000.0	1.4
Amortization Of Intangibles	500000.0	900000.0	1.4
Depreciation	38.4	55.3	60.3
Operating Gains Losses	-7.1	1.5	-4.7
Gain Loss On Sale Of PPE	-7.1	1.5	-4.7
Gain Loss On Sale Of Business	nan	nan	nan
Net Income From Continuing Operations	131.3	6.7	-313.1