

GAMESTOP CORP.
CONSOLIDATED BALANCE SHEETS
(in millions, except par value per share)

	February 1, 2020	February 2, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 499.4	\$ 1,624.4
Receivables, net	141.9	134.2
Merchandise inventories, net	859.7	1,250.5
Prepaid expenses and other current assets	120.9	118.6
Assets held for sale	11.8	—
Total current assets	1,633.7	3,127.7
Property and equipment, net	275.9	321.3
Operating lease right-of-use assets	767.0	—
Deferred income taxes	83.0	147.3
Goodwill	—	363.9
Other noncurrent assets	60.1	84.1
Total assets	\$ 2,819.7	\$ 4,044.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 380.8	\$ 1,051.9
Accrued liabilities and other current liabilities	617.5	780.0
Current portion of operating lease liabilities	239.4	—
Current portion of debt, net	—	349.2
Total current liabilities	1,237.7	2,181.1
Long-term debt, net	419.8	471.6
Operating lease liabilities	529.3	—
Other long-term liabilities	21.4	55.4
Total liabilities	2,208.2	2,708.1
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A common stock — \$.001 par value; authorized 300.0 shares; 64.3 and 102.0 shares issued, 64.3 and 102.0 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	—	27.7
Accumulated other comprehensive loss	(78.8)	(54.3)
Retained earnings	690.2	1,362.7
Total stockholders' equity	611.5	1,336.2
Total liabilities and stockholders' equity	\$ 2,819.7	\$ 4,044.3

See accompanying notes to consolidated financial statements.

GAMESTOP CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Fiscal Year		
	2019	2018	2017
Net sales	\$ 6,466.0	\$ 8,285.3	\$ 8,547.1
Cost of sales	4,557.3	5,977.2	6,062.2
Gross profit	1,908.7	2,308.1	2,484.9
Selling, general and administrative expenses	1,922.7	1,994.2	2,031.9
Goodwill impairments	363.9	970.7	—
Asset impairments	21.7	45.2	13.8
Operating (loss) earnings	(399.6)	(702.0)	439.2
Interest income	(11.3)	(5.7)	(1.5)
Interest expense	38.5	56.8	56.8
(Loss) earnings from continuing operations before income taxes	(426.8)	(753.1)	383.9
Income tax expense	37.6	41.7	153.5
Net (loss) income from continuing operations	(464.4)	(794.8)	230.4
(Loss) income from discontinued operations, net of tax	(6.5)	121.8	(195.7)
Net (loss) income	<u>\$ (470.9)</u>	<u>\$ (673.0)</u>	<u>\$ 34.7</u>
Basic (loss) earnings per share:			
Continuing operations	\$ (5.31)	\$ (7.79)	\$ 2.27
Discontinued operations	(0.08)	1.19	(1.93)
Basic (loss) earnings per share	<u>\$ (5.38)</u>	<u>\$ (6.59)</u>	<u>\$ 0.34</u>
Diluted (loss) earnings per share:			
Continuing operations	\$ (5.31)	\$ (7.79)	\$ 2.27
Discontinued operations	(0.08)	1.19	(1.93)
Diluted (loss) earnings per share	<u>\$ (5.38)</u>	<u>\$ (6.59)</u>	<u>\$ 0.34</u>
Weighted-average shares outstanding:			
Basic	87.5	102.1	101.4
Diluted	87.5	102.1	101.5

See accompanying notes to consolidated financial statements.

GAMESTOP CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Fiscal Year		
	2019	2018	2017
Net (loss) income	\$ (470.9)	\$ (673.0)	\$ 34.7
Other comprehensive income (loss):			
Foreign currency translation adjustments	(24.5)	(63.4)	59.5
Reclassification of realized gain on foreign currency translation adjustments, net of tax of \$0	—	(3.1)	—
Total comprehensive (loss) income	<u>\$ (495.4)</u>	<u>\$ (739.5)</u>	<u>\$ 94.2</u>

See accompanying notes to consolidated financial statements.

GAMESTOP CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except for per share data)

	Class A Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balance at January 28, 2017	101.0	\$ 0.1	\$ —	\$ (47.3)	\$ 2,301.3	\$ 2,254.1
Net income	—	—	—	—	34.7	34.7
Foreign currency translation	—	—	—	59.5	—	59.5
Dividends declared, \$1.52 per common share	—	—	—	—	(155.9)	(155.9)
Stock-based compensation expense	—	—	25.6	—	—	25.6
Settlement of stock-based awards	0.3	—	(3.5)	—	—	(3.5)
Balance at February 3, 2018	101.3	0.1	22.1	12.2	2,180.1	2,214.5
Adoption of ASU 2014-09 (Note 1)	—	—	—	—	11.5	11.5
Net loss	—	—	—	—	(673.0)	(673.0)
Foreign currency translation	—	—	—	(66.5)	—	(66.5)
Dividends declared, \$1.52 per common share	—	—	—	—	(155.9)	(155.9)
Stock-based compensation expense	—	—	10.7	—	—	10.7
Settlement of stock-based awards	0.7	—	(5.1)	—	—	(5.1)
Balance at February 2, 2019	102.0	0.1	27.7	(54.3)	1,362.7	1,336.2
Net loss	—	—	—	—	(470.9)	(470.9)
Foreign currency translation	—	—	—	(24.5)	—	(24.5)
Dividends declared, \$0.38 per common share	—	—	—	—	(38.5)	(38.5)
Stock-based compensation expense	—	—	8.9	—	—	8.9
Repurchase of common shares	(38.1)	—	(35.6)	—	(163.1)	(198.7)
Settlement of stock-based awards	0.4	—	(1.0)	—	—	(1.0)
Balance at February 1, 2020	64.3	\$ 0.1	\$ —	\$ (78.8)	\$ 690.2	\$ 611.5

See accompanying notes to consolidated financial statements.

GAMESTOP CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Fiscal Year		
	2019	2018	2017
Cash flows from operating activities:			
Net (loss) income	\$ (470.9)	\$ (673.0)	\$ 34.7
Adjustments to reconcile net (loss) income to net cash flows from operating activities:			
Depreciation and amortization (including amounts in cost of sales)	96.2	126.9	151.9
Goodwill and asset impairments	385.6	1,015.9	395.1
Stock-based compensation expense	8.9	10.7	25.6
Deferred income taxes	61.4	(4.1)	(107.9)
Loss on disposal of property and equipment	1.9	2.0	8.5
Loss (gain) on divestiture	9.1	(100.8)	(6.4)
Other	4.1	6.9	(10.5)
Changes in operating assets and liabilities:			
Receivables, net	(10.9)	(34.4)	35.7
Merchandise inventories	361.1	12.6	(197.2)
Prepaid expenses and other current assets	3.6	2.2	(1.2)
Prepaid income taxes and income taxes payable	(75.9)	(18.7)	(24.7)
Accounts payable and accrued liabilities	(792.8)	(26.0)	146.1
Operating lease right-of-use assets and lease liabilities	4.1	—	—
Changes in other long-term liabilities	—	4.9	(14.8)
Net cash flows (used in) provided by operating activities	(414.5)	325.1	434.9
Cash flows from investing activities:			
Purchase of property and equipment	(78.5)	(93.7)	(113.4)
Proceeds from divestiture, net of cash sold	5.2	727.9	58.5
Proceeds from company-owned life insurance, net	12.0	—	—
Acquisitions, net of cash acquired	—	—	(8.5)
Other	0.4	1.3	2.8
Net cash flows (used in) provided by investing activities	(60.9)	635.5	(60.6)
Cash flows from financing activities:			
Repayments of senior notes	(404.5)	—	—
Repurchase of common shares	(198.7)	—	(22.0)
Dividends paid	(40.5)	(157.4)	(155.2)
Borrowings from the revolver	—	154.0	373.0
Repayments of revolver borrowings	—	(154.0)	(373.0)
Repayment of acquisition-related debt	—	(12.2)	(21.8)
Tax withholdings on share-based awards	(1.0)	(5.1)	(3.5)
Net cash flows used in financing activities	(644.7)	(174.7)	(202.5)
Exchange rate effect on cash and cash equivalents and restricted cash	(6.9)	(24.7)	28.0
Decrease (increase) in cash held for sale	—	10.2	(5.4)
(Decrease) increase in cash and cash equivalents	(1,127.0)	771.4	194.4
Cash and cash equivalents and restricted cash at beginning of period	1,640.5	869.1	674.7
Cash and cash equivalents and restricted cash at end of period	\$ 513.5	\$ 1,640.5	\$ 869.1

See accompanying notes to consolidated financial statements.