

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

	February 2, 2019	February 3, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,624.4	\$ 854.2
Receivables, net	134.2	138.6
Merchandise inventories, net	1,250.5	1,250.3
Prepaid expenses and other current assets	118.6	115.2
Assets held for sale	—	660.1
Total current assets	3,127.7	3,018.4
Property and equipment:		
Land	18.7	19.9
Buildings and leasehold improvements	638.2	651.8
Fixtures and equipment	900.2	914.6
Total property and equipment	1,557.1	1,586.3
Less accumulated depreciation	1,235.8	1,235.3
Property and equipment, net	321.3	351.0
Deferred income taxes	147.3	158.2
Goodwill	363.9	1,350.5
Other intangible assets, net	33.5	92.5
Other noncurrent assets	50.6	71.0
Total noncurrent assets	916.6	2,023.2
Total assets	\$ 4,044.3	\$ 5,041.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,051.9	\$ 892.3
Accrued liabilities	752.8	950.1
Income taxes payable	27.2	37.5
Current portion of debt, net	349.2	—
Liabilities held for sale	—	50.9
Total current liabilities	2,181.1	1,930.8
Deferred income taxes	0.1	5.0
Long-term debt, net	471.6	817.9
Other long-term liabilities	55.3	73.4
Total long-term liabilities	527.0	896.3
Total liabilities	2,708.1	2,827.1
Commitments and contingencies (Notes 8, 11 and 12)		
Stockholders' equity:		
Class A common stock — \$.001 par value; authorized 300.0 shares; 102.0 and 101.3 shares issued, 102.0 and 101.3 shares outstanding, respectively	0.1	0.1
Additional paid-in capital	27.7	22.1
Accumulated other comprehensive (loss) income	(54.3)	12.2
Retained earnings	1,362.7	2,180.1
Total stockholders' equity	1,336.2	2,214.5
Total liabilities and stockholders' equity	\$ 4,044.3	\$ 5,041.6

See accompanying notes to consolidated financial statements.

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

	Fiscal Year		
	2018	2017	2016
Net sales	\$ 8,285.3	\$ 8,547.1	\$ 7,965.0
Cost of sales	5,977.2	6,062.2	5,465.1
Gross profit	2,308.1	2,484.9	2,499.9
Selling, general and administrative expenses	1,888.6	1,909.6	1,861.9
Depreciation and amortization	105.6	122.3	136.7
Goodwill impairments	970.7	—	—
Asset impairments	45.2	13.8	19.6
Operating (loss) earnings	(702.0)	439.2	481.7
Interest income	(5.7)	(1.5)	(0.8)
Interest expense	56.8	56.8	53.8
(Loss) earnings from continuing operations before income taxes	(753.1)	383.9	428.7
Income tax expense	41.7	153.5	124.2
Net (loss) income from continuing operations	(794.8)	230.4	304.5
Income (loss) from discontinued operations, net of tax	121.8	(195.7)	48.7
Net (loss) income	<u>\$ (673.0)</u>	<u>\$ 34.7</u>	<u>\$ 353.2</u>
Basic (loss) earnings per share:			
Continuing operations	\$ (7.79)	\$ 2.27	\$ 2.94
Discontinued operations	1.19	(1.93)	0.47
Basic (loss) earnings per share	<u>\$ (6.59)</u>	<u>\$ 0.34</u>	<u>\$ 3.42</u>
Diluted (loss) earnings per share:			
Continuing operations	\$ (7.79)	\$ 2.27	\$ 2.93
Discontinued operations	1.19	(1.93)	0.47
Diluted (loss) earnings per share	<u>\$ (6.59)</u>	<u>\$ 0.34</u>	<u>\$ 3.40</u>
Weighted-average shares outstanding:			
Basic	102.1	101.4	103.4
Diluted	102.1	101.5	103.8

See accompanying notes to consolidated financial statements.

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

	Fiscal Year		
	2018	2017	2016
Cash flows from operating activities:			
Net (loss) income	\$ (673.0)	\$ 34.7	\$ 353.2
Adjustments to reconcile net (loss) income to net cash flows provided by operating activities:			
Depreciation and amortization (including amounts in cost of sales)	126.9	151.9	166.7
Provision for inventory reserves	57.3	59.1	48.6
Goodwill and asset impairments	1,015.9	395.1	33.8
Stock-based compensation expense	10.7	25.6	17.8
Deferred income taxes	(4.1)	(107.9)	(37.2)
Excess tax benefits related to stock-based awards	—	—	0.8
Loss on disposal of property and equipment	2.0	8.5	10.4
Gain on divestiture	(100.8)	(6.4)	—
Other	(36.2)	(34.2)	(33.1)
Changes in operating assets and liabilities:			
Receivables, net	(34.4)	35.7	(43.9)
Merchandise inventories	(44.7)	(256.3)	14.7
Prepaid expenses and other current assets	2.2	(1.2)	(11.4)
Prepaid income taxes and income taxes payable	(18.7)	(24.7)	(49.1)
Accounts payable and accrued liabilities	17.1	169.8	64.1
Changes in other long-term liabilities	4.9	(14.8)	1.7
Net cash flows provided by operating activities	325.1	434.9	537.1
Cash flows from investing activities:			
Purchase of property and equipment	(93.7)	(113.4)	(142.7)
Acquisitions, net of cash acquired	—	(8.5)	(441.2)
Proceeds from divestiture, net of cash sold	727.9	58.5	—
Other	1.3	2.8	6.5
Net cash flows provided by (used in) investing activities	635.5	(60.6)	(577.4)
Cash flows from financing activities:			
Repayment of acquisition-related debt	(12.2)	(21.8)	(0.4)
Repurchase of common shares	—	(22.0)	(63.1)
Dividends paid	(157.4)	(155.2)	(155.5)
Proceeds from senior notes	—	—	475.0
Borrowings from the revolver	154.0	373.0	545.0
Repayments of revolver borrowings	(154.0)	(373.0)	(545.0)
Payments of financing costs	—	—	(8.1)
Issuance of common stock, net of share repurchases for withholding taxes	(5.1)	(3.5)	(8.4)
Excess tax benefits related to stock-based awards	—	—	(0.8)
Net cash flows (used in) provided by financing activities	(174.7)	(202.5)	238.7
Exchange rate effect on cash and cash equivalents and restricted cash	(24.7)	28.0	21.1
Decrease (increase) in cash held for sale	10.2	(5.4)	(2.2)
Increase in cash and cash equivalents	771.4	194.4	217.3
Cash and cash equivalents and restricted cash at beginning of period	869.1	674.7	457.4
Cash and cash equivalents and restricted cash at end of period	\$ 1,640.5	\$ 869.1	\$ 674.7
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$ 53.5	\$ 53.4	\$ 38.0
Income taxes paid	\$ 122.9	\$ 168.3	\$ 230.1

See accompanying notes to consolidated financial statements.