

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 25, 2024

GameStop Corp.

(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-32637
(Commission
File Number)

20-2733559
(IRS Employer
Identification No.)

625 Westport Parkway, Grapevine, TX 76051
(817) 424-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|----------------------------|-----------------------|--|
| Class A Common Stock | GME | NYSE |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition,” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

On March 26, 2024, GameStop Corp. (the “Company”) issued a press release announcing its financial results for its fourth quarter and fiscal year ended February 3, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in this Current Report, including the exhibit, shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as otherwise expressly set forth therein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 25, 2024, the Board of Directors of the Company (the “Board”) promoted Daniel Moore, the current interim Principal Financial Officer of the Company, to the role of Principal Financial Officer, effective as of March 25, 2024. Mr. Moore will continue to serve in his role as the Principal Accounting Officer of the Company.

In connection with his appointment as the Principal Financial Officer, the Company and GameStop Texas, Ltd. entered into a letter agreement with Mr. Moore on March 25, 2024 (the “Offer Letter”) describing certain terms of his employment, which supersedes all prior agreements or offer letters between the parties regarding Mr. Moore’s employment, unless otherwise noted therein. The Offer Letter provides that Mr. Moore’s annualized salary will be \$160,000 and that all equity awards previously granted to Mr. Moore will continue to vest in accordance with their original terms, subject to Mr. Moore’s continued employment with the Company.

The foregoing description of the Offer Letter is not complete and is qualified in its entirety by the full text of the Offer Letter, a copy of which is attached hereto as Exhibit 10.1 and incorporated by reference in this Item 5.02.

In satisfaction of the disclosure required by Regulation S-K Items 401(b), (d) and (e) and 404(a), the information contained in the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on July 17, 2023, is incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

The following information is furnished pursuant to Item 7.01 “Regulation FD Disclosure,” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[10.1# Letter Agreement between Daniel Moore and GameStop Corp., executed March 25, 2024](#)

[99.1* Press Release issued by GameStop Corp., dated March 26, 2024](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

Management contract or compensation plan or arrangement.

* Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GAMESTOP CORP.

(Registrant)

Date: March 26, 2024

By: /s/ Daniel Moore

Daniel Moore

Principal Financial and Accounting Officer

(Principal Financial Officer)



625 Westport Parkway
Grapevine, TX 76051
817-424-2000

March 25, 2024

Mr. Daniel Moore

Re: Continuing Employment

Dear Daniel,

Congratulations! I am pleased to offer you the permanent role of Principal Financial & Accounting Officer at GameStop Corp. (the "Company") effective as of today. You will continue to be subject to all policies of the Company and GameStop Texas, Ltd. in effect from time to time, including the Company's Anti-hedging Policy, Clawback Policy, Insider Trading Policy and Code of Ethics.

Your base salary will remain at the annualized rate of \$160,000. A total of \$400,000 in transformation bonuses were also paid bi-weekly over the two year period which began on July 1, 2021. These bonuses have been paid in full.

You will continue to be eligible to earn restricted stock units in accordance with, and subject to, the vesting and other terms of any award agreements that have been issued to you on or prior to the date hereof. For the avoidance of doubt, nothing in this letter shall change, eliminate or modify any terms of those award agreements, certain terms of which are summarized below.

- On October 1, 2021, you were granted 15,960 restricted stock units of the Company's Class A common stock ("Common Stock"). The October 2021 equity award vests as follows: 5% on the first anniversary of the grant date, 15% of the second anniversary of the grant date, and 20% on each of the dates that are 30, 36, 42 and 48 months following the grant date, subject to your continuous service through the applicable vesting date.
- On October 1, 2022, you were granted 1,407 restricted stock units of the Company's Common Stock. The October 2022 equity award vests as follows: 1/6th on each of the dates that are 6, 12, 18, 24, 30 and 36 months following the grant date, subject to your continuous service through the applicable vesting date.
- On June 1, 2023, you were granted 3,312 restricted stock units of the Company's Common Stock. The June 2023 equity award vested as follows: 50% on July 1, 2023 and 50% on January 1, 2024.
- On November 1, 2023, you were granted 6,641 restricted shares of the Company's Common Stock. The November 2023 equity award vests as follows: 25% on January 1, 2024, 25% on April 1, 2024, 25% on July 1, 2024, and 25% on October 1, 2024, subject to your continuous service through the applicable vesting date.

Nothing in this letter guarantees your employment for any period or otherwise limits our ability to terminate your employment at any time, for any reason, even if your opportunity to receive or vest in any equity would be forfeited as a result of such termination. We will periodically review your performance and compensation levels and may make adjustments, all as determined in the sole discretion of the Company.

Any modification of any of the terms of this letter must be made in writing and signed by an authorized, executive officer of the Company to be valid and enforceable.

This letter supersedes any prior compensation terms or offer letter entered into between you and the Company. Except as otherwise expressly provided herein, this letter and the terms and conditions of the applicable award agreements referenced above represents our entire agreement regarding your employment and compensation and supersedes all prior discussions and agreements regarding these topics; provided, however, this agreement is in addition to and complements (and does not replace or supersede): i) your agreement to the GameStop C.A.R.E.S Rules of Dispute Resolution; and ii) all obligations you have to the Company or any of its affiliates with respect to confidentiality and return of property, non-disparagement, non-competition, and non-solicitation (whether such obligation arises by contract, common law, statute, or otherwise).

If you have any questions or concerns, please feel free to contact me.

Sincerely,

/s/ Ryan Cohen

Ryan Cohen
Chief Executive Officer

Accepted By: /s/ Daniel Moore
Daniel Moore

 March 25, 2024
Date



GameStop Reports Fourth Quarter and Fiscal Year 2023 Results

GRAPEVINE, Texas--(BUSINESS WIRE)--March 26, 2024-- GameStop Corp. (NYSE: GME) ("GameStop" or the "Company") today released financial results for the fourth quarter and fiscal year ended February 3, 2024. The Company's consolidated financial statements, including GAAP and non-GAAP results, are below. The Company's Form 10-K and supplemental information can be found at <https://investor.gamestop.com>.

FOURTH QUARTER OVERVIEW

- Net sales were \$1.794 billion for the fourth quarter, compared to \$2.226 billion in the prior year's fourth quarter.
- Selling, general and administrative ("SG&A") expenses were \$359.2 million, or 20.0% of net sales, for the fourth quarter, compared to \$453.4 million, or 20.4% of net sales, in the prior year's fourth quarter.
- Net income was \$63.1 million for the fourth quarter, compared to net income of \$48.2 million for the prior year's fourth quarter.
- Cash, cash equivalents and marketable securities were \$1.199 billion at the close of the quarter.
- Long-term debt remains limited to a low-interest, unsecured term loan associated with the French government's response to COVID-19.

FULL YEAR OVERVIEW

- Net sales were \$5.273 billion for fiscal year 2023, compared to \$5.927 billion for fiscal year 2022.
- SG&A expenses were \$1.324 billion, or 25.1% of net sales, for fiscal year 2023, compared to \$1.681 billion, or 28.4% of net sales, for fiscal year 2022.
- Net income was \$6.7 million for fiscal year 2023, compared to a net loss of \$313.1 million for fiscal year 2022.
- Adjusted EBITDA of \$64.7 million for fiscal year 2023, compared to adjusted EBITDA of (\$192.7) million for fiscal year 2022.

The Company will not be holding a conference call today. Additional information can be found in the Company's Form 10-K.

NON-GAAP MEASURES AND OTHER METRICS

As a supplement to the Company's financial results presented in accordance with U.S. generally accepted accounting principles ("GAAP"), GameStop may use certain non-GAAP measures, such as adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), adjusted earnings (loss) per share, adjusted EBITDA and free cash flow. The Company believes these non-GAAP financial measures provide useful information to investors in evaluating the Company's core operating performance. Adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), adjusted earnings (loss) per share and adjusted EBITDA exclude the effect of items such as certain transformation costs, asset impairments, severance, as well as divestiture costs. Free cash flow excludes capital expenditures otherwise included in net cash flows (used in) provided by operating activities. The Company's definition and calculation of non-GAAP financial measures may differ from that of other companies. Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the Company's financial results prepared in accordance with GAAP. Certain of the items that may be excluded or included in non-GAAP financial measures may be significant items that could

impact the Company's financial position, results of operations or cash flows and should therefore be considered in assessing the Company's actual and future financial condition and performance.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS - SAFE HARBOR

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current beliefs, views, estimates and expectations, including as to the Company's industry, business strategy, goals and expectations concerning its market position, strategic and transformation initiatives, future operations, margins, profitability, sales growth, capital expenditures, liquidity, capital resources, expansion of technology expertise, and other financial and operating information, including expectations as to future operating profit improvement. Forward-looking statements are subject to significant risks and uncertainties and actual developments, business decisions, outcomes and results may differ materially from those reflected or described in the forward-looking statements. The following factors, among others, could cause actual developments, business decisions, outcomes and results to differ materially from those reflected or described in the forward-looking statements: economic, social, and political conditions in the markets in which we operate; the competitive nature of the Company's industry; the cyclical nature of the video game industry; the Company's dependence on the timely delivery of new and innovative products from its vendors; the impact of technological advances in the video game industry and related changes in consumer behavior on the Company's sales; interruptions to the Company's supply chain or the supply chain of our suppliers; the Company's dependence on sales during the holiday selling season; the Company's ability to obtain favorable terms from its current and future suppliers and service providers; the Company's ability to anticipate, identify and react to trends in pop culture with regard to its sales of collectibles; the Company's ability to maintain strong retail and ecommerce experiences for its customers; the Company's ability to keep pace with changing industry technology and consumer preferences; the Company's ability to manage its profitability and cost reduction initiatives; turnover in senior management or the Company's ability to attract and retain qualified personnel; potential damage to the Company's reputation or customers' perception of the Company; the Company's ability to maintain the security or privacy of its customer, associate or Company information; occurrence of weather events, natural disasters, public health crises and other unexpected events; risks associated with inventory shrinkage; potential failure or inadequacy of the Company's computerized systems; the ability of the Company's third party delivery services to deliver products to the Company's retail locations, fulfillment centers and consumers and changes in the terms the Company has with such service providers; the ability and willingness of the Company's vendors to provide marketing and merchandising support at historical or anticipated levels; restrictions on the Company's ability to purchase and sell pre-owned products; the Company's ability to renew or enter into new leases on favorable terms; unfavorable changes in the Company's global tax rate; legislative actions; the Company's ability to comply with federal, state, local and international laws and regulations and statutes; potential future litigation and other legal proceedings; the value of the Company's securities holdings; concentration of the Company's investment portfolio into one or fewer holdings; the recognition of losses in a particular security even if the Company has not sold the security; volatility in the Company's stock price, including volatility due to potential short squeezes; continued high degrees of media coverage by third parties; the availability and future sales of substantial amounts of the Company's Class A common stock; fluctuations in the Company's results of operations from quarter to quarter; the restrictions contained in the agreement governing the Company's revolving credit facility; the Company's ability to generate sufficient cash flow to fund its operations; the Company's ability to incur additional debt; risks associated with the Company's investment in marketable, nonmarketable and interest-bearing securities, including the impact of such investments on Company's financial results; and the Company's ability to maintain effective control over financial reporting. Additional factors that could cause results to differ materially from those reflected or described in the forward-looking statements can be found in GameStop's most recent Annual Report on Form 10-K and other filings made from time to time with the SEC and available at www.sec.gov or on the Company's investor relations website (<https://investor.gamestop.com>). Forward-looking statements contained in this press release speak only as of the date of this press release. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

GameStop Corp.
Consolidated Statements of Operations
(in millions, except per share data)
(unaudited)

| | 14 Weeks Ended February 3, 2024 | 13 Weeks Ended January 28, 2023 |
|--|--|--|
| Net sales | \$ 1,793.6 | \$ 2,226.4 |
| Cost of sales | 1,374.4 | 1,726.6 |
| Gross profit | 419.2 | 499.8 |
| Selling, general and administrative expenses | 359.2 | 453.4 |
| Asset impairments | 4.8 | 0.2 |
| Operating earnings | 55.2 | 46.2 |
| Interest income, net | (15.3) | (6.2) |
| Other gain, net | (0.5) | — |
| Earnings before income taxes | 71.0 | 52.4 |
| Income tax expense, net | 7.9 | 4.2 |
| Net income | <u>\$ 63.1</u> | <u>\$ 48.2</u> |
| Earnings per share: | | |
| Basic earnings per share | \$ 0.21 | \$ 0.16 |
| Diluted earnings per share | 0.21 | 0.16 |
| Weighted average common shares outstanding: | | |
| Basic | 305.6 | 304.3 |
| Diluted | 305.7 | 304.5 |
| <u>Percentage of Net Sales:</u> | | |
| Net sales | 100.0 % | 100.0 % |
| Cost of sales | 76.6 % | 77.6 % |
| Gross profit | 23.4 % | 22.4 % |
| Selling, general and administrative expenses | 20.0 % | 20.4 % |
| Asset impairments | 0.3 % | — % |
| Operating earnings | 3.1 % | 2.1 % |
| Interest income, net | (0.9)% | (0.3)% |
| Other gain, net | — % | — % |
| Earnings before income taxes | 4.0 % | 2.4 % |
| Income tax expense, net | 0.5 % | 0.2 % |
| Net income | <u>3.5 %</u> | <u>2.2 %</u> |

GameStop Corp.
Consolidated Statements of Operations

(in millions, except per share data)
(unaudited)

| | 53 weeks ended February 3, 2024 | 52 weeks ended January 28, 2023 |
|--|--|--|
| Net sales | \$ 5,272.8 | \$ 5,927.2 |
| Cost of sales | 3,978.6 | 4,555.1 |
| Gross profit | 1,294.2 | 1,372.1 |
| Selling, general and administrative expenses | 1,323.9 | 1,681.0 |
| Asset impairments | 4.8 | 2.7 |
| Operating loss | (34.5) | (311.6) |
| Interest income, net | (49.5) | (9.5) |
| Other loss, net | 1.9 | — |
| Income (loss) before income taxes | 13.1 | (302.1) |
| Income tax expense, net | 6.4 | 11.0 |
| Net income (loss) | <u>\$ 6.7</u> | <u>\$ (313.1)</u> |
| Earnings (loss) per share: | | |
| Basic earnings (loss) per share | \$ 0.02 | \$ (1.03) |
| Diluted earnings (loss) per share | 0.02 | (1.03) |
| Weighted average common shares outstanding: | | |
| Basic | 305.1 | 304.2 |
| Diluted | 305.2 | 304.2 |
| <u>Percentage of Net Sales:</u> | | |
| Net sales | 100.0 % | 100.0 % |
| Cost of sales | 75.5 % | 76.9 % |
| Gross profit | 24.5 % | 23.1 % |
| Selling, general and administrative expenses | 25.1 % | 28.4 % |
| Asset impairments | 0.1 % | — % |
| Operating loss | (0.7)% | (5.3)% |
| Interest income, net | (0.9)% | (0.2)% |
| Other loss, net | — % | — % |
| Income (loss) before income taxes | 0.2 % | (5.1)% |
| Income tax expense, net | 0.1 % | 0.2 % |
| Net income (loss) | <u>0.1 %</u> | <u>(5.3)%</u> |

GameStop Corp.
Consolidated Balance Sheets

(in millions)
(unaudited)

| | February 3, 2024 | January 28, 2023 |
|--|-----------------------------|-----------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 921.7 | \$ 1,139.0 |
| Marketable securities | 277.6 | 251.6 |
| Receivables, net of allowance of \$4.4 and \$2.2, respectively | 91.0 | 153.9 |
| Merchandise inventories, net | 632.5 | 682.9 |
| Prepaid expenses and other current assets | 51.4 | 96.3 |
| Total current assets | <u>1,974.2</u> | <u>2,323.7</u> |
| Property and equipment, net of accumulated depreciation of \$851.2 and \$1,006.8, respectively | 94.9 | 136.5 |
| Operating lease right-of-use assets | 555.8 | 560.8 |
| Deferred income taxes | 17.3 | 18.3 |
| Other noncurrent assets | 66.8 | 74.1 |
| Total assets | <u>\$ 2,709.0</u> | <u>\$ 3,113.4</u> |
| Current liabilities: | | |
| Accounts payable | \$ 324.0 | \$ 531.3 |
| Accrued liabilities and other current liabilities | 412.0 | 602.3 |
| Current portion of operating lease liabilities | 187.7 | 194.7 |
| Current portion of long-term debt | 10.8 | 10.8 |
| Total current liabilities | <u>934.5</u> | <u>1,339.1</u> |
| Long-term debt | 17.7 | 28.7 |
| Operating lease liabilities | 386.6 | 382.4 |
| Other long-term liabilities | 31.6 | 40.9 |
| Total liabilities | <u>1,370.4</u> | <u>1,791.1</u> |
| Stockholders' equity | 1,338.6 | 1,322.3 |
| Total liabilities and stockholders' equity | <u>\$ 2,709.0</u> | <u>\$ 3,113.4</u> |

GameStop Corp.
Consolidated Statements of Cash Flows

(in millions)
(unaudited)

| | 14 Weeks Ended February 3, 2024 | 13 Weeks Ended January 28, 2023 |
|--|--|--|
| Cash flows from operating activities: | | |
| Net income | \$ 63.1 | \$ 48.2 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | |
| Depreciation and amortization | 18.6 | 14.2 |
| Gain on sale of digital assets | — | (0.1) |
| Digital asset impairments | — | 0.1 |
| Asset impairments | 4.8 | 0.2 |
| Stock-based compensation expense, net | 8.2 | 7.9 |
| Deferred income taxes | (0.1) | (2.6) |
| Loss (gain) on disposal of property and equipment, net | 6.5 | (2.6) |
| Other, net | (2.1) | (5.7) |
| Changes in operating assets and liabilities: | | |
| Receivables, net | (0.7) | (30.1) |
| Merchandise inventories, net | 397.0 | 474.6 |
| Prepaid expenses and other assets | 4.7 | 13.5 |
| Prepaid income taxes and income taxes payable | 2.7 | 171.5 |
| Accounts payable and accrued liabilities | (512.2) | (354.9) |
| Operating lease right-of-use assets and lease liabilities | (1.0) | 2.8 |
| Changes in other long-term liabilities | (0.5) | 1.2 |
| Net cash flows (used in) provided by operating activities | <u>(11.0)</u> | <u>338.2</u> |
| Cash flows from investing activities: | | |
| Capital expenditures | (7.7) | (11.6) |
| Purchases of marketable securities | (13.8) | (39.8) |
| Proceeds from maturities of marketable securities | 42.1 | 27.5 |
| Proceeds from sale of digital assets | — | 4.5 |
| Other | — | 0.3 |
| Net cash flows provided by (used in) investing activities | <u>20.6</u> | <u>(19.1)</u> |
| Cash flows from financing activities: | | |
| Repayments of French term loans | (2.7) | (3.9) |
| Settlement of stock-based awards | (0.8) | (0.7) |
| Net cash flows used in financing activities | <u>(3.5)</u> | <u>(4.6)</u> |
| Exchange rate effect on cash, cash equivalents and restricted cash | 3.6 | 22.0 |
| Increase in cash, cash equivalents and restricted cash | 9.7 | 336.5 |
| Cash, cash equivalents and restricted cash at beginning of period | 929.2 | 859.5 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 938.9</u> | <u>\$ 1,196.0</u> |

GameStop Corp.
Consolidated Statements of Cash Flows

(in millions)
(unaudited)

| | 53 weeks ended February 3, 2024 | 52 weeks ended January 28, 2023 |
|---|--|--|
| Cash flows from operating activities: | | |
| Net income (loss) | \$ 6.7 | \$ (313.1) |
| Adjustments to reconcile net income (loss) to net cash flows from operating activities: | | |
| Depreciation and amortization | 56.2 | 61.7 |
| Asset impairments | 4.8 | 2.7 |
| Stock-based compensation expense, net | 22.2 | 40.1 |
| Gain on sale of digital assets | — | (7.2) |
| Digital asset impairments | — | 34.0 |
| Deferred income taxes | (0.1) | (2.6) |
| Loss on disposal of property and equipment, net | 1.5 | 2.5 |
| Other, net | 0.8 | 1.2 |
| Changes in operating assets and liabilities: | | |
| Receivables, net | 65.0 | (16.8) |
| Merchandise inventories, net | 39.9 | 229.6 |
| Prepaid expenses and other assets | 10.4 | (25.2) |
| Prepaid income taxes and income taxes payable | (2.4) | 172.4 |
| Accounts payable and accrued liabilities | (397.7) | (66.2) |
| Operating lease right-of-use assets and lease liabilities | (8.1) | (4.9) |
| Changes in other long-term liabilities | (2.9) | — |
| Net cash flows (used in) provided by operating activities | <u>(203.7)</u> | <u>108.2</u> |
| Cash flows from investing activities: | | |
| Capital expenditures | (34.9) | (55.9) |
| Purchases of marketable securities | (326.8) | (276.8) |
| Proceeds from maturities and sales of marketable securities | 312.6 | 27.5 |
| Proceeds from sale of property and equipment | 13.1 | — |
| Proceeds from sale of digital assets | 2.8 | 81.9 |
| Other | — | 0.6 |
| Net cash flows used in investing activities | <u>(33.2)</u> | <u>(222.7)</u> |
| Cash flows from financing activities: | | |
| Repayments of French term loans | (10.7) | (3.9) |
| Settlement of stock-based awards | (0.9) | (4.0) |
| Net cash flows used in financing activities | <u>(11.6)</u> | <u>(7.9)</u> |
| Exchange rate effect on cash, cash equivalents and restricted cash | (8.6) | (1.5) |
| Decrease in cash, cash equivalents and restricted cash | (257.1) | (123.9) |
| Cash, cash equivalents and restricted cash at beginning of period | 1,196.0 | 1,319.9 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 938.9</u> | <u>\$ 1,196.0</u> |

GameStop Corp.**Schedule I****Sales Mix**(in millions)
(unaudited)

| | 14 Weeks Ended February 3, 2024 | | 13 Weeks Ended January 28, 2023 | |
|---|--|-------------------------|--|-------------------------|
| | Net Sales | Percent of Total | Net Sales | Percent of Total |
| Net Sales: | | | | |
| Hardware and accessories ⁽¹⁾ | \$ 1,094.6 | 61.0 % | \$ 1,242.8 | 55.8 % |
| Software ⁽²⁾ | 465.3 | 26.0 % | 670.4 | 30.1 % |
| Collectibles | 233.7 | 13.0 % | 313.2 | 14.1 % |
| Total | <u>\$ 1,793.6</u> | <u>100.0 %</u> | <u>\$ 2,226.4</u> | <u>100.0 %</u> |

| | 53 weeks ended February 3, 2024 | | 52 weeks ended January 28, 2023 | |
|---|--|-------------------------|--|-------------------------|
| | Net Sales | Percent of Total | Net Sales | Percent of Total |
| Net Sales: | | | | |
| Hardware and accessories ⁽¹⁾ | \$ 2,996.8 | 56.8 % | \$ 3,140.0 | 53.0 % |
| Software ⁽²⁾ | 1,522.0 | 28.9 % | 1,822.6 | 30.7 % |
| Collectibles | 754.0 | 14.3 % | 964.6 | 16.3 % |
| Total | <u>\$ 5,272.8</u> | <u>100.0 %</u> | <u>\$ 5,927.2</u> | <u>100.0 %</u> |

(1) Includes sales of new and pre-owned hardware, accessories, hardware bundles in which hardware and digital or physical software are sold together in a single SKU, interactive game figures, strategy guides, mobile and consumer electronics.

(2) Includes sales of new and pre-owned gaming software, digital software and PC entertainment software.

GameStop Corp.
Schedule II
(in millions)
(unaudited)

Non-GAAP results

The following tables reconcile the Company's SG&A expenses, operating earnings (loss), net income (loss) and earnings (loss) per share as presented in its consolidated statements of operations and prepared in accordance with U.S. generally accepted accounting principles ("GAAP") to its adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), adjusted earnings (loss) per share and adjusted EBITDA. The diluted weighted-average shares outstanding used to calculate adjusted earnings per share may differ from GAAP weighted-average shares outstanding. Under GAAP, basic and diluted weighted-average shares outstanding are the same in periods where there is a net loss. The tax adjustments below for the 14 and 53 weeks ended February 3, 2024, respectively, include provisions for the tax effects of non-GAAP adjustments. The reconciliations below are from continuing operations only.

| | 14 Weeks Ended February 3, 2024 | 13 Weeks Ended January 28, 2023 | 53 Weeks Ended February 3, 2024 | 52 Weeks Ended January 28, 2023 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| <u>Adjusted SG&A Expenses</u> | | | | |
| SG&A expenses | \$ 359.2 | \$ 453.4 | \$ 1,323.9 | \$ 1,681.0 |
| Transformation costs ⁽¹⁾ | (0.3) | (0.5) | (5.0) | (0.9) |
| Adjusted SG&A expenses | <u>\$ 358.9</u> | <u>\$ 452.9</u> | <u>\$ 1,318.9</u> | <u>\$ 1,680.1</u> |
| <u>Adjusted Operating Income (Loss)</u> | | | | |
| Operating earnings (loss) | \$ 55.2 | \$ 46.2 | \$ (34.5) | \$ (311.6) |
| Transformation costs ⁽¹⁾ | 0.3 | 0.5 | 5.0 | 0.9 |
| Asset impairments | 4.8 | 0.2 | 4.8 | 2.7 |
| Adjusted operating income (loss) | <u>\$ 60.3</u> | <u>\$ 46.9</u> | <u>\$ (24.7)</u> | <u>\$ (308.0)</u> |
| <u>Adjusted Net Income (Loss)</u> | | | | |
| Net income (loss) | \$ 63.1 | \$ 48.2 | \$ 6.7 | \$ (313.1) |
| Transformation costs ⁽¹⁾ | 0.3 | 0.5 | 5.0 | 0.9 |
| Asset impairments | 4.8 | 0.2 | 4.8 | 2.7 |
| Divestitures and other ⁽²⁾ | (0.5) | — | 0.9 | — |
| Adjusted net income (loss) | <u>\$ 67.7</u> | <u>\$ 48.9</u> | <u>\$ 17.4</u> | <u>\$ (309.5)</u> |
| <u>Adjusted Earnings (Loss) Per Share</u> | | | | |
| Basic | \$ 0.22 | \$ 0.16 | \$ 0.06 | \$ (1.02) |
| Diluted | \$ 0.22 | \$ 0.16 | \$ 0.06 | \$ (1.02) |
| Number of shares used in adjusted calculation | | | | |
| Basic | 305.6 | 304.3 | 305.1 | 304.2 |
| Diluted | 305.7 | 304.5 | 305.2 | 304.2 |

(1) For the fourth quarter and fiscal year 2023, transformation costs include severance, stock-based compensation forfeitures related to workforce optimization efforts in the U.S., and other costs in connection with our transformation initiatives. This amount excludes accelerated lease amortization and fixed asset costs which have not been factored into our non-GAAP measures. For the fourth quarter and fiscal year 2022, transformation costs includes the impact of stock-based compensation forfeitures partially offset by cash severance costs related to workforce optimization efforts in connection with our transformation initiatives.

(2) Divestitures and other includes an overall net loss from our divestiture of business operations in Europe.

| | 14 Weeks Ended February 3, 2024 | 13 Weeks Ended January 28, 2023 | 53 Weeks Ended February 3, 2024 | 52 Weeks Ended January 28, 2023 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Reconciliation of Adjusted EBITDA to Net Income (Loss) | | | | |
| Net income (loss) | \$ 63.1 | \$ 48.2 | \$ 6.7 | \$ (313.1) |
| Interest income, net | (15.3) | (6.2) | (49.5) | (9.5) |
| Depreciation and amortization | 18.6 | 14.2 | 56.2 | 61.7 |
| Income tax expense, net | 7.9 | 4.2 | 6.4 | 11.0 |
| EBITDA | <u>\$ 74.3</u> | <u>\$ 60.4</u> | <u>\$ 19.8</u> | <u>\$ (249.9)</u> |
| Stock-based compensation expense | 9.1 | 21.4 | 34.2 | 53.6 |
| Transformation costs ⁽¹⁾ | 0.3 | 0.5 | 5.0 | 0.9 |
| Asset impairments | 4.8 | 0.2 | 4.8 | 2.7 |
| Divestitures and other ⁽²⁾ | (0.5) | — | 0.9 | — |
| Adjusted EBITDA | <u><u>\$ 88.0</u></u> | <u><u>\$ 82.5</u></u> | <u><u>\$ 64.7</u></u> | <u><u>\$ (192.7)</u></u> |

(1) For the fourth quarter and fiscal year 2023, transformation costs include severance, stock-based compensation forfeitures related to workforce optimization efforts in the U.S., and other costs in connection with our transformation initiatives. This amount excludes accelerated lease amortization and fixed asset costs which have not been factored into our non-GAAP measures. For the fourth quarter and fiscal year 2022, transformation costs includes the impact of stock-based compensation forfeitures partially offset by cash severance costs related to workforce optimization efforts in connection with our transformation initiatives.

(2) Divestitures and other includes an overall net loss from our divestiture of business operations in Europe.

GameStop Corp.
Schedule III
(in millions)
(unaudited)

Non-GAAP results

The following table reconciles the Company's cash flows (used in) provided by operating activities as presented in its Consolidated Statements of Cash Flows and prepared in accordance with GAAP to its free cash flow. Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use by investors in evaluating the Company's financial performance.

| | <u>14 Weeks Ended February 3, 2024</u> | <u>13 Weeks Ended January 28, 2023</u> | <u>53 Weeks Ended February 3, 2024</u> | <u>52 Weeks Ended January 28, 2023</u> |
|---|--|--|--|--|
| Net cash flows (used in) provided by operating activities | \$ (11.0) | \$ 338.2 | \$ (203.7) | \$ 108.2 |
| Capital expenditures | (7.7) | (11.6) | (34.9) | (55.9) |
| Free cash flow | <u>\$ (18.7)</u> | <u>\$ 326.6</u> | <u>\$ (238.6)</u> | <u>\$ 52.3</u> |

Non-GAAP Measures and Other Metrics

Adjusted EBITDA, adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), and adjusted earnings (loss) per share are supplemental financial measures of the Company's performance that are not required by, or presented in accordance with GAAP. We believe that the presentation of these non-GAAP financial measures provides useful information to investors in assessing our financial condition and results of operations.

We define adjusted EBITDA as net income (loss) before income taxes, plus net interest income, depreciation and amortization, stock-based compensation expense, transformation costs, business divestitures, fixed asset impairments, severance and certain other non-cash charges. Net income (loss) is the GAAP financial measure most directly comparable to adjusted EBITDA. Our non-GAAP financial measures should not be considered as an alternative to the most directly comparable GAAP financial measure. Furthermore, non-GAAP financial measures have limitations as an analytical tool because they exclude some but not all items that affect the most directly comparable GAAP financial measures. Some of these limitations include:

- certain items excluded from adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure;
- adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- adjusted EBITDA does not reflect changes in, or cash requirements for our working capital needs;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements; and
- our computations of adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

We compensate for the limitations of adjusted EBITDA, adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), and adjusted earnings (loss) per share as analytical tools by reviewing the comparable GAAP financial measure, understanding the differences between the GAAP and non-GAAP financial measures and incorporating these data points into our decision-making process. Adjusted EBITDA, adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), and adjusted earnings (loss) per share is provided in addition to, and not as an alternative to, the Company's financial results prepared in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because adjusted EBITDA, adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), and adjusted earnings (loss) per share may be defined and determined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Contact

GameStop Corp. Investor Relations
(817) 424-2001
ir@gamestop.com