

GameStop®

POWER TO THE PLAYERS®

Q2 2017 Earnings

August 24, 2017

GameStop
POWER TO THE PLAYERS®

EBGAMES

 **gameinformer**

MICROMANIA

simply mac

 **springmobile**

THINKGREEN

 **GAMETRUST**

Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may include, but are not limited to, the outlook for fiscal 2017, future financial and operating results and projections, projected store openings, timing and terms of potential acquisitions, the company's plans, objectives, expectations and intentions, and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of GameStop's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. GameStop undertakes no obligation to publicly update or revise any forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the inability to obtain sufficient quantities of product to meet consumer demand, including console hardware and accessories; the timing of release and consumer demand for new and pre-owned video game titles; our ability to continue to expand, and successfully open and operate new stores for, our collectibles and tech brands businesses; risks associated with achievement of anticipated financial and operating results from acquisitions; our ability to sustain and grow our console digital video game sales; the timing and amount of recognition of tax attributes; the risks associated with international operations, wireless industry partnerships and operations and the completion and integration of acquisitions; increased competition and changing technology in the video game industry, including browser and mobile games and digital distribution of console games, and the impact of that competition and those changes on physical video game sales; the costs and consequences of legal proceedings and tax audits; and changes in domestic or foreign laws and regulations that reduce consumer demand for, or increase prices of, our products or otherwise adversely affect our business. Additional factors that could cause GameStop's results to differ materially from those described in the forward-looking statements can be found in GameStop's Annual Report on Form 10-K for the fiscal year ended Jan. 28, 2017 filed with the SEC and available at the SEC's Internet site at <http://www.sec.gov> or <http://investor.GameStop.com>.

GameStop is a Global Specialty Retailer

We're a global family of specialty retail brands that makes the most popular technologies affordable and simple

GME | CHANGING THE GAME

VIDEO GAMES

No. 1 Market Share in 13 Countries

\$13 Billion Addressable US Market



GameStop
POWERUP
REWARDS

54 Million Members Worldwide

gameinformer

2016: \$7B

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DIGITAL

\$1 Billion Digital Business

\$8 Billion Addressable US Market



Downloadable Content



GAMETRUST

2016: >\$1B

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TECHNOLOGY BRANDS

\$200 Billion Addressable US Market



springmobile



AT&T | **cricket**

- The Largest And Fastest Growing AT&T Wireless Retailer
- AT&T National Dealer

simply mac



Apple Specialist

- Largest Apple Authorized Reseller

2016: ≈\$.8B

GME | CHANGING THE GAME

COLLECTIBLES

\$11 Billion Addressable US Market



THINKGEEK
JOIN IN. GEEK OUT.™



2016: ≈\$.5B

Q2 2017 Highlights

- Nintendo Switch drives 15% growth in New Hardware sales
- Consolidated comparable store sales increase 1.9%
- Collectibles sales grow 36%
- Omnichannel sales rise 86%

Q2 2017 Financial Overview

Consolidated Performance Summary

	Q2 2017	Q2 2016
Total Sales	\$1,687.6M +3.4%	\$1,631.8M
Comp SSS	+1.9%	
Gross Margin	\$623.7M 37.0%	\$617.7M 37.9%
Operating Earnings (Adjusted)	\$36.3 -37.7%	\$58.3
Net Income (Adjusted)	\$14.9M -46.6%	\$27.9M
EPS (Adjusted)	\$0.15 -44.4%	\$0.27

Q2 2017 Sales Category Highlights

	Q2 2017	Q2 2016
New hardware	\$248.4M +14.8%	\$216.4M
New software	\$369.3M -3.4%	\$382.2M
Pre-owned/Value	\$501.8M -7.5%	\$542.6M
Video Game Accessories	\$144.1M +20.6%	\$119.5M
Digital	\$46.5M +28.1%	\$36.3M
Technology Brands	\$188.3M +7.0%	\$175.9M
Collectibles	\$122.5M +36.1%	\$90.0M
Other	\$66.7M -3.2%	\$68.9M
Total Sales	\$1,687.6M +3.4%	\$1,631.8M

Q2 2017 Gross Profit by Category

	Q2 2017	Q2 2016
New hardware	\$26.7M 10.7%	\$30.0M 13.9%
New software	\$81.8M 22.2%	\$98.1M 25.7%
Pre-owned/Value	\$225.6M 45.0%	\$244.0M 45.0%
Video Game Accessories	\$47.7M 33.1%	\$45.7M 38.2%
Digital	\$37.9M 81.5%	\$32.7M 90.1%
Technology Brands	\$138.9M 73.8%	\$110.7M 62.9%
Collectibles	\$43.2M 35.3%	\$34.7M 38.6%
Other	\$21.9M 32.8%	\$21.8M 31.6%
Total Gross Profit Gross Margin	\$623.7M 37.0%	\$617.7M 37.9%

2017 Guidance

	FY 2017
Total Sales	-2.0% to 2.0%
Same Store Sales	-5.0% to 0%
D&A Expense	\$150.0 to \$160.0
Income Tax Rate	35.0% to 35.5%
Operating Margin	6.5% to 7.0%
Net Income	\$320.0 to \$354.0
Diluted EPS*	\$3.10 to \$3.40
Capital Expenditures	\$110.0 to \$120.0

2017 Category Sales Guidance

Category Sales Growth

New hardware	Flat to up slightly
New software	Down mid-single digits
Pre-owned	Down mid-single digits
Tech Brands	+10% to +16%
Collectibles	+30% to +40%

2017 Projected Cash Flow Use

Sources

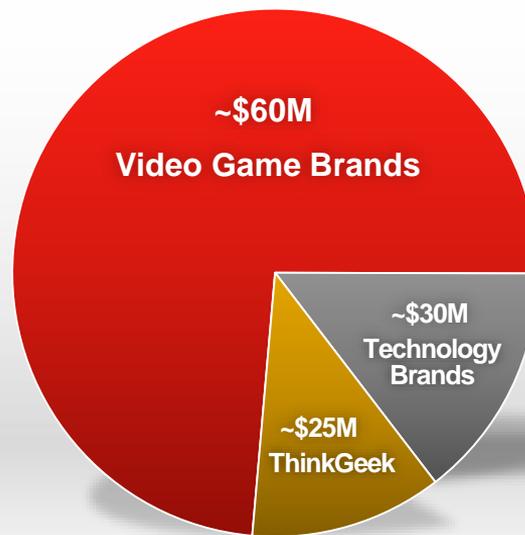


~\$300M of FCF

Priorities for FCF

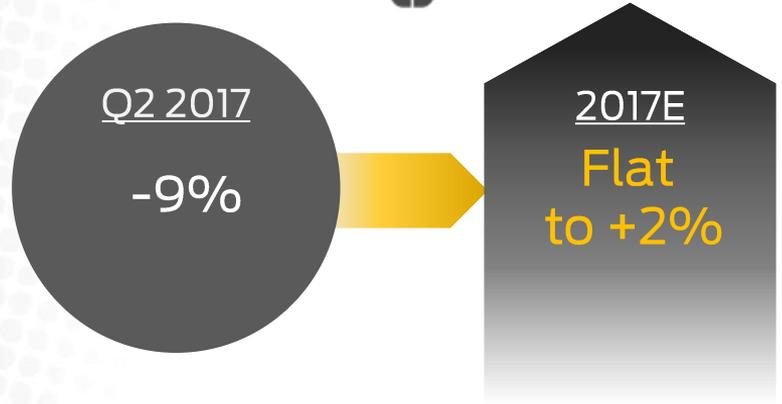
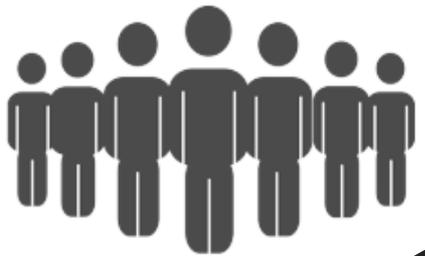
- Dividend
- Potential M&A
- Share repurchases

\$110 to \$120M of Capital Expenditures



Technology Brands Store Metrics

TRAFFIC

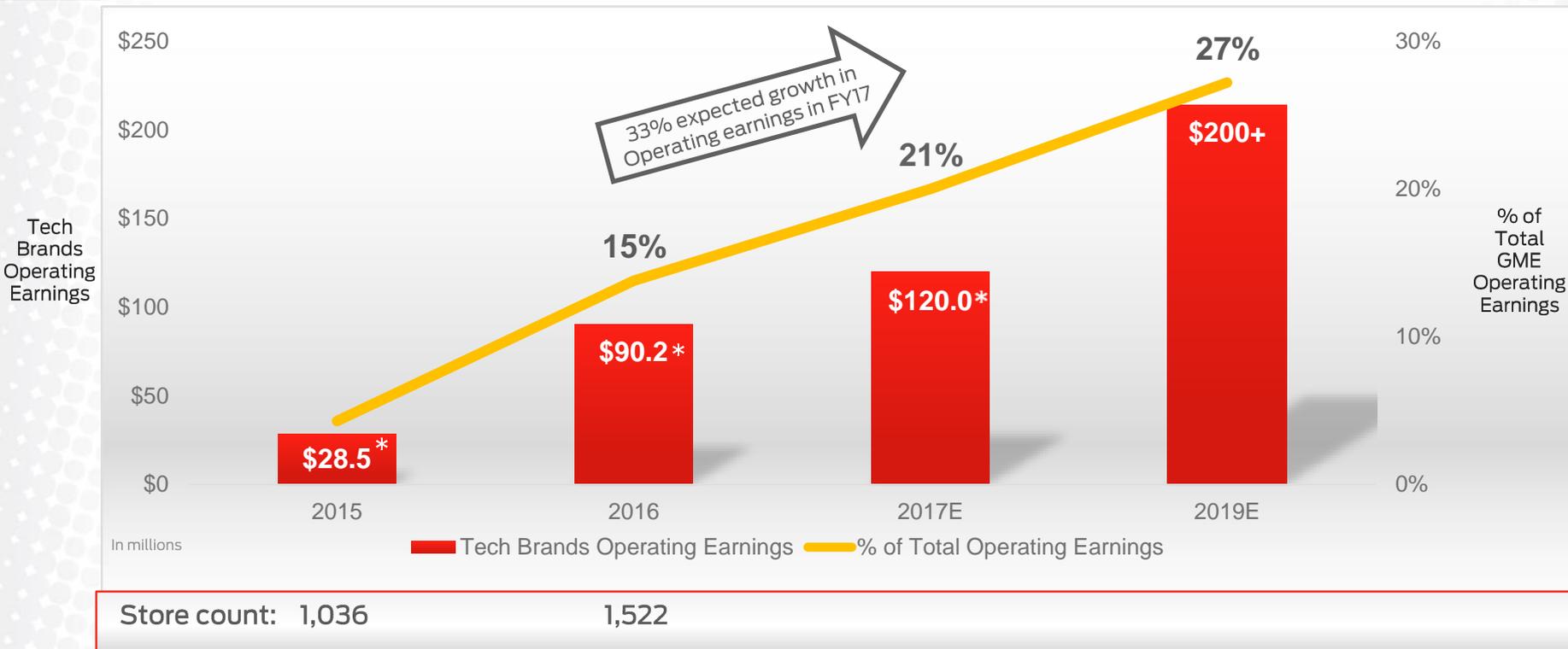


GROSS PROFIT COMP



For modeling: the store comp base increases from 655 to 1,178 stores throughout 2017

Projected Technology Brands Operating Earnings Growth



*Operating earnings exclude one time charges

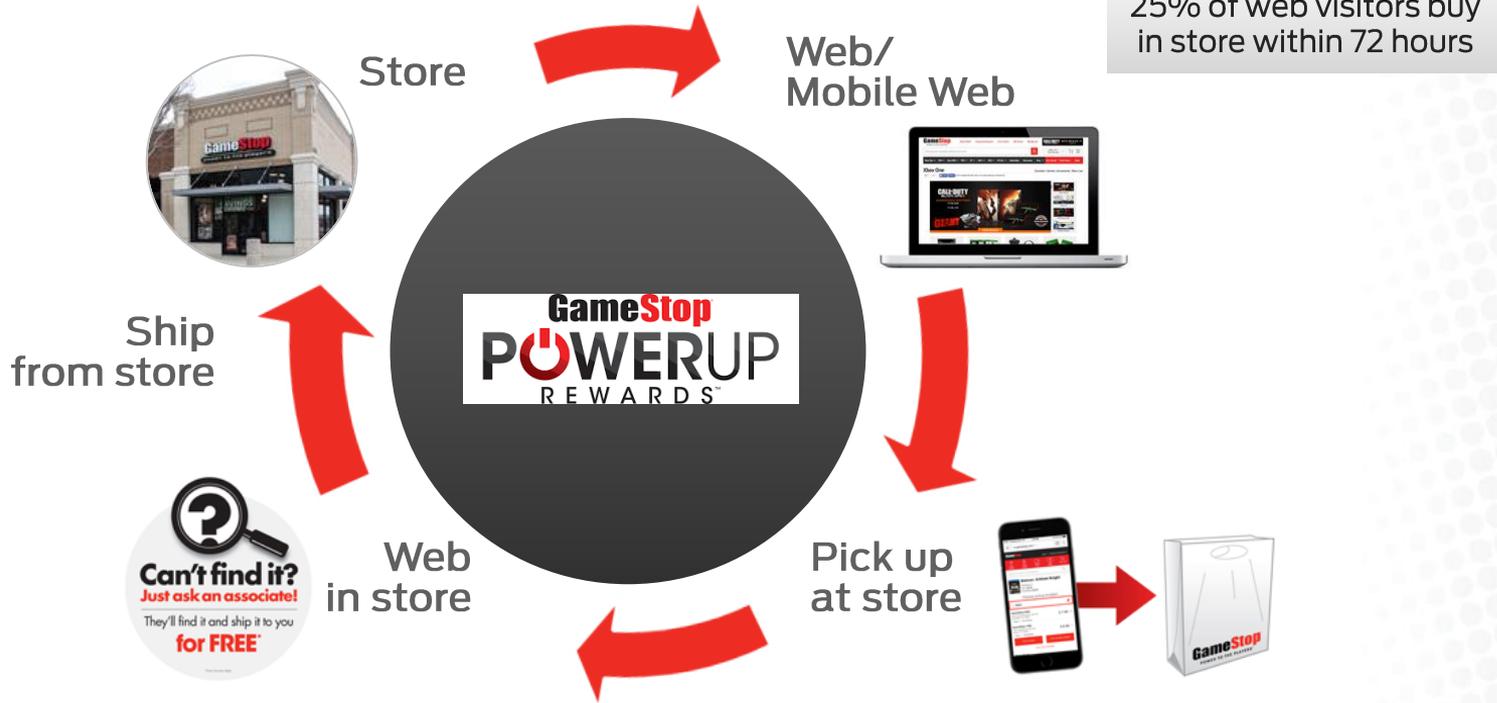
Collectibles Business

“Loot” sales are expected to grow 30% to 40% in fiscal 2017

- Increasing the amount of space dedicated to collectibles across our global store footprint and opening standalone collectibles stores
- Entering into licensing agreements with major IP holders to produce unique, exclusive products
- Leveraging our loyalty programs in each country to drive relevant product around a robust launch schedule
- Hired an accomplished brand management and product licensing leader to serve in a newly created position as Senior Vice President of Collectibles



Omni-channel is Growing the Business



>60% of our transactions now involve BOTH online and a physical store

PowerUp Rewards – A Core Strategic Asset

GameStop
POWER TO THE PLAYERS™



U.S. Penetration	1 in 5	% of Sales	75%
GameStop POWERUP REWARDS™			
Sales	3X	Profits	5X

Personalized Offers

Play as the Rebellion or the Evil Empire.

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DLC Targeting

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— GameSpot

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(Promotional reward generated through 10/26/15)

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BROWSE GAMES

Collectibles Marketing

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Thank you

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