

GameStop®

POWER TO THE PLAYERS®

Q1 2017 Earnings

May 25, 2017

GameStop
POWER TO THE PLAYERS

ES GAMES

KONGREGATE

gameinformer

MICROMANIA

simply-mac

springmobile

THINKGEEK

Making The Most Popular Technologies Affordable and Simple.

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>.

GME 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

52 Million Members Worldwide

gameinformer

2016: \$7B

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DIGITAL/MOBILE GAMING

\$1 Billion Digital Business

\$8 Billion Addressable US Market



Downloadable Content



KONGREGATE
Top 10 Mobile Publisher

GAMETRUST

2016: >\$1B

GME | CHANGING THE GAME

TECHNOLOGY BRANDS

\$200+ Billion Addressable US Market



- 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

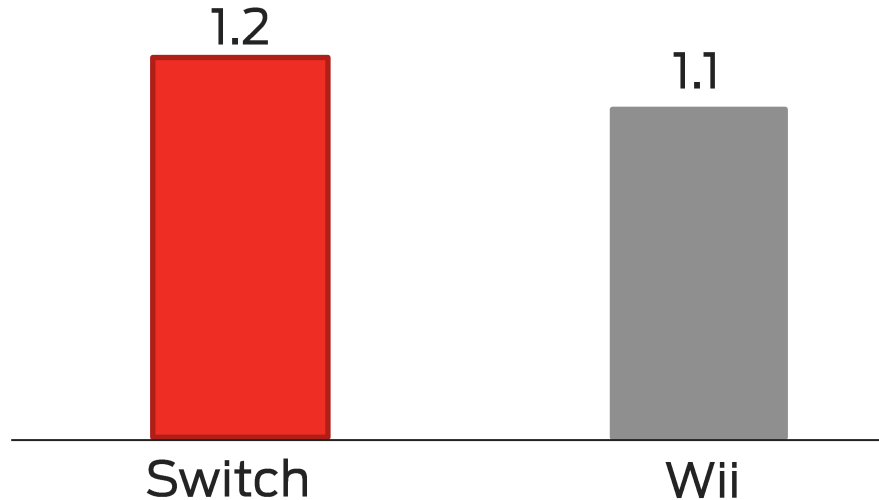
Q1 2017 Highlights

- Nintendo Switch launch drives 25% growth in New Hardware sales
- Consolidated comparable store sales increase 2.3%
- Technology Brands revenues increase 22%
- Collectibles sales grow 39%
- Omnichannel sales rise 93%

Switch vs. Wii

Hardware unit sell thru for first two months in market

U.S. only; in millions



After first two months, Switch sales are exceeding Wii sales by 10%

Q1 2017 Financial Overview

Consolidated Performance Summary

	Q1 2017	Q1 2016
Total Sales	\$2,045.9M +3.8%	\$1,971.5M
Comp SSS	+2.3%	
Gross Margin	\$702.5M 34.3%	\$675.5M 34.3%
Operating Earnings (Adjusted)	\$108.4 -8.2%	\$118.1
Net Income (Adjusted)	\$63.6M -7.0%	\$68.4M
EPS (Adjusted)	\$0.63 -4.5%	\$0.66

Q1 2017 Sales Category Highlights

	Q1 2017	Q1 2016
New hardware	\$389.9M +24.6%	\$312.9M
New software	\$520.5M -8.2%	\$567.2M
Pre-owned/Value	\$526.2M -6.2%	\$560.9M
Video Game Accessories	\$176.1M +8.2%	\$162.7M
Digital	\$44.1M +3.0%	\$42.8M
Technology Brands	\$201.4M +21.5%	\$165.8M
Collectibles	\$114.5M +39.1%	\$82.3M
Other	\$73.2M -4.8%	\$76.9M
Total Sales	\$2,045.9M +3.8%	\$1,971.5M

Q1 2017 Gross Profit by Category

	Q1 2017	Q1 2016
New hardware	\$38.1M 9.8%	\$28.3M 9.0%
New software	\$113.7M 21.8%	\$127.9M 22.5%
Pre-owned/Value	\$253.7M 48.2%	\$263.2M 46.9%
Video Game Accessories	\$55.9M 31.7%	\$57.1M 35.1%
Digital	\$36.1M 81.9%	\$37.0M 86.4%
Technology Brands	\$144.6M 71.8%	\$109.7M 66.2%
Collectibles	\$35.2M 30.7%	\$28.6M 34.8%
Other	\$25.2M 34.4%	\$23.7M 30.8%
Total Gross Profit Gross Margin	\$702.5M 34.3%	\$675.5M 34.3%

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

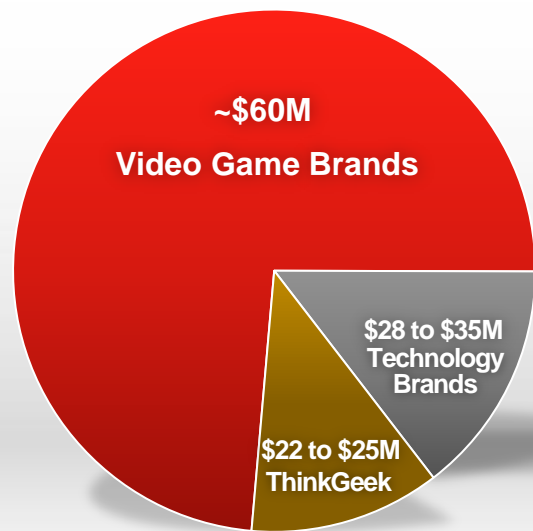


~\$300M of FCF

Priorities for FCF

- Dividend
- Tech Brands expansion
- Potential M&A
- Share repurchases

\$110 to \$120M of Capital Expenditures



Technology Brands Store Metrics

TRAFFIC



Q1 2017

-7%

2017E

Flat
to +2%

GROSS PROFIT COMP



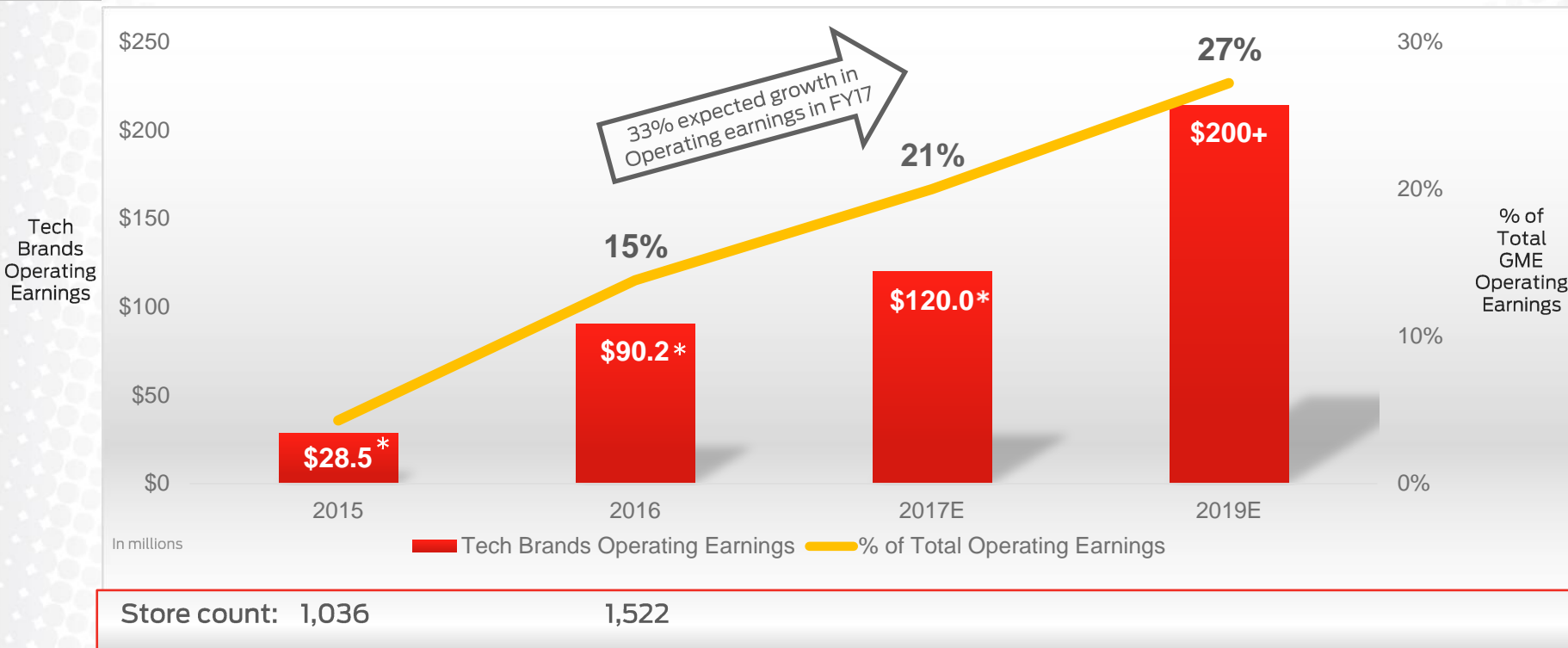
Q1 2017

-19%

2017E

Flat
to +2%

Projected Technology Brands Operating Earnings Growth



*Operating earnings exclude one time charges

Collectibles Business

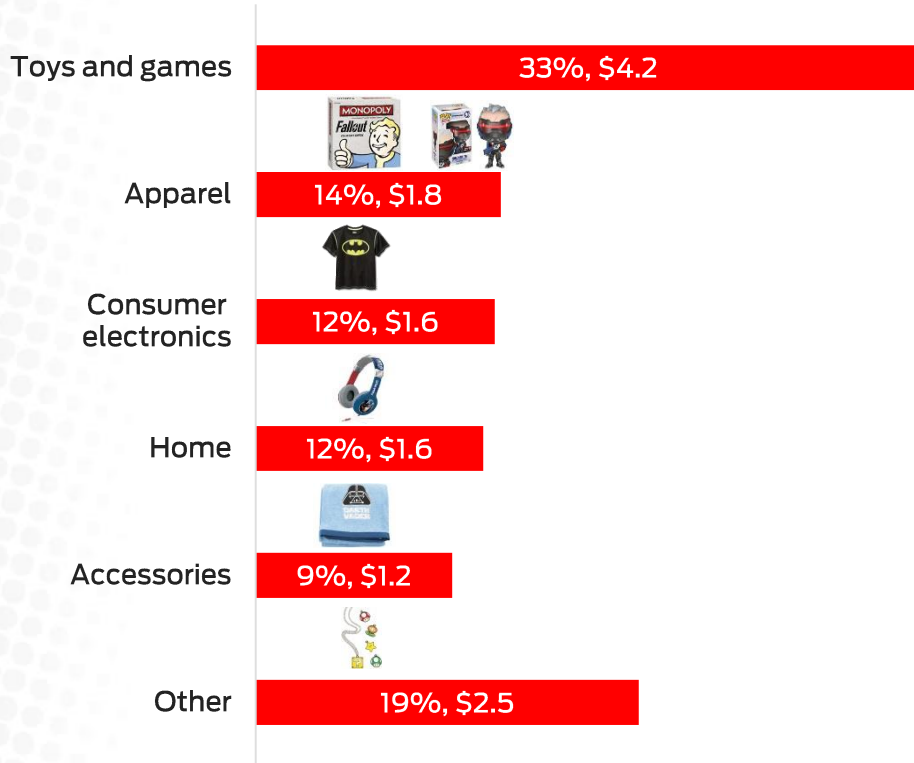
“Loot” sales are expected to grow 30% to 40% in fiscal 2017

- Doubling the amount of dedicated wall space in the U.S. from 7.5% of linear feet to 15%
- Converting 50 of our larger U.S. stores to hybrid stores where ½ are dedicated to collectibles
- Adding ~ 20 dedicated ThinkGeek stores in the U.S. and 15 internationally
- Dedicating 3 and 6 foot store-within-a-store sections within our U.S. GameStop branded stores to feature unique licensed product from relevant movie and TV properties
- 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.



Top Collectible Product Types

2016(est) Sales by Category



14%, \$1.8



12%, \$1.6



12%, \$1.6



9%, \$1.2



19%, \$2.5







The top 15 properties represent ~60% of category sales and have been in the market for an average of 37 years



Collectibles: Forward Looking

Movie industry fully committed to the film franchise model – connected universes, sequels & spinoffs

	Box Office \$ in Billions*	# of Films to Date	Plans thru 2020
	\$9.3	14	3+ films per year
	\$7.7	8	launch <i>Fantastic Beast</i> & full trilogy
	\$6.7	8	5 films
 DC COMICS	\$1.5	5	10 films numerous shows this year

Strong line-ups behind major franchises

Omni-channel is Growing the Business



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

PowerUp Rewards – A Core Strategic Asset



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.

GameStop Rewards My Account Weekly All Shop Now

EXPERIENCE THE LEGACY LIKE NEVER BEFORE

BATTLEFRONT

AVAILABLE 11/17/15

PRE-ORDER TO BE THE FIRST TO EXPERIENCE THE BATTLE OF JAKKU

Key Features

- Learn what happened before the events of Star Wars: The Force Awakens.
- 2 maps set on the all-new planet of Jakku.
- 7 days only access with your pre-order.

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DLC Targeting

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- GameSpot

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Use your trade credit to get the stuff you really want. **Eric, View Your Points & Purchases**

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ERIC, YOU HAVE 13 GAMES WORTH \$220.00 IN REAL CASH MONEY!
(Promotional reward generated through 10/15/15)

\$24.00 each \$24.00 each \$20.00 each \$20.00 each

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USE YOUR TRADE CREDIT TO PRE-ORDER UPCOMING RELEASES

AVAILABLE 10/23 AVAILABLE 10/27 AVAILABLE 11/6 AVAILABLE 11/13

BROWSE GAMES

Collectibles Marketing

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STAR WARS™ BB-8™ USD CAR CHARGER

Change the way you drive with this BB-8™ that fits right into the seat of your car. The BB-8™ is a collectible that fits into your car's USB port. It's not just a car charger, it's a BB-8™.

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Thank you

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