

GameStop®

POWER TO THE PLAYERS®

Q4 / Full Year 2017 Earnings

March 28, 2018

GameStop
POWER TO THE PLAYERS

ES GAMES

gameinformer

MICROMANIA

simply mac

springmobile

THINK330

ES GAMETRUST

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, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. Such statements include without limitation those about the Company's outlook for fiscal 2018, future financial and operating results, projections, expectations and other statements that are not historical facts. Forward-looking statements are subject to significant risks and uncertainties and actual results may differ materially from those reflected or described in the forward-looking statements. The following factors, among others, could cause actual results to differ from those reflected or described in the forward-looking statements: our inability to obtain sufficient quantities of product to meet consumer demand; the timing of release and consumer demand for new and pre-owned products; our ability to continue to expand, and successfully open and operate new stores for our collectibles and technology 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 impact of goodwill and intangible asset impairments; cost reduction initiatives, including store closing costs; risks related to changes in, and our continued retention of, executive officers and other key personnel; changes in consumer preferences and economic conditions; increased operating costs, including wages; cyber security events and related costs; risks associated with international operations; changes to our wireless industry partnerships and operations; increased competition and changing technology in the video game industry; 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; our effective tax rate and the factors affecting our effective tax rate, including changes in international, federal or state tax, trade and other laws and regulations; the costs and outcomes of legal proceedings and tax audits. Additional factors that could cause our results to differ materially from those reflected or described in the forward-looking statements can be found in GameStop's Annual Report on Form 10-K for the fiscal year ended January 28, 2017 filed with the SEC and available at the SEC's Internet site at <http://www.sec.gov> or <http://investor.GameStop.com>. Forward-looking statements contained in this press release speak only as of the date of this 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.

Q4 2017 Highlights (consolidated)

- Total global sales increased 15% to \$3.5B (12.3% in constant currency)
- Comparable store sales increased 12.2% versus prior year quarter
- New hardware sales increased 44.8% due to continued strength in Nintendo Switch sales
- New software sales grew 12.4% versus prior year quarter, driven by a strong title lineup
- Collectibles sales increased 22.8% versus prior year quarter
- Omnichannel sales increased 24.8% versus prior year quarter

FY 2017 Highlights (consolidated)

- Total global sales increased 7.2% to \$9.2B (5.9% in constant currency)
- Comparable store sales increased 5.8% versus prior year
- New hardware sales increased 28.3% due to continued strength in Nintendo Switch sales
- New software sales grew 3.6% versus prior year, driven by a strong title lineup
- Collectibles sales increased 28.8% versus prior year
- Omnichannel sales increased 48.9% versus prior year

FY/4Q 2017 Consolidated Performance

| (In millions, except EPS and %'s) | FY 2017 | FY 2016 | Var. (%) | 4Q 2017 | 4Q 2016 | Var. (%) |
|--------------------------------------|------------|------------|-------------|------------|------------|-------------|
| Total Sales | \$9,225 | \$8,608 | 7.2 | \$3,503 | \$3,045 | 15.0 |
| Comp SSS | \$8,248 | \$7,793 | 5.8 | \$3,258 | \$2,904 | 12.2 |
| Gross Margin | \$3,040 | \$3,009 | 1.0 | \$1,025 | \$1,008 | 1.6 |
| Operating Earnings (adjusted) | \$535 | \$618 | -13.4 | \$310 | \$343 | -9.7 |
| Net Income (adjusted) | \$339 | \$391 | -13.4 | \$205 | \$244 | -15.9 |
| Diluted EPS (adjusted) | \$3.34 | \$3.77 | -11.4 | \$2.02 | \$2.38 | -15.1 |

FY/4Q 2017 Sales Category Highlights

| (In millions, except %'s) | FY 2017 | FY 2016 | Var. (%) | 4Q 2017 | 4Q 2016 | Var. (%) |
|---------------------------|----------------|----------------|------------|----------------|----------------|-------------|
| New hardware | \$1,792 | \$1,397 | 28.3 | \$844 | \$583 | 44.8 |
| New software | \$2,582 | \$2,493 | 3.6 | \$1,042 | \$927 | 12.4 |
| Pre-owned | \$2,150 | \$2,254 | -4.6 | \$663 | \$681 | -2.6 |
| Video Game Accessories | \$784 | \$677 | 15.9 | \$328 | \$239 | 37.4 |
| Digital | \$189 | \$181 | 4.5 | \$61 | \$57 | 7.3 |
| Technology Brands | \$804 | \$814 | -1.3 | \$220 | \$256 | -14.2 |
| Collectibles | \$636 | \$494 | 28.8 | \$261 | \$212 | 22.8 |
| Other | \$288 | \$298 | -3.4 | \$84 | \$90 | -7.5 |
| Total Sales | \$9,225 | \$8,608 | 7.2 | \$3,503 | \$3,045 | 15.0 |

FY/4Q 2017 Gross Profit by Category

| (In millions, except %'s) | FY 2017 | FY 2016 | Var. (%) | 4Q 2017 | 4Q 2016 | Var. (%) |
|---------------------------|----------------|----------------|------------|----------------|----------------|------------|
| New hardware | \$163 | \$154 | 5.8 | \$62 | \$59 | 4.9 |
| New software | \$590 | \$600 | -1.7 | \$239 | \$224 | 6.5 |
| Pre-owned | \$977 | \$1,044 | -6.4 | \$298 | \$319 | -6.5 |
| Video Game Accessories | \$255 | \$235 | 8.4 | \$103 | \$83 | 24.3 |
| Digital | \$162 | \$156 | 4.4 | \$54 | \$51 | 6.9 |
| Technology Brands | \$594 | \$555 | 7.1 | \$169 | \$175 | -3.2 |
| Collectibles | \$208 | \$172 | 21.3 | \$77 | \$69 | 12.4 |
| Other | \$90 | \$94 | -3.9 | \$23 | \$29 | -22.6 |
| Total Gross Profit | \$3,040 | \$3,009 | 1.0 | \$1,025 | \$1,008 | 1.6 |
| Gross Margin | 33.0% | 35.0% | | | | |

2018 Guidance

| FY 2018E | |
|--------------------------------|------------------|
| Total Sales | -2.0% to -6.0% |
| Same Store Sales ¹ | Flat to -5% |
| Income Tax Rate | 26.0% to 27.0% |
| Adj. Non-GAAP EPS ² | \$3.00 to \$3.35 |

GameStop®

POWER TO THE PLAYERS®

Thank you

GameStop
POWER TO THE PLAYERS

EBGAMES

 **gameinformer**

MICROMANIA

simply mac

 **springmobile**

THINKGREEN

 **GAMETRUST**