

Table of Contents:

2: Capital Structure Summary

3-4: Investment Thesis Summary

4: Catalysts

5-6: Investment Thesis Details

6: Key Earnings items

7: Appendix A – U.S. Computer / Video Game Industry Sales from 2009 to 2017, by Delivery Format

8: Appendix B – Senior Note Repurchases

8: Appendix C – Debt Baskets

8: Appendix D – Key Covenants

8: Appendix E – Asset Sales

9: Case Comparison

10-12: Forecast Assumptions

13-21: Base Case

22-30: Downside Case

31-39: Upside Case

Recommendation: SHORT GameStop 6.75% Senior Notes (“Notes”) due March 15, 2021 at 76.25.

Investment Thesis: GameStop Corp. (“GME” or the “Company”) is the world’s largest physical video game retailer, offering new and used video games, consoles, accessories and consumer electronics across 5,500 stores in 14 countries. It is a specialty retailer with its largest component of Revenue (physical video game sales) in a declining end market, as video game sales increasingly shift towards digital downloads (see Appendix A). GME generated \$91.5mm in LTM Adj. EBITDA (\$530mm Adj. EBITDAR) with total leverage of 4.7x (exclusive of Operating Leases) but net leverage of just (0.8)x as a result of the Company’s large Cash position. GME’s Fixed Charge Coverage currently is, and will continue to be negative through Q4 20 (even in the Upside Case), when the ABL’s Debt Maturity Reserve (amount of outstanding Notes, effective 91 days prior to Notes maturity) will cut off all ABL Availability – causing FCCR to be subjected to a 1.0x test, which GME will fail. Following the Base Case narrative, this ABL EoD will cross-default to the Notes, and GME will either file Ch 11 (59 recovery to Notes, or 55 recovery in a Ch 7) or commence an OOC exchange that gives Noteholders a recovery in equity and cash that amounts to a similar recovery. Probability weighting the outcomes of each Case gives an Expected Value to the Notes of 63.94 (profit of \$12.31).

Case	Probability	Expected Value	Price vs Current
Upside	20.0%	100.00	23.75
Base	60.0%	59.00	(17.25)
Downside	20.0%	42.70	(33.55)

Given the high borrow rate on GME stock, I have excluded an equity short component of this trade – but an equity value of \$0 is very likely according to my analysis.

Within the next year GME is likely to either equitize and pay down the Notes, or file for Ch 11 (or Ch 7). The expected Ch 11 recovery to the Notes is 100% / 59% / 0% (Upside / Base / Downside Cases, respectively). The Notes would recover 43% in a Ch 7 (contemplated under the Downside Case). The Base (60% probability) and Upside (20%) Cases contemplate GME undergoing a restructuring in or before Q4 20. While the Downside Case would see GME file in Q2 20, this analysis only ascribes a 20% probability to this outcome in light of reports of strong video game sales during COVID.

At a high level, GME is a company with deteriorating Revenue (22% YoY decrease from FY 2018 to FY 2019, largely driven by increased online shopping options for its products, specifically video games (digital delivery)), relatively stable margins and too many stores in its physical footprint. One of the main reasons for its existence is instant gratification – GME offers consumers a breadth of video games, consoles and accessories without waiting for delivery. This cuts both ways, though, as the Company can’t easily right-size Inventory (although this Analysis assumes FY 2019 cuts to Inventory – which was significantly reduced from historical levels – are permanent), and has little gross margin control / ability to optimize SKUs. Management is attempting to address SG&A costs through a medium-term initiative – closing stores (5.5% net closures YoY through FY 2019, similar expected for FY 2020), but excess SG&A costs are not readily apparent and short-term margins likely will not increase in a meaningful way.

From a long-term perspective, a GME with a right-sized footprint and capital structure likely has a reason to exist, at least until physical video game consoles and accessories are able to be delivered to consumers in 24 hours or less. The Company doesn’t have any high probability growth drivers. In an effort to fight some of the earlier mentioned headwinds, Management has looked to new Revenue streams – Collectibles (Collectibles Revenue has grown at a 7.5% CAGR from FY 2017; 11.4% of FY 2019 Total Revenue) and a shift towards gaming “culture centers”. However, declining foot traffic is likely to hurt the Collectibles segment, while the “new normal” post-COVID may well shutter any plans for community gaming centers. In short, it’s not likely that GME has any reason to exist as anything but a smaller specialty

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GameStop Corp. (NYSE: GME)

ddrecruiting2020@yahoo.com

retailer with a well thought out footprint, barring significant shifts in strategy. This is important for context, because the lack of long-term value means that 1) the ABL lenders are not likely to extend any courtesies to GME (waivers, etc., especially given that their collateral package will only shrink) and 2) the Noteholders will likely (and should) try to bring the Company to the negotiating table as soon as possible.

Catalysts:

Q1 20 Results (5/28/20): For the reasons laid out in this analysis, the Company may be unable to release Q1 20 earnings without a going concern warning (EoD). Additionally, the Company will fail an FCCR test if triggered – Excess Availability must be greater than \$30mm (per COVID 8-K, the Company *likely* had ~\$205mm outstanding on its ABL as of 4/21/20 – this would have had to be cleaned down to ~\$118mm (given the likely decline in Borrowing Base) to meet the Excess Availability test).

Q2 20 (5/1/20-8/1/20): Across all cases, low Excess Availability (less than \$30mm) in Q2 20 should trigger an FCCR test (failing to meet the 1.0x requirement would result in an EoD). In *all* Cases, the Company has an FCCR shortfall for that period. As such, it's plausible that the Company will default (the Downside Case shows a default here).

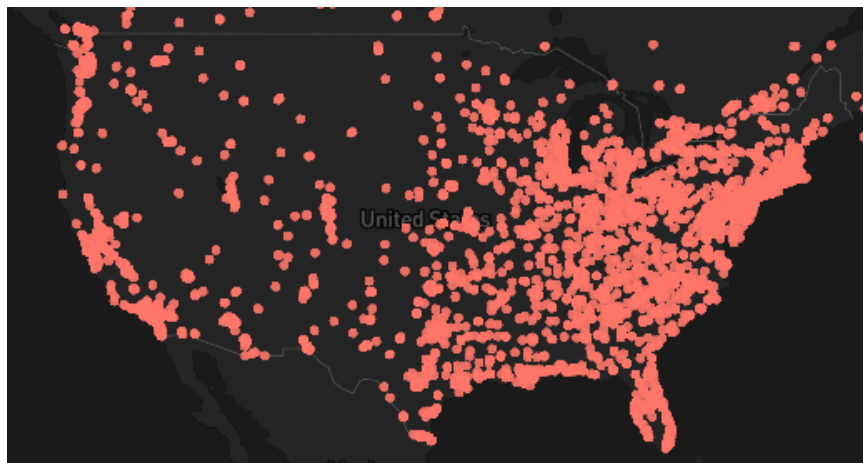
12/14/20: Unless the Senior Notes have been retired (unlikely – see Appendix B), the ABL will have a reserve equal to the amount of Senior Notes outstanding until their retirement (maturity 3/15/21) – this will cut off all borrowing ability, as well as trigger FCCR tests (which will lead to an EoD) (the Base and Upside Cases show defaults here).

Investment Thesis Details:

GME competes in the video game industry, which is subject to rapid changes in consumer preferences (GME's customers are individual consumers) and frequent new product introductions. Sales are historically concentrated in the holiday season (Q4). Main competitors (**key = bolded**) are mass merchants and regional chains (**Walmart, Target**, etc.), consumer electronics stores (**Best Buy**, etc.), other small-format related specialty stores, direct sales by software publishers, **online stores** operated by Sony, Microsoft and Nintendo (PlayStation Network, etc.), as well as other online retailers (**Amazon**, etc.) and game rental companies. Per Appendix A, video games are increasingly being delivered via digital download – effectively cutting GME out of its largest Revenue stream (46.5% of FY 2019 Revenue). On a macro scale, the video game industry competes with other forms of entertainment activities, including casual and mobile games, movies, television, theater, sporting events and family entertainment centers – however, COVID-related “stay at home” orders caused the video game segment as a whole to see a 73% YoY sales increase for the month of April. While this increase is likely to be temporary, it is reason enough for this analysis to contemplate that the overall video game industry will at least remain the same size in the near-term.

GME's Revenue by channel (% of Total Revenue; 3-year segment Revenue CAGR) is as follows – consoles and accessories (42.1%; -13.7%), video games (46.5%; -16.0%) and collectibles (11.4%; +7.5%). The consoles and accessories segment has a compelling reason to exist (quicker than delivery), and may continue to decline but isn't going away in the near-term – the issue is that this is a lower margin segment, so even if it were to increase at the rate of the higher-margin video game segment's decrease (which there is no evidence to support), the net effect would be negative. The video game segment will be the main negative driver for GME Revenue, and should continue its decline (excluding temporary COVID spike), as there will be a certain point where the only reason for a consumer to physically buy a video game at GME will be either 1) to purchase a pre-owned game or 2) to purchase a game using cash (read: teenagers), as online downloads require credit cards. The collectibles segment can be assumed to continue growing, but 1) the segment is too small and 2) the segment isn't growing quickly enough to significantly alter GME's medium-term downward trajectory.

GameStop is a primarily brick-and-mortar retailer with a minimal e-commerce presence (while e-commerce detail not reported, Management comments in the Q2 19 Earnings Call regarding an e-commerce “goal” implied that e-commerce was at most 13% of Total Revenue, though context would suggest much lower) in the age of Amazon and digital downloads for video games, headwinds that have (and will continue to) meaningfully impacted GME sales in a negative way. To make matters worse, GME's footprint is overbuilt – according to a Thinknum analysis (Sept 2019, map below), “for every GameStop in the world, there are 2 other GameStops within 5 miles, on average, and there are 6.2 other GameStops within 10 miles.”



The Company's competitive advantage – the ability for a consumer to pick up their desired game / console / accessory (in any combination) same-day on a whim – necessitates a level and mix of inventory that is not able to be optimized from a margin perspective, as GME must stock its shelves with a breadth of items in order to attain foot traffic. This sales process means that while the Company can directionally predict seasonal sales (i.e., sales peak in Q4), there is very little visibility into future sales and Management must be able to constantly predict and respond to changing consumer preferences / trends. This sales process means that Revenue is largely driven (indirectly) by working capital – the Company must build Inventory before any guaranteed sell-through, meaning lower sell-through in a period where Inventory has been built up will impact the Company in a meaningfully adverse way.

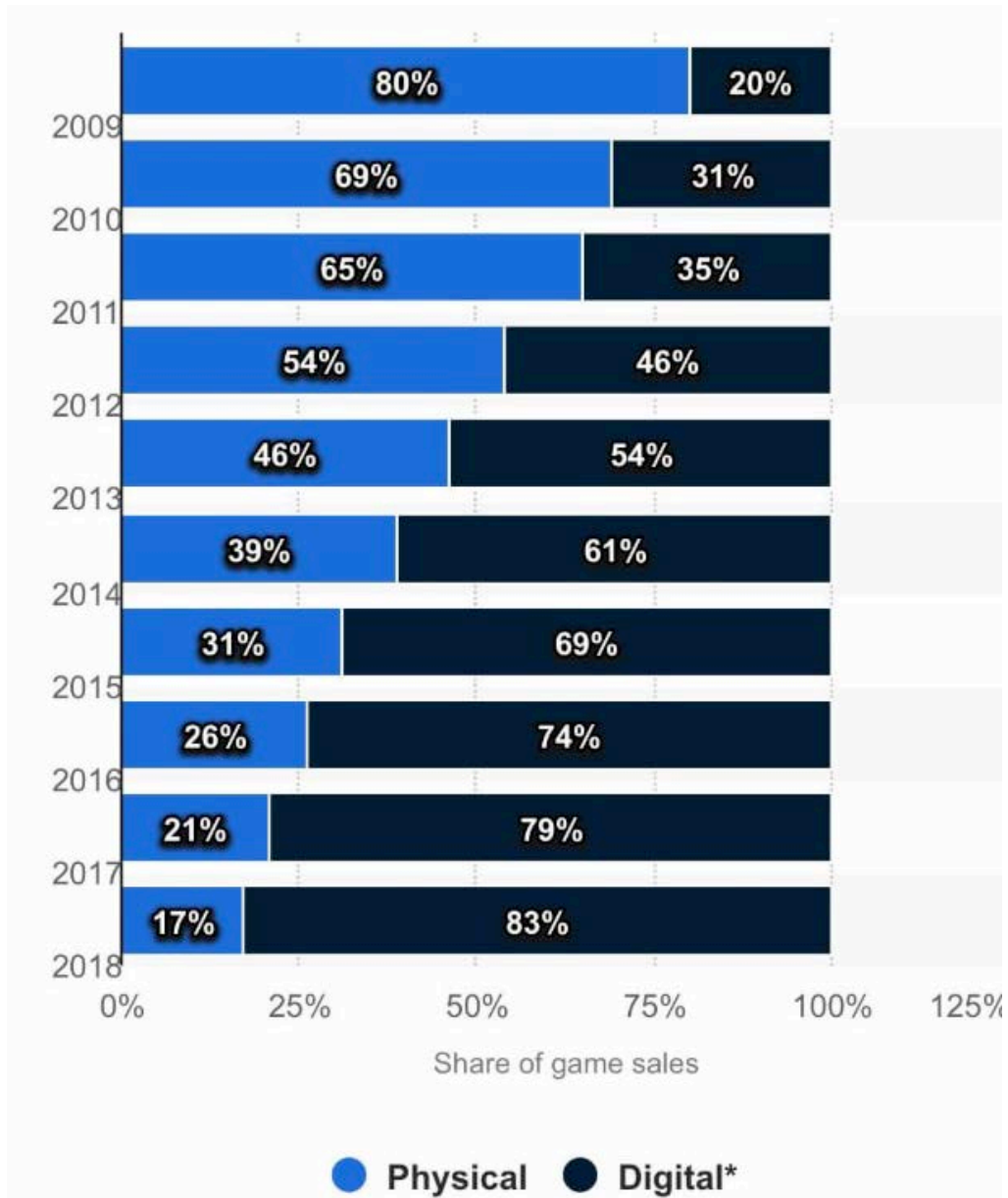
The Company's capital structure consists of a \$420mm ABL revolver (maturing 11/20/22) and \$421mm of 6.75% Senior Notes (3/15/21). The Notes are part of a \$475mm original issue in 2016, \$53.6mm of which were repurchased in FY 2019 for prices ranging from 99.6 – 101.5. GME's ability to repurchase the Notes (see Appendix B) requires either 1) PF Next 6 Months Excess ABL Availability to be $\geq 20\%$ of the Loan Cap or 2) PF N6M Excess ABL Availability to be $\geq 12.5\%$ of the Loan Cap *and* PF LTM FCCR to be $\geq 1.0x$.

Video game consoles are released in cycles – this upcoming 2020 holiday season will bring about the release of the next generation of consoles (the last iteration of the console cycle was in 2013). As such, FY 2013 (and FY 2014, for Cycle+1) serves as somewhat of a baseline for FY 2020 (FY 2021), with both having console cycles in their respective Q4s. While Management has attributed steady declines in Revenue in recent years to being in the late stages of the console cycle, the FY 2012 – FY 2013 decrease was only 7%. FY 2013 only saw a 1.7% increase in Revenue, while the CAGR of Revenue for FY 2013 – FY 2015 was only 1.8%, never to reach pre-cycle peak Revenue (FY 2011) again. In light of this, it is doubtful that the onset of the new console cycle “rights the ship” – while the Base Case contemplates a YoY Revenue increase of 16.7% from FY 2020 to FY 2021, this is due to a lower baseline FY 2020 Revenue (COVID shutdown), and still reflects a 10.1% decrease from FY 2019 Revenue (which was down 22.0% YoY from FY 2018).

Key Earnings Items (in order of importance; Q1 20 Earnings 5/28/20):

- “Going Concern” Language – would constitute EoD under ABL and cross-default to Notes. Catalyst for OOC Exchange or Ch 11 (rostering of advisors would have likely been reported if this was the case).
- Senior Note Repurchases – any repurchases in size (unlikely) could potentially alleviate the Company's issues, as the Debt Maturity Reserve would never go in place (or be smaller) in Q4 20.
- ABL Excess Availability – if under \$30mm, constitutes an EoD.
- ABL Outstanding – a large draw on the ABL may be a signal that the Company is building its cash in advance of a bankruptcy filing.
- SG&A – if significantly below (above) \$390mm, Management may have exhibited that it can(not) effectively cut costs, and go-forward SG&A assumptions should likely be adjusted downward (upward).
- Inventory – if Inventory is very low (less than \$450mm), the Company will need to use its liquidity in Q2 towards a buildup of Inventory, effectively limiting GME's options to deal with its capital structure.

Appendix A – U.S. Computer / Video Game Industry Sales from 2009 to 2017, by Delivery Format (per Statista):



Appendix B – Senior Note Repurchases:

Technically, GME's ability to repurchase Senior Notes is laid out below. However, in light of the need to shore up liquidity (driven by COVID) and the current trading prices of the Notes, it is unlikely that the Company will repurchase any Notes in the short-term.

Note – ABL borrowings cannot be used to repurchase the Notes.

Base Case: Ability in Q1 20 (\$157.7mm).

Downside Case: No ability.

Upside Case: Ability in Q1 20 (\$247.4mm) and Q2 20 (\$7.8mm).

Appendix C – Debt Baskets:

GME can't raise priming Ratio debt unless it complies with a 2x Interest Coverage ratio (not realistic given new debt would be expensive (YTM on Notes is ~45%) and LTM Adj. EBITDA is negative for all cases through FY 2020), and only up to 1x leverage (even in the Upside Case, this would be only \$60mm in Q1 21).

GME can technically raise \$150mm of priming General debt, however there is dubious unencumbered value – this analysis suggests a feasible raise of \$80mm.

GME is permitted to increase the size of its credit facilities (the ABL has a \$200mm expansion feature and language contemplating a \$50mm FILO), but there is no compelling reason why the ABL lenders would want to extend on this credit, given the wide fluctuations in Availability throughout the forecast period.

Appendix D – Key Covenants:

Outside of usual / customary covenants, the key covenant for GME is the ABL's 1.0x FCCR test – this is triggered when Excess Availability is less than the greater of \$30mm or 10% of the Loan Cap, and constitutes an EoD if not met (while the Notes cross-default).

Appendix E – Asset Sales:

Permitted up to \$75mm, but effectively required to repay ABL permanently. It is reasonable to assume that GME could generate ~\$75mm in proceeds via a sale-leaseback, but this wouldn't be enough to deal with the Notes and would lower the Company's ability to cover Fixed Charges – which is what the Company is ultimately tested on.

GameStop Analysis (NYSE: GME) - Summary Case Comparison

(\$ in Millions)	Actual Q1 19	Actual Q2 19	Actual Q3 19	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21	Actual FY 19	Projected FY 20	Projected FY 21
Key Metrics															
Revenue															
Up	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 973	\$ 531	\$ 1,273	\$ 2,450	\$ 1,412	\$ 1,174	\$ 1,401	\$ 2,114	\$ 6,466	\$ 5,226	\$ 6,101
Base	1,548	1,286	1,439	2,194	926	505	1,212	2,333	1,345	1,118	1,334	2,013	6,466	4,977	5,810
Down	1,548	1,286	1,439	2,194	741	404	970	1,867	1,076	895	1,067	1,611	6,466	3,982	4,648
Gross Profit Margin															
Up	30.4%	31.0%	30.7%	27.2%	31.5%	35.3%	28.9%	27.7%	31.9%	32.3%	30.2%	28.6%	29.5%	29.5%	30.4%
Base	30.4%	31.0%	30.7%	27.2%	31.0%	34.8%	28.4%	27.2%	31.4%	31.8%	29.7%	28.1%	29.5%	29.0%	29.9%
Down	30.4%	31.0%	30.7%	27.2%	30.0%	33.8%	27.4%	26.2%	30.4%	30.8%	28.7%	27.1%	29.5%	28.0%	28.9%
SG&A															
Up	\$ (431)	\$ (459)	\$ (452)	\$ (581)	\$ (385)	\$ (364)	\$ (407)	\$ (468)	\$ (395)	\$ (374)	\$ (407)	\$ (468)	\$ (1,923)	\$ (1,624)	\$ (1,644)
Base	(431)	(459)	(452)	(581)	(390)	(369)	(412)	(473)	(400)	(379)	(412)	(473)	(1,923)	(1,644)	(1,664)
Down	(431)	(459)	(452)	(581)	(395)	(374)	(417)	(478)	(405)	(384)	(417)	(478)	(1,923)	(1,664)	(1,684)
Adj. EBITDA															
Up	\$ 43	\$ (58)	\$ (8)	\$ 115	\$ (77)	\$ (175)	\$ (36)	\$ 214	\$ 57	\$ 8	\$ 19	\$ 139	\$ 91	\$ (74)	\$ 222
Base	43	(58)	(8)	115	(101)	(191)	(65)	165	24	(21)	(13)	95	91	(192)	85
Down	43	(58)	(8)	115	(171)	(235)	(149)	14	(76)	(106)	(108)	(39)	91	(541)	(330)
Adj. EBITDAR															
Up	\$ 152	\$ 52	\$ 101	\$ 224	\$ (10)	\$ (107)	\$ 31	\$ 281	\$ 103	\$ 54	\$ 65	\$ 185	\$ 530	\$ 194	\$ 407
Base	152	52	101	224	(34)	(124)	2	232	70	25	34	141	530	76	270
Down	152	52	101	224	(104)	(168)	(81)	81	(30)	(60)	(61)	7	530	(272)	(145)
Unlevered Free Cash Flow															
Up	\$ (646)	\$ (31)	\$ (18)	\$ 176	\$ (64)	\$ (271)	\$ (79)	\$ 495	\$ (106)	\$ 291	\$ (295)	\$ 25	\$ (518)	\$ 81	\$ (85)
Base	(646)	(31)	(18)	176	(192)	(233)	(146)	332	(72)	279	(245)	(124)	(518)	(239)	(162)
Down	(646)	(31)	(18)	176	(323)	(236)	(367)	193	(112)	155	(280)	(266)	(518)	(732)	(502)
Change in Net Working Capital															
Up	\$ 658	\$ (63)	\$ (29)	\$ (102)	\$ 11	\$ 50	\$ 32	\$ (323)	\$ 147	\$ (302)	\$ 298	\$ 74	\$ 465	\$ (231)	\$ 216
Base	658	(63)	(29)	(102)	116	(3)	71	(199)	87	(317)	217	190	465	(15)	177
Down	658	(63)	(29)	(102)	176	(44)	208	(188)	27	(278)	157	213	465	152	119

Up	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 19	FY 20	FY 21
Beginning Cash					\$ 499	\$ 421	\$ 150	\$ 56	\$ 551	\$ 431	\$ 302	\$ 50		\$ 499	\$ 551
Levered Free Cash Flow					(78)	(271)	(94)	494	(120)	(129)	(296)	24		52	(520)
(-) Min Cash					(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)		(50)	(50)
Cash Available for Paydown / (Necessary Draw)					\$ 371	\$ 100	\$ 6	\$ 501	\$ 381	\$ 252	\$ (44)	\$ 24		\$ 501	\$ (19)
Revolver Draw/(Paydown)					-	-	-	-	-	-	44	(24)		-	19
Ending Cash					\$ 499	\$ 421	\$ 150	\$ 56	\$ 551	\$ 431	\$ 302	\$ 50		\$ 499	\$ 551
Ending ABL Availability					270	130	47	413	-	144	369	259		270	259
Ending Liquidity					\$ 770	\$ 551	\$ 197	\$ 469	\$ 551	\$ 431	\$ 446	\$ 419		\$ 770	\$ 551
Ending Domestic Liquidity					\$ 623	\$ 427	\$ 153	\$ 453	\$ 389	\$ 304	\$ 357	\$ 404		\$ 623	\$ 389
Default?					-	-	-	DEFAULT	DEFAULT	-	-	-		DEFAULT	DEFAULT

Base	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 19	FY 20	FY 21
Beginning Cash					\$ 499	\$ 293	\$ 60	\$ 50	\$ 230	\$ 144	\$ 50	\$ 50		\$ 499	\$ 230
Levered Free Cash Flow					(207)	(233)	(161)	332	(86)	(141)	(246)	(126)		(269)	(600)
(-) Min Cash					(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)		(50)	(50)
Cash Available for Paydown / (Necessary Draw)					\$ 243	\$ 10	\$ (151)	\$ 332	\$ 94	\$ (48)	\$ (246)	\$ (126)		\$ 180	\$ (420)
Revolver Draw/(Paydown)					-	-	151	(151)	-	48	246	33		-	326
Ending Cash					\$ 499	\$ 293	\$ 60	\$ 50	\$ 230	\$ 50	\$ 50	\$ (43)		\$ 499	\$ 230
Ending ABL Availability					270	148	54	258	-	118	103	-		270	-
Ending Liquidity					\$ 770	\$ 440	\$ 114	\$ 308	\$ 230	\$ 144	\$ 168	\$ 153		\$ 770	\$ 230
Ending Domestic Liquidity					\$ 623	\$ 354	\$ 96	\$ 294	\$ 163	\$ 102	\$ 153	\$ 138		\$ 623	\$ 163
Default?					-	-	-	DEFAULT	DEFAULT	-	-	DEFAULT		DEFAULT	DEFAULT

Down	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 19	FY 20	FY 21
Beginning Cash					\$ 499	\$ 162	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)		\$ 499	\$ (264)
Levered Free Cash Flow					(337)	(236)	(382)	192	(126)	(265)	(282)	(268)		(764)	(941)
(-) Min Cash					(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)		(50)	(50)
Cash Available for Paydown / (Necessary Draw)					\$ 112	\$ (124)	\$ (480)	\$ 54	\$ (440)	\$ (705)	\$ (854)	\$ (927)		\$ (314)	\$ (1,255)
Revolver Draw/(Paydown)					-	27	342	(368)	-	133	194	(39)		-	289
Ending Cash					\$ 499	\$ 162	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)		\$ 499	\$ (264)
Ending ABL Availability					270	114	-	-	-	-	-	-		270	-
Ending Liquidity					\$ 770	\$ 276	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)		\$ 770	\$ (264)
Ending Domestic Liquidity					\$ 623	\$ 228	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)		\$ 623	\$ (264)
Default?					-	-	DEFAULT	DEFAULT	DEFAULT	DEFAULT	DEFAULT	DEFAULT		DEFAULT	DEFAULT

GameStop Analysis (NYSE: GME) - Forecast Assumptions

Timing Note:

The last Actual historical data is for the period ended Feb 1, 2020 (representing the end of Q4 2019 and FY 2019).

Q1			Q2			Q3			Q4		
Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan

General Assumptions

Seasonality - GME is a seasonal business, with most of its sales generated in the holiday season (Q4, Nov - Feb), and Q2 as its weakest sales quarter. However, several "quirks" (such as gross profit % peaking in Q2) suggest that the seasonality impacts product mix and other factors in a relatively predictable manner (see [Appendix \[X\]](#)). In order to account for these quarterly trends, several items have been forecast on a FY level, then spread based on historical quarterly trends.

Console Cycle - Given the expected launches of new Sony / Microsoft consoles in Q4 20, **FY 2013** (the last iteration of the console cycle, or last "Cycle Year", which saw launches in Q4 13) **serves as a proxy / rough baseline for FY 2020 drivers**, while **the following year (FY 2014) serves as such for FY 2021 drivers**. The goal of this is to take into account the specific quarterly characteristics of "cycle" and "post-cycle" years, which are slightly different (but still generally in line) with GME's well-defined overarching trends. An example of this - for the FY 2009 - FY 2015 period, quarterly sales % (as a % of full year sales) troughed in Q2 13. Presumably this was driven both by customers waiting to buy the new consoles in Q4 (lower numerator) and the above average spike in sales in Q4 (higher denominator). As a rule of thumb, any time this methodology was used, the relevant data for the last 3 years (FY 2017 - FY 2019) was compared, and if significantly different from the "proxy" data, the L3Y was used instead - if the data was in line, the "proxy" data was used as a baseline in an effort to get more granularity.

Income Statement Assumptions

Revenue (pre-COVID Impact)

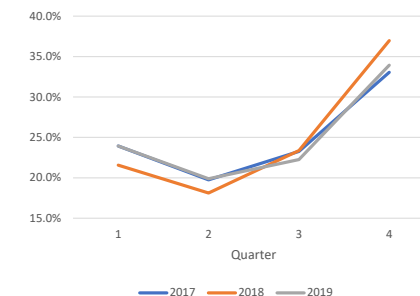
Upside Case - 5% increase from Base Case Revenue for each of FY 2020 and 2021. GME was facing meaningful headwinds before COVID. The 5% increase is reasonable due to the fact that COVID essentially eliminates any chance of meaningful FY 2020 Base Case outperformance, while FY 2021 Revenue already gives GME the benefit of the doubt in light of its pre-COVID struggles. Would be hard pressed to envision a scenario where Revenue is higher than this.

Base Case - Assumes Street consensus FY 2020 Revenue of \$5.81Bn (an effort to reduce compounding forecast inaccuracy, as the Revenue forecast is ultimately driven mostly by the COVID Impact sensitivity (below)). Assumes same \$5.81Bn Revenue for FY 2021 - rationale being that headwinds from industry shift to digital (see [Appendix \[Y\]](#)), lingering COVID-related foot traffic issues and a presumably smaller GME footprint offset tailwinds from the first full year of new console cycle sales (the previous shift, from FY 2013 - FY 2014, saw an increase in Revenue of 2.8% - as such, this assumption is more bullish and has downside).

Downside Case - 20% haircut from Base Case Revenue for each of FY 2020 and 2021. GME Revenue decreased 22% YoY from FY 2018 to FY 2019 (20% SSS decrease). The Base Case contemplates a 10% YoY decrease from FY 2019 - this Downside haircut would bring the YoY decrease to 28%. Many of the same factors that drove Revenue down from FY 2018 - FY 2019 still exist, while several ("trough" of console cycle (Q1 - Q3), a shrinking store footprint, shifts in consumer shopping preferences and the shift of video games to digital) will likely be more adverse from GME's perspective in FY 2020 than FY 2019. The FY 2021 rationale is driven by the fact that, for reasons laid out above, FY 2021 is likely to see a top line relatively in line with (pre-COVID) FY 2020 Revenue.

Quarterly Spreading - For each Case, FY 2020 Revenue is spread at the quarterly percentages seen in the last Cycle Year, while FY 2021 Revenue is spread at the average quarterly percentages from the last 3 years (each of which is shown at right).

Revenue % by Quarter



COVID Impact - The attempt to model the impact of COVID on Revenue followed this methodology: For each Case, quarterly Revenue was split evenly for each quarter's 3 months. This was then broken out into regions (US, Canada, Australia and Europe) based on FY 19 percentages of total GME Revenue. For example, the US represented 69.6% of FY 19 Revenue, so the "pre-COVID" monthly US Revenue for any given month in the analysis would be: total quarterly Revenue (based on selected Upside / Base / Downside Case) divided by 3 (months), multiplied by 69.6% (the US % of total Revenue). This "pre-COVID" Revenue was then sensitized based on whether or not stores in each region were open or closed. Roughly approximating reality (based on Company news / filings), all US / Canada stores were assumed to close at the end of March, while Australia remained open throughout and Europe closed at the end of February (opening schedule below, left). In order to reflect disparate re-opening timings, several sub-regions were split out (Georgia and South Carolina for the US, every country for Europe) and assumed to account for the percent of their respective regional Revenue equal to their percent of that same region's total stores. Based on this, each locale's monthly Revenue was sensitized based on its Open / Closed status - "pre-COVID" Revenue was multiplied by either an "Open" Modifier (directly below, right) intended to reflect (per Management) a ramp in pre-closure sales followed by a "return to norm" for wary shoppers (varying by Case) through Jan 21, or a "Closed" modifier (33% for all US stores - assumption being 50% sales volume for the 66% of GME US stores that are open for curbside pickup, 0% for all non-US locales as they do not offer curbside pickup), giving a "post-COVID" Revenue number for each locale that sums to the quarterly Revenue flowing through the model.

Note - Per Management, Australia saw strong sales through March - therefore it is assumed that Australia sees an uptick in sales that gradually levels off.

Region	First Month Closed	First Month Open	
South Carolina	Apr-20	May-20	Confirmed.
Georgia	Apr-20	May-20	Confirmed.
All Other US	Apr-20	Jun-20	
Canada	Apr-20	Jun-20	
Australia	Didn't Close		
Austria	Mar-20	May-20	Confirmed.
Denmark	Mar-20	Never	Assumed not to reopen as part of GME's plan to exit Nordic region.
Finland	Mar-20	Never	Assumed not to reopen as part of GME's plan to exit Nordic region.
France	Mar-20	Jun-20	
Germany	Mar-20	May-20	Confirmed.
Ireland	Mar-20	Jun-20	
Italy	Mar-20	May-20	
Norway	Mar-20	Never	Assumed not to reopen as part of GME's plan to exit Nordic region.
Sweden	Mar-20	Never	Assumed not to reopen as part of GME's plan to exit Nordic region.
Switzerland	Mar-20	Jun-20	

Case	"Open" Modifier by Month												
	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	->
Upside	105%	105%	100%	50%	60%	70%	80%	90%	100%	100%	100%	100%	100%
Base	105%	105%	100%	50%	55%	60%	65%	70%	75%	80%	85%	90%	100%
Downside	105%	105%	100%	50%	53%	55%	58%	60%	63%	65%	68%	70%	100%
Australia	150%	140%	125%	110%	100%	100%	100%	100%	100%	100%	100%	100%	100%

GameStop Analysis (NYSE: GME) - Forecast Assumptions

Gross Margin

Upside Case - 50bps increase on Base Case Gross Margins. No historical data or reasonable assumptions to support an increase above this (elevated) level - the Company's Gross Margins have stayed relatively stagnant for years.

Base Case - For FY 2020, assumes last Cycle Year quarterly Gross Margins (as a sense check, the all-in FY 2013 Gross Margin was 29.44%, while the all-in FY 2019 Gross Margin was 29.51%). FY 2021 assumes last Cycle Year + 1 (FY 2014) Gross Margins (all-in FY 2014 Gross Margin was 29.9%).

Downside Case - 100bps haircut to Base Case Gross Margins. Main threats to Base Case Gross Margins are 1) possibility of GME's reducing purchasing power having an adverse effect on costs of new console inventory build, 2) less software (higher margin) sales in the near term (video game studios are pushing release dates, as COVID has impacted their project timelines) and 3) a relatively high percentage of consoles (low margin) within product mix as new Console Cycle launches and is rolled out.

SG&A

Upside Case - \$5mm decrease from Base Case for each period.

Base Case - SG&A has generally been predictable from a dollar perspective, as opposed to a % of Revenue - suggesting that the Company's cost structure is more fixed in nature, at least for the short term. Management has outlined a \$200mm cost savings initiative - they signaled that as of Q4 19 GME is halfway through that initiative (meaning \$100mm of remaining cost savings). The Base Case assumes that they are able to cut these incremental costs and as such assumes a flat \$25mm decrease in SG&A YoY for each FY 2020 quarter, as a baseline. These numbers are then adjusted as follows: Q2 20 (extra \$50mm of cost savings; rationale being announced compensation cuts and change to barebones per-store staffing structure), Q4 20 (reduced cost savings by \$10mm; benefits offset by "startup" / "back to normal" costs and overages - not confident Management can cost effectively transition from barebones COVID "survival mode" to ramping / executing the all-important holiday selling season). Each FY 2021 quarter assumes the same SG&A costs as the corresponding quarter in FY 2020, but Q1 and Q2 2021 each have an additional \$10mm of costs to reflect a lack of confidence that Management can transition from "survival mode" to "normal" in a cost effective manner, optimally deal with any potential as of yet undetected COVID ripple effects and manage around potential COVID recurrences.

Downside Case - \$5mm increase from Base Case for each period.

Other

Rent - Assumes 1.5 months of unpaid rent in Q1 20, which is accrued and then paid in Q2 20. Otherwise rent is spread evenly by quarter (25% of each FY total) based on Management's projections for go-forward minimum rent.

D&A - Set equal to Capex for each period (in line with historical trends).

Stock-Based Compensation - Set equal to FY 2019 total (\$8.9mm) for each of FY 2020 and FY 2021, spread evenly by quarter.

Cash Flow Assumptions

Capex

Upside Case - Each quarter represents a 10% increase over the corresponding period's Base Case Capex. This reflects the assumption that, if things are going well for GME, it will spend more than the absolute minimum Capex shown in the Base Case.

Base Case - Per April Management 8-K, Capex spending is now at "emergency" levels. FY 2020 quarterly Capex assumed to be 50% of each respective FY 2019 quarter's Capex. Q1 21 Capex equal to Q4 20 Capex as austerity measures remain in place, while Q2 21 and beyond rise to 75% of corresponding FY 2019 quarterly Capex. These assumptions are meant to forecast maintenance / emergency capex only through Q1 21.

Downside Case - Equal to Base Case. No evidence Capex can go lower than that (already a significant haircut on stagnant / declining YoY Capex numbers).

Cash Taxes

Tax Rate - 21% for all periods.

ATI Proxy - EBITDA through 2020, EBIT thereafter.

Maximum Interest Deductibility - In light of CARES Act changes, set to 50% of EBITDA throughout the forecast.

NOLs - Existing balance of \$56.1mm available for carryforward (subject to no cap, per CARES Act); assumes no new NOL creation.

Working Capital Assumptions

Inventory

Forecasting - Inventory is typically built in Q3 in advance of the Q4 holiday season. Forecasting based on historical DIOs results in a skewed Inventory cycle that is out of line with the historical ebb and flow (due to COGS skewing as a result of COVID). Given that GME's sales are partially driven by its Inventory (discretionary build), not vice versa (sales are not contractual, and shelves must be stocked in advance of expected demand - demand that follows a predictable quarterly pattern), DIOs were adjusted from historical levels to allow Inventory levels to follow historical trends in an attempt to reflect the likely reality.

Levels - Additionally, this forecast assumes that GME's Inventory was permanently reduced (consistent with Management's comments) in FY 2019 - as such, levels do not increase to pre-FY 2019 levels (which had been the consistent norm). Any lack of permanence to Management's FY 2019 Inventory reduction initiatives would likely result in higher Inventory levels than those forecasted.

COVID - Inventory levels have been allowed to fall well below previous historical levels in Q1 and Q2 20, as a result of Management's statements in GME's COVID 8-K noting that Inventory receipts have been reduced, in addition to well-reported supply chain issues and a temporary halt of trade-in services.

Upside Case - Base Case DIOs have been lowered in each quarter (by 10 Days in all quarters except for Q3 20 - where the reduction is 5 Days in an attempt to reflect the view that inventory levels will be roughly the same for that period across the Upside / Base Cases, and Q3 21 - where the reduction is ~1 Day in an attempt to reflect a similar view for that period).

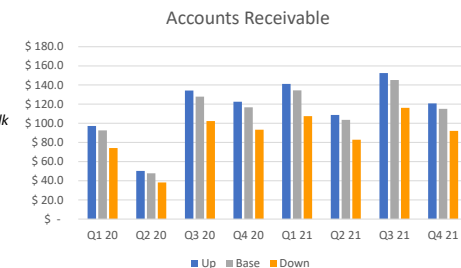
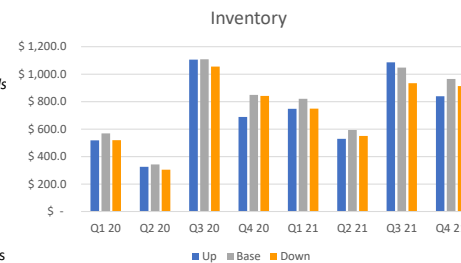
Base Case - Per the above Forecasting note, historical DIOs have been adjusted to reflect the inventory cycle, but remain largely in line with historical averages - normalizing towards quarterly averages throughout FY 2021.

Downside Case - Base Case DIOs have been increased in each quarter (by 10 Days in all quarters except for Q3 20 - where the increase is 20 Days in an attempt to reflect the view that GME will have some slight visibility into reduced demand and will not build Inventory to Upside / Base Case levels).

Accounts Receivable

Forecasting - Given that Accounts Receivable are generated from sales, and that GME's historical DSOs have consistently been low and seen little variation (due to the fact that the bulk of sales are to customers paying cash or credit in store) - forecasting DSOs at historical levels (based on quarterly averages) largely preserves the typical Accounts Receivable cycle for GME. View is that it is unlikely that DSOs materially change throughout forecast.

All Cases - DSOs held at historical quarterly averages, adjusted slightly upward (~1-2 Days) to account for the rising trend in recent years.



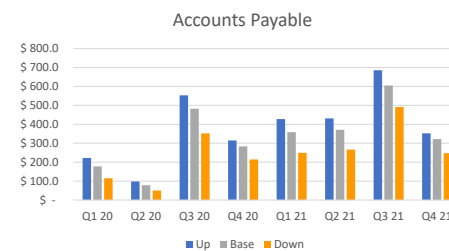
Accounts Payable

Forecasting - Given concerns about GME's go-forward business prospects, the forecast assumes terms continue to tighten from historical DPOs (the beginning of this tightening was seen in Q3 and Q4 19, as quarterly DPOs reduced by ~16 and ~18 days YoY, respectively), while also staying in line with the historical Accounts Payable cycle - which is driven in large part by the cyclical Inventory build. Q3 has historically had the highest DPO, which is consistent with these projections.

Upside Case - Each quarter represents an increase (1-5 Days) over Base Case DPOs, in an attempt to show slightly better payment terms for GME.

Base Case - Q4 19 ended with DPOs ~30 Days. Assumes terms tighten to 25 Days for Q1 and Q2 20, while rising for Q3 and lowering to a trough of ~15 Days in Q4. FY 2021 quarterly DPOs assumed to be ~10 Days higher YoY for each respective quarter as a result of less COVID stress across the market landscape.

Downside Case - Each quarter represents decrease (0-5 Days) from Base Case DPOs, in an attempt to show slightly worse payment terms for GME.



Other Current Liabilities

All Cases - Held at the average (FY 2012 - FY 2019) quarterly percent of COGS for each quarter.

Working Capital Note - Assumes sale of Corporate Jet in Q1 20 (taking Assets Held for sale from \$11.8mm in Q4 19 to \$0 in Q1 20). All other Working Capital items not covered above held constant.

Borrowing Base Assumptions

Domestic Inventory / Total Inventory (Based on % of Total Revenue)	70.0%	
Domestic Inventory % Ineligible	35.0%	
Eligible Domestic Inventory Advance Rate	90.0%	92.5% in Q3.
Accounts Receivable % Ineligible	20.0%	
Eligible Accounts Receivable Advance Rate	90.0%	92.5% in Q3.
Normal Course Reserves	\$ 145	Implied at \$177mm in Q4 19.
Debt Maturity Reserve	\$ 420	Equal to the amount of Senior Notes outstanding. Effective 12/14/20 (91 days prior to Notes maturity) until retirement of Notes.

Liquidity Assumptions

Minimum Cash - \$50.0mm .

Foreign Cash - 29.4% of Total Cash (based on Q4 19 percentages).

Ch 11 Assumptions

Filing Date - Default in Q2 20 in Downside Case - Q4 20 for Base / Upside Cases.

Operating Leases - Assumes no lease rejection in an effort to avoid making "assumptions about assumptions".

Distributable Value - The sum of Cash on hand at time of filing (100% of Domestic, 75% of Foreign) and implied EV (based on EBITDA multiple).

DIP - Conservatively assumed at \$100mm.

GameStop Analysis (NYSE: GME) - Summary

(\$ in Millions)							Adj. EBITDA	\$ 91	Adj. EBITDAR	\$ 530	Settlement: 5/26/2020			Interest		
Financials as of 2/1/20 (FY 2019 10-K)							BV Debt /	MV Debt /	BV Debt /	MV Debt /	Interest	CY	YTM	Interest	FCCR	
Tranche	Amount	Funded	Coupon	Maturity	Mkt Price	Mkt Value	Adj. EBITDA	Adj. EBITDA	Adj. EBITDAR	Adj. EBITDAR				Coverage		
\$420M ABL Facility due 11/22 (L+150)	\$ 420.0	\$ -	L+1.50%	11/20/2022	100.00	\$ -							\$ 6.1	2.9%	2.9%	
Letters of Credit	7.3	7.3			100.00	7.3										
Total Secured Debt	\$ 427.3	\$ 7.3				\$ -	0.1x	-	0.0x	-			\$ 6.1			
6.75% Senior Notes due March 2021	421.4	421.4	6.75%	3/15/2021	76.25	321.3							28.4	8.9%	45.1%	
Leases	768.7	768.7			100.00	768.7										
Total Debt	\$ 1,617.4	\$ 1,197.4				\$ 1,090.0	13.1x	12.0x	2.3x	2.1x			\$ 34.5			2.6x (1.9)x
(-) Cash		(499.4)				(499.4)										
Net Debt		\$ 698.0				\$ 590.6	7.7x	6.5x	1.3x	1.1x						
Equity (\$GME)		269.4	64.5	Shares @	4.18	269.4										
Enterprise Value	\$ 967.4					\$ 860.0	10.6x	9.4x	1.8x	1.6x			Total Liquidity	\$ 772.0		

Base Case

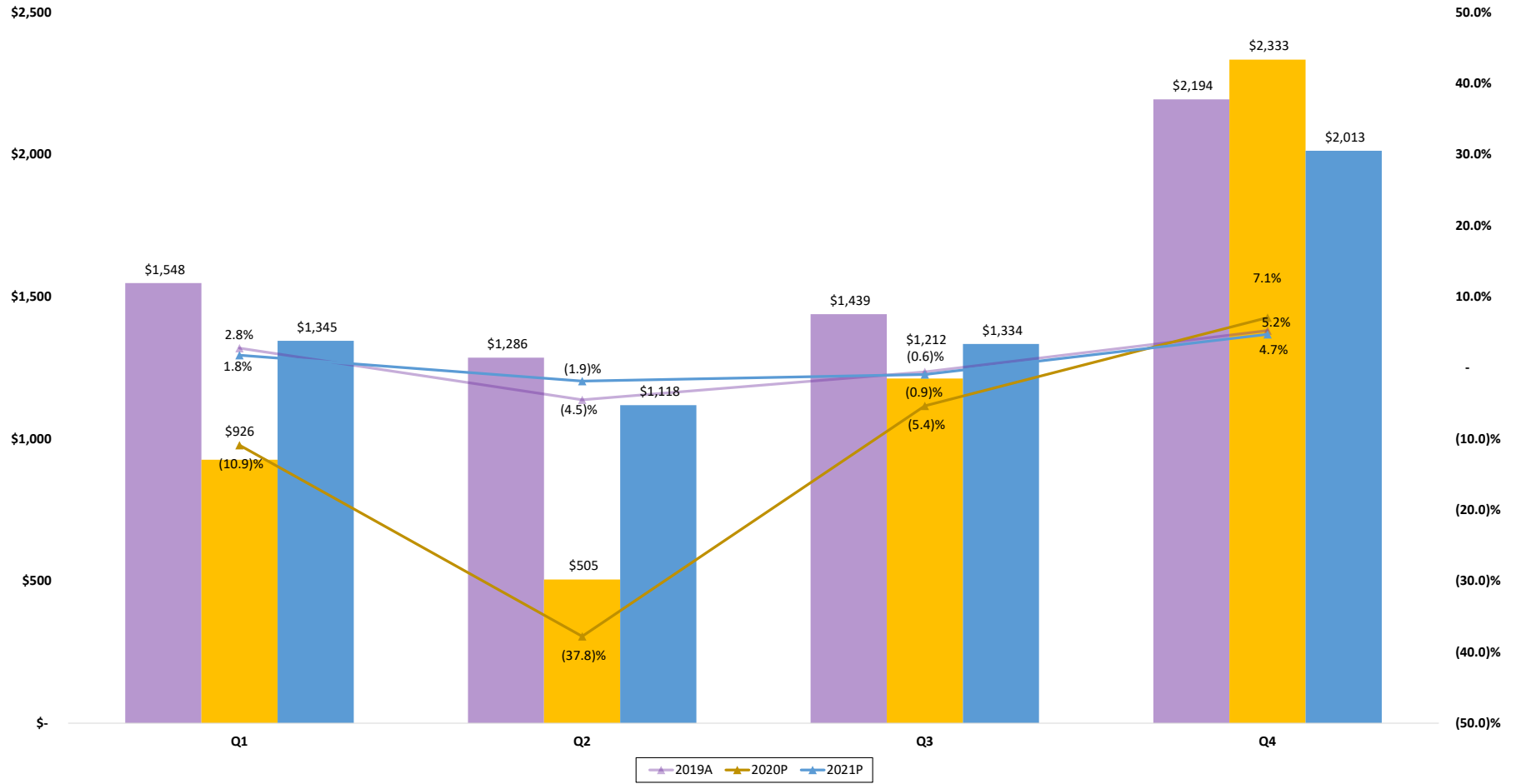
	Actual Q1 19	Actual Q2 19	Actual Q3 19	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21	Actual FY 19	Projected FY 20	Projected FY 21
Key Metrics															
Revenue	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 926	\$ 505	\$ 1,212	\$ 2,333	\$ 1,345	\$ 1,118	\$ 1,334	\$ 2,013	\$ 6,466	\$ 4,977	\$ 5,810
% Growth YoY	(13.3)%	(14.3)%	(25.7)%	(28.4)%	(40.1)%	(60.7)%	(15.7)%	6.4%	45.1%	121.3%	10.1%	(13.7)%	(22.0)%	(23.0)%	16.7%
Gross Profit	471	399	441	597	287	176	344	635	422	356	397	565	1,909	1,443	1,740
% Margin	30.4%	31.0%	30.7%	27.2%	31.0%	34.8%	28.4%	27.2%	31.4%	31.8%	29.7%	28.1%	29.5%	29.0%	29.9%
SG&A	(431)	(459)	(452)	(581)	(390)	(369)	(412)	(473)	(400)	(379)	(412)	(473)	(1,923)	(1,644)	(1,664)
% of Revenue	27.8%	35.7%	31.4%	26.5%	42.1%	73.0%	34.0%	20.3%	29.8%	33.9%	30.9%	23.5%	29.7%	33.0%	28.6%
Adj. EBITDA	43	(58)	(8)	115	(101)	(191)	(65)	165	24	(21)	(13)	95	91	(192)	85
% Margin	2.8%	(4.5)%	(0.6)%	5.2%	(10.9)%	(37.8)%	(5.4)%	7.1%	1.8%	(1.9)%	(0.9)%	4.7%	1.4%	(3.9)%	1.5%
Adj. EBITDAR	152	52	101	224	(34)	(124)	2	232	70	25	34	141	530	76	270
% Margin	9.9%	4.0%	7.0%	10.2%	(3.6)%	(24.5)%	0.2%	9.9%	5.2%	2.3%	2.5%	7.0%	8.2%	1.5%	4.6%
Unlevered Free Cash Flow	(646)	(31)	(18)	176	(192)	(233)	(146)	332	(72)	279	(245)	(124)	(518)	(239)	(162)

Revenue	Q1	Q2	Q3	Q4	FY
2019A	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 6,466
2020P	926	505	1,212	2,333	4,977
2021P	1,345	1,118	1,334	2,013	5,810
EBITDA Margin	Q1	Q2	Q3	Q4	
2019A	2.8%	(4.5)%	(0.6)%	5.2%	1.4%
2020P	(10.9)%	(37.8)%	(5.4)%	7.1%	(3.9)%
2021P	1.8%	(1.9)%	(0.9)%	4.7%	1.5%

Liquidity

	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21	Actual FY 19	Projected FY 20	Projected FY 21
Beginning Cash		\$ 499	\$ 293	\$ 60	\$ 50	\$ 230	\$ 144	\$ 50	\$ 50		\$ 499	\$ 230
Levered Free Cash Flow		(207)	(233)	(161)	332	(86)	(141)	(246)	(126)		(269)	(600)
(-) Min Cash		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)		(50)	(50)
Cash Available for Paydown / (Necessary Draw)		\$ 243	\$ 10	\$ (151)	\$ 332	\$ 94	\$ (48)	\$ (246)	\$ (126)		\$ 180	\$ (420)
Revolver Draw/(Paydown)		-	-	151	(151)	-	48	246	33		-	326
Ending Cash	\$ 499	\$ 293	\$ 60	\$ 50	\$ 230	\$ 144	\$ 50	\$ 50	\$ (43)	\$ 499	\$ 230	\$ (43)
(-) Foreign Cash (@29.4% of Cash)	(147)	(86)	(18)	(15)	(68)	(42)	(15)	(15)	-	(147)	(68)	-
Ending Domestic Cash	\$ 352	\$ 207	\$ 42	\$ 35	\$ 163	\$ 102	\$ 35	\$ 35	\$ (43)	\$ 352	\$ 163	\$ (43)
Ending Cash	\$ 499	\$ 293	\$ 60	\$ 50	\$ 230	\$ 144	\$ 50	\$ 50	\$ (43)	\$ 499	\$ 230	\$ (43)
Ending ABL Availability	270	148	54	258	-	-	118	103	-	270	-	-
Ending Liquidity	\$ 770	\$ 440	\$ 114	\$ 308	\$ 230	\$ 144	\$ 168	\$ 153	\$ (43)	\$ 770	\$ 230	\$ (43)
Ending Domestic Liquidity	\$ 623	\$ 354	\$ 96	\$ 294	\$ 163	\$ 102	\$ 153	\$ 138	\$ (43)	\$ 623	\$ 163	\$ (43)

Revenue / EBITDA Margin



Net Working Capital (Blue = Higher #, Red = Lower; "NWC Stats" Scales for Each Column, All Others for Entire Chart)

Inv	Q1	Q2	Q3	Q4
2017A	\$ 1,217	\$ 1,141	\$ 1,823	\$ 1,250
2018A	1,185	1,131	1,882	1,251
2019A	1,149	949	1,287	860
2020P	568	403	1,109	849
2021P	820	593	1,048	966

OCL	Q1	Q2	Q3	Q4
2017A	\$ 940	\$ 868	\$ 932	\$ 988
2018A	646	714	701	780
2019A	589	594	625	618
2020P	353	240	556	683
2021P	509	556	601	582

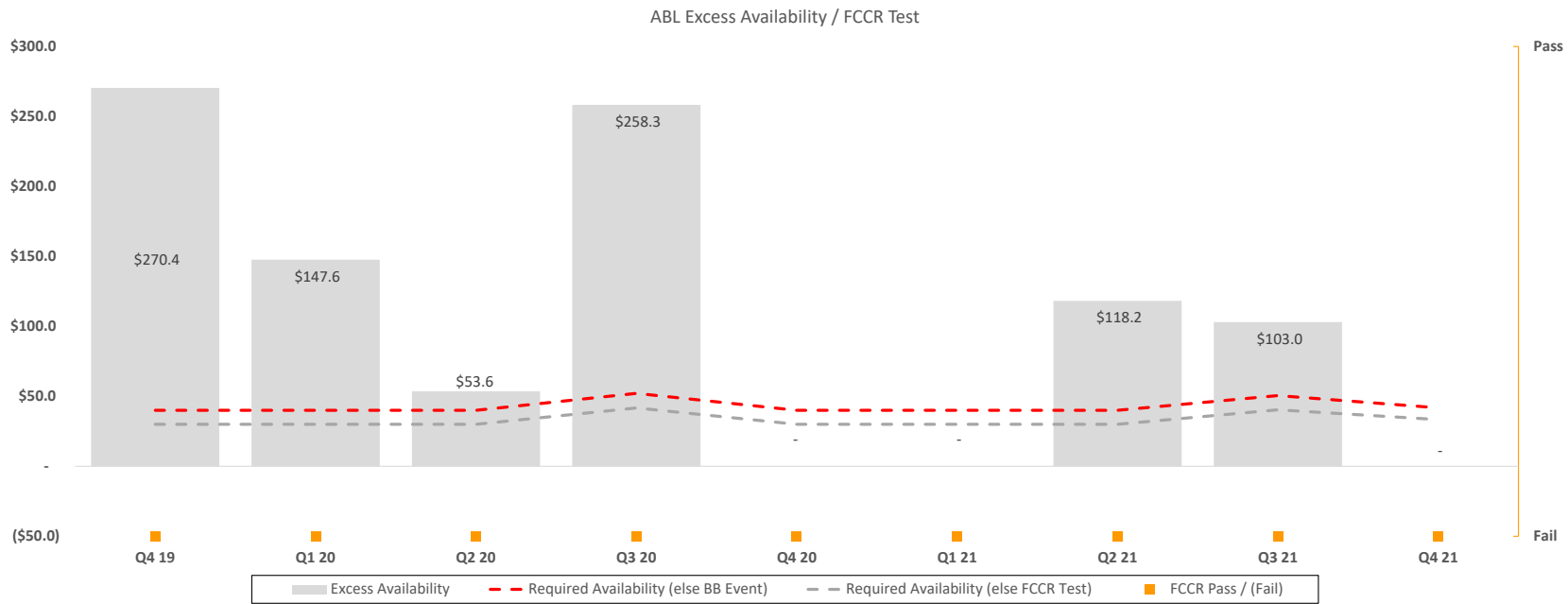
AR	Q1	Q2	Q3	Q4
2017A	\$ 173	\$ 185	\$ 196	\$ 139
2018A	105	122	152	134
2019A	126	122	146	142
2020P	93	56	128	117
2021P	134	104	145	115

NWC	Q1	Q2	Q3	Q4
2017A	\$ 70	\$ 191	\$ (1)	\$ 233
2018A	856	761	607	(329)
2019A	330	267	238	136
2020P	252	248	319	121
2021P	208	(109)	108	298

AP	Q1	Q2	Q3	Q4
2017A	\$ 526	\$ 470	\$ 1,285	\$ 892
2018A	548	536	1,453	1,052
2019A	458	368	710	381
2020P	178	92	482	283
2021P	359	371	605	322

NWC Stats	Min	Max	Max Swing	Q1 - Prev Q4
2017A	\$ (1)	\$ 233	\$ 235	\$ 360
2018A	(329)	856	1,184	622
2019A	136	330	194	658
2020P	121	319	199	116
2021P	(109)	298	407	87

	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
Inventories	568	403	1,109	849	820	593	1,048	966
Accounts Receivable	\$ 93	\$ 56	\$ 128	\$ 117	\$ 134	\$ 104	\$ 145	\$ 115
Prepaid expenses and other current assets	121	121	121	121	121	121	121	121
Current Operating Assets	\$ 782	\$ 580	\$ 1,358	\$ 1,087	\$ 1,076	\$ 818	\$ 1,314	\$ 1,202
Accounts Payable	\$ 178	\$ 92	\$ 482	\$ 283	\$ 359	\$ 371	\$ 605	\$ 322
Other Current Liabilities	353	240	556	683	509	556	601	582
Current Operating Liabilities	\$ 530	\$ 332	\$ 1,038	\$ 966	\$ 868	\$ 927	\$ 1,206	\$ 904
Net Working Capital	\$ 252	\$ 248	\$ 319	\$ 121	\$ 208	\$ (109)	\$ 108	\$ 298
<i>Change in NWC</i>	116	(3)	71	(199)	87	(317)	217	190



Debt

	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
ABL Revolver	\$ -	\$ -	\$ 151	\$ -	\$ -	\$ 48	\$ 294	\$ 326
Standby LCs	7	7	7	7	7	7	7	7
Senior Notes	420	420	420	420	420	-	-	-
Leases	702	634	567	500	454	408	362	315
Total Debt	\$ 1,129	\$ 1,062	\$ 1,146	\$ 927	\$ 881	\$ 463	\$ 663	\$ 649
LTM Adj. EBITDA	\$ (53)	\$ (186)	\$ (242)	\$ (192)	\$ (68)	\$ 102	\$ 155	\$ 85
LTM Adj. EBITDAR	343	168	69	76	180	329	360	270
Leverage (LTM Adj. EBITDA)								
Through ABL / LCs	(0.1)x	(0.0)x	(0.7)x	(0.0)x	(0.1)x	0.5x	1.9x	3.9x
Through Notes	(8.1)x	(2.3)x	(2.4)x	(2.2)x	(6.3)x	0.5x	1.9x	3.9x
Total (Including Leases)	(21.4)x	(5.7)x	(4.7)x	(4.8)x	(13.0)x	4.5x	4.3x	7.7x
Leverage (LTM Adj. EBITDAR)								
Through ABL / LCs	0.0x	0.0x	2.3x	0.1x	0.0x	0.2x	0.8x	1.2x
Through Notes	1.2x	2.5x	8.4x	5.6x	2.4x	0.2x	0.8x	1.2x
Total (Including Leases)	3.3x	6.3x	16.7x	12.2x	4.9x	1.4x	1.8x	2.4x
Debt Service Schedule								
Revolver Undrawn + Interest	\$ (0)	\$ (0)	\$ (1)	\$ (1)	\$ (0)	\$ (0)	\$ (1)	\$ (2)
Senior Notes Interest	(14)	-	(14)	-	(14)	-	-	-
Senior Notes Maturity	-	-	-	-	-	(420)	-	-
Total Debt Service Payments	\$ (14)	\$ (0)	\$ (15)	\$ (1)	\$ (14)	\$ (420)	\$ (1)	\$ (2)

Credit Events

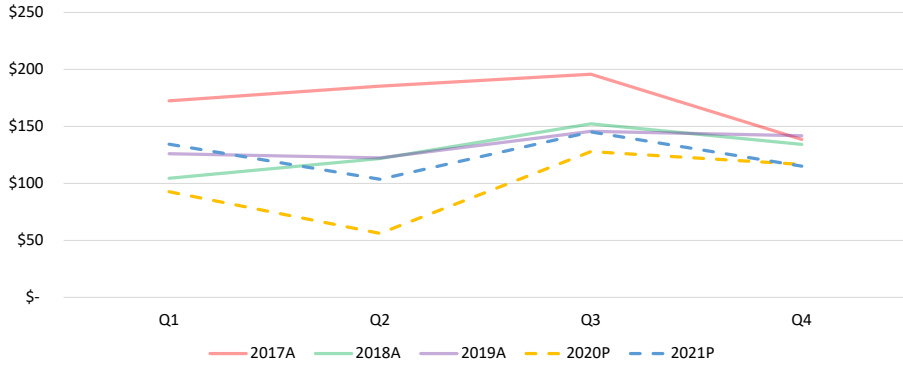
	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
Ending Liquidity	\$ 769.8	\$ 440.4	\$ 113.6	\$ 308.3	\$ 230.5	\$ 144.0	\$ 168.2	\$ 153.0	\$ (43.5)
Ending Domestic Liquidity	\$ 622.7	\$ 354.2	\$ 96.0	\$ 293.5	\$ 162.6	\$ 101.6	\$ 153.4	\$ 138.3	\$ (43.5)

Excess Availability	\$ 270	\$ 148	\$ 54	\$ 258	\$ -	\$ -	\$ 118	\$ 103	\$ -
(-) Covenant Trigger (FCCR Test) Level	(30)	(30)	(30)	(42)	(30)	(30)	(30)	(40)	(33)
Additional Draws Prior to Trigger	\$ 240	\$ 118	\$ 24	\$ 217	\$ (30)	\$ (30)	\$ 88	\$ 63	\$ (33)
LTM Domestic Adj. EBITDA (Assumed at 70% of Consolidated)	\$ 64	\$ (37)	\$ (130)	\$ (170)	\$ (135)	\$ (47)	\$ 72	\$ 108	\$ 59
FCCR Tested?	-	-	-	-	Yes	Yes	-	-	Yes
FCCR Test Level (EoD if Tested and Not Met)	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x

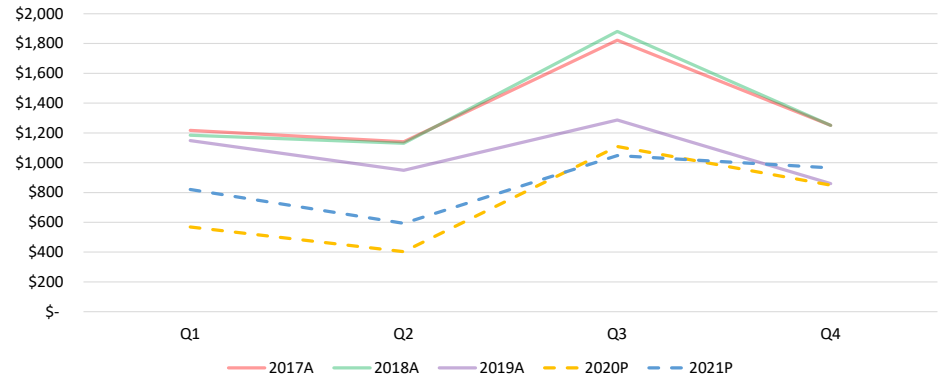
Fixed Charge Coverage Ratio

LTM Domestic Adj. EBITDA (Assumed at 70% of Consolidated)	\$ 64	\$ (37)	\$ (130)	\$ (170)	\$ (135)	\$ (47)	\$ 72	\$ 108	\$ 59
(-) LTM Unfinanced Domestic Capex (Assumed at 70% of Consolidated)	(66)	(60)	(52)	(41)	(27)	(27)	(31)	(34)	(37)
(-) LTM Cash Taxes	(51)	(38)	(26)	(13)	(22)	(23)	(23)	(23)	(17)
[A] FCCR Numerator	\$ (53)	\$ (135)	\$ (207)	\$ (223)	\$ (184)	\$ (97)	\$ 18	\$ 51	\$ 5
LTM Non-ABL Debt Service Charges	28	28	28	28	28	28	448	434	434
[B] FCCR Denominator	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 448	\$ 434	\$ 434
FCCR Calculation [A] / [B]	(1.9)x	(4.8)x	(7.3)x	(7.9)x	(6.5)x	(3.4)x	0.0x	0.1x	0.0x
FCCR Pass / Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Fixed Charge Coverage Cushion / (Shortfall)	(81)	(163)	(236)	(252)	(213)	(125)	(430)	(383)	(429)
FCCR Cushion / (Shortfall)	(2.9)x	(5.8)x	(8.3)x	(8.9)x	(7.5)x	(4.4)x	(1.0)x	(0.9)x	(1.0)x
Default (Tested and FCCR Fail)?	-	-	-	-	DEFAULT	DEFAULT	-	-	DEFAULT

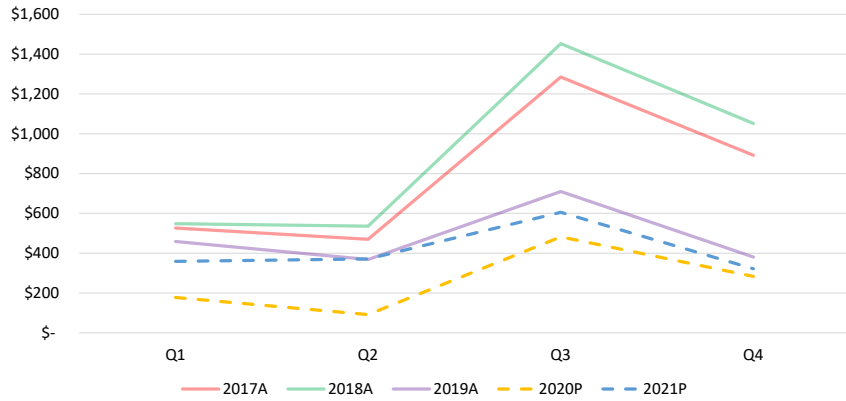
Accounts Receivable



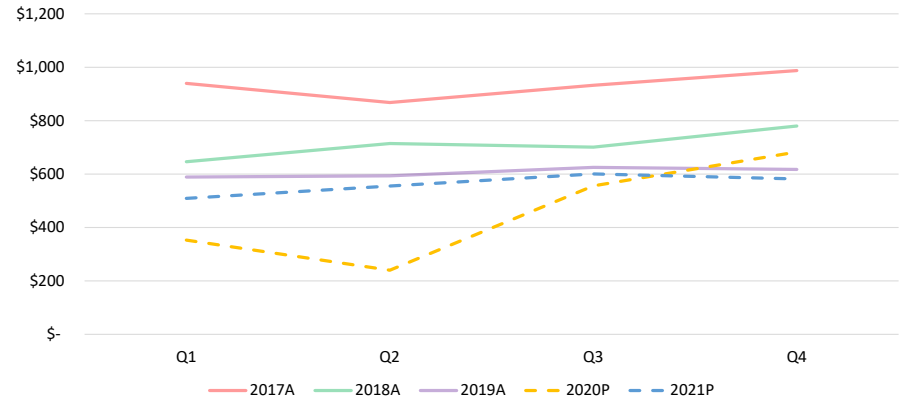
Inventory



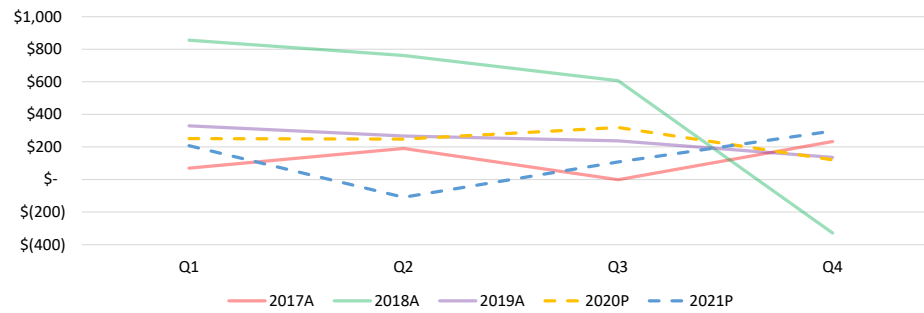
Accounts Payable



Other Current Liabilities



NWC



GameStop Analysis (NYSE: GME) - Ch 11 Waterfall

Base Case		DIP
Simplified Ch 11 Valuation @ Q4 20 Filing (\$ in Millions)		100
CLAIMS		
\$420M ABL Facility due 11/22 (includes LCs)	107	
6.75% Senior Notes due March 2021	420	
Total Funded Debt⁽¹⁾	527	
Cash at Filing ⁽²⁾	214	
Net Debt	314	
Current Market Cap	269	
EV	583	
EV/LTM EBITDA	6.4x	
NTM EBITDA (Q2 20 Filing, Q3 20 Emergence)	85	
Estimated Exit EV/EBITDA	2.0x	
NTM EV	170	
Residual Value for Existing Equity	(144)	

- (1) Assumes no rejection of Operating Leases.
 (2) 100% of Domestic Cash + 75% of Foreign Cash.

DISTRIBUTABLE VALUE WATERFALL											
Multiple	Adjusted EBITDA					Multiple	Residual value to Common Equity				
	USD 76m	USD 81m	USD 85m	USD 89m	USD 93m		USD 76m	USD 81m	USD 85m	USD 89m	USD 93m
1.0x	290	294	298	303	307	1.0x	-	-	-	-	-
1.5x	328	334	341	347	354	1.5x	-	-	-	-	-
2.0x	366	375	383	392	400	2.0x	-	-	-	-	-
2.5x	404	415	426	436	447	2.5x	-	-	-	-	-
3.0x	443	455	468	481	494	3.0x	-	-	-	-	-
3.5x	481	496	511	525	540	3.5x	-	-	-	-	-
7.5%	Value after 7.5% Professional Fee / Value Destruction					Implied Stock Price (@ 64.5mm S/O)					
1.0x	268	272	276	280	284	1.0x	-	-	-	-	
1.5x	303	309	315	321	327	1.5x	-	-	-	-	
2.0x	339	347	354	362	370	2.0x	-	-	-	-	
2.5x	374	384	394	404	413	2.5x	-	-	-	-	
3.0x	409	421	433	445	457	3.0x	-	-	-	-	
3.5x	445	458	472	486	500	3.5x	-	-	-	-	

USD 107m	ABL % Recovery (Assumes \$100mm New Money DIP)				
1.0x	100%	100%	100%	100%	100%
1.5x	100%	100%	100%	100%	100%
2.0x	100%	100%	100%	100%	100%
2.5x	100%	100%	100%	100%	100%
3.0x	100%	100%	100%	100%	100%
3.5x	100%	100%	100%	100%	100%

USD 420m	Senior Notes % Recovery				
1.0x	38%	39%	40%	41%	42%
1.5x	47%	48%	50%	51%	52%
2.0x	55%	57%	59%	61%	63%
2.5x	64%	66%	68%	71%	73%
3.0x	72%	75%	78%	80%	83%
3.5x	80%	84%	87%	90%	93%

59% Avg Recovery - Assume highlighted scenarios equally probable
 59% Implied Price if Min / Max 50/50

\$ 76.25	Senior Notes \$ P&L vs Current Price (76.25)				
1.0x	(37.94)	(37.00)	(36.07)	(35.13)	(34.20)
1.5x	(29.52)	(28.12)	(26.72)	(25.32)	(23.91)
2.0x	(21.11)	(19.24)	(17.37)	(15.50)	(13.63)
2.5x	(12.70)	(10.36)	(8.02)	(5.68)	(3.35)
3.0x	(4.28)	(1.48)	1.33	4.13	6.94
3.5x	4.13	7.40	10.68	13.95	17.22

(28.12)	Downside
(5.68)	Upside
(17.37)	Average

GameStop Analysis (NYSE: GME) - Liquidation Analysis

Base Case						
(\$ in Millions)						
Assumed Liquidation Date: Q4 20						
	As of Q4 20	Low		High		Notes
		\$	%	\$	%	
Domestic Cash	\$ 163	\$ 163	100.0%	\$ 163	100.0%	
Foreign Cash	68	51	75.0%	51	75.0%	Based on potential repatriation issues.
Accounts Receivable	117	99	85.0%	111	95.0%	
Domestic Inventory (@70% of Total Inventory)	594	178	30.0%	357	60.0%	Assumes Domestic Inventory is 70% (Domestic % of Revenue) of Total Inventory.
Foreign Inventory	255	-	-	-	-	
Prepaid Expenses And Other Current Assets	121	12	10.0%	18	15.0%	
Fixtures	880	18	2.0%	26	3.0%	Gross amount. Estimate based on Fixtures historically representing ~60% of PP&E.
Buildings	586	469	80.0%	528	90.0%	Gross amount. Estimate based on Buildings historically representing ~40% of PP&E.
Other Non-Current Assets	60	-	-	-	-	
Total Gross Liquidation Proceeds	\$ 2,843	\$ 990		\$ 1,253		
Payroll & Benefits / Overhead And Other Wind-Down Costs		\$ (30)	3.0%	\$ (38)	3.0%	Based on costs for similar cases.
Trustee Fees		(20)	2.0%	(25)	2.0%	Based on costs for similar cases.
Professional Fees		(30)	3.0%	(25)	2.0%	Based on costs for similar cases.
Total Liquidation Expenses		\$ (79)		\$ (88)		
Total Net Liquidation Proceeds		\$ 911		\$ 1,166		
ABL Revolver (Including LCs)	\$ 7	(7)		(7)		
Residual Value to General Unsecured Claims		\$ 903		\$ 1,158		
Senior Notes	\$ 420	(201)		(258)		Pro rata recovery based on face claim % of Total GUCs (22.3%).
Operating Leases	500	(240)		(307)		Pro rata recovery based on face claim % of Total GUCs (26.5%).
Accounts Payable	283	(136)		(174)		Pro rata recovery based on face claim % of Total GUCs (15%).
Other Current Liabilities	683	(327)		(419)		Pro rata recovery based on face claim % of Total GUCs (36.2%).
General Unsecured Claims	\$ 1,886	\$ (903)		\$ (1,158)		
Residual Value to Equity		-		-		
Claim Recovery						
	Claim	Low		High		
		\$	%	\$	%	
ABL Revolver	\$ 7	\$ 7	100.0%	\$ 7	100.0%	
Senior Notes	420	201	47.9%	258	61.4%	
Asset Coverage						
ABL Revolver		124.7x		159.7x		
General Unsecured Claims		0.5x		0.6x		

GameStop Analysis (NYSE: GME) - Summary

(\$ in Millions)							Adj. EBITDA	\$ 91	Adj. EBITDAR	\$ 530	Settlement: 5/26/2020				
Financials as of 2/1/20 (FY 2019 10-K)							BV Debt /	MV Debt /	BV Debt /	MV Debt /	Interest	CY	YTM	Interest	FCCR
Tranche	Amount	Funded	Coupon	Maturity	Mkt Price	Mkt Value	Adj. EBITDA	Adj. EBITDA	Adj. EBITDAR	Adj. EBITDAR			Coverage		
\$420M ABL Facility due 11/22 (L+150)	\$ 420.0	\$ -	L+1.50%	11/20/2022	100.00	\$ -							\$ 6.1	2.9%	2.9%
Letters of Credit	7.3	7.3			100.00	7.3									
Total Secured Debt	\$ 427.3	\$ 7.3				\$ -	0.1x	-	0.0x	-			\$ 6.1		
6.75% Senior Notes due March 2021	421.4	421.4	6.75%	3/15/2021	76.25	321.3							28.4	8.9%	45.1%
Leases	768.7	768.7			100.00	768.7									
Total Debt	\$ 1,617.4	\$ 1,197.4				\$ 1,090.0	13.1x	12.0x	2.3x	2.1x			\$ 34.5		
(-) Cash		(499.4)				(499.4)									
Net Debt		\$ 698.0				\$ 590.6	7.7x	6.5x	1.3x	1.1x			ABL Availability	\$ 66.0	
Equity (\$GME)		269.4	64.5	Shares @	4.18	269.4							Cash	706.0	
Enterprise Value	\$ 967.4					\$ 860.0	10.6x	9.4x	1.8x	1.6x			Total Liquidity	\$ 772.0	

Down Case

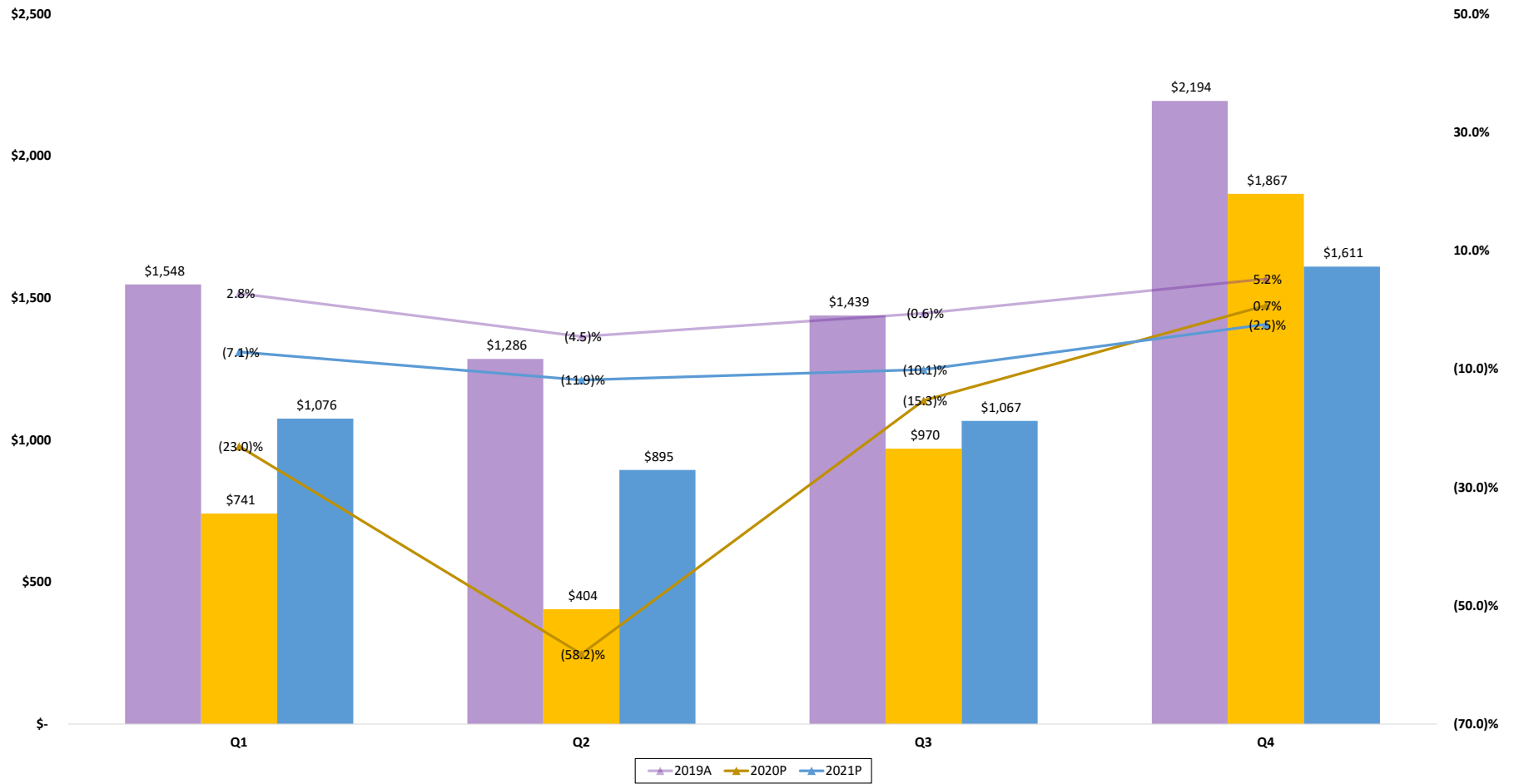
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Actual	Projected	Projected
	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 19	FY 20	FY 21
Key Metrics															
Revenue	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 741	\$ 404	\$ 970	\$ 1,867	\$ 1,076	\$ 895	\$ 1,067	\$ 1,611	\$ 6,466	\$ 3,982	\$ 4,648
% Growth YoY	(13.3)%	(14.3)%	(25.7)%	(28.4)%	(52.1)%	(68.5)%	(32.6)%	(14.9)%	45.1%	121.3%	10.1%	(13.7)%	(22.0)%	(38.4)%	16.7%
Gross Profit	471	399	441	597	222	137	266	490	327	276	307	436	1,909	1,114	1,345
% Margin	30.4%	31.0%	30.7%	27.2%	30.0%	33.8%	27.4%	26.2%	30.4%	30.8%	28.7%	27.1%	29.5%	28.0%	28.9%
SG&A	(431)	(459)	(452)	(581)	(395)	(374)	(417)	(478)	(405)	(384)	(417)	(478)	(1,923)	(1,664)	(1,684)
% of Revenue	27.8%	35.7%	31.4%	26.5%	53.3%	92.5%	43.0%	25.6%	37.7%	42.9%	39.0%	29.7%	29.7%	41.8%	36.2%
Adj. EBITDA	43	(58)	(8)	115	(171)	(235)	(149)	14	(76)	(106)	(108)	(39)	91	(541)	(330)
% Margin	2.8%	(4.5)%	(0.6)%	5.2%	(23.0)%	(58.2)%	(15.3)%	0.7%	(7.1)%	(11.9)%	(10.1)%	(2.5)%	1.4%	(13.6)%	(7.1)%
Adj. EBITDAR	152	52	101	224	(104)	(168)	(81)	81	(30)	(60)	(61)	7	530	(272)	(145)
% Margin	9.9%	4.0%	7.0%	10.2%	(14.0)%	(41.6)%	(8.4)%	4.3%	(2.8)%	(6.7)%	(5.8)%	0.4%	8.2%	(6.8)%	(3.1)%
Unlevered Free Cash Flow	(646)	(31)	(18)	176	(323)	(236)	(367)	193	(112)	155	(280)	(266)	(518)	(732)	(502)

Revenue	Q1	Q2	Q3	Q4	FY
2019A	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 6,466
2020P	741	404	970	1,867	3,982
2021P	1,076	895	1,067	1,611	4,648
EBITDA Margin	Q1	Q2	Q3	Q4	
2019A	2.8%	(4.5)%	(0.6)%	5.2%	1.4%
2020P	(23.0)%	(58.2)%	(15.3)%	0.7%	(13.6)%
2021P	(7.1)%	(11.9)%	(10.1)%	(2.5)%	(7.1)%

Liquidity

	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Actual	Projected	Projected
	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 19	FY 20	FY 21
Beginning Cash		\$ 499	\$ 162	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)		\$ 499	\$ (264)
Levered Free Cash Flow		(337)	(236)	(382)	192	(126)	(265)	(282)	(268)		(764)	(941)
(-) Min Cash		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)		(50)	(50)
Cash Available for Paydown / (Necessary Draw)		\$ 112	\$ (124)	\$ (480)	\$ 54	\$ (440)	\$ (705)	\$ (854)	\$ (927)		\$ (314)	\$ (1,255)
Revolver Draw/(Paydown)		-	27	342	(368)	-	133	194	(39)		-	289
Ending Cash	\$ 499	\$ 162	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)	\$ (916)	\$ 499	\$ (264)	\$ (916)
(-) Foreign Cash (@29.4% of Cash)	(147)	(48)	-	-	-	-	-	-	-	(147)	-	-
Ending Domestic Cash	\$ 352	\$ 114	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)	\$ (916)	\$ 352	\$ (264)	\$ (916)
Ending Cash	\$ 499	\$ 162	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)	\$ (916)	\$ 499	\$ (264)	\$ (916)
Ending ABL Availability	270	114	-	-	-	-	-	-	-	270	-	-
Ending Liquidity	\$ 770	\$ 276	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)	\$ (916)	\$ 770	\$ (264)	\$ (916)
Ending Domestic Liquidity	\$ 623	\$ 228	\$ (47)	\$ (88)	\$ (264)	\$ (390)	\$ (522)	\$ (609)	\$ (916)	\$ 623	\$ (264)	\$ (916)

Revenue / EBITDA Margin



Net Working Capital (Blue = Higher #, Red = Lower; "NWC Stats" Scales for Each Column, All Others for Entire Chart)

Inv	Q1	Q2	Q3	Q4
2017A	\$ 1,217	\$ 1,141	\$ 1,823	\$ 1,250
2018A	1,185	1,131	1,882	1,251
2019A	1,149	949	1,287	860
2020P	519	357	1,056	842
2021P	749	550	935	914

OCL	Q1	Q2	Q3	Q4
2017A	\$ 940	\$ 868	\$ 932	\$ 988
2018A	646	714	701	780
2019A	589	594	625	618
2020P	286	195	451	554
2021P	413	451	487	472

AR	Q1	Q2	Q3	Q4
2017A	\$ 173	\$ 185	\$ 196	\$ 139
2018A	105	122	152	134
2019A	126	122	146	142
2020P	74	45	102	93
2021P	108	83	116	92

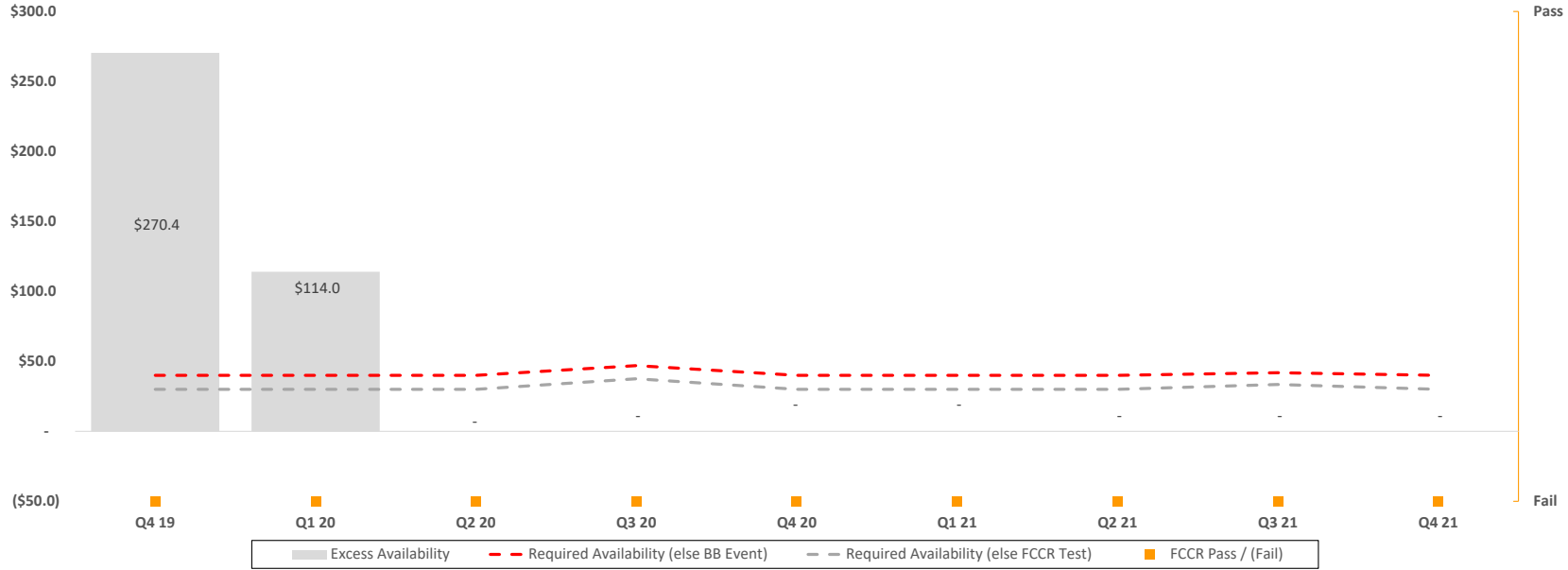
NWC	Q1	Q2	Q3	Q4
2017A	\$ 70	\$ 191	\$ (1)	\$ 233
2018A	856	761	607	(329)
2019A	330	267	238	136
2020P	312	268	476	288
2021P	315	36	193	407

AP	Q1	Q2	Q3	Q4
2017A	\$ 526	\$ 470	\$ 1,285	\$ 892
2018A	548	536	1,453	1,052
2019A	458	368	710	381
2020P	115	59	352	214
2021P	250	267	491	248

NWC Stats	Min	Max	Max Swing	Q1 - Prev Q4
2017A	\$ (1)	\$ 233	\$ 235	\$ 360
2018A	(329)	856	1,184	622
2019A	136	330	194	658
2020P	268	476	208	176
2021P	36	407	370	27

	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
Inventories	519	357	1,056	842	749	550	935	914
Accounts Receivable	\$ 74	\$ 45	\$ 102	\$ 93	\$ 108	\$ 83	\$ 116	\$ 92
Prepaid expenses and other current assets	121	121	121	121	121	121	121	121
Current Operating Assets	\$ 714	\$ 523	\$ 1,279	\$ 1,056	\$ 977	\$ 754	\$ 1,172	\$ 1,127
Accounts Payable	\$ 115	\$ 59	\$ 352	\$ 214	\$ 250	\$ 267	\$ 491	\$ 248
Other Current Liabilities	286	195	451	554	413	451	487	472
Current Operating Liabilities	\$ 401	\$ 255	\$ 803	\$ 768	\$ 663	\$ 718	\$ 978	\$ 720
Net Working Capital	\$ 312	\$ 268	\$ 476	\$ 288	\$ 315	\$ 36	\$ 193	\$ 407
<i>Change in NWC</i>	176	(44)	208	(188)	27	(278)	157	213

ABL Excess Availability / FCCR Test



Debt

	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
ABL Revolver	\$ -	\$ 27	\$ 368	\$ -	\$ -	\$ 133	\$ 328	\$ 289
Standby LCs	7	7	7	7	7	7	7	7
Senior Notes	420	420	420	420	420	-	-	-
Leases	702	634	567	500	454	408	362	315
Total Debt	\$ 1,129	\$ 1,088	\$ 1,363	\$ 927	\$ 881	\$ 548	\$ 696	\$ 611
LTM Adj. EBITDA	\$ (122)	\$ (300)	\$ (440)	\$ (541)	\$ (446)	\$ (317)	\$ (276)	\$ (330)
LTM Adj. EBITDAR	274	54	(129)	(272)	(199)	(91)	(71)	(145)
Leverage (LTM Adj. EBITDA)								
Through ABL / LCs	(0.1)x	(0.1)x	(0.9)x	(0.0)x	(0.0)x	(0.4)x	(1.2)x	(0.9)x
Through Notes	(3.5)x	(1.5)x	(1.8)x	(0.8)x	(1.0)x	(0.4)x	(1.2)x	(0.9)x
Total (Including Leases)	(9.2)x	(3.6)x	(3.1)x	(1.7)x	(2.0)x	(1.7)x	(2.5)x	(1.9)x
Leverage (LTM Adj. EBITDAR)								
Through ABL / LCs	0.0x	0.6x	(2.9)x	(0.0)x	(0.0)x	(1.6)x	(4.7)x	(2.0)x
Through Notes	1.6x	8.4x	(6.2)x	(1.6)x	(2.1)x	(1.6)x	(4.7)x	(2.0)x
Total (Including Leases)	4.1x	20.2x	(10.6)x	(3.4)x	(4.4)x	(6.1)x	(9.9)x	(4.2)x
Debt Service Schedule								
Revolver Undrawn + Interest	\$ (0)	\$ (0)	\$ (1)	\$ (1)	\$ (0)	\$ (1)	\$ (2)	\$ (2)
Senior Notes Interest	(14)	-	(14)	-	(14)	-	-	-
Senior Notes Maturity	-	-	-	-	-	(420)	-	-
Total Debt Service Payments	\$ (14)	\$ (0)	\$ (16)	\$ (1)	\$ (14)	\$ (420)	\$ (2)	\$ (2)

Credit Events

	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
Ending Liquidity	\$ 769.8	\$ 276.2	\$ (47.4)	\$ (88.0)	\$ (264.3)	\$ (390.3)	\$ (522.3)	\$ (609.5)	\$ (916.1)
Ending Domestic Liquidity	\$ 622.7	\$ 228.4	\$ (47.4)	\$ (88.0)	\$ (264.3)	\$ (390.3)	\$ (522.3)	\$ (609.5)	\$ (916.1)

Excess Availability	\$ 270	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(-) Covenant Trigger (FCCR Test) Level	(30)	(30)	(30)	(38)	(30)	(30)	(30)	(33)	(30)
Additional Draws Prior to Trigger	\$ 240	\$ 84	\$ (30)	\$ (38)	\$ (30)	\$ (30)	\$ (30)	\$ (33)	\$ (30)
LTM Domestic Adj. EBITDA (Assumed at 70% of Consolidated)	\$ 64	\$ (86)	\$ (210)	\$ (308)	\$ (379)	\$ (312)	\$ (222)	\$ (193)	\$ (231)
FCCR Tested?	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FCCR Test Level (EoD if Tested and Not Met)	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x

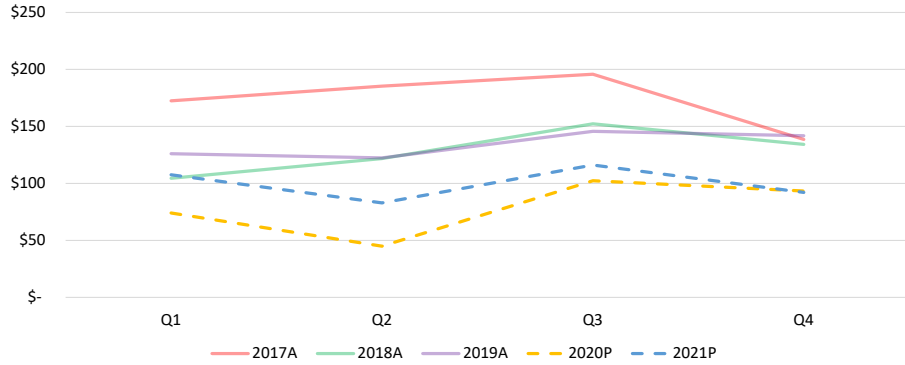
Fixed Charge Coverage Ratio

LTM Domestic Adj. EBITDA (Assumed at 70% of Consolidated)	\$ 64	\$ (86)	\$ (210)	\$ (308)	\$ (379)	\$ (312)	\$ (222)	\$ (193)	\$ (231)
(-) LTM Unfinanced Domestic Capex (Assumed at 70% of Consolidated)	(66)	(60)	(52)	(41)	(27)	(27)	(31)	(34)	(37)
(-) LTM Cash Taxes	(51)	(38)	(26)	(13)	-	-	-	-	-
[A] FCCR Numerator	\$ (53)	\$ (184)	\$ (287)	\$ (362)	\$ (406)	\$ (339)	\$ (253)	\$ (228)	\$ (268)
LTM Non-ABL Debt Service Charges	28	28	28	28	28	28	448	434	434
[B] FCCR Denominator	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 448	\$ 434	\$ 434
FCCR Calculation [A] / [B]	(1.9)x	(6.5)x	(10.1)x	(12.8)x	(14.3)x	(12.0)x	(0.6)x	(0.5)x	(0.6)x
FCCR Pass / Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Fixed Charge Coverage Cushion / (Shortfall)	(81)	(212)	(316)	(390)	(434)	(368)	(701)	(662)	(702)
FCCR Cushion / (Shortfall)	(2.9)x	(7.5)x	(11.1)x	(13.8)x	(15.3)x	(13.0)x	(1.6)x	(1.5)x	(1.6)x

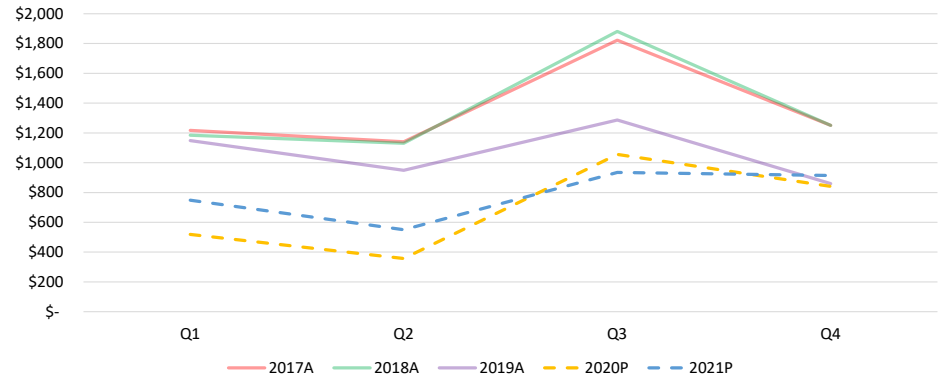
Default (Tested and FCCR Fail)?

-	-	DEFAULT	DEFAULT	DEFAULT	DEFAULT	DEFAULT	DEFAULT	DEFAULT	DEFAULT
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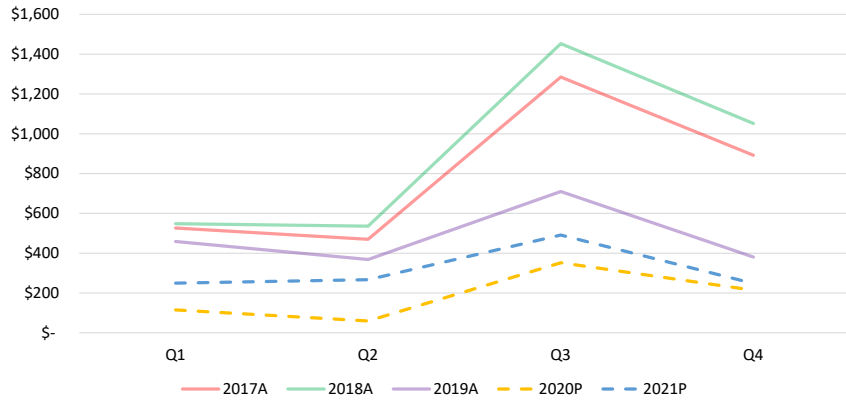
Accounts Receivable



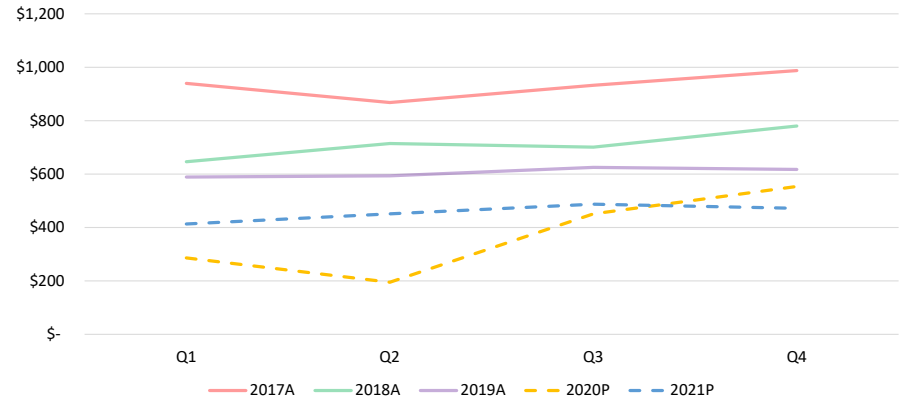
Inventory



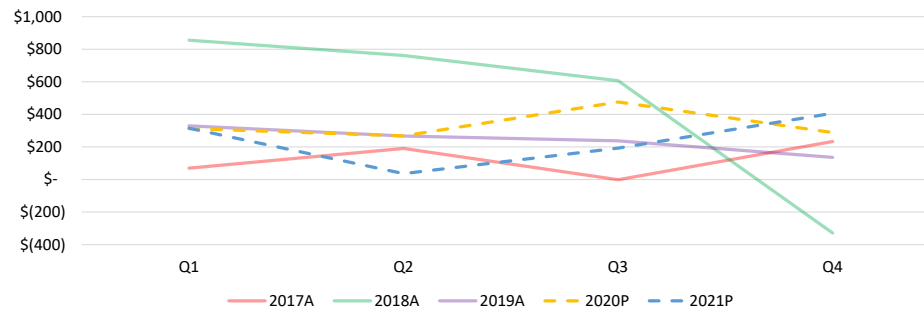
Accounts Payable



Other Current Liabilities



NWC



GameStop Analysis (NYSE: GME) - Ch 11 Waterfall

Down Case	
Simplified Ch 11 Valuation @ Q2 20 Filing (\$ in Millions)	DIP
CLAIMS	
\$420M ABL Facility due 11/22 (includes LCs)	134
6.75% Senior Notes due March 2021	420
Total Funded Debt⁽¹⁾	554
Cash at Filing ⁽²⁾	0
Net Debt	554
Current Market Cap	269
EV	823
EV/LTM EBITDA	9.0x
NTM EBITDA (Q2 20 Filing, Q3 20 Emergence)	(317)
Estimated Exit EV/EBITDA	2.0x
NTM EV	(634)
Residual Value for Existing Equity	(1,188)

(1) Assumes no rejection of Operating Leases.
 (2) 100% of Domestic Cash + 75% of Foreign Cash.

DISTRIBUTABLE VALUE WATERFALL											
Multiple	Adjusted EBITDA					Multiple	Residual value to Common Equity				
	-USD 349m	-USD 333m	-USD 317m	-USD 301m	-USD 286m		-USD 349m	-USD 333m	-USD 317m	-USD 301m	-USD 286m
1.0x	-	-	-	-	-	1.0x	-	-	-	-	
1.5x	-	-	-	-	-	1.5x	-	-	-	-	
2.0x	-	-	-	-	-	2.0x	-	-	-	-	
2.5x	-	-	-	-	-	2.5x	-	-	-	-	
3.0x	-	-	-	-	-	3.0x	-	-	-	-	
3.5x	-	-	-	-	-	3.5x	-	-	-	-	
7.5%	Value after 7.5% Professional Fee / Value Destruction					Implied Stock Price (@ 64.5mm S/O)					
1.0x	-	-	-	-	-	1.0x	-	-	-	-	
1.5x	-	-	-	-	-	1.5x	-	-	-	-	
2.0x	-	-	-	-	-	2.0x	-	-	-	-	
2.5x	-	-	-	-	-	2.5x	-	-	-	-	
3.0x	-	-	-	-	-	3.0x	-	-	-	-	
3.5x	-	-	-	-	-	3.5x	-	-	-	-	
USD 134m	ABL % Recovery (Assumes \$100mm New Money DIP)										
1.0x	-	-	-	-	-						
1.5x	-	-	-	-	-						
2.0x	-	-	-	-	-						
2.5x	-	-	-	-	-						
3.0x	-	-	-	-	-						
3.5x	-	-	-	-	-						
USD 420m	Senior Notes % Recovery										
1.0x	-	-	-	-	-						
1.5x	-	-	-	-	-						
2.0x	-	-	-	-	-						
2.5x	-	-	-	-	-						
3.0x	-	-	-	-	-						
3.5x	-	-	-	-	-						
0% Avg Recovery - Assume highlighted scenarios equally probable											
0% Implied Price if Min / Max 50/50											
\$ 76.25	Senior Notes \$ P&L vs Current Price (76.25)										
1.0x	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)						
1.5x	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)						
2.0x	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)						
2.5x	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)						
3.0x	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)						
3.5x	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)						
		(76.25)	Downside								
		(76.25)	Upside								
		(76.25)	Average								

GameStop Analysis (NYSE: GME) - Liquidation Analysis
Down Case

(\$ in Millions)	As of Q2 20	Low		High		Notes
		\$	%	\$	%	
Assumed Liquidation Date:	Q2 20					
Domestic Cash	\$ (47)	\$ (47)	100.0%	\$ (47)	100.0%	
Foreign Cash	-	-	75.0%	-	75.0%	Based on potential repatriation issues.
Accounts Receivable	45	38	85.0%	43	95.0%	
Domestic Inventory (@70% of Total Inventory)	250	75	30.0%	150	60.0%	Assumes Domestic Inventory is 70% (Domestic % of Revenue) of Total Inventory.
Foreign Inventory	107	-	-	-	-	
Prepaid Expenses And Other Current Assets	121	12	10.0%	18	15.0%	
Fixtures	880	18	2.0%	26	3.0%	Gross amount. Estimate based on Fixtures historically representing ~60% of PP&E.
Buildings	586	469	80.0%	528	90.0%	Gross amount. Estimate based on Buildings historically representing ~40% of PP&E.
Other Non-Current Assets	60	-	-	-	-	
Total Gross Liquidation Proceeds	\$ 2,001	\$ 565		\$ 717		
Payroll & Benefits / Overhead And Other Wind-Down Costs		\$ (17)	3.0%	\$ (22)	3.0%	Based on costs for similar cases.
Trustee Fees		(11)	2.0%	(14)	2.0%	Based on costs for similar cases.
Professional Fees		(17)	3.0%	(14)	2.0%	Based on costs for similar cases.
Total Liquidation Expenses		\$ (45)		\$ (50)		
Total Net Liquidation Proceeds		\$ 519		\$ 667		
ABL Revolver (Including LCs)	\$ 34	(34)		(34)		
Residual Value to General Unsecured Claims		\$ 485		\$ 633		
Senior Notes	\$ 420	(156)		(203)		Pro rata recovery based on face claim % of Total GUCs (32.1%).
Operating Leases	634	(235)		(307)		Pro rata recovery based on face claim % of Total GUCs (48.5%).
Accounts Payable	59	(22)		(29)		Pro rata recovery based on face claim % of Total GUCs (4.5%).
Other Current Liabilities	195	(72)		(94)		Pro rata recovery based on face claim % of Total GUCs (14.9%).
General Unsecured Claims	\$ 1,309	\$ (485)		\$ (633)		
Residual Value to Equity		-		-		
Claim Recovery						
	Claim	Low		High		
		\$	%	\$	%	
ABL Revolver	\$ 34	\$ 34	100.0%	\$ 34	100.0%	
Senior Notes	420	156	37.1%	203	48.4%	
Asset Coverage						
ABL Revolver		15.3x		19.6x		
General Unsecured Claims		0.4x		0.5x		

GameStop Analysis (NYSE: GME) - Summary

(\$ in Millions)							Adj. EBITDA	\$ 91	Adj. EBITDAR	\$ 530	Settlement: 5/26/2020				
Financials as of 2/1/20 (FY 2019 10-K)							BV Debt /	MV Debt /	BV Debt /	MV Debt /	Interest	CY	YTM	Interest	FCCR
Tranche	Amount	Funded	Coupon	Maturity	Mkt Price	Mkt Value	Adj. EBITDA	Adj. EBITDA	Adj. EBITDAR	Adj. EBITDAR			Coverage		
\$420M ABL Facility due 11/22 (L+150)	\$ 420.0	\$ -	L+1.50%	11/20/2022	100.00	\$ -							\$ 6.1	2.9%	2.9%
Letters of Credit	7.3	7.3			100.00	7.3									
Total Secured Debt	\$ 427.3	\$ 7.3				\$ -	0.1x	-	0.0x	-			\$ 6.1		
6.75% Senior Notes due March 2021	421.4	421.4	6.75%	3/15/2021	76.25	321.3							28.4	8.9%	45.1%
Leases	768.7	768.7			100.00	768.7									
Total Debt	\$ 1,617.4	\$ 1,197.4				\$ 1,090.0	13.1x	12.0x	2.3x	2.1x			\$ 34.5		
(-) Cash		(499.4)				(499.4)									
Net Debt		\$ 698.0				\$ 590.6	7.7x	6.5x	1.3x	1.1x			ABL Availability	\$ 66.0	
Equity (SGME)		269.4	64.5	Shares @	4.18	269.4							Cash	706.0	
Enterprise Value	\$ 967.4					\$ 860.0	10.6x	9.4x	1.8x	1.6x			Total Liquidity	\$ 772.0	

Up Case

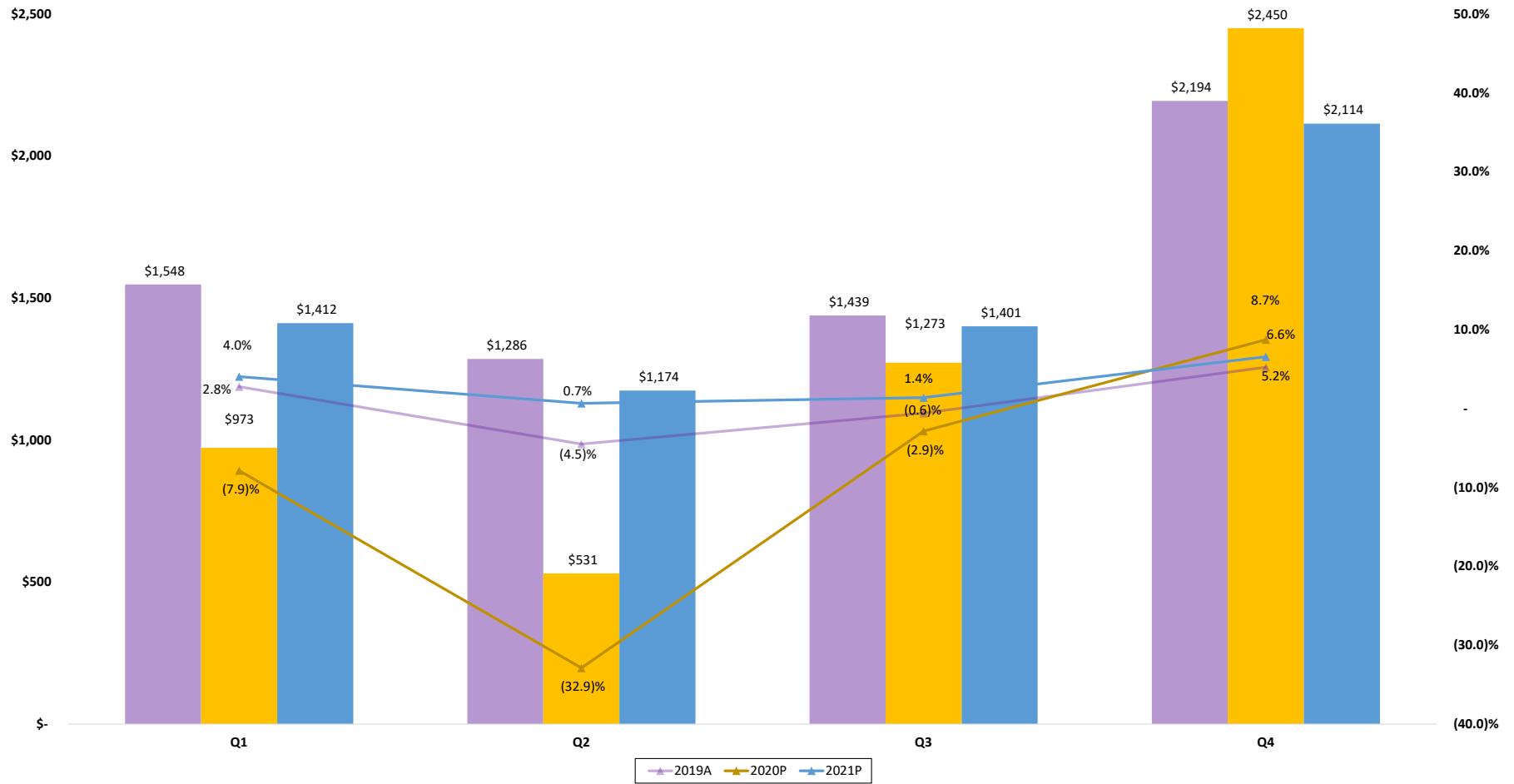
	Actual Q1 19	Actual Q2 19	Actual Q3 19	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21	Actual FY 19	Projected FY 20	Projected FY 21
Key Metrics															
Revenue	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 973	\$ 531	\$ 1,273	\$ 2,450	\$ 1,412	\$ 1,174	\$ 1,401	\$ 2,114	\$ 6,466	\$ 5,226	\$ 6,101
% Growth YoY	(13.3)%	(14.3)%	(25.7)%	(28.4)%	(37.1)%	(58.7)%	(11.5)%	11.7%	45.1%	121.3%	10.1%	(13.7)%	(22.0)%	(19.2)%	16.7%
Gross Profit	471	399	441	597	306	187	368	679	450	380	424	604	1,909	1,541	1,857
% Margin	30.4%	31.0%	30.7%	27.2%	31.5%	35.3%	28.9%	27.7%	31.9%	32.3%	30.2%	28.6%	29.5%	29.5%	30.4%
SG&A	(431)	(459)	(452)	(581)	(385)	(364)	(407)	(468)	(395)	(374)	(407)	(468)	(1,923)	(1,624)	(1,644)
% of Revenue	27.8%	35.7%	31.4%	26.5%	39.6%	68.6%	31.9%	19.1%	28.0%	31.9%	29.0%	22.1%	29.7%	31.1%	26.9%
Adj. EBITDA	43	(58)	(8)	115	(77)	(175)	(36)	214	57	8	19	139	91	(74)	222
% Margin	2.8%	(4.5)%	(0.6)%	5.2%	(7.9)%	(32.9)%	(2.9)%	8.7%	4.0%	0.7%	1.4%	6.6%	1.4%	(1.4)%	3.6%
Adj. EBITDAR	152	52	101	224	(10)	(107)	31	281	103	54	65	185	530	194	407
% Margin	9.9%	4.0%	7.0%	10.2%	(1.0)%	(20.2)%	2.4%	11.5%	7.3%	4.6%	4.7%	8.7%	8.2%	3.7%	6.7%
Unlevered Free Cash Flow	(646)	(31)	(18)	176	(64)	(271)	(79)	495	(106)	291	(295)	25	(518)	81	(85)

Revenue	Q1	Q2	Q3	Q4	FY
2019A	\$ 1,548	\$ 1,286	\$ 1,439	\$ 2,194	\$ 6,466
2020P	973	531	1,273	2,450	5,226
2021P	1,412	1,174	1,401	2,114	6,101
EBITDA Margin	Q1	Q2	Q3	Q4	
2019A	2.8%	(4.5)%	(0.6)%	5.2%	1.4%
2020P	(7.9)%	(32.9)%	(2.9)%	8.7%	(1.4)%
2021P	4.0%	0.7%	1.4%	6.6%	3.6%

Liquidity

	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21	Actual FY 19	Projected FY 20	Projected FY 21
Beginning Cash		\$ 499	\$ 421	\$ 150	\$ 56	\$ 551	\$ 431	\$ 302	\$ 50	\$ 499	\$ 551	\$ 551
Levered Free Cash Flow		(78)	(271)	(94)	494	(120)	(129)	(296)	24	52	(520)	(520)
(-) Min Cash		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Cash Available for Paydown / (Necessary Draw)		\$ 371	\$ 100	\$ 6	\$ 501	\$ 381	\$ 252	\$ (44)	\$ 24	\$ 501	\$ (19)	(19)
Revolver Draw/(Paydown)		-	-	-	-	-	-	44	(24)	-	19	19
Ending Cash	\$ 499	\$ 421	\$ 150	\$ 56	\$ 551	\$ 431	\$ 302	\$ 50	\$ 50	\$ 499	\$ 551	\$ 50
(-) Foreign Cash (@29.4% of Cash)	(147)	(124)	(44)	(17)	(162)	(127)	(89)	(15)	(15)	(147)	(162)	(15)
Ending Domestic Cash	\$ 352	\$ 297	\$ 106	\$ 40	\$ 389	\$ 304	\$ 213	\$ 35	\$ 35	\$ 352	\$ 389	\$ 35
Ending Cash	\$ 499	\$ 421	\$ 150	\$ 56	\$ 551	\$ 431	\$ 302	\$ 50	\$ 50	\$ 499	\$ 551	\$ 50
Ending ABL Availability	270	130	47	413	-	-	144	369	259	270	-	259
Ending Liquidity	\$ 770	\$ 551	\$ 197	\$ 469	\$ 551	\$ 431	\$ 446	\$ 419	\$ 309	\$ 770	\$ 551	\$ 309
Ending Domestic Liquidity	\$ 623	\$ 427	\$ 153	\$ 453	\$ 389	\$ 304	\$ 357	\$ 404	\$ 295	\$ 623	\$ 389	\$ 295

Revenue / EBITDA Margin



GameStop Analysis (NYSE: GME) - Summary

Net Working Capital (Blue = Higher #, Red = Lower; "NWC Stats" Scales for Each Column, All Others for Entire Chart)

Inv	Q1	Q2	Q3	Q4
2017A	\$ 1,217	\$ 1,141	\$ 1,823	\$ 1,250
2018A	1,185	1,131	1,882	1,251
2019A	1,149	949	1,287	860
2020P	518	382	1,106	689
2021P	748	530	1,086	839

OCL	Q1	Q2	Q3	Q4
2017A	\$ 940	\$ 868	\$ 932	\$ 988
2018A	646	714	701	780
2019A	589	594	625	618
2020P	368	250	580	712
2021P	531	579	626	607

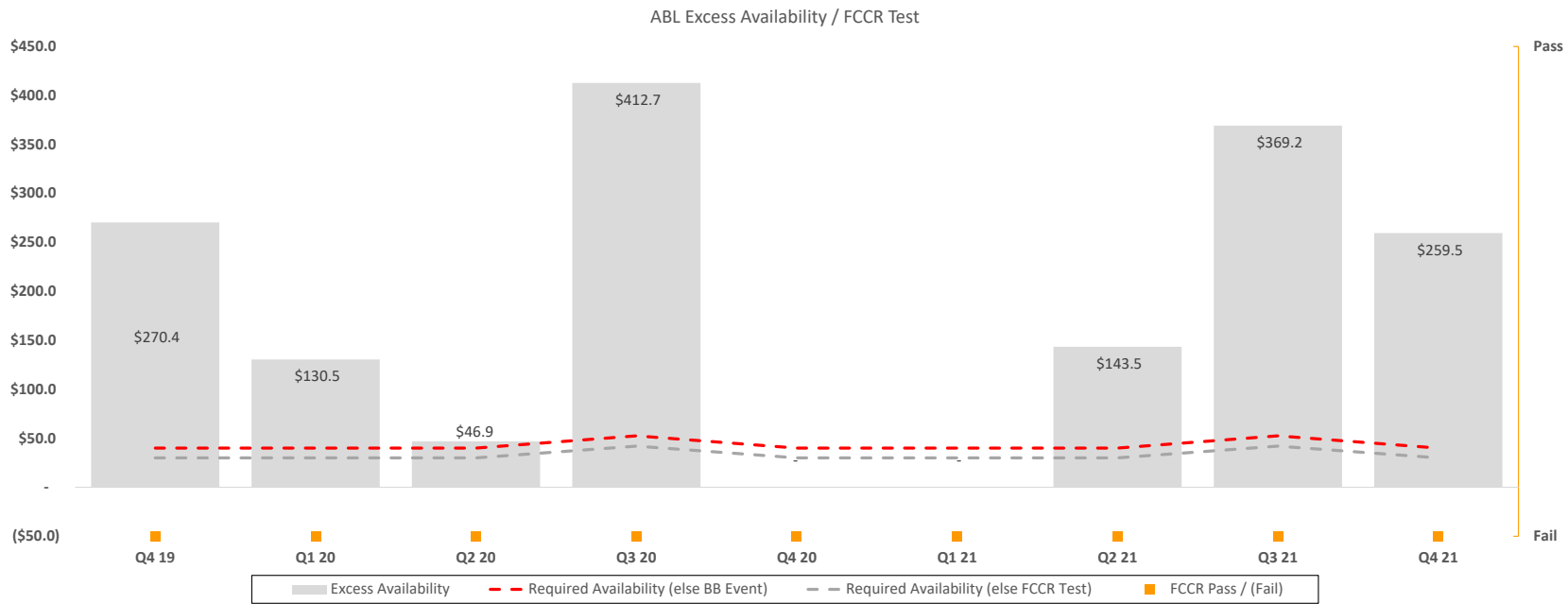
AR	Q1	Q2	Q3	Q4
2017A	\$ 173	\$ 185	\$ 196	\$ 139
2018A	105	122	152	134
2019A	126	122	146	142
2020P	97	59	134	123
2021P	141	109	152	121

NWC	Q1	Q2	Q3	Q4
2017A	\$ 70	\$ 191	\$ (1)	\$ 233
2018A	856	761	607	(329)
2019A	330	267	238	136
2020P	147	197	228	(95)
2021P	52	(250)	47	122

AP	Q1	Q2	Q3	Q4
2017A	\$ 526	\$ 470	\$ 1,285	\$ 892
2018A	548	536	1,453	1,052
2019A	458	368	710	381
2020P	222	114	553	315
2021P	427	431	685	352

NWC Stats	Min	Max	Max Swing	Q1 - Prev Q4
2017A	\$ (1)	\$ 233	\$ 235	\$ 360
2018A	(329)	856	1,184	622
2019A	136	330	194	658
2020P	(95)	228	323	11
2021P	(250)	122	372	147

	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
Inventories	518	382	1,106	689	748	530	1,086	839
Accounts Receivable	\$ 97	\$ 59	\$ 134	\$ 123	\$ 141	\$ 109	\$ 152	\$ 121
Prepaid expenses and other current assets	121	121	121	121	121	121	121	121
Current Operating Assets	\$ 736	\$ 561	\$ 1,361	\$ 932	\$ 1,010	\$ 760	\$ 1,359	\$ 1,081
Accounts Payable	\$ 222	\$ 114	\$ 553	\$ 315	\$ 427	\$ 431	\$ 685	\$ 352
Other Current Liabilities	368	250	580	712	531	579	626	607
Current Operating Liabilities	\$ 590	\$ 365	\$ 1,133	\$ 1,027	\$ 958	\$ 1,010	\$ 1,311	\$ 959
Net Working Capital	\$ 147	\$ 197	\$ 228	\$ (95)	\$ 52	\$ (250)	\$ 47	\$ 122
<i>Change in NWC</i>	<i>11</i>	<i>50</i>	<i>32</i>	<i>(323)</i>	<i>147</i>	<i>(302)</i>	<i>298</i>	<i>74</i>



Debt

	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
ABL Revolver	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 19
Standby LCs	7	7	7	7	7	7	7	7
Senior Notes	420	420	420	420	420	-	-	-
Leases	702	634	567	500	454	408	362	315
Total Debt	\$ 1,129	\$ 1,062	\$ 994	\$ 927	\$ 881	\$ 415	\$ 412	\$ 342
LTM Adj. EBITDA	\$ (28)	\$ (145)	\$ (173)	\$ (74)	\$ 60	\$ 242	\$ 297	\$ 222
LTM Adj. EBITDAR	368	209	138	194	307	468	503	407
Leverage (LTM Adj. EBITDA)								
Through ABL / LCs	(0.3)x	(0.1)x	(0.0)x	(0.1)x	0.1x	0.0x	0.2x	0.1x
Through Notes	(15.0)x	(2.9)x	(2.5)x	(5.8)x	7.2x	0.0x	0.2x	0.1x
Total (Including Leases)	(39.7)x	(7.3)x	(5.7)x	(12.5)x	14.8x	1.7x	1.4x	1.5x
Leverage (LTM Adj. EBITDAR)								
Through ABL / LCs	0.0x	0.0x	0.1x	0.0x	0.0x	0.0x	0.1x	0.1x
Through Notes	1.2x	2.0x	3.1x	2.2x	1.4x	0.0x	0.1x	0.1x
Total (Including Leases)	3.1x	5.1x	7.2x	4.8x	2.9x	0.9x	0.8x	0.8x
Debt Service Schedule								
Revolver Undrawn + Interest	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
Senior Notes Interest	(14)	-	(14)	-	(14)	-	-	-
Senior Notes Maturity	-	-	-	-	-	(420)	-	-
Total Debt Service Payments	\$ (14)	\$ (0)	\$ (14)	\$ (0)	\$ (14)	\$ (420)	\$ (0)	\$ (0)

Credit Events

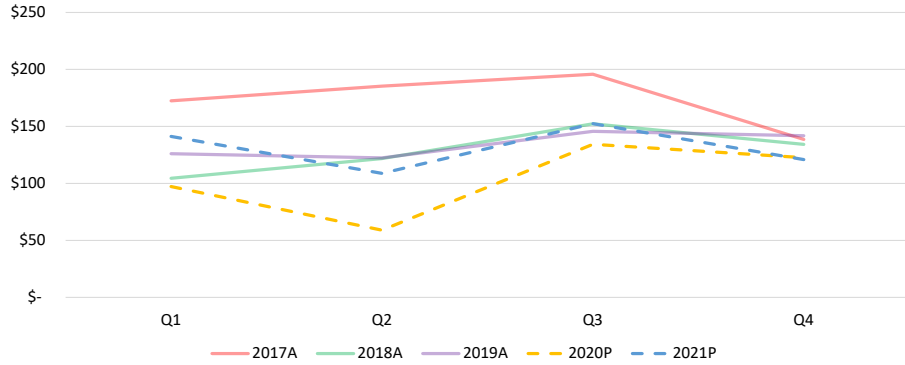
	Actual Q4 19	Projected Q1 20	Projected Q2 20	Projected Q3 20	Projected Q4 20	Projected Q1 21	Projected Q2 21	Projected Q3 21	Projected Q4 21
Ending Liquidity	\$ 769.8	\$ 551.4	\$ 197.0	\$ 469.2	\$ 550.9	\$ 430.7	\$ 445.7	\$ 419.2	\$ 309.5
Ending Domestic Liquidity	\$ 622.7	\$ 427.4	\$ 152.8	\$ 452.5	\$ 388.7	\$ 303.9	\$ 356.7	\$ 404.5	\$ 294.7

Excess Availability	\$ 270	\$ 130	\$ 47	\$ 413	\$ -	\$ -	\$ 144	\$ 369	\$ 259
(-) Covenant Trigger (FCCR Test) Level	(30)	(30)	(30)	(42)	(30)	(30)	(30)	(42)	(30)
Additional Draws Prior to Trigger	\$ 240	\$ 100	\$ 17	\$ 371	\$ (30)	\$ (30)	\$ 114	\$ 327	\$ 229
LTM Domestic Adj. EBITDA (Assumed at 70% of Consolidated)	\$ 64	\$ (20)	\$ (101)	\$ (121)	\$ (52)	\$ 42	\$ 169	\$ 208	\$ 156
FCCR Tested?	-	-	-	-	Yes	Yes	-	-	-
FCCR Test Level (EoD if Tested and Not Met)	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x

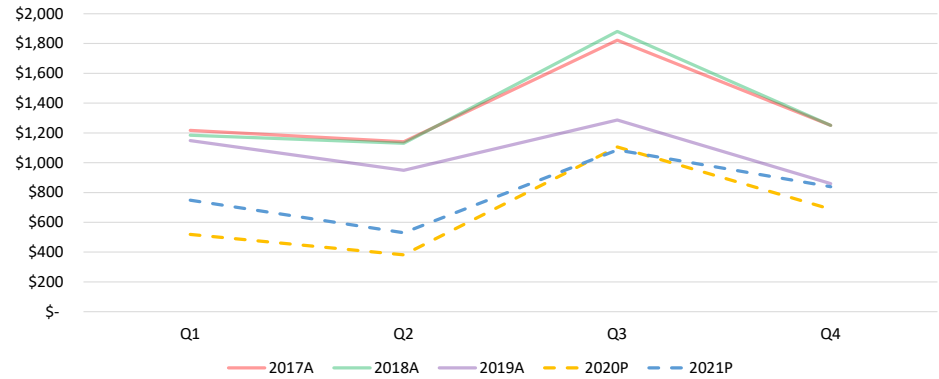
Fixed Charge Coverage Ratio

LTM Domestic Adj. EBITDA (Assumed at 70% of Consolidated)	\$ 64	\$ (20)	\$ (101)	\$ (121)	\$ (52)	\$ 42	\$ 169	\$ 208	\$ 156
(-) LTM Unfinanced Domestic Capex (Assumed at 70% of Consolidated)	(66)	(60)	(53)	(43)	(30)	(30)	(34)	(38)	(41)
(-) LTM Cash Taxes	(51)	(38)	(26)	(13)	(33)	(39)	(39)	(39)	(32)
[A] FCCR Numerator	\$ (53)	\$ (119)	\$ (180)	\$ (177)	\$ (115)	\$ (27)	\$ 96	\$ 131	\$ 82
LTM Non-ABL Debt Service Charges	28	28	28	28	28	28	448	434	434
[B] FCCR Denominator	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28	\$ 448	\$ 434	\$ 434
FCCR Calculation [A] / [B]	(1.9)x	(4.2)x	(6.4)x	(6.2)x	(4.0)x	(1.0)x	0.2x	0.3x	0.2x
FCCR Pass / Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail	Fail
Fixed Charge Coverage Cushion / (Shortfall)	(81)	(147)	(209)	(205)	(143)	(55)	(352)	(303)	(352)
FCCR Cushion / (Shortfall)	(2.9)x	(5.2)x	(7.4)x	(7.2)x	(5.0)x	(2.0)x	(0.8)x	(0.7)x	(0.8)x
Default (Tested and FCCR Fail)?	-	-	-	-	DEFAULT	DEFAULT	-	-	-

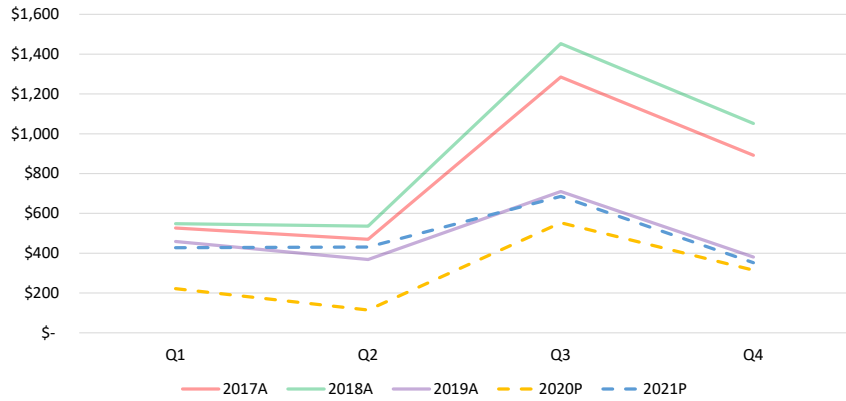
Accounts Receivable



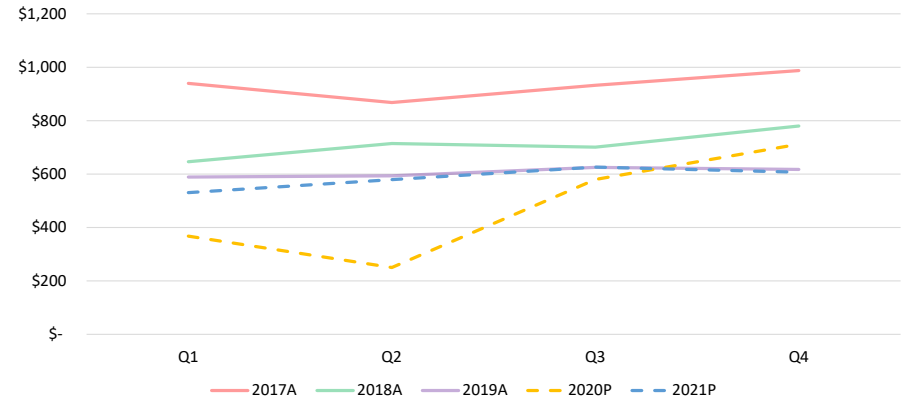
Inventory



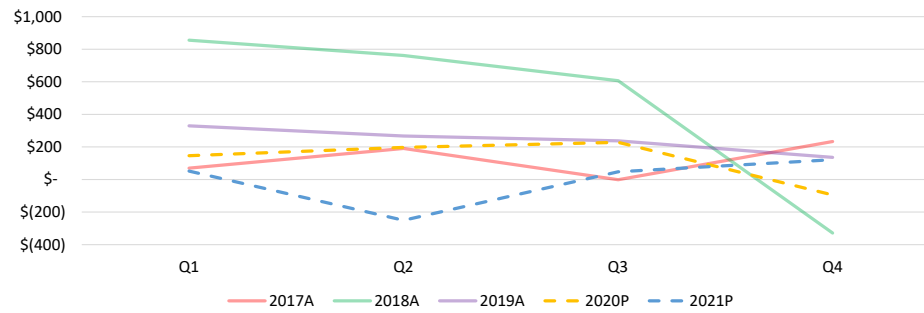
Accounts Payable



Other Current Liabilities



NWC



GameStop Analysis (NYSE: GME) - Ch 11 Waterfall

Up Case		DIP
Simplified Ch 11 Valuation @ Q4 20 Filing (\$ in Millions)		100
CLAIMS		
\$420M ABL Facility due 11/22 (includes LCs)	107	
6.75% Senior Notes due March 2021	420	
Total Funded Debt⁽¹⁾	527	
Cash at Filing ⁽²⁾	510	
Net Debt	17	
Current Market Cap	269	
EV	286	
EV/LTM EBITDA	3.1x	
NTM EBITDA (Q2 20 Filing, Q3 20 Emergence)	222	
Estimated Exit EV/EBITDA	2.0x	
NTM EV	445	
Residual Value for Existing Equity	428	

(1) Assumes no rejection of Operating Leases.
 (2) 100% of Domestic Cash + 75% of Foreign Cash.

DISTRIBUTABLE VALUE WATERFALL											
Multiple	Adjusted EBITDA					Multiple	Residual value to Common Equity				
	USD 200m	USD 211m	USD 222m	USD 233m	USD 245m		USD 200m	USD 211m	USD 222m	USD 233m	USD 245m
1.0x	710	722	733	744	755	1.0x	130	140	151	161	171
1.5x	811	827	844	861	877	1.5x	223	238	254	269	284
2.0x	911	933	955	977	1,000	2.0x	315	336	356	377	397
2.5x	1,011	1,038	1,066	1,094	1,122	2.5x	408	433	459	485	511
3.0x	1,111	1,144	1,177	1,211	1,244	3.0x	500	531	562	593	624
3.5x	1,211	1,250	1,289	1,328	1,366	3.5x	593	629	665	701	737
7.5% Value after 7.5% Professional Fee / Value Destruction						Implied Stock Price (@ 64.5mm S/O)					
1.0x	657	667	678	688	698	1.0x	2.02	2.18	2.34	2.50	2.66
1.5x	750	765	781	796	811	1.5x	3.45	3.69	3.93	4.17	4.41
2.0x	842	863	883	904	925	2.0x	4.89	5.21	5.53	5.85	6.17
2.5x	935	961	986	1,012	1,038	2.5x	6.33	6.72	7.12	7.52	7.92
3.0x	1,027	1,058	1,089	1,120	1,151	3.0x	7.76	8.24	8.72	9.20	9.68
3.5x	1,120	1,156	1,192	1,228	1,264	3.5x	9.20	9.76	10.31	10.87	11.43

USD 107m	ABL % Recovery (Assumes \$100mm New Money DIP)				
1.0x	100%	100%	100%	100%	100%
1.5x	100%	100%	100%	100%	100%
2.0x	100%	100%	100%	100%	100%
2.5x	100%	100%	100%	100%	100%
3.0x	100%	100%	100%	100%	100%
3.5x	100%	100%	100%	100%	100%

USD 420m	Senior Notes % Recovery				
1.0x	100%	100%	100%	100%	100%
1.5x	100%	100%	100%	100%	100%
2.0x	100%	100%	100%	100%	100%
2.5x	100%	100%	100%	100%	100%
3.0x	100%	100%	100%	100%	100%
3.5x	100%	100%	100%	100%	100%

100% Avg Recovery - Assume highlighted scenarios equally probable
 100% Implied Price if Min / Max 50/50

\$ 76.25	Senior Notes \$ P&L vs Current Price (76.25)				
1.0x	23.75	23.75	23.75	23.75	23.75
1.5x	23.75	23.75	23.75	23.75	23.75
2.0x	23.75	23.75	23.75	23.75	23.75
2.5x	23.75	23.75	23.75	23.75	23.75
3.0x	23.75	23.75	23.75	23.75	23.75
3.5x	23.75	23.75	23.75	23.75	23.75

23.75	Downside
23.75	Upside
23.75	Average

GameStop Analysis (NYSE: GME) - Liquidation Analysis
Up Case

(\$ in Millions)	As of Q4 20	Low		High		Notes
		\$	%	\$	%	
<i>Assumed Liquidation Date: Q4 20</i>						
Domestic Cash	\$ 389	\$ 389	100.0%	\$ 389	100.0%	
Foreign Cash	162	122	75.0%	122	75.0%	Based on potential repatriation issues.
Accounts Receivable	123	104	85.0%	116	95.0%	
Domestic Inventory (@70% of Total Inventory)	482	145	30.0%	289	60.0%	Assumes Domestic Inventory is 70% (Domestic % of Revenue) of Total Inventory.
Foreign Inventory	207	-	-	-	-	
Prepaid Expenses And Other Current Assets	121	12	10.0%	18	15.0%	
Fixtures	880	18	2.0%	26	3.0%	Gross amount. Estimate based on Fixtures historically representing ~60% of PP&E.
Buildings	586	469	80.0%	528	90.0%	Gross amount. Estimate based on Buildings historically representing ~40% of PP&E.
Other Non-Current Assets	60	-	-	-	-	
Total Gross Liquidation Proceeds	\$ 3,009	\$ 1,258		\$ 1,488		
Payroll & Benefits / Overhead And Other Wind-Down Costs		\$ (38)	3.0%	\$ (45)	3.0%	Based on costs for similar cases.
Trustee Fees		(25)	2.0%	(30)	2.0%	Based on costs for similar cases.
Professional Fees		(38)	3.0%	(30)	2.0%	Based on costs for similar cases.
Total Liquidation Expenses		\$ (101)		\$ (104)		
Total Net Liquidation Proceeds		\$ 1,157		\$ 1,384		
ABL Revolver (Including LCs)	\$ 7	(7)		(7)		
Residual Value to General Unsecured Claims		\$ 1,150		\$ 1,377		
Senior Notes	\$ 420	(248)		(297)		Pro rata recovery based on face claim % of Total GUCs (21.6%).
Operating Leases	500	(295)		(354)		Pro rata recovery based on face claim % of Total GUCs (25.7%).
Accounts Payable	315	(186)		(223)		Pro rata recovery based on face claim % of Total GUCs (16.2%).
Other Current Liabilities	712	(421)		(504)		Pro rata recovery based on face claim % of Total GUCs (36.6%).
General Unsecured Claims	\$ 1,947	\$ (1,150)		\$ (1,377)		
Residual Value to Equity		-		-		
Claim Recovery						
	Claim	Low		High		
		\$	%	\$	%	
ABL Revolver	\$ 7	\$ 7	100.0%	\$ 7	100.0%	
Senior Notes	420	248	59.1%	297	70.7%	
Asset Coverage						
ABL Revolver		158.5x		189.6x		
General Unsecured Claims		0.6x		0.7x		