

ModernGraham Valuation

Company Name:

GameStop Corp.

Company Ticker GME

Date of Analysis

6/7/2018



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$1,476,108,941	Fail
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.52	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-9.99%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	5.91	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.68	Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.52	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.29	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.45
MG Growth Estimate	3.16%
MG Value	\$36.34
MG Value based on 3% Growth	\$35.56
MG Value based on 0% Growth	\$20.85
Market Implied Growth Rate	-1.30%

MG Opinion

Current Price	\$14.49
% of Intrinsic Value	39.87%
Opinion	Undervalued
MG Grade	A-

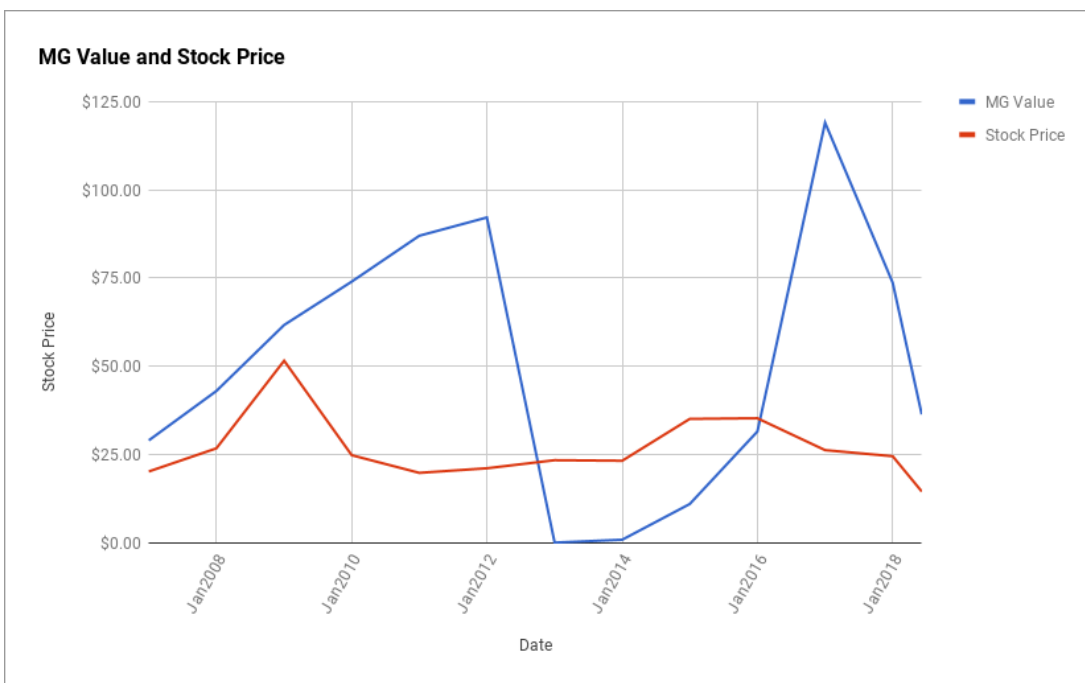
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.68
Graham Number	\$37.34
PEmg	5.91
Current Ratio	1.52
PB Ratio	0.68
Current Dividend	\$1.52
Dividend Yield	10.49%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	\$2.45
Jan2018	\$0.34	Jan2018	\$2.44
Jan2017	\$3.40	Jan2017	\$3.09
Jan2016	\$3.78	Jan2016	\$2.66
Jan2015	\$3.47	Jan2015	\$2.03
Jan2014	\$2.99	Jan2014	\$1.41
Jan2013	-\$2.13	Jan2013	\$0.92
Jan2012	\$2.41	Jan2012	\$2.39
Jan2011	\$2.65	Jan2011	\$2.26
Jan2010	\$2.25	Jan2010	\$1.92
Jan2009	\$2.38	Jan2009	\$1.60
Jan2008	\$1.75	Jan2008	\$1.12
Jan2007	\$1.00	Jan2007	\$0.75
Jan2006	\$0.81	Jan2006	\$0.58
Jan2005	\$0.53	Jan2005	\$0.40
Jan2004	\$0.53	Jan2004	\$0.30
Jan2003	\$0.44	Jan2003	\$0.15
Jan2002	\$0.09	Balance Sheet Information 4/1/2018	
Jan2001	-\$0.17	Total Current Assets	\$1,851,600,000
Jan2000	\$0.10	Total Current Liabilities	\$1,214,700,000
Jan1998	\$0.00	Long-Term Debt	\$818,600,000
		Total Assets	\$4,308,400,000
		Intangible Assets	\$1,659,200,000
		Total Liabilities	\$2,124,900,000
		Shares Outstanding (Diluted Average)	102,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other
ModernGraham
posts about the
company

[10 Stocks for Using A Benjamin Graham Value Investing Strategy – January 2017](#)
[GameStop Corp Valuation – July 2016 \\$GME](#)
[5 Speculative and Overvalued Companies to Avoid – June 2015](#)
[GameStop Corporation Annual Valuation – 2015 \\$GME](#)
[5 Speculative and Overvalued Companies to Avoid – November 2014](#)

Other
ModernGraham
posts about related
companies

[Ulta Beauty Inc Valuation – June 2018 \\$ULTA](#)
[Kohl's Corporation Valuation – June 2018 \\$KSS](#)
[Dollar Tree Inc Valuation – May 2018 \\$DLTR](#)
[TJX Companies Inc Valuation – May 2018 \\$TJX](#)
[Tractor Supply Co Valuation – April 2018 \\$TSCO](#)
[Tapestry Inc Valuation – April 2018 \\$TPR](#)
[Dollar General Corp Valuation – April 2018 \\$DG](#)
[Tiffany & Co. Valuation – April 2018 \\$TIF](#)
[Best Buy Co Inc Valuation – April 2018 \\$BBY](#)
[Macy's Inc Valuation – April 2018 \\$M](#)