

GameStop is surging again on first stock split in 15 years

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This Jan. 28, 2021, file photo, shows a GameStop store in New York. Shares of GameStop are surging before the market open on Friday, April 1, 2022, after the video game company said that it plans to split its stock. Credit: AP Photo/John Minchillo, File

Shares of GameStop surged Friday after the video game retailer

announced that it would attempt its first stock split in 15 years.

The Grapevine, Texas, company said in a regulatory filing late Thursday that it wants to increase its share count to 1 billion, from 300 million, so it can implement a stock split in the form of a dividend. It plans to seek shareholder approval at its upcoming annual meeting.

A stock split would change the price-per-stock, but not the overall value of those holdings. The maneuver can push up a company's [stock price](#) at least temporarily, and it did so Friday. Shares of GameStop jumped 8% at the opening bell.

JPMorgan Friday that while stock splits may not be the new buyback, they are "an additional tool to push [stock prices](#) higher despite financial theory saying otherwise."

GameStop's announcement comes just days after electric vehicle maker [Tesla](#) announced its second stock split in less than two years. In addition, [Alphabet](#), Google's [parent company](#), announced a 20-for-1 split in February. Amazon said this month that it would do a split of the same ratio.

Big tech companies have pursued stock splits after major run-ups in the price of their shares, which can open the door to retail investors that do not have the financial heft to buy shares that head into quadruple digits.

However, a single [share](#) of Google, Tesla, or Alphabet cost between \$1,000 and \$3,300. And shares of Tesla, Alphabet and Apple are up between 30% and 60% over the past 12 months.

Shares of GameStop are down 13% over that same stretch and can be had for less than \$200 each.

Yet GameStop Corp. became a meme darling early last year when hundreds of thousands of smaller [investors](#) suddenly started buying its shares, driving its price to heights that shocked Wall Street. The shares rocketed from \$39 to \$347 in just a week during its run-up.

Any maneuvers from the company garner intense interest from [retail investors](#), particularly after Chewy co-founder Ryan Cohen took a huge stake in the [company](#) and now sits on its board. Investors have pinned their hopes on Cohen to push the traditional retailer in a more online direction.

Shares of GameStop rose \$13.18 to 179.76 when the market opened.

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