

GameStop slumps after it fires former Amazon executive brought in to modernize the gaming retailer

June 8 2023, by Michelle Chapman



In this file photo, a GameStop sign is displayed above a store in Urbandale, Iowa, on Jan. 28, 2021. Shares of GameStop are falling before the market open on Thursday, June 8, 2023, as the video game company has terminated CEO Matthew Furlong and named Ryan Cohen as its executive chairman. Credit: AP Photo/Charlie Neibergall, File

Shares of GameStop fell sharply Thursday after the company fired CEO Matthew Furlong, the former Amazon executive who was brought in two years ago to turn the struggling video game retailer around.

The company based in Grapevine, Texas, gave no reason for the dismissal and named Ryan Cohen, the company's biggest investor, as executive chairman. Cohen sent a cryptic [tweet](#) that read "Not for long" around the time the company announced Furlong's firing.

GameStop said Cohen will oversee investment and management for the company.

GameStop briefly addressed the changes in a regulatory filing for its quarterly earnings.

"We believe the combination of these efforts to stabilize and optimize our core business and achieve sustained profitability while also focusing on capital allocation under Mr. Cohen's leadership will further unlock long-term value creation for our stockholders," the company said.

GameStop's shares tumbled almost 18% Thursday, ending down \$4.67 at \$21.44.

In another regulatory filing, GameStop said that its board terminated Furlong on Monday. The company said he's entitled to receive payments and benefits associated with a termination without cause.

Furlong resigned as a board member and the company reduced its size to five members.

Furlong was named GameStop's CEO in June 2021 with the mandate of heading the company's digital remake. He had been the executive that oversaw Amazon's Australia business and spent nine years with the

company. Furlong was one of two Amazon executives hired at the time, the other being Mike Recupero, hired as GameStop's chief financial officer.

Cohen's holding company RC Ventures is the biggest investor in GameStop, holding about a 12% stake. Cohen co-founded Chewy, the online pet supply company, and had hoped to modernize the GameStop, founded in 1984.

Cohen began snapping up large stakes of GameStop at a time when the company was being buffeted by new technology. Gamers no longer needed GameStop because they were downloading games, rather than buying digital discs.

Furlong and other executives were brought in to execute Cohen's goal of getting GameStop more online.

After building a massive stake, Cohen joined GameStop's board in January 2021, along with two of his former Chewy colleagues.

GameStop became the embodiment of the "meme stock" craze two years ago, when a band of smaller-pocketed and novice investors encouraged each other to pile in. That helped trigger a "short squeeze" on larger institutional Wall Street firms that were betting the company would continue to flounder.

The gambit worked and GameStock's shares spiked more than 8,000% in 2021.

They have fallen drastically from that year, when the stock raced above \$120 apiece.

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