Best Buy

FY22 Results and Investor Update

March 3, 2022

Agenda

8:00 a.m. (ET)	FY22 results and FY23 outlook
	Strategic setup and membership
	Omnichannel
	Best Buy Health
	Financial discussion
9:20 a.m. (ET)	Break
9:30 a.m. (ET)	Q&A

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Presentation of financial information:

This presentation includes non-GAAP financial measures, such as non-GAAP operating income, non-GAAP operating income rate, non-GAAP diluted earnings per share (“EPS”), non-GAAP EPS growth, non-GAAP return on investment (“ROI”), non-GAAP gross profit rate, non-GAAP SG&A expense and free cash flow. These non-GAAP financial measures are provided to facilitate meaningful year-over-year comparisons, but should not be considered superior to, as a substitute for, and should be read in conjunction with, the GAAP financial measures for the periods presented. Definitions and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures, and an explanation of why these non- GAAP financial measures are useful, can be found in the attached supporting schedules entitled ‘Non-GAAP Reconciliation.’

This presentation also includes estimates of future non-GAAP operating income, non-GAAP operating income rate, non-GAAP effective tax rate, future non-GAAP diluted EPS and future non-GAAP ROI, which are forward-looking non-GAAP financial measures. The company is unable to provide reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures without unreasonable. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence the financial impact and the periods in which the non-GAAP adjustments may be recognized. These GAAP measures may include the impact of such items as restructuring charges; price-fixing settlements; goodwill impairments; gains and losses on investments; intangible asset amortization; certain acquisition-related costs; and the tax effect of all such items. Historically, the company has excluded these items from non-GAAP financial measures. The company currently expects to continue to exclude these items in future disclosures of non-GAAP financial measures and may also exclude other items that may arise (collectively, “non-GAAP adjustments”). The decisions and events that typically lead to the recognition of non-GAAP adjustments, such as a decision to exit part of the business or reaching settlement of a legal dispute, are inherently unpredictable as to if or when they may occur. For the same reasons, the company is unable to address the probable significance of the unavailable information, which could be material to future results.

Forward-looking and cautionary statements:

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect management’s current views regarding future financial conditions, results of operations, business initiatives, growth plans, operational investments and prospects of the company as well as industry trends and consumer behavior. These statements use words such as “believe,” "assume," "estimate," "outlook," "opportunities," “expect,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seek,” “project,” “predict,” “intend,” “plan,” “anticipate", and other words and terms of similar meaning. They are subject to a number of risks and uncertainties that could cause actual results to differ materially from the potential results discussed in the forward-looking statements. Among the factors that could cause actual results to differ materially from those contained in such statements are: the duration and scope of the COVID-19 pandemic and its resurgence and the impact on demand for our products and services, levels of consumer confidence and our supply chain; the effects and duration of steps we have taken and will continue to take in response to the pandemic, including the implementation of our interim and evolving operating model; actions governments, businesses and individuals have taken and will continue to take in response to the pandemic and their impact on economic activity and consumer spending; the pace of recovery when the COVID-19 pandemic subsides; general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; competition (including from multi-channel retailers, e-commerce businesses, technology service providers, traditional store-based retailers, vendors and mobile network carriers); our expansion strategies; our focus on services as a strategic priority; our reliance on key vendors and mobile network carriers; our ability to attract and retain qualified employees; changes in market compensation rates; risks arising from statutory, regulatory and legal developments; macroeconomic pressures in the markets in which we operate; failure to effectively manage our costs; our reliance on our information technology systems; our ability to prevent or effectively respond to a privacy or security breach; our ability to effectively manage strategic ventures, alliances or acquisitions; our dependence on cash flows and net earnings generated during the fourth fiscal quarter; susceptibility of our products to technological advancements, product life cycle preferences and changes in consumer preferences; economic or regulatory developments that might affect our ability to provide attractive promotional financing; interruptions and other supply chain issues; catastrophic events; health crises; pandemics; our ability to maintain positive brand perception and recognition; product safety and quality concerns; changes to labor or employment laws or regulations; our ability to effectively manage our real estate portfolio; constraints in the capital markets or our vendor credit terms; changes in our credit ratings; any material disruption in our relationship with or the services of third-party vendors that source products outside of the U.S., including trade restrictions or changes in the costs of imports (including existing or new tariffs or duties and changes in the amount of any such tariffs or duties) and risks arising from our international activities. Please refer to the company’s current SEC filings, including its most recent Form 10-K, and subsequent filings on Form 10-Q for more information on these risks and uncertainties. Best Buy cautions that any forward-looking statements speak only as of the date they are made, and Best Buy assumes no obligation to update any forward-looking statement that it may make.

Corie Barry

Chief Executive Officer

FY22 Results.

FY22 was a record year.






FY22 Highlights.

- Delivered record revenue and profitability
- Drove online and in-store NPS improvements
- Expertly managed supply chain challenges
- Reached fastest-ever package delivery speeds
- Launched bold new membership program
- Piloted multiple store formats
- Invested in employee pay and benefits

FY22 Financial Results.

10.4%
YoY comparable sales growth

30.8%
non-GAAP ROI, up 840 bps compared to FY20

110 bps
expansion in non-GAAP operating income rate compared to FY20

$4.2 billion
share repurchases and dividends

27%
YoY non-GAAP EPS growth

Note: Please refer to the supporting schedules entitled "Non-GAAP Reconciliation" for reconciliations of non-GAAP measures to the most directly comparable financial measures, which can be found on the last four pages of this presentation or on our website at www.investors.bestbuy.com.

Environment and Community Commitments.

Spend
$1.2 billion
with BIPOC businesses by 2025

Expand to
100 Teen Tech Centers
by 2025

Drive
circular economy

Become
carbon neutral
by 2040

- Collected **192+ million pounds** of consumer products for recycling in 2021
- Over **2M products** found a second life through Trade-In, Geek Squad repair and Best Buy outlets in 2021

ESG Recognition.

TOP 100 BARRON'S Most Sustainable Companies

CDP DISCLOSURE INSIGHT ACTION A LIST 2021 CLIMATE

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

AMERICA'S MOST JUST COMPANIES CNBC 2022

HUMAN RIGHTS CAMPAIGN FOUNDATION BEST PLACES TO WORK 2022 for LGBTQ+ Equality 100% CORPORATE EQUALITY INDEX

2021 WORLD'S MOST ETHICAL COMPANIES® WWW.ETHISPHERE.COM

BEST WORKPLACES FOR INNOVATORS 2022

Q4 Results.

Highest-ever store customer satisfaction

Record holiday customer shipping speed

Online sales almost 40% of total U.S. sales

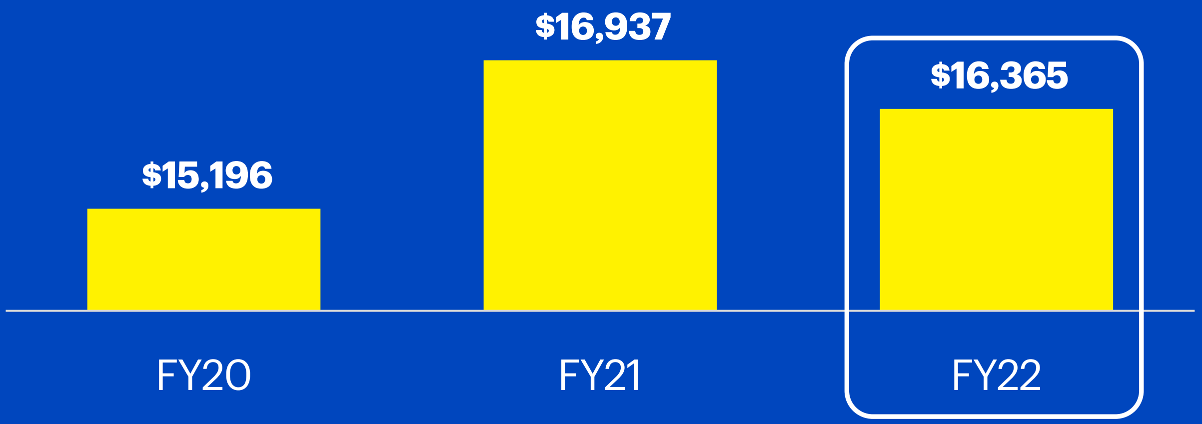
Acquired two companies to drive future growth

Matt Bilunas

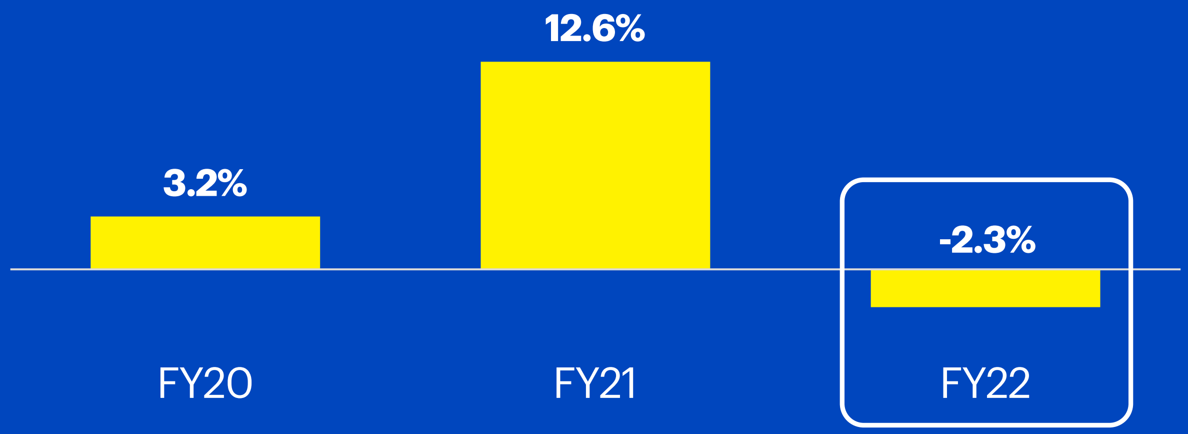
Chief Financial Officer

Q4 Revenue Performance.

Enterprise Revenue
($ millions)



Enterprise Comparable Sales



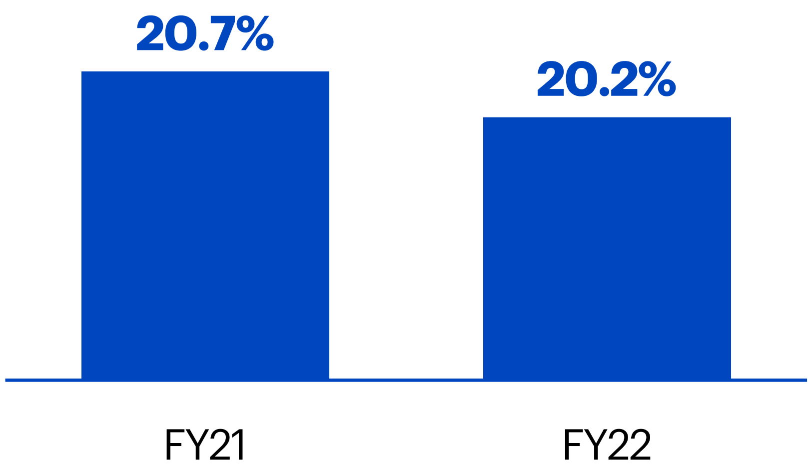
Year-over-year revenue highlights

- Domestic comparable sales (2.1%)
- International comparable sales (3.8%)
- Domestic category growth drivers:
  - + Appliances, virtual reality, home theater, headphones
  - – Gaming, mobile phones, tablets, services

Versus expectations

- Q4 FY22 sales were slightly lower than expected primarily due to:
  - Inventory constraints in certain products / brands
  - Reduced store hours in January

Q4 Non-GAAP Gross Profit Rate.

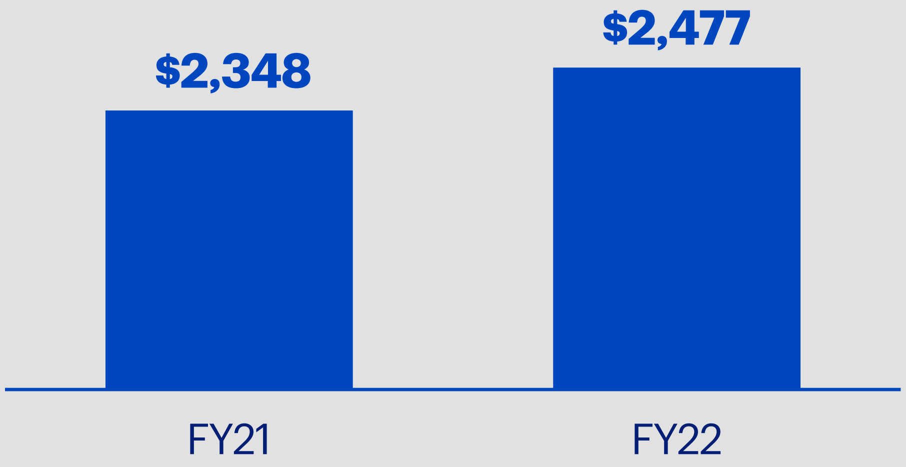


Key drivers of gross profit rate

- Domestic rate declined 70 bps
  - Lower services gross profit rate, primarily due to Totaltech
  - Product margin rates were essentially flat as increased promotions were offset by favorable category mix
  - Private label and co-branded credit card arrangement impact was favorable
- International rate, on a weighted basis, added 20 bps of favorability

Q4 Non-GAAP SG&A Expense.

($ millions)



Key drivers of higher SG&A

- Advertising
- Technology
- Store and Call Center labor
- Best Buy Health

Totaltech is profitable on a standalone basis. Due to its comprehensive benefits, it is not as profitable as our legacy service memberships.

Totaltech now includes services, such as extended warranties and installation, that are also standalone profit streams.

Over time, **Totaltech is expected to drive incremental recurring revenue and product sales** from our members that will lead to higher operating income.

Totaltech is a meaningful driver of both higher sales and operating income dollars in our fiscal 25 targets. However, as it scales, Totaltech remains an operating income rate pressure in fiscal 23.

BEST BUY

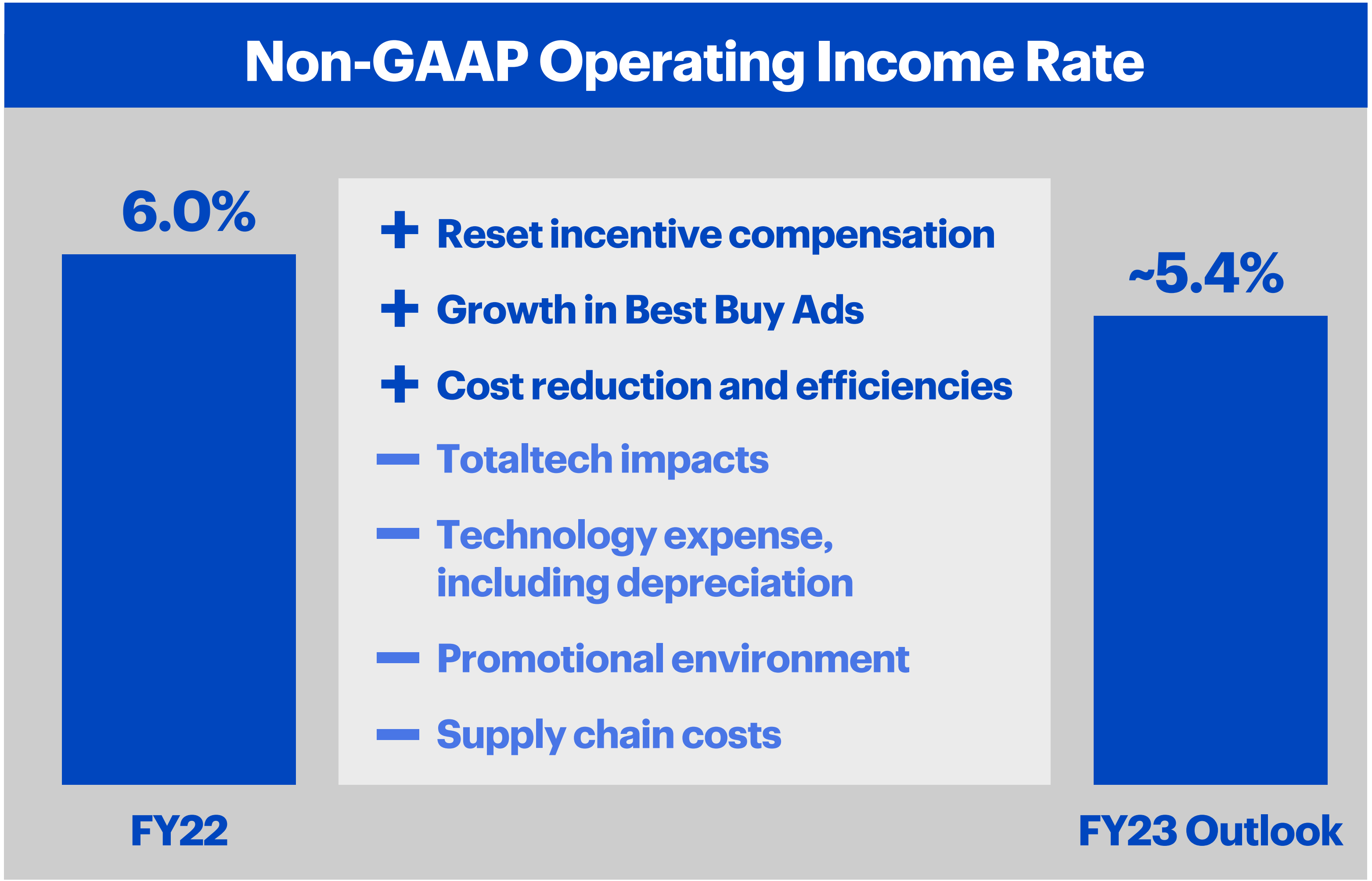
BEST BUY totaltech™

Totaltech is a near-term investment to drive long-term value.

FY23 Financial Outlook.

Enterprise revenue	$49.3 – $50.8 billion
Enterprise comparable sales growth	(1%) – (4%)
Non-GAAP operating income rate	Approx. 5.4%
Non-GAAP effective tax rate	Approx. 24.5%
Non-GAAP diluted EPS	$8.85 – $9.15
Capital expenditures	Approx. $1.1 billion
Share repurchases	Approx. $1.5 billion

FY23 non-GAAP operating income rate drivers.



Planning assumptions

- Consumer Electronics industry expected to decline
- Revenue decline largest in H1
- Lower gross profit rate
- Lower SG&A expense
- Approx. 20-30 store closures
- Increased capital expenditures driven by store portfolio investments

Corie Barry

Chief Executive Officer

The Path Forward.

Key Takeaways.

1. Technology is a necessity, and we are **the unique tech solutions provider for the home.**

2. We have built an ecosystem of customer-centric assets, **delivering experiences that no one else can.**

3. Our differentiated abilities and ongoing investments in our business will drive **compelling financial returns over time.**

Purpose

To enrich lives through technology.

Vision

We personalize and humanize technology solutions for every stage of life.

We have far surpassed our FY25 financial targets.

	FY20	2019 Investor Update FY25 Target	FY22
Revenue	$43.6 billion	$50.0 billion	$51.8 billion
Non-GAAP operating income rate	4.9%	5.0%	6.0%
Non-GAAP operating income	$2.1 billion	$2.5 billion	$3.1 billion

$8B+ | Increase in revenue FY20 – FY22

We are in a strong position to drive the business forward and deliver growth.

Remain a Best Place to Work

- Deepen focus on training, recognition and career development
- Continue to build portfolio of industry-leading benefits
- Become a meaningfully more diverse and inclusive workforce

Deepen customer relationships

- Provide expert advice and services across our differentiated portfolio of solutions
- Engage customers seamlessly across all channels
- Build confidence and peace of mind through Totaltech membership

Deliver top- and bottom-line growth

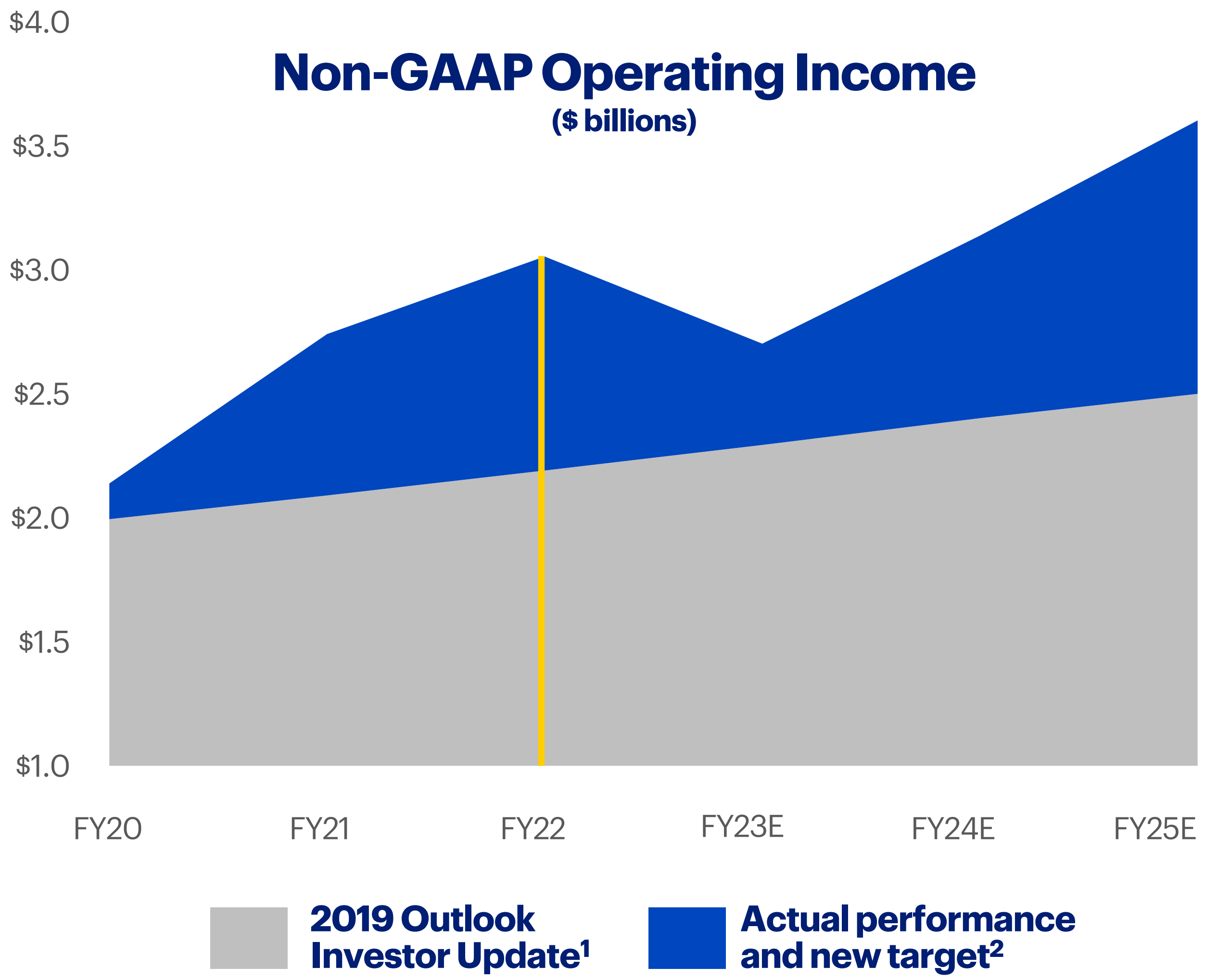
Revenue	$53.5 – $56.5 billion
Non-GAAP operating income rate	6.3% – 6.8%
Non-GAAP operating income	$3.4 – $3.8 billion

FY25 Targets

FY25 target has materially increased since our 2019 Investor Update.

What has changed since 2019?

- CE industry grew faster than we expected
- Online mix has nearly doubled
- Our operating model has become more flexible and efficient despite increased wages and benefits
- We launched an entirely new membership program
- We are accelerating category expansion
- The financial contribution from Best Buy Health is longer-term than originally modeled



[1]Totals are based on forward-looking outlooks provided during the company's September 2019 Investor Update event: FY20 totals represent the outlook midpoint and FY25 represents the implied non-GAAP operating income dollars based on the revenue and non-GAAP operating targets provided. As the company did not provide guidance for FY21-FY24, for illustrative purposes, totals presented for those years reflect straight-line growth from the FY20 to FY25 estimates previously described.

[2]Totals are based on actual results for FY20-FY22 and current forward-looking outlook. FY23 totals are based on the midpoint of the company's current outlook for revenue and non-GAAP operating income rate. As the company did not provide guidance for FY24, for illustrative purposes, totals presented are using straight-line growth from FY23 to the current FY25 target.

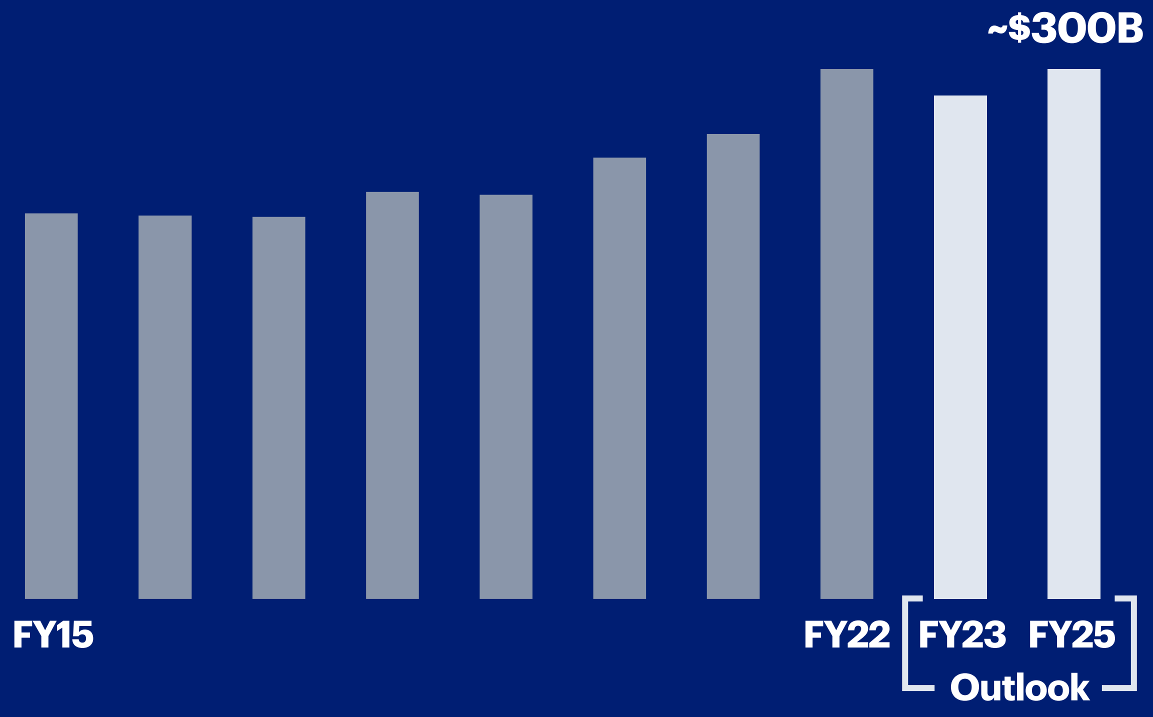
Our business has dramatically evolved.

		FY15	FY22	Change
The products we sell are more relevant than ever.	Technology share of PCE	3.5%	4.0%	+50 bps
Our business is much more digital.	Online sales as % of U.S. revenue	10%	34%	+24 ppts
	Best Buy App visits	N/A	517M	N/A
We use our stores differently as customers have higher expectations for speed and convenience.	Store pickup of online orders	8.7M	41.7M	+380%
	Increase in avg. shipping speed			+55%
They are increasingly interacting with us across multiple touchpoints.	In-home & remote consultations	11K	325K	30x
	Voice, chat & video interactions	13M	45M	3.4x
Membership is a growing part of our relationship with customers.	Totaltech memberships	N/A	4.5M	N/A
	My Best Buy memberships	42M	120M	+185%

1

Technology is a necessity, and we are the **unique tech solutions provider for the home.**

The traditional CE industry is large and growing.

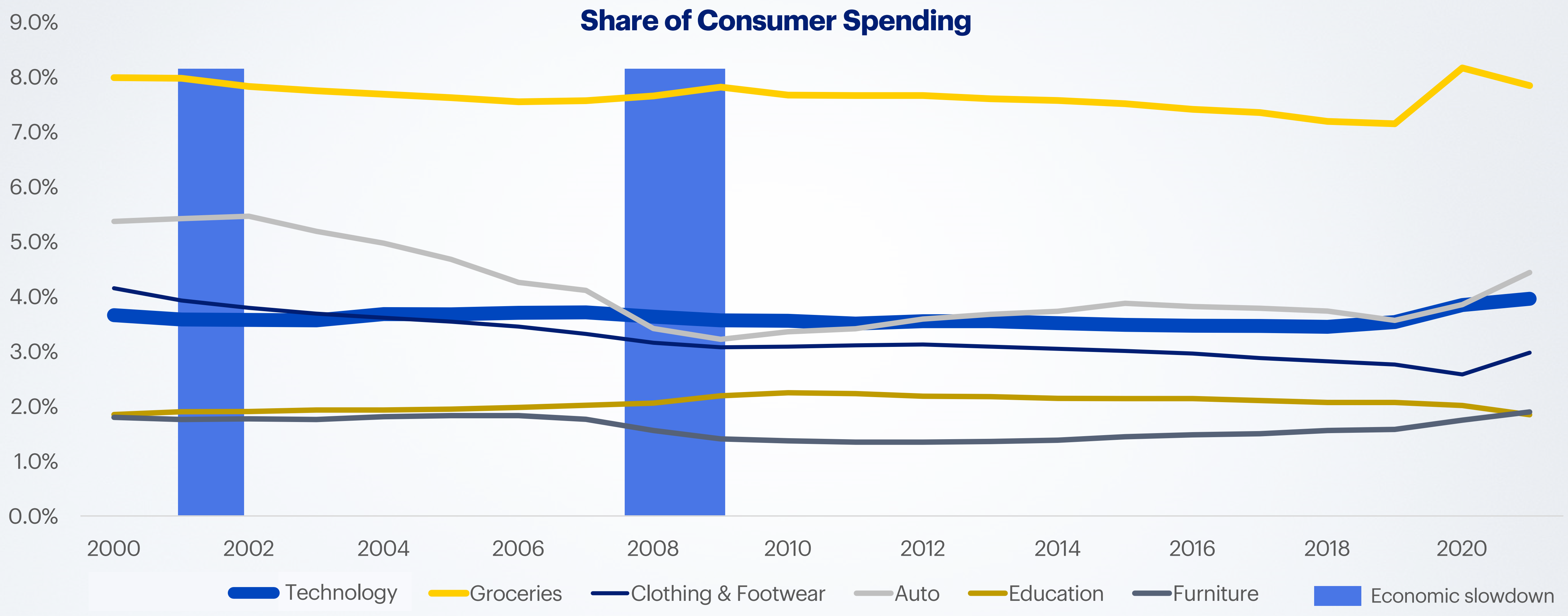


And we are entering new categories.

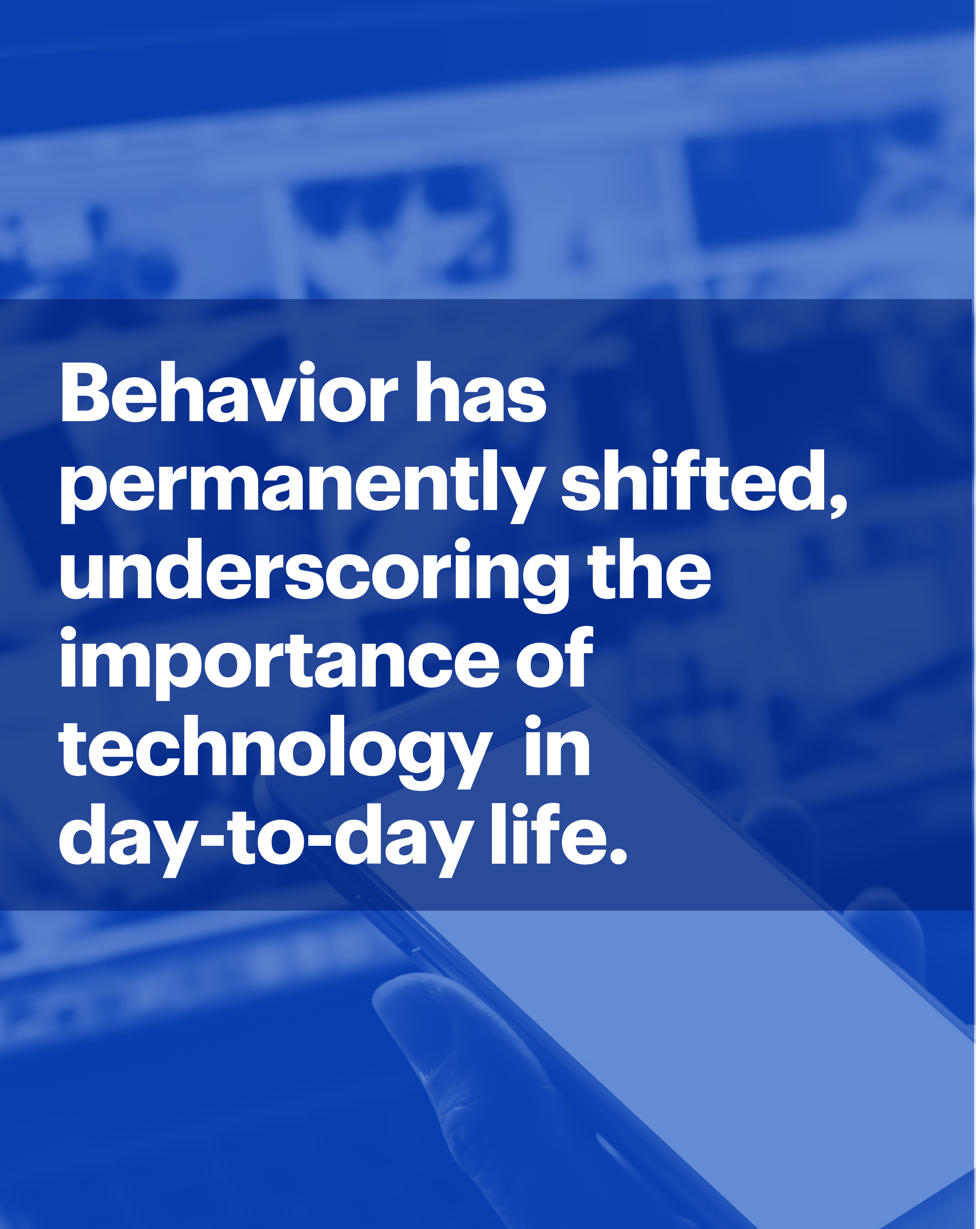
Health	Outdoor Living
~$80B	~$30B
Electric Transportation	**Indoor Living**
~$3B	~$30B

Source: Historical view based on selected BEA Personal Consumption Expenditure category data; outlook is based on multiple industry forecasts and internal data. Includes traditional consumer electronics hardware categories and appliances, does not include services.

Consumer spend on technology has been stable over time.

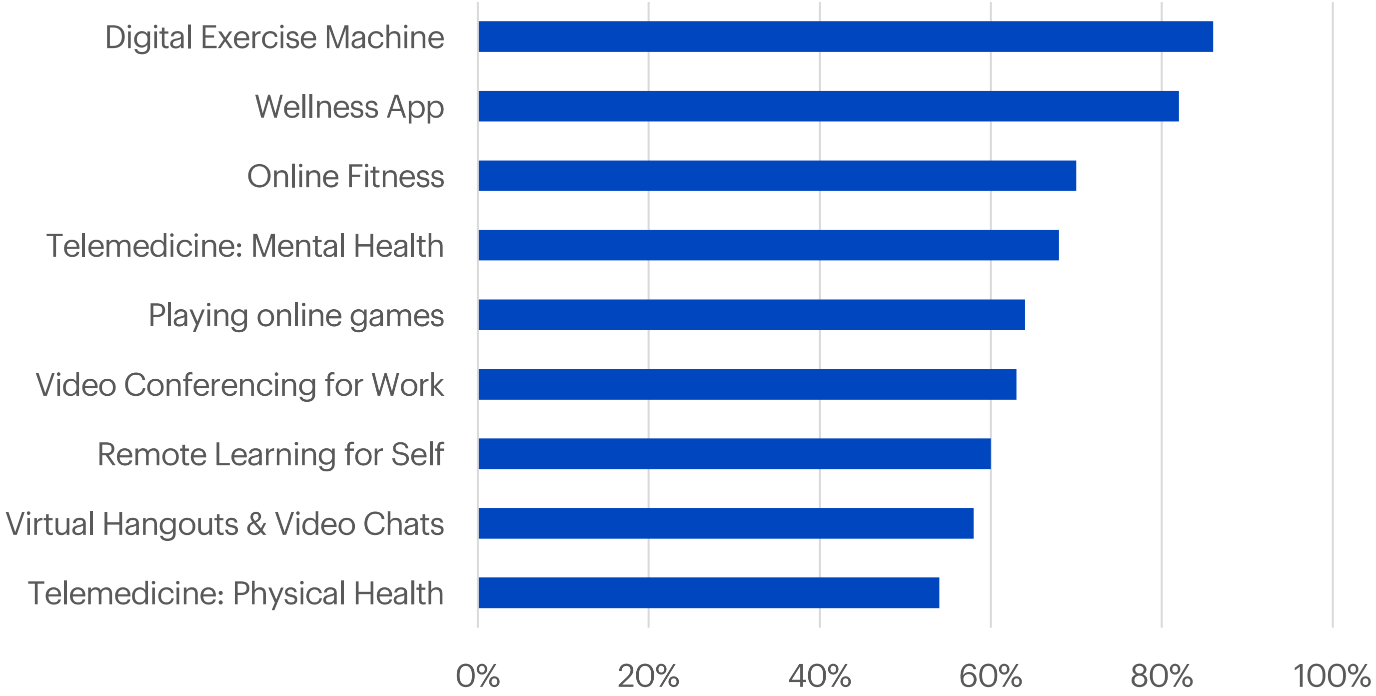


Sources: Bureau of Economic Analysis (BEA), Personal Consumption Expenditures (PCE), including video equipment and services, audio equipment and services, information processing equipment (computers) and services, large and small appliances, appliance repair services, photographic goods and services, and phones.



Behavior has permanently shifted, underscoring the importance of technology in day-to-day life.

A majority of new or increased users intend to **continue engaging with digital and remote solutions after the pandemic.**

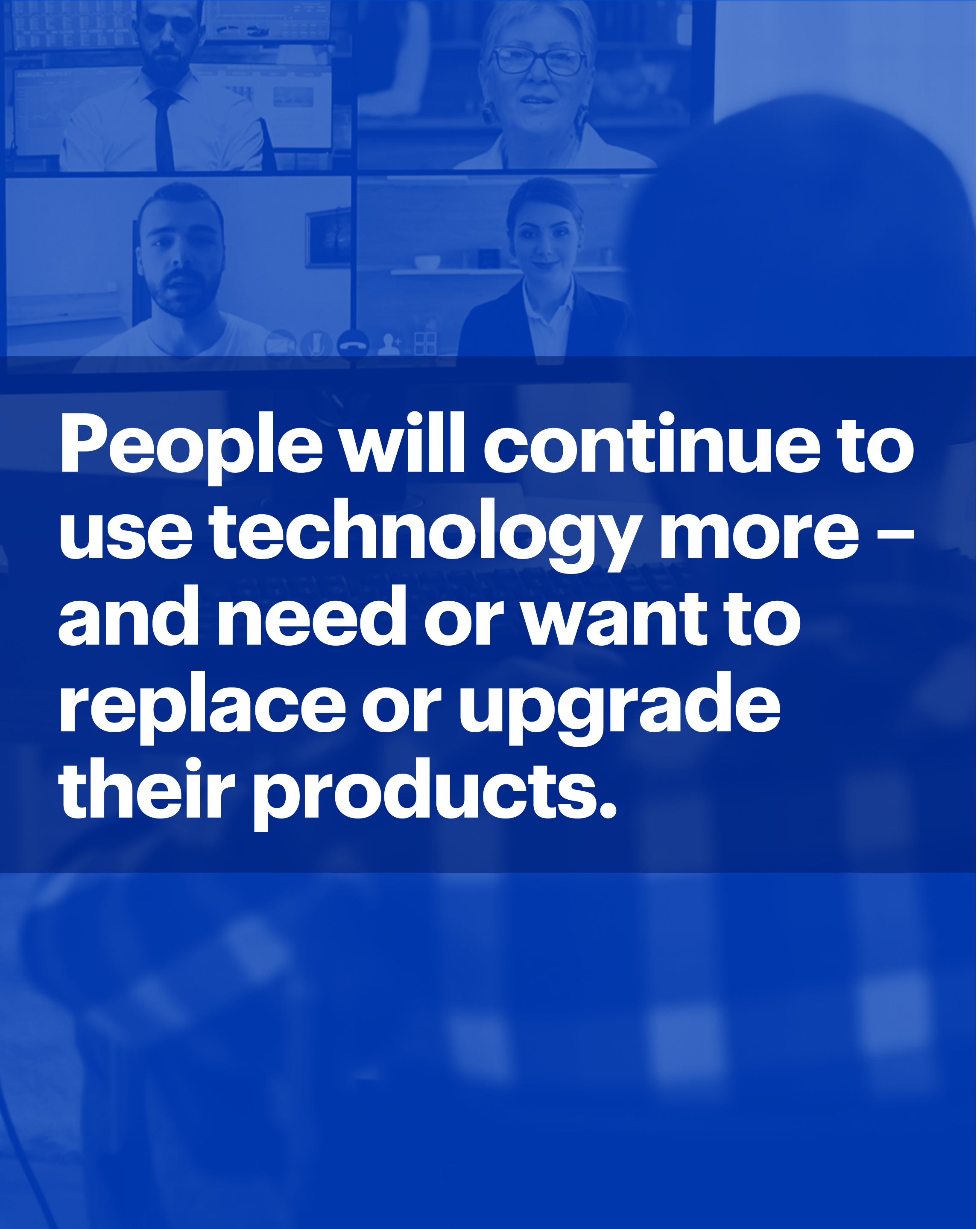


Source: McKinsey & Company COVID-19 US Consumer Pulse Survey 8/25 – 8/31/2021, n=2,004, sampled and weighted to match the US general population 18+ years. Percentages indicate % of new or increased users during COVID-19 who intend to keep doing activity after COVID-19.

The average U.S. household now has a total of **25 connected devices,** across 14 different categories compared to 11 in 2019.

There is an overall larger installed base of consumers using technology. People own more tech devices than ever before.

Source: Deloitte (2021): How the Pandemic Stress-Tested the Increasingly Crowded Digital Home



People will continue to use technology more – and need or want to replace or upgrade their products.

A large majority of tech owners plan to use **their tech products more** or the same amount after the pandemic as they are now.

30-50% of people who purchased tech items specifically for COVID reasons plan to upgrade or replace those purchases.

Source: CivicScience – Pandemic Electronics Purchase Survey for Best Buy, August 2021.

Jason Bonfig

Chief Merchandising Officer

We are a leader in the tech industry.

1 of 3 Televisions

1 of 3 Laptops

1 of 3 Home PCs

1 of 4 Audio products

10% – 20% share

- Imaging products
- Gaming devices
- Headphones
- Major appliances

<10% share

- Phone accessories
- Mobile phones
- Small appliances
- Cardio machines

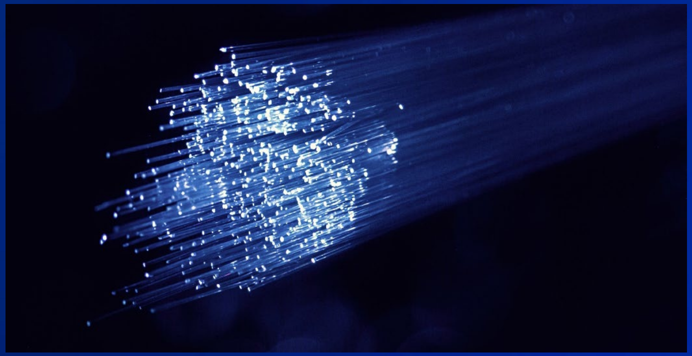
★ New categories

Technology innovation never stops.

Iterative innovation drives upgrade cycles.

Advancements in just the last 3 years

Exciting macro trends driving innovation.



5G and Fiber

Metaverse and Cloud

Automation and Support

Customization and Personalization

Sustainability

Sales growth in the last decade came from combination of existing and new categories.

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$12+ billion
of U.S. sales growth in the last decade[1]

- **TVs**
- **New category innovation**
- **Appliances**
- **Computing**

One-third from new category innovation

- Smartwatch
- Smart home
- Virtual reality
- Drones
- Fitness
- Health

[1]Offset by declines in other categories such as movies, digital imaging, gaming software and mobile phones.

- Fitness and Wellness
- Outdoor Living
- Indoor Living
- Personal Electric Transportation
- Aging, Disability, and Condition Management

We are expanding our addressable market as technology disrupts more categories and we broaden our solutions.

Fitness and Wellness.

~$34B industry

Significantly expanded a curated assortment. Including fitness equipment, recovery devices, sleep technology and much more.

Merchandising in FY23. Larger, more premium experiences in 90 stores.

Virtual Store fitness space in FY23. Very large fitness set for virtual selling with expanded assortment, unboxings, employee demos and home gym mockups. Talk with certified fitness trainers to help get products that meet your needs.

Personal Electric Transportation.

~$3B industry

Added for FY22 Holiday:

- **250+ e-bikes, scooters, mopeds, dirt bikes, skateboards and go-karts.**
- Curated **accessories** assortment with hundreds of items.

In FY23:

- **Merchandising** in 900 stores.
- Pilot **service and repair** to complement our existing e-bike assembly program.

Outdoor Living.

>$30B industry

Yardbird acquisition is foundational to Best Buy delivering a complete outdoor customer experience.

Home consultation for Outdoor Living and our ability to fulfill all categories differentiates Best Buy.

Partnerships with leading brands like **Traeger, Weber and Bromic** anchor the other large outdoor categories.

Yardbird products will be **available in select Pacific Sales and Best Buy stores** this spring.

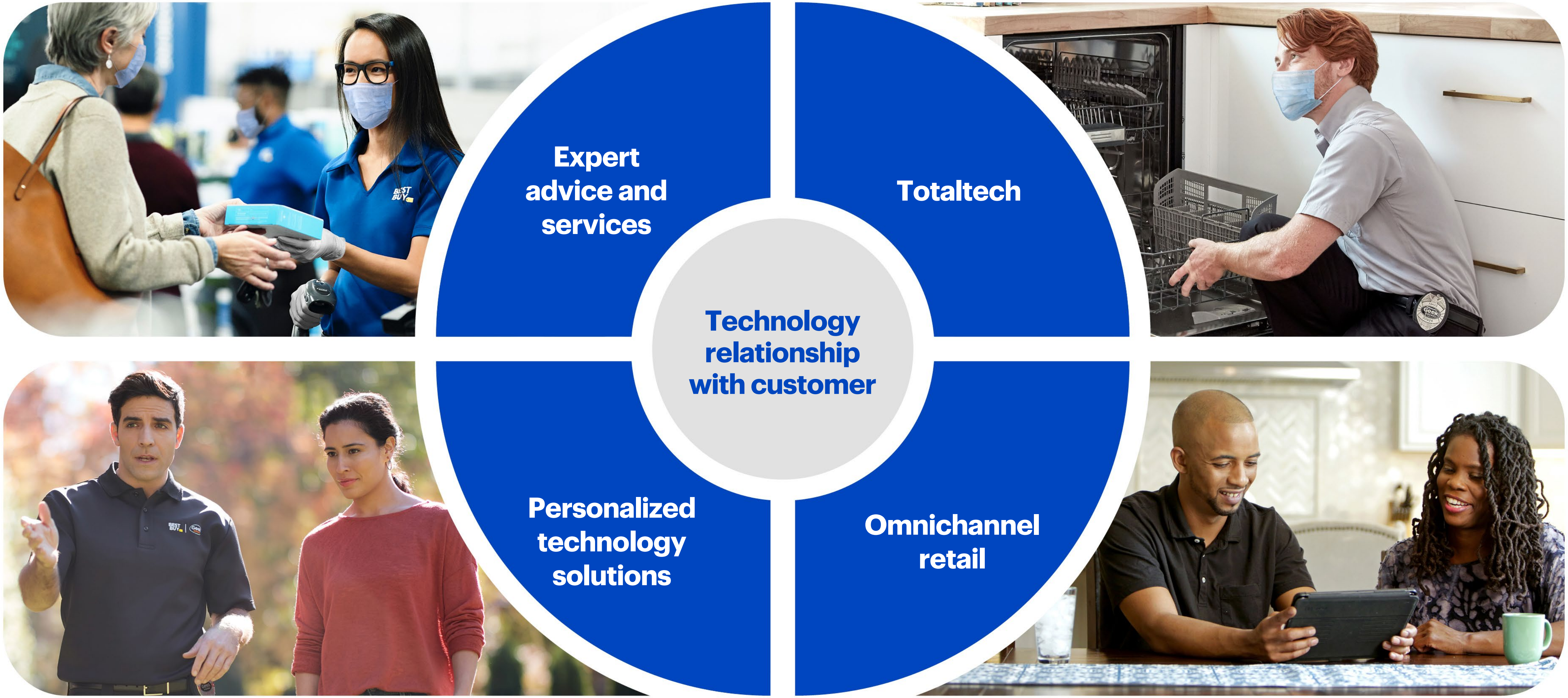
Corie Barry

Chief Executive Officer

2

We have built an ecosystem of customer-centric assets, **delivering experiences that no one else can.**

Our unique ecosystem.



Expert advice and services.

Deciding what to purchase

Expert advice that is brand agnostic and solution focused

Installing / setting up

Geek Squad installation and tech support

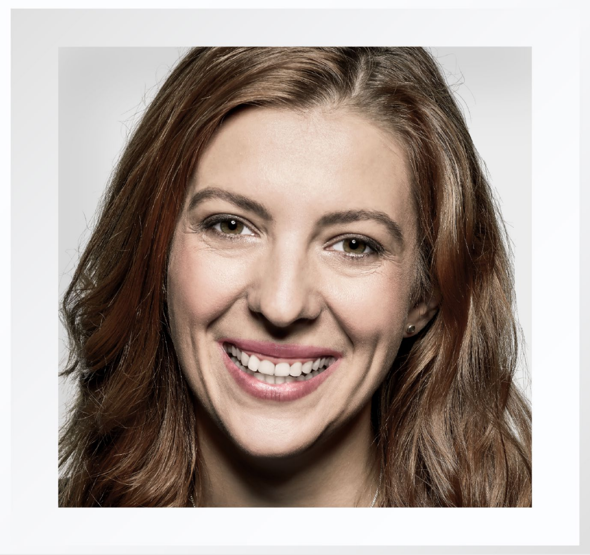
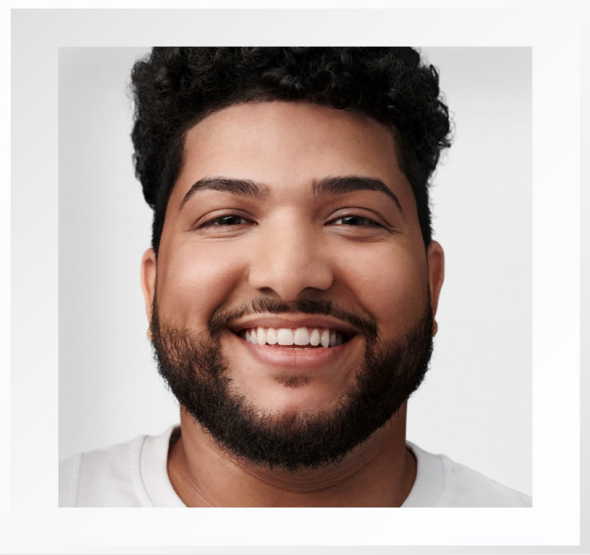
Getting the most of tech

Free consultations, trade-ins and health

Help when it's not working

Geek Squad repair, tech support and product protection

Membership.

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totaltech™

Complete confidence

for $199.99 / year

- 24/7 Geek Squad tech support
- Extended warranties on products
- Free delivery and standard installation
- VIP phone and chat access
- Exclusive member pricing
- 60-day return window
- Free 2-day shipping
- Access to hard-to-get inventory

Note: Best Buy Totaltech™ membership is subject to terms and conditions available at BestBuy.com/PlanTerms. Limitations and purchase limits may apply. Extended warranty benefit includes up to 24 months of product protection on most new Best Buy purchases, including AppleCare+ on Apple products, with an active membership. The complete terms and conditions for Best Buy Protection and AppleCare+ can also be found at BestBuy.com/PlanTerms under the 'Protection' tab. Service fees and claim limits apply.

Why launch Totaltech?

Offer a comprehensive membership program with broad appeal to all customers

Elevate the customer experience by providing unique benefits our customers value and no one else can provide

Make it inconceivable to purchase tech elsewhere

Increase customer frequency and capture a larger share of CE spend

"Best Buy has become a one-stop shop for any of my electronic needs. The membership enhances my experience because I get discounts and protection."

– Totaltech member

Customers love Totaltech.

Increased interactions	**60% increase** Interactions of customers who sign up for Totaltech
Elevated customer experience	**1,400 bps higher** Totaltech member NPS scores versus non-members
Increased enrollment rates	**2x higher** Enrollment rates compared to legacy paid support plans, even higher for younger & online customers
Increased spend[1]	**20% more** Annual spend when customers sign up for Totaltech

[1]Represents estimated increase in spend of customers who sign up for Totaltech compared to what they would have spent if they were not members.

BEST BUY

totaltech™

4.6 million

current members[1]

Double membership

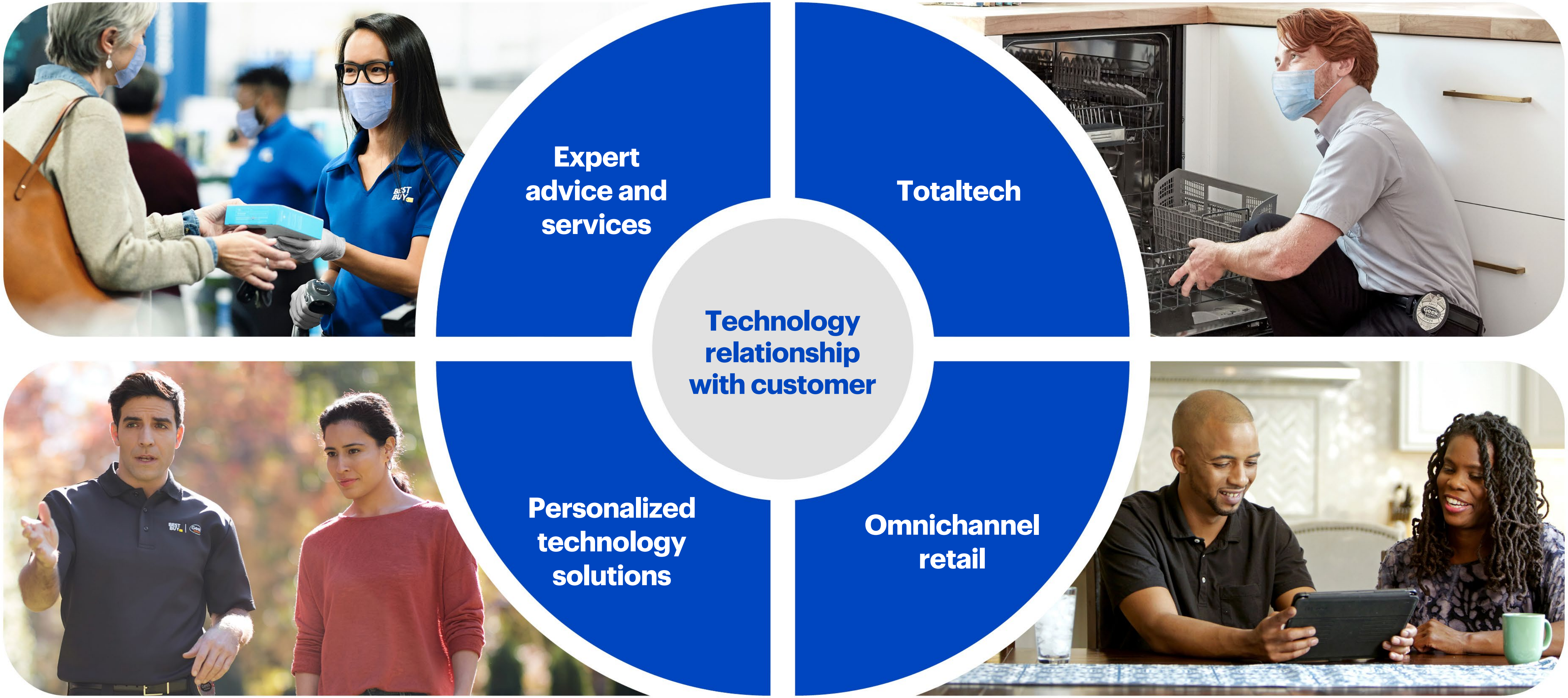
FY25 target

[1]As of February 20, 2022, includes auto-conversion of approx. 3.7 million previous Total Tech Support and other legacy support programs, net of cancelations. Launched nationwide in October 2021.

Damien Harmon

Executive Vice President, Omnichannel

Our unique ecosystem.



In the past two years, we leveraged our industry-leading omnichannel capabilities to meet the customer.

70% of the population lives within 10 miles of a Best Buy store

Virtual interactions increased 150% to 45 million

Turnover near pre-pandemic levels

Online sales expanded to 34% of total domestic revenue

We provided 29% more consultation experiences

Customers using Best Buy App while shopping in our stores grew 72%

Total online order pickup volume grew 70%

We had nearly 21 million Geek Squad services interactions in FY22

Best Buy employees delivered millions of packages to customer homes

Optimize workforce

Reimagine physical presence

Enabled by technology

As we look to the future, we are focused on both the **customer experience** and **operating efficiencies.**

Our workforce evolution.

Efficiency

Flexibility

Career pathing

Improved store labor efficiency and productivity ...

100 bps+

Rate improvement in domestic store labor expense as a % of revenue compared to FY20

- Material increase in store productivity
- Maintained strong store NPS
- Field turnover rates remain significantly below the retail average and are near our pre-pandemic rates

20% Increase in **average wage rate in the last two years**

80% Employees skilled to support **multiple jobs**

... while investing in employee development.

Geek Squad Services.

Mobile phone repair customers

35%+
new or re-engaged with Best Buy

Technical workforce

8.5 years & **86%**
tenure retention

Customer Experience NPS by Workforce

After we complete their repairs, customers

Spend **1.7x** more | Engage **1.6x** more often

Consultations.

Access to Expertise

Employees who have the skillset to complete consultations has grown by **78%** in the last year

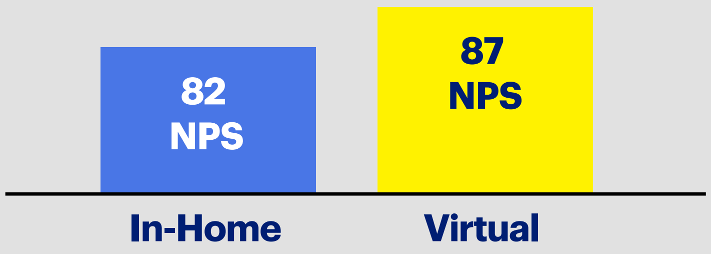
Inspire What's Possible

Customers spend **17%** more across their lifetime value and purchase more often when engaged for a consultation

Create Loyalty and Brand Love

92% of customers said they are likely to continue working with their expert

Customer Experience



Customers who work with a consultant shop with us 2x more frequently.

Virtual Store.

Chat | **Voice** | **Video**

Experience and Partnerships

Higher Close Rate	Higher Sales	Improved Satisfaction
3x Higher	1.5x Rev/Order	20% Higher

17 Vendor Partners at launch

Nearly 60 vendors by end of FY23

Note: Comparisons are to our traditional chat experience

Early learnings from our existing **Experiential Store** tests are positive, and we are expanding to more locations in FY23.

Experiential Stores.

+370 bps
NPS improvement

- Customer spend
- Customer penetration within retail trade area

In FY23, we are expecting to remodel **approx. 50** additional stores.

Outlet Stores.

In FY22, gross liquidation recovery rate vs. alternative channels.

2x

We expect to double[1] the number of Outlet stores in FY23.

[1]From 16 at the end of FY22

Charlotte, NC

Holistic Market Approach Pilot.

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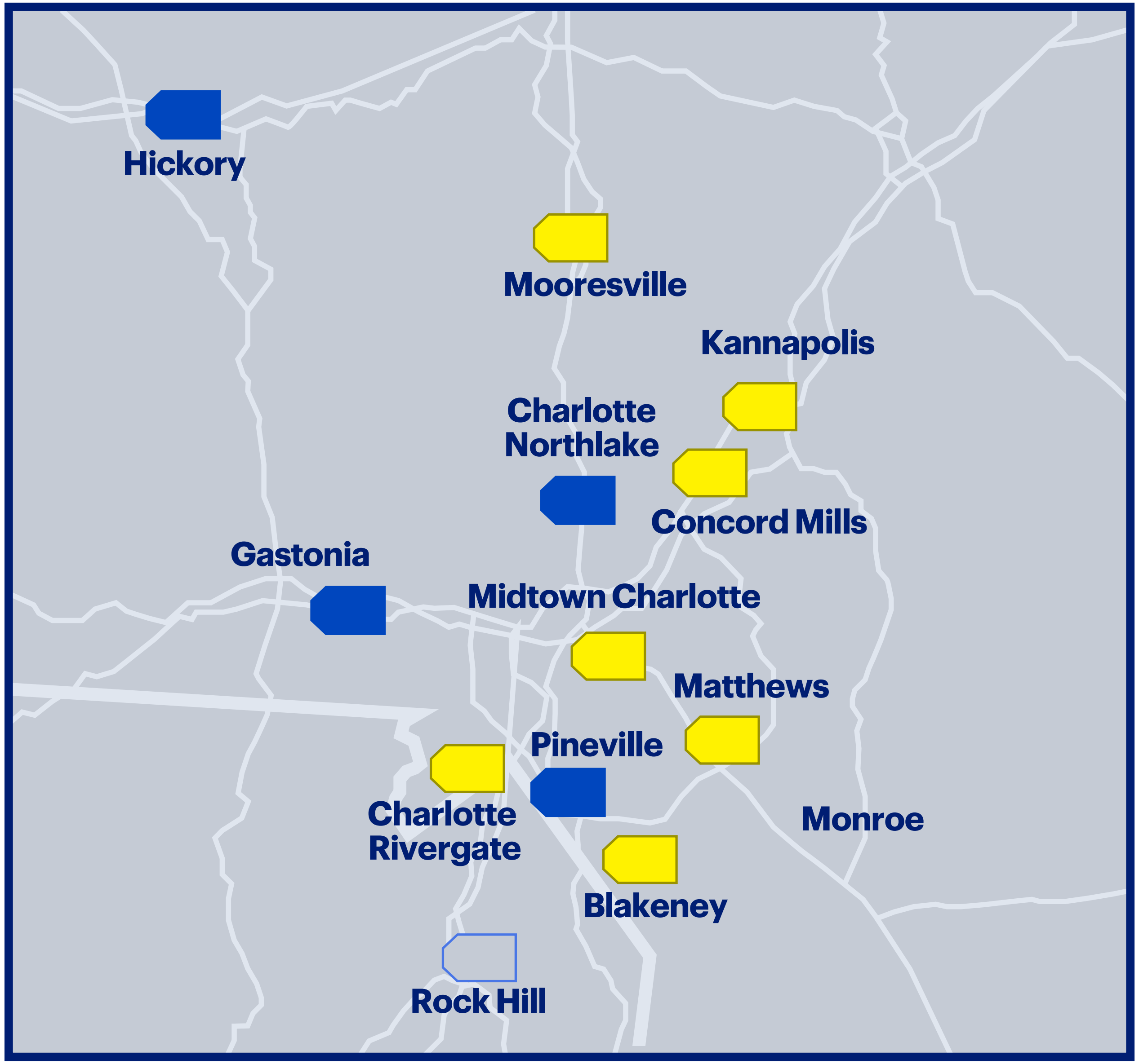
Before

12 Best Buy stores

45K	4 Stores
30K	7 Stores
20K	1 Stores



Charlotte, NC

Holistic Market Approach Pilot.

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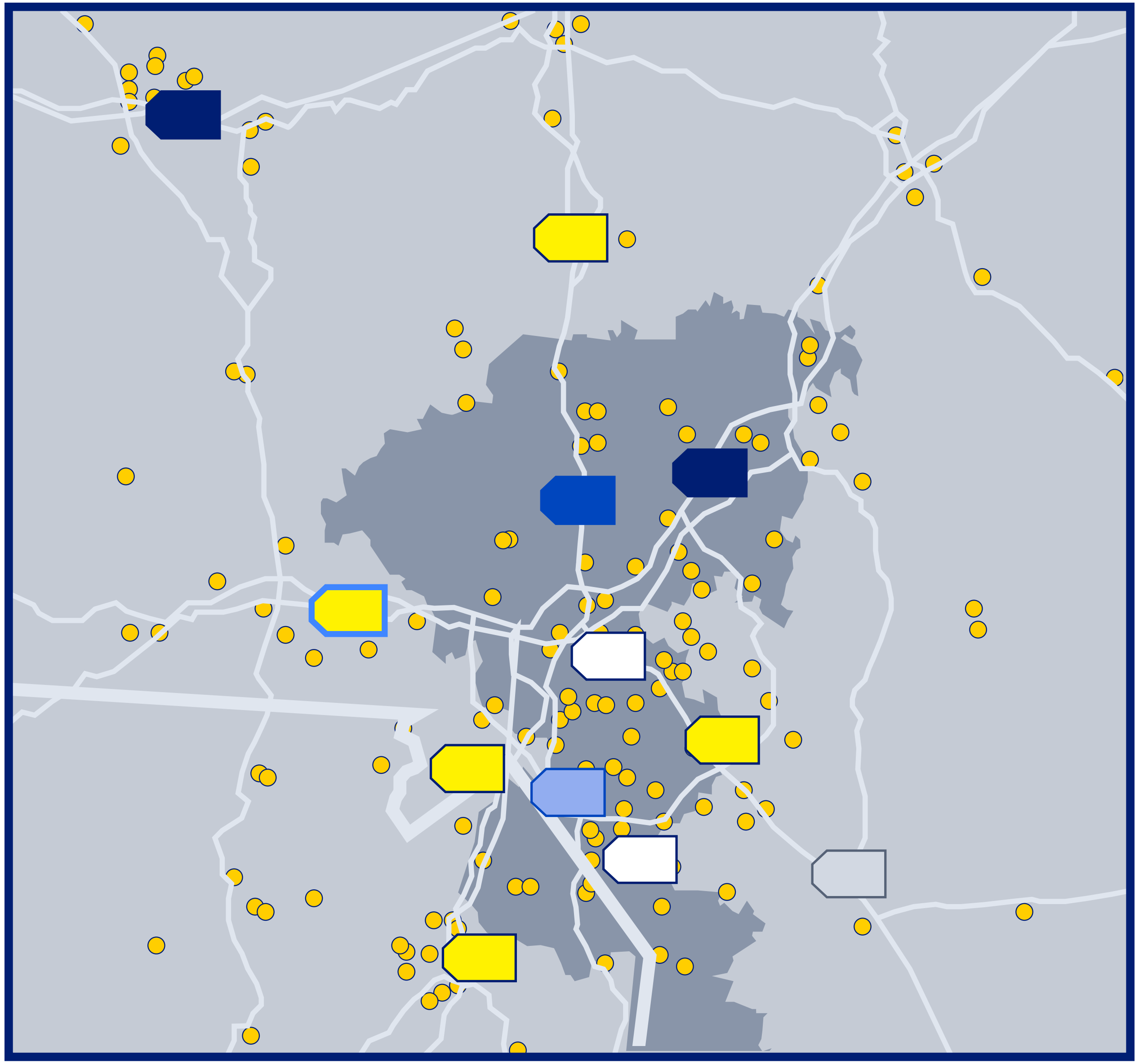
After

12 Best Buy stores

35K	1 Store
30K	2 Stores
25K	2 Stores
15K	5 Stores
5K	1 Store
Outlet	1 Store



Changes in square footage

-24%	+100%	-5%
Sales floor	Warehouse and fulfillment	Overall square footage

Access Points

260 Locations in Metro Charlotte

Employee delivery

Covers **41%** of Metro Charlotte

Examples of technology enhancements.


Self-checkout


Day-of-delivery tracking

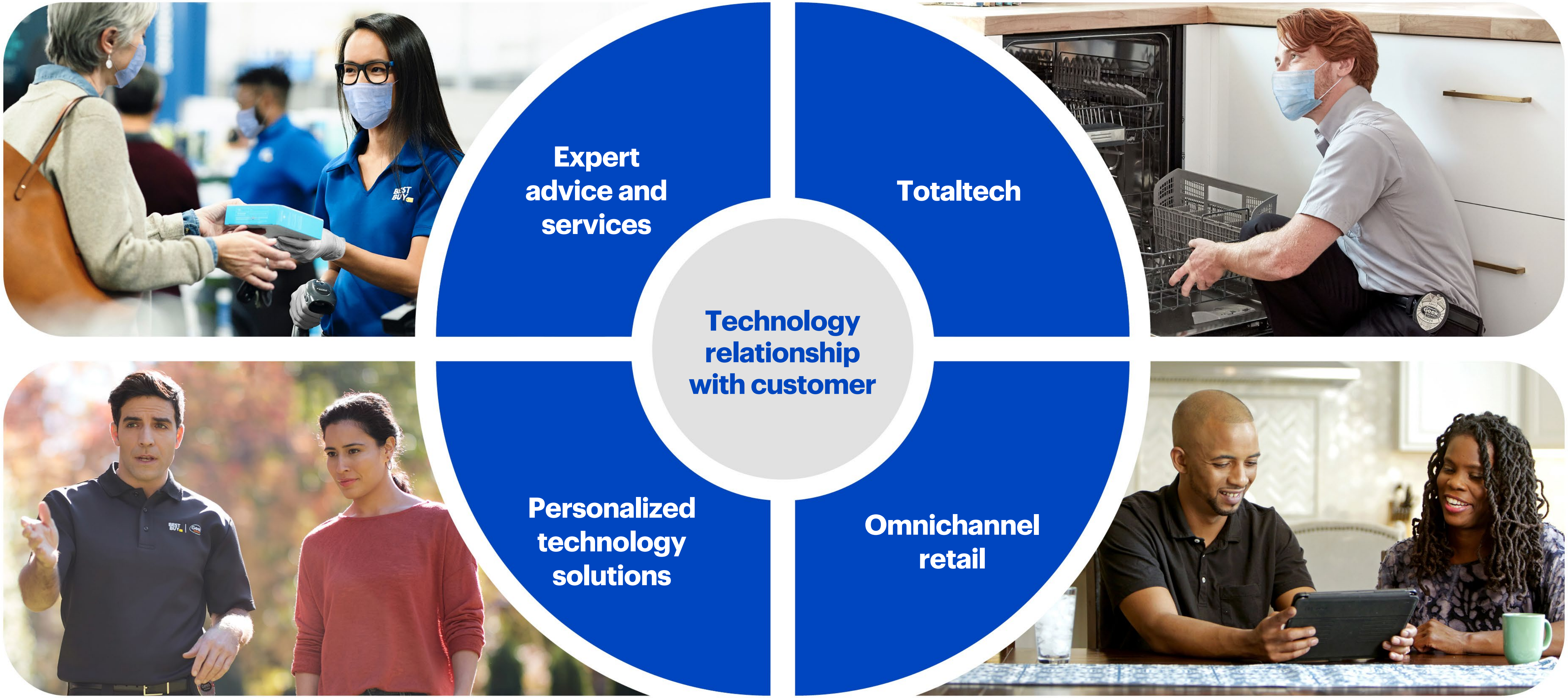

Virtual store

Fulfillment lockers

Deborah Di Sanzo

President of Best Buy Health

Our unique ecosystem.



Why is Best Buy in health?

Technology is moving into health

~$80B
market opportunity for health, wellness and virtual care technology[1]

50%
growth in consumers using smartphones to manage health from 2020-2021[2]

51%
of wearable owners use device to manage diagnosed condition[3]

77%
of health tech users say it has a significant impact on behavior[4]

Health is moving into the home

$265B
of Medicare services could be delivered in the home by 2025[5]

61%
of patients prefer inpatient-level care at home vs. in a hospital[6]

38%
reduction in cost for acute care at home vs. hospital[7]

80%
of seniors have chronic conditions, and 65+ will ~double by 2060[8]

[1]Statistica, CTA, and Fortune Business Insights (health & wellness technology); McKinsey (virtual care) [2]Deloitte 2021 Mobile Trends Survey [3]Rock Health 2020 Digital Health Consumer Adoption Report [4]Deloitte 2020 Consumer Health Trends Survey [5]McKinsey [6]Healthcare Finance News [7]Levine et al. Ann Intern Med. 2020 Jan [8]NCOA, Census Bureau

Best Buy is a trusted in-home advisor.

70% of population within 10 miles of a **Best Buy** store, which can serve as support and distribution hubs

~9M Geek Squad home visits annually – making **Best Buy** a trusted brand for tech support in the home

78% of physicians and **68%** of consumers believe **Best Buy** will enhance the health industry[1]

[1]Best Buy Brand Survey, December 2021. Base Consumer (1,331), Provider (163)

Best Buy Health enables care in the home.

Consumer Health

Customer: Consumers

Health tech and wellness products for use in the home and beyond

Active Aging

Health and safety tech solutions and human support for aging adults

Virtual Care

Customers: Physicians, Health Systems, Insurers, Pharma

Tech-enabled solutions that connect patients to physicians and enable care in the home

Omnichannel

Distribution

Analytics

Platform

In-home services

Caring centers

Best Buy's Unique Capabilities

Consumer Health.

We are providing the most sought-after digital health solutions for every stage of life.

Consumer experience

Family Health

Angela, a 45-year-old mom of two, has a 4-year-old son with an earache, so she buys a **Tyto Care Medical Exam Kit from BestBuy.com and schedules a video exam with a pediatrician**

Fitness

Angela also books an **appointment with a certified personal trainer in the virtual store** to learn about home cycling equipment

Hearing

Angela sees a banner for Best Buy's **online hearing assessment** and bookmarks the page for her father, Jacob, who has hearing loss

Sleep

Angela also buys a **weighted blanket after reading about their benefits on BestBuy.com**

Secure Shopping Experience

Best Buy's secure shopping experience **protects customers' health information and allows Best Buy to take certain prescriptions** when necessary

Coming soon

Active Aging.

Lively continues to support adults aging independently at home.

Lively consumer experience

Caregiver motivation
Angela notices her father, Jacob, has been unsteady on his feet and **worries about him living alone at home**

Lively purchase
Angela buys a **Lively Smart phone and Amazon Echo** for her father with a **monthly Health & Safety subscription plan**

Lively Link app
She wants to make sure that Jacob is using his device, so Angela **checks his weekly analysis in the caregiver Link app**

Caring Center help
Jacob uses his Lively Smart phone to **request a Lyft ride via a Caring Center agent**

Urgent Response event
Jacob falls at home and **uses his Amazon Echo[1] to alert the Lively Caring Center**

FY22 Highlights

Launched **Lively brand & Lively On** partnerships with Apple, Amazon

Added over **348K new lives served** in FY22 (15% YoY growth)

Caring Centers had **~9M customer interactions** in FY22 (7% YoY growth)

[1]Lively on Alexa beta launch in Spring 2022

Active Aging products and services.

Lively (formerly GreatCall) continues to support adults aging independently at home.

jitterbug flip2

jitterbug smart3

Simple, easy-to-use phones with 24/7 access to the Lively Response Team

lively mobile+

Fastest call response medical alert with fall-detection and 24/7 help

lively wearable2

Most discreet medical alert device with fall detection and 24/7 help

lively app / Lively On...

Access to Lively services and the Lively Response Team through your smartphone or connected device

Urgent Response

Get 24/7 help in emergencies big or small from certified Urgent Response agents

Health & Safety

- Speak to a doctor/nurse from home
- Brain Games to sharpen focus and improve memory
- Fall detection

Link App

Friends and family stay informed about loved one's health and safety and receive an alert if urgent response is called

New Offerings on roadmap

- Medication management
- Care Counselors/SDOH social workers
- Lively on Amazon
- Lively Tablet/Home Hub

Virtual Care.

We enable patients to effortlessly connect with their care teams.

Care at Home experience

Engagement

Jacob is recovering from his fall in the hospital when he develops sepsis. **His physician enrolls him in Hospital at Home**

Best Buy delivers remote monitoring equipment to his home and trains Jacob and Angela

Monitoring

At home, Jacob is monitored 24/7 by **Current Health's platform and virtual command center**

The health system physician conducts daily **video visits** with Jacob

Care coordination & support

The command center **coordinates Jacob's antibiotic infusion, delivered by a nurse in his home**

The **command center notices a lack of data** and finds an improperly worn device

Geek Squad is dispatched to fix[1]

Insights & Analytics

The platform's algorithm **alerts the command center** of possible complications from a fever

The **on-call physician prescribes a therapeutic** delivered by the pharmacy partner

Transition to personal care

Jacob is discharged from Hospital at Home back to his primary care physician and **continues to be supported by Lively**

FY22 Highlights

We acquired **Current Health** and its FDA-cleared care at home platform

Current Health is growing fast – **40 total clients, 18 added in the last year**

Note: This is an example of one pathway that can be supported by Current Health's scalable platform and Best Buy's services

[1]Geek Squad services for Current Health will launch in 2022

We are creating an ecosystem of partners for Care at Home.

Ecosystem Partner
Best Buy
Best Buy Health Platform

BAPTIST HEALTH FOUNDATION
Mount Sinai
Geisinger
Anthem
tytocare
UMassMemorial Health Care
Dexcom CONTINUOUS GLUCOSE MONITORING
Epic
lyft
amazon
NHS
DHA
Allscripts All possible
AMERICAN TELEMEDICINE ASSOCIATION
iHealth
AMGEN
athenahealth
WITHINGS
CAMBIA HEALTH SOLUTIONS
Cerner
AstraZeneca
OMRON

We are not building this alone.

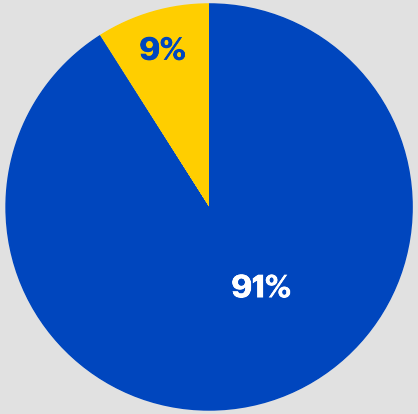
Our Health opportunity creates a flywheel driving growth in all 3 focal areas.

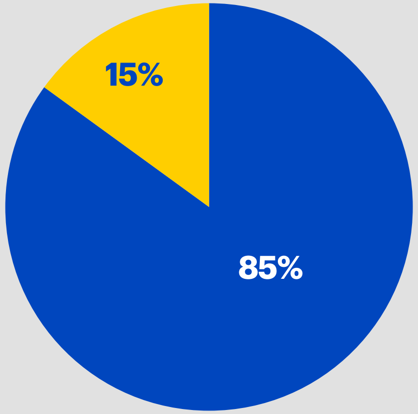
Consumer Health + **Active Aging** + **Virtual Care**

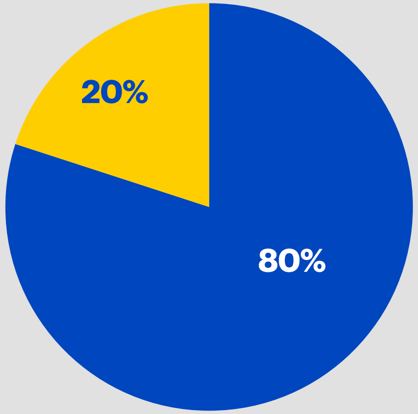
	FY22	FY25	FY27
Revenue	**$525M**	**3-year CAGR 35 – 45%**	**5-year CAGR 35 – 45%**
Non-GAAP operating income rate	Dilutive to Enterprise rate	Neutral	Accretive to Enterprise rate

Revenue mix by customer type

- Consumers
- Physicians, Health Systems, Insurers, Pharma







Note: Revenue totals above exclude fitness equipment and wearables.

Matt Bilunas

Chief Financial Officer

We expect to grow revenue and expand our operating income rate by FY25.

We plan to generate healthy cash flow to fund our growth, returning excess cash to shareholders.

We intend to balance investments and pressures with efficiencies.

Beyond FY25, we see a path to higher levels of revenue growth and operating income rate expansion.

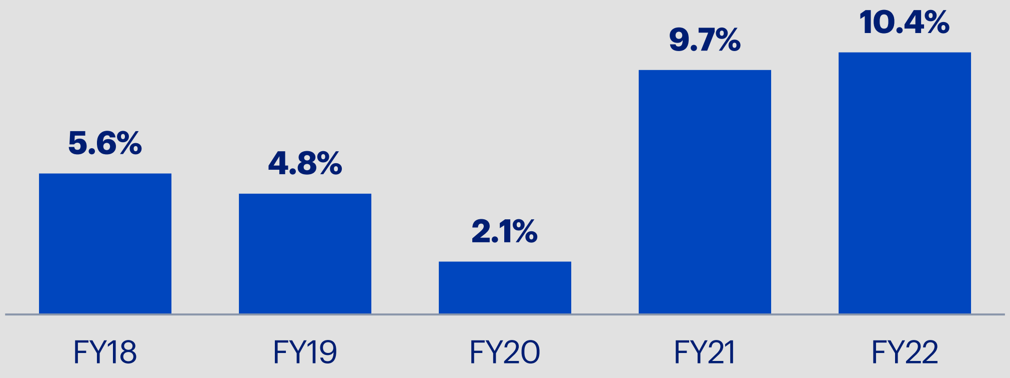
BEST BUY

3

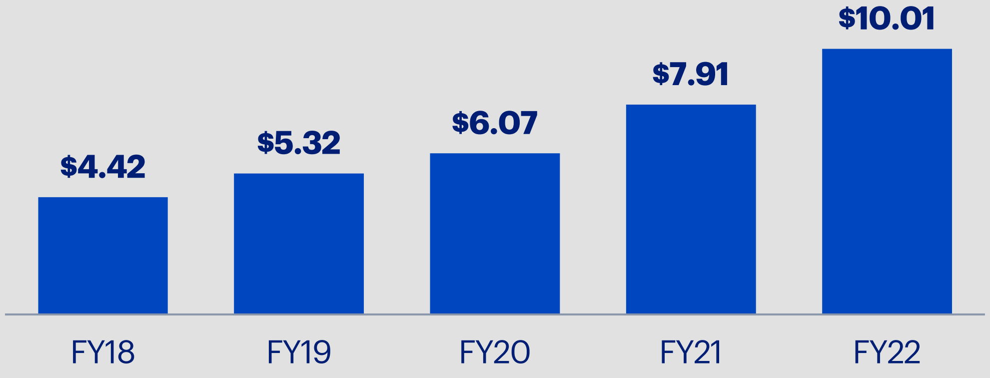
Our differentiated abilities and ongoing investments in our business will drive **compelling financial returns over time.**

We have a proven track record of strong results.

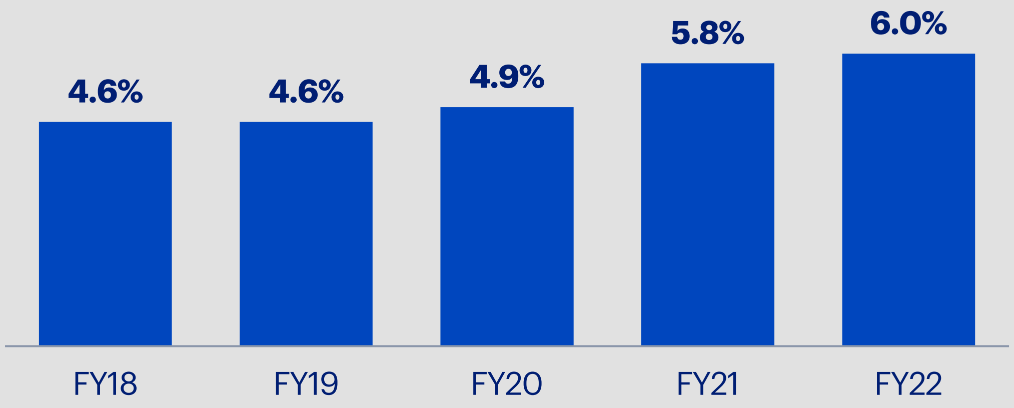
Enterprise comparable sales growth



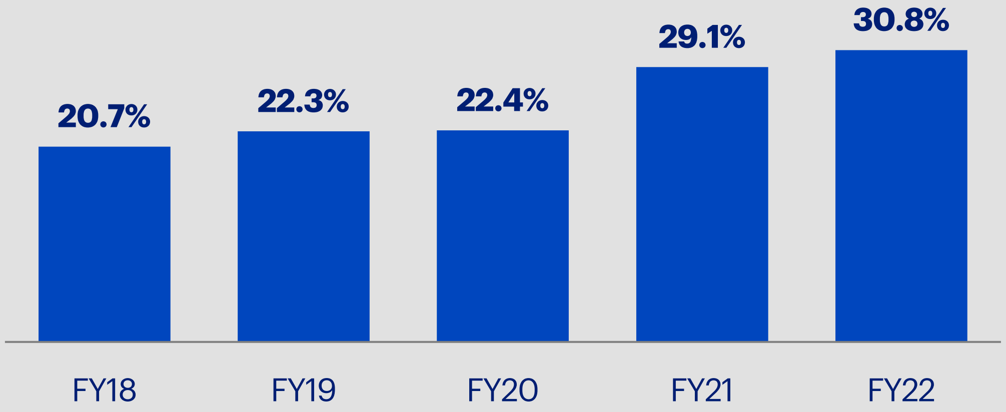
Non-GAAP diluted earnings per share



Non-GAAP operating income rate



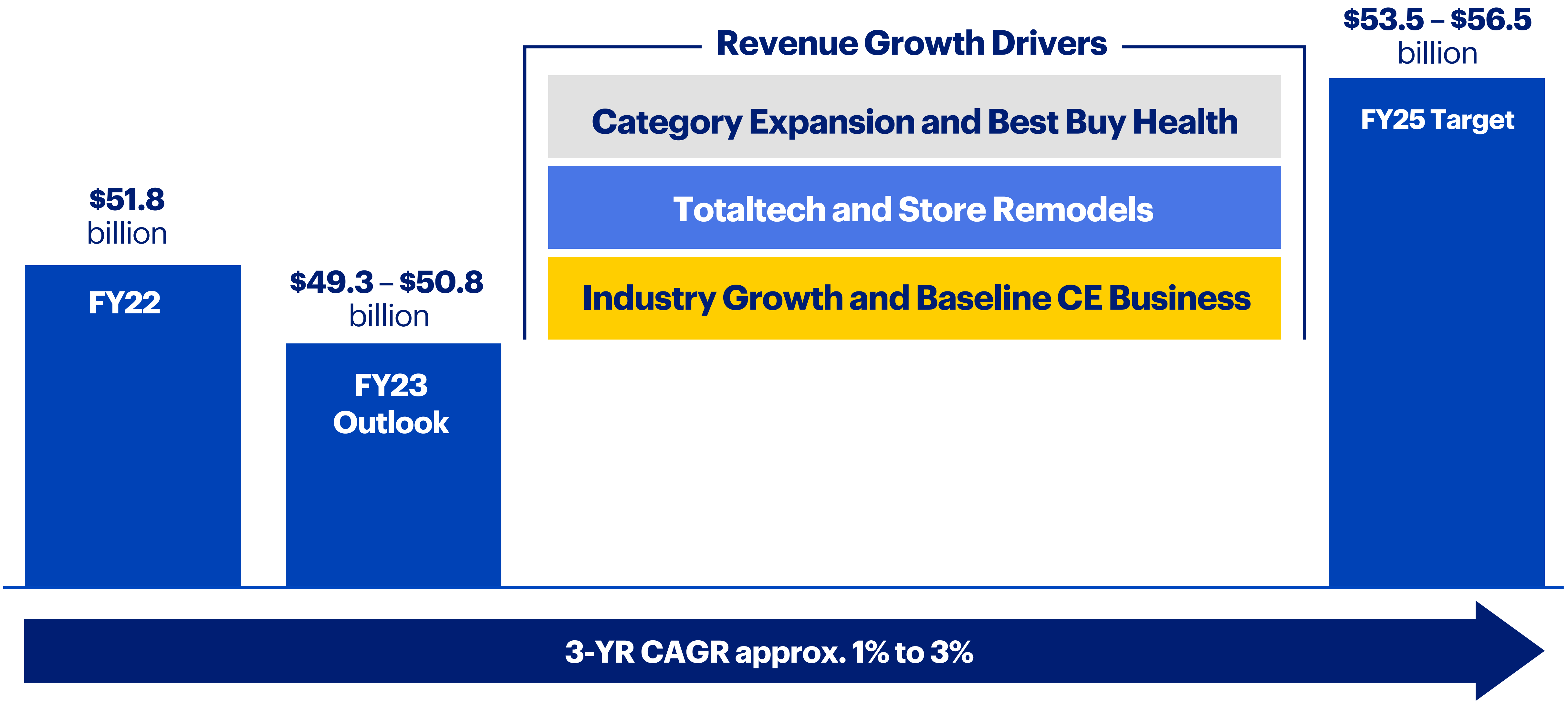
Non-GAAP return on investment



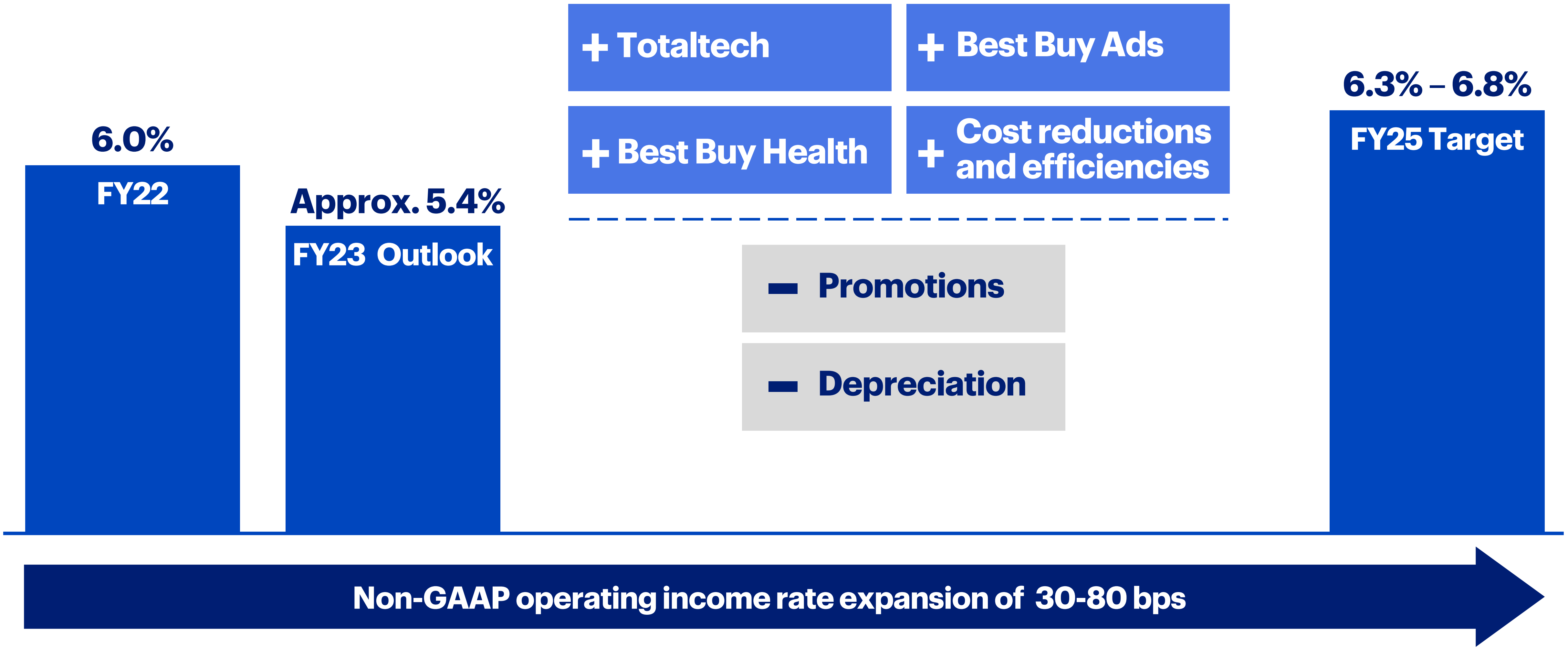
FY23 and FY25 Financial Targets.

	FY22	FY23 Outlook	FY25 Targets
Revenue	$51.8B	$49.3 – $50.8B	$53.5 – $56.5B
Non-GAAP operating income rate	6.0%	Approx. 5.4%	6.3% – 6.8%
Non-GAAP operating income	$3.1B	$2.6 – $2.7B	$3.4 – $3.8B

How we expect to grow revenue by FY25.

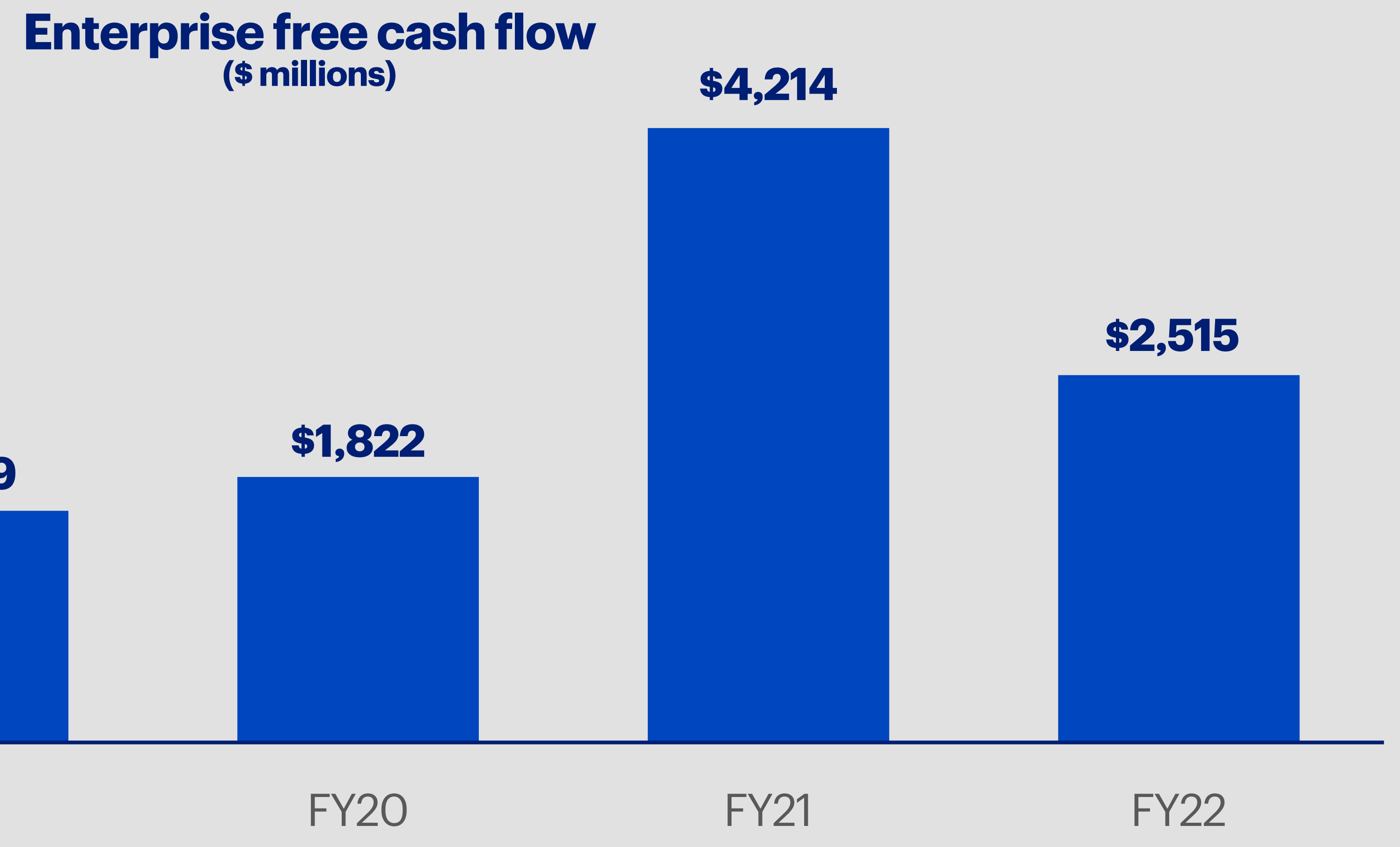


How we expect to drive operating income rate expansion by FY25.



We generate strong free cash flow.

Average annual free cash flow
$2.3 billion
over the last 5 years

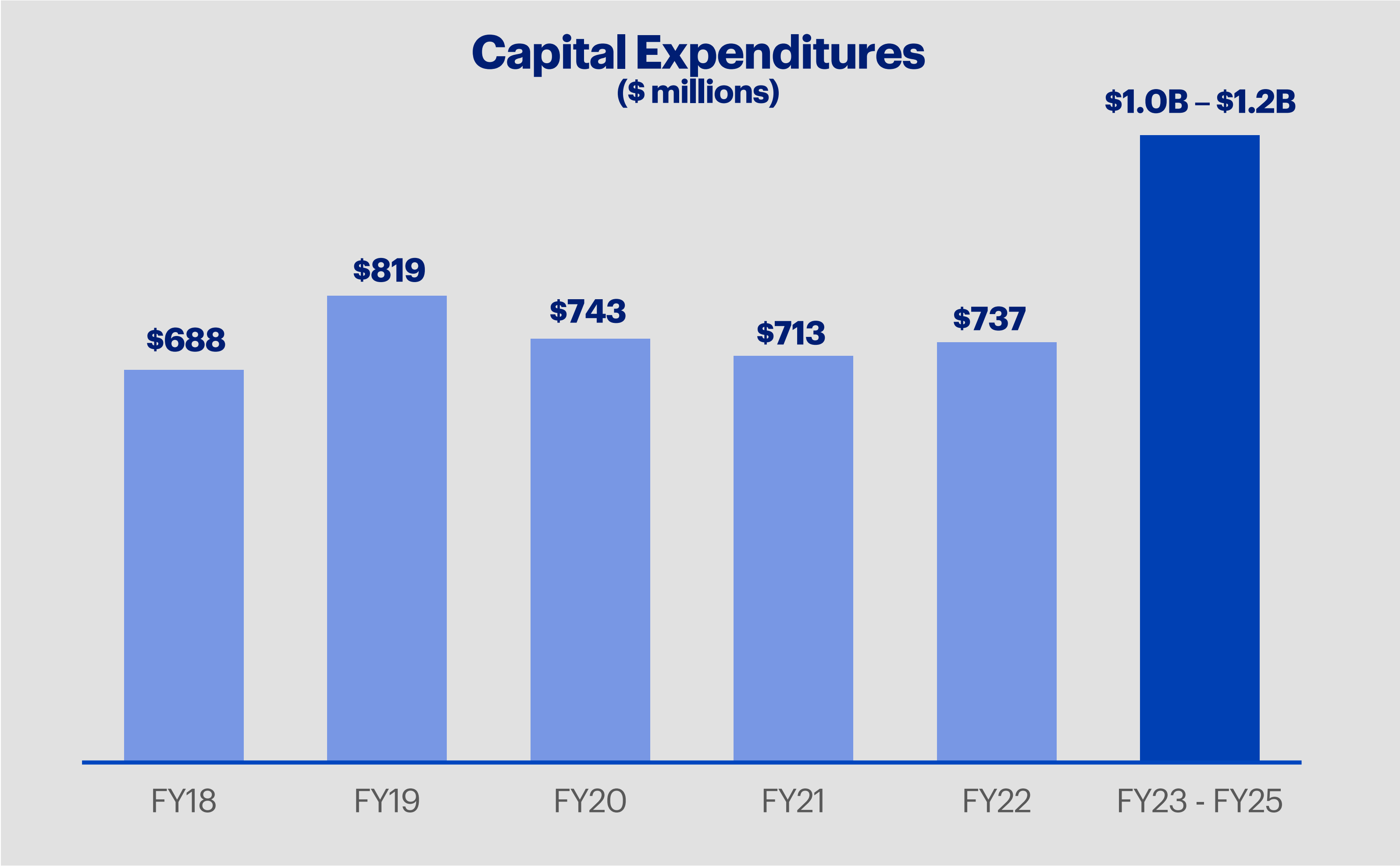


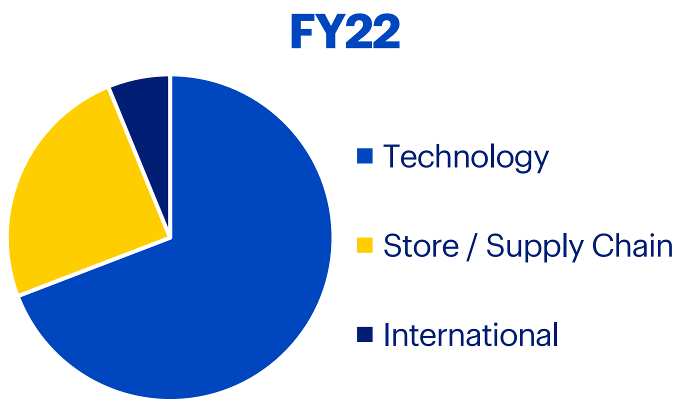
Our capital allocation strategy is unchanged.

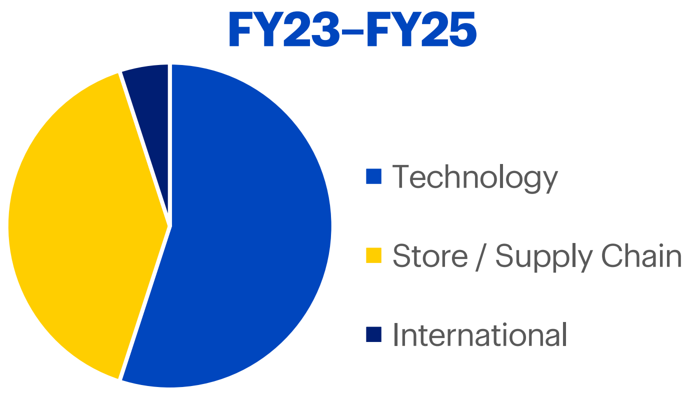
1. Reinvest in the business to drive growth
2. Pursue partnerships and M&A to support our strategy
3. Continue to be a premium dividend payer[1]
4. Return excess free cash flow over time through share repurchases

[1] Based on a targeted 35% - 45% payout ratio of the prior year non-GAAP diluted EPS.

Capital expenditures are expected to increase as we evolve our operating model.



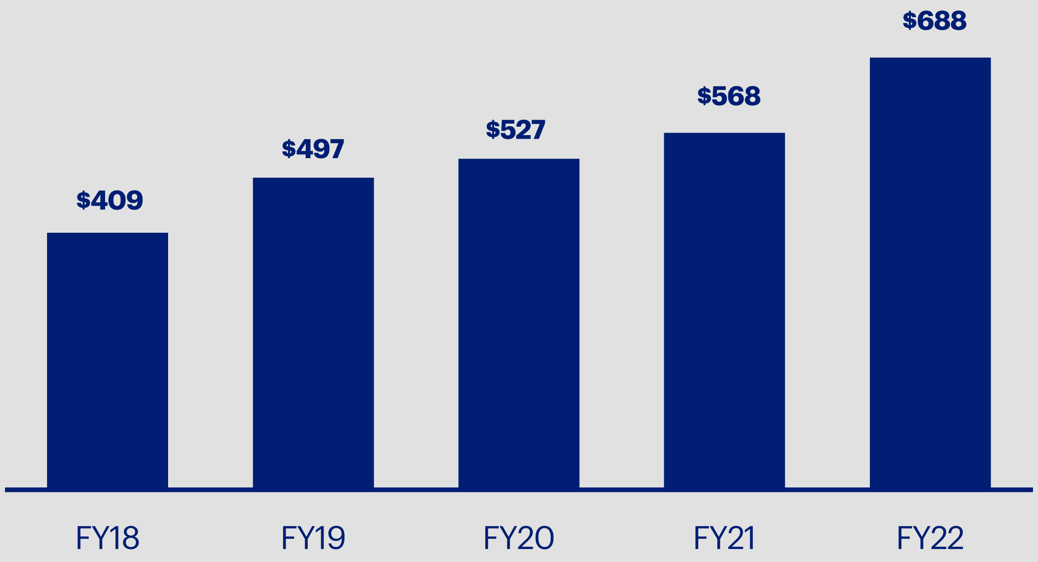




At the same time, we will continue to return capital to shareholders.

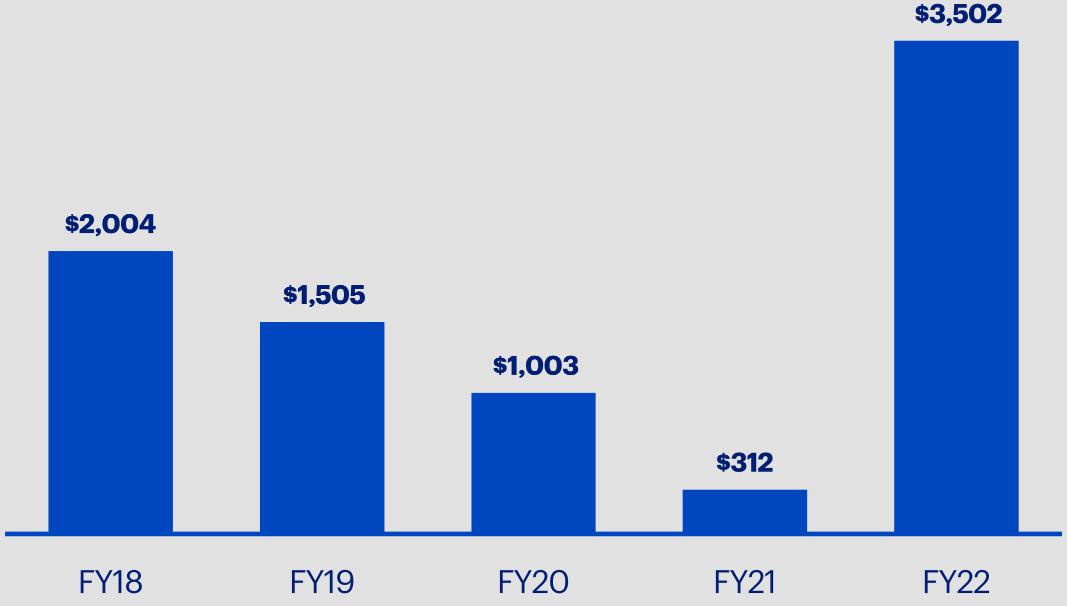
FY23 quarterly dividend increased 26% to $0.88 per share

Dividend payout
($ millions)



$1.5B share repurchases expected in FY23 following record levels in FY22

Share repurchases
($ millions)



Corie Barry

Chief Executive Officer

Key Takeaways.

1. Technology is a necessity, and we are **the unique tech solutions provider for the home.**

2. We have built an ecosystem of customer-centric assets, **delivering experiences that no one else can.**

3. Our differentiated abilities and ongoing investments in our business will drive **compelling financial returns over time.**

Best Buy Co., Inc.
Non-GAAP Reconciliation
($ in millions, except per share amounts)
(Unaudited and subject to reclassification)

The following information provides reconciliations of the most comparable financial measures presented in accordance with accounting principles generally accepted in the U.S. (GAAP financial measures) to presented non-GAAP financial measures. The company believes that non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating current period performance and in assessing future performance. For these reasons, internal management reporting also includes non-GAAP financial measures. Generally, presented non-GAAP financial measures include adjustments for items such as restructuring charges, goodwill impairments, price-fixing settlements, gains and losses on investments, intangible asset amortization, certain acquisition-related costs and the tax effect of all such items. In addition, certain other items may be excluded from non-GAAP financial measures when the company believes this provides greater clarity to management and investors. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for, the GAAP financial measures presented in the company's earnings releases, financial statements and other publicly filed reports. Non-GAAP financial measures as presented herein may not be comparable to similarly titled measures used by other companies.

Enterprise - Continuing Operations	**Q4 FY21**	**Q4 FY22**
Gross profit	$ 3,543	$ 3,313
% of revenue	*20.9 %*	*20.2 %*
Restructuring - inventory markdowns[1]	(13)	-
Price-fixing settlement[2]	(21)	-
Non-GAAP gross profit	$ 3,509	$ 3,313
% of revenue	*20.7 %*	*20.2 %*
SG&A	$ 2,368	$ 2,505
% of revenue	*14.0 %*	*15.3 %*
Intangible asset amortization[3]	(20)	(22)
Acquisition-related transaction costs[3]	-	(6)
Non-GAAP SG&A	$ 2,348	$ 2,477
% of revenue	*13.9 %*	*15.1 %*
Operating income	$ 1,033	$ 803
% of revenue	*6.1 %*	*4.9 %*
Restructuring - inventory markdowns[1]	(13)	-
Price-fixing settlement[2]	(21)	-
Intangible asset amortization[3]	20	22
Acquisition-related transaction costs[3]	-	6
Restructuring charges[4]	142	5
Non-GAAP operating income	$ 1,161	$ 836
% of revenue	*6.9 %*	*5.1 %*
Diluted earnings per share ("EPS")	$ 3.10	$ 2.62
Restructuring - inventory markdowns[1]	(0.05)	-
Price-fixing settlement[2]	(0.08)	-
Intangible asset amortization[3]	0.08	0.09
Acquisition-related transaction costs[3]	-	0.03
Restructuring charges[4]	0.54	0.02
Gain on investments, net	(0.04)	-
Income tax impact of non-GAAP adjustments[5]	(0.07)	(0.03)
Non-GAAP diluted EPS	$ 3.48	$ 2.73

(1) Represents inventory markdown adjustments recorded within cost of sales associated with the decision to exit operations in Mexico.
(2) Represents a price-fixing litigation settlement received in relation to products purchased and sold in prior fiscal years.
(3) Represents charges associated with acquisitions, including: (1) the non-cash amortization of definite-lived intangible assets, including customer relationships, tradenames and developed technology; and (2) acquisition-related transaction and due diligence costs, primarily comprised of professional fees.
(4) Represents charges primarily related to actions taken in the Domestic segment to better align the company's organizational structure with its strategic focus and the decision to exit operations in Mexico in the International segment.
(5) The non-GAAP adjustments primarily relate to the U.S. and Mexico. As such, the income tax charge is generally calculated using the statutory tax rate of 24.5% for U.S. non-GAAP items for all periods presented. There is no income tax charge for Mexico non-GAAP items and a minimal amount of U.S. non-GAAP items, as there was no tax benefit recognized on these expenses in the calculation of GAAP income tax expense.

Best Buy Co., Inc.
Non-GAAP Reconciliation
($ in millions, except per share amounts)
(Unaudited and subject to reclassification)

The following information provides reconciliations of the most comparable financial measures presented in accordance with accounting principles generally accepted in the U.S. (GAAP financial measures) to presented non-GAAP financial measures. The company believes that non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating current period performance and in assessing future performance. For these reasons, internal management reporting also includes non-GAAP financial measures. Generally, presented non-GAAP financial measures include adjustments for items such as restructuring charges, goodwill impairments, price-fixing settlements, gains and losses on investments, intangible asset amortization, certain acquisition-related costs and the tax effect of all such items. In addition, certain other items may be excluded from non-GAAP financial measures when the company believes this provides greater clarity to management and investors. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for, the GAAP financial measures presented in the company's earnings releases, financial statements and other publicly filed reports. Non-GAAP financial measures as presented herein may not be comparable to similarly titled measures used by other companies.

Enterprise - Continuing Operations	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**
Operating income	$ 1,843	$ 1,900	$ 2,009	$ 2,391	$ 3,039
% of revenue	*4.4 %*	*4.4 %*	*4.6 %*	*5.1 %*	*5.9 %*
Restructuring - inventory markdowns[1]	-	-	-	23	(6)
Price-fixing settlement[2]	-	-	-	(21)	-
Restructuring charges[3]	10	46	41	254	(34)
Intangible asset amortization[4]	-	22	72	80	82
Acquisition-related transaction costs[4]	-	13	3	-	11
Tax reform-related item - employee bonus[5]	80	7	-	-	-
Tax reform-related item - charitable contribution[5]	20	-	-	-	-
Non-GAAP operating income	$ 1,953	$ 1,988	$ 2,125	$ 2,727	$ 3,092
% of revenue	*4.6 %*	*4.6 %*	*4.9 %*	*5.8 %*	*6.0 %*

Enterprise - Continuing Operations	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**
Diluted earnings per share ("EPS")	$ 3.26	$ 5.20	$ 5.75	$ 6.84	$ 9.84
Restructuring - inventory markdowns[1]	-	-	-	0.09	(0.02)
Price-fixing settlement[2]	-	-	-	(0.08)	-
Restructuring charges[3]	0.03	0.16	0.15	0.97	(0.14)
Intangible asset amortization[4]	-	0.08	0.27	0.30	0.33
Acquisition-related transaction costs[4]	-	0.05	0.01	-	0.04
(Gain) loss on investments, net	0.02	(0.04)	-	(0.05)	-
Tax reform-related item - employee bonus[5]	0.26	0.02	-	-	-
Tax reform-related item - charitable contribution[5]	0.07	-	-	-	-
Tax reform - repatriation tax[5]	0.68	(0.07)	-	-	-
Tax reform - deferred tax rate change[5]	0.24	(0.02)	-	-	-
Income tax impact of non-GAAP adjustments[6]	(0.14)	(0.06)	(0.11)	(0.16)	(0.04)
Non-GAAP diluted EPS	$ 4.42	$ 5.32	$ 6.07	$ 7.91	$ 10.01

(1) Represents inventory markdown adjustments recorded within cost of sales associated with the decision to exit operations in Mexico.
(2) Represents a price-fixing litigation settlement received in relation to products purchased and sold in prior fiscal years.
(3) Represents charges and subsequent adjustments primarily related to the following restructuring plans: Best Buy Mobile Exit in FY18 and FY19, U.S. Retail Operating Model Changes in FY20, and the Mexico Exit and Strategic Realignment in FY21 and FY22.
(4) Represents charges associated with acquisitions, including (1) the non-cash amortization of definite-lived intangible assets, including customer relationships, tradenames and developed technology, and (2) acquisition-related transaction and due diligence costs, primarily comprised of professional fees.
(5) Represents charges and subsequent adjustments resulting from the Tax Cuts and Jobs Act of 2017 ("tax reform") enacted into law in Q4 FY18, including amounts associated with a deemed repatriation tax and the revaluation of deferred tax assets and liabilities, as well as tax reform-related items announced in response to future tax savings created by tax reform, including a one-time bonus for certain employees and a one-time contribution to the Best Buy Foundation.
(6) Represents the summation of the calculated income tax charge related to each non-GAAP non-income tax adjustment, which is calculated using the statutory tax rates of each country in effect during the period of the related non-GAAP adjustment. There is no income tax charge for Mexico non-GAAP items and a minimal amount of U.S. non-GAAP items, as there was no tax benefit recognized on these expenses in the calculation of GAAP income tax expense.

Best Buy Co., Inc.
Non-GAAP Reconciliation
($ in millions)
(Unaudited and subject to reclassification)

The tables below provide calculations of return on assets ("ROA") (GAAP financial measure) and non-GAAP return on investment ("ROI") (non-GAAP financial measure) for the periods presented. The company believes ROA is the most directly comparable financial measure to ROI. Non-GAAP ROI is defined as non-GAAP adjusted operating income after tax divided by average invested operating assets. All periods presented below apply this methodology consistently. The company believes non-GAAP ROI is a meaningful metric for investors to evaluate capital efficiency because it measures how key assets are deployed by adjusting operating income and total assets for the items noted below. This method of determining non-GAAP ROI may differ from other companies' methods and therefore may not be comparable to those used by other companies.

Return on Assets ("ROA")	**February 3, 2018[1]**	**February 2, 2019[1]**	**February 1, 2020[1]**	**January 30, 2021[1]**	**January 29, 2022[1]**
Net earnings	$ 1,000	$ 1,464	$ 1,541	$ 1,798	$ 2,454
Total assets	14,218	13,240	15,953	18,408	18,743
ROA	**7.0%**	**11.1%**	**9.7%**	**9.8%**	**13.1%**

Non-GAAP Return on Investment ("ROI")	**February 3, 2018[1]**	**February 2, 2019[1]**	**February 1, 2020[1]**	**January 30, 2021[1]**	**January 29, 2022[1]**
Numerator					
Operating income - total operations	$ 1,844	$ 1,900	$ 2,009	$ 2,391	$ 3,039
Add: Non-GAAP operating income adjustments[2]	110	88	116	336	53
Add: Operating lease interest[3]	118	114	113	111	108
Less: Income taxes[4]	(760)	(512)	(548)	(695)	(784)
Add: Depreciation	683	748	740	759	787
Add: Operating lease amortization[5]	665	645	667	665	657
Adjusted operating income after tax	**$ 2,660**	**$ 2,983**	**$ 3,097**	**$ 3,567**	**$ 3,860**
Denominator					
Total assets	$ 14,218	$ 13,240	$ 15,953	$ 18,408	$ 18,743
Less: Excess cash[6]	(2,706)	(1,404)	(831)	(4,071)	(3,055)
Add: Capitalized operating lease assets[7]	3,131	3,032	-	-	-
Add: Accumulated depreciation and amortization[8]	6,125	6,482	6,712	7,114	6,957
Less: Adjusted current liabilities[9]	(7,912)	(7,975)	(7,994)	(9,189)	(10,122)
Average invested operating assets	**$ 12,856**	**$ 13,375**	**$ 13,840**	**$ 12,262**	**$ 12,523**
Non-GAAP ROI	**20.7%**	**22.3%**	**22.4%**	**29.1%**	**30.8%**

(1) Income statement accounts represent the activity for the trailing 12 months ended as of each of the balance sheet dates. Balance sheet accounts represent the average account balances for the trailing 12 months ended as of each of the balance sheet dates.

(2) Includes continuing operations adjustments for tax reform-related items, restructuring charges recorded within costs of sales and SG&A, intangible asset amortization, acquisition-related transaction costs and price-fixing settlements. Additional details regarding these adjustments are included in the Reconciliation of Non-GAAP Financial Measures schedule in this supplemental presentation.

(3) Operating lease interest represents the add-back to operating income to approximate the total interest expense that the company would incur if its operating leases were owned and financed by debt. For periods prior to FY20, the add-back is approximated by using a multiple of 15% of total rent expense. For periods beginning on or after FY20 upon adoption of new lease accounting guidance, the add-back is approximated by multiplying average operating lease assets by 4%, which approximates the interest rate on the company's operating lease liabilities.

(4) Income taxes are calculated using tax rates that approximate the blended statutory rate at the Enterprise level, which is 24.5% for the periods ended on or after February 2, 2019, and 36.7% for the period ended February 3, 2018.

(5) Operating lease amortization represents operating lease cost less operating lease interest. Operating lease cost includes short-term leases, which are immaterial, and excludes variable lease costs as these costs are not included in the operating lease asset balance.

(6) Excess cash represents the amount of cash, cash equivalents and short-term investments greater than $1 billion, which approximates the amount of cash the company believes is necessary to run the business and may fluctuate over time.

(7) Capitalized operating lease assets represent the estimated net assets that the company would record if the company's operating leases were owned. For periods prior to FY20, the asset is approximated by using a multiple of four times total rent expense. For periods beginning on or after FY20 upon adoption of new lease accounting guidance, capitalized operating lease assets are included within Total assets and therefore no adjustment is necessary.

(8) Accumulated depreciation and amortization represents accumulated depreciation related to property and equipment and accumulated amortization related to definite-lived intangible assets.

(9) Adjusted current liabilities represent total current liabilities less short-term debt and the current portions of operating lease liabilities and long-term debt.

Best Buy Co., Inc.
Non-GAAP Reconciliation
($ in millions)
(Unaudited and subject to reclassification)

The table below provides a reconciliation of cash provided by operating activities (GAAP financial measure) to free cash flow (non-GAAP financial measure) for the periods presented. The company believes free cash flow, which measures our ability to generate additional cash from our ongoing business operations, is a relevant supplementary measure for investors in evaluating the company’s financial performance. In addition, it is one factor used by the company in determining the amount of cash available for acquisitions, dividends, share repurchases and other discretionary investments. This method of determining free cash flow may differ from other companies' methods and therefore may not be comparable to those used by other companies.

	FY18	FY19	FY20	FY21	FY22
Cash provided by operating activities	$ 2,141	$ 2,408	$ 2,565	$ 4,927	$ 3,252
Less: Additions to property and equipment, net	(688)	(819)	(743)	(713)	(737)
Free cash flow	**$ 1,453**	**$ 1,589**	**$ 1,822**	**$ 4,214**	**$ 2,515**

Best Buy

FY22 Results and Investor Update