

A message from

Corie Barry, CEO

Dear fellow shareholders,

It is my privilege to update you on Best Buy's performance in fiscal 2024 and share our plans for the year ahead.

First, I want to thank our amazing team of more than 85,000 employees who show up every day with grace, passion and commitment. Despite the continued challenges in the Consumer Electronics (CE) industry and macroeconomy, Best Buy employees continued to show resourcefulness and an unwavering focus on our customers.

This dedication, paired with our disciplined operational execution, allowed us to deliver annual profitability at the high end of our original guidance range despite sales being lower than expected. We drove customer experience improvements in many areas of our business, particularly in services and delivery.

Fiscal 2024 also included improved financial performance from our My Best Buy Memberships™ program and Best Buy Health, with both investments showing an improvement in operating income versus the prior year.

We ended the year with 7 million members across our two-tiered paid membership programs, a 20% increase over the previous year. Paid members consistently show higher levels of interaction with Best Buy and have a comparatively higher spend.

Best Buy Health announced strategic partnerships with Advocate Health, Geisinger Health, and Mass General Brigham, and our "Care at Home platform" is now being used in 8 of the Top 20 health systems in the United States.



In addition, we returned \$1.1 billion to shareholders through dividends and share repurchases in fiscal 2024. In March 2024, we approved a 2% increase in our regular quarterly dividend to \$0.94 per share, which marks the 11th straight year of increasing our dividend.

I'm proud of the many ways we continued to support our employees and provide a workplace focused on inclusion and a culture of belonging. For the second time, Best Buy was named the No. 1 retailer on the JUST Capital list, which evaluates and ranks the largest publicly traded companies in the U.S., in part, on how a company invests in its workers. We remained on the annual Dow Jones Sustainability North America Index for the 12th year, and we landed for the seventh consecutive year on CDP's prestigious Climate A List, which looks at best practices associated with environmental leadership. We're honored to receive external recognition for our efforts to support our employees and the environment.

This progress — in the face of continued challenges — tells me we have the right strategy and the right team to position Best Buy for growth.

Priorities for the year ahead

Looking ahead to fiscal 2025, we will continue to build on that momentum to deliver on our purpose, which is to enrich lives through technology.

Technology has become a necessity in our lives. It can serve us by accomplishing basic tasks, making our lives easier or helping us to unleash our full potential. At the same time, it can be overwhelming and complex.

This is where Best Buy's unique value comes into play. We are the only CE retailer with a full range of products, services and experts who can help customers get the most out of their technology. It's what allows us to pursue our vision: to humanize and personalize technology solutions for every stage of life.

We are optimistic that this year will bring stabilization to the economic landscape and CE industry, and we expect to see a rebound in consumer demand for technology products as manufacturers focus on innovation.

We maintain that our underlying thesis is correct.

1. We believe that much of the growth during the pandemic was incremental, creating a larger install base of technology products in consumers' homes.
2. We expect to see the benefit of the natural upgrade and replacement cycles for the tech bought early in the pandemic to kick in this year and into the next few years.
3. We are returning to a more "normalized" pace of meaningful innovation after a pause during the pandemic.

Taking this into account, our priorities for fiscal 2025 focus on sharpening our customer experiences and industry positioning while maintaining, if not expanding, our non-GAAP operating income rate on a 52-week basis. We're focused on four priorities to make this happen:

1. Invigorate and progress targeted customer experiences.
2. Drive operational effectiveness and efficiency.
3. Continue our disciplined approach to capital allocation.
4. Explore pilot and drive incremental revenue streams.

These will come to life in a variety of ways throughout our entire organization.

Here are a few examples:

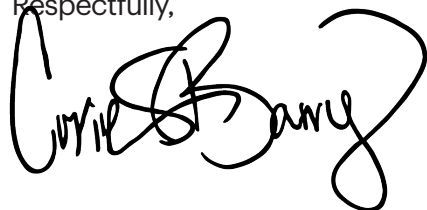
- **Personalization:** We're focused on providing increasingly personalized content for our customers, and one area where we're excited about this work is through our Best Buy Mobile App experience.
- **Store investments:** We plan to touch every store in the chain, improving both our merchandising and ease of shopping for customers. In fiscal 2025, our store related capital investments will be more concentrated on store updates and refreshes and less on major remodels or store openings. In hundreds of stores, we also plan to add back fully dedicated store labor expertise in key categories like appliances, home theater and computing.
- **Leveraging artificial intelligence (AI):** We're using AI in many ways to improve our customer and employee experiences, while also streamlining operations.
- **Operational effectiveness and efficiency:** We will continue our ongoing focus on finding efficiencies in our business. In addition, we recently announced restructuring actions to ensure our resources are directed at the right strategic areas and to right size our model based on current operations.
- **Capital allocation:** We plan to first fund operations and investments in areas necessary to grow our business, and next return excess free cash flow to shareholders through dividends and share repurchases.
- **New revenue streams:** In Canada, we announced a partnership with Bell Canada to operate 165 small-format CE retail stores. Other examples of opportunities we are pursuing include continuing to build out the business case for Geek Squad as a Service and adding vendors to our supply chain Partner+ program.

These are just a few areas of work we're doing to position Best Buy for growth and long-term vibrancy. There's so much more underway, and we're excited for you to see it. By staying focused on our customers, this team has shown over the past several years that we can face challenges head on, learn from them, and adapt in this ever-evolving world. We believe we are putting ourselves in the best position for fiscal 2025 and beyond. As our industry returns to annual growth, we expect to grow our sales and expand our Non-GAAP operating income rate.

I would like to wrap up by once more expressing my appreciation for all the employees at Best Buy. They make this amazing company what it is — and what it will grow to be.

Thank you, shareholders, for the continued trust and support you bestow on us.

Respectfully,

A handwritten signature in black ink, appearing to read "Corie Barry". The signature is fluid and cursive, with a large loop at the end.

Corie Barry, CEO,
Best Buy Co., Inc.

This report contains forward-looking statements. Please refer to "CAUTIONARY STATEMENT PURSUANT TO THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995" in the accompanying Annual Report on Form 10-K for further information.