Investor Update
September 25, 2019
Presentation of financial information:
This presentation includes non-GAAP financial measures, such as non-GAAP operating income, non-GAAP diluted earnings per share ("EPS"), non-GAAP return on investment ("ROI") 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, 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 effort because of the inherent difficulty in predicting the occurrence, the financial impact and the periods in which potential non-GAAP adjustments may be recognized (e.g., restructuring charges; litigation settlements; goodwill impairments; gains and losses on investments; certain acquisition-related costs; and the tax effect of all such items). 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. These statements use words such as “believe,” “assume,” “estimate,” “expect,” “outlook,” “opportunities” 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: competition (including from multi-channel retailers, e-commerce businesses, technology service providers, traditional store-based retailers, vendors and mobile network carriers), our strategic decisions (including those relating to our services and health strategies), our reliance on key vendors and mobile network carriers, our ability to attract and retain qualified employees, risks arising from new legal developments, macroeconomic conditions 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 data breach, our ability to effectively develop and manage new businesses, 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, 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, risks related to our exclusive brand products, risks associated with vendors outside of the U.S. or 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, 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.
## Agenda for today.

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome and strategic overview</td>
<td>Corie</td>
</tr>
<tr>
<td>Driving business outcomes</td>
<td>Mike</td>
</tr>
<tr>
<td>Best Buy Health</td>
<td>Asheesh</td>
</tr>
<tr>
<td>Supply chain</td>
<td>Rob</td>
</tr>
<tr>
<td>Financial discussion</td>
<td>Matt</td>
</tr>
<tr>
<td>15-minute break</td>
<td></td>
</tr>
<tr>
<td>Q&amp;A</td>
<td></td>
</tr>
</tbody>
</table>
Corie Barry
Chief Executive Officer
There are four thoughts we want you to leave with today:

1. Our strategy is the right one, and it is working
2. Delivered well, our strategy will unlock profitable growth
3. We have tangible examples of how our strategy is coming to life for our customers
4. We have set aggressive but achievable targets
We have nearly reached our financial goals, two years ahead of plan.

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY21 Targets*</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$39.4B</td>
<td>$43.0B</td>
<td>$42.9B</td>
</tr>
<tr>
<td><strong>Non-GAAP operating income</strong></td>
<td>$1.7B, 4.4% rate</td>
<td>$1.9–$2.0B, 4.4%–4.6% rate</td>
<td>$2.0B, 4.6% rate</td>
</tr>
<tr>
<td><strong>Non-GAAP diluted EPS</strong></td>
<td>$3.51, 8% 4-year CAGR</td>
<td>$5.50–$5.75, 12%–13% 4-year CAGR</td>
<td>$5.32, 23% 2-year CAGR</td>
</tr>
</tbody>
</table>

*FY21 targets first shared on Sept. 19, 2017. EPS target reflects an update made March 1, 2018, primarily as a result of tax reform.*
And we have accomplished much toward our strategic progress over the past two years.

<table>
<thead>
<tr>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Made meaningful investments in people and benefits</td>
</tr>
<tr>
<td>Grew In-Home Consultation program to more than 600 advisors across the U.S.</td>
</tr>
<tr>
<td>Expanded Total Tech Support to almost 2M members</td>
</tr>
<tr>
<td>Invested significantly in supply chain to improve speed of delivery to customers</td>
</tr>
<tr>
<td>Expanded vendor partnerships, including Amazon, Apple and Google</td>
</tr>
<tr>
<td>Made three acquisitions to advance our health strategy</td>
</tr>
<tr>
<td>Launched Lease-to-Own program</td>
</tr>
<tr>
<td>Achieved $730M in cost reductions</td>
</tr>
<tr>
<td>Increased customer satisfaction across all touchpoints</td>
</tr>
<tr>
<td>Increased share of wallet by 200bps*</td>
</tr>
</tbody>
</table>

* 4-year increase as measured by Best Buy Share of Wallet analysis with data from The NPD Group/Consumer Tracking Service and Best Buy customer data: 2019 vs 2015
This reinforces our investment thesis.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Opportunity-rich environment driven by innovation and customers’ need for help</td>
</tr>
<tr>
<td>2</td>
<td>Market share leader with unique opportunities to drive growth</td>
</tr>
<tr>
<td>3</td>
<td>Proven ability to execute and compete successfully</td>
</tr>
<tr>
<td>4</td>
<td>Significant sources of competitive advantage and differentiation</td>
</tr>
<tr>
<td>5</td>
<td>Unique vendor partnerships that position us as the expert across the broadest CE assortment</td>
</tr>
<tr>
<td>6</td>
<td>Financial strength to invest, with cost-reduction opportunities to help offset investments and pressures</td>
</tr>
<tr>
<td>7</td>
<td>Strong cash flow and attractive return to shareholders</td>
</tr>
<tr>
<td>8</td>
<td>Modest valuation</td>
</tr>
</tbody>
</table>
Therefore, we have set aggressive goals.

**Be one of the best companies to work for in the U.S.**
- Place on *Fortune’s 100 Best Companies to Work For*
- Increase employee engagement
- Enhance leadership development
- Promote diversity and inclusion
- Advance training and recognition

**Double significant customer relationship events to 50M**
- Total Tech Support and other paid memberships
- Homes visited via In-Home Consultation and other services
- Active digital engagement (app)
- Financial services provided
- Senior lives supported

**Deliver continued top- and bottom-line growth over time**
- $50B in revenue
- 5.0% non-GAAP operating income rate
Introducing Building the New Blue: Chapter Two.

RENEW BLUE

FY13–FY18  FY18–FY20  FY20+

Building the New Blue

Chapter Two
Our view of the environment reinforces our confidence in our strategic goals.

- The CE industry is more stable than often perceived.
- Technology innovation continues to ramp up.
- We have a deep understanding of what customers need and have the unique ability to address their needs.
- We have a suite of services that can build deeper customer relationships at scale.
Our view of the environment reinforces our confidence in our strategic goals.

The CE industry is more stable than often perceived.

Technology innovation continues to ramp up.

We have a deep understanding of what customers need and have the unique ability to address their needs.

We have a suite of services that can build deeper customer relationships at scale.
The traditional CE category is steadily growing.

Personal consumption ($ Billion)

Sources: Bureau of Economic Analysis (BEA), Personal Consumption Expenditures (PCE)
CE, appliances and services includes the following categories defined by the BEA: 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.
At the category level, CE is as stable as durable goods.

<table>
<thead>
<tr>
<th></th>
<th>2000–2018</th>
<th>2014–2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CE, appliances and services</strong></td>
<td>+/- 2.8%</td>
<td>+/- 0.8%</td>
</tr>
<tr>
<td>Small, electric household appliances</td>
<td>+/- 2.4%</td>
<td>+/- 0.4%</td>
</tr>
<tr>
<td>Major household appliances</td>
<td>+/- 3.7%</td>
<td>+/- 0.8%</td>
</tr>
<tr>
<td>Televisions</td>
<td>+/- 8.4%</td>
<td>+/- 1.2%</td>
</tr>
<tr>
<td>Photographic equipment</td>
<td>+/- 3.4%</td>
<td>+/- 1.3%</td>
</tr>
<tr>
<td>Personal computers/tablets and peripheral equipment</td>
<td>+/- 3.7%</td>
<td>+/- 1.7%</td>
</tr>
<tr>
<td>Telephone and related communication equipment</td>
<td>+/- 6.1%</td>
<td>+/- 5.1%</td>
</tr>
<tr>
<td><strong>Durable goods</strong></td>
<td>+/- 3.8%</td>
<td>+/- 0.7%</td>
</tr>
</tbody>
</table>

Sources: BEA, PCE
CE, appliances and services includes the following categories defined by the BEA: 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.
Our view of the environment reinforces our confidence in our strategic goals.

- The CE industry is more stable than often perceived
- Technology innovation continues to ramp up
- We have a deep understanding of what customers need and have the unique ability to address their needs
- We have a suite of services that can build deeper customer relationships at scale
Innovation continues to be prolific.

Gaming

8K

5G

Dual-screen computing

Foldable phones

Digital health
Of the top 10 Global R&D expenditure companies, more than half are in the CE business.

- PwC, 2018 Global Innovation 1000 study
50% of consumers are overwhelmed by technology

Source: Kantar U.S. Monitor Survey, 2018
Our view of the environment reinforces our confidence in our strategic goals.

The CE industry is more stable than often perceived.

Technology innovation continues to ramp up.

We have a deep understanding of what customers need and have the unique ability to address their needs.

We have a suite of services that can build deeper customer relationships at scale.
We are the market share leader with significant scale and room to grow.

**CE & appliance retailers share**
- 31% Share position #6-100
- 59% Share position #1-5
- 10% The rest

**Consumer spending**
- $630
  - CE and appliances
    - Products and services
  - Health and other needs disrupted by tech
    - Products and services
- $1,080
  - Total consumer wallet opportunity

Sources: ¹2018 TWICE Top 100 CE Retailers and 2018 TWICE Top 50 Appliance Retailers, Best Buy No. 1 share position; ²BEA, PCE, 2018
Our customers love us when we help them.

Consumers’ most relevant technology needs

- Make my technology do everything it’s supposed to. 66%
- Make sure all my technology works together. 62%
- Help me find the right product for my needs. 62%
- Help me troubleshoot my technology problems. 61%
- Repair my technology quickly and reliably. 59%
- Customize my technology for my specific wants and needs. 59%
- Show me what's possible from technology. 58%
- Personalize my technology support just for me. 49%

We lead the industry in being recognized for our differentiated advice, support and services.

### Key attributes of brand love:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Attribute</th>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exceptional retail fundamentals</td>
<td>No. 1</td>
<td>Industry leader in providing expert and unbiased advice</td>
</tr>
<tr>
<td>2</td>
<td>Seamless customer experience</td>
<td>+200 bps</td>
<td>Improvement in the shopping experience across stores, online, mobile and app</td>
</tr>
<tr>
<td>3</td>
<td>Differentiated support and services</td>
<td>No. 1</td>
<td>Leading the competitive set on providing support and services</td>
</tr>
</tbody>
</table>

Source: Best Buy and Marketing Evolution Brand Health Study, 2017-2019
Done well, significant relationships build brand love and higher revenue over time.

Source: Best Buy and Marketing Evolution Brand Health Study & Sales Linkage Analysis, 2017-2019, represents a rolling 18-month period

People who love the brand spend 1.5X the average customer
Our view of the environment reinforces our confidence in our strategic goals.

- The CE industry is more stable than often perceived
- Technology innovation continues to ramp up
- We have a deep understanding of what customers need and have the unique ability to address their needs
- We have a suite of services that can build deeper customer relationships at scale
Our definition of services spans the customer’s entire technology shopping journey.

**Inspire**
- In-Home Advisors
- System designers
- Digital shopping guide
- Social media guides

**Buy**
- Delivery & installation*
- Extended warranty*
- My Best Buy credit card
- Lease-to-Own

**Enjoy**
- Repair services*
- Total Tech Support*
- GreatCall’s concierge service*
- Office 365/subscriptions

*Included in the Services product revenue category in our SEC filings.
Our purpose remains the same.

To enrich lives through technology
Our strategy leverages our unique combination of tech and touch.

**Our purpose.**
To enrich lives through technology

**How does it come to life?**
By using technology and a high-touch model to meet everyday human needs

**How will we deliver on it?**
By building more and deeper relationships with customers, leveraging our unique assets
We are focused on uniquely meeting everyday needs.

- **Communicating with others**
  - Communication and interaction with others
    - Friends
    - Family
    - Work

- **Household management**
  - Order and security in everyday life for household and reassurance about the future
    - Household operations
    - Security
    - Work
    - Productivity
    - Financial management

- **Entertainment & leisure**
  - Fun, relaxation and enjoyment in life
    - Entertainment
    - Hobbies
    - Vacation

- **Health & wellness**
  - Mental, physical and spiritual health and balance
    - Illness prevention
    - Predictive healthcare
    - Care management

- **Caring for others**
  - Caregiving and support for dependents
    - Seniors
    - Children
    - Pets

- **Personal impact & development**
  - Self-worth, self-identity, personal growth and impact
    - Continuous learning
    - Work
    - Self-development
    - Community engagement
    - Sustainability

*Source: Customer Needs Research, 2019*
Fully addressing needs expands our addressable market.

**Consumer spending**

($ Billion)

- **$450**
  - CE and appliances
    - Products and services

- **$630**
  - Health and other needs disrupted by tech
    - Products and services

- **$1,080**
  - Total consumer wallet opportunity

*Source: BEA, PCE, 2018*
An example of this is moving past selling health products to helping seniors age in their homes.

Current products & services

Addressable products & services

Total

Opportunity is 2X when including services
We are confident our strategy will unlock profitable growth.

**Our purpose.**
To enrich lives through technology

**How does it come to life?**
By using technology and a high-touch model to meet everyday human needs

**How will we deliver on it?**
By building more and deeper relationships with customers, leveraging our unique assets

**Business outcomes.**

- **Better serve existing customers**
  Capture more of existing customers’ spend

- **Capture new demand**
  Get new customers to transact with Best Buy

- **Enter new spaces**
  Add new products and lines of business

- **Build capabilities while maintaining profitability over time**
  Balance investments and efficiencies
Mike Mohan
President and Chief Operating Officer
We are confident our strategy will unlock profitable growth.

Our purpose.
To enrich lives through technology

How does it come to life?
By using technology and a high-touch model to meet everyday human needs

How will we deliver on it?
By building more and deeper relationships with customers, leveraging our unique assets

Business outcomes.

Better serve existing customers
Capture more of existing customers’ spend

Capture new demand
Get new customers to transact with Best Buy

Enter new spaces
Add new products and lines of business

Build capabilities while maintaining profitability over time
Balance investments and efficiencies
We have achieved true multichannel status.

- 70% of the population lives within 10 miles of a Best Buy store
- 40% of online sales are picked up in stores
- 4.4M home visits per year
- All stores shipping online orders
- >80% of online orders ready for store pickup in <30 minutes
- 500K caring center calls with seniors per month
- Online sales are 17% of total domestic revenue
- 93% of online order returns are done in stores
- 2.8M PC-related services performed annually with Geek Squad Remote Support
We have enhanced our customer experience design capabilities.

Our customer experience research found:
• Customers love having us in their homes
• It can be difficult to navigate our multiple offerings

As a result:
• It has been more difficult to build significant relationships
We are moving from a collection of business models...

Yesterday

Store business | Online business | Home business | Services business
... to a model that allows us to customize interactions by market.

**Today**

- Pushed decision-making closer to the customer
- Increased customer and market analytics to enable better localized decisions
- Moved from multiple inputs to “centers of excellence” from which field leaders can request help as needed
- Established market-level key performance indicators

This is the biggest change in how we operate the business since eliminating commission-based compensation 30 years ago.
One way we are doing this is by empowering our market teams.

**Today**

**Positive impact**

- Designed by field leaders so they are empowered to address their communities’ specific customer and employee needs
- Single leader accountable for all store, services, supply chain and in-home activity in their market and able to act on the insights they gather
- Simplification of our field operating structure to speed up decision making
- Broader employee development and career opportunities
Our scale wins at the market level.

| Customer traffic | 2 billion quality visits annually, across stores and online |
| Sales expertise  | Tens of thousands of highly trained sales experts         |
| National support | Nationwide network of cross-trained Geek Squad Agents      |
| In-home capabilities | In-Home Consultation in every market                    |
| Vendor relationships | Proven ability to commercialize new technology with the world’s foremost tech vendors |
| Product fulfillment | Updated network that provides customers choice, control, convenience and speed |
Analytics uncover market-specific growth opportunities.

<table>
<thead>
<tr>
<th>Market A</th>
<th>Market B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PCE growth:</strong> 4.5%</td>
<td><strong>PCE growth:</strong> 4.2%</td>
</tr>
<tr>
<td><strong>Best Buy revenue:</strong> 3.0%</td>
<td><strong>Best Buy revenue:</strong> 0.2%</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td><strong>Growth</strong></td>
</tr>
<tr>
<td>![Growth Icon]</td>
<td>![Growth Icon]</td>
</tr>
<tr>
<td><strong>Market characteristics</strong></td>
<td><strong>Market characteristics</strong></td>
</tr>
<tr>
<td>- Best Buy has stronger customer retention</td>
<td>- Best Buy has strong customer acquisition</td>
</tr>
<tr>
<td>- Online mix lower than national average</td>
<td>- Online mix above national average</td>
</tr>
<tr>
<td>- Large national competition</td>
<td>- Local fragmented competition</td>
</tr>
<tr>
<td><strong>Accelerate growth</strong></td>
<td><strong>Accelerate growth</strong></td>
</tr>
<tr>
<td>![Accelerate Growth Icon]</td>
<td>![Accelerate Growth Icon]</td>
</tr>
<tr>
<td><strong>Market opportunity:</strong> Fulfillment</td>
<td><strong>Market opportunity:</strong> In-Home Advisors and digital presence</td>
</tr>
</tbody>
</table>

Sources: BEA, PCE
Our stores are vital to our market approach.

**From**

- Space challenges for customer experience propositions dependent on store personnel e.g., fulfillment
- Department- and category-based space allocation
- Store updates expensive and time consuming

**To**

- Evolve points of presence in most dense markets and increase use of technology
- More experience-based environments, in partnership with vendors, to address customer needs
- Flexible and more cost effective floorplans showcase new technology
Winning the home is also key to our strategy.
The cornerstone of the in-home experience is our people.

**Geek Squad Agents**
More than 5,800 trained Agents and installers supporting the in-home experience today

**In-Home Advisors**
More than 600 advisors trained on all product categories

**System Designers**
900 designers trained in premium home theater and custom installation
The customer is more engaged with Best Buy when they have had an In-Home Consultation.

- 95% will continue working with their In-Home Advisor
- Shop more categories and shop multichannel
- Frequency of visits after a consultation is higher
- NPS® is 1,750bps higher than our average customer
- Spend more than similar customers who purchased same product without an In-Home Advisor

Source: Best Buy NPS® transactional survey
We will continue to invest in technology to “clienteles” at scale.

Yesterday

- Manual processes, employee-driven, store has to process sale
- Pen and paper
- Customer information leveraged for personalized marketing

Today

- Customer-driven online consultation scheduling, mobile point of sale
- Digital customer collaboration tools
- Professional advisor enabled, customer relationship management (CRM) system
For example, we are leveraging human-centered design to enhance the proposal process.
And new digital tools help advisors spend more time with customers and less time transacting.

In-Home Advisor - digital notebook with integration into CRM system
Another way we are building significant relationships is through Total Tech Support.

<table>
<thead>
<tr>
<th>$199.99 yearly membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited tech support</td>
</tr>
<tr>
<td>20% off Geek Squad Protection and AppleCare</td>
</tr>
<tr>
<td>Internet security software</td>
</tr>
<tr>
<td>Only $49.99 for standard in-home services</td>
</tr>
<tr>
<td>20% off repairs and advanced services</td>
</tr>
<tr>
<td>Many services included with membership</td>
</tr>
</tbody>
</table>
Customer feedback is excellent.

Top three reviews themes of Total Tech Support:

1. **Price of the service is worth it**
   “Well worth the price”

2. **Positive experience**
   “Great service provided by Geek Squad”

3. **Helpfulness**
   “Good phone and in-person support”

*4.6 Customer rating*

![Customer rating stars](image-url)
Total Tech Support memberships are increasing quickly.

- 200K (May 2018)
- 1M+ (January 2019)
- ~2M (September 2019)
We will build on early success, delivering more benefits and features to engage our members.

<table>
<thead>
<tr>
<th>Great results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geek Squad fulfilled nearly 4M services for Total Tech Support customers</td>
</tr>
<tr>
<td>Members spend 7% more than non-members</td>
</tr>
<tr>
<td>Members use other services 2X more than non-members</td>
</tr>
<tr>
<td>When attached to home theater or appliance purchases, cross-category shopping increases nearly 30%</td>
</tr>
</tbody>
</table>

| Enhanced and premium features | More relevant and personalized communications | Increased self-service capabilities | Better integration with members’ existing technology |

More to come
We have millions of engaged My Best Buy members but a history of too many offerings.

- The central feature of the program is the ability to earn certificates based on spend
- Enables personalization in marketing vehicles and all channels
We will evolve customer memberships.

Today

- Dozens of independent offerings
- One size fits all, static offerings
- Economics of offers managed independently of each other

Tomorrow

- Integrated paid and free offerings
- Personalized approach based on what we know about our customers
- Membership economics managed holistically, at the customer level
We are confident our strategy will unlock profitable growth.

**Our purpose.**
To enrich lives through technology

**How does it come to life?**
By using technology and a high-touch model to meet everyday human needs

**How will we deliver on it?**
By building more and deeper relationships with customers, leveraging our unique assets

**Business outcomes.**

- **Better serve existing customers**
  Capture more of existing customers’ spend

- **Capture new demand**
  Get new customers to transact with Best Buy

- **Enter new spaces**
  Add new products and lines of business

- **Build capabilities while maintaining profitability over time**
  Balance investments and efficiencies
We will capture demand by attracting new customers.

Lease-to-Own

Evolving partnerships

[Images of people interacting and logos of HomeAdvisor and Amazon]
Lease-to-Own provides another way for customers to have a relationship with us.

For customers:
- Enables purchase for those unable to obtain the My Best Buy credit card
- Provides solution for those who do not want a credit card

For Best Buy:
- Allows us to help customers make purchases they might not otherwise be able to
- Incremental revenue with no financial liability
Early feedback from customers is encouraging.

- 92% of customers found the application process easy
- 80% felt it improved their perception of Best Buy
- 75% felt the service met their expectations

Early learnings

- Approximately 65% of customers are new to, or have re-engaged with, Best Buy
- Significant number of customers paying off purchase in first 90 days
- Because it improves confidence of our associates, Lease-to-Own also results in a lift to My Best Buy credit card applications

Customer feedback:

“...The application process was easy and the terms are very flexible. The option to pay off within 90 days for me is one of the best parts.”

“I ran over my MacBook Pro and didn’t have the money to purchase a new one. It’s made my life much better. Thanks guys!”

“I became very emotional, almost to tears, because we could finally get our son the computer he needed for school.”
Lease-to-Own customers skew to younger generations and the product mix is diverse.

Customer mix*

- Gen Z
- Gen X
- Millennial
- Boomer

Product mix*

- Computing
- Home theater
- Mobile
- Appliances
- All other categories

*Timeframe is March – July 2019
We expect the program to build over time as part of our broader purchasing options.

- Launched in 36 states in March 2019, nine more states in October
- Coming to BestBuy.com in 2020
- Continuing to improve customer experience at point-of-sale
Here are four key takeaways from our strategy to better serve existing customers and capture new demand.

1. Our new operating model will leverage deeper analytics and our unique assets to increase brand love and grow significant relationships at all touchpoints with our customers at a market level.

2. Winning the home is key to our strategy of creating more significant relationships and needs the expertise, people, processes and technology that we have invested in.

3. Paid and free memberships oriented around the overall customer relationship will drive significant relationship growth.

4. We have many new areas to capture demand, from new vendor partnerships to our Lease-to-Own purchasing option.
We are confident our strategy will unlock profitable growth.

**Our purpose.**
To enrich lives through technology

**How does it come to life?**
By using technology and a high-touch model to meet everyday human needs

**How will we deliver on it?**
By building more and deeper relationships with customers, leveraging our unique assets

**Business outcomes.**

- **Better serve existing customers**
  Capture more of existing customers’ spend

- **Capture new demand**
  Get new customers to transact with Best Buy

- **Enter new spaces**
  Add new products and lines of business

- **Build capabilities while maintaining profitability over time**
  Balance investments and efficiencies
Asheesh Saksena
President, Best Buy Health
We will address these key questions today.

- Who is our customer and what problem do we seek to address? How large and significant is that problem?
- How are we addressing that problem? Why are we uniquely qualified to do that? How far along are we in this pursuit?
- How large could this get? What would it take to get there?
Managing health addresses essential, everyday needs.

- **Communicating with others**: Communication and interaction with others
- **Household management**: Order and security in everyday life for my household and reassurance about the future
- **Entertainment & leisure**: Fun, relaxation and enjoyment in life
- **Health & wellness**: Mental, physical, and spiritual health and balance
- **Caring for others**: Caregiving and support for dependents
- **Personal impact & development**: Self-worth, self-identity, personal growth and impact
The first step in our health strategy starts with bringing the best health tech to market.

- The health tech category is a $50B addressable market

### Senior tech
- greatcall
- MEDICAL GUARDIAN
- Cubii
- BLUESTAR
- SMARTBURNER
- ZVOX
- SOUNDWEAR®
- LifeAssist Technologies

### Baby tech
- marpac
- Fisher-Price
- Safety 1st
- nanit
- Hatch Baby
- Halo
- bluesmart

### Fitness tech
- THERAGUN
- wahoo
- Samsung
- fitbit
- GARMIN
- HYPRICE
- hydrow
- TRX
- NordicTrack
- FLY
- PRO-FORM
- NORMATEC

### Family health
- tytocare
- ONE DROP
- withings
- pillsy
- DARIO
- kinsa
- BOSE

Sources: CTA, IBISWorld, US Chamber of Commerce, internal analysis
The healthcare industry is going through a structural transformation that is unlocking new possibilities.

<table>
<thead>
<tr>
<th>Emergence of home as care site</th>
<th>Sharply aging population</th>
<th>Changing business model</th>
<th>Steadily changing mindset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology is making it possible to make a home a node in the healthcare delivery architecture</td>
<td>10,000 people turn 65 every day</td>
<td>With payments getting tied to “value delivered,” reducing cost to serve while improving outcomes is essential</td>
<td>Consumers seeking greater control over health-related matters and caregiving</td>
</tr>
<tr>
<td></td>
<td>Two out of three seniors live with two or more chronic conditions</td>
<td></td>
<td>Regulators offering new reimbursement models to support those needs</td>
</tr>
</tbody>
</table>

Source: Pew Research Center, National Council on Aging
We enable seniors to live longer in their own homes with the help of technology and support.

54M seniors in 2023\(^1\)

90% want to stay at home\(^2\)

Source: \(^1\)The Demographics Research Group, from the Weldon Cooper Center for Public Service, at the University of Virginia; \(^2\)AARP Public Policy Institute
Our strategy builds this business in measured steps, aligning capabilities with opportunities.

1. Curate and sell health tech
2. Scale remote monitoring-based solutions
3. Add care coordination services as a standard benefit within insurance plans

Channels to reach: Consumer, Commercial
Our strategy needed an infusion of capabilities.

<table>
<thead>
<tr>
<th>Best Buy had:</th>
<th>Best Buy needed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access in the home</td>
<td>Healthcare-specific talent</td>
</tr>
<tr>
<td>Agnostic tech sourcing</td>
<td>Experience serving seniors</td>
</tr>
<tr>
<td>Customer touchpoints</td>
<td>Monitoring platform and predictive algorithms</td>
</tr>
<tr>
<td>Supply chain infrastructure</td>
<td>Market access into commercial health sector</td>
</tr>
<tr>
<td>Strong balance sheet</td>
<td>Base of business to build from</td>
</tr>
</tbody>
</table>
This led to important acquisitions that added capabilities needed to scale.

**greatcall**
- Strong management team with expertise in serving seniors and caregivers
- Industry-leading remote-monitoring platform with peer-reviewed savings
- Fast-growing, recurring revenue business

**CST**
- Provides everyday support and solutions to seniors for no charge, paid for by insurance companies
- Roughly 100K seniors served on behalf of leading insurers, providers and senior living facilities
- Select large insurers have added CST services as a standard benefit with their insurance plans

**BioSensics**
- Builds predictive health solutions for seniors, e.g., fall risk estimation
- Acqui-hired Boston-based team of data scientists and engineers
- Also acquired platform, algorithms and IP for predictive monitoring

**Key Statistics**
- 2006 Founded
- $300M+ Annual revenue
- ~1M Seniors
- 1,200 Employees
- 3* Caring Centers

*Third caring center opens later this year in San Antonio*
Armed with the capabilities we needed, we started to unlock the next step in our strategy.

1. Curate and sell health tech
2. Scale remote monitoring-based solutions
3. Add care coordination services as a standard benefit within insurance plans

Channels to reach
Remote monitoring is a vital technology that provides meaningful insights on daily living.

Our leading monitoring capability
Geek Squad installs and supports Lively Home monitoring solutions in the homes of seniors, paid for by payers/providers.

Designed with seniors in mind
Passive monitoring with unobtrusive sensors (e.g., in bed, on refrigerator) does not require any change in everyday living.

Enables improved and timely care
Lively Home platform runs algorithms on data streams from sensors to provide artificial intelligence-driven insights to the care team.

Delivers tangible and proven results
Peer-reviewed publications affirm the potential for material reduction in cost to serve using the Lively Home solution.

1Reduced Healthcare Use and Apparent Savings with Passive Home Monitoring Technology: A Pilot Study 2017. Michael Finch, PhD, Kristen Griffin, MA, MPH, and James T. Pacala, MD, MS
The market potential for remote monitoring-based solutions is significant.

- Our monitoring-based solutions can deliver 16%-25% savings in cost to serve frail seniors
- With $55B spend, this savings is sizeable for insurance companies
- We charge a monthly recurring fee, per senior, to insurance companies for providing this service

Source: McKinsey, GreatCall-Fallon Study
With core capabilities now in place, we have started adding additional services to help seniors age at home.

1. Curate and sell health tech
2. Scale remote monitoring-based solutions
3. Add care coordination services as a standard benefit within insurance plans

Channels to reach:
- Consumer
- Commercial
Coordinating care across the everyday needs of seniors is vital and we have begun to address this imperative.

- Coordinating care across these “social determinants of health” is a growing need that CST supports
- Anthem, Centene and Molina already offer one of our services as a plan benefit
- We charge insurers a per-senior monthly recurring fee to provide these services
Goal: serve 5 million seniors in 5 years
We are confident our strategy will unlock profitable growth.

Our purpose.
To enrich lives through technology

How does it come to life?
By using technology and a high-touch model to meet everyday human needs

How will we deliver on it?
By building more and deeper relationships with customers, leveraging our unique assets

Business outcomes.

Better serve existing customers
Capture more of existing customers’ spend

Capture new demand
Get new customers to transact with Best Buy

Enter new spaces
Add new products and lines of business

Build capabilities while maintaining profitability over time
Balance investments and efficiencies
We have many reasons to transform our supply chain.

- Customer expectations for convenience and speed
- Quickly evolving competitive environment
- Efficiency opportunities
- Product innovation and evolving product mix
We have made progress since 2017.

<table>
<thead>
<tr>
<th>What we said:</th>
<th>What we accomplished:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand automation:</td>
<td>• Seven automated storage and retrieval systems</td>
</tr>
<tr>
<td>• Introduce automated storage and retrieval systems to our regional distribution centers, along with an automated packaging solution</td>
<td>• Three automated packing systems</td>
</tr>
<tr>
<td>Add market e-commerce centers</td>
<td>• Three market e-commerce centers, in Chicago, Los Angeles and New York</td>
</tr>
<tr>
<td>• Stand up new small-footprint fulfillment centers in dense markets</td>
<td></td>
</tr>
<tr>
<td>Continue evolution of partner strategies and store fulfillment</td>
<td>• Five new final-mile carrier solutions</td>
</tr>
<tr>
<td>• Leverage partnerships, along with existing store capabilities to improve level of service</td>
<td>• 42 same-day delivery markets</td>
</tr>
<tr>
<td></td>
<td>• Significant investments to improve customers’ store pickup experience</td>
</tr>
</tbody>
</table>
We have made progress since 2017.

<table>
<thead>
<tr>
<th>What we said:</th>
<th>What we accomplished:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Add new distribution centers and expand existing ones to support growth&lt;br&gt;• Optimize delivery-pad network to support growth and improve speed and customer experience</td>
<td>• Increased space by 3.3M square feet, adding more than 750 new dock doors&lt;br&gt;• Relocated/expanded nine distribution centers&lt;br&gt;• Two new distribution centers&lt;br&gt;• Eight new delivery pads</td>
</tr>
<tr>
<td><strong>Space expansion</strong></td>
<td><strong>Improved customer experience</strong></td>
</tr>
<tr>
<td>• Develop standardized, integrated and highly executable processes&lt;br&gt;• Redesign end-to-end customer communication process&lt;br&gt;• Develop a centralized, data-driven model to enable continuous improvement</td>
<td>• Aligned with customer needs, focusing on when, where and how they want to be engaged&lt;br&gt;• Significantly improved speed to customer&lt;br&gt;• J.D. Power Appliance Retailer Satisfaction Award winner for three consecutive years</td>
</tr>
</tbody>
</table>
Our transformation leverages tech and touch.

Right talent and organizational structure

Improved technology and updated software

State-of-the-art material-handling equipment

New fulfillment venues

Final-mile collaboration

Optimized network
We are getting faster and better.

**Store pickup**
- NPS® improved **345 bps YoY**

**Automation driving**
- ↑20% in productivity

**E-commerce orders**
- filled next calendar day 100% YoY increase

**80% of Best Buy customers**
- live in a ZIP code where **next-day** is available

**Same-day delivery**
- is available in **42 markets**

**E-commerce shipping**
- NPS® ↑**438 bps YoY**

**Home delivery**
- NPS® improved **570 bps YoY**
- volume grew **23% YoY**

**Appliance returns**
- ↓180 bps YoY

**E-commerce package volume**
- ↑12% YoY

Source: Best Buy NPS® transactional survey
We will continue to innovate with a commitment to “customer first.”

- We are nearing completion of the transformation roadmap we began in 2017
- Future investment will continue the focus on customer choice, control, convenience and speed
  - Next-day coverage for 95% of customers by Q4 FY20
  - Curbside and locker fulfillment
  - Later shipping cutoff times
  - Fulfillment as a service to others
Matt Bilunas
Chief Financial Officer
We are confident our strategy will unlock profitable growth.

**Our purpose.**
To enrich lives through technology

**How does it come to life?**
By using technology and a high-touch model to meet everyday human needs

**How will we deliver on it?**
By building more and deeper relationships with customers, leveraging our unique assets

**Business outcomes.**

- Better serve existing customers
  - Capture more of existing customers’ spend

- Capture new demand
  - Get new customers to transact with Best Buy

- Enter new spaces
  - Add new products and lines of business

- Build capabilities while maintaining profitability over time
  - Balance investments and efficiencies
We have been improving our ROI while increasing capital spend.

Enterprise Capital Spend per Year ($ Million) and non-GAAP Return on Investment (ROI)

FY14: $547 (15.8% Technology/Digital, 18.2% Stores, 18.8% Supply chain, 20.7% Total, 22.3% ROI)
FY15: $561 (17.9% Technology/Digital, 18.2% Stores, 18.8% Supply chain, 20.7% Total, 22.3% ROI)
FY16: $649 (18.2% Technology/Digital, 18.2% Stores, 18.8% Supply chain, 20.7% Total, 22.3% ROI)
FY17: $580 (18.8% Technology/Digital, 18.2% Stores, 18.8% Supply chain, 20.7% Total, 22.3% ROI)
FY18: $688 (20.7% Technology/Digital, 18.2% Stores, 18.8% Supply chain, 20.7% Total, 22.3% ROI)
FY19: $819 (22.3% Technology/Digital, 18.2% Stores, 18.8% Supply chain, 20.7% Total, 22.3% ROI)
FY20 (est.): $750–$800
FY21–FY25 (est.): $800–$1,000

Legend:
- Technology/Digital
- Stores
- Supply chain
- Total
- ROI
We will continue to balance investments with future cost savings and efficiencies.

**Investments**
- People
- Technology
- Pricing
- Stores
- Fulfillment
- Partnerships and acquisitions

**Cost reductions**
- Process improvements
- Optimized spend
- Automation
- Structural costs
We will continue to invest in our people.

**People imperatives:**

- **Talent**
  - Develop leaders, building skillsets that support transformative ways of working

- **Inclusive culture**
  - Infuse inclusive leadership attributes across organization with goal to improve diversity

- **Employee experience**
  - Enhance employee journeys from hire to retire that connect to our purpose

- **Learning and development**
  - Build technology-driven, skill-based platforms to enable continuous learning environment

- **Change-ready workforce**
  - Strengthen transformation mindset and embed agile methodologies

- **Competitive wages, benefits and flexible working arrangements**
  - Create flexibility in roles and schedules, combined with pay and benefits designed to meet individual needs

**Awards:**
- America’s Best Employers for Women, *Forbes* (No. 7)
- Top-rated Workplaces, Indeed (No. 39)
- Perfect rating and Best Places to Work for LGBTQ Equality, Human Rights Campaign
Technology investments will play a key role in accelerating our business outcomes.

**Technology priorities:**

- Technology product teams
- Innovative, modular technology
- Unleashing the power of our data
- Engineering toolsets and automation
- Strategic partnerships

- Accelerate impactful and innovative ways of working
- Optimize platforms for great experiences and rapid iteration
- Democratize data and expand use of artificial intelligence
- Deliver better engineering quality, agility and efficiency
- Accelerate strategy via new technology and external partnerships
We will continue to invest in retail fundamentals, including pricing and promotions.

Key attributes of brand love:

1. Exceptional retail fundamentals
   - Offers competitive prices
   - Is committed to giving me value

2. Seamless customer experience

3. Differentiated support and services

We do this through:

- Pricing and promotions
- Memberships and service offerings
- Product fulfillment choice
- Marketing
We will continue to balance investments with future cost savings and efficiencies.

**Investments**
- People
- Technology
- Pricing
- Stores
- Fulfillment
- Partnerships and acquisitions

**Cost reductions**
- Process improvements
- Optimized spend
- Automation
- Structural costs
We have a proven cost-reduction track record.

Renew Blue Phase 1 = $1B

Renew Blue Phase 2 = $400M

Building the New Blue = $700M+

$2.1B in cost savings since Q4 FY13

Cost-saving initiatives impacting gross profit and SG&A, including:

- Eliminated non-strategic activities
- Streamlined the organization
- Lowered margin erosion
- Consolidated and competitively bid contract spend
- Promoted and priced effectively
- Reduced returns and liquidated more effectively
- Optimized IT spend
Our new cost-savings target is $1B over the next 5 years.

$1B annualized cost savings by the end of FY25

Cost savings will come from both COGS and SG&A:

- Flexible workforce model
- Technology and automation-driven solutions
- Returns and reverse logistics
- Promotional and pricing effectiveness
- Optimized third-party spend
Financial discussion
We have a strong track record of delivering results.

**Enterprise comparable sales (%)**
- FY14: (1.0)
- FY15: 0.5
- FY16: 0.5
- FY17: 0.3
- FY18: 5.6
- FY19: 4.8
- FY20 est.: 0.7-1.7

**Enterprise non-GAAP operating income rate (%)**
- FY14: 2.7
- FY15: 3.6
- FY16: 3.8
- FY17: 4.4
- FY18: 4.6
- FY19: 4.6
- FY20 est.: 4.6+

**Non-GAAP diluted EPS ($)**
- FY14: 1.88
- FY15: 2.52
- FY16: 2.67
- FY17: 3.51
- FY18: 4.42
- FY19: 5.32
- FY20 est.: 5.60-5.75

**5-year total shareholder return (%)**
- S&P average: 77
- Top quartile: 125
- Best Buy: 134

---

1 5-year Total Shareholder Return (TSR) as of August 30, 2019; Sourced from Bloomberg Total Returns from August 30, 2014 through August 30, 2019; Calculated as the return resulting from the difference in share price plus cumulative re-invested dividends; S&P Average is the TSR of the average TSR returning company in the S&P 500.
Our outlook for FY20 follows a similar trend.

- Enterprise comparable sales growth of 0.7%-1.7%
- Enterprise non-GAAP operating income rate flat to slightly up from 4.6% rate in FY19
- Non-GAAP diluted EPS of $5.60-$5.75, or growth of 5%-8%
- Share repurchases of $750M-$1B and a quarterly dividend of $0.50 per share
We generate consistent, strong free cash flow.

Enterprise free cash flow
($ Million)

Annual average of $1.4B+ the last 5 fiscal years

FY14: $547
FY15: $1,374
FY16: $694
FY17: $1,977
FY18: $1,453
FY19: $1,589
Our capital allocation strategy is unchanged.

- Reinvest in the business to drive growth
- Pursue partnerships and M&A to support our strategy
- Continue to be a premium dividend payer, targeting a 35%–45% payout ratio
- Return excess free cash flow over time through share repurchases
We have returned significant capital to investors.

$7B since FY16

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary dividends</th>
<th>Special dividends</th>
<th>Share repurchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
<td>$233</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td>$251</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>$1,499</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY17</td>
<td>$1,256</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY18</td>
<td>$2,418</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY19</td>
<td>$2,002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY20 (est.)</td>
<td>$1,250–$1,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our FY25 financial targets.

**Enterprise revenue** $50B
2.9% 5-year CAGR*

- $43.1B–$43.6B
- $50.0B

**Growth areas**
- Better serve existing customers
- Capture new demand
- Enter new spaces
- Build capabilities while maintaining profitability over time

**Cost-reduction goal** $1B

**Investments**
- People
- Technology
- Pricing
- Stores
- Fulfilment
- Partnerships and acquisitions

5.0% non-GAAP operating income rate

- 4.6%+
- 5.0%

**Assumptions**
- Store count does not materially change
- Our capital allocation strategy is unchanged
- Growth may not be linear
- No material changes to FY20 effective tax rate
- Impact of tariffs normalizes over time

* CAGR calculated from the midpoint of our FY20 guidance
Conclusion
We have the right strategy to achieve our goals.

**Be one of the best companies to work for in the U.S.**
- Place on *Fortune’s 100 Best Companies to Work For*
- Increase employee engagement
- Enhance leadership development
- Promote diversity and inclusion
- Advance training and recognition

**Double significant customer relationship events to 50M**
- Total Tech Support and other paid memberships
- Homes visited via In-Home Consultation and other services
- Active digital engagement (app)
- Financial services provided
- Senior lives supported

**Deliver continued top- and bottom-line growth over time**
- $50B in revenue
- 5.0% non-GAAP operating income rate
Here are the four thoughts we want you to leave with today:

1. Our strategy is the right one, and it is working
2. Delivered well, our strategy will unlock profitable growth
3. We have tangible examples of how our strategy is coming to life for our customers
4. We have set aggressive but achievable targets
The following information provides reconciliations of the most comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the U.S. (“GAAP”) 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, gains and losses on investments, 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 differ from other companies’ methods and therefore may not be comparable to those used by other companies.

The following tables reconcile operating income and diluted earnings per share (“EPS”) from continuing operations (GAAP financial measures) for the periods presented to non-GAAP operating income and non-GAAP diluted EPS from continuing operations (non-GAAP financial measures) for the periods presented.

<table>
<thead>
<tr>
<th>Enterprise - Continuing Operations</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income as a % of revenue</td>
<td>2.8%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>4.7%</td>
<td>4.4%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.5%</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Intangible asset amortization</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Net CRT/LCD settlements</td>
<td>(0.6%)</td>
<td>0.0%</td>
<td>(0.2%)</td>
<td>(0.4%)</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Tax reform-related item - employee bonus</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Non-GAAP operating income as a % of revenue</td>
<td>2.7%</td>
<td>3.6%</td>
<td>3.8%</td>
<td>4.4%</td>
<td>4.6%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

*Note - percentages may not foot due to rounding*
The tables below provide calculations of return on total assets ("ROA") (GAAP financial measure) and non-GAAP return on investment ("ROI") (non-GAAP financial measure) for the periods presented. Prior to Q3 FY20, the company provided a calculation of non-GAAP return on invested capital ("ROIC") that was defined as non-GAAP net operating profit after tax divided by average invested capital. Beginning in Q3 FY20, the company will provide a calculation of non-GAAP ROI, 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 ROI more accurately measures how key assets are deployed by utilizing a cash-flow based methodology to evaluate capital efficiency. 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")

<table>
<thead>
<tr>
<th></th>
<th>February 1, 2019</th>
<th>February 3, 2019</th>
<th>February 2, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings including noncontrolling interests</td>
<td>$1,235 $</td>
<td>$1,000 $</td>
<td>$1,464 $</td>
</tr>
<tr>
<td>Total assets</td>
<td>$14,774 $</td>
<td>$13,536 $</td>
<td>$12,856 $</td>
</tr>
<tr>
<td>ROA</td>
<td>8.1%</td>
<td>6.1%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

### Non-GAAP Return on Investment ("ROI")

<table>
<thead>
<tr>
<th></th>
<th>February 1, 2019</th>
<th>February 3, 2019</th>
<th>February 2, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating income after tax</td>
<td>$2,979 $</td>
<td>$2,660 $</td>
<td>$2,979 $</td>
</tr>
<tr>
<td>Denominator</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$14,774 $</td>
<td>$13,536 $</td>
<td>$12,856 $</td>
</tr>
<tr>
<td>Average invested operating assets</td>
<td>$13,375 $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP ROI</td>
<td>22.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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 in costs of goods sold and operating expenses, acquisition-related costs, net CRT/LCD settlements, other Canada brand consolidation charges in SG&A, the Best Buy Europe transaction costs and a discontinued operations adjustment for a gain on a property sale.

(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. Historically, the company used an add-back multiple of 30% of annual rent expense; however, following the adoption of new lease accounting guidance in Q1 FY20 that resulted in the recognition of operating lease assets and operating lease liabilities on the balance sheet, the multiple was lowered to 15% and prior periods have been updated to reflect this change.

(4) Income taxes are calculated using tax rates that approximate the blended statutory rate at the Enterprise level, which is 38% for all periods ended on or prior to January 28, 2017, 36.7% for the period ended February 3, 2018, and 24.5% for the period ended February 2, 2019.

(5) Operating lease amortization represents the annual portion of capitalized operating lease assets less operating lease interest.

(6) Excess cash represents the amount of cash, cash equivalents and short-term investments greater than $1 billion.

(7) Capitalized operating lease assets represent the estimated net assets that the company would record if the company's operating leases were owned. Historically, the company used a multiple of five times annual rent expense; however, following the adoption of new lease accounting guidance in Q1 FY20 that resulted in the recognition of operating lease assets and operating lease liabilities on the balance sheet, the multiple was lowered to four times annual rent expense and prior periods have been updated to reflect this change.

(8) Non-financial current liabilities represent total current liabilities less the current portions of operating lease liabilities and long-term debt.
The table below provides a reconciliation of cash provided by operating activities from total operations (GAAP financial measure) to free cash flow from total operations (non-GAAP financial measure) for the periods presented. 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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$1,094</td>
<td>$1,935</td>
<td>$1,343</td>
<td>$2,557</td>
<td>$2,141</td>
<td>$2,408</td>
</tr>
<tr>
<td>Less: Additions to property and equipment, net</td>
<td>(547)</td>
<td>(561)</td>
<td>(649)</td>
<td>(580)</td>
<td>(688)</td>
<td>(819)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$547</td>
<td>$1,374</td>
<td>$694</td>
<td>$1,977</td>
<td>$1,453</td>
<td>$1,589</td>
</tr>
</tbody>
</table>

(1) Balances remain as originally reported and do not reflect the immaterial impacts of the adoption of the following Accounting Standards Updates ("ASUs") in Q1 FY18: ASU 2016-09, Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting; ASU 2016-15, Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments; and ASU 2016-18, Statement of Cash Flows: Restricted Cash.