A message from

Corie Barry, CEO

Dear fellow shareholders,

Fiscal 2022 was another record year for Best Buy. Our leaders continued to drive new ways of operating and our employees worked tirelessly to support our customers' technology needs in knowledgeable, fast and convenient ways helping us produce record revenue and earnings.

The safety and well-being of our employees and customers was again incredibly important for us throughout the year as we navigated the prolonged impacts of the pandemic while taking significant steps towards building our future.

When we entered the year, we discussed three concepts that we believe are permanent and structural implications of the pandemic, and that continue to shape our strategic priorities and investments.

- Customer shopping behavior will be permanently changed in a way that is even more digital and puts customers entirely in control to shop how they want. Our strategy is to embrace that reality, and to lead — not follow.
- Our workforce needs to evolve in a way that meets the needs of customers while providing more flexible opportunities for our employees.
- Technology is a need and is playing an even more crucial role in peoples' lives.

Our purpose to enrich lives through technology is more relevant today than ever and represents the basis for how we deliver value to our customers, employees, shareholders, and the communities we live in. Technology is a necessity that is expanding into all parts of our lives and homes. The ways we work, stream content, monitor our health from the comfort of our homes, or watch the metaverse come to life have forever changed us.

And while we started as a music retailer selling fun-to-have products, we are now focused on delivering our vision to personalize and humanize technology solutions for every stage of life. While others sell some of the same products we do, we alone offer the complete technology solutions and support, across manufacturers and operating systems. We are the only company, in all channels and at scale, that can inspire you with technology's possibilities, design your personalized solutions, install and connect all of it, keep it working when issues arise and help you responsibly get rid of it when it is no longer needed. These strengths appeal not only to our customers, but they are also unique and investable for our technology vendors, marketing partners, small business and education relationships, and other strategic connections.

In fiscal 2022, we not only sharpened our view of what it takes to deliver on our purpose in this evolving landscape, we took meaningful steps in advancing the priorities that support it.

We piloted numerous store formats to test and learn, helping frame our approach to our store portfolio and customer experiences. We

introduced new technology tools designed to support both our customers and our employees. We launched a bold new membership program called Best Buy Totaltech that significantly elevates our customer experience. We elevated our focus on our existing advertising business, building new capabilities to help vendors effectively reach our customers. And we acquired two companies, Current Health and Yardbird, that provide assets critical to the execution of our long-term strategy.

Our employees did an amazing job throughout the year, expertly managing an ever-changing environment to bring in products our customers needed. In fiscal 2022, we reached our fastest package delivery speeds ever and are now an industry leader in fast and convenient product fulfillment for our customers. In fact, the percent of online orders we delivered in a single day was twice as high as pre-pandemic levels — even as our online revenue was 34% of our domestic revenue and up 115% compared to two years ago.

These strong results were made possible by the investments we made in the last several years in supply chain, store operations, technology and, most importantly, our people.

Make no mistake, our amazing associates across the company were the driving force behind these results. Over the past 24 months, they have flexibly dealt with rapidly changing store operations as we responded to impacts from the pandemic, created safe environments for our customers and provided excellent service. In fact, despite all the changes throughout the year, we delivered improved customer satisfaction scores both online and in our stores. I am truly grateful for, and continue to be impressed by, our associates' dedication, resourcefulness and flat-out determination.

Investing in our people, from their careers to their well-being, is more important than ever. We increased our average wage rate 20% in the last two years by raising our minimum wage to $15 an hour and shifting some of our employees into higher-skilled and higher-paying roles. In fact, the average wage for our field employees is now more than $18 an hour. And since we started our flexible workforce initiative in 2020, 80% of our talented Retail Store associates are now skilled to support multiple jobs inside our stores, providing them the opportunity to gain new skills, further their careers and create an amazing customer experience.

We continue to invest in benefits designed to support our employees and their loved ones in all aspects of their well-being including physical, mental, financial, and work-life balance. We implemented six weeks of paid leave for physical or mental health reasons, which combines with Caregiver Pay to provide extended pay during maternity leave. We expanded our caregiver support benefits and leveraged our HOPE Fund to provide financial assistance to employees going through difficult times. We also maintained our focus on pandemic-related benefits by providing COVID testing and sick pay, encouraged vaccinations through time off and cash awards, and conducted onsite vaccination and flu clinics. Finally, we continued to support our employees with mental health benefits and tuition assistance. In the past two years, we have invested more than $400 million in enhanced employee benefits and COVID-related pay, bonuses and benefits. As we enter fiscal 2023, we'll continue to invest in all areas of well-being to support our employees and their loved ones.

With all of this in mind, we are incredibly proud that our field turnover rates remain significantly below the retail average and are near our pre-pandemic turnover rates. Additionally, our store general manager turnover is just 6%, which is even lower than what we saw pre-pandemic. It's clear that we have store managers who are vested in their employees, their paths, their well-being and their communities.

As a purpose-driven company, we continued to deepen our commitment to our community and the environment. We believe that our Environmental, Social and Governance efforts are not just the right thing to do, but directly tied to long-term value creation. During fiscal 2022, we made significant commitments to drive supplier diversity, expand our Best Buy Teen Tech Center program and reduce our carbon footprint. We have provided more detail on our initiatives in a subsequent section of this letter.

We are honored to be recognized for these efforts. For the seventh year in a row, Best Buy was named to Fortune's list of the World's Most Admired Companies, where we ranked third in the category

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for specialty retailers. We were also named to the 2022 JUST 100 list, recognizing companies for doing right by all their stakeholders, including our employees, customers, communities, and the environment. Finally, Barron's ranked Best Buy No. 4 on its prestigious list of 100 most sustainable companies, representing the fifth year in a row we have ranked in the Top 5.

From a financial perspective, in fiscal 2022 we generated record sales and earnings results that significantly outpaced our expectations. Revenue grew more than 9% versus last year to $51.8 billion. Compared to two years ago, our fiscal 2022 GAAP operating income rate increased 130 basis points to 5.9% and our non-GAAP operating income rate increased 110 basis points to 6.0%.* We generated more than $6.5 billion of free cash flow in the past two years and, in fiscal 2022, we returned $4.2 billion of that to shareholders in the form of dividends and share repurchases.* Our fiscal 2022 non-GAAP return on investment was 30.8%, which was an increase of approximately 840 basis points compared to fiscal 2020.* Earlier this year, we increased our fiscal 2023 regular quarterly dividend 26% to $0.88 per share, marking eight straight years of at least 10% growth in our dividend.

As we look to the future, we are in a strong position to drive the business forward and deliver growth over the long term. As we've said, we do expect fiscal 2023 to look softer as the industry cycles the last two years of unusually strong demand and government stimulus actions and as we leverage our position of strength to continue to invest in our future. But in fiscal 2025 we expect to grow revenue and expand our operating income rate beyond what we reported in fiscal 2022.

In summary, the past two years challenged us all in ways we never could have imagined. I am immensely proud that the safety and care of our customers and employees was once again our highest importance, as we successfully navigated through an often chaotic and ever-changing landscape. The pandemic has brought home the

fundamental truth that our purpose as a company — to enrich lives through technology — has deep and enduring value.

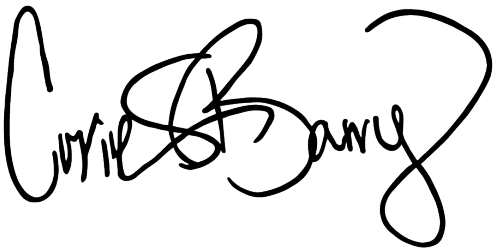
Again, we see technology as a permanent and growing need in our lives, constantly evolving as the world's largest companies innovate, with new possibilities in everything from the metaverse and transportation to green electricity and health, just to name a few. We have a unique value creation opportunity into the future and are investing now, as we have successfully invested ahead of change in our past, to ensure we're ready to pivot to meet the needs of our customers and retain our exclusive position in our industry. We are excited to help our customers in ways no one else can by leveraging our operational assets and, importantly, our very human and passionate Best Buy culture.

I am proud of our strong execution and the strategic progress we made in fiscal 2022 and thrilled about the opportunities that lie ahead. We are fundamentally stronger than we were two years ago, and better than where we thought we could be at this point in our journey.

To my colleagues across the company, my heartfelt thank you for your dedication and all you do every day on behalf of our customers.

I would also like to thank you, our shareholders, for your continued support, confidence and partnership.

Respectfully,



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

* Please refer to the last four pages of the company's fiscal 2022 Annual Report for definitions and reconciliations of "GAAP to non-GAAP" and information about the forward-looking statements in this letter.

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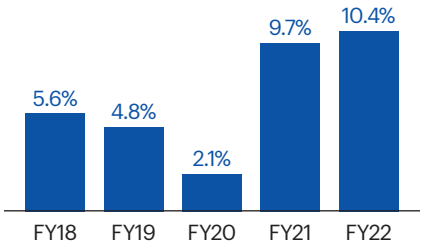
Highlights

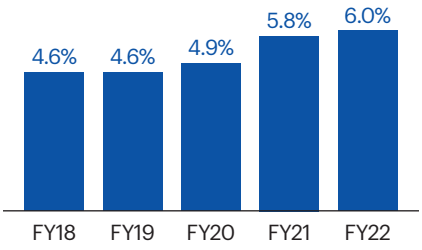
$ in millions, except per share amounts

Fiscal Year	2022	2021	2020	2019	2018[1]
Earnings Data					
Revenue	$51,761	$47,262	$43,638	$42,879	$42,151
Comparable sales growth[2]	10.4%	9.7%	2.1%	4.8%	5.6%
Operating income rate	5.9%	5.1%	4.6%	4.4%	4.4%
Non-GAAP operating income rate[3]	6.0%	5.8%	4.9%	4.6%	4.6%
Diluted net earnings per share	$9.84	$6.84	$5.75	$5.20	$3.26
Non-GAAP diluted net earnings per share[3]	$10.01	$7.91	$6.07	$5.32	$4.42
Other Financial Measures					
Year-end cash and cash equivalents	$2,936	$5,494	$2,229	$1,980	$1,101
Cash provided by operating activities	$3,252	$4,927	$2,565	$2,408	$2,141
Capital expenditures	$737	$713	$743	$819	$688
Free cash flow[3]	$2,515	$4,214	$1,822	$1,589	$1,453
Return on assets[4]	13.1%	9.8%	9.7%	11.1%	7.0%
Non-GAAP return on investment[3]	30.8%	29.1%	22.4%	22.3%	20.7%
Shareholder Metrics					
Repurchases of common stock	$3,502	$312	$1,003	$1,505	$2,004
Cash dividends declared and paid per share	$2.80	$2.20	$2.00	$1.80	$1.36
Common stock price:					
High	$141.97	$124.89	$91.83	$84.37	$78.59
Low	$92.93	$48.11	$58.07	$47.72	$41.67
Other Metrics					
Domestic comparable online sales growth[5]	(12.0%)	144.4%	17.0%	10.5%	21.8%
Domestic online revenue as a % of Domestic segment revenue	34.4%	43.1%	19.0%	16.6%	15.5%
Number of stores at year-end:					
Domestic[6]	984	991	1,009	1,026	1,298
International	160	168	222	212	216
Total	1,144	1,159	1,231	1,238	1,514

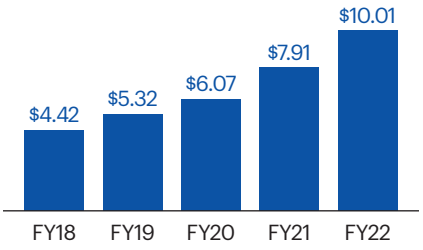
Comparable sales[2]



Non-GAAP operating income rate[3]



Non-GAAP diluted EPS[3]



(1) Fiscal 2018 included 53 weeks. All other periods presented included 52 weeks.

(2) In fiscal 2020, the company refined its methodology for calculating comparable sales. It now reflects certain revenue streams previously excluded from the company's comparable sales calculation, such as credit card revenue, gift card breakage, commercial sales and sales of merchandise to wholesalers and dealers, as applicable. The impact of adopting these changes is immaterial to all periods presented, and therefore prior-period comparable sales disclosures have not been recast.

(3) Refer to the last three pages of the company's Fiscal 2022 Annual Report for reconciliations of GAAP to non-GAAP financial measures.

(4) Represents net earnings divided by average total assets.

(5) Comparable online sales are included in the comparable sales calculation.

(6) Includes Best Buy Outlet Centers for all fiscal years presented.

Environmental, Social & Governance

In fiscal 2022, we made progress on our goals to make a positive impact on our stakeholders, the environment and the communities in which we operate. We believe this progress also creates long-term shareholder value.

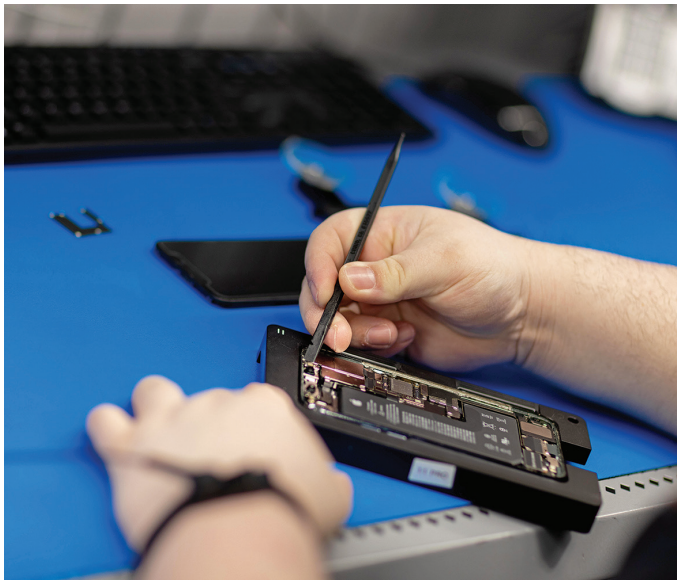
Environmental

When it comes to helping create a more sustainable world, we are proud to have been a founding member of the Breakthroughs 2030: Retail campaign, a Race to Zero initiative that aims to accelerate climate action within the retail industry.

Best Buy's participation in this campaign builds on our existing efforts to reduce our carbon footprint. We have achieved significant progress toward our carbon emissions reduction goal of 75% by 2030 (over a 2009 baseline), from both operational reductions and renewable sourcing. We are committed to being carbon neutral across our operations by 2040. We also made additional investments in solar energy, bringing our total to four projects, that are expected to produce approximately 1.5 million megawatt hours of clean electricity per year.

We also continue to help our customers. For the eighth consecutive year, the U.S. Environmental Protection Agency named Best Buy an ENERGY STAR® Partner of the Year. We are proud of this recognition, which includes our commitment to help our customers reduce their own carbon emissions 20% by 2030 through the use of ENERGY STAR certified products, saving more than $5 billion on their energy bills.

Together with our customers, employees and vendor partners, we're working to drive the circular economy forward. In 2021, we collected more than 192 million pounds of consumer products for recycling. More than 2 million products found a second life through Trade-In, Geek Squad repair and Best Buy outlets, as well.



Social

We committed to spend at least $1.2 billion with BIPOC and diverse businesses by 2025. This pledge includes plans to increase all forms of spending with Black, Indigenous and people of color (BIPOC) businesses from nearly every corner of the company.

The goal is to create a stronger community of diverse suppliers and to help increase BIPOC representation in the tech industry. In addition to the financial investments, Best Buy will support the growth of these businesses by providing access to its retail capabilities such as supply chain, sourcing and product development.

Building on that commitment, we announced we would invest up to $10 million with Brown Venture Group, a venture capital firm that focuses exclusively on Black, Latinx and Indigenous technology startups in emerging technologies.

The goal of this investment is to help break down the systemic barriers often faced by BIPOC entrepreneurs — including lack of access to funding — and empower the next generation within the tech industry.

Teen Tech Centers

As we pursue our goal to open 100 Best Buy Teen Tech Center® locations across the country by 2025, we are expanding our programming to ensure that teens receive tangible benefits for the time they invest. These benefits might include scholarship opportunities, paid internships,

credentials or educational credit. Key program elements across all Teen Tech Centers include:

- 1:1 mentorships
- Career Pathway programs
- Marketable credentialing
- Paid internships
- Post-Secondary Scholarships

In fiscal 2022, we continued to open new locations, and we now have 47 in operation. Many of our vendor partners support this work through donations of technology or financial contributions, and Best Buy employees volunteer their time at the centers.

Through these partnerships, the Teen Tech Centers will give youth hands-on training in film, digital media, audio engineering and music production.

Fiscal 2022 also marked the first time we invited customers to join us on our journey to support teens through tech by providing an opportunity to donate to the Best Buy Foundation when they made a purchase.

Those donations will help Teen Tech Centers reach thousands of teens from disinvested communities each year.

Governance

The Best Buy Board of Directors plays a critical role in shaping and supporting our strategy and, more broadly speaking, the future of Best Buy.

Our Board is actively engaged in discussing and helping advance the strategy of the company, ensuring that the company's talent and resources are aligned with the strategy, and overseeing our corporate social responsibility and sustainability.

We are particularly proud of the strength of our Board, which is composed of a rich, highly relevant and diverse mix of career experiences, expertise, ethnicities and genders. Women and BIPOC members make up seven of the 11 seats.

ESG Recognition

CNBC: Named to JUST Capital's JUST 100 list for the second time

Ethisphere: Named to *Ethisphere's* list of World's Most Ethical Companies for the 8th year

CDP Worldwide: Named to CDP Climate A List for the 5th consecutive year; among the top 5% of companies reporting to CDP

Dow Jones: Included in Dow Jones Sustainability Index for the 11th year

Barron's: Ranked in the top five of *Barron's* Most Sustainable Companies for the fifth consecutive year

HRCF: Named a Best Place to Work for LGBTQ+ Equality for the 17th year

FTSE 4 Good Index: Included in FTSE4Good Index for the 8th year

MSCI Inc.: Rated AAA (highest possible) by MSCI ESG Research

ISS Governance: Awarded Prime status on ISS-ESG Corporate Rating

Newsweek: Named to America's Most Responsible Companies list for the third year