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
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.

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
10.4%  
YoY comparable sales growth

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

30.8%  
non-GAAP ROI, up 840 bps 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.
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)**

- FY20: $15,196
- FY21: $16,937
- FY22: $16,365

**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
**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

**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.
<table>
<thead>
<tr>
<th><strong>FY23 Financial Outlook</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprise revenue</strong></td>
</tr>
<tr>
<td><strong>Enterprise comparable sales growth</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP operating income rate</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP effective tax rate</strong></td>
</tr>
<tr>
<td><strong>Non-GAAP diluted EPS</strong></td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
</tr>
<tr>
<td><strong>Share repurchases</strong></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>2019 Investor Update</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$43.6 billion</td>
<td>$50.0 billion</td>
<td>$51.8 billion</td>
</tr>
<tr>
<td>Non-GAAP operating income rate</td>
<td>4.9%</td>
<td>5.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>$2.1 billion</td>
<td>$2.5 billion</td>
<td>$3.1 billion</td>
</tr>
</tbody>
</table>

$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.

- **The products we sell are more relevant than ever.**
  - Technology share of PCE: 3.5% (FY15), 4.0% (FY22), +50 bps

- **Our business is much more digital.**
  - Online sales as % of U.S. revenue: 10% (FY15), 34% (FY22), +24 ppts
  - Best Buy App visits: N/A (FY15), 517M (FY22), N/A

- **We use our stores differently as customers have higher expectations for speed and convenience.**
  - Store pickup of online orders: 8.7M (FY15), 41.7M (FY22), +380%
  - Increase in avg. shipping speed: +55%

- **They are increasingly interacting with us across multiple touchpoints.**
  - In-home & remote consultations: 11K (FY15), 325K (FY22), 30x
  - Voice, chat & video interactions: 13M (FY15), 45M (FY22), 3.4x

- **Membership is a growing part of our relationship with customers.**
  - Totaltech memberships: N/A (FY15), 4.5M (FY22), N/A
  - My Best Buy memberships: 42M (FY15), 120M (FY22), +185%
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.

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.

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

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

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

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

- Brighter screen
- Narrow bezel
- 36% faster performance
- 15% thinner
- 50% more battery life
- Premium materials
- Lighter
- Color volume
- Ambient mode
- Smart platform full content
- Voice support
- Upgraded sound

10" larger screen
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.

$12+ billion of U.S. sales growth in the last decade\(^1\)

\(^1\)Offset by declines in other categories such as movies, digital imaging, gaming software and mobile phones.
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
We have built an ecosystem of customer-centric assets, delivering experiences that no one else can.
Our unique ecosystem.

Expert advice and services
Totaltech
Technology relationship with customer
Personalized technology solutions
Omnichannel retail
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.
Complete confidence for $199.99 / year

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.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased interactions</td>
<td>60% increase</td>
</tr>
<tr>
<td></td>
<td>Interactions of customers who sign up for Totaltech</td>
</tr>
<tr>
<td>Elevated customer</td>
<td>1,400 bps higher</td>
</tr>
<tr>
<td>experience</td>
<td>Totaltech member NPS scores versus non-members</td>
</tr>
<tr>
<td>Increased enrollment</td>
<td>2x higher</td>
</tr>
<tr>
<td>rates</td>
<td>Enrollment rates compared to legacy paid support</td>
</tr>
<tr>
<td></td>
<td>plans, even higher for younger &amp; online customers</td>
</tr>
<tr>
<td>Increased spend¹</td>
<td>20% more</td>
</tr>
<tr>
<td></td>
<td>Annual spend when customers sign up for Totaltech</td>
</tr>
</tbody>
</table>

¹Represents estimated increase in spend of customers who sign up for Totaltech compared to what they would have spent if they were not members.
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
- Online sales expanded to 34% of total domestic revenue
- Total online order pickup volume grew 70%
- Virtual interactions increased 150% to 45 million
- We provided 29% more consultation experiences
- We had nearly 21 million Geek Squad services interactions in FY22
- Turnover near pre-pandemic levels
- Customers using Best Buy App while shopping in our stores grew 72%
- Best Buy employees delivered millions of packages to customer homes
As we look to the future, we are focused on both the customer experience and operating efficiencies.
Improved store labor efficiency and productivity ...

Our workforce evolution.

Efficiency

Flexibility

Career pathing

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 tenure & 86% retention

Customer Experience NPS by Workforce

<table>
<thead>
<tr>
<th>Workforce</th>
<th>NPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Store</td>
<td>75</td>
</tr>
<tr>
<td>In-Home</td>
<td>82</td>
</tr>
<tr>
<td>Remote Support</td>
<td>90</td>
</tr>
</tbody>
</table>

After we complete their repairs, customers

Spend 1.7x more | Engage 1.6x more often
Customers who work with a consultant shop with us 2x more frequently.

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

<table>
<thead>
<tr>
<th>In-Home</th>
<th>Virtual</th>
</tr>
</thead>
<tbody>
<tr>
<td>82 NPS</td>
<td>87 NPS</td>
</tr>
</tbody>
</table>

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

Experience and Partnerships

<table>
<thead>
<tr>
<th>Higher Close Rate</th>
<th>Higher Sales</th>
<th>Improved Satisfaction</th>
<th>17 Vendor Partners at launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>3x Higher</td>
<td>1.5x Rev/Order</td>
<td>20% Higher</td>
<td>Nearly 60 vendors by end of FY23</td>
</tr>
</tbody>
</table>

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
Holistic Market Approach Pilot.

Before

<table>
<thead>
<tr>
<th>12 Best Buy stores</th>
<th>45K</th>
<th>4 Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30K</td>
<td>7 Stores</td>
</tr>
<tr>
<td></td>
<td>20K</td>
<td>1 Stores</td>
</tr>
</tbody>
</table>

Charlotte, NC

Mooresville
Kannapolis
Charlotte Northlake
Concord Mills
Gastonia
Midtown Charlotte
Pineville
Matthews
Monroe
Charlotte Rivergate
Blakeney
Rock Hill

62
Charlotte, NC

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

Access Points
260 Locations in Metro Charlotte

Employee delivery
Covers 41% of Metro Charlotte

 Holistic Market Approach Pilot.
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.

Expert advice and services

Totaltech

Technology relationship with customer

Personalized technology solutions

Omnichannel retail
Why is Best Buy in health?

Technology is moving into health

~$80B
market opportunity for health, wellness and virtual care technology¹

50%
growth in consumers using smartphones to manage health from 2020-2021²

51%
of wearable owners use device to manage diagnosed condition³

77%
of health tech users say it has a significant impact on behavior⁴

Health is moving into the home

$265B
of Medicare services could be delivered in the home by 2025⁵

61%
of patients prefer inpatient-level care at home vs. in a hospital⁶

38%
reduction in cost for acute care at home vs. hospital⁷

80%
of seniors have chronic conditions, and 65+ will ~double by 2060⁸

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

¹Best Buy Brand Survey, December 2021. Base Consumer (1,331), Provider (163)
Best Buy Health enables care in the home.

Best Buy’s Unique Capabilities

- Omnichannel
- Distribution
- Analytics
- Platform
- In-home services
- Caring centers

**Consumer Health**

Customer: Consumers

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

**Active Aging**

Customer: Consumers

- Health and safety tech solutions and human support for aging adults

**Virtual Care**

Customer: Physicians, Health Systems, Insurers, Pharma

- Tech-enabled solutions that connect patients to physicians and enable care in the home
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
Lively (formerly GreatCall) continues to support adults aging independently at home.

**Active Aging products and services.**

- **Simple, easy-to-use phones with 24/7 access to the Lively Response Team**
- **Fastest call response medical alert with fall-detection and 24/7 help**
- **Most discreet medical alert device with fall detection and 24/7 help**
- **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

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

*Geek Squad services for Current Health will launch in 2022
We are creating an ecosystem of partners for Care at Home.

We are not building this alone.
Our Health opportunity creates a flywheel driving growth in all 3 focal areas.

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY25</th>
<th>FY27</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$525M</td>
<td>3-year CAGR 35 – 45%</td>
<td>5-year CAGR 35 – 45%</td>
</tr>
<tr>
<td><strong>Non-GAAP operating income rate</strong></td>
<td>Dilutive to Enterprise rate</td>
<td>Neutral</td>
<td>Accretive to Enterprise rate</td>
</tr>
</tbody>
</table>

**Revenue mix by customer type**
- **Consumers**: 9%
- **Physicians, Health Systems, Insurers, Pharma**: 91%

Note: Revenue totals above exclude fitness equipment and wearables.
Matt Bilunas
Chief Financial Officer
Our differentiated abilities and ongoing investments in our business will drive compelling financial returns over time.

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.
We have a proven track record of strong results.

**Enterprise comparable sales growth**
- FY18: 5.6%
- FY19: 4.8%
- FY20: 2.1%
- FY21: 9.7%
- FY22: 10.4%

**Non-GAAP diluted earnings per share**
- FY18: $4.42
- FY19: $5.32
- FY20: $6.07
- FY21: $7.91
- FY22: $10.01

**Non-GAAP operating income rate**
- FY18: 4.6%
- FY19: 4.6%
- FY20: 4.9%
- FY21: 5.8%
- FY22: 6.0%

**Non-GAAP return on investment**
- FY18: 20.7%
- FY19: 22.3%
- FY20: 22.4%
- FY21: 29.1%
- FY22: 30.8%
# FY23 and FY25 Financial Targets.

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY23 Outlook</th>
<th>FY25 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$51.8B</td>
<td>$49.3 – $50.8B</td>
<td>$53.5 – $56.5B</td>
</tr>
<tr>
<td>Non-GAAP oper. inc. rate</td>
<td>6.0%</td>
<td>Approx. 5.4%</td>
<td>6.3% – 6.8%</td>
</tr>
<tr>
<td>Non-GAAP oper. inc.</td>
<td>$3.1B</td>
<td>$2.6 – $2.7B</td>
<td>$3.4 – $3.8B</td>
</tr>
</tbody>
</table>
How we expect to grow revenue by FY25.

Revenue Growth Drivers

- Category Expansion and Best Buy Health
- Totaltech and Store Remodels
- Industry Growth and Baseline CE Business

FY22: $51.8 billion
FY23 Outlook: $49.3 – $50.8 billion
FY25 Target: $53.5 – $56.5 billion

3-YR CAGR approx. 1% to 3%
How we expect to drive operating income rate expansion by FY25.

Non-GAAP operating income rate expansion of 30-80 bps

FY22: 6.0%
FY23 Outlook: Approx. 5.4%

FY25 Target: 6.3% – 6.8%

- Totaltech
- Best Buy Ads
- Best Buy Health
- Cost reductions and efficiencies
- Promotions
- Depreciation
We generate strong free cash flow.

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

Enterprise free cash flow ($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>$1,453</td>
</tr>
<tr>
<td>FY19</td>
<td>$1,589</td>
</tr>
<tr>
<td>FY20</td>
<td>$1,822</td>
</tr>
<tr>
<td>FY21</td>
<td>$4,214</td>
</tr>
<tr>
<td>FY22</td>
<td>$2,515</td>
</tr>
</tbody>
</table>
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
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**

<table>
<thead>
<tr>
<th>Dividend payout ($ millions)</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>$409</td>
<td>$497</td>
<td>$527</td>
<td>$568</td>
</tr>
<tr>
<td>FY19</td>
<td>$497</td>
<td>$527</td>
<td>$568</td>
<td>$688</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Share repurchases ($ millions)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>$2,004</td>
<td>$1,505</td>
<td>$1,003</td>
<td>$312</td>
<td>$3,502</td>
</tr>
<tr>
<td>FY19</td>
<td>$1,505</td>
<td>$1,003</td>
<td>$312</td>
<td>$3,502</td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>$1,003</td>
<td>$312</td>
<td>$3,502</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY21</td>
<td>$312</td>
<td>$3,502</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY22</td>
<td>$3,502</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.
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.

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

(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.
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.

### Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>Item</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>1,843</td>
<td>1,960</td>
<td>2,009</td>
<td>2,391</td>
<td>3,039</td>
</tr>
<tr>
<td>% of revenue</td>
<td>4.4</td>
<td>4.4</td>
<td>4.6</td>
<td>5.1</td>
<td>5.9</td>
</tr>
<tr>
<td>Restructuring - inventory markdowns</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>(6)</td>
</tr>
<tr>
<td>Price-fixing settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(21)</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>10</td>
<td>46</td>
<td>41</td>
<td>254</td>
<td>(34)</td>
</tr>
<tr>
<td>Intangible asset amortization</td>
<td>-</td>
<td>22</td>
<td>72</td>
<td>80</td>
<td>82</td>
</tr>
<tr>
<td>Acquisition-related transaction costs</td>
<td>-</td>
<td>13</td>
<td>3</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Tax reform-related item - employee bonus</td>
<td>80</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax reform-related item - charitable contribution</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>1,953</td>
<td>1,988</td>
<td>2,125</td>
<td>2,727</td>
<td>3,092</td>
</tr>
<tr>
<td>% of revenue</td>
<td>4.6</td>
<td>4.6</td>
<td>4.9</td>
<td>6.8</td>
<td>6.0</td>
</tr>
</tbody>
</table>

### Diluted earnings per share ("EPS")

<table>
<thead>
<tr>
<th>Item</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring - inventory markdowns</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Price-fixing settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>0.03</td>
<td>0.16</td>
<td>0.15</td>
<td>0.97</td>
<td>(0.14)</td>
</tr>
<tr>
<td>Intangible asset amortization</td>
<td>-</td>
<td>0.08</td>
<td>0.27</td>
<td>0.30</td>
<td>0.33</td>
</tr>
<tr>
<td>Acquisition-related transaction costs</td>
<td>-</td>
<td>0.05</td>
<td>0.01</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>(Gain) loss on investments, net</td>
<td>0.02</td>
<td>(0.04)</td>
<td>-</td>
<td>(0.05)</td>
<td>-</td>
</tr>
<tr>
<td>Tax reform-related item - employee bonus</td>
<td>0.26</td>
<td>0.02</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax reform-related item - charitable contribution</td>
<td>0.07</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax reform - repatriation tax</td>
<td>0.68</td>
<td>(0.07)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax impact of non-GAAP adjustments</td>
<td>(0.14)</td>
<td>(0.06)</td>
<td>(0.11)</td>
<td>(0.16)</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Non-GAAP diluted EPS</td>
<td>4.42</td>
<td>5.32</td>
<td>6.07</td>
<td>7.91</td>
<td>10.01</td>
</tr>
</tbody>
</table>

(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 inventory markdown adjustments recorded within cost of sales associated with the decision to exit operations in Mexico.
(4) 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.
(5) 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 costs, primarily comprised of professional fees.
(6) 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.
(7) 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, except per share amounts)  
(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.

<table>
<thead>
<tr>
<th>Return on Assets (&quot;ROA&quot;)</th>
<th>February 3, 2018¹</th>
<th>February 2, 2019¹</th>
<th>February 1, 2020¹</th>
<th>January 30, 2021¹</th>
<th>January 29, 2022¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings</td>
<td>$1,000</td>
<td>$1,464</td>
<td>$1,541</td>
<td>$1,798</td>
<td>$2,454</td>
</tr>
<tr>
<td>Total assets</td>
<td>14,218</td>
<td>13,240</td>
<td>15,953</td>
<td>18,408</td>
<td>18,743</td>
</tr>
<tr>
<td>ROA</td>
<td>7.0%</td>
<td>11.1%</td>
<td>9.7%</td>
<td>9.8%</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-GAAP Return on Investment (&quot;ROI&quot;)</th>
<th>February 3, 2018¹</th>
<th>February 2, 2019¹</th>
<th>February 1, 2020¹</th>
<th>January 30, 2021¹</th>
<th>January 29, 2022¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income - total operations</td>
<td>$1,844</td>
<td>$1,900</td>
<td>$2,009</td>
<td>$2,391</td>
<td>$3,039</td>
</tr>
<tr>
<td>Add: Non-GAAP operating income adjustments²</td>
<td>110</td>
<td>88</td>
<td>116</td>
<td>336</td>
<td>53</td>
</tr>
<tr>
<td>Add: Operating lease interest³</td>
<td>118</td>
<td>114</td>
<td>113</td>
<td>111</td>
<td>108</td>
</tr>
<tr>
<td>Less: Income taxes⁴</td>
<td>(760)</td>
<td>(512)</td>
<td>(548)</td>
<td>(695)</td>
<td>(784)</td>
</tr>
<tr>
<td>Add: Depreciation</td>
<td>683</td>
<td>748</td>
<td>740</td>
<td>759</td>
<td>787</td>
</tr>
<tr>
<td>Add: Operating lease amortization⁷</td>
<td>665</td>
<td>645</td>
<td>667</td>
<td>665</td>
<td>657</td>
</tr>
<tr>
<td>Adjusted operating income after tax</td>
<td>$2,660</td>
<td>$2,983</td>
<td>$3,097</td>
<td>$3,567</td>
<td>$3,860</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Denominator</th>
<th>Total assets</th>
<th>$14,218</th>
<th>$13,240</th>
<th>$15,953</th>
<th>$18,408</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Excess cash⁶</td>
<td>(2,706)</td>
<td>(1,404)</td>
<td>(831)</td>
<td>(4,071)</td>
<td>(3,055)</td>
</tr>
<tr>
<td>Add: Capitalized operating lease assets⁷</td>
<td>3,131</td>
<td>3,032</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: Accumulated depreciation and amortization⁸</td>
<td>6,125</td>
<td>6,482</td>
<td>6,712</td>
<td>7,114</td>
<td>6,957</td>
</tr>
<tr>
<td>Less: Adjusted current liabilities⁹</td>
<td>(7,912)</td>
<td>(7,975)</td>
<td>(7,994)</td>
<td>(9,189)</td>
<td>(10,122)</td>
</tr>
<tr>
<td>Average invested assets</td>
<td>$12,856</td>
<td>$13,375</td>
<td>$13,840</td>
<td>$12,262</td>
<td>$12,523</td>
</tr>
</tbody>
</table>

| Non-GAAP ROI                        | 20.7%             | 22.3%            | 22.4%            | 29.1%            | 30.8%            |

¹ (Unaudited and subject to reclassification)

(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 4% 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.
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.

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