

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended May 1, 2021
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 1-9595



BEST BUY CO., INC.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation or organization)
7601 Penn Avenue South
Richfield, Minnesota
(Address of principal executive offices)

41-0907483
(I.R.S. Employer Identification No.)

55423
(Zip Code)

(612) 291-1000
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, \$0.10 par value per share	BBY	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
The registrant had 250,472,993 shares of common stock outstanding as of June 2, 2021.

BEST BUY CO., INC.
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PART I — FINANCIAL INFORMATION
Item 1. Financial Statements

Condensed Consolidated Balance Sheets
\$ in millions, except per share amounts (unaudited)

	May 1, 2021	January 30, 2021	May 2, 2020
Assets			
Current assets			
Cash and cash equivalents	\$ 4,278	\$ 5,494	\$ 3,919
Short-term investments	60	-	-
Receivables, net	850	1,061	749
Merchandise inventories	5,721	5,612	3,993
Other current assets	359	373	335
Total current assets	11,268	12,540	8,996
Property and equipment, net	2,233	2,260	2,291
Operating lease assets	2,563	2,612	2,631
Goodwill	986	986	986
Other assets	655	669	701
Total assets	\$ 17,705	\$ 19,067	\$ 15,605
Liabilities and equity			
Current liabilities			
Accounts payable	\$ 6,360	\$ 6,979	\$ 4,428
Unredeemed gift card liabilities	297	317	257
Deferred revenue	734	711	531
Accrued compensation and related expenses	493	725	213
Accrued liabilities	978	972	769
Short-term debt	110	110	1,250
Current portion of operating lease liabilities	654	693	683
Current portion of long-term debt	15	14	673
Total current liabilities	9,641	10,521	8,804
Long-term liabilities	694	694	694
Long-term operating lease liabilities	1,983	2,012	2,076
Long-term debt	1,229	1,253	621
Contingencies (Note 11)			
Equity			
Preferred stock, \$1.00 par value: Authorized – 400,000 shares; Issued and outstanding – none	-	-	-
Common stock, \$0.10 par value: Authorized – 1.0 billion shares; Issued and outstanding – 250.4 million, 256.9 million and 257.6 million shares, respectively	25	26	26
Additional paid-in capital	33	-	15
Retained earnings	3,762	4,233	3,126
Accumulated other comprehensive income	338	328	243
Total equity	4,158	4,587	3,410
Total liabilities and equity	\$ 17,705	\$ 19,067	\$ 15,605

NOTE: The Consolidated Balance Sheet as of January 30, 2021, has been condensed from the audited consolidated financial statements.

See Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Earnings
\$ and shares in millions, except per share amounts (unaudited)

	Three Months Ended			
	May 1, 2021		May 2, 2020	
Revenue	\$	11,637	\$	8,562
Cost of sales		8,922		6,597
Gross profit		2,715		1,965
Selling, general and administrative expenses		1,988		1,735
Restructuring charges		(42)		1
Operating income		769		229
Other income (expense):				
Investment income and other		3		6
Interest expense		(6)		(17)
Earnings before income tax expense and equity in income of affiliates		766		218
Income tax expense		172		59
Equity in income of affiliates		1		-
Net earnings	\$	595	\$	159
Basic earnings per share	\$	2.35	\$	0.61
Diluted earnings per share	\$	2.32	\$	0.61
Weighted-average common shares outstanding:				
Basic		253.1		258.3
Diluted		256.7		260.4

See Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Comprehensive Income
\$ in millions (unaudited)

	Three Months Ended			
	May 1, 2021		May 2, 2020	
Net earnings	\$	595	\$	159
Foreign currency translation adjustments, net of tax		10		(52)
Comprehensive income	\$	605	\$	107

See Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows
\$ in millions (unaudited)

	Three Months Ended	
	May 1, 2021	May 2, 2020
Operating activities		
Net earnings	\$ 595	\$ 159
Adjustments to reconcile net earnings to total cash provided by operating activities:		
Depreciation and amortization	216	207
Restructuring charges	(42)	1
Stock-based compensation	37	15
Other, net	6	20
Changes in operating assets and liabilities:		
Receivables	210	383
Merchandise inventories	(90)	1,136
Other assets	(6)	(12)
Accounts payable	(630)	(816)
Income taxes	113	31
Other liabilities	(304)	(287)
Total cash provided by operating activities	105	827
Investing activities		
Additions to property and equipment	(161)	(178)
Purchases of investments	(90)	(5)
Other, net	(2)	4
Total cash used in investing activities	(253)	(179)
Financing activities		
Repurchase of common stock	(927)	(62)
Dividends paid	(175)	(141)
Borrowings of debt	-	1,250
Other, net	13	2
Total cash provided by (used in) financing activities	(1,089)	1,049
Effect of exchange rate changes on cash and cash equivalents	5	(18)
Increase (decrease) in cash, cash equivalents and restricted cash	(1,232)	1,679
Cash, cash equivalents and restricted cash at beginning of period	5,625	2,355
Cash, cash equivalents and restricted cash at end of period	\$ 4,393	\$ 4,034

See Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Changes in Shareholders' Equity
 \$ and shares in millions, except per share amounts (unaudited)

	Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances at January 30, 2021						
Net earnings, three months ended May 1, 2021	256.9	\$ 26	\$ -	\$ 4,233	\$ 329	\$ 4,587
Other comprehensive income:				595	-	595
Foreign currency translation adjustments, net of tax	-	-	-	-	10	10
Stock-based compensation	-	-	37	-	-	37
Issuance of common stock	1.9	-	19	-	-	19
Common stock dividends, \$0.70 per share	-	-	3	(178)	-	(175)
Repurchase of common stock	(8.4)	(1)	(26)	(888)	-	(915)
Balances at May 1, 2021	250.4	\$ 25	\$ 33	\$ 3,762	\$ 338	\$ 4,158
Balances at February 1, 2020	256.5	\$ 26	\$ -	\$ 3,158	\$ 295	\$ 3,479
Net earnings, three months ended May 2, 2020	-	-	-	159	-	159
Other comprehensive loss:						
Foreign currency translation adjustments, net of tax	-	-	-	-	(52)	(52)
Stock-based compensation	-	-	15	-	-	15
Issuance of common stock	1.7	-	6	-	-	8
Common stock dividends, \$0.55 per share	-	-	2	(143)	-	(141)
Repurchase of common stock	(0.6)	-	(8)	(48)	-	(56)
Balances at May 2, 2020	257.6	\$ 26	\$ 15	\$ 3,126	\$ 243	\$ 3,410

See Notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Basis of Presentation

Unless the context otherwise requires, the use of the terms "Best Buy," "we," "us" and "our" in these Notes to Condensed Consolidated Financial Statements refers to Best Buy Co., Inc. and, as applicable, its consolidated subsidiaries.

In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments necessary for a fair presentation as prescribed by accounting principles generally accepted in the United States ("GAAP"). All adjustments were comprised of normal recurring adjustments, except as noted in these Notes to Condensed Consolidated Financial Statements.

During the third quarter of fiscal 2021, we made the decision to exit our operations in Mexico. All stores in Mexico were closed as of the end of the first quarter of fiscal 2022 and our International segment will be comprised of operations in Canada going forward. Refer to Note 2, *Restructuring*, for additional information.

In March 2020 the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. Except where otherwise directed by state and local authorities, on March 22, 2020, we made the decision for the health and safety of our customers and employees to move our stores to a contactless, curbside-only operating model. We also temporarily suspended in-home delivery, repair and consultation services from March 22, 2020, through April 27, 2020, after implementing new safety guidelines. As of June 22, 2020, almost all of our stores were open for shopping and remained open through the first quarter of fiscal 2022. We continue to offer contactless curbside pick-up and in-store consultations for customers who prefer to shop that way.

Historically, we have generated a large proportion of our revenue and earnings in the fiscal fourth quarter, which includes the majority of the holiday shopping season in the U.S., Canada and Mexico. Due to the seasonal nature of our business, interim results are not necessarily indicative of results for the entire fiscal year. The interim financial statements and the related notes included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021. The first three months of fiscal 2022 and fiscal 2021 included 13 weeks.

In order to align our fiscal reporting periods and comply with statutory filing requirements, we consolidate the financial results of our Mexico operations on a one-month lag. Our policy is to accelerate recording the effect of events occurring in the lag period that significantly affect our condensed consolidated financial statements. No such events were identified for the reported periods.

In preparing the accompanying condensed consolidated financial statements, we evaluated the period from May 1, 2021, through the date the financial statements were issued for material subsequent events requiring recognition or disclosure. Other than the refinancing of our \$1.25 billion five year senior unsecured revolving credit facility described in Note 5, *Debt*, no such events were identified for the reported periods.

Total Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash reported on our Condensed Consolidated Balance Sheets is reconciled to the total shown on our Condensed Consolidated Statements of Cash Flows as follows (\$ in millions):

	May 1, 2021	January 30, 2021	May 2, 2020
Cash and cash equivalents	\$ 4,278	\$ 5,494	\$ 3,919
Restricted cash included in Other current assets	115	131	115
Total cash, cash equivalents and restricted cash	<u>\$ 4,393</u>	<u>\$ 5,625</u>	<u>\$ 4,034</u>

Amounts included in restricted cash are primarily restricted to use for workers' compensation and general liability insurance claims.

2. Restructuring

Restructuring charges were as follows (\$ in millions):

	Three Months Ended	
	May 1, 2021	May 2, 2020
Mexico Exit and Strategic Realignment ⁽¹⁾	\$ (48)	-
Fiscal 2020 U.S. Retail Operating Model Changes	-	1
Total	<u>\$ (48)</u>	<u>\$ 1</u>

⁽¹⁾ Includes (\$6) million related to inventory markdowns recorded in Cost of sales on our Condensed Consolidated Statements of Earnings for the three months ended May 1, 2021.

Mexico Exit and Strategic Realignment

The COVID-19 pandemic has had significant impacts on, for example, the economic conditions of the markets in which we operate, customer shopping behaviors, the role of technology in peoples' lives and the way we meet their needs. In light of these changes, we are adapting our Building the New Blue Strategy to ensure that our focus and resources are closely aligned with the opportunities we see in front of us. As a result, in the third quarter of fiscal 2021, we made the decision to exit our operations in Mexico and began taking other actions to more broadly align our organizational structure in support of our strategy.

Charges incurred in our International segment primarily related to our decision to exit our operations in Mexico. As of May 1, 2021, all stores are closed and we do not expect to incur material future restructuring charges related to the exit.

Charges incurred in our Domestic segment primarily related to actions taken to align our organizational structure in support of our strategy. During the first quarter of fiscal 2022, we recorded a \$44 million credit primarily due to a reduction in expected termination benefits resulting from adjustments to previously planned organizational changes and higher-than-expected employee retention.

As we continue to evolve our Building the New Blue Strategy, it is possible that we will incur material future restructuring costs, but we are unable to forecast the timing and magnitude of such costs.

All charges incurred related to the exit from Mexico and strategic realignment described above were from continuing operations and were presented as follows (\$ in millions):

Statement of Earnings Location	Three Months Ended May 1, 2021		
	Domestic	International	Total
Inventory markdowns	\$ -	\$ (6)	\$ (6)
Cost of sales	-	3	3
Asset impairments	-	-	-
Restructuring charges	(44)	(1)	(45)
Termination benefits	(44)	(4)	(48)
	\$ -	\$ (4)	\$ (4)

Statement of Earnings Location	Cumulative Amount as of May 1, 2021		
	Domestic	International	Total
Inventory markdowns	\$ -	\$ 17	\$ 17
Cost of sales	10	60	70
Asset impairments ⁽¹⁾	79	19	98
Restructuring charges	-	39	39
Termination benefits	-	5	5
Currency translation adjustment	-	-	-
Other ⁽²⁾	-	-	-
Restructuring charges	89	140	229
	\$ 89	\$ 140	\$ 229

(1) Remaining net carrying value approximates fair value and was immaterial as of May 1, 2021.

(2) Other charges are primarily comprised of contract termination costs.

Restructuring accrual activity related to the exit from Mexico and strategic realignment described above was as follows (\$ in millions):

	Termination Benefits		
	Domestic	International	Total
Balances at January 30, 2021	\$ 104	\$ 20	\$ 124
Cash payments	(39)	(12)	(51)
Adjustments ⁽¹⁾	(44)	(1)	(45)
Changes in foreign currency exchange rates	-	(1)	(1)
Balances at May 1, 2021	\$ 21	\$ 6	\$ 27

(1) Represents adjustments to previously planned organizational changes in our Domestic segment and higher-than-expected employee retention in both our Domestic and International segments.

Fiscal 2020 U.S. Retail Operating Model Changes

In the second quarter of fiscal 2020, we made changes primarily related to our U.S. retail operating model to increase organization effectiveness and create a more seamless customer experience across all channels. All charges incurred were related to termination benefits within our Domestic segment and were presented within Restructuring charges from continuing operations on our Condensed Consolidated Statements of Earnings. As of May 1, 2021, the cumulative amount of charges incurred was \$41 million and no material liability remains.

3. Fair Value Measurements

Fair value measurements are reported in one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

Recurring Fair Value Measurements

Financial assets and liabilities accounted for at fair value were as follows (\$ in millions):

	Balance Sheet Location ⁽¹⁾	Fair Value Hierarchy	Fair Value at		
			May 1, 2021	January 30, 2021	May 2, 2020
Assets					
Money market funds ⁽²⁾	Cash and cash equivalents	Level 1	\$ 1,063	\$ 1,575	\$ 1,153
Time deposits ⁽³⁾	Cash and cash equivalents	Level 2	639	865	465
Time deposits ⁽³⁾	Short-term investments	Level 2	60	-	-
Time deposits ⁽³⁾	Other current assets	Level 2	65	65	101
Interest rate swap derivative instruments ⁽⁴⁾	Other current assets	Level 2	-	-	11
Interest rate swap derivative instruments ⁽⁴⁾	Other assets	Level 2	65	91	107
Marketable securities that fund deferred compensation ⁽⁵⁾	Other assets	Level 1	53	53	45

(1) Balance sheet location is determined by the length to maturity from the current period-end date.

(2) Valued at quoted market prices in active markets for same (Level 1) or similar (Level 2) instruments.

(3) Valued at face value plus accrued interest, which approximates fair value.

(4) Valued using readily observable market inputs. These instruments are custom, over-the-counter contracts with various bank counterparties that are not traded on an active market. See Note 7, *Derivative Instruments*, for additional information.

(5) Valued using select mutual fund performance that trade with sufficient frequency and volume to obtain pricing information on an ongoing basis.

Fair Value of Financial Instruments

The fair values of cash, receivables, accounts payable and other payables approximated their carrying values because of the short-term nature of these instruments. If these instruments were measured at fair value in the financial statements, they would be classified as Level 1 in the fair value hierarchy. Fair values for other investments held at cost are not readily available, but we estimate that the carrying values for these investments approximate their fair values.

Long-term debt is presented at carrying value on our Condensed Consolidated Balance Sheets. If our long-term debt were recorded at fair value, it would be classified as Level 2 in the fair value hierarchy. Long-term debt balances were as follows (\$ in millions):

	May 1, 2021		January 30, 2021		May 2, 2020	
	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
Long-term debt ⁽¹⁾	\$ 1,260	\$ 1,215	\$ 1,331	\$ 1,241	\$ 1,315	\$ 1,268

(1) Excludes debt discounts, issuance costs and finance lease obligations.

4. Goodwill and Intangible Assets

Goodwill

Balances related to goodwill remained unchanged as of May 1, 2021, January 30, 2021, and May 2, 2020, as follows (\$ in millions):

	Gross Carrying Amount		Cumulative Impairment	
Domestic	\$ 1,053		\$ (67)	
International	608		(608)	
Total	\$ 1,661		\$ (675)	

No impairment charges were recorded during the fiscal periods presented.

Indefinite-Lived Intangible Assets

In the first quarter of fiscal 2021, we made the decision to phase out our Pacific Sales tradename in our U.S. Best Buy stores over the coming years. Consequently, we reclassified the tradename from an indefinite-lived intangible asset to a definite-lived intangible asset and have no indefinite-lived intangible assets remaining.

Definite-Lived Intangible Assets

We have definite-lived intangible assets which are recorded within Other assets on our Condensed Consolidated Balance Sheets as follows (\$ in millions):

	May 1, 2021		January 30, 2021		May 2, 2020		Weighted-Average Useful Life Remaining as of May 1, 2021 (in years)
	Gross Carrying	Accumulated	Gross Carrying	Accumulated	Gross Carrying	Accumulated	
	Amount	Amortization	Amount	Amortization	Amount	Amortization	
Customer relationships	\$ 339	\$ 138	\$ 339	\$ 124	\$ 339	\$ 83	6.5
Tradenames	81	27	81	24	81	13	4.7
Developed technology	56	30	56	27	56	18	2.3
Total	\$ 476	\$ 195	\$ 476	\$ 175	\$ 476	\$ 114	5.8

Amortization expense was as follows (\$ in millions):

Statement of Earnings Location	Three Months Ended		
	May 1, 2021		May 2, 2020
Amortization expense	\$	20	\$ 19

Amortization expense expected to be recognized in future periods is as follows (\$ in millions):

	Amortization Expense
Remainder of fiscal 2022	\$ 60
Fiscal 2023	79
Fiscal 2024	54
Fiscal 2025	16
Fiscal 2026	16
Fiscal 2027	13
Thereafter	43

5. Debt

Short-Term Debt

U.S. Revolving Credit Facility

Subsequent to the first quarter of fiscal 2022, on May 18, 2021, we entered into a \$1.25 billion five year senior unsecured revolving credit facility agreement (the "Five-Year Facility Agreement") with a syndicate of banks. The Five-Year Facility Agreement replaced the previous \$1.25 billion senior unsecured revolving credit facility (the "Previous Facility") with a syndicate of banks, which was originally scheduled to expire in April 2023, but was terminated on May 18, 2021. The Five-Year Facility Agreement permits borrowings of up to \$1.25 billion and expires in May 2026.

The interest rate under the Five-Year Facility Agreement is variable and is determined at our option as: (i) the sum of (a) the greatest of (1) JPMorgan Chase Bank, N.A.'s prime rate, (2) the greater of the federal funds rate and the overnight bank funding rate plus, in each case, 0.5%, and (3) the one-month London Interbank Offered Rate ("LIBOR"), subject to certain adjustments plus 1%, and (b) a variable margin rate (the "ABR Margin"); or (ii) the LIBOR plus a variable margin rate (the "LIBOR Margin"). In addition, a facility fee is assessed on the commitment amount. The ABR Margin, LIBOR Margin and the facility fee are based upon our current senior unsecured debt rating. Under the Five-Year Facility Agreement, the ABR Margin ranges from 0.00% to 0.225%, the LIBOR Margin ranges from 0.805% to 1.225%, and the facility fee ranges from 0.07% to 0.15%. Additionally, the Five-Year Facility Agreement includes fallback language related to the transition from LIBOR to alternative rates. The Five-Year Facility Agreement is guaranteed by certain of our subsidiaries and contains customary affirmative and negative covenants. Among other things, these covenants restrict our and certain of our subsidiaries' abilities to incur liens on certain assets; make material changes in corporate structure or the nature of our business; dispose of material assets; engage in certain mergers, consolidations and other fundamental changes; or engage in certain transactions with affiliates.

The Five-Year Facility Agreement also contains covenants that require us to maintain a maximum cash flow leverage ratio. The Five-Year Facility Agreement contains default provisions including, but not limited to, failure to pay interest or principal when due and failure to comply with covenants.

In the first quarter of fiscal 2021, in light of the uncertainty surrounding the impact of COVID-19 and to maximize liquidity, we executed a short-term draw on the full amount of our Previous Facility on March 19, 2020, which remained outstanding until July 27, 2020, when the Previous Facility was repaid in full. There were no borrowings outstanding under the Previous Facility as of May 1, 2021, and January 30, 2021.

Bank Advance

In conjunction with a solar energy investment, we were advanced \$110 million due October 31, 2021. The advance is recorded within Short-term debt on our Condensed Consolidated Balance Sheets and bears interest at 0.14%.

Long-Term Debt

Long-term debt consisted of the following (\$ in millions):

	May 1, 2021	January 30, 2021	May 2, 2020
Notes, 5.50%, due March 15, 2021	\$ -	\$ -	\$ 650
Notes, 4.45%, due October 1, 2028	500	500	500
Notes, 1.95%, due October 1, 2030	650	650	-
Interest rate swap valuation adjustments	65	91	118
Subtotal	1,215	1,241	1,268
Debt discounts and issuance costs	(12)	(12)	(8)
Finance lease obligations	41	38	34
Total long-term debt	1,244	1,267	1,294
Less current portion	15	14	573
Total long-term debt, less current portion	\$ 1,229	\$ 1,253	\$ 821

See Note 3, *Fair Value Measurements*, for the fair value of long-term debt.

6. Revenue

We generate substantially all of our revenue from contracts with customers from the sale of products and services. Contract balances primarily consist of receivables and liabilities related to product merchandise not yet delivered to customers, unredeemed gift cards, services not yet completed and options that provide a material right to customers, such as our customer loyalty programs. Contract balances were as follows (\$ in millions):

	May 1, 2021	January 30, 2021	May 2, 2020
Receivables, net ⁽¹⁾	\$ 545	\$ 618	\$ 396
Short-term contract liabilities included in:			
Unredeemed gift card liabilities	297	317	257
Deferred revenue	734	711	531
Accrued liabilities	79	71	45

⁽¹⁾ Receivables are recorded net of allowances for doubtful accounts of \$25 million, \$32 million and \$29 million as of May 1, 2021, January 30, 2021, and May 2, 2020, respectively.

During the first three months of fiscal 2022 and fiscal 2021, \$684 million and \$492 million of revenue was recognized, respectively, that was included in the contract liabilities at the beginning of the respective periods.

See Note 10, *Segments*, for information on our revenue by reportable segment and product category.

7. Derivative Instruments

We manage our economic and transaction exposure to certain risks by using foreign exchange forward contracts to hedge against the effect of Canadian dollar exchange rate fluctuations on a portion of our net investment in our Canadian operations. We also use interest rate swaps to mitigate the effect of interest rate fluctuations on our \$650 million principal amount of notes due March 15, 2021, prior to their retirement in December 2020, and on our \$500 million principal amount of notes due October 1, 2028. In addition, we use foreign currency forward contracts not designated as hedging instruments to manage the impact of fluctuations in foreign currency exchange rates relative to recognized receivable and payable balances denominated in non-functional currencies.

Our derivative instruments designated as net investment hedges and interest rate swaps are recorded on our Condensed Consolidated Balance Sheets at fair value. See Note 3, *Fair Value Measurements*, for gross fair values of our outstanding derivative instruments and corresponding fair value classifications.

Notional amounts of our derivative instruments were as follows (\$ in millions):

Contract Type	May 1, 2021	January 30, 2021	May 2, 2020
Derivatives designated as net investment hedges	\$ 94	\$ 153	\$ 126
Derivatives designated as interest rate swaps	500	500	1,150
No hedge designation (foreign exchange contracts)	34	51	21
Total	\$ 628	\$ 704	\$ 1,297

Effects of our derivatives on our Condensed Consolidated Statements of Earnings were as follows (\$ in millions):

	Statement of Earnings Location	Gain (Loss) Recognized	
		Three Months Ended	
		May 1, 2021	May 2, 2020
Interest rate swap contracts	Interest expense	\$ (26)	\$ 29
Adjustments to carrying value of long-term debt	Interest expense	26	(29)
Total		\$ -	\$ -

8. Earnings per Share

We compute our basic earnings per share based on the weighted-average number of common shares outstanding and our diluted earnings per share based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had potentially dilutive common shares been issued.

Reconciliations of the numerators and denominators of basic and diluted earnings per share were as follows (\$ and shares in millions, except per share amounts):

		Three Months Ended	
		May 1, 2021	May 2, 2020
Numerator			
Net earnings	\$	595	159
Denominator			
Weighted-average common shares outstanding		253.1	258.3
Dilutive effect of stock compensation plan awards		3.6	2.1
Weighted-average common shares outstanding, assuming dilution		256.7	260.4
Potential shares which were anti-dilutive and excluded from weighted-average share computations		1.1	0.6
Basic earnings per share	\$	2.35	0.61
Diluted earnings per share	\$	2.32	0.61

9. Repurchase of Common Stock

On February 16, 2021, our Board of Directors approved a new \$5.0 billion share repurchase program, which replaced the \$3.0 billion share repurchase program authorized on February 23, 2019. There is no expiration date governing the period over which we can repurchase shares under this authorization. As of May 1, 2021, \$4.2 billion of the \$5.0 billion share repurchase authorization was available. On May 27, 2021, we announced an increase in the amount of share repurchases planned in fiscal 2022 to \$2.5 billion.

Information regarding the shares we repurchased was as follows (\$ and shares in millions, except per share amounts):

		Three Months Ended	
		May 1, 2021	May 2, 2020
Total cost of shares repurchased	\$	915	56
Average price per share	\$	108.69	86.30
Number of shares repurchased		8.4	0.6

The total cost of shares repurchased increased in the first quarter of fiscal 2022 primarily due to the temporary suspension of all share repurchases from March to November of fiscal 2021 to conserve liquidity in light of COVID-19-related concerns.

Between the end of the first quarter of fiscal 2022 on May 1, 2021, and June 2, 2021, we repurchased an incremental 0.2 million shares of our common stock at a cost of \$28 million.

10. Segments

Segment and product category revenue information was as follows (\$ in millions):

	Three Months Ended	
	May 1, 2021	May 2, 2020
Revenue by reportable segment		
Domestic	\$ 10,841	\$ 7,915
International	796	647
Total revenue	\$ 11,637	\$ 8,562
Revenue by product category		
Domestic		
Computing and Mobile Phones	\$ 4,793	\$ 3,805
Consumer Electronics	3,238	2,219
Appliances	1,548	935
Entertainment	609	510
Services	556	421
Other	37	25
Total Domestic revenue	\$ 10,841	\$ 7,915
International		
Computing and Mobile Phones	\$ 394	\$ 309
Consumer Electronics	217	177
Appliances	68	58
Entertainment	65	57
Services	35	32
Other	17	14
Total International revenue	\$ 796	\$ 647

Operating income (loss) by reportable segment and the reconciliation to consolidated earnings before income tax expense and equity in income of affiliates was as follows (\$ in millions):

	Three Months Ended	
	May 1, 2021	May 2, 2020
Domestic	\$ 734	\$ 241
International	35	(12)
Total operating income	769	229
Other income (expense):		
Investment income and other	3	6
Interest expense	(6)	(17)
Earnings before income tax expense and equity in income of affiliates	\$ 766	\$ 218

Assets by reportable segment were as follows (\$ in millions):

	May 1, 2021	January 30, 2021	May 2, 2020
	Domestic	\$ 16,490	\$ 17,625
International	1,215	1,442	1,285
Total assets	\$ 17,705	\$ 19,067	\$ 15,605

11. Contingencies

We are involved in a number of legal proceedings. Where appropriate, we have made accruals with respect to these matters, which are reflected on our Condensed Consolidated Financial Statements. However, there are cases where liability is not probable or the amount cannot be reasonably estimated and, therefore, accruals have not been made. We provide disclosure of matters where we believe it is reasonably possible the impact may be material to our Condensed Consolidated Financial Statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context otherwise requires, the use of the terms "Best Buy," "we," "us" and "our" refers to Best Buy Co., Inc. and its consolidated subsidiaries. Any references to our website addresses do not constitute incorporation by reference of the information contained on the websites.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Unless otherwise noted, transactions and other factors significantly impacting our financial condition, results of operations and liquidity are discussed in order of magnitude. Our MD&A is presented in the following sections:

- Overview
- Business Strategy Update
- Results of Operations
- Liquidity and Capital Resources
- Off-Balance-Sheet Arrangements and Contractual Obligations
- Significant Accounting Policies and Estimates
- New Accounting Pronouncements
- Safe Harbor Statement Under the Private Securities Litigation Reform Act

Our MD&A should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended January 30, 2021 (including the information presented therein under *Risk Factors*), as well as our other reports on Forms 10-Q and 8-K and other publicly available information. All amounts herein are unaudited.

Overview

Our purpose is to enrich the lives of consumers through technology. We have two reportable segments: Domestic and International. The Domestic segment is comprised of operations, including our Best Buy Health business, in all states, districts and territories of the U.S. The International segment is comprised of all operations in Canada and Mexico. During the third quarter of fiscal 2021, we made the decision to exit our operations in Mexico. All stores in Mexico were closed as of the end of the first quarter of fiscal 2022, and our International segment will be comprised of operations in Canada going forward. Refer to Note 2, *Restructuring*, of the Notes to Condensed Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q, for additional information.

Our fiscal year ends on the Saturday nearest the end of January. Our business, like that of many retailers, is seasonal. A large proportion of our revenue and earnings is generated in the fiscal fourth quarter, which includes the majority of the holiday shopping season in the U.S., Canada and Mexico.

Comparable Sales

Throughout this MD&A, we refer to comparable sales. Comparable sales is a metric used by management to evaluate the performance of our existing stores, websites and call centers by measuring the change in net sales for a particular period over the comparable prior-period of equivalent length. Comparable sales includes revenue from stores, websites and call centers operating for at least 14 full months. Stores closed more than 14 days, including but not limited to relocated, remodeled, expanded and downsized stores, or stores impacted by natural disasters, are excluded from comparable sales until at least 14 full months after reopening. Acquisitions are included in comparable sales beginning with the first full quarter following the first anniversary of the date of the acquisition. Comparable sales also includes credit card revenue, gift card breakage, commercial sales and sales of merchandise to wholesalers and dealers, as applicable. Comparable sales excludes the impact of revenue from discontinued operations and the effect of fluctuations in foreign currency exchange rates (applicable to our International segment only). Online sales are included in comparable sales. Online sales represent those initiated on a website or app, regardless of whether customers choose to pick up product in store, curbside, at an alternative pick-up location or take delivery direct to their homes. All periods presented apply this methodology consistently.

On May 9, 2019, we acquired all outstanding shares of Critical Signal Technologies, Inc. ("CST"). Consistent with our comparable sales policy, the results of CST are included in our comparable sales calculation beginning in the third quarter of fiscal 2021.

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. All stores that were temporarily closed as a result of COVID-19 or operating a curbside-only operating model are included in comparable sales.

On November 24, 2020, we announced our decision to exit our operations in Mexico. As a result, all revenue from Mexico operations has been excluded from our comparable sales calculation beginning in December of fiscal 2021.

We believe comparable sales is a meaningful supplemental metric for investors to evaluate revenue performance resulting from growth in existing stores, websites and call centers versus the portion resulting from opening new stores or closing existing stores. The method of calculating comparable sales varies across the retail industry. As a result, our method of calculating comparable sales may not be the same as other retailers' methods.

Non-GAAP Financial Measures

This MD&A includes financial information prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), as well as certain adjusted or non-GAAP financial measures, such as constant currency, non-GAAP operating income, non-GAAP effective tax rate and non-GAAP diluted earnings per share ("EPS"). We believe 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, our internal management reporting also includes non-GAAP financial measures. Generally, our 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 we believe doing so provides greater clarity to management and our investors. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for, GAAP financial measures. We strongly encourage investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. Non-GAAP financial measures as presented herein may not be comparable to similarly titled measures used by other companies.

In our discussions of the operating results of our consolidated business and our International segment, we sometimes refer to the impact of changes in foreign currency exchange rates or the impact of foreign currency exchange rate fluctuations, which are references to the differences between the foreign currency exchange rates we use to convert the International segment's operating results from local currencies into U.S. dollars for reporting purposes. We also may use the term "constant currency" which represents results adjusted to exclude foreign currency impacts. We calculate those impacts as the difference between the current period results translated using the current period currency exchange rates and using the comparable prior period currency exchange rates. We believe the disclosure of revenue changes in constant currency provides useful supplementary information to investors when there are significant fluctuations in currency rates.

Refer to the *Consolidated Non-GAAP Financial Measures* section below for detailed reconciliations of items impacting non-GAAP operating income, non-GAAP effective tax rate and non-GAAP diluted EPS in the presented periods.

Business Strategy Update

In the first quarter of fiscal 2022, our comparable sales grew 37.2% as the impacts of the pandemic continued to drive heightened demand for products and services that focus on the home, which encompasses many aspects of our lives including working, learning, cooking, entertaining, redecorating and remodeling. We provided customers with multiple options for how, when and where they shopped with us to ensure it satisfied their need for safety.

Our research indicates our customers look to Best Buy to serve four shopping needs: inspiration, research, convenience and support. In addition, customers expect to be able to seamlessly interact with physical and digital channels. We have the ability to serve all of these needs, at all times, in all channels. We are currently looking at how we can even better deploy our team and our physical assets to meet these customer expectations and needs. We are taking the opportunity to test and pilot a range of models and initiatives to better understand how we can leverage our stores and facilities for more fulfillment purposes, and how we can deliver customer experiences with a more flexible and engaged workforce.

Overall, it has become evident to us throughout the pandemic that technology is even more important to people's lives, and we are excited about what that means for our business going forward, especially in combination with both the heightened technology innovation that supports the more home-based way of work and life and our special ability to serve our customers.

Our strong financial performance allowed us to share our success with the community, our shareholders, and, importantly, our employees. On May 19, 2021, we announced that we are investing \$10 million over five years to create pathways to opportunity for teens from disinvested communities in Los Angeles. As part of that effort, we will build a network of 10 to 12 Teen Tech Centers, which is a key step toward our goal to build a network of 100 Teen Tech Centers by 2025. We believe our Teen Tech Centers help to further our commitments towards economic and social justice in our communities by making a measurable difference in the lives of underserved teens who may not otherwise have access to technology. In addition, during the first quarter of fiscal 2022, we returned a total of \$1.1 billion to shareholders through share repurchases of \$927 million and dividends of \$175 million. For our employees, to show our appreciation for their hard work over the last several months and in recognition of their ongoing efforts in the face of "pandemic fatigue", we paid employee gratitude bonuses. In March 2021, all hourly U.S. employees received \$500 if full-time and \$200 if part-time or occasional/seasonal. Furthermore, all hourly field employees will receive an incremental \$150 recognition award in June 2021.

Results of Operations

In order to align our fiscal reporting periods and comply with statutory filing requirements, we consolidate the financial results of our Mexico operations on a one-month lag. Consistent with such consolidation, the financial and non-financial information presented in our MD&A relative to these operations is also presented on a lag. Our policy is to accelerate the recording of events occurring in the lag period that significantly affect our consolidated financial statements. No such events were identified for the reported periods.

Consolidated Performance Summary

Selected consolidated financial data was as follows (\$ in millions, except per share amounts):

	Three Months Ended			
	May 1, 2021		May 2, 2020	
Revenue	\$	11,637	\$	8,562
Revenue % change		35.9 %		(6.3)%
Comparable sales % change		37.2 %		(5.3)%
Gross profit	\$	2,715	\$	1,965
Gross profit as a % of revenue ⁽¹⁾		23.3 %		23.0 %
SG&A	\$	1,988	\$	1,735
SG&A as a % of revenue ⁽¹⁾		17.1 %		20.3 %
Restructuring charges	\$	(42)	\$	1
Operating income	\$	769	\$	229
Operating income as a % of revenue		6.6 %		2.7 %
Net earnings	\$	595	\$	159
Diluted earnings per share	\$	2.32	\$	0.61

(1) Because retailers vary in how they record costs of operating their supply chain between cost of sales and SG&A, our gross profit rate and SG&A rate may not be comparable to other retailers' corresponding rates. For additional information regarding costs classified in cost of sales and SG&A, refer to Note 1, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021.

In the first quarter of fiscal 2022, we generated \$11.6 billion in revenue and our comparable sales grew 37.2% as we faced high demand for technology products and services. This demand was driven by continued focus on the home, which encompasses many aspects of our lives including working, learning, cooking, entertaining, redecorating and remodeling. The demand was also bolstered by government stimulus programs and the strong housing environment. Our strong sales performance resulted in operating income rate expansion of 350 basis points during the first quarter of fiscal 2022 compared to the first quarter of fiscal 2021. We also tapped an unusual quarter last year that included both periods of high demand and periods when our stores were closed to customer traffic. Compared to the first quarter of fiscal 2020, our results were very strong, with revenue and diluted earnings per share increasing 27.3% and 136.7%, respectively.

High customer demand, as well as production and distribution disruptions, resulted in product availability constraints that may continue in future quarters.

Revenue, gross profit, SG&A and operating income rate changes in the first quarter of fiscal 2022 were primarily driven by our Domestic segment. For further discussion of each segment's performance, see the *Segment Performance Summary* below.

Income Tax Expense

Income tax expense increased in the first quarter of fiscal 2022 due to an increase in pre-tax earnings. Our effective tax rate ("ETR") decreased to 22.4% in the first quarter of fiscal 2022 compared to 27.4% in the first quarter of fiscal 2021, primarily due to an increase in the tax benefit from stock-based compensation.

Our tax provision for interim periods is determined using an estimate of our annual ETR, adjusted for discrete items, if any, that are taken into account in the relevant period. We update our estimate of the annual ETR each quarter and we make a cumulative adjustment if our estimated tax rate changes. Our quarterly tax provision and our quarterly estimate of our annual ETR are subject to variation due to several factors, including our ability to accurately forecast our pre-tax and taxable income and loss by jurisdiction, tax audit developments, recognition of excess tax benefits or deficiencies related to stock-based compensation, foreign currency gains (losses), changes in laws or regulations, and expenses or losses for which tax benefits are not recognized. Our ETR can be more or less volatile based on the amount of pre-tax earnings. For example, the impact of discrete items and non-deductible losses on our ETR is greater when our pre-tax earnings are lower.

Segment Performance Summary

Domestic

Selected financial data for the Domestic segment was as follows (\$ in millions):

	Three Months Ended			
	May 1, 2021		May 2, 2020	
Revenue	\$	10,841	\$	7,915
Revenue % change		37.0 %		(6.7) %
Comparable sales % change ⁽¹⁾		37.9 %		(5.7) %
Gross profit	\$	2,526	\$	1,821
Gross profit as a % of revenue		23.3 %		23.0 %
SG&A	\$	1,836	\$	1,579
SG&A as a % of revenue		16.9 %		19.9 %
Restructuring charges	\$	(44)	\$	1
Operating income	\$	734	\$	241
Operating income as a % of revenue		6.8 %		3.0 %
Selected Online Revenue Data				
Total online revenue	\$	3,596	\$	3,342
Online revenue as a % of total segment revenue		33.2 %		42.2 %
Comparable online sales growth ⁽¹⁾		7.6 %		155.4 %

(1) Online sales are included in the comparable sales calculation.

The increase in revenue in the first quarter of fiscal 2022 was primarily driven by comparable sales growth across almost all of our product categories, partially offset by the loss of revenue from permanent store closures in the past year. Online revenue of \$3.6 billion in the first quarter of fiscal 2022 increased 7.6% on a comparable basis, primarily due to higher average order values and increased traffic.

Domestic segment stores open at the beginning and end of the first quarters of fiscal 2022 and fiscal 2021, excluding stores that were temporarily closed as a result of COVID-19, were as follows:

	Fiscal 2022				Fiscal 2021			
	Total Stores at Beginning of First Quarter	Stores Opened	Stores Closed	Total Stores at End of First Quarter	Total Stores at Beginning of First Quarter	Stores Opened	Stores Closed	Total Stores at End of First Quarter
Best Buy	956	1	(11)	946	977	-	(6)	971
Outlet Centers	14	-	-	14	11	1	-	12
Pacific Sales	21	-	-	21	21	-	-	21
Total	991	1	(11)	981	1,009	1	(6)	1,004

We continuously monitor store performance. As we approach the expiration date of our leases, we evaluate various options for each location, including whether a store should remain open.

Domestic segment revenue mix percentages and comparable sales percentage changes by revenue category were as follows:

	Revenue Mix			Comparable Sales		
	Three Months Ended			Three Months Ended		
	May 1, 2021		May 2, 2020	May 1, 2021		May 2, 2020
Computing and Mobile Phones	44 %		48 %	27.3 %		-%
Consumer Electronics	30 %		28 %	45.9 %		(15.7) %
Appliances	15 %		12 %	66.8 %		(2.0) %
Entertainment	6 %		7 %	32.1 %		9.5 %
Services	5 %		5 %	33.2 %		(16.1) %
Total	100 %		100 %	37.9 %		(6.7) %

Continued strong demand for technology products and services with a focus on the home, including working, learning, cooking, entertaining, redecorating and remodeling, contributed to our Domestic comparable sales growth across most of our categories. Notable comparable sales changes by revenue category were as follows:

- **Computing and Mobile Phones:** The 27.3% comparable sales gain was driven primarily by computing, tablets, mobile phones and wearables.
- **Consumer Electronics:** The 45.5% comparable sales gain was driven primarily by home theater, digital imaging, headphones and portable speakers.
- **Appliances:** The 66.6% comparable sales gain was driven by large and small appliances.
- **Entertainment:** The 32.1% comparable sales gain was driven primarily by gaming and virtual reality.
- **Services:** The 33.2% comparable sales gain was primarily due to our warranty and support services, delivery and installation.

Our gross profit rate increased in the first quarter of fiscal 2022, primarily driven by favorable product margin rates, including reduced promotions, and rate improvement from supply chain costs resulting from a lower mix of online revenue compared to the prior year. This favorability was partially offset by higher installation and delivery costs compared to the prior year when in-home services were temporarily suspended as a result of the pandemic.

Our SG&A increased in the first quarter of fiscal 2022, primarily due to higher incentive compensation for corporate and field employees, increased investments in technology and in support of our health initiatives, and increased variable costs associated with higher sales volume, which included items such as credit card processing fees.

The restructuring credit in the first quarter of fiscal 2022 primarily related to a reduction in termination benefits resulting from adjustments to previously planned organizational changes and higher-than-expected retention rates. Refer to Note 2, *Restructuring*, of the Notes to Condensed Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q, for additional information.

Our operating income rate increased in the first quarter of fiscal 2022, primarily driven by the favorability in gross profit rate and SG&A rate described above.

International

Selected financial data for the International segment was as follows (\$ in millions):

	Three Months Ended		
	May 1, 2021		May 2, 2020
Revenue	\$	796	\$ 647
Revenue % change		23.0 %	(2.1)%
Comparable sales % change		27.8 %	0.2 %
Gross profit		\$ 189	\$ 144
Gross profit as a % of revenue		23.7 %	22.3 %
SG&A	\$	152	\$ 156
SG&A as a % of revenue		19.1 %	24.1 %
Restructuring charges	\$	2	\$ -
Operating income (loss)	\$	35	\$ (12)
Operating income (loss) as a % of revenue		4.4 %	(1.9)%

The increase in revenue in the first quarter of fiscal 2022 was primarily driven by comparable sales growth across most of our product categories and the benefit of approximately 1,000 basis points of favorable foreign currency exchange rate fluctuations. The increase was partially offset by lower revenue in Mexico of \$69 million as a result of our decision in the third quarter of fiscal 2021 to exit operations.

International segment stores open at the beginning and end of the first quarters of fiscal 2022 and fiscal 2021, excluding stores that were temporarily closed as a result of COVID-19, were as follows:

	Fiscal 2022			Fiscal 2021				
	Total Stores at Beginning of First Quarter	Stores Opened	Stores Closed	Total Stores at End of First Quarter	Total Stores at Beginning of First Quarter	Stores Opened	Stores Closed	Total Stores at End of First Quarter
Canada								
Best Buy	131	-	(1)	130	131	-	-	131
Best Buy Mobile	33	-	-	33	42	-	(1)	41
Mexico								
Best Buy	4	-	(4)	-	35	-	-	35
Best Buy Express	-	-	-	-	14	-	-	14
Total	168	-	(5)	163	222	-	(1)	221

International segment revenue mix percentages and comparable sales percentage changes by revenue category were as follows:

	Revenue Mix		Comparable Sales	
	Three Months Ended		Three Months Ended	
	May 1, 2021	May 2, 2020	May 1, 2021	May 2, 2020
Computing and Mobile Phones	50 %	46 %	36.5 %	4.6 %
Consumer Electronics	27 %	27 %	23.9 %	(12.7)%
Appliances	9 %	9 %	28.9 %	0.1 %
Entertainment	8 %	9 %	12.2 %	58.0 %
Services	4 %	5 %	7.8 %	(19.5)%
Other	2 %	2 %	7.6 %	1.1 %
Total	100 %	100 %	27.8 %	0.2 %

Similar to the Domestic segment, continued strong demand for technology products and services with a focus on the home, including working, learning, cooking, entertaining, redecorating and remodeling, contributed to our International segment's comparable sales growth across most of our categories. Notable comparable sales changes by revenue category were as follows:

- **Computing and Mobile Phones:** The 36.5% comparable sales gain was driven primarily by computing, mobile phones and tablets.
- **Consumer Electronics:** The 23.9% comparable sales gain was driven primarily by home theater and health and fitness.
- **Appliances:** The 28.9% comparable sales gain was driven by large and small appliances.
- **Entertainment:** The 12.2% comparable sales gain was driven primarily by virtual reality.
- **Services:** The 7.8% comparable sales gain was primarily due to our warranty services.
- **Other:** The 7.6% comparable sales gain was driven primarily by outdoor products.

Our gross profit rate increased in the first quarter of fiscal 2022, primarily due to improved product margin rates and a \$6 million benefit associated with more favorable-than-expected inventory markdowns related to our decision to exit operations in Mexico.

Our SG&A decreased in the first quarter of fiscal 2022, primarily due to our decision to exit operations in Mexico, partially offset by the unfavorable impact of foreign currency exchange rates in Canada.

Restructuring charges in the first quarter of fiscal 2022 primarily related to our decision to exit operations in Mexico. Refer to Note 2, *Restructuring*, of the Notes to Condensed Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q, for additional information.

Our operating income rate increased in the first quarter of fiscal 2022, primarily driven by the favorable gross profit rate described above.

Consolidated Non-GAAP Financial Measures

Reconciliations of operating income, effective tax rate and diluted EPS (GAAP financial measures) to non-GAAP operating income, non-GAAP effective tax rate and non-GAAP diluted EPS (non-GAAP financial measures) were as follows (\$ in millions, except per share amounts):

	Three Months Ended		
	May 1, 2021		May 2, 2020
Operating income	\$	769	\$ 229
% of revenue		6.6 %	2.7 %
Restructuring - inventory markdowns ⁽¹⁾		(6)	-
Intangible asset amortization ⁽²⁾		20	20
Restructuring charges ⁽³⁾		(42)	1
Non-GAAP operating income	\$	741	\$ 250
% of revenue		6.4 %	2.9 %
Effective tax rate		22.4 %	27.4 %
Intangible asset amortization ⁽²⁾		-%	(0.2)%
Restructuring charges ⁽³⁾		0.1%	-%
Non-GAAP effective tax rate		22.5 %	27.2 %
Diluted EPS	\$	2.32	\$ 0.61
Restructuring - inventory markdowns ⁽¹⁾		(0.02)	-
Intangible asset amortization ⁽²⁾		0.08	0.08
Restructuring charges ⁽³⁾		(0.17)	-
Income tax impact of non-GAAP adjustments ⁽⁴⁾		0.02	(0.02)
Non-GAAP diluted EPS	\$	2.23	\$ 0.67

(1) Represents inventory markdown adjustments recorded within cost of sales associated with the exit from operations in Mexico.

(2) Represents the non-cash amortization of definite-lived intangible assets associated with acquisitions, including customer relationships, tradenames and developed technology.

(3) Represents adjustments to previously planned organizational changes and higher than expected retention rates in the Domestic segment and charges and subsequent adjustments associated with the decision to exit operations in Mexico in the International segment for the period ended May 1, 2021. Represents charges associated with U.S. retail operating model changes for the period ended May 2, 2020.

(4) The non-GAAP adjustments primarily relate to the U.S. and Mexico. As such, the income tax charge is calculated using the statutory tax rate of 24.5% for all U.S. non-GAAP items for all periods presented. There is no income tax charge for the Mexico non-GAAP items, as there was no tax benefit recognized on these expenses in the calculation of GAAP income tax expense.

Our non-GAAP operating income rate increased in the first quarter of fiscal 2022, primarily driven by a higher gross profit rate due to favorable product margin rates and rate improvement from supply chain costs, and increased leverage from higher sales volume on our fixed expenses, which resulted in a favorable SG&A rate.

Our non-GAAP effective tax rate decreased in the first quarter of fiscal 2022, primarily due to an increase in the tax benefit from stock-based compensation.

Our non-GAAP diluted EPS increased in the first quarter of fiscal 2022, primarily driven by the increase in non-GAAP operating income.

Liquidity and Capital Resources

We closely manage our liquidity and capital resources. Our liquidity requirements depend on key variables, including the level of investment required to support our business strategies, the performance of our business, capital expenditures, credit facilities, short-term borrowing arrangements and working capital management. Capital expenditures and share repurchases are a component of our cash flow and capital management strategy, which, to a large extent, we can adjust in response to economic and other changes in our business environment. We have a disciplined approach to capital allocation, which focuses on investing in key priorities that support our strategy.

Cash, cash equivalents and short-term investments were as follows (\$ in millions):

	May 1, 2021	January 30, 2021	May 2, 2020
Cash and cash equivalents	\$ 4,278	\$ 5,494	\$ 3,919
Short-term investments	60	-	-
Total cash, cash equivalents and short-term investments	\$ 4,338	\$ 5,494	\$ 3,919

The decrease in cash, cash equivalents and short-term investments from January 30, 2021, was primarily due to an increase in share repurchases. The increase in cash, cash equivalents and short-term investments from May 2, 2020, was primarily driven by an increase in operating cash flows from higher earnings over the past twelve months. This increase was partially offset by the repayment of our \$1.25 billion short-term draw on our five-year senior unsecured revolving credit facility that was fully drawn as of May 2, 2020, and increases in share repurchases, capital expenditures and dividends.

Cash Flows

Cash flows from total operations were as follows (\$ in millions):

	Three Months Ended	
	May 1, 2021	May 2, 2020
Total cash provided by (used in):		
Operating activities	\$ 105	\$ 827
Investing activities	(253)	(179)
Financing activities	(1,089)	1,049
Effect of exchange rate changes on cash	5	(18)
Increase (decrease) in cash, cash equivalents and restricted cash	\$ (1,232)	\$ 1,679

Operating Activities
The decrease in cash provided by operating activities in the first quarter of fiscal 2022 was primarily due to changes in inventory, which saw a decrease in receipts in the prior-year period from measures taken in light of COVID-19 and an increase in receipts in the current-year period to match our inventory levels to increased demand. This decrease was partially offset by higher earnings in the current-year period.

Investing Activities
The increase in cash used in investing activities in the first quarter of fiscal 2022 was primarily driven by an increase in purchases of short-term investments.

Financing Activities
The increase in cash used in financing activities in the first quarter of fiscal 2022 was driven primarily by the \$1.25 billion short-term draw on our five-year senior unsecured revolving credit facility in the prior-year period and an increase in share repurchases. During the first quarter of fiscal 2021, in light of the uncertainty surrounding the impact of COVID-19 and to maximize liquidity, we executed a short-term draw on the full amount of our \$1.25 billion five-year senior unsecured revolving credit facility that was repaid in full in July 2020. We also temporarily suspended share repurchases from March to November 2020.

Sources of Liquidity
Funds generated by operating activities, available cash and cash equivalents, our credit facilities and other debt arrangements are our most significant sources of liquidity. We believe our sources of liquidity will be sufficient to fund operations and anticipated capital expenditures, share repurchases, dividends and strategic initiatives, including business combinations. However, in the event our liquidity is insufficient, we may be required to limit our spending. There can be no assurance that we will continue to generate cash flows at or above current levels or that we will be able to maintain our ability to borrow under our existing credit facilities or obtain additional financing, if necessary, on favorable terms.

Subsequent to the first quarter of fiscal 2022, on May 18, 2021, we entered into a \$1.25 billion five-year senior unsecured revolving credit facility agreement (the "Five-Year Facility Agreement") with a syndicate of banks. The Five-Year Facility Agreement replaced the previous \$1.25 billion senior unsecured revolving credit facility (the "Previous Facility") with a syndicate of banks, which was originally scheduled to expire in April 2023, but was terminated on May 18, 2021. The Five-Year Facility Agreement permits borrowings of up to \$1.25 billion and expires in May 2026.

As discussed above, we executed a short-term draw on the full amount of our Previous Facility on March 19, 2020, which remained outstanding until July 27, 2020, when the Previous Facility was repaid in full. There were no borrowings outstanding under the Previous Facility as of May 1, 2021, or January 30, 2021.
Our credit ratings and outlook as of June 2, 2021, are summarized below. On May 20, 2021, Standard & Poor's upgraded its rating to BBB+ and confirmed its outlook of Stable. Moody's rating and outlook remained unchanged from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021.

Rating Agency	Rating	Outlook
Standard & Poor's	BBB+	Stable
Moody's	A3	Stable

Credit rating agencies review their ratings periodically, and, therefore, the credit rating assigned to us by each agency may be subject to revision at any time. Factors that can affect our credit ratings include changes in our operating performance, the economic environment, conditions in the retail and consumer electronics industries, our financial position and changes in our business strategy. If changes in our credit ratings were to occur, they could impact, among other things, interest costs for certain of our credit facilities, our future borrowing costs, access to capital markets, vendor financing terms and future new-store leasing costs.

Restricted Cash

Our liquidity is also affected by restricted cash balances that are primarily restricted to use for workers' compensation and general liability insurance claims. Restricted cash, which is included in Other current assets on our Condensed Consolidated Balance Sheets, was \$115 million, \$131 million and \$115 million at May 1, 2021, January 30, 2021, and May 2, 2020, respectively. The decrease from January 30, 2021, was primarily due to the timing of insurance premium payments.

Debt and Capital

As of May 1, 2021, we had \$500 million of principal amount of notes due October 1, 2028, and \$650 million of principal amount of notes due October 1, 2030. Refer to Note 5, Debt, of the Notes to Condensed Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q, and Note 8, Debt, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021, for additional information about our outstanding debt.

Share Repurchases and Dividends

We repurchase our common stock and pay dividends pursuant to programs approved by our Board of Directors ("Board"). The payment of cash dividends is also subject to customary legal and contractual restrictions. Our long-term capital allocation strategy is to first fund operations and investments in growth and then return excess cash over time to shareholders through dividends and share repurchases while maintaining investment-grade credit metrics.

On February 16, 2021, our Board approved a new \$5.0 billion share repurchase program, which replaced the \$3.0 billion share repurchase program authorized on February 23, 2019. There is no expiration date governing the period over which we can repurchase shares under this new authorization. As of May 1, 2021, \$4.2 billion of the \$5.0 billion share repurchase authorization was available. On May 27, 2021, we announced an increase in the amount of share repurchases planned in fiscal 2022 to \$2.5 billion.

Share repurchase and dividend activity was as follows (\$ and shares in millions, except per share amounts):

	Three Months Ended			
	May 1, 2021		May 2, 2020	
Total cost of shares repurchased	\$	915	\$	56
Average price per share	\$	108.69	\$	86.30
Number of shares repurchased		8.4		0.6
Regular quarterly cash dividends per share	\$	0.70	\$	0.55
Cash dividends declared and paid	\$	175	\$	141

The total cost of shares repurchased increased in the first quarter of fiscal 2022, primarily due to the temporary suspension of all share repurchases from March to November of fiscal 2021 to conserve liquidity in light of COVID-19-related concerns. Cash dividends declared and paid increased in the first quarter of fiscal 2022 primarily due to an increase in the regular quarterly cash dividend per share.

Between the end of the first quarter of fiscal 2022 on May 1, 2021, and June 2, 2021, we repurchased an incremental 0.2 million shares of our common stock at a cost of \$28 million.

Other Financial Measures

Our current ratio, calculated as current assets divided by current liabilities, remained relatively unchanged at 1.2 as of May 1, 2021, and January 30, 2021, and 1.0 as of May 2, 2020.

Our debt to earnings ratio, calculated as total debt (including current portion) divided by net earnings over the trailing twelve months declined to 0.6 as of May 1, 2021, compared to 0.8 as of January 30, 2021, and 1.8 as of May 2, 2020. The decrease from May 2, 2020, was primarily due to the \$1.25 billion short-term draw on the Previous Facility in the first quarter of fiscal 2021.

Off-Balance-Sheet Arrangements and Contractual Obligations

Our liquidity is not dependent on the use of off-balance-sheet financing arrangements other than in connection with our \$1.25 billion in undrawn capacity on our Previous Facility as of May 1, 2021, which, if drawn upon, would be included in short-term debt on our Condensed Consolidated Balance Sheets.

There has been no material change in our contractual obligations other than in the ordinary course of business since the end of fiscal 2021. See our Annual Report on Form 10-K for the fiscal year ended January 30, 2021, for additional information regarding our off-balance-sheet arrangements and contractual obligations.

Significant Accounting Policies and Estimates

We describe our significant accounting policies in Note 1, *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021. We discuss our critical accounting estimates in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021. There have been no significant changes in our significant accounting policies or critical accounting estimates since the end of fiscal 2021.

New Accounting Pronouncements

We do not expect any recently issued accounting pronouncements to have a material effect on our financial statements.

Safe Harbor Statement Under the Private Securities Litigation Reform Act

Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provide a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their companies. With the exception of historical information, the matters discussed in this Quarterly Report on Form 10-Q are forward-looking statements and may be identified by the use of words such as "anticipate," "assume," "believe," "estimate," "expect," "guidance," "intend," "outlook," "plan," "project" and other words and terms of similar meaning. Such statements reflect our current views and estimates with respect to future market conditions, company performance and financial results, operational investments, business prospects, new strategies, the competitive environment and other events. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the potential results discussed in such forward-looking statements. Readers should review Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the fiscal year ended January 30, 2021, for a description of important factors that could cause our actual results to differ materially from those contemplated by the forward-looking statements made in this Quarterly Report on Form 10-Q. Among the factors that could cause actual results and outcomes to differ materially from those contained in such forward-looking statements are the following: 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; macroeconomic pressures in the markets in which we operate (including but not limited to the effects of COVID-19, fluctuations in housing prices, energy markets and jobless rates); future outbreaks, catastrophic events, health crises and pandemics; susceptibility of our products to technological advancements, product life cycles and launches; conditions in the industries and categories in which we operate; changes in consumer preferences, spending and debt; competition (including from multi-channel retailers, e-commerce business, technology service providers, traditional store-based retailers, vendors and mobile network carriers); our ability to attract and retain qualified employees; changes in market compensation rates; our expansion strategies; our focus on services as a strategic priority; our reliance on key vendors and mobile network carriers (including product availability); our ability to maintain positive brand perception and recognition; our company transformation; our mix of products and services; our ability to effectively manage strategic ventures, alliances or acquisitions; our ability to effectively manage our real estate portfolio; interruptions and other supply chain issues; any material disruption in our relationship with or the services of third-party vendors; risks related to our exclusive brand products and risks associated with vendors that source products outside of the U.S.; 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); our reliance on our information technology systems; our dependence on internet and telecommunications access and capabilities; our ability to prevent or effectively respond to a cyber-attack, privacy or security breach; product safety and quality concerns; changes to labor or employment laws or regulations; risks arising from statutory, regulatory and legal developments (including tax statutes and regulations); risks arising from our international activities; failure to effectively manage our costs; our dependence on cash flows and net earnings generated during the fourth fiscal quarter; pricing investments and promotional activity; economic or regulatory developments that might affect our ability to provide attractive promotional financing; constraints in the capital markets; changes to our vendor credit terms; changes in our credit ratings; and general economic uncertainty in key global markets and worsening of global economic conditions or low levels of economic growth. We caution that the foregoing list of important factors is not complete. Any forward-looking statements speak only as of the date they are made, and we assume no obligation to update any forward-looking statement that we may make.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As disclosed in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021, in addition to the risks inherent in our operations, we are exposed to certain market risks.

Interest Rate Risk

We are exposed to changes in short-term market interest rates and these changes in rates will impact our net interest expense. Refer to Note 1, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021, for further information regarding our interest rate swaps.

As of May 1, 2021, we had \$4.3 billion of cash, cash equivalents and short-term investments and \$0.5 billion of fixed-rate debt that was swapped to floating rate, resulting in a net balance exposed to interest rate changes of \$3.8 billion. As of May 1, 2021, a 50-basis point increase in short-term interest rates would have led to an estimated \$19 million reduction in net interest expense, and conversely a 50-basis point decrease in short-term interest rates would have led to an estimated \$19 million increase in net interest expense.

Foreign Currency Exchange Rate Risk

We have market risk arising from changes in foreign currency exchange rates related to our International segment operations. Refer to Note 1, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021, for additional information regarding these instruments.

Foreign currency exchange rate fluctuations were primarily driven by the strength of the Canadian dollar compared to the U.S. dollar compared to the prior-year period, which had a positive overall impact on our revenue as these foreign currencies translated into more U.S. dollars. We estimate that foreign currency exchange rate fluctuations had a net favorable impact of \$64 million on our revenue in the first quarter of fiscal 2022. The impact of foreign exchange rate fluctuations on our net earnings for the first quarter of fiscal 2022 was not significant.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), to allow timely decisions regarding required disclosure. We have established a Disclosure Committee, consisting of certain members of management, to assist in this evaluation. The Disclosure Committee meets on a regular quarterly basis and otherwise as needed.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act), at May 1, 2021. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, at May 1, 2021, our disclosure controls and procedures were effective.

There were no changes in internal control over financial reporting during the fiscal quarter ended May 1, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

For information about our legal proceedings, see Note 11, *Contingencies*, of the Notes to Condensed Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Stock Repurchases

On February 16, 2021, our Board approved a new \$5.0 billion share repurchase program, which replaced the \$3.0 billion share repurchase program authorized on February 23, 2019. Share repurchases prior to February 16, 2021, were made under the February 2019 \$3.0 billion share repurchase program and thereafter under the February 2021 \$5.0 billion share repurchase program. For additional information, see Note 9, *Repurchase of Common Stock*, of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Fiscal Period	Total Number of		Average Price Paid		Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
	Shares Purchased		per Share			
January 31, 2021 through February 15, 2021	1,035,614	\$	114.80		1,035,614	\$ 1,554,000,000
February 16, 2021 through February 27, 2021	1,227,169	\$	110.98		1,227,169	\$ 4,864,000,000
February 28, 2021 through April 3, 2021	6,156,555	\$	107.20		6,156,555	\$ 4,204,000,000
April 4, 2021 through May 1, 2021	-	\$	-		-	\$ 4,204,000,000
Total	8,419,338	\$	108.69		8,419,338	\$ 4,204,000,000

Item 6. Exhibits

3.1	Amended and Restated Articles of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Best Buy Co., Inc. on June 12, 2020)
3.2	Amended and Restated By-Laws (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Best Buy Co., Inc. on June 14, 2019)
10.1	Five-Year Credit Agreement dated as of May 18, 2021, among Best Buy Co., Inc. the Subsidiary Guarantors, the Lenders, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Best Buy Co., Inc. on May 20, 2021)
10.2	Form of Employment Separation and General Release Agreement
10.3	Employment Separation and General Release Agreement between R. Michael Mohan and Best Buy Co., Inc.
31.1	Certification of the Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ⁽¹⁾
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ⁽¹⁾
101	The following financial information from our Quarterly Report on Form 10-Q for the first quarter of fiscal 2022, filed with the SEC on June 4, 2021, formatted in Inline Extensible Business Reporting Language ("iXBRL"): (i) the Condensed Consolidated Balance Sheets at May 1, 2021, January 30, 2021, and May 2, 2020, (ii) the Condensed Consolidated Statements of Earnings for the three months ended May 1, 2021, and May 2, 2020, (iii) the Condensed Consolidated Statements of Comprehensive Income for the three months ended May 1, 2021, and May 2, 2020, (iv) the Condensed Consolidated Statements of Cash Flows for the three months ended May 1, 2021, and May 2, 2020, (v) the Condensed Consolidated Statements of Changes in Shareholders' Equity for the three months ended May 1, 2021, and May 2, 2020, and (vi) the Notes to Condensed Consolidated Financial Statements.
104	The cover page from our Quarterly Report on Form 10-Q for the first quarter of fiscal 2022, filed with the SEC on June 4, 2021, formatted in iXBRL (included as Exhibit 101).

* Management contracts or compensatory plans or arrangements.

(1) The certifications in Exhibit 32.1 and Exhibit 32.2 to the Quarterly Report on Form 10-Q shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

Pursuant to Item 601(b)(4)(iii) of Regulation S-K under the Securities Act of 1933, as amended, the registrant has not filed as exhibits to this Quarterly Report on Form 10-Q certain instruments with respect to long-term debt under which the amount of securities authorized does not exceed 10% of the total assets of the registrant. The registrant hereby agrees to furnish copies of all such instruments to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BEST BUY CO., INC.
(Registrant)

Date: June 4, 2021	By: <u>/s/ CORIE BARRY</u> Corie Barry Chief Executive Officer
Date: June 4, 2021	By: <u>/s/ MATTHEW BILUNAS</u> Matthew Bilunas Chief Financial Officer
Date: June 4, 2021	By: <u>/s/ MATHEW R. WATSON</u> Mathew R. Watson Senior Vice President, Finance – Controller and Chief Accounting Officer

**CONFIDENTIAL EMPLOYMENT SEPARATION
AND GENERAL RELEASE AGREEMENT**

This Confidential Employment Separation and General Release Agreement ("Agreement") is between **NAME** (EID _____) for himself and his heirs, executors, administrators and assigns (hereinafter "Executive"), and Best Buy Co., Inc. and **EMPLOYING ENTITY**, as well as their direct and indirect subsidiaries and related entities and affiliates, foreign and domestic, whether or not controlled by Best Buy Co., Inc. (hereinafter collectively "Best Buy").

WHEREAS, Executive's employment with Best Buy ended on DATE ("Separation Date"); and

WHEREAS, through this Agreement, Best Buy will provide Executive with consideration, for which Executive agrees to undertake the obligations described in this Agreement;

IT IS HEREBY AGREED by and between Executive and Best Buy, as follows:

1. Executive acknowledges that, as of his Separation Date, his employment relationship and all officer and director positions with Best Buy ended.
 2. Executive fully and forever waives, releases, acquits and discharges Best Buy, as well as any and all of its past, current and future parent, subsidiary and affiliated companies, predecessors and successors thereto, as well as their respective officers, directors, agents, employees, affiliates, representatives, shareholders, assigns, and other affiliated or related persons or entities, and all benefit plans sponsored by them or their insurers, successors, and assigns ("Releasees"), from any and all legally waivable claims, actions, charges, complaints, grievances and causes of action in any way based upon, connected with or related to his employment with Best Buy, whether now known or unknown, including but not limited to the following:
 - a. Claims related to his recruitment and hiring by Best Buy, his employment with Best Buy, any applications by him for other positions within Best Buy, the terms and conditions of his employment, and/or the termination of his employment, including but not limited to, claims for bonuses or other pay, claims of tort, breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination, discrimination, harassment, retaliation, violation of public policy, fraud, intentional or negligent misrepresentation, defamation, personal injury, or infliction of emotional distress;
 - b. Any statutory, civil, administrative, or common law claims, whether known or unknown, suspected or unsuspected, fixed or contingent, apparent or concealed; and
 - c. Any claims arising from rights under federal, state, or local laws and regulations, including but not limited to claims brought under:
 - i. Title VII of the Civil Rights Act of 1964,
 - ii. Sections 1981 through 1988 of Title 42 of the United States Code,
 - iii. The Age Discrimination in Employment Act,
-

- iv. The Older Workers Benefit Protection Act,
- v. The Employee Retirement Income Security Act of 1971,
- vi. The Equal Pay Act of 1963,
- vii. The Americans with Disabilities Act of 1990,
- viii. The ADA Amendments Act of 2008,
- ix. The Family and Medical Leave Act,
- x. The Worker Adjustment and Retraining Notification Act (WARN),
- xi. The False Claims Act, and
- xii. Any state or local anti-discrimination statute, ordinance or other law.

Executive understands that nothing contained in this Agreement limits his ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Executive further understands that this Agreement does not limit his ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to Best Buy. Further, while this Agreement releases all claims Executive may have to monetary damages in connection with a charge or complaint he files with a Government Agency, it does not apply to, and does not release, his right to receive a monetary award for providing information to any Government Agencies (i.e., a whistleblower award).

Nothing in this Agreement is intended to affect any obligation Best Buy may have under existing law or Best Buy's articles, bylaws or insurance policies to defend and indemnify Executive in the event a claim is asserted against him for acts within the course and scope of employment, or to affect Executive's right to seek enforcement of this Agreement.

3. Executive agrees and represents that it is within his contemplation that he may have claims against the Releasees of which, as of the date he signs this Agreement, he has no knowledge or suspicion, but he agrees and acknowledges that this Agreement extends to all claims in any way based upon, connected with or related to his employment with Best Buy, whether or not known, claimed or suspected by him.

4. Executive represents that he is unaware of any facts that may constitute a violation by him of Best Buy's Code of Conduct and/or any legal obligations.

5. Best Buy, for and in consideration of the undertakings of Executive as set forth herein, and intending to be legally bound, agrees to provide Executive with the following:

- a. Best Buy will pay Executive the gross amount of \$ _____, the equivalent of _____ months of base salary. This payment will be less employment tax withholdings, and will be made in installments, over a period not to exceed _____ () months, in the same manner in which Executive's salary was made. The first installment payment will be made within 30 days after Executive signs and returns this Agreement to Best Buy, as long as Executive has not exercised her right of revocation in the time permitted hereunder. If Executive is rehired by Best Buy prior to the end of any installment payments, the installment payments will end as of the date of rehire.
- b. *[Best Buy will pay Executive a second payment totaling \$ _____. This payment will be less employment tax withholdings, and will be made after Executive signs and returns this Agreement to Best Buy, as long as Executive has not exercised his right of revocation in the time permitted hereunder.]*
- c. Best Buy will provide Executive, at Company expense, for _____ months following his Separation Date, COBRA continuation coverage for him and his covered dependents for group medical, dental and vision under the Best Buy Health and Welfare Wrap Plan, or any successor Best Buy plans, if he is/they are participating in these programs as of his Separation Date, and at the coverage level and coverage option in place at the time of his Separation Date. Executive authorizes Best Buy to elect COBRA continuation coverage for him and his COBRA-eligible dependents for the coverage level and coverage options in which they are enrolled as of Executive's Separation Date, and Executive agrees to inform her COBRA-eligible dependents that they are so enrolled.

After the period of Company-paid COBRA coverage described above, Executive (or his qualified beneficiaries) must timely pay active employee rates to maintain continuation coverage. Eligibility for spouse and domestic partner coverage is subject, during the continuation period, to any changes and limitations in eligibility that apply to the spouses and domestic partners of active employees. All other terms of the Wrap Plan will apply to Executive and his family members as if he was an active employee. The total period of available continuation coverage, including the Company-paid COBRA coverage and the subsequent coverage at active employee rates, will be for up to five years beginning the first of the month following Executive's Separation Date; provided however that, if the coverage of either himself or any beneficiary is discontinued, for failure to pay premiums or otherwise, at any point during the five year period, neither Executive nor such beneficiary may re-enroll in this coverage. Further, if Executive or any beneficiary (spouse, domestic partner, dependent) becomes eligible for alternative employer group health coverage after the legally-provided COBRA period, Executive or such beneficiary, as applicable, will no longer be eligible to continue coverage under the Wrap Plan at active employee rates. The Wrap Plan will provide coverage secondary to Medicare, if Executive, his spouse or domestic partner, or any dependent, is eligible to enroll in Medicare, even if Executive or his spouse/domestic partner or his dependent does not enroll. Therefore, the Wrap Plan may offset from health plan benefits any amounts Medicare pays or, if Executive, his spouse/domestic partner or dependent is not enrolled in Medicare, the amount Medicare would have paid.

Best Buy will provide Executive, at Company expense, for one month following his Separation Date, COBRA continuation coverage for him and his covered dependents for group medical, dental and vision under the Best Buy Health and Welfare Wrap Plan, or any successor Best Buy plans, if he is/they are participating in these programs as of his Separation Date, and at the coverage level and coverage option in place at the time of his Separation Date. Executive authorizes Best Buy to elect COBRA continuation coverage for him and his COBRA-eligible dependents for the coverage level and coverage options in which they are enrolled as of Executive's Separation Date, and Executive agrees to inform his COBRA-eligible dependents that they are so enrolled.

Best Buy will provide Executive a lump sum payment of \$ _____, the equivalent of 150% of estimated COBRA payments for a 23 month time period, and estimated group basic life insurance for a 17 month time period; if he and his covered dependents, if any, are participating in Best Buy's benefit programs as of his Separation Date, and based on the coverage level and coverage option in place at the time of his Separation Date.

Best Buy will continue to pay the premiums for Executive's group basic life insurance for a one month period, at no cost to Executive. This continued provision of life insurance will run concurrently with any continuation rights under state law. As required by applicable tax law, Best Buy will report as taxable income to Executive (on IRS Form W-2) the cost of any subsidized coverage in excess of the cost of \$50,000 of coverage for the calendar year(s) in which Executive receives this coverage. Best Buy will also, on Executive's behalf, remit to relevant tax authorities Executive's required withholding social security and Medicare taxes relating to the life insurance subsidy (including withholding taxes on the remittance itself). If Executive's actual tax liability is higher than the remittance, any additional tax liability relating to the life insurance subsidy will be Executive's responsibility. Executive is also responsible for paying state and federal income taxes relating to the life insurance on his income tax return.]

As required by applicable tax law, Best Buy will report as taxable income to Executive (on IRS Form W-2) the value of the Company-paid COBRA coverage in excess of 6 months for the calendar year(s) in which Executive and any dependents receive this coverage. Best Buy will also, on Executive's behalf, remit to relevant tax authorities withholding taxes relating to the COBRA subsidy (including withholding taxes on the remittance itself). If Executive's actual tax liability is higher than the remittance, any additional tax liability relating to the COBRA subsidy will be his responsibility.

- d. Best Buy will continue to pay the premiums for Executive's group basic life insurance for ____ months, at no cost to Executive. This continued provision of life insurance will run concurrently with any continuation rights under state law. As required by applicable tax law, Best Buy will report as taxable income to Executive (on IRS Form W-2) the cost of any subsidized coverage in excess of the cost of \$50,000 of coverage for the calendar year(s) in which Executive receives this coverage. Best Buy will also, on Executive's behalf, remit to relevant tax authorities Executive's required withholding social security and Medicare taxes

relating to the life insurance subsidy (including withholding taxes on the remittance itself). If Executive's actual tax liability is higher than the remittance, any additional tax liability relating to the life insurance subsidy will be Executive's responsibility. Executive is also responsible for paying state and federal income taxes relating to the life insurance on his income tax return.

This Agreement is intended to qualify as an involuntary separation arrangement that is exempt from Section 409A of the Internal Revenue Code ("Section 409A"). Each payment made under this Agreement shall be treated as a separate payment for purposes of Section 409A. Specifically, any benefits paid within the Applicable 2½ Month Period (as defined below) are intended to constitute separate payments (for purposes of Treasury Regulation § 1.409A-2(b)(2)) that are exempt from Section 409A pursuant to the "short-term deferral" rule set forth in Treasury Regulation § 1.409A-1(b)(4). To the extent that any benefits do not qualify for the foregoing exemption, such benefits are intended to be exempt from Section 409A under the "involuntary separation pay plan" exception set forth in Treasury Regulation § 1.409A-1(b)(9)(iii), up to the maximum extent permitted by said provision (generally, two times the lesser of the Executive's annualized compensation or the compensation limit then in effect under section 401(a)(17) of the Code). To the extent that the Company determines that any provision of this Agreement fails to satisfy Section 409A's requirements, the Company shall be entitled to reform such provision in a manner that, in the good-faith opinion of the Company, attempts to cause the provision to satisfy those requirements while preserving as closely as possible the original intent of the provision and this Agreement. "Applicable 2½ Month Period" means the period beginning on Executive's Separation Date and ending 2½ months after the later of (i) the end of the calendar year in which Executive's Separation Date occurred, or (ii) the end of the Company's fiscal year in which Executive's Separation Date occurred.

[Optional]

6. *Best Buy will allow Executive and their spouse to participate, without cost to them, in one visit, per person, to the Mayo Clinic, in accordance with Best Buy's Mayo Clinic Executive Physical Examination Program, and subject to the terms and conditions of the Program as may be amended or terminated at any time by Best Buy in its sole discretion. Any such visit must take place by DATE.]*

7. Except as set forth herein, it is agreed and understood that Best Buy will not have any obligation to provide Executive at any time in the future with any payments, benefits or considerations other than those recited in Paragraphs 5 - 6 above, other than any vested benefits to which Executive may be entitled under the terms of Best Buy's benefit plans.

8. This Agreement does not supersede any of Executive's performance share award, restricted share award and/or stock option award agreements, including the provisions therein regarding confidentiality, noncompetition and nonsolicitation.

9. Executive acknowledges that this Agreement is not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by Best Buy, and that this Agreement is made voluntarily to provide an amicable conclusion of his employment relationship with Best Buy.

10. Executive covenants that he has returned all items of property and documents in his possession belonging to Best Buy.

11. Executive covenants that he has not communicated or disclosed, and he shall not hereafter communicate or disclose, the terms of this Agreement to any persons with the exception of members of his immediate family, his attorney, and his accountant or tax advisor, each of whom shall be informed of this confidentiality obligation and shall be bound by its terms, and with the exceptions of any taxing authority, as might otherwise be required by law, and for purposes of enforcing this Agreement. Executive may, however, disclose the provisions of Paragraphs 14-15 to prospective employers and recruiters.

12. Executive agrees that he shall not take any action that is adverse to Best Buy's business interests or make any critical or negative statement, either written or verbal, about the Releasees, including but not limited to critical or negative comments about Best Buy, its officers, directors, managers, employees, or its operations, procedures, activities, services, policies and practices.

13. Executive agrees that he shall not communicate or disclose to the press or other public media any information concerning Best Buy, its business, human resources or employee relations practices, and/or his tenure with the organization.

14. By signing this Agreement, Executive agrees to the restrictions and agreements contained in this Paragraph 14 (the "Restrictive Covenants").

- a. Competitive Activity. For one year following Executive's Separation Date, he shall not engage in any Competitive Activity. Because Best Buy's business competes on a global basis, Executive's obligations hereunder shall apply anywhere in the world.

"Competitive Activity" will mean any activities that are competitive with the business conducted by Best Buy or its subsidiaries at or prior to the date of the termination of Executive's employment, all as described in Best Buy's periodic reports filed pursuant to the Securities Exchange Act of 1934 (e.g., Best Buy's Annual Report on Form 10-K) or other comparable publicly disseminated information. Specifically, while not limited to the following, Executive agrees that he will not, directly or indirectly, within the one-year period specified above:

- i. own or hold, directly or beneficially, as a shareholder (other than as a shareholder with less than 1% of the outstanding common stock of a publicly traded corporation), option holder, warrant holder, partner, member or other equity or security owner or holder any company or business that derives more than 25% of its revenue from the Restricted Activities (as defined below), or any company or business controlling, controlled by or under common control with any company or business directly engaged in such Restricted Activities, or
- ii. engage or participate as an employee, director, officer, manager, executive, partner, independent contractor, board member, consultant or technical or business advisor in the Restricted Activities.

For purposes of this Agreement, the term "Restricted Activities" means the retail, wholesale or commercial sale of consumer electronic products and/or services including

vendors who offer their products directly to the consumer, wholesale clubs, home-improvement superstores and web-based alternatives.

b. Non-Solicitation. For one year following Executive's Separation Date, he shall not:

- i. induce or attempt to induce any employee of Best Buy to leave the employ of Best Buy, or in any way interfere adversely with the relationship between any such employee and Best Buy;
- ii. induce or attempt to induce any employee of Best Buy to work for, render services to, provide advice to, or supply confidential information, as described in Best Buy's confidential information policies ("Confidential Information"), to any third person, firm, or corporation;
- iii. employ, or otherwise pay for services rendered by, any employee of Best Buy in any competitive business enterprise with which Executive may be associated, connected or affiliated;
- iv. induce or attempt to induce any customer, supplier, licensee, licensor or other business relation of Best Buy to cease doing business with Best Buy, or in any way interfere with the then existing business relationship between any such customer, supplier, licensee, licensor or other business relation and Best Buy; or
- v. assist, solicit, or encourage any other person, directly or indirectly, in carrying out any activity set forth above that would be prohibited by any of the provisions of this Paragraph 14 if such activity were carried out by Executive. In particular, Executive will not, directly or indirectly, induce any employee of Best Buy to carry out any such activity.

15. Executive agrees:

- a. That he shall not disclose to anyone, nor use for his or a third party's benefit, any CONFIDENTIAL information, as defined in the Best Buy Confidentiality Policy. Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation for reporting a suspected violation of law, he understands he may disclose the trade secret to his attorney and use the trade secret information in the court proceeding, if he files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.
- b. To abide by any previous agreements to assign to Best Buy, all of his right, title, and interest in any inventions, works of authorship, designs, ideas, trademarks, or trade secrets, whether or not patentable or registrable, that he created, conceived, or reduced to practice, during his employment with, and within the scope of his duties as an employee of Best Buy, its subsidiaries and affiliates (collectively

referred to as "Best Buy Companies Intellectual Property"). Furthermore, he hereby assigns to Best Buy all of his right, title, and interest in Best Buy Companies Intellectual Property. Any invention, discovery, innovation or improvement that he can show was developed entirely on his own time and without the use of any of Best Buy's equipment, supplies, facilities, or Confidential Information and: (1) does not relate to the business of Best Buy or its actual or anticipated research or development; or (2) does not result from any work performed by him for Best Buy, shall not be part of the Best Buy Companies Intellectual Property. He agrees that he will, at any time upon request and without further consideration, execute additional documents and do additional acts as Best Buy may deem necessary or desirable to perfect its interest in the Best Buy Companies Intellectual Property.

16. Executive agrees that his obligations under this Agreement, including his obligations under Paragraphs 14 and 15, are reasonable in subject matter, scope, geography and time, and are reasonable and necessary for Best Buy to protect its legitimate business interests. Executive further agrees that these obligations shall not prevent him from pursuing or obtaining other employment or earning a living utilizing his skills, education, experience and knowledge of information that is not Confidential Information. In the event that any portion of Paragraphs 14 or 15 of this Agreement, including all of their subparts, shall be determined to be unenforceable because it is unreasonably restrictive in any respect, it shall be interpreted and/or modified to extend over the maximum period of time for which it reasonably may be enforced and to the maximum extent for which it reasonably may be enforced in all other respects, and enforced as so interpreted and/or modified. Executive acknowledges the uncertainty of the law in this respect and expressly stipulates that this Agreement is to be given the construction that renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law.

17. Executive agrees that a breach of any of the provisions of Paragraphs 14 or 15 would cause material and irreparable harm to Best Buy that would be difficult or impossible to measure, and that damages or other legal remedies available to Best Buy for any such harm would, therefore, be an inadequate remedy for any such breach. Accordingly, Executive agrees that if he breaches any of the provisions of Paragraphs 14 or 15, Best Buy shall be entitled, in addition to and without limitation upon all other remedies Best Buy may have under this Agreement, at law or otherwise, to obtain injunctive or other appropriate equitable relief, without bond or other security, to restrain any such breach. Executive further agrees that the duration of the Restrictive Covenants shall be extended by the same amount of time that Executive is in breach of any Restrictive Covenant.

18. Executive agrees to refrain from voluntarily participating in, or assisting others in, any legal proceedings against Best Buy. However, Executive is not prohibited from cooperating in a governmental investigation, from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or from making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation. Executive does not need Best Buy's authorization to make any such reports or disclosures, and Executive is not required to notify the Company that Executive has made such reports or disclosures.

19. Executive agrees to reasonably cooperate with Best Buy and its attorneys in the investigation, defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of Best Buy by any third party against Best Buy or by Best Buy against any third party and with respect to which Executive has knowledge. Executive also agrees to reasonably cooperate in any internal or external investigations as may be requested by Best Buy. Executive agrees that his reasonable cooperation shall include, but not be limited to, being reasonably available to meet with Best Buy's investigator or counsel to provide relevant information, to prepare for discovery, mediation, arbitration, trial, administrative hearing or other proceedings, and to act as a witness when requested by Best Buy at reasonable times and locations designated by Best Buy. Best Buy agrees to reimburse Executive for his reasonable out of pocket costs in providing cooperation under this Section, including travel expenses, meals and lodging, but not for his time.

20. Executive hereby acknowledges that:

- a. he is hereby advised by Best Buy to consult with an attorney of his own choice regarding this Agreement, and has had the opportunity to do so;
- b. he is hereby offered copies of any and all plan documents referred to in this Agreement, as well as any documents which he feels he otherwise wishes to review in advance of signing this Agreement;
- c. through this Agreement, he will receive substantial consideration for which he agrees to undertake the obligations set forth in this Agreement;
- d. he has the intention of releasing all claims recited herein in exchange for the consideration described herein, which he acknowledges as adequate and satisfactory to him; and
- e. neither Best Buy nor any of its agents, representatives or attorneys has made any representations to Executive concerning the terms or effects of this Agreement other than those contained herein.

21. This Agreement shall be governed by, and interpreted under, the laws of the State of Minnesota without giving effect to any conflict of laws provisions or canons of construction that construe agreements against the draftperson. Further, any disputes regarding Executive's employment or employment termination, or this Agreement, are subject to Best Buy's Arbitration Policy, and this Agreement does not supersede that Policy. The enforceability and interpretation of that Policy are governed by the Federal Arbitration Act.

22. Executive has the right to take 45 days to consider whether to sign this Agreement. If Executive does sign this Agreement, he then has the right to revoke this Agreement within 15 days after he signs it by giving written notice of such revocation to Best Buy (Attention: Charlie Montreuil, 7601 Penn Ave. South, Richfield, Minnesota 55423). If Executive exercises this right of revocation, this Agreement shall be null and void.

23. The parties affirm that the terms stated herein are the only consideration for signing this Agreement, and that no other representations, promises, or agreements of any kind have been made to them by any person or entity whatsoever to cause them to sign this Agreement.

24. The parties agree that if any provision, or portion of a provision, of this Agreement is, for any reason, held to be unenforceable, the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the invalid or unenforceable provision and will be interpreted so as to effect, as closely as possible, the intent of the parties hereto.

EXECUTIVE VERIFIES: I HAVE READ THIS AGREEMENT AND UNDERSTAND IT. I HAVE HAD SUFFICIENT TIME TO CONSIDER THIS AGREEMENT'S TERMS AND AM SIGNING IT VOLUNTARILY, WITH THE INTENT OF RELEASING BEST BUY AND THE OTHER RELEASEES FROM ALL CLAIMS RELATED TO MY EMPLOYMENT AND EMPLOYMENT TERMINATION.

Dated: _____ NAME _____

Best Buy, as defined above

Dated: _____ By: _____
Name: _____
Title: _____

**CONFIDENTIAL EMPLOYMENT SEPARATION
AND GENERAL RELEASE AGREEMENT**

This Confidential Employment Separation and General Release Agreement ("Agreement") is between Mike Mohan (EID 421704) for himself and his heirs, executors, administrators and assigns (hereinafter "Executive"), and Best Buy Co., Inc. and Best Buy Enterprises Service, Inc., as well as their direct and indirect subsidiaries and related entities and affiliates, foreign and domestic, whether or not controlled by Best Buy Co., Inc. (hereinafter collectively "Best Buy").

WHEREAS, Executive's employment with Best Buy ended on July 1, 2021 ("Separation Date"); and

WHEREAS, through this Agreement, Best Buy will provide Executive with consideration, for which Executive agrees to undertake the obligations described in this Agreement;

IT IS HEREBY AGREED by and between Executive and Best Buy, as follows:

1. Executive acknowledges that, as of his Separation Date, his employment relationship and all officer and director positions with Best Buy ended.
 2. Executive fully and forever waives, releases, acquits and discharges Best Buy, as well as any and all of its past, current and future parent, subsidiary and affiliated companies, predecessors and successors thereto, as well as their respective officers, directors, agents, employees, affiliates, representatives, shareholders, assigns, and other affiliated or related persons or entities, and all benefit plans sponsored by them or their insurers, successors, and assigns ("Releasees"), from any and all legally waivable claims, actions, charges, complaints, grievances and causes of action in any way based upon, connected with or related to his employment with Best Buy, whether now known or unknown, including but not limited to the following:
 - a. Claims related to his recruitment and hiring by Best Buy, his employment with Best Buy, any applications by him for other positions within Best Buy, the terms and conditions of his employment, and/or the termination of his employment, including but not limited to, claims for bonuses or other pay, claims of tort, breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination, discrimination, harassment, retaliation, violation of public policy, fraud, intentional or negligent misrepresentation, defamation, personal injury, or infliction of emotional distress;
 - b. Any statutory, civil, administrative, or common law claims, whether known or unknown, suspected or unsuspected, fixed or contingent, apparent or concealed; and
 - c. Any claims arising from rights under federal, state, or local laws and regulations, including but not limited to claims brought under:
 - i. Title VII of the Civil Rights Act of 1964,
 - ii. Sections 1981 through 1988 of Title 42 of the United States Code,
-

- iii. The Age Discrimination in Employment Act,
- iv. The Older Workers Benefit Protection Act,
- v. The Employee Retirement Income Security Act of 1971,
- vi. The Equal Pay Act of 1963,
- vii. The Americans with Disabilities Act of 1990,
- viii. The ADA Amendments Act of 2008,
- ix. The Family and Medical Leave Act,
- x. The Worker Adjustment and Retraining Notification Act (WARN),
- xi. The False Claims Act, and
- xii. Any state or local anti-discrimination statute, ordinance or other law.

Executive understands that nothing contained in this Agreement limits his ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Executive further understands that this Agreement does not limit his ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to Best Buy. Further, while this Agreement releases all claims Executive may have to monetary damages in connection with a charge or complaint he files with a Government Agency, it does not apply to, and does not release, his right to receive a monetary award for providing information to any Government Agencies (i.e., a whistleblower award).

Nothing in this Agreement is intended to affect any obligation Best Buy may have under existing law or Best Buy's articles, bylaws or insurance policies to defend and indemnify Executive in the event a claim is asserted against him for acts within the course and scope of employment, or to affect Executive's right to seek enforcement of this Agreement.

3. Executive agrees and represents that it is within his contemplation that he may have claims against the Releases of which, as of the date he signs this Agreement, he has no knowledge or suspicion, but he agrees and acknowledges that this Agreement extends to all claims in any way based upon, connected with or related to his employment with Best Buy, whether or not known, claimed or suspected by him.

4. Executive represents that he is unaware of any facts that may constitute a violation by him of Best Buy's Code of Conduct and/or any legal obligations.

5. Best Buy, for and in consideration of the undertakings of Executive as set forth herein, and intending to be legally bound, agrees to provide Executive with the following:

- a. Best Buy will pay Executive a lump sum payment of \$2,000,000.00, the equivalent of 24 months of base salary. This payment will be less employment tax withholdings, and will be made within 30 days after Executive signs and returns this Agreement to Best Buy, as long as Executive has not exercised his right of revocation in the time permitted hereunder. A pro-rata portion of the base salary payment is subject to repayment in the event of Executive's rehire.
- b. Best Buy will pay Executive a second lump sum payment of \$25,000.00. This payment will be less employment tax withholdings, and will be made within 30 days after Executive signs and returns this Agreement to Best Buy, as long as Executive has not exercised his right of revocation in the time permitted hereunder.
- c. Best Buy will provide Executive, at Company expense, for one month following his Separation Date, COBRA continuation coverage for him and his covered dependents for group medical, dental and vision under the Best Buy Health and Welfare Wrap Plan, or any successor Best Buy plans, if he is/they are participating in these programs as of his Separation Date, and at the coverage level and coverage option in place at the time of his Separation Date. Executive authorizes Best Buy to elect COBRA continuation coverage for him and his COBRA-eligible dependents for the coverage level and coverage options in which they are enrolled as of Executive's Separation Date, and Executive agrees to inform his COBRA-eligible dependents that they are so enrolled.

Best Buy will provide Executive a lump sum payment of \$24,000.00, the equivalent of 150% of estimated COBRA payments for a 23 month time period, and estimated group basic life insurance for a 17 month time period; if he and his covered dependents, if any, are participating in Best Buy's benefit programs as of his Separation Date, and based on the coverage level and coverage option in place at the time of his Separation Date.

- d. Best Buy will continue to pay the premiums for Executive's group basic life insurance for a one month period, at no cost to Executive. This continued provision of life insurance will run concurrently with any continuation rights under state law. As required by applicable tax law, Best Buy will report as taxable income to Executive (on IRS Form W-2) the cost of any subsidized coverage in excess of the cost of \$50,000 of coverage for the calendar year(s) in which Executive receives this coverage. Best Buy will also, on Executive's behalf, remit to relevant tax authorities Executive's required withholding social security and Medicare taxes relating to the life insurance subsidy (including withholding taxes on the remittance itself). If Executive's actual tax liability is higher than the remittance, any additional tax liability relating to the life insurance subsidy will be Executive's responsibility. Executive is also responsible for paying state and federal income taxes relating to the life insurance on his income tax return.

This Agreement is intended to qualify as an involuntary separation arrangement that is exempt from Section 409A of the Internal Revenue Code ("Section 409A"). Each payment made under this Agreement shall be treated as a separate payment for purposes of Section 409A. Specifically, any benefits paid within the Applicable 2½ Month Period (as defined below) are intended to constitute separate payments (for purposes of Treasury Regulation § 1.409A-2(b)(2)) that are exempt from Section 409A pursuant to the "short-term deferral" rule set forth in Treasury

Regulation § 1.409A-1(b)(4). To the extent that the Company determines that any provision of this Agreement fails to satisfy Section 409A's requirements, the Company shall be entitled to reform such provision in a manner that, in the good-faith opinion of the Company, attempts to cause the provision to satisfy those requirements while preserving as closely as possible the original intent of the provision and this Agreement. "Applicable 2½ Month Period" means the period beginning on Executive's Separation Date and ending 2½ months after the later of (i) the end of the calendar year in which Executive's Separation Date occurred, or (ii) the end of the Company's fiscal year in which Executive's Separation Date occurred.

6. Except as set forth herein, it is agreed and understood that Best Buy will not have any obligation to provide Executive at any time in the future with any payments, benefits or considerations other than those recited in Paragraph 5 above, other than any vested benefits to which Executive may be entitled under the terms of Best Buy's benefit plans.

7. This Agreement does not supersede any of Executive's performance share award, restricted share award and/or stock option award agreements, including the provisions therein regarding confidentiality, noncompetition and nonsolicitation.

8. Executive acknowledges that this Agreement is not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by Best Buy, and that this Agreement is made voluntarily to provide an amicable conclusion of his employment relationship with Best Buy.

9. Executive covenants that he has returned all items of property and documents in his possession belonging to Best Buy.

10. Executive covenants that he has not communicated or disclosed, and he shall not hereafter communicate or disclose, the terms of this Agreement to any persons with the exception of members of his immediate family, his attorney, and his accountant or tax advisor, each of whom shall be informed of this confidentiality obligation and shall be bound by its terms, and with the exceptions of any taxing authority, as might otherwise be required by law, and for purposes of enforcing this Agreement. Executive may, however, disclose the provisions of Paragraphs 13-15 to prospective employers and recruiters.

11. Executive agrees that he shall not take any action that is adverse to Best Buy's business interests or make any critical or negative statement, either written or verbal, about the Releasees, including but not limited to critical or negative comments about Best Buy, its officers, directors, managers, employees, or its operations, procedures, activities, services, policies and practices.

12. Executive agrees that he shall not communicate or disclose to the press or other public media any information concerning Best Buy, its business, human resources or employee relations practices.

13. By signing this Agreement, Executive agrees to the restrictions and agreements contained in this Paragraph 13 (the "Restrictive Covenants").

a. Competitive Activity.

For one year following Executive's Separation Date, he shall not as an employee, director, officer, manager, executive, partner, independent contractor, board member, consultant or technical or business advisor (or any foreign equivalents of the foregoing) engage or assist any of the US, Canadian, or Mexican activities and operations of any of the following companies or their respective affiliates, subsidiaries and successors to all or substantially all of the business of: Amazon, Apple, AT&T, Barnes and Noble, Brookstone, Buy.com, Costco Wholesale Corporation, Dell, Ebay, GameStop, Google, Hewlett-Packard, Newegg, OfficeMax, Office Depot, Samsung, Sony, Sprint, Staples, T-Mobile, Target, Verizon and Wal-Mart; provided, however, that Executive may be a passive holder of not more than 1% of the combined voting power of the outstanding stock of any of the above that are a publicly held company as long as Executive is not otherwise engaged in that company's business.

Executive further agrees that he will not own or hold, directly or beneficially, as a shareholder (other than as a shareholder with less than 1% of the outstanding common stock of a publicly traded corporation), option holder, warrant holder, partner, member or other equity or security owner or holder of any of the companies identified above, or their respective affiliates, subsidiaries and successors.

b. Non-Solicitation. For one year following Executive's Separation Date, he shall not:

- i. induce or attempt to induce any employee of Best Buy to leave the employ of Best Buy, or in any way interfere adversely with the relationship between any such employee and Best Buy;
- ii. induce or attempt to induce any employee of Best Buy to work for, render services to, provide advice to, or supply confidential information, as described in Best Buy's confidential information policies ("Confidential Information"), to any third person, firm, or corporation;
- iii. employ, or otherwise pay for services rendered by, any employee of Best Buy in any of the companies identified in Paragraph 13 (a) above, or their respective affiliates, subsidiaries and successors;
- iv. induce or attempt to induce any customer, supplier, licensee, licensor or other business relation of Best Buy to cease doing business with Best Buy, or in any way interfere with the then existing business relationship between any such customer, supplier, licensee, licensor or other business relation and Best Buy; or
- v. assist, solicit, or encourage any other person, directly or indirectly, in carrying out any activity set forth above that would be prohibited by any of the provisions of this Paragraph 13 if such activity were carried out by Executive. In particular, Executive will not, directly or indirectly, induce any employee of Best Buy to carry out any such activity.

14. Executive agrees:

- a. That he shall not disclose to anyone, nor use for his or a third party's benefit, any CONFIDENTIAL information, as defined in the Best Buy Confidentiality Policy. Executive will not be held criminally or civilly liable under any Federal or State

trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Executive files a lawsuit for retaliation for reporting a suspected violation of law, he understands he may disclose the trade secret to his attorney and use the trade secret information in the court proceeding, if he files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

- b. To abide by any previous agreements to assign to Best Buy, all of his right, title, and interest in any inventions, works of authorship, designs, ideas, trademarks, or trade secrets, whether or not patentable or registrable, that he created, conceived, or reduced to practice, during his employment with, and within the scope of his duties as an employee of Best Buy, its subsidiaries and affiliates (collectively referred to as "Best Buy Companies Intellectual Property"). Furthermore, he hereby assigns to Best Buy all of his right, title, and interest in Best Buy Companies Intellectual Property. Any invention, discovery, innovation or improvement that he can show was developed entirely on his own time and without the use of any of Best Buy's equipment, supplies, facilities, or Confidential Information and: (1) does not relate to the business of Best Buy or its actual or anticipated research or development; or (2) does not result from any work performed by him for Best Buy, shall not be part of the Best Buy Companies Intellectual Property. He agrees that he will, at any time upon request and without further consideration, execute additional documents and do additional acts as Best Buy may deem necessary or desirable to perfect its interest in the Best Buy Companies Intellectual Property.

15. Executive agrees that his obligations under this Agreement, including his obligations under Paragraphs 13 and 14, are reasonable in subject matter, scope, geography and time, and are reasonable and necessary for Best Buy to protect its legitimate business interests. Executive further agrees that these obligations shall not prevent him from pursuing or obtaining other employment or earning a living utilizing his skills, education, experience and knowledge of information that is not Confidential Information. In the event that any portion of Paragraphs 13 or 14 of this Agreement, including all of their subparts, shall be determined to be unenforceable because it is unreasonably restrictive in any respect, it shall be interpreted and/or modified to extend over the maximum period of time for which it reasonably may be enforced and to the maximum extent for which it reasonably may be enforced in all other respects, and enforced as so interpreted and/or modified. Executive acknowledges the uncertainty of the law in this respect and expressly stipulates that this Agreement is to be given the construction that renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law.

16. Executive agrees that a breach of any of the provisions of Paragraphs 13 or 14 would cause material and irreparable harm to Best Buy that would be difficult or impossible to measure, and

that damages or other legal remedies available to Best Buy for any such harm would, therefore, be an inadequate remedy for any such breach. Accordingly, Executive agrees that if he breaches any of the provisions of Paragraphs 13 or 14, Best Buy shall be entitled, in addition to and without limitation upon all other remedies Best Buy may have under this Agreement, at law or otherwise, to obtain injunctive or other appropriate equitable relief, without bond or other security, to restrain any such breach. Executive further agrees that the duration of the Restrictive Covenants shall be extended by the same amount of time that Executive is in breach of any Restrictive Covenant.

17. Executive agrees to refrain from voluntarily participating in, or assisting others in, any legal proceedings against Best Buy. However, Executive is not prohibited from cooperating in a governmental investigation, from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or from making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation. Executive does not need Best Buy's authorization to make any such reports or disclosures, and Executive is not required to notify the Company that Executive has made such reports or disclosures.

18. Executive agrees to reasonably cooperate with Best Buy and its attorneys in the investigation, defense or prosecution of any claims or actions now in existence or that may be brought in the future against or on behalf of Best Buy by any third party against Best Buy or by Best Buy against any third party and with respect to which Executive has knowledge. Executive also agrees to reasonably cooperate in any internal or external investigations as may be requested by Best Buy. Executive agrees that his reasonable cooperation shall include, but not be limited to, being reasonably available to meet with Best Buy's investigator or counsel to provide relevant information, to prepare for discovery, mediation, arbitration, trial, administrative hearing or other proceedings, and to act as a witness when requested by Best Buy at reasonable times and locations designated by Best Buy. Best Buy agrees to reimburse Executive for his reasonable out of pocket costs in providing cooperation under this Section, including travel expenses, meals and lodging, but not for his time.

19. Executive hereby acknowledges that:

- a. he is hereby advised by Best Buy to consult with an attorney of his own choice regarding this Agreement, and has had the opportunity to do so;
- b. he is hereby offered copies of any and all plan documents referred to in this Agreement, as well as any documents which he feels he otherwise wishes to review in advance of signing this Agreement;
- c. through this Agreement, he will receive substantial consideration for which he agrees to undertake the obligations set forth in this Agreement;
- d. he has the intention of releasing all claims recited herein in exchange for the consideration described herein, which he acknowledges as adequate and satisfactory to him; and

e. neither Best Buy nor any of its agents, representatives or attorneys has made any representations to Executive concerning the terms or effects of this Agreement other than those contained herein.

20. This Agreement shall be governed by, and interpreted under, the laws of the State of Minnesota without giving effect to any conflict of laws provisions or canons of construction that construe agreements against the draftperson. Further, any disputes regarding Executive's employment or employment termination, or this Agreement, are subject to Best Buy's Arbitration Policy, and this Agreement does not supersede that Policy. The enforceability and interpretation of that Policy are governed by the Federal Arbitration Act.

21. Executive has the right to take 45 days to consider whether to sign this Agreement. If Executive does sign this Agreement, he then has the right to revoke this Agreement within 15 days after he signs it by giving written notice of such revocation to Best Buy (Attention: Charlie Montreuil, 7601 Penn Ave. South, Richfield, Minnesota 55423). If Executive exercises this right of revocation, this Agreement shall be null and void.

22. The parties affirm that the terms stated herein are the only consideration for signing this Agreement, and that no other representations, promises, or agreements of any kind have been made to them by any person or entity whatsoever to cause them to sign this Agreement.

23. The parties agree that if any provision, or portion of a provision, of this Agreement is, for any reason, held to be unenforceable, the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the invalid or unenforceable provision and will be interpreted so as to effect, as closely as possible, the intent of the parties hereto.

EXECUTIVE VERIFIES: I HAVE READ THIS AGREEMENT AND UNDERSTAND IT. I HAVE HAD SUFFICIENT TIME TO CONSIDER THIS AGREEMENT'S TERMS AND AM SIGNING IT VOLUNTARILY, WITH THE INTENT OF RELEASING BEST BUY AND THE OTHER RELEASEES FROM ALL CLAIMS RELATED TO MY EMPLOYMENT AND EMPLOYMENT TERMINATION.

Dated: _____

Mike Mohan

Best Buy, as defined above

Dated: _____

By: _____

Name: _____

Title: _____

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Corie Barry, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Best Buy Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 4, 2021

/s/ CORIE BARRY

Corie Barry

Chief Executive Officer

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Bilunas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Best Buy Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 4, 2021

/s/ MATTHEW BILUNAS
Matthew Bilunas
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. §1350 (adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002), I, the undersigned Chairman and Chief Executive Officer of Best Buy Co., Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 1, 2021 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: June 4, 2021

/s/ CORIE BARRY

Corie Barry

Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. §1350 (adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002), I, the undersigned Chief Financial Officer of Best Buy Co., Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 1, 2021 (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: June 4, 2021

/s/ MATTHEW BILUNAS
Matthew Bilunas
Chief Financial Officer
