

BEST BUY CO., INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(\$ in millions, except per share amounts)
(Unaudited and subject to reclassification)

The following information provides reconciliations of the most comparable consolidated financial measures presented in accordance with accounting principles generally accepted in the U.S. (GAAP financial measures) to presented consolidated adjusted financial measures (non-GAAP financial measures). The company believes that non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating current period performance and in assessing future performance. For these reasons, internal management reporting also includes non-GAAP financial measures. Generally, presented non-GAAP financial measures include adjustments for items such as restructuring charges, goodwill and acquired intangible asset impairments, certain long-lived asset impairments, price-fixing settlements, gains and losses on disposals of subsidiaries and certain investments, amortization of definite-lived intangible assets associated with acquisitions, certain acquisition-related costs and the tax effect of all such items. In addition, certain other items may be excluded from non-GAAP financial measures when the company believes this provides greater clarity to management and investors. These non-GAAP financial measures should be considered in addition to, and not superior to or as a substitute for, the GAAP financial measures presented in this earnings release and the company's financial statements and other publicly filed reports. Non-GAAP financial measures as presented herein may not be comparable to similarly titled measures used by other companies.

	Three Months Ended		Six Months Ended	
	August 1, 2026	August 2, 2025	August 1, 2026	August 2, 2025
SG&A	\$ 1,923	\$ 1,829	\$ 3,664	\$ 3,550
% of revenue	19.7 %	19.4 %	19.6 %	19.5 %
Intangible asset amortization ¹	(2)	(4)	(4)	(9)
Adjusted SG&A	<u>\$ 1,921</u>	<u>\$ 1,825</u>	<u>\$ 3,660</u>	<u>\$ 3,541</u>
% of revenue	19.6 %	19.3 %	19.6 %	19.5 %
Operating income	\$ 421	\$ 251	\$ 791	\$ 470
% of revenue	4.3 %	2.7 %	4.2 %	2.6 %
Intangible asset amortization ¹	2	4	4	9
Restructuring charges ²	(6)	114	(15)	223
Adjusted operating income	<u>\$ 417</u>	<u>\$ 369</u>	<u>\$ 780</u>	<u>\$ 702</u>
% of revenue	4.3 %	3.9 %	4.2 %	3.9 %
Effective tax rate	27.1 %	26.8 %	27.0 %	18.3 %
Intangible asset amortization ¹	- %	- %	- %	0.2 %
Restructuring charges ²	- %	0.9 %	- %	8.7 %
Loss on disposal of subsidiaries ³	- %	0.1 %	- %	0.2 %
Adjusted effective tax rate	<u>27.1 %</u>	<u>27.8 %</u>	<u>27.0 %</u>	<u>27.4 %</u>

	Three Months Ended			Three Months Ended		
	August 1, 2026			August 2, 2025		
	Pretax Earnings	Net of Tax ⁴	Per Share	Pretax Earnings	Net of Tax ⁴	Per Share
Diluted EPS			\$ 1.48			\$ 0.87
Intangible asset amortization ¹	\$ 2	\$ 1	0.01	\$ 4	\$ 3	0.01
Restructuring charges ²	(6)	(5)	(0.02)	114	80	0.39
Loss on disposal of subsidiaries ³	—	—	—	4	2	0.01
Adjusted diluted EPS			<u>\$ 1.47</u>			<u>\$ 1.28</u>

	Six Months Ended			Six Months Ended		
	August 1, 2026			August 2, 2025		
	Pretax Earnings	Net of Tax ⁴	Per Share	Pretax Earnings	Net of Tax ⁴	Per Share
Diluted EPS			\$ 2.79			\$ 1.82
Intangible asset amortization ¹	\$ 4	\$ 3	0.01	\$ 9	\$ 7	0.03
Restructuring charges ²	(15)	(12)	(0.05)	223	119	0.57
Loss on disposal of subsidiaries ³	—	—	—	4	2	0.01
Adjusted diluted EPS			<u>\$ 2.75</u>			<u>\$ 2.43</u>

- (1) Represents the non-cash amortization of definite-lived intangible assets associated with acquisitions, including customer relationships and tradenames.
- (2) Amounts for the three and six months ended August 1, 2026, primarily relate to subsequent adjustments to previously planned organizational changes. Amounts for the three and six months ended August 2, 2025, primarily relate to charges from a labor and store optimization restructuring initiative that commenced in Q2 FY26 and a restructuring initiative within the company's Best Buy Health business that commenced in Q1 FY26.
- (3) Primarily represents the loss on disposal of a component of our Best Buy Health business.
- (4) The non-GAAP adjustments primarily relate to the U.S. As such, the forecasted annual income tax on the U.S. non-GAAP adjustments is calculated using the statutory tax rate of 24.5%, adjusted for tax benefits discrete to the period.