Best Buy Reports Third Quarter Results

Comparable Sales Increased 6.1%

Diluted EPS Increased 152% to $1.66

Adjusted Diluted EPS Increased 16% to $1.62

Raises FY27 Comparable Sales Guidance to 3.4% to 4.0%

Raises FY27 Adjusted Diluted EPS Guidance to $6.90 to $7.05

MINNEAPOLIS, November 24, 2026 -- Best Buy Co., Inc. (NYSE: BBY) today announced results for the 13-week third quarter ended October 31, 2026 ("Q3 FY27"), as compared to the 13-week third quarter ended November 1, 2025 ("Q3 FY26").

	Q3 FY27	Q3 FY26
Revenue ($ in millions)		
Enterprise	$ 10,236	$ 9,672
Domestic segment	$ 9,416	$ 8,878
International segment	$ 820	$ 794
Enterprise comparable sales % change[1]	6.1 %	2.7 %
Domestic comparable sales % change[1]	6.2 %	2.4 %
Domestic comparable online sales % change[1]	10.8 %	3.5 %
International comparable sales % change[1]	4.9 %	6.3 %
Operating Income		
Operating income as a % of revenue	4.4%	2.0%
Adjusted operating income as a % of revenue	4.4%	4.0%
Diluted Earnings per Share ("EPS")		
Diluted EPS	$ 1.66	$ 0.66
Adjusted diluted EPS	$ 1.62	$ 1.40

For GAAP to non-GAAP reconciliations of the consolidated adjusted measures used throughout this release, please refer to the attached supporting schedule.

"Our team delivered strong third quarter performance, with comparable sales growth of 6.1% which was ahead of our expectations and our highest in five years," said Jason Bonfig, Best Buy CEO. "Disciplined execution, a compelling product cycle and continued market share gains helped drive broad-based topline momentum across nearly all product categories, our services offerings, and both our digital and store channels. We also continued to scale Marketplace and Best Buy Ads, which are contributing to topline growth and supporting gross profit rate expansion."

Bonfig continued, "The strength and breadth of our results give us confidence to raise our full-year guidance. I am grateful to our teams for the dedication they bring to our customers every day, and for the energy I know they will bring to this year's holiday season."

FY27 Financial Guidance

The company's FY27 financial guidance is as follows:

- Revenue of $43.0 billion to $43.3 billion, compared to prior guidance of $42.3 billion to $42.8 billion
- Comparable sales % change[1] of 3.4% to 4.0%, compared to prior guidance of 1.9% to 3.0%
- Adjusted operating income rate[2] of approximately 4.5%, compared to prior guidance of 4.4% to 4.5%
- Adjusted effective income tax rate[2] of approximately 25.5%, which is unchanged
- Adjusted diluted EPS[2] of $6.90 to $7.05, compared to prior guidance of $6.70 to $6.90
- Capital expenditures of approximately $750 million, which is unchanged

The company expects Q4 FY27 comparable sales to be in the range of 2.0% to 4.0% and adjusted operating income rate to be in the range of 4.9% to 5.1%.

Domestic Segment Q3 FY27 Results

Domestic Revenue

Domestic revenue of $9.4 billion increased 6.1% versus last year, primarily driven by comparable sales growth of 6.2%.

From a category perspective, the company generated comparable sales growth across most of its categories, with the largest drivers on a weighted basis being computing, mobile phones, and a collection of emerging categories such as AI glasses and trading cards.

Domestic online revenue of $3.1 billion increased 10.8% on a comparable basis, and as a percentage of total Domestic revenue, online revenue was 33.2% versus 31.8% last year.

Domestic Gross Profit Rate

Domestic gross profit rate was 24.1% versus 23.3% last year. The higher gross profit rate was primarily driven by IEEPA tariff refunds of $41 million and growth in Marketplace and Best Buy Ads. The previous items were partially offset by lower product margin rates.

Domestic Adjusted Selling, General and Administrative Expenses ("SG&A")

Domestic adjusted SG&A was $1.8 billion, or 19.6% of revenue, versus $1.7 billion, or 19.2% of revenue, last year. The higher adjusted SG&A rate was primarily driven by increased incentive compensation and investments in the company's Marketplace and Best Buy Ads initiatives, partially offset by leverage from higher sales volume.

International Segment Q3 FY27 Results

International Revenue

International revenue of $820 million increased 3.3% versus last year. The revenue increase was primarily driven by comparable sales growth of 4.9%, which was partially offset by the negative impact of foreign exchange rates.

International Gross Profit Rate

International gross profit rate was 21.6% versus 22.8% last year. The lower gross profit rate was primarily due to lower product margin rates.

International Adjusted SG&A

International adjusted SG&A was $153 million, or 18.7% of revenue, versus $153 million, or 19.3% of revenue, last year. The lower adjusted SG&A rate was primarily driven by leverage from higher sales volume.

Share Repurchases and Dividends

In Q3 FY27, the company returned a total of $350 million to shareholders through dividends of $201 million and share repurchases of $149 million. On a year-to-date basis, the company has returned a total of $791 million to shareholders through dividends of $606 million and share repurchases of $185 million. The company expects to spend approximately $300 million on share repurchases during FY27.

Today, the company announced its board of directors has authorized the payment of a regular quarterly cash dividend of $0.96 per common share. The regular quarterly dividend is payable on January 5, 2027, to shareholders of record as of the close of business on December 15, 2026.

Conference Call

Best Buy is scheduled to conduct an earnings conference call at 8:00 a.m. Eastern Time (7:00 a.m. Central Time) on November 24, 2026. A webcast of the call is expected to be available at www.investors.bestbuy.com, both live and after the call.

Notes:
(1) 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. For additional information on comparable sales, please see our most recent Annual Report on Form 10-K, and our subsequent Quarterly Reports on Form 10-Q, filed with the Securities and Exchange Commission ("SEC"), and available at www.investors.bestbuy.com.

(2) A reconciliation of the projected adjusted operating income rate, adjusted effective income tax rate, and adjusted diluted EPS, which are forward-looking non-GAAP financial measures, to the most directly comparable GAAP financial measures, is not provided because the company is unable to provide such reconciliation without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact and the periods in which the non-GAAP adjustments may be recognized. These GAAP measures may include the impact of such items as restructuring charges; price-fixing settlements; goodwill and acquired intangible asset impairments; certain long-lived asset impairments; 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. Historically, the company has excluded these items from non-GAAP financial measures. The company currently expects to continue to exclude these items in future disclosures of non-GAAP financial measures and may also exclude other items that may arise (collectively, "non-GAAP adjustments"). The decisions and events that typically lead to the recognition of non-GAAP adjustments, such as a decision to exit part of the business or reaching settlement of a legal dispute, are inherently unpredictable as to if or when they may occur. For the same reasons, the company is unable to address the probable significance of the unavailable information, which could be material to future results.

Forward-Looking and Cautionary Statements:
This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these statements by the fact that they use words such as “anticipate,” “appear,” “approximate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “foresee,” “guidance,” “intend,” “may,” “might,” “outlook,” “plan,” “possible,” “project,” “seek,” “should,” “would,” and other words and terms of similar meaning or the negatives thereof. Such statements reflect our current views and estimates with respect to future market conditions, company performance and financial results, operational investments, business prospects, our operating model, new strategies and growth initiatives, the competitive environment, consumer behavior and other events. These statements involve a number of judgments and are subject to certain risks and uncertainties, many of which are outside the control of the Company, 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 most recent Annual Report on Form 10-K, and any updated information in subsequent Quarterly Reports on Form 10-Q, 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 release. Among the factors that could cause actual results and outcomes to differ materially from those contained in such forward-looking statements are the following: macroeconomic pressures in the markets in which we operate (including but not limited to real GDP growth, inflation, recession, consumer confidence, employment levels, effects of the government closures, cost of living, uncertainty over the availability of government benefits, tax rates, availability of consumer financing, interest rates, housing market conditions, foreign currency exchange rates, the price of oil, gas and other commodities and other macroeconomic trends); geopolitical pressures (including issues related to trade routes, political instability and divisiveness, the potential implementation of more restrictive trade policies, tariff increases and/or volatility, the realignment of alliances or the renegotiation of existing trade agreements); catastrophic events, health crises and pandemics; susceptibility of the products we sell to technological advancements, product life cycle fluctuations and changes in consumer preferences; competition (including from multi-channel retailers, e-commerce business, technology service providers, traditional store-based retailers, vendors and mobile network carriers, in the provision of delivery speed and options and with the strategic use of artificial intelligence); our ability to attract and retain qualified employees and changes in market compensation rates; 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 ability to effectively identify, manage and execute enterprise-wide strategies, such as strategic ventures, alliances or acquisitions; our ability to effectively manage our infrastructure, real estate portfolio and market segmentation strategy; interruptions and other factors affecting our supply chain (impacting our stores or other aspects of our operations); our utilization of third-party vendors for certain aspects of our operations; risks associated with the products we sell, including those products sold on our Marketplace platforms and products under our exclusive brand labels; our reliance on our information technology systems, internet and telecommunications access and capabilities; our ability to prevent or effectively respond to a cyber-attack, privacy or security breach; statutory, regulatory and legal developments (including statutes and/or regulations related to tax or privacy); evolving corporate governance and public disclosure regulations and expectations (including, but not limited to, cybersecurity and corporate responsibility and sustainability matters); risks arising from our international activities (including fluctuations in foreign currency exchange rates); failure to meet any financial performance guidance or other forward-looking statements; failure to effectively manage our costs; our dependence on cash flows and net earnings generated during the fourth fiscal quarter; economic or regulatory developments that might affect our ability to provide attractive promotional financing; constraints in the banking and capital markets; and changes in our credit ratings. 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.

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BEST BUY CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
($ and shares in millions, except per share amounts)
(Unaudited and subject to reclassification)

	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Revenue	$ 10,236	$ 9,672	$ 28,951	$ 27,877
Cost of sales	7,792	7,424	22,067	21,386
Gross profit	2,444	2,248	6,884	6,491
Gross profit %	*23.9 %*	*23.2 %*	*23.8 %*	*23.3 %*
Selling, general and administrative expenses	1,999	1,884	5,663	5,434
SG&A %	*19.5 %*	*19.5 %*	*19.6 %*	*19.5 %*
Restructuring charges	(7)	(5)	(22)	218
Goodwill and intangible asset impairments	—	171	—	171
Operating income	452	198	1,243	668
Operating income %	*4.4 %*	*2.0 %*	*4.3 %*	*2.4 %*
Other income (expense):				
Gain (loss) on disposal of subsidiaries	7	—	7	(4)
Investment income and other	25	19	64	52
Interest expense	(11)	(12)	(33)	(36)
Earnings before income tax expense and equity in income (loss) of affiliates	473	205	1,281	680
Income tax expense	120	64	338	151
Effective tax rate	*25.2 %*	*31.5 %*	*26.3 %*	*22.3 %*
Equity in income (loss) of affiliates	—	(1)	1	(1)
Net earnings	$ 353	$ 140	$ 944	$ 528
Basic earnings per share	$ 1.68	$ 0.67	$ 4.48	$ 2.50
Diluted earnings per share	$ 1.66	$ 0.66	$ 4.45	$ 2.48
Weighted-average common shares outstanding:				
Basic	210.2	210.7	210.7	211.4
Diluted	212.5	212.1	212.4	212.7

BEST BUY CO., INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
($ in millions)
(Unaudited and subject to reclassification)

	October 31, 2026	November 1, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 1,990	$ 923
Receivables, net	1,100	1,017
Merchandise inventories	8,904	7,993
Other current assets	504	640
Total current assets	12,498	10,573
Property and equipment, net	2,013	2,037
Operating lease assets	2,854	2,838
Goodwill	790	790
Other assets	472	548
Total assets	$ 18,627	$ 16,786
Liabilities and equity		
Current liabilities		
Accounts payable	$ 8,557	$ 7,319
Unredeemed gift card liabilities	218	231
Deferred revenue	872	853
Accrued compensation and related expenses	452	392
Accrued liabilities	719	689
Current portion of operating lease liabilities	618	619
Current portion of long-term debt	10	10
Total current liabilities	11,446	10,113
Long-term operating lease liabilities	2,321	2,309
Long-term debt	1,149	1,155
Long-term liabilities	480	556
Equity	3,231	2,653
Total liabilities and equity	$ 18,627	$ 16,786

BEST BUY CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)
(Unaudited and subject to reclassification)

	Nine Months Ended	
	October 31, 2026	**November 1, 2025**
Operating activities		
Net earnings	$ 944	$ 528
Adjustments to reconcile net earnings to total cash provided by operating activities:		
Depreciation and amortization	584	628
Restructuring charges	(22)	218
Goodwill and intangible asset impairments	—	171
Stock-based compensation	106	106
Deferred income taxes	12	37
(Gain) loss on disposal of subsidiaries	(7)	4
Long-lived asset impairments	—	21
Other, net	(1)	6
Changes in operating assets and liabilities:		
Receivables	(59)	23
Merchandise inventories	(3,687)	(2,903)
Other assets	14	3
Accounts payable	3,767	2,315
Income taxes	5	(133)
Other liabilities	(93)	(340)
Total cash provided by operating activities	1,563	684
Investing activities		
Additions to property and equipment	(536)	(529)
Disposal of subsidiaries	(4)	(27)
Other, net	9	1
Total cash used in investing activities	(531)	(555)
Financing activities		
Repurchase of common stock	(185)	(200)
Issuance of common stock	15	6
Dividends paid	(606)	(602)
Repayments of debt	(10)	(10)
Other, net	(2)	(2)
Total cash used in financing activities	(788)	(808)
Effect of exchange rate changes on cash and cash equivalents	(2)	5
Increase (decrease) in cash, cash equivalents and restricted cash	242	(674)
Cash, cash equivalents and restricted cash at beginning of period	2,023	1,868
Cash, cash equivalents and restricted cash at end of period	$ 2,265	$ 1,194

BEST BUY CO., INC.
SEGMENT AND REVENUE CATEGORY INFORMATION
($ in millions)
(Unaudited and subject to reclassification)

	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Domestic Segment				
Revenue	$ 9,416	$ 8,878	$ 26,735	$ 25,703
Comparable sales % change	6.2 %	2.4 %	4.3 %	1.0 %
Comparable online sales % change	10.8 %	3.5 %	5.9 %	3.6 %
Gross profit	$ 2,267	$ 2,067	$ 6,401	$ 6,008
Gross profit as a % of revenue	24.1 %	23.3 %	23.9 %	23.4 %
Adjusted SG&A[1]	$ 1,845	$ 1,707	$ 5,217	$ 4,968
Adjusted SG&A as a % of revenue[2]	19.6 %	19.2 %	19.5 %	19.3 %
Adjusted operating income[1]	$ 422	$ 360	$ 1,184	$ 1,040
Adjusted operating income as a % of revenue[3]	4.5 %	4.1 %	4.4 %	4.0 %
International Segment				
Revenue	$ 820	$ 794	$ 2,216	$ 2,174
Comparable sales % change	4.9 %	6.3 %	2.6 %	4.5 %
Gross profit	$ 177	$ 181	$ 483	$ 483
Gross profit as a % of revenue	21.6 %	22.8 %	21.8 %	22.2 %
Adjusted SG&A[1]	$ 153	$ 153	$ 441	$ 433
Adjusted SG&A as a % of revenue[2]	18.7 %	19.3 %	19.9 %	19.9 %
Adjusted operating income[1]	$ 24	$ 28	$ 42	$ 50
Adjusted operating income as a % of revenue[3]	2.9 %	3.5 %	1.9 %	2.3 %

(1) Represents segment Adjusted SG&A and segment Adjusted operating income as reported in accordance with Accounting Standards Codification 280, *Segment Reporting*.
(2) Segment Adjusted SG&A as a % of revenue is calculated as segment Adjusted SG&A divided by segment Revenue.
(3) Segment Adjusted operating income as a % of revenue is calculated as segment Adjusted operating income divided by segment Revenue.

	Revenue Mix		Comparable Sales	
	Three Months Ended		Three Months Ended	
	October 31, 2026	November 1, 2025[1]	October 31, 2026	November 1, 2025[1]
Domestic Segment				
Computing and Mobile Phones	49 %	48 %	7.1 %	7.6 %
Consumer Electronics	25 %	26 %	1.3 %	(3.0)%
Appliances	10 %	11 %	2.9 %	(8.8)%
Services	9 %	9 %	8.7 %	1.6 %
Entertainment	7 %	5 %	27.5 %	14.4 %
Other	— %	1 %	(25.1)%	(14.6)%
Total	100 %	100 %	6.2 %	2.4 %
International Segment				
Computing and Mobile Phones	52 %	52 %	5.8 %	8.9 %
Consumer Electronics	25 %	25 %	5.4 %	3.4 %
Appliances	7 %	8 %	(5.5)%	(4.7)%
Services	7 %	7 %	(2.2)%	10.2 %
Entertainment	8 %	7 %	16.5 %	11.3 %
Other	1 %	1 %	(0.9)%	(4.1)%
Total	100 %	100 %	4.9 %	6.3 %

(1) Beginning in Q1 FY27, the company reclassified certain amounts within its revenue categories to better align with management's current view of the business. The reclassification primarily relates to credit card revenue and digital content revenue (including digital gaming, software and subscriptions) that were previously included in various product revenue categories and, following the reclassification, are now included within services revenue. To ensure its financial results are comparable, the company has recast revenue, revenue mix and comparable sales by revenue category for FY25 and FY26, as well as for each quarter within such fiscal years, to conform with this reclassification. Refer to Exhibit 99.2 in the company's Current Report on Form 8-K filed on May 28, 2026, for additional information.

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		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
SG&A	$ 1,999	$ 1,884	$ 5,663	$ 5,434
% of revenue	*19.5 %*	*19.5 %*	*19.6 %*	*19.5 %*
Intangible asset amortization[1]	(1)	(3)	(5)	(12)
Long-lived asset impairment[2]	—	(21)	—	(21)
Adjusted SG&A	$ 1,998	$ 1,860	$ 5,658	$ 5,401
% of revenue	*19.5 %*	*19.2 %*	*19.5 %*	*19.4 %*
Operating income	$ 452	$ 198	$ 1,243	$ 668
% of revenue	*4.4 %*	*2.0 %*	*4.3 %*	*2.4 %*
Intangible asset amortization[1]	1	3	5	12
Long-lived asset impairment[2]	—	21	—	21
Restructuring charges[3]	(7)	(5)	(22)	218
Goodwill and intangible asset impairments[2]	—	171	—	171
Adjusted operating income	$ 446	$ 388	$ 1,226	$ 1,090
% of revenue	*4.4 %*	*4.0 %*	*4.2 %*	*3.9 %*
Effective tax rate	25.2 %	31.5 %	26.3 %	22.3 %
Intangible asset amortization[1]	— %	(0.3)%	— %	0.1 %
Long-lived asset impairment[2]	— %	(1.4)%	— %	0.2 %
Restructuring charges[3]	0.1 %	(1.5)%	0.1 %	3.2 %
Goodwill and intangible asset impairments[2]	— %	(3.7)%	— %	0.5 %
(Gain) loss on disposal of subsidiaries[4]	— %	— %	— %	0.1 %
Adjusted effective tax rate	25.3 %	24.6 %	26.4 %	26.4 %

	Three Months Ended October 31, 2026			Three Months Ended November 1, 2025		
	Pretax Earnings	Net of Tax[5]	Per Share	Pretax Earnings	Net of Tax[5]	Per Share
Diluted EPS			$ 1.66			$ 0.66
Intangible asset amortization[1]	$ 1	$ 1	—	$ 3	$ 1	—
Long-lived asset impairment[2]	—	—	—	21	14	0.07
Restructuring charges[3]	(7)	(5)	(0.02)	(5)	(12)	(0.06)
Goodwill and intangible asset impairments[2]	—	—	—	171	154	0.73
(Gain) loss on disposal of subsidiaries[4]	(7)	(5)	(0.02)	—	—	—
Adjusted diluted EPS			$ 1.62			$ 1.40

	Nine Months Ended October 31, 2026			Nine Months Ended November 1, 2025		
	Pretax Earnings	Net of Tax[5]	Per Share	Pretax Earnings	Net of Tax[5]	Per Share
Diluted EPS			$ 4.45			$ 2.48
Intangible asset amortization[1]	$ 5	$ 4	0.02	$ 12	$ 8	0.04
Long-lived asset impairment[2]	—	—	—	21	14	0.07
Restructuring charges[3]	(22)	(17)	(0.08)	218	107	0.50
Goodwill and intangible asset impairments[2]	—	—	—	171	154	0.72
(Gain) loss on disposal of subsidiaries[4]	(7)	(5)	(0.03)	4	2	0.01
Adjusted diluted EPS			$ 4.36			$ 3.82

(1) Primarily represents the non-cash amortization of definite-lived intangible assets associated with acquisitions, including customer relationships and tradenames.

(2) Represents charges incurred related to Best Buy Health, comprised of non-cash impairments of goodwill, intangible assets and certain long-lived assets.

(3) Represents charges and subsequent adjustments primarily related to 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.

(4) Primarily represents the gain on disposal of a foreign subsidiary in FY27 and the loss on disposal of a component of our Best Buy Health business in FY26.

(5) The forecasted annual income tax effect of non-GAAP adjustments is calculated using the applicable statutory tax rates based on the jurisdiction in which the adjustments arise, adjusted for tax benefits discrete to the period. No tax benefit is reflected for certain adjustments where the related expenses do not result in a forecasted annual tax benefit for GAAP purposes.