

## Results of Operations

### Consolidated Results

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

<b>Consolidated Performance Summary</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenue	\$ 46,298	\$ 51,761	\$ 47,262
Revenue % change	(10.6)%	9.5 %	8.3 %
Comparable sales % change	(9.9)%	10.4 %	9.7 %
Gross profit	\$ 9,912	\$ 11,640	\$ 10,573
Gross profit as a % of revenue <sup>(1)</sup>	21.4 %	22.5 %	22.4 %
SG&A	\$ 7,970	\$ 8,635	\$ 7,928
SG&A as a % of revenue <sup>(1)</sup>	17.2 %	16.7 %	16.8 %
Restructuring charges	\$ 147	\$ (34)	\$ 254
Operating income	\$ 1,795	\$ 3,039	\$ 2,391
Operating income as a % of revenue	3.9 %	5.9 %	5.1 %
Net earnings	\$ 1,419	\$ 2,454	\$ 1,798
Diluted earnings per share	\$ 6.29	\$ 9.84	\$ 6.84

(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*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K.

In fiscal 2023, we generated \$46.3 billion in revenue and our comparable sales declined 9.9%. Our comparable sales decline was due to multiple factors, including the following: (1) the lapping of strong sales in fiscal 2022 and fiscal 2021 that were driven by heightened demand during the pandemic for stay-at-home focused purchases and the benefit of government stimulus payments; (2) the shift of consumer spending back into service areas such as travel and entertainment and away from durable goods; and (3) macroeconomic pressures, including high inflation, that resulted in overall softness in customer demand within the consumer electronics industry.

Revenue, gross profit rate, SG&A and operating income rate changes in fiscal 2023 were primarily driven by our Domestic segment. For further discussion of each segment's rate changes, see *Segment Performance Summary*, below.

### Segment Performance Summary

#### Domestic Segment

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

<b>Domestic Segment Performance Summary</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenue	\$ 42,794	\$ 47,830	\$ 43,293
Revenue % change	(10.5)%	10.5 %	7.9 %
Comparable sales % change <sup>(1)</sup>	(10.3)%	11.0 %	9.2 %
Gross profit	\$ 9,106	\$ 10,702	\$ 9,720
Gross profit as a % of revenue	21.3 %	22.4 %	22.5 %
SG&A	\$ 7,332	\$ 7,946	\$ 7,239
SG&A as a % of revenue	17.1 %	16.6 %	16.7 %
Restructuring charges	\$ 140	\$ (39)	\$ 133
Operating income	\$ 1,634	\$ 2,795	\$ 2,348
Operating income as a % of revenue	3.8 %	5.8 %	5.4 %
<b>Selected Online Revenue Data</b>			
Total online revenue	\$ 14,212	\$ 16,430	\$ 18,674
Online revenue as a % of total segment revenue	33.2 %	34.4 %	43.1 %
Comparable online sales% change <sup>(1)</sup>	(13.5)%	(12.0)%	144.4 %

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

The decrease in revenue in fiscal 2023 was primarily driven by comparable sales declines across most of our product categories, particularly computing, home theater, mobile phones and appliances. Online revenue of \$14.2 billion decreased 13.5% on a comparable basis in fiscal 2023. These decreases in revenue were primarily due to the reasons described within the *Consolidated Results* section, above.