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Consolidated Balance Sheets

\$ in millions, except per share and share amounts

	February 1, 2020	February 2, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 2,229	\$ 1,980
Receivables, net	1,149	1,015
Merchandise inventories	5,174	5,409
Other current assets	305	466
Total current assets	8,857	8,870
Property and equipment		
Land and buildings	650	637
Leasehold improvements	2,203	2,119
Fixtures and equipment	6,286	5,865
Property under capital and financing leases	-	579
Property under finance leases	89	-
Gross property and equipment	9,228	9,200
Less accumulated depreciation	6,900	6,690
Net property and equipment	2,328	2,510
Operating lease assets	2,709	-
Goodwill	984	915
Other assets	713	606
Total assets	\$ 15,591	\$ 12,901
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 5,288	\$ 5,257
Unredeemed gift card liabilities	281	290
Deferred revenue	501	446
Accrued compensation and related expenses	410	482
Accrued liabilities	906	982
Current portion of operating lease liabilities	660	-
Current portion of long-term debt	14	56
Total current liabilities	8,060	7,513
Long-term operating lease liabilities	2,138	-
Long-term liabilities	657	750
Long-term debt	1,257	1,332
Contingencies and commitments (Note 13)		
Equity		
Best Buy Co., Inc. Shareholders' 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 256,494,000 and 265,703,000 shares, respectively	26	27
Additional paid-in capital	-	-
Retained earnings	3,158	2,985
Accumulated other comprehensive income	295	294
Total equity	3,479	3,306
Total liabilities and equity	\$ 15,591	\$ 12,901

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Earnings

\$ and shares in millions, except per share amounts

Fiscal Years Ended	February 1, 2020	February 2, 2019	February 3, 2018
Revenue	\$ 43,638	\$ 42,879	\$ 42,151
Cost of sales	33,590	32,918	32,275
Gross profit	10,048	9,961	9,876
Selling, general and administrative expenses	7,998	8,015	8,023
Restructuring charges	41	46	10
Operating income	2,009	1,900	1,843
Other income (expense):			
Gain on sale of investments	1	12	1
Investment income and other	47	49	48
Interest expense	(64)	(73)	(75)
Earnings from continuing operations before income tax expense	1,993	1,888	1,817
Income tax expense	452	424	818
Net earnings from continuing operations	1,541	1,464	999
Gain from discontinued operations, net of \$0 tax expense	-	-	1
Net earnings	\$ 1,541	\$ 1,464	\$ 1,000
Basic earnings per share	\$ 5.82	\$ 5.30	\$ 3.33
Diluted earnings per share	\$ 5.75	\$ 5.20	\$ 3.26
Weighted-average common shares outstanding			
Basic	264.9	276.4	300.4
Diluted	268.1	281.4	307.1

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Comprehensive Income

\$ in millions

Fiscal Years Ended	February 1, 2020	February 2, 2019	February 3, 2018
Net earnings	\$ 1,541	\$ 1,464	\$ 1,000
Foreign currency translation adjustments	1	(20)	35
Comprehensive income	<u>\$ 1,542</u>	<u>\$ 1,444</u>	<u>\$ 1,035</u>

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Cash Flows

\$ in millions

Fiscal Years Ended	February 1, 2020	February 2, 2019	February 3, 2018
Operating activities			
Net earnings	\$ 1,541	\$ 1,464	\$ 1,000
Adjustments to reconcile net earnings to total cash provided by operating activities:			
Depreciation and amortization	812	770	683
Restructuring charges	41	46	10
Stock-based compensation	143	123	129
Deferred income taxes	70	10	162
Other, net	21	(25)	(13)
Changes in operating assets and liabilities, net of acquired assets and liabilities:			
Receivables	(131)	28	315
Merchandise inventories	237	(194)	(335)
Other assets	16	(34)	(21)
Accounts payable	47	432	(196)
Income taxes	(132)	22	290
Other liabilities	(100)	(234)	117
Total cash provided by operating activities	2,565	2,408	2,141
Investing activities			
Additions to property and equipment, net of \$10, \$53 and \$123, respectively, of non-cash capital expenditures	(743)	(819)	(688)
Purchases of investments	(330)	-	(4,325)
Sales of investments	322	2,098	4,018
Acquisitions, net of cash acquired	(145)	(787)	-
Other, net	1	16	(7)
Total cash provided by (used in) investing activities	(895)	508	(1,002)
Financing activities			
Repurchase of common stock	(1,003)	(1,505)	(2,004)
Issuance of common stock	48	38	163
Dividends paid	(527)	(497)	(409)
Borrowings of debt	-	498	-
Repayments of debt	(15)	(546)	(46)
Other, net	(1)	(6)	(1)
Total cash used in financing activities	(1,498)	(2,018)	(2,297)
Effect of exchange rate changes on cash	(1)	(14)	25
Increase (decrease) in cash, cash equivalents and restricted cash	171	884	(1,133)
Cash, cash equivalents and restricted cash at beginning of period	2,184	1,300	2,433
Cash, cash equivalents and restricted cash at end of period	<u>\$ 2,355</u>	<u>\$ 2,184</u>	<u>\$ 1,300</u>
Supplemental cash flow information			
Income taxes paid	\$ 514	\$ 391	\$ 366
Interest paid	62	71	81

See Notes to Consolidated Financial Statements.

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Consolidated Statements of Changes in Shareholders' Equity

\$ and shares in millions, except per share amounts

	Common Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balances at January 28, 2017	311	\$ 31	\$ -	\$ 4,399	\$ 279	\$ 4,709
Adoption of ASU 2016-09	-	-	10	(12)	-	(2)
Net earnings	-	-	-	1,000	-	1,000
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	-	-	-	-	35	35
Stock-based compensation	-	-	129	-	-	129
Issuance of common stock	7	1	162	-	-	163
Common stock dividends, \$1.36 per share	-	-	-	(411)	-	(411)
Repurchase of common stock	(35)	(4)	(299)	(1,706)	-	(2,009)
Other	-	-	(2)	-	-	(2)
Balances at February 3, 2018	283	28	-	3,270	314	3,612
Adoption of ASU 2014-09	-	-	-	73	-	73
Net earnings	-	-	-	1,464	-	1,464
Other comprehensive loss, net of tax:						
Foreign currency translation adjustments	-	-	-	-	(20)	(20)
Stock-based compensation	-	-	123	-	-	123
Issuance of common stock	4	-	38	-	-	38
Common stock dividends, \$1.80 per share	-	-	6	(497)	-	(491)
Repurchase of common stock	(21)	(1)	(167)	(1,325)	-	(1,493)
Balances at February 2, 2019	266	27	-	2,985	294	3,306
Adoption of ASU 2016-02	-	-	-	(22)	-	(22)
Net earnings	-	-	-	1,541	-	1,541
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	-	-	-	-	1	1
Stock-based compensation	-	-	143	-	-	143
Issuance of common stock	4	-	48	-	-	48
Common stock dividends, \$2.00 per share	-	-	9	(536)	-	(527)
Repurchase of common stock	(14)	(1)	(198)	(810)	-	(1,009)
Other	-	-	(2)	-	-	(2)
Balances at February 1, 2020	256	\$ 26	\$ -	\$ 3,158	\$ 295	\$ 3,479

See Notes to Consolidated Financial Statements.