

Best Buy Sees Q2 Improvements

Written by Marco Attard
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It looks like CEO Hubert Joly's ["Renew Blue" turnaround plan](#) is bearing Best Buy some fruit-- Q2 2013 sales drop by -0.4% Y-o-Y to \$9.3 billion, an improvement over the -1.6% decline the retailer saw a year earlier.



Sales from Best Buy stores open for at least 14 months are down by -0.6% Y-o-Y, a decline the retailer blames on "short-term disruptions" caused by Samsung and Windows boutique store-within-store rollouts.

Earnings total \$266 million, mostly thanks to \$226m worth in legal settlements, as well as gains from the Best Buy Europe sale.

"While we are clear there is much more work ahead, we have made measurable progress since we unveiled Renew Blue last year, including near flat comparable store sales, substantive cost take outs, and better-than-expected earnings in the past 3 consecutive quarters," Joly says.

Best Buys sees particular improvement online, with online sales growing by 10.5% Y-o-Y to \$477m-- an improvement more noteworthy for the fact Best Buy will only launch a revamped online shopping portal on 2014.

As for H2 2013 the retailer expects some pressure due to price cuts and marketing costs, but hopes such costs will be offset by annual cost reductions reaching \$390m.

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