



**FOR IMMEDIATE RELEASE**

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**Target Extends Enhancements to Pay and Benefits and Provides COVID-19 Business Update**

**MINNEAPOLIS (April 23, 2020)** Target Corporation (NYSE:TGT) today announced extensions of enhanced team member wages and benefits, and provided business updates related to the impact from the novel coronavirus (COVID-19).

In recognition of the significant contributions of frontline team members, Target will extend its \$2 an hour temporary wage increase until May 30. The Company will also continue to extend access to free, safe and reliable back-up care for team members, and a 30-day paid leave for team members who are 65 or older, pregnant or who have underlying medical conditions as defined by the CDC, through the end of May. This follows a previously-announced \$300 million investment in wages, bonuses, paid leave and benefits for its frontline team members, as outlined in the Company's March 25 press release. These actions are in addition to protective equipment, dedicated shopping hours and discounts the Company has introduced to support its team members during the pandemic.

"We have deep gratitude for the remarkable effort our team has put into supporting guests across the country. We remain committed to prioritizing our efforts to provide for their well-being so they can take care of themselves and their families during this unprecedented time," said Brian Cornell, chairman and CEO of Target Corporation.

To enhance the safety of its stores and distribution centers, Target has taken numerous actions, including providing face masks and gloves to all team members, and implementing rigorous cleaning and social distancing processes. Team members regularly receive guidance to practice healthy hygiene habits, as recommended by the CDC, and will be provided thermometers upon request to perform at-home checks prior to coming to work.

Target is also monitoring store occupancy and metering traffic, when necessary, to enhance the average space per person and reduce the possibility of congestion, and setting aside time multiple times each week for vulnerable guests to shop. Additionally, Target has staffed up same-day services to accommodate increased guest demand and offers a contactless Drive Up service for online purchases across the country.

More information on how Target is supporting its guests and team members in response to COVID-19 can be found on [Target.com/abullseyeview](https://www.target.com/abullseyeview).

### **Update on Financial Performance**

“Our strategy was built to be durable and sustainable in any environment and its strength is driving our business in the face of marked shifts in shopping behaviors caused by COVID-19,” said Cornell. “Because of our strong business model, we are able to make considerable investments to support our team, put protections in place, and adjust to serve our guests who are being advised to shelter in place and avoid stores. As a result, we are seeing record-setting digital growth, strong demand for our same-day fulfillment services and broad market-share gains across each of our core categories. While this crisis will certainly put near-term pressure on our profitability, that pressure is far outweighed by doing right by our team and our guests. We’re confident the actions we’re taking today will drive growth and greater guest affinity over the long-term.”

Quarter-to-date, total Company comparable sales have grown more than 7 percent, reflecting a slight decline in stores and more than 100 percent growth in digital channels. Across the Company’s core merchandise categories, comparable sales have grown more than 20 percent in Essentials and Food & Beverage, more than 16 percent in Hardlines, increased slightly in Home and declined more than 20 percent in Apparel & Accessories. During the quarter, there have been significant changes in shopping patterns, as guests have reacted to the COVID-19 pandemic. Throughout this period, Target has seen broad market-share gains across its core merchandising categories.

- As previously disclosed in the Company’s March 25 press release, for the month of February, total Company comparable sales increased 3.8 percent with strength across its entire multi-category portfolio. Late in the month, Target saw an increase in traffic and comparable sales in both its stores and digital channels as consumers began stock-up shopping.

- Around the middle of March, there was an even stronger surge in traffic and sales, while category mix became heavily concentrated in the Essentials and Food & Beverage categories. Later in the month, as guests across the country began to shelter in place, sales trends in stores softened significantly while digital sales accelerated dramatically. For the month in total, comparable sales increased in the low double digits, reflecting mid-single digit growth in stores and more than 100 percent in Target’s digital channels. Across the Company’s merchandise assortment, March comparable sales increased approximately 40 percent in both Essentials and Food & Beverage, and by approximately 20 percent in Hardlines. For the month, comparable sales declined in the low single digits in Home and more than 30 percent in Apparel & Accessories.
- In early April, sales trends were similar to late March, but improved meaningfully beginning April 15. Month-to-date in April, comparable sales have increased more than 5 percent, as store comparable sales have declined in the mid-teens while digital comparable sales have increased by more than 275 percent. Across core categories, month-to-date comparable sales have grown more than 12 percent in both Essentials and Food & Beverage, more than 30 percent in Hardlines and in the high teens in Home, while declining more than 40 percent in Apparel & Accessories.

While the Company withdrew its first-quarter guidance on March 25, today it provided additional detail on a number of factors that will reduce its first quarter profitability, including investments in pay and benefits to support team members during the COVID-19 crisis, the shift in category mix towards lower-margin categories, the shift in channel mix towards digital fulfillment, and inventory write-downs in Apparel & Accessories to reflect the rapid deceleration in sales trends. Together, these factors are expected to reduce the Company’s first-quarter operating margin rate by more than 5 percentage points.

Michael Fiddelke, executive vice president and chief financial officer, said, “Over the last several years we have strengthened Target’s operational and financial model, investing in our unique, multi-category merchandise assortment, positioning our stores to fulfill every type of shopping, and supporting and developing our team. Throughout this crisis the response of our business, and especially our team, are providing vivid evidence of the value of this model.

While we expect our short-term profitability to be affected by COVID-19, we expect to have the financial capacity to emerge from this crisis in a position of strength. Having established an even stronger bond with our guests during this unprecedented time, we expect to have a compelling long-term opportunity to grow profitably and gain additional market share in the years ahead.”

## **Miscellaneous**

Statements in this release regarding the expected profitability in the first quarter as well as first quarter operating margin rate are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties which could cause the Company’s actual results to differ materially. The most important risks and uncertainties are described in Item 1A of the Company’s Form 10-K for the fiscal year ended Feb. 1, 2020. Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update any forward-looking statement.

## **About Target Corporation**

Minneapolis-based Target Corporation (NYSE: TGT) serves guests at nearly 1,900 stores and at Target.com. Since 1946, Target has given 5% of its profit to communities, which today equals millions of dollars a week. For the [latest store count](#) or for more information, visit [Target.com/Pressroom](https://www.target.com/pressroom). For a behind-the-scenes look at Target, visit [Target.com/abullseyeview](https://www.target.com/abullseyeview) or follow [@TargetNews](https://twitter.com/TargetNews) on Twitter.

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