



FOR IMMEDIATE RELEASE

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Target Reports Holiday Sales and Maintains EPS Guidance
Retailer Also Announces New Chief Stores Officer and Chief Merchandising Officers

- *Comparable sales grew 1.4 percent in the November/December period, on top of 5.7 percent comp growth last year. While sales were below expectations, the Company is maintaining its previous guidance for fourth quarter earnings per share.*
 - *The fourth quarter is on track to be the Company's 11th straight quarter of comparable sales growth.*
- *Comparable digital sales grew 19 percent in the November/December period.*
 - *Sales through Target's same-day fulfillment services (Order Pick Up, Drive Up and Ship) grew more than 50 percent from the November/December period last year, driving approximately three-quarters of the Company's digital sales growth.*
- *Continued strength in multiple categories was offset by softer-than-expected performance in key holiday categories including Electronics, Toys and portions of Home, which together account for approximately one-third of the Company's holiday season sales.*

<i>November/December comp sales performance by category:</i>	
<i>Apparel</i>	<i>Up approx. 5%</i>
<i>Essentials & Beauty</i>	<i>Up approx. 6%</i>
• <i>Beauty</i>	<i>Up approx. 7%</i>
<i>Food & Beverage</i>	<i>Up approx. 3%</i>
<i>Home</i>	<i>Down approx. 1%</i>
<i>Hardlines</i>	<i>Down more than 3%</i>
• <i>Toys</i>	<i>Approx. flat</i>
• <i>Electronics</i>	<i>Down more than 6%</i>

- *During the holiday season, the Company continued to grow market share across many of its core merchandise categories, including Apparel, Beauty, Essentials and Food & Beverage, based on Target’s analysis of data from the NPD Group and IRI.*
 - *Despite approximately flat comparable sales, Target continued to gain share in Toys during the holiday season, based on data from the NPD Group.*
- *The Company now expects fourth quarter 2019 comparable sales growth in line with its November/December performance of 1.4 percent. The Company is maintaining its previous guidance ranges for fourth quarter GAAP EPS from continuing operations and Adjusted EPS.*
- *For more background on holiday performance, please visit:*
<https://corporate.target.com/article/2020/01/holiday-2019>

MINNEAPOLIS (Jan. 15, 2020) – Target Corporation (NYSE: TGT) today announced that comparable sales in the combined November/December period grew 1.4 percent, on top of 5.7 percent growth in the same period last year. Comparable sales growth was driven primarily by traffic, combined with a small increase in average ticket. Comparable digital sales grew 19 percent in the November/December period, driven primarily by the Company’s same-day fulfillment services (Order Pick Up, Drive Up and Shipt), which together grew more than 50 percent from the comparable period last year.

Brian Cornell, Chairman and Chief Executive Officer of Target Corporation, said, “We faced challenges throughout November and December in key seasonal merchandise categories and our holiday sales did not meet our expectations. However, because of the durability of our business model, we are maintaining our guidance for our fourth quarter earnings per share. We also remain on track to deliver historically strong full-year results in 2019, including comparable sales growth of more than 3 percent and record-high EPS reflecting mid-teens growth compared with last year.

For the Holiday period specifically, sales results came in below our expectations as we experienced softer-than-expected performance in areas of our business that are critical during the season, including Electronics, Toys and portions of our Home assortment. Because these

categories account for a much higher portion of sales during the holidays, they have a larger impact on our overall sales growth as compared to the rest of the year. At the same time, we've seen continued strength and market share gains in Apparel, Beauty, Essentials and Food & Beverage. And in Toys, despite approximately flat comparable sales, we continued to gain share over the holidays, according to data from the NPD group.

Given the relative performance of higher-margin versus lower-margin categories, our fourth quarter financial results will benefit from a stronger-than-expected gross margin mix in our holiday sales. In addition, our fourth quarter performance will benefit from productivity improvements in our stores and supply chain, as well as meaningfully lower clearance inventory compared with a year ago. Altogether, we are maintaining our previous guidance for Target's fourth-quarter earnings per share, consistent with the ranges we provided in our third quarter earnings release and conference call.

I want to thank the entire Target team for all of their work to transform Target's operational and financial model, which has allowed Target to grow and thrive in a rapidly-changing retail environment. As a result of their efforts, we've seen outstanding performance in 2019 and we're confident we'll deliver another strong year in 2020, reflective of our durable business model and consistent with our long-term financial algorithm. This algorithm is based on the ability of our business to generate annual sales growth in the low-single digits, mid-single digit growth in operating income, and high-single digit growth in earnings per share.”

Fourth Quarter and Full-Year 2019 Guidance

Target now expects fourth quarter 2019 comparable sales growth in line with the Company's 1.4 percent performance during the November/December period, compared with the prior range of 3 to 4 percent. This would translate to full-year comparable sales growth of more than 3 percent.

The Company is maintaining its fourth quarter and full-year EPS guidance as disclosed in the Company's third quarter earnings press release. Specifically, in that release the Company anticipated fourth quarter GAAP EPS from continuing operations of \$1.55 to \$1.75 and Adjusted EPS of \$1.54 to \$1.74, with full year GAAP EPS from continuing operations of \$6.27 to \$6.47 and Adjusted EPS of \$6.25 to \$6.45.

Leadership Announcements

Target also announced today the retirement of Executive Vice President and Chief Stores Officer Janna Potts. Potts has been with the Company for 30 years, serving in a variety of leadership roles during that time. Most recently, she played a critical role as the lead architect in the successful rollout of an entirely new operating model for Target's nearly 1,900 stores, enhancing the retailer's focus on guest service and fueling the growth of its digital business through a suite of convenient store-based delivery and pickup options. She will remain with the Company in an advisory role until May 1.

Effective immediately, Mark Schindele has been named Executive Vice President and Chief Stores Officer. He also will join Target's Leadership Team. Schindele has been with the Company for nearly 20 years, most recently serving as its Senior Vice President of Properties. In that role, he was responsible for leading the Company's ambitious remodel and small-format strategies, elevating the shopping experience and introducing Target to new guests in densely populated areas. Prior to that, Schindele held leadership positions in Merchandising, Sourcing and Operations.

"Over the course of her 30 years with the Company, Janna has made many significant contributions, including transforming the role our stores play in delivering for our guests in this new era of retail. We wish her the best as she prepares for retirement," said Cornell. "As we look ahead, I'm confident Mark brings the right set of diverse experiences to realize even more potential for Target. His passion for retail, Target and our team, coupled with his understanding of our end-to-end business, make him well-positioned to lead our Stores organization into 2020 and beyond."

Additionally, the retailer announced that it is formalizing the interim structure it announced for its Merchandising organization in October with the appointment of Christina Hennington to Executive Vice President and Chief Merchandising Officer, Hardlines, Essentials and Capabilities, and Jill Sando to Executive Vice President and Chief Merchandising Officer, Style and Owned Brands, effective immediately. Both Hennington and Sando will join Target's Leadership Team. This structure reflects the size, scale and complexity of Target's multi-category commercial businesses and operations. In their roles, Hennington and Sando will

collaborate closely with Stephanie Lundquist, Target’s Executive Vice President and President of Food & Beverage, on the development and execution of a unified Merchandising strategy for the retailer.

“Christina and Jill are seasoned leaders and incredibly talented merchants, and during their respective tenures, both have driven outstanding outcomes that compel guests to choose Target,” said Cornell. “The appointments we’re making today with Mark, Christina and Jill underscore the expertise and deep bench of talent we continue to develop at Target, and I have every confidence in their ability to create opportunities that will fuel future growth for our Company.”

Miscellaneous

Statements in this release regarding fourth quarter comparable sales guidance, full-year 2019 earnings per share guidance and expectations for 2020 financial performance 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. 2, 2019. 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

Minneapolis-based Target Corporation (NYSE: TGT) serves guests at more than 1,800 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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