



FOR IMMEDIATE RELEASE

Contacts: John Hulbert, Investors, (612) 761-6627
Joe Poulos, Media, (612) 761-0042
Target Media Hotline, (612) 696-3400

**Target Corporation Announces Updated 2022 Plan
Focused on Inventory Optimization**

*Plan supports continued growth by providing greater flexibility to serve guests.
Company updates 2022 financial guidance.*

MINNEAPOLIS (June 7, 2022) – Target Corporation (NYSE: TGT) today announced a set of actions to right-size its inventory for the balance of the year and create additional flexibility to focus on serving guests in a rapidly changing environment. These actions are intended to further build on the Company’s record of growth and market-share gains.

The Company is planning several actions in the second quarter, including additional markdowns, removing excess inventory and canceling orders. The action plan also includes the addition of incremental holding capacity near U.S. ports to add flexibility and speed in the portions of the supply chain most affected by external volatility; pricing actions to address the impact of unusually high transportation and fuel costs; and working with suppliers to shorten distances and lead times in the supply chain.

Additionally, the Company is further accelerating work that’s already in flight, including rapid revisions to sales forecasts, promotional plans and cost expectations by category. Specifically, the Company is planning for continued strength in frequency categories like Food & Beverage, Household Essentials and Beauty, and is planning more conservatively in discretionary categories like Home, where trends have changed rapidly since the beginning of the year. The Company is also pursuing aggressive options to control costs, including ongoing work with vendors to help offset inflationary pressures, driving continued operating efficiencies, and reducing costs while preserving a strong guest experience. Finally, the Company continues to build additional capacity in the Company’s upstream supply chain to support its future growth by adding five distribution centers over the next two fiscal years.

All of the actions announced today are the result of the Company's ongoing assessment of current industry performance, the operating environment and consumer trends.

"Target's business continues to generate healthy increases in traffic and sales, despite sustained volatility in the macro environment, including shifting consumer buying patterns and rapidly changing operating conditions. Since we reported our first quarter results, we have continued to monitor external conditions and have determined the necessary actions to remain nimble in the current environment. The additional steps we are announcing today will ensure that we deliver for our guests while driving further growth. While these decisions will result in additional costs in the second quarter, we're confident this rapid response will pay off for our business and our shareholders over time, resulting in improved profitability in the second half of the year and beyond," said Brian Cornell, chairman and chief executive officer of Target Corporation.

Guidance Updates

In light of the decisions announced today, and based on the Company's current expectations for the economy and consumer environment, Target now expects its second-quarter operating margin rate will be in a range around 2%. For the back half of the year, Target now expects an operating margin rate in a range around 6%, a rate that would exceed the Company's average Fall season performance in the years leading up to the pandemic.

The company continues to expect full-year revenue growth in the low- to mid-single digit range, and expects to maintain or gain market share in 2022.

Miscellaneous

Statements in this release regarding planned pricing, cost and operational actions and expectations regarding full year revenue growth and market share, operating margin rates in the second quarter and back half of the year, and improved profitability in the second half of 2022 and beyond, 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 actions to differ materially. These risks and uncertainties include the possibility of further shifts of consumer demand away from the Company's higher margin discretionary categories and the risks and uncertainties described in Item 1A of the Company's Form 10-K for the fiscal year ended January 29, 2022. 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 nearly 2,000 stores and at Target.com, with the purpose of helping all families discover the joy of everyday life. 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 more information, visit [Target.com/Press Center](https://www.target.com/press-center). 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.

###