TARGET Expect More. Pay Less.

Target Ecosystem

Target Corporation
1000 Nicollet Mall,
Minneapolis, Minnesota 55403
Phone: (612) 696-3400; Website: corporate.target.com

Outside Relationships

Regulators | *Capital* | *Suppliers* | *Customers*

Capital
- Public Debt Holders
- Commercial Banks (Bank of America and Citi)
- Derivatives Counterparties

Key Regulators
- U.S. Department of Labor (Labor and Employment Requirements)
- U.S. Department of the Treasury (International Trade)
- California Consumer Privacy Act (Data Protection)
- U.S. Consumer Product Safety Commission (Consumer Protection and Product Safety)
- U.S. Dept. of Homeland Security (Cyber Security)

Suppliers

Apparel and Accessories
- Footwear: Nike Inc. (Footwear); Rocky Brands, Inc. (Outdoor Footwear); Crocs (Footwear)
- Apparel: Oxford Industries, Inc. (Apparel); Under Armour Inc. (Sportwear/ Footwear); V F Corporation (Sportwear/ Footwear); Ralph Lauren Corporation (Apparel/ Fragrance); Perry Ellis International Inc. (Men's Apparel); Lululemon Athletica (Athletic Apparel); J. Crew (Apparel)
- Accessories: Tumi Holdings, Inc. (Luggage); Vera Bradley Inc. (Women's Accessories)
- Jewelry: Timex (Watches); West Coast Jewelry (Bracelets and Necklaces); BaubleBar (Necklaces and Earrings)
- Sporting Goods: New Balance (Athletic Accessories); Columbia Sportswear (Apparel)

TD Bank Group (*Red Card* Credit Card Services)

Strategic Partnerships
- CVS
- Apple
- Starbucks
- Disney
- ULTA

Bond Financing
Working Capital Financing
Commercial Paper Program
Interest Rate Swaps
Business Regulation
Apparel and Accessories Merchandise Supplies
Credit Card Services and Profit-Sharing Agreement
In-Store Supplies of Pharmacy, Electronics, Apparel, Toys, and Beverages

Target Corporation (a Minnesota Corporation)

Debt Structure

Debt ($11.3B @ 2.1.2020) — **Credit Ratings: Fitch(A-)**

- Commercial Paper: $41M (Avg. Amount Outstanding) at 2.36% (Ave. Interest Rate)
- $2.5B Senior Unsecured Revolving Credit Facility, due 2023 ($0 Used)
- Hedging Program: $1.0B ISDA (expiring 2029); $250M ISDA (expiring 2024); $250M ISDA (expiring 2026)

Bond Financing

3.8% Senior Unsecured Notes Due 2020-2024 ($2.21B)	4.2% Senior Unsecured Notes Due 2030-2034 ($1.31B)	4.0% Senior Unsecured Notes Due 2040-2044 ($1.47B)
3.3% Senior Unsecured Notes Due 2025-2029 ($2.18B)	6.8% Senior Unsecured Notes Due 2035-2039 ($1.12B)	3.7% Senior Unsecured Notes Due 2045-2049 ($1.73B)

Equity Structure

Equity

- Share Repurchase Program — *Authority:* $5 Billion (2020) and $5 Billion (2016); *Expiration:* None; *Available:* $5.1 Billion
- Preferred Stock — *Authorized:* 5,000,000; *Issued:* None; *Outstanding:* None; *Recordholders:* None
- Common Stock — *Authorized:* 6 Billion; *Issued:* 500.88 Million; *Outstanding:* 500.88 Million; *Recordholders:* 14,019

Governance

Board of Directors

Brian Cornell (Chair)	Melanie L. Healey (G,H)	Mary E. Minnick (A,I)
Douglas M. Baker, Jr. (G,R)	Donald R. Knauss (H,I)	Derica W. Rice (A,G)
George S. Barrett (H,R)	Christine A. Leahy (A,I)	Kenneth L. Salazar (I,R)
Calvin Darden (G,H)	Monica C. Lozano (G,H)	Dmitri L. Stockton (A,I)
Robert L. Edwards (A,R)	Board Committees: Audit/Finance (A); Governance (G); HR/ Compensation (H); Infrastructure/Investment (I) Risk/Compliance (R)	

Management Team

Brian Cornell – CEO	Rick Gomez – EVP, Chief Marketing, Digital, Strategy Officer	Jill Sando – EVP, Group Chief Marketing Officer
John J. Mulligan – EVP & Chief Operating Officer	Michael E. McNamara – EVP, Chief Information Officer	Melissa Kremer – EVP, Chief Human Resources Officer
Michael Fiddelke – EVP, CFO	Christina Hennington – EVP, Group Chief Marketing Officer	Don H. Liu – EVP, Chief Legal and Risk Officer
Stephanie Lundquist – EVP, Group President		

Corporate Matters

- **Human Resources**: Talent Acquisition; Employee Engagement; Compensation; Benefits; Culture; Talent Development; Diversity & Inclusion; HR Information Systems; Labor Relations
- **Merchandising & Global Sourcing**: Merchandise Planning; Procurement; Pricing & Promotions; Import & Export; Responsible Sourcing
- **Marketing, Media & Communications**: Communications; Advertising & Promotion; Category & Brand Marketing; Community Relations; Market Research
- **Finance & Accounting**: Investor Relations; Internal Audit; Accounting; Information Technology; Financial Reporting; Tax; Risk Management; FP&A; Insurance; Treasury
- **Legal Affairs, Risk & Compliance**: Intellectual Property; Regulatory Affairs; Corporate Governance; Secretarial Matters; Litigation Management; Securities and Disclosure Law Compliance; Labor & Employment Law
- **Global Supply Chain**: Order Management; Distribution Centers; Warehousing; Global Compliance & Trade; Real Estate; Final-Mile Fulfillment; Domestic and International Transportation; Logistics

Operations

Apparel and Accessories — 2019 Net Sales Ratio: 18.55%
- Women's Apparel; Jewelry; Men's Apparel; Accessories; Children's Apparel; Shoes; Baby Apparel

Beauty and Household Essentials — 2019 Net Sales Ratio(26.73%
- Beauty & Personal Care; Paper Products; Baby Gear; Pet Supplies; Cleaning Products

Food and Beverage — 2019 Net Sales Ratio: 19.50%
- Dry Grocery; Deli; Dairy; Bakery; Frozen Food; Meat; Beverages; Produce; Candy; In-Store Food Service; Snacks

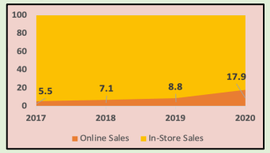
Hardlines — 2019 Net Sales Ratio: 16.33%)
- Electronics (Including Video Game Hardware and Software); Entertainment; Sporting Goods; Toys; Luggage

Home Furnishings and Décor — 2019 Net Sales Ratio: 18.71%
- Furniture; Bed and Bath; Lighting; Home Improvement; Storage; School/Office Supplies; Kitchenware; Greeting Cards and Party Supplies; Small Appliances; Seasonal Merchandise; Home Decor

Brands

Apparel and Accessories	Beauty and Household Essentials	Food and Beverage	Hardlines	Home Furnishings and Décor
Owned: A New Day™; All in Motion™; Auden™; Art Class™; Ava & Viv®; Boots & Barkley®; Cat & Jack™; Cloud Island™; Colsie™; Goodfellow & Co™; JoyLab™; Kona Sol™; More Than Magic™; Original Use™; Prologue™; Shade & Shore™; Stars Above™; Universal Thread™; Wild Fable™; Xhilaration®	**Owned:** Boots & Barkley®; Everspring™; Hearth & Hand™ with Magnolia; Kristin Ess; Smartly™; Sonia Kashuk®; up & up®	**Owned:** Sutton & Dodge®; To Be Discontinued: Archer Farms ®; Market Pantry®; Simply Balanced™; And Replaced By:: Good & Gather®	**Owned:** heyday™; Open Story™; Sun Squad™	**Owned:** Hyde & EEK! Boutique™; Made by Design™; Opalhouse™; Pillowfort™; Project 62™; Room Essentials®; Smith & Hawken®; Spritz™; Threshold™; Wondershop™
Exclusive: Isabel Maternity™ by Ingrid & Isabel®; Just One You® made by carter's®; Who What Wear™	**Exclusive:** Defy & Inspire™	**Exclusive:** California Roots™; Fieldcrest®; Wine Cube®; Rose Bae™		**Exclusive:** Hand Made Modern®; The Collection

Target Online vs. In-Store Sales (%)



Top Apparel & Accessories Competitors: macy's; Ross; Sears; Marshalls; JCPenney; TJ maxx; DICK'S Sporting Goods; overstock.com; Walmart; GAP; bloomingdales; Nordstrom Rack; Saks OFF 5TH

Top Beauty & Household Competitors: Marshalls; Ross; TJ maxx; overstock.com; Kohl's; PetSmart; CVS; Bed Bath & Beyond; Walmart; Costco Wholesale; Walgreens

Top Food & Beverage Competitors: Walmart; Albertsons; Costco Wholesale; Kroger; Publix; Sam's Club; Amazon; Whole Foods Market

Top Hardlines Competitors: Walmart; DICK'S Sporting Goods; overstock.com; GameStop; Best Buy; Costco Wholesale; Apple Store

Top Home Furnishings Competitors: amazon; IKEA; HomeGoods; overstock.com; Ross; Bed Bath & Beyond; Marshalls; Kohl's; TJ maxx

Beauty and Household Essentials Merchandise Supplies
- **Beauty and Household Essentials**: Procter & Gamble (Various Personal Care, Cleaning and Paper Products); Colgate Palmolive (Various Personal Care and Cleaning Products); Church & Dwight (Various Pet Supplies and Personal and Cleaning Products); Nestlé Purina (Pet Food); Graco (Products for Babies such as Swings and High Chairs)

Food and Beverage Merchandise Supplies
- **Food and Beverage**: Amplify Snack Brands (Snacks); B&G Foods (Various Food Products and Condiments); Bridgford Foods (Breads); Coca-Cola Enterprises (Beverages)

Hardline Merchandise Supplies
- **Hardlines**: Newell Brands (Coleman Camping Equipment); Mattel (Toys); Nintendo Co. (Video Games and Consoles); Tumi Holdings (Luggage); Pacific Cycle (Schwinn Bicycles)

Home Furnishings and Décor Merchandise Supplies
- **Home Furnishings and Décor**: La-Z-Boy (Sofas and Recliners); Ethan Allen Interiors (Furniture); Hooker Furniture Corp (Furniture); Hallmark (Greeting Cards and Party Supplies)

Outside Relationships

Customers | *Suppliers* | *Capital* | *Regulators*

Regulators
- Securities Regulators: U.S. Securities and Exchange Commission (Securities Law Disclosure and Financial Reporting Requirements; Anti-Corruption Law); New York Stock Exchange (Listing and Maintenance Rules); U.S. Patent and Trademark Office; U.S. Copyright Office (Intellectual Property Registrations and Renewals)

Capital
- Significant Shareholders: Vanguard Group (8.17%); SSgA (7.50%); BlackRock (5.25%); Capital Research (1.67%); Wells Fargo Clearing Services (1.60%); Institutional Ownership: 81.78%

Suppliers

Service Providers
- NCR Corp. (Point-of-Sale Equipment and Technology)
- Fredrikson & Byron (Real Estate Law)
- Vornado Realty Trust (Real Estate Trust)
- Public Storage (Warehousing)
- Ernst & Young LLP (Auditors since 1931)

Securities Regulation and NYSE Listing Rules
Common Stock Repurchases
Equity Capital
Cash Registers and Other Point-of-Sale Electronic Instruments & Controls
Land and Real Estate Matters
Finance and Operating Leases
Merchandise Warehousing
Audit Services
Trademarks & Other Intellectual Property Registrations

Customers
- Budget-Conscious Consumers
- In-Person Retail Store Shoppers
- Online Shoppers

Retail Store and Online Merchandise Sales (Including Apparel, Footwear, Accessories, Furniture, Food, Beverages, Electronics Jewelry, and Sporting Goods)
Target RedCard Reward Card and Target RedCard Visa Credit Card Issuances (via National Target Bank) (No Annual Fee, 5% Discount on all Purchases, Extra 30 Days for Returns and Exchanges; 20+% Annual Interest Rate; No Cash Back Offers)
Customer Returns and Exchanges

Key Company Data

Company Description

Target Corporation (Target) was incorporated in Minneapolis, Minnesota in 1902 as the Dayton Dry Goods Store. The company is a low-cost retailer offering affordable, quality merchandise. Target serves customers (called "guests") in nearly 1,900 stores in the U.S. and through its website. States with the multiple store locations include California (297), Texas (150), Florida (124), Illinois (95), and Minnesota (73).

Share Data
- Stock Exchange: New York Stock Exchange
- Ticker Symbol: TGT
- Share Price: $180.01 (as of 3/12/2021)
- Earnings Per Share: $6.42 (Trailing 12 Months) and $8.64 (2019 Diluted Basis)
- Forward Annual Dividend: $2.72
- Market Capitalization: $95.86 Billion
- Fiscal Year End: 2/1/2020

Resources
- 368,000 (full-time, part-time, and seasonal) employees (called "team members")
- 1,897 Stores in the U.S.
- 47 Distribution Centers in the U.S. (Including Regional General Merchandise, Import/ Redistribution, Perishable Food, E-Commerce Fulfillment, and Returns Processing)
- Target brand products sourced from nearly 4,000 facilities in 49 countries

Financial Highlights

Results of Operations
- 2019 Revenues: $93.56 Billion
- Cost of Sales: $66.18 Billion
- SG&A: $18.62 Billion
- Operating Income: $6.54 Billion
- Net Earnings: $4.37 Billion

Financial Condition
- Total Assets: $51.25 Billion
- Total Liabilities: $36.81 Billion
- Long-Term Lease Liabilities: $2.22 Billion
- Long Term Debt: $11.54 Billion
- Equity: $14.44 Billion

Cash Flow
- Cash Flow from Operations: $10.53 Billion
- Cash Flow for Investing Activities: ($2.59 Billion)
- Cash Flow for Financing Activities: ($2.00 Billion)

Recent Developments

Expanded Apple Experience. In February 2021, Target announced that 17 of its stores will have enhanced Apple product offerings, including iPhones, iPads, Apple Watches, AirPods, HomePods, and Apple TVs.

Effects of COVID. Target released 4th quarter earnings in March 2021, highlighting record-breaking sales growth of $15 billion (larger than the total sales growth of the previous 11 years combined). Digital comparable sales grew 118%, accounting for two-thirds of the Company's overall growth. Same-day services (*Order Pick Up*, *Drive Up* and *Shipt*) grew 212%, led by more than 500% growth in *Drive Up*.

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