

calculation of after-tax return on invested capital (ROIC)



Numerator	2023				2022				2021				2020				2019
	Q4 ^(a)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(dollars in millions) (unaudited)																	
Operating income	\$ 5,707	\$ 5,001	\$ 4,706	\$ 3,830	\$ 3,848	\$ 4,784	\$ 5,773	\$ 7,918	\$ 8,946	\$ 8,687	\$ 8,611	\$ 8,444	\$ 6,539	\$ 5,901	\$ 4,968	\$ 3,992	\$ 4,658
+ Net other income / (expense)	92	79	65	57	48	61	54	55	382	358	346	350	(16)	(46)	(28)	(26)	9
EBIT	\$ 5,799	\$ 5,080	\$ 4,771	\$ 3,887	\$ 3,896	\$ 4,845	\$ 5,827	\$ 7,973	\$ 9,328	\$ 9,045	\$ 8,957	\$ 8,794	\$ 6,523	\$ 5,855	\$ 4,940	\$ 3,966	\$ 4,667
+ Operating lease interest ^(b)	120	106	102	96	93	89	88	87	87	85	84	85	87	87	87	87	86
- Income taxes ^{(c)(d)}	1,295	1,050	986	770	744	1,059	1,282	1,804	2,073	1,947	1,918	1,864	1,404	1,277	1,076	855	1,045
Net operating profit after taxes	\$ 4,624	\$ 4,136	\$ 3,887	\$ 3,213	\$ 3,245	\$ 3,875	\$ 4,633	\$ 6,256	\$ 7,342	\$ 7,183	\$ 7,123	\$ 7,015	\$ 5,206	\$ 4,665	\$ 3,951	\$ 3,198	\$ 3,708

Denominator	2023				2022				2021				2020				2019
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(dollars in millions) (unaudited)																	
Current portion of long-term debt and other borrowings	\$ 1,116	\$ 1,112	\$ 1,106	\$ 200	\$ 130	\$ 2,207	\$ 1,649	\$ 1,089	\$ 171	\$ 1,176	\$ 1,190	\$ 1,173	\$ 1,144	\$ 131	\$ 109	\$ 168	\$ 161
+ Noncurrent portion of long-term debt	14,922	14,883	14,926	16,010	16,009	14,237	13,453	13,379	13,549	11,586	11,589	11,509	11,536	12,490	14,188	14,073	11,338
+ Shareholders' equity	13,432	12,514	11,990	11,605	11,232	11,019	10,592	10,774	12,827	13,803	14,860	14,959	14,440	13,319	12,578	11,169	11,833
+ Operating lease liabilities ^(d)	3,608	3,351	3,104	2,921	2,934	2,879	2,823	2,854	2,747	2,737	2,695	2,563	2,429	2,400	2,448	2,448	2,475
- Cash and cash equivalents	3,805	1,910	1,617	1,321	2,229	954	1,117	1,112	5,911	5,753	7,368	7,816	8,511	5,996	7,284	4,566	2,577
Invested capital	\$ 29,273	\$ 29,950	\$ 29,509	\$ 29,415	\$ 28,076	\$ 29,388	\$ 27,400	\$ 26,984	\$ 23,383	\$ 23,549	\$ 22,966	\$ 22,388	\$ 21,038	\$ 22,344	\$ 22,039	\$ 23,292	\$ 23,230
Average invested capital ^(e)	\$ 28,674	\$ 29,670	\$ 28,454	\$ 28,199	\$ 25,729	\$ 26,469	\$ 25,183	\$ 24,686	\$ 22,210	\$ 22,947	\$ 22,502	\$ 22,840	\$ 22,134	\$ 23,491	\$ 23,011	\$ 23,940	\$ 23,208

ROIC	16.1 %	13.9 %	13.7 %	11.4 %	12.6 %	14.6 %	18.4 %	25.3 %	33.1 %	31.3 %	31.7 %	30.7 %	23.5 %	19.9 %	17.2 %	13.4 %	16.0 %
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^(a) The trailing 12 months through Q4 2023 consisted of 53 weeks compared with 52 weeks in the comparable periods presented.

^(b) Represents the add-back to operating income to reflect the hypothetical interest expense we would incur if the property under our operating leases were owned or accounted for as finance leases. Calculated using the discount rate for each lease and recorded as a component of rent expense within SG&A expense.

^(c) Calculated using the effective tax rate for continuing operations.

^(d) Total short-term and long-term operating lease liabilities included within Accrued and Other Current Liabilities and Noncurrent Operating Lease Liabilities, respectively.

^(e) Average based on the invested capital at the end of the current period and the invested capital at the end of the comparable prior period.

^(f) The effective tax rate for the trailing twelve months ended November 2, 2019, August 3, 2019, May 4, 2019 and February 2, 2019 includes discrete tax benefits of the Tax Cuts and Jobs Act (Tax Act).