

reconciliation of adjusted selling, general and administrative (sg&a) expenses



quarterly, fiscal 2025 to present

Background

To provide additional transparency, the company has disclosed adjusted selling, general and administrative (SG&A) expenses and adjusted SG&A expense rate. Management believes this information is useful in providing period-to-period comparisons of the results of Target's operations. These measures are not in accordance with, or an alternative to, generally accepted accounting principles in the United States (GAAP). The most comparable GAAP measures are selling, general and administrative expenses and SG&A expense rate. Adjusted SG&A expenses and adjusted SG&A expense rate should not be considered in isolation or as a substitution for analysis of Target's results as reported in GAAP. Other companies may calculate these measures differently, or not provide similar measures, limiting the usefulness of the measures for comparisons with other companies.

(dollars in millions) (unaudited)	2025									
	Year		Q4		Q3		Q2		Q1	
	Dollars	Rate	Dollars	Rate	Dollars	Rate	Dollars	Rate	Dollars	Rate
GAAP SG&A Expenses	\$21,535	20.6 %	\$ 6,049	19.9 %	\$ 5,536	21.9 %	\$ 5,359	21.3 %	\$ 4,591	19.3 %
Adjustments affecting comparability										
Business transformation costs	(250)	(0.2)	(89)	(0.3)	(161)	(0.6)	—	—	—	—
Interchange fee settlements	593	0.6	—	—	—	—	—	—	593	2.5
Adjusted SG&A Expenses	\$21,877	20.9 %	\$ 5,960	19.6 %	5,375	21.3 %	5,359	21.3 %	5,183	21.7 %

Note: Amounts may not foot due to rounding.

Source: Target's Consolidated Financial Statements as filed with the U.S. Securities and Exchange Commission.