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

Numerator	2025			2024				2023				2022				2021
(dollars in millions) (unaudited)	Q3	Q2	Q1	Q4	Q3 [(a)]	Q2 [(a)]	Q1 [(a)]	Q4 [(a)]	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Operating income	$ 5,204	$ 5,425	$ 5,742	$ 5,566	$ 5,964	$ 6,113	$ 5,675	$ 5,707	$ 5,001	$ 4,706	$ 3,830	$ 3,848	$ 4,784	$ 5,773	$ 7,918	$ 8,946
+ Net other income / (expense)	97	99	102	106	105	102	99	92	79	65	57	48	61	54	55	382
EBIT	$ 5,301	$ 5,524	$ 5,844	$ 5,672	$ 6,069	$ 6,215	$ 5,774	$ 5,799	$ 5,080	$ 4,771	$ 3,887	$ 3,896	$ 4,845	$ 5,827	$ 7,973	$ 9,328
+ Operating lease interest [(b)]	167	166	165	159	157	146	133	120	106	102	96	93	89	88	87	87
- Income taxes [(c)]	1,238	1,305	1,373	1,297	1,403	1,427	1,314	1,295	1,050	986	770	744	1,059	1,282	1,804	2,073
Net operating profit after taxes	**$ 4,230**	**$ 4,385**	**$ 4,636**	**$ 4,534**	**$ 4,823**	**$ 4,934**	**$ 4,593**	**$ 4,624**	**$ 4,136**	**$ 3,887**	**$ 3,213**	**$ 3,245**	**$ 3,875**	**$ 4,633**	**$ 6,256**	**$ 7,342**

Denominator	2025			2024				2023				2022				2021
(dollars in millions) (unaudited)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Current portion of long-term debt and other borrowings	$ 1,133	$ 1,136	$ 1,139	$ 1,636	$ 1,635	$ 1,640	$ 2,614	$ 1,116	$ 1,112	$ 1,106	$ 200	$ 130	$ 2,207	$ 1,649	$ 1,089	$ 171
+ Noncurrent portion of long-term debt	15,366	15,320	14,334	14,304	14,346	13,654	13,487	14,922	14,883	14,926	16,010	16,009	14,237	13,453	13,379	13,549
+ Shareholders' equity	15,501	15,420	14,947	14,666	14,489	14,429	13,840	13,432	12,514	11,990	11,605	11,232	11,019	10,592	10,774	12,827
+ Operating lease liabilities [(d)]	3,924	3,883	3,922	3,935	3,765	3,786	3,723	3,608	3,351	3,104	2,921	2,934	2,879	2,823	2,854	2,747
- Cash and cash equivalents	3,822	4,341	2,887	4,762	3,433	3,497	3,604	3,805	1,910	1,617	1,321	2,229	954	1,117	1,112	5,911
Invested capital	$ 32,102	$ 31,418	$ 31,455	$ 29,779	$ 30,802	$ 30,012	$ 30,060	$ 29,273	$ 29,950	$ 29,509	$ 29,415	$ 28,076	$ 29,388	$ 27,400	$ 26,984	$ 23,383
Average invested capital [(e)]	**$ 31,451**	**$ 30,715**	**$ 30,757**	**$ 29,526**	**$ 30,376**	**$ 29,760**	**$ 29,737**	**$ 28,674**	**$ 29,670**	**$ 28,454**	**$ 28,199**	**$ 25,729**	**$ 26,469**	**$ 25,183**	**$ 24,686**	**$ 22,210**

ROIC	**13.4 %**	**14.3 %**	**15.1 %**	**15.4 %**	**15.9 %**	**16.6 %**	**15.4 %**	**16.1 %**	**13.9 %**	**13.7 %**	**11.4 %**	**12.6 %**	**14.6 %**	**18.4 %**	**25.3 %**	**33.1 %**

[(a)] The trailing 12 months ended November 2, 2024, August 3, 2024, May 4, 2024 and February 3, 2024 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 Operating Income.
[(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.

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

Last Updated: 11/19/2025