reconciliation of adjusted operating income

quarterly, fiscal 2025 to present

Background

To provide additional transparency, the company has disclosed adjusted operating income and adjusted operating income margin 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 operating income and operating income margin rate. These measures should not be considered in isolation or as a substitution for analysis of Target's results as reported in accordance with GAAP. Other companies may calculate these measures differently, or not provide similar measures, limiting the usefulness of the measures for comparisons with other companies.

	2026				2025							
	Q2		Q1		Q4		Q3		Q2		Q1	
(dollars in millions) (unaudited)	Dollars	Rate	Dollars	Rate	Dollars	Rate	Dollars	Rate	Dollars	Rate	Dollars	Rate
GAAP Operating Income	$ 2,560	9.6 %	$ 1,135	4.5 %	$ 1,380	4.5 %	$ 948	3.8 %	$ 1,317	5.2 %	$ 1,472	6.2 %
Adjustments affecting comparability												
Business transformation costs	—	—	—	—	$ 89	0.3 %	$ 161	0.6 %	—	—	—	—
Interchange fee settlements	—	—	—	—	—	—	—	—	—	—	(593)	(2.5)
Adjusted Operating Income	$ 2,560	9.6 %	$ 1,135	4.5 %	$ 1,470	4.8 %	$ 1,109	4.4 %	$ 1,317	5.2 %	$ 879	3.7 %

Note: Amounts may not foot due to rounding.

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

reconciliation of adjusted operating income

annual, fiscal 2025 to present

Background

To provide additional transparency, the company has disclosed adjusted operating income and adjusted operating income margin 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 operating income and operating income margin rate. These measures should not be considered in isolation or as a substitution for analysis of Target's results as reported in accordance with GAAP. Other companies may calculate these measures differently, or not provide similar measures, limiting the usefulness of the measures for comparisons with other companies.

	2025	
(dollars in millions) (unaudited)	Dollars	Rate
GAAP Operating Income	$ 5,117	4.9 %
Adjustments affecting comparability		
Business transformation costs	$ 250	0.2 %
Interchange fee settlements	(593)	(0.6)
Adjusted Operating Income	$ 4,775	4.6 %

Note: Amounts may not foot due to rounding.

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

Last Updated: 8/19/2026