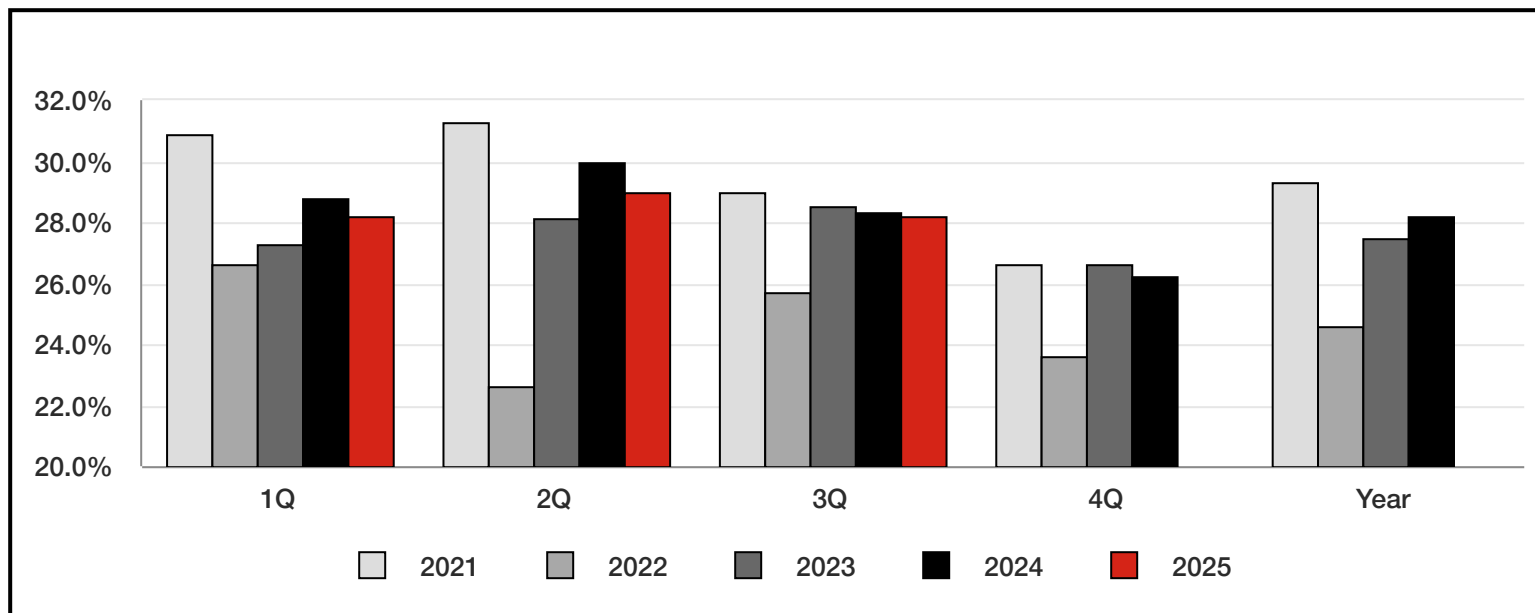


gross margin rate ^(a) ^(b)

fiscal 2021 to present



Fiscal Year	1Q	2Q	3Q	4Q	Year
2025	28.2 %	29.0 %	28.2 %	— %	— %
2024	28.8 %	30.0 %	28.3 %	26.2 %	28.2 %
2023	27.3 %	28.1 %	28.5 %	26.6 %	27.5 %
2022	26.6 %	22.6 %	25.7 %	23.6 %	24.6 %
2021	30.9 %	31.3 %	29.0 %	26.6 %	29.3 %

^(a) Beginning with the fourth quarter of 2024, Gross Margin is calculated as Net Sales less Cost of Sales, and our Gross Margin Rate is calculated as Gross Margin divided by Net Sales. Previously Gross Margin and our Gross Margin Rate were calculated based only on Sales (Merchandise Sales). The calculation change aligns with our 2024 transition to a single-line revenue presentation on our Consolidated Statements of Operations, with prior period amounts adjusted to conform to the current year presentation. We also updated our prior period Gross Margin Rates to conform to the current year calculations.

^(b) In the fourth quarter of 2024, we reclassified certain expenses related to our advertising and third-party digital marketplace business offerings from SG&A to Cost of Sales and updated prior-period amounts to conform to the current year presentation.

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