

COMPANY

Q3 2025 Results and Positioning Target for Its Next Chapter of Growth

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This morning, Target announced our third quarter 2025 earnings. Check out the full results and read on for a snapshot.

Q3 2025 results were in line with our expectations

Topline sales

Net sales were 1.5% lower than 2024, and comparable sales declined 2.7%.



Growth across our digital ecosystem

- Digital comp sales increased 2.4%, driven by >35% growth in same-day delivery powered by Target Circle 360
- Roundel saw double-digit growth
- Target Plus GMV grew nearly 50%

Bottom line results

Adjusted EPS* of \$1.78 was about 4% lower than last year, and GAAP EPS was \$1.51.



Assortment highlights

We saw strongest performance around key seasonal moments like Back to School/College and Halloween and momentum in hardlines and food & beverage, where we continue to lead with newness and product innovation

- Nearly 10% growth in toys
- Beverages was up 7%



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We're laying the foundation for a stronger, faster and more innovative Target. It's grounded in our purpose of bringing joy to our guests and focused on growth. We know there's work to do, and we have the best team in retail to do it. With clear priorities guiding us, I'm proud of our progress and confident we're on the right path.

Michael Fiddelke

Executive Vice President, Incoming CEO and Chief Operating Officer

We're accelerating progress against key priorities to drive long-term growth



Design-led Merchandising Authority

We're **predicting trends earlier** with AI-enabled tools like Target Trend Brain, while **accelerating our production cycles** in categories like apparel.

Redefined roles are helping our assortment planning and buying teams make **bolder, faster decisions**.

Our investments in **newness and differentiation** in Fun101 are driving growth across hardlines, and we're applying these learnings to other categories in 2026.



Guest Experience

In-stock levels continue to improve, with on-shelf availability of our most-shopped items up more than 150 basis points over this time last year.

Our new market fulfillment strategy rolled out to 35 additional markets in Q3, and is helping us **get products to guests faster while freeing up teams to spend more time with guests**.

We now offer **next-day delivery to over half the U.S. population**, on top of our leading suite of same-day services.



Advancing Technology

We're partnering with OpenAI to lead the way in the next wave of digital engagement by offering a **fully curated Target shopping experience through Apps for ChatGPT**. We expect Target will be one of the first retailers to offer the purchase of multiple items in a single transaction, fresh food purchases and the ability to choose Drive Up and Order Pickup fulfillment options through this platform.

This holiday season, we're leveraging AI to help guests **explore our assortment with ease** using Target Gift Finder.

Plans to invest an additional \$1 billion in our business in 2026 to fuel growth

~\$5 billion in planned CapEx will support new stores and remodels, enhancements to the store experience and advancements in technology and digital fulfillment capabilities

We're ready to deliver this holiday season with a unique assortment, compelling value and a faster, more flexible shopping experience



20,000 new items and on-trend exclusives

- Cultural exclusives like "Stranger Things" and Barbie with Joanna Gaines' collections
- Weekly trading card drops, including Pokémon, NFL, and MLB
- Owned brand newness, like on-trend apparel, festive Wondershop decor and Favorite Day treats



More ways to save throughout the season

- Thousands of trend-right gifts starting at \$5, plus thousands of toys under \$20
- Lower prices on 3,000 food, beverage and essential items to help consumers save on the products they rely on most**
- Thanksgiving meal for four under \$20, with turkeys at less than \$1 per pound**



Elevated convenience and experience

- Immersive, Alpine Village themed in-store experience and holiday events every weekend of the season
- Reimagined digital homepage with a curated, personalized assortment of trending products
- Tools like Store Mode and List Scanner help guests navigate stores more easily and quickly turn shopping lists into carts

*Adjusted EPS is a non-GAAP financial measure most directly comparable to GAAP EPS. Adjusted EPS is reconciled to GAAP EPS in our Q3 2025 earnings release posted on our investor relations website.

**Pricing, promotions and availability may vary by location and at Target.com. Prices are pre-tax and some are not valid in Alaska or Hawaii.

Statements in this document about our future financial and operational performance, and our strategy for growth are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Please see our Q3 earnings release and our SEC filings for risks and uncertainties that could cause Target's results to differ materially from what was expected as of the date of this document, November 19, 2025.