Brian Cornell
Board Chairman and Chief Executive Officer
The retail apocalypse has officially descended on America

Macy's reports slowing sales, CEO to step aside

American Apparel is closing all of its 250 stores
Investing in our core
to build a better company
To help all families discover the joy of everyday life
Playing our own game
$7B+ investment

- Blending digital and physical
- Reimagining our stores
- Opening more new small formats
- Creating digital capabilities
- Launching great brands
Store challenge:
End 2017 with positive comps and teams wear jeans weekends in 2018
2017 Financial Results
2017 Q4 and Year End Results

• Strong Q4 traffic growth
• 3.6% Q4 comp growth
• Gained market share in core categories
• Fourth consecutive year of more than 25% digital growth
• More than 50% of digital volume was filled by stores
• $1.37 adjusted earnings per share for Q4
• $4.71 adjusted earnings per share for the year
The Sum of the Parts
2017
• Laying out our plan
• Moving the organization in the right direction

2018
• Acceleration
• Leveraging our greatest assets
• Leaning into our competitive strengths
America’s easiest place to shop
Newness + Innovation
Training
Tools
Advancement
Team Investment

$11 per hour
October 2017

$15 per hour
End of 2020

60% increase in applications
Employer of Choice
$12 per hour
starting wage for
current team members
Beauty

Before

After
Kitchen

Before

After
Kids

Before

After
Ease AND Inspiration
Style AND Essentials
Reimagined Stores by 2019

600+ stores

Target stores
Reimagined stores
Reimagined Stores in 2017
Reimagined Stores by 2020

1,000+ stores

- Target stores
- Reimagined stores

*representative sites only
New Format Stores in 2018

- Target stores
- Reimagined stores
- New format stores

*representative sites only
Digital Experience
Stores fulfilled two-thirds of all digital orders
order pickup | returns | exchanges
Integrated Cartwheel into Target App
Introduced Wallet
Enhancing the Digital Experience

• Added 360° shopping experience
• Investing in augmented reality
• Elevating storytelling
• Extending our assortment
• Expand Manhattan delivery service to all 5 boroughs
• Start up in Boston, Chicago, San Francisco and DC
Expanding to nearly 1,000 locations coast-to-coast
Free 2-day delivery on hundreds of thousands of items
2017 commitment:
12 new brands in 18 months
110 REMODELS

30 SMALL FORMAT STORES

JAN

2017

DEC

10 NEW BRANDS

FULFILLMENT

art

class

VICTORIA
BECKHAM

cloud island

ISABEL
MATERNITY

and a way

79
110 REMODELS
30 SMALL FORMAT STORES

JAN
2017
DEC

10 NEW BRANDS
Goodfellow & Co
PROJECT 62
HYDE AND EEK!
JOY LAB
Heath & Hand WITH MAGNOLIA

FULFILLMENT

3x REMODELS

NEW SMALL FORMAT STORES

JAN

2018

DEC

NEW BRANDS

MORE TO COME...

FULFILLMENT

1000+ STORES

Nationwide Launch

1000+ STORES

drive up

SHIPT
3x REMODELS

NEW SMALL FORMAT STORES

JAN

2018

DEC

NEW BRANDS

Universal Thread
Goods Co.

umbro

OPALHOUSE

HUNTER

MORE TO COME...

TEAM MEMBERS

$12 PER HOUR

83
America’s easiest place to shop