



**FNM OPENING VID**

**Brian Cornell**

Board Chairman and Chief Executive Officer



**Financial  
Community  
Meeting**



Home / Investing

## Target Posts Solid Holiday Sales, Maintains 2018 Earnings Forecast

Target posts stronger-than-expected holiday sales Thursday and says it would see double-digit adjusted earnings growth for its fiscal year.

By **Martin Baccardax**  
Updated Jan 10, 2019 4:10 PM EST



## Target will be 'one of the top' holiday performers: Moody's

Published: Jan 13, 2019 12:15 p.m. ET



Aa

Target reported 5.7% same-store sales growth, but shares sink after underperformance by others in the sector



By **TONYA GARCIA**  
REPORTER



Target's investments paid off with a strong holiday season, analysts say

### RETAIL

APPAREL | DISCOUNTERS | DEPARTMENT STORES | E-COMMERCE | FOOD AND BEVERAGE

## Target reports holiday same-store sales growth of 5.7%, maintains 2018 outlook



Business

## Target's Strong Holiday Sales Boost Hopes for Best U.S. Shopping Season in Years

BRIEFING • TARGET

## Target's Secret Weapon in Amazon Battle: In-Store Pickup

**5.3%**

comp sales growth in Q4



Apparel



Home



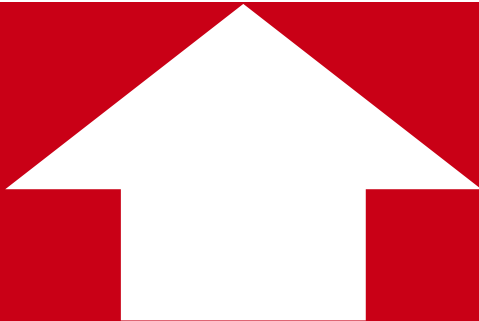
Essentials  
& Beauty



Food  
& Beverage



Hardlines



**Market-Share Gains**





**To help all families discover  
the joy of everyday life**



**These results  
were years in the making**

# Multi-Year Strategy

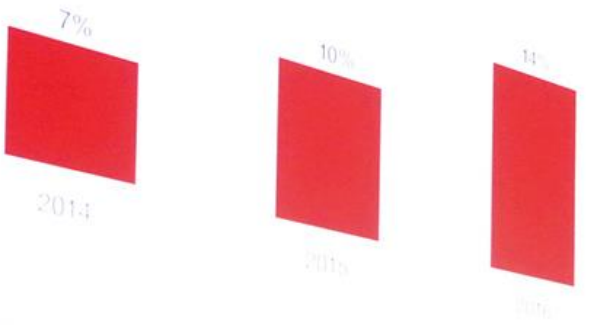
- Transform our company
- Deliver strong, consistent and durable growth
- Emerge as an industry-leading retailer for years to come



# 2017 Investment Agenda

- Reimagine stores
- Reinvent supply chain and fulfillment
- Reposition owned brand portfolio
- Invest in team

# Black Friday Digital Sales





# The Limited is closing all of its 250 stores

By Sarah Halzack January 6



# American Apparel Is Closing All of Its 110 U.S. Stores

The retailer is closing its L.A. headquarters and all 110 U.S. stores.



An Abercrombie & Fitch store in New York City. Photograph by Bloomberg via Getty Images

## So Much for Abercrombie & Fitch's Comeback



DEPARTMENT STORES

## Can America's Department Stores Survive?













**Traffic**

**Comps**

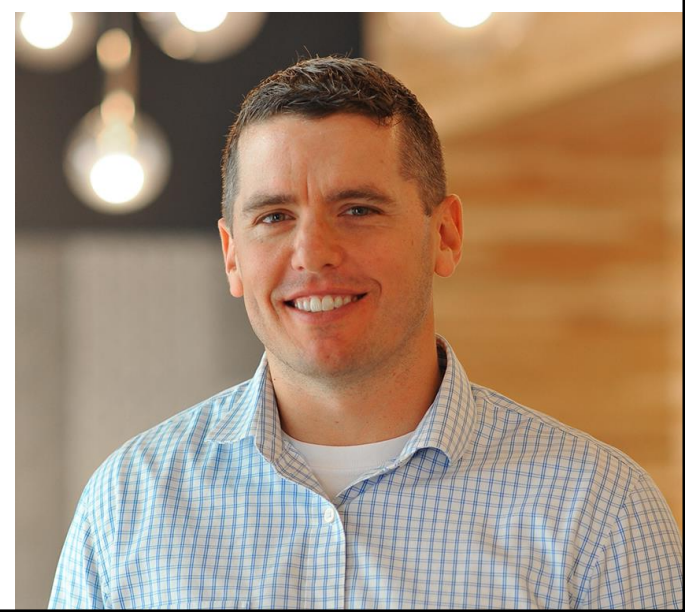
**Net Promoter Scores**

**Guest Surveys**

**Our strategy is working**

# **Year in Review Video**

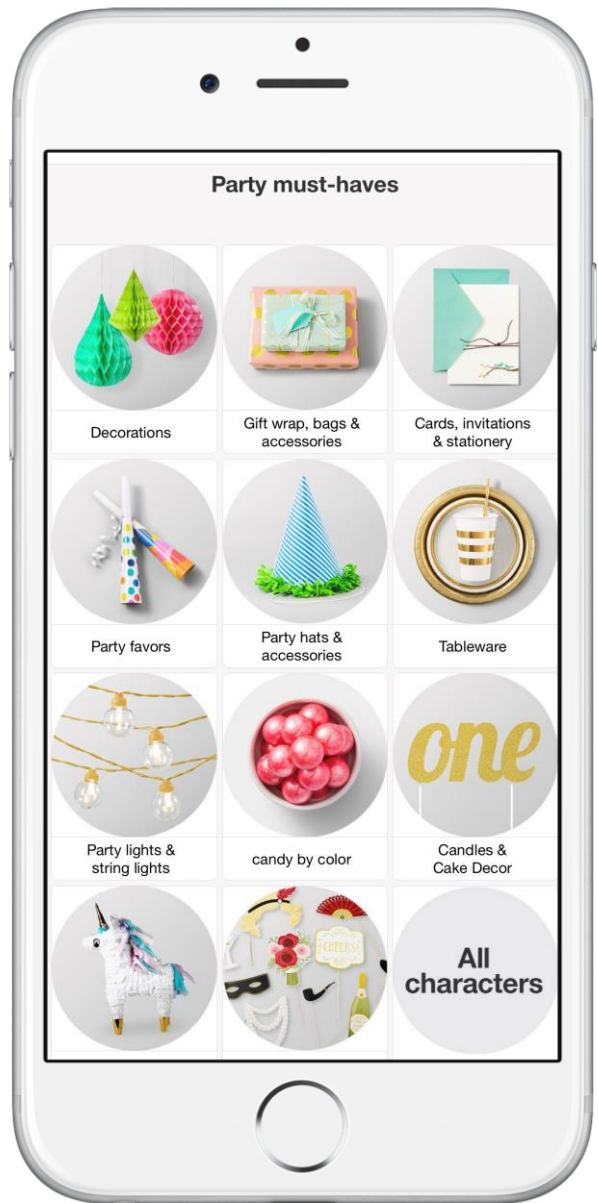






**We still have a lot to do**

**Where we started**

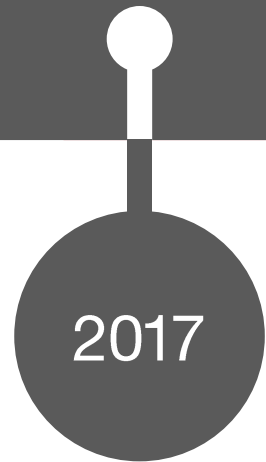
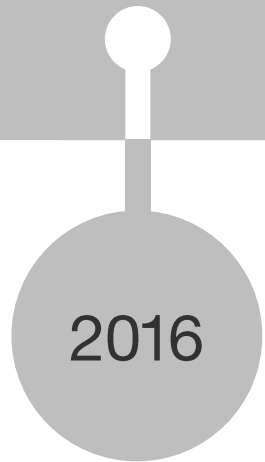


Shoring up the  
fundamentals

Developing  
new capabilities

Accelerating  
and innovating

Driving adoption  
and scale











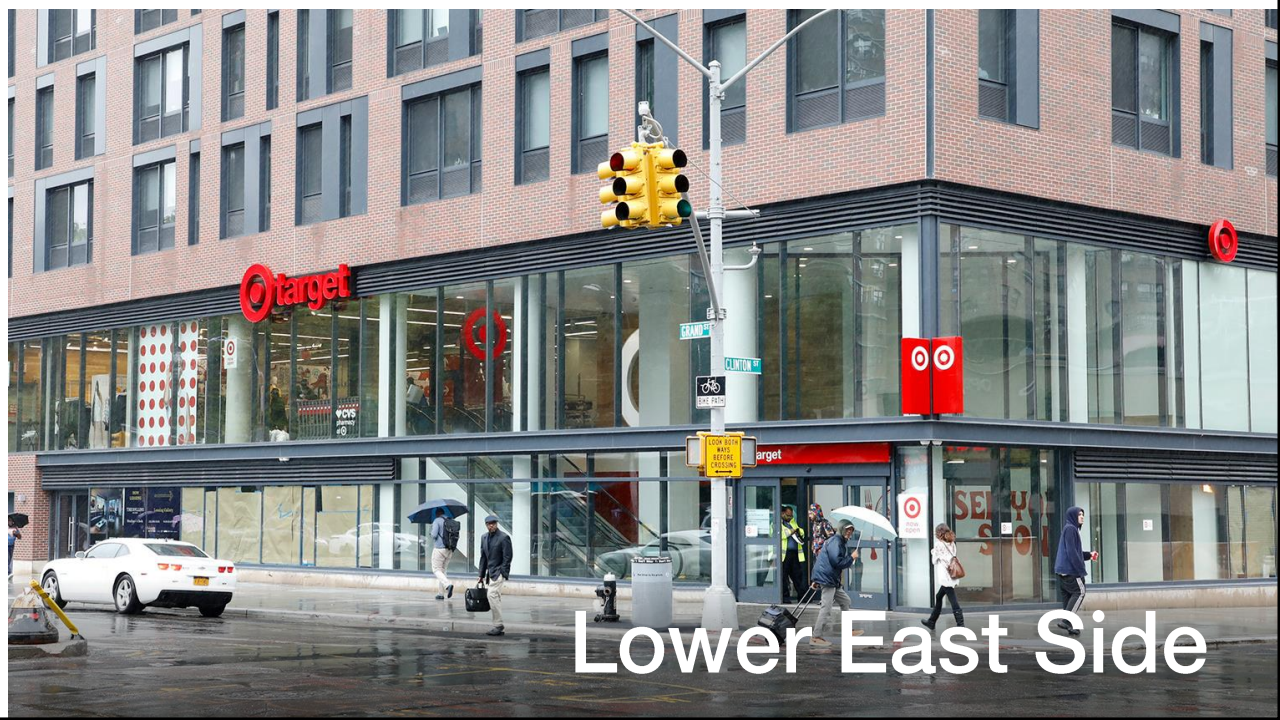
Herald Square



East Village



Tribeca



Lower East Side





THE BRONX

MANHATTAN

QUEENS

BROOKLYN

STATEN ISLAND





# Shop without the schlep. We deliver.

**Schedule same-day  
delivery at checkout  
from your Target store.**

Rules and restrictions apply.  
See store for details.

  
**Run  
and  
Done**



Nadia  
TARGET

Hearth & Hand  
WITH MAGNOLIA  
FLOOR LAMP  
ON/OFF PULL-CHAIN SWITCH





SHIP1

**America's  
easiest place  
to shop**

 **delivery  
from store**

 **same day  
delivery**

Shopped by  SHIPT



**free 2-day ship**



**drive up**



**order pickup**

**Ease**

**Reach**

**Convenience**

**Reduce  
costs**

**Improve  
speed**



# Fun Run

This week only!  
Amazing deals for  
every Target Run.

 same day  
delivery

Shopped by  SHIPT

Sign up for Shipt and get

**\$50 off**

an annual membership.

Reg. \$99

Get the store to your door  
today. Go to [target.com/shipt](https://target.com/shipt)  
to sign up. Valid September 16-22.

  
Run  
and  
Done

Drive awareness  
and adoption

**Every piece of our strategy  
is working...together**



2017 - 2018

**400+**

remodels

2019

**~300**

remodels

2020

**~300**

remodels





Today  
~ **100**  
small formats





**#1**  
**store**  
on a per-foot  
basis

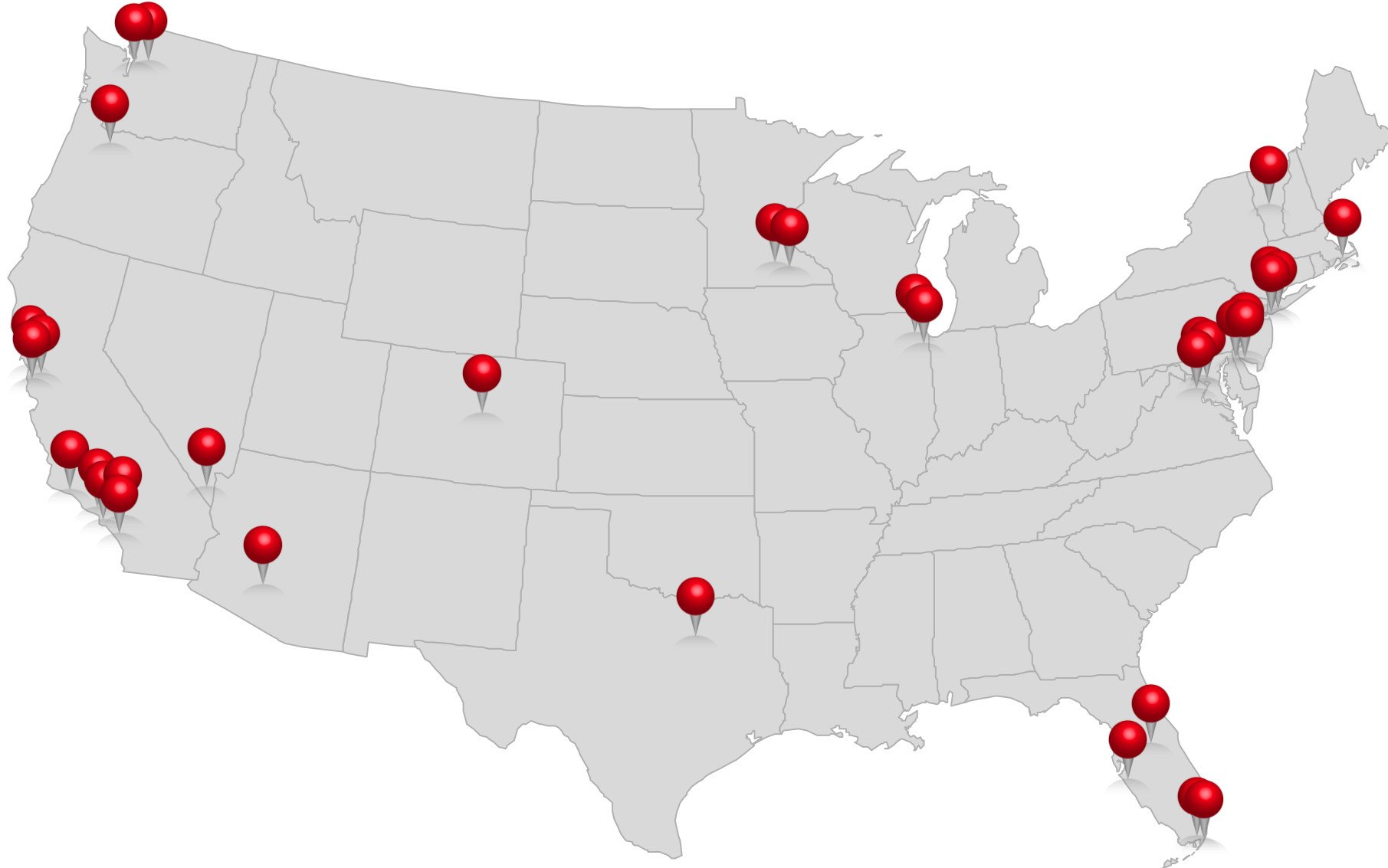


Welcome  
to Target  
Herald  
Square





# Small Format Stores





# College Small Format Stores



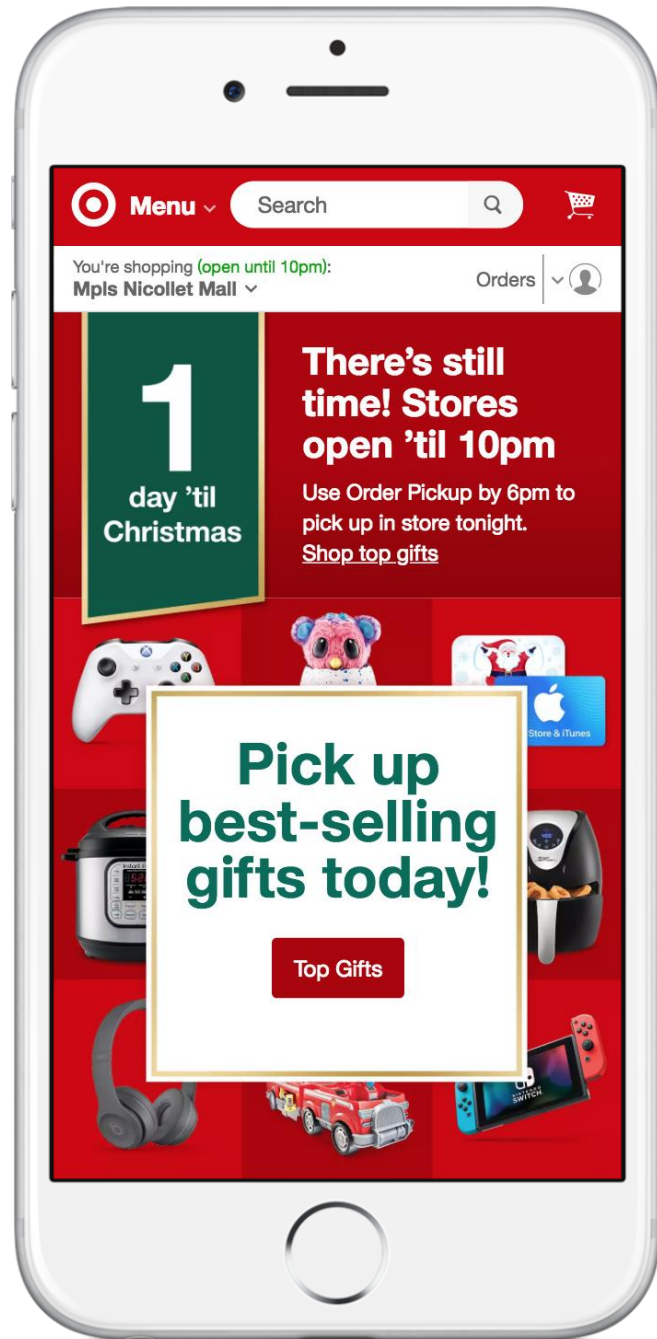
# Redesign Store Operations

- Investing in technology to strengthen execution and maximize efficiency
- Elevating guest-facing service
- Making industry-leading wage investments



Top destination  
for great talent



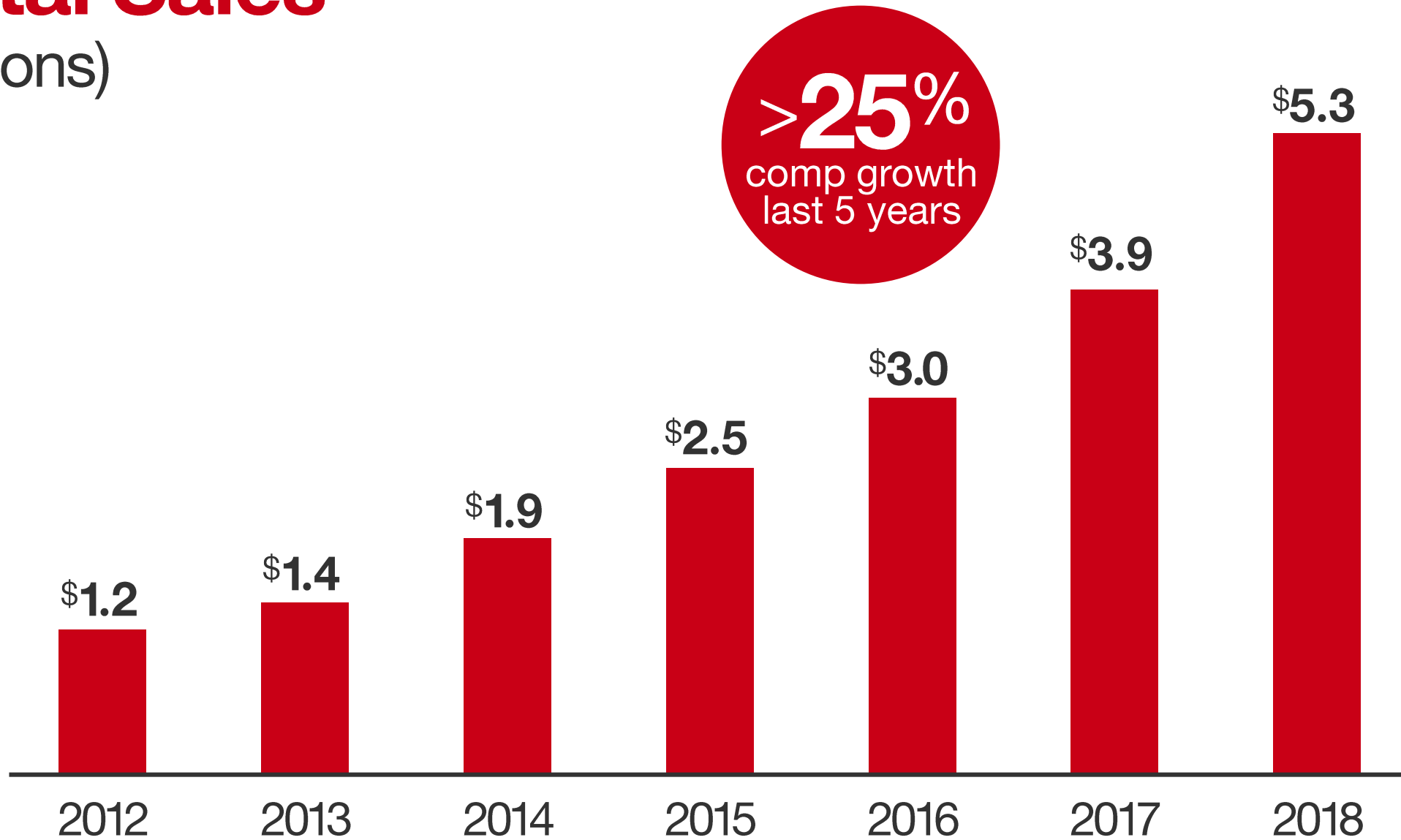


**31%**  
comp digital sales  
growth in Q4



# Digital Sales

(in billions)





The Thread.  
GOODS  
CO.



Slippy

Curvy Skinnies

Curvy Skinnies

Naomi  
TARGET



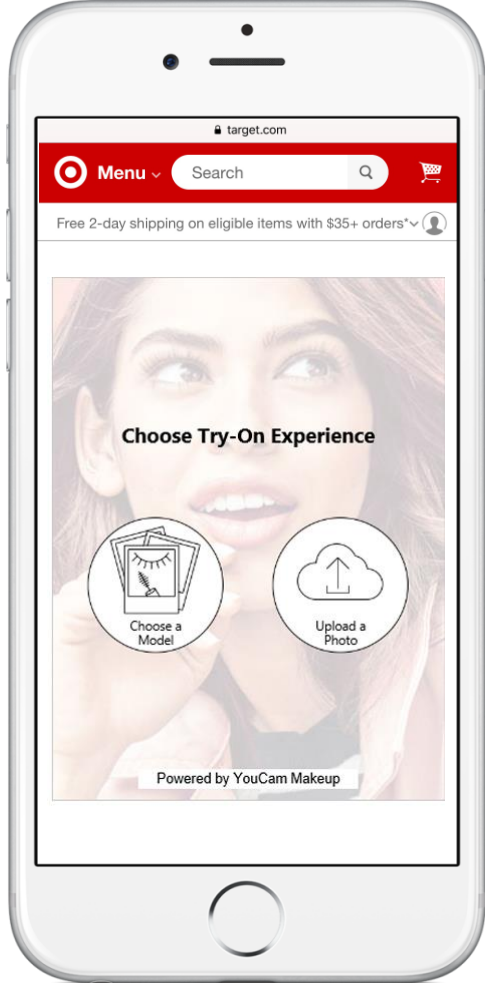




**Digital and Technology Teams**

**Infrastructure**

**Data and Analytics**



**Deepen personalization  
and engagement**



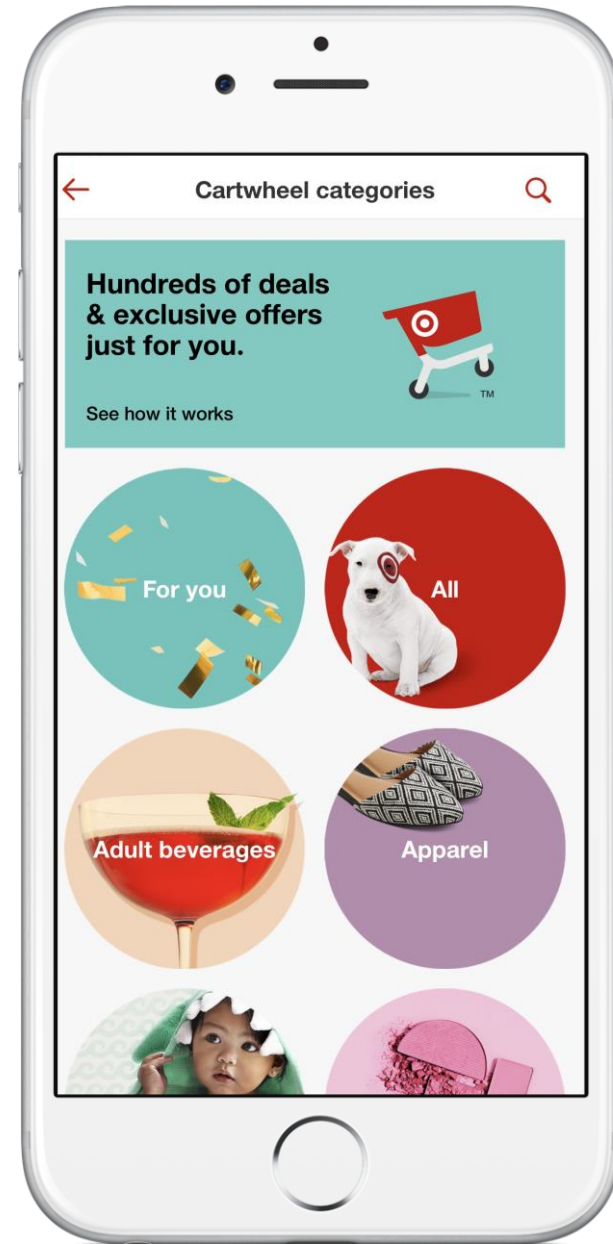
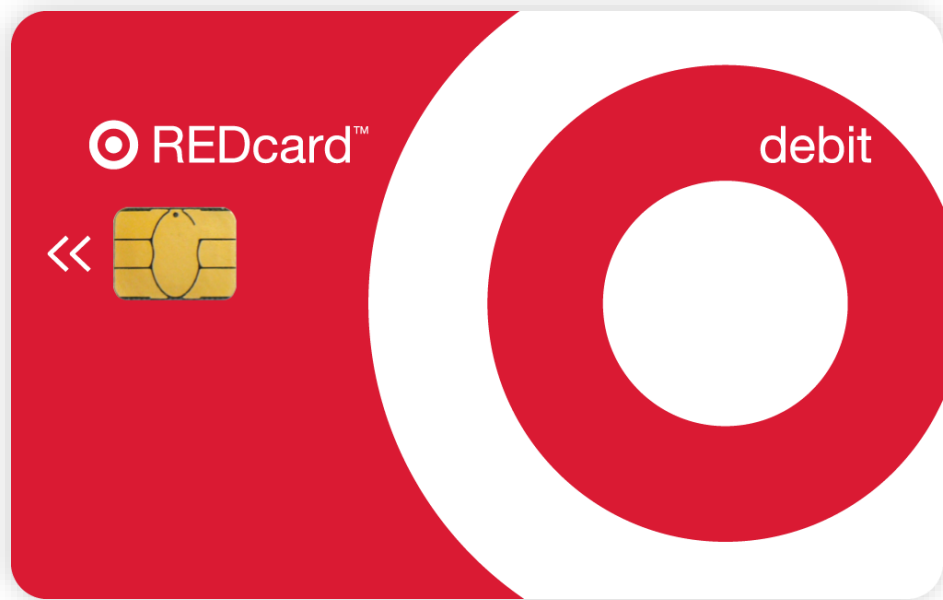
# Loyalty Strategy



Personalization

&

Engagement





Dallas

Charlotte

Denver

Indianapolis

Kansas City

Phoenix



**More rewarding,  
all around.**



**circle**<sup>TM</sup> **beta**

**Join free at checkout.**



**Earn 1% on every trip to  
redeem at Target later.**




**Help us help others.**



**Get personalized perks.**

RETAIL DIVE Deep Dive Opinion Podcasts Library Events Jobs Topics



**DEEP DIVE**

## 8 Target private label brands that launched this year


The success of the company's Cat & Jack children's brand in 2016 has sparked a slew of proprietary brands that are helping the mass merchant differentiate.

COSMOPOLITAN STYLE BEAUTY LOVE POLITICS HOROSCOPES

## WHOA: While You Were Sleeping, Target Got a Whole New Look

You will hardly recognize the retail giant's two new labels.

by RACHEL TORGERSON AUG 1, 2018



TARGET/KATIE BUCKLEITNER

**ALERT:** Shopping at Target just got way better. The major retailer will debut two new fashion labels—one for young women and one for young men—that is unlike anything you've ever seen from the company before and Cosmopolitan.com can exclusively reveal the lookbook. I can honestly say, you'll be blown away by it, it's so different:

BuzzFeed Quizzes Videos Valentine's Gifts Black History Month Newsletters Shopping


## Target's New Clothing Line Is Affordable, Inclusive, And Amazing

Because everyone needs another excuse to go to Target, right?

Posted on September 3, 2017, at 5:01 p.m.

AnaMaria Glavan  
BuzzFeed Staff

Target, the bane of my wallet's existence, has just launched a new clothing and accessories line called "A New Day."



gotos.target.com

Share Pin

BUSTLE

## 15 Target Home Decor Products Launching In Fall 2018 That Will Transform Your Space

By MIKA DOYLE | Sept 19 2018 | f



Target

EXPLORE REALSIMPLE

REAL SIMPLE > STYLE > CLOTHING

## Target Is Launching 3 Millennial-Inspired Brands—And Everything Is Under \$60

They include a range of trendy apparel, accessories, and electronics.

By Samantha Peters | June 05, 2018




PHOTO: PEOPLEIMAGES/GETTY IMAGES

pillowfort™

Cat & Jack™

WONDERSHOP™  
AT TARGET

art  
&  
class™



cloud island™

isabel  
MATERNITY  
*by Ingrid & Isabel™*

a  
• new  
day™

Goodfellow™  
&CO

PROJECT  
62™



JOY  
LAB™

  
*Hearth & Hand™*  
WITH MAGNOLIA

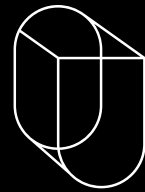
Universal Thread  
GOODS  
CO.

OPALHOUSE  
INSPIRED  OBJECTS™

heyday™

 Made  
By  
Design™

wild  
fable™



Original Use™

PROLOGUE™

Smartly™





**#2 World's Most  
Innovative Retailer**

colsie™

---

auden™

---

stars  
above™



vineyard vines<sup>®</sup>





**Grow market share**

**Attract new guest segments**

**Find white-space opportunities**



THRESHOLD™

QUALITY & DESIGN



# OPALHOUSE

INSPIRED  OBJECTS.



PROJECT



Made  
By  
Design™



Hearth & Hand™  
WITH MAGNOLIA





Toys & Games  
Aparatury i zabawki





Strollers

Car Seats

Travel System  
Ready to buy?  
See details on the side

Infant





art  
&  
class™



100  
sensitive care  
ultra-thick wipes

0% Chlorine, Latex, Lotion  
and Fragrance  
Hypoallergenic and  
non-irritating

Ultimate Leak  
Protection  
Helps lock away  
wetness for 12 hours

Soft  
as Out  
Protects  
sensitive skin



cloud island

ultra absorbent  
extra gentle  
diapers

sensitive care  
fragrance-free  
diaper cream  
with zinc oxide  
made with natural  
ingredients of paraben

sensitive care  
fragrance-free  
shampoo & body wash  
made without parabens,  
phthalates or sulfates



**New brand launches  
and new partnerships**

**Execution on the fundamentals**

# Priced right daily

Low prices today and every day.







our lowest prices of the season on these TVs



MAGNAVOX

weekly **WOW**



sale **\$7**

Sterilite Ultra clear 70-qt. latching bin Reg. 8.99  
• All other Sterilite Ultra clear storage bins on sale.

even lower than our advertised price

**2<sup>99</sup>**

Room Essentials Hangers

special purchase





**Reduce cost**

**Improve speed and efficiency**





# Food & Beverage

**Operations**

**Experience**

**Specialized Expertise**



6  
quarters of  
positive comps  
in Food &  
Beverage







**Our strategy is working**

# Low-to mid-single digit comps

**Traffic**

**Sales**

**Market  
Share**



**At what cost?**

**How do we continue to grow  
and deliver profitable growth?**

**How do we get there?**



# **Financial Model**

**Building on Our Momentum**

**Driving Demand & Profitability**

