



John Mulligan

Chief Operating Officer

 **financial community meeting**





2016: Our Strategy Coming Into Focus



BUSINESS NEWS MARCH 2, 2016

Target to invest billions to improve supply chain, ramp up online growth

FORTUNE

RETAIL • CORPORATE TURNAROUND

Target's New Manhattan Location Is A Big Test for Its Smaller-Store Strategy

THE WALL STREET JOURNAL.

BUSINESS

Target Goes After Millennials With Small, Focused Stores

Retailer opens shops in cities and college towns as sales slow at big-box suburban outlets

Retail customer
experience

Target's strategy is all about creating a hassle-free customer experience

March 4, 2016

Testing and Learning

- Modernize our supply chain
- Update our stores
- Utilize stores as fulfillment hubs
- Train our team for success

2019: Our Work Paying Off



RETAIL · Published August 23, 2019

Target has big success with small stores

By Christian de La Chapelle | [FOXBusiness](#) |



Target had its best year since 2005



By [Nathaniel Meyersohn](#), CNN Business
Updated 10:16 AM EST, Tue March 5, 2019

Bloomberg

Checkout

In a Class By Itself: How Target Became the Model in U.S. Retail

By [Matthew Boyle](#)
November 23, 2019, 5:00 AM CST

Forbes

Sep 18, 2019, 09:25am EDT | 10,009 views

Target's Innovation Continues to Drive Value

David Trainer Contributor



2020 Highlights

Replenishment

95%

of all sales
fulfilled by stores



Shopping Behavior Changes



Heavy Stock-Up
Trips



In-Store
Surges



Shift to
Online





**Hundreds more
deliveries every day**



Essential Inventory

A Year of Big Demand



face masks

masks

face masks



**Our flexible supply chain
helps serve our communities.**



Fulfilling through our same day services costs 90% less than shipping from a warehouse.



drive up



order pickup

600%

increase in
drive up

70%

increase in
order pickup



same day delivery

Delivered by **Shipt** 





**same day
delivery**

Delivered by **Shipt** 

300%

growth in Target
sales from Shipt

40%

savings when shipping
from a local store





**same day
delivery**

Delivered by **Shipt** 



drive up



order pickup

Making Target the **easiest and
safest place to shop.**



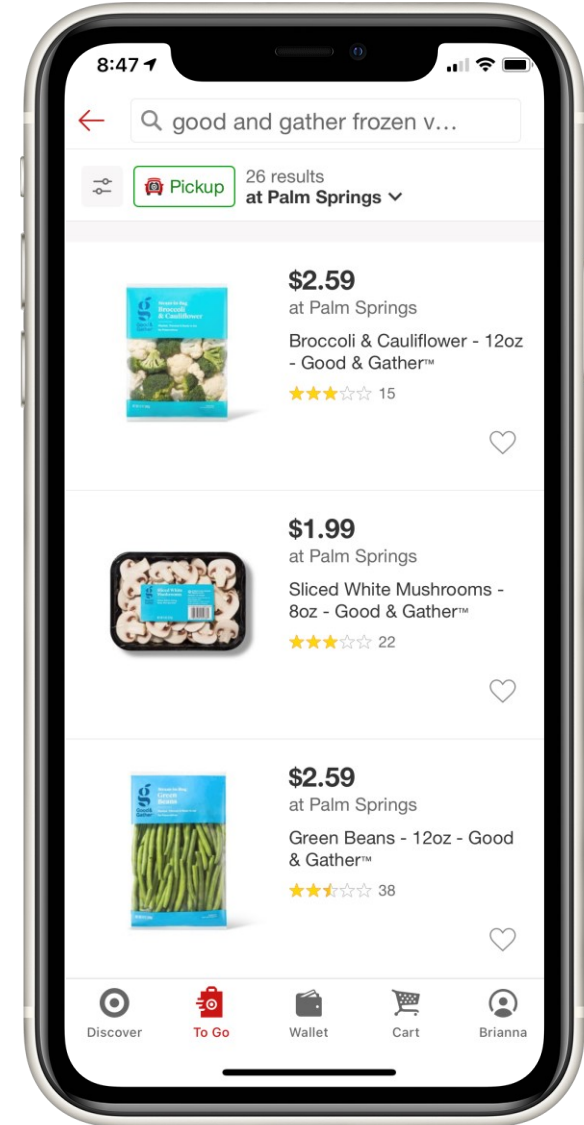
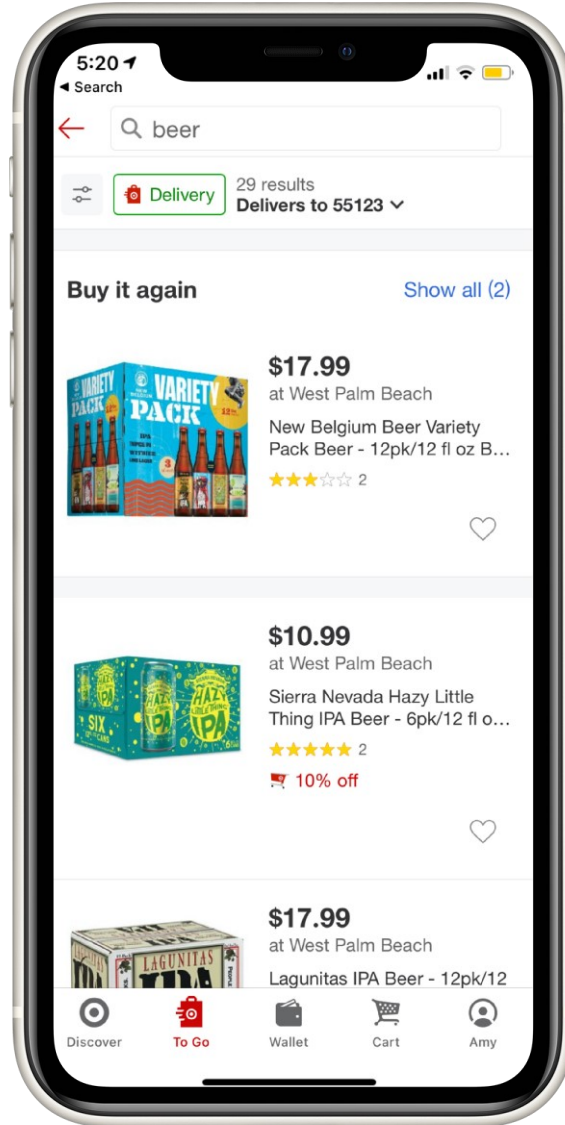
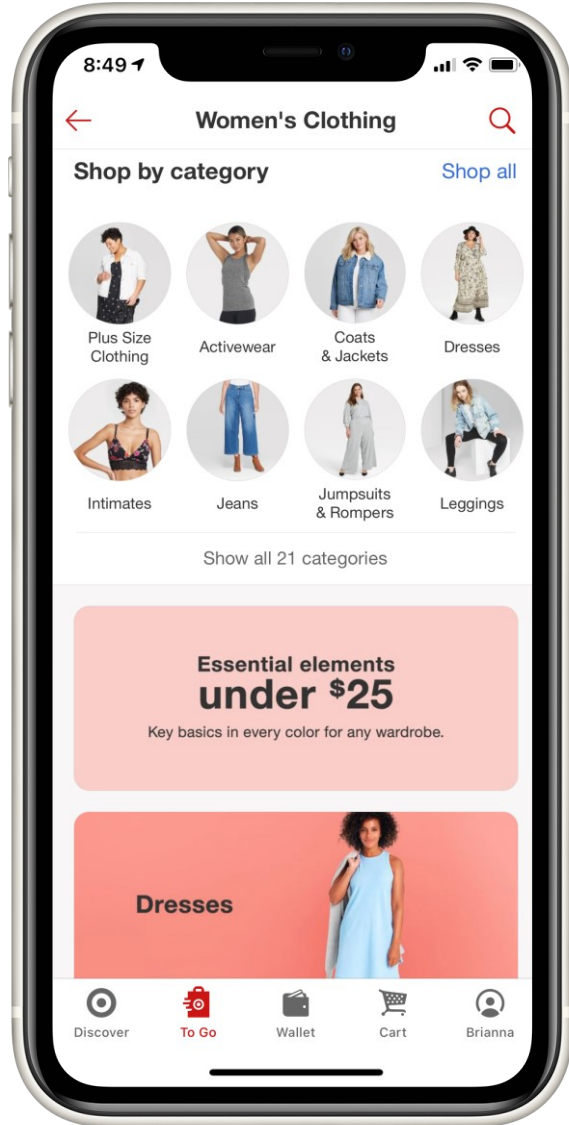
Stores as Hubs

Fulfilling more in **a day than we
were in **a week** the year before.**

**Records were set and broken.
Again. And again. And again.**

Handling Waves of Volume

- Staffing for peaks
- Cross training to be ready for busier times
- Adjusting storage space to hold more orders
- While maintaining high Net Promoter Scores and broadening the assortment



drive up



All Hands On Deck







+2x

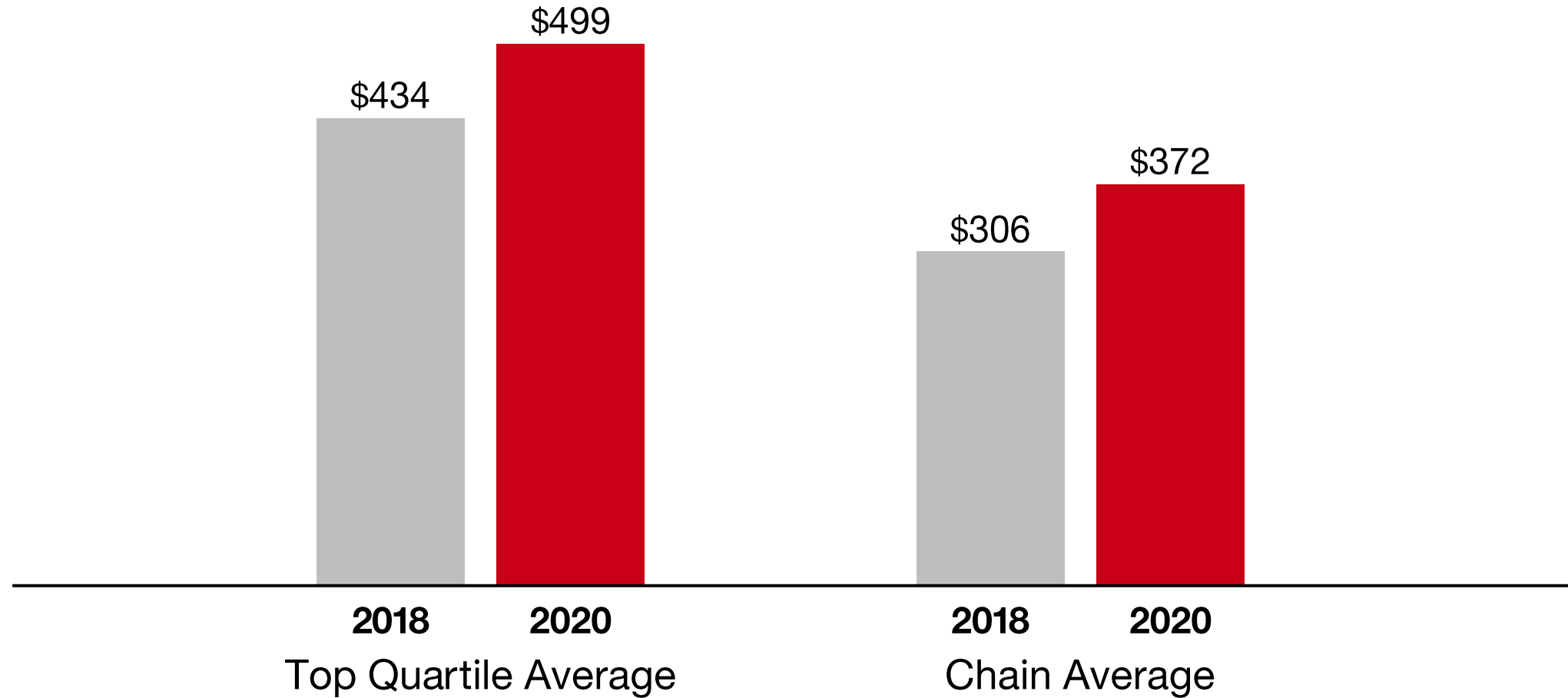
shopper network
growth



A remarkable year

**A remarkable year
with room to grow.**

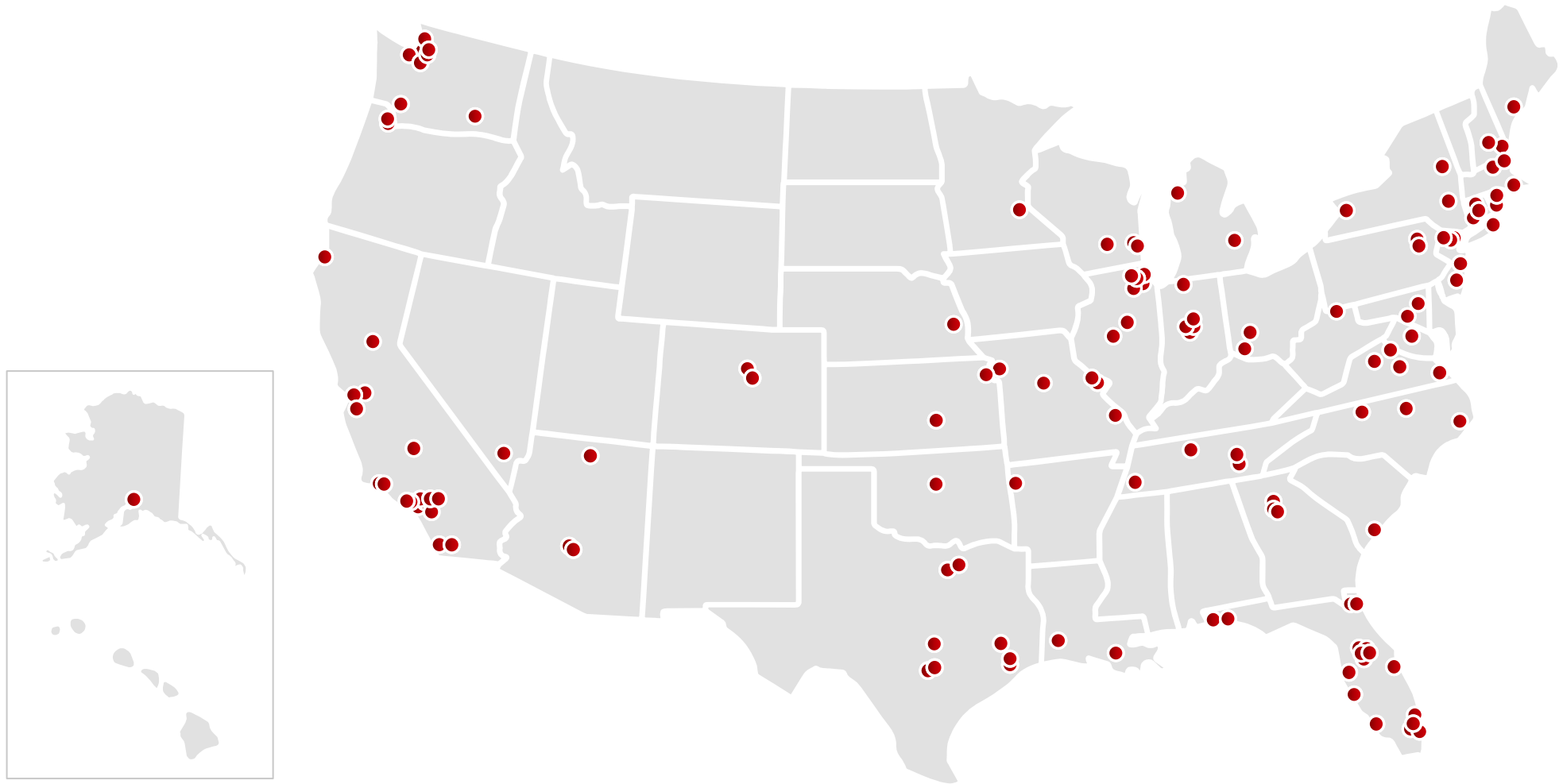
Sales Per Square Foot



Based on mature stores



2020 Remodels





Boston, MA



Palos Verdes, CA



Austin, TX



Las Vegas, NV



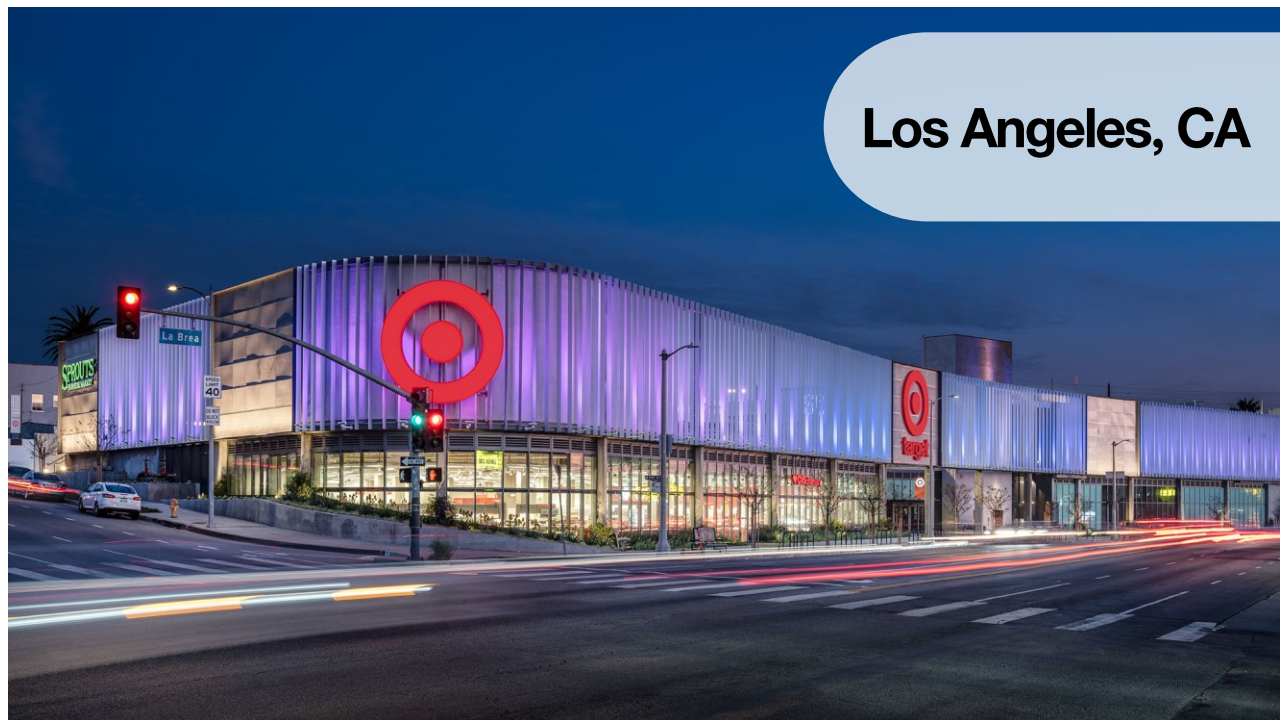
San Diego, CA



Staten Island, NY



Los Angeles, CA



Minneapolis, MN









VIDEO

Lake Street Store Rebuild

**Our team is dedicated
to their communities.**

Specialized Roles



Team Member Investments

- Training specialists in different areas
- Adding flexibility to our operation
- Improving benefits and wages
- Providing more hours

**As our business grew,
our operations flexed with it.**





**Looking
Ahead**

~30%

increase in average
DC supported sales
per square foot



20%

overall business
growth in 2020



95%

of sales fulfilled
by stores



**Time to
expand our
supply chain**

Logan Township, NJ



Simplify the Unload Process



OBC
20115

180900184

THIS SIDE UP

VIDEO

DC Robotics – Auto Rebin (no audio)

VIDEO

DC Robotics – Ship Sorter (no audio)

Designed to Work Together

Learn + Iterate

Predictive Inventory Positioning

Predictive Inventory Positioning

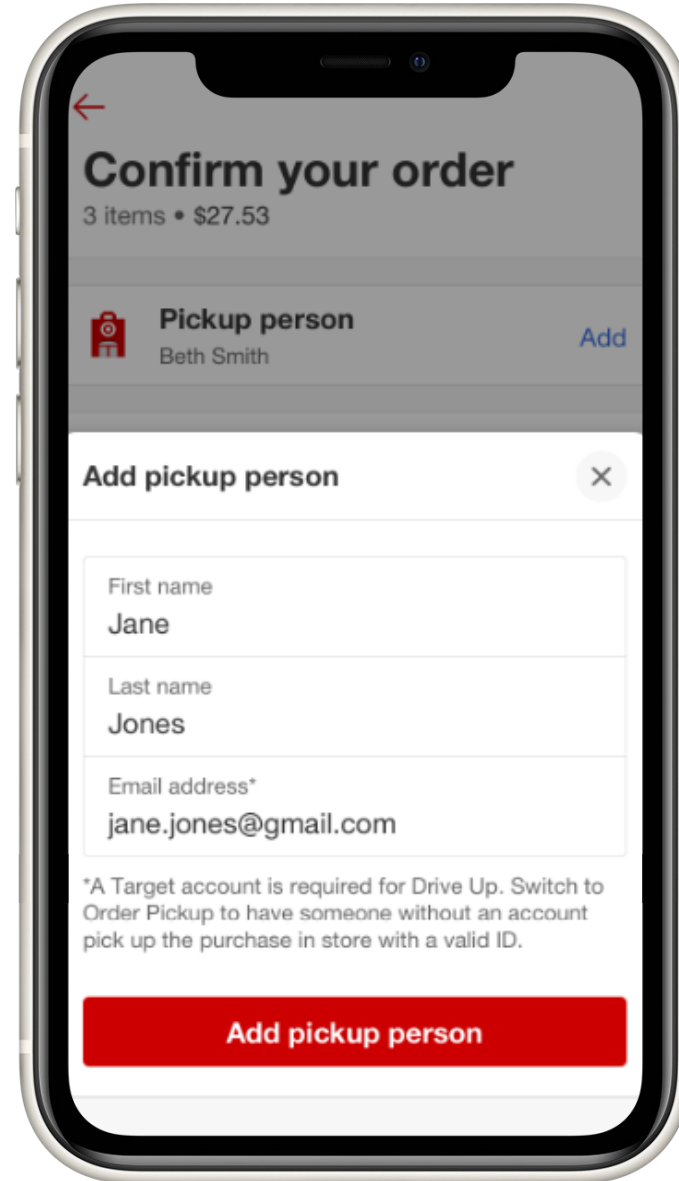
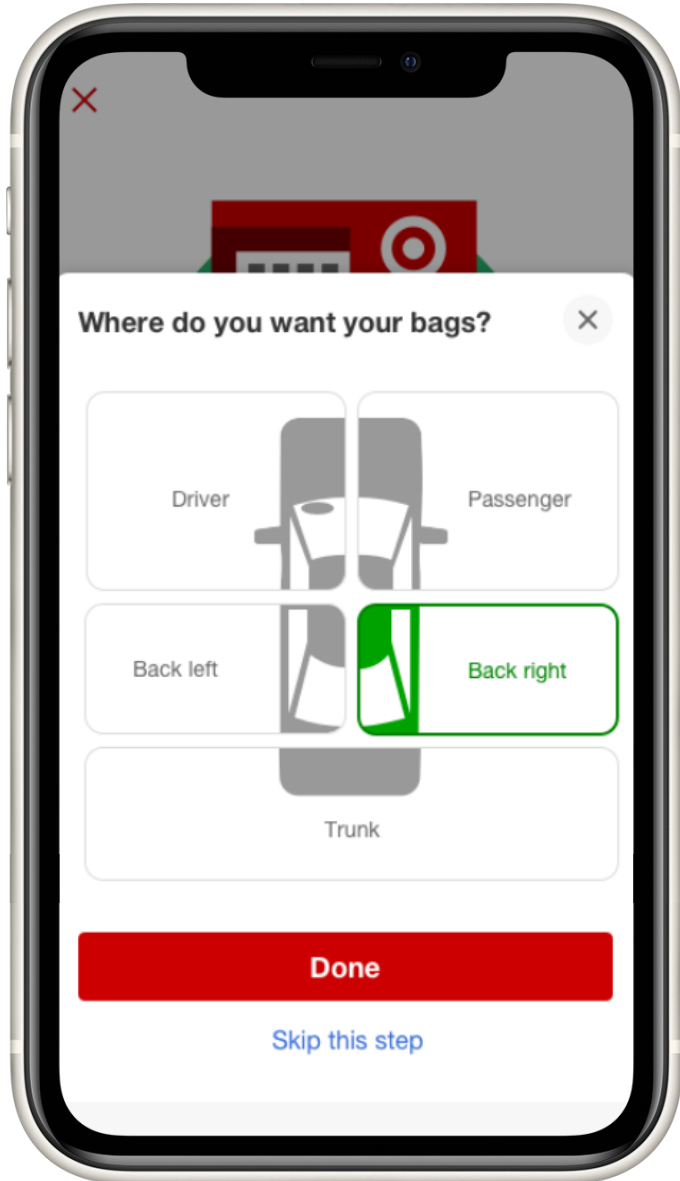
25%
faster than
previous system

**Replenishing inventory
with speed and precision.**

Providing More Same Day Options

Pickup Options

- Expanding apparel and fresh food
- Rolling out Adult Beverage to hundreds more stores



Stall 1



drive up

**Enter stall number
in app upon arrival**

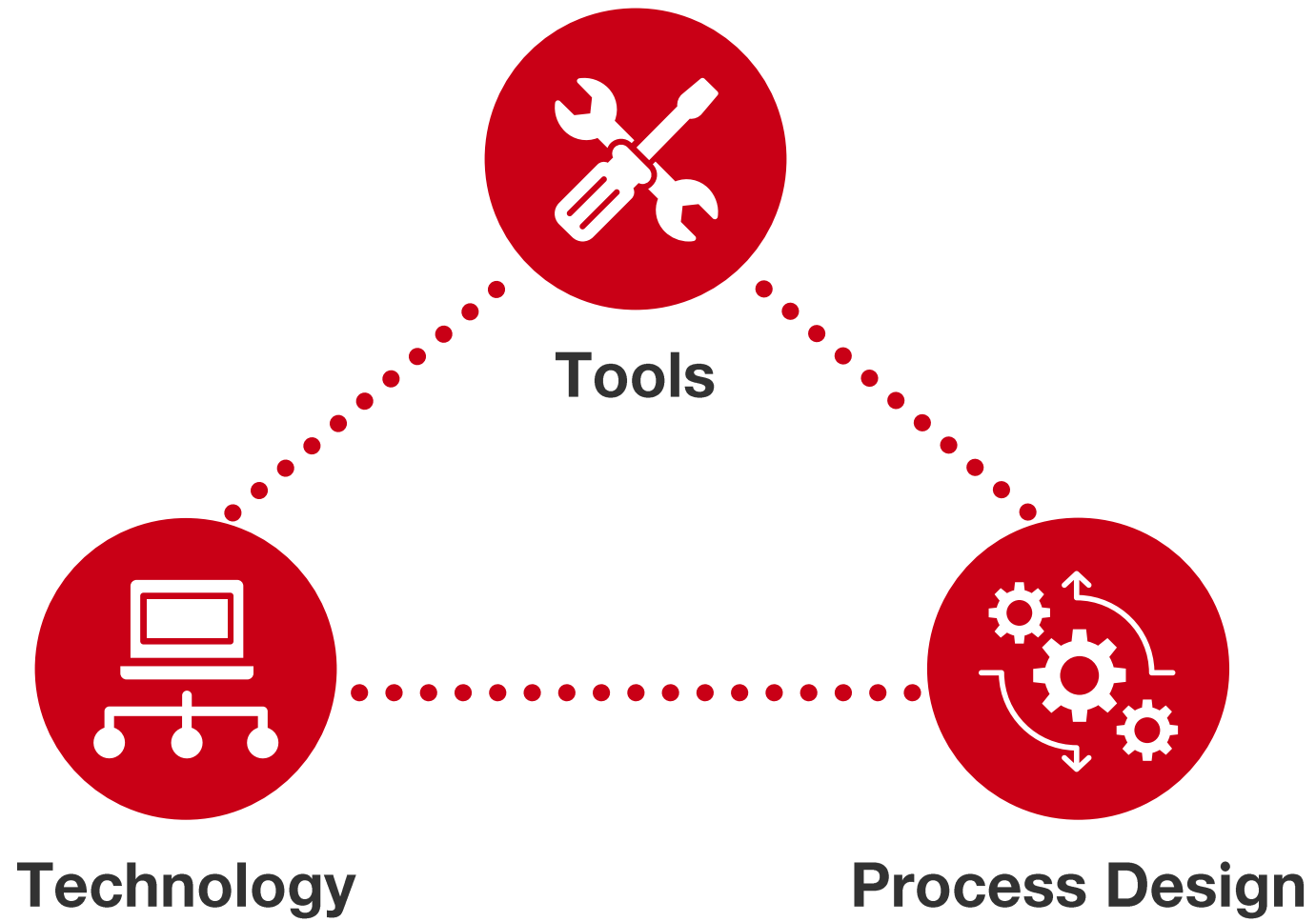
Team Member App



Ship From Store

Scaling Our Capability





Shetland Måter

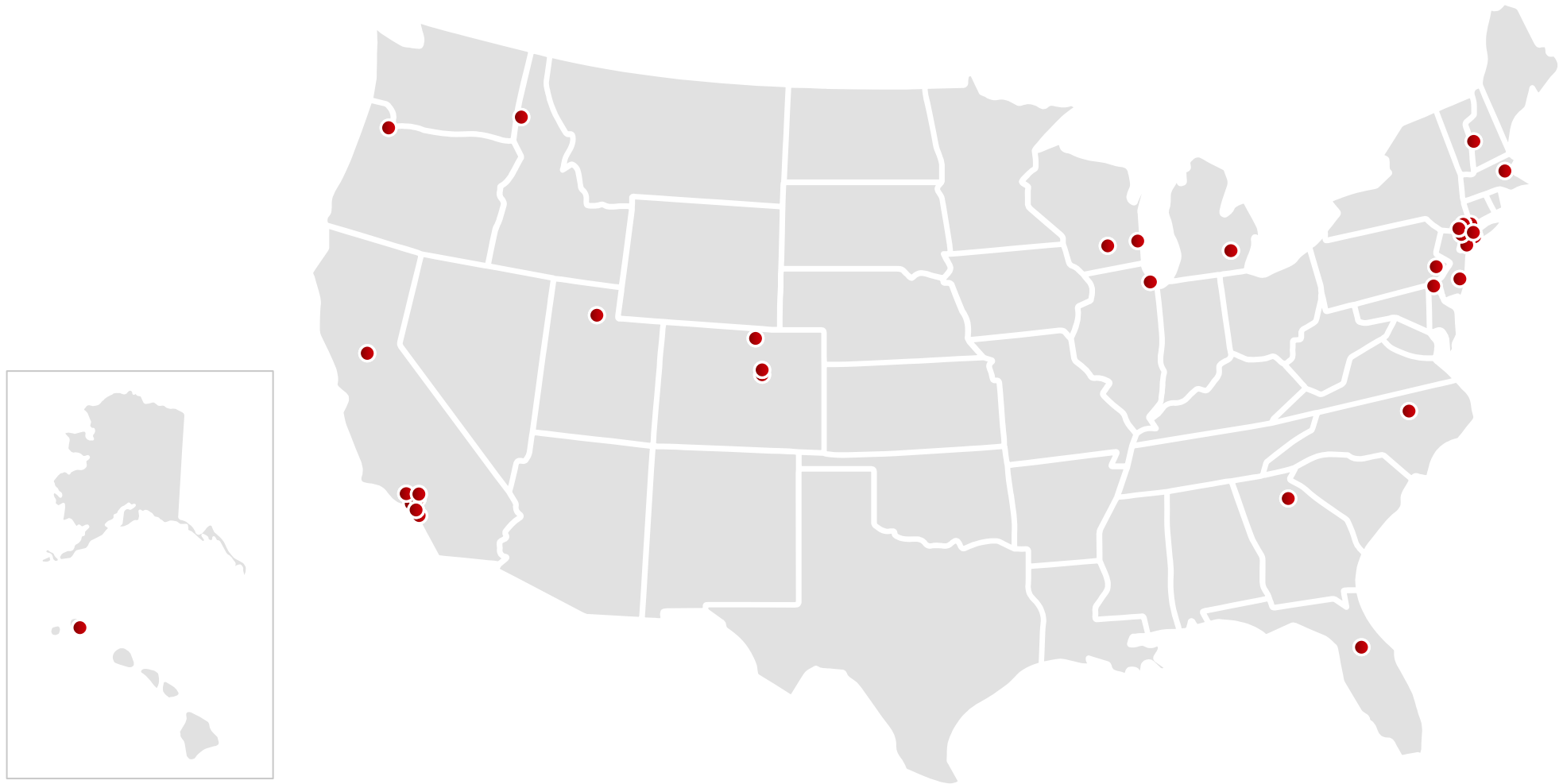
VIDEO

Sortation Centers

Sortation Center Concept

- Saves stores time and space
- Allows for more order fulfillment
- Moves product faster at a lower cost

2021 New Stores



Portland, OR



New York, NY



Los Angeles, CA



Ann Arbor, MI



Champaign, IL



West Lafayette, IN



Iowa City, IA



Brooklyn, NY



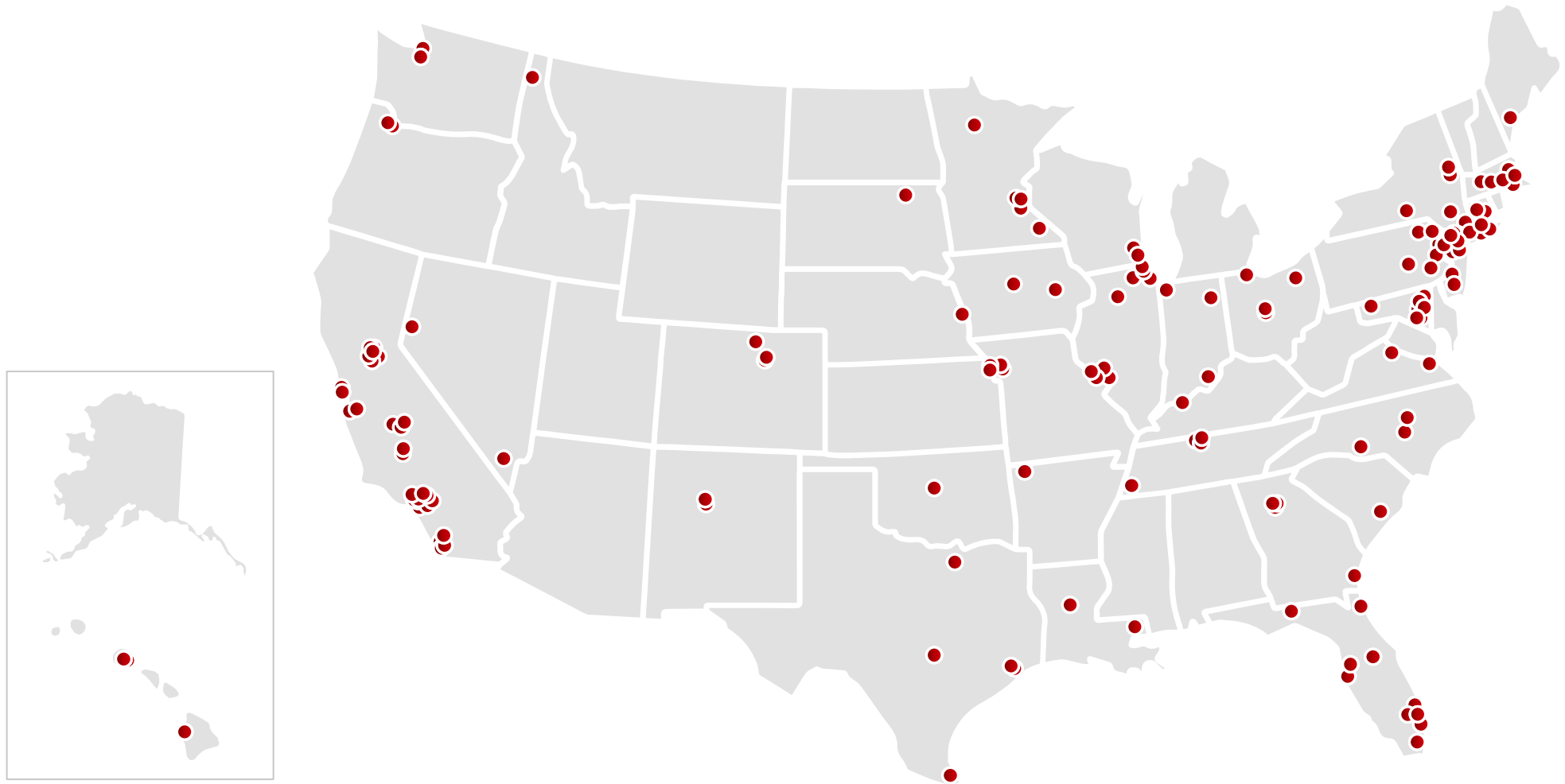
Denver, CO



Raleigh, NC



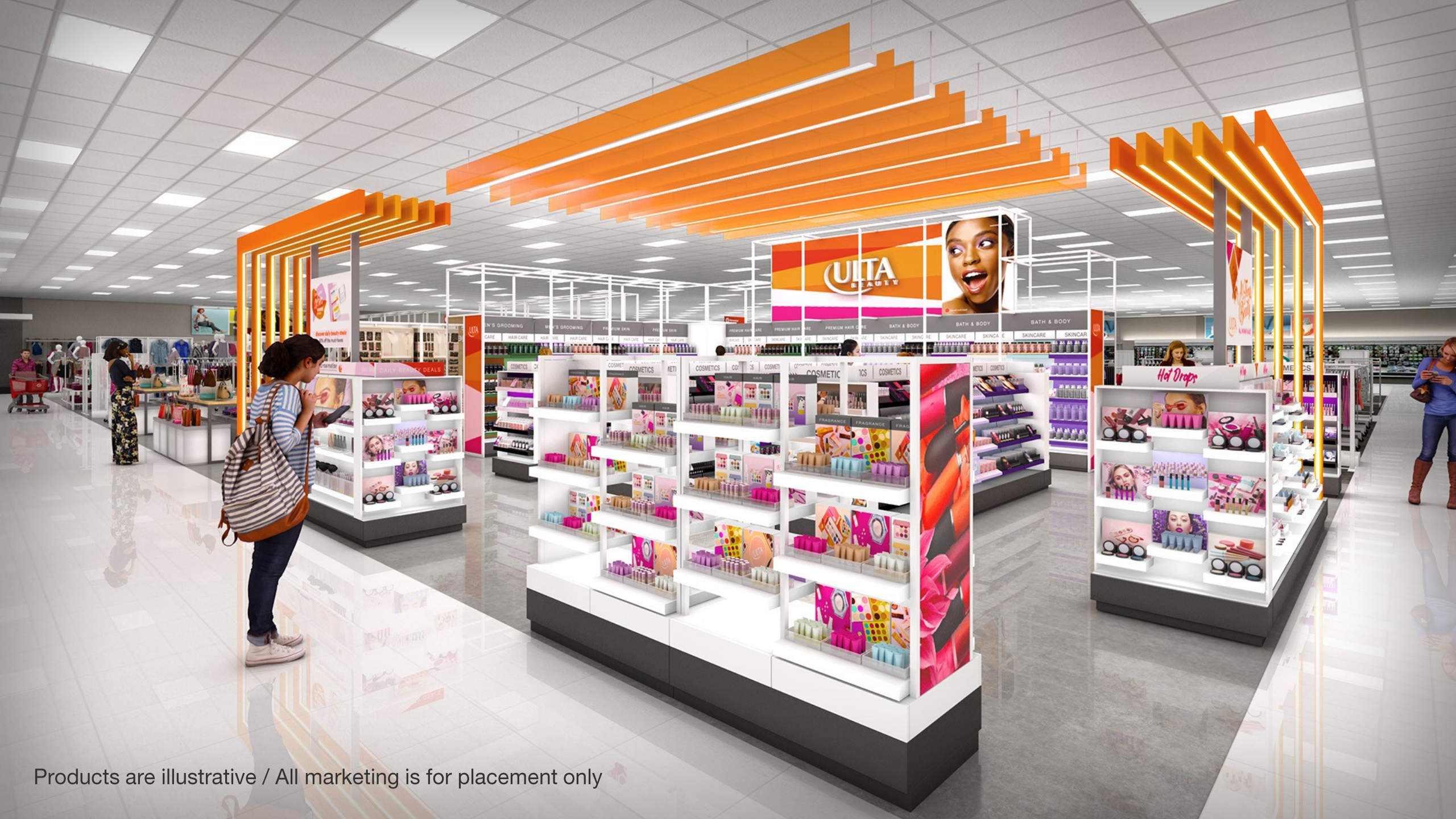
2021 Remodels



Future Store Design

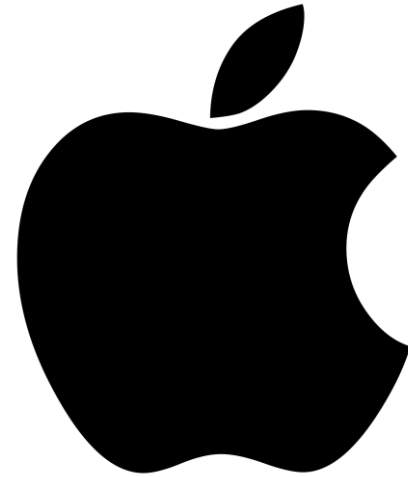
- Increasing contactless features
- Adding distance between merchandise
- Allowing more space at the checklane

Brand Partnerships



Products are illustrative / All marketing is for placement only

Disney[®]

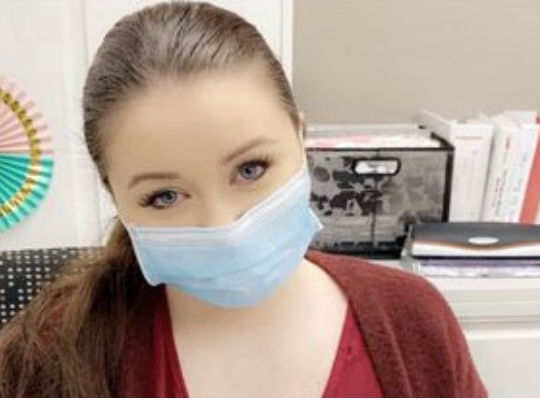






Having an engaged team leads to better results.

New Standard of Service



Thank you!



Forbes

Jan 13, 2021, 06:07pm EST | 642 views

Target Corp. Reveals Strength During Holiday 2020

MarketWatch

Target's holiday sales show the importance of stores even as COVID-19 drives business online

Last Updated: Jan. 16, 2021 at 11:57 a.m. ET

AP

Target continues to thrive in whirlwind retail environment

By ANNE D'INNOCENZIO January 13, 2021

CNBC

Target's same-store sales up 17% over the holidays as it holds on to some of its pandemic gains

PUBLISHED WED, JAN 13 2021-6:30 AM EST | UPDATED WED, JAN 13 2021-9:46 AM EST

FORTUNE

RETAIL • HOLIDAY SEASON

Target's strong holiday numbers prove retailers don't need Black Friday anymore

BY PHIL WAHBA
January 13, 2021 11:08 AM CST



Our work is not done.

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