FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements other than those that are purely historical are forward-looking statements. Words such as “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan,” “project,” and similar expressions also identify forward-looking statements. Forward-looking statements include statements relating to future financial performance or potential future plans or strategies of the company and the benefits and timing of such financial performance, plans and strategies. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause the company’s actual results to differ materially from those in the forward-looking statements. These factors include, without limitation: the overall global economic environment and risks associated with the COVID-19 pandemic; the risk that the company will be unsuccessful in gauging apparel trends and changing consumer preferences; the highly competitive nature of the company’s business in the United States and internationally; the risk of changes in global economic conditions or consumer spending patterns; engaging in or seeking to engage in strategic transactions that are subject to various risks and uncertainties; the risk of failure to maintain, enhance and protect the company’s brand image; the risk of failure to manage key executive succession and retention and to continue to attract qualified personnel; the risk that the company’s investments may not deliver the results it anticipates; the risk if the company is unable to manage its inventory effectively; the risks associated with global sourcing and manufacturing; the risk that the company is subject to data or other security breaches or of a failure of the company’s information technology systems; the risks to the company’s efforts to expand internationally; the risk that the company will be unsuccessful in identifying, negotiating, and securing new store locations and renewing, modifying, or terminating leases for existing store locations effectively; the risks to the company’s reputation or operations associated with importing merchandise from foreign countries; the risk that the company’s franchisees’ operation of franchise stores is not directly within the company’s control; the risk that trade matters could increase the cost or reduce the supply of apparel available to the company; the risk of foreign currency exchange rate fluctuations; the risk that comparable sales and margins will experience fluctuations; the risk of changes in the company’s credit profile; the risk of changes in the regulatory or administrative landscape; the risk of natural disasters, public health crises (similar to and including the ongoing COVID-19 pandemic), political crises, negative global climate patterns, or other catastrophic events; or those of the company’s franchisees or vendors; the risk of reductions in income and cash flow from the company’s credit card arrangement related to the company’s private label and co-branded credit cards; the risk that the adoption of new accounting pronouncements will impact future results; the risk that the company does not repurchase some or all of the shares its anticipates purchasing pursuant to its repurchase program; and the risk that the company will not be successful in defending various proceedings, lawsuits, disputes, and claims.

Additional information regarding factors that could cause results to differ can be found in The Gap, Inc.’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on June 9, 2020, as well as the company’s subsequent filings with the Securities and Exchange Commission. The company assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.
We grow purpose-led, billion-dollar brands that shape people’s way of life.

We have omni-strength in North America and are partnering to amplify our reach.
We Grow Purpose-Led, Billion-Dollar Lifestyle Brands

We Grow Purpose-Led, Billion-Dollar Lifestyle Brands

THE POWER OF OUR BRANDS

<table>
<thead>
<tr>
<th>Democracy of Style</th>
<th>Modern American Optimism</th>
<th>Work for a Better Republic</th>
<th>Power of She</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 Net Sales</td>
<td>$8B</td>
<td>$5B</td>
<td>$2B</td>
</tr>
<tr>
<td>FY19 E-Commerce Penetration(^{(1)})</td>
<td>23%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Known Active Customers(^{(2)})</td>
<td>45M</td>
<td>23M</td>
<td>11M</td>
</tr>
</tbody>
</table>

\(^{(1)}\) E-commerce penetration is online net sales as a percentage of total net sales
\(^{(2)}\) R12 active global customer base as of February 2020
We have significant opportunity to leverage our strengths to gain share.

1. Economic Outlook
2. Retail Disruption
3. Shift in Discretionary Spend
Delivering What Matters Most to Customers in a Disrupted Market

<table>
<thead>
<tr>
<th>HOW CUSTOMERS ARE DRESSING</th>
<th>HOW CUSTOMERS ARE SHOPPING</th>
<th>HOW CUSTOMERS ARE FEELING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift to Hyper Casualization</td>
<td>Seamless Omni Service</td>
<td>Importance of Purpose &amp; Values</td>
</tr>
</tbody>
</table>

- **8%**
  - CAGR growth in Active + Fleece between 2017-2019 (1)

- **>60%**
  - of consumers expect sustained increased usage of omni services (2)

- **50%**
  - Growth among big, trusted brands during the pandemic (2)

---

(1) The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months ending January 2020
Broad Customer Appeal Gives Us Room to Grow in the $194 Billion US Apparel Market (1)

Customer-Centric
~170M
known customers globally (3)

Inclusive, by Design
Target and halo customers segments represent
~80% of the U.S. apparel market

THE POWER OF OUR PORTFOLIO

$16B Multi-Branded Largest Apparel Retail Company in America (2)

OLD NAVY 49%
BANANA REPUBLIC 15%
GAP 28%
ATHLETA 6%
OTHER 2%

Note: Percentages in chart are based on FY19 net sales
(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020
(2) Source: FactSet. Based on FY 2019 net sales for public companies headquartered in North America within the apparel and accessories retailer category
(3) As of February 2020
Leading Omni Platform and Scaled Operations Allow Us to Win in a Changing Marketplace

The Power of Our Platform

Scaled, Advantaged Fulfillment + Supply Chain
- Substantial unit volumes deliver product and logistics cost advantage
- Use of automation and technology for efficiency, speed and flexibility
- Engineering expertise to optimize operation

1B+ Units produced annually

Leading Omni Platform
Gap Inc. is ranked #2 in U.S. apparel e-commerce sales. Supported by ~3000 global store fleet that offers omni capabilities

Note: Percentages in chart are based on FY19 net sales
(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, all apparel, excluding accessories, 12 Months Ending December 2019. Based on an aggregated parent company view of brand level NPD data for Gap Inc. (Old Navy, Gap, Banana Republic and Athleta) and all other apparel brands
(2) As of September 2020
(3) Includes both Strip and Lifestyle Centers
Gap Inc. has the Power to Deliver

OUR STRATEGY

BRAND POWER

ENDURING CUSTOMER RELATIONSHIPS

OMNI-EXPERIENCE

PRODUCT LOVE

LEAN & ADVANTAGED OPERATIONS

TEAM & VALUES
Gap Inc. has the Power to Deliver

OUR STRATEGY

• Grow Old Navy to $10B
• Transform Gap
• Double Athleta
• Reposition Banana Republic
Gap Inc. has the Power to Deliver

Our Strategy

• Develop best-in-class loyalty program
• Scale personalization, serving content and experiences across touchpoints
Gap Inc. has the Power to Deliver

OUR STRATEGY

• Frictionless, unique, and mobile-enabled experience
• Double digital penetration to ~50%
Gap Inc. has the Power to Deliver

OUR STRATEGY

- Grow share in right-to-win categories
- Expand into new categories (e.g. Plus size, Gap Teen, Intimates, Personal Care)
Gap Inc. has the Power to Deliver

OUR STRATEGY

- Cost Transformation through re-engineered capabilities, real estate restructure and scaled strategic partnerships
Gap Inc. has the Power to Deliver

OUR STRATEGY

• Performance culture anchored in creative excellence
• Industry-leading impact across People, Planet and Community
Power Plan 2023

Power of our Brands
Grow four purpose-driven, billion-dollar lifestyle brands

Power of our Portfolio
Extend our customer reach across every age, body and occasion through our collective power

Power of our Platform
Leverage our omni capabilities and scaled operations and extend our engineered approach to cost and growth
Today’s Agenda

Power of our Brands
Nancy Green – Head of Old Navy
Mark Breitbard – Head of Gap / Representing Banana Republic
Mary Beth Laughton – Head of Athleta

- BREAK -

Power of our Platform
John Strain – Head of Digital + Technology
Shawn Curran – Head of Operations

Creating Shareholder Value
Katrina O’Connell – Chief Financial Officer
Bobby Martin – Executive Chairman

- BREAK -

Q&A

Gap Inc.
We believe in the democracy of style.

...and we aspire to be America’s Most Loved Brand.
Uniquely advantaged at the intersection of Value, Curated, and Fast sectors

Value
Accessible pricing

Curated
Big fashion ideas with an edited point of view

Fast
Increasingly responsive supply chain
Old Navy by the Numbers

#2 Apparel Brand Market Share, #6 Apparel Retailer in the US

45M Known Active Customers

4th Largest Apparel E-Comm Site

75% Strip, Outlet and Lifestyle Locations; Highly Profitable Store Base

(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020
(2) R12 active global customer base as of February 2020
(3) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending December 2019
$8B brand today with a clear path to reach $10B by 2023

- Six straight years of sales growth with acceleration since 2016
- Sustain CAGR 2019-2023 to reach $10B

(1) Net sales beginning in fiscal 2018 and beyond reflect the adoption of the new revenue recognition standard, which resulted in an increase of $280 million in net sales in the year of adoption (FY'18)
Delivering the Democracy of Style

Win With Product

Acquire and Engage Customers

Enhance Omni-channel Experiences + Double E-commerce

New Store Growth
We are the #2 Apparel Brand and #6 Apparel Retailer

AT 2.9% MARKET SHARE WE HAVE SIGNIFICANT SHARE OPPORTUNITY

(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020
Win with Product
Accelerate Active, Kids & Baby, and new category growth

**MAINTAIN BRAND SHARE**
~$70 Billion Addressable Market \(^{(1)}\)

- #1 Knit/Woven Tops (non-active)
- #1 Pants (non-active)
- #1 Shorts (non-active)

**DISTORT SHARE GROWTH**
~$100 Billion Addressable Market \(^{(1)}\)

- #5 Active
- #2 Kids + Baby
- #3 Denim

**GROW ADJACENT CATEGORIES**
~$116 Billion Addressable Market \(^{(2)(3)}\)

- Plus
- NEAR TERM
- Intimates and Loungewear
- Personal Care
- LONG TERM

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\(^{(1)}\) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020. Rankings based on U.S. market share by brand. Active also includes Fleece

\(^{(2)}\) Source for Plus, Intimates & Loungewear addressable market: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending June 2020

\(^{(3)}\) Source for Personal Care addressable market: Statista, Revenue in the U.S. Beauty & Personal Care market amounts to $78B in 2020 as of October
Acquire and Engage Customers Through Loyalty

Global Known Active Customer File

<table>
<thead>
<tr>
<th>FY End</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Known Match Rate</td>
<td>56%</td>
<td>71%</td>
<td>77%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Value Pyramid

(Yearly Spend/Customer)

- Single-Channel customer
- +Emailable/Multi-Tender Loyalty
- +Multi-channel
- +Card

| Yearly Spend | 1.0X | 1.2X | 3.2X | 5.0X |

**Notes:**
(1) Match rate defined as net sales of known customers over total net sales
(2) Old Navy U.S. - Rolling 12 months until August 2020. Each level of the pyramid includes the types of engagement included in the lower levels.
Enhance Omni-channel Experiences + Double E-commerce

Leverage scale of stores, e-commerce, and customer file to create differentiated omni-channel experiences

Digital Capabilities

Create a faster, easier, more connected digital experience

Mobile app connects all aspects of omni customer experience; Mobile-first site improvements

Convenience

Increase convenience through omni-channel services

Stores as omni hubs; Easy returns and checkout; Enhanced Curbside and BOPIS; Ship-from-Store

Personalized Experiences

Personalize experience across digital + physical touchpoints

Personalized experience at scale through enhanced capabilities in product and marketing content, loyalty, & fulfillment
New Store Growth

Focused On Underserved Small Markets and Omni Capabilities

• ~1,200 stores with further long-term potential

• Acquire highly valuable omni customers through new stores in Small Markets (pop <200K)

• Target 30-40 new stores/yr. with minimal cannibalization and incrementality to online
Old Navy: Powering the Future

$10B by 2023 via 6% Net Sales CAGR

Growth through Online, New Stores and Key Product Categories

Loyalty and Omni Capabilities to Drive Customer Lifetime Value
Mark Breitbard
PRESIDENT & CEO, GAP BRAND
American Brand with Strong Customer Awareness

$4.6B
FY19 Net Sales

23M
Known Active Customers (1)

80%
Brand Awareness (2)

42
Countries (3)

(1) R12 active global customer base as of February 2020
(2) Source: Gap Brand Equity Study by Ipsos, Gap Specialty, Women’s, Spring 2020
(3) As of Q2 2020
Modern American Optimism

We are champions of American style that bridges the gaps between individuals, generations and cultures.
Transforming our Business Model to Improve Profitability

• Restructure our Fleet
• Shift to Digital
• Grow Market Share: Right Product, Right Time
• Partner to Amplify
A Profitable Fleet for the Future

- Complete the closure of ~175 North America Stores by end of 2021
- Reduce North America Store Fleet by ~35% by end of 2023 (~220 stores)
- ~80% of fleet in Off-Mall Locations by 2023
- Strategic review of Europe

(1) Includes both Strip and Lifestyle Centers
Digitally Led

Continue to increase e-commerce penetration

GAP GLOBAL E-COMMERCE PENETRATION %

2018: 23%
2019: 25%
2020E: ~40%
2023E: (anticipated increase)

(1) E-commerce penetration is online net sales as a percentage of total net sales
(2) Impact from COVID-19 pandemic contributed to the e-commerce penetration in the first half of FY20
Grow Market Share: Right Product, Right Time

Grow Share in Key Categories ~$100B Addressable Market (1)

#7 KIDS & BABY

#8 DENIM

#13 ACTIVE & FLEECE

Grow adjacent categories ~$15B addressable market (1)

TEEN (8-13 year old)

Partner to Amplify

Licensing

Launch new categories
• 10 licensing agreements: babyGap Gear, GapHome beginning in second half of 2021

Franchise & Wholesale

Leverage Franchise for international reach
• 400+ Stores in 35 Countries
• 14 E-commerce platforms

Partnerships

Drive relevance and attract new customers
• YZY GAP launch 2021

Expand Wholesale
• 50+ US Military stores(1) opening in second half of 2021

(1) Count includes shop in shops
Position
Gap to Win

Profitable Fleet of the Future
Shift to Digital
Right Product, Right Time
Partner to Amplify
Athleta is a purpose-driven brand with a powerful mission

Ignite a COMMUNITY of active, healthy, confident WOMEN AND GIRLS who EMPOWER each other to realize their limitless potential

The power of the collective, POWER OF SHE
We are Well-Positioned in an Attractive Category

Growth in U.S. Women’s active apparel is outpacing total Women’s apparel by +14ppts\(^{(1)}\)

**Health & Wellness**
Versatile products that support her full life, from working out to working from home

**Female Empowerment**
Only major active brand that is for women, by women

**Sustainability**
B-Corp certified with 70% of products made from sustainable materials

**Inclusivity**
Comprehensive product offering for all sizes and ages

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\(^{(1)}\) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending August 2020
$1B Brand Today with a Clear Path to Reach $2B by 2023

BRAND AWARENESS

53% among U.S. Active Women\(^{(1)}\)

GROWING OMNI SHOPPERS

Spend 3.5 times more than single-channel shoppers

UNDERPENETRATED REAL ESTATE FOOTPRINT

~200 highly profitable store fleet

SIGNIFICANT DIGITAL PRESENCE

>50% penetration and double-digit growth

---

\(^{(1)}\) Gap Inc. Brand Equity Tracker by Ipsos; May 2020; Active Woman defined as one who exercises at least once a week, has purchased activewear in past 12 months and in age range of 18-70
Product is a Key Driver of our Growth

Hero Assortment Strategy
• Key Product Franchises expected to drive 70% of volume
• Drive customer loyalty
• Maintain reg price model

Exciting growth categories
• Masks
• Athleta Girl
• 1x - 3x Inclusive Sizing
Digital Ecosystem Centered Around the Customer

Seamless and personalized journey across touchpoints

Key focus areas:
Customer Data & CRM
Omni Loyalty Program
Mobile App

Clienteling in store
Browses on Instagram
Personalized follow-up email
Downloads app
Shops online again
Shops online

ATHLETA
Opportunity to Invest in New Touchpoints

Real Estate Footprint
Open approx. 100 stores in U.S.; 20-30 per year

International Expansion
Expand beyond current U.S. market

Strategic Wholesale
Form selective partnerships to increase awareness and customer acquisition

Distributed Commerce
Explore social shopping partnerships
“Don’t wait for the perfect time to go after your dreams. Dream big and be relentless in your pursuit.”

ALLYSON FELIX, TEAM ATHLETA 
MOST DECORATED TRACK & FIELD ATHLETE

Significant potential for growth ahead

Purpose-driven brand with permission to expand in multiple directions

Well-positioned to meet customer needs in the high-growth Active category

Reach $2B in net sales by 2023

Healthy regular priced business with relevant product
John Strain
CHIEF DIGITAL & TECHNOLOGY OFFICER
Gap Inc.
We’re leveraging the power of our platform to win in a changing marketplace.

- **Scale**: Ranked #2 in U.S. apparel e-commerce sales.⁽¹⁾

- **Passion**: Strong brand recognition and love

- **Platform**: Strength of omni capabilities, technology at scale and loyalty program

⁽¹⁾ Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, all apparel, excluding accessories, 12 Months Ending December 2019. Based on an aggregated parent company view of brand level NPD data for Gap Inc. (Old Navy, Gap, Banana Republic and Athleta) and all other apparel brands.
Our Customers Love Our Brands

14% INCREASE IN RETAIL NET PROMOTER SCORES YOY (1)

69
digital post-purchase (1)

70
retail post-purchase (1)

(1) Q2 2020 Gap Inc. NPS Results provided by Medallia – includes Old Navy, Athleta, Gap, and Banana Republic
Healthy Customer File, Well-Positioned for Growth

The Power of the Portfolio

A great start.....

<table>
<thead>
<tr>
<th>Customer Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>~595M customer touchpoints in Q2</td>
</tr>
<tr>
<td>~170M total customer file</td>
</tr>
<tr>
<td>60M active customers (1)</td>
</tr>
</tbody>
</table>

With growth opportunities in...

<table>
<thead>
<tr>
<th>Loyalty Pilot</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.7M total multi tender loyalty members as of Q2</td>
</tr>
<tr>
<td>11M Credit card members (2)</td>
</tr>
<tr>
<td>MTL + card = ~50% of sales in pilot markets</td>
</tr>
</tbody>
</table>

| Omni |
| +50% YoY overall BOPIS volume increase in Q2 (3) |
| 30% of multi-channel shoppers were previously single channel |
| 3.5M new online customers (165% growth YOY!) (3) |

---

(1) Includes NA Specialty + Factory/Outlet + Intl; R12 active customer base as of February 2020
(2) Includes a portion of multi-tender loyalty members that are also credit card members
(3) Impact from COVID-19 pandemic contributed to growth in Q2 2020

Gap Inc.
Value Accelerators: Multi-Brand and Multi-Tier Customers

Cross-Brand Customer Value Equation

Customer Loyalty Value Tiering

Note: Data for matched customers in US market for 12 months ending August 2020
Leveraging Data Science to Target Product and Communication

Target + Halo Segments Represent ~80% of the $194B Addressable Market (1)

12 Customer Segments
2–3 Target Segments Per Brand

Customized Communications
Focused Product Development
Optimized Interactions

Example Customer Segments

Carpool Parents
Active Achievers
Trend Seekers

(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020
Personalization: Creating Enduring Customer Relationships

Current Personalization Coverage

Current coverage is strong, sophistication and coordination is our next opportunity.

- 74% of website visits see personalized marketing content
- 80% of emails contain personalized marketing content
- 80% of users experience personalized product presentation

Gap Inc.
Ranked #2 in U.S. Apparel E-Commerce Sales

**U.S. APPAREL E-COMMERCE MARKET SHARE 2019**

<table>
<thead>
<tr>
<th>Clothing Brand</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gap Inc.</td>
<td>16.1%</td>
</tr>
<tr>
<td>Amazon</td>
<td>5.6%</td>
</tr>
<tr>
<td>Old Navy</td>
<td>5.5%</td>
</tr>
<tr>
<td>Target</td>
<td>4.9%</td>
</tr>
<tr>
<td>Nike</td>
<td>4.8%</td>
</tr>
<tr>
<td>Lululemon</td>
<td>4.3%</td>
</tr>
<tr>
<td>Walmart</td>
<td>2.3%</td>
</tr>
<tr>
<td>Urban Outfitters</td>
<td>2.1%</td>
</tr>
<tr>
<td>Nike</td>
<td>2.0%</td>
</tr>
<tr>
<td>Victoria’s Secret</td>
<td>1.9%</td>
</tr>
<tr>
<td>Nordstrom</td>
<td>1.5%</td>
</tr>
<tr>
<td>Macy’s</td>
<td>1.3%</td>
</tr>
<tr>
<td>QVC</td>
<td>1.3%</td>
</tr>
<tr>
<td>eBay</td>
<td>1.2%</td>
</tr>
<tr>
<td>Amazon</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Note: Competitors, listed alphabetically, include: Amazon, American Eagle, eBay, Kohl’s, Levi’s, Lululemon, Macy’s, Nike, Nordstrom, QVC, Target, Urban Outfitters, Victoria’s Secret, Walmart.

(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, all apparel, excluding accessories, 12 Months Ending December 2019. Based on an aggregated parent company view of brand level NPD data for Gap Inc. (Old Navy, Gap, Banana Republic and Athleta) and all other apparel brands.

(2) Based on net sales data for FY 2019.
Modern Cloud-Based Platform, Advantaged at Scale

UNIQUE UNIVERSALITY CAPABILITIES
Every Sale is an Omni-Sale

Stores: Local Market Presence

BOPIS

Ship-from-Store

Curbside Pickup

Virtual Stylist

Clienteling
Doubling Down Our Efforts in Mobile

LEVERAGING THE SUCCESS OF OUR 4.9 STAR RATING
Doubling Down Our Efforts in Mobile

LEVERAGING THE SUCCESS OF OUR 4.9 STAR RATING

SNEAK PEEK
Gifts We Love
We're getting a head start on wrapping this year. Starting with a few of our favorites for gifting.

Gap Inc.
Attract New Customers & Create Enduring Relationships

- ~170M Customer File
- 1B Interactions/Year
- LOYALTY
- STRONG NPS
- OMNI
- PERSONALIZATION
- SCALED PLATFORM + DATA SCIENCE

Gap Inc.
Winning through Speed, Flexibility, and Efficiency at Scale

Power of the Platform:
- Scaled responsive Supply Chain
- Leading automated distribution capability to meet digital and omni growth
- Reducing operations cost by extending engineering capability
The Power of the Platform
LEVERAGED, SCALED, AND AGILE OPERATIONS

~30 Sourcing Countries
330 Mills
620 Factories
1B+ Units Produced
100M+ Pairs of Denim

650M Yards of Fabric
14 Distribution Centers
400K Store Deliveries
100M+ Parcels Delivered
129K Global Employees

(1) As of FY 2019  (2) As of September 2020  (3) Expected for FY 2020
Scaled Responsive Supply Chain

- **Optimize inventory and margin** through flexibility and speed
- **Continued digitalization** to reduce cost and increase speed with vendor base
- **Engineer fit** through adoption of technology
- **Optimize local assortment** with advanced AI

**Speed + Flexibility**
**Driving Profitability**
Leading Automated Distribution Capability to Meet Digital and Omni Growth

**Scaled Capabilities to Increase Speed and Reduce Cost**

- Scaled automation competitive advantage with e-commerce shift
- Leveraging ~3000 store network for local delivery and pickup
- Top tier partnership with UPS enabling cost-effective, competitive shipping promise
- Omni fulfillment meeting customer demand and optimizing inventory

Gap Inc.
Driving Lower Cost through Engineered Operations

- Restructure Fleet and improve Real Estate economics
- Re-engineering stores for an elevated customer experience and efficiency
- Reducing overhead through automation
Our Engineered Approach in Action

~$225M*(1) IN MASKS AND COUNTING:

Digitalized Product Development
Digitally designed and developed leveraging vendor partnerships

Customer-Centric Responsive Supply Chain
Product-to-Market in 5 weeks; weekly demand reads and ongoing innovation to provide new features, prints and fits

Engineered Operations
Engineered cost through design and delivery for competitive offering

(1) As of October 2, 2020
Katrina O’Connell
CHIEF FINANCIAL OFFICER
Gap Inc.
Power Plan 2023: Creating Shareholder Value

Drive value through:
• Power of the Brands
• Power of the Portfolio
• Power of the Platform

Leverage powerful economic model to drive strong cash flow

Disciplined use of cash to drive top tier Shareholder Return

Gap Inc.
Leveraging Our Strengths To Build a Stronger Future

Largest branded apparel retailer in the U.S. at $16B in revenue⁽¹⁾

Strong and consistent annual operating cash flow; $1.5B five-year average

Returned $3.8B⁽²⁾ in cash to shareholders over past five years through dividend and share repurchases

Our Path Forward:
Consistent sales growth
Operating margin expansion
More resilient & flexible business
Improved capital allocation

⁽¹⁾ Based on FY 2019 net sales for public companies headquartered in North America within the apparel and accessories retailer category
⁽²⁾ Reflects dividends paid and share repurchases through FY19
Multi-Year Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Year</th>
<th>Covid-19 Impact</th>
<th>Return to Profitable Growth</th>
<th>Economic Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2020</td>
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<tr>
<td>2021</td>
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<td></td>
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<tr>
<td>2022+</td>
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Economic Model

FY 2022 & BEYOND

Sales Growth
Low to Mid Single Digit Annually

EBIT Margin Expansion
10%+ EBIT Margin by 2023

Operating Cash Flow
~10% of Sales

Return Cash to Shareholders

= Top Tier TSR
Drive Consistent Low to Mid Single Digit Sales Growth

THROUGH OUR POWER PLAN 2023

BRAND POWER
Grow Old Navy to $10B
Double Athleta to $2B
Partner to Amplify Gap
Reposition Banana Republic

ENDURING CUSTOMER RELATIONSHIPS
Marketing
Loyalty
Personalization

OMNI-EXPERIENCE
Double Online

PRODUCT LOVE
Advantaged Categories
(Active, Denim, Kids + Baby)
New Categories
(Plus, Teen, Personal Care)

LEAN & ADVANTAGED OPERATIONS

TEAM & VALUES

Gap Inc.
By 2023, ~70% Of Revenue From Old Navy and Athleta

SHIF T TOWARDS HIGHER GROWTH, HIGHER PROFIT BRANDS, WHILE REBUILDING GAP PROFITABILITY

**2019**

Old Navy and Athleta  
~55%

**2023E**

Old Navy and Athleta  
~70%
## Significant GM% Improvement

**ROD saving and product margin growth offset rising fulfillment costs**

### Gross Margin Components

<table>
<thead>
<tr>
<th>GROSS MARGIN COMPONENTS</th>
<th>ACTIONS</th>
</tr>
</thead>
</table>
| ROD leverage            | • North America closure strategy  
                          | • Franchise partnerships |
| Higher product margins  | Drive traffic and reduce discounting through:  
                          | • Responsive inventory  
                          | • Marketing  
                          | • Personalization and loyalty |
| Higher fulfillment costs | • Shift to online increases shipping costs  
                          | • Efficient DC and last mile capabilities partially mitigate headwinds |
Close ~350 Gap and Banana Republic Stores in North America

• Close ~30% of Gap and Banana Republic stores by end of FY23

• ~75% of North America closures complete by end of FY21

• ~80% of revenue in 2023 from online & off-mall locations

(1) Includes both Strip and Lifestyle Centers
North America Fleet Closures result in:

- Cash buyout impact expected at ~$210M with moderately positive P&L impact
- Estimated annualized EBITDA benefit of ~$100M
- Additional benefits from rent negotiations ~$45M annually
Leverage Successful Franchise Model

PARTNERSHIP MODEL TO GROW OUTSIDE NORTH AMERICA

Explore Strategic alternatives for Europe:
Explore Partial Shift from Company Owned to Partner Model by 2021
• ~120 company operated stores\(^{(1)}\)
• E-commerce Site

Leverage and Grow Strong Franchise Model
• Reduces capital needs
• Reduces exposure to volatility
• Improves profitability

\(^{(1)}\) As of October 2020

Gap Inc.
More Variable Cost Structure Enables Demand Generation

MEANINGFUL LEVERAGE IN SG&A

Reduce Fixed Costs

- Headcount Reductions
- Lower Store Expenses: Store Closure + Europe Franchise
- Engineered Store Labor
- Future of Work

REALLOCATE

Demand Generation Investments

- Marketing
- Loyalty
- Technology
- Fulfillment
Path to 2023 EBIT Margin
LEVERAGE ACROSS BOTH GROSS MARGIN AND SG&A

10%+ EBIT Margin achieved by 2023:

- Growth in higher margin Brands – Old Navy and Athleta become ~70% of total sales
- NA store closures and International market transitions to partner model
- Higher product margins largely offset by online fulfillment costs
- Productivity in fixed operating costs fueling profitable growth in sales

(1) Reported fiscal 2019 EBIT margin was 3.5% and adjusted EBIT margin was 6.4%. Adjustments represent the impacts of separation-related costs, specialty fleet restructuring costs, flagship impairment charges, and a gain on sale of building.
Power Plan 2023: Reducing Volatility and Creating Resilience

- A portfolio of four multi-billion-dollar brands
- Digitally led with doubled e-commerce business
- More variable cost structure:
  - Lower Mall-Based Specialty Store Exposure
  - Engineered fixed operating costs
  - Fueling investments in demand generation
- Enhanced customer capabilities
- Franchised International Model
- Speed, scale and flexibility to drive profit, reduce cost and deliver consistency
Strong Cash Flow Discipline

**HISTORICAL VIEW**

### Operating Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>($B)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1.6</td>
<td>1.7</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
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</tbody>
</table>

### Dividend Yield

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.7%</td>
<td>4.1%</td>
<td>2.9%</td>
<td>3.9%</td>
<td>5.6%</td>
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</tbody>
</table>

### Share Repurchases and Cash Dividends

<table>
<thead>
<tr>
<th>Year</th>
<th>($M)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>726</td>
<td>524</td>
<td>731</td>
<td>705</td>
<td>702</td>
</tr>
</tbody>
</table>

- **Cap Ex**
- **CapEx % Net Sales**

### Cap Ex

- 2015: 4.6%
- 2016: 3.4%
- 2017: 4.6%
- 2018: 4.3%
- 2019: 4.3%

### Cash Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>($M)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1,392</td>
<td>367</td>
<td>676</td>
<td>771</td>
<td>564</td>
</tr>
</tbody>
</table>

1. Excludes purchase of building in Q1 FY2019
Priorities for Cash

TARGET OPERATING CASH FLOW AT ~10% OF SALES

1. CapEx with ROIC Focus
   Invest in profitable growth: brands and customer facing capabilities

2. Restructure Fixed Cost Base
   Aggressive store closure plan and strategic review of Europe

3. Return to Efficient Capital Structure
   Reduce debt leverage over time

4. Return Cash to Shareholders
   Through dividend and share repurchases
Capital Investments Focused on Improving ROIC

Expect average annual capital expenditures at ~4-5% of net sales

FROM
Low returning investments (store assets and international markets) at 50% of CapEx

TO
High growth, high ROIC customer-facing initiatives

Capital Expenditures

FY15-19

0%

100%

50%

FY21-23

Stores/International

Customer, Digital, Fulfillment, Tech

Gap Inc.
Economic Model
FY2022 & BEYOND

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Long term Investment Case

Drive Value Through:
• Power of the Brands
• Power of the Portfolio
• Power of the Platform

• Leverage powerful economic model to drive strong cash flow
• Disciplined Use of Cash to Drive Top Tier Shareholder Return
Business as a Force for Good

- Regenerating the environment through sustainable and circular practices
- Advancing our employees and communities
- Creating and maintaining stakeholder value through effective governance and risk oversight
- Tracking progress using GRI and SASB standards
Commitment to Environmental, Social & Governance Performance

**ENVIRONMENTAL**
- 11.2B liters of water saved in manufacturing since 2017
- 65% diversion rate of plastic waste across stores and distribution centers
- 90MW wind project online by late 2020

**SOCIAL**
- Ranked 100% in HRC’s Corporate Equality Index for the 14th year in a row
- 92% of suppliers using digital wage payments support financial inclusion in the garment industry
- >500k Women & Girls reached through P.A.C.E. program

**GOVERNANCE**
- 5 of 12 Directors are women
- Annual Global Sustainability Report with SASB disclosure since 2018
- Regular Board & Committee Oversight including Governance and Sustainability Committee
Our Goals

CREATE FOR ALL, WITH ALL

Close the gap between our employees today and the diversity of our customers

- Double representation of Black + Latinx employees at all levels in our U.S. HQ offices by 2025
- Increase representation of Black employees in Store Leader roles by 50% by 2025

WASTE

- Eliminate single use plastics by 2030

COMMUNITY

- 5% of new store hires from This Way Ahead by 2025
- Educate 1M Women through signature P.A.C.E. program by 2022

CLIMATE + WATER

- Carbon neutral by 2050
- Net water positive by 2050

Gap Inc.
Power Plan 2023

**Power of our Brands**
Grow four purpose-driven, billion-dollar lifestyle brands

**Power of our Portfolio**
Amplify our superior customer reach and addressable market

**Power of our Platform**
Leverage our omni capabilities and scaled operations and extend our engineered approach to cost and growth

Gap Inc.