Gap Inc. Fiscal 2022

FIRST QUARTER EARNINGS RESULTS

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CHIEF EXECUTIVE OFFICER

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CHIEF FINANCIAL OFFICER
FORWARD LOOKING STATEMENTS

This conference call and webcast contain 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. Forward-looking statements include statements identified as such in our May 26, 2022 press release.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements. Additional information regarding factors that could cause results to differ can be found in the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2022, as well as the Company’s subsequent filings with the Securities and Exchange Commission.

These forward-looking statements are based on information as of May 26, 2022. We assume no obligation to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

SEC REGULATION G

This presentation includes the non-GAAP measures adjusted operating expenses, adjusted operating income (loss), adjusted net income (loss), and adjusted diluted earnings per share as well as adjusted expected diluted earnings per share, and adjusted expected operating margin. The description and reconciliation of these measures from the most directly comparable GAAP measure is included in our May 26, 2022 earnings press release, which is available on investors.gapinc.com.
Q1 2022 Financial Highlights

- Net sales of $3.5 billion, down 13% y/y; comparable sales down 14%.
  - Net sales negatively impacted by ~5 pts of headwind related to lapping the benefit of stimulus last year and ~3 pts from divestitures, store closures, and EU partnerships

- Gross margin of 31.5%, down 930 bps y/y inclusive of ~480 bps of incremental transitory air freight costs
  - Driven primarily by higher discounting at Old Navy and inflationary commodity price increases, partially offset by the benefit of lower discounting at Banana Republic

- Operating margin of -5.7%, inclusive of ~480 bps of incremental transitory air freight costs
  - Driven primarily by gross margin deleverage as well as SG&A deleverage on the lower sales volumes

- Reported diluted loss per share of $0.44, inclusive of approx. $0.34 of incremental transitory air freight costs
<table>
<thead>
<tr>
<th>($ Millions)</th>
<th>Q1 2022 (1)</th>
<th>Q1 2021</th>
<th>Q1 2022 vs. Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$3,477</td>
<td>$3,991</td>
<td>(13%)</td>
</tr>
<tr>
<td>Comparable Sales</td>
<td>(14%)</td>
<td>+28%</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$1,096</td>
<td>$1,630</td>
<td>(33%)</td>
</tr>
<tr>
<td>% of Sales</td>
<td>31.5%</td>
<td>40.8%</td>
<td>(930 bps)</td>
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<tr>
<td>Merchandise Margin B/(W)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROD % of Sales B/(W)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$1,293</td>
<td>$1,390</td>
<td>(7%)</td>
</tr>
<tr>
<td>% of Sales</td>
<td>37.2%</td>
<td>34.8%</td>
<td>+240 bps</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>($197)</td>
<td>$240</td>
<td>n/a</td>
</tr>
<tr>
<td>% of Sales</td>
<td>(5.7%)</td>
<td>6.0%</td>
<td>(1170 bps)</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>($162)</td>
<td>$166</td>
<td>n/a</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>($0.44)</td>
<td>$0.43</td>
<td>($0.87)</td>
</tr>
</tbody>
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(1) Includes approximately $170 million, or 480 basis points, of incremental transitory air freight costs.
## Q1 2022 P&L Summary (vs. 2021 ADJUSTED)

### UNAUDITED

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<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$1,293</td>
<td>$1,334</td>
<td>(3%) +380 bps</td>
</tr>
<tr>
<td>% of Sales</td>
<td>37.2%</td>
<td>33.4%</td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>($197)</td>
<td>$296</td>
<td>n/a (1310 bps)</td>
</tr>
<tr>
<td>% of Sales</td>
<td>(5.7%)</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>($162)</td>
<td>$186</td>
<td>n/a ($0.92)</td>
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<tr>
<td>Diluted EPS</td>
<td>($0.44)</td>
<td>$0.48</td>
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(1) Includes approximately $170 million, or 480 basis points, of incremental transitory air freight costs.
(2) The description and reconciliation of these measures from their nearest GAAP measure is included in our May 26, 2022 earnings press release, which is available on investors.gapinc.com.
Q1 2022
Net Sales Growth

Gap Inc.  (13%)
OLD NAVY  (19%)
GAP  (11%)
BANANA REPUBLIC  +24%
ATHLETA  +4%
Q1 2022

Comparables Sales

- Gap Inc. (14%)
- OLD NAVY (22%)
- GAP (11%)
- BANANA REPUBLIC +27%
- ATHLETA (7%)

NORTH AMERICA COMP: (11%)
### Fiscal 2022 Outlook

<table>
<thead>
<tr>
<th></th>
<th><strong>AS OF MAY 26, 2022</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported Diluted Earnings per Share</strong></td>
<td>$0.40 to $0.70</td>
</tr>
<tr>
<td><strong>Adjusted Diluted Earnings per Share (1)</strong></td>
<td>$0.30 to $0.60</td>
</tr>
<tr>
<td><strong>Net Sales Growth</strong></td>
<td>Down low to mid-single digits</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>36.5% to 37.5%</td>
</tr>
<tr>
<td><strong>Reported Operating Margin</strong></td>
<td>1.8% to 2.8%</td>
</tr>
<tr>
<td><strong>Adjusted Operating Margin (1)</strong></td>
<td>1.5% to 2.5%</td>
</tr>
<tr>
<td><strong>Net Interest Expense</strong></td>
<td>About $80 million</td>
</tr>
<tr>
<td><strong>Effective Tax Rate</strong></td>
<td>About 27%</td>
</tr>
<tr>
<td><strong>Capital Expenditures</strong></td>
<td>About $700 million</td>
</tr>
</tbody>
</table>

(1) Excludes a net benefit expected from international initiatives.
Power Plan 2023

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

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

Power of our Portfolio
Extend customer reach across every age, body and occasion through our collective power
Gap Inc. has the Power to Deliver Our Strategy

- BRAND POWER
- ENDURING CUSTOMER RELATIONSHIPS
- OMNI-EXPERIENCE
- PRODUCT LOVE
- LEAN & ADVANTAGED OPERATIONS
- TEAM & VALUES
We grow purpose-led, billion-dollar lifestyle brands

We Believe In The Democracy Of Style
Modern American Optimism
Designed For Adventures Near & Far
The Power Of She
Improving Value by Turning Customers into Lifetime Loyalists

55+ MILLION members of our integrated loyalty program (1)

Spend 2X more annually (2)

3X more likely to shop across channels (2)

2X more likely to shop multiple brands (2)

(1) Includes credit card holders.
(2) Based on rolling 12-month data as of April 30, 2022.
We have Omni-Strength in North America

- Less than 20% of revenue generated from indoor malls
- Over 90% of net sales generated in North America and partnering to amplify our reach internationally

Note: All data based on Q1 2022 net sales.
(1) Includes Open Air Malls and Outlet Centers.
Rationalizing our North America Fleet

- Expect to complete ~85% of the ~350 N.A. Gap and Banana Republic planned store closures by the end of FY22
Commitment to Environmental, Social & Governance Performance

ENVIRONMENT

92%
fabrics with PFC-based finishes successfully converted or exited

Leading
Textile Material Change Index Leading is the highest level reserved for companies pioneering industry transformation

92%
cotton sourced from more sustainable sources for Spring '22 products

SOCIAL

10K+
jobs provided to the next generation of leaders through This Way ONward; more than halfway to the goal of 20K jobs by 2025

1.5M+
people have improved access to drinking water through USAID and Gap Inc. Women + Water Alliance (1)

1M+
women and girls reached through P.A.C.E. program

GOVERNANCE

6 of 11
Directors are women

Annual ESG Report
Released April '22 with SASB, GRI, and TCFD-aligned disclosures

Regular Board Oversight from its Governance and Sustainability Committee

(1) Includes: supporting communities to develop village action plans for water security, to assist government in its planning, financing and maintenance of piped water services; and catalyzing microloans for water piped connections, water handpumps, water storage, rainwater collection structures, water filters and toilets.