

Gap Inc.

# Quarterly Supplemental Materials

FIRST QUARTER FISCAL 2023 - MAY 25, 2023



# Non-GAAP Financial Measures

These materials include the non-GAAP measures adjusted gross profit, adjusted gross margin, adjusted operating expense, adjusted operating income, adjusted operating margin, adjusted diluted earnings per share, and free cash flow. The description and reconciliation of these measures from the most directly comparable GAAP measure is provided in these materials and/or in our earnings press releases for the periods presented, which are available on [investors.gapinc.com](https://investors.gapinc.com).



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**Note:**

All dollar, share, and square footage amounts are shown in millions, with the exception of per share and store count.

Our fiscal year is a 52- or 53- week period ending on the Saturday closest to January 31.

# I. Statement of Operations Highlights

\$ millions	FY19 <sup>(2)</sup>	FY20 <sup>(2)</sup>	FY21 <sup>(2)</sup>	FY 2022 <sup>(2)</sup>				FY 2023 <sup>(2)</sup>	
				Q1	Q2	Q3	Q4	FY	Q1
<b>Net sales</b>	<b>\$ 16,383</b>	<b>\$ 13,800</b>	<b>\$ 16,670</b>	<b>\$ 3,477</b>	<b>\$ 3,857</b>	<b>\$ 4,039</b>	<b>\$ 4,243</b>	<b>\$ 15,616</b>	<b>\$ 3,276</b>
Cost of goods sold and occupancy expenses	10,250	9,095	10,033	2,381	2,527	2,530	2,819	10,257	2,062
<b>Gross profit</b>	<b>6,133</b>	<b>4,705</b>	<b>6,637</b>	<b>1,096</b>	<b>1,330</b>	<b>1,509</b>	<b>1,424</b>	<b>5,359</b>	<b>1,214</b>
Operating expenses	5,559	5,567	5,827	1,293	1,358	1,323	1,454	5,428	1,224
<b>Operating income (loss)</b>	<b>574</b>	<b>(862)</b>	<b>810</b>	<b>(197)</b>	<b>(28)</b>	<b>186</b>	<b>(30)</b>	<b>(69)</b>	<b>(10)</b>
Loss on extinguishment of debt	-	58	325	-	-	-	-	-	-
Interest, net	46	182	162	19	20	18	13	70	10
Income (loss) before income taxes	528	(1,102)	323	(216)	(48)	168	(43)	(139)	(20)
Income tax expense (benefit)	177	(437)	67	(54)	1	(114)	230	63	(2)
<b>Net income (loss)</b>	<b>\$ 351</b>	<b>\$ (665)</b>	<b>\$ 256</b>	<b>\$ (162)</b>	<b>\$ (49)</b>	<b>\$ 282</b>	<b>\$ (273)</b>	<b>\$ (202)</b>	<b>\$ (18)</b>
Weighted-average number of shares - basic	376	374	376	370	367	365	366	367	367
Weighted-average number of shares - diluted	378	374	383	370	367	366	366	367	367
<b>Basic earnings per share <sup>(1)</sup></b>	<b>\$ 0.93</b>	<b>\$ (1.78)</b>	<b>\$ 0.68</b>	<b>\$ (0.44)</b>	<b>\$ (0.13)</b>	<b>\$ 0.77</b>	<b>\$ (0.75)</b>	<b>\$ (0.55)</b>	<b>\$ (0.05)</b>
<b>Diluted earnings per share <sup>(1)</sup></b>	<b>\$ 0.93</b>	<b>\$ (1.78)</b>	<b>\$ 0.67</b>	<b>\$ (0.44)</b>	<b>\$ (0.13)</b>	<b>\$ 0.77</b>	<b>\$ (0.75)</b>	<b>\$ (0.55)</b>	<b>\$ (0.05)</b>

<sup>1</sup> Earnings per share are computed individually for each of the periods presented; therefore, the sum of the earnings per share amounts for the quarters may not equal the total for the years.

<sup>2</sup> The fiscal year ended February 3, 2024 (FY 2023) will consist of 53 weeks. The fiscal years ended January 28, 2023 (FY 2022), January 29, 2022 (FY 2021), January 30, 2021 (FY 2020), and February 1, 2020 (FY 2019) consisted of 52 weeks. All quarters presented consist of 13 weeks. Q4 2023 will consist of 14 weeks.

# I. Statement of Operations Highlights (Adjusted)

\$ millions	FY 19	FY 20 <sup>(1)</sup>	FY 21	FY 2022				FY 2023	
				Q1 <sup>(1)</sup>	Q2	Q3	Q4 <sup>(1)</sup>	FY	Q1
<b>GAAP gross profit</b>	<b>\$6,133</b>	<b>\$4,705</b>	<b>\$6,637</b>	<b>\$1,096</b>	<b>\$1,330</b>	<b>\$1,509</b>	<b>\$1,424</b>	<b>\$5,359</b>	<b>\$1,214</b>
Restructuring costs <sup>(2)</sup>	22	-	-	-	-	-	-	-	4
Impairment charges <sup>(3)</sup>	-	-	-	-	58	53	-	111	-
Strategic actions in Europe <sup>(4)</sup>	-	-	(9)	-	-	-	-	-	-
Separation-related costs <sup>(5)</sup>	1	-	-	-	-	-	-	-	-
<b>Adjusted gross profit</b>	<b>\$6,156</b>	<b>\$4,705</b>	<b>\$6,628</b>	<b>\$1,096</b>	<b>\$1,388</b>	<b>\$1,562</b>	<b>\$1,424</b>	<b>\$5,470</b>	<b>\$1,218</b>
GAAP gross margin (% of sales)	37.4%	34.1%	39.8%	31.5%	34.5%	37.4%	33.6%	34.3%	37.1%
Adjusted gross margin (% of sales)	37.6%	37.6%	39.8%	36.0%	36.0%	38.7%	38.7%	35.0%	37.2%
<b>GAAP operating expense</b>	<b>\$5,559</b>	<b>\$5,567</b>	<b>\$5,827</b>	<b>\$1,293</b>	<b>\$1,358</b>	<b>\$1,323</b>	<b>\$1,454</b>	<b>\$5,428</b>	<b>\$1,224</b>
Gain on sale of building	(191)	-	-	-	-	(83)	-	(83)	(47)
Restructuring costs <sup>(2)</sup>	39	-	-	-	-	-	-	-	71
Loss on divestiture activity <sup>(6)</sup>	-	-	59	-	35	-	-	35	-
Strategic actions in Europe <sup>(4)</sup>	-	-	50	-	-	-	-	-	-
Impairment charges <sup>(7)</sup>	296	-	-	-	-	-	-	-	-
Separation-related costs <sup>(5)</sup>	300	-	-	-	-	-	-	-	-
<b>Adjusted operating expense</b>	<b>\$5,115</b>	<b>\$5,567</b>	<b>\$5,718</b>	<b>\$1,293</b>	<b>\$1,323</b>	<b>\$1,406</b>	<b>\$1,454</b>	<b>\$5,476</b>	<b>\$1,200</b>
GAAP Operating Income (Loss)	\$574	(\$862)	\$810	(\$197)	(\$28)	\$186	(\$30)	(\$69)	(\$10)
Adjusted Operating Income (Loss)	\$1,041	\$910	\$910	\$65	\$156	\$156	(\$6)	\$18	\$18
GAAP operating margin (% of sales)	3.5%	(6.2%)	4.9%	(5.7%)	(0.7%)	4.6%	(0.7%)	(0.4%)	(0.3%)
Adjusted operating margin (% of sales)	6.4%	6.4%	5.5%	1.7%	1.7%	3.9%	3.9%	(0.0%)	0.5%
<b>Other Non-GAAP Adjustments</b>									
Loss on extinguishment of debt	-	-	\$325	-	-	-	-	-	-
US Federal tax reform adjustment <sup>(8)</sup>	(\$30)	-	-	-	-	-	-	-	-
<b>GAAP Diluted EPS</b>	<b>\$0.93</b>	<b>(\$1.78)</b>	<b>\$0.67</b>	<b>(\$0.44)</b>	<b>(\$0.13)</b>	<b>\$0.77</b>	<b>(\$0.75)</b>	<b>(\$0.55)</b>	<b>(\$0.05)</b>
<b>Adjusted Diluted EPS</b>	<b>\$1.97</b>	<b>\$1.97</b>	<b>\$1.44</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>\$0.71</b>	<b>\$0.71</b>	<b>(\$0.40)</b>	<b>\$0.01</b>

1 There were no adjusted metrics in these periods.

2 Q1 2023 amount represents \$62 million of employee-related costs and \$13 million of consulting and other associated costs related to our previously announced actions to further simplify and optimize our operating model and structure. FY 2019 amount represents the impact of costs related to previously announced plans to restructure the specialty fleet and revitalize the Gap brand, which primarily includes lease and employee-related costs.

3 Q3 2022 amount represents impairment charges as a result of the decision to discontinue the Yeezy Gap business, primarily related to inventory. Q2 2022 amount represents inventory impairment charges as a result of delayed seasonal product and extended size product, primarily at Old Navy.

4 Represents the net impacts from changes to our European model. These impacts primarily include employee-related and lease-related costs.

5 Represents the impact of costs related to the Old Navy spin-off transaction that was subsequently cancelled. Separation-related amounts primarily consist of costs associated with information technology and fees for consulting and advisory services.

6 FY 2022 amount represents the impact of the loss on divestiture activity related to the transition of the Old Navy Mexico business. FY 2021 amount represents the impact of the loss on divestiture activity for the Janie and Jack and Intermix brands.

7 Represents impairment charges related to global flagship stores inclusive of \$223 million and \$73 million for operating lease assets and store assets, respectively.

8 Represents the impact of an adjustment to our FY 2017 tax liability for additional guidance issued by the U.S. Treasury Department regarding the Tax Cuts and Jobs Act.

## II. Balance Sheet Highlights

\$ millions	FY19	FY20	FY21	FY 2022				FY 2023
				Q1	Q2	Q3	Q4	Q1
<b>Assets</b>								
Cash and cash equivalents	\$ 1,364	\$ 1,988	\$ 877	\$ 845	\$ 708	\$ 679	\$ 1,215	\$ 1,170
Short-term investments	290	410	-	-	-	-	-	-
Merchandise inventory	2,156	2,451	3,018	3,169	3,135	3,043	2,389	2,299
Other current assets	706	1,159	1,270	991	1,106	1,316	1,013	814
<b>Total current assets</b>	<b>4,516</b>	<b>6,008</b>	<b>5,165</b>	<b>5,005</b>	<b>4,949</b>	<b>5,038</b>	<b>4,617</b>	<b>4,283</b>
Property and equipment, net	3,122	2,841	3,037	2,791	2,809	2,788	2,688	2,646
Operating lease assets	5,402	4,217	3,675	3,587	3,532	3,341	3,173	3,123
Other long-term assets	639	703	884	874	881	833	908	880
<b>Total assets</b>	<b>\$ 13,679</b>	<b>\$ 13,769</b>	<b>\$ 12,761</b>	<b>\$ 12,257</b>	<b>\$ 12,171</b>	<b>\$ 12,000</b>	<b>\$ 11,386</b>	<b>\$ 10,932</b>
<b>Liabilities and stockholders' equity</b>								
Accounts payable	1,174	1,743	1,951	1,599	1,640	1,388	1,320	1,199
Accrued expenses and other current liabilities	1,067	1,276	1,367	1,127	1,216	1,245	1,219	1,051
Current portion of operating lease liabilities	920	831	734	717	717	691	667	658
Income taxes payable	48	34	25	29	41	57	50	10
<b>Total current liabilities</b>	<b>3,209</b>	<b>3,884</b>	<b>4,077</b>	<b>3,472</b>	<b>3,614</b>	<b>3,381</b>	<b>3,256</b>	<b>2,918</b>
Revolving credit facility	-	-	-	350	350	350	350	350
Long-term debt	1,249	2,216	1,484	1,485	1,485	1,486	1,486	1,487
Long-term operating lease liabilities	5,508	4,617	4,033	3,921	3,857	3,673	3,517	3,453
Other long-term liabilities	397	438	445	575	560	539	544	539
<b>Total long-term liabilities</b>	<b>7,154</b>	<b>7,271</b>	<b>5,962</b>	<b>6,331</b>	<b>6,252</b>	<b>6,048</b>	<b>5,897</b>	<b>5,829</b>
<b>Total stockholders' equity</b>	<b>3,316</b>	<b>2,614</b>	<b>2,722</b>	<b>2,454</b>	<b>2,305</b>	<b>2,571</b>	<b>2,233</b>	<b>2,185</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 13,679</b>	<b>\$ 13,769</b>	<b>\$ 12,761</b>	<b>\$ 12,257</b>	<b>\$ 12,171</b>	<b>\$ 12,000</b>	<b>\$ 11,386</b>	<b>\$ 10,932</b>

### III. Cash Flow Highlights

\$ millions	FY19	FY20	FY21	FY 2022				FY	FY 2023
				Q1	Q2	Q3	Q4		Q1
Cash flows from operating activities:									
<b>Net income (loss)</b>	\$ 351	\$ (665)	\$ 256	\$ (162)	\$ (49)	\$ 282	\$ (273)	\$ (202)	\$ (18)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:									
Depreciation and amortization	557	507	504	130	132	140	138	540	137
Impairment of operating lease assets	239	391	8	-	-	16	17	33	-
Impairment of store assets	98	135	1	3	-	7	8	18	1
Loss on extinguishment of debt	-	58	325	-	-	-	-	-	-
Loss on divestiture activity	-	-	59	-	35	-	-	35	-
Gain on sale of building	(191)	-	-	-	-	(83)	-	(83)	(47)
Other, net	357	(189)	(344)	(333)	37	(267)	829	266	(58)
<b>Net cash provided by (used for) operating activities</b>	<b>1,411</b>	<b>237</b>	<b>809</b>	<b>(362)</b>	<b>155</b>	<b>95</b>	<b>719</b>	<b>607</b>	<b>15</b>
<b>Net cash provided by (used for) investing activities</b>	<b>(894)</b>	<b>(510)</b>	<b>(446)</b>	<b>105</b>	<b>(178)</b>	<b>(46)</b>	<b>(108)</b>	<b>(227)</b>	<b>(30)</b>
<b>Net cash provided by (used for) financing activities</b>	<b>(560)</b>	<b>895</b>	<b>(1,471)</b>	<b>233</b>	<b>(111)</b>	<b>(62)</b>	<b>(54)</b>	<b>6</b>	<b>(58)</b>
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	4	13	(6)	(7)	(2)	(16)	10	(15)	(2)
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash <sup>(1)</sup></b>	<b>\$ (39)</b>	<b>\$ 635</b>	<b>\$ (1,114)</b>	<b>\$ (31)</b>	<b>\$ (136)</b>	<b>\$ (29)</b>	<b>\$ 567</b>	<b>\$ 371</b>	<b>\$ (75)</b>

<sup>1</sup> For the thirteen weeks ended April 29, 2023 (Q1 2023), January 28, 2022 (Q4 2022), October 29, 2022 (Q3 2022), July 30, 2022 (Q2 2022), and April 30, 2022 (Q1 2022), total cash, cash equivalents, and restricted cash includes \$28 million, \$58 million, \$27 million, \$27 million, and \$26 million, respectively, of restricted cash recorded within other current assets and other long-term assets on the Condensed Consolidated Balance Sheets. For the fifty-two weeks ended January 28, 2023 (FY 2022), January 29, 2022 (FY 2021), January 30, 2021 (FY 2020), and February 1, 2020 (FY 2019), total cash, cash equivalents, and restricted cash includes \$58 million, \$25 million, \$28 million, and \$17 million, respectively, of restricted cash recorded within other current assets and other long-term assets on the Condensed Consolidated Balance Sheets.

## IV. Other Metrics

\$ millions	FY19 <sup>(5)</sup>	FY20 <sup>(5)</sup>	FY21 <sup>(5)</sup>	FY 2022 <sup>(5)</sup>					FY 2023 <sup>(5)</sup>
				Q1	Q2	Q3	Q4	FY	Q1
Store and franchise sales	\$ 12,294	\$ 7,522	\$ 10,239	\$ 2,137	\$ 2,553	\$ 2,478	\$ 2,483	\$ 9,651	\$ 2,053
Online sales <sup>(1)</sup>	\$ 4,089	\$ 6,278	\$ 6,431	\$ 1,340	\$ 1,304	\$ 1,561	\$ 1,760	\$ 5,965	\$ 1,223
Operating lease cost	\$ 1,233	\$ 1,043	\$ 947	\$ 209	\$ 210	\$ 205	\$ 201	\$ 825	\$ 196
Total ending square footage	37.0	34.6	33.3	33.2	33.0	32.4	31.8	31.8	31.1
Company-operated store locations <sup>(2)</sup>	3,345	3,100	2,835	2,825	2,799	2,743	2,685	2,685	2,601
Franchise store locations <sup>(2)</sup>	574	615	564	589	591	637	667	667	852
<b>Total store locations <sup>(2)</sup></b>	<b>3,919</b>	<b>3,715</b>	<b>3,399</b>	<b>3,414</b>	<b>3,390</b>	<b>3,380</b>	<b>3,352</b>	<b>3,352</b>	<b>3,453</b>
Total store openings <sup>(3)</sup>	329	140	175	44	24	73	87	228	78
Total store closings <sup>(3)</sup>	215	344	341	29	48	83	115	275	22
Dividends declared per share <sup>(4)</sup>	\$ 0.97	\$ 0.24	\$ 0.36	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.60	\$ 0.15
Net cash provided by (used for) operating activities	\$ 1,411	\$ 237	\$ 809	\$ (362)	\$ 155	\$ 95	\$ 719	\$ 607	\$ 15
Less: Purchases of property and equipment	(702)	(392)	(694)	(228)	(178)	(171)	(108)	(685)	(117)
<b>Free cash flow</b>	<b>\$ 709</b>	<b>\$ (155)</b>	<b>\$ 115</b>	<b>\$ (590)</b>	<b>\$ (23)</b>	<b>\$ (76)</b>	<b>\$ 611</b>	<b>\$ (78)</b>	<b>\$ (102)</b>

1 Online sales primarily include sales originating from our online channel including those that are picked up or shipped from stores and net sales from revenue-generating strategic initiatives.

2 The store locations include: During 2019, the acquisition of 140 Janie and Jack stores in Q1 2019, net of one closure that occurred in the Q3 2019 are included. During Q1 2021, Janie and Jack was divested and stores are excluded. During fiscal 2021, Intermix was divested and stores are excluded. During Q3 2021, 21 Gap France stores were transitioned from Company-operated store locations to Franchise store locations. During Q1 2022, 11 Gap Italy stores were transitioned from Company-operated store locations to Franchise store locations. During Q3 2022, 24 Old Navy Mexico stores transitioned from Company-operated store locations to Franchise store locations. During Q1 2023, 89 China Specialty stores transitioned from Company-operated store locations to Franchise store locations.

3 Includes Franchise. Excludes acquisitions, divestitures and transitions.

4 FY 2020 dividend of \$0.24 per share was declared in Q1 2020 and paid in Q1 2021.

5 The fiscal year ended February 3, 2024 (FY 2023) will consist of 53 weeks. The fiscal years ended January 28, 2023 (FY 2022), January 29, 2022 (FY 2021), January 30, 2021 (FY 2020), and February 1, 2020 (FY 2019) consisted of 52 weeks. All quarters presented consist of 13 weeks. Q4 2023 will consist of 14 weeks.



## V. Comparable Sales by Global Brand

FY 2023	Q1	Q2	Q3	Q4	FY
Old Navy Global	-1%				
Gap Global	1%				
Banana Republic Global	-8%				
Athleta Global	-13%				
<b>Gap Inc.</b>	<b>-3%</b>				

FY 2022	Q1	Q2	Q3	Q4	FY
Old Navy Global	-22%	-15%	-1%	-7%	-12%
Gap Global	-11%	-7%	4%	-4%	-4%
Banana Republic Global	27%	8%	10%	-3%	9%
Athleta Global	-7%	-8%	0%	-5%	-5%
<b>Gap Inc.</b>	<b>-14%</b>	<b>-10%</b>	<b>1%</b>	<b>-5%</b>	<b>-7%</b>

FY 2021	Q1	Q2	Q3	Q4	FY
Old Navy Global	35%	0%	-9%	-6%	0%
Gap Global	29%	-5%	7%	10%	8%
Banana Republic Global	-4%	41%	28%	26%	24%
Athleta Global	27%	13%	2%	12%	12%
<b>Gap Inc.</b>	<b>28%</b>	<b>3%</b>	<b>-1%</b>	<b>3%</b>	<b>6%</b>

FY 2020	Q1 <sup>(1)</sup>	Q2	Q3	Q4	FY <sup>(1)</sup>
Old Navy Global		24%	17%	7%	
Gap Global		12%	-5%	-6%	
Banana Republic Global		-27%	-30%	-22%	
Athleta Global		19%	37%	26%	
<b>Gap Inc.</b>		<b>13%</b>	<b>5%</b>	<b>0%</b>	

FY 2019	Q1	Q2	Q3	Q4	FY
Old Navy Global	-1%	-5%	-4%	0%	-2%
Gap Global	-10%	-7%	-7%	-5%	-7%
Banana Republic Global	-3%	-3%	-3%	0%	-2%
Athleta Global		10%	1%	2%	5%
<b>Gap Inc.</b>	<b>-4%</b>	<b>-4%</b>	<b>-4%</b>	<b>-1%</b>	<b>-3%</b>

Comp sales include the results of Company-operated stores and sales through online channels. The calculation of Gap Inc. Comp sales excludes the results of the franchise business. A store is included in the Comp sales calculations when it has been open and operated by Gap Inc. for at least one year and the selling square footage has not changed by 15 percent or more within the past year.

<sup>1</sup> As a result of the extensive temporary store closures during Q1 2020 due to the COVID-19 pandemic, comparable sales are not a meaningful metric for Q1 2020.

## VI. Net Sales by Brand and Geography

Q1'23							
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other <sup>(2)</sup>	Total	
U.S. <sup>(1)</sup>	\$ 1,659	\$ 496	\$ 374	\$ 309	\$ 3	\$ 2,841	
Canada	145	61	36	10	-	252	
Europe	-	29	1	1	-	31	
Asia	1	77	14	-	-	92	
Other regions	23	29	7	1	-	60	
<b>Total</b>	<b>\$ 1,828</b>	<b>\$ 692</b>	<b>\$ 432</b>	<b>\$ 321</b>	<b>\$ 3</b>	<b>\$ 3,276</b>	

<sup>1</sup> U.S. includes the United States and Puerto Rico.

<sup>2</sup> Primarily consists of net sales from revenue-generating strategic initiatives.

## VII. Environmental, Social & Governance Highlights



**1.3 Million**

women and girls reached by  
P.A.C.E. since 2007



**15,000+**

youth hired by This Way Onward  
since 2007



**2.4 Million+**

people reached with improved water  
access through Women + Water  
since 2017



**A List**

rating received for CDP Water



**81%**

of cotton sourced from more  
sustainable sources<sup>(1)</sup>



**100%**

of fabrics with PFC-based finishes  
successfully converted or exited<sup>(2)</sup>

<sup>1</sup> Defined as: Better Cotton (formerly BCI), verified US-grown cotton (USCTP), organic, in-conversion (to verified organic), recycled or regenerative.

<sup>2</sup> PFC (defined as PFAS, per-and polyfluoroalkyl substances)-based finishes are no longer being used intentionally in production. Most products in store as of January 1, 2023 are produced without PFC-based finishes, but due to transportation and store inventory timelines, some styles available for purchase still have a PFC-based finish.

## VIII. APPENDIX

# Net Sales by Brand and Geography – FY22

Q4'22	Old Navy Global		Banana Republic Global	Athleta Global	Other <sup>(2)</sup>	Total
\$ millions		Gap Global				
U.S. <sup>(1)</sup>	\$ 1,982	\$ 709	\$ 505	\$ 423	\$ 2	\$ 3,621
Canada	165	91	49	10	-	315
Europe	-	35	1	1	-	37
Asia	-	181	17	-	-	198
Other regions	19	45	6	2	-	72
<b>Total</b>	<b>\$ 2,166</b>	<b>\$ 1,061</b>	<b>\$ 578</b>	<b>\$ 436</b>	<b>\$ 2</b>	<b>\$ 4,243</b>

Q3'22	Old Navy Global		Banana Republic Global	Athleta Global	Other <sup>(2)</sup>	Total
\$ millions		Gap Global				
U.S. <sup>(1)</sup>	\$ 1,936	\$ 690	\$ 448	\$ 326	\$ 4	\$ 3,404
Canada	184	95	47	7	-	333
Europe	1	58	1	1	-	61
Asia	-	143	14	-	-	157
Other regions	16	55	7	6	-	84
<b>Total</b>	<b>\$ 2,137</b>	<b>\$ 1,041</b>	<b>\$ 517</b>	<b>\$ 340</b>	<b>\$ 4</b>	<b>\$ 4,039</b>

Q2'22	Old Navy Global		Banana Republic Global	Athleta Global	Other <sup>(2)</sup>	Total
\$ millions		Gap Global				
U.S. <sup>(1)</sup>	\$ 1,880	\$ 565	\$ 460	\$ 335	\$ 3	\$ 3,243
Canada	183	82	53	7	-	325
Europe	-	51	2	-	-	53
Asia	1	141	18	-	-	160
Other regions	26	42	6	2	-	76
<b>Total</b>	<b>\$ 2,090</b>	<b>\$ 881</b>	<b>\$ 539</b>	<b>\$ 344</b>	<b>\$ 3</b>	<b>\$ 3,857</b>

Q1'22	Old Navy Global		Banana Republic Global	Athleta Global	Other <sup>(2)</sup>	Total
\$ millions		Gap Global				
U.S. <sup>(1)</sup>	\$ 1,673	\$ 497	\$ 416	\$ 344	\$ 3	\$ 2,933
Canada	147	64	43	9	-	263
Europe	1	54	1	2	-	58
Asia	-	141	16	-	-	157
Other regions	20	35	6	5	-	66
<b>Total</b>	<b>\$ 1,841</b>	<b>\$ 791</b>	<b>\$ 482</b>	<b>\$ 360</b>	<b>\$ 3</b>	<b>\$ 3,477</b>

1 U.S. includes the United States and Puerto Rico.

2 Primarily consists of net sales from revenue-generating strategic initiatives.

## VIII. APPENDIX

# Net Sales by Brand and Geography – FY21

Q4'21		Old Navy Global	Gap Global	Banana Republic Global	Athleta <sup>(2)</sup>	Other <sup>(3)</sup>	Total
\$ millions							
U.S. <sup>(1)</sup>	\$	2,097	\$ 761	\$ 532	\$ 428	\$ 2	\$ 3,820
Canada		178	100	54	9	-	341
Europe		1	54	2	1	-	58
Asia		1	219	21	-	-	241
Other regions		30	30	4	1	-	65
<b>Total</b>	<b>\$</b>	<b>2,307</b>	<b>\$ 1,164</b>	<b>\$ 613</b>	<b>\$ 439</b>	<b>\$ 2</b>	<b>\$ 4,525</b>

Q3'21		Old Navy Global	Gap Global	Banana Republic Global	Athleta <sup>(2)</sup>	Other <sup>(3)</sup>	Total
\$ millions							
U.S. <sup>(1)</sup>	\$	1,899	\$ 676	\$ 410	\$ 317	\$ -	\$ 3,302
Canada		185	102	47	3	-	337
Europe		1	89	2	-	-	92
Asia		-	141	14	-	-	155
Other regions		20	31	6	-	-	57
<b>Total</b>	<b>\$</b>	<b>2,105</b>	<b>\$ 1,039</b>	<b>\$ 479</b>	<b>\$ 320</b>	<b>\$ -</b>	<b>\$ 3,943</b>

Q2'21		Old Navy Global	Gap Global	Banana Republic Global	Athleta <sup>(2)</sup>	Other <sup>(3)</sup>	Total
\$ millions							
U.S. <sup>(1)</sup>	\$	2,177	\$ 615	\$ 428	\$ 340	\$ 11	\$ 3,571
Canada		191	79	43	-	-	313
Europe		-	116	1	1	-	118
Asia		-	135	19	-	-	154
Other regions		22	29	4	-	-	55
<b>Total</b>	<b>\$</b>	<b>2,390</b>	<b>\$ 974</b>	<b>\$ 495</b>	<b>\$ 341</b>	<b>\$ 11</b>	<b>\$ 4,211</b>

Q1'21		Old Navy Global	Gap Global	Banana Republic Global	Athleta <sup>(2)</sup>	Other <sup>(3)</sup>	Total
\$ millions							
U.S. <sup>(1)</sup>	\$	2,099	\$ 556	\$ 333	\$ 347	\$ 89	\$ 3,424
Canada		159	68	34	-	-	261
Europe		-	69	3	-	-	72
Asia		1	163	16	-	-	180
Other regions		21	30	3	-	-	54
<b>Total</b>	<b>\$</b>	<b>2,280</b>	<b>\$ 886</b>	<b>\$ 389</b>	<b>\$ 347</b>	<b>\$ 89</b>	<b>\$ 3,991</b>

1 U.S. includes the United States, Puerto Rico and Guam.

2 Previously, net sales for the Athleta brand were grouped within the "Other" column. Beginning in FY 2021, we have made a change for all periods presented to break out Athleta net sales into its own column.

3 The "Other" column primarily consists of net sales for the Intermix and Janie and Jack brands. The divestiture of Janie and Jack was completed on April 8, 2021. The divestiture of Intermix was completed on May 21, 2021. Additionally, beginning in Q2 2020, net sales from the business-to-business program and beginning in Q4 2021, other revenue generating initiatives are also included.

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# Net Sales by Brand and Geography – FY20

Q4'20	Old Navy Global		Banana Republic Global	Other <sup>(2)</sup>	Total
\$ millions		Gap Global			
U.S. <sup>(1)</sup>	\$ 2,189	\$ 704	\$ 438	\$ 457	\$ 3,788
Canada	163	78	40	-	\$ 281
Europe	-	80	2	-	\$ 82
Asia	-	207	20	-	\$ 227
Other regions	23	19	4	-	\$ 46
<b>Total</b>	<b>\$ 2,375</b>	<b>\$ 1,088</b>	<b>\$ 504</b>	<b>\$ 457</b>	<b>\$ 4,424</b>

Q3'20	Old Navy Global		Banana Republic Global	Other <sup>(3)</sup>	Total
\$ millions		Gap Global			
U.S. <sup>(1)</sup>	\$ 2,034	\$ 611	\$ 323	\$ 370	\$ 3,338
Canada	193	86	39	3	\$ 321
Europe	-	115	3	-	\$ 118
Asia	1	169	18	-	\$ 188
Other regions	14	12	3	-	\$ 29
<b>Total</b>	<b>\$ 2,242</b>	<b>\$ 993</b>	<b>\$ 386</b>	<b>\$ 373</b>	<b>\$ 3,994</b>

Q2'20	Old Navy Global		Banana Republic Global	Other <sup>(4)</sup>	Total
\$ millions		Gap Global			
U.S. <sup>(1)</sup>	\$1,726	\$ 473	\$ 236	\$ 328	\$ 2,763
Canada	145	63	27	-	\$ 235
Europe	-	70	2	-	\$ 72
Asia	2	158	14	-	\$ 174
Other regions	8	19	4	-	\$ 31
<b>Total</b>	<b>\$ 1,881</b>	<b>\$ 783</b>	<b>\$ 283</b>	<b>\$ 328</b>	<b>\$ 3,275</b>

Q1'20	Old Navy Global		Banana Republic Global	Other <sup>(5)</sup>	Total
\$ millions		Gap Global			
U.S. <sup>(1)</sup>	\$ 949	\$ 311	\$ 245	\$ 256	\$ 1,761
Canada	77	34	24	-	\$ 135
Europe	-	54	3	-	\$ 57
Asia	1	108	12	-	\$ 121
Other regions	11	17	5	-	\$ 33
<b>Total</b>	<b>\$ 1,038</b>	<b>\$ 524</b>	<b>\$ 289</b>	<b>\$ 256</b>	<b>\$ 2,107</b>

1 U.S. includes the United States, Puerto Rico, and Guam.

2 Primarily consists of net sales for the Athleta, Intermix, and Hill City brands. Beginning in FY 2020, Janie and Jack net sales are also included. Net sales for Athleta for Q4 2020 were \$371 million.

3 Primarily consists of net sales for the Athleta, Intermix, and Hill City brands. Beginning in FY 2020, Janie and Jack net sales are also included. Net sales for Athleta for Q3 2020 were \$292 million.

4 Primarily consists of net sales for the Athleta, Intermix, and Hill City brands. Beginning in FY 2020, Janie and Jack net sales are also included. Net sales for Athleta for Q2 2020 were \$267 million.

5 Primarily consists of net sales for the Athleta, Intermix, and Hill City brands. Beginning in FY 2020, Janie and Jack net sales are also included. Net sales for Athleta for Q1 2020 were \$205 million.

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# Net Sales by Brand and Geography – FY19

Q4'19				Banana Republic		
\$ millions	Old Navy Global	Gap Global	Global <sup>(2)</sup>	Other <sup>(3)</sup>	Total	
U.S. <sup>(1)</sup>	\$ 2,055	\$ 781	\$ 642	\$ 334	\$ 3,812	
Canada	160	98	60	-	\$ 318	
Europe	-	145	4	-	\$ 149	
Asia	15	289	26	-	\$ 330	
Other regions	35	25	5	-	\$ 65	
<b>Total</b>	<b>\$ 2,265</b>	<b>\$ 1,338</b>	<b>\$ 737</b>	<b>\$ 334</b>	<b>\$ 4,674</b>	

Q3'19				Banana Republic		
\$ millions	Old Navy Global	Gap Global	Global <sup>(2)</sup>	Other <sup>(3)</sup>	Total	
U.S. <sup>(1)</sup>	\$ 1,769	\$ 689	\$ 532	\$ 274	\$ 3,264	
Canada	151	97	55	1	\$ 304	
Europe	-	128	3	-	\$ 131	
Asia	9	220	21	-	\$ 250	
Other regions	18	24	7	-	\$ 49	
<b>Total</b>	<b>\$ 1,947</b>	<b>\$ 1,158</b>	<b>\$ 618</b>	<b>\$ 275</b>	<b>\$ 3,998</b>	

Q2'19				Banana Republic		
\$ millions	Old Navy Global	Gap Global	Global <sup>(2)</sup>	Other <sup>(3)</sup>	Total	
U.S. <sup>(1)</sup>	\$1,794	\$ 645	\$ 530	\$ 331	\$ 3,300	
Canada	148	85	53	-	\$ 286	
Europe	-	131	4	-	\$ 135	
Asia	11	201	23	-	\$ 235	
Other regions	19	24	6	-	\$ 49	
<b>Total</b>	<b>\$ 1,972</b>	<b>\$ 1,086</b>	<b>\$ 616</b>	<b>\$ 331</b>	<b>\$ 4,005</b>	

Q1'19				Banana Republic		
\$ millions	Old Navy Global	Gap Global	Global <sup>(2)</sup>	Other <sup>(3)</sup>	Total	
U.S. <sup>(1)</sup>	\$ 1,641	\$ 608	\$ 487	\$ 286	\$ 3,022	
Canada	128	69	47	1	\$ 245	
Europe	-	121	3	-	\$ 124	
Asia	10	233	26	-	\$ 269	
Other regions	20	21	5	-	\$ 46	
<b>Total</b>	<b>\$ 1,799</b>	<b>\$ 1,052</b>	<b>\$ 568</b>	<b>\$ 287</b>	<b>\$ 3,706</b>	

1 U.S. includes the United States, Puerto Rico and Guam.

2 Beginning in FY 2019, Banana Republic Global includes net sales for the Janie and Jack brand.

3 Primarily consists of net sales for the Athleta, Intermix and Hill City brands, as well as a portion of income related to our credit card agreement.