

Gap Inc. Fiscal 2023

FOURTH QUARTER RESULTS

March 7, 2024



Forward Looking Statements / Non-GAAP Financial Measures

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 March 7, 2024, earnings 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, 2023, as well as the Company's subsequent filings with the Securities and Exchange Commission.

These forward-looking statements are based on information as of March 7, 2024. 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

These materials include the non-GAAP measures adjusted gross margin, adjusted operating expense/adjusted SG&A, adjusted operating income, adjusted operating margin, adjusted effective tax rate, adjusted net income, adjusted diluted earnings per share, and free cash flow. The description and reconciliation of these measures from the most directly comparable GAAP measure is included in these materials and/or in our earnings press releases for the periods presented, which are available on investors.gapinc.com. In addition, the Company's outlook includes projected full year fiscal 2024 operating income growth compared to its full year fiscal 2023 adjusted operating income as well as expected first quarter fiscal 2024 gross margin expansion compared to its first quarter fiscal 2023 adjusted gross margin.



Strategic Priorities

1

Maintaining and
delivering financial
& operational rigor

2

Reinvigorating our
brands

3

Strengthening our
platform

4

Energizing
our culture



2023 Fiscal Year Highlights

- Continued financial and operational rigor has strengthened our financial footing, enabling us to focus on brand reinvigoration
- Fiscal 2023 results delivered cost savings and gross margin expansion, leading to over 400bps of operating margin expansion year-over-year
- Second half sales trends meaningfully improved versus first half driven by strength at Old Navy and consistent performance at Gap brand
- Focused on maintaining a healthy inventory position, down 16% vs. last year, and strong balance sheet, with ending cash of \$1.9B

FY 2023 Snapshot Of Key Financial Metrics

Net Sales

\$14.9B

-5% YOY

Comps

-2%

VS -7% LY

Adj Gross Margin⁽¹⁾

38.8%

+380BPS VS LY

Inventory

-16%

VS LY

Adj SG&A⁽²⁾

34.7%

-40BPS VS LY

Adj Op Margin⁽³⁾

4.1%

+410BPS VS LY

Adj EPS⁽³⁾

\$1.43

VS (\$0.40) LY

Cash & Equivalents

\$1.9B

+54% VS LY

1. Excludes \$4 million in restructuring costs.

2. Excludes \$89 million in restructuring costs and a \$47 million gain on sale of building.

3. Excludes \$93 million in restructuring costs and a \$47 million gain on sale of building.

The description and reconciliation of these measures from the most directly comparable GAAP measure is included in these materials and in our March 7, 2024 earnings press release, which is available on investors.gapinc.com.

2023 Fourth Quarter Highlights

- Strong fourth quarter performance demonstrates progress with improved margins, well-controlled expenses, and stability in net sales
- Delivered meaningful improvement in operating margin, up 570bps year-over-year
- Old Navy and Gap delivered positive comparable sales growth and gained market share



Q4 2023 Snapshot Of Key Financial Metrics

Net Sales

\$4.3B

+1% YOY

Comps

0%

VS -5% LY

Gross Margin

38.9%

+530BPS VS LY

SG&A

33.9%

-40BPS VS LY

Op Margin

5.0%

+570BPS VS LY

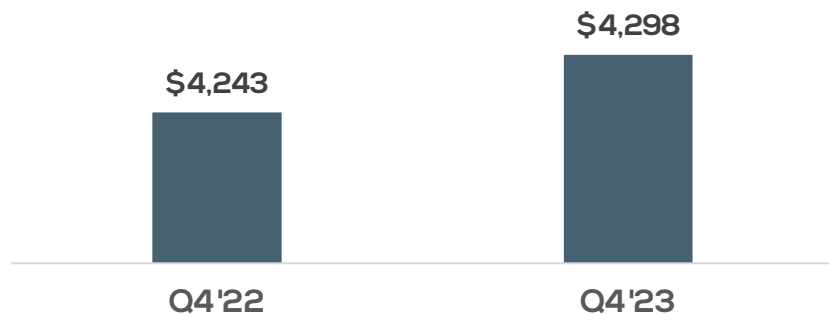
EPS

\$0.49

VS (\$0.75) LY

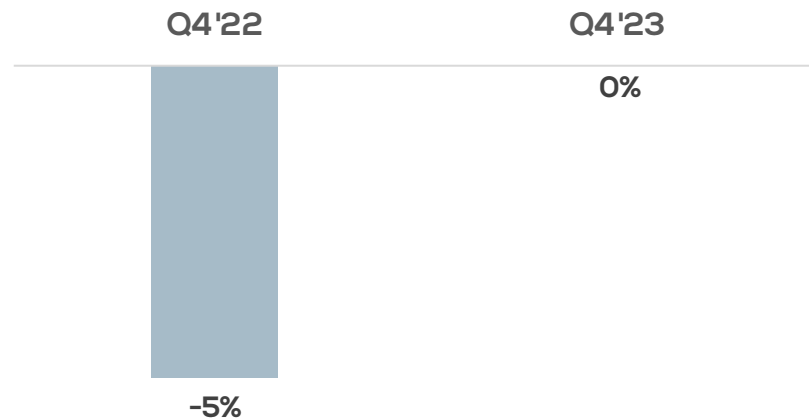
Q4 2023 Net Sales And Comps

Net Sales (in \$ millions)



Delivered sales above expectations, driven by strength at Old Navy

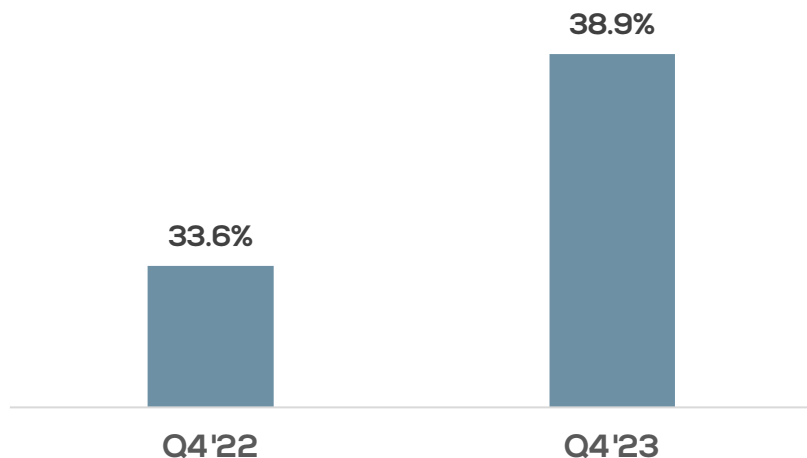
Comps



Comparable sales improved versus last year with positive comps at Old Navy and Gap

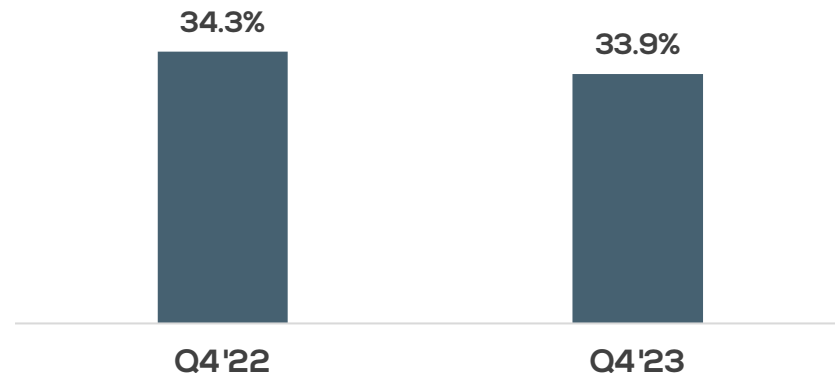
Q4 2023 Gross Margin And Operating Expense

Gross Margin



Gross margin expanded 530 bps primarily due to lower commodity costs and improved promotional activity

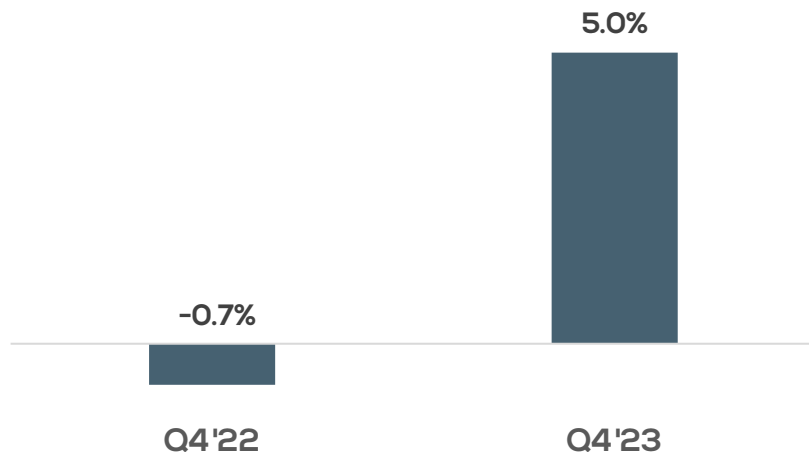
OpEx % Sales



Operating expense leveraged 40 bps primarily driven by strategic actions and higher sales

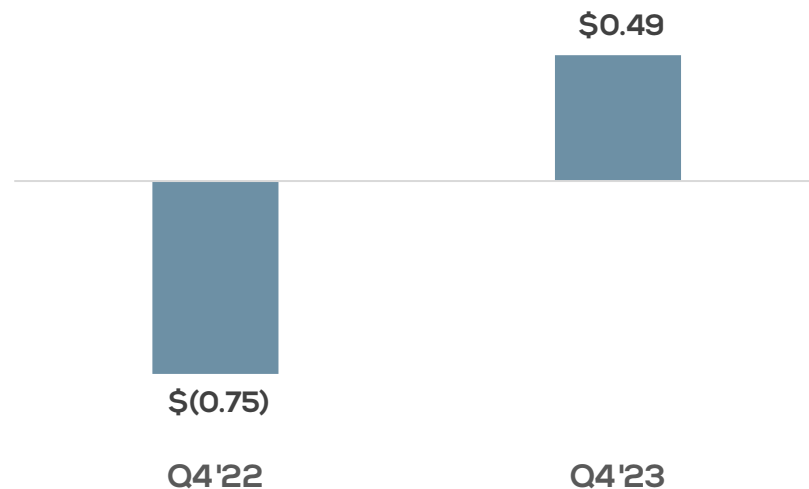
Q4 2023 Operating Margin And EPS

Operating Margin



Operating margin improved 570 bps driven by gross margin expansion

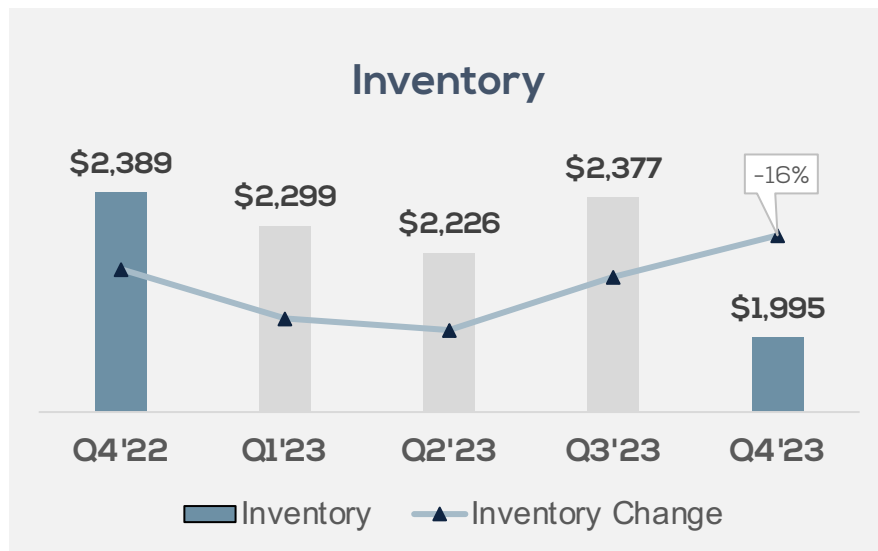
EPS



EPS increased \$1.24 versus last year driven by a meaningful increase in operating income along with lower interest and taxes

Q4 2023 Financial Position

- **Cash & Equivalents:**
\$1.9bn, up 54% versus last year
- **Inventory:**
Declined 16% versus last year
- **Net Cash From Operating Activities:**
\$1.5bn year to date
- **Free Cash Flow:**
\$1.1bn year to date⁽¹⁾
- **Capital Structure:**
\$750M of 3.625% Senior Notes due 2029
\$750M of 3.875% Senior Notes due 2031



1. The reconciliation of free cash flow, a non-GAAP financial measure, from the most directly comparable GAAP measure is included in these materials and in our March 7, 2024 earnings press release, which is available on investors.gapinc.com.

Capital Allocation Priorities

Invest In Business:

- Capex of \$420M in 2023, 2.8% of net sales
- Targeting Capex of ~\$500M in 2024

Return Cash To Shareholders:

- Returned \$222M to shareholders in the form of dividends during FY23
- Board of Directors approved Q1 2024 dividend of \$0.15 per share

Reinvigorating our brands, building on heritage and strengthening with crisp identities and purpose

OLD NAVY



FISCAL 2023
Net Sales: \$8.2Bn

GAP



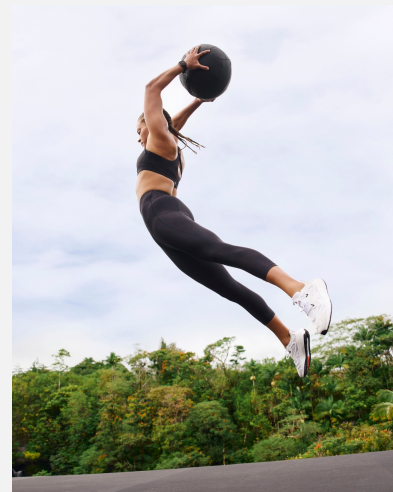
FISCAL 2023
Net Sales:\$3.3Bn

BANANA REPUBLIC



FISCAL 2023
Net Sales:\$1.9Bn

ATHLETA



FISCAL 2023
Net Sales:\$1.4Bn

Commitment To Sustainability Performance

EMPOWERING WOMEN



LAUNCHED RISE

in 2023 in collaboration with BSR HERproject™, CARE, and ILO Better Work to accelerate impact of women's empowerment programs across the apparel supply chain



78%

of Gap Inc. sourcing spend was allocated to green-rated factories, on track to surpass 80% goal by 2025 ⁽¹⁾

ENRICHING COMMUNITIES



A-

Rating received in 2023 for CDP Climate Change and B received for Water Security



81%

of cotton sourced from more sustainable sources ⁽²⁾

ENABLING OPPORTUNITY



15,000+

youths hired by This Way ONward since 2007 and on track to surpass 20,000 goal by 2025



TENT U.S.

Gap Inc. joined 13 companies in collectively committing to help refugees enter the labor market, including through employment or job preparation.

1. Suppliers receive a color-coded rating based on assessment performance covering social and environmental topics: green for high-performing factories with minimal violations, yellow for average performers, and red for those with serious issues.

2. Defined as: Better Cotton (formerly BCI), verified U.S.-grown cotton (USCTP), organic, in conversion (to verified organic), recycled, or regenerative.



Fiscal 2024 Full Year And First Quarter Outlook

Metrics	Full Year 2024 Outlook
Net Sales	Roughly flat on a 52-week basis ⁽¹⁾
Gross margin	At least 50bps expansion vs 38.8% LY
Operating expense	~\$5.1 billion
Operating income	Low-to-mid teens growth vs \$606M LY ⁽²⁾
CapEx	~\$500 million

Metrics	Q1 2024 Outlook
Net sales	Roughly flat versus last year
Gross margin	At least 100bps expansion vs 37.2% LY ⁽³⁾
Operating expense	~\$1.2 billion

1. The loss of the 53rd week is expected to negatively impact fiscal 2024 net sales by approximately \$160M.

2. The Company's projected full year fiscal 2024 operating income growth above is provided in comparison to its full year fiscal 2023 adjusted operating income. Fiscal year 2023 adjusted operating income of \$606M excludes \$93M of restructuring costs and a \$47M gain on sale of a building.

3. The Company's expected first quarter fiscal 2024 gross margin expansion above is provided in comparison to its first quarter fiscal 2023 adjusted gross margin. First quarter fiscal 2023 adjusted gross margin of 37.2% excludes \$4M of restructuring costs.

The description and reconciliation of these measures from the most directly comparable GAAP measure is included in these materials and/or in our earnings press releases for the periods presented, which are available on investors.gawine.com.

Appendix

SUPPLEMENTAL
MATERIALS



- I. Statement of Operations Highlights
- II. Balance Sheet Highlights
- III. Cash Flow Statement Highlights
- IV. Other Metrics
- V. Comparable Sales by Global Brand
- VI. Net Sales by Brand and Geography

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 ⁽²⁾	FY20 ⁽²⁾	FY21 ⁽²⁾	FY 2022 ⁽²⁾					FY 2023 ⁽²⁾				
				Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4 ⁽²⁾	FY
Net sales	\$ 16,383	\$ 13,800	\$ 16,670	\$ 3,477	\$ 3,857	\$ 4,039	\$ 4,243	\$ 15,616	\$ 3,276	\$ 3,548	\$ 3,767	\$ 4,298	\$ 14,889
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	2,215	2,211	2,626	9,114
Gross profit	6,133	4,705	6,637	1,096	1,330	1,509	1,424	5,359	1,214	1,333	1,556	1,672	5,775
Operating expenses	5,559	5,567	5,827	1,293	1,358	1,323	1,454	5,428	1,224	1,227	1,306	1,458	5,215
Operating income (loss)	574	(862)	810	(197)	(28)	186	(30)	(69)	(10)	106	250	214	560
Loss on extinguishment of debt	-	58	325	-	-	-	-	-	-	-	-	-	-
Interest, net	46	182	162	19	20	18	13	70	10	(2)	-	(4)	4
Income (loss) before income taxes	528	(1,102)	323	(216)	(48)	168	(43)	(139)	(20)	108	250	218	556
Income tax expense (benefit)	177	(437)	67	(54)	1	(114)	230	63	(2)	(9)	32	33	54
Net Income (loss)	\$ 351	\$ (665)	\$ 256	\$ (162)	\$ (49)	\$ 282	\$ (273)	\$ (202)	\$ (18)	\$ 117	\$ 218	\$ 185	\$ 502
Weighted-average number of shares - basic	376	374	376	370	367	365	366	367	367	369	371	372	370
Weighted-average number of shares - diluted	378	374	383	370	367	366	366	367	367	371	375	381	376
Basic earnings (loss) per share ⁽¹⁾	\$ 0.93	\$ (1.78)	\$ 0.68	\$ (0.44)	\$ (0.13)	\$ 0.77	\$ (0.75)	\$ (0.55)	\$ (0.05)	\$ 0.32	\$ 0.59	\$ 0.50	\$ 1.36
Diluted earnings (loss) per share ⁽¹⁾	\$ 0.93	\$ (1.78)	\$ 0.67	\$ (0.44)	\$ (0.13)	\$ 0.77	\$ (0.75)	\$ (0.55)	\$ (0.05)	\$ 0.32	\$ 0.58	\$ 0.49	\$ 1.34

1 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.

2 The fiscal year ended February 3, 2024 (FY 2023) consists 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. Q4 2023 consists of 14 weeks. All other quarters presented consist of 13 weeks.

I. Statement Of Operations Highlights (Adjusted)

\$ millions	FY 2022								FY 2023				
	FY19	FY20 ⁽¹⁾	FY21	Q1 ⁽¹⁾	Q2	Q3	Q4 ⁽¹⁾	FY	Q1	Q2	Q3	Q4 ⁽¹⁾	FY
GAAP gross profit	\$6,133	\$4,705	\$6,637	\$1,096	\$1,330	\$1,509	\$1,424	\$5,359	\$1,214	\$1,333	\$1,556	\$1,672	\$5,775
Restructuring costs ⁽²⁾	22	-	-	-	-	-	-	-	4	-	-	-	4
Impairment charges ⁽³⁾	-	-	-	-	58	53	-	111	-	-	-	-	-
Strategic actions in Europe ⁽⁴⁾	-	-	(9)	-	-	-	-	-	-	-	-	-	-
Separation-related costs ⁽⁵⁾	1	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted gross profit	\$6,156	\$4,705	\$6,628	\$1,096	\$1,388	\$1,562	\$1,424	\$5,470	\$1,218	\$1,333	\$1,556	\$1,672	\$5,779
GAAP gross margin (% of sales)	37.4%	34.1%	39.8%	31.5%	34.5%	37.4%	33.6%	34.3%	37.1%	37.6%	41.3%	38.9%	38.8%
Adjusted gross margin (% of sales)	37.6%		39.8%		36.0%	38.7%		35.0%	37.2%				38.8%
GAAP operating expense	\$5,559	\$5,567	\$5,827	\$1,293	\$1,358	\$1,323	\$1,454	\$5,428	\$1,224	\$1,227	\$1,306	\$1,458	\$5,215
Gain on sale of building	(191)	-	-	-	-	(83)	-	(83)	(47)	-	-	-	(47)
Restructuring costs ⁽²⁾	39	-	-	-	-	-	-	-	71	13	5	-	89
Loss on divestiture activity ⁽⁶⁾	-	-	59	-	35	-	-	35	-	-	-	-	-
Strategic actions in Europe ⁽⁴⁾	-	-	50	-	-	-	-	-	-	-	-	-	-
Impairment charges ⁽⁷⁾	296	-	-	-	-	-	-	-	-	-	-	-	-
Separation-related costs ⁽⁵⁾	300	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted operating expense	\$5,115	\$5,567	\$5,718	\$1,293	\$1,323	\$1,406	\$1,454	\$5,476	\$1,200	\$1,214	\$1,301	\$1,458	\$5,173
GAAP Operating Income (Loss)	\$574	(\$862)	\$810	(\$197)	(\$28)	\$186	(\$30)	(\$69)	(\$10)	\$106	\$250	\$214	\$560
Adjusted Operating Income (Loss)	\$1,041		\$910		\$65	\$156		(\$6)	\$18	\$119	\$255		\$606
GAAP operating margin (% of sales)	3.5%	(6.2%)	4.9%	(5.7%)	(0.7%)	4.6%	(0.7%)	(0.4%)	(0.3%)	3.0%	6.6%	5.0%	3.8%
Adjusted operating margin (% of sales)	6.4%		5.5%		1.7%	3.9%		(0.0%)	0.5%	3.4%	6.8%		4.1%
Other Non-GAAP Adjustments													
Loss on extinguishment of debt	-	-	\$325	-	-	-	-	-	-	-	-	-	-
US Federal tax reform adjustment ⁽⁸⁾	(\$30)	-	-	-	-	-	-	-	-	-	-	-	-
GAAP Diluted EPS	\$0.93	(\$1.78)	\$0.67	(\$0.44)	(\$0.13)	\$0.77	(\$0.75)	(\$0.55)	(\$0.05)	\$0.32	\$0.58	\$0.49	\$1.34
Adjusted Diluted EPS	\$1.97		\$1.44		\$0.08	\$0.71		(\$0.40)	\$0.01	\$0.34	\$0.59		\$1.43

1 There were no adjusted metrics in these periods.

2 FY 2023 amounts primarily related to employee-related costs and consulting 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 the inventory impairment charges as a result of delayed seasonal product due to global supply chain disruption and extended size product discontinued at stores.

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	Q2	Q3	Q4
Assets											
Cash and cash equivalents	\$ 1,364	\$ 1,988	\$ 877	\$ 845	\$ 708	\$ 679	\$ 1,215	\$ 1,170	\$ 1,350	\$ 1,351	\$ 1,873
Short-term investments	290	410	-	-	-	-	-	-	-	-	-
Merchandise inventory	2,156	2,451	3,018	3,169	3,135	3,043	2,389	2,299	2,226	2,377	1,995
Other current assets	706	1,159	1,270	991	1,106	1,316	1,013	814	663	646	527
Total current assets	4,516	6,008	5,165	5,005	4,949	5,038	4,617	4,283	4,239	4,374	4,395
Property and equipment, net of accumulated depreciation	3,122	2,841	3,037	2,791	2,809	2,788	2,688	2,646	2,595	2,552	2,566
Operating lease assets	5,402	4,217	3,675	3,587	3,532	3,341	3,173	3,123	3,113	3,200	3,115
Other long-term assets	639	703	884	874	881	833	908	880	903	926	968
Total assets	\$ 13,679	\$ 13,769	\$ 12,761	\$ 12,257	\$ 12,171	\$ 12,000	\$ 11,386	\$ 10,932	\$ 10,850	\$ 11,052	\$ 11,044
Liabilities and stockholders' equity											
Accounts payable	1,174	1,743	1,951	1,599	1,640	1,388	1,320	1,199	1,406	1,433	1,349
Accrued expenses and other current liabilities	1,067	1,276	1,367	1,127	1,216	1,245	1,219	1,051	1,007	1,078	1,108
Current portion of operating lease liabilities	920	831	734	717	717	691	667	658	578	604	600
Income taxes payable	48	34	25	29	41	57	50	10	16	24	39
Total current liabilities	3,209	3,884	4,077	3,472	3,614	3,381	3,256	2,918	3,007	3,139	3,096
Revolving credit facility	-	-	-	350	350	350	350	350	150	-	-
Long-term debt	1,249	2,216	1,484	1,485	1,485	1,486	1,486	1,487	1,487	1,488	1,488
Long-term operating lease liabilities	5,508	4,617	4,033	3,921	3,857	3,673	3,517	3,453	3,433	3,456	3,353
Other long-term liabilities	397	438	445	575	560	539	544	539	510	509	512
Total long-term liabilities	7,154	7,271	5,962	6,331	6,252	6,048	5,897	5,829	5,580	5,453	5,353
Total stockholders' equity	3,316	2,614	2,722	2,454	2,305	2,571	2,233	2,185	2,263	2,460	2,595
Total liabilities and stockholders' equity	\$ 13,679	\$ 13,769	\$ 12,761	\$ 12,257	\$ 12,171	\$ 12,000	\$ 11,386	\$ 10,932	\$ 10,850	\$ 11,052	\$ 11,044

III. Cash Flow Highlights

\$ millions	FY19	FY20	FY21	FY 2022					FY 2023				
				Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Cash flows from operating activities:													
Net income (loss)	\$ 351	\$ (665)	\$ 256	\$ (162)	\$ (49)	\$ 282	\$ (273)	\$ (202)	\$ (18)	\$ 117	\$ 218	\$ 185	\$ 502
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	130	127	128	522
Impairment of operating lease assets	239	391	8	-	-	16	17	33	-	-	-	4	4
Impairment of store assets	98	135	1	3	-	7	8	18	1	1	-	1	3
Loss on extinguishment of debt	-	58	325	-	-	-	-	-	-	-	-	-	-
Loss on divestiture activity	-	-	59	-	35	-	-	35	-	-	-	-	-
Gain on sale of buildings	(191)	-	-	-	-	(83)	-	(83)	(47)	-	-	-	(47)
Other, net	357	(189)	(344)	(333)	37	(267)	829	266	(59)	265	(41)	382	548
Net cash provided by (used for) operating activities	1,411	237	809	(362)	155	95	719	607	15	513	304	700	1,532
Net cash provided by (used for) investing activities	(894)	(510)	(446)	105	(178)	(46)	(108)	(227)	(30)	(82)	(91)	(131)	(334)
Net cash provided by (used for) financing activities	(560)	895	(1,471)	233	(111)	(62)	(54)	6	(58)	(251)	(207)	(51)	(567)
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	4	13	(6)	(7)	(2)	(16)	10	(15)	(2)	-	(5)	4	(3)
Net increase (decrease) in cash, cash equivalents, and restricted cash ⁽¹⁾	\$ (39)	\$ 635	\$ (1,114)	\$ (31)	\$ (136)	\$ (29)	\$ 567	\$ 371	\$ (75)	\$ 180	\$ 1	\$ 522	\$ 628

¹ For the fourteen weeks ended February 3, 2024 (Q4 2023) and thirteen weeks ended October 28, 2023 (Q3 2023), July 29, 2023 (Q2 2023), April 29, 2023 (Q1 2023), January 28, 2023 (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, \$28 million, \$28 million, \$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-three weeks ended February 3, 2024 (FY 2023) and 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 \$28 million, \$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 ⁽⁵⁾	FY20 ⁽⁵⁾	FY21 ⁽⁵⁾	FY 2022 ⁽⁵⁾					FY 2023 ⁽⁵⁾				
				Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4 ⁽⁵⁾	FY
Store and franchise sales	\$ 12,294	\$ 7,522	\$ 10,239	\$ 2,137	\$ 2,553	\$ 2,478	\$ 2,483	\$ 9,651	\$ 2,053	\$ 2,387	\$ 2,331	\$ 2,575	\$ 9,346
Online sales ⁽¹⁾	\$ 4,089	\$ 6,278	\$ 6,431	\$ 1,340	\$ 1,304	\$ 1,561	\$ 1,760	\$ 5,965	\$ 1,223	\$ 1,161	\$ 1,436	\$ 1,723	\$ 5,543
Operating lease cost	\$ 1,233	\$ 1,043	\$ 947	\$ 209	\$ 210	\$ 205	\$ 201	\$ 825	\$ 196	\$ 198	\$ 212	\$ 217	\$ 823
Total ending square footage	37.0	34.6	33.3	33.2	33.0	32.4	31.8	31.8	31.1	30.9	30.9	30.6	30.6
Company-operated store locations ⁽²⁾	3,345	3,100	2,835	2,825	2,799	2,743	2,685	2,685	2,601	2,592	2,598	2,562	2,562
Franchise store locations ⁽²⁾	574	615	564	589	591	637	667	667	852	864	935	998	998
Total store locations ⁽²⁾	3,919	3,715	3,399	3,414	3,390	3,380	3,352	3,352	3,453	3,456	3,533	3,560	3,560
Total store openings ⁽³⁾	329	140	175	44	24	73	87	228	78	59	138	77	352
Total store closings ⁽³⁾	215	344	341	29	48	83	115	275	22	56	61	50	189
Dividends declared per share ⁽⁴⁾	\$ 0.97	\$ 0.24	\$ 0.36	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.60	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.60
Net cash provided by (used for) operating activities	\$ 1,411	\$ 237	\$ 809	\$ (362)	\$ 155	\$ 95	\$ 719	\$ 607	\$ 15	\$ 513	\$ 304	\$ 700	\$ 1,532
Less: Purchases of property and equipment	(702)	(392)	(694)	(228)	(178)	(171)	(108)	(685)	(117)	(82)	(89)	(132)	(420)
Free cash flow	\$ 709	\$ (155)	\$ 115	\$ (590)	\$ (23)	\$ (76)	\$ 611	\$ (78)	\$ (102)	\$ 431	\$ 215	\$ 568	\$ 1,112

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 the acquisition of 140 Janie and Jack stores in Q1 2019, net of one closure that occurred in the Q3 2019. Beginning in Q1 2021 excludes Janie and Jack stores. Beginning in Q2 2021 excludes Intermix stores. 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) consisted 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. Q4 2023 consisted of 14 weeks. All other quarters presented consist of 13 weeks.

V. Comparable Sales By Global Brand

FY 2023	Q1	Q2	Q3	Q4	FY
Old Navy Global	-1%	-6%	1%	2%	-1%
Gap Global	1%	-1%	-1%	4%	1%
Banana Republic Global	-8%	-8%	-8%	-4%	-7%
Athleta Global	-13%	-7%	-19%	-10%	-12%
Gap Inc.	-3%	-6%	-2%	0%	-2%

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%
Gap Inc.	-14%	-10%	1%	-5%	-7%

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%
Gap Inc.	28%	3%	-1%	3%	6%

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

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%
Gap Inc.	-4%	-4%	-4%	-1%	-3%

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 and licensing 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.

¹ 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

Q4'23 ⁽¹⁾						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽³⁾	Total
U.S. ⁽²⁾	\$ 2,107	\$ 768	\$ 494	\$ 407	\$ 17	\$ 3,793
Canada	171	99	48	12	-	330
Other regions	10	140	25	-	-	175
Total	\$ 2,288	\$ 1,007	\$ 567	\$ 419	\$ 17	\$ 4,298

Q3'23						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽³⁾	Total
U.S. ⁽²⁾	\$ 1,917	\$ 664	\$ 398	\$ 267	\$ 15	\$ 3,261
Canada	193	96	42	10	-	341
Other regions	16	127	20	2	-	165
Total	\$ 2,126	\$ 887	\$ 460	\$ 279	\$ 15	\$ 3,767

Q2'23						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽³⁾	Total
U.S. ⁽²⁾	\$ 1,777	\$ 542	\$ 415	\$ 327	\$ 11	\$ 3,072
Canada	165	76	44	13	-	298
Other regions	19	137	21	1	-	178
Total	\$ 1,961	\$ 755	\$ 480	\$ 341	\$ 11	\$ 3,548

Q1'23						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽³⁾	Total
U.S. ⁽²⁾	\$ 1,659	\$ 496	\$ 374	\$ 309	\$ 3	\$ 2,841
Canada	145	61	36	10	-	252
Other regions	24	135	22	2	-	183
Total	\$ 1,828	\$ 692	\$ 432	\$ 321	\$ 3	\$ 3,276

1 Q4 2023 includes incremental sales attributable to the 53rd week.

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

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

VI. Fiscal 2022

Net Sales by Brand and Geography

<u>Q4'22</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽²⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,166	\$ 1,061	\$ 578	\$ 436	\$ 2	\$ 4,243

<u>Q3'22</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽²⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,137	\$ 1,041	\$ 517	\$ 340	\$ 4	\$ 4,039

<u>Q2'22</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽²⁾	Total
U.S. ⁽¹⁾	\$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
Total	\$ 2,090	\$ 881	\$ 539	\$ 344	\$ 3	\$ 3,857

<u>Q1'22</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other ⁽²⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 1,841	\$ 791	\$ 482	\$ 360	\$ 3	\$ 3,477

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

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

VI. Fiscal 2021

Net Sales by Brand and Geography

<u>Q4'21</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,307	\$ 1,164	\$ 613	\$ 439	\$ 2	\$ 4,525

<u>Q3'21</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,105	\$ 1,039	\$ 479	\$ 320	\$ -	\$ 3,943

<u>Q2'21</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$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
Total	\$ 2,390	\$ 974	\$ 495	\$ 341	\$ 11	\$ 4,211

<u>Q1'21</u>						
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Athleta ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,280	\$ 886	\$ 389	\$ 347	\$ 89	\$ 3,991

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.

VI. Fiscal 2020

Net Sales by Brand and Geography

Q4'20					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Other ⁽²⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,375	\$ 1,088	\$ 504	\$ 457	\$ 4,424

Q3'20					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,242	\$ 993	\$ 386	\$ 373	\$ 3,994

Q2'20					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Other ⁽⁴⁾	Total
U.S. ⁽¹⁾	\$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
Total	\$ 1,881	\$ 783	\$ 283	\$ 328	\$ 3,275

Q1'20					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global	Other ⁽⁵⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 1,038	\$ 524	\$ 289	\$ 256	\$ 2,107

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.

VI. Fiscal 2019

Net Sales by Brand and Geography

<u>Q4'19</u>					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 2,265	\$ 1,338	\$ 737	\$ 334	\$ 4,674

<u>Q3'19</u>					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 1,947	\$ 1,158	\$ 618	\$ 275	\$ 3,998

<u>Q2'19</u>					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$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
Total	\$ 1,972	\$ 1,086	\$ 616	\$ 331	\$ 4,005

<u>Q1'19</u>					
\$ millions	Old Navy Global	Gap Global	Banana Republic Global ⁽²⁾	Other ⁽³⁾	Total
U.S. ⁽¹⁾	\$ 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
Total	\$ 1,799	\$ 1,052	\$ 568	\$ 287	\$ 3,706

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.