



Gap Inc. Investor Meeting

OCTOBER 22, 2020



BANANA REPUBLIC

ATHLETA

Gap Inc. Investor Meeting 2020

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 it 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.



Sonia Syngal

CHIEF EXECUTIVE OFFICER

Gap Inc.

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

THE POWER OF OUR BRANDS



	Democracy of Style	Modern American Optimism	Work for a Better Republic	Power of She
FY19 Net Sales	\$8B	\$5B	\$2B	\$1B
FY19 E-Commerce Penetration ⁽¹⁾	23%	25%	24%	44%
Known Active Customers ⁽²⁾	45M	23M	11M	3M

(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

HOW CUSTOMERS ARE DRESSING

Shift to Hyper Casualization

8%

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

HOW CUSTOMERS ARE SHOPPING

Seamless Omni Service

>60%

of consumers expect sustained
increased usage of omni services ⁽²⁾

HOW CUSTOMERS ARE FEELING

Importance of Purpose & Values

50%

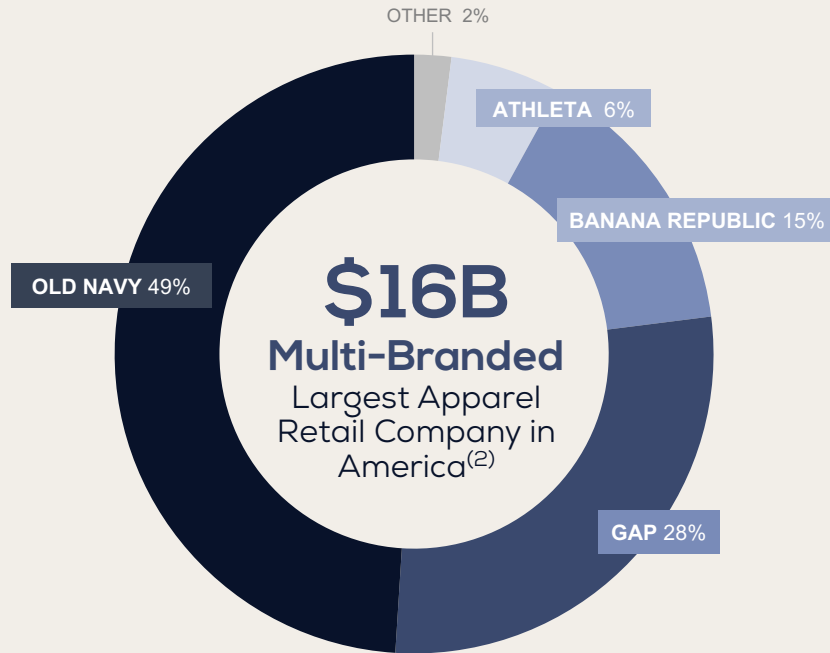
Growth among big, trusted brands
during the pandemic ⁽²⁾

(1) The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months ending January 2020

(2) Source: McKinsey & Company COVID-19 US Consumer Pulse Survey 6/15–6/21/2020. 2,006 consumers surveyed, sampled and weighted to match the US general population 18+ years

Broad Customer Appeal Gives Us Room to Grow in the \$194 Billion US Apparel Market⁽¹⁾

THE POWER OF OUR PORTFOLIO



Customer-Centric

~170M

known customers globally⁽³⁾

Inclusive, by Design

Target and halo customers
segments represent

~80%

of the U.S. apparel market

Note: Percentages in chart are based on FY19 net sales

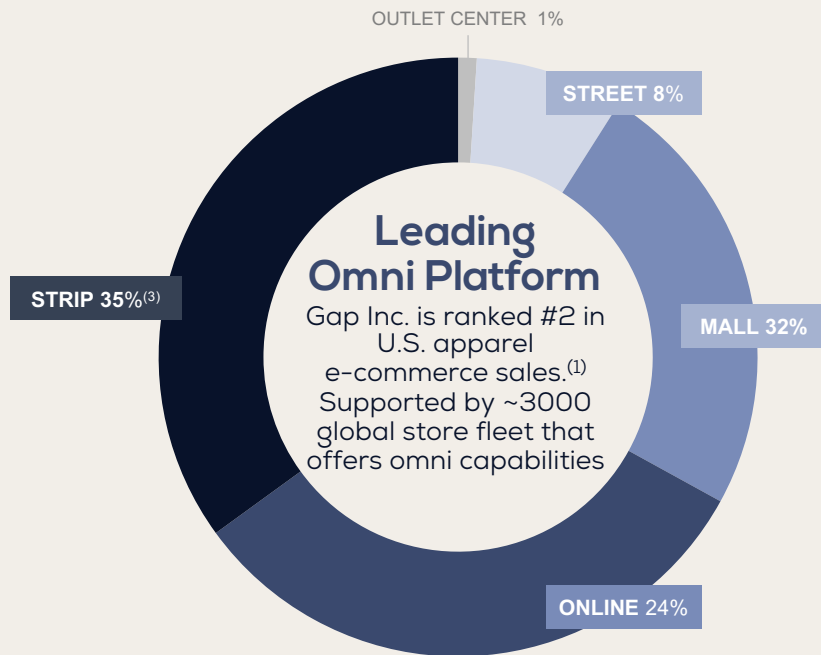
(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020

(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⁽²⁾

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



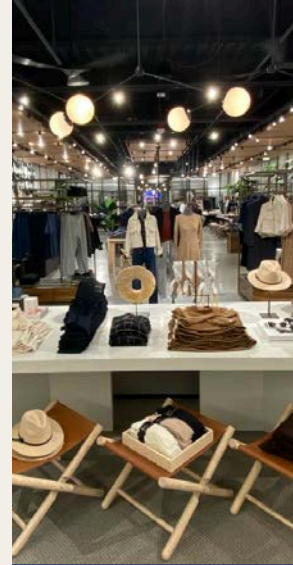
**ENDURING
CUSTOMER
RELATIONSHIPS**



OMNI-EXPERIENCE



PRODUCT LOVE



**LEAN & ADVANTAGED
OPERATIONS**



TEAM & VALUES

Gap Inc. has the Power to Deliver

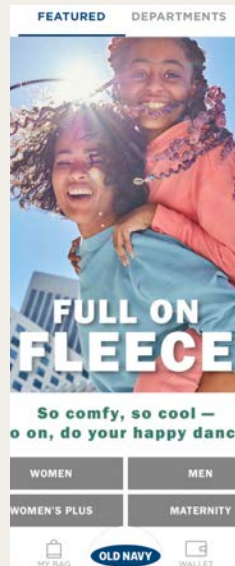
OUR STRATEGY

- Grow Old Navy to \$10B
- Transform Gap
- Double Athleta
- Reposition Banana Republic

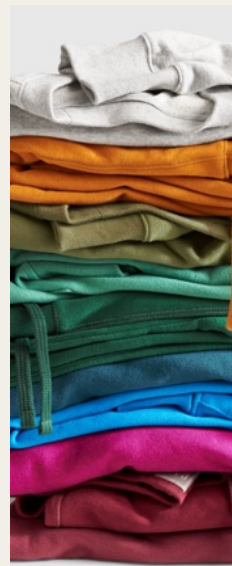
BRAND POWER



**ENDURING
CUSTOMER
RELATIONSHIPS**



**OMNI-
EXPERIENCE**



PRODUCT LOVE



**LEAN &
ADVANTAGED
OPERATIONS**



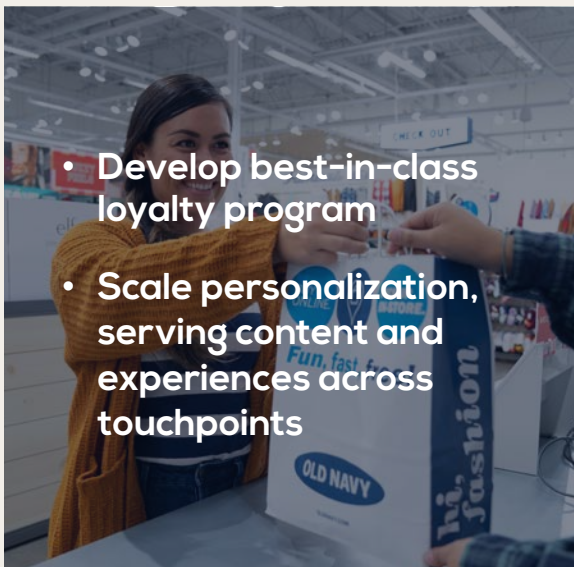
TEAM & VALUES

Gap Inc. has the Power to Deliver

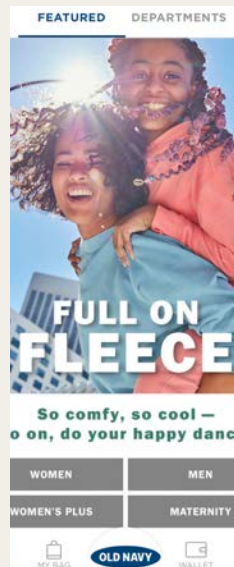
OUR STRATEGY



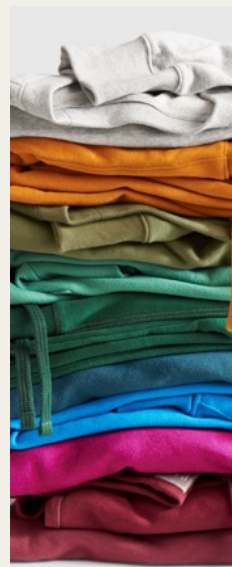
BRAND POWER



ENDURING CUSTOMER RELATIONSHIPS



**OMNI-
EXPERIENCE**



PRODUCT LOVE



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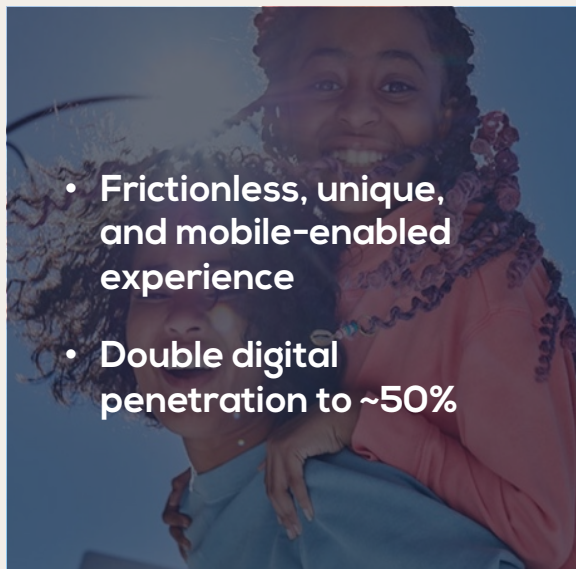
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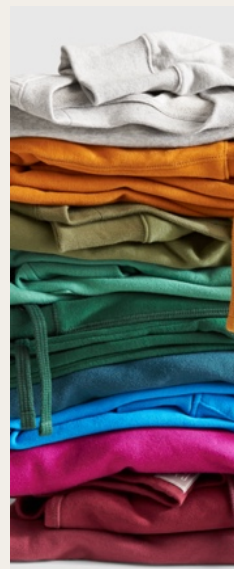
BRAND POWER



**ENDURING
CUSTOMER
RELATIONSHIPS**



OMNI-EXPERIENCE



PRODUCT LOVE



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TEAM & VALUES

Gap Inc. has the Power to Deliver

OUR STRATEGY



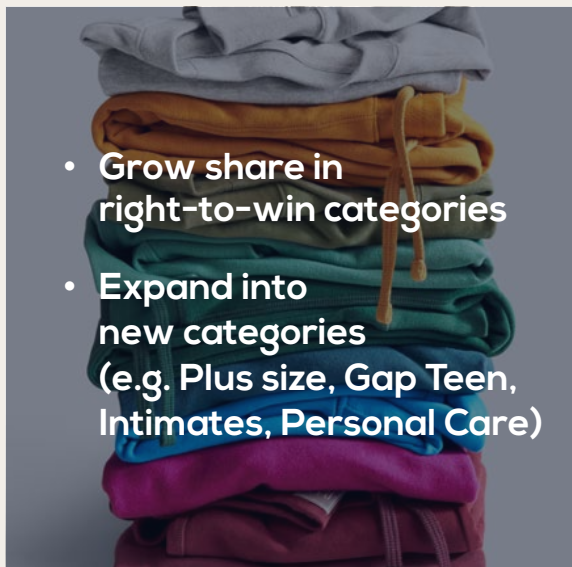
BRAND POWER



**ENDURING
CUSTOMER
RELATIONSHIPS**



**OMNI-
EXPERIENCE**



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

PRODUCT LOVE



**LEAN &
ADVANTAGED
OPERATIONS**



TEAM & VALUES

Gap Inc. has the Power to Deliver

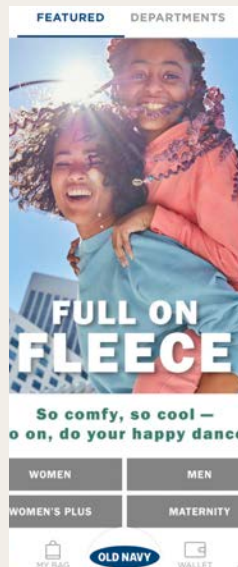
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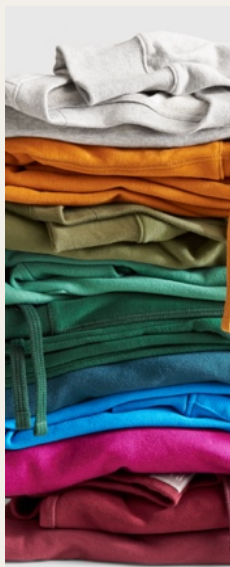
BRAND POWER



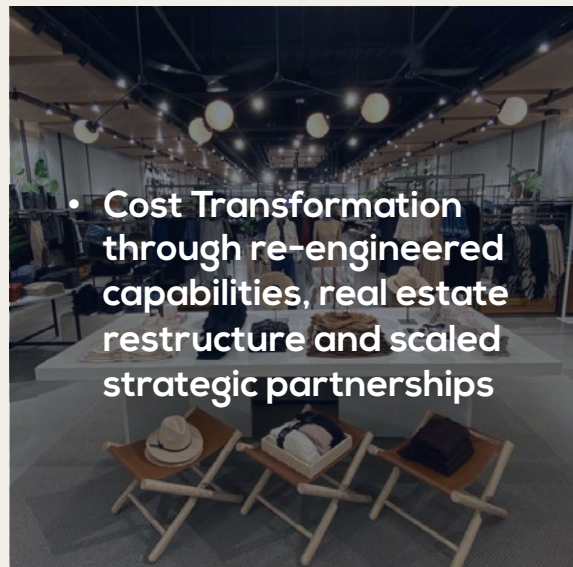
**ENDURING
CUSTOMER
RELATIONSHIPS**



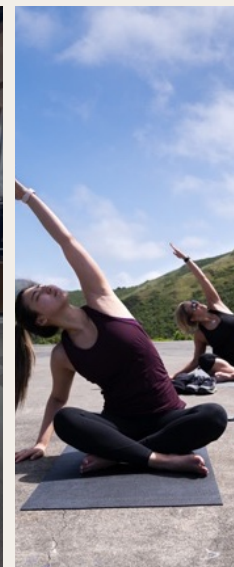
**OMNI-
EXPERIENCE**



PRODUCT LOVE



LEAN & ADVANTAGED OPERATIONS



TEAM & VALUES

Gap Inc. has the Power to Deliver

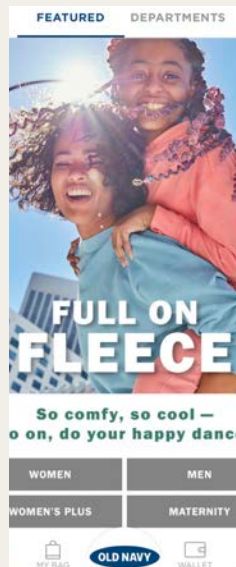
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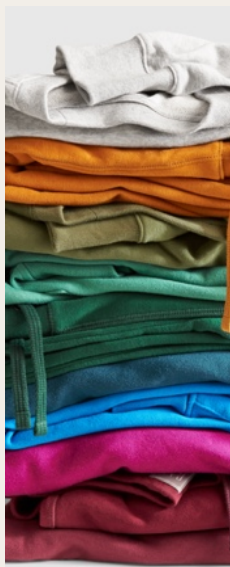
BRAND POWER



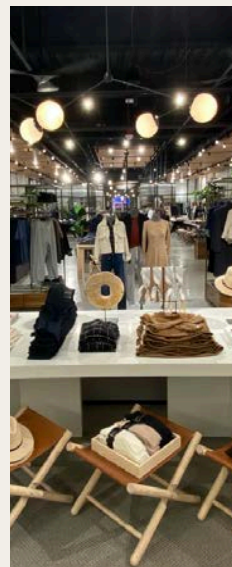
**ENDURING
CUSTOMER
RELATIONSHIPS**



**OMNI-
EXPERIENCE**



PRODUCT LOVE



**LEAN &
ADVANTAGED
OPERATIONS**



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

TEAM & VALUES



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

A group of four young people (three women and one man) are posing for a selfie. The man on the right is holding a pink smartphone. They are all smiling and looking at the camera. The background is a solid blue color.

Nancy Green

PRESIDENT & CEO, OLD NAVY

OLD NAVY

IMAGINE

THAT THE WORLD RUNS RIGHT

AND THERE'S A PLACE THAT OFFERS

CLOTHING  WHOLE FAMILY

.....
everything it sells has
& GREAT STYLE
AND QUALITY

at a price you can't believe

THIS IS : OLD NAVY

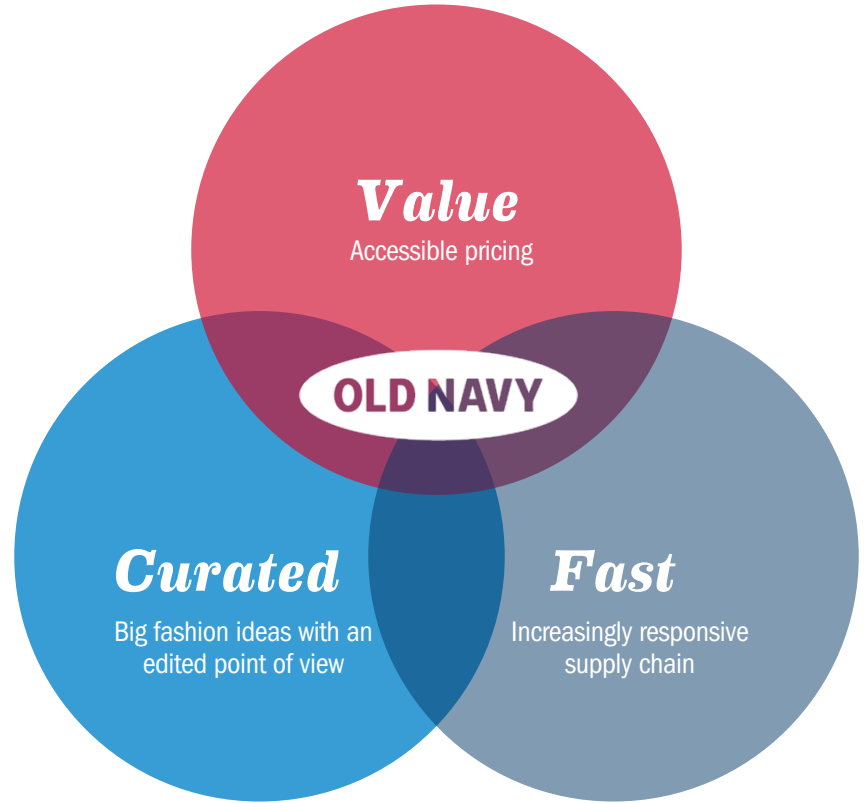
SAN FRANCISCO, CALIFORNIA 1994

ORIGINAL AD COPY FROM BRAND LAUNCH, SPRING '94

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**





Old Navy by the Numbers

#2

Apparel Brand Market Share,
#6 Apparel Retailer in the US ⁽¹⁾

45M

Known Active
Customers⁽²⁾

4th

Largest Apparel
E-Comm Site ⁽³⁾

75%

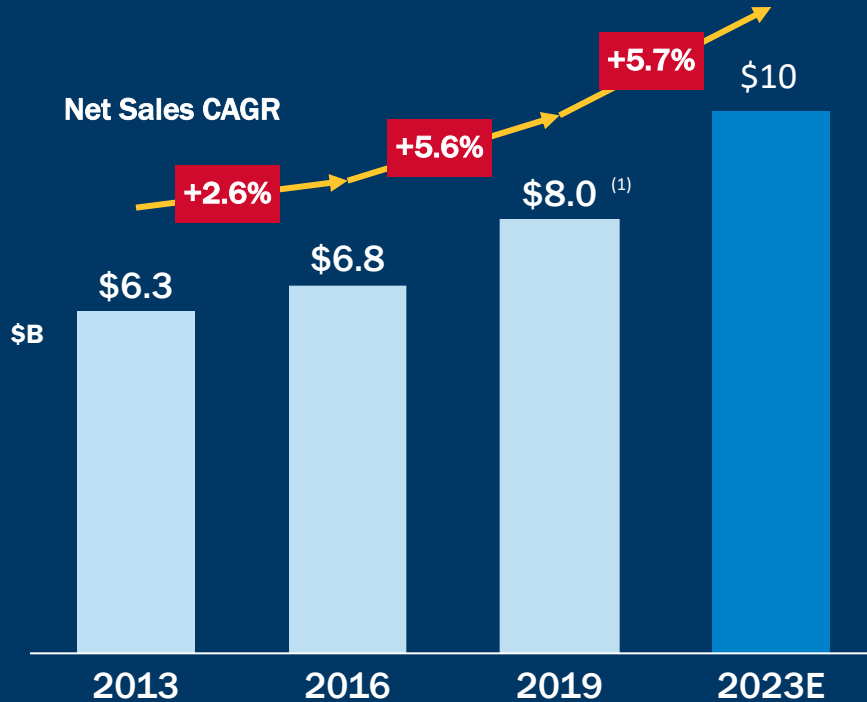
Strip, Outlet and Lifestyle
Locations; Highly Profitable
Store Base

(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

#2

APPAREL BRAND

MARKET SHARE IN THE U.S.⁽¹⁾

#6

APPAREL RETAILER

MARKET SHARE IN THE U.S.⁽¹⁾

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)



#1

Sweaters



#2

Dresses + Skirts

DISTORT SHARE GROWTH

~\$100 Billion Addressable Market ⁽¹⁾

#5

Active



#2

Kids + Baby



#3

Denim



GROW ADJACENT CATEGORIES

~\$116 Billion Addressable Market ⁽²⁾⁽³⁾

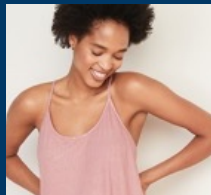
Plus



**NEAR
TERM**

Intimates

and Loungewear



Personal

Care



**LONG
TERM**

OLD NAVY

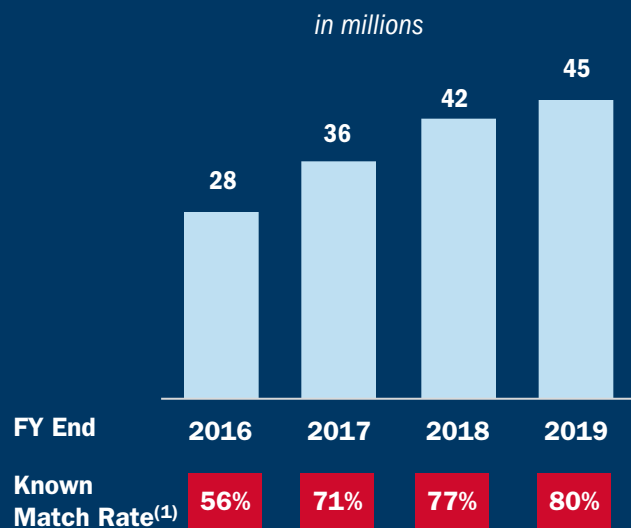
(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020. Rankings based on U.S. market share by brand. Active also includes Fleece

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

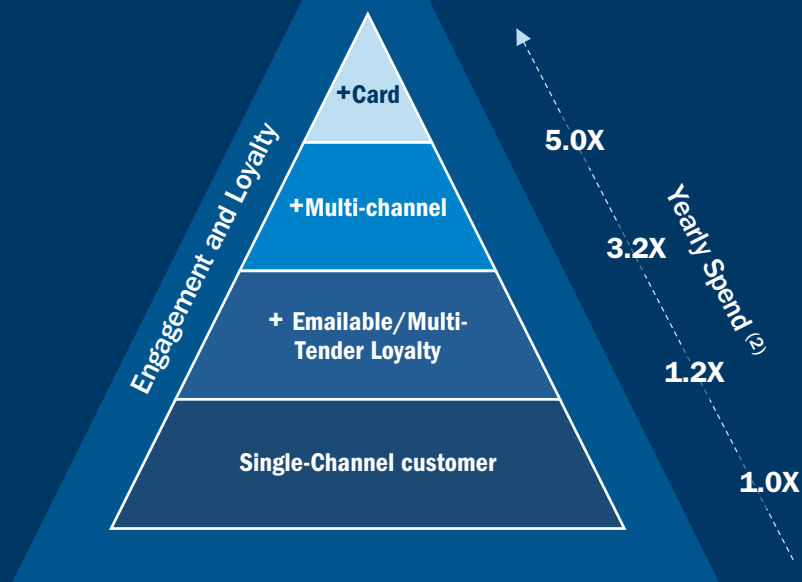
(3) Source for Personal Care addressable market: Statista; Revenue in the U.S. Beauty & Personal Care market amounts to \$78B in 2020 as of October

Acquire and Engage Customers Through Loyalty

Global Known Active Customer File



Value Pyramid (Yearly Spend/Customer)

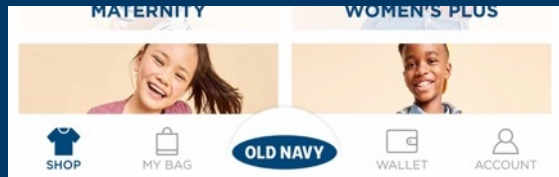


(1) Match rate defined as net sales of known customers over total net sales

(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



Earn points & redeem rewards when
you shop our family of brands.

(IT'S FREE TO JOIN!)

OLD NAVY



BANANA REPUBLIC

ATHLETA

A man and a woman are holding hands and smiling. The woman on the left has long dark hair and is wearing a mustard-colored long-sleeved top and blue jeans. The man on the right is wearing a blue beanie, a tan jacket over a white shirt, and blue jeans. They are standing against a plain grey background.

Mark Breitbard

PRESIDENT & CEO, GAP BRAND

The Gap logo, consisting of the word "GAP" in a serif font inside a white square.

GAP



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.

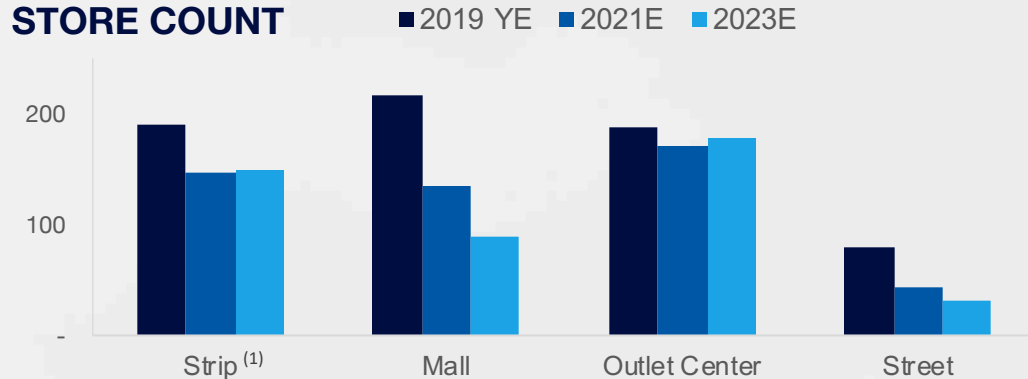
Transforming our Business Model to Improve Profitability

- 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



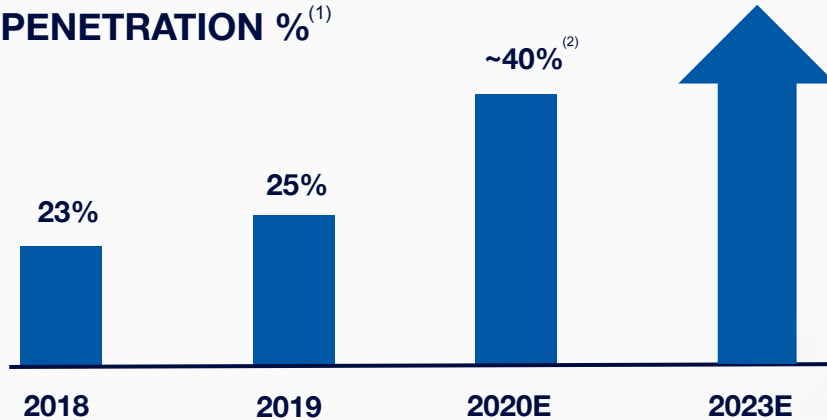
(1) Includes both Strip and Lifestyle Centers



Digitally Led

Continue to increase e-commerce penetration

GAP GLOBAL E-COMMERCE PENETRATION %⁽¹⁾



(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)



(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

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

Expand Wholesale

- 50+ US Military stores⁽¹⁾ opening in second half of 2021



Partnerships

Drive relevance and attract new customers

- YZY GAP launch 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



A woman with long, wavy blonde hair and blue eyes is lying down, propped up on her left arm. She is wearing a white, oversized, long-sleeved sweater. The background is a plain, light gray. The text "BANANA REPUBLIC" is overlaid in the center in a white, serif font.

BANANA REPUBLIC

A photograph of two Black women performing a yoga pose on a paved path in a park. They are both in a standing split pose, with one leg raised and bent, and their hands reaching towards each other above their heads. They are wearing black athletic wear. The background is a lush green park with trees and a path.

Mary Beth Laughton

PRESIDENT & CEO, ATHLETA





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

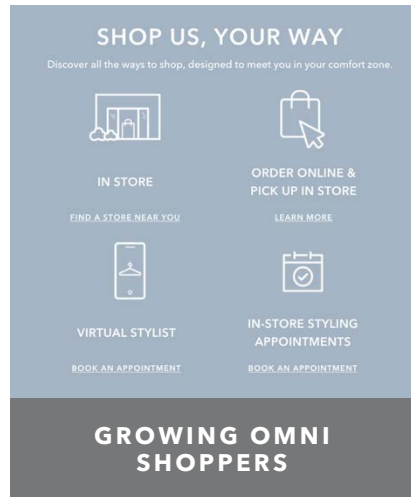
Comprehensive product offering
for all sizes and ages

(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



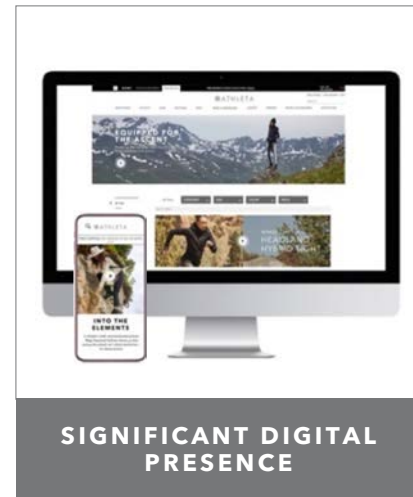
53% among
U.S. Active Women⁽¹⁾



Spend 3.5 times more
than single-channel
shoppers



~200 highly
profitable store fleet



>50% penetration
and double-digit
growth

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

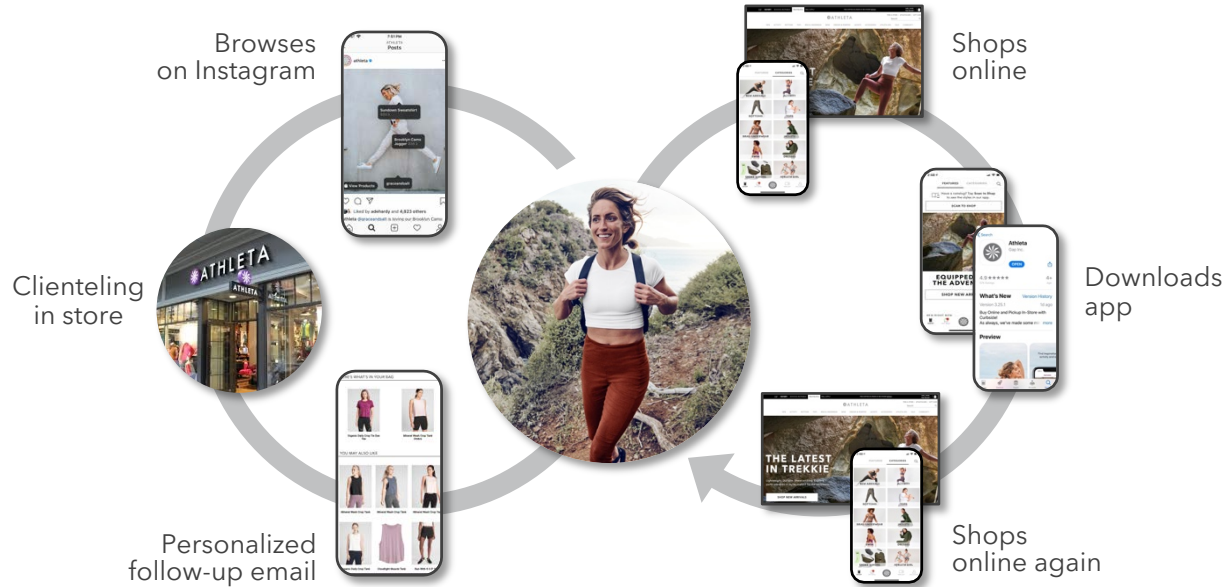
Exciting growth categories

- 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

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

A photograph of Allyson Felix, a professional athlete, wearing a shiny, metallic-looking Team Athletica jacket. She is smiling and has her arms crossed. The background is a solid brown color.

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

"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**



John Strain

CHIEF DIGITAL & TECHNOLOGY OFFICER

Gap Inc.

A woman with brown hair in a ponytail, wearing a black high-necked jacket, dark grey leggings, and black sneakers with white soles, is leaning against a white rectangular pillar. She is looking to the left.

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 YōY ⁽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

Customer Reach

~595M

customer touchpoints in Q2

~170M

total customer file

60M

active customers ⁽¹⁾

With growth opportunities in...

Loyalty Pilot

9.7M

total multi tender
loyalty members as of Q2

11M

Credit card
members ⁽²⁾

MTL + card =
~50% of sales in
pilot markets

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⁾

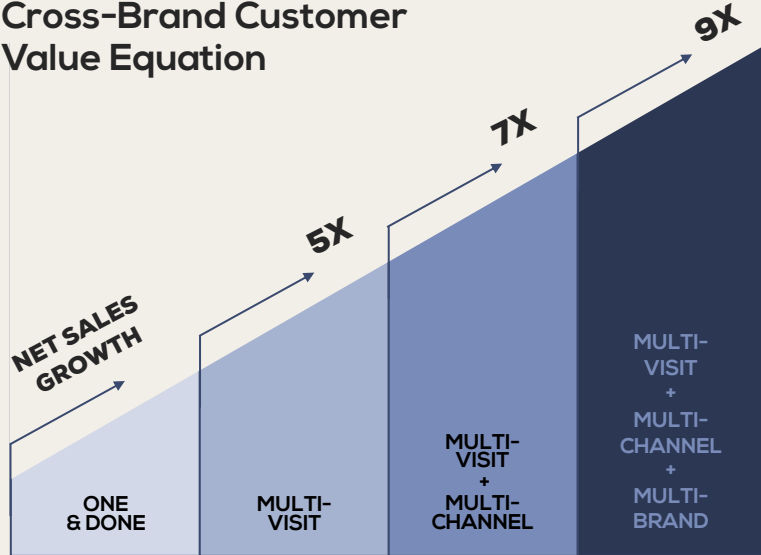
(1) Includes NA Specialty + Factory/Outlet + Intl; R12 active customer base as of February 2020

(2) Includes a portion of multi tender loyalty members that are also credit card members

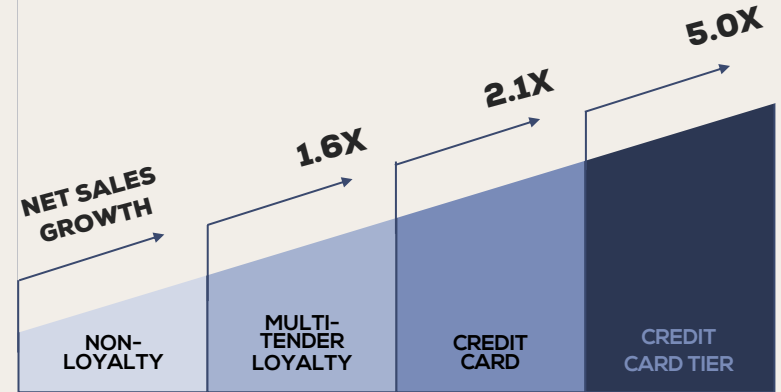
(3) Impact from COVID-19 pandemic contributed to growth in Q2 2020

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

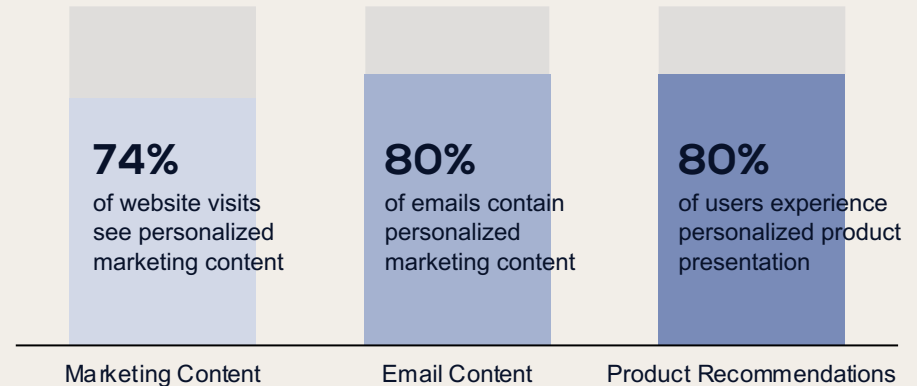
(1) Source: The NPD Group / Consumer Tracking Service / U.S. Dollar Share, 12 Months Ending July 2020

Personalization: Creating Enduring Customer Relationships



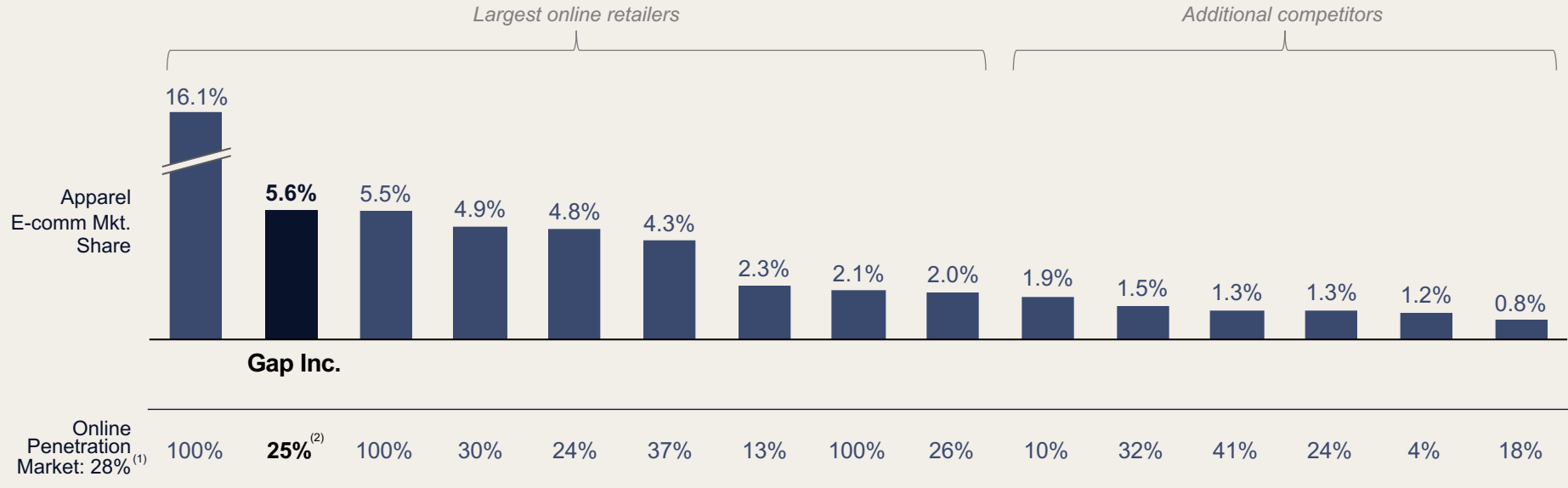
CURRENT PERSONALIZATION COVERAGE

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



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

U.S. APPAREL E-COMMERCE MARKET SHARE 2019 ⁽¹⁾



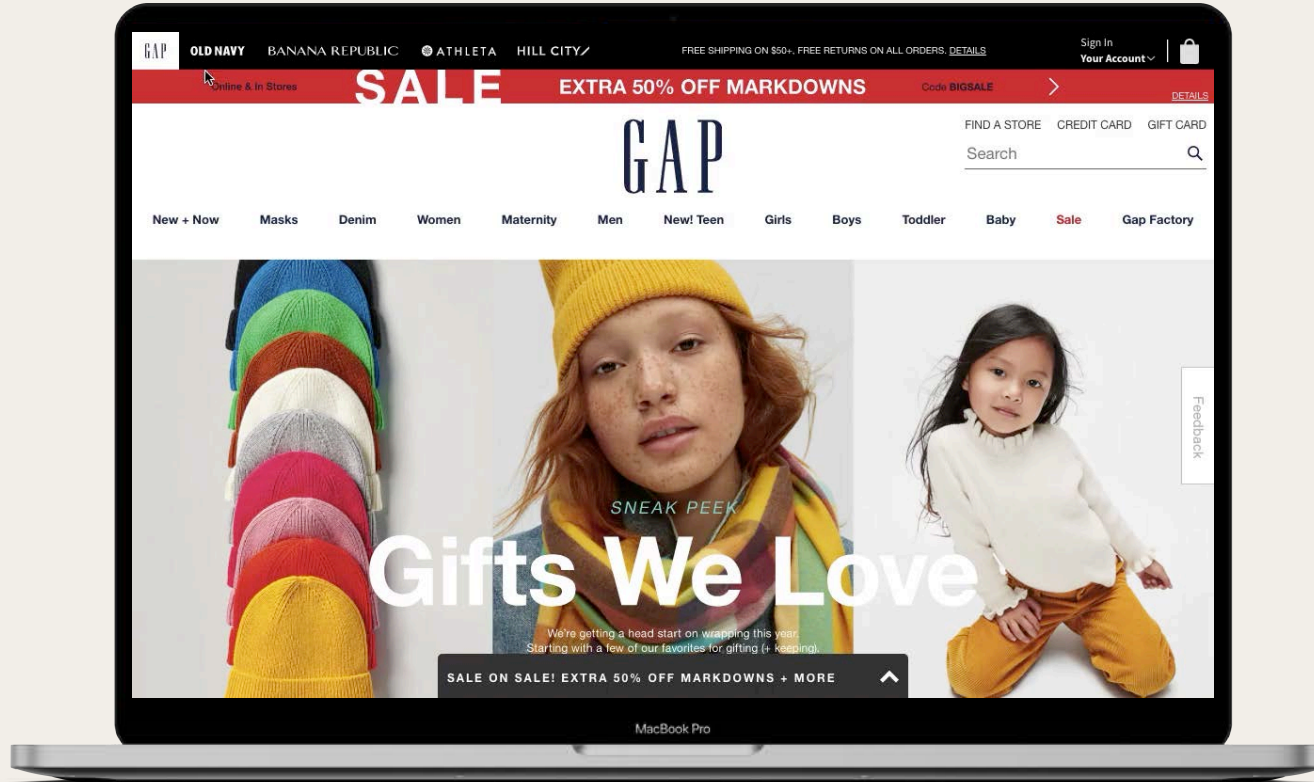
Note: Competitors, listed alphabetically, include: Amazon, American Eagle, eBay, Kohl's, Levi's, Lululemon, Macy's, Nike, Nordstrom, QVC, Target, Urban Outfitters, Victoria's Secret, Walmart

(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



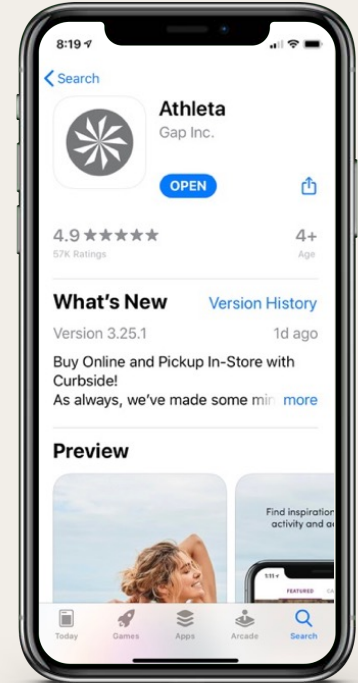
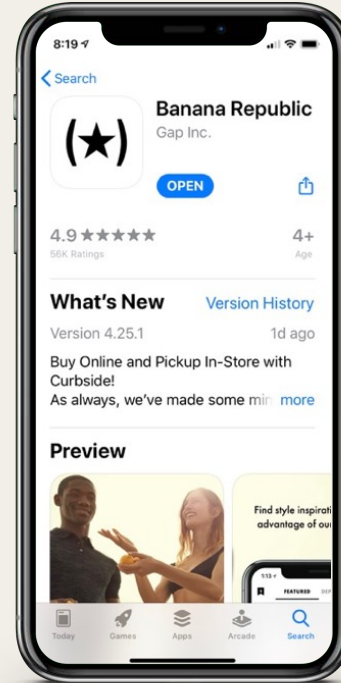
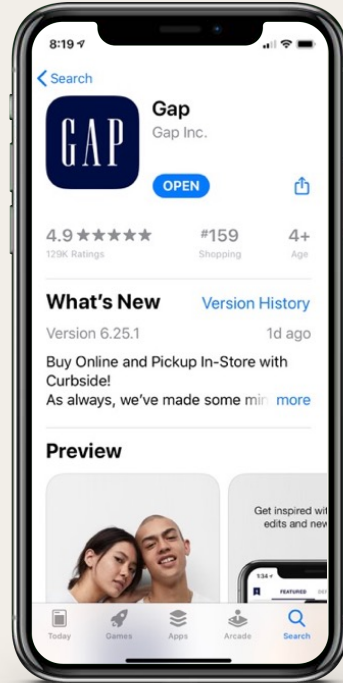
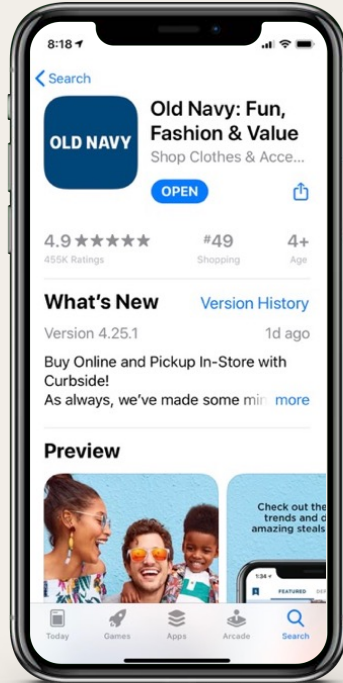
Gap Inc.

Every Sale is an Omni-Sale



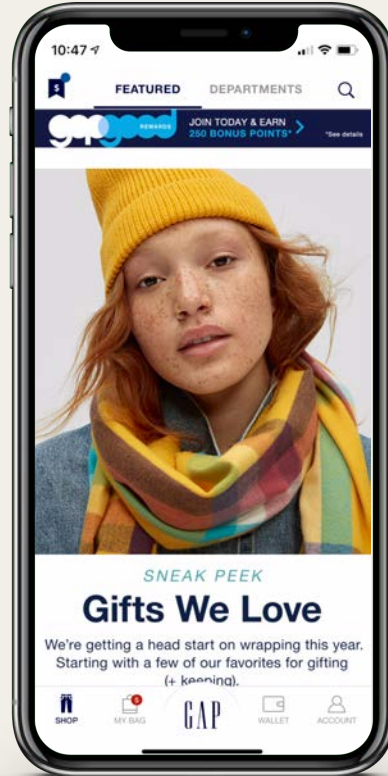
Doubling Down Our Efforts in Mobile

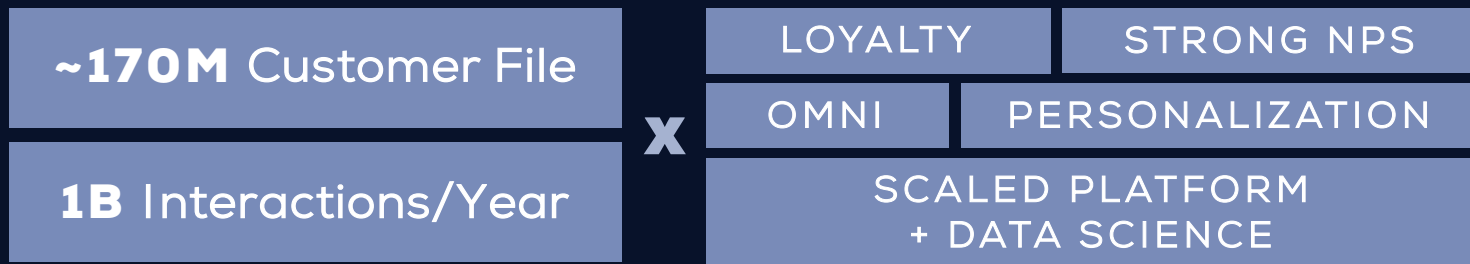
LEVERAGING THE SUCCESS OF OUR 4.9 STAR RATING



Doubling Down Our Efforts in Mobile

LEVERAGING THE SUCCESS OF OUR 4.9 STAR RATING





**Attract New Customers
& Create Enduring Relationships**

A background image of two women. The woman on the left is wearing a white beanie, a yellow sweater, and a denim jacket. The woman on the right is wearing a maroon jacket over a pink shirt. Both are looking towards the camera.

Shawn Curran

CHIEF OPERATING OFFICER

Gap Inc.

A woman with curly hair, wearing a white tank top and light blue cargo pants, stands on a paved road. In the background, another person is walking away, and there are mountains under a clear blue sky.

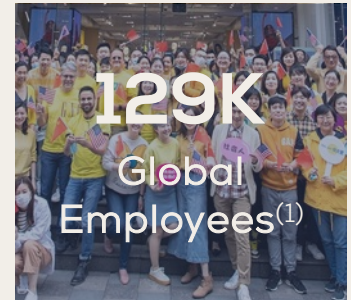
Winning through Speed, Flexibility, and Efficiency at Scale

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

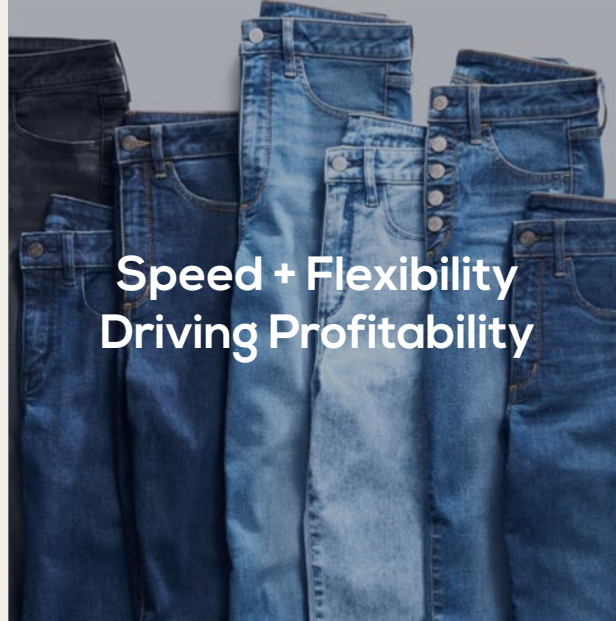


(1) As of FY 2019 (2) As of September 2020 (3) Expected for FY 2020

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

Leading Automated Distribution Capability to Meet Digital and Omni Growth

SCALED CAPABILITIES TO INCREASE SPEED AND REDUCE COST



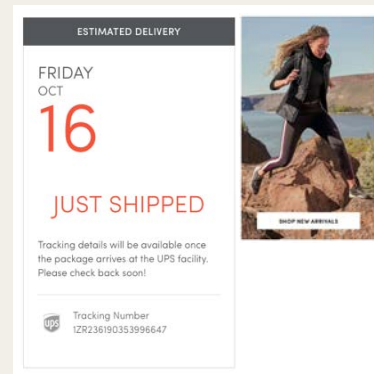
Scaled automation
competitive
advantage with
e-commerce shift



**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.

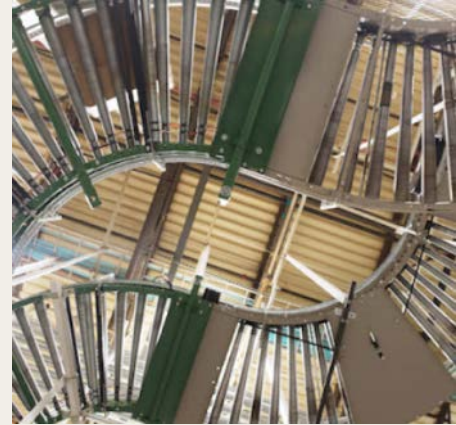
Driving Lower Cost through Engineered Operations



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

A woman with dark hair in a bun is sitting in a meditative pose on a light-colored yoga mat. Her hands are pressed together in a prayer position (Anjali Mudra) at her chest level. She is wearing a light-colored, long-sleeved sweatshirt. The background is a plain, light-colored wall. The entire image is overlaid with a semi-transparent dark blue filter.

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**

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



Economic Model

FY2022 & 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

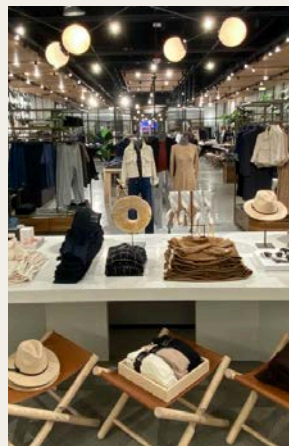
Double Online



PRODUCT LOVE

Advantaged Categories
(Active, Denim, Kids + Baby)

New Categories
(Plus, Teen, Personal Care)



LEAN & ADVANTAGED OPERATIONS



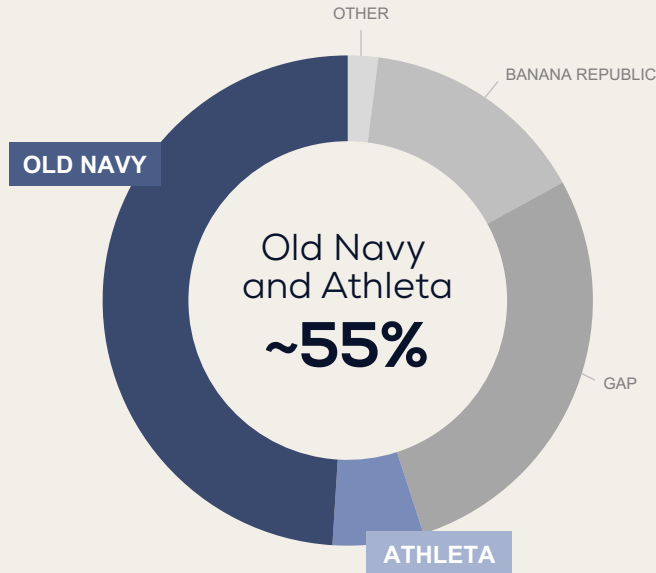
TEAM & VALUES

Gap Inc.

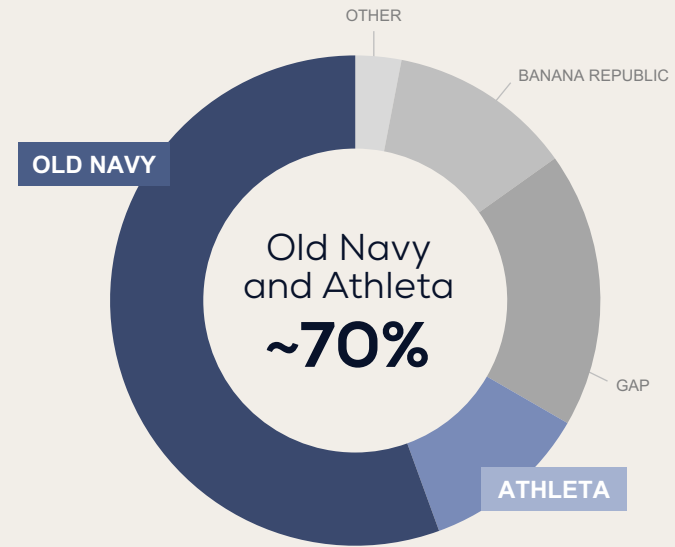
By 2023, ~70% Of Revenue From Old Navy and Athleta

SHIFT TOWARDS HIGHER GROWTH, HIGHER PROFIT BRANDS,
WHILE REBUILDING GAP PROFITABILITY

2019



2023E



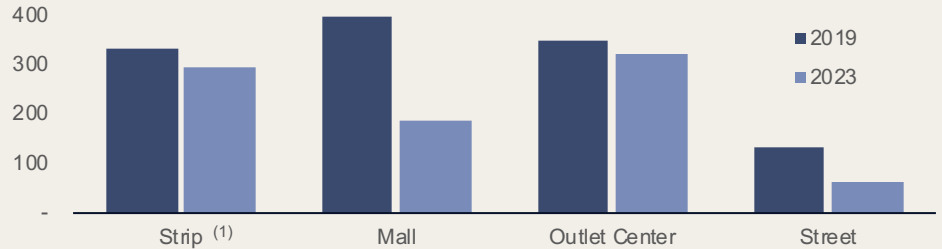
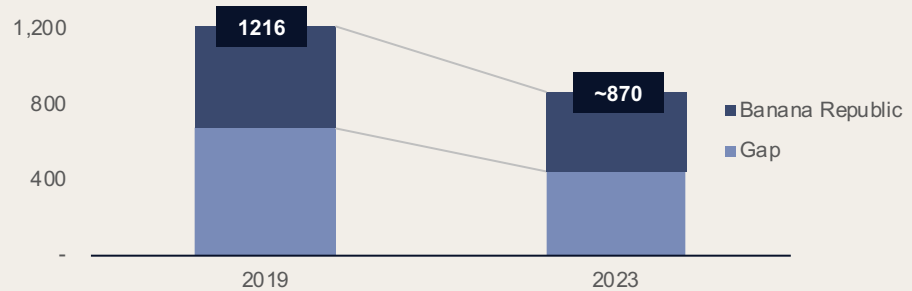
Significant GM% Improvement

ROD SAVING AND PRODUCT MARGIN GROWTH OFFSET RISING FULFILLMENT COSTS

GROSS MARGIN COMPONENTS	ACTIONS
 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

Gap Inc. North America Fleet Transformation

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

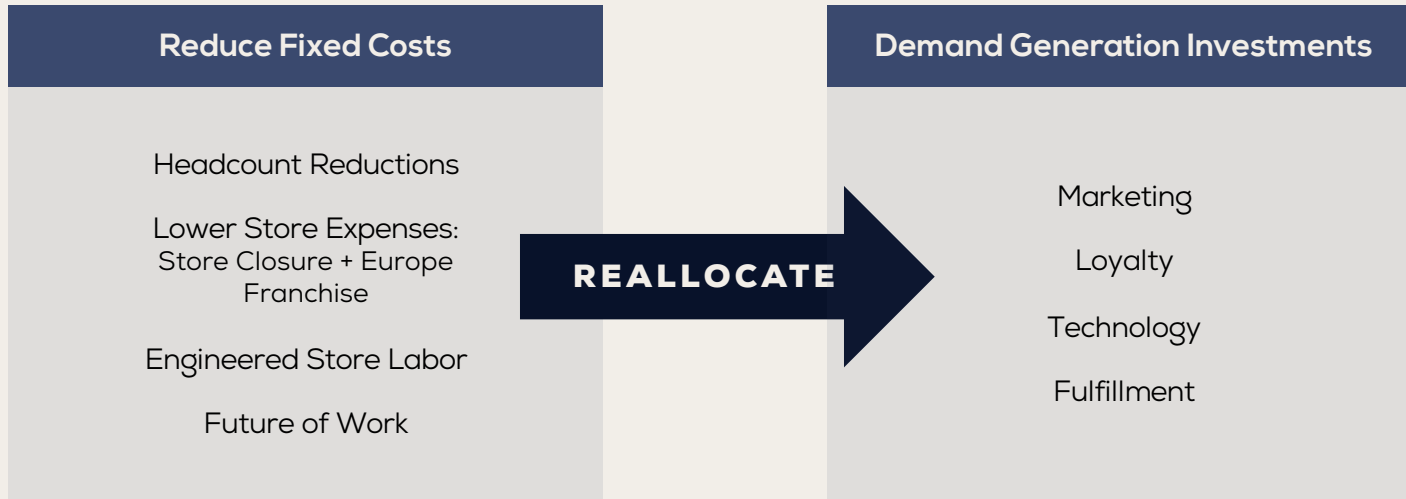
- Reduces capital needs
- Reduces exposure to volatility
- Improves profitability



(1) As of October 2020

More Variable Cost Structure Enables Demand Generation

MEANINGFUL LEVERAGE IN SG&A



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





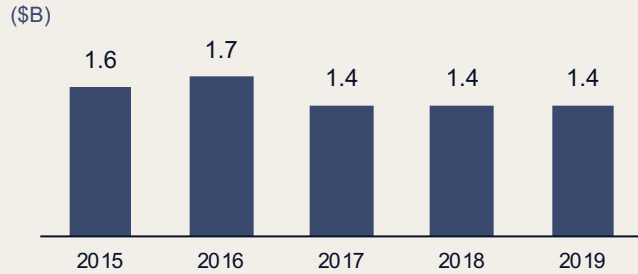
Power Plan 2023: Reducing Volatility and Creating Resilience

- 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

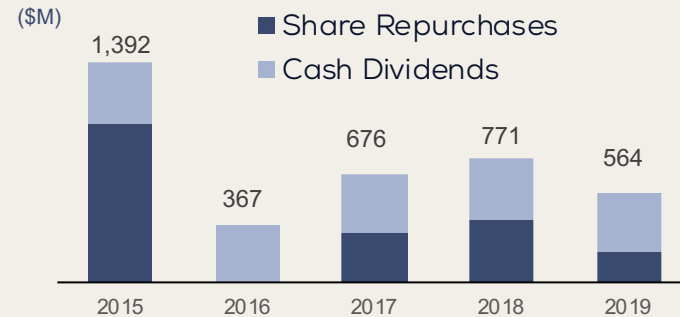
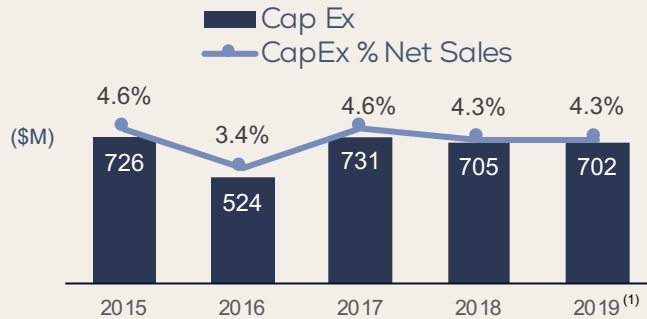
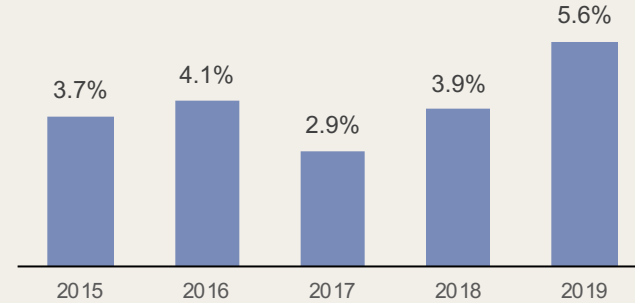
Strong Cash Flow Discipline

HISTORICAL VIEW

Operating Cash Flow



Dividend Yield



(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

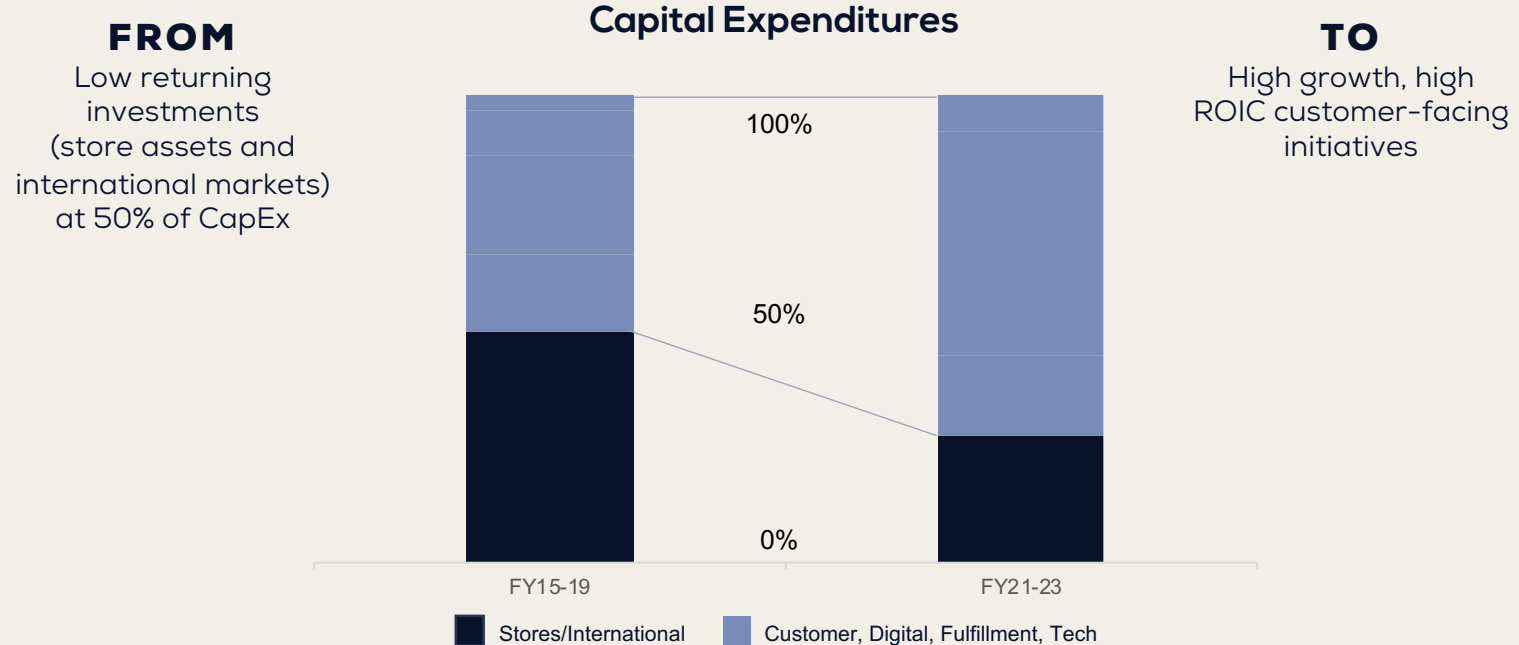
Return Cash to Shareholders

Through dividend and share repurchases



Capital Investments Focused on Improving ROIC

EXPECT AVERAGE ANNUAL CAPITAL EXPENDITURES AT ~4-5% OF NET SALES



Economic Model

FY2022 & 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



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

A woman with grey hair, wearing a white long-sleeved shirt and dark blue leggings, is sitting in a meditative lotus position on a grey mat. She is outdoors in a forest, with trees and greenery in the background. Her eyes are closed, and her hands are resting on her knees in a mudra. To her left, there is a small, shallow, light-colored bowl on the ground.

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



Gap Inc.

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



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

