

Q2 2025



 EARNINGS REPORT

Target Q2 2025 Results

-0.9%

Net Sales

-1.9%

Comparable
Sales

-3.2%

Stores
Comparable
Sales

+4.3%

Digital
Comparable
Sales

\$2.05

GAAP and
Adjusted EPS

- **Topline improvements:** traffic and sales trends improved meaningfully from Q1 2025, with improvement across all six major categories from Q1 to Q2
- **Digital growth:** digital business continues to gain momentum
- **>25% growth in same-day delivery**
- **Same-day services grew 3% and ship-to-guest grew >7%**

Progress in stores

Stores comp sales were up more than 2 percentage points from Q1.



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Consumers embraced newness across the assortment and turned to Target for key seasonal moments.

Seasonal standouts

Consumers love our take on Americana summer apparel, and strength in food and beverage was driven by new florals for Mother's Day and ice cream and beverages the week of July 4.



Back to school style

Back-to-school and college season is off to an encouraging start, with on-trend and affordable options resonating with consumers, like our top 20 items at 2024 prices, \$5 backpacks, and 35-cent notebooks.



Fandom favorites

We saw strong response to Nintendo Switch 2, which was our largest video game launch ever.



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Gearing up for fun

Investments in transforming our hardlines assortment and in-store experience are driving growth in tech accessories, toys under \$20 and more.



Trading cards saw strong performance in Q2 and are tracking to become a more than \$1 billion business for Target in 2025.

Growth in Roundel and Target Plus

We continued building momentum in high-margin, alternative revenue streams, including double-digit net sales growth in our retail ad business Roundel and Target Plus marketplace.



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More great finds ahead in Q3, including:



An **expanded Game Day assortment** celebrating fall sports, with new styles, snacks and youth sport offerings.



Our **exclusive Champion line** of activewear and sporting goods, including limited-time-only varsity-inspired apparel.



Affordable Halloween delights including décor, must-have costumes, candy and treats.



New options across our portfolio of owned brands, including on-trend apparel, flavors, fall scents and more.

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We're moving with urgency to accelerate our performance and position Target for long-term, profitable growth.

Investing in Target's future

We're on track to invest about \$4 billion this year to support new stores, remodels and our ongoing enhancements in supply chain and technology.



Accelerating our progress

Our Enterprise Acceleration Office is taking early steps to remove barriers to speed and unwind complexities in how we work. Examples include:

- Expanding the team's access to more modern tech tools (including investing in 10,000+ new GenAI licenses) to get complex work done faster.
- Assessing our HQ structure and ways of working to more effectively deliver for consumers.
- Redesigning large, cross-functional processes (like how our teams create merchandising and inventory plans) to clarify roles and use the right data to drive decisions.

CLICK BELOW TO READ
THE FULL IN-DEPTH RELEASE

Target Q2 Earnings Results

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From Our Team



“The industry hoped Target would hire an outsider for a bold, fresh vision, but deep company knowledge is equally vital. Michael's passion and charisma will ignite renewed energy at HQ, ideally then flowing by osmosis into an exceptional store experience for guests. Any change is progress. Ideally, Michael swings for the fences because status quo is the most underrated of all risks.”

-Dan Bowling, CEO of The Genesis Company



“Guests are clearly rewarding categories that balance value with excitement: toys under \$20, trading cards, and tech accessories are driving growth. These growth areas prove that affordability and newness is what moves the guest, and vendors who deliver both have a huge opportunity.”

-Michelle Weber, EVP of Toy'n around, a Genesis Company



“Q2 had headwinds, but Food & Beverage held up, and Hardlines grew over 6%, proving the guest is still there and spending. The opportunity lies in getting back on track with the categories that are declining, getting inventory right post-tariffs, and getting back to innovating in the areas that Target has been historically strong at.”

-Matt Adelman, VP of Sales, Food and Beverage at The Genesis Company