

KOHL'S

Q1 Results Presentation

May 28, 2026



Cautionary Statement Regarding Forward-Looking Information

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “anticipates,” “plans,” or similar expressions to identify forward-looking statements. Forward-looking statements include, but are not limited to the information under “2026 Outlook,” comments about Kohl’s adequacy of capital resources, statements regarding our 2026 areas of focus and future initiatives, and statements regarding the impact of macroeconomic events and our response to such events, including tariffs. Such statements are subject to certain risks and uncertainties, which could cause the Company’s actual results to differ materially from those anticipated by the forward-looking statements. These risks and uncertainties include, but are not limited to, risks described more fully in Item 1A in the Company’s Annual Report on Form 10-K, which are expressly incorporated herein by reference and other factors as may periodically be described in the Company’s filings with the SEC. Forward-looking statements relate to the date initially made, and Kohl’s undertakes no obligation to update them.

Non-GAAP Financial Measures

This presentation contains certain financial measures that are not prepared in accordance with generally accepted accounting principles (GAAP), including adjusted EBITDA, adjusted EBITDAR, our leverage ratio (expressed as net debt + leases / EBITDAR), and free cash flow and adjusted free cash flow. These non-GAAP financial measures are provided as additional insight into our operational performance and do not purport to be substitutes for, or superior to operating income, net income, total debt and lease liabilities as reported on the balance sheet, or operating cash flow as measures of operating performance or liquidity. We believe these adjusted measures are useful, as they are more representative of our core business, enhance comparability across reporting periods and to industry peers, and align with the measures used by management to evaluate the Company’s performance. We caution investors that non-GAAP measures should not be viewed in isolation and should be evaluated in addition to, and not as an alternative for, our results reported in accordance with GAAP. Because companies may use different calculation methods, these measures may not be comparable to other similarly titled measures reported by other companies. A reconciliation of each non-GAAP measure to the most directly comparable GAAP measure is included in this presentation.



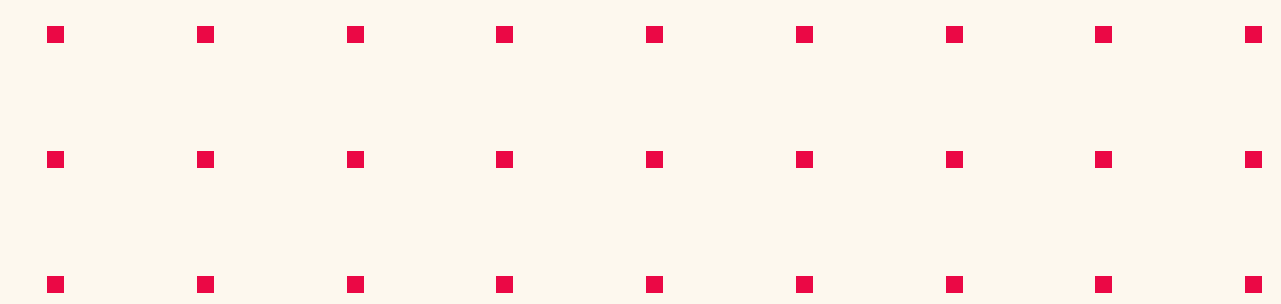


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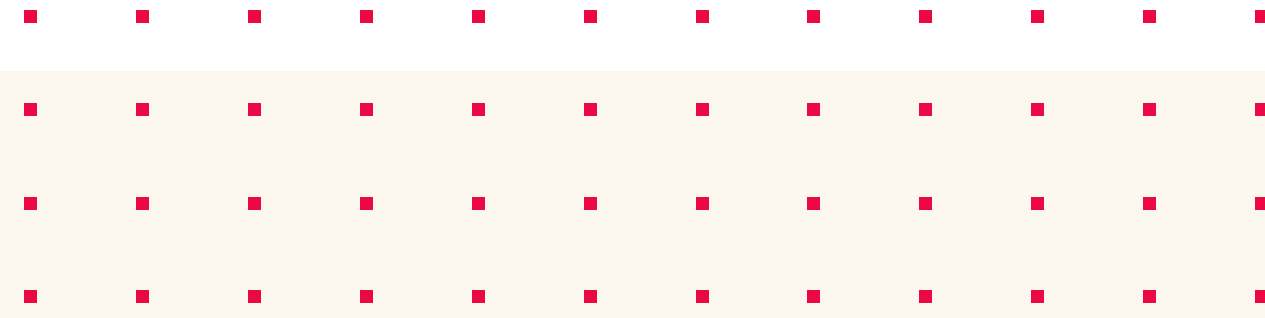
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“We are pleased with our start to 2026. Our key initiatives continue to drive progressive improvements to the business, resulting in our best comparable sales performance in over four years. In addition, we continue to manage the business with great discipline leading to strong expense management, cleaner inventories, and an improved balance sheet.

“Moving forward, we remain committed to delivering more value and a better experience to our customers. I would like to extend my sincere gratitude to all of our Kohl’s associates for their dedication and determination to execute against our initiatives.”



Michael J. Zende

CHIEF EXECUTIVE OFFICER



Kohl's is building on a solid foundation



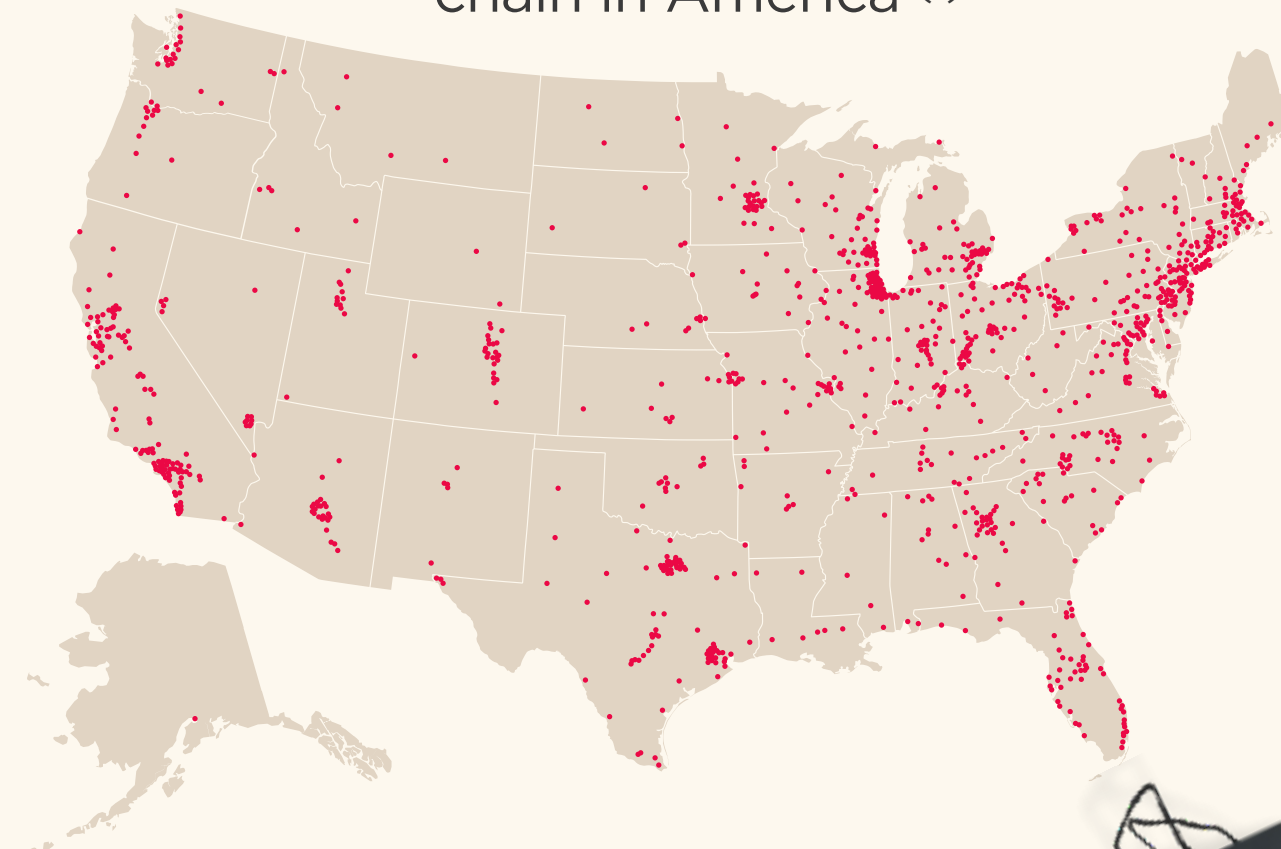
Convenient Nationwide Omni-Channel Reach

80%
of Americans live within 15 miles of a Kohl's store



1,151 Stores

Largest department store chain in America (1)

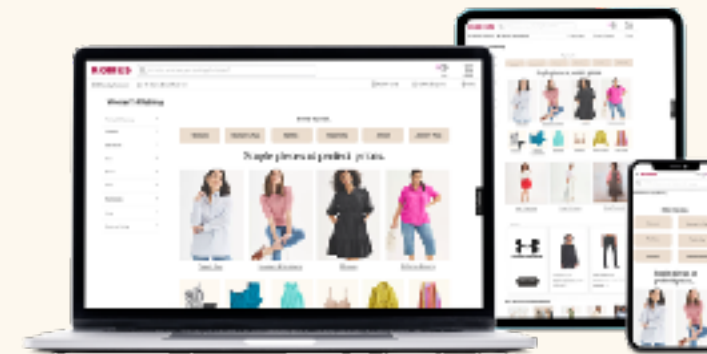


20M+
Active App Users

1,100+
Sephora @ Kohl's (1)



26%
Digital Penetration



Great Product from Top Brands



SEPHORA + **KOHL'S**



NINE WEST



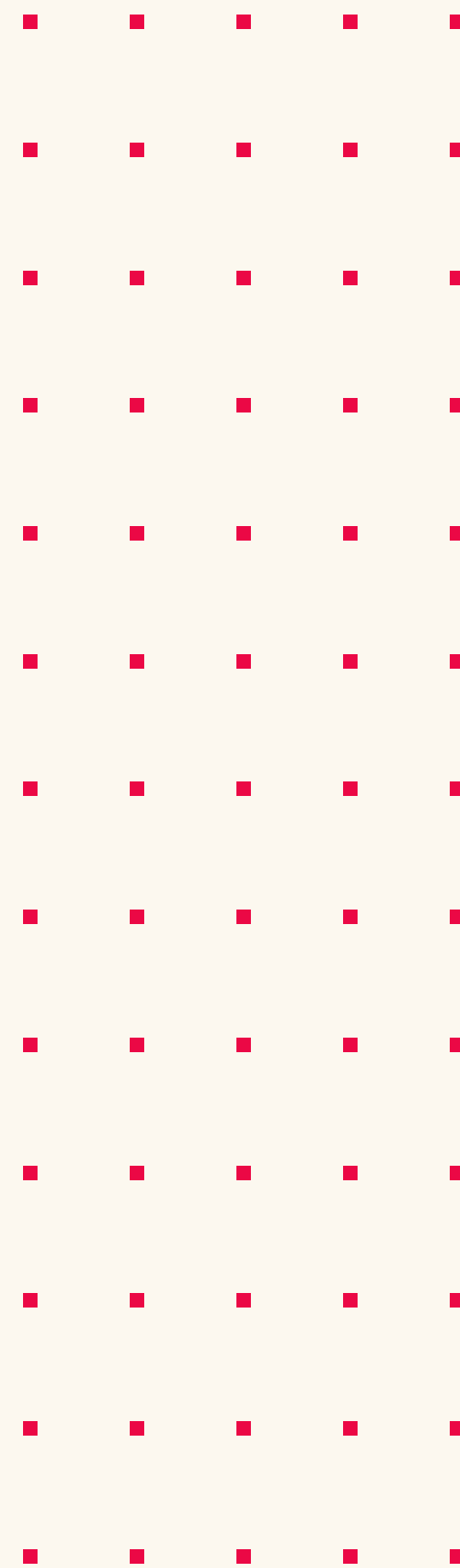
TEK GEAR

Delivering Great Value

30M+
Loyalty Members



2026 KEY INITIATIVES



Offer a more curated, balanced assortment

KEY SIGNS OF PROGRESS

Delivered flat to slightly positive comps across Women's, Kid's, Home, and Accessories businesses

- Juniors business grew by 10% led by strength from So.
- Strength across all categories in key proprietary brands such as FLX and Tek Gear
- Impulse business continues to accelerate, running up over 50% in Q1
- Strength in Jewelry business led by our fashion and bridge jewelry
- Innovation and newness in Home resonating well with products from Ninja & Shark



FUTURE OPPORTUNITIES

Men's

- Making edits to improve assortment clarity and purpose
- Introducing Brixton to 300 stores in Q2

Footwear

- Innovation and newness from Active footwear to set for Back to School season

Sephora

- Building on strength from fragrance & haircare categories
- Expanding MAC to all doors this Fall
- Delivering newness in skincare with trending brands like Beauty of Joseon, Aestura, and Biodance



Reestablish Kohl's as a leader in value and quality

Unlock the power of proprietary brands and deliver a more consistent, competitive value

- Proprietary brands are key component of value proposition, offering customers quality products at affordable opening price points
- In Q1, Proprietary Brands delivered a 6% comp
- Continue to support awareness and momentum of proprietary brands through enhanced in-store experience and 'By Kohl's' marketing campaign
- Introduced Impulse, Deal Bar, and Toy Tower to offer products focused on value



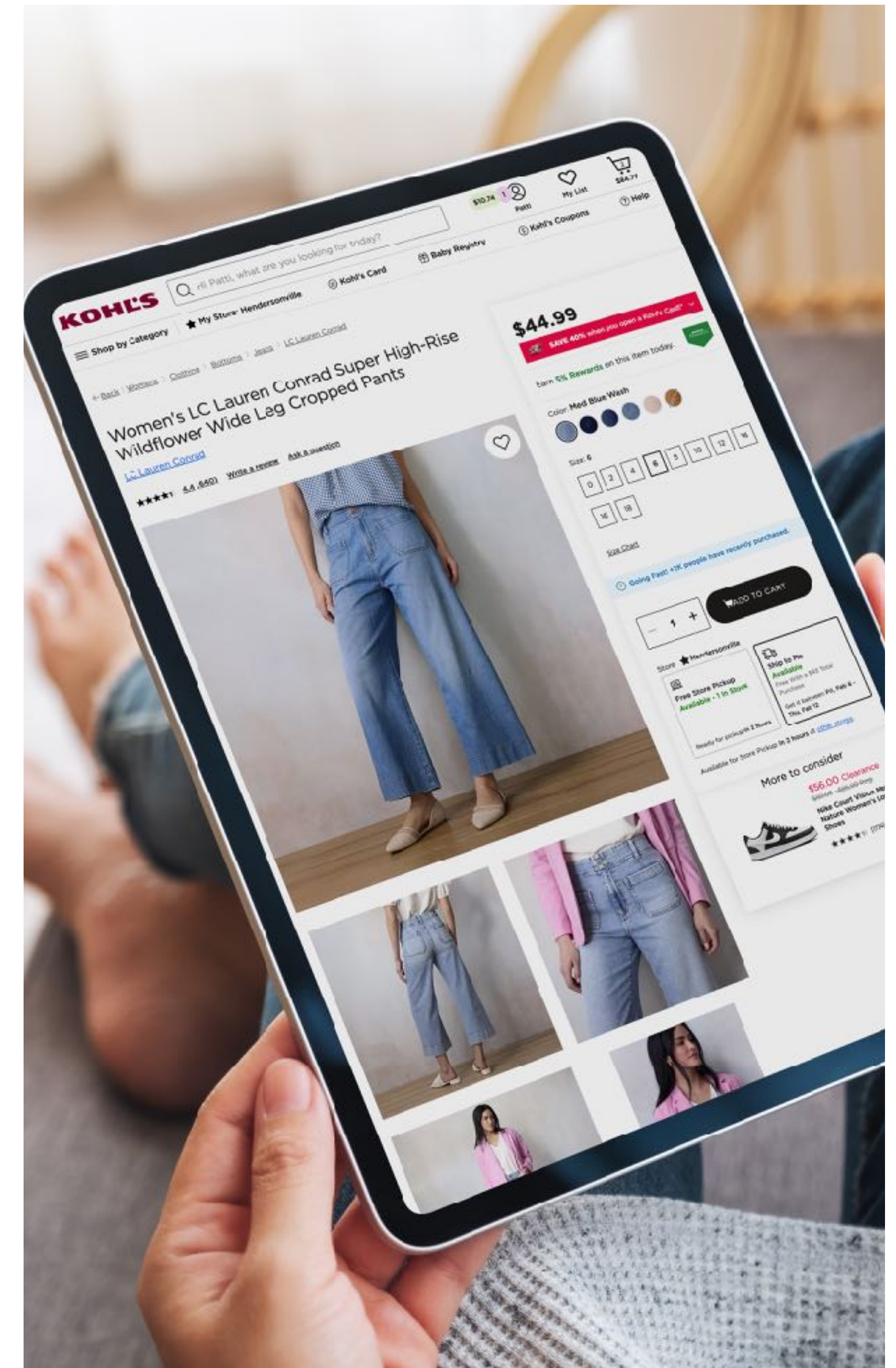
Deliver a Frictionless Experience Across Our Omni-Channel Platforms

Restore Trip Assurance

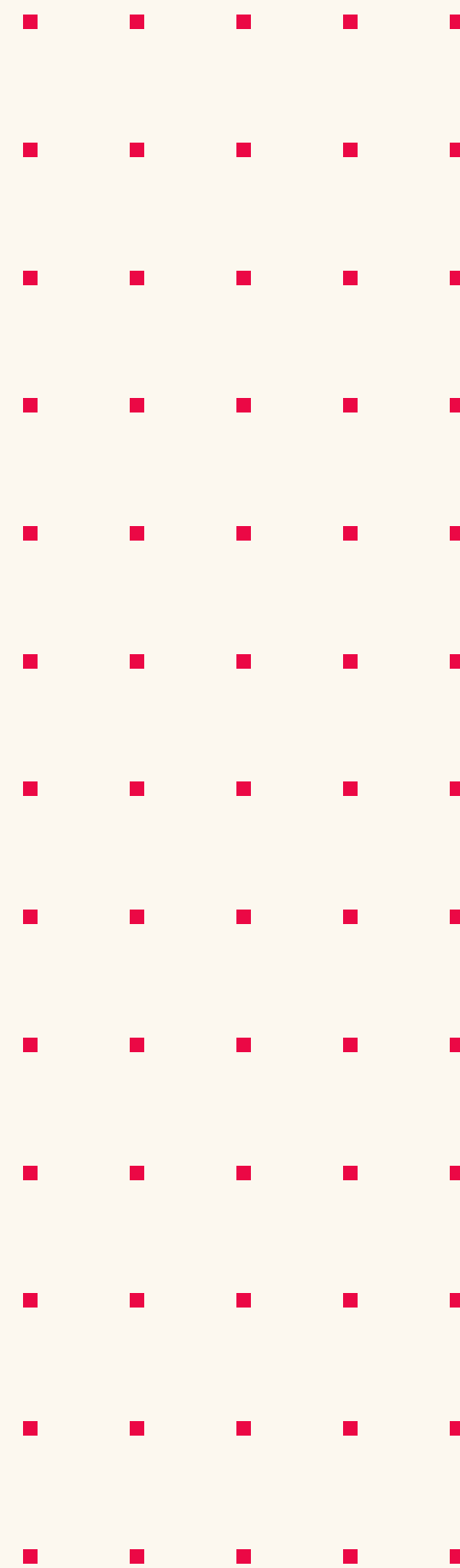
- Establishing trip assurance by investing into depth across apparel categories and reducing choice counts and redundancy to deliver more clarity, consistency, and purpose to assortment
- Better in-stocks for key items improves omni-channel experience by providing optionality for speed and delivery of products

Enhance Omni-Channel Experience

- Launched a new gift finder to website in May powered by AI through Google Gemini to improve product discovery and customer engagement, with further opportunity to support conversion and reduce friction across the shopping journey
- Enhancing how customers discover and navigate assortments through more curated digital experiences, improved storytelling, product spotlights, and brand-level filters
- Continue to grow Digital Marketplace by expanding assortment into white space offerings to categories that complement core offering



Q1 2026 RESULTS



Q1 2026 Results

Key Financial Results

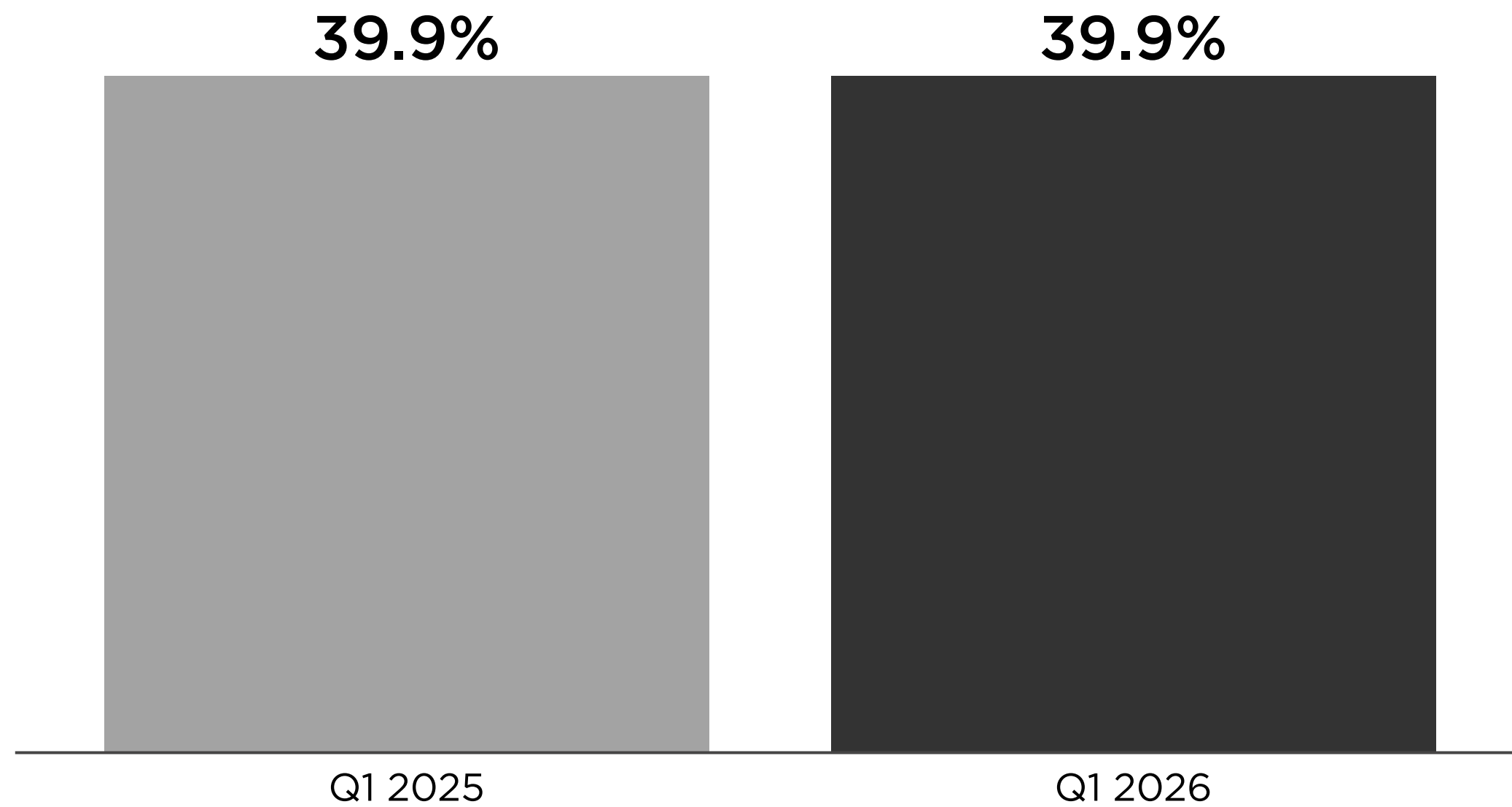
- Q1 Net Sales declined (1.7%) versus Q1 2025 and Comparable Sales decreased (1.1%)
- Gross Margin expanded by 4 basis points versus last year driven by higher proprietary brand penetration partially offset by increased cost of shipping driven by a higher digital penetration
- SG&A expense declined (1.6%) from collective savings in our credit and corporate expenses
- Operating Income of \$46 million and Net Loss of (\$14 million) or Loss of (\$0.13) per Diluted Share



Q1 2026 Gross Margin & SG&A Expense Performance

Gross Margin

Increased 4 bps vs Q1 2025

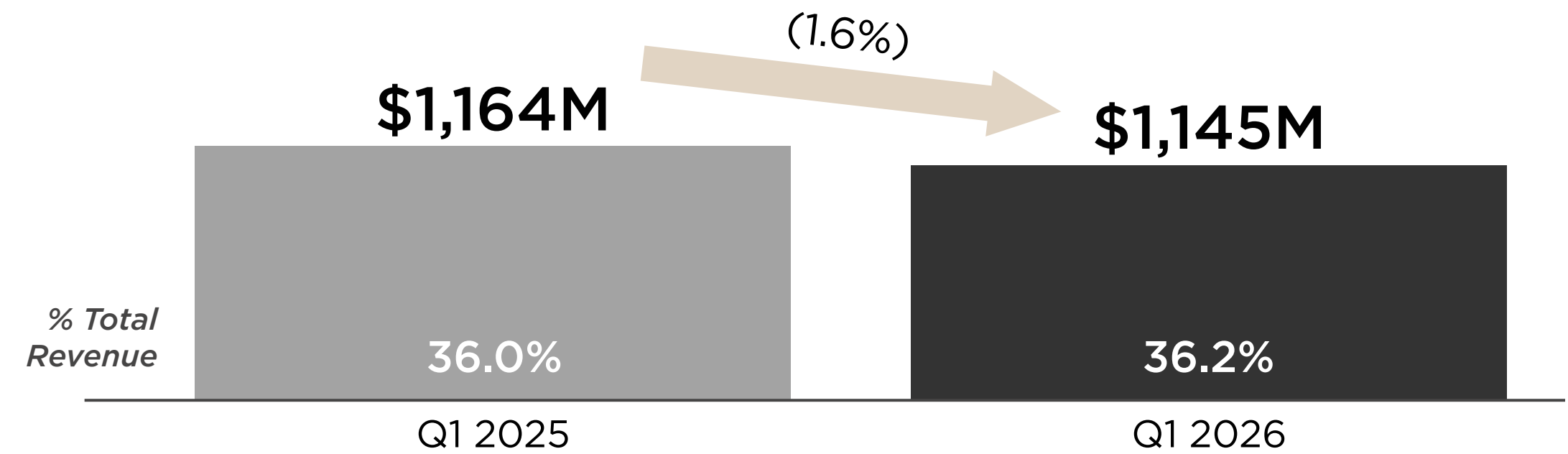


Q1 2026 Gross Margin Takeaways

- Increased proprietary brand penetration
- Partially offset by cost of shipping headwinds with higher digital penetration

SG&A Expense

Deleveraged (15 bps) vs Q1 2025



Q1 2026 SG&A Takeaways

- Collective savings in our credit and corporate expenses

Adjusted Leverage

Kohl's reset leases on the balance sheet following the investment to roll out Sephora to all of our Stores

- Current Balance Sheet / Lease Accounting is inflating our Leverage Ratio
- The balance sheet lease liability of \$5.1B currently reflects the lease periods probable to be exercised, which averages 18 years
- The lease payments for periods actually exercised, is \$2.3B, which averages 4 years
- When adjusting for the actual lease periods exercised Kohl's Leverage Ratio is reduced to 2.2x, down from the Unadjusted Ratio of 4.2x

Net Debt + Leases to EBITDAR Leverage ⁽¹⁾

Rolling 12 months as of Q1 2026

<i>(Dollars in Millions)</i>	Unadjusted	Adjusted	
Adjusted EBITDA ⁽¹⁾	\$ 1,195	\$ 1,195	
Rent Expense	272	272	
Adjusted EBITDAR	1,467	1,467	
Current portion of long-term Debt	0	0	
Borrowings under revolving credit facility	0	0	
Long-term Debt	1,387	1,387	
Debt	1,387	1,387	
Less: Cash & Cash Equivalents	(429)	(429)	
Net Debt	958	958	
Net Debt / EBITDA Leverage	0.8x	0.8x	
Current and long-term Fin Leases & Fin Obs	2,427	1,129	Contractually obligated payments for Finance & Financing Obligation Leases
Current and long-term Operating Leases	2,719	1,153	Contractually obligated payments for Operating Leases
Net Debt + Leases	\$ 6,104	\$ 3,240	
Net Debt + Leases / EBITDAR Leverage	4.2x	2.2x	

Q1 2026 Key Metrics

Consolidated Statement of Operations

(Dollars in Millions)

	Three Months Ended	
	May 2, 2026	May 3, 2025
Net Sales	\$ 2,998	\$ 3,049
Total Revenue	3,167	3,233
Gross Margin Rate	39.9%	39.9%
SG&A	1,145	1,164
Depreciation	174	175
Operating Income	46	60
Interest Expense, net	63	76
Benefit for Income Taxes	(3)	(1)
Net Loss	(14)	(15)
Diluted Loss per Share	(\$0.13)	(\$0.13)

Key Balance Sheet Items

(Dollars in Millions)

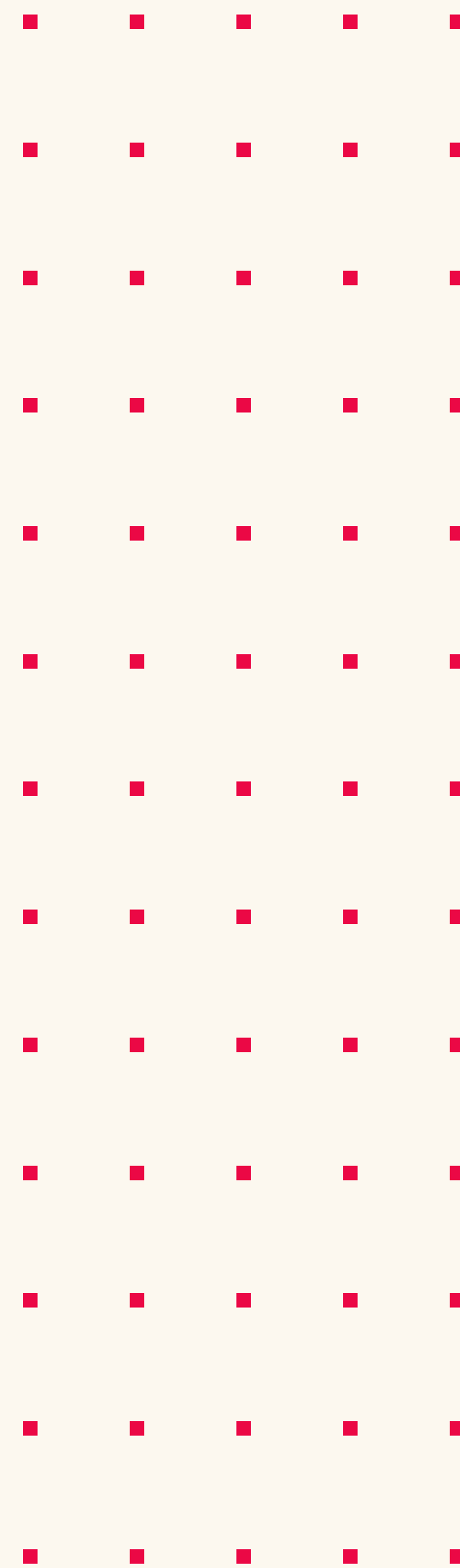
	May 2, 2026	May 3, 2025
Cash and Cash Equivalents	\$ 429	\$ 153
Merchandise Inventories	2,897	3,137
Accounts Payable	1,248	1,026
Borrowings under revolving credit facility	0	545
Current portion of Long-term debt	0	353
Long-term Debt	1,387	1,174

Key Cash Flow items

(Dollars in Millions)

	May 2, 2026	May 3, 2025
	Three Months Ended	Three Months Ended
Net cash used in operating activities	\$ (74)	\$ (92)
Acquisition of property and equipment	(84)	(110)
Free Cash Flow	(158)	(202)
Finance lease and Financing Obligations	(26)	(21)
Proceeds from Financing Obligations	0	3
Adjusted Free Cash Flow (Non-GAAP)¹	(184)	(220)

2026 OUTLOOK

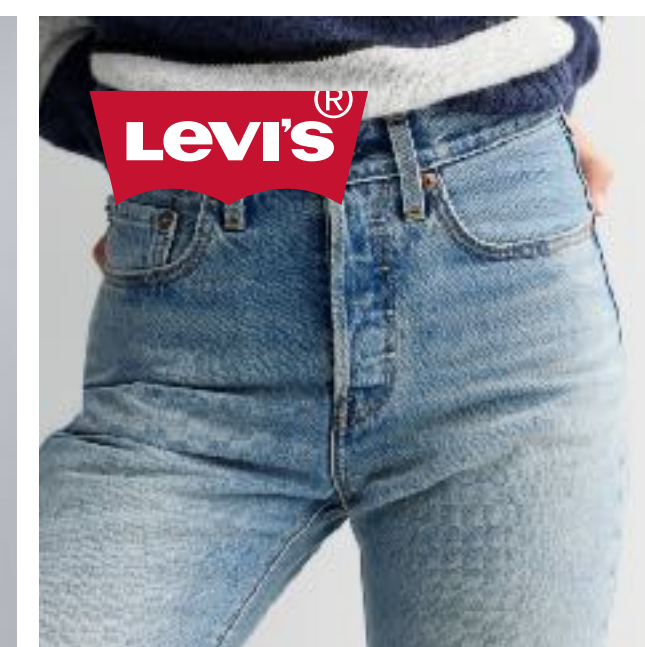
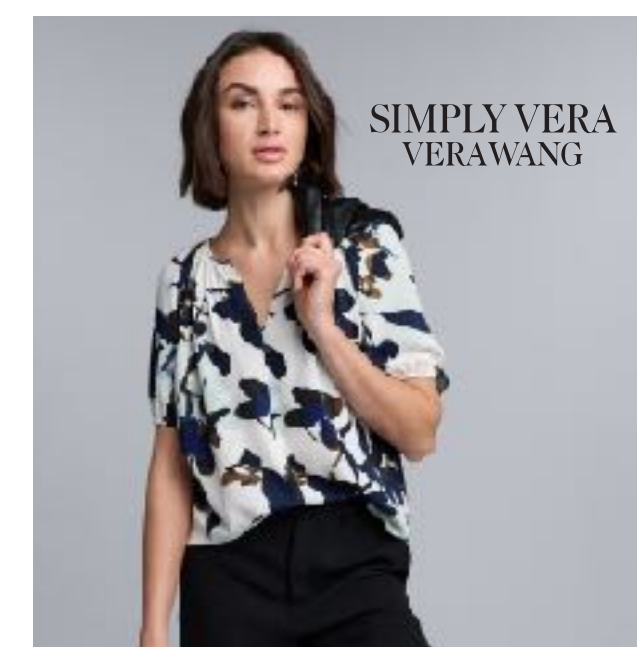
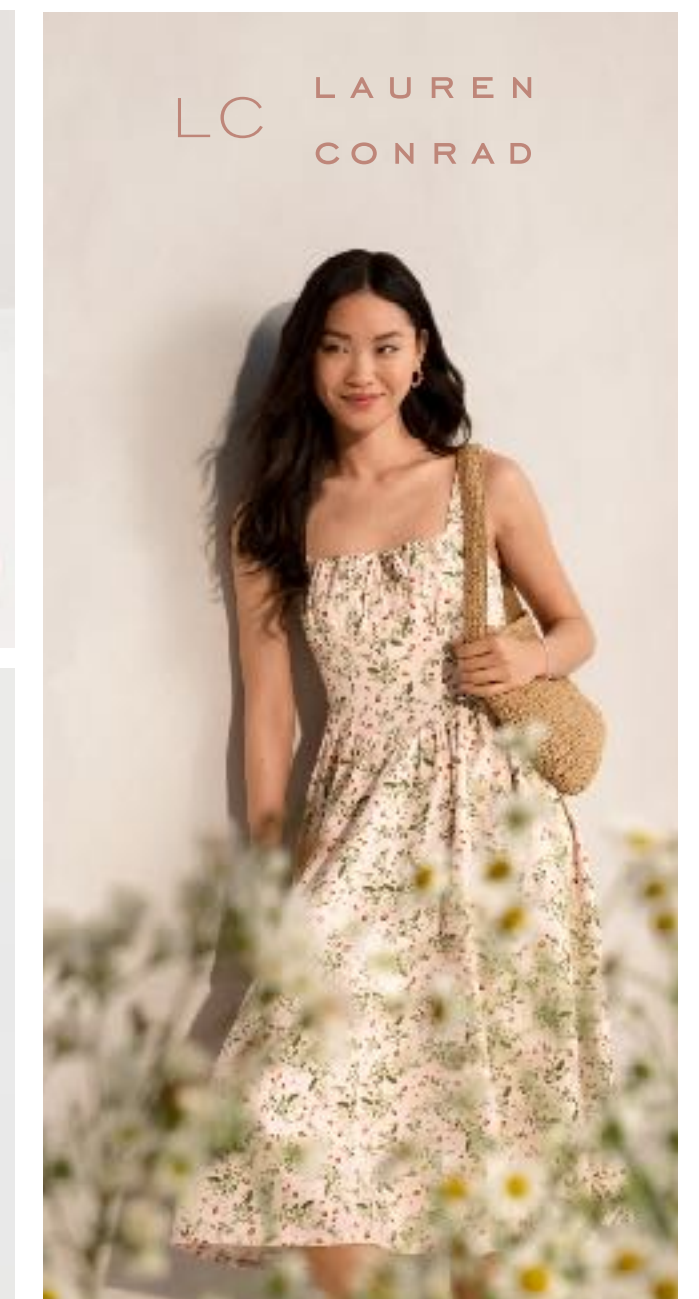
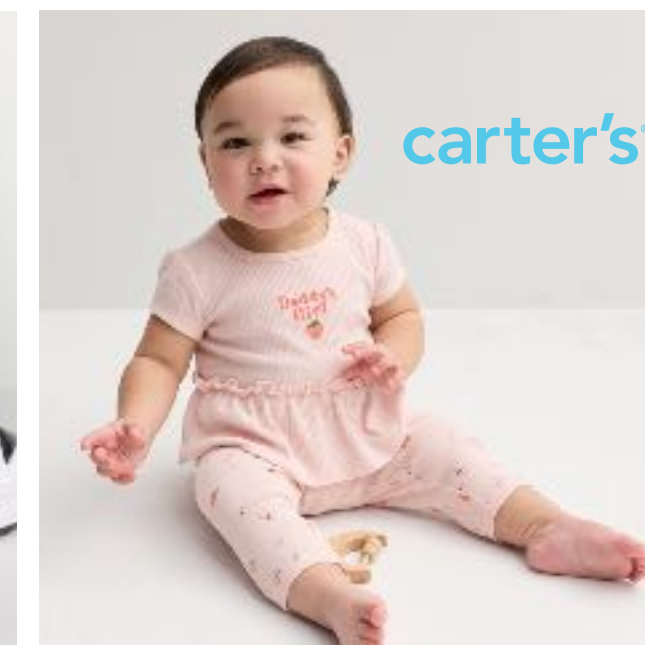
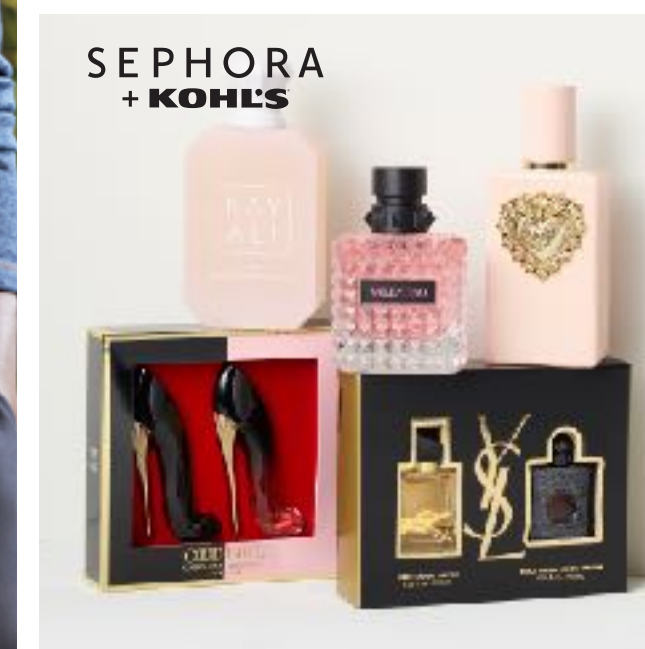


Affirms 2026 Financial Outlook

METRIC	FULL YEAR GUIDANCE
Net Sales	Flat to (2%) vs. 2025
Comp Sales	Flat to (2%)
Adjusted Operating Margin ¹	2.8% to 3.4%
Adjusted Diluted EPS ¹	\$1.00 to \$1.60

Capital Allocation Outlook

- **Capex:** \$350M to \$400M
- **Dividend:** \$0.125 dividend payable on June 24, 2026



Capital allocation priorities support our goals of optimizing balance sheet flexibility



→ Invest in the Business

Continue to prioritize our investment in the business with \$350 million to \$400 million of Capital Expenditures in 2026

→ Optimizing Return of Cash

We remain committed to returning capital to shareholders, with an annual cash dividend of \$0.50 per share that supports continued balance sheet flexibility

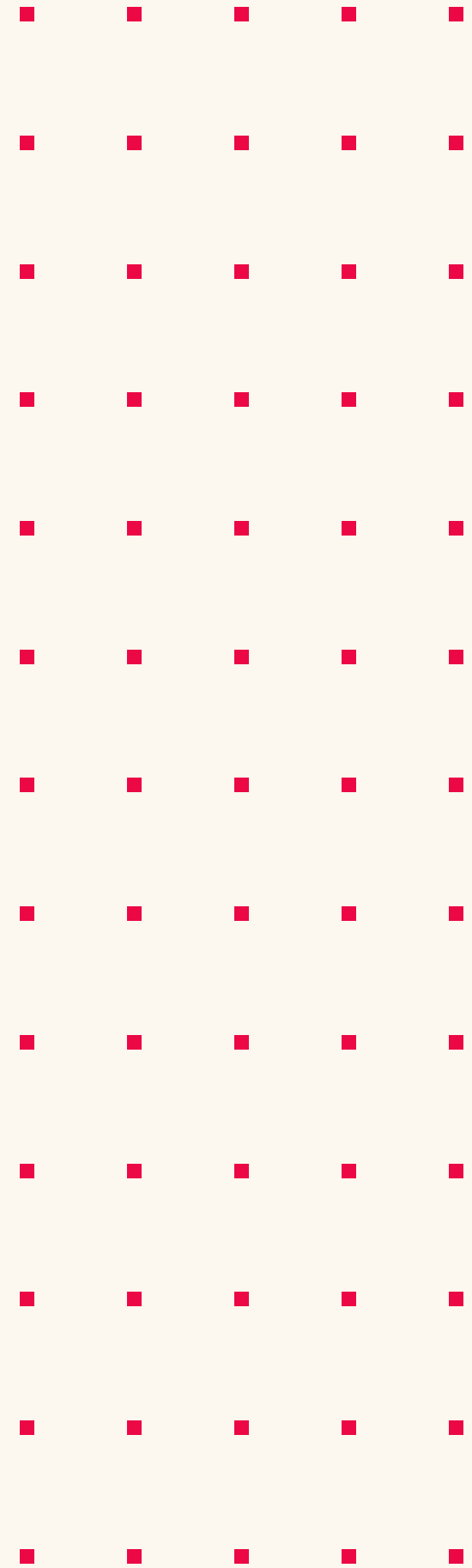
→ Reduce Debt

In Q1, we repurchased \$50 million of debt at a discount of \$9 million. We will continue to evaluate the market and make opportunistic debt repurchases.

→ Share Repurchases

As we continue to solidify our balance sheet and improve our business results, we will look at implementing a share buyback program in the future

APPENDIX



Reconciliation

Adjusted EBITDA	52 Weeks Ended	
	May 2, 2026	
<i>(Dollars in Millions)</i>		
Net Income (GAAP)	\$	272
Provision for income taxes		63
Interest expense, net		275
Depreciation and amortization		699
(Gain) on legal settlement		(129)
Impairments, store closing and other costs		15
Adjusted EBITDA (Non-GAAP)	\$	1,195

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