

KOHL'S

Q4 Results Presentation

March 10, 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 and Item 1A of Part II of the Company’s Quarterly Report on Form 10-Q for the first quarter of fiscal 2025, 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 operating income, adjusted net income, adjusted diluted earnings per share, adjusted EBITDA, adjusted EBITDAR, our leverage ratio (expressed as net debt + leases / EBITDAR), 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, diluted earnings per share, 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.



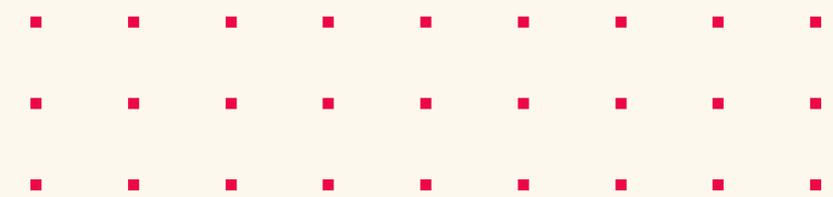


Table of Contents

6

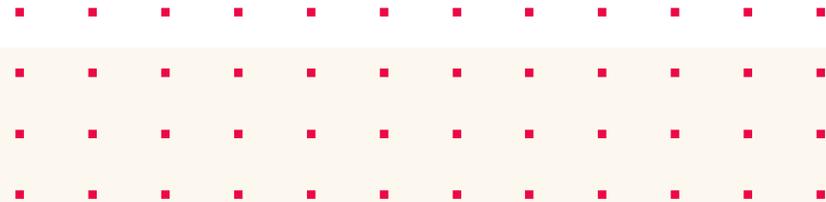
Q4 2025 Results

12

2026 Outlook & Areas of Focus

“We are ending 2025 in a stronger position than we started, with important work still ahead of us. Over the past year, our efforts have been focused on resetting our foundation. This focus is intended to stabilize the business and strengthen our operational ability to build for a stronger future. In 2025, we made meaningful progress, despite our Q4 topline coming in softer than our expectations. We were able to manage the business with discipline, deliver improved earnings, and generate meaningful cash flow, all of which helped us strengthen our balance sheet.

“In 2026, we are committed to further strengthening our foundation by addressing operational opportunities, building on our strengths, and modernizing our processes. We are confident that the work we are investing in now is essential for Kohl’s long-term benefit.”



Michael J. Zende

CHIEF EXECUTIVE OFFICER



Kohl's is building on a solid foundation



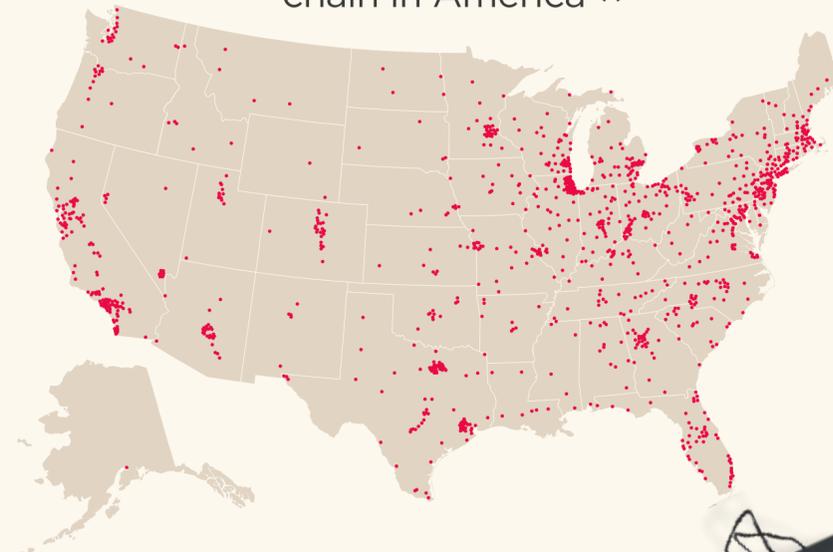
Convenient Nationwide Omni-Channel Reach

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



1,153 Stores

Largest department store chain in America (1)

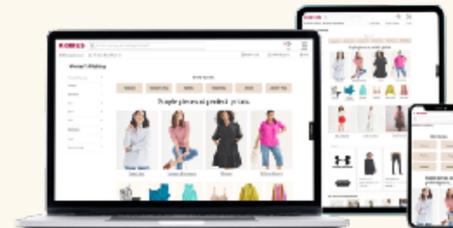


20M+
Active App Users

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



29%
Digital Penetration



Great Product from Top Brands



carter's



SEPHORA + **KOHL'S**

SONOMA
GOODS FOR LIFE®

jumping
beans®

FLX

NINE WEST

Croft &
Barrow

SO

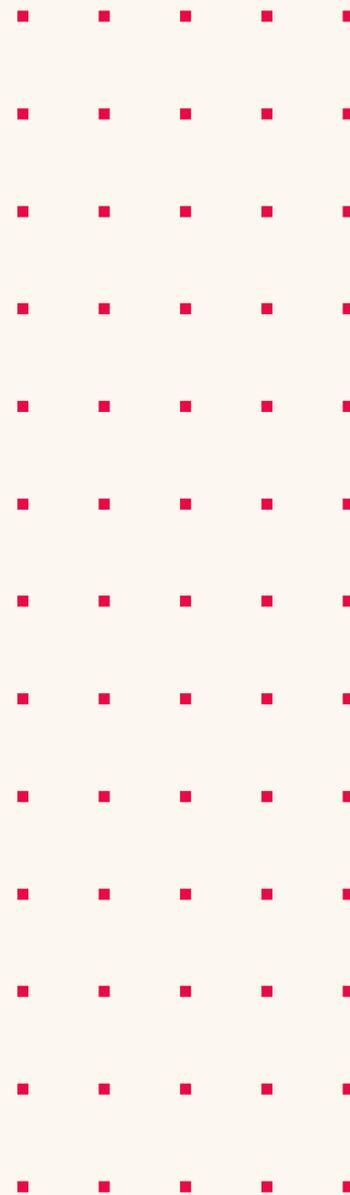
TEK GEAR

Delivering Great Value

30M+
Loyalty Members



Q4 2025 RESULTS



Q4 2025 Results

Key Financial Results

- Q4 Net Sales declined (3.9%) versus Q4 2024 and Comparable Sales decreased (2.8%)
- Gross Margin expanded by 25 basis points versus last year driven by strong inventory management which resulted in lower clearance markdowns and was partially offset by increased cost of shipping as our digital penetration increased 220 basis points for the quarter
- SG&A expense declined (4.9%) to last year from tightly managed spending in stores, marketing, and fulfillment. Additional benefit from credit related expense shifting into Other Revenue.
- Operating Income of \$212 million and Net Income of \$125 million or \$1.07 Earnings Per Diluted Share



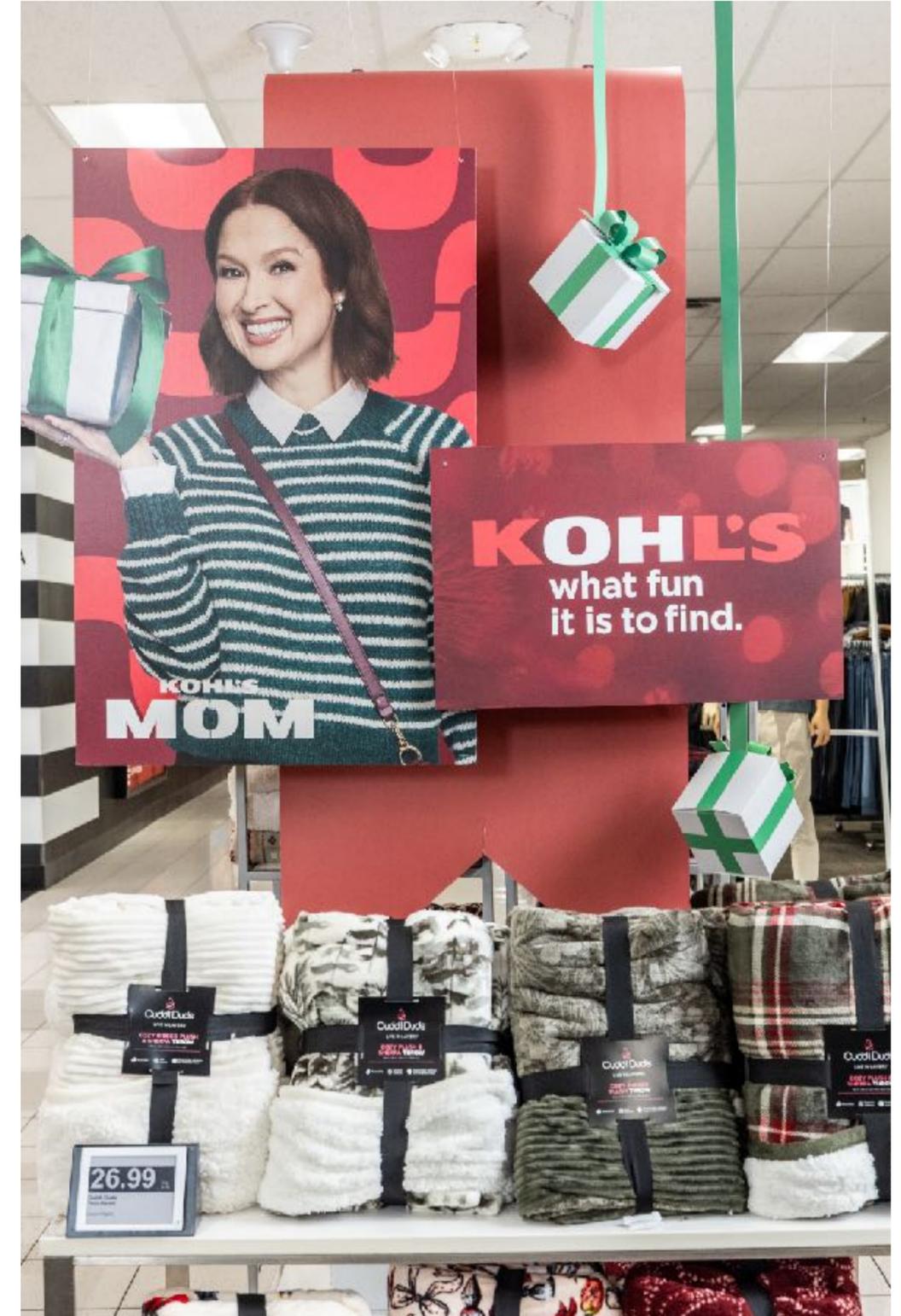
Q4 & Holiday Takeaways

We have an opportunity to better execute our Fall Seasonal business

- We can improve our inventory depth and allocation of our seasonal products, particularly in our small format stores
- We saw positive growth in our year-round offerings which were not impacted by allocation issues
- After implementing changes to our supply chain and planning processes, our Spring Seasonal business has started Q1 strong

We needed to offer breakthrough value during key holiday shopping periods to drive more excitement for customers to choose Kohl's

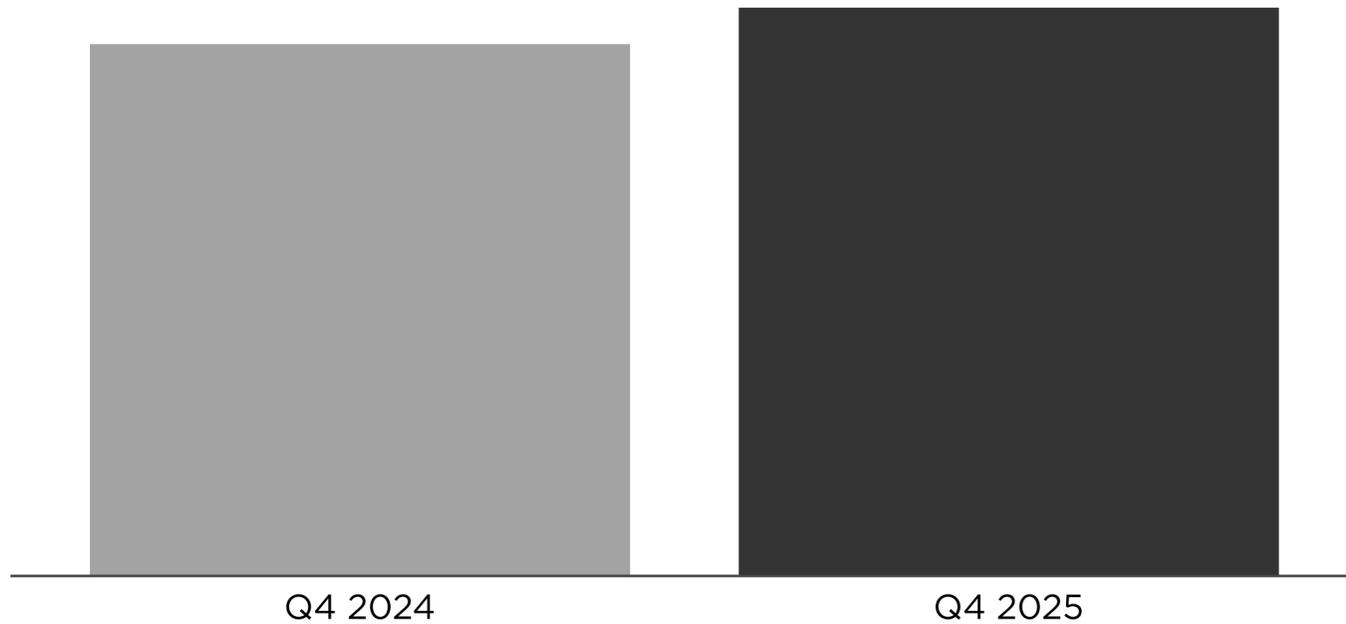
- We lost competitive ground during high-traffic shopping windows including Black Friday, Cyber Monday, and the week following Christmas
- Customers are more value conscious and we need to better align our promotional statements to align to their needs and priorities
- Consistent and differentiated value messaging across marketing, in stores, and online will be a catalyst to improve our performance throughout the year



Q4 2025 Gross Margin & SG&A Expense Performance

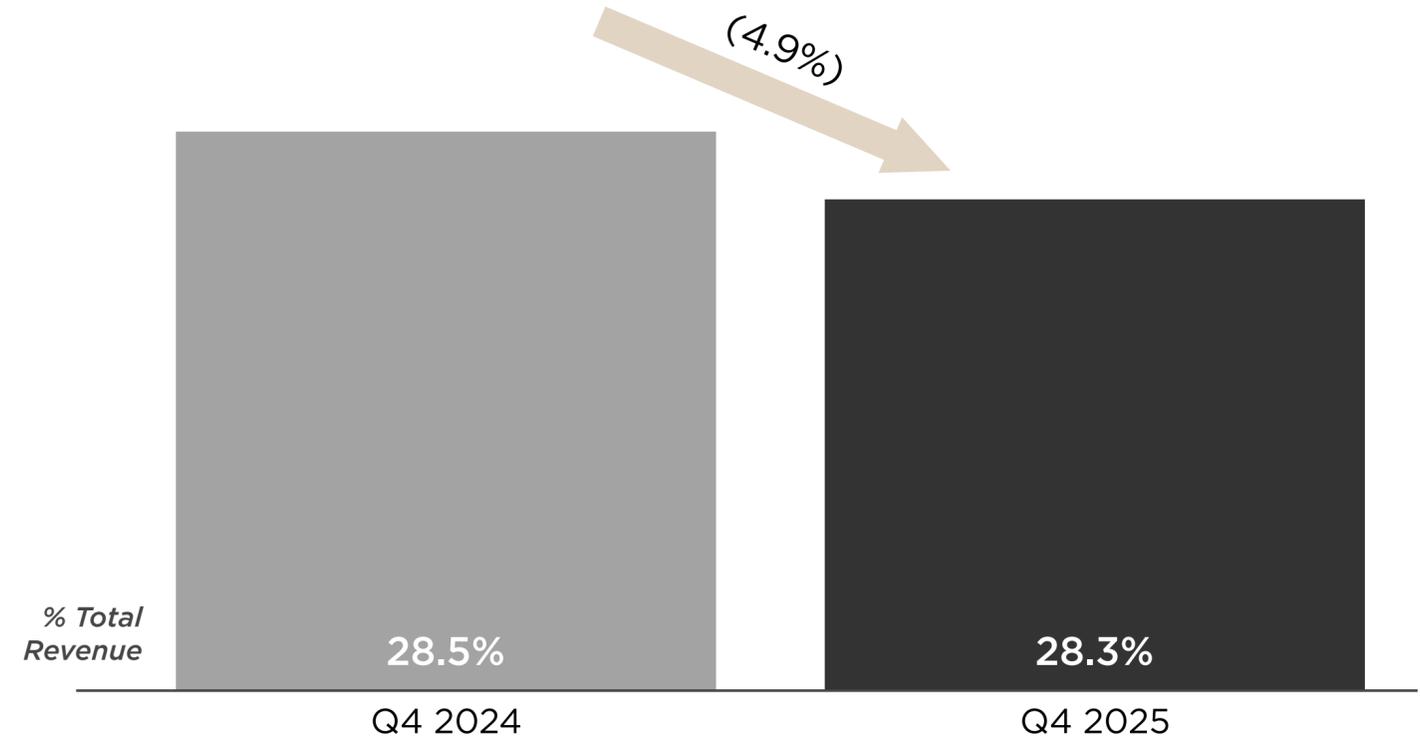
Gross Margin

Increased 25 bps vs Q4 2024



SG&A Expense

Leveraged 23 bps vs Q4 2024



Q4 2025 Gross Margin Takeaways

- Strong inventory management lead to reduced clearance markdowns
- Partially offset by Cost of Shipping headwinds with higher digital penetration

Q4 2025 SG&A Takeaways

- Lower spending in stores, marketing, and fulfillment
- Shift of Credit Expense from SG&A to Other Revenue

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 \$5.2B 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 2.1x, down from the Unadjusted Ratio of 4.0x

Net Debt + Leases to EBITDAR Leverage ⁽¹⁾

Rolling 12 months as of Q4 2025

(Dollars in Millions)	Unadjusted	Adjusted	
Adjusted EBITDA ⁽¹⁾	\$ 1,210	\$ 1,210	
Rent Expense	271	271	
Adjusted EBITDAR	1,481	1,481	
Current portion of long-term Debt	0	0	
Borrowings under revolving credit facility	0	0	
Long-term Debt	1,436	1,436	
Debt	1,436	1,436	
Less: Cash & Cash Equivalents	(674)	(674)	
Net Debt	762	762	
Net Debt / EBITDA Leverage	0.6x	0.6x	
Current and long-term Fin Leases & Fin Obs	2,450	1,161	Contractually obligated payments for Finance & Financing Obligation Leases
Current and long-term Operating Leases	2,744	1,182	Contractually obligated payments for Operating Leases
Net Debt + Leases	\$ 5,956	\$ 3,105	
Net Debt + Leases / EBITDAR Leverage	4.0x	2.1x	

Q4 2025 Key Metrics

Consolidated Statement of Operations

(Dollars in Millions)

	Three Months Ended	
	January 31, 2026	February 1, 2025
Net Sales	\$ 4,972	\$ 5,175
Total Revenue	5,173	5,397
Gross Margin Rate	33.1%	32.9%
SG&A	1,463	1,539
Depreciation	174	183
Impairments, Store Closings, and Other Costs	0	76
Operating Income	212	126
Interest Expense, net	59	74
Provision for Income Taxes	28	4
Net Income	125	48
Diluted EPS	\$ 1.07	\$ 0.43
Adjusted Net Income (Non-GAAP) ¹	125	106
Adjusted Diluted EPS (Non-GAAP) ¹	\$ 1.07	\$ 0.95

Key Balance Sheet Items

(Dollars in Millions)

	January 31, 2026	February 1, 2025
Cash and Cash Equivalents	\$ 674	\$ 134
Merchandise Inventories	2,745	2,945
Accounts Payable	1,171	1,042
Borrowings under revolving credit facility	0	290
Current portion of Long-term debt	0	353
Long-term Debt	1,436	1,174

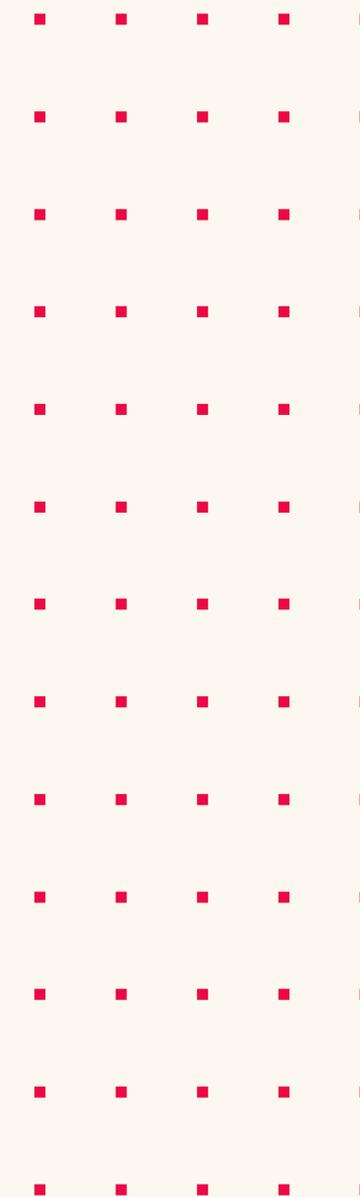
Key Cash Flow items

(Dollars in Millions)

	January 31, 2026	February 1, 2025
	Twelve Months Ended	Twelve Months Ended
Operating Cash Flow	\$ 1,380	\$ 648
Capital Expenditures	(372)	(466)
Free Cash Flow	1,008	182
Finance lease and Financing Obligations	(83)	(79)
Proceeds from Financing Obligations	10	1
Adjusted Free Cash Flow (Non-GAAP) ¹	\$ 935	\$ 104

(1) Adjusted Operating Income, Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow, and Adjusted Free Cash Flow are non-GAAP financial measures. Reconciliation for Free Cash Flow and Adjusted Free Cash Flow is above. Reconciliations for the other measures can be found in the Appendix

2026 OUTLOOK & AREAS OF FOCUS

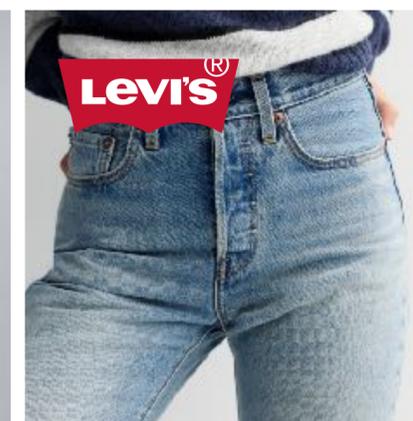


2026 Financial Outlook

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 April 1, 2026



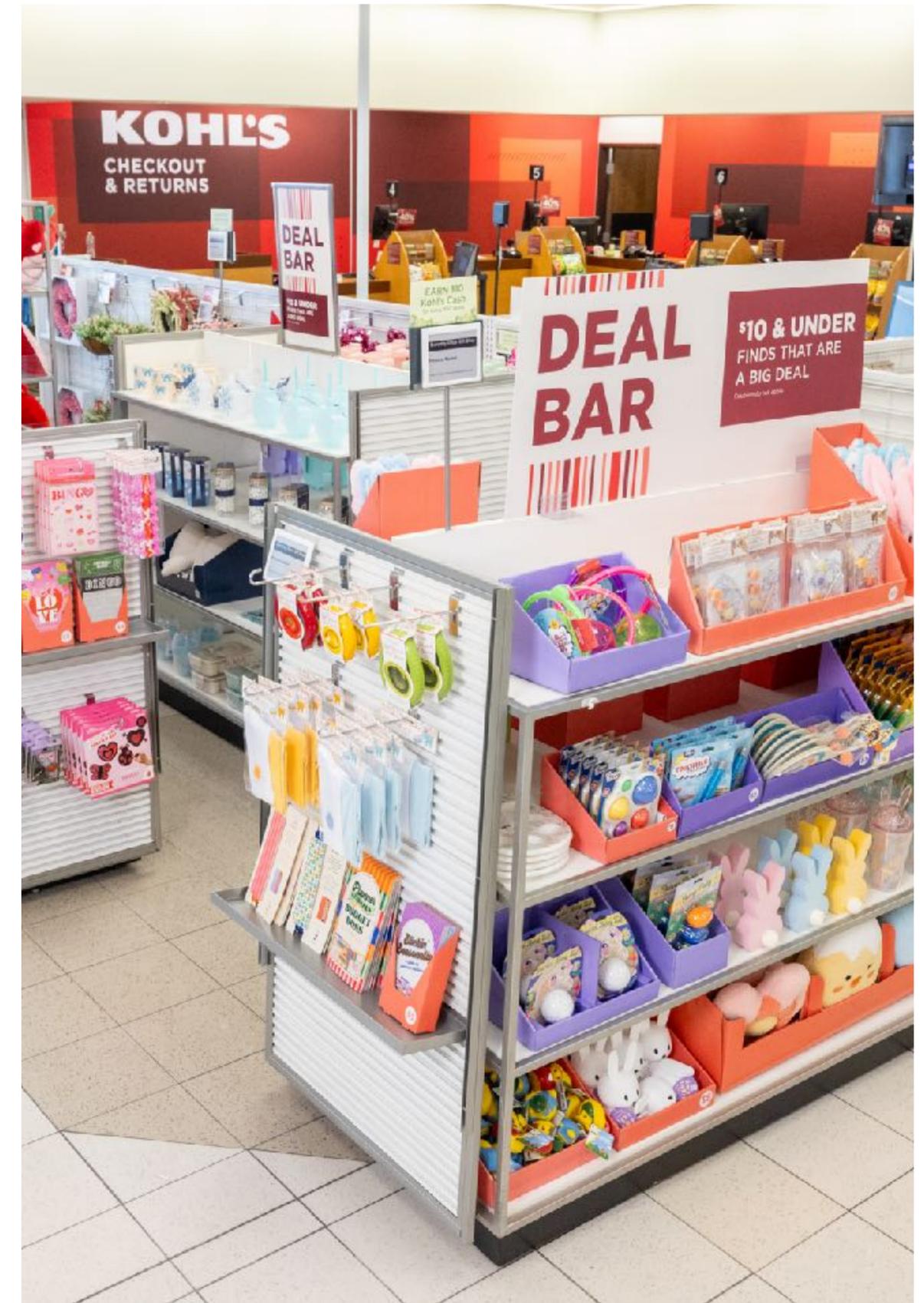
Offer a Curated, More Balanced Assortment That Fulfills Needs Across All Customers

Rebalance Our Assortment to Provide Improved Brand Clarity and Purpose

- Investing in key styles and categories while reducing redundancy to ensure we have a purpose behind each product and brand
- Broadening our denim assortment in Women's with more styles and fit in addition to launching Office Edit by So. which will provide compelling assortment for dress and casual in Junior's
- Investing in key item programs in Men's for proprietary brands like Tek Gear and Sonoma along with expanding successful brands like FLX with new offerings
- Differentiate our Kid's business by introducing proprietary brand merchandising statements that show an expanded assortment of under \$10 entry price points in So. and Sonoma, expanding brands like Jumping Beans into Baby, and launching our new proprietary brand Sea & Skye in Q1

Build on Growth Initiatives

- Successfully launched MAC, a leading makeup brand, in over 850 of our Sephora at Kohl's stores this month while driving newness by expanding proven brands like Tarte and Charlotte Tilbury
- Implementing our in-store Deal Bars and Impulse Toy Towers, specifically designed to offer items like seasonal home decor and toys priced under \$10





Reestablish Kohl's as a Leader in Value and Quality

Delivering More Consistent, Competitive Value

- Took actions in 2025 to enhance our promotional strategies and increase brand eligibility in our coupons
- Executing strategic adjustments that includes simplifying our promotional statements and deploying more personalized, real-time offers. This allows us to be significantly more targeted, rewarding our most loyal and deal-savvy customers, while ensuring a compelling value message breaks through to a broader customer base

Unlocking the Full Power of Our Proprietary Brands

- Increasing investments into our Proprietary brand inventory, marketing, and in-store experience
- Amplifying our LC Lauren Conrad and Tek Gear brands by improving signage in stores, highlighting key styles with mannequins, and adding “find your fit” communication to help customers find the product and fit they desire
- Expanding FLX to all stores in our Kid's business by Q2
- Supporting our Proprietary brands through our “By Kohl's” marketing campaign this spring to highlight the style, quality, fit, and aesthetic these brands deliver through strong cross-channel messaging and by creating a landing page on our website and app

Deliver a Frictionless Experience Across Our Omni-Channel Platforms

Restore Trip Assurance

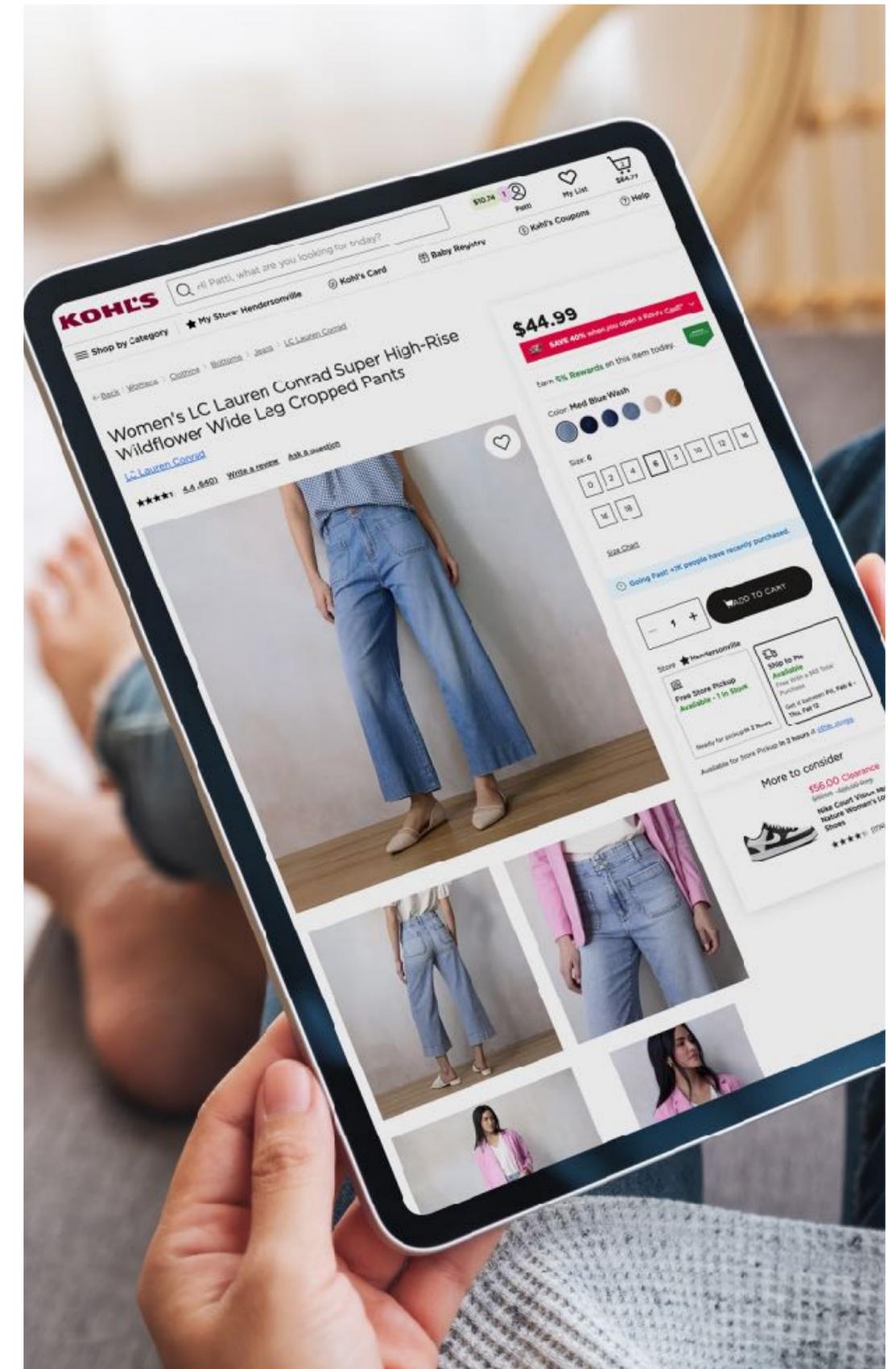
- Increasing our inventory investments into depth, while simultaneously curating our choice counts for greater clarity and relevance
- Successfully executed a substantially smoother transition of our spring receipts heading into 2026 which has led to a strong start for our Spring Seasonal categories

Improve Inventory Allocation

- Improving our inventory allocation processes to deliver a more consistent shopping experience and optimize our omni-channel fulfillment capabilities

Enhance Digital Experience

- Creating a seamless shopping experience by enhancing touch points across all digital platforms and elevating store-enabled services
- Modernizing our site structure and foundational data architecture to ensure our digital ecosystem is discoverable, high performing, and fully prepared for a future driven by AI and agent technology



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

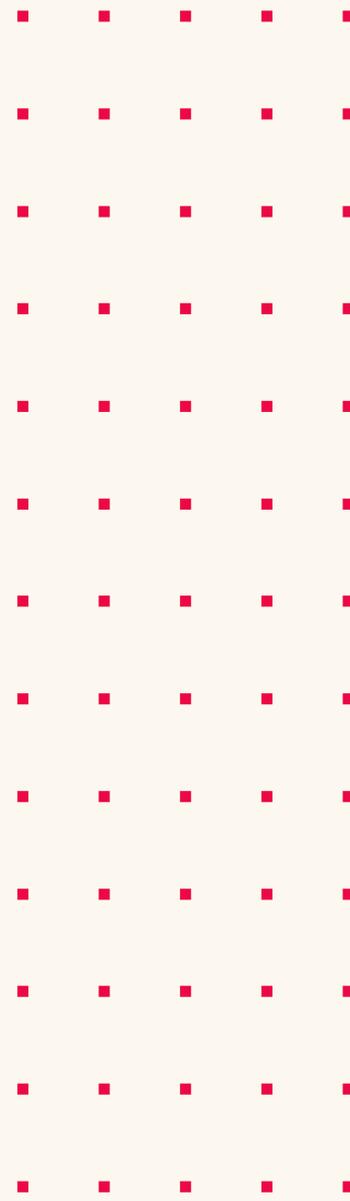
→ Reduce Debt

Capitalizing on opportunities to further reduce our debt and overall leverage.

→ Share Repurchases

We intend to resume share repurchases over the long-term, using excess cash flow following an improvement in overall leverage

APPENDIX



Reconciliation

Adjusted EBITDA	52 Weeks Ended	
	January 31, 2026	
<i>(Dollars in Millions)</i>		
Net Income (GAAP)	\$	272
Provision for income taxes		64
Interest expense, net		288
Depreciation and amortization		700
(Gain) on legal settlement		(129)
Impairments, store closing and other costs		15
Adjusted EBITDA (Non-GAAP)	\$	1,210

Reconciliation

Operating Income

(Dollars in Millions)

	Three Months Ended		Twelve Months Ended	
	January 31, 2026	February 1, 2025	January 31, 2026	February 1, 2025
Net Income (GAAP)	\$ 125	\$ 48	\$ 272	\$ 109
Provision for Income Taxes	28	4	64	5
Interest expense, net	59	74	288	319
Operating Income (GAAP)	212	126	624	433
(Gain) on legal settlement	0	0	(129)	0
Impairment, store closing and other costs	0	76	15	76
Adjusted Operating Income (Non-GAAP)	\$ 212	\$ 202	\$ 510	\$ 509

Reconciliation

Net Income

(Dollars in Millions)

	Three Months Ended		Twelve Months Ended	
	January 31, 2026	February 1, 2025	January 31, 2026	February 1, 2025
GAAP	\$ 125	\$ 48	\$ 272	\$ 109
Impairments, store closing and other costs	0	76	15	76
(Gain) on legal settlement	0	0	(129)	0
Income tax impact of items noted above	0	(18)	28	(18)
Adjusted (Non-GAAP)	\$ 125	\$ 106	\$ 186	\$ 167

Reconciliation

Diluted Earnings Per Share

	Three Months Ended		Twelve Months Ended	
	January 31, 2026	February 1, 2025	January 31, 2026	February 1, 2025
GAAP	\$ 1.07	\$ 0.43	\$ 2.38	\$ 0.98
Impairments, store closing and other costs	0.00	0.69	0.13	0.69
(Gain) on legal settlement	0.00	0.00	(1.13)	0.00
Income tax impact of items noted above	0.00	(0.17)	0.24	(0.17)
Adjusted (Non-GAAP)	\$ 1.07	\$ 0.95	\$ 1.62	\$ 1.50

KOHL'S[®]