KOHL'S

Q3 Results Presentation

November 24, 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," "2026 Holiday Preview," and "Capital Allocation Priorities," comments about Kohl's adequacy of capital resources, statements regarding our 2026 key initiatives and future opportunities, 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 Reports on Form 10-Q for the first quarter and second quarter of fiscal 2026, 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. Certain amounts set forth in this presentation may not foot or crossfoot due to rounding.

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 EBITDA, adjusted EBITDAR, adjusted diluted earnings per share, 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, lease liabilities, and cash and cash equivalents 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 historical non-GAAP measure to the most directly comparable GAAP measure is included in this presentation.







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“In the third quarter, we returned to top-line growth with a positive 1.2% comparable sales performance. As we make steady, tangible progress on our strategic initiatives, our customers are responding favorably, driving broad-based improvements across the business. While this is an encouraging milestone, we know crucial work remains ahead.

“Alongside the sales performance, our team operated with strong financial discipline, optimizing our cost structure, solidifying our balance sheet, and delivering strong cash generation. This operational rigor gives us the financial flexibility and confidence to continue investing in the business and deliver sustainable long-term shareholder value.”

Michael J. Bender

CHIEF EXECUTIVE OFFICER



Kohl's is building on a solid foundation



Convenient Nationwide Omni-Channel Reach

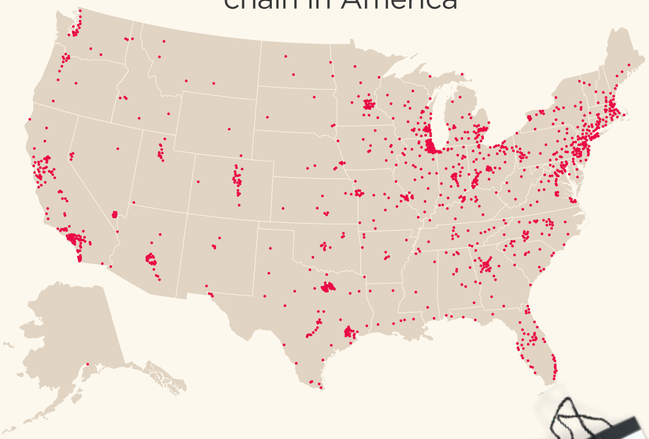
1,149 Stores

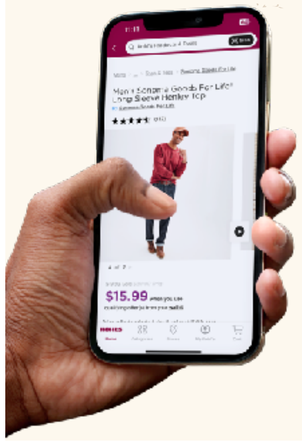
Largest department store chain in America

80%

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







20M+

Active App Users

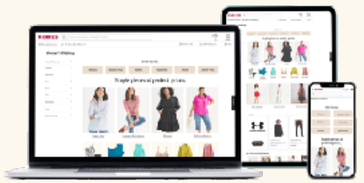
1,100+

Sephora @ Kohl's



27%

Digital Penetration



Great Product from Top Brands

NIKE · Levi's · UNDER ARMOUR · carter's · adidas · SEPHORA + KOHL'S · SONOMA GOODS FOR LIFE · jumping beans · FLX · NINE WEST · Croft & Barrow · SO · TEK GEAR

Delivering Great Value

30M+

Loyalty Members



All figures as of Q3 2026 unless otherwise noted

2026 KEY INITIATIVES

Offer a more curated, balanced assortment

KEY SIGNS OF PROGRESS

Every line of business delivered positive comparable sales and improved sequentially versus Q2

- Women's returned to growth with Juniors delivering its fourth straight quarter of high-single digit comparable sales growth
- Delivered strength in Men's through national brands like Haggar and proprietary brands like FLX and Tek Gear
- Continued outsized growth in Toys driven by LEGO, KPOP Demon Hunters, and squishies
- Improved Footwear by 700 basis points from last quarter with strong performances from Nike, Adidas, Skechers
- Strong performance in Home from newness and innovation in key national brands such as Shark, Ninja, and KitchenAid





FUTURE OPPORTUNITIES

Women's

- Continue to reduce choice counts and improve depth for Intimates and Sleepwear

Accessories

- Build on jewelry momentum with elevated fashion jewelry displays and fine jewelry caselines in over 300 stores

Sephora

- Expand gifting and value sets, new travel sized assortments, and exciting new brand launches



Reestablish Kohl's as a leader in value and quality

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

- Proprietary Brands match affordability with modern style, and continue to play an essential role in our assortment
  - Delivered 3.4% comparable sales growth for proprietary brands in Q3, driven by increasing inventory depth, in-store investments, and scaling marketing efforts
- Sharpened promotional offerings, including VIP Cardholder events, deepening engagement with Kohl's Card customers
- Broad and simplified value messaging during Kohl's Deal Days event
- Toy Towers and Deal Bars are driving momentum by providing compelling assortment of toys and home decor under $10





Deliver a Frictionless Experience Across Our Omni-Channel Platforms







Inventory & Allocation Optimization

- Drove stronger full-price selling across key seasonal categories from more timely, targeted inventory flows
- Investing into depth to deliver greater clarity and ensure core offerings are reliably in stock
- Refining inventory allocation algorithms to better support lower-volume stores to ensure a more consistent shopping experience

Elevating In-Store Experience

- Rolled out enhanced in-store environment in September highlighting Kohl's proprietary brands
- Testing strengthened brand and storytelling presentations for Nike and Levi's

Digital Modernization

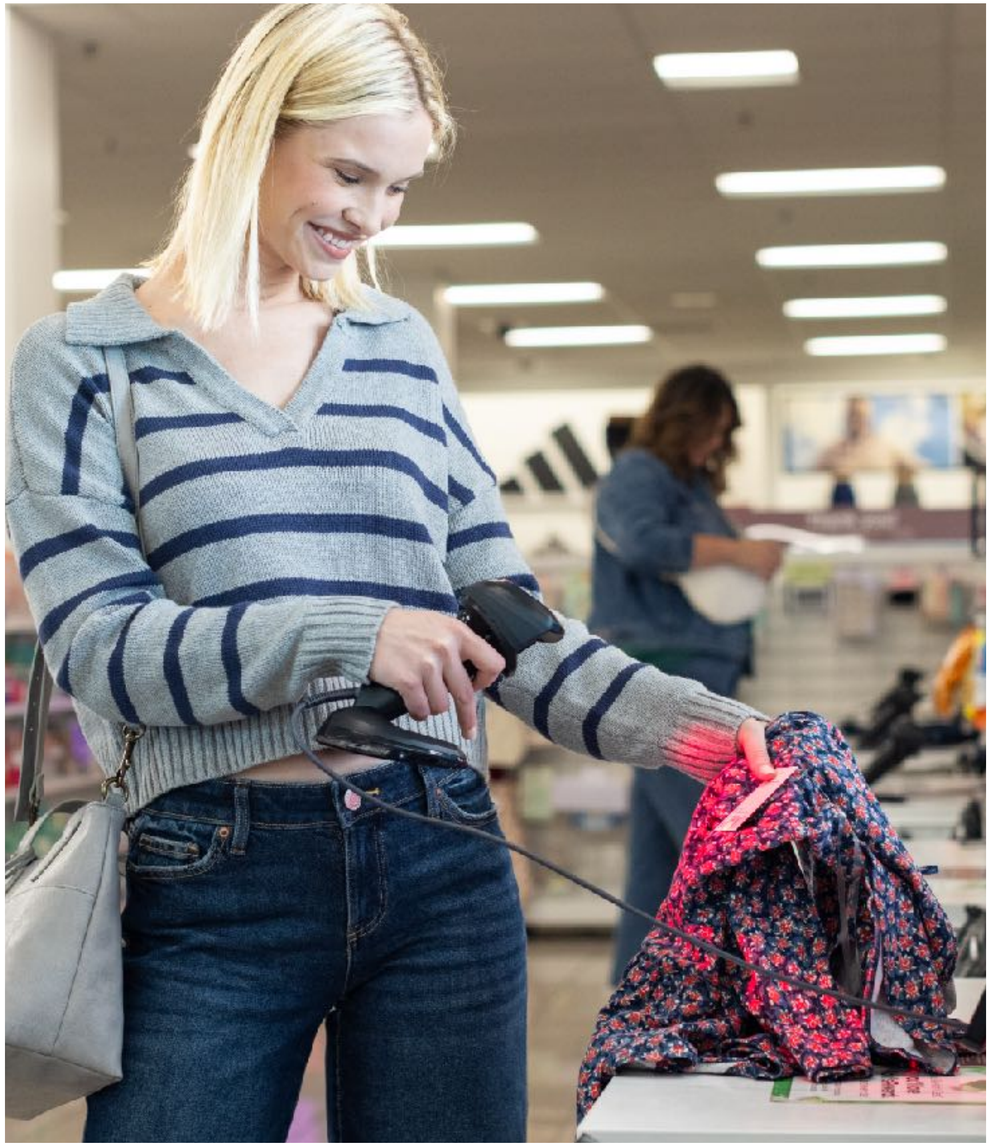
- Evolving digital ecosystem to inspire customers and provide flexibility in their shopping experience
- Driving higher conversion and revenue per visit with Ask Kohl's agentic shopping assistant online
- Prioritizing speed of delivery through partnerships with DoorDash, Instacart, and Uber Eats

Q3 2026 RESULTS

Q3 2026 Results

Key Financial Results

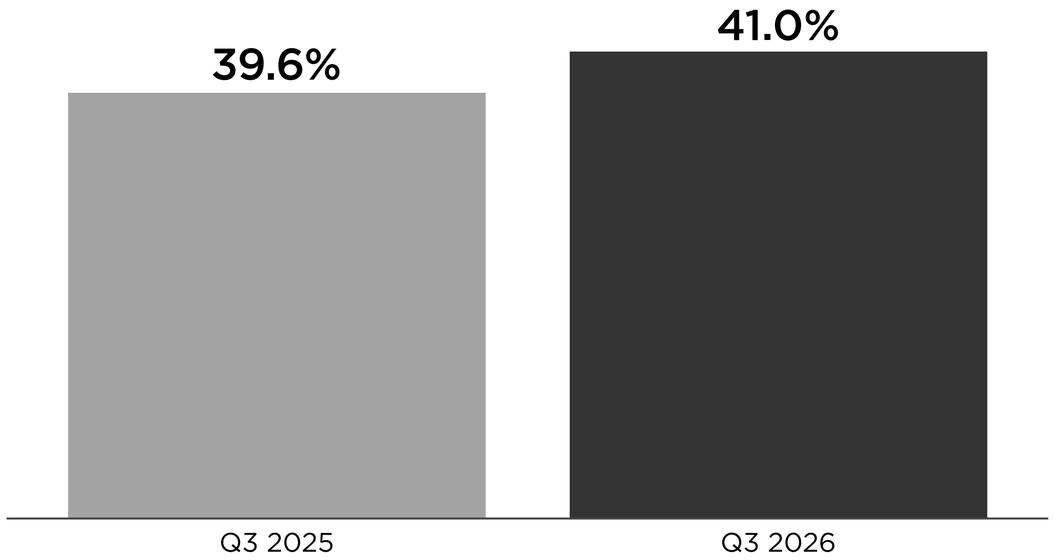
- Q3 Net Sales increased 1.3% and Comparable Sales increased 1.2% versus Q3 2025
- Gross Margin improved by 145 basis points in the third quarter
  - Gross margin benefitted $45 million or approximately 130 basis points from tariff refunds
  - The remaining increase was driven by outperformance of proprietary brands, stronger store sales, and increased buy online pickup in store sales, partially offset by higher fuel costs
- SG&A expense increased by 1.2% from investments into store payroll and media alongside higher supply chain costs due to fuel, partially offset by expense management across corporate and credit
- Diluted earnings per share of $2.15 for the quarter
  - Includes gain on sale of real estate of $0.39 per diluted share
  - Includes tax benefit of $1.16 per diluted share
  - Includes tariff refund benefit of $0.28 per diluted share



Q3 2026 Gross Margin & SG&A Expense Performance

Gross Margin

Increased 145 bps vs Q3 2025

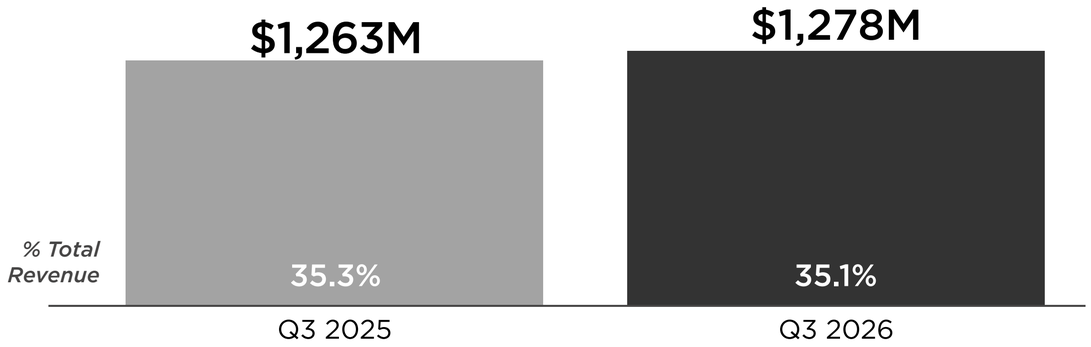


Q3 2026 Gross Margin Takeaways

- Gross Margin benefitted $45 million, or approximately 130 basis points, after receiving the majority of the remaining portion of tariff refunds
- Remaining increase driven by outperformance from proprietary brands, stronger store sales, and increased buy online pickup in store sales
- Partially offset by higher fuel costs

SG&A Expense

Leveraged 20 bps vs Q3 2025



Q3 2026 SG&A Takeaways

- Increased investments into store payroll and media to deepen customer engagement, improve customer satisfaction, and drive sales productivity
- Faced higher supply chain expenses due to elevated fuel costs
- Tightened expense management across corporate and credit 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 $5.0B currently reflects the lease periods probable to be exercised, which averages 17 years
- The lease payments for periods actually exercised, is $2.1B, which averages 4 years
- When adjusting for the actual lease periods exercised Kohl's Leverage Ratio is reduced to 1.7x, down from the Unadjusted Ratio of 3.4x

Net Debt + Leases to EBITDAR Leverage (1)

Rolling 12 months as of Q3 2026

(Dollars in Millions)	Unadjusted	Adjusted	
Adjusted EBITDA (1)	$ 1,364	$ 1,364	
Rent Expense	271	271	
Adjusted EBITDAR	**1,635**	**1,635**	
Long-term Debt	1,326	1,326	
Debt	1,326	1,326	
Less: Cash & Cash Equivalents	(723)	(723)	
Net Debt	**603**	**603**	
Net Debt / EBITDA Leverage	**0.4x**	**0.4x**	
Current and long-term Fin Leases & Fin Obs	2,339	1,047	Contractually obligated payments for Finance & Financing Obligation Leases
Current and long-term Operating Leases	2,671	1,100	Contractually obligated payments for Operating Leases
Net Debt + Leases	$ 5,613	$ 2,750	
Net Debt + Leases / EBITDAR Leverage	**3.4x**	**1.7x**	

(1) Adjusted EBITDA, Adjusted EBITDAR, and our Leverage Ratio (expressed as Net Debt + Leases / EBITDAR) are non-GAAP financial measures of liquidity. Refer to the Appendix for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.

Q3 2026 Key Metrics

Consolidated Statement of Operations

(Dollars in Millions)	Three Months Ended October 31, 2026	Three Months Ended November 1, 2025
Net Sales	$ 3,452	$ 3,407
Total Revenue	3,638	3,575
Gross Margin Rate	41.0%	39.6%
SG&A	1,278	1,263
Depreciation	168	176
Operating Income (GAAP)	217	73
Adjusted Operating Income (Non-GAAP)[1]	156	77
Interest Expense, net	65	75
(Benefit) for Income Taxes	(102)	(10)
Net Income (GAAP)	254	8
Diluted EPS (GAAP)	$ 2.15	$ 0.07
Adjusted Net Income (Non-GAAP)[1]	207	11
Adjusted Diluted EPS (Non-GAAP)[1]	$ 1.76	$ 0.10

Key Balance Sheet Items

(Dollars in Millions)	October 31, 2026	November 1, 2025
Cash and Cash Equivalents	$ 723	$ 144
Merchandise Inventories	3,853	3,895
Accounts Payable	2,081	1,842
Borrowings under revolving credit facility	0	45
Long-term Debt	1,326	1,522

Key Cash Flow items

(Dollars in Millions)	October 31, 2026 Nine Months Ended	November 1, 2025 Nine Months Ended
Net cash provided by operating activities	$ 463	$ 630
Acquisition of property and equipment	(253)	(308)
Free Cash Flow (Non-GAAP)[1]	**210**	**322**
Finance lease and Financing Obligations	(71)	(62)
Proceeds from Financing Obligations	0	10
Adjusted Free Cash Flow (Non-GAAP)[1]	**139**	**270**

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

2026 OUTLOOK

2026 Holiday Preview

Our focus is on solidifying Kohl's as the go-to destination for value, gifting, and convenience

- Meeting budget-conscious shoppers with clear, compelling $5 to $20 opening price point gifts and stocking stuffers
- Delivering newness to Holiday Gift Shop assortment this year, with the vast majority of items priced under $15
- Scaling gifting in key categories by expanding fine jewelry presence, Toy Towers featuring items under $10, and over 2,000 Sephora beauty gifts under $30
- Creating curated discovery hubs, such as Cozy Corner, Style Square, and Hosting Headquarters, designed to drive cross-category conversion
- Leaning into broader, simplified promotional messaging to help our value proposition cut through the holiday noise during peak volume moments including Black Friday, Cyber Week, and the post-Christmas clearance window







Updated Financial Outlook

Following Q3 results, Kohl's raises both top and bottom line expectations

FY 2026 GAAP OUTLOOK

- **Net sales and Comparable sales: In the range of flat to 0.5%**
- **Operating margin: In the range of 4.7% to 4.9%** which includes the benefit of:
  - 0.4% from gain on real estate
  - 1.0% from tariff refunds
- **Diluted EPS: In the range of $4.30 to $4.50** which includes the benefit of:
  - $0.40 from gain on real estate
  - $1.03 from tariff refunds
  - $1.17 from the tax benefit

IMPLIED Q4 2026 GAAP OUTLOOK

- **Net sales and Comparable sales: In the range of flat to up 2.0%**
- **Operating margin: In the range of 4.0% to 4.4%** which includes the benefit of:
  - ~0.25% from tariff refunds
- **Diluted EPS: In the range of $0.95 to $1.15** which includes the benefit of:
  - ~$0.10 from tariff refunds

Strong Balance Sheet provides us a critical foundation to invest in the business, lead with value for our customers, and return capital to our shareholders



Capital Allocation Priorities

1. Invest in the Business

Continue to prioritize our investment into the business with $365 million to $375 million of Capital Expenditures in 2026

2. Optimizing Return of Cash

We remain committed to returning capital to shareholders through our dividend, with an annual cash dividend of $0.50 per share

3. Reduce Debt

Year to date, Kohl's has repurchased $113 million of debt at a discount of $15 million. Kohl's will continue to evaluate the market to address long-term debt, including our 2030 notes which become callable in June 2027.

4. Share Repurchases

Repurchased $39 million in Q3 under our current $3 billion authorization, with plans to repurchase up to $100 million in 2026

APPENDIX

Reconciliation

Comparable Sales	Three Months Ended	Nine Months Ended
(Dollars in Millions)	October 31, 2026	October 31, 2026
Increase (Decrease) in Comparable Sales	1.2%	(0.2%)
Impact of growth in Marketplace Gross Merchandise Value ("GMV") on Comparable Sales [1]	0.6%	0.6%
Increase in Comparable Sales including Marketplace	**1.8%**	**0.3%**

(1) Represents an operational metric used by management to help evaluate the impact of marketplace sales in relation to comparable sales, reflecting the impact of including the growth in marketplace sales using GMV. In our financial statements prepared in accordance with GAAP, we include these commissions (rather than the GMV) in Other Revenue. We do not, however, include any amounts in respect of marketplace sales in our comparable sales in accordance with GAAP. The amount of commissions earned on marketplace sales is not material to our Other Revenue for the periods presented.

Reconciliation

Adjusted EBITDA *(Dollars in Millions)*	52 Weeks Ended October 31, 2026
Net Income (GAAP)	$ 516
(Benefit) for Income Taxes	(30)
Interest Expense, net	250
Depreciation and Amortization	689
(Gain) on Sale of Real Estate	(61)
Adjusted EBITDA (Non-GAAP)	**$ 1,364**

Reconciliation

Operating Income

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Net Income (GAAP)	$ 254	$ 8	$ 391	$ 147
(Benefit) Provision for Income Taxes	(102)	(10)	(58)	36
Interest Expense, net	65	75	191	229
Operating Income (GAAP)	217	73	524	412
(Gain) on Sale of Real Estate	(61)	0	(61)	0
(Gain) on Legal Settlement	0	0	0	(129)
Impairment, Store Closing, and Other Costs	0	4	0	15
Adjusted Operating Income (Non-GAAP)	**$ 156**	**$ 77**	**$ 463**	**$ 298**

Reconciliation

Net Income

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
GAAP	$ 254	$ 8	$ 391	$ 147
(Gain) on Sale of Real Estate	(61)	0	(61)	0
(Gain) on Legal Settlement	0	0	0	(129)
Impairments, Store Closing, and Other Costs	0	4	0	15
Income Tax Impact of Items Noted Above	14	(1)	14	28
Adjusted Net Income (Non-GAAP)	**$ 207**	**$ 11**	**$ 344**	**$ 61**

Reconciliation

Diluted Earnings Per Share	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
GAAP	$ 2.15	$ 0.07	$ 3.33	$ 1.30
(Gain) on Sale of Real Estate	(0.52)	0.00	(0.52)	0.00
(Gain) on Legal Settlement	0.00	0.00	0.00	(1.14)
Impairments, Store Closing, and Other Costs	0.00	0.04	0.00	0.14
Income Tax Impact of Items Noted Above	0.13	(0.01)	0.13	0.24
Adjusted Diluted Earnings Per Share (Non-GAAP)	**$ 1.76**	**$ 0.10**	**$ 2.94**	**$ 0.54**

KOHL'S