Cautionary Statement Regarding Forward-Looking Information

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believes," "anticipates," "plans," "may," "intends," "will," "should," "expects," and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, but are not limited to, comments about Kohl's future financial plans, capital generation, management and deployment strategies, adequacy of capital resources and the competitive environment, including statements related to the ongoing implications of the novel coronavirus (COVID-19). Such statements are subject to certain risks and uncertainties, which could cause Kohl's actual results to differ materially from those anticipated by the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in Item 1A in Kohl's Annual Report on Form 10-K, which is expressly incorporated herein by reference, and other factors as may periodically be described in Kohl's filings with the SEC. Any number of risks and uncertainties could cause actual results to differ materially from those Kohl's expresses in its forward-looking statements, including the ability of Kohl's to successfully navigate the impact of COVID-19; the short and long-term impact of COVID-19 on the economy, and retail and economic activity; changes in consumer behavior and confidence, including those changes related to rising unemployment rates; the duration and scope of COVID-19, and the pace of recovery thereafter; the actions that governments, businesses and individuals take in response to COVID-19, including store closures and limiting or prohibiting certain retail activities; general economic uncertainty and a worsening of economic conditions or low levels of economic growth; the effects of steps Kohl's takes to reduce operating costs and increase its cash position; competitive conditions in the retail industry; relationships with Kohl's associates, customers, vendors, lenders, and stockholders; and the availability of capital to operate Kohl's business. Forward-looking statements speak as of the date they are made, and Kohl's undertakes no obligation to update them.

Non-GAAP Financial Measures

In addition, this presentation contains non-GAAP financial measures, including Adjusted EPS. Reconciliations of all non-GAAP measures to the most directly comparable GAAP measures are included in the Appendix of this presentation.
Key Historical Highlights

- Leading omnichannel retailer with 65 million customers in 2019
- Accelerating, high growth digital business with sales penetration of 24% in 2019
- History of strong free cash flow generation and prudent capital management
- Demonstrated commitment to Investment Grade: $940M+ debt paid down in 2018-2019
- Unmatched brand portfolio with collection of strong private and national brands
- Convenient, off-mall stores located primarily in suburban neighborhood strip centers
- Industry leading loyalty program, including strong Kohl’s Charge Card sales penetration of 56% in 2019
- Strong culture with best-in-class customer and associate engagement
COVID-19 Update
Our Top Priorities

Protecting the health and safety of our associates and customers

Preserving our financial position
Closed all of our stores on March 20th
- Temporarily furloughed 85,000 associates on March 30th and supported them with two calendar weeks of pay and continuation of existing health benefits

Reopened about 50% of our stores across the country since May 4, 2020
- Following a set of criteria, including state guidelines, health data, store readiness, and field insights
- Significant enhancements to the store environment and operations made to prioritize the health and safety of Kohl's customers and associates
  - Limited store hours
  - Social distancing measures
  - Elevated cleaning and sanitization measures
  - Associate wellness and temperature checks, safety training and the use of masks
Preserving Financial Position

**Drive Digital Sales**
- Leaned into Digital business and quickly updated digital site content to reflect customer interest
- Launched Store Drive Up on April 2nd in most stores

**Reduced Cash Outflow**
- Inventory: Managed receipts lower and extended payment terms
- SG&A: Significantly reduced expenses across all areas
- Capex: Lowered 2020 forecast by $500 million
- Dividend: Suspended beginning in Q2 2020
- Share repurchases: Suspended

**Increased Financial Liquidity**
- Revolver: Replaced, securitized, and upsized to $1.5 billion
- New Debt: Issued $600 million notes due 2025
Q1 2020 Results
Q1 2020 Results

Key Takeaways

• Entered 2020 in a strong financial position with business tracking to expectations prior to the crisis
• Immediately responded with aggressive actions to significantly enhance financial flexibility
• Positive operating cash flow in Q1 achieved through collective actions
• Ended quarter with $2.0 billion in cash and $500 million of availability on our revolver

Q1 2020 Results

• COVID-19 materially impacted results as all stores were closed beginning on March 20th
• Total revenue (41%), with net sales (43%) and other revenue flat
• Digital sales +24%, and accelerated to +60% in the month of April
• Gross margin significantly contracted due to COVID-19 impact
• SG&A expense declined 16% in Q1, yet declined 19.5% excluding COVID-19 expenses
• Adjusted EPS\(^1\) ($3.22) vs. $0.61 in prior year
• Inventory declined 3% year-over-year and receipts were down over 30%

\(^1\) Adjusted EPS is a non-GAAP financial measure. Please refer to the reconciliation included in the Appendix for more information.
## Q1 2020 Key Metrics

### Consolidated Statement of Operations

(Dollars in Millions, Except EPS data)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 2, 2020</td>
<td>May 4, 2019</td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>$ 2,160</td>
<td>$ 3,821</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>2,428</td>
<td>4,087</td>
<td></td>
</tr>
<tr>
<td>Gross Margin Rate</td>
<td>17.3%</td>
<td>36.8%</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A Expenses</td>
<td>1,066</td>
<td>1,275</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>227</td>
<td>230</td>
<td></td>
</tr>
<tr>
<td>Impairments, Store Closings, and Other Costs</td>
<td>66</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Operating (Loss) Income</td>
<td>$ (718)</td>
<td>$ 118</td>
<td></td>
</tr>
<tr>
<td>Interest Expense, Net</td>
<td>58</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>(235)</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Net (Loss) Income</td>
<td>$ (541)</td>
<td>$ 62</td>
<td></td>
</tr>
<tr>
<td>Diluted (Loss) Earnings per Share</td>
<td>($3.52)</td>
<td>$0.38</td>
<td></td>
</tr>
<tr>
<td>Adjusted Net (Loss) Income (Non-GAAP)</td>
<td>$ (495)</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Diluted Adjusted (Loss) Earnings per Share (Non-GAAP)</td>
<td>($3.22)</td>
<td>$0.61</td>
<td></td>
</tr>
</tbody>
</table>

### Key Balance Sheet Items

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>May 2, 2020</th>
<th>May 4, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 2,039</td>
<td>$ 543</td>
</tr>
<tr>
<td>Merchandise Inventories</td>
<td>3,557</td>
<td>3,680</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>1,866</td>
<td>1,295</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>3,449</td>
<td>1,855</td>
</tr>
</tbody>
</table>

Adjusted EPS is a non-GAAP financial measure. Please refer to the reconciliation included in the Appendix for more information.
### Q1 Gross Margin

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 Margin</th>
<th>2020 Margin</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019 Gross Margin</td>
<td>36.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory Actions</td>
<td>(~1,500) bps</td>
<td>(~200) bps</td>
<td>(-1,300)</td>
</tr>
<tr>
<td>Cost of Shipping</td>
<td>(~250) bps</td>
<td></td>
<td>(-250) bps</td>
</tr>
<tr>
<td>Mix / Other</td>
<td>(~200) bps</td>
<td></td>
<td>(-150) bps</td>
</tr>
</tbody>
</table>

**Q1 2020 Gross Margin**: 17.3%

- **Inventory Actions**: (~1,500) bps
  - Usual clearance permanent markdowns in February spread across significantly lower sales due to COVID-19
  - Established a reserve for excess seasonal inventory given the lower sales demand due to COVID-19

- **Cost of Shipping**: (~250) bps
  - Cost of shipping pressure driven by significant shift of sales to Digital in Q1 2020 (45% of total sales) vs. Q1 2019 (21% of total sales) due to store closures related to COVID-19

- **Mix / Other**: (~200) bps
  - Unfavorable product mix as Home category outperformed and increased promotional activity
Enhanced Liquidity Position

Key Q1 2020 Balance Sheet & Cash Flow Items

February 1, 2020

**Beginning Cash**  $723M

**Sources**
- Revolver  $1,000M
- New Debt  $600M
- Operating Cash Flow  $53M

**Uses**
- Capex  ($162M)
- Dividend  ($108M)
- Share Repurchase  ($8M)

May 2, 2020

**Ending Cash**  $2,039M

**Key Takeaways**
- Long history of disciplined and prudent capital management
- More than two decades of maintaining Investment Grade rating
- Swift and aggressive actions taken to ensure appropriate financial liquidity to manage through crisis
- Confident that actions taken will successfully preserve financial position of the company
Strategic Highlights
Kohl’s is a leading omnichannel retailer with a strong foundation, and a large and loyal customer base of 65 million.

An unmatched brand portfolio at the best value

Easy and inspiring experiences

Leading loyalty program

Based on 2019 Figures
Strategic Focus Areas

- Strengthening product leadership
- Elevating the experience
- Leading the next generation of loyalty
- Operating with excellence
Brands

Strong collection of private brands

$7B private brand sales

4 of top 5 brands are private

Two $1B brands

Based on 2019 Figures
Brands

Strong collection of national brands

- Nike
- Levi’s®
- Under Armour
- Carter’s
- adidas
- Skechers
- Columbia
- Nine West
- KitchenAid®
- IZOD
- Vans
- Hanes
The power of our store base

- 1,159 stores in 49 states
- 80% of Americans live within 15 miles of a Kohl’s Store
- 95% of Kohl’s stores are off mall
- 99% of stores 4-wall cash-flow positive in 2019
- 35%+ of digital orders fulfilled by stores
- Digital sales are higher with proximity to stores

Based on 2019 Figures
Customer behaviors are influencing their expectations of the retail experience

- **Shift to digital**: 50% of Kohl's digital sales are on mobile
- **Mobile use increase**: 70%+ of Kohl's traffic occurs through smartphones
- **Social media influence**: 16M active Kohl's App users

*Based on 2019 Figures*
Digital has been key growth driver

Digital sales

Sales penetration

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital Sales</th>
<th>Sales Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2.1B</td>
<td>11%</td>
</tr>
<tr>
<td>2015</td>
<td>$2.7B</td>
<td>24%</td>
</tr>
<tr>
<td>2016</td>
<td>$3.0B</td>
<td>17% CAGR</td>
</tr>
<tr>
<td>2017</td>
<td>$3.6B</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$4.0B</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$4.5B</td>
<td>24%</td>
</tr>
</tbody>
</table>
Kohl’s has a leading loyalty program

- Loyalty program 4 years running
- 30M members
- 56% Kohl’s Charge card penetration

Based on 2019 Figures
Source: Bond Loyalty Report
Recent investments are paying off

<table>
<thead>
<tr>
<th>Active</th>
<th>Beauty</th>
<th>Digital</th>
<th>Amazon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales nearly doubled since 2013</td>
<td>Sales increased nearly 40% in past 5 years</td>
<td>Achieved 17% 5-year sales CAGR</td>
<td>Innovation to drive traffic into stores</td>
</tr>
</tbody>
</table>

Based on 2019 Figures
Due to COVID-19, the Company has reduced its investment in the business and has suspended its dividend and share repurchase program.
Appendix
## Adjusted Net (Loss) Income and Diluted (Loss) Earnings per Share, Non-GAAP Financial Measures
(Unaudited)

<table>
<thead>
<tr>
<th>(Dollars in Millions, Except per Share Data)</th>
<th>Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 2, 2020</td>
</tr>
<tr>
<td><strong>Net (Loss) Income</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$ (541)</td>
</tr>
<tr>
<td>Impairments, store closing, and other costs</td>
<td>46</td>
</tr>
<tr>
<td>Adjusted (non-GAAP)</td>
<td>$ (495)</td>
</tr>
<tr>
<td><strong>Diluted (Loss) Earnings per Share</strong></td>
<td></td>
</tr>
<tr>
<td>GAAP</td>
<td>$ (3.52)</td>
</tr>
<tr>
<td>Impairments, store closing, and other costs</td>
<td>0.30</td>
</tr>
<tr>
<td>Adjusted (non-GAAP)</td>
<td>$ (3.22)</td>
</tr>
</tbody>
</table>