

# KOHLS CORP

## FORM 8-K (Current report filing)

Filed 10/20/20 for the Period Ending 10/20/20

Address N56 W17000 RIDGEWOOD DR  
MENOMONEE FALLS, WI, 53051  
Telephone 262 703 7000  
CIK 0000885639  
Symbol KSS  
SIC Code 5311 - Retail-Department Stores  
Industry Department Stores  
Sector Consumer Cyclicals  
Fiscal Year 01/29

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): October 20, 2020**

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**KOHL'S CORPORATION**

**(Exact name of registrant as specified in its charter)**

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**Wisconsin**  
(State or other jurisdiction  
of incorporation)

**001-11084**  
(Commission  
File Number)

**39-1630919**  
(IRS Employer  
Identification No.)

**N56 W17000 Ridgewood Drive  
Menomonee Falls, Wisconsin**  
(Address of principal executive offices)

**53051**  
(Zip Code)

**Registrant's telephone number, including area code: (262) 703-7000**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock, \$.01 par value</b>	<b>KSS</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01. Regulation FD Disclosure.**

On October 20, 2020, Kohl's Corporation (the "Company") released an investor presentation sharing the Company's new strategic framework (the "Investor Presentation"). The Investor Presentation will be used from time to time in meetings with investors. A copy of the Investor Presentation is furnished herewith as Exhibit 99.1.

The information in Item 7.01, including the exhibit attached hereto, is furnished solely pursuant to Item 7.01 of Form 8-K. Consequently, such information is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. Further, the information in Item 7.01, including the exhibit, shall not be deemed to be incorporated by reference into the filings of the registrant under the Securities Act of 1933.

**Cautionary Statement Regarding Forward-Looking Information**

*This current report on Form 8-K 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," "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. 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, and in Item 1A of Part II in the Company's Quarterly Report on Form 10-Q for the quarter ended May 2, 2020, which are 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 short and long-term impact of COVID-19 on the economy and the pace of recovery thereafter. Forward-looking statements speak as of the date they are made, and Kohl's undertakes no obligation to update them.*

**Item 9.01. Financial Statements and Exhibits.**

Exhibit No.	Description
99.1	<a href="#">Investor Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 20, 2020

KOHL'S CORPORATION

By: /s/ Jason J. Kelroy

Jason J. Kelroy  
Senior Executive Vice President,  
General Counsel and Corporate Secretary



**KOHL'S**  
**Investor Presentation**  
October 2020



#### **Cautionary Statement Regarding Forward-Looking Information**

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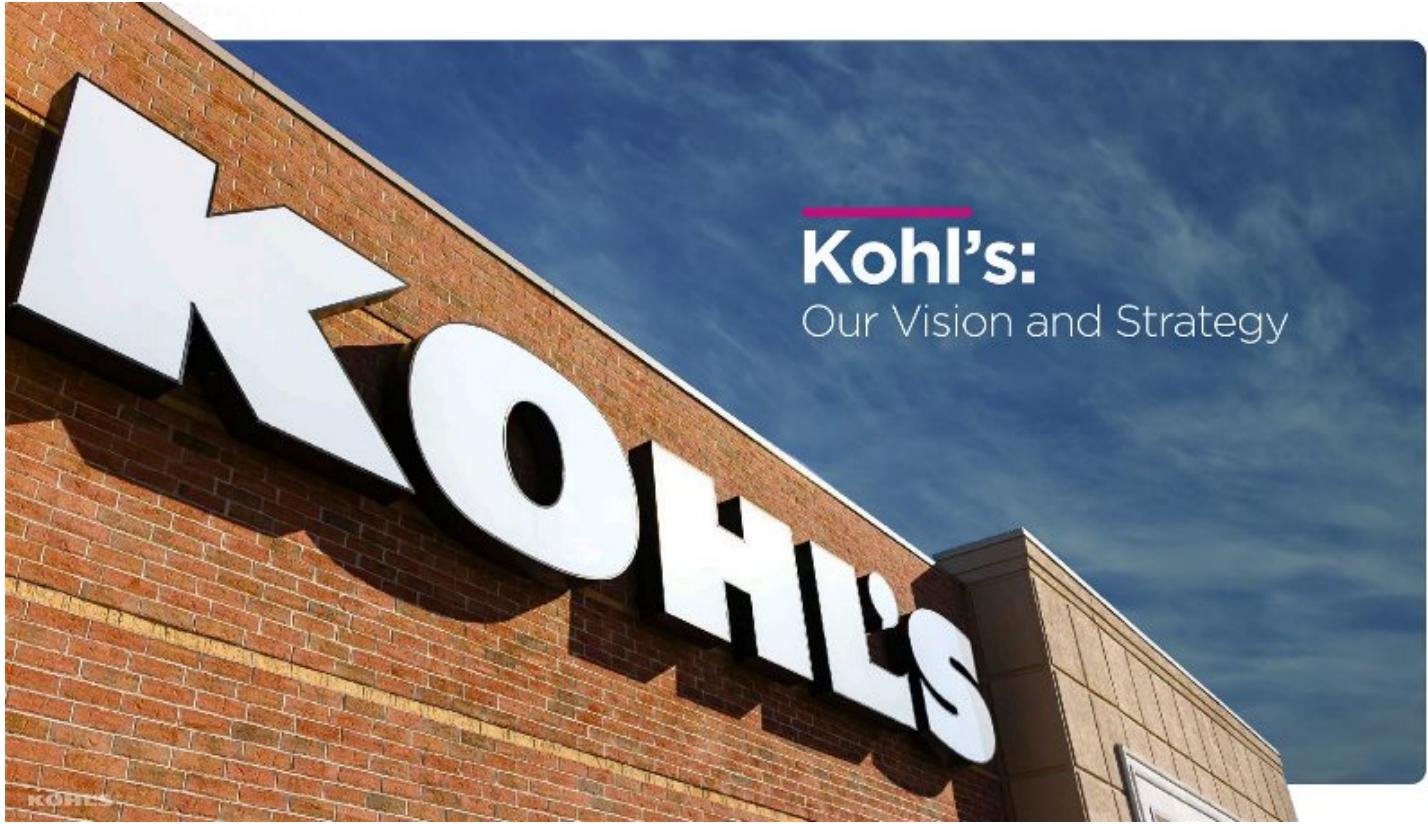
#### **Non-GAAP Financial Measures**

In addition, this presentation contains non-GAAP financial measures, including adjusted operating income, free cash flow, and leverage ratio. Reconciliations of all non-GAAP measures to the most directly comparable GAAP measures are included in the Appendix of this presentation.



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A large, white, 3D-style sign for "Kohl's" is mounted on the side of a red brick building. The sign is illuminated from behind, creating a bright glow against the dark sky. The building has a white trim along the roofline and a small entrance visible on the right. The sky is a deep blue with some wispy clouds.

# Kohl's:

Our Vision and Strategy

# The most trusted retailer of choice for the active and casual lifestyle

- Destination for active, casual and beauty for the entire family — from the most trusted brands, always delivering quality and discovery
- Leading with loyalty and value through best-in-class rewards program
- Differentiated omni-channel experience — easy and inviting, no matter how our customers want to shop



**Our Strategy****The most trusted retailer of choice  
for the active and casual lifestyle**

Drive Top Line Growth	Expand Operating Margin	Disciplined Capital Management	Strong Organizational Core
<p><b>Destination for Active &amp; Casual Lifestyle</b></p> <ul style="list-style-type: none"> <li>Expand Active and Outdoor</li> <li>Reignite growth in Women's</li> <li>Build a sizable Beauty business</li> <li>Drive category productivity and inventory turn</li> <li>Capture market share from retail industry disruption</li> </ul>	<p><b>Leading with Loyalty &amp; Value</b></p> <ul style="list-style-type: none"> <li>Best-in-class loyalty</li> <li>Drive productivity through deeper engagement</li> <li>Deliver personalized experiences</li> </ul>	<p><b>Differentiated Omni-channel Experience</b></p> <ul style="list-style-type: none"> <li>Healthy store base in evolving landscape</li> <li>Modernize the store experience</li> <li>Continue digital growth</li> <li>Further enhance omni-channel capabilities</li> </ul>	<p><b>Operating Margin Goal of 7% to 8%</b></p> <ul style="list-style-type: none"> <li>End-to-end supply chain transformation</li> <li>SG&amp;A efficiency through store labor, marketing, and technology</li> <li>Operational excellence</li> </ul>

**Creating Long-term Shareholder Value**

S Solid cash flow generation



M Maintain strong balance sheet



KOHLS

# We are uniquely positioned to be the retailer of choice for the active and casual lifestyle



## For the entire family

We serve the entire family across a breadth of categories: Women's, Men's, Kids, Home, and Beauty



## Accessible and aspirational brand portfolio

We offer an unmatched brand portfolio that is accessible and aspirational to families every day



## Omni-channel ease

We have a best-in-class omni-channel platform reaching 65 million customers nationwide



## Positioned for growth

We're focusing on growth categories, and our flexible store and digital assets allow us to continue to evolve with the customer



KOHL'S

Figures based on 2019 results

## Kohl's has a powerful foundation to accelerate growth

<b>65M</b>	Active Customers
<b>30M</b>	Loyalty Members
<b>29M</b>	Kohl's Charge Card holders
<b>16M</b>	Kohl's App Users
<b>80%</b>	Of Americans living within 15 miles of a Kohl's store
<b>1,163</b>	Nationwide base of convenient store locations
<b>600M</b>	Store visits
<b>24%</b>	Digital sales penetration
<b>1.5B</b>	Website visits per year

Socially Engaged

12M Facebook Followers    1.5M Instagram Followers    10M Monthly Pinterest Views    1M Twitter Followers



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# We are building on areas with proven momentum



## Active

- We're already a major player in Active as a top retailer of Nike, Under Armour, and Adidas
- Sales nearly doubled since 2013 to 20% of our business



## Beauty

- Our recent focus is gaining traction and our customers are responding
- Sales increased nearly 40% over the past 5 years



## Digital

- We've continued to innovate and enhance the customer experience
- Digital sales grew more than 100% over the past 5 years to \$4.5 billion



## Innovation

- Leveraging our store footprint (e.g. Amazon Returns)
- Using our omni-channel platform to bring discovery to our customers (e.g. Curated by Kohl's)
- Constantly testing and implementing new ideas to better serve the customer (e.g. Store Drive Up)

# The COVID-19 crisis has further accelerated the path we're on



## Active and Casual

- We have grown Active at a 10% CAGR over the past 3 years
- The Activewear market is expected to grow at a 3.3% CAGR through 2023\*
- The trend towards casualization has accelerated as a result of the COVID-19 crisis, and Kohl's is a known casual destination



## Digital and omni-channel acceleration

- Our omni-channel customers spend 6x more than our digital-only customers and 4x more than our store-only customers
- We added 4 million new digital customers during the first half of 2020
- Launched Store Drive Up in April 2020
- Stores fulfilled 50% of digital sales in Q2 2020



## Importance of value

- Customers consistently rate Kohl's as a leader in delivering compelling value
- We have been recognized as the #1 leader in loyalty in our retail sector for the past 4 years\*
- Launched Kohl's Rewards nationwide in September 2020



## Shopping safely

- Made significant enhancements to the store environment and operations as we reopened
- Strong customer satisfaction with our new safety and cleanliness procedures
- We received an "A" grade from ShopSafely, an organization that scores retailers on the safety of their shopping experience during the COVID-19 pandemic



Drive  
Top Line  
Growth

# Drive Active to be at least 30% of our business

Active sales have increased at a 10% CAGR over the past three years, growing to 20% of our total sales in 2019



**Fuel growth with key national brands**

- Innovation and discovery across brands and categories for the entire family
- Assortment expansion
- Unique collaborations
- Increase dedicated space
- Differentiated experiences



**Amplify opportunity in athleisure**

- Introduce **FLX**, a new athleisure private brand in Spring 2021
- Grow existing brands (e.g. Champion, Vans)
- Curate and introduce emerging brands



**Grow Outdoor**

- Expand Columbia across categories
- Scale Lands' End
- Starting with 150 stores in Fall 2020 with room to grow
- Currently offering full catalog online



**Expand inclusive sizes**

- Maximize underserved market and high-growth opportunity
- Inclusive sizing sales have outpaced our category growth and is expected to continue
- Increase space and choices in Plus and Big & Tall

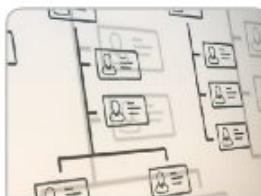


**Extended assortment online**

- More size and color options
- Additional styles
- Partnerships
- Maximize team sports / Fanatics opportunity
- Continuous testing of new ideas

# We are taking a new and bolder approach to reignite growth in our Women's business

Women's sales declined at a 1.8% CAGR over the past three years versus rest of company increase of +1.4% CAGR



## Restructured organization

- Integration of merchandising, planning, and product development under a single source of accountability
- New leadership team with extensive industry experience



## Brand portfolio reinvention

- Exiting eight downrending private brands
- Introducing new relevant brands appealing to both core customers and new, younger customers
- Will continue to iterate and evolve portfolio to ensure relevancy



## Partnering with Influencers to drive engagement

- Zoe Saldana x Adidas
- Cara Santana x Apt. 9
- Sonoma x Now + Gen
- More in development
- Drive awareness through social media



## Drive clarity and productivity

- Reduce inventory and improve inventory turns
- Reduce choice counts by 40% and increase depth by 50% in Q4 2020



## Enhance shopability and discovery

- By the end of 2020, enhance the Women's experience through:
  - Improving outfitting solutions with increased mannequins
  - New merchandising
  - Greater storytelling

# Build a sizable Beauty business, with the goal of tripling sales and driving incremental traffic



## We have momentum and our customers are ready

- Demonstrated ability to grow the business with nearly 40% growth over the past 5 years
- Successful results from 12 elevated beauty experience stores

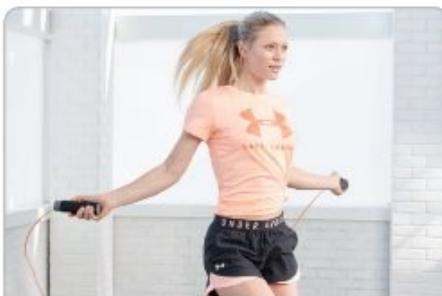
## Elevate and expand assortment

- Leadership position in fragrance today
- Expand color and skincare
- Introduce additional relevant national brands
- Leverage success with Lauren Conrad into beauty
- Curate unique digital offerings

## Invest in inspiring and elevated store experience

- 2,000+ sq. ft. in prime front of store location
- Premium flexible fixtures
- Trained beauty advisor engagement
- Enhanced lighting and leveraging technology

# Drive category productivity and inventory turn through strategic category and brand introductions and exits



## Category transformation

- We are leaning into growth categories such as Active, Casual, and Beauty
- We are streamlining less productive categories such as men's dress, handbags, and fine jewelry



## Brand portfolio transformation

- We are exiting downtrending brands with eight previously announced and more to come
- We are amplifying our focus on core existing brands
- We continue to introduce new relevant brands in 2020 and beyond (Lands' End, TOMS, and Cole Haan)



## Inventory management

- Drive inventory productivity by:
  - Increasing inventory turn by focusing on faster growing, higher turn products and categories
  - Improving clarity by increasing depth and reducing choice count
  - Introducing fresher product by decreasing cycle time
  - Leveraging technology to drive dynamic inventory allocation leading to higher regular sell through and reduced clearance levels

# Capture market share from retail industry disruption

We have benefited from competitor store closures in the past and seek to capitalize on future opportunities

“U.S. retail bankruptcies, store closures hit record in first half of 2020.”

“As many as 25,000 U.S. stores may close in 2020, mostly in malls.”

“Retail was changing – but COVID-19 is making it unrecognizable.”



Here today. Here to stay.  
**KOHL'S**



## Share Capture Strategy

- Highlight the strength and longevity of our brand
- Drive awareness and consideration through local marketing (radio, television, and out of home)
- Geo-target competitors' customers in digital video, social, and display
- Personalize emails to gain share of wallet from Kohl's customers who also shop competitors

# Our industry-leading loyalty program is a key value differentiator



## Great Everyday Value

- Deliver compelling pricing and offers to 65 million customers
- Have built a responsive and agile model to optimize pricing and promotions
- Focused on driving offer efficiency
- Customers consistently rate Kohl's as a leader in delivering compelling value



## Kohl's Cash

- Iconic and differentiated loyalty device that provides a fly-wheel effect on customer return visits
- Earn and redeem on all merchandise (no exclusions)
- No other retailer has successfully replicated or scaled this model



## Kohl's Rewards

- Provides customers the opportunity to earn 5% Kohl's Cash everyday
- 30 million members that **spend 2x more than non-loyalty customers**
- Consistently rated as a leading loyalty program by customers
- Recently launched to simplify and add new features and personalization



## Kohl's Charge Card

- Highest sales penetration in retail (e.g. 56% in 2019)
- Provides more opportunities for customers to save
- Highest tier Kohl's Charge Card customers ("Most Valuable Customer") **spend 10x more than non-loyalty customers**
- Supports a proprietary and expansive customer knowledge and analytics

## Delivering personalized experiences for customers ensures they progress through their lifecycle with Kohl's



<b>Best product</b> <ul style="list-style-type: none"><li>Personalized emails</li><li>Styling recommendations based on customer preferences across multiple touchpoints</li><li>Corresponding homepage banners</li></ul>	<b>Best content</b> <ul style="list-style-type: none"><li>Outfitting tailored to customer propensities drives engagement across email, site, and social channels</li></ul>	<b>Best offer</b> <ul style="list-style-type: none"><li>Targeting customers with a spend challenge to hit their next Reward value</li><li>Dynamically serving customer offers based on customer propensities</li><li>Reminding customers about Kohl's Cash balance</li></ul>	<b>Best delivery</b> <ul style="list-style-type: none"><li>Reminding customers about products abandoned in cart in email as well as on site, particularly when prices drop, drives conversion</li></ul>
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**INCREASE IN CUSTOMER ENGAGEMENT** + **HIGHER REVENUE PER PURCHASER**

10% of digital sales are based on personalized recommendations

Personalized emails have 2x higher open rates and 4x higher click-thru rates than non-personalized emails

We connect with our customers more than 10 times per week

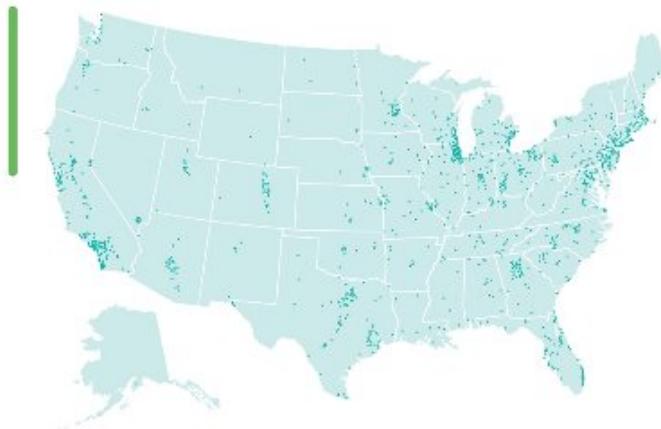
Our 16 million app users are 2x more active than web users

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## Kohl's has a strong and productive store base which can evolve with customer expectations and demand

- Our stores are **very healthy and profitable**
- **Constantly evaluating** our retail footprint to serve our customers
- Taking a **disciplined approach** of evaluating stores with the flexibility to adjust as needed (e.g. 50 to 70 leases up for renewal annually)
- Leveraging our stores **very differently** than in the past



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## We are modernizing the total store experience to better serve today's family



### Simplified Shopping Experience

- Continue to refresh the look and feel of the store environment
- Increase space to shop by opening up the aisles
- Create a more inviting shopping experience by reducing choices, increasing inventory depth, and editing fixtures



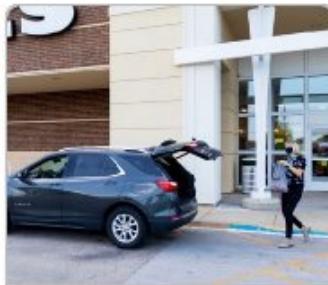
### Inspired Solutions

- Leverage cross merchandising and overall product statements to offer solutions across both apparel and home



### Product Storytelling

- Construct product stories that leverage breadth of assortment to encourage exploration & build engagement
- Leverage key positions throughout the store to introduce new brands and build baskets:
  - Curated by Kohl's
  - Impulse program



### Omni Experiences

- Evolve existing omni experiences:
  - BOPUS/BOSS
  - Store Drive Up
  - Amazon Returns
- Continue to test new experiences to better serve our customers

## Enhanced digital capabilities serve customers' preferences, complement omni-channel strategy and drive growth

Digital sales have increased at a 17% CAGR since 2014, growing to 24% of sales in 2019



### Driving value to our customers

- Improved price transparency through Your Price, which provides personalized prices by item based on the customers' specific offers
- Increasing value through Smart Cart, which provides incentive for customer pickup
- Evolving capability to do real-time and targeted offers

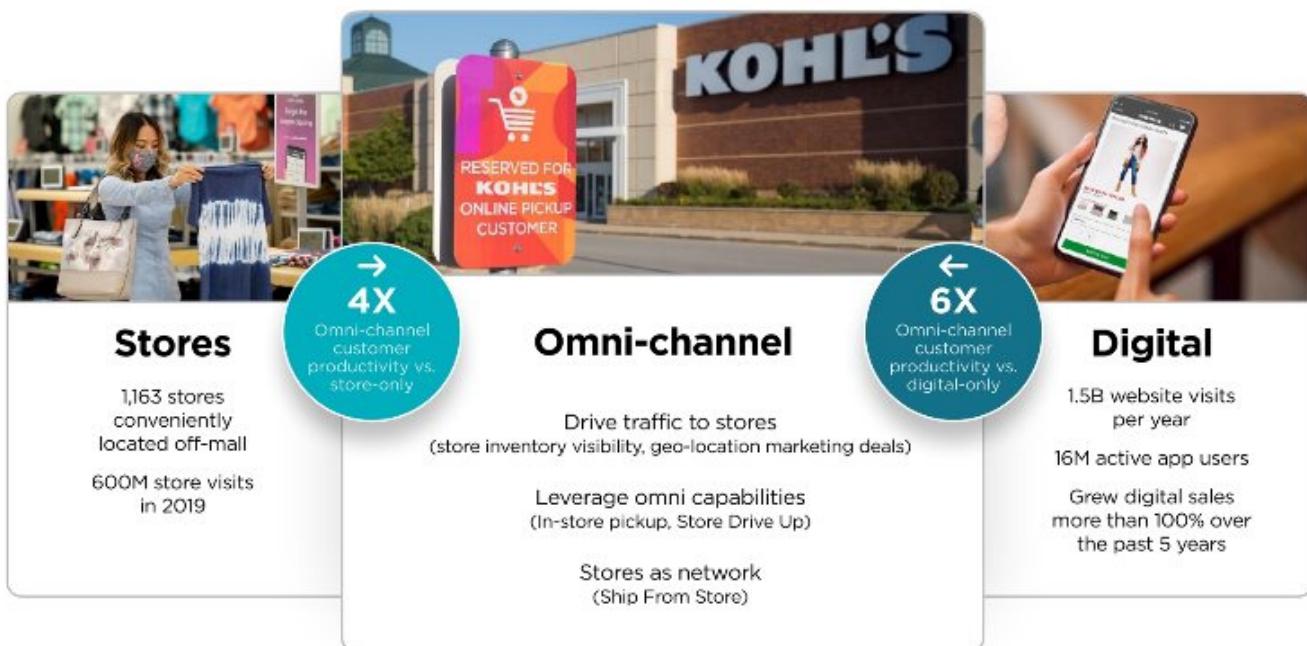
### Constantly evolving and enhancing the experience

- New website with elevated inspiration and discovery
- Greater functionality with attribution and filtering, product recommendations, and frictionless checkout
- Ease of experience with the Kohl's App

### Expanding digital exclusive portfolio

- Active and Outdoor (e.g. Fanatics, Lands' End)
- Beauty
- Testing ground for products (e.g. Curated by Kohl's)
- Fill gaps in our assortment
- Direct Ship expansion

## Compelling and differentiated omni-channel experience drives increased customer productivity



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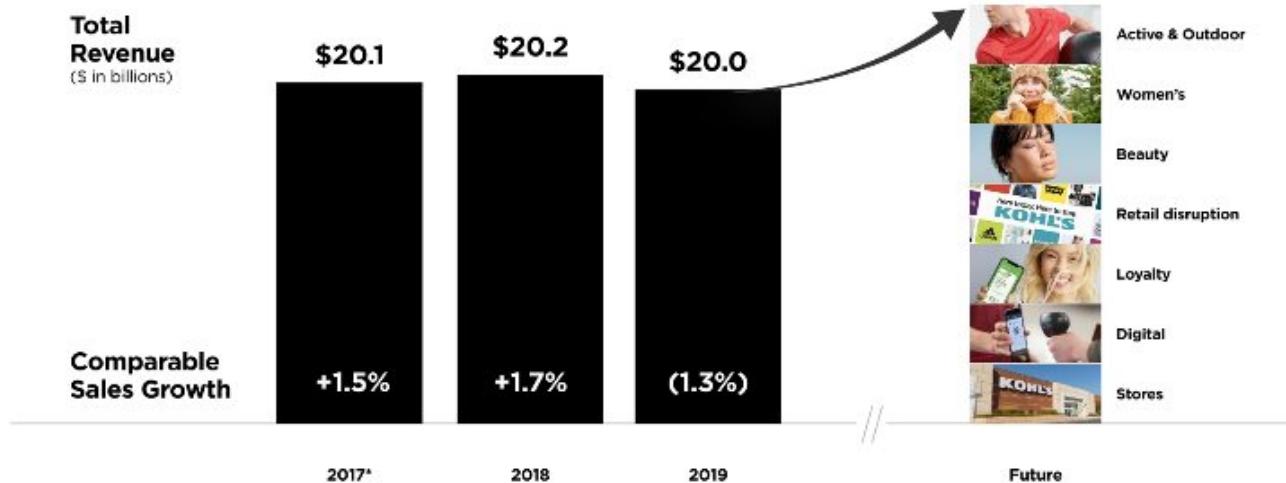
# Expand Operating Margin

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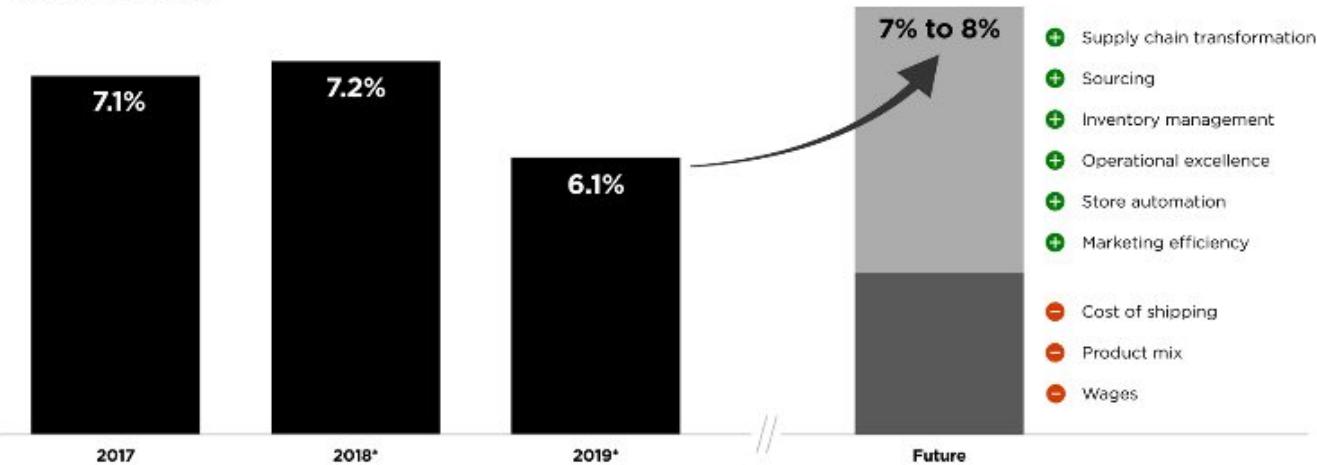
# We are focused on returning to growth



# We are confident in our ability to expand operating margin to 7% to 8%

We expect to achieve this as the environment normalizes

## Operating Margin



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\* 2018 and 2019 are Adjusted Operating Margin. Adjusted Operating Margin is a non-GAAP financial measure. For reference, the reconciliation can be found in the Appendix.

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## Continuously driving greater cost efficiency through Operational Excellence discipline



### Recent cost reduction efforts

#### 2017-2019

Exceeded cost savings goal of \$250 million through greater efficiency in gross margin (e.g. merchandise margin, omnichannel capabilities) and SG&A (e.g. store payroll and store operations, credit, corporate)

#### 2020

Organizational restructuring actions in 2020 to date are expected to generate expense savings of more than \$100 million on an annualized basis



### Gross margin efficiency

#### Sourcing optimization

Leverage supplier relationships to drive more efficiency in product costs

#### End-to-end supply chain transformation

Enable optimal inventory deployment to increase service levels, reduce clearance and shipping costs and improve turn



### SG&A efficiency

#### Store labor

Streamline and automate task-based work to reduce labor costs and invest back into an improved customer experience (e.g. self-service checkout)

#### Marketing

Drive spend efficiencies through more digital and less print advertising

#### Technology

More agile approach with focus on customer outcomes

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# Disciplined Capital Management

# Balanced Capital Allocation Strategy

Committed to returning capital to shareholders

## Maintain strong balance sheet

*Long-term objective of maintaining Investment Grade rating*

1

Invest in  
the business

2

Dividend

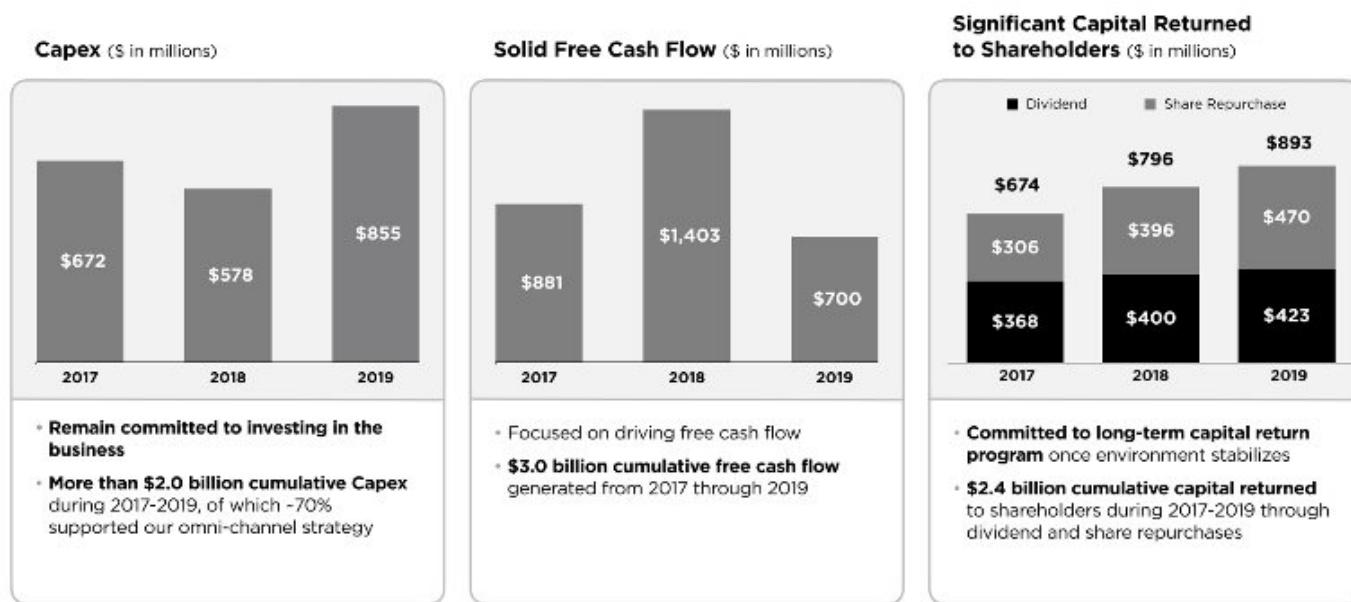
3

Opportunistic,  
complementary  
M&A

4

Share  
repurchases

# We have a history of investing in our business and returning significant capital to shareholders



# We are committed to prudent balance sheet management with a long-term objective of sustaining Investment Grade rating

## Long History of Disciplined Financial Management

- More than two decades of maintaining Investment Grade rating
- Modest pre-COVID-19 debt structure (2.5x leverage at year-end 2019) in relation to cash flow generation
- Reduced debt by over \$940 million in 2018-2019

## Aggressive Actions in 2020 to Preserve Financial Flexibility

### Revolver

- Replaced, secured, and upsized to \$1.5 billion
- Fully repaid in October 2020
- Full line available for utilization

### New Debt

- Issued \$600 million notes due 2025

### Sale-leaseback

- Completed sale of two facilities for \$193 million

## Future Actions

- Nearest term debt maturity is 2023
- As environment stabilizes, we will focus on reducing leverage through liability management



## Strong Organizational Core

# We are evolving how we work to accelerate our path forward



## Innovative and Adaptive Learning Approach

- Culture of experimentation and testing
- Dedicated resources against longer-term innovation
- Aggressively adopt machine-based decision making



## Focus on Diversity & Inclusion

- Committed to fostering a diverse & inclusive environment for our associates and customers
- Established Diversity & Inclusion framework and goals to accelerate progress: People, Customer, and Community



## ESG Stewardship

- Our ESG journey began more than a decade ago and our efforts are frequently recognized
- We are committed to the environment with established 2025 goals for climate change, waste and recycling, and sustainable sourcing



NUMBER 111  
Dow Jones  
Sustainability Indices  
In collaboration with

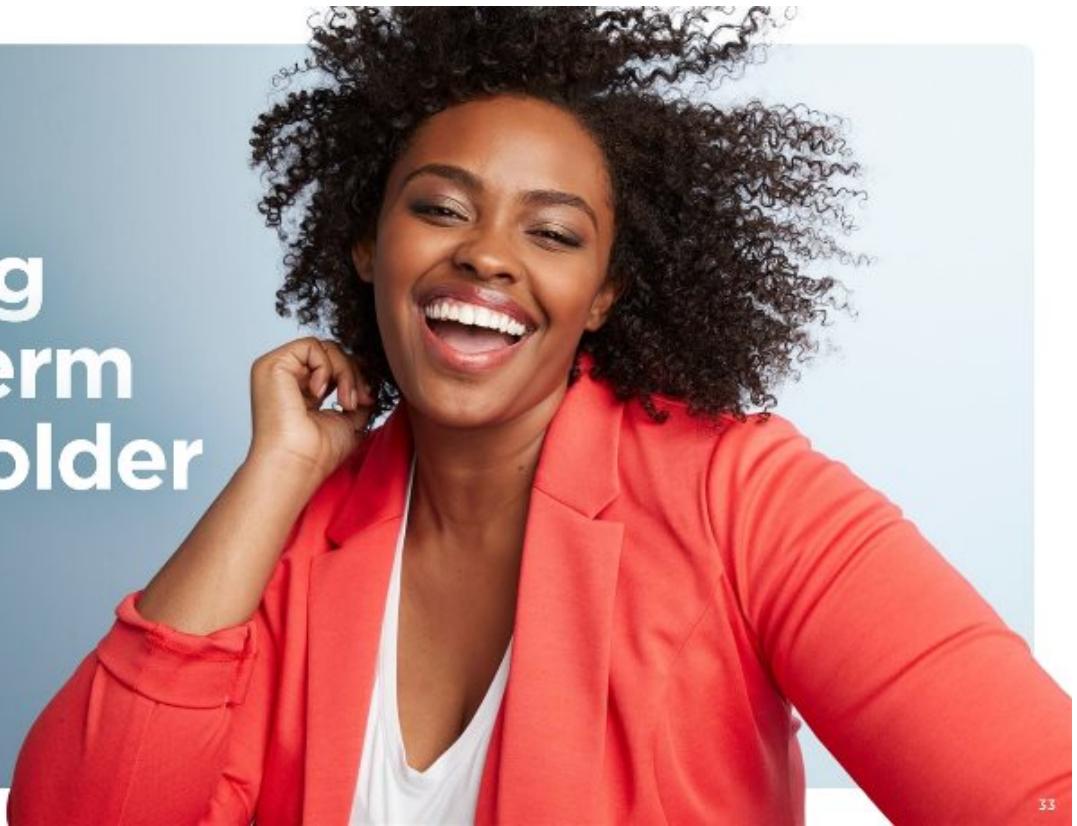


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# Creating Long-term Shareholder Value

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## Creating Long-term Shareholder Value

↗ Return to growth

⌚ Solid cash flow generation

↑ Expand operating margin

📁 Maintain strong balance sheet

\$ Return capital to shareholders

### Our Strategy

# The most trusted retailer of choice for the active and casual lifestyle



## Drive Top Line Growth

### Destination for Active & Casual Lifestyle

- Expand Active and Outdoor
- Reignite growth in Women's
- Build a sizable Beauty business
- Drive category productivity and inventory turn
- Capture market share from retail industry disruption

### Leading with Loyalty & Value

- Best-in-class loyalty
- Drive productivity through deeper engagement
- Deliver personalized experiences

### Differentiated Omni-channel Experience

- Healthy store base in evolving landscape
- Modernize the store experience
- Continue digital growth
- Further enhance omni-channel capabilities

### Expand Operating Margin

### Operating Margin Goal of 7% to 8%

- End-to-end supply chain transformation
- SG&A efficiency through store labor, marketing, and technology
- Operational excellence

### Disciplined Capital Management

### Maintain Strong Balance Sheet

- Sustain Investment Grade rating
- Solid cash flow generation
- Committed to returning capital to shareholders

### Strong Organizational Core

### Agile, Accountable & Inclusive Culture

- Innovative and adaptive learning approach
- Focused on diversity and inclusion
- ESG stewardship

# Appendix



# Reconciliations

## Adjusted Operating Income

(\$ in millions)	2017	2018	2019
Operating Income	1,416	1,361	1,099
Impairments, store closing and other costs	0	104	113
<b>Adjusted Operating Income</b>	<b>\$1,416</b>	<b>\$1,465</b>	<b>\$1,212</b>
Total Revenue	\$20,084	\$20,229	\$19,974
<b>Adjusted Operating Income as a % of Total Revenue</b>	<b>7.1%</b>	<b>7.2%</b>	<b>6.1%</b>

## Free Cash Flow

(\$ in millions)	2017	2018	2019
Net cash provided by operating activities	1,691	2,107	1,657
Acquisition of property and equipment	(692)	(578)	(855)
Finance lease and financing obligation payments	(138)	(126)	(113)
Proceeds from financing obligations	—	—	11
<b>Free cash flow</b>	<b>\$861</b>	<b>\$1,403</b>	<b>\$700</b>

## Leverage Ratio

(\$ in millions)	2017	2018	2019
Finance lease and financing obligations	1,717	1,638	1,491
Long-term debt	2,797	1,861	1,856
<b>Total debt</b>	<b>4,514</b>	<b>3,499</b>	<b>3,347</b>
Operating leases	—	—	2,777
Rent x 8	2,344	2,408	—
<b>Adjusted debt</b>	<b>6,858</b>	<b>5,907</b>	<b>6,124</b>
Operating income	1,416	1,361	1,099
Depreciation and amortization	991	964	917
Rent expense	293	301	314
<b>EBITDAR</b>	<b>2,700</b>	<b>2,626</b>	<b>2,330</b>
Impairments, store closing and other costs	—	104	113
<b>Adjusted EBITDAR</b>	<b>2,700</b>	<b>2,730</b>	<b>2,443</b>
<b>Adjusted debt to adjusted EBITDAR</b>	<b>2.5</b>	<b>2.2</b>	<b>2.5</b>