

## StreetAccount Metrics Recap - Target Q1 Earnings

Wednesday, May 21, 2014 12:10:05 PM (GMT)

- **US retail:**
  - Sales \$16.66B vs StreetAccount consensus \$16.57B
  - Comps (0.3%) vs SA (0.9%) and guidance flat to down 2%
    - Transactions (2.3%)
    - Avg transaction amount +2.1%
    - Selling price per unit +1.8%
    - Units per transaction +0.3%
  - Gross margin 29.5% vs SA 30.5% and year-ago 30.7%
  - SG&A rate 20.0% vs SA 20.7% and year-ago 20.3%
  - EBITDA margin 9.5% vs year-ago 10.4%
  - EBIT margin 6.4% vs SA 6.85% and year-ago 7.5%
  - REDcard penetration 20.4% vs 20.9% in Q4
- **Canada:**
  - Sales \$393M vs SA \$428.6M
  - Gross margin 18.7% vs SA 20.3%
  - SG&A expenses \$218M vs SA \$250.4M
  - EBIT (\$211M) vs SA (\$225.5M)
  - REDcard penetration 3.9% vs 3.2% in Q4
- **Additional metrics:**
  - Consolidated gross margin 29.2% vs SA 30.3%
  - Consolidated SG&A 21.1% vs SA 21.8%
  - Merchandise inventories \$8.45B, +4.3% y/y - note sales growth was +2.1% during the quarter
  - Did not repurchase any shares during the quarter
- **Management comments:**
  - "First quarter financial performance in both our U.S. and Canadian Segments was in line with expectations, reflecting the benefit of continued recovery from the data breach and early signs of improvement in our Canada operations," said John Mulligan, Interim President and CEO, CFO of Target Corporation. "While we are pleased with this momentum, we need to move more quickly. As a result, we have made changes to our management team and are investing additional resources to drive U.S. traffic and sales, improve our Canadian operations and advance our ongoing digital transformation. We have updated our 2014 earnings expectations to reflect the impact of these investments and believe that they position Target for accelerated profitable growth as a leading omnichannel retailer."

### Reference Links:

- [Target Reports First Quarter 2014 Earnings](#)

**Industries:** Retail (Department & Discount)

**Primary Identifiers:** TGT-US

**Related Identifiers:** TGT-US

**Subjects:** All Earnings

### Related Stories:

- [Target reports Q1 EPS \\$0.70 vs FactSet \\$0.71](#)
- [StreetAccount Consensus Metrics Preview - Target Q1 Earnings](#)