

StreetAccount Metrics Recap - Target Q2 Earnings
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- **US retail** (note year-ago figures are for revised segments):
 - Sales +0.7% to \$17.0B
 - Comps flat
 - Transactions (1.3%)
 - Avg transaction amount +1.3%
 - Selling price per unit +3.0%
 - Units per transaction (1.7%)
 - Gross margin 30.4% vs year-ago 31.4%
 - SG&A rate 20.4% vs year-ago 20.6%
 - EBITDA margin 10.0% vs year-ago 10.8%
 - EBIT margin 6.8% vs year-ago 7.9%
 - REDcard penetration 20.8%
- **Canada:**
 - Sales +63.1% to \$449M
 - Comps (11.4%)
 - Transactions (1.9%)
 - Average transaction amount (7.9%)
 - Selling price per unit +0.7%
 - Unit per transaction (8.5%)
 - Gross margin 18.4% vs year-ago 31.6%
 - SG&A expenses \$216M vs year-ago \$207M
 - EBIT (\$204M) vs year-ago (\$169M)
 - REDcard penetration 4.8%
- **Additional metrics:**
 - Inventories \$8.92B, +5.7% y/y - note sales growth was +1.7% during the quarter
 - Repurchased 614K at average price of \$55.36
- **Q3 (Oct) Guidance:**
 - Adjusted EPS \$0.40-0.50, excluding \$0.02 related to reduction of beneficial interest asset and any future data breach-related expenses - FactSet is \$0.65
- **Management comments:**
 - "While results from the quarter didn't meet our expectations, we are seeing some early signs of progress as we work to improve results in the U.S. and Canada," said John Mulligan, executive vice president and chief financial officer of Target Corporation. "In the U.S., traffic trends continue to recover and monthly sales are improving, with July comparable sales up more than 1 percent. Better U.S. sales have continued into August, driven by early back-to-school results. In Canada, the team is making important changes to operations and the merchandise assortment with a focus on delivering improved results by this holiday season."

Reference Links:

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

Industries: Retail (Department & Discount)

Primary Identifiers: TGT-US

Related Identifiers: TGT-US

Subjects: All Earnings

Related Stories:

- [Target reports Q2 EPS \\$0.78 inline with 5-Aug guidance of \\$0.78](#)
- [StreetAccount Consensus Metrics Preview - Target Q2 Earnings](#)