

KOHL'S CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)	February 1, 2020	February 2, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 723	\$ 934
Merchandise inventories	3,537	3,475
Other	389	426
Total current assets	4,649	4,835
Property and equipment, net	7,352	7,428
Operating leases	2,391	—
Other assets	163	206
Total assets	\$ 14,555	\$ 12,469
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,206	\$ 1,187
Accrued liabilities	1,233	1,364
Income taxes payable	48	64
Current portion of:		
Finance lease and financing obligations	124	115
Operating leases	158	—
Total current liabilities	2,769	2,730
Long-term debt	1,856	1,861
Finance lease and financing obligations	1,367	1,523
Operating leases	2,619	—
Deferred income taxes	260	184
Other long-term liabilities	234	644
Shareholders' equity:		
Common stock - 375 and 374 million shares issued	4	4
Paid-in capital	3,272	3,204
Treasury stock, at cost, 219 and 211 million shares	(11,571)	(11,076)
Retained earnings	13,745	13,395
Total shareholders' equity	\$ 5,450	\$ 5,527
Total liabilities and shareholders' equity	\$ 14,555	\$ 12,469

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions, Except per Share Data)	2019	2018	2017
Net sales	\$ 18,885	\$ 19,167	\$ 19,036
Other revenue	1,089	1,062	1,048
Total revenue	19,974	20,229	20,084
Cost of merchandise sold	12,140	12,199	12,176
Operating expenses:			
Selling, general and administrative	5,705	5,601	5,501
Depreciation and amortization	917	964	991
Impairments, store closing and other costs	113	104	—
Operating income	1,099	1,361	1,416
Interest expense, net	207	256	299
(Gain) loss on extinguishment of debt	(9)	63	—
Income before income taxes	901	1,042	1,117
Provision for income taxes	210	241	258
Net income	\$ 691	\$ 801	\$ 859
Net income per share:			
Basic	\$ 4.39	\$ 4.88	\$ 5.14
Diluted	\$ 4.37	\$ 4.84	\$ 5.12

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KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)	2019	2018	2017
Operating activities			
Net income	\$ 691	\$ 801	\$ 859
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	917	964	991
Share-based compensation	56	87	55
Deferred income taxes	51	(31)	(61)
Impairments, store closing and other costs	64	72	—
(Gain) loss on extinguishment of debt	(9)	63	—
Non-cash lease expense	150	—	—
Other non-cash expense	11	18	2
Changes in operating assets and liabilities:			
Merchandise inventories	(51)	79	264
Other current and long-term assets	24	72	(81)
Accounts payable	19	(84)	(236)
Accrued and other long-term liabilities	(117)	67	(52)
Income taxes	7	(1)	(50)
Operating lease liabilities	(156)	—	—
Net cash provided by operating activities	1,657	2,107	1,691
Investing activities			
Acquisition of property and equipment	(855)	(578)	(672)
Other	18	6	23
Net cash used in investing activities	(837)	(572)	(649)
Financing activities			
Treasury stock purchases	(470)	(396)	(306)
Shares withheld for taxes on vested restricted shares	(31)	(34)	(14)
Dividends paid	(423)	(400)	(368)
Reduction of long-term borrowing	(6)	(943)	—
Premium paid on redemption of debt	—	(46)	—
Finance lease and financing obligation payments	(113)	(126)	(138)
Proceeds from stock option exercises	1	36	18
Proceeds from financing obligations	11	—	—
Net cash used in financing activities	(1,031)	(1,909)	(808)
Net (decrease) increase in cash and cash equivalents	(211)	(374)	234
Cash and cash equivalents at beginning of period	934	1,308	1,074
Cash and cash equivalents at end of period	\$ 723	\$ 934	\$ 1,308
Supplemental information			
Interest paid, net of capitalized interest	\$ 193	\$ 282	\$ 297
Income taxes paid	172	308	272
Property and equipment acquired through:			
Finance lease liabilities	236	37	30
Operating lease liabilities	106	—	—
Financing obligations	—	4	12

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