

KOHL'S CORPORATION
CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)	February 2, 2019	February 3, 2018
		<i>As Adjusted (a)</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 934	\$ 1,308
Merchandise inventories	3,475	3,542
Other	426	530
Total current assets	4,835	5,380
Property and equipment, net	7,428	7,773
Other assets	206	236
Total assets	\$ 12,469	\$ 13,389
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,187	\$ 1,271
Accrued liabilities	1,364	1,213
Income taxes payable	64	99
Current portion of capital lease and financing obligations	115	126
Total current liabilities	2,730	2,709
Long-term debt	1,861	2,797
Capital lease and financing obligations	1,523	1,591
Deferred income taxes	184	211
Other long-term liabilities	644	662
Shareholders' equity:		
Common stock - 374 and 373 million shares issued	4	4
Paid-in capital	3,204	3,078
Treasury stock, at cost, 211 and 205 million shares	(11,076)	(10,651)
Accumulated other comprehensive loss	—	(11)
Retained earnings	13,395	12,999
Total shareholders' equity	\$ 5,527	\$ 5,419
Total liabilities and shareholders' equity	\$ 12,469	\$ 13,389

(a) Refer to Note 2 for details on the adoption of the new revenue recognition accounting standard and the impact on previously reported results.

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions, Except per Share Data)	2018	2017	2016
		<i>As Adjusted (a)</i>	<i>As Adjusted (a)</i>
Net sales	\$ 19,167	\$ 19,036	\$ 18,636
Other revenue	1,062	1,048	1,045
Total revenue	20,229	20,084	19,681
Cost of merchandise sold	12,199	12,176	11,944
Operating expenses:			
Selling, general and administrative	5,601	5,501	5,430
Depreciation and amortization	964	991	938
Impairments, store closing and other costs	104	—	186
Operating income	1,361	1,416	1,183
Interest expense, net	256	299	308
Loss on extinguishment of debt	63	—	—
Income before income taxes	1,042	1,117	875
Provision for income taxes	241	258	319
Net income	\$ 801	\$ 859	\$ 556
Net income per share:			
Basic	\$ 4.88	\$ 5.14	\$ 3.12
Diluted	\$ 4.84	\$ 5.12	\$ 3.11

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KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)	2018	2017	2016
		<i>As Adjusted (a)</i>	<i>As Adjusted (a)</i>
Operating activities			
Net income	\$ 801	\$ 859	\$ 556
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	964	991	938
Share-based compensation	87	55	41
Deferred income taxes	(31)	(61)	13
Impairments, store closing and other costs	72	—	57
Loss on extinguishment of debt	63	—	—
Other non-cash revenues and expenses	18	2	30
Changes in operating assets and liabilities:			
Merchandise inventories	79	264	249
Other current and long-term assets	72	(81)	(46)
Accounts payable	(84)	(236)	256
Accrued and other long-term liabilities	67	(52)	82
Income taxes	(1)	(50)	(23)
Net cash provided by operating activities	2,107	1,691	2,153
Investing activities			
Acquisition of property and equipment	(578)	(672)	(768)
Other	6	23	12
Net cash used in investing activities	(572)	(649)	(756)
Financing activities			
Treasury stock purchases	(396)	(306)	(557)
Shares withheld for taxes on vested restricted shares	(34)	(14)	(17)
Dividends paid	(400)	(368)	(358)
Reduction of long-term borrowing	(943)	—	—
Premium paid on redemption of debt	(46)	—	—
Capital lease and financing obligation payments	(126)	(138)	(127)
Proceeds from stock option exercises	36	18	18
Proceeds from financing obligations	—	—	11
Net cash used in financing activities	(1,909)	(808)	(1,030)
Net increase (decrease) in cash and cash equivalents	(374)	234	367
Cash and cash equivalents at beginning of period	1,308	1,074	707
Cash and cash equivalents at end of period	\$ 934	\$ 1,308	\$ 1,074
Supplemental information			
Interest paid, net of capitalized interest	\$ 282	\$ 297	\$ 299
Income taxes paid	308	272	314
Non-cash investing and financing activities			
Property and equipment acquired through additional liabilities	\$ 41	\$ 42	\$ 54

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