

The Gap, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(\$ in millions)	August 2, 2025	August 3, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,194	\$ 1,900
Short-term investments	238	246
Merchandise inventory	2,294	2,107
Other current assets	651	556
Total current assets	5,377	4,809
Property and equipment, net of accumulated depreciation	2,478	2,525
Operating lease assets	3,397	3,185
Other long-term assets	894	990
Total assets	<u>\$ 12,146</u>	<u>\$ 11,509</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,656	\$ 1,522
Accrued expenses and other current liabilities	881	1,029
Current portion of operating lease liabilities	631	613
Income taxes payable	29	60
Total current liabilities	3,197	3,224
Long-term liabilities:		
Long-term debt	1,491	1,489
Long-term operating lease liabilities	3,470	3,357
Other long-term liabilities	555	538
Total long-term liabilities	5,516	5,384
Total stockholders' equity	3,433	2,901
Total liabilities and stockholders' equity	<u>\$ 12,146</u>	<u>\$ 11,509</u>

The Gap, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

(\$ and shares in millions except per share amounts)	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
Net sales	\$ 3,725	\$ 3,720	\$ 7,188	\$ 7,108
Cost of goods sold and occupancy expenses	2,189	2,137	4,204	4,128
Gross profit	1,536	1,583	2,984	2,980
Operating expenses	1,244	1,290	2,432	2,482
Operating income	292	293	552	498
Interest, net	(4)	(3)	(7)	(6)
Income before income taxes	296	296	559	504
Income tax expense	80	90	150	140
Net income	<u>\$ 216</u>	<u>\$ 206</u>	<u>\$ 409</u>	<u>\$ 364</u>
Weighted-average number of shares - basic	373	376	374	375
Weighted-average number of shares - diluted	379	383	381	383
Earnings per share - basic	\$ 0.58	\$ 0.55	\$ 1.09	\$ 0.97
Earnings per share - diluted	\$ 0.57	\$ 0.54	\$ 1.07	\$ 0.95

The Gap, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

(\$ in millions)	26 Weeks Ended	
	August 2, 2025 (a)	August 3, 2024 (a)
Cash flows from operating activities:		
Net income	\$ 409	\$ 364
Depreciation and amortization	243	247
Change in merchandise inventory	(214)	(118)
Change in accrued expenses and other current liabilities	(244)	(88)
Other, net	114	174
Net cash provided by operating activities	308	579
Cash flows from investing activities:		
Purchases of property and equipment	(181)	(182)
Purchases of short-term investments	(145)	(276)
Proceeds from sales and maturities of short-term investments	162	33
Net cash used for investing activities	(164)	(425)
Cash flows from financing activities:		
Proceeds from issuances under share-based compensation plans	12	21
Withholding tax payments related to vesting of stock units	(29)	(33)
Repurchases of common stock	(152)	—
Cash dividends paid	(123)	(112)
Net cash used for financing activities	(292)	(124)
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	5	(2)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(143)	28
Cash, cash equivalents, and restricted cash at beginning of period	2,365	1,901
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 2,222</u>	<u>\$ 1,929</u>

(a) For the twenty-six weeks ended August 2, 2025 and August 3, 2024, total cash, cash equivalents, and restricted cash includes \$28 million and \$29 million, respectively, of restricted cash recorded within other long-term assets on the Condensed Consolidated Balance Sheets.

The Gap, Inc.
NON-GAAP FINANCIAL MEASURES
UNAUDITED

FREE CASH FLOW

Free cash flow is a non-GAAP financial measure. We believe free cash flow is an important metric because it represents a measure of how much cash a company has available for discretionary and non-discretionary items after the deduction of capital expenditures. We require regular capital expenditures including technology investments as well as building and maintaining our stores and distribution centers. We use this metric internally, as we believe our sustained ability to generate free cash flow is an important driver of value creation. However, this non-GAAP financial measure is not intended to supersede or replace our GAAP results.

(\$ in millions)	26 Weeks Ended	
	August 2, 2025	August 3, 2024
Net cash provided by operating activities	\$ 308	\$ 579
Less: Purchases of property and equipment	(181)	(182)
Free cash flow	\$ 127	\$ 397

The Gap, Inc.
NET SALES RESULTS
UNAUDITED

The following table details the Company's second quarter fiscal year 2025 and 2024 net sales (unaudited):

(\$ in millions) 13 Weeks Ended August 2, 2025	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	\$ 1,978	\$ 581	\$ 408	\$ 290	\$ 28	\$ 3,285
Canada	157	76	46	9	—	288
Other regions	15	115	21	1	—	152
Total	<u>\$ 2,150</u>	<u>\$ 772</u>	<u>\$ 475</u>	<u>\$ 300</u>	<u>\$ 28</u>	<u>\$ 3,725</u>

(\$ in millions) 13 Weeks Ended August 3, 2024	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	\$ 1,953	\$ 579	\$ 414	\$ 327	\$ 14	\$ 3,287
Canada	159	77	43	10	—	289
Other regions	11	110	22	1	—	144
Total	<u>\$ 2,123</u>	<u>\$ 766</u>	<u>\$ 479</u>	<u>\$ 338</u>	<u>\$ 14</u>	<u>\$ 3,720</u>

(1) U.S. includes the United States and Puerto Rico.

(2) Primarily consists of net sales from revenue-generating strategic initiatives.

The Gap, Inc.
REAL ESTATE

Store count, net openings/closings, and square footage for our company-operated stores are as follows:

	February 1, 2025	26 Weeks Ended August 2, 2025	August 2, 2025	
	Number of Store Locations	Net Number of Stores Opened/(Closed)	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,249	(9)	1,240	19.6
Gap North America	453	—	453	4.8
Gap Asia	122	3	125	1.1
Banana Republic North America	380	(9)	371	3.1
Banana Republic Asia	42	—	42	0.1
Athleta North America	260	(5)	255	1.0
Company-operated stores total	2,506	(20)	2,486	29.7

As of August 2, 2025, the Company's franchise partners operated approximately 1,000 franchise stores.