

The Gap, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(\$ in millions)	May 3, 2025	May 4, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,976	\$ 1,532
Short-term investments	244	199
Merchandise inventory	2,097	1,952
Other current assets	567	514
Total current assets	4,884	4,197
Property and equipment, net of accumulated depreciation	2,470	2,528
Operating lease assets	3,267	3,207
Other long-term assets	944	976
Total assets	<u>\$ 11,565</u>	<u>\$ 10,908</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,292	\$ 1,196
Accrued expenses and other current liabilities	841	942
Current portion of operating lease liabilities	633	624
Income taxes payable	88	44
Total current liabilities	2,854	2,806
Long-term liabilities:		
Long-term debt	1,490	1,489
Long-term operating lease liabilities	3,363	3,387
Other long-term liabilities	537	519
Total long-term liabilities	5,390	5,395
Total stockholders' equity	3,321	2,707
Total liabilities and stockholders' equity	<u>\$ 11,565</u>	<u>\$ 10,908</u>

The Gap, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

(\$ and shares in millions except per share amounts)	13 Weeks Ended	
	May 3, 2025	May 4, 2024
Net sales	\$ 3,463	\$ 3,388
Cost of goods sold and occupancy expenses	2,015	1,991
Gross profit	1,448	1,397
Operating expenses	1,188	1,192
Operating income	260	205
Interest, net	(3)	(3)
Income before income taxes	263	208
Income tax expense	70	50
Net income	<u>\$ 193</u>	<u>\$ 158</u>
Weighted-average number of shares - basic	375	374
Weighted-average number of shares - diluted	382	383
Earnings per share - basic	\$ 0.51	\$ 0.42
Earnings per share - diluted	\$ 0.51	\$ 0.41

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

(\$ in millions)	13 Weeks Ended	
	May 3, 2025 (a)	May 4, 2024 (a)
Cash flows from operating activities:		
Net income	\$ 193	\$ 158
Depreciation and amortization	121	124
Change in merchandise inventory	(18)	38
Change in accrued expenses and other current liabilities	(271)	(158)
Other, net	(165)	(132)
Net cash provided by (used for) operating activities	(140)	30
Cash flows from investing activities:		
Purchases of property and equipment	(83)	(93)
Purchases of short-term investments	(78)	(201)
Proceeds from sales and maturities of short-term investments	88	3
Net cash used for investing activities	(73)	(291)
Cash flows from financing activities:		
Proceeds from issuances under share-based compensation plans	6	10
Withholding tax payments related to vesting of stock units	(28)	(31)
Repurchases of common stock	(70)	—
Cash dividends paid	(61)	(56)
Net cash used for financing activities	(153)	(77)
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	5	(2)
Net decrease in cash, cash equivalents, and restricted cash	(361)	(340)
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>\$ 2,004</u>	<u>\$ 1,561</u>

(a) For the thirteen weeks ended May 3, 2025 and May 4, 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 improvements 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)	13 Weeks Ended	
	May 3, 2025	May 4, 2024
Net cash provided by (used for) operating activities	\$ (140)	\$ 30
Less: Purchases of property and equipment	(83)	(93)
Free cash flow	<u>\$ (223)</u>	<u>\$ (63)</u>

The Gap, Inc.
NET SALES RESULTS
UNAUDITED

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

(\$ in millions) 13 Weeks Ended May 3, 2025	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	\$ 1,826	\$ 545	\$ 373	\$ 299	\$ 22	\$ 3,065
Canada	140	61	35	8	—	244
Other regions	15	118	20	1	—	154
Total	<u>\$ 1,981</u>	<u>\$ 724</u>	<u>\$ 428</u>	<u>\$ 308</u>	<u>\$ 22</u>	<u>\$ 3,463</u>

(\$ in millions) 13 Weeks Ended May 4, 2024	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (2)	Total
U.S. (1)	\$ 1,761	\$ 513	\$ 383	\$ 318	\$ 14	\$ 2,989
Canada	146	66	36	10	—	258
Other regions	9	110	21	1	—	141
Total	<u>\$ 1,916</u>	<u>\$ 689</u>	<u>\$ 440</u>	<u>\$ 329</u>	<u>\$ 14</u>	<u>\$ 3,388</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	13 Weeks Ended May 3, 2025	May 3, 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	(3)	1,246	19.7
Gap North America	453	—	453	4.8
Gap Asia	122	2	124	1.1
Banana Republic North America	380	(8)	372	3.1
Banana Republic Asia	42	(1)	41	0.1
Athleta North America	260	—	260	1.1
Company-operated stores total	2,506	(10)	2,496	29.9

As of May 3, 2025, the Company's franchise partners operated approximately 1,000 franchise stores.