The Gap, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

($ in millions)	October 31, 2026	November 1, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,578	$ 2,262
Short-term investments	394	255
Merchandise inventory	2,305	2,459
Other current assets	808	664
Total current assets	6,085	5,640
Property and equipment, net of accumulated depreciation	2,615	2,517
Operating lease assets	3,625	3,337
Other long-term assets	810	876
Total assets	$ 13,135	$ 12,370
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,526	$ 1,545
Accrued expenses and other current liabilities	984	1,067
Current portion of operating lease liabilities	615	629
Income taxes payable	33	38
Total current liabilities	3,158	3,279
Long-term liabilities:		
Long-term debt	1,493	1,491
Long-term operating lease liabilities	3,665	3,396
Other long-term liabilities	592	557
Total long-term liabilities	5,750	5,444
Total stockholders' equity	4,227	3,647
Total liabilities and stockholders' equity	$ 13,135	$ 12,370

The Gap, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

($ and shares in millions except per share amounts)	13 Weeks Ended		39 Weeks Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Net sales	$ 4,011	$ 3,942	$ 11,159	$ 11,130
Cost of goods sold and occupancy expenses	2,306	2,272	6,108	6,476
Gross profit	1,705	1,670	5,051	4,654
Operating expenses	1,309	1,336	3,534	3,768
Operating income	396	334	1,517	886
Interest, net	(22)	(3)	(31)	(10)
Income before income taxes	418	337	1,548	896
Income tax expense	107	101	397	251
Net income	$ 311	$ 236	$ 1,151	$ 645
Weighted-average number of shares - basic	352	372	358	373
Weighted-average number of shares - diluted	360	380	368	382
Earnings per share - basic	$ 0.88	$ 0.63	$ 3.22	$ 1.73
Earnings per share - diluted	$ 0.86	$ 0.62	$ 3.13	$ 1.69

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

($ in millions)	39 Weeks Ended October 31, 2026 (a)	39 Weeks Ended November 1, 2025 (a)
Cash flows from operating activities:		
Net income	$ 1,151	$ 645
Depreciation and amortization	395	368
Change in merchandise inventory	(105)	(386)
Change in accounts payable	(49)	23
Other, net	(94)	(43)
Net cash provided by operating activities	1,298	607
Cash flows from investing activities:		
Purchases of property and equipment	(483)	(327)
Purchases of short-term investments	(320)	(213)
Proceeds from sales and maturities of short-term investments	312	213
Other	(2)	—
Net cash used for investing activities	(493)	(327)
Cash flows from financing activities:		
Proceeds from issuances under share-based compensation plans	17	18
Withholding tax payments related to vesting of stock units	(71)	(39)
Repurchases of common stock	(601)	(152)
Cash dividends paid	(187)	(185)
Net cash used for financing activities	(842)	(358)
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	(2)	3
Net decrease in cash, cash equivalents, and restricted cash	(39)	(75)
Cash, cash equivalents, and restricted cash at beginning of period	2,644	2,365
Cash, cash equivalents, and restricted cash at end of period	$ 2,605	$ 2,290

(a) For the thirty-nine weeks ended October 31, 2026 and November 1, 2025, total cash, cash equivalents, and restricted cash includes $27 million and $28 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 to build and maintain our stores and distribution centers, as well as for technology investments. 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.

	39 Weeks Ended	
($ in millions)	**October 31, 2026**	**November 1, 2025**
Net cash provided by (used for) operating activities (a)	$ 1,298	$ 607
Less: Purchases of property and equipment	(483)	(327)
Free cash flow	$ 815	$ 280

(a) For the 39 weeks ended October 31, 2026, net cash provided by operating activities includes the impact of a pre-tax gain of $313 million related to a credit card interchange fee litigation settlement, net of legal fees, and a $50 million pre-tax charitable contribution made concurrently during the first quarter of fiscal 2026. There was also a pre-tax impact of IEEPA tariff refunds and related interest of approximately $536 million during the 39 weeks ended October 31, 2026.

The Gap, Inc.
NON-GAAP FINANCIAL MEASURES
UNAUDITED

ADJUSTED STATEMENT OF OPERATIONS METRICS FOR THE THIRD QUARTER OF FISCAL YEAR 2026

The following adjusted statement of operations metrics are non-GAAP financial measures. These measures are provided to enhance visibility into the Company's underlying results for the period excluding the ongoing impacts of IEEPA tariff recoveries for the fiscal year. Management believes the adjusted metrics are useful for the assessment of ongoing operations as we believe the adjusted items are not indicative of our ongoing operations, and provide additional information to investors to facilitate the comparison of results against past and future years. However, these non-GAAP financial measures are not intended to supersede or replace the GAAP measures.

($ in millions) 13 Weeks Ended October 31, 2026	Cost of Goods Sold and Occupancy Expenses	Gross Profit	Gross Margin	Operating Income (Loss)	Operating Margin	Interest, net	Income Tax Expense (Benefit)	Net Income (Loss)	Earnings (Loss) per Share - Diluted
GAAP metrics, as reported	$ 2,306	$ 1,705	42.5 %	$ 396	9.9 %	$ (22)	$ 107	$ 311	$ 0.86
Adjustments for:									
Tariff refund recovery (a)	3	(3)	(0.1)%	(3)	(0.1)%	16	(4)	(15)	(0.04)
Non-GAAP metrics	$ 2,309	$ 1,702	42.4 %	$ 393	9.8 %	$ (6)	$ 103	$ 296	$ 0.82

(a) Represents the impact of IEEPA tariff refunds of $3 million. The impact also reflects $16 million of related interest income received.

The Gap, Inc.
NON-GAAP FINANCIAL MEASURES
UNAUDITED

EXPECTED ADJUSTED EARNINGS PER SHARE FOR FISCAL YEAR 2026

Expected adjusted diluted earnings per share is a non-GAAP financial measure. Expected adjusted diluted earnings per share for fiscal year 2026 is provided to enhance visibility into the Company's expected underlying results for the period excluding the expected net impacts of IEEPA tariff recovery during fiscal 2026 in addition to the net impact of a legal settlement and a concurrent charitable contribution during first quarter of fiscal year 2026. This non-GAAP financial measure is not intended to supersede or replace the GAAP measure.

	52 Weeks Ending January 30, 2027	
	Low End	High End
Expected earnings per share - diluted	$ 3.71	$ 3.76
Less: Gain from legal settlement (a)	(0.63)	(0.63)
Add: Charitable contribution (b)	0.10	0.10
Less: Net tariff refund recovery (c)	(0.89)	(0.89)
Expected adjusted earnings per share - diluted	$ 2.29	$ 2.34

(a) Represents the estimated earnings per share impact, calculated net of tax at the expected effective tax rate, of a gain of $313 million related to a credit card interchange fee litigation settlement during the first quarter of fiscal 2026, net of legal fees.

(b) Represents the estimated earnings per share impact, calculated net of tax at the expected effective tax rate, of a $50 million charitable contribution made concurrently with the net gain from legal settlement during the first quarter of fiscal 2026.

(c) Represents the estimated earnings per share impact, calculated net of tax at the expected effective tax rate, of IEEPA tariff refunds of approximately $515 million and $21 million of related interest income received, partially offset by a commitment of appreciation of approximately $95 million for certain vendors.

The Gap, Inc.
NET SALES RESULTS
UNAUDITED

The following table details the Company's third quarter fiscal year 2026 and 2025 net sales (unaudited):

($ in millions) 13 Weeks Ended October 31, 2026	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (b)	Total
U.S. (a)	$ 2,064	$ 812	$ 389	$ 214	$ 9	$ 3,488
Canada	191	99	42	6	—	338
Other regions	19	148	18	—	—	185
Total	$ 2,274	$ 1,059	$ 449	$ 220	$ 9	$ 4,011

($ in millions) 13 Weeks Ended November 1, 2025	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (b)	Total
U.S. (a)	$ 2,049	$ 731	$ 404	$ 250	$ 17	$ 3,451
Canada	191	95	44	7	—	337
Other regions	13	125	16	—	—	154
Total	$ 2,253	$ 951	$ 464	$ 257	$ 17	$ 3,942

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

(b) 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:

	January 31, 2026	39 Weeks Ended October 31, 2026	October 31, 2026	
	Number of Store Locations	Net Number of Stores Opened/(Closed)	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,242	2	1,244	19.6
Gap North America	459	13	472	5.0
Gap Asia	123	4	127	1.1
Banana Republic North America	358	(9)	349	2.8
Banana Republic Asia	40	2	42	0.1
Athleta North America	252	(4)	248	1.0
Company-operated stores total	2,474	8	2,482	29.6

As of October 31, 2026, the Company's franchise partners operated approximately 1,000 franchise stores.