

TARGET CORP
Form 10-Q
November 23, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended October 29, 2016

Commission File Number 1-6049

TARGET CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota	41-0215170
	(I.R.S.
(State or other jurisdiction of	Employer
incorporation or organization)	Identification
	No.)
1000 Nicollet Mall, Minneapolis, Minnesota	55403
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 612/304-6073

Former name, former address and former fiscal year, if changed since last report: N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

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Indicate the number of shares outstanding of each of registrant's classes of common stock, as of the latest practicable date. Total shares of common stock, par value \$0.0833, outstanding at November 17, 2016 were 561,695,464.

TARGET CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Statements of Operations

(millions, except per share data) (unaudited)	Three Months Ended		Nine Months Ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Sales	\$ 16,441	\$ 17,613	\$ 48,805	\$ 52,159
Cost of sales	11,471	12,440	33,757	36,402
Gross margin	4,970	5,173	15,048	15,757
Selling, general and administrative expenses	3,339	3,736	9,741	10,745
Depreciation and amortization	570	561	1,686	1,651
Earnings from continuing operations before interest expense and income taxes	1,061	876	3,621	3,361
Net interest expense	142	151	864	455
Earnings from continuing operations before income taxes	919	725	2,757	2,906
Provision for income taxes	311	249	910	1,006
Net earnings from continuing operations	608	476	1,847	1,900
Discontinued operations, net of tax	—	73	73	37
Net earnings	\$ 608	\$ 549	\$ 1,920	\$ 1,937
Basic earnings per share				
Continuing operations	\$ 1.07	\$ 0.76	\$ 3.16	\$ 3.00
Discontinued operations	—	0.12	0.12	0.06
Net earnings per share	\$ 1.07	\$ 0.88	\$ 3.29	\$ 3.06
Diluted earnings per share				
Continuing operations	\$ 1.06	\$ 0.76	\$ 3.14	\$ 2.98
Discontinued operations	—	0.11	0.12	0.06
Net earnings per share	\$ 1.06	\$ 0.87	\$ 3.26	\$ 3.03
Weighted average common shares outstanding				
Basic	570.1	623.7	583.5	633.5
Dilutive impact of share-based awards	4.7	5.1	5.0	5.2
Diluted	574.8	628.8	588.5	638.7
Antidilutive shares	0.2	—	0.1	—
Dividends declared per share	\$ 0.60	\$ 0.56	\$ 1.76	\$ 1.64

Note: Per share amounts may not foot due to rounding.

See accompanying Notes to Consolidated Financial Statements.

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Consolidated Statements of Comprehensive Income

	Three Months Ended		Nine Months Ended	
(millions) (unaudited)	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
Net earnings	\$			