

Kohl's and Sephora Announce Planned Expansion of Sephora Presence to All Kohl's Stores

8/18/2022

In celebration of one-year anniversary of Sephora at Kohl's, the retailers' rollout underscores growth opportunities for both companies, as evidenced by a strong first year

MILWAUKEE & SAN FRANCISCO--(BUSINESS WIRE)-- As Sephora at Kohl's celebrates one year since first opening its doors, Kohl's (NYSE: KSS) and Sephora announce plans that the companies' transformative partnership will expand to include a Sephora presence at all of Kohl's 1,100+ locations. With approximately 600 stores across the country now open, Sephora at Kohl's continues to perform well, making prestige beauty more accessible to more Americans than ever before.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20220818005485/en/>

"Sephora at Kohl's provides our customers with easier access to prestige beauty, and the partnership has brought in new, younger and more diverse customers to Kohl's. We are incredibly proud of how our companies have come together so seamlessly to create a truly unprecedented and unique in-store experience," said Michelle Gass, Kohl's chief executive officer. "We couldn't be happier with how our partnership with Sephora continues to perform and achieve the goals we set out to accomplish. Our success to date proves that this partnership is working, and this expansion is the next, exciting chapter in our history together."

Now one year in, the partnership continues to prove mutually beneficial to both retailers and their respective customers. Key wins include:

- Strong success to date – and a long runway of growth ahead:
 - The 200 Kohl's stores with Sephora that opened in 2021 have maintained a high-single digit percent sales lift, relative to the balance of the chain. And in the nearly 400 stores opened this year, we are seeing a mid-single digit percent sales lift, which is consistent with the initial performance in the first 200 stores.
 - Sephora at Kohl's shows strength across all categories, including skincare, makeup and fragrance.
 - Customers are shopping across the store. Roughly half of all customers buying Sephora are attaching at least one other category in their purchase.
 - Kohl's projects that Sephora at Kohl's will grow to achieve \$2 billion in annual sales by 2025.
- The growth of a new base of engaged beauty customers:
 - The partnership is attracting new, younger, and more diverse customers.
 - Customers that shop Sephora at Kohl's visit more frequently than our average customer.
 - Kohl's has acquired more than 1 million new customers since launching the partnership in August 2021. Of note, about 600 Sephora locations are currently open - about half of Kohl's total store base, many of which have been open for a very short period of time.

- Impact for prestige brand partners:
 - Sephora at Kohl's brands are also benefiting from this increased distribution. Top selling brands include Sephora Collection, Sol de Janeiro, NARS, Fenty Beauty, Charlotte Tilbury, OLAPLEX, and Too Faced. Notably, Charlotte Tilbury is set to expand its assortment in the coming weeks given its strong performance thus far.
 - Momentum for brands has prompted others to sign on, with brands including Versace, Murad, Clarins, Living Proof, Jack Black, and Voluspa joining the Sephora at Kohl's lineup earlier this year.
 - As the prestige product assortment continues to expand and evolve to meet the specific demands and preferences of Sephora at Kohl's customers, there are continued opportunities for brands across categories. This includes plans to expand space in fragrance, given the success so far seen in the category, while men's grooming will also receive dedicated space under the grooming essentials banner.
- Continued Innovation and Optimizations

As this rapid expansion continues, Kohl's and Sephora continue to find ways to make the Sephora at Kohl's experience even more integrated and impactful for shoppers. A few new offerings recently launched or on the horizon include:

 - The ability to purchase and redeem Sephora gift cards at Kohl's stores, regardless of where the gift cards were purchased, just in time for holiday gifting.
 - The piloting of a cross-company Buy Online, Pick-Up In Store offering, enabling shoppers to buy on **Sephora.com** and pick up at Kohl's stores.
 - Continued cross-store promotions that make Sephora savings equally accessible to Sephora at Kohl's customers.
 - The addition of Sephora beauty outposts adjacent to Amazon Returns within Kohl's stores.
 - Later this year, Kohl's and Sephora will significantly expand the holiday gifting assortment and increase the marketing investment, positioning the 600 stores with Sephora at Kohl's and **Kohls.com** for a big traffic driver during holiday.

"For such a big endeavor, our partnership with Kohl's has been executed extremely well and has delivered incredible results thus far, and there is so much potential to this partnership with the addition of 400 stores that have opened this summer," said Jean-André Rougeot, President and Chief Executive Officer, Sephora Americas. "At Sephora, our mission continues to be welcoming more people into the prestige beauty community, and we are achieving exactly that. In the past twelve months, we've been able to bring the premium experience Sephora is known and loved for to new communities across the country, giving them the access to beauty that we know they are yearning for. With a significant number of new Beauty Insiders, including the successful re-engagement of clients and holiday shopping ahead, the reality is that one year results are very encouraging, but this is just the beginning."

The Sephora at Kohl's Rollout

Sephora at Kohl's was introduced in 2021 with plans to open in 850 Kohl's stores by 2023. In the fall of 2021, Kohl's opened 200 stores, followed by an additional rollout of 400 more locations this summer. By 2023, Kohl's will have opened 850 full sized, 2,500 square foot Sephora at Kohl's locations across the country. The introduction of Sephora at Kohl's has also been at the center of Kohl's store remodels, which has offered the opportunity to update, refresh and reflow stores to deliver against Kohl's strategy to be the leading destination for the active and casual lifestyle.

As Kohl's expands its Sephora at Kohl's presence to all locations, each Sephora at Kohl's will maintain the premium Sephora experience customers expect. The 850 Sephora at Kohl's shops feature a fully immersive beauty experience that mimics the look and feel of a freestanding Sephora. Within all Sephora at Kohl's locations, customers can explore the signature Sephora experience with a carefully curated assortment of prestige makeup, skincare, hair, and fragrance brands, as well as innovations in clean beauty and self-care. In the 850 stores that will have the full-sized Sephora at Kohl's shops, Sephora-trained Beauty Advisors offer personalized beauty consultations and assistance with finding products, while testing and discovery zones serve up a rotating assortment of new, emerging or trending products.

View the map of where Sephora at Kohl's is currently located [here](#), and stay tuned for more information about the Kohl's-wide rollout of Sephora at Kohl's.

Cautionary Statement Regarding Forward-Looking Information

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “anticipates,” “plans,” or similar expressions to identify forward-looking statements. Such statements, including statements regarding business and financial trends for the Company’s second quarter, future performance, business conditions or results of operations, the timing and amount of any share repurchases pursuant to the Company’s share repurchase program and other information are subject to certain risks and uncertainties, which could cause the Company’s actual results to differ materially from those anticipated by the forward-looking statements. There can be no guarantee regarding such trends and performance, that the Company will be able to execute share repurchases, the timing or number of shares of any such repurchases, or that share repurchases or other future actions by the Company intended to create shareholder value will have such an effect. These risks and uncertainties include, but are not limited to, risks described more fully in Item 1A in the Company’s Annual Report on Form 10-K and Item 1A of Part II of the Company’s Quarterly Report on Form 10-Q for the first quarter of fiscal 2022, which are expressly incorporated herein by reference, and other factors as may periodically be described in the Company’s filings with the SEC. Forward-looking statements relate to the date initially made, and Kohl’s undertakes no obligation to update them.

About Kohl’s

Kohl’s (NYSE: KSS) is a leading omnichannel retailer. With more than 1,100 stores in 49 states and the online convenience of **Kohls.com** and the Kohl’s App, Kohl’s offers amazing national and exclusive brands at incredible savings for families nationwide. Kohl’s is uniquely positioned to deliver against its strategy and its vision to be the most trusted retailer of choice for the active and casual lifestyle. Kohl’s is committed to progress in its diversity and inclusion pledges, and the company’s environmental, social and corporate governance (ESG) stewardship. For a list of store locations or to shop online, visit **Kohls.com**. For more information about Kohl’s impact in the community or how to join our winning team, visit **Corporate.Kohls.com** or follow @KohlsNews on Twitter.

About Sephora

Since its debut in North America more than 20 years ago, Sephora has been a leader in prestige omni-retail with the mission of creating an inviting beauty shopping experience and inspiring fearlessness in our community. With the goal of delivering unbiased shopping support and a personalized experience, Sephora invites clients to discover thousands of products from more than 360 carefully curated brands, explore online and through our mobile app, enjoy services at the Beauty Studio and engage with expertly trained Beauty Advisors in more than 600 stores across the Americas. And with its new long-term retail strategic partnership, clients can now shop Sephora at Kohl’s, a fully immersive, premium beauty destination, with 600 locations nationwide by year-end, and 850 locations by 2023. Clients can access the free-to-join Beauty Insider program and digital community, which together enhance the experience of Sephora’s passionate clients.

Sephora has been an industry-leading champion of diversity, inclusivity, and empowerment, guided by our longstanding company values. In 2019, Sephora announced a new tagline and manifesto, “We Belong to Something Beautiful,” to reinforce its dedication to fostering belonging amongst all clients and employees and to publicly strive for a more inclusive vision for retail in the Americas. Sephora continues to give back to our communities and advance inclusion in our industry through its social impact and equity programming, called the Sephora D&I Heart Journey. For more information, visit: <https://www.sephora.com/about-us> and @Sephora on social media. For media inquiries, please visit our Sephora newsroom or email ExternalComms@sephora.com.

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Source: Kohl's