

# Engine Capital Sends Letter to the Board of Directors of Kohl's Regarding Credible Offer to Purchase the Company at Substantial Premium

## *Reiterates Request that the Board Publicly Commit to Running a Full Review of Strategic Alternatives*

NEW YORK--(BUSINESS WIRE)—Engine Capital LP today announced that it has sent the below letter to Kohl's Corporation's (NYSE: KSS) Board of Directors.

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Dear Members of the Board:

Engine Capital LP (together with its affiliates, "Engine" or "we") is a long-term shareholder of Kohl's Corporation ("Kohl's" or the "Company"), with an ownership position of approximately 1% of the Company's outstanding shares. As you know, we have previously urged you to publicly commit to conducting a full review of strategic alternatives, given the abysmal long-term performance of the Company. Over the weekend, we read with interest multiple press reports stating that a Starboard-led consortium has offered \$64 per share in cash for Kohl's. When the board of directors of a company, whose stock has underperformed for so long, receives a credible offer at a 37% premium, it has a fiduciary obligation to aggressively pursue it, while openly considering all alternatives to maximize value. It can't simply dismiss the offer and argue that the standalone plan will produce greater long-term value for shareholders.

Kohl's has significantly underperformed the S&P 500 and its peers over most relevant time periods, including since Ms. Gass became Chief Executive Officer in May 2018 and since Peter Boneparth, Kohl's' Chairman, became a director of the Company more than 13 years ago. Given this sustained underperformance, time value of money and execution risk, we believe that "a bird in the hand is worth more than two in the bush". Starboard has a stellar reputation, its offer is credible and we believe there are other parties interested in buying the Company. The Company's tremendous free cash flows and significant real estate ownership (worth around \$7 billion) make a transaction highly financeable. Therefore, we believe the board has all the ingredients necessary to create a competitive sale process that will maximize shareholder value. We urge the board to not delay further and pursue such a process immediately.

Very truly yours,

Arnaud Ajdler  
Managing Partner

Brad Favreau  
Partner

### **About Engine Capital**

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

### **Contacts**

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