



Q2 2020 EARNINGS CALL

NORDSTROM

FORWARD-LOOKING STATEMENTS

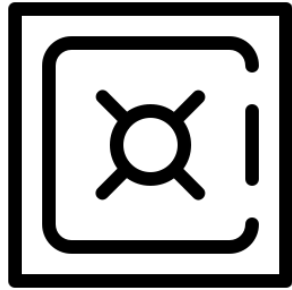
This presentation contains statements that are forward looking. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. We may not achieve the results projected in these forward looking statements, and our actual results could materially differ because of factors discussed in this event, in the comments made during this presentation, and in the risk factors section of our Form 10-K, Form 10-Q, and other reports and filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward looking statement to reflect subsequent events, new information or future circumstances.

ERIK NORDSTROM

CHIEF EXECUTIVE OFFICER



OPERATING APPROACH DURING COVID-19






**PRESERVE &
ENHANCE
LIQUIDITY**



**DELIVER
PROFITABLE SALES
GROWTH**

EXECUTING OUR MARKET STRATEGY



-  Fulfillment Center
-  2019 Rollout
-  2020 Rollout

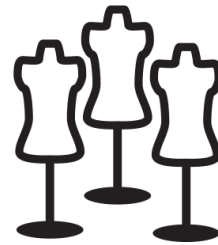
EARNINGS AND CASH FLOW EXCEEDED EXPECTATIONS



CASH AND LIQUIDITY

+\$185M

operating cash flow
and \$1.3 billion in liquidity



INVENTORY EXECUTION

Improved

merchandise margins and
inventory realigned with sales*



OPERATIONAL EFFICIENCIES

~20%

reduction in overhead expenses
relative to last year

A ONE-OF-A-KIND EVENT



BUILDING ON LAST YEAR'S SUCCESS



NORDSTROM

SERVING CUSTOMERS ON THEIR TERMS



We are building on the strengths of our Nordstrom and Nordstrom Rack brands, seamlessly across stores and online, through the combination of convenience and connection.

NORDSTROM

ANNE BRAMMAN

CHIEF FINANCIAL OFFICER



REALIZED YTD SAVINGS OF \$420M¹

PLANNED EXPENSE SAVINGS

PRODUCTIVITY IMPROVEMENTS

- End-to-End
- Generational Investments
- Procurement

OPERATIONAL EFFICIENCIES

- Marketing
- Supply Chain

FY2020 Target
\$200M - \$250M

CASH SAVINGS

WORKING CAPITAL

- Inventory reduction in-line with sales²
- Extended vendor payment terms

CAPEX

- Decreased plan by ~30%
- Prioritizing tech & supply chain

OPERATING EXPENSE

- On track to reduce overhead expenses by ~20%*

FY2020 Target
\$500M¹

LONG-TERM CAPITAL ALLOCATION PRIORITIES

MAINTAIN INVESTMENT GRADE CREDIT RATING

Target adjusted debt to EBITDAR 1.5X to 2.5X

1

REINVEST IN BUSINESS

Investments in technology and
supply chain capabilities

2

DIVIDENDS

Target dividend payout
30% - 40%

3

SHARE REPURCHASES

Excess cash returned to
shareholders

In light of COVID-19, we are taking decisive action to manage liquidity, reducing capex by 30%, and suspending dividends and share repurchases.

IMPROVED CASH FLOW & PROFITABILITY

<i>Increase / (Decrease) vs LY</i>	Q1	Q2	Q1 ¹ <i>(excl. charges)</i>	Q2 ²
TOTAL SALES	(40%)	(53%)* ~10% Anniversary Shift	(40%)	(53%)* ~10% Anniversary Shift
GROSS PROFIT % OF SALES	(2,280bps)	(1,360bps)	(2,140bps)	~(1,360bps)
SG&A YOY % CHANGE	(1%)	(30%)	(23%)	~(33%)
EBIT YOY % CHANGE	(1,156%)	(271%)	(792%)	(260%)
OPERATING CASH FLOW	(\$778M)	\$187M		

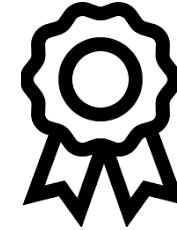
H2 AND BEYOND



**ACCELERATE
STRATEGIC PLANS**



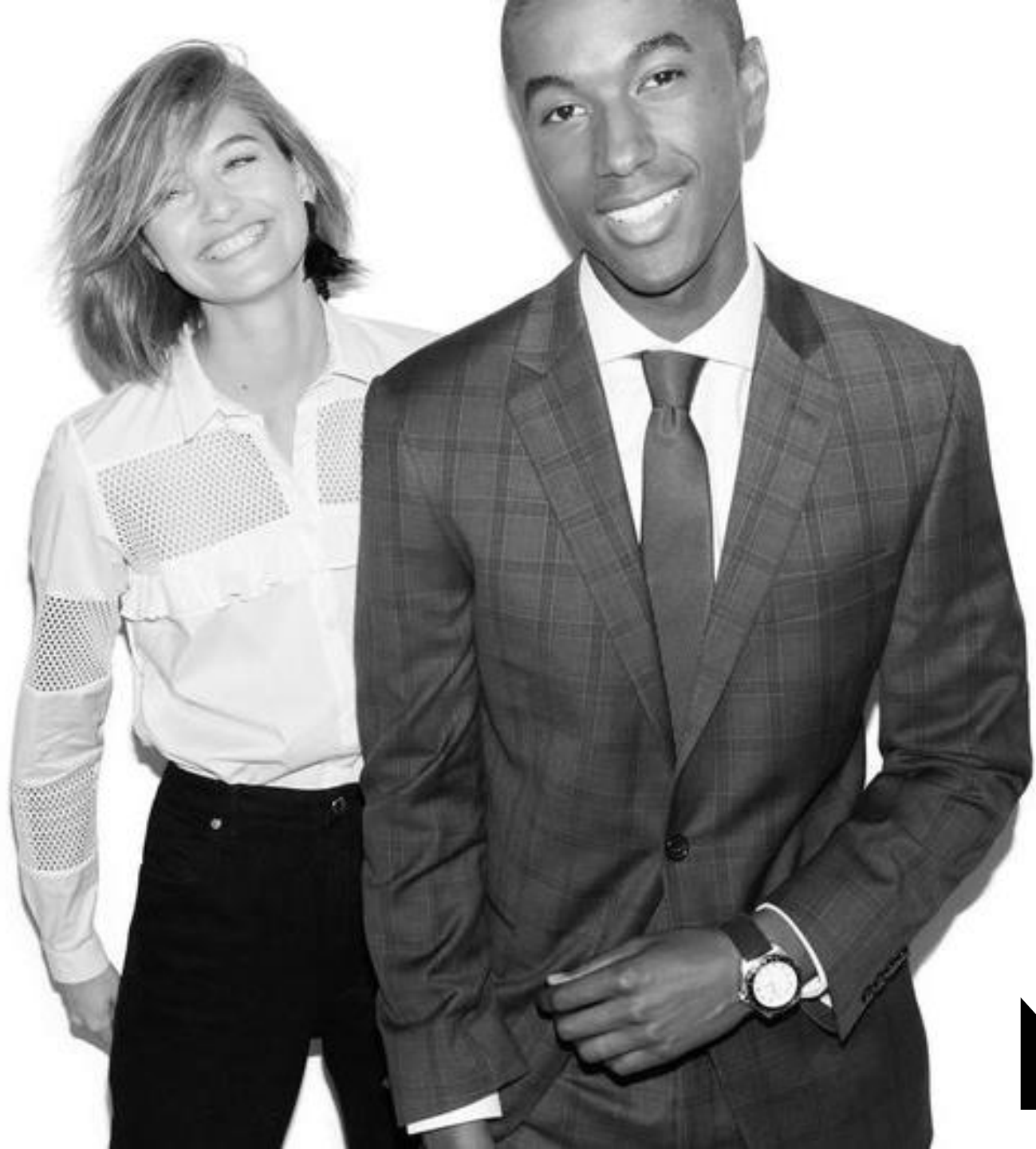
**DELIVER PROFITABLE
GROWTH**



**EMERGE AS A
WINNER**



Q&A



NORDSTROM