



CLOSER TO YOU

**2021 NORDSTROM
INVESTOR EVENT**

FEBRUARY 4, 2021

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-Qs, 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.

Free cash flow and return on invested capital are measures of performance which meet the definition of a non-GAAP financial measure. These measures should be used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Reconciliations of these measures to the most directly comparable GAAP measures are found on our investor relations site at www.investor.nordstrom.com.

AGENDA

STRATEGY AND DIGITAL-FIRST PLATFORM

Erik Nordstrom, Chief Executive Officer

TECHNOLOGY

Edmond Mesrobian, Chief Technology Officer

MERCHANDISING

Pete Nordstrom, President & Chief Brand Officer

PANEL: STRATEGIC BRAND RELATIONSHIPS

Moderator: Teri Bariquit, Chief Merchandising Officer

DIGITAL

Ken Worzel, Chief Operating Officer

NORDSTROM RACK

Geevy Thomas, President of Nordstrom Rack

PANEL: GOVERNANCE

Moderator: Neely Tamminga (DISTILL)
Erik Nordstrom, Pete Nordstrom, Brad Smith (Board Chairman)

ESG PRIORITIES AND FINANCIAL OVERVIEW

Anne Bramman, Chief Financial Officer

Q&A

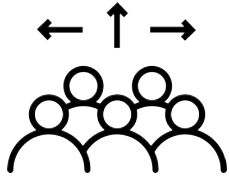
Management Team

STRATEGY AND DIGITAL-FIRST PLATFORM

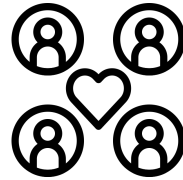
ERIK NORDSTROM,
CHIEF EXECUTIVE OFFICER

NORDSTROM

THE RETAIL LANDSCAPE IS TRANSFORMING



**DEMOGRAPHIC
SHIFTS**



**CONSUMER
PREFERENCES**



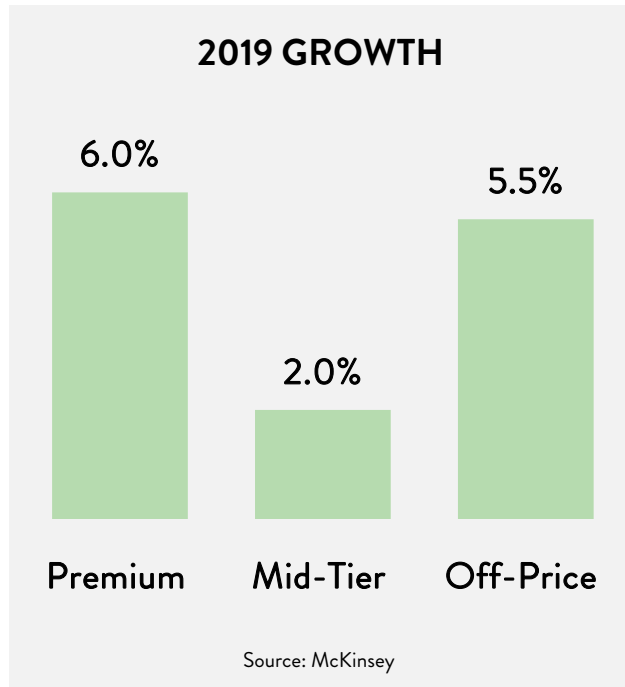
**DIGITAL
ACCELERATION**

DEMOGRAPHIC SHIFTS



Millennials expected to
make up 50% of personal
goods spending by 2024

CONSUMER PREFERENCES



**PRICE
POLARIZATION**

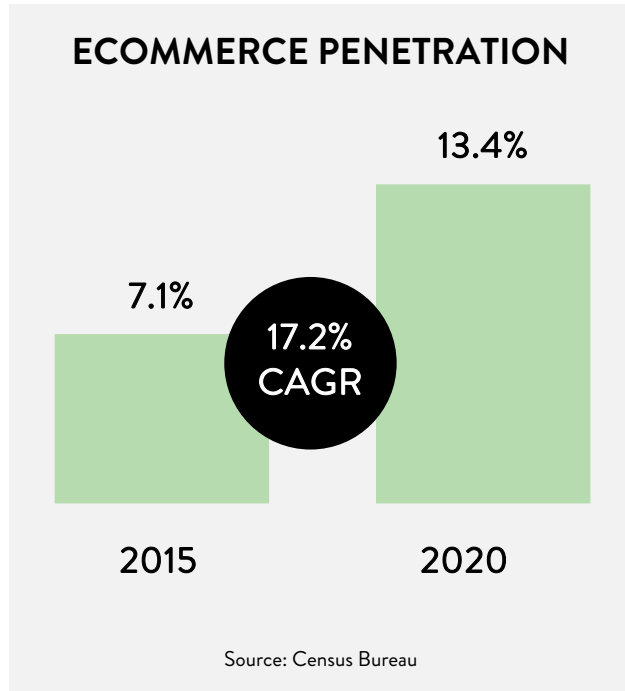


**ALIGNED
VALUES**



**RISE OF
CASUALIZATION**

DIGITAL ACCELERATION



RAPID ECOMMERCE GROWTH



SOCIAL MEDIA DRIVES DISCOVERY



SEAMLESS EXPERIENCE EXPECTED

OUR PURPOSE

A photograph of a woman with long dark hair, smiling warmly as she holds two young children. One child is a girl with long brown hair, wearing a denim jacket, and the other is a younger child with dark hair, wearing a grey sweater. They are outdoors in a field of green and yellow autumn leaves. The text "Our purpose is to help customers feel good and look their best" is overlaid in white on the image.

Our purpose is to help
customers feel good and
look their best

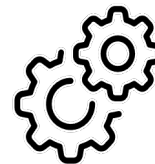
WE ARE UNIQUELY POSITIONED TO SERVE CUSTOMERS ON THEIR TERMS



**TWO POWERFUL,
INTERCONNECTED
BRANDS**



**SERVICE
IS IN OUR
DNA**

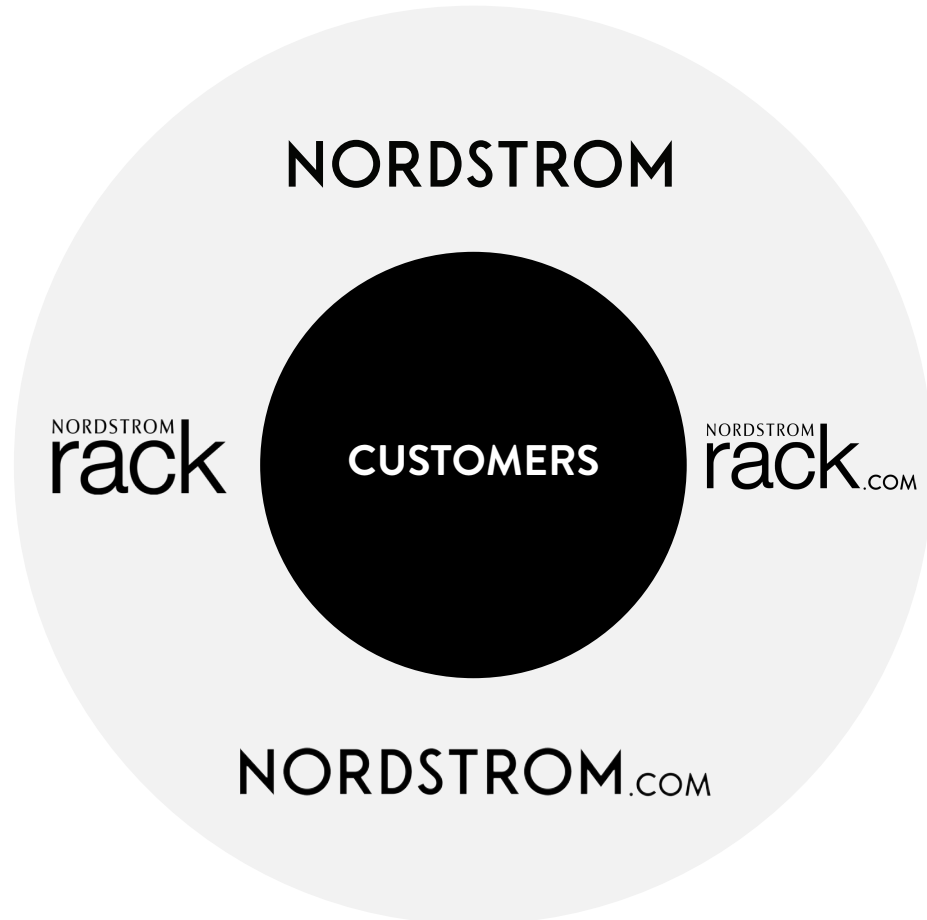


**INTEGRATED
DIGITAL AND
PHYSICAL
ASSETS**



**BEST PARTNER
FOR THE
BEST BRANDS**

TWO POWERFUL, INTERCONNECTED BRANDS



STRONG, ACTIVE CUSTOMER BASE

35M

Active customers

13M

Loyalty members

1.9B

Visits

133M

Purchase trips

UNMATCHED DIGITAL + PHYSICAL

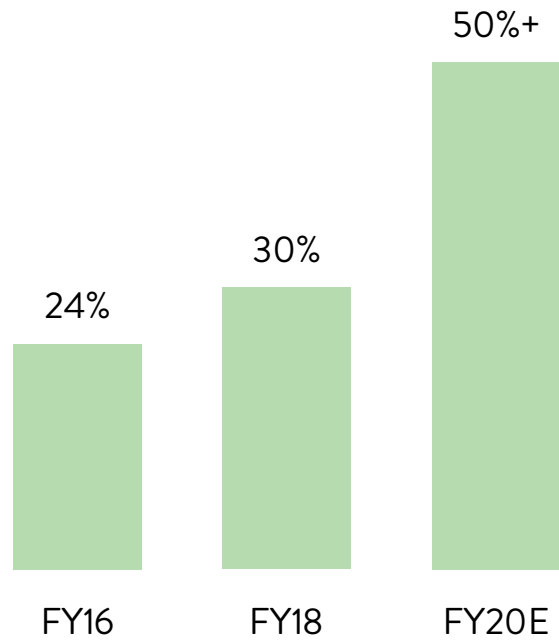
50%+

Digital penetration

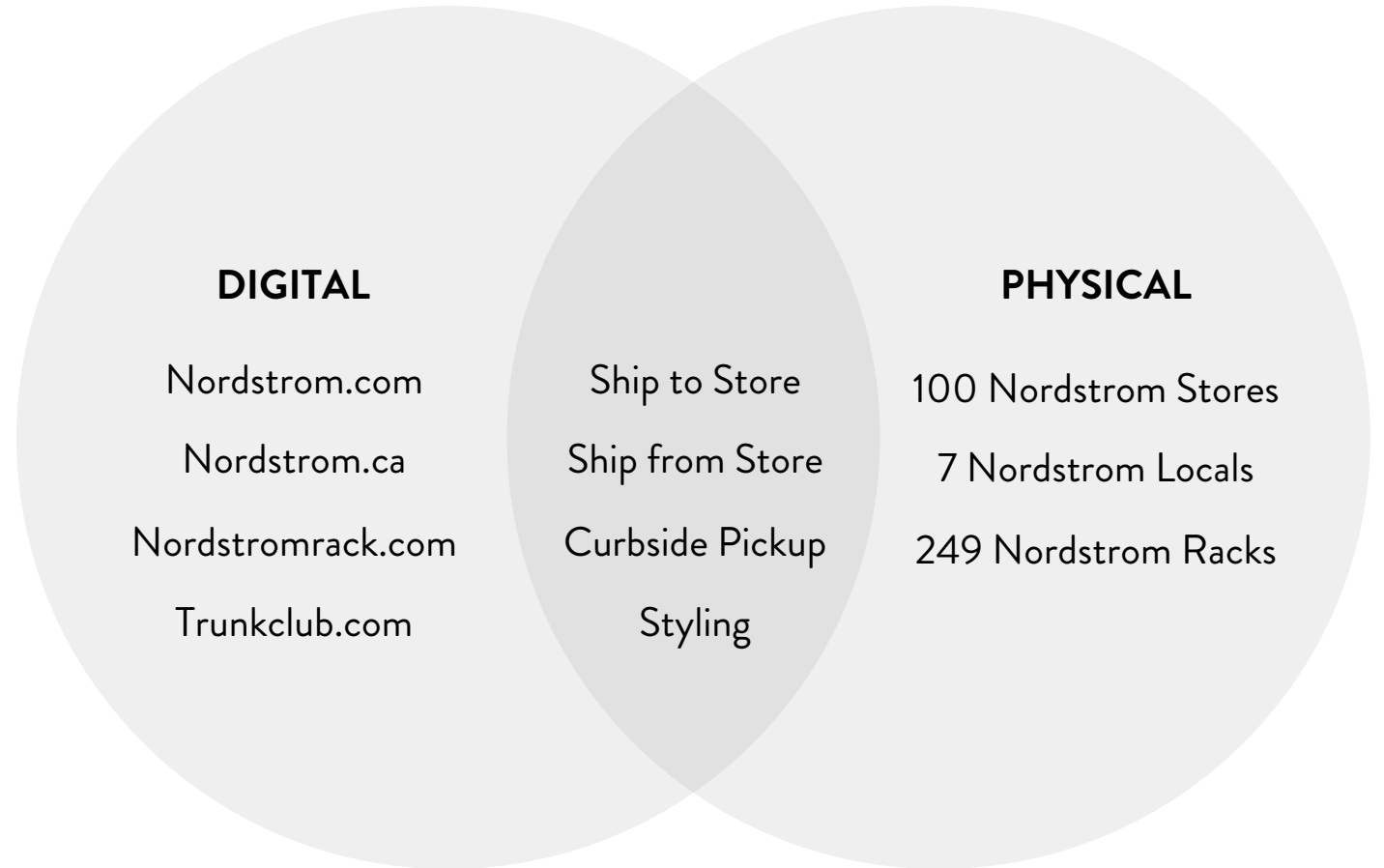
356

Locations

INTEGRATED DIGITAL AND PHYSICAL ASSETS



JWN DIGITAL PENETRATION



SERVICE IS IN OUR DNA

SERVING CUSTOMERS ON THEIR OWN TERMS – WHEREVER, WHENEVER, HOWEVER



VIRTUAL STYLING



STORE PICKUP



ALTERATIONS

3x

Customer lifetime value

5x

Increase in spend per customer

NORDSTROM

BEST PARTNER FOR THE BEST BRANDS

PREFERRED

FREE PEOPLE



TOPSHOP



VINCE.

DESIGNER

BURBERRY
LONDON ENGLAND

CELINE

CHANEL



Dior

F
FENDI

GUCCI

SAINT LAURENT

V
VALENTINO

EMERGING & SCALED DIGITAL BRANDS



BIRDIES

GOOD
AMERICAN

Outdoor
Voices

SKIMS

Sweaty Betty
LONDON

INDOCHINO



VUOR1

NORDSTROM MADE

BP.

Halogen

NORDSTROM
SIGNATURE

TREASURE & BOND

TUCKER
+TATE

zella

NORDSTROM

A PIVOT TO MARKET SHARE CAPTURE AND PROFITABLE GROWTH

CLOSER TO YOU

UNLOCKING THE FULL POTENTIAL OF OUR DIGITAL-FIRST PLATFORM



**WIN IN OUR MOST
IMPORTANT MARKETS**



**BROADEN THE REACH OF
NORDSTROM RACK**



**INCREASE DIGITAL
VELOCITY**



**LOW SINGLE-DIGIT
REVENUE GROWTH**

From 2019 Levels



**EBIT MARGIN
ABOVE 6%**

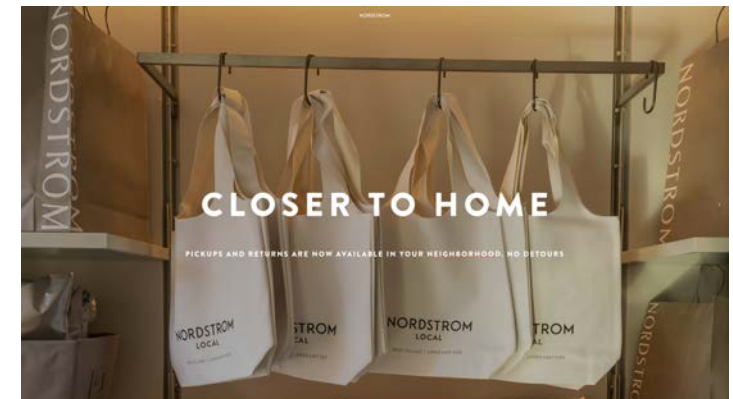
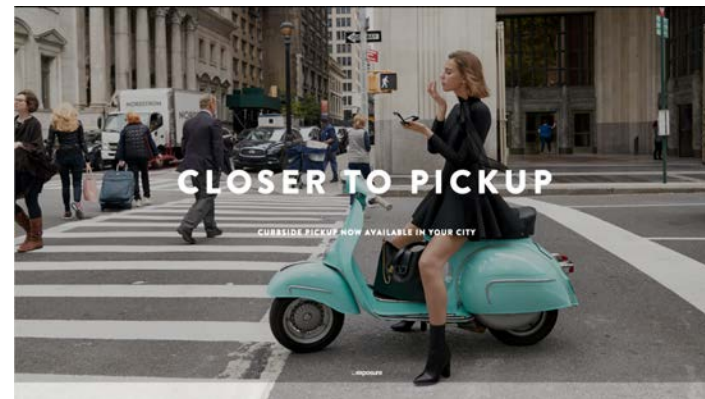
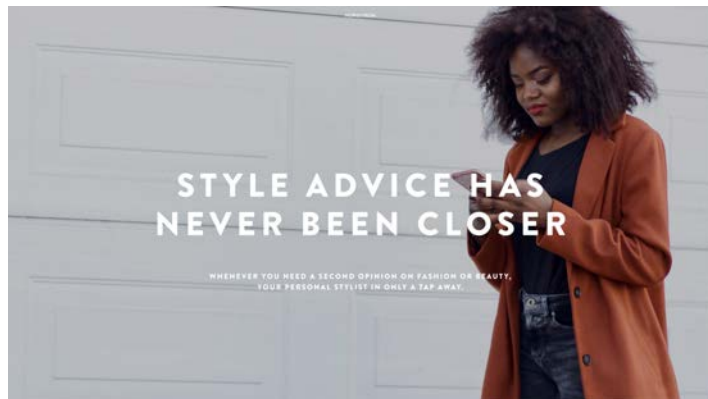
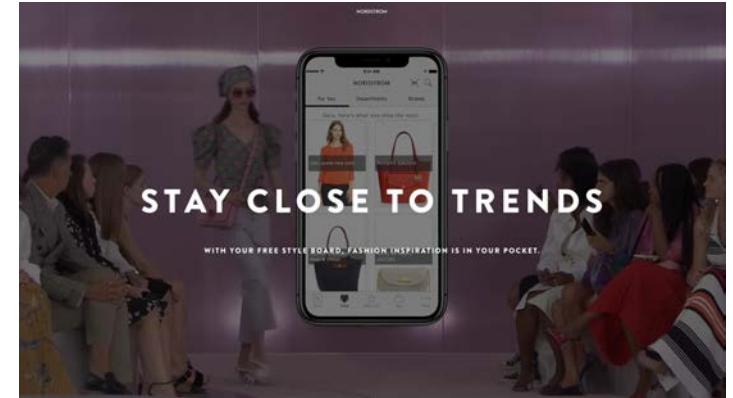
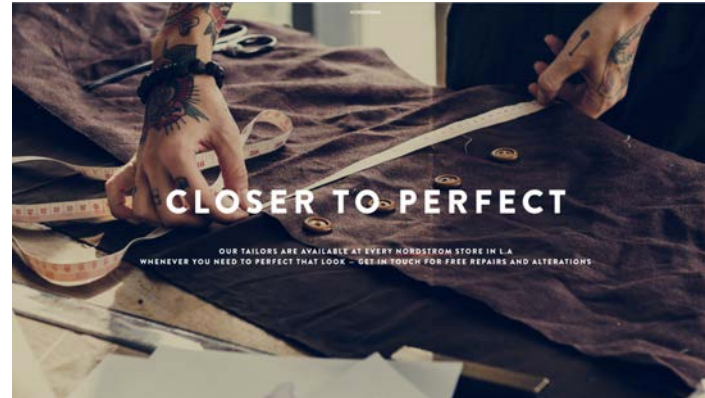


**LOW TEENS
ROIC**



**\$1B+ OPERATING
CASH FLOW**

MARKET STRATEGY IS OUR FUNDAMENTAL BUSINESS MODEL



STRONG RESULTS IN TOP 10 MARKETS



4x

Average selection
for Next-Day

-1 Day

Faster shipping

20%

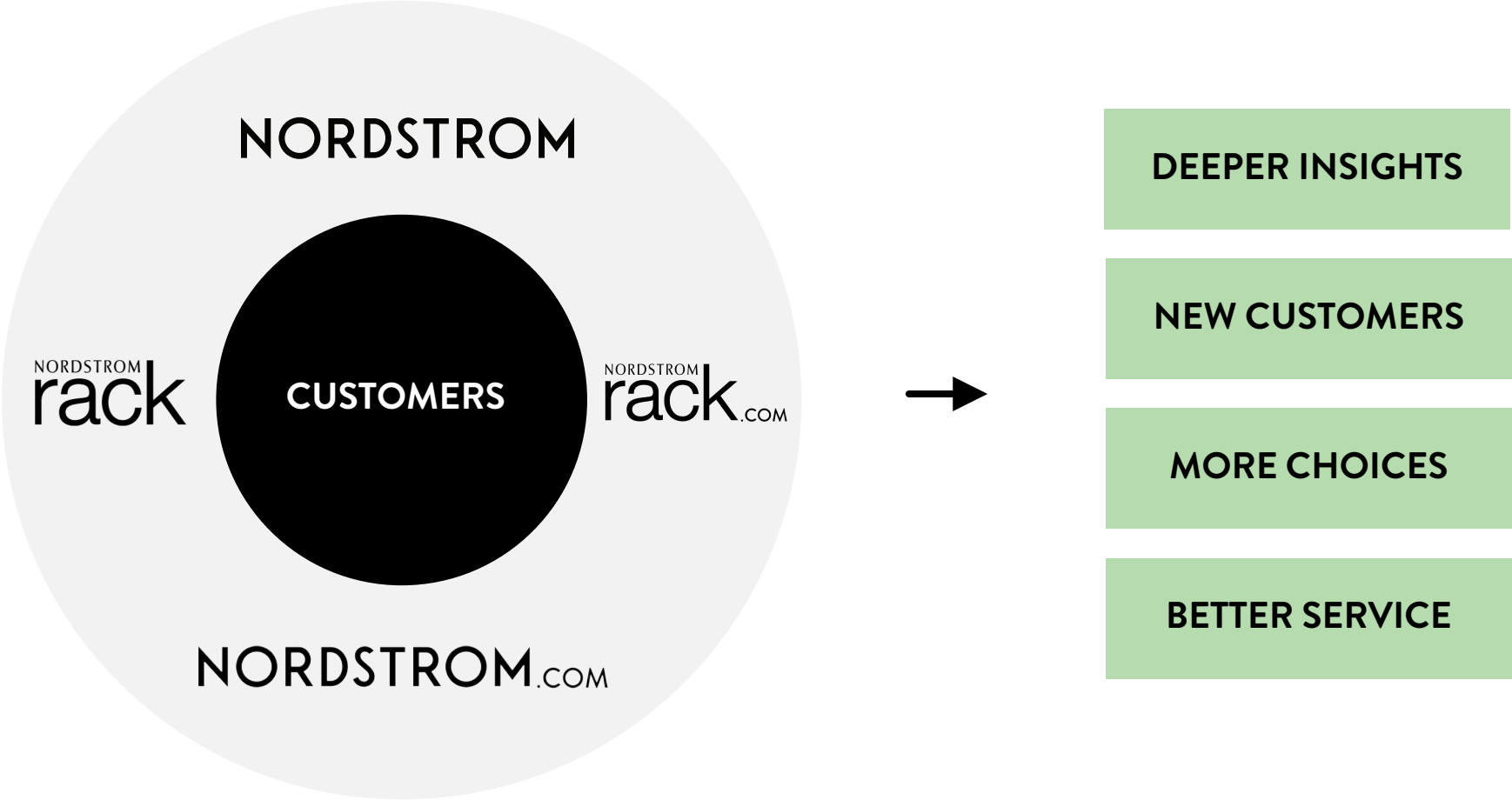
Increased customer
acquisition

~200bps

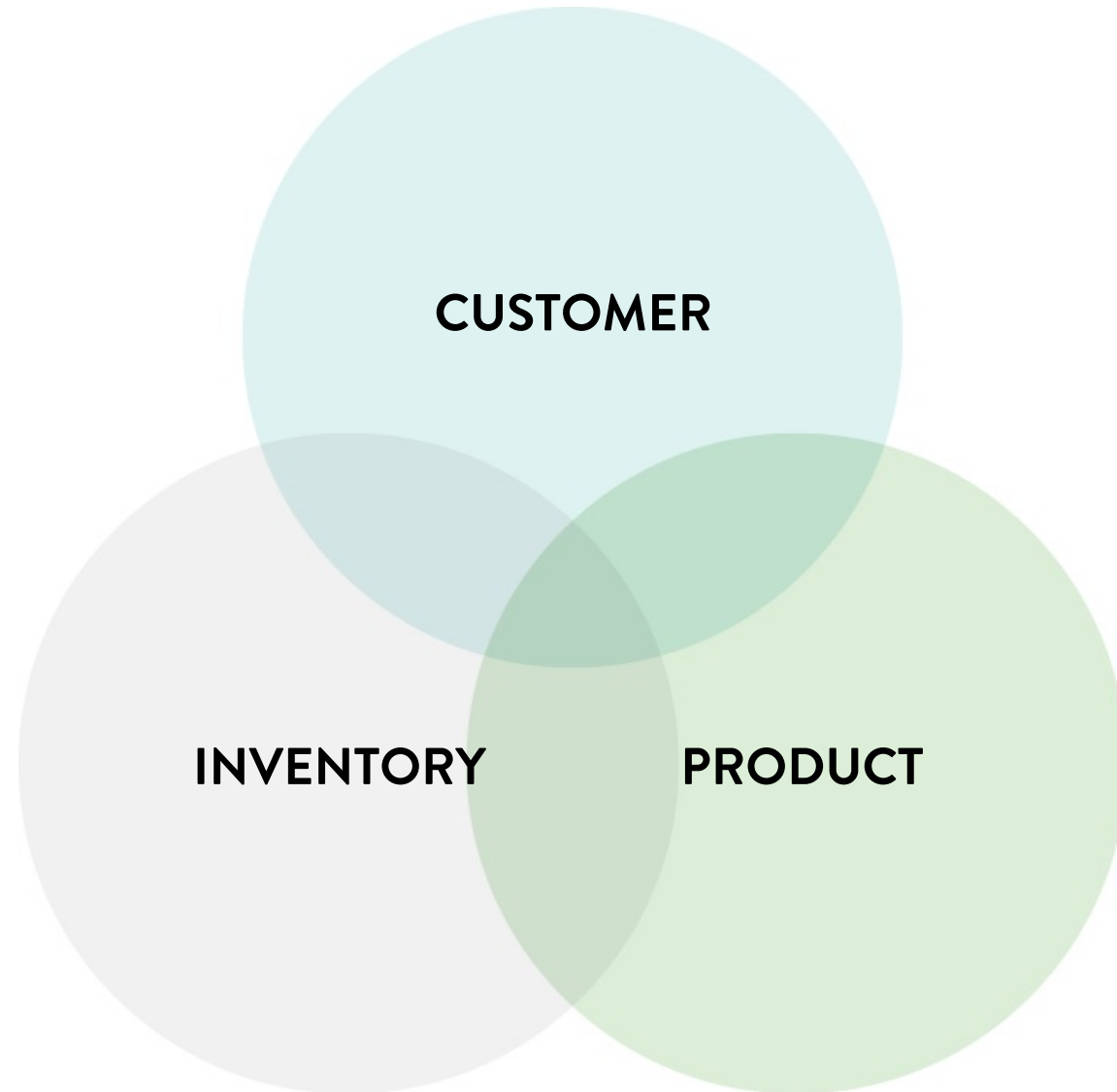
Sales growth

NORDSTROM





UNLOCKING THE FULL POTENTIAL OF OUR DIGITAL-FIRST PLATFORM



DEEPER INSIGHTS



NEW CUSTOMERS

	NORDSTROM RACK		NORDSTROM	
SHOPPING PRIORITY	 <p>BRANDS Bold and trendy Aspire to afford designer</p>	 <p>PRICE Traditional and practical Smart, savvy spender</p>	 <p>SERVICE & BRANDS Timeless and sophisticated Desire luxury brands and experiences</p>	 <p>STYLE Trendy and unique Style and quality over brand</p>
	JWN SHARE OF SHOPPERS	26%	13%	30%

MORE CHOICES

~300K

CURRENT



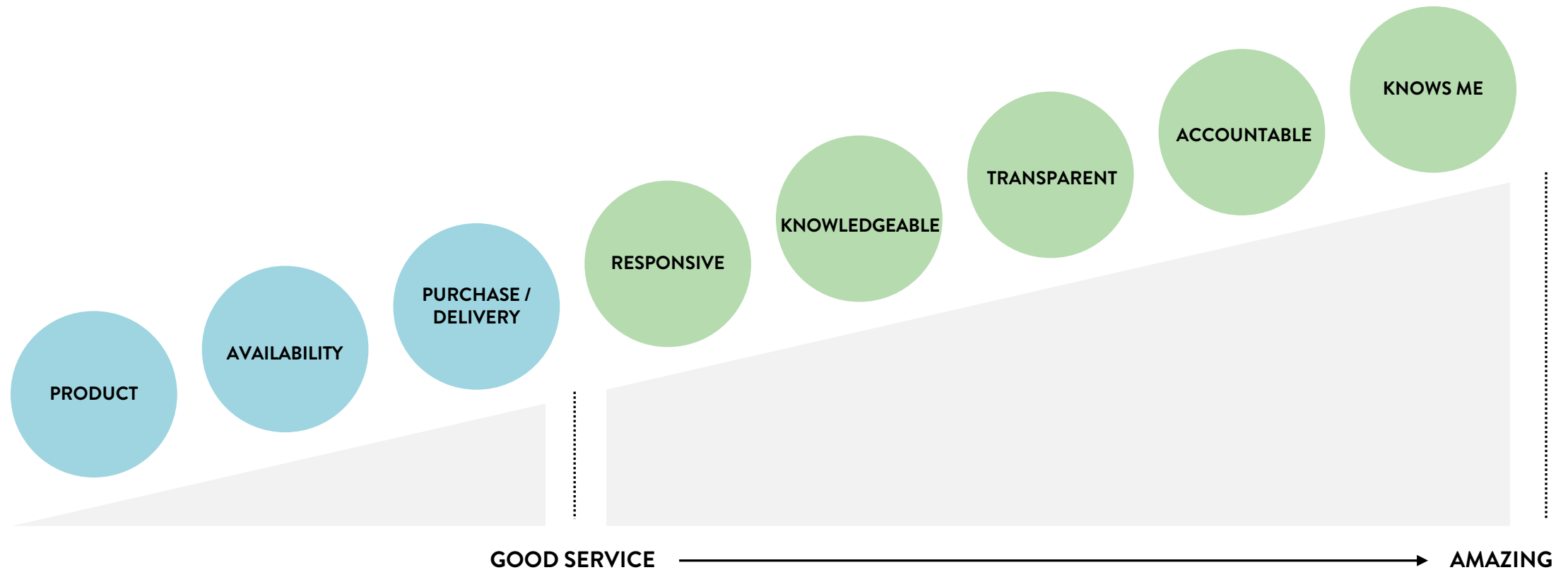
1.5M+

FUTURE

Digital-First Assortment
and Inventory Planning

Expanded Partnership
Models

BETTER SERVICE = CONVENIENCE + CONNECTION



CONVENIENCE IS THE FOUNDATION OF GOOD SERVICE

GREAT SERVICE IS GOING ABOVE AND BEYOND, TO CONNECT WITH THEM, ON THEIR TERMS

EXTENDING OUR STRATEGY ACROSS MARKETS



A PIVOT TO MARKET SHARE CAPTURE AND PROFITABLE GROWTH

CLOSER TO YOU

UNLOCKING THE FULL POTENTIAL OF OUR DIGITAL-FIRST PLATFORM

Deeper Insights | More Choices | New Customers | Better Service



WIN IN OUR MOST
IMPORTANT MARKETS

NORDSTROM
rack

BROADEN THE REACH OF
NORDSTROM RACK



INCREASE DIGITAL
VELOCITY



LOW SINGLE-DIGIT
REVENUE GROWTH

From 2019 Levels



EBIT MARGIN
ABOVE 6%



LOW TEENS
ROIC



\$1B+ OPERATING
CASH FLOW

TECHNOLOGY

EDMOND MESROBIAN,
CHIEF TECHNOLOGY OFFICER

NORDSTROM

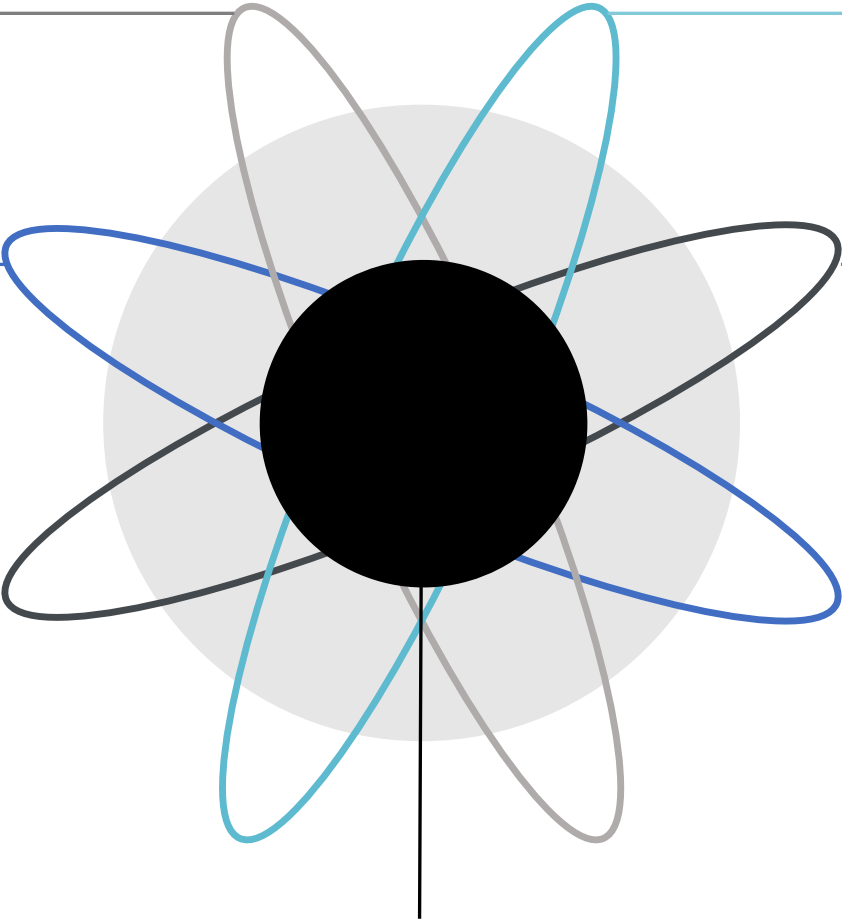
OUR INTERCONNECTED, DIGITAL-FIRST PLATFORM

MERCHANDISING
PLATFORM

FULFILLMENT
PLATFORM

EXPERIENCE
PLATFORM

PRODUCTIVITY
PLATFORM



NORDSTROM ANALYTICAL PLATFORM

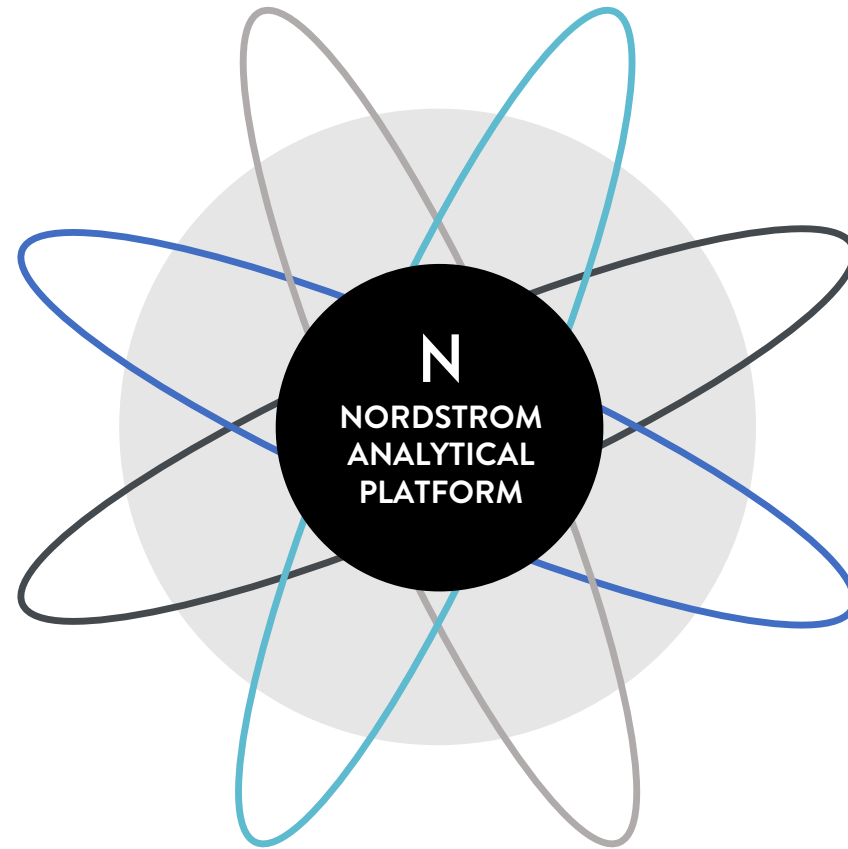
NORDSTROM

PREDICTIVE ANALYTICS POWER OUR DIGITAL-FIRST ENTERPRISE

PRESENT

Reporting helps JWN
improve quality & coverage

Early signal detection that
creates flexibility



FUTURE

Connected platforms
powered by thousands of
near real-time predictions
and insights

Drives smarter:



Engagement

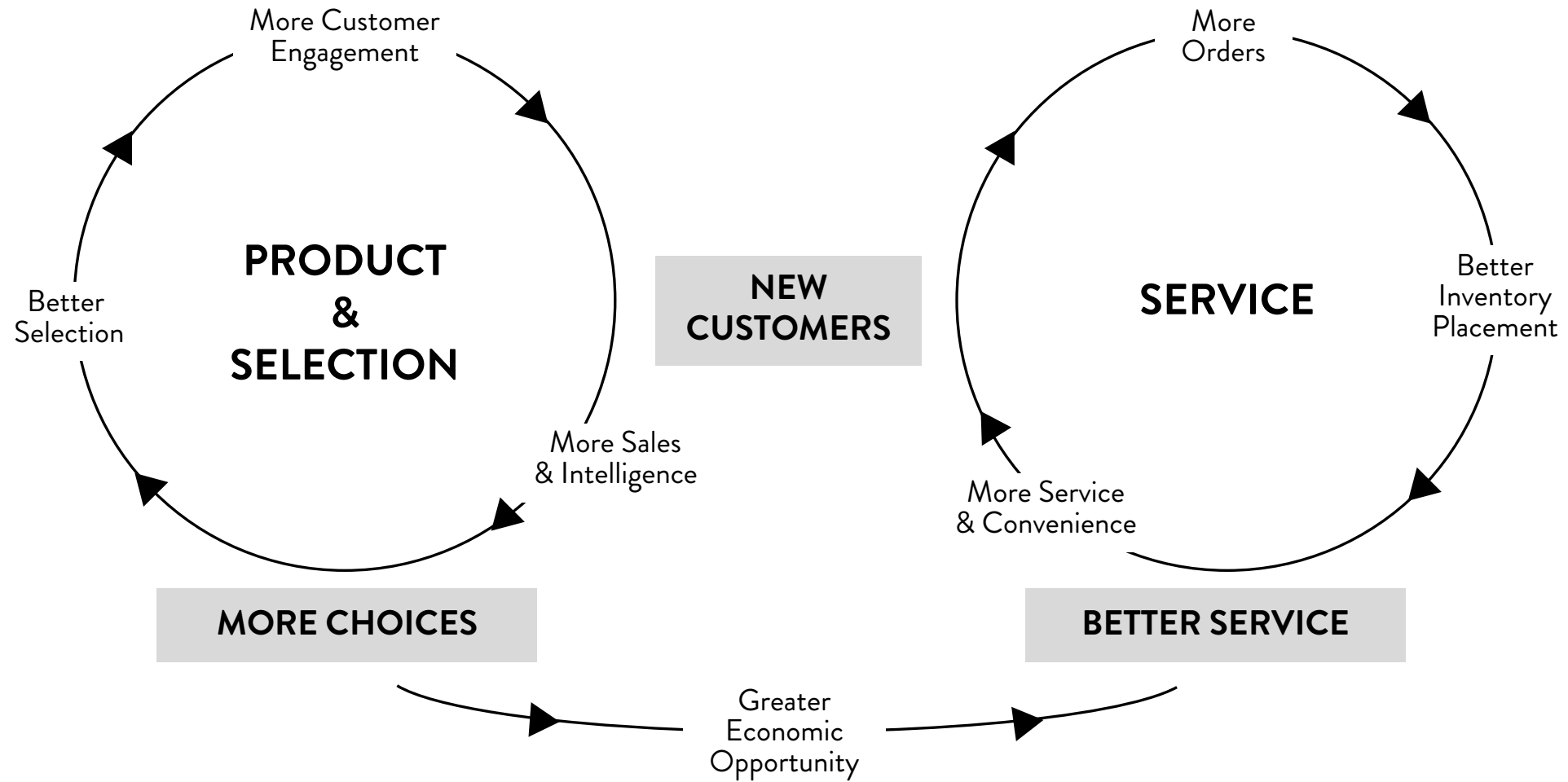


Availability



Assortment

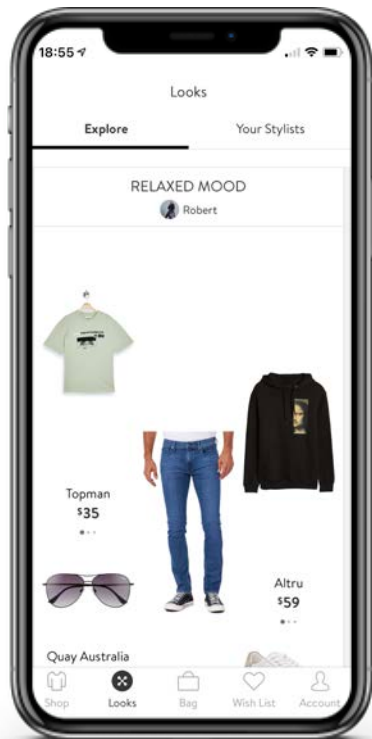
LEVERAGING INSIGHTS AND PREDICTIONS TO GET CLOSER TO YOU



AN EXAMPLE OF LEVERAGING INSIGHTS TO ENHANCE PRODUCT DISCOVERY TODAY

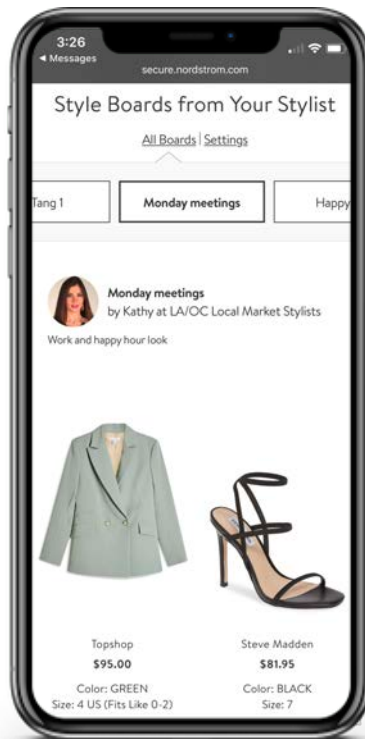
LOOKS

Combine machine learning algorithms and stylists to create pre-curated outfits for customers



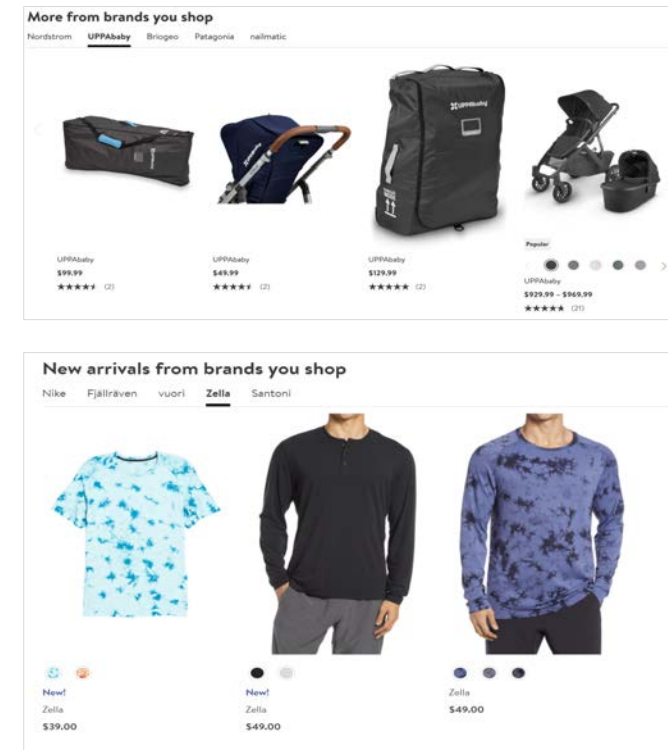
STYLE BOARDS

Allow customers to receive personalized product, and outfit recommendations from their salespeople



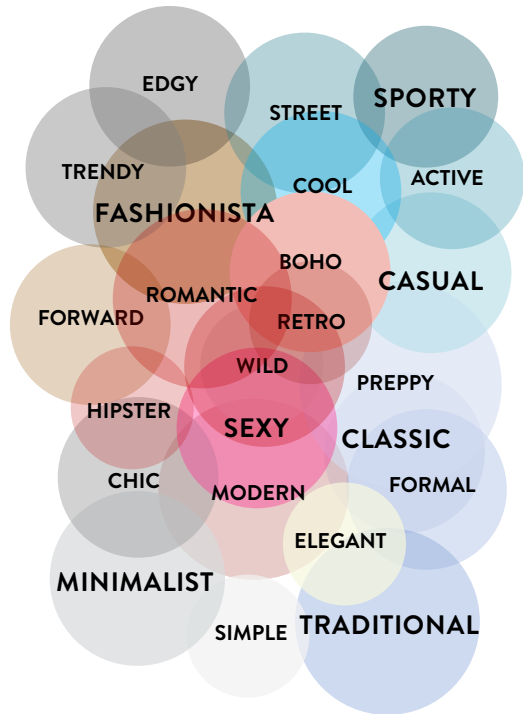
RECOMMENDATIONS

Recommend product to customers from brands they shop



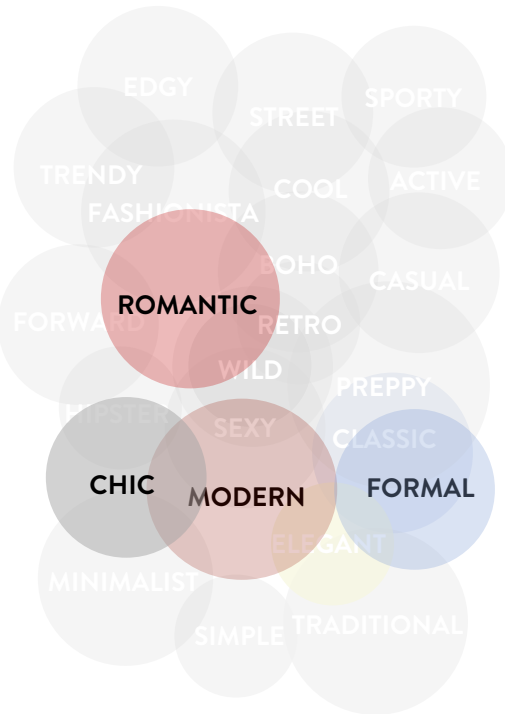
AN EXAMPLE OF REDEFINING PRODUCT DISCOVERY FOR TOMORROW

FASHION MAP



+

CUSTOMER BLUEPRINT



+

HER SEARCH



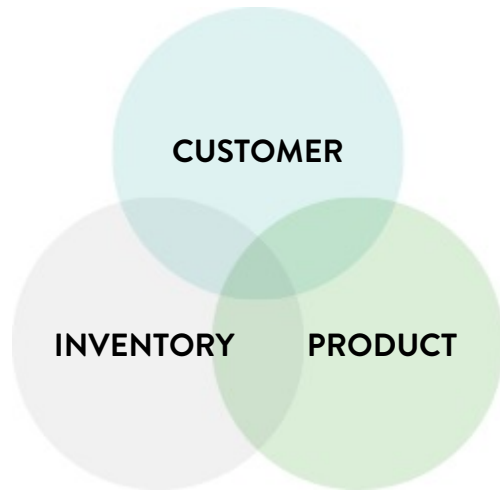
“Sophisticated flowy dress for garden wedding no lace”

=

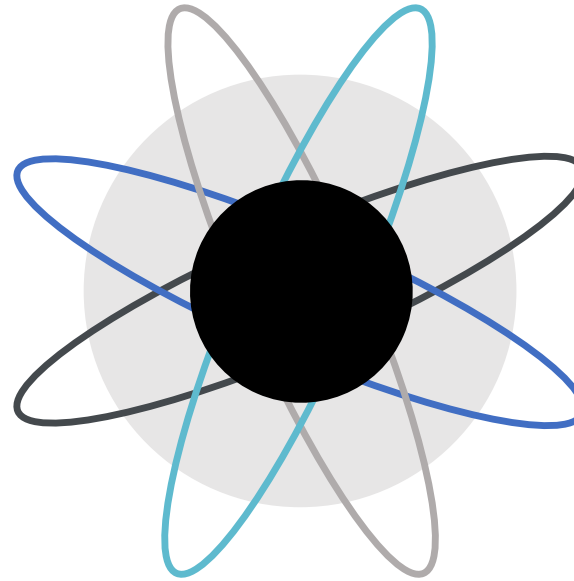
RELEVANT PRODUCT DISCOVERY



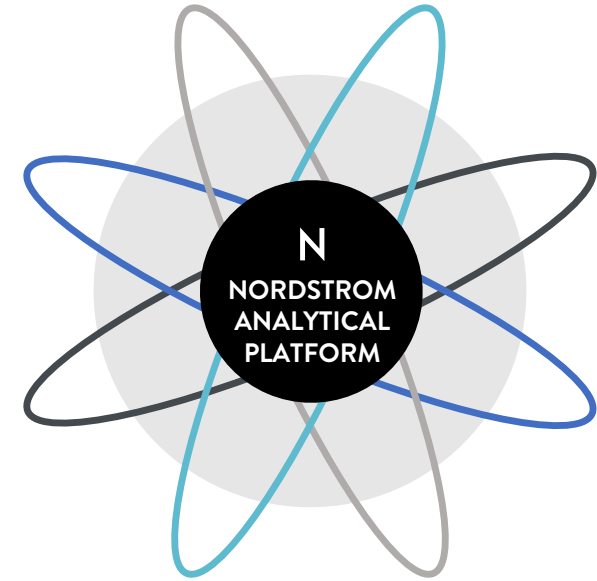
UNLOCKING THE POTENTIAL OF OUR DIGITAL-FIRST PLATFORM



**DATA
PLANES**



**CONNECTED
COOPERATIVE
PLATFORMS**



**NEAR-REALTIME
PREDICTIONS AND
INSIGHTS**

NORDSTROM ANALYTICAL PLATFORM

MERCHANDISING

PETE NORDSTROM,
PRESIDENT AND CHIEF BRAND OFFICER

NORDSTROM

WINNING WITH THE CUSTOMER THROUGH PRODUCT

BREADTH

Range that appeals to our diverse customers

NEWNESS

Consistently delivering updated offering

PRICE

Right price and competitive on like items

IN STOCK

Right quantities available at the right locations

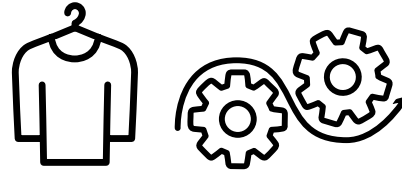


**DRIVE DISCOVERY
AND RELEVANCE FOR THE
MODERN CUSTOMER**

TRANSFORMING OUR MERCHANDISING APPROACH



**DIGITAL-FIRST
ASSORTMENT
PLANNING**

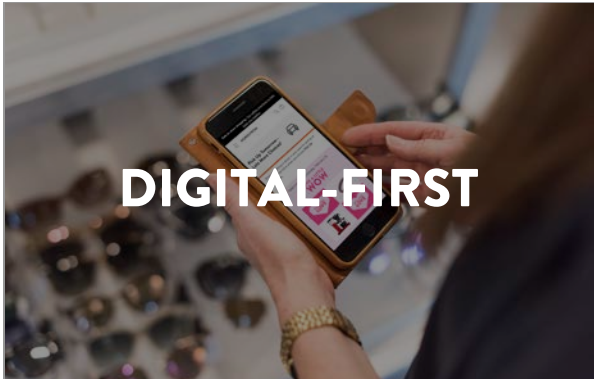


**FLEXIBLE
INVENTORY
FLOW**

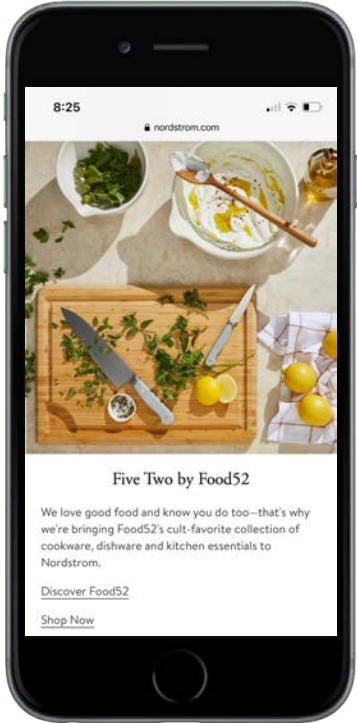


**EXPANDED
PARTNERSHIP
MODELS**

DIGITAL-FIRST ASSORTMENT PLANNING



NORDSTROM: HOME



CURRENT → FUTURE

3x

Increase in customer choices

5x

Sales growth

FLEXIBLE INVENTORY FLOW



**FASTER
DELIVERY**



**INCREASED
AVAILABILITY IN STORES**



**REDUCED
SHIPPING COST**



**BETTER SHOPPABILITY
OF LARGE STORES**



**INCREASED
SELECTION**



**HIGHER REGULAR PRICE
SELL-THROUGH**

EXPANDED PARTNERSHIP MODELS

JWN OWNED

Private Label + Wholesale

PARTNER OWNED

Drop Ship + Concession

SHARED OWNERSHIP

Revenue Share

**DELIVER BROADER ASSORTMENT
WHILE LIMITING RISK**

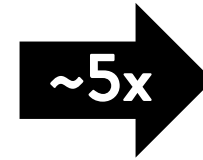
**RESPOND QUICKLY TO
EMERGING TRENDS**

**PROVIDE INCREASED VALUE
TO OUR PARTNERS**

EXPANDED PARTNERSHIP MODELS: BROADER ASSORTMENT

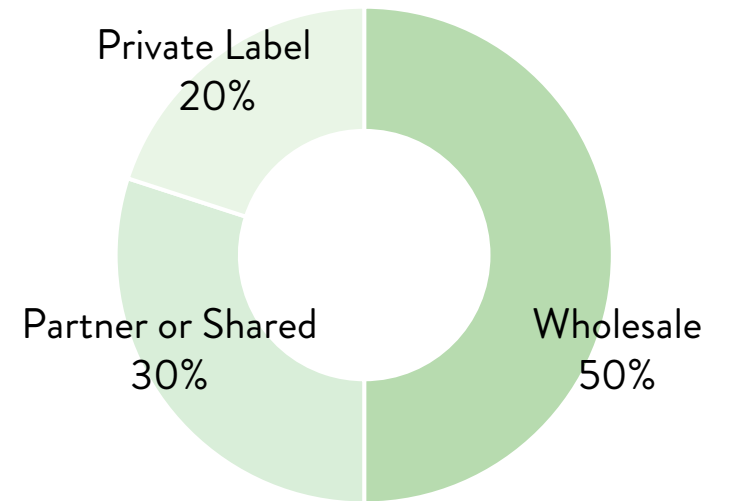
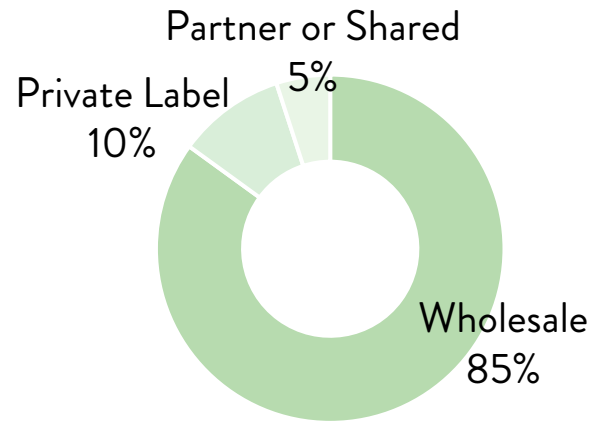
JWN CUSTOMER CHOICES

CURRENT
~300K



FUTURE
1.5M+

% OF JWN SALES



EXPANDED PARTNERSHIP MODELS: NORDSTROM MADE



10%
CURRENT SALES



20%
FUTURE SALES

5x

Increase in spend per customer

3x

Increase in trips per customer

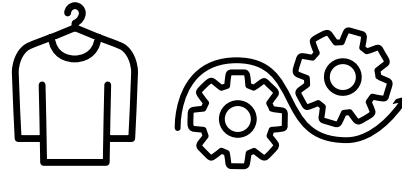
500bps

Higher merchandise margin

TRANSFORMING OUR MERCHANDISING APPROACH



**DIGITAL-FIRST
ASSORTMENT
PLANNING**



**FLEXIBLE
INVENTORY
FLOW**



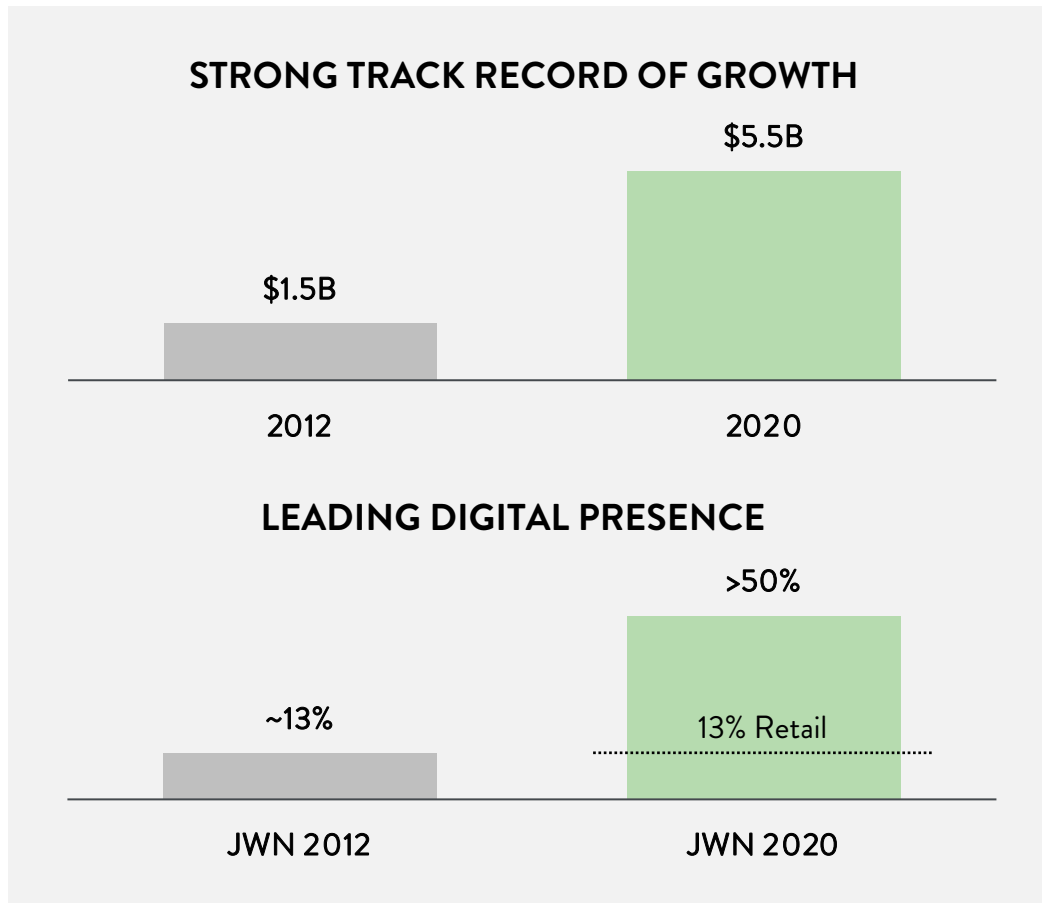
**EXPANDED
PARTNERSHIP
MODELS**

DIGITAL

KEN WORZEL,
CHIEF OPERATING OFFICER

NORDSTROM

A MULTI-BILLION-DOLLAR DIGITAL POWERHOUSE



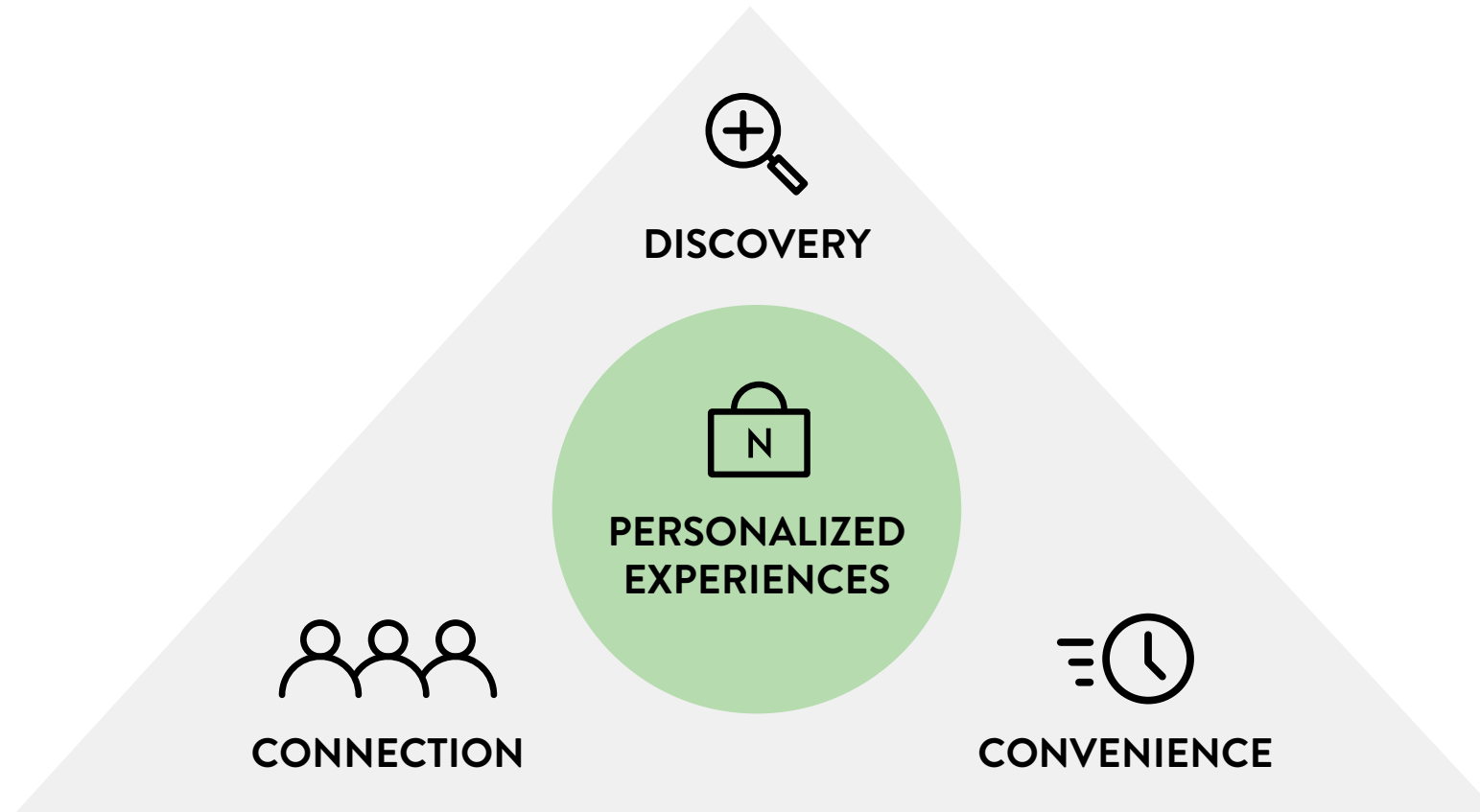
8.4 MILLION APP USERS

100% STORES ACCESSIBLE FOR PICKUP AND RETURNS

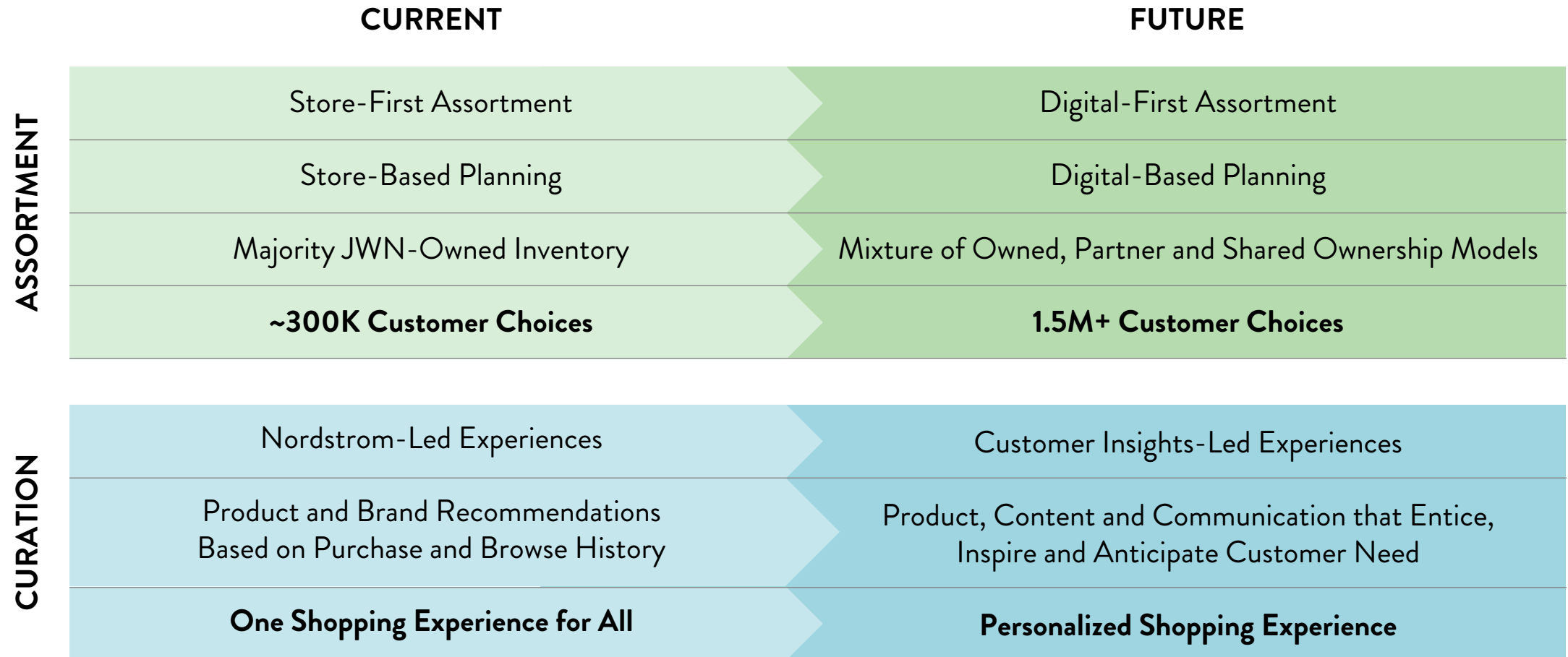
65% DIGITAL PURCHASES RETURNED TO STORES

75%+ OF DEMAND WITHIN 2-DAY, CLICK-TO-DELIVERY IN TOP MARKETS

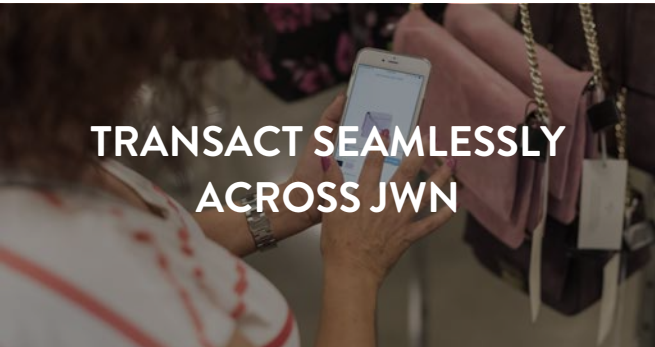
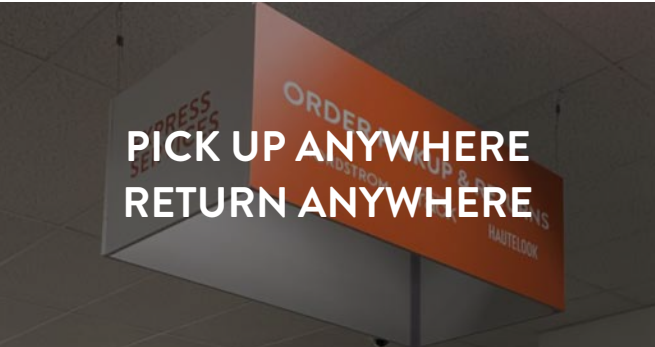
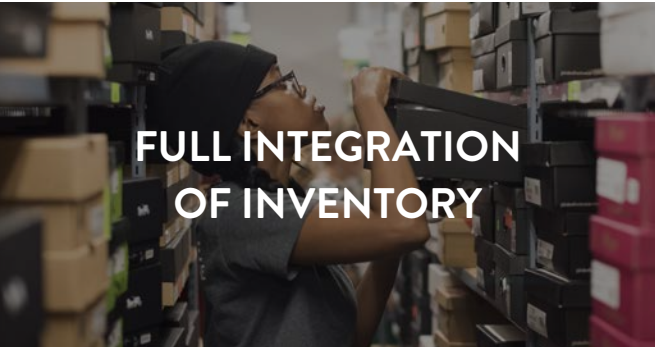
WINNING WITH THE CUSTOMER THROUGH PERSONALIZED DIGITAL EXPERIENCES



DISCOVERY: OFFER THE BROADEST ASSORTMENT DIGITALLY AND LEVERAGE DATA TO DELIVER PERSONALIZATION AT SCALE



CONVENIENCE: LEVERAGING JWN PLATFORM TO REDUCE CUSTOMER FRICTION AND INCREASE ENGAGEMENT ACROSS JWN



SINGLE TO MULTICHANNEL

5x

Customer lifetime value

7x

Increase in customer spend

SINGLE TO MULTIBRAND

3x

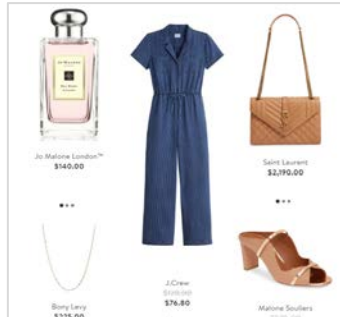
Customer lifetime value

4x

Increase in customer spend

CONNECTION: ENHANCING STYLING AND SELLING CAPABILITIES TO MAKE THE DIGITAL EXPERIENCE MORE PERSONAL

Looks



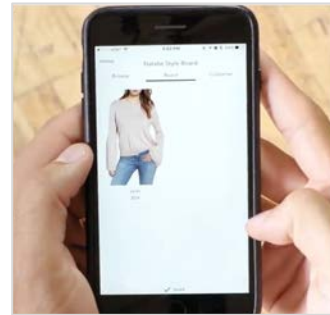
Salesperson Videos



Personalized Trunks



Style Boards



In-Store Styling and Alterations



In-Home Styling and Alterations



LOW TOUCH
“Inspired by a Stylist”

MID TOUCH
“Influenced by a Stylist”

HIGH TOUCH
“Led by a Stylist”

DELIVERING PERSONALIZED EXPERIENCES ACROSS THE SHOPPING JOURNEY

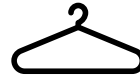
INGRID IS LOOKING FOR A NEW JACKET



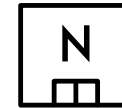
WE UTILIZE WHAT WE KNOW ABOUT HER



Instagram



Current Closet



JWN Store Interactions



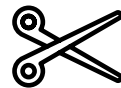
JWN App Usage



Styling



Reviews



Alterations



Pinterest

TO CREATE A PERSONALIZED JOURNEY

Show her **relevant looks** in Instagram feed

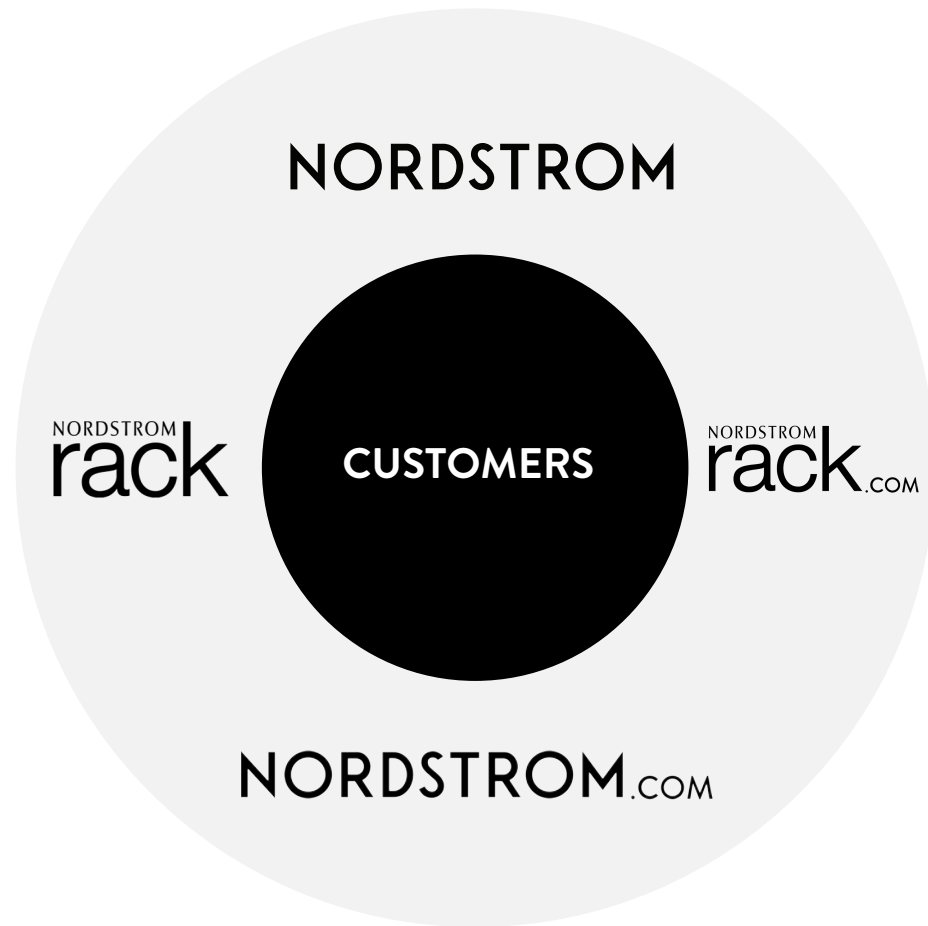
Highlight **sustainably made items** in product recs

Recommend she sets up **in-store alterations**

Suggest **contactless payment**

Offer **curbside** when items are ready

UNLOCKING THE POWER OF A SHARED DIGITAL PLATFORM



DELIVER ENHANCED
PERSONALIZATION THROUGH A
SINGLE VIEW OF THE CUSTOMER

INCREASE CONNECTIVITY
ACROSS JWN DIGITAL AND
PHYSICAL ASSETS

ENHANCE SCALE
BY INCREASING ROI OF
FUTURE INVESTMENTS

NORDSTROM RACK

GEEVY THOMAS,
PRESIDENT OF NORDSTROM RACK

NORDSTROM
rack

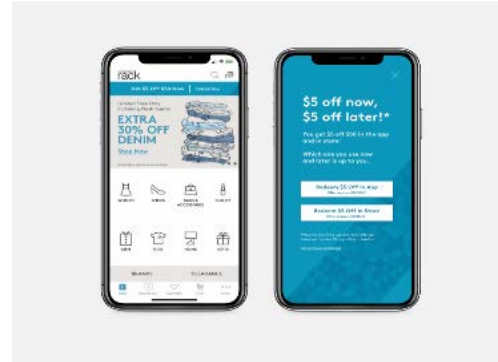


A COMPELLING VALUE PROPOSITION



COMPELLING PRODUCT OFFERING

~120K customer choices
80%+ of top 200 brands shared across Nordstrom and Nordstrom Rack



LARGEST OFF-PRICE DIGITAL PRESENCE

2.2 million mobile app downloads in 2019
6.7 million unique visits annually



HIGH-QUALITY STORE FOOTPRINT

~80% of stores in off-mall locations
~70% of stores in top 20 markets



SIZEABLE, GROWING CUSTOMER BASE

22 million active customers in 2019
6.6 million customers acquired in 2019

STRONG TRACK RECORD OF GROWTH AND DIGITAL LEADERSHIP

	2014	2019
JWN CUSTOMER ACQUISITION	~45%	~60%
RACK STORE COUNT	168	248
TOTAL SALES	\$3.6B	\$5.2B
DIGITAL SALES	\$360M	\$1.3B
JWN TOTAL SALES CONTRIBUTION	27%	34%

BROADENING OUR REACH



**EXPAND
OUR
OFFERING**

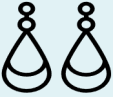





**ENHANCE
OUR
CAPABILITIES**



**DELIVER
A SEAMLESS
EXPERIENCE**

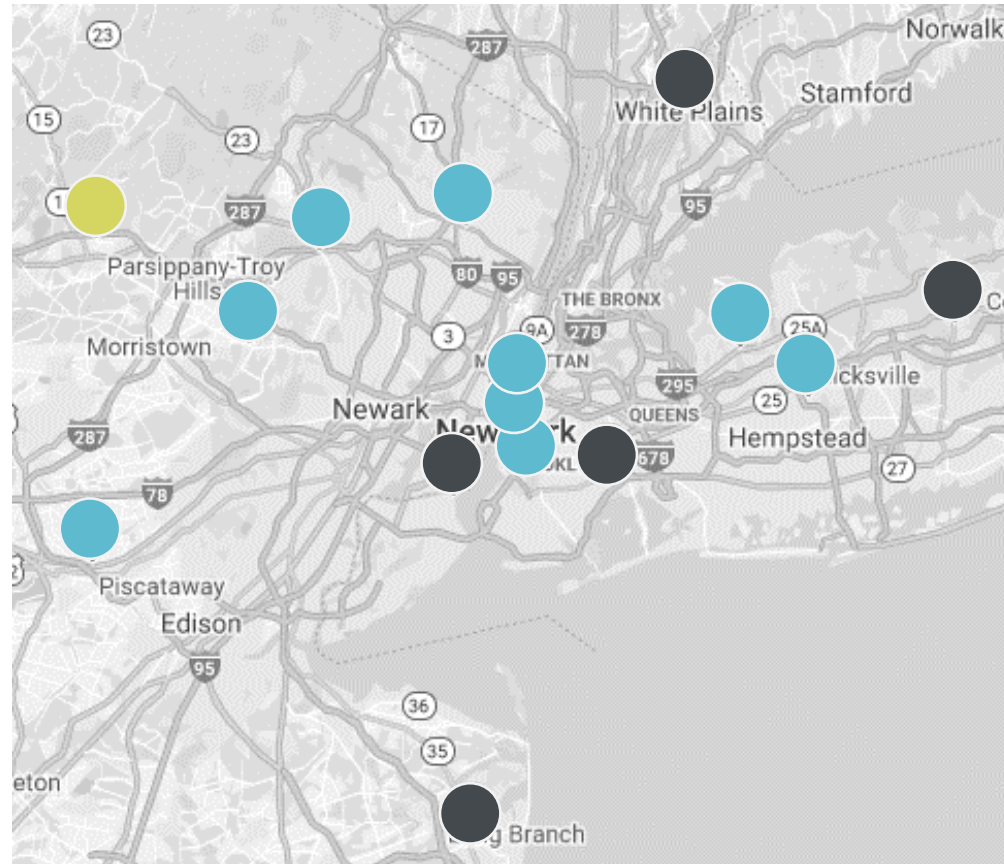
EXPAND OUR OFFERING: CORE AND GROWTH SEGMENTS

	NORDSTROM RACK		NORDSTROM	
SHOPPING PRIORITY	 BRANDS Bold and trendy Aspire to afford designer	 PRICE Traditional and practical Smart, savvy spender	 SERVICE & BRANDS Timeless and sophisticated Desire luxury brands and experiences	 STYLE Trendy and unique Style and quality over brand
	JWN SHARE OF SHOPPERS	26%	13%	30%

EXPAND OUR OFFERING: REPOSITIONED STORE FLEET

Position each store to focus on the biggest customer segment opportunity.

NEW YORK DMA EXAMPLE



● Brand ● Hybrid ● Price

TOP-LINE OPPORTUNITY

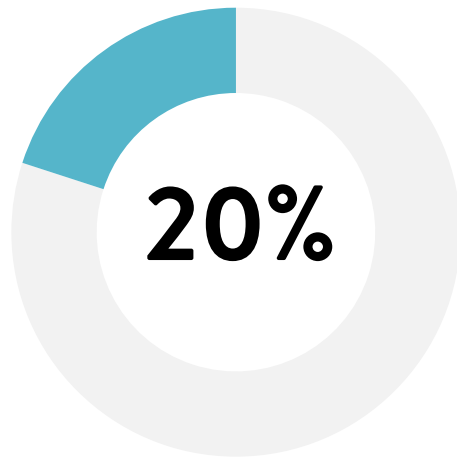
↑ Customer

↑ Traffic

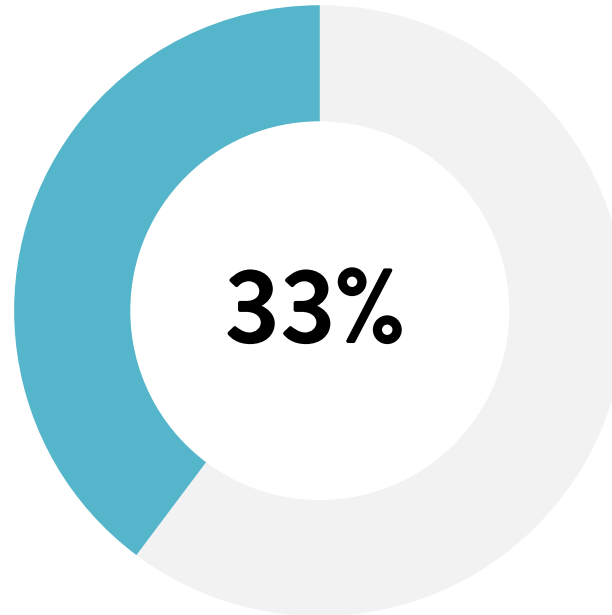
↑ Units/transactions

EXPAND OUR OFFERING: HIGH-GROWTH CATEGORIES

HOME, BEAUTY, KIDS and ACTIVE SALES



OF TOTAL
2019 SALES



OF TOTAL
FUTURE SALES

TOP-LINE OPPORTUNITY

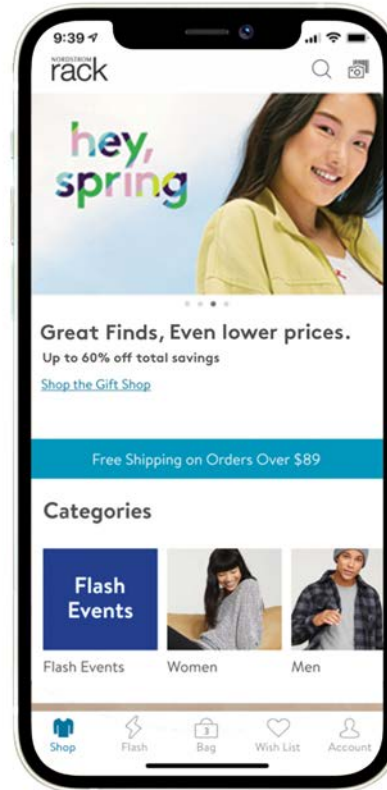
- ↑ Share of Wallet
- ↑ Traffic
- ↑ Trips/Customer

ENHANCE OUR CAPABILITIES: MIGRATION TO JWN PLATFORM

EXPANDED SELECTION
AVAILABLE ONLINE

DELIVER PERSONALIZED
EXPERIENCE

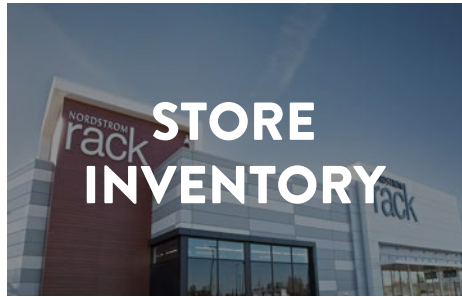
SHARPEN
MERCHANDISING OFFER



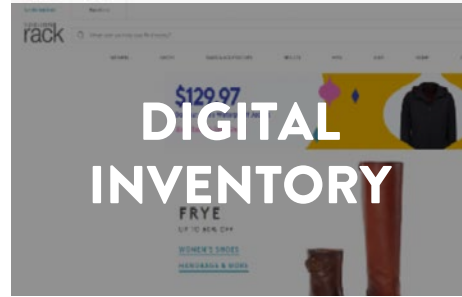
TOP-LINE OPPORTUNITY

- ↑ Transaction Volume
- ↑ Transaction Speed
- ↑ Conversion
- ↑ Sales

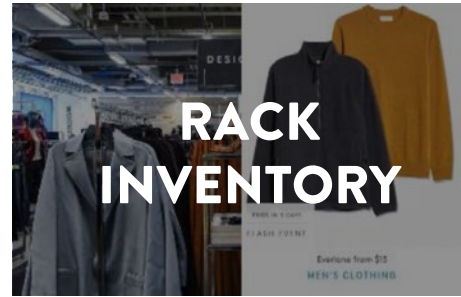
ENHANCE OUR CAPABILITIES: PRODUCT AVAILABILITY



+



=



TOP-LINE OPPORTUNITY



Trips



Conversion



Average
Transaction Size

ENHANCE CUSTOMER EXPERIENCE THROUGH SHARED DIGITAL AND PHYSICAL INVENTORY

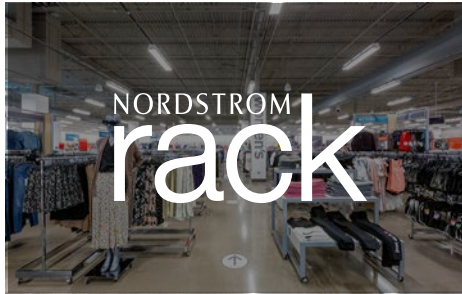
20%

Increase in
selection

~1 day

Improvement in order
fulfillment speed

DELIVER A SEAMLESS EXPERIENCE: MARKET STRATEGY



2020 INITIATIVES

Store Fulfill

Ship-to-store to all JWN stores

Return to any JWN store

2021-2022 INITIATIVES

Expanded order pickup capabilities (expected 2021)

Shared in-market inventory (expected 2022)

TOP-LINE OPPORTUNITY



Customers



Trips



Transaction Size

BROADENING OUR REACH



**EXPAND
OUR
OFFERING**



**ENHANCE
OUR
CAPABILITIES**



**DELIVER
A SEAMLESS
EXPERIENCE**



ESG PRIORITIES & FINANCIAL OVERVIEW

ANNE BRAMMAN,
CHIEF FINANCIAL OFFICER

NORDSTROM

An aerial photograph of a lush green forest with a winding river. The river flows from the top left towards the bottom right, with several meanders. The forest is dense and vibrant green, covering the entire landscape. The text 'ESG PRIORITIES' is overlaid in white, bold, sans-serif font on the left side of the image.

ESG PRIORITIES

NORDSTROM

MAINTAINING THE HIGHEST GOVERNANCE STANDARDS



BOARD



**SHAREHOLDER
RIGHTS**



COMPENSATION

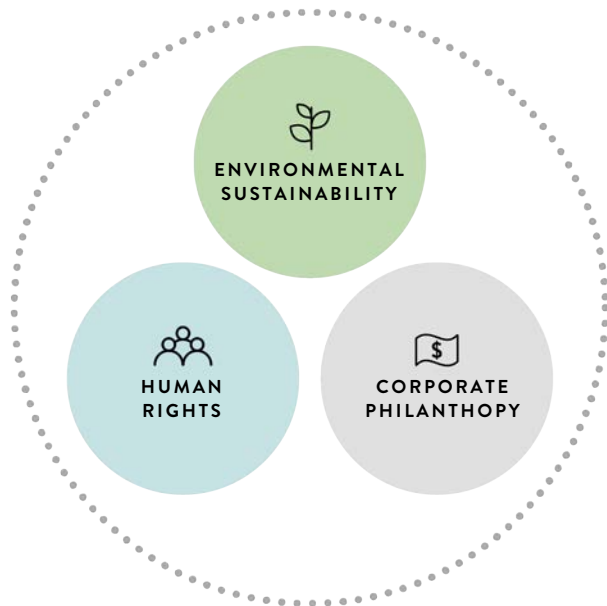


**STRATEGY
AND RISK**

LEAVE IT BETTER THAN WE FOUND IT

WE ARE STRIVING TO MEET OR EXCEED OUR STAKEHOLDERS' EXPECTATIONS
AND DELIVER ON OUR CORE INTENTION:
LEAVE IT BETTER THAN WE FOUND IT

CORPORATE SOCIAL RESPONSIBILITY



DIVERSITY AND INCLUSION





FINANCIAL OVERVIEW

NORDSTROM

DRIVE FINANCIAL OUTCOMES



LOW SINGLE-DIGIT REVENUE GROWTH

From 2019 Levels

Win in our most
important markets

Broaden the reach of
Nordstrom Rack

Increase digital velocity



EBIT MARGIN ABOVE 6%

Grow operating income
faster than revenue

Maintain SG&A discipline



LOW TEENS ROIC

Improve working capital
efficiency

Reduce asset intensity

Increase ROIC



\$1B+ OPERATING CASH FLOW

Reinvest in the business

Pay down debt

Return excess cash to
shareholders

Revenue includes net sales and credit card revenues

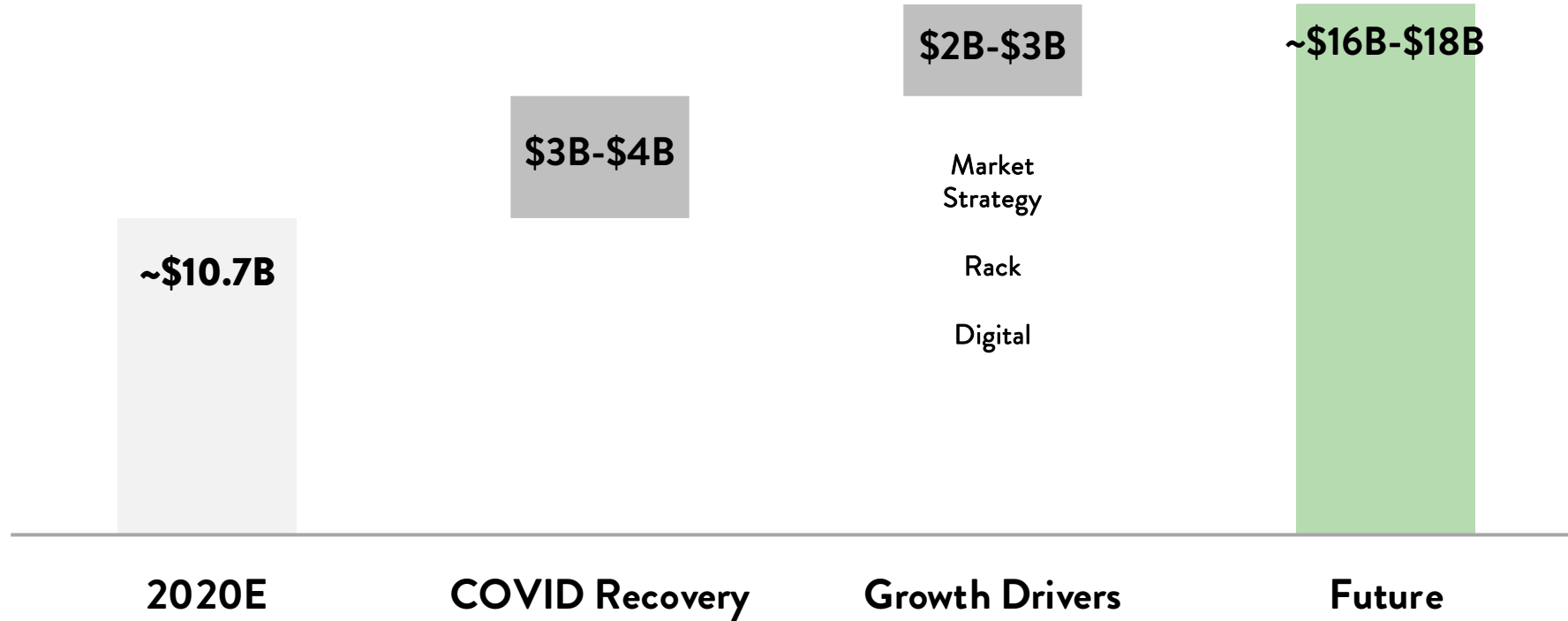
EBIT margin based on percent of net sales

See the Company's 2019 10-K for a reconciliation of non-GAAP measures from the most directly comparable GAAP financial measure

WHAT HAS CHANGED

PAST	FUTURE
Four-Box Strategy	A Fully Integrated Business
Market Strategy in One Market	Market Strategy as JWN Business Model
Technology as Enabler	Technology as Competitive Advantage
Store-First Merchandising Approach	Digital-First Merchandising Approach
Siloed Operating Model	Connected and Flexible Operating Model
High Fixed Cost Structure	Re-Based Cost Structure
Fulfillment-Oriented Supply Chain	Customer Experience-Oriented Supply Chain
Owned Inventory	Expanded Partnership Models
Generational Investments	Supply Chain and Technology Investments

ACCELERATE REVENUE GROWTH



WE EXPECT TO RETURN TO PRE-COVID SALES LEVELS,
FOLLOWED BY SUSTAINABLE LOW SINGLE-DIGIT PERCENTAGE GROWTH THEREAFTER

EXPAND PROFIT MARGIN



EBIT MARGIN ABOVE 6%

Grow operating income faster than revenue

Maintain SG&A discipline

	2019 BASELINE	SCENARIO 1	SCENARIO 2
REVENUE	\$15.5B	\$14.5B	\$15.5B
EBIT MARGIN	5.1%	5%+	6%+

Revenue includes net sales and credit card revenues
 EBIT margin based on percent of net sales

MAINTAIN SG&A DISCIPLINE

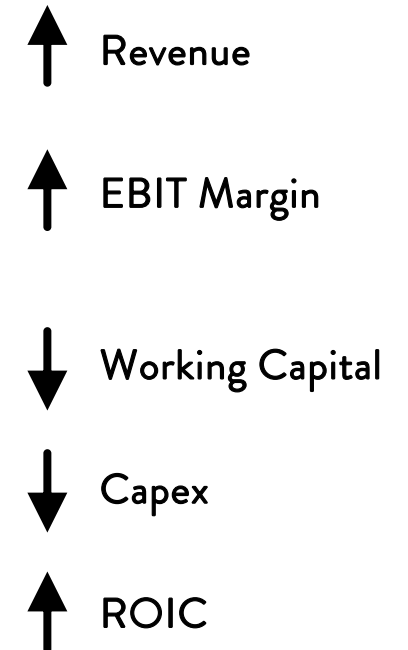
<i>\$ in Millions</i>	EXPENSE	WORKING CAPITAL & CAPEX	TOTAL CASH
PLANNED SAVINGS	\$200 - 250		\$200 - 250
COVID-19 RESPONSE¹	~\$170	~\$330	\$500
ANNUAL TARGET	\$370 - 420	~\$330	\$700 - 750

¹Net of COVID-19 related cash charges

See the Company's 2019 10-K for a reconciliation of non-GAAP measures from the most directly comparable GAAP financial measure

IMPROVE RETURNS

	2019 BASELINE	SCENARIO 1	SCENARIO 2
REVENUE	\$15.5B	\$14.5B	\$15.5B
EBIT MARGIN	5.1%	5%+	6%+
OPERATING CASH FLOW	\$1.2B	~\$1B	\$1B+
ROIC	11%	Low double-digit	Low teens



Revenue includes net sales and credit card revenues

EBIT margin based on percent of net sales

See the Company's 2019 10-K for a reconciliation of non-GAAP measures from the most directly comparable GAAP financial measure

GENERATE CASH

REINVEST IN THE BUSINESS



Capex Intensity
of 3-4%

PAY DOWN DEBT



Steady Reduction
in Leverage Ratio

RETURN EXCESS CASH
TO SHAREHOLDER



Be in Position to
Return Cash in 2021

REAFFIRMING Q4 EXPECTATIONS

✓ **Q4 SALES DECREASE IN LOW-20S PERCENT**

✓ **POSITIVE EBIT**

✓ **POSITIVE OPERATING CASH FLOW**

✓ **EBIT MARGIN DELEVERAGE OF ~500 BPS Y/Y**

2021 EXPECTATIONS

 **25%+ REVENUE GROWTH**

 **DIGITAL ~50% OF SALES**

 **POSITIVE EBIT**

 **LEVERAGE RATIO ~3X BY YEAR-END**

A PIVOT TO MARKET SHARE CAPTURE AND PROFITABLE GROWTH

CLOSER TO YOU

UNLOCKING THE FULL POTENTIAL OF OUR DIGITAL-FIRST PLATFORM

Deeper Insights | More Choices | New Customers | Better Service



WIN IN OUR MOST
IMPORTANT MARKETS

NORDSTROM
rack

BROADEN THE REACH OF
NORDSTROM RACK



INCREASE DIGITAL
VELOCITY



LOW SINGLE-DIGIT
REVENUE GROWTH

From 2019 Levels



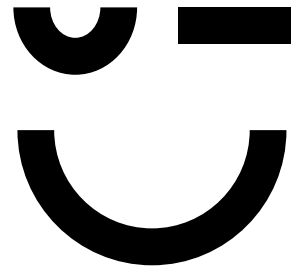
EBIT MARGIN
ABOVE 6%



LOW TEENS
ROIC



\$1B+ OPERATING
CASH FLOW



THANK YOU

NORDSTROM

APPENDIX: MAINTAINING THE HIGHEST GOVERNANCE STANDARDS

BOARD

- 9 of 11 current directors are independent, with majority of independent directors gender diverse
- Independent non-executive Chairman
- Regular executive sessions of independent directors
- Committees comprised only of independent directors
- Annual evaluations of Board committees and directors
- Authority to hire independent consultants and experts
- A combined 99% director attendance across 6 Board meetings in FY 2020
- Term limits and mandatory retirement support Board refreshment
- All Audit & Finance Committee members are SEC “Audit Committee Financial Experts”

SHAREHOLDER RIGHTS

- Annual election of all directors
- Majority vote standard for director elections
- Each common share is entitled to one vote
- Shareholders of 10%+ entitled to call special meeting
- Annual say-on-pay advisory vote
- Regular shareholder outreach and engagement
- Open communication with directors

COMPENSATION

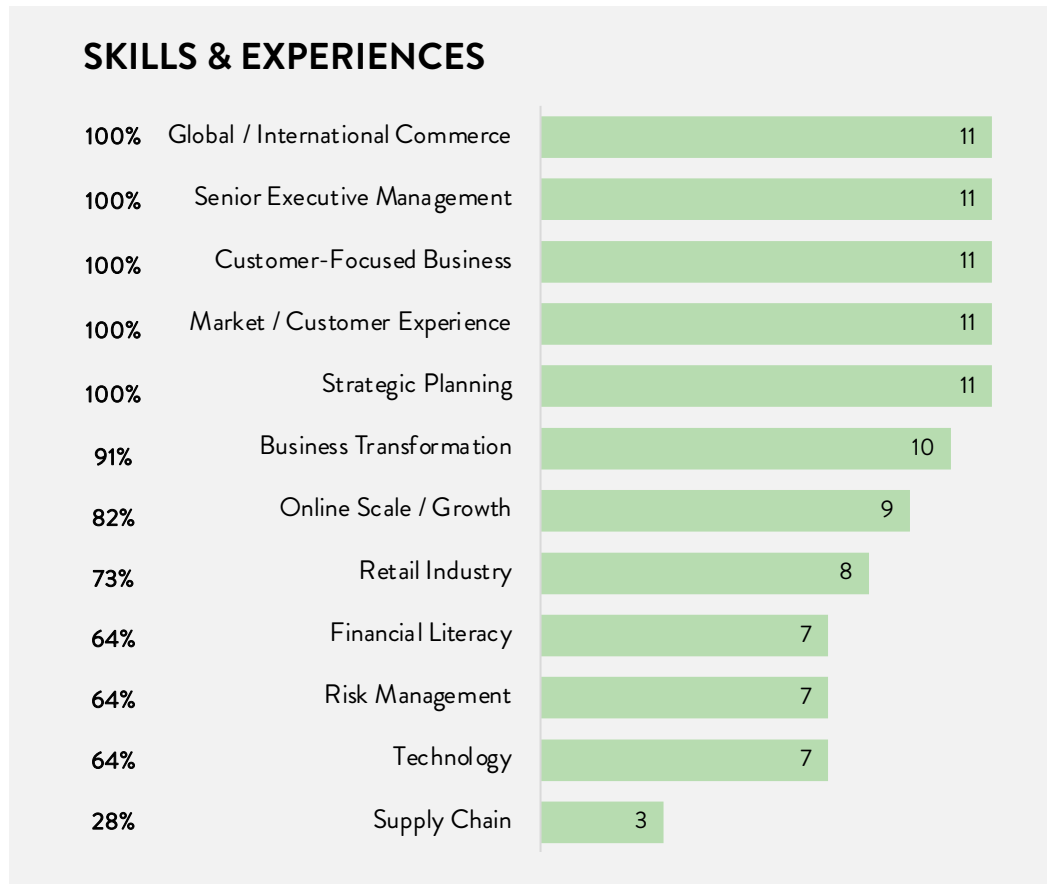
- Pay-for-performance philosophy guides executive compensation
- Stock ownership policy for directors and executive officers
- Executive compensation clawback policy
- Firm hedging and pledging policies for executives
- Independent compensation consultant engaged by Compensation Committee

STRATEGY AND RISK

- Company strategy oversight by Board
- Risk oversight by Board and committees aligned with company strategy
- Regular risk management reports to Board and committees
- Compensation program designed to reduce undue risk
- Annual strategy planning meeting
- Board oversight of Chief Executive Officer and management succession planning

APPENDIX: DIVERSE BOARD WITH RIGHT MIX OF SKILLS

KEY QUALIFICATIONS, SKILLS AND ATTRIBUTES ALIGNED WITH CORPORATE STRATEGY



BOARD COMPOSITION

