



Q1 2024 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.

Adjusted EBIT, adjusted EBIT margin and adjusted EPS are non-GAAP financial measures. 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 can be found in our earnings release.

ERIK NORDSTROM

CHIEF EXECUTIVE OFFICER



DELIVERED STRONG TOPLINE RESULTS, PROFITABILITY HELD BACK



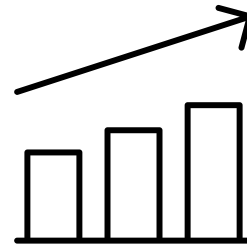
Net sales of \$3.2B

Up 5% vs Q1 '23



**Loss per share
of (\$0.24)**

Compared to adj. EPS
of \$0.07 in Q1 '23^{1,2}



**Double-digit Rack
growth, Nordstrom
stores positive,
sequential digital
improvement**



**Reaffirming FY24
guidance**

¹Adjusted EPS is a non-GAAP financial measure. Refer to the “Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin and Adjusted EPS (Non-GAAP Financial Measures)” page of the earnings release for additional information as well as reconciliations between the Company’s GAAP and non-GAAP financial results.

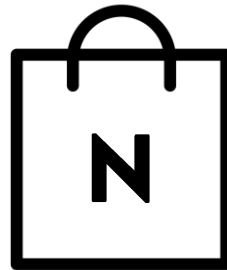
²Excludes impact from wind-down of Canadian operations in Q1 '23.

FIRST QUARTER SUCCESSES

**Increases in customers,
purchase trips, regular
price sales & sell-through**



**Nordy Club membership
growth, with loyalty sales
reaching nearly 70% of
total sales**



**Fourth consecutive
quarter of sequential
improvement in digital
sales**



KEY 2024 PRIORITIES

Driving
Nordstrom banner growth

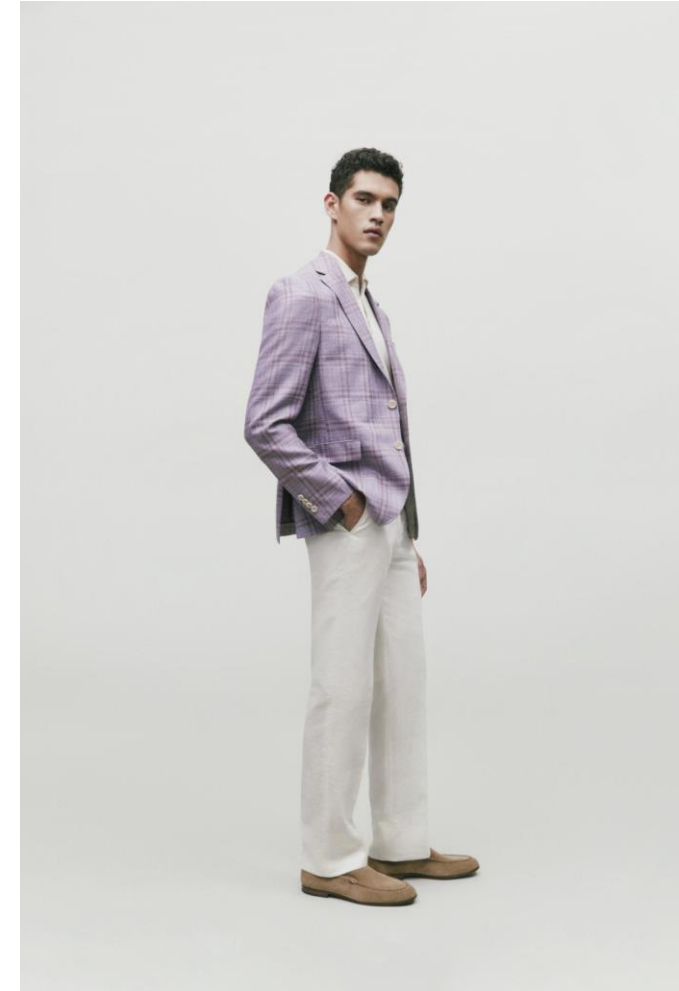
**Operational
optimization**

Building on
Rack momentum



DRIVING NORDSTROM BANNER GROWTH

- Consistent and premium offering across entire full-line store fleet
- Improved digital search and discovery experience
- Expanded selection across price points, with focus on in-stock rates
- Launched digital marketplace, offering more product and sizes from favorite and new brands



OPERATIONAL OPTIMIZATION



5%+ faster click-to-delivery speed

Improvement in variable
fulfillment costs

Consolidation into newest,
most automated, lowest cost
West Coast Omnichannel Center

BUILDING ON MOMENTUM AT RACK



Growth in trips,
conversion,
customers

Invested in great
brands at great
prices

Regular price
strength and
sell-through
improvement

Opened 9 new
Rack stores YTD

PETE NORDSTROM

PRESIDENT



TOP PERFORMING CATEGORIES

Active



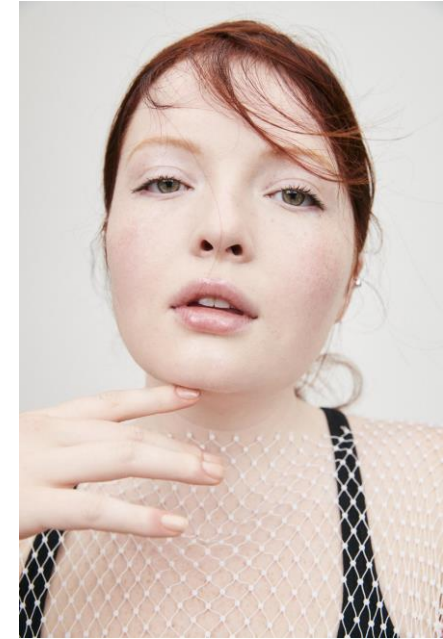
Kids' apparel



Women's apparel



Beauty



ADDITIONAL SALES DRIVERS

Make Room for Shoes



In-store beauty events



HAPPY ANNIVERSARY



- Increasing depth of offerings and assortment in highly coveted brands
- Expanded catalog
- Welcoming many first-time brands
- Early Access starts July 9th, and public access starts July 15th; event ends August 4th

ANNIVERSARY
SALE

CATHY SMITH
CHIEF FINANCIAL OFFICER



Q1 SALES STRENGTH OFFSET BY GROSS MARGIN



Q1 topline growth exceeded expectations, reflecting strong regular price sales and healthy sell-through

Sales volume-related gross margin expansion overshadowed by pressure relative to expectations

Half from timing-related issues expected to partially reverse in future periods:

- Higher than expected inventory reserve from increase in inventory since Q4
- Better than expected Nordy Club activity drove additional deferred revenue

Half from operational factors:

- External theft in transportation network
- Inventory cleanup as supply chain facilities are consolidated

Q1 TOPLINE RESULTS



Total JWN

5%↑

increase in
net sales

incl. (75bps) negative
impact from wind-down of
Canadian operations

4%↑

increase in
comp sales

~flat

digital sales

Nordstrom Banner

1%↑

increase in
net sales

incl. (110bps) negative
impact from wind-down of
Canadian operations

2%↑

increase in
comp sales

Rack Banner

14%↑

increase in
net sales

8%↑

increase in
comp sales

Q1 '24 RESULTS

	Actuals	Change
<i>Better / (Worse)</i>		vs Q1'23
NET SALES	\$3.22B	5.1%
GROSS PROFIT %	31.6%	(225bps)
SG&A %	35.8%	20bps
EBIT %	(0.6%)	780bps
ADJUSTED EBIT %^{1,2}	(0.6%)	(225bps)

¹Adjusted EBIT is a non-GAAP financial measure. Refer to the “Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin and Adjusted EPS (Non-GAAP Financial Measures)” page of the earnings release for additional information as well as reconciliations between the Company’s GAAP and non-GAAP financial results.

²Excludes impact from Q1 '23 \$309M one-time charges related to the wind-down of Canadian operations.

REAFFIRMING 2024 OUTLOOK

	FY24
Revenue <i>YoY growth (decline)¹</i>	(2%) to 1%
Comparable sales <i>YoY growth (decline)²</i>	(1%) to 2%
EBIT <i>% of sales</i>	3.5% to 4.0%
Income tax	~27%
Earnings per share <i>Excluding share repurchases, if any</i>	\$1.65 to \$2.05

Considerations

Revenue

- (~135bps) unfavorable impact from 53rd week in FY23
- Expect typical quarterly cadence
- ~200bps impact as Anniversary Sale shifts into Q2 by 1 week

¹Versus the 53-week fiscal 2023.

²Versus 52 weeks in fiscal 2023.

OUR CAPITAL ALLOCATION PRIORITIES REMAIN UNCHANGED

1

REINVEST IN THE BUSINESS

- CAPEX of 3% to 4% of net sales

2

REDUCE LEVERAGE

- Targeting leverage ratio below 2.5x over time
- Through combination of earnings improvement and debt reduction
- Retired April '24 \$250M bond using cash on hand

3

RETURN CASH TO SHAREHOLDERS

- Announced quarterly dividend of \$0.19 per share
- \$438M remaining on May '22 repurchase authorization

We remain committed to a conservative approach to managing our balance sheet, balancing our need for continued operating flexibility with our financial policy goals



Q&A

In Memorium
Bruce Nordstrom
1933 - 2024.



NORDSTROM

NYSE
AN ICE EXCHANGE

VIRTU
FINANCIAL

NYSE
AN ICE EXCHANGE

VIRTU
FINANCIAL

OPFI	↓ 3.4800	3.45 ₉	3.49 ₄
192,900	0.25 ↑ 7.74%		
3.17			
3.54			
3.11			
3.37			
19,887,000			
OPFI LISTED NYSE			
OppFi			
Virtu Financial Capital Markets LLC			

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Schwab
THE NETWORK