



# Q2 2021 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



# STRONG ANNIVERSARY SALE PERFORMANCE

## Strong performance in stores and online



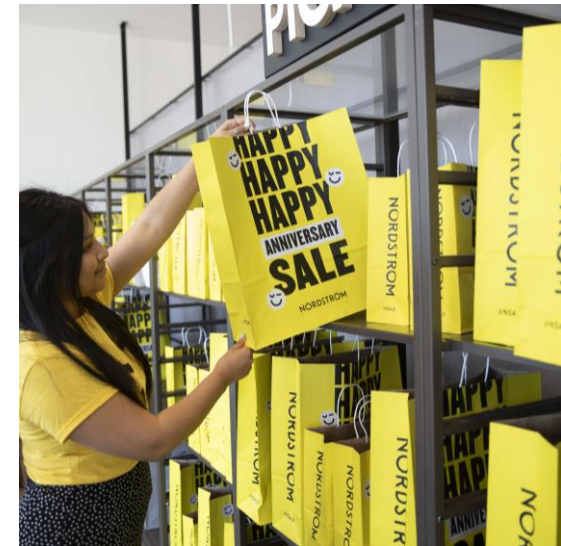
**1% ↑**

increase in total event sales vs '19



**Record**

volumes on Nordstrom.com while store traffic improved



**52% ↑**

increase in orders picked up in-stores vs '19

# COMMITTED TO OUR STRATEGIC PRIORITIES



**WIN IN OUR MOST  
IMPORTANT MARKETS**



**BROADEN THE REACH OF  
NORDSTROM RACK**



**INCREASE DIGITAL  
VELOCITY**

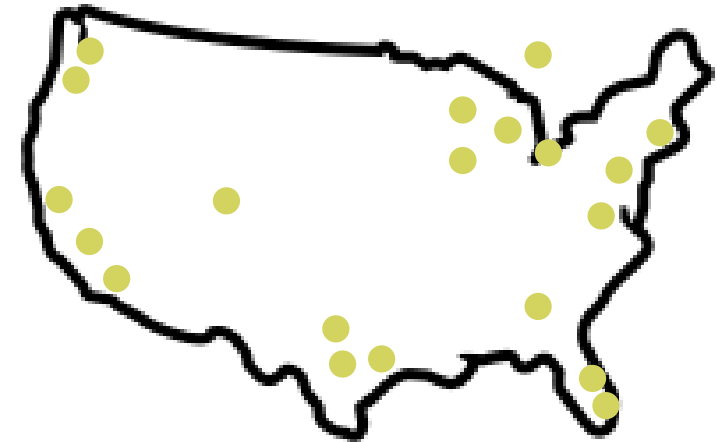
# POSITIVE CUSTOMER RESPONSE TO MARKET STRATEGY

Market Strategy is active in all of our top 20 markets



**~40%**

of Anniversary Sale next-day pickup orders<sup>1</sup> were picked up in a Rack Store



**4x**

Average selection available next day

**1 Day**

Faster shipping

# BROADENING THE REACH OF NORDSTROM RACK



~500bps sequential  
improvement in sales  
trends vs Q1

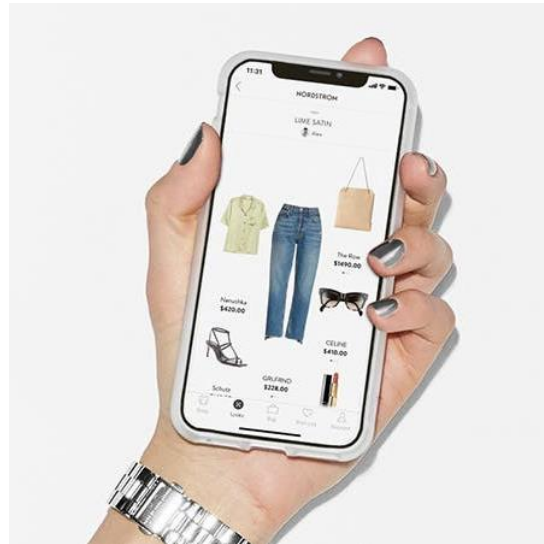
---

**Encouraging** early  
results from expanding  
price points



# INCREASING DIGITAL VELOCITY

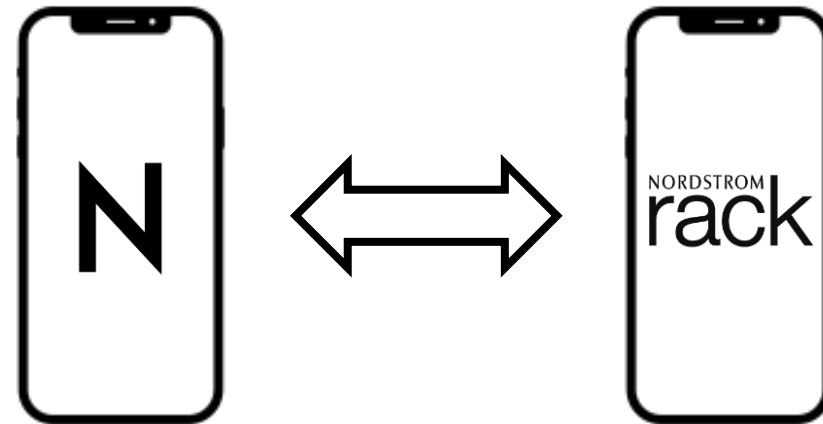
## CONTINUED GROWTH



**24%↑**

digital sales vs Q2 '19\*

## SEAMLESS EXPERIENCE



Completed the integration of the Rack.com & Nordstrom.com platform, **positioning us for more profitable growth** as we scale



# OUR ASOS PARTNERSHIP

New opportunities to lead digitally



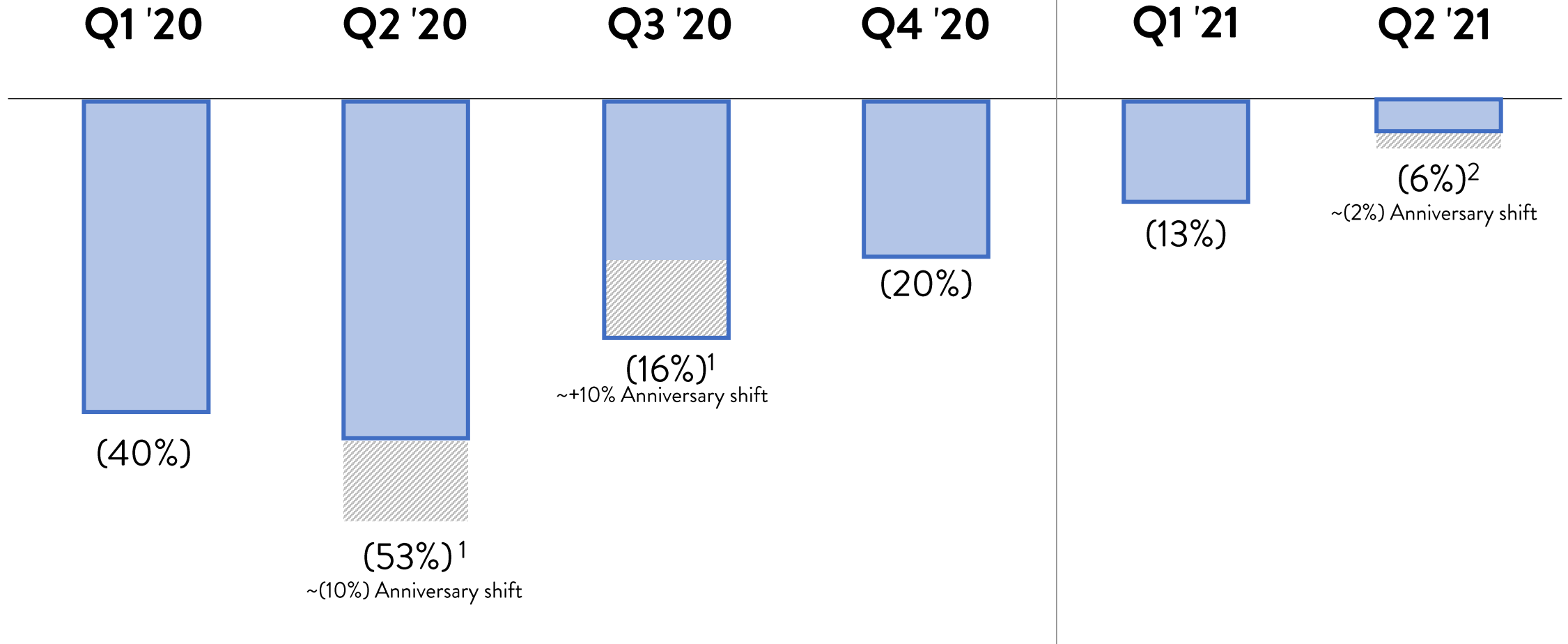
# ANNE BRAMMAN

CHIEF FINANCIAL OFFICER



# 4<sup>TH</sup> CONSECUTIVE QUARTER OF SEQUENTIAL IMPROVEMENT

Net Sales Increase / (Decrease) vs 2019



<sup>1</sup>Includes the impact of Anniversary Sale shift from Q2 FY20 to Q3 FY20

<sup>2</sup>Includes the impact of Anniversary Sale shift, with approximately one week shifting from Q2 FY21 to Q3 FY21

# Q2 2021 RESULTS

<i>Better / (Worse)</i>	Q2 vs Q2 '20	Q2 vs Q2 '19
<b>NET SALES</b>	101%	(6%) <sup>1</sup> ~(2%) Anniversary shift
<b>GROSS PROFIT %</b>	~1,370 bps	~flat
<b>SG&amp;A %</b>	~1,350 bps	~(170 bps)
<b>EBIT %</b>	~2,500 bps	~(150 bps)

***We further strengthened our balance sheet by retiring \$500M of unsecured notes***

# RAISING 2021 OUTLOOK

	PRIOR	CURRENT
<b>REVENUE GROWTH</b> <i>YoY Growth</i>	25%+	35%+
<b>EBIT</b> <i>% of sales</i>	~3%	~ 3% to 3.5%
<b>INCOME TAX</b>	~27%	~27%
<b>CAPEX</b> <i>% of sales</i>	~3 to 4%	~3 to 4%
<b>LEVERAGE RATIO</b>	~3x	~3x

# OUR LONG-TERM CAPITAL ALLOCATION PRIORITIES

1

## REINVEST IN THE BUSINESS

---

- CAPEX of 3-4% of sales
- Investments primarily in technology and supply chain capabilities

2

## REDUCE LEVERAGE

---

- Combination of earnings improvement and debt reduction
- Targeting leverage ratio ~3x by end of 2021, and ~2.5x by end of 2022

3

## RETURN CASH TO SHAREHOLDERS

---

- Targeting to be in a position to return cash to shareholders by the end of 2021

**We remain committed to an investment grade credit rating**



Q&A



NORDSTROM