

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **May 30, 2024**

# NORDSTROM

**Nordstrom, Inc.**

(Exact name of registrant as specified in its charter)

**Washington**  
(State or other jurisdiction  
of incorporation)

**001-15059**  
(Commission  
File Number)

**91-0515058**  
(IRS Employer  
Identification No.)

**1617 Sixth Avenue, Seattle, Washington 98101**  
(Address of principal executive offices)

Registrant's telephone number, including area code **(206) 628-2111**

**Inapplicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class             | Trading Symbol | Name of each exchange on which registered |
|---------------------------------|----------------|-------------------------------------------|
| Common stock, without par value | JWN            | New York Stock Exchange                   |
| Common stock purchase rights    |                | New York Stock Exchange                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **ITEM 2.02 Results of Operations and Financial Condition**

On May 30, 2024, Nordstrom, Inc. issued an earnings release announcing its results of operations for the quarter ended May 4, 2024, its financial position as of May 4, 2024, and its cash flows for the quarter ended May 4, 2024 ("First Quarter Results"). A copy of this earnings release is furnished as Exhibit 99.1.

## **ITEM 7.01 Regulation FD Disclosure**

On May 30, 2024, Nordstrom, Inc. issued an earnings release announcing its First Quarter Results. A copy of this earnings release is furnished as Exhibit 99.1.

In addition, furnished hereby and incorporated by reference herein is the earnings call commentary on its First Quarter Results and 2024 financial outlook, as posted on the Company's investor relations website, investor.nordstrom.com, on May 30, 2024. A copy of this earnings call commentary is furnished as Exhibit 99.2.

The information furnished in this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by a specific reference in such filing.

## **ITEM 9.01 Financial Statements and Exhibits**

|                      |                                                                                                               |
|----------------------|---------------------------------------------------------------------------------------------------------------|
| <a href="#">99.1</a> | Nordstrom earnings release dated May 30, 2024 relating to the Company's First Quarter Results                 |
| <a href="#">99.2</a> | Nordstrom earnings call commentary relating to the Company's First Quarter Results and 2024 financial outlook |
| 104                  | Cover Page Interactive Data File (embedded within the Inline XBRL document)                                   |

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORDSTROM, INC.  
(Registrant)

/s/ Catherine R. Smith  
Catherine R. Smith  
Chief Financial Officer

Date: May 30, 2024

# NORDSTROM

## Nordstrom Reports First Quarter 2024 Earnings

- *Strong sales growth at both banners during first quarter*
- *Nordstrom Rack net sales up double-digits, with comparable sales up 8 percent*
- *Gross profit constrained due to timing and other factors*
- *Reaffirms fiscal 2024 outlook*

**SEATTLE – May 30, 2024** – Nordstrom, Inc. (NYSE: JWN) today reported a first quarter net loss of \$39 million, or loss per share of \$0.24, and loss before interest and taxes of \$21 million.

For the first quarter ended May 4, 2024, net sales increased 5.1 percent versus the same period in fiscal 2023, and total Company comparable sales increased 3.8 percent. Gross merchandise value (“GMV”) increased 4.9 percent. First quarter net sales include a 75 basis point negative impact from the wind-down of Canadian operations. During the quarter, Nordstrom banner net sales increased 0.6 percent and comparable sales increased 1.8 percent. Net sales for Nordstrom Rack increased 13.8 percent and comparable sales increased 7.9 percent.

“The positive sales growth we saw across the company in the first quarter is very encouraging, and we’re particularly excited about the progress that our Rack banner is making,” said Erik Nordstrom, chief executive officer of Nordstrom, Inc. “While we’re pleased with our topline growth, profitability fell short of our expectations. Looking ahead, our strong sales performance gives us momentum heading into the rest of the year and the confidence to reaffirm our 2024 guidance.”

In the first quarter, active, kids’ apparel and women’s apparel had strong double-digit growth versus 2023, and beauty increased by high single-digits.

“We’re set up well going forward in regards to the health of our inventory, both in managing levels and providing compelling content with good sell-through,” said Pete Nordstrom, president of Nordstrom, Inc. “As we reflect on the legacy that our dad left behind, we’ve been reminded of his firmly held and consistent values—especially his commitment to serving our customers. Those values have been integral to Nordstrom’s growth, and they remain at the core of the decisions we make as a company. We want to thank our teams for bringing our values to life as we stay focused on our priorities for 2024.”

As previously announced, on May 22, 2024, the board of directors declared a quarterly cash dividend of \$0.19 per share, payable on June 19, 2024, to shareholders of record at the close of business on June 4, 2024.

### FIRST QUARTER 2024 SUMMARY

- Total Company net sales increased 5.1 percent and comparable sales increased 3.8 percent compared with the same period in fiscal 2023. GMV increased 4.9 percent. The wind-down of Canadian operations had a negative impact on total Company net sales of 75 basis points, as the first quarter of 2023 included one month of Canadian sales.
- Nordstrom banner net sales increased 0.6 percent and comparable sales increased 1.8 percent compared with the same period in fiscal 2023. GMV increased 0.3 percent. The wind-down of Canadian operations had a negative impact on Nordstrom banner net sales of 110 basis points.
- Nordstrom Rack banner net sales increased 13.8 percent and comparable sales increased 7.9 percent compared with the same period in fiscal 2023.
- Digital sales decreased 0.2 percent compared with the same period in fiscal 2023. Digital sales represented 34 percent of total sales during the quarter.
- Gross profit, as a percentage of net sales, of 31.6 percent decreased 225 basis points compared with the same period in fiscal 2023. The strength in first quarter sales drove strong gross profit and leverage, which were more than offset primarily by timing matters related to both higher loyalty activity and reserves, as well as external theft in the Company’s transportation network and inventory cleanup in the Company’s supply chain as facilities are consolidated.
- Ending inventory decreased 6.3 percent compared with the same period in fiscal 2023, versus a 5.1 percent increase in sales.
- Selling, general and administrative expenses, as a percentage of net sales, of 35.8 percent decreased 20 basis points compared with the same period in fiscal 2023, primarily due to leverage on higher sales and improvements in variable costs in supply chain and across the business, partially offset by higher labor costs.

- Loss before interest and taxes was \$21 million in the first quarter of 2024, compared with loss before interest and taxes of \$259 million during the same period in fiscal 2023. Adjusted earnings before interest and taxes (“EBIT”) of \$50 million in the first quarter of 2023 excluded one-time charges of \$309 million related to the wind-down of Canadian operations.<sup>1</sup>
- Interest expense, net, of \$27 million decreased from \$28 million during the same period in fiscal 2023.
- Income tax benefit was \$9 million, or 17.5 percent of pretax loss, compared with income tax benefit of \$82 million, or 28.6 percent of pretax loss, in the same period in fiscal 2023. The effective tax rate decreased in the first quarter of 2024, compared with the same period in fiscal 2023, primarily due to nonrecurring tax benefits related to the wind-down of Canadian operations in 2023. Excluding the impacts of the Canada wind-down, the rate decrease was due to the impact of unfavorable stock-based compensation on pretax loss in 2024, compared with pretax earnings in 2023.
- The Company ended the first quarter with \$1.2 billion in available liquidity, including \$428 million in cash. The Company strengthened its financial position in April by retiring the \$250 million notes that were due using cash on hand.

## STORES UPDATE

During and subsequent to the first quarter of 2024, the Company opened nine stores:

| City                   | Location                | Square Footage<br>(000s) | Timing of Opening |
|------------------------|-------------------------|--------------------------|-------------------|
| <b>Nordstrom Rack</b>  |                         |                          |                   |
| Pinole, CA             | Pinole Vista Crossing   | 23                       | March 7, 2024     |
| Snellville, GA         | Presidential Markets    | 35                       | March 7, 2024     |
| Kennesaw, GA           | Barrett Place           | 25                       | March 21, 2024    |
| Macedonia, OH          | Macedonia Gateway       | 28                       | April 11, 2024    |
| Gilroy, CA             | Gilroy Crossing         | 25                       | April 25, 2024    |
| Jacksonville Beach, FL | South Beach Regional    | 30                       | May 2, 2024       |
| Queen Creek, AZ        | Queen Creek Marketplace | 28                       | May 16, 2024      |
| Elk Grove, CA          | The Ridge Elk Grove     | 25                       | May 30, 2024      |
| Wheaton, IL            | Danada Square East      | 29                       | May 30, 2024      |

<sup>1</sup>Adjusted EBIT is a non-GAAP financial measure. Refer to the “Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin and Adjusted EPS” section of this release for additional information as well as reconciliations between the Company’s GAAP and non-GAAP financial results.

The Company has also announced plans to open the following stores:

| City                   | Location                     | Square Footage<br>(000s) | Timing of Opening |
|------------------------|------------------------------|--------------------------|-------------------|
| <b>Nordstrom Rack</b>  |                              |                          |                   |
| Oceanside, CA          | Pacific Coast Plaza          | 31                       | June 6, 2024      |
| Bay Shore, NY          | Gardiner Manor Mall          | 24                       | June 13, 2024     |
| San Mateo, CA          | Bridgepointe Shopping Center | 36                       | Fall 2024         |
| San Diego, CA          | Clairemont Town Square       | 26                       | Fall 2024         |
| Mason, OH              | Deerfield Towne Center       | 30                       | Fall 2024         |
| San Antonio, TX        | Bandera Pointe               | 25                       | Fall 2024         |
| Mooreville, NC         | Mooreville Crossing          | 28                       | Fall 2024         |
| Franklin, TN           | Cool Springs Market          | 24                       | Fall 2024         |
| Noblesville, IN        | Hamilton Town Center         | 25                       | Fall 2024         |
| Omaha, NE              | Village Pointe               | 30                       | Fall 2024         |
| Houston, TX            | Meyerland Plaza              | 34                       | Fall 2024         |
| Fort Myers, FL         | Bell Tower                   | 31                       | Fall 2024         |
| Raleigh, NC            | Triangle Town Place          | 32                       | Fall 2024         |
| Davis, CA              | The Davis Collection         | 25                       | Spring 2025       |
| Matthews, NC           | Sycamore Commons             | 25                       | Spring 2025       |
| Geneva, IL             | Randall Square               | 25                       | Spring 2025       |
| Manalapan Township, NJ | Manalapan Commons            | 26                       | Spring 2025       |
| Apple Valley, MN       | Fischer Marketplace          | 30                       | Spring 2025       |

The Company had the following store counts as of quarter-end:

|                                   | May 4, 2024       | April 29, 2023 |
|-----------------------------------|-------------------|----------------|
| <b>Nordstrom</b>                  |                   |                |
| Nordstrom                         | 93                | 94             |
| Nordstrom Local service hubs      | 6                 | 7              |
| ASOS   Nordstrom                  | —                 | 1              |
| <b>Nordstrom Rack</b>             |                   |                |
| Nordstrom Rack                    | 264               | 243            |
| Last Chance clearance stores      | 2                 | 2              |
| <b>Total</b>                      | <b>365</b>        | <b>347</b>     |
| <b>Gross store square footage</b> | <b>26,425,000</b> | 26,259,000     |

## FISCAL YEAR 2024 OUTLOOK

The Company reaffirmed its financial outlook for fiscal 2024:

- Revenue range, including retail sales and credit card revenues, of 2.0 percent decline to 1.0 percent growth versus the 53-week fiscal 2023, which includes an approximately 135 basis point unfavorable impact from the 53rd week
- Comparable sales range of 1.0 percent decline to 2.0 percent growth versus 52 weeks in fiscal 2023
- EBIT margin of 3.5 to 4.0 percent of sales
- Income tax rate of approximately 27 percent
- Earnings per share (“EPS”) of \$1.65 to \$2.05, excluding the impact of share repurchase activity, if any

## CONFERENCE CALL INFORMATION

The Company's senior management will host a conference call to provide a business update and to discuss first quarter 2024 financial results and fiscal 2024 outlook at 4:45 p.m. EDT today. To listen to the live call online and view the speakers' prepared remarks and the conference call slides, visit the Investor Relations section of the Company's corporate website at [investor.nordstrom.com](http://investor.nordstrom.com). An archived webcast with the speakers' prepared remarks and the conference call slides will be available in the Quarterly Results section for one year. Interested parties may also dial 201-689-8354. A telephone replay will be available beginning approximately three hours after the conclusion of the call by dialing 877-660-6853 or 201-612-7415 and entering Conference ID 13746681, until the close of business on June 6, 2024.

## ABOUT NORDSTROM

At Nordstrom, Inc. (NYSE: JWN), we exist to help our customers feel good and look their best. Since starting as a shoe store in 1901, how to best serve customers has been at the center of every decision we make. This heritage of service is the foundation we're building on as we provide convenience and true connection for our customers. Our interconnected model enables us to serve customers when, where and how they want to shop – whether that's in-store at more than 350 Nordstrom, Nordstrom Local and Nordstrom Rack locations or digitally through our Nordstrom and Rack apps and websites. Through it all, we remain committed to leaving the world better than we found it.

*Certain statements in this press release contain or may suggest "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainties that could cause results to be materially different from expectations. The words "will," "may," "designed to," "outlook," "believes," "should," "targets," "anticipates," "assumptions," "plans," "expects" or "expectations," "intends," "estimates," "forecasts," "guidance" and similar expressions identify certain of these forward-looking statements. The Company also may provide forward-looking statements in oral statements or other written materials released to the public. All statements contained or incorporated in this press release or in any other public statements that address such future events or expectations are forward-looking statements. Important factors that could cause actual results to differ materially from these forward-looking statements are detailed in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2024, and our Form 10-Q for the fiscal quarter ended May 4, 2024, to be filed with the SEC on or about June 7, 2024. In addition, forward-looking statements contained in this release may be impacted by the actual outcome of events or occurrences related to the wind-down of business operations in Canada as well as the effect of the Company's announcement of the exploration of possible avenues to enhance shareholder value and the formation of a special committee of the board of directors to consider any proposal which might be brought forward by members of the Nordstrom family to take the Company private. These forward-looking statements are not guarantees of future performance and speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances. In addition, the actual timing, price, manner and amounts of future share repurchases, if any, will be subject to the discretion of our board of directors, contractual commitments, market and economic conditions and applicable Securities and Exchange Commission rules. This earnings release includes references to websites, website addresses and additional materials, including reports and blogs, found on those websites. The content of any websites and materials named, hyperlinked or otherwise referenced in this earnings release are not incorporated by reference into this earnings release or in any other report or document we file with the SEC, and any references to such websites and materials are intended to be inactive textual references only. The information on those websites is not part of this earnings release.*

**NORDSTROM, INC.**  
**CONSOLIDATED STATEMENTS OF EARNINGS**

(unaudited; amounts in millions, except per share amounts)

|                                                      | Quarter Ended |                |
|------------------------------------------------------|---------------|----------------|
|                                                      | May 4, 2024   | April 29, 2023 |
| Net sales                                            | \$3,221       | \$3,064        |
| Credit card revenues, net                            | 114           | 117            |
| <b>Total revenues</b>                                | <b>3,335</b>  | <b>3,181</b>   |
| Cost of sales and related buying and occupancy costs | (2,203)       | (2,028)        |
| Selling, general and administrative expenses         | (1,153)       | (1,103)        |
| Canada wind-down costs                               | —             | (309)          |
| Loss before interest and income taxes                | (21)          | (259)          |
| Interest expense, net                                | (27)          | (28)           |
| Loss before income taxes                             | (48)          | (287)          |
| Income tax benefit                                   | 9             | 82             |
| <b>Net loss</b>                                      | <b>(\$39)</b> | <b>(\$205)</b> |
| <b>Loss per share:</b>                               |               |                |
| Basic                                                | (\$0.24)      | (\$1.27)       |
| Diluted                                              | (\$0.24)      | (\$1.27)       |
| <b>Weighted-average shares outstanding:</b>          |               |                |
| Basic                                                | 163.2         | 160.8          |
| Diluted                                              | 163.2         | 160.8          |
| <b>Percent of net sales:</b>                         |               |                |
| Gross profit                                         | 31.6 %        | 33.8 %         |
| Selling, general and administrative expenses         | 35.8 %        | 36.0 %         |
| Loss before interest and income taxes                | (0.6 %)       | (8.5 %)        |



**NORDSTROM, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(unaudited; amounts in millions)

|                                                                                                           | May 4, 2024    | February 3, 2024 | April 29, 2023 |
|-----------------------------------------------------------------------------------------------------------|----------------|------------------|----------------|
| <b>Assets</b>                                                                                             |                |                  |                |
| Current assets:                                                                                           |                |                  |                |
| Cash and cash equivalents                                                                                 | \$428          | \$628            | \$581          |
| Accounts receivable, net                                                                                  | 361            | 334              | 279            |
| Merchandise inventories                                                                                   | 2,095          | 1,888            | 2,237          |
| Prepaid expenses and other current assets                                                                 | 334            | 286              | 414            |
| <b>Total current assets</b>                                                                               | <b>3,218</b>   | <b>3,136</b>     | <b>3,511</b>   |
| Land, property and equipment (net of accumulated depreciation of \$8,391, \$8,251 and \$8,133)            | 3,130          | 3,177            | 3,197          |
| Operating lease right-of-use assets                                                                       | 1,373          | 1,359            | 1,393          |
| Goodwill                                                                                                  | 249            | 249              | 249            |
| Other assets                                                                                              | 506            | 523              | 478            |
| <b>Total assets</b>                                                                                       | <b>\$8,476</b> | <b>\$8,444</b>   | <b>\$8,828</b> |
| <b>Liabilities and Shareholders' Equity</b>                                                               |                |                  |                |
| Current liabilities:                                                                                      |                |                  |                |
| Accounts payable                                                                                          | \$1,471        | \$1,236          | \$1,674        |
| Accrued salaries, wages and related benefits                                                              | 302            | 244              | 246            |
| Current portion of operating lease liabilities                                                            | 245            | 240              | 249            |
| Other current liabilities                                                                                 | 1,117          | 1,102            | 1,236          |
| Current portion of long-term debt                                                                         | —              | 250              | 249            |
| <b>Total current liabilities</b>                                                                          | <b>3,135</b>   | <b>3,072</b>     | <b>3,654</b>   |
| Long-term debt, net                                                                                       | 2,614          | 2,612            | 2,608          |
| Noncurrent operating lease liabilities                                                                    | 1,379          | 1,377            | 1,406          |
| Other liabilities                                                                                         | 512            | 535              | 609            |
| Commitments and contingencies                                                                             |                |                  |                |
| Shareholders' equity:                                                                                     |                |                  |                |
| Common stock, no par value: 1,000 shares authorized; 163.6, 162.4 and 161.4 shares issued and outstanding | 3,437          | 3,418            | 3,372          |
| Accumulated deficit                                                                                       | (2,609)        | (2,578)          | (2,824)        |
| Accumulated other comprehensive gain                                                                      | 8              | 8                | 3              |
| <b>Total shareholders' equity</b>                                                                         | <b>836</b>     | <b>848</b>       | <b>551</b>     |
| <b>Total liabilities and shareholders' equity</b>                                                         | <b>\$8,476</b> | <b>\$8,444</b>   | <b>\$8,828</b> |

**NORDSTROM, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(unaudited; amounts in millions)

|                                                                                 | Quarter Ended |                |
|---------------------------------------------------------------------------------|---------------|----------------|
|                                                                                 | May 4, 2024   | April 29, 2023 |
| <b>Operating Activities</b>                                                     |               |                |
| Net loss                                                                        | (\$39)        | (\$205)        |
| Adjustments to reconcile net loss to net cash provided by operating activities: |               |                |
| Depreciation and amortization expenses                                          | 153           | 144            |
| Canada wind-down costs                                                          | —             | 220            |
| Right-of-use asset amortization                                                 | 46            | 43             |
| Deferred income taxes, net                                                      | (5)           | (16)           |
| Stock-based compensation expense                                                | 18            | 14             |
| Other, net                                                                      | (8)           | (25)           |
| Change in operating assets and liabilities:                                     |               |                |
| Merchandise inventories                                                         | (147)         | (296)          |
| Other current and noncurrent assets                                             | (55)          | (112)          |
| Accounts payable                                                                | 165           | 301            |
| Accrued salaries, wages and related benefits                                    | 57            | (39)           |
| Lease liabilities                                                               | (63)          | (67)           |
| Other current and noncurrent liabilities                                        | 17            | 54             |
| Net cash provided by operating activities                                       | 139           | 16             |
| <b>Investing Activities</b>                                                     |               |                |
| Capital expenditures                                                            | (91)          | (106)          |
| Decrease in cash and cash equivalents resulting from Canada deconsolidation     | —             | (33)           |
| Proceeds from the sale of assets and other, net                                 | 9             | 16             |
| Net cash used in investing activities                                           | (82)          | (123)          |
| <b>Financing Activities</b>                                                     |               |                |
| Principal payments on long-term debt                                            | (250)         | —              |
| Change in cash book overdrafts                                                  | 23            | 29             |
| Cash dividends paid                                                             | (31)          | (30)           |
| Proceeds from issuances under stock compensation plans                          | 7             | 11             |
| Other, net                                                                      | (6)           | (9)            |
| Net cash (used in) provided by financing activities                             | (257)         | 1              |
| Net decrease in cash and cash equivalents                                       | (200)         | (106)          |
| Cash and cash equivalents at beginning of period                                | 628           | 687            |
| <b>Cash and cash equivalents at end of period</b>                               | <b>\$428</b>  | <b>\$581</b>   |

**NORDSTROM, INC.**  
**ADJUSTED EBIT, ADJUSTED EBITDA, ADJUSTED EBIT MARGIN AND ADJUSTED EPS**  
**(NON-GAAP FINANCIAL MEASURES)**

(unaudited; amounts in millions, except per share amounts)

The following are key financial metrics and, when used in conjunction with GAAP measures, we believe they provide useful information for evaluating our core business performance, enable comparison of financial results across periods and allow for greater transparency with respect to key metrics used by management for financial and operational decision-making. Adjusted EBIT, adjusted EBITDA, adjusted EBIT margin and adjusted EPS exclude certain items that we do not consider representative of our core operating performance. The financial measure calculated under GAAP which is most directly comparable to adjusted EBIT and adjusted EBITDA is net loss. The financial measure calculated under GAAP which is most directly comparable to adjusted EBIT margin is net earnings as a percent of net sales. The financial measure calculated under GAAP which is most directly comparable to adjusted EPS is diluted EPS.

Adjusted EBIT, adjusted EBITDA, adjusted EBIT margin and adjusted EPS are not measures of financial performance under GAAP and should be considered in addition to, and not as a substitute for, net earnings, net earnings as a percent of net sales, operating cash flows, earnings per share, earnings per diluted share or other financial measures performed in accordance with GAAP. Our method of determining non-GAAP financial measures may differ from other companies' financial measures and therefore may not be comparable to methods used by other companies.

The following is a reconciliation of net loss to adjusted EBIT and adjusted EBITDA and net earnings as a percent of net sales to adjusted EBIT margin:

|                                          | Quarter Ended |                |
|------------------------------------------|---------------|----------------|
|                                          | May 4, 2024   | April 29, 2023 |
| <b>Net loss</b>                          | (\$39)        | (\$205)        |
| Income tax benefit                       | (9)           | (82)           |
| Interest expense, net                    | 27            | 28             |
| Loss before interest and income taxes    | (21)          | (259)          |
| Canada wind-down costs                   | —             | 309            |
| <b>Adjusted EBIT</b>                     | (21)          | 50             |
| Depreciation and amortization expenses   | 153           | 144            |
| Amortization of developer reimbursements | (15)          | (17)           |
| <b>Adjusted EBITDA</b>                   | \$117         | \$177          |
| <b>Net sales</b>                         | \$3,221       | \$3,064        |
| <b>Net loss as a % of net sales</b>      | (1.2 %)       | (6.7 %)        |
| <b>EBIT margin %</b>                     | (0.6 %)       | (8.5 %)        |
| <b>Adjusted EBIT margin %</b>            | (0.6 %)       | 1.6 %          |

The following is a reconciliation of diluted EPS to adjusted EPS:

|                                               | Quarter Ended |                |
|-----------------------------------------------|---------------|----------------|
|                                               | May 4, 2024   | April 29, 2023 |
| <b>Diluted EPS</b>                            | (\$0.24)      | (\$1.27)       |
| Canada wind-down costs                        | —             | 1.92           |
| Income tax impact on adjustments <sup>1</sup> | —             | (0.58)         |
| <b>Adjusted EPS</b>                           | (\$0.24)      | \$0.07         |

<sup>1</sup> The income tax impact of non-GAAP adjustments is calculated using the estimated tax rate for the respective non-GAAP adjustment.

**NORDSTROM, INC.**  
**SUMMARY OF NET SALES**  
(unaudited; amounts in millions)

Our Nordstrom brand includes Nordstrom.com, Nordstrom U.S. stores and Nordstrom Local. Nordstrom also included Canada operations prior to March 2, 2023, inclusive of Nordstrom.ca, Nordstrom Canadian stores and Nordstrom Rack Canadian stores and ASOS | Nordstrom prior to December 2023. Our Nordstrom Rack brand includes NordstromRack.com, Nordstrom Rack U.S. stores and Last Chance clearance stores. The following table summarizes net sales for the first quarter of 2024, compared with the first quarter of 2023:

|                                                          | Quarter Ended  |                |
|----------------------------------------------------------|----------------|----------------|
|                                                          | May 4, 2024    | April 29, 2023 |
| <b>Net sales:</b>                                        |                |                |
| Nordstrom                                                | \$2,040        | \$2,027        |
| Nordstrom Rack                                           | 1,181          | 1,037          |
| <b>Total net sales</b>                                   | <b>\$3,221</b> | <b>\$3,064</b> |
| <b>Net sales increase (decrease):</b>                    |                |                |
| Nordstrom                                                | 0.6 %          | (11.4 %)       |
| Nordstrom Rack                                           | 13.8 %         | (11.9 %)       |
| Total Company                                            | 5.1 %          | (11.6 %)       |
| <b>Digital sales as % of total net sales<sup>1</sup></b> | <b>34 %</b>    | <b>36 %</b>    |

<sup>1</sup> Sales conducted through a digital platform such as our websites or mobile apps. Digital sales may be self-guided by the customer, as in a traditional online order, or facilitated by a salesperson using a virtual styling or selling tool. Digital sales may be delivered to the customer or picked up in our Nordstrom stores, Nordstrom Rack stores or Nordstrom Local service hubs. Digital sales also includes a reserve for estimated returns.

**NORDSTROM, INC.**  
**ADJUSTED RETURN ON INVESTED CAPITAL (“ADJUSTED ROIC”)**  
**(NON-GAAP FINANCIAL MEASURE)**  
(unaudited; amounts in millions)

We believe that Adjusted ROIC is a useful financial measure for investors in evaluating the efficiency and effectiveness of the capital we have invested in our business to generate returns over time.

Beginning in the second quarter of 2023, the Adjusted ROIC calculation was updated to exclude certain items that we do not consider representative of our core operating performance. Refer to non-operating related adjustments included within adjusted net operating profit after tax and adjusted average invested capital. Prior periods have been modified to conform with current period presentation.

Adjusted ROIC is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, return on assets, net earnings, total assets or other GAAP financial measures. Our method of calculating a non-GAAP financial measure may differ from other companies' methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Adjusted ROIC is return on assets. The following shows the components to reconcile the return on assets calculation to Adjusted ROIC:

|                                                                                                                     | Four Quarters Ended |                |
|---------------------------------------------------------------------------------------------------------------------|---------------------|----------------|
|                                                                                                                     | May 4, 2024         | April 29, 2023 |
| <b>Net earnings</b>                                                                                                 | <b>\$299</b>        | \$20           |
| Income tax expense (benefit)                                                                                        | 86                  | (8)            |
| Interest expense                                                                                                    | 138                 | 138            |
| Earnings before interest and income tax expense                                                                     | 523                 | 150            |
| Operating lease interest <sup>1</sup>                                                                               | 87                  | 85             |
| Non-operating related adjustments <sup>2</sup>                                                                      | 7                   | 387            |
| Adjusted net operating profit                                                                                       | 617                 | 622            |
| Adjusted estimated income tax expense <sup>3</sup>                                                                  | (151)               | (164)          |
| <b>Adjusted net operating profit after tax</b>                                                                      | <b>\$466</b>        | \$458          |
| <b>Average total assets</b>                                                                                         | <b>\$8,712</b>      | \$9,061        |
| Average noncurrent deferred property incentives in excess of operating lease right-of-use (ROU) assets <sup>4</sup> | (147)               | (188)          |
| Average non-interest bearing current liabilities                                                                    | (2,986)             | (3,203)        |
| Non-operating related adjustments <sup>5</sup>                                                                      | 98                  | 122            |
| <b>Adjusted average invested capital</b>                                                                            | <b>\$5,677</b>      | \$5,792        |
| <b>Return on assets</b>                                                                                             | <b>3.4 %</b>        | 0.2 %          |
| <b>Adjusted ROIC</b>                                                                                                | <b>8.2 %</b>        | 7.9 %          |

<sup>1</sup> Operating lease interest is a component of operating lease cost recorded in occupancy costs. We add back operating lease interest for purposes of calculating adjusted net operating profit for consistency with the treatment of interest expense on our debt.

<sup>2</sup> Non-operating related adjustments primarily included a supply chain asset impairment and related charge for the four quarters ended May 4, 2024, as well as the wind-down of our Canadian operations for the four quarters ended May 4, 2024 and April 29, 2023. See the Adjusted EBIT and Adjusted EBITDA section, as well as our 2023 Annual Report, for detailed information on certain non-operating related adjustments.

<sup>3</sup> Adjusted estimated income tax expense is calculated by multiplying the adjusted net operating profit by the adjusted effective tax rate (which removes the impact of non-operating related adjustments) for the trailing twelve-month periods ended May 4, 2024 and April 29, 2023. The adjusted effective tax rate is calculated by dividing adjusted income tax expense by adjusted earnings before income taxes for the same trailing twelve-month periods.

<sup>4</sup> For leases with property incentives that exceed the ROU assets, we reclassify the amount from assets to other current liabilities and other liabilities on the Condensed Consolidated Balance Sheets. The current and noncurrent amounts are used to reduce average total assets above, as this better reflects how we manage our business.

<sup>5</sup> Non-operating related adjustments primarily relate to the wind-down of our Canadian operations for the trailing twelve-month periods ended May 4, 2024 and April 29, 2023.

**NORDSTROM, INC.**  
**ADJUSTED DEBT TO EBITDAR (NON-GAAP FINANCIAL MEASURE)**

(unaudited; dollars in millions)

Adjusted debt to earnings before interest, income taxes, depreciation, amortization and rent (“EBITDAR”) is one of our key financial metrics and we believe that our debt levels are best analyzed using this measure, as it provides a reflection of our creditworthiness which could impact our credit ratings and borrowing costs. This metric is calculated in accordance with the updates in our Revolver covenant and is a key component in assessing whether our revolving credit facility is secured or unsecured, as well as our ability to make dividend payments and share repurchases.

Adjusted debt to EBITDAR is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, debt to net earnings, net earnings, debt or other GAAP financial measures. Our method of calculating a non-GAAP financial measure may differ from other companies’ methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Adjusted debt to EBITDAR is debt to net earnings. The following shows the components to reconcile the debt to net earnings calculation to Adjusted debt to EBITDAR:

|                             | May 4, 2024    |
|-----------------------------|----------------|
| <b>Debt</b>                 | <b>\$2,614</b> |
| Operating lease liabilities | 1,624          |
| <b>Adjusted debt</b>        | <b>\$4,238</b> |

|                                                       | Four Quarters Ended May<br>4, 2024 |
|-------------------------------------------------------|------------------------------------|
| <b>Net earnings</b>                                   | <b>\$299</b>                       |
| Income tax expense                                    | 86                                 |
| Interest expense, net                                 | 104                                |
| Earnings before interest and income taxes             | 489                                |
| Depreciation and amortization expenses                | 594                                |
| Operating lease cost <sup>1</sup>                     | 282                                |
| Amortization of developer reimbursements <sup>2</sup> | 67                                 |
| Other Revolver covenant adjustments <sup>3</sup>      | 41                                 |
| <b>Adjusted EBITDAR</b>                               | <b>\$1,473</b>                     |

|                                 |            |
|---------------------------------|------------|
| <b>Debt to Net Earnings</b>     | <b>8.7</b> |
| <b>Adjusted debt to EBITDAR</b> | <b>2.9</b> |

<sup>1</sup> Operating lease cost is fixed rent expense, including fixed common area maintenance expense, net of developer reimbursement amortization.

<sup>2</sup> Amortization of developer reimbursements is a non-cash reduction of operating lease cost and is therefore added back to operating lease cost for purposes of our Revolver covenant calculation.

<sup>3</sup> Other adjusting items to reconcile net earnings to Adjusted EBITDAR as defined by our Revolver covenant include interest income, certain non-cash charges and other gains and losses where relevant. For the four quarters ended May 4, 2024, other Revolver covenant adjustments primarily included interest income and a supply chain asset impairment and related charge, partially offset by Canada wind-down adjustments. See our 2023 Annual Report for detailed information on certain non-operating related adjustments.

**NORDSTROM, INC.**  
**FREE CASH FLOW (NON-GAAP FINANCIAL MEASURE)**

(unaudited; amounts in millions)

Free Cash Flow is one of our key liquidity measures and, when used in conjunction with GAAP measures, we believe it provides investors with a meaningful analysis of our ability to generate cash from our business.

Free Cash Flow is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, operating cash flows or other financial measures prepared in accordance with GAAP. Our method of calculating a non-GAAP financial measure may differ from other companies' methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Free Cash Flow is net cash provided by operating activities. The following is a reconciliation of net cash provided by operating activities to Free Cash Flow:

|                                                  | <b>Quarter Ended</b> |                       |
|--------------------------------------------------|----------------------|-----------------------|
|                                                  | <b>May 4, 2024</b>   | <b>April 29, 2023</b> |
| <b>Net cash provided by operating activities</b> | <b>\$139</b>         | <b>\$16</b>           |
| Capital expenditures                             | <b>(91)</b>          | <b>(106)</b>          |
| Change in cash book overdrafts                   | <b>23</b>            | <b>29</b>             |
| <b>Free Cash Flow</b>                            | <b>\$71</b>          | <b>(\$61)</b>         |

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**Q1 2024 NORDSTROM EARNINGS CALL — PREPARED REMARKS****ERIK NORDSTROM | CHIEF EXECUTIVE OFFICER**

Good afternoon, everyone.

For the first quarter, we delivered net sales of \$3.2 billion, and a loss per share of 24 cents.

We are pleased with the strength of our top line growth across both Nordstrom and Nordstrom Rack. Our business is performing well as we delivered net sales growth in excess of 5 percent, with double-digit growth at the Rack, a positive topline contribution from our Nordstrom banner stores, and continued sequential improvement in our digital business.

Due to a host of factors that Cathy will discuss in a moment, our profitability was below our expectations with roughly half of the first quarter impact related to timing. Although our earnings were held back, we remain confident in our outlook for the year. We are reaffirming guidance, building on the revenue strength that we have delivered in Q1, benefits of timing reversals, and actions already taken.

In the first quarter, we delivered year-over-year increases in customers and purchase trips. We managed inventory effectively, ending the quarter with a double-digit positive inventory spread. At both banners, our customers responded to the inspiration and relevance of our customer strategy. Regular price sales as well as sell-through also improved against the first quarter of last year.

Our Nordy Club loyalty program events and offerings have been well received by customers. During the first quarter, sales to Nordy Club members grew at both banners with loyalty sales reaching nearly 70 percent of our total sales.



Our digital business continues to trend in the right direction with its fourth consecutive quarter of sequential improvement. The primary drivers of the results included an improved balance across the spectrum of price points, faster shipping, as well as a clear focus in our offering of the brands that matter most to our customers.

Turning now to the three priorities that we set out for 2024, we are driving Nordstrom banner growth, operational optimization, and building upon the momentum at the Rack. I'll discuss the progress we made in the first quarter.

The first priority is to drive Nordstrom banner growth. Our strategy is rooted in enhancing the customer experience by offering high-quality service as well as a compelling selection. Our teams worked diligently to offer inspiration as well as relevance with an emphasis on breadth and depth of the brands that matter the most to our customers. We are working to ensure this consistent and premium offering is not just at our largest stores, but across our entire full-line store fleet. While we still have more work to do, the return to growth for the Nordstrom banner provides evidence that our efforts are resonating with customers.

As we outlined last quarter, we are focusing our Nordstrom banner efforts on digital-led growth supported by stores, aiming to further enable our customers to shop when and where they want. In our digital business, Nordstrom.com, we implemented improvements around the search and discovery experience, and worked to optimize the balance of price points across our merchandise selection while focusing on in-stock rates. We also launched our digital marketplace at the end of April, taking a measured approach in order to ensure a seamless customer experience – one that feels uniquely Nordstrom. Marketplace allows customers to shop more products and sizes from their favorite brands while providing more access to new and emerging labels. As Marketplace scales, we'll grow our online assortment to serve more customers on more occasions through unowned inventory, over time.

Our next priority for 2024, operational optimization, is intended to further build upon the success we've had the last couple of years in optimizing our supply chain capabilities. Efforts in this area resulted in an over 5 percent faster click-to-delivery speed and an improvement in variable fulfillment costs in the first quarter. We continue to see meaningful improvements in the movement of product throughout our network. We are getting merchandise through our network, to our stores and our customers faster, at a lower cost; this helps to drive better outcomes, like higher conversion and lower return rates.

Additionally, as we mentioned on the last call, the transition of operations from our San Bernadino Fulfillment Center to our West Coast Omnichannel Center is underway and expected to be complete in the second quarter. The West Coast Omnichannel Center is our newest, most automated, and lowest cost fulfillment center. It has been scaled to serve our customers across the Nordstrom and Nordstrom Rack banners.

Our final priority for 2024 is to build upon the momentum at the Rack. With first quarter net sales growth of 14 percent and comparable sales growth of 8 percent, we are pleased with our efforts to continue its trajectory. Driving the Rack's growth in the first quarter were increases in trips, conversion, and customers as we invested in merchandise to support the business. Customers responded well to our product offerings of great brands at great prices in the first quarter, resulting in continued regular price sales strength with a year-over-year improvement in sell-through.

We have opened 9 new Rack stores since the beginning of this fiscal year, which places us on track to open a total of 22 new Racks this year. Our new stores are performing well as we've improved our planning with better data and insights as well as a team fully dedicated to new store openings. New Rack stores continue to be a growth driver and excellent investment for us, as they deliver well in excess of their cost of capital within a relatively short payback period.

Before I turn it over to Pete, I want to recognize and thank our team across the organization for their dedication and hard work.

I also want to make a few comments about the passing of our dad, Bruce Nordstrom. Many people have reached out to us to share their memories of our dad, likely including some of the folks on this call today. Much of what you've shared has been quite moving, especially stories from employees who spent time working and interacting with him throughout the years.

A few themes have jumped out to me from what folks have shared: the lasting impact of his genuine kindness, how quick he was to smile, his humility, and his servant leadership. Thank you to everyone who has taken the time to share a memory or impression from their time spent with him.

Our dad was a values-driven person his whole life, and his values played a big role in defining what our company is today. There's no doubt that he was a great retailer and leader, and I'll tell you he was an even better dad, and we'll miss him.

And with that, I'll hand off to Pete.

**PETE NORDSTROM | PRESIDENT AND CHIEF BRAND OFFICER**

Thanks, Erik, and good afternoon, everyone.

I'll focus my remarks on our category performance, discuss a few in-store events, and provide some commentary on our upcoming Anniversary Sale.

Starting with category performance.

In the first quarter, our teams sustained the momentum from Q4 with a year-over-year improvement in regular price sales. Our top-performing categories were Active, Kids' and Women's Apparel, and Beauty.

The Active category, which includes apparel and shoes, led the growth with sustained strong momentum across both banners, led by recognizable brands. At the Nordstrom banner, the growth was led by Vuori, Hoka, and Adidas.

Kids' Apparel continued its year-over-year improvement, as we increased the depth of merchandise selection while improving sell-through. NordstromRack.com digital sales of Kids' Apparel grew notably in the first quarter.

Sales of Women's Apparel grew in the mid-teens, representing its fourth quarter of sequential improvement. Our focus on the brands that matter most to our customers is driving momentum across both banners. In the first quarter, our customers responded to more casual offerings, driving a strong regular price business, led by tops and dresses.

At the Nordstrom banner, contemporary brands such as Veronica Beard, Mother, and Vince were the top performers. We relaunched the Nordstrom private brand for women in the first quarter with a focus on modern, high-quality, and on-trend products. The Nordstrom brand is our most popular private brand and customers have responded positively to the relaunch, driving improvements in sales, sell-through, and margin in our Women's Apparel category.

At the Rack, our strategy and focus on the brands that matter most to our customers continued to deliver results, particularly in Women's Apparel. Our merchandise offering is differentiated and unique in the off-price space, as we aim to provide our customers access to great brands at great prices, every day.

The strength of the Beauty category continued in the first quarter across both banners, driven by new brand launches and engaging customer experiences. At the Nordstrom banner, we introduced 30-plus new brands in the first quarter, most notably Prada Beauty, Pat McGrath Labs and Pattern Beauty. At the Rack, Beauty sales were supported by prestige and new brands.

Before I move on to what's planned for our Anniversary Sale, I'd like to provide a bit of perspective on some in-store events that are inspiring customers and driving sales.

Our "Make Room for Shoes" campaign that began in February is delivering results in our Nordstrom banner. This campaign features exclusive merchandise from one of our customers' favorite brands each month. Featured brands in the first quarter included On Running, Sam Edelman, and Birkenstock. On the heels of the campaign launch, we delivered year-over-year and sequential improvements in Shoes.

We also amplified in-store events around the Beauty category in the first quarter, driving incremental trips and sales.

From happy hour beauty parties to fragrance week, to trend show programs that provide customers with an educational and entertaining experience around beauty products, our teams brought fresh ideas that resonated with our customers.

These personalized events helped invigorate customers' excitement to shop in-store and had a positive impact on sales.

With the positive sales-to-inventory spread in the first quarter, our inventory position is healthy heading into our Anniversary Sale. Building upon the success of last year's event, we are increasing the depth of offerings and grounding our assortment in highly coveted brands. We are excited about the expanded catalog this year that highlights our assortment. Every year, we work hard to include the best brands that people expect as well as new ones, too. This year's Anniversary Sale is shaping up to be a great event.

In closing, our merchandise performance was solid, and we ended the quarter with healthy inventory levels. We're focused on providing an exceptional Anniversary Sale this year, led by the brands that matter most to our customers.

Before I turn it over to Cathy, I'd like to say a few words about the recent passing of our father as well.

I want to start by saying how much we appreciate all the kind feedback and the condolences we've received. The memories of our dad remind us of the impact he made as a business leader and reaffirm what we know to be true about him.

Our dad was a person of action – someone who focused on walking the talk. When it came to the business, he was serious: he was driven by firmly held and consistently referenced values, and he saw the company's reputation as an extension of his own reputation. He taught us that successful retailing required humility. While he was a merchant and a retail legend, he proudly saw himself as a shoe dog at his core.

He earned respect because he was respectful of others. He believed in others so that they would believe in themselves. He had high expectations for himself, and in turn, he had high expectations of others. We carry on both grateful to and inspired by our dad and the company he was so proud of.

And with that, I'll turn it over to Cathy to discuss our financial performance.

**CATHY SMITH | CHIEF FINANCIAL OFFICER**

Thanks, Pete.

And thank you all for joining us today. I'll begin by covering our first quarter results, then discuss our outlook, and close with our capital allocation priorities.

As Erik mentioned, our first quarter net sales growth exceeded our expectations in both banners, reflecting strength in our business. Regular price sales were strong and showed an improvement from Q1 of last year. These factors provide us with confidence in our outlook and reaffirmed guidance today.

Our outsized sales came with strong sell-through supporting our gross margin. Relative to our expectations for Q1, volume-related expansion was more than overshadowed by pressure on our gross margin – roughly one-half being timing-related, and the other half from operational factors. Both drove profitability below our expectations.

The timing-related impacts were largely due to a higher-than-expected increase in our reserves, as we grew our inventory throughout the first quarter off the seasonal low at the end of Q4, ahead of our Anniversary Sale. We expect this first quarter headwind to moderate and partially reverse in future periods as inventory levels and the corresponding reserves change. With this being our first quarter operating in cost accounting, we are learning to better plan and forecast these elements. The other timing-related impact is due to our better-than-expected growth in sales to our Nordy Club members, resulting in additional loyalty-related deferred revenue that will drive sales and profit in future periods.



Operational factors also impacted our gross margin in the first quarter. The primary drivers were external theft in our transportation network, and inventory cleanup in our supply chain. We have taken swift actions on these factors to mitigate risks going forward.

The timing-related and operational factors that held back our profitability in the first quarter masked the underlying strength that we are driving in the business.

Moving on to the other elements of our first quarter performance.

Total company net sales increased 5 percent in the first quarter which includes a 75 basis point unfavorable impact from the wind-down of Canadian operations in the year-ago quarter. Comparable sales increased 4 percent. GMV increased 5 percent in the first quarter.

Nordstrom banner net sales increased 1 percent, inclusive of a 110 basis point negative impact from the wind-down of Canadian operations in the year-ago quarter. Comparable sales increased 2 percent. And Nordstrom banner GMV was flat in the first quarter.

Nordstrom Rack net sales increased 14 percent, with comparable sales increasing 8 percent.

Digital sales in the first quarter were flat compared to the same period last year, with Q1 representing the fourth consecutive quarter of sequential improvement. Digital sales represented 34 percent of our total sales during the quarter.

Gross profit, as a percentage of net sales, of 31.6 percent decreased 225 basis points compared with the same period last year, as discussed previously.

We are pleased with our continued inventory health and management. Ending inventory decreased 6 percent versus Q1 of last year, resulting in a positive sales-to-inventory spread.

SG&A expenses as a percentage of net sales improved 20 basis points in the first quarter, as leverage on higher sales and improvements in variable costs across the business were partially offset by higher labor costs.

Loss before interest and taxes was \$21 million in the first quarter.

We ended the first quarter with \$1.2 billion in available liquidity including over \$400 million in cash after retiring \$250 million in notes in April. Our balance sheet and financial position remain solid.

Turning to our outlook for the year, the macroeconomic environment continues to be uncertain. Even with higher interest rates, inflationary pressures, and overall concern about the economy, the consumer continues to be resilient and selective. We are reaffirming our full-year guidance based upon the revenue strength that we delivered in Q1 and the gross margin-related timing issues that I discussed, as well as actions already taken to mitigate further risks from the operational factors.

Our guidance includes:

Full-year revenue in the range of a decline of 2 percent to an increase of 1 percent, which includes a headwind of approximately 135 basis points from the 53<sup>rd</sup> week in 2023's results. We continue to expect revenue to follow a typical quarterly cadence.

As a reminder, the timing shift of our Anniversary Sale, with one day falling into the third quarter this year versus 8 days in 2023, is expected to have a positive impact of approximately 200 basis points in our second quarter net sales this year.

We also continue to expect total company comparable sales in a range of a decrease of 1 percent to an increase of 2 percent in 2024, versus 52 weeks in 2023. As our full-year 2023 included a 53<sup>rd</sup> week, we calculate our 2024 comparable sales using a realigned, 52-week 2023 period for comparability.

Turning to profitability, we expect a full-year EBIT margin in the range of 3.5 percent to 4 percent.

We continue to expect our effective tax rate to be approximately 27 percent for the full year.

From an earnings per share perspective, we continue to expect full-year results in the range of \$1.65 to \$2.05, excluding the impact of any share repurchases.

Turning to our capital allocation, our priorities remain the same. The first is investing in the business to better serve our customers and support long-term growth. We continue to plan for capital expenditures of 3 to 4 percent of net sales.

Our second priority is reducing our leverage. As I mentioned, we paid off the \$250 million bond that matured in April with cash on hand.

Our third priority is returning cash to shareholders. Last week, our board of directors declared a quarterly cash dividend of \$0.19 per share.

In closing, we are encouraged that our focus and priorities are resonating with customers and driving topline strength. We remain optimistic. The momentum in our topline provides us with confidence in our full-year guidance. I continue to look forward to the progress that we'll make this year with the growth opportunities we have, both at the Nordstrom banner and the Rack.

We thank you for your interest in Nordstrom.