

INVESTOR PRESENTATION

JULY 2019



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.



We aspire to be the best fashion retailer in a digital world by remaining focused on our customers

WE PROVIDE COMPELLING PRODUCTS, OUTSTANDING SERVICES AND A SEAMLESS CUSTOMER EXPERIENCE

The Nordstrom Brand

We leverage a unique business model to serve customers through our digital and physical assets, across Full-Price and Off-Price businesses

NORDSTROM NORDSTROM **rack**

HAUTELOOK **TRUNK CLUB**

KEY INVESTMENT HIGHLIGHTS

#1 GOAL IS TO PROVIDE CUSTOMERS WITH THE BEST SHOPPING EXPERIENCE



Leader in Fashion Supported by Outstanding Service and Innovation

Differentiated business model provides customers with curated merchandise leveraging strategic brand partners, a high-quality store footprint, robust online presence, engaging customer loyalty program, and outstanding service.

Gaining Share in a Digital World

Market-leading digital capabilities provide a seamless experience for our customers across our business model. Our local market strategy provides customers with a differentiated experience across our online and full-line platforms.

Strategic Investments in Top Markets and Digital to Drive Growth

Focused store investments in key markets and online scaling to drive margins and improve return on invested capital.

Strong Balance Sheet and Cash Flow Generation

Solid balance sheet to support our growth strategy and return cash to shareholders.

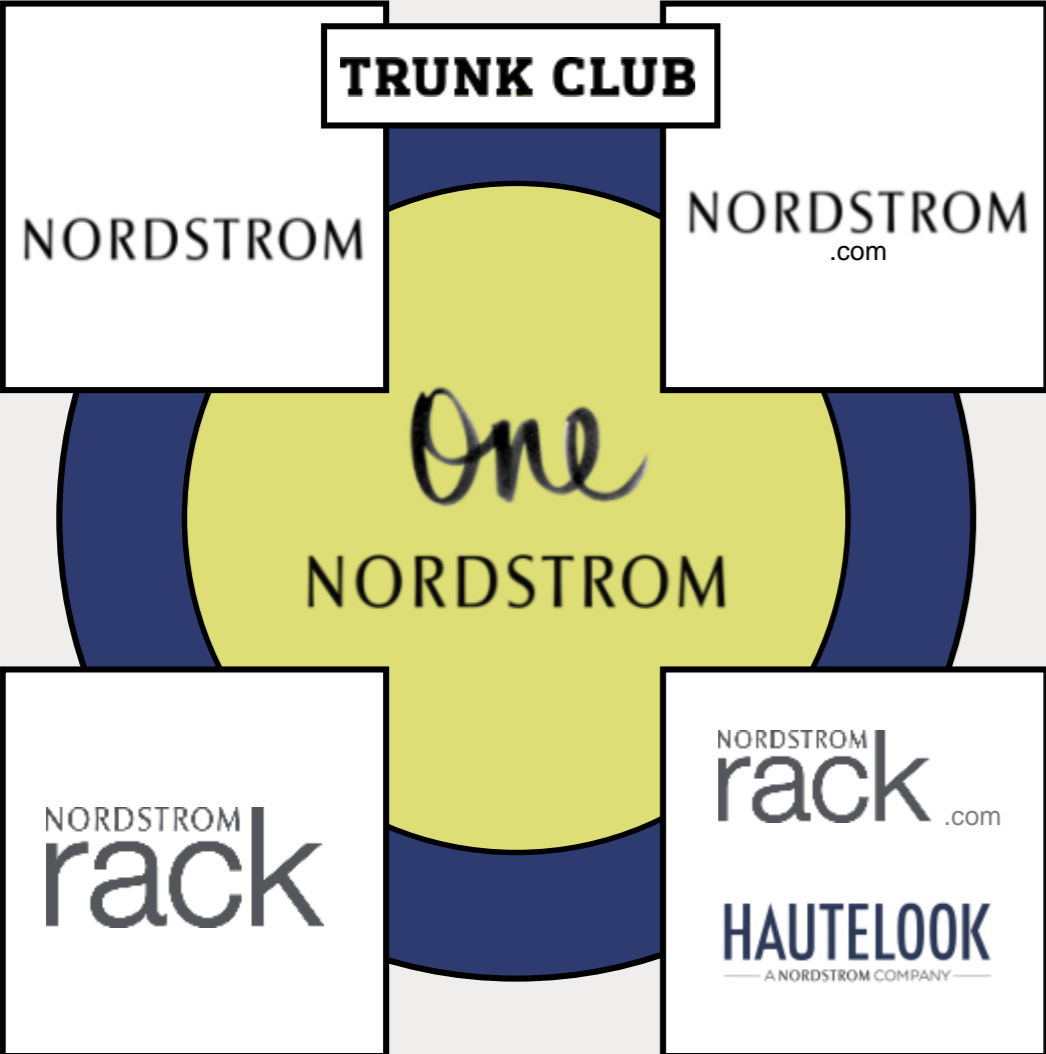
Experienced Leadership Team and Board

Experienced cross-disciplinary management team, including new CFO in 2017 and CTO in 2018. Refreshed and diverse Board with 7 new appointments since 2015 including 2 in 2019.

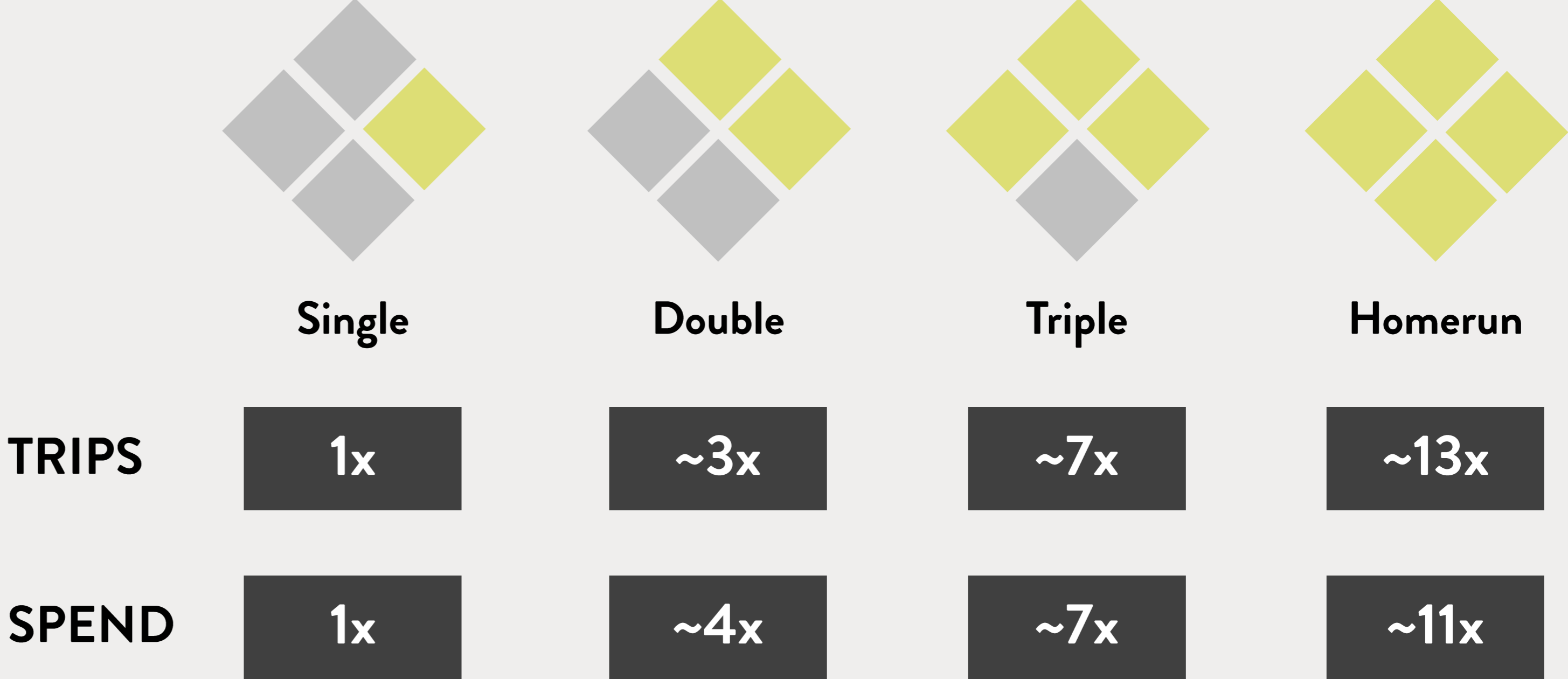
ONE NORDSTROM: WHOLE > SUM OF THE PARTS

ENGAGEMENT ACROSS OUR FOUR BOXES ENCOURAGES MORE VISITS AND MORE SPEND

OUR FOUR BOX OFFER



PER CUSTOMER IMPACT BY CHANNELS SHOPPED



Our Services Drive Incremental Customer Spend Within Each Channel (e.g., BOPUS ~2x, Alterations ~3x, Style Boards ~4x, Stylist ~5x)

HOW NORDSTROM WINS

WE WIN BY PROVIDING OUR BEST CUSTOMERS OUR BEST PRODUCTS IN OUR BEST MARKETS



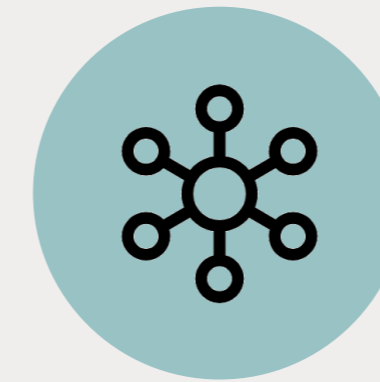
Strategic brand partnerships



Exceptional customer service



Growing loyalty program



Seamless omni-channel platform



Customer experiences and services
(e.g., BOPUS, alterations)



Local market strategy

OUR FULL-PRICE BUSINESS IS LARGE AND FOCUSED

OUR CORE BUSINESS COMBINES PHYSICAL AND DIGITAL ASSETS TO MEET CUSTOMER NEEDS

OUR CORE BUSINESS IS STRONG

\$10B

Full-Price Sales

800M+

Unique Daily Visitors
Annually to Website
& Mobile

\$1B

Annual Mobile Sales

20M

Full-Price Customers*

WELL POSITIONED TO WIN



Multiple Channel Capabilities



Driving Innovation



Focusing On Key Markets

Source: Investor Day Presentation July 2018

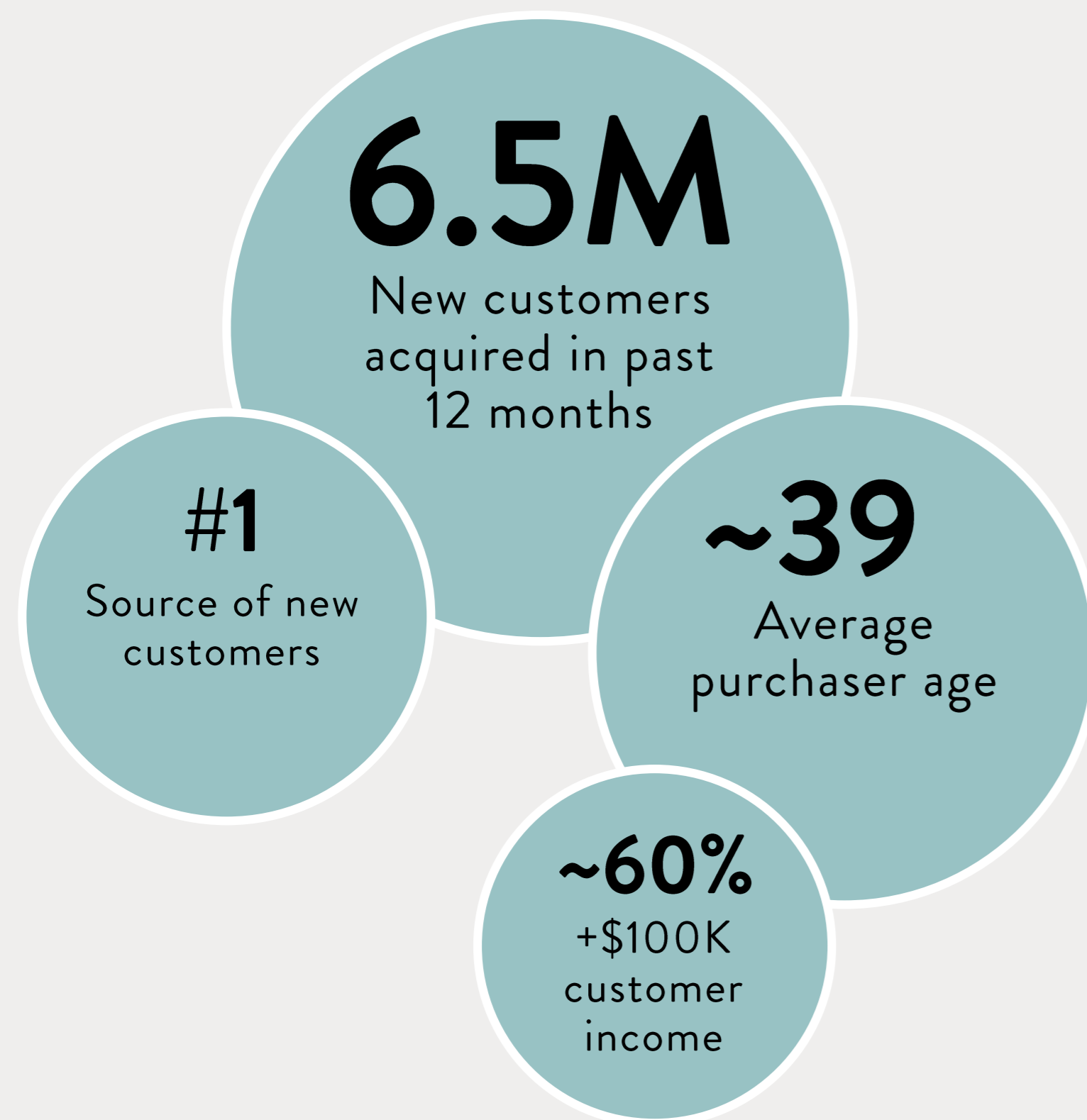
*Active Customers Shopped Full-Price Over the Last 12 Months

OUR OFF-PRICE BUSINESS IS A CRITICAL GROWTH DRIVER

ATTRACTS A YOUNGER, AFFLUENT CUSTOMER



NEW CUSTOMER ACQUISITION



FULL-PRICE ENGAGEMENT

1/3

Off-Price customers become Full-Price customers over time

~2x

Increase in spend when Off-Price customers start shopping Full-Price as well



FULL-PRICE PRODUCT EXHAUST

~90%

of top 200 Full-Price brands are sold in Off-Price

~10%

Off-Price inventory comes from Full-Price

HIGH-QUALITY, HEALTHY STORE FOOTPRINT

WE ARE UNIQUELY POSITIONED WITH THE RIGHT NUMBER OF HIGH QUALITY STORES

STORE PORTFOLIO

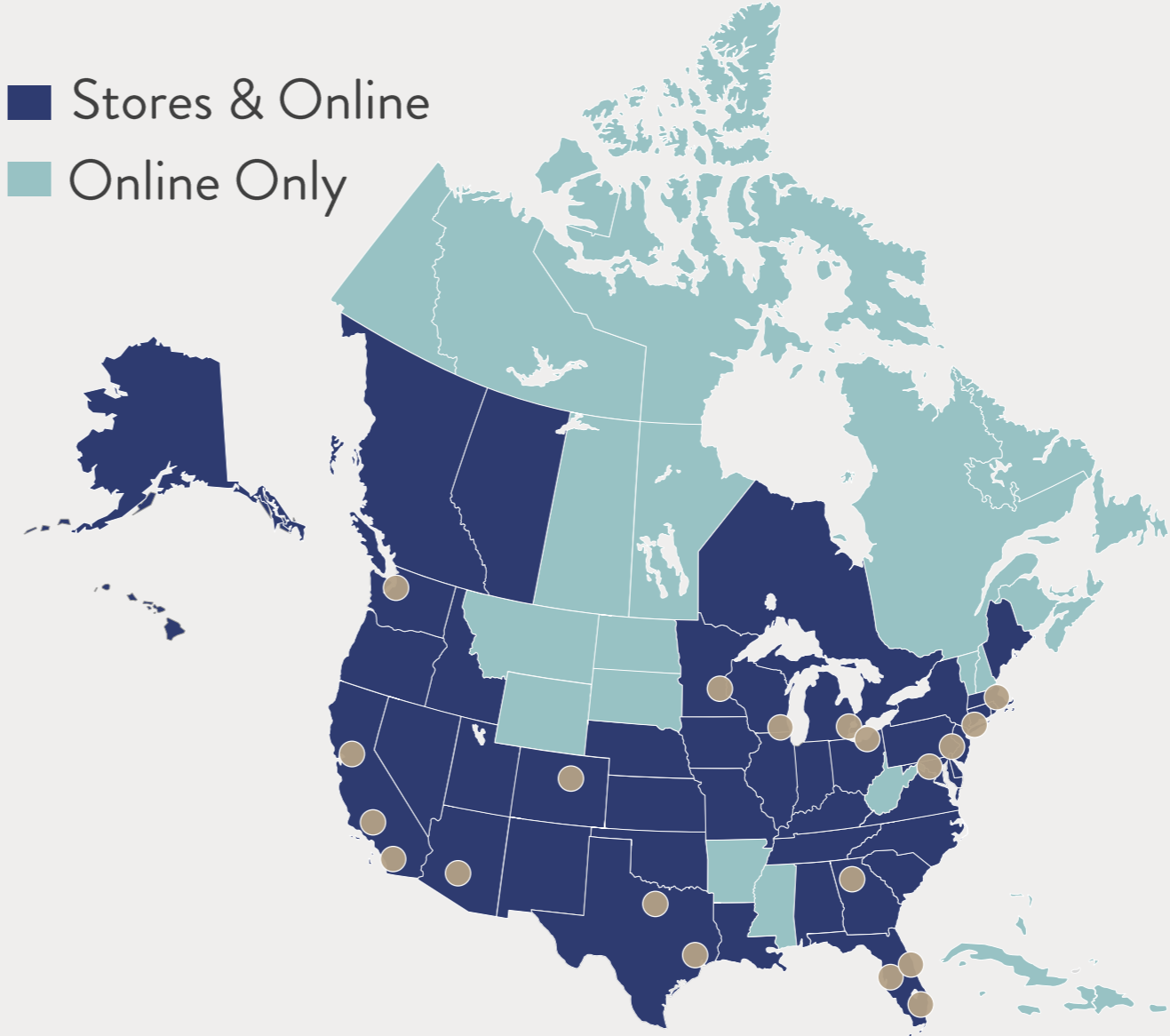
119 FLS* 95% located in “A” or better malls

247 Rack Majority of our Racks are located in convenient power center locations

14 Other Trunk Club Clubhouses, Nordstrom Local, Jeffrey

100%
of U.S. comparable operating stores are cash flow positive

MARKET PRESENCE



Nordstrom present in **all top 20 markets** (by market size)

~70%
of Nordstrom total stores are located in top 20 markets

Source: Investor Day Presentation July 2018
*FLS refers to Full Line Stores; Store count is of Q1 2019

MARKET-LEADING ONLINE PRESENCE

DRIVING OUTSIZED GROWTH

ONLINE PORTFOLIO

NORDSTROM
.com

NORDSTROM
rack .com

HAUTELOOK
— A NORDSTROM COMPANY —

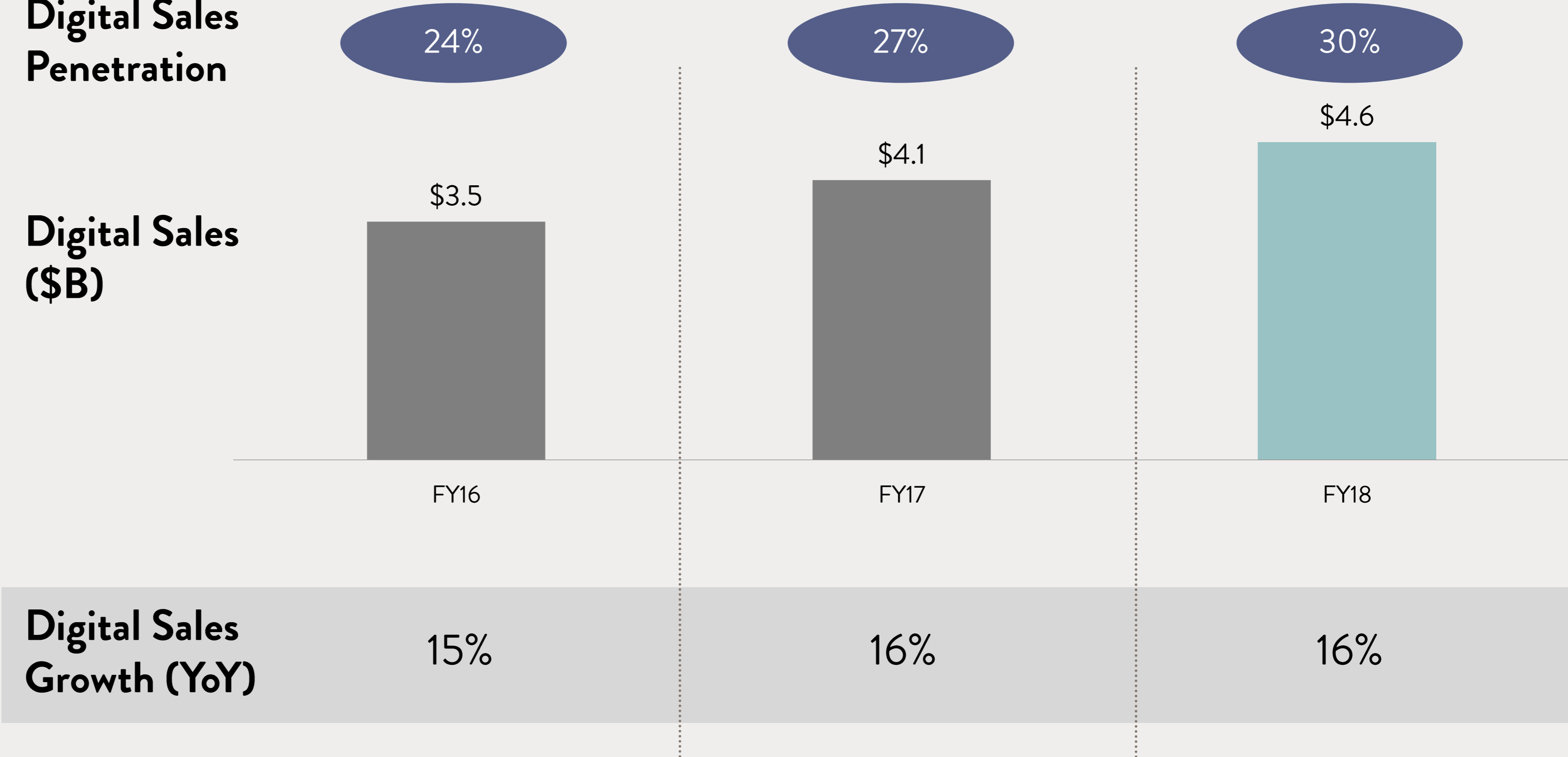
TRUNK CLUB

Digital Sales
Penetration

Digital Sales
(\$B)

Digital Sales
Growth (YoY)

LARGE AND HIGH GROWTH ONLINE BUSINESS



OUR WORLD-CLASS BRAND IS BUILT BY OUR CUSTOMERS

WE HAVE A STRONG BASE OF YOUNG, AFFLUENT, AND FASHION-FOCUSED CUSTOMERS

2017 CUSTOMER DEMOGRAPHICS

AGE	42 JWN average purchaser age
YOUNG CUSTOMERS	36% Customers that are 18-34 years old
YC GROWTH (18-34)	+19% Increase in Young Customers (YC) '17 vs. '15
INCOME	>65% Of JWN sales are from customers with Household Income >\$100K

HIGH-LOW ASSORTMENT OF STRATEGIC BRANDS

HIGH-LOW ASSORTMENT

From Zella to Gucci



ZELLA Style Game Shine Hooded Jacket
\$139

GUCCI Small GG Marmont 2.0 Matelassé Velvet Shoulder Bag
\$2590

REFORMATION Hattie Off the Shoulder Dress
\$218

NIKE Air Force 1 Jester XX Sneaker
\$110

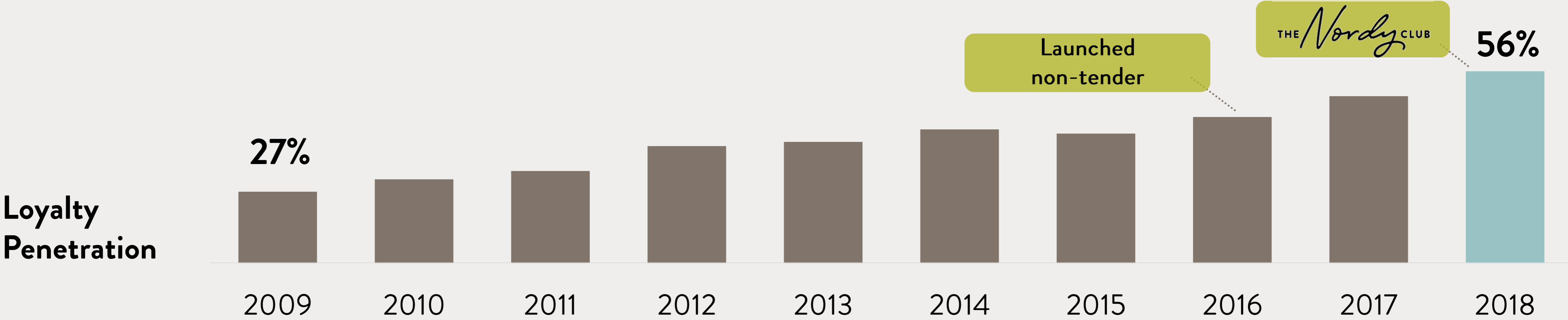
BRAND DISCOVERY

From national brands (Nike) to limited distribution brands (Reformation)

Source: Investor Day Presentation July 2018
Active Customers Shopped JWN Over the Last 12 Months; Customer Demographics exclude Trunk Club.

EVOLVING LOYALTY WITH CUSTOMER EXPECTATIONS

HIGHER ENGAGEMENT AND CUSTOMER SPEND



ACTIVE MEMBERS

~11M*

~1/3 customers | 15%+ YOY FY 2018

2018 SALES

\$9B

>50% of sales

ENGAGEMENT

3X

trips

4X

spend

Source: Investor Day Presentation July 2018
 *As of Q1 2019

EVOLVING LOCAL MARKET STRATEGY

OUR LOCAL MARKET STRATEGY ENABLES A DIFFERENTIATED CUSTOMER EXPERIENCE

FROM:

TO:



Inventory from one store



All inventory in my market



Limited fulfillment options



Multiple options for BOPUS or **delivered to me**



One week for many online orders



Same-day or next-day in top markets



Appointment-based styling and services



Always-on (24/7), high- and low-touch **options for style expertise and services in-home, in-store, or in-Local**



“Push” inventory based on initial allocation



“**Pull**” inventory based on customer demands

LOCAL MARKET STRATEGY DRIVING GROWTH IN LA MARKET

SUCCESS SCALING IN LA INFORMS STRATEGY IN NYC

\$1B
in Full-Price Sales

3
Nordstrom Locals

4M
JWN Customers

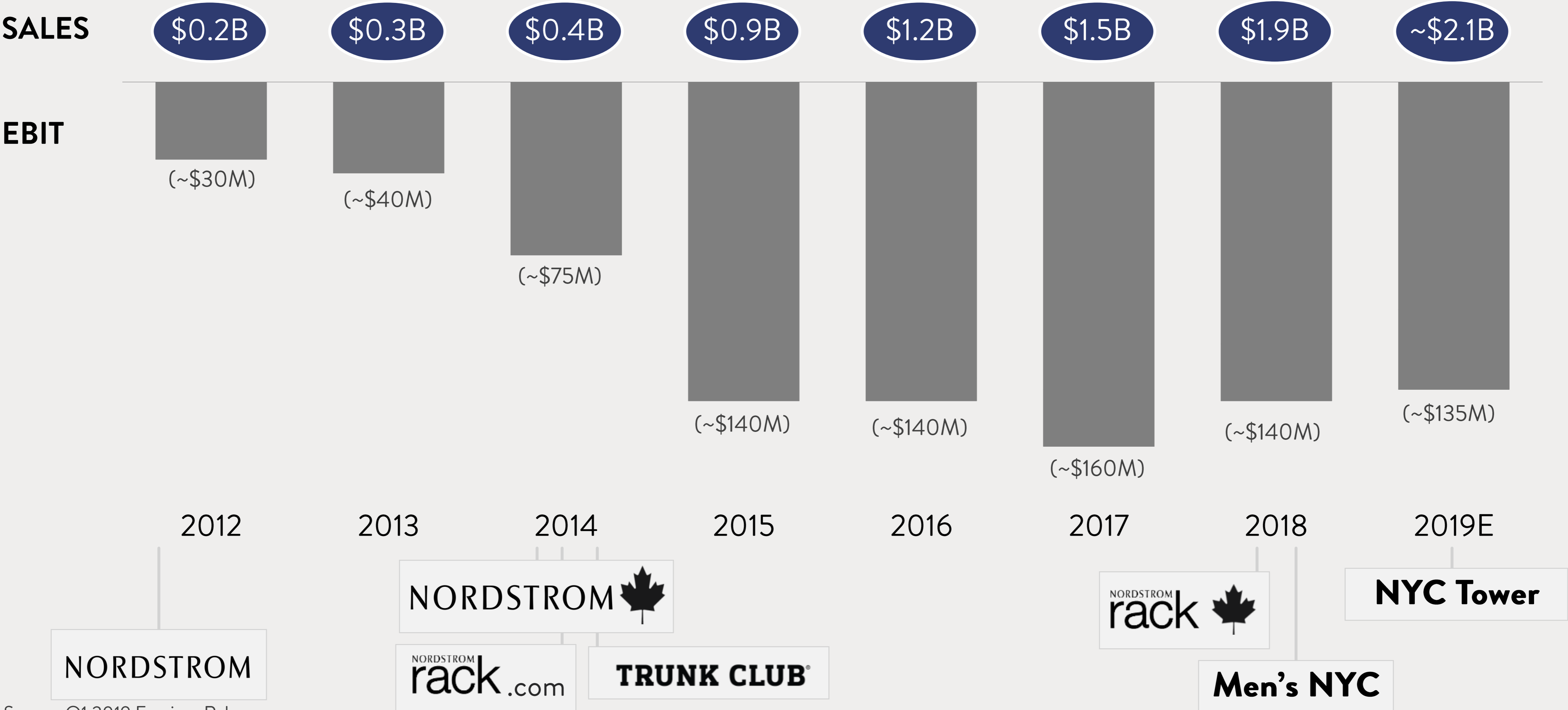
3
Supply Chain
Facilities in LA
by 2019

16
Full-Line Stores



SCALING GENERATIONAL INVESTMENTS

NEARING CONCLUSION OF HEAVY INVESTMENT PERIOD



Source: Q1 2019 Earnings Release
 2019E represents estimated sales and EBIT

MANHATTAN-\$700M+ FULL-PRICE MARKET OPPORTUNITY

LAST YEAR OF GENERATIONAL INVESTMENT CYCLE

MEN'S STORE

Opened
Spring 2018



Focused on market, not just the 4-wall opportunity

TOWER (WOMEN'S)

Opening
Oct 24, 2019



Already the #1 market for online sales

NORDSTROM LOCAL

Opening Fall 2019 in
the West Village &
Upper East Side



Encouraged by early results

Source: Q1 2019 Earnings Release

SUMMARY FINANCIAL PERFORMANCE OBJECTIVES

TARGETING HIGHER RETURNS TO SHAREHOLDERS

CONTINUING MARKET SHARE GAINS

Investments in new
markets fueling growth

Market-leading digital presence

Core growth in Full-Price
and Off-Price

Scaling local market strategy

IMPROVING PROFITABILITY & RETURNS

Generational investments scaling

Leveraging digital capabilities

Strength in product margin

SG&A optimization

Improving return on invested capital

MAINTAINING DISCIPLINED CAPITAL ALLOCATION

Capital efficiency and
strong inventory management

Disciplined capex

Accelerating cash flow generation

Excess cash returned to shareholders

KEY RECENT DEVELOPMENTS

FOCUSED ON DELIVERING TOPLINE GROWTH AND IMPROVED PROFITABILITY

WHAT HAPPENED?

- Operational issues resulted in softer top-line performance in Q1
- Did not achieve planned FY 2018 EBIT margin inflection

WHAT WE ARE DOING ABOUT IT

- Executional misses in Q1 are within our control to turn around and we have taken steps to correct
- Strong inventory and expense execution mitigated half of our sales miss
- We accelerated SG&A initiatives (\$150-\$200M expected in FY 2019)

- Free cash flow generation is expected to improve with normalizing capex
- Balance sheet remains healthy

Q1 FINANCIAL SUMMARY

COMMITTED TO BETTER SERVING CUSTOMERS THROUGH LOYALTY, MARKETING AND MERCHANDISE

METRIC	Q1 2019	COMMENTS
NET SALES	(3.5%)	Full-Price (5.1%); Off-Price (0.6%)
GROSS PROFIT % OF SALES	(60 bps)	Planned markdowns and occupancy deleverage
SG&A % OF SALES	(168 bps)	Fixed expense deleverage; efficiency savings ahead of expectations
EBIT % OF SALES	(212 bps)	Strong inventory & expense execution mitigated half of sales shortfall
INVENTORY DECREASE	5.3%	Positive spread of 180 bps between inventory and sales

FY 2019 GUIDANCE

Q2 SALES TRENDS EXPECTED TO BE IN LINE WITH Q1, WITH GRADUAL IMPROVEMENT BEGINNING IN H2 2019

	PRIOR FY 2019 OUTLOOK	UPDATED FY 2019 OUTLOOK*
NET SALES	1% to 2% increase	2% decrease to flat
CREDIT REVENUE GROWTH	Mid to high single-digit growth	Low to mid single-digit growth
EBIT	\$915M to \$970M	\$805M to \$890M
EBIT MARGIN	5.9% to 6.1%	5.3% to 5.8%
EPS	\$3.65 to \$3.90	\$3.25 to \$3.65

	REVISED OUTLOOK			YOY GROWTH (DECREASE)	
	Q1	Q2	H2	FY 2019	FY 2019 (Adjusted**)
NET SALES	(3.5%)	Continuing Q1 trends	Above FY 2019	(2%) to flat	(2%) to flat
EBIT	(50%)	Below FY 2019	Above FY 2019	(4%) to 6%	(11%) to (2%)

*Updated as of Q1 2019 Earnings

**Excludes Q3 non-recurring estimated credit-related charge of \$72M in 2018

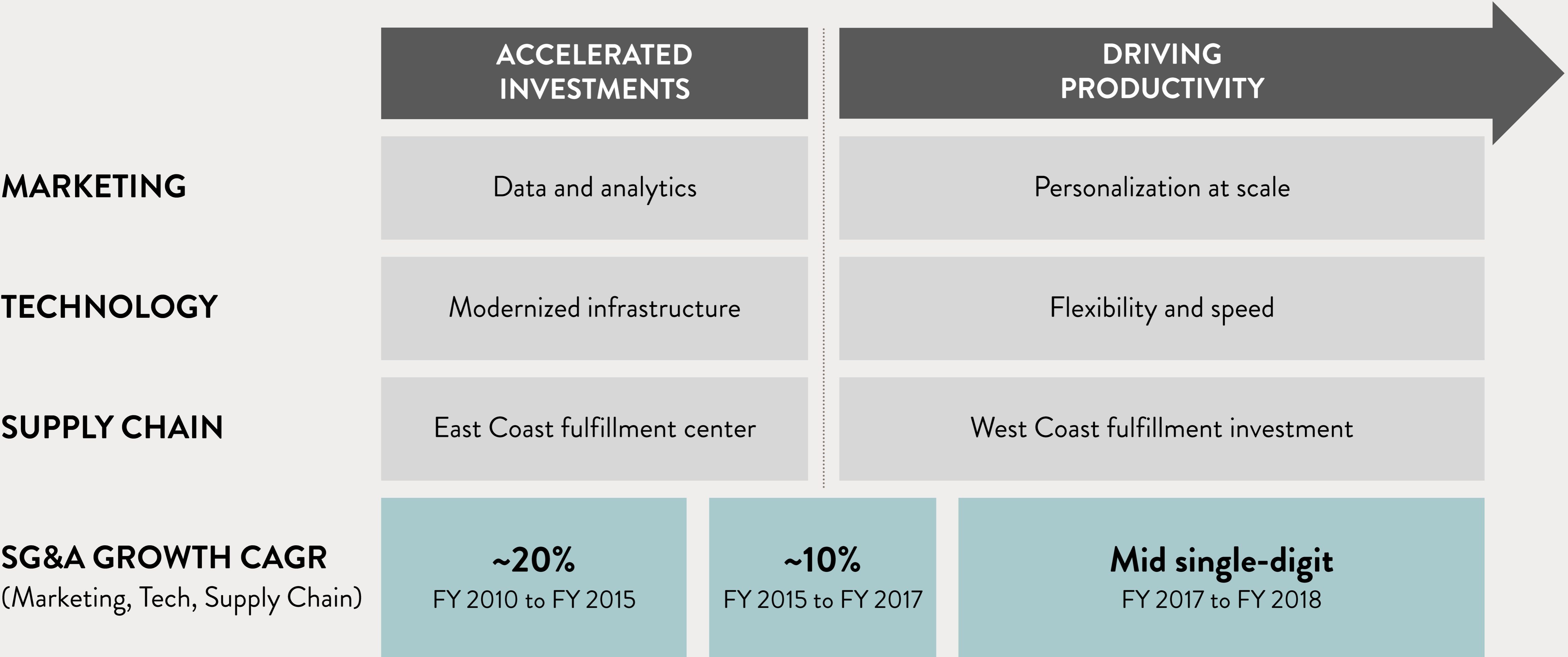
EBIT MARGIN IMPROVEMENT INITIATIVES

SG&A OPTIMIZATION TO SUPPLEMENT HISTORICAL INITIATIVES

KEY PROFITABILITY INITIATIVES	COMMENTARY
Scale Generational Investments	<ul style="list-style-type: none">Manhattan Tower opening October FY 2019
Local Market Strategy	<ul style="list-style-type: none">60% of sales are in our top 10 markets
Strength in Product Margin	<ul style="list-style-type: none">Targeting 50% of Full-Price sales from strategic brands and improved inventory turns
SG&A Optimization	<ul style="list-style-type: none">On track to achieve higher end of \$150-\$200M savings goal in FY 2019
Leverage Digital Capabilities	<ul style="list-style-type: none">Improved data and analytics, modernized technology infrastructure, and scaling supply chain network

BENDING THE CURVE IN SG&A GROWTH

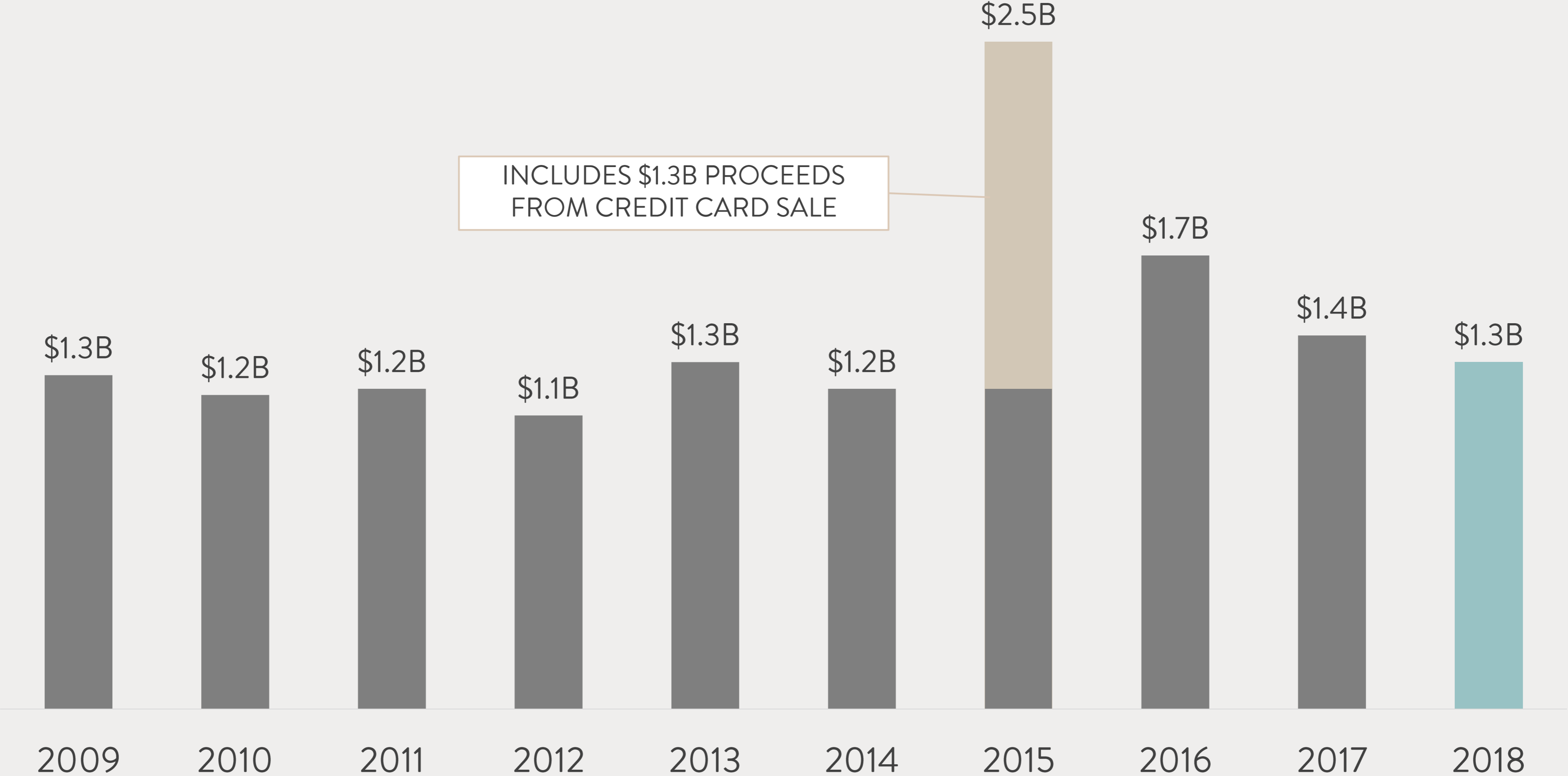
LEVERAGING DIGITAL CAPABILITIES



Source: Investor Day Presentation July 2018 and Q4 2018 Earnings Release

CONSISTENT CASH FLOW GENERATION

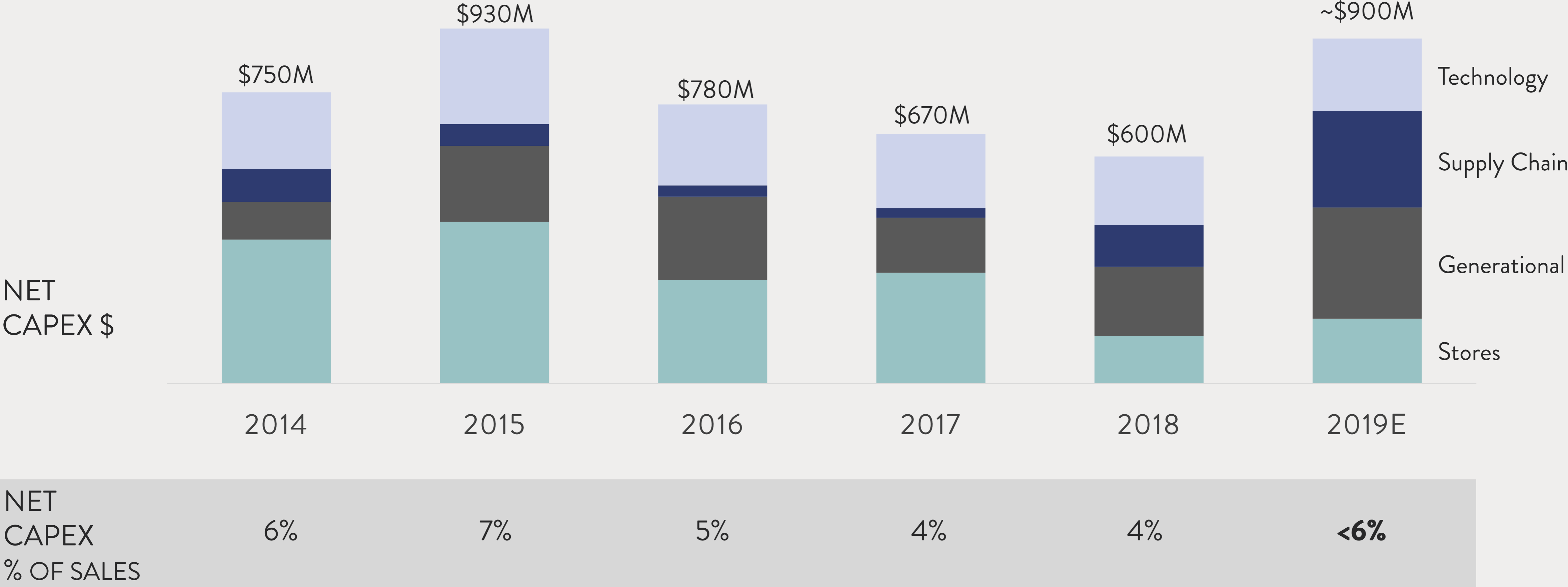
TEN CONSECUTIVE YEARS OF \$1B+ OPERATING CASH FLOW



Source: Q1 2019 Earnings Release

INVESTING IN DIGITAL CAPABILITIES

EXPECT CAPEX TO MODERATE TO 3-4% OF SALES IN FY 2020



Source: Q4 2018 Earnings Release

DISCIPLINED CAPITAL ALLOCATION

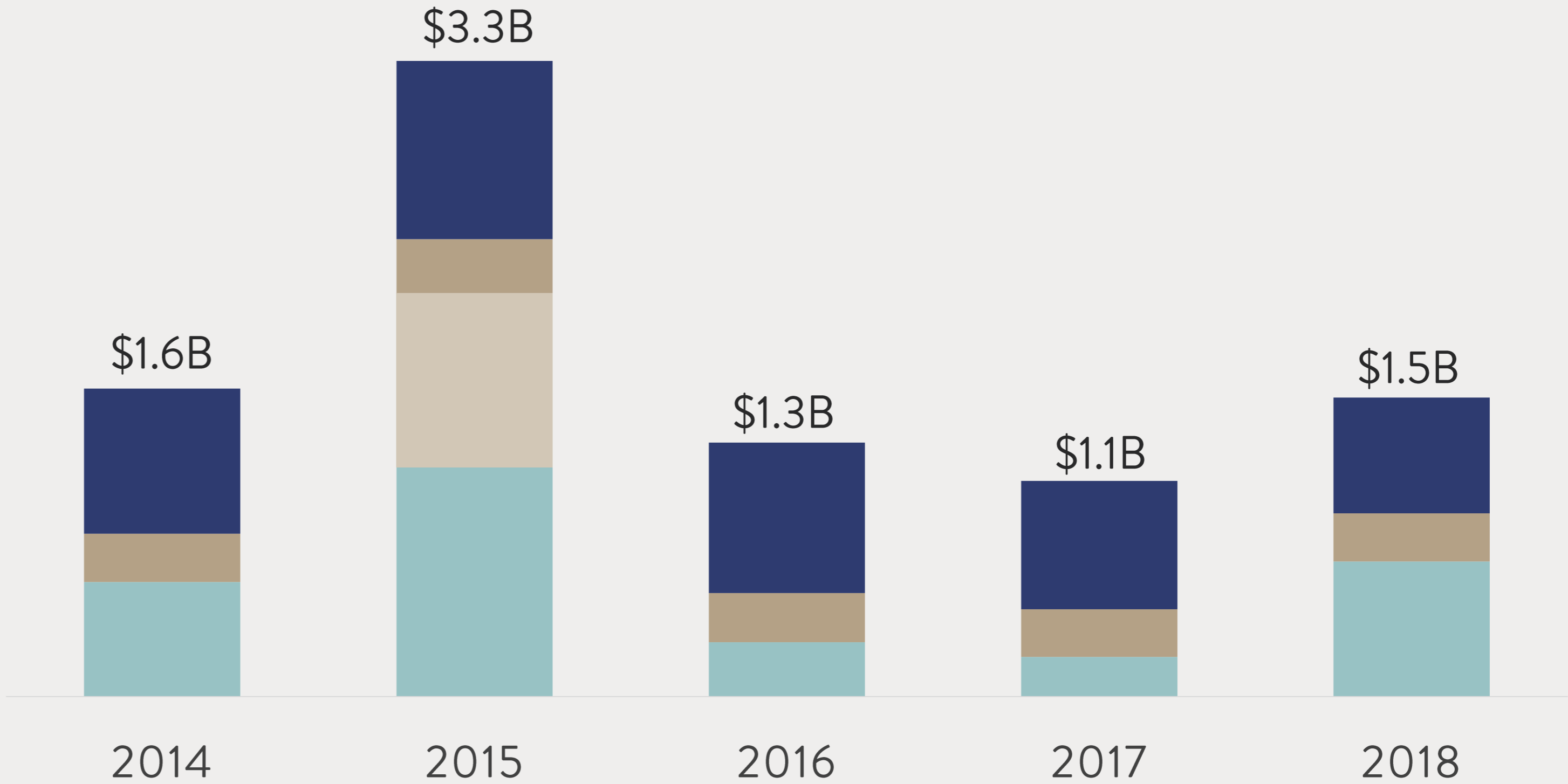
MAINTAIN INVESTMENT GRADE CREDIT RATING

PRIORITIES

1 BUSINESS REINVESTMENT

2 DIVIDENDS (TARGET PAYOUT 30-40%)*

3 SHARE REPURCHASES



TARGET ADJUSTED DEBT TO EBITDAR 1.5X TO 2.5X

Source: Investor Day Presentation July 2018

*Includes special dividend of \$0.9B related to sale of credit receivables in 2015

APPENDIX



MANAGEMENT TEAM

SIGNIFICANTLY EXPERIENCED AND DIVERSE TEAM



Erik B. Nordstrom

- Co-President, Nordstrom, Inc.
- Mr. Nordstrom served as Executive Vice President and President, Nordstrom.com from May 2014 to May 2015



Peter E. Nordstrom

- Co-President, Nordstrom, Inc.
- Mr. Nordstrom served as Executive Vice President and President, Merchandising for the Company from February 2006 to May 2015



Anne L. Bramman

- Chief Financial Officer
- From March 2015 to March 2017, Ms. Bramman served as Senior Vice President and Chief Financial Officer of Avery Dennison Corporation



Kenneth J. Worzel

- Chief Digital Officer, President, Nordstrom.com
- From 2010 to 2016, Mr. Worzel served as EVP, Strategy and Development. Prior to joining the Company, he was a partner with McKinsey & Company from 2009 to 2010



Edmond Mesrobian

- Chief Technology Officer
- Previously Mr. Mesrobian was Chief Technology Officer for multi-national grocery retailer Tesco PLC from 2015 to July 2018



Christine F. Deputy

- Chief Human Resources Officer
- Ms. Deputy previously served as Group Human Resources Director at Aviva plc from March 2013 to June 2015



Scott A. Meden

- Chief Marketing Officer
- From February 2010 to August 2016, Mr. Meden served as Executive Vice President and General Merchandise Manager, Shoe Division



James F. Nordstrom, Jr.

- President, Stores
- From 2005 to 2014, Mr. Nordstrom served as Executive Vice President and President, Nordstrom.com



Geevy S.K. Thomas

- President, Nordstrom Rack
- Mr. Thomas previously served as Chief Innovation Officer since January 2017. From 2010 to 2017, he served as Executive Vice President and President, Nordstrom Rack



Kelley Hall

- Chief Accounting Officer and Treasurer
- From October 2008 to August 2017, Ms. Hall held various senior finance leadership positions at NIKE, most recently as Vice President and CFO for Enterprise Operations

STRATEGY DRIVEN BY A HIGHLY DIVERSE, EXPERIENCED AND INDEPENDENT BOARD...



Shellye L. Archambeau (2015)

- Former CEO, MetricStream
- Skills / Experiences: Technology, ecommerce, digital media, communications
- Other public Boards: Verizon, Okta, Roper Technologies



Stacy Brown-Philpot (2017)

- Chief Executive Officer of TaskRabbit
- Skills / Experiences: Innovation, digital, branding, marketing, operations
- Other public Boards: HP



Tanya L. Domier (2015)

- CEO, Advantage Solutions
- Skills / Experiences: Sales and marketing, strategic planning, senior leadership
- Other public Boards: YUM! Brands



Kirsten A. Green (2019)

- Founder and Managing Partner, Forerunner Ventures
- Skills / Experiences: Consumer behavior, digital commerce, brand building



Glenda G. McNeal (2019)

- President Enterprise Strategic Partnerships, American Express
- Skills / Experiences: Business development, innovation, CRM
- Other public Boards: RLJ Lodging Trust



Erik B. Nordstrom (2006)

- Co-President, Nordstrom
- Skills / Experiences: Retail, executive leadership, business management



Peter E. Nordstrom (2006)

- Co-President, Nordstrom
- Skills / Experiences: Retail, executive leadership, business management



Brad D. Smith (2013)

- Non-executive Chairman, Nordstrom
- Executive Chairman of Intuit
- Skills / Experiences: Brand marketing, innovation, financial and accounting
- Other public Boards: Intuit, SurveyMonkey



Gordon A. Smith (2015)

- Co-President and COO, JPMorgan Chase
- Skills / Experiences: Consumer services, corporate governance, risk management



Bradley D. Tilden (2016)

- Chairman and CEO, Alaska Air Group, Inc.
- Skills / Experiences: Executive leadership, financial, governance
- Other public Boards: Alaska Air



B. Kevin Turner (2010)

- President and CEO, Core Scientific
- Skills / Experiences: Strategy, digital, global operations, supply chain, merchandising, branding, marketing, technology



Legend:

- Independent
- Audit and Finance Committee
- Corporate Governance and Nominating Committee
- Technology Committee
- Compensation Committee
- Committee Chair
- Financial Expert *

* The Board has determined that all Audit and Finance Committee members qualify as “audit committee financial experts” under the regulations of the SEC

CORPORATE GOVERNANCE FRAMEWORK

WE SEEK TO MAINTAIN THE HIGHEST GOVERNANCE STANDARDS

BOARD

- 9 of 11 current directors are independent, with majority (56%) gender diverse
- Independent 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 94% director attendance across 9 Board meetings in FY 2018
- 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 communications 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
- 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 Co-Presidents and management succession planning