



Q1 2018 EARNINGS CONFERENCE CALL

May 17, 2018





FORWARD-LOOKING STATEMENTS

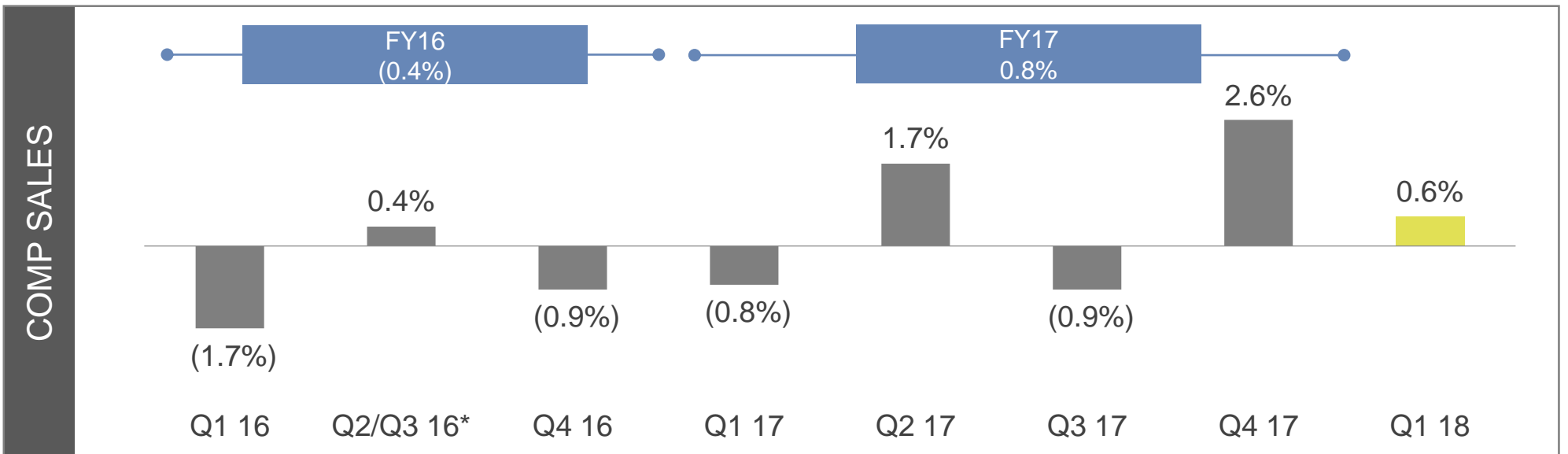
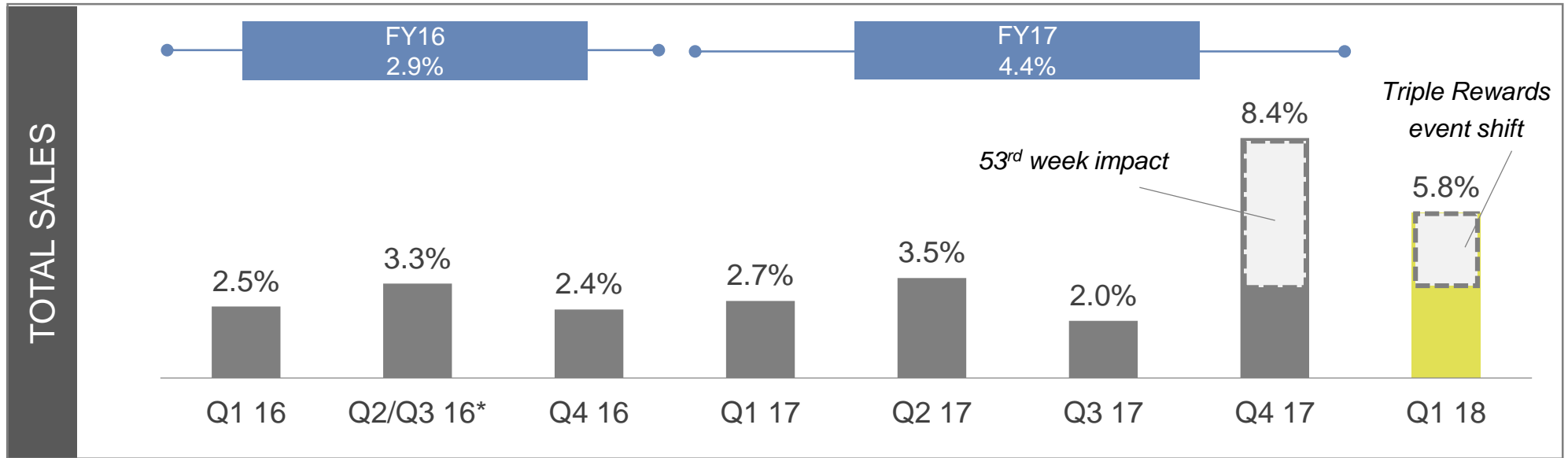
This presentation contains statements that are forward looking. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. We may not achieve the results projected in these forward-looking statements, and our actual results could materially differ because of factors discussed in this conference call, 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.



BLAKE NORDSTROM

CO-PRESIDENT

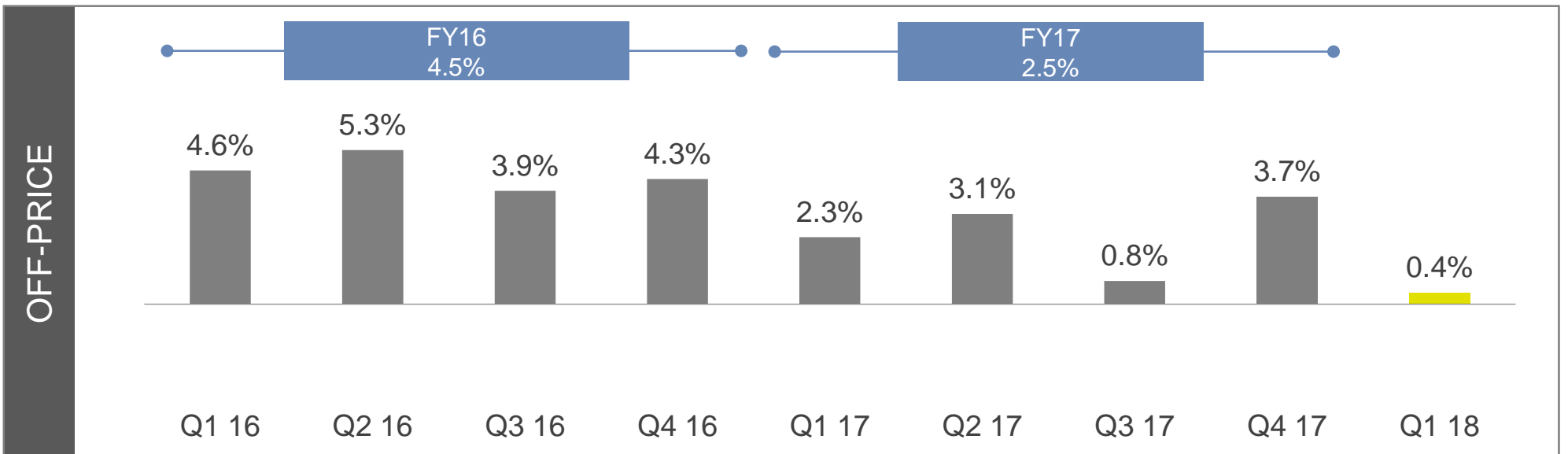
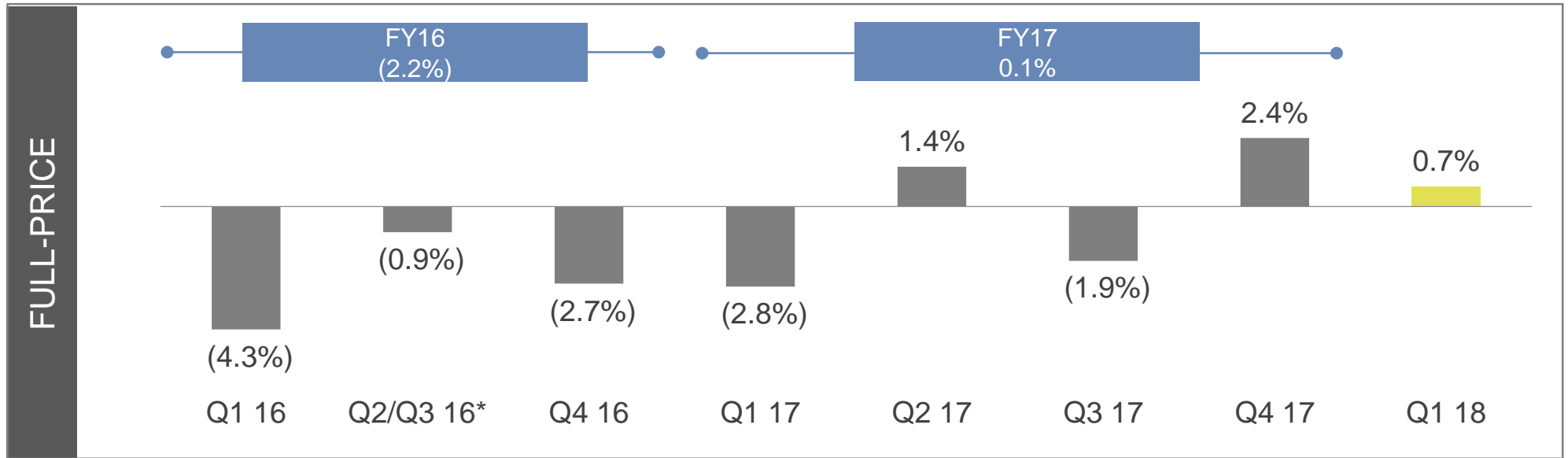
SALES TRENDS



* Q2 and Q3 2016 combined to remove the impact of the Anniversary Sale event shift

Refer to appendix for quarterly sales timing

COMP SALES TRENDS



GENERATIONAL INVESTMENTS



INTRODUCING

NORDSTROM
rack

IN CANADA

SPRING OPENINGS

Vaughan Mills, Toronto
Deerfoot Meadows, Calgary
One Bloor, Toronto

PLANNED FALL OPENINGS

Heartland Town Centre, Mississauga
South Edmonton Common, Edmonton
The Ottawa Train Yards, Ottawa

ALSO SERVING CUSTOMERS THROUGH 6 FULL-LINE STORES

Calgary, Ottawa, Vancouver, Toronto markets

STRATEGIC BRAND PARTNERSHIPS

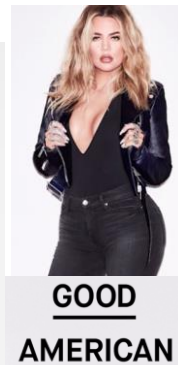
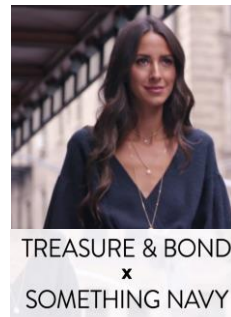
PRODUCT BREADTH

Wide range of brands across categories and price points



LIMITED DISTRIBUTION BRAND PARTNERSHIPS

Brands and products that inspire our customers and which are not widely available

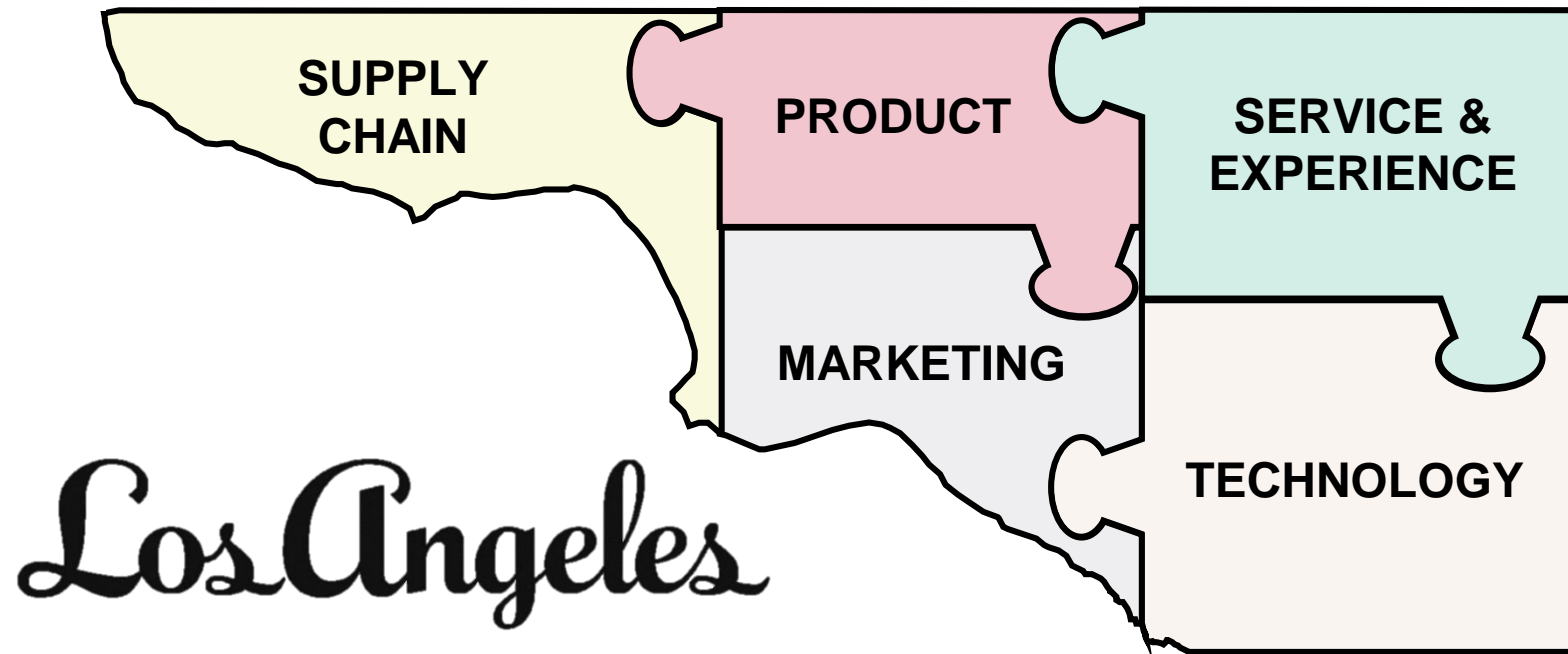


NEW CONCEPTS

New and innovative product concepts to our customers



LOCAL MARKET STRATEGY



STARTING IN OUR LARGEST MARKET



**4 MILLION
CUSTOMERS**



16 FULL-LINE STORES
PLUS 27 NORDSTROM RACKS, TRUNK CLUB,
FULFILLMENT & DISTRIBUTION CENTERS

\$1B

**FULL-PRICE
SALES**



ANNE BRAMMAN

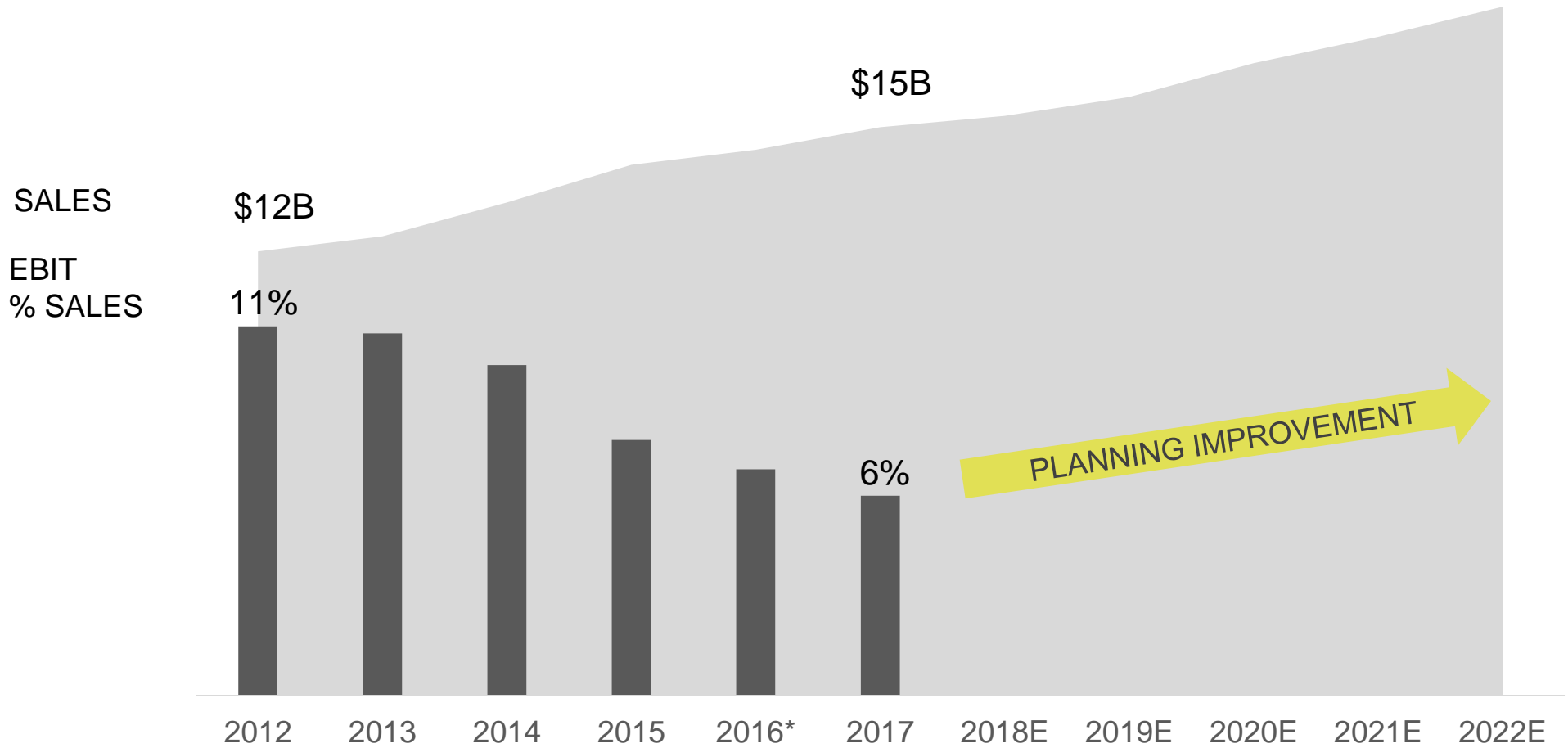
CHIEF FINANCIAL OFFICER

FINANCIAL SUMMARY

B/(W) vs. LY	Q1 2018
TOTAL SALES	5.8%
COMP SALES	0.6%
GROSS PROFIT % OF SALES	~(20 basis points)
SG&A % OF SALES	~(30 basis points)
EBIT	~1%
EBIT % OF SALES	~(20 basis points)

TURNING POINT PLANNED IN 2018

20.0



FINANCIAL PRIORITIES


- 1 Drive sales through digital and local market assets
- 2 Optimize returns on generational investments
- 3 Leverage supply chain, technology and marketing as key enablers
- 4 Continued discipline approach to inventory and expense

CAPITAL ALLOCATION PRINCIPLES

- Priority to reinvest in business
- Return capital directly to shareholders through dividends and share repurchase
- Maintain investment grade credit rating

FY 2018 OUTLOOK

	PRIOR	UPDATED
TOTAL SALES	\$15.2 to \$15.4 billion	no change
COMP SALES	0.5% to 1.5%	no change
EBIT	\$885 to 940 million	\$895 to 940 million
EPS	\$3.30 to \$3.55	\$3.35 to \$3.55

A blurred, high-angle photograph of a busy sidewalk with several people walking in different directions. The image is intentionally out of focus to create a sense of motion and a busy, public environment.

Q&A

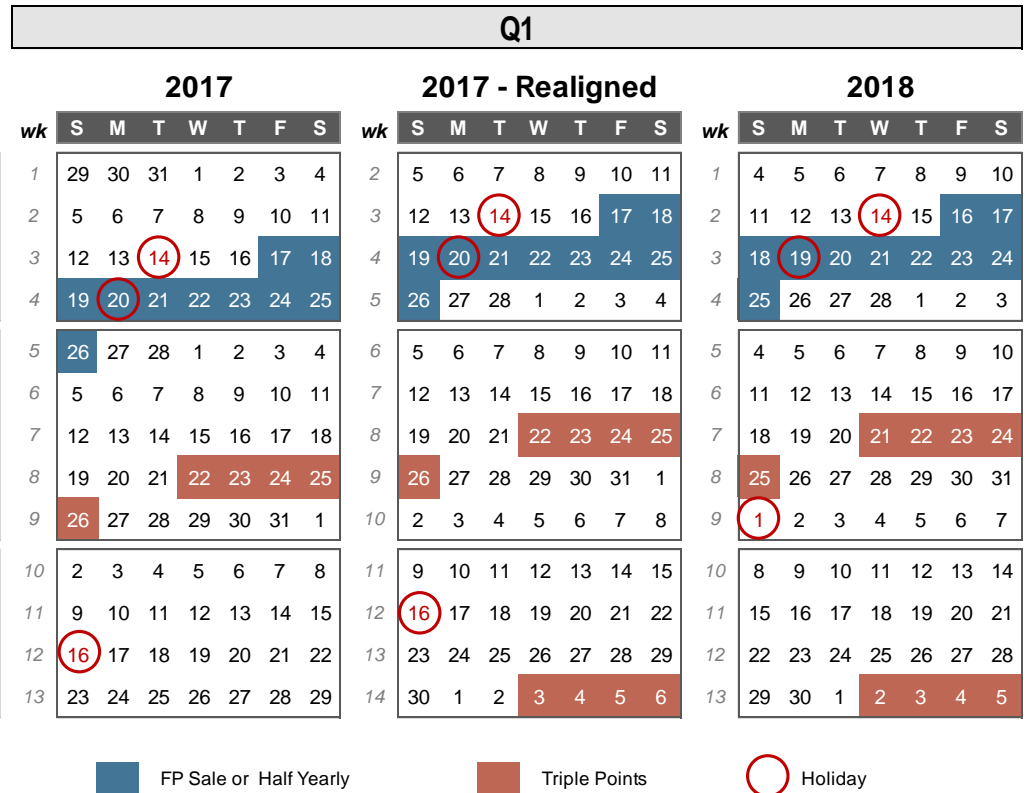
APPENDIX | 2017 INVESTMENT HIGHLIGHTS

	HIGHLIGHTS	FINANCIAL OUTCOMES
JWN STRATEGY	<p>Innovative omnichannel leader with robust ecommerce platform and high-quality store portfolio in top North American markets, consisting of 122 full-line stores and 232 Nordstrom Racks</p> <p>Industry-leading growth fueled by generational investments in new markets and digital capabilities to expand customer reach and engagement</p>	<ul style="list-style-type: none"> Record sales of \$15B, reflecting 5% annualized growth over last five years Digital sales increased to 26% in 2017 from 8% in 2010 Generational investments contributed \$1.5B sales in 2017
FULL-PRICE BUSINESS	<p>Differentiated product offering through strategic brand partnerships</p> <p>Integrated digital and physical shopping experience to serve customers seamlessly across multiple touch points</p> <p>Focus on top local markets with differentiated and defensible strategy and customer offer</p>	<ul style="list-style-type: none"> Strategic brands delivering outsized sales growth and healthy gross margins Digital sales represented 30% of Full-price sales in 2017; 95% of Full line stores located in “A” or better malls Longer term, market strategy expected to drive increases in sales, market share, profitability and ROIC
OFF-PRICE BUSINESS	<p>Strategic store footprint in high-traffic locations</p> <p>Leading source of customer acquisition, attracting young affluent customers to JWN</p>	<ul style="list-style-type: none"> Sales CAGR of 13% over last five years, outpacing market growth Gained 6 million new customers; one-third of Off-price customers cross-shop in Full-price business over time
FINANCIAL OVERVIEW	<p>Operating model positioned for long-term profitable growth through productivity improvements and generational investments</p> <p>Strong financial position supporting healthy cash flow generation</p>	<ul style="list-style-type: none"> Planning 2018 as turning point for improved profitability Increased productivity via enterprise capabilities expected to drive moderated expense growth As generational investments near completion, free cash flow expected to increase

APPENDIX | QUARTERLY SALES TIMING

The 53rd week in 2017 will create the following year-over-year reporting considerations in 2018:

- Comp sales are reported on a like-for-like basis
 - This represents a **reporting change**
 - There **are no event shifts** for Anniversary, Half Yearly or Triple Point events
- Total sales will be reported with calendar shifts:
 - Q2 and Q3 sales growth combined impact will reflect Anniversary event shift and newly adopted revenue recognition guidance, in which the majority of the event will fall in Q2 vs. Q2 and Q3 last year.



Incr (+) / Decr (-) vs. LY	Q1	Q2	Q3	Q4	FY 18
Estimated impact to total sales growth	(+) Triple Point Event ~250 bps impact	(+) Anniversary Event ~150 bps impact	(-) Anniversary Event ~150 bps impact	(-) 53 rd week ~600 bps impact	(-) 53 rd week ~100 bps impact