



Q3 2024 EARNINGS CALL

NORDSTROM

FORWARD-LOOKING STATEMENTS

This presentation contains statements that are forward looking. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. We may not achieve the results projected in these forward-looking statements, and our actual results could materially differ because of factors discussed in this event, in the comments made during this presentation, and in the risk factors section of our Form 10-K, Form 10-Q and other reports and filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement to reflect subsequent events, new information or future circumstances.

Adjusted EBIT, adjusted EBIT margin and adjusted EPS are non-GAAP financial measures. These measures should be used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Reconciliations of these measures to the most directly comparable GAAP measures can be found in our earnings release.

ERIK NORDSTROM

CHIEF EXECUTIVE OFFICER



SOLID Q3 RESULTS



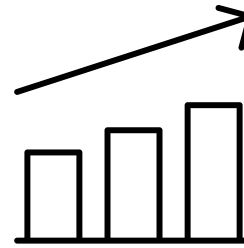
Net sales of \$3.3B

Up 5% vs. Q3 '23



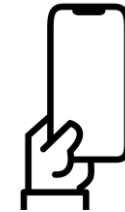
**Adjusted EPS
of \$0.33^{1,2}**

Compared to AEPS
of \$0.25 in Q3 '23^{1,3}



**Comp sales growth
at both banners**

Up 4% vs. Q3 '23



**Digital sales
momentum**

Up 6% vs. Q3 '23

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

²Excludes charge related to accelerated technology depreciation in Q3 '24.

³Excludes favorable true-up related to wind-down of Canadian operations in Q3 '23.

KEY 2024 PRIORITIES

Driving
Nordstrom banner growth

**Operational
optimization**

Building on
Rack momentum



DRIVING NORDSTROM BANNER GROWTH

- Offering a curated selection of our customers' favorite brands across entire Nordstrom store fleet, not just in largest stores
- Leaning into customer service in stores
- Scaling Marketplace, with 300+ sellers live already



OPERATIONAL OPTIMIZATION



Expanding focus to increasing speed in addition to cost savings

Getting items to customers and stores faster, providing relevance and freshness

40%+ improvement in speed of customer returns, driving full-price exposure

Ready for holiday inventory flow, staffing and shipping

BUILDING ON RACK MOMENTUM



Great brands at great prices
drove positive sales growth for
4th consecutive quarter

Opened 23 new stores YTD,
with more openings announced
for FY25 and beyond

Launched store fulfill for digital
orders and BOPUS¹ in 100+ stores

¹Buy online, pick up in-store

Q4 FOCUS ON HOLIDAY

- Teams focused on executing exceptional holiday shopping experience, with gifts, services and events
- Saw decline in sales trends towards end of October



PETE NORDSTROM

PRESIDENT



TOP PERFORMING CATEGORIES

Women's apparel



Active



Shoes



Men's apparel



NORDSTROM PRIVATE BRANDS

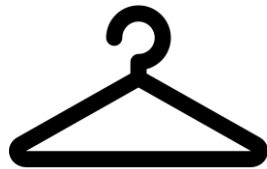


- Strength in Nordstrom, Zella, Open Edit
- Drove double-digit sales growth in private brands
- Bringing quality, style and value to customers

HEALTH OF OUR INVENTORY

**Inventory growth of 6%
vs. sales growth of 5%**

Slower sales in seasonal
categories



**High penetration of best
brands, plus lower
clearance and aged
inventory**



**30K+ more choices
available on
NordstromRack.com**



HAPPY HOLIDAYS



Offering well-rounded assortment that blends relevance and inspiration at all price points, with focus on gifting and holiday dressing

Hosting festive and fun experiences and events

Special holiday activation at our NYC flagship store

CATHY SMITH

CHIEF FINANCIAL OFFICER



Q3 TOPLINE RESULTS



Total JWN

5%↑

increase in
net sales

incl. (~100bps) negative
impact from Anniversary
Sale timing shift

4%↑

increase in
comp sales

6%↑

increase in digital sales
incl. (~100bps) negative impact
from Anniversary Sale timing shift

Nordstrom Banner

1%↑

increase in
net sales

incl. (~200bps) negative
impact from Anniversary
Sale timing shift

4%↑

increase in
comp sales

Rack Banner

11%↑

increase in
net sales

4%↑

increase in
comp sales

Q3 '24 RESULTS

	Actuals	Change
<i>Better / (Worse)</i>		vs Q3 '23
NET SALES	\$3.35B	4.6%
GROSS PROFIT %	35.6%	60bps
SG&A %	36.6%	(25bps)
Ex-Q3 '24 charge¹	36.2%	15bps
EBIT %	2.5%	(70bps)
ADJUSTED EBIT %^{1,2,3}	2.9%	45bps

¹Excludes impact from Q3 '24 \$14M charge related to accelerated technology depreciation.

²Excludes impact from Q3 '23 \$25M favorable true-up related to the wind-down of Canadian operations.

³Adjusted EBIT is a non-GAAP financial measure. Refer to the "Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin and Adjusted EPS" page of the earnings release for additional information as well as reconciliations between the Company's GAAP and non-GAAP financial results.

UPDATING OUR 2024 OUTLOOK

	Updated	Previous
Revenue <i>YoY growth (decline)¹</i>	~flat to 1%	(1%) to 1%
Comparable sales <i>YoY growth (decline)²</i>	1% to 2%	~flat to 2%
EBIT Adjusted EBIT³ <i>% of sales</i>	3.0% to 3.4% 3.6% to 4.0%	3.0% to 3.4% 3.6% to 4.0%
Income tax	~27%	~27%
Earnings per share Adjusted earnings per share³ <i>Excluding share repurchases, if any</i>	\$1.40 to \$1.70 \$1.75 to \$2.05	\$1.40 to \$1.70 \$1.75 to \$2.05

Considerations

Revenue

- (~135bps) unfavorable impact from 53rd week in FY23
- ~30% of FY's net sales occur in Q4

EBIT

- Expect ~10bps in accelerated depreciation expense in Q4
- ~40% of FY's EBIT occurs in Q4

¹Versus the 53-week fiscal 2023.

²Versus 52 weeks in fiscal 2023.

³Adjusted EBIT and Adjusted EPS are non-GAAP financial measures. Refer to the "Forward-Looking Non-GAAP Measures" page of the earnings release for additional information as well as reconciliations between the Company's GAAP and non-GAAP financial results.

OUR CAPITAL ALLOCATION PRIORITIES REMAIN UNCHANGED

1

REINVEST IN THE BUSINESS

- CAPEX of 3% to 4% of net sales

2

REDUCE LEVERAGE

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

3

RETURN CASH TO SHAREHOLDERS

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

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



Q&A

NORDSTROM

