

NORDSTROM

Nordstrom Reports Second Quarter 2020 Earnings

August 25, 2020

- **Generated positive operating cash flow of more than \$185 million in Q2; total liquidity of \$1.3 billion**
- **Improved merchandise margins and overhead cost reductions of nearly 20% drove earnings exceeding Company expectations**
- **Sales in-line with Company expectations; reflecting temporary store closures for approximately 50% of days and Anniversary Sale shift from Q2 to Q3**

SEATTLE, Aug. 25, 2020 /PRNewswire/ -- Nordstrom, Inc. (NYSE: JWN) today reported second quarter results, which reflected cash flow and earnings exceeding the Company's expectations through improved merchandise margins and significant overhead cost reductions. Loss per diluted share of \$1.62 included charges of \$0.08 associated with the impact of COVID-19.

For the second quarter ended August 1, 2020, sales were in-line with the Company's expectations. Net sales decreased 53 percent from last year, reflecting temporary store closures for approximately 50 percent of days during the quarter due to COVID-19 in addition to an approximately 10-percentage point timing impact from the Nordstrom Anniversary Sale shifting from the second quarter to the third quarter.

"At the onset of the pandemic, we focused on protecting and enhancing liquidity, and we successfully executed on these plans," said Erik Nordstrom, chief executive officer of Nordstrom, Inc. "Thanks to our team's efforts during the second quarter, we further strengthened our balance sheet with liquidity of \$1.3 billion and generated operating cash flow of more than \$185 million. We are now pivoting to prioritize market share gains and profitable growth as we advance our strategies."

"We're confident that we can improve sales trends in the second half of the year and beyond," said Pete Nordstrom, president and chief brand officer of Nordstrom, Inc. "Our inventories are current and in-line, and we're focused on amplifying relevant categories, brands and trends to meet customers' changing preferences."

The direct link to the Company's second quarter earnings press release is [here](#). Complete quarterly financial results can be found in the investor relations section of Nordstrom's website at investor.nordstrom.com/financial-information/quarterly-results.

CONFERENCE CALL INFORMATION

The Company's senior management will host a conference call to provide a business update and to discuss second quarter 2020 financial results at 4:45 p.m. Eastern Daylight Time 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 <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 13708132, until the close of business on September 1, 2020.

ABOUT NORDSTROM

Nordstrom, Inc. is a leading fashion retailer based in the U.S. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 355 stores in 40 states, including 100 full-line stores in the United States and Canada; 248 Nordstrom Rack stores; two clearance stores; and five Nordstrom Local service hubs. Additionally, customers are served online through Nordstrom.com, Nordstrom.ca, Nordstromrack.com, Hautelook.com and TrunkClub.com. Nordstrom, Inc.'s common stock is publicly traded on the NYSE under the symbol JWN.

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