Q3 2021
EARNINGS CALL
NORDSTROM
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.
ERIK NORDSTROM
CHIEF EXECUTIVE OFFICER
AREAS OF FOCUS

1. IMPROVING NORDSTROM RACK PERFORMANCE
2. INCREASING PROFITABILITY
3. OPTIMIZING SUPPLY CHAIN & INVENTORY FLOW
We are taking decisive action to improve Rack performance and capture market share

1. IMPROVE INVENTORY POSITION
2. REBALANCE ASSORTMENT
3. STRENGTHEN BRAND AWARENESS & DRIVE TRAFFIC
INCREASING PROFITABILITY

IMPROVE MERCH MARGIN

CONTINUE TO MANAGE FIXED EXPENSES

MITIGATE FULFILLMENT & LABOR COST PRESSURES
OPTIMIZING SUPPLY CHAIN & INVENTORY FLOW

- Diversify carrier capacity
- Increase velocity & throughput in DCs & FCs
- Position inventory closer to customers
POSITIVE Q3 PERFORMANCE DRIVERS

8%↑
increase in store sales vs Q3 '19 in Southern regions ¹

1,300bps
outperformance of suburban vs urban stores in Q3 '21 ¹

¹ Nordstrom banner comparable stores
CONVENIENCE

4x product available for next-day pickup

1 day faster average shipping time

1/3 of next-day N.com orders in Q3 were picked up at a Rack store

12% of Q3 digital demand was from order pickup
THE VALUE OF OUR INTERCONNECTED MODEL

INCREASE IN SPEND

SHOPS BOTH BANNERS, IN STORE & ONLINE → +12x

ENGAGES IN SERVICES → 5x to 7x
INCREASING DIGITAL VELOCITY

20% ↑
increase in digital sales vs Q3 ’19

40%
digital penetration

¹Includes a positive impact of ~400bps related to the Anniversary Sale shift
PETE NORDSTROM
PRESIDENT & CHIEF BRAND OFFICER
DRIVING SALES AND MARGIN IMPROVEMENTS

DYNAMIC PRICING ANALYTICS

DATA-DRIVEN CATEGORY MANAGEMENT

NORDSTROM MADE BRAND EXPANSION
CONTINUED STRENGTH IN PANDEMIC GROWTH CATEGORIES

Home → +95%\(^1\)
Active → +57%\(^1\)

DESIGNER REMAINS STRONG

Double Digit ↑\(^1\)

OCCASION-BASED CATEGORIES ARE RECOVERING

Sequential Improvements

\(^1\) vs Q3 ’19
CUSTOMER TRENDS

5% ↑
growth in loyalty sales vs Q3 ’19

65%
loyalty penetration, up 200 bps vs Q3 ’19
~8% of sales came from alternative partnership models, up ~300 bps vs ’19
ANNE BRAMMAN
CHIEF FINANCIAL OFFICER
## Q3 ’21 RESULTS

<table>
<thead>
<tr>
<th>Better / (Worse)</th>
<th>Q3 vs Q3 ’20</th>
<th>Q3 vs Q3 ’19</th>
</tr>
</thead>
</table>
| **NET SALES**    | 18%          | (1%)<sup>1</sup>  
|                  |              | ~400 bps Anniversary shift |
| **GROSS PROFIT %** | ~230 bps    | ~80 bps      |
| **SG&A %**       | ~(230 bps)   | ~(260 bps)   |
| **EBIT %**       | ~5 bps       | ~(180 bps)   |

<sup>1</sup>Includes a positive impact from the Anniversary Sale timing shift, with approximately one week shifting from Q2 FY21 to Q3 FY21 as compared to FY19.
### REAFFIRMING 2021 OUTLOOK

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE GROWTH</strong></td>
<td>35%+</td>
</tr>
<tr>
<td><em>YoY Growth</em></td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>~3.0% to 3.5%</td>
</tr>
<tr>
<td><em>% of sales</em></td>
<td></td>
</tr>
<tr>
<td><strong>INCOME TAX</strong></td>
<td>~27%</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>3% to 4%</td>
</tr>
<tr>
<td><em>% of sales</em></td>
<td></td>
</tr>
<tr>
<td><strong>LEVERAGE RATIO</strong></td>
<td>~3x</td>
</tr>
</tbody>
</table>
OUR LONG-TERM CAPITAL ALLOCATION PRIORITIES

1. REINVEST IN THE BUSINESS
   - CAPEX of 3% to 4% of sales
   - Investments primarily in technology and supply chain capabilities

2. REDUCE LEVERAGE
   - Combination of earnings improvement and debt reduction
   - Targeting leverage ratio ~3x by end of FY21, and ~2.5x by end of FY22

3. RETURN CASH TO SHAREHOLDERS
   - Targeting to be in a position to return cash to shareholders by the end of FY21

We remain committed to an investment grade credit rating