UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **August 24, 2021**

NORDSTROM, INC.

(Exact name of registrant as specified in its charter)

Washington	**001-15059**	**91-0515058**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1617 Sixth Avenue, Seattle, Washington 98101
(Address of principal executive offices)

Registrant's telephone number, including area code **(206) 628-2111**

Inapplicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, without par value	JWN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 2.02 Results of Operations and Financial Condition

On August 24, 2021, Nordstrom, Inc. issued an earnings release announcing its results of operations for the quarter and six months ended July 31, 2021, its financial position as of July 31, 2021, and its cash flows for the six months ended July 31, 2021 ("Second Quarter Results"). A copy of this earnings release is attached as Exhibit 99.1.

ITEM 7.01 Regulation FD Disclosure

On August 24, 2021, Nordstrom, Inc. issued an earnings release announcing its Second Quarter Results. A copy of this earnings release is attached as Exhibit 99.1.

In addition, attached hereto and incorporated by reference herein is the earnings call commentary on its Second Quarter Results and 2021 financial outlook, as posted on the Company's investor relations website, investor.nordstrom.com, on August 24, 2021.

The information furnished in this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by a specific reference in such filing.

ITEM 9.01 Financial Statements and Exhibits

99.1	Nordstrom earnings release dated August 24, 2021 relating to the Company's Second Quarter Results
99.2	Nordstrom earnings call commentary relating to the Company's Second Quarter Results and 2021 financial outlook
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORDSTROM, INC.
(Registrant)

/s/ Ann Munson Steines
Ann Munson Steines
Executive Vice President,
General Counsel and Corporate Secretary

Date: August 24, 2021

Exhibit 99.1

NORDSTROM

Nordstrom Reports Second Quarter 2021 Earnings, Raises Fiscal Year Outlook

- *Broad-based improvement in sales trends at Nordstrom and Nordstrom Rack; strong Anniversary Sale performance*
- *Earnings reflected solid execution and improvements in sales, gross profit and expense*
- *Continued balance sheet strengthening, including repayment of $500 million unsecured notes*

SEATTLE – August 24, 2021 – Nordstrom, Inc. (NYSE: JWN) today reported second quarter results, which reflected continued broad-based improvement in sales trends at Nordstrom and Nordstrom Rack across categories and geographies. The Company reported net earnings of $80 million or $0.49 per diluted share, with earnings before interest and taxes ("EBIT") of $151 million.

For the second quarter ended July 31, 2021, net sales increased 101 percent from the same period in fiscal 2020 and decreased 6 percent from the same period in fiscal 2019, representing a sequential improvement of approximately 700 basis points relative to the first quarter of fiscal 2021. The timing shift of the annual Anniversary Sale, with roughly one week falling into the third quarter of 2021, had a negative impact of approximately 200 basis points on net sales compared with fiscal 2019. Adjusting for this timing shift, sales trends improved by approximately 900 basis points relative to the first quarter.

As consumers refreshed their wardrobes, the Company's core categories of shoes, apparel and accessories experienced the largest improvement in sales trends relative to the first quarter. In addition, sales in active, home and designer categories continued to grow versus 2019.

"Our second quarter results demonstrate the strength of our two brands, the power of our 'closer to you' strategy and the success of our iconic Anniversary Sale," said Erik Nordstrom, chief executive officer of Nordstrom, Inc. "We capitalized on improving customer demand with focused execution, healthy inventory sell-through and continued expense management to deliver strong quarterly results. We remain focused on executing our strategy to win in our most important markets, broaden the reach of Nordstrom Rack and increase our digital velocity, and are well-positioned for continued progress toward our long-term strategic and financial goals as we look ahead to the second half of the year."

Total Anniversary event sales increased 1 percent compared with 2019, including the final week of the event which fell in the third quarter. Traffic and sales trends were strong across both digital and stores as customers responded positively to expanded selection, better in-stock rates on top-selling items and enhanced capabilities including convenient pick-up options at Nordstrom and Nordstrom Rack stores.

"A compelling merchandise assortment, combined with new and differentiated services and experiences, contributed to strengthening customer engagement and improving financial results during our Anniversary Sale. We would like to extend our heartfelt thanks to our outstanding employees and brand partners for their contributions to a successful event," said Pete Nordstrom, president and chief brand officer of Nordstrom, Inc.

Nordstrom strengthened its financial position in July by retiring the $500 million unsecured 4.0% notes that were due in October 2021 using cash on hand. This will reduce annualized interest expense by $20 million, beginning in the third quarter of fiscal 2021. The Company remains on track to reduce its leverage ratio to approximately three times by year-end.

SECOND QUARTER 2021 SUMMARY

- Total Company net sales increased 101 percent compared with the same period in fiscal 2020, during which stores were temporarily closed for approximately half of the quarter and the Anniversary Sale temporarily shifted to the third quarter. Net sales decreased 6 percent relative to the same period in fiscal 2019, a sequential improvement of approximately 700 basis points relative to the first quarter of 2021. The timing shift of the Anniversary Sale, with approximately one week falling into the third quarter of 2021, had a negative impact on net sales of approximately 200 basis points compared with the second quarter of 2019.

- For the Nordstrom brand, net sales increased 127 percent compared with the same period in fiscal 2020, and decreased 5 percent compared with the same period in fiscal 2019. The timing shift of the Anniversary Sale had a negative impact on Nordstrom net sales of approximately 300 basis points compared with the second quarter of 2019. For the Nordstrom Rack brand, net sales increased 61 percent compared with the same period in fiscal 2020, and decreased 8 percent compared with the same period in fiscal 2019.
- Digital sales increased 30 percent compared with the same period in fiscal 2020 and increased 24 percent compared with the same period in fiscal 2019. The timing shift of the Anniversary Sale had a negative impact on Company digital sales of approximately 500 basis points compared with the second quarter of 2019. Digital sales represented 40 percent of total sales during the quarter.
- Gross profit, as a percentage of net sales, of 35 percent increased approximately 1,370 basis points compared with the same period in fiscal 2020, primarily due to leverage from higher net sales and lower markdowns. Gross profit, as a percentage of net sales, was flat compared with the same period in fiscal 2019, as lower markdowns resulting from healthy inventory sell-through offset deleverage on lower net sales.
- Ending inventory increased 13 percent compared with the same period in fiscal 2019, versus a 6 percent decrease in sales. The change in inventory levels versus 2019 was primarily due to the timing shift of the Anniversary Sale and the Company's actions to pull forward receipts to mitigate continuing supply chain backlogs and support improving sales trends.
- Selling, general and administrative ("SG&A") expenses, as a percentage of net sales, of 33 percent decreased approximately 1,350 basis points compared with the same period in fiscal 2020, primarily as a result of leverage on higher sales and the continued benefit of permanent reductions in overhead expenses of approximately 15 percent. SG&A expenses, as a percentage of net sales, increased 170 basis points compared with the same period in fiscal 2019 as a result of freight and labor cost pressures, partially offset by continued benefits from resetting the cost structure in 2020.
- EBIT was $151 million in the second quarter of 2021, compared with a loss of $370 million during the same period in fiscal 2020, primarily due to higher sales volume and improved merchandise margins. Last year's loss included $23 million in pretax charges related to COVID-19. EBIT was $65 million lower than the second quarter of fiscal 2019 due to freight and labor cost pressures and lower sales volume, partially offset by continued benefits from resetting the cost structure in 2020.
- Interest expense, net, of $40 million decreased from $51 million during the same period in fiscal 2020 primarily as a result of the redemption of the 8.75% secured notes during the first quarter of fiscal 2021.
- Income tax expense was $31 million, or 28 percent of pretax earnings, compared with the income tax benefit of $166 million, or 40 percent of pretax loss, in the same period in fiscal 2020. Last year's income tax included benefits associated with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act").
- Second quarter net income of $80 million increased from net loss of $255 million during the same period in fiscal 2020, which included after-tax COVID-19 related charges of $14 million.
- The Company ended the second quarter with $1.3 billion in available liquidity, including $487 million in cash.

FISCAL YEAR 2021 OUTLOOK

Based on better than expected results in the first half, and its expectations for continued progress in the second half, the Company updated its financial outlook for fiscal 2021 as follows:

	Prior Outlook	Current Outlook
Revenue growth, including retail sales and credit card revenues	More than 25 percent	More than 35 percent
EBIT margin, as percent of sales	Approximately 3 percent	3.0 to 3.5 percent
Income tax rate	Approximately 27 percent	Approximately 27 percent
Leverage ratio by year-end	Approximately 3x	Approximately 3x

CONFERENCE CALL INFORMATION

The Company's senior management will host a conference call to provide a business update and to discuss second quarter 2021 financial results and fiscal 2021 outlook 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 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 13721946, until the close of business on August 31, 2021.

ABOUT NORDSTROM

At Nordstrom, Inc. (NYSE: JWN), we exist to help our customers feel good and look their best. Since starting as a shoe store in 1901, how to best serve customers has been at the center of every decision we make. This heritage of service is the foundation we're building on as we provide convenience and true connection for our customers. Our digital-first platform enables us to serve customers when, where and how they want to shop – whether that's in-store at more than 350 Nordstrom, Nordstrom Local and Nordstrom Rack locations or digitally through our Nordstrom and Rack apps and websites. Through it all, we remain committed to leaving the world better than we found it.

NORDSTROM, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
(unaudited; amounts in millions, except per share amounts)

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Net sales	**$ 3,565**	$ 1,778	**$ 6,486**	$ 3,804
Credit card revenues, net	**92**	84	**180**	177
Total revenues	**3,657**	1,862	**6,666**	3,981
Cost of sales and related buying and occupancy costs	**(2,332)**	(1,406)	**(4,351)**	(3,216)
Selling, general and administrative expenses	**(1,174)**	(826)	**(2,249)**	(1,948)
Earnings (loss) before interest and income taxes[1]	**151**	(370)	**66**	(1,183)
Interest expense, net[2]	**(40)**	(51)	**(177)**	(85)
Earnings (loss) before income taxes	**111**	(421)	**(111)**	(1,268)
Income tax (expense) benefit	**(31)**	166	**25**	492
Net earnings (loss)[1,2]	**$ 80**	$ (255)	**$ (86)**	$ (776)
Earnings (loss) per share:				
Basic	**$ 0.50**	$ (1.62)	**$ (0.54)**	$ (4.95)
Diluted[1,2]	**$ 0.49**	$ (1.62)	**$ (0.54)**	$ (4.95)
Weighted-average shares outstanding:				
Basic	**159.0**	157.2	**158.7**	156.8
Diluted	**162.8**	157.2	**158.7**	156.8
Percent of net sales:				
Gross profit	**34.6 %**	20.9 %	**32.9 %**	15.5 %
Selling, general and administrative expenses	**32.9 %**	46.5 %	**34.7 %**	51.2 %
Earnings (loss) before interest and income taxes	**4.2 %**	(20.8 %)	**1.0 %**	(31.1 %)

[1] In 2020, we incurred COVID-19 related charges, which reduced net earnings for the six months ended August 1, 2020 by $185 or $1.18 per diluted share. These charges consisted primarily of asset impairments from store closures, premium pay and benefits, and restructuring charges, which were slightly offset by credits from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). In the second quarter of 2020, these charges reduced net earnings by $14 or $0.08 per diluted share, and consisted primarily of corporate asset impairments.

[2] In 2021, we incurred charges related to our debt refinancing that increased interest expense by $88. Collectively, these charges reduced net earnings for the six months ended July 31, 2021 by $64 or $0.41 per diluted share.

NORDSTROM, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited; amounts in millions)

	July 31, 2021	January 30, 2021	August 1, 2020
Assets			
Current assets:			
Cash and cash equivalents	**$ 487**	$ 681	$ 991
Accounts receivable, net	**317**	245	146
Merchandise inventories	**2,182**	1,863	1,466
Prepaid expenses and other	**475**	853	802
Total current assets	**3,461**	3,642	3,405
Land, property and equipment (net of accumulated depreciation of $7,471, $7,159 and $6,843)	**3,573**	3,732	3,845
Operating lease right-of-use assets	**1,532**	1,581	1,655
Goodwill	**249**	249	249
Other assets	**415**	334	381
Total assets	**$ 9,230**	$ 9,538	$ 9,535
Liabilities and Shareholders' Equity			
Current liabilities:			
Borrowings under revolving line of credit	**$ —**	$ —	$ 500
Accounts payable	**1,961**	1,960	1,298
Accrued salaries, wages and related benefits	**487**	352	288
Current portion of operating lease liabilities	**238**	260	272
Other current liabilities	**1,170**	1,048	1,284
Current portion of long-term debt	**—**	500	—
Total current liabilities	**3,856**	4,120	3,642
Long-term debt, net	**2,849**	2,769	3,266
Non-current operating lease liabilities	**1,619**	1,687	1,782
Other liabilities	**638**	657	671
Commitments and contingencies			
Shareholders' equity:			
Common stock, no par value: 1,000 shares authorized; 158.9, 157.8 and 157.1 shares issued and outstanding	**3,245**	3,205	3,168
Accumulated deficit	**(2,916)**	(2,830)	(2,916)
Accumulated other comprehensive loss	**(61)**	(70)	(78)
Total shareholders' equity	**268**	305	174
Total liabilities and shareholders' equity	**$ 9,230**	$ 9,538	$ 9,535

NORDSTROM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; amounts in millions)

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Operating Activities		
Net loss	**$ (86)**	$ (776)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expenses	**321**	342
Asset impairment	**—**	137
Right-of-use asset amortization	**90**	85
Deferred income taxes, net	**17**	(67)
Stock-based compensation expense	**45**	33
Other, net	**80**	11
Change in operating assets and liabilities:		
Accounts receivable	**(72)**	49
Merchandise inventories	**(189)**	397
Prepaid expenses and other assets	**314**	(534)
Accounts payable	**(88)**	(49)
Accrued salaries, wages and related benefits	**137**	(219)
Other current liabilities	**123**	98
Lease liabilities	**(156)**	(103)
Other liabilities	**9**	5
Net cash provided by (used in) operating activities	**545**	(591)
Investing Activities		
Capital expenditures	**(217)**	(228)
Other, net	**(13)**	17
Net cash used in investing activities	**(230)**	(211)
Financing Activities		
Proceeds from revolving line of credit	**200**	800
Payments on revolving line of credit	**(200)**	(300)
Proceeds from long-term borrowings	**675**	600
Principal payments on long-term borrowings	**(1,100)**	—
Increase (decrease) in cash book overdrafts	**6**	(84)
Cash dividends paid	**—**	(58)
Proceeds from issuances under stock compensation plans	**7**	11
Tax withholding on share-based awards	**(13)**	(8)
Make-whole payment and other, net	**(86)**	(12)
Net cash (used in) provided by financing activities	**(511)**	949
Effect of exchange rate changes on cash and cash equivalents	**2**	(9)
Net (decrease) increase in cash and cash equivalents	**(194)**	138
Cash and cash equivalents at beginning of period	**681**	853
Cash and cash equivalents at end of period	**$ 487**	$ 991

NORDSTROM, INC.
SUMMARY OF NET SALES
(unaudited; amounts in millions)

Our Nordstrom brand includes Nordstrom.com, TrunkClub.com, Nordstrom-branded U.S. stores, Canada, which includes Nordstrom.ca, Nordstrom Canadian stores and Nordstrom Rack Canadian stores, and Nordstrom Local. Our Nordstrom Rack brand includes Nordstromrack.com, Nordstrom Rack-branded U.S. stores, Last Chance clearance stores and, prior to the first quarter of 2021, HauteLook.com. The following table summarizes net sales for the quarter and six months ended July 31, 2021, compared with the quarter and six months ended August 1, 2020:

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Net sales:				
Nordstrom	**$ 2,417**	$ 1,066	**$ 4,270**	$ 2,423
Nordstrom Rack	**1,148**	712	**2,216**	1,381
Total net sales	**$ 3,565**	$ 1,778	**$ 6,486**	$ 3,804
Net sales increase (decrease):				
Nordstrom	**126.7 %**	(57.9 %)	**76.3 %**	(48.0 %)
Nordstrom Rack	**61.4 %**	(43.0 %)	**60.4 %**	(44.1 %)
Total Company	**100.5 %**	(53.0 %)	**70.5 %**	(46.6 %)
Digital sales as % of total net sales[1]	**40 %**	61 %	**42 %**	57 %

[1] Sales conducted through a digital platform such as our websites or mobile apps. Digital sales may be self-guided by the customer, as in a traditional online order, or facilitated by a salesperson using a virtual styling or selling tool, such as Nordstrom Trunk Club or Style Board. Digital sales may be delivered to the customer or picked up in our Nordstrom stores, Nordstrom Rack stores or Nordstrom Local service hubs. Digital sales also include a reserve for estimated returns.

NORDSTROM, INC.
ADJUSTED RETURN ON INVESTED CAPITAL (“ADJUSTED ROIC”)
(NON-GAAP FINANCIAL MEASURE)
(unaudited; dollar amounts in millions)

We believe that Adjusted ROIC is a useful financial measure for investors in evaluating the efficiency and effectiveness of the capital we have invested in our business to generate returns over time. In addition, we have incorporated it in our executive incentive measures and we believe it is an important indicator of shareholders’ return over the long term.

Adjusted ROIC is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, return on assets, net earnings, total assets or other GAAP financial measures. Our method of calculating non-GAAP financial measures may differ from other companies’ methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Adjusted ROIC is return on assets. The following is a reconciliation of return on assets to Adjusted ROIC:

	Four Quarters Ended	
	July 31, 2021	**August 1, 2020**
Net earnings (loss)	**$ 1**	$ (458)
Less: income tax benefit	**(72)**	(375)
Add: interest expense	**274**	149
Earnings (loss) before interest and income tax expense	**203**	(684)
Add: operating lease interest[1]	**92**	98
Adjusted net operating income (loss)	**295**	(586)
(Less) Add: estimated income tax (benefit) expense	**(300)**	264
Adjusted net operating loss after tax	**$ (5)**	$ (322)
Average total assets	**$ 9,489**	$ 9,850
Less: average deferred property incentives in excess of right-of-use (ROU) assets[2]	**(255)**	(296)
Less: average non-interest bearing current liabilities	**(3,267)**	(3,267)
Average invested capital	**$ 5,967**	$ 6,287
Return on assets[3]	**0.0 %**	(4.6 %)
Adjusted ROIC[3]	**(0.1 %)**	(5.1 %)

[1] We add back the operating lease interest to reflect how we manage our business. Operating lease interest is a component of operating lease cost recorded in occupancy costs.
[2] For leases with property incentives that exceed the ROU assets, we reclassify the amount from assets to other current liabilities and other liabilities and reduce average total assets, as this better reflects how we manage our business.
[3] COVID-19 related charges for the four quarters ended August 1, 2020 negatively impacted return on assets by approximately 190 basis points and Adjusted ROIC by approximately 270 basis points for the four quarters ended August 1, 2020.

NORDSTROM, INC.
ADJUSTED DEBT TO EBITDAR (NON-GAAP FINANCIAL MEASURE)
(unaudited; dollar amounts in millions)

Adjusted Debt to earnings (loss) before interest, income taxes, depreciation, amortization and rent ("EBITDAR") is one of our key financial metrics and we believe that our debt levels are best analyzed using this measure, as it provides a reflection of our creditworthiness that could impact our credit rating and borrowing costs. This metric is calculated in accordance with our Revolver covenant and is a key component in assessing whether our revolving credit facility is secured or unsecured, as well as our ability to make dividend payments and share repurchases. Our goal is to manage debt levels to maintain an investment-grade credit rating while operating with an efficient capital structure.

Adjusted Debt to EBITDAR is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, debt to net earnings, net earnings, debt or other GAAP financial measures. Our method of determining non-GAAP financial measures may differ from other companies' methods and therefore may not be comparable to those used by other companies. The following is a reconciliation of debt to net earnings to Adjusted Debt to EBITDAR:

	July 31, 2021
Debt	**$ 2,849**
Add: estimated capitalized operating lease liability[1]	**1,350**
Adjusted Debt	**$ 4,199**

	Four Quarters Ended July 31, 2021
Net earnings	**$ 1**
Less: income tax benefit	**(72)**
Add: interest expense, net	**273**
Adjusted earnings before interest and income taxes	**$ 202**
Add: depreciation and amortization expenses	**650**
Add: rent expense, net[2]	**225**
Add: other Revolver covenant adjustments[3]	**1**
Adjusted EBITDAR	**$ 1,078**
Debt to Net Earnings	**2,849.0**
Adjusted Debt to EBITDAR	**3.9**

[1] Based upon the estimated lease liability as of the end of the period, calculated as the trailing four quarters of rent expense multiplied by six, a method of estimating the debt we would record for our leases that are classified as operating if they had met the criteria for a capital lease or we had purchased the property and is calculated under the previous lease standard, consistent with our Revolver covenant calculation requirements. The estimated lease liability is not calculated in accordance with, nor an alternative for, GAAP and should not be considered in isolation or as a substitution for our results reported under GAAP.

[2] Rent expense, net of amortization of developer reimbursements, is added back for consistency with our Revolver covenant calculation requirements, and is calculated under the previous lease standard.

[3] Other adjusting items to reconcile net earnings to Adjusted EBITDAR as defined by our Revolver covenant include interest income and certain non-cash charges where relevant.

NORDSTROM, INC.
FREE CASH FLOW (NON-GAAP FINANCIAL MEASURE)
(unaudited; amounts in millions)

Free Cash Flow is one of our key liquidity measures and, when used in conjunction with GAAP measures, we believe it provides investors with a meaningful analysis of our ability to generate cash from our business.

Free Cash Flow is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, operating cash flows or other financial measures prepared in accordance with GAAP. Our method of calculating non-GAAP financial measures may differ from other companies' methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Free Cash Flow is net cash provided by (used in) operating activities. The following is a reconciliation of net cash provided by (used in) operating activities to Free Cash Flow:

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Net cash provided by (used in) operating activities	**$ 545**	$ (591)
Less: capital expenditures	**(217)**	(228)
Add (Less): change in cash book overdrafts	**6**	(84)
Free Cash Flow	**$ 334**	$ (903)

NORDSTROM, INC.
ADJUSTED EBITDA (NON-GAAP FINANCIAL MEASURE)
(unaudited; amounts in millions)

Adjusted earnings (loss) before interest, income taxes, depreciation and amortization ("EBITDA") is one of our key financial metrics to reflect our view of cash flow from net earnings. Adjusted EBITDA excludes significant items which are non-operating in nature in order to evaluate our core operating performance against prior periods. The financial measure calculated under GAAP which is most directly comparable to Adjusted EBITDA is net earnings.

Adjusted EBITDA is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for net earnings, overall change in cash or liquidity of the business as a whole. Our method of calculating a non-GAAP financial measure may differ from other companies' methods and therefore may not be comparable to those used by other companies. The following is a reconciliation of net loss to Adjusted EBITDA:

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Net loss	**$ (86)**	$ (776)
Less: income tax benefit	**(25)**	(492)
Add: interest expense, net	**177**	85
Earnings (loss) before interest and income taxes	**66**	(1,183)
Add: depreciation and amortization expenses	**321**	342
Less: amortization of developer reimbursements	**(40)**	(42)
Add: asset impairments	**—**	137
Adjusted EBITDA	**$ 347**	$ (746)

INVESTOR CONTACT: Heather Hollander
Nordstrom, Inc.
InvRelations@Nordstrom.com

MEDIA CONTACT: Gigi Ganatra Duff
Nordstrom, Inc.
NordstromPR@Nordstrom.com

Exhibit 99.2

Q2 2021 NORDSTROM EARNINGS CALL — PREPARED REMARKS

ERIK NORDSTROM | CHIEF EXECUTIVE OFFICER

Good afternoon and thank you for joining us today. We delivered strong second quarter results, driven by broad-based momentum across banners, regions, and merchandising categories, and the performance of our Anniversary Sale, in which sales exceeded 2019 levels, an important milestone. We capitalized on improving customer demand with solid execution, healthy inventory sell-through, and continued expense management.

Our performance demonstrates the power of our interconnected brands and the potential of our transformation as we execute our "Closer to You" strategy. As consumer spending recovers, we are well-positioned to capitalize on a significant opportunity to take market share and drive profitable growth with our expanding product offer, increasing customer engagement, and integrated digital and physical assets.

We've now had four consecutive quarters of sequential improvement in sales trends for both our Nordstrom and Nordstrom Rack banners, with active customer counts continuing to recover and approaching 2019 levels. Customers are increasingly engaging with us both in-store and online, as evidenced by continuing improvements in our store traffic and sales, along with robust digital growth. Our loyalty program remains a powerful engagement driver, with loyalty club members contributing 70 percent of our Q2 sales, up 500 basis points from 2019.

We are very pleased with the performance of our Anniversary Sale with total event sales increasing 1% over 2019, including the final week of the event which fell in the third quarter. As always, our Anniversary Sale rewards and engages our loyal customers with brand new product at reduced prices for a limited time. The event was well-timed to serve increasing customer demand for wardrobe refreshes as they returned to activities outside the home.

This year, we worked to further enhance the customer experience during the Anniversary Sale, adding new virtual and in-store events to drive engagement, while building on successful components of last year's event, including digital catalogs with personalized editorial content and product recommendations, online wish list functionality, and remote selling and styling tools.

Our Anniversary performance was an encouraging example of our evolution of our merchandising capabilities. By leveraging a more data-driven approach along with our evolving partnership models with our vendors, we were able to increase event selection by 12% and reduce the rate of items sold out by 35% versus 2019, while at the same time maintaining a comparable sell-through, and finishing with a healthy position in owned inventory as we exited the event.

We are encouraged by the customer response to Anniversary, with record volumes on Nordstrom.com and continued improvements in store traffic. Customers also leveraged the convenience of our integrated touchpoints, with order pickup in stores increasing 52% during the event, compared to 2019.

Our merchandising and supply chain teams, along with our brand partners, executed well, ensuring that we had the right assortment in the right place at the right time to serve demand.

Overall, our outstanding employees delivered an excellent customer experience and we would like to take a moment to thank them for their contributions to a successful event.

In addition to strong topline and event performance, we made meaningful progress towards margin recovery this quarter, with reduced markdowns and solid sell-through, as well as disciplined expense management.

Our second quarter performance reflects our steady execution and commitment to the strategic priorities we shared at our investor event: Win in our most important markets, broaden the reach of Nordstrom Rack, and increase our digital velocity.

As we work to win in our most important markets, our market strategy is a powerful enabler for the business, allowing us to better serve customers and provide greater access to product, by linking our assets at the market level.

We’ve seen a positive customer response to the enhanced capabilities we launched with our Market Strategy in 2020, including the extension of order pick-up and ship-to-store to all Nordstrom Rack locations. In fact, during the Anniversary Sale, nearly 40% of next day pick up orders for Nordstrom were picked up in a Rack store, evidence of the power of integrating capabilities across our two brands. Our Market Strategy delivers incredible convenience that provides customers with 4 times more product available for next day pick up, and a one day reduction in average shipping time.

Our second growth priority is broadening the reach of Nordstrom Rack.

In the quarter, total Rack sales declined 8 percent compared to 2019, a nearly 5-percentage point sequential improvement from the first quarter. Despite challenges with inventory flow, we are encouraged by the early results of our merchandise repositioning efforts, with price-oriented offerings in Active, Home, and Kids delivering a combined double digit sales increase in those categories. And in the 70 Rack stores that have been repositioned for a price-oriented offering, new-to-Nordstrom customer counts increased 16% over 2019. Going forward, we are committed to building on this progress by continuing to expand our Rack offering and delivering an assortment that appeals to a wider set of customers while deepening our offering for our core customers.

Our third priority is increasing our digital velocity across Nordstrom and Nordstrom Rack. This quarter, digital sales increased 30 percent over last year and 24 percent over the second quarter of 2019. We continued to drive growth at Nordstrom.com and Rack.com even as store traffic improved, a testament to the power of our interconnected digital and physical assets. We also completed the integration of Rack.com onto the Nordstrom.com platform, delivering a more seamless shopping experience and improved reliability, while positioning us for more profitable growth as we continue to scale our Rack.com business.

During the quarter, we took another step in transforming our merchandising approach with our acquisition of a minority interest in 4 ASOS brands: Topshop, Topman, Miss Selfridge, and HIIT. We believe this partnership will give us new opportunities to lead digitally and extend beyond our traditional wholesale model. We're happy to partner with ASOS, a world leader in fashion for the 20-something customer, in offering a broader assortment to better meet their needs. We look forward to updating you on new initiatives under this partnership in the second half of the year.

As we look ahead, we are excited about the opportunity that lies before us. Our transformation is gaining momentum and positioning us to capitalize on a significant opportunity to profitably grow our business as demand improves. Though there is uncertainty regarding the future of the pandemic, we are closely monitoring impacts on the customer and supply chain while prioritizing the health and safety of our teams and customers. We have demonstrated our ability to navigate a rapidly changing macro environment with agility and flexibility, and we will maintain that focus as we move through the year. While we're pleased with our continued progress this quarter, we remain committed to the work ahead to better serve customers, capture market share, improve our profitability, and create value for our shareholders.

With that, I'll turn it over to Anne to discuss our financial results in greater detail.

ANNE BRAMMAN | CHIEF FINANCIAL OFFICER

Thanks Erik.

We're pleased with our continued progress in the second quarter. The benefits of our "Closer to You" strategy, the performance of our Anniversary sale, and continued financial discipline are evident in our results. Improving sales trends, a gross profit increase from healthy inventory sell-through, and continued benefits from a reduced cost structure drove strong earnings this quarter. We also generated over $900 million of operating cash flow and took steps to further strengthen our balance sheet.

Beginning with our topline performance, net sales were down 6 percent in the second quarter compared to the same period in fiscal 2019, representing a sequential improvement of 700 basis points from the first quarter. The timing shift of the Anniversary Sale, with roughly one week falling into the third quarter of 2021, negatively impacted second quarter sales by approximately 200 basis points. Adjusting for this impact, sales trends improved approximately 900 basis points, with sequential improvement in each month of the quarter.

Sales improved across both of our banners, with Nordstrom sales improving 800 basis points sequentially, or 1100 basis points after adjusting for the timing shift of the Anniversary Sale. Nordstrom Rack sales improved 500 basis points sequentially.

We saw strong, balanced growth across both digital and stores. Our digital sales increased 24 percent over 2019, and 29 percent after adjusting for the timing shift of the Anniversary Sale. Digital traffic increased for both Nordstrom and Rack, and Nordstrom digital conversion reached a record high. Digital sales were 40% of total sales during the quarter, a bit lower than the first quarter as store traffic and sales trends improved across all regions. Southern region stores continued to outperform our fleet average, but the gap narrowed relative to the first quarter.

As Erik said, our Anniversary Sale performance contributed to our momentum this quarter, with total event sales up 1 percent compared with 2019. In addition to strong topline event performance, we were pleased with event profitability, supported by a compelling assortment that drove sales of higher margin non-event merchandise.

As consumer spending and mobility increased, we were well-positioned to respond to pent-up demand, as evidenced in the performance of our core categories.

We saw customers refreshing their wardrobes, driving improvement in shoes, apparel and accessories compared to the first quarter. Our designer offering performed well across the business, with sales increasing over 2019.

We also continued to see strength in pandemic growth categories, particularly active and home, where our sales increased over 50 percent compared to 2019 levels.

In the second quarter, gross profit, as a percentage of net sales, was flat compared with the same period in fiscal 2019, as lower markdowns enabled by healthy inventory sell-through offset deleverage on lower net sales.

Ending inventory increased 13 percent compared with the same period in fiscal 2019, versus a 6 percent decrease in sales. Inventory levels were impacted by the timing shift of the Anniversary Sale and our efforts to pull forward receipts to address continuing supply chain backlogs and support improving sales trends. New deliveries and in-transit product represented the majority of our inventory increase in the quarter. Our inventory is current and well-positioned in key categories as we move into the back half of the year.

Looking ahead, we are anticipating continued global supply chain backlogs for the balance of the year and we are proactively managing our receipt flows to mitigate potential disruption and continue to meet customer demand.

Total SG&A as a percentage of net sales increased 170 basis points compared to the same period in fiscal 2019 as a result of continued freight and labor cost pressures, partially offset by continued benefits from resetting the cost structure in 2020.

We further strengthened our balance sheet, retiring $500 million in senior unsecured notes that were set to mature in October. This will reduce our annualized interest expense by $20 million, beginning in the third quarter.

Now turning to our outlook for the remainder of the year. As you’ve heard today, we’re pleased with our performance in the second quarter and the progress we’re making on our strategic commitments. Consumer demand and engagement continue to be quite healthy. Our momentum exiting the quarter has continued into August, giving us confidence in the outlook for the balance of the year. That said, there remains uncertainty in the external environment, and we continue to prepare for a range of scenarios. Our second half outlook assumes that consumer spending will continue to be supported by economic improvement and increasing consumer mobility.

Given these macro assumptions, our first half performance, and plans for continued progress in the second half of the year, for fiscal 2021, we now expect to deliver revenue growth of more than 35 percent versus fiscal 2020.

Depending on the pace of revenue growth and the evolution of macro-related cost pressures, we now expect to deliver EBIT margin of approximately 3 to 3.5 percent for the full year.

As for the second half cadence, we expect the following quarterly progression versus 2019:

a. We are projecting slight sequential improvement in sales trends from Q3 to Q4.

b. We also anticipate that EBIT margin improvement will be weighted to Q4, as gross profit increasingly reflects the benefits of tighter inventory management and reduced promotions.

c. We expect SG&A pressures, primarily related to freight and labor cost, to continue in the second half, resulting in SG&A deleverage similar to what we experienced in the first half.

We remain committed to our ongoing capital allocation priorities, with our first priority being investment in the business. We're planning capital expenditures at normalized levels of 3 to 4 percent of sales, primarily to support investments in technology and supply chain capabilities.

Our second priority is reducing our leverage. Through a combination of earnings improvement and debt reduction, we are on track to achieve our plan to decrease our leverage ratio to approximately 3 times by the end of this year and approximately 2.5 times by the end of 2022.

Our third priority is returning cash to shareholders and we expect to be in a position to do so by the end of the year.

Overall, we are pleased with our continued progress against our strategic priorities and we remain focused on the work ahead to drive market share gains, improve profitability and cash flow generation, and drive shareholder value.