Q1 2023
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.

Adjusted EBIT 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 are found in the back of this presentation.
ERIK NORDSTROM
CHIEF EXECUTIVE OFFICER
2023 ACTIONS TO EXPAND MARKET SHARE AND IMPROVE PROFITABILITY

Enhancing customer experience

Improving Rack performance

Increasing inventory productivity

Optimizing supply chain capabilities
IMPROVING RACK PERFORMANCE

Prioritizing strategic brands to drive sales and grow market share

Expanding reach and convenience for customers with new Rack stores

Driving greater engagement and profitability at NordstromRack.com
INCREASING INVENTORY PRODUCTIVITY

110bps increase in gross profit margin as a result of:
• Leaner and more current inventories
• Improved sell-through
• Faster turns across most categories

Total inventory down (8%), and non-designer inventory down (11%)
OPTIMIZING SUPPLY CHAIN CAPABILITIES

Building on momentum to improve customer experience and drive expense efficiency

100bps+ improvement in Q1 variable supply chain costs, mitigating sales deleverage, for 3rd consecutive quarter
PROGRESS WITHIN OUR SUPPLY CHAIN

- Double-digit improvements in productivity and throughput in our distribution and fulfillment centers
- Better customer service through faster delivery
- More opportunity to improve efficiency ahead
WELCOME TO NEW LEADERS

Atticus Tysen, board of directors
Eric Sprunk, board of directors

Jason Morris, chief technology & information officer
Cathy Smith, chief financial officer
PETE NORDSTROM
PRESIDENT & CHIEF BRAND OFFICER
Q1 CATEGORY PERFORMANCE

Active

Beauty

Men’s apparel
### Rightsizing Inventory Since Q2 '22

<table>
<thead>
<tr>
<th>Areas of focus</th>
<th>Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unproductive inventory at Nordstrom</td>
<td>• Finished FY22 with leaner and healthier inventory</td>
</tr>
<tr>
<td>• Private brands</td>
<td>• Top Q1 volume driver at Rack</td>
</tr>
<tr>
<td>• Lower-priced assortment at Rack</td>
<td>• Increased mix of strategic brands</td>
</tr>
<tr>
<td>• Designer</td>
<td>• Continue to rightsize to demand</td>
</tr>
</tbody>
</table>
UPCOMING ANNIVERSARY SALE

- Uniquely curated and diverse product assortment to inspire customers
- Engages and rewards our best customers
- Improved assortment with highly coveted brands and exciting new first-time brands
MICHAEL MAHER
CHIEF ACCOUNTING OFFICER
Q1 RESULTS ON STRONG ’22 COMPARISON

Total JWN
12%↓
decrease in net sales
incl. 175bps negative impact from wind-down of Canadian operations

17%↓
decrease in digital sales
incl. ~800bps negative impact from Rack store fulfill elimination and Trunk Club sunset

Nordstrom Banner
11%↓
decrease in net sales
incl. 270bps negative impact from wind-down of Canadian operations

Rack Banner
12%↓
decrease in net sales
incl. ~600bps negative impact from Rack store fulfill elimination
## Q1 '23 Results: Adjusted EBIT Growth Despite Lower Sales

<table>
<thead>
<tr>
<th></th>
<th>Actuals</th>
<th>Change</th>
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<tbody>
<tr>
<td><strong>Better / (Worse)</strong></td>
<td>vs Q1 '22</td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>$3.06B</td>
<td>(11.6%)</td>
</tr>
<tr>
<td><strong>Gross Profit %</strong></td>
<td>33.8%</td>
<td>~110bps</td>
</tr>
<tr>
<td><strong>SG&amp;A %</strong></td>
<td>36.0%</td>
<td>(~240bps)</td>
</tr>
<tr>
<td><strong>Ex-Q1 '22 one-timers</strong></td>
<td></td>
<td>(~120bps)</td>
</tr>
<tr>
<td><strong>EBIT %</strong></td>
<td>(8.5%)</td>
<td>(~1,060bps)</td>
</tr>
<tr>
<td><strong>Adjusted EBIT %</strong></td>
<td>1.6%</td>
<td>~70bps</td>
</tr>
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1 Excludes 120bps impact from Q1 '22 one-time items.
2 Adjusted EBIT is a non-GAAP financial measure. Refer to the “Adjusted EBIT (Non-GAAP Measure)” slide of this presentation for additional information as well as reconciliations between the Company's GAAP and non-GAAP financial results.
## REAFFIRMING 2023 OUTLOOK

<table>
<thead>
<tr>
<th>FY23</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td>YoY growth (decline)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
</tr>
<tr>
<td>Adjusted EBIT$^1$ % of sales</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
</tr>
<tr>
<td><strong>Income tax ex-Canada charges$^2$</strong></td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
</tr>
<tr>
<td>Adjusted earnings per share$^1$</td>
</tr>
</tbody>
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### Considerations

#### Revenue
- Expect slight sequential improvement in Q2, resulting in low double-digit decrease in H1; low single-digit increase in H2
- Anniversary Sale shifts into Q3 by 1 week, ~200bps impact

#### EBIT
- Expect slight margin decrease in H1; increase in H2

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$^1$Adjusted EBIT and Adjusted EPS are non-GAAP financial measures. Refer to the “Forward-Looking Non-GAAP Measures” slide of this presentation for additional information as well as reconciliations between the Company’s GAAP and non-GAAP financial outlook.

$^2$Excludes ~2,100bps impact from Canada wind-down costs.
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

3. RETURN CASH TO SHAREHOLDERS
   - Paid quarterly dividend of $0.19
   - $438M remaining on May 2022 repurchase authorization

We remain committed to an investment grade credit rating
## ADJUSTED EBIT (NON-GAAP MEASURE)

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended April 29, 2023</th>
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<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$3,064</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>($205)</td>
</tr>
<tr>
<td><strong>Income tax benefit</strong></td>
<td>(82)</td>
</tr>
<tr>
<td><strong>Interest expense, net</strong></td>
<td>28</td>
</tr>
<tr>
<td><strong>Loss before interest and income taxes</strong></td>
<td>($259)</td>
</tr>
<tr>
<td><strong>Canada wind-down costs</strong></td>
<td>309</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>$50</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>% of Sales</th>
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<tbody>
<tr>
<td><strong>Net loss</strong></td>
<td>(6.7%)</td>
</tr>
<tr>
<td><strong>Income tax benefit</strong></td>
<td>(6.7%)</td>
</tr>
<tr>
<td><strong>Loss before interest and income taxes</strong></td>
<td>(8.5%)</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>1.6%</td>
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### Forward-Looking Non-GAAP Measures

<table>
<thead>
<tr>
<th></th>
<th>Year ended February 3, 2024</th>
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<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Expected net earnings as a % of net sales</td>
<td>0.7%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>0.8%</td>
</tr>
<tr>
<td>Expected EBIT as a % of net sales</td>
<td>1.5%</td>
</tr>
<tr>
<td>Canada wind-down costs</td>
<td>2.2%</td>
</tr>
<tr>
<td>Expected adjusted EBIT margin</td>
<td>3.7%</td>
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<tr>
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<tbody>
<tr>
<td>Expected EPS</td>
<td>$0.60</td>
</tr>
<tr>
<td>Canada wind-down costs</td>
<td>1.89</td>
</tr>
<tr>
<td>Income tax impact on adjustment</td>
<td>(0.69)</td>
</tr>
<tr>
<td>Expected adjusted EPS</td>
<td>$1.80</td>
</tr>
<tr>
<td></td>
<td>$2.20</td>
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