

NORDSTROM



Q2 2017 EARNINGS CONFERENCE CALL

August 10, 2017





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 conference call, in the comments made during this presentation, and in the risk factors section of our Form 10-K, Form 10-Qs, 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.



BLAKE NORDSTROM

CO-PRESIDENT

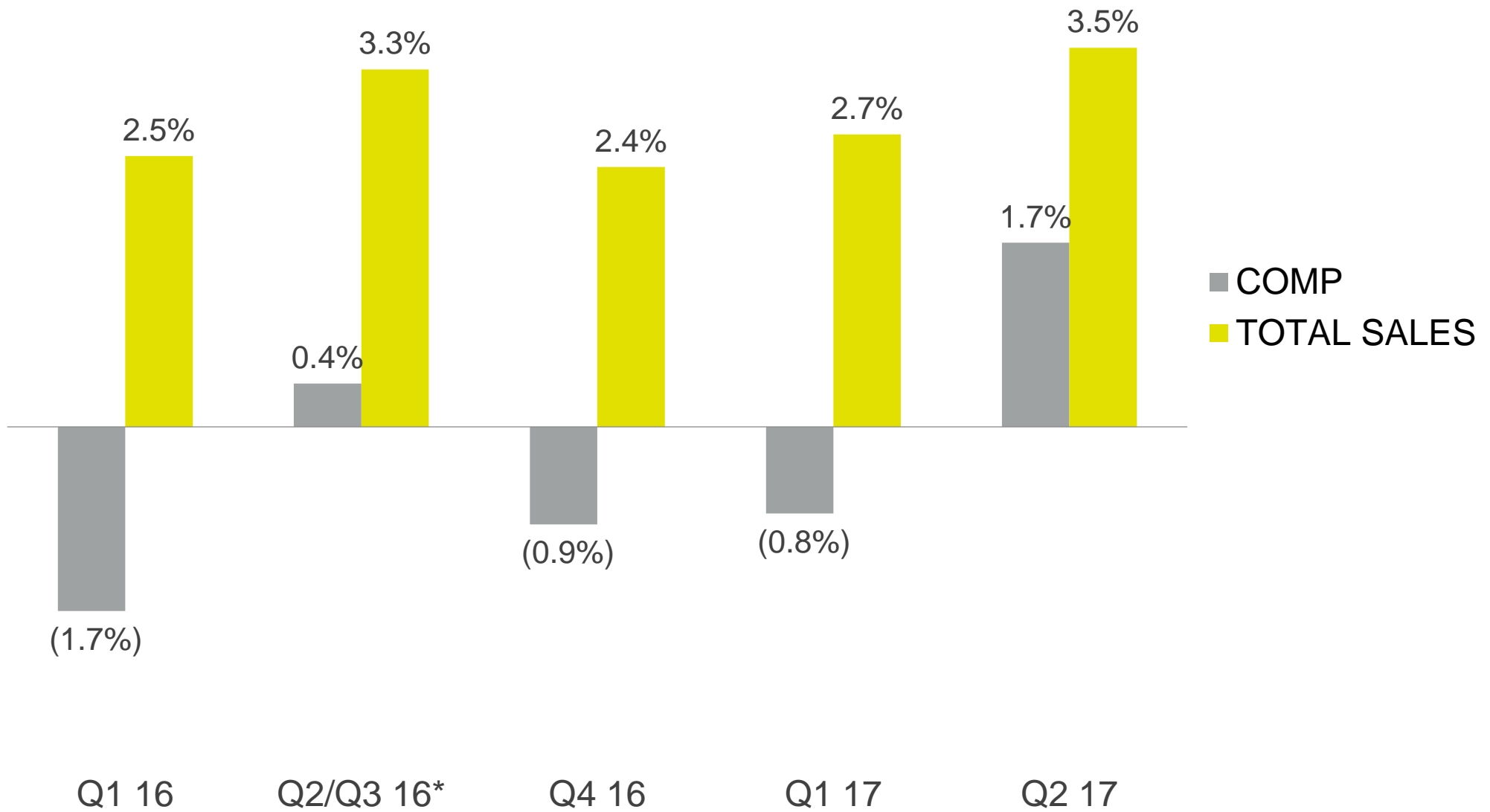


ANNIVERSARY SALE

IT'S A ONE-OF-A-KIND EVENT!
SHOP BRAND-NEW ARRIVALS AT SUPER-SALE PRICES.

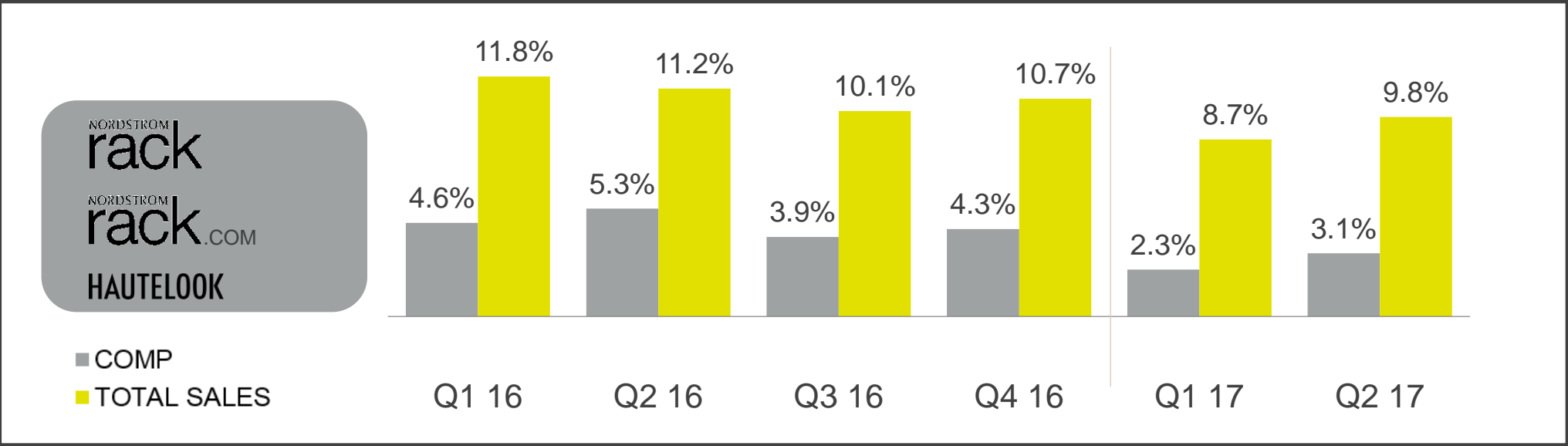
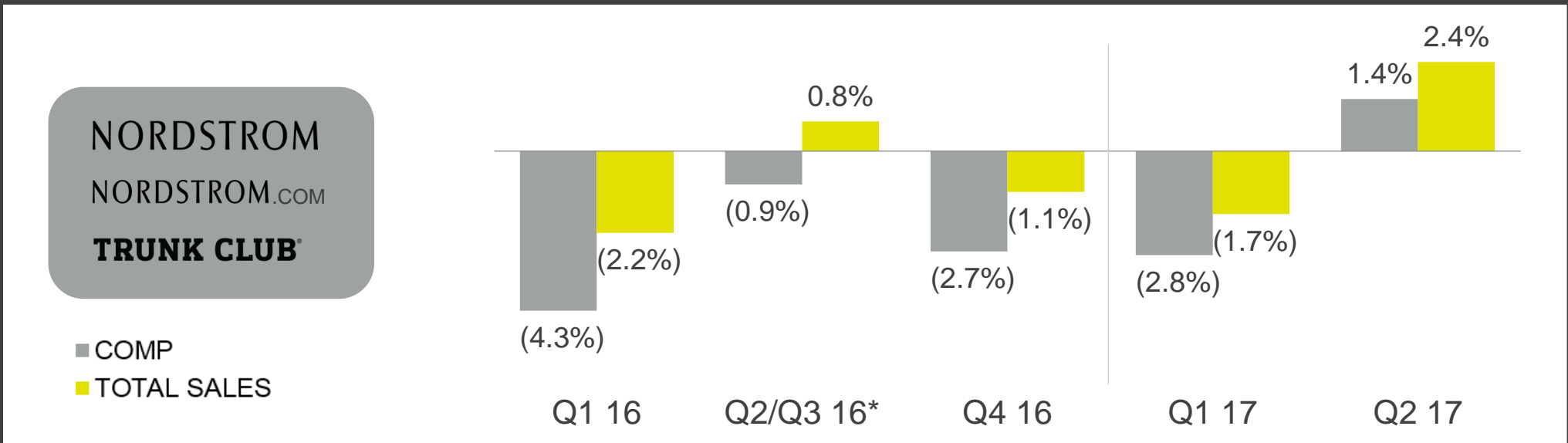
- Improvement from recent trends
- Outsized digital and omni-channel growth
- Strong regular-price selling
- Nordstrom proprietary labels among top 5 selling brands

SALES GROWTH



* Q2 and Q3 2016 combined to remove the impact of the Anniversary Sale event shift

FULL-PRICE AND OFF-PRICE SALES



* Q2 and Q3 2016 combined to remove the impact of the Anniversary Sale event shift
Full-price includes Nordstrom U.S. and Canada full-line stores, Nordstrom.com, and Trunk Club

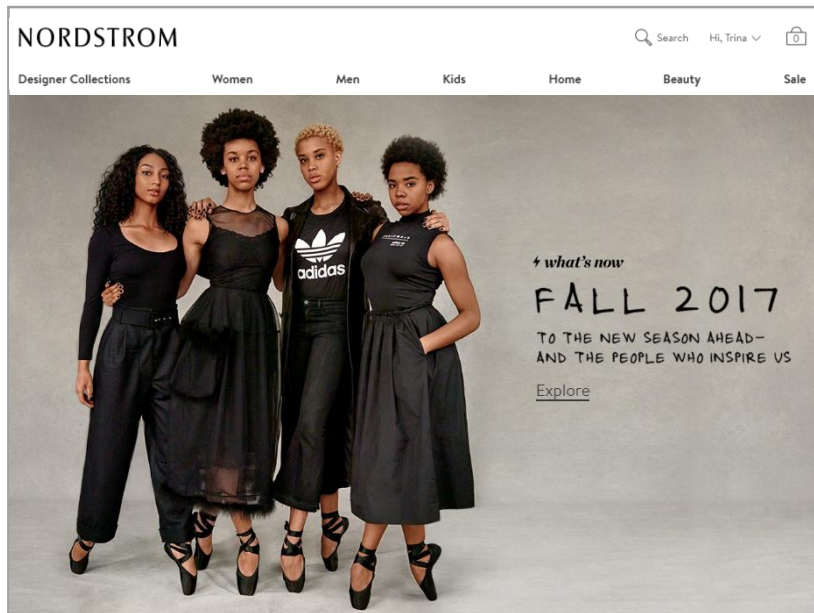
CURRENT INITIATIVES

SERVING CUSTOMERS IN MORE WAYS

OMNI-CHANNEL & DIGITAL GROWTH



BUY ONLINE, PICK-UP IN-STORE
CURBSIDE PICKUP
RESERVE ONLINE AND TRY IN-STORE*



* Expanding to ~50 stores total in 2017

EXPANDING REACH



SHERWAY GARDENS
Toronto, Canada

CENTURY CITY
Los Angeles, CA (relocation)

UNIVERSITY TOWNE CENTRE
San Diego, CA (relocation)

11 NEW RACKS



ANNE BRAMMAN

CHIEF FINANCIAL OFFICER

Q2 FINANCIAL HIGHLIGHTS

- Earnings achieved expectations
- Continued inventory and expense discipline
- Strong financial position

FINANCIAL PERFORMANCE

ACHIEVED EXPECTATIONS

| vs. LY | Q2 17 |
|---------------------|----------|
| TOTAL SALES | 3.5% |
| COMP SALES | 1.7% |
| RETAIL GROSS PROFIT | (25 bps) |
| SG&A | (46 bps) |
| RETAIL EBIT | (13%) |
| CREDIT EBIT | 135% |
| EBIT | (2%) |


BUSINESS MODEL EVOLUTION

- Continue to prioritize investments in top markets
- JWN's combined local market and digital assets represent competitive advantage
- Aligning metrics to better support the underlying economics of the business

FY 2017 EXPECTATIONS

| | PRIOR OUTLOOK | UPDATED OUTLOOK |
|-------------|-------------------------|-------------------------|
| TOTAL SALES | 3% TO 4% | ~ 4% |
| COMP SALES | ~ FLAT | ~ FLAT |
| RETAIL EBIT | \$780M TO \$840M | \$790M to \$840M |
| CREDIT EBIT | ~ \$140M | ~ \$145M |
| EPS | \$2.75 TO \$3.00 | \$2.85 TO \$3.00 |

See earnings release for assumptions related to fiscal 2017 outlook



Q&A

INVESTMENT HIGHLIGHTS

DIFFERENTIATED AND SEAMLESS CUSTOMER EXPERIENCE

HIGHLIGHTS

Innovative omni-channel leader with robust e-commerce platform and high-quality store portfolio in top North American markets, consisting of 122 full-line stores and 221 Racks*

Maintaining relevance with existing and new customers

Curated product offering supported by strategic brand partnerships

Industry-leading growth through economic cycles

Solid balance sheet with healthy cash flow generation

SUCCESS MEASURES

- Nearly 25% online penetration in 2016
- \$3B+ e-commerce business, 20%+ CAGR over past 3 years
- Sales productivity of ~\$500/sq. ft. in 2016
- Stores generating positive cash flow
- Increasing customer count
- Maintaining average customer age
- 56% of sales from Nordstrom Rewards loyalty customers*
- Strong regular-price selling trends
- Growing limited distribution product of highly sought-after brands such as Topshop, Madewell, Brandy Melville, Charlotte Tilbury, and J. Crew
- Record sales of \$14.5B in 2016
- 6% CAGR over past 3 years
- Consistently generated \$1B+ annual operating cash flow
- Maintained solid investment grade rating

* as of end of Q2 2017