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
SERVING CUSTOMERS IN MULTIPLE WAYS

2010
Accelerated Nordstrom.com growth & launched omnichannel capabilities

2011
Acquired HauteLook

2013
Accelerated Rack store growth

2014
Launched Nordstromrack.com; acquired Trunk Club; Canadian expansion

2015
Entered strategic credit partnership

2017
Launched Nordstrom Local & Reserve Online, Try in Store

2018
Opening Men’s NYC store & Nordstrom Rack Canada locations

SALES

NORDSTROM
82%

NORDSTROMrack
18%

$9B
2010

$15B
2017

68%

32%

Added ~$6B through Full-price and Off-price

DIGITAL PENETRATION

8%
2010

26%
2017

Significant expansion of ecommerce platform
INTEGRATED DIGITAL AND PHYSICAL ASSETS

ORDER FROM
- Home
- Mobile
- Your Store
- Different Store

FULFILLED BY
- DC or FC
- Vendor
- Your Store
- Different Store

WHERE RECEIVED
- Home
- Elsewhere
- Your Store
- Different Store
RECORD SALES OF ~$15 BILLION IN 2017

33 million active customers

9 million customers shopped across Nordstrom’s multiple touch points

30% digital sales penetration in Full-price

High-quality store portfolio combined with robust digital platform to serve customers in multiple ways

6 million new customers in Off-price

One-third of Off-price customers cross-shop Nordstrom Full-price over time

Active customers: shopped JWN over the last 12 months
STRATEGIC BRAND PARTNERSHIPS

PRODUCT BREADTH

Wide range of brands across categories and price points

LIMITED DISTRIBUTION BRAND PARTNERSHIPS

Brands and products that inspire our customers and which are not widely available

NEW CONCEPTS

New and innovative product concepts to our customers

- MAC
- HALOGEN
- TOPSHOP
- J.CREW
- TORY BURCH
- NIKE
- NORDSTROM
- BALENCIAGA
- rag & bone
- CANADA GOOSE
- VINCE
- GUCCI
- SAINT LAURENT
- TED BAKER
- LEWIT
- EVERLANE
- GOOD AMERICAN
- TREASURE & BOND
- SOMETHING NAVY
- Madewell

Charlotte Tilbury
NORDSTROM REWARDS DRIVING LOYALTY

35% increase in loyalty customers in 2017

Active Rewards customers: shopped JWN over the last 12 months

ACTIVE REWARDS CUSTOMERS (M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.3</td>
<td>3.8</td>
<td>4.3</td>
<td>4.7</td>
<td>7.8</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Expanded program with tender-neutral offering

36% of sales

51% of sales
2018 INITIATIVES

- Opening Nordstrom Men’s Store NYC April 12, 2018
- Executing market strategy beginning in Los Angeles
- Introducing Nordstrom Rack in Canada
- Continuing growth of limited distribution product
ANNE BRAMMAN

CHIEF FINANCIAL OFFICER
Q4 FINANCIAL RESULTS

- Holiday execution driving positive results
- Inventory well-positioned heading into 2018
- Strong cash flow generation
SALES TRENDS

2016
COMP (0.4%) | SALES 2.9%

Q1 16
2.5%
(1.7%)

Q2/Q3 16*
3.3%
0.4%

Q4 16
2.4%
(0.9%)

2017
COMP 0.8% | SALES 4.4%

Q1 17
2.7%
(0.8%)

Q2 17
1.7%
(0.9%)

Q3 17
2.0%

Q4 17
2.6%

8.4%

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

ADJUSTED FOR HURRICANE IMPACT ~(60 bps)

53RD WEEK IMPACT ~520 bps
FULL-PRICE AND OFF-PRICE SALES

NORDSTROM
NORDSTROM.COM
TRUNK CLUB
NORDSTROM

NORDSTROM RACK
NORDSTROM.COM
HAUTELOOK

COMP
TOTAL SALES
ADJUSTED FOR HURRICANE IMPACT
53RD WEEK IMPACT

Q1 16 Q2/Q3 16* Q4 16
2016 COMP (2.2%) | SALES (0.4%)
Q1 17 Q2 17 Q3 17 Q4 17
2017 COMP 0.1% | SALES 2.0%

Q1 16 Q2 16 Q3 16 Q4 16
2016 COMP 4.5% | SALES 10.9%
Q1 17 Q2 17 Q3 17 Q4 17
2017 COMP 2.5% | SALES 9.9%

*NQ2 and Q3 2016 combined to remove the impact of the Anniversary Sale event shift

ADJUSTED FOR HURRICANE IMPACT
53RD WEEK IMPACT
Evolving How We Measure Success

**Legacy Store View**
- Retail & Credit
- Stores & Online
- Comps by Channel
- Sales per Square Foot

**Omnichannel View**
- Total JWN
- Full-price & Off-price
- Active Customers
- Sales per Customer

Active customers: shopped JWN over the last 12 months
TURNTING POINT PLANNED IN 2018

**SALES**
- 2012: $12B
- 2013: $12B
- 2014: $12B
- 2015: $12B
- 2016*: $12B
- 2017: $15B
- 2018E: $15B
- 2019E: $15B
- 2020E: $15B
- 2021E: $15B
- 2022E: $15B

**EBIT % SALES**
- 2012: 11%
- 2013: 11%
- 2014: 11%
- 2015: 11%
- 2016*: 11%
- 2017: 6%
- 2018E: 6%
- 2019E: 6%
- 2020E: 6%
- 2021E: 6%
- 2022E: 6%

**FINANCIAL PRIORITIES**
1. Drive sales through digital and local market assets
2. Optimize returns on generational investments
3. Leverage supply chain, technology and marketing as key enablers
4. Continued discipline approach to inventory and expense

*2016 excludes goodwill impairment charge of $197M*
### Generational Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$0.2B</td>
<td>(~$30M)</td>
</tr>
<tr>
<td>2013</td>
<td>$0.3B</td>
<td>(~$40M)</td>
</tr>
<tr>
<td>2014</td>
<td>$0.4B</td>
<td>(~$75M)</td>
</tr>
<tr>
<td>2015</td>
<td>$0.9B</td>
<td>(~$140M)</td>
</tr>
<tr>
<td>2016</td>
<td>$1.2B</td>
<td>(~$140M)</td>
</tr>
<tr>
<td>2017</td>
<td>$1.5B</td>
<td>(~$160M)</td>
</tr>
<tr>
<td>2018E</td>
<td>~$1.8B</td>
<td>(~$150M)</td>
</tr>
</tbody>
</table>

2018 represents estimated sales and EBIT.
OMNICHANNEL CAPABILITIES

ACCELERATED INVESTMENTS
- MARKETING: Data and analytics
- TECHNOLOGY: Modernized infrastructure
- SUPPLY CHAIN: East Coast fulfillment center

DRIVING PRODUCTIVITY
- Personalization at scale
- Flexibility and speed
- Optimize network

EXPENSE CAGR%
- ~20% 2010 - 2015
- ~10% 2015 - 2017
- Mid-single-digit 2018E
## FY 2018 GUIDANCE

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual</th>
<th>2018 Outlook</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>$15.1B</td>
<td>$15.2B to $15.4B</td>
<td>2017: ~$220M related to the 53rd week</td>
</tr>
<tr>
<td>Comp Sales</td>
<td>0.8%</td>
<td>0.5% to 1.5%</td>
<td>2018: consistent sales trends in Full-price and Off-price</td>
</tr>
<tr>
<td>EBIT</td>
<td>$926M</td>
<td>$885M to $940M</td>
<td>2017: $16M one-time employee investment related to corporate tax reform</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2017: ~$15M estimated 53rd week impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2018: ~$30M reduction from revenue recognition accounting changes</td>
</tr>
</tbody>
</table>

**EPS bridge presented for comparability of 2018 vs. 2017, including impacts of corporate tax reform and revenue recognition accounting changes**

- 2017 EPS:
  - Reported: $2.59
  - Tax Reform (gain): $0.25
  - 1X Employee Investment (gain): $0.06
  - Before Tax Reform Impacts: $2.90
  - 2017 Before Tax Reform Impacts: ~($0.05)
  - Estimated 53rd Week Impact: ~$0.13
  - Revenue Recognition: ~($0.11)
  - Planned Operating Performance: ~$0.55
- 2018 EPS Outlook: $3.30 to $3.55

**At mid-point of outlook:**
- 2017 EPS: $2.90
- 2018 EPS: ~$2.95
- Revenue Recognition: ~($0.05)
Net capex reflects gross capex less deferred property incentives
## INVESTMENT HIGHLIGHTS

<table>
<thead>
<tr>
<th>HIGHLIGHTS</th>
<th>FINANCIAL OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JWN STRATEGY</strong></td>
<td></td>
</tr>
<tr>
<td>Innovative <strong>omnichannel leader</strong> with robust ecommerce platform and high-quality store portfolio in top North American markets, consisting of 122 full-line stores and 232 Nordstrom Racks</td>
<td>▪ Record sales of $15B, reflecting 5% annualized growth over last five years</td>
</tr>
<tr>
<td><strong>Industry-leading growth</strong> fueled by generational investments in new markets and digital capabilities to expand customer reach and engagement</td>
<td>▪ Digital sales increased to 26% in 2017 from 8% in 2010</td>
</tr>
<tr>
<td>▪ Generational investments contributed $1.5B sales in 2017</td>
<td>▪ Generational investments contributed $1.5B sales in 2017</td>
</tr>
<tr>
<td><strong>FULL-PRICE BUSINESS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Differentiated product offering</strong> through strategic brand partnerships</td>
<td>▪ Strategic brands delivering outsized sales growth and healthy gross margins</td>
</tr>
<tr>
<td>Integrated <strong>digital and physical shopping experience</strong> to serve customers seamlessly across multiple touch points</td>
<td>▪ Digital sales represented 30% of Full-price sales in 2017; 95% of Full line stores located in “A” or better malls</td>
</tr>
<tr>
<td>Focus on top <strong>local markets with differentiated and defensible strategy</strong> and customer offer</td>
<td>▪ Longer term, market strategy expected to drive increases in sales, market share, profitability and ROIC</td>
</tr>
<tr>
<td><strong>OFF-PRICE BUSINESS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Strategic store footprint</strong> in high-traffic locations</td>
<td>▪ Sales CAGR of 13% over last five years, outpacing market growth</td>
</tr>
<tr>
<td><strong>Leading source of customer acquisition</strong>, attracting young affluent customers to JWN</td>
<td>▪ Gained 6 million new customers; one-third of Off-price customers cross-shop in Full-price business over time</td>
</tr>
<tr>
<td><strong>FINANCIAL OVERVIEW</strong></td>
<td></td>
</tr>
<tr>
<td>Operating model positioned for <strong>long-term profitable growth</strong> through productivity improvements and generational investments</td>
<td>▪ Planning 2018 as turning point for improved profitability</td>
</tr>
<tr>
<td>Strong financial position supporting <strong>healthy cash flow generation</strong></td>
<td>▪ Increased productivity via enterprise capabilities expected to drive moderated expense growth</td>
</tr>
<tr>
<td></td>
<td>▪ As generational investments near completion, free cash flow expected to increase</td>
</tr>
</tbody>
</table>
APPENDIX
In addition to the Company’s 2018 guidance (slide 18), the following assumptions are incorporated:

- Credit revenue growth of ~10%
- Revenue recognition accounting changes reduce EBIT by ~$30M
- Interest expense of ~$105M
- Depreciation and amortization expense and rent expense are expected to be consistent with 2017
- Effective tax rate of ~27.5%
- Diluted shares outstanding ~171M

The Company is providing the following assumptions of quarterly trends:

- Shift in the Anniversary Sale event to primarily Q2 2018 from Q2 and Q3 in 2017
- Higher occupancy expenses in H1 due to fall 2017 store openings (11 new Racks, 2 full-line relocations, 1 Canada full-line store) and spring 2018 openings (Men’s NYC, 4 U.S. Racks, 3 Canada Racks)
- Higher pre-opening expenses in Q1 related to Men’s NYC and Rack Canada
- 2017 one-time EBIT items: hurricane impact (Q3 ~$12M), employee investment associated with tax reform (Q4 $16M), estimated 53rd week impact (Q4 ~$15M)

Better (+) / worse (-) in comparison to LY

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>FY 2018 YOY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anniversary event shift</td>
<td>(+)</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy due to new stores (fall 2017 and spring 2018)</td>
<td>(-)</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-opening expenses</td>
<td>(-)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 1x items</td>
<td></td>
<td></td>
<td>Hurricane (+)</td>
<td>Empl. reinvestment (+) 53rd week (-)</td>
<td></td>
</tr>
</tbody>
</table>