Q2 2023 EARNINGS CALL

NORDSTROM
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 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
SOLID Q2 RESULTS

EPS up vs Q2 ’22
$0.84 vs $0.81\(^1\)

Sales down (8%)
Down (~4%) when excluding Canada and Anniversary Sale timing shift\(^2\)

Lower inventory position
Down (18%)

Pleased with Anniversary

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\(^1\)Excludes impact from Q2 ’22 costs from wind-down of Trunk Club.
\(^2\)Excludes 275bps from wind-down of Canadian operations and ~200bps from timing shift of Anniversary Sale.
SUCCESSFUL ANNIVERSARY SALE

One-of-a-kind event, with brand new merchandise sold at reduced prices, before going to full-price after the sale

- Customers attended 740+ events
- 90%+ of highest level Nordy Club members shopped the sale
- Strong event sell-through, up 15% vs ’22¹

¹Includes 8 days of Anniversary Sale that fell in Q3 ’23.
2023 ACTIONS TO EXPAND MARKET SHARE AND IMPROVE PROFITABILITY

Enhancing customer experience by:

- 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

- Gross margin on par with Q2 ’22, last year’s highest margin quarter:
  - Leaner inventories
  - Improved sell-through
  - Faster turns across most categories

- Total inventory down (18%), versus sales decrease of (8%)
OPTIMIZING SUPPLY CHAIN CAPABILITIES

Building on momentum to improve customer experience and drive expense efficiency, getting orders to the customer faster and at lower cost

4th consecutive quarter of 100bps+ improvement in variable supply chain costs in Q2
PETE NORDSTROM
PRESIDENT & CHIEF BRAND OFFICER
TOP Q2 CATEGORY PERFORMANCE

Active

Beauty

Kids’ apparel

Men’s apparel
• Improved product availability at start of event
• Total event in line with expectations\(^1\)
• 60%+ digital sales penetration, with 40%+ of digital sales enabled by stores\(^1\)
• All-time highest demand hour on Nordstrom.com during early access

\(^1\)Includes 8 days of Anniversary Sale that fell in Q3 ’23.
INCREASING INVENTORY PRODUCTIVITY

Favorable inventory position entering H2:

• Strong Anniversary sell-through
• Driving faster turns
• Managing with discipline
• Maintaining reserves against buy plans
• Increased strategic brand penetration at Rack
SUPPLY CHAIN OPTIMIZATION INITIATIVES

- Continue work on inventory productivity
- Improve returns processing & transportation
- Ramp up RFID initiatives
CATHY SMITH

CHIEF FINANCIAL OFFICER
Q2 SALES IMPROVE SEQUENTIALLY FROM Q1

Total JWN

8% ↓
decrease in net sales
incl. negative impacts of 275bps from wind-down of Canadian operations and ~200bps from Anniversary Sale timing shift

13% ↓
decrease in digital sales
incl. negative impacts of ~500bps from Rack store fulfill elimination and Trunk Club sunset and ~300bps from Anniversary Sale timing shift

Nordstrom Banner

10% ↓
decrease in net sales
incl. negative impacts of 400bps from wind-down of Canadian operations and ~300bps from Anniversary Sale timing shift

Rack Banner

4% ↓
decrease in net sales
incl. ~500bps negative impact from Rack store fulfill elimination
# SOLID Q2 ’23 RESULTS

<table>
<thead>
<tr>
<th></th>
<th>Actuals</th>
<th>Change</th>
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<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>$3.66B</td>
<td>(8.3%)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT %</strong></td>
<td>35.0%</td>
<td>(20bps)</td>
</tr>
<tr>
<td><strong>SG&amp;A %</strong></td>
<td>32.8%</td>
<td>flat</td>
</tr>
<tr>
<td><strong>EBIT %</strong></td>
<td>5.3%</td>
<td>20bps flat</td>
</tr>
<tr>
<td><em>Ex-Q2 ’22 one-timers</em>¹</td>
<td></td>
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¹Excludes impact from Q2 ’22 costs from wind-down of Trunk Club.
## REAFFIRMING 2023 OUTLOOK

<table>
<thead>
<tr>
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<th>FY23</th>
<th>Considerations</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YoY growth (decline)</td>
<td>(4%) to (6%)</td>
<td>- Expect sequential improvement in H2</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td></td>
<td>- Anniversary Sale shifts into Q3 by 1 week, ~200bps impact</td>
</tr>
<tr>
<td>Adjusted EBIT&lt;sup&gt;1&lt;/sup&gt;</td>
<td>1.5% to 2.0%</td>
<td>- Expect credit card revenue pressure in H2 and into FY24</td>
</tr>
<tr>
<td>% of sales</td>
<td>3.7% to 4.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income tax ex-Canada charges&lt;sup&gt;2&lt;/sup&gt;</strong></td>
<td>~6% ~27%</td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted earnings per share&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$0.60 to $1.00 $1.80 to $2.20</td>
<td>- Expect year-over-year adjusted EBIT margin expansion in H2</td>
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<sup>1</sup>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.

<sup>2</sup>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 per share
   - $438M remaining on May 2022 repurchase authorization

We remain committed to an investment grade credit rating
# 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>
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<tr>
<td>Canada wind-down costs</td>
<td>2.2%</td>
</tr>
<tr>
<td>Expected adjusted EBIT margin</td>
<td>3.7%</td>
</tr>
<tr>
<td>Expected EPS</td>
<td>$0.60</td>
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<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>
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