

A woman with dark hair and large hoop earrings stands on a light-colored stone path. She is wearing a strapless, floor-length dress with a vibrant floral pattern in shades of red, yellow, green, and purple. The dress has a high slit on the left side. The background consists of large, grey rocks and sparse, dry vegetation under a soft, natural light.

NORDSTROM

Q1 2019 EARNINGS CALL

MAY 21, 2019

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-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.

Free cash flow and return on invested capital are measures of performance which meet the definition of a non-GAAP financial measure. 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 on our investor relations site at www.investor.nordstrom.com.

ERIK NORDSTROM

CO-PRESIDENT



Q1 SALES DRIVERS

LOYALTY	Execution of The Nordy Club rollout
DIGITAL MARKETING	Shifted marketing from digital to loyalty
MERCHANDISE	Assortment mix in Full-Price and Off-Price

LOCAL MARKET STRATEGY DRIVING GROWTH IN LA MARKET

SCALING IN LA IN 2019

\$1B
in Full-Price Sales

4M
JWN Customers

16
Full-Line Stores

3
Nordstrom Locals

3
Supply Chain
Facilities in LA
by 2019

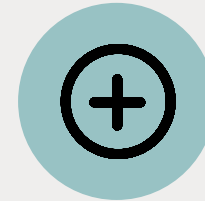


MANHATTAN—\$700M+ FULL-PRICE MARKET OPPORTUNITY

LAST YEAR OF GENERATIONAL INVESTMENT CYCLE

MEN'S STORE

Opened
Spring 2018



Focused on market, not just the 4-wall opportunity

TOWER (WOMEN'S)

Opening
Oct 24, 2019



Already the #1 market for online sales

NORDSTROM LOCAL

Opening Fall 2019 in
the West Village &
Upper East Side



Encouraged by early results

IMPROVING CUSTOMER EXPERIENCE FOR OUR KEY EVENTS



FOCUSING ON CUSTOMERS' FAVORITE BRANDS



AMPLIFYING GIFT ASSORTMENT



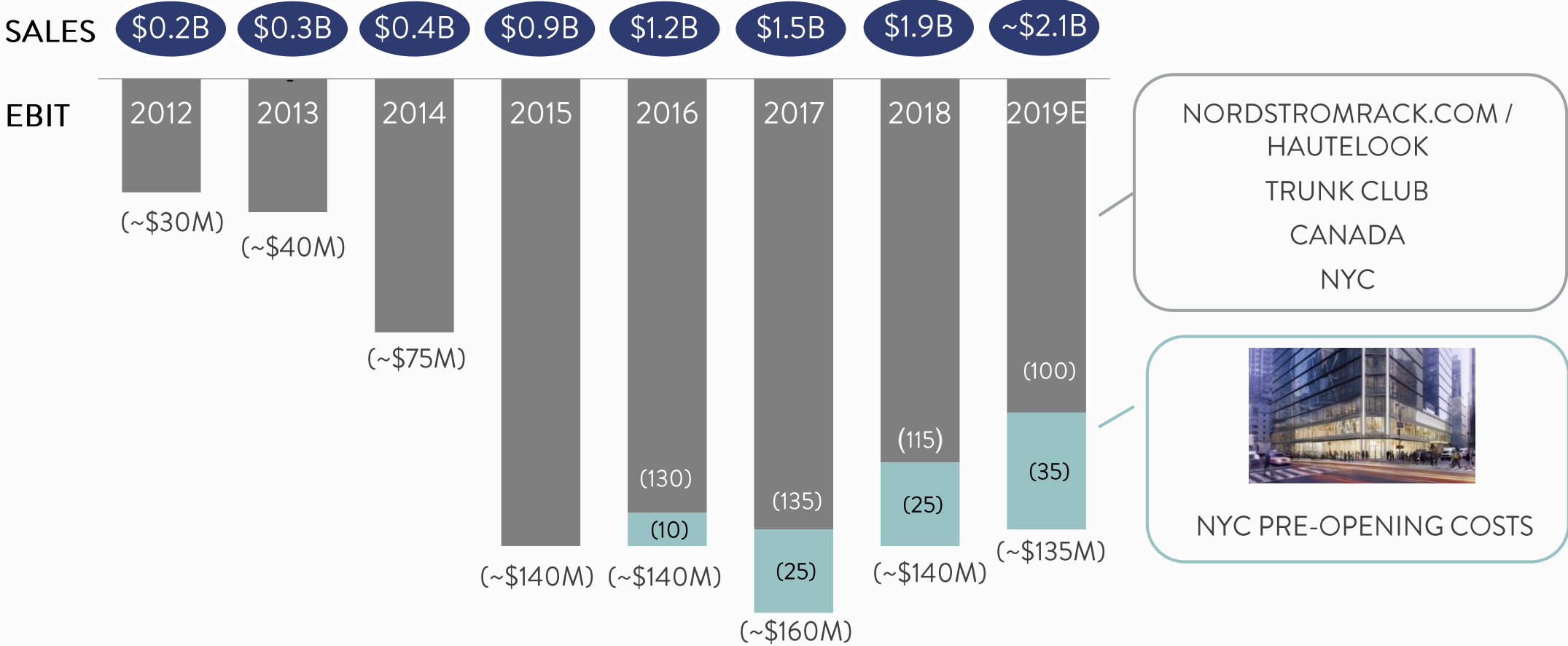
ANNE BRAMMAN

CHIEF FINANCIAL OFFICER

Q1 FINANCIAL SUMMARY

B/(W) VS. LY	Q1 2019	COMMENTS
TOTAL SALES	(3.5%)	Full-Price (5.1%) ; Off-Price (0.6%)
INVENTORY DECREASE	5.3%	Positive spread of 180 bps between inventory and sales
GROSS PROFIT % OF SALES	(60 bps)	Planned markdowns and occupancy deleverage
SG&A % OF SALES	(168 bps)	Fixed expense deleverage; efficiency savings ahead of expectations
EBIT % OF SALES	(212 bps)	Strong inventory & expense execution mitigated half of sales shortfall

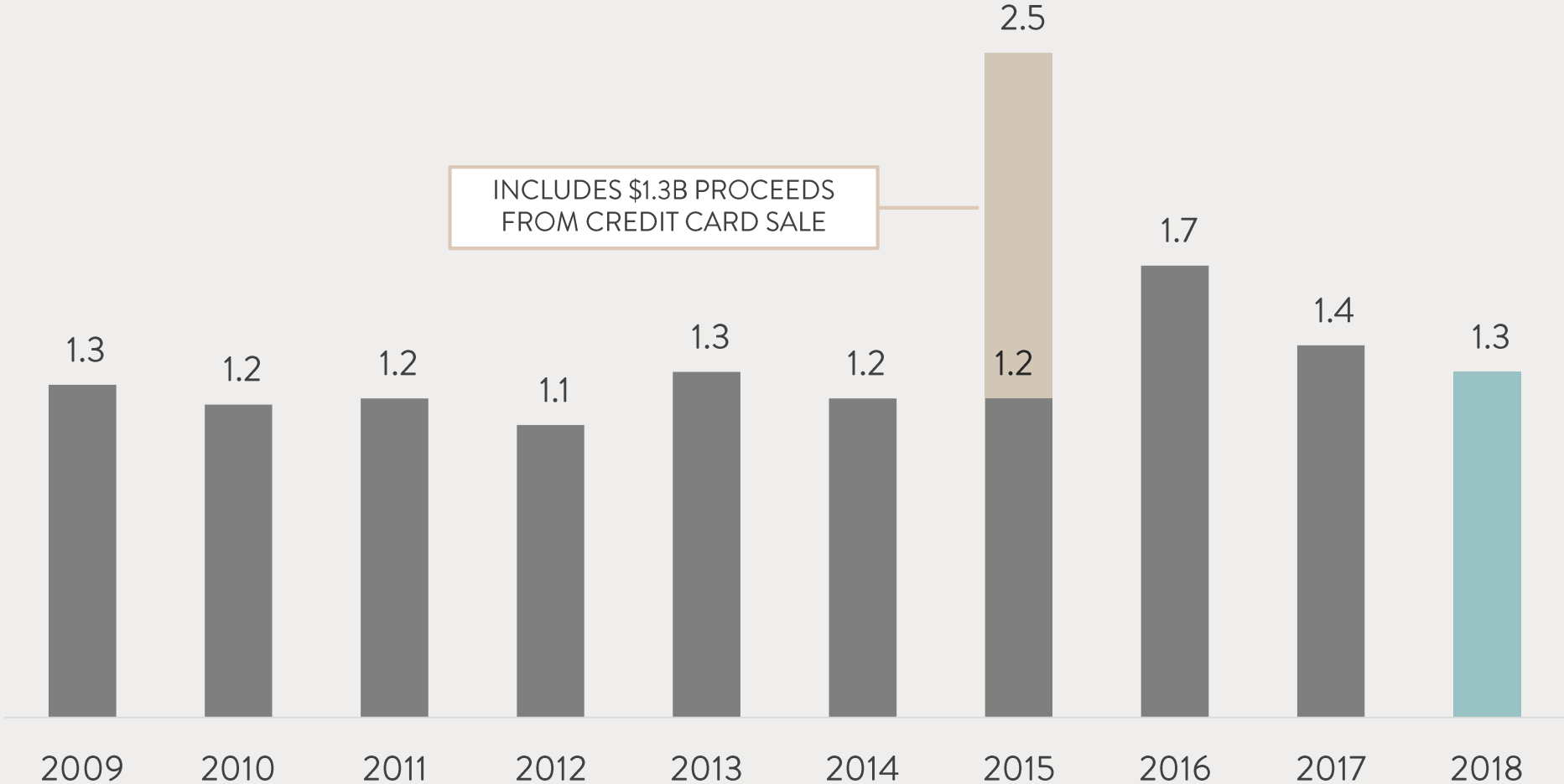
SCALING GENERATIONAL INVESTMENTS



2019E represents estimated sales and EBIT

STRONG FINANCIAL POSITION

TEN CONSECUTIVE YEARS OF \$1B+ OPERATING CASH FLOW



FY 2019 GUIDANCE

	PRIOR OUTLOOK	UPDATED OUTLOOK
NET SALES	1% to 2% increase	2% decrease to flat
CREDIT REVENUE GROWTH	Mid to high single-digit growth	Low to mid single-digit growth
EBIT	\$915M to \$970M	\$805M to \$890M
EBIT MARGIN	5.9% to 6.1%	5.3% to 5.8%
EPS	\$3.65 to \$3.90	\$3.25 to \$3.65

2019 TIMING ASSUMPTIONS

The following assumptions are incorporated in 2019 guidance:

- Gross profit rate flat at mid-point
- Moderate SG&A deleverage (excl. 2018 estimated credit charge*)
- Estimated interest expense of ~\$115M
- Effective tax rate of ~26%
- Diluted shares outstanding ~158M

The Company is providing the following updated assumptions of quarterly trends:

REVISED OUTLOOK				YOY Growth (Decrease)	
	Q1	Q2	H2	FY 2019	FY 2019 (Adjusted*)
SALES	(3.5%)	Continuing trends from Q1 <ul style="list-style-type: none"> • Anniversary in-line with trends 	Above FY2019 <ul style="list-style-type: none"> • Gradual improvement • Q4 NYC opening 	(2%) to flat	(2%) to flat
EBIT	(50%)	Below FY2019 <ul style="list-style-type: none"> • Gross profit deleverage (similar to Q1) • SG&A deleverage (roughly half vs. Q1) 	Above FY2019 <ul style="list-style-type: none"> • H2 merchandise margin expansion (incl. Anniversary) • Q3 SG&A deleverage (incl. NYC pre-opening costs) • Q4 SG&A leverage (incl. expense efficiencies) 	(4%) to 6%	(11%) to (2%)

* Excludes Q3 non-recurring estimated credit-related charge of \$72M in 2018. Please reference Q3 2018 Earnings Release or Q3 Form 10-Q for additional information.



Q&A