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.
ERIK NORDSTROM

CO-PRESIDENT
## 2019 Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordstrom</td>
<td>(3.5%)</td>
<td>(5.1%)</td>
<td>(4.3%)</td>
</tr>
<tr>
<td>Full-price</td>
<td>(5.1%)</td>
<td>(6.5%)</td>
<td>(5.9%)</td>
</tr>
<tr>
<td>Off-price</td>
<td>(0.6%)</td>
<td>(1.9%)</td>
<td>(1.3%)</td>
</tr>
</tbody>
</table>
SALES DRIVERS

LOYALTY
Improved note redemptions

DIGITAL MARKETING
Increased traffic

MERCHANDISE
Continue to re-balance assortment

OUTCOMES

ANNIVERSARY
(+) Increase customer satisfaction
(-) Drive sales
(+) Improve event economics

OFF-PRICE
(+) Strong inventory & expense execution
(-) Further accelerate marketing
SERVING CUSTOMERS SEAMLESSLY

1/3

customers visit a store before purchasing online

1/2

customers browse online before buying in store

Based on 2017 research
SCALING IN LOS ANGELES

ENGAGING WITH SERVICES AT NORDSTROM LOCAL

2.5x customer spend
30% of Order Pick Up* sales
Product returned eight days faster

LEVERAGING INVENTORY

Greater & faster access to merchandise
July Order Pick Up* sales nearly tripled

* Order Pick Up represents Buy Online Pick Up in Store
EXPANDING PRESENCE IN NYC
SALES DRIVERS

LOYALTY
Addressed execution related to Nordstrom Notes

DIGITAL MARKETING
Accelerate Off-Price marketing

MERCHANDISING
Re-balance assortment with customer demand
# Q2 2019 RESULTS

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>H1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Sales</strong></td>
<td>(3.5%)</td>
<td>(5.1%)</td>
<td>(4.3%)</td>
</tr>
<tr>
<td><strong>Inventory Decrease</strong></td>
<td>5.3%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td><strong>Gross Profit % of Sales</strong></td>
<td>(60 bps)</td>
<td>(50 bps)</td>
<td>(55 bps)</td>
</tr>
<tr>
<td><strong>SG&amp;A % of Sales</strong></td>
<td>(168 bps)</td>
<td>(26 bps)</td>
<td>(93 bps)</td>
</tr>
<tr>
<td><strong>EBIT % of Sales</strong></td>
<td>(212 bps)</td>
<td>(47 bps)</td>
<td>(125 bps)</td>
</tr>
</tbody>
</table>
**FY 2019 OUTLOOK**

**PRIOR OUTLOOK**

- **Net sales**: 2% decrease to flat
- **Credit revenue growth**: Low to mid single-digit
- **EBIT**: $805M to $890M
- **EBIT margin**: 5.3% to 5.8%
- **EPS**: $3.25 to $3.65

**UPDATED OUTLOOK**

- **Net sales**: ~2% decrease
- **Credit revenue growth**: Low to mid single-digit
- **EBIT**: $805M to $855M
- **EBIT margin**: 5.3% to 5.6%
- **EPS**: $3.25 to $3.50
# 2019 Outlook Assumptions

<table>
<thead>
<tr>
<th>YOY Increase / (Decrease)</th>
<th>H1</th>
<th>H2</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>(4.3%)</td>
<td>Flat at mid-point</td>
<td>~(2%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Re-balancing merch assortment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Accelerating marketing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ Lapping The Nordy Club launch</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ NYC flagship opening</td>
<td></td>
</tr>
</tbody>
</table>

**Q3 Assumptions: (vs LY)**
- Modest sales improvement from H1
- Gross profit rate expansion
- SG&A rate deleverage *
- EBIT margin rate relatively flat *

**FY 2019 Assumptions:**
- Interest expense of ~$110M
- Effective tax rate of ~27%
- Diluted shares outstanding ~157M

* 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.
LONG-TERM VALUE CREATION

GAIN MARKET SHARE
- Local market strategy
- Generational investments

IMPROVE PROFITABILITY & RETURNS
- Leveraging inventory
- Bending expense curve

MAINTAIN DISCIPLINED CAPITAL ALLOCATION
- Moderating capex
- Accelerating free cash flow