

Macy's, Inc. Is a Modern Department Store

Macy's, Inc. operates iconic nameplates from off-price to luxury.



Market by Macy's

bloomingdale's



bloomies

bluemercury

We are an omni-channel retailer with a balanced merchandise assortment across categories for all life stages.

Throughout the company, we are enabling data-driven tools and enterprise capabilities.

- Omni-channel ecosystem that delivers a convenient and seamless shopping experience for our customers.
- Currently reimagining our private brands to compliment our mix of national brands
- Own Your Style brand platform reaffirms Macy's position as a style authority.
- Building Best-in-Class Experiences through Brand Partnerships (TRU, Pandora, etc.)¹.
- Disciplined inventory control leveraging enhanced data-driven tools and processes.
- Investing in talent and adding colleagues to support our long-term growth.
- Focused on investing in high-return opportunities that will accelerate our growth strategy.

Why We Win

We are a modern department store with a scaled digital platform and national physical footprint, focused on operational excellence and providing an experience for our customers, however they choose to shop.

We are financially healthy, with disciplined deployment of capital including returning cash to shareholders through dividends and share repurchases.

Through *Mission Every One*, Macy's, Inc. is creating a brighter future with bold representation for all.

- No material debt maturities until 2027.
- Targeting investment-grade credit metrics.
- Investments in digital & technology, data and analytics, supply chain modernization and omni-channel capabilities, including our growth vectors.
- \$600 million in share repurchases and \$173 million dividends paid to shareholders in FY 22.
- Directing \$5 billion of our spend through 2025 to our people, partners, products and programs to create a more equitable and sustainable future.
- Committed to building a workforce that represents the communities we serve.
- Focused on providing sustainable and ethically produced brands, products and services.

Awards & Accolades¹

We're getting recognition for our focus on excellence



macys inc

1. Not an exhaustive list

Macy's, Inc. Is a Modern Department Store

How We Will Grow

Strategic investments designed to fuel future profitable sales growth

1 Private Brands Reimagination

Designed to drive customer loyalty, be a differentiator for the business, compliment national brands matrix and benefit gross margin.

2 Off-mall Expansion

Integral role in supporting omni-channel ecosystem. Unlocking full potential by testing and learning, then incrementally accelerating openings if stores continue to outperform.

3 Digital Marketplace

On a multi-year journey with marketplace to test new categories and extend our offering in existing categories with new brands with no inventory risk.

4 Luxury Brands Growth

Attracting and retaining our luxury customer through differentiated products, services and experiences at Bloomingdale's and Bluemercury, as well as beauty at Macy's.

5 Personalized Offers and Communication

Opportunity to build loyalty, grow customer lifetime value and protect margins – creating tailored and intimate customer experience.

Targeting sustainable annual net sales and comparable owned-plus-licensed sales growth².

FY22 KPIs¹

Proof that our strategy is working

0.6% Comparable owned + licensed sales growth	33% Digital sales as a percent of net sales	10.8% Adjusted EBITDA margin
-3% Inventory change versus FY21	2.0x Adjusted debt to adjusted EBITDAR ratio	\$457M Free Cash Flow

Long-term Financial Targets

What our work is leading to



Low single-digit net sales and comparable owned plus licensed sales growth²



Low double-digit Full-year adjusted EBITDA margin



Maintain year-end adjusted debt to adjusted EBITDAR ratio of 2.0x or below

1. Not an exhaustive list

2. Expected in 2024 and based on the timing and anticipated impact of several roll-outs. Does not assume an improvement in consumer health. Investments are reflected in FY23 SG&A and CapEx assumptions.

Any forward-looking statements made in this document are subject to the safe harbor statement found in the Macy's, Inc. SEC filings and press releases. The company's fourth quarter 2022 earnings release and related financial information are available on its website, www.macysinc.com. Also available on the website is an investor presentation. This document included non-GAAP financial measures that exclude the impact of certain financial statement items as described in the fourth quarter 2022 press release

Macy's, Inc. Modern Department Store Transformation

FY19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
<p>Established Transformation Office under Chief Transformation and Human Resources Officer</p> <p>Began laying the groundwork for Polaris</p> <p>Organized supply chain department under first Chief Supply Chain Officer</p> <p>Chief Stores Officer Promoted</p>	<p>Polaris 5 Pillars Introduced</p> <p>First Market by Macy's Opened in TX</p> <p>New Chief Digital Officer</p> <p>COVID-19 Pandemic Began: Macy's, Inc. cut CapEx, suspended dividend, paused share repurchase, issued COVID-19 debt furloughed colleagues, closed stores</p> <p>Consumer shifted to online shopping, demand for active/casual and home categories rapidly increased</p>	<p>Reopened stores, furloughed colleagues returned</p>	<p>Macy's Media Network Launched</p>	<p>New Chief Financial Officer Hired</p>	<p>New Chief Information Officer Hired</p> <p>Formally introduced 6th Polaris pillar; EDA team formed, incentives updated</p> <p>Initial roll out of pricing science</p> <p>Chief Merchandising Officer Promoted</p> <p>Supply chain disruptions began with Suez Canal blockage</p>	<p>Private Brand <i>And Now This</i> Launched</p> <p>Opened 300th Backstage location</p> <p>New Bluemercury CEO Hired</p>	<p>Unveiled capital allocation strategy, paid down secured debt borrowed during COVID-19, reinstated dividend and share repurchase program</p> <p>Toys "R" Us Introduced Online</p> <p>Private Brand <i>Oake</i> Launched</p> <p>Introduced Live Shopping</p> <p>First Bloomie's opened in Fairfax, VA</p> <p>Macy's Media Network expanded to include Bloomingdale's</p> <p>Bloomingdale's CEO named EVP, adds oversight of Bluemercury</p>	<p>Total Rewards benefit expanded, \$15 min. wage, free education through Guild</p> <p>Launched First-Ever NFT Series to celebrate 95th Annual Macy's Thanksgiving Day Parade®</p>	<p>Refinanced and paid down debt: re-laddered debt maturities and pushed out material maturities to 2027, decollateralized debt, extended ABL</p> <p>Introduced <i>Mission Every One</i></p> <p>Launched <i>Own Your Style</i></p> <p>Consumer demand shifted from pandemic to occasion-based categories and from digital to in-store shopping; consumer began to feel impacts of inflation</p>	<p>Completed \$15 minimum wage raise</p>	<p>Committed to set emission reductions in line with climate science with the Science Based Targets initiative</p> <p>Macy's Marketplace Launched</p> <p>Toys "R" Us opened in all stores</p> <p>Bloomingdale's celebrated 150th anniversary</p> <p>Launched The Cache</p> <p>Appointed Dr. Love as first Dermatologist Advisor</p>	<p>S.P.U.R. Pathways introduced</p> <p>Exited the year with inventories below FY19 and FY21 levels</p> <p>Since FY19, closed 80 full-line Macy's stores</p>

Timeline of significant events and key initiatives from FY19-FY22

- Macy's, Inc.
- Macy's
- Bloomingdale's
- Bluemercury
- Macro Events

Chief Executive Officer Promoted in FY17