
Lauren Ralph Lauren @ Macy's

macys inc

macy's bloomingdale's BLUEMERCURY

2Q26 Earnings

September 10, 2026

Safe Harbor Statement

All statements in this presentation that are not statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Macy's management and are subject to significant risks and uncertainties. Actual results could differ materially from those expressed in or implied by the forward-looking statements contained in this presentation because of a variety of factors, including Macy's ability to successfully implement its Bold New Chapter strategy, including the ability to realize the anticipated benefits associated with the strategy, competitive pressures from specialty stores, general merchandise stores, off-price and discount stores, manufacturers' outlets, the Internet and catalogs and general consumer spending levels, including the impact of the availability and level of consumer debt, conditions to, or changes in the timing of proposed real estate and other transactions, declines in credit card revenues, possible systems failures and/or security breaches, business, legal and ethical challenges related to use of artificial intelligence, Macy's reliance on foreign sources of production, including risks related to the disruption of imports by labor disputes, regional or global health pandemics, regional political and economic conditions, the effect of potential changes to trade policies, the effect of weather, inflation, inventory shortage, and labor shortages, the potential for the incurrence of charges in connection with the impairment of tangible and intangible assets, including goodwill, the amount and timing of future dividends and share repurchases, and other factors identified in documents filed by the company with the Securities and Exchange Commission, including under the captions "Forward-Looking Statements" and "Risk Factors" in the company's Annual Report on Form 10-K for the year ended January 31, 2026. Macy's disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

This presentation includes non-GAAP financial measures that exclude the impact of certain financial statement items. Additional important information regarding these non-GAAP financial measures as well as others used in the earnings release can be found on the Investors section of our website and in the appendix of this presentation.

Second Quarter 2026 Macy's, Inc.

Performance Highlights

macys inc

+2.7%

Comparable Sales[1] vs. 2Q25

$0.63

Adjusted Diluted Earnings Per Share (EPS)

- **Macy's, Inc.**: Net sales, comparable sales, Adj. EBITDA and Adj. EPS exceeded guidance
- **Macy's Nameplate**: 5th consecutive quarter of positive comparable sales[2], led by Reimagine 200 locations
- **Bloomingdale's**: Double-digit comp sales growth and best second quarter sales volume on record
- **Bluemercury**: Solid comparable sales growth
- Excluding net tariff refund of $0.23, Adj. EPS up 14% YOY

[1] Comparable sales and OLM sales refer to owned-plus-licensed-plus-marketplace sales.
[2] All reported nameplate comparable sales and OLM sales are on a go-forward basis.

Strengthen & Reimagine

Macy's Nameplate

Second Quarter 2026

+1.1%
Comparable Sales[1] vs. 2Q25

$4.2B
OLM Sales[1]

- Comparable sales: +230 bps on a 2-year stack
- Reimagine locations comp sales +1.9%
  - Five consecutive quarters of Reimagine comparable sales growth
  - Increases in 9 of last 10 quarters
- Reimagine stores consistently perform higher on NPS
- Expanded Ask Macy's, AI-powered conversational shopping assistant, to in-store colleagues
- Continued progress on brand curation

[1] All reported nameplate comparable sales and OLM sales are on a go-forward basis.

Accelerate & Differentiate

Bloomingdale's

Second Quarter 2026

+11.3%
Comparable Sales vs. 2Q25

$922M
OLM Sales

- Highest second quarter sales volume in 154-year history
- Comparable sales: up ~1,700 bps on a 2-year stack
- Differentiated and unique positioning from premium contemporary to luxury
  - Clear emphasis on discovery, newness and experiences
  - Evolving brand assortment to attract new and engage existing customers
- Launched AI-powered conversational shopping assistant


Toteme @ Bloomingdale's


Storefront @ Bluemercury

Accelerate & Differentiate

Bluemercury

Second Quarter 2026

+6.2%
Comparable Sales vs. 2Q25

$76M
OLM Sales

- Successful in-store marketing campaign, Summer Party
- Dermatological skincare, makeup and fragrances led growth
  - Brand highlights: Skinceuticals, Victoria Beckham Beauty, La Mer and Jo Malone
- New and remodeled stores continued to perform

Simplify & Modernize

End-to-End Operations

Second Quarter 2026

+7.0%

2Q26 Units Processed Per Hour[1] vs 2Q25

+6.7%

Improvement in Order-to-Ship Days[2]

- Harnessing reach and capabilities of Macy's, Inc.
  - Support revenue growth
  - Improve customer experience
  - Execute strategy effectively
- Advancing AI and automation
  - Focus on customer journey, inventory management and localization
  - Ensure human connection remains central to customers and colleagues

Macy's Distribution Center

[1] Specific to direct-to-consumer and store replenishment network, and excludes furniture bedding and reverse logistics.
[2] Days between an order placed and shipped.

A Bold New Chapter

Will build on what has been working, including our go-forward fleet, product and brand relevancy, and improved omni-channel experiences and messaging


Club Room @ Macy's

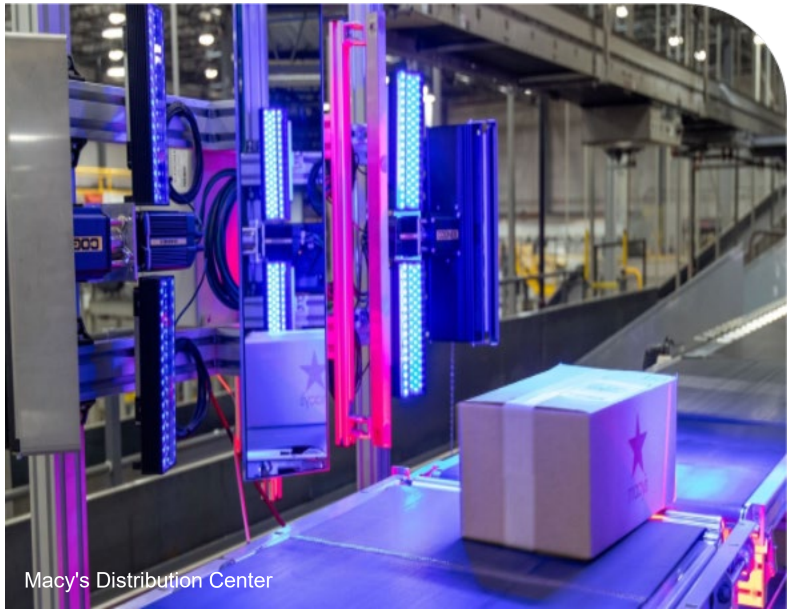
Strengthen & Reimagine

Macy's Nameplate


Aqua @ Bloomingdale's

Accelerate & Differentiate

Luxury


Macy's Distribution Center

Simplify & Modernize

End-to-End Operations

A Bold New Chapter

Second Quarter 2026

Financial Results & Capital Allocation

Disney @ Macy's

Second Quarter 2026 Financial Results & Capital Allocation

Sales Highlights

macys inc

+2.7%

Comparable Sales vs. 2Q25

+2.8%

Go-Forward Business[1] Comparable Sales vs. 2Q25

$4.9B

Net Sales[2] +1.1% vs. 2Q25

$5.3B

OLM Sales vs. $5.2B in 2Q25

Note: 2Q26 digital penetration of net sales: 31%; owned comparable average unit retail (AUR): +9.1% vs. 2Q25.

[1] Defined as Macy's, Bloomingdale's and Bluemercury go-forward locations and digital.

[2] Includes the impact of FY25 store closures, primarily Macy's nameplate locations, which contributed approximately $35 million in 2Q25. Excluding these locations, Macy's, Inc. net sales was +1.9% vs. 2Q25.

A.L.C. @ Bloomingdale's


Levi's @ Macy's

Nameplate Highlights

Results versus 2Q25

macy's

Comparable Sales	**+1.1%**
Reimagine 200 Locations Comparable Sales	**+1.9%**
OLM Sales	**$4.2B**

bloomingdale's

Comparable Sales	**+11.3%**
OLM Sales	**$922M**

BLUEMERCURY

Comparable Sales	**+6.2%**
OLM Sales	**$76M**

Second Quarter 2026 Financial Results & Capital Allocation

Profitability & Productivity Highlights

macys inc	Actuals	Change vs. 2Q25
Other Revenue	$193	+3.2%
Credit Card Revenue	$156	+2.0%
Macy's Media Network	$37	+8.8%
Total Revenue	$5,059	+1.2%
Go-Forward Total Revenue	$4,936	+1.9%
Gross Margin	$2,018	+5.5%
Gross Margin Rate[1, 2]	41.5%	+180 bps
SG&A Expense	$1,960	+0.8%
SG&A Expense Rate[3]	38.7%	-20 bps
Adjusted EBITDA	$457	+22.5%
Adjusted EBITDA Margin Rate[3]	9.0%	+150 bps
Diluted EPS	$0.62	+100.0%
Adjusted Diluted EPS	$0.63	+80.0%

NOTE: In millions, except per share figures & percentages.
[1] % of net sales.
[2] Gross margin rate would have increased ~10 bps excluding the net tariff refund benefit and impact of ongoing tariff and fuel costs.
[3] % of total revenue.

On @ Bloomingdale's

Capital Allocation Highlights

macys inc

$586M

YTD Operating Cash Inflow, vs. $255M in 1H25

$262M

YTD Free Cash Flow, vs. outflow of $88M in 1H25[1]

$324M

YTD Capital Expenditures compared to $343M in 1H25

$201M

YTD Shareholder Returns, $101M Dividend Payments, $100M Share Repurchases

[1] Macy's, Inc revised its definition of free cash flow to exclude Proceeds from disposition of assets, net. Revised amounts for the 13-week, 26-week, 39-week and 52-week periods of FY25 and for the 13-week period of FY26 are as follows: -$241 million; -$88 million; -$278 million; $690 million; and $115 million, respectively.

A Bold New Chapter

Looking Ahead

Calvin Klein @ Macy's

Third Quarter 2026 Guidance

For more information, refer to the appendix section of this presentation

$4.65B to $4.70B	**-0.5% to +0.5%**
Net Sales	Comparable Sales
3.7% to 4.0%	**-$0.23 to -$0.19**
Adjusted EBITDA Rate[1, 2]	Adjusted Diluted EPS[2, 3]

[1] % of total revenue.
[2] Based on the company's non-GAAP definitions as described in its 8-K filing on February 18, 2026. For further information, see the appendix of this presentation regarding Updated Disclosure Metrics, or the 8-K filing.
[3] The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

Full Year 2026 Guidance

Adj. EPS assumptions reflect better results and confidence in the Bold New Chapter strategy, as well as a pass-through of a portion of tariff refunds

For more information, refer to the appendix section of this presentation

Metric	Guidance
Net Sales	**$21.675B to $21.825B**
Comparable Sales	**+1.0% to +1.5%**
Adjusted EBITDA Rate[1, 2]	**7.8% to 8.0%**
Adjusted Diluted EPS [2,3]	**$2.15 to $2.35**

[1] % of total revenue.
[2] Based on the company's non-GAAP definitions as described in its 8-K filing on February 18, 2026. For further information, see the appendix of this presentation regarding Updated Disclosure Metrics, or the 8-K filing.
[3] The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

A Bold New Chapter

Q&A

Macy's 100th Thanksgiving Day Parade Merchandise

Appendix

Messika @ Bloomingdale's

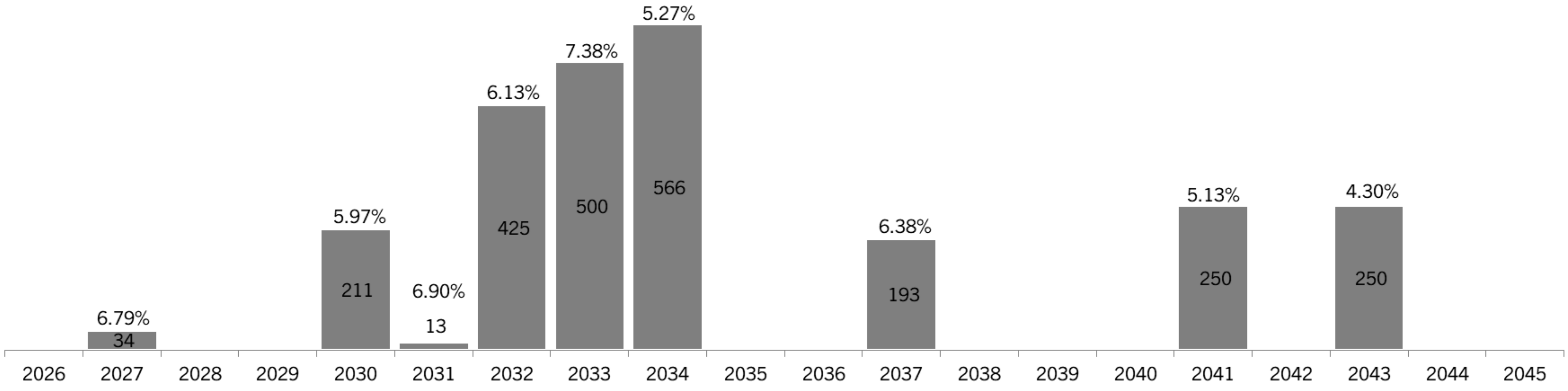
Appendix

Store Count as of 8/1/2026

	End of 2Q26 Locations	Change in Locations Since End of FY25
Macy's Department Stores	378	—
Macy's Small Format	20	—
Macy's Furniture	30	—
Freestanding Backstage	4	—
Total Macy's	432	—
Bloomingdale's Department Stores	31	—
Bloomies	4	—
Bloomingdale's Furniture/Other	1	—
Bloomingdale's The Outlet	25	—
Total Bloomingdale's	61	—
Bluemercury	168	-4
Total Macy's, Inc.	661	-4

NOTE: Using store locations combines multi-box stores into a single location provides a more accurate count of the store fleet. Excluded in the count above is 287 Macy's Store Within Store Backstage locations located within Macy's stores.

Long-term Debt Maturities as of 8/1/2026



Note: % represents weighted average interest rate. All outstanding long-term debt is unsecured.

Appendix

Full Year 2026 Guidance as of 9/10/2026

The company is providing the following estimates for certain FY26 financial statement items. Refer to the following guidance assumptions slide for more details.

	As of 9/10/2026 (bold captions indicate a change)	As of 6/3/2026
Net sales	**$21.675 billion to $21.825 billion**	$21.5 billion to $21.75 billion
Comparable sales	**1.0% to 1.5%**	0.5% to 1.2%
Other revenues	$920 million	$920 million
Gross margin rate[1]	**38.5% to 38.7%**	38.4% to 38.6%
SG&A Dollars	**Up 1.5% to 2.25%**	Up 1% to 2%
Adjusted EBITDA margin rate[2, 3]	**7.8% to 8.0%**	7.7% to 7.9%
Interest expense, net	**$90 million**	$100 million
Adjusted tax rate	24.3%	24.3%
Diluted shares outstanding[4]	**272 million**	274 million
Adjusted diluted EPS[3, 4]	**$2.15 to $2.35**	$2.00 to $2.20
Capital expenditures	**$800 million to $825 million**	~$800 million

[1] % of net sales.
[2] % of total revenue.
[3] Based on new definitions as of the 8-K filing on February 18, 2026. For further information, see the appendix of this presentation regarding Updated Disclosure Metrics, or the 8-K filing.
[4] The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

Appendix

Full Year 2026 Guidance Assumptions as of 9/10/2026

General Considerations

- The company continues to take a prudent approach to guidance, providing flexibility to respond to changes in the competitive landscape and external environment.
- 3Q26 guidance assumes a mid-30's tax rate and FY26 guidance assumes a mid-20's tax rate.
- 3Q26 and FY26 guidance assumes a reduced level of tariff headwinds vs prior assumptions for the balance of the year.
- In FY26, the company expects digital penetration to be slightly over a third of net sales and depreciation & amortization to be ~$900 million.

Tariff Refund

- 3Q26 and FY26 guidance incorporates reinvestments of the majority of tariff refunds with approximately $0.05 per share flowing through to full year adjusted diluted EPS.

Comparable Sales

- The company expects Macy's Reimagine 200 location and digital performance to be partially offset by the go-forward Macy's locations that have not yet received initiatives and the stores the company has planned for closures in 2026 and beyond.

FY26 Store Closure Impacts

- Store closures contributed ~$145 million of net sales in FY25, equating to ~$40 million in 1Q25, ~$35 million in 2Q25, ~$30 million in 3Q25 and ~$40 million in 4Q25.

Cost Savings

- All future savings the company anticipates to achieve are contemplated within its guidance.

Additional Considerations

- The company continues to expect cash proceeds for all closures of approximately $650 million to $700 million. Of this, company has approximately $250 million to $300 million expected in FY26 and beyond, representing about $1.00 per share of value.

Tariff Refunds

Balanced approach to deploying proceeds in support of Bold New Chapter strategy

The company received all expected tariff refunds totaling $116 million.[1] It plans to flow a portion to the bottom-line and reinvest the balance in 2026 to:

- Invest in Macy's brand building
- Strengthen value proposition
- Accelerate Reimagine store pilots for 2027 program expansion
- Mitigate uncertainty of fuel headwinds

IEEPA Tariff Recovery & Deployment

		2Q26	3Q26	4Q26	FY26
Total Gross Tariff Refunds[2]	Refunds Received:	$98 million	$18 million	-	$116 million
	Per Share:	$0.27	$0.05	-	$0.32
Less: Reinvestments (both GM and SG&A)		$(14) million	$(82) million		$(96) million
Net Tariff Refunds Benefit (Investment)	Pre-Tax Impact:	$84 million	$(64) million		$20 million
	Adj. EPS:	**$0.23**	**$(0.18)**		**$0.05**

[1]At this time, the company does not expect to receive further tariff refunds.

[2]Inclusive of a $95 million gross margin benefit and $3 million interest benefit in 2Q26, and a $17 million gross margin benefit and $1 million interest benefit in 3Q26.

A Bold New Chapter

Reconciliation of GAAP to Non-GAAP Financial Measures

Macy's Thanksgiving Day Parade

Appendix

Updated Disclosure Metrics

(Updated Financial Reporting Metrics)

On February 18, 2026, Macy's, Inc. filed a Form 8-K announcing updates to certain financial disclosure metrics. These changes are intended to simplify Macy's, Inc's disclosures for its go-forward business comparable sales and provide increased clarity on key metrics that support Macy's, Inc. growth profile and operating performance.

In millions, except percentages	1Q25	2Q25	3Q25	4Q25	FY25	1Q26	2Q26
Macy's, Inc. Comparable OLM Sales	(1.2)%	1.9 %	3.2 %	1.8 %	1.5 %	3.0 %	2.7 %
Macy's, Inc. Go-Forward Business Comparable OLM Sales	(0.9)%	2.2 %	3.4 %	2.0 %	1.7 %	3.1 %	2.8 %
Macy's Go-Forward Business Comparable OLM Sales	(1.9)%	1.5 %	2.3 %	0.6 %	0.6 %	1.6 %	1.1 %
Bloomingdale's Go-Forward Business Comparable OLM Sales	3.8 %	5.7 %	9.0 %	9.9 %	7.4 %	10.2 %	11.3 %
Bluemercury Go-Forward Comparable OLM Sales	1.5 %	1.2 %	1.1 %	1.3 %	1.6 %	6.4 %	6.2 %
Macy's, Inc. OLM Sales	$5,047	$5,182	$5,160	$8,198	$23,587	$5,164	$5,289
Macy's, Inc. Go-Forward Business OLM Sales	$4,886	$5,016	$5,000	$7,968	$22,871	$5,040	$5,161
Macy's Go-Forward Business OLM Sales	$3,980	$4,118	$4,037	$6,622	$18,757	$4,042	$4,163
Bloomingdale's Go-Forward Business OLM Sales	$840	$826	$894	$1,256	$3,816	$929	$922
Bluemercury Go-Forward OLM Sales	$66	$73	$69	$90	$298	$69	$76
Macy's, Inc. Go-Forward Total Revenue	$4,640	$4,843	$4,762	$7,696	$21,940	$4,776	$4,936
Percent change vs. prior year	-0.9%	+1.6%	+3.9%	+1.8%	+1.6%	+2.9%	+1.9%
Net income	$38	$87	$11	$507	$642	$63	$169
Federal, state and local income tax (benefit) expense	30	28	(6)	155	207	30	58
Interest expense, net	27	25	25	20	97	25	23
Loss on extinguishment of debt	3	13	16	—	33	—	—
Benefit plan income, net	(4)	(4)	(4)	(4)	(16)	(6)	(6)
Pension settlement charges	—	—	—	67	67	—	—
Impairment, restructuring and other costs	7	22	4	196	230	(17)	16
Interchange fee settlement, net	—	—	—	(328)	(328)	—	—
Gains on sale of real estate	(16)	(16)	(12)	(3)	(48)	(15)	(9)
Adjusted EBIT	$85	$155	$34	$610	$884	$80	$251
Depreciation and amortization	219	218	235	223	894	210	206
Adjusted EBITDA	$304	$373	$269	$833	$1,778	$290	$457

Appendix

Updated Disclosure Metrics

(Updated Financial Reporting Metrics, continued)

On February 18, 2026, Macy's, Inc. filed a Form 8-K announcing updates to certain financial disclosure metrics. These changes are intended to simplify Macy's, Inc's disclosures for its go-forward business comparable sales and provide increased clarity on key metrics that support Macy's, Inc. growth profile and operating performance.

In millions, except per share data	1Q26		2Q26	
	Net Income	**Diluted EPS**	**Net Income**	**Diluted EPS**
As Reported	$ 63	$0.23	$ 169	$0.62
Benefit plan income, net	(6)	(0.02)	(6)	(0.02)
Impairment, restructuring and other costs	(17)	(0.06)	16	0.06
Gains on sale of real estate	(15)	(0.05)	(9)	(0.03)
Income tax impact of items identified above	10	0.03	—	—
As adjusted to exclude items above	$ 35	$0.13	$ 170	$0.63

In millions, except per share data	1Q25		2Q25		3Q25		4Q25		FY25	
	Net Income	**Diluted EPS**	**Net Income**	**Diluted EPS**	**Net Income**	**Diluted EPS**	**Net Income**	**Diluted EPS**	**Net Income**	**Diluted EPS**
As Reported	$ 38	$0.13	$ 87	$0.31	$ 11	$0.04	$ 507	$1.84	$ 642	$2.32
Loss on extinguishment of debt	3	0.01	13	0.05	16	0.06	—	0.00	33	0.12
Benefit plan income, net	(4)	(0.01)	(4)	(0.01)	(4)	(0.02)	(4)	(0.02)	(16)	(0.06)
Pension settlement charges	—	0.00	—	0.00	—	0.00	67	0.24	67	0.24
Impairment, restructuring and other costs	7	0.03	22	0.08	4	0.01	196	0.71	230	0.83
Interchange fee settlement, net	—	0.00	—	0.00	—	0.00	(328)	(1.19)	(328)	(1.19)
Gains on sale of real estate	(16)	(0.06)	(16)	(0.06)	(12)	(0.04)	(3)	(0.01)	(48)	(0.17)
Income tax impact of items identified above	3	0.01	(4)	(0.02)	(1)	0.00	18	0.07	15	0.06
As adjusted to exclude items above	$ 31	$0.11	$ 98	$0.35	$ 14	$0.05	$ 453	$1.64	$ 595	$2.15

Reconciliation of GAAP to Non-GAAP Financial Measures

The company reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). However, management believes that certain non-GAAP financial measures provide users of the company's financial information with additional useful information in evaluating operating performance. Management believes that earnings before interest and taxes (“EBIT”) and earnings before interest, taxes, depreciation and amortization (“EBITDA”), which are non-GAAP financial measures, provides meaningful information about its operational efficiency by excluding the impact of changes in tax law and structure, debt levels and capital investment. In addition, management believes that excluding certain items that are not associated with the company’s core operations and that may vary substantially in frequency and magnitude from period-to-period net income, diluted earnings per share and EBITDA provides useful supplemental measures that assist in evaluating the company's ability to generate earnings and leverage sales, respectively, and to more readily compare these metrics between past and future periods. Management also believes that Adjusted EBIT and Adjusted EBITDA are frequently used by investors and securities analysts in their evaluations of companies, and that such supplemental measures facilitate comparisons between companies that have different capital and financing structures and/or tax rates. Management also believes free cash flow provides a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow provided by operating activities, free cash flow includes the impact of capital expenditures, providing a more complete picture of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustment for certain non-discretionary cash flows such as mandatory debt repayments. The Company uses certain non-GAAP financial measures as performance measures for components of executive compensation.

The company does not provide reconciliations of the forward-looking non-GAAP measures of Adjusted EBITDA as a percent of total revenue and adjusted diluted earnings per share to the most directly comparable forward-looking GAAP measures, and is unable to address the probable significance to future results of any items excluded from these measures, because the timing and amount of excluded items are unreasonably difficult to fully and accurately estimate.

Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the company's financial results prepared in accordance with GAAP. Certain of the items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the company's financial position, results of operations or cash flows and should therefore be considered in assessing the company's actual and future financial condition and performance. The methods used by the company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies.

Earnings Before Interest, Taxes, Depreciation, and Amortization Excluding Certain Items

In millions, except percentages	**13 weeks ended August 1, 2026**	**13 weeks ended August 2, 2025**
Most comparable GAAP measure:		
Total revenue	$5,059	$4,999
Net income	$169	$87
Net income as a percent to total revenue	3.3%	1.7%
Non-GAAP measure:		
Net income	$169	$87
Federal, state and local income tax expense	58	28
Interest expense, net	23	25
Loss on extinguishment of debt	—	13
Benefit plan income, net	(6)	(4)
Impairment, restructuring and other (benefits) costs	16	22
Gains on sale of real estate	(9)	(16)
Adjusted earnings before interest and taxes (EBIT)	$251	$155
Depreciation and amortization	206	218
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)	$457	$373
Adjusted EBIT as a percent to total revenue	5.0%	3.1%
Adjusted EBITDA as a percent to total revenue	9.0%	7.5%

Earnings Before Interest, Taxes, Depreciation, and Amortization Excluding Certain Items

In millions, except percentages	**26 weeks ended August 1, 2026**	**26 weeks ended August 2, 2025**
Most comparable GAAP measure:		
Total revenue	$9,951	$9,791
Net income	$232	$124
Net income as a percent to total revenue	2.3%	1.3%
Non-GAAP measure:		
Net income	$232	$124
Federal, state and local income tax expense	88	58
Interest expense, net	48	51
Loss on extinguishment of debt	—	17
Benefit plan income, net	(12)	(8)
Impairment, restructuring and other (benefits) costs	(1)	30
Gains on sale of real estate	$(23)	$(32)
Adjusted earnings before interest and taxes (EBIT)	$332	$240
Depreciation and amortization	416	437
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)	$748	$677
Adjusted EBIT as a percent to total revenue	3.3%	2.5%
Adjusted EBITDA as a percent to total revenue	7.5%	6.9%

Net Income and Diluted Earnings Per Share, Excluding Certain Items

In millions, except per share figures	**13 weeks ended August 1, 2026**		**13 weeks ended August 2, 2025**	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	$169	$0.62	$87	$0.31
Loss on extinguishment of debt	—	—	13	0.05
Benefit plan income, net	(6)	(0.02)	(4)	(0.01)
Impairment, restructuring and other (benefits) costs	16	0.06	22	0.08
Gains on sale of real estate	(9)	(0.03)	(16)	(0.06)
Income tax impact of items identified above	—	—	(4)	(0.02)
As adjusted to exclude items above	$170	$0.63	$98	$0.35
Net tariff refund benefit	(84)	(0.31)	—	—
Income tax impact of net tariff refund benefit	21	0.08	—	—
As adjusted to exclude the impact of the net tariff refund benefit, net of tax	$107	$0.40	$98	$0.35

Net Income and Diluted Earnings Per Share, Excluding Certain Items

In millions, except per share figures	**26 weeks ended August 1, 2026**		**26 weeks ended August 2, 2025**	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	$232	$0.85	$124	$0.44
Loss on extinguishment of debt	—	—	17	0.06
Benefit plan income, net	(12)	(0.04)	(8)	(0.02)
Impairment, restructuring and other (benefits) costs	(1)	—	30	0.11
Gains on sale of real estate	(23)	(0.09)	(32)	(0.12)
Income tax impact of items identified above	9	0.03	(2)	(0.01)
As adjusted to exclude items above	$205	$0.75	$129	$0.46

Free Cash Flow

In millions	26 weeks ended August 1, 2026	26 weeks ended August 2, 2025
Net cash provided by operating activities	$586	$255
Purchase of property and equipment	(153)	(179)
Capitalized software	(171)	(164)
Free Cash Flow	$262	$(88)