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# 3Q23 Earnings Highlights

Comparisons to 3Q22 unless otherwise noted.

Delivered better-than-expected performance on both top and bottom lines

Gross margin rate of 40.3%, up 160 basis points year-over-year

Merchandise inventories down 6% year-over-year, down 17% to 2019

Diluted EPS of \$0.15 and Adjusted Diluted EPS of \$0.21

## \$5B Net Sales

Owned Comparable Sales -7.0%

Owned + Licensed Comparable

(O+L) Sales -6.3%

## \$178M Other Revenue Total

\$142M Credit Card

\$36M Macy's Media Network

## 40.3% Gross Margin Rate<sup>1</sup>

40.5% SG&A Expense Rate<sup>2</sup>

6.6% Adjusted EBITDA Rate<sup>2</sup>

\$0.21 Adjusted Diluted EPS

1) Rate is a % of sales; 2) rate is a % of total revenue

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"I'd like to thank our teams for executing well during the quarter. We delivered better-than-expected top and bottom line third quarter results and are entering the holiday period in a healthy inventory position. Our portfolio of nameplates are leading gift-giving destinations across the value spectrum offering exclusive products. We have refined our gift assortment, simplified our promotions and improved our shopping experience. Looking forward we have strong continuity with Tony Spring transitioning to CEO in February and I am confident he and our leadership team will guide Macy's, Inc. to sustainable long-term profitable sales growth in the future."

– Jeff Gennette, Macy's, Inc. chairman and chief executive officer

## Capital Allocation

**\$158M**

YTD cash flow from operating activities

**\$555M**

YTD free cash flow outflow

**\$749M**

YTD capital expenditures

**\$135M**

YTD dividends paid to shareholders

**\$25M**

YTD share repurchases under open-ended share repurchase authorization program

## Guidance FY23<sup>3</sup>

**\$22.9B to \$23.2B**

Net Sales

**\$2.88 to \$3.13**

Adjusted Diluted EPS

3) Updated annual sales and earnings outlook reflects 3Q23 results as well as the risks associated with an uncertain macro-economic climate and the related pressures on consumers, and provides flexibility to respond to intra-quarter demand trends.

## Guidance 4Q23<sup>4</sup>

**\$7.95B to \$8.25B**

Net Sales

**\$1.85 to \$2.10**

Adjusted Diluted EPS

4) 4Q23 adjusted diluted EPS takes into account the previously discussed shift in timing of certain SG&A expenses into 4Q23 as well as an incremental \$15 million of combined investments in marketing spend and growth vectors. Together, these items are anticipated to impact 4Q23 adjusted diluted EPS by \$0.07.

Any forward-looking statements made in this infographic are subject to the safe harbor statement found in Macy's SEC filings and press releases. The Company's third quarter 2023 earnings release and related financial information are available on its website, www.macysinc.com. Also available on the website is an investor presentation. This infographic includes non-GAAP financial measures that exclude the impact of certain financial statement items as described in the third quarter 2023 press release.