



macys inc

★ macys

bloomingdales

BLUEMERCURY

3Q24 Earnings

December 11, 2024



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, Inc.'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, Inc.'s ability to successfully implement its A Bold New Chapter strategy, including the ability to realize the anticipated benefits within the expected timeframe or at all, conditions to, or changes in the timing of proposed real estate and other transactions, prevailing interest rates and non-recurring charges, the effect of potential changes to trade policies, store closings, 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, possible systems failures and/or security breaches, the potential for the incurrence of charges in connection with the impairment of intangible assets, including goodwill, declines in credit card revenues, Macy's, Inc.'s reliance on foreign sources of production, including risks related to the disruption of imports by labor disputes, regional or global health pandemics, and regional political and economic conditions, the effect of weather, inflation, inventory shortage and labor shortages, the amount and timing of future dividends and share repurchases, our ability to execute on our strategies or achieve expectations related to environmental, social, and governance matters, and other factors identified in documents filed by the company with the Securities and Exchange Commission ("SEC"), including under the captions "Forward-Looking Statements" and "Risk Factors" in the company's Annual Report on Form 10-K for the year ended February 3, 2024. Macy's, Inc. 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.

Other Corporate Development

As previously disclosed on November 25, 2024, during the preparation of the company's unaudited condensed consolidated financial statements for the fiscal quarter ended November 2, 2024, the company identified an issue related to delivery expenses in one of its accrual accounts. The company consequently initiated an independent investigation which has now been completed and, following its analysis, determined that there was no material impact to financial results for any historical annual or interim period. As a result of the independent investigation and forensic analysis, the company identified that a single employee with responsibility for small package delivery expense accounting intentionally made erroneous accounting accrual entries to hide approximately \$151 million of cumulative delivery expenses from the fourth quarter of 2021 through the third quarter of 2024. As previously communicated, the investigation determined that this matter had no impact on the company's cash management activities or vendor payments.

3Q24 year-over-year comparisons as well as 4Q24 and FY24 outlooks reflect revised results. The company is also revising its historical consolidated financial statements that were impacted by the misstatement to properly reflect delivery expense, the related accrual and tax effects. Additional details and revised financial information for the: fiscal years 2021, 2022, and 2023 and quarterly periods in fiscal year 2023 can be found in the company's December 11, 2024 Form 8-K.

3Q24 Macy's, Inc.

Performance Highlights

macys inc

\$4.7B

Net sales

39.6%

Gross margin rate^{1,3}

42.1%

SG&A expense rate²

\$0.04

Adjusted Diluted Earnings
Per Share (EPS)³

- First 50 Macy's locations, Bloomingdale's and Bluemercury delivered positive comparable sales growth.⁴
- Maintained effective expense controls.
- Generated asset sale gains above expectations.

¹ % of net sales. ² % of total revenue.

³ Includes adjustment for delivery expense of \$13M, ~30 bps, and \$0.04, respectively. ⁴ Macy's First 50 locations comparable owned-plus-licensed (O+L) sales, Bloomingdale's comparable owned-plus-licensed-plus-marketplace (O+L+M) sales, Bluemercury comparable owned sales.



A Bold New Chapter

Challenging the status quo to fundamentally reposition the company, enhance the customer experience, deliver growth and unlock shareholder value.



Strengthen

Macy's Nameplate



Accelerate

Luxury Growth



Simplify & Modernize

End-to-End Operations



A Bold New
Chapter

Strengthen

Macy's Nameplate

Strengthen Macy's Nameplate

First 50 Locations

+1.9%

Comparable O+L sales vs. 3Q23, +410 bps vs. Macy's nameplate

+400 bps

First 50 NPS year-over-year improvement, third consecutive quarter of improvement

+600 bps

Women's shoes sales¹ year-over-year outperformance vs. locations without staffing investments

+700 bps

Handbags sales¹ year-over-year outperformance vs. locations without staffing investments

- First 50 locations achieved third consecutive quarter of positive comparable O+L sales.
- Customers responding to improved customer experience, enhanced merchandising, modernized visual presentation and eventing.
- Expanded First 50 investments in women's shoe and/or handbag staffing to about 100 additional locations.

¹ Additional ~100 locations that received women's shoes and/or handbag staffing investments.



Strengthen Macy's Nameplate

3Q24 Performance

-2.2%

Macy's comparable owned-plus-licensed-plus-marketplace (O+L+M) sales vs. 3Q23

+230 bps

NPS year-over-year improvement, achieved highest score ever

- Improving customer experience through merchandise revitalization and elevated colleague training programs.
- Fragrances remain a standout while men's non-active apparel, handbags and home sales were weak year-over-year but improved sequentially.
- Encouraged by the pace and economics of non-go-forward stores asset sales, accelerating planned closure activity.
 - Expect to close ~65 locations in FY24, up from prior expectations of ~55 (provided on 2Q24 call) and ~50 (provided on 1Q24 call).

LUCALI+RAG&BONE

Accelerate

Luxury Growth

A Bold New Chapter

RAG & BONE
x
LUCALI

We have an unprecedented creative
collab. & have teamed up with
the best in denim engineering to
realize the art of the skin.

From
ITALY
With
LOVE

LUCALI+RAG&BONE

Bloomingdale's

+3.2%

Comparable O+L+M sales¹
vs. 3Q23

~2B

From Italy, With Love
campaign media impressions

- Return to positive comps driven by women's advanced contemporary apparel, beauty and digital.
 - Added new brands, including SKIMS and Jenni Kayne.
 - Handbag category improvement with strength in Tory Burch, Coach, Longchamp and Rebag launch.
 - Home category remained pressured.
- NPS increased 70 bps year-over-year, delivering its highest historical score.
- From Italy, With Love campaign was a strong traffic driver.
- Fourth Bloomie's location opened 11/14 in Shrewsbury, NJ.

¹Excludes one Non-Go-Forward location.





Accelerate Luxury Growth

Bluemercury

+3.3%

Comparable owned sales
vs. 3Q23

15th

Consecutive quarter of
comparable sales growth

- Expanded Sisley Paris, SkinMedica and Augustinus Bader and introduced Victoria Beckham Beauty.
- 25th Anniversary celebration kicked off in September with the unveiling of an elevated website aesthetic that offers improved navigation, an educational blog and new logo.
- Remodeled 4 locations and opened 8 new stores in 3Q24.
 - YTD remodeled 5 locations and opened 9.



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Simplify & Modernize

End-to-End Operations

Simplify & Modernize End-to-End Operations

YTD Highlights

+800 bps

Year-over-year speed of delivery improvement

+800 bps

Year-over-year speed of fulfillment improvement

- Year-over-year merchandise inventories improved sequentially by 210 bps.
- Phasing out legacy technology to improve customer experience.
- Optimizing cash flow generation and improved NPS for product availability, in stock rates and fulfillment of packages.



Holiday 2024

Across nameplates, developed exciting strategies with multiple consumer touchpoints and events.



★ macy's



bloomingdale's



BLUEMERCURY



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3Q24 Financial Results and Capital Allocation

Sales Highlights

macys inc

\$4.7B

Net sales -2.4% vs 3Q23,
digital penetration 30%

-2.4%

Comparable owned sales vs 3Q23

-1.3%

Comparable O+L+M sales vs 3Q23

-0.9%

Go-forward Macy's, Inc. business¹
comparable O+L+M sales vs
3Q23

¹ Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital





3Q24 Financial Results and Capital Allocation

Nameplate Highlights

Results versus 3Q23

★ macy's	
Net Sales	-3.1%
Comparable O+L+M Sales	-2.2%
Go-Forward Macy's Business Comparable O+L+M Sales ¹	-1.8%
First 50 Locations Comparable O+L Sales	+1.9%

blōomingdales	
Net Sales	+1.4%
Comparable O+L+M Sales ²	+3.2%

BLUEMERCURY	
Net Sales	+3.2%
Comparable Owned Sales	+3.3%

¹ Go-Forward Macy's business includes all Macy's Go-Forward Locations and Digital.

² Excludes one Non-Go-Forward location.

3Q24 Financial Results and Capital Allocation

Profitability & Productivity Highlights

macys inc

	Actuals	Change
		vs 3Q23
Other Revenue	\$161	-9.6%
Credit Card Revenue	\$120	-15.5%
Credit Card Penetration rate ¹	42.2%	-200 bps
Macy's Media Network	\$41	+13.9%
Total Revenue	\$4,903	-2.7%
Gross Margin²	\$1,878	-3.9%
Gross Margin Rate^{2, 3}	39.6%	-60 bps
SG&A Expense	\$2,064	+1.2%
SG&A Expense Rate⁴	42.1%	+160 bps
EBIT⁵	\$68	-12.8%
Adjusted EBIT²	\$45	-55.0%
Adjusted EBIT Margin Rate^{2,4}	0.9%	-110 bps
EBITDA⁵	\$296	-4.2%
Adjusted EBITDA⁵	\$273	-17.5%
Adjusted EBITDA Margin Rate^{4, 5}	5.6%	-100 bps
Diluted EPS⁶	\$0.10	-33.3%
Adjusted Diluted EPS⁶	\$0.04	-81.0%
Inventory	\$6,257	+3.9%

NOTE: In millions, except per share figures & percentages. ¹ Reflected strategically fewer Star Money Bonus days relative to last year. ² Includes adjustment for delivery expense in 3Q24 and 3Q23 of \$13M, or ~30 bps, and \$3M, or ~10 bps, respectively. ³ % of net sales ⁴ % of total revenue. ⁵ Includes adjustment for delivery expense in 3Q24 and 3Q23 of \$13M, or ~20 bps, and \$3M, with no rate change, respectively. ⁶ Includes adjustment for delivery expense in 3Q24 of \$0.04, with no change 3Q23.





3Q24 Financial Results and Capital Allocation

YTD Capital Allocation Highlights

macys inc

\$30M

Operating Cash Outflow

\$649M

Capital Expenditures

\$492M

Free Cash Outflow

\$144M

Dividend Payments

Our Priorities Remain

- Maintaining a healthy balance sheet,
- Investing in long-term profitable growth initiatives, and
- Returning capital to shareholders.



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Looking Ahead

4Q24 Guidance

As of December 11, 2024

The company is providing the following estimates for certain 4Q24 financial statement items
For more information, refer to the appendix section of this presentation

\$7.8B to \$8.0B

Net Sales

\$206M to \$216M

(Credit Card Revenues: \$138M to \$148M)

Other Revenue

35.3% to 35.7%

Gross Margin Rate¹

(includes ~85 bps adjustment for delivery expense⁴)

\$1.40 to \$1.65

Adjusted Diluted EPS²

(includes ~\$0.17 adjustment for delivery expense⁴)

~Flat vs 4Q23

Inventory³

NOTE: 4Q24 is 13-week period while 4Q23 was a 14-week period. On a 13-week basis, net sales are expected to be down ~1% to up ~1.5%. The company's outlook excludes any potential impact from the credit card late fee ruling, which was stayed on May 10, 2024.

¹ % of net sales.

² The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

³ Adjusting for the shift to cost accounting, projected inventories would be down low-single-digits.

⁴ 4Q24 small package delivery expense had not been forecast properly due to the erroneous accounting entries and as a result the adjustment to delivery expense had not been included in previously issued guidance.

FY24 Guidance

Revised as of December 11, 2024

The company is providing the following estimates for certain FY24 financial statement items
For more information, refer to the appendix section of this presentation

\$22.3B to \$22.5B

Net Sales

**-1.0% to Flat
vs FY23**

Comparable
O+L+M Sales

**-1.0% to Flat
vs FY23**

Macy's Go-Forward¹
Comparable O+L+M Sales

**+2.0% to +2.5%
vs FY23**

Luxury Nameplates²
Comparable O+L+M Sales

\$680M to \$690M

(Credit Card Revenues: \$500M to \$510M)

Other Revenue

38.2% to 38.3%

Gross Margin Rate³
(includes ~40 bps adjustment for
delivery expense⁶)

8.0% to 8.4%

Adjusted EBITDA Rate⁴
(includes ~35 bps adjustment for
delivery expense⁶)

\$2.25 to \$2.50

Adjusted Diluted EPS⁵
(includes \$0.21 adjustment for delivery
expense⁶)

NOTE: Full Guidance Details can be found in the additional information section of this presentation. FY24 is a 52-week period while FY23 was a 53-week period. The FY24 outlook for all metrics is provided on a 52-week basis, with the exception of comparable sales, which is provided on a 52-week basis for both periods. The company's outlook excludes any potential impact from the credit card late fee ruling, which was stayed on May 10, 2024.

¹ Macy's Go-Forward locations and digital. ² Bloomingdale's and Bluemercury Go-Forward locations and digital. ³% of net sales. ⁴% of total revenue.

⁵The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded. ⁶FY24 small package delivery expense had not been forecast properly due to the erroneous accounting entries and as a result the adjustment to delivery expense had not been included in previously issued guidance.



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Q&A

WICKED
ONLY IN THEATERS

A
WICKED
GOOD
HOLIDAY

A Bold New
Chapter

Appendix



Appendix

Store Count as of 11/2/2024

	End of 3Q24	Change In Locations from FY23
	Locations	
Macy's Department Stores	435	—
Macy's Small Format	24	+12
Macy's Furniture	43	-2
Macy's Furniture Clearance	1	—
Freestanding Backstage	9	—
Total Macy's	512	+10
Bloomingdale's Department Stores	32	—
Bloomies	3	—
Bloomingdale's Furniture/Other	1	—
Bloomingdale's The Outlet	23	+2
Total Bloomingdale's	59	+2
Bluemercury	164	+5
Total Macy's, Inc.	735	+17

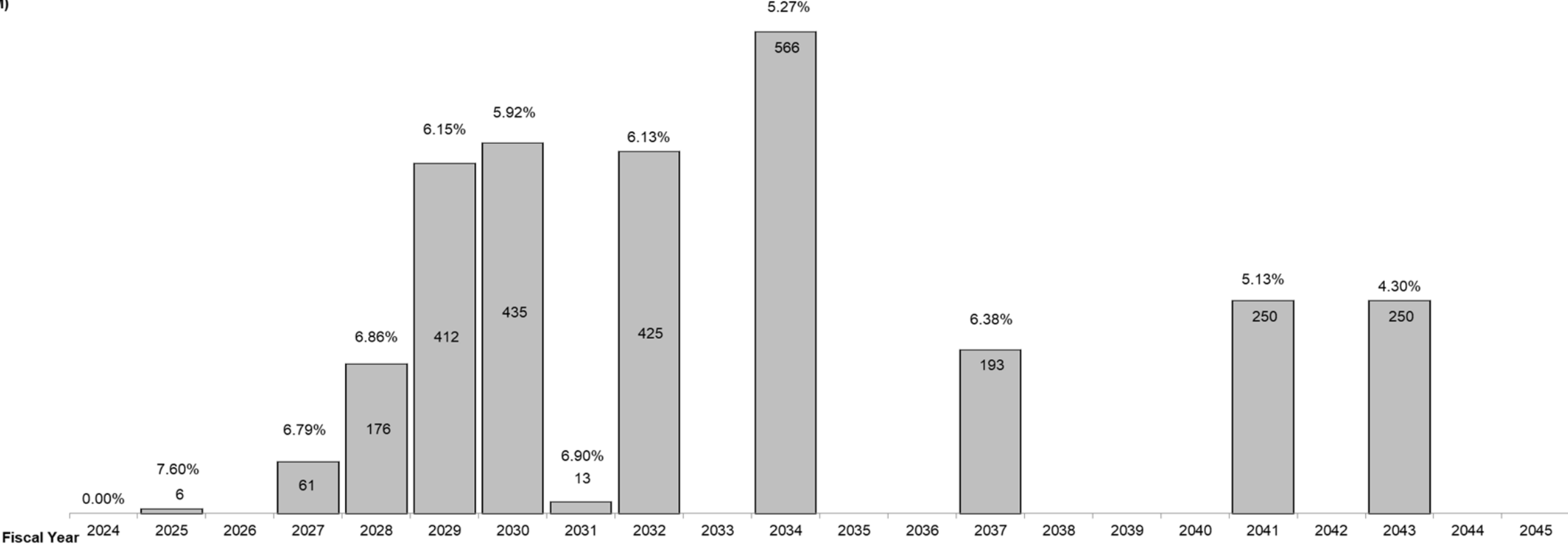
¹ Using store locations combines multi-box stores into a single location provides a more accurate count of the store fleet.

² Excluded in the count above is 310 Macy's Store Within Store Backstage locations located within Macy's stores.

Appendix

Long-term Debt Maturities as of 11/2/2024

(\$M)



Note: % represents weighted average interest rate. All outstanding long-term debt is unsecured. The \$6M of debt due 2025 is classified as short-term debt on the Consolidated Balance Sheet.

3Q24 Macy's Sales Highlights

	Change
	vs 3Q23
Net Sales	-3.1%
Comparable O+L+M Sales	-2.2%
Go-Forward Macy's Business Comparable O+L+M Sales ¹	-1.8%
Go-Forward Macy's Locations Comparable O+L Sales ²	-1.2%
First 50 Locations Comparable O+L Sales	+1.9%
Non-First 50 Go-Forward Macy's Locations Comparable O+L Sales	-2.5%
Non-Go-Forward Macy's Locations Comparable O+L Sales	-5.9%

¹ Go-Forward Macy's business includes all Macy's Go-Forward Locations and Digital.

² Go-Forward Macy's locations inclusive of First 50 and Non-First 50 Go-Forward Locations.

3Q24 Additional Sales Highlights

	Actuals	Change
		vs 3Q23
Macy's Digital¹		
Digital visits	416M	+0.4%
Conversion rate	3.7%	-20 bps
Luxury Nameplates Digital		
Digital visits	74M	+9.3%
Conversion rate	2.5%	Flat
Backstage		
Comparable owned sales versus Macy's full-line		+300 bps
Bloomingdale's the Outlet		
Comparable owned-plus-licensed sales versus Bloomingdale's full-line		-200 bps

¹ Macys.com visits and conversion metrics may be restated to exclude BOT activity.

FY23 Nameplate Customer¹ Highlights

Actuals

Macy's

Active customers	41.2M
Star Rewards active member accounts	30.1M
Star Rewards program members % of Macy's comparable O+L+M sales	73%

Bloomingdale's

Active customers	4.0M
Loyallist program active member accounts	2.4M
Loyallist program members % of Bloomingdale's comparable O+L+M sales	81%

Bluemercury

Active Customers	711K
Loyalty program member accounts ²	1.0M
Loyalty program members % of Bluemercury sales	85%

¹ An active customer / loyalty member is defined as a customer/member account that had 1+ purchase with the respective nameplate.

² Represents total number of members within loyalty program.

Appendix

FY24 Guidance

The company is providing the following estimates for certain FY24 financial statement items, in addition to the adjusted 8/21/2024 FY24 guidance, that accounts for the \$79 million FY24 delivery expense impact related to the accounting accrual entry error. The impact was not included in the company's previously provided guidance.

	As of 12/11/2024, bold captions indicate a change	As of 8/21/2024, adjusted for delivery expense	As of 8/21/2024
Net sales	\$22.3 billion to \$22.5 billion		\$22.1 billion to \$22.4 billion
Comparable O+L+M sales	Down 1.0% to ~flat vs FY23		Down 2.0% to down 0.5% vs FY23
Go-Forward Macy's nameplate comparable O+L+M sales	Down 1.0% to ~flat vs FY23		Down 1.5% to flat vs FY23
Luxury nameplates comparable O+L+M sales	Up 2.0% to up 2.5% vs FY23		Up 0.5% to up 2.0% vs FY23
Other revenues	\$680 million to \$690 million <small>(credit card revenues expected to be \$500 million to \$510 million)</small>		\$670 million to \$685 million <small>(credit card revenues expected to be \$490 million to \$505 million)</small>
Gross margin rate¹	38.2% to 38.3%	38.6% to 38.8%	39.0% to 39.2%
SG&A expense rate²	36.5% to 36.3%		36.6% to 36.3%
Asset sale gains/Monetization proceeds³	\$135 million/\$275 million		\$115 million/\$150 million
Adjusted EBITDA margin²	8.0% to 8.4%	8.2% to 8.7%	8.6% to 9.0%
Interest expense, net	\$120 million		\$120 million
Adjusted tax rate	24.5%		24.5%
Diluted shares outstanding⁴	282 million		283 million
Adjusted diluted EPS⁴	\$2.25 to \$2.50	\$2.34 to \$2.69	\$2.55 to \$2.90
Capital expenditures	\$895 million		\$875 million to \$890 million

NOTE: FY24 guidance reflects a 52-week year. The company's outlook excludes any potential impact from the credit card late fee ruling, which was stayed on May 10, 2024. ¹ % of net sales. ² % of total revenue. ³ Includes planned closure of approximately 65 locations by the end of the fiscal year, closures expected to take place after Holiday 2024. ⁴ The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

Appendix

FY24 Guidance Assumptions

as of 12/11/2024

Housekeeping Items

- The company's guidance incorporates the revised historical delivery expense and updated delivery expense expectations. The delivery expense accounting accrual entry error was unknown at the time of the company's previously issued guidance on 8/21/24 and therefore was not incorporated.
 - The 4Q24 estimated adjustment for delivery expense is \$66 million to gross margin, or roughly 85 bps, and \$0.17 to Adjusted EPS.
 - The FY24 estimated adjustment for delivery expense is \$79 million to gross margin, or 40 bps, and \$0.21 to Adjusted EPS.
- The company's guidance assumes current pressure on the consumer persists and that they remain choiceful in their discretionary spending.
- FY24 is a 52-week period while FY23 was a 53-week period. The FY24 outlook for all metrics is provided on a 52-week basis, with the exception of comparable sales, which is provided on a 52-week basis for both periods. The 53rd week in fiscal 2023 contributed \$252 million to net sales.
- The Macy's nameplate completed its conversion to cost accounting at the beginning of FY24. As a result, gross margin and inventory are not directly comparable to FY23. The company estimates that slightly less than half of the 3Q24 gross margin rate decrease and approximately half of the inventory increase was attributable to the shift to cost accounting. The estimated impact for the full-year variances versus last year on both is immaterial.
- The company renamed owned plus licensed sales comp (O+L) to owned plus licensed plus marketplace (O+L+M). Marketplace has been included within prior O+L results since its introduction, therefore a historical restatement is not needed.
- In FY24, the company expects digital penetration to be roughly a third of net sales and depreciation & amortization to be ~\$885 million.

Credit Card Revenue

- FY24 guidance does not include any impact for the credit card late fee ruling (which was stayed on May 10, 2024) in its 2024 outlook or beyond. The company will incorporate the impact when the ruling and timing of implementation are certain.
- FY24 credit card revenue outlook includes an assumption for an increase in net credit losses in 2024 versus 2023.

Asset Sale Gains

- 4Q24 guidance assumes roughly \$32 million of asset sale gains. 3Q24 asset sale gains relate to Macy's non-go-forward locations that are expected to close after Holiday 2024.

Cost Savings

- The company achieved the previously disclosed \$200 million of cost savings in FY23. All future savings the company anticipates to achieve are contemplated in its outlook.

Supply Chain

- The company continues to closely monitor supply chain disruptions and potential China tariff regulations. The company has mitigation strategies in place.

A Bold New Chapter

FY24 will be a transition and investment year.

**FY24 - FY26
Actions**

**Beginning in
FY25**

Close ~150 Underperforming Macy's Locations
Reprioritize investments in remaining ~350 locations¹

Grow Luxury² Store Locations by ~20%

Asset Monetization \$600M to \$750M³
Primarily related to stores & distribution center closures

Annual Low-Single-Digit Comp Sales⁴ Growth

Annual Mid-Single-Digit Adj. EBITDA Dollar Growth

Pre-Pandemic Levels of Annual Free Cash Flow

¹ Go-Forward Macy's locations inclusive of full line, furniture & current small formats.

² Luxury inclusive of Bloomingdale's & Bluemercury nameplates.

³ From FY24 – FY26, expect associated asset sale gains of \$250M to \$365M for Non-Go-Forward stores and distribution centers. Within this, expect asset sale proceeds of \$500M to \$650M and asset sale gains of \$250M to \$350M for Non-Go-Forward stores. Additionally, the company has generated over \$2.4B of real estate monetization proceeds from FY15-FY23.

⁴ Defined as comparable owned-plus-licensed-plus-marketplace sales.



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Reconciliation of GAAP to Non-GAAP Financial Measures



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 providing supplemental changes in comparable sales on an owned-plus-licensed-plus-marketplace basis, which includes adjusting for the impact of comparable sales of departments licensed to third parties and marketplace sales, assists in evaluating the company's ability to generate sales growth, whether through owned businesses, departments licensed to third parties or marketplace sales, and in evaluating the impact of changes in the manner in which certain departments are operated. Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure which the company believes 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 from EBITDA, net income and diluted earnings per share that are not associated with the company's core operations and that may vary substantially in frequency and magnitude from period-to-period provides useful supplemental measures that assist in evaluating the company's ability to generate earnings and to more readily compare these metrics between past and future periods.

The company does not provide reconciliations of the forward-looking non-GAAP measures of comparable owned-plus-licensed-plus-marketplace sales change, Adjusted EBITDA and adjusted diluted earnings per share to the most directly comparable forward-looking GAAP measures because the timing and amount of excluded items are unreasonably difficult to fully and accurately estimate. For the same reasons, the company is unable to address the probable significance of the unavailable information, which could be material to future results.

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. Additionally, the amounts received by the company on account of sales of departments licensed to third parties and marketplace sales are limited to commissions received on such sales. 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.

Changes in Comparable Sales

	13 weeks ended November 2, 2024 versus 13 weeks ended October 28, 2023	
	Macy's, Inc.	Macy's
Decrease in comparable sales on an owned basis (Note 1)	(2.4%)	(3.0%)
Impact of departments licensed to third parties and marketplace sales (Note 2)	1.1%	0.8%
Decrease in comparable sales on an owned-plus-licensed-plus-marketplace basis	(1.3%)	(2.2%)

Notes:

1. Represents the period-to-period percentage change in net sales from stores in operation for one full fiscal year for the 13 and 39 weeks ended November 2, 2024 and October 28, 2023. Such calculation includes all digital sales and excludes commissions from departments licensed to third parties and marketplace. Stores impacted by a natural disaster or undergoing significant expansion or shrinkage remain in the comparable sales calculation unless the store, or material portion of the store, is closed for a significant period of time. Definitions and calculations of comparable sales may differ among companies in the retail industry.
2. Represents the impact of including the sales of departments licensed to third parties occurring in stores in operation throughout the year presented and the immediately preceding year and all online sales, including marketplace sales, in the calculation of comparable sales. Macy's and Bloomingdale's license third parties to operate certain departments in its stores and online and receive commissions from these third parties based on a percentage of their net sales, while Bluemercury does not participate in licensed or marketplace businesses. In its financial statements prepared in conformity with GAAP, the company includes these commissions (rather than sales of the departments licensed to third parties and marketplace) in its net sales. The company does not, however, include any amounts in respect of licensed department or marketplace sales (or any commissions earned on such sales) in its comparable sales in accordance with GAAP (i.e., on an owned basis). The amounts of commissions earned on sales of departments licensed to third parties and from the digital marketplace are not material to its net sales for the periods presented.

Changes in Comparable Sales

	13 weeks ended November 2, 2024 versus 13 weeks ended October 28, 2023			
	Macy's, Inc. Go-Forward business	Macy's Go-Forward business	Bloomingdale's*	Bluemercury
Increase (decrease) in comparable sales on an owned basis (Note 1)	(2.0)%	(2.6)%	1.0%	3.3%
Impact of departments licensed to third parties and marketplace sales (Note 2)	1.1%	0.8%	2.2%	—%
Increase (decrease) in comparable sales on an owned-plus-licensed-plus-marketplace basis	(0.9)%	(1.8)%	3.2 %	3.3 %

*Excludes one Non-Go-Forward location.

	13 weeks ended November 2, 2024 versus 13 weeks ended October 28, 2023			
	Macy's First 50 locations	Macy's Non-First 50 Go-Forward locations	Macy's Go-Forward locations	Macy's Non-Go-Forward locations
Increase (decrease) in comparable sales on an owned basis (Note 1)	1.9%	(2.6%)	(1.3%)	(5.7%)
Impact of departments licensed to third parties (Note 2)	—%	0.1%	0.1%	(0.2%)
Increase (decrease) in comparable sales on an owned-plus-licensed basis	1.9 %	(2.5)%	(1.2)%	(5.9)%

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

<i>Millions, except percentages</i>	13 weeks ended November 2, 2024	13 weeks ended October 28, 2023
Most comparable GAAP measure:		
Total revenue	\$4,903	\$5,038
Net income	\$28	\$41
Net income as a percent to total revenue	0.6%	0.8%
Non-GAAP measure:		
Net income	\$28	\$41
Interest expense, net	32	35
Loss on early retirement of debt	1	—
Federal, state and local income tax expense	7	2
Earnings before interest and taxes (EBIT)	\$68	\$78
Depreciation and amortization	228	231
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$296	\$309
Impairment, restructuring and other (benefits) costs	(23)	15
Settlement charges	—	7
Adjusted EBIT	\$45	\$100
Adjusted EBIT as a percent to total revenue	0.9%	2.0%
Adjusted EBITDA	\$273	\$331
Adjusted EBITDA as a percent to total revenue	5.6%	6.6%

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

<i>Millions, except percentages</i>	39 weeks ended November 2, 2024	39 weeks ended October 28, 2023
Most comparable GAAP measure:		
Total revenue	\$14,999	\$15,491
Net income	\$240	\$173
Net income as a percent to total revenue	1.6%	1.1%
Non-GAAP measure:		
Net income	\$240	\$173
Interest expense, net	94	108
Loss on early retirement of debt	1	—
Federal, state and local income tax expense	87	50
Earnings before interest and taxes	\$422	\$331
Depreciation and amortization	657	665
Earnings before interest, taxes, depreciation and amortization	\$1,079	\$996
Impairment, restructuring and other (benefits) costs	(5)	21
Settlement charges	—	129
Adjusted EBIT	\$417	\$481
Adjusted EBIT as a percent to total revenue	2.8%	3.1%
Adjusted EBITDA	\$1,074	\$1,146
Adjusted EBITDA as a percent to total revenue	7.2%	7.4%

Net Income and Diluted Earnings Per Share, Excluding Certain Items

<i>Millions, except per share figures</i>	13 weeks ended November 2, 2024		13 weeks ended October 28, 2023	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	\$28	\$0.10	\$41	\$0.15
Impairment, restructuring and other (benefits) costs	(23)	(0.08)	15	0.05
Settlement charges	—	—	7	0.03
Loss on early retirement of debt	1	—	—	—
Income tax impact of certain items identified above	5	0.02	(6)	(0.02)
As adjusted to exclude certain items above	\$11	\$0.04	\$57	\$0.21

<i>Millions, except per share figures</i>	39 weeks ended November 2, 2024		39 weeks ended October 28, 2023	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	\$240	\$0.85	\$173	\$0.62
Impairment, restructuring and other (benefits) costs	(5)	(0.01)	21	0.07
Settlement charges	—	—	129	0.46
Loss on early retirement of debt	1	—	—	—
Income tax impact of certain items identified above	1	—	(38)	(0.13)
As adjusted to exclude certain items above	\$237	\$0.84	\$285	\$1.02

Free Cash Flow

<i>Millions</i>	39 weeks ended November 2, 2024
Net cash used by operating activities	\$(30)
Purchase of property and equipment	(399)
Capitalized software	(250)
Disposition of property and equipment	187
Free Cash Flow	<u>\$(492)</u>