



Flower Show Tote Bag and Charm @ Macy's

macys inc

★ macys

bloomingdales

BLUEMERCURY

1Q25 Earnings

May 28, 2025



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. 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 release because of a variety of factors, including Macy's, Inc.'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, 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, regional political and economic conditions, the effect of trade policies and tariffs, including changes thereto, 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, our ability to execute on our strategies and 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, 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 1, 2025. 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.

1Q25 Macy's, Inc.

Performance Highlights

macys inc

-1.2%

Comparable Owned-Plus-
Licensed-Plus-Marketplace
(O+L+M) Sales vs. 1Q24

\$0.16

Adjusted Diluted Earnings
Per Share (EPS)

- Delivered net sales, comparable O+L+M sales and Adj. diluted EPS above the company's previously issued guidance.
- Results benefited from better-than-expected omni-channel performance at each nameplate and continued progress on the Bold New Chapter strategy.





Strengthen & Reimagine

Macy's Nameplate

1Q25

-2.1%

Comparable O+L+M Sales vs.
1Q24

-0.8%

Reimagine 125 Comparable O+L
Sales vs. 1Q24

- Net Promoter Scores (NPS) continued to improve year-over-year (YOY).
- Reimagine 125 locations outperformed across all categories.
- Backstage store-within-store (SWS) locations outperformed the full-line Macy's in which they operate by several hundred basis points (bps).
- Marketplace gross merchandise value (GMV) achieved ~40% growth vs. 1Q24.

Accelerate & Differentiate

Bloomingdale's

1Q25

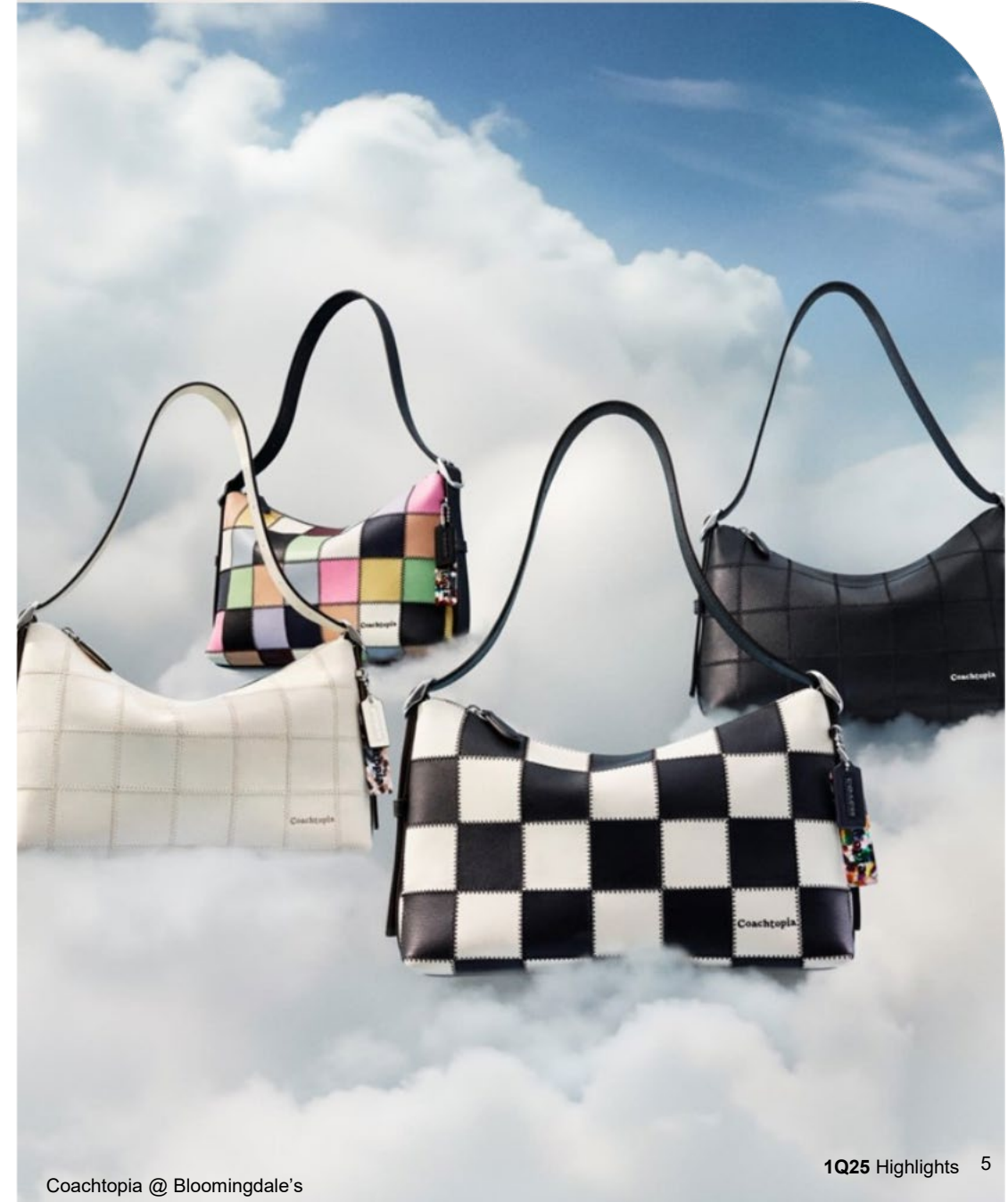
+3.8%

Comparable O+L+M Sales
vs. 1Q24

+55%

Approximate Marketplace
GMV increase vs. 1Q24

- Benefited from brand launches such as Prada shoes and handbags online, Reformation RTW and Burberry men's and RTW.
- Emphasizing special capsules and exclusive partnerships that align and reinforce its core identity.
- Aspirational to luxury positioning, compelling on-trend assortments and service orientation continue to attract new customers and vendor partners.
- Bloomie's and Bloomingdale's the Outlet allow Bloomingdale's to enter new markets and expand in existing markets.





New Bluemercury Store Format in Bronxville, NY

Accelerate & Differentiate

Bluemercury

1Q25

+1.5%

Comparable Owned Sales
vs. 1Q24

17th

Consecutive quarter of
comparable owned sales
growth

- Results driven by the 24 new and remodeled locations opened in FY24, ongoing strength in dermatological skincare, recent brand launches, and a more targeted approach to loyalty communications and offers.

Simplify & Modernize

End-to-End Operations

1Q25

-0.5%

Inventory vs. 1Q24

+340 bps

Speed of delivery¹ vs. 1Q24

- Efforts to drive meaningful change to customers, and the company's operational and financial performance, remain on track.
- Challenging the complexity of the company's business model and containing the cost to serve the value chain.
- Streamlining asset portfolio to deliver profitable sales growth.
- Reinvesting the benefits captured to self-fund improvement in customer experience.

¹ Percent of orders delivered in five days or less.





Evolving Global Trade Conditions and Tariffs

Overview

Business Model Advantages

- Multi-category and multi-branded model provides flexibility.
- Nameplates from off-price to luxury cater to ~40M active customers.
- Strong balance sheet and limited near-term debt maturities.

Sourcing and Anticipated Tariff Impact

- FY24 ~20% of total Macy's, Inc. product originated in China.
 - National brands sourced ~18%.
- Private brands source ~27% from China, down from ~32% in FY24 and over 50% pre-pandemic.
- FY25 gross margin anticipated impact to be ~20 bps to ~40 bps.

Mitigation Actions

- Diversifying countries of origin;
- Renegotiating orders with suppliers; and,
- Cancelling or delaying orders.

A Bold New Chapter

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



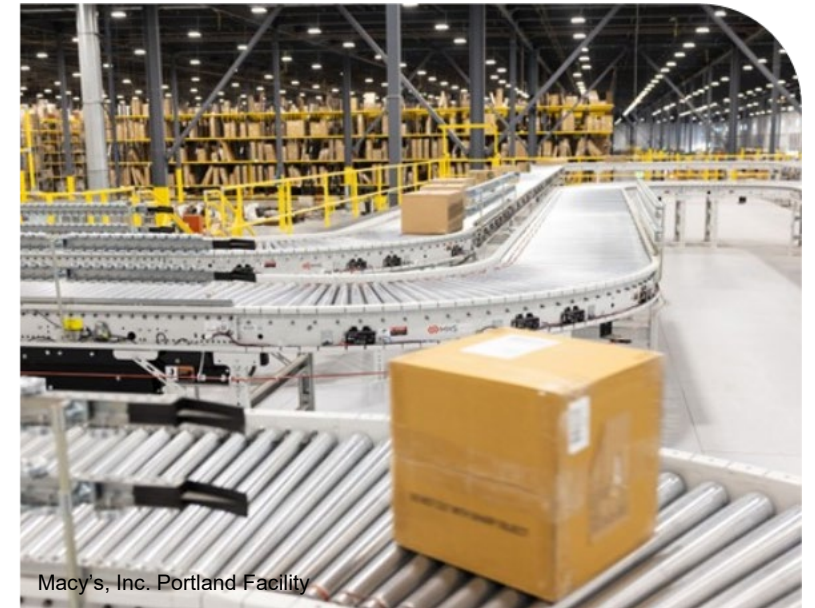
Strengthen & Reimagine

Macy's Nameplate



Accelerate & Differentiate

Luxury



Simplify & Modernize

End-to-End Operations

A bedroom scene featuring a bed with a dark wood headboard and a cane backrest. The bed is dressed in a light pink quilted duvet and several pillows: a large white ribbed pillow, a smaller pink textured pillow, and a white pillow with a small red floral pattern. To the right of the bed is a round white nightstand with a teal mug, a green candle, and a vase of white flowers. A window with white curtains is in the background.

A Bold New
Chapter

1Q25

Financial Results & Capital Allocation

Sales Highlights

macys inc

\$4.6B

Net sales¹ -5.1% vs 1Q24

-2.0%

Comparable Owned Sales vs.
1Q24

-1.2%

Comparable O+L+M Sales vs.
1Q24

-0.9%

Go-forward Business² Comparable
O+L+M Sales vs. 1Q24

¹ Reflects the impact of FY24 store closures, primarily Macy's nameplate locations, which contributed approximately \$170 million in 1Q24.

² Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital





Hugo Boss @ Macy's

1Q25 Financial Results & Capital Allocation

Nameplate Highlights

Results versus 1Q24

★macy's	
Net Sales ¹	-6.5%
Comparable O+L+M Sales	-2.1%
Go-Forward Macy's Business Comparable O+L+M Sales ²	-1.9%
bloomingdales	
Net Sales	+2.6%
Comparable O+L+M Sales	+3.8%
BLUEMERCURY	
Net Sales	+0.8%
Comparable Owned Sales	+1.5%

¹ Reflects the impact of FY24 store closures, primarily Macy's nameplate locations, which contributed approximately \$170 million in 1Q24.

² Go-Forward Macy's business includes all Macy's Go-Forward Locations and Digital.

Profitability & Productivity Highlights

macys inc

	Actuals	Change
		vs. 1Q24
Other Revenue	\$194	+26.0%
Credit Card Revenue	\$154	+31.6%
Macy's Media Network	\$40	+8.1%
Total Revenue	\$4,793	-4.1%
Gross Margin	\$1,804	-5.1%
Gross Margin Rate ¹	39.2%	Flat
SG&A Expense	\$1,913	+0.1%
SG&A Expense Rate ²	39.9%	+170 bps
Adjusted EBITDA	\$324	-11.0%
Adjusted EBITDA Margin Rate ²	6.8%	-50 bps
Core Adjusted EBITDA	\$308	-15.2%
Core Adjusted EBITDA Margin Rate ²	6.4%	-90 bps
Diluted EPS	\$0.13	-40.9%
Adjusted Diluted EPS	\$0.16	-40.7%
Inventory	\$4,663	-0.5%

NOTE: In millions, except per share figures & percentages. ¹% of net sales ²% of total revenue.



On 34th @ Macy's



1Q25 Financial Results and Capital Allocation

YTD Capital Allocation Highlights

macys inc

\$51M

Dividend Payments

\$101M

Share Repurchases

Capital Allocation Priorities

- Maintain a healthy balance sheet, driving working capital efficiencies;
- Strategically investing in growth initiatives while lowering capital expenditures; and,
- Returning capital to shareholders via a predictable dividend and share buybacks.



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Looking Ahead

FY25 Guidance

Go-Forward Business¹ Comparable O+L+M sales and **Core Adjusted EBITDA²** are the best proxy for the company's future state

The company is providing the following estimates for certain FY25 financial statement items, as of May 28, 2025

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

\$21.0B to \$21.4B

Net Sales

**-2.0% to -0.5%
vs. FY24**

Comparable
O+L+M Sales

7.4% to 7.9%

Adjusted EBITDA Rate³

\$1.60 to \$2.00

Adjusted Diluted EPS⁴

-2.0% to ~Flat vs. FY24

Go-Forward¹ Business Comparable O+L+M Sales

7.0% to 7.5%

Core Adjusted EBITDA Rate^{2,3}

NOTE: Full Guidance Details can be found in the additional information section of this presentation.

¹ Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital. ² Defined as Adjusted EBITDA excluding asset sale gains (i.e. gains on sale of real estate). ³% of total revenue.

⁴ The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

2Q25 Guidance

*The company is providing the following estimates for certain 2Q25 financial statement items, as of May 28, 2025
For more information, refer to the appendix section of this presentation*

\$4.65B to \$4.75B

Net Sales

-1.5% to +0.5%

Comparable O+L+M Sales

6.0% to 6.2%

Core Adjusted EBITDA Rate^{1,2}

\$0.15 to \$0.20

Adjusted Diluted EPS³

¹ Defined as Adjusted EBITDA excluding asset sale gains.

² % of total revenue.

³ The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.



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Q&A



A Bold New
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Appendix

Appendix

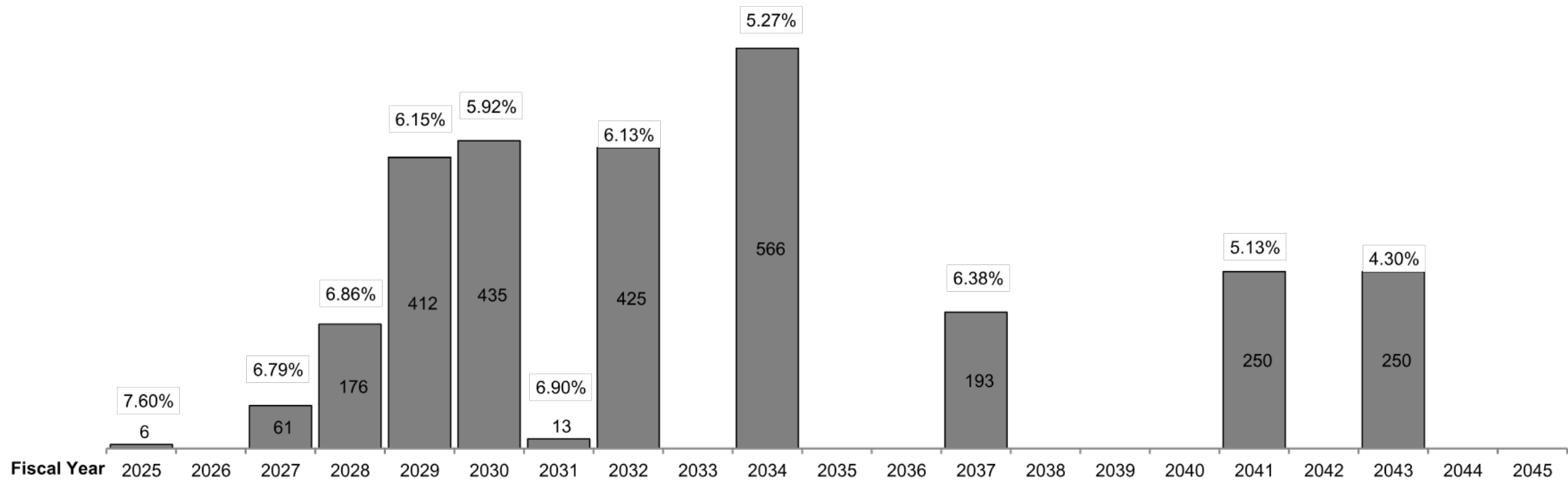
Store Count as of 5/3/2025

	End of 1Q25	Change In Locations from FY24
	Locations	
Macy's Department Stores	390	—
Macy's Small Format	20	—
Macy's Furniture	34	—
Macy's Furniture Clearance	1	—
Freestanding Backstage ¹	5	—
Total Macy's	450	—
Bloomingdale's Department Stores	31	—
Bloomies	4	—
Bloomingdale's Furniture/Other	1	—
Bloomingdale's The Outlet	23	—
Total Bloomingdale's	59	—
Bluemercury	170	-1
Total Macy's, Inc.	679	-1

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 288 Macy's Store Within Store Backstage locations located within Macy's stores.

¹Includes two Macy's Backstage locations that were announced for closure in January 2025; however, location will remain in the store count listing until official closure occurs mid-year fiscal 2025.

Long-term Debt Maturities as of 5/3/2025



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.

1Q25 Macy’s Locations Sales Highlights

	Change
	vs. 1Q24
Go-Forward Macy’s Locations Comparable O+L Sales ¹	-2.0%
Reimagine 125 Locations Comparable O+L Sales	-0.8%
Non-Go-Forward Macy’s Locations Comparable O+L Sales	-8.1%

¹ Go-Forward Macy’s locations inclusive of Reimagine 125 and other Macy’s Go-Forward Locations.

Appendix

1Q25 Financial Highlights & Commentary

	Actuals	Change	Commentary
		vs. 1Q24	
Net Sales	\$4,599	-5.1%	Comparable O+L+M sales reflect sales growth at Bloomingdale's and Bluemercury, offset by a decline at Macy's. Digital penetration of net sales was 33%. Owned comparable average unit retail (AUR) increased 3.4%.
Comparable owned sales		-2.0%	
Comparable O+L+M sales		-1.2%	
Other Revenue	\$194	+26.0%	
Credit card revenues, net	\$154	+31.6%	YOY credit card revenue increase is primarily due to higher profit share, reflecting a strong credit portfolio and continued active management of net credit card losses driven by strong underwriting.
Macy's Media Network revenues, net	\$40	+8.1%	YOY Macy's Media Network revenue increase due to growth in advertiser spend.
Gross Margin	\$1,804	-5.1%	
Gross Margin Rate ¹	39.2%	Flat	Merchandise margin improved 40 bps, inclusive of favorable shortage and lower liquidations. This improvement was offset by higher delivery expense as a percent of net sales reflecting increased digital penetration.
SG&A Expense	\$1,913	+0.1%	The company continued to self-fund customer-facing initiatives through its end-to-end operations work and savings from closed locations that support its Bold New Chapter strategy.
SG&A Expense Rate ²	-39.9%	+170 bps	

In millions, except per share figures and percentages.

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

Appendix

1Q25 Financial Highlights & Commentary

	Actuals	Change	Commentary
		vs. 1Q24	
Adjusted EBITDA	\$324	-11.0%	Adjusted EBITDA and Adjusted Diluted EPS included \$16 million of asset sale gains as the company continued to monetize store locations and right-size its supply chain network.
Adjusted EBITDA Margin ²	6.8%	-50 bps	
Core Adjusted EBITDA	\$308	-15.2%	Core Adjusted EBITDA, which is adjusted EBITDA excluding asset sales gains, was in-line with the company's previously issued guidance.
Core Adjusted EBITDA Margin Rate ²	6.4%	-90 bps	
			YOY inventory decline reflects the company's disciplined approach to receipts.
Diluted EPS	\$0.13	-40.9%	
Adjusted Diluted EPS	\$0.16	-40.7%	
Inventory	\$4,663	-0.5%	

Appendix

FY25 Guidance as of 5/28/2025

The company is providing the following estimates for certain FY25 financial statement items. Refer to the following guidance assumptions slide for more details.

	As of 5/28/2025 (bold captions indicate a change)	As of 3/6/2025
Net sales	\$21.0 billion to \$21.4 billion	\$21.0 billion to \$21.4 billion
Comparable O+L+M sales	Down ~2.0% to down ~0.5% vs. FY24	Down ~2.0% to down ~0.5% vs. FY24
Go-Forward business comparable O+L+M sales	Down ~2.0% to ~flat vs. FY24	Down ~2.0% to ~flat vs. FY24
Other revenues	\$815 million to \$825 million <small>(credit card revenues expected to be \$620 million to \$630 million)</small>	\$835 million to \$845 million <small>(credit card revenues expected to be \$620 million to \$630 million)</small>
Gross margin rate ¹	Down ~30 to ~70 bps vs. FY24	Up ~10 to ~40 bps vs. FY24
SG&A expense rate ²	Up ~80 to ~110 bps vs. FY24	Up ~100 bps vs. FY24
Asset sale gains/Monetization proceeds	\$90 million/\$175 million	\$90 million/\$175 million
Adjusted EBITDA margin rate ²	7.4% to 7.9%	8.4% to 8.6%
Core Adjusted EBITDA margin rate ^{2,3}	7.0% to 7.5%	8.0% to 8.2%
Interest expense, net	\$115 million	\$135 million
Adjusted tax rate	24.5%	24.5%
Diluted shares outstanding ⁴	279 million	286 million
Adjusted diluted EPS ⁴	\$1.60 to \$2.00	\$2.05 to \$2.25
Capital expenditures	~\$800 million	~\$800 million

¹ % of net sales. ² % of total revenue. ³ Defined as Adjusted EBITDA excluding asset sale gains.

⁴ The impact of any potential future share repurchase associated with the company's current share repurchase authorization is excluded.

FY25 Guidance Assumptions

as of 5/28/2025

General Considerations

- Given uncertainty regarding the tariff impact on consumer health and demand, the company believes it is prudent to incorporate a more choiceful consumer into its outlook for the 2Q25 and the remainder of the year.
- Macy's, Inc. 2Q25 and FY25 guidance ranges assume that: the promotional landscape intensifies as the year progresses; international tourism does not rebound; and the company continues to reinvest savings from closed stores and distribution centers in initiatives that support long-term growth.
 - The low end of the range assumes sales trends soften from 1Q25 levels and that it takes additional actions to maintain a healthy inventory to sales ratio, including canceling receipts and taking deeper markdowns.
 - The high end of the range assumes a continuation of the March/April sales trends, and only moderate gross margin pressure.
 - FY25 SG&A dollar growth planned to grow below the historic rate of inflation.
 - The company is being disciplined with its inventory commitments but has flexibility to chase to meet demand.
- At the end of FY24, ~20% of total Macy's, Inc. product originated in China. The company is closely monitoring Southeast Asia and Europe and has limited sourcing exposure to Canada and Mexico.
- Based on the mitigation actions taken through 5/28/2025, the assumption the current tariffs remain in place and that the company is able to mitigate a meaningful portion, although not all, of the increased costs, the company estimates the combined impact to Macy's, Inc. FY25 gross margin of ~20 bps to ~40 bps or \$0.10 to \$0.25 of annual EPS.
 - This estimate incorporates inventory previously bought under the 145% China tariffs, those bought more recently, shared cost negotiations, vendor discounts and selectively raising tickets. It does not incorporate the potential for higher EU or any other country tariffs.
 - Gross margin guidance reflects the estimated tariff impact and planned actions to strategically capture customer share of wallet while navigating a more competitive promotional landscape.
 - Two unique factors expected to impact 2Q25 gross margin: 1) the company is taking markdowns on early Spring product that arrived in late 4Q24 and February to ensure it continues to provide newness throughout the summer and is well-positioned for the fall and holiday season and 2) a meaningful portion of product bought under the 145% tariffs flows through 2Q25.

FY25 Guidance Assumptions as of 5/28/2025

General Considerations, cont.

- In FY25, the company expects digital penetration to be slightly over a third of net sales and depreciation & amortization to be ~\$910 million.
- In FY25, the company anticipates the conversion to cost accounting.

Comparable Sales

- The company's comparable sales have the most opportunity for improvement in 2Q25 given easier YOY compares.
 - The company expects fundamental improvements in Macy's Reimagine 125 locations and digital to be offset by the ~225 go-forward Macy's locations that have not yet received initiatives and the stores the company has planned for closure in 2025 and beyond.

FY24 Store Closure Impacts

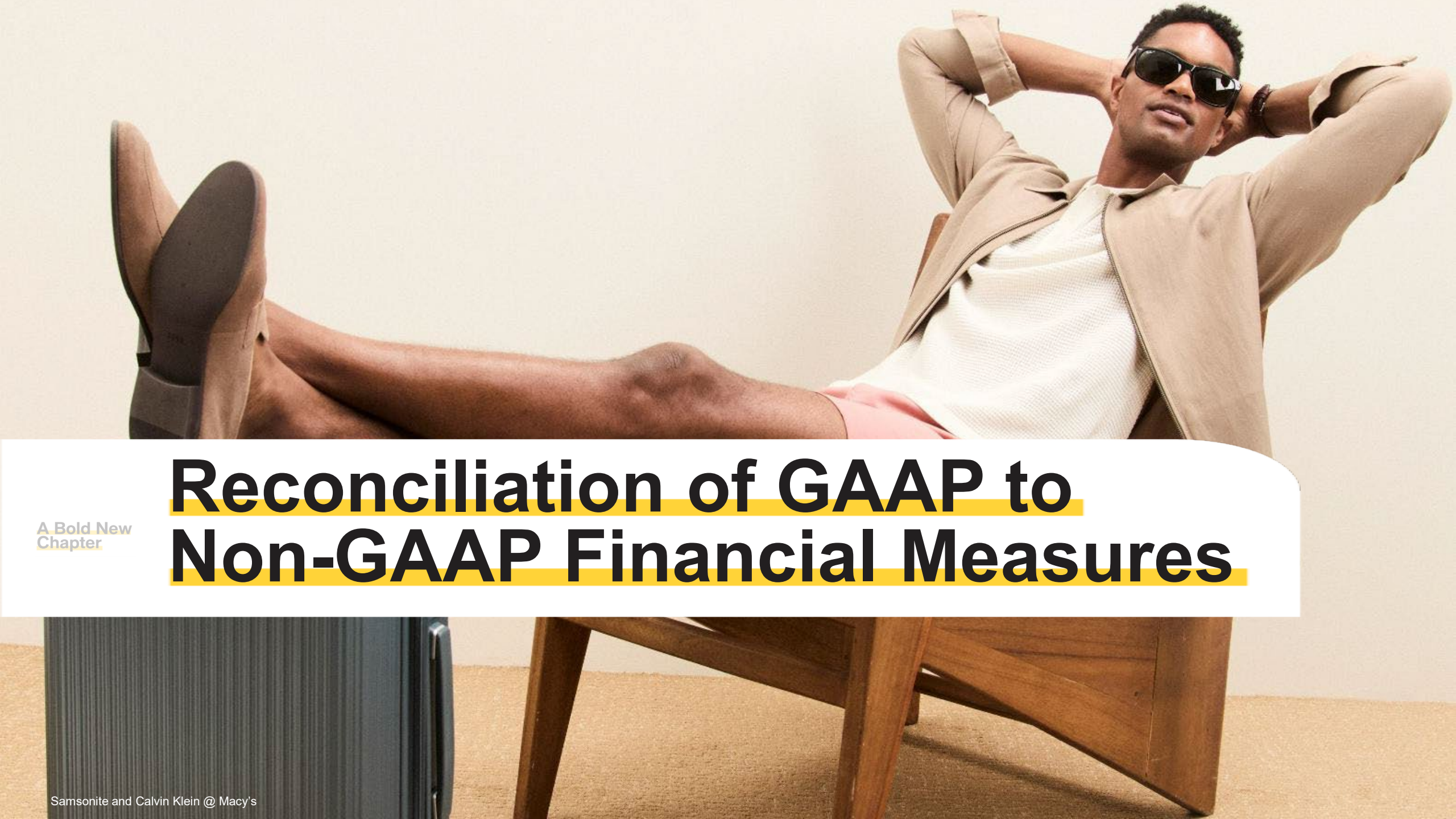
- Store closures contributed ~\$700 million of net sales in FY24, equating to ~\$170 million in 1Q24 and 2Q24, ~\$160 million in 3Q24 and \$200 million in 4Q24.

Credit Card Revenue

- FY25 credit card revenue reflects the stabilization of net credit losses and a strong credit portfolio, supported by initiatives designed to increase credit card usage.

Cost Savings

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



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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. 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 and proceeds from the disposition of property and equipment, 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 does not provide reconciliations of the forward-looking non-GAAP measures of comparable owned-plus-licensed-plus-marketplace sales change, Adjusted EBITDA, Core Adjusted EBITDA 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. 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 May 3, 2025	
	Macy's, Inc.	Macy's
Decrease in comparable sales on an owned basis (Note 1)	(2.0%)	(2.9%)
Impact of departments licensed to third parties and marketplace sales (Note 2)	0.8%	0.8%
Decrease in comparable sales on an owned-plus-licensed-plus-marketplace basis	(1.2%)	(2.1%)

Notes:

1. Represents the period-to-period percentage change in net sales from stores in operation for one full fiscal year for the 13 weeks ended May 3, 2025 and May 4, 2024. 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 May 3, 2025			
	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)	(1.8)%	(2.7)%	3.0%	1.5%
Impact of departments licensed to third parties and marketplace sales (Note 2)	0.9%	0.8%	0.8%	—%
Increase (decrease) in comparable sales on an owned-plus-licensed-plus-marketplace basis	(0.9)%	(1.9)%	3.8 %	1.5 %

	13 weeks ended May 3, 2025		
	Macy's Reimagine 125 locations	Macy's Go-Forward locations	Macy's Non-Go-Forward locations
Decrease in comparable sales on an owned basis (Note 1)	(1.3%)	(2.4%)	(8.1%)
Impact of departments licensed to third parties (Note 2)	0.5%	0.4%	—%
Decrease in comparable sales on an owned-plus-licensed basis	(0.8)%	(2.0)%	(8.1)%

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

<i>Millions, except percentages</i>	13 weeks ended May 3, 2025	13 weeks ended May 4, 2024
Most comparable GAAP measure:		
Total revenue	\$4,793	\$5,000
Net income	\$38	\$62
Net income as a percent to total revenue	0.8%	1.2%
Non-GAAP measure:		
Net income	\$38	\$62
Interest expense, net	27	31
Loss on extinguishment of debt	3	—
Federal, state and local income tax expense	30	36
Depreciation and amortization	219	216
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$317	\$345
Impairment, restructuring and other costs	7	19
Adjusted EBITDA	\$324	\$364
Adjusted EBITDA as a percent to total revenue	6.8%	7.3%
Gains on sale of Real Estate	(16)	(1)
Core Adjusted EBITDA	\$308	\$363
Core Adjusted EBITDA as a percent to total revenue	6.4%	7.3%

Net Income and Diluted Earnings Per Share, Excluding Certain Items

<i>Millions, except per share figures</i>	13 weeks ended May 3, 2025		13 weeks ended May 4, 2024	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	\$38	\$0.13	\$62	\$0.22
Impairment, restructuring and other costs	7	0.03	19	0.07
Loss on extinguishment of debt	3	0.01	—	—
Income tax impact of certain items identified above	(2)	(0.01)	(4)	(0.02)
As adjusted to exclude certain items above	\$46	\$0.16	\$77	\$0.27

Free Cash Flow

<i>Millions</i>	13 weeks ended May 3, 2025
Net cash used by operating activities	\$(64)
Purchase of property and equipment	(100)
Capitalized software	(77)
Proceeds from disposition of assets, net	38
Free Cash Flow	\$(203)