



macys inc

★ macys

bloomingdale's

BLUEMERCURY

# 2Q25 Earnings

September 3, 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.



2Q25 Macy's, Inc.

# Performance Highlights

macys inc

**+1.9%**

Comparable Owned-Plus-  
Licensed-Plus-Marketplace  
(O+L+M) Sales vs. 2Q24

**\$0.41**

Adjusted Diluted Earnings  
Per Share (EPS)

- Top-line, bottom-line, core Adj. EBITDA exceeded guidance
- Macy's, Inc. and Macy's nameplate delivered strongest comparable sales results in 12 quarters
- Macy's Go-Forward business comparable sales were positive, inclusive of growth in the Reimagine 125 locations and digital
- Bloomingdale's achieved 4<sup>th</sup> consecutive quarter of comparable sales growth
- Bluemercury achieved 18<sup>th</sup> consecutive quarter of comparable sales growth





Strengthen & Reimagine

# Macy's Nameplate

2Q25

**+1.2%**

Comparable O+L+M Sales vs.  
2Q24

**+1.5%**

Macy's Go-Forward Business<sup>1</sup>  
Comparable O+L+M Sales vs.  
2Q24

- Best second quarter Net Promoter Score on record
- Reimagine 125 locations comparable O+L+M sales +1.4%
  - Comparable sales growth in the First 50 and Next 75 locations
- Creating a more focused and profitable store base
- Positioned to deliver long-term growth through:
  - Exceptional customer omni-channel experiences;
  - Improved selling;
  - Enhanced colleague development; and
  - Inspired merchandising

<sup>1</sup> Go-Forward Macy's business includes all Macy's Go-Forward Locations and Digital.



Accelerate & Differentiate

# Bloomingdale's

2Q25

**+5.7%**

Comparable O+L+M Sales  
vs. 2Q24

**4<sup>th</sup>**

Consecutive quarter of  
comparable O+L+M sales  
growth

- Strength in ready-to-wear, fine jewelry, fragrance and tabletop
- Special capsules / exclusive partnerships build brand heat
  - Takeovers by contemporary brands MOTHER and STAUD
  - AQUA collaboration with Ava Phillippe
  - Launching "Just Imagine" Fall campaign, celebrating creativity, art and style
- Remain focused on growth through: new brands and partnerships; expanding distribution; growing digital; and increasing the national footprint





Accelerate & Differentiate

# Bluemercury

2Q25

**+1.2%**

Comparable Owned Sales  
vs. 2Q24

**18<sup>th</sup>**

Consecutive quarter of  
comparable owned sales  
growth

- Results driven by dermatological skincare and recent brand launches including Byredo, Victoria Beckham Beauty and Charlotte Tilbury
- Curated assortments and agnostic selling are strong differentiators



Simplify & Modernize

# End-to-End Operations

2Q25

**-0.8%**

Inventory vs. 2Q24

**+270** bps

Speed of delivery<sup>1</sup> vs. 2Q24

- Always-on approach to profit improvement
- Finding efficiencies through automation, resource optimization and streamlining of processes
- Supports ability to invest in growth ambitions, while delivering an improved return for shareholders

<sup>1</sup> Percent of orders delivered in five days or less.



# 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





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# 2Q25

## Financial Results & Capital Allocation

# Sales Highlights

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**\$4.8B**

Net sales<sup>1</sup> -2.5% vs 2Q24;  
+0.9% vs. 2Q24 excluding  
the impact of store closures

**+0.8%**

Comparable Owned Sales vs.  
2Q24

**+1.9%**

Comparable O+L+M Sales vs.  
2Q24

**+2.2%**

Go-forward Business<sup>2</sup> Comparable  
O+L+M Sales vs. 2Q24

Note: 2Q25 digital penetration of net sales: 31%; owned comparable average unit retail (AUR): +1.3% vs. 2Q24.

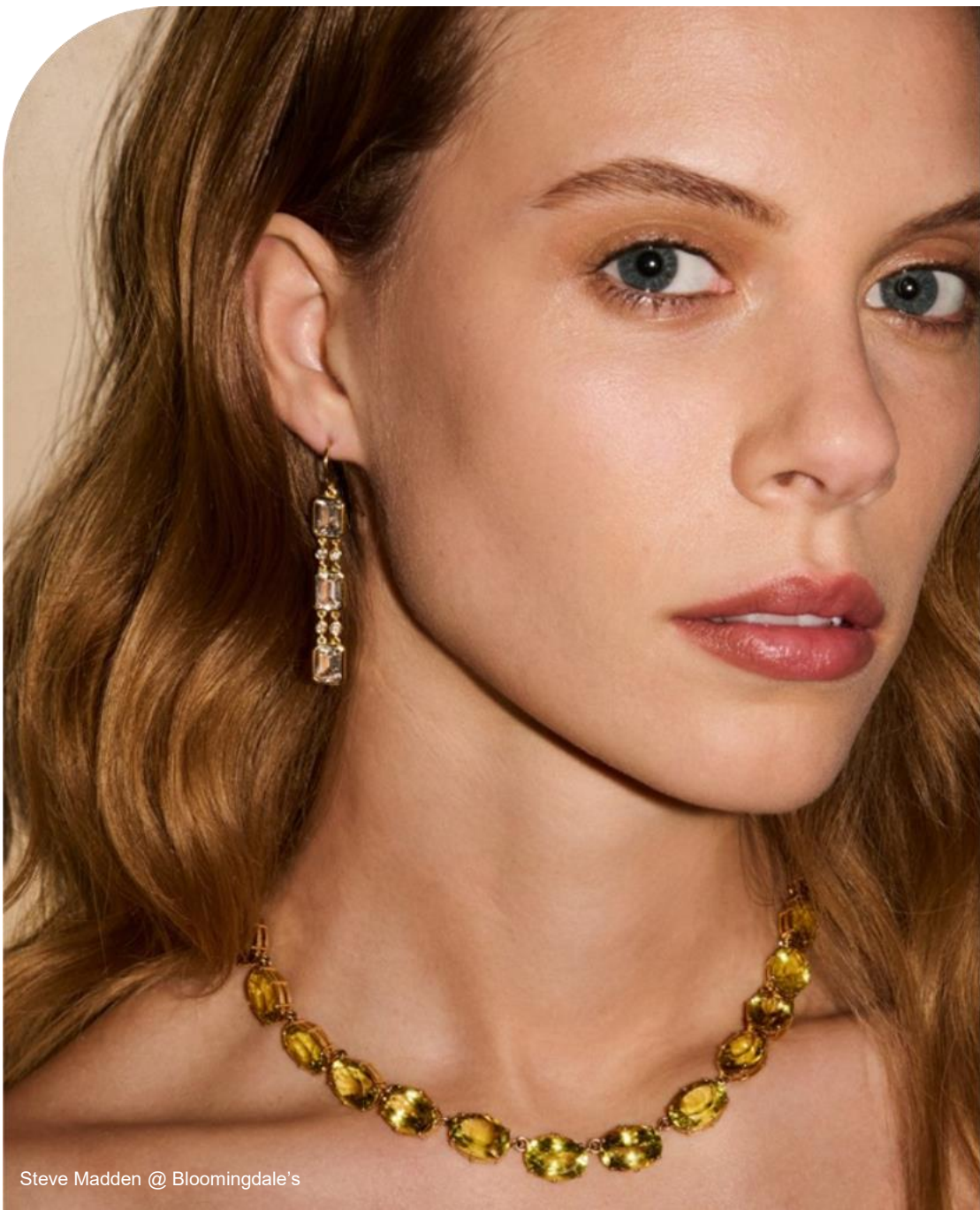
<sup>1</sup> Reflects the impact of FY24 store closures, primarily Macy's nameplate locations, which contributed approximately \$170 million in 2Q24.

<sup>2</sup> Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital.



Tissot @ Macy's





Steve Madden @ Bloomingdale's

2Q25 Financial Results & Capital Allocation

# Nameplate Highlights

Results versus 2Q24

★macy's	
Net Sales <sup>1</sup>	-3.8%
Comparable O+L+M Sales	+1.2%
Go-Forward Macy's Business Comparable O+L+M Sales <sup>2</sup>	+1.5%
bloomingdales	
Net Sales	+4.6%
Comparable O+L+M Sales	+5.7%
BLUEMERCURY	
Net Sales	+3.3%
Comparable Owned Sales	+1.2%

<sup>1</sup> Reflects the impact of FY24 store closures, primarily Macy's nameplate locations, which contributed approximately \$170 million in 2Q24.

<sup>2</sup> Go-Forward Macy's business includes all Macy's Go-Forward Locations and Digital.

# Profitability & Productivity Highlights

## macys inc

	Actuals	Change
		vs. 2Q24
Other Revenue	\$187	+17.6%
Credit Card Revenue	\$153	+22.4%
Macy's Media Network	\$34	Flat
Total Revenue	\$4,999	-1.9%
Gross Margin	\$1,912	-4.4%
Gross Margin Rate <sup>1</sup>	39.7%	-80 bps
SG&A Expense	\$1,944	-1.5%
SG&A Expense Rate <sup>2</sup>	38.9%	+20 bps
Adjusted EBITDA	\$393	-10.3%
Adjusted EBITDA Margin Rate <sup>2</sup>	7.9%	-70 bps
Core Adjusted EBITDA	\$377	-6.2%
Core Adjusted EBITDA Margin Rate <sup>2</sup>	7.5%	-40 bps
Diluted EPS	\$0.31	-41.5%
Adjusted Diluted EPS	\$0.41	-22.6%
Inventory	\$4,342	-0.8%

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



Tommy Hilfiger @ Macy's





## 2Q25 Financial Results and Capital Allocation

# YTD Capital Allocation Highlights

macys inc

**\$100M**

Dividend Payments

**\$151M**

Share Repurchases

### Consistent Capital Allocation Priorities

- Maintain a healthy balance sheet and drive working capital efficiencies
- Strategically invest in growth while lowering capex
- Shareholder returns via dividends and share buybacks

### Recent Financing Transactions Fortify Balance Sheet:

- Completed transactions resulting in a net long-term debt reduction of ~\$340M<sup>1</sup>, which extended material debt maturities by three years to 2030 and modestly reduced leverage

<sup>1</sup> Reflects \$194M of redeemed debt that did not settle until August 28, 2025.



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# Looking Ahead



# FY25 Guidance

**Go-Forward Business<sup>1</sup> Comparable O+L+M sales** and **Core Adjusted EBITDA<sup>2</sup>** 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 September 3, 2025  
For more information, refer to the appendix section of this presentation

**\$21.15B to \$21.45B**

Net Sales

**-1.5% to -0.5%  
vs. FY24**

Comparable  
O+L+M Sales

**7.4% to 7.9%**

Adjusted EBITDA Rate<sup>3</sup>

**\$1.70 to \$2.05**

Adjusted Diluted EPS<sup>4</sup>

**-1.5% to ~Flat vs. FY24**

**Go-Forward<sup>1</sup> Business Comparable O+L+M Sales**

**7.0% to 7.5%**

**Core Adjusted EBITDA Rate<sup>2,3</sup>**

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

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

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

# 3Q25 Guidance

*The company is providing the following estimates for certain 3Q25 financial statement items, as of September 3, 2025  
For more information, refer to the appendix section of this presentation*

**\$4.5B to \$4.6B**

Net Sales

**-1.5% to +0.5%**

Comparable O+L+M Sales

**3.3% to 3.7%**

Core Adjusted EBITDA Rate<sup>1,2</sup>

**-\$0.20 to -\$0.15**

Adjusted Diluted EPS<sup>3</sup>

<sup>1</sup> Defined as Adjusted EBITDA excluding asset sale gains.

<sup>2</sup> % of total revenue.

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



A collection of Coach handbags in various shades of brown and tan, featuring suede and leather materials. The bags are arranged on a white background, with some showing the Coach logo and others featuring gold-toned hardware. A large, dark brown tote bag is the central focus, with a smaller, similar bag to its right. Above them are two smaller bags, one in a lighter tan and one in a darker brown. Below the central bag is another large tote bag in a lighter tan color. All bags have leather straps and buckles.

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**Q&A**



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# Appendix



## Appendix

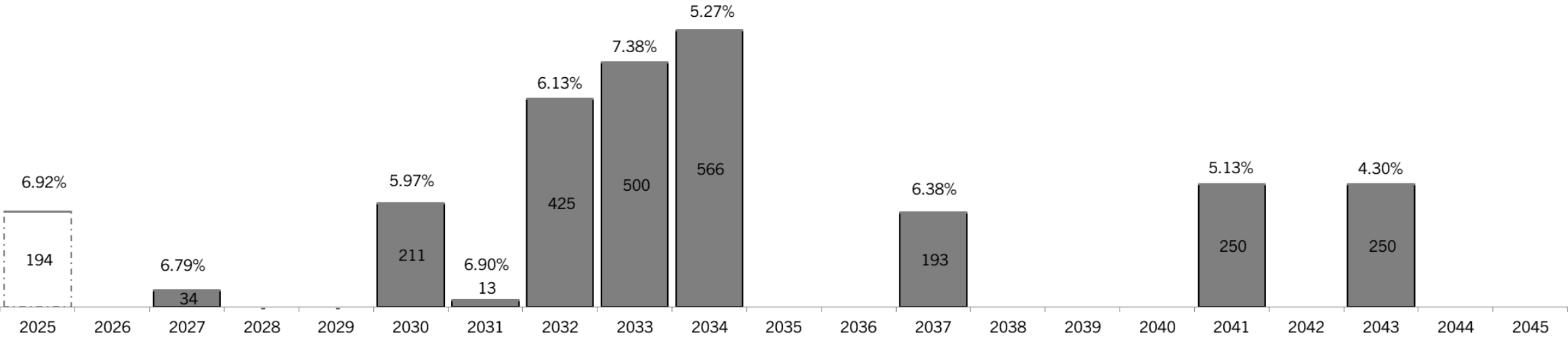
# Store Count as of 8/2/2025

	End of 2Q25	Change In Locations from FY24
	Locations	
Macy's Department Stores	390	—
Macy's Small Format	20	—
Macy's Furniture	33	-1
Macy's Furniture Clearance	1	—
Freestanding Backstage <sup>1</sup>	5	—
Total Macy's	449	-1
Bloomingdale's Department Stores	31	—
Bloomies	4	—
Bloomingdale's Furniture/Other	1	—
Bloomingdale's The Outlet	23	—
Total Bloomingdale's	59	—
Bluemercury	173	+2
Total Macy's, Inc.	681	+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 292 Macy's Store Within Store Backstage locations located within Macy's stores.

<sup>1</sup>Includes two Macy's Backstage locations that were announced for closure in January 2025. However, locations will remain in the store count listing until official closure occurs at a later date.

# Long-term Debt Maturities as of 8/2/2025



Note: % represents weighted average interest rate. All outstanding long-term debt is unsecured. \$194 million due in 2025 was settled on August 28, 2025.



# 2Q25 Macy’s Locations Sales Highlights

	Change
	vs. 2Q24
Go-Forward Macy’s Locations Comparable O+L Sales <sup>1</sup>	+0.1%
Reimagine 125 Locations Comparable O+L Sales	+1.4%
Non-Go-Forward Macy’s Locations Comparable O+L Sales	-6.4%

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

## Additional Information

# 1H25 Financial Highlights

	Actuals	Change
		vs 1H24
<b>Net Sales</b>	\$9,411	-3.8%
Comparable owned sales		-0.6%
Comparable O+L+M sales		+0.3%
Go-forward Business <sup>1</sup> Comparable O+L+M Sales		+0.6%
<b>Other Revenue</b>	\$380	+21.4%
Credit card revenues, net	\$306	+26.4%
Macy's Media Network revenues, net	\$74	+4.2%
<b>Gross Margin</b>	\$3,716	-4.7%
Gross Margin Rate <sup>2</sup>	39.5%	-40 bps

	Actuals	Change
		vs 1H24
<b>SG&amp;A Expense</b>	\$3,856	-0.7%
SG&A Expense Rate <sup>3</sup>	39.4%	+90 bps
<b>Adjusted EBITDA</b>	\$717	-10.6%
Adjusted EBITDA Margin Rate <sup>3</sup>	7.3%	-60 bps
<b>Core Adjusted EBITDA</b>	\$685	-10.5%
Core Adjusted EBITDA Margin Rate <sup>3</sup>	7.0%	-60 bps
<b>Diluted EPS</b>	\$0.44	-41.3%
<b>Adjusted Diluted EPS</b>	\$0.57	-28.8%

<sup>1</sup> Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital.

<sup>2</sup> % of net sales. <sup>3</sup> % of total revenue.



## Appendix

# FY25 Guidance as of 9/3/2025

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 9/3/2025 (bold captions indicate a change)	As of 5/28/2025
Net sales	<b>\$21.15 billion to \$21.45 billion</b>	\$21.0 billion to \$21.4 billion
Comparable O+L+M sales	Down ~1.5% to down ~0.5% vs. FY24	Down ~2.0% to down ~0.5% vs. FY24
Go-Forward business comparable O+L+M sales	Down ~1.5% to ~flat vs. FY24	Down ~2.0% to ~flat vs. FY24
Other revenues	<b>\$840 million to \$850 million</b> (credit card revenues expected to be \$635 million to \$645 million)	<b>\$815 million to \$825 million</b> (credit card revenues expected to be \$620 million to \$630 million)
Gross margin rate <sup>1</sup>	Down ~60 to ~100 bps vs. FY24	Down ~30 to ~70 bps vs. FY24
SG&A expense rate <sup>2</sup>	Up ~60 to ~80 bps vs. FY24	Up ~80 to ~110 bps vs. FY24
Asset sale gains/Monetization proceeds	\$90 million/\$175 million	\$90 million/\$175 million
Adjusted EBITDA margin rate <sup>2</sup>	7.4% to 7.9%	7.4% to 7.9%
Core Adjusted EBITDA margin rate <sup>2,3</sup>	7.0% to 7.5%	7.0% to 7.5%
Interest expense, net	<b>\$100 million</b>	\$115 million
Adjusted tax rate	24.5%	24.5%
Diluted shares outstanding <sup>4</sup>	<b>276 million</b>	279 million
Adjusted diluted EPS <sup>4</sup>	<b>\$1.70 to \$2.05</b>	\$1.60 to \$2.00
Capital expenditures	~\$800 million	~\$800 million

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

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

# FY25 Guidance Assumptions as of 9/3/2025

### General Considerations

- Given uncertainty regarding the tariff impact on consumer health and demand, the company continues to believe the consumer will be more choiceful in the back half of the year relative to the first half.
- Macy's, Inc. 3Q25 and FY25 guidance assumes that the Bold New Chapter initiatives continue to gain traction; current tariffs remain in place; the company reinvests most of the savings from closed stores and distribution centers to support long-term growth; and provides flexibility to respond to consumer demand and the competitive landscape.
- At the end of FY24, ~20% of total Macy's, Inc. product originated in China. National brands, which represents the majority of sales, sourced ~18% from China. Private brands, where have more direct control of the supply chain, sourced ~27% from China, down from 32% in FY24 and +50% pre-pandemic.
- Based on the assumption that 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 a ~40 bps to ~60 bps impact to Macy's, Inc. FY25 gross margin or a ~\$0.25 to ~\$0.40 impact to annual EPS. This compares to prior expectation for a ~20 to ~40 bps impact and a ~\$0.10 to ~\$0.25 impact to annual EPS.
  - This estimate incorporates inventory previously bought under the 145% China tariffs, which primarily effected the second quarter, and inventory bought more recently. It also incorporates shared cost negotiations, vendor discounts and strategically raising tickets.
  - Given the anticipated timing of receipts, the company expects the additional impact to its FY25 gross margin rate and EPS to primarily flow through the fourth quarter.
- In addition to the estimated tariff impact, gross margin guidance reflects planned actions to strategically capture customer share of wallet and flexibility to respond to consumer demand and the competitive landscape.
- 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 expects Macy's Reimagine 125 location and digital performance to be offset by the go-forward Macy's locations that have not yet received initiatives and the stores the company has planned for closure in 2025 and beyond.

# FY25 Guidance Assumptions as of 9/3/2025

## FY24 Store Closure Impacts

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

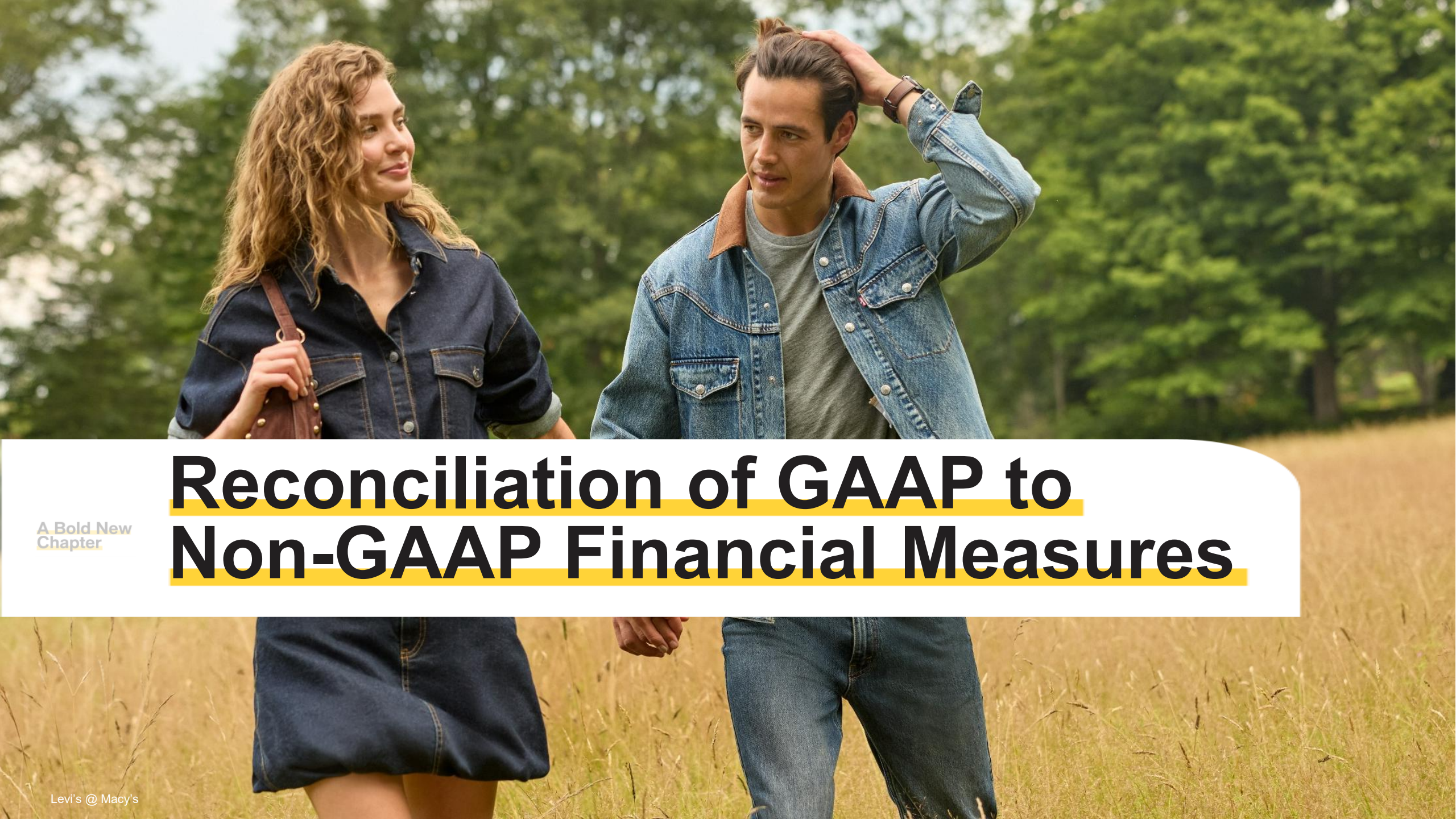
## Credit Card Revenue

- 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 August 2, 2025	
	Macy's, Inc.	Macy's
Increase in comparable sales on an owned basis (Note 1)	0.8%	0.4%
Impact of departments licensed to third parties and marketplace sales (Note 2)	1.1%	0.8%
Increase in comparable sales on an owned-plus-licensed-plus-marketplace basis	1.9%	1.2%

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 26 weeks ended August 2, 2025 and August 3, 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 August 2, 2025				
	Macy's, Inc. Go-Forward business	Macy's Go-Forward business	Bloomingdale's <sup>1</sup>	Bluemercury
Increase in comparable sales on an owned basis (Note 1)	1.1%	0.7%	3.6%	1.2%
Impact of departments licensed to third parties and marketplace sales (Note 2)	1.1%	0.8%	2.1%	—%
Increase in comparable sales on an owned-plus-licensed-plus-marketplace basis	2.2 %	1.5 %	5.7 %	1.2 %

13 weeks ended August 2, 2025			
	Macy's Reimagine 125 locations	Macy's Go-Forward locations	Macy's Non-Go-Forward locations
Increase (decrease) in comparable sales on an owned basis (Note 1)	1.1%	(0.1%)	(6.5%)
Impact of departments licensed to third parties (Note 2)	0.3%	0.2%	0.1%
Increase (decrease) in comparable sales on an owned-plus-licensed basis	1.4 %	0.1 %	(6.4)%

<sup>1</sup> Licensed and marketplace reflects licensed strength in handbags / small leather goods and contemporary apparel, as well as strong digital performance.

# Changes in Comparable Sales

	26 weeks ended August 2, 2025	
	Macy's, Inc.	Macy's, Inc. Go-Forward business
Decrease in comparable sales on an owned basis (Note 1)	(0.6)%	(0.4%)
Impact of departments licensed to third parties and marketplace sales (Note 2)	0.9%	1.0%
Increase in comparable sales on an owned-plus-licensed-plus-marketplace basis	0.3%	0.6%

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

<i>Millions, except percentages</i>	<b>13 weeks ended August 2, 2025</b>	<b>13 weeks ended August 3, 2024</b>
Most comparable GAAP measure:		
Total revenue	\$4,999	\$5,096
Net income	\$87	\$150
Net income as a percent to total revenue	1.7%	2.9%
Non-GAAP measure:		
Net income	\$87	\$150
Interest expense, net	25	31
Loss on extinguishment of debt	13	—
Federal, state and local income tax expense	28	45
Depreciation and amortization	218	213
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$371	\$439
Impairment, restructuring and other costs (benefits)	22	(1)
Adjusted EBITDA	\$393	\$438
Adjusted EBITDA as a percent to total revenue	7.9%	8.6%
Gains on sale of Real Estate	(16)	(36)
Core Adjusted EBITDA	\$377	\$402
Core Adjusted EBITDA as a percent to total revenue	7.5%	7.9%



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

<i>Millions, except percentages</i>	<b>26 weeks ended August 2, 2025</b>	<b>26 weeks ended August 3, 2024</b>
Most comparable GAAP measure:		
Total revenue	\$9,791	\$10,096
Net income	\$124	\$212
Net income as a percent to total revenue	1.3%	2.1%
Non-GAAP measure:		
Net income	\$124	\$212
Interest expense, net	51	62
Loss on extinguishment of debt	17	—
Federal, state and local income tax expense	58	80
Depreciation and amortization	437	429
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$687	\$783
Impairment, restructuring and other costs	30	19
Adjusted EBITDA	\$717	\$802
Adjusted EBITDA as a percent to total revenue	7.3%	7.9%
Gains on sale of Real Estate	(32)	(37)
Core Adjusted EBITDA	\$685	\$765
Core Adjusted EBITDA as a percent to total revenue	7.0%	7.6%

# Net Income and Diluted Earnings Per Share, Excluding Certain Items

<i>Millions, except per share figures</i>	<b>13 weeks ended August 2, 2025</b>		<b>13 weeks ended August 3, 2024</b>	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	\$87	\$0.31	\$150	\$0.53
Impairment, restructuring and other costs (benefits)	22	0.08	(1)	—
Loss on extinguishment of debt	13	0.05	—	—
Income tax impact of certain items identified above	(9)	(0.03)	—	—
As adjusted to exclude certain items above	\$113	\$0.41	\$149	\$0.53

<i>Millions, except per share figures</i>	<b>26 weeks ended August 2, 2025</b>		<b>26 weeks ended August 3, 2024</b>	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	\$124	\$0.44	\$212	\$0.75
Impairment, restructuring and other costs	30	0.11	19	0.07
Loss on extinguishment of debt	17	0.06	—	—
Income tax impact of certain items identified above	(12)	(0.04)	(5)	(0.02)
As adjusted to exclude certain items above	\$159	\$0.57	\$226	\$0.80

# Free Cash Flow

<i>Millions</i>	<b>26 weeks ended August 2, 2025</b>
Net cash provided by operating activities <sup>1</sup>	\$255
Purchase of property and equipment	(179)
Capitalized software	(164)
Proceeds from disposition of assets, net	75
Free Cash Flow	<u>\$(13)</u>

<sup>1</sup> Net cash provided by operating activities reflects cash tax payment benefits related to: the timing of said payments; and benefits from the One Big Beautiful Bill Act (OBBBA), which was enacted on July 4, 2025. Additionally, the provisions of the OBBBA are not expected to have a material impact to the company's estimated fiscal year 2025 effective tax rate.

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