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macy's bloomingdale's BLUEMERCURY

Off-Season Shareholder Outreach

October 2024

Safe Harbor Statement

All forward-looking statements are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. A detailed discussion of these factors and uncertainties is contained in the company's filings with the Securities and Exchange Commission.

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 can be found on the Investors section of our website and in the appendix of this presentation.

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A Bold New Chapter

Three-year plan to return Macy's, Inc. to profitable growth.



Strengthen

Macy's Nameplate



Accelerate

Luxury Growth



Simplify & Modernize

End-to-End Operations



I'm **pleased with the progress** we're making **on our Bold New Chapter strategy**. My team and I share a passion for finding **new and innovative ways** to serve and excite the customer, and we have a **unique advantage through our iconic events** as well as our everyday interactions.

We understand that being in **the business of retail is being in the business of people**. We're listening to our customers, finding that **balance between art and science** and are committed to **delivering improved product** and a better, more **connected customer experience** while returning the company **to long-term profitable sales growth**.

Tony Spring

Macy's, Inc. Chairman and Chief Executive Officer

August 21, 2024 (2Q24 Earning Call)

Strengthen Macy's Nameplate

Return to topline growth, enhance the customer experience and regain market share

Launch First 50 Program



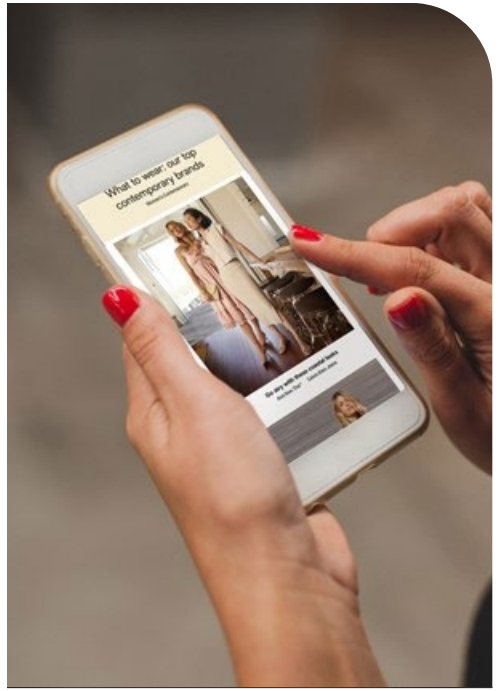
Rationalize Store Base



Revitalize Assassortment



Grow Digital



Rollout Small Format





Strengthen Macy's Nameplate

First 50 Locations

Leading indicator of Go-Forward Macy's growth

First 50 Locations

- Not the "Best 50" locations; representative of broader Go-Forward fleet so can be applied to remaining 300 locations.
- Improve customer experience with focused staffing in shoes, handbags, women's ready-to-wear, fitting rooms and checkout.
- Enhance merchandising and modernize visual presentation.
- Offer unique store-level activations and community events.

2Q24 Performance Highlights

+1.0%

Comparable owned-plus-licensed (O+L) sales vs. 2Q23

+460 bps

Comparable O+L sales outperformance vs. Macy's nameplate

+600 bps

Net Promoter Score (NPS) YOY improvement, +200 bps vs other Go-Forward locations

~100 locations

Additional Go-Forward locations implementing women's shoes and handbag staffing tests in 2H24

Strengthen Macy's Nameplate

Rationalize Store Base

Monetizing Non-Go-Forward locations

Overview

- Prioritizing investments in ~350 high potential Go-Forward locations[1].
- In FY23, Non-Go-Forward locations represented ~30% of Macy's store base, ~25% of Macy's, Inc. gross square footage but less than 10% of sales.
- Non-Go-Forward locations are valuable real estate assets; evaluating all opportunities and executing accretive deals.
- Pleased with the pace and quality of deal-making.

Macy's FY24 – FY26 Expectations

~55

Locations expected to close in FY24, compared to prior expectations of roughly 50

~150

Non-Go-Forward, underproductive locations expected to close through FY26

~$115M

FY24 expected asset sale gains, $150M FY24 expected sales proceeds (both as of August 21, 2024)

~$250M-350M

FY24-FY26 expected asset sale gains, $500M-650M FY24-FY26 expected sales proceeds



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



Strengthen Macy's Nameplate

Merchandising, Digital, and Small Format

Revitalize the Assortment

- Introduced and expanded distribution in several market brands in both women's and men's assortments.
- Private brand reimagination progressing, completed majority of apparel brands.

Grow Digital

- Optimizing the customer journey, addressing places of greatest friction; and enhancing and expanding the shopping experience across platforms.
- Focused on search engine optimization, site enhancements, more transparent pricing and a better mobile experience.

Rollout Small Format

- Opened 6 new locations through 1H24.
- On-track to bring total locations to 24 by FYE24.

Accelerate Luxury Growth

Confident in luxury's long-term potential, continuing to leverage strong storytelling heritage through new brands, expanded partnerships and exciting launches and events.

Bloomingdale's



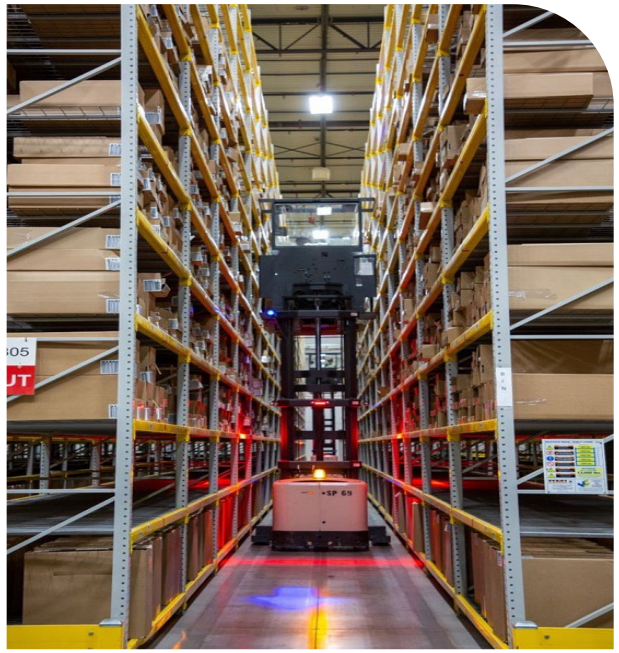
Bluemercury



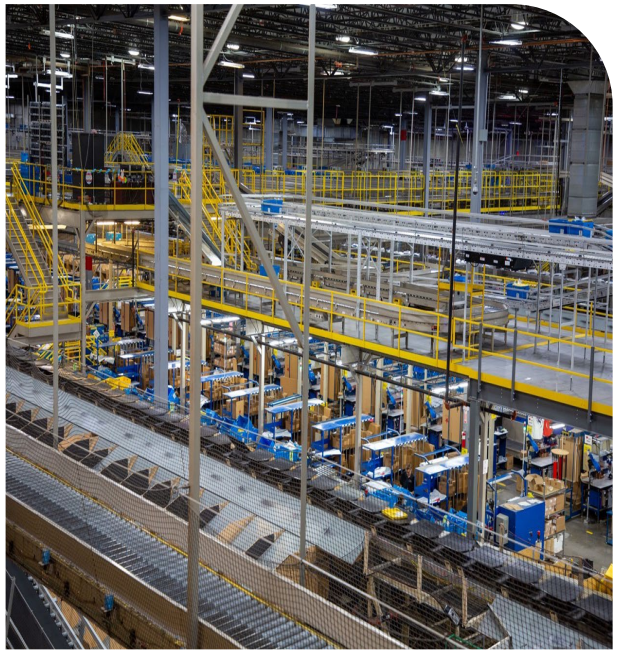
Simplify & Modernize End-to-End Operations

Leaning into cost savings programs and working capital discipline while making targeted investments in areas like automation and process simplification to improve day-to-day execution.

Rationalize & Monetize Our Supply Chain Asset Portfolio



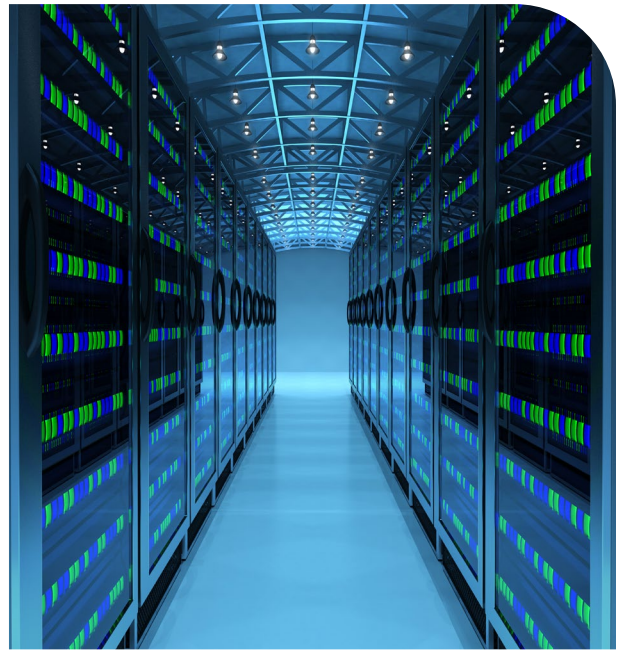
Streamline Fulfillment



Improve Inventory Planning & Allocation



Deliver a Scalable Technology Platform



Macy's, Inc. Financial and Capital Allocation Highlights

1H24 Financial Highlights

$9.8B

Net sales -3.3% vs 1H23

-1.4%

Go-Forward Macy's, Inc.[1] Business Comparable Owned-Plus-Licensed-Plus-Marketplace Sales

39.9%

Gross margin rate[2], +90 bps vs 1H23

$0.80

Adjusted diluted earnings per share (EPS), -2.4% vs 1H23



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[1]Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital.
[2] % of net sales.



1H24 Capital Allocation Highlights

Priorities

- Healthy capital structure,
- Investing in long-term profitable growth, and
- Returning capital to shareholders.

$137M

Operating Cash Flow

$432M

Capital Expenditures

$244M

Free Cash Outflow

$96M

Dividend Payments



Social Purpose

MISSION EVERY ONE

Creating a brighter future for all and supporting the organization in delivering on A Bold New Chapter

Mission Every One, our enterprise-wide social purpose platform, builds on our heritage of corporate citizenship to achieve positive societal change. This commitment aims to create a brighter future for all that empowers more voice, choice and ownership for colleagues, customers and communities.

Our signature commitment

$5B of the company's spend through 2025 will be directed to the people, partners, products and programs that help create a more equitable and sustainable future.

Our progress

Approximately **$1.8B** of spend was directed to *Mission Every One* in 2023, totaling approximately $3.2B since its launch in 2022.

Our commitment pillars

PEOPLE

We recognize and reward our diverse community of colleagues and partners to **fuel mutual growth, innovation, and impact.**

PLANET

We curate and create **sustainable products** and **services** so people and planet can thrive together.

COMMUNITY

We **empower the curiosity** and **confidence** of young people on their journey to become the **leaders of tomorrow.**

This work is brought to life by initiatives across **diversity, equity & inclusion, social impact,** and **sustainability.**



Sustainability

Embedding Sustainability Throughout the Organization

Our guiding principles

Macy's, Inc., is supporting future profitable sales growth strategies while improving its environmental, social and governance performance.

Our sustainability program is anchored on two primary commitments: **(1) caring for the people making our products; and (2) managing our environmental impact.** We curate and create sustainable products and services so people and planet can thrive together.

- **Making Sustainable Style Accessible:** Through the curation of easily searchable sitelets, we are making it easier to find and shop for products that meet requirements of our sustainability pillars reaching 7,000+ product pages on macys.com and bloomingdales.com as of the end of 2023, exceeding our 2025 goal of 5,000 pages.
- **Increasing Use of Sustainable Materials:** We are committed to ensuring our private brand products managed by Macy's sourcing team are both sourced and created with sustainable materials and production practices, achieving 35% in 2023, with the ambition of achieving 100% preferred materials in those private brand products by 2030.
- **Caring for People and Planet:** We are advancing workers' rights, women's equality and family well-being throughout our global value chain by collaborating with organizations like RISE: Reimagining Industry to Support Equality, dedicated to advancing equality for women workers in global garment supply chains.
- **Innovating for a More Sustainable Future:** We are improving our operations by investing in sustainable practices that lower greenhouse gas emissions and help reduce, reuse, and repurpose materials to eliminate waste, achieving 65% waste diversion from landfill of direct operations in 2023 with ambition to reach 80% by 2030.

Notable ESG Rankings*

MSCI

AAA

SUSTAINALYTICS

21.9

CDP

B

*Rankings as of July 2024

Sustainability

Four pillars are key to our approach

Environment

We are committed to minimizing the environmental impact of our business operations.

Maintain adherence to environmental regulatory requirements

Manage environmental impacts, including greenhouse gas emissions (GHG) accounting across Scopes 1, 2 and 3

Establish policies and practices to improve environmental impact, including lowering greenhouse gas emissions and diverting operational waste from landfills

Human Rights

We prioritize the human rights and social compliance policies and practices with our private brand suppliers and their factories.

Confirm social compliance across Macy's, Bloomingdale's and Bluemercury private label sourcing suppliers

Provide social compliance transparency

Support worker well-being programs at factories producing private brand products

Products

We are expanding our assortment of sustainable products* under our four focus areas: preferred materials, preferred practices, people first or designed for less waste.

Maintain guidelines and parameters that support product designation of "sustainable"

Increase penetration of preferred materials within private brands products managed by the Macy's Sourcing team

Governance

We are enabling disclosure, data analytics, reporting and stakeholder engagement.

Embed sustainability throughout the enterprise

Leverage KPIs, metrics and scorecards to track progress for internal and public disclosure

Engage colleagues through training, awareness and sustainability initiatives

*Generally required to be authenticated by at least one third-party certification or other traceable means

Progress on Key Focus Areas (Additional Ambitions in 2023 Corporate Responsibility Report)

→ Ongoing
✓ Complete

	Ambition	Year	FY23 Update	Progress
PRODUCTS	**Fibers & Material Sourcing**			
	40% of private brand products* made with preferred sustainable fibers, as defined by policies for each of Macy's key materials	2025	35%	→
	Implement policies for Macy's materials, focused on cotton, synthetic, cashmere, wool and all wood-based materials, that support achieving 100% preferred materials in private brand products*	2030	Published Animal Welfare Policy, Exotic Skins Policy & Preferred Material Policy	→
	Chemical Management			
	75% of private brand apparel and soft textiles products* will be compliant to the hazard profile established in the Macy's Restricted Substance List (RSL)	2025	78%	✓
	Water			
	Implement policy to guide claims that products reduce water consumption	2025	Engaged WWF & published Water Policy	✓
HUMAN RIGHTS	**Fair Labor Practices & Worker Well-Being**			
	100% of Strategic & Core private brand supplier facilities* will have participated in a worker well-being program to support women, families and their communities	2030	Implemented in 22% of factories in 2023	→
ENVIRONMENT	**GHG Emissions**			
	Establish Near-Term Emissions Reduction Targets and Pathways**	2024	Published Scopes 1 and 2 emissions data and expanded Scope 3 data	→
	Waste			
	Divert 80% waste from direct operations (packaging, hangers, advertising assets, etc.) from landfills	2030	65%	→
GOVERNANCE	**Colleague Engagement**			
	100% of Design, Product Development, Sourcing and Buying teams involved in private brand products* will complete training on sustainable materials and design	2025	100%	✓

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*Private Brand products managed by the Macy's sourcing team
**Committed to setting near-term company-wide emission reductions in line with climate science. We have engaged a consultant to assist in emission reduction target setting which is underway. We have also reached out to Science Based Targets initiative (SBTi) for guidance as we work through the target setting process.
Note: See appendix for link to fiber, material and chemical policies available on macysinc.com



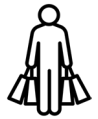
Diversity, Equity and Inclusion

DIVERSITY, EQUITY & INCLUSION

OUR VISION is to be the beacon of diversity, equity and inclusion for our customers, colleagues and communities

OUR MISSION is to embed diversity, equity and inclusion into how we think, act, and operate to help deliver on the Bold New Chapter strategy

The work we do to advance our mission is guided by and organized into five focus areas…



Customer

Ensure every customer is **welcomed, accepted and respected.**



Colleague

Reflect the full spectrum of diversity **at all levels** of our organization



Supplier

Drive growth with **underrepresented suppliers**



Community

Drive impact through relationships that **reflect our values**



Marketing

Consistently and genuinely reflect the full spectrum of our customers

EARLY 2000s
Business Case for Diversity

2010-2017
Merchandising Strategies to Address Emerging Markets

2018-2019
Established Diversity & Inclusion Center of Expertise

2020-2021
Racial Injustice & Need for Systemic Change

2022
Accelerated Progress on Diversity, Equity & Inclusion

2023
Advanced an Inclusive Culture & Environment

2024+
A Bold New Chapter

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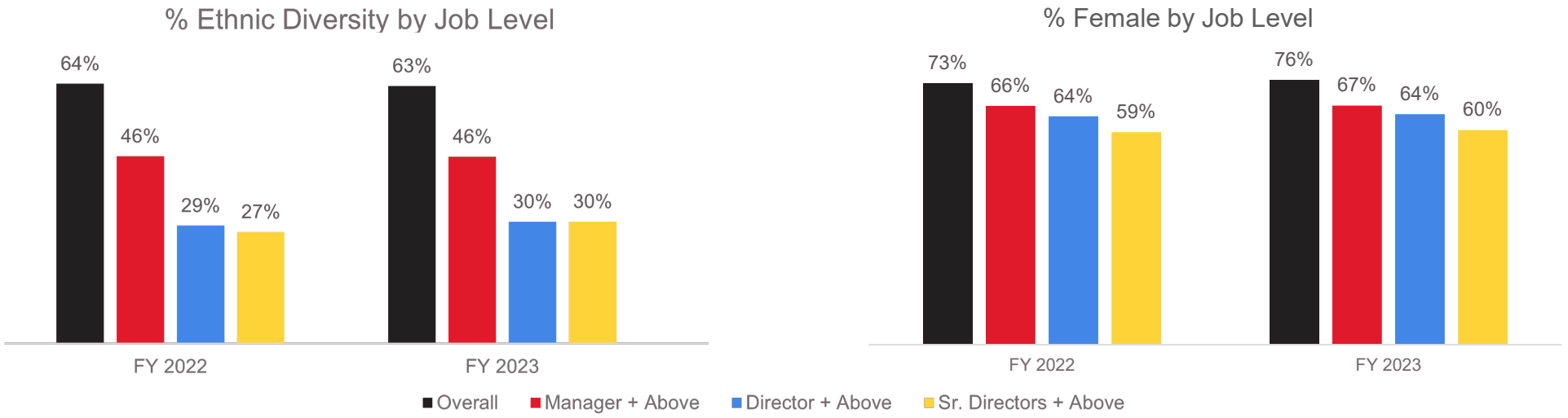
Diversity, Equity & Inclusion

Colleague diversity, across all organizational levels, helps us better engage all customers and achieve our business goals



- Slight increase of ethnic diversity at the leadership levels
  - +1pt at Director+ and +3pt at Sr. Director+ vs FY22
- Continued improvements in diverse representation across leadership levels since 2022
  - Increased promotions and retention for Managers and above
  - Improved talent acquisition for Sr. Directors and above
- Slight growth in female representation at the Manager and Sr. Director levels

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Ethnic diversity defined as Asian, Black, Hispanic/Latino, Native American, American Indian or Alaska Native, Native Hawaiian or other Pacific Islander, 2+ races.
Reflects percentages of colleague diversity and female representation as of the end of the fiscal year reflected above.
Overall results reflective of all hourly and professional colleagues across Macy's, Inc., excluding Bluemercury.
Leadership levels are defined as Director and above

Diversity, Equity & Inclusion

Key Accomplishments

COLLEAGUE

Achieved 30% ethnic diverse representation for Director + levels in FY 2023.

Provided Colleague Resource Group (CRG) Leaders with education and tools to further build and advance career, community, commerce and culture.

Hosted enterprise wide engagements designed to provide a forum for open dialogue that leads to greater allyship, community building and innovation.

CUSTOMER

Conducted in-depth consumer research to identify areas of potential bias in the current shopping experience.

Elevated awareness of Customer Bill of Rights (CBOR) across Macy's and Bloomingdale's stores to ensure inclusive and fair treatment for all shoppers.

Collaborated with Disability Inclusion expert and community partners to support development of People with Disabilities strategy.

SUPPLIER

Increased sourcing pipelines through strategic partnerships with diverse suppliers.

Facilitated informational sessions focused on Access to Education, Customers and Capital for diverse-owned and underrepresented businesses.

Incorporated **program enhancements for S.P.U.R. Pathways**[1] to increase capital deployment.

Continued to **award business grants** to The Workshop at Macy's program graduates.

COMMUNITY

Continuing $1M funding commitment to organizations **advancing social justice.**

Holistic partner portfolio to include social justice nonprofit organizations focused **on Environmental Justice, People with Disabilities**, and **the Hispanic/Latino community** to engage continuum of diverse segments.

Expanded The Divine Nine® apparel collection at Macy's[2]**; donated $1.75M to date** towards education and research foundations aligned with *Mission Every One*.

MARKETING

Continued focus on **diverse representation in casting** (including: race/ethnicity, size, age, LGBTQ+) and **media strategy** to engage diverse customer base.

Launched new channels to **communicate our DE&I journey and progress**, including 2023 Corporate Responsibility Report, sizzle videos at signature events, etc.

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1: Shared Purpose, Unlimited Reach: An innovative funding program to advance entrepreneurial growth, close wealth gaps and shatter systemic barriers faced by underrepresented businesses and underserved communities, launched in 2022.
2: Apparel collection reflects the signature colors of various historically Black-founded sororities and fraternities, as well an inclusive size scale.

Diversity, Equity & Inclusion

News, Features & Recognition through August 2024

Awards & Recognition

EQUALITY 100
HUMAN RIGHTS CAMPAIGN FOUNDATION
2023 2024
Leader in LGBTQ+ Workplace Inclusion

NMSDC
National Minority Supplier Development Council

THE FOREFRONT 50
TOP CORPORATIONS FOR MINORITY BUSINESSES

2023 NBIC BEST OF THE BEST
CORPORATIONS FOR INCLUSION
NATIONAL BUSINESS INCLUSION CONSORTIUM

America's TOP CORPORATIONS WBENC
FOR WOMEN'S BUSINESS ENTERPRISES

nglcc
National LGBT Chamber of Commerce
2024 Corporation of the Year, *Finalist*

News Articles

NRF NATIONAL RETAIL FEDERATION
May 2, 2024
Macy's Debuts Divine Nine Menswear Collection

WWD
May 1, 2024
The Divine Nine Black-founded Fraternities Inspired This New Fashion Collection



Compensation

Total Reward Strategies for Colleague Attraction and Retention

Our goal is to build a rewards strategy that encourages and recognizes performance

Highlights:

- **Minimum wage:** $15/hour for all colleagues, companywide.
- **Path to Growth:** Every job matters, and the Path to Growth Incentive plan (PTG) recognizes the role that the colleagues in our stores, supply chain and customer support networks play in driving our success. In 2023, 63% of our locations received a PTG payout.
- **Annual incentive plan:** Tied to enterprise performance, more than 11,000 professional colleagues are eligible to participate.
- **Career Journeys:** Expanded our Career Expo to a three-month series of small-group interactive sessions focused on career opportunities and colleague skill-enhancement; Launched the My Career site to provide targeted tools and resources for career needs.
- **Pay Equity:** Pay equity is fundamental to our culture; Starting in 2021, the company has maintained greater than 99% pay equity across gender and race.
- **Pay Transparency:** Macy's, Inc. shares job level, pay zone and salary ranges with all colleagues and includes salary ranges in all job postings nationwide.
- **Well-being:** Offers Company-wide Employee Assistance Program, Wellness Webinars and step challenge.
- **Flexible work model:** Focused on building a workplace that ensures our colleagues can learn and grow in a hybrid work environment where they are able to divide their time between in-office and virtual.
- **Fully funded education:** Our education program, which was launched in 2022, provides educational opportunities to Macy's, Inc. Colleagues; More than 5,000 colleagues have enrolled in a course through 2023.
- **Spot Bonus:** Cash rewards for colleagues whose performance goes above and beyond expectations and is aligned to our organizational behaviors and values.
- **Macy's Year-end Recognition Ceremony, Bloomingdale's Golden B & Best of the Best and Bluemercury Best of Blue:** These annual and bi-annual awards recognize colleagues and teams who demonstrate extraordinary contribution and achieve exceptional results.

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*Minimum wage established in May 2022 for all colleagues.

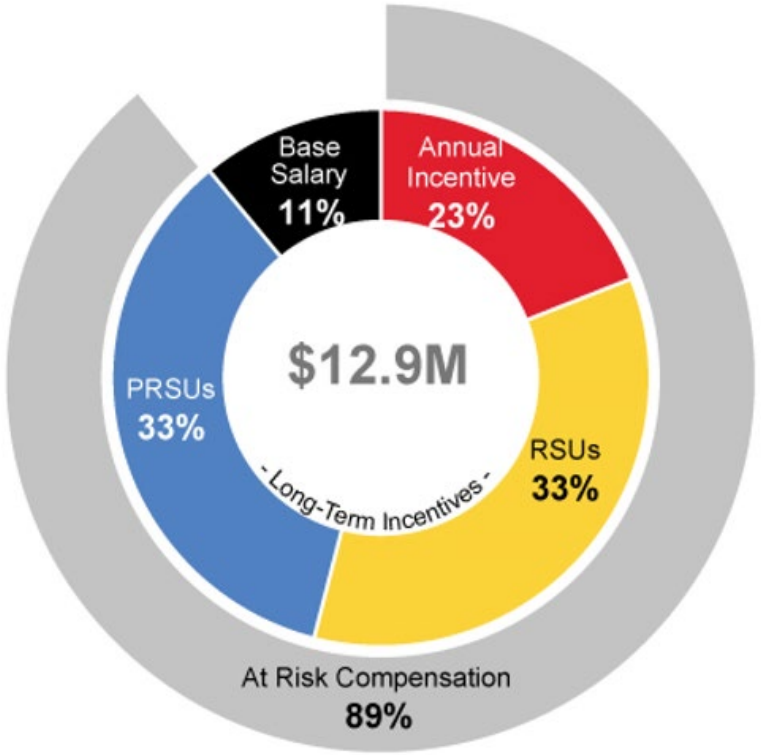
Compensation Programs Grounded in Strong Governance Practices

- Align pay with company performance
- Incentive plans use multiple metrics to reward performance for driving company strategy and strengthening stock valuation
- Leverage relative total shareholder return metric within our long-term incentive (LTI) Plan, with a cap at target if company performance is not positive and a maximum-value cap that limits payout to 400% of the target grant date value
- No dividend equivalents on unvested performance-based or time-based restricted stock (PRSUs or RSUs)
- Stock ownership guidelines
- Recoupment policy
- Double trigger vesting of equity awards in event of change in control
- No excise tax gross-ups
- No option repricing/cash buyouts without shareholder approval
- Anti-pledging and hedging policies

Executive Compensation Philosophy

2023 Program Design

CEO



- 2023 CEO data included in this deck reflects Jeff Gennette who served as CEO through the end of FY23. In February 2024, Tony Spring, current Chairman and CEO, received a $12.4M core compensation package consisting of approximately 90% “at risk” compensation. He also received a $4M special equity award in a combination of PRSUs and RSUs weighted 75% and 25% respectively, with a five-year vesting cycle.

- Our executive compensation structure is designed to attract, motivate, and retain leaders with the skills required to formulate and implement our strategic business objectives and deliver on our commitment to build long-term shareholder value.

- The fiscal 2023 executive compensation program focused on 2023 financial objectives and key priorities, consistent with topic areas discussed during our earnings calls, as well as absolute and relative stock price appreciation. The program framework and goals reflect our commitment to a pay-for-performance compensation philosophy while accounting for the heightened uncertainty surrounding both the consumer and macro environment at the time the plans were set.

    - The incentive plans were designed to motivate and engage the organization and leadership with a link between strategy, business plan and incentives.

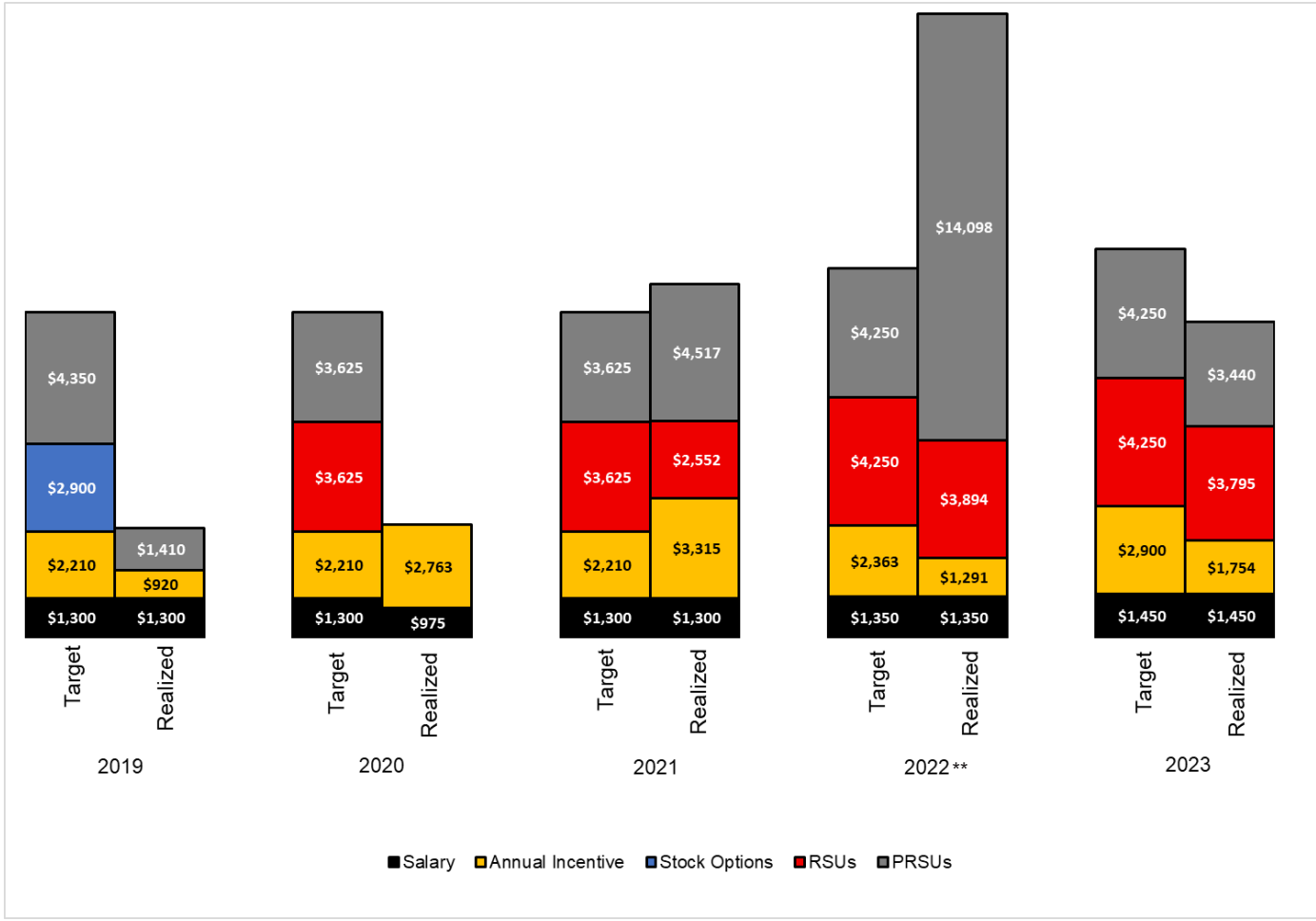
    - Plan design focused on Growth, Profit and Colleague. These elements support key business priorities and promote strong operating and financial performance.

Strong Alignment between Pay and Performance is at the Core of Macy's, Inc. Compensation Program

- We believe our executive compensation program is competitive, strongly focused on pay-for-performance principles and appropriately balanced between risk and rewards
- Realized compensation each year is largely dependent on performance results and changes in the stock price
    - Over the past five years, CEO compensation was 86% of target and most recently in 2023, it was approximately 81% of target
- CEO fiscal 2023 target compensation was positioned at approximately the median of the peer group* CEOs

Demonstrated in the outcome of our programs

CEO Realized Compensation ('000s)



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*See peer group list within Macy's, Inc. 2024 Proxy Statement.
**2022 PRSU realized compensation was largely attributable to stock price growth from 2020.



Governance

Corporate Governance Highlights

- Lead independent director
- Annual election of all directors
- Majority voting in uncontested director elections
- 14 of 15 directors are independent
- Annual Board and Committee evaluations
- Board and Committee oversight of risk
- Confidential shareholder voting policy
- Director resignation policy
- Director retirement policy
- Diverse Board in terms of gender, ethnicity, experience and skills
- Independent Board Committees
- No shareholder rights plan
- Policy prohibiting pledging and hedging ownership of Macy's, Inc. stock
- Proxy access
- Regular executive sessions of independent directors
- Share ownership guidelines for directors and executive officers
- One share, one vote policy

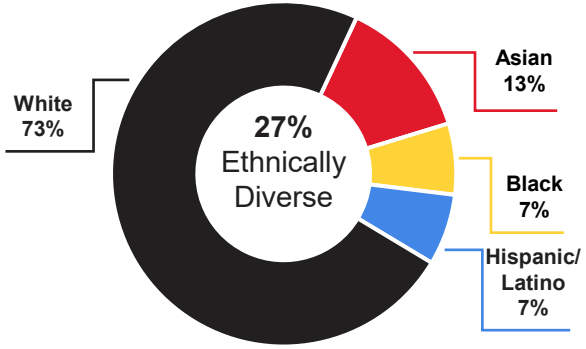
Corporate Governance Highlights

Directors provide an effective mix of experience and perspectives, as well as gender, age and racial/ethnic diversity

Director Skills Matrix

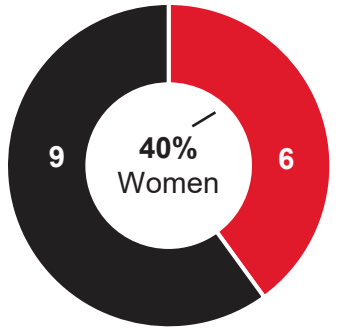
Skill/Experience	Count of Directors
Leadership	15 / 15
ESG	12 / 15
Financial	8 / 15
Industry Knowledge	12 / 15
Real Estate	4 / 15
Sales & Marketing	12 / 15
Technology	9 / 15

Racial / Ethnic Diversity

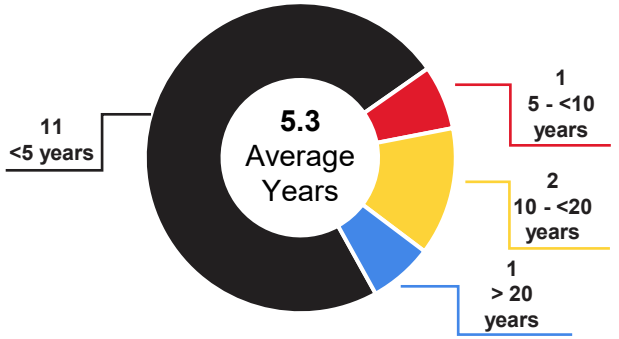


Average age of Board members is **58 years**

Gender Diversity



Director Tenure



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Additional Resources

Quarterly Results

Annual Reports and Proxy Statements

Corporate Responsibility Report

Additional Resources and Reports

Policies and Commitments, including:

- Preferred Materials Policy
- Animal Welfare Policy
- Fur Policy
- Exotic Skins Policy
- Chemical Policy



Appendix

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.

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 3, 2024 versus 13 weeks ended July 29, 2023
	Macy's First 50 locations
Increase in comparable sales on an owned basis (Note 1)	0.8%
Impact of departments licensed to third parties (Note 2)	0.2%
Increase in comparable sales on an owned-plus-licensed basis	1.0%

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 3, 2024 and July 29, 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

	26 weeks ended August 3, 2024 versus 26 weeks ended July 29, 2023
	Macy's, Inc. Go-Forward business
Decrease in comparable sales on an owned basis (Note 1)	(2.3)%
Impact of departments licensed to third parties and marketplace sales (Note 2)	0.9%
Decrease in comparable sales on an owned-plus-licensed-plus-marketplace basis	(1.4)%

Net Income and Diluted Earnings Per Share, Excluding Certain Items

Millions, except per share figures	**26 weeks ended August 3, 2024**		**26 weeks ended July 29, 2023**	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
As reported	$212	$0.75	$133	$0.48
Impairment, restructuring and other costs	19	0.07	6	0.01
Settlement charges	—	—	122	0.44
Income tax impact of certain items identified above	(5)	(0.02)	(33)	(0.11)
As adjusted to exclude certain items above	$226	$0.80	$228	$0.82

Free Cash Flow

Millions	**26 weeks ended August 3, 2024**
Net cash provided by operating activities	$137
Purchase of property and equipment	(271)
Capitalized software	(161)
Disposition of property and equipment	51
Free Cash Flow	$(244)