



# NORDSTROM

Q3 EARNINGS CONFERENCE CALL

November 10, 2016

# FORWARD-LOOKING STATEMENTS

This presentation contains statements that are forward looking. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. We may not achieve the results projected in these forward-looking statements, and our actual results could materially differ because of factors discussed in this conference call, in the comments made during this presentation, and in the risk factors section of our Form 10-K, Form 10-Qs, and other reports and filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement to reflect subsequent events, new information or future circumstances.

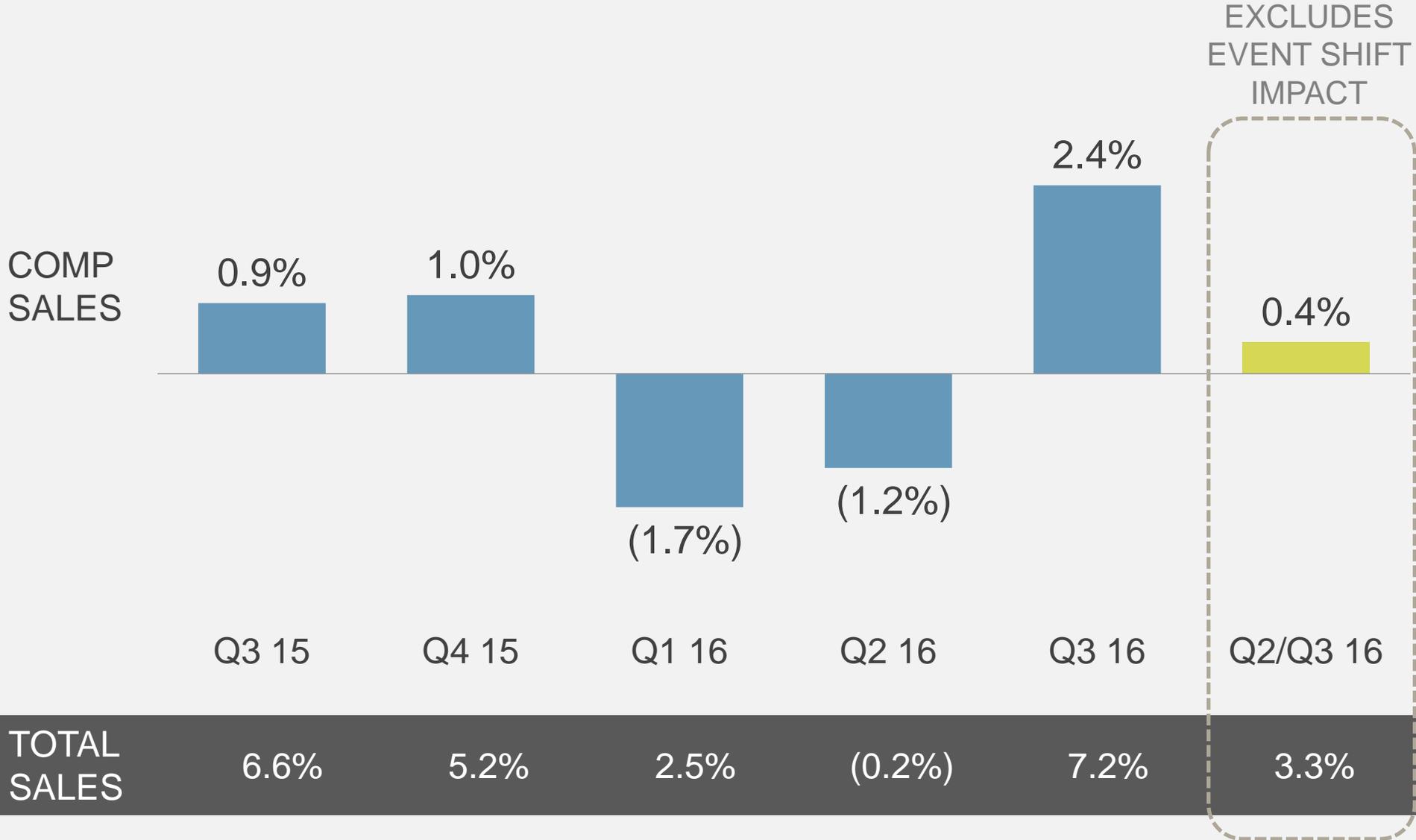


# BLAKE NORDSTROM

CO-PRESIDENT, NORDSTROM, INC.

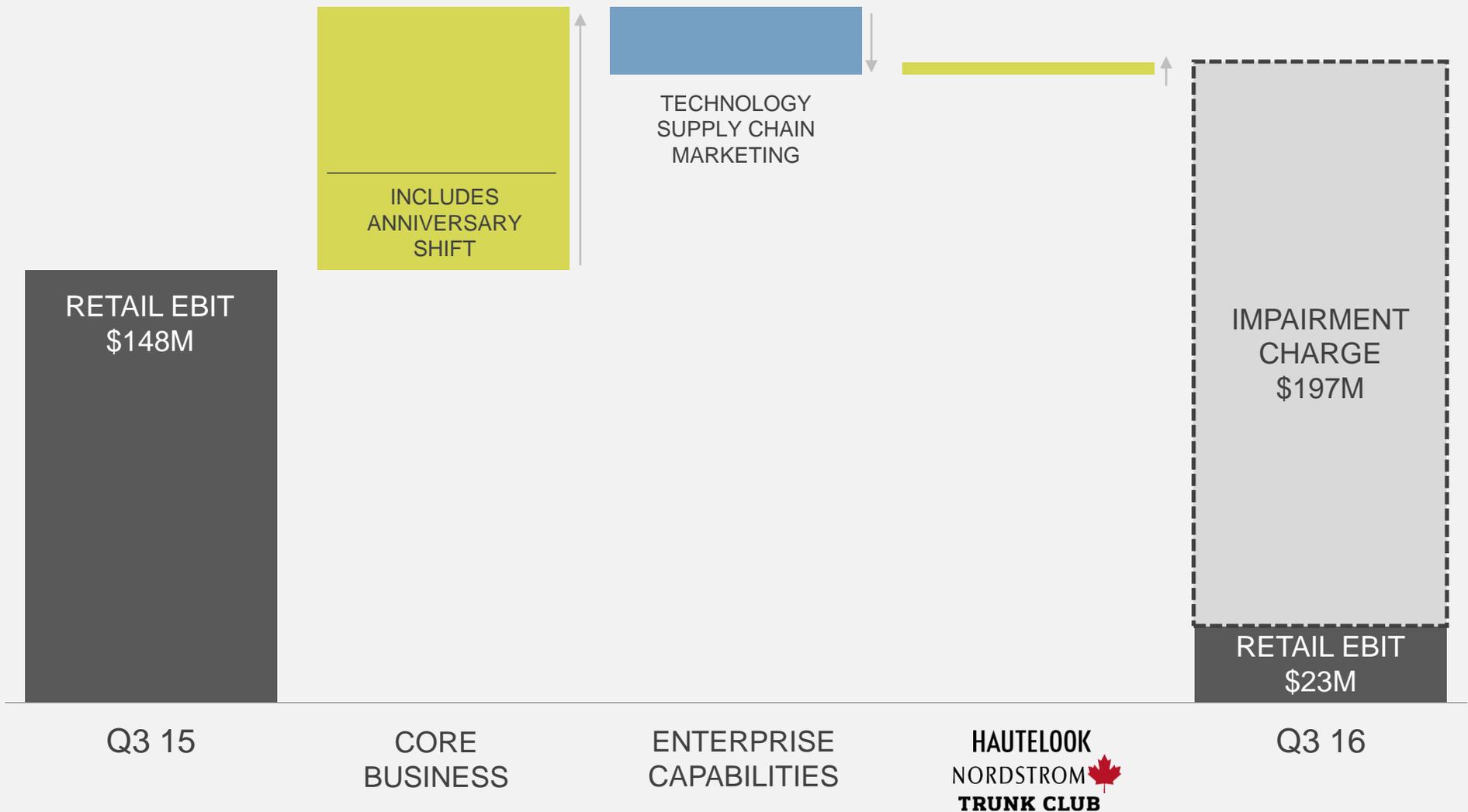
# SALES GROWTH

CONSISTENT TRENDS



# EARNINGS PERFORMANCE

STRONG INVENTORY AND EXPENSE EXECUTION



# Q3 INITIATIVES

EXECUTING ON GROWTH STRATEGY

## SERVICE AND EXPERIENCE

 CANADA STORE OPENINGS  
EATON CENTRE  
YORKDALE CENTRE



AUSTIN THE DOMAIN  
FULL-LINE STORE

AND

15 NEW NORDSTROM  
RACK STORES

## PRODUCT

NOW AT  
NORDSTROM

J. CREW

GOOD  
AMERICAN

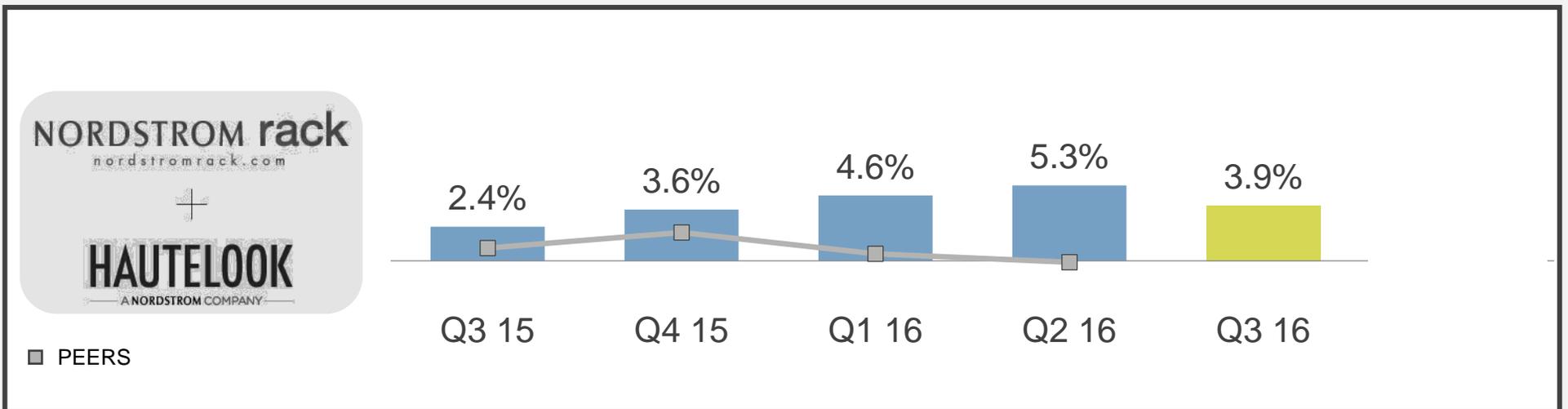
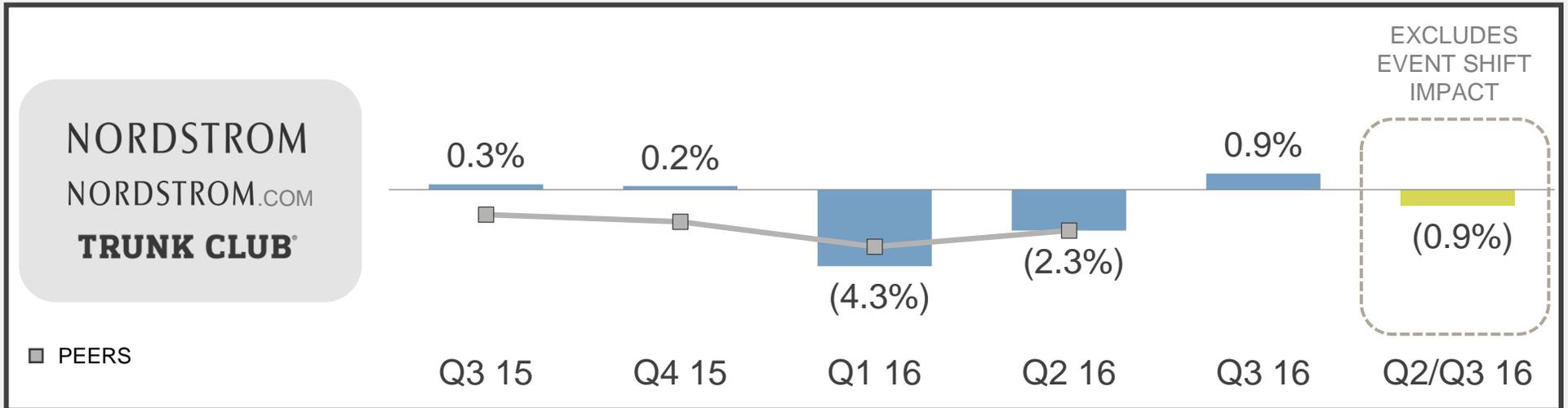


# MIKE KOPPEL

EVP & CFO, NORDSTROM, INC.

# COMP SALES PERFORMANCE

## CONTINUED TRENDS

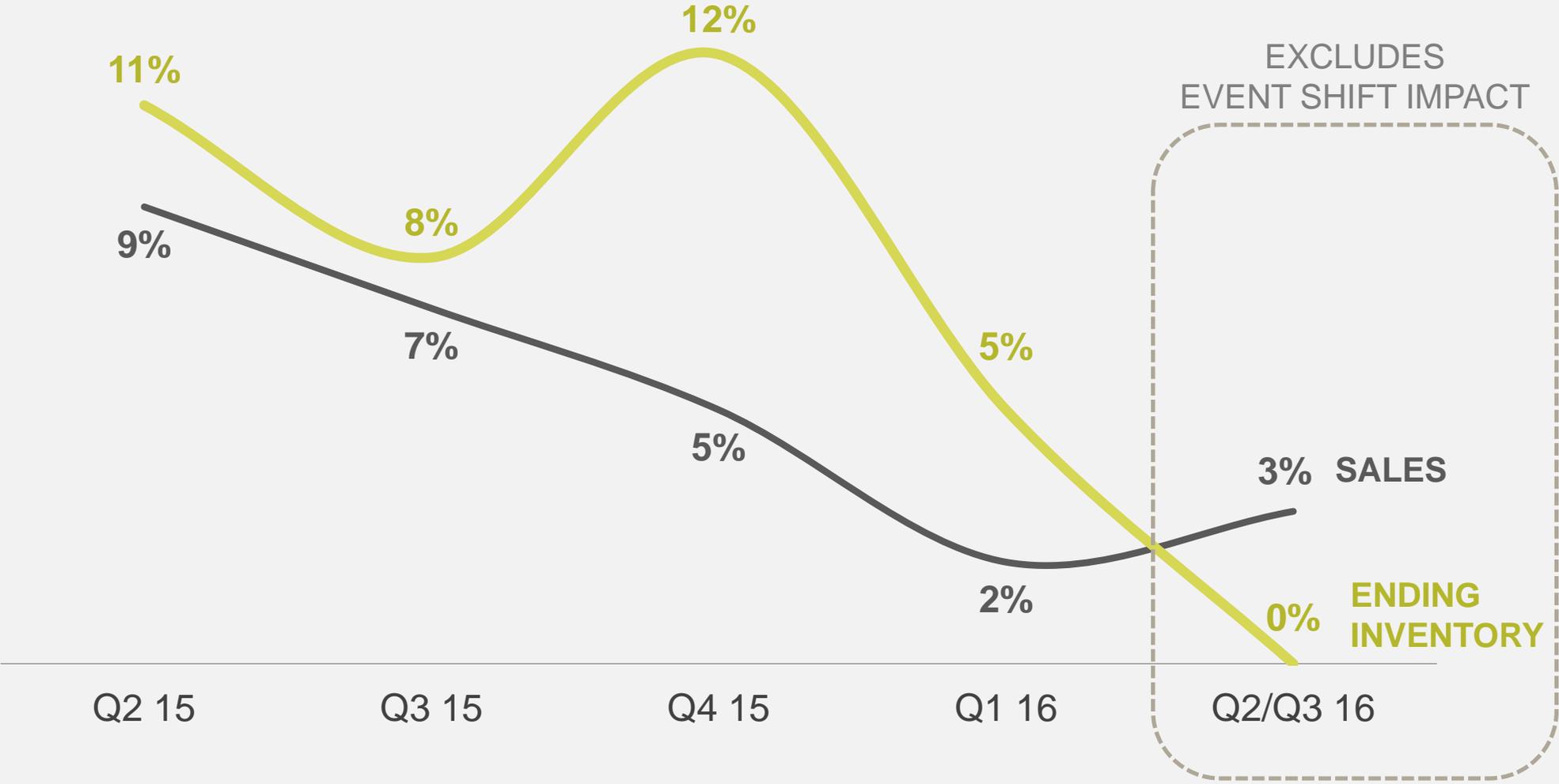


TOTAL COMPANY	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q2/Q3 16
	0.9%	1.0%	(1.7%)	(1.2%)	2.4%	0.4%

FULL-PRICE PEERS: ANF, CHS, DDS, GPS, LB, M, HBC, SAKS, TIF, URBN  
OFF-PRICE PEERS: BURL, DSW, ROST, SAKS OFF FIFTH/GILT, SMRT, TJX

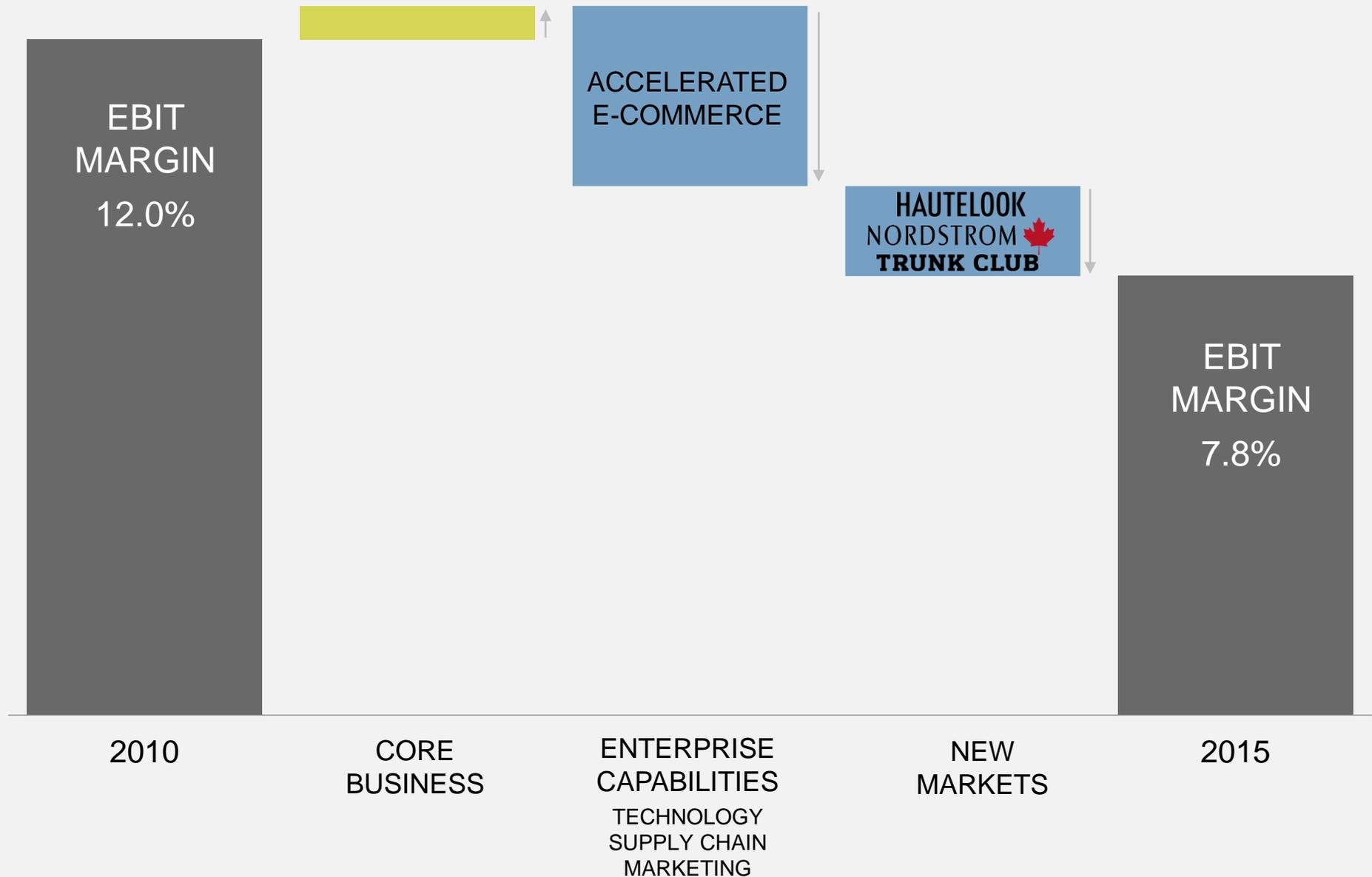
# INVENTORY MANAGEMENT

SALES GROWTH OUTPACED INVENTORY GROWTH



# EVOLVING BUSINESS MODEL

INVESTMENTS IMPACTING NEAR-TERM PROFITABILITY



# EVOLVING BUSINESS MODEL

GAINING OPERATIONAL EFFICIENCIES

*ACCELERATED  
INVESTMENTS*

*OPERATING  
MODEL CHANGES*

EXPENSE GROWTH	2010-2015 CAGR	2016E
CORE BUSINESS & NEW MARKETS	6%	~ 3%
ENTERPRISE CAPABILITIES (TECHNOLOGY, SUPPLY CHAIN, MARKETING)	20%	~ 9%
TOTAL SG&A	9%	~ 5%

# FY 2016 EXPECTATIONS

BETTER / (WORSE) VS. LY	PRIOR OUTLOOK	CURRENT OUTLOOK, EXCLUDING IMPAIRMENT	CURRENT OUTLOOK
TOTAL SALES (%)	2.5 – 4.5	~ 3.5	~ 3.5
COMP SALES (%)	(1) – 1	~ flat	~ flat
RETAIL EBIT (%)	(10) – (15)	(5) – (10)	(30) – (35)
CREDIT EBIT (\$M)	~ 80	~ 90	~ 90
EPS	\$2.60 – \$2.75	\$2.85 – \$2.95	\$1.70 - \$1.80



Q&A

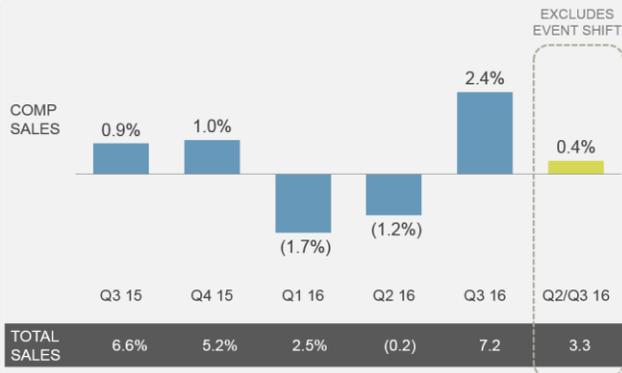
# NORDSTROM | Q3 2016 OVERVIEW

Q3 results reflected continuous improvement in operating model

## BUSINESS UPDATE

### SALES GROWTH

- Consistent trends



### Q3 INITIATIVES

- Executing strategy to improve the customer experience and drive growth

**SERVICE AND EXPERIENCE**

CANADA STORE OPENINGS  
EATON CENTRE  
YORKDALE CENTRE

AUSTIN THE DOMAIN  
FULL-LINE STORE

AND

**15** NEW NORDSTROM RACK STORES

**PRODUCT**

NOW AT NORDSTROM

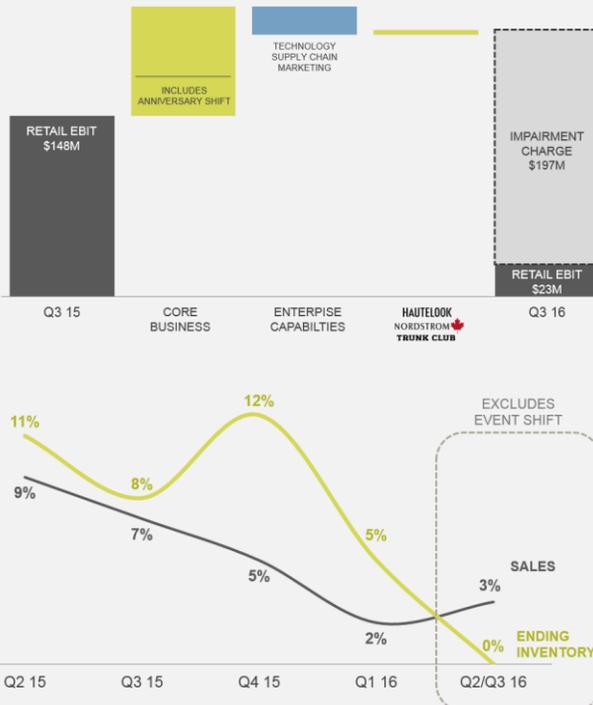
J.CREW

GOOD AMERICAN

## FINANCIAL PERFORMANCE

### EARNINGS PERFORMANCE

- Strong inventory and expense execution



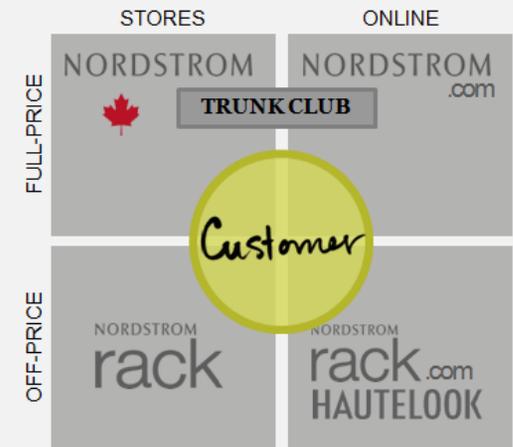
### 2016 OUTLOOK

BETTER / (WORSE) VS. LY	PRIOR OUTLOOK	CURRENT OUTLOOK, EXCLUDING IMPAIRMENT	CURRENT OUTLOOK
TOTAL SALES (%)	2.5 – 4.5	~ 3.5	~ 3.5
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## GOING FORWARD

### CUSTOMER STRATEGY

- Improve the customer experience



### CAPITAL INVESTMENTS (FY16-20)

- Aligned with evolving customer expectations

