

MACY'S, INC.

Consolidated Statements of Operations (Unaudited)

(All amounts in millions except percentages and per share figures)

	<u>13 Weeks Ended</u> <u>October 31, 2020</u>		<u>13 Weeks Ended</u> <u>November 2, 2019</u>	
	<u>\$</u>	<u>% to</u> <u>Net sales</u>	<u>\$</u>	<u>% to</u> <u>Net sales</u>
Net sales	\$ 3,990		\$ 5,173	
Credit card revenues, net	195	4.9 %	183	3.5 %
Cost of sales	(2,569)	(64.4 %)	(3,106)	(60.0 %)
Selling, general and administrative expenses	(1,726)	(43.3 %)	(2,202)	(42.6 %)
Gains on sale of real estate	3	0.1 %	17	0.3 %
Restructuring, impairment and other costs	<u>(20)</u>	(0.5 %)	<u>(13)</u>	(0.2 %)
Operating income (loss)	(127)	(3.2 %)	52	1.0 %
Benefit plan income, net	16		8	
Settlement charges	(26)		(12)	
Interest expense, net	<u>(80)</u>		<u>(48)</u>	
Income (loss) before income taxes	(217)		—	
Federal, state and local income tax benefit	<u>126</u>		<u>2</u>	
Net income (loss)	<u>\$ (91)</u>		<u>\$ 2</u>	
Basic earnings (loss) per share	<u>\$ (0.29)</u>		<u>\$ 0.01</u>	
Diluted earnings (loss) per share	<u>\$ (0.29)</u>		<u>\$ 0.01</u>	
Average common shares:				
Basic	311.2		309.9	
Diluted	311.2		311.0	
End of period common shares outstanding	310.3		309.0	
Supplemental Financial Measures:				
Gross Margin	\$ 1,421	35.6 %	\$ 2,067	40.0 %
Depreciation and amortization expense	\$ 250		\$ 252	