

Nordstrom, Inc.**Consolidated Statements of Earnings**

(In millions except per share amounts)

Fiscal year	2018	2017	2016
Net sales	\$15,480	\$15,137	\$14,498
Credit card revenues, net	380	341	259
Total revenues	15,860	15,478	14,757
Cost of sales and related buying and occupancy costs	(10,155)	(9,890)	(9,440)
Selling, general and administrative expenses	(4,868)	(4,662)	(4,315)
Goodwill impairment	—	—	(197)
Earnings before interest and income taxes	837	926	805
Interest expense, net	(104)	(136)	(121)
Earnings before income taxes	733	790	684
Income tax expense	(169)	(353)	(330)
Net earnings	\$564	\$437	\$354

Earnings per share:			
Basic	\$3.37	\$2.62	\$2.05
Diluted	\$3.32	\$2.59	\$2.02

Weighted-average shares outstanding:			
Basic	167.3	166.8	173.2
Diluted	170.0	168.9	175.6

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

Nordstrom, Inc.**Consolidated Statements of Comprehensive Earnings**

(In millions)

Fiscal year	2018	2017	2016
Net earnings	\$564	\$437	\$354
Postretirement plan adjustments, net of tax of (\$5), \$2 and (\$1)	14	(6)	1
Foreign currency translation adjustment	(17)	20	14
Comprehensive net earnings	\$561	\$451	\$369

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

Nordstrom, Inc.
Consolidated Balance Sheets
(In millions)

	February 2, 2019	February 3, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$957	\$1,181
Accounts receivable, net	148	145
Merchandise inventories	1,978	2,027
Prepaid expenses and other	291	150
Total current assets	3,374	3,503
Land, property and equipment, net	3,921	3,939
Goodwill	249	238
Other assets	342	435
Total assets	\$7,886	\$8,115
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,469	\$1,409
Accrued salaries, wages and related benefits	580	578
Other current liabilities	1,324	1,246
Current portion of long-term debt	8	56
Total current liabilities	3,381	3,289
Long-term debt, net	2,677	2,681
Deferred property incentives, net	457	495
Other liabilities	498	673
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Common stock, no par value: 1,000 shares authorized; 157.6 and 167.0 shares issued and outstanding	3,048	2,816
Accumulated deficit	(2,138)	(1,810)
Accumulated other comprehensive loss	(37)	(29)
Total shareholders' equity	873	977
Total liabilities and shareholders' equity	\$7,886	\$8,115

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

Nordstrom, Inc.
Consolidated Statements of Cash Flows
(In millions)

Fiscal year	2018	2017	2016
Operating Activities			
Net earnings	\$564	\$437	\$354
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization expenses	669	666	645
Goodwill impairment	—	—	197
Amortization of deferred property incentives and other, net	(75)	(82)	(76)
Deferred income taxes, net	(34)	11	(15)
Stock-based compensation expense	90	77	91
Change in operating assets and liabilities:			
Accounts receivable	(4)	1	(3)
Proceeds from sale of credit card receivables originated at Nordstrom	—	39	—
Merchandise inventories	15	(62)	31
Prepaid expenses and other assets	(8)	(21)	100
Accounts payable	12	77	16
Accrued salaries, wages and related benefits	1	121	38
Other current liabilities	15	48	181
Deferred property incentives	53	64	65
Other liabilities	(2)	24	34
Net cash provided by operating activities	1,296	1,400	1,658
Investing Activities			
Capital expenditures	(654)	(731)	(846)
Proceeds from sale of credit card receivables originated at third parties	—	16	—
Other, net	1	31	55
Net cash used in investing activities	(653)	(684)	(791)
Financing Activities			
Proceeds from long-term borrowings, net of discounts	—	635	—
Principal payments on long-term borrowings	(56)	(661)	(10)
(Decrease) increase in cash book overdrafts	—	(55)	4
Cash dividends paid	(250)	(247)	(256)
Payments for repurchase of common stock	(678)	(211)	(277)
Proceeds from issuances under stock compensation plans	163	39	83
Tax withholding on share-based awards	(20)	(7)	(5)
Other, net	(26)	(35)	6
Net cash used in financing activities	(867)	(542)	(455)
Net (decrease) increase in cash and cash equivalents	(224)	174	412
Cash and cash equivalents at beginning of year	1,181	1,007	595
Cash and cash equivalents at end of year	\$957	\$1,181	\$1,007
Supplemental Cash Flow Information			
Cash paid during the year for:			
Income taxes, net of refunds	\$280	\$363	\$112
Interest, net of capitalized interest	118	143	134

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.