

Nordstrom, Inc.
Consolidated Statements of Earnings

(In millions except per share amounts)

Fiscal year	2019	2018	2017
Net sales	\$15,132	\$15,480	\$15,137
Credit card revenues, net	392	380	341
Total revenues	15,524	15,860	15,478
Cost of sales and related buying and occupancy costs	(9,932)	(10,155)	(9,890)
Selling, general and administrative expenses	(4,808)	(4,868)	(4,662)
Earnings before interest and income taxes	784	837	926
Interest expense, net	(102)	(104)	(136)
Earnings before income taxes	682	733	790
Income tax expense	(186)	(169)	(353)
Net earnings	\$496	\$564	\$437
Earnings per share:			
Basic	\$3.20	\$3.37	\$2.62
Diluted	\$3.18	\$3.32	\$2.59
Weighted-average shares outstanding:			
Basic	155.2	167.3	166.8
Diluted	156.1	170.0	168.9

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	2019	2018	2017
Net earnings	\$496	\$564	\$437
Postretirement plan adjustments, net of tax of \$9, (\$5) and \$2	(27)	14	(6)
Foreign currency translation adjustment	(4)	(17)	20
Comprehensive net earnings	\$465	\$561	\$451

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Nordstrom, Inc. **Consolidated Balance Sheets**

(In millions)

	February 1, 2020	February 2, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$853	\$957
Accounts receivable, net	179	148
Merchandise inventories	1,920	1,978
Prepaid expenses and other	278	291
Total current assets	3,230	3,374
Land, property and equipment, net	4,179	3,921
Operating lease right-of-use assets	1,774	—
Goodwill	249	249
Other assets	305	342
Total assets	\$9,737	\$7,886
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$1,576	\$1,469
Accrued salaries, wages and related benefits	510	580
Current portion of operating lease liabilities	244	—
Other current liabilities	1,190	1,324
Current portion of long-term debt	—	8
Total current liabilities	3,520	3,381
Long-term debt, net	2,676	2,677
Deferred property incentives, net	4	457
Non-current operating lease liabilities	1,875	—
Other liabilities	683	498
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Common stock, no par value: 1,000 shares authorized; 155.6 and 157.6 shares issued and outstanding	3,129	3,048
Accumulated deficit	(2,082)	(2,138)
Accumulated other comprehensive loss	(68)	(37)
Total shareholders' equity	979	873
Total liabilities and shareholders' equity	\$9,737	\$7,886

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Nordstrom, Inc.
Consolidated Statements of Shareholders' Equity

(In millions except per share amounts)

Fiscal year ended	February 1, 2020	February 2, 2019	February 3, 2018
Common stock			
Balance, beginning of year	\$3,048	\$2,816	\$2,707
Issuance of common stock under stock compensation plans	29	163	39
Stock-based compensation	52	69	70
Balance, end of year	\$3,129	\$3,048	\$2,816
Accumulated deficit			
Balance, beginning of year	(\$2,138)	(\$1,810)	(\$1,794)
Cumulative effect of adopted accounting standards	(25)	60	—
Net earnings	496	564	437
Dividends	(229)	(250)	(247)
Repurchase of common stock	(186)	(702)	(206)
Balance, end of year	(\$2,082)	(\$2,138)	(\$1,810)
Accumulated other comprehensive loss			
Balance, beginning of year	(\$37)	(\$29)	(\$43)
Cumulative effect of adopted accounting standards	—	(5)	—
Other comprehensive (loss) income	(31)	(3)	14
Balance, end of year	(\$68)	(\$37)	(\$29)
Total	\$979	\$873	\$977
Dividends per share	\$1.48	\$1.48	\$1.48

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

Fiscal year	2019	2018	2017
Operating Activities			
Net earnings	\$496	\$564	\$437
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization expenses and other, net	671	669	666
Amortization of deferred property incentives	—	(75)	(82)
Right-of-use asset amortization	183	—	—
Deferred income taxes, net	52	(34)	11
Stock-based compensation expense	69	90	77
Change in operating assets and liabilities:			
Accounts receivable	82	(4)	1
Proceeds from sale of credit card receivables originated at Nordstrom	—	—	39
Merchandise inventories	30	15	(62)
Prepaid expenses and other assets	(38)	(8)	(21)
Accounts payable	98	12	77
Accrued salaries, wages and related benefits	(71)	1	121
Other current liabilities	(94)	15	48
Deferred property incentives	6	53	64
Lease liabilities	(259)	—	—
Other liabilities	11	(2)	24
Net cash provided by operating activities	1,236	1,296	1,400
Investing Activities			
Capital expenditures	(935)	(654)	(731)
Proceeds from sale of credit card receivables originated at third parties	—	—	16
Other, net	26	1	31
Net cash used in investing activities	(909)	(653)	(684)
Financing Activities			
Proceeds from long-term borrowings, net of discounts	499	—	635
Principal payments on long-term borrowings	(500)	(56)	(661)
Increase (decrease) in cash book overdrafts	8	—	(55)
Cash dividends paid	(229)	(250)	(247)
Payments for repurchase of common stock	(210)	(678)	(211)
Proceeds from issuances under stock compensation plans	29	163	39
Tax withholding on share-based awards	(17)	(20)	(7)
Other, net	(11)	(26)	(35)
Net cash used in financing activities	(431)	(867)	(542)
Net (decrease) increase in cash and cash equivalents	(104)	(224)	174
Cash and cash equivalents at beginning of year	957	1,181	1,007
Cash and cash equivalents at end of year	\$853	\$957	\$1,181
Supplemental Cash Flow Information			
Cash paid during the year for:			
Income taxes, net of refunds	\$178	\$280	\$363
Interest, net of capitalized interest	111	118	143

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