

Macy's, Inc. Raises Approximately \$4.5 Billion in Financing

- *Closes on previously announced \$1.3 billion of senior secured notes*
- *Closes on new \$3.15 billion asset-based credit agreement*

NEW YORK--(BUSINESS WIRE)-- Macy's, Inc. (NYSE:M) today announced the closing on approximately \$4.5 billion of new financing, including its previously announced \$1.3 billion of 8.375% senior secured notes, as well as a new \$3.15 billion asset-based credit agreement. In addition, the company has amended and substantially reduced the credit commitments of its existing \$1.5 billion unsecured credit agreement. The company intends to use the proceeds of the notes offering, along with cash on hand, to repay the outstanding borrowings under the existing \$1.5 billion unsecured credit agreement.

With the closing of these financings, the company expects to have sufficient liquidity to address the needs of the business, including funding operations and the purchase of new inventory for upcoming merchandising seasons, resolving its accrued payables obligations, and repaying upcoming debt maturities in fiscal 2020 and fiscal 2021.

"We are pleased with the strong demand from new investors in our notes issuance, which allowed us to tighten pricing and increase the size of the offering. The high quality of our real estate portfolio positioned us well to execute this offering. Additionally, the continued commitment from our bank group allowed us to more than double the size of our existing revolving credit facility. Together, the notes offering and asset-based credit agreement provide Macy's, Inc. with approximately \$4.5 billion of borrowings and commitments, giving us sufficient flexibility and liquidity to navigate our current environment and fund our business for the foreseeable future," said Jeff Gennette, chairman and chief executive officer of Macy's, Inc. "Combined with our ongoing Polaris initiatives, we are confident this liquidity will ensure Macy's, Inc. remains a strong company to work for, invest in and partner with."

Closing of Senior Secured Notes Offering

Macy's, Inc. today closed on its previously announced 8.375% senior secured notes offering of \$1.3 billion. The notes will mature in June 2025. The notes were issued by Macy's, Inc. and are secured on a first-priority basis by (i) a first mortgage/deed of trust in certain real property of subsidiaries of Macy's that were transferred to subsidiaries of Macy's Propco Holdings, LLC, a newly created direct, wholly-owned subsidiary of Macy's ("Propco") and (ii) a pledge by Propco of the equity interests in its subsidiaries that own such transferred real property. The notes are, jointly and severally, unconditionally guaranteed on a secured basis by Propco and its subsidiaries and unconditionally guaranteed on an unsecured basis by Macy's Retail Holdings, LLC., a direct, wholly owned subsidiary of Macy's, Inc.

Closing of New Asset-Based Credit Agreement

In addition, the company today closed on a new \$3.15 billion asset-based credit agreement. The asset-based credit agreement will mature in May 2024 and includes a short-term facility of \$300 million that will mature in December 2020. The asset-based credit agreement also contains an accordion feature that will enable the company to request increases in the size of the facility up to an additional aggregate principal amount of \$750 million. The new asset-based credit agreement is secured by all assets and common equity of the newly formed Macy's Inventory Funding LLC, which has purchased the vast majority of the company's inventory, and which is the borrower under the new asset-based credit agreement.

Amendment of Existing Revolving Credit Agreement

In conjunction with these financing activities, the company has substantially amended its existing \$1.5 billion unsecured revolving credit agreement to reduce the available credit commitment and modify the agreement's covenants. The amended revolving credit agreement provides the company with unsecured revolving credit of up to \$75 million.

Advisors

The company was advised on these transactions by Lazard, Kirkland & Ellis and Jones Day. Additionally, Eastdil Secured served as the company's real estate advisor.

Credit Suisse and JP Morgan served as joint physical book runners on the company's senior secured notes issuance. Bank of America and Goldman Sachs served as book runners on the notes issuance.

Bank of America is serving as the Administrative Agent and Lead Arranger on the company's asset-based credit agreement.

This news release shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About Macy's, Inc.

Macy's, Inc. (NYSE: M) is one of the nation's premier omni-channel fashion retailers, with fiscal 2019 sales of \$24.6 billion. The company comprises three retail brands, Macy's, Bloomingdale's and Bluemercury. Macy's, Inc. is headquartered in New York, New York.

Forward-Looking Statements

All statements in this press release that are not statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Macy's management and are subject to significant risks and uncertainties. Actual results could differ materially from those expressed in or implied by the forward-looking statements contained in this release because of a variety of factors, including the finalization of Macy's financial statements as of and for the 13 weeks ended May 2, 2020, including the actual amount of the impairment charges that it expects to incur for the period, the effects of the novel coronavirus (COVID-19) on customer demand, its supply chain as well as its consolidated results of operation, financial position and cash flows, Macy's ability to obtain additional

financing on commercially acceptable terms or at all, Macy's ability to successfully implement its Polaris strategy, including the ability to realize the anticipated benefits within the expected time frame or at all, conditions to, or changes in the timing of proposed real estate and other transactions, prevailing interest rates and non-recurring charges, the effect of potential changes to trade policies, store closings, competitive pressures from specialty stores, general merchandise stores, off-price and discount stores, manufacturers' outlets, the Internet, catalogs and television shopping and general consumer spending levels, including the impact of the availability and level of consumer debt, possible systems failures and/or security breaches, the potential for the incurrence of charges in connection with the impairment of intangible assets, including goodwill, Macy's reliance on foreign sources of production, including risks related to the disruption of imports by labor disputes, regional or global health pandemics, and regional political and economic conditions, the effect of weather and other factors identified in documents filed by the company with the Securities and Exchange Commission, including under the captions "Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended February 1, 2020 and "COVID-19 Risk Factor" in the Company's Current Report on Form 8-K filed on May 26, 2020. Macy's disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Source: Macy's, Inc.