

MACY'S, INC.
Consolidated Statements of Income (Unaudited)
(All amounts in millions except percentages and per share figures)

	39 Weeks Ended November 2, 2019		39 Weeks Ended November 3, 2018	
	\$	% to Net sales	\$	% to Net sales
Net sales	\$ 16,223		\$ 16,516	
Credit card revenues, net	531	3.3 %	528	3.2%
Cost of sales	(9,905)	(61.1%)	(9,927)	(60.1%)
Selling, general and administrative expenses	(6,489)	(40.0%)	(6,501)	(39.4%)
Gains on sale of real estate	67	0.4%	111	0.7%
Impairment, restructuring and other costs	(16)	(0.1%)	(39)	(0.2%)
Operating income	411	2.5%	688	4.2%
Benefit plan income, net	23		31	
Settlement charges	(12)		(73)	
Interest expense, net	(143)		(187)	
Losses on early retirement of debt	—		(5)	
Income before income taxes	279		454	
Federal, state and local income tax expense	(55)		(96)	
Net income	224		358	
Net loss attributable to noncontrolling interest	—		10	
Net income attributable to Macy's, Inc. shareholders	\$ 224		\$ 368	
Basic earnings per share attributable to Macy's, Inc. shareholders	\$ 0.72		\$ 1.20	
Diluted earnings per share attributable to Macy's, Inc. shareholders	\$ 0.72		\$ 1.18	
Average common shares:				
Basic	309.6		307.5	
Diluted	311.3		311.2	
End of period common shares outstanding	309.0		307.2	
Supplemental Financial Measures:				
Gross Margin	\$ 6,318	38.9 %	\$ 6,589	39.9 %
Depreciation and amortization expense	\$ 725		\$ 718	