

MACY'S, INC.

Consolidated Statements of Cash Flows (Unaudited)

(millions)

	<u>39 Weeks Ended November 2, 2019</u>	<u>39 Weeks Ended November 3, 2018</u>
Cash flows from operating activities:		
Net income	\$ 224	\$ 358
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment, restructuring and other costs	16	39
Settlement charges	12	73
Depreciation and amortization	725	718
Benefit plans	23	25
Stock-based compensation expense	40	48
Gains on sale of real estate	(67)	(111)
Deferred income taxes	25	62
Amortization of financing costs and premium on acquired debt	1	(5)
Changes in assets and liabilities:		
Decrease in receivables	224	163
Increase in merchandise inventories	(1,993)	(1,969)
Decrease in prepaid expenses and other current assets	13	16
Increase in merchandise accounts payable	1,648	1,664
Decrease in accounts payable and accrued liabilities	(470)	(221)
Decrease in current income taxes	(168)	(301)
Change in other assets and liabilities	(81)	(130)
Net cash provided by operating activities	<u>172</u>	<u>429</u>
Cash flows from investing activities:		
Purchase of property and equipment	(623)	(468)
Capitalized software	(189)	(209)
Disposition of property and equipment	73	121
Other, net	10	7
Net cash used by investing activities	<u>(729)</u>	<u>(549)</u>
Cash flows from financing activities:		
Debt issuance costs	(3)	—
Debt repaid	(42)	(361)
Dividends paid	(349)	(347)
Increase in outstanding checks	49	44
Acquisition of treasury stock	(1)	—
Issuance of common stock	6	41
Proceeds from noncontrolling interest	—	7
Net cash used by financing activities	<u>(340)</u>	<u>(616)</u>
Net decrease in cash, cash equivalents and restricted cash	(897)	(736)
Cash, cash equivalents and restricted cash beginning of period	<u>1,248</u>	<u>1,513</u>
Cash, cash equivalents and restricted cash end of period	<u>\$ 351</u>	<u>\$ 777</u>