

MACY'S, INC.

Consolidated Statements of Cash Flows (Unaudited)

(millions)

	<u>52 Weeks Ended February 1, 2020</u>	<u>52 Weeks Ended February 2, 2019</u>
Cash flows from operating activities:		
Net income	\$ 564	\$ 1,098
Adjustments to reconcile net income to net cash provided by operating activities:		
Restructuring, impairment, store closings and other costs	354	136
Settlement charges	58	88
Depreciation and amortization	981	962
Benefit plans	31	30
Stock-based compensation expense	38	63
Gains on sale of real estate	(162)	(389)
Deferred income taxes	(6)	112
Amortization of financing costs and premium on acquired debt	4	(15)
Changes in assets and liabilities:		
Increase in receivables	(9)	(61)
(Increase) decrease in merchandise inventories	75	(87)
Decrease in prepaid expenses and other current assets	89	21
Increase in merchandise accounts payable	40	55
Increase (decrease) in accounts payable and accrued liabilities	(257)	14
Decrease in current income taxes	(60)	(136)
Change in other assets and liabilities	(132)	(156)
Net cash provided by operating activities	<u>1,608</u>	<u>1,735</u>
Cash flows from investing activities:		
Purchase of property and equipment	(902)	(657)
Capitalized software	(255)	(275)
Disposition of property and equipment	185	474
Other, net	(30)	2
Net cash used by investing activities	<u>(1,002)</u>	<u>(456)</u>
Cash flows from financing activities:		
Debt issuance costs	(3)	—
Debt repaid	(597)	(1,149)
Dividends paid	(466)	(463)
Increase (decrease) in outstanding checks	(62)	16
Acquisition of treasury stock	(1)	—
Issuance of common stock	6	45
Proceeds from noncontrolling interest	—	7
Net cash used by financing activities	<u>(1,123)</u>	<u>(1,544)</u>
Net decrease in cash, cash equivalents and restricted cash	(517)	(265)
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>\$ 731</u>	<u>\$ 1,248</u>