

MACY'S, INC.

Consolidated Statements of Cash Flows (Unaudited)

(millions)

	<u>26 Weeks Ended August 1, 2020</u>	<u>26 Weeks Ended August 3, 2019</u>
Cash flows from operating activities:		
Net income (loss)	\$ (4,012)	\$ 223
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Impairment, restructuring and other costs	3,426	3
Settlement charges	38	—
Depreciation and amortization	472	472
Benefit plans	23	15
Stock-based compensation expense	13	28
Gains on sale of real estate	(16)	(49)
Deferred income taxes	(265)	17
Amortization of financing costs and premium on acquired debt	4	1
Changes in assets and liabilities:		
Decrease in receivables	222	160
Decrease in merchandise inventories	1,598	234
Decrease in prepaid expenses and other current assets	31	19
Increase (decrease) in merchandise accounts payable	(188)	55
Decrease in accounts payable and accrued liabilities	(605)	(619)
Decrease in current income taxes	(695)	(149)
Change in other assets and liabilities	(53)	(60)
Net cash provided (used) by operating activities	<u>(7)</u>	<u>350</u>
Cash flows from investing activities:		
Purchase of property and equipment	(228)	(378)
Capitalized software	(61)	(123)
Disposition of property and equipment	31	59
Other, net	(14)	(12)
Net cash used by investing activities	<u>(272)</u>	<u>(454)</u>
Cash flows from financing activities:		
Debt issued	2,780	—
Debt issuance costs	(98)	(3)
Debt repaid	(1,504)	(39)
Dividends paid	(117)	(233)
Decrease in outstanding checks	(111)	(128)
Issuance of common stock	—	6
Net cash provided (used) by financing activities	<u>950</u>	<u>(397)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	671	(501)
Cash, cash equivalents and restricted cash beginning of period	731	1,248
Cash, cash equivalents and restricted cash end of period	<u>\$ 1,402</u>	<u>\$ 747</u>