

**MACY'S, INC.**

Consolidated Statements of Cash Flows (Unaudited)  
(millions)

	<u>13 Weeks Ended May 4, 2019</u>	<u>13 Weeks Ended May 5, 2018</u>
Cash flows from operating activities:		
Net income	\$ 136	\$ 131
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Impairment and other costs	1	19
Depreciation and amortization	236	235
Stock-based compensation expense	14	17
Gains on sale of real estate	(43)	(24)
Deferred income taxes	7	19
Benefit plans	8	9
Changes in assets and liabilities:		
Decrease in receivables	163	105
Increase in merchandise inventories	(235)	(115)
Increase in prepaid expenses and other current assets	(6)	(20)
Increase in merchandise accounts payable	247	415
Decrease in accounts payable and accrued liabilities	(516)	(453)
Increase in current income taxes	8	25
Change in other assets and liabilities not separately identified	(58)	(41)
Net cash provided (used) by operating activities	<u>(38)</u>	<u>322</u>
Cash flows from investing activities:		
Purchase of property and equipment	(204)	(132)
Capitalized software	(60)	(58)
Disposition of property and equipment	34	23
Other, net	(7)	11
Net cash used by investing activities	<u>(237)</u>	<u>(156)</u>
Cash flows from financing activities:		
Debt repaid	(3)	(3)
Dividends paid	(116)	(116)
Decrease in outstanding checks	(45)	(10)
Issuance of common stock	6	28
Proceeds from noncontrolling interest	—	2
Net cash used by financing activities	<u>(158)</u>	<u>(99)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(433)	67
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>\$ 815</u>	<u>\$ 1,580</u>