

MACY'S, INC.

Consolidated Statements of Cash Flows (Unaudited)
(millions)

	52 Weeks Ended February 2, 2019	53 Weeks Ended February 3, 2018
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Cash flows from operating activities:		
Net income	\$ 1,098	\$ 1,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Restructuring, impairment, store closing and other costs	136	186
Settlement charges	88	105
Depreciation and amortization	962	991
Stock-based compensation expense	63	58
Gains on sale of real estate	(389)	(544)
Amortization of financing costs and premium on acquired debt	(15)	(45)
Changes in assets and liabilities:		
(Increase) decrease in receivables	(61)	120
(Increase) decrease in merchandise inventories	(87)	221
Decrease in prepaid expenses and other current assets	21	17
Increase in merchandise accounts payable	55	162
Increase (decrease) in accounts payable, accrued liabilities and other items not separately identified	44	(186)
Decrease in current income taxes	(136)	(114)
Increase (decrease) in deferred income taxes	112	(421)
Change in other assets and liabilities not separately identified	(156)	(129)
Net cash provided by operating activities	<u>1,735</u>	<u>1,976</u>
Cash flows from investing activities:		
Purchase of property and equipment	(657)	(487)
Capitalized software	(275)	(273)
Disposition of property and equipment	474	411
Other, net	2	(2)
Net cash used by investing activities	<u>(456)</u>	<u>(351)</u>
Cash flows from financing activities:		
Debt repaid	(1,149)	(988)
Dividends paid	(463)	(461)
Increase (decrease) in outstanding checks	16	(15)
Acquisition of treasury stock	—	(1)
Issuance of common stock	45	6
Proceeds from noncontrolling interest	7	13
Net cash used by financing activities	<u>(1,544)</u>	<u>(1,446)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(265)	179
Cash, cash equivalents and restricted cash beginning of period	<u>1,513</u>	<u>1,334</u>
Cash, cash equivalents and restricted cash end of period	<u>\$ 1,248</u>	<u>\$ 1,513</u>