

MACY'S, INC.

Consolidated Statements of Cash Flows (Unaudited)

(millions)

	<u>39 Weeks Ended October 31, 2020</u>	<u>39 Weeks Ended November 2, 2019</u>
Cash flows from operating activities:		
Net income (loss)	\$ (4,104)	\$ 224
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Impairment, restructuring and other costs	3,445	16
Settlement charges	65	12
Depreciation and amortization	722	725
Benefit plans	36	23
Stock-based compensation expense	21	40
Gains on sale of real estate	(20)	(67)
Deferred income taxes	(270)	25
Amortization of financing costs and premium on acquired debt	11	1
Changes in assets and liabilities:		
Decrease in receivables	223	224
(Increase) decrease in merchandise inventories	34	(1,993)
Decrease in prepaid expenses and other current assets	29	13
Increase in merchandise accounts payable	1,612	1,648
Decrease in accounts payable and accrued liabilities	(598)	(470)
Decrease in current income taxes	(818)	(168)
Change in other assets and liabilities	(144)	(81)
Net cash provided by operating activities	<u>244</u>	<u>172</u>
Cash flows from investing activities:		
Purchase of property and equipment	(290)	(623)
Capitalized software	(96)	(189)
Disposition of property and equipment	39	73
Other, net	33	10
Net cash used by investing activities	<u>(314)</u>	<u>(729)</u>
Cash flows from financing activities:		
Debt issued	2,780	—
Debt issuance costs	(102)	(3)
Debt repaid	(1,508)	(42)
Dividends paid	(117)	(349)
Increase (decrease) in outstanding checks	(90)	49
Acquisition of treasury stock	—	(1)
Issuance of common stock	—	6
Net cash provided (used) by financing activities	<u>963</u>	<u>(340)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	893	(897)
Cash, cash equivalents and restricted cash beginning of period	<u>731</u>	<u>1,248</u>
Cash, cash equivalents and restricted cash end of period	<u>\$ 1,624</u>	<u>\$ 351</u>