UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-13536

Macy's, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-3324058**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

151 West 34th Street, New York, New York 10001
(Address of Principal Executive Offices, including Zip Code)
(212) 494-1621
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value per share	M	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at May 28, 2022
Common Stock, $.01 par value per share	269,732,810 shares

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MACY'S, INC.

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(millions, except per share figures)

	13 Weeks Ended	
	April 30, 2022	May 1, 2021
Net sales	$ 5,348	$ 4,706
Credit card revenues, net	191	159
Cost of sales	(3,231)	(2,889)
Selling, general and administrative expenses	(1,879)	(1,748)
Gains on sale of real estate	42	6
Impairment, restructuring and other costs	(8)	(19)
Operating income	463	215
Benefit plan income, net	7	15
Interest expense	(48)	(79)
Losses on early retirement of debt	(31)	(11)
Interest income	1	—
Income before income taxes	392	140
Federal, state and local income tax expense	(106)	(37)
Net income	$ 286	$ 103
Basic earnings per share	$ 1.01	$ 0.33
Diluted earnings per share	$ 0.98	$ 0.32

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(millions)

	13 Weeks Ended	
	April 30, 2022	May 1, 2021
Net income	$ 286	$ 103
Reclassifications to net income:		
Amortization of net actuarial loss and prior service credit on post employment and postretirement benefit plans included in net income, before tax	5	10
Tax effect related to items of other comprehensive income	(1)	(2)
Total other comprehensive income, net of tax effect	4	8
Comprehensive income	$ 290	$ 111

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

(millions)

	April 30, 2022	January 29, 2022	May 1, 2021
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 672	$ 1,712	$ 1,798
Receivables	233	297	205
Merchandise inventories	4,956	4,383	4,230
Prepaid expenses and other current assets	372	366	1,007
Total Current Assets	6,233	6,758	7,240
Property and Equipment - net of accumulated depreciation and amortization of $4,671, $4,548 and $4,550	5,601	5,665	5,798
Right of Use Assets	2,736	2,808	2,853
Goodwill	828	828	828
Other Intangible Assets – net	434	435	436
Other Assets	1,140	1,096	927
Total Assets	$ 16,972	$ 17,590	$ 18,082
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term debt	$ —	$ —	$ 294
Merchandise accounts payable	2,865	2,222	2,545
Accounts payable and accrued liabilities	2,456	3,086	2,616
Income taxes	222	108	63
Total Current Liabilities	5,543	5,416	5,518
Long-Term Debt	2,994	3,295	4,558
Long-Term Lease Liabilities	3,030	3,098	3,166
Deferred Income Taxes	968	983	868
Other Liabilities	1,159	1,177	1,297
Shareholders' Equity	3,278	3,621	2,675
Total Liabilities and Shareholders' Equity	$ 16,972	$ 17,590	$ 18,082

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(millions)

	Common Stock	Additional Paid-In Capital	Accumulated Equity	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at January 29, 2022	$ 3	$ 517	$ 5,268	$ (1,545)	$ (622)	$ 3,621
Net income			286			286
Other comprehensive income					4	4
Common stock dividends ($0.1575 per share)			(45)			(45)
Stock repurchases				(600)		(600)
Stock-based compensation expense		13				13
Stock issued under stock plans		(54)		53		(1)
Balance at April 30, 2022	$ 3	$ 476	$ 5,509	$ (2,092)	$ (618)	$ 3,278

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - (Continued)
(Unaudited)

(millions)

	Common Stock	Additional Paid-In Capital	Accumulated Equity	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at January 30, 2021	$ 3	$ 571	$ 3,928	$ (1,161)	$ (788)	$ 2,553
Net income			103			103
Other comprehensive income					8	8
Stock-based compensation expense		11				11
Stock issued under stock plans		(24)		24		—
Balance at May 1, 2021	$ 3	$ 558	$ 4,031	$ (1,137)	$ (780)	$ 2,675

The accompanying notes are an integral part of these Consolidated Financial Statements.

MACY'S, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(millions)

	13 Weeks Ended	
	April 30, 2022	May 1, 2021
Cash flows from operating activities:		
Net income	$ 286	$ 103
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment, restructuring and other costs	8	19
Depreciation and amortization	206	224
Stock-based compensation expense	13	11
Gains on sale of real estate	(42)	(6)
Benefit plans	5	10
Amortization of financing costs and premium on acquired debt	2	8
Deferred income taxes	(17)	(43)
Changes in assets and liabilities:		
Decrease in receivables	65	71
Increase in merchandise inventories	(573)	(457)
Increase in prepaid expenses and other current assets	(13)	(56)
Increase in merchandise accounts payable	639	674
Decrease in accounts payable and accrued liabilities	(424)	(114)
Increase in current income taxes	122	75
Change in other assets and liabilities	(29)	(25)
Net cash provided by operating activities	248	494
Cash flows from investing activities:		
Purchase of property and equipment	(171)	(61)
Capitalized software	(90)	(38)
Disposition of property and equipment	73	8
Other, net	(6)	17
Net cash used by investing activities	(194)	(74)
Cash flows from financing activities:		
Debt issued	850	500
Debt issuance costs	(21)	(9)
Debt repaid	(1,139)	(503)
Debt repurchase premium and expenses	(29)	(12)
Dividends paid	(45)	—
Decrease in outstanding checks	(126)	(276)
Acquisition of treasury stock	(584)	—
Net cash used by financing activities	(1,094)	(300)
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,040)	120
Cash, cash equivalents and restricted cash beginning of period	1,715	1,754
Cash, cash equivalents and restricted cash end of period	$ 675	$ 1,874
Supplemental cash flow information:		
Interest paid	$ 86	$ 52
Interest received	1	—
Income taxes paid, net of refunds received	1	5

Note: Restricted cash of $ 3 million and $ 76 million have been included with cash and cash equivalents for the 39 weeks ended April 30, 2022 and May 1, 2021, respectively.

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. Organization and Summary of Significant Accounting Policies

Nature of Operations

Macy's, Inc., together with its subsidiaries (the "Company"), is an omnichannel retail organization operating stores, websites and mobile applications under three brands (Macy's, Bloomingdale's and bluemercury) that sell a wide range of merchandise, including apparel and accessories (men's, women's and kids'), cosmetics, home furnishings and other consumer goods. The Company has stores in 43 states, the District of Columbia, Puerto Rico and Guam. As of April 30, 2022, the Company's operations and operating segments were conducted through Macy's, Market by Macy’s, Macy’s Backstage, Bloomingdale's, Bloomingdale's The Outlet, Bloomie’s, and bluemercury.

Bloomingdale's in Dubai, United Arab Emirates and Al Zahra, Kuwait are operated under a license agreement with Al Tayer Insignia, a company of Al Tayer Group, LLC.

A description of the Company's significant accounting policies is included in the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2022 (the "2021 10-K"). The accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto in the 2021 10-K.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions are subject to inherent uncertainties which may result in actual amounts differing from reported amounts.

The Consolidated Financial Statements for the 13 weeks ended April 30, 2022 and May 1, 2021, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly, in all material respects, the consolidated financial position and results of operations of the Company.

Seasonality

Because of the seasonal nature of the retail business, the results of operations for the 13 weeks ended April 30, 2022 and May 1, 2021 (which do not include the Christmas season) are not necessarily indicative of such results for the full fiscal year.

Comprehensive Income

Total comprehensive income represents the change in equity during a period from sources other than transactions with shareholders and, as such, includes net income. For the Company, the only other components of total comprehensive income for the 13 weeks ended April 30, 2022 and May 1, 2021 relate to post employment and postretirement plan items. Settlement charges incurred are included as a separate component of income (loss) before income taxes in the Consolidated Statements of Income. Amortization reclassifications out of accumulated other comprehensive loss are included in the computation of net periodic benefit cost (income) and are included in benefit plan income, net on the Consolidated Statements of Income. See Note 5, "Retirement Plans," for further information.

2. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	13 Weeks Ended					
	April 30, 2022			May 1, 2021		
	Net Income		Shares	Net Income		Shares
	(millions, except per share data)					
Net income and average number of shares outstanding	$ 286		282.6	$ 103		310.7
Shares to be issued under deferred compensation and other plans			1.0			0.9
	$ 286		283.6	$ 103		311.6
Basic earnings per share		$ 1.01			$ 0.33	
Effect of dilutive securities:						
Stock options and restricted stock units			7.3			7.0
	$ 286		290.9	$ 103		318.6
Diluted earnings per share		$ 0.98			$ 0.32	

In addition to the stock options and restricted stock units reflected in the foregoing table, stock options to purchase 12.3 and 14.7 million shares of common stock and restricted stock units relating to 0.4 and 1.1 million shares of common stock were outstanding at April 30, 2022 and May 1, 2021, respectively, but were not included in the computation of diluted earnings per share because their inclusion would have been antidilutive or they were subject to performance conditions that had not been met.

3. Revenue

Net sales

Revenue is recognized when customers obtain control of goods and services promised by the Company. The amount of revenue recognized is based on the amount that reflects the consideration that is expected to be received in exchange for those respective goods and services. The Company's revenue generating activities include the following:

Retail Sales

Retail sales include merchandise sales, inclusive of delivery income, licensed department income, sales of private brand goods directly to third party retailers and sales of excess inventory to third parties. Sales of merchandise are recorded at point of sale for in-store purchases or the time of shipment to the customer for digital purchases and are reported net of estimated merchandise returns and certain customer incentives. Commissions earned on sales generated by licensed departments are included as a component of total net sales and are recognized as revenue at the time merchandise is sold to customers. Service revenues (e.g., alteration and cosmetic services) are recorded at the time the customer receives the benefit of the service. The Company has elected to present sales taxes on a net basis and, as such, sales taxes are included in accounts payable and accrued liabilities until remitted to the taxing authorities.

Macy's accounted for 86% and 87% of the Company's net sales for the 13 weeks ended April 30, 2022 and May 1, 2021, respectively. In addition, digital sales accounted for approximately 33% and 37% of the Company's net sales for the 13 weeks ended April 30, 2022 and May 1, 2021, respectively.

Disaggregation of the Company's net sales by family of business for the 13 weeks endedApril 30, 2022 and May 1, 2021 were as follows:

	13 Weeks Ended			
Net sales by family of business	**April 30, 2022**		**May 1, 2021**	
	(millions)			
Women's Accessories, Intimate Apparel, Shoes, Cosmetics and Fragrances	$	2,237	$	2,023
Women's Apparel		1,135		913
Men's and Kids'		1,086		932
Home/Other (a)		890		838
Total	$	5,348	$	4,706

(a) Other primarily includes restaurant sales, allowance for merchandise returns adjustments and breakage income from unredeemed gift cards.

Merchandise Returns

The Company estimates merchandise returns using historical data and recognizes an allowance that reduces net sales and cost of sales. The liability for merchandise returns is included in accounts payable and accrued liabilities on the Company's Consolidated Balance Sheets and was $245 million, $198 million and $225 million as of April 30, 2022, January 29, 2022 and May 1, 2021, respectively. Included in prepaid expenses and other current assets is an asset totaling $144 million, $120 million and $136 million as of April 30, 2022, January 29, 2022 and May 1, 2021, respectively, for the recoverable cost of merchandise estimated to be returned by customers.

Gift Cards and Customer Loyalty Programs

The Company only offers no-fee, non-expiring gift cards to its customers. At the time gift cards are sold or issued, no revenue is recognized; rather, the Company records an accrued liability to customers. The liability is relieved and revenue is recognized equal to the amount redeemed at the time gift cards are redeemed for merchandise. The Company records revenue from unredeemed gift cards (breakage) in net sales on a pro-rata basis over the time period gift cards are actually redeemed. At least three years of historical data, updated annually, is used to determine actual redemption patterns.

The Company maintains customer loyalty programs in which customers earn points based on their purchases. Under the Macy’s Star Rewards loyalty program, points are earned based on customers’ spending on Macy’s private label and co-branded credit cards as well as non-proprietary cards and other forms of tender. The Company’s Bloomingdale’s Loyallist and bluemercury BlueRewards programs provide tender neutral points-based programs to their customers. The Company recognizes the estimated net amount of the rewards that will be earned and redeemed as a reduction to net sales at the time of the initial transaction and as tender when the points are subsequently redeemed by a customer.

The liability for unredeemed gift cards and customer loyalty programs is included in accounts payable and accrued liabilities on the Company's Consolidated Balance Sheets and was $428 million, $481 million and $580 million as of April 30, 2022, January 29, 2022 and May 1, 2021, respectively.

Credit Card Revenues, net

In 2005, the Company entered into an arrangement with Citibank, N.A. ("Citibank") to sell the Company's private label and co-branded credit cards ("Credit Card Program"). Subsequent to this initial arrangement and associated amendments, in 2021, the Company entered into the sixth amendment to the amended and restated Credit Card Program Agreement (the "Program Agreement") with Citibank. The changes to the Credit Card Program’s financial structure are not materially different from its previous terms. As part of the Program Agreement, the Company receives payments for providing a combination of interrelated services and intellectual property to Citibank in support of the underlying Credit Card Program. Revenue based on the spending activity of the underlying accounts is recognized as the respective card purchases occur and the Company’s profit share is recognized based on the performance of the underlying portfolio. Revenue associated with the establishment of new credit accounts and assisting in the receipt of payments for existing accounts is recognized as such activities occur. Credit card revenues include finance charges, late fees and other revenue generated by the Company’s Credit Card Program, net of fraud losses and expenses associated with establishing new accounts.

The Program Agreement expires March 31, 2030, subject to an additional renewal term ofthree years. The Program Agreement provides for, among other things, (i) the ownership by Citibank of the accounts purchased by Citibank, (ii) the ownership by Citibank of new accounts opened by the Company’s customers, (iii) the provision of credit by Citibank to the holders of the credit cards associated with the foregoing accounts, (iv) the servicing of the foregoing accounts, and (v) the allocation between Citibank and the Company of the economic benefits and burdens associated with the foregoing and other aspects of the alliance. Pursuant to the Program Agreement, the Company continues to provide certain servicing functions related to the accounts and related receivables owned by Citibank and receives compensation from Citibank for these services. The amounts earned under the Program Agreement related to the servicing functions are deemed adequate compensation and, accordingly, no servicing asset or liability has been recorded on the Consolidated Balance Sheets.

4. Financing Activities

The following table shows the detail of debt repayments:

	13 Weeks Ended	
	April 30, 2022	May 1, 2021
	(millions)	
2.875% Senior notes due 2023	$ 504	$ 136
3.625% Senior notes due 2024	350	150
4.375% Senior notes due 2023	161	49
6.65% Senior debentures due 2024	117	5
6.9% Senior debentures due 2032	4	—
6.7% Senior debentures due 2034	2	—
6.7% Senior debentures due 2028	1	—
3.875% Senior notes due 2022	—	156
7.6% Senior debentures due 2025	—	4
9.5% Amortizing debentures due 2021	—	2
9.75% Amortizing debentures due 2021	—	1
	$ 1,139	$ 503

On March 3, 2022, Macy's Inventory Funding LLC (the "ABL Borrower"), an indirect subsidiary of the Company, and Macy's Inventory Holdings LLC (the "ABL Parent"), a direct subsidiary of Macy's and the direct parent of the ABL Borrower, entered into an amendment ("the Amendment") to the credit agreement governing the existing $2,941 million asset-based credit facility (the "Existing ABL Credit Facility"), which was set to expire in May 2024. The Amendment provides for a new revolving credit facility of $3.0 billion, including a swingline sub-facility and a letter of credit sub-facility (the "New ABL Credit Facility"). The ABL Borrower may request increases in the size of the New ABL Credit Facility up to an additional aggregate principal amount of $750 million. The New ABL Credit Facility replaces the Existing ABL Credit Facility, with similar collateral support, but reduced interest and unused facility fees. The New ABL Credit Facility matures in March 2027.

The New ABL Credit Facility is secured on a first priority basis (subject to customary exceptions) by (i) all assets of the ABL Borrower including all such inventory and the proceeds thereof and (ii) the equity of the ABL Borrower. The ABL Parent guarantees the ABL Borrower's obligations under the New ABL Credit Facility.

The New ABL Credit Facility contains customary borrowing conditions including a borrowing base equal to the sum of (i) 90% of the net orderly liquidation percentage of eligible inventory, minus (ii) customary reserves. Amounts borrowed under the New ABL Credit Facility are subject to interest at a rate per annum equal to, at the ABL Borrower's option, either (i) adjusted SOFR (calculated to include a 0.10% credit adjustment spread) plus a margin of 1.25% to 1.50% or (ii) a base rate plus a margin of 0.25% to 0.50%, in each case depending on revolving line utilization. The New ABL Credit Facility also contains customary covenants that provide for, among other things, limitations on indebtedness, liens, fundamental changes, restricted payments, cash hoarding, and prepayment of certain indebtedness as well as customary representations and warranties and events of default typical for credit facilities of this type.

The New ABL Credit Facility also requires the Company and its restricted subsidiaries to maintain a fixed charge coverage ratio of at least 1.00 to 1.00 as of the end of any fiscal quarter if (i) certain events of default have occurred and are continuing or (ii) Availability plus Suppressed Availability (each as defined in the New ABL Credit Facility) is less than the greater of (a) 10% of the Loan Cap (as defined in the New ABL Credit Facility) and (b) $250 million, in each case, as of the end of such fiscal quarter.

As of April 30, 2022, the Company had $65 million of standby letters of credit outstanding under the ABL Credit Facility, which reduced the available borrowing capacity to $2,935 million. The Company had no outstanding borrowings under the ABL Credit Facility as of April 30, 2022 and May 1, 2021.

On March 8, 2022, Macy's Retail Holdings, LLC ("MRH"), a direct, wholly owned subsidiary of Macy's, Inc., completed a tender offer and purchased approximately $8 million in aggregate principal amount of certain senior secured debentures (collectively, the "Second Lien Notes"). The purchased Second Lien Notes included $2 million of 6.65% Senior Secured Debentures due 2024, $1 million of 6.7% Senior Secured Debentures due 2028, $10,000 of 7.875% Senior Secured Debentures due 2030, $4 million of 6.9% Senior Secured Debentures due 2032, and $2 million of 6.7% Senior Secured Debentures due 2034. The total cash cost for the tender offer was approximately $8 million. Pursuant to the indenture governing the Second Lien Notes, the liens upon the collateral securing the Second Lien Notes that remained outstanding after the tender offer were automatically released on March 8, 2022. As of such date, such collateral no longer secures such Second Lien Notes or any obligations under the indenture with respect to such Second Lien Notes, and the right of the holders of the Second Lien Notes and such obligations to the benefits and proceeds of any such liens on the collateral terminated and were discharged automatically and unconditionally with respect to such Second Lien Notes.

On March 10, 2022, MRH issued $850 million in aggregate principal amount of senior notes in two separate tranches, one representing $425 million in aggregate principal amount of 5.875% senior notes due March 15, 2030 (the "2030 Notes") and the other representing $425 million in aggregate principal amount of 6.125% senior notes due March 15, 2032 (the "2032 Notes"), in a private offering. Each of the 2030 Notes and 2032 Notes are senior unsecured obligations of MRH and are unconditionally guaranteed on an unsecured basis by Macy's, Inc. Proceeds from the issuance, together with cash on hand, were used to redeem certain of MRH's outstanding senior notes and pay fees and expenses therewith and in connection with the offering. The Company recognized $31 million of losses related to the early retirement of debt on the Consolidated Statements of Income during the first quarter of 2022.

During the 13 weeks ended April 30, 2022, the Company repurchased approximately 24 million shares of its common stock pursuant to existing stock purchase authorizations for a total of approximately $600 million. As of April 30, 2022, the Company had $1.4 billion of authorization remaining under its share repurchase program. The Company may continue or, from time to time, suspend repurchases of shares under its share repurchase program, depending on prevailing market conditions, alternate uses of capital and other factors.

5. Retirement Plans

The Company has defined contribution plans that cover substantially all colleagues who work 1,000 hours or more in a year. In addition, the Company has a funded defined benefit plan ("Pension Plan") and an unfunded defined benefit supplementary retirement plan ("SERP"), which provides benefits, for certain colleagues, in excess of qualified plan limitations. Effective January 1, 2012, the Pension Plan was closed to new participants, with limited exceptions, and effective January 2, 2012, the SERP was closed to new participants.

In February 2013, the Company announced changes to the Pension Plan and SERP whereby eligible colleagues no longer earn future pension service credits after December 31, 2013, with limited exceptions. All retirement benefits attributable to service in subsequent periods are provided through defined contribution plans.

In addition, certain retired colleagues currently are provided with specified health care and life insurance benefits ("Postretirement Obligations"). Eligibility requirements for such benefits vary, but generally state that benefits are available to eligible colleagues who were hired prior to a certain date and retire after a certain age with specified years of service. Certain colleagues are subject to having such benefits modified or terminated.

The defined contribution plan expense and actuarially determined components of the net periodic benefit cost (income) associated with the defined benefit plans are as follows:

	13 Weeks Ended	
	April 30, 2022	May 1, 2021
	(millions)	
401(k) Qualified Defined Contribution Plan	$ 22	$ 22
Pension Plan		
Service cost	$ —	$ —
Interest cost	14	12
Expected return on assets	(31)	(40)
Recognition of net actuarial loss	4	8
	$ (13)	$ (20)
Supplementary Retirement Plan		
Interest cost	4	3
Recognition of net actuarial loss	3	3
	$ 7	$ 6
Total Retirement Expense	$ 16	$ 8

6. Fair Value Measurements

The following table shows the Company's financial assets that are required to be measured at fair value on a recurring basis, by level within the hierarchy as defined by applicable accounting standards:

Level 1: Quoted prices in active markets for identical assets
Level 2: Significant observable inputs for the assets
Level 3: Significant unobservable inputs for the assets

	April 30, 2022				May 1, 2021			
		Fair Value Measurements				Fair Value Measurements		
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	(millions)							
Marketable equity and debt securities	$ 35	$ 35	$ —	$ —	$ 82	$ 38	$ 44	$ —

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, receivables, certain short-term investments and other assets, short-term debt, merchandise accounts payable, accounts payable and accrued liabilities and long-term debt. With the exception of long-term debt, the carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments. The fair values of long-term debt, excluding capitalized leases, are generally estimated based on quoted market prices for identical or similar instruments, and are classified as Level 2 measurements within the hierarchy as defined by applicable accounting standards.

The following table shows the estimated fair value of the Company's long-term debt:

	April 30, 2022			May 1, 2021		
	Notional Amount	Carrying Amount	Fair Value	Notional Amount	Carrying Amount	Fair Value
	(millions)					
Long-term debt	$ 3,007	$ 2,994	$ 2,675	$ 4,610	$ 4,558	$ 4,643

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

For purposes of the following discussion, all references to "first quarter of 2022" and "first quarter of 2021" are to the Company's 13-week fiscal periods ended April 30, 2022 and May 1, 2021, respectively.

The following discussion should be read in conjunction with the Consolidated Financial Statements and the related notes included elsewhere in this report, as well as the financial and other information included in the 2021 10-K. The following discussion contains forward-looking statements that reflect the Company's plans, estimates and beliefs. The Company's actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed below and elsewhere in this report (particularly in "Risk Factors" and in "Forward-Looking Statements") and in the 2021 10-K (particularly in "Risk Factors" and in "Forward-Looking Statements"). This discussion includes Non-GAAP financial measures. For information about these measures, see the disclosure under the caption "Important Information Regarding Non-GAAP Financial Measures".

Quarterly Overview

The Company delivered solid results in the first quarter of 2022 despite a challenging operating environment. The profitable first quarter results were driven by notable shift back to occasion-based apparel, in-store shopping, and continued strength in sales of luxury goods.

Certain financial highlights are as follows:

- Comparable sales were up 12.8% on an owned basis; and up 12.4% on an owned plus licensed basis compared to the first quarter of 2021.
- Digital sales increased 2% versus the first quarter of 2021. Digital penetration was at 33% of net sales for the first quarter of 2022, a 4-percentage point decline from the first quarter of 2021.
- Gross margin was 39.6%, compared to 38.6% in the first quarter of 2021.
- Net credit card revenues were $191 million, up $32 million from the first quarter of 2021.
- Selling, general and administrative ("SG&A") expense was $1.9 billion, up $131 million from the first quarter of 2021.SG&A expense as a percent of sales was 35.1%, an improvement of 200 basis points from the first quarter of 2021.
- Net income was $286 million in the first quarter of 2022, compared $103 million in the first quarter of 2021.
- The first quarter of 2022 had positive earnings before interest, taxes, depreciation and amortization ("EBITDA") of $676 million compared to EBITDA of $454 million during the first quarter of 2021. On an adjusted basis, EBITDA was $684 million for the first quarter of 2022, compared to $473 million during the first quarter of 2021.
- Diluted earnings per share and adjusted diluted earnings per share were $0.98 and $1.08, respectively, during the first quarter of 2022. This compares to diluted earnings per share and adjusted diluted earnings per share of $0.32 and $0.39 for the first quarter of 2021, respectively.
- Inventory was up 17% from the first quarter of 2021.
- During the first quarter of 2022, the Company took the following actions to boost its liquidity and financial flexibility as well as return capital to shareholders:
    - On March 8, 2022, the collateral securing the Company’s second lien notes was automatically released and all of the Company’s long-term debt is now unsecured.
    - Using the proceeds from the issuance of $850 million in new unsecured notes along with cash on hand, Macy’s Inc. redeemed approximately $1.1 billion of near-term debt that was originally maturing in 2023 and 2024. The net result

of the issuance and redemptions was an approximately $300 million reduction to total long-term debt. As a result, the Company does not have any material debt maturities for the next five years.

- The Company amended its asset-based credit facility, including extending the maturity of the $3 billion facility to March 2027.

- The Company repurchased $600 million of shares under its newly authorized $2 billion share repurchase program, which does not have an expiration date, and paid $45 million in dividends to shareholders.

During the first quarter of 2022, the Company continued to execute its Polaris strategy and these actions impacted its operating results for the period, notably:

- Win With Fashion and Style: By offering a wide assortment of categories, products and brands from off-price to luxury, the Company was able to reach a broad and diverse range of customers during the first quarter. In merchandise, strengths shifted away from pandemic-driven products such as casual, activewear, and soft home, and into occasion-based categories, such as dresses, women’s shoes, accessories and men’s tailored. This shift contributed to an increase in store foot-traffic and the Company’s balanced assortment allowed it to meet demand and capture sales. Additionally, during the first quarter of 2022, the Company launched *Own Your Style*, a new multiyear creative brand platform and tagline celebrating individuality and placing customers at the center of communication and*Mission Every One*, a social purpose platform in which Macy’s invests in its people, partners, products and programs to create a more equitable and sustainable future. Finally, the Company is in the early stages of reinventing its private brand portfolio.

- Deliver Clear Value: The Company is leveraging data analytics and pricing tools to efficiently plan, place and price inventory, including location level pricing and point-of -sale (“POS”) pricing work. The Company’s POS pricing optimization contributed to lower promotional markdowns on regular priced goods which contributed to higher average unit retail and improved gross margin performance during the first quarter. Additionally, higher ticket prices and category mix benefited average unit retail during the quarter. These collective activities have resulted in higher average unit retail prices and gross margin performance. In addition, inventory turn for the trailing 12 months has improved by 9% over 2021.

- Excel in Digital Shopping: While the Company experienced a deceleration in the growth of its digital channel during the first quarter, as consumers shifted back to in-store shopping, the Company continued to improve its digital offerings through continued website and app updates. Digital conversion for the quarter was 3.8%. Macy’s Media Network, an in-house media platform that enables business-to-business monetization of advertising partnerships, generated $26 million of net revenue during the first quarter of 2022, nearly double that of the first quarter of 2021. In addition, in November 2021, the Company announced its plan to launch a curated, digital marketplace. The Macy’s digital marketplace is expected to launch in the third quarter of 2022.

- Enhance Store Experience: During the first quarter of 2022, the consumer shifted shopping channels from digital to stores as consumer comfort levels grew along with their desire to return to in-store shopping. The Company continues to invest in physical stores to support its digitally-led omnichannel business model and build new capabilities to help make the shopping experience as convenient and compelling as possible. For example, the Company invested in its customer service experience by enhancing *At Your Service* centers. The Company is in the process of adding 37 new Macy’s Backstage locations nationwide as well as 5 to 10 off-mall, smaller format stores in 2022, a mix of Market by Macy’s, Freestanding Backstage, Bloomie’s and Bloomingdale’s the Outlet.

- Modernize Supply Chain: The Company has continued to update its supply chain infrastructure and network, while leveraging improved data and analytics capabilities in fulfillment strategies to meet customers' desire for speed and convenience and improving inventory placement. The Company is navigating supply chain disruptions by adjusting freight strategies, diversifying ports and working closely with international carriers and brand partners to prioritize product. The Company is expanding and relocating distribution centers to support business growth and serve the growing customer base. This includes plans to open a modern, new facility in Texas in mid-2023 which will continue to support stores in the region as well as provide online fulfillment. In addition, the Company plans to open a new 1.4 million-square-foot fulfillment center in North Carolina in 2024. The facility will be equipped with new automation technology to increase capacity and productivity to help drive profitable digital sales growth and will employ nearly 2,800 workers when fully operational.

- Enable Transformation: The Company has continued to modernize its technology foundations to increase agility in reacting to customers and the market regardless of the channel in which customers interact. These activities are coupled with others to build out data science and analytics capabilities with a focus on areas to provide competitive differentiation. The Company has focused on personalization as an important growth engine and will continue to enhance its capabilities to increase engagement across all segments.As part of the Company's ongoing initiatives to attract and retain talent, in May 2022, the Company raised its minimum pay rate to $15 per hour and began providing a debt-free education benefit program through which U.S.-based, regular, salaried and hourly colleagues are able to pursue a range of education programs with 100% of tuition, books and fees covered.

From a nameplate perspective, Macy's brand comparable sales were up 10.7% on an owned basis and up 10.1% on an owned-plus-licensed basis compared to the first quarter of 2021. Bloomingdale's comparable sales on an owned basis were up 28.1% and on an owned-plus-licensed basis were up 26.9% compared to the first quarter of 2021. Bluemercury comparable sales were up 25.2% on an owned and owned-plus licensed basis compared to the first quarter of 2021.

Results of Operations

	First Quarter of 2022		First Quarter of 2021	
	Amount	% to Net Sales	Amount	% to Net Sales
	(dollars in millions, except per share figures)			
Net sales	$ 5,348		$ 4,706	
Increase in comparable sales	12.8 %		62.5 %	
Credit card revenues, net	191	3.6 %	159	3.4 %
Cost of sales	(3,231)	(60.4)%	(2,889)	(61.4)%
Selling, general and administrative expenses	(1,879)	(35.1)%	(1,748)	(37.1)%
Gains on sale of real estate	42	0.8 %	6	0.1 %
Impairment, restructuring and other costs	(8)	(0.1)%	(19)	(0.4)%
Operating income	463	8.7 %	216	4.6 %
Diluted earnings per share	$ 0.98		$ 0.32	
Supplemental Financial Measures				
Gross margin (a)	$ 2,117	39.6 %	$ 1,817	38.6 %
Digital sales as a percentage of net sales	33 %		37 %	
Supplemental Non-GAAP Financial Measures				
Increase in comparable sales on an owned plus licensed basis	12.4 %		63.9 %	
Adjusted diluted earnings per share	$ 1.08		$ 0.39	
EBITDA	$ 676		$ 454	
Adjusted EBITDA	$ 684		$ 473	

(a) Gross margin is defined as net sales less cost of sales.

See pages 22 to 23 for reconciliations of the supplemental non-GAAP financial measures to their most comparable GAAP financial measure and for other important information.

Comparison of the First Quarter of 2022 and the First Quarter of 2021

	First Quarter of 2022	First Quarter of 2021
Net sales	$ 5,348	$ 4,706
Increase in comparable sales	12.8 %	62.5 %
Increase in comparable sales on an owned plus licensed basis	12.4 %	63.9 %
Digital sales as a percent of net sales	33 %	37 %

Net sales for the first quarter of 2022 improved across all three brands – Macy's, Bloomingdale's and bluemercury. During the quarter, consumer shopping behavior shifted more towards occasion-based apparel, with strength in dresses, women's and men's shoes, accessories, men's tailored and luggage. Categories such as casual, activewear and soft home, including textiles and housewares, underperformed the prior year as a result of the shift in consumer behavior.

	First Quarter of 2022	First Quarter of 2021
Credit card revenues, net	$ 191	$ 159
Proprietary credit card sales penetration	43.1 %	42.0 %

The increase in net credit card revenues was driven by the continuation of the strong credit health of the credit card portfolio's customers leading to lower levels of bad debt, higher credit sales and higher spending on the co-brand credit card.

	First Quarter of 2022	First Quarter of 2021
Cost of sales	$ (3,231)	$ (2,889)
As a percent to net sales	60.4 %	61.4 %
Gross margin	$ 2,117	$ 1,817
As a percent to net sales	39.6 %	38.6 %

The increase in the gross margin rate was primarily driven by higher average unit retail driven by effective POS pricing optimization efforts driving lower promotions particularly on regular priced merchandise, higher ticket prices and category mix. Inventory was up 17% year-over-year, impacted by the downshift in consumer demand from active/casual and soft home categories to accelerated demand at occasion-based apparel, coupled with the loosening in supply chain constraints resulting in a higher percentage of receipts than expected.

	First Quarter of 2022	First Quarter of 2021
SG&A expenses	$ (1,879)	$ (1,748)
As a percent to net sales	35.1 %	37.1 %

SG&A expenses increased in the first quarter of 2022 but decreased as a percent to net sales. The increase in SG&A expense dollars corresponds with higher net sales as well as the Company lapping a significant number of open positions in the prior year. However, the improvement in the SG&A expense rate benefited from expense leverage in conjunction with growing sales driven by disciplined expense management.

	First Quarter of 2022	First Quarter of 2021
Gains on sale of real estate	$ 42	$ 6

The first quarter of 2022 asset sale gains mainly consist of gains from the sale of three properties

	First Quarter of 2022	First Quarter of 2021
Impairment, restructuring and other costs	$ (8)	$ (19)

Impairment, restructuring and other costs in the first quarter of 2021 primarily related to the write-off of investment assets.

	First Quarter of 2022	First Quarter of 2021
Losses on early retirement of debt	$ (31)	$ (11)

In the first quarter of 2022, losses on early retirement of debt were recognized due to the early payment of $1.1 billionsenior notes and debentures. In the first quarter of 2021, losses on early retirement of debt were recognizec due to the $500 million tender offer.

	First Quarter of 2022	First Quarter of 2021
Net interest expense	$ (47)	$ (79)

The decrease in net interest expense, excluding losses on early retirement of debt, was primarily driven by interest savings associated with the redemption of the Company’s $1.3 billion aggregate principal amount of 8.375% Senior Secured Notes due 2025 in August 2021.

	First Quarter of 2022	First Quarter of 2021
Effective tax rate	27.1 %	26.3 %
Federal income statutory rate	21 %	21 %

The Company’s effective tax rate varies from the federal income tax statutory rate of 21% in both periods, primarily driven by the impact of state and local taxes and the realization of deferred tax assets associated with the vesting and cancellation of certain stock-based compensation awards.

Liquidity and Capital Resources

The Company's principal sources of liquidity are cash from operations, cash on hand and the asset-based credit facility described below. Material contractual obligations arising in the normal course of business primarily consist of long-term debt and related interest payments, lease obligations, merchandise purchase obligations, retirement plan benefits, and self-insurance reserves.

Merchandise purchase obligations represent future merchandise payables for inventory purchased from various suppliers through contractual arrangements and are expected to be funded through cash from operations.

Capital Allocation

The Company's capital allocation goals include maintaining a healthy balance sheet and investment-grade credit metrics, followed by investing in growth initiatives and returning capital to shareholders through modest yet predictable dividends and meaningful share repurchases.

The Company ended the first quarter of 2022 with a cash and cash equivalents balance of $672 million, a decrease from $1,798 million at the end of the first quarter of 2021. The Company is party to the New ABL Credit Facility with certain financial institutions providing for a $3 billion asset-based credit facility.

	2022	2021
Net cash provided by operating activities	$ 248	$ 494
Net cash used by investing activities	(194)	(74)
Net cash used by financing activities	(1,094)	(300)

Operating Activities

The decrease in net cash provided by operating activities was driven by the decrease in accounts payable and accrued liabilities due to the timing of payments and a lower net inflow from the increase in merchandise accounts payable and merchandise inventories.

Investing Activities

The Company's first quarter of 2022 capital expenditures were $171 million, mainly driven by investments in its department stores as well as its technology-based initiatives, including those that support the digital business, data science initiatives and the simplification of its technology structure.

Financing Activities

Dividends

The Company paid dividends totaling $45 million in the first quarter of 2022. The Board of Directors declared regular quarterly dividend of 15.75 cents per share on the Company's common stock, which was paid on April 1, 2022, to Macy's shareholders of record at the close of business on March 15, 2022.

On May 20, 2022, the Company's Board of Directors declared a regular quarterly dividend of 15.75 cents per share on its common stock, payable July 1, 2022, to shareholders of record at the close of business on June 15, 2022. Subsequent dividends will be subject to approval of the Board of Directors, which will depend on market and other conditions.

Stock Repurchases

On February 22, 2022, the Company's announced that its Board of Directors authorized a new $2.0 billion share repurchase program, which does not have an expiration date. During the first quarter of 2022, the Company repurchased approximately 24.0 million shares of its common stock at an average cost of $24.98 per share. As of April 30, 2022, $1.4 billion of shares remained available for repurchase. Repurchases may be made from time to time in the open market or through privately negotiated transactions in accordance with applicable securities laws, including Rule 10b-18 under the Securities Exchange Act of 1934, on terms determined by the Company.

Debt Transactions

On March 3, 2022, Macy's Inventory Funding LLC (the "ABL Borrower"), an indirect subsidiary of the Company, and Macy's Inventory Holdings LLC (the "ABL Parent"), a direct subsidiary of Macy's and the direct parent of the ABL Borrower, entered into an amendment (the "Amendment") to the credit agreement governing the existing $2.941 billion asset-based credit facility (the "Existing ABL Credit Facility"), which was set to expire in May 2024. The Amendment provides for a new revolving credit facility of $3.0 billion, including a swingline sub-facility and a letter of credit sub-facility (the "New ABL Credit Facility"). The ABL Borrower may request increases in the size of the New ABL Credit Facility up to an additional aggregate principal amount of $750 million. The New ABL Credit Facility replaces the Existing ABL Credit Facility, with similar collateral support, but reduced interest and unused facility fees. The New ABL Credit Facility matures in March 2027.

The New ABL Credit Facility is secured on a first priority basis (subject to customary exceptions) by (i) all assets of the ABL Borrower including all such inventory and the proceeds thereof and (ii) the equity of the ABL Borrower. The ABL Parent guarantees the ABL Borrower's obligations under the New ABL Credit Facility.

The New ABL Credit Facility contains customary borrowing conditions including a borrowing base equal to the sum of (i) 90% of the net orderly liquidation percentage of eligible inventory, minus (ii) customary reserves. Amounts borrowed under the New ABL Credit Facility are subject to interest at a rate per annum equal to, at the ABL Borrower's option, either (i) adjusted SOFR (calculated to include a 0.10% credit adjustment spread) plus a margin of 1.25% to 1.50% or (ii) a base rate plus a margin of 0.25% to 0.50%, in each case depending on revolving line utilization. The New ABL Credit Facility also contains customary covenants that provide for, among other things, limitations on indebtedness, liens, fundamental changes, restricted payments, cash hoarding, and prepayment of certain indebtedness as well as customary representations and warranties and events of default typical for credit facilities of this type.

The New ABL Credit Facility also requires the Company and its restricted subsidiaries to maintain a fixed charge coverage ratio of at least 1.00 to 1.00 as of the end of any fiscal quarter if (i) certain events of default have occurred and are continuing or (ii) Availability plus Suppressed Availability (each as defined in the New ABL Credit Facility) is less than the greater of (a) 10% of the Loan Cap (as defined in the New ABL Credit Facility) and (b) $250 million, in each case, as of the end of such fiscal quarter.

As of April 30, 2022, the Company had $65 million of standby letters of credit outstanding under the ABL Credit Facility, which reduced the available borrowing capacity to $2,935 million. The Company had no outstanding borrowings under the ABL Credit Facility as of April 30, 2022 and May 1, 2021.

On March 8, 2022, Macy's Retail Holdings, LLC ("MRH"), a direct, wholly owned subsidiary of Macy's, Inc., completed a tender offer and purchased approximately $8 million in aggregate principal amount of certain senior secured debentures (collectively, the "Second Lien Notes"). The purchased Second Lien Notes included $2 million of 6.65% Senior Secured Debentures due 2024, $1 million of 6.7% Senior Secured Debentures due 2028, $10,000 of 7.875% Senior Secured Debentures due 2030, $4 million of 6.9% Senior Secured Debentures due 2032, and $2 million of 6.7% Senior Secured Debentures due 2034. The total cash cost for the tender offer was approximately $8 million. Pursuant to the indenture governing the Second Lien Notes, the liens upon the collateral securing the Second Lien Notes that remained outstanding after the tender offer were automatically released on March 8, 2022. As of such date, such collateral no longer secures such Second Lien Notes or any obligations under the indenture with respect to such Second Lien Notes, and the right of the holders of the Second Lien Notes and such obligations to the benefits and proceeds of any such liens on the collateral terminated and were discharged automatically and unconditionally with respect to such Second Lien Notes.

On March 10, 2022, MRH issued $850 million in aggregate principal amount of senior notes in two separate tranches, one representing $425 million in aggregate principal amount of 5.875% senior notes due March 15, 2030 (the "2030 Notes") and the other representing $425 million in aggregate principal amount of 6.125% senior notes due March 15, 2032 (the "2032 Notes"), in a private offering. Each of the 2030 Notes and 2032 Notes are senior unsecured obligations of MRH and are unconditionally guaranteed on an unsecured basis by Macy's, Inc. Proceeds from the issuance, together with cash on hand, were used to redeem certain of MRH's outstanding senior notes and pay fees and expenses therewith and in connection with the offering. The Company recognized $31 million of losses related to the early retirement of debt on the Consolidated Statements of Income during the first quarter of 2022.

<u>Contractual Obligations</u>

As of April 30, 2022, other than the financing transactions discussed above and in Note 4 to the accompanying Consolidated Financial Statements, there were no material changes to our contractual obligations and commitments outside the ordinary course of business since January 29, 2022, as reported in the Company's 2021 Form 10-K.

Guarantor Summarized Financial Information

The Company had $3,007 million and $2,935 million aggregate principal amount of senior unsecured notes and senior unsecured debentures (collectively the “Unsecured Notes”) outstanding as of April 30, 2022 and January 29, 2022, respectively, with maturities ranging from 2023 to 2043. The Unsecured Notes constitute debt obligations of MRH ("Subsidiary Issuer"), a 100%-owned subsidiary of Macy's, Inc. ("Parent" and together with the "Subsidiary Issuer," the "Obligor Group"), and are fully and unconditionally guaranteed on a senior unsecured basis by Parent. The Unsecured Notes rank equally in right of payment with all of the Company’s existing and future senior unsecured obligations, senior to any of the Company’s future subordinated indebtedness, and are structurally subordinated to all existing and future obligations of each of the Company’s subsidiaries that do not guarantee the Unsecured Notes. Holders of the Company’s secured indebtedness, including the Notes and any borrowings under the ABL Credit Facility, will have a priority claim on the assets that secure such secured indebtedness; therefore, the Unsecured Notes and the related guarantee are effectively subordinated to all of the Subsidiary Issuer’s and Parent and their subsidiaries’ existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness.

The following tables include combined financial information of the Obligor Group. Investments in subsidiaries of $8,263 million and $7,975 million as of April 30, 2022 and January 29, 2022, respectively, have been excluded from the Summarized Balance Sheets. Equity in earnings of non-Guarantor subsidiaries of $504 million for the 13-weeks ended April 30, 2022 have been excluded from the Summarized Statement of Operations. The combined financial information of the Obligor Group is presented on a combined basis with intercompany balances and transactions within the Obligor Group eliminated.

Summarized Balance Sheets

	April 30, 2022	January 29, 2022
	(in millions)	
ASSETS		
Current Assets	$ 1,053	$ 1,517
Noncurrent Assets	6,717	6,784
LIABILITIES		
Current Liabilities	$ 1,990	$ 2,243
Noncurrent Liabilities (a)	10,761	10,407

(a) Includes net amounts due to non-Guarantor subsidiaries of $5,901 million and $4,337 million as of April 30, 2022 and January 29, 2022, respectively.

Summarized Statement of Operations

	13 Weeks Ended April 30, 2022
	(in millions)
Net Sales	$ 200
Consignment commission income (a)	835
Cost of sales	(112)
Operating loss	(228)
Loss before income taxes (b)	(77)
Net income	3

(a) Income pertains to transactions with ABL Borrower, a non-Guarantor subsidiary.

(b) Includes $232 million of dividend income from non-Guarantor subsidiaries for the 13 weeks ended April 30, 2022.

Outlook and Recent Developments

On May 26, 2022, despite the uncertainty within the macroeconomic environment, the company reaffirmed its annual 2022 sales guidance and raised its earnings guidance to account for first quarter 2022 share repurchases as well as improved expectations for credit card revenue. The updates to the annual 2022 guidance are below:

- Digital sales are now expected to be approximately 35% of net sales
- Net credit card revenues are now expected to be approximately 3.1% of net sales

- Adjusted EBITDA as a percent of net sales is now expected to be between 11.2% and 11.7%
- Diluted shares outstanding of approximately 283 million
- Adjusted diluted earnings per share are now expected to be between $4.53 and $4.95

Important Information Regarding Non-GAAP Financial Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures provide users of the Company's financial information with additional useful information in evaluating operating performance. Management believes that providing supplemental changes in comparable sales on an owned plus licensed basis, which includes adjusting for the impact of comparable sales of departments licensed to third parties, assists in evaluating the Company's ability to generate sales growth, whether through owned businesses or departments licensed to third parties, and in evaluating the impact of changes in the manner in which certain departments are operated. Earnings (loss) before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure which the company believes provides meaningful information about its operational efficiency by excluding the impact of changes in tax law and structure, debt levels and capital investment. In addition, management believes that excluding certain items from EBITDA, net income (loss) and diluted earnings (loss) per share that are not associated with the Company's core operations and that may vary substantially in frequency and magnitude from period-to-period provides useful supplemental measures that assist in evaluating the Company's ability to generate earnings and to more readily compare these metrics between past and future periods.

The Company does not provide reconciliations of the forward-looking non-GAAP measures of adjusted EBITDA and adjusted diluted earnings per share to the most directly comparable forward-looking GAAP measures because the timing and amount of excluded items are unreasonably difficult to fully and accurately estimate. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the Company's financial results prepared in accordance with GAAP. Certain of the items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the Company's financial position, results of operations or cash flows and should therefore be considered in assessing the Company's actual and future financial condition and performance. Additionally, the amounts received by the Company on account of sales of departments licensed to third parties are limited to commissions received on such sales. The methods used by the Company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies.

Changes in Comparable Sales

	Comparable Sales vs. 13 Weeks Ended May 1, 2021			
	Macy's, Inc.	**Macy's**	**Bloomingdale's**	**bluemercury**
Increase in comparable sales on an owned basis (Note 1)	12.8 %	10.7 %	28.1 %	25.2 %
Impact of departments licensed to third parties (Note 2)	(0.4 %)	(0.6 %)	(1.2 %)	0.0 %
Increase in comparable sales on an owned plus licensed basis	12.4 %	10.1 %	26.9 %	25.2 %

Notes:

(1) Represents the period-to-period percentage change in net sales from stores in operation during the 13 weeks ended April 30, 2022 and the 13 weeks ended May 1, 2021. Such calculation includes all digital sales and excludes commissions from departments licensed to third parties. Stores impacted by a natural disaster or undergoing significant expansion or shrinkage remain in the comparable sales calculation unless the store, or material portion of the store, is closed for a significant period of time. Definitions and calculations of comparable sales may differ among companies in the retail industry.

(2) Represents the impact of including the sales of departments licensed to third parties occurring in stores in operation throughout the year presented and the immediately preceding year and all online sales in the calculation of comparable sales. The Company licenses third parties to operate certain departments in its stores and online and receives commissions from

these third parties based on a percentage of their net sales. In its financial statements prepared in conformity with GAAP, theCompany includes these commissions (rather than sales of the departments licensed to third parties) in its net sales. The Company does not, however, include any amounts in respect of licensed department sales (or any commissions earned on such sales) in its comparable sales in accordance with GAAP (i.e., on an owned basis). The amounts of commissions earned on sales of departments licensed to third parties are not material to its net sales for the periods presented.

Adjusted EBITDA as a Percent to Net Sales

The following is a tabular reconciliation of the non-GAAP financial measures EBITDA, as adjusted to exclude certain items ("Adjusted EBITDA"), as a percent to net sales to GAAP net income as a percent to net sales, which the Company believes to be the most directly comparable GAAP financial measure.

	13 Weeks Ended April 30, 2022	13 Weeks Ended May 1, 2021
	(millions, except percentages)	
Net sales	$ 5,348	$ 4,706
Net income	$ 286	$ 103
Net income as a percent to net sales	5.3 %	2.2 %
Net income	$ 286	$ 103
Interest expense - net	47	79
Losses on early retirement of debt	31	11
Federal, state and local income tax expense	106	37
Depreciation and amortization	206	224
EBITDA	$ 676	$ 454
Impairment, restructuring and other costs	8	19
Adjusted EBITDA	$ 684	$ 473
Adjusted EBITDA as a percent to net sales	12.8 %	10.1 %

Adjusted Net Income and Adjusted Diluted Earnings Per Share

The following is a tabular reconciliation of the non-GAAP financial measures of net income and diluted earnings per share, excluding certain items identified below, to GAAP net income and diluted earnings per share, which the Company believes to be the most directly comparable GAAP measures.

	First Quarter of 2022		First Quarter of 2021	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
	(millions, except per share figures)			
As reported	$ 286	$ 0.98	$ 103	$ 0.32
Impairment, restructuring and other costs	8	0.03	19	0.06
Losses on early retirement of debt	31	0.11	11	0.03
Income tax impact of certain items noted above	(10)	(0.04)	(7)	(0.02)
As adjusted to exclude certain items above	$ 315	$ 1.08	$ 126	$ 0.39

New Pronouncements

The Company does not expect that any recently issued accounting pronouncements will have a material effect on its consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to the Company’s market risk as described in the Company's 2021 10-K. For a discussion of the Company’s exposure to market risk, refer to the Company’s market risk disclosures set forth in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of the 2021 10-K.

Item 4. Controls and Procedures.

The Company's Chief Executive Officer and Chief Financial Officer have carried out, as of April 30, 2022, with the participation of the Company's management, an evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that as of April 30, 2022, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in reports the Company files under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission (the "SEC") rules and forms, and that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

From time to time adoption of new accounting pronouncements, major organizational restructuring and realignment occurs for which the Company reviews its internal control over financial reporting. As a result of this review, there were no changes in the Company's internal control over financial reporting that occurred during the Company's most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company and its subsidiaries are involved in various proceedings that are incidental to the normal course of their businesses. As of the date of this report, the Company does not expect that any of such proceedings will have a material adverse effect on the Company's financial position or results of operations.

Item 1A. Risk Factors.

There have been no material changes to the Risk Factors described in Part I, Item 1A."Risk Factors" in the Company's 2021 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information regarding the Company's purchase of Common Stock during the first quarter of 2022.

	Total Number of Shares Purchased (thousands)	Average Price Paid per Share ($)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) (thousands)	Maximum Dollar Value of Shares that may yet be Purchased Under the Plans or Programs (1)($) (millions)
January 30, 2022 – February 26, 2022	—	—	—	2,000
February 27, 2022 – April 2, 2022	17,470	24.98	17,470	1,564
April 3, 2022 – April 30, 2022	6,557	24.99	6,557	1,400
	24,027	24.98	24,027	

(1) On February 22, 2022, the Company announced that its Board of Directors authorized a new $2.0 billion share repurchase program, which does not have an expiration date. As of April 30, 2022, $1.4 billion of shares remained available for repurchase pursuant to this authorization. The Company may continue, discontinue or resume purchases of common stock under this authorization or possible future authorizations in the open market, in privately negotiated transactions or otherwise at any time and from time to time without prior notice.

Item 5. Other Information.

Forward-Looking Statements

This report and other reports, statements and information previously or subsequently filed by the Company with the SEC contain or may contain forward-looking statements. Such statements are based upon the beliefs and assumptions of, and on information available to, the management of the Company at the time such statements are made. The following are or may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995: (i) statements preceded by, followed by or that include the words "may," "will," "could," "should," "believe," "expect," "future," "potential," "anticipate," "intend," "plan," "think," "estimate" or "continue" or the negative or other variations thereof, and (ii) statements regarding matters that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties, including risks and uncertainties relating to:

- the effects of the weather, natural disasters, outbreak of disease, and health pandemics, including the COVID-19 pandemic, on the Company's business, including the ability to open stores, customer demand and its supply chain, as well as its consolidated results of operations, financial position and cash flows;
- the possible invalidity of the underlying beliefs and assumptions;
- the Company's ability to successfully execute against its Polaris strategy, including the ability to realize the anticipated benefits associated with the strategy;
- the success of the Company's operational decisions, such as product sourcing, merchandise mix and pricing, and marketing and strategic initiatives, such as growing its digital channels, expanding off-mall and modernizing its technology and supply chain infrastructures;

- general consumer shopping behaviors and spending levels, including the shift of consumer spending to digital channels, the impact of changes in general economic conditions, consumer disposable income levels, consumer confidence levels, the availability, cost and level of consumer debt, and the costs of basic necessities and other goods;
- competitive pressures from department stores, specialty stores, general merchandise stores, manufacturers' outlets, off-price and discount stores, and all other retail channels, including digitally-native retailers, social media and catalogs;
- the Company's ability to remain competitive and relevant as consumers' shopping behaviors continue to migrate to online and other shopping channels and to maintain its brand image and reputation;
- possible systems failures and/or security breaches, including any security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or company information, or the failure to comply with various laws applicable to the Company in the event of such a breach;
- the cost of colleague benefits as well as attracting and retaining quality colleagues;
- transactions and strategy involving the Company's real estate portfolio;
- the seasonal nature of the Company's business;
- conditions to, or changes in the timing of, proposed transactions, and changes in expected synergies, cost savings and non-recurring charges;
- the potential for the incurrence of charges in connection with the impairment of tangible and intangible assets, including goodwill;
- possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions;
- possible actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, regulatory, judicial and other governmental authorities and officials;
- changes in relationships with vendors and other product and service providers;
- our level of indebtedness;
- currency, interest and exchange rates, inflation rates, and other capital market, economic and geo-political conditions;
- unstable political conditions, civil unrest, terrorist activities and armed conflicts;
- the possible inability of the Company's manufacturers or transporters to deliver products in a timely manner or meet the Company's quality standards;
- the Company's reliance on foreign sources of production, including risks related to the disruption of imports by labor disputes, regional and global health pandemics, and regional political and economic conditions;
- duties, taxes, other charges and quotas on imports;
- labor shortages. and
- the amount and timing of future dividends and share repurchases.

In addition to any risks and uncertainties specifically identified in the text surrounding such forward-looking statements, the statements in the immediately preceding sentence and the statements under captions such as "Risk Factors" in this report and in reports, statements and information filed by the Company with the SEC from time to time constitute cautionary statements identifying important factors that could cause actual amounts, results, events and circumstances to differ materially from those expressed in or implied by such forward-looking statements.

Item 6. Exhibits.

4.1	Indenture, dated as of March 10, 2022, by and among Macy's Retail Holdings, LLC, as issuer, Macy's, Inc., as guarantor, and U.S. Bank Trust Company, National Association, as trustee, relating to Macy's Retail Holdings, LLC's 5.875% Senior Notes due 2030 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on March 10, 2022)
4.2	Indenture, dated as of March 10, 2022, by and among Macy's Retail Holdings, LLC, as issuer, Macy's, Inc., as guarantor, and U.S. Bank Trust Company, National Association, as trustee, relating to Macy's Retail Holdings, LLC's 6.125% Senior Notes due 2032 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on March 10, 2022)
10.1	Third Amendment to Credit Agreement, dated as of March 3, 2022, by and among Macy's Inventory Funding LLC, Macy's Inventory Holdings LLC, the lenders party thereto and Bank of America, N.A., as agent, l/c issuer and swing line lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 3, 2022)
10.2+	2022-2024 Performance-Based Restricted Stock Unit Terms and Conditions under the 2021 Equity and Incentive Compensation Plan*
10.3	Macy's, Inc. Employee Stock Purchase Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed with the SEC on May 24, 2022)*
22	List of Subsidiary Guarantors
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)
32.1	Certification by Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act
32.2	Certification by Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act
101	The following financial statements from Macy's, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 30, 2022, filed on June 6, 2022, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Statements of Income, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated of Changes in Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Constitutes a compensatory plan or arrangement.

\+ Portions of the exhibit have been omitted because it is both not material and is of the type the registrant treats as confidential.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MACY'S, INC.

By: /s/ ELISA D. GARCIA

Elisa D. Garcia
Executive Vice President, Chief Legal Officer and Secretary

By: /s/ PAUL GRISCOM

Paul Griscom
Senior Vice President and Controller

Date: June 6, 2022

Certain information identified by [●] has been excluded from this exhibit because it is both not material and is the type that the registrant treats as confidential

2022-2024 Performance-Based Restricted Stock Units
Terms and Conditions
2021 Equity and Incentive Compensation Plan

1. **Grant of Performance-Based Restricted Stock Units**. Macy's, Inc. (the "Company") has granted to Grantee as of the grant date ("Date of Grant") that "Target" number Performance-Based Restricted Stock Units (" Performance Units") as shown on the Performance-Based Restricted Stock Unit Award Letter ("Award Letter") to which these Terms and Conditions apply, subject to the terms, conditions and restrictions set forth herein and in the Macy's, Inc. 2021 Equity and Incentive Compensation Plan (the "Plan"). These Terms and Conditions and the Award Letter together constitute an Evidence of Award, as defined in the Plan. Subject to Section 11 of the Plan, each Performance Unit represents the right to receive one share of common stock of the Company ("Common Stock").

2. **Performance Period.** The Performance Period shall commence on the Date of Grant for relative Total Shareholder Return ("TSR") and January 30, 2022 for Digital Sales (as applicable, the "Commencement Date") and, except as otherwise provided in these Terms and Conditions, will expire in full on February 1, 2025 (as applicable, the "Performance Period"). For the sake of clarity, if a Change in Control occurs, the Performance Period will end on the date of a Change in Control and the Performance Units will convert to time-based restricted stock units in accordance with Section 4(c) below.

3. **Normal Vesting of Performance Units.**

(a) The actual number of Performance Units that may be earned and become nonforfeitable is based on achieving the targeted level of the Company's relative TSR and Digital Sales goals for the Performance Period (the "Performance Goals"), weighted 60% and 40% respectively, as set forth in the following schedules.

RELATIVE TSR SCHEDULE

	Relative TSR (60%)	
Performance Level*	**3-year TSR vs. Peer Group****	**Vesting Percentage**
Outstanding	≥80th percentile	200%
Target	55th percentile	100%
Threshold	30th percentile	25%
Below Threshold	<30th percentile	0%

*Straight-line interpolation will apply to performance and payout levels between the ones shown above.
** Peer group are companies in the S&P Retail Select Index as of the Date of Grant. Companies added to the Index during the Performance Period will not be included.

(i) TSR will be calculated on a compound annualized basis over the Performance Period.

(ii) TSR is defined as the change in the value of the Common Stock from the Date of Grant through February 1, 2025, taking into account both stock price appreciation and the reinvestment of dividends. The beginning and ending stock prices will be based on a 20-trading day average stock price.

(iii) Dividends will be reinvested at the closing price on the "ex dividend" date. The beginning and ending prices used in the total return calculation will be adjusted for special cash dividends, stock splits and spin-offs.

(iv) Relative TSR is the percentile rank of the Company's TSR compared to the TSR of the peer group over the Performance Period. If any of the companies in the peer group as of the first day of the Performance Period do not remain in the peer group through the last day of the Performance Period, treatment will be as follows:

(A) Companies that are no longer publicly traded due to acquisition shall be excluded from the relative TSR calculation.
(B) Companies that are no longer publicly traded due to merger shall be either (i) excluded from the relative TSR calculation if it is not the surviving company following the merger or (ii) included in the calculation if it is the surviving company following the merger with another index or non-index company.
(C) Companies that are no longer publicly traded due to bankruptcy shall be included in the relative TSR calculation by force ranking at the bottom of the Index.
(D) Companies that distribute a portion of their business in a spin-off transaction and that remain publicly traded will be included in the relative TSR calculation, but the company that is spun off will be excluded in the relative TSR calculation.

(v) If absolute TSR for the Performance Period is negative, the Vesting Percentage will be capped at Target. Maximum payout on relative TSR goal will be capped at 400% of Target number of Performance Units multiplied by the closing price of the Common Stock on the Date of Grant.

DIGITAL SALES SCHEDULE

	Digital Sales (40%)	
Performance Level*	**Percent of Target**	**Vesting Percentage**
Outstanding	[●]	200%
Target	[●]	100%
Threshold	[●]	25%
Below Threshold	[●]	0%

* Straight-line interpolation will apply to performance levels between the ones shown above.

(i) "Digital Sales" is defined as all on-line sales including but is not limited to macys.com, bloomingdales.com and bluemercury.com owned and licensed sales (which is inclusive of buy on-line ship to store (BOSS) plus buy on-line pick up in store (BOPS)) macys.com and bloomingdales.com MarketPlace GMV for the fiscal year ended February 1, 2025, as reported in the Company's internal reports and records.

COMPARABLE STORE SALES GROWTH PROVISION

This award includes an additional payout opportunity based on Store Sales Growth from January 30, 2022 to February 1, 2025, as follows:

Performance Level*	Incremental Vesting Percentage added to Digital Sales Metric Vesting Percentage**
[●]	0%
[●]	25%
[●]	50%
[●]	75%

*Straight-line interpolation will apply to performance levels between the ones shown above

** The maximum vesting percentage for the Digital Sales metric, including any incremental amount for the Comparable Store Sales Growth Provision, cannot exceed 200%

(i) Comparable Store Sales Growth is defined as the period-to-period percentage change in owned plus licensed sales from stores in operation throughout fiscal 2021 and throughout fiscal 2024. Stores impacted by a natural disaster or undergoing significant expansion or shrinkage remain in the comparable sales calculation unless the store, or a material portion of the store, is closed for a significant period of time.

(b) For purposes of determining whether the performance goal for Digital Sales and Comparable Store Sales Growth has been met, the calculation of the Company's actual Digital Sales and Comparable Store Sales Growth will be adjusted to exclude the following, if they were not included in the Company's business plan:

- (i) income, revenues, gains, expenses, losses, cash inflows and cash outflows resulting from material restructuring charges (as reported in the Company's quarterly earnings releases and filings with the Securities and Exchange Commission (SEC);
- (ii) income, revenues, gains, expenses, losses, cash inflows and cash outflows attributable to any division, business segment, material business operation, subsidiary, affiliate or material group of stores that are acquired;
- (iii) income, revenues, gains, expenses, losses, cash inflows and cash outflows from the sale or disposition of any division, business segment, material business operation, subsidiary, affiliate or material group of stores;
- (iv) income, revenues, gains, expenses, losses, cash inflows and cash outflows resulting from unusual or infrequently occurring items (as reported in the Company's quarterly earnings releases and filings with the SEC);
- (v) store closing income and costs (as reported in the Company's quarterly filings with the SEC);
- (vi) unplanned tax law changes which have a material impact on the Company; and
- (vii) changes in accounting principles (as determined under U.S. Generally Accepted Accounting Principles (GAAP)).

The adjustments for each one of the items listed above will only be made if the item was not included or was materially different than expected in the preparation of the Company's plans on which the Digital Sales or Comparable Store Sales Growth performance levels (Threshold, Target, Outstanding) are based.

To the extent a disposition, financing or material contract change was not considered in the preparation of the Company's plans on which the Digital Sales or Comparable Store Sales Growth performance levels (Threshold, Target and Outstanding) are based, including the failure to take a disposition, financing or material contract change into account at all or the fact that all or a portion of the disposition, financing or material contract change occurred earlier or later than planned, or did not occur at all, adjustments shall be made to the planned Digital Sales or Comparable Store Sales Growth in order to accurately take the actual disposition, financing or material contract change into account. For this purpose, (i) a "disposition" means a substantial divestiture of assets or a disposition of a division, segment, business operation, subsidiary, affiliate or store, (ii) a "financing" means a major financing or refinancing and (iii) a "material contract change" means the cancellation, amendment or renegotiation of a pre-existing contract that will have a material impact on the Company's financial results. For example, if a disposition was not considered in the preparation of the Company's plans on which the Digital Sales performance levels (Threshold, Target, Outstanding) are based, the planned Digital Sales or Comparable Store Sales Growth shall be adjusted to exclude the planned Digital Sales attributable to the corresponding assets or division, segment, business operation, subsidiary, affiliate or store from the date of disposition until the end of the Performance Period.

(c) In all cases the Compensation Committee shall certify whether the Company has achieved the specified levels of relative TSR, Digital Sales and Comparable Store Sales Growth. For purposes of these Terms and Conditions and the Award Letter, "Performance Vesting Date" means the later of (1) the last day of the Performance Period or (2) the date on which the Compensation Committee certifies the levels of achievement of the applicable Performance Goals.

(d) From time to time, the Company may adopt accounting standards, consistent with GAAP, which may impact the performance measures used in the Macy's, Inc. Senior Executive Compensation Plan. If this occurs and the adoption of such standards was not included in the financial plans used to develop the performance ranges (outstanding, target, threshold and below threshold) for each measure, then actual performance results shall be adjusted to exclude the impact of the adoption of the accounting standards.

4. **Forfeiture of Performance Units.**

(a) Termination of Employment**.** Except as the Board may determine on a case-by-case basis or as provided below, all unvested Performance Units shall be forfeited if Grantee ceases to be continuously employed by the Company at any time prior to the Performance Vesting Date. The continuous employment of Grantee shall not be deemed to have been interrupted by reason of the transfer of Grantee's employment among the Company and its subsidiaries, divisions or affiliates or a leave of absence approved by the Company. In the event of a termination for Cause (as defined in Section 18), all unvested Performance Units shall be immediately forfeited.

(b) Death, Disability, Retirement or Involuntary Termination. Except as the Board may determine on a case-by-case basis:

(i) If the Performance Units have not been converted pursuant to Section 4(c)(i) or (ii) below, in the event Grantee retires at least six months after the Date of Grant, on or after age 62 with at least five years of vesting service ("Retirement"), and complies with the provisions of Section 4(d) below, then on the Performance Vesting Date, a pro rata portion of the percentage of Performance Units that become vested as determined under Section 3 above will vest (i.e., prorated from the Commencement Date through the date of Retirement based on the number of completed months of service during the Performance Period divided by 36). If the Performance Units have been converted pursuant to Section 4(c)(i) or (ii) below on or before the last day of the Performance Period and Grantee is a Retirement Eligible Grantee on or before the last day of the Performance Period, 100% of the Performance Units as so converted will vest on the latter of the Change in Control and the date Grantee becomes a Retirement-Eligible Grantee;

(ii) If the Performance Units have not been converted pursuant to Section 4(c)(i) or (ii) below, in the event Grantee dies or becomes Disabled during the Performance Period, on the Performance Vesting Date, a pro rata portion of the percentage of Performance Units that become vested as determined under Section 3 will vest (i.e., prorated from the Commencement Date through the date of death or Disability based on the number of completed months of service during the Performance Period divided by 36). If the Performance Units have been converted pursuant to Section 4(c)(i) or (ii) below and Grantee dies or becomes Disabled on or before the last day of the Performance Period, 100% of the Performance Units as so converted will vest on the latter of the Change in Control and the date of death or Disability; and;

(iii) If (A) the Performance Units have not been converted pursuant to Section 4(c)(i) or (ii) below, (B) as of the Date of Grant, Grantee is a participant in the Company's Senior Executive Severance Plan, (C) Grantee's employment is terminated by the Company without Cause other than as described in Section 4(c)(iii) (such termination, with respect to a Senior Executive Severance Plan participant, an "Involuntary Termination"), and (D) Grantee complies with the provisions of Section 4(d) below, then on the Performance Vesting Date, a pro rata portion of the percentage of Performance Units that become vested as determined under Section 3 above will vest (i.e., prorated from the Commencement Date through the end of the noncompetition period specified in Section 20(a) based on the number of completed months of service during the Performance Period plus such period following termination of employment divided by 36).

(c) Change in Control. In the event of a Change in Control (as defined in the Plan) prior to the last day of the Performance Period, Performance Units will convert to time-based restricted stock units without proration for the percentage of the Performance Period that has elapsed since the Commencement Date, as follows:

(i) If the Change in Control occurs prior to February 4, 2024, then 100% of the Target award number of Performance Units shall convert to time-based restricted stock units (plus an additional number of shares of time-based restricted stock units representing the dividend equivalents payable on that Target award number of Performance Units from the Commencement Date to the date of the Change in Control);

(ii) If the Change in Control occurs on or after February 4, 2024, the conversion of Performance Units to time-based restricted stock units (and the corresponding conversion of dividend equivalents payable on those Performance Units to time-based restricted stock units) will be based on:

(A) the Company's relative TSR as of the date of the Change in Control; and

(B) the Company's Digital Sales and Comparable Stores Sales Growth determined under Section 3 if performance can be reasonably assessed as of the date of the Change in Control, and if not then 100% of the Target award number of Performance Units associated with this Performance Goal (i.e., Target award number of Performance Units x 40%).

(iii) Except as set forth in Section 4(b)(i) or (ii) above, Performance Units as converted pursuant to Section 4(c)(i) or (ii) above will vest as follows:

(A)If Performance Units as converted pursuant to Section 4(c)(i) or (ii) above are not assumed or replaced by the acquiror/continuing entity on terms deemed appropriate by the Compensation Committee, the Converted Units will vest on or immediately prior to the closing of the Change in Control;

(B)The Performance Units as converted pursuant to Section 4(c)(i) or (ii) above will vest on the last day of the Performance Period (the "Normal Vesting Date"), if vesting has not otherwise accelerated as provided pursuant to Section 4(b)(i) or (ii) above or 4(c)(iii)(C) below; or

(C)If, within the 24-month period following the Change in Control, Grantee is terminated by the Company or the continuing entity without Cause or if Grantee voluntarily terminates employment with Good Reason and is a participant in the Company's Change in Control Plan (a "Qualifying Termination"), the Performance Units as converted pursuant to Section 4(c)(i) or (ii) above will vest on the date of such Qualifying Termination.

(d) Violation of Restrictive Covenants. All unvested Performance Units shall be forfeited immediately upon the occurrence of any of the following events. If there are no unvested Performance Units outstanding at the time a restrictive covenant is violated, the Company may pursue other legal remedies.

(i) Following voluntary or involuntary Retirement or Involuntary Termination and prior to 12 [24 for CEO] months following Retirement or Involuntary Termination, as applicable, Grantee renders personal services to a Competing Business (as defined in Section 18) in any manner, including, without limitation, as employee, agent, consultant, advisor, independent contractor, proprietor, partner, officer, director, manager, owner, financer, joint venturer or otherwise; or

(ii) Following voluntary or involuntary Retirement or Involuntary Termination and prior to 24 months following Retirement or Involuntary Termination, Grantee directly or indirectly solicits or otherwise entices any of the Company's employees to resign from their employment with the Company, whether individually or as a group; or

(iii) At any time following voluntary or involuntary Retirement or Involuntary Termination, Grantee discloses or provides to any third party, or uses, modifies, copies or adapts any of the Company's Confidential Information (defined in Section 18).

An involuntary Retirement occurs when the employment of a Grantee who satisfies the age and years of service criteria described in Section 4(b) above is terminated by the Company without Cause (as defined in Section 18) or is terminated by Grantee with Good Reason (as defined in Section 18) within the 24-month period following a Change in Control.

5. **Dividend, Voting and Other Rights**. Grantee shall have no rights of a stockholder with respect to the Performance Units prior to the date on which shares of Common Stock are issued in settlement thereof, including the right to vote any of the Performance Units. An amount representing dividends payable on shares of Common Stock with respect to the award of Performance Units on a dividend record date shall be deemed reinvested in Common Stock and credited to Grantee as restricted stock units (rounded to the nearest whole share) as of the dividend payment date. The Performance Units are subject to adjustment to prevent dilution or enlargement of the rights of Grantee that would otherwise result from changes in the capital structure of the Company or from certain corporate transactions or events as provided in Section 11 of the Plan. Any restricted stock units or additional Performance Units credited to Grantee pursuant to this Section 5, including by reason of any adjustments under Section 11 of

the Plan, will be subject to the terms and restrictions (including vesting) set forth in these Terms and Conditions.

6. **Settlement of Performance Units**. The Company shall issue or deliver to Grantee a number of whole shares of unrestricted Common Stock equal to the number of vested Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) and the related restricted stock units attributed to any dividend equivalents on those Performance Units as soon as practicable following either (i) the Performance Vesting Date or Normal Vesting Date (as applicable), or (ii) if the Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) become vested and earned or deemed vested and earned prior thereto upon an event contemplated by Section 4(b) or 4(c)(iii), the date of such event, and in the case of either clause (i) or (ii) of this Section 6, within the "short-term deferral" period determined under Treasury Regulation Section 1.409A-1(b)(4), with the applicable vesting date being referred to herein as the "Vesting Date." Such shares of unrestricted Common Stock shall be credited as book entry shares to Grantee's trading account. For the sake of clarity, the settlement and payment of Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) and the related restricted stock units attributed to any dividend equivalents on those Performance Units is intended to comply with Treasury Regulation Section 1.409A-1(b)(4), and these Terms and Conditions and the Award Letter will be construed and administered in such a manner. As a result, notwithstanding any provision in these Terms and Conditions and the Award Letter to the contrary, the settlement and payment of Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) and the related restricted stock units attributed to any dividend equivalents on those Performance Units will be made in all events no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) and the related restricted stock units attributed to any dividend equivalents on those Performance Units are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulation Section 1.409A-1(d). In the event Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) and any related restricted stock units attributed to any dividend equivalents on those Performance Units are not earned or do not become vested, those Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) and the related restricted stock units attributed to any dividend equivalents on those Performance Units, shall be forfeited.

7. **Clawback**. Any incentive-based compensation received by Grantee from the Company hereunder or otherwise shall be subject to recovery by the Company in the circumstances and manner provided in any Incentive-Based Compensation Recovery Policy that may be adopted or implemented by the Company and in effect from time to time on or after the date hereof, and Grantee shall effectuate any such recovery at such time and in such manner as the Company may specify. For purposes of these Terms and Conditions, the term "Incentive-Based Compensation Recovery Policy" means any policy of the type contemplated by Section 10D of the Securities Exchange Act of 1934, any rules or regulations of the Securities and Exchange Commission adopted pursuant thereto, or any related rules or listing standards of any national securities exchange or national securities association applicable to the Company. Until the Company adopts an Incentive-Based Compensation Recovery Policy, the following clawback provision shall apply:

> In the event that, within three years of the end of the Performance Period and settlement of vested Performance Units, the Company restates its financial results with respect to the Company's performance during the Performance Period to correct a material error that the Compensation Committee determines is the result of fraud or intentional misconduct, then the Compensation

Committee, in its discretion, may require Grantee to repay to the Company all income, if any, derived from the Performance Units.

8. **No Employment Contract**. Nothing contained in the Award Letter or these Terms and Conditions shall confer upon Grantee any right with respect to continued employment by the Company, or limit or affect the right of the Company to terminate the employment or adjust the compensation of Grantee.

9. **Taxes and Withholding**. If the Company is required to withhold any federal, state, local or foreign tax in connection with the issuance or vesting of, or other event triggering a tax obligation with respect to, any Performance Units or the issuance of any unrestricted shares of Common Stock or other securities following vesting pursuant to the Award Letter or these Terms and Conditions, it shall be a condition to such vesting, issuance or event that Grantee pay or make provisions that are satisfactory to the Company for payment of the tax. Unless Grantee makes alternative arrangements satisfactory to the Company prior to the vesting of the Performance Units or the issuance of shares of unrestricted Common Stock or other event triggering a tax obligation, Grantee will satisfy the statutory tax withholding obligations by providing for the sale of enough shares to generate proceeds that will satisfy the withholding obligation or surrendering to the Company a portion of the shares of Common Stock that are issued or transferred to Grantee following the Vesting Date for credit against the withholding obligation at the Market Value per Share of such shares on the Vesting Date. In accordance with Section 16 of the Plan, in no event will the fair market value of the shares of Common Stock to be withheld or delivered pursuant to this Section 9 to satisfy applicable withholding taxes exceed Grantee's estimated tax obligations based on the maximum statutory tax rates in the applicable taxing jurisdiction.

10**.** **Limitations on Transfer of Performance Units**. The Performance Units may not be transferred or assigned by Grantee until they vest other than (i) upon death, by will or the laws of descent and distribution, (ii) pursuant to a qualified domestic relations order or (iii) to a fully revocable trust to which Grantee is treated as the owner for federal income tax purposes.

11. **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, that the Company shall not be obligated to issue any Performance Units or shares of unrestricted Common Stock or other securities pursuant to the Award Letter and these Terms and Conditions if the issuance thereof would result in a violation of any such law.

12. **Relation to Other Benefits**. Any economic or other benefit to Grantee under the Award Letter and these Terms and Conditions shall not be taken into account in determining any benefits to which Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company.

13. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to these Terms and Conditions to the extent that the amendment is applicable hereto; provided, however, that no amendment shall materially impair the rights of Grantee under the Award Letter and these Terms and Conditions without Grantee's consent.

14. **Severability**. In the event that any provisions of these Terms and Conditions shall be invalidated for any reason by a court of competent jurisdiction, the invalidated provision shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

15. **Relation to Plan**.

(a) General. These Terms and Conditions are subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between these Terms and Conditions and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. All references in these Terms and Conditions to the Company shall include, unless the context in which it is used suggests otherwise, its subsidiaries, divisions and affiliates.

(b) Compliance with Section 409A of the Code. The Company and Grantee acknowledge that, to the extent applicable, it is intended that the performance units covered by these Terms and Conditions comply with the provisions of Section 409A of the Code, and the Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) shall be administered in a manner consistent with this intent. Any amendments made to comply with Section 409A of the Code may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Grantee. In any case, Grantee shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed in connection with these Terms and Conditions and the Award Letter (including any taxes and penalties under Section 409A of the Code), and the Company shall not have any obligation to indemnify or otherwise hold Grantee harmless from any or all of such taxes or penalties. Each payment under these Terms and Conditions and the Award Letter shall be treated as a separate payment for purposes of Section 409A of the Code. Any reference herein to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

16. **Successors and Assigns**. The provisions of the Award Letter and these Terms and Conditions shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and permitted assigns of Grantee and the successors and assigns of the Company.

17. **Governing Law**. The Award Letter and these Terms and Conditions shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware.

18. **Definitions**.

(a) "Cause" shall mean that Grantee has committed prior to termination of employment any of the following acts:

(i) An intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with Grantee's duties or in the course of Grantee's employment;

(ii) Intentional wrongful damage to material assets of the Company;

(iii) Intentional wrongful disclosure of material confidential information of the Company;

(iv) Intentional wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty;

(v) Intentional breach of any stated material employment policy of the Company; or

(vi) Intentional neglect by Grantee of Grantee's duties and responsibilities.

For purposes of Section 18(a)(v), "material employment policy of the Company" includes, but is not limited to, any of the following policies: Equal Employment Opportunity, Anti-Harassment, the policy prohibiting workplace violence, wage & hour policies, or the prohibition on the falsification of Company records.

(b) "Competing Business" shall mean:

(i) any of the following named companies, or any other business into which such company is merged, consolidated, or otherwise combined, and the subsidiaries, affiliates and successors of each such company:

Amazon	J.C. Penney	Sears
Burlington Coat Factory	Kohl's	Target
Dillard's	Nordstrom	TJX
Hudson's Bay	Ross Stores	Walmart

or

(ii) any business or enterprise engaged in the business of retail sales that (1) had annual revenues for any of its three most recently completed fiscal years of at least $4.0 billion; and (2) both (i) offers a category or categories of merchandise (e.g., Fine Jewelry, Cosmetics, Kids, Big Ticket, Housewares, Men's, Dresses), any of which are offered by the Company (and its subsidiaries, divisions or controlled affiliates), and (ii) the revenue derived by such other retailer during any of such retailer's three most recently ended fiscal years from such category or categories of merchandise represent(s), in the aggregate, more than 50% of the Company's (and its subsidiaries, divisions or controlled affiliates) total revenues for any of its three most recently completed fiscal years derived from the same category or categories of merchandise.

(c) "Confidential Information" shall mean any data or information that is material to the Company and not generally known to the public, including, without limitation: (i) price, cost and sales data; (ii) the identities and locations of vendors and consultants furnishing materials and services to the Company and the terms of vendor or consultant contracts or arrangements; (iii) lists and other information regarding customers and suppliers; (iv) financial information that has not been released to the public; (v) future business plans, marketing or licensing strategies, and advertising campaigns; or (vi) information about the Company's employees and executives, as well as the Company's talent strategies including but not limited to compensation, retention and recruiting initiatives.

(d) "Disability" shall mean Grantee's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(e) "Good Reason" shall mean, without Grantee's consent, the occurrence of any of the following events:

(i) A material diminution in Grantee's base compensation;

(ii) A material diminution in Grantee's authority, duties or responsibilities;

(iii) A material change in the geographic location at which Grantee must perform Grantee's services; or

(iv) Any other action or inaction that constitutes a material breach by the Company of an agreement under which Grantee provides services.

Notwithstanding the foregoing, in order to terminate for Good Reason, (x) Grantee must provide the Company with written notice of the event(s) or condition(s) constituting Good Reason within ninety (90) days following the existence of such event(s) or condition(s), (y) the Company must be given thirty (30) days to cure such event(s) or condition(s), and (z) Grantee must actually terminate employment for Good Reason within sixty (60) days following the end of the Company's cure period.

(f) "Retirement-Eligible Grantee" means with respect to a Performance Unit that is outstanding at least six months after the Date of Grant a Grantee who is age 62 with at least five years of vesting service.

19. **Data Privacy**. Grantee hereby explicitly accepts the grant of Performance Units and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in the Award Letter and these Terms and Conditions by and among the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing Grantee's participation in the Plan.

(a) Grantee understands that the Company holds certain personal information about Grantee, including, but not limited to, Grantee's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, shares of Common Stock held, details of all grants of Performance Units or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in Grantee's favor, for the purpose of implementing, administering and managing the Plan (the "Data").

(b) Grantee understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States or elsewhere, and that the recipient's country may have different data privacy laws and protections than the United States. Grantee understands that Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting Grantee's local human resources representative.

(c) Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom Grantee may elect to deposit any shares of Common Stock acquired.

(d) Grantee understands that Data will be held only as long as is necessary to implement, administer and manage Grantee's participation in the Plan.

(e) Grantee understands that Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Grantee's local human resources representative.

(f) Grantee understands, however, that refusing or withdrawing Grantee's consent may affect Grantee's ability to participate in the Plan.

20. **Acceptance of Award**. By accepting this award, Grantee agrees as follows:

(a) Noncompetition. During the term of Grantee's employment with the Company and for the 12 [24 for CEO] month period beginning on the date that Grantee's employment with the Company ceases for any reason, Grantee shall not act in any capacity (whether as an employee, agent, consultant, advisor, independent contractor, proprietor, partner, officer, director, manager, owner, financier, joint venturer, or otherwise), for any of the following companies, or any business into which such company is merged, consolidated, or otherwise combined: Amazon, Burlington Coat Factory, Dillard's, Hudson's Bay, J.C. Penney, Kohl's, Nordstrom, Ross Stores, Sears, Target, TJX and Walmart, and the subsidiaries, affiliates and successors of each such company, or a Restricted Business. A "Restricted Business" means any business or enterprise engaged in the business of retail sales that had annual revenues for any of its three most recently completed fiscal years of at least $4 billion; and both (i) offers a category or categories of merchandise (e.g., Fine Jewelry, Cosmetics, Kids, Big Ticket, Housewares, Men's, Dresses), any of which are offered in stores, online or through an alternate channel directly by the Company, and (ii) revenue derived by such other retailer during any of such retailer's three most recently ended fiscal years from such category or categories of merchandise represent(s), in the aggregate, more than 50% of the Company's total revenues for any of its three most recently completed fiscal years derived from the same category or categories of merchandise.

(b) Nonsolicitation. Grantee agrees that Grantee will not directly or indirectly at any time during the period of Grantee's employment with the Company and for the 24 month period beginning on the date that Grantee's employment with the Company ceases for any reason, solicit or otherwise entice any of the Company's employees to resign from their employment by the Company, whether individually or as a group. Grantee acknowledges that this covenant is necessary to enable the Company to maintain the confidentiality of its Confidential Information, to avoid inevitable disclosure of such Confidential Information, to protect the Company's goodwill with its Customers and to protect against unfair competition and to retain its' competitive advantage. "Customer" means any person or entity which at the time of Grantee's cessation of employment with the Company is, or was within two years prior to such cessation of employment, a customer of the Company.

(c) Confidential Information. In order to protect the Company's Confidential Information, Grantee agrees that during the period of Grantee's employment with the Company and thereafter, Grantee will not disclose nor provide to anyone, and will not use, modify, copy or adapt (except in the course of performing Grantee's duties for the Company) any of the Company's Confidential Information. Grantee specifically agrees that Grantee's obligation not to use, modify, copy, adapt, disclose, or provide to third parties any of the Company's Confidential Information shall survive termination of Grantee's employment with the Company, regardless of the grounds for such termination.

(d) Breach. Grantee acknowledges and agrees that if Grantee should breach any of the covenants, restrictions and agreements contained herein, irreparable loss and injury would result to the Company, and that damages arising out of such a breach may be difficult to ascertain. Grantee therefore agrees that in the event of any such breach, all vested and unvested Performance Units covered by this award shall be immediately forfeited and cancelled and, in addition to all other remedies provided at law or at equity, the Company may petition and obtain from a court of law or equity all necessary temporary, preliminary and permanent injunctive relief to prevent a breach by Grantee of any covenant contained in these Terms and Conditions.

(e) Enforcement. The parties hereby agree that if the scope or enforceability of any of the covenants contained in these Terms and Conditions is in dispute, a court or other trier of fact may modify and enforce the covenant in the form necessary to provide the Company with the maximum protection afforded by applicable law.

(f) Extension of Obligations. If Grantee breaches any of the provisions of these Terms and Conditions, and if the Company brings legal action for injunctive relief, such relief shall have the duration specified in Section 20(a) or Section 20(b) as relevant, commencing from the date such relief is granted.

(g) Other Restrictions or Covenants. The covenants, restrictions and agreements contained herein are in addition to any noncompetition, nonsolicitation or confidentiality agreements Grantee has entered or may inter into with the Company pursuant to the Company's Executive Severance Plan, Senior Executive Severance Plan, or otherwise.

(h) References to Company. Grantee is employed by Macy's, Inc. or one of its controlled affiliates, subsidiaries or divisions (collectively "Macy's Affiliates"). References in these Terms and Conditions to Company shall include references to Macy's Affiliates.

Exhibit 22

Subsidiary Guarantors and Issuers of Guaranteed Securities

Issuer of Guaranteed Securities

Macy's Retail Holdings, LLC (fka Macy's Retail Holdings, Inc.), a direct wholly-owned subsidiary of Macy's, Inc., is the issuer of securities listed below subject to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that are guaranteed by Macy's, Inc.

Guaranteed Securities

7.6% Senior debentures due 2025
6.79% Senior debentures due 2027
7.0% Senior debentures due 2028
6.7% Senior debentures due 2028
8.75% Senior debentures due 2029
6.9% Senior debentures due 2029
7.875% Senior debentures due 2030
6.9% Senior debentures due 2032
6.7% Senior debentures due 2034
4.5% Senior notes due 2034
6.375% Senior notes due 2037
5.125% Senior notes due 2042
4.3% Senior notes due 2043

Exhibit 31.1

CERTIFICATION

I, Jeff Gennette, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Macy's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 6, 2022

/s/ Jeff Gennette
Jeff Gennette
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Adrian Mitchell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Macy's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 6, 2022

/s/ Adrian Mitchell
Adrian Mitchell
Chief Financial Officer

Exhibit 32.1

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Macy's, Inc. (the "Company") for the fiscal quarter ended April 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

June 6, 2022

/s/ Jeff Gennette
Name: Jeff Gennette
Title: Chief Executive Officer

Exhibit 32.2

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Macy's, Inc. (the "Company") for the fiscal quarter ended April 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

June 6, 2022

/s/ Adrian Mitchell
Name: Adrian Mitchell
Title: Chief Financial Officer