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 May 4, 2024

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 4, 2024
Common Stock, $.01 par value per share	276,411,486 shares

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

MACY'S, INC.

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(millions, except per share figures)

	13 Weeks Ended	
	May 4, 2024	April 29, 2023
Net sales	$ 4,846	$ 4,982
Other revenue	154	191
Total revenue	5,000	5,173
Cost of sales	(2,946)	(2,988)
Selling, general and administrative expenses	(1,911)	(1,950)
Gains on sale of real estate	1	11
Impairment, restructuring and other costs	(19)	(2)
Operating income	125	244
Benefit plan income, net	4	4
Interest expense, net	(31)	(37)
Income before income taxes	98	211
Federal, state and local income tax expense	(36)	(56)
Net income	$ 62	$ 155
Basic earnings per share	$ 0.22	$ 0.57
Diluted earnings per share	$ 0.22	$ 0.56

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	
	May 4, 2024	April 29, 2023
Net income	$ 62	$ 155
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	1	2
Tax effect related to items of other comprehensive income	(1)	(1)
Total other comprehensive income, net of tax effect	—	1
Comprehensive income	$ 62	$ 156

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

MACY'S, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

(millions)

	May 4, 2024	February 3, 2024	April 29, 2023
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 876	$ 1,034	$ 603
Receivables	257	293	255
Merchandise inventories	4,687	4,361	4,607
Prepaid expenses and other current assets	442	401	390
Total Current Assets	6,262	6,089	5,855
Property and Equipment - net of accumulated depreciation and amortization of $4,410, $4,276 and $4,763	5,295	5,308	5,864
Right of Use Assets	2,358	2,305	2,715
Goodwill	828	828	828
Other Intangible Assets – net	429	430	432
Other Assets	1,277	1,286	1,174
Total Assets	$ 16,449	$ 16,246	$ 16,868
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Merchandise accounts payable	$ 2,347	$ 1,913	$ 2,415
Accounts payable and accrued liabilities	2,088	2,434	2,233
Income taxes	115	83	134
Total Current Liabilities	4,550	4,430	4,782
Long-Term Debt	2,998	2,998	2,996
Long-Term Lease Liabilities	3,034	2,986	2,996
Deferred Income Taxes	749	745	916
Other Liabilities	932	950	1,008
Shareholders' Equity	4,186	4,137	4,170
Total Liabilities and Shareholders' Equity	$ 16,449	$ 16,246	$ 16,868

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 February 3, 2024	$ 3	$ 352	$ 6,190	$ (1,912)	$ (496)	$ 4,137
Net income			62			62
Common stock dividends ($0.1737 per share)			(48)			(48)
Stock-based compensation expense		13				13
Stock issued under stock plans		(71)		70		(1)
Cumulative-effect adjustment (a)			23			23
Balance at May 4, 2024	$ 3	$ 294	$ 6,227	$ (1,842)	$ (496)	$ 4,186

(a) Represents the cumulative-effect adjustment for the change in inventory valuation method.

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 28, 2023	$ 3	$ 467	$ 6,268	$ (2,038)	$ (618)	$ 4,082
Net income			155			155
Other comprehensive income					1	1
Common stock dividends ($0.1654 per share)			(45)			(45)
Stock repurchases				(25)		(25)
Stock-based compensation expense		14				14
Stock issued under stock plans		(108)		96		(12)
Balance at April 29, 2023	$ 3	$ 373	$ 6,378	$ (1,967)	$ (617)	$ 4,170

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	
	May 4, 2024	**April 29, 2023**
Cash flows from operating activities:		
Net income	$ 62	$ 155
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment, restructuring and other costs	19	2
Depreciation and amortization	216	218
Stock-based compensation expense	13	14
Gains on sale of real estate	(1)	(11)
Benefit plans	1	2
Amortization of financing costs and premium on acquired debt	3	3
Deferred income taxes	(10)	(32)
Changes in assets and liabilities:		
Decrease in receivables	35	45
Increase in merchandise inventories	(273)	(340)
(Increase) decrease in prepaid expenses and other current assets	(49)	32
Increase in merchandise accounts payable	401	374
Decrease in accounts payable and accrued liabilities	(289)	(415)
Increase in current income taxes	34	82
Change in other assets and liabilities	(33)	(24)
Net cash provided by operating activities	129	105
Cash flows from investing activities:		
Purchase of property and equipment	(154)	(215)
Capitalized software	(75)	(81)
Disposition of property and equipment	4	25
Other, net	8	1
Net cash used by investing activities	(217)	(270)
Cash flows from financing activities:		
Debt repaid	(1)	(1)
Dividends paid	(48)	(45)
Decrease in outstanding checks	(21)	(13)
Acquisition of treasury stock	—	(35)
Net cash used by financing activities	(70)	(94)
Net decrease in cash, cash equivalents and restricted cash	(158)	(259)
Cash, cash equivalents and restricted cash beginning of period	1,037	865
Cash, cash equivalents and restricted cash end of period	$ 879	$ 606
Supplemental cash flow information:		
Interest paid	$ 59	$ 60
Interest received	12	11
Income taxes paid, net of refunds received	12	6
Restricted cash, end of period	3	3

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 omni-channel retail organization operating stores, websites and mobile applications under three nameplates (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 May 4, 2024, the Company's operations and operating segments were conducted through Macy's (both mainbox and small format), 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 February 3, 2024 (the "2023 10-K"). The accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto in the 2023 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 May 4, 2024 and April 29, 2023, 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 May 4, 2024 and April 29, 2023 (which do not include the holiday season) are not necessarily indicative of such results for the full fiscal year.

Merchandise Inventories

On February 4, 2024, the Company changed its inventory valuation method. Previously, inventories were principally valued at lower of cost or market using the last-in, first-out (LIFO) retail inventory method (RIM). Commencing in fiscal 2024, inventories are valued at the lower of cost or market using the LIFO cost method. The LIFO cost method is preferable as compared to LIFO RIM because it will improve the cost accuracy and transparency of inventory at the unit level and will better allow the organization to evaluate selling margin realized on each sale. Additionally, it is consistent with the practices of many other retailers, improving comparability. Reported results for periods prior to fiscal 2024 have not been restated due to impracticability as the Company's systems did not capture historical period-specific information necessary to value the inventory under the cost method. The impact of the change in accounting method had an immaterial effect on the Consolidated Financial Statements as of February 4, 2024.

Under the LIFO cost method, the item-cost method is used to determine inventory cost before the application of any LIFO adjustment, as necessary. This method involves assigning costs to each item individually based on the actual purchase costs of that item. The Company continuously monitors whether the carrying cost of inventory exceeds its market value. Excess inventories may be disposed of through the normal course of business. The Company writes down the carrying value of inventories that are not expected to be sold at or above cost based on historical results.

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 May 4, 2024 and April 29, 2023 relate to post employment and postretirement plan items. Settlement charges incurred are included as a separate component of income before income taxes in the Consolidated Statements of Income. Amortization reclassifications out of accumulated other comprehensive income (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.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments in this update enhance segment reporting by expanding the breadth and frequency of segment disclosures required by public entities. Most notable, registrants will be required to disclose: (1) significant segment expenses regularly provided to the Chief Operating Decisions Maker ("CODM") and included within the reported measure(s) of a segment's profit or loss, (2) the amount and composition of other segment items, (3) how the CODM uses the reported measure(s) of a segment's profit or loss to assess segment performance and decide how to allocate resources, (4) on an interim basis, all segment profit or loss and asset disclosures currently required annually by Topic 280, as well as those introduced by the ASU, and (5) the CODM's title and position. ASU 2023-07 is effective for the Company beginning in the fiscal year ending February 1, 2025. The Company is currently evaluating the impacts of the adoption of ASU 2023-07.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" (ASU 2023-09). The amendments in this update enhance the transparency and decision usefulness of income tax disclosures, primarily through improvements to the rate reconciliation and income taxes paid information, specifically requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation, and (2) income taxes paid disaggregation by jurisdiction. These amendments allow investors to better assess how an entity's operations and tax related risks and planning affects its income tax rate and prospects for future cash flows. ASU 2023-09 is effective for the Company beginning in the fiscal year ending January 31, 2026. The Company is currently evaluating the impacts of the adoption of ASU 2023-09.

2. Earnings Per Share

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

	13 Weeks Ended					
	May 4, 2024			April 29, 2023		
	Net Income		Shares	Net Income		Shares
	(millions, except per share data)					
Net income and average number of shares outstanding	$ 62		275.2	$ 155		272.2
Shares to be issued under deferred compensation and other plans			0.9			0.9
	$ 62		276.1	$ 155		273.1
Basic earnings per share		$ 0.22			$ 0.57	
Effect of dilutive securities:						
Stock options and restricted stock units			4.9			4.7
	$ 62		281.0	$ 155		277.8
Diluted earnings per share		$ 0.22			$ 0.56	

In addition to the stock options and restricted stock units reflected in the foregoing table, stock options to purchase 7.8 million and 10.0 million shares of common stock and restricted stock units relating to 3.0 million and 5.4 million shares of common stock were outstanding at May 4, 2024 and April 29, 2023, 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, which mainly consist of retail sales but also include merchandise returns, gift cards and loyalty programs, represented 97% and 96% of total revenue for the 13 weeks ended May 4, 2024 and April 29, 2023, respectively. Other revenue generating activities consist of credit card revenues as well as Macy's Media Network revenue.

	13 Weeks Ended	
Revenues	**May 4, 2024**	**April 29, 2023**
	(millions)	
Women's Accessories, Shoes, Cosmetics and Fragrances	$ 2,070	$ 2,025
Women's Apparel	1,145	1,150
Men's and Kids'	981	1,018
Home/Other (a)	650	789
Total Net Sales	4,846	4,982
Credit card revenues, net	$ 117	$ 162
Macy's Media Network revenue, net (b)	37	29
Other Revenue	154	191
Total Revenue	$ 5,000	$ 5,173

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

(b) Macy's Media Network ("MMN") is an in-house media platform supporting both Macy's and Bloomingdale's customers through a broad variety of advertising formats running both on owned and operated platforms as well as offsite.

Macy's accounted for 84% of the Company's net sales for the 13 weeks ended May 4, 2024 and 85% for the 13 weeks ended April 29, 2023. In addition, digital sales accounted for 32% of the Company's net sales for each of the 13 weeks ended May 4, 2024 and April 29, 2023.

Retail Sales

Retail sales include merchandise sales, inclusive of delivery income, licensed department income, Marketplace 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 and Marketplace 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 sales taxes are included in accounts payable and accrued liabilities until remitted to the taxing authorities.

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 $193 million, $136 million and $214 million as of May 4, 2024, February 3, 2024 and April 29, 2023, respectively. Included in prepaid expenses and other current assets is an asset totaling $116 million, $83 million and $127 million as of May 4, 2024, February 3, 2024 and April 29, 2023, 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. 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 $349 million, $384 million and $360 million as of May 4, 2024, February 3, 2024 and April 29, 2023, respectively.

Credit Card Revenues

In 2005, in connection with the sale of most of the Company's credit card accounts and related receivable balances to Citibank, the Company and Citibank entered into a long-term marketing and servicing alliance pursuant to the terms of a Credit Card Program Agreement ("Credit Card Program"). Subsequent to this initial arrangement and associated amendments, on December 13, 2021, the Company entered into the sixth amendment to the amended and restated Credit Card Program with Citibank (the "Program Agreement"). 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, credit card funding costs and bad debt reserves and are a component of other revenue on the consolidated statements of income.

The Program Agreement expires March 31, 2030, subject to an additional renewal term of three 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 Company did not borrow or repay any debt, outside of capital lease activity, during both the 13 weeks ended May 4, 2024 and April 29, 2023.

As of May 4, 2024 and April 29, 2023, the Company had $144 million and $138 million of standby letters of credit outstanding under its ABL Credit Facility, respectively, which reduced the available borrowing capacity to $2,856 million and $2,862 million, respectively. The Company had no outstanding borrowings under the ABL Credit Facility as of May 4, 2024 and April 29, 2023.

During the 13 weeks ended May 4, 2024 the Company did not repurchase shares of its common stock. During the 13 weeks ended April 29, 2023, the Company repurchased approximately 1.4 million shares of its common stock pursuant to existing stock purchase authorizations for a total of approximately $25 million.

5. Retirement Plans

The Company has defined contribution plans that cover substantially all employees who work1,000 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 employees, 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 employees 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 employees 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 employees who were hired prior to a certain date and retire after a certain age with specified years of service. Certain employees 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	
	May 4, 2024	April 29, 2023
	(millions)	
401(k) Qualified Defined Contribution Plan	$ 23	$ 23
Pension Plan		
Interest cost	$ 18	$ 22
Expected return on assets	(29)	(34)
Recognition of net actuarial loss	1	2
	$ (10)	$ (10)
Supplementary Retirement Plan		
Interest cost	$ 5	$ 5
Recognition of net actuarial loss	2	2
	$ 7	$ 7
Total Retirement Expense	$ 20	$ 20
Postretirement Obligations		
Interest cost	$ 1	$ 1
Recognition of net actuarial gain	(2)	(2)
	$ (1)	$ (1)

6. Fair Value Measurements

The Company's financial assets 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

The following table shows the estimated fair value of the Company's marketable equity and debt securities:

		Fair Value Measurements		
	Total	Level 1	Level 2	Level 3
	(millions)			
May 4, 2024	$ 36	$ 36	$ —	$ —
February 3, 2024	42	42	—	—
April 29, 2023	36	36	—	—

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:

	Notional Amount	Carrying Amount	Fair Value
	(millions)		
May 4, 2024	$ 3,007	$ 2,998	$ 2,766
February 3, 2024	3,007	2,998	2,706
April 29, 2023	3,007	2,996	2,468

7. Supplier Finance Programs

The Company has agreements with third-party financial institutions to facilitate supply chain finance ("SCF") programs. The programs allow qualifying suppliers to sell their receivables, on an invoice level at the selection of the supplier, from the Company to the financial institution and negotiate their outstanding receivable arrangements and associated fees directly with the financial institution. Macy's, Inc. is not party to the agreements between the supplier and the financial institution. The supplier invoices that have been confirmed as valid under the SCF programs require payment in full by the financial institution to the supplier by the original maturity date of the invoice, or discounted payment at an earlier date as agreed upon with the supplier. The Company's obligations to its suppliers, including amounts due and scheduled payment terms, are not impacted by a supplier’s participation in the SCF programs.

All outstanding amounts related to suppliers participating in the SCF programs are recorded upon confirmation with the third-party institutions in merchandise accounts payable in the consolidated balance sheets, and associated payments are included in operating activities in the consolidated statements of cash flows. The Company's outstanding obligations as of May 4, 2024, February 3, 2024 and April 29, 2023 were $125 million, $112 million and $102 million, respectively.

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 2024" and "first quarter of 2023" are to the Company's 13-week fiscal periods ended May 4, 2024 and April 29, 2023, 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 2023 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 2023 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 continues to view fiscal 2024 as a transition and investment year as it implements its new strategy, A Bold New Chapter, which is designed to return the Company to enterprise growth, unlock shareholder value, improve the omni-channel experience and better serve its customers. During the first quarter of 2024, the Company was encouraged by customer response to A Bold New Chapter through progress of its initiatives, as follows:

- Strengthen the Macy's nameplate
    - Rationalize store base: At the end of fiscal 2024, the Company announced it had identified approximately 150 underproductive Macy's locations for closure over the next three years (collectively, the "non-go-forward" locations), which will allow for monetization of assets at the non-go-forward locations and prioritization of investments in the approximately 350 remaining Macy's locations (collectively, the "go-forward" locations) where the Company believes it has the most opportunity to improve square footage productivity. For the non-go-forward Macy's locations and distribution centers, the Company is able to be thoughtful and strategic with its approach to monetization and is encouraged by the pace of deal activity.
    - Launch of First 50 Stores: The First 50 locations are a key component of the Macy's Bold New Chapter growth strategy as they are an early leading indicator for the go-forward Macy's locations and ultimately the entire Macy's, Inc. go-forward business' ability to return to growth. They serve as pilots to test ideas with new product, visual merchandising and staffing initiatives. Along with positive comparable sales growth, the First 50 locations Net Promoter Scores increased approximately 500 basis points from the prior year and were over 250 basis points above all other Macy's locations.
    - Revitalize assortment: The Company is focused on offering newness across categories. In the first quarter of 2024, Macy's introduced and expanded distribution in several market brands within apparel to address areas of opportunity where it has experienced softness in both women's and men's assortments. Beauty remained a standout category and key traffic driver, driven by fragrances. Macy's believes it has the opportunity to offset softness in the big ticket and home categories and is actively working on the market brand matrix with plans to begin a complete refresh of its home private brands in fiscal 2025. Macy's private brand apparel initiative is progressing as planned. The Company has completed the majority of its planned brand exits and reimagined and launched several new brands. In the first quarter of 2024, I.N.C. and Style & Co., which have led the initiative, continued to outperform the Macy's women's apparel segment and Macy's introduced its newest private brand, State of Day. The Company plans to refresh its kid's private brands in the summer of 2024 and introduce a new men's contemporary apparel brand later in the year.
    - Rollout of additional Macy's small format stores: The Company opened one Macy's small format during the first quarter and plans to open 11 more this year, bringing the total number of Macy's small format locations to an expected 24 by the end of fiscal 2024.
    - Grow digital: Digital continues to serve as both a gateway to the Macy's brand and is a source of commerce and omni engagement. Under new leadership, the team is making progress on optimizing the customer journey, including addressing places of greatest friction, and enhancing the shopping experience across platforms. In the first quarter of 2024, Macy's launched a baby registry, including over 150 new brands across all baby categories. Macy's digital visits increased 2.3% while the conversion rate decreased 14 basis points compared to the first quarter of 2023.

- Accelerate luxury growth
  - Accelerate Bloomingdale's growth: The Company continues to expect to open approximately 15 small format (Bloomie's and Bloomingdale's the Outlet) locations through fiscal 2026, including three later in fiscal 2024. Comparable sales at the small format locations outperformed the broader Bloomingdale's fleet. Contemporary apparel, private brands and beauty continue to be well-received and serve as growth engines for the brand.
  - Accelerate Bluemercury growth: The first quarter of 2024 marked the 13th consecutive quarter of comparable sales growth for Bluemercury, driven by continued strength in skincare and the expansion of key brand partners. The Company's plans to open at least 30 new locations and remodel approximately 30 existing locations through fiscal 2026 is underway, with one new location and three remodels slated for the second quarter of 2024. These stores will look to incorporate learnings from recent remodels, including an elevated aesthetic, expanded assortment, and an enhanced selling model.
- Simplify and modernize end-to-end operations
  - The Company is actively advancing on solutions to consolidate capacity, increase automation and reduce costs across the network. While still in its early stages, during the first quarter of 2024, the Company benefited from the flow through of the consolidation of technology vendors and savings from offshoring efforts.

Certain financial highlights for the first quarter of 2024 as compared to the first quarter of 2023 are as follows:

- Macy's, Inc. comparable sales declined 1.2% on an owned basis and declined 0.3% on an owned-plus-licensed-plus-marketplace basis.
  - Macy's, Inc. go-forward business comparable sales, inclusive of go-forward locations and digital, declined 0.9% on an owned basis and increased 0.1% on an owned-plus-licensed-plus-marketplace basis.
- Company's nameplate highlights include:
  - Macy's comparable sales declined 1.6% on an owned basis and declined 0.4% on an owned-plus-licensed-plus-marketplace basis.
    - Go-forward locations comparable sales increased 0.1% on both an owned and owned-plus-licensed basis.
    - First 50 locations comparable sales, included within go-forward locations comparable sales, increased 3.3% on an owned basis and increased 3.4% on an owned-plus-licensed basis.
    - Non-First 50 go-forward locations comparable sales, included within go-forward locations comparable sales, decreased 1.2% on an owned basis and decreased 1.3% on an owned-plus-licensed basis.
    - Macy’s non-go-forward locations comparable sales decreased 4.5% on both an owned and owned-plus-licensed basis.
  - Bloomingdale's comparable sales increased 0.8% on an owned basis and increased 0.3% on an owned-plus-licensed-plus-marketplace basis[1].
  - Bluemercury comparable sales increased 4.3% on an owned basis.
- Other revenues were $154 million, down $37 million.
- Gross margin rate was 39.2%, down 80 basis points.
- Selling, general and administrative ("SG&A") expense was $1,911 million, down $39 million. SG&A expense as a percent of total revenue was 38.2%, up 50 basis points.
- Net income was $62 million, down $93 million.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") was $345 million compared to EBITDA of $466 million. On an adjusted basis, EBITDA was $364 million compared to $468 million.
- Diluted earnings per share was $0.22 compared to $0.56, and adjusted diluted earnings per share was $0.27 compared to $0.56.
- Merchandise inventories were up 1.7%.

[1] Bloomingdale's excludes one non-go-forward location.

Results of Operations

	First Quarter of 2024			First Quarter of 2023		
	Amount	% to Net Sales	% to Total Revenue	Amount	% to Net Sales	% to Total Revenue
	(dollars in millions, except per share figures)					
Net sales	$ 4,846			$ 4,982		
Other revenue	154	3.2 %		191	3.8 %	
Total revenue	5,000			5,173		
Cost of sales	(2,946)	(60.8)%		(2,988)	(60.0)%	
Selling, general and administrative expenses	(1,911)		(38.2) %	(1,950)		(37.7) %
Gains on sale of real estate	1		— %	11		0.2 %
Impairment, restructuring and other costs	(19)		(0.4) %	(2)		— %
Operating income	125		2.5 %	244		4.7 %
Diluted earnings per share	$ 0.22			$ 0.56		
Supplemental Financial Measures						
Gross margin (a)	$ 1,900	39.2 %		$ 1,994	40.0 %	
Decrease in comparable sales	(1.2)%			(7.9)%		
Supplemental Non-GAAP Financial Measures						
Decrease in comparable sales on an owned-plus-licensed-plus-marketplace basis	(0.3)%			(7.2)%		
Adjusted diluted earnings per share	$ 0.27			$ 0.56		
EBITDA	$ 345			$ 466		
Adjusted EBITDA	$ 364			$ 468		

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

See pages 21 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 2024 and the First Quarter of 2023

	First Quarter of 2024	First Quarter of 2023
Net sales	$ 4,846	$ 4,982
Decrease in comparable sales	(1.2)%	(7.9)%
Decrease in comparable sales on an owned-plus-licensed-plus-marketplace basis	(0.3)%	(7.2)%

Net sales for the first quarter of 2024 decreased for Macy’s but grew for Bloomingdale's and Bluemercury. During the quarter, net sales were impacted by ongoing macroeconomic conditions as consumers benefited from strong wage and job growth, offset by continued inflationary pressures. Macy's experienced strong performance in the First 50 locations, which benefited from enhanced merchandising through elevated product rollouts across top markets and new brands. Beyond apparel, performance was strong in beauty, particularly fragrances. The big ticket, home and handbag categories continued to underperform.

	First Quarter of 2024		First Quarter of 2023	
	$	% to Net Sales	$	% to Net Sales
Credit card revenues, net	$ 117	2.4 %	$ 162	3.3 %
Macy's Media Network, net	37	0.8 %	29	0.6 %
Other revenue	$ 154	3.2 %	$ 191	3.8 %

The decrease in other revenues was primarily driven by a $45 million decrease in credit card revenues. This decrease was primarily driven by expected higher delinquency rates and net credit losses within the portfolio. Macy's Media Network grew $8 million, or 28% from the first quarter of 2023, due to increased vendor engagement.

	First Quarter of 2024	First Quarter of 2023
Cost of sales	$ (2,946)	(2,988)
As a percent to net sales	60.8 %	60.0 %
Gross margin	$ 1,900	$ 1,994
As a percent to net sales	39.2 %	40.0 %

Gross margin rate and merchandise margin rate decreased 80 basis points and 100 basis points, respectively, in the first quarter of 2024 compared to the first quarter of 2023. The decline primarily reflected additional discounting for slower-moving warm weather products. Delivery expense as a percent of net sales improved 20 basis points from the first quarter of 2023 reflecting ongoing efforts to improve supply chain efficiency. Inventory increased 1.7% year-over-year.

	First Quarter of 2024	First Quarter of 2023
SG&A expenses	$ (1,911)	$ (1,950)
As a percent to total revenue	38.2 %	37.7 %

SG&A expenses decreased 2.0% in the first quarter of 2024 compared to the first quarter of 2023 due to continued cost discipline. The increase in SG&A expenses as a percent to total revenue in the first quarter of 2024 was due to a decline in total revenue compared to the first quarter of 2023.

	First Quarter of 2024	First Quarter of 2023
Net interest expense	$ (31)	$ (37)

The decrease in net interest expense in thefirst quarter of 2024 compared to the first quarter of 2023 was primarily driven by anincrease in interest income on liquid investments.

	First Quarter of 2024	First Quarter of 2023
Effective tax rate	36.7 %	26.5 %
Federal income statutory rate	21 %	21 %

Income tax expense decreased $20 million in thefirst quarter of 2024 compared to the first quarter of 2023 due to lower income before income taxes. The income tax expense of $36 million and $56 million, or 36.7% and 26.5% of pretax income, for the 13 weeks ended May 4, 2024 and April 29, 2023, respectively, reflect a different effective tax rate as compared to the Company’s federal income tax statutory rate of 21%. The income tax effective rates for the 13 weeks ended May 4, 2024 and April 29, 2023 were impacted primarily by the effect of state and local taxes and 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 ABL Credit Facility (as defined 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. The Company believes that, assuming no change in its current business plan, its available cash, together with expected future cash generated from operations, the amount available under the ABL Credit Facility, and credit available in the market, will be sufficient to satisfy its anticipated needs for working capital, capital expenditures, and cash dividends for at least the next twelve months and the foreseeable future thereafter.

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 predictable dividends and share repurchases with excess cash.

The Company ended the first quarter of 2024 with a cash and cash equivalents balance of $876 million, an increase of $273 million from $603 million at the end of the first quarter of 2023. The Company is party to the ABL Credit Facility with certain financial institutions providing for a $3,000 million asset-based credit facility.

	2024	2023
Net cash provided by operating activities	$ 129	$ 105
Net cash used by investing activities	(217)	(270)
Net cash used by financing activities	(70)	(94)

Operating Activities

The increase in net cash provided by operating activities was primarily driven by a decrease in payments of accounts payable and accrued liabilities, partially offset by lower net income.

Investing Activities

The Company's capital expenditures were $229 million in the first quarter of 2024 compared to $296 million in the first quarter of 2023. Capital expenditures in the current year are primarily focused on digital and technology investments as well as omni-channel capabilities.

Financing Activities

Dividends

The Company paid dividends totaling $48 million and $45 million in the first quarters of 2024 and 2023, respectively.

On May 16, 2024, the Company announced that its Board of Directors declared a regular quarterly dividend of 17.37 cents per share on its common stock, which will be paid on July 1, 2024, to Macy's shareholders of record at the close of business on June 14, 2024. 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 Board of Directors authorized a new $2,000 million share repurchase program, which does not have an expiration date. During the first quarter of 2023, the Company repurchased approximately 1.4 million shares of its common stock at an average cost of $17.57 per share on the open market under its share repurchase program. The Company did not repurchase any shares of its common stock during the first quarter of 2024. As of May 4, 2024, $1,375 million remained available under the authorization. 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. During the first quarter of 2023, the Company also withheld approximately $12 million of shares for tax purposes associated with the issuance of certain stock awards.

Debt Transactions

As of May 4, 2024 and April 29, 2023, the Company had $144 million and $138 million of standby letters of credit outstanding under its ABL Credit Facility, respectively, which reduced the available borrowing capacity to $2,856 million and $2,862 million, respectively. The Company had no outstanding borrowings under the ABL Credit Facility as of May 4, 2024 and April 29, 2023.

Contractual Obligations

As of May 4, 2024, other than the financing transactions discussed in Note 4 to the accompanying Consolidated Financial Statements, there were no material changes to the Company's contractual obligations and commitments outside the ordinary course of business since February 3, 2024, as reported in the Company's 2023 Form 10-K.

Guarantor Summarized Financial Information

The Company had $3,007 million aggregate principal amount of senior unsecured notes and senior unsecured debentures (collectively the "Unsecured Notes") outstanding as of both May 4, 2024 and February 3, 2024 with maturities ranging from 2025 to 2043. The Unsecured Notes constitute debt obligations of Macy's Retail Holdings, LLC ("MRH" or "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 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 guarantees 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 $9,331 million and $9,423 million as of May 4, 2024 and February 3, 2024, respectively, have been excluded from the Summarized Balance Sheets. Equity in earnings of non-Guarantor subsidiaries of $355 million for the 13 weeks ended May 4, 2024, 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

	May 4, 2024	February 3, 2024
	(in millions)	
ASSETS		
Current Assets	$ 909	$ 1,028
Noncurrent Assets	6,303	6,145
LIABILITIES		
Current Liabilities	$ 1,667	$ 1,800
Noncurrent Liabilities (a)	10,685	10,654

(a) Includes net amounts due to non-Guarantor subsidiaries of $4,301 million and $6,784 million as of May 4, 2024 and February 3, 2024, respectively.

Summarized Statement of Operations

	13 Weeks Ended May 4, 2024
	(in millions)
Net sales	$ 194
Consignment commission income (a)	756
Other revenue	35
Cost of sales	(97)
Operating loss	(327)
Loss before income taxes (b)	(292)
Net loss	(198)

(a) Income pertains to transactions with ABL Borrower, a non-Guarantor subsidiary.
(b) Includes $95 million of dividend income from non-Guarantor subsidiaries for the 13 weeks ended May 4, 2024, respectively.

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-plus-marketplace basis, which includes the impact of growth in comparable sales of departments licensed to third parties and marketplace sales, assists in evaluating the Company's ability to generate sales growth, whether through owned businesses, departments licensed to third parties or marketplace sales, on a comparable basis, and in evaluating the impact of changes in the manner in which certain departments are operated. Earnings 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 that are not associated with the Company's core operations and that may vary substantially in frequency and magnitude from period-to-period from net income, diluted earnings per share attributable to Macy's, Inc. shareholders and EBITDA provide useful supplemental measures that assist in evaluating the Company's ability to generate earnings and leverage sales, respectively, and to more readily compare these metrics between past and future periods. Management also believes that EBITDA and Adjusted EBITDA are frequently used by investors and securities analysts in their evaluations of companies, and that such supplemental measures facilitate comparisons between companies that have different capital and financing structures and/or tax rates. The Company uses certain non-GAAP financial measures as performance measures for components of executive compensation.

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 and marketplace sales 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

The following is a tabular reconciliation of the non-GAAP financial measure of changes in comparable sales on an owned-plus-licensed-plus-marketplace basis, to GAAP comparable sales (i.e., on an owned basis), which the Company believes to be the most directly comparable GAAP financial measure.

	13 Weeks Ended May 4, 2024 vs. 13 Weeks Ended April 29, 2023	
	Macy's, Inc.	**Macy's**
Decrease in comparable sales on an owned basis (Note 1)	(1.2 %)	(1.6 %)
Impact of departments licensed to third parties and marketplace sales (Note 2)	0.9 %	1.2 %
Decrease in comparable sales on an owned-plus-licensed-plus-marketplace basis	(0.3 %)	(0.4 %)

	13 Weeks Ended May 4, 2024 vs. 13 Weeks Ended April 29, 2023			
	Macy's, Inc. go-forward business	**Macy's go-forward business**	**Bloomingdale's (a)**	**Bluemercury**
Increase (decrease) in comparable sales on an owned basis (Note 1)	(0.9) %	(1.3) %	0.8 %	4.3 %
Impact of departments licensed to third parties and marketplace sales (Note 2)	1.0 %	1.3 %	(0.5 %)	— %
Increase in comparable sales on an owned-plus-licensed-plus-marketplace basis	0.1 %	— %	0.3 %	4.3 %

(a) Bloomingdale's excludes one non-go-forward location.

	13 Weeks Ended May 4, 2024 vs. 13 Weeks Ended April 29, 2023			
	Macy's First 50 locations	Macy's Non-First 50 go-forward locations	Macy's go-forward locations	Macy's non-go-forward locations
Increase (decrease) in comparable sales on an owned basis (Note 1)	3.3 %	(1.2 %)	0.1 %	(4.5 %)
Impact of departments licensed to third parties (Note 2)	0.1 %	(0.1 %)	— %	— %
Increase (decrease) in comparable sales on an owned-plus-licensed basis	3.4 %	(1.3 %)	0.1 %	(4.5 %)

Notes:

(1) Represents the period-to-period percentage change in net sales from stores in operation for one full fiscal year for the 13 weeks ended May 4, 2024 and April 29, 2023. Such calculation includes all digital sales and excludes commissions from departments licensed to third parties and marketplace. 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, including marketplace sales, in the calculation of comparable sales. Macy's and Bloomingdale's license third parties to operate certain departments in their stores and online, including Macy's and Bloomingdale's digital Marketplace, and receive commissions from these third parties based on a percentage of their net sales, while Bluemercury does not participate in licensed or marketplace businesses. In its financial statements prepared in conformity with GAAP, the Company includes these commissions (rather than sales of the departments licensed to third parties and marketplace) in its net sales. The Company does not, however, include any amounts in respect of licensed department or marketplace 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 and from the digital marketplace are not material to its net sales for the periods presented.

EBITDA and Adjusted EBITDA

The following is a tabular reconciliation of the non-GAAP financial measure EBITDA and Adjusted EBITDA to GAAP net income, which the Company believes to be the most directly comparable GAAP measure.

	13 Weeks Ended May 4, 2024	13 Weeks Ended April 29, 2023
	(millions)	
Net income	$ 62	$ 155
Interest expense - net	31	37
Federal, state and local income tax expense	36	56
Depreciation and amortization	216	218
EBITDA	$ 345	$ 466
Impairment, restructuring and other costs	19	2
Adjusted EBITDA	$ 364	$ 468

Adjusted Net Income and Adjusted Diluted Earnings Per Share

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

	13 Weeks Ended May 4, 2024		13 Weeks Ended April 29, 2023	
	Net Income	Diluted Earnings Per Share	Net Income	Diluted Earnings Per Share
	(millions, except per share figures)			
As reported	$ 62	$ 0.22	$ 155	$ 0.56
Impairment, restructuring and other costs	19	0.07	2	—
Income tax impact of certain items noted above	(4)	(0.02)	—	—
As adjusted to exclude certain items above	$ 77	$ 0.27	$ 157	$ 0.56

Critical Accounting Estimates

Commencing in fiscal 2024, the Company no longer considers merchandise inventories be a critical accounting estimate due to the change in inventory valuation method from LIFO RIM to LIFO cost. Certain operational management judgments and estimates, such as the amount and timing of permanent markdowns to clear unproductive or slow-moving inventory, do not impact inventory valuation under LIFO cost to the same extent as they previously did under LIFO RIM.

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 2023 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 2023 10-K.

Item 4. Controls and Procedures.

The Company's Chief Executive Officer and Chief Financial Officer have carried out, as of May 4, 2024, 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 May 4, 2024, 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 2023 Form 10-K.

Item 5. Other Information.

Forward-Looking Statements

This report and other reports, statements and information previously or subsequently filed by the Company with the Securities and Exchange Commission 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 possible invalidity of the underlying beliefs and assumptions;
- the Company's ability to successfully implement A Bold New Chapter strategy, including the ability to realize the anticipated benefits within the time frame or at all;
- the success of the Company's operational decisions, including product sourcing, merchandise mix and pricing, and marketing and strategic initiatives, such as growing its digital channels, expanding the Company's off-mall store presence 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 and websites, 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 digital shopping channels and other shopping channels;
- the Company's ability to maintain its brand image and reputation;
- possible systems failures and/or security breaches or other types of cybercrimes or cybersecurity attacks, 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 colleagues, inclusive of inflation and cost of 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;
- declines in the Company's credit card revenues;
- the effects of weather and natural disasters, including the impact of climate change and health pandemics, on the Company's business, including the ability to open stores, customer demand and its supply chain, as well as our consolidated results of operations, financial position and cash flows;
- 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, including supply chain disruptions, inventory shortage, labor shortages, wage pressures and rising inflation, and their related impact on costs;
- possible actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors, banks and other financial institutions, 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 and other capital market, economic and geo-political conditions;
- unstable political conditions, civil unrest, terrorist activities and armed conflicts, including the ongoing conflict between Russia and Ukraine and the Israel-Hamas war;
- 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;
- the Company's ability to declare and pay future dividends and continue its share repurchases; and
- the Company's ability to execute on its strategies or achieve expectations related to environmental, social, and governance matters.

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 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.

Trading Arrangements

None of the Company's directors or "officers" (as defined in Rule 16a-1(f) promulgated under the Exchange Act)adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, during the Company's fiscal quarter ended May 4, 2024.

Item 6. Exhibits.

10.1+	2024-2026 Performance-Based Restricted Stock Unit Terms and Conditions under the 2021 Equity and Incentive Compensation Plan*
10.2+	2024-2028 Performance-Based Restricted Stock Unit Terms and Conditions under the 2021 Equity and Incentive Compensation Plan*
18	Preferability Letter of Independent Registered Public Accounting Firm
22	List of Subsidiary Guarantors (incorporated by reference to Exhibit 22 to the Company's Annual Report on Form 10-K (File No. 1-13536) for the fiscal year ended January 28, 2023)
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 May 4, 2024, filed on May 30, 2024, 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 Statements 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)

+ Portions of the exhibit have been omitted pursuant to a request for confidential treatment or because it is both not material and is of the type the registrant treats as confidential.

* Constitutes a compensatory plan or arrangement.

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/ TRACY M. PRESTON

Tracy M. Preston
Chief Legal Officer and Corporate Secretary

By: /s/ PAUL GRISCOM

Paul Griscom
Senior Vice President and Controller

Date: May 30, 2024

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

Exhibit 10.1

2024-2026 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 [•] for [• Metric 1] and for [• Metric 2] [•] (as applicable, the "Commencement Date") and, except as otherwise provided in these Terms and Conditions, will expire in full on [•] for [• Metric 1] and for [• Metric 2] [•] (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 is based on achieving the targeted level of the Company's [• Metric 1] and [• Metric 2] goals for the applicable Performance Period set forth in Section 2 (the "Performance Goals"), [•] weighted [•], as set forth in the following schedules.

[• Metric 1 Chart]

*Straight-line interpolation will apply to performance and payout levels between the ones shown above.
* [•]

(i) [•]

(ii) [•]

(iii) [•]

(iv) [•]

(A) [•]
(B) [•]
(C) [•]
(D) [•]

(v) [•]

[• Metric 2 Chart]

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

(i) [•]

(ii) [•]

(iii) [•]

(b) [•]

(i) [•]
(ii) [•]
(iii) [•]

(iv) [•]
(v) [•]
(vi) [•]
(vii) [•]
(viii) [•]

[•]
[•]
(c) In all cases the Compensation Committee shall certify whether the Company has achieved the specified levels of [• Metric 1] and [• Metric 2]. For purposes of these Terms and Conditions and the Award Letter, "Performance Vesting Date" means the later of (1) January 30, 2027 or (2) the date on which the Compensation Committee certifies the levels of achievement of the applicable Performance Goals; provided, however, that the Performance Vesting Date shall be no later than April 15, 2027.

(d) From time to time, the Company may adopt accounting standards, consistent with GAAP, which may impact the performance measures used in these Terms and Conditions or the Plan. If this occurs and the adoption of such standards was not included in the financial plans used to develop the performance ranges (maximum, target/target range, 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 ofSection 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 based on the number of completed months of service during the applicable Performance Period divided by 36). If the Performance Units have been converted pursuant to Section 4(c)(i) or (ii) below on or before January 30, 2027 and Grantee has met the age, service and timing requirements to be eligible for Retirement vesting in accordance with this Section 4(b)(i) on or before such date, 100% of the Performance Units as so converted will vest on the latter of the Change in Control or the date Grantee has met such age, service and timing requirements;

(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 prior to January 30, 2027, 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 based on the number of completed months of service during the applicable 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 January 30,2027, 100% of the Performance Units as so converted will vest on the latter of the Change in Control or 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) Grantee is a participant in the Company's Senior Executive Severance Plan, (C) Grantee's employment is terminated by the Company without Cause [or voluntarily for Good Reason as defined in Senior Executive Severance Plan for COO/CFO] 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 ofSection 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 based on the number of completed months of service during the applicable Performance Period plus noncompetition period in Section 20(a) [or voluntarily for Good Reason as defined in Senior Executive Severance Plan for COO/CFO] divided by 36).

(c) Change in Control. In the event of a Change in Control (as defined in the Plan) prior to January 30, 2027, Performance Units will convert to time-based restricted stock units without proration for the percentage of the Performance Period that has elapsed, as follows:

(i) If the Change in Control occurs prior to [•], 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 Date of Grant to the date of the Change in Control);

(ii) If the Change in Control occurs on or after [•], 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 [• Metric 1] as of the date of the Change in Control; and

(B) the [• Metric 2] 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.

(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 January 30, 2027, 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 (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 down 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**.

(a) Subject to the satisfaction of any withholding tax liability, the Company shall issue to Grantee (or his or her beneficiary, if applicable) a number of whole shares of unrestricted Common Stock equal to the number 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 to the extent such units are vested on such date or event (whether vested by virtue of such date, event or otherwise) on the earliest to occur of: (i) the Performance Vesting Date (i.e., which pursuant to Section 3(c) will be a date determined between January 30, 2027 and April 15, 2027), (ii) a Change in Control; provided, that, if the Change in Control does not constitute a “change in ownership,” a “change in effective control” or a “change in the ownership of a substantial portion of the assets” of the Company under Section 409A of the Code (a “Section 409A Change in Control”) with respect to the Company, the shares of unrestricted Common Stock shall not be issued or delivered at such time and shall instead be issued or delivered in accordance with this Section 6(a) upon the next event contemplated hereby), and (iii) Grantee’s “separation from service” from the Company within the meaning of Section 409A of the Code and Treasury Regulation Section 1.409A-1(h), provided such separation from service occurs within the twenty-four (24) month period following a Section 409A Change in Control. The number of units which are considered to be vested on any such date shall be determined in accordance with Section 409A of the Code (with vesting meaning that the units are not subject to a “substantial risk of forfeiture” within the meaning of Section 409A of the Code). The number of shares of unrestricted Common Stock to be issued in settlement of such vested units shall be equal to the number of units that are vested on the applicable vesting date or event. Such Common Stock shall be credited as book entry shares to Grantee’s trading account.

(b) For the sake of clarity, 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**. Grantee acknowledges and agrees that:

(a) In the event that, within three years of the end of the vesting period and settlement of vested Performance Units, the Company restates its financial results with respect to the Company’s performance during the vesting 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 (the “Basic Clawback Policy”).

(b) In addition, any incentive-based compensation received by Grantee from the Company hereunder or otherwise shall be subject to recovery by the Company under the Company’s clawback provisions and policies as they may be in effect from time to time, including, without limitation, the Company’s Compensation Clawback Policy effective October 2, 2023 or any other policy that may be adopted from time to time to implement Section 10D of the Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange or national securities association on which the Common Stock may be traded) (such policies, together with the Basic Clawback Policy, the "Compensation Recovery Policies").

(c) Any and all applicable provisions of this Terms and Conditions shall be deemed superseded (as necessary) by the Compensation Recovery Policies from and after the effective date thereof.

(d) By accepting the Performance Units covered by these Terms and Conditions, Grantee (i) consents to be bound by the terms of the Compensation Recovery Policies, as applicable, (ii) agrees and acknowledges that Grantee is obligated to and will cooperate with, and will provide any and all assistance necessary to, the Company in any effort to recover or recoup any compensation or other amounts subject to clawback or recovery pursuant to the Compensation Recovery Policies and/or applicable laws, rules, regulations, stock exchange listing standards or other Company policy, and (iii) agrees that the Company may enforce its rights under the Compensation Recovery Policies through any and all reasonable means permitted under applicable law as it deems necessary or desirable under the Compensation Recovery Policies. Such cooperation and assistance shall include (but is not limited to) executing, completing and submitting any documentation necessary, or consenting to Company action, to facilitate the recovery or recoupment by the Company from Grantee of any such compensation or other amounts, including from the Participants' accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

(e) The rights of the Company set forth in this Terms and Conditions to recover compensation under the Compensation Recovery Policies are in addition to any other rights to recovery or damages available at law or equity.

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 for credit against the withholding obligation at the Market Value per Share of such shares on the applicable tax 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 or be exempt from 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. 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. To the extent that the Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) or the issuance or delivery of shares of Common Stock underlying the Performance Units are subject to Section 409A of the Code, the Performance Units shall be awarded, and any shares of Common Stock in respect thereof shall be issued or delivered in a manner that complies with Section 409A of the Code. 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. Notwithstanding any other provision to the contrary, to the extent that any payment described in these Terms and Conditions or the Award Letter constitutes a “deferral of compensation” subject to Section 409A of the Code (after taking into account to the maximum extent possible any applicable exemptions) treated as payable upon a “separation from service” (as defined in Section 409A of the Code and Treasury Regulation Section 1.409A-1(h)), then, if on the date of Grantee’s separation from service, Grantee is a “specified employee” (as defined in Section 409A of the Code and using the identification methodology selected by the Company from time to time), to the extent required for Grantee not to incur additional taxes pursuant to Section 409A of the Code, such payment will be made to Grantee on the fifth business day of the seventh month after such separation from service. Notwithstanding any other provision to the contrary, a termination or cessation of employment shall not be deemed to have occurred for purposes of any provision of these Terms and Conditions or the Award Letter providing for the payment of “deferred compensation” upon or following a termination or cessation of employment unless such termination is also a “separation from service” from the Company, and, for purposes of any such provision of these Terms and Conditions, references to “employment termination,” “termination of employment,” “retirement,” or like terms shall mean “separation from 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.

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.

IMPORTANT: The post-employment non-compete clause regarding employment with a Competing Business contained in these Terms and Conditions is void under California law and does not apply to individuals living or working in California. However, in all locations, including California, all other provisions contained in these Terms and Conditions are valid and enforceable, including but not limited to the nonsolicitation and confidentiality provisions as well as the non-compete provision as it relates to rending any other services (including but not limited to as a consultant, independent contractor, proprietor, partner officer, director, etc.) to a Competing Business.

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

Exhibit 10.2

2024-2028 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 "Commencement Date") and, except as otherwise provided in these Terms and Conditions, will expire [•] (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 is based on achieving [•] goal for the Performance Period set forth in Section 2 (the "Performance Goal"), subject to the performance governor, as set forth in the following schedule.

[• Metric Chart]

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

(i) [•]

(ii) [•]

(b) In all cases the Compensation Committee shall certify whether the Company has achieved the specified levels of [•]. For purposes of these Terms and Conditions and the Award Letter, "Performance Vesting Date" means the later of (1) February 3, 2029 or (2) the date on which the Compensation Committee certifies the levels of achievement of the applicable Performance Goals; provided, however, that the Performance Vesting Date shall be no later than April 15, 2029.

(c) From time to time, the Company may adopt accounting standards, consistent with GAAP, which may impact the performance measures used in these Terms and Conditions or the Plan. If this occurs and the adoption of such standards was not included in the financial plans used to develop the performance ranges (maximum, target/target range, 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 voluntary or involuntary termination with or without Cause (as defined in Section 18), including retirement, all unvested Performance Units shall be immediately forfeited.

(b) Death or Disability. 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 dies or becomes Disabled prior to February 3, 2029, 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 based on the number of completed months of service during the applicable Performance Period divided by 60). 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 February 3, 2029, 100% of the Performance Units as so converted will vest on the latter of the Change in Control or the date of death or Disability.

(c) Change in Control. In the event of a Change in Control (as defined in the Plan) prior to February 3, 2029, Performance Units will convert to time-based restricted stock units without proration for the percentage of the Performance Period that has elapsed, as follows:

(i) If performance can reasonably be assessed and the applicable performance conditions have been achieved, conversion will be based on performance to date, without proration:

(A) [•] at time of Change in Control will be measured against threshold of [•] and target of [•] (as in Section 3 above); and

(B) [•] at the time of Change in Control will be measured against the [•] performance governor of [•] (as in Section 3 above).

(ii) If performance cannot reasonably be assessed or the applicable performance conditions have not been met, conversation will be prorated based on the number of Performance Period years begun before the Change in Control occurs (for example, if a Change in Control occurs in [•]).

(iii) Except as set forth in Section 4(b)(i) 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 February 3, 2029, 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 (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.

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 down 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**.

(a) Subject to the satisfaction of any withholding tax liability, the Company shall issue to Grantee (or his or her beneficiary, if applicable) a number of whole shares of unrestricted Common Stock equal to the number 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 to the extent such units are vested on such date or event (whether vested by virtue of such date, event or otherwise) on the earliest to occur of: (i) the Performance Vesting Date (i.e., which pursuant to Section 3(c) will be a date determined between

February 3, 2029 and April 15, 2029), (ii) a Change in Control; provided, that, if the Change in Control does not constitute a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of the Company under Section 409A of the Code (a "Section 409A Change in Control") with respect to the Company, the shares of unrestricted Common Stock shall not be issued or delivered at such time and shall instead be issued or delivered in accordance with this Section 6(a) upon the next event contemplated hereby), and (iii) Grantee's "separation from service" from the Company within the meaning of Section 409A of the Code and Treasury Regulation Section 1.409A-1(h), provided such separation from service occurs within the twenty-four (24) month period following a Section 409A Change in Control. The number of units which are considered to be vested on any such date shall be determined in accordance with Section 409A of the Code (with vesting meaning that the units are not subject to a "substantial risk of forfeiture" within the meaning of Section 409A of the Code). The number of shares of unrestricted Common Stock to be issued in settlement of such vested units shall be equal to the number of units that are vested on the applicable vesting date or event. Such Common Stock shall be credited as book entry shares to Grantee's trading account.

(b) For the sake of clarity, 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**. Grantee acknowledges and agrees that:

(a) In the event that, within three years of the end of the vesting period and settlement of vested Performance Units, the Company restates its financial results with respect to the Company's performance during the vesting 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 (the "Basic Clawback Policy").

(b) In addition, any incentive-based compensation received by Grantee from the Company hereunder or otherwise shall be subject to recovery by the Company under the Company's clawback provisions and policies as they may be in effect from time to time, including, without limitation, the Company's Compensation Clawback Policy effective October 2, 2023 or any other policy that may be adopted from time to time to implement Section 10D of the Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder (including applicable rules and regulations of any national securities exchange or national securities association on which the Common Stock may be traded) (such policies, together with the Basic Clawback Policy, the "Compensation Recovery Policies").

(c) Any and all applicable provisions of this Terms and Conditions shall be deemed superseded (as necessary) by the Compensation Recovery Policies from and after the effective date thereof.

(d) By accepting the Performance Units covered by these Terms and Conditions, Grantee (i) consents to be bound by the terms of the Compensation Recovery Policies, as applicable, (ii) agrees and acknowledges that Grantee is obligated to and will cooperate with, and will provide any and all assistance necessary to, the Company in any effort to recover or recoup any compensation or other amounts subject to clawback or recovery pursuant to the Compensation Recovery Policies and/or applicable laws, rules, regulations, stock exchange listing standards or other Company policy, and (iii) agrees that the Company may enforce its rights under the Compensation Recovery Policies through any and all reasonable means permitted under applicable law as it deems necessary or desirable under the Compensation Recovery Policies. Such cooperation and assistance shall include (but is not limited to) executing, completing and submitting any documentation necessary, or consenting to Company action, to facilitate the recovery or recoupment by the Company from Grantee of any such compensation or other amounts, including from the Participants' accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

(e) The rights of the Company set forth in this Terms and Conditions to recover compensation under the Compensation Recovery Policies are in addition to any other rights to recovery or damages available at law or equity.

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 for credit against the withholding obligation at the Market Value per Share of such shares on the applicable tax 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 or be exempt from 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. 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. To the extent that the Performance Units (including any Performance Units as converted pursuant to Section 4(c)(i) or (ii) above) or the issuance or delivery of shares of Common Stock underlying the Performance Units are subject to Section 409A of the Code, the Performance Units shall be awarded, and any shares of Common Stock in respect thereof shall be issued or delivered in a manner that complies with Section 409A of the Code. 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. Notwithstanding any other provision to the contrary, to the extent that any payment described in these Terms and Conditions or the Award Letter constitutes a "deferral of compensation" subject to Section 409A of the Code (after taking into account to the maximum extent possible any applicable exemptions) treated as payable upon a "separation from service" (as defined in Section 409A of the Code and Treasury Regulation Section 1.409A-1(h)), then, if on the date of Grantee's separation from service, Grantee is a "specified employee" (as defined in Section 409A of the Code and using the identification methodology selected by the Company from time to time), to the extent required for Grantee not to incur additional taxes pursuant to Section 409A of the Code, such payment will be made to Grantee on the fifth business day of the seventh month after such separation from service. Notwithstanding any other provision to the contrary, a termination or cessation of employment shall not be deemed to have occurred for purposes of any provision of these Terms and Conditions or the Award Letter providing for the payment of "deferred compensation" upon or following a termination or cessation of employment unless such termination is also a "separation from service" from the Company, and, for purposes of any such provision of these Terms and Conditions, references to "employment termination," "termination of employment," "retirement," or like terms shall mean "separation from 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) "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.

(c) "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.

(d) “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.

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 24 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.

IMPORTANT: The post-employment non-compete clause regarding employment with a competing company or business contained in these Terms and Conditions is void under California law and does not apply to individuals living or working in California. However, in all locations, including California, all other provisions contained in these Terms and Conditions are valid and enforceable, including but not limited to the nonsolicitation and confidentiality provisions as well as the non-compete provision as it relates to rending any other services (including but not limited to as a consultant, independent contractor, proprietor, partner officer, director, etc.) to a competing company or business.

Exhibit 18

May 30, 2024

The Shareholders and Board of Directors
Macy’s, Inc.
New York, NY

Ladies and Gentlemen:

We have been furnished with a copy of the quarterly report on Form 10-Q of Macy’s Inc. and subsidiaries (the Company) for the three months ended May 4, 2024, and have read the Company’s statements contained in Note 1 to the consolidated financial statements included therein. As stated in Note 1 to those financial statements, the Company changed its method of accounting for inventory from the LIFO retail inventory method (RIM) to the LIFO cost method and states that the newly adopted accounting principle is preferable in the circumstances because it will improve the cost accuracy and transparency of inventory at the unit level and will better allow the organization to evaluate selling margin realized on each sale. Additionally, it is consistent with the practices of many other retailers. In accordance with your request, we have reviewed and discussed with Company officials the circumstances and business judgment and planning upon which the decision to make this change in the method of accounting was based.

We have not audited any financial statements of the Company as of any date or for any period subsequent to February 3, 2024, nor have we audited the information set forth in the aforementioned Note 1 to the consolidated financial statements; accordingly, we do not express an opinion concerning the factual information contained therein.

With regard to the aforementioned accounting change, authoritative criteria have not been established for evaluating the preferability of one acceptable method of accounting over another acceptable method. However, for purposes of the Company's compliance with the requirements of the Securities and Exchange Commission, we are furnishing this letter.

Based on our review and discussion, with reliance on management’s business judgment and planning, we concur that the newly adopted method of accounting is preferable in the Company’s circumstances.

Very truly yours,

/s/ KPMG LLP

Exhibit 31.1

CERTIFICATION

I, Tony Spring, 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.

May 30, 2024

/s/ Tony Spring

Tony Spring
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.

May 30, 2024

/s/ Adrian Mitchell
Adrian Mitchell
Executive Vice President, Chief Operating Officer and 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 May 4, 2024, 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.

May 30, 2024	/s/ Tony Spring
	Name: Tony Spring
	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 May 4, 2024, 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.

May 30, 2024

/s/ Adrian Mitchell

Name: Adrian Mitchell

Title: Executive Vice President, Chief Operating Officer and Chief Financial Officer