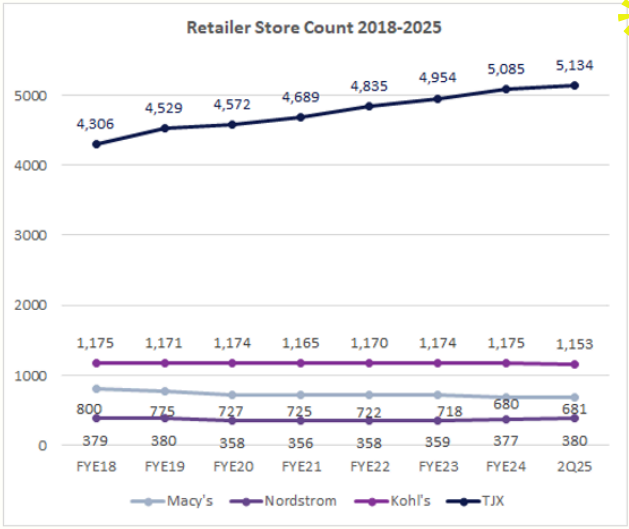
Department Stores

Department Stores Table of Contents

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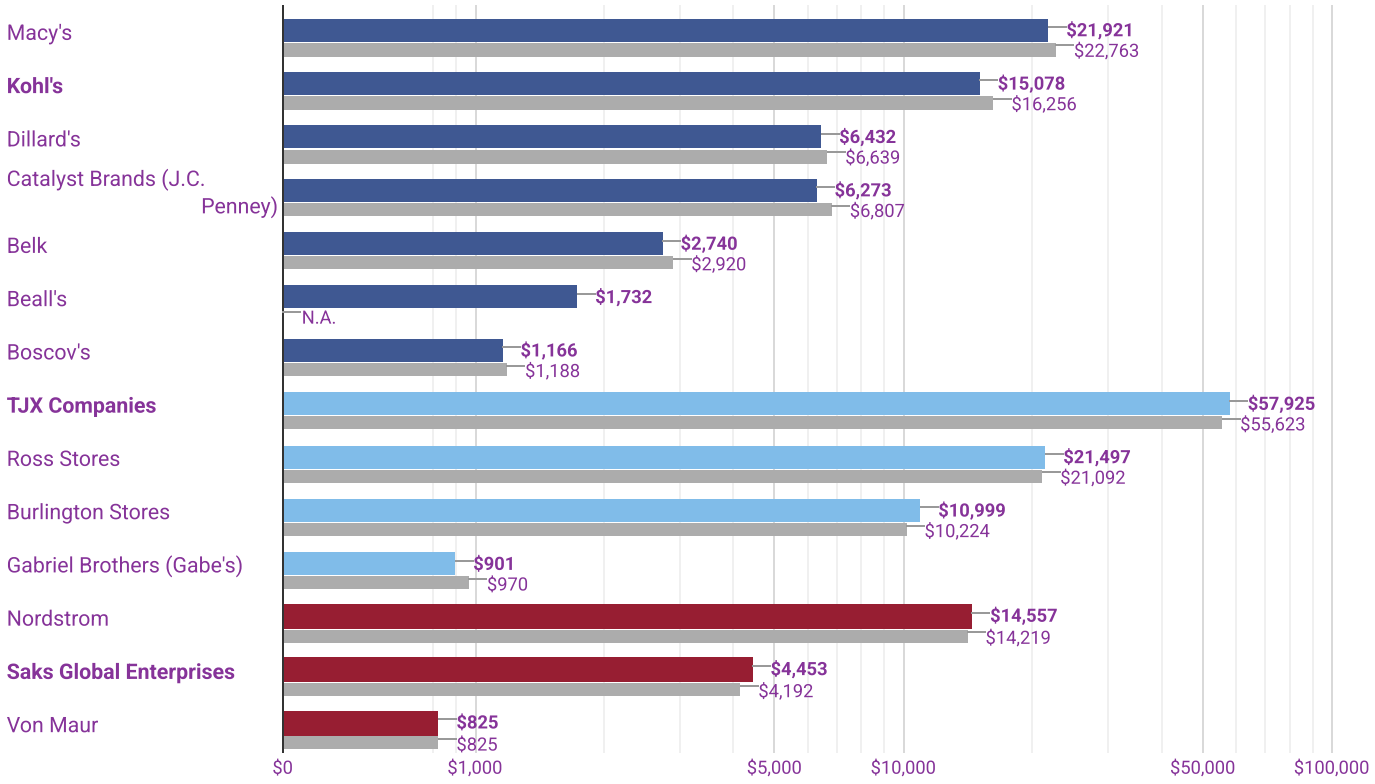
Department Store Trends

- Mixed performance
  - Traditional department stores losing market share
  - Lower and middle-income consumer pressured
  - Luxury pull-back from aspirational shoppers
  - Beauty remains strong
  - Off-price comps and store counts continue grow
  - Privates - Boscov's, Beall's, Belk, JCP, Von Maur, Saks, Nordstrom
- Store closures - Macy's, Kohl's, JCP
- Investment focused on off-price, omnichannel, building loyalty
  - Small formats?
- M&A activity – Nordstrom's go-private; Saks & Neiman Marcus merger; JCPenney/ SPARC form Catalyst Brands
- Vulnerable to tariffs, port strikes & supply chain disruption



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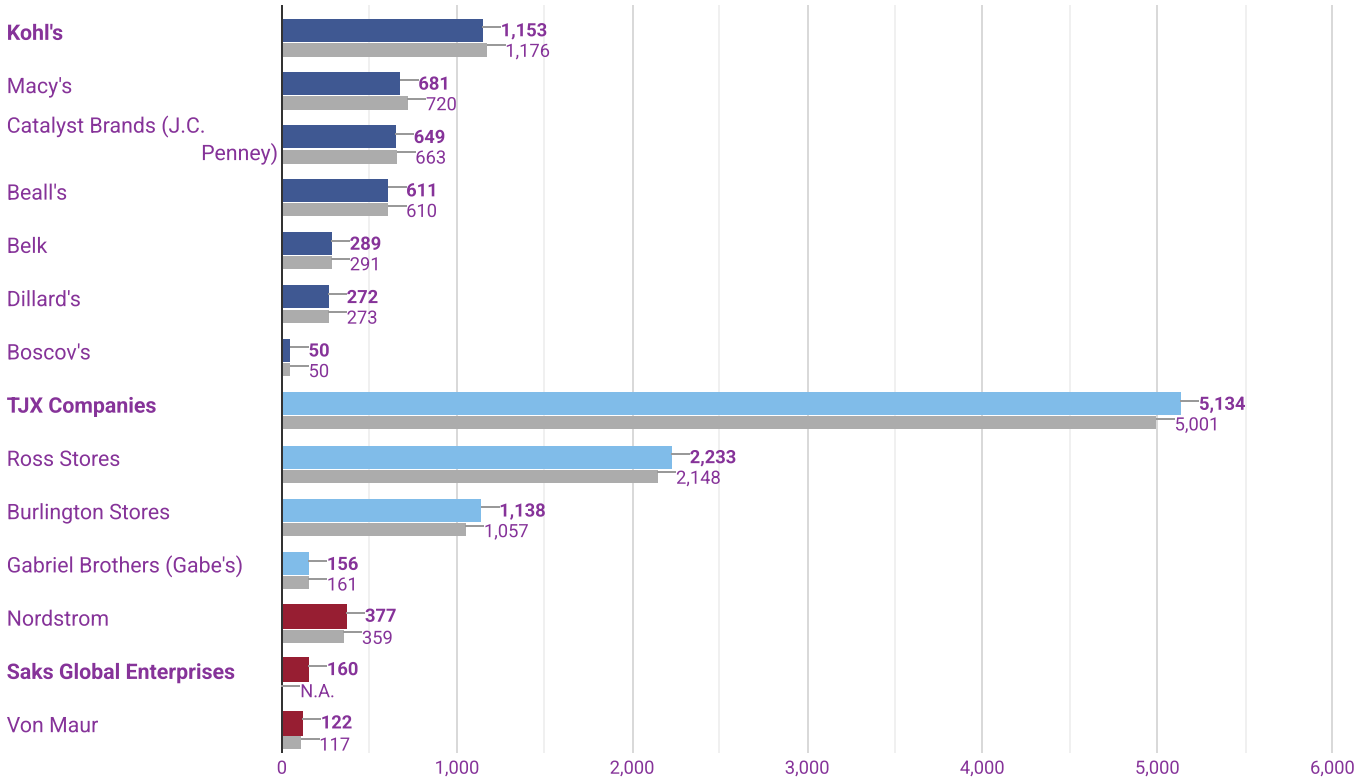
Sales (TTM) (dollars in millions)



Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Largest YOY Increase: TJX Companies: $2,302
Largest YOY Decrease: Kohl's: -$1,178
Current Year Average: $11,892
Last Year Average: $12,593

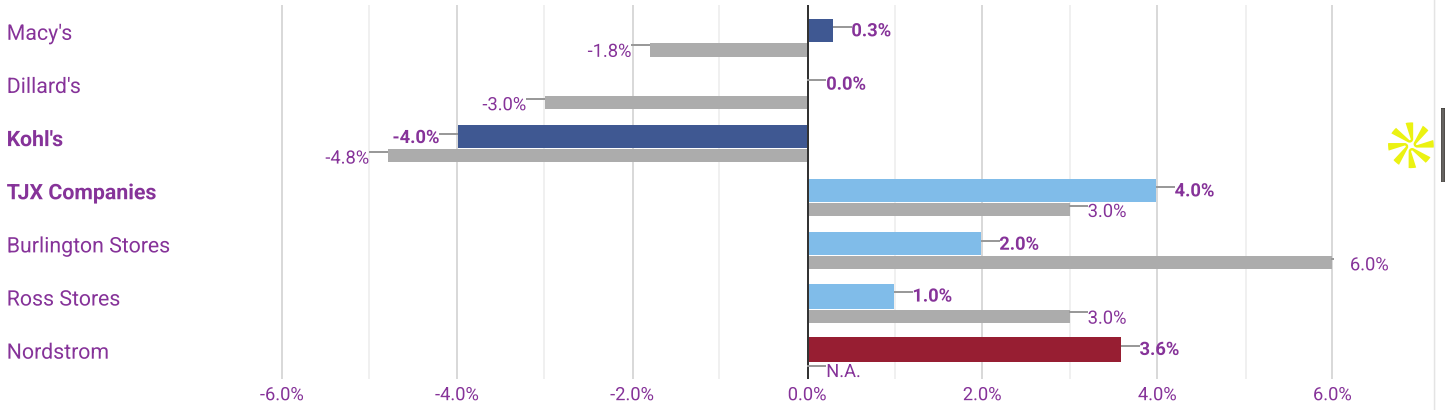
Store Count



Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Largest YOY Increase: TJX Companies: 133
Largest YOY Decrease: Macy's: -39

Comparable Store Sales (YTD)

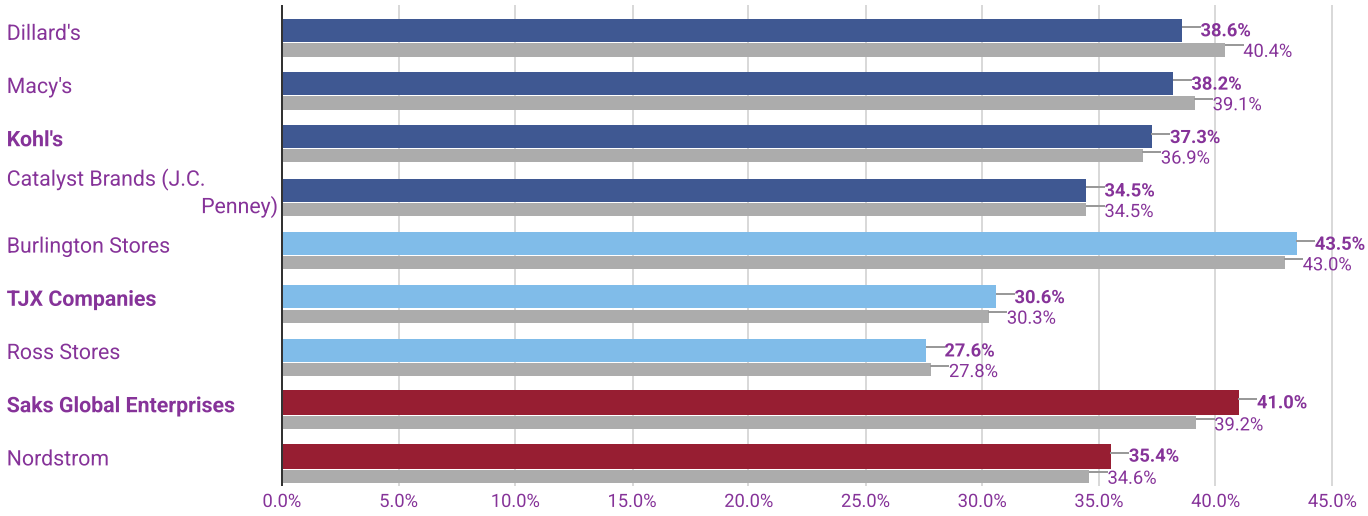


Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Current Year Average: 1.0%
Last Year Average: 0.4%

Notes:

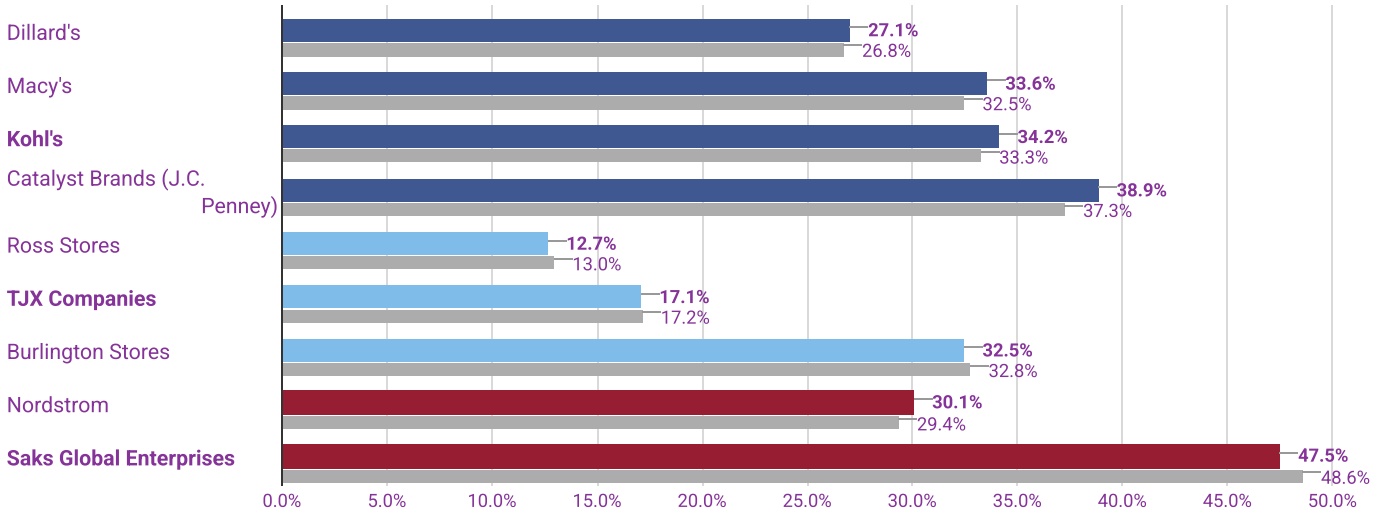
Gross Margin (TTM)



Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Largest YOY Increase: Saks Global Enterprises: 1.8%
Largest YOY Decrease: Dillard's: -1.7%
Current Year Average: 36.3%
Last Year Average: 36.2%

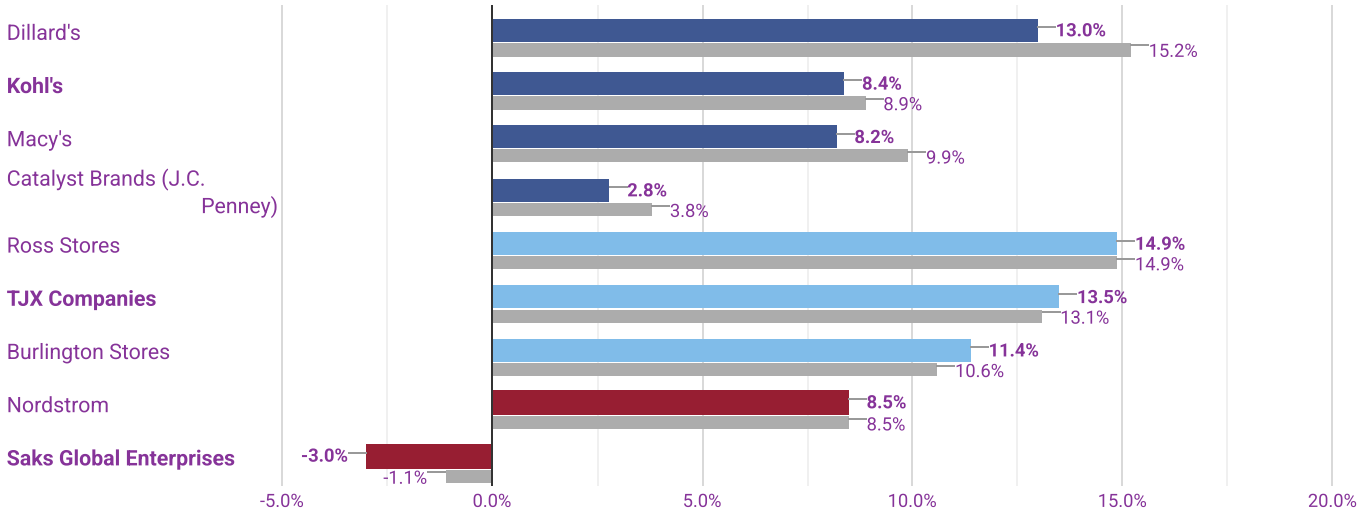
SG&A Margin (TTM)



Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Largest YOY Increase: Catalyst Brands (J.C. Penney): 1.6%
Largest YOY Decrease: Saks Global Enterprises: -1.1%
Current Year Average: 30.4%
Last Year Average: 30.1%

EBITDA Margin (TTM)



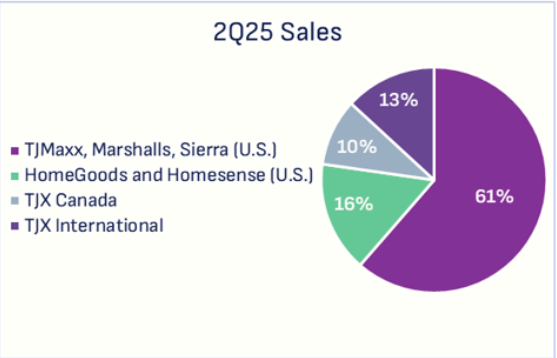
Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

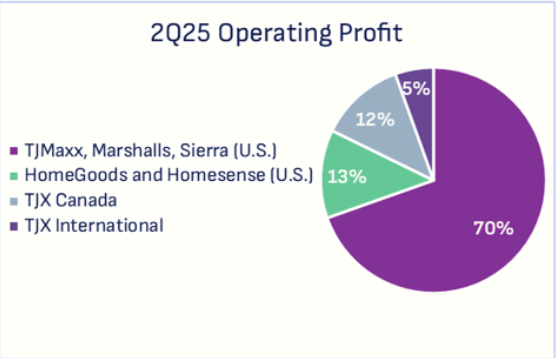
Largest YOY Increase: Burlington Stores: 0.8%
Largest YOY Decrease: Dillard's: -2.2%
Current Year Average: 8.7%
Last Year Average: 9.3%

Spotlight On: TJX Companies

Spotlight – TJX Companies

- Remains the leader in off-price by scale and footprint
- Differentiated from peers Burlington and Ross through its multiple banners and growing international presence
- HomeGoods remains a unique competitive advantage in the niche off-price home category
- Broad-based growth in 2Q with 4% comps and 133 net new stores
  - TJX Canada led with 9% comps
  - 5% comps at HomeGoods (U.S.) and TJX International
  - 3% at Marmaxx (TJ Maxx, Marshalls, Sierra)
- Sales and profitability grew across all segments driving management to increase FY25 guidance to 6% sales growth with margins flat to down 10 bps

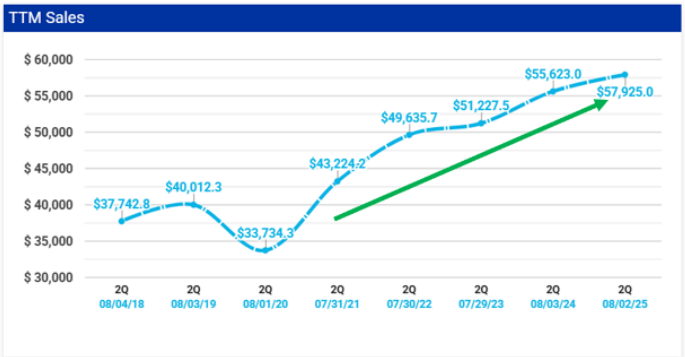


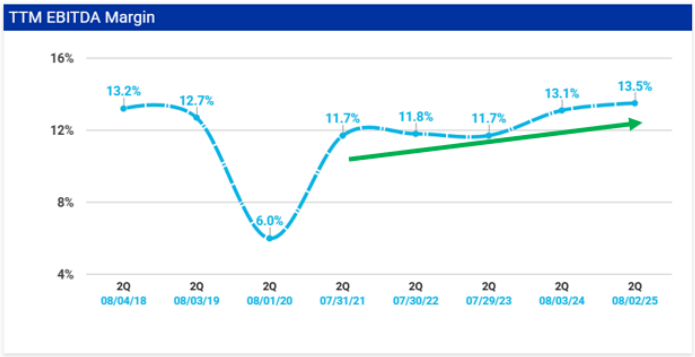


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Spotlight – TJX Companies

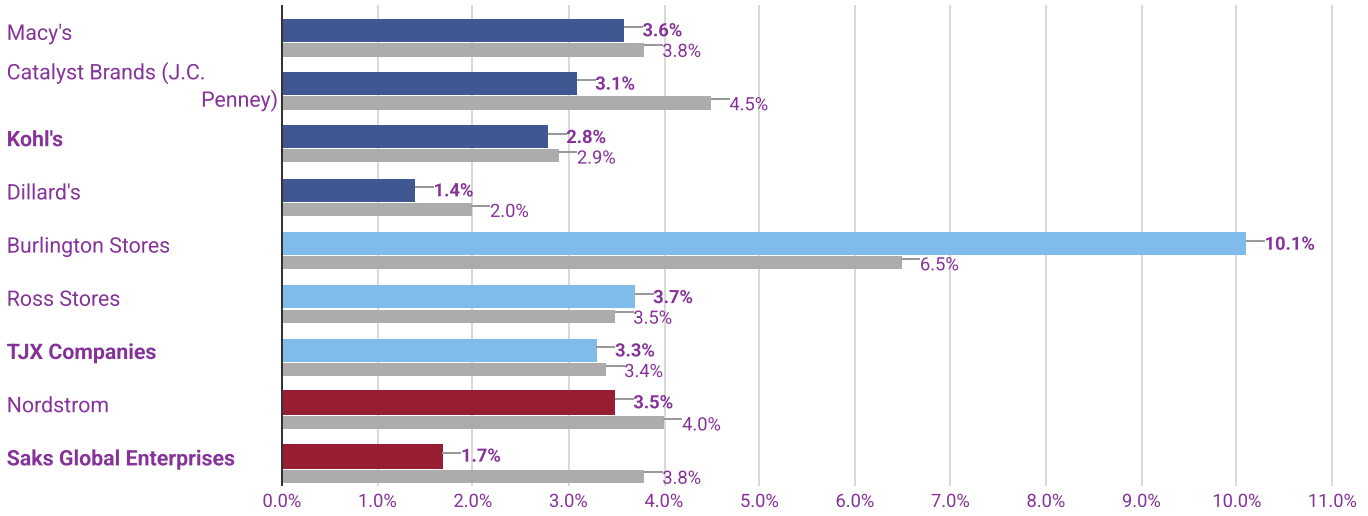
- TTM EBITDA margin (13.5%) returned to pre-COVID levels of over 13% despite tariff impacts
- Liquidity of $6.14B, including $4.64B in cash
- Flexible sourcing, tariff resilience and mix of luxury / "off-the-runway" merchandise position it to capture further share from traditional operators
- Turning to global expansion as a potential engine for long-term growth
  - JV with Grupo Axo in Mexico
  - Strategic investment in Brands For Less in the Middle East
  - Planned market entry into Spain in 2026 through its TK Maxx banner





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Capex Margin (TTM)



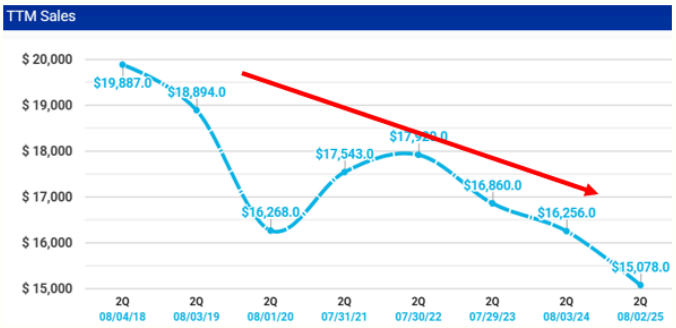
Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

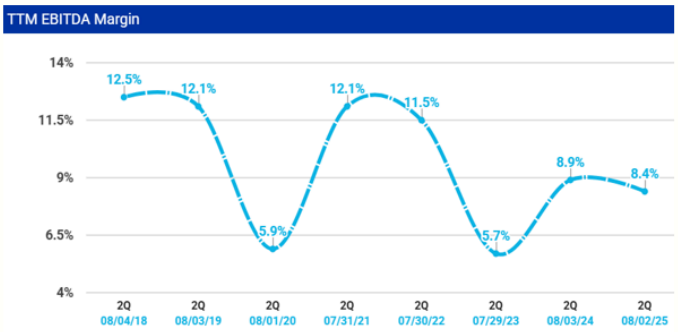
Largest YOY Increase: Burlington Stores: 3.5%
Largest YOY Decrease: Saks Global Enterprises: -2.1%
Current Year Average: 3.7%
Last Year Average: 3.8%

Spotlight On: Kohl's

Spotlight - Kohl's

- $15B in sales, 1,153 stores
- Interim CEO since May
- Operations eroded past five years - sales down from a peak of over $20B and EBITDA margin eroded from 12% - 13% range
- 1H25 sales fell nearly 5% and EBITDA down 2%
- Still profitable – net income up in 1H25, $209M TTM



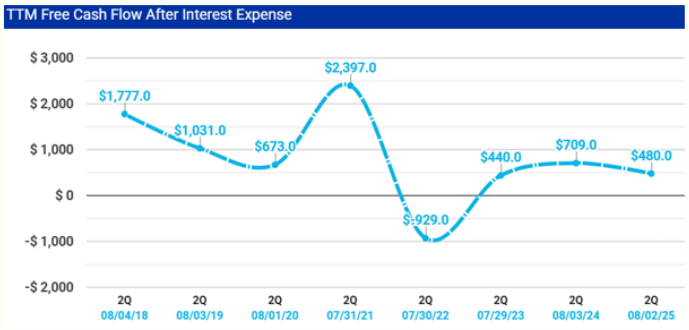


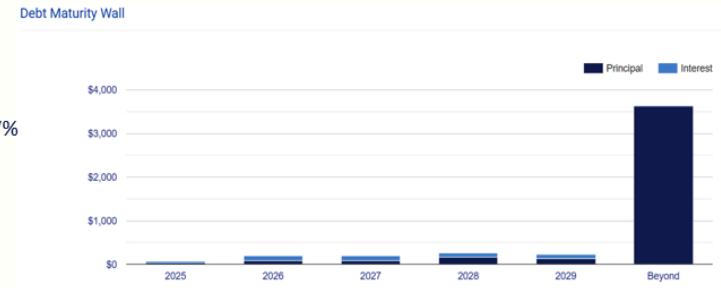
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Spotlight On: Kohl's Continued

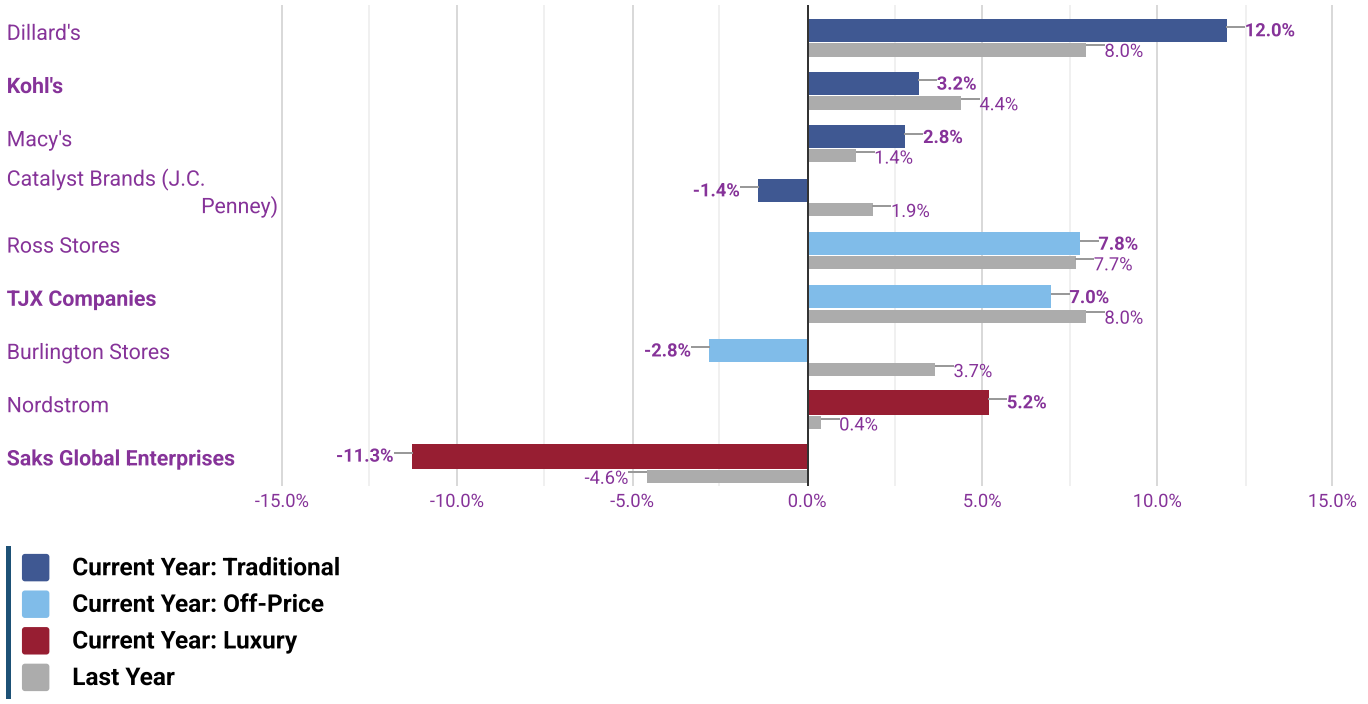
Spotlight - Kohl's

- Still profitable with positive free cash flow
- Debt levels stable
- Owned real estate provides financial flexibility
- Strategic focus needs to focus on redefining brand amid growing competition:
  - Closed 27 stores in 1Q
  - Reestablish value strategy - restore promotions and coupon deals
  - Elevate private brands, curate national brands
  - Regain traction in lost categories – fine jewelry, petites, intimates, home
  - Build on Sephora, home décor, impulse
  - More consistent omnichannel experience
- FY25 guidance – sales down 5% - 6%, operating margin of 2.5% - 2.7% (flat-negative)





TTM Free Cash Flow / TTM Sales



- Current Year: Traditional
- Current Year: Off-Price
- Current Year: Luxury
- Last Year

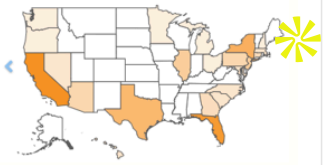
Spotlight On: Saks Global

Spotlight - Saks Global

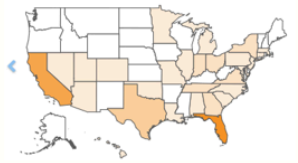
- Dec 2024 $2.7B acquisition of Neiman Marcus Group created Saks Global
  - ~160 Neiman Marcus, Bergdorf Goodman, Saks Fifth Avenue and Saks OFF 5TH stores, Saks.com and Saks Global Properties & Investments - Saks OFF 5th has separate financing
  - Financed with $2.20B 11% Secured Notes and $1.80 billion ABL, both maturing December 2029
  - Equity including Amazon, Authentic Brands Group, Salesforce, M. Klein & Company, G-III Apparel Group
  - Luxury reset - AI, personalized data, re-platform websites, Amazon shop, Authentic Luxury Group, Centric Brands license
  - Targeting $600M cost savings
- 1Q25 pro forma sales down 16% to $1.59B - reduced inventory flow
  - Negative $13M EBITDA
  - $326M in liquidity
  - Payment and liquidity issues continue
- August refinancing restructured notes and raised $600M, ~$5B total debt
- Reports – sell 49% stake in Bergdorf Goodman and $600M in real estate

SAKS GLOBAL

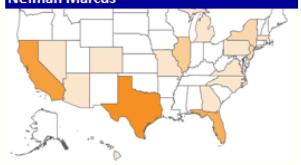
Saks OFF Fifth



Saks Fifth Avenue

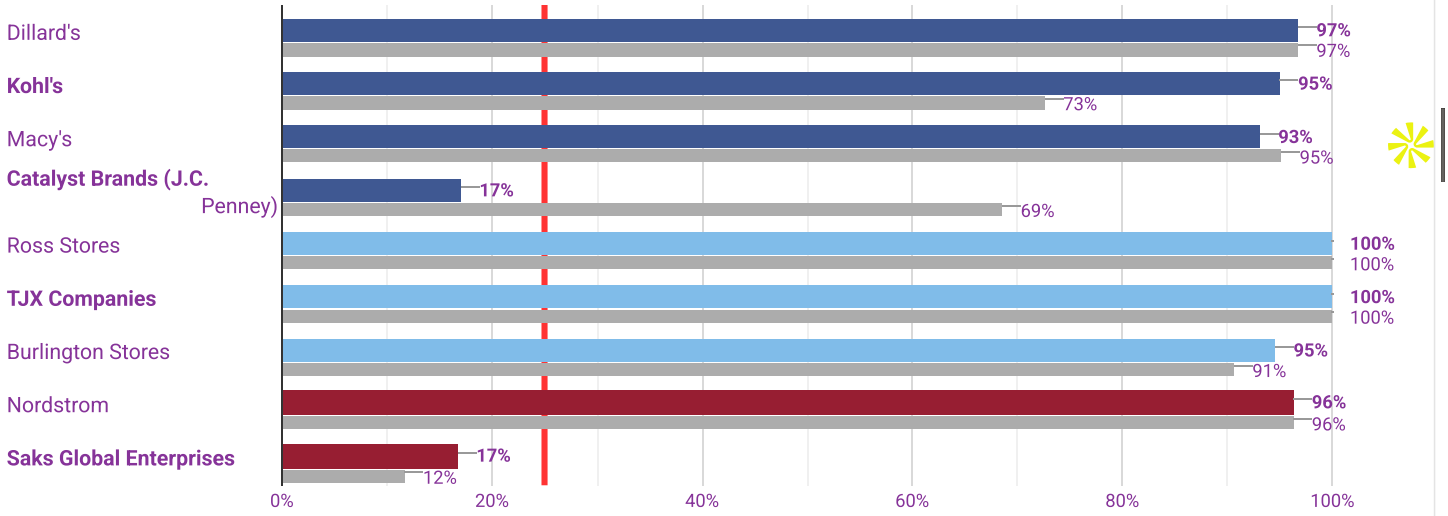


Neiman Marcus



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Percentage Available Under Credit Facility



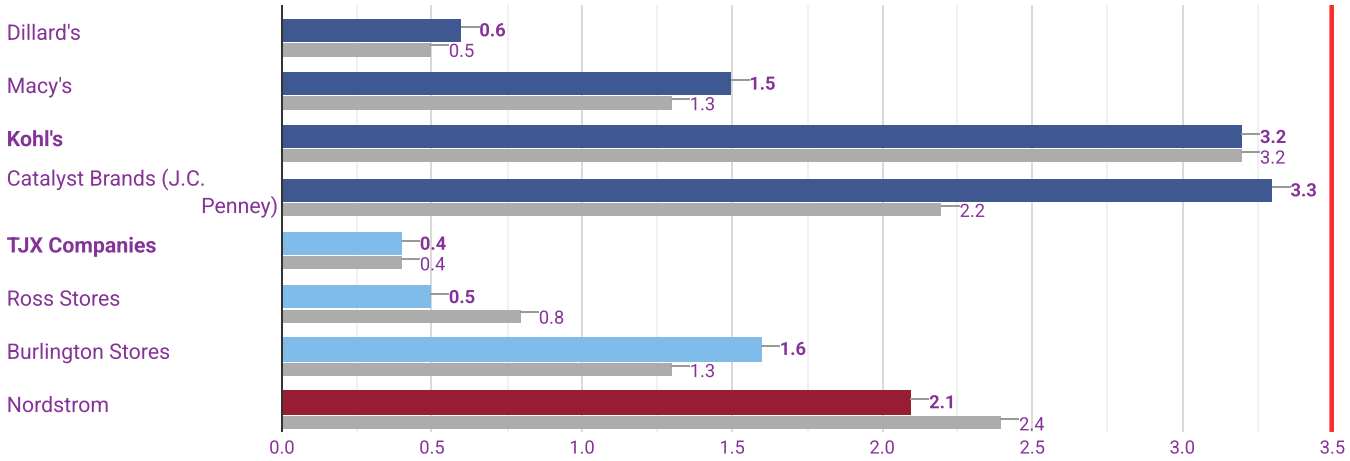
Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Largest YOY Increase: Kohl's: 22%
Largest YOY Decrease: Catalyst Brands (J.C. Penney): -51%
Current Year Average: 79%
Last Year Average: 81%

Notes:

Less than 25% available is a Warning Sign

Total Debt to TTM EBITDA



Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

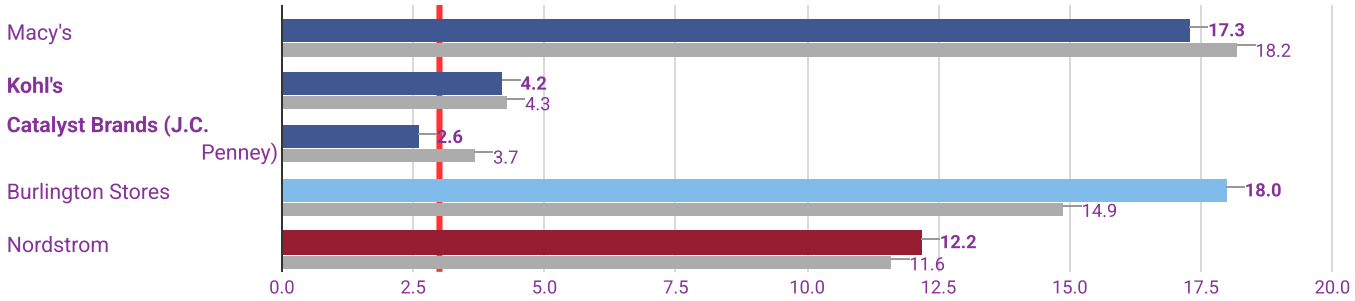
Largest YOY Increase: Catalyst Brands (J.C. Penney): 1.1
Largest YOY Decrease: Ross Stores: -0.3
Current Year Average: 1.6
Last Year Average: 1.5

Notes:

Saks Global was excluded as the Company has negative TTM EBITDA.

Above 3.5x is a Warning Sign

TTM Interest Coverage



Current Year: Traditional
Current Year: Off-Price
Current Year: Luxury
Last Year

Largest YOY Increase: Burlington Stores: 3.1
Largest YOY Decrease: Catalyst Brands (J.C. Penney): -1.1
Current Year Average: 10.8
Last Year Average: 10.5

Notes:

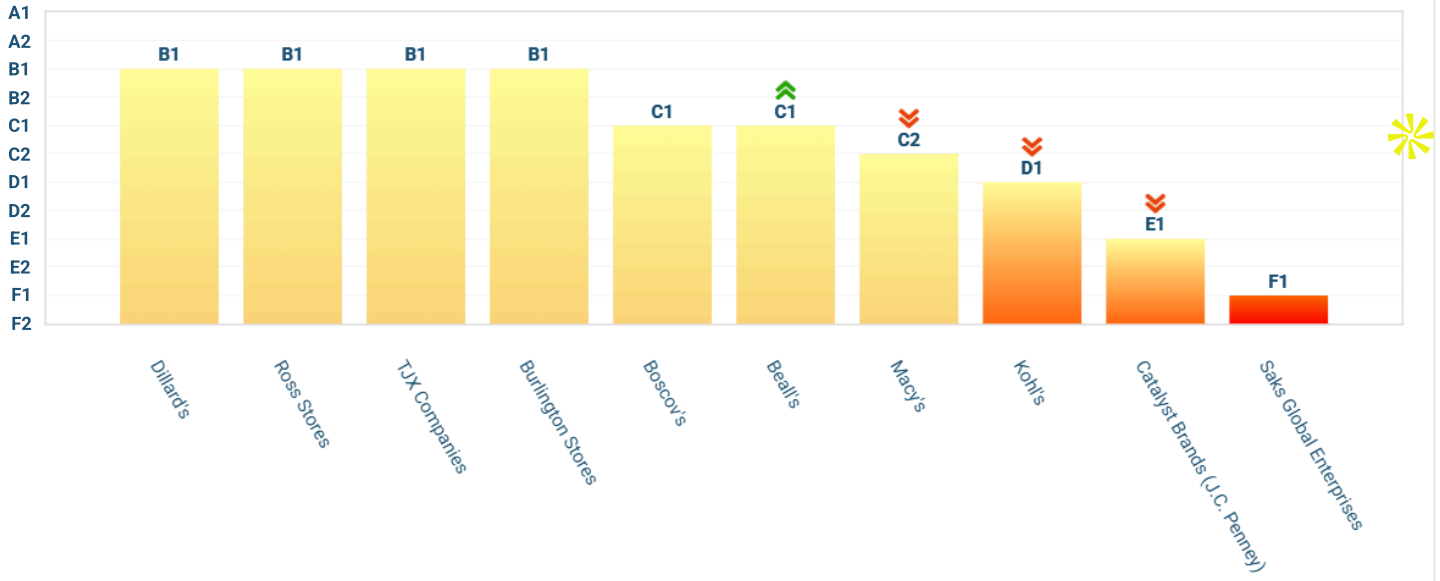
Ross Stores and TJX Companies are excluded as both reported net interest income in the current and prior TTM periods.
Dillard's was excluded for scale purposes, with TTM interest coverage of 44x in the latest period.
Saks Global was excluded as the Company has negative TTM EBITDA.

Below 3.0x is a Warning Sign

Stock Index

	10/6/2025	10/7/2024	1 Year % Change	52-Week High	52-Week Low
Dillard's	$ 614.63	$ 370.02	66.1%	$ 637.73	$ 282.24
TJX Companies	$ 143.11	$ 112.13	27.6%	$ 145.58	$ 111.73
Macy's	$ 18.30	$ 15.36	19.1%	$ 18.47	$ 9.76
Ross Stores	$ 152.64	$ 140.12	8.9%	$ 158.69	$ 122.36
Burlington Stores	$ 262.37	$ 248.00	5.8%	$ 309.00	$ 212.92
Kohl's	$ 16.51	$ 19.01	-13.2%	$ 21.39	$ 6.04
AVERAGE			19.1%		
S&P 500 Index	$ 6,740.28	$ 5,695.94	18.3%	$ 6,754.49	$ 4,835.04

Credit Rating



Notes:

In May 2025, members of the Nordstrom family along with El Puerto de Liverpool completed an all-cash acquisition of Nordstrom resulting in the Company becoming private. We have withdrawn our credit rating on Nordstrom since becoming private.

Thank You

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