年报其语

MACY'S M

Mkt Cap	Stock Price	Book Value	P/E Ratio	P/FCF Ratio	Div Yield
6.5B	24.95	18.48	10.8x	9.5x	3.0%

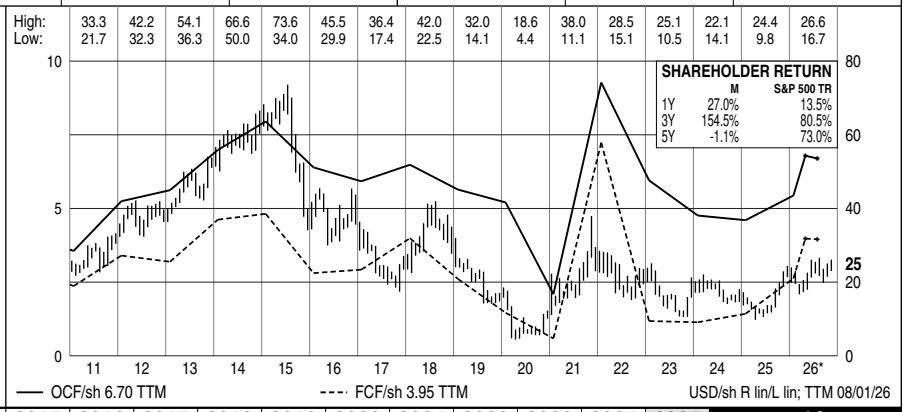
HOW IT EARNS CASH | BUSINESS CHAIN

1 Curate: accessories, shoes & beauty* = 42% of net sales.
2 Convert: 125 Reimagine sites; comps +1.0%.
3 Fulfill: 35% digital; China Grove hub 2.65M sq ft.
4 Monetize: card use 40.1%; retail media $188M.
5 Reinvest: PP&E + software $740M; FCF $690M.

BUSINESS MIX | FY25

Revenue	$M	Mix	YoY	2Y CAGR
Acc./shoes/beauty*	9128	40.4%	-2.2%	-2.1%
Women's apparel	4764	21.1%	-1.3%	-1.0%
Men's & kids'	4659	20.6%	-2.0%	-2.7%
Home / other	3213	14.2%	-5.0%	-8.0%
Credit card, net	669	3.0%	+24.6%	+4.0%
Retail media, net	188	0.8%	+6.8%	+10.1%
Total revenue	**22621**	**100.0%**	**-1.7%**	**-2.6%**

Watch: better comps must lift gross profit and cash.



VALUE CREATION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Nianbao Qiyu 6 Groups	Unit
DEMAND ~40M active shoppers across stores and apps. Digital mix: 35%.	25.00	26.41	27.69	27.93	28.11	27.08	25.91	24.94	24.97	24.56	17.35	24.46	24.44	23.09	22.29	21.76	**Net Sales**	$B
	6.4%	5.6%	4.9%	.9%	.6%	-3.7%	-4.3%	-3.7%	.1%	-1.6%	-29.4%	41.0%	-.1%	-5.5%	-3.5%	-2.4%	**Rev. YoY**	%
	40.7%	40.4%	40.3%	40.1%	40.0%	39.1%	39.5%	39.1%	39.1%	38.2%	29.2%	38.9%	37.2%	38.4%	38.4%	38.0%	**Gross Margin**	%
	1.89	2.41	2.66	2.68	2.80	2.03	1.37	1.86	1.74	.97	-4.48	2.35	1.69	.30	.91	1.03	**Op. Income**	$B
	7.6%	9.1%	9.6%	9.6%	10.0%	7.5%	5.3%	7.5%	7.0%	3.9%	-25.8%	9.6%	6.9%	1.3%	4.1%	4.7%	**Op. Margin**	%
	.85	1.26	1.34	1.49	1.53	1.07	.63	1.57	1.11	.56	-3.94	1.43	1.15	.05	.58	.64	**Net Income**	$B
	3.4%	4.8%	4.8%	5.3%	5.4%	4.0%	2.4%	6.3%	4.4%	2.3%	-22.7%	5.8%	4.7%	.2%	2.6%	2.9%	**Net Margin**	%
RETAIL PATHS — **MACY'S** 432 sites; 125 upgrade cohort comps +1.0%.	1.51	2.17	2.18	2.55	2.71	1.98	1.80	1.98	1.74	1.61	.65	2.71	1.62	1.31	1.28	1.43	**OCF**	$B
	6.0%	8.2%	7.9%	9.1%	9.6%	7.3%	7.0%	7.9%	6.9%	6.5%	3.7%	11.1%	6.6%	5.7%	5.7%	6.6%	**OCF Margin**	%
	1.8x	1.7x	1.6x	1.7x	1.8x	1.9x	2.9x	1.3x	1.6x	2.9x	-.2x	1.9x	1.4x	29.0x	2.2x	2.2x	**OCF / Net Inc.**	x
BLOOM. LUXURY 61 sites; comps +7.4%.	.51	.76	.94	.86	1.07	1.11	.91	.76	.93	1.16	.47	.60	1.30	.99	.88	.74	**Capex**	$B
	33.5%	35.2%	43.2%	33.9%	39.4%	56.1%	50.6%	38.5%	53.7%	72.0%	71.8%	22.0%	80.2%	76.1%	69.0%	51.7%	**Capex / OCF**	%
BLUEMERCURY 172 leased sites; comps +1.6%.	1.00	1.41	1.24	1.69	1.64	.87	.89	1.22	.80	.45	.18	2.12	.32	.31	.40	.69	**FCF**	$B
	4.0%	5.3%	4.5%	6.0%	5.8%	3.2%	3.4%	4.9%	3.2%	1.8%	1.1%	8.6%	1.3%	1.4%	1.8%	3.2%	**FCF Margin**	%
CARD & CASH Card $669M + media $188M. Card penetration 40.1% (-1.5pp). Inventory -1.3% vs sales -2.4%; margin 38.0% (-0.4pp).	--	--	--	--	--	.21	--	--	--*	--	--	--	--	--	--	--	**Acq. + Other***	$B
	--	--	--	--	--	10.7%	--	--	--*	--	--	--	--	--	--	--	**Acq.+Other / OCF***	%
	.07	.07	.06	.06	.07	.07	.06	.06	.06	.04	.03	.06	.05	.05	.06	.06	**SBC Expense**	$B
	4.4%	3.2%	2.8%	2.4%	2.7%	3.3%	3.4%	2.9%	3.6%	2.4%	4.8%	2.0%	3.3%	3.6%	4.5%	4.1%	**SBC / OCF**	%
	<.01	.50	1.40	1.57	1.90	2.00	.32	<.01	--	<.01	<.01	.50	.60	.04	<.01	.25	**Repurchases**	$B
	.1%	23.1%	64.1%	61.6%	70.2%	100.9%	17.5%	.1%	--	.1%	.2%	18.4%	37.2%	2.9%	.1%	17.5%	**Repurchases / OCF**	%
	.08	.15	.32	.36	.42	.46	.46	.46	.46	.47	.12	.09	.17	.18	.19	.20	**Dividends**	$B
	5.6%	6.8%	14.9%	14.1%	15.5%	23.0%	25.5%	23.3%	26.7%	29.0%	18.0%	3.3%	10.7%	13.9%	15.0%	13.8%	**Dividends / OCF**	%
REINVEST & FCF OCF $1.43B less $740M capex = $690M FCF. Software uses $367M.	--	13.8%	15.4%	15.6%	16.6%	12.2%	8.5%	19.0%	13.3%	7.6%	-47.3%	32.9%	23.0%	5.2%	11.5%	12.9%	**ROIC**	%
	16.6%	21.9%	22.3%	24.2%	26.3%	22.3%	14.5%	31.0%	18.2%	8.8%	-88.3%	46.3%	29.9%	1.1%	13.6%	13.6%	**ROE**	%
	4.0%	5.9%	6.2%	7.0%	7.1%	5.1%	3.0%	7.8%	5.7%	2.8%	-20.3%	8.1%	6.7%	.3%	3.6%	3.9%	**ROA**	%
	.42	.41	.39	.36	.34	.31	.30	.30	.31	.31	.31	.29	.27	.27	.28	.26	**Shares Out.**	B sh
	59.06	63.75	71.41	76.54	82.52	87.27	85.20	81.82	81.21	79.48	55.86	83.65	90.09	84.22	80.28	82.75	**Revenue / Sh.**	$/sh
	1.98	2.92	3.24	3.86	4.22	3.22	2.02	5.10	3.56	1.81	-12.68	4.55	4.08	.16	2.07	2.32	**Diluted EPS**	$/sh
	3.56	5.25	5.62	6.99	7.95	6.39	5.92	6.48	5.64	5.20	2.09	9.27	5.95	4.76	4.60	5.44	**OCF / Sh.**	$/sh
	1.19	1.84	2.43	2.37	3.14	3.59	3.00	2.49	3.03	3.74	1.50	2.04	4.77	3.62	3.18	2.81	**Capex / Sh.**	$/sh
	2.36	3.40	3.19	4.62	4.82	2.81	2.92	3.99	2.61	1.46	.59	7.23	1.18	1.14	1.43	2.62	**FCF / Sh.**	$/sh
	.20	.55	.60	.95	1.19	1.39	1.49	1.51	1.51	1.51	.38	.30	.63	.66	.69	.73	**Dividend / Sh.**	$/sh
	11.1x	9.5x	11.8x	12.1x	14.0x	17.8x	18.5x	4.9x	9.2x	10.9x	NM	4.6x	5.2x	101.0x	8.4x	6.8x	**Avg. P/E**	x
	9.7x	9.9x	12.4x	11.5x	13.3x	14.4x	10.0x	6.2x	9.9x	10.9x	25.5x	3.5x	19.6x	16.4x	10.9x	7.6x	**P/FCF**	x
	.9%	1.6%	1.5%	1.8%	1.9%	3.4%	5.1%	6.1%	5.9%	9.5%	2.5%	1.2%	2.7%	3.5%	4.4%	3.6%	**Dividend Yield**	%

RETURN CONDITION Test inventory turns and FCF/site after capex. Cohort ROIC undisclosed.

CORE KPI TRACKER

Metric	FY21	FY22	FY23	FY24	FY25
Macy's sites	510	507	502	450	**432**
Bloom. sites	55	55	57	59	**61**
Blue. sites	160	160	159	171	**172**
Area M sq ft	112	111	110	100	**98**
Sites exited*	11	13	13	70	**27**
Upgrade cohort	--	--	--	50	**125**

COMPOUND ANNUAL GROWTH RATE

	1Y	3Y	5Y	10Y	15Y
Net Sales	-2.4%	-3.8%	4.6%	-2.2%	-.9%
Op. Income	13.3%	-15.2%	NM	-6.6%	-4.0%
Net Income	10.3%	-17.6%	NM	-5.0%	-1.8%
OCF	11.9%	-4.0%	17.1%	-3.2%	-.3%
FCF	74.2%	29.2%	30.4%	-2.3%	-2.4%
Diluted EPS	12.1%	-17.2%	NM	-3.2%	1.1%
FCF / Sh.	84.0%	30.5%	34.8%	-.7%	.7%

FINANCIAL POSITION | $M

	FY21	FY22	FY23	FY24	FY25
Tot. assets	17590	16866	16246	16402	16238
Tot. liabilities	13969	12826	12211	11850	11378
Net assets	3621.0	4040.0	4035.0	4552.0	4860.0
Mkt cap*	7438.7	6261.6	5108.3	4326.6	6561.9
Cash & eq.	1712.0	862.00	1034.0	1306.0	1246.0
Liab./assets	79.4%	76.0%	75.2%	72.2%	70.1%

CAPITAL RETURNS: FY23-25 OCF $4.01B less capex $2.62B yielded **$1.40B FCF.** Treasury-stock cash: **$289.0M (20.7%);** cash dividends: **$570.0M (40.8%).** Payout: **61.4%.** The **$539.0M balance** precedes other investing and financing flows.

NET SHARES: FY25: 277.69M to 263.00M; **14.69M fewer shares (-5.3%).** 17.70M bought less 3.01M issued/distributed. Program avg. $14.21. FY25 FCF covered cash payouts. Long-term debt fell $341M; payout funding is not attributed to debt.

Smaller fleet, firmer demand. Prior closures removed about $700M of sales; group comps rose 1.5%. The 125-store cohort beat Macy's go-forward comp by 0.4pp; causality and store returns are open.

Luxury is pulling ahead. Bloomingdale's comps rose 7.4%; Bluemercury slowed to 1.6%. Macy's still supplied 84% of net sales. Track repeat visits and full-price sell-through.

Conversion is the bottleneck. Gross profit fell $286M; tariffs cut margin 40bp net of mitigation. Estimated inventory turns eased to 3.04x from 3.11x. Watch markdowns and fulfillment costs.

Strip out one-offs. FY25 EBIT of $1,030M less the $328M settlement and $48M property gains, plus $230M charges, gives $884M vs $936M in FY24. Settlement cash arrived in FY26.

Separate the profit pools. Card and media added $857M of revenue; card penetration fell 1.5pp. Owned sites add options, but sale value must be weighed against rent and lost digital reach.

Test returns per share. Require better inventory productivity and durable FCF/share after store and software spend. A smaller share count cannot establish buyback value; valuation remains open.

FY25 ended Jan. 31, 2026; FY23: 53 weeks; FY24: inventory basis changed. ROIC excludes operating leases and includes finance leases.
Mix is % of total revenue; * includes women's accessories, shoes, cosmetics and fragrances.
Site exits include closures, consolidations, relocations; cohorts: First 50/Reimagine 125. FY18 acquisition cash not separable.
TTM cash through Aug. 1 includes $328M settlement; FCF deducts PP&E/software; TTM/sh uses FY25 shares.
Position cap: FY-end; FY25 uses Nov. 9 close x 263M shares. Header: $24.95 x 261.18M Aug. 29 shares (approx.); P/E/P/FCF use FY25; yield TTM DPS.
Sources: Macy's FY21-25 10-Ks, FY26 Q2 10-Q and Yahoo Finance. Calculations & presentation: Nianbao Qiyu.
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