

Comprehensive Analysis Report

Date: 11/15/2021

Macy's, Inc.

dba Bloomingdales, Blue Mercury, Macy's Backstage

7 W. Seventh St. Cincinnati, OH 45202		COB/CEO Telephone: Email:	Jeff Gennette/CEO 513-549-7000
Year Established:	1830	CFO: Telephone: Email:	Adrian V. Mitchell
Number of Stores:	777		
Type of Business:	Department stores	Head Buyer: Telephone: Email:	
FYE: 1/30/21	NASDAQ: M	Competitors:	Dillard's, Nordstrom, J C Penney, Kohl's

BACKGROUND:

Macy's formerly known as Federated Stores was founded in 1830. They are a family retailer and operate 777 stores under the Macy's (551), Bloomingdales (55) & Blue Mercury (171) banners.

Jeffrey Gennette is the current CEO.

On October 14, 2020 the Company announced Adrian V. Mitchell was hired as the new CFO, to take effect November 2, 2020. Felicia Williams, who was serving as interim CFO will join the CEO Action for Racial Equality as Macy's, Inc. Fellow.

On August 19, 2021 Macy's announced the following:

Macy's, Inc. (NYSE:M) today announced a partnership with WHP Global to bring together two of America's most beloved brands, Macy's and Toys"R"Us. Toys"R"Us kids of all ages can now shop an expansive assortment online from the most globally recognized leader in toys at macys.com/toysrus and in more than 400 Macy's stores nationwide rolling out in 2022.

FINANCIALS:

Fiscal 2019 saw the Company achieve good results. Total sales were \$24.6 billion with comparable stores increasing 0.8% on an owned basis, & 0.7% on an owned plus licensed basis. Company's net income was \$564 million (2.3% of sales) compared to a profit of \$1.1 billion (4.4% of sales) the prior year,

Company maintains a solid financial position & a good balance sheet. Working capital position is strong, & overall condition is positive & liquid. Equity stood at \$6.4 billion as of year ending 2/1/20.

In a 5/21/20 press release, Macy's provided the following estimates for the first quarter 2020:

Net sales low \$3,000 (in millions) & \$3030 high. Operating loss will be low \$1110, & \$905 high. Estimated cash & equivalents \$1523, & estimated total debt \$5657.

In a June 9, 2020 press release Macy's provided preliminary estimated sales & earnings results for the first quarter of 2020. For the first quarter 2020 net sales are estimated to be \$3017 compared to actual first quarter net sales of \$5504 for 2019. Net loss is estimated to be \$652 compared to actual net income of \$136 for the first quarter of 2019. These results do not include non-cash impact of goodwill & long-lived asset impairment charges, which are expected to have a material effect on the company's reported results.

Estimated balance sheet highlights as of 5/2/20 include cash & equivalents of \$1523, merchandise inventories of \$4923, merchandise accounts payable of \$2196, & total debt of \$5657.

On July 1, 2020, Macy's released their first quarter results. Net sales for the 13 week period ended 5/2/20 were \$3017 & net loss was \$3581. The net loss includes impairment & restructuring costs of \$3184. First quarter net sales for the prior year were \$5504 & net income was \$136.

5/2/20 balance sheet reports cash & equivalents of \$1523, working capital of \$1363, & shareholder's equity of \$2697.

Second quarter results as of 8/1/20 report net sales for the 13 week period were \$3559 with a net loss of \$431 including impairment & restructuring costs of \$242. For the same period last year net sales were \$5546 with net income of \$86.

For the 26 weeks ended 8/1/20 net sales were \$6576 with a net loss of \$4012 including impairment & restructuring costs of \$3426. This compares to net sales of \$11,050 & net income of \$223 for the same period last year.

Balance sheet as of 8/1/20 shows cash & equivalents of \$1395, working capital of \$777, & shareholder's equity of \$2324.

On November 19, 2020 Macy's released their third quarter financial results. For the 13 weeks ended 10/31/20 the Company reported net sales of \$3990 & a net loss of \$91 including impairment & restructuring costs of \$20. This compares to net sales of \$5173 & net income of \$2 for the same period of the prior year.

For the 39 week period ended 10/31/20 net sales were \$10,566 with a net loss of \$4104 including \$3445 of impairment & restructuring costs. For the same period of the prior year net sales were \$16,223 with net income of \$224.

On their 10/31/20 balance sheet the Company reported cash & equivalents of \$1551, working capital of \$706, & shareholder's equity of \$2243.

On February 23, 2021 Macy's reported their fourth quarter & year-end financial results. For the 13 weeks ended January 30, 2021 the Company reported net sales of \$6,780 & net income of \$160 including impairment & restructuring costs of \$134. For the same period last year net sales were \$8337 with net income of \$340, & impairment & restructuring costs of \$337.

For the year ended 1/30/21 net sales were \$17,346 with a net loss of \$3,944 including impairment, restructuring & store closing costs of \$3,579. This compares to net sales of \$24,560, net income of \$564, & impairment, restructuring, & store closing costs of \$354 for the previous year.

Balance sheet as of 1/30/21 reports cash & equivalents of \$1,679, working capital of \$827, & shareholder's equity of \$2553.

On their first quarter 2021 financial release Macy's reported net sales of \$4,706 & net income of \$103 for the 13 weeks ended 5/1/21. This compares to \$3,017 in net sales for the same period last year, & a net loss of \$3,581.

On their 5/1/21 balance sheet the Company reported cash & equivalents of \$1,798, working capital of \$1,722, & shareholder's equity of \$2,675.

On August 3, 2021 Macy's reported the following:

Macy's, Inc. (NYSE: M) today issued a notice of redemption to redeem \$1.3 billion in principal amount of its 8.375% Senior Secured Notes due 2025 (the "Notes") on August 17, 2021. This voluntary early redemption covers the entire amount of the outstanding Notes.

"Investing in the profitable growth of Macy's, Inc. remains our priority. We are pleased that, as a result of our disciplined approach to capital allocation, especially over the past 16 months, coupled with a return of consumer demand, we are now well positioned to also focus on further enhancing our long-term financial stability and value creation," said Adrian Mitchell, chief financial officer of Macy's, Inc. "As a result of the redemption of this long-term debt, we are firmly on track to be at or below our target leverage ratio, achieving an investment grade financial profile, by the end of the year. These actions further strengthen our balance sheet, allowing us to invest in our business to deliver strong and sustainable shareholder returns as a digitally led omnichannel retailer."

Notes will be redeemed by the Company at a redemption price of 100% of their principal amount, plus accrued and unpaid interest up to, but excluding, the redemption date of August 17, 2021, plus the applicable premium due to holders of the Notes in connection with an early redemption. As a result of the early redemption, Macy's, Inc. expects to record a pre-tax charge primarily related to the recognition of the redemption premium and other costs of approximately \$185 million in its fiscal third quarter. This pre-tax charge will be excluded from Adjusted diluted earnings per share. In addition, Macy's, Inc. expects to realize annualized interest expense savings of approximately \$120 million. Neither the charge nor the interest expense savings was contemplated in the full-year 2021 expectations provided in May.

Notes are to be surrendered to U.S. Bank National Association in exchange for the payment of the redemption price as more fully described in the notice of redemption sent to the registered holders of Notes.

On August 19, 2021 Macy's reported their second quarter financial results. For the 13 week period ended 7/31/21 net sales were \$5,647 with net income of \$345. For the same period last year the Company reported net sales of \$3,559 & a net loss of \$431.

For the 26 weeks ended 7/31/21 net sales were \$10,353 & net income was \$448. Net sales for the same period last year were \$6,576 with a net loss of \$4,012.

7/31/21 balance sheet reported cash & equivalents of \$2,137, working capital of \$911, & shareholder's equity of \$3,146.

FINANCING:

At February 1, 2020 the Company had \$685 million in cash & equivalents. There was no usage on their \$1.5 billion revolver which is scheduled to expire on May 9, 2024. The Company was in compliance with all loan covenants.

In their 5/21/20 press release Macy's advised that they notified their banking partners early on of their plans to access additional financing, & this process is on track. They are confident they will obtain this financing before it is needed.

On May 26, 2020 Macy's announced they are offering, subject to market & other conditions, \$1.1 billion aggregate principal amount of senior secured notes due 2025 in a private offering. Macy's intends to use the net proceeds from the offering of the Notes, along with cash on hand, to repay all amounts outstanding under their revolving credit facility. The closing of this offering is conditioned upon the closing a new asset-based credit agreement.

On June 8, 2020 Macy's announced the closing on approximately \$4.5 billion of new financing, composed of \$1.3 billion of \$8.375% senior secured notes which mature June 2025, along with a new \$3.15 billion asset-based credit agreement, which matures May 2024. The new credit agreement includes a short-term facility of \$300 million which matures in December 2020, & also contains an accordion feature that enables the company to request increases in the size of the facility up to an additional aggregate principal amount of \$750 million. In addition the company amended its existing \$1.5 billion unsecured revolving credit agreement to reduce the available credit commitment & modify the agreement's covenants. The amended revolver provides the company with unsecured revolving credit up to \$75 million.

As of 8/1/20 the Company had liquidity of approximately \$4.4 billion comprised of approximately \$1.4 billion in cash & approximately \$3 billion in availability on their ABL.

As of 10/31/20 Macy's had approximately \$3 billion of availability on their ABL.

The Company had approximately \$3 billion of availability on their ABL as of 1/30/21.

As of 5/1/21 Macy's had availability on their ABL of \$2.44 billion.

Availability as of 7/31/21 was \$2.46 billion.

TRADE:

Recent trade checkup of 145 sources indicates moderate 8 figure lines extended by factors & low 7 figures offered by non-factored sources. Payment manner has been satisfactory within industry measures.

CREDIT RECOMMENDATION:

Credit International was suggesting a \$500,000 base credit line & offering higher amounts on a personal opinion basis as needed.

All new orders should be rechecked prior to shipping.

OVERVIEW & CONCLUSION:

Macy's remains profitable with ample liquidity & strong trade support

On February 4, 2020 Macy's announced a three year Polaris Strategy to stabilize profitability & position the Company for growth.

The Covid-19 outbreak continues to negatively impact all businesses including Macy's. The company has taken steps to maintain financial stability. These include drawing down on their line of credit, cancelling orders, and extending terms to 120 days. They have closed all their stores & furloughed the majority of their store employees.

On 5/21/20 Macy's announced they have approximately 190 Macy's & Bloomingdale's stores open & operating, & expect another 80 stores to open for Memorial Day weekend.

For additional information, please email Marc Rosenberg at mrosenberg@acbltd.com

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Trade Payment Information

Total Trade Lines: 198

Current	1 - 30	31 - 60	61 - 90	91 +	Total
\$163,700,551	\$62,341,598	\$12,261,520	\$263,740	\$238,545	\$238,805,954
68.55%	26.11%	5.13%	0.11%	0.10%	100.00%

Industry Breakdown

	Trade Lines	Current	1-30	31-60	61-90	91+	Total
Manufacturing	77	\$155,600,819	\$57,650,657	\$10,264,725	\$185,359	\$190,449	\$223,892,009
Transportation & Storage	4	\$0	\$0	\$0	\$0	\$0	\$0
Information & Communication	45	\$545,603	\$91,143	\$287,296	\$12,961	\$215	\$937,218
Utilities	10	\$15,758	\$0	\$0	\$0	\$0	\$15,758
Wholesale Trade	25	\$6,476,750	\$3,735,176	\$1,673,185	\$42,074	\$18,964	\$11,946,149
Retail Trade	2	\$116,664	\$109,916	\$16,093	\$11,587	\$3,790	\$258,050
Financial & Insurance Activities	9	\$925	\$0	\$0	\$0	\$0	\$925
Real Estate Activities	6	\$101	\$2,579	\$103	\$0	\$0	\$2,783
Accommodation & Food Service Activities	1	\$0	\$0	\$0	\$0	\$0	\$0
Administrative & Support Service Activities	2	\$0	\$0	\$0	\$0	\$0	\$0
Professional, Scientific & Technical Activities	4	\$0	\$0	\$0	\$0	\$0	\$0
Non-Classifiable	13	\$943,931	\$752,127	\$20,118	\$11,759	\$25,127	\$1,753,062

	Bankruptcy	Judgments	Suits	Tax Lien Filings	Sum	Cautionary UCC Filings	UCC Filings
This Company	No	2	9	6	\$336,625	12	51
Group	No	3	13	7	\$377,768	14	109

Most Recent Filings

Legal Filing	Date Filed	Filing Type	Case/Filing Number	Status	Released Date
Tax Lien	04/05/2021	COUNTY TAX LIEN	2021073674	Active	-
UCC	03/08/2021	-	OH00188726801	Active	-
Tax Lien	03/02/2021	STATE TAX WARRANT	30139342	Active	-
UCC	02/23/2021	-	OH00250201119	Active	-
Tax Lien	01/29/2021	STATE TAX WARRANT	30134986	Active	-

Active Suits

Date Filed	Filing Type	Case Number	Amount	Plaintiff
09/04/2020	CIVIL NEW FILING	L00297220	\$0	SMITH CORETTA
01/24/2020	CIVIL NEW FILING	L00061020	\$0	TAUB SEYMOUR
01/07/2020	CIVIL NEW FILING	L00005220	\$0	ALHAW HAIFA
01/02/2020	CIVIL NEW FILING	L00001520	\$0	HAIIDUK MARIA
10/29/2019	CIVIL NEW FILING	L00752919	\$0	PATEL CHARULATA E

Active Suits

Date Filed	Filing Type	Case Number	Amount	Plaintiff
09/24/2019	CIVIL NEW FILING	L00242019	\$0	ROTONDO JOSEPHINE
05/20/2019	CIVIL NEW FILING	L00376519	\$0	MORGAN MELISSA
10/19/2018	CIVIL NEW FILING	18CV000532	\$0	JOAN A SCHEID
10/12/2018	CIVIL NEW FILING	L00337318	\$0	MAROOTIAN JANETTE
10/05/2018	CIVIL NEW FILING	L00594918	\$0	MENDEZ NANCY

Active Judgements

Date Filed	Filing Type	Case Number	Amount	Plaintiff
05/16/2018	SMALL CLAIMS JUDGMENT	2018SC000905	\$206	LINDA LEE
08/16/2016	SMALL CLAIMS JUDGMENT	16SC02350	\$2,357	BASHIR LEVINGSTON

Released Judgements

Date Filed	Released Date	Filing Type	Case Number	Amount	Plaintiff
03/04/2016	06/23/2017	CIVIL DISMISSAL	16SLCC00831	\$0	JOHNSON ROSEMARY

Active Suits

Date Filed	Filing Type	Case Number	Amount	Plaintiff
06/12/2018	CIVIL NEW FILING	L00432418	\$0	KRIEGER BETH
05/30/2018	CIVIL NEW FILING	L00398318	\$0	KOBLICK STEPHAN K
11/06/2017	CIVIL NEW FILING	L00754717	\$0	SPILEWSKI CHRISTINA
08/03/2017	CIVIL NEW FILING	L00461517	\$0	LANG JENNIE
06/21/2016	CIVIL NEW FILING	201612803	\$0	LEWIS CARLOS LAMONT

Active Suits

Date Filed	Filing Type	Case Number	Amount	Plaintiff
10/30/2015	CIVIL NEW FILING	201528813	\$0	DIXON BEVERLY

Active Judgements

Date Filed	Filing Type	Case Number	Amount	Plaintiff
05/16/2018	SMALL CLAIMS JUDGMENT	2018SC000905	\$206	LINDA LEE
08/16/2016	SMALL CLAIMS JUDGMENT	16SC02350	\$2,357	BASHIR LEVINGSTON

Summary

	Total	Active	Released
Number of Tax Liens	9	6	3

Active Tax Liens

Date Filed	Filing Type	Filing Number	Amount	Jurisdiction	Action Type
04/05/2021	COUNTY TAX LIEN	2021073674	\$35,343	SAN JOAQUIN COUNTY RECORDER	County Tax Lien
03/02/2021	STATE TAX WARRANT	30139342	\$160,615	MARION COUNTY CIRCUIT COURT	State Tax Warrant
01/29/2021	STATE TAX WARRANT	30134986	\$72,341	MARION COUNTY CIRCUIT COURT	State Tax Warrant
01/01/2021	STATE TAX	30122612	\$63,102	MARION COUNTY CIRCUIT	State Tax

Date Filed	Filing Type	Filing Number	Amount	Jurisdiction	Action Type
	WARRANT			COURT	Warrant
10/23/2019	STATE TAX LIEN	496327	\$467	RICHLAND COUNTY RECORDER	State Tax Lien

Released Tax Liens

Date Filed	Released Date	Filing Type	Filing Number	Amount	Jurisdiction	Action Type
12/28/2018	04/04/2019	FILED IN ERROR-ST TAX LIEN	201813522	\$3,600	CUMBERLAND CNTY PROTHONOTARY	State Tax Lien
07/12/2018	12/04/2018	FILED IN ERROR-ST TAX LIEN	201806515	\$3,554	CUMBERLAND CNTY PROTHONOTARY	State Tax Lien
09/30/2016	08/07/2017	STATE TAX LIEN RELEASE	N16J07638	\$14,553	NEW CASTLE SUPERIOR COURT	State Tax Lien

Active Tax Liens

Date Filed	Filing Type	Filing Number	Amount	Jurisdiction	Action Type
11/01/2016	STATE TAX LIEN	GD16021122	\$2,194	ALLEGHENY COUNTY CIVIL/FAMILY DIVISION	State Tax Lien

Cautionary Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
05/21/2020	-	202005218212663	SEC OF STATE NY	UNDEFINED,AFTER ACQUIRED PROP,INVENTORY	FILED
12/09/2019	-	201912098531817	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
10/18/2019	-	201910188460506	SEC OF STATE NY	UNDEFINED, ACCOUNTS REC	FILED
08/21/2019	-	2019 5816231	SEC OF STATE DE	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
06/07/2019	-	201906070257884	SEC OF STATE NY	UNDEFINED, INVENTORY	FILED

Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
03/08/2021	-	OH00188726801	SEC OF STATE OH	-	AMENDED
02/23/2021	-	OH00250201119	SEC OF STATE OH	-	FILED
09/25/2020	-	2020 6630182	SEC OF STATE DE	-	FILED

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
08/14/2020	-	OH00245364601	SEC OF STATE OH	-	FILED
08/07/2020	-	OH00245049825	SEC OF STATE OH	-	FILED

Cautionary Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
06/05/2019	-	201906055718744	SEC OF STATE NY	UNDEFINED, ACCOUNTS REC, INVENTORY	FILED
03/26/2019	-	2019 2088354	SEC OF STATE DE	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
11/01/2018	-	201811018502486	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
07/27/2018	-	201807275928353	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
07/27/2018	-	201807275928353	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED

Cautionary Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
07/27/2018	-	201807275928353	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
02/09/2016	-	201602090061574	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED

Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
03/08/2021	-	OH00188726801	SEC OF STATE OH	-	AMENDED
02/23/2021	-	OH00250201119	SEC OF STATE OH	-	FILED
09/25/2020	-	2020 6630182	SEC OF STATE DE	-	FILED
08/14/2020	-	OH00245364601	SEC OF STATE OH	-	FILED
08/07/2020	-	OH00245049825	SEC OF STATE OH	-	FILED

Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
08/20/2019	-	201908200383554	SEC OF STATE NY	-	CONTINUED
07/26/2019	-	OH00232830978	SEC OF STATE OH	-	FILED
07/25/2019	-	2019 5161331	SEC OF STATE DE	-	FILED
02/19/2019	-	OH00228365511	SEC OF STATE OH	-	FILED
01/16/2019	-	201901160021377	SEC OF STATE NY	UNDEFINED	FILED

Cautionary Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
07/27/2018	-	201807275928353	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED
02/09/2016	-	201602090061574	SEC OF STATE NY	UNDEFINED, INVENTORY, AFTER ACQUIRED PROP	FILED

Uniform Commercial Code (UCC) Filings

Date Filed	Expiration Date	Filing Number	Jurisdiction	Collateral	Status
01/16/2019	-	OH00227688473	SEC OF STATE OH	-	FILED
01/14/2019	-	OH00214638938	SEC OF STATE OH	-	AMENDED
01/09/2019	-	OH00132267013	SEC OF STATE OH	-	CONTINUED
01/03/2019	-	201901038005196	SEC OF STATE NY	-	AMENDED
12/13/2018	-	201812136541433	SEC OF STATE NY	-	CONTINUED