IHL AI Readiness (AIR)

Macy's, Inc. (Parent Company)

Segment:	Department Stores	Stock Symbol:	M
Sub-Segment:	Department Stores		

Total AI Impact 2022 - 2029

$7.5 Billion
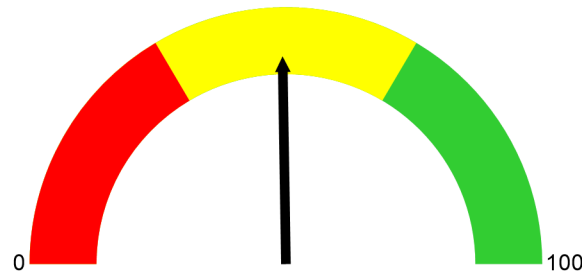
Total AI Score

49.5

AIR Rank - Retail

22

of 184

AIR Rank - Department Stores

1

of 4

Annual Impact by Area of Improvement 2022 - 2029

Legend: ■ SG&A Improvement ■ Gross Margin Improvement ■ Sales Improvement

In Billions

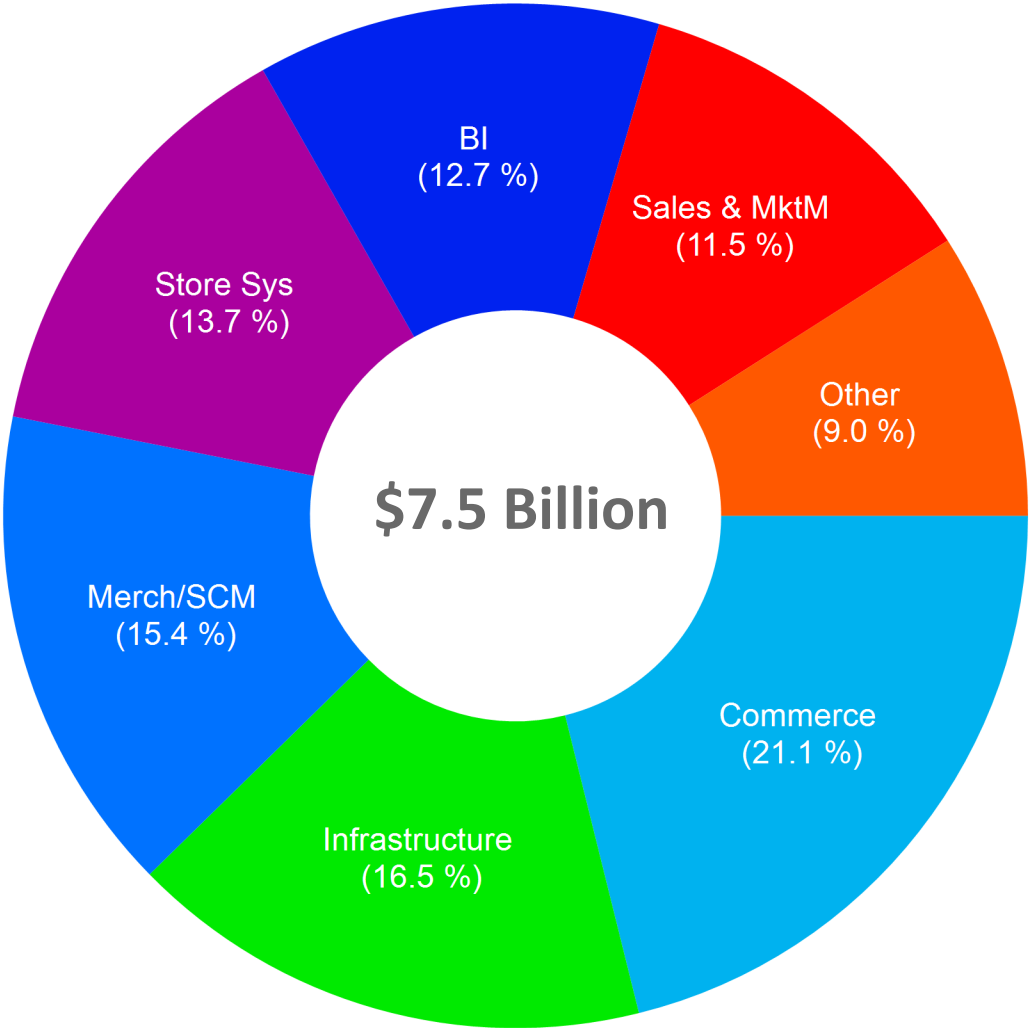| Year	Sales Improvement	Gross Margin Improvement	SG&A Improvement
2022	$0.3	$0.1	$0.0
2023	$0.3	$0.1	$0.0
2024	$0.5	$0.2	$0.1
2025	$0.5	$0.2	$0.2
2026	$0.5	$0.3	$0.3
2027	$0.5	$0.3	$0.3
2028	$0.5	$0.4	$0.4
2029	$0.6	$0.5	$0.5
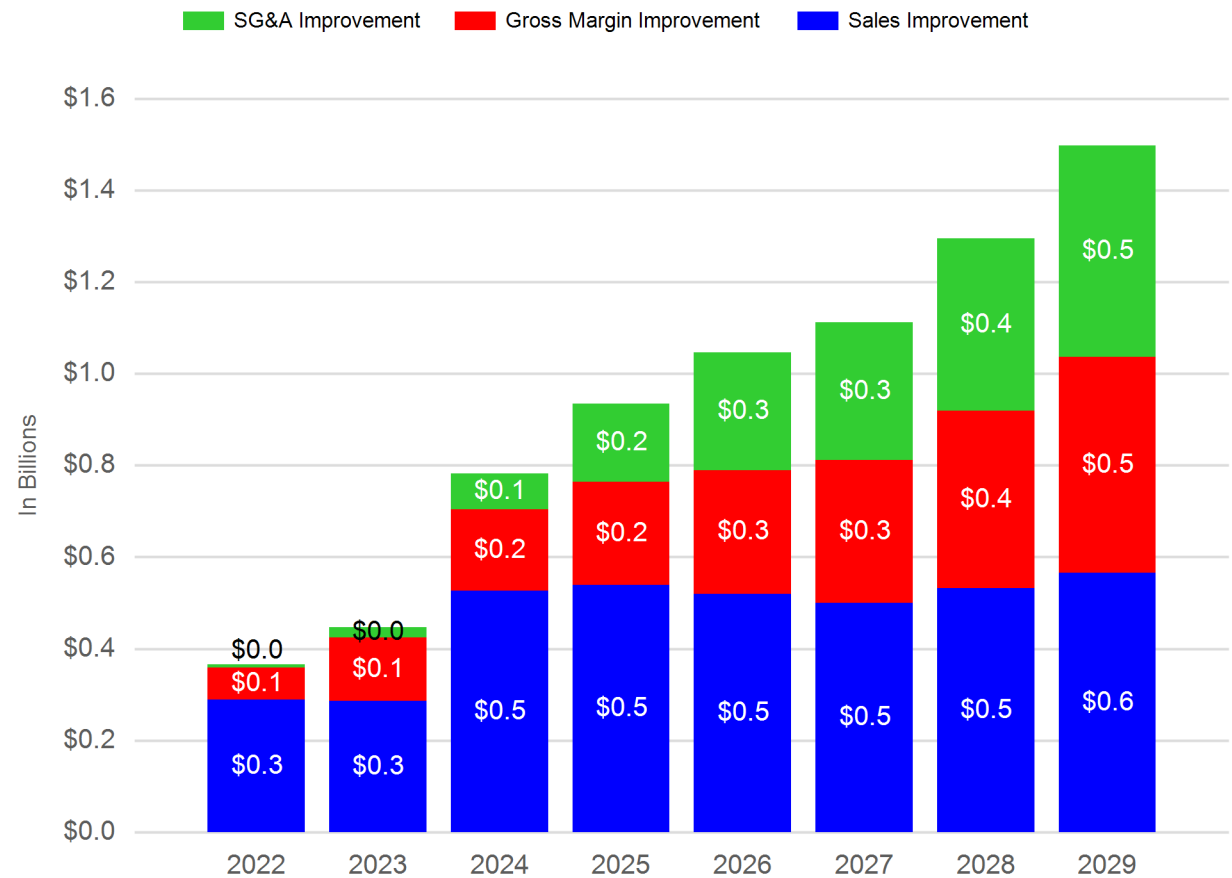
Source: IHL Services

Total AI Impact 2022 - 2029 By Line of Business

Source IHLGroup

Macy's, Inc. (Parent Company)
$7.5 Billion

$7.5 Billion

- BI (12.7 %)
- Sales & MktM (11.5 %)
- Other (9.0 %)
- Commerce (21.1 %)
- Infrastructure (16.5 %)
- Merch/SCM (15.4 %)
- Store Sys (13.7 %)

Top Categories by Line of Business for Potential AI Impact 2022-2029

Macy's, Inc. (Parent Company)

Merchandise/SCM	$705.6m	Sales and Marketing	$498.2m
Enterprise Order Management	$201.1m	Promotions Management	$132.3m
Assortment and Allocation Planning	$137.3m	CRM For Retail	$128.6m
Multi-Channel Merchandise Management	$131.9m	Price Mgt. and Optimization	$107.0m
Replenishment	$127.6m	Call Center	$67.3m
Distribution	$107.7m	Digital Content Creation	$63.1m

Store Systems	$586.3m	Infrastructure	$891.0m
Other Store Systems	$245.1m	Other Infrastructure	$502.0m
Loss Prevention	$138.3m	Desktop/Laptop	$155.6m
Fraud Prevention	$73.8m	Anti-Virus/Firewall	$84.3m
Receiving And Ordering For Retail	$66.4m	Store Monitoring	$76.2m
Payment Systems and EMV	$62.8m	Platform-Application Server SW Platform	$72.9m

Commerce Solutions	$1,082.4m	Business Intelligence	$487.9m
Cross Channel Integration	$311.0m	Inventory Optimization	$129.6m
B2C-Web (Desktop)	$239.9m	Predictive Analytics	$101.0m
B2B-Web (Desktop)	$200.9m	Multi-Channel Analytics	$93.4m
B2B-Mobile/Tablet	$181.0m	Big Data Tools/Integration	$82.3m
B2C-Mobile/Tablet	$149.6m	Web Analytics	$81.6m