Nordstrom defies retail slump with higher results forecast

May 25, 2022

Nordstrom Inc raised its annual profit and revenue forecasts on Tuesday as the upscale retailer counts on demand from affluent consumers to help it overcome decades-high inflation.
Net sales across Nordstrom banner stores exceeded pre-pandemic levels in the first quarter with a 23.5% jump as Americans returning to offices and social events snapped up designer apparel and footwear.

Earlier in the day, Ralph Lauren also forecast improved full-year margins as demand for luxury apparel stays strong in top markets North America and Europe.

The confident outlook from Nordstrom and Ralph Lauren is in sharp contrast to peer Kohl's and big-box retailers Walmart Inc and Target Corp, which have taken a beating as runaway inflation squeezes consumer spending.

Nordstrom, which also authorized a new $500 million buyback, projected fiscal 2022 revenue to rise 6% to 8%, compared with a prior forecast of 5% to 7% growth. Full-year adjusted profit per share is expected between $3.38 and $3.68, higher than $3.15 to $3.50 earlier.

Meanwhile, its off-price division, Nordstrom Rack, posted a 10.3% increase in quarterly sales. Total revenue rose 18.7% to $3.57 billion in the first quarter, surpassing analysts' estimates of $3.28 billion, according to Refinitiv IBES.

The retailer said net income for the quarter ended April 30 rose to $20 million, or 13 cents per share, from a loss of $166 million, or $1.05 per share, a year earlier.

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