Nordstrom lowers annual forecast as inflation hits demand

By Benjamin Fitzgerald - August 24, 2022

Nordstrom Inc cuts its annual revenue and profit forecasts on Tuesday, a sign that decades-high inflation was squeezing consumer spending on its high-end clothing and footwear.

Shares of the Seattle-based firm fell about 10% in extended trading.

Runaway inflation has prompted consumers to shift spending away from clothing and other discretionary items to groceries, hitting sales at apparel retailers and driving up inventories.

That has led companies including Kohl's Corp and Macy's Inc to offer steep discounts ahead of the back-to-school season, a crucial period for retailers.

Nordstrom said it expects fiscal 2022 revenue to rise 5% to 7%, lower than its previous expectation of 6% to 8% growth.

The company forecast fiscal 2022 adjusted profit per share between $2.30 and $2.60, compared with $3.20 to $3.50 previously.

Total revenue rose to $4.10 billion in the second quarter ended July 30, from $3.66 billion a year earlier. Analysts on average were expecting a figure of $3.97 billion, according to Refinitiv data.

Nordstrom's net income rose to $126 million, or 77 cents per share, from $80 million, or 49 cents per share, a year earlier.

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