

RETAIL

Nordstrom ends privatization talks with Nordstrom family

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Exterior of Nordstrom's Seattle flagship store. Image credit: Nordstrom

By STAFF REPORTS

The Nordstrom family's negotiations to buy out the outstanding shares of common stock in Nordstrom, Inc. have been terminated by members of the company's board.

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After failing to reach an agreement on the company's price, a special committee from the group's board of directors has decided to end its discussions with members of the Nordstrom family. In the announcement of its decision to cease privatization talks, the committee noted its optimism for the public retail company going forward.

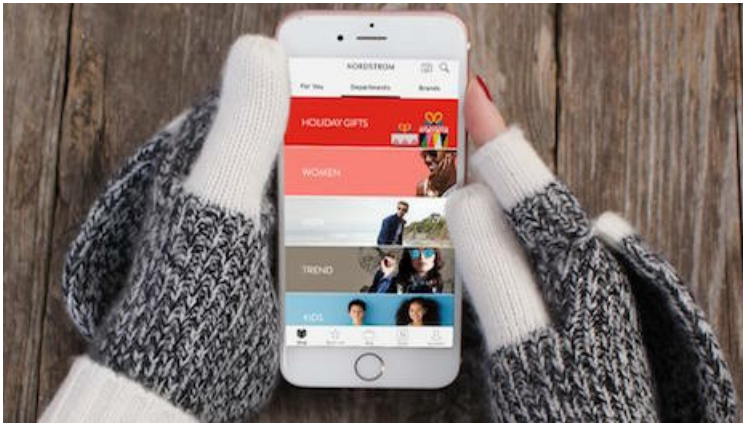
Privatization pursuit

Last June, members of the Nordstrom family announced they were looking into turning the public company private by buying all of Nordstrom's common stock.

The family members involved in the privatization efforts include the company's co-presidents Blake, Peter and Erik Nordstrom, president of stores James Nordstrom, chairman emeritus Bruce Nordstrom and Anne Gittinger.

As of October, the family members reportedly could not get the financing they needed to make a deal, prompting them to suspend their exploration through the end of 2017 ([see story](#)).

In early March, the family members, referred to as "the Group," issued a proposal to the special committee for an acquisition. The offer included a price per share of \$50 for all outstanding shares not owned by the company and 21 percent of shares owned by members of the Group.



Nordstrom focuses on the customer journey with constant investments. Image credit: Nordstrom.

After determining that the price was insufficient, the special committee rejected the offer, warning that if the Group could not improve its price, it would terminate negotiations.

On March 20, the special committee announced that it had failed to reach an agreement with the Group, prompting it to end discussions.

"The special committee believes that Nordstrom is well positioned to capitalize on future opportunities to gain market share through its customer strategy, centered on three strategic pillars: providing a differentiated product offering, delivering exceptional services and experiences and leveraging the strength of its brand," Nordstrom said in a statement. "Nordstrom continues to integrate its digital and physical assets to deliver best-in-class capabilities across supply chain, technology, marketing, product and services to better serve customers on their terms.

"The company is uniquely positioned in the industry and has generated market share gains and industry leading ecommerce penetration fueled by investments in digital capabilities to expand customer reach and engagement," the company said. "The special committee is confident that the company's ability to leverage its digital capabilities and its local market assets of people, product and place will support growth across both its full-price and off-price businesses."