

RETAIL

Nordstrom reports positive growth in third quarter earnings

November 25, 2020



Nordstrom is seeing positive growth amid the global pandemic. Image credit: Nordstrom

By LUXURY DAILY NEWS SERVICE

U.S. department store chain **Nordstrom** reported third quarter results on Nov. 24, which reflected sequential improvement in sales and earnings relative to the prior quarter.

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The global pandemic significantly stunted growth within the fashion and retail industries, forcing many companies to implement new business and marketing strategies. By improving merchandise margin trends and resetting its cost structure, Nordstrom was able to generate earnings of more than \$100M.

"We are thankful for our team's dedication to serving customers in new and differentiated ways," said Pete Nordstrom, president and chief brand officer of Nordstrom, Inc., in a statement. "By working with our vendor partners, we have made quick adjustments to ensure a great holiday offering for our customers.

"We are encouraged by the positive momentum and expect continued progress in the fourth quarter and into 2021," he said.

Recovery in motion

Nordstrom's earnings per share of \$0.34 reflected sequential improvement in sales and profitability.

For the third quarter, net sales decreased 16 percent from last year and included a positive impact of approximately 10 percentage points due to the shift of the Nordstrom Anniversary Sale from the second quarter to the third quarter this year.



The Nordstrom Anniversary Sale was moved to August this year in response to the pandemic. Image credit: Nordstrom

Due to the coronavirus pandemic, Nordstrom moved its Anniversary Sale from July to August. Even with the delay, more than 10,000 items were on sale spanning apparel, accessories, footwear, beauty and homewares.

Luxury labels featured in this year's sale included Gucci, Fendi, Salvatore Ferragamo and Tom Ford. Also, for the first time, early access to the sale was staggered by cardholders' Nordy Club status ([see story](#)).

The company generated positive EBIT of more than \$100 million and operating cash flow of more than \$150 million and digital sales of \$1.6 billion represented 54 percent of business.

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