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Nordstrom braces for luxury sales slowdown, adjusts H2 forecast

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The company is lowering growth expectations due to a number of factors including slowed Nordstrom Rack sales. Image credit: Nordstrom

By LUXURY DAILY NEWS SERVICE

U.S. department store Nordstrom has released its second quarter earnings figures for 2022.

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Though the luxury retailer grew sales by 12 percent to \$3.99 billion this quarter, adjustments made to forecasts for the year's second half further indicate widespread anticipation for global economic turmoil and luxury retail's subsequent slowdown.

"While our quarterly results were consistent with our previous outlook, customer traffic and demand decelerated significantly beginning in late June, predominantly at Nordstrom Rack," said Erik Nordstrom, chief executive officer of **Nordstrom, Inc.**, in a statement.

"We elevated the customer experience and increased engagement during this year's Anniversary Sale, and we're proud of our team's execution and dedication to customers," said Pete Nordstrom, president and chief brand officer of Nordstrom, Inc., in a statement.

"As we look to the second half of the year, we are aggressively right-sizing our inventory while investing in supply chain and merchandising capabilities that will benefit us in 2023 and beyond."

Slip in sales

Nordstrom is lowering growth expectations of 2022 revenue to 5-7 percent, down from its previous 6 - 8 percent outlook.



Nordstrom chief brand officer Erik Nordstrom and CEO Pete Nordstrom. Image credit: Nordstrom

This quarter, Nordstrom managed to exceed second quarter expectations with revenues of \$126 million, up from \$80 million second quarter sales in the year prior.

Major sales boosters for the quarter included the company's well-known Anniversary Sale. Revenue from the event increased by 5 percent.

Men's apparel maintained the strongest quarter as compared to last year's second quarter, while shoes, women's apparel and beauty saw double-digit growth due to a return to occasion dressing, as well as widespread wardrobe updates.

Nordstrom has notably excluded all charges related to a decision to shutter Trunk Club, its subscription clothing service, from its earnings report.

The company reported much different results for Q1. The U.S. department store chain saw sales increase almost 19 percent for earnings of \$20 million in the first quarter, surpassing pre-pandemic sales ([see story](#)).

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