

NORDSTROM

Nordstrom Reports Fourth Quarter 2020 Earnings

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Continued sequential sales improvement across Nordstrom and Nordstrom Rack
Digital sales of approximately \$2 billion represented 54% of business
Positive operating cash flow for third consecutive quarter

SEATTLE, March 2, 2021 /PRNewswire/ -- Nordstrom, Inc. (NYSE: JWN) today reported earnings per diluted share for the fourth quarter ended January 30, 2021 of \$0.21, which reflected an income tax benefit related to the CARES Act. Net sales decreased 20 percent, which improved sequentially by 600 basis points relative to the third quarter, after adjusting for a shift of the Nordstrom Anniversary Sale.

Overall trends improved sequentially throughout the quarter, with continued momentum exiting the year. Fourth quarter sales reflected broad-based improvement across the Nordstrom and Nordstrom Rack brands both in stores and online. Digital represented 54 percent of total sales, compared with 35 percent for the same period last year. Enabled by Nordstrom's market strategy to expand merchandise selection by four times on average with faster delivery, top 10 markets continued to outperform the Company average by 200 basis points.

The Company continued to benefit from strengthening its financial flexibility early in the pandemic, delivering earnings before interest and taxes of \$30 million and operating cash flow of \$88 million in the fourth quarter.

Heading into the holidays, the Company increased its receipt plans but experienced delays in inventory flow, resulting in higher inventory levels exiting the year. Most of the inventory overage reflected current receipts and non-seasonal merchandise. The Company is taking actions to significantly reduce inventory levels in first quarter 2021 and be fully repositioned in the second quarter.

"We're proud of our team's efforts to generate another quarter of improved sales trends and positive operating cash flow in what remains an uncertain environment. Heading into 2021, we're taking steps to improve our inventory position," said Erik Nordstrom, chief executive officer of Nordstrom, Inc.

"Over the quarter, we successfully scaled capabilities across both of our powerful brands —Nordstrom and Nordstrom Rack. As we execute our long-term growth strategy to get closer to our customers than ever before, we're confident in our ability to unlock the full potential of our digital-first platform to gain market share and drive profitable growth."

The direct link to the Company's fourth quarter earnings press release is [here](#). Complete quarterly financial results can be found in the investor relations section of Nordstrom's website at investor.nordstrom.com/financial-information/quarterly-results.

CONFERENCE CALL INFORMATION

The Company's senior management will host a conference call to provide a business update and to discuss fourth quarter 2020 financial results and fiscal 2021 outlook at 4:45 p.m. Eastern Standard Time today. To listen to the live call online and view the speakers' prepared remarks and the conference call slides, visit the Investor Relations section of the Company's corporate website at <http://investor.nordstrom.com>. An archived webcast with the speakers' prepared remarks and the conference call slides will be available in the Quarterly Results section for one year. Interested parties may also dial 201-689-8354. A telephone replay will be available beginning approximately three hours after the conclusion of the call by dialing 877-660-6853 or 201-612-7415 and entering Conference ID 13716161, until the close of business on March 9, 2021.

ABOUT NORDSTROM

Nordstrom, Inc. is a leading fashion retailer based in the U.S. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 358 stores in the U.S. and Canada, including 100 Nordstrom stores; 249 Nordstrom Rack stores; two clearance stores; and seven Nordstrom Local service hubs. Additionally, customers are served online through Nordstrom.com, Nordstrom.ca, Nordstromrack.com, Hautelook.com and TrunkClub.com. Nordstrom, Inc.'s common stock is publicly traded on the NYSE under the symbol JWN.

Certain statements in this press release contain or may suggest "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainties that could cause results to be materially different from expectations. The words "will," "may," "designed to," "outlook," "believes," "should," "targets," "anticipates," "assumptions," "plans," "expects" or "expectations," "intends," "estimates," "forecasts," "guidance" and similar expressions identify certain of these forward-looking statements. The Company also may provide forward-looking statements in oral statements or other written materials released to the public. All statements contained or incorporated in this press release or in any other public statements that address such future events or expectations are forward-looking statements. Important factors that could cause actual results to differ materially from these forward-looking statements are detailed in the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2020, its Form 10-Qs for the fiscal quarters ended May 2, 2020, August 1, 2020 and October 31, 2020, and our Form 10-K for the fiscal year ended January 30, 2021, to be filed with the SEC on or about March 15, 2021. These forward-looking statements are not guarantees of future performance and speak only as of the date made, and, except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

INVESTOR CONTACT: Trina Schurman
Nordstrom, Inc.
Invrelations@Nordstrom.com

MEDIA CONTACT: Gigi Ganatra Duff
Nordstrom, Inc.
NordstromPR@Nordstrom.com

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