Nordstrom reportedly to spinoff off-price business

By Jennifer Braun - December 21, 2021

Nordstrom has reportedly hired consulting firm AlixPartners to explore a spinoff of its off-price Rack business.

According to reports, Nordstrom is positioned to be the next retailer in the department-store sector to explore the separation of its traditional retail stores.

AlixPartners is well-known for its work with Saks Fifth Avenue where it helped to spin off its e-commerce business, earlier this year. Now, Saks.com is reportedly preparing for an initial public offering in 2022. Most recently, AlixPartners also teamed up with Macy’s to explore growth opportunities.

The Seattle-based company has been feeling the impacts of supply chain shortages, in particular Nordstrom Rack off-price stores, which have experienced shortages of inventory in its women’s categories.
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"We have not responded as quickly and as aggressively as we needed to, with Rack in particular... we've been significantly under inventory plans all year," Nordstrom said on a call with analysts, in November.

The company said third-quarter net sales at Nordstrom Rack stores fell 8 percent from 2019 levels.

Meanwhile, the company maintained its annual revenue growth forecast of more than 35 percent and posted a quarterly profit of $64 million, or 39 cents per share.

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