

NORDSTROM INC
Form 10-Q
June 07, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 5, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-15059

NORDSTROM, INC.

(Exact name of registrant as specified in its charter)

Washington 91-0515058
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1617 Sixth Avenue, Seattle, Washington 98101
(Address of principal executive offices) (Zip Code)
206-628-2111

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES " NO þ

Common stock outstanding as of May 30, 2018: 167,388,443 shares

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

NORDSTROM, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Amounts in millions except per share amounts)

(Unaudited)

	Quarter Ended	
	May 5,	April 29,
	2018	2017
Net sales	\$3,469	\$3,279
Credit card revenues, net	92	75
Total revenues	3,561	3,354
Cost of sales and related buying and occupancy costs	(2,288)	(2,155)
Selling, general and administrative expenses	(1,120)	(1,048)
Earnings before interest and income taxes	153	151
Interest expense, net	(28)	(48)
Earnings before income taxes	125	103
Income tax expense	(38)	(40)
Net earnings	\$87	\$63
Earnings per share:		
Basic	\$0.52	\$0.38
Diluted	\$0.51	\$0.37

Weighted-average shares outstanding:

Basic	167.8	167.3
Diluted	170.2	169.1

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Amounts in millions)

(Unaudited)

	Quarter Ended	
	May 5,	April 29,
	2018	2017
Net earnings	\$87	\$63
Foreign currency translation adjustment	(11)	(12)
Post retirement plan adjustments, net of tax	1	1
Cumulative effect of adopting accounting standard	(5)	—
Comprehensive net earnings	\$72	\$52

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

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NORDSTROM, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Amounts in millions)
 (Unaudited)

	May 5, 2018	February 3, 2018	April 29, 2017
Assets			
Current assets:			
Cash and cash equivalents	\$966	\$1,181	\$653
Accounts receivable, net	186	145	209
Merchandise inventories	2,120	2,027	2,160
Prepaid expenses and other	291	150	147
Total current assets	3,563	3,503	3,169
Land, property and equipment (net of accumulated depreciation of \$6,227, \$6,105 and \$5,742)	3,887	3,939	3,872
Goodwill	249	238	238
Other assets	317	435	492
Total assets	\$8,016	\$8,115	\$7,771
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$1,575	\$1,409	\$1,590
Accrued salaries, wages and related benefits	317	578	319
Other current liabilities	1,307	1,246	1,225