

QUICK TAKE

Weekly Store Openings and Closures Tracker #15: Sears Closing 43 More Stores

Deborah Weinswig

Managing Director Fung Global Retail & Technology deborahweinswig@fung1937.com US: 917.655.6790 HK: 852.6119.1779 CN: 86.186.1420.3016 Fung Global Retail & Technology tracks store openings and closures for a select group of US retailers.

- 1) We forecast that announced store closures will total 9,452 by the end of 2017, exceeding the 6,164 stores closed in 2008. The 5,381 announced store closures year-to-date is tracking at 57% of our full-year forecast. The forecast for 2017 also represents a year-over-year increase of 361%.
- 2) This week, department store **Sears Holdings** has announced the closure of an additional 43 stores.
- 3) Children's retailer **Gymboree** has finalized the number of stores it will close at 350 amid its Chapter 11 filing.
- 4) Apparel retailer **Abercrombie & Fitch** has ended all talks with potential buyers.
- 5) Year-to-date 2017, the number of store closure announcements has increased 162% year over year, bringing the total number of stores to be closed to 5,381, with more to surely follow.

2017 Store Openings and Closures

What Is Happening This Week?

Sears announced a new round of closures, with 43 additional stores affected. This brings the total number of Sears stores to be closed in 2017 to 289. Meanwhile, Gymboree has finalized the number of stores it will close at 350, after filing for bankruptcy in an attempt to restructure its business. Finally, troubled apparel retailer Abercrombie & Fitch has given up on talks with several parties over a possible acquisition, raising questions about the company's future.

Sears Closing 43 More Stores

This week, Sears Holdings announced the closure of an additional 43 stores. A total of eight Sears and 35 Kmart stores are set to be closed by early October, on top of the previous 246 stores closures announced earlier in the year. The additional closures now bring the closure total to 289 stores, mirroring the difficulties Sears is having in turning around its business. These closed locations mostly belong to large-format and less competitive stores. The company expects to focus on small-format stores and specialized concept stores going forward.

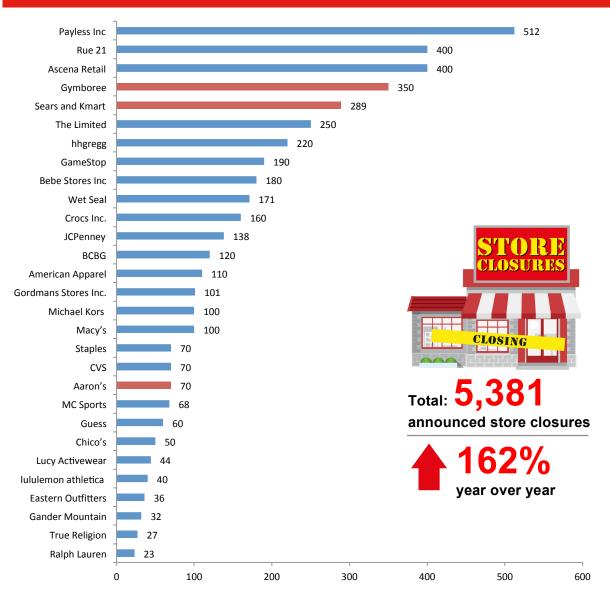
Gymboree Finalizes Store Closures at 350

Gymboree has now finalized the number of stores it will close in relation to its bankruptcy filing. The company will close 350 stores—mainly across the Gymboree and Crazy 8 brands—under the restructuring plan to rationalize its retail footprint. The company initially planned to close 450 stores under its Chapter 11 filing. The retailer currently operates a total of 1,232 stores in the US under the Gymboree, Crazy 8 and Janie and Jack brands.

Abercrombie & Fitch Halts Sale Talks

Abercrombie & Fitch has now called off its attempt to seek a sale of itself. The company said its board of directors has ended talks with several parties over a possible acquisition, amid an urgent need to turn around its business. The failure to find a buyer has raised questions about the future of the apparel retailer. We first reported that Abercrombie intended to seek a potential suitor in our Weekly Store Openings and Closures Tracker #7 dated May 12.

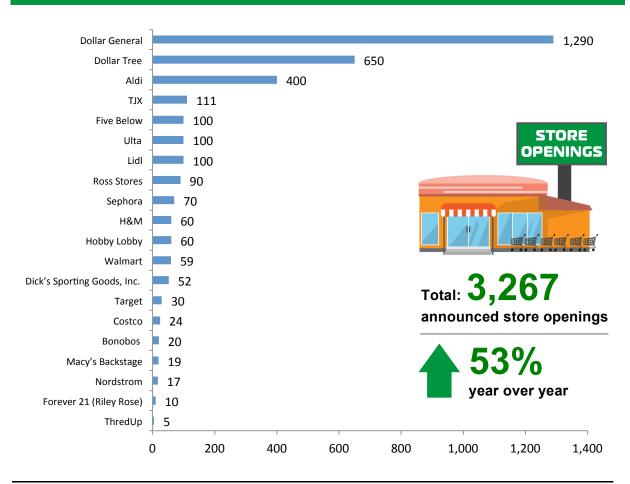
Year-to-Date 2017 Major US Store Closure Announcements



Gymboree announced it would be closing 350–450 stores. **Ralph Lauren's** store closing number was part of the 50-store closure plan announced in June 2016. **Payless** will close an additional 296 stores if negotiations with landlords are unsuccessful. **Ascena** will close between 268 and 667 stores by July 2019, depending on negotiations with landlords.

Source: Company reports/Fung Global Retail & Technology

Year-to-Date 2017 Major US Store Opening Announcements

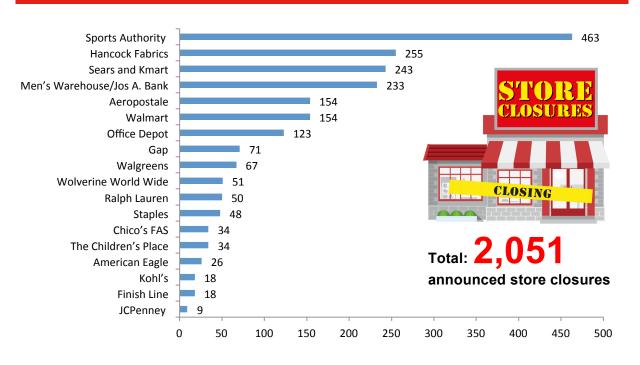


Aldi will complete a 400-store expansion by the end of 2018. Walmart's target of 59 stores includes new, expanded and relocated stores. Target is only opening stores in small format. Macy's Backstage will be opened within existing full-line Macy's stores.

Source: Company reports/Fung Global Retail & Technology

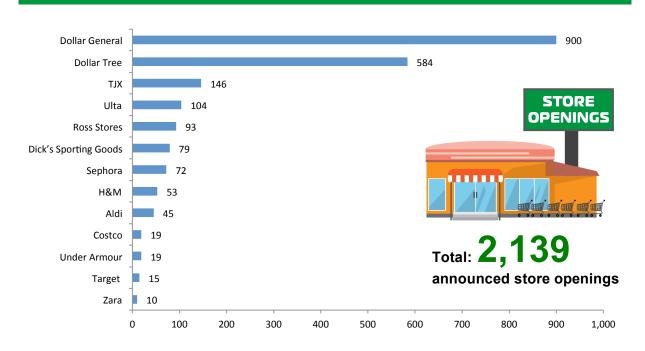
2016 Store Openings and Closures

2016 Major US Store Closures



Source: Company reports/Fung Global Retail & Technology

2016 Major US Store Openings



Source: Company reports/Fung Global Retail & Technology

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