



QUICK TAKE

Weekly Store Openings and Closures Tracker #2

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The Fung Global Retail & Technology team tracks store openings and closures for a select group of US retailers

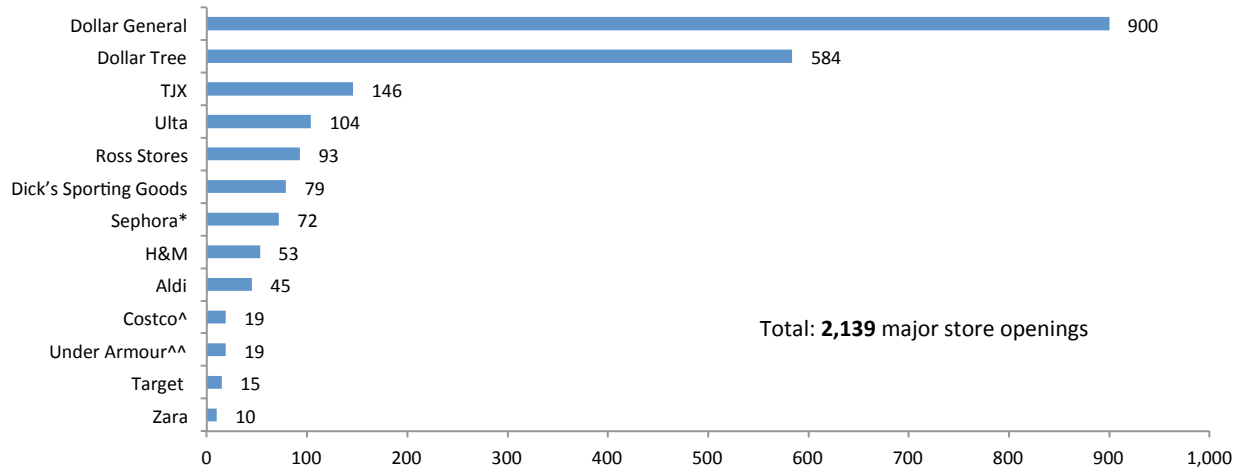
- 1) In the past week, none of the retailers we track announced store openings. Overall, retailers that are expanding their store footprint are: value concepts such as fast fashion, discount and off-price, and the beauty and sportswear (athleisure) specialty retailers.
- 2) In the past week, Payless filed for bankruptcy and announced it will close 400 stores. Separately, Rue21 is reportedly preparing to file for bankruptcy. Overall, those retailers that have announced store closures are primarily department stores and specialty retailers. Both segments are under tremendous pressure due to slower foot traffic and competition from e-commerce.
- 3) Overall, store closing activity exceeds that of store openings, reflecting a worsening retail environment.

Store Openings

Among the retailers we track, no store opening announcements were made during the past week.

Value-driven retail concepts such as discount and fast fashion have been aggressive in expanding their store footprint, despite the difficult retail environment. Categories such as beauty and athleisure are outperforming the market, which is evident in their footprint expansion over the past 15 months.

Figure 1. 2016 Major US Store Openings



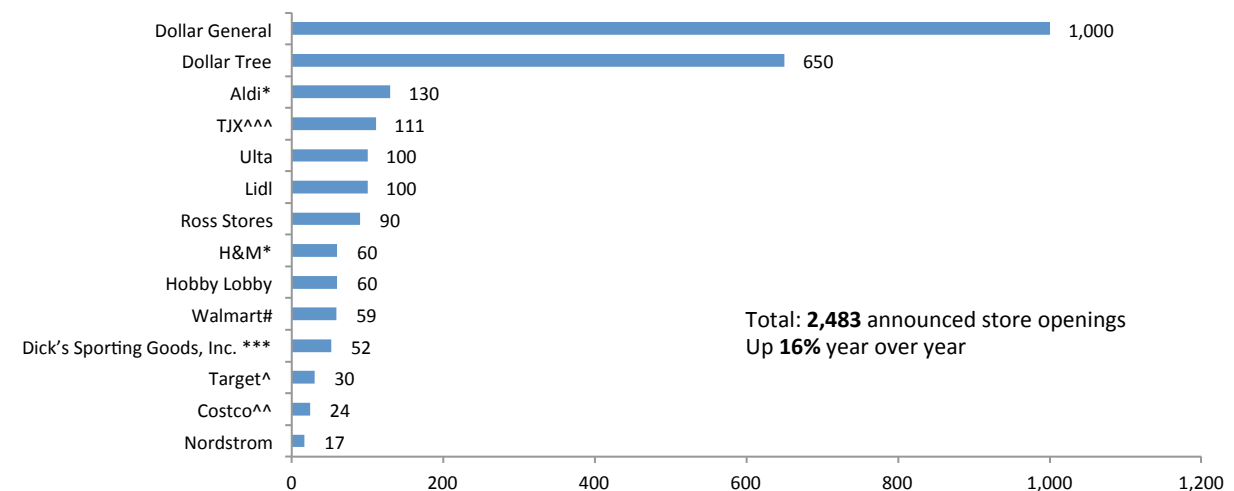
^ Adjusted from fiscal year figures

^^ Net number of stores in North America

* Net store number between December 2015 and March 2017. Includes 55 new stores in JCPenney and 17 standalone Sephora stores

Source: Company reports/Fung Global Retail & Technology

Figure 2. Year-to-Date 2017 Major US Store Opening Announcements



* Fung Global Retail & Technology estimates

*** 43 Dick's Sporting Goods stores and 9 Golf Galaxy stores

^ All new openings are small-format stores

^^ Adjusted to calendar year from fiscal year reporting

^^^ Net store openings

Includes new, expanded and relocated stores

Source: Company reports/Fung Global Retail & Technology

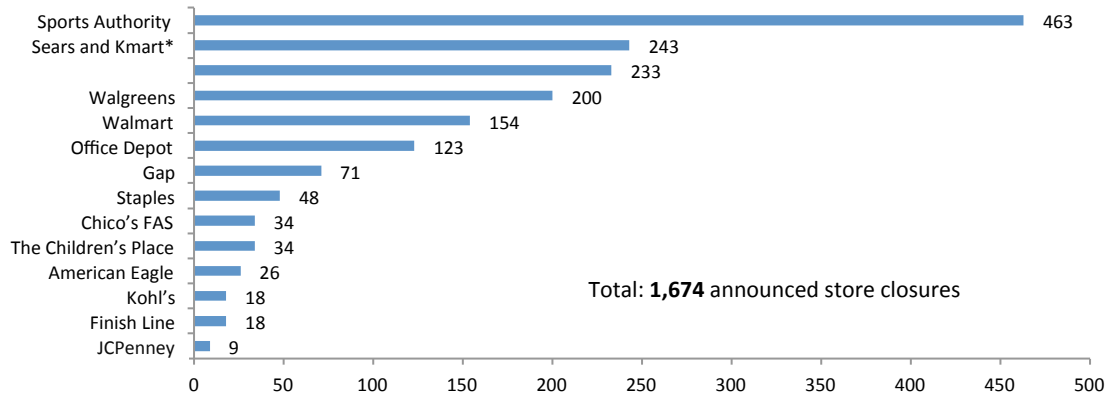
Store Closings

Among the retailers we track, [Payless ShoeSource filed for bankruptcy](#) this week and will close 400 stores. We have adjusted our 500-store closure estimate to reflect the official announcement. Separately, Rue21 is reported to be preparing for a bankruptcy filing, according to Bloomberg.

Men

The majority of retailers that have been closing stores fall within the department store and specialty retail categories. Primary reasons include: 1) declining mall traffic; 2) reconfiguration of store networks as retailers shift online; and 3) cutting losses from unprofitable stores.

Figure 3. 2016 Major US Store Closings



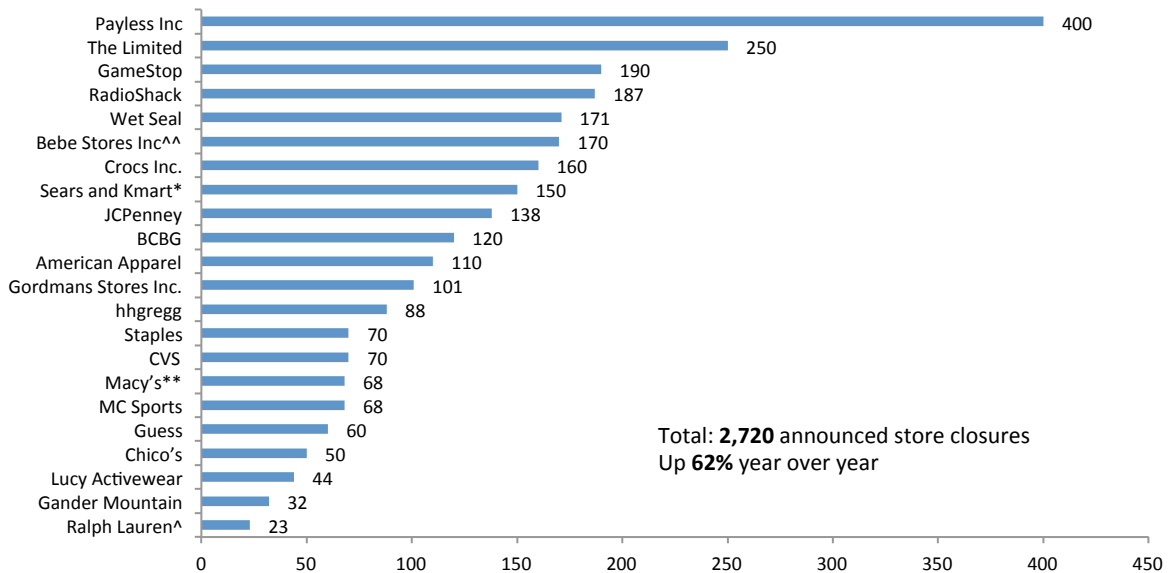
[^] Fortune estimates around 400–500 stores will be closed

* Closing 206 Kmart and 37 Sears stores

** Part of 100-store closure announcement made in 2016

Source: Company reports/Fung Global Retail & Technology

Figure 4. Year-to-Date 2017 Major US Store Closing Announcements



* Closing 108 Kmart and 42 Sears stores

** Part of 100-store closure announcement made in 2016

[^] Closing remaining stores included in the 50-store closure plan announced in June 2016

^{^^} Reported by Bloomberg. Company's recent 8-K filing revealed commitment to close 21 stores

Source: Company reports/Fung Global Retail & Technology



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