



QUICK TAKE

Weekly Store Openings and Closures Tracker #5: Bebe Closing All Stores While Sephora Opening 70 More

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Fung Global Retail & Technology tracks store openings and closings for a select group of US retailers.

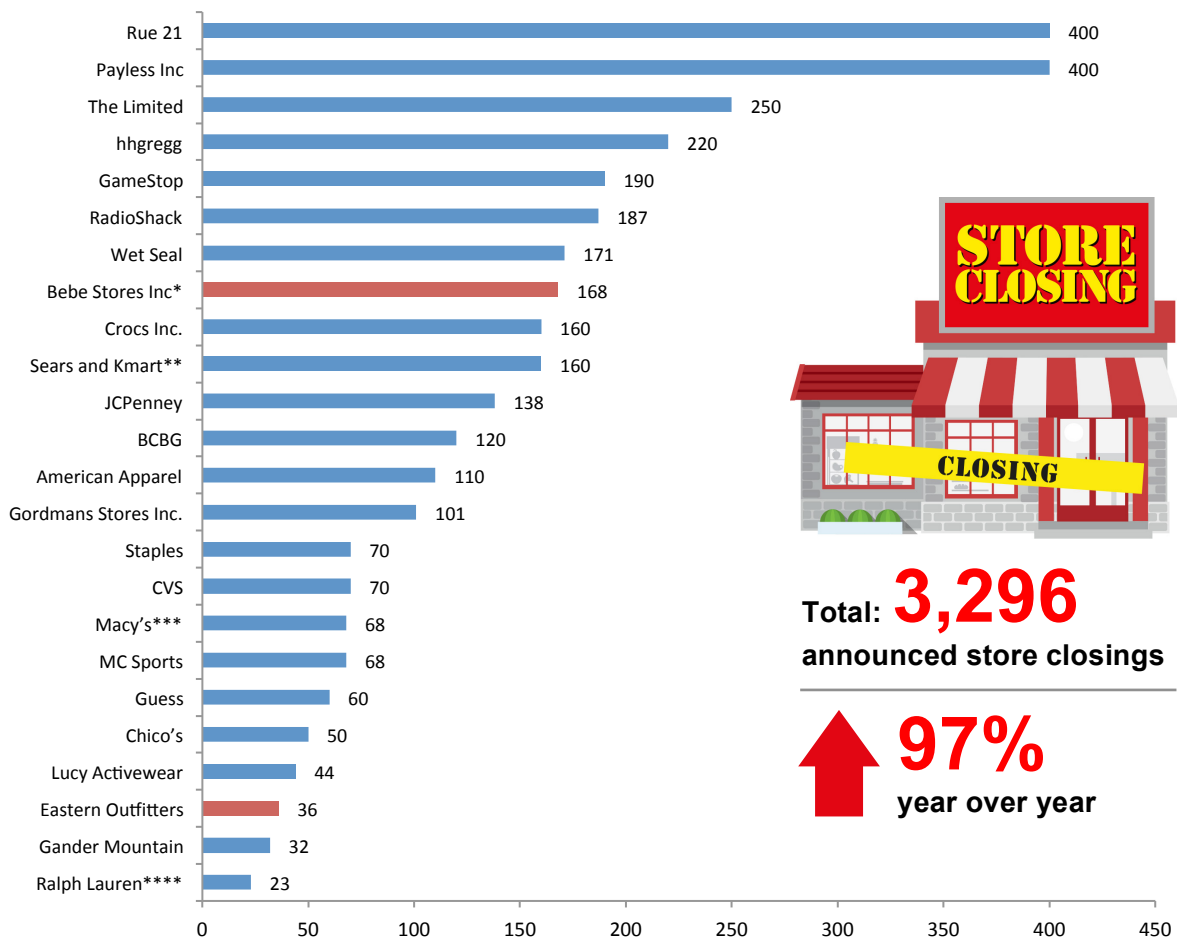
- 1) Among the retailers we track, Sephora announced plans this past week to open 70 new store-in-stores in JCPenney, bringing the total to 650 by the end of the year.
- 2) We confirmed that Bebe Store Inc. will be closing all of its 168 stores. Also, the fashion brand Jimmy Choo has put itself up for sale. To wrap up the week, UK retailer Sports Direct International plc purchased the bankrupted Eastern Outfitters for \$101 million in cash.
- 3) On a year-to-date basis, closings have been announced for 3,296 stores for 2017, almost twice as many as the same period last year and more than the average in the past ten years.

2017 Store Openings and Closings

During this past week, we revised the number of stores that Bebe Stores Inc. intends to close to 168 from 170, which represents its entire store fleet. The retailer previously announced that they were committed to closing 21 stores and are now reported to be closing all. In addition, fashion brand Jimmy Choo has put itself up for sale. It has begun the process of searching for a buyer, but has yet to receive an offer. Jimmy Choo has 38 directly owned stores in the US, which represent about 25% of the total number of its stores. Finally, pursuant to Eastern Outfitters’ potential deal with Sports Direct International plc which we reported on in [Tracker #3](#), we have confirmed that the UK retailer has acquired the beleaguered Eastern Outfitters for \$101 million in cash. The deal will include around 50 Bob’s Stores and Eastern Mountain Sports stores that remained after an earlier round of closures. We have adjusted the number of store closings for Eastern Outfitters accordingly.

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.

Year-to-Date 2017 Major US Store Closing Announcements

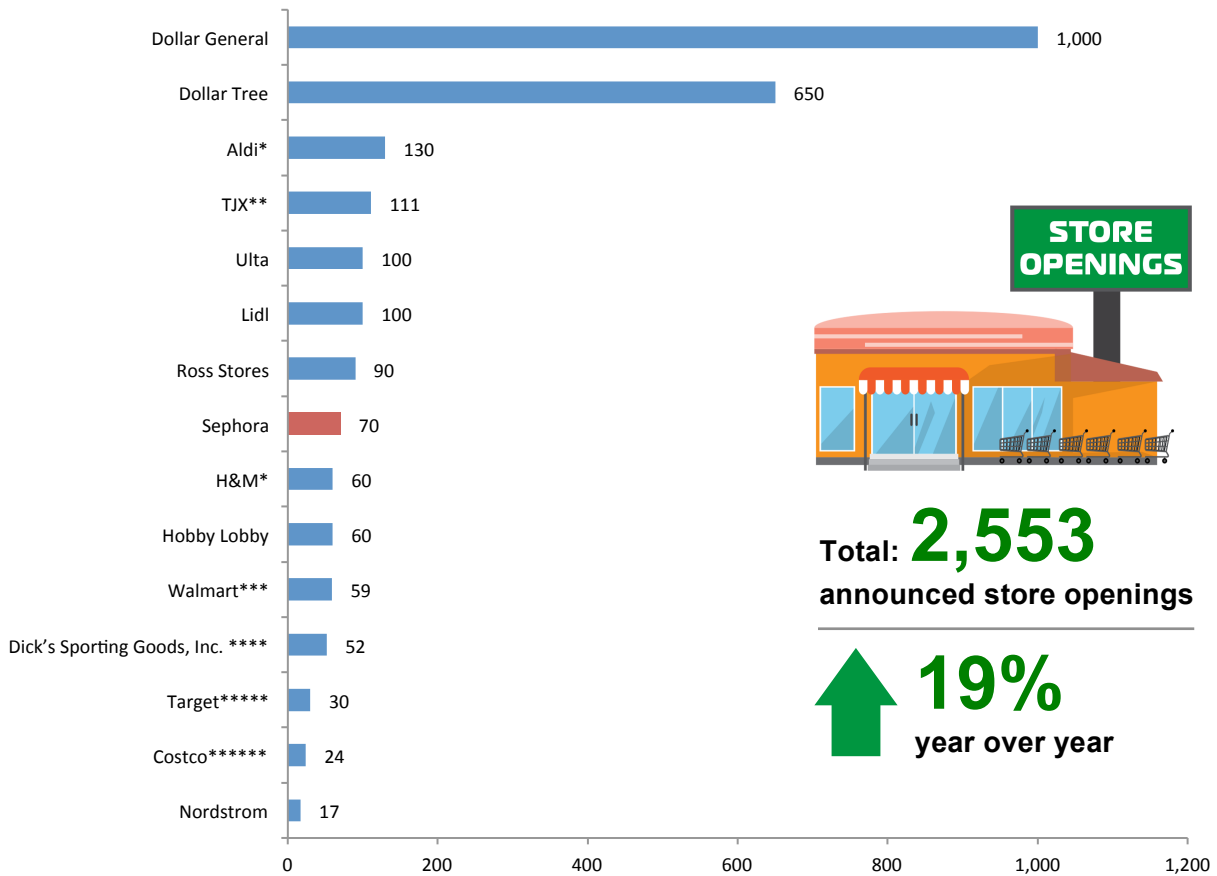


* Closing all 134 retail stores and 34 outlet stores
 ** Closing 115 Kmart and 45 Sears stores
 *** Part of 100-store closure announcement made in 2016
 **** Closing remaining stores included in the 50-store closure plan announced in June 2016
 Source: Company reports/Fung Global Retail & Technology

Among the retailers we track, Sephora announced plans to extend its store-in-store footprint within JCPenney by opening 70 new locations, bringing the total count of Sephora shops in JCPenney to 650 by the end of the year. Sephora remains confident with its physical footprint and the competitive advantage its stores offer by providing consumers with a comprehensive beauty experience.

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.

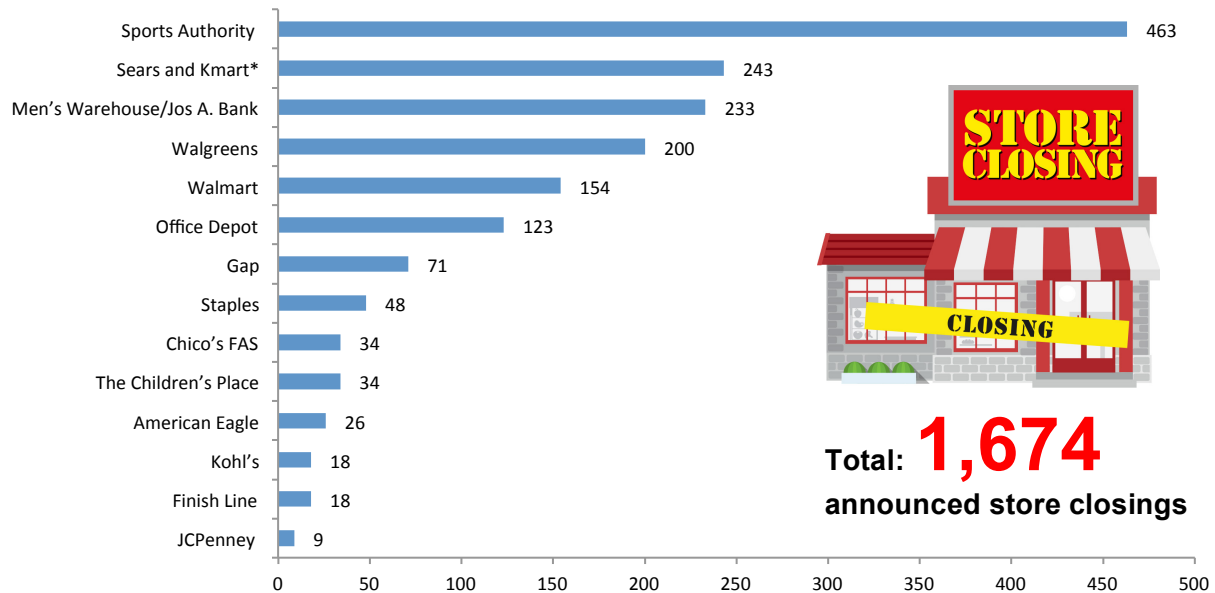
Year-to-Date 2017 Major US Store Opening Announcements



* Fung Global Retail & Technology estimates
 ** Net store openings
 *** Includes new, expanded and relocated stores
 **** 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
 Source: Company reports/Fung Global Retail & Technology

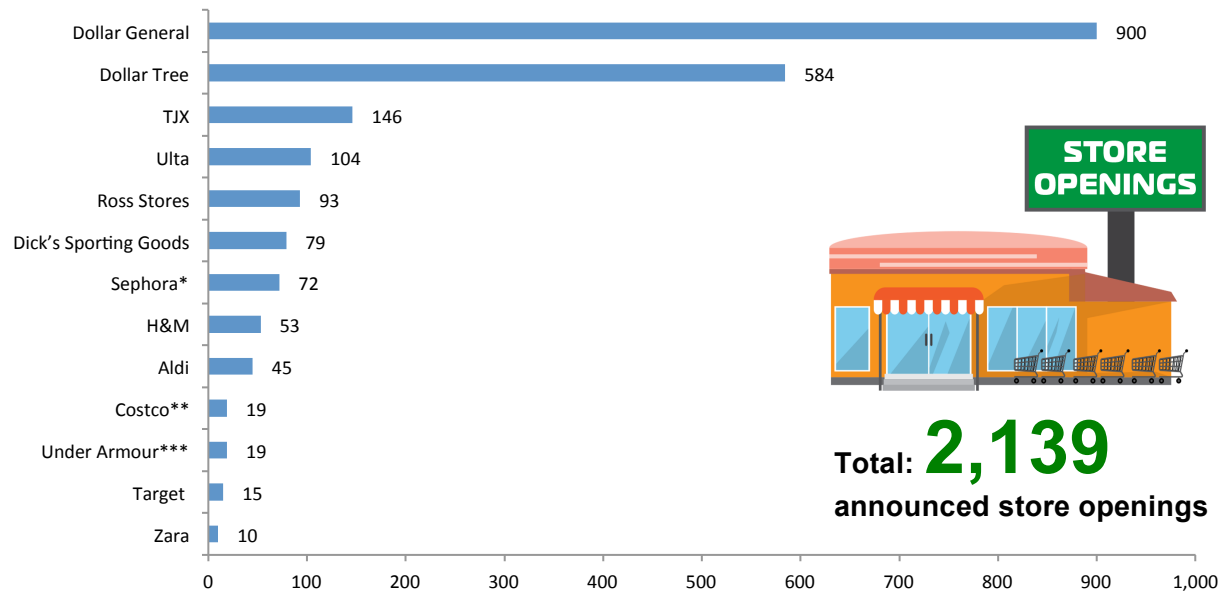
2016 Store Openings and Closings

2016 Major US Store Closings



* Closing 206 Kmart and 37 Sears stores
 Source: Company reports/Fung Global Retail & Technology

2016 Major US Store Openings



* Net store number between December 2015 and March 2017. Includes 55 new stores in JCPenney and 17 standalone Sephora stores
 ** Adjusted from fiscal year figures
 *** Net number of stores in North America
 Source: Company reports/Fung Global Retail & Technology



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