



QUICK TAKE

**Weekly Store
Openings and
Closures Tracker**

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The Fung Global Retail & Technology team tracks store openings and closures for a select group of US retailers. Based on 2016 and 2017 year-to-date activity and announcements, we believe that:

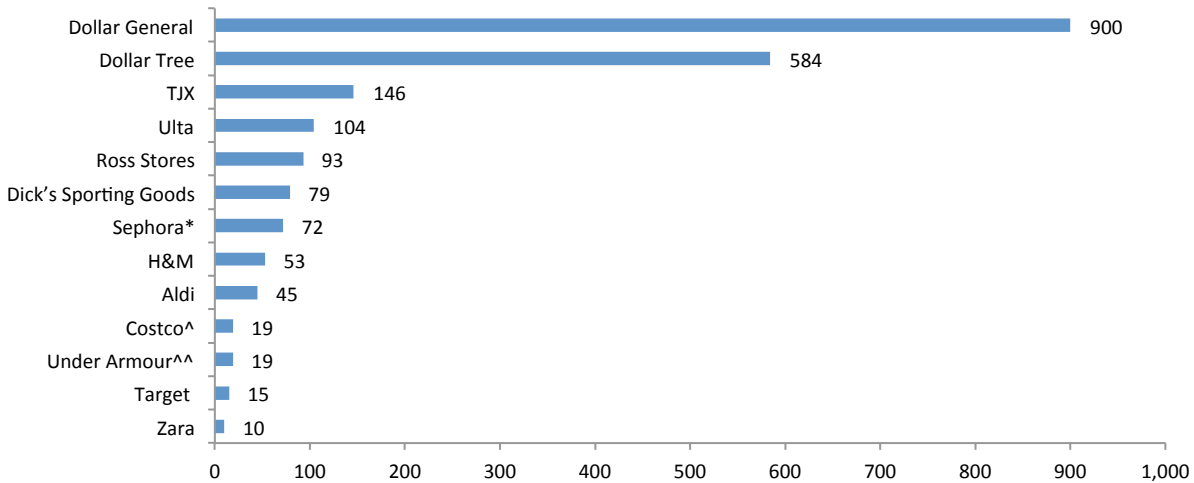
- 1) **Store closing activity far exceeds that of store openings**, which reflects a worsening retail environment. There is a significant divide among the outperformers who are opening stores, and the underperformers who are closing stores—some are due to bankruptcies and others to stem losses.
- 2) **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.
- 3) **Retailers that are pulling back their store fleets** include department stores and specialty retailers with significant exposure to shopping malls. Both are under tremendous pressure due to slower foot traffic and competition from e-commerce. Many are closing stores and consolidating their physical presences, and others end up seeking bankruptcy protection.



Store Openings

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.

Figure 1. 2016 Major US Store Openings



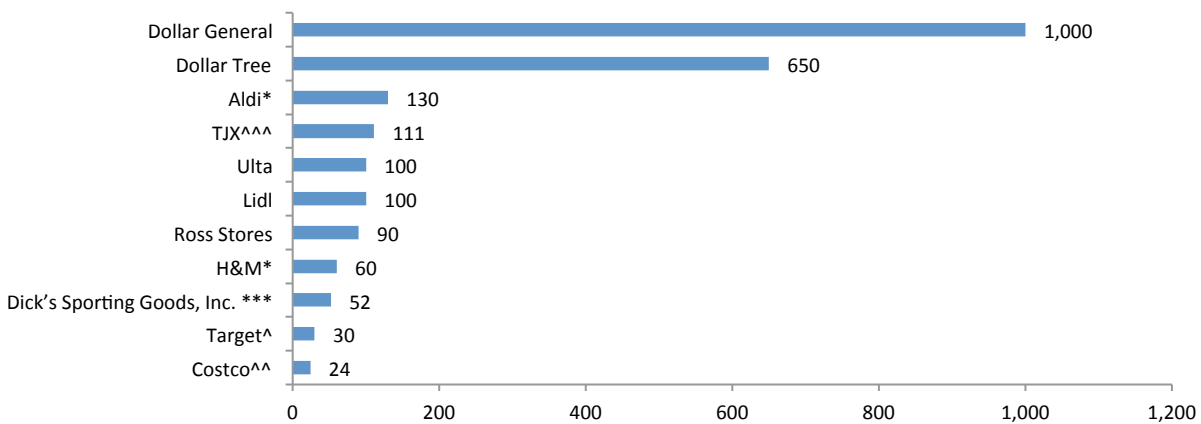
^ Adjusted from fiscal year figures

^^ 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 Openings



* 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

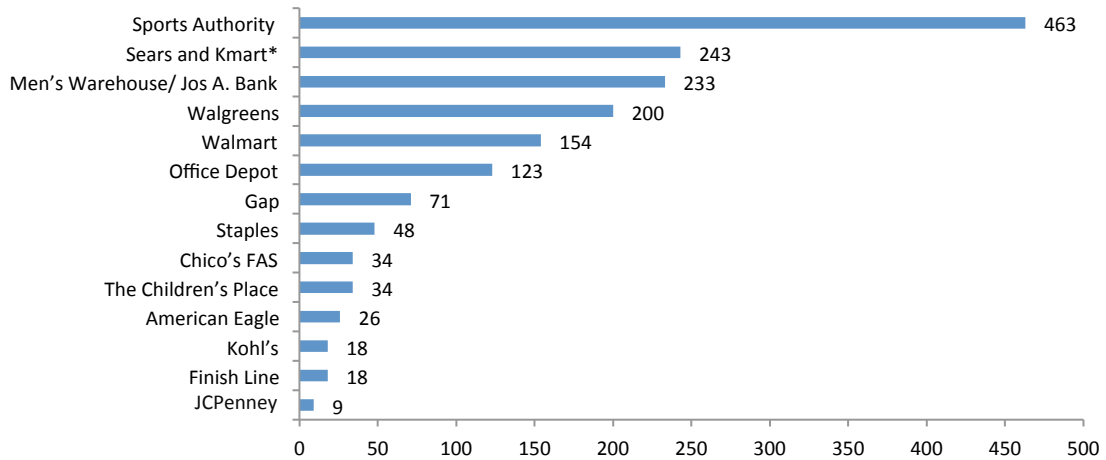
^^^ Net store openings

Source: Company reports/Fung Global Retail & Technology

Store Closings

The majority of retailers that have been closing stores fall within the department store and specialty retail category. Primary reasons include: 1) dwindling mall traffic; 2) reconfiguration of store networks as retailers shift online; 3) cutting losses from unprofitable stores; and 4) reallocation of resources to profitable stores and digital initiatives.

Figure 3. 2016 Major US Store Closings



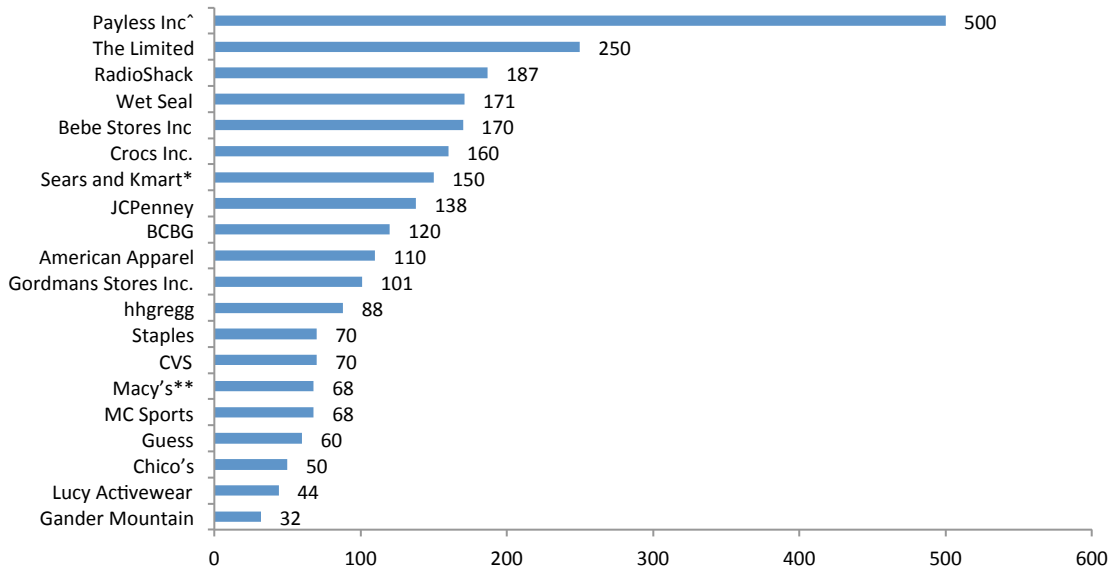
[^] Fortune estimates around 400–500 stores will be closed

* Closing 108 Kmart and 42 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 & 42 Sears stores

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

[^] Fortune estimated around 400-500 stores will be closed

Source: Company reports/Fung Global Retail & Technology



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