

## **Macy's, Sears Announce Store Closures**

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Source: National Jeweler

New York--The challenging retail environment continues to take its toll on two major department store chains.

After announcing in August that it would shutter 14 percent of its full-line stores in 2017, Macy's Inc. has revealed which stores have been, or will, be shut down.

The Cincinnati-based company announced Wednesday the locations of 68 of the stores that will close, three of which have shut down already, with 63 more to follow in early spring and two more in mid-2017.

The full list of store closings and future openings can be found on the Macy's investor relations site.

As a result of the closing of 63 Macy's stores early this year, along with the three that closed in 2016, the company said its sales are expected to be negatively impacted by approximately \$575 million.

It also estimates that about 3,900 employees will lose their jobs as a result of the closures.

Macy's struggled during the holiday season, reporting a 2 percent decrease in comparable store sales on an owned-plus-licensed basis for November and December combined, though the retailer did note a strong performance from fine jewelry during the season.

The store closings, along with a restructuring plan and the sale of some of its properties, come in response to the retailer's lagging sales.

Macy's said it believes these actions could generate annual expense savings of about \$550 million beginning in 2017, allowing it to invest an additional \$250 million in growing its digital business, store-related growth strategies and other aspects of its business like its off-price division Backstage, the Bluemercury specialty beauty stores and growth in China.

In fact, the retailer said it plans to open about 50 new Backstage shops inside existing Macy's stores as well as 50 Bluemercury stores.

Meanwhile, Sears Holdings Corp. also said it would close more stores amid "a challenging retail environment" and increasing losses.

In a press release issued Thursday, the retailer announced the closure of 150 non-profitable stores, 108 Kmart and 42 Sears stores.

That full list of exactly what stores are closing can be found on [SearsHoldings.com](http://SearsHoldings.com).

The company also reported challenging fourth quarter sales, with same-store sales at Sears and Kmart for the first two months of the period down between 12 and 13 percent.

In a sign of the times, Sears also is selling its iconic Craftsman line of tools for about \$900 million to Stanley Black & Decker and has entered into a \$500 million committed secured loan facility with Seritage.