

RETAIL

HBC sells European business, recommits to Saks, Hudson's Bay

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HBC will be focusing on its North American businesses, including Saks Fifth Avenue. Image credit: Saks Fifth Avenue

By STAFF REPORTS

Retail group Hudson's Bay Company has sold its remaining stakes in its European real estate and retail joint ventures as it focuses on its core businesses in North America.

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The sale was completed to partner Signa Retail for approximately 1.5 billion Canadian dollars, or \$1.1 billion at current exchange. As a result, HBC has repaid a loan and strengthened its balance sheet.

Refocusing retail

With the proceeds of the sale, HBC permanently repaid an outstanding loan to the tune of \$429 million.

The retail group also assumed full ownership of its Netherlands retail business and rent obligations.

Fifteen Hudson's Bay stores in the Netherlands, as well as its Dutch Web site and headquarters, will close by Dec. 31 of this year. HBC's Netherlands management has reached an agreement with local unions to offer solutions for employees impacted by the closure.



15 Hudson's Bay stores will be closing in Europe. Image credit: Hudson's Bay

HBC reported a 19 percent year-over-year increase in digital sales for the second quarter of 2019 as it continues to focus on Saks Fifth Avenue and Hudson's Bay.

For the quarter ended Aug. 3, HBC's revenues totaled 1.9 billion Canadian dollars, or \$1.4 billion. Now free to concentrate on Saks and Hudson's Bay after the sale of Lord & Taylor, the retail group's revenues were propelled by online growth as overall comparable sales dipped 0.4 percent ([see story](#)).

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