



Loblaw Companies Limited Closes the Last Joe Fresh Store in the U.S.

Description

Joe Fresh, the iconic clothing brand from **Loblaw Companies Limited** ([TSX:L](#)), has finally closed the last remaining U.S. store, a flagship store situated in the trendy SOHO area of New York City.

This follows last year's shuttering of all of the other locations in New York, including stores on 34th Street, Madison Ave, and two stores along Fifth Avenue.

This adds Joe Fresh to list of Canadian retailers that failed to establish roots in the super-competitive American market, including Mark's Work Wearhouse, Le Chateau, and Tilley Endurables to name just a few.

What does this mean for the Joe Fresh brand?

Joe fresh is still an incredibly popular brand in Canada and still has an international presence in several other countries. Over the past two years, the company has opened a number of locations in Egypt, Saudi Arabia, and South Korea through various global partnerships.

In addition to the locations in Manhattan, Joe Fresh had a U.S. presence through a deal that saw Joe Fresh stores set up within J.C. Penney stores across the country. Back in 2013, Joe Fresh apparel was sold in 683 **J.C. Penney** stores; over the course of the next few years, this number dwindled down to just 200.

Further expansion into both Mexico and the Philippines form part of the plan by the company to have 140 stores across 23 countries in the next two years. The first location in the Philippines opened earlier this month in Manila with a second planned for August of this year.

Joe Fresh is a small part of the Loblaw machine and will continue to grow

Joe Fresh makes up a small part of the Loblaw portfolio. In Canada, Joe Fresh has 14 dedicated stores as well as placements in over 350 Loblaw stores. Loblaw is the largest food and pharmacy provider in the country and continues to impress investors with results.

In the most recent quarter, Loblaw posted adjusted earnings per share of \$0.82, an increase over \$0.72 posted in the same quarter last year. Revenue came in at \$10.38 billion for the quarter, an increase over the \$9.45 billion posted for the same quarter last year. Adjusted net income came in at \$338 million—a strong 12.3% increase over last year.

The company currently trades at \$70.13, edging closer to the 52-week high of \$74.59. Year-to-date, Loblaw is up by a respectable 7.3%, and this figure increases to 9% when viewed over the course of a full 12-month period. Long-term investors will take note of the impressive 74% increase in price over the past five years.

Loblaw's quarterly dividend is currently set to \$0.26 per share, giving the stock a yield of 1.48%. While it's not the greatest yield on the market, the income is helpful, and the company is likely to continue the trend of the past few years and could increase it this year.

While the Joe Fresh brand may have closed doors to the U.S. market for now, international expansion remains a key part of the company's strategy, so we may soon see more Loblaw products on the shelves of U.S. stores.

In my opinion, Loblaw remains an excellent investment opportunity for those investors seeking long-term growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)

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Date

2025/08/01

Date Created

2016/06/10

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