



## Gap mulling exit strategy

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Gap's store in Shanghai.

Apparel retailer Gap is weighing options that include a potential sale for its China business, Bloomberg reported, citing insiders.

The US clothing retailer is working with Morgan Stanley to study options and has reached out to prospective suitors to gauge interest for the business, said the people, who asked not to be identified as the information is private.

Deliberations are at an early stage and the company could decide to keep the operation, the people said. Representatives for Gap and Morgan Stanley declined to comment.

Shares of Gap rose 5.8 percent to close at US\$28.88 (HK\$225.26) each in the United States, their highest level since March 2019.

The San Francisco-based firm, which owns Banana Republic and its namesake Gap brands, entered China in 2010. Apart from its brick-and-mortar stores, Gap's products are also available on Alibaba (9988)'s Tmall online shopping platform. Gap last year pulled its Old Navy brand out of China after scrapping a plan to list the brand as a standalone public company.

Gap last week posted fourth-quarter sales that missed estimates as the impact of the pandemic continued to hurt its performance. It said it is starting a strategic review of options for its business in Europe, including possible closure of company-operated stores in the UK, France, Ireland and Italy in the second quarter.