



Evergreen Trading

RETAIL BLOG

Your Closing Stores Are a Cost Event. They Don't Have to Be.

Excess inventory, fixtures, equipment, and real estate can represent recoverable value. Value that can be redirected into premium media against an existing plan.

I've worked with retailers through excess inventory situations, store closures, and other asset challenges for years. One thing I've learned is that the decision to close a location usually gets far more scrutiny than the decision about what happens to the assets inside it (and the property itself).

A closing store can hold weeks of stock across thousands of SKUs, all of it needing to be gone by a fixed date. The default answer is often a closing-store sale, discount until it clears. Fast and potentially expensive in ways that are easy to underestimate.





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The mandate is closing, not recovery

A closure team is measured by closing cleanly, on schedule, on budget, and without dispute. Inventory recovery is a line item inside that mandate, so it gets handled with the tool closest at hand, a discount. And accounting has already framed the answer. By the time the assets are available they have been impaired or written off, and nobody disposing of them has reason to question that calculus.

A write-down is not a market test

An impairment charge is an accounting judgment about carrying value and recoverability, it is not a determination of what a third party would pay for the asset. A lease (or owned store) in a strong location may have little economic value to a company that has decided to exit it, while having considerably greater value to an operator that wants to be

Often companies write stock down not because no buyer exists, but because the obvious buyer sits inside their own competitive market and selling their costs more in price integrity than the recovery is worth.

What Evergreen Trading does

We've worked with major retailers on situations where inventory, real estate and other underutilized assets were worth more than the conventional disposition path suggested. Evergreen evaluates the full asset picture - not just the stock, but also fixtures, equipment, leasehold improvements and real estate obligations - and looks for recovery paths that do not compete with the client's own market.

The objective is straightforward: determine whether there is more economic value available than the traditional exit process would produce, and if there is, create a practical path to recover it.

Recovery is only half of it

Recovery is only half of the opportunity. The value created can be redirected into media against an existing plan and existing cost benchmarks, without new budget and without disrupting media agency relationships. The plan stays yours. For a retailer that has to keep telling a value story while capital is committed elsewhere, that creates another source of funding for growth.





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Where to start

One useful signal is to compare proceeds from sales of property, plant and equipment with depreciation and amortization. A sustained decline in disposal proceeds while the asset base continues generating substantial depreciation can be a reason to investigate whether recoverable value is being left behind. The time to look is before the closure list is final. In an exit program, much of the value that ultimately becomes unrecoverable is lost to the calendar.

What an assessment gives you

We offer a complimentary assessment, and we look at the business through finance, procurement and marketing lenses at once, the three functions that each own a piece of this and rarely see it together.

We review underutilized equipment, real estate, excess and slow-moving inventory, capital commitments, and other assets that traditional processes treat only as costs to manage. You get a written view of the asset classes in scope, an indicative recovery range, and how those proceeds could be reinvested in media against your existing plan and benchmarks.

Where we see opportunity, we give you the range. Where we don't, we say so. The point of the assessment is to determine whether a meaningful recovery opportunity exists before anyone commits to a path.

No cost, no obligation, no disruption to your media agency relationships.

Send us your closure schedule, or your excess inventory list, and we'll come back with an initial view of the opportunity.

The opportunity was always there. Perspective reveals it.



TALK TO EVERGREEN

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