Poundland owner posts sales jump amid ‘challenging times’ for UK shoppers

P
oundland owner Pepco Group has benefitted from the cost of living crisis with an uptick in revenues across the business but has warned that that the retail outlook across the UK remains “challenging”.

Like-for-like revenues at Poundland the discount retailer that sells everyday products including FMCG brands to clothing for value hunting customers were up 2.6% in the year to the end of September to €2.11 billion (£1.87 billion) while group revenues spiked by 5.2% to €4.82 billion.

New store growth was up 7.1% as a result of the business reacting to a change in consumer shopping habits to 1,051 boosted by 70 new openings during the period while openings across the Polish-listed Pepco Group that includes Irish discounter Dealz jumped by 15% to 3,961 with an additional 516 outlets added.

The company said that following a successful roll out in Spain it would now be trialling a small number of Pepco-branded stores in the Republic of Ireland.

Pepco said that the demand for its products remains strong “even against the backdrop of significant uncertainty in the macroeconomic environment, exacerbated by the impact of geopolitical events”.

Read More

- FTSE 100 Live: GDP contracts, Bank of England warns over

bond support

- Housebuilder Barratt warns outlook ‘less certain’ amid interest rate rises
- Fall in pound after Bank of England warns market support will end in coming days
- SPONSORED

Introducing a gold winner of 2022’s AXA Startup Angel competition

“The outlook across the UK remains challenging as constraints on consumers’ disposable income continue. That said, our value-led proposition becomes even more relevant in these challenging times and continues to drive new customers to our stores, expanding our target market, across Europe,” the business said.

“Whilst inflation remains at recent historic highs, in our core markets of Poland, Hungary and Romania inflation in clothing and footwear is running at only around a third of the headline inflation rate.”

Pepco said that both clothing and food remained resilient categories in the Polish and wider retail sector.

Trevor Masters, boss of the business, said: “These are very challenging times for families across Europe and we remain absolutely committed to helping customers on a budget by offering great range, value and convenience – and we are confident this will enable us to expand our customer base going forward.

“We will continue to drive our business using our four key strategic levers – bigger, better, simpler and cheaper. This strategy is driving faster growth through accelerated store openings and innovation to improve each store for customers and colleagues, helping to further enhance our like-for-like

performance.

“We are also deploying these levers to lower our cost structure – to be significantly cheaper and more efficient – and improve back-office structure and processes.

“We are accelerating our strategy in order to capitalise on the opportunities available to us in these volatile market conditions.”