# Poundland faces uncertain future as parent company considers sale



Poundland, the well-known budget retailer, is facing a significant upheaval as its parent company, Pepco Group, has announced it is considering a sale of the business. This move comes as the chain grapples with an increasingly difficult retail environment in the UK, raising concerns over the future of its 825 stores across the country.

The Poland-based Pepco Group revealed last week its plans to explore "all strategic options" regarding Poundland, including the possibility of offloading the chain. This initiative has led to the hiring of advisory firm Teneo to oversee the sale process. A Pepco spokesperson confirmed the decision, stating, "As stated at our capital markets day on March 6, we are actively exploring separation options, including a potential sale, for the Poundland business. We have started to work with advisers to support us with this process."

The announcement follows a troubling financial outlook for Poundland, marked by a sharp decrease in performance. In December, Pepco disclosed a "significant decline" in sales and a weaker outlook for profits, predicting underlying earnings would range between €50 million and €70 million (£41.9 million and £58.6 million), a stark contrast to the €153 million recorded for 2023/24. This downturn has been attributed to various factors, including the challenges posed by recent fiscal measures, such as increases in national insurance contributions and minimum wage hikes, which are set to take effect in April 2025.

Stephan Borchert, chief executive of Pepco Group, has indicated that while Poundland remains a strong brand serving millions of customers weekly, the company's cost base is becoming increasingly strained. The chain enjoyed an annual turnover of around two billion euros (£1.67 billion) in the financial year 2024, yet faces rising operating pressures. He stated, “The board and I are actively exploring separation options for Poundland, including a potential sale, from the group."

Further complicating the situation, Barry Williams, a former managing director of Poundland who was appointed managing director of Pepco in September 2023, is set to return to Poundland in advance of a possible sale. This move suggests a strategic effort to stabilise the brand amid the planned transition.

Meanwhile, customer sentiment has been vocal, with shoppers expressing distress over the potential closure of local stores. Many took to social media, sharing their concerns and frustrations regarding the fate of the discounted offerings that Poundland has provided over the years. One Twitter user lamented, "If Poundland closes down I'll actually cry cause it's so convenient for me," reflecting the chain's importance to many communities.

As of now, Pepco has not confirmed which specific stores may face closure should the sale proceed. The ongoing situation at Poundland highlights the broader struggles of the UK high street, where various retailers have announced closures in recent months amidst a challenging economic landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.retailgazette.co.uk/blog/2025/03/pepco-group-actively-exploring-poundland-sale-as-uk-retail-pressures-mount/> - This article supports the claim that Pepco Group is actively exploring a potential sale of Poundland due to the increasingly challenging UK retail market and the company's strategic shift towards focusing on the Pepco brand.
* <https://www.theretailbulletin.com/general-merchandise/pepco-group-could-put-poundland-up-for-sale-07-03-2025/> - This article corroborates the information that Pepco Group is evaluating all options to separate Poundland from the group, including a potential sale, as part of its broader strategic shift away from fast-moving consumer goods.
* <https://sg.fashionnetwork.com/news/Pepco-group-mulls-sale-of-poundland-business-in-uk,1709204.html> - This article confirms that Pepco Group is considering the sale of Poundland due to its struggles in the UK retail environment and the company's focus on the higher-margin Pepco brand.
* <https://www.noahwire.com> - This source provides the original context for the article about Poundland's potential sale and the challenges faced by the UK retail sector.
* <https://www.reuters.com> - Reuters often covers business news, including retail sector updates, which could provide additional context on Pepco Group's strategic decisions regarding Poundland.
* <https://www.bbc.co.uk/news/business> - The BBC often reports on UK business news, including retail challenges and company restructuring, which might offer insights into the broader context of Poundland's situation.
* <https://www.dailymail.co.uk/news/article-14491183/budget-chain-close-stores-UK-company-sale.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
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