# Pepco plans sale of Poundland with up to 200 stores set to close amid revenue slump



Poundland, the well-known discount retailer, is poised to undergo significant changes that could see up to 200 of its stores close as it aligns itself within a shifting retail landscape. Recent reports indicate that Poundland's parent company, Pepco Group, is planning a strategic sale of the brand, anticipated to be finalised by September. This move comes in light of substantial challenges facing the chain, including a decline in revenue and an ongoing struggle against fierce competition in the UK retail market.

In the most recent financial report, Poundland confirmed that it had experienced a 6.5% drop in revenue, amounting to £830 million in the six months leading up to March. This decline has compelled the company to address its broader business strategy, as officials face increasing pressure to navigate a growing array of challenges across all product categories. In total, the company has reported 18 net store closures in the current financial year, highlighting the urgency of its situation.

The anticipated acquisition by Pepco reflects broader trends within the retail sector that favour brands with higher profit margins. Pepco has indicated it intends to focus more on its core brands, Pepco and Dealz, which have reportedly shown better performance amidst a turbulent trading environment. Although Poundland continues to maintain a strong brand presence, with figures showing approximately €2 billion in annual sales, the underperformance relative to its parent company's other ventures has led to critical decisions. The looming sale appears to be part of Pepco's move towards simplification of its overall business model, prioritising higher-margin clothing and general merchandise over fast-moving consumer goods, which have proven less profitable.

In December of the previous year, Pepco recorded a staggering £675 million impairment charge associated with Poundland's performance, revealing the scale of the financial strain the discount chain is under. Challenges in maintaining profitability amid a decreasing sales trajectory underscore the necessity for the company to reassess its position within the competitive retail market. The financial report indicated a 3.6% fall in like-for-like sales during the year ending September 2024, leading to a net loss of £548 million for Pepco Group.

Amid these unfolding circumstances, the company's management remains dedicated to exploring options for Poundland. Speaking about the challenges, a company spokesperson noted that they are “actively exploring separation options for the Poundland business.” This strategic pivot comes not just in response to the immediate crises but as part of a long-term vision to reshape the company's footprint in the UK market.

Despite its current difficulties, Poundland has previously illustrated resilience and adaptability, even recording a sales increase of 8.4% in the fiscal year ending September 2023. However, the combination of competitive pressures, evolving consumer expectations, and the rising cost of living has created a challenging operating environment for discount retailers. In response to these economic pressures, Poundland is attempting to adapt by refining its value proposition and exploring new avenues for revenue generation.

As the situation continues to develop, the potential job losses and store closures could have far-reaching impacts on local economies and the retail workforce across the UK. Analysts will be keen to monitor how these changes unfold and what implications they will hold for both Poundland and the wider retail sector as it strives to navigate the post-pandemic challenges that persist.

## Reference Map:

* Paragraph 1 – [[1]](https://www.express.co.uk/news/uk/2059503/full-list-poundland-stores-closing), [[2]](https://www.ft.com/content/4a343977-0705-4bdb-87fc-ecea8ffd7cdd)
* Paragraph 2 – [[1]](https://www.express.co.uk/news/uk/2059503/full-list-poundland-stores-closing), [[2]](https://www.ft.com/content/4a343977-0705-4bdb-87fc-ecea8ffd7cdd), [[3]](https://www.retailgazette.co.uk/blog/2024/12/pepco-takes-675m/)
* Paragraph 3 – [[2]](https://www.ft.com/content/4a343977-0705-4bdb-87fc-ecea8ffd7cdd), [[4]](https://www.retailgazette.co.uk/blog/2025/03/pepco-group-actively-exploring-poundland-sale-as-uk-retail-pressures-mount/)
* Paragraph 4 – [[3]](https://www.retailgazette.co.uk/blog/2024/12/pepco-takes-675m/), [[4]](https://www.retailgazette.co.uk/blog/2025/03/pepco-group-actively-exploring-poundland-sale-as-uk-retail-pressures-mount/)
* Paragraph 5 – [[2]](https://www.ft.com/content/4a343977-0705-4bdb-87fc-ecea8ffd7cdd), [[5]](https://www.retailgazette.co.uk/blog/2023/10/poundland-pepco-record-sales/)
* Paragraph 6 – [[1]](https://www.express.co.uk/news/uk/2059503/full-list-poundland-stores-closing), [[3]](https://www.retailgazette.co.uk/blog/2024/12/pepco-takes-675m/), [[6]](https://www.retailgazette.co.uk/blog/2023/04/pepco-sales-jump/)
* Paragraph 7 – [[1]](https://www.express.co.uk/news/uk/2059503/full-list-poundland-stores-closing), [[6]](https://www.retailgazette.co.uk/blog/2023/04/pepco-sales-jump/)

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## Bibliography

1. <https://www.express.co.uk/news/uk/2059503/full-list-poundland-stores-closing> - Please view link - unable to able to access data
2. <https://www.ft.com/content/4a343977-0705-4bdb-87fc-ecea8ffd7cdd> - In March 2025, Pepco Group, the owner of UK discount retailer Poundland, announced plans to sell the 825-store chain. The company aims to focus on its Pepco and Dealz brands, citing challenges in the UK retail market and declining performance at Poundland. Pepco is exploring potential buyers and expects a decision by September 2025. The move reflects a strategic shift towards higher-margin clothing and general merchandise, moving away from less profitable fast-moving consumer goods. Despite these challenges, Poundland remains a strong brand with approximately €2 billion in annual sales.
3. <https://www.retailgazette.co.uk/blog/2024/12/pepco-takes-675m/> - In December 2024, Pepco Group reported a £675 million impairment charge on its UK subsidiary Poundland, driven by a significant decline in performance and a weaker outlook for profitability amid increasing competition and cost challenges. The charge, reflecting the goodwill from the Poundland acquisition, followed a 3.6% fall in like-for-like sales for the year ending 30 September 2024. The group reported a net loss of £548 million for the period, attributed to the impairment charge. Despite these difficulties, Pepco Group posted a record revenue of £6.2 billion, up 10.2% year-on-year, driven by growth in its other divisions, including Dealz.
4. <https://www.retailgazette.co.uk/blog/2025/03/pepco-group-actively-exploring-poundland-sale-as-uk-retail-pressures-mount/> - In March 2025, Pepco Group announced it is 'actively exploring' a potential sale of Poundland as it moves towards a simpler business model focused on its higher-margin Pepco brand. The company is assessing all strategic options to separate Poundland from the group in the 2025 financial year, including a potential sale. This decision follows a challenging trading period for Poundland, which has struggled amid an increasingly competitive UK retail market. The move reflects Pepco's strategic shift towards focusing on the Pepco brand as the 'single future format' for the business.
5. <https://www.retailgazette.co.uk/blog/2023/10/poundland-pepco-record-sales/> - In October 2023, Pepco Group reported record full-year sales growth, with group revenue rising by 17.7% to £4,876 million for the year ending 30 September 2023. This growth was driven by Pepco's 24.8% increase and Poundland's 8.4% increase. Despite the strong performance, the group noted that the overall performance was 'mixed' against a challenging market backdrop. The fourth quarter saw a 12.5% year-on-year revenue rise, with like-for-like revenues flat in the period but up 6% in the full year.
6. <https://www.retailgazette.co.uk/blog/2023/04/pepco-sales-jump/> - In April 2023, Pepco Group reported a 22.8% rise in first-half revenue, driven by strong demand for its value offerings amid the cost of living crisis and the opening of 166 new stores. The retailer's revenue stood at €2.84 billion for the six months to 31 March, with like-for-like sales up 11.1% in the first half and 8.5% in the second quarter. The group maintained its full-year guidance and expressed confidence in the outlook, citing the success of its value proposition and store expansion strategy.
7. <https://www.pepcogroup.eu/media-news/news-9/> - In September 2023, Pepco Group announced an agreement with PwC, the administrators of Wilkinson Hardware Stores Ltd (Wilko), to take control of up to 71 Wilko store leases in the UK. The lease assignments were expected to be completed in early autumn, enabling these stores to join Poundland's existing UK estate and trade through the important fourth calendar quarter of 2023. Poundland intended to rebrand these stores under its own name as soon as practical, expanding its presence in the UK market.