

Forever 21 struggles in UK, margins suffer

By [Sandra Halliday](#) - January 5, 2018

US fast-fashion chain Forever 21 is having a tough time in Europe at present and has downsized its UK store estate on the back of the tough trading environment in Britain.



Forever 21

The company is also reported to be closing a number of European stores, including Amsterdam and Dublin, and is closing sites in its domestic North American market too. Next on the list is the downtown Vancouver location, which shuts in just over a week's time.

It's unclear whether there will be further UK store closures with the firm currently operating only three sites in England.

The company's latest set of accounts shows that it has struggled in Britain. In late December it filed accounts for the year to February 2016, which might be frustratingly late for anyone trying to analyse its current performance, but still gives some clues to how it has been doing.

In that 12-month period it saw its its post-tax loss surging by 75% to £29 million from £16.6 million due partly to one-off costs during the period. Turnover from continuing operations fell to £46.05 million from £53.86 million, "primarily due to higher pricing markdowns and reduced customer traffic to the stores." That trend continued into the next year, it said. Trading margins also declined to 45% from 46% due to "unfavourable developments in the supply chain".

The company had closed one store during the year and has since closed sites in key shopping destinations including Stratford, Bluewater and Glasgow. It now lists only three UK stores on its website (Oxford Street, Liverpool and Birmingham's Bullring).

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