

# Shein accelerates Singapore hiring ahead of a potential US IPO

## Article

**The news:** Shein is rapidly expanding its Singapore office as it prepares for a potential US IPO, according to Reuters.

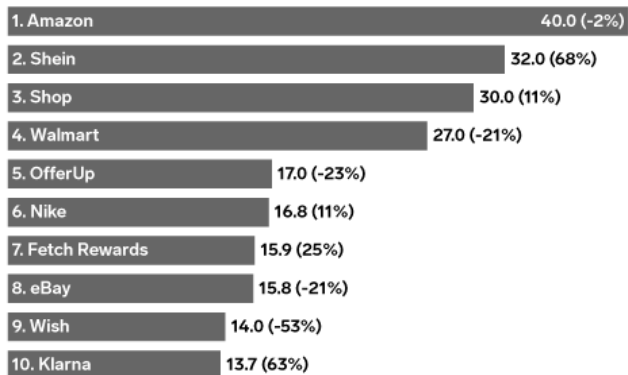
- The Chinese fashion giant and Gen Z favorite recently tapped a Singaporean entity to become its de facto holding company, allowing it to sidestep new rules imposed by Beijing on foreign IPOs by Chinese companies.

**A star has risen:** Shein has grown rapidly to become one of the world's largest fashion companies. Last year, the fast-fashion retailer reportedly generated about \$15.50 billion (RMB 100 billion) in revenues, and its valuation was roughly \$50 billion (RMB 322.64 billion) in the early part of 2021, per Reuters.

- Shein's success is due in large part to its technological and data-driven approach to fashion. Its proprietary software analyzes shopping data to see which products are successful and which are not, allowing it to experiment and ramp up production of popular items in real time.
- Another prime differentiator is speed: Shein typically adds thousands of items to its app every day, according to an **analysis** by Rest of World. From January 2021 to October 2021, it offered over 20 times as many new items as H&M and Zara, two companies that pioneered the fast-fashion model.

#### Top 10 US Mobile Shopping Apps, Ranked by Downloads, 2021

millions and % change



Source: Apptopia, "Worldwide and US Download Leaders 2021," Dec 27, 2021

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**The big takeaway:** Shein's algorithmic approach to fast fashion has enabled it to grow rapidly while minimizing unnecessary expenses, making the company highly attractive to investors. However, while the company produces its products in China, it does not sell domestically, which could be a factor in its decision to look to other countries for capital.

- Beijing has **not looked kindly** on Chinese companies listing abroad. While Shein's Singapore operations may enable it to legally sidestep the Chinese government's restrictions, the company could still become the target of ire.

- Shein recently **announced** a **\$2.3 billion investment** into a supply chain center in Guangzhou, a potential peace offering and a demonstration of Shein's continued reliance on its Chinese manufacturing base.