

# Shein claims it recorded its highest profit ever in the first half of the year

Article

*This article was written with the assistance of ChatGPT.*

**The news:** Shein has strong positive momentum, the company argued in a letter to investors, noting that its sales volume growth accelerated and profits improved during the first half of 2023 compared with the latter half of 2022, per CNBC.

- The company says it recorded its highest profit ever during the first half of this year.

**Shein's growth strategy:** Shein is increasingly focused on rolling out and growing its [online marketplaces](#), which recently launched in Brazil and the US.

- The marketplace has roughly 6,000 active sellers and accounts for about a third of the Brazilian total gross merchandise value, according to the letter.
- In the US, the company is dangling incentives such as waiving its commission fees for several months to lure more sellers to its site, per The Information.
- The company plans to roll out marketplaces in Mexico, Germany, Spain, France, and Italy.

**The context:** Shein has a dominant (40%) share of the US fast-fashion market thanks to its vast assortment of low-priced apparel that appeals to Gen Z and millennial shoppers, per Bloomberg.

- Despite its success, the company has significant challenges. It has no shortage of competition from **Temu** and other Chinese companies selling ultra low-cost goods, and it faces growing scrutiny over intellectual property infringements, its [trade practices](#), the environmental impact of its business model, and its supply chain—including whether its cotton is sourced using forced labor.
- Shein recently raised \$2 billion in a funding round that valued the company at \$66 billion—one-third less than its valuation last year.

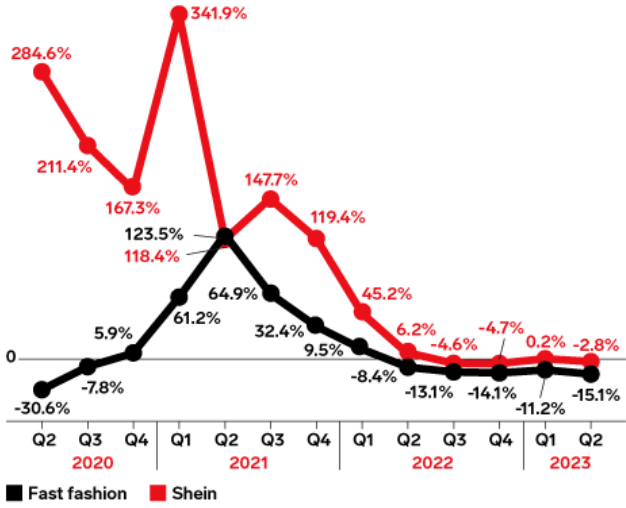
**The big takeaway:** Shein looks as though it is in a great spot if one looks solely at its top- and bottom-line numbers.

- But as the company pushes toward a US IPO, it will need to clearly and definitively address the vast array of issues that cloud its business model.

**Go further:** For more on how Shein and Temu have taken US ecommerce by storm, read our report on [Chinese Ecommerce in the US](#).

## US Fast-Fashion vs. Shein Quarterly Sales Growth, Q2 2020-Q2 2023

% change



Source: Earnest Analytics Earnest Dash platform, April 16, 2023

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