Shein 'raises new funds', is more valuable than Inditex and H&M combined

By Sandra Halliday - 6 April 2022

A few days ago it was just a rumour but now the mega-fundraising round that Shein has just conducted seems to have become reality and it makes the growing Chinese fast-fashion e-tailer bigger than the previous top two fashion retailers globally.

Bloomberg had earlier reported that it was seeking $1 billion in new funds to give it a valuation of around $100 billion. Now a new report in The Wall Street Journal said it has raised “between $1 billion and $2 billion” from investors including General Atlantic, Tiger Global Management and Sequoia Capital China.

That puts its valuation higher than $100 billion and beats the combined valuations of Spain's Inditex ($68 billion) and Sweden’s H&M ($20 billion).

Not that the news has been publicly announced as Shein — in its usual approach — has declined to comment.

The company had a suggested market valuation of just $15 billion as recently as 2020 but its rapid growth and its expert use of data to drive the on-trend goods it sells have seen it becoming a major force globally, rivalling the dominance of many western brands in global fast-fashion.

Guangzhou-based Shein began in 2008 selling wedding dresses online. It was founded by Chris Xu. It now ships to 250 countries and is an adept user of both data and social media to target a youth market that's drawn to its ultra-low prices and continual newness.

It was the most downloaded shopping app in the US last year and is now the biggest fast-fashion retailer in that country, as well as in many others.

Embracing disposable fast-fashion in the way it does has drawn criticism in a more sustainability-focused world, as has its use of data — although the company has defended its data storage policies and also said the Chinese Government has no stake in nor control of the company.