# Boohoo rebrands as Debenhams amid financial struggles



The online fashion retailer Boohoo has announced a significant rebranding initiative, opting to rename itself Debenhams after purchasing the iconic brand from administration four years ago. This shift comes in response to a £40 million loss attributed to excess stock within its brands targeted at younger consumers.

Debenhams, which has a storied history dating back to its founding as a single store in London in 1778, ceased trading on UK high streets in 2021 following its collapse, a move that resulted in the loss of thousands of jobs. Boohoo acquired the Debenhams brand from administration shortly thereafter, revitalising it as an online-only retailer.

“Debenhams is back,” stated Boohoo's chief executive Dan Finley. “The iconic British heritage brand, bought out of administration, has been successfully turned around. Rebuilt for the future and transformed into Britain’s leading online department store.” This move to rebrand as Debenhams Group is intended to signal a commitment to not only revive the Debenhams name but also to implement a more effective operating model across the entire group.

The range of brands now under the Debenhams banner includes well-known names such as Wallis, Burton, Misspap, Coast, Oasis, Dorothy Perkins, and Warehouse, all of which Boohoo claims have undergone turnaround efforts. However, the company’s youth-focused brands, including Boohoo, PrettyLittleThing, and MAN, have encountered difficulties, leading to heavy discounts and a £40 million writedown for surplus inventory. The financial strain has been exacerbated by the closure of Boohoo’s US warehouse and redundancy expenses following 200 job cuts at its Manchester headquarters, prompting concerns over additional one-off costs for the year.

Finley acknowledged the challenges facing the youth brands, stating that their turnaround “will take time.” He observed, “I have inherited significant challenges. I can see their future potential as they evolve into fashion-led marketplaces and adopt a leaner operating model.”

Boohoo reported a 16% decline in revenue to £1.2 billion and anticipates adjusted underlying profits of around £40 million. The company previously conducted a strategic review in October, coinciding with the unexpected departure of chief executive John Lyttle. Analysts speculated that Boohoo might consider divesting from brands like Karen Millen and Debenhams to concentrate more on appealing to younger shoppers. Boohoo had acquired Karen Millen for £18.2 million in 2019 and Debenhams for £55 million during their respective financial crises, transforming both into exclusively online brands.

While the pandemic initially prompted a surge in online shopping that benefitted Boohoo, the company has since faced heightened competition from fast-fashion rivals such as China's Shein and Temu.

In a recent executive shift, Boohoo appointed Phil Ellis as chief financial officer, succeeding Stephen Morana with immediate effect. Meanwhile, Boohoo has also navigated a contentious relationship with billionaire Mike Ashley, founder of Sports Direct, whose Frasers Group holds a 27% stake in the fashion retailer. In December, Boohoo's shareholders thwarted Ashley's attempts to gain control over the company by blocking his bid to join the board.

Boohoo's share prices have taken a hit, declining by approximately 20% since the beginning of the year, and remained stable in early trading on Tuesday.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://fashionunited.uk/news/business/boohoo-rebrands-as-debenhams-group-appoints-phil-ellis-new-cfo/2025031180554> - This article supports the claim that Boohoo has rebranded as Debenhams Group and appointed Phil Ellis as its new CFO, reflecting a strategic shift in its business model.
* [https://ww.fashionnetwork.com/news/Boohoo-group-gets-new-name-and-business-model-as-debenhams-success-sweeps-all-before-it,1710537.html](https://ww.fashionnetwork.com/news/Boohoo-group-gets-new-name-and-business-model-as-debenhams-success-sweeps-all-before-it%2C1710537.html) - This article corroborates the rebranding of Boohoo to Debenhams Group, highlighting the success of Debenhams as a driving factor.
* <https://www.proactiveinvestors.co.uk/companies/news/1067689/boohoo-becomes-debenhams-in-turnaround-to-brand-marketplace-model-1067689.html> - This article explains Boohoo's strategic shift to a marketplace-led model under the Debenhams name, reflecting a significant business transformation.
* <https://en.wikipedia.org/wiki/Debenhams> - This Wikipedia page provides historical context about Debenhams, including its founding and its transition to an online-only retailer after its collapse in 2021.
* <https://www.bbc.com/news/business-64539491> - This BBC article discusses the challenges faced by Boohoo, including financial losses and competition from fast-fashion rivals, which led to the rebranding decision.