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DEBENHAMS

A STUDY OF RETAIL RELEVANCE



JUNE 2022

HOW IT ALL BEGAN

Debenhams

1778 — Flint & Clark started life as a single store at 44 Wigmore Street

1813 — William Debenham invested in the company and it became Clark & Debenham

1905 — First Department store opened & business became limited

1985 — Taken over by The Burton Group for £566m

2003 — Sold to Baroness Retail for £1.7bn

2006 — Floated on Stock Exchange

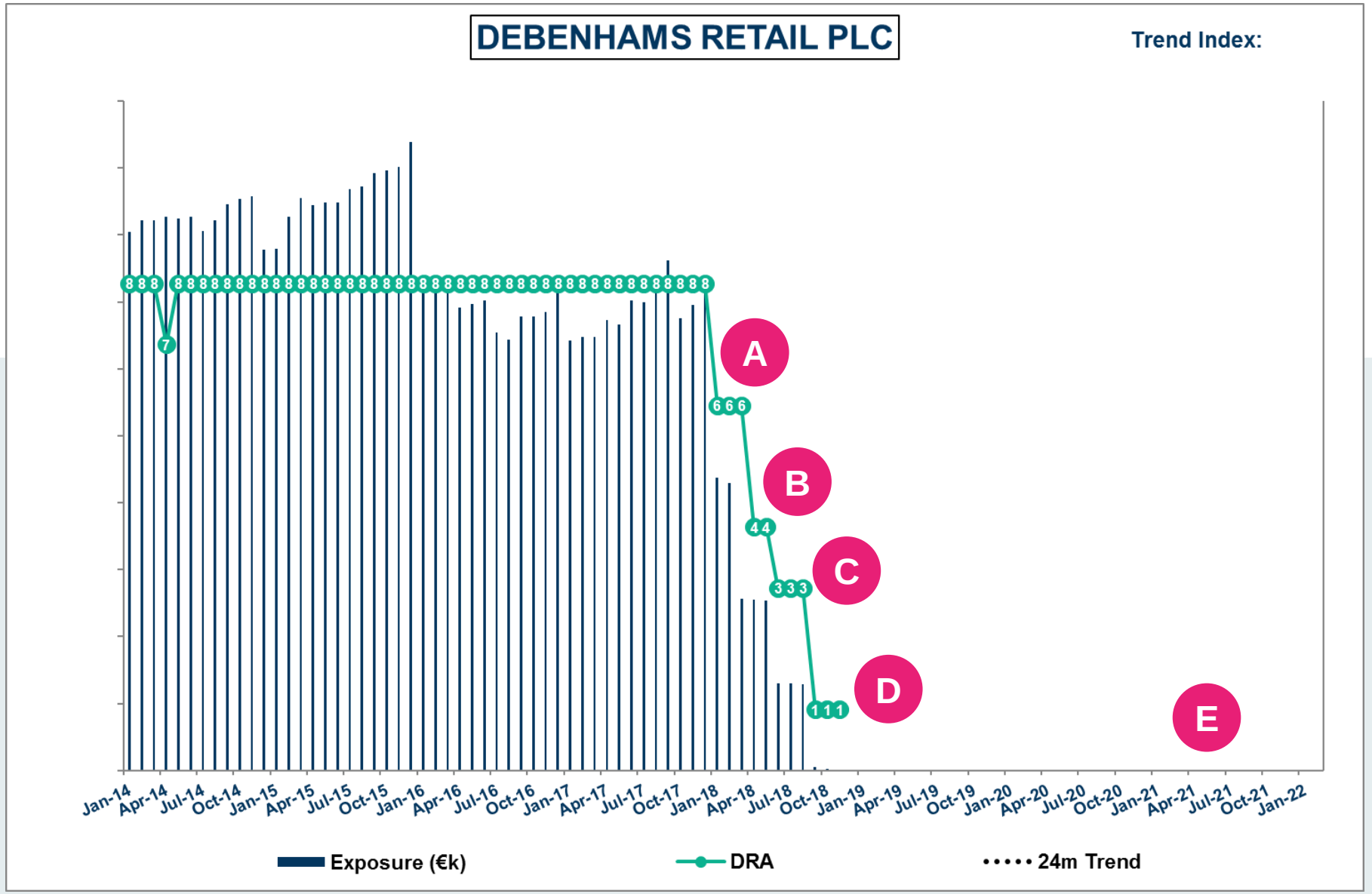
2008 — Quarterly meeting started with Coface

2020 — At the date of closure of the stores, Debenhams had been trading for 242 years

At its height Debenhams grew to an estate of 166 stores worldwide

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CASE STUDY: DEBENHAMS



CASH COW TO MONEY PIT

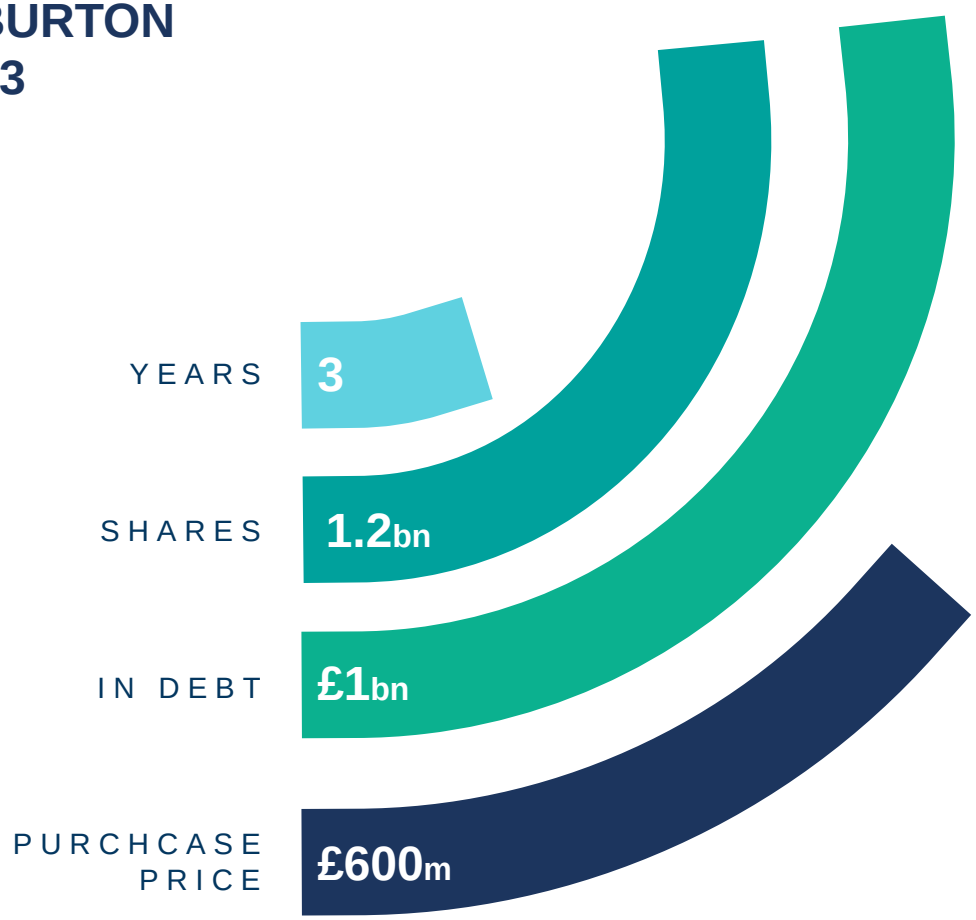
BARONESS RETAIL LIMITED

The consortium comprised of CVC Capital Partners, Texas Pacific Group, Merrill Lynch Global Private Equity, and management.

SHARE CAPITAL

Debenhams was refloated on the stock market three years later and made £1.2bn.

SOLD FROM BURTON GROUP IN 2003



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GROWTH AMBITIONS 1-166-270

FUNDING GROWTH THROUGH SALE & LEASE BACK

- £450m raised from 26 properties
- Lease term 35 years
- 2.5% regular rent uplift only

MARKET PLACE

- Landlords in the driving seat
- Revaluations 2017 of rateable values
- Significant % increases across estate

CUSTOMER EXPERIENCE

- Refurbishment of Stores
- Concession mix
- Demographic appeal

LOSS LEADERS





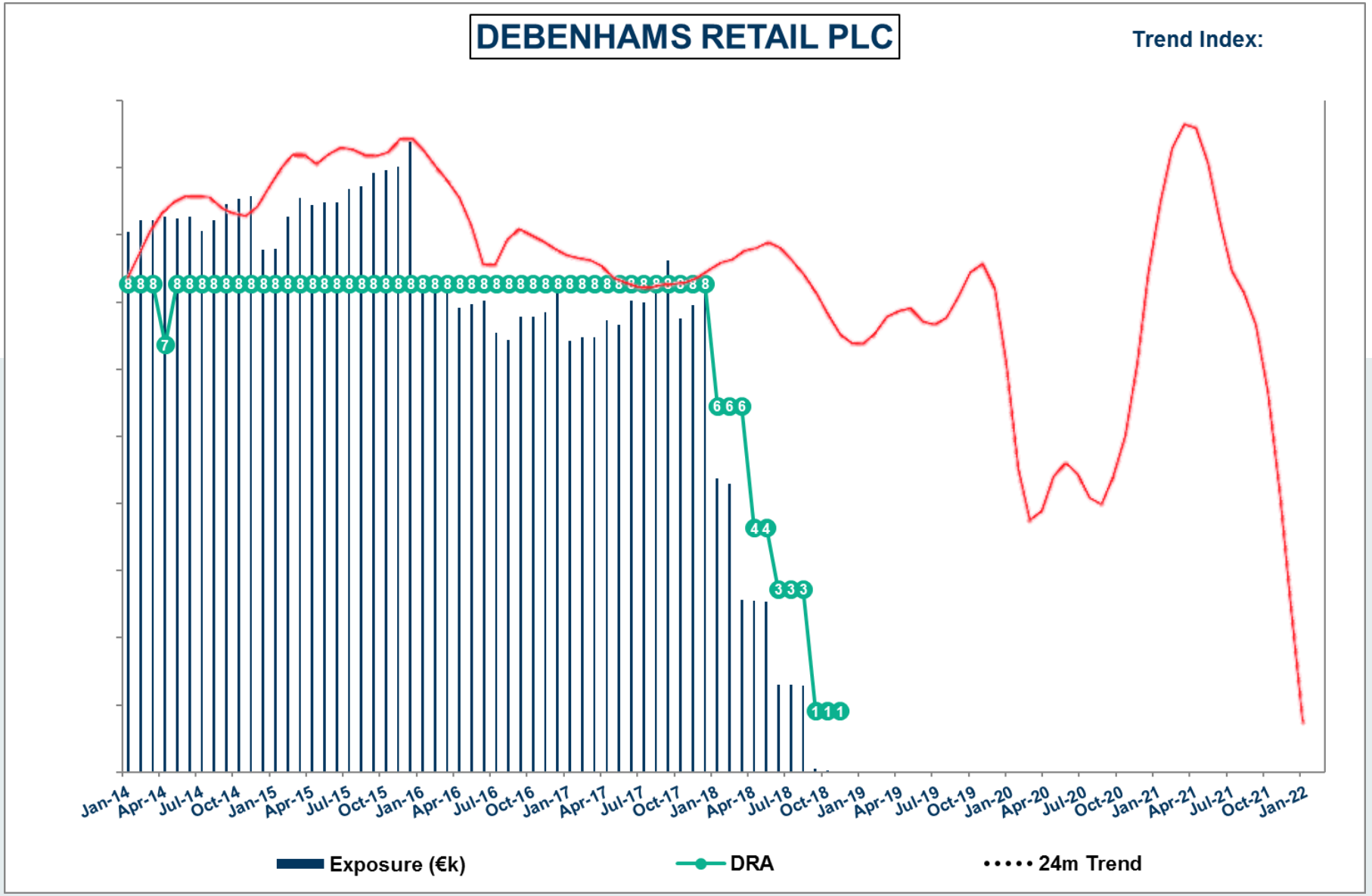
SERGIO BUCHER



SIR IAN CHESHIRE

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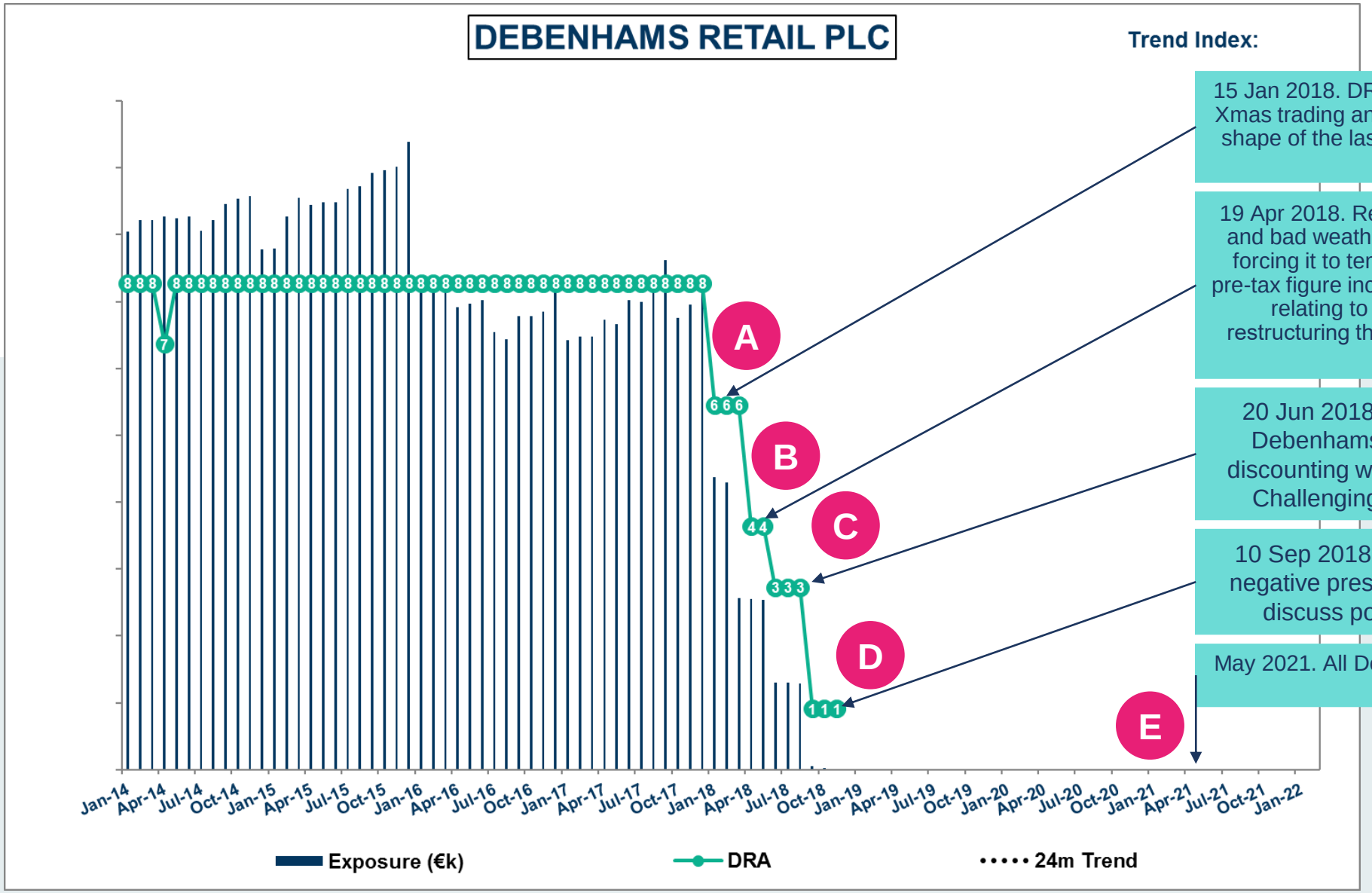
COULD THEY HAVE SURVIVED?



THANK YOU

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CASE STUDY: DEBENHAMS



15 Jan 2018. DRA reviewed due to profits warning post Xmas trading announced to market 04 Jan 18. General shape of the last 4 months is slow sales running up to Xmas.

19 Apr 2018. Retailer blamed tough trading conditions and bad weather for an 85% slump in pre-tax profits, forcing it to temporarily shut almost 100 stores. The pre-tax figure includes an exceptional charge of £28.7m relating to the cost of a strategic review and restructuring the company's warehouse and logistics operation.

20 Jun 2018. This is the 3rd profit warning for Debenhams this year. Increased competitor discounting will continue for the next 12 months, Challenging trading environment continues.

10 Sep 2018. DRA reduced to 1 in response to negative press, KPMG appointed as advisors to discuss potential CVA and store closures.

May 2021. All Debenhams stores are closed and brand moved online.