Brand Doctor

Brand Check-up

Joann

As of February 25, 2025

Status: Flatlined

Joann cut its debt in 2024 but kept every store and could not keep shelves full; shoppers left, and the winning bidders now plan to wind it down.

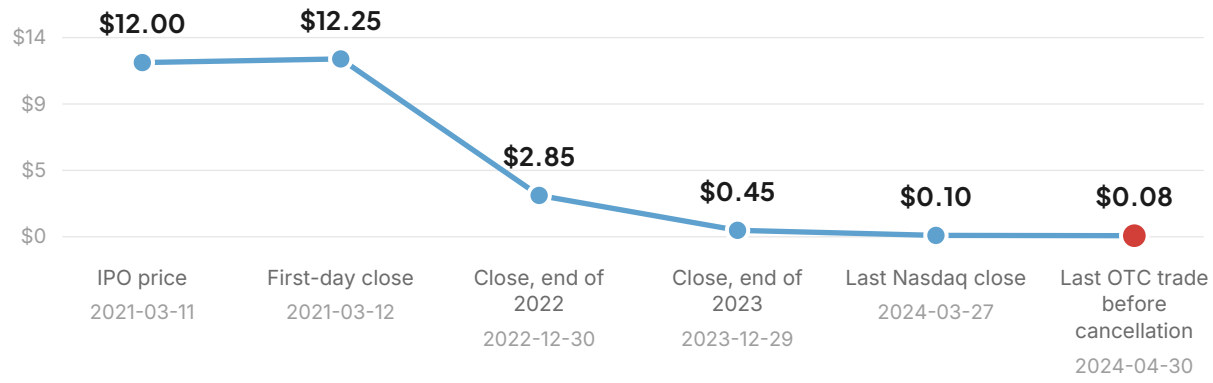
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on February 25, 2025. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [1, 8, 9]



Share price

$0.0759

Last trade (OTC: JOANQ), April 30, 2024; shares cancelled at emergence, so no listed shares on Feb. 25, 2025 [9]

Change since IPO

-99.4%

Last trade vs the $12.00 IPO price of March 11, 2021 [1, 9]

Market value

$3.2 million

At last trade, April 30, 2024; about $495 million at the first-day close, March 12, 2021 [9, 1]

Net sales

$2 billion

2024, per court documents (Reuters, Jan. 15, 2025); $2,762.3 million in fiscal 2021 [10, 2]

Stores

About 800

In 49 states; going-out-of-business sales planned at all of them, pending a Feb. 26 court hearing [10, 15]

Debt at second filing

$615.7 million

Chapter 11 filed Jan. 15, 2025, after about $505 million was cut in 2024 [10, 5]

Timeline

2021-03-11	IPO priced at $12 a share on the Nasdaq (JOAN), below the $15 to $17 marketed range; trading began March 12. [1]
2021-04-01	Reports fiscal 2021 net sales up 23.3% to $2,762.3 million, with 855 stores. [2]
2023-03-23	Reports fiscal 2023 net sales down 8.3% to $2.2 billion and a $200.6 million net loss, including a $95.0 million trade name impairment. [3]
2023-05	CEO Wade Miquelon leaves; an interim office of the CEO takes over. [4]
2024-03-18	Files a prepackaged Chapter 11 case to eliminate about $505 million of funded debt; stores stay open. [5]
2024-03-28	Nasdaq suspends trading in the shares. [6]
2024-04-30	Emerges as a private company with no store closures or layoffs; the old shares are cancelled. [7, 9]
2025-01-15	Files a second Chapter 11 case with $615.7 million of debt; Gordon Brothers Retail Partners is the stalking horse bidder. [10, 11]
2025-02-14	Court approves closing sales at more than 500 stores. [13]
2025-02-22	A court filing names GA Group and a group of Joann's term lenders as winning bidders for substantially all assets; Joann says they will wind down operations, with a sale hearing set for February 26. [14, 15]

Symptoms

- Net sales down from $2,762.3 million in fiscal 2021 to $2 billion in 2024.
- Two Chapter 11 filings in less than a year.
- In-stock levels down by upwards of 10%, with unpredictable yarn and sewing deliveries.
- Shares down more than 99% from the IPO price before they were cancelled.
- No permanent chief executive since May 2023.

Diagnosis

1 Pandemic demand faded

Net sales rose 23.3% to $2,762.3 million in fiscal 2021, then fell 8.3% to $2.2 billion in fiscal 2023. That year's $200.6 million net loss included a $95.0 million impairment charge on the trade name. [2, 3]

2 Inventory shortages weakened the one-stop-shop promise

The January 2025 filing said suppliers had eliminated some products and deliveries of yarn and sewing items had become unpredictable. Interim CEO Michael Prendergast said in-stock levels dropped by upwards of 10%, and GlobalData's Neil Saunders said out-of-stocks pushed customers elsewhere. [10, 11, 12]

3 Debt was cut, the store base was not

The 2024 plan removed about $505 million of funded debt and emerged with more than 800 stores and no closures. Less than nine months later, Joann filed again with $615.7 million in debt, and in February 2025 it moved to close about 500 stores. [5, 7, 10, 11]

4 A specialist lost ground to bigger rivals

Saunders said Joann lost market share to online sellers and to Hobby Lobby and Michaels, and that a lot of stores were very shabby. Joann had no permanent chief executive after May 2023: an interim office of the CEO took over, and by 2025 Michael Prendergast was interim CEO. [12, 4, 11]

Prognosis

As of February 25, 2025, Joann is set to be wound down. A court hearing on the sale of substantially all of its assets to GA Group and the term lenders is set for February 26, and the company has said it expects going-out-of-business sales at all stores, subject to court approval.

Gift cards are accepted only through February 28. About 19,000 employees and roughly 800 stores are affected. What to watch now is whether the Joann name finds a new owner after the stores close, and how much of its sewing and quilting trade moves to Michaels, Hobby Lobby and online sellers.

Treatment

- Use a restructuring to close weak stores and put the savings into stock and store upkeep, instead of keeping all 800-plus stores open.
- Protect in-stock levels on core sewing, quilting and yarn lines before anything else, because depth of range is what the brand promises.
- Appoint a permanent chief executive before asking suppliers and lenders to back a turnaround.
- Size stores and inventory to post-boom demand from core sewing and quilting customers, not to fiscal 2021 sales.

Lessons for growing companies

Your range is your brand

For a specialist, being in stock is the promise. When shelves thin out, customers learn to shop elsewhere.

Treat a spike as a spike

Plan budgets, stores and stock on demand you can keep. Joann's pandemic sales did not hold.

Fix the business, not only the balance sheet

Cutting debt buys time. It brings customers back only if the savings go into the experience they pay for.

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About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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