

# Imbalie makeover takes a toll

Small-cap salon franchisor Imbalie Beauty's headline loss widened in the year to February 2017, but management remains optimistic about the group's prospects.



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Imbalie reported a headline loss per share of 2.52c versus a headline loss per share of 0.29c a year earlier. Group revenue fell 4.5% to R96.5m and gross profit 5.4% to R56m. Gross profit margins eased to 57.9% from 58.5% in 2016.

The group said it would not pay a dividend. "The 2017 year will be remembered as a year the group went through significant change and transformation to position the group for future growth," CEO Esna Colyn said.

The changes included the establishment of a training academy offering 34 courses in beauty and wellness as well as the closing of the company's corporate salons. The latter came with an impairment charge of R9.9m. Imbalie also outsourced its distribution, which led it to implement retrenchments.

Coslyn said that while the group was operating as a going concern, management was confident it could turn the business around. "Imbalie Beauty remains optimistic about the future following the continued strengthening of its management team in education and marketing. The group will continue to focus on opening more successful salons and the disposing of its corporate salons."

The group operates through Placecol Skin Care Clinics; Dream Nails Beauty Salons; and Perfect 10 Nail and Body Studios. It said it had no material capital commitments for the purchase of property, plant and equipment on 28 February 2017.

*Source: Business Day*

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