

PROJECT RELAX - BUSINESS FOR SALE BOUTIQUE DAY SPA – NORTH WEST



Cole Associates Corporate Finance has been retained to find a purchaser for a multi-award-winning boutique day spa based in the North West of England, providing a range of non-surgical beauty treatments and selling complimentary skincare products from market-leading brands. The business was formed in 1997 by its current owner.

- The business is located in an affluent area of the north west. In the last 12 months the business has served 7,500 clients, many of whom are long-standing, repeat purchasers.
- The range of treatments includes facial treatments, laser treatments, massage, hair removal & tints, manicure & pedicure, tanning, spa treatments and make up & ear piercing.
- Management have consistently invested heavily in the latest equipment for treatments and have maintained the spa facilities to a very high standard of décor and design.
- The spa is located in a small retail parade in an up-market residential area. The business occupies two joined two-story properties totalling approximately 180 square metres, leased from third party landlords.
- The skincare product brands are carefully selected as being the most advanced, clinically-proven anti-ageing cosmeceutical brands that share the same ethos as the business and are sourced from the UK as much as possible.
- The owner does not work in the business day-to-day. A General Manager runs the business, supported by 6 therapists and a receptionist.
- The business operates Premier Spa software and has detailed management information systems.
- The spa has won numerous awards, including being a finalist in the 2015 Professional Beauty Awards.
- The business has a modern, fresh website and is very active on social media. It launched its own app recently which already has more than 1,000 users.
- Financial performance (years ended 31 March):

	2012	2013	2014	2015
	£000	£000	£000	£000
Turnover	420.8	479.8	434.3	406.5
Gross profit	332.4	372.3	358.1	308.5
	79%	78%	82%	76%
Administrative expenses	<u>236.7</u>	<u>267.9</u>	<u>268.4</u>	<u>268.3</u>
EBITDA	95.8	104.5	89.6	40.2
Depreciation and amortisation	<u>9.6</u>	<u>8.3</u>	<u>7.0</u>	<u>5.9</u>
Operating profit	<u><u>86.2</u></u>	<u><u>96.2</u></u>	<u><u>82.7</u></u>	<u><u>34.4</u></u>

The lower turnover and profits in 2014/15 were due to some staff changes that temporarily restricted the number of available therapists (i.e. not due to a lack of clients/demand) and some product sourcing changes, both of which have now been addressed.

Reason for sale:

After 18 years of ownership the owner has decided to sell the business and move into a new sector unrelated to health/beauty/spa. The purchaser is likely to be a larger chain of health & beauty salons or spas, a management buy-in team or private investor. An Information Memorandum is available to interested parties after signature of an NDA.

Contact

Jeremy Cole, Partner, Cole Associates Corporate Finance, 07711 435814, jeremyc@cole-group.co.uk
0161 832 9945. 19, Spring Gardens, Manchester, M2 1FB. www.cole-group.co.uk

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