



Iplayco Corp.

May 12th 2015

Iplayco reports net income in fiscal Q2 2015, expecting higher sales in the second half of the year

Iplayco Corp (CVE:IPC), a Canadian maker of children's indoor play equipment, said sales dropped 5.1 percent in its second fiscal first quarter from a year earlier, due to increased overhead expenses in anticipation of higher sales in the second half of its 2015 fiscal year ending September 30.

For the three months to March 31, 2015, the Langley, B.C.-based company, which reports in Canadian currency, posted sales of \$3.198 million, down 5.1 percent from \$3.37 million in the same fiscal quarter of 2014.

Net income decreased by 18% to \$130,478 or \$0.01/share in Q2-15 from \$159,100, or \$0.02/share in Q2-14.

The company said that from manufacturing operations dropped 5.0% while sales from the Family Entertainment Centre division dropped 5.9% in Q2-15 as compared to Q2-14.

But, looking ahead "we are expecting a moderate increase in sales and earnings for the three months ending June 30, 2015 as compared to Q2-15 due to our sales backlog" said Iplayco's president and director of Scott Forbes.

The Canadian company, which ranked among the top 10 best performing companies in the diversified industries sector on the TSX Venture Exchange last year, has sold play structures to over 50 countries and to 16 different markets, including family entertainment centres, theme parks, shopping malls, restaurants, hospitals, zoos, churches and more. It also owns and operates a family entertainment centre, called The Great Escape, in Langley, BC.

In 2014, Iplayco closed on an \$8.8 million investment by Saudi FAS Holding Company and its British Columbia subsidiary, FAS Entertainment B.C. --- together known as FAS --, which also happens to be one of its biggest customers in Saudi Arabia, paving the way for a huge expansion of the company.

FAS now holds a stake of over 50 percent in Iplayco after buying more than US\$14 million of play structure equipment from the company over the past three years.

FAS, through Al Hokair and Arabian Centres, is planning to roll out hundreds of its Billy Beez family entertainment centres worldwide through a major expansion, and is intending to use Iplayco to do it. The closure of the financing solidifies plans to place several hundred millions in orders with Iplayco over the next five to seven years.

The sales agreements reflect FAS's plans to continue rolling out its Billy Beez family entertainment centers worldwide, relying on Iplayco's equipment. Over the next five to seven years, FAS expects to sign several hundred millions in orders with Iplayco.

Last February even as Iplayco reported a 48 percent sales increase in its fiscal first quarter from a year earlier, as margins increased and revenue from its manufacturing operations rose by more than half, predicted a moderate decline in sales and earnings for the second fiscal quarter due to the timing of orders from its largest customers.

Price: C\$0.95

Market Cap: C\$19.827M

1 Year Share Price Graph



Share Information

Code: IPC

Listing: TSX-V

Sector: Manufacturing

Website: www.iplaycoltd.com

Company Synopsis:

Iplayco is a global leader in the design, manufacturing and installation of premium-quality, fun, safe and durable play structures for children.

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The fiscal year to date (YTD) results, that is for the six months ending March 31, 2015 as compared to the six months ended March 31, 2014 are more indicative of Iplayco's overall growth.

Sales increased by 19.6% to \$7,548,097 for YTD - Q2-15 from \$6,310,924 for YTD - Q2-14. Gross profit percentage decreased to 41.0% of sales for YTD - Q2-15 from 42.0% for YTD - Q2-14.

Even as operating expenses increased to \$2,615,452, or 34.7% of sales, for YTD - Q2-15 from \$2,394,864, or 37.9% of sales, for YTD - Q2-14, net income increased to \$350,787, or \$0.02/share for YTD - Q2-15 from \$183,312, or \$0.02/share for YTD - Q2-14.

For the past 16 years, the Langley (BC) based Iplayco has designed and installed over 2,700 high quality indoor play structures for children in its Canadian home base and over 50 countries worldwide.

The company can boast having built the world's largest children's indoor soft-play park for Billy Beez inside the Mall of Dhahran, Al Khobar, in Saudi Arabia.

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