



Iplayco Corp.

Nov 27th 2013

Iplayco shows off stellar annual growth, issues cautious outlook

Iplayco Corp (CVE:IPC), a maker of indoor and outdoor children's play equipment, reported Wednesday a 9% rise in fiscal fourth quarter revenues, marking an end to a strong year that witnessed a total sales increase of more than 46%.

For the three month period that ended September 30, sales increased by 9.3% to C\$3.71 million. Net income was C\$93,386, or 1 cent per share, compared to a net profit of C\$392,386, or 4 cents per share a year ago, as operating expenses grew.

For the fiscal year 2013, sales rose by 46.4% to C\$15.21 million, while net income rose substantially to C\$1.23 million, or 12 cents per share, from a profit of C\$312,812, or 3 cents per share, in 2012. Annual operating expenses, including foreign exchange and finance costs, actually declined as a percentage of sales despite edging up overall, while gross margin remained relatively stable for the year at 37.4% versus 37.7% in 2012.

"We are very pleased to announce the strongest annual operating results in our 14 year history," said president and director, Scott Forbes, in a statement Wednesday announcing the results.

"Although the economic environment in our industry is improving, the contract-based nature of our operations reduces the predictability of our sales and net earnings," he cautioned, adding that the company currently expects sales and net income for its current fiscal year to be in line with 2013, due mainly to uncertainty as to when certain bids for larger projects turn into firm purchase orders.

Indeed, despite sales jumping sharply year-over-year, fourth quarter sales declined from the previous three month period by 22%, as net profit decreased and operating expenses rose.

The Langley, British Columbia-based company can attribute its overall success in 2013 to large orders from mall owners, especially in the Middle East, from where Iplayco received five large \$1 million plus orders, alongside an almost \$2 million project from The Children's Museum in Las Vegas. Sales from its manufacturing operations rose 53.3% to \$13.78 million in 2013, while revenue from its own family entertainment centre operations in Langley grew by 2.3% year-over-year.

Iplayco sells its children's play structures to 16 different markets, including family entertainment centres, malls -- which currently take up about 62% of sales -- as well as to restaurants, museums, hospitals, hotels and airports, to name just a few.

The company, which sees its strong growth tide continuing as it looks to expand to the BRIC nations as a way to hedge its bets, has seen its share price surge more than 466% so far this year. It closed at 68 cents in Toronto on Tuesday.

Price: C\$0.68

Market Cap: C\$6.64M

1 Year Share Price Graph



Share Information

Code: IPC

Listing: TSX-V

Sector: Manufacturing

Website: www.iplaycoltd.com

Company Synopsis:

Iplayco custom designs, manufactures and installs premium quality, fun, safe and durable play structures for children worldwide. In its 14-year history, Iplayco has sold play structures to over 50 countries and to 16 different markets, including family entertainment centres, theme parks, shopping malls, restaurants, fitness and health clubs, municipalities, schools, daycare centres, hospitals, zoos and churches.

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