

Iplayco Corp Ltd

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Iplayco sees opportunities to expand business; posts second quarter results

Indoor playground specialist Iplayco Corp Ltd (CVE:IPC) expects a better performance in the third and fourth quarters, and positive earnings per share (EPS) for the full financial year to end September. It came as the firm posted second quarter numbers, which revealed sales for the three months to end March were down 22.2% to C\$4.009 mln compared to the first quarter of this fiscal year, mainly due to reduced sales in the Middle East. The firm posted a net loss of C\$218,250, compared to net income of C\$383,806 in the preceding quarter. The firm noted that the Asia Pacific region remained a strong source of revenue, while business in the US nearly doubled compared to the first quarter. European sales also grew significantly. Billy Beez has been the largest customer for the past four years, and is owned by Iplayco's controlling shareholder. It is experiencing some capital constraints and has entered a payment plan with Iplayco and the bank that purchased certain receivables from Billy Beez to finance Iplayco. Under the plan, Iplayco will recover US\$7.307mln (C\$9.42mln) in combined trade and finance receivables outstanding as of March 31 this year. The final payment would be made by Billy Beez in October 2018. Iplayco expects to collect the entire balance from Billy Beez according to this timeline, but does not expect further playground sales to Billy Beez in the current financial year to end September. "While the changing nature of Iplayco's business relationship with Billy Beez is disappointing, we see clear opportunities to expand business in our key regional markets," said Scott Forbes, the president and chief executive of Iplayco. "Demand for Iplayco playcentres and equipment in Asia Pacific and the US remained strong in the second quarter, and going forward our expansion in Europe should enable us to achieve a more balanced sales mix than in the past. "Iplayco's project pipeline leads us to anticipate better performance in the third and fourth quarters, and positive earnings per share for the full financial year through September 30, 2018." IplayCo shares were unchanged at C\$0.4700.

Price: C\$0.41

Market Cap: C\$8.56M

1 Year Share Price Graph



Share Information

Code: IPC

Listing: TSX-V

52 week High Low
0.74p 0.41p

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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