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iPlayCO expects 'significant' margin expansion in 2019 after completing European rollout

iPlayCO Corp Ltd (CVE:IPC), the children's play equipment group, announced Tuesday that with the completion of its European rollout it expected "margins to improve" significantly in 2019.

It's been a busy spell for the supplier of indoor playgrounds for children. The Canadian company took steps during the quarter towards realizing triple-digit percentage growth in its European sales within the next two years, with the ambitious acquisitions of assets from three companies.

iPlayCO will ultimately own the IP rights to the popular Play Mart and Play Planet brands, as well as the Play Planet line of business.

Sales increased by 61.1% to more than \$3.7 million in the fourth quarter from \$2.3 million in the previous quarter.

"While annual sales declined, and we incurred a loss in 2018 due primarily to set-up costs for our new operations in Europe, we have substantially completed our start-up activities there and anticipate margins to improve in 2019," said iPlayco Corp Chief Executive Officer Scott Forbes.

READ: iPlayco Corp bolsters European growth strategy with Italian acquisitions "We also anticipate a significant increase in sales in 2019 as compared to 2018 from strong contributions by our operations in North America, Europe and Asia," he added.

As a result of the aggressive push into Europe, the company said it lost \$1.1 million in fiscal 2018 compared with net income of \$661,506 or \$0.03 per share a year ago.

However, the company underlined that sales are "expected to increase significantly" for the year ending September 30, 2019.

"Large orders received in April and August, primarily from our new European operations, were expected to provide an increase in sales for the quarter ended September 30, 2018 (fourth quarter 2018), as compared to the previous quarter ended June 30, 2018 (third quarter 2018), with a substantial portion of these orders to be realized in 2019," the company said in an earnings statement.

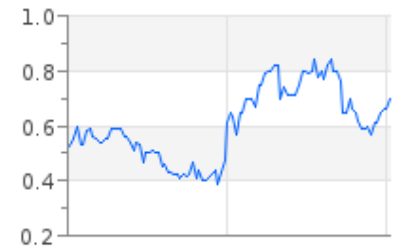
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Price: C\$0.7

Market Cap: C\$7.15M

1 Year Share Price Graph



December 2017 July 2018 November 20

Share Information

Code: IPC

Listing: TSX-V

52 week High Low
C\$0.84 C\$0.39

Sector: Manufacturing

Website: www.internationalplayco.com

Company Synopsis:

At iPlayCO, we welcome the opportunity to build new relationships and introduce

our clients to the amazing industry of children's play structures. We are a world-wide authority in the custom design and manufacturing of indoor play areas as well as theming for toddlers, school age children and young adults.

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