

Apparel Retailer PK Beans reports 'substantial margin improvement' in their bottom-line, so what's new with Peekaboo?

COVID-19 has meant that retailers need to be agile and adapt their product ranges to meet the community's needs. For example producing personal protective clothing such as face masks, or focusing on online sales and services, rather than bricks and mortar stores. Those companies that have proven to be adaptable have seen some superb stock price increases resulting from boosted sales. The following company is moving in the same direction with some early signs of success.

Peekaboo Beans Inc. (CSE: BEAN) (now re-branded as 'PK Beans') offers 'online shopping' in clothing fashion, for both toddlers and children. Peekaboo is focused on environmentally responsible clothes that are intentionally designed to inspire play.

The Company engages sellers through social platforms, including Instagram and Facebook, as well as online retailers, to maximize revenue and build brand loyalty. They also sell directly from their own website pkbeans.com.

Despite COVID-19 and the temporary closure of PK Beans flagship store (re-opened on June 2), the Company is performing well with online sales. In April, the Company reported March 2020 sales stating: "**Monthly sales increase of 47% year over year**, and continue to see consistent, strong and positive return on digital ad spend."

In May the Company reported: "**A 21% increase in sales for**

April 2020 (over April 2019), online visitors were up 66% from 2019 for April and 32% of sales attributed to first time customers.” Also in May we learned that the PKB Explorers’ Club (the Company’s monthly subscription interactive adventure series, launched in March) has grown quickly to reach 107 subscribers. PK Beans also designed and produced over 2,000 comfortable and reusable masks for children that sold out instantaneously.

InvestorIntel’s Senior Editor, Peter Clausi, states regarding the PKB Explorers’ Club: “My grandson is 3 and 1/2. He loves the play box. Both the box itself and the contents have kept him fascinated for hours. Excellent work!!!”

The Peekaboo Beans (PKB) Explorers Club is a subscription service for parents & kids to enjoy together



HOW IT WORKS AGES 3-6



Go for the subscription plan that's right for you and your family

You can cancel at anytime, no commitment, no fuss!



A 12 volume story adventure, delivered monthly

Your first package ships in just 2 days!



Each package arrives right at your door.

With your monthly package, you receive stories, activities and balanced digital engagement.



Let the adventure begin!

To take part in the adventure you will need to: read, listen, watch, play, cook, participate and have fun.

Source

In early June PK Beans successfully launched the PK Beans Summer 2020 Collection. By June 17 the Company announced that they had already sold 10% of their inventory and have

increased their page views 65% and their new users by 58% year-over-year. PK Bean's Summer 2020 Collection, which included children's sleepwear, has so far resulted in a **23% increase** in average margins for the Company.

Traci Costa, Founder, President and CEO of PK Beans commented:

"PK Beans Summer 2020 Collection highlight the strength of the Company during the challenges brought to all of us with COVID-19. Starting with a substantial margin improvement in our bottom-line, and on behalf of the PK Bean's team, I would like to thank all our returning customers! With an unprecedented **75% returning customer rate**, and with a **61% increase in average orders** from \$90 to \$145, as always, our success is by providing high quality clothing that enhances our children's life experience."

In addition to the PK Bean's Summer 2020 Collection, the Company recently consolidated office and warehouse space to one location, resulting in savings of approximately \$100k for the Company annually.

PK Beans has even started selling face masks to help the fight against COVID-19



Source

Closing remarks

PK Beans continues to reinvent itself as it expands its offerings and grows its customer base. Just this past 6 months the Company has rebranded from Peekaboo Beans to PK beans, expanded their product line to include face masks and the 2020 Summer Collection including children's sleepwear. Added to this was the introduction of services, such as the PKB Explorers' Club.

As a result PK Beans has been attracting significantly more new customers, has had a large boost in repeat customers, and has improved margins. All of these are steps in the right direction and should start to lead to growing revenues ahead.

PK Beans brings a kids club for education and entertainment straight to the home

COVID-19 has many of us stuck at home, either working from home or getting bored. Those with kids know only too well that keeping them at home can be a strain with parent's sanity being tested. At least we have the internet and can do some online shopping. Well, now there is a company that offers both online shopping for kid's clothes and a new kid's entertainment and educational package.

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Peekaboo launches the 'PKB Explorers' Club'

The front line players at home are the parents. Well, now parents and kids can go online and join the newly launched 'PKB Explorers' Club'. Peekaboo has created a monthly subscription that will help extend the PK Bean's apparel brand into the childhood adventure play space. The PK Explorers' Club allows children to become immersed in a magical storybook world conceived by Emmy-winning child psychologists. Each month, children receive a new exciting storybook, with Augmented Reality (AR) components for balanced digital engagement. In conjunction with AR, it includes active play components, such as a dress-up felt board and adventure map.

Peekaboo new and exciting explorers club for kids



Peekaboo's CEO, Traci Costa, explains:

"Now more than anytime ever parents need support in their homes. They are trying to work and juggle kids. It is chaos. The Peekaboo Beans explorers club not only helps pass time, it educates, entertains, and helps kids get lost in their imaginations. We want to help reduce children's anxieties during this isolation. It is deeply important we protect them. We have solved all of this with this special delivery!"

Peekaboo will continue to make the most child-friendly clothes in the world

Despite the COVID-19 pandemic Peekaboo continues to operate and make and sell online child-friendly, functional, and environmentally friendly clothes. The Peekaboo clothes are designed for the kids to enjoy their play and to be happy. From a father's perspective if we can have happy kids that means a 'happy wife and a happy life'.

Peekaboo is now more than just kid's clothes; it's about kids play, exploring, and learning

Investors in Peekaboo were initially attracted by the potential to sell niche kids clothes online. Well now there is more. The expanded business model now includes a kids club which operates by a subscription model. Parents can subscribe their kids to the new PKB Explorers' Club, and then wait to receive a box with the following contents each month:

- An interactive read along storybook.
- Aunt Nellie's Podcast postcard.
- Collectible Beansie badges.
- Get dressed for adventure felt playset.
- Secret garden poster and stickers.
- Augmented Reality adventures.

The Peekaboo Explorers' Box comes each month with lots of adventures



CEO Traci Costa states:

“Bringing back play into the lives of children lies at the heart of the PK Beans brand. Albert Einstein once said, “If you want your children to be intelligent, read them fairy tales. If you want them to be more intelligent, read them more fairy tales.” In that same spirit, welcome to the PK Beans Explorers Club. Explore. Have fun. Go Play!”

Peekaboo Beans re-brands to PK Beans

The new Company brand name change allows for more room to broaden the size range and product offering, which ultimately supports the long-term growth of the Company. The brand’s focus and values are remaining the same, that is, a focus on high quality, long lasting children’s clothing. The Company website www.peekaboobeans.com will redirect to www.pkbeans.com going forward. Also, Peekaboo Beans Inc. will still be found on the CSE under the symbol ‘BEAN’.

Closing remarks

At a time when parents need help more than ever, as they

search for fun, educational and engaging activities, and to keep children occupied; Peekaboo Beans (now PK Beans) has introduced their 'PKB Explorers' Club'. Peekaboo is not only making parents happy with clothes that are super 'cozy & comfortable' for kids and environmentally friendly; they are now providing a technology based system to stimulate the kids, and again create happiness.

As the coronavirus causes untold damage globally to families it is good to remember that if you can keep your kids happy and healthy, then the home will also be a happy shelter to protect your family from catching the virus. Peekaboo continues to play their part in making kids happy with great 'comfy' clothes, and now an exciting new PKB Explorers' Club. Just click [here](#) and have a look for yourself.

For investors, the Peekaboo expansion into a subscription kid's entertainment and educational service means Peekaboo will now start to build a recurring revenue stream from their existing loyal customer base, as well as attract new customers.

Peekaboo Beans' Traci Costa on building a long-term high-quality brand for children

"Great brands take time to build. They don't happen overnight. My mission with Peekaboo Beans has always been about creating a long-term high-quality valuable brand for children. We have gone through a lot of change and that is because of the retail environment. Now we are at a place where we are happy in this environment and the distribution model we have now. We have a

fantastic brand, powerful mission, incredible product, 38% customer returning rate. Our numbers are off the chart right now as far as our growth and website visitors are concerned. Growth in the US is up 5% over last year. All of our metrics are pointing in the right direction. We are finally excited to launch our subscription box which is a transmedia augmented reality subscription box that is a storybook adventure. We are thrilled to be launching that next month..." States Traci Costa, President and CEO of Peekaboo Beans Inc. (CSE: BEAN), in an interview with InvestorIntel's Tracy Weslosky.

Traci went on to say that Peekaboo Beans just reported record quarterly sales in Q1 F2020, an increase of 229% from Q4 2019 and an increase of 21% over the same period last year. Traci also provided an update on Peekaboo Beans' vintage buyback program. Most of the textile wastes end up in landfills. She said that Peekaboo Beans creates high-quality products that are designed to last and the company will buy back its products and resell them to keep it out of the landfills.

To access the complete interview, [click here](#)

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**Children's fashion company
Peekaboo Beans achieves
record sales, up 229% from Q4**

2019

Peekaboo Beans Inc. (CSE: BEAN) recently announced its Q4 FY2020 sales result which included a 21% increase over the same period last year, and an increase of 229% from Q4 2019.

Peekaboo Beans offer an online shopping experience in clothing fashion, for both toddlers and children. Peekaboo is focused on environmentally responsible clothes that are intentionally designed to inspire play.

Peekaboo Beans has a new digital marketing campaign that is driving website page views and sales

The key to any business is getting customers to view your products. In this case, Peekaboo Beans may have just found the magic recipe. Take a look at some recent stats below:

- peekaboobeans.com had 105,885 visitors in Q4, showing an **increase of 84%** over Q4 2019
- Total orders of 6,746 were **up 36%** over Q4 F2019.
- Returning customer rate was **38%**. This is higher than the average returning customer rate of 20-25% industry bench
- The Company had **125% growth in first time customers**; accounting for 2083 new customers for the quarter up from 925.

Record website traffic drives record sales

As a result of the outstanding increase in website traffic, orders increased, and so did sales. Record sales mean record revenues.

CEO Traci Costa stated:

"We are excited about the steady growth in sales, which we believe is driven, in part, by our recent investment in digital ad spend.....We are seeing a return of 10:1 on our ad spend, which is far greater than the industry average of 4:1.

After trying various sales models in the past, we believe we have finally found the optimal model to drive sales and take our unique children's clothing brand to the next level."

Peekaboo's omni-channel approach to reaching customers is working

Peekaboo Beans is embracing the new online sales economy. This means creating an omni-channel strategy where 'all bases are covered' to interact with customers seamlessly and in a connected way.

Examples include having bricks and mortar store, a website, Facebook, Instagram, Amazon, other affiliate sites, using social influencers, and so on. Customers can interact with Peekaboo easily no matter which medium they choose. Also by having multiple touchpoints, Peekaboo is able to reach more potential customers. This also helps build the brand name and website traffic, and ultimately more sales.

Returning business leads to recurring revenues

Peekaboo's returning business of 38% is a sign that customers are coming back. Naturally even higher numbers would be better, but given the intense competition of online retail, Peekaboo is performing above the average 20-25% benchmark.

Peekaboo's US expansion has the potential to substantially grow revenues

Sales from the United States were up 5% for the first quarter. In comparison, in 2018 1.3% of total orders were in USD and in 2019 1.45 % of total orders were in USD. As the word spreads in the US the potential is enormous for Peekaboo to grow sales in such a huge market.

Insiders are buying shares in Peekaboo

On January 21 it was reported that "Peekaboo Beans insiders increase equity position in the Company by acquiring 769,000

common shares on the open market at an average price of 0.04 per share.”

Insider buying is always a good sign. Insiders owning a reasonable percentage equity stake in the Company is also favorable. For Peekaboo beans CEO Traci Costa owns about 4% of the Company and Darrell Kopke owns about 3%.

Peekaboo clothes are all about play, passion, and possibilities for children to feel good



Closing remarks

Niche retail businesses are not easy to create; however, once they get a certain amount of momentum and brand recognition they can be very profitable. There are so many examples of these including: Nike, Adidas, Under Armour, and Lululemon to name just a few. Peekaboo Beans is still in the early stages but if the recent impressive growth rates (helped by their omni-channel marketing) can continue then we will be hearing a lot more about Peekaboo in the future.

Retail for the holidays

As we approach the festive season retail sales always surge. In fact, the festive season is by far the most profitable time of the year for many retailers. In December it is not unusual for many retail businesses to see sales rise by 15% above normal monthly sales.

Online shopping is becoming a big business

In 2019, e-retail sales accounted for 14.1% of all retail sales worldwide. This figure is expected to reach 22% in 2023. In 2018, 14.3% of all US retail sales were 'online' sales. The US alone had ~259 million online shoppers in 2018, and is forecast to grow to reach more than 300 million by 2023.

This trend looks set to continue as online shopping offers the convenience of shopping from your PC or phone, discounted prices, and product delivery right to your door. According to a survey carried out in Canada in October 2019, there are four main reasons why consumers will shop online during the holiday season rather than in stores. Free shipping was the leading reason, alongside 24/7 availability of products and services, home delivery, and the convenience of it all.

Interestingly, the following countries had the highest growth rates for retail e-commerce sales in 2019 – Mexico (35%), India (32%), Philippines (31%), and China (27%). Canada is ranked 6th with a 21% growth rate.

Baby and children apparel is another growth area

In 2018 the baby and young children's apparel market in the United States was valued at ~US\$21 billion.

The global children's wear market was worth approximately US\$203 billion in 2017 and it is forecast to reach US\$339 billion by 2024. The children's wear market is projected to grow at a CAGR of 8.1% from 2019 to 2024.

Peekaboo Beans – Offers online shopping focusing on toddlers and children apparel

Peekaboo Beans Inc. (CSE: BEAN) offers an online shopping experience in clothing fashion, for both toddlers and children. Peekaboo is focused on environmentally responsible clothes that are intentionally designed to inspire play. The Company was formed 13 years ago by founder Traci Costa looking for a better alternative to dress her daughter. CEO Traci Costa says: "It's not just about the clothes, it's about play, passion, and possibility. It's about product with a purpose."

Peekaboo Beans' children clothes offer responsible manufacturing, best intention for the kids, and long lasting quality



Peekaboo's point of difference

Many children's clothing brands, are focused on designing and manufacturing in what you could call 'fast fashion' capacity. The intention of fast fashion is to design and manufacture inexpensive clothing with the sole purpose of selling in high volumes to turn a quick profit. Often the fabric, the supply chain, or the production chain (or all three) are compromised to produce fast fashion garments. Peekaboo Beans approach is entirely different. Peekaboo fashions are ethically manufactured and are dedicated to providing the best clothing for children to feel independent, and play in comfort all day, every day.

By providing an online shopping experience Peekaboo offers the

whole family to have an input into the selection of the latest fashions that are available, from the comfort of the family home.

In June 2019 the Company completed a very successful sales month. The summer sales of that month resulted in \$160,000 in revenue across Peekaboo's' various distribution channels, an increase of ~300% on the June 2018 revenue of \$41,000.

With the festive season fast approaching and with so many consumers leaving shopping to the last minute, Peekaboo may see an even bigger jump in sales than they recorded in their summer sales.

As we approach the festive season Peekaboo Beans should be a big winner from several tailwinds – Increased December retail sales, rapid growth in online shopping, and growing demand for children wear.

Will Peekaboo Beans be the next Lululemon?

Despite the trade war, retail and online yoga-athletic retailer Lululemon Athletica has been booming. Demand for quality niche retail apparel is defying any slowdown. In 2018 Lululemon outperformed the S&P 500 by surging 54.7%. So far in 2019, the Company has climbed 55.7%, almost three times the rise in the S&P 500 of 19.4%.

Lululemon Athletica is a Canadian founded athletic Yoga style apparel retailer. The Company has expanded to make a variety of types of athletic wear, including performance shirts, shorts, and pants, as well as lifestyle apparel

and yoga accessories. The Company has expanded to sell its products internationally in its 460 stores as well as having a huge online sales presence.

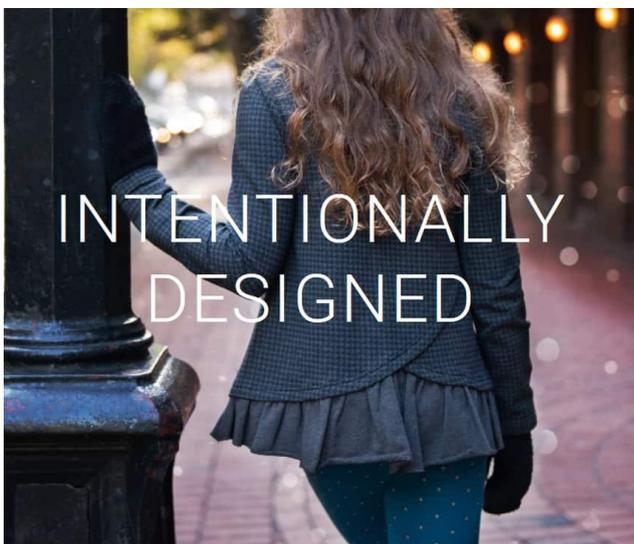
Don't you wish you were in Lululemon stock from the beginning? Well there is another niche apparel retailer, Peekaboo Beans, that is at a much earlier stage.

Peekaboo Beans Inc. (CSE: BEAN | OTCQB: PBBSF) operates within the same space as Lululemon with a slight difference, they specialize in children's wear. Their focus is on environmentally responsible clothes that are designed to inspire play.

Peekaboo Beans uses an integrated marketing approach to build brand awareness and customer loyalty. Also by designing comfortable clothes that are built to last, the Company is promoting a playful lifestyle for children.

The Company started 13 years ago, born from a personal and practical idea by founder Traci Costa, who sought a better way to dress her daughter. CEO Traci Costa says: "It's not just about the clothes, it's about play, passion, and possibility. It's about product with a purpose."

Peekaboo's products example



Online sales model using social media

Through an omnichannel approach, Peekaboo Beans engages sellers through social platforms, including Instagram and Facebook, as well as online retailers, to maximize revenue and build brand loyalty. Their new social retail platform broadens their distribution network and provides customers more avenues to shop.

300% YoY revenue increase in June

Peekaboo has been growing revenues at a rapid pace. For example, in June 2019 Peekaboo increased the previous year's June sales by 300% bringing in \$160,000 in revenue across the Company's various distribution channels.

CEO Traci Costa adds: "So when you can marry an amazing product, with a world-class competition plan and a management team and culture, that's where hyper growth comes from. Peekaboo Beans are the only children's apparel direct sales company listed in Canada."

Peekaboo Bean's products examples



Comparing Lululemon to Peekaboo

To give a comparison Lululemon was founded in 1998 by Chip Wilson in Vancouver, British Columbia, and sold its first pair of yoga pants that year. In 2005 investors were brought in to

help oversee the Company's initial public offering. Lululemon launched its IPO in July 2007, and raised \$327.6 million after selling 18.2 million shares. Lululemon now has a market cap of US\$ 24.6 billion.

The global children's wear market is huge

The global children's wear market was worth approximately US\$203 billion in 2017 and it is forecast to reach US\$339 billion by 2024. The global children's wear market is projected to grow at a CAGR of 8.1% from 2019 to 2024.

Peekaboo has a huge market opportunity, and so far they have been making all the right moves, it just takes time to grow any new online business. Will they be the next Lululemon and grow to a market cap of US\$24.6 billion? Definitely possible given the size of the market opportunity.

Children's wear Peekaboo Beans June 2019 revenue increased by 300% YoY

The global children's wear market was worth approximately US\$203 billion in 2017 and it is forecast to reach US\$339 billion by 2024. The children's wear market is projected to grow at a CAGR of 8.1% from 2019 to 2024. With 26% of the population being under 15 years old the market is huge. Children's wear companies that can stand out from the crowd with great products and marketing are growing even faster.

Peekaboo Beans Inc. (CSE: BEAN | OTCQB: PBBSF) is a growing Canadian company working in the children's apparel industry.

The Company was started as a grassroots company 10 years ago in Richmond British Columbia and now has a staff of 20 with about 1,200 independent sales representatives.

Peekaboo's values and products

The concept was born from a personal and practical idea by founder and CEO Traci Costa who sought a better way to dress her daughter in ultra comfortable, durable, stylish and most importantly, made for 'playful living' clothes. Traci's desire to create a better alternative to children's wear that was more functional for children drove her to create her first collection. With this goal in mind, Peekaboo designs children's clothing intentionally crafted to inspire independence and confidence while providing comfort for every occasion.

Founder and CEO Traci Costa states: "It's not just about the clothes, it's about play, passion, and possibility. It's about product with a purpose."

Rather than using a 'fast fashion' approach which focuses on minimal design and high volume manufacturing of inexpensive clothing (cheap & low quality), Peekaboo focuses on unique and practical design using ethical manufacturing.

The name Peekaboo Beans was inspired by a game founder Traci played with her first daughter and their favorite snack, edamame. Even Canadian Prime Minister Justin Trudeau's children can be seen wearing Peekaboo Beans fashion.

Growing brand loyalty, marketing, and online presence

Peekaboo is lowering operational costs and is now reaching a greater target audience as their brand name and brand loyalty continues to grow. The Company is transitioning to an omni-channel marketing and business model that will give the push needed to ramp up marketing spend and enhance brand positioning through various campaigns. Peekaboo Beans approach

to online shopping is providing a stress free and flexible environment that children can participate in hosted from the comfort of home.

June revenue up ~300% YoY

The Company has just had a very successful sales month of June 2019. The summer sales for June resulted in \$160,000 in revenue across Peekaboo's various distribution channels, that's a ~300% increase on the June 2018 revenue of \$41,000.

Traci Costa, CEO and President of Peekaboo Beans, commented: "We are very excited with our June revenue results and are eager to see how we can continue to beat our expectations moving forward."

Q1 2019 expenses down

The Company's Q1 2019 expenses have been reduced from \$1.1 m to \$570,000 and commission costs lowered to 9% from 28% on average.

Peekaboo Beans Inc. is a children's apparel brand with a focus on environmentally responsible clothes that are intentionally designed to inspire play. Based in Richmond British Columbia, Canada; Peekaboo has a market cap of C\$ 2.5 million.