

# Best of the Best plc

## SALES DESK NOTE

11<sup>th</sup> June 2015

HYBRIDAN

### Key Statistics

**Code** : BOTB  
**Listing** : AIM  
**Sector** : Travel & Leisure  
**Market Cap** : £12.74m  
**Share in issue** : 9.10m  
**Current Price** : 145.00p  
**12 month High/Low**: 58.00p/145.00p

### Stock Performance



Source: InvestEgate

### Financials

£'m	2015	2014	2013	2012
Revenue	8.80	7.00	6.45	5.60
Profit	0.64	0.36	0.08	-0.12

Source: Best of the Best plc Full Year Results

### Company description

Best of the Best Plc is a profitable business that displays luxury cars as competition prizes in rented retail space within airport terminals, at shopping centres and online. Best of the Best's revenue is derived from ticket sales to passing airport passengers, as well as from online customers via its website.

Best of the Best operates from eight UK and two international airport sites, as well as from three shopping centres. As well as providing income for the airport operators, the cars are also considered to provide an interesting attraction for passengers which is looked upon favourably by airport operators.

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## Best of the best (BOTB) – We all know this one!

We've all been there. Hurling through the airport at the speed of light trying to make our flight when we are suddenly greeted with the alluring grace of Porsche's newest supercar and a chance to win it for a nominal fee to enter into a prize draw. Over the past sixteen years BOTB has evolved substantially from operating on a single airport site into a multi-channel business that displays luxury cars as competition prizes in rented retail space whether it be in airport terminals, shopping centres or their rapidly growing online offering. The company receives over 10,000 weekly entrants whereby players can choose the exact car they want to win from over 190 models with entry prices ranging from £3-£20. Models are all encompassing from supercars, luxury SUVs/4x4s, classics, track cars, sports cars and hybrid/electric cars.

BOTB's recent 2015 results show the impressive traction the company is making as they are increasingly ramping up their online offering. It's widely known that consumer patterns and behaviours are constantly progressing towards online with retailers and BOTB are positioning themselves to take full advantage of this trend. Over the period, revenues were up 25% to £8.8m, PBT up to £0.81m and a special dividend declared of 14.5% per share. The increased investment in their online marketing capabilities were justified as online revenues over the year increased by 57.5% to £5m, which accounts for 57.3% of total revenue.

Physical sites still remain a key part of BOTB's strategy as they act as a "feeder" to acquiring online customers which across the past fifteen years has grown into a 420,000 email database. Franchise presence under the BOTB brand at Hyderabad airport with launches planned at Mumbai and Delhi in 2015 will help expand the company's international customer database.

BOTB's focus on social media has not only increased online customer acquisition but has also created a very healthy community with customers through the likes of 120,000 Facebook followers and equally strong presence across YouTube, Twitter and Instagram. With BOTB's successful move to weekly car competitions (previously every two weeks) it was important to demonstrate the "realness" of these wins. BOTB's CEO, William Hindmarch surprises weekly winners in person with their new car which is videoed and broadcasted across social media. Such a move sends a strong message out to the "nobody ever wins these things" naysayers.

BOTB is a profitable, cash generative, dividend paying business with a strong balance sheet. Their multi-channel digital marketing strategy is progressing to plan which has been reflected in their results. The company has a positive outlook with their flourishing online business only set to scale up the business even further.

For disclosures, refer to the Disclosure Section

## Consolidated Income Statement for year ended 30 April 2015

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Revenue</b>	<b>8,797</b>	7,000
Cost of sales	-3,621	-
	<hr/>	<hr/>
<b>Gross Profit</b>	<b>5,176</b>	4,607
Administration Expenses	-4,372	4,162
	<hr/>	<hr/>
<b>Operating Profit</b>	<b>804</b>	445
Finance Income	2	2
	<hr/>	<hr/>
<b>Profit Before Tax</b>	<b>806</b>	447
Tax	-163	-92
	<hr/>	<hr/>
<b>Profit for the year</b>	<b>643</b>	355
	<hr/>	<hr/>
Profit on earnings per share expressed in pence per share:		
Basic	7.09	3.84
Diluted	6.56	3.59

Source: Best of the Best plc Full Year Results

## Consolidated Statement of Financial Position as at 30 April 2015

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Non- current Assets</b>		
Property, plant & equipment	1,053	1,048
Investments	70	-
Deferred tax	83	103
	<b>1,206</b>	1,151
<b>Current Assets</b>		
Inventories	501	526
Trade & other receivables	266	362
Tax Receivables	8	2
Cash and cash equivalents	1,907	2,244
	<b>2,682</b>	3,134
<b>Total Assets</b>	<b>3,888</b>	4,285
<b>Equity</b>		
<b>Shareholders' Equity</b>		
Called up share capital	454	454
Treasury shares	-	-161
Share Premium	-	1,783
Capital redemption reserve	197	197
Share-based payment reserve	148	148
Retained earnings	1,290	444
<b>Total Equity</b>	<b>2,089</b>	2,865
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	1,594	1,285
Tax Payable	205	135
<b>Total Liabilities</b>	<b>1,799</b>	1,420
<b>Total Equity &amp; Liabilities</b>	<b>3,888</b>	4,285

Source: Best of the Best plc Full Year Results

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