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Featured Stock: (DTL)

Derrimon Trading Company Limited (DTL);
Opening price — \$7.16 Price to book — 1.75 times;
P/E — 13.73 times

This week's stock pick is Derrimon Trading Company Limited (DTL), which distributes bulk household food products locally. The company operates through two divisions, Distribution and Wholesale. It also operates retail outlets under Sampars Cash and Carry name; and provides warehouse storage rental services.

For the nine months ended September 31, 2017 DTL income increased by 6%, to end the nine months at \$4.92 billion compared to the \$4.66 billion for the prior period. For the quarter the company reported a 32% increase in Trading Income totaling \$1.77 billion relative to \$1.34 billion. Cost of Sales declined marginally by \$7.90 million to \$3.98 billion for the period (2016: \$3.97 billion). As a result, Gross Profit amounted to \$939.22 million relative to \$685.89 million the year prior, an increase of 37% year over year. Net profit for the nine months period improved 22% to \$131.56 million, while for the quarter, the company reported a 56% increase in Net Profits to \$27.23 million (2016: \$17.46 million).

DTL recently gave notice of an Extraordinary General Meeting, as the Board seeks shareholders approval to, "issue necessary additional preference share to redeem the 2015 Redeemable Preference Shares, along with issuing additional preference share from time to time to take advantage of the falling interest rate environment to lower the borrowing costs of the Company." Derrick Cotterell, DTL Chairman and CEO, noted, "we continue to seek opportunities to grow our operations and with our financial partners, Mayberry Investments, we are working to find the best financial solutions in the short, medium and long term. Our goal was always, and will continue to be strengthening our company and creating the best value for all our stakeholders".

Additionally, DTL (as at Friday February 9, 2018) was trading at 1.75

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.