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Featured Stock: (DTL)

Derrimon Trading Company Limited (DTL);
Opening price — \$7.51 Price to book — 2.38 times;
P/E — 8.13 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 Derrimon Trading Limited (DTL) reported trading income of \$6.72 billion for the year ended December 31, 2017. Cost of Sales for the year amounted to \$5.39 billion, resulting in a gross profit of \$1.34 billion for the 2017 financial year. Other Income for the year end totalled \$257.13 million. Total operating expenses was \$1.14 billion for the year, as administrative expenses totalled \$1.01 billion, while selling and distribution expenses closed at \$135.67 million. Consequently, operating profit for totalled \$451.70 million, while for the quarter, DTL booked operating profit of \$215.83 million. Following finance costs of \$169.90 million, DTL's net profit amounted to \$281.80 million a 76% increase.

DTL recently advised that due to excess demand of its recent Preference shares offer, the Board of Directors have decided to exercise the Overallotment Option to make available an additional 50,000,000 2021 Preference Shares at J\$2.00 per share on the same terms and conditions set out in the Prospectus published on March 19, 2018. The company successfully raised J\$350,000,000.00.

Additionally, DTL (as at Friday April 6, 2018) was trading at 2.38 times its book value with a P/E of 8.13 times.

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.