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## Featured Stock: (DTL)

Derrimon Trading Company Limited (DTL);  
Opening price — \$2.82 Price to book — 5.11 times;  
P/E — 25.94 times

This week's stock pick is Derrimon Trading Company Limited (DTL), which distributes bulk household and food items inclusive of meat products, chilled and ambient beverages through the operation of a chain of outlets and supermarkets. The Company's subsidiaries are involved in manufacturing of flavours and fragrances along with wooden pallets.

Derrimon Trading Limited (DTL) reported trading income of \$6.30 billion (2019: \$6.29 billion) for the six months ended June 30, 2020. Cost of sales at the end of June 2020 amounted to \$5.10 billion, resulting in a gross profit of \$1.20 billion for the period under review. Other income for the period went up by 241% to totalled \$41.46 million. Total operating expenses was \$965.76 million for the six months, as administrative expenses totalled \$776.84 million, while selling and distribution expenses closed at \$188.93 million. Additionally, finance cost amounted to \$67.79 million resulting to a profit before tax of \$207.47 million (2019: \$186.45 million). DTL after incurring tax charges of \$23.59 million at the end of June 2020, the company booked net profit of \$183.89 million a 10% growth when compared to \$167.63 million booked in the same period last year.

DTL noted, "The results for the first six (6) months of 2020 are very encouraging for our business as a whole despite the global pandemic which has resulted in an economic slowdown and has negatively impacted some aspects of our business. We will continue to monitor and manage each element of risk, whilst adopting all the safety measures being initiated by the government. Despite the many challenges, we remain confident that we have the right talents and leadership to deliver on our plans for the ensuing periods."

Additionally, DTL (as at Friday September 11, 2020) was trading at 5.11 times its book value with a P/E of 25.94 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.