







ECL

Express Catering Limited (ECL);

Opening price— \$3.85;

Price to book— 5.52 times;

P/E— 13.30 times

Week to Date:	1.91%	
Month to Date:	-6.75%	
Quarter to Date:	-6.75%	
Year to Date:	-6.75%	

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.

Express Catering Limited (ECL) was established in 2001 to cater to the food and beverage needs of visitors and Jamaican travelers departing from the Sangster International Airport (SIA). It also provides food and beverage options for the airport's approximately 7,500 employees. ECL is a subsidiary of Margaritaville, St. Lucia and is parented by the Margaritaville Caribbean Group (MCG), a Bahamian registered company. Through its international franchises and diverse group of proprietary brands, ECL currently boasts the following food and beverages favourites in operations throughout the airport: Quiznos Subs and Salads, Cinnabon, Aunt Annie's Pretzels, Dairy Queen Grill & Chill, Air Margaritaville, Domino's Pizza, Wendy's, Starbucks, Jamaican Bobsled Café, The Groovy Grouper, Viva Gourmet Market, Tastee, Juici Patties and the Bob Marley One Love Restaurant.

The outlook for ECL has picked up following the vast improvements in the Jamaican tourism sector and the stellar upgrade works that have been carried out at the airport. The airport is now poised to double the number of passengers that was served in calendar 2022 (just under 4.5 million) to full capacity of 9.0 million, which according to ECL, is being pursued actively by various stakeholders. ECL remains focused on broadening its offerings at the airport. By the end of the first quarter of 2024, ECL expects to complete its food court expansion activities, which will add more new offerings and relocate an existing offering into more spacious and comfortable settings. Notably, its latest addition, the Bob Marley One Love Restaurant has been receiving rave reviews and is considered the centerpiece of the new food court. With its growth strategy, paired with tourism expansion, ECL is poised to sustain and even surpass expectations.

The company generated revenue of US\$5.18 million for the second Quarter, compared to US\$4.20 million for the similar period in the prior year. This was a 23.2% increase over the prior year and was in part supported by the 8.1% increase in passenger count. 529,800 passengers accessed the departure lounge of the airport during the Quarter compared to 490,045 passengers for the similar period in the prior year. Passenger totals for the similar period in 2019 was 445,537. The growing tourism sector paired with the fact that traditionally, SIA has welcomed 80% of Jamaica's stopover visitors has vastly improved the outlook for ECL and its operations have profited greatly. As a result, profit being total comprehensive income for the six months amounted to US\$1.03 million, a 32% increase from the US\$779,649 reported in 2022. For the second quarter, profit being total comprehensive income was US\$187,240 (2022: US\$126,807).

ECL (as at Friday January 26, 2024) was trading at 5.52 times its book value with a P/E of 13.30 times and is thus recommended as a Buy.

