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CELEBRATING 31 YEARS

Featured Stock: (LASF)

Lasco Financial Services Limited (LASF);
Opening price — \$5.25 Price to book — 4.97 times;
P/E — 26.79 times

This week's stock pick is Lasco Financial Services Limited, which provides a range of financial services to customers in Jamaica. The company operates as a Cambio dealer and remittance services provider; and as an agent of MoneyGram International money transfer. In addition, the company also grants loans for personal and business purposes.

For the nine months ended December 31, 2017 LASF recorded trading income of \$1.09 billion; this represented a growth of 37% when compared to \$794.46 million posted in 2016, while trading income for the quarter amounted to \$407.48 million (2016: \$288.25 million). This was attributed to seasonally strong remittance and cambio inflows bolstered by the income from its new acquisition. The company acquired 100% shares in Scotia Jamaica Microfinance Company Limited (CrediScotia) through a Share Purchase Agreement." Expenses for the nine months amounted to \$431.08 million, 41% more than the \$304.96 million the year prior. Net profits attributable to shareholders totaled \$221.52 million, 37% more than the \$162.14 million posted for the same period last year. This after taxes for the period totaled \$52.07 million (2016: \$36.45 million). This translated to an EPS of \$0.18 (2016: \$0.13), while the EPS for the quarter totaled \$0.044 (2016: \$0.049).

According to LASF, "The acquisition of a loans company was one of LASF's key strategic options to expand its loan business. Over the past year, we have expanded our branch network, team and services in our quest to carve out a significant market share in the Micro Loans business. The acquisition of CrediScotia, added to its already very strong remittance business, immediately positions LASCO Financial Services Limited among Jamaica's strongest financial services companies. In the coming months, LFSL will combine its loan business into the subsidiary company and focus on the continued opportunities to serve the market which aligns with our LASCO philosophy and strategy of financial inclusion. The combined businesses will own a network of 13 branches, a large customer base and large loan portfolio."

Additionally, LASF (as at Friday February 2, 2018) was trading at 4.97 times its book value with a P/E of 26.79 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.

Sales Inquiries
managedequity@mayberryinv.com

General & Sales Inquiries
(876) 929 1908- 9

(876) 929-1501

[mayberryinvja](http://mayberryinvja.com)

facebook.com/mayberryinvja