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# Featured Stock: LASD

Lasco Distributors Limited (LASD):

Opening price - \$3.78 Price to book - 2.55 times;  
P/E - 12.17 times

LASCO Distributors Limited is a leading marketing and distribution company in Jamaica. The company markets and distributes food, consumer, personal care and pharmaceutical products for local and international brands as well as its own private brands. The company is comprised of two divisions: the Consumer division and the Pharmaceutical division. LASCO Distributors Consumer Division is one of the largest distributors of consumer products in Jamaica. The LASCO Distributors Pharmaceutical Division, located in Kingston, presently represents a number of international drug houses. The division also distributes LASCO branded vitamins and supplements and a line of generics under the LASMED brand.

Lasco Distributors Limited (LASD) posted 9% growth in revenue to \$13.33 billion, up from \$12.24 billion in the corresponding period in 2017. Cost of sales amounted to \$10.70 billion, up 9% on the \$9.85 billion reported in the prior comparable period. Within the third quarter, cost of sales went up by 18% to \$3.70 billion versus \$3.14 billion in the previous quarter in 2017. Consequently, gross profit recorded an increase of 10% year over year, closing at \$2.63 billion compared to the \$2.39 billion generated for the same period in the prior year. Operating expenses of \$2.13 billion were booked for the nine months, a growth of 14% on \$1.88 billion recorded for the comparable period of 2017. The Company indicated that, "this was primarily due to start-up marketing cost for newly launched brands, as well as increases in insurance and depreciation expenses relating to the warehouse expansion and other capital investments for increased operational capacity." Net profit for the period closed at \$620.85 million (2017: \$535.22 million), a 16% climb year over year following taxation of \$47.07 million (2017: \$50.55 million). As for the third quarter, net profit increased by 24% to \$157.13 million (2017: \$126.72 million).

Management noted, "to date, the company has repaid a total of \$487 million of the loan borrowed for the warehouse expansion which has a current balance of \$213 million."

Additionally, LASD (as at Friday March 01, 2019) was trading at 2.55 times its book value with a P/E ratio of 12.17 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.