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## Featured Stock: (CAR)

Carreras Limited (CAR) Opening price — \$6.30 Price to Book — 21.05 times; P/E — 9.24 times

Carreras Limited (CAR) is the leading marketer and distributor of cigarettes and tobacco related products in Jamaica.

Carreras Limited's operating revenue fell by 22% for the quarter ended June 30, 2020 totalling \$2.70 billion relative to \$3.46 billion booked in 2019. Cost of operating revenue also declined year over year by 21%, amounting to \$1.37 billion from \$1.73 billion. As such, Gross operating profit fell by 23% to total \$1.33 billion relative to the \$1.73 billion in 2019. Furthermore, administrative, distribution and marketing expenses decreased 5% to total \$508.92 million (2019: \$535.58 million). Pre-tax profit closed the quarter at \$873.74 million relative to \$1.23 billion in 2019. Consequently, net profit for the three months decreased 29% to \$651.48 million relative to \$923.29 million booked in 2019.

CAR noted, "the Company employed several strategies to preserve and drive its sales volumes, including the expansion of our distribution channels through an efficient and effective route-to-market structure, grooming product offerings which addressed the purchasing power of consumers and the continued focus on strong customer relations, while ensuring that the core brands of the Company remained relevant across our consumer base."

CAR (as at Friday August 28, 2020) was trading at 21.05 times its book value with a P/E of 9.24 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.