



LASD

Lasco Distributors Limited (LASD),

Opening price— \$2.90

Price to book— 1.38 times;

P/E— 9.70 times

Week to Date: -6.44%



Month to Date: -8.74%



Quarter to Date: -10.04%



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.

LASCO Distributors Limited is a leading distribution company in Jamaica. The company was established over 30 years ago and in a relatively short time it rapidly increased its market presence by offering quality products at competitive prices to the market 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 Limited (LASD), for the three months ended June 30, 2022, posted a 9% increase in revenue to \$6.26 billion, up from \$5.76 billion booked in the corresponding period in 2021. Cost of sales amounted to \$5.18 billion, up 8% on the \$4.79 billion reported in the prior comparable period. Nonetheless, gross profit recorded an 11% increase year over year, closing at \$1.07 billion compared to the \$964.19 million generated for the same period in the prior year. Other operating income contracted by 66% to end the three months closing at \$28.35 million relative to \$82.53 million in the corresponding period last year. Operating expenses of \$718.03 million were booked for the period, 3% increase from \$699.69 million recorded for the comparable period of 2021. Operating profit increased by 10% to close at \$382.57 million for the period under review (2021: \$347.03 million) while Finance cost totalled \$201,000 (2021: \$257,000). Pre-tax profit amounted to \$382.36 million, a 10% increase from the \$346.78 million reported in the previous year. Net profit for the period closed at \$324.89 million (2021: \$292.07 million), an 11% increase year over year following taxation of \$57.48 million (2021: \$54.71 million). Additionally, total comprehensive income for the period amounted to \$383.12 million relative to \$329.35 million booked last year same time.

Management noted, “The increase in revenue was a result of growth in all Divisions: Consumer, Pharmaceutical and Exports, driven by rebalanced marketing investment to diversify the business and a focus on improving on-shelf availability.”

LASD (as at Friday September 9, 2022) was trading at 1.38 times its book value with a P/E of 9.70 times.