




LUMBER

Lumber Depot Limited (LUMBER)


Opening price— \$2.31

Price to book— 3.10 times

P/E— 10.53 times

Week to Date: -0.15% 

Month to Date: -14.26% 

Quarter to Date: -14.26% 

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.

Lumber Depot Limited is a full service, hardware and building materials company that has been in operation in the Jamaican building supplies sector since 1998. Lumber Depot Limited carries an extensive inventory of construction materials, hardware, plumbing and electrical fixtures. The site includes purpose-built warehousing, loading bays, retail space and office facilities.

Lumber Depot Limited (LUMBER), for the six months ended October 31, 2022 recorded revenue of \$776.75 million, this represents an increase of 2% when compared to \$759.94 million posted at the end of 2021 while revenue for the second quarter amounted to \$376.87 million (2021: \$339.86 million). Cost of sales increased to \$624.53 million versus \$584.43 million in 2021. This resulted in gross profit of \$152.22 million (2021: \$175.51). Administrative and other expenses amounted to \$78.69 million, compared to \$73.29 million booked in the year prior. Finance costs decreased to \$4.31 million (2021: \$4.84 million), while finance income increased to \$3.32 million (2021: \$1.60 million). Resulting in a profit before tax of \$78.20 million, down 27% from \$107.20 million booked in 2021. There was no taxation for the period therefore net profit closed the period under review at \$78.20 million, down from \$107.20 million posted the same period last year. Net profit for the quarter amounted to \$29.87 million relative to 2021 second quarter net profit of \$35.42 million.

Management noted, “Despite the challenges generally associated with higher interest rates, supply chain disruptions, high commodity prices and a spike in logistics costs, Lumber Depot has continued to trade positively and to deliver strong results. Our strategy is to consistently offer competitive prices on our products and to maintain our service standards and inventory availability while prioritizing the safety of our customers and staff. We have been generally successful with this and in turn this has improved our standing with key customers.”

LUMBER (as at Friday January 27, 2023) was trading at 3.10 times its book value with a P/E of 10.53 times.

