



## CAR

Carreras Limited (CAR),

Opening price— \$8.25

Price to book— 20.45 times;

P/E— 9.19 times

Week to Date: **-1.22%**



Month to Date: **-2.97%**



Quarter to Date: **-3.08%**



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.

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

Carreras Limited, for the six months ended September 30, 2022, reported Operating Revenue of \$7.53 billion, a 5% increase relative to \$7.19 billion booked in 2021. According to CAR, “This was mainly attributable to the increase in volumes achieved over the period as well as improvements in the portfolio mix.” Cost of Operating Revenue also increased year over year by 10%, amounting to \$4.07 billion from \$3.72 billion booked twelve months earlier. As such, Gross Operating Profit fell by 1% to total \$3.45 billion. Administrative, distribution and marketing expenses increased to \$1.31 billion. Profit from operation amounted to \$2.16 billion (2021: \$2.54 billion) for the period. Interest income closed the period at \$26.39 million (2021: \$21.05 million) year to date. Profit before Income Tax closed the period at \$2.18 billion relative to \$2.55 billion in 2021. Taxation of \$558.51 million was incurred for the period (2021: \$650.38 million). Consequently, Net Profit year to date fell by 15% to \$1.62 billion relative to \$1.90 billion booked in 2021.

The company noted, “The Financial Year 2022/23 will be a year of broad investment within the company as we seek to revitalize our core brands and maximize on the opportunities presented to engage. This investment will enable Carreras Limited to deliver more sustained results into the future. We will continue to invest in our core brands, Craven A and Matterhorn as we aim to exceed the expectation of our stakeholders. This investment in our consumers have borne fruit driven by the level of revenue increases which have been realized in the first half of the year, and this is expected to continue throughout the financial year.”

CAR (as at Friday February 10, 2023) was trading at 20.45 times its book value with a P/E of 9.19 times.