



LUMBER

Lumber Depot Limited (LUMBER)

Opening price— \$2.21

Price to book— 2.84 times

P/E— 10.57 times

Week to Date: -3.49%



Month to Date: -8.68%



Quarter to Date: -7.92%



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 nine months ended January 31, 2023 recorded revenue of \$1.15 billion, this represents a decline of 1% when compared to \$1.16 billion posted at the end of 2022 while revenue for the third quarter amounted to \$372.87 million (2022: \$400.19 million). Cost of sales increased to \$926.07 million versus \$902.74 million in 2022. This resulted in gross profit of \$223.55 million (2022: \$257.40 million). Administrative and other expenses amounted to \$121.66 million, compared to \$119.63 million booked in the year prior. Finance costs decreased to \$6.46 million (2022: \$6.83 million), while finance income increased to \$5.66 million (2022: \$2.25 million). Resulting in a profit before tax of \$106.74 million, down 25% from \$142.94 million booked in 2022. There was no taxation for the period therefore net profit closed the period under review at \$106.74 million, down from \$142.94 million posted the same period last year. Net profit for the quarter amounted to \$28.54 million relative to 2022 third quarter net profit of \$35.73 million.

Management noted, "We consider our location in Papine to be an important part of our success. The facility in Papine is now owned by the company. Papine is a vibrant and fast-growing university community that also serves as a main access point to the St. Andrew hills. Our location is immediately within the most trafficked part of the community, is purpose built and well established. The immediate plan is to further develop the facility in Papine through continuous investments in our physical space, operating systems, plant and equipment and our service team."

LUMBER (as at Friday May 19, 2023) was trading at 2.84 times its book value with a P/E of 10.57 times.