



Distributors Limited

LASD

Lasco Distributors Limited (LASD);

Opening price— \$3.53

Price to book— 1.48 times;

P/E— 9.19 times

Week to Date: **-1.67%** 

Month to Date: **0.86%** 

Quarter to Date: **0.86%** 

Year to Date: **36.29%** 

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.

LASD for the year ended March 31, 2023 reported that revenue increased 14% to \$26.56 billion (2022: \$23.34 billion). For the quarter, revenue increased 16% to \$6.92 billion (2022: \$5.97 billion). Cost of sales increased 13% to \$21.97 billion (2022: \$19.46 billion). Consequently, gross profit increased 18% to \$4.58 billion (2022: \$3.88 billion). For the quarter, gross profit increased 22% to \$1.17 billion (2022: \$960.64 million). Operating expenses increased 11% to \$3.17 billion (2022: \$2.86 billion) mainly due to a 15% increase in administrative and other expenses, which closed at \$2.53 billion (2022: \$2.20 billion). Operating profit increased 28% to \$1.63 billion (2022: \$1.27 billion). For the quarter, operating profit increased 47% to \$425.03 million (2022: \$289.98 million). Finance costs increased 121% to \$4.27 million (2022: \$1.93 million). After taxation of \$267.44 million (2022: \$250.81 million), net profit increased 33% to \$1.35 billion (2022: \$1.02 billion). For the quarter, net profit increased 76% to \$423.47 million (2022: \$241.23 million). Total comprehensive income increased 34% to \$1.40 billion (2022: \$1.04 billion).

Management highlighted, “Portfolio Innovation initiatives advanced quite well, with the company entering new categories and launching new brands over the past year.”

LASD (as at Friday July 14, 2023) was trading at 1.48 times its book value with a P/E of 9.19 times.

