



LUMBER

Lumber Depot Limited (LUMBER)

Opening price— \$2.05

Price to book— 2.47 times

P/E— 9.97 times

Week to Date: 0.99% 

Month to Date: -4.21% 

Quarter to Date: -4.21% 

Year to Date: -23.79% 

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 year ended April 30, 2023, reported a 3% decrease in revenue to \$1.52 billion compared to \$1.57 billion in the corresponding period last year. For the quarter, revenue had a 10% decrease to close at \$373.31 million (2022: \$413.69 million). Cost of sales marginally decreased year over year to \$1.232 billion (2022: \$1.234 billion). Consequently, gross profit decreased by 15% to \$290.82 million compared to \$340.31 million. The company booked gross profit of \$67.26 million for the fourth quarter versus \$82.92 million reported for the similar quarter of 2022. Administrative & other expenses amounted to \$153.09 million, a 7% decrease relative to \$165.37 million reported in 2022. Profit before taxation amounted to \$145.17 million, a 21% decrease relative to \$183.89 million reported in 2022. For the quarter, profit before taxation amounted to \$38.43 million (2022: \$40.95 million). There was no taxation for the year (2022: nil). As a result, profit attributable to members, being total comprehensive income for the year amounted to \$145.17 million, a 21% decrease from the \$183.89 million reported in 2022. For the quarter, profit attributable to members, being total comprehensive income was \$38.43 million (2022: \$40.95 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. Over the course of the year, we improved the facility in Papine through investments in our buildings, parking and yard space, financial control systems and operating equipment.”

LUMBER (as at Friday July 28, 2023) was trading at 2.47 times its book value with a P/E of 9.97 times.