



LUMBER

Lumber Depot Limited (LUMBER)

Opening price— \$2.52

Price to book— 2.78 times

P/E— 11.91 times

Week to Date: 12.50% 

Month to Date: 12.00% 

Quarter to Date: 17.76% 

Year to Date: -6.32% 

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 first quarter ended July 31, 2023 reported a 4% increase in revenue totalling \$417.45 million compared to \$399.88 million in the corresponding period last year. Cost of sales amounted to \$328.47 million (2022: \$318.15 million). Gross profit increased by 9% to \$88.98 million compared to \$81.73 million compared to 2022. Impairment losses on trade receivables closed at \$1.98 million. Administrative & other expenses amounted to \$37.33 million, a 6% decrease relative to \$39.67 million reported in 2022. As such, profit from operations closed at \$49.69 million (2022: \$48.13 million). Other income amounted to \$580,050, a 58% decrease relative to \$1.38 million reported in 2022. Profit before net finance costs and taxation totalled \$50.27 million a 2% increase from the corresponding period last year. Net financial income amounted to \$2.29 million relative to net financial costs of \$1.18 million reported in 2022. Profit before taxation had a 9% increase to reach \$52.56 million (2022: \$48.33 million). There were no taxes incurred during the period under review. As a result, net profit attributable to shareholders amounted to \$52.56 million, a 9% increase from the \$48.33 million reported in 2022.

Management noted, “The strong financial performance of Lumber Depot in the First Quarter was achieved notwithstanding uncertain economic conditions, including relatively high inflation, increased interest rates, challenges with the availability of certain key hardware items, and a decline in important parts of the construction sector. We believe the solid performance is testimony to our attention to our service levels, competitive pricing, strategic location, and overall business management.”

LUMBER (as at Friday September 29, 2023) was trading at 2.78 times its book value with a P/E of 11.91 times.

