



**Distributors Limited**


## LASD

Lasco Distributors Limited (LASD);

Opening price— \$3.87

Price to book— 1.54 times;

P/E— 8.75 times

Week to Date: 0.00% 

Month to Date: -4.21% 

Quarter to Date: -7.19% 

Year to Date: 49.42% 

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.

LASCO Distributors Limited (LASD) for the six months ended September 30, 2023, reported a 13% increase in revenue totalling \$14.54 billion compared to \$12.86 billion in the corresponding period last year. Revenue for the second quarter had a 9% increase to close at \$7.23 billion compared to \$6.60 billion for the comparable quarter of 2022. Cost of sales amounted to \$11.91 billion (2022: \$10.64 billion). Consequently, gross profit increased by 19% to \$2.64 billion. The Company booked gross profit of \$1.30 billion for the second quarter versus \$1.15 billion reported for the similar quarter of 2022. Other operating income for the six months increased 60% to \$112.13 million (2022: \$70.11 million), while operating expenses amounted to \$1.75 billion, a 12% increase relative to \$1.57 billion reported in 2022. The movement in expenses was driven by an increase in Sales, Promotional and Marketing investments and increased insurance premiums. Profit from operations for the six months amounted to \$997.29 million, a 39% increase relative to \$719.54 million reported in 2022. Profit from operations for the second quarter amounted to \$395.19 million (2022: \$336.98 million). Finance costs totalled \$251,000, an 81% decrease from the corresponding period last year (2022: \$1.32 million). Profit before taxation for the six months amounted to \$997.04 million, a 39% increase relative to \$718.23 million reported in 2022. Profit before taxation for the second quarter amounted to 395.06 million (2022: \$335.86 million). Taxation for the six months had a 56% increase to reach \$204.31 million (2022: \$131.09 million). As a result, net profit for the six months amounted to \$792.73 million, a 35% increase from the \$587.14 million reported in 2022. For the second quarter, net profit was \$345.15 million (2022: \$262.25 million).

Management noted that, “this performance builds on the previous year’s results, achieving growth across all key categories. The company continues to increase its marketing activities while expanding its distribution capabilities.”

LASD (as at Friday December 15, 2023) was trading at 1.54 times its book value with a P/E of 8.75 times.