



CARRERAS LIMITED


CAR

Carreras Limited (CAR),

Opening price— \$8.56

Price to book— 16.84 times;

P/E— 9.40 times

Week to Date: 0.12% 

Month to Date: -5.20% 

Quarter to Date: 3.76% 

Year to Date: 3.76% 

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.

Carreras Limited (CAR) is the leading marketer and distributor of cigarettes and tobacco related products in Jamaica.

Carreras Limited (CAR) for the nine months ended December 31, 2023, reported a 10% increase in operating revenue totalling \$13.84 billion compared to \$12.53 billion in the corresponding period last year. Operating revenue for the third quarter had a 9% increase to close at \$5.46 billion compared to \$5.00 billion for the comparable quarter of 2022. Cost of operating revenue amounted to \$7.01 billion (2022: \$6.73 billion), this represents an increase of 4% year over year. Consequently, gross operating profit increased by 18% to \$6.84 billion compared to \$5.80 billion in 2022. The company booked gross operating profit of \$2.78 billion for the third quarter versus \$2.35 billion reported for the similar quarter of 2022. Administrative, distribution and marketing expenses increased by 2% from \$2.14 billion in 2022 to \$2.18 billion in the period under review. As a result, profit from operation for the nine months amounted to \$4.75 billion, a 30% increase relative to \$3.66 billion reported in 2022. Profit before income tax for the nine months amounted to \$4.71 billion, a 28% increase relative to \$3.68 billion reported in 2022. Profit before income tax for the third quarter amounted to \$1.84 billion (2022: \$1.51 billion). Income tax for the nine months had a 26% increase to reach \$1.18 billion (2022: \$938.14 million). Net profit for the nine months amounted to \$3.53 billion, a 29% increase from the \$2.74 billion reported in 2022. For the third quarter, net profit was \$1.38 billion (2022: \$1.13 billion).

According to the Jamaica Observer, “Carreras Limited is making a bold entry into the burgeoning vaping market. The new category was introduced to the market in September (2023) as it aims to expand its consumer base and showcase its adaptability.”

CAR (as at Friday March 15, 2024) was trading at 16.84 times its book value with a P/E of 9.40 times. The Company continues to grow and is one of the best dividend paying stocks, with a 10.42% dividend yield in 2023.

