



Distributors Limited





LASD

Lasco Distributors Limited (LASD);

Opening price— \$4.25

Price to book— 1.62 times;

P/E— 9.25 times

Week to Date:	-6.80%	
Month to Date:	0.95%	
Quarter to Date:	12.73%	
Year to Date:	12.73%	

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 nine months ended December 31, 2023, reported an 11% increase in revenue totalling \$21.86 billion compared to \$19.64 billion in the corresponding period last year. Revenue for the third quarter had an 8% increase to close at \$7.31 billion compared to \$6.78 billion for the comparable quarter of 2022. Cost of sales amounted to \$17.90 billion (2022: \$16.23 billion). Gross profit increased by 16% to \$3.96 billion compared to \$3.41 billion in 2022. The Company booked gross profit of \$1.32 billion for the third quarter versus \$1.19 billion reported for the similar quarter of 2022. Other operating income for the nine-month period increased by 28% to \$206.72 million (2022: \$161.23 million), while operating expenses for the same period amounted to \$2.66 billion, a 12% increase relative to \$2.37 billion reported in 2022. Profit from operations for the nine months amounted to \$1.51 billion, a 26% increase relative to \$1.20 billion reported in 2022. Profit from operations for the third quarter amounted to \$509.31 million (2022: \$480.71 million). Finance costs totalled \$372,000, a 98% decline from the corresponding period last year (2022: \$24.72 million). Profit before taxation for the nine months amounted to \$1.51 billion, a 28% improvement relative to \$1.18 billion reported in 2022. Profit before taxation for the third quarter amounted to \$509.18 million (2022: \$457.31 million). Taxation for the nine months had a 26% increase to reach \$309.12 million (2022: \$245.42 million). Net profit for the nine months amounted to \$1.20 billion, a 29% increase from the \$930.11 million reported in 2022. For the third quarter, net profit was \$404.38 million (2022: \$342.98 million).

Management noted, “we are closely monitoring the impact of rapidly geopolitical conditions on our operating environments, as well as local conditions that impact consumer decisions. We will continue to make the necessary tactical decisions to navigate these headwinds in the short term, while adhering to our well-established strategic framework over the long term.”

LASD (as at Friday March 22, 2024) was trading at 1.62 times its book value with a P/E of 9.25 times.