



LUMBER

Lumber Depot Limited (LUMBER)

Opening price— \$2.67

Price to book— 2.85 times

P/E— 11.46 times

Week to Date:	-5.20%	▼
Month to Date:	-5.20%	▼
Quarter to Date:	-4.41%	▼
Year to Date:	5.83%	▲

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 nine months ended January 31, 2024, reported a 1% increase in revenue totalling \$1.16 billion compared to \$1.15 billion in the corresponding period last year. Revenue for the third quarter had a similar increase to reach \$376.85 million relative to \$372.87 million for the comparable quarter of 2023. Cost of sales amounted to \$911.41 million (2023: 926.07 million), this represents a decrease of 2% year over year. Consequently, gross profit increased by 11% to \$247.50 million compared to \$223.55 million for the nine months ended January 31, 2023. The Company booked gross profit of \$82.20 million for the third quarter versus \$71.34 million reported for the similar quarter of 2023. Administrative & other expenses increased by 6% from \$121.66 million in 2023 to \$129.46 million in the period under review. As a result, profit from operations for the nine months amounted to \$117.30 million, a 12% increase relative to \$105.03 million reported in 2023. Profit before taxation for the nine months had a 18% increase to reach \$126.15 million (2023: \$106.74 million). Profit attributable to members, being total comprehensive income for the nine months amounted to \$126.15 million, an 18% increase from the \$106.74 million reported in 2023. For the third quarter, profit attributable to members, being total comprehensive income for the period was \$39.41 million (2023: \$28.54 million).

Management noted, “Over the course of this financial year, our customer base faced uncertain economic conditions, including relatively high inflation and interest rates and challenges with the availability of certain key hardware items. These conditions were evident in a slow-down of the Jamaican construction sector. We are, however, now seeing encouraging green shoots within the sector, and are pleased that our business remains strong and highly competitive, despite the challenging economic circumstances.”

LUMBER (as at Friday June 7, 2024) was trading at 2.85 times its book value with a P/E of 11.46 times.