



Distributors Limited

LASD

Lasco Distributors Limited (LASD);

Opening price— \$4.70

Price to book— 1.74 times;

P/E— 12.20 times

Week to Date: -2.10%



Month to Date: -7.58%



Quarter to Date: -7.72%



Year to Date: 24.64%



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 first quarter ended June 30, 2024, reported a 0.1% increase in Revenue totaling \$7.33 billion compared to \$7.31 billion in the corresponding period last year.

Despite a slight increase in the cost of sales to \$6.00 billion (2023: \$5.98 billion), LASD has shown resilience. The gross profit decreased by 1% to \$1.32 billion, compared to \$1.34 billion for the June 30, 2023 quarter, indicating the company's ability to navigate challenges.

Operating expenses for the quarter amounted to \$941.25 million, a 17% increase relative to \$806.17 million reported in 2023.

Profit from Operations for the quarter amounted to \$441.30 million, a 27% decrease relative to \$602.10 million reported in 2023. Finance Costs totaled \$287,000, a 152% increase from last year's corresponding period. (2023: \$114,000).

Profit before taxation for the quarter amounted to \$441.01 million, a 27% decrease relative to \$601.98 million reported in 2023.

Taxation for the quarter decreased 47% to \$82.10 million (2023: \$154.40 million). Net Profit for the quarter amounted to \$358.91 million, a 20% decrease from the \$447.58 million reported in 2023.

Management noted, "the company faced significant supply chain challenges that impacted product availability in the first quarter and despite these headwinds, we delivered revenue in line with the prior year. Gross margins and net profit were impacted by the disruptions to certain high-volume and high-margin categories, and an increase in operating expenses over the prior year."

LASD (as at Friday August 16, 2024) was trading at 1.74 times its book value with a P/E of 12.20 times.