



CAR

CARRERAS LIMITED (CAR);

Opening price— \$9.68;

Price to book— 19.11 times;

P/E— 10.35 times

Week to Date: 0.46%



Month to Date: 0.34%



Quarter to Date: 5.61%



Year to Date: 17.29%



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 is the leading marketer and distributor of cigarettes and tobacco-related products in Jamaica. Established in 1962 and headquartered in Kingston, the company operates under well-known brands such as Craven A, Matterhorn, Dunhill, Rothmans, Pall Mall, Newport, and Parliament. Carreras Limited is publicly listed, with approximately 49.6% of its shares owned by Jamaican shareholders and the majority interest held by British American Tobacco. As a subsidiary of Rothmans Holdings (CARICOM) Limited, Carreras Limited continues to play a significant role in the local tobacco industry.

Carreras Ltd (CAR), for the six months ending June 30, 2024, reported a 6% decrease in Operating Revenue totaling \$7.49 billion compared to \$8.00 billion in the corresponding period last year. Operating Revenue for the second quarter had an 11% increase to close at \$4.78 billion compared to \$4.31 billion for the comparable quarter of 2023. Cost of Operating Revenue amounted to \$3.64 billion (2023: \$4.32 billion), a decrease of 16% year over year. Consequently, gross profit increased by 5% to \$3.85 billion compared to \$3.69 billion for the six months ended June 30, 2023. The company booked a gross profit of \$2.45 billion for the second quarter versus \$1.93 billion reported for the similar quarter of 2023. Other Operating Income decreased by 4% to close at \$112.63 million (2023: \$117.60 million), while Administrative, Distribution, and Marketing Expenses increased by 8% from \$1.21 billion in 2023 to \$1.31 billion in the period under review. As a result, Profit from Operation for the six months ended June 30, 2024, amounted to \$2.67 billion, a 4% increase relative to \$2.58 billion reported in 2023. Profit before Income Tax for the six months ended June 30, 2024, amounted to \$2.67 billion, a 4% increase relative to \$2.58 billion reported in 2023. Profit before Income Tax for the second quarter amounted to \$1.90 billion (2023: \$1.40 billion). Income tax for the six months ending June 30, 2024, had a 10% increase to \$692.02 million (2023: \$629.50 million). As such, Net profit for the six months amounted to \$1.98 billion, a 2% increase from the \$1.95 billion reported in 2023. For the second quarter, net profit was \$1.41 billion (2023: \$1.05 billion).

CAR (as at Friday September 27, 2024) was trading at \$9.68 with a corresponding P/E of 10.35 times.