



CAR

Carreras Limited (CAR);

Opening price— \$15.87;

Price to book— 20.48 times;

P/E— 12.36 times

Week to Date: 7.57%

Month to Date: 7.57%

Quarter to Date: 21.61%

Year to Date: 21.61%

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.

Featured Stock

Carreras Limited, established in 1962 and headquartered in Kingston, is Jamaica's leading marketer and distributor of cigarettes and tobacco-related products. The company proudly offers a portfolio of esteemed brands, including Craven A, Matterhorn, Dunhill, Rothmans, Pall Mall, Newport, and Parliament. With British American Tobacco holding a majority stake of 50.4%, the remaining shares are owned by various institutional investors and the general public. As a subsidiary of Rothmans Holdings (CARICOM) Limited, Carreras Limited continues to be a key player in the local tobacco industry.

Carreras Ltd (CAR) reported a remarkable 41% increase in operating revenue, reaching \$19.55 billion for the twelve months ended December 31, 2024, compared to \$13.84 billion in the corresponding period last year. The cost of operating revenue rose by 24% year-over-year to \$8.66 billion (2023: \$7.01 billion). Consequently, gross operating profit surged by 59%, amounting to \$10.89 billion, up from \$6.84 billion for the twelve months ended December 31, 2023.

Other operating income saw a 12% increase, closing at \$300.84 million (2023: \$268.75 million). However, administrative, distribution, and marketing expenses grew by 39%, from \$2.18 billion in 2023 to \$3.04 billion in the period under review. As a result, profit from operations for the twelve months ended December 31, 2024, soared by 71% to \$8.19 billion, compared to \$4.79 billion reported in 2023.

Profit before income tax for the twelve months ended December 31, 2024, also amounted to \$8.19 billion, reflecting a 71% increase relative to \$4.79 billion reported in 2023. Income tax for the twelve months increased by 66%, reaching \$1.96 billion (2023: \$1.18 billion). Net profit for the twelve months amounted to \$6.23 billion, a 72% increase from the \$3.61 billion reported in 2023. Total comprehensive income for the twelve months ended December 31, 2024, amounted to \$6.24 billion, marking a 75% increase relative to \$3.57 billion reported in 2023.

CAR's management reported in their Q3 2024 report to stakeholders, "We remain committed to strengthening our partnerships with key law enforcement agencies and other stakeholders to combat the illicit trade of cigarettes. This issue demands a unified national response, as it is often linked to broader criminal networks, posing significant risks to consumers, the government, and legitimate businesses."

CAR (as at Friday March 7th, 2025) was trading at 20.48 times its book value with a P/E of 12.36 times.