



HONBUN

Honey Bun Limited (HONBUN);

Opening price— \$8.10;

Price to book— 2.54 times;

P/E— 17.31 times

Week to Date: 1.63%

Month to Date: 2.41%

Quarter to Date: 2.41%

Year to Date: -0.66%

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

Honey Bun is Jamaica's fastest-growing wholesale bakery, specializing in individually packaged pastries and baked snacks. The company boasts a diverse portfolio of over 40 SKUs, spanning four distinct brands: Honey Bun, Shorty, Pickney Crackaz, and Buccaneer Jamaican Rum Cakes.

Honey Bun Limited (HONBUN) reported an 11% increase in revenue, totaling \$1.04 billion for the first quarter ended December 31, 2024, compared to \$941.63 million in the same period last year. The cost of sales rose by 7% year-over-year to \$540.93 million (2023: \$506.35 million), resulting in a 15% increase in gross profit, which reached \$499.87 million compared to \$435.29 million for the first quarter ended December 31, 2023.

Administrative expenses surged by 25%, closing at \$217.98 million (2023: \$173.81 million), while selling, distribution, and promotion expenses increased by 20%, from \$144.52 million in 2023 to \$173.97 million for the three months. Consequently, total operating expenses for the first quarter amounted to \$391.96 million, a 23% increase relative to \$318.33 million reported in 2023.

Profit from operations for the three months amounted to \$108.12 million, a 5% decrease compared to \$114.35 million reported in 2023. Finance income totaled \$1.65 million, a 59% decrease from the corresponding period last year (2023: \$4.03 million), while finance costs for the first quarter ended December 31, 2024, amounted to \$7.69 million, a 359% increase relative to \$1.67 million reported in 2023.

Profit before taxation for the three months decreased by 12% to \$103.27 million (2023: \$116.70 million). Taxation for the three months amounted to \$26.35 million (2023: \$30.20 million). Net profit for the three months was \$76.92 million, an 11% decrease from the \$86.51 million reported in 2023.

HONBUN's management team stated that "the company continues to maintain a healthy bank balance, with cash and cash equivalents closing at \$284.7 million, a 44.0% decrease compared to the previous period's \$508.2 million." They explained that "this decrease is directly attributable to our expansion project, which has been financed from cash flow to date." Additionally, they noted that "overall, net current assets increased by 7.1%, closing at \$652.2 million."

HONBUN (as at Friday April 11th, 2025) was trading at 2.54 times its book value with a P/E of 17.31 times.