



HONBUN

Honey Bun Limited (HONBUN);

Opening price — \$8.38;

Price to book — 2.62 times;

P/E — 17.91 times

Week to Date: -0.99%

Month to Date: -4.79%

Quarter to Date: 6.01%

Year to Date: 2.83%

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.

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 8% increase in revenue for the six months ended March 31, 2025, totaling \$2.10 billion compared to \$1.94 billion in the corresponding period last year. This growth reflects the company's continued efforts to expand its market presence and drive sales performance.

Cost of Sales also rose by 8%, amounting to \$1.12 billion, up from \$1.03 billion in the prior year. As a result, gross profit for the period increased to \$980.42 million, compared to \$904.63 million for the same period in 2024, maintaining the company's gross margin despite rising input costs.

Operating expenses, however, saw more significant increases. Administrative expenses climbed by 21% to \$458.57 million, up from \$380.36 million in the previous year. Selling, distribution, and promotion expenses also rose by 18%, reaching \$353.67 million compared to \$298.79 million in 2024. These increases brought total operating expenses to \$812.24 million, representing a 20% rise over the \$679.14 million reported in the prior year.

As a result of the higher operating costs, profit from operations declined by 24% to \$166.82 million, down from \$220.79 million in 2024. The company also experienced a 46% drop in finance income, which totaled \$4.49 million compared to \$8.37 million in the previous year. Meanwhile, finance costs more than doubled, increasing by 105% to \$9.75 million from \$4.75 million in 2024.

Consequently, profit before taxation fell by 27% to \$163.17 million, compared to \$224.93 million in the corresponding period last year. Taxation for the period decreased proportionately by 27% to \$41.92 million, down from \$57.19 million. This resulted in a net profit of \$121.24 million for the six months ended March 31, 2025, a 28% decline from the \$167.74 million reported in the previous year.

"HONBUN's management team stated that, 'The Angels expansion (a major development project) is well underway, and significant strides have been made in building out the plant. All major equipment has been ordered, with the majority already on the island. The company has also begun preparatory work, including inventory acquisition, staff hiring, and training.'"

HONBUN (as at Tuesday May 13th, 2025) was trading at 2.62 times its book value with a P/E of 17.91 times.