MAYBERRY INVESTMENTS LIMITED
Established 1985

Featured Stock

CARRERAS LIMITED

CAR

Carreras Limited (CAR);

Opening price— $17.41;

Price to book— 27.24 times;

P/E— 11.50 times

Week to Date:	-2.57%
Month to Date:	-3.50%
Quarter to Date:	0.66%
Year to Date:	33.44%

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, established in 1962 and headquartered in Kingston, Jamaica, is the country's leading marketer and distributor of cigarettes and tobacco-related products. The company boasts a portfolio of esteemed brands, including Craven A, Matterhorn, Dunhill, Rothmans, Pall Mall, and Newport. With British American Tobacco holding a majority stake of approximately 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 play a pivotal role in the local tobacco industry.

Carreras Limited continues to deliver resilient earnings underpinned by price-adjustment benefits, strong brand equity, and consistent consumer demand. While the sector faces structural volume pressures and rising production costs due to currency weakness, Carreras' disciplined pricing strategy and efficiency-focused operating model have preserved one of the strongest margin profiles on the JSE. Q3 2025 results confirm the company's ability to defend profitability even in a soft macroeconomic environment.

Operating revenue for the quarter increased by 4.5% year-over-year to $5.47B, supported by stable volumes and the rollover impact of past pricing adjustments. Gross margin remained strong at $3.08B, with cost of goods sold rising by 8.2%, reflecting higher production inputs and FX-induced import cost pressures. Despite this, quarterly profit remained broadly stable at $1.73B, demonstrating Carreras' capacity to absorb cost shocks without material earnings deterioration. Administrative, distribution, and marketing expenses declined by 3.6%, highlighting improved cost containment and operating discipline.

For the nine months ended September 30, 2025, performance was substantially stronger: operating revenue grew 20.8% to $15.38B, and profit for the period increased 30.1% to $4.83B, driven by efficient cost management and the compounding effect of pricing actions implemented since 2024. Gross margin expanded to 57.1% of revenue, up from 54.1% in 2024. Year-to-date operating expenses rose 14.4%, but this was comfortably offset by revenue growth, resulting in higher operating leverage. Cash generated from operations rose 20.2% to $7.6B, reinforcing Carreras' reputation as one of the most cash-generative companies listed on the JSE.

Carreras' strategic focus continues to center on brand protection, combating the illicit trade which remains a major threat to industry stability and investing in community resilience and governance initiatives. The Board approved an interim dividend of $0.35 per share amounting to $1.7 billion, highlighting Carreras' strong commitment to shareholder distributions and consistent payout policy. As one of the highest dividend-yielding equities in the Jamaican market, Carreras remains attractive to income-focused investors.

CAR (as at Friday November 28th, 2025) was trading at 27.24 times its book value with a P/E of 11.50 times.