

# Featured Stock

Carreras Limited, established in 1962 and headquartered in Kingston, Jamaica, is the country's leading marketer and distributor of cigarettes and nicotine products. The company distributes a portfolio of well-known brands including Craven A, Dunhill, Rothmans, Pall Mall, Matterhorn, and Newport. With British American Tobacco plc as the ultimate parent through Rothmans Holdings (Caricom) Limited, Carreras remains a dominant player in Jamaica's tobacco industry, supported by strong brand equity, efficient distribution networks, and disciplined pricing strategies.

For the three months ended 31 March 2026, Carreras delivered an exceptional start to the year, with operating revenue increasing 57% to J\$6.93 billion, compared with J\$4.40 billion in the corresponding period of 2025. The strong top-line performance was accompanied by a 54% increase in gross profit to J\$4.02 billion, although gross margin moderated slightly to 58% from 59% due to higher input costs and changes in product mix. Despite this, the Company continued to demonstrate strong pricing power and operational resilience.

Operating performance strengthened significantly during the quarter. Administrative, distribution, and marketing expenses declined by 6% to J\$734.4 million, despite ongoing local and global cost pressures, reflecting continued cost discipline and the efficiency of the Company's distribution model. Consequently, profit before taxation surged 76% to J\$3.36 billion, while net profit increased 78% to J\$2.51 billion. Earnings per stock unit also rose sharply to 51.76 cents, compared with 29.10 cents in the prior-year period, highlighting Carreras' ability to translate revenue growth into substantial earnings expansion.

Cash generation remained a key strength. Cash generated from operations increased to J\$3.4 billion, up from J\$2.5 billion in the prior year, while cash and cash equivalents rose by J\$1.7 billion year-on-year to J\$6.3 billion, supported by improved working capital management and a significant reduction in receivables. The Board also declared dividends of J\$1.94 billion, reaffirming its commitment to a sustainable dividend policy aligned with earnings performance, cash flow generation, and long-term balance sheet strength.

Strategically, Carreras continues to focus on protecting its core brand portfolio, maintaining disciplined pricing, and strengthening the integrity of the legal tobacco market. Management highlighted ongoing collaboration with regulators and law enforcement to combat illicit trade, improve supply-chain security, promote responsible retailing, and preserve legitimate market share. At the same time, the Company continues to invest in governance, environmental stewardship, community development, and brand capabilities, reinforcing its long-term commitment to sustainable value creation.

Overall, Carreras' first-quarter performance highlights the strength of its highly cash-generative business model. Robust revenue growth, expanding profitability, disciplined cost management, and continued focus on protecting its market position leave the Company well positioned to deliver sustainable earnings and attractive shareholder returns despite ongoing industry headwinds.

CAR (as at Friday July 3rd, 2026) was trading at 36.41 times its book value with a P/E of 17.64 times.



## CAR

**Carreras Limited (CAR);**  
**Opening price— \$27.97;**  
**Price to book— 36.41 times;**  
**P/E— 17.64 times**

**Week to Date: 0.28%**  
**Month to Date: 1.41%**  
**Quarter to Date: 1.41%**  
**Year to Date: 54.42%**

**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.**

