MAYBERRY INVESTMENTS LIMITED
Established 1985

Featured Stock

CARRERAS LIMITED

CAR

Carreras Limited (CAR);

Opening price— $33.99;

Price to book— 48.24 times;

P/E— 20.66 times

Week to Date:	0.41%
Month to Date:	-2.94%
Quarter to Date:	23.22%
Year to Date:	87.65%

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 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 six months ended 30 June 2026, Carreras Limited delivered a strong performance, underpinned by higher sales volumes, disciplined pricing, and continued cost efficiency. Operating revenue increased by 28.0% to J$12.69 billion, compared with J$9.91 billion in the prior-year period. Management noted that year-to-date growth was primarily driven by higher volumes, while the portfolio price increase implemented during the second quarter provided an additional uplift to revenue.

Gross profit increased by 30.6% to J$7.45 billion, with gross margin improving to 58.7% from 57.5% in the corresponding period. The expansion reflected the combined benefits of higher volumes, improved pricing, and continued cost efficiencies. At the same time, administrative, distribution, and marketing expenses declined by 2.7% to J$1.59 billion, highlighting Carreras' ability to maintain cost discipline while generating substantial top-line growth.

The stronger revenue and margin performance translated into a significant improvement in profitability. Profit before taxation increased by approximately 43.6% to J$5.95 billion from J$4.15 billion, while net profit rose by 43.9% to J$4.45 billion. Earnings per stock unit also improved to 91.75 cents from 63.78 cents, demonstrating the strong operating leverage inherent in the company's distribution-led business model.

Cash generation remained a key strength, with cash generated from operations increasing by 18.3% to J$5.45 billion. Cash and cash equivalents stood at J$3.29 billion at the end of June, approximately 46% above the prior-year level. Working capital also increased by 22.4% to J$3.02 billion, while shareholders' equity strengthened by 13.2% to J$3.42 billion. Improved collection efficiency was evident in the 36% reduction in accounts receivable, further reinforcing the quality of the company's cash generation.

Strategically, Carreras remains focused on disciplined pricing, operational efficiency, strong cash generation, and protecting the integrity of the legal tobacco market. Management continues to collaborate with public and private sector stakeholders to combat illicit cigarette trade, while monitoring consumer affordability, market dynamics, and cost pressures.

Carreras also maintained its strong commitment to shareholder returns, with dividends distributed during the first half increasing by 7.5% to J$4.17 billion. Overall, the company's first-half performance highlights the strength of its cash-generative operating model, with robust revenue growth, expanding margins, disciplined cost management, and a solid balance sheet positioning CAR well to continue delivering attractive shareholder returns.

CAR (as at Monday August 17th, 2026) was trading at 48.24 times its book value with a P/E of 20.66 times.