

Featured Stock



CAR

Carreras Limited (CAR);

Opening price— \$29.03;

Price to book— 41.20 times;

P/E— 17.64 times

Week to Date: 1.26%

Month to Date: 2.28%

Quarter to Date: 2.28%

Year to Date: 60.26%

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 (CAR) delivered a strong financial performance, supported by higher sales volumes, disciplined pricing and effective cost management. Operating revenue increased by 28.0% year-on-year to J\$12.69 billion, compared with J\$9.91 billion in the corresponding period. Management attributed the growth primarily to higher year-to-date volumes, complemented by a portfolio price increase implemented during the second quarter.

Gross profit increased by 30.6% to J\$7.45 billion, while gross margin improved to 58.7% from 57.5% in the prior-year period. The improvement reflected stronger sales, favourable pricing and continued cost efficiencies. Administrative, distribution and marketing expenses also declined by 2.7% to J\$1.59 billion, demonstrating the company's ability to maintain cost discipline while expanding revenue and protecting profitability.

This combination of revenue growth and margin expansion translated into stronger earnings. Profit before taxation increased by 43.6% to J\$5.95 billion from J\$4.15 billion, while net profit advanced by 43.9% to J\$4.45 billion. Earnings per stock unit consequently improved to 91.75 cents from 63.78 cents, highlighting the operating leverage within Carreras' distribution-focused business model.

Cash generation remained another important 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 increased by 22.4% to J\$3.02 billion, while shareholders' equity strengthened by 13.2% to J\$3.42 billion. Accounts receivable also declined by 36%, reflecting improved collection efficiency and supporting the company's liquidity position.

Strategically, Carreras remains focused on disciplined pricing, operational efficiency, cash generation and protecting the legitimate tobacco market. While the second-quarter price increase supported revenue and margin performance, cigarette volumes declined during the quarter following an excise increase, highlighting the importance of monitoring consumer affordability and market demand.

Shareholder returns remain central to Carreras' investment appeal, with dividends distributed during the first half increasing by 7.5% to J\$4.17 billion. Management remains committed to maintaining an attractive dividend policy while preserving sufficient resources to support business operations.

Carreras' first-half performance reinforces the strength of its cash-generative operating model. Robust earnings growth, improving margins, disciplined cost management and strong liquidity provide a solid foundation for continued shareholder returns.

CAR (as at Friday October 9th, 2026) was trading at 41.20 times its book value with a P/E of 17.64 times.

