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Featured Stock: JAMT

Jamaican Teas Limited (JAMT): Opening price — \$4.60
Price to Book — 3.36 times; P/E — 23.40 times

Jamaican Teas Limited is a local manufacturing company that has been in operations since 1967. The Company has since ventured into the real estate and retail industry and has expanded its manufacturing operations. The business manufactures several teas under the Tetley Teas and Caribbean Dreams brands while the real estate arm currently has housing developments in St. Thomas with sales completed on a majority of units as at the quarter ended March 31, 2017.

For the six months ended March 31, 2017, JAMT reported a 21% increase in revenues to \$760.01 million (2016: \$625.91 million). The increase was due to a \$40 million and \$60 million increase in exports and property sales respectively. Cost of sales and total expenses rose 24% and 4% correspondingly over the six months. Following tax charges of \$13.56 million (2016: \$10.90 million), the company booked net profits of \$98.49 million (2016: \$70.43 million), a 40% increase relative to the comparable period in 2016. Speaking on the Real Estate segment, the company noted, "We completed sales of eight (8) residential units in the current quarter compared to none in the comparative period of the prior year. This brings the total number of units sold and delivered in the Orchid Estate project to thirty seven (37). We currently have another twenty five (25) units in the scheme under sales contracts. We expect that construction will be completed around the close of the third quarter."

JAMT (as at Friday August 14, 2017) was trading at 3.36 times its book value with a P/E of 23.40 times.

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.