



**LASCO Manufacturing Limited**  
**Report to the Shareholders**  
**For the twelve months ended March 31, 2024**

The Board of Directors of LASCO Manufacturing Limited is pleased to present the Audited Financial Statements for the year ended March 31, 2024.

The company delivered solid growth for the year recording improved top- and bottom-line results, with margin improvements, delivering on our over-arching objective of long term sustainable profitable growth. This was achieved despite recurring supply chain issues which negatively impacted our output, particularly in the final quarter of the year.

Highlights of the year's performance include the following:

- **Net Profit** for the year was \$2.38B an increase of 14.4% or \$299M on the prior year (2023: \$2.08B).
- **Sales Revenue** grew by 7% to \$12.05B, an increase of \$810 million on the prior year. Revenue growth was entirely volume driven as there were no price increases during the year.
- **Gross Profit** increased to \$4.53B, a growth of 11%, with gross profit margin increasing by 130 basis points to 37.6% (prior year: 36.3%). The margin improvement reflects efficiency gains at the manufacturing level of the operations.
- **Selling and Administrative Expenses** inclusive of marketing investments for the brands were \$1.66B or an increase of 12% with respect to the prior year. Main drivers of the increase were insurance and security costs and staff welfare expenses. The Expense to Sales ratio was 13.8% (prior year: 13.2%).

- **Operating Profit** grew to \$3.1B, 16% higher than in the previous year, reflecting improvement at the gross margin level and other gains in operational efficiencies. Operating profit margin was 25.8% up from 23.9% in the prior year.

## **Balance Sheet**

The balance sheet remained healthy. Total Assets at year-end were \$16.3B or an increase of 19% on the prior year (2023: \$13.7B). Current Assets were \$11.3B which was 32% higher than prior year primarily reflecting increases in cash and short-term investments. Current liabilities were \$2.5B (2023: \$1.7B).

Inventory value at year end was \$2.13B – a similar level as in the previous year. Trade and other receivables were \$2.28B or 9% below the value of the prior year. Trade Payables were \$1.95B (prior year: \$1.26B).

Shareholders' Equity at year end was \$12.98B an increase of 17% over prior year and reflecting growth in retained earnings. Return on equity was 19.8% compared to 20.4% in the previous year. Earnings per stock unit increased to \$0.5760 versus \$0.5037 in 2023.

Cash and bank balances inclusive of short-term investments at year end were \$6.85B (prior year: \$3.88B).

## **Interim Dividend**

An interim dividend of \$0.12 per stock unit, totalling \$496M was paid to shareholders on 14<sup>th</sup> July 2023.

## **Corporate Social Responsibility**

Throughout the year the company continued to engage with stakeholder communities in executing various social initiatives and programmes. Highlights included:

### **Health Care/Nurses**

In recognition of our Nurses, we partnered with the Nurses Association of Jamaica (NAJ), LASCO Distributors and the Lasco Chin Foundation in sponsoring activities to celebrate International Nurses Day on May 12, 2023. A significant highlight was

a ceremony at the Terra Nova All Suites hotel which brought together over 150 Nurses and Nursing students to celebrate their contributions to health care. The activities were also live streamed to include participation island wide. The partnership continued with the celebration of Nurses week during July 2023 and culminated with the sponsorship of the "LASCO/NAJ Nurse and Student Nurse Award Ceremony" at the Jamaica Pegasus hotel on July 22, 2023.

### **Educators of the Year Awards**

We continued our collaboration with the Lasco Chin Foundation, the Ministry of Education and Youth (MoEY) and the Jamaica Teaching Council (JTC) in recognising and awarding outstanding Educators for their contributions to the sector throughout the year. This marked the 26th staging of this annual programme and culminated in the awards ceremony, held at the Jamaica Pegasus, at which 130 educators were recognised for their impact on education and exceptional contributions to the various school communities across the island. From the 130 recognised, three educators were declared top awardees in the categories: Principal of the Year; Teacher of the year; TVET Teacher of the Year. These top Awardees were fully sponsored to attend the annual Association for Supervision and Curriculum Development (ASCD) conference in Washington DC during March 22-25, 2024.

### **Lasco R.E.A.P.**

The sponsorship of the LASCO REAP (Releaf Environmental Awareness Programme) Schools environment programme continued, as the 2022-2023 edition of this on-going 12 year initiative, which focuses on environmental awareness and education in schools, concluded with measurable successes. Forty-one Preparatory and Primary schools participated in 22/23 and an increased number is foreseen in the new (23/24) edition.

Other outreach activities included:

- Continued Nutrition support for the Gwen Neil Basic School;
- Care packages distribution and children treats during the festive season.

### **Recycling Partners of Jamaica:**

We continued our strong engagement, along with other industry partners, with Recycling Partners of Jamaica (RPJ) in recovering plastic bottles (PET & HDPE) from the environment for recycling. The initiative continued to register significant progress with recovery rates increasing as investments in infrastructure to improve collection, processing and public education continues. RPJ opened a new recycling (sorting and baling) operation in December 2023 which increased processing capacity.

### **Outlook**

Organic profitable growth with progressive margin improvement remains our priority. We will therefore continue to systematically execute our value creation strategies, including driving continuous improvement in operational efficiencies, investments in our brands, innovation, prudent cash management and resource allocation, to this end. We are aware of the continued and potential negative impacts on the global supply chain of current geo-political and climate related issues among other potential risks and will remain focused and agile in executing our strategies and take appropriate mitigatory measures to minimise and manage negative impacts on the business.

We thank all our team members for their hard work, valued inputs and dedication throughout the year, and you our shareholders and other stakeholders for your continued confidence and support.

Sincerely yours,

**LASCO MANUFACTURING LIMITED**



James E. D. Rawle, CD

**Executive Chairman/ Managing Director**