



LASCO DISTRIBUTORS LIMITED

FIRST QUARTER

UNAUDITED FINANCIAL REPORT

THREE MONTHS ENDED

30th JUNE 2023

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REPORT TO THE SHAREHOLDERS

Three months ended 30th June 2023

The Board regrets the passing of Honourable Lascelles Chin, OJ, CD, LLD (Hon. Causa) the esteemed Executive Chairman of LASCO Distributors Limited, on May 27th, 2023. Mr. Chin's visionary leadership, unparalleled dedication, and remarkable contributions have left an indelible mark on our organization and the country. He will be remembered as a true visionary and a driving force behind our success.

Mr. Chin's passing is a significant loss to our company, and we assure you that under his leadership the Board had ensured that the appropriate succession, management, and governance structures have been in place for some time now. Mr. Chin was a firm believer in the long-term success and sustainability of LASCO Distributors Limited, and he took great care to establish a strong leadership team and a robust framework that will enable our company to continue functioning effectively and efficiently. Following his passing the Board of Directors met on the 15th June 2023 and appointed the Deputy Executive Chairman Mr. James Rawle Chairman of the Board of Directors.

The Board of Directors, in close collaboration with the executive management team, will continue to work diligently to uphold Mr. Chin's legacy and vision. As we move forward, we remain dedicated to driving the growth and success of LASCO Distributors Limited. We are confident that, under the leadership of our capable team, we will continue to deliver exceptional results, exceed expectations, and create value for all stakeholders.

The Board of Directors of LASCO Distributors Limited is pleased to present the unaudited Financial Statements for the three months ended June 30, 2023.

First Quarter Results

LASCO Distributors Limited delivered a solid start to the year, in line with its objective of delivering sustainable, profitable, capital-efficient growth. The Strategic Framework continues to be executed consistently and on an accelerated basis, with a clear focus on Nutrition, Hygiene and Healthcare.

Highlights

- Net Profit increased by 37.8% to \$447.6M,
- Return on Equity increased to 22.1%,
- Earnings per share (Basic) increased by 37.2% to \$0.13,
- Revenue increased by 16.9% to \$7.3B,
- Gross Profit up by 24.9% to \$1.34B, driven by Gross Margin improvement,

Total Company Revenue increased by 16.9% to \$7.3B, an increase of \$1.06B over the previous year, continuing the performance of the prior year, delivering growth in all key segments. The company continues to invest in consumer-focused marketing initiatives while increasing its distribution and product availability across all channels.

The **Nutrition, Food and Beverage** Categories continue to perform well, with the top line performance being driven by both volumes and pricing.

The **Hygiene (Home Care and Personal Care)** portfolio also delivered growth, with a particularly strong performance in the Home Care category.

The **Healthcare** category, managed via the Pharmaceutical Division also delivered a solid first quarter, achieving growth in the private and government channels. Aligned to the Company's Digital Transformation Agenda, this Division went live with its cloud-based Warehouse Management System during the quarter, and some of the anticipated efficiency improvements are already being seen.

Gross Profit increased by 24.9% or \$267M, to \$1.34B, and margins increased from 17.1% to 18.3% as a result of cost improvements, efficiency gains and price increases.

Operating Expenses were \$806M, an increase of 12.3%, driven mainly by an increase in Sales, Promotional and Marketing investments and increased insurance premiums. The Operating Expense ratio was 11.0% of Revenue, a decrease from 11.5% the year before.

Profit Before Tax was \$602.0M, an increase of 57.4%, or \$219.6M. **Net Profit** was \$447.6M, an increase of 37.8% over the prior year.

Balance Sheet

Total Assets at 30th June, 2023 stood at \$13.53B, an increase of 0.7% compared to the same period last year. **Inventories** increased marginally by \$10.8M or 0.3% to close at \$3.76B. **Receivables** decreased by 3.17% to \$3.6B, compared to the previous year.

Cash and Short-term investments together closed at \$3.6B, in line with the same period last year.

Payables closed the year at \$4.27B, a reduction of 26.7% over last year. **Shareholders' Equity** closed at \$8.9B, an increase of \$1.52M or 20.6% above the previous year. The company continues to be debt-free and delivered a Return on Equity of 22.1%.

Corporate Social Responsibility

Between April and June 2023, our company actively engaged in several corporate social responsibility initiatives with the goal of making a positive impact on the community. Notably, we sponsored International Nurses Day on May 12th at the Terra Nova Hotel. This event successfully brought together more than 150 nurses and nursing students from various locations, providing them with an opportunity to exchange knowledge and celebrate their invaluable contributions to healthcare.

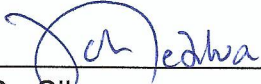
Another significant endeavour took place on May 9th, when we participated in Read Across Jamaica day at Gwen Neil Basic School, in collaboration with Jody Brown, the Teacher of the Year 2022. The primary objective of this initiative was to promote literacy and foster a love for reading among young students.

Outlook

The Company intends to accelerate the execution of its strategic framework, with additional focus on supporting the recently launched brands, while improving capabilities through its Digital Transformation agenda. The Board of Directors would like to express gratitude to all stakeholders, our committed and capable team members, and loyal customers, for their support.

Yours sincerely,

LASCO Distributors Limited



John De Silva

Managing Director

LASCO Distributors Limited

Statement of Comprehensive Income


For three month ended June 30, 2023

(Unaudited and expressed in Thousands)

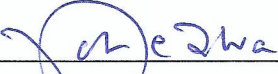
	Unaudited 3 months to 30 Jun 2023	Unaudited 3 months to 30 Jun 2022	Unaudited 3 months to 30 Jun 2023	Unaudited 3 months to 30 Jun 2022
	J\$'000	J\$'000	J\$'000	J\$'000
Revenue	7,314,771	6,256,496	7,314,771	6,256,496
Cost of Sales	(5,975,136)	(5,184,253)	(5,975,136)	(5,184,253)
Gross Profit	1,339,635	1,072,243	1,339,635	1,072,243
Other Operating Income	68,635	28,353	68,635	28,353
Operating Expenses	(806,172)	(718,031)	(806,172)	(718,031)
Operating Profit	602,098	382,565	602,098	382,565
Finance Costs	(114)	(201)	(114)	(201)
Profit before Taxation	601,984	382,364	601,984	382,364
Taxation	(154,404)	(57,476)	(154,404)	(57,476)
Net Profit for the period	447,580	324,888	447,580	324,888
Other Comprehensive Income: Items that will or may not be reclassified to Profit or Loss -				
Unrealised gains on financial instruments	12,669	58,231	12,669	58,231
Total Comprehensive Income for the Period	460,249	383,119	460,249	383,119
Earnings per stock unit				
Basic and Diluted	\$ 0.13	\$ 0.09	\$ 0.13	\$ 0.09

LASCO Distributors LimitedStatement of Financial Position
as at June 30, 2023

	Notes	Unaudited 30 Jun 2023 \$'000	Unaudited 30 Jun 2022 \$'000	Audited 31 Mar 2023 \$'000
ASSETS:				
Non-Current Assets				
Property, Plant & Equipment		1,948,382	1,788,870	1,932,509
Intangible assets		7,736	23,088	7,736
Right-of-use assets		2,275	5,308	3,033
Financial assets at fair value through other comprehensive income	4	522,098	514,445	504,052
		2,480,491	2,331,711	2,447,330
Current Assets				
Inventories		3,764,801	3,753,965	4,469,208
Receivables	5	3,602,426	3,719,847	3,579,728
Related Companies		53,290	45,388	51,295
Directors Current Account		18,691	9,238	19,521
Taxation recoverable		12,369	6,295	6,259
Short term Investments		594,046	421,118	551,240
Cash and Cash Equivalents		3,000,865	3,141,548	2,253,277
Total Current Assets		11,046,488	11,097,399	10,930,528
TOTAL ASSETS		13,526,979	13,429,110	13,377,858
EQUITY AND LIABILITIES:				
Current Liabilities				
Payables	6	4,273,361	5,827,175	4,686,876
Taxation Payable		293,516	149,908	226,524
Current Portion of Lease Liability		2,547	3,144	3,396
Total Current Liabilities		4,569,424	5,980,227	4,916,796
Non-Current Liabilities				
Lease Liability		-	2,716	-
Deferred Tax Liability		83,417	90,767	47,174
Total Non-Current Liabilities		83,417	93,483	47,174
Shareholders' Equity				
Share Capital	7	513,186	472,686	513,186
Revaluation reserves		75,387	75,387	75,387
Fair value reserves		73,724	74,258	61,055
Other reserves		-	6,959	-
Retained Earnings		8,211,840	6,726,110	7,764,260
Total Shareholders' Equity		8,874,137	7,355,400	8,413,888
TOTAL EQUITY AND LIABILITIES		13,526,979	13,429,110	13,377,858

Approved for issue by the Board of Directors on 26th July, 2023, and signed on its behalf by:


James E.D Rawle
Chairman



John De Silva
Managing Director

LASCO Distributors Limited
Statement of Cashflows
For three month ended June 30, 2023

	Unaudited 30 Jun 2023 J\$'000	Unaudited 30 Jun 2022 J\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit	447,580	324,888
Items not affecting cash		
Unrealized exchange loss on foreign balances	(37,242)	40,127
Depreciation	31,487	38,681
Interest Income	(23,939)	(7,453)
Interest Expense	114	201
Items not affecting cash	(29,580)	71,556
Change in Operating Assets and Liabilities		
Inventories	704,407	33,522
Receivables	(2,774)	210,271
Directors current account	830	629
Related companies	(1,995)	(2,727)
Taxation	97,127	11,593
Payables	(401,576)	878,211
Changes in non-cash working capital components	396,019	1,131,499
Cash provided by Operating Activities	814,019	1,527,943
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	23,939	7,453
Short term Investments	(42,806)	(29,687)
Acquisition of Property, Plant & Equipment & Intangible Assets	(46,602)	(6,562)
Depreciation		
Lease Liability	(849)	(741)
Acquisition of Financial assets at fair value through other comprehensive income	1	-
Net Cash used in Investing Activities	(66,317)	(29,537)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Paid	(114)	(201)
Dividend paid	-	(315,964)
Cash used in Financing Activities	(114)	(316,165)
NET CHANGE IN CASH AND CASH EQUIVALENTS	747,588	1,182,241
Cash and cash equivalents at the beginning of the period	2,253,277	1,959,307
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,000,865	3,141,548

LASCO Distributors Limited
Statement of Changes in Shareholders' Equity
as at June 30, 2023

	Share Capital	Revaluation Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2021	472,686	75,387	16,027	6,959	6,717,186	7,288,245
Current year Profits	0	0	0	0	324,888	324,888
Other Comprehensive Income	0	0	58,231	0	0	58,231
Transfer from Other reserves	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0
Dividends Paid	0	0	0	0	(315,964)	(315,964)
Balance as at June 30, 2022	472,686	75,387	74,258	6,959	6,726,110	7,355,400
Balance at 1 April 2022	513,186	75,387	61,055	0	7,764,260	8,413,888
Current year profits	0	0	0	0	447,580	447,580
Other Comprehensive Income	0	0	12,669	0	0	12,669
Transfer from Other reserves	0	0	0	0	0	0
Issue of Shares	0	0	0	0	0	0
Dividends Paid	0	0	0	0	0	0
Balance as at June 30, 2023	513,186	75,387	73,724	0	8,211,840	8,874,137

NOTES TO THE FINANCIAL STATEMENTS

1. IDENTIFICATION AND ACTIVITIES:

- (a) LASCO Distributors Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10.
- (b) The principal activity of the company is the distribution of pharmaceutical and consumable items.
- (c) The company's shares were listed on the Junior Market of the Jamaican Stock Exchange on 12 October 2010.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS); and the adopted interpretation of those standards by the International Accounting Standards Board and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 March 2023.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

3. REMISSION OF INCOME TAX:

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange, effective 12 October 2010. Consequently, the company was entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least fifteen (15) years:

Years 1 to 5 - 100%
Years 6 to 10 - 50%

The tax benefit therefore expired on October 12, 2020.

The financial statements have been prepared on the basis that the company will retain the full benefit of the tax remission claimed in prior periods.

4. FINANCIAL ASSETS

	<u>Jun-23</u>	<u>Jun-22</u>	<u>Mar-23</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Bond & Equities	522,098	484,337	504,052
Convertible loan notes	-	30,109	-
	<u>522,098</u>	<u>514,445</u>	<u>504,052</u>

Financial assets at fair value through other comprehensive income represent quoted equities, bonds and unsecured Convertible loan notes.

5. RECEIVABLES

	<u>Jun-23</u>	<u>Jun-22</u>	<u>Mar-23</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade Receivables			
Roche Diagnostics	541,444	741,921	581,910
Regular Trade	<u>2,231,813</u>	<u>1,929,201</u>	<u>2,087,615</u>
	2,773,257	2,671,122	2,669,525
Less: Provision for Bad Debts	<u>(57,279)</u>	<u>(47,800)</u>	<u>(57,300)</u>
	2,715,978	2,623,322	2,612,225
Other Receivables	<u>886,448</u>	<u>1,096,525</u>	<u>967,503</u>
	<u>3,602,426</u>	<u>3,719,847</u>	<u>3,579,728</u>

6. PAYABLES

	<u>Jun-23</u>	<u>Jun-22</u>	<u>Mar-23</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade Payables			
Roche Diagnostics	552,967	622,015	721,100
Regular Trade	<u>3,329,681</u>	<u>4,532,140</u>	<u>3,568,956</u>
	3,882,648	5,154,154	4,290,056
Other Payables & Accruals	<u>390,713</u>	<u>673,020</u>	<u>396,820</u>
	<u>4,273,361</u>	<u>5,827,175</u>	<u>4,686,876</u>

7. SHARE CAPITAL

	<u>Jun-23</u>	<u>Jun-22</u>	<u>Mar-23</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Authorised - 3,630,000,000 ordinary shares of no par value			
Stated capital –			
Issued and fully paid –			
3,525,702,702 (Jun 2022 – 3,510,702,702 & Mar 2023 – 3,525,702,702)			
ordinary shares of no par value	<u>513,186</u>	<u>472,686</u>	<u>513,186</u>