



Lumber Depot Limited
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First Quarter Report to Shareholders

On behalf of the board of directors of Lumber Depot Limited, I am pleased to share with you the results of our operations for quarter ended July 31, 2023 (the "First Quarter"). During the First Quarter, Lumber Depot generated net profits of \$52.6 million, an increase of 9% relative to the comparable period in the prior year. First Quarter revenues were \$417.5 million, an increase of 4%.

The strong financial performance of Lumber Depot in the First Quarter was achieved notwithstanding uncertain economic conditions, including relatively high inflation, increased interest rates, challenges with the availability of certain key hardware items, and a decline in important parts of the construction sector. We believe the solid performance is testimony to our attention to our service levels, competitive pricing, strategic location, and overall business management.

Lumber Depot operates a full-service hardware store in Papine that serves the needs of large and small-scale building contractors, as well as homeowners doing construction projects, renovations, and repairs. The Lumber Depot business has been in operation for over 20 years and during this time has established a market leading position in the communities we directly serve and a strong reputation for excellent service and good value across the wider corporate area.

We consider our location in Papine to be an important part of our success. The facility in Papine is now owned by the company. Papine is a vibrant and fast-growing university community that also serves as a main access point to the St. Andrew hills. Our location is immediately within the most trafficked part of the community, is purpose built and well established. During the First Quarter, we improved the facility in Papine through investments in our buildings, parking, and yard space.

We are pleased that despite the current challenges Lumber Depot continues to achieve excellent support from its customer base. Our strategy is to consistently offer competitive prices on our products and to maintain our service standards and inventory availability. During the year, we took specific measures to improve our product availability through enhancements to our off-site storage facilities and efforts to expand our supply base while maintaining and supporting our most critical existing supply relationships. We have been successful with this, and in turn, it has improved our standing with customers.

During the First Quarter, we continued to judiciously manage our cash and working capital levels. Cash and investments increased in value by over 33% over the preceding 12 months to approximately \$348.2 million. We also reduced our receivables balances. Accordingly, our board and management are satisfied that the business is in a strong position to deliver shareholder returns through dividends and by executing on expansion and acquisition opportunities that we expect to arise in Jamaica.


I thank our board, management and staff for their effective work in successfully managing through a challenging business environment to deliver strong results for shareholders.


Jeffrey Hall
Chairman

LUMBER DEPOT LIMITED
Statement of Financial Position
As at July 31, 2023

	<u>Unaudited</u> <u>July 31, 2023</u>	<u>Unaudited</u> <u>July 31, 2022</u>	<u>Audited</u> <u>April 30, 2023</u>
ASSETS:			
Non-current assets			
Property, plant and equipment	175,347,934	178,197,870	175,884,128
Investments	118,581,330	111,732,649	115,970,905
	<u>293,929,264</u>	<u>289,930,519</u>	<u>291,855,033</u>
Current assets			
Cash and cash equivalents	229,662,185	150,651,171	184,442,791
Accounts receivable and prepayments	44,555,640	50,085,597	43,747,201
Inventories	168,067,436	156,866,335	158,869,582
Taxation recoverable	2,785,251	1,882,947	2,558,501
	<u>445,070,512</u>	<u>359,486,050</u>	<u>389,618,075</u>
Current liabilities			
Accounts payable	99,245,926	122,339,080	94,278,351
	<u>99,245,926</u>	<u>122,339,080</u>	<u>94,278,351</u>
Net Current Assets	<u>345,824,586</u>	<u>237,146,970</u>	<u>295,339,724</u>
Total assets less current liabilities	<u>639,753,850</u>	<u>527,077,489</u>	<u>587,194,757</u>
EQUITY			
Share capital	170,061,991	170,061,991	170,061,991
Retained earnings	469,691,859	357,015,498	417,132,766
	<u>639,753,850</u>	<u>527,077,489</u>	<u>587,194,757</u>
Total Equity	<u>639,753,850</u>	<u>527,077,489</u>	<u>587,194,757</u>

Approved for issue by the Board of Directors on September 7, 2023 and signed on its behalf by:


 _____ Director
 Vikram Dhiman


 _____ Director
 Noel Dawes

LUMBER DEPOT LIMITED
Statement of Profit or Loss and Other Comprehensive Income
Three months ended July 31, 2023

	Unaudited 3 Mths Ended <u>July 31,2023</u>	Unaudited 3 Mths Ended <u>July 31,2022</u>	Audited <u>April 30, 2023</u>
Revenue	417,452,828	399,880,827	1,522,932,620
Cost of revenue	<u>(328,470,583)</u>	<u>(318,150,639)</u>	<u>(1,232,117,086)</u>
Gross profit	88,982,245	81,730,188	290,815,534
Impairment (losses)/gain on trade receivables	(1,976,805)	6,049,546	3,191,391
Impairment gains on investments and cash and cash equivalents, net	16,679	27,421	15,903
Administrative and other expenses	<u>(37,331,372)</u>	<u>(39,674,124)</u>	<u>(153,086,606)</u>
	49,690,747	48,133,031	140,936,222
Other income	<u>580,050</u>	<u>1,376,877</u>	<u>8,274,454</u>
Profit before net finance costs and taxation	<u>50,270,797</u>	<u>49,509,908</u>	<u>149,210,676</u>
Finance income	4,541,052	858,637	4,535,945
Finance cost	<u>(2,252,756)</u>	<u>(2,035,816)</u>	<u>(8,572,275)</u>
Net financial income/(costs)	<u>2,288,296</u>	<u>(1,177,179)</u>	<u>(4,036,330)</u>
Profit for the period	52,559,093	48,332,729	145,174,346
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
Profit attributable to members, being total comprehensive income for the period	<u>52,559,093</u>	<u>48,332,729</u>	<u>145,174,346</u>
Earnings per stock unit	<u>\$ 0.07</u>	<u>\$ 0.07</u>	<u>\$ 0.21</u>

LUMBER DEPOT LIMITED
Statement of Cash Flows
Three months ended July 31, 2023

	<u>Unaudited</u> <u>July 31, 2022</u>	<u>**Unaudited</u> <u>July 31, 2022</u>	<u>Audited</u> <u>April 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	52,559,093	48,332,729	145,174,346
Adjustments for:			
Depreciation	1,931,386	1,929,237	7,738,455
Interest Income	(972,291)	(242,485)	(3,336,937)
Unrealised exchangeloss/(gains)	403,138	(393,528)	(193,149)
Appreciation on investments in mutual funds	(2,470,023)	(203,673)	(4,642,308)
Loss on disposal of property, plant and equipment	-	-	128,333
Cash generated before changes in working capital	51,451,303	49,422,280	144,868,740
Accounts receivables and prepayments	(808,439)	(10,285,531)	(3,556,868)
Inventories	(9,197,854)	10,986,510	8,983,263
Accounts payable	4,482,814	17,830,010	(10,230,719)
Taxation recoverable	(226,750)	(61,072)	(736,626)
Cash provided by operations	45,701,074	67,892,197	139,327,790
Net cash provided by operating activities	45,701,074	67,892,197	139,327,790
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1,395,194)	(292,100)	(3,915,909)
Interest received	913,514	242,485	2,946,670
Net cash used by investing activity	(481,680)	(49,615)	(969,239)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	-	-	(36,724,349)
Net cash used by financing activities	-	-	(36,724,349)
Net increase in cash and cash equivalents	45,219,394	67,842,582	101,634,202
Cash and cash equivalents at beginning of the period	184,442,791	82,808,589	82,808,589
Cash and cash equivalents at end of period	<u>229,662,185</u>	<u>150,651,171</u>	<u>184,442,791</u>

**** Restated and adjusted to be in line with Audited as at April 2023.**

LUMBER DEPOT LIMITED
Statement of Changes in Equity
Three months ended July 31, 2023

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2022 (audited)	170,061,991	308,682,769	478,744,760
Profit for the period, being total comprehensive income for the quarter	<u>-</u>	<u>48,332,729</u>	<u>48,332,729</u>
Balances as at July 31, 2022 (unaudited)	<u>170,061,991</u>	<u>357,015,498</u>	<u>527,077,489</u>
Balances as at April 30, 2023 (audited)	170,061,991	417,132,766	587,194,757
Profit for the period, being total comprehensive income for the quarter	<u>-</u>	<u>52,559,093</u>	<u>52,559,093</u>
Balances as at July 31, 2023 (unaudited)	<u>170,061,991</u>	<u>469,691,859</u>	<u>639,753,850</u>

LUMBER DEPOT LIMITED
Notes to the Unaudited Financial Statements
July 31, 2023

1 Identification and principal activities

Lumber Depot Limited (the company) was incorporated and domiciled in Jamaica on July 30, 2019. The registered office of the company is located at 4 Victoria Avenue Kingston CSO, with retail outlet at 17c Gordon Town Road, Kingston 6. The company is listed on the Junior Market of the Jamaica Stock Exchange since December 16, 2019.

The main activities of the company comprise the sale of lumber, hardware supplies and related products.

2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act.

New and amended standards that became effective during the period

Certain new and amended standards which were in issue, came into effect during the current financial period. The adoption of these standards did not have any impact on the amounts recognized or disclosures in the financial statements.

3 Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date and the income and expense for the year then ended. Actual amounts could differ from those estimates.

4 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise investments, cash and cash equivalents and accounts receivable. Financial liabilities comprise accounts payable and due to related party.

5 Revenue:

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a good or service to a customer.

6 Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are measured at historical cost, are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss.

7 Significant accounting policies

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the period ended April 30, 2023.

8 Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

9 Finance cost

Finance cost comprises bank charges and foreign exchange losses recognised in profit or loss.



JULY 31, 2023

TOTAL SHARES OUTSTANDING:
706,237,500

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
NOEL DAWES*	SELF	16,627,150	2.3543
VIKRAM DHIMAN	SELF	100,000	0.0142
LISA KONG	SELF	100,000	0.0142
GEORGE OVERTON	SELF	100,000	0.0142
JEFFREY HALL (SWEE TEEN CHUA)***	SELF	0	0.0000
PAUL SCOTT****	SELF	0	0.0000
MELANIE SUBRATIE****	SELF	0	0.0000
*KAREL DAWES	CONNECTED PARTY	38,070	0.0054

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
STONY HILL CAPITAL LIMITED****	116,189,064	16.4518
BLUE POWER GROUP LIMITED***	116,189,064	16.4518
J KENNETH BENJAMIN & SHEILA BENJAMIN	59,954,650	8.4893
PAM- POOLED EQUITY FUND	38,710,604	5.4812
MARY J. FRAY	30,954,000	4.3829
JN FUND MANAGERS LIMITED	23,919,341	3.3869
NOEL DAWES	16,627,150	2.3543
QWI INVESTMENTS LTD	15,283,269	2.1640
JPS EMPLOYEES SUPERAN.FUND		
-PRIME ASSET MANAGEMENT	12,102,288	1.7136
THE MAYBERRY FOUNDATION	10,000,000	1.4160
TOTAL UNITS OWNED BY TOP 10	439,929,430	62.2920