



UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

RELEASE TO SHAREHOLDERS

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the unaudited financial statements for the nine months ended December 31, 2016.

FINANCIAL HIGHLIGHTS

	Nine Months Ended Dec 31, 2016	Nine Months Ended Dec 31, 2015	Three Months Ended Dec 31, 2016	Three Months Ended Dec 31, 2015
Sales revenue	\$1.26b	\$918.3m	\$431.9m	\$319.1m
Gross profit	\$303.4m	\$252.4m	\$106.1m	\$85.7m
Net profit after taxation	\$66.8m	\$66.9m	\$29.2m	\$24.3m
Earnings per share (EPS)	25 cents	25 cents	11 cents	9 cents
Market share price	\$4.20	\$3.55	-	-

For the nine month period ending December 31, 2016, the Company generated sales revenue of \$1.26b which was an increase of \$340m or 37% when compared to the same period last year. This positive performance was driven by the Company's strategic plan to increase growth in market share, through product offerings and a widening of the customer base in all categories of the Company's business operations.

Gross profit of \$303.4m increased by \$51m or 20.2%. This improvement was driven by increased sales as a result of new business lines.

Total operational expenses of \$207.9m increased by \$38.8m or 23%, due mainly to staff related expenses, depreciation and amortization, insurance, utilities, and security expenses. Staff related expenses, in particular, increased because of the strategic decision to realign the staff complement and compensation to sustain the current growth, development and expansion of the business.

Total non operational expenses of \$28.6m increased by \$13.2m or 85%. The increase was as a result of:

- Interest expenses on a loan used to purchase property at 83 Hagley Park Road which is the location of the Company's main offices and warehouse. In the similar period in the prior year, interest expenses were capitalised during the refurbishment period of the property in accordance with IAS 23.
- Loss on foreign exchange calculated on loan balances and costs of goods purchased.

Profit after tax of \$66.8m remained relatively flat when compared to the same period last year. This was a result of:

- The increase in salaries related expenses of \$19m or 18.8%.
- The increase in the depreciation and amortization of \$10.4m or 154.8% due mainly to the property and contents at 83 Hagley Park Road.
- The increase in the finance costs of \$11.9m or 80.8%.

Total assets grew by \$180.2m or 18% from \$999.7m to \$1.18b. This was mainly due to:

- Increase in non-current assets, namely the refurbishments undertaken to the building and premises purchased at 83 Hagley Park Road.
- Increased inventory and receivables balances as a direct result of the new business line which resulted in the overall increase in sales revenue.

Liabilities of \$649.5m increased by \$108.6m or 20.1% was due to an increase in the bank overdraft and trade and other payables balances as a result of the increased purchases from suppliers to support the new business lines. Shareholders' equity of \$530.3m grew by \$71.5m or 15.6%. The Company's liquidity position remains healthy.

Three months ended December 31, 2016 compared with the three months ended December 31, 2015

- Sales revenue of \$431.9m, an increase of \$112.8m or 35.3%
- Gross profit of \$106.1m, an increase of \$20.3m or 23.8%
- Operational expenses of \$69.8m, an increase of \$13.7m or 24.4%
- Non operating expenses of \$7.1m, an increase of \$2.2m or 44.7%
- Profit after tax of \$29.2m, an increase of \$4.5m or 18.2%

Despite a challenging economic environment, the company has experienced growth as forecasted in its corporate strategic plan. MDS is committed to maintaining high standards in efficient product movement and market penetration, while strengthening our relationships with customers, suppliers, employees and other stakeholders.



Kurt Boothe
GENERAL MANAGER

February 13, 2017

Medical Disposables & Supplies Limited

Unaudited Statement of Comprehensive Income

For the Period Ended December 31, 2016

	Three Months To December 2016 \$	Three Months To December 2015 \$	Nine Months To December 2016 \$	Nine Months To December 2015 \$
Revenue	431,929,291	319,141,905	1,258,366,164	918,317,210
Cost of sales	(325,823,777)	(233,409,402)	(954,956,174)	(665,859,377)
Gross profit	106,105,514	85,732,503	303,409,990	252,457,833
	24.6%	26.9%	24.1%	27.5%
Other income	1,078,840	-	3,193,680	-
Administrative expenses	(38,597,046)	(31,546,025)	(114,580,188)	(93,756,495)
Selling and promotional costs	(25,725,045)	(19,544,615)	(76,854,698)	(60,587,135)
Other operating expenses	(6,556,832)	(5,021,376)	(19,666,555)	(14,773,141)
Total Operational Expenses	(69,800,083)	(56,112,016)	(207,907,761)	(169,116,771)
Profit after Operational Expenses	36,305,431	29,620,487	95,502,229	83,341,062
Finance income	9,207	401,499	88,428	895,035
Finance cost	(8,963,688)	(5,600,081)	(26,613,307)	(14,719,733)
Gain/ (Loss) on foreign exchange	1,880,250	308,313	(2,115,418)	(1,651,085)
Total Non Operational Expenses	(7,074,231)	(4,890,269)	(28,640,297)	(15,475,783)
Profit before tax	29,231,200	24,730,218	66,861,932	67,865,279
Tax expense	-	(468,583)	(60,000)	(997,167)
PROFIT FOR THE PERIOD	29,231,200	24,261,635	66,801,932	66,868,112
EARNINGS PER SHARE	0.11	0.09	0.25	0.25

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At December 31, 2016

	9 Months To 31-Dec-16 \$	9 Months To 31-Dec-15 \$	Audited 31-Mar-16 \$
Assets			
Non-Current Assets			
Property, Plant and Equipment	473,165,803	407,692,954	475,180,340
Current Assets			
Inventories	334,883,183	254,112,503	287,124,748
Trade Receivables	277,583,580	212,627,661	261,869,037
Other Receivables & Prepayments	57,999,426	61,196,793	44,720,258
Tax Recoverable	2,334,434	2,584,021	2,316,112
Cash and Bank Balances	33,926,074	61,485,207	50,486,935
	<u>706,726,697</u>	<u>592,006,185</u>	<u>646,517,090</u>
Total Assets	<u>1,179,892,500</u>	<u>999,699,139</u>	<u>1,121,697,430</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	35,613,267	35,613,267	35,613,267
Retained Profits	386,892,088	315,355,140	344,563,841
Total Equity	<u>530,341,120</u>	<u>458,804,171</u>	<u>488,012,872</u>
Liabilities			
Non-Current Liabilities			
Interest-bearing Borrowings	251,490,704	250,070,660	245,792,748
	<u>251,490,704</u>	<u>250,070,660</u>	<u>245,792,748</u>
Current Liabilities			
Trade Payables	248,368,713	176,396,202	266,654,250
Other Payables	44,171,421	36,473,763	49,655,445
Short Term Borrowings	50,000,000	50,000,000	50,000,000
Bank Overdraft	55,520,542	27,954,343	21,582,115
	<u>398,060,676</u>	<u>290,824,308</u>	<u>387,891,810</u>
Total Liabilities	<u>649,551,380</u>	<u>540,894,968</u>	<u>633,684,558</u>
Total Equity and Liabilities	<u>1,179,892,500</u>	<u>999,699,139</u>	<u>1,121,697,430</u>

Approved for issue by the Board of Directors on February 7, 2017 and signed on its behalf by:



KURT BOOTHE
GENERAL MANAGER and DIRECTOR



WINSTON BOOTHE
CHAIRMAN

Medical Disposables & Supplies Limited

Unaudited Statement of Changes In Equity

For the Period Ended December 31, 2016

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Total \$
Balance at April 1, 2015	107,835,764	35,613,267	259,013,344	402,462,375
Dividend paid	-	-	(10,526,316)	(10,526,316)
Total comprehensive income for the period	-	-	66,868,112	66,868,112
BALANCE AT DECEMBER 31, 2015	107,835,764	35,613,267	315,355,140	458,804,171
Balance at April 1, 2016	107,835,764	35,613,267	344,563,841	488,012,872
Dividend paid	-	-	(24,473,684)	(24,473,684)
Total comprehensive income for the period	-	-	66,801,932	66,801,932
BALANCE AT DECEMBER 31, 2016	107,835,764	35,613,267	386,892,089	530,341,120

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows

For The Nine Months Ended December 2016

	December 2016 \$	December 2015 \$
Cash flows from operating activities:		
Profit before tax	66,861,932	67,865,279
Adjustments for:		
Depreciation	17,188,456	6,744,934
Interest expenses	26,613,307	14,719,733
Interest income	(88,428)	(895,035)
FX loss on loan	1,590,000	1,579,230
	<u>112,165,267</u>	<u>90,014,140</u>
(Increase) / decrease in inventories	(47,758,435)	12,358,106
Increase in trade, other receivables and prepayments	(28,993,712)	(11,345,962)
Decrease in trade and other payables	(23,769,561)	(5,764,306)
	<u>11,643,559</u>	<u>85,261,979</u>
Cash (used in) / provided by operations		
Income tax paid	(78,321)	(13,747,281)
Interest paid	(26,613,307)	(14,719,733)
Net cash (used in) / provided by operating activities	<u>(15,048,070)</u>	<u>56,794,963</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(15,173,919)	(62,810,721)
Interest received	88,428	895,035
Net cash used in investing activities	<u>(15,085,491)</u>	<u>(61,915,686)</u>
Cash flows from financing activities:		
Dividend payments	(24,473,684)	(10,526,316)
Proceeds from borrowings	141,870,000	80,000,000
Repayment of borrowings	(137,762,044)	(81,005,002)
Net cash used in financing activities	<u>(20,365,728)</u>	<u>(11,531,318)</u>
Net decrease in cash & cash equivalents	(50,499,289)	(16,652,040)
Cash and cash equivalent at beginning of period	28,904,820	50,182,904
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>(21,594,469)</u>	<u>33,530,863</u>

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Nine Months Ended December 31, 2016

1. Identification and activities

Medical Disposables and Supplies Limited is a limited liability company incorporated under the Laws of Jamaica on November 27, 1998.

The company is domiciled in Jamaica with its registered office located at 83 Hagley Park Road, Kingston 10.

The main activity of the company is the sale of medical disposables and supplies. The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013.

2. Basis of preparation

The condensed interim financial statements for the nine months ended December 31, 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the audited financial statements ended March 31, 2016 which have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB).

3. Accounting Policies

There have been no changes in accounting policies since the most recent audited financial statements as at March 31, 2016.

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Nine Months Ended December 31, 2016

4. Share capital

	2016	2015
	\$	\$
Authorised:		
408,000,000 ordinary shares (2016 - 408,000,000)		
Stated capital		
Issued and fully paid:		
263,157,895 ordinary shares	<u>107,835,764</u>	107,835,764
Balance at end of the period	<u>107,835,764</u>	<u>107,835,764</u>

5. Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. Consequently, the company is entitled to a waiver of income taxes for ten years in the proportions set out below, provided that the shares remain listed for at least fifteen years.

Year 1 – 5	100%
Year 6 – 10	50%

Top Ten (10) Shareholders

Shareholders	Number of Units	Shareholding %
Kurt Boothe	50,720,000	19.27%
Myrtis Boothe	50,000,000	19.00%
Winston Boothe	50,000,000	19.00%
Nikeisha Boothe	50,000,000	19.00%
Mayberry West Indies Limited	11,277,411	4.29%
Mayberry Managed Cients A/Cs	7,934,415	3.02%
Apex Pharmacy	3,496,926	1.33%
Bamboo Group Holdings Limited	3,350,631	1.27%
Catherine Adella Peart	1,934,281	0.74%
Leon O.W. Headley	1,596,957	0.61%
VM Wealth Equity Fund	1,342,514	0.51%
Manwei International Limited	1,292,000	0.49%

Shareholding of Directors and Senior Managers

Directors	Total	Direct	Connected Parties
Kurt Boothe	200,720,000	50,720,000	150,000,000
Myrtis Boothe	200,720,000	50,000,000	150,720,000
Winston Boothe	200,720,000	50,000,000	150,720,000
Nikeisha Boothe	200,720,000	50,000,000	150,720,000
Dahlia McDaniel-Dickson	1,373,100	1,073,100	300,000
Vincent Lawrence	1,284,222	Nil	1,284,222
Sandra Glasgow	Nil	Nil	Nil
Senior Managers	Total	Direct	Connected Parties
Kurt Boothe	200,720,000	50,720,000	150,000,000
Myrtis Boothe	200,720,000	50,000,000	150,720,000
Nikeisha Boothe	200,720,000	50,000,000	150,720,000
Janice Pitter	87,000	82,000	5,000
Lenworth Murray	163,000	163,000	Nil
Gerard Whyte	54,000	54,000	Nil