



RELEASE TO SHAREHOLDERS

For The Three Months Ended June 30, 2018

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present to our shareholders, our first quarter unaudited financial results for the financial period ended June 30, 2018.

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Year over Year	Audited Year Ended March 31, 2018
Sales revenue	\$541.11M	\$480.59M	12.6%	\$2.04B
Gross profit	\$116.78M	\$102.50M	13.9%	\$461.52M
Net profit after taxation	\$19.21M	\$15.66M	22.7%	\$109.59M
Earnings per share (EPS)	7 cents	6 cents	16.7%	42 cents
Total assets	\$1.37B	\$1.36B	0.7%	\$1.47B
Shareholder's equity	\$692.34M	\$579.20M	19.5%	\$673.13M

The Company generated sales in the first quarter of \$541.1M, reflecting continued growth in sales, increasing by 12.6% or \$60.5M over the corresponding quarter in 2017. This performance was mainly attributable to growth in the consumer business segment and prices increases.

Gross profit amounted to \$116.79M for the quarter ended June 30, 2018 represents an increase of \$14.28M or 13.9 % when compared to the corresponding period in the previous year.

Operating expenses of \$85.35M increased by \$5.40M or 6.7% due mainly to the costs associated with the increase in business activities. At the same time operational efficiency as measured by the expense to sales ratio, improved when compared to the quarter ended June 30, 2017. The operational expenses that had significant increases include the following:

- Salaries and commissions increased by \$3.35M or 8.2% due to an increase in our staff complement in the warehouse and sales departments
- General insurance increased by \$0.8M or 47% consistent with the increased levels of inventories and other assets
- Professional fees and Information Technology Consultancy fees increased by \$1.74M or 36.2% for infrastructural improvements

Non-operational expenses increased by \$5.36M or 78% due mainly to the devaluation of the Jamaican Dollar in relation to the United States currency. This resulted in loss on foreign exchange which increased by \$5.38M or 455% to \$4.19M when compared to the quarter ended June 30, 2017.

Profit after tax increased by \$3.5M or 22.7%, moving from \$15.662M for the quarter ended June 30, 2017 to \$19.21M at the end of the current first quarter.

Total assets declined by 7.2% or \$106.06M from \$1.474B to \$1.368B. The Company's inventories balance decreased as a direct result of the increase in business opportunities, which however, is still within the acceptable level.

Shareholders' equity increased by \$19.21M or 2.8% to \$692.34M as a result of the profit earned for the quarter. Total liabilities decreased by \$125M or 15.63% to \$675.91M as a direct result of the decline in balance owing to the Company's trade suppliers.

The Company's liquidity position remains healthy.



Kurt Boothe
GENERAL MANAGER

July 31, 2018

Medical Disposables & Supplies Limited

Statement of Comprehensive Income

For the Period Ended June 30, 2018

	Three Months To June 2018 ₹	Three Months To June 2017 ₹	Audited March 2018 ₹
Revenue	541,111,617	480,590,069	2,045,443,487
Cost of sales	(424,332,200)	(378,086,789)	(1,583,920,694)
Gross profit	116,779,417	102,503,280	461,522,793
Other income	1,363,716	1,083,068	4,384,040
Administrative expenses	(48,636,626)	(41,420,282)	(171,086,430)
Selling and promotional costs	(32,247,392)	(33,016,066)	(127,848,306)
Other operating expenses	284,831	(689,248)	(2,117,196)
Depreciation	(6,114,026)	(5,906,987)	(23,052,275)
Total Operational Expenses	(85,349,497)	(79,949,515)	(319,720,167)
Profit after Operational Expenses	31,429,920	22,553,765	141,802,626
Finance income	9,390	4,675	23,204
Finance cost	(8,036,811)	(8,047,467)	(35,309,807)
Gain on disposal of property, plant & equipment	-	-	484,580
Gain / (loss) on foreign exchange	(4,195,525)	1,181,430	2,648,944
Total Non Operational Expenses	(12,222,946)	(6,861,362)	(32,153,079)
Profit Before Tax	19,206,974	15,692,403	109,649,547
Tax expense	-	(30,000)	(60,000)
PROFIT FOR THE PERIOD / YEAR	19,206,974	15,662,403	109,589,547
EARNINGS PER SHARE	0.07	0.06	0.42

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position

As At June 30, 2018

	3 Months To 30-Jun -18 \$	3 Months To 30-Jun -17 \$	Audited 31-Mar-18 \$
Assets			
Non-Current Assets			
Property, Plant and Equipment	523,720,533	494,075,301	512,895,045
Current Assets			
Inventories	420,548,100	481,049,447	543,782,120
Trade Receivables	317,650,530	294,017,355	307,239,874
Other Receivables & Prepayments	72,393,871	63,097,207	78,780,029
Tax Recoverable	2,334,747	2,334,612	2,334,720
Cash and Bank Balances	31,595,887	21,605,048	29,405,495
	<u>844,523,135</u>	<u>862,103,669</u>	<u>961,542,238</u>
Total Assets	<u>1,368,243,668</u>	<u>1,356,178,970</u>	<u>1,474,437,283</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	48,198,190	48,198,190	48,198,190
Retained Profits	536,302,040	423,167,921	517,095,066
Total Equity	<u>692,335,994</u>	<u>579,201,875</u>	<u>673,129,020</u>
Liabilities			
Non-Current Liabilities			
Interest-bearing Borrowings	203,654,689	235,475,178	211,510,272
	<u>203,654,689</u>	<u>235,475,178</u>	<u>211,510,272</u>
Current Liabilities			
Trade Payables	291,513,417	367,289,441	408,930,576
Other Payables	51,666,992	47,877,337	55,729,214
Short Term Borrowings	125,000,000	50,000,000	125,000,000
Bank Overdraft	4,072,576	76,335,140	138,201
	<u>472,252,985</u>	<u>541,501,918</u>	<u>589,797,991</u>
Total Liabilities	<u>675,907,674</u>	<u>776,977,095</u>	<u>801,308,263</u>
Total Equity and Liabilities	<u>1,368,243,668</u>	<u>1,356,178,970</u>	<u>1,474,437,283</u>

Approved for issue by the Board of Directors on July 31, 2018 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 June 30, 2018

	Share Capital	Revaluation Reserve	Retained Profit	Total
	\$	\$	\$	\$
Balance at April 1, 2017	107,835,764	48,198,190	407,505,519	563,539,473
Total comprehensive income for the period	-	-	15,662,402	15,662,402
BALANCE AT JUNE 30, 2017	107,835,764	48,198,190	423,167,921	579,201,875
Balance at April 1, 2018	107,835,764	48,198,190	517,095,066	673,129,020
Total comprehensive income for the period	-	-	19,206,974	19,206,974
BALANCE AT JUNE 30, 2018	107,835,764	48,198,190	536,302,040	692,335,994

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows
For The Three Months Ended June 2018

	June 2018 \$	June 2017 \$
Cash flows from operating activities:		
Profit before tax	19,206,974	15,692,402
Adjustments for:		
Depreciation	6,114,026	5,906,987
Interest expenses	8,036,811	8,047,467
Interest income	(5,149)	(4,675)
	<u>33,352,662</u>	<u>29,642,181</u>
Decrease / (increase) in inventories	123,234,020	(111,666,752)
Increase in trade and other receivables	(4,024,496)	(26,940,205)
(Decrease) / increase in trade and other payables	<u>(121,479,380)</u>	<u>88,763,825</u>
Cash provided by / (used in) operations	31,082,806	(20,200,951)
Income tax paid	(27)	(30,049)
Interest paid	(8,036,811)	(8,047,467)
Net cash provided by / (used in) operating activities	<u>23,045,968</u>	<u>(28,278,467)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(16,939,516)	(12,881,632)
Interest received	5,149	4,675
Net cash used in investing activities	<u>(16,934,367)</u>	<u>(12,876,957)</u>
Cash flows from financing activities:		
Proceeds from borrowings	62,500,000	30,000,000
Repayment of borrowings	(70,355,583)	(37,799,591)
Net cash used in financing activities	<u>(7,855,583)</u>	<u>(7,799,591)</u>
Net decrease in cash & cash equivalents	(1,743,982)	(48,955,015)
Cash and cash equivalent at beginning of period	<u>29,267,294</u>	<u>(5,775,081)</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>27,523,312</u>	<u>(54,730,096)</u>

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2018

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 Three Months Ended June 30, 2018 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, 2018 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, 2018.

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2018

4. Share capital

	2018	2017
	\$	\$
Authorised:		
408,000,000 ordinary shares (2018 - 408,000,000)		
Stated capital		
Issued and fully paid:		
263,157,895 ordinary shares	107,835,764	107,835,764
Balance at end of the period	107,835,764	107,835,764

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	50,841,500	19.32%
Myrtis Boothe	50,000,000	19.00%
Winston Boothe	50,000,000	19.00%
Nikeisha Boothe	50,000,000	19.00%
Mayberry Jamaican Equities Limited	10,477,636	3.98%
Mayberry Managed Clients A/Cs	7,720,083	2.93%
Apex Pharmacy	3,496,926	1.33%
PWL Bamboo Holdings Limited	3,350,631	1.27%
VM Wealth Equity Fund	2,968,948	1.13%
Leon O.W. Headley	1,737,957	0.66%
Nigel Coke	1,619,998	0.62%
Lawrence and Associates	1,284,222	0.49%

SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS

Directors	Total	Direct	Connected Parties
Kurt Boothe	200,841,500	50,841,500	150,000,000
Myrtis Boothe	200,841,500	50,000,000	150,841,500
Winston Boothe	200,841,500	50,000,000	150,841,500
Nikeisha Boothe	200,841,500	50,000,000	150,841,500
Dahlia McDaniel-Dickson	1,459,398	1,159,398	300,000
Vincent Lawrence	1,284,222	Nil	1,284,222
Sandra Glasgow	Nil	Nil	Nil
Senior Managers	Total	Direct	Connected Parties
Kurt Boothe	200,841,500	50,841,500	150,000,000
Myrtis Boothe	200,841,500	50,000,000	150,841,500
Nikeisha Boothe	200,841,500	50,000,000	150,841,500
Janice Pitter	91,000	82,000	9,000
Lenworth Murray	63,000	63,000	Nil
Gerard Whyte	54,000	54,000	Nil