



RELEASE TO SHAREHOLDERS

For The Three Months Ended June 30, 2019

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present to our shareholders, our unaudited financial results for the first quarter ended June 30, 2019.

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Year over Year	Audited Year Ended March 31, 2019
Sales revenue	\$557.23M	\$541.11M	3.0% ↑	\$2.22B
Gross profit	\$141.08M	\$116.78M	20.8% ↑	\$548.5M
Operational expenses	\$102.4M	\$85.6M	19.7% ↑	\$361.9M
Non-Operational expenses	\$20.2M	\$12.2M	64.9% ↑	\$63.3M
Net profit before taxation	\$18.6M	\$19.1M	(2.8%) ↓	\$123.3M
Net profit after taxation	\$16.09M	\$19.1M	(15.8%) ↓	\$112.8M
Earnings per share (EPS)	6 cents	7 cents	(14.3%) ↓	43 cents
Total assets	\$1.65B	\$1.37B	20.8% ↑	\$1.65B
Shareholder's equity	\$775.30M	\$692.34M	15.5% ↑	\$759.21M

The Company generated sales in the first quarter of \$557.23M, reflecting a modest growth of \$16.12M or 3% over the corresponding quarter in 2018. This performance was attributed mainly to price adjustments, given a dip in unit sales across our consumer product lines.

Despite the modest sales growth, there was a marked improvement in gross profits at \$141.08M for the quarter, which represents an increase of \$24.2M or 20.8 % over the \$116.78M for the corresponding period in the previous year.

Operating expenses of \$102.4M increased by \$16.80M or 19.7% over the \$85.6M for corresponding prior year period. This movement was due mainly to costs associated with increased business

activities, marketing research and promotional activities aimed at the consumer division in particular, and infrastructure needed to be in place to improve the sales growth overall.

Non-operational expenses were \$12.5M increasing by \$7.9M or 64.9% to \$20.15M over the corresponding period in the previous year; which was accentuated by foreign exchange losses of \$9.4M owing to the devaluation of the Jamaican dollar in relation to the United States currency for the review period.

Given the high levels of non-operating expenses, profit before tax of \$18.6M was down marginally by \$500k or 2.8% compared to the \$19.1M posted for June 2018. The Company is in its sixth year of being listed on the Junior Market of the Jamaica Stock Exchange, and is now subject to fifty percent (50%) income tax remission as at December 24, 2018. This has resulted in a decrease in the final net profit after tax by \$3.0M or 15.8%, from \$19.1M to \$16.09M for the current quarter compared to the quarter ended June 30, 2018.

Total assets increased by 20.8% or \$284.5M from \$1.368B to \$1.652B. The Company's inventories and other receivable and prepayment balances increased as a direct result of the expectations of added business opportunities. These assets were supported by shareholders' equity of \$775.30M and liabilities of \$877.5M, which grew by \$83.07M or 12% and \$201.4M or 29.8% respectively.

On behalf of the Board of Directors, I wish to express our gratitude to our valued customers and shareholders for their loyalty and continued support, to our suppliers for the confidence displayed in us and to the MDS team for their consistent hard work and dedication throughout the quarter.



Kurt Boothe
GENERAL MANAGER

July 30, 2019

Medical Disposables & Supplies Limited

Unaudited Statement of Comprehensive Income

For the Period Ended June 30, 2019

	Three Months To June 2019 \$	Three Months To June 2018 \$	Audited March 2019 \$
Revenue	557,232,893	541,111,617	2,221,895,285
Cost of sales	(416,054,834)	(424,174,076)	(1,673,385,401)
Gross profit	141,178,059	116,937,541	548,509,884
Other income	1,408,084	1,363,716	5,458,992
Administrative expenses	(51,154,993)	(48,899,602)	(194,817,586)
Selling and promotional costs	(46,167,018)	(32,247,392)	(145,095,528)
Other operating expenses	606,708	284,831	(2,052,419)
Depreciation	(7,142,534)	(6,114,026)	(25,380,120)
Total Operational Expenses	(102,449,753)	(85,612,473)	(361,886,661)
Profit after Operational Expenses	38,728,306	31,325,068	186,623,223
Finance income	7,060	5,149	20,993
Finance cost	(10,766,887)	(8,036,811)	(41,547,833)
Gain on disposal of property, plant & equipment	-	-	1,505,500
Loss on foreign exchange	(9,398,237)	(4,195,525)	(23,255,775)
Total Non Operational Expenses	(20,158,064)	(12,227,187)	(63,277,115)
Profit Before Tax	18,570,242	19,097,881	123,346,108
Tax expense	(2,483,482)	-	(10,583,848)
PROFIT FOR THE PERIOD / YEAR	16,086,760	19,097,881	112,762,260
EARNINGS PER SHARE	0.06	0.07	0.43

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position
As At June 30, 2019

	3 Months To 30-Jun -19 \$	3 Months To 30-Jun -18 \$	Audited 31-Mar-19
Assets			
Non-Current Assets			
Property, Plant and Equipment	561,193,134	523,720,533	559,516,063
Current Assets			
Inventories	582,137,237	420,548,100	647,955,332
Trade Receivables	317,267,132	317,642,610	327,805,233
Other Receivables & Prepayments	157,731,930	72,481,764	73,022,362
Tax Recoverable	2,337,162	2,334,747	2,337,129
Cash and Bank Balances	32,144,864	31,595,886	38,279,922
	<u>1,091,618,326</u>	<u>844,603,106</u>	<u>1,089,399,978</u>
Total Assets	<u>1,652,811,459</u>	<u>1,368,323,640</u>	<u>1,648,916,041</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	619,264,948	536,192,947	603,178,187
Total Equity	<u>775,298,902</u>	<u>692,226,901</u>	<u>759,212,142</u>
Liabilities			
Non-Current Liabilities			
Interest-bearing Borrowings	169,874,586	203,446,358	126,583,691
Deferred tax liability	6,836,034	-	6,836,034
	<u>176,710,620</u>	<u>203,446,358</u>	<u>133,419,725</u>
Current Liabilities			
Trade Payables	360,189,634	290,854,856	387,190,883
Other Payables	63,938,625	51,875,322	67,510,372
Income tax payable	6,201,296	0.00	3,717,814
Short Term Borrowings	125,000,000	125,000,000	297,660,495
Bank Overdraft	145,472,381	4,920,203	204,610
	<u>700,801,937</u>	<u>472,650,380</u>	<u>756,284,174</u>
Total Liabilities	<u>877,512,557</u>	<u>676,096,739</u>	<u>889,703,899</u>
Total Equity and Liabilities	<u>1,652,811,459</u>	<u>1,368,323,640</u>	<u>1,648,916,041</u>

Approved for issue by the Board of Directors on July 30, 2019 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, 2019

	Share Capital	Revaluation	Retained Profit	Total
	\$	Reserve	\$	\$
		\$		
Balance at April 1, 2018	107,835,764	48,198,190	517,095,066	673,129,020
Total comprehensive income for the period	-	-	19,097,881	19,097,881
BALANCE AT JUNE 30, 2018	107,835,764	48,198,190	536,192,947	692,226,901
Balance at April 1, 2019	107,835,764	48,198,190	603,178,188	759,212,142
Total comprehensive income for the period	-	-	16,086,760	16,086,760
BALANCE AT JUNE 30, 2019	107,835,764	48,198,190	619,264,948	775,298,902

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows
For The Three Months Ended June 2019

	June 2019 \$	June 2018 \$
Cash flows from operating activities:		
Profit before tax	18,570,242	19,097,881
Adjustments for:		
Depreciation	7,142,534	6,114,026
Interest expenses	10,766,887	8,036,811
Interest income	(7,060)	(5,149)
	<u>36,472,602</u>	<u>33,243,569</u>
Decrease in inventories	65,818,095	123,234,020
Increase in trade and other receivables	(4,426,640)	(4,104,469)
Decrease in trade and other payables	<u>(100,317,823)</u>	<u>(121,929,614)</u>
Cash (used in) / provided by operations	(2,453,765)	30,443,505
Income tax paid	(34)	(27)
Interest paid	<u>(10,766,887)</u>	<u>(8,036,811)</u>
Net cash (used in) / provided by operating activities	(13,220,685)	22,406,666
Cash flows from investing activities:		
Purchase of property, plant & equipment	(8,819,605)	(16,939,516)
Interest received	7,060	5,149
Net cash used in investing activities	(8,812,545)	(16,934,366)
Cash flows from financing activities:		
Proceeds from borrowings	68,750,000	62,500,000
Repayment of borrowings	<u>(198,119,600)</u>	<u>(70,563,914)</u>
Net cash used in financing activities	(129,369,600)	(8,063,914)
Net decrease in cash & cash equivalents	(151,402,830)	(2,591,614)
Cash and cash equivalent at beginning of period	<u>38,075,312</u>	<u>29,267,294</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	(113,327,518)	26,675,679

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2019

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 pharmaceutical, medical and consumer 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, 2019 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, 2019, 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, 2019.

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 the shares remain listed for at least fifteen years.

Year 1 – 5	100%
Year 6 – 10	50%

The Company is in its sixth year listed on the Junior Market of the Jamaican Stock Exchange and has been subject to fifty percent (50%) income tax remission as at December 24, 2018.

TOP TEN (10) SHAREHOLDERS

Shareholders	Number of Units	Shareholding %
Kurt Boothe	50,986,333	19.37%
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	13,957,628	5.30%
Mayberry Managed Clients A/Cs	7,763,139	2.95%
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%
Nigel Coke	1,823,092	0.69%
Lawrence and Associates	1,284,222	0.49%
Konrad Limited	1,204,337	0.46%
Dahlia McDaniel	1,159,398	0.44%

SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS

Directors	Total	Direct	Connected Parties
Kurt Boothe	200,986,333	50,986,333	150,000,000
Myrtis Boothe	200,986,333	50,000,000	150,986,333
Winston Boothe	200,986,333	50,000,000	150,986,333
Nikeisha Boothe	200,986,333	50,000,000	150,986,333
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	200,986,333	50,986,333	150,000,000
Myrtis Boothe	200,986,333	50,000,000	150,986,333
Nikeisha Boothe	200,986,333	50,000,000	150,986,333
Janice Pitter	91,000	82,000	9,000
Lenworth Murray	63,000	63,000	Nil
Gerard Whyte	54,000	54,000	Nil