



MEDICAL DISPOSABLES & SUPPLIES LIMITED

**Unaudited Consolidated Financial Statements
for Third Quarter Ended December 31, 2021.**



Release to Shareholders

For the Nine Months Ended December 31, 2021

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the following unaudited consolidated financial results for the third quarter, ended December 31, 2021.

FINANCIAL HIGHLIGHTS

	Three Months Ended Dec 31, 2021	Three Months Ended Dec 31, 2020	Nine Months Ended Dec 31, 2021	Nine Months Ended Dec 31, 2020	Audited Year Ended March 31, 2021
Revenue	\$874.63M	\$626.08M	\$2,493.70M	\$1,766.32M	\$2,422.81M
Gross profit	\$234.04M	\$169.12M	\$644.53M	\$432.54M	\$598.89M
Total Operational Expenses	\$175.40M	\$125.65M	\$485.46M	\$352.43M	\$504.45M
Total Non-Operational Expenses	\$21.30M	\$16.32M	\$67.08M	\$66.06M	\$80.59M
Profit After Tax	\$28.98M	\$25.40M	\$75.90M	\$12.29M	\$69.61M
Earnings per share (EPS)	11 cents	10 cents	29 cents	5 cents	26 cents
Total Assets	\$2,820.58M	\$2,086.69M	\$2,820.58M	\$2,086.69M	\$2,289.26M
Shareholders' equity	\$952.24M	\$846.05M	\$952.24M	\$846.05M	\$894.76M

RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2021

For the quarter ended December 31, 2021, the company generated total sales of \$874.63M, an increase of 40% or \$248.55M compared to the corresponding period in the previous year. This increase in sales reflects an increase in overall business activity coupled with the consolidation of the operations of the recently acquired subsidiary, Cornwall Enterprises Limited. Consumer demand for pharmaceutical and medical disposable items has seen a significant improvement over the prior period.

Gross profit of \$234M improved by 38% or \$64.9M when compared to the third quarter of the previous year, due mainly to a rise in sales of pharmaceutical and medical disposable items. Gross Profit percentage for the period fell marginally to 26.8% compared to 27% in 2020. It may be noted that this increase in gross profit exceeded that of the increase in total expenses, while the operational expenses accounted for 20% of sales for the current period, in line with the prior year.

Total operational expenses increased by \$49.76M from \$125.65M for the third quarter in 2020 to \$175.40M for the same period in 2021, representing an increase of 40%. A significant amount of this relates to the consolidation of the subsidiary's operations.

Total non-operational expenses increased by \$4.99M from just over \$16M for the third quarter in 2020 to \$21.3M for the same period in 2021. The main driver of the increase was the foreign exchange losses which were due to the depreciation in value of the Jamaican dollar.

The Company returned a profit after taxation of \$28.97M for the quarter, a 12.99% increase or \$3.57M when compared to the prior year profit of \$25.4M.

The third quarter of 2020 was characterized by some amount of easing of the measures implemented to decelerate the spread of the COVID-19 virus and showed improvements over the two quarters prior, which reflected effects of a contraction in consumer activity. Although the industry is still experiencing some limitations such as shorter business hours, the improved results reflect a trend towards recovery.

RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

Year to date sales for the nine months ended December 31, 2021, was \$2.49B, an increase of \$727.37M or 41% when compared to the prior year.

Gross profit of \$644.53M for the nine-month period reflects a 49% or \$211.96M increase over the previous year. This increase in sales from both MDS and its newly consolidated subsidiary, Cornwall Enterprises Limited accounted for improved results. Additionally, the sales team has captured additional market support in the pharmaceutical and medical disposable segments. There was also an improvement in gross profit margins, moving from 24.5% in prior year to 25.9% in the current year to date position.

Total operational expenses for the period under review were \$485.46M, increasing by \$133.03M or 38% over the previous year. This increase was due mainly to the addition of administrative costs arising from the consolidation. Selling and distribution costs increased in line with the increase in sales. Operational expenses as a percentage of sales fell slightly when compared to prior year, moving from 19.95% for the nine months to December 2020 to 19.47% for the same period in 2021.

Total non-operational expenses of \$67.08M at the end of December 2021 was marginally higher than the \$66.06M at the same point in 2020. Foreign exchange losses accounted for a \$9.14M increase but this was partially set off by a reduction in Finance related expenses.

The Company recorded a year-to-date profit after tax of \$75.9M, up from a profit after tax of \$12.29M at the same point last year.

Total assets grew by \$733.89M or 35% from \$2.09B as at December 31, 2020 to \$2.82B for the same period in 2021. A significant amount of this increase was due to the acquisition of a 60% stake in subsidiary company, Cornwall Enterprises Limited (CEL). The acquisition added non-current assets of just over \$250M. The Group expanded Inventories on hand during the current period by \$245.8M when compared to prior year to respond to the market demand as well as offset any delays from the shipping and logistics challenges experienced globally.

Total Liabilities increased by \$505.3M or 41% from \$1.24B at the end of the third quarter in 2020 to \$1.75B for the same period in 2021. This was due to an increase in trade and other payables of \$246.2M which represent increased inventories for resale. Interest bearing loans

grew by \$127.5M whilst working capital support increased by \$70M. A portion of the loan was used to finance the acquisition.

Shareholders' equity increased by \$228.6 or 27% from \$846.05M as at December 31, 2020 to \$1,074.63M at the end of the current period. Non-controlling interest accounted for just over \$122M.

Earnings per share increased from \$0.05 a year ago to \$0.29.

We take the opportunity to thank all our stakeholders for their loyalty and patronage during these trying times. Having used the last two years to retool and consolidate our operations, MDS is poised to advance from the promise of opportunities that lie ahead. Our aim is to align our long-term business strategies to focus on deeper market penetration and strengthening valued relationships.

We thank all our stakeholders for your continued support.

Stay safe.



Kurt Boothe

CHIEF EXECUTIVE OFFICER



February 8, 2022

Medical Disposables & Supplies Limited
Unaudited Consolidated Statement of Comprehensive Income
For the Period Ended December 31, 2021

	Three Months To December 2021 \$	Three Months To December 2020 \$	Nine Months To December 2021 \$	Nine Months To December 2020 \$
Revenue	874,630,129	626,084,039	2,493,695,731	1,766,321,898
Cost of sales	(640,589,813)	(456,964,364)	(1,849,166,486)	(1,333,778,461)
Gross profit	234,040,316	169,119,674	644,529,244	432,543,437
Other income	1,556,959	1,298,400	6,305,401	3,883,830
Administrative expenses	(103,603,282)	(61,631,890)	(278,552,952)	(174,415,320)
Selling and promotional costs	(64,612,983)	(57,052,242)	(181,989,685)	(159,647,015)
Other operating expenses	-	(1,000,000)	(2,134,066)	(1,000,000)
Depreciation	(8,743,949)	(7,261,640)	(29,092,047)	(21,251,806)
Total Operational Expenses	(175,403,256)	(125,647,372)	(485,463,350)	(352,430,312)
Profit after Operational Expenses	58,637,060	43,472,302	159,065,894	80,113,124
Finance income	(140,831)	44,308	4,965,981	462,491
Finance cost	(14,745,372)	(13,752,311)	(60,211,783)	(63,889,858)
Gain on disposal of property, plant & equipment	-	-	-	50,000
Gain / (loss) on foreign exchange	(6,416,503)	(2,608,669)	(11,830,428)	(2,685,491)
Total Non Operational Expenses	(21,302,706)	(16,316,671)	(67,076,229)	(66,062,857)
Profit Before Tax	37,334,354	27,155,631	91,989,665	14,050,267
Tax expense	(8,361,648)	(1,756,284)	(16,085,380)	(1,756,284)
PROFIT FOR THE PERIOD / YEAR	28,972,706	25,399,348	75,904,285	12,293,984
EARNINGS PER SHARE	0.11	0.10	0.29	0.05

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Financial Position

As At December 31, 2021

	Nine Months To December 2021	Nine Months To December 2020	Twelve Months to March 2021
	\$	\$	\$
Assets			
Non-Current Assets			
Property, Plant and Equipment	833,032,812	595,185,552	853,882,592
	<u>833,032,812</u>	<u>595,185,552</u>	<u>853,882,592</u>
Current Assets			
Inventories	1,169,963,738	924,187,584	853,802,501
Trade Receivables	473,529,674	342,127,035	397,812,213
Other Receivables & Prepayments	270,045,319	143,302,248	122,519,580
Tax Recoverable	2,367,745	2,345,833	2,350,729
Cash and Bank Balances	71,644,805	79,542,347	100,792,193
	<u>1,987,551,281</u>	<u>1,491,505,047</u>	<u>1,477,277,217</u>
Total Assets	<u>2,820,584,092</u>	<u>2,086,690,598</u>	<u>2,331,159,810</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	108,518,074	117,135,200	108,518,074
Retained Profits	735,884,510	621,081,486	678,401,277
Non-Controlling Interest	122,391,000		122,391,000
Total Equity	<u>1,074,629,347</u>	<u>846,052,450</u>	<u>1,017,146,115</u>
Liabilities			
Non-Current Liabilities			
Due on Business Acquisition	31,098,000	-	31,098,000
Interest-bearing Borrowings	273,513,186	146,031,029	159,315,438
Deferred liability	21,710,391	2,419,747	21,710,391
	<u>326,321,577</u>	<u>148,450,775</u>	<u>212,123,829</u>
Current Liabilities			
Trade Payables	529,813,077	401,314,076	400,320,367
Other Payables	212,034,265	94,333,466	89,009,143
Due on Business Acquisition			121,500,000
Income tax payable	17,387,760	7,063,346	11,916,506
Short Term Borrowings	500,000,000	400,000,000	350,000,000
Bank Overdraft	160,398,064	189,476,485	129,143,851
	<u>1,419,633,168</u>	<u>1,092,187,374</u>	<u>1,101,889,867</u>
Total Liabilities	<u>1,745,954,745</u>	<u>1,240,638,149</u>	<u>1,314,013,696</u>
Total Equity and Liabilities	<u>2,820,584,092</u>	<u>2,086,690,598</u>	<u>2,331,159,810</u>

Approved for issue by the Board of Directors on February 8, 2022 and signed on its behalf by:



KURT BOOTHE
CHIEF EXECUTIVE OFFICER and DIRECTOR



WINSTON BOOTHE
CHAIRMAN

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Changes In Equity

For the Period Ended December 31, 2021

	Share Capital \$	Revaluation Reserve \$	Non-Controlling Interest \$	Retained Profit \$	Total \$
Balance at April 1, 2020	107,835,764	117,135,200		608,787,501	833,758,465
Dividend paid					
Total comprehensive income for the period				12,293,984	12,293,984
BALANCE AT December 31, 2020	107,835,764	117,135,200	-	621,081,485	846,052,449
Balance at April 1, 2021	107,835,764	108,518,074	122,391,000	678,401,277	1,017,146,115
Dividend paid	-	-		(18,421,053)	(18,421,053)
Total comprehensive income for the period	-	-		75,904,285	75,904,285
BALANCE AT December 31, 2021	107,835,764	108,518,074	122,391,000	735,884,509	1,074,629,347

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Cash Flows
For the Nine Months Ended December 31, 2021

	December 2021	December 2020
	\$	\$
Cash flows from operating activities:		
Profit before tax	91,989,666	75,936,743
Adjustments for:		
Depreciation	29,092,047	28,493,524
Interest expenses	58,018,861	70,085,966
Interest income	(68,483)	(484,818)
Gain on Business Acquisition		(62,085,000)
Gain on of property, plant & equipment	-	(50,000)
	<u>179,032,090</u>	<u>111,896,415</u>
(Increase) in inventories	(316,161,237)	(157,721,381)
(Increase)/Decrease in trade and other receivables	(140,135,944)	145,498,805
Increase/(Decrease)in trade and other payables	47,910,579	(39,276,384)
	<u>(229,354,511)</u>	<u>60,397,454</u>
Cash (used) / provided in operations		
Income tax paid	(10,631,141)	-
Interest paid	(58,018,861)	(70,085,966)
Net cash used in operating activities	<u>(298,004,513)</u>	<u>(9,688,512)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(8,242,266)	(10,772,341)
Proceeds from sales of property, plant & equipment	-	50,000
Interest received (net of withholding tax)	68,483	474,550
Net cash used in investing activities	<u>(8,173,783)</u>	<u>(10,247,791)</u>
Cash flows from financing activities:		
Dividend payments	(18,421,053)	-
Proceeds from borrowings	836,862,210	508,654,919
Repayment of borrowings	(571,580,896)	(391,739,932)
Lease repayment (net)	(1,083,568)	(1,444,757)
Net cash provided by financing activities	<u>245,776,693</u>	<u>115,470,230</u>
Net decrease in cash & cash equivalents	(60,401,602)	95,533,927
Cash and cash equivalent at beginning of period	(28,351,657)	(123,885,584)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>(88,753,260)</u>	<u>(28,351,657)</u>

Medical Disposables & Supplies Limited

Notes to the Unaudited Consolidated Financial Statements
Nine Months Ended December 31, 2021

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's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013.

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 pharmaceuticals, medical disposables, and consumables products.

Medical Disposables & Supplies Limited is the parent company of Cornwall Enterprises Limited. The subsidiary is 60% owned by the Company. The Company and its subsidiary are referred to as the Group.

2. Basis of preparation

The condensed interim financial statements for the Nine Months Ended December 31, 2021, 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 as at March 31, 2021, 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, 2021.

4. Share capital

	2021	2020
	\$	\$
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	51,154,333	19.44%
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	8,882,972	3.38%
Mayberry Managed Clients A/Cs	6,212,054	2.36%
First Rock Capital Holdings Limited	5,000,000	1.90%
Apex Pharmacy	3,496,926	1.33%
VM Wealth Equity Fund	2,418,948	0.92%
Nigel Coke	2,093,598	0.80%
Lawrence and Associates	1,284,222	0.49%
Konrad Limited	1,204,337	0.46%

SHAREHOLDING OF DIRECTORS AND SENIOR MANAGERS

Directors	Total	Direct	Connected Parties
Kurt Boothe	201,154,333	51,154,333	150,000,000
Myrtis Boothe	201,154,333	50,000,000	151,154,333
Winston Boothe	201,154,333	50,000,000	151,154,333
Nikeisha Boothe	201,154,333	50,000,000	151,154,333
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	201,154,333	51,154,333	150,000,000
Myrtis Boothe	201,154,333	50,000,000	151,154,333
Nikeisha Boothe	201,154,333	50,000,000	151,154,333
Lenworth Murray	63,000	63,000	Nil
Gerard Whyte	54,000	54,000	Nil
Antoinette McDonald	30,500	Nil	30,500