



MEDICAL DISPOSABLES
& SUPPLIES LIMITED



MEDICAL DISPOSABLES & SUPPLIES LIMITED

**Unaudited Financial Statements
For First Quarter Ended June 30, 2020**



RELEASE TO SHAREHOLDERS

For the Three Months Ended June 30, 2020

The Board of Directors of Medical Disposables and Supplies Limited (MDS) hereby releases the following unaudited financial results for the first quarter, ended June 30, 2020.

FINANCIAL HIGHLIGHTS

	Three Months Ended Jun 30, 2020	Three Months Ended Jun 30, 2019	Year over Year	Audited Year Ended March 31, 2020
Revenue	\$510.081M	\$557.233M	-8.46%	\$2.418B
Gross profit	\$112,838M	\$141.178M	-20.07%	\$558.930M
Total Operational Expenses	\$114.955M	\$102.638M	-12.00%	\$460.324M
Total Non-Operational Expenses	\$4.950M	\$20.158M	75.44%	\$63.128M
Profit Before Tax	(\$7.067M)	\$18.382M	-138.45%	\$35.477M
Earnings per share (EPS)	(3 cents)	6 cents	-150%	6 cents
Total Assets	\$1.88B	\$1.65B	14%	\$1.65B
Shareholders' equity	\$826.69M	\$775.11M	7%	\$833.76M

RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2020

For the first quarter ended June 30, 2020, the Company generated sales revenue of \$510.08M, an 8.6% reduction compared to the corresponding period in the previous year. This decline in sales is a direct result of the economic downturn brought about by the COVID-19 pandemic and the measures implemented to curtail its spread. With the pharmacy network and patients overstocking multiple months supply on prescription items due to uncertain drug availability, the quarter reflected minimal sales activity due to market oversupply. Hospital activity was also minimized due to social distancing, quarantine preparations, restriction of population movement, resulting in the postponement of elective surgeries and prioritizing of critical cases only. Doctors' office closures and reduction in operating hours, also reduced patient load, all of which resulted in sales reductions of 9% and 22% in the Pharmaceutical and Medical Divisions, respectively. Year over year saw a decrease of 8.5% or \$47.15M in sales of medical supplies.

The Consumer Division saw encouraging growth in sales of \$9.5M or 18% when compared to the corresponding period in the previous year, reflective of the expanded product lines and the restructuring of the Division.

Gross profit of \$112.8M decreased by 20% or \$28.3M over the previous year as a result of the reduction in sales of pharmaceutical and medical disposable products. Gross Profit percentage for the period fell to 22.1% compared to 25.3% in 2019.

Total operational expenses increased by \$12.32M from \$102.64M in 2019 to \$114.96M in 2020, representing an increase of 12.0%. The movement was due to the costs associated with boosting the sales effort, particularly in the Consumer Division. Operational expenses accounted for 22.5% of sales revenue for the current period, up from 18.4% of sales revenue for corresponding period in the previous year. Total non-operational expenses decreased significantly from \$15.9M in 2019 to \$4.95M in 2020 or 75.4%. A significant contributor was gains on foreign exchange.

Given the fall off in sales revenue, the Company suffered a Loss before Taxation of \$7.07M, a decrease of \$23M over the previous year.

Total assets grew by \$230.7M or 13.95% from \$1.65B to \$1.88B, due to increases in Inventories and Property, Plant and Equipment.

Total Liabilities increased by \$179M or 20.4% from \$878.1M to \$1,057.2M over the prior year. This was due to an increase in short term borrowings and bank overdraft used to facilitate growth and business expansion.

Shareholders' equity increased by \$51.6M or 6.7% from \$775.1M to \$826.7M.

Despite the significant impact on the business brought about by the containment strategies imposed to combat the spread of COVID-19, we continue to realign our business strategies to focus on deeper market penetration and strengthening relationships with our customers, shareholders and the MDS family.

As we strive to manage our business in this challenging business environment, we thank all our shareholders and stakeholders for your continued support .



Kurt Boothe
GENERAL MANAGER



August 11, 2020

Medical Disposables & Supplies Limited

Unaudited Statement of Comprehensive Income

For the Period Ended June 30, 2020


	Three Months To June 2020 \$	Three Months To June 2019 \$	Audited March 2020 \$
Revenue	510,081,350	557,232,893	2,481,141,479
Cost of sales	(397,243,078)	(416,054,834)	(1,922,211,922)
Gross profit	112,838,271	141,178,059	558,929,557
Other income	1,273,470	1,408,084	5,645,110
Administrative expenses	(53,293,563)	(52,521,939)	(245,637,173)
Selling and promotional costs	(55,901,108)	(44,988,794)	(183,394,915)
Other operating expenses	-	606,708	(7,594,269)
Depreciation	(7,033,608)	(7,142,534)	(29,343,036)
Total Operational Expenses	(114,954,809)	(102,638,475)	(460,324,283)
Profit after Operational Expenses	(2,116,538)	38,539,583	98,605,273
Finance income	217,496	7,060	2,848,993
Finance cost	(9,203,352)	(10,766,887)	(47,995,363)
Gain on disposal of property, plant & equipment	-	-	1,500,833
Gain / (loss) on foreign exchange	4,035,450	(9,398,237)	(19,482,279)
Total Non Operational Expenses	(4,950,405)	(20,158,063)	(63,127,815)
Profit Before Tax	(7,066,943)	18,381,520	35,477,458
Tax expense	-	(2,483,482)	(920,775)
PROFIT FOR THE PERIOD / YEAR	(7,066,943)	15,898,038	34,556,683
EARNINGS PER SHARE	(0.03)	0.06	0.13

Medical Disposables & Supplies Limited

Unaudited Statement of Financial Position
As At June 30, 2020

	Three Months To June 2020	Three Months To June 2019	Audited March 2020
	\$	\$	\$
Assets			
Non-Current Assets			
Property, Plant and Equipment	607,719,339	561,589,175	614,413,778
Current Assets			
Inventories	782,842,417	582,137,237	571,600,120
Trade Receivables	332,789,152	317,277,109	451,464,311
Other Receivables & Prepayments	123,062,567	157,769,160	115,079,350
Tax Recoverable	2,341,955	2,337,162	2,340,458
Cash and Bank Balances	35,113,986	32,105,043	15,095,618
	<u>1,276,150,077</u>	<u>1,091,625,712</u>	<u>1,155,579,857</u>
Total Assets	<u>1,883,869,415</u>	<u>1,653,214,887</u>	<u>1,769,993,635</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	117,135,200	48,198,190	117,135,200
Retained Profits	601,720,559	619,076,225	608,787,501
Total Equity	<u>826,691,523</u>	<u>775,110,180</u>	<u>833,758,465</u>
Liabilities			
Non-Current Liabilities			
Interest-bearing Borrowings	124,170,065	169,874,586	134,095,208
Deferred liability	2,419,747	6,836,034	2,419,747
	<u>126,589,811</u>	<u>176,710,620</u>	<u>136,514,955</u>
Current Liabilities			
Trade Payables	374,444,586	360,171,634	320,807,976
Other Payables	63,461,845	64,443,487	74,873,973
Income tax payable	5,307,062	6,201,296	5,307,062
Short Term Borrowings	326,000,000	125,000,000	259,750,000
Bank Overdraft	161,374,588	145,577,669	138,981,203
	<u>930,588,082</u>	<u>701,394,087</u>	<u>799,720,214</u>
Total Liabilities	<u>1,057,177,893</u>	<u>878,104,707</u>	<u>936,235,169</u>
Total Equity and Liabilities	<u>1,883,869,415</u>	<u>1,653,214,887</u>	<u>1,769,993,634</u>

Approved for issue by the Board of Directors on August 11, 2020 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, 2020

	Share Capital	Revaluation Reserve	Retained Profit	Total
	\$	\$	\$	\$
Balance at April 1, 2019	107,835,764	48,198,190	603,178,186	759,212,141
Dividend paid	-	-	-	-
Total comprehensive income for the period	-	-	15,898,038	15,898,038
BALANCE AT June June 30, 2019	107,835,764	48,198,190	619,076,224	775,110,179
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	-	-	(7,066,943)	(7,066,943)
BALANCE AT June June 30, 2020	107,835,764	117,135,200	601,720,558	826,691,522

Medical Disposables & Supplies Limited

Unaudited Statement of Cash Flows
For the Three Months Ended June 30, 2020

	June 2020 \$	June 2019 \$
Cash flows from operating activities:		
Profit before tax	(7,066,943)	18,381,520
Adjustments for:		
Depreciation	7,033,608	7,142,534
Interest expenses	9,164,581	10,766,887
Interest income	(5,977)	(7,060)
	<u>9,125,269</u>	<u>36,283,880</u>
(Decrease)/Increase in inventories	(211,242,297)	65,818,095
Increase in trade and other receivables	110,691,942	(4,473,847)
Decrease in trade and other payables	<u>42,224,482</u>	<u>(99,831,016)</u>
Cash used in operations	(49,200,603)	(2,202,889)
Income tax paid	(1,497)	(34)
Interest paid	<u>(9,164,581)</u>	<u>(10,766,887)</u>
Net cash used in operating activities	(58,366,682)	(12,969,809)
Cash flows from investing activities:		
Purchase of property, plant & equipment	(339,169)	(9,215,647)
Interest received	5,977	7,060
Net cash used in investing activities	(333,192)	(9,208,586)
Cash flows from financing activities:		
Proceeds from borrowings	143,750,000	(134,095,208)
Repayment of borrowings	<u>(87,425,144)</u>	<u>4,725,609</u>
Net cash provided by financing activities	56,324,856	(129,369,600)
Net decrease in cash & cash equivalents	(2,375,017)	(151,547,995)
Cash and cash equivalent at beginning of period	<u>(123,885,585)</u>	<u>38,075,367</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	(126,260,602)	(113,472,628)
Cash and Bank balances	35,113,986	32,105,043
Bank Overdraft	<u>(161,374,588)</u>	<u>(145,577,671)</u>
	(126,260,602)	(113,472,628)

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2020

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.

2. Basis of preparation

The condensed interim financial statements for the Three Months Ended June 30, 2020 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, 2020, 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, 2020.

4. Share capital

	2020	2019
	\$	\$
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

Medical Disposables & Supplies Limited

Notes to the Unaudited Financial Statements

Three Months Ended June 30, 2020

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	8,240,444	3.13%
Mayberry Managed Clients A/Cs	7,266,663	2.76%
Firs Rock Capital Holdings Limited	5,000,000	1.90%
Apex Pharmacy	3,496,926	1.33%
VM Wealth Equity Fund	2,968,948	1.13%
Nigel Coke	1,823,092	0.69%

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