



MEDICAL DISPOSABLES & SUPPLIES LIMITED

**Unaudited Consolidated Financial Statements
for the First Quarter Ended June 30, 2022.**



Release to Shareholders

For the First Quarter Ended June 30, 2022

The Board of Directors of Medical Disposables and Supplies Limited (MDS) is pleased to present the following unaudited consolidated financial results for the first quarter, ended June 30, 2022.

FINANCIAL HIGHLIGHTS

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Audited Year Ended March 31, 2022
Revenue	\$892.43M	\$682.58M	\$3,416.30M
Gross profit	\$229.45M	\$176.49M	\$936.46M
Total Operational Expenses	\$184.66M	\$127.01M	\$714.66M
Total Non-Operational Expenses	\$24.95M	\$20.35M	\$75.34M
Profit After Tax	\$16.54M	\$25.48M	\$105.43M
Earnings per share (EPS)	6 cents	10 cents	37 cents
Total Assets	\$2,892.66M	\$2,474.86M	\$2,677.58M
Shareholders' equity	\$1,120.70M	\$1,042.63M	\$1,104.16M

RESULTS FOR THE QUARTER ENDED June 30, 2022

MDS increased revenue by 30% or \$209.85M over the corresponding period in 2021, to generate total sales of \$892.43M for the quarter ended June 30, 2022. This increase in sales reflects an increase in overall business activity coupled with the consolidation of the operations of the subsidiary, Cornwall Enterprises Limited. Consumer demand for pharmaceutical and disposable medical products continues to rebound to pre-pandemic levels.

Gross profit of \$229.45M improved by 30% or \$52.96M when compared to the first quarter of the previous year, resulting from an increase in sales of pharmaceutical and medical disposable items. Gross Profit percentage for the period remained fairly stable, with a marginal reduction from 25.9% in 2021 to 25.7% in 2022.

The company strategically retooled in the area of talent acquisition and retention, which reflected an increase in salaries and administrative expenses. Management acted on the premise that in order to grow through the next phase of the business cycle, attracting and retaining high level talent was a deliberate priority in its medium-term planning. In addition to consolidating the operations of the subsidiary, other increases in expenses included Utilities, commensurate with rising energy costs as well as Marketing and Promotional activities which boosted sales. This was the main factor that contributed to the year over year fall in net profit before taxation of \$19.84M from \$29.1M.

Total non-operational expenses increased by \$4.59M, moving from \$20.35M for the first quarter in 2021 to \$24.95M for the same period in 2022. The main driver of the increase was finance cost which can be attributed to higher interest rates applied to working capital facilities.

Total assets of the Group grew by \$417.80M or 16.9%, increasing from \$2.47B at the end of June 2021 to \$2.89B for the same period in 2022. The growth is due to an increase in Inventory on hand of 46.2% or \$421.22M when compared to the previous year. The expansion in inventory is required to maintain adequate stock levels to respond to the increase in consumer demand as well to mitigate against delays associated with the global shipping and logistics challenges.

Current assets also increased by \$215M which included a reduction in cash and bank balances applied to the increase in inventory of \$421.2M.

Total Liabilities increased by \$339.73M or 23.7% from \$1.43B at the end of the first quarter of the prior year to \$1.77B for the same period in 2022. Interest bearing borrowing, as part of working capital credit lines grew by \$205.8M which reflects the increase in inventory volumes to meet the rising demand for products on offer, in this post pandemic period.

Shareholders' equity increased by \$78.1M or 7.5% from \$1,042.63M as at June 30, 2021 to \$1,120M at the end of the current period. Non-controlling interest accounted for \$130.82M.

Earnings per share fell from \$0.10 a year ago to \$0.06 per share at the end of the current quarter.

We take the opportunity to thank all our stakeholders for their loyalty and patronage during the current period. You have journeyed with us through trying times and for that we remain extremely grateful. The Group has been working assiduously to integrate the operations of the subsidiary and we believe when this is completed, we will start to benefit from the much-anticipated synergies. Our main aim remains the alignment of 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



Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Financial Position

As At June 30, 2022

	Unaudited Three Months To June 2022 \$	Unaudited Three Months To June 2021 \$	Audited Twelve Months To March 2022 \$
Assets			
Non-Current Assets			
Property, Plant and Equipment	840,851,231	846,812,810	827,027,317
	<u>840,851,231</u>	<u>846,812,810</u>	<u>827,027,317</u>
Current Assets			
Inventories	1,331,446,042	910,221,457	1,136,293,546
Trade Receivables	580,509,236	585,755,284	533,271,081
Prepayments	28,705,640	18,567,265	10,743,890
Due from related party	23,800,688		23,800,688
Tax Recoverable	740,465	2,355,016	737,554
Cash and Bank Balances	86,611,566	111,151,173	145,701,094
	<u>2,051,813,637</u>	<u>1,628,050,196</u>	<u>1,850,547,853</u>
Total Assets	<u>2,892,664,867</u>	<u>2,474,863,006</u>	<u>2,677,575,170</u>
Equity			
Capital and Reserve			
Share Capital	107,835,764	107,835,764	107,835,764
Revaluation Reserve	108,518,074	108,518,074	108,518,073
Retained Profits	771,528,668	703,883,971	756,945,547
Non-Controlling interest	132,820,102	122,391,000	130,858,434
Total Equity	<u>1,120,702,607</u>	<u>1,042,628,809</u>	<u>1,104,157,818</u>
Liabilities			
Non-Current Liabilities			
Due on Business Acquisition	31,098,000	31,098,000	31,098,000
Interest-bearing Borrowings	498,773,565	292,965,522	243,488,782
Deferred liability	42,403,679	21,710,391	42,403,680
	<u>572,275,243</u>	<u>345,773,913</u>	<u>316,990,462</u>
Current Liabilities			
Trade and Other Payables	696,705,489	668,667,331	505,777,308
Income tax payable	23,298,245	15,556,891	20,000,568
Short Term Borrowings	300,000,000	300,000,000	571,439,927
Bank Overdraft	179,683,282	102,236,062	159,209,087
	<u>1,199,687,016</u>	<u>1,086,460,284</u>	<u>1,256,426,890</u>
Total Liabilities	<u>1,771,962,260</u>	<u>1,432,234,197</u>	<u>1,573,417,352</u>
Total Equity and Liabilities	<u>2,892,664,867</u>	<u>2,474,863,006</u>	<u>2,677,575,170</u>

Approved for issue by the Board of Directors on August 12, 2022 and signed on its behalf by:



KURT BOOTHE
Chief Executive officer



WINSTON BOOTHE
CHAIRMAN

Medical Disposables & Supplies Limited
Unaudited Consolidated Statement of Comprehensive Income
For the Period Ended June 30, 2022

	Unaudited Three Months To June 2022 \$	Unaudited Three Months To June 2021 \$	Audited Twelve Months To March 2022 \$
Revenue	892,431,338	682,581,976	3,416,303,288
Cost of sales	(662,985,266)	(506,094,654)	(2,479,839,025)
Gross profit	229,446,071	176,487,321	936,464,263
	25.7%	25.9%	27.4%
Other income	2,554,949	1,345,500	9,266,092
Administrative expenses	(103,499,441)	(62,607,583)	(395,864,896)
Selling and promotional costs	(75,255,132)	(58,637,384)	(274,278,543)
Impairment of financial assets	-	-	(14,392,991)
Depreciation	(8,457,796)	(7,112,888)	(39,394,892)
Total Operational Expenses	(184,657,420)	(127,012,356)	(714,665,230)
Profit after Operational Expenses	44,788,652	49,474,965	221,799,033
Finance income	914,744	471,022	11,102,605
Finance cost	(24,117,549)	(17,155,067)	(71,654,631)
Gain/(Loss) on disposal of property, plant & equip	(171,046)	-	3,179,640
Loss on foreign exchange	(1,572,336)	(3,667,843)	(17,968,707)
Other			
Total Non Operational Expenses	(24,946,187)	(20,351,887)	(75,341,093)
Profit Before Tax	19,842,465	29,123,078	146,457,940
Tax expense	(3,297,669)	(3,640,385)	(41,025,192)
PROFIT FOR THE PERIOD / YEAR	16,544,796	25,482,693	105,432,748
EARNINGS PER SHARE	0.06	0.10	0.40

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Changes In Equity
For the Period Ended June 30, 2022

	Share Capital \$	Revaluation Reserve \$	Retained Profit \$	Non-Controlling interest \$	Total \$
Balance at April 1, 2021	107,835,764	108,518,074	616,316,277	122,391,000	955,061,115
Net profit for the period	-	-	87,567,693	-	87,567,693
BALANCE AT June 30, 2021	107,835,764	108,518,074	703,883,970	122,391,000	1,042,628,808
Balance at April 1, 2022	107,835,764	108,518,074	756,945,547	130,858,434	1,104,157,819
Net profit for the period	-	-	14,583,121	1,961,667	16,544,788
BALANCE AT June 30, 2022	107,835,764	108,518,074	771,528,668	132,820,101	1,120,702,607

Medical Disposables & Supplies Limited

Unaudited Consolidated Statement of Cash Flows
For the Three Months Ended June 30, 2022

	Unaudited June 2022 \$	Audited March 2022 \$
Cash flows from operating activities:		
Profit before tax	19,842,465	146,457,940
Adjustments for:		
Depreciation	8,457,796	39,394,892
Interest expenses	23,954,462	71,654,631
Interest income	(6,402)	(11,102,605)
Gain on of property, plant & equipment	171,046	(3,179,640)
	52,419,368	243,225,218
Increase in inventories	(195,152,496)	(282,491,044)
Increase in trade and other receivables	(47,238,155)	(75,881,617)
Increase in prepayments	(17,961,750)	(5,555,578)
Increase in trade and other payables	197,218,029	67,911,988
Increase in due from related party		(23,800,688)
	(10,715,003)	(76,591,721)
Cash used in operations		
Income tax paid	(2,911)	(11,382,341)
Interest paid	(23,954,462)	(71,654,631)
Net cash used in operating activities	(34,672,376)	(159,628,693)
Cash flows from investing activities:		
Purchase of property, plant & equipment	(22,281,708)	(1,972,272)
Purchase of Intangible Asset		(7,132,613)
Proceeds from sales of property, plant & equipment	(171,046)	6,830,000
Interest received (net of withholding tax)	6,402	12,152,470
Net cash used in investing activities	(22,446,353)	9,877,585
Cash flows from financing activities:		
Dividend payments	-	(18,421,053)
Proceeds from borrowings	233,019,324	671,500,000
Repayment of borrowings	(255,194,222)	(365,226,209)
Lease repayment (net)	(270,096)	(1,757,966)
Paid on business acquisition		(121,500,000)
Net cash provided by financing activities	(22,444,994)	164,594,772
Net (decrease)/increase in cash & cash equivalents	(79,563,723)	14,843,664
Cash and cash equivalent at beginning of period	(13,507,993)	(28,351,657)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	(93,071,716)	(13,507,993)

Medical Disposables & Supplies Limited

Notes to the Unaudited Consolidated Financial Statements
Three Months Ended June 30, 2022

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 Three Months Ended June 30, 2022, 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, 2022, 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, 2022.

4. Share capital

	2022	2021
	\$	\$
Authorised: 408,000,000 ordinary shares (2018 - 408,000,000)		
Stated capital		
Issued and fully paid: 263,157,895 ordinary shares	<u>107,835,764</u>	<u>107,835,764</u>
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	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	8,911,550	3.39%
Mayberry Managed Clients A/Cs	5,973,976	2.27%
Apex Pharmacy	3,496,926	1.33%
VM Wealth Equity Fund	2,344,948	0.89%
Nigel Coke	2,293,598	0.87%
QWI Investments limited	2,000,000	0.76%
JMMB Securities Ltd. (House Account)	1,743,923	0.66%
Lawrence and Associates	1,284,222	0.49%

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