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Featured Stock: MDS

Medical Disposables & Supplies Limited (MDS):
Opening price - \$5.19 Price to book - 2.03 times;
P/E - 12.46 times

This week's stock pick is Medical Disposables & Supplies Limited (MDS). The Company is a distributor of pharmaceutical products and disposable medical supplies, founded in 1998. MDS distributes medical and hospital supplies and disposable items such as surgical mask, gloves, tubes, gauze, adhesive and other bandages.

Revenue for the year ended March 31, 2018 amounted to \$2.04 billion, an increase of 19% compared to the \$1.71 billion booked in 2017. Cost of Sales increased \$280.63 million to total \$1.58 billion relative to \$1.30 billion in 2017, a 22% increase. As a result, Gross Profit grew by 12% or \$50.79 million to total \$461.52 million in 2018 compared to \$410.73 million in 2017. Total Operating Cost rose 16% to close at \$324.10 million (2017: \$279.42 million). Of this total, Selling and Promotional costs rose by 25% to \$127.85 million relative to \$102.58 million in 2017. Administrative Expenses went up by 12% to close the year at \$171.09 million (2017: \$152.22 million). Operating Profit closed at \$141.80 million relative to \$135.58 million in 2017 this represents a 5% increase. The company reported Finance Income of \$23,204 for the period, this compares with the \$95,404 booked for 2017. After taxation of \$60,000, Profit after Tax rose 9% amounting to \$109.59 million compared to \$100.57 million in 2017. For the fourth quarter Net Profits totalled \$46.13 million (2017: \$33.77 million). Earnings per Share for the year amounted \$0.42 (2016: \$0.38).

The Company has on-going discussions with suppliers to expand its product line offerings as the reiterated its commitment to maintaining high standards in efficient product movement and market penetration, whilst strengthening relationships with stakeholders.

MDS (as at Friday July 6, 2018) was trading at 2.03 times its book value with a P/E of 12.46 times.

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.