



## Featured Stock: MDS

Medical Disposables & Supplies Limited (MDS):  
Opening price - \$5.54 Price to book - 2.14 times;  
P/E - 12.93 times

Medical Disposables & Supplies Limited (MDS) 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 amounted to \$1.58 billion, an increase of 6%, relative to \$1.49 billion booked the previous year. MDS indicated that, "the revenue reflects a positive change in the sales mix with the introduction of additional medical and consumer business lines." Total operating cost closed the period at \$263.56 million, up 8% (2017: \$244.41 million). Of this, selling and promotional costs increased by 5% to \$103.10 million (2017: \$98.48 million). In addition, administrative expenses increased by 13% to \$146.82 million from \$130.13 million last year. Notably, the company booked other operating income of \$4.08 million for the period ended December 31, 2018 relative to \$3.23 million for the same period in 2017. Management highlighted that, "in order to sustain the current growth, development, and continued expansion of business, the Company increased its investment in human capital as well as improvement to its existing infrastructure." Consequently, net profit for the period amounted to \$54.63 million relative to \$63.46 million in 2017, a 14% decline after a tax charge of \$30,000 (2017: \$60,000) for the period. It was stated that, "this shortfall was directly related to the impact of the foreign exchange loss of \$20.1M.

Additionally, Medical Disposables and Supplies Limited (MDS) has entered into a distribution agreement with Aldor to distribute its range of confectionary items.

MDS, (as at Friday February 15, 2019) was trading at 2.14 times its book value with a P/E ratio of 12.93 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.



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