

Cupid Q4FY20

Financial Results & Highlights

Introduction

Cupid is engaged in business of dealing, marketing and manufacture of rubber contraceptives and allied prophylactic products. It is the first company in the world to obtain Pre-qualification status from WHO/UNFPA for supply of both Male & Female condoms. It currently exports to more than 65 countries worldwide.

Consolidated Financials (In Crs)								
	Q4FY20	Q4FY19	YoY %	Q3FY20	QoQ %	FY20	FY19	YoY%
Sales	42.7	37.4	14.17%	43.6	-2.06%	164.6	87.9	87.26%
PBT	13.9	6.3	120.63%	13.1	6.11%	52.7	20.9	152.15%
PAT	10.4	4.4	136.36%	10.2	1.96%	39.8	15.2	161.84%

Detailed Results:

- The current quarter was good with revenue growth of 14% YoY and profit growth of 1.36 times YoY.
- FY20 performance of the company was phenomenal with revenues and profits rising 87% and 161% YoY respectively.
- The company's total order book as of 31st March 2020 consists of Rs 136 Cr which includes Rs 88 Cr of confirmed orders and Rs 72 Cr in the pipeline.
- The EBITDA margin for Q4 rose to 35.8% vs 18.6% a year ago. EBITDA margin for FY20 also improved to 34.6% from 27% a year ago.
- Geographical sales breakup was 91% in exports and 9% domestic in FY20. In Q4 the sales breakup was 86% -exports and 14% domestic.
- A final dividend of Rs 3.5 per share was declared and paid out in Q4.
- Product-wise revenue breakup in Q4 is as follows:
 - Male Condoms: 31%
 - Female Condoms: 68%
 - WBJ & Hand Sanitizers: 1%
- Product-wise revenue breakup in FY20 is as follows:
 - Male Condoms: 39%
 - Female Condoms: 59%
 - WBJ & Hand Sanitizers: 2%
- Capacity utilization during the year was 86% and 92% for the Male and Female Condom production respectively.
- In FY20, the company was successful to achieve the largest single order valued at ₹120 Cr from Brazil to supply Female Condoms. This was the company's first entry into the expanding Brazil market.

Analyst's View:

Cupid is a leading condom maker in India. It is also one of the only 3 WHO-approved female condom manufacturers in the world. It exports its products to over 80 countries around the world now. The company has done well in the past one year to bag international orders and this trend has continued in the current quarter as well where it delivered FY20 revenue growth of 87% YoY and profit growth of 1.6 times. The company seems to be well placed with a strong order book ensuring revenues of more than Rs 40 Cr each quarter for the next 3 quarters. The company has yet to face any direct disruption from COVID-19 other than the disruption to shipping during the lockdown period. It remains to be seen how the COVID-19 situation pans out and whether it will have a direct impact on the condom industry or not. Nonetheless, given the company's long history of innovation and expertise in this field and the consistently high sales growth, Cupid is a good small-cap stock to watch for.

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