



CUPID LIMITED

Manufacturers and Suppliers of Male & Female Condoms

Date: - 14th May, 2018

To,

Department of Corporate Services,

BSE LIMITED,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai – 400 001

SCRIP CODE: 530843

The National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Bandra-Kurla

Complex, Bandra (East),

Mumbai - 400051

Fax No. – 6641 8125 / 26

SCRIP CODE: CUPID

Subject: - Press Release

Dear Sir / Madam,

With reference to captioned subject attached herewith the Press Release for the Audited Financial Results of the company for quarter and year ended 31st March, 2018.

Kindly take the same on your records and acknowledge the receipt.

Thanking You.

Yours faithfully

For Cupid Limited



Saurabh V. Karmase

Company Secretary and Compliance Officer

CIN No : L25193MH1993PLC070846

Factory & Registered Office:

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Cupid Limited announces Q4FY18 and Full Year FY18 Financial Results

Q4FY18 Operating Income at ₹. 17.65 cr, PAT at ₹. 2.71 cr

FY18 Operating Income at ₹. 80.60 cr, PAT at ₹. 17.09 cr

Recommends Final Dividend for FY18 of ₹. 2.00 &

Special Dividend of Rs. 0.50 per share

Earnings Call on 15th May 2018 at 4:00 PM

14th May, 2018- Cupid Limited (BSE: 530843, NSE: CUPID), one of India's leading manufacturer of quality male and female condoms today announced its financial results for the quarter ended **31st March 2018 (Q4FY18)** and **full year (FY18)**.

Commenting on the company's performance, Mr. Omprakash Garg, CMD said "FY18 and in particular, the second half was a challenging period for the Company. The revenue of the Company was impacted by the political upheaval in South Africa which resulted in a drastic cut back in the health department's budget. This was compounded by the shifting of dispatches of the Government of India order for male condoms from the fourth quarter. The decline in revenue along with an unfavorable product mix between male and female condoms impacted the margins and hence the profitability at the net level."

He also added, "On the positive side, in addition to fulfilling several repeat orders from our existing customers in various countries, the Company received new orders from WHO/UNFPA covering new geographies and two new contract manufacturing orders from the Domestic market. Despite the significant cut backs in the South African demand for Female Condoms, we increased our sales into new Geographies like Central African Republic, Guatemala, Honduras, Jordan, Tajikistan, Morocco, Tanzania & Uzbekistan. As on Mar 31st, 2018, we have confirmed and repeat order worth 630 mn to be executed during this year. This does not include any potential orders Cupid may get from the South African and the Government of India tenders."

FY18 REVIEW (APRIL 1ST, 2017 TO MARCH 31ST, 2018)

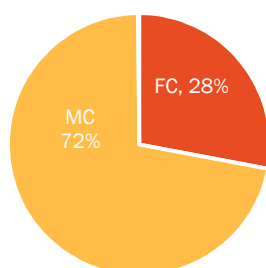
- Total Operating income was ₹806.0 million (mn) for FY18 as compared to ₹836.4 mn in the corresponding period of the previous year reflecting a decrease of 3.6 %
- EBITDA stood at ₹283.3 mn as compared to ₹346.3 mn during the corresponding period of previous year.
- EBITDA Margin at 34.6 % for FY18 as against 41.0 % in FY17
- Net profit stood at ₹170.9 mn for FY18 as compared to ₹205.5 mn in the corresponding period of the previous year, a decrease of 16.8 %
- Basic EPS stood at ₹15.38 as against ₹18.49 in the corresponding quarter of last fiscal.

Q4FY18 REVIEW (JANUARY 1ST, 2018 TO MARCH 31ST, 2018)

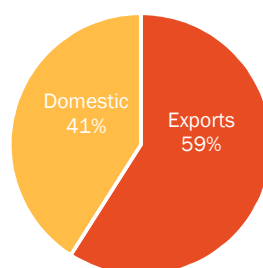
- Total Operating income was ₹176.5 million (mn) for Q4FY18 as compared to ₹184.3 mn in the corresponding period of the previous year reflecting a decrease of 4.2 %
- EBITDA stood at ₹43.9 mn as compared to ₹81.8 mn during the corresponding period of previous year.
- EBITDA Margin at 24.1 % for Q4FY18 as against 44.2 % in Q4FY17
- Net profit stood at ₹27.1 mn for Q4FY18 as compared to ₹49.2 mn in the corresponding period of the previous year, a decrease of 44.9 %
- Basic EPS stood at ₹2.44 as against ₹4.43 in the corresponding quarter of last fiscal.
- Board of Directors had considered and recommended the Final Dividend ₹ 2/- per equity shares and Special Dividend of ₹ 0.50 per equity shares for financial year 2017 - 2018.

SALES BREAKUP (Q4FY18)

Product mix

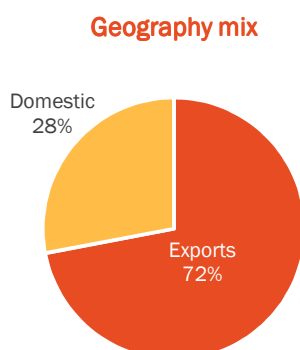
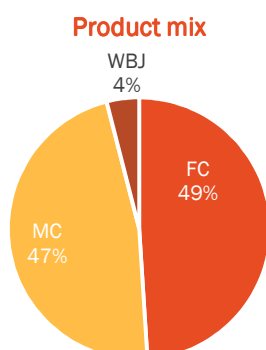


Geography mix



- The product mix in Q4FY18 was led by male condoms (MC) with 72 % (37 % in Q4FY17) contribution to revenues, followed by female condoms (FC) 28 % (60 % in Q4FY17) and water-based lubricant jellies (WBJ) 0.14 % (3 % in Q4FY17).
- Exports in Q4FY18 was 59 % (84 % in Q4FY17) of the total revenue while balance 41 % (16 % in Q4FY17) was domestic.

SALES BREAKUP (FY18)



- The product mix in FY18 was led by female condoms (FC) with 49 % (52 % in FY17) contribution to revenues, followed by male condoms (MC) 47 % (43 % in FY17) and water- based lubricant jellies (WBJ) 4 % (5 % in FY17).
- Exports in FY18 was 72 % (79 % in FY17) of the total revenue while balance 28% (21 % in FY17) was domestic.

BUSINESS HIGHLIGHTS

Some of the highlights during the quarter were:

- Extensive use of Digital marketing techniques were utilized to spread awareness and promotion about Cupid Male & Female Condoms. As a result of this campaign, Cupid has introduced its Female Condoms to more than 1100 postal code locations throughout the country.
- A joint venture to set up a local manufacturing facility in South Africa has been submitted to the Treasury as a part of the tender bid document, which is under review.
- Cupid has developed a comprehensive training program related to the HIV and Cupid Female Condoms with the cooperation of Department of Health, South Africa. The training program will be presented to Health personnel and the users of Female Condoms covering all the 9 provinces in South Africa.

BUSINESS OUTLOOK

Going forward, we remain positive about the growth prospects for Cupid. In terms of the order book, we have confirmed and repeat orders worth Rs. 630 mn. Out of this, Cupid intends to execute maximum possible orders during the current financial year.

For the coming quarters, our business priorities would be:

- A. We remain optimistic about the future growth of business considering large tender results from South Africa, UNFPA & India, which are expected to be announced during this year.
- B. In order to prepare the company to be ready for these opportunities, Cupid has decided to go for at least 20% increase in production capacity.

- C. The 20% expansion or 80 mn pieces per year in 2018 will bring the total capacity to 480 mn pieces per year from the current 400 mn. The total capacity includes both Male & Female Condoms. Cupid has the flexibility to interchange the capacity utilization between Male & Female Condoms.
- D. During the year, we plan to expand our sales by offering different types of Male Condoms with variables related to size, texture, colors and flavors. Further, Female Condoms in two different sizes, with different colors and flavors will be promoted through both online and offline channels. We believe, by offering a wide variety of products to meet customers' requirements will impact positively on both top & bottom line.
- E. We have initiated the process to register Cupid Angel Female Condom trade mark in the Eurozone countries.
- F. Based on market research, we believe that the demand for good quality condoms in next three to five years would far exceed the production from the existing facilities worldwide.
- G. As per market research (Source: Medgedget report - 2018) demand for Female Condom would grow at the rate of 15.55% CAGR during the period 2017-23. More funding is expected from the Global Fund and Governments of South Africa, Brazil & India for procurement of both Male & Female Condoms.

Based on above anticipated increased demand scenario, Cupid is taking all possible steps to gear up to take advantage of these upcoming opportunities.

Q4FY18 EARNINGS CALL

The company will conduct a 60 minutes Earnings call at **4:00 PM IST** on **Tuesday, 15th May 2018** where Mr. Omprakash Garg (CMD) will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is **+91 22 6280 1107 / +91 22 7115 8008**. Other numbers are listed in the conference call invite which is posted on the company website www.cupidlimited.com. Please note that the transcript of the conference call will also be uploaded on the company website in due course.

ABOUT CUPID LIMITED

Head Quartered in Nasik, India, Cupid Limited (BSE: 530843, NSE: CUPID) is a leading manufacturer of quality male and female condoms. The Company has one of the largest manufacturing facilities with in-house Research and Development Centre. The Company is India's first (one amongst few in the Globe) to have been pre-qualified by WHO/UNFPA for worldwide public distribution of female condoms. The Company currently has the capacity to produce up to 325 million pieces of male condoms, up to 25 million pieces of female condoms and 210 million sachets of Lubricant Jelly annually. The Company exports to over 40 countries and derives around 75% of its revenues through exports. For more details, please visit www.cupidlimited.com

Disclaimer: Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors. That could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Cupid Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances