

**Carborundum Universal Limited**

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Website : www.cumi.murugappa.com

CIN No.: L29224TN1954PLC000318

Annexure

	Particulars	Information
a.	Name of the target entity details in brief such as size, turnover etc.	<p>RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft mbH (RQS GmbH)</p> <p>and RHODIUS Schleifwerkzeuge GmbH & Co. KG (RQS KG)</p> <p>Their subsidiary companies RHODIUS Nederland B.V, RHODIUS S.A.R.L, RHODIUS Korea Inc and RHODIUS South America.</p> <p>For details of turnover -refer J.</p>
b.	whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	No
c.	industry to which the entity being acquired belongs;	Abrasives
d.	objects and effects of acquisition	<p>The products of CUMI and RHODIUS will complement and significantly aid expansion in global market. The key rationale for acquisition are:</p> <ul style="list-style-type: none">○ RHODIUS's super thin disks and various proprietary technology will help create a unique selling opportunity. Furthermore, the innovative products of both entities could strengthen and complement each other's product offering.○ CUMI is a backward integrated player and has access to critical raw-material and would help RHODIUS Abrasives achieve a competitive edge in both local and international markets leading to synergy potential.○ CUMI has a strong and established presence in India and Russia. A RHODIUS-CUMI alliance will strengthen CUMI's presence in the European



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		market and open market for RHODIUS products in India and Russia.
e.	brief details of any governmental or regulatory approvals required for the acquisition;	None
f.	indicative time period for completion of the acquisition;	31 st March 2022
g.	nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration
h.	cost of acquisition or the price at which the shares are acquired;	Enterprise Value of EURO 55 million which will be subject to the adjustment mechanism agreed between the parties in the SPA.
i.	percentage of shareholding / control acquired and / or number of shares acquired;	100% shareholding
j.	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>Line of business: production and sale of abrasive tools and related products (cut-off wheels, grinding wheels, flap wheels, diamond tools, coated abrasives, carbide cutters, technical wire brushes).</p> <p>Date of incorporation: Originally founded in 1952, today's registered entities have been incorporated respectively RQS KG on 20th January 1984 And RQS GmbH on 10th November 1983</p> <p>Consolidated turnover in Euros '000 2019 - 59,571 2020 - 54,300 2021 - 62,363 (Preliminary and unaudited as represented by management) RHODIUS Abrasives is present in Germany and present in Netherlands, Brazil, South Korea, France through its subsidiaries and in Spain, Czech Republic, Poland and Slovakia through branches.</p>



CUMI TO ACQUIRE 100% STAKE IN RHODIUS Abrasives, GERMANY

Acquisition to enhance technology and geographical access

Chennai, 03 February 2022: M/s CUMI Abrasives GmbH, Germany, a step down wholly owned subsidiary of M/s. Carborundum Universal Limited (CUMI) has entered into a binding Share Purchase Agreement to buy 100% stake in RHODIUS Abrasives, Germany (RHODIUS) on 02 February 2022 at an Enterprise Value of 55 million Euros (INR 464 Cr indicative). The transaction is expected to be completed by the end of March 2022.

Talking about the acquisition, **Mr. N. Ananthaseshan, Managing Director of CUMI** said, "RHODIUS has over seven decades of experience manufacturing high-performance grinding and cutting consumables for machining of metal and stones. RHODIUS brings in a vast and innovative product line up with various patented benefits that create unique selling opportunities. RHODIUS is a strong proprietary brand with great reputation and has long-standing dealer relationships across EMEA and USA. More than 70% of its revenue is generated through exports to over 100 countries. We believe that the expertise and portfolio of CUMI and RHODIUS complement each other well and the acquisition will significantly aid CUMI in global market expansion. We are delighted to be working with the RHODIUS team to fulfil our global plans."

Mr. Sridharan Rangarajan, Director Finance and Strategy of CUMI said, "Acquisition of RHODIUS along with just concluded AWUKO Abrasives asset purchase aligns with CUMI's strategic expansion plans. RHODIUS concluded 2021 with a Sales of Euro 62.5 million along with a healthy return profile. RHODIUS is a producer of the world's thinnest cutting wheel with extensive innovative capabilities including more cuts per battery charge. With its highly automated production process, it sets industry benchmark. The Indian Market for Thin Wheels is expected to grow fast with the *Gati Sakthi* program of the Government of India. We expect growth in the USA market with US Government committed spend on infrastructure. Similar trends are visible in other geographies. A CUMI-RHODIUS alliance will be timely to capture these opportunities. We see synergies in assured grain supply, market access in India and Russia, and making CUMI's products available through RHODIUS's distribution network."

Mr. Bernd Lichter, Managing Partner at RHODIUS said "CUMI offers RHODIUS Abrasives a unique platform with important strategic advantages, especially in the areas of depth of product range, raw materials and global distribution. This will elevate RHODIUS's growth strategy to the next level."

Investec was the exclusive financial advisor to CUMI and CapitalMind represented RHODIUS on the transaction.

Carborundum Universal Limited (CUMI), established as a tripartite in 1954, is a leading materials sciences engineering solutions provider. CUMI's consolidated revenue is INR 2,631 Crores and PAT of INR 284 Crores for the financial year FY 21. CUMI, part of the Murugappa Group, is listed on the NSE and BSE. CUMI is a Mines to Market Company whose integrated operations include mining, power generation, fusion, manufacturing, marketing and distribution. CUMI has over 5,000 employees worldwide who collaborate, innovate and develop high-quality material solutions and world-class services in abrasives, electro minerals, refractories and ceramics, serving customers in diverse industries including engineering, fabrication, auto and auto components, infrastructure, steel, glass, power generation and distribution, mining and aerospace. CUMI has a wide geographical presence spanning five continents and exports products to over 43 countries.

For more details, visit www.cumi-murugappa.com

About Murugappa Group

Founded in 1900, the INR 417 Billion (INR 41,713 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Bicycles, Fertilizers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 51,000 employees.

For more details, visit <https://www.murugappa.com/>

About RHODIUS-Abrasives

Since 1952, RHODIUS Abrasives, part of RHODIUS Group, have been manufacturing in the Eifel region of Germany high-performance tools for the machining of metal and stone, which are used in over 100 countries worldwide. "To make the work of those using our tools a little easier each and every day"- is the guiding principle at Rhodius Abrasives. It is thus one of the leading tool specialists for machine cutting and grinding of metal. In 2021, Rhodius Abrasives generated a revenue of EUR 62.5 million employing more than 300 employees worldwide.

For additional information: <https://www.rhodium-abrasives.com/>

About the RHODIUS Group

The RHODIUS group of companies is one of the largest mid-sized companies in the Eifel region of Germany. The owner-managed family business and the products of the RHODIUS brands have been writing a success story of tradition and innovation for more than 190 years and over several generations.

The overarching holding company, Gebrüder RHODIUS GmbH & Co.KG, professionally supports the business activities of the operating companies as a service partner and competence center.

For additional information: <https://www.rhodium.de/>

For further information, please contact:

CUMI

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RHODIUS

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