



Carborundum Universal's Q3 FY 2021-22

Consolidated Sales at Rs.891 Cr, up by 23%
PAT at Rs.102 Cr, up by 16%

Standalone Sales at Rs.596 Cr, up by 22%
PAT at Rs.67 Cr, up by 1.3%

Chennai, 10th February 2022: The Board of Directors met today and approved the results for the Quarter and Nine months ended December 31, 2021.

Financial performance

Consolidated sales for the quarter, increased by 23 percent to Rs.891 Cr from Rs.727 Cr in the corresponding period of last year, driven by steady performance across business segments. At standalone level, sales grew by 22 percent to Rs.596 Cr from Rs.488 Cr.

On a consolidated basis, segmental profitability for the Quarter recorded strong growth across all three segments. Profit before tax was Rs.141 Cr as against Rs.114 Cr, and Profit after tax and non-controlling interest grew by 16 percent to Rs.102 Cr against Rs.88 Cr in Q3 of previous year. Profitability at standalone level were impacted due to increasing input costs.

The capital expenditure incurred during the nine months ended December 31, 2021 was Rs.118 Cr at Consolidated level. The debt equity ratio was 0.0156. Cash and cash equivalents including deposits with tenure exceeding 3 months net of borrowings was at Rs.616 Cr.

On October 6, 2021, the Company acquired 71.99% of Equity stake in PLUS Advanced Technologies Private Limited (PLUS). PLUS along with its wholly owned subsidiary in Netherlands – M/s. Plus Advanced Technologies BV have become subsidiaries of CUMI effective from this date. PLUS is a specialty materials research and manufacturing company involved in the fields of Phase Change Materials (PCM) for thermal energy storage and specialty polymeric additives for enhancing mechanical and barrier properties.



Effective February 1, 2022, a new stepdown wholly owned subsidiary of the Company in Germany acquired all the main assets of Abrasives Wandmacher GmbH & Co. KG (AWUKO) for a total consideration of upto Euro 8 million. This includes land & building, plant & machinery, fixed assets, leased assets, brands & trademarks, patents, technical know-how and other intangible assets, after the closing conditions having been met. AWUKO is a 120- year-old leading brand in Coated Abrasives business and is a market leader in Leather and Wood applications. The acquisition is in line with CUMI's expansion plans in Europe

The Company through another new wholly owned stepdown subsidiary in Germany entered into a Share Purchase agreement (SPA) for acquiring all shares in RHODIUS Schleifwerkzeuge Verwaltungsgesellschaft GmbH (RQS GmbH) and all limited partner's interest in RHODIUS Schleifwerkzeuge GmbH & Co. KG (RQS KG) (together called RHODIUS Abrasives) from M/s. Gebrüder Rhodius GmbH & Co. KG on February 2,2022 at Germany, for an enterprise value of Euro 55 million. The Company is a party to the SPA in its capacity as Purchaser Guarantor for the purchase price payment obligations of the stepdown subsidiary. The completion of the acquisition is subject to meeting the closing conditions as per the terms of the SPA.

Interim Dividend

The Board of Directors of the Company at its meeting held on Feb 10, 2022 have declared an interim dividend of Rs.1.50/- per share (150% on face value of Re.1) to the shareholders of the Company



Consolidated Segmental Operating Performance

Abrasives

Segment Revenue was Rs.341 Cr compared to last year's Q3 revenue of Rs.303 Cr, resulting in a growth of 13 percent. The standalone business, Russian subsidiary Volzhsky Abrasives Works, and subsidiary in America registered significant growth.

Profit/ (Loss) before finance cost and tax was lower by 6 percent at Rs.47 Cr as against Rs.50 Cr in Q3 of last year due to partial absorption of cost inflation.

Electro Minerals

Segment revenue was at Rs.361 Cr versus Rs.290 Cr in Q3 of last year, resulting in an increase of 24 percent. The Standalone Electro Minerals segment, African subsidiary Foskor Zirconia, and Russian subsidiary Volzhsky Abrasives Works grew in double digits.

Profit before finance cost and tax was at Rs.63 Cr as against Rs.30 Cr of Q3 last year on back of volume growth and higher realizations. Profits were also aided by higher power generation at Maniyar hydel following good rainfall.

Ceramics

Segment revenues were higher by 33 percent at Rs.213 Cr as against Rs.160 Cr in Q3 of last year. Standalone ceramics business performed well and registered double-digit growth despite slowdown in exports market due to third wave of covid. Subsidiaries in Australia and America registered significant growth.

Profit before finance cost and tax grew by 25 percent from Rs.34 Cr in Q3 of last year to Rs.43 Cr on account of volume growth, better product mix, and cost innovations to absorb increasing input costs.



About Murugappa Group

Founded in 1900, the INR 417 Billion (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, Fertilisers, 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 53,000 employees.

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

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