



# TRUE GRIT

66<sup>th</sup> ANNUAL GENERAL MEETING

29 July 2020

The CUMI logo, consisting of the word "CUMI" in white, uppercase, sans-serif font, centered within a blue circular background. This circle is part of a larger graphic element that includes a white curved line and a textured blue sphere, all set against a dark background with faint chemical structures and a glowing blue sphere on the left.

CUMI



## DISCLAIMER

The communication may contain statements relating to future business developments, company's performance and economic performance that may constitute 'forward looking statements'. While these forward looking statements represent the company's judgments and future expectations, a number of factors could cause actual developments and results to differ materially from expectations.

The company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances.





# CUMI – A BRIEF HISTORY

1954 - 63

- **CUMI Incorporated**
- Coated Abrasives facility from Ajax Products Pvt. Ltd.
- Bonded Abrasives facility set up at Chennai, India.
- Bauxite mining at Bhatia, Gujarat, India.

1964 - 73

- **Manufacture of Super Refractories at Chennai, India.**
- BFA Edapally
- Calcination facility at Okha

1974 - 83

- EAL, Calcutta.
- 2<sup>nd</sup> Bonded Abrasives plant at Hosur,
- MMTCL

1984 - 94

- Expansion of Bonded Abrasives plant at Hosur,
- Silicon Carbide plant at Koratty, & Refractories plant at Ranipet.
- Industrial Ceramics plant at Hosur
- Acquisition of 40% interest in Wendt (India) Ltd.

1994 - 04

- 12 MW Hydel project at Maniyar, Kerala, India. WFA at Edapally,
- Sterling Abrasives Limited, Ahmedabad,
- Acquired & merged Cufast Abrasive Tools Limited.
- CUMI America Inc., USA & CUMI (Australia) Pty Ltd.
- 5.5MW natural gas based thermal power plant in Nallur, SEDCO.
- Acquired Prodorite Anti-Corrosives Ltd.,
- Cloth processing facility at Maraimalaiagar, Tamil Nadu.
- TQM drive across the company

2004 - 13

- SiC Microgrits at Koratty, Kakkannad, Sol-gel plant and Alumina Zirconia in Edapally
- CUMI Middle East.
- state-of-the-art Coated Abrasives plant at Sriperumbudur
- Monolithic Refractory facility in Jabalpur
- Volzhsky Abrasives Works, Russia.
- 51% holding in Foscov Zirconia (Pty) Ltd, South Africa.
- Manufacturing facility for Thin Wheels at Uttarkhand.
- Commissioning of a modern 1,000 tonne Vitrified Bonded Abrasives plant and 2,000 tonne Organic Bonded Abrasives facility in China.
- Expansion of Industrial Ceramics & METZ 1.0
- state-of-the-art Super Refractories plant II at Serkadu
- Thukela Refractories Isithebe Pty Ltd, South Africa
- TPM Kickstarted in Abrasives

2014 - 19

- Toll manufacturing model operations commenced in China.
- Expansion of IC at Hosur
- METZ 2.0
- Commissioned three fusion plants at its Electro-mineral Complex at Cochin India.
- 5 of CUMI's Plants were awarded with JIPM Award for Excellence in TPM Consistency / TPM Excellence, Category 'A'.



# WE ENGINEER MATERIALS SCIENCE SOLUTIONS FOR AN ENDURING PLANET



## Abrasives



## Electro minerals



## Ceramics & Refractories



## Composites







## OUR LEADERSHIP TEAM



**M M Murugappan**  
*Chairman*

**N Ananthaseshan**  
*Managing Director*



**Ninad Gadgil**  
*Abrasives*



**Rajesh Khanna**  
*Ceramics*



**Sergey Kostrov**  
*VAW*



**V G Rajendran**  
*Refractories*



**Jayan P S**  
*Electrominerals*



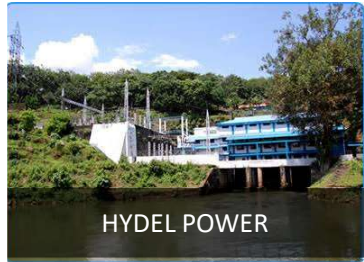
**Trevor Allen**  
*CAPL*



**Arul Rajkumar**  
*HR*



# A RESILIENT ORGANISATION BUILT ON STRONG FUNDAMENTALS



STRONG BACKWARD INTEGRATION

DIVERSITY IN SEGMENTS; GEOGRAPHY & CUSTOMERS

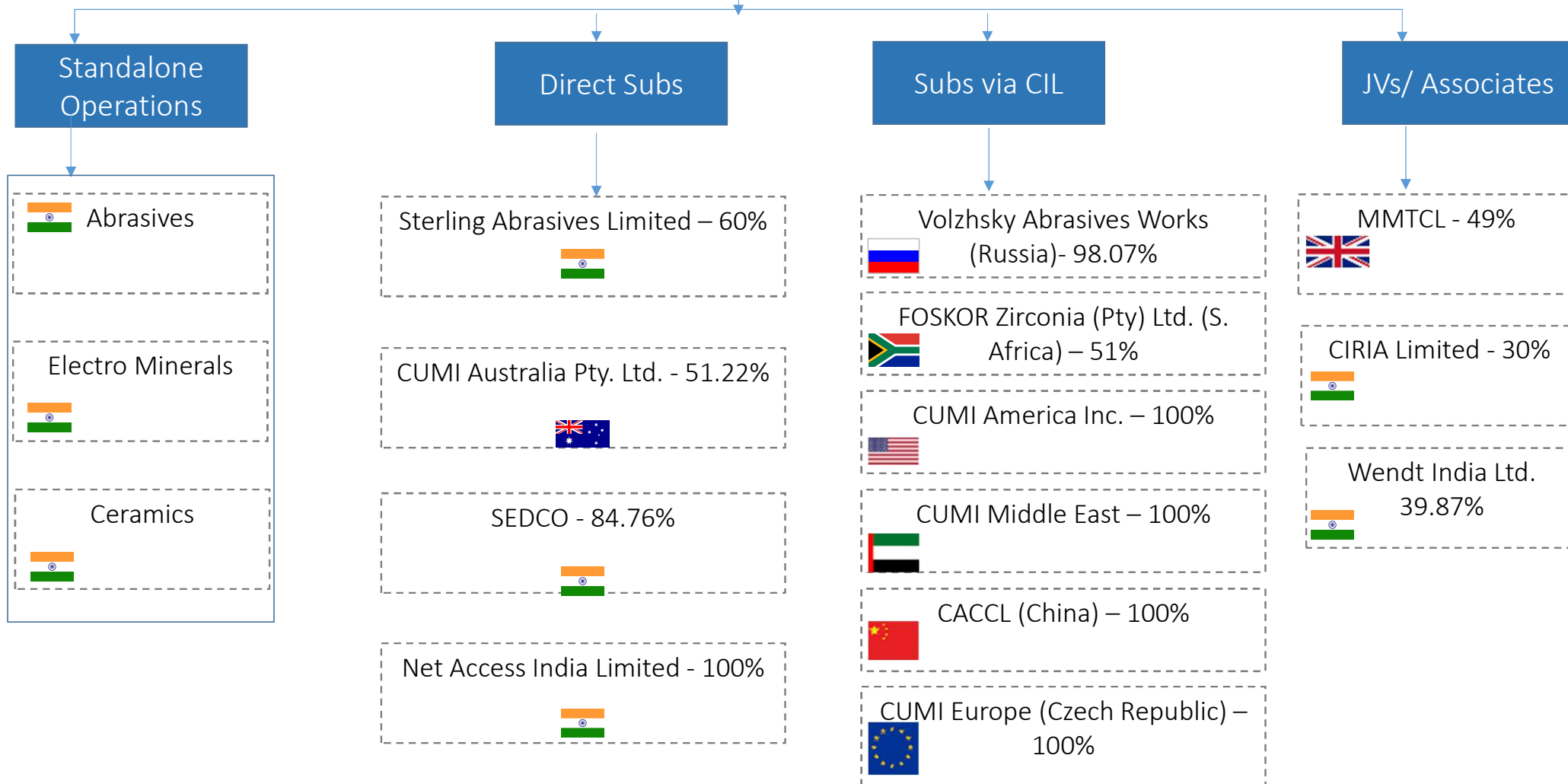
STRONG PEOPLE CAPABILITIES DRIVING INNOVATION

STRENGTHENING THE CORE: BUILDING MATERIALS FOR THE FUTURE



# CUMI GROUP

CUMI





# GLOBAL FOOTPRINT







# The Year That Was 2019-20

The CUMI logo, consisting of the word "CUMI" in white, uppercase, sans-serif letters inside a blue circle. This circle is part of a larger graphic that includes a globe and a white curved line.

**CUMI**



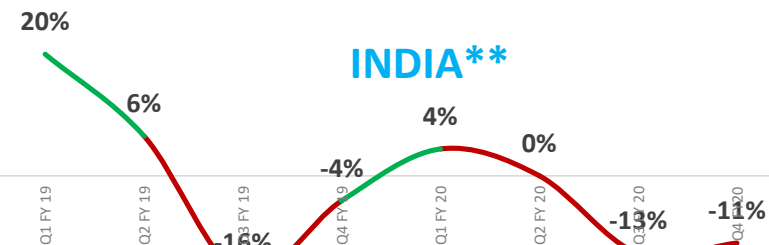
# 2019: SUBDUED GLOBAL GROWTH

## GLOBAL\*



\*IMF's estimates as of June 2020  
Calendar Years are followed for all Economies except India  
\*\*CSO, MOSPI

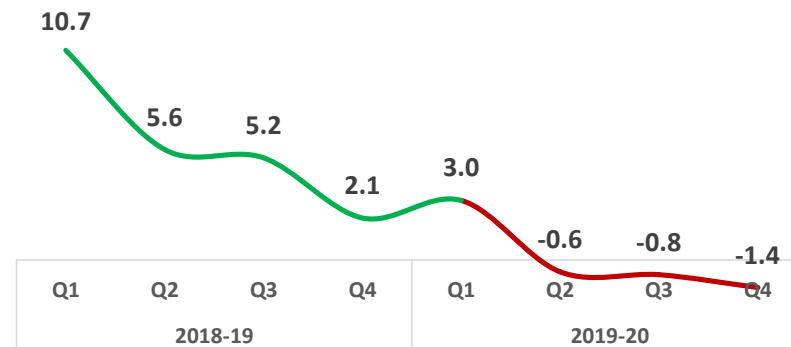
## AUTOMOTIVE



## CONSTRUCTION



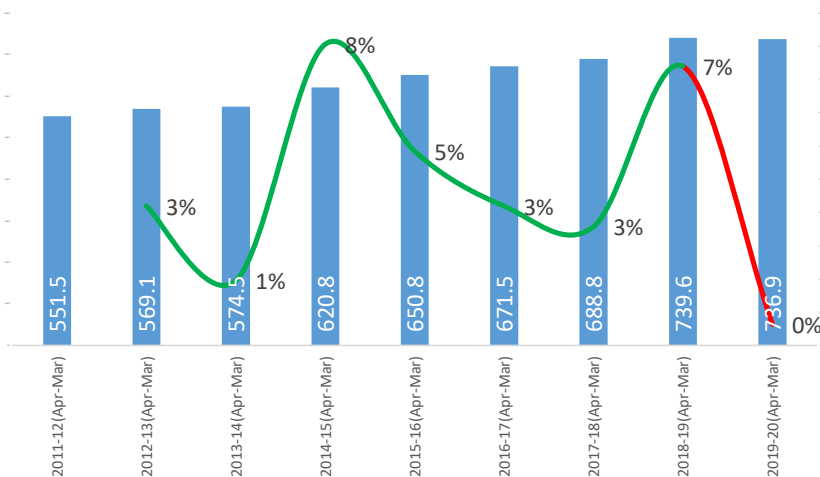
## MANUFACTURING



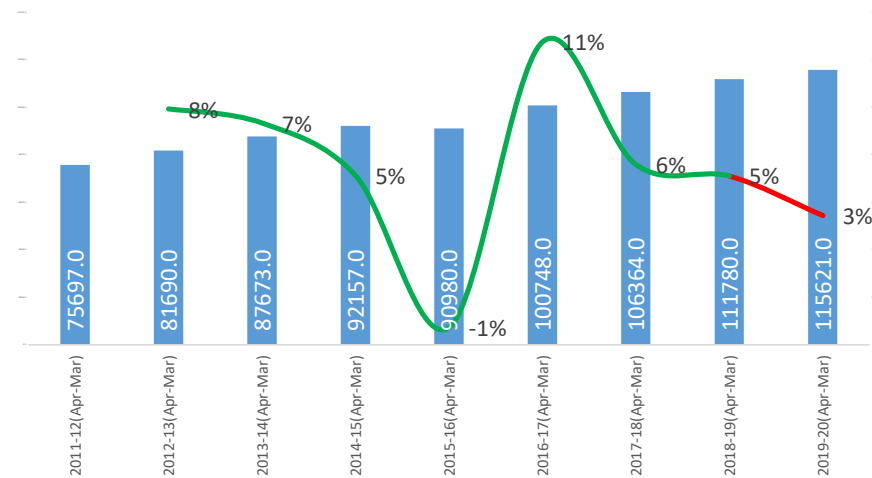


## CORE INDUSTRIES IMPACTED

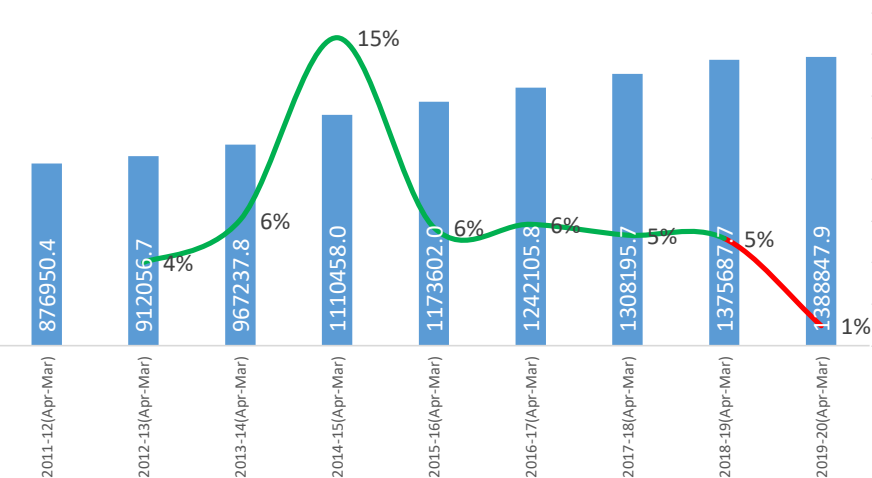
COAL PRODUCTION (mMT)



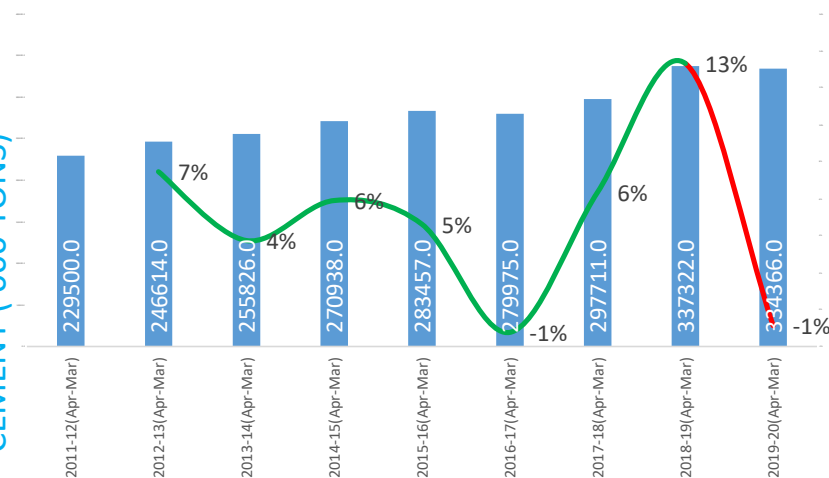
STEEL ('000 TONS)



ELECTRICITY (GEN. MkwH)



CEMENT ('000 TONS)



\*\*CSO, MOSPI



## CONSOLIDATED FINANCIALS SEGMENTAL RESULTS : FY 20

Financial Year 20

Gross Sales \*  
PAT

:INR 2569 Cr

-3%

:INR 272 Cr

10%

### Abrasives\*\*

Revenue: INR 995 Cr

-11%

EBIT : INR 113 Cr

-19%

### Electrominerals\*\*

Revenue :INR 1026 Cr

1%

EBIT :INR 104 Cr

-19%

### Ceramics & Refractories\*\*

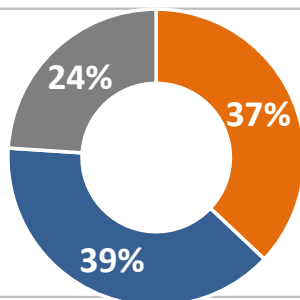
Revenue :INR 629 Cr

4%

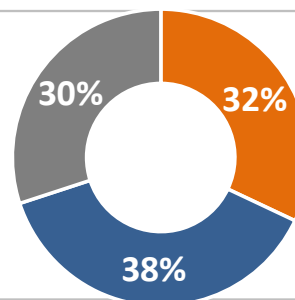
EBIT :INR 132 Cr

22%

Revenue



EBIT



\*After inter-segmental cancellations

\*\*Before inter-segmental revenues, excludes 'Other' segments



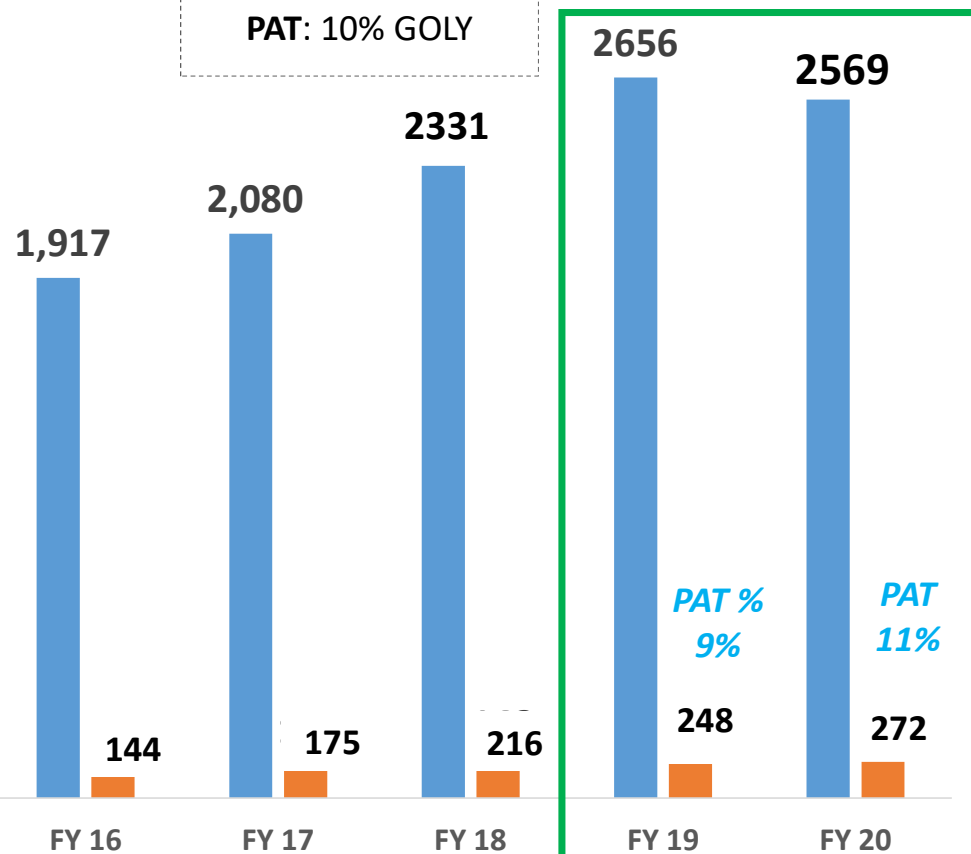


## FINANCIALS

CONSOLIDATED SALES AND PAT IN RS Crores

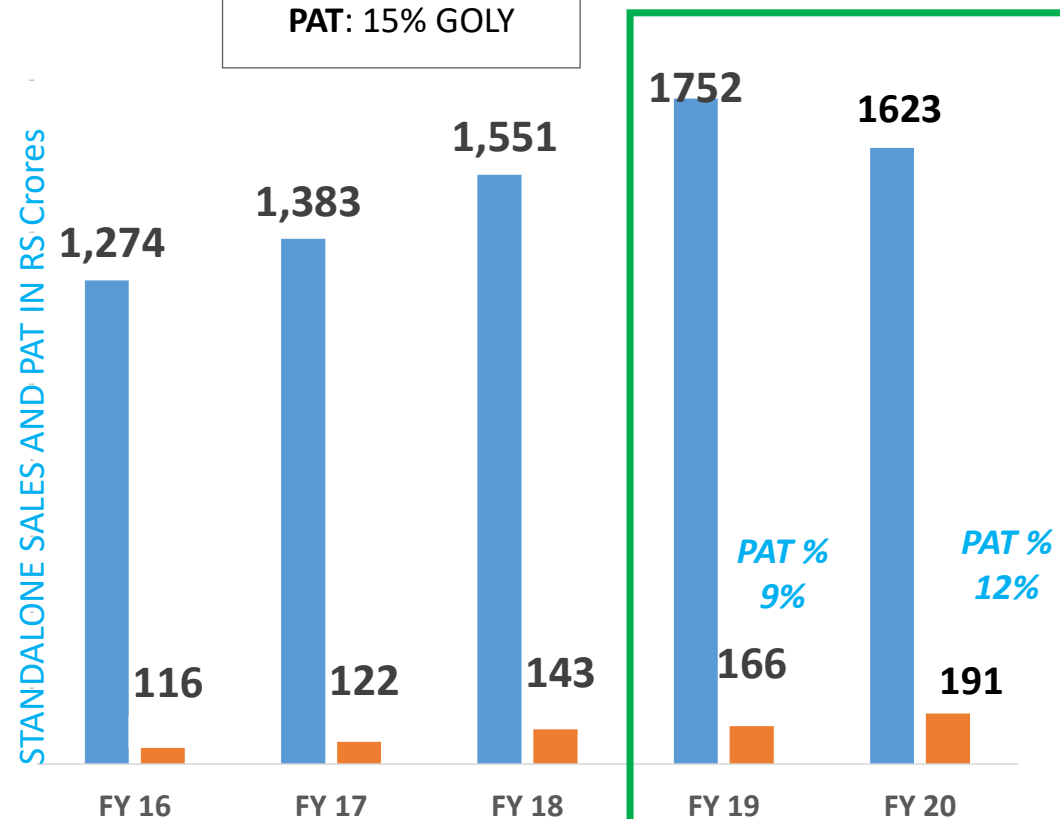
Sales: (3%) GOLY

PAT: 10% GOLY



Sales: (7%) GOLY

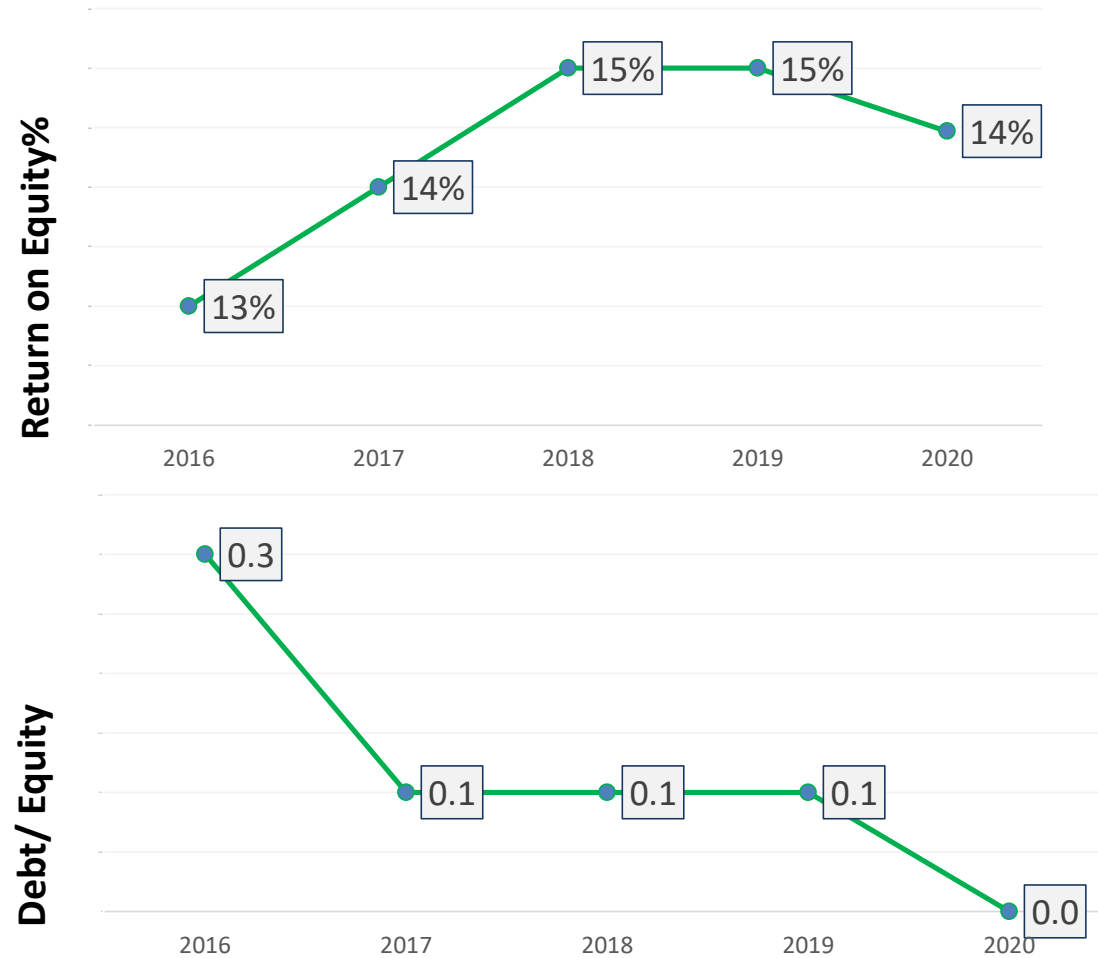
PAT: 15% GOLY



STANDALONE SALES AND PAT IN RS Crores



## FINANCIALLY RESILIENT



### Financial Strength

- 66 years of **unbroken dividend payout**
- Strong and **consistent returns** on capital
- Steady **increase in Asset turnover**
- **Strong Balance Sheet** – Major expansion plans on internal accruals
- **Zero Net Debt**



# PERPETUAL RESILIENCE

The CUMI logo, which consists of a blue sphere with a grid-like texture, partially encircled by a thick white arc. The word "CUMI" is written in white, bold, uppercase letters across the center of the sphere.

CUMI



# WHAT MAKES CUMI RESILIENT ?

## It's varied Businesses

- Abrasives, EMD, Industrial Ceramics, Refractories

## It's varied industry segments

- Auto, Auto comp, Engineering, Basic Metals, Infrastructure, Energy, Power, Housing etc.

## It's varied markets

- ~45% of the revenues are outside India

## It's cost competitiveness

- Backward integration, low cost manufacturing presence

## It's culture

- Openness, Innovation, Experimentation

## It's amazing people !



# ABRASIVES: ENGINEERING SURFACES

**Auto & Component**

**Construction**

**Bearings**

**General Eng**

**Heavy Eng**

**Steel**

**Aerospace**

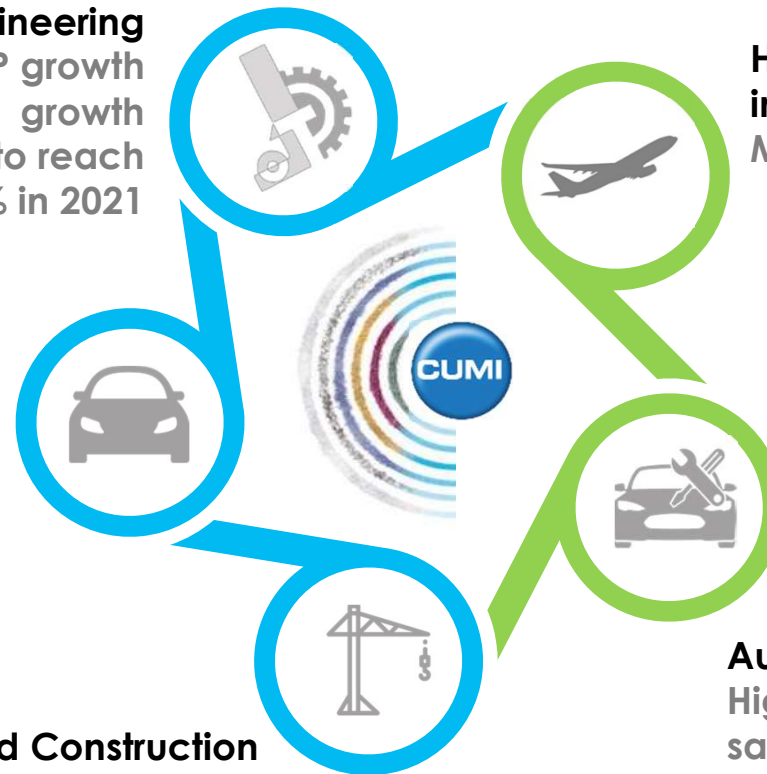
**General & Heavy Engineering**  
Overall GDP growth  
– India growth expected to reach 6% in 2021

**Auto**  
Greater Preference for personal modes of transportation

**Infra and Construction**  
Atmanirbhar Bharat (ANB) focus on housing, construction, real estate  
MREGA allocations

**High end Applications in Aerospace, Defense, MRO Hubs in India**

**Auto after markets**  
Higher used vehicle sales likely post-covid



● Core  
● Adjacencies / Transformational





# COATED CAPACITY EXPANSION – SRIPERUMBUDUR





# ELECTROMINERALS: WORKHORSE MINERALS FOR INDUSTRY; PERFORMANCE MINERALS FOR FUTURE

**Abrasives**

**Refractories**

**Diesel Particulate Filters**

**Silicon Wafer slicing**

**MMC**

**Laminates, investment casting , Brakes etc.**

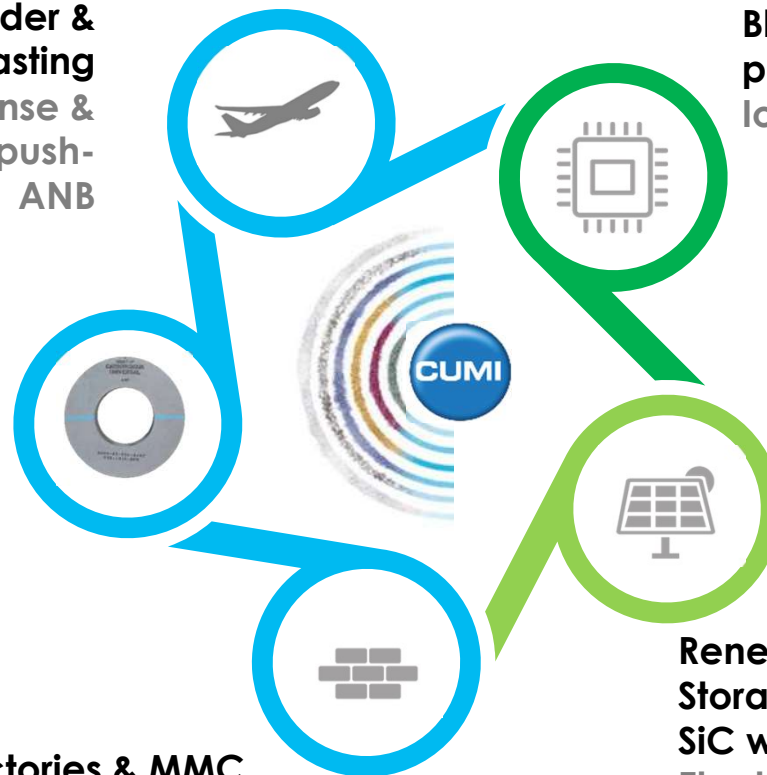
**Plasma Spray  
Powder &  
Investment casting  
Defense &  
Aerospace push-  
ANB**

**Abrasives**  
'Regular' minerals  
for conventional  
products  
'special' grades for  
high end alloys,  
high tolerance  
grinding

**Refractories & MMC**  
Global fiscal stimulus –  
infrastructure impact on  
steel, cement, glass etc.  
Mining boost - ANB

**Semiconductors**  
Black / Green SiC, high  
purity minerals  
IoT, digitization etc.

**Renewables & Energy  
Storage – Graphene,  
SiC wafer slicing  
Electrification of  
vehicles globally**



● Core  
● Adjacencies  
/ Transformational



White Fused Alumina  
Furnace conversion and Refurbishment at Kochi







ОАО "ВОЛЖСКИЙ АБРАЗИВНЫЙ ЗАВОД"

Volzhsky Abrasive Works



VOLZHSKY ABRASIVE WORKS



SiC expansion

NbSiC Refractories

Securing supply chains

# INDUSTRIAL CERAMICS: WEAR APPLICATION; CO-CREATED ENGINEERED CERAMICS

Mining

Power Generation

Power T&D

SoFC

Automotive

Medical Ceramics

**Cement, Mining**  
ANB push on Infra  
Issue of mining  
licenses  
Coal self sufficiency

**Iron & Steel**  
Infra & construction  
push

**Power distribution**  
Smaller distributed grids,  
as Renewables increase

**Renewables/ Clean  
Energy - SOFC**  
Global renewable  
energy goals

**Semiconductor Wafers**

● Core  
● Adjacencies  
/ Transformational



CUMI AUSTRALIA PTY LTD.



**1**

NON OXIDES

**2**

CAST BASALT

**3**

RBSIC



## GROWTH : CAPACITY EXPANSIONS, NEW CAPABILITIES



Metz 2.5



SiSiC



NbSiC





Ceramics



Cement



Glass



Steel

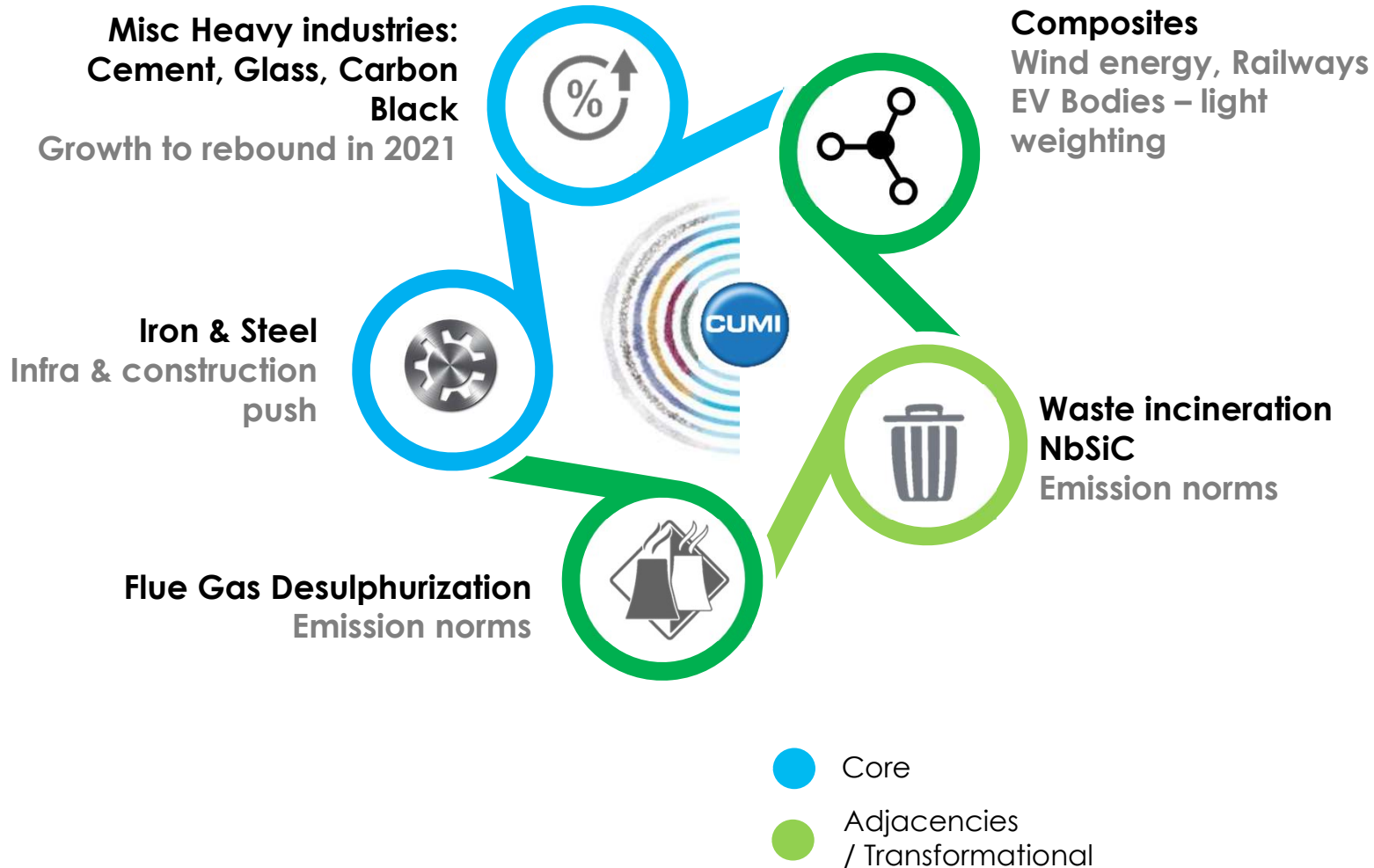


Petrochem



Wind Energy

## REFRACTORIES & COMPOSITES : HEAT CONTAINMENT, WEAR, CORRSION RESISTANCE







# Innovation & New Products



## NEW PRODUCTS - ABRASIVES



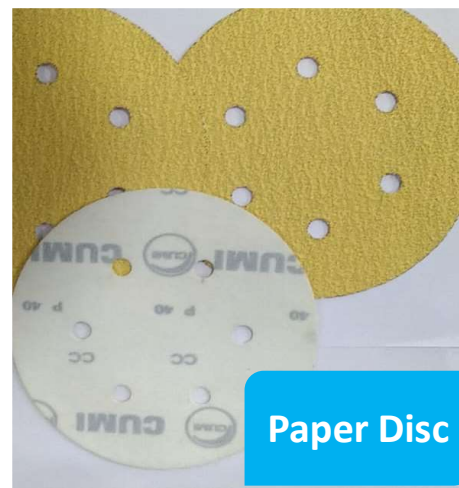
Flap Discs



Zr disc



Scrub pad



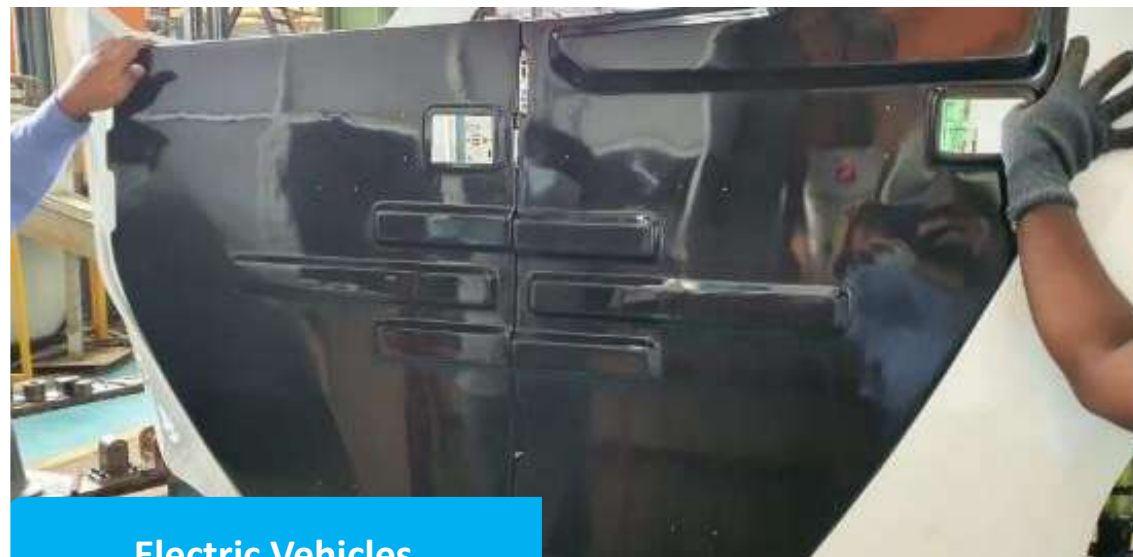
Paper Disc



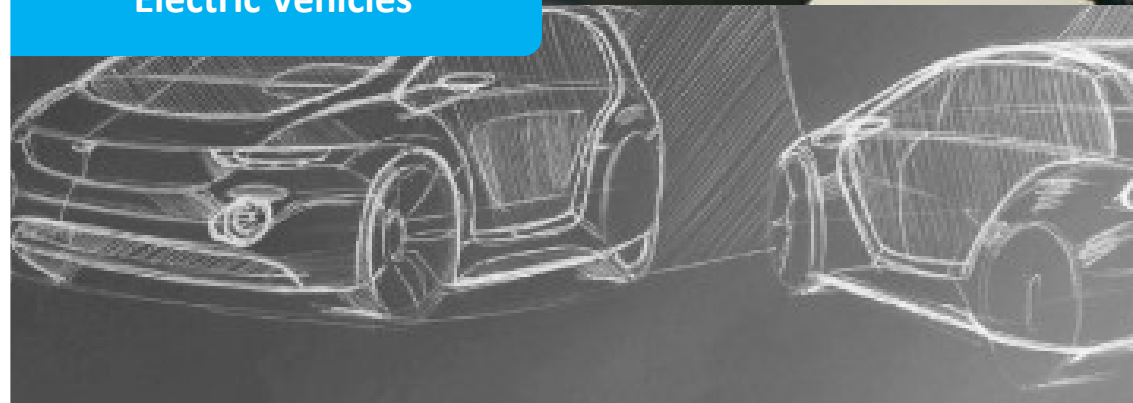
## NEW PRODUCTS : COMPOSITES



Defense – telescopic poles



Electric Vehicles







## NEW PRODUCTS: CERAMICS, REFRACTORIES, NEW MATERIALS



IoT enabled  
Predictive maintenance



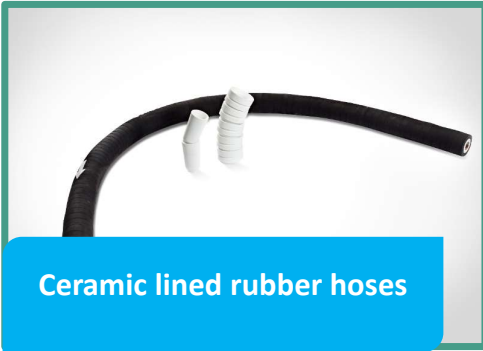
Composite Spray Header



Graphene Spherodization



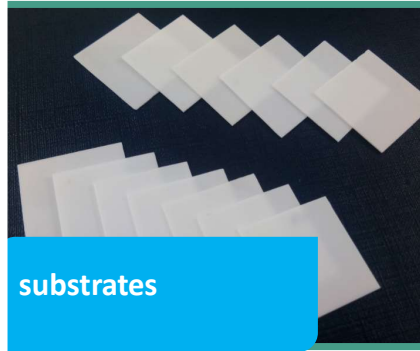
## NEW PRODUCTS : CERAMICS



Ceramic lined rubber hoses



Life style



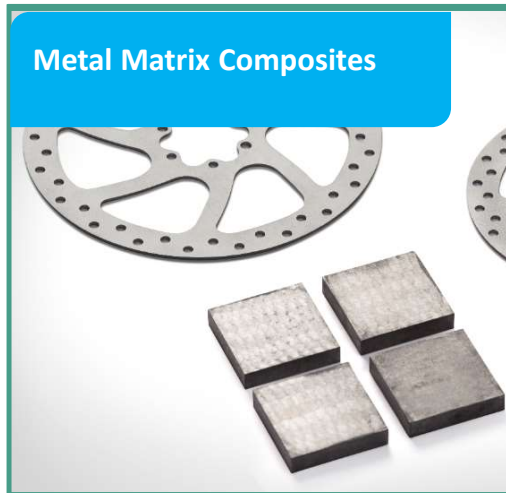
substrates



Metallized Ceramics for X Rays



C Channels- SOFC



Metal Matrix Composites



Paper Cone accessories





# People Capabilities



# THE CUMI FAMILY: DIVERSE, VIBRANT







## NETWORKS & INDUSTRY LEADERSHIP



**1**

PARTNERSHIPS

**2**

CUSTOMERS

**3**

EXPOS

**4**

INDUSTRY BODIES

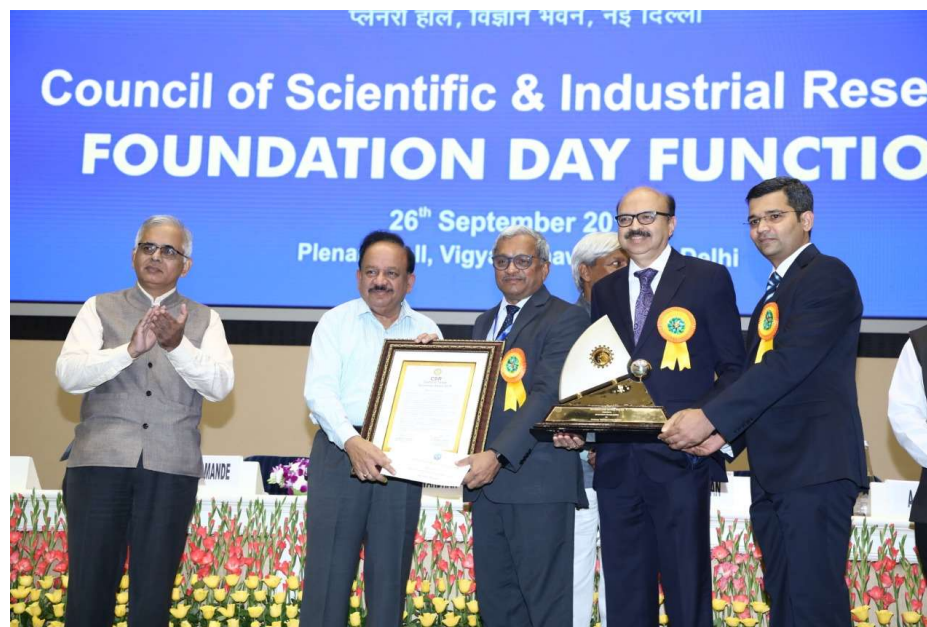


# Awards & Recognition





# CSIR Diamond Jubilee Technology Award for 2018



- CUMI IC was awarded the CSIR Diamond Jubilee Technology 2018 for the technology of Metallization of Ceramics on 26<sup>th</sup> of September 2019
- CSIR Foundation Day Function was held at Vigyan Bhavan, New Delhi. The function was graced by the Honorable President of India, Mr Ram Nath Kovind & the Award was handed over to CIMU IC by the Honorable Minister of Science and Technology, Dr K Harsh Vardhan.







## AWARDS & RECOGNITION



IEI Centenary Excellence Award



National Productivity Summit



Sreshta Suraksha Pushkar Award - EMD



TPM Significant Achievement Award



## AWARDS & RECOGNITION



ICIA and SAFA Awards – financial Reporting



CSR Award from Rotary International



SEEM National Energy Conservation Award



CCSD Hosur, “Best Establishment of the Region, GoI





## CAPABILITY : PEOPLE & INFRASTRUCTURE



GETs & PhDs



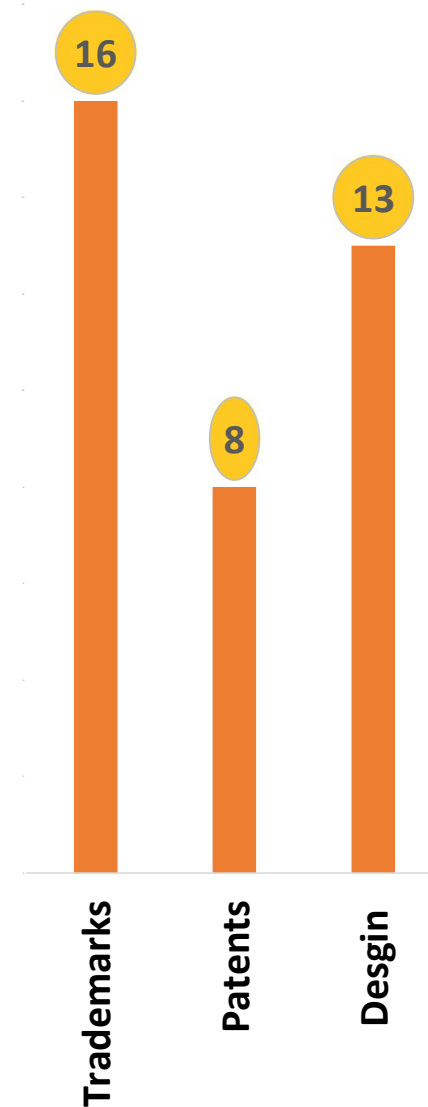
Skill Development



Design Thinking



DSIR Labs / Surface Technology Centre





# Corporate Social Responsibility





# CORPORATE SOCIAL RESPONSIBILITY : HEALTH, EDUCATION & INFRASTRUCTURE



Health



Community



Education



Education



Health



Community

# INAUGURATION OF SKILL DEVELOPMENT CENTRE - 2020



Total No. of Students till Mar'2020 : 353

Total No. of pass-outs : 157

Ongoing batch : 196



316



37





# COVID & Post Lockdown





# ALL PLANTS OPERATIONAL POST FIRST LOCKDOWN



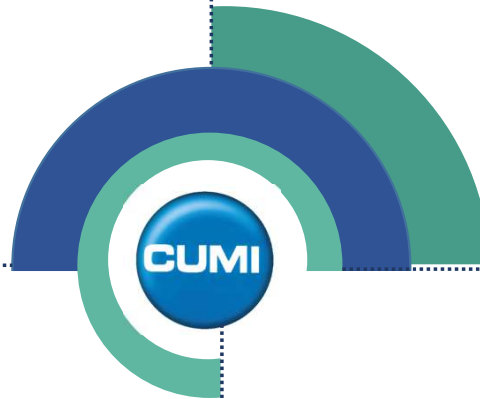
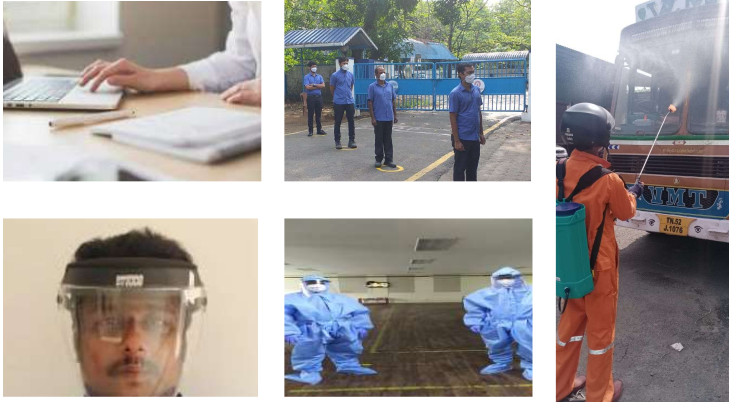
- Operations safely restarted post lockdown – across locations globally
- Strict adherence to social distancing
- PPEs, sanitization facilities, and safety gear provided
- Communication and Awareness initiatives



# ALIGNING OURSELVES TO THE NEW NORMAL

CUMI

EMPLOYEES



CUSTOMERS



OPERATIONS

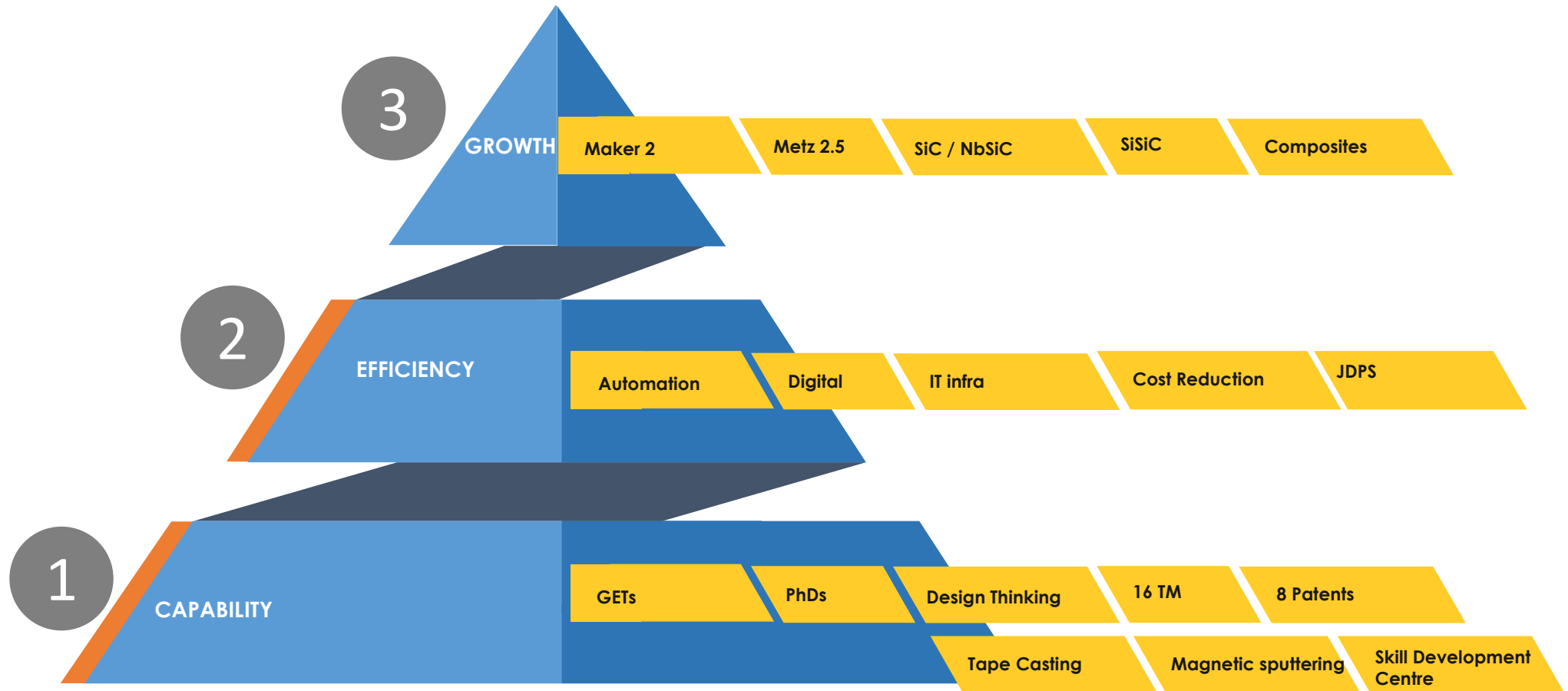


COMMUNITIES





# KEEPING OUR FOCUS TRAINED ON THE FUTURE







# Way Forward : Navigating the Post COVID World



**Health & Safety –  
Covid Care**



**Pivot Product Portfolio -  
innovation**



**Employee  
Productivity enhanced  
through Automation**



**Strengthen supply  
chains across global  
operations**



**Stakeholder  
Relationships**

1

2

3

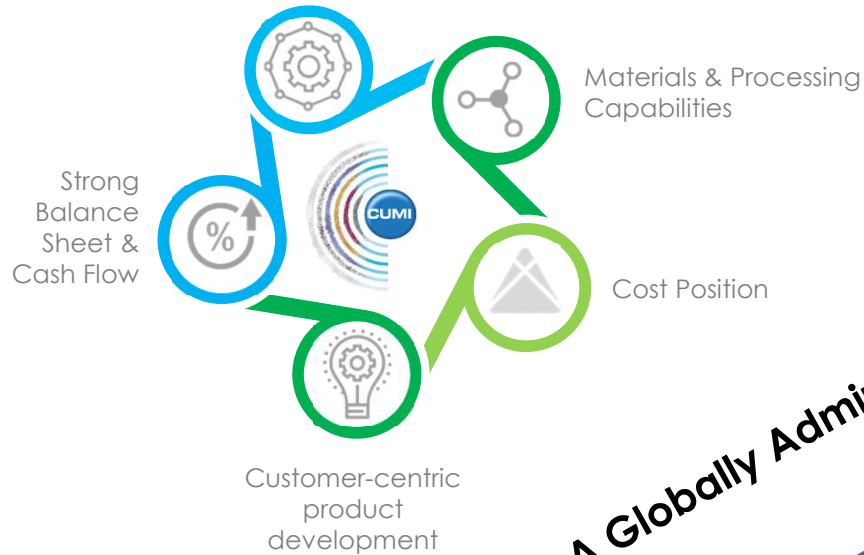
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5

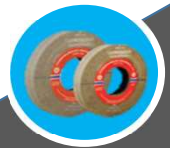


# Strategy Summary

Distribution Reach



## A Globally Admired Materials Science Company



- Leverage distribution and expand
  - Existing products, existing geographies
  - Adjacencies (Construction Chemicals, Specialty Coatings) in existing geographies
- Increase market share in global Coated markets through Maker 2.0
- Pursue inorganic opportunities in complementary products (Vitrified CbN)



- Improve Utilization in core assets, gain market share in BFA, Semi-Friables, SiC
- Drive costs down through operational efficiencies, and by increasing market share
- Ramp up Specialities through product and application development- CUMI Blue, Synthetic Brown Fused Alumina, Alumina Zirconia
- R&D and capex focus on 'New Age Minerals'



- Expand product offerings to Core industries – Mg based products, and Flow Control products
- Drive marketing and production synergies between VAW and Indian operations



- Expand product offering to Core industries (Cast Basalt, Wear Plates)
- Break-out growth in 1) Non-oxides 2) Composites 3) Semi-conductor substrates & wafers 4) Medical Ceramics
- Explore Inorganic opportunities

## The five lights

# The Spirit of the Murugappa Group

These five lights guide us as we navigate through professional and personal decisions.

The light of  
**INTEGRITY**  
that gives us the courage to  
always do the right thing

The light of  
**RESPONSIBILITY**  
that gives us the humility to  
think about the world around us

The light of  
**PAS2ION**  
that provides us with  
the desire to win

The light of  
**RESPECT**  
that inspires people  
around us to perform

The light of  
**QUALITY**  
which makes us  
dream of excellence





# Thank You