

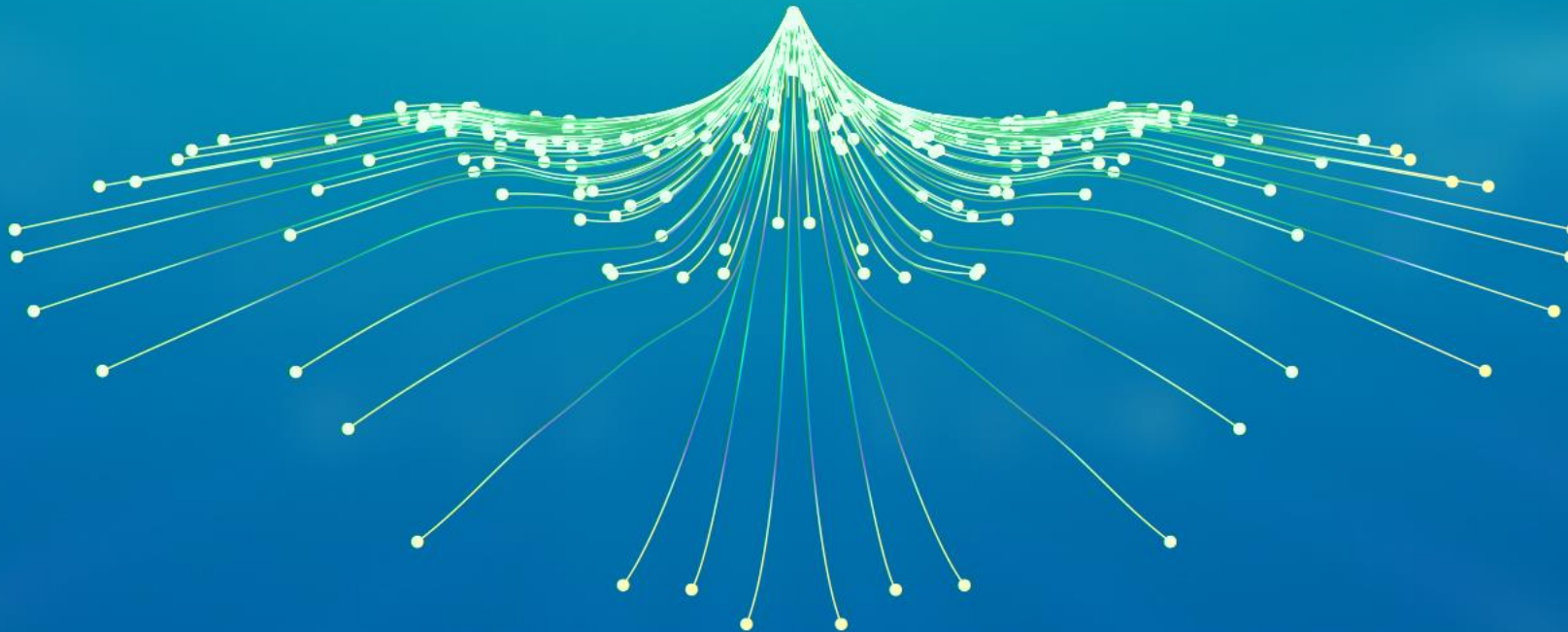


# CARBORUNDUM UNIVERSAL LIMITED

68<sup>th</sup> Annual General Meeting

Monday, 1<sup>st</sup> August 2022

Forging New Paths



This presentation contains Statements relating to future business developments and economic performance that could constitute 'forward looking statements.'

While these forward-looking statements represent the Company's judgements 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. Further, investors are requested to exercise their own judgement in assessing various risks associated with the Company and also the effectiveness of the measures being taken by the Company in tackling them, as those enumerated in this presentation are only as perceived by the Management.

## A legacy of 120 years...

3

Sectors

29

Businesses

10

Listed companies

40+

Countries

90+

Manufacturing Locations

53000+

Associates

₹547Bn\* \$6.9Bn

Turnover

₹55Bn\* \$690Mn

Profit After Tax

\* For financial year 2021-22 (Apr-Mar)



Listed

Unlisted



Agriculture



Engineering



Financial Services



Diversified







**Business activity** - manufacture of Coated Abrasives, Bonded Abrasive, Super Refractories, Electro-Minerals, Industrial Ceramics, Ceramic Fibers and Phase Change Materials

**Exports** its products to **43 countries**

**Over 20000** varieties of Products

**30 manufacturing** locations across India, Germany, South Africa, Russia and Australia

All the manufacturing facilities of Carborundum Universal are **ISO 9001:2000** and **ISO 14001 Certified**

Incorporated on **April 21, 1954**



M M Murugappan  
*Chairman*

*Expertise in Chemical and  
Environmental Science*



Mr Sanjay  
Jayarathnavelu

*Expertise in Engg. and  
Manufacturing Industries*



Mr Aroon Raman

*Material Scientist and  
Expertise in Fibre Science*



Mr Ananthaseshan

*Managing Director  
Expertise in Material  
Science*



Mr P Raghavan

*Former Ambassador to  
Russia, Poland, Czech*



Mr Sujjain  
Talwar

*Expertise in Legal*



Mr Sridharan Rangarajan

*Director – Finance & Strategy  
Expertise in Finance*



Ms Soundra Kumar

*Expertise in Banking*



Dr Shyam Rao  
*SBU Head - Ceramics*



Mr Bhaskaran Kannun  
*HR Head*



Ms Rekha Surendran  
*CS*



Mr C Srikanth  
*Wendt India*



Mr Ninad Gadgil  
*SBU Head- Abrasives*



Mr Padmanabhan  
*CFO*



Mr Samit  
*Pluss*



Mr V G Rajendran  
*SBU Head - Refractories*



Mr M V Sivakumaran  
*SBU Head - Minerals*



Mr Nirav  
*Sterling Abrasives*





Mr Trevor Allen  
*CUMI Australia*



Mr Sergey Kostrov  
*VAW, Russia*



Mr Nitin Bichkar  
*CUMI USA*



Mr Albert Render  
*FZL, South Africa*



Mr Klaus Michael  
*Rhodium, Germany*



Mr Hoffmann Fabian  
*Awuko, Germany*



Mr Thomas Muller  
*Awuko, Germany*



Mr Ernst Hanning Sager  
*Rhodium, Germany*



Mr Bernd Licther  
*Rhodium, Germany*



## Purpose

Making a **Material** difference to lives

## Vision

To be an admired company driven by innovation creating stake holder wealth by engineering Materials science solutions for a sustainable planet

## Mission

2X growth in topline and 3 X growth in bottom line by 2025



**Over 6**

Decades  
in Business



**1000+**

Variety  
of Products



**40+**

Presence in  
Countries



**>100000**

Happy  
Clients



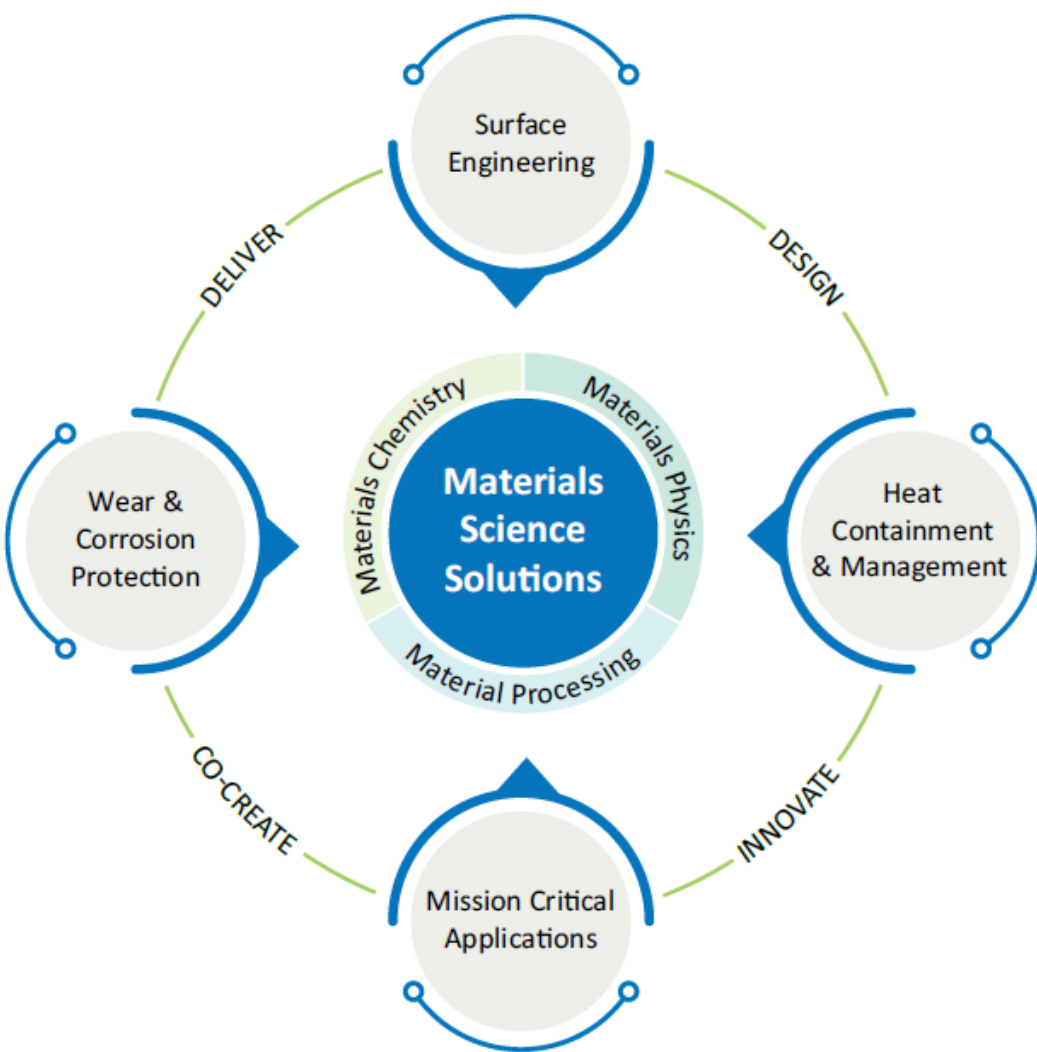
**7 DSIR**

Certified  
R&D Centres



**ISO**

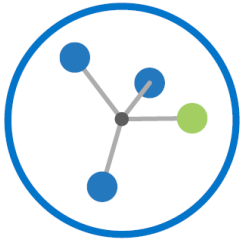
Certified  
Mfg. Locations



Business Portfolio

- Abrasives**
- Electro Minerals**
- Ceramics**
- New Age Materials**

Market Cap	Revenue	PAT			
<b>INR 15149 Cr</b>	<b>INR 3290 Cr</b>	<b>INR 333 Cr</b>	<b>20,000 +</b>	<b>5000+</b>	<b>30+</b>
<b>\$ 1961 Mn</b> (As on 31 <sup>st</sup> Mar 2022)	<b>\$ 426 Mn</b> (FY 21-22)	<b>\$ 43 Mn</b> (FY 21-22)	<b>Varieties</b>	<b>Employees</b>	<b>Locations</b>



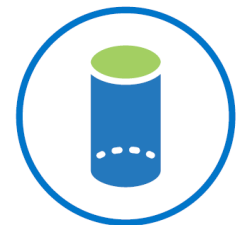
**Second largest** producer of **Silicon Carbide** worldwide



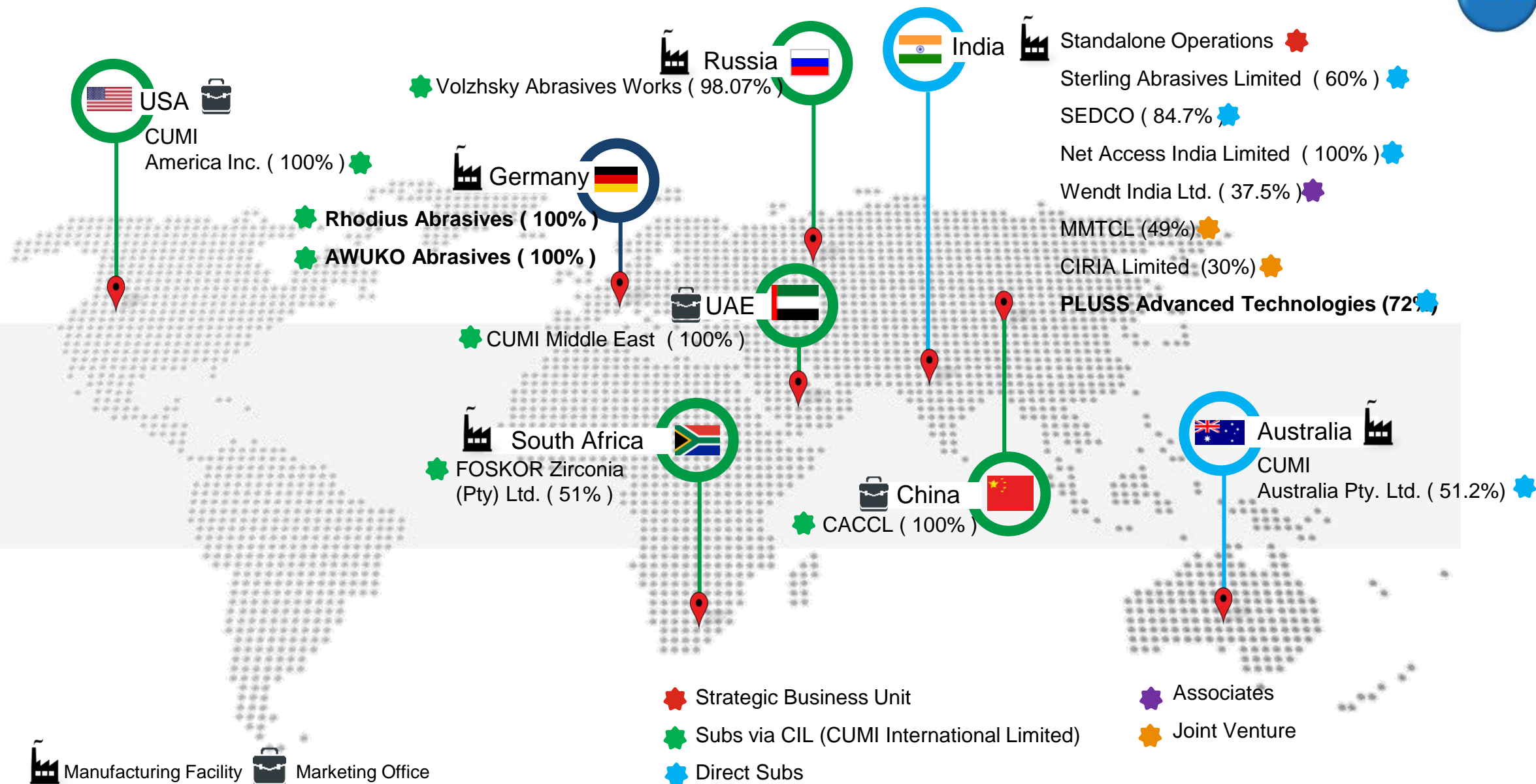
**One of the largest** producers of the full range of **Electrominerals** worldwide



**One of the market leaders** in **abrasives**, in India and Russia



**World's second-largest** player in **metallised cylinders**





## Strong **goods demand** faces **supply bottlenecks**



### **Covid-19**

2nd and 3rd Wave impact reduced through vaccinations



### **Raw Materials**

Commodity prices impacted margins across sectors



### **Energy**

Higher Energy prices limiting production of key raw materials



### **Fuel**

Higher oil and gas prices impacted production and margins



### **Logistics**

Pandemic-related factory and port shutdowns, and shipping container shortages



### **Production**

Bottlenecks in production chains led to shortages like semiconductor chips



### **Clean Energy**

COP26 summit push for cleaner energy impacted coal-based production



### **Supply Chains**

Natural catastrophes and geopolitical tensions pushing manufacturers to rethink production and sourcing strategies

## Standalone Business

Strong performance despite relentless input cost-push



### Abrasives

Focused on **profitability**, **capacity utilization**, and expanding mass market presence while building precision abrasives **capabilities**



### Electro Minerals

Leveraged **capabilities** to address the China Plus One opportunity profitably and **commercialized** game changing new product



### Industrial Ceramics

Co-Created with customers and built **capabilities** and **capabilities** for electric vehicles, alternate energy and wear solutions



### Super Refractories

Stretched **capabilities** and acquired **new customers** in existing product portfolios

## Subsidiaries, JVs & Associates

**Volzhsky Abrasives Works**, Russia, - strong performance and exemplary resilience

**Foskor Zirconia**, South Africa, - good volume and price driven growth, turned profitable

**CUMI (Australia) Pty Limited** registered good growth, but freight costs impacted profitability

**Sterling Abrasives**, India, revenue growth, but cost increases impacted profitability

## Inorganic Moves

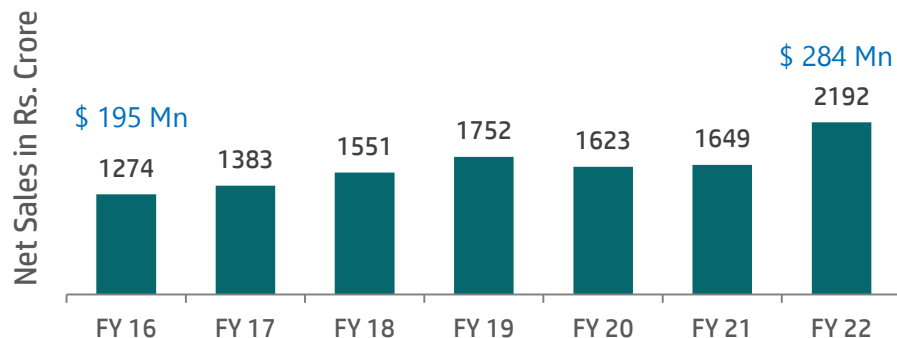
**PLUSS**<sup>®</sup> | TECHNOLOGY FOR A BETTER WORLD



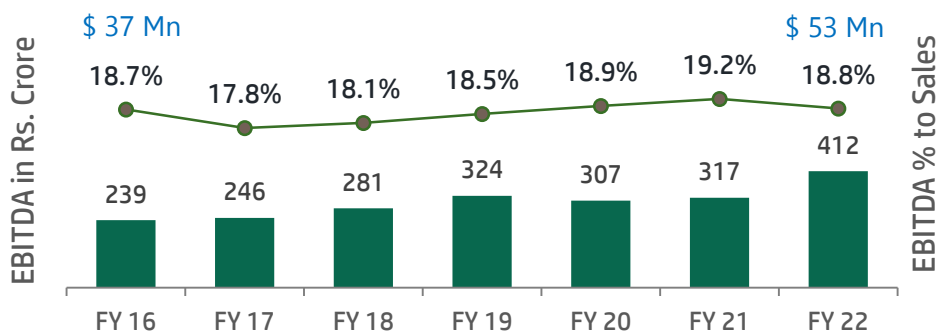
**RHODIUS**

## CUMI Standalone

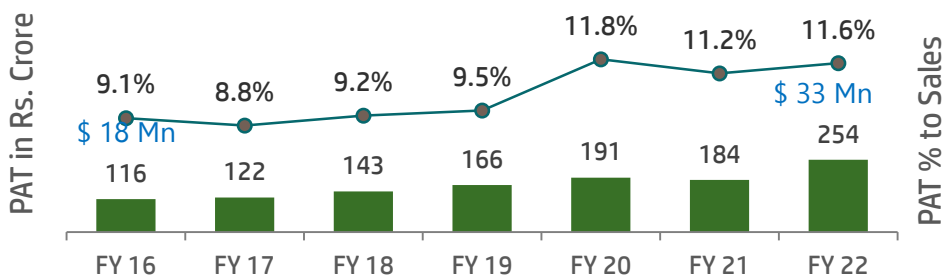
**CAGR**  
**9.5%**



**CAGR**  
**9.5%**

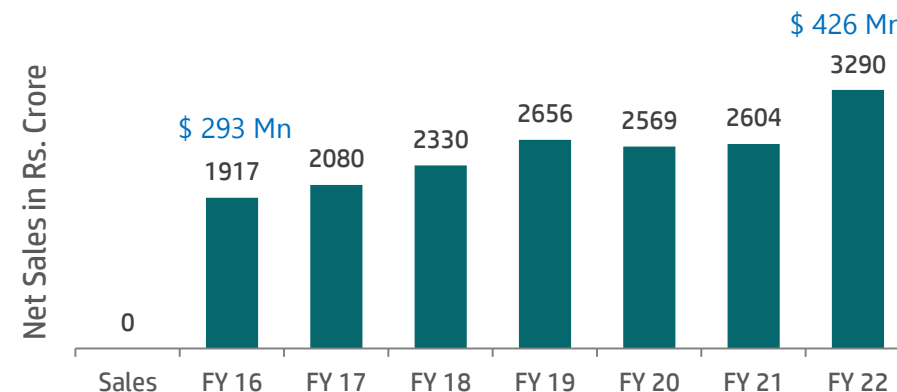


**CAGR**  
**13.9%**

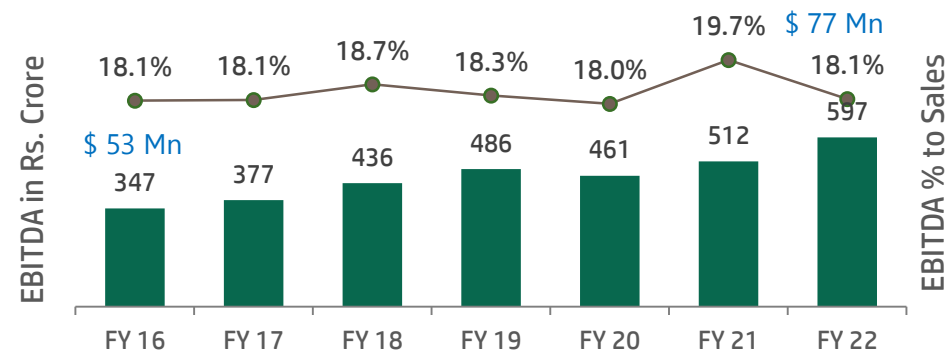


## CUMI Consolidated

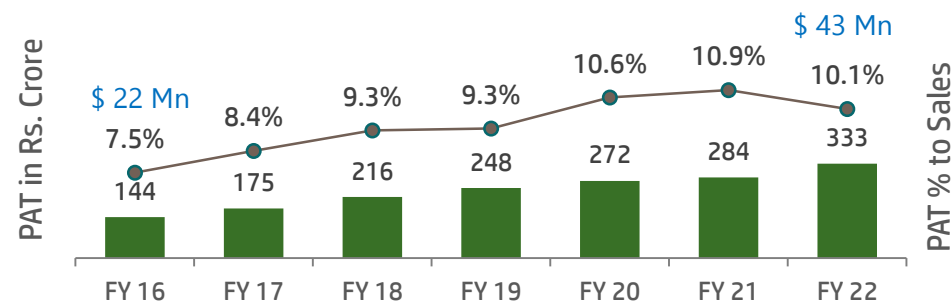
**CAGR**  
**9.4%**



**CAGR**  
**9.5%**



**CAGR**  
**15.0%**



## CUMI Standalone\* All Values in Rs Crore

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Net Sales	1551	1752	1623	1649	2192	32.9%
EBIT	204	248	240	256	346	35.1%
EBIT % to Sales	13.1%	14.2%	14.8%	15.5%	15.8%	+ 26 bps

## Abrasives\*\*

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Sales	847	921	815	818	1052	28.6%
EBIT	123	130	108	118	163	38.0%
EBIT % to Sales	14.5%	14.1%	13.3%	14.4%	15.5%	+ 105 bps

## Electro-Minerals\*\*

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Sales	405	453	411	440	621	41.2%
EBIT	33	44	22	32	61	93.0%
EBIT % to Sales	8.0%	9.8%	5.3%	7.2%	9.9%	+ 264 bps

## Ceramics\*\*

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Sales	401	498	512	501	661	32.0%
EBIT	54	82	100	106	132	24.6%
EBIT % to Sales	13.5%	16.4%	19.5%	21.1%	19.9%	- 119 bps

## CUMI Consolidated\* All Values in Rs Crore

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Net Sales	2330	2656	2569	2604	3290	26.3%
EBIT	318	361	339	398	462	16.2%
EBIT % to Sales	13.7%	13.6%	13.2%	15.3%	14.0%	- 122 bps

## Abrasives\*\*

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Sales	1018	1124	995	993	1283	29.2%
EBIT	132	140	113	134	156	16.4%
EBIT % to Sales	13.0%	12.5%	11.3%	13.5%	12.2%	- 134 bps

## Electro-Minerals\*\*

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Sales	883	1019	1026	1064	1312	23.3%
EBIT	127	128	104	136	194	42.9%
EBIT % to Sales	14.4%	12.6%	10.2%	12.8%	14.8%	+ 203 bps

## Ceramics\*\*

	FY 18	FY 19	FY 20	FY 21	FY 22	FY22 vs FY21
Sales	502	604	629	627	798	27.2%
EBIT	76	108	132	136	159	17.2%
EBIT % to Sales	15.1%	17.9%	20.9%	21.7%	20.0%	- 170 bps

\*After inter-segmental cancellations

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



## Sales

**₹ 3290 Cr**

**\$ 426 Mn**

+ 26% over FY21

## EBITDA

**₹ 597 Cr**

**\$ 77 Mn**

+ 17% over FY21

- Strong growth across business segments
- Improved Profitability

## OCF / EBITDA

**41%**

88% in FY21

## \*FCF/ PAT

**35%**

133% in FY21

- Strategically maintained higher inventories considering uncertain external environment and higher CAPEX spend
- Strong contribution from working capital movements
- Improving Operational efficiencies and cost containment

## ROCE%

**20%**

20% in FY21

## ROE%

**15%**

14% in FY21

- Better returns & effective utilisation of capital employed
- Spends on Future Projects

## D/E Ratio

**0.09**

₹ Nil in FY21

## Rating

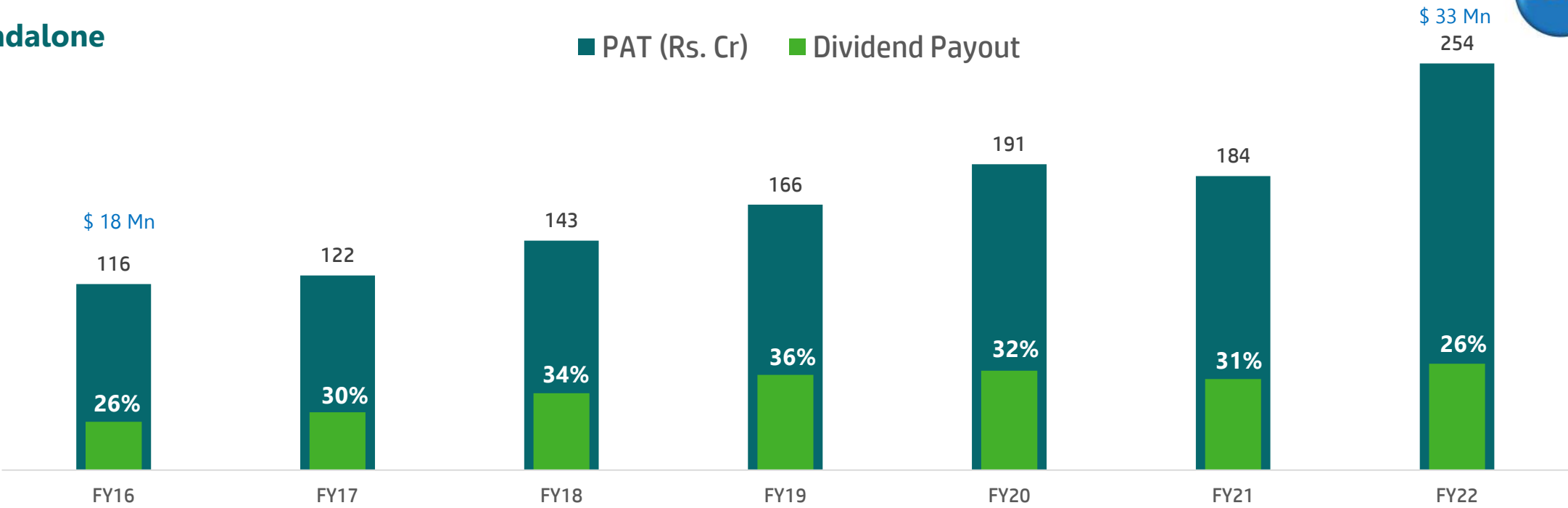
**AA+**

- Financially Self Sustaining
- Company made 3 acquisitions during FY22 for a total consideration of Rs.660 Cr: fully funded out of internal accruals



## CUMI Standalone

■ PAT (Rs. Cr) ■ Dividend Payout



## Rs per Share

	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Interim	1.50	1.00	1.00	1.50	2.75	1.50	1.50
Final	-	0.75	1.25	1.25	-	1.50	2.00
Total Dividend	1.50	1.75	2.25	2.75	2.75	3.00	3.50

Dividend Payout Ratio\* = (Dividend per Share \* Total no. of outstanding Share) / PAT

\*Excluding Dividend distribution tax

Highest Dividend Announced  
**350%** on face value of Rs.1 per share

31<sup>st</sup> Mar 2020 – 31<sup>st</sup> Mar 2022



Total Shareholder Returns over period depicted above\*: **262%**

*\*TSR = (Gains in share price + dividends) / Purchase price*



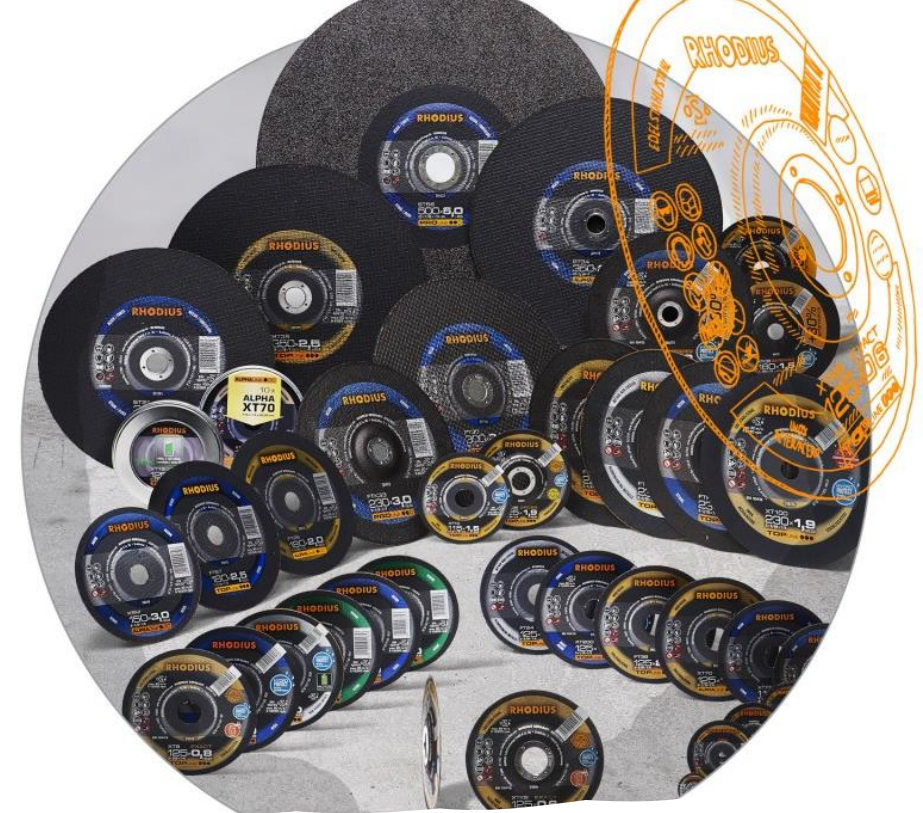
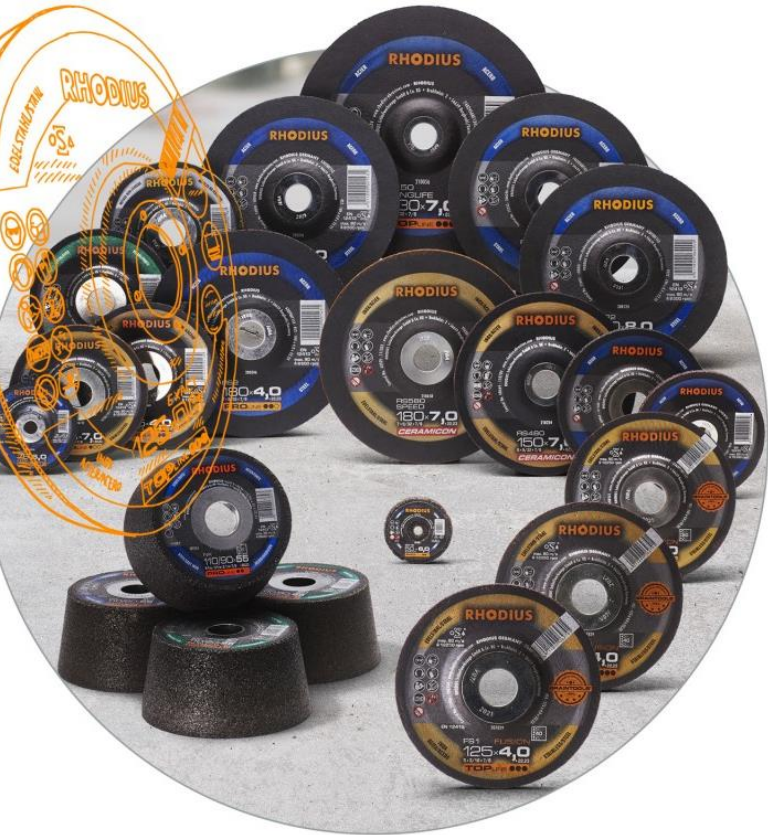
Acquired Awuko Abrasives,  
Germany





Acquired Pluss Advanced Technologies P  
Ltd, Gurugram, India





Acquired Rhodius Abrasives, Germany



# WFA Expansion Project at Edappally

- Installation of 2000 TPM refractory grain processing plant completed
- Full scale operations commenced from May 2022

Description	Plant 2 GP	New GP
Foot print (Area in m2)	830	225
Monthly production (Qty in MT)	2500	2000
Foot print (In m2/Ton)	0.332	0.113

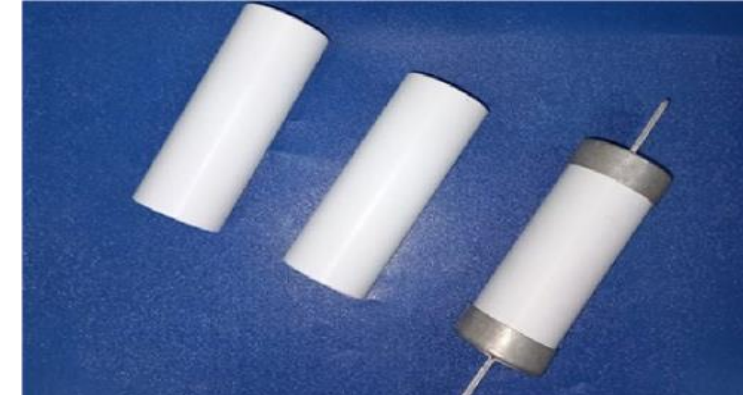




Our sintered silicon carbide product range for fluid handling applications

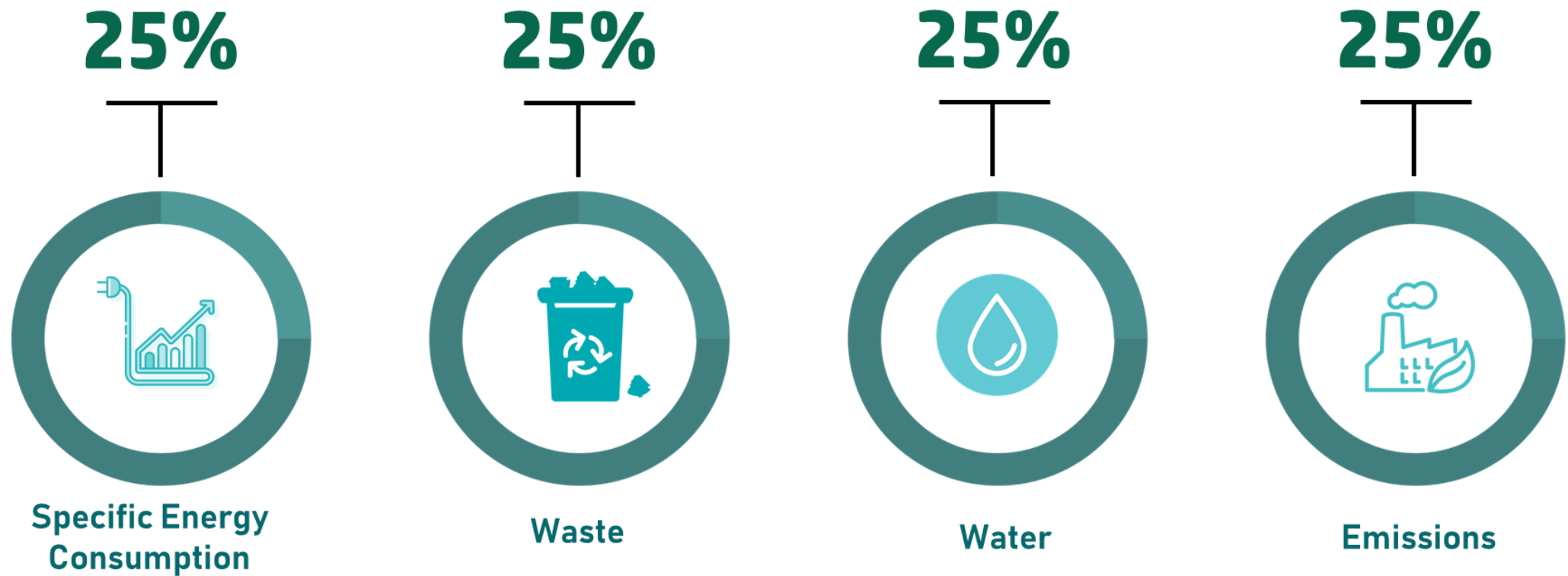


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## Reduction in intensity by 2025





**Solar Technology**

+



**Green Energy**

+



**Energy Savings**

In **1** Year, across CUMI

**6**

Plants Commissioned

**1.32 MWp**

Capacity Installed

**4,81,813**

Units Generated till 07<sup>th</sup> July 2022

**Rs.42 Lac**

Equivalent Consumption of Energy  
from cleaner SOURCE (at current EB Tariff)

**~200 Tons**

of CO<sub>2</sub> eliminated

**~5000 trees**

Saved



*CUMI has been recognised by Deloitte India as one of India's “Best Managed Companies” in 2021. With the achievement of the “Best Managed” title, we have raised the bar for the Indian Corporate world*





**Industry Excellence Award**  
from Dr. Mahendra Nath  
Pandey, Minister of Heavy  
Industries, Govt. of India









- The Russia-Ukraine conflict has had a global impact
- Rising interest rates and inflation
- Volatile Commodity prices
- High energy and fuel prices
- Shifting political realities – Europe, Sri Lanka, Africa
- High cost stock with companies, unable to pass on costs fully
- Currency fluctuations – INR weakening, Rouble strengthening
- Auto Industry – mixed signals. PV, tractors, HV positive. 2W struggling
- Freight rates softening

Q1 Financial Year 22-23	<b>Gross Sales*</b> <b>₹ 1129 Cr</b> <b>+ 60% QoQ</b>	<b>PBT</b> <b>₹ 112 Cr</b> <b>+ 6% QoQ</b>	<b>PAT</b> <b>₹ 79 Cr</b> <b>+ 2% QoQ</b>
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<b>Abrasives**</b>	
<b>Sales</b> <b>₹ 513 Cr</b> <b>+ 88 % QoQ</b>	<b>EBIT</b> <b>₹ 18 Cr</b> <b>- 53% QoQ</b>

<b>Electro-minerals**</b>	
<b>Sales</b> <b>₹ 406 Cr</b> <b>+ 41% QoQ</b>	<b>EBIT</b> <b>₹ 59 Cr</b> <b>+ 47% QoQ</b>

<b>Ceramics &amp; Refractories**</b>	
<b>Sales</b> <b>₹ 243 Cr</b> <b>+ 40% QoQ</b>	<b>EBIT</b> <b>₹ 58 Cr</b> <b>+ 79% QoQ</b>



*\*After inter-segmental cancellations*

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

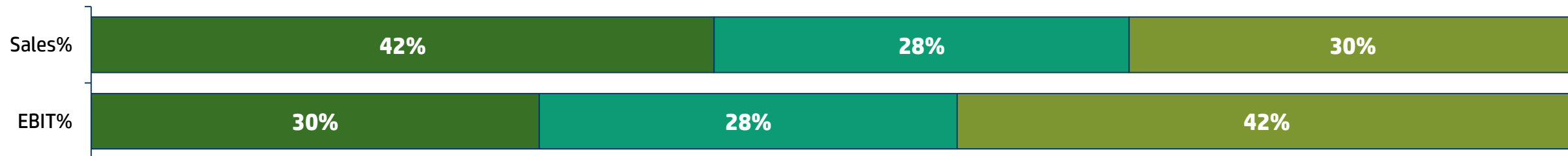


Q1 Financial Year 22-23	<b>Gross Sales*</b> <b>₹ 600 Cr</b> <b>+ 29% QoQ</b>	<b>PBT</b> <b>₹ 96 Cr</b> <b>+ 18% QoQ</b>	<b>PAT</b> <b>₹ 73 Cr</b> <b>+ 16% QoQ</b>
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<b>Abrasives**</b>	
<b>Sales</b> <b>₹ 269 Cr</b> <b>+ 20 % QoQ</b>	<b>EBIT</b> <b>₹ 32 Cr</b> <b>- 7% QoQ</b>

<b>Electro-minerals**</b>	
<b>Sales</b> <b>₹ 179 Cr</b> <b>+ 34% QoQ</b>	<b>EBIT</b> <b>₹ 30 Cr</b> <b>+ 111% QoQ</b>

<b>Ceramics &amp; Refractories**</b>	
<b>Sales</b> <b>₹ 193 Cr</b> <b>+ 37% QoQ</b>	<b>EBIT</b> <b>₹ 45 Cr</b> <b>+ 57% QoQ</b>



*\*After inter-segmental cancellations*

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



# Making Materials Matter

Since 1954

# THANK YOU