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Carborundum Universal's Consolidated Q3 Net Sales down by 3.7%

Consolidated Operating PBT improved

Bengaluru, 29th Jan 2015: The Board of Directors met today and approved the results for the quarter ended 31st Dec 2014.

Consolidated Q3 financial performance

Consolidated net sales dropped by 3.7% to Rs.497 crores from Rs.516 crores, on a quarter on quarter basis. PBT (excluding exceptional income) increased by 89% from Rs.21 crores in last year similar quarter to Rs.39 crores in the current quarter.

On a sequential basis, net sales dropped by 8.1% but PBT gained by 32.2% respectively.

The drop in sales on quarter on quarter basis and sequential basis were largely impacted owing to the weak Rouble.

Profitability of all divisions improved compared to similar quarter last year. However on a sequential basis, there was pressure in Abrasives and Ceramics business.

Earnings before interest, depreciation and amortization (EBITDA) recorded an increase of 40.5% (i.e. from Rs.50 crores in corresponding quarter last year to Rs.71 crores current quarter).

Consolidated Segmental Operating Performance

Abrasives

Sales of the abrasives business on a consolidated basis was constant at Rs. 213 cr. On a sequential basis, this was a drop of 8%.

Profit before interest and tax on a consolidated basis recorded a gain of 47% i.e. from Rs.9 crores to Rs.13 crores, on a quarter on quarter basis. On a sequential basis, this was a drop of 32%.

Electro Minerals

At a consolidated level, the net sales for Q3 were lower at Rs. 172 crores versus Rs. 204 crores for the corresponding quarter last year. This was a drop of 16%. On a sequential basis, this was a drop of 12%. The drop was due to weak rouble.



Profit before interest and tax on a consolidated basis recorded an increase, from Rs. 15.8 crores to Rs. 17.9 cr, on a quarter on quarter basis. The business challenges in South African entities are being addressed.

Ceramics

The ceramics segment recorded an 11% increase in sales on a consolidated basis (Rs.124 crores vs. Rs.112 crores corresponding quarter last year). On a sequential basis, this was a drop of 1%.

Last year similar quarter the sales volumes from CUMI India were low owing to postponement in project orders. The situation has comparatively improved. Australian entity had a better performance.

Profit before interest and tax of the ceramics business on a consolidated basis recorded a gain from Rs.12 crores to Rs. 19 crores, on a quarter on quarter basis.

Interim Dividend

The Board of Directors of the Company at its meeting held on January 29, 2015 has recommended an interim dividend of Rs. 0.75/- per share (75%) to the shareholders of the Company.

About the Murugappa Group

Founded in 1900, the INR 225 Billion Murugappa Group is one of India's leading business conglomerates. The Group has 28 businesses including eleven listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal 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., Sabero Organics Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd., and Wendt (India) Ltd.

Market leaders in served segments including Abrasives, Auto Components, Cycles, Sugar, Farm Inputs, Fertilizers, Plantations, Bio-products and Nutraceuticals, the Group has forged strong alliances with leading international companies like Groupe Chimique Tunisien, Foskor, Mitsui Sumitomo, Morgan Crucible and Sociedad Química y Minera de Chile (SQM). The Group has a wide geographical presence spanning 13 states in India and 5 continents.

Renowned brands like BSA, Hercules, Ballmaster, Ajax, Parry's, Chola, Gromor and Paramfos are from the Murugappa stable. The organization fosters an environment of professionalism and has a workforce of over 32,000 employees. For more details, visit www.murugappa.com

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