



Pick of the week

Carborundum Universal (CUMI)

Recommendation: **BUY**

Date: 19th December 2022

Current Price: ₹889

Time Period: 12 Months

Potential Upside: 9.7%

Target Price: ₹975

Why Invest

- ❖ CUMI stands unique in terms of its range and volumes for abrasives and electro minerals.
- ❖ CUMI is working on several aspects of capability addition/acquisitions across its key business segments
- ❖ The recent acquisitions in abrasives build in as value creation six elements of synergy to be realized over 3-5 years.
- ❖ CUMI has meaningfully reduced the energy/water consumption and increased yields, thereby reducing both cost and its carbon footprint.
- ❖ We arrive at 30x Dec-2024E EPS-based fair value of Rs975; we see scope for further rerating.