

April 30, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	464		542	
Sales (Rs. m)	96,524	1,09,622	97,752	1,09,310
% Chng.	(1.3)	0.3		
EBITDA (Rs. m)	15,200	18,175	16,014	18,846
% Chng.	(5.1)	(3.6)		
EPS (Rs.)	16.1	22.1	17.2	22.6
% Chng.	(5.9)	(2.2)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	64,198	84,043	96,524	1,09,622
EBITDA (Rs. m)	10,375	13,368	15,200	18,175
Margin (%)	16.2	15.9	15.7	16.6
PAT (Rs. m)	4,913	4,718	6,093	8,334
EPS (Rs.)	13.0	12.5	16.1	22.1
Gr. (%)	11.1	(4.0)	29.1	36.8
DPS (Rs.)	5.5	-	5.5	5.5
Yield (%)	1.4	-	1.4	1.4
RoE (%)	16.1	12.5	15.6	18.8
RoCE (%)	14.5	12.1	13.4	16.2
EV/Sales (x)	2.9	2.3	2.0	1.7
EV/EBITDA (x)	18.3	14.6	12.6	10.2
PE (x)	29.4	30.7	23.7	17.4
P/BV (x)	4.5	3.9	3.5	3.1

Key Data

PCBL.BO | PCBL IN

52-W High / Low	Rs.585 / Rs.209
Sensex / Nifty	80,218 / 24,329
Market Cap	Rs.145bn / \$ 1,701m
Shares Outstanding	377m
3M Avg. Daily Value	Rs.785.46m

Shareholding Pattern (%)

Promoter's	51.41
Foreign	5.59
Domestic Institution	8.93
Public & Others	34.08
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(9.5)	(14.5)	42.6
Relative	(12.7)	(14.7)	31.1

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Soft realisations, Volumes intact

Quick Pointers:

- Carbon black volumes to grow at 9-10% in FY26, overall CB capacity utilization stood at 75%
- 5000mtpa Acetylene black plant to be set up in Mundra by FY27

PCBL Chemical Limited reported a consolidated revenue of Rs20.8bn in Q4FY25, marking an 8% YoY growth. This was primarily driven by higher carbon black volumes and incremental revenue contribution from Aquapharm. However, EBITDA/tn for the carbon black (CB) segment declined 11% QoQ to Rs17,655/tn, impacted by rising raw material costs and dumping by Russian players in the domestic market. Looking ahead, realizations are expected to see a modest uptick in Q1FY26. Aquapharm posted a 15% QoQ topline growth, supported by stabilization in yellow phosphorus prices. This led to improvement in the EBIT margin by 200bps during the quarter for this segment.

For FY26, we expect carbon black volumes to grow 10%, led by new capacity additions. EBITDA/tn is expected to rise by 4% YoY to Rs20,791/tn, driven by an improved product mix with higher specialty volumes and operating leverage. Aquapharm is also expected to witness gradual improvement, with volume growth to be supported by an upcoming brownfield expansion. The stock currently trades at 17x FY27 earnings. With an estimated EPS CAGR of 38% over FY25–27E, valuing the stock at 21x FY27 EPS and assigning a target price of Rs464.

- Carbon black business grew by 13% in FY25:** Consolidated revenue stood at Rs20.9bn (8% YoY, 4% QoQ; PLe: Rs21.2bn, Consensus: Rs20.6bn). FY25 revenue increased by 31% YoY to Rs84bn, backed by higher CB sales volumes which increased by 12% in FY25 and from revenue addition from the Aquapharm business which was acquired in Jan'24. Carbon black segment revenue was up 1% QoQ and YoY, while Aquapharm revenue was up 15% QoQ to Rs3.7bn during Q4FY25.
- Margins declined sequentially by 150bps:** Gross Margin stood at 29.3%, declined from 31.1% in Q3FY25 and 31.7% in Q4FY24, due to a slight increase in raw material prices. EBITDA stood at Rs2.9bn (PLe: Rs3.2bn, Consensus: Rs3.2bn) (-4% YoY, -6% QoQ). EBITDAM stood at 14.3% in Q4FY25 vs 15.8% in Q3FY25 and 16% in Q4FY24. EBIT in the Carbon black segment was down 14% QoQ and 17% YoY. EBIT Margin decreased by 230bps QoQ to 12.9%. Aquapharm saw a 79% QoQ increase in EBIT with EBIT margin improving to 5% vs 3% in Q3FY25.
- Key concall takeaways:** (1) 9-10% increase in CB volumes for FY26. (2) 30,000mtpa capacity in Tamil Nadu to be commissioned in next few weeks and another 60,000mtpa capacity to be operational by FY26 end. (3) Plan to set up 1000mtpa specialty CB plant for super conductivity grade, to be completed by end of FY26, margins for this grade will be higher. (4) Russia selling CB in India and some Asian countries at lower prices (~\$200 cheaper),

hampering domestic market. **(5)** FY25 was challenging for Aquapharm due to sharp correction in key RM yellow phosphorous prices, which have stabilized now, expect performance improvement in FY26. **(6)** The management is evaluating brownfield capex across all manufacturing locations including the USA plant for Aquapharm. **(7)** The pilot plant for nano silicon is under construction and should be ready by the end of the calendar year. **(8)** Plan to set up 5,000mtpa capacity in Mundra by FY27, margins will be almost 3x of what PCBL do for rubber carbon black. **(9)** Greenfield capex in AP to commence in 1 year, post that it will take 18months to complete, initially 150,000mtpa capacity is planned.

Exhibit 1: Q4FY25 Result Overview – Consolidated (Rs mn)

Y/e March	Q4FY25	Q4FY24	YoY gr. (%)	Q4FY25E	% Var.	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	20,875	19,288	8%	21,203	(1.5)	20,100	4%	84,043	64,198	31%
Gross Profit	6,109	6,111	0%	6,668	(8.4)	6,247	-2%	25,947	19,541	33%
Margin (%)	29.3%	31.7%		48.6		31.1%		31%	30%	
EBITDA	2,977	3,095	-4%	3,246	(8.3)	3,173	-6%	13,368	10,375	29%
Margin (%)	14.3%	16.0%		19.5		15.8%		16%	16%	
Other Income	198	232	-15%	146	35.7	111	78%	474	370	28%
Depreciation	881	752	17%	883	(0.2)	867	2%	3,457	2,173	59%
EBIT	2,293	2,575	-11%	2,508	(8.6)	2,418	-5%	10,385	8,573	21%
Interest	1,032	1,082	-5%	1,058	(2.5)	1,177	-12%	4,609	1,808	47.6
PBT before exceptional items	1,261	1,493	-16%	1,450	(13.0)	1,241	2%	5,776	6,765	(40.1)
Total Tax	259	384	-32%	356	(27.2)	304	-15%	1,424	1,852	-23%
ETR (%)	21%	26%		25%		25%		14%	22%	-37%
Adj. PAT	1,002	1,110	-10%	1,094	(8.4)	936	7%	4,352	4,913	-11%
Exceptional Items	0	0		0		5		5	0	
PAT	1,002	1,110	-10%	1,094	(8.4)	931	7.6%	4,347	4,913	-12%

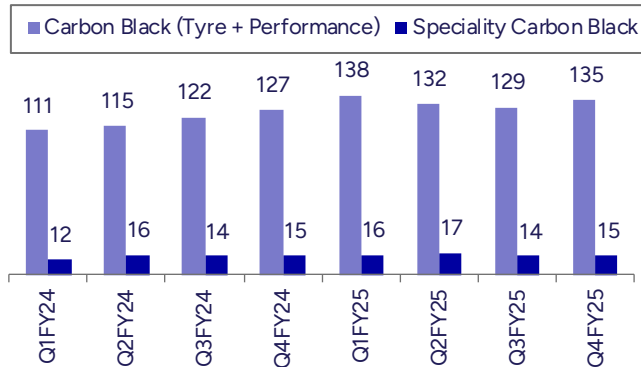
Source: Company, PL

Exhibit 2: Segmental Details (Rs mn)

Y/e March	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Carbon Black	14,426	16,150	16,460	17,343	17,531	16,475	16,674
Carbon Black revenues growth Y-o-Y (%)	-9%	21%	23%	32%	22%	2%	1%
Carbon Black revenues growth Q-o-Q (%)	10%	12%	2%	5%	1%	-6%	1%
Power	639	656	707	813	807	649	742
Power revenues growth Y-o-Y (%)	14%	32%	26%	43%	26%	-1%	5%
Power revenues growth Q-o-Q (%)	12%	3%	8%	15%	-1%	-20%	14%
Chemical	-	-	2,391	3,574	3,609	3,266	3,750
Chemical revenues growth Y-o-Y (%)							
Chemical revenues growth Q-o-Q (%)				49%	1%	-10%	15%
Total:	15,064	16,806	19,558	21,729	21,947	20,389	21,167
Less: Inter Segment Revenue	197	238	270	294	315	289	292
Net Revenue	14,867	16,568	19,288	21,436	21,632	20,100	20,875
Segmental Revenue Mix (%)							
Carbon Black	96%	96%	84%	80%	80%	81%	79%
Power	4%	4%	4%	4%	4%	3%	4%
Chemical (Aquapharm)	0%	0%	12%	16%	16%	16%	18%
Total	100%	100%	100%	100%	100%	100%	100%
Segmental EBIT							
Carbon Black	1,985	1,991	2,524	2,595	3,043	2,720	2,511
Carbon Black EBIT margin (%)	15.2%	13.8%	15.6%	15.8%	17.5%	15.5%	15.2%
Carbon Black EBIT growth Y-o-Y (%)	8%	11%	56%	53%	53%	37%	-1%
Carbon Black EBIT growth Q-o-Q (%)	17%	0%	27%	3%	17%	-11%	-8%
Power	321	416	415	471	553	497	376
Power EBIT margin (%)	57%	65%	63%	67%	68%	62%	58%
Power EBIT growth Y-o-Y (%)	3%	14%	39%	37%	72%	19%	-9%
Power EBIT growth Q-o-Q (%)	-7%	30%	0%	14%	17%	-10%	-24%
Chemical	0	0	0	-82	158	196	108
Chemical EBIT margin (%)				-3%	4%	5%	3%
Chemical EBIT growth Y-o-Y (%)							
Chemical EBIT growth Q-o-Q (%)						24%	-45%
Total:	2,407	2,939	2,984	3,754	3,412	2,995	2,777
Less: Finance Cost	210	324	1,082	1,211	1,189	1,177	1,032
Less: Unallocated Exp	481	604	409	907	585	577	484
Total EBT	1,716	2,011	1,493	1,636	1,638	1,241	1,261

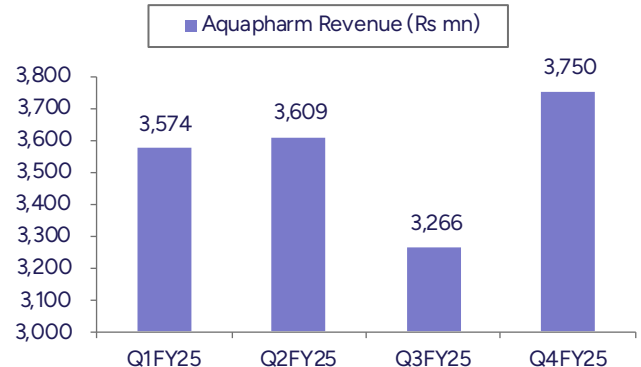
Source: Company, PL

Exhibit 3: Volumes increased by 5% QoQ and YoY



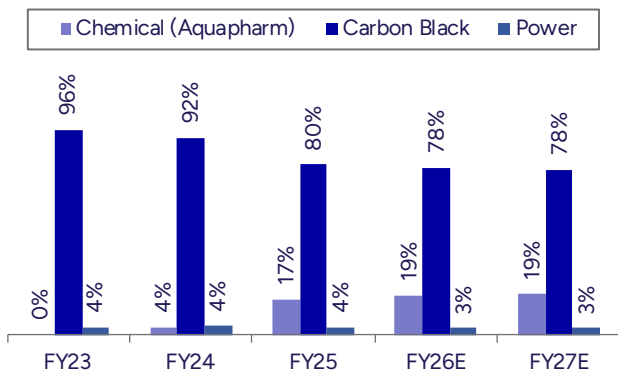
Source: Company, PL

Exhibit 4: Aquapharm Q4FY25 revenue improved by 15%



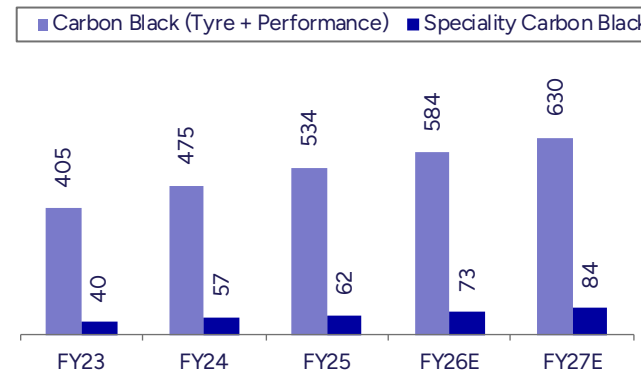
Source: Company, PL

Exhibit 5: CB segment contribution to be at 78% in FY27



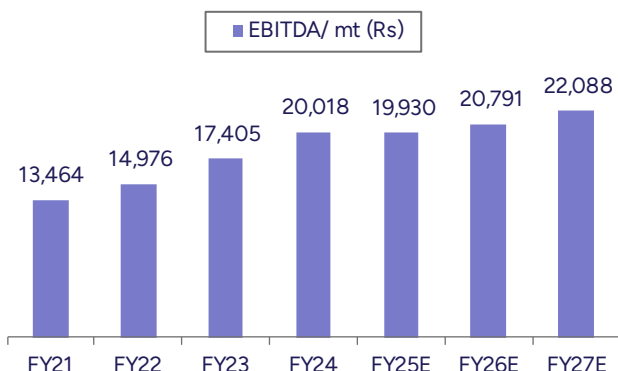
Source: Company, PL

Exhibit 6: CB sales volume to grow at 12% CAGR over FY25-27



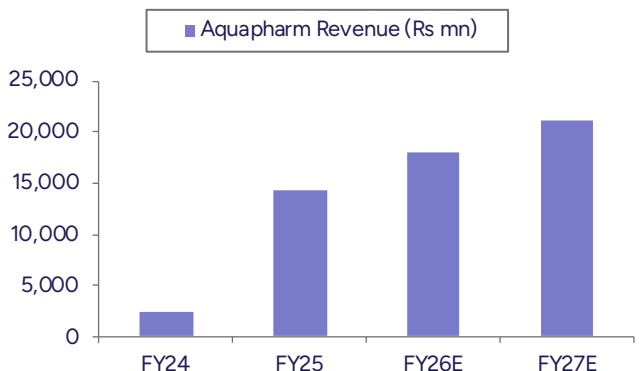
Source: Company, PL

Exhibit 7: CB EBITDA/tn to reach Rs22,088 by FY27



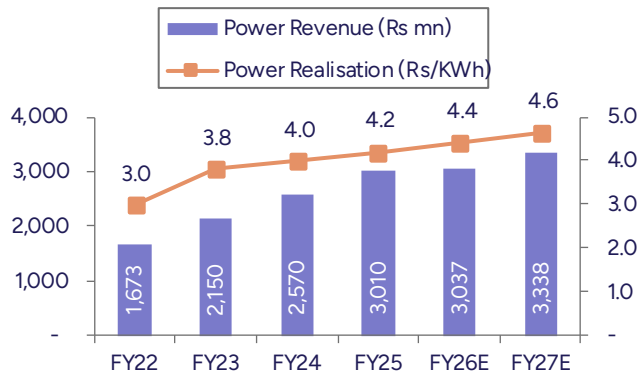
Source: Company, PL

Exhibit 8: Aquapharm revenue to reach Rs21,131mn by FY27



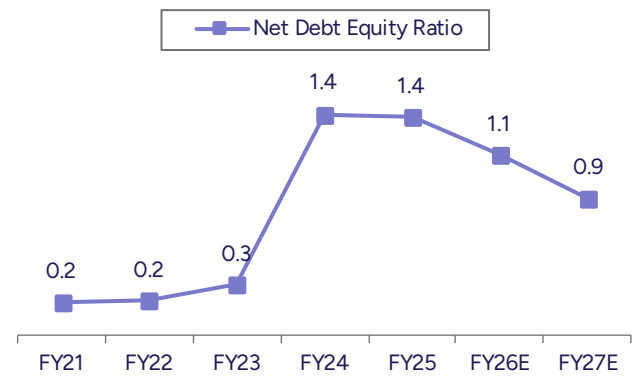
Source: Company, PL

Exhibit 9: Power revenue to grow at 22% CAGR over FY25-27



Source: Company, PL

Exhibit 10: Net debt/equity reach 0.8 by FY27



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	64,198	84,043	96,524	1,09,622
YoY gr. (%)	11.2	30.9	14.9	13.6
Cost of Goods Sold	44,657	58,095	65,648	72,827
Gross Profit	19,541	25,947	30,876	36,794
Margin (%)	30.4	30.9	32.0	33.6
Employee Cost	2,504	4,128	4,730	5,371
Other Expenses	6,662	8,451	10,946	13,248
EBITDA	10,375	13,368	15,200	18,175
YoY gr. (%)	41.9	28.8	13.7	19.6
Margin (%)	16.2	15.9	15.7	16.6
Depreciation and Amortization	2,173	3,457	3,761	4,302
EBIT	8,202	9,911	11,440	13,873
Margin (%)	12.8	11.8	11.9	12.7
Net Interest	1,808	4,609	4,208	3,846
Other Income	370	474	579	658
Profit Before Tax	6,765	5,776	7,811	10,685
Margin (%)	10.5	6.9	8.1	9.7
Total Tax	1,852	1,058	1,718	2,351
Effective tax rate (%)	27.4	18.3	22.0	22.0
Profit after tax	4,913	4,718	6,093	8,334
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,913	4,718	6,093	8,334
YoY gr. (%)	11.1	(4.0)	29.1	36.8
Margin (%)	7.7	5.6	6.3	7.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,913	4,718	6,093	8,334
YoY gr. (%)	11.1	(4.0)	29.1	36.8
Margin (%)	7.7	5.6	6.3	7.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,913	4,718	6,093	8,334
Equity Shares O/s (m)	378	378	378	378
EPS (Rs)	13.0	12.5	16.1	22.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	41,773	46,836	50,836	53,836
Tangibles	41,773	46,836	50,836	53,836
Intangibles	-	-	-	-
Acc: Dep / Amortization	7,903	11,360	15,121	19,423
Tangibles	7,903	11,360	15,121	19,423
Intangibles	-	-	-	-
Net fixed assets	33,870	35,476	35,715	34,414
Tangibles	33,870	35,476	35,715	34,414
Intangibles	-	-	-	-
Capital Work In Progress	25,993	29,362	29,362	29,362
Goodwill	11,614	6,068	6,068	6,068
Non-Current Investments	4,022	5,663	5,836	6,622
Net Deferred tax assets	(8,710)	(2,892)	(2,892)	(2,892)
Other Non-Current Assets	3,068	3,406	4,589	4,851
Current Assets				
Investments	369	-	-	-
Inventories	9,993	12,682	12,590	13,967
Trade receivables	17,102	17,937	22,478	25,528
Cash & Bank Balance	3,123	3,185	1,072	2,214
Other Current Assets	3,794	3,435	4,826	5,481
Total Assets	1,12,954	1,17,219	1,22,542	1,28,511
Equity				
Equity Share Capital	378	378	378	378
Other Equity	32,089	36,597	40,613	46,871
Total Networth	32,467	36,974	40,991	47,249
Non-Current Liabilities				
Long Term borrowings	37,766	36,469	38,000	35,000
Provisions	157	224	97	110
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	10,431	17,331	9,500	8,000
Trade payables	18,020	15,947	23,800	27,030
Other current liabilities	3,657	5,689	5,214	5,921
Total Equity & Liabilities	1,12,954	1,17,219	1,22,542	1,28,511

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	6,763	5,771	7,811	10,685
Add. Depreciation	2,173	3,457	3,761	4,302
Add. Interest	1,808	4,609	4,208	3,846
Less Financial Other Income	370	474	579	658
Add. Other	(453)	(382)	-	-
Op. profit before WC changes	10,290	13,455	15,780	18,833
Net Changes-WC	2,919	(4,075)	409	(1,918)
Direct tax	(2,156)	(1,780)	(1,718)	(2,351)
Net cash from Op. activities	11,054	7,600	14,470	14,564
Capital expenditures	18,026	53,025	(4,000)	(3,000)
Interest / Dividend Income	139	194	-	-
Others	(60,306)	(60,122)	-	-
Net Cash from Invst. activities	(42,141)	(6,903)	(4,000)	(3,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	(19,616)	(33,856)	(6,300)	(4,500)
Dividend paid	(2,076)	(2,076)	(2,076)	(2,076)
Interest paid	-	(4,751)	(4,208)	(3,846)
Others	55,500	38,923	-	-
Net cash from Fin. activities	33,808	(1,759)	(12,583)	(10,423)
Net change in cash	2,721	(1,063)	(2,113)	1,142
Free Cash Flow	5,697	(139)	10,470	11,564

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	13.0	12.5	16.1	22.1
CEPS	18.8	21.7	26.1	33.5
BVPS	86.0	97.9	108.6	125.2
FCF	15.1	(0.4)	27.7	30.6
DPS	5.5	-	5.5	5.5
Return Ratio(%)				
RoCE	14.5	12.1	13.4	16.2
ROIC	10.4	9.8	10.2	12.3
RoE	16.1	12.5	15.6	18.8
Balance Sheet				
Net Debt : Equity (x)	1.4	1.4	1.1	0.9
Net Working Capital (Days)	76	88	65	65
Valuation(x)				
PER	29.4	30.7	23.7	17.4
P/B	4.5	3.9	3.5	3.1
P/CEPS	20.4	17.7	14.7	11.4
EV/EBITDA	18.3	14.6	12.6	10.2
EV/Sales	2.9	2.3	2.0	1.7
Dividend Yield (%)	1.4	-	1.4	1.4

Source: Company Data, PL Research

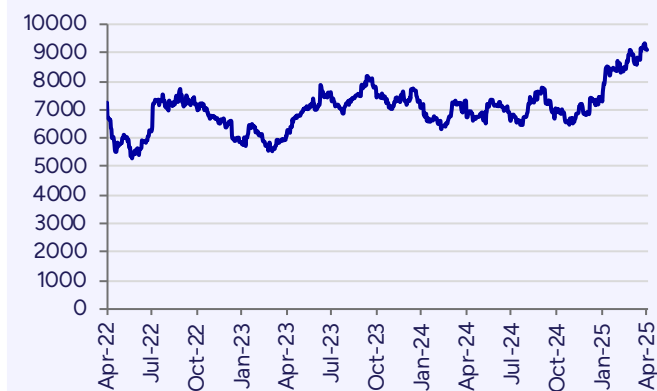
Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	21,436	21,632	20,100	20,875
YoY gr. (%)	59.1	45.5	21.3	8.2
Raw Material Expenses	14,491	14,986	13,853	14,766
Gross Profit	6,945	6,646	6,247	6,109
Margin (%)	32.4	30.7	31.1	29.3
EBITDA	3,583	3,635	3,173	2,977
YoY gr. (%)	70.0	52.7	13.8	(3.8)
Margin (%)	16.7	16.8	15.8	14.3
Depreciation / Depletion	845	864	867	881
EBIT	2,738	2,771	2,307	2,095
Margin (%)	12.8	12.8	11.5	10.0
Net Interest	1,211	1,189	1,177	1,032
Other Income	109	57	111	198
Profit before Tax	1,636	1,638	1,235	1,261
Margin (%)	7.6	7.6	6.1	6.0
Total Tax	457	404	304	259
Effective tax rate (%)	27.9	24.6	24.6	20.6
Profit after Tax	1,179	1,235	931	1,002
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,179	1,235	936	1,007
YoY gr. (%)	7.8	0.5	(36.7)	(9.2)
Margin (%)	5.5	5.7	4.7	4.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,179	1,235	936	1,007
YoY gr. (%)	7.8	0.5	(36.7)	(9.2)
Margin (%)	5.5	5.7	4.7	4.8
Other Comprehensive Income	687	1,448	(507)	-
Total Comprehensive Income	1,866	2,683	430	1,007
Avg. Shares O/s (m)	378	378	378	378
EPS (Rs)	3.1	3.3	2.5	2.7

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	BUY	542	393
2	24-Mar-25	BUY	543	423

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	PCBL Chemical	BUY	542	393

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

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