

July 23, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	474		475	
Sales (Rs. m)	96,246	1,10,801	96,524	1,09,622
% Chng.	(0.3)	1.1		
EBITDA (Rs. m)	15,008	17,989	15,200	18,175
% Chng.	(1.3)	(1.0)		
EPS (Rs.)	15.4	21.5	15.9	22.1
% Chng.	(3.4)	(2.5)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	64,198	84,043	96,246	1,10,801
EBITDA (Rs. m)	10,375	13,368	15,008	17,989
Margin (%)	16.2	15.9	15.6	16.2
PAT (Rs. m)	4,913	4,352	5,809	8,126
EPS (Rs.)	13.0	11.5	15.4	21.5
Gr. (%)	11.1	(11.4)	33.5	39.9
DPS (Rs.)	5.5	5.5	5.5	5.5
Yield (%)	1.4	1.4	1.4	1.4
RoE (%)	16.1	12.5	14.9	18.5
RoCE (%)	14.5	12.1	13.1	15.9
EV/Sales (x)	3.1	2.4	2.1	1.8
EV/EBITDA (x)	19.1	15.3	13.4	11.0
PE (x)	31.2	35.3	26.4	18.9
P/BV (x)	4.7	4.1	3.8	3.3

Key Data

PCBL.BO | PCBL IN

52-W High / Low	Rs.585 / Rs.259
Sensex / Nifty	82,727 / 25,220
Market Cap	Rs.153bn / \$ 1,775m
Shares Outstanding	377m
3M Avg. Daily Value	Rs.682.56m

Shareholding Pattern (%)

Promoter's	51.41
Foreign	5.52
Domestic Institution	11.12
Public & Others	31.95
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	4.6	8.1	47.2
Relative	3.6	-	43.1

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Muted realization leads to lower EBITDA/t

Quick Pointers:

- Pilot plant for Nanovace to be commissioned by Q3FY26 in Palej
- Additional 20,000mtpa specialty carbon black (CB) capacity announced, to be commissioned in the next few quarters

PCBL reported consolidated revenue of Rs21.1bn in Q1FY26, remaining largely flat both on QoQ and YoY basis. In the CB segment, volumes grew 3% sequentially, though realization remained flat. EBITDA/t stood at Rs17,791, stable QoQ, but lower YoY, primarily due to pricing pressure from increased dumping by Russian players in the domestic market. Going forward, realization is expected to remain largely stable. Power segment delivered strong performance, aided by higher realization and increased external sales. Aquapharm posted 7% YoY growth in topline, supported by 9% volume growth. However, EBITDAM declined by 220bps YoY due to elevated operating costs.

For FY26/FY27, we expect CB volumes to grow by 8%/11%, driven by new capacity additions. EBITDA/t is expected to reach Rs20,392 in FY26 and Rs21,290 by FY27 to be driven by increased share of specialty products. Aquapharm is also expected to gradually recover, with volume growth aided by the upcoming brownfield expansion. The stock currently trades at 19x FY27 earnings. With an estimated EPS CAGR of 37% over FY25–27E, valuing the stock at 22x FY27 EPS and assigning a target price of Rs474.

- **CB segment delivers flat performance sequentially:** Consolidated revenue stood at Rs21.1bn (-1% YoY, 1% QoQ; PLe: Rs22bn, Consensus: Rs21bn). Revenue mix for CB, Power and Chemicals business stood at 78%, 5% and 18%, respectively. CB segment remained flat sequentially, while Chemicals segment grew by 2%. Power segment saw the highest growth of 22% YoY and 34% QoQ.
- **Margins improve sequentially by 70bps:** At 31.2%, gross margin improved from 29.3% in Q4FY25 but moderated from 32.4% in Q1FY25, due to marginal YoY increase in raw material costs. EBITDA came in at Rs3.2bn (PLe: Rs 3.3bn; Consensus: Rs3bn), down 11% YoY, but up 7% QoQ. EBITDA margin stood at 15.1%, compared to 14.3% in Q4FY25 and 16.7% in Q1FY25. EBIT from CB segment declined 25% YoY, but grew 5% QoQ, with EBIT margin contracting 390bps YoY to 13.6%. Chemicals segment reported 25% QoQ decline in EBIT, with margins at 4% versus 5% in the previous quarter.
- **Key concall takeaways: (1)** CB sales in the spot market account for 30%, contractual mix accounts for 60%, and rest is specialty. **(2)** Orion announced plans to shut down CB capacity in North America and Europe; the closure will be a positive for PCBL in the long term. **(3)** The company is planning to set up additional 20,000mtpa specialty black capacity in Mundra in next few quarters, which will take total specialty capacity to 132,000mtpa. **(4)** 30,000mtpa capacity in Tamil Nadu is likely to be commissioned in the next few weeks and another 60,000mtpa capacity along with 12MW power

capacity is likely to be operational by FY26 end. **(5)** Capex for 1,000mtpa specialty CB plant for superconductivity grade is set to be completed by the end of FY26 in Palej. **(6)** Rs3-4/kg incremental EBITDA/t is expected to come from operational efficiency as well as change in product mix. **(7)** Aquapharm has commissioned a new polymer line with capacity of 11,500mtpa at Mahad; the remaining ongoing capacity addition is expected to be operational over the next 2–3 months. **(8)** The impact of freight costs for Aquapharm during the quarter was Rs60mn. **(9)** The pilot plant for nano silicon is under construction and should be ready by Q3FY26. **(10)** Technology transfer for setting up a 5,000mtpa acetylene black facility in Mundra by FY27, is complete, and detailed engineering work is underway.

Exhibit 1: Q1FY26 Result Overview – Consolidated (Rs mn)

Y/e March	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	21,141	21,436	-1%	22,134	(4.5)	20,875	1%	96,246	84,043	15%
Gross Profit	6,595	6,945	-5%	6,782	(2.7)	6,109	8%	30,863	25,947	19%
Margin (%)	31.2%	32.4%		30.6%		29.3%		32%	31%	
EBITDA	3,191	3,583	-11%	3,350	(4.8)	2,977	7%	15,008	13,368	12%
Margin (%)	15.1%	16.7%		15.1%		14.3%		16%	16%	
Other Income	58	109	-47%	116	(49.9)	198	-71%	577	474	22%
Depreciation	924	845	9%	903	2.3	881	5%	3,811	3,457	10%
EBIT	2,325	2,847	-18%	2,563	(9.3)	2,293	1%	11,775	10,385	13%
Interest	1,124	1,211	-7%	1,076	4.4	1,032	9%	4,326	4,609	47.6
PBT before exceptional items	1,202	1,636	-27%	1,487	(19.2)	1,261	-5%	7,448	5,776	(40.1)
Total Tax	261	457	-43%	339	(23.2)	259	0%	1,639	1,424	15%
ETR (%)	22%	28%		23%		21%		22%	14%	60%
Adj. PAT	941	1,179	-20%	1,147	(18.0)	1,002	-6%	5,809	4,352	33%
Exceptional Items	0	0		0		0		0	-5	
PAT	941	1,179	-20%	1,147	(18.0)	1,002	-6.1%	5,809	4,347	34%

Source: Company, PL

Exhibit 2: Segmental Details (Rs mn)

Y/e March	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Carbon Black	16,150	16,460	17,343	17,531	16,475	16,674	16,636
Carbon Black revenues growth Y-o-Y (%)	21%	23%	32%	22%	2%	1%	-4%
Carbon Black revenues growth Q-o-Q (%)	12%	2%	5%	1%	-6%	1%	0%
Power	656	707	813	807	649	742	993
Power revenues growth Y-o-Y (%)	32%	26%	43%	26%	-1%	5%	22%
Power revenues growth Q-o-Q (%)	3%	8%	15%	-1%	-20%	14%	34%
Chemical	-	2,391	3,574	3,609	3,266	3,750	3,825
Chemical revenues growth Y-o-Y (%)						57%	7%
Chemical revenues growth Q-o-Q (%)			49%	1%	-10%	15%	2%
Total:	16,806	19,558	21,729	21,947	20,389	21,167	21,455
Less: Inter Segment Revenue	238	270	294	315	289	293	314
Net Revenue	16,568	19,288	21,436	21,632	20,100	20,874	21,141

Segmental Revenue Mix (%)

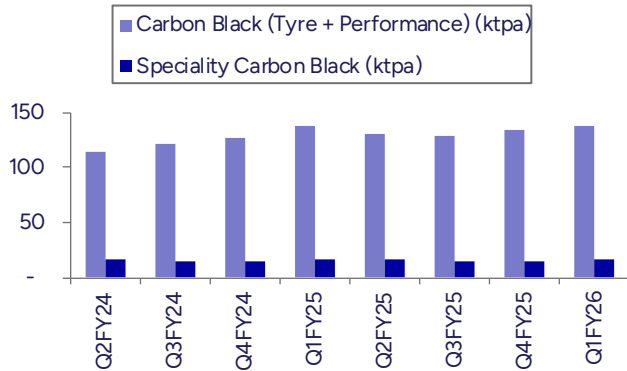
Carbon Black							
Power	96%	84%	80%	80%	81%	79%	78%
Chemical (Aquapharm)	4%	4%	4%	4%	3%	4%	5%
Total	0%	12%	16%	16%	16%	18%	18%

Segmental EBIT

Carbon Black	2,524	2,595	3,043	2,720	2,511	2,150	2,267
Carbon Black EBIT margin (%)	15.6%	15.8%	17.5%	15.5%	15.2%	12.9%	13.6%
Carbon Black EBIT growth Y-o-Y (%)	56%	53%	53%	37%	-1%	-17%	-25%
Carbon Black EBIT growth Q-o-Q (%)	27%	3%	17%	-11%	-8%	-14%	5%
Power	415	471	553	497	376	433	678
Power EBIT margin (%)	63%	67%	68%	62%	58%	58%	68%
Power EBIT growth Y-o-Y (%)	39%	37%	72%	19%	-9%	-8%	23%
Power EBIT growth Q-o-Q (%)	0%	14%	17%	-10%	-24%	15%	57%
Chemical	0	-82	158	196	108	194	145
Chemical EBIT margin (%)		-3.4%	4.4%	5.4%	3.3%	5.2%	3.8%
Chemical EBIT growth Y-o-Y (%)							-8%
Chemical EBIT growth Q-o-Q (%)			-294%	24%	-45%	79%	-25%
Total:	2,939	2,984	3,754	3,412	2,995	2,777	3,090
Less: Finance Cost	324	1,082	1,211	1,189	1,177	1,032	1,124
Less: Unallocated Exp	604	409	907	585	577	484	765
Total EBT	2,011	1,493	1,636	1,638	1,241	1,261	1,202

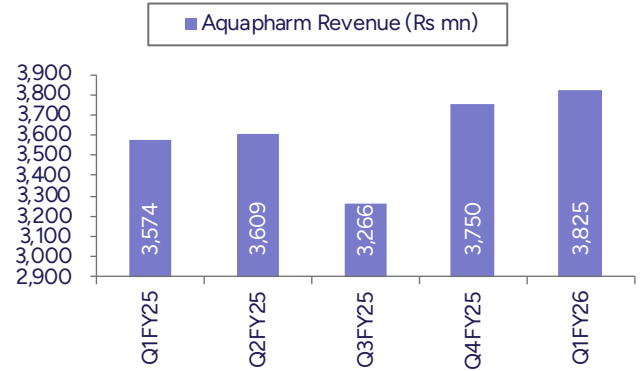
Source: Company, PL

Exhibit 3: Volumes increase by 3% QoQ



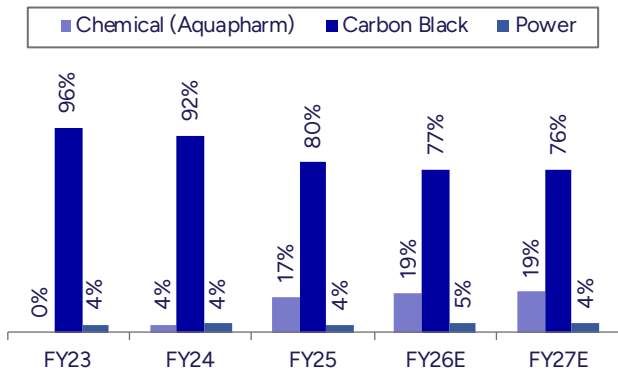
Source: Company, PL

Exhibit 4: Aquapharm Q1FY26 revenue improves by 7%



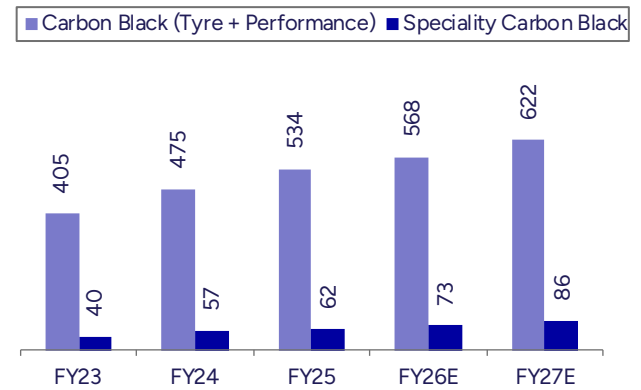
Source: Company, PL

Exhibit 5: CB segment contribution to be at 77% in FY27



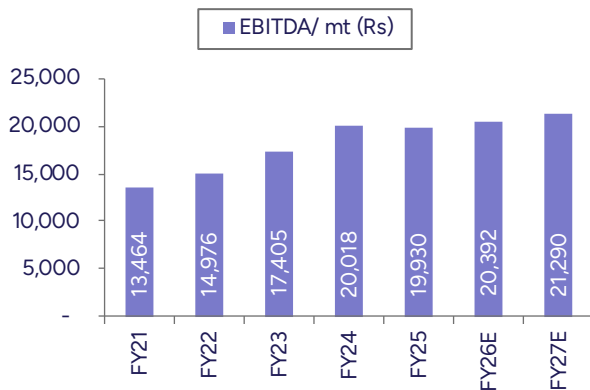
Source: Company, PL

Exhibit 6: CB sales volume to grow at 10% CAGR over FY25-27



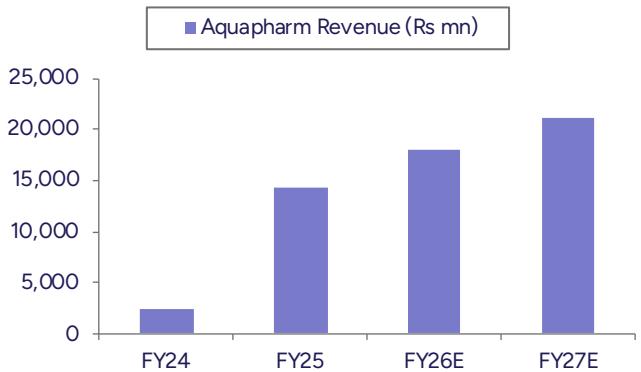
Source: Company, PL

Exhibit 7: CB EBITDA/t to reach Rs21,290 by FY27



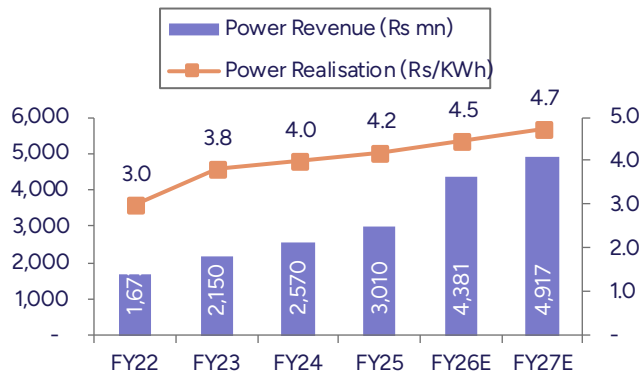
Source: Company, PL

Exhibit 8: Aquapharm revenue to reach Rs21bn by FY27



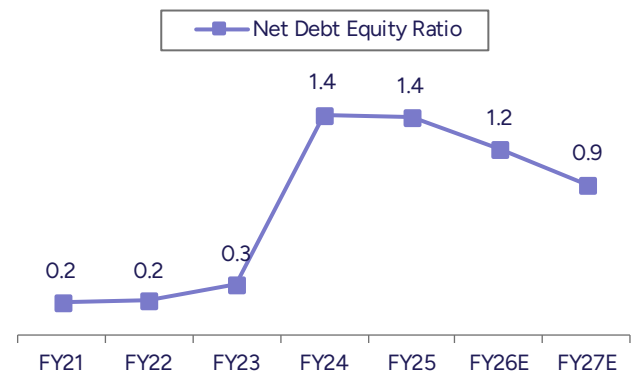
Source: Company, PL

Exhibit 9: Power revenue to grow at 28% CAGR over FY25-27



Source: Company, PL

Exhibit 10: Net debt/equity reach 0.9 by FY27



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	64,198	84,043	96,246	1,10,801
YoY gr. (%)	11.2	30.9	14.5	15.1
Cost of Goods Sold	44,657	58,095	65,384	73,720
Gross Profit	19,541	25,947	30,863	37,081
Margin (%)	30.4	30.9	32.1	33.5
Employee Cost	2,504	4,128	4,812	5,540
Other Expenses	6,662	8,451	11,043	13,553
EBITDA	10,375	13,368	15,008	17,989
YoY gr. (%)	41.9	28.8	12.3	19.9
Margin (%)	16.2	15.9	15.6	16.2
Depreciation and Amortization	2,173	3,457	3,811	4,304
EBIT	8,202	9,911	11,197	13,684
Margin (%)	12.8	11.8	11.6	12.4
Net Interest	1,808	4,609	4,326	3,931
Other Income	370	474	577	665
Profit Before Tax	6,765	5,776	7,448	10,418
Margin (%)	10.5	6.9	7.7	9.4
Total Tax	1,852	1,424	1,639	2,292
Effective tax rate (%)	27.4	24.7	22.0	22.0
Profit after tax	4,913	4,352	5,809	8,126
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,913	4,352	5,809	8,126
YoY gr. (%)	11.1	(11.4)	33.5	39.9
Margin (%)	7.7	5.2	6.0	7.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,913	4,352	5,809	8,126
YoY gr. (%)	11.1	(11.4)	33.5	39.9
Margin (%)	7.7	5.2	6.0	7.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,913	4,352	5,809	8,126
Equity Shares O/s (m)	378	378	378	378
EPS (Rs)	13.0	11.5	15.4	21.5

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	51,836	56,836
Tangibles	41,773	46,836	51,836	56,836
Intangibles	-	-	-	-
Acc: Dep / Amortization	7,903	11,360	15,171	19,475
Tangibles	7,903	11,360	15,171	19,475
Intangibles	-	-	-	-
Net fixed assets	33,870	35,476	36,665	37,361
Tangibles	33,870	35,476	36,665	37,361
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	5,820	6,693
Net Deferred tax assets	(8,710)	(2,892)	(2,892)	(2,892)
Other Non-Current Assets	3,068	3,406	4,583	4,874
Current Assets				
Investments	369	-	-	-
Inventories	9,993	12,682	12,539	14,138
Trade receivables	17,102	17,937	22,414	25,803
Cash & Bank Balance	3,123	3,185	401	55
Other Current Assets	3,794	3,435	4,812	5,540
Total Assets	1,12,954	1,17,219	1,22,669	1,29,899
Equity				
Equity Share Capital	378	378	378	378
Other Equity	32,089	36,597	40,330	46,380
Total Networth	32,467	36,974	40,708	46,757
Non-Current Liabilities				
Long Term borrowings	37,766	36,469	35,000	33,000
Provisions	157	224	96	111
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	10,431	17,331	13,000	11,500
Trade payables	18,020	15,947	23,732	27,321
Other current liabilities	3,657	5,689	5,199	5,985
Total Equity & Liabilities	1,12,954	1,17,219	1,22,669	1,29,899

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	6,763	5,771	7,448	10,418
Add. Depreciation	2,173	3,457	3,811	4,304
Add. Interest	1,808	4,609	4,326	3,931
Less Financial Other Income	370	474	577	665
Add. Other	(453)	(382)	-	-
Op. profit before WC changes	10,290	13,455	15,585	18,653
Net Changes-WC	2,919	(4,075)	471	(2,200)
Direct tax	(2,156)	(1,780)	(1,639)	(2,292)
Net cash from Op. activities	11,054	7,600	14,418	14,162
Capital expenditures	18,026	53,025	(5,000)	(5,000)
Interest / Dividend Income	139	194	-	-
Others	(60,306)	(60,122)	-	-
Net Cash from Inv. activities	(42,141)	(6,903)	(5,000)	(5,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	(19,616)	(33,856)	(5,800)	(3,500)
Dividend paid	(2,076)	(2,076)	(2,076)	(2,076)
Interest paid	-	(4,751)	(4,326)	(3,931)
Others	55,500	38,923	-	-
Net cash from Fin. activities	33,808	(1,759)	(12,202)	(9,508)
Net change in cash	2,721	(1,063)	(2,785)	(346)
Free Cash Flow	5,697	(139)	9,418	9,162

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	13.0	11.5	15.4	21.5
CEPS	18.8	20.7	25.5	32.9
BVPS	86.0	97.9	107.8	123.9
FCF	15.1	(0.4)	24.9	24.3
DPS	5.5	5.5	5.5	5.5
Return Ratio(%)				
RoCE	14.5	12.1	13.1	15.9
ROIC	10.4	9.1	9.9	11.9
RoE	16.1	12.5	14.9	18.5
Balance Sheet				
Net Debt : Equity (x)	1.4	1.4	1.2	1.0
Net Working Capital (Days)	76	88	65	65
Valuation(x)				
PER	31.2	35.3	26.4	18.9
P/B	4.7	4.1	3.8	3.3
P/CEPS	21.7	19.6	15.9	12.3
EV/EBITDA	19.1	15.3	13.4	11.0
EV/Sales	3.1	2.4	2.1	1.8
Dividend Yield (%)	1.4	1.4	1.4	1.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	21,632	20,100	20,875	21,141
YoY gr. (%)	45.5	21.3	8.2	(1.4)
Raw Material Expenses	14,986	13,853	14,766	14,545
Gross Profit	6,646	6,247	6,109	6,595
Margin (%)	30.7	31.1	29.3	31.2
EBITDA	3,635	3,173	2,977	3,191
YoY gr. (%)	52.7	13.8	(3.8)	(10.9)
Margin (%)	16.8	15.8	14.3	15.1
Depreciation / Depletion	864	867	881	924
EBIT	2,771	2,307	2,095	2,267
Margin (%)	12.8	11.5	10.0	10.7
Net Interest	1,189	1,177	1,032	1,124
Other Income	57	111	198	58
Profit before Tax	1,638	1,235	1,261	1,202
Margin (%)	7.6	6.1	6.0	5.7
Total Tax	404	304	259	261
Effective tax rate (%)	24.6	24.6	20.6	21.7
Profit after Tax	1,235	931	1,002	941
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,235	936	1,002	941
YoY gr. (%)	0.5	(36.7)	(9.7)	(20.2)
Margin (%)	5.7	4.7	4.8	4.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,235	936	1,002	941
YoY gr. (%)	0.5	(36.7)	(9.7)	(20.2)
Margin (%)	5.7	4.7	4.8	4.5
Other Comprehensive Income	1,448	(507)	430	342
Total Comprehensive Income	2,683	430	1,432	1,283
Avg. Shares O/s (m)	378	378	378	378
EPS (Rs)	3.3	2.5	2.7	2.5

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jul-25	BUY	464	409
2	29-Apr-25	BUY	464	383
3	08-Apr-25	BUY	542	393
4	24-Mar-25	BUY	543	423

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	PCBL Chemical	BUY	464	383

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

(Indian Clients)

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