

September 9, 2025

Analyst Meet Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	474		474	
Sales (Rs. m)	96,246	1,10,801	96,246	1,10,801
% Chng.	-	-	-	-
EBITDA (Rs. m)	15,008	17,989	15,008	17,989
% Chng.	-	-	-	-
EPS (Rs.)	15.4	21.5	15.4	21.5
% Chng.	-	-	-	-

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)	3.0	2.3	2.0	1.7
EV/EBITDA (x)	18.3	14.7	12.9	10.6
PE (x)	29.6	33.4	25.0	17.9
P/BV (x)	4.5	3.9	3.6	3.1

Key Data

PCBL.BO | PCBL IN

52-W High / Low	Rs.585 / Rs.331
Sensex / Nifty	80,787 / 24,773
Market Cap	Rs.145bn/ \$ 1,647m
Shares Outstanding	377m
3M Avg. Daily Value	Rs.524.71m

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	2.4	(1.5)	(19.3)
Relative	1.2	(9.4)	(18.9)

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Ambitious FY30 targets

Quick Pointers:

- FY30 Vision: 2x revenue, 3x EBITDA, and 5x PAT
- Focus on expanding specialty portfolio, including superconductive grades and nano silicon

PCBL held its investor day, where the management outlined its vision and strategic roadmap for FY30. The company has set an ambitious target of tripling EBITDA from Rs13.4bn in FY25 to Rs40bn by FY30, through portfolio diversification and capacity expansion. A key growth lever will be its foray into high-value products such as nano silicon, acetylene black, and superconductive CB grades. Of the Rs26.5bn incremental EBITDA, the conductive segment alone is expected to contribute Rs14bn, with margins guided at 40–50%. Another Rs5bn is expected from capacity additions in rubber and specialty CB, while Aquapharm is likely to deliver incremental EBITDA of Rs6bn. However, we remain cautious on this front as the business has struggled since its acquisition, and achieving the target will require a sharp jump in both volumes and EBITDA/kg.

For the near term, we expect CB volumes to grow by 8% in FY26 and 10% in FY27, with EBITDA/t improving to Rs20,392 and Rs21,290, supported by rising share of specialty products. Aquapharm is likely to see a gradual recovery, while new growth segments such as superconductive grades, acetylene black, and nano silicon are expected to contribute meaningfully only from FY28. We maintain our 'BUY' rating on the stock valuing it at 22x FY27 EPS and assigning TP of Rs474.

- **Targeting 2x revenue, 3x EBITDA, 5x PAT by FY30:** PCBL aims to double its revenue to Rs160bn, triple EBITDA to Rs40bn and deliver 5x PAT, while reducing net debt/EBITDA to <1 by FY30. Key focus area involves increasing specialty chemicals revenue share from 28% in FY25 to 45% while increasing specialty EBITDA contribution from 28% to 63%. The growth strategy involves capacity additions across business segments, including 240,000mtpa of CB expansion, 50,000mtpa of specialty black capacity, and doubling of Aquapharm capacity in phases.
- **Superconductive grades and nano silicon to drive margin upside:** PCBL is expanding its specialty chemicals portfolio into high-margin products such as superconductive grades, acetylene black, and nano silicon. The company is setting up a 1,000mtpa superconductive grade facility and a 4,000mtpa acetylene black plant, alongside a pilot plant for nano silicon, all of which are expected to be commercialized in FY26/FY27. These initiatives mark a strategic shift towards next-generation specialty applications, positioning PCBL to capture premium markets and enhance its long-term profitability profile.

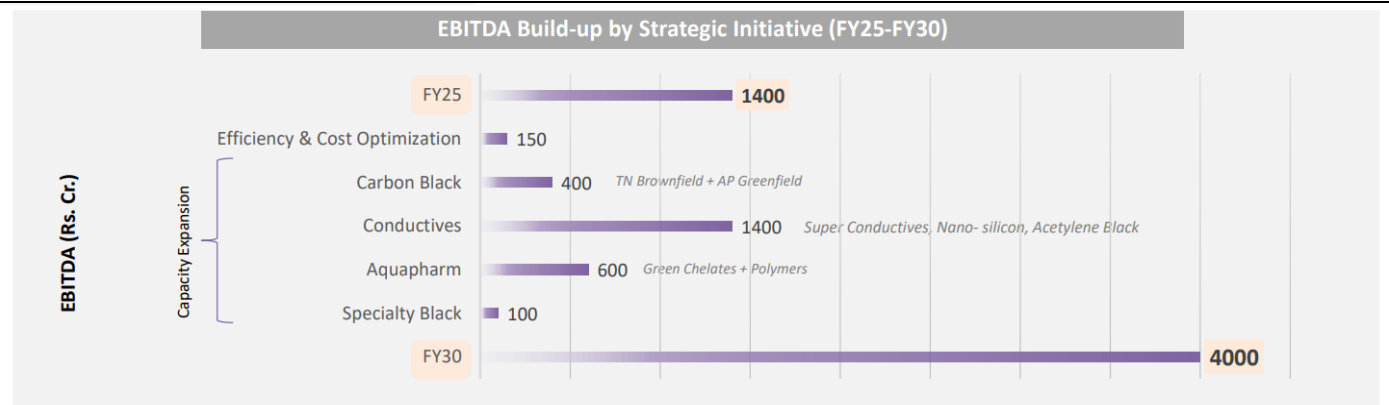
- **Plans to double Aquapharm capacity by FY30:** PCBL plans to double Aquapharm capacity in phases, with incremental segment EBITDA targeted at Rs6bn by FY30. However, we believe that this journey will face challenges, as EBITDA/kg stands at only Rs18–20. Achieving the target will require a significant increase in both EBITDA/kg and volume when the business is yet to see traction since its acquisition in Jan'24.

Exhibit 1: PCBL capacity addition plans

Details	Capacity Addition (mtpa)	Capex (Rs mn)	Comment
CB	240,000		Andhra Pradesh 150,000mtpa plant capex is expected to be Rs11bn
Power	12MW	-	
Specialty CB	50,000	-	For ongoing 20,000mtpa capacity, capex is Rs850-900mn
Superconductive CB grades	1,000	600	
Acetylene black	4,000	600	
Nano silicon	1-2,000	5,000	Total capex of Rs5bn in 2 phases, currently pilot is been set up
Aquapharm	150,000	6,000	Planned doubling of capacity across products in phases

Source: Company, PL

Exhibit 2: Targeting EBITDA to reach Rs40bn by FY30



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	29.6	33.4	25.0	17.9
P/B	4.5	3.9	3.6	3.1
P/CEPS	20.5	18.6	15.1	11.7
EV/EBITDA	18.3	14.7	12.9	10.6
EV/Sales	3.0	2.3	2.0	1.7
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	23-Jul-25	BUY	474	406
2	07-Jul-25	BUY	464	409
3	29-Apr-25	BUY	464	383
4	08-Apr-25	BUY	542	393
5	24-Mar-25	BUY	543	423

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	PCBL Chemical	BUY	474	406

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

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