

September 9, 2025

Vision 2030: 2x Revenues, 3x EBITDA, 5x PAT...

About the stock: PCBL Chemicals (erstwhile Phillips Carbon Black) is the leading manufacturer of carbon black, which is used as a reinforcing material in tyres.

- Recently acquired speciality chemical company i.e. Aquapharm Chemicals

Analyst Day Takeaways

- PCBL Chemicals has shared its Vision 2030 at the group Analyst Day event held on 8th Sep'25, wherein it intends to 2x the revenues by 2030 vs. 2025, grow EBITDA to 3x and target PAT of 5x. All this will be achieved amidst calibrated capex spends (~₹ 3,000 crore over a 5-year period) with Net Debt: EBITDA declining from ~3.6x to <1 in the same time period.
- Base carbon black capacity is targeted to be enhanced from existing 7.9 lakh tonne to over 1 million tonne by FY28 which includes a new greenfield plant in the state of AP (capacity 1.5 lakh tonne, at a capex of ~₹1,100 crore). It also includes current brownfield expansion of ~90,000 tonne at TN plant. New AP plant can potentially house ~4 lakh tonne capacity.
- Existing capacity in specialty grade carbon black is pegged at ~1.1 lakh tonne with realisable volumes pegged at ~70,000 tonne. It aims to further augment capacity in this domain by ~50,000 tonne going forward, which shall upgrade the overall profitability of the carbon black segment.
- Aquapharm operates in the niche water chemical space. PCBL is targeting quantum jump in sales & profitability in this domain, primarily driven by better capacity utilisation, expansions and cost efficiencies. It is targeting sales in this space to grow from ~₹ 1,400 crore in FY25 to ~₹ 3,400 crore in FY30E with EBITDA margins improving from ~13.5% to 20-21%
- In FY30, it is also targeting an ambitious ~₹ 1,400 crore EBITDA from new verticals which includes super conductive grade carbon black (~1,000 tonne capacity), acetylene black (~4,000 tonne capacity) and most importantly its nano-silica venture (~2,000 tonne capacity in phase 1).
- In nano-silica domain, prevailing ASPs are at ~US\$ 300/kg with cost of production pegged at ~US\$ 150-160/kg. PCBL with the technology developed by the JV partner can produce the same at ~US\$40-50/kg and with potential ASP drop to ~US\$ 100/kg by FY29E. In this domain, it plans to generate ~₹ 1,700 crore revenues & ~₹ 850 crore EBITDA by FY29E. In FY30E it intends to produce ~3,000 tonne of nano-silica. This material finds application in EV battery domain with functional attributes as extended battery range (25-100%), 4x faster charging & 2-5x longer battery life.

Rating and Target Price

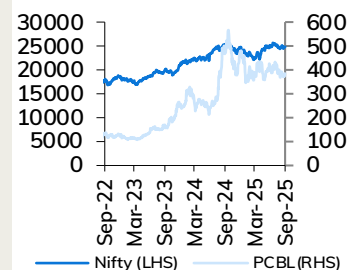
- Long term growth prospects at PCBL remain unchanged however since quantum jump in numbers will start reflecting from FY28E onwards, we expect the wealth creation journey to be steady in near to medium term. With unchanged estimates, we continue to **remain positive on PCBL and retain our BUY rating with target price of ₹ 480 i.e. 25x P/E on FY27E.**

**Particulars**

Stock Data	₹ crore
Market Capitalization	14,534
Total Debt (FY25)	5,380
Cash & Cash Eqv (FY25)	389
Enterprise Value	19,524
52 week H/L (₹)	584 / 331
Equity Capital	37.8
Face Value	₹ 1

Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	51.4	51.4	51.4	51.4
FII	5.0	5.2	5.6	5.5
DII	6.8	6.7	8.9	9.9
Other	36.8	36.7	34.1	33.2

Price Chart**Recent event & key risks**

- Conducts Analyst Day in Mumbai, shares Vision 2030.
- Key Risk: (i) delay in executing growth at new vertical of super conductive grades & nano silica (ii) lower than built in volume growth in base business

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Key Financial Summary

Key Financials	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	2 year CAGR (FY25-27E)
Net Sales	2,660	4,446	5,774	6,420	8,404	21.0%	8,983	10,144	9.9%
EBITDA	519	653	731	1,037	1,337	23.5%	1,480	1,796	15.9%
EBITDA Margins (%)	19.5	14.7	12.7	16.2	15.9		16.5	17.7	
Net Profit	312	426	442	491	435	8.9%	522	757	32.0%
EPS (₹)	9.1	11.3	11.7	13.0	11.5		13.3	19.2	29.3%
P/E	42.5	34.1	32.9	29.6	33.4		29.0	20.0	
RoNW (%)	16.2	16.3	15.6	15.1	11.8		12.1	16.0	
RoCE (%)	16.1	16.1	15.8	10.2	10.9		11.7	14.1	

Source: Company, ICICI Direct Research

Key Charts from recent presentation

Exhibit 1: PCBL Chemicals – Vision 2030 – key financial parameters

Growth Vision 2030



Vision Unpacked

	FY25	2030
Revenue (Rs. Cr.)	8,400	16,000
Share of Specialty Chemicals (in Revenue)	28%	45%
EBITDA Margin	16.5%	24%
Share of Specialty Chemicals (in EBITDA)	28%	63%
Gearing: Net Debt to EBITDA	3.6x	<1x

Source: Company, ICICI Direct Research

Exhibit 2: Vision 2030 – new verticals – growth engine

	Acetylene Black	<ul style="list-style-type: none"> ✓ High-purity carbon black from pyrolysis of acetylene gas ✓ Building a specialized portfolio for energy solutions & advanced materials ✓ Application: Energy solutions, ESD applications, conductive polymers
	Nano Silicon	<ul style="list-style-type: none"> ✓ Conversion of Silicon precursors to battery grade Nano Silicon & other composites ✓ US patent secured for proprietary nanomaterial process ✓ 25-100% Extended battery range 4x Faster charging 2-5x Longer battery life
	Super Conductive Carbons	<ul style="list-style-type: none"> ✓ Enhancing electrode conductivity and extending cycle life in Li-ion batteries. ✓ Electric mobility is driving strong demand for conductive grades of specialty CB
	Green Chelates & Polymers	<ul style="list-style-type: none"> ✓ Demand across detergent, cleaning, and personal care segments ✓ Biodegradable polymers safer, efficient alternatives in water treatment & cleaning ✓ New 9,200 TPA polymer capacity commissioned at Mahad in May 2025
	Carbon Composites	<ul style="list-style-type: none"> ✓ Better Mileage ✓ Fuel efficiency ✓ Road Safety and lesser rolling resistance

Source: Company, ICICI Direct Research

Exhibit 3: EBITDA roadmap 3x over FY25-30E

Vision to EBITDA Roadmap

3X EBITDA Growth

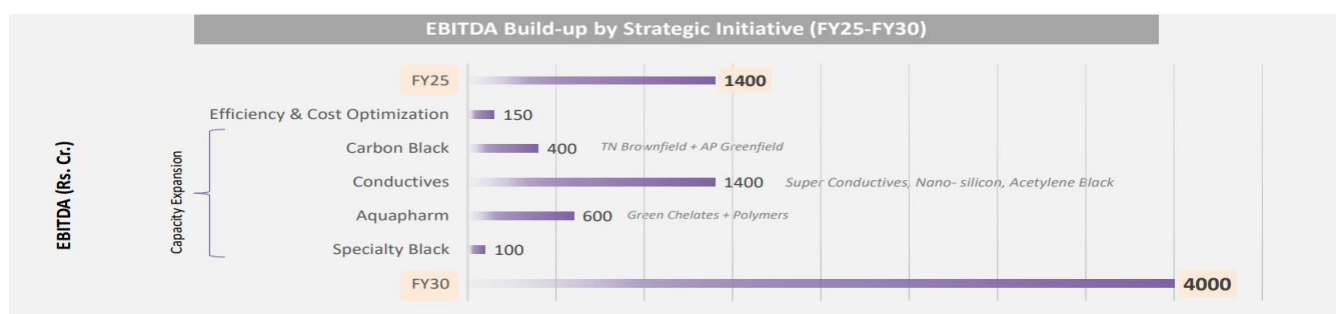
Strategic initiatives to drive 200% increase in EBITDA from ~Rs. 1,400 Cr. to ~Rs. 4,000 Cr.

Capacity-Led Strategy

Capacity expansions contributing to incremental EBITDA growth over 5 years

Systematic Value Creation

Higher Contribution from Next Gen Products- Battery Chemicals to drive maximum growth



Source: ICICI Direct Research

Financial Summary

Exhibit 4: Profit and Loss statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Net Sales	6,420	8,404	8,983	10,144
Other Operating Income	-	-	-	-
Total Operating Income	6,420	8,404	8,983	10,144
Growth (%)	11.2	30.9	6.9	12.9
Raw Material Expenses	4,466	5,810	6,125	6,837
Employee Expenses	250	413	453	497
Selling Expense	257	336	359	406
Other Operating Expense	409	509	565	609
Total Operating Expenditure	5,382	7,068	7,503	8,349
EBITDA	1,037	1,337	1,480	1,796
Growth (%)	41.9	28.9	10.7	21.3
Depreciation	217	346	383	426
Interest	181	461	445	402
Other Income	37	47	31	29
PBT	676	578	684	996
Total Tax	185	142	161	239
PAT	491	435	522	757
Growth (%)	11.1	-11.5	20.2	45.0
EPS (₹)	13.0	11.5	13.3	19.2

Source: Company, ICICI Direct Research

Exhibit 5: Cash Flow statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	491	435	522	757
Add: Depreciation	217	346	383	426
(Inc)/dec in Current Assets	-1,100	-318	-230	-433
Inc/(dec) in CL and Provisions	852	-4	126	289
Others	181	461	445	402
CF from operating activities	640	919	1,246	1,441
(Inc)/dec in Investments	-199	-83	-5	-5
(Inc)/dec in Fixed Assets	-1,117	-861	-600	-600
Others	-2,656	-86	0	0
CF from investing activities	-3,972	-1,030	-605	-605
Issue/(Buy back) of Equity	0	0	2	0
Inc/(dec) in loan funds	3,877	560	-300	-100
Interest & Dividend paid	-388	-669	-681	-737
Inc/(dec) in Share Cap	0	0	0	0
Others	133	224	335	0
CF from financing activities	3,621	116	-644	-837
Net Cash flow	289	4	-4	-1
Opening Cash	96	385	389	386
Closing Cash	385	389	386	385

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Liabilities				
Equity Capital	37.8	37.8	39.4	39.4
Reserve and Surplus	3,209	3,660	4,281	4,704
Total Shareholders funds	3,247	3,697	4,320	4,743
Total Debt	4,820	5,380	5,080	4,980
Deferred Tax Liability	871	289	289	289
Minority Interest / Others	190	192	197	202
Total Liabilities	9,128	9,558	9,886	10,214
Assets				
Gross Block	4,487	5,052	5,882	6,282
Less: Acc Depreciation	923	1,268	1,651	2,077
Net Block	3,565	3,784	4,230	4,205
Capital WIP	433	730	500	700
Total Fixed Assets	3,998	4,513	4,730	4,905
Investments & Goodwill	3,761	3,329	3,334	3,339
Inventory	999	1,268	1,354	1,529
Debtors	1,710	1,794	1,920	2,140
Loans and Advances	26	13	14	15
Other Current Assets	282	261	279	315
Cash	385	389	386	385
Total Current Assets	3,402	3,725	3,951	4,384
Current Liabilities	2,016	1,976	2,092	2,362
Provisions	91	98	104	117
Current Liabilities & Prov	2,107	2,074	2,196	2,480
Net Current Assets	1,295	1,650	1,756	1,904
Others Assets	75	66	66	66
Application of Funds	9,128	9,558	9,886	10,214

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
EPS	13.0	11.5	13.3	19.2
Cash EPS	18.8	20.7	23.0	30.1
BV	86.0	97.9	109.8	120.5
DPS	5.5	5.5	6.0	8.5
Cash Per Share (Incl Invst)	109.8	98.5	94.5	94.6
Operating Ratios (%)				
EBITDA Margin	16.2	15.9	16.5	17.7
PAT Margin	7.6	5.2	5.8	7.5
Inventory days	56.8	55.1	55.0	55.0
Debtor days	97.2	77.9	78.0	77.0
Creditor days	114.6	85.8	85.0	85.0
Net Working Capital days	39.4	47.1	48.0	47.0
Return Ratios (%)				
RoE	15.1	11.8	12.1	16.0
RoCE	10.2	10.9	11.7	14.1
RoIC	11.4	12.5	12.9	15.9
Valuation Ratios (x)				
P/E	29.6	33.4	29.0	20.0
EV / EBITDA	18.3	14.6	13.0	10.7
EV / Net Sales	2.9	2.3	2.1	1.9
Market Cap / Sales	2.3	1.7	1.6	1.4
Price to Book Value	4.5	3.9	3.5	3.2
Solvency Ratios				
Debt/EBITDA	4.6	4.0	3.4	2.8
Debt / Equity	1.5	1.5	1.2	1.0
Current Ratio	1.4	1.6	1.6	1.6
Quick Ratio	1.0	1.0	1.0	1.0

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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