

PCBL Ltd

Result Update Q1 FY25



CMP: 396

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PCBL Ltd. delivered its best-ever operational and financial performance in Q1FY25, driven by significant growth across key business segments. The company's consolidated revenue surged by 59% YoY to INR 2,144 cr, up from INR 1,348 cr in Q1FY24. Consolidated EBITDA saw a substantial 70% increase to INR 358 cr with the EBITDA margin improving by 107bps YoY to 16.7%, reflecting improved volumes and a favorable product mix. Additionally, Net Profit stood at INR 118 cr with the NPM declining by 260bps to 5.5% due to increased interest cost from 0.6% of sales in Q1FY24 to 1.4% in Q1FY25. Overall, the company presented strong performance during the quarter.

Operationally, the Carbon Black segment showed strong performance, with sales volumes rising 25% YoY to 1,53,918 MT, supported by higher specialty volumes and output from the PCBL (TN) plant. The Specialty Black segment, in particular, achieved a 33% YoY increase in sales volume, reaching 15,671 MT. The newly established state-of-the-art plant in Chennai played a crucial role, achieving over 85% capacity utilization and contributing 28,228 MT to the sales volume in Q1FY25.

The Aquapharm business also demonstrated robust growth, with Q1FY25 revenue at INR 359 cr and an operational EBITDA of INR 55 cr. The segment's sales volume reached 24,402 MT, with capacity utilization improving significantly to 75%. These results underscore the success of PCBL's strategy to diversify and expand its portfolio, ensuring steady contributions from non-carbon black businesses as well.

Looking ahead, PCBL Ltd. is focused on an aggressive capacity expansion plan, aiming to increase its Carbon Black capacity from the current 7,70,000 MTPA to 8,80,000 MTPA by FY26, and further to 1 mn MTPA by FY27/28. The Aquapharm segment is also set to expand, with an additional 38,000 MTPA of capacity planned over the next 6-8 months. With strong sector tailwinds, particularly the phasing out of Russian carbon black producers, and a solid domestic and export market presence, PCBL is well-positioned for continued growth. The company's current annual revenue run rate has already exceeded USD 1 bn, and this momentum is expected to accelerate with upcoming capacity ramp-ups across business segments.

Key Consolidated Financial Data (INR Cr, unless specified)

Particulars	Q1FY24	Q4FY24	Q1FY25	QoQ (%)	YoY (%)	FY23	FY24	YoY (%)
Revenue	1,347.5	1,928.8	2,143.6	11.1	59.1	5,774.1	6,419.8	11.2
EBITDA	210.8	309.5	358.3	15.8	70.0	714.9	1,037.3	45.1
EBITDA Margin (%)	15.6	16.0	16.7			12.4	16.2	
Net Profit	109.2	111.3	118.0	6.1	8.1	441.8	490.9	11.1
Net Margin (%)	8.1	5.8	5.5			7.7	7.6	

Source: Ventura Research & Company update

Industry Carbon Black

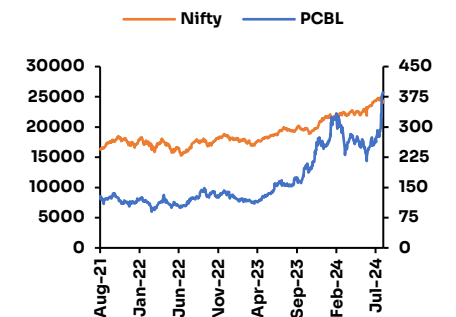
Scrip Details

Face Value (INR)	1.0
Market Cap (INR Cr)	14,944
Price (INR)	396
No of Sh O/S (Cr)	37.8
3M Avg Vol (000)	1,02,028
52W H/L (INR)	420 / 153
Div. Yield (%)	1.37

Shareholding (%)

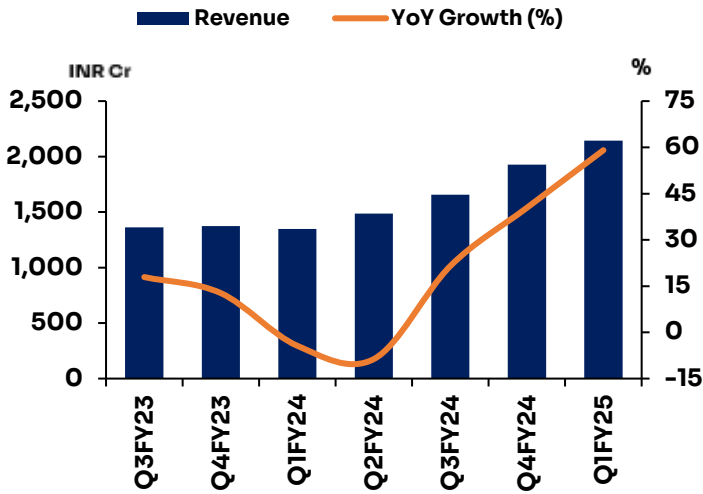
Promoter	51.41
FII	5.29
DII	6.41
Government	1.24
Public	35.66
TOTAL	100.0

Price chart

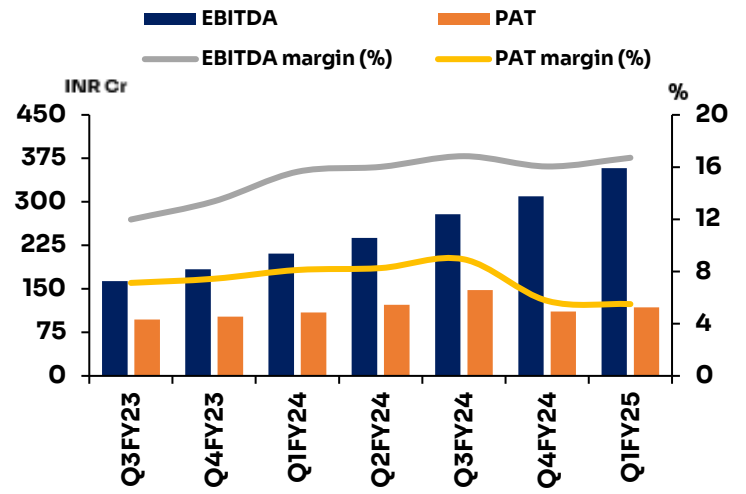


Financial Summary in Charts

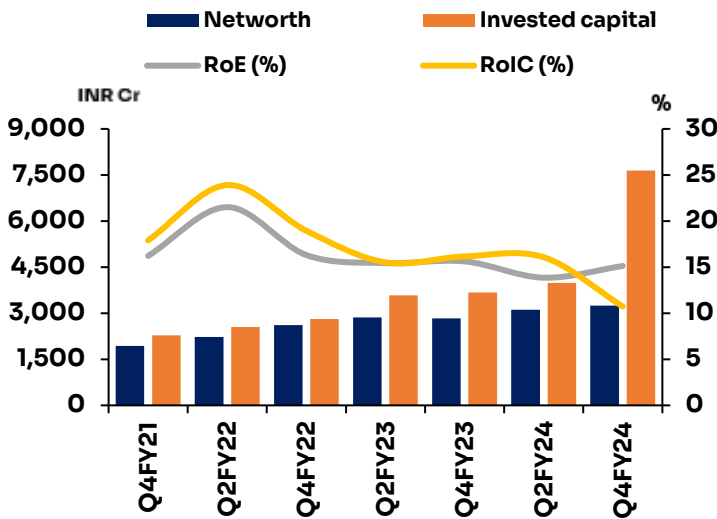
Revenue



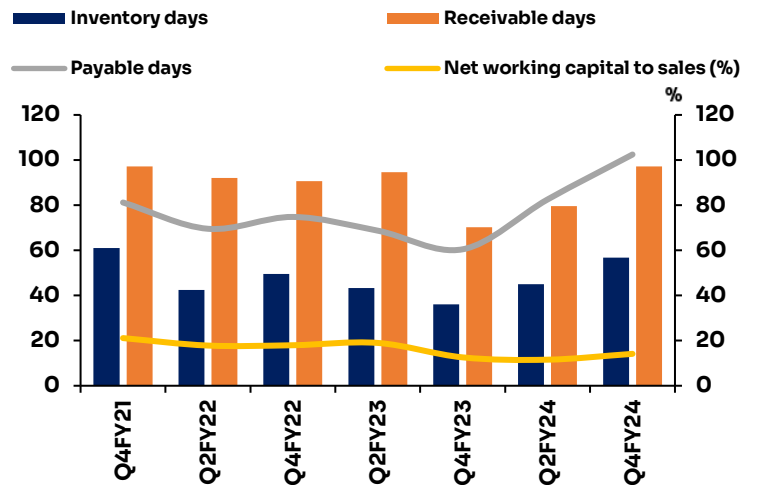
PROFITABILITY MARGINS



RETURN RATIOS



WORKING CAPITAL CYCLE



Source: Ventura Research

Quarterly Summary of PCBL Ltd.

Fig in INR Cr (unless specified)	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25
Revenue from operations	4,446.4	1,409.1	1,627.9	1,363.3	1,373.8	5,774.1	1,347.5	1,486.7	1,656.8	1,928.8	6,419.8	2,143.6
YoY Growth (%)	67.2	40.4	52.5	17.9	12.7	29.9	(4.4)	(8.7)	21.5	40.4	11.2	59.1
Raw Material Cost	3,133.8	1,025.7	1,258.7	1,043.7	1,024.4	4,352.5	935.3	1,048.3	1,164.5	1,317.7	4,465.8	1,449.1
RM Cost to Sales (%)	70.5	72.8	77.3	76.6	74.6	75.4	69.4	70.5	70.3	68.3	69.6	67.6
Employee Cost	158.9	47.2	48.8	47.8	46.7	190.5	52.4	56.0	61.0	81.0	250.4	100.1
Employee Cost to Sales (%)	3.6	3.3	3.0	3.5	3.4	3.3	3.9	3.8	3.7	4.2	3.9	4.7
Other Expenses	532.3	140.8	131.8	108.5	118.9	516.3	149.0	144.3	152.4	220.5	666.2	236.1
Other Expenses to Sales (%)	12.0	10.0	8.1	8.0	8.7	8.9	11.1	9.7	9.2	11.4	10.4	11.0
EBITDA	621.4	195.5	188.6	163.4	183.8	714.9	210.8	238.1	278.9	309.5	1,037.3	358.3
EBITDA Margin (%)	14.0	13.9	11.6	12.0	13.4	12.4	15.6	16.0	16.8	16.0	16.2	16.7
Net Profit	426.0	126.2	116.4	97.0	102.2	441.8	109.2	122.6	147.9	111.3	490.9	118.0
Net Margin (%)	9.6	9.0	7.1	7.1	7.4	7.7	8.1	8.2	8.9	5.8	7.6	5.5
Adjusted EPS	11.3	3.3	3.1	2.6	2.7	11.7	2.9	3.2	3.9	2.9	13.0	3.1
P/E (X)	35.1					33.8					30.4	
Adjusted BVPS	69.2					75.0					86.0	
P/BV (X)	5.7					5.3					4.6	
Enterprise Value	15,143.9					15,796.4					19,347.0	
EV/EBITDA (X)	24.4					22.1					18.7	
Net Worth	2,614.0					2,830.2					3,246.7	
Return on Equity (%)	16.3					15.6					15.1	
Capital Employed	3,298.0					3,773.2					8,066.4	
Return on Capital Employed (%)	12.2					11.6					7.4	
Invested Capital	2,808.9					3,677.6					7,644.7	
Return on Invested Capital (%)	17.8					15.7					10.7	
Cash Flow from Operations	290.4					504.1					1,105.4	
Cash Flow from Investing	(540.7)					(551.9)					(4,214.1)	
Cash Flow from Financing	216.7					(30.6)					3,380.8	
Net Cash Flow	(33.6)					(78.4)					272.1	
Free Cash Flow	7.6					(351.0)					703.8	
FCF to Revenue (%)	0.2					(6.1)					11.0	
FCF to EBITDA (%)	1.2					(49.1)					67.8	
FCF to Net Profit (%)	1.8					(79.4)					143.4	
FCF to Net Worth (%)	0.3					(12.4)					21.7	
Total Debt	684.0					943.0					4,819.7	
Net Debt	194.9					847.4					4,398.0	
Net Debt to Equity (X)	0.1					0.3					1.4	
Net Debt to EBITDA (X)	0.3					1.2					4.2	
Interest Coverage Ratio (X)	17.2					10.8					4.5	

Source: Ventura Research & Company update

Financial Analysis of PCBL Ltd.

Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23	FY24
Income Statement						Per share data & Yields					
Revenue	3,243.5	2,659.5	4,446.4	5,774.1	6,419.8	Adjusted EPS (INR)	7.6	8.3	11.3	11.7	13.0
YoY Growth (%)	(8.1)	(18.0)	67.2	29.9	11.2	Adjusted Cash EPS (INR)	10.0	11.2	14.5	15.3	18.8
Raw Material Cost	2,189.5	1,610.4	3,133.8	4,352.5	4,465.8	Adjusted BVPS (INR)	45.2	51.5	69.5	75.2	86.1
RM Cost to Sales (%)	67.5	60.6	70.5	75.4	69.6	Adjusted CFO per share (INR)	14.1	10.2	7.7	13.4	29.3
Employee Cost	134.6	132.4	158.9	190.5	250.4	CFO Yield (%)	3.6	2.6	1.9	3.4	7.4
Employee Cost to Sales (%)	4.1	5.0	3.6	3.3	3.9	Adjusted FCF per share (INR)	9.0	7.9	0.2	(9.3)	18.6
Other Expenses	460.3	410.4	532.3	516.3	666.2	FCF Yield (%)	2.3	2.0	0.1	(2.3)	4.7
Other Exp to Sales (%)	14.2	15.4	12.0	8.9	10.4	Solvency Ratio (X)					
EBITDA	459.1	506.4	621.4	714.9	1,037.3	Total Debt to Equity	0.4	0.3	0.3	0.3	1.5
Margin (%)	14.2	19.0	14.0	12.4	16.2	Net Debt to Equity	0.3	0.2	0.1	0.3	1.4
YoY Growth (%)	(25.2)	10.3	22.7	15.0	45.1	Net Debt to EBITDA	1.0	0.7	0.3	1.2	4.2
Depreciation & Amortization	92.4	110.1	120.9	136.7	217.3	Return Ratios (%)					
EBIT	366.8	396.3	500.5	578.1	820.1	Return on Equity	16.9	16.2	16.3	15.6	15.1
Margin (%)	11.3	14.9	11.3	10.0	12.8	Return on Capital Employed	12.8	12.5	12.2	11.6	7.4
YoY Growth (%)	(33.0)	8.0	26.3	15.5	41.9	Return on Invested Capital	16.9	17.4	17.8	15.7	10.7
Other Income	33.9	29.7	60.2	57.0	37.0	Working Capital Ratios					
Bill discounting & other charges	45.9	33.9	29.1	53.4	180.8	Payable Days (Nos)	47.1	81.2	74.8	60.5	102.5
Fin Charges Coverage (X)	8.0	11.7	17.2	10.8	4.5	Inventory Days (Nos)	36.7	61.1	49.6	36.1	56.8
Exceptional Item	0.0	0.0	0.0	0.0	0.0	Receivable Days (Nos)	66.2	97.2	90.7	70.2	97.2
PBT	354.8	392.0	531.6	581.7	676.3	Net Working Capital Days (No	55.8	77.1	65.5	45.9	51.6
Margin (%)	10.9	14.7	12.0	10.1	10.5	Net Working Capital to Sales (15.3	21.1	17.9	12.6	14.1
YoY Growth (%)	(33.4)	10.5	35.6	9.4	16.3	Valuation (X)					
Tax Expense	67.3	78.1	105.2	139.5	185.2	P/E	52.2	47.7	35.1	33.8	30.4
Tax Rate (%)	19.0	19.9	19.8	24.0	27.4	P/BV	8.8	7.7	5.7	5.3	4.6
PAT	287.5	314.0	426.3	442.2	491.1	EV/EBITDA	33.6	30.2	24.4	22.1	18.7
Margin (%)	8.9	11.8	9.6	7.7	7.6	EV/Sales	4.8	5.7	3.4	2.7	3.0
YoY Growth (%)	(24.9)	9.2	35.8	3.7	11.1	Cash Flow Statement					
Min Int/Sh of Assoc	(0.9)	(0.4)	(0.3)	(0.4)	(0.2)	PBT	354.8	392.0	531.6	581.7	676.3
Net Profit	286.6	313.6	426.0	441.8	490.9	Adjustments	135.5	137.1	100.3	(10.4)	796.2
Margin (%)	8.8	11.8	9.6	7.7	7.6	Change in Working Capital	109.0	(66.1)	(236.2)	72.2	(181.9)
YoY Growth (%)	(25.3)	9.5	35.8	3.7	11.1	Less: Tax Paid	(67.3)	(78.1)	(105.2)	(139.5)	(185.2)
Balance Sheet						Cash Flow from Operations	532.1	385.0	290.4	504.1	1,105.4
Share Capital	34.5	34.5	37.8	37.8	37.8	Net Capital Expenditure	(230.7)	(114.1)	(306.2)	(895.7)	(532.9)
Total Reserves	1,671.9	1,908.5	2,584.5	2,801.6	3,212.7	Change in Investments	123.9	(88.6)	(234.5)	343.8	(3,681.2)
Shareholders Fund	1,706.4	1,943.0	2,622.2	2,839.3	3,250.4	Cash Flow from Investing	(106.8)	(202.7)	(540.7)	(551.9)	(4,214.1)
Long Term Borrowings	215.0	304.7	220.3	407.3	3,776.6	Change in Borrowings	(198.0)	(25.0)	44.4	230.4	3,769.1
Deferred Tax Assets / Liabilities	254.9	271.4	276.3	256.1	871.0	Less: Finance Cost	(45.9)	(33.9)	(29.1)	(53.4)	(180.8)
Other Long Term Liabilities	104.3	107.6	90.9	74.5	170.9	Proceeds from Equity	0.0	0.0	390.1	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	419.3	0.9	0.5	644.8	15.7	Dividend Paid	(145.4)	(120.6)	(188.7)	(207.6)	(207.6)
Total Liabilities	2,699.9	2,627.6	3,210.2	4,222.0	8,084.6	Cash flow from Financing	(389.4)	(179.5)	216.7	(30.6)	3,380.8
Net Block	1,635.4	1,737.9	1,929.6	1,963.2	6,714.6	Net Cash Flow	35.9	2.8	(33.6)	(78.4)	272.1
Capital Work in Progress	305.6	266.8	175.3	1,130.0	433.0	Forex Effect	0.0	0.0	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	113.6	149.4	152.2	118.6	40.2
Non Current Investments	155.1	196.3	258.0	233.8	400.7	Closing Balance of Cash	149.4	152.2	118.6	40.2	312.3
Long Term Loans & Advances	482.7	50.4	144.3	727.0	1.5						
Other Non Current Assets	1.0	0.9	2.3	3.0	306.8						
Net Current Assets	120.2	375.4	700.7	165.0	228.0						
Total Assets	2,699.9	2,627.6	3,210.2	4,222.0	8,084.6						

Source: Ventura Research

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