# Himadri Speciality Chemical

## Retail Note | Speciality Chemical

### Capitalizing on Growth & High-Value Components

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

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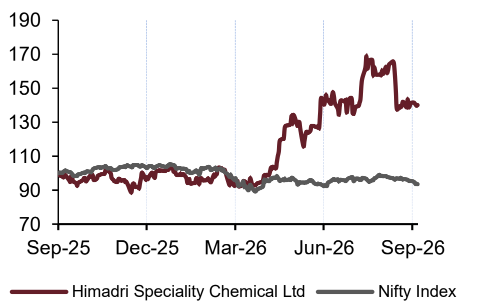
| Rating | TP (Rs) | Up/Dn (%) |
|---|---|---|
| **BUY** | **780** | **20** |

| Market Data | | |
|---|---|---|
| **Current price** | **Rs** | **650** |
| Market Cap (Rs.Bn) | (Rs Bn) | 336 |
| Market Cap (US$ Mn) | (US$ Mn) | 3,518 |
| Face Value | Rs | 1 |
| 52 Weeks High/Low | Rs | 819.5 / 418.5 |
| Average Daily Volume | ('000) | 949 |
| BSE Code | | 500184 |
| Bloomberg | | HSCH.IN |

Source: Bloomberg

**One Year Performance**




Source: Bloomberg

| % Shareholding | Jun-26 | Mar-26 |
|---|---|---|
| Promoters | 52.50 | 52.50 |
| Public | 47.50 | 47.50 |
| **Total** | **100.00** | **100.00** |

Source: Bloomberg

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## Company Background

Himadri Speciality Chemical Ltd. is a leading Indian manufacturer of carbon materials and specialty chemicals, with a strong presence across coal tar pitch, advanced carbon materials, naphthalene and SNF. The company is the largest manufacturer of coal tar pitch in India and the domestic producer of advanced carbon materials, while also maintaining a leading position in naphthalene and SNF. Building on its established expertise in carbon chemistry and materials, Himadri is now expanding into **Chemicals** for lithium-ion batteries, positioning itself to participate in the growing electric vehicle and energy-storage ecosystem.

## What We Think:

We believe Himadri Specialty Chemical's ongoing capex in advanced materials for carbon black and lithium-ion batteries can be a key growth driver. These investments will help the company diversify beyond its traditional coal tar business, reduce dependence on its existing portfolio, and tap into high-growth sectors driven by EV adoption, energy storage, and advanced materials demand. This diversification could support stronger long-term growth and improve the company's earnings potential.

## Why We Think So

### 1.Diversification Beyond Coal Tar:

Himadri Specialty Chemical is historically known for its coal tar and carbon-based products, but its increasing focus on advanced materials can reduce its dependence on the traditional business. This diversification provides the company with additional growth avenues and can make its overall business profile more resilient.

### 2. Exposure to High-Growth Lithium-Ion Battery Market:

The company's investments in lithium-ion battery materials position it to benefit from the structural growth in EVs and energy storage. As battery demand continues to rise globally, these new businesses can become meaningful contributors to revenue and profitability over the long term.

### 3. Strong Growth Potential in Advanced Carbon Materials:

Himadri is expanding its presence in value-added carbon materials, including advanced carbon black and other specialty products. Moving towards higher-value products can improve the company's product mix and provide better growth opportunities compared with its traditional commodity-oriented businesses

### 4. Capex-Driven Long-Term Growth

The ongoing capex demonstrates the company's intent to build capacity ahead of future demand. If these investments are successfully commissioned and achieve targeted utilization, the new businesses could significantly increase the company's addressable market, earnings potential and overall growth trajectory.

## Financial & Outlook Highlights

Himadri Specialty Chemical is expected to deliver strong earnings momentum with Revenue, EBITDA, and PAT CAGR of 30%, 29%, and 26% respectively over FY26–29E, supported by improving product mix, export recovery, and operating leverage.

### Valuation

Himadri Specialty Chemical currently trades at 22x FY29E EPS, which appears attractive given its growth visibility and strong pipeline**. Applying a target multiple of 26x FY29E earnings yields a target price of ₹780 per share, implying an upside potential of approximately 20% from current levels.**

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