

Carbon black majors trim expectations

Downgrades to business forecasts amid decline in volumes and margins



Carbon black producers have reported reduced demand worldwide, with Cabot Corp, Tokai Carbon, Orion SA and PCBL all downgrading their full-year forecasts following recent declines in sales and earnings.

Largest producer Cabot said a 5% year-on-year drop in volumes – especially in Asia and the Americas – affected results in its Reinforcement Materials segment, which includes carbon blacks.

Volumes in the Americas fell 7%, as higher tire imports from Asia reduced local production. Asia-Pacific demand fell 6%, though the Europe, Middle East, Africa (EMEA) region saw 5% growth, Cabot reported in its results for fiscal 2025 – ended 30 Sept.

President and CEO Sean Keohane, said Cabot did “not yet see signs of improvement in the external environment” particularly due to the ongoing impact of Asian tire imports on Western markets.

For the first quarter of its 2026 fiscal year, Cabot’s Reinforcement Materials segment expects a dip in earnings, driven by lower

volumes in the Americas and Europe and increased “competitive intensity” in Asia.

At Tokai Carbon, sales of carbon black for the first nine months of 2025 fell by around 7% and operating profit by nearly 29% year-on-year due to a decline in volumes and margins, as well as rising fixed costs.

Looking ahead, the Tokyo-headquartered group expects full-year revenue in carbon black to fall by 12.6% year-on-year to Yen146 billion, and operating profit to decline by 6.1% to Yen12.4 billion.

The forecast reflects pressure on volumes due to production adjustments by major tire makers, and lower sales prices. However, group operating income and ordinary income are projected to strengthen slightly, due mainly to cost reductions and production efficiencies.

Elsewhere, Houston, Texas-based Orion SA lowered its earnings forecast for 2025, as its rubber reinforcement division reported a weak performance in the third quarter of the year – despite improved volumes.

In October, Orion cut its earnings (EBITDA) forecast for 2025, amid “a lower-for-longer industrial manufacturing backdrop”. It now expects full-year earnings of \$220–245 million, down from its “+\$300 million” projection issued in February.

In the third quarter ended 30 Sept, segment volumes rose 6.5% year-on-year, to 176kt, on higher demand in Asia Pacific and the Americas. However, pricing and earnings were impacted by the pass-through effect of raw material costs and an “unfavourable customer and regional mix.”

In addition, Orion said higher levels of low-value tire imports from Asia indirectly affected rubber black demand in core Western markets – and overall profitability.

While excess tire channel inventories will remain a “demand overhang” through the rest of the year, Orion CEO Corning Painter forecast that the “evolving global trade paradigm” – including tariffs – would ultimately support the group’s tire customers.

PCBL Chemical Ltd of Kolkata, India also saw a downturn in

results despite higher sales volumes: posting a 9.2% year-on-year decline in carbon black sales and earnings down 40% for its fiscal second quarter to 30 Sept.

During the three months, PCBL saw “healthy growth” in carbon black sales volume with improved capacity utilisation, said managing director Kaushik Roy. And, while pricing pressure in a “relatively softer” market affected margins, PCBL believes this phase has “largely bottomed out” and now expects to see a steady recovery in profitability.

Margins in carbon black, noted PCBL, were influenced by US tariffs. Customer purchasing patterns also reflected broader economic uncertainties and tighter inventory positions.

Exports to the US account for around 5% of PCBL’s total carbon black volume.

“With a 50% tariff in place, the business remains constrained,” said Roy. However, the US relies on carbon black imports, so PCBL expects volumes and margins to recover “once the situation stabilises”.

Financial results as reported by selected carbon black producers

Company	Period	Sales	YoY change	Earnings	YoY change
Cabot - Reinforcement Materials	fQ4/25 (to 30 Sept)	\$563m	-13%	\$137m ³	-2%
Orion SA - Rubber reinforcement	Q3/25	\$291m	-3%	\$36.1m ³	-32%
Orion SA - Rubber reinforcement	Q1-3/25	\$916.2m	-3%	\$125.8m ³	-20%
PCBL Chemical (Carbon black)	fQ2/25 (to 30 Sept)	Crores1,602	-9%	Crores163 ²	-40%
Tokai Carbon (Carbon black)	Q1-3/25	Yen111bn	-7%	Yen11.7bn ¹	-29%

¹Segment) operating income; ²EBIT; ³EBITDA