



11th August, 2022

The Listing Department, The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700001	The Manager The Department of Corporate Services, BSE Limited, P. J. Towers, Dalal Street, Mumbai - 400001	The Manager, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
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Dear Sir,

Re: Earning Presentation

Please find enclosed herewith the Earning Presentation for the quarter ended 30th June, 2022.

Thanking You

Yours faithfully

For LINC LIMITED

N. K. DUJARI
Director Finance &
Compliance Officer



Q1 FY23 August 2022

NSE : LINC
BSE : LINC
Bloomberg : LINC:IN

EARNINGS PRESENTATION.

Linc Limited
(formerly Linc Pen and Plastics Limited)

Inside This Presentation .



- 1. Executive Summary 03
- 2. Management Commentary 04
- 3. Key Highlights 05
- 4. Quarterly Highlights 06 - 09
- 5. Operational Highlights 10 - 11
- 6. Quarterly Profit and Loss 12
- 7. Focus on Shareholder Value Creation 13
- 8. Shareholding Pattern 14
- 9. Why Linc? 15
- 10. Disclaimer 16
- 11. Thank You 17

Executive Summary.



- Among Top 3 brands in India for Writing Instruments.
- Presence in the affordable segment for over 4 decades.



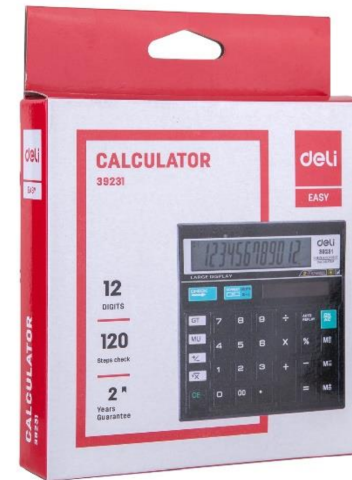
- New Writing Instrument brand launched in FY19 by Linc in MRP ₹10 and above segment.
- Known for its super smooth writing and sleek design.



- Global brand from Mitsubishi Pencil Co. Ltd, Japan.
- Presence across all categories of Writing Instruments – Roller Pen, Gel Pen and Ball Pen.



- Asia's largest stationery giant.
- Presence across all stationery categories with over 2000 Products.



- Linc Ltd. is one of India's largest writing instrument companies with 7.8% market share in the pen segment as of 2020
- National and international presence in over 50 countries
- Strong and extensive network in Southeast Asia, Middle East, USA, UK, Europe, South America, Africa, Russia and CIS countries
- India's exclusive importer and distributor of Asia's largest stationery giant; Deli and world-famous pen brand Uni-ball; Mitsubishi Pencil Co., Japan

Management Commentary.

“With Covid induced restrictions behind us, our revenue has been displaying strong growth. Operating Income stood at ₹ 9,794 lacs, a growth of 77.7% over the previous year. However, first quarter being traditionally a weaker quarter for the industry, revenue fell by 11.4% QoQ. With Pentonic sales going strong, and with plans of introducing new products in the coming quarters, we expect strong top line growth in the coming quarters as well.

We are very happy to state that we were able to pass on the raw material price escalations, as we increased selling prices of our finished products in April, 2022. This resulted in improved gross margin, which increased from 22.9% in Q4 FY22 to 25.4% in Q1 FY23. Operating EBIDTA margin also improved to 8.2% and was up 569 basis points YOY and 288 basis point QoQ.

Input costs have started to come off; and prices of key inputs are expected to remain benign in the coming quarters as the focus of central banks have shifted to containing inflation. This along with our continued focus on higher margin products should help us in improving our margins and profitability going forward.

It is also very heartening to note that our touch points continue to increase with another 12,103 added in this quarter. ”

Deepak Jalan

Managing Director, Linc Limited



Key Highlights.

Operating Income up 77.7% YoY, down 11.4% QoQ at ₹ 9,794 lacs.

Operating EBITDA up 486.6% YoY at ₹ 799 lacs and Margin stood at 8.2%. **Operating EBITDA** Margin increased 569 basis points YoY

Net Debt reduced by ₹ 776 lacs from 31st March 2022 and stood at (₹ 486) lacs

Gross Profit up 100.7% YoY at ₹2,487 lacs and Margin stood at 25.4%

'Pentonic' Sales continued to grow and was over 29% of total revenue for Q1 FY 23 and its GPM stood ~ 40%

Net Debt/Equity stood at (0.03) against 0.02 in FY 22 and **Net Debt/Operating EBITDA** stood at (0.15) against 0.13 in FY22



Quarterly Highlights.

₹ Lacs

	Operating Income	Gross Profit	Operating EBITDA	PBT	PAT	Cash Profit ¹
	9,794	2,487	799	593	438	766
Growth (YOY)	77.7%	100.7%	486.6%	NA ³	NA ³	311.7%
Growth (QOQ)	(11.4%)	(1.9%)	36.8%	49.0%	46.5%	22.3%
Margin ² (%)		25.4% ↑	8.2% ↑	6.1% ↑	4.5% ↑	
Margin –YoY Expansion/(Contraction)		292 bps	569 bps	899 bps	669 bps	
EPS/CEPS					2.95	5.15

Note:

1. Cash Profit = PAT add Depreciation
2. Margins calculated on Operating Income
3. NA – Negative number historically

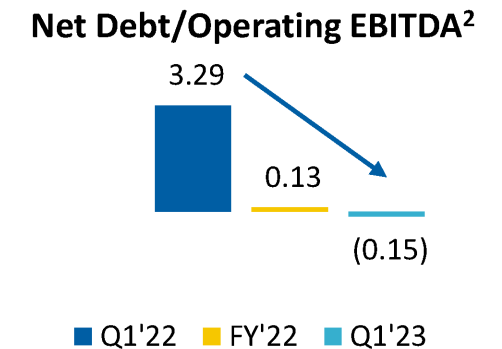
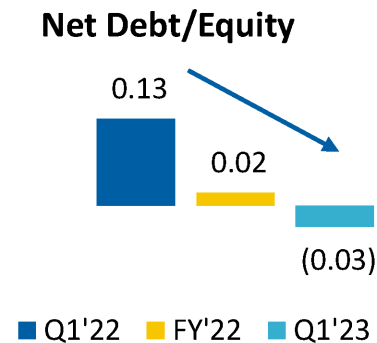
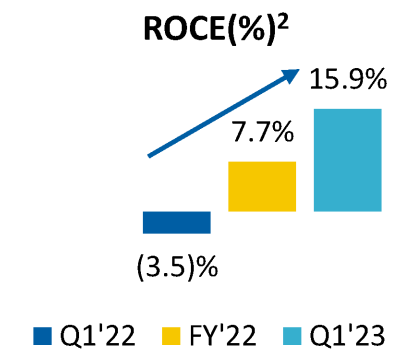
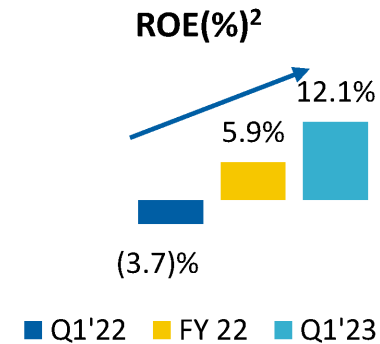
Quarterly Highlights (Cont.)

₹ Lacs

Particulars	30-Jun-22	31-Mar-22	30-Jun-21
Net Worth	14,724	14,285	13,306
Short Term Borrowing	-	299	1,818
Long Term Borrowing	-	-	-
Gross Debt	-	299	1,818
Cash & Cash equivalent	486	9	26
Net Debt	(486)	290	1,793
Net Current Assets ¹	6,238	6,072	7,170
Total Assets	20,368	20,162	20,162
Total Asset Turnover	1.93	1.77	1.10
Cash Conversion Cycle	76	74	129

Note:

1. Net current assets excludes cash & cash equivalents
2. Profit figures are YTD annualized



Quarterly Highlights (Cont..)

₹ Lacs

Revenue	Writing Instruments			Other Products		
	Own Brands		Licensed Brands	Own Brands		Licensed Brands
	Pentonic	Linc & Others	(Uni-Ball)	Pentonic	Linc & Others	(Deli)
Q1 FY23	2,855	4,345	1,465	16	128	498
Sales Contribution (%)	30.7%	46.7%	15.7%	0.2%	1.4%	5.4%
Q4 FY22	3,202	5,347	1,367	1	79	336
Sales Contribution (%)	31.0%	51.8%	13.2%	0.0%	0.8%	3.3%
Q1 FY22	1,483	2,804	809	1	131	116
Sales Contribution (%)	27.8%	52.5%	15.1%	0.0%	2.4%	2.2%
Growth YoY	92.5%	55.0%	81.1%	1209.2%	(1.9%)	328.4%
Growth QoQ	(10.8%)	(18.7%)	7.2%	2374.8%	62.4%	48.3%

Note: Revenue does not include Re-Sale of raw material and export incentive

Quarterly Highlights (Cont..)

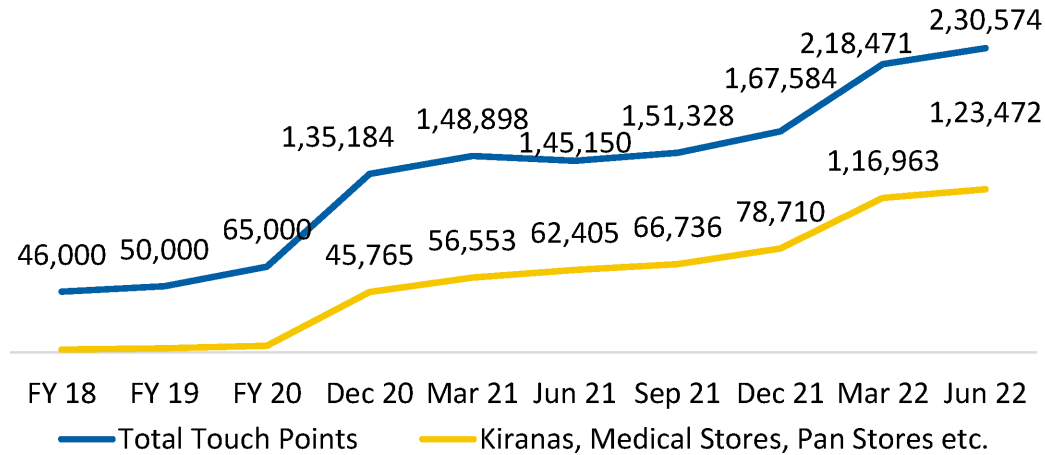
₹ Lacs

Revenue	Trade Channel				
	General Trade	Modern Trade	E-Commerce	Corporate	Exports
Q1 FY23	6,646	624	191	358	1,489
Sales Contribution (%)	71.4%	6.7%	2.1%	3.8%	16.0%
Q4 FY22	6,536	443	144	299	2,909
Sales Contribution (%)	63.3%	4.3%	1.4%	2.9%	28.2%
Q1 FY22	2,411	139	274	1,121	1,398
Sales Contribution (%)	45.1%	2.6%	5.1%	21.0%	26.2%
Growth YoY	175.6%	349.3%	(30.2%)	(68.1%)	6.5%
Growth QoQ	1.7%	40.7%	33.2%	19.4%	(48.8%)

Note: Revenue does not include Re-Sale of raw material and export incentive

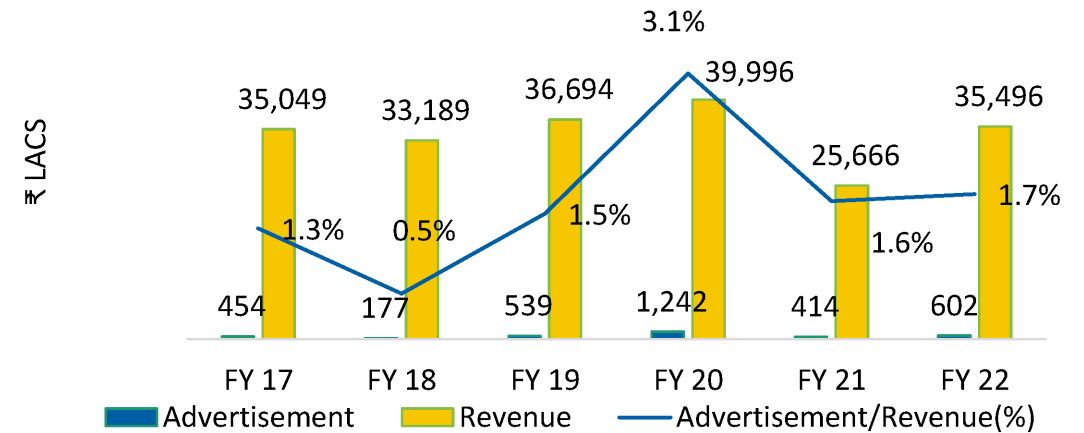
Operational Highlights.

Increasing touch points



- Broken tradition by expanding to neighbourhood grocery stores (Kirana, Medical stores, Pan stores, etc.)
- Strong increase in touch points – 85,424 added over the last 12 months

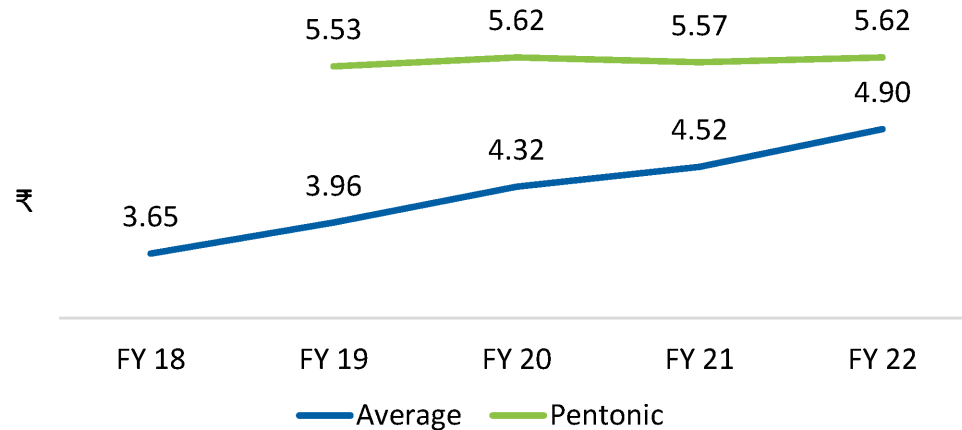
Focus on brand building



- Spent over ₹ 7,800 lacs on brands over last 12 years
- 2% of revenue spent on brands over last 12 years
- Reduced spent during covid period to conserve cash
- **Step up brand spend going forward ~ 3% of revenue**

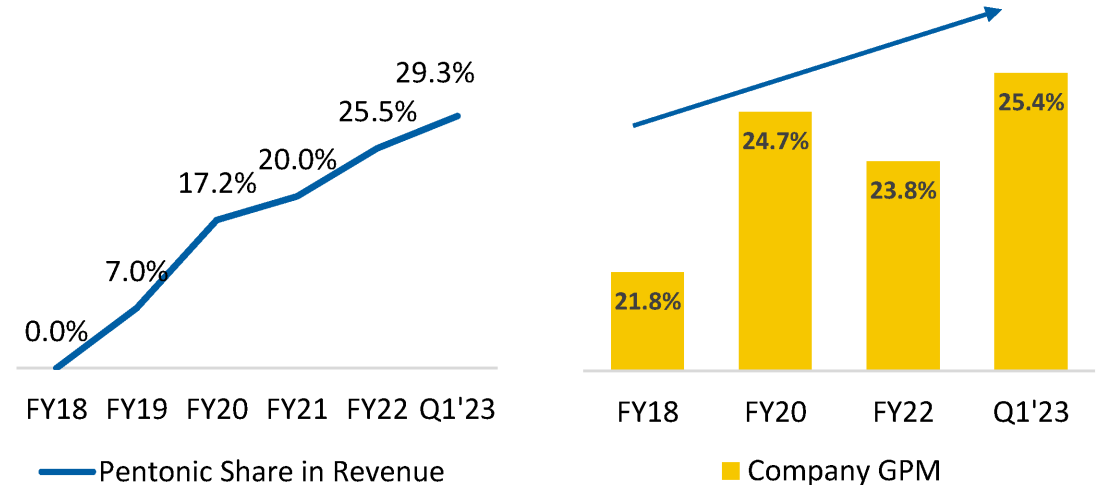
Operational Highlights (Cont..)

Growth in average realization of Pens



- Consistent increase in average selling price
- Average realization increase possible due to focus on higher priced products

Focus on higher margin products



- 'Pentonic' brand introduced in FY19 as a minimalistic yet contemporary pen, known for its aesthetics as well as writing smoothness
- Positioned at ₹ 10 + segment, 'Pentonic's' GPM is ~ 40%
- Significant increase in revenue share of 'Pentonic' over the last 4 years
- Hence, overall GPM of the Company has increased by ~ 350 basis point