



Think it. Linc it.

Linc Pen & Plastics Limited

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# Presentation of the financial results for **Q1/FY 2019-20**

A large, stylized graphic of the word "LINC" in white outline font, positioned at the bottom of the slide. The letters are partially obscured by a black curved line that loops through them. The background is a solid yellow color with various abstract shapes and patterns, including a blue dotted area in the top left and a white area on the left with a pink vertical line and four black chevrons pointing up.

## An introduction

One of India's most respectable  
writing instrument brands

Respected for pioneering marketing  
and branding initiatives

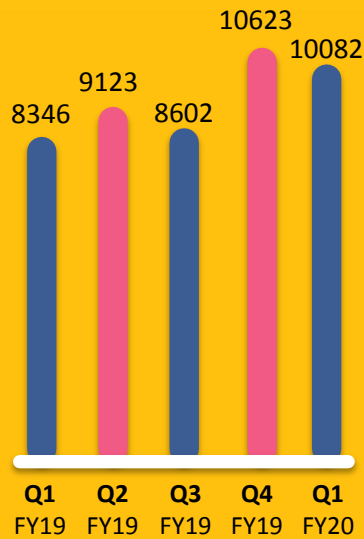
Robust presence spread across 50  
countries



# Quarterly update

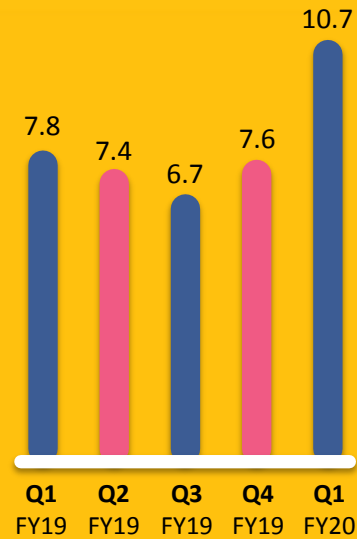
## Revenues

(In Rs. Lakhs)



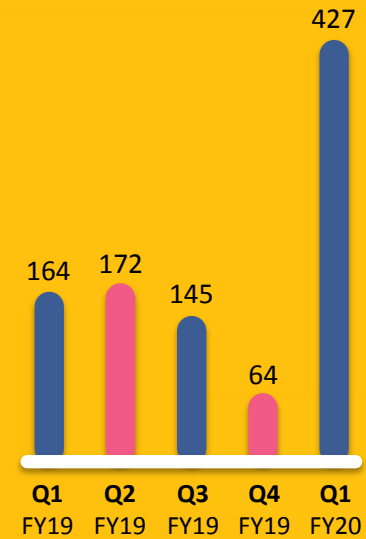
## EBITDA margin

(%)



## PAT

(In Rs. Lakhs)



**our performance  
Highlights****Milestones**

- For the first time in the Company's history, Linc pen crossed Rs. 100 crores of revenue during the first quarter, which is generally a low season for the category.
- After about two years, Company achieved a double-digit EBITDA at 10.7%, which is the highest ever by the Company.

## our performance Highlights

### Domestic performance

- Fast emerging product 'Pentonic' (launched in FY19) became the second largest product in terms of volume and the largest product in terms of value in the overall product basket of the Company.
- The Company reported Rs.8,545 lakhs of domestic revenues for Q1 FY20 compared to Rs.6,719 lakhs for the same period in FY19 (27.2% y-o-y growth)

## our performance Highlights

### Export performance

- Linc generated Rs. 1,537 lakhs from exports during Q1 FY20 compared to Rs. 1,627 lakhs for the same period in FY19 (y-o-y decline of 5.5%). The decline was mainly on account of delivery re-scheduling of a few export shipments into the following quarter due to production constraints.
- The Company launched a new range of markers during the quarter under review and received a positive response.

## our performance Highlights

### Price segmentation

The Rs. 10-and-above segment, in the domestic general trade channel, accounted for 31% by volume and 45% by value in Q1FY20, compared to 22% and 36% respectively in the corresponding quarter last year.

### Advertisement spending on Brand

The Company spent Rs. 272 Lakhs on advertisement during Q1 FY20 compared to Rs. 43 Lakhs in the corresponding quarter last year.

### Inventory

The Company successfully reduced inventory to 66 days of sale at the close of Q1 FY20 compared to 93 days at the end of the corresponding quarter last year.

## Managing Director's message

### Performance overview

I am pleased to inform that we registered a 20.8% y-o-y growth in our total revenues in Q1 FY20 compared to the same period in the previous fiscal.

We recorded a 160.4% y-o-y growth in our bottomline in Q1 FY20 compared to Q1 FY19.

EBITDA margin strengthened by 290 bps to 10.7 % in the first quarter of FY20



## Managing Director's message

### Quarterly challenges and counter-responses

#### *Increasing competition*

Leveraging the Pentonic recall,  
strengthening offtake.

#### *Conventional pricing*

Pentonic has debunked that a metal clip/  
grip/ film coating are indispensable for a  
Rs 10 pen to be successful.

## Managing Director's message

### Outlook

Launching an array of new pens under the 'Pentonic' umbrella. Launch of 'Pentonic Gel Pen' in July 2019 received a favourable initial feedback.

Focus on increased revenue per retail store.

Double-digit revenue growth expected in Q2 FY20.

Share of revenues from the Rs. 10-and-above segment is projected at 50% of revenues by FY21.

## Summing up

“Better product mix, backed by a slight moderation in polymer prices, helped us improve our bottom line during Q1 FY20. I am optimistic of our performance, which could improve over the next few quarters on the back of increasing contribution from ‘Pentonic’ coupled with an expanding footprint.”

- – Deepak Jalan, *Managing Director*