



29th June, 2021

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,

Sub: Quarterly Update — Q4 of FY 2020-21

Please find enclosed herewith the quarterly update for Q4 of FY 2020-21.

Thanking You,

Yours faithfully,

For LINC PEN & PLASTICS LTD.

N. K. Dujari
Chief Financial Officer &
Company Secretary



Linc Pen & Plastics Limited

Performance review for investors

January to March, FY 2020-21

An introduction to our company

- Linc is one of India's three largest writing instrument manufacturers
- Linc enjoys a brand recall of 'pioneering' and 'consistently high quality'
- Linc enjoys a sales presence in over 50 countries

▶ Big numbers of our performance

Q4, FY 2020-21

9,377

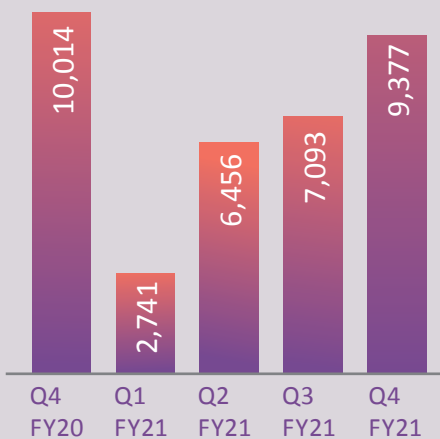
Revenue from
operations
(in Rs. lakhs)

8.2

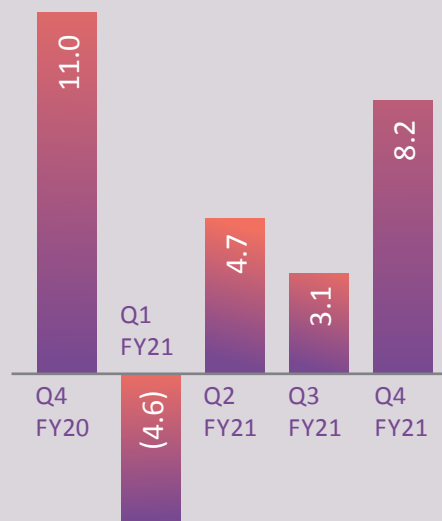
EBITDA margin
%

▶ Performance trend

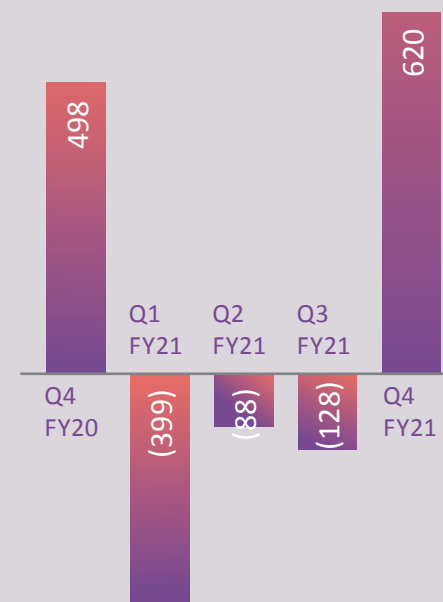
REVENUES (in ₹ lakhs)



EBITDA MARGIN (in %)



PAT (in ₹ lakhs)



▶ Performance review

Q4, FY 2020-21

- The Company reported higher revenue over the immediate previous quarter by 32%
- The performance was creditable in view of the continuing closure of educational institutions in India (largest consumers of writing instruments)
- The company achieved 94% of the revenues reported in the fourth quarter of FY 2019-20
- The company reported a turnaround to the black (net profit) during the quarter



How we strengthened our business



Q4, FY 2020-21

- The company widened its retail network by 13,000; with the total retailers reach was 1,48,000 at the year-end
- The increase in the retail network in Q4 was 9% of the total retail network
- The company strengthened its dealer management through restructuring and digitalisation
- Total debt declined in FY21; finance cost declined from Rs 93 lakhs in Q2 to Rs 65 lakhs in Q3 to Rs 20 lakhs in Q4
- Inventories declined (finished goods and raw materials) by 25% in FY21, moderating working capital requirement
- Pentonic sales continued to account for a growing proportion of revenues

▶ The big message

Q4, FY 2020-21

- The Company widened its product basket to include non-stationery products
- The Company achieved 94% of revenues reported in Q4 FY 2019-20
- The Company moderated finance cost by Rs 272 lakhs in the 12 months ending March 2021 (interest cover improved)
- The Company froze all capital expenditure to conserve cash flows

▶ Highlights of our domestic performance

Q4, FY 2020-21

Increased
from Rs. 5,785
lakhs in Q3 FY
2020-21 to Rs.
8,141 lakhs in
Q4 FY 2020-21

Improvement
in consumer
sentiment
supported
sales offtake

Strengthened
acceleration
towards a
distribution-
driven
company

Wider
distribution
footprint
helped the
company seed
its brand with
new retailers

▶ Highlights of our export performance

Q4, FY 2020-21

Exports remained muted in view of the pandemic impact on global trade

Exports were Rs. 1,236 lakhs in Q4 FY 2020-21 (Rs. 2,017 lakhs in Q4 FY 2019-20 and Rs. 1,308 lakhs in Q3 FY 2020-21)

▶ Managing Director
Deepak Jalan's
overview



- Linc posted its most heartening quarter in FY 2020-21.
- Even as most educational institutions continued to be closed and student demand for writing instruments remained subdued, Linc recovered revenues to 94% of what the company had achieved in the normalised corresponding quarter of the previous year.
- This improvement was the result of focused initiatives: wider reach and range.
- The company intends to take this initiative ahead by growing its distribution network rapidly during the current year and increasing the proportion of non-stationery products in its portfolio.
- We are optimistic of prospects as the combination of reach and range coupled with lower debt will enhance our growth and profitability.
- More than that, we believe that this change in our business model is laying the foundation of a reinvented Linc.

Revenue growth

From 27% of the first
quarter's revenues of FY
2019-20 in Q1, FY 2020-21

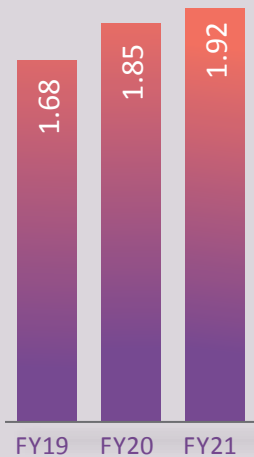
To 64% of the second
quarter's revenues of FY
2019-20 in Q2, FY 2020-21

To 74% of the third quarter of
2019-20 in Q3, FY 2020-21

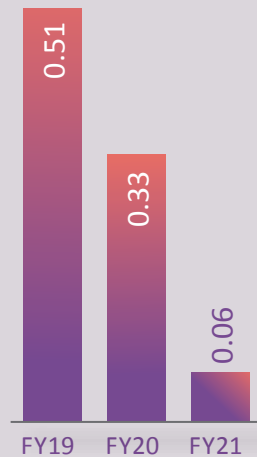
To 94% of the fourth quarter
of 2019-20 in Q4, FY 2020-21

▶ Financial analysis

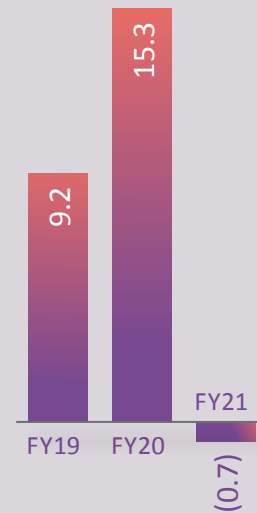
Current Ratio



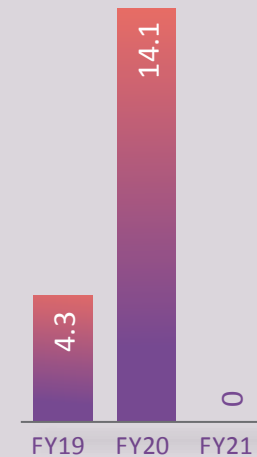
Debt-equity ratio



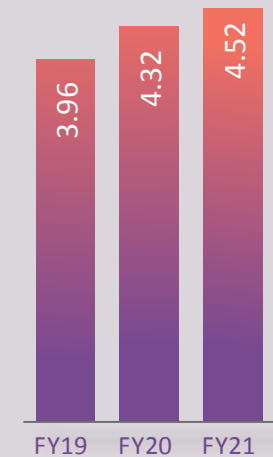
Return on capital employed (%)



Return on equity (%)



Average realization per pen (Rs.)



Outlook

- The improvement reported in the fourth quarter of FY 2020-21 was interrupted during the first quarter of FY 2021-22, marked by a lockdown following the second pandemic surge.
- Educational institutions are unlikely to reopen in a quarter even through India's vaccination pace is accelerating.
- The company has drawn out an aggressive growth agenda during the current financial year on the back of a large increase in its distribution footprint.
- The company expects to post a handsome increase in revenues, margins and profits in FY 2021-22.

Summing up

The company has adapted to the uncertain business environment by reinventing its business model and personality, which should translate into sustainable growth across the coming years.

- Deepak Jalan, Managing Director