



2nd November 2023

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

Scrip Code- 022035

Script Code- 531241

Symbol- LINC

Dear Sir,

Re: Earning Presentation

Please find enclosed herewith the Earning Presentation for the quarter/ half yearly ended 30th September, 2023.

Thanking You

Yours faithfully

For LINC LIMITED

KAUSHIK RAHA
Company Secretary

Encl: as above



Q2 FY24 November 2023

NSE : LINC
BSE : LINC
Bloomberg : LINC:IN

EARNINGS PRESENTATION.

Linc Limited
(formerly Linc Pen and Plastics Limited)

Safe Harbour Statement.

This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.



Inside This Presentation.

- 1. Executive Summary 04
- 2. Management Commentary 05
- 3. Key Highlights 06
- 4. Quarterly Highlights 07 - 10
- 5. Operational Highlights 11 - 12
- 6. Quarterly Profit & Loss 13
- 7. Focus on Shareholder Value Creation 14
- 8. Shareholding Pattern 15
- 9. Why Linc? 16
- 10. 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 6.6% market share in the writing instrument segment as of FY 23
- 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.

“In the quarter gone by, our company demonstrated remarkable resilience and adaptability in the face of challenges. Despite a decline in our relatively higher margin export revenues, which can be attributed to geo-political disruptions in some of our key markets, our domestic sector showcased a decent growth of approximately 12%. Our proactive response to this situation involves strategic diversification in our export initiatives, where we are actively exploring new markets and optimizing our presence in the existing ones.

Although our gross profit margin experienced a slight dip, reaching 29.0% from 30.5% in the same quarter of the previous year, we view this as temporary. Our unwavering confidence is bolstered by the strong demand we continue to witness for our Pentonic portfolio, the increasing popularity of our “Deli” stationery range, and the growing market share of our higher-margin products. Moreover, our innovative pipeline remains vibrant, promising exciting prospects on the horizon.

Our margins were also affected during the quarter due to one-time prosperity rewards to employees, recognizing their dedication and hard work during the challenging Covid times which has been instrumental in making FY 23 our most successful year to date. This is over and above the impact of the annual increments.

As we move forward, we do so with unwavering confidence in our capabilities. Our focus on innovation, strategic market expansion, and employee motivation positions us strongly for sustainable growth. We are confident that these efforts will not only help us overcome current challenges but also pave the way for even greater achievements in the near future.”

Deepak Jalan

Managing Director, Linc Limited



Key Highlights.

Operating Income up 3.3% YoY & up 17.3% QoQ at ₹ 13,122 lacs

Operating EBITDA down 19.1% YoY at ₹ 1,259 lacs and Margin stood at 9.6%

PAT down 19.4% YoY and up 4.4% QoQ at ₹ 771 lacs. Pat Margin stood at 5.8%

Debt was nil as on 30th September 2023 and the company has net free cash of ₹ 597 lacs

Gross Profit down 1.7% YoY at ₹ 3,811 lacs and Margin stood at 29.0%

'Pentonic' Sales was ~ 29% of total revenue for Q2 FY24 and its GPM stood ~ 41%

ROE stood at 16.7%

Net Debt/Equity stood at (0.03) against (0.04) in FY23 and **Net Debt/Operating EBITDA** stood at (0.12) in September 2023



Quarterly Highlights.

₹ Lacs

	Operating Income	Gross Profit	Operating EBITDA	PBT	PAT	Cash Profit ¹
	13,122	3,811	1,259	1,026	771	1,150
Growth YOY	3.3%	(1.7%)	(19.1%)	(19.0%)	(19.4%)	(12.9%)
Growth QOQ	17.3%	5.4%	(4.3%)	2.2%	4.4%	3.5%
Margin²(%)		29.0%	9.6%	7.7%	5.8%	
Margin –YoY Expansion/(Contraction)		(147 bps)	(267 bps)	(220 bps)	(169 bps)	
EPS/CEPS					5.18	7.73

Note:

1. Cash Profit = PAT add Depreciation

2. Gross Profit & Op EBITDA Margins calculated on Operating Income

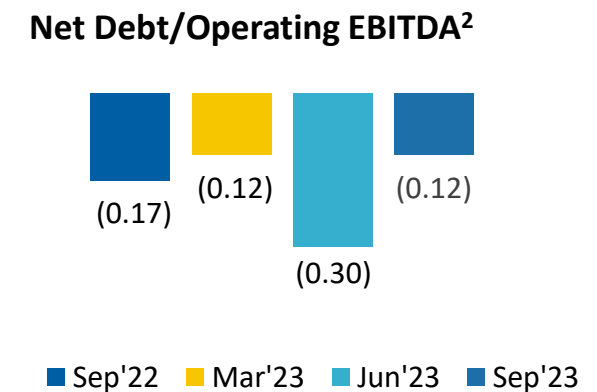
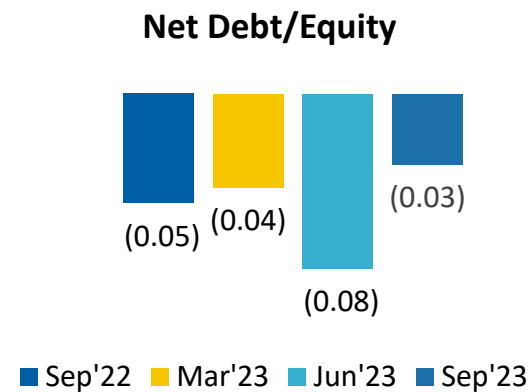
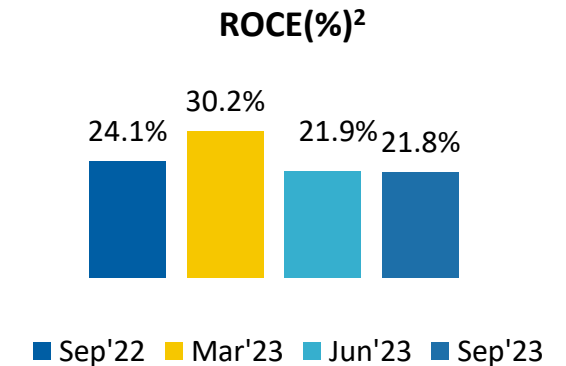
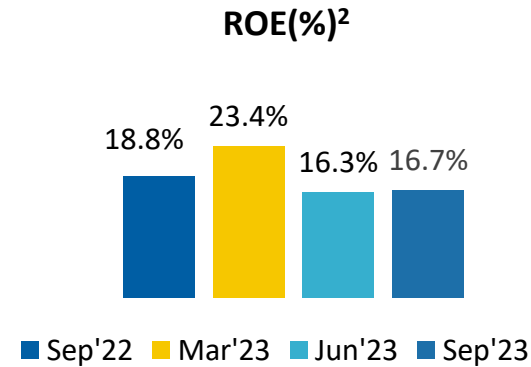
Quarterly Highlights (Cont.)

₹ Lacs

Particulars	30-Sep-22	31-Mar-23	30-Jun-23	30-Sep-23
Net Worth	15,412	17,722	18,452	18,470
Gross Debt	-	-	-	-
Cash & Cash equivalent	822	760	1,560	597
Net Debt	(822)	(760)	(1,560)	(597)
Net Fixed Assets	7,996	9,038	10,813	10,949
Net Current Assets ¹	6,348	7,748	7,436	8,154
Total Assets	21,605	23,746	26,982	26,231
Fixed Asset Turnover ²	5.55	5.64	4.51	4.87
Total Asset Turnover ²	2.15	2.22	1.76	1.95
Cash Conversion Cycle ²	67	68	86	79

Note:

1. Net current assets excludes cash & cash equivalents
2. 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
Q2 FY24	3,584	5,487	2,230	295	611	975
Sales Contribution (%)	27.2%	41.6%	16.9%	2.2%	4.6%	7.4%
Q1 FY24	4,013	4,296	1,624	69	528	644
Sales Contribution (%)	35.9%	38.4%	14.5%	0.6%	4.7%	5.8%
Q2 FY23	3,488	6,221	1,537	24	119	649
Sales Contribution (%)	29.0%	51.7%	12.8%	0.2%	1.0%	5.4%
Growth QoQ	(10.7%)	27.7%	37.4%	325.8%	15.7%	51.5%
Growth YoY	2.8%	(11.8%)	45.1%	1,144.7%	412.6%	50.3%

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

Quarterly Highlights (Cont..)

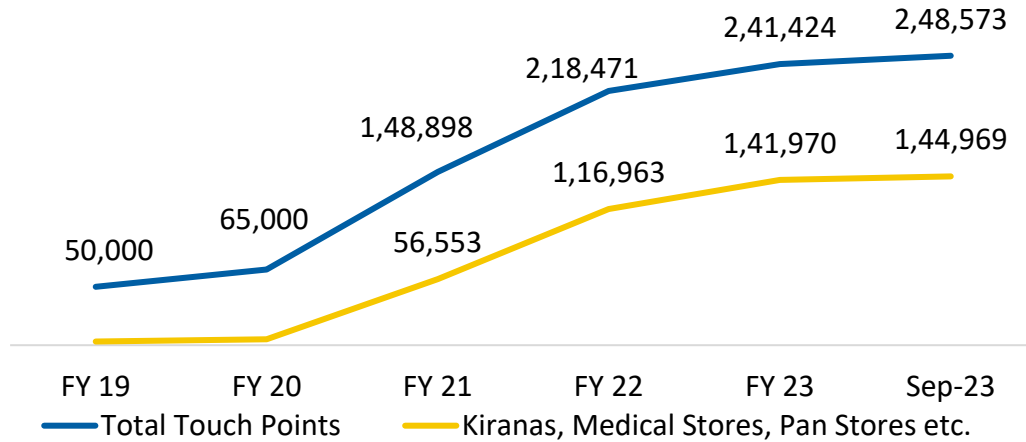
₹ Lacs

Revenue	Trade Channel				
	General Trade	Corporate	Modern Trade	E-Commerce	Exports
Q2 FY24	9,509	580	688	486	1,918
Sales Contribution (%)	72.1%	4.4%	5.2%	3.7%	14.6%
Q1 FY24	7,729	494	753	307	1,890
Sales Contribution (%)	69.2%	4.4%	6.7%	2.7%	16.9%
Q2 FY23	8,247	382	572	183	2,653
Sales Contribution (%)	68.5%	3.2%	4.8%	1.5%	22.0%
<hr/>					
Growth QoQ	23.0%	17.5%	(8.6%)	58.5%	1.5%
Growth YoY	15.3%	51.8%	20.3%	165.9%	(27.7%)

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

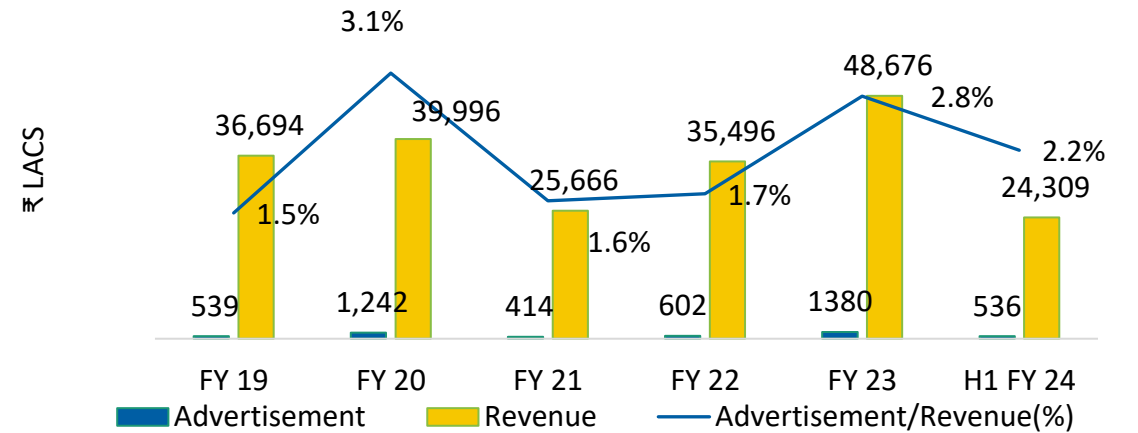
Operational Highlights.

Increasing touch points



- Started expanding aggregately to neighbourhood grocery stores (Kirana, Medical stores, Pan stores, etc.) since FY20 to increase footprint
- Added over 1,83,573 touch points since FY'20; 10,953 over the last 1 year

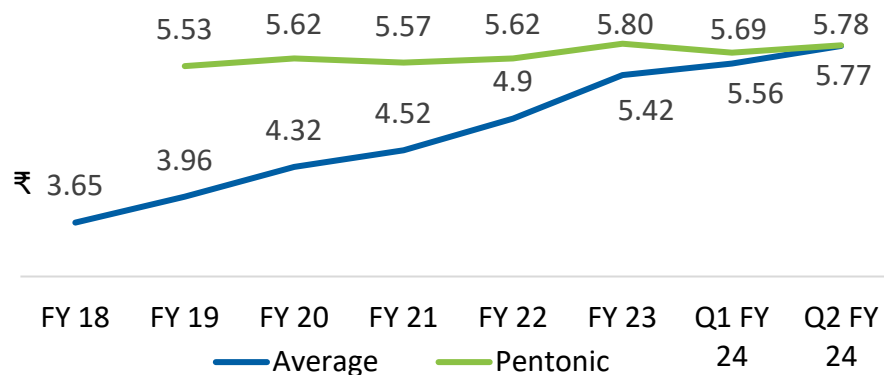
Focus on brand building



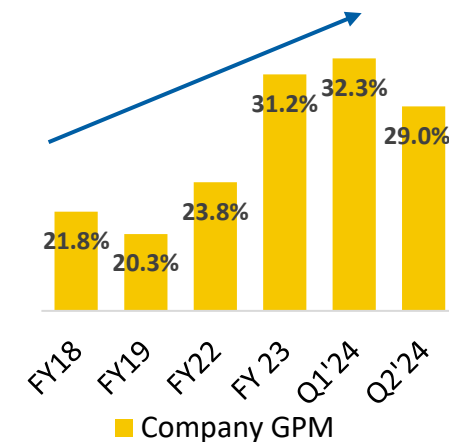
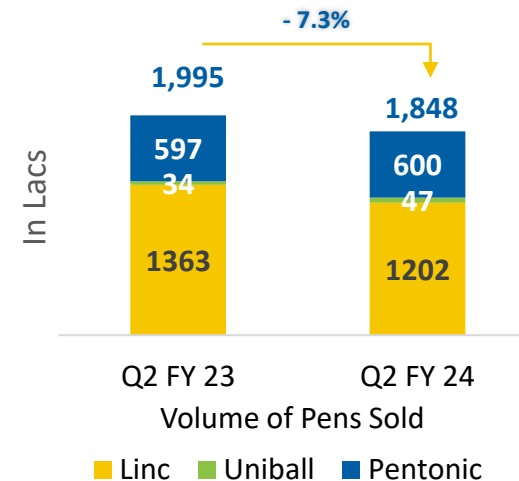
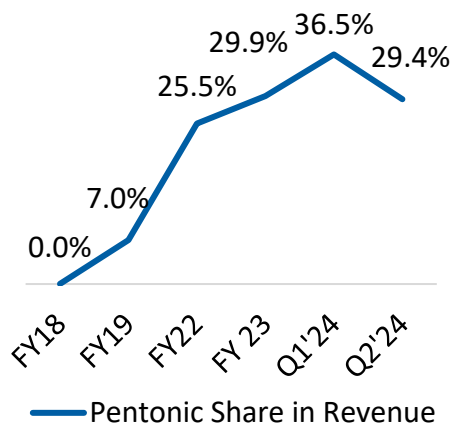
- Spent over ₹ 4,100 lacs on brands over last 5 years
- Step up brand spend going forward ~ 3% of revenue

Operational Highlights (Cont..)

Growth in average realization of Pens



Focus on higher margin products



- Consistent increase in average selling price
- Average realization increase possible due to focus on higher priced products
- Company was able to increase price of its traditional products during FY23

- Pentonic positioned at ₹ 10 + segment
- Pentonic GPM ~ 41%
- Significant increase in revenue share of 'Pentonic' over the last 5 years
- Pentonic pen volume remained stable

Quarterly Profit & Loss.

₹ Lacs

Particulars	Q2 FY 24	Q2 FY 23	YoY Change	Q1 FY 24	QoQ Change	H1 FY 24	H1 FY 23	YoY Change	FY 23
Operating Income	13,122	12,698	3.3%	11,188	17.3%	24,309	22,492	8.1%	48,676
Gross Profit	3,811	3,875	(1.7%)	3,616	5.4%	7,427	6,362	16.7%	15,197
Gross Profit (%)	29.0%	30.5%	(147 bps)	32.3%	(328 bps)	30.6%	28.3%	227 bps	31.2%
Operating EBITDA	1,259	1,557	(19.1%)	1,315	(4.3%)	2,574	2,356	9.2%	6,136
Operating EBITDA Margin (%)	9.6%	12.3%	(267 bps)	11.8%	(216 bps)	10.6%	10.5%	11 bps	12.6%
Other Income	193	84	130.1%	134	44.0%	328	216	51.5%	348
Finance Cost	46	10	381.1%	72	(35.8%)	118	20	486.0%	64
Depreciation	379	364	4.2%	373	1.7%	753	692	8.8%	1,411
PBT	1,026	1,267	(19.0%)	1,004	2.2%	2,031	1,860	9.2%	5,009
PAT	771	956	(19.4%)	739	4.4%	1,509	1,394	8.3%	3,740
PAT Margin (%)	5.8%	7.5%	(169 bps)	6.5%	(73 bps)	6.1%	6.1%	(1 bps)	7.6%
EPS (₹)	5.18	6.42	(19.4%)	4.97	4.4%	10.15	9.37	8.3%	25.15

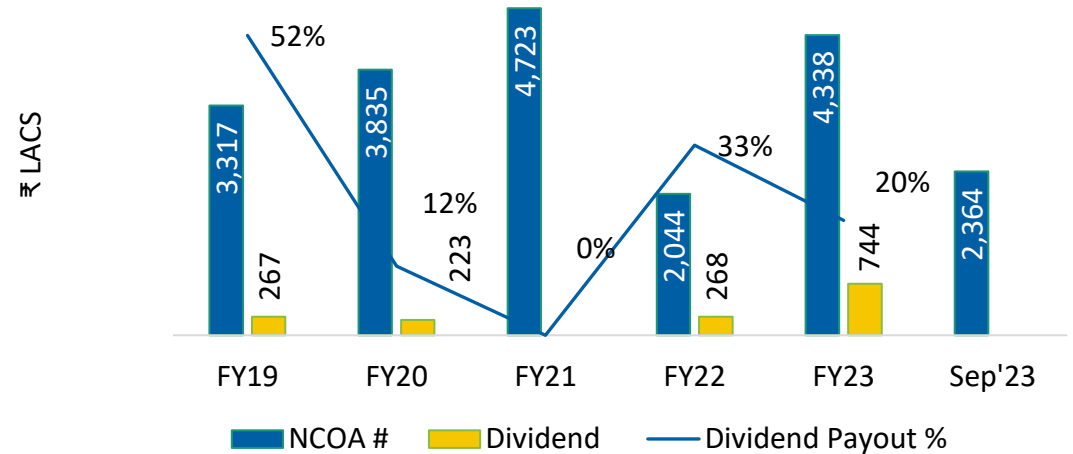
Focus on Shareholder Value Creation.

- NCOA continues to be strong in H1 FY 24
- Consistent Dividend Pay-out track record (Other than Covid years due to cash conservation)

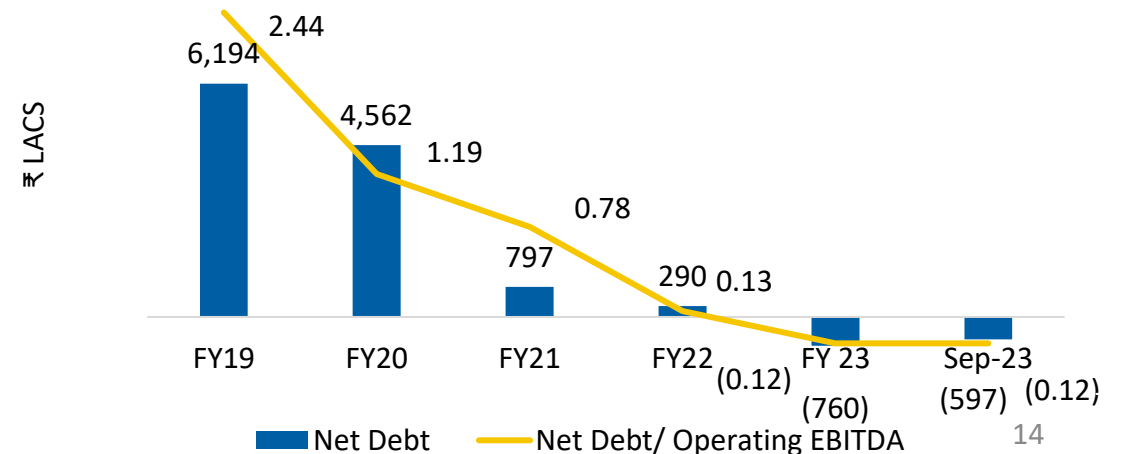
- Steady and significant decrease in Net Debt
- NCOA used judiciously to reduce Debt – Nil Debt and free cash of ₹597 lacs as on 30th Sep 2023
- Capex commitment funded largely through internal cash generation
- Net Debt / Operating EBITDA reduced significantly from peak of 2.54 in FY 2018 to (0.12) in H1 FY 2024

Note
NCOA is Net Cash generated from Operating Activities

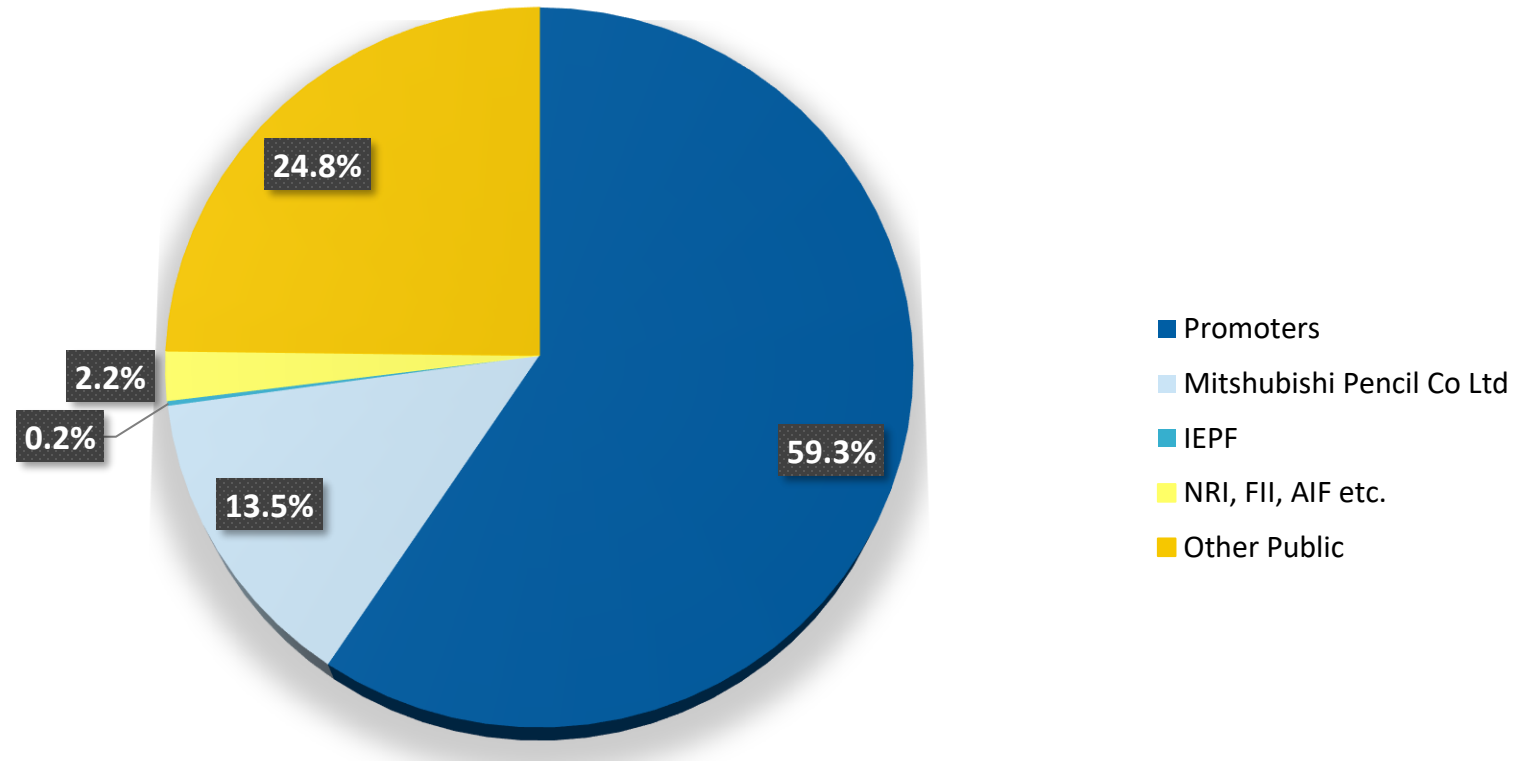
Net Cash from Operating Activities Vs Dividend Payout



Net Debt and Net Debt/Operating EBITDA



Shareholding Pattern.



As on 30th September'23

Why Linc?.



Thank You.

For further details please contact

Director Finance & CFO

N.K.Dujari

Email: investors@linclimited.com

Phone No.: +91 9830042353

Landline: +91 33 68262100

Investor Relations Advisor



Sanjeev Sancheti

Email: ss@uirtus.in

Website: www.uirtus.in

Phone No.: +91 9836244222