



30th May, 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 : Earnings Presentation & Strategy Presentation

Please find enclosed herewith the Earnings Presentation for the quarter / year ended 31st March, 2022 and Strategy Presentation.

Thanking You,

Yours faithfully,

For LINC LIMITED

DIPANKAR DE
Company Secretary

Encl: as above



FY22 May 2022

NSE : LINC
BSE : LINC
Bloomberg : LINC:IN

STRATEGY PRESENTATION.

Linc Limited
(formerly Linc Pen and Plastics Limited)

Inside this Presentation.

Executive Summary

Industry Outlook

LINC 2.0

Financial Snapshot





LINC
Who are we?.

A Leading Writing Instrument Company .



- 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.

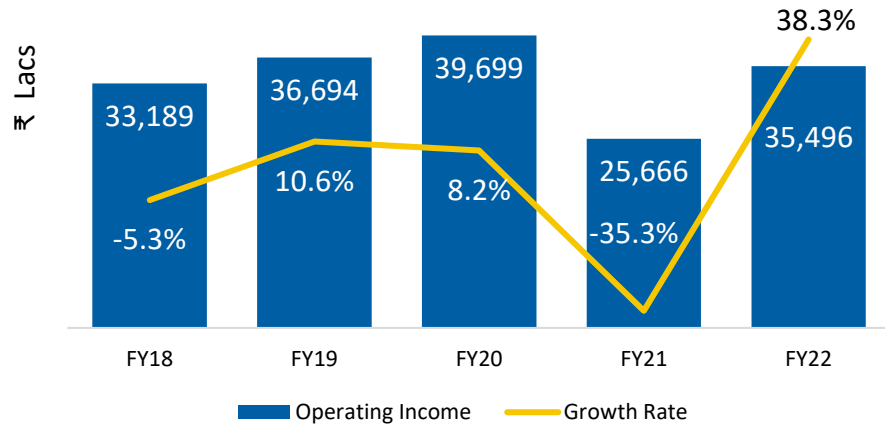


- Linc Ltd. is the 3rd largest writing instrument company with 7.8% market share in the pen segment as of 2020
- National and international presence in over 50 countries
- Strong and extensive network in Southeast Asia, Middle East, USA, UK, Europe, South America, Africa, Russia and CIS countries
- India’s exclusive importer and distributor of Asia’s largest stationery giant; Deli and world-famous pen brand Uni-ball; Mitsubishi Pencil Co., Japan

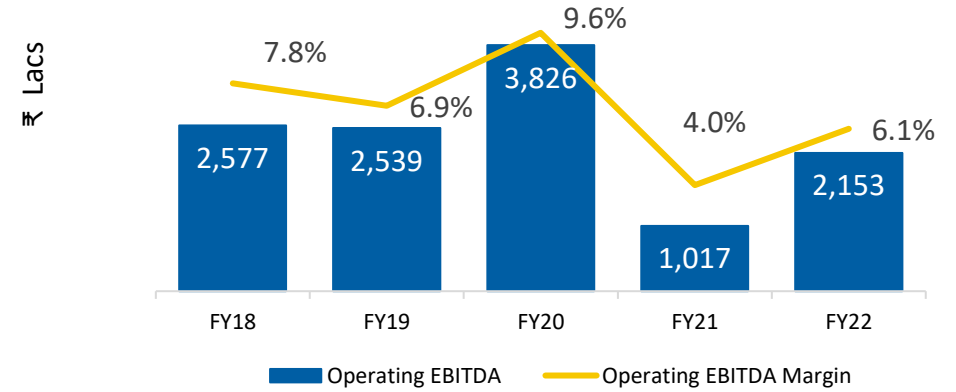
Source: Euromonitor Report – July 2021

Trend of Financial Performance

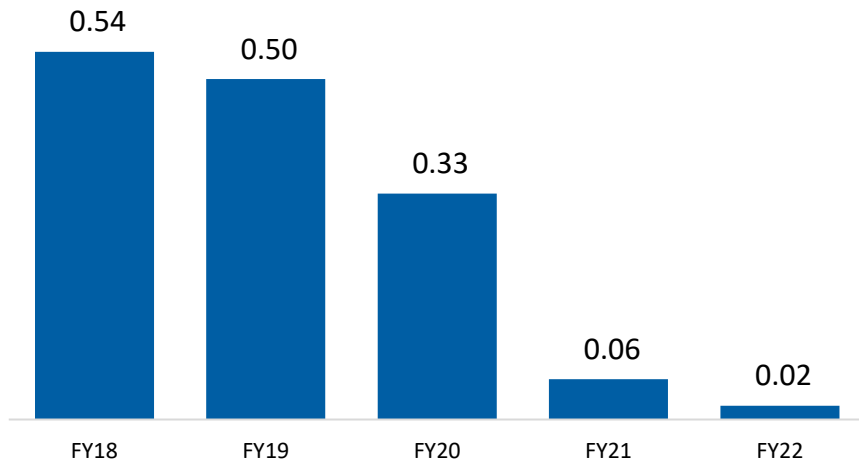
Operating Income



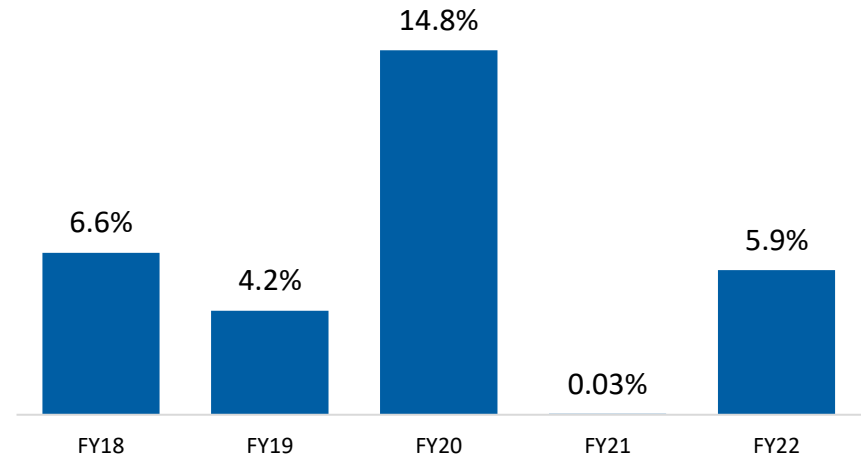
Operating EBITDA



Net Debt/Equity



ROE



Leadership.

MR. DEEPAK JALAN

Managing director,

- Commerce graduate with 35 years of experience
- Responsible for the overall operations with a specialization in international operations
- Responsible for the Company's strategic direction

MR. ALOKE JALAN

Whole time director,

- Commerce graduate with 30 years of experience in the business
- Looks after the Company's marketing operations with special emphasis on Western and Southern regions

MR. ROHIT DEEPAK JALAN

Whole time director,

- BA Hons. in Management studies from University of Nottingham, UK and PG Diploma in Business Management with specialization in Marketing
- Heading International Business and Marketing Department of the Company

MR. ANIL KOCHAR

Independent, Non-executive director,

- Postgraduate in Commerce and LLB
- An eminent advisor on income tax matters

MS. SUPRIYA NEWAR

Independent, Non-executive director,

- Author, Writer and a Communications specialist with over two decades of invaluable experience
- Believes in both the beauty and the might of the pen

MR. NARESH PACHISIA

Independent, Non-executive director,

- Founder & MD, SKP Securities Ltd.
- SKP Securities Ltd is Eastern India's leading investment banker, wealth manager and stockbroker with 39 years' experience in capital markets

MR. N.K.DUJARI

Director finance & CFO,

- Chartered Accountant with 34th Rank (All India) and a Company Secretary
- Alumnus of St. Xavier's College, Calcutta with over 34 years of professional experience in varied fields
- Joined Linc in the year 2000

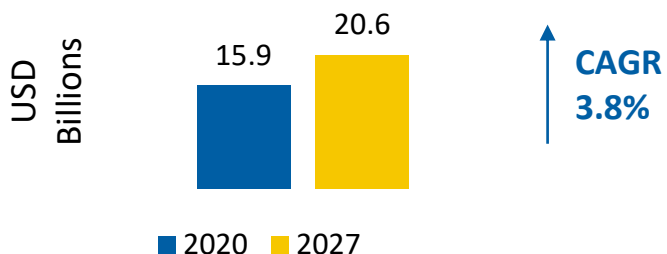




LINC Industry Outlook.

Global Writing Instrument Industry Opportunity.

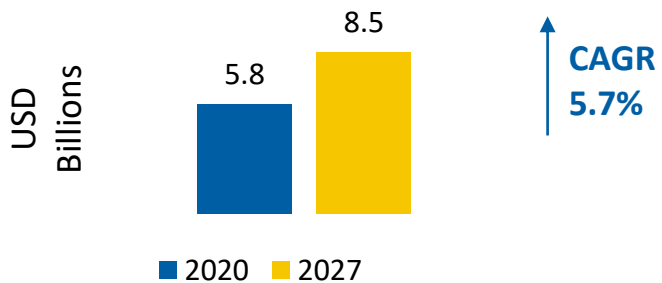
Global Writing Instrument Industry



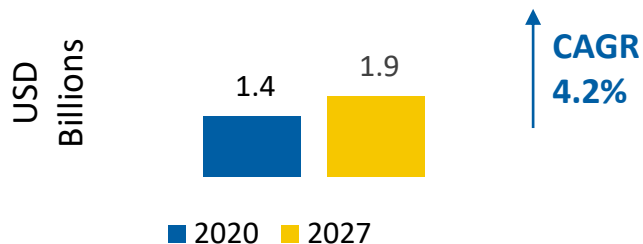
Share of relevant market

	2020	2027
Ball and Gel Pen	36%	41%
Roller	9%	9%
Total	45%	50%

Ball Point and Gel Pen Industry



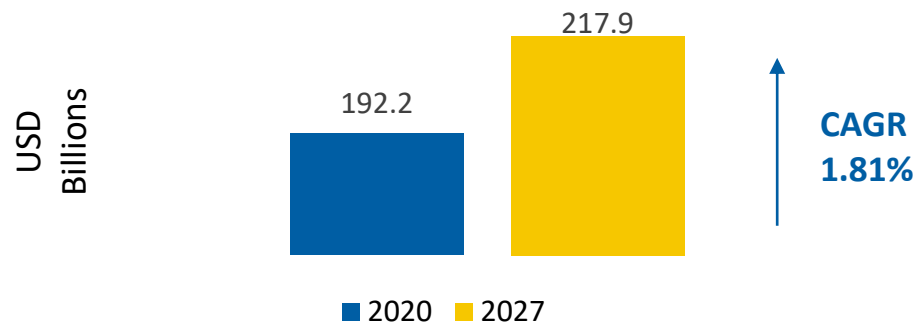
Roller Pens Industry



1. The Global writing instruments market is dominated by USA with a market share of 27%
2. Growth Drivers:
 - a) Demand for Luxury Instruments
 - b) Rising trend of corporate gifting
 - c) Rise in education in 3rd world countries
3. Corporate gifting market at \$120 bn
4. Colouring instrument demand growing faster, due to surge in demand for highlighters, markers, etc
5. Pens continue to be the largest share at ~ 60%, growing at over 4% pa

Global Stationery Industry Opportunity.

Global Stationery Products Market

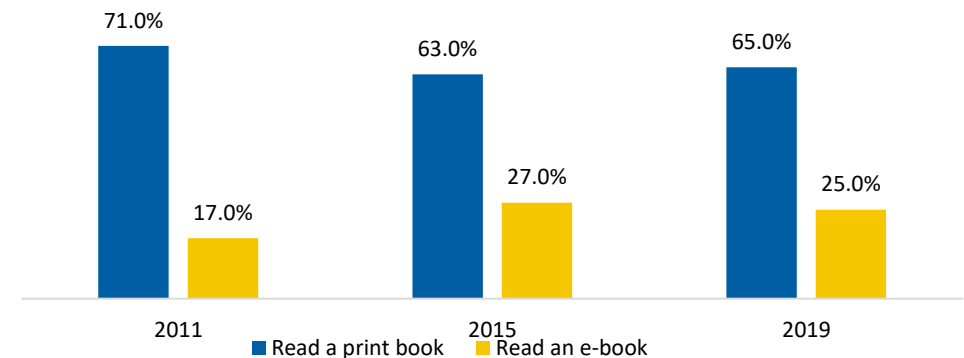


Market Segments

- US Market estimated at \$52 Bn
- China Market at \$33 Bn, to grow faster @ 3.6% CAGR
- Japan to grow at 0.2% only, while Canada to grow at 1.3%
- Education sector held the largest share of the market at 45.3%

- The stationery industry is divided into paper and non-paper stationery, the latter accounting for the larger share
- Growth Drivers
 - Rising inclination towards higher education
 - Demand from corporate sector
 - Increase in customized and personalized stationery
 - Increased literacy rate in the developing world

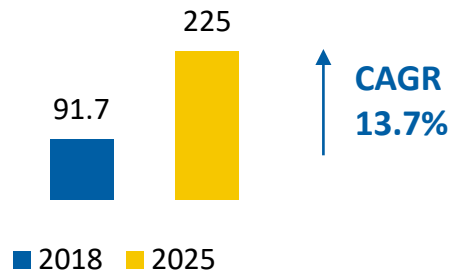
% of US Adults who read the following type of book



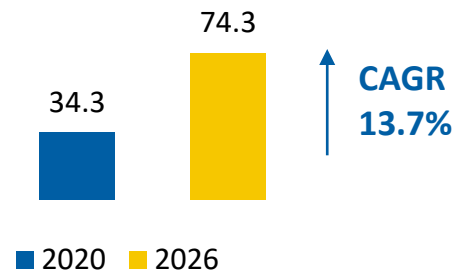
In spite of digitization over the past few years, print medium continues to be dominant for readers which augers well for writing instrument and stationery market

Opportunity in Indian Market.

Indian Education Market Size



Indian School Market Size



- Largest population in age bracket of 5-24 years ~ 580 million
- Over 250 million school going students
- Indian education market expected to be ~ \$225 billion by FY 25, growing at over 13%
- Budget estimates for 2022-23 show that the government will spend ₹ 104,278 crore in the coming fiscal year on education

Writing Instruments Market

- Market size ~ ₹ 10,000 crs and growing at over 8% pa
- 80% of revenue from pen below ₹ 15 per piece
- Market for Pen below ₹ 15 growing at ~8%
- Market for Pen above ₹ 15 growing at ~ 10%
- 55% consumers are students; 20% are office goers
- Indian working population to grow ~20% and education market to grow ~ 14% , hence Writing Instrument growth prospects are very strong

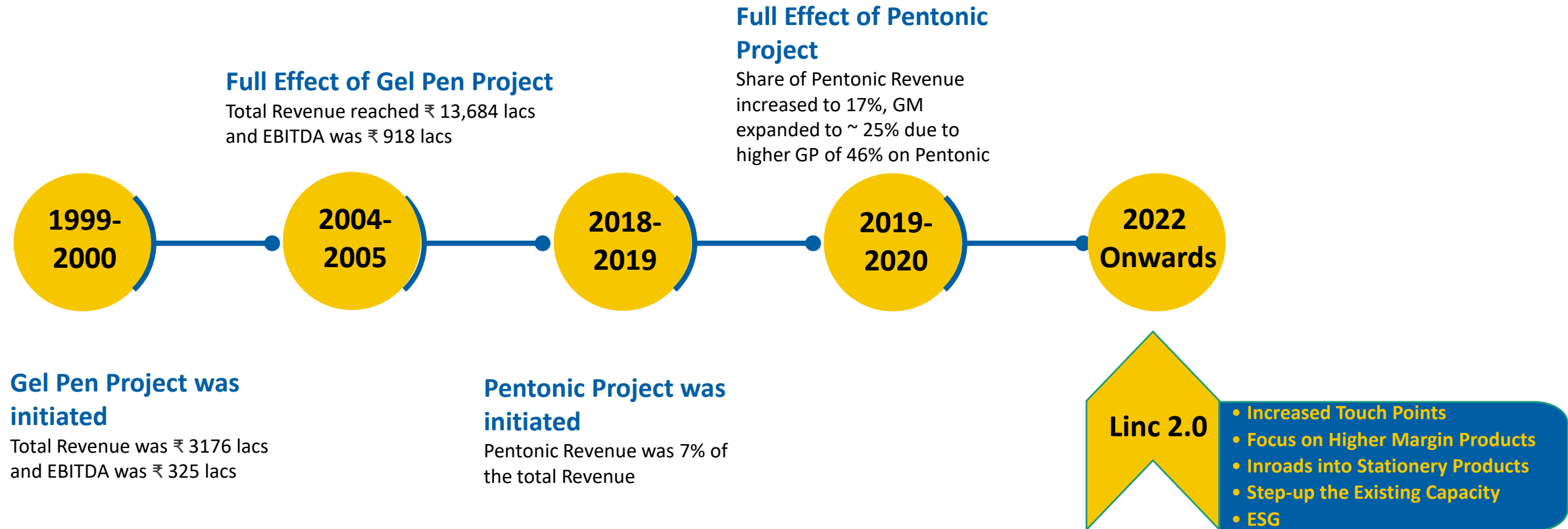
Stationery Market

- Anticipated to increase at a CAGR of 6.2% between 2019 and 2025
- Education sector amongst the largest consumers of stationery products
- Education sector poised to do well over the next 10 years
- India Stationery market holds tremendous growth potential as the country has nearly ₹ 22-24 crore students studying and requiring notebooks and other stationery materials.

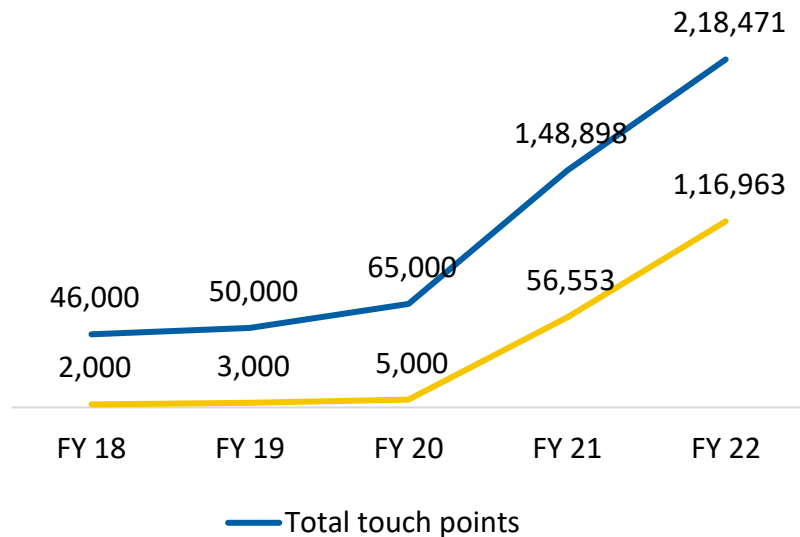


LINC 2.0.

Evolution to Linc 2.0.



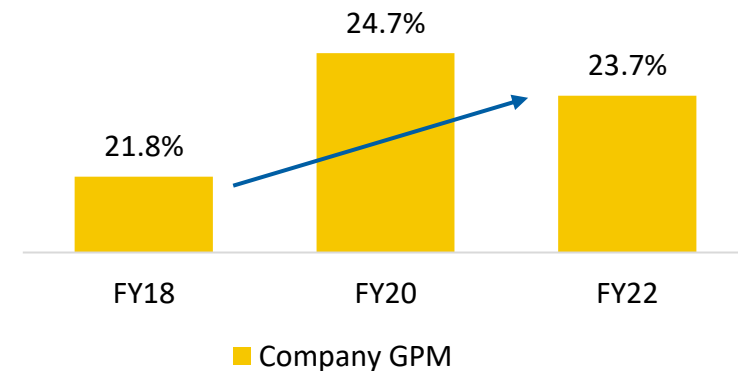
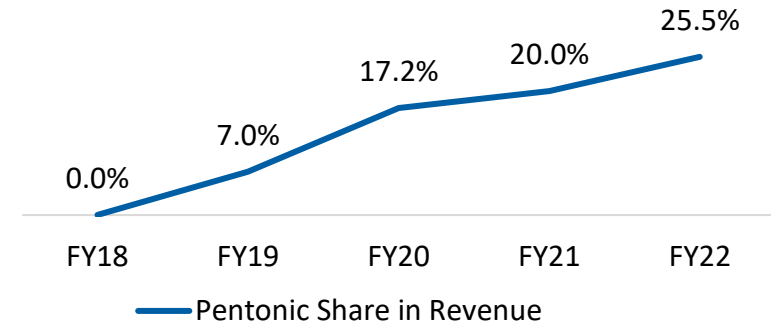
Increased Touch Points.



- India has over 10 Mn non-stationery outlets
- Broken tradition by expanding to neighbourhood grocery stores (Kirana, Medical stores, Pan stores, etc.)
- Currently, we have crossed the milestone of 1 lakh non-stationery outlets
- The company targets to reach 5 lakh touch points in 3 years time

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 ~ 43%
- Increase in share of Pentonic in total revenue leading to higher GPM at the company level



Inroads into Stationery Products.

- Targeting over ₹7,500 lacs topline by FY25
- Deli will contribute ~ 15% in company's total revenue in the next 3-4 years
- Deli's GPM is around 20% and hence it will start contributing significantly to the operating EBITDA of the company from the current financial year





Step-up the Existing Capacity.

Linc plans to increase its existing in house capacity from 10 lacs pen per day to 15 lacs pen per day

Revenue Potential of the new facility at full capacity will be ~ ₹7,500 lacs

Land acquisition in the final leg of completion with advance already paid and land blocked

Project cost ~3,500 lacs; to be funded by internal cash generation and debt of INR1,000-1,500 lacs

New plant expected to be commissioned in the last quarter of FY24 and the facility is expected to achieve in full capacity in 2 years time

New plant in the existing location will rationalize logistics and will result in economic synergies

Capacity expansion will be modular so that investment is done in a phased manner, to align with demand, leading to better return on investment

ESG.

Environment

- Pentonic’s individual plastic wrapper packaging has been consciously substituted with paper box packaging of 10/20pcs.
- This step has saved the planet from over 60 MT of plastic waste in FY22, while also having saved company ~ ₹ 200 lacs in packaging cost

Social

- Strongly believes in diversity in the workforce and has ~700 female employees at the Gujrat Factory
- Employs a small specially-abled workforce, also providing training to these employees to enable efficient performance
- Long-standing partner of “Friends of Tribal Society” in providing support for education & other welfare activities

Governance

- Consistently endeavored to practice good Corporate Governance
- Believes such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness

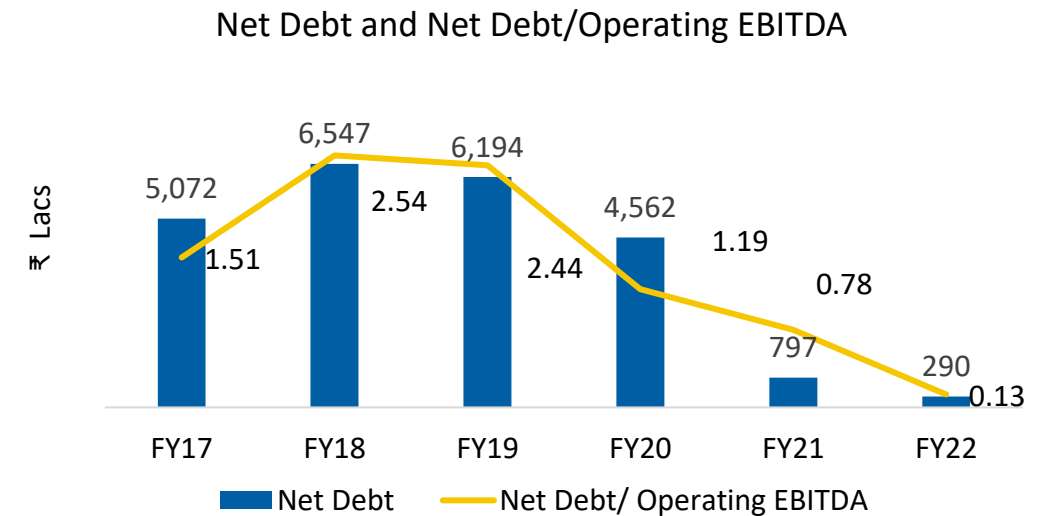
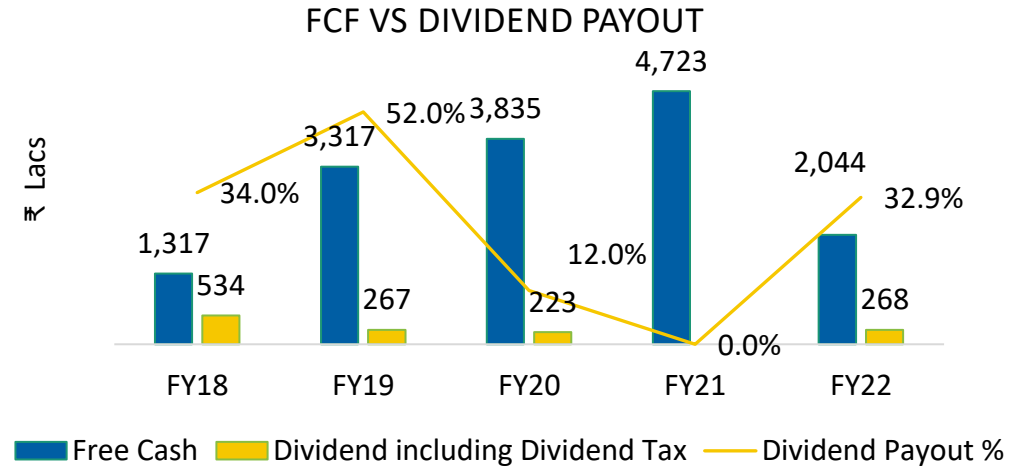




LINC Financial Snapshot.

Focus on Shareholder Value Creation.

- Steady increase in Free Cash Flow
- Consistent Dividend Pay-out track record of greater than 30% (Other than Covid years due to cash conservation).
- Steady and significant decrease in Net Debt
- FCF used judiciously to reduce Net Debt to as low as ₹ 290 lacs in FY 2022
- Capex commitment funded largely through internal cash generation
- Net Debt / Operating EBITDA reduced significantly from peak of 2.54 in FY 2018 to 0.13 in FY 2022



Note

1. Free Cash is Net Cash generated from Operating Activities

Profit & Loss Summary.

₹ Lacs

Particulars	FY18	FY19	FY20	FY21	FY22
Operating Income	33,189	36,694	39,699	25,666	35,496
Growth (%) ³	-5.0%	10.6%	8.2%	-35.4%	38.3%
Gross Profit	7,232	7,434	9,805	5,753	8,441
Gross Profit Margin	21.8%	20.3%	24.7%	22.4%	23.8%
Operating EBITDA	2,577	2,539	3,826	1,017	2,153
Operating EBITDA Margin	7.8%	6.9%	9.6%	4.0%	6.1%
Other Income	116	243	301	146	288
Depreciation	960	1,046	1,254	1,269	1,282
Finance cost	485	629	546	274	73
PBT	1,248	1,107	2,326	-381	1,085
PAT	784	515	1,925	4	813
Cash Profit ¹	1,744	1,561	3,179	1,273	2,095
EPS (₹)	5.30	3.48	12.94	0.03	5.47

Note:

1. Cash Profit = PAT add Depreciation
2. Prior period figures are restated wherever necessary
3. Growth (%) is calculated YoY

Balance Sheet Summary.

₹ Lacs

Particulars	FY18	FY19	FY20	FY21	FY22
Net Worth	12,077	12,337	13,697	13,471	14,285
Short Term Loans	4,848	3,813	2,352	812	299
Long Term Loans	1,710	2,392	2,223	-	-
Gross Debt	6,558	6,205	4,575	812	299
Cash & Cash equivalent	11	11	13	14	9
Net Debt	6,547	6,194	4,562	797	290
Capital Employed ¹	19,324	19,388	19,199	15,025	15,178
Net Fixed Assets (incl CWIP)	6,706	7,541	7,870	7,106	8,215
Net Current Assets ²	6,330	6,087	7,219	5,437	6,072
Total Assets	23,705	23,240	24,535	20,046	20,162

Note:

1. Capital Employed = Net worth + Gross Debt + Other long-term liabilities + Lease Liabilities
2. Net current assets does not include Cash & cash equivalents

Ratio Summary.

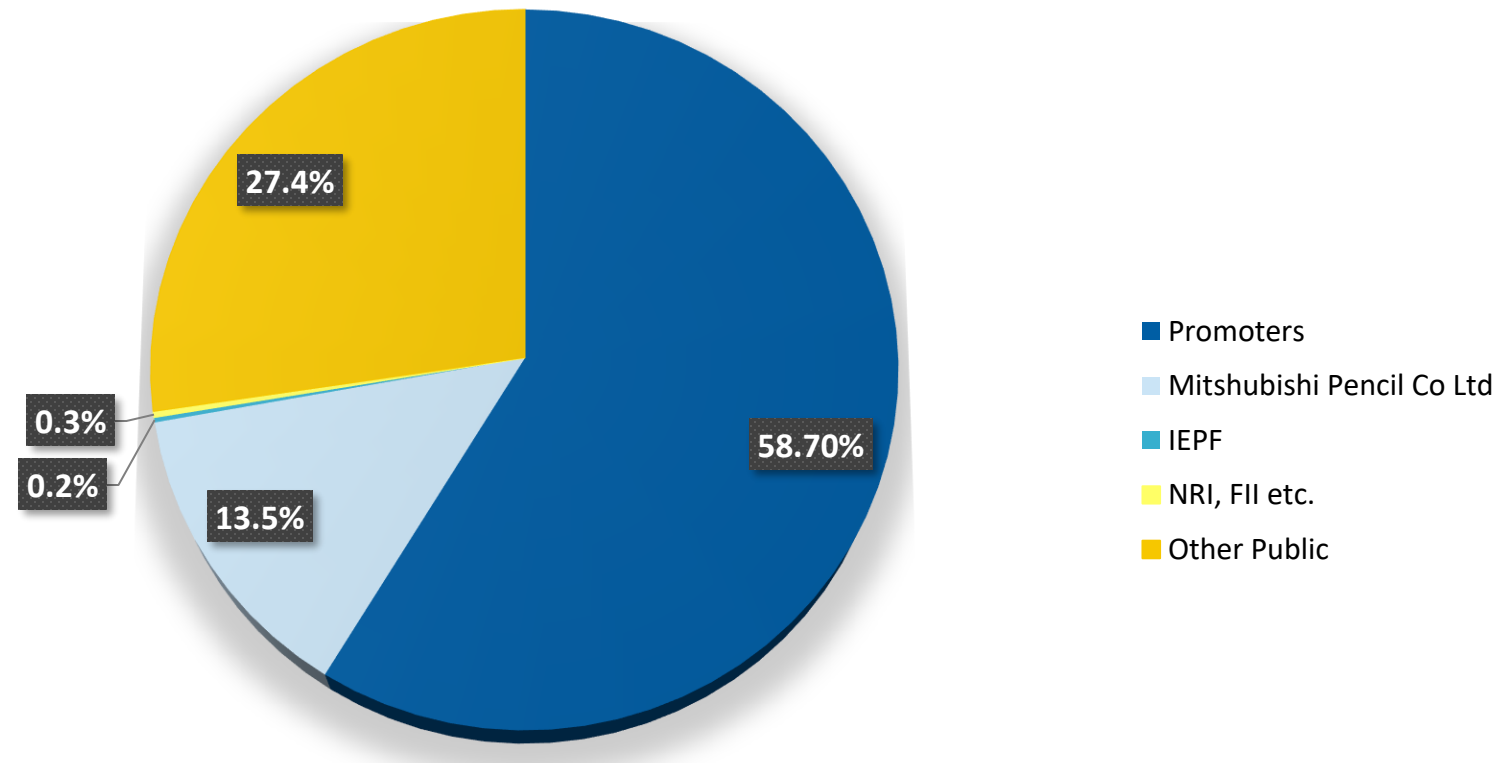
₹ Lacs

Particulars	Ratios	FY18	FY19	FY20	FY21	FY 22
Solvency Ratios	Net Debt/Equity	0.54	0.50	0.33	0.06	0.02
	Net Debt/Op EBITDA	2.54	2.44	1.19	0.78	0.13
	EBIT/Interest	3.57	2.76	5.26	-0.39	15.81
Operational Ratios	Current Ratio	1.74	1.68	1.85	1.92	2.14
	Fixed Asset Turnover	5.33	5.15	5.15	3.43	4.63
	Total Asset Turnover	1.49	1.56	1.66	1.15	1.77
	Inventory Days	130	107	113	154	98
	Debtor Days	47	44	39	56	36
	Payable Days	40	40	45	86	60
	Cash Conversion Cycle	138	111	107	124	74
	Return Ratios	ROE	6.56%	4.22%	14.79%	0.03%
	ROCE (Pre-tax)	9.42%	8.97%	14.89%	-0.62%	7.67%

Note:

ROCE = EBIT / Average Capital Employed & ROE = Net Profit / Average Net worth

Shareholding Pattern.



As on 31st March 22

Why Linc?.



Strong Balance Sheet with very low leverage

Education sector experiencing strong tail winds in India; hence demand for company's products will continue to grow

Strong in-house manufacturing facilities with judicious mix of outsourcing

Presence over all categories – Roller Pen, Gel Pen & Ball Pen - in affordable & mid market segment

Rapidly expanding distribution network
Added over 1.7 lac touch points over the last 4 years

Margin Expansion - Focus on growing high margin products like Pentonic, whose share has been increasing significantly

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Any reference herein to "the Company" shall mean Linc Limited, together with its consolidated subsidiaries.

Thank You.

For further details please contact

Director Finance & CFO

N.K.Dujari

Email: investors@lincpen.com

Phone No.: +91 9830042353

Landline: +91 33 68262100

Investor Relations Advisor



Sanjeev Sancheti

Email: ss@uirtus.in

Phone No.: +91 9836244222