



Think it. Linc it.

Linc Pen & Plastics Limited

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# Presentation of the financial results for **Q3/FY 2019-20**

## An introduction

One of India's most trusted writing instrument manufacturers.

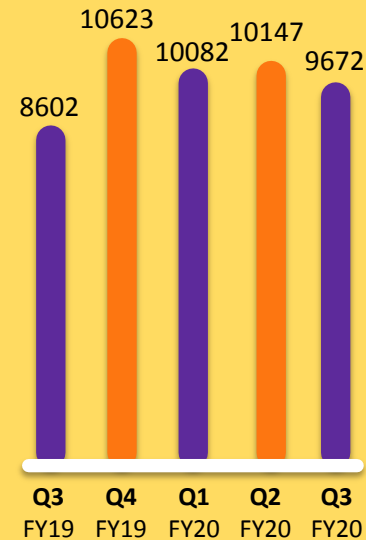
Robust domestic and international presence spreading across 50 countries.

Respected for producing world-class and innovative products.

## Quarterly update

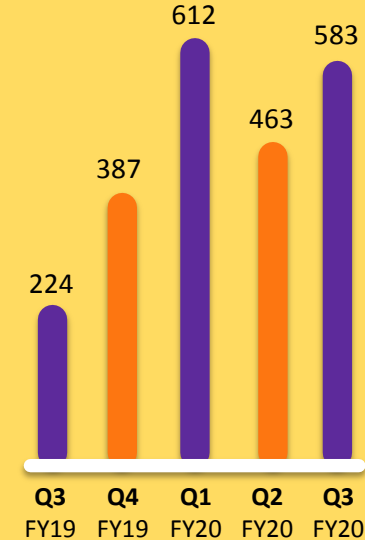
### Revenues

(In Rs. Lakhs)



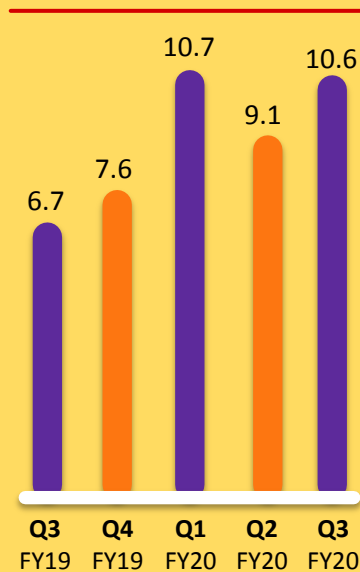
### PBT

(In Rs. Lakhs)

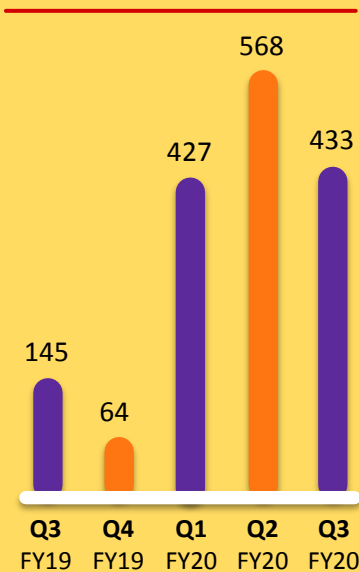


## Quarterly update

### EBITDA margin (%)



### PAT (In Rs. Lakhs)



## Our performance highlights

### Domestic performance

- The Company reported Rs. 7347 lakhs domestic revenues for Q3 FY20 compared to Rs. 6259 lakhs for Q3 FY19, registering a y-o-y growth of 19.8%
- The Company focused largely on 'Pentonic'. As a result, 19.5% of its domestic revenues in Q3 FY20 (9 months contribution – 13.9%) was contributed by the 'Pentonic' brand

## Our performance highlights

### Export performance

- Linc focused on increasing its penetration in the existing markets, in the quarter under review
- Linc generated Rs. 2323 lakhs from exports in Q3 FY20 compared to Rs. 1881 lakhs in Q2 FY20, a q-o-q growth of ~23.5%
- Linc generated Rs. 2323 lakhs from exports in Q3 FY20 compared to Rs.2342 lakhs in Q3 FY19

## Our performance highlights

### Price segmentation

- The <Rs. 10 pen segment accounted for 48% of Q3 FY20 revenues from general trade in domestic market; while the Rs. 10-and-above segment accounted for 52% in the quarter under review
- Share of revenues from the Rs. 10-and-above segment is projected to grow to 60% of revenues by FY21

### Branding and advertisement

- The Company spent Rs. 249 lakhs on branding and advertisement in Q3 FY20, compared to Rs. 56 lakhs in Q3 FY19
- The Company spent Rs. 863 lakhs on branding and advertisement in 9M FY20, compared to Rs. 156 lakhs in 9M FY19

### Inventory

- The Company was able to bring down its inventory levels to 78 days of sale for the quarter, compared to 92 days of sale during the same quarter last year

## Managing Director's message

Owing to domestic and global headwinds, the country's economic growth has been sluggish and is estimated to register a GDP growth of 4.8% in FY20, compared to 6.8% (achieved) in the previous fiscal. On the backdrop of this sluggish economic growth, the Company recorded a turnover of Rs. 96.7crore in the quarter under review.

In the quarter under review, the Company launched a new retractable ball pen, namely 'Pentonic VRT' under the umbrella brand 'Pentonic' at a price point of Rs. 20.



## Managing Director's message

I am pleased to inform that the initial response to the important launch was excellent and helped us boost the Rs. 10-and-above segment. This resulted in a majority proportion of 52% of revenues from the Rs. 10-and-above segment in Q3 FY20, compared to 40% in Q3 FY19.

Q3 has been a historically weaker quarter for Linc owing to this being a festive season. Despite this fact, we have attained y-o-y growths on all fronts, aided by continued encouraging response to the Company's 'Pentonic' range.

## Managing Director's message

### Performance overview

I am pleased to inform that we registered a y-o-y growth of 12.4% in our overall topline in Q3 FY20 compared to Q3 FY19.

We recorded a whopping 198.8% y-o-y growth in our bottomline in Q3 FY20, compared to Q3 FY 2018-19.

We strengthened our EBITDA margin by 390 bps y-o-y in Q3 FY20 , compared to Q3 FY19.

The company invested of Rs. 249 lakhs (863 lakhs in 9months of FY20) in branding and advertisement in the quarter under review, compared to Rs. 56 lakhs (156 lakhs in 9months of FY19) in Q3 FY19.

## Managing Director's message

### Outlook

A launch of new products under the 'Pentonic' canopy is expected to boost the Company's margins and help the portfolio become a significant revenue-driver.

Projected revenue growth of at least 10% in Q4 FY20.

Boost the Rs. 10-and-above segment.

The background is a vibrant yellow with various abstract elements. In the top left, there's a cluster of dark blue dots forming a triangular shape. Below it is a pink curved shape. In the middle left, there are three black triangles pointing left and three black wavy lines. A pink curved shape is also present below the wavy lines. A pink line with a black triangle pointing left curves across the middle. In the bottom left, there's a yellow circle and a purple shape with white dots. In the bottom right, there's a purple shape with white dots and a dark brown circle. A pink line with a black triangle pointing left curves across the bottom right. The overall style is modern and colorful.

## Summing up

“I am fairly optimistic of the next quarter on the back of a strong demand in Q4 coupled with an increasing proportion of value-added products in our portfolio”

– Deepak Jalan, Managing Director