



13<sup>th</sup> August, 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 — Q1 of FY 2021-22**

Please find enclosed herewith the quarterly update for Q1 of FY 2021-22.

Thanking You,

Yours faithfully,

For LINC PEN & PLASTICS LTD.

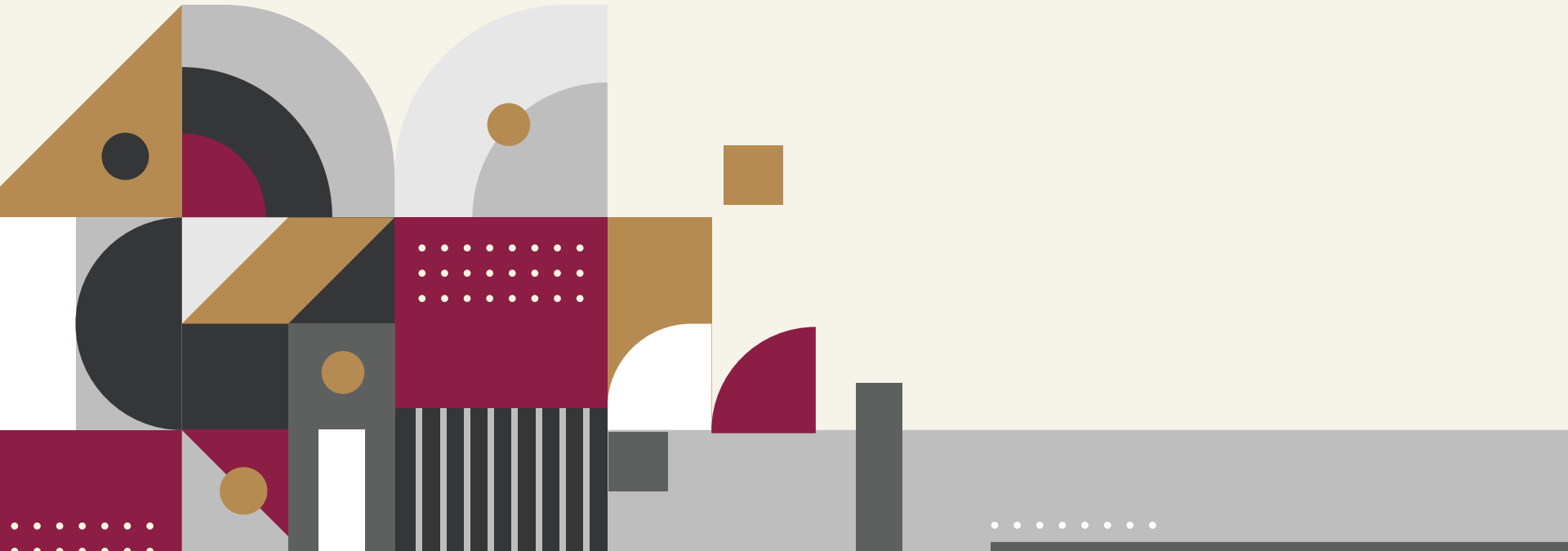
N. K. Dujari  
Chief Financial Officer &  
Company Secretary



Linc Pen and Plastics Ltd.

# Performance review for investors

April to June, FY 2021-22



# An introduction to our company

The Company is among the three largest writing instrument manufacturers in India

The Company enjoys a sales presence in more than 50 countries

The Company's brand is recalled for 'pioneering' and 'consistently high quality'

# Big numbers of our performance in Q1, FY 2021-22

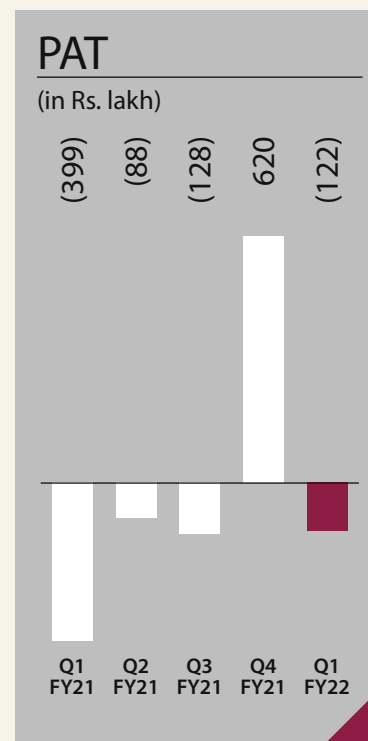
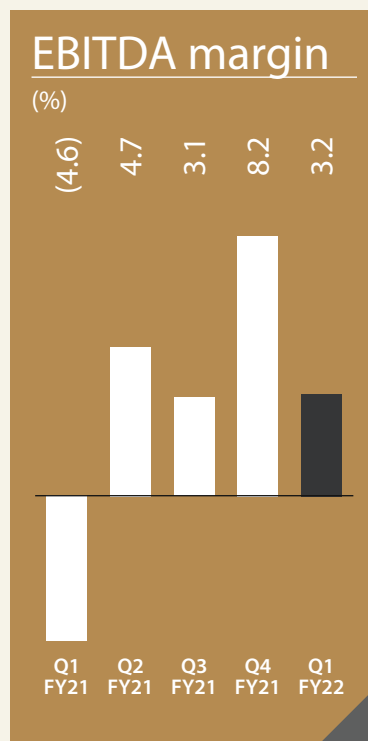
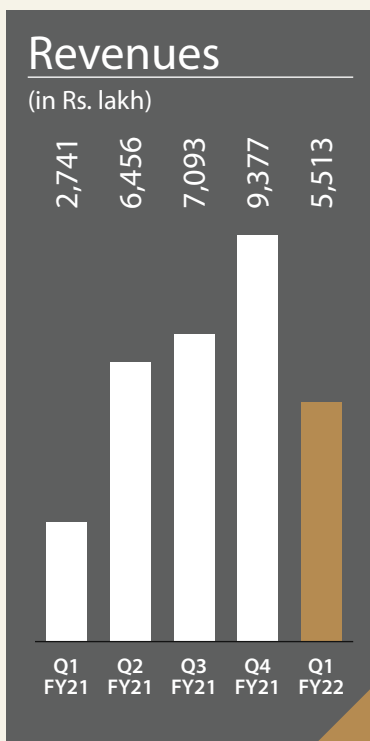
5,513

Revenue from operations  
(in Rs. lakh)

3.2

EBITDA margin (%)

# Performance trend



# Performance review of Q1, FY 2021-22

- ▶ The Company reported a lower revenue over the immediate previous quarter by 41%
- ▶ The Company achieved 201% of the revenues reported in Q1, FY 2020-21
- ▶ Considering the sustained closure of educational institutions, the performance recorded by Linc can be considered satisfactory
- ▶ The Company reported a cash profit of Rs. 1.47 crore during the quarter

## How we strengthened our business in Q1, FY 2021-22

- ▶ The Company strengthened its retailer management through restructuring and digitalisation
- ▶ The finance cost declined from Rs. 96 lakh in Q1, FY 2020-21 to Rs. 30 lakh during the quarter under review
- ▶ Pentonic pens accounted for 37% of the total revenue and 68% of the products priced over Rs. 10 of the general trade business

# The message of Q1, FY 2021-22

The Company's  
revenue stood at  
201% of Q1, FY  
2020-21 during  
the quarter  
under review

The Company's  
revenue stood  
at 55% of Q1, FY  
2019-20 during  
the quarter  
under review



# Highlights of our domestic performance in Q1, FY 2021-22

- ▶ Revenues decreased from Rs. 8,141 lakh in Q4, FY 2020-21 to Rs. 4,271 lakh in Q1, FY 2021-22
- ▶ The Company widened its distribution network
- ▶ The improved consumer sentiment in June 2021 catalysed sales offtake
- ▶ Revenues from products priced at Rs. 10 and above were 54% (46% in Q1, FY 2020-21)
- ▶ A wider distribution footprint helped the Company seed its brand with new retailers

# Highlights of our export performance in Q1, FY 2021-22

Exports were 22.5%  
of revenue

Exports were  
Rs. 1,242 lakh in Q1,  
FY 2021-22 (Rs. 1,236  
lakh in Q4, FY 2020-  
21 and Rs. 770 lakh  
in Q1, FY 2020-21)  
and 1,537 lakh in Q1,  
FY2019-20)

# Managing Director Deepak Jalan's overview



Despite the pandemic continuing its effects, we posted double the turnover during the quarter under review in comparison to Q1, FY 2020-21.

The improvement was owed to focused initiatives: deeper reach, wider range and equipment automation.

The Company drew out a standard operating protocol (SOP) to explore sales in a hesitant economy with a priority on safety cum security that would not endanger stakeholders and employees.

Besides, we believe this change in our business model is laying the foundation of a reinvented Linc.

# Performance review, FY 2021-22

Linc recorded a sequential QoQ revenue de-growth of 41% over Q4, FY 2021 and a 201% growth over Q1, FY 2020-21.

The Company reported a decrease in its bottomline level from Rs. 6.20 crore in Q4, FY 2020-21 to Rs. (1.22) crore in Q1, FY 2021-22.

The Company reported a cash profit of Rs. 1.47 crore during the first quarter when compared with a cash loss of Rs. 2.22 crore in Q1, FY 2020-21.

# Outlook

- ▶ Linc plans to invest deeper into digital marketing and point of sale promotion to enhance product visibility and offtake
- ▶ Educational institutions are unlikely to reopen in a quarter even through India's vaccination pace is accelerating
- ▶ The Company intends to increase its retail network from 1,48,000 as on 31 March 2021 to 2,00,000 by the end of FY 2021-22
- ▶ The Company will continue to moderate its inventory and focus on returning to the pre-Covid levels as soon as the country normalises in FY 2021-22

## Summing up

By reinventing its business model and personality, the Company is competently addressing challenges during these tough times through product upgradation, machine automation and increasing focus on non-stationery products, which is expected to translate into sustainable growth.