



5th September, 2022

The Listing Department, The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001	The Manager The Department of Corporate Services, BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001	The Manager, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
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Dear Sir,

Re : MD's Speech at 28th Annual General Meeting

Please find enclosed herewith the Speech delivered by Managing Director at the 28th Annual General Meeting held on 5th September, 2022.

Thanking You,

Yours faithfully,

For LINC LIMITED.

KAUSHIK RAHA
Company Secretary

Encl: as above

MD's statement for AGM – 2022

Good morning shareholders and colleagues.

I am thankful to all of you for taking out your time to join this meeting over virtual platform.

In FY22 the performance of Linc continued to remain affected because of Covid-19 pandemic although with gradually reduced intensity. We saw a growth of 38% in topline and a better bottom line of Rs.8 Crs, inspite of input cost challenges. The Board has recommended a **Dividend of Rs.1.80 per share**, maintaining the **payout** around 30%.

With Covid-19 pandemic impact getting trivial day by day and educational institutions and commercial establishments almost started functioning normally, we can expect FY23 to be a normal year. We have taken the required steps to bring back Linc in a profitable growth momentum.

During the **first five months of FY 23** our Revenues are **Rs.186.85 Crores** as compared to Rs.114.64 Crores in FY22 and Rs.163.97 Crores in FY20 (last pre-pandemic normal year). The year on year growth for the first 5 months is about 63%, whereas as compared to same period of pre-pandemic year – FY20, it is about 14%. We expect a further improved run-rate in the remaining period of FY23.

I would like to highlight a few important developments since our last AGM : –

- The proposal to change the name of the Company got implemented as per suggestion and approval of the Shareholders. This is helping the Company to create the correct perception of the business activities of the Company in the minds of the people.



- Linc has registered **year on year growth every quarter** for last 5 consecutive quarters till June 2022. This growth momentum is expected to further improve in the ensuing quarters.
- Linc achieved its **highest ever quarterly revenue of Rs.110 Crs** in Q4 of FY22, which is also about 10% higher than Q4 of FY20, the last pre-pandemic normal quarter.
- Linc achieved a ROE of 12.1% and ROCE of 15.9% in Q1 of FY23.
- Linc has **expanded its retail touch points** to over 2.3L outlets.
- Linc has achieved a **zero debt status** for the first time. However, the Company intends to operate and maintain a moderate level of borrowing in the future.
- Linc was able to increase the selling price of its legacy products under Linc Brand from April 2022, to pass on the input cost increase. This helped the Company in improving its overall margins.
- Linc is operating at over 90% of production capacity and is facing production constraints for few of its products.
- The Company has shifted its production facility from **Falta SEZ** to the other two manufacturing units of the Company. This will help in improving the profitability of the Company with improved economies of scale and savings in overhead expenses.



Outlook & Future Initiatives

Linc is focused on long-term sustainable and profitable growth with following initiatives –

a. Increased Touch Points -

Linc in consultation with Vector Consulting Group, embarked upon the ambitious project of penetrating the Kirana network of India. India has over 10 million non-stationery outlets, (Kiranans, Medical Stores, Paan Stores, etc.). In-fact from a mere 5000 such outlets in FY20, the company has already crossed 1.2 lac such outlets, thus taking its total touch points to over 2.3 lac outlets. The Company expects to expand its overall reach to more than 5 lac touchpoints by FY25.

b. Focus on Higher Margin Products -

Linc's flagship brand "Pentonic" is expected to improve its share in the overall revenue of the Company. We will soon be launching pens at Rs.20/- and Rs.40/- under the Pentonic brand.

c. Inroads into Stationery Products -

Linc had entered into an exclusive tie-up with "DELI", (Asia's largest stationery manufacturer) for Indian Market. Stationery products are highly complementary to company's main products, and hence will help enhance its topline growth. It is expected that the alliance with Deli can contribute a minimum of Rs. 100 cr to the company's turnover in 3-4 years' time.

d. Expansion of Production facilities -

To overcome the production constraints, the Company is planning to expand its capacity near its existing production facility. While the basic infrastructure will be created for the total project, but the critical equipment / machinery will be added in modular fashion in sync with



the demand needs to ensure a more prudent use of its resources. The light and liquid balance sheet of the Company will make the expansion process fast and smooth.

The above should help Linc achieve a topline of Rs.600 Crs in next 3 years growing at a CAGR of over 20%. The Company is targeting EBITDA margin of over 12% and ROE of more than 18%.

ESG

Over and above the minimum 2% spending of the average profits, Linc as a responsible corporate citizen, is continuously involved in various other social and charitable activities, which are not covered under the prescribed CSR guidelines.

The Company has taken initiatives to reduce usage of plastics in packaging.

Linc employs a large women workforce and also a number of specially abled personnel.

In conclusion

In conclusion, I express my gratitude to the Board for their wise counsel and guidance, while adhering to high standards of corporate governance. I would like to acknowledge the relentless dedication and contribution of our channel partners, distributors, suppliers and employees. On behalf of the Board, I thank you shareholders, for your continued faith in Linc, as we move ahead to build a brighter future.

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