

## Press Release

### Salient Points on Financial Results for Q3 / 9month of FY2018-19

		Q3 – 18-19	Q3 - 17-18	Increase / (Decrease)
Total Revenue (Net)	₹ In Lacs	8,602	8,238	4.4%
Exports	₹ In Lacs	2,342	1,946	20.3%
Profit After Tax (PAT)	₹ in Lacs	145	257	(43.6%)
PAT (as % of Revenue)	In %	1.7%	3.1%	(140 bps)
EBITDA (in %)	In %	6.7%	9.0%	(230 bps)

		9M-18-19	9M-17-18	Increase / (Decrease)
Total Revenue (Net)	₹ In Lacs	26,070	22,854	14.1%
Exports	₹ In Lacs	5,816	4,835	20.3%
Profit After Tax (PAT)	₹ In Lacs	481	472	1.9%
PAT (as % of Revenue)	In %	1.8%	2.1%	(30 bps)
EBITDA (in %)	In %	7.0%	7.6%	(60 bps)
E P S	Per share	3.25	3.20	
Inventory & Debtors	₹ In Lacs	12,020	12,299	(2.3%)
	Days of sale	122	148	

The total revenue of the company in the December 2018 quarter was Rs. 8,602 lakh as against Rs. 8,238 lakh in the year ago period, an increase of 4.4%.

Net profit declined to Rs. 145 lakh from Rs. 257 lakh in the year ago period, which was mainly due to the steep increase in the polymer prices in the last few quarters.

The writing instruments industry has been sharply hit by the unprecedented increase in the polymer prices since last 3 quarters, which is its key raw-material. Steep price increase of various polymers severely impacted the gross margins of the company as well as the industry overall, stated Deepak Jalan, the managing Director of Linc pen.

He explained the difficulty in passing on the entire cost increase to the trade due to price war in the lower price segment which contributes almost 75% of Linc's volume. However, for quite sometime, they have been trying to develop products which would help the company insulate its margins from the polymer price volatility and secure the future top line as well as bottom line of the company and he was glad to inform that they were able to see a positive sign in this direction. Feedback of recently launched 'pentonic' ball pen, which is a MRP 10 product, has been very encouraging and as such further capacity is being built for the said product to meet the increasing demand. Few more value added products are also in the pipeline, which should help Linc achieve the objective of sustained performance despite raw-material price volatility.

The contribution of value added products, in the general trade channel, increased to 26% in terms of volume and to 40% in terms of value as against the levels of 18% & 32% respectively in the last financial year.

Going forward, Linc hopes to post more consistent results, in view of improved product mix, consolidation of products, cost reduction initiatives, higher exports & favourable foreign exchange, despite the challenges of increase in the input costs.

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