



26th November 2023

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

Scrip Code- 022035

Script Code- 531241

Symbol- LINC

Dear Sir,

Re: Strategy Presentation

Please find enclosed herewith the Updated Strategy Presentation for the half yearly ended 30th September, 2023.

Thanking You

Yours faithfully

For LINC LIMITED

KAUSHIK RAHA
Company Secretary

Encl: as above



November 2023

NSE : LINC
BSE : LINC
Bloomberg : LINC:IN

STRATEGY
PRESENTATION.

Linc Limited
(formerly Linc Pen and Plastics Limited)

Safe Harbour Statement.

This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.

Inside this Presentation.

Future of Writing Instrument

Industry Outlook

Why Linc

Financial Snapshot



Future of Writing Instruments.

Why traditional pens will persist alongside digital tools?

- **Cultural Significance:** Writing Instruments hold cultural and traditional importance in many societies. Rituals, ceremonies, cultural practices continue to drive the demand for pens and other writing tools
- **Education Sector:** The Education Sector remains a significant driver. Increased enrolment in schools and colleges, coupled with focus on learning aids continues to drive the need for writing instruments despite digital advancements
- **Corporate Use:** Writing Instruments are often used in a corporate setting for note taking, signing documents, and other tasks
- **Corporate Gifting & Promotions:** Writing Instruments are popular choices for gifting, cross promotions and branding

LINC

pentonic
driven by design

Future of Writing Instruments.

Why traditional pens will persist alongside digital tools?

- **Artistic & Creative Expression:** Pens, markers and other writing tools are essential for Artists and Creative professionals
- **Stationery Culture:** The Stationery culture, driven by a love for well designed notebooks, planners, and writing accessories, contributes to the demand for quality writing instruments
- **Tactile Experience:** Despite digital advances, many people still appreciate the tactile experience of writing with pen and paper, contributing to the ongoing demand for writing Instruments
- **Population & Literacy:** Increase in Population and Literacy in developing economies will continue to drive usage of traditional writing instruments

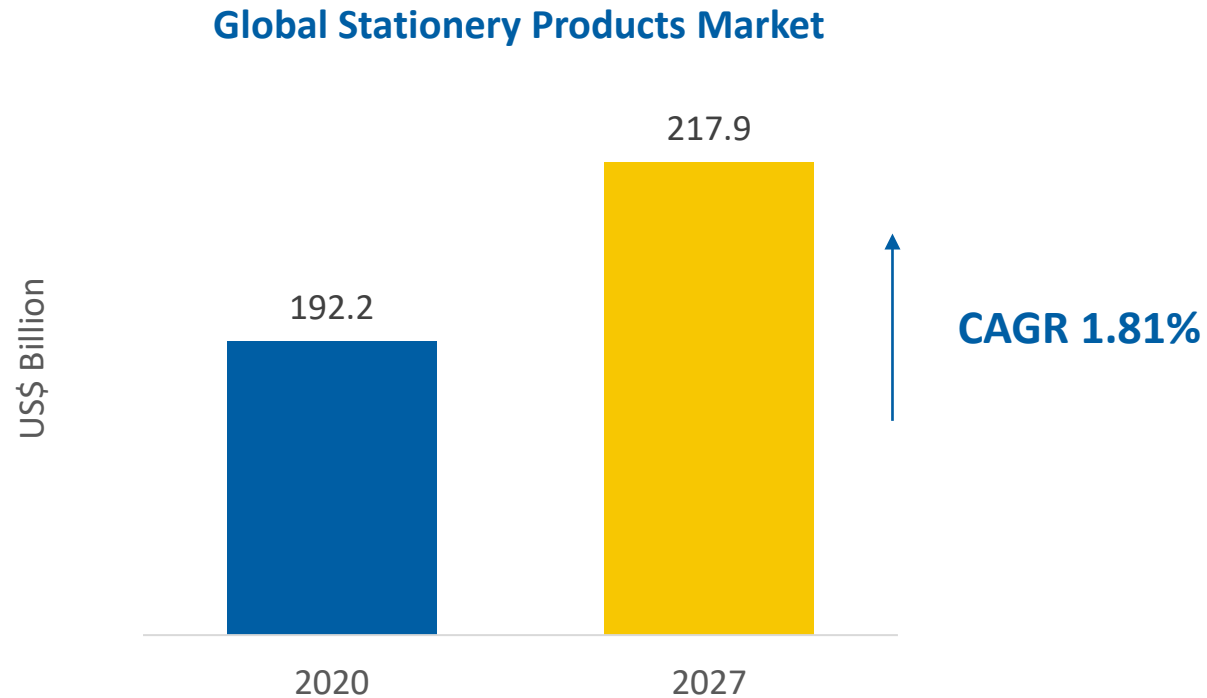


A study of Japanese university students and recent graduates has revealed that writing on physical paper can lead to more brain activity when remembering the information an hour later. Researchers say that the unique, complex, spatial and tactile information associated with writing by hand on physical paper is likely to lead to improved memory. (Source: Science Daily)



Industry Outlook.

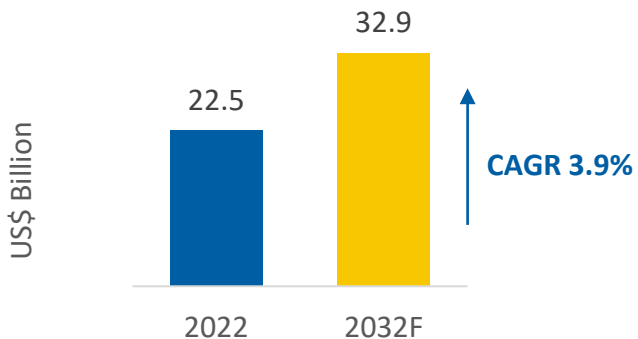
Global Stationery Industry Opportunity.



- The stationery industry is divided into **paper and non-paper stationery**, the latter accounting for the larger share
- US Market estimated at US\$**52 Bn** in 2020
- China Market projected to grow @ CAGR 3.6%, to reach US\$**42 Bn** during 2020-27 period
- Japan to grow at 0.2%, Canada to grow at 1.3% and Germany to grow at 0.7% during 2020-27 period

Global Writing Instrument Industry Opportunity.

Global Writing Instruments Market¹



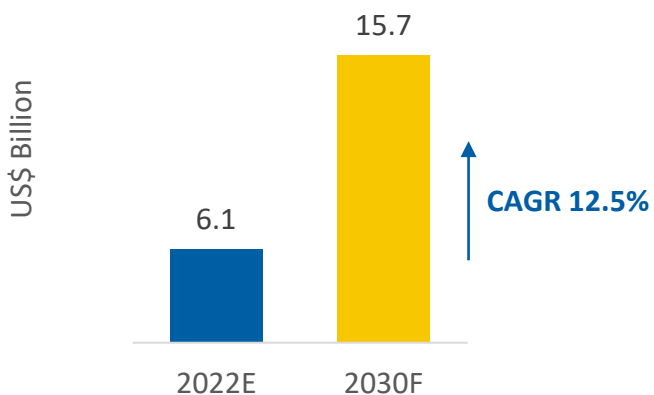
Share of Relevant Market

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

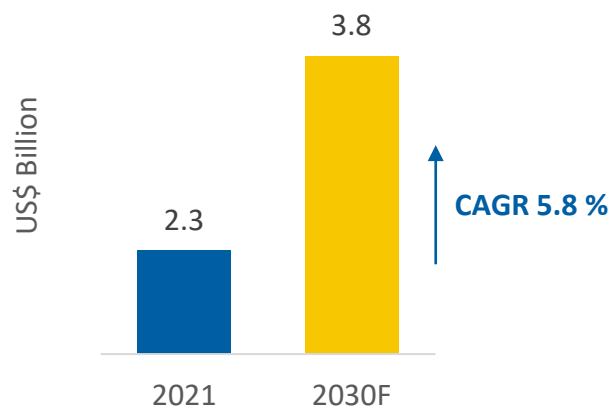
Writing & Marking Instruments Market Size²

- The USA is estimated at US\$4.7 Billion in the year 2022.
- China is forecasted to reach a projected market size of US\$8.7 Billion by the year 2030 at CAGR of 14.7% by 2030
- Japan and Canada, each forecasted to grow at 4.6% and 7.7% respectively over the 2022-2030 period, while Germany is forecasted to grow at ~ 5.6% CAGR.

Global Ball Point and Gel Pen Market²



Global Luxury Pen Market³

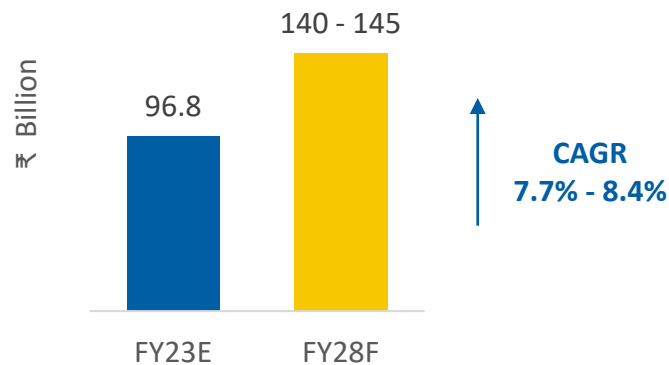


Market Scope

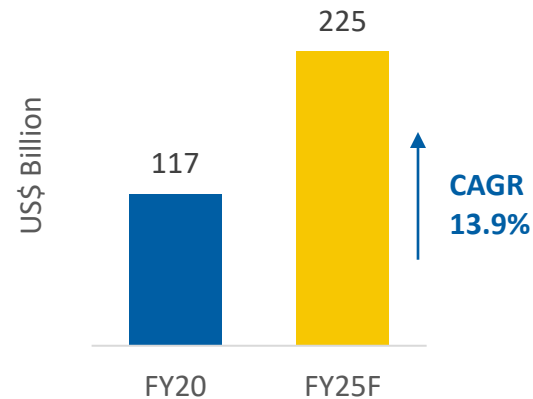
- Corporate gifting market at \$120 bn
- Colouring instrument demand growing faster, due to surge in demand for highlighters, markers, etc
- Pens continue to be the largest share at ~ 60%

Opportunity in Indian Market.

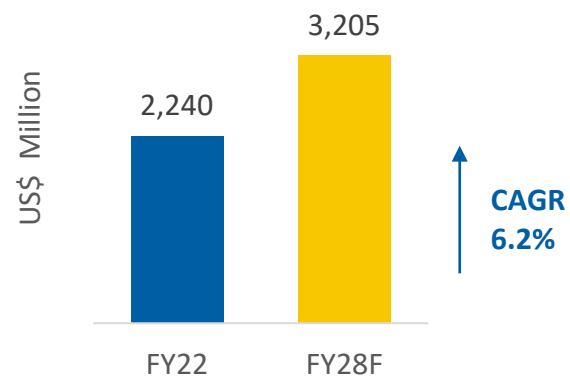
Indian Writing & Creative Instruments Market



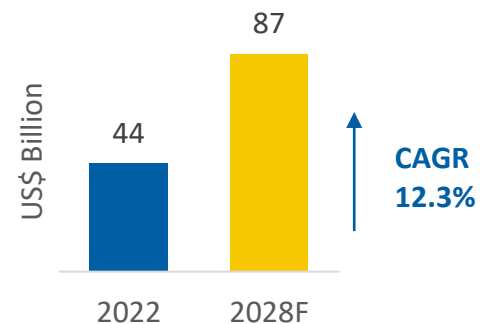
Indian Education Industry



Indian School Stationery¹ Supplies Market



Indian Schools Market

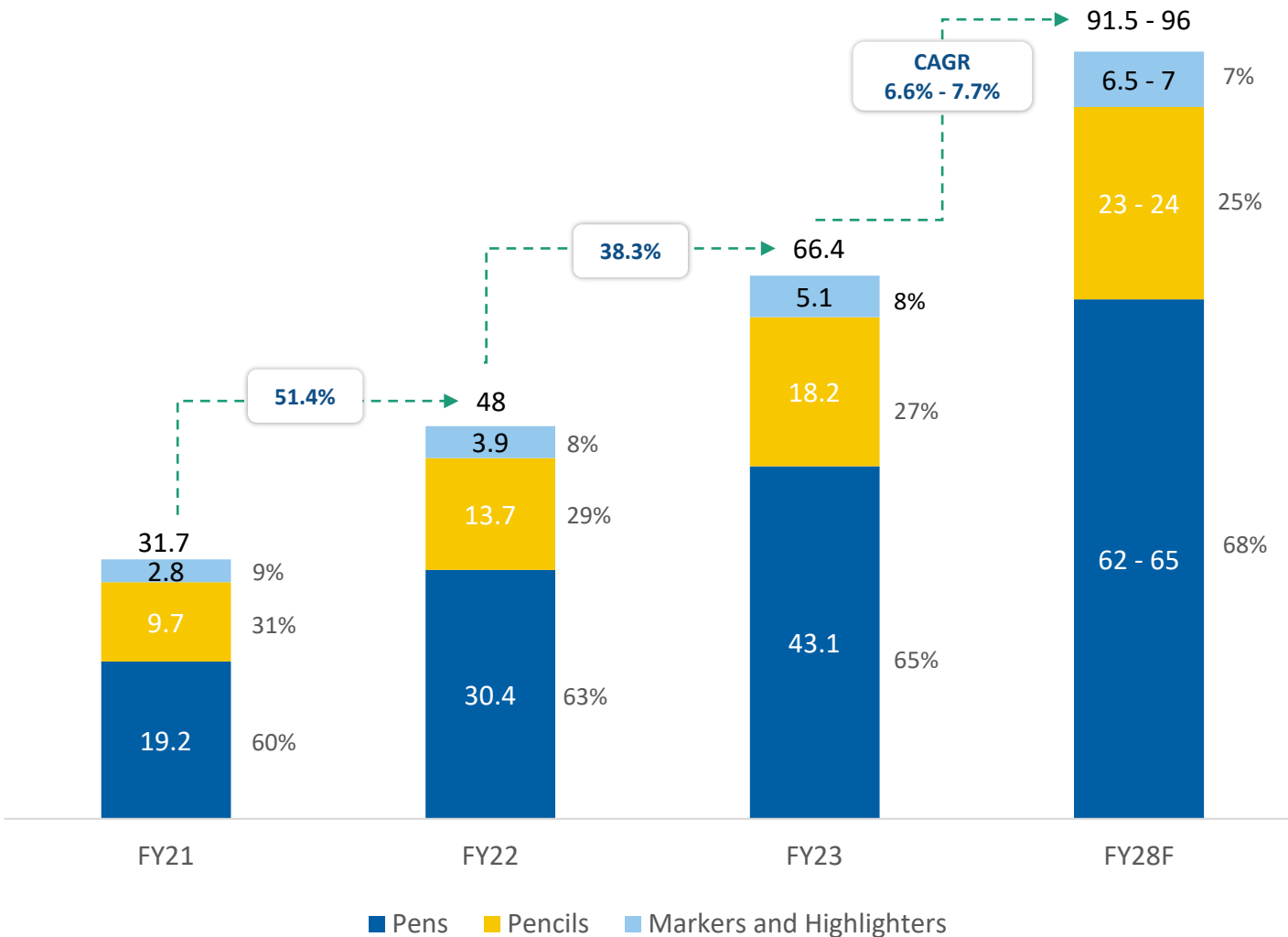


Writing Instruments Market Growth Drivers

- **Rising Populations:**
 - Largest population in age bracket of 5-24 years ~580 million.
 - Indian working population to grow ~20% and education market to grow ~ 14% , hence Writing Instrument growth prospects are very strong
- **Over 250 million school going** students and over 38 million students enrolled in higher education
- **Rising literacy rate:** Govt. initiative such as **Sarva Shiksha** has **strengthened India's literacy from 65% in 2001 to ~77.70% in 2021.** The **objective of attaining 100% literacy levels** by 2025 could have a positive impact on the writing instruments sector.
- **Educational Spending** : Budget estimates for 2023-24 show that the **government will spend ₹ 1.12 lakh crore** in the coming fiscal year on education – the highest ever and an increase of around 8.2% than what was pegged in 2022-23
- **NEP 2020** aims to achieve 100% GER² by 2030 in precool-secondary level. Policy also seeks to increase public investment in education to 6% of GDP from 2.5% in fiscal 2024 budgetary estimates.

Indian Writing Instrument Industry Opportunity.

Indian Writing Instruments Market
at Manufacturer's Realization, in ₹ Billion



Indian Pen Segment

- Demand is driven by students and working-class population
- As of FY23 Pens occupy 65% share in Writing Instruments, and expected to increase market share to 68% by FY28
- Pen Market is expected to grow at a CAGR of 7.5% - 8.5% from ₹ 43.1 Bn in FY23 to ₹ 62 - 65 bn in FY28.

Indian Pencil Segment

- Pencil is the primary writing instrument till class 5th, and hence demand is driven by students in class 5th and below.
- Wooden pencils continue to dominate the market despite innovations like mechanical pencils.
- Pencils are expected to grow at a CAGR of 4.5% - 5.5% from ₹ 18.2 bn in FY23 to ₹ 23 - 24 bn in FY28.

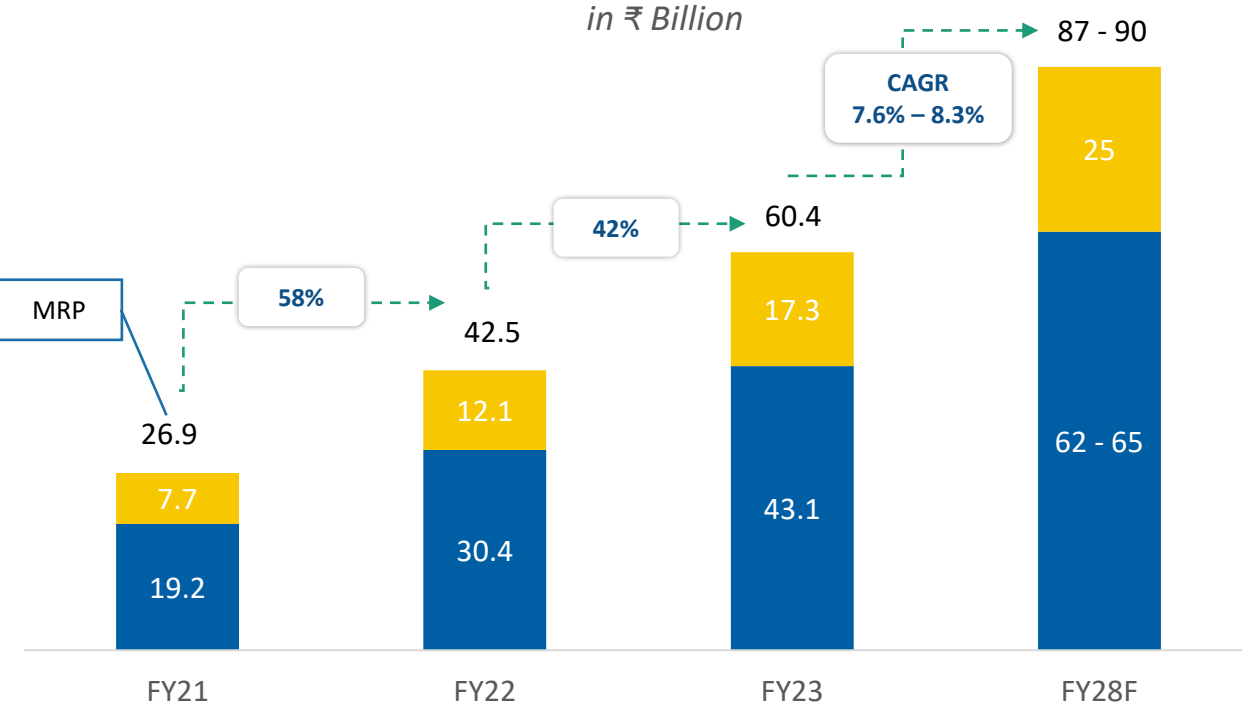
Indian Marker and Highlighter Segment

- Markers are primarily used by office workers, white board markers being the most popular choice in office workers and students.
- Marker and Highlighter Market is expected to grow at a CAGR of 5% - 6.5% from ₹ 5.1 bn in FY23 to ₹ 6.5 - 7 bn in FY28.

Indian Writing Instrument Industry Opportunity.

Indian Pen Segment Market Size

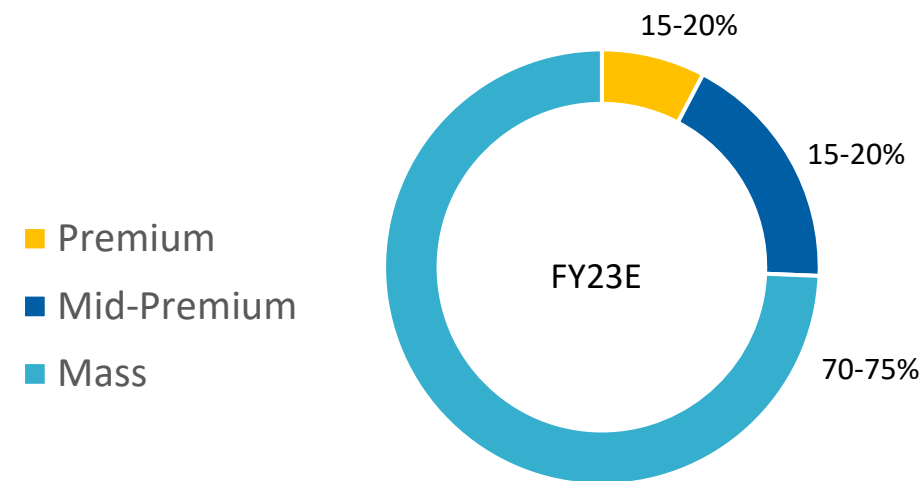
in ₹ Billion



■ Pen Segment at Manufacturer's Realisation ■ Margin earned by Distribution Channels

- The Indian pen industry is characterised by a wide range of options at various price levels, each with distinct value propositions
- Market for Pen below ₹ 15 growing at ~8% & above ₹ 15 growing at ~ 10%
- **Linc**, Cello, Flair, and Reynolds are the major players in the Indian pen market in the mass segment category
- Numerous brands offer bundled packs of 5 pieces or above, allowing them in pricing units at odd multiples

Indian Pen Market subsegments



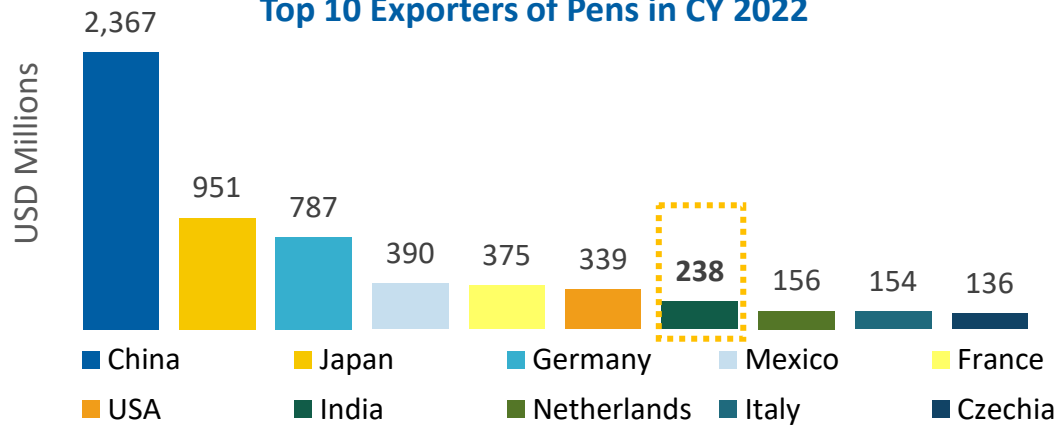
■ Premium
■ Mid-Premium
■ Mass

Pen Subsegments	Price Criteria
Mass Market	Rs. 5 - 15
Mid Premium	Rs. 16 - 100
Premium	> Rs 100

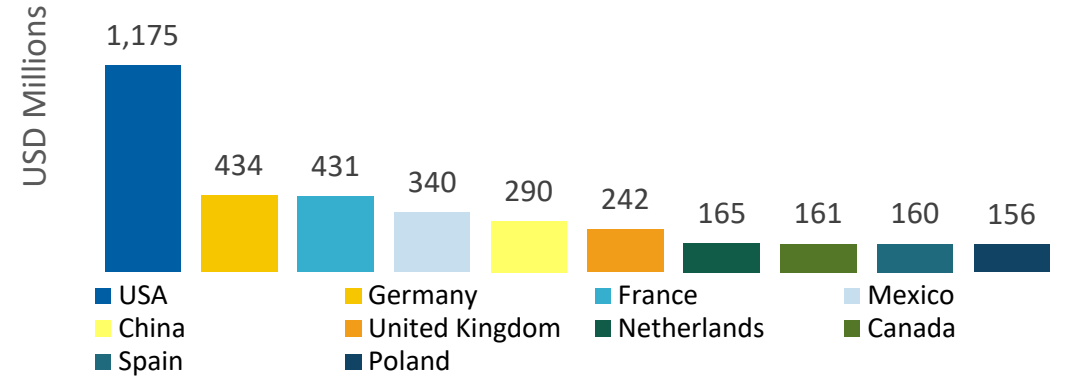
- **Mass Market Pens** are driven by volume, this subsegment is highly competitive (price denominations play a crucial role in salability).
- It is difficult to increase price without losing significant sales. Students drive the demand, deep retail penetration is essential
- **Premium Pens** are driven by price, this subsegment is characterized by high brand leverage, as the premium is built on product branding. Focus is on Professionals and Corporate Gifting

Pens - Global Trade Perspective.

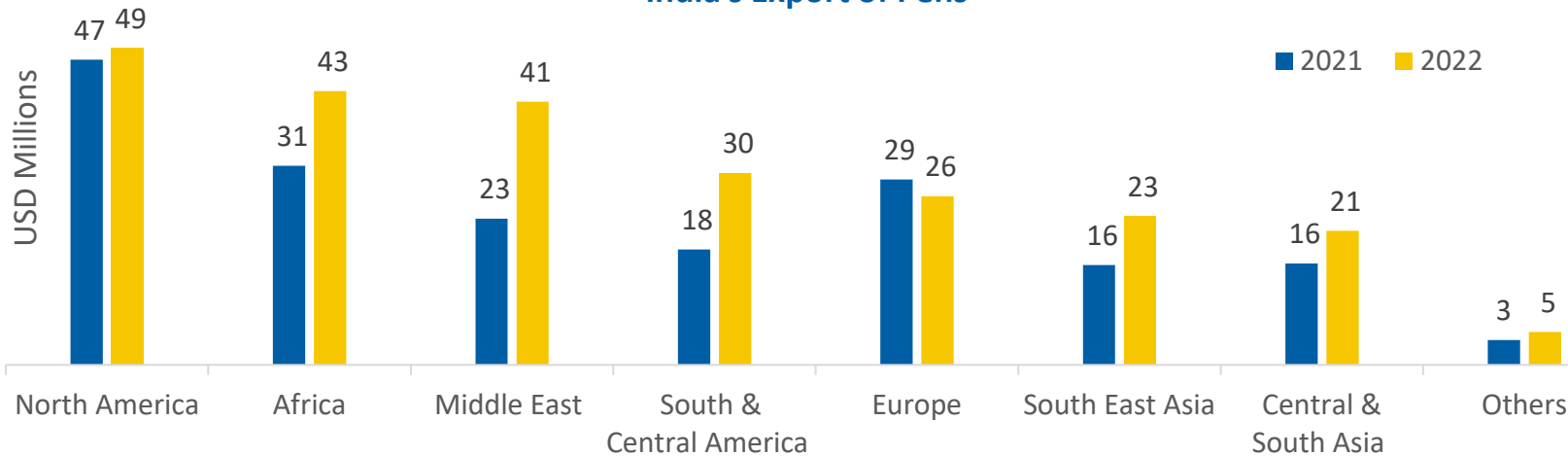
Top 10 Exporters of Pens in CY 2022



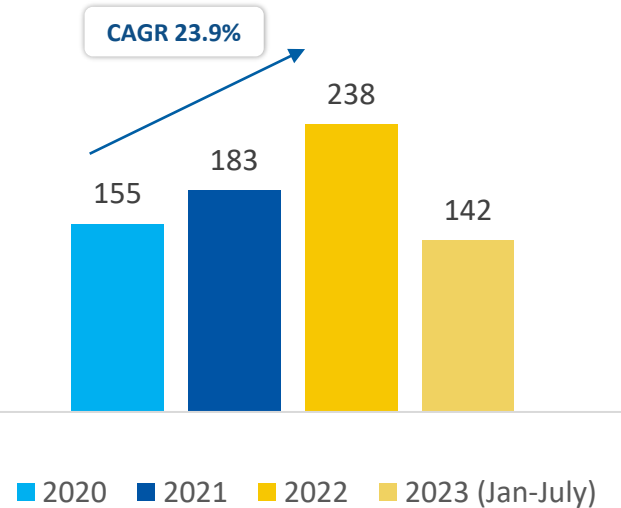
Top 10 Importers of Pens in CY 2022



India's Export of Pens



Pen Exports from India



Our Journey.



Ocean Gel was launched
Highest Selling Gel Pen
Price at Rs. 5

Linc Glycer,
The company's
highest selling pen
was launched

Mitsubishi
acquired 13%
Stake in Linc

Umergaon
Production
commenced in
new factory

Pentonic was launched.
It was a Game Changer
that featured
Minimalistic design &
Price at Rs 10

Launch planned for
Pentonic GRT @ Rs 40
(a retractable gel pen)

Launched India's
first plastic Ball Pen
Linc Supreme

Linc got
Listed

1976

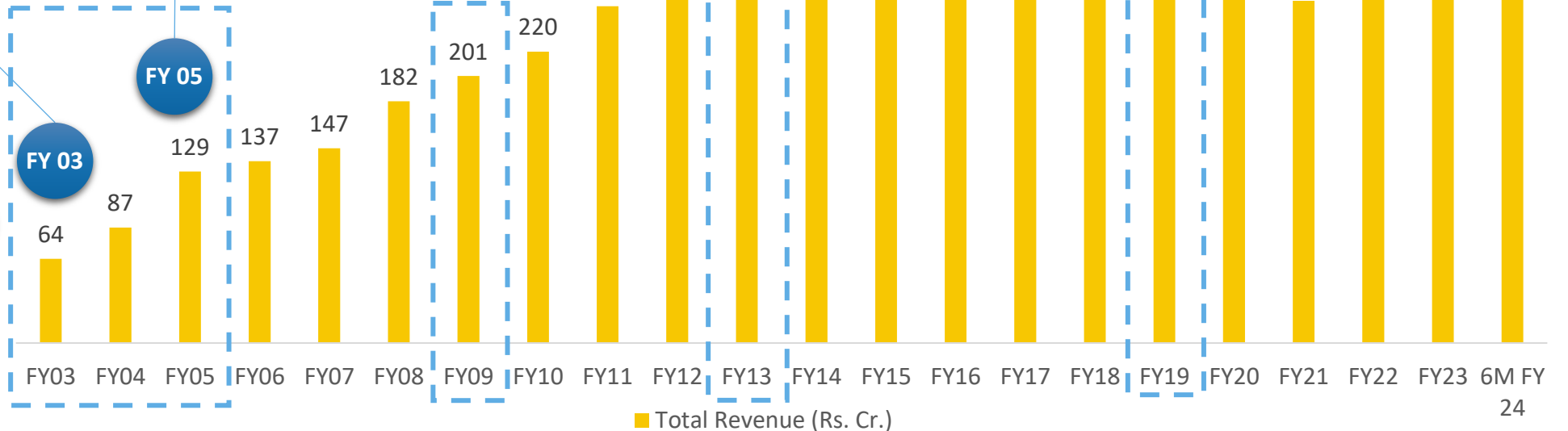
1978

1992

1994

LINC
was founded

Uniball ball & Roller Pens
introduced in collaboration with
Mitsubishi (Japan)



Our Portfolio of Products.



- 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.



Pentonic's Upcoming Launches.



Pentonic G-RT
₹ 40 Retractable Gel Pen



Pentonic Ball Pen
₹ 10 Ball Pen
Variants

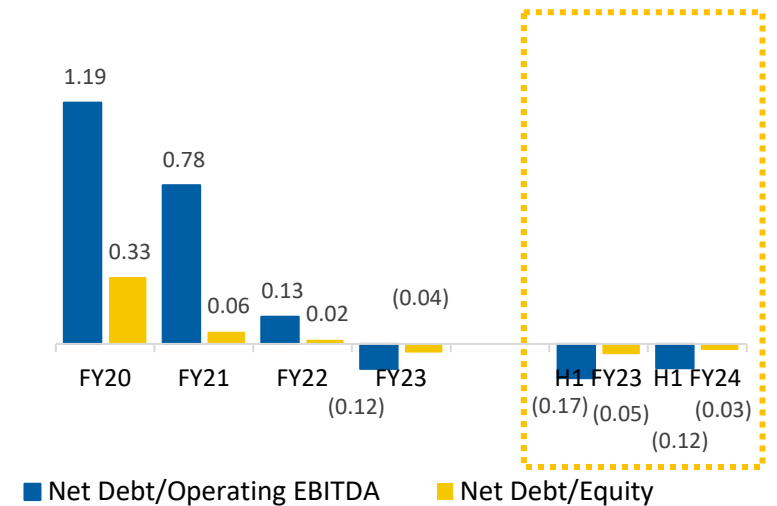
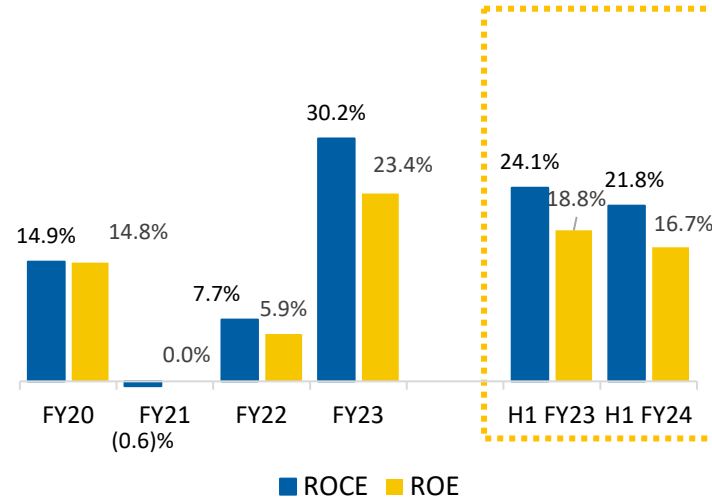
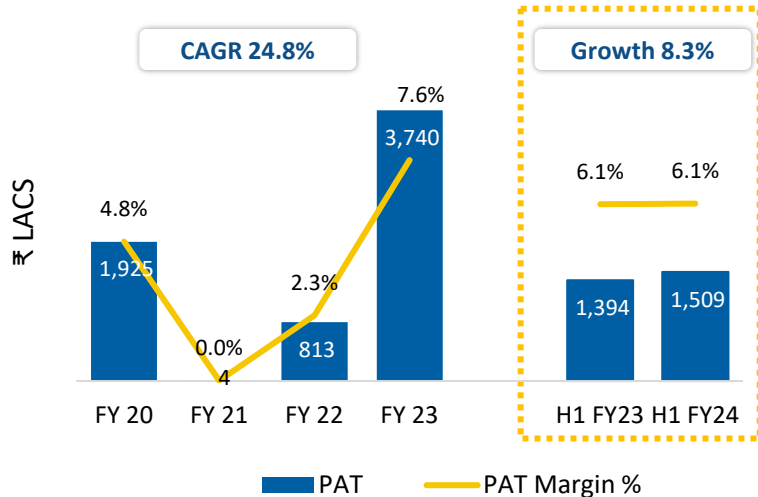
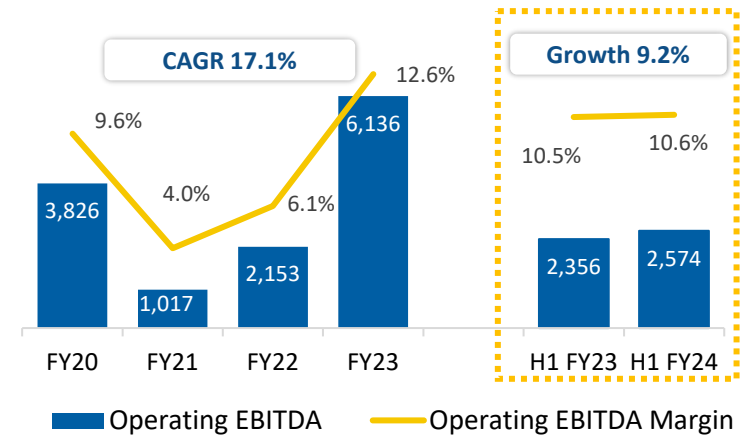
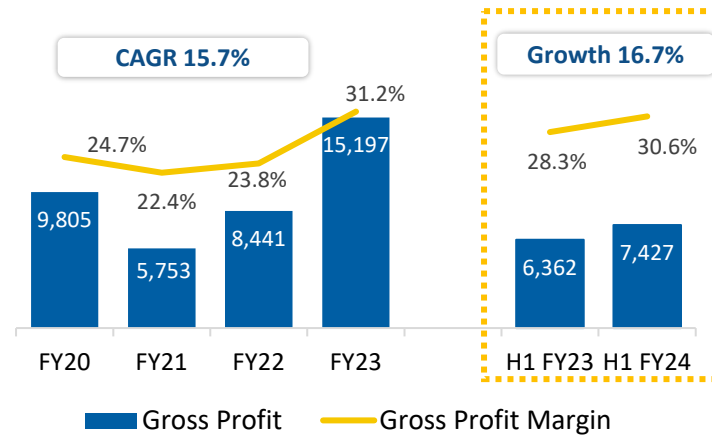
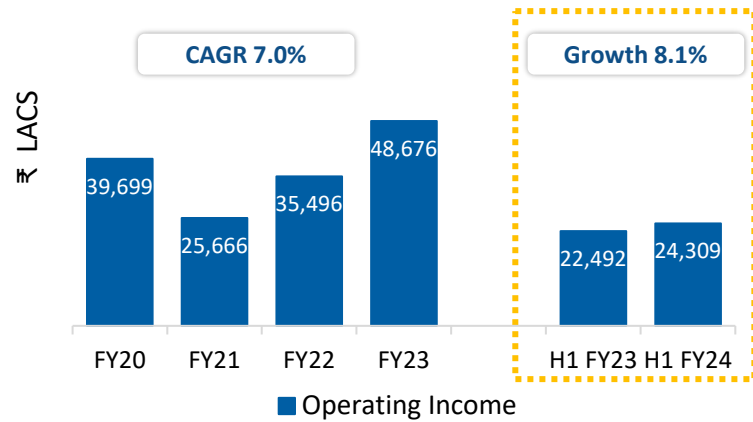


Pentonic B-RT
₹ 20 Ball Pen
Variants

₹ 30 Ball Pen

₹ 20 Ball Pen

Trend of Financial Performance.



Leadership.

MR. DEEPAK JALAN

Managing director,

- Commerce graduate with 37 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 32 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. 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

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 over 40 years' experience in capital markets

MR. SANJAY JHUNJHUNWALLA

Independent, Non-executive director,

- Commerce graduate with over 35 years of experience across diverse areas
- Specialization in retail-driven growth
- Whole Time Director & driving force behind Turtle India



Why Linc?.

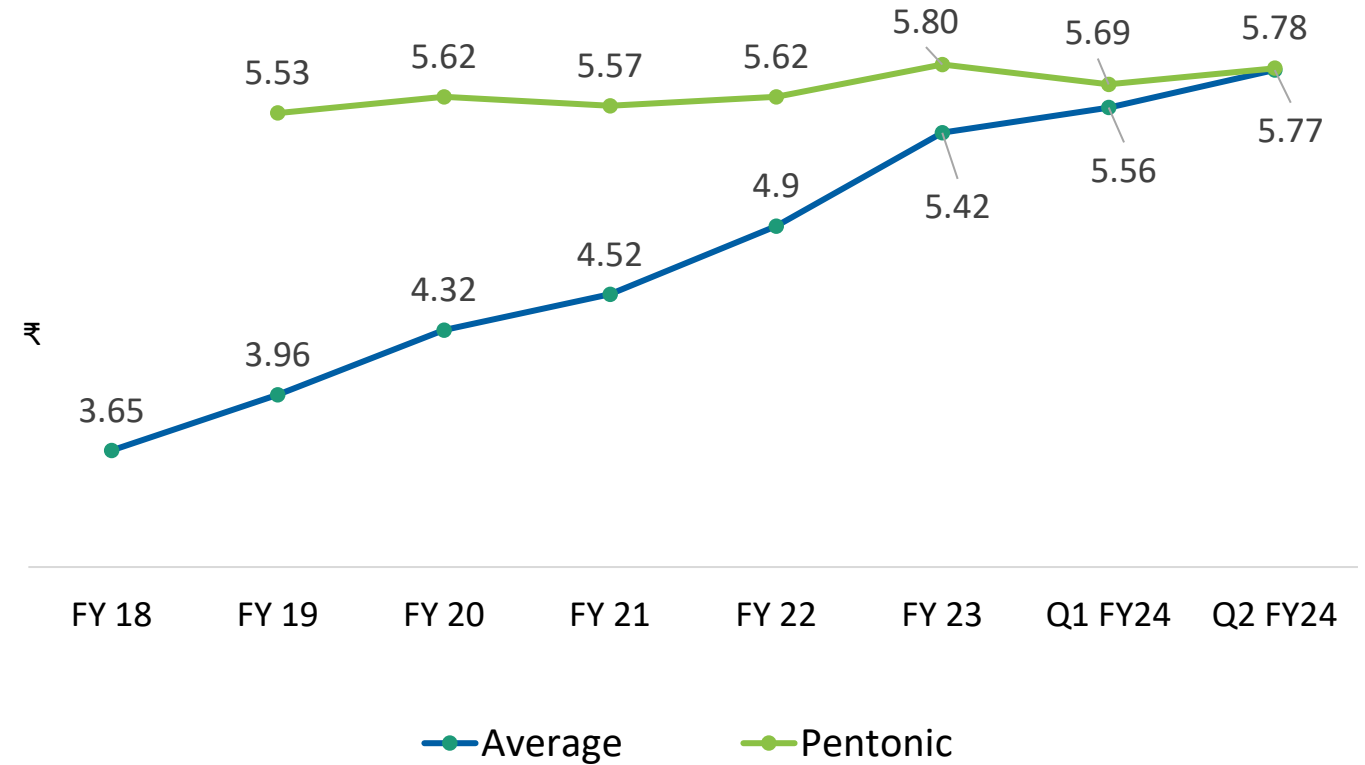


Focus on Premiumisation.

- **Pentonic** brand introduced in FY19 as a minimalistic yet contemporary pen, known for its aesthetics as well as writing smoothness

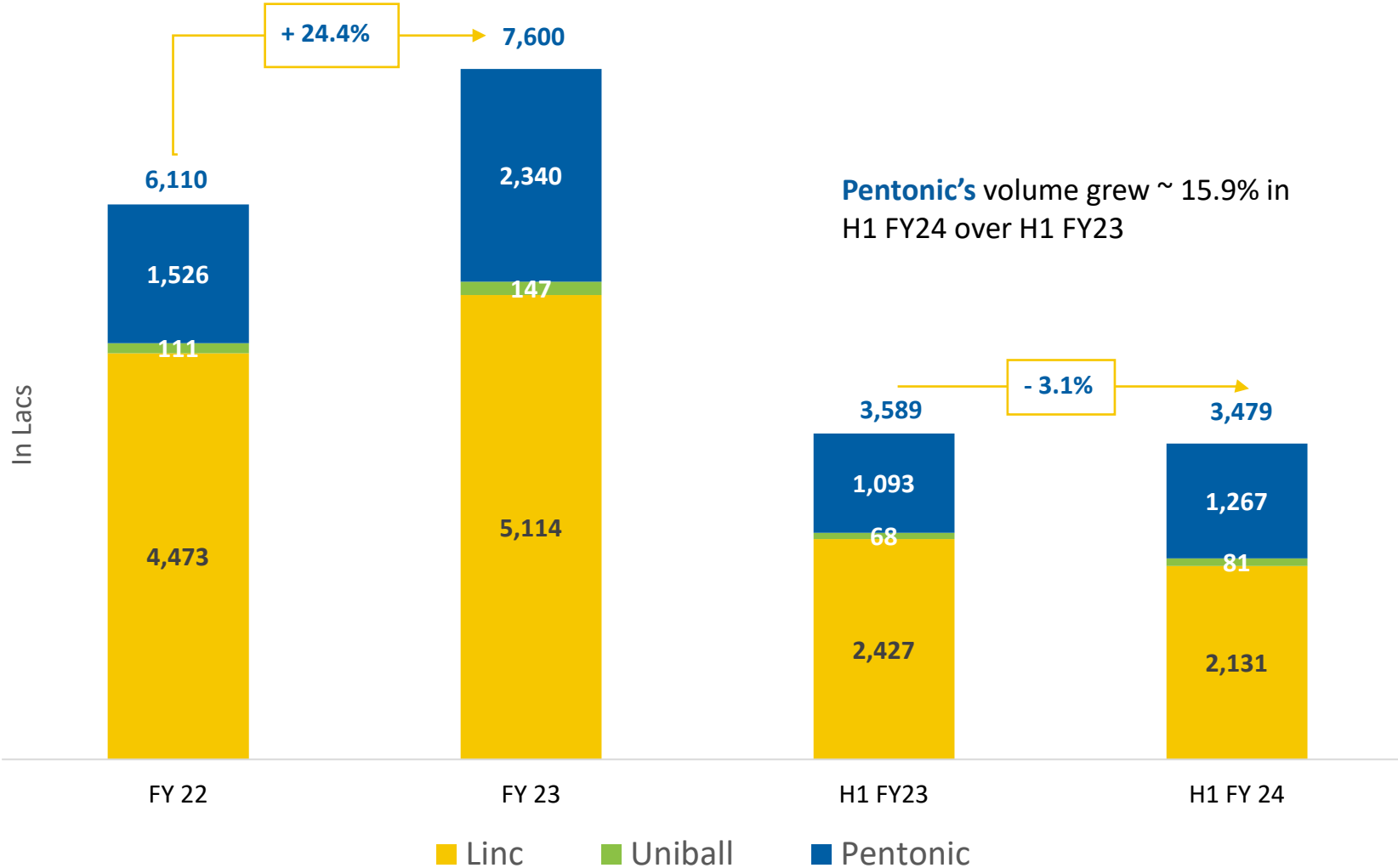


Growth in average realization of Pens

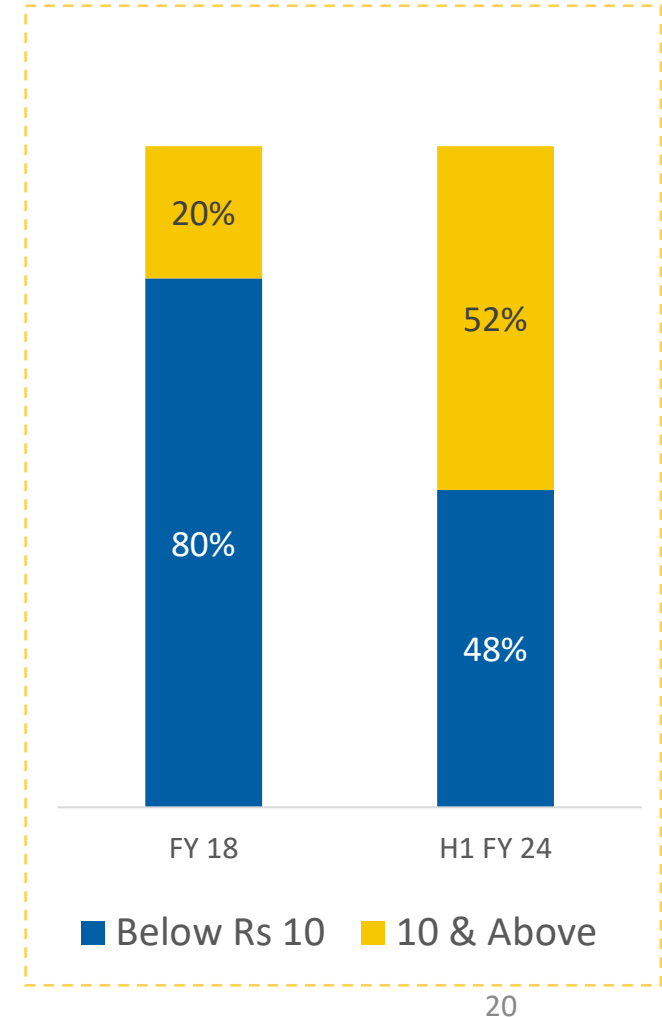


Focus on Premiumisation.

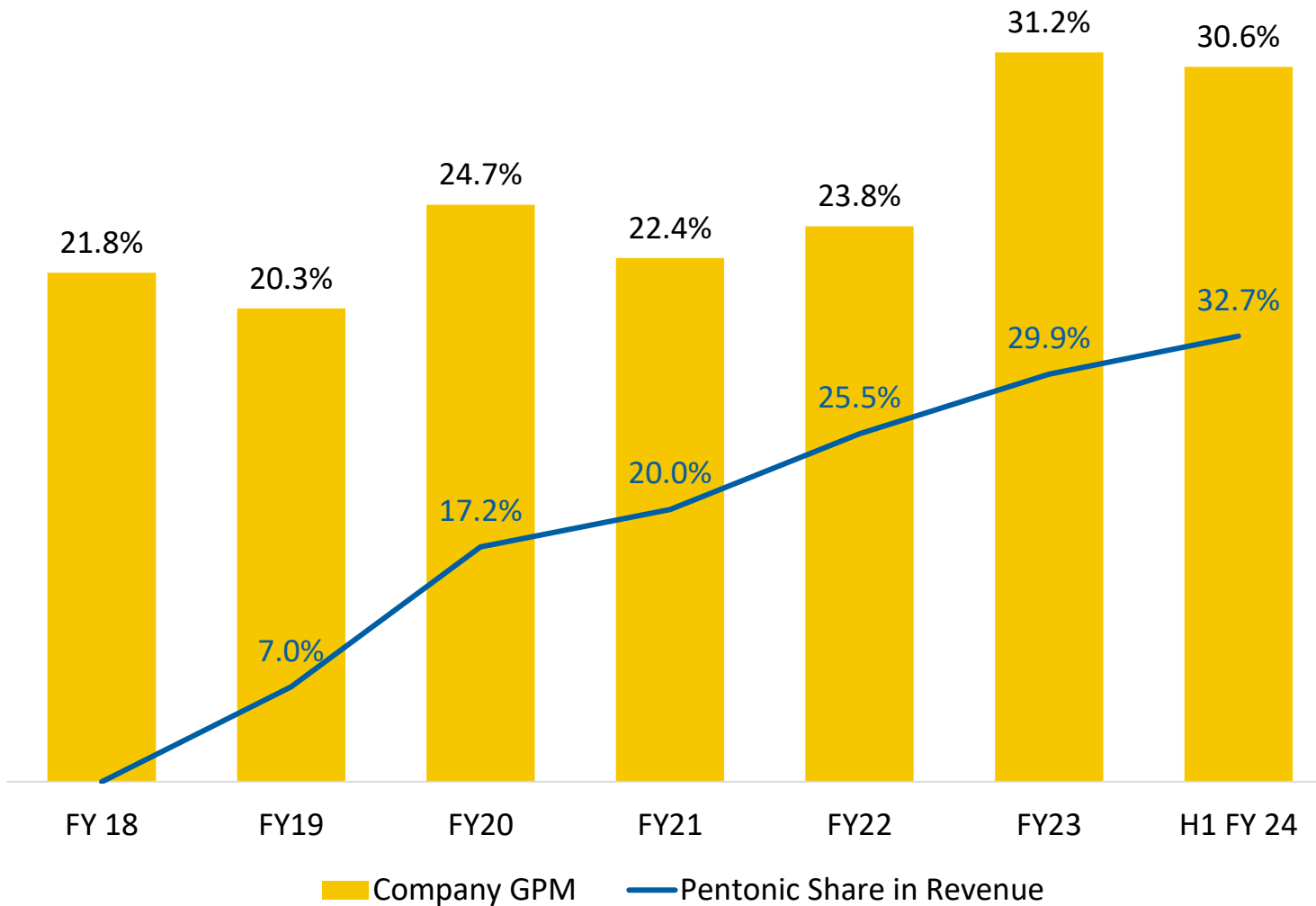
Number of Pens



Positioned at ₹ 10 + segment, **Pentonic's** GPM is ~ 41%



Focus on Premiumisation.

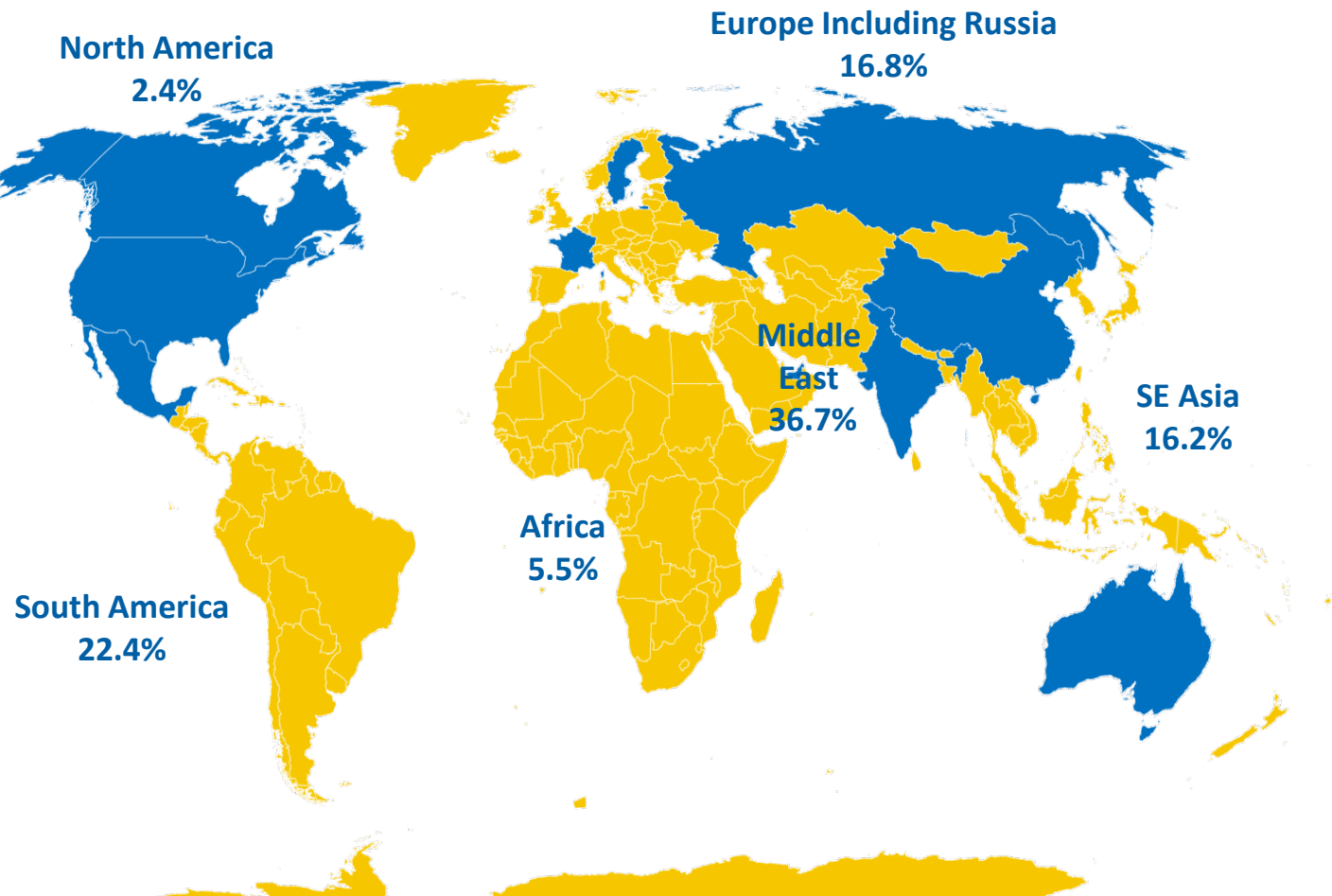


- Increase in share of **Pentonic** in total revenue led to higher GPM at the company level.
- New Launches in the upcoming quarters will drive premiumization



Increasing it's Global Footprint As Well.

Linc's Geographic Reach – H1 FY 24.



Pen Exports from India - 2022	Value USD Millions	Growth over 2021
South & Central America (SA)	30	66%
Middle East (ME)	41	80%
Africa	43	38%
South East Asia (SEA)	23	49%
Total Exports	238	30%

- Global Ball & Gel Pen demand expected to grow at a CAGR of 12.5% over the next 7-8 years
- Demand to grow faster in the developing world
- Increasing literacy in the developing world to drive this growth
- This poses excellent opportunity to increase exports to the developing world
- While overall export of pens from India grew by 30% in 2022, Africa, ME, SEA & SA grew at a much higher rate
- Linc exports at ₹ 3,808 lacs is ~ 16% of it's revenue in H1 FY 24
- Linc to continue its focus on exports to SEA, ME & SA
- To improve penetration in the fast-growing African market, the company has acquired a majority stake in Kenyan manufacturer & seller of writing instruments

Recent Participation in Global Expos.



Scofex, South Africa, 2023

Recent Participation in Global Expos.



Ambiente, Frankfurt, **Germany**, 2023

Recent Participation in Global Expos .



Escolar, Brazil, 2023

Recent Participation in Global Expos.



Paperworld, Middle East , Dubai 2022

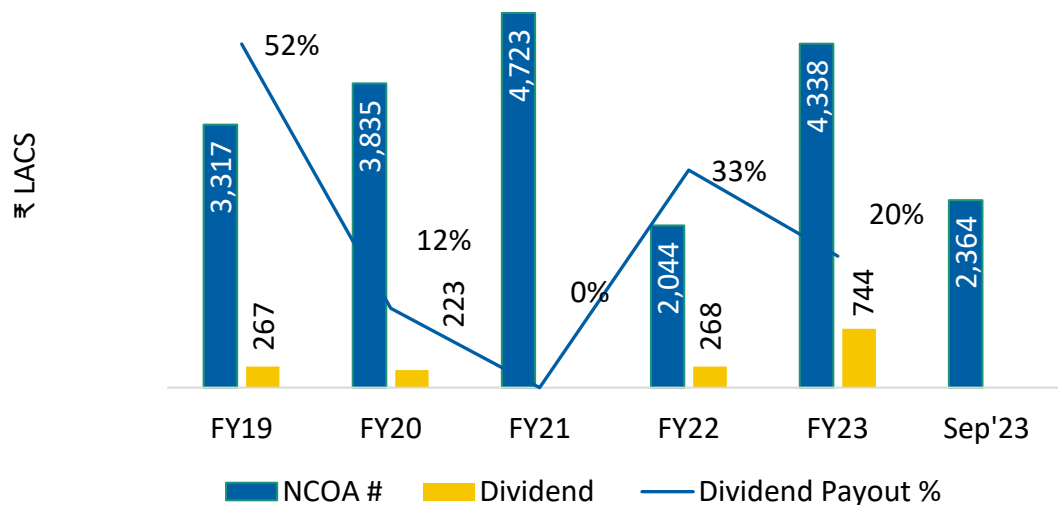
Inroads into Stationery Products.

- Targeting ₹1 Billion of revenue from Deli by FY26
- Deli offers a range of over 200 products in India
- Company to largely focus on Calculators & Scissors
- Deli should contribute at least 10 % of company's revenue by FY25
- Deli's GPM is around 20%
- Deli has achieved the revenue of ₹1,619 Lacs in H1 FY'24



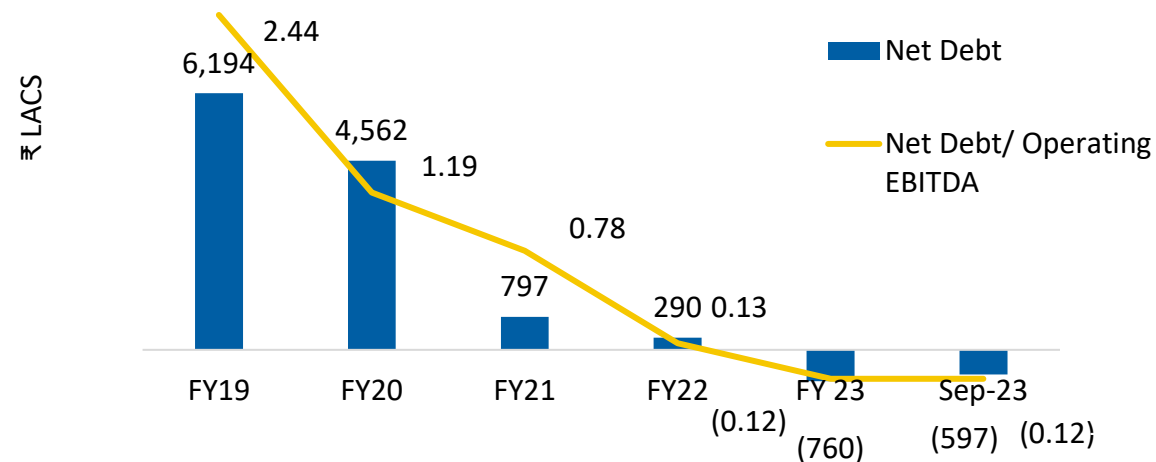
Focus on Shareholder Value Creation.

Net Cash from Operating Activities Vs Dividend Payout



- NCOA continues to be strong in H1 FY 24
- Consistent Dividend Pay-out track record (Other than Covid years due to cash conservation)

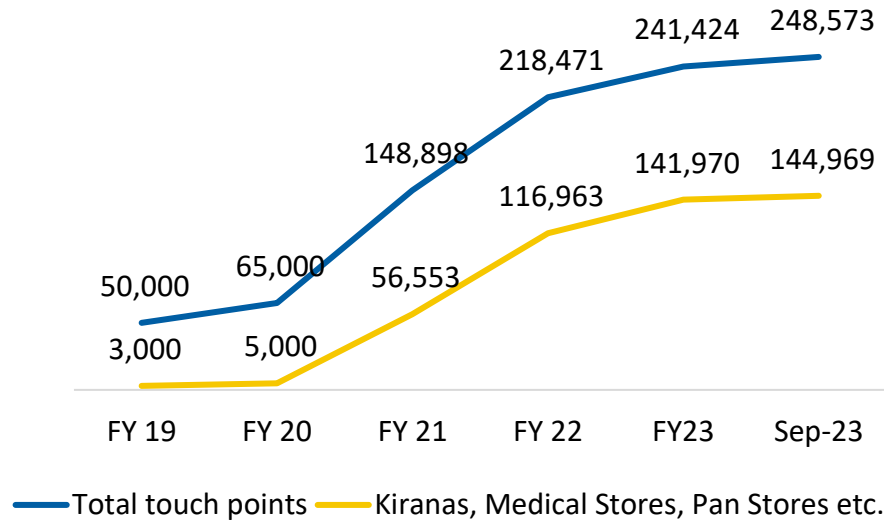
Net Debt and Net Debt/Operating EBITDA



- Steady and significant decrease in Net Debt
- NCOA used judiciously to reduce Debt – Nil Debt and free cash of ₹567 lacs as on 30th Sep 2023
- Capex commitment funded largely through internal cash generation
- Net Debt / Operating EBITDA reduced significantly from peak of 2.54 in FY 2018 to (0.12) in H1 FY 2024

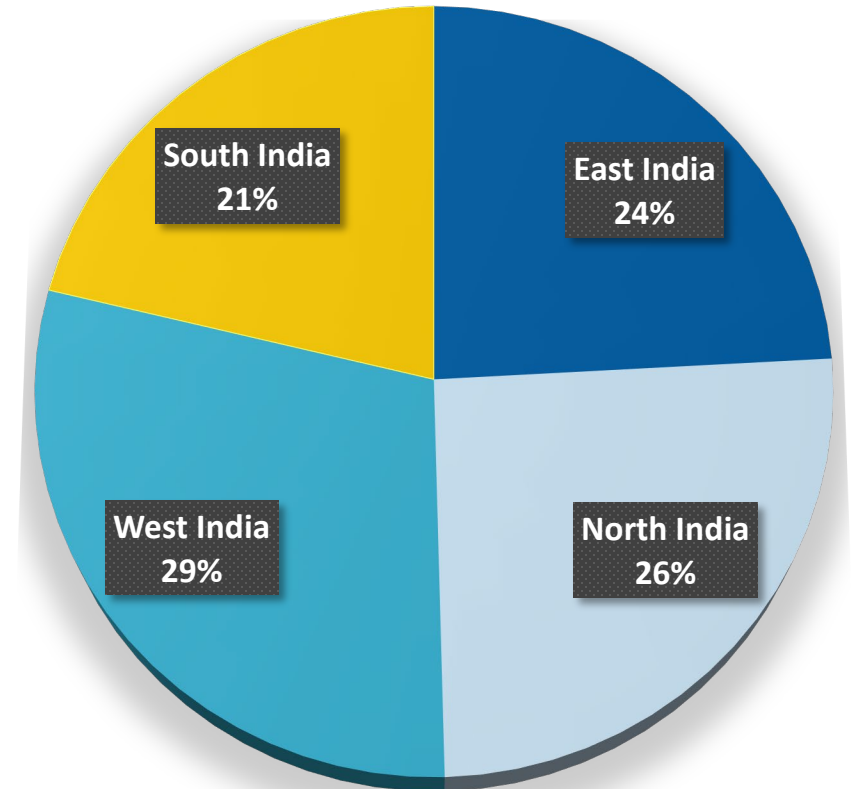
Note
NCOA is Net Cash generated from Operating Activities

Increased Touch Points...



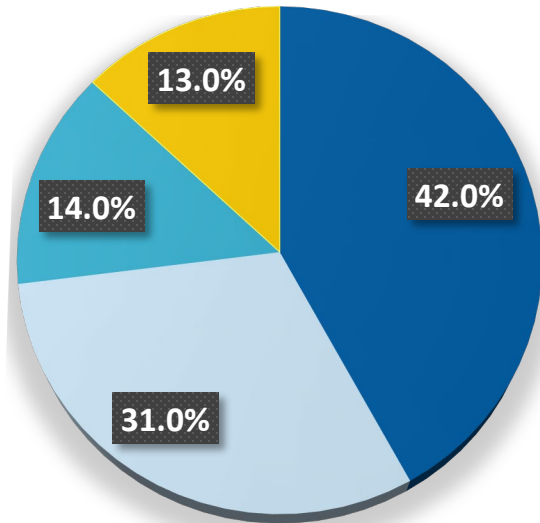
- India has over 10 Mn non-stationery outlets
- Broken tradition by expanding to neighbourhood grocery stores (Kirana, Medical stores, Pan stores, etc.)
- We have already crossed the milestone of 1 lakh non-stationery outlets
- Focus will be on increasing revenue per touchpoint

Break-up of Region wise Touch Points – Sep' 2023

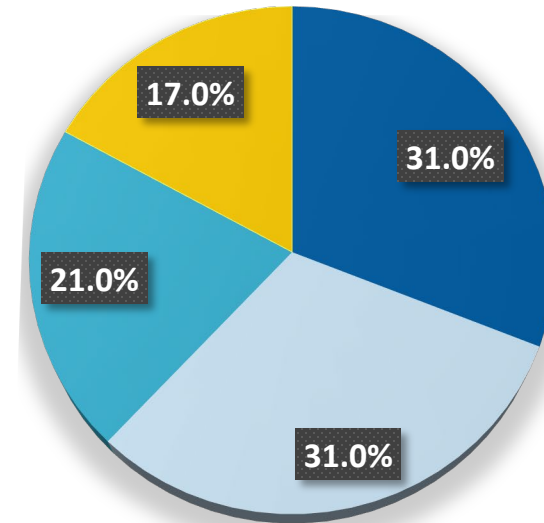


...Resulting in Broader Penetration Across India.

Revenue Share FY19



Revenue Share H1 FY 24



- East India
- North India
- West India
- South India

Increasing footprint in West and South India and steadily moving towards a more homogenous presence across India

ESG.

Environment

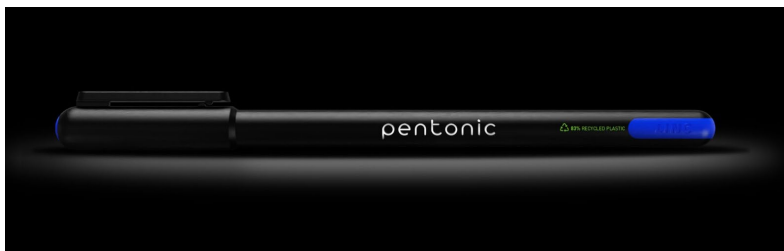
- Pentonic's individual plastic wrapper packaging has been consciously substituted with paper box packaging of 10/20pcs
- This step has saved the planet from around 90 MT of plastic waste in FY23 while also having saved company ~ ₹ 300 lacs in packaging cost
- Pentonic pen, with 83% recycled plastic, is set to be launched soon

Social

- Strongly believes in diversity in the workforce and has ~700 female employees at Gujarat
- 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



ESG.

Why does a pen company want you to stop buying pens?



Yes, it's a weapon. But discarded carelessly, a plastic pen becomes a weapon of mass destruction.

For starters, it is difficult to recycle and emits toxic chemicals. Plastic pollution also plays havoc on soil nutrients and contaminates the water. As a result, trees wither away and animals die by getting poisoned, choked or pierced mercilessly.

The next time you throw a plastic pen away, think again. All it takes is to buy a refill. An act that will slow down pollution and buy some more time for this only planet of ours



LINC Financial Snapshot.

Half Year Highlights (Cont..)

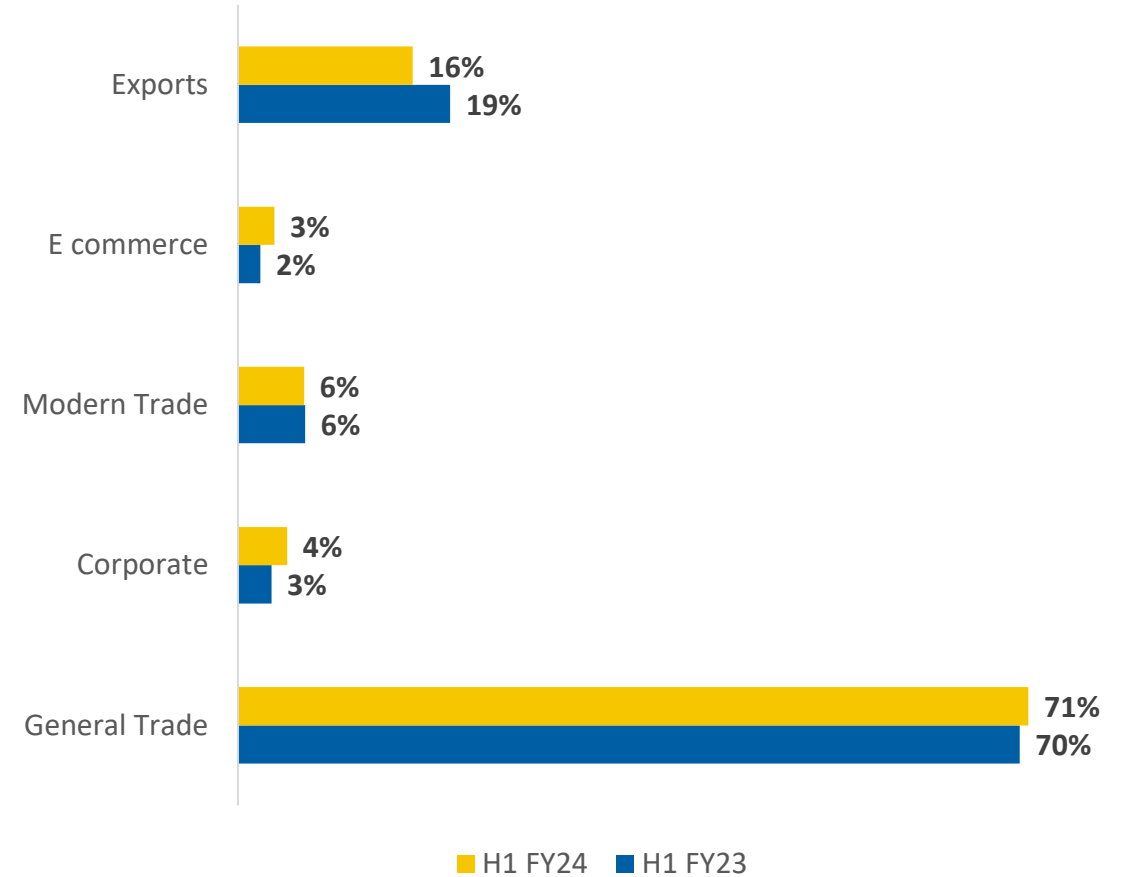
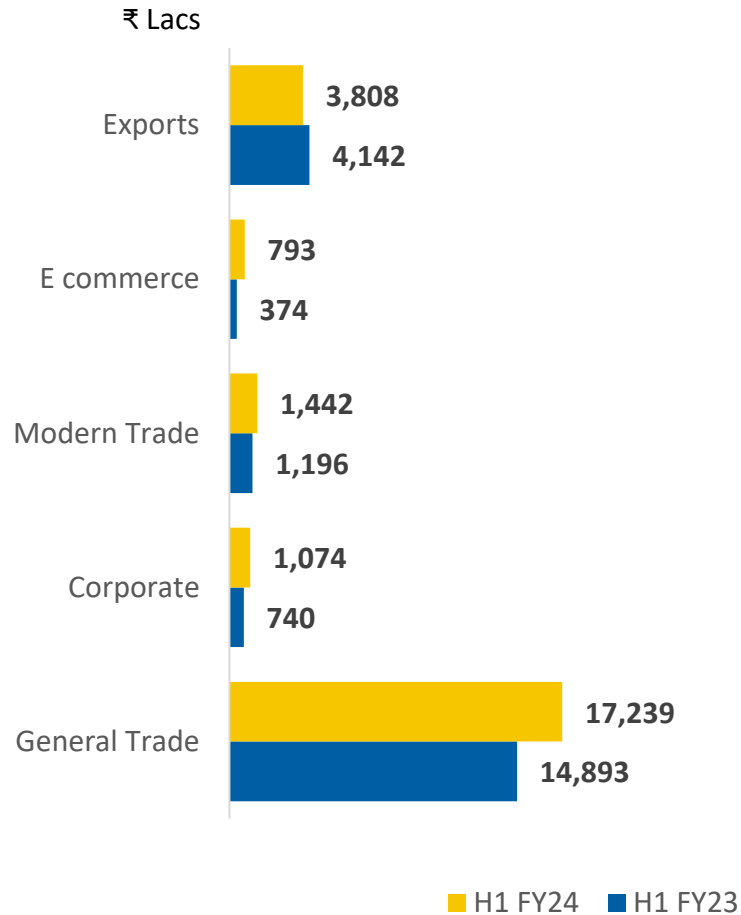
₹ Lacs

Revenue	Writing Instruments			Other Products		
	Own Brands		Licensed Brands	Own Brands		Licensed Brands
	Pentonic	Linc & Others	Uni-Ball	Pentonic	Linc & Others	Deli
<i>H1 FY24</i>	7,598	9,783	3,854	364	1,138	1,619
Sales Contribution (%)	31.2%	40.2%	15.8%	1.5%	4.7%	6.6%
<i>H1 FY23</i>	6,343	10,645	3,002	40	168	1,147
Sales Contribution (%)	29.7%	49.9%	14.1%	0.2%	0.8%	5.4%
<i>Growth YoY</i>	19.8%	(8.1%)	28.4%	809.5%	577.4%	41.2%

Note: Revenue does not include Re-Sale of raw material and export incentive

Half Year Highlights (Cont..)

Trade Channel Wise Break-up of Operating Revenue



Note: Revenue does not include Re-Sale of raw material and export incentive

Profit & Loss Summary.

₹ Lacs

Particulars	FY19	FY20	FY21	FY22	FY23	H1 FY24
Operating Income	36,694	39,699	25,666	35,496	48,676	24,309
Gross Profit	7,434	9,805	5,753	8,441	15,197	7,427
Gross Profit Margin	20.3%	24.7%	22.4%	23.8%	31.2%	30.6%
Operating EBITDA	2,539	3,826	1,017	2,153	6,136	2,574
Operating EBITDA Margin	6.9%	9.6%	4.0%	6.1%	12.6%	10.6%
PAT	515	1,925	4	813	3,740	1,509
PAT Margin	1.4%	4.8%	0.0%	2.3%	7.6%	6.1%
Cash Profit ¹	1,561	3,179	1,273	2,095	5,151	2,262
EPS (₹)	3.48	12.94	0.03	5.47	25.15	10.15

Note:

1. Cash Profit = PAT + Depreciation
2. Prior period figures are restated wherever necessary

Balance Sheet Summary.

₹ Lacs

Particulars	FY19	FY20	FY21	FY22	FY23	H1 FY24
Net Worth	12,337	13,697	13,471	14,285	17,722	18,470
Gross Debt	6,205	4,575	812	299	-	-
Cash & Cash equivalent	11	13	14	9	760	597
Net Debt	6,194	4,562	797	290	(760)	(597)
Capital Employed ¹	19,388	19,199	15,025	15,178	18,730	20,977
Net Fixed Assets (incl CWIP)	7,541	7,870	7,106	8,215	9,038	10,949
Net Current Assets ²	6,087	7,219	5,437	6,072	7,748	8,154
Total Assets	23,240	24,535	20,046	20,162	23,746	26,231

Note:

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

Ratios.

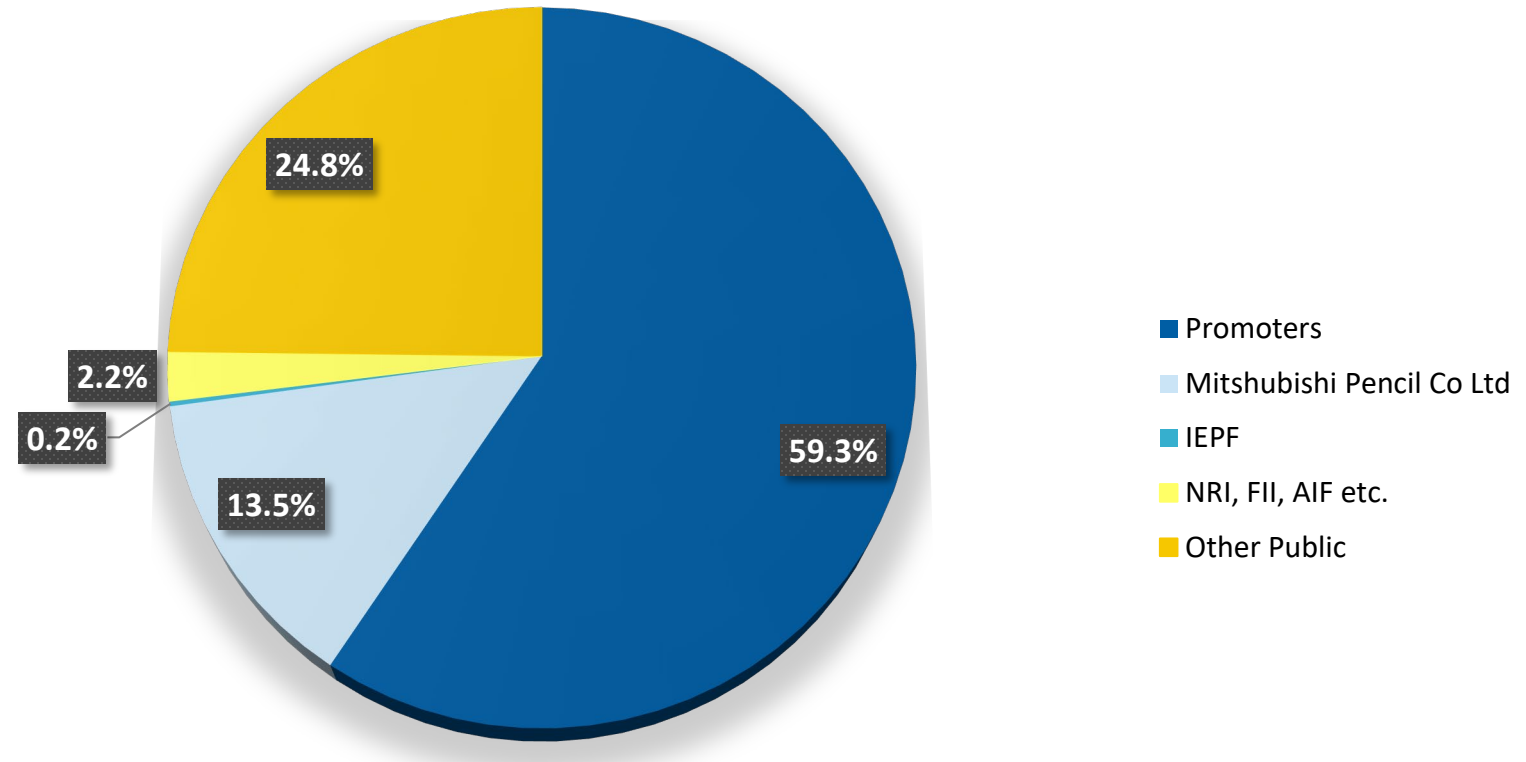
₹ Lacs

Particulars	Ratios	FY19	FY20	FY21	FY 22	FY23	H1 FY24
Solvency Ratios	Net Debt/Equity	0.50	0.33	0.06	0.02	(0.04)	(0.03)
	Net Debt/Op EBITDA	2.44	1.19	0.78	0.13	(0.12)	(0.12)
	EBIT/Interest	2.76	5.26	-0.39	15.81	79.78	18.24
Operational Ratios	Current Ratio	1.68	1.85	1.92	2.14	2.56	2.65
	Fixed Asset Turnover	5.15	5.15	3.43	4.63	5.64	4.87
	Total Asset Turnover	1.56	1.66	1.15	1.77	2.22	1.95
	Inventory Days	107	113	154	98	89	100
	Debtor Days	44	39	56	36	27	27
	Payable Days	40	45	86	60	48	48
	Cash Conversion Cycle	111	107	124	74	68	79
Return Ratios	ROE	4.22%	14.79%	0.03%	5.86%	23.37%	16.68%
	ROCE	8.97%	14.89%	-0.62%	7.67%	30.24%	21.84%

Note:

ROCE = EBIT / Average Capital Employed & ROE = Net Profit / Average Net worth
YTD figures are annualized

Shareholding Pattern.



As on 30th September'23

Thank You.

For further details please contact

Director Finance & CFO

N.K.Dujari

Email: investors@linclimited.com

Phone No.: +91 9830042353

Landline: +91 33 68262100

Investor Relations Advisor



Sanjeev Sancheti

Email: ss@uirtus.in

Phone No.: +91 9836244222



Expansion Plan.

Linc plans to increase its existing capacity at Gujarat from 10 lacs pen per day to 15 lacs pen per day in FY'25 & to 20 lacs pen per day subsequently

FY'24 demand would be met by the existing capacity & stepping-up outsourcing, which has already been tied up

Revenue potential of the new facility at full capacity will be ~ ₹15,000 lacs

Total Project cost ~ ₹5,000 lacs.

Infra Cost of ~₹1,700 lacs will be spent in FY'24 through internal accruals

Phase 1 Plant & Machinery of ~₹1,800 Lacs in FY'25 & Phase 2 ~₹1,500 Lacs subsequently

New plant is at the existing location (Umbergaon) to rationalize logistics and economic synergies

Capacity expansion being phased to align with demand and company's capital allocation strategy

Typical Price Waterfall.

Particulars	Pentonic Ball Pen	Others
MRP	₹ 10.00	₹ 10.00
Retailer Margin	₹ 2.50	₹ 3.25
Distributor Margin	₹ 0.48	₹ 0.47
Super Stockist / Channel Partner Margin	₹ 0.28	₹ 0.25
GST (For entire value chain)	₹ 1.14	₹ 1.03
Company's Realisation	₹ 5.60	₹ 5.00

