

INTRODUCING

# INDIA'S FIRST GUILT-FREE PENS

Every plastic pen carries the guilt of being a polluter. So we decided to fight back. Pentonic is now making pens that consist of 75% recycled plastic. Talk about having a clean sheet.



# Q1 FY25 EARNINGS PRESENTATION

Linc Limited  
(formerly Linc Pen and Plastics Limited)

NSE : LINC

BSE : LINC

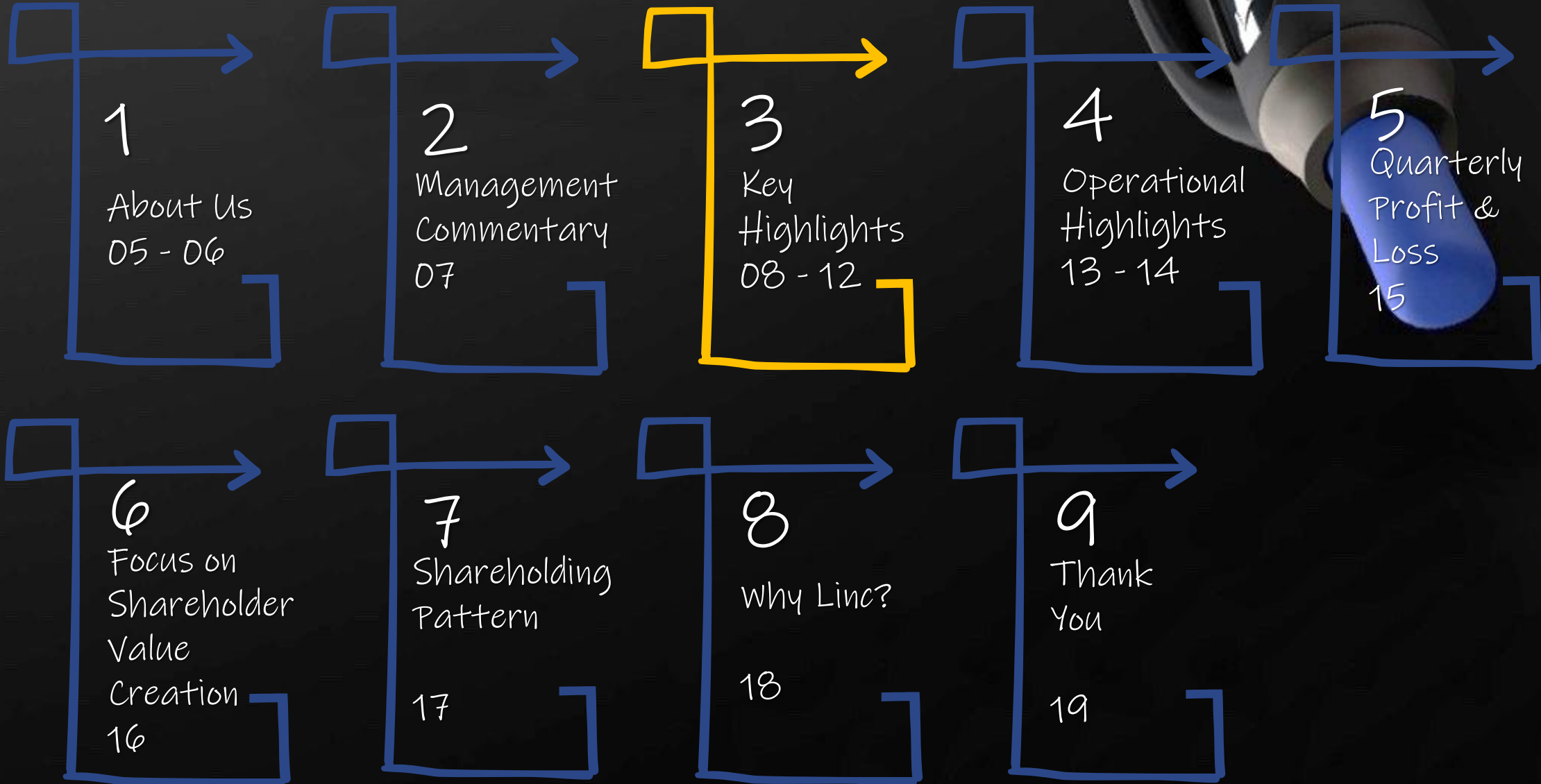
Bloomberg : LINC:IN



# 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



# About Us

Linc Ltd. is one of India's largest & oldest writing instrument companies with national and international presence. We have a strong and extensive network across India along with Southeast Asia, Middle East, USA, UK, Europe, South America, & Africa.



- Among Top 3 brands in India for Writing Instruments.
- Presence in the affordable segment for over 4 decades.



- Global brand from Mitsubishi Pencil Co. Ltd, Japan.
- Presence across all categories of Writing Instruments – Roller Pen, Gel Pen and Ball Pen.



pentonic  
driven by design

- New Writing Instrument brand launched in FY19 by Linc in MRP ₹10 and above segment.
- Known for its super smooth writing and sleek design.



- Asia's largest stationery giant.
- Presence across all stationery categories with over 2000 Products.



# About Us

Market Share\* of 6.6%

Writing Instrument Segment

2,022 Lacs

No. of Pens sold in Q1 FY25

>50 Countries

International Presence

18.0%

Export revenue %

39.6%

Pentonic Share in Revenue

2,52,639

Touch Points

## Q1 FY25 Financial Metrics

Revenue From Operations: ₹ 13,011 Lacs

Profit After Tax#: ₹ 843 Lacs

Gross Margin: 31.2%      PAT Margin: 6.4%

ROCE<sup>1</sup>: 19.6%      ROE<sup>1</sup>: 16.0%

\*Source: An assessment of writing and creative instruments industry and steel bottle industry in India - Crisil Jun'23

#PAT attributable to the owners of the Parent

1. Annualized



# Management Commentary

" We are pleased to state that we have achieved a quarterly Operating Income of ₹13,011 Lacs, marking a 16.3% growth year-over year.

Pentonic delivered a 28.6% year-on-year revenue growth in Q1 FY25, resulting in Pentonic contributing 39.6% to our company's topline in the first quarter of FY25.

Our efforts to expand our international presence have paid off, with export and overseas revenue increasing by 26.3% year-over-year in Q1 FY25. Consequently, export sales now account for 18.0% of our topline, up from 16.9% in Q1 FY24.

Our Gross Profit Margin stood at 31.2%, reflecting a year-over-year contraction of 108 basis points and a quarter-over-quarter contraction of 128 basis points, primarily due to higher cost of polymers, our key raw material.

For Q1 FY25, our Profit After Tax stood at 843 lakhs, increasing 14.2% year-over-year. Our PAT Margin stood at 6.4%, a slight year-over-year decrease of 11 basis points.

We are proud to unveil the Pentonic 75, our latest innovation made with 75% recycled plastic, exemplifying our deep commitment to sustainability. This milestone makes us the first in the industry to achieve 75% circularity, translating to a recycling value of approximately ₹1.25 per pen.

Looking ahead, we are committed to expanding our Total Addressable Market (TAM) by actively pursuing penetration in export markets and swiftly diversifying into adjacent product categories.

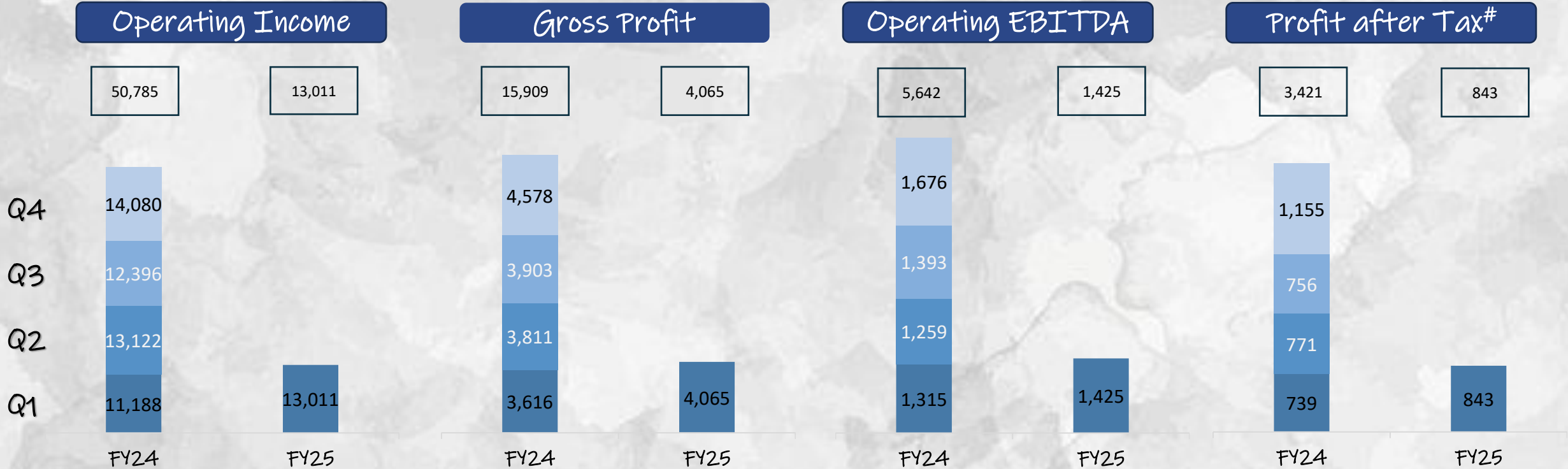
Our strong commitment to innovation, strategic market consolidation & expansion, and bolstering the presence of our Pentonic range will position us for sustained long-term growth. We are confident that these initiatives will drive our progress and reinforce our market leadership in the years ahead."

Deepak Jalan  
Managing Director, Linc Limited



# Key Highlights

All numbers in ₹ Lacs.



## Other Highlights for Q1 FY25

- Net Debt as on 30<sup>th</sup> June 2024 was ₹(2,716) lacs
- NCOA as on 30<sup>th</sup> June 2024 was ₹ 2,741 lacs
- Net Debt / Equity was (0.13)
- Net Debt / Operating EBITDA<sup>1</sup> was (0.48)

#PAT to the owners of the Parent

Q1 FY 25, Q4 FY 24, Q3 FY 24 & FY 24 are consolidated; comparative figures are standalone

1. Annualized



# Key Highlights (Cont.)

₹ Lacs

	Operating Income	Gross Profit	Operating EBITDA	Profit Before Tax	Profit After Tax	Cash Profit <sup>1</sup>
<b>Q1 FY25</b>	<b>13,011</b>	<b>4,065</b>	<b>1,425</b>	<b>1,113</b>	<b>843</b>	<b>1,221</b>
<i>Growth YOY</i>	16.3%	12.4%	8.4%	10.8%	14.2%	9.8%
<i>Growth QOQ</i>	(7.6%)	(11.2%)	(15.0%)	(28.6%)	(27.0%)	(20.1%)
<i>Margin<sup>2</sup>(%)</i>		31.2%	11.0%	8.5%	6.4%	
<i>EPS/CEPS</i>					5.67	8.21

**Note:**

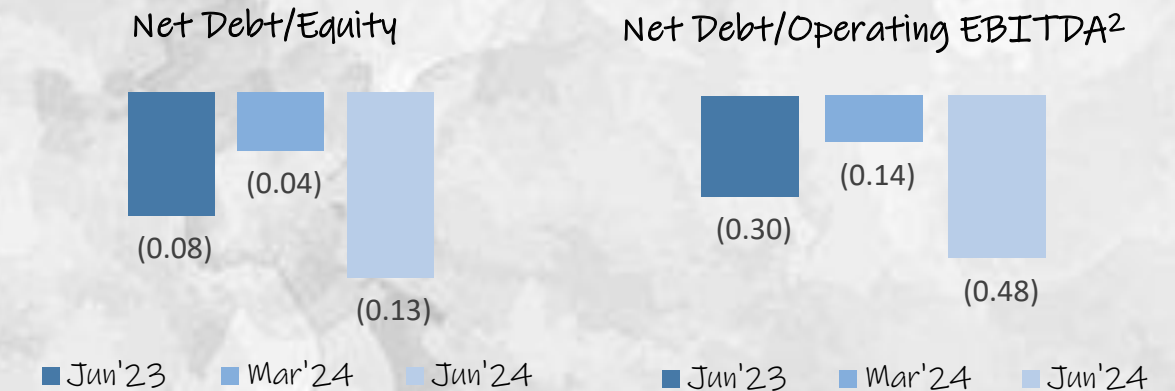
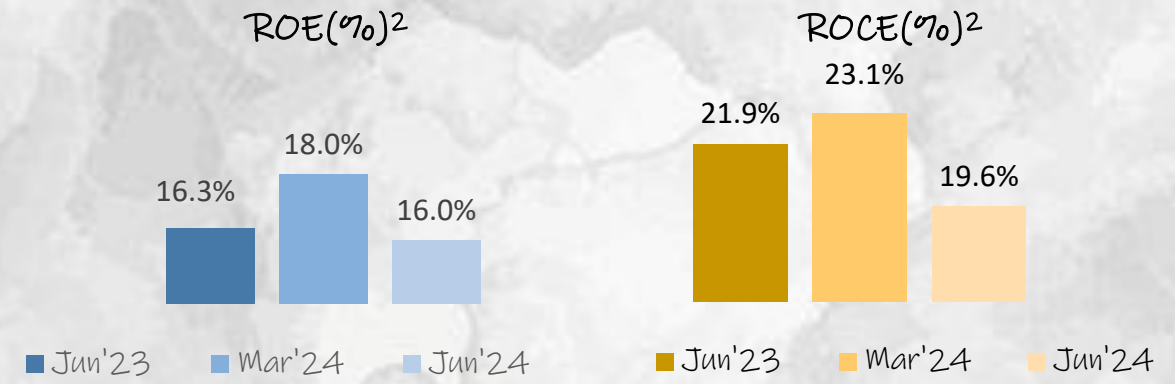
1. Cash Profit = PAT add Depreciation

2. Gross Profit &amp; Op EBITDA Margins calculated on Operating Income

3. PAT is PAT attributable to the owners of the Parent

# Key Highlights (Cont.)

Particulars	₹ Lacs		
	30-Jun-23	31-Mar-24	30-Jun-24
Net Worth	18,452	20,585	21,375
Gross Debt	-	692	586
Cash & Cash Equivalent <sup>1</sup>	1,560	1,456	3,302
Net Debt	(1,560)	(765)	(2,716)
Net Fixed Assets	10,813	12,359	12,810
Net Current Assets <sup>1</sup>	7,436	8,102	6,876
Total Assets	26,982	30,962	31,804
Fixed Asset Turnover <sup>2</sup>	4.51	4.75	4.14
Total Asset Turnover <sup>2</sup>	1.76	1.86	1.66
Cash Conversion Cycle <sup>2</sup>	86	81	83



**Note:**

- 1. Net current assets excludes cash & cash equivalents
- 2. Figures are YTD annualized

# Key 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
Q1 FY25 Sales Contribution (%)	5,106 38.5%	4,778 36.0%	1,936 14.6%	143 1.1%	770 5.8%	526 4.0%
Q4 FY24 Sales Contribution (%)	5,034 35.1%	5,851 40.8%	2,049 14.3%	314 2.2%	610 4.3%	472 3.3%
Q1 FY24 Sales Contribution (%)	4,013 35.9%	4,296 38.4%	1,624 14.5%	69 0.6%	528 4.7%	644 5.8%
Growth QoQ	1.4%	(18.3%)	(5.5%)	(54.4%)	26.3%	11.5%
Growth YoY	27.2%	11.2%	19.3%	106.9%	46.1%	(18.3%)

Note: 1. Revenue does not include Re-Sale of raw material and export incentive  
 2. Linc & Others includes subsidiary revenue

# Key Highlights (Cont..)

₺ Laos

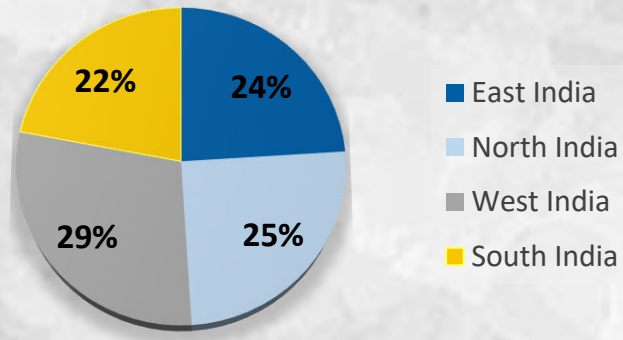
Revenue	Trade Channel				
	General Trade	Corporate	Modern Trade	E-Commerce	Exports
Q1 FY25	7,304	1,771	1,297	501	2,387
Sales Contribution (%)	55.1%	13.4%	9.8%	3.8%	18.0%
Q4 FY24	7,180	2,610	678	447	3,414
Sales Contribution (%)	50.1%	18.2%	4.7%	3.1%	23.8%
Q1 FY24	7,729	494	753	307	1,890
Sales Contribution (%)	69.2%	4.4%	6.7%	2.7%	16.9%
Growth QoQ	1.7%	(32.1%)	91.3%	12.2%	(30.1%)
Growth YoY	(5.5%)	258.8%	72.2%	63.5%	26.3%

Note: 1. Revenue does not include Re-Sale of raw material and export incentive  
 2. Exports includes subsidiary revenue

# Operational Highlights

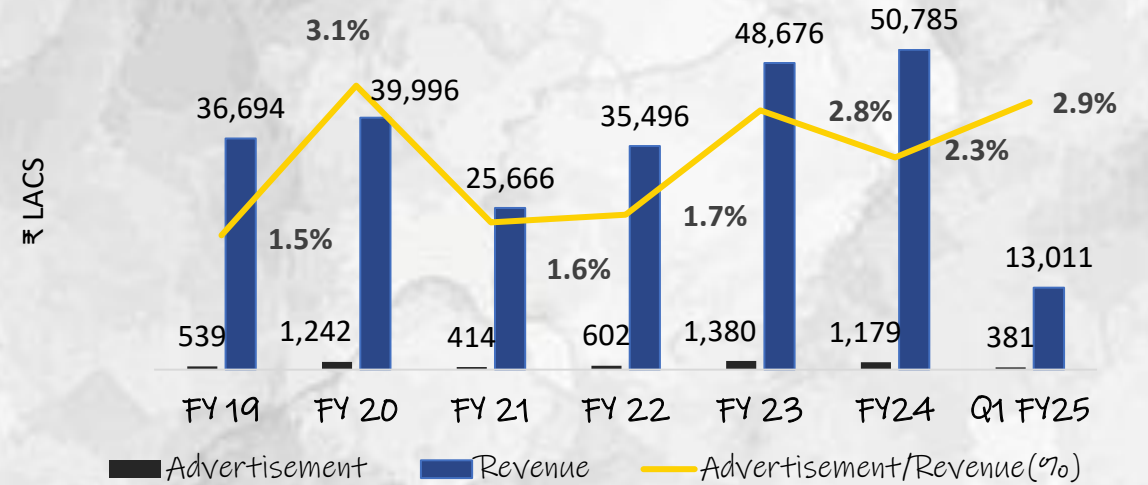
## Wider Penetration across India

Break-up of Region-wise Touch Points - Q1 FY25



- Total Touchpoints 2,52,639 in Q1 FY25
- Focus will be on increasing revenue per touchpoint
- Increasing footprint in West and South India; has crossed 51% in Q1 FY25

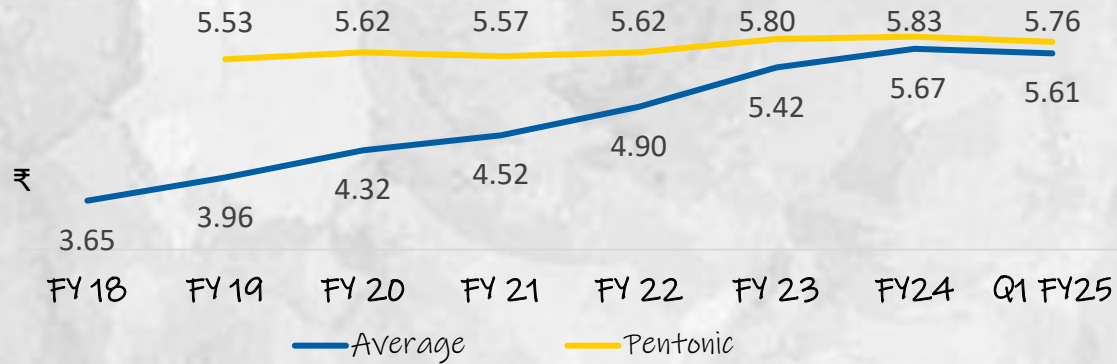
## Focus on brand building



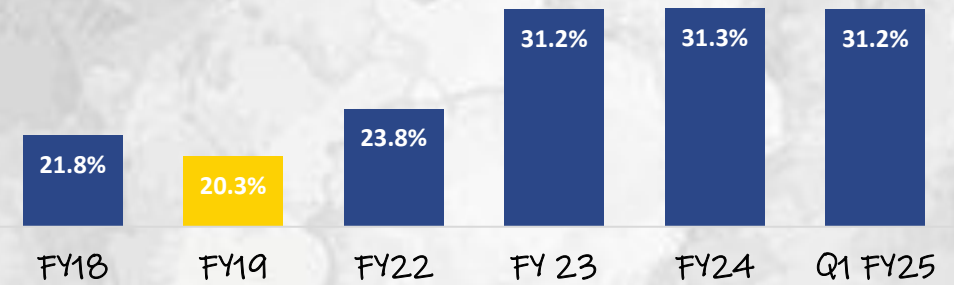
- Spent over ₹ 4,800 lacs on brands over last 5 years
- Step up brand spend going forward ~ 3% of revenue

# Operational Highlights (Cont..)

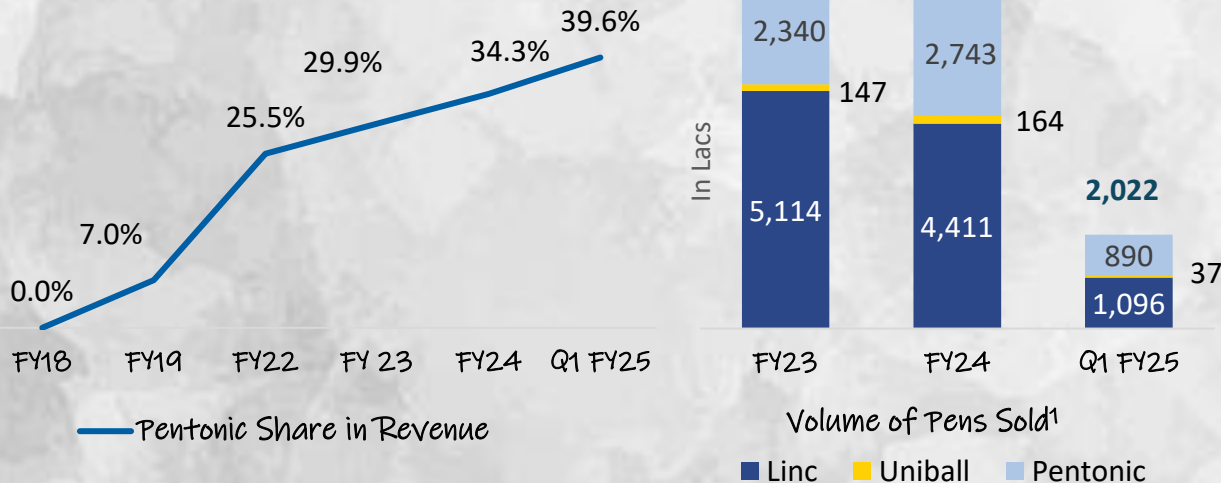
Growth in average realization of Pens (Rs)<sup>1</sup>



Evolving Company GP Margins



Focus on higher margin products



- Pentonic positioned at ₹ 10 + segment
- Pentonic GPM ~ 39%
- Significant increase in revenue share of 'Pentonic' over the last 5 years
- Consistent increase in average selling price
- Average realization increase possible due to focus on higher priced products

Note: 1. Does not include impact of subsidiary

# Quarterly Profit & Loss

₹ Lacs

Particulars	Q1 FY 25	Q1 FY 24	YoY Change	Q4 FY 24	QoQ Change	FY 24
Operating Income	<b>13,011</b>	<b>11,188</b>	<b>16.3%</b>	<b>14,080</b>	<b>(7.6%)</b>	<b>50,785</b>
Gross Profit	4,065	3,616	12.4%	4,578	(11.2%)	15,909
Gross Profit (%)	<b>31.2%</b>	<b>32.3%</b>	<b>(108 bps)</b>	<b>32.5%</b>	<b>(128 bps)</b>	<b>31.3%</b>
Operating EBITDA	1,425	1,315	8.4%	1,676	(15.0%)	5,642
Operating EBITDA Margin (%)	<b>11.0%</b>	<b>11.8%</b>	<b>(80 bps)</b>	<b>11.9%</b>	<b>(95 bps)</b>	<b>11.1%</b>
Other Income	134	134	(0.5%)	327	(59.1%)	726
Finance Cost	69	72	(4.4%)	73	(6.5%)	257
Depreciation	377	373	1.2%	371	1.6%	1,498
PBT	1,113	1,004	10.8%	1,558	(28.6%)	4,612
PAT <sup>1</sup>	<b>843</b>	<b>739</b>	<b>14.2%</b>	<b>1,155</b>	<b>(27.0%)</b>	<b>3,421</b>
PAT Margin <sup>1</sup> (%)	6.4%	6.5%	(11 bps)	8.0%	(161 bps)	6.6%
EPS (₹)	<b>5.67</b>	<b>4.97</b>	<b>14.2%</b>	<b>7.77</b>	<b>(27.0%)</b>	<b>23.00</b>

Note: 1. PAT attributable to the owners of the parent

2. Q 1 FY 25, Q4 FY 24 and FY 24 are consolidated; comparative figures are standalone

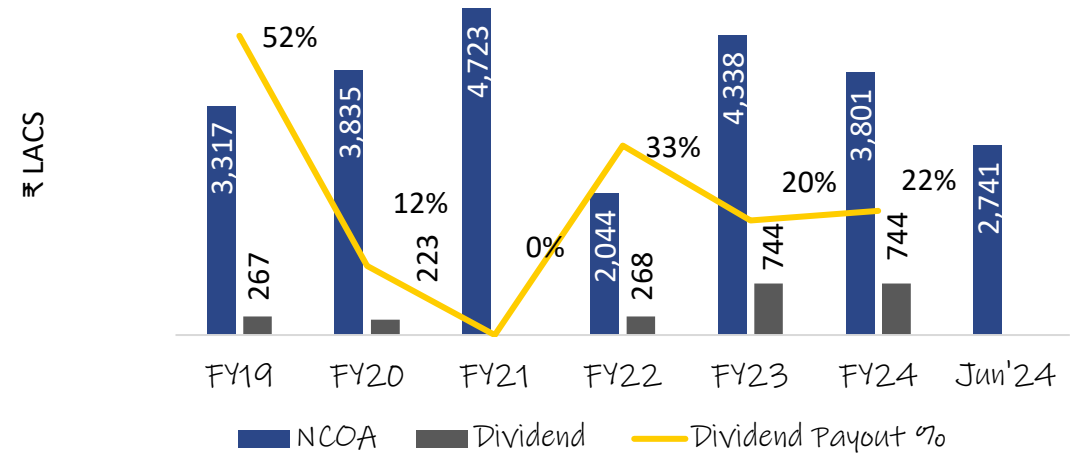
# Focus on Shareholder Value Creation

- NCOA<sup>1</sup> continues to be strong in Jun'24
- Consistent Dividend Pay-out track record (Other than Covid years due to cash conservation)

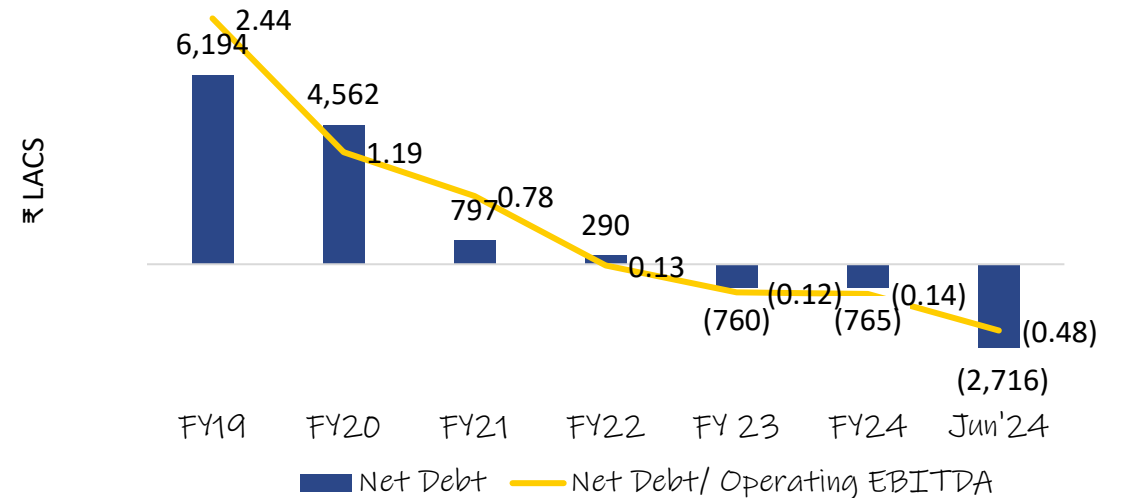
- Steady and significant decrease in Net Debt
- Capex commitment funded largely through internal cash generation
- Net Debt / Operating EBITDA reduced significantly from peak of 2.54 in FY 2018 to (0.48) in Jun'24

Note  
<sup>1</sup> NCOA is Net Cash generated from Operating Activities

Net Cash from Operating Activities Vs Dividend Payout



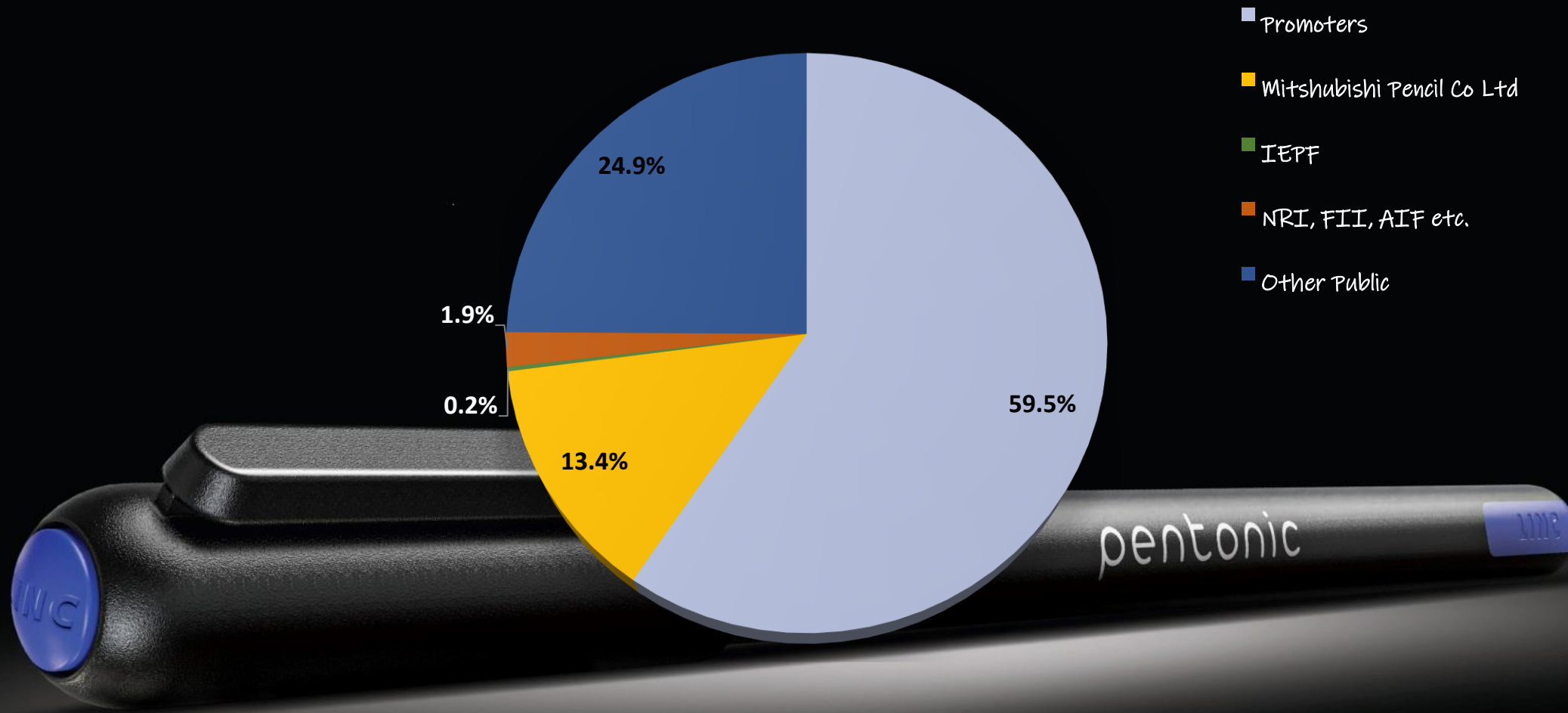
Net Debt and Net Debt/Operating EBITDA<sup>2</sup>





# Shareholding Pattern

As on June'24



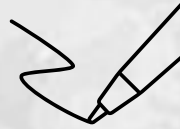
# Why Linc?



Focus on Premiumization, consistently augmenting the contribution of high-margin products to its overall revenue



Geographic Expansion; Focusing on increasing its exports revenue and developing newer markets



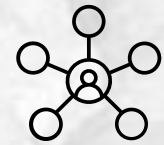
Inroads into Adjacent Categories; widening product portfolio by entering high-value & high-margin stationery segment



Strong Balance Sheet with negative net debt; strong top & bottom line growth



Consistently endeavors to practice good Corporate Governance founded on transparency, accountability, independent monitoring & environmental consciousness



Rapidly expanding distribution network Added over 1.7 lac touch points over the last 4 years

# Thank You

For further details please contact

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