13th August, 2025

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Dear Sir / Madam,

Sub: Post Earnings Call - Submission of Transcript.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Post Earnings (Group Conference) Call held on Monday, 11th August, 2025 which is simultaneously being uploaded on the website of the Company.

This is for your information and records.

Thanking You,

Yours faithfully,
For LINC LIMITED

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DIPANKAR DE
Company Secretary

Encl.: As above

"Linc Limited Q1 FY '26 Earnings Conference Call"

August 11, 2025

MANAGEMENT: **MR. N. K. DUJARI – DIRECTOR (FINANCE) & CHIEF FINANCIAL OFFICER, LINC LIMITED**
MR. SANJEEV SANCHETI – UIRTUS ADVISORS LLP, (IR ADVISOR)

MODERATOR: **MR. NAVIN AGRAWAL – HEAD (INSTITUTIONAL EQUITIES), SKP SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Linc Limited Q1 FY '26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Agrawal – Head (, Institutional Equities) at SKP Securities Limited. Thank you and over to you, sir.

Navin Agrawal: Good morning, ladies, and gentlemen. I am pleased to welcome you to Linc Limited's Q1 FY '26 Con-Call.

We have with us today Mr. N. K. Dujari – Director (Finance) and CFO; and Mr. Sanjeev Sancheti – Uirtus Advisors LLP, the company's IR Advisors.

We will have the opening remarks by the Management, followed by a Q&A session. Thank you and over to you Mr. Dujari.

N. K. Dujari: Thank you, Navin ji. Good afternoon and thank you for joining us for Linc Limited Q1 FY '26 Investor Call.

The 1st Quarter of FY '26 delivered a steady top-line performance, with revenue growing 5.3% year-on-year. This was driven by a strong showing across the Linc brand portfolio, increased contribution from allied stationery products, and sustained momentum across general trade, corporate and e-commerce channels.

From a strategic perspective, we remain focused on future proofing the business and unlocking multidimensional growth. Our diversification efforts continue to gain traction as we expand beyond pens into high potential adjacent categories such as markers, highlighters, and pencils. These category extensions, aligned with evolving customer preferences and a wider range of usage occasions, will expand our total addressable market from Rs. 6,600 crores to about Rs. 38,000 crores.

We are actively enhancing our innovation pipeline, building on recent launches, we plan to roll out an expanded variant of markers and highlighters and a comprehensive range of essential stationery products. Notably, our SWYPE marker range and Pentonic mechanical pencil, both recent additions have received strong initial consumer feedback. Their full scale rollout is expected to contribute meaningfully in the near term.

On the export front, we are witnessing early traction despite geopolitical uncertainties and shifting trade dynamics. Our emphasis on pricing agility, supply reliability, and innovation-led differentiation continues to support overseas growth and strengthen strategic partnerships.

Our strategic initiatives are advancing steadily. Although certain timelines have been recalibrated, the joint venture and Japan-based Mitsubishi Pencil Company is now expected to begin operation by October '25, with a slight delay. Preparative work remains on track.

Our joint venture with Korean stationery manufacturer Morris is closely linked to our upcoming manufacturing facility in West Bengal, which is scheduled for commissioning in the fourth quarter of FY '26.

The partnership with our Turkish counterpart is advancing steadily as we align on key commercial and strategic operational milestones. Meanwhile, our Kenya subsidiary has experienced a slower than expected start, but we remain committed to its long term potential and continue to invest in its growth.

In Q1 FY' 26, our operating income stood at Rs. 136.98 lakhs, marking a 5.3% year-over-year growth. Operating EBITDA stood at Rs. 131.4 lakhs, with a margin of 9.6%. PAT for the quarter declined 16.4% year-on-year to Rs. 705 lakhs due to cost headwinds and shifts in product mix, translating to a PAT margin of 5.1%.

Our balance sheet remained robust, supported by net free cash and cash equivalent and strong capital efficiency ratios. During the quarter, we generated Rs. 2,211 lakhs into cash flow from operations and closed with a net free cash position of Rs. 2,121 lakhs. Highlighting our continued focus on financial prudence and maintaining a future ready balance sheet.

Asset productivity remained healthy, with fixed turnover at 4.26x, indicating efficient utilization of our asset base. The cash conversion cycle also improved marginally to 59 days from 61 days in the previous quarter, reflecting better working capital management.

With that, we now open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit Patil: Good morning, sir. My name is Sucrit Patil. I want to understand your view on how is Link planning to grow its business over the next two years - three years by expanding into adjacent product categories or leveraging its distribution network for cross category penetration, especially, as writing instruments are facing saturation in the urban market. What is Link's plan of action in the next two years - three years? Thank you, sir.

N. K. Dujari: Thank you, Mr. Patil. We have shared in the past our strategy going forward will be to expand our allied stationary portfolio through innovative products and new set of designs. So, we are on track with that. Writing instrument, we are trying for price premiumization of the product. In the writing instrument, growth should come from the premiumization, as far as the overall company growth, export will be definitely a big growth driver for us going forward.

And with that added will be the allied stationary range. And with the help of Pentonic now, our distribution channel is pretty strong and we are present across India. The new launches which we are planning with the help of a few of our JVs like Morris and Uniball will also add to our growth momentum.

Sucrit Patil: Okay, sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Rakesh from Nine Rivers Capital. Please go ahead.

Rakesh: Hi, sir. Thank you very much for the opportunity. So, first question with respect to the volumes. If you look at the volumes of the Linc pen, if you look at the volume of Pentonic pens from the last three quarters, the volumes are coming down. One of the reasons you have highlighted in the past is because of the restructuring that we are doing with the product portfolio. We are cutting down the old products or SKUs and cutting down the Rs. 5 SKU. Sir, when do you think this restructuring will end?

N. K. Dujari: Thank you, Mr. Rakesh. This restructuring is, I will say, is almost done. And now we are banking on the new launches in the Pentonic portfolio, which is taking little extra time than what we initially thought. So, the new launches was in the range of Rs. 20 to Rs. 40. And we are banking on those new launches. As well as the Rs. 10, the traditional pen is also doing well. Although the competitive intensity has increased in Rs. 10 category, but I think we should be able to do away with the higher price range of Pentonic and we hope that next few quarters should give us good traction.

Rakesh: Okay. And sir, with respect to the one trend that I am observing continuously is that share of traded goods is increasing. That is impacting our gross margin. But as we are going towards more and more premiumization, do you think the share of the traded will increase or it will come down in the coming? So, if I look at traded goods share its 41% in the Q1. So, do you think it will come down? Yes.

N. K. Dujari: No. This is the strategy we have adopted for last few quarters. As a part of our strategy, we are increasing the portfolio by live treasury and mostly traded. So, we have thought about it and I think these are just transitional things. And the growth in export, which we are banking heavily, we may be able to make up that loss of margin, because of trading range with the growth in export. Because export, we are having extra edge in terms of margin.

Rakesh: Yes.

N. K. Dujari: So, margin will be better than export. So, company level at the bundled margin, I think we will not sacrifice much because of the traded goods.

Rakesh: Going forward. Okay. Thank you for that clarification. Sir, one last question from my side with respect to the new product launch. Can you talk about what was the total revenue in this one quarter, first quarter?

N. K. Dujari: I will come back on this. We do not have data right now with me. But I will definitely come back on this, the exact portion of revenue from the new launches.

Rakesh: Sure. And continuing on that part. So, how are you planning to launch these new products? It will be pan-India or it will be with respect to the particular state? We will start with one state, two states and then we will expand or it will be product will be launched across India? What is the strategy on this part?

N. K. Dujari: From the past experience, what we have learned that any launch is actually the benefit gets diluted. So, as a strategy, now we take a particular market, a particular zone and we do a proper thorough launch in that particular market or zone. Then only we do rollout and which again is gradual. It is not nationwide rollout immediately because the capacity is also issue initially. Capacities are also issue. So, it is a gradual thing, we do territory by territory, we do the launches depending on the experience which came from the previous launch of the previous territory launch. So, this helps us in doing the fine tuning to make it more successful.

Rakesh: Okay, Mr. Dujari. I will come back at the queue. Thank you very much and all the best. Thank you.

N. K. Dujari: Thank you, Mr. Rakesh. Yes.

Moderator: Thank you. The next question is from the line of Resham Mehta from GreenEdge Limited. Please go ahead.

Resham Mehta: Hello. Thank you for your opportunity. So, I have a few questions. I think in continuation with what the previous participant asked in terms of volume degrowth, can you just talk about what was this product restructuring that we had undertaken?

N. K. Dujari: Basically, we have done away with products which are contributing not much to the margins. So, we have discontinued quite a few products and make the portfolio more robust and future ready.

Resham Mehta: Okay. And would you say that the volume degrowth is kind of behind us now?

N. K. Dujari: Volume degrowth, I think this year should be a reversal year for the volume degrowth, what we feel, this FY '26. And quarter two, we do not expect much because quarter two is actually the best quarter for writing instrument industry. So, domestic business, I am talking.

Resham Mehta: Got it. And why would the --

N. K. Dujari: For July, quarter two, the initial response is very good. The momentum is very good and we hope to maintain the momentum and we feel that we should be back on track.

Resham Mehta: And any guidance you all give on the revenue growth for the full financial year?

N. K. Dujari: Wait for, I would like to wait for another quarter. Then we will come out with our proper planned thing.

Sanjeev Sancheti: Since the stationary rollout is in progress, we would like to just wait another quarter and then come up with firm guidance.

Resham Mehta: Right. And on this stationary rollout, so art materials, pencils, highlighters, I think we were to launch these products. So, have they been launched or are you saying that these are the products that we are yet to launch?

N. K. Dujari: Few of them has been launched. This quarter, we are planning launch of crayons, erasers and maybe one or two more categories.

Resham Mehta: And is this a pan India launch across your channel or is it just in few select strong markets?

N. K. Dujari: It is region wise initially and then we will roll out pan India.

Resham Mehta: Got it. And margins, they have declined, the gross margins have declined. So, I think you are referred to the profitability impact on operational factors and transitional costs. So, what exactly is being referred to?

N. K. Dujari: Actually, there are two factors majorly which has affected the margin this quarter. One is the Rupee has weakened vis-à-vis Japanese Yen and Japanese Yen is a very important currency nowadays for us because Uniball, we are having almost 16% sales of the company comes from Uniball. And we are buying almost on an average Rs. 5 crores to Rs. 7 crores worth of goods from Japan.

And in this particular quarter, we had around 12% to 14% depreciation of Rupee vis-à-vis JPY, Japanese Yen. So, that was one of the factors and then, we have taken a conscious call and we have made some expenditure on modern trade channels. So, we wanted to push ourselves very aggressively. So, benefit of which is going to come in the future quarters.

Resham Mehta: Okay. And any currency hedging that we are looking for in the near future to kind of mitigate--

N. K. Dujari: As far as dollar exposure is concerned, it is auto hedged because against our exports, we have got imports for Deli and few raw materials also. So, it is auto hedged. As far as JPY is concerned, we have done the hedging in the past, but it is a two way currency, it is a two legged currency. So, the hedging cost is very high. It is almost doing leaving it open also makes sense because the hedging cost is very high. It does not make sense. Because it is a two legged currency and it is very volatile. So, what we do, we try to time it to the extent possible. So, payments we time it when the rates are favorable. But still this whole quarter, we had a very adverse situation.

Resham Mehta: So, from a margin standpoint, do we expect that Q2 onwards we will be back to the double digit margin, like at least 11% - 12% kind of EBITDA margin?

N. K. Dujari: I think, with a time lag, we can take a price increase in Uniball. So, because the rate increase in foreign currency it is not possible to do it immediately, the price increase. So, I think, this quarter one thing can be considered as one-off, we should be back to our normal margin levels gradually. And I think, we will come out with some guidance also after quarter two, then we will and then we will be able to explain it better.

Resham Mehta: Right. And because of the tariff situation and U.S. is roughly 10% of our exports. So, how are we seeing the U.S. orders getting impacted? Are we seeing order cancellations, order postponements or maybe rerouting by other countries, if you could just highlight the U.S. impact?

N. K. Dujari: You are right that we have around 8% - 10% of export business coming from U.S. And right now we are witnessing the shipment of U.S. is on hold because of tariff situation. But we feel it will be a temporary issue. And if it is little long term, then we have to explore opportunities of doing exports from our other subsidiary in Kenya or maybe joint venture from Turkey. We have to explore those opportunities if the tariff from India is high.

Resham Mehta: So, U.S. is total 10% of your total revenue or 10% of your export revenue?

N. K. Dujari: 10% of export revenue and at the company level, it should be 1.5% to 2%, within 2% of the total revenue. But we are banking heavily on the U.S. business and it is a very high growth business for us.

Sanjeev Sancheti: So, just to clarify here, if the tariffs are here to stay, then we are little fortunate to have subsidiaries outside India and those can easily be explored.

Resham Mehta: Got it. And just a last one from my side. So we have these joint ventures with Mitsubishi Pencil Company, Morris Korean, and the Turkish partner, right? So, can you just elaborate what are the nature of these three joint ventures, which products exactly and in what phase are they in terms of launching?

N. K. Dujari: So, I will come to the Uniball JV first. Uniball JV is basically 51% JV, where 51% is held by Mitsubishi Pencil Company Japan and 49% is held by Linc. And here, we are going to make few products, which otherwise was not available for the Indian market. So, Uniball range is typically in 80 plus price bracket MRP. So, with this JV we are targeting around Rs. 50 market for India. So, this JV, we will produce these pens in India in a factory near Ahmedabad. And it is at a very advanced stage now. We are expecting trial run to happen from September. And here 75% of the business is targeting, we are targeting for domestic market and 25% of exports by Uniball. So the company --

Resham Mehta: So, will this act like a substitution, sorry, for the Japanese imports that we are doing or we would still need to continue importing from Japan?

N. K. Dujari: These are new products at a new price bracket, either two was not available under Uniball umbrella, Uniball brand in India. So, these are not substitution. This will be additional products in the Uniball range.

Resham Mehta: And just to clarify, basically, the production will begin from September 2025, right?

N. K. Dujari: Yes, September and we are expecting gradual rollout from October.

Resham Mehta: Got it. And for the other two JVs, Korean and the Turkish ones?

N. K. Dujari: Other two ones, maybe Morris, it is a very small business right now and here we can expand the moment we have our Calcutta facility is ready, the infrastructure is ready, so it will happen from fourth quarter. But now from the very small facility which we have, we are targeting to launch a few of their products from August and or September. These are basically retractable markers and basically retractable permanent marker, whiteboard markers, is something which is either not available in India. These designs, these features are not available in the Indian market right now.

And the other JV is the Turkey JV. Here we are targeting the Turkey market and the commercial production has started. So the Turkey is a big used to be big market for us because of tariff barrier, we could not do much business there. So, now we are targeting to do good business from this JV going forward. And we can use this for future if there is any issue in U.S. or anywhere else.

Resham Mehta: So, sorry, the facility is here in India with the Turkish JV?

N. K. Dujari: No, this is in Turkey. This is in Turkey. There is a partner, a Turkey partner which is holding 50% and Linc is holding 50%.

Resham Mehta: And the commercial production has already begun you are saying, right?

N. K. Dujari: Yes.

Resham Mehta: And would this be a domestic opportunity or --?

N. K. Dujari: Order book in this JV is very strong. They have booked a very decent order. So, we expect the scale may not be to the extent of what we are doing in Linc, but these are very small businesses and we hope to scale up pretty fast and in a decent size.

Resham Mehta: And which are the products here and would this be targeting the export market or the Indian domestic market?

N. K. Dujari: The target market is Turkey only and the product are Pentonic range and few Linc product also, but mostly, Pentonic range. And I think, the other one is our subsidiary in Kenya, which was spoken in the past, it is a 60% subsidiary. And we are targeting Kenya and adjacent countries in and around Kenya from that JV, from that subsidiary. It is a 60% - 40% subsidiary, 60% is held by Linc and 40% is by a Kenyan partner.

Resham Mehta: All right. Thank you. That is it from me.

N. K. Dujari: Thank you.

Moderator: Thank you. The next question is from the line of Himanshu Upadhyay from Buglerock PMS. Please go ahead.

Himanshu Upadhyay: Yes, hi. Good morning, Dujari ji. My first question was on the Linc side, Pentonic side, okay? The volume decreased seems quite significant around 6% Y-o-Y, okay? And our realizations have slightly improved, is it majorly because of competition on the lower price point, the Rs. 10 price point and hence, the volume degrowth has been there? And secondly, have we changed any terms of trade with our distributors? Or it is the mix which has changed and hence the realizations have improved by 70 basis points in the quarter?

N. K. Dujari: Thank you, Mr. Himanshu. Pentonic degrowth, you are right. We have challenges at the Rs. 10 price point of Pentonic, which is the main product. But the price increase has happened because we have launched a couple of new Pentonic pens in the range of Rs. 20, Rs. 30, and Rs. 40. And these have started giving some traction, good traction and we hope to do well in these categories in the near future.

So, the realization has improved because of that. And Pentonic, the Rs. 10 is the competitive intensity has increased. But we have kept our positioning as strong as possible. But we are having some degrowth in that for the timing. We have done some innovation there in Pentonic and we have actually launched a recyclable Pentonic in that range, Rs. 10. It is made of 75% recycled material. And the cost is around 5 percent higher. And that we had a very good volume of sale from that particular pen in the last quarter.

So, we are trying to create some awareness and some innovation or some interest for the consumer in the Rs. 10 category and trying to gain up the loss of volume there. But that is a category which is facing competitive intensity. And we are holding our guns and we hope to do better in future.

Himanshu Upadhyay: Okay. And Rs. 20 and Rs. 30 and Rs. 40, see, these products have been, we have discussed for last two years - three years. Should we assume that at almost all the places where Pentonic Rs. 10 and Rs. 20 is available, the Rs. 20 and Rs. 30, Rs. 40 products are available currently or what percentage of stores would have other products?

N. K. Dujari: I think most of the stores should have at least 70% - 80% of the range. But we are trying to make it as close to 100% as possible. And out of that, 40 rupees is a range which is actually little premium range. And we have, in few months we were facing some capacity issue also in that range. So, we are trying our best to make all range available across all zones.

Himanshu Upadhyay: Okay. And on the Linc side, the intensity competition remains, the product price. And hence the 5% type of degrowth. Would that be right assumption?

N. K. Dujari: Yes, it remains, and we have got, like it happened in the past also, we have new entrants coming in the market and they create some disturbance for few months. And then it is back to normal for us. So, we do not react on quarter-on-quarter basis. We take a long term strategy and we do not react to their actions on one-to-one basis. So, these are challenges for our industry which we are facing for decades. So, we have always, we have new entrants and they keep on disturbing the business for few months.

Himanshu Upadhyay: And one more thing, on the Deli brands, what is the outlook from here? And what would be the top three product categories where we are focusing most of our energy on? Or the market has really kept or with that product we have been able to capture some imagination. So, what would be the top three products we are focusing on Deli --?

N. K. Dujari: Deli brand has not performed as per our expectations. We were very aggressive and we were very positive on the growth front of our Deli brand. But it is something which we are still banking on. And top product category for them will be, for the Deli will be calculators, scissors, and desktop accessories, I think. But beyond these three or maybe four categories, their range is across all the stationary requirements. Their presence is, instead of volume itself, basically their portfolio is very large. So, that is also one of the reasons that it is not possible to target the category that aggressively because the range is quite large.

Himanshu Upadhyay: No, but let us say these three particular products where some amount of traction is there. The market for these three categories itself can be pretty high. Should we expect these three categories to reach around Rs. 50 crores - Rs.75 crore in next three to four years? Or you think, we still want to focus on multiple categories at the moment?

N. K. Dujari: What happened in between, we have changed our strategy for Deli. Like for calculators, we found that the calculators are a very good business for the brand. So, learning from the experience, what we did, the competition was pretty high in that particular range. So, we have launched calculators in Linc brands at lower range. So, basically, Deli is not only the growth business for us, it is a learning experience for us. Like calculator category was something which we were not aware and like it was a big learning for us. And it helped us to launch a Linc calculator, gaining on the experience of the Deli calculator.

So, it may not be a Rs. 75 crore brand, maybe in three years, but definitely it can help us to create new categories in Linc brand and generate the business to that extent. Deli brand may not be able to generate Rs. 75 crores, I am not sure. Because right now the figure is, I think, very less and the base is too small to make it take it to Rs. 75 crores, which our initial target was that only. But what we did that the overall business for Linc will come from those categories may not be in Deli brand, but from our own brand in that product category.

Himanshu Upadhyay: Are we getting them manufactured from Deli or we are getting calculators manufactured?

N. K. Dujari: From Deli, we are trying to locate partners in India and if not India, maybe in few cases abroad also. But not Deli, because Deli cost is high.

Himanshu Upadhyay: Okay. And the growth what we saw in Linc Y-o-Y, do you expect that growth to continue means around 9% - 10% writing instruments --?

N. K. Dujari: I think whatever we have seen in quarter one, quarter two, the initial momentum what we have seen is much better. Going forward, we should be doing much better than quarter one for the rest of the quarter for FY '26.

Himanshu Upadhyay: Okay. Thank you from my side. Thank you.

N. K. Dujari: Thank you, Himanshu.

Moderator: Thank you. Thank you very much. That was the last question in the queue as there are no further question. I would now like to hand over the conference over to Mr. Dujari for closing comments. Thank you and over to you.

N. K. Dujari: Thank you everyone for joining the call. We will get back to on few points which we could not have the data right now. Thank you everyone for joining the call. Thanks a lot.

Sanjeev Sancheti: Thanks a lot. Thanks everybody and have a great week.

Moderator: Thank you. On behalf of SKP Securities Limited concludes this conference. Thank you for joining us and you may now disconnect your lines.