



30<sup>th</sup> October, 2024

|   |   |   |
|---|---|---|
| The Listing Department,<br><b>The Calcutta Stock Exchange Ltd.</b><br>7, Lyons Range,<br>Kolkata – 700001<br><br>Scrip Code- 022035 | The Manager<br>Department of Corporate<br>Services,<br><b>BSE Limited</b><br>P. J. Towers, Dalal Street,<br>Mumbai - 400001<br><br>Scrip Code- 531241 | The Manager,<br>Listing Department,<br><b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza,<br>Bandra Kurla Complex, Bandra (East),<br>Mumbai - 400051<br><br>Symbol- LINC |
|---|---|---|

Dear Sir / Madam,

**Sub:** Strategy Presentation

Please find enclosed herewith the Strategy Presentation for the quarter / half year ended 30<sup>th</sup> September, 2024.

Thanking You,

Yours faithfully,  
For LINC LIMITED

DIPANKAR DE  
*Company Secretary*

pentonic

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.



The background of the slide features three Pentonic pens resting on a dark, textured surface. One pen is grey with a blue tip, another is black with a black tip, and the third is black with a red tip. The brand name "pentonic" is visible on the barrels of the black pens. The overall aesthetic is professional and modern.

# STRATEGY **P**RESENTATION

Linc Limited  
(formerly Linc Pen and Plastics Limited)

NSE : LINC

BSE : LINC

Bloomberg : LINC:IN

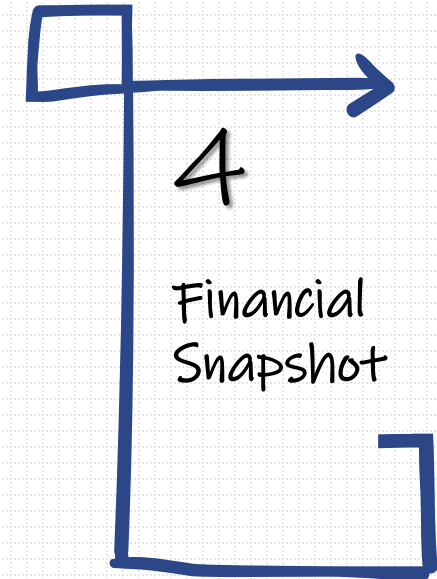
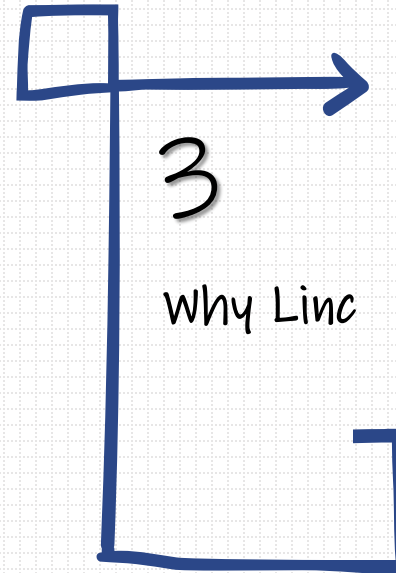
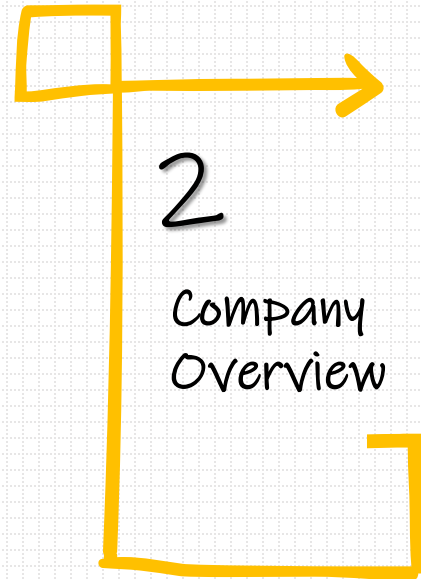
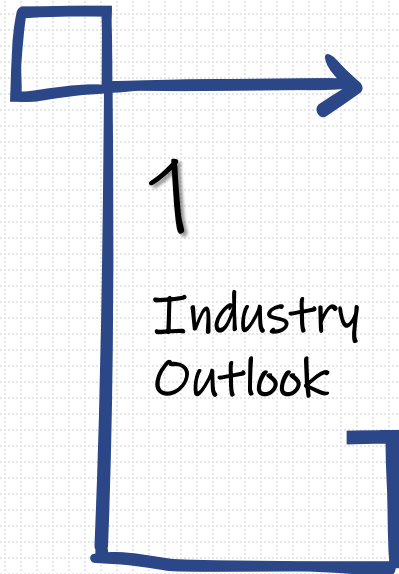
**H1 FY25**

# 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

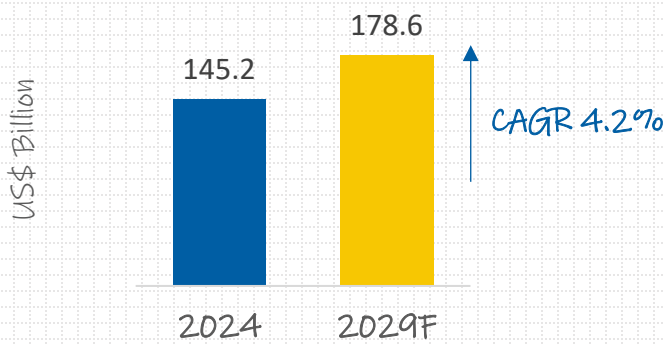




# Industry Outlook

# Global Stationery Industry Opportunity

Global Stationery and Supplies Market <sup>1</sup>



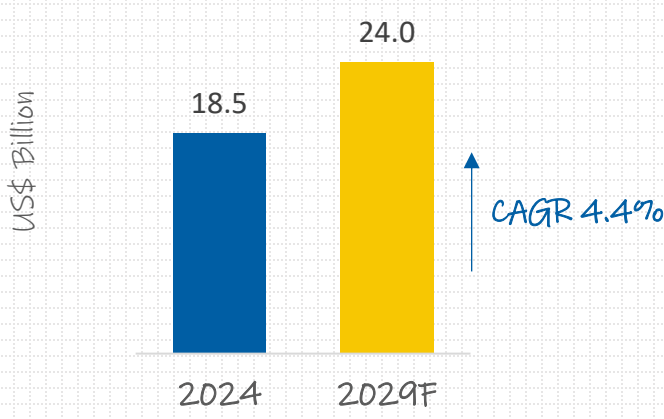
Share of Relevant Market

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

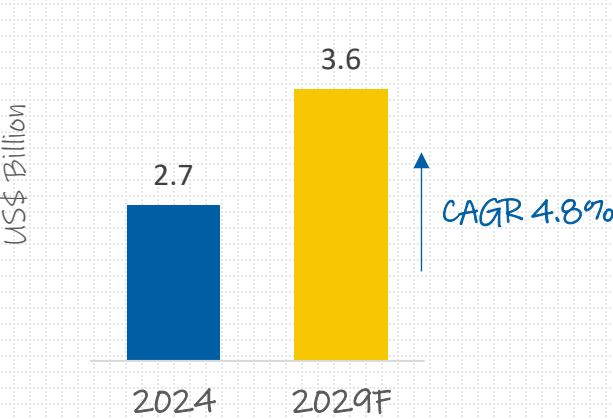
Writing & Marking Instruments Market Size

- 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 Pen Market <sup>2</sup>



Global Luxury Pen Market <sup>3</sup>



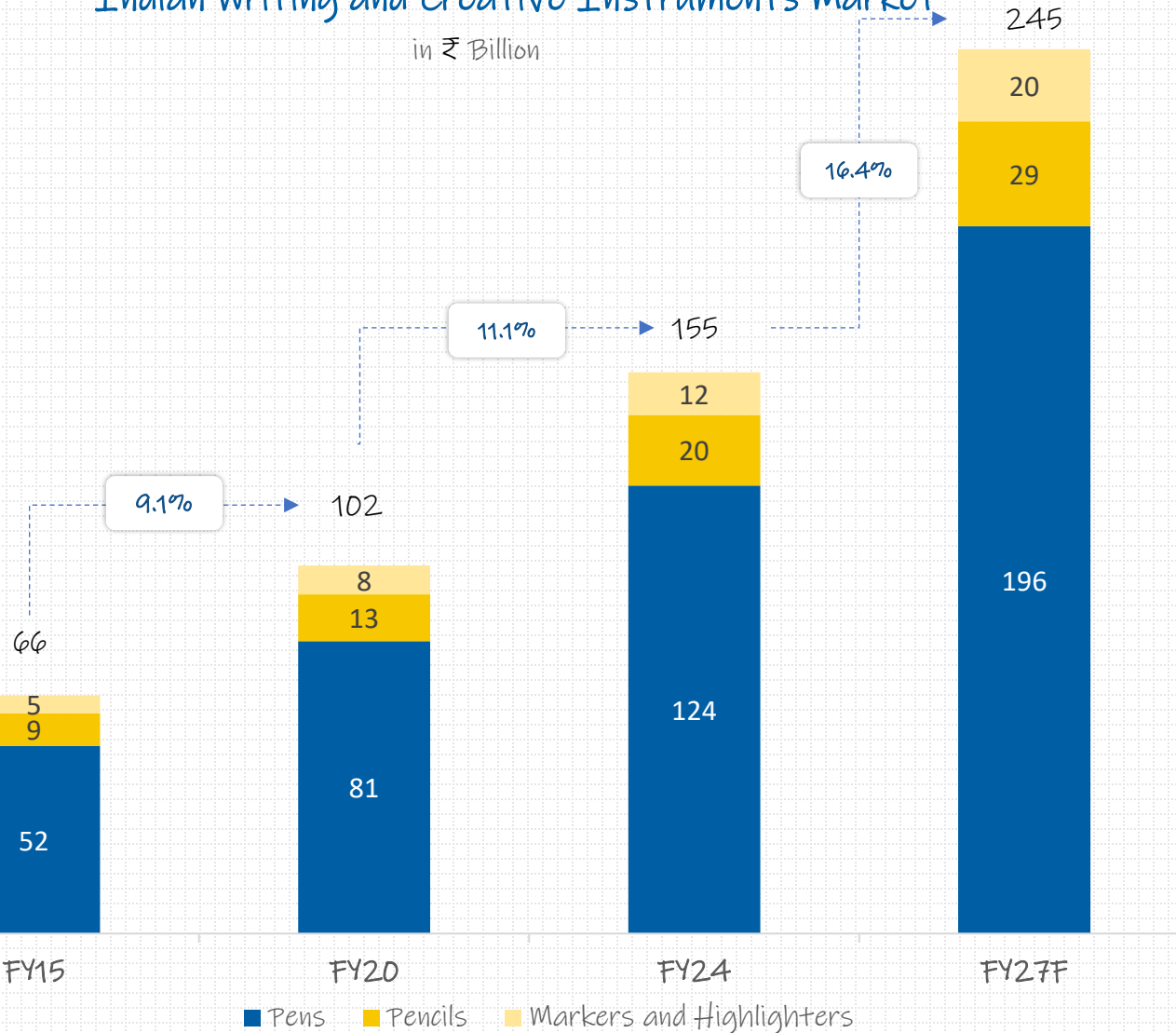
Market Scope

- Global Corporate gifting market was valued at \$252 bn in FY23 is projected to reach \$365 bn by FY32 at 4.2% CAGR
- Colouring instrument demand growing faster, due to surge in demand for highlighters, markers, etc
- Pens continue to be the largest share at ~ 60%

# Indian Writing Instrument Industry Opportunity

## Indian Writing and Creative Instruments Market

in ₹ Billion



## Writing Instruments Market Growth Drivers

- Over 250 million school going students and over 38 million students enrolled in higher education<sup>1</sup>
- Rising literacy rates: Through Govt. initiatives such as Sarva Shiksha, which has the objective of attaining 100% literacy levels by 2025
- NEP 2020 aims to achieve 100% Gross Enrolment Ratio by 2030 in the preschool-secondary level.<sup>2</sup>

## Indian Pen Segment

- 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 16% from ₹ 124 Bn in FY24 to ₹ 245 Bn in FY27.

## Indian Pencil Segment

- Pencil is the primary writing instrument till class 5<sup>th</sup>, and hence demand is driven by students in class 5<sup>th</sup> and below.
- Pencils are expected to grow at a CAGR of 14.0% from ₹ 20 Bn in FY24 to ₹ 29 Bn in FY27.

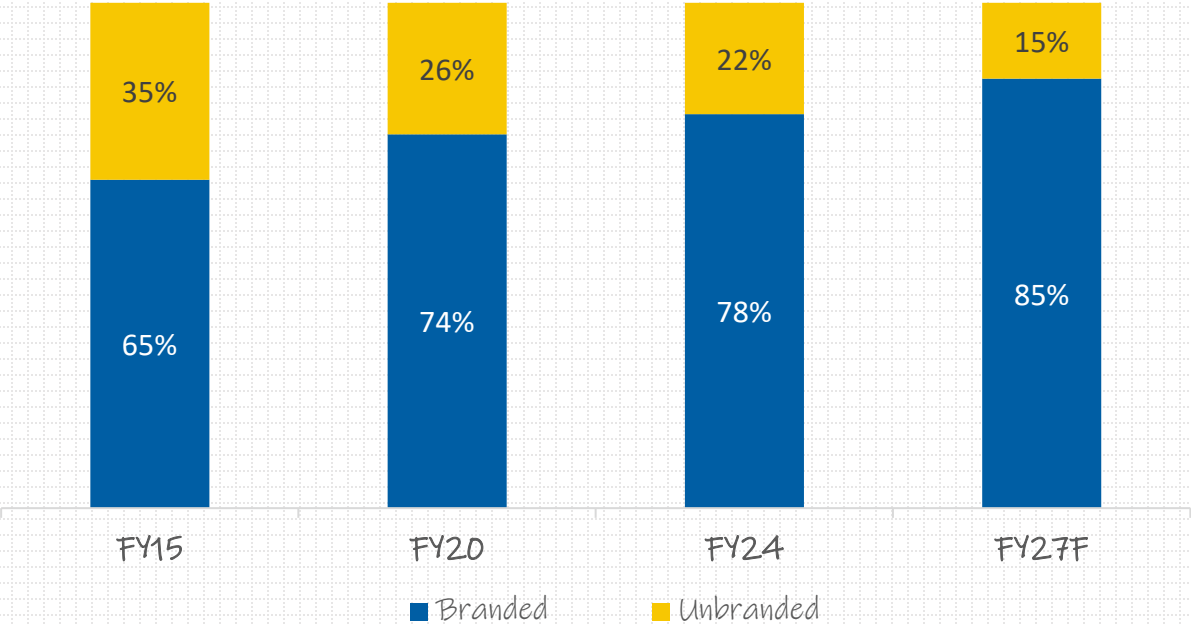
## Indian Marker and Highlighter Segment

- 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 19.2% from ₹ 12 Bn in FY24 to ₹ 20 Bn in FY27.



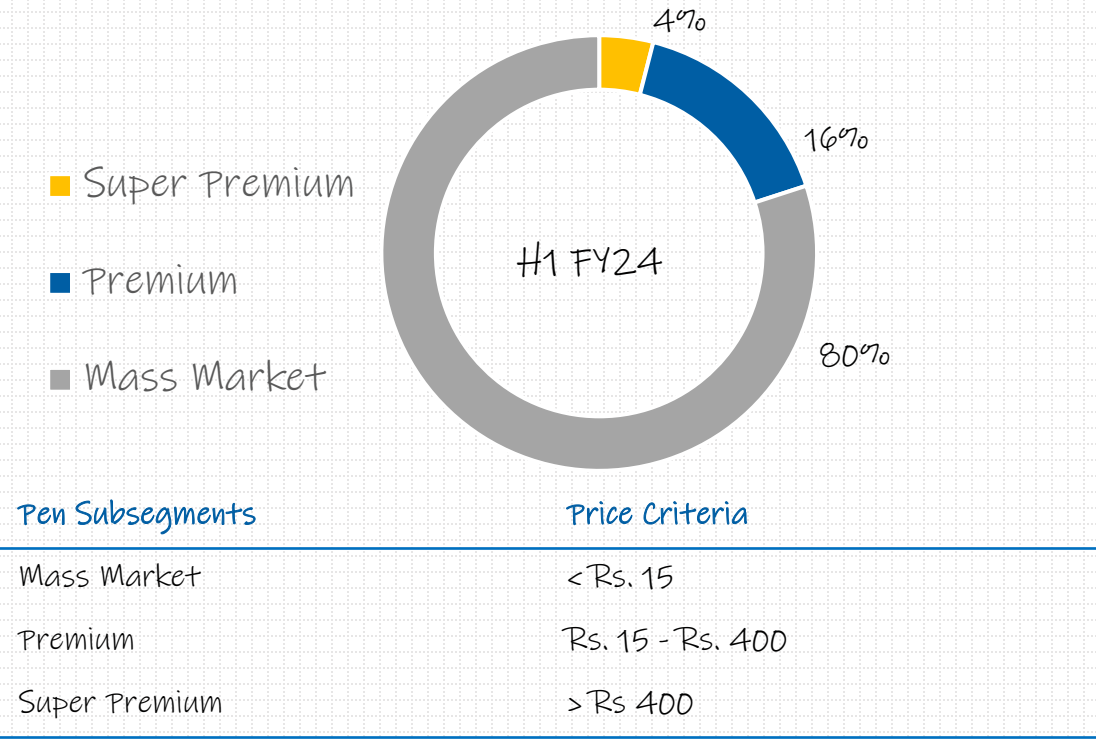
# Indian Writing Instrument Industry Opportunity

Share of Branded Play in the Indian Writing Instruments Market  
by Value in %



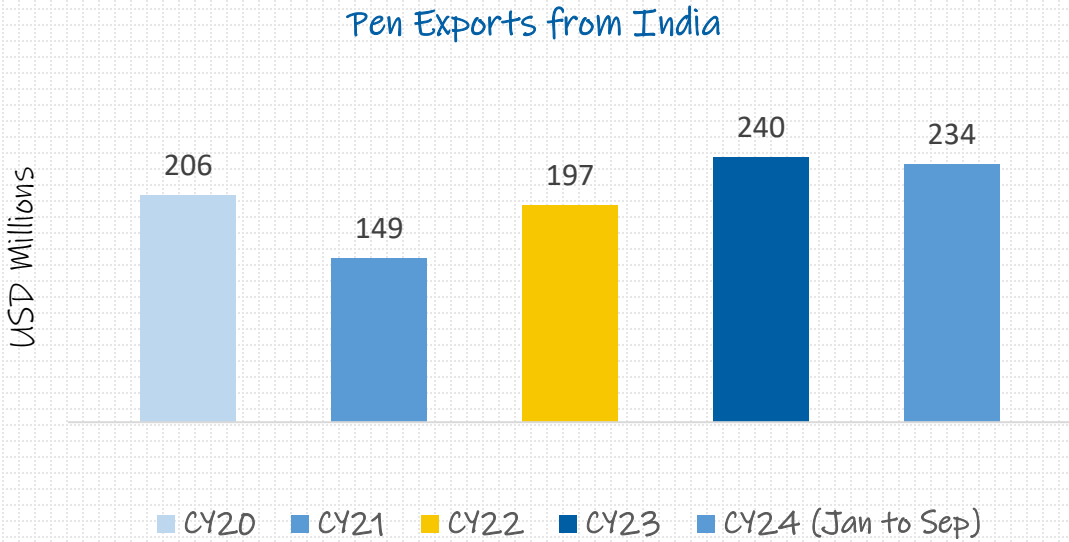
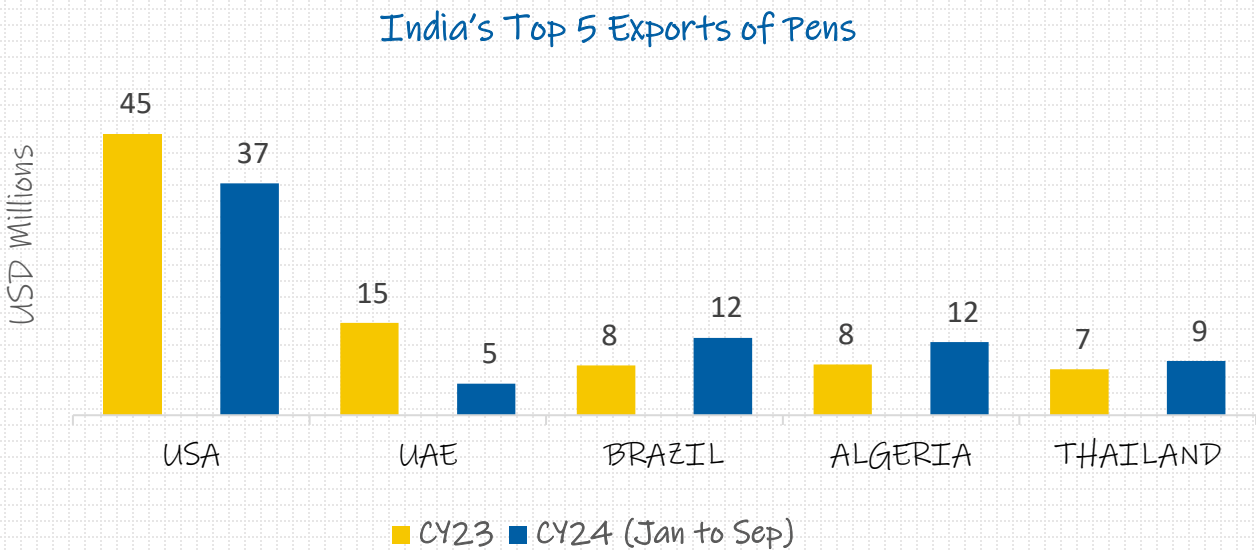
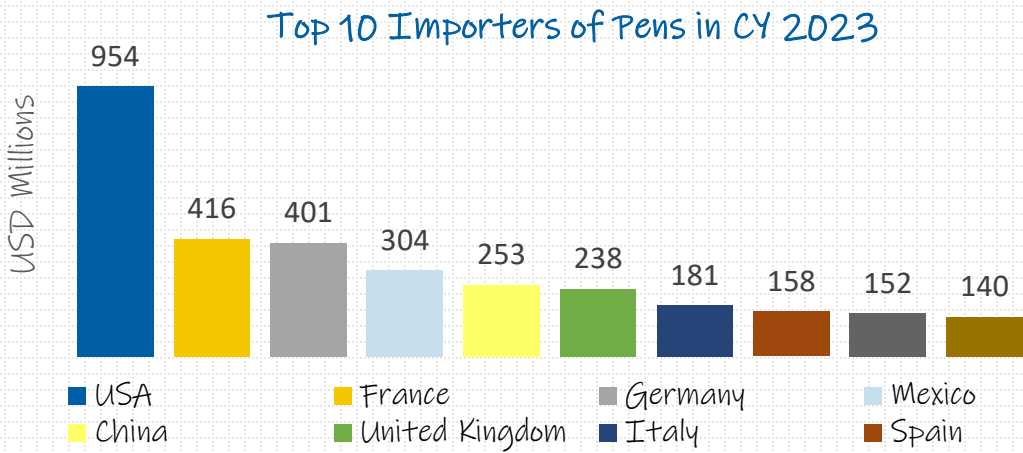
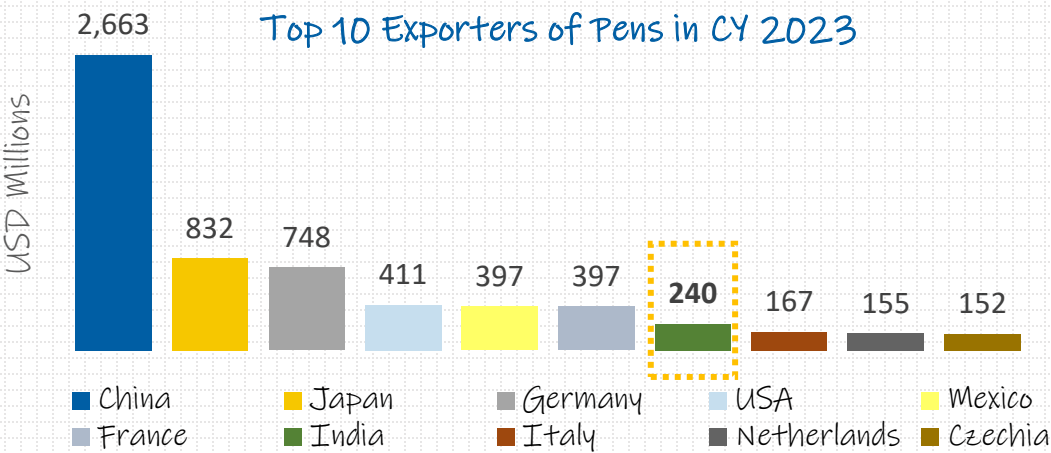
- The Indian pen industry is characterised by a wide range of options at various price levels, each with distinct value propositions
- Market for Pen below ₹ 15 growing at ~8% & above ₹ 15 growing at ~10%
- Linc, Cello, Flair, and Reynolds are the major players in the Indian pen market in the mass segment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

Indian Pen Market subsegments

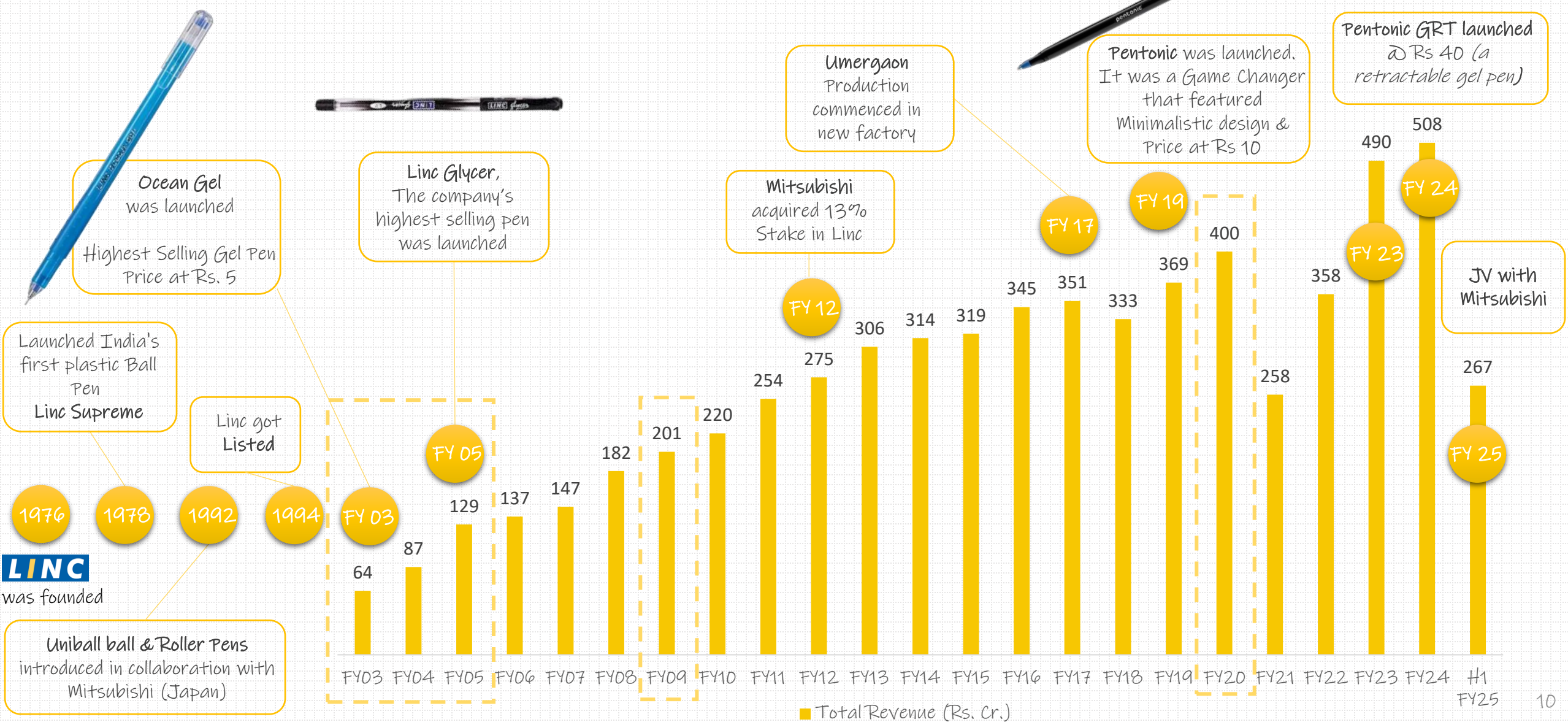


- **Mass Market Pens** are driven by volume, this subsegment is highly competitive (price denominations play a crucial role in salability).
- It is difficult to increase price without losing significant sales. Students drive the demand, deep retail penetration is essential
- **Premium Pens** are driven 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



# Our Journey



# 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.



# Recent & Upcoming Launches



Geltonic  
₹ 20 Gel Pen



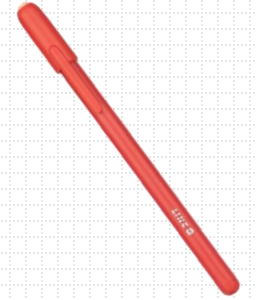
Pentonic CLR  
₹ 20 Ball Pen



Pentonic EVO  
₹ 30 Gel Pen



Linc Mechanical Pencil  
₹ 20 Pencil



Linc Q  
₹ 10 Pen

#1'FY25

#2'FY25



Kolor World Play Dough



Linc Geometry Box &  
Linc Illustrator Geo Box



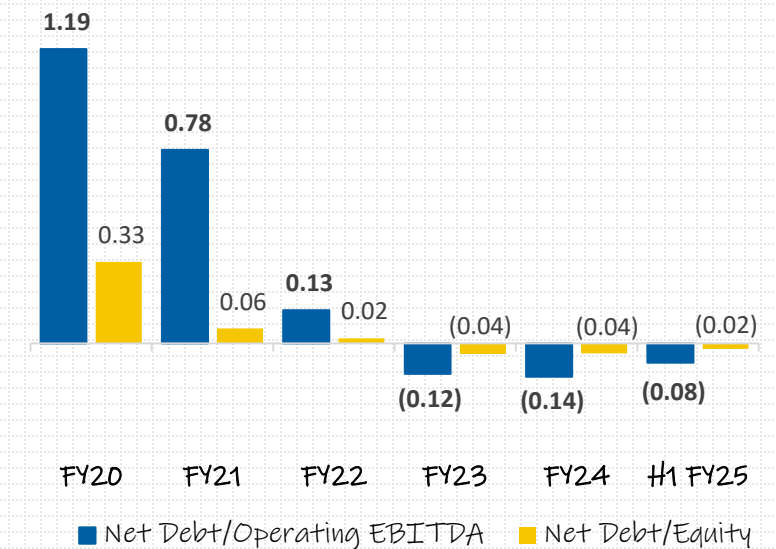
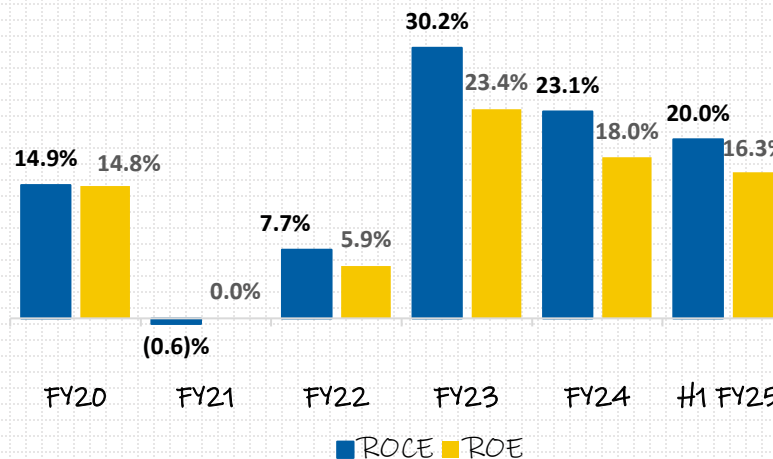
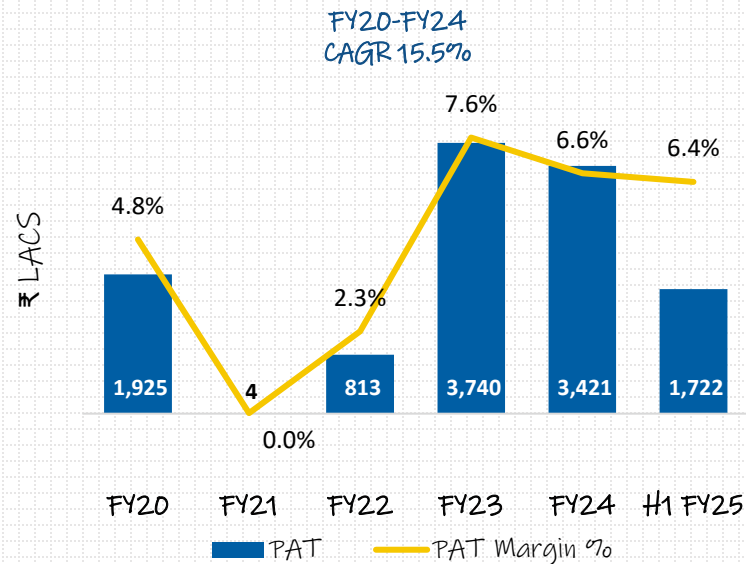
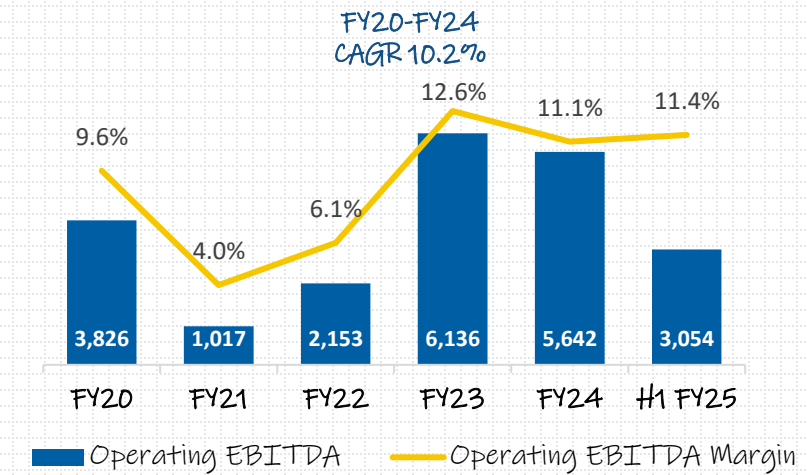
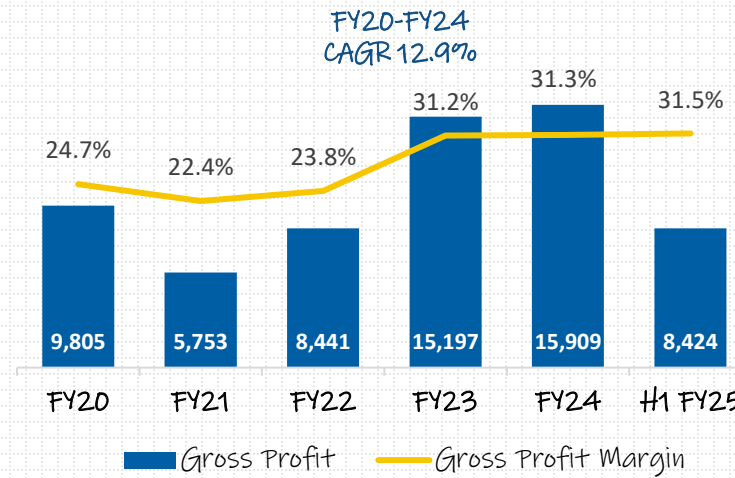
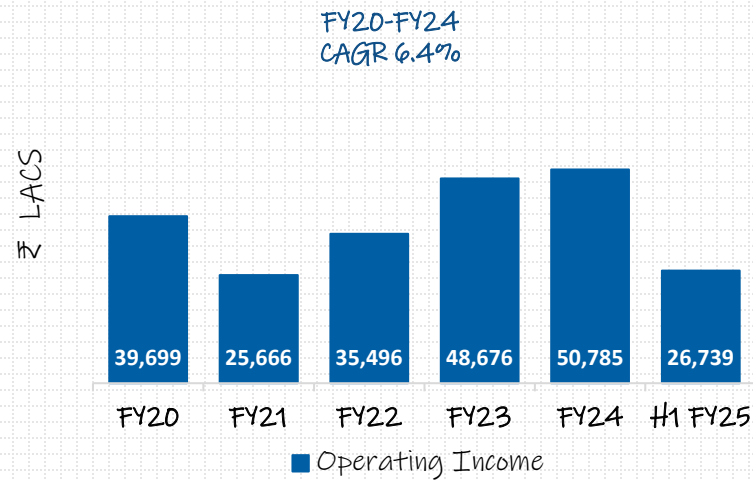
Pentonic  
Geometry Box  
₹ 295 per Unit

Pentonic  
Mechanical Pencil  
₹ 20 Pencil

Crayons &  
Erasers



# Trend of Financial Performance



# Leadership

## MR. DEEPAK JALAN

Managing director,

- Commerce graduate with 38 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 33 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 34<sup>th</sup> Rank (All India) and a Company Secretary
- Alumnus of St. Xavier's College, Calcutta with over 35 years of professional experience in varied fields
- Joined Linc in the year 2000

## 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

## 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. MOHIT KAMPANI

Independent, Non-executive director,

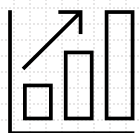
- B.Com from Calcutta University and MBA from Xavier Institute of Management
- 30 years of experience in the retail and consumer industries
- Founded Sumosave Retail in November 2022 and is currently the CEO.

## MR. RAJNISH RIKHY

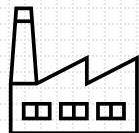
Independent, Non-executive director,

- Commerce Graduate and LLB, MBA from FMS, and Management Development Diploma from IIM Ahmedabad.
- Over 30 years of industry experience in sales, marketing, strategy, corporate, HR, operations and P&L functions.
- Served as a Director-Response at BCCL Worldwide, Inc.; CEO & Business Director at Kantipur Media Group Ltd., and Chief Revenue Officer at TV Today Network Ltd.

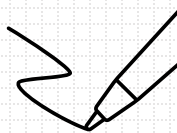
# Why Linc?



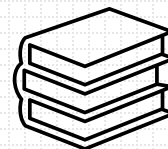
Focus on Premiumization, consistently augmenting the contribution of high-margin products to its overall revenue



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



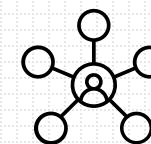
Inroads into Stationery Products; widening product portfolio by entering high-value & high-margin stationery segment



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

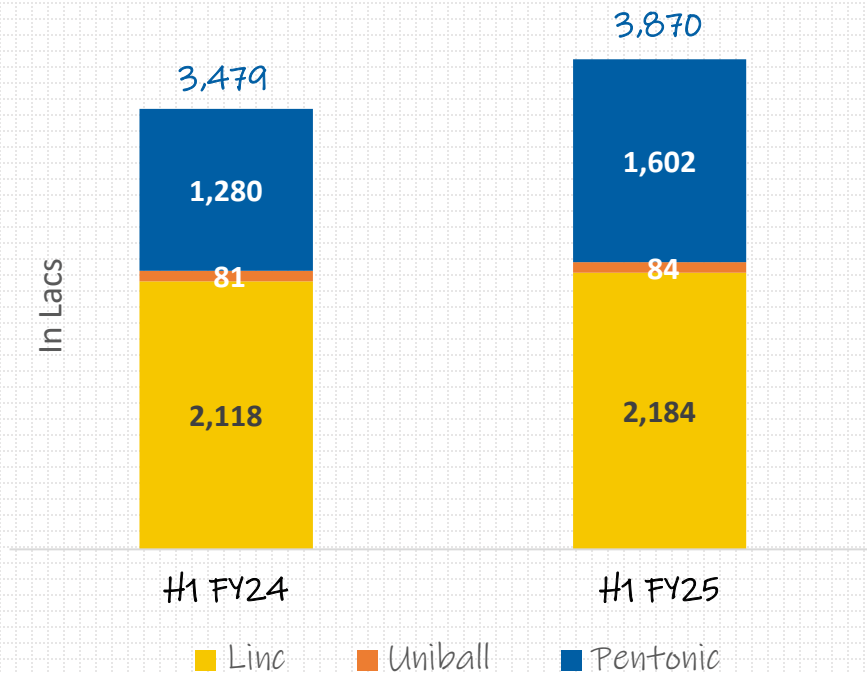


Focus on making a more homogenous presence across India

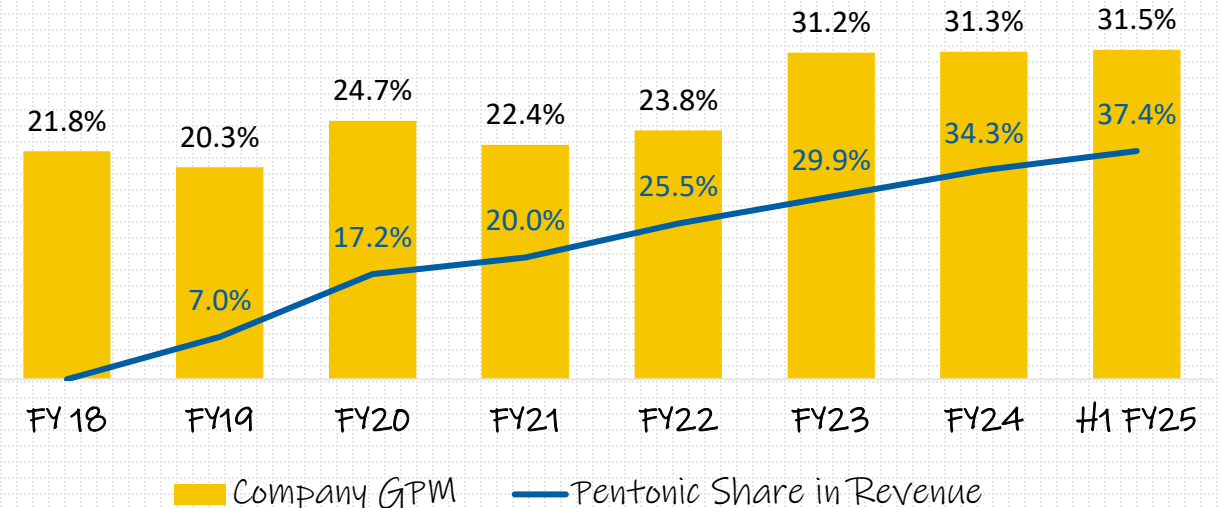
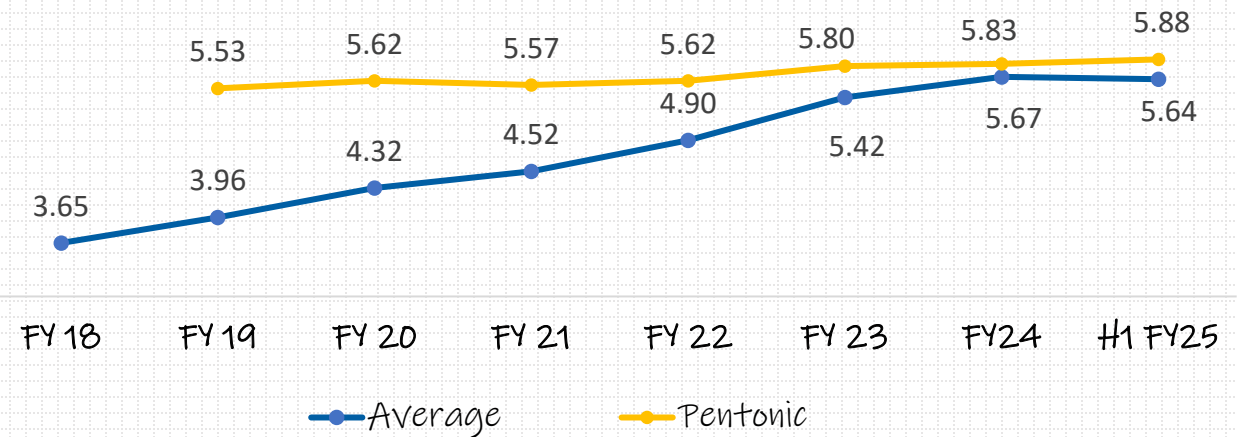
# Focus on Premiumization

- Pentonic brand introduced in FY19 as a minimalistic yet contemporary pen, known for its aesthetics as well as writing smoothness
- Increase in share of **Pentonic** in total revenue led to higher GPM at the company level.
- **Pentonic GPM ~ 39%**
- Significant increase in revenue share of 'Pentonic' over the last 5 years

Volume of Pens Sold

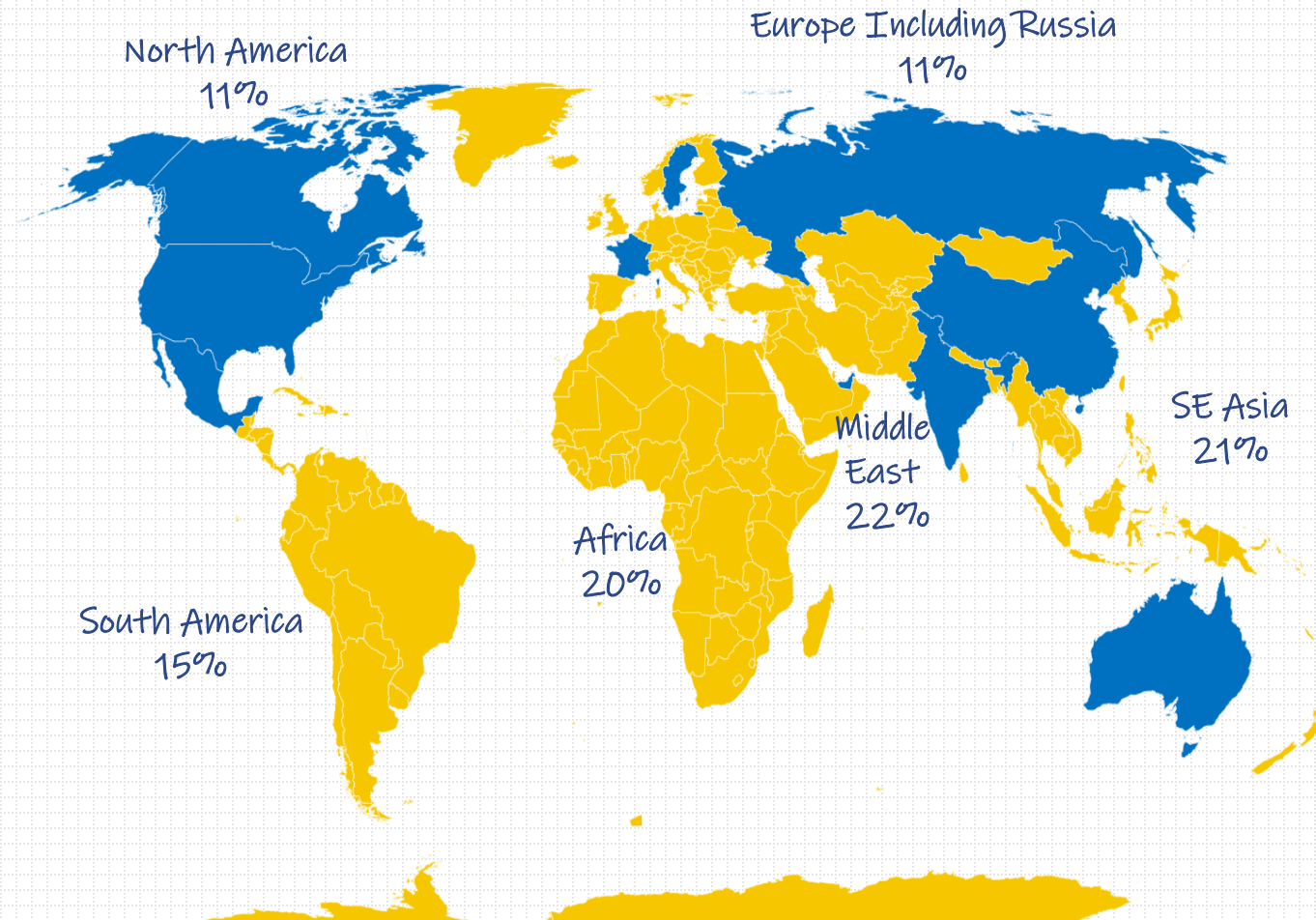


Growth in average realization of Pens  
in INR



# Increasing its Global Footprint as well

## Linc's Geographic Reach -H1 FY25



- 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
- Linc exports at ₹ 4,714 lacs is ~ 17.6% of it's revenue in H1 FY25
- Focus on North America, East Africa and South American markets
- Distributor appointed for U.S.A., Canda & Mexico
- 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 Domestic Expos



Gift World Expo, Delhi 2024

# Recent Participation in Global Expos



Ambiente, Frankfurt, Germany, 2024



# Recent Participation in Global Expos



Scofex, South Africa, 2023

# Recent Participation in Global Expos



Escolar, Brazil, 2023



# Recent Participation in Global Expos



Paperworld, Middle East , Dubai 2022



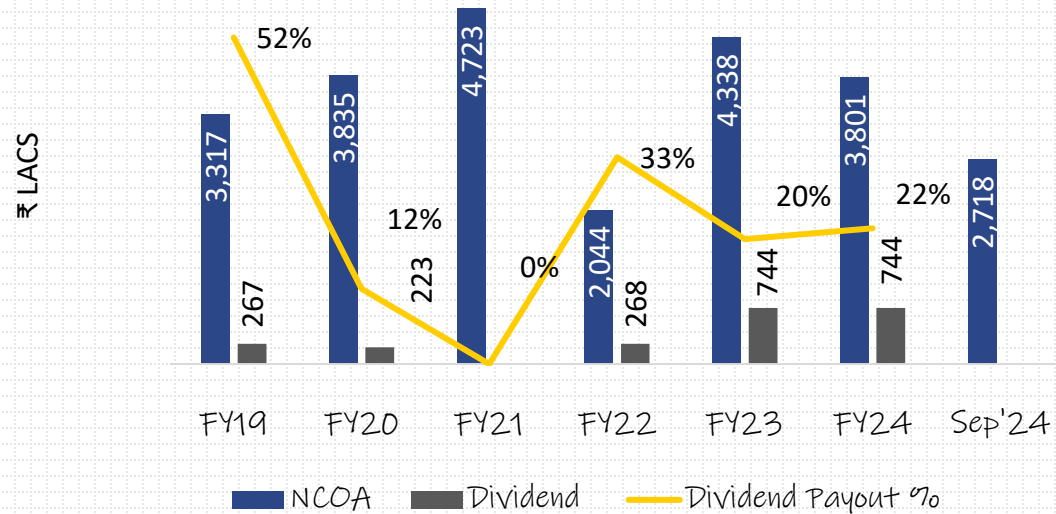
# Inroads into Stationery Products

- Targeting ₹ 1 Billion of revenue from Deli by FY27
- Deli offers a range of over 200 products in India
- Company to largely focus on Calculators, Scissors & Desk Organizers
- Deli's GPM is around 20%



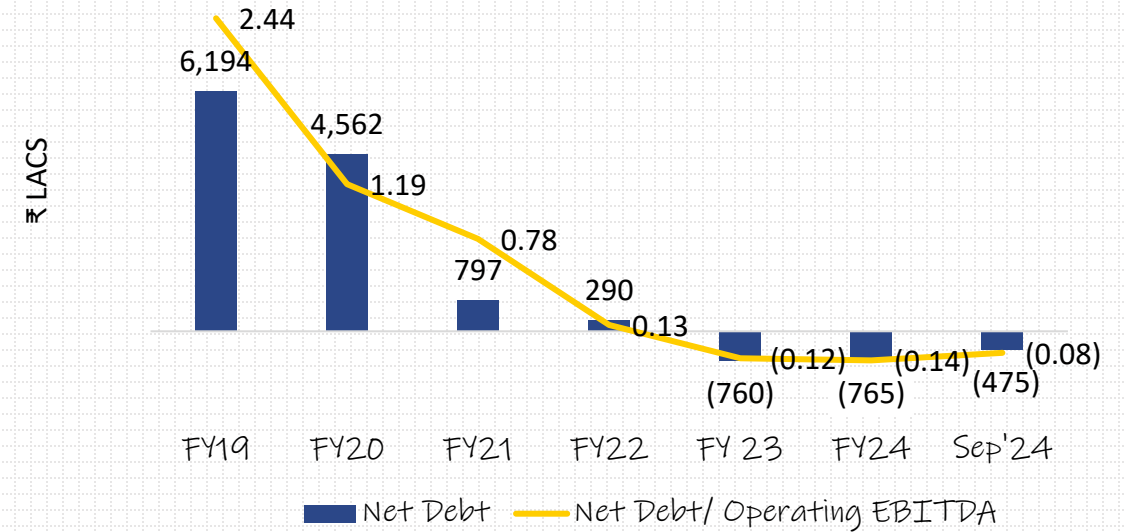
# Focus on Shareholder Value Creation

Net Cash from Operating Activities Vs Dividend Payout



- NCOA at ₹2718 Lacs continues to be strong in H1 FY25
- Consistent Dividend Pay-out track record (Other than Covid years due to cash conservation)

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



- Steady and significant decrease in Net Debt
- NCOA used judiciously to reduce Debt – Net Debt of ₹ (475) lacs as on Sep'24
- Capex being done in modular fashion and commitment funded largely through internal cash generation
- Net Debt / Operating EBITDA reduced significantly from peak of 2.54 in FY 2018 to (0.08) in H1 FY25

Note  
# NCOA is Net Cash generated from Operating Activities



# Strategic JV with Mitsubishi Pencil Co.

The JV builds on our 3 decade-long exclusive relationship with Mitsubishi, merging their advanced technology with our market expertise

₹20 Cr. investment, with Mitsubishi holding a 51% share

UniBall's projected revenue **expected to more than double** over a span of three years

This move targets a **₹500 Cr. market**, expanding the brand's reach

Mitsubishi has low global presence in the ₹20-50 price range, making it a **key opportunity to introduce products at this price point** to domestic and international markets

**~25% of production** is expected to be geared towards international markets



# Expansion Plan



New Infra adjacent to the existing location (near Kolkata) to rationalize logistics and economic synergies

Infra Cost of ~₹3,500 lacs

Estimated to be completed by Q3 FY26

FY'25 demand would be met by the existing capacity & stepping-up outsourcing, which has already been tied up

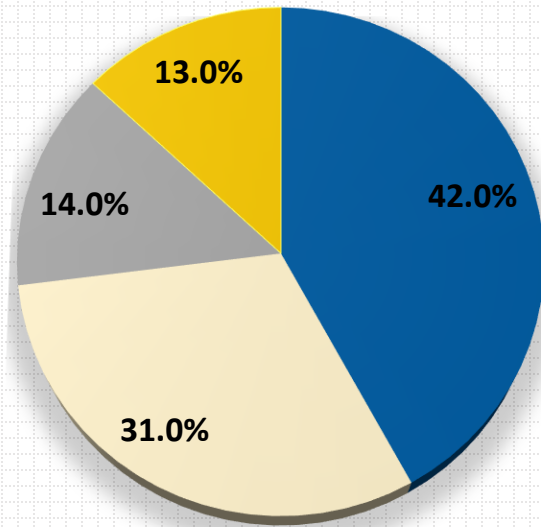
Investment in machineries will be in modular way – in line with the market demand.



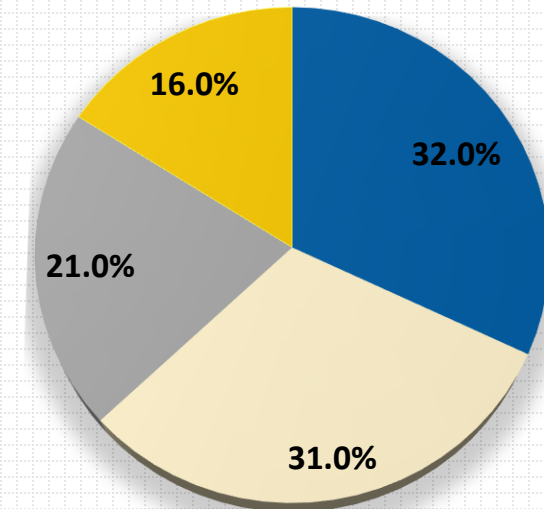
# Wider Penetration across India

- India has over 10 Million 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
- Total Touchpoints increased to **2,53,550** in **H1 FY25** and the number of Kiranas, Medical stores, etc increased to **1,35,392**
- Increasing footprint in West and South India and steadily moving towards a more homogenous presence across India

Revenue Share FY19



Revenue Share H1 FY25



■ East India      ■ North India  
■ West India     ■ South India



## ESG

E

- Pentonic's individual plastic wrapper packaging has been consciously substituted with paper box packaging of 10/20 pcs
- This step has saved the planet from around 95 MT of plastic waste in FY23 while also having saved company ~ ₹ 300 lacs in packaging cost

S

- Strongly believes in diversity in the workforce and has ~1,600 female employees
- 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

G

- 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



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



# Financial Snapshot

# Operational Highlights

₹ Lacs

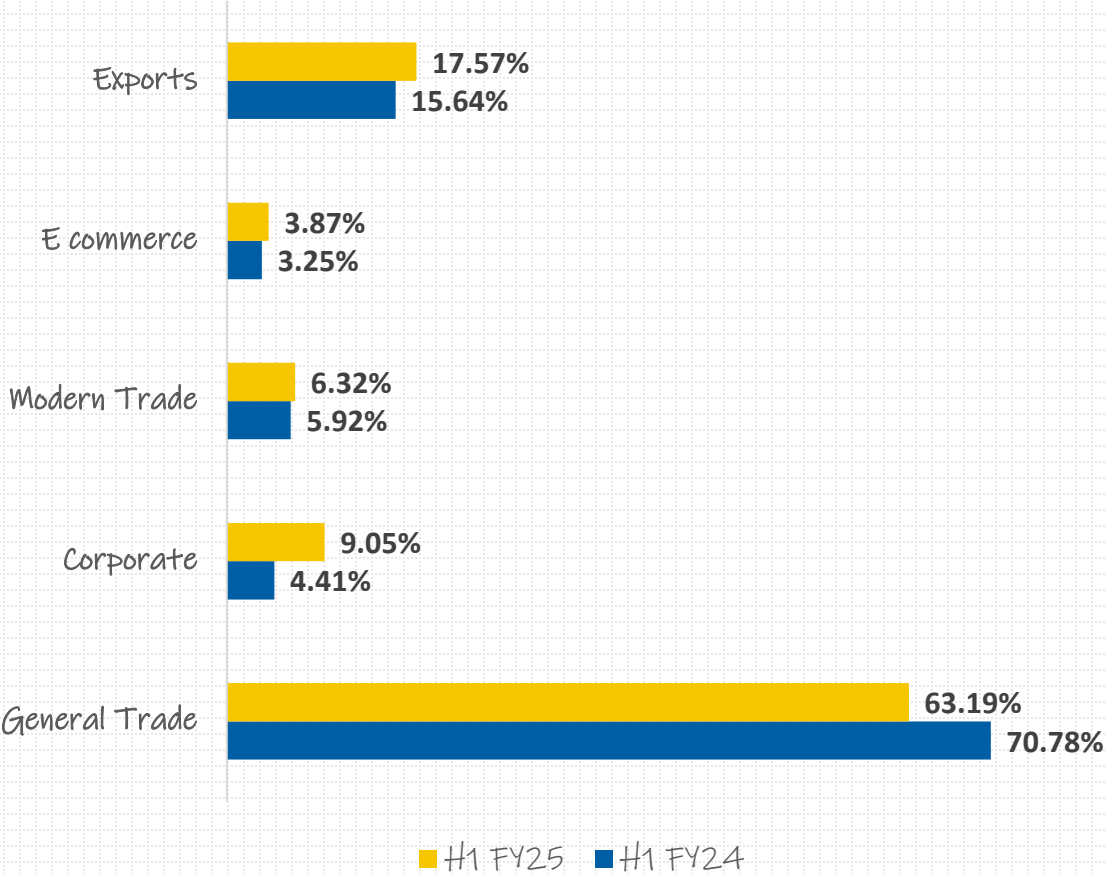
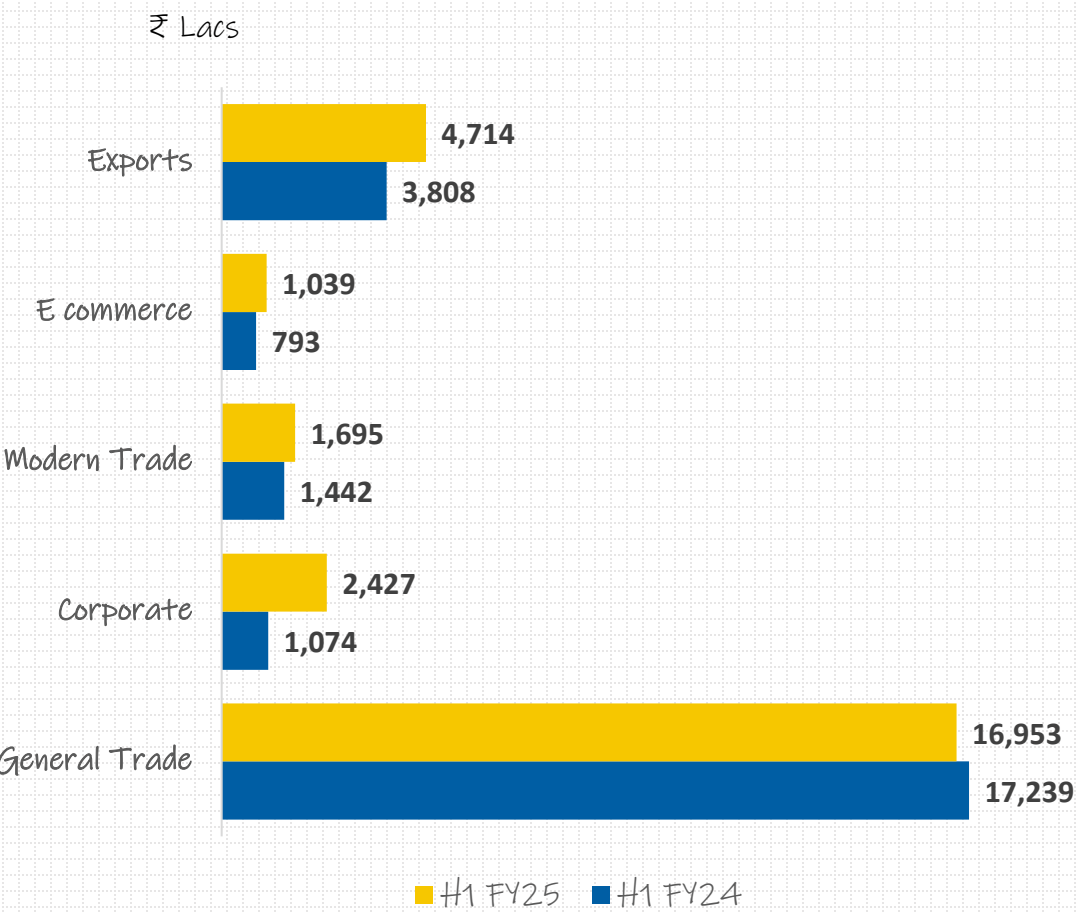
| Revenue                           | Writing Instruments |                |                 | Other Products |               |                 |
|-----------------------------------|---------------------|----------------|-----------------|----------------|---------------|-----------------|
|                                   | Own Brands          |                | Licensed Brands | Own Brands     |               | Licensed Brands |
|                                   | Pentonic            | Linc & Others  | Uni-Ball        | Pentonic       | Linc & Others | Deli            |
| H1 FY25<br>Sales Contribution (%) | 9,538<br>35.6%      | 9,590<br>35.7% | 4,333<br>16.1%  | 508<br>1.9%    | 1,582<br>5.9% | 1,277<br>4.8%   |
| H1 FY24<br>Sales Contribution (%) | 7,598<br>31.2%      | 9,783<br>40.2% | 3,854<br>15.8%  | 364<br>1.5%    | 1,138<br>4.7% | 1,619<br>6.6%   |
| Growth YoY                        | 25.5%               | (2.0%)         | 12.4%           | 39.7%          | 39.0%         | (21.2%)         |

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



# Operational Highlights

## Trade Channel Wise Break-up of Operating Revenue



Note: Revenue does not include Re-Sale of raw material and export incentive  
Export includes subsidiary revenue

# Profit & Loss Summary

| Particulars                 | FY19   | FY20   | FY21   | FY22   | FY23   | FY24   | H1 FY25 |
|-----------------------------|--------|--------|--------|--------|--------|--------|---------|
| Operating Income            | 36,694 | 39,699 | 25,666 | 35,496 | 48,676 | 50,785 | 26,739  |
| Gross Profit                | 7,434  | 9,805  | 5,753  | 8,441  | 15,197 | 15,909 | 8,424   |
| Gross Profit (%)            | 20.3%  | 24.7%  | 22.4%  | 23.8%  | 31.2%  | 31.3%  | 31.5%   |
| Operating EBITDA            | 2,539  | 3,826  | 1,017  | 2,153  | 6,136  | 5,642  | 3,054   |
| Operating EBITDA Margin (%) | 6.9%   | 9.6%   | 4.0%   | 6.1%   | 12.6%  | 11.1%  | 11.4%   |
| PAT                         | 515    | 1,925  | 4      | 813    | 3,740  | 3,421  | 1,722   |
| PAT Margin (%)              | 1.4%   | 4.8%   | 0.0%   | 2.3%   | 7.6%   | 6.6%   | 6.4%    |
| EPS (₹)                     | 3.48   | 12.94  | 0.03   | 5.47   | 25.15  | 23.00  | 11.58   |

₹ Lacs

- Note:
1. Prior period figures are restated wherever necessary
  2. H1 FY 25 & FY 24 is consolidated, and comparative figures are standalone
  3. PAT is PAT attributable to the owners of the parent

# Balance Sheet Summary

| Particulars                     | FY19   | FY20   | FY21   | FY22   | FY23   | FY24   | H1 FY25 |
|---------------------------------|--------|--------|--------|--------|--------|--------|---------|
| Net Worth                       | 12,337 | 13,697 | 13,471 | 14,285 | 17,722 | 20,585 | 21,514  |
| Gross Debt                      | 6,205  | 4,575  | 812    | 299    | -      | 692    | 680     |
| Cash & Cash equivalent          | 11     | 13     | 14     | 9      | 760    | 1,456  | 1,156   |
| Net Debt                        | 6,194  | 4,562  | 797    | 290    | (760)  | (765)  | (475)   |
| Capital Employed <sup>1</sup>   | 19,388 | 19,199 | 15,025 | 15,178 | 18,730 | 23,867 | 24,837  |
| Net Fixed Assets (incl CWIP)    | 7,541  | 7,870  | 7,106  | 8,215  | 9,038  | 12,359 | 12,543  |
| Net Current Assets <sup>2</sup> | 6,087  | 7,219  | 5,437  | 6,072  | 7,748  | 8,102  | 9,124   |
| Total Assets                    | 23,240 | 24,535 | 20,046 | 20,162 | 23,746 | 30,962 | 32,525  |

₹ Lacs

Note:

1.Capital Employed = Net worth + Gross Debt + Other long-term liabilities + Lease Liabilities

2.Net current assets does not include Cash & cash equivalents

3.H1 FY25 & FY 24 is consolidated, and comparative figures are standalone

# Ratios

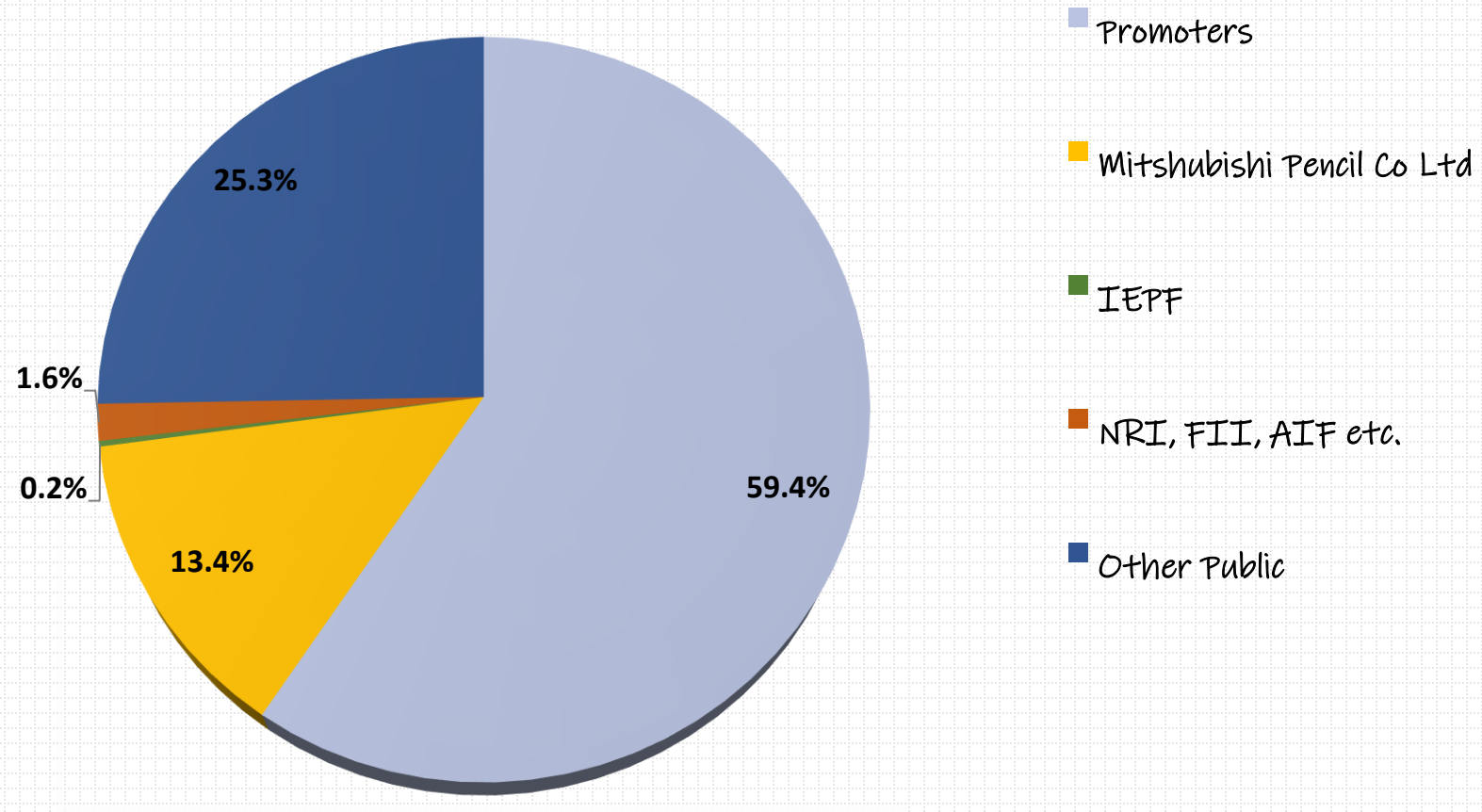
| Particulars        | Ratios                | FY19 | FY20  | FY21   | FY22  | FY23   | FY24   | H1 FY25 |
|--------------------|-----------------------|------|-------|--------|-------|--------|--------|---------|
| Solvency Ratios    | Net Debt/Equity       | 0.50 | 0.33  | 0.06   | 0.02  | (0.04) | (0.04) | (0.02)  |
|                    | Net Debt/Op EBITDA    | 2.44 | 1.19  | 0.78   | 0.13  | (0.12) | (0.14) | (0.08)  |
|                    | EBIT/Interest         | 2.76 | 5.26  | (0.39) | 15.81 | 79.78  | 18.91  | 17.29   |
| Operational Ratios | Current Ratio         | 1.68 | 1.85  | 1.92   | 2.14  | 2.56   | 2.22   | 2.22    |
|                    | Fixed Asset Turnover  | 5.15 | 5.15  | 3.43   | 4.63  | 5.64   | 4.75   | 4.30    |
|                    | Total Asset Turnover  | 1.56 | 1.66  | 1.15   | 1.77  | 2.22   | 1.86   | 1.68    |
|                    | Inventory Days        | 107  | 113   | 154    | 98    | 89     | 105    | 116     |
|                    | Debtor Days           | 44   | 39    | 56     | 36    | 27     | 33     | 33      |
|                    | Payable Days          | 40   | 45    | 86     | 60    | 48     | 57     | 63      |
|                    | Cash Conversion Cycle | 111  | 107   | 124    | 74    | 68     | 81     | 87      |
| Return Ratios      | ROE                   | 4.2% | 14.8% | 0.0%   | 5.9%  | 23.4%  | 18.0%  | 16.3%   |
|                    | ROCE                  | 9.0% | 14.9% | (0.6%) | 7.7%  | 30.2%  | 23.1%  | 20.0%   |

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



# Shareholding Pattern

As on 30<sup>th</sup> Sep'24



# Thank You

For further details please contact



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