



# FLAIR WRITING INDUSTRIES LIMITED

Investor Presentation | Q3FY24





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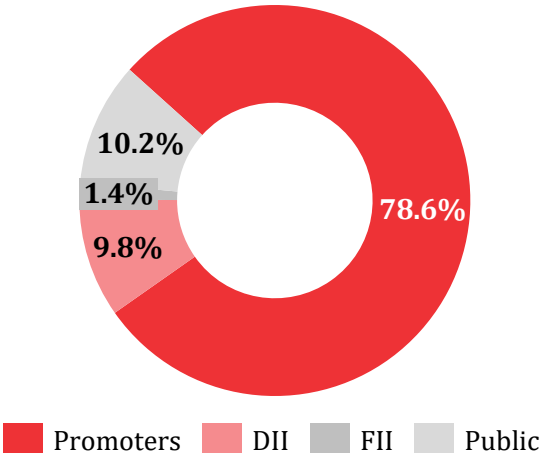


# Successful IPO Listing



Flair Writing Industries Ltd (FWIL) got Listed on 1<sup>st</sup> December, 2023

## Shareholding Pattern (As on 31<sup>st</sup> December 2023)



## Initial Public Offer Details

- ✓ Listing done on BSE & NSE
- ✓ IPO Price : ₹ 304 per share (Upper Price Band)
- ✓ Listing Price: **NSE** ₹ 450.90 per share & **BSE** ₹ 452.70 per share
- ✓ Listing day gain of ~49%

### Objects of the Issue: Proceeds of ₹ 292 crores to be utilized for -

- Setting up a new manufacturing facility
- Funding capital expenditure & working capital requirements of the company & its subsidiaries
- Repayment/pre-payment, in part or full, of certain borrowings availed by the company & its subsidiaries (**object fulfilled**)
- General Corporate Purpose

## IPO Subscription

Category	Times Subscribed
QIB	122.02x
NII	35.23x
RII	13.73x
Total	49.28x


















## COMPANY OVERVIEW





(FY 23)

<div>Extensive Product Portfolio</div> <div></div> <div>699</div> <div># Of Products</div>	<div>Largest Player in the pens segment in India by revenue – FY23 ₹ 750 crs+</div> <div></div> <div>130 crore pcs</div> <div># Of Pens Sold</div>	<div>Largest Distribution Network in India</div> <div></div> <div>7,754 Distributors</div> <div>315K Wholesalers &amp; Retailers</div>	<div>Global Reach</div> <div></div> <div>97 countries</div> <div>Export Footprint</div>	<div>Healthy Geographic Mix in revenue</div> <div></div> <div>80 % : 20 %</div> <div>Domestic : Exports</div>
<div>Among Top 3 players in the writing instruments industry with ₹ 915 crs+ sales in FY23</div> <div></div> <div>9%</div> <div>Domestic market share*</div> <div>7%</div> <div>Export market share*</div>	<div>Strong Financial Position</div> <div></div> <div>₹ 954 crs</div> <div>Total income</div>	<div>Industry Leading EBITDA &amp; PAT margins</div> <div></div> <div>₹ 184 crs</div> <div>EBITDA</div> <div></div> <div>19.5%</div> <div>EBITDA Margin</div> <div></div> <div>₹ 118 crs</div> <div>PAT</div> <div></div> <div>12.5%</div> <div>PAT Margin</div>		<div>Industry Leading RoCE and RoE</div> <div>(% Of Revenue)</div> <div></div> <div>31.2%</div> <div>ROE</div> <div></div> <div>31.2%</div> <div>RoCE</div>

**Overall Installed Capacity** of 2 billion+ pieces per annum as of Dec 2023

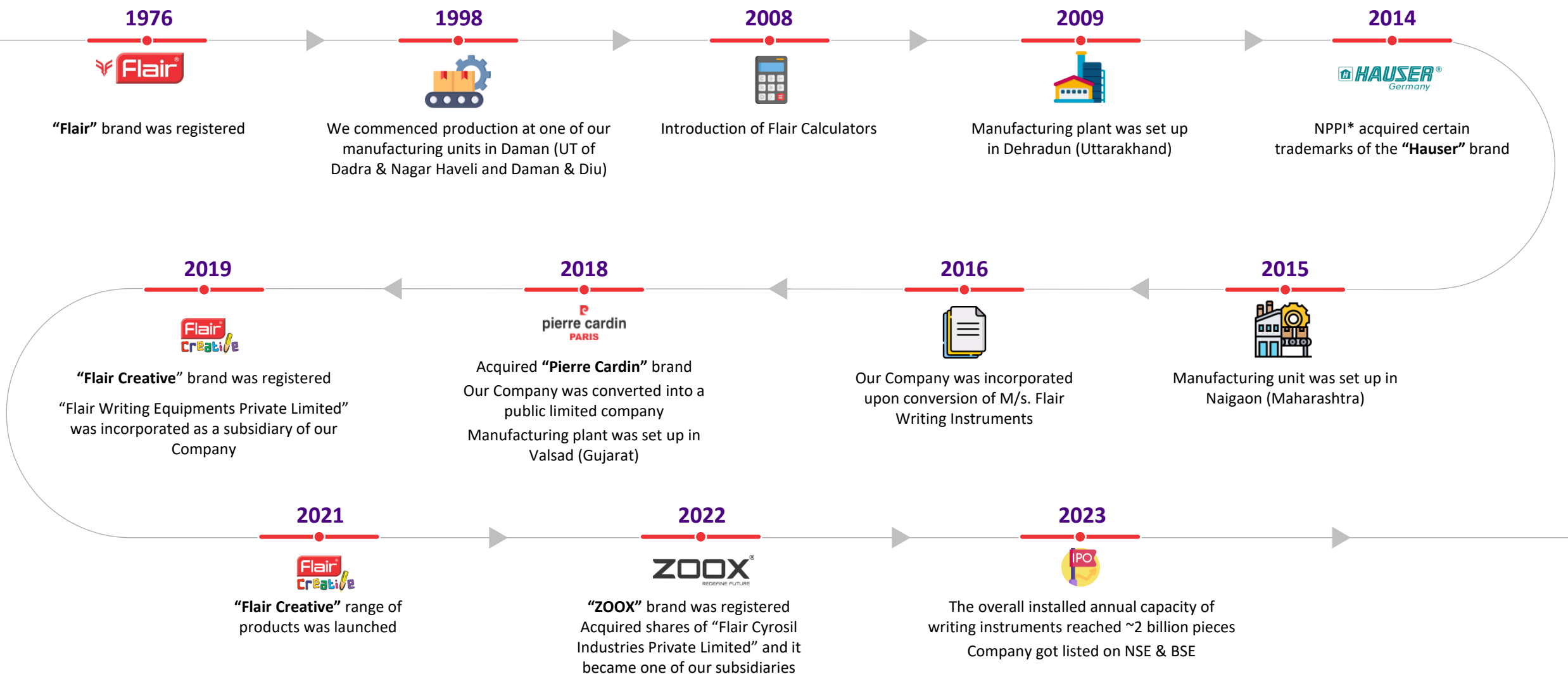
**Retail Presence** in 2,424 cities/ towns / villages in India as of Dec 2023

**Robust Growth** of 14% CAGR in FY17 – FY23 period; beating industry trends

**Range of Steel Bottles** launched with own manufacturing capabilities



# Key Milestones



\*National Pen and Plastic Industries ("**NPPI**") was one of the Erstwhile Partnership Firms, which was converted into FPPIPL on April 25, 2016 and subsequently merged into our Company pursuant to the Scheme.

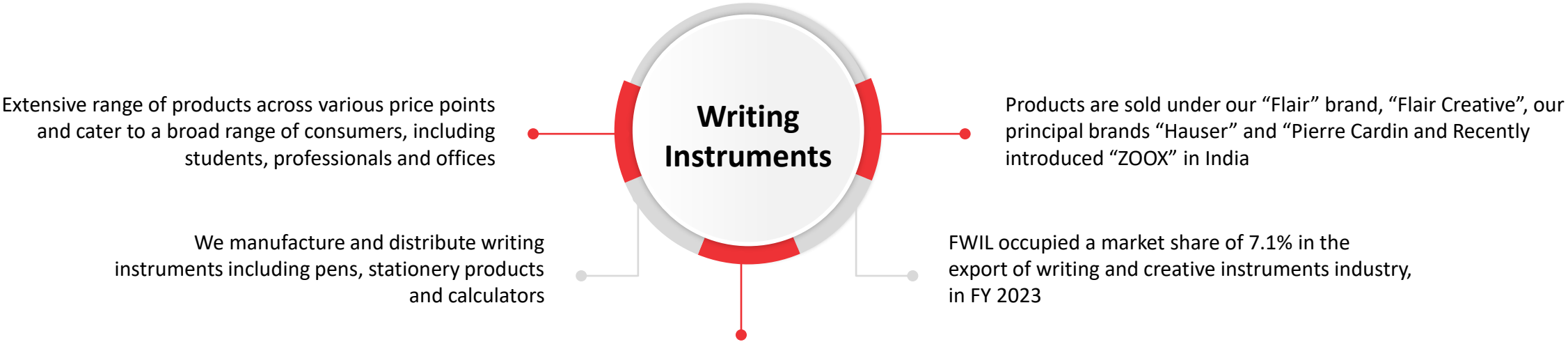




## BUSINESS SEGMENTS



## Market Presence Of Over 45 Years





## Diversifying Beyond Pens

Introduced “Flair Creative” in Jan’21 to tap into a newer market with potential to offer standalone & bundled offerings

**Flair Creative**

“Flair Creative” crossed ₹ 100 crs+ of revenue within its 2nd year of operation

Offerings include water colours, crayons, sketch, pens, erasers, wooden pencils, geometry boxes, fine liners, sharpeners and scales

Envision a higher growth segment driven by shifting consumer preference, portfolio deepening as well as channel fill

Greater control on quality with planned shift for in-house manufacturing of focused categories after market acceptance



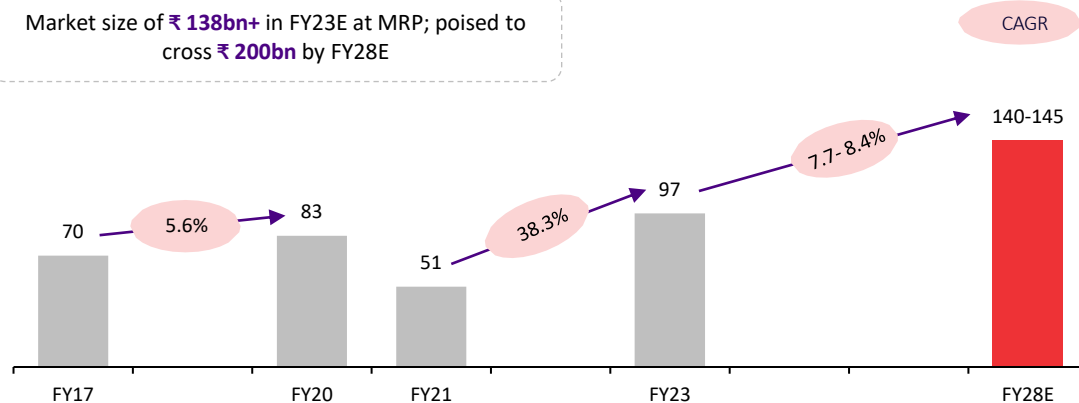


# Writing & Creative Instruments Industry Overview

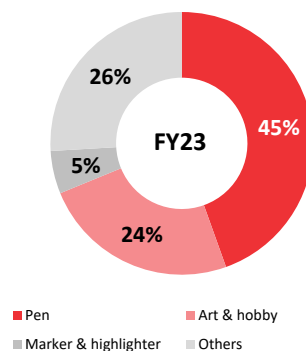
## THE INDIAN WRITING AND CREATIVE INSTRUMENTS INDUSTRY IS POISED TO GROW STEADILY...

### Indian writing and creative instruments industry, by manufacturers realization (₹bn)

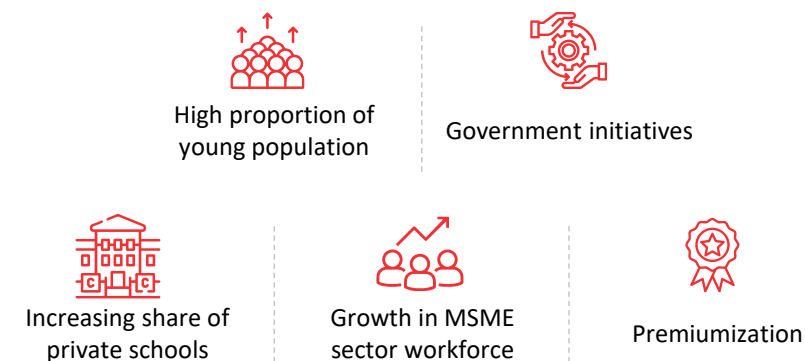
Market size of ₹ 138bn+ in FY23E at MRP; poised to cross ₹ 200bn by FY28E



### Breakdown (by product)

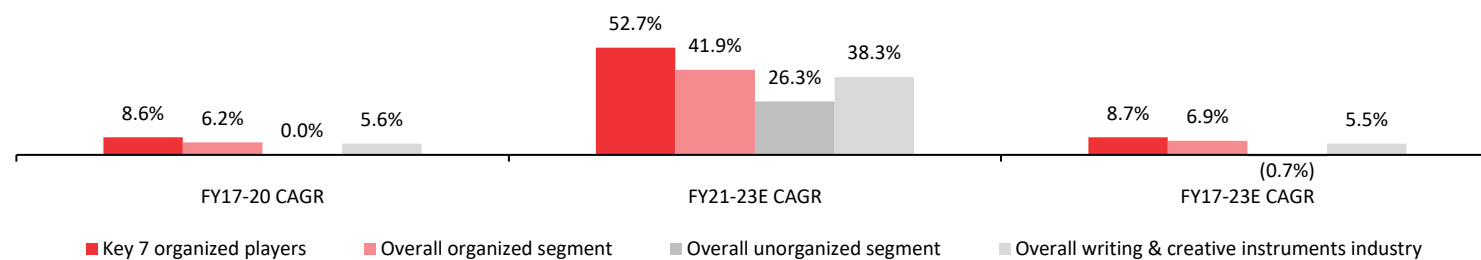


### KEY DRIVERS

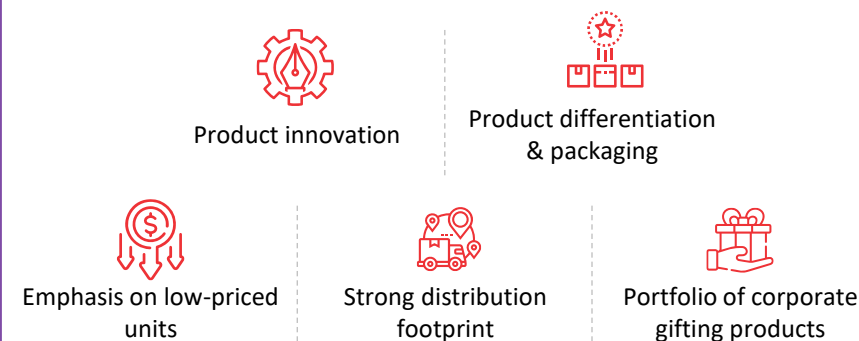


### ...WITH KEY ORGANIZED PLAYERS OUTPACING THE INDUSTRY CONSISTENTLY

Organized players capture 78%-80% of the market  
Key 7 organized players have consistently outpaced the industry in FY17-23E period



### SUCCESS FACTOR FOR ORGANIZED PLAYERS



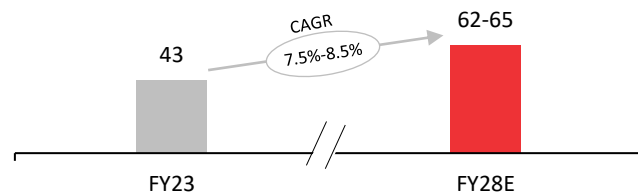


# Key Trends within Each Category of the Industry

## GROWTH OUTLOOK FOR KEY CATEGORIES

### Pen

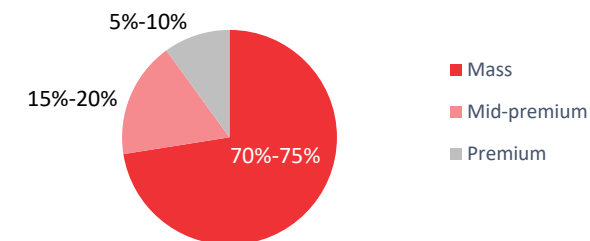
Pen segment market size (INRbn)



#### Strong drivers in place for the category's success

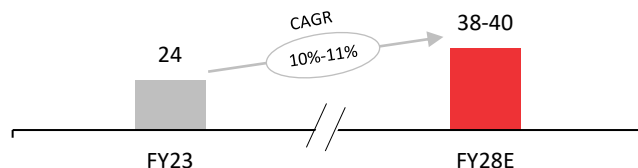
- Premiumisation
- Shifting preference towards pens as a writing instrument
- Post COVID19 shift back to physical coaching centres
- Reopening of offices & schools post COVID19

#### Breakdown (by price point)\*



### Art & Hobby

Art & hobby segment market size (INRbn)



#### Key drivers



Emphasis on extracurricular activities



Shifting preference of students towards arts



Increased adoption of art as a hobby

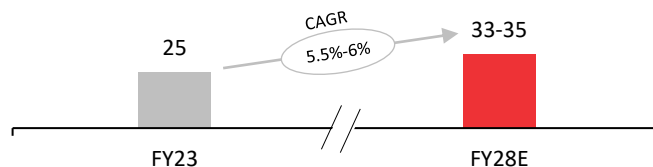


New products introduced to cater to young adults & working class

#### Shift caused during COVID19

### Others

Other segment market size (INRbn)



#### Accessories



- Driven by growth of total writing instruments
- CAGR of 6.5%-8.5% from FY23-FY28E

#### Markers & highlighters



- Driven by young individuals entering workforce
- CAGR of 5% – 6.5% from FY23-FY28E

#### Pencil



- Dominated by wooden variants
- Players offering variants based on use



## Leveraging Brand & Quality

FCIPL (subsidiary) is engaged in manufacturing of steel bottles.

Plans to expand into domestic market with a particular focus on modern trade through pricing strategies and design innovation..

### Steel Bottles

We have received a letter of intent from one of our key OEM customers with whom our Company has a relationship of more than 15 years.

Leverage the strength of the “Flair” brand, our manufacturing & distribution capabilities for houseware & steel bottles complemented by increasing product portfolio – we have 7 new products in pipeline

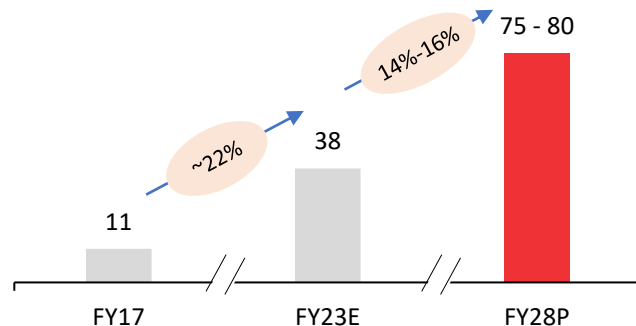




# Steel Bottles Industry Overview

## Steel Bottles Industry Dominated By Unorganized Players Poised To Grow Rapidly

Indian steel bottle market size (₹bn)



### Types of steel bottles

Vacuum Steel bottles

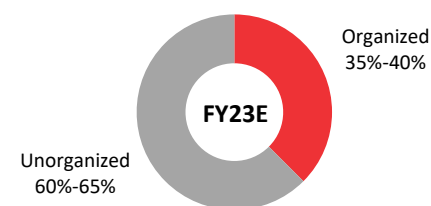


Non-vacuum Steel bottles



### Market led by unorganized players

Breakdown (by player type)



### Key drivers for the sector

- Safer & hygienic versus plastic
- Environmentally friendly choice
- Offer durability & reusability
- Provides better insulation

## Flair's Foray Into Steel Bottles

### Import Substitution Opportunity

- Import dependent category due to lower prices of imported products
- Manufacturing process is complex and capital intensive
- Limited number of companies engaged in in-house production
- BIS standard compliance now required for import of steel bottles

Exploring Domestic Opportunities while continuing OEM Manufacturing



### Flair's Right to Win

- Set up own manufacturing line and in process of expanding the same
- Possess technical know-how to manufacture quality bottles
- Design Innovations and in house colouring capability
- Already applied for BIS license, result awaited



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Germany

*Simply Perfect*

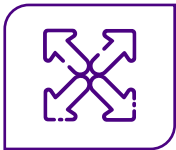


KEY STRENGTHS





Flair Writing Industries Limited



**Largest Player**

Largest player in the pens segment in India



**Diversified product**

Diversified product portfolio across various price points catering to a wide spectrum of consumers



**Largest distribution network**

Largest pan-India distributor/dealer network and wholesale/retailer network in the writing instruments industry and strong presence in targeted markets abroad



**Global Footprint**

Ability to partner with international brands and one of the largest exporter of writing and creative instruments in India



**Quality Manufacturing**

High-quality manufacturing at a large scale coupled with innovation capabilities



**Strong financial performance**

Historical track-record of strong financial performance with industry-leading profitability



**Experienced Promoters**

Experienced Promoters supported by professional senior management team



# Largest Player in the Pens Segment in India



01

### Largest player

Market leader in the pens category in India with FY23 revenue of over ₹ 750 crs and 9%+ domestic market share

02

### Demonstrated higher growth

Outpaced the industry with a CAGR of ~14% in FY17-23 when the market grew by 5.5%

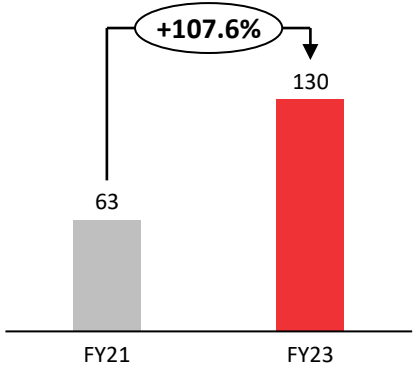
03

### Portfolio of iconic brands

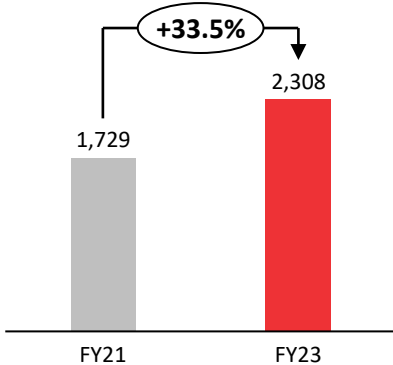


### Delivered Strong Volume Growth

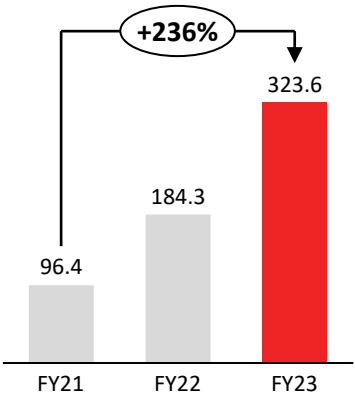
Number of pens sold in FY (in crs)



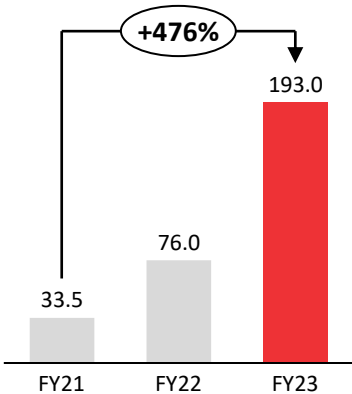
SKUs



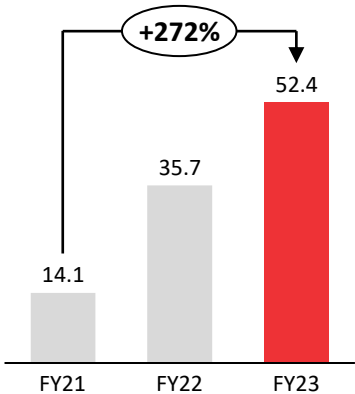
### Flair pens revenue (₹ crs)



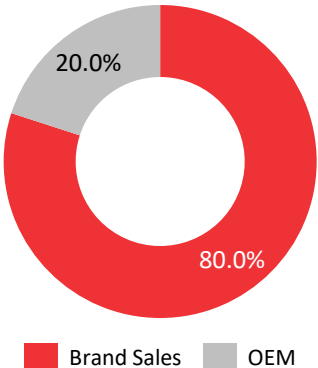
### Hauser pens revenue (₹ crs)



### Pierre Cardin revenue (₹ crs)



### Revenue Breakdown (FY23)





## PRODUCTS ACROSS VARIOUS PRICE POINTS



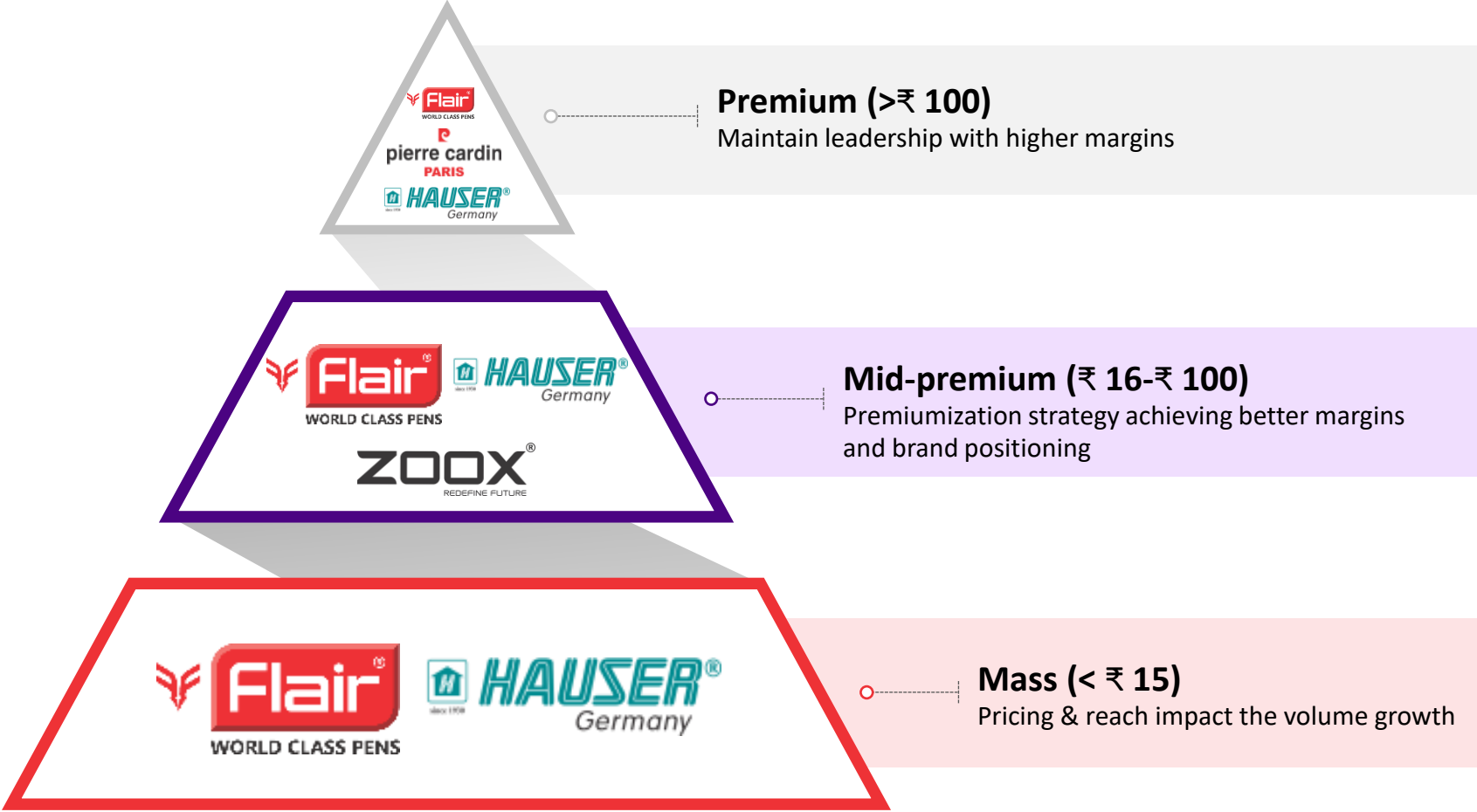
Expanding across price points



Expansion within each price segment is crucial to tap demand at various price points



Launched **151** pen products across various price points in FY23 out of which 71 mid-premium and premium pen and stationery products in FY23





# Expanding Product Portfolio led by Innovation in Product



1



**Flair Glitter Gel Pen**  
*has a metallic glitter ink effect*

2



**Flair Woody Ball Pen**  
*has a wooden finish in plastic body*

3



**Flair Writo-Meter Ball Pen**  
*our longest writing pen and writes up to 10,000 meters*

4



**Hauser XO Ball Pen**  
*offered in pastel colours*

5



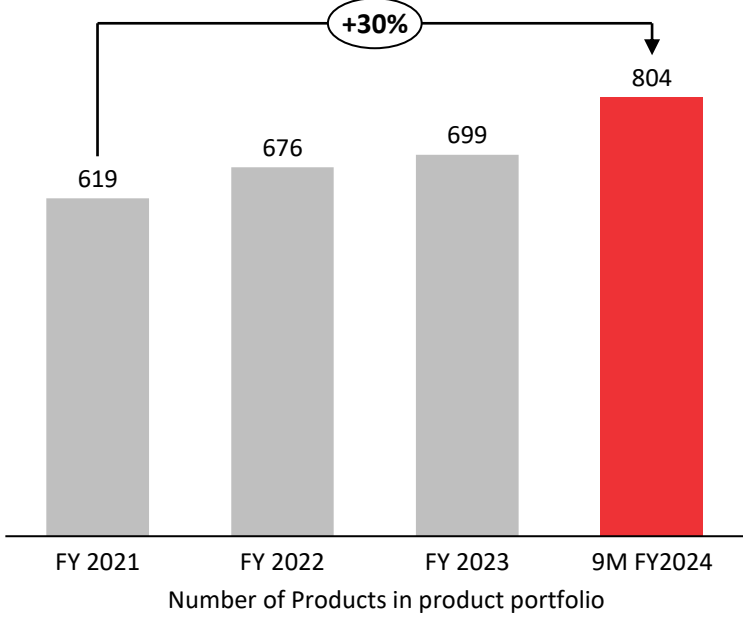
**Sunny Ball Pen**  
*has 4-in-1 pen*

6



**Ezee-Click Ball Pen**  
*a low-viscosity retractable pen*

Launched over 100 products since FY23



- Company's research, development and design efforts are enabled by its employees qualified in mechanical engineering, operating moulds and tool and die making and skilled in computer-aided design and other software-designing applications.
- Flair focus on developing designs that meet consumer requirements based on market feedback. Its product design process involves various stages such as product design, prototype development and pen mould design.

Flair aims to develop innovative technology and focus on innovative designing and automation



## LEVERAGING FLAIR'S STRENGTH TO SCALE NEW CATEGORIES – CREATING A LONG-TERM VALUE FOR THE BUSINESS

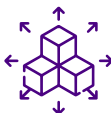
### Flair's Strength



Presence across price points



Flair's brand strength



Distribution network



Manufacturing capabilities



Introduced "Flair Creative" in Jan'21 to tap into a newer market with potential to offer standalone & bundled offerings

"Flair Creative" delivered ₹ 112.5 crs+ of revenue in FY23, within its 2<sup>nd</sup> year of operation



## BUILT A QUALITY PRODUCT PORTFOLIO FOR THE NEWER CATEGORIES

### Steel Bottles & Houseware Products

Forayed into manufacturing of a wide range of houseware products – bottles, storage containers, cleaning solutions, etc.

Mar'23: Commenced the manufacturing of steel bottles. Received order from a key international OEM customer





## 11 Strategically Located Manufacturing Plants



### Dehradun (Uttarakhand)

2 units, 435mn p.a capacity



### Valsad (Gujarat)

3 units, ~578mn p.a capacity



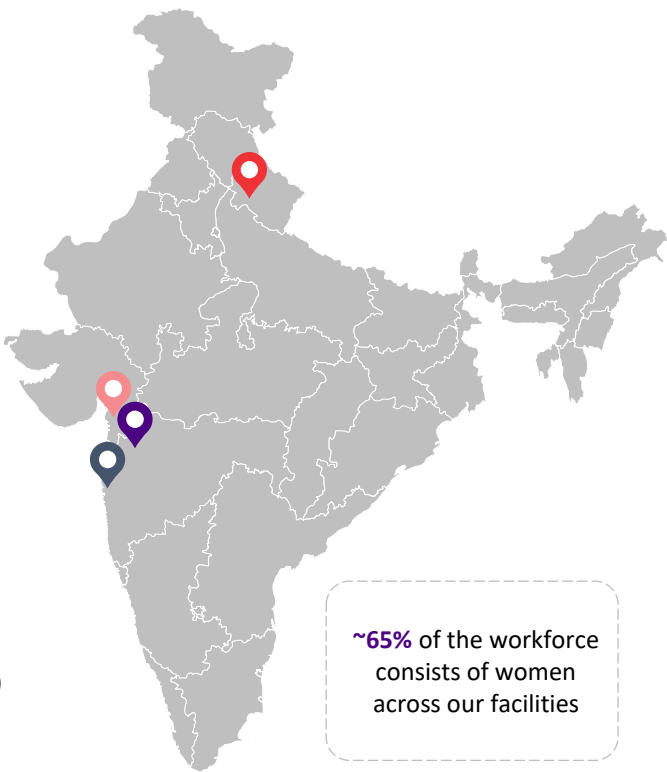
### Naigaon (Maharashtra)

1 unit



### Daman (Dadra & Nagar Haveli and Daman & Diu)

5 units, ~1,013mn p.a. capacity

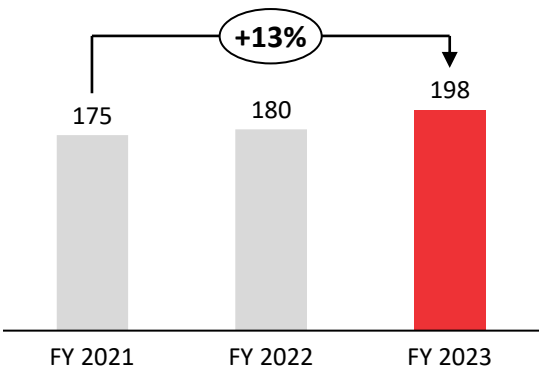


~65% of the workforce consists of women across our facilities

Future focus: Upgrading technology & manufacturing with automatic assembly & packaging machine

## Increased Production Capacity To ~2bn Pieces Per Annum

Effective production capacity (crs pieces)



Effective capacity utilization was 74.49% as of FY23.

Given the wide range of colours and different moulds for a vast range of products coupled with several complex components, company can achieve effective capacity utilization in the range of 70% to 80%.

## Key Highlights Of Our Advanced Technology

Introduced **automatic and semi-automatic assembly** and packing machines

Use machines imported from Germany, S. Korea, China, Spain, & Switzerland to engage in **high precision manufacturing**

Majority of our operational manufacturing plants are **ISO 9001:2015 certified** and **ISO 14001:2015 certified**

All manufacturing plants are in **proximity to key transportation ports**

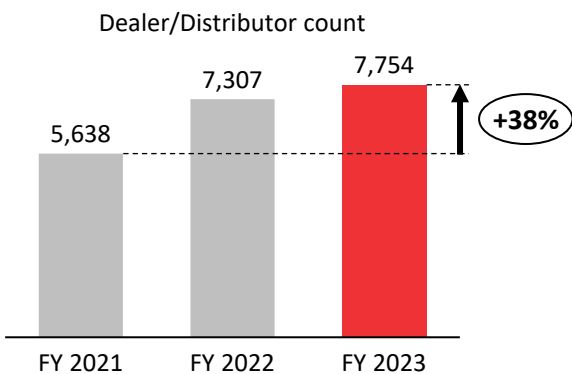
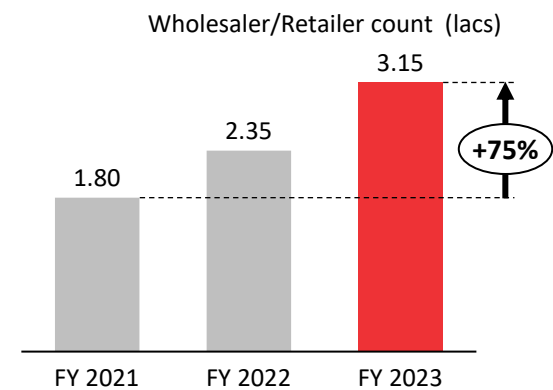
All manufacturing plants are **fungible** – most of our products can be manufactured at any operational plant\*

We have procured tip manufacturing machines to **manufacture tips in-house** & reduce dependence on external suppliers



Largest distribution network\* amongst key peers lends a strong advantage for Flair in the industry

### GROWTH IN DOMESTIC DISTRIBUTION NETWORK



For sales and distribution in India, the company relies on a multi-tiered network comprising super-stockists, distributors, direct dealers, wholesalers and retailers. For exports, Flair engages with third-party distributors on a country-wise or region-wise basis. The company also operates **an in-house super-stockist** for the Mumbai region operated by the Flair Sporty division of the company. The marketing and brand-building initiatives have a 2-fold aim of reaching consumers as well as their distribution partners.

### Distribution Network by numbers (as of 31<sup>st</sup> December 2023)

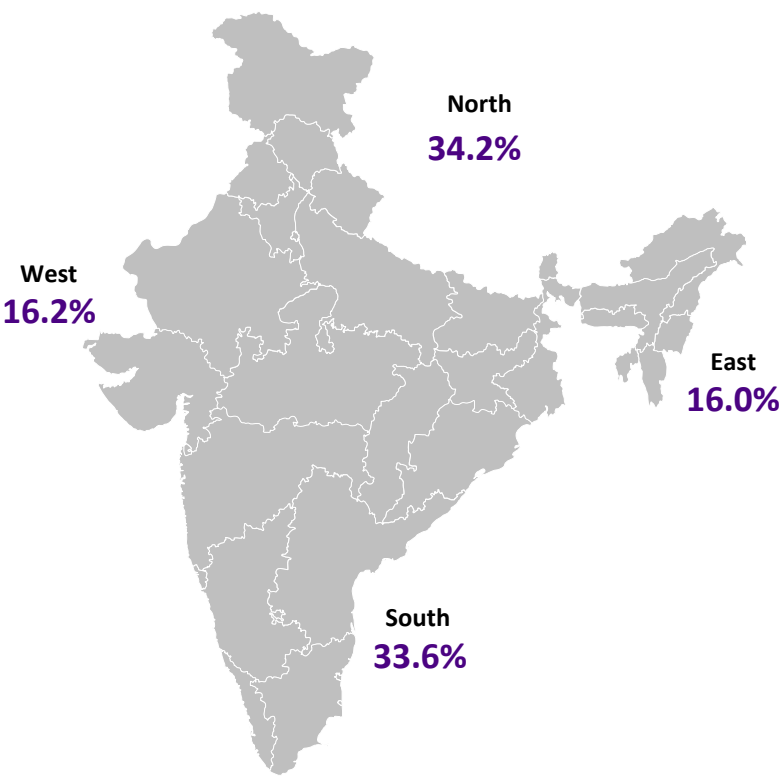
**~25 years** average  
Relationship with top 5  
super-stockists

Retail presence  
In **2,424** cities, towns  
and villages in India

**156**  
Super-stockists in India  
(including sporty division)

**942**  
Team strength in S&M  
division

### ZONE WISE SALES (9M FY24)



\*Source: CRISIL Industry report



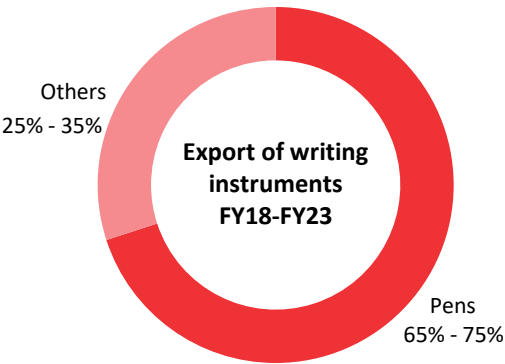
# Globally Recognised Export Player with Long Standing Relationships



## FLAIR IS A GATEWAY TO INDIA FOR INTERNATIONAL BRANDS

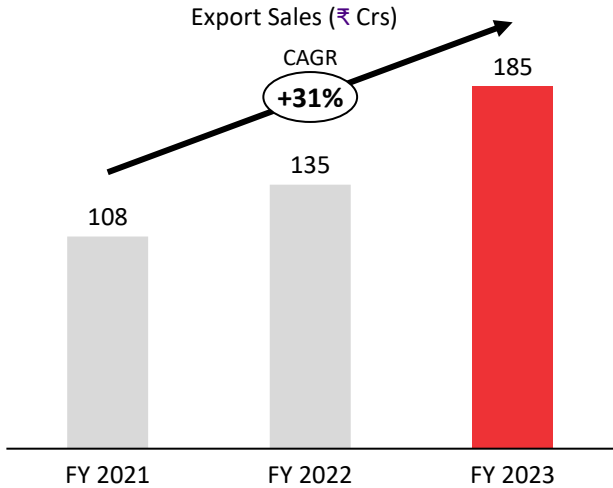
- ✓ Enjoys trust & reliability with reputed international brands
- ✓ Long-standing relationships (15 years+) with leading international companies
- ✓ Known for high-product quality, customer service, manufacturing & engineering capabilities, and sales & distribution network
- ✓ Relationship with 54 international distributors & exporting to 77 countries across the globe
- ✓ Key brands for export markets:     
- ✓ Key export destinations (as of FY23):  USA  Japan  UAE  Yemen  Colombia

## EXPORTS IS A SIZEABLE OPPORTUNITY FOR FLAIR



From fiscal 2018 to fiscal 2023, India exported writing and creative instruments worth ₹ 18 billion per year on average, growing at ~9% CAGR. Of these, pens contributed 65-75% in value terms.

## EXPANDING PRESENCE IN INTERNATIONAL MARKETS





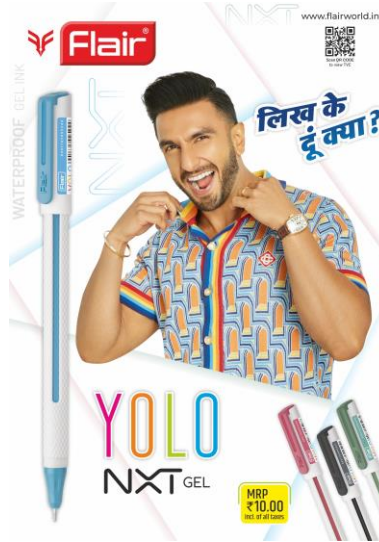
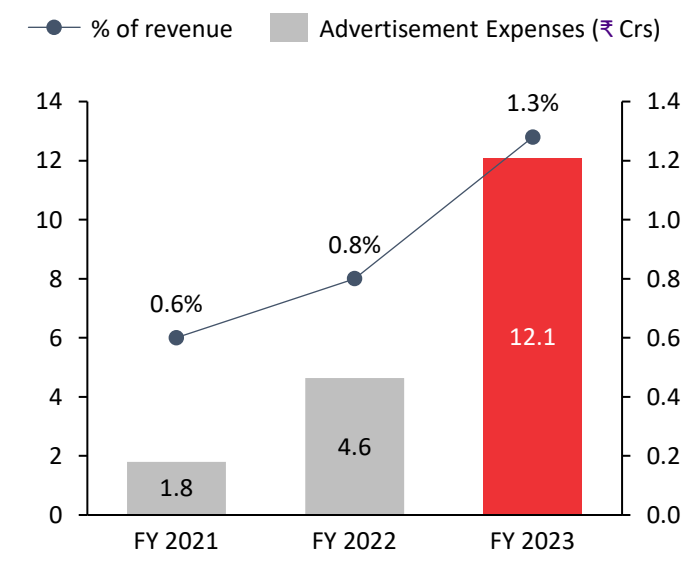
# Advertisement and Promotional Activities



Continue to enhance brand awareness and customer loyalty through mass media activities include brand ambassadors and celebrity endorsements, television and print advertisements and social media outreach and direct outreach activities comprise billboards, posters, etc.

Launched advertisement campaigns through celebrity endorsements for our “Flair” and “Hauser” brands.

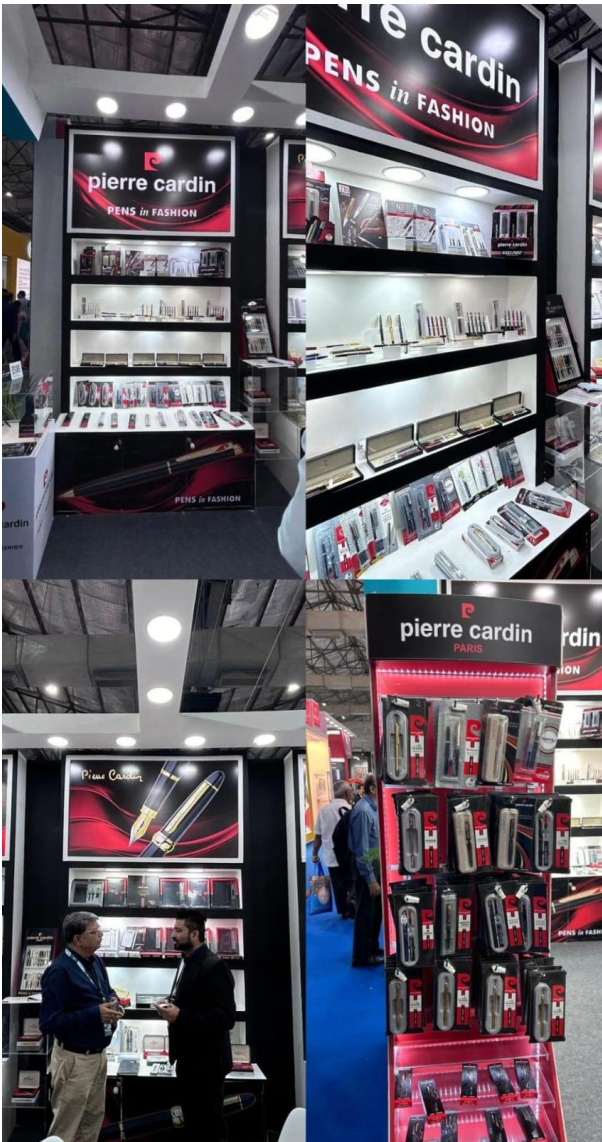
Promotional expenses increased to improve brand visibility



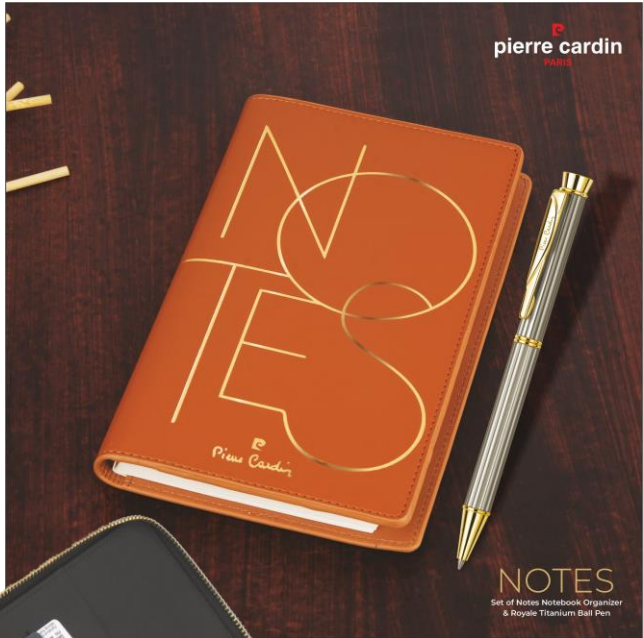















# Product Launches – Q3 FY24





# Product Launches – Q3 FY24






ELECTRONIC CALCULATORS

**HC-837MT**  
DESKTOP CALCULATOR

MRP ₹500.00




**KEY FEATURES**

- 12 Digit Calculator
- 112 Steps Check & Correct
- Dual Power
- Auto Replay
- Big Display
- Square Root Key
- Size : 120 x 150 mm

**PACKING DETAILS**  
10 Pcs. Inner Carton  
80 Pcs. Shipper

**12 MONTHS WARRANTY**



ELECTRONIC CALCULATORS

**HC-750**  
DESKTOP CALCULATOR

MRP ₹750.00



**KEY FEATURES**

- 12 Digit Calculator
- 112 Steps Check & Correct
- Auto Power Off
- Auto Replay
- Dual Power
- Grand Total
- Mark Up
- Protected Led & Solar
- Size : 130 x 185 mm

**PACKING DETAILS**  
10 Pcs. Inner Carton  
80 Pcs. Shipper

**12 MONTHS WARRANTY**




XO RT BALL PEN

₹ 10.00 per piece



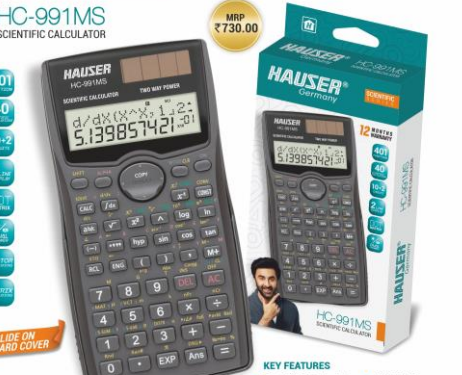
**XtraOrdinary Pens**  
for an extraordinary you !



ELECTRONIC CALCULATORS

**HC-991MS**  
SCIENTIFIC CALCULATOR

MRP ₹730.00




**KEY FEATURES**

- 10+2 Digit Calculator
- Matrix Calculations
- Vector Calculations
- 2-Line Display
- 401 Functions
- Dot Matrix
- 40 Scientific Calculations
- Two Way Power
- Size : 156 x 80 mm

**PACKING DETAILS**  
10 Pcs. Inner Carton  
80 Pcs. Shipper


**12 MONTHS WARRANTY**



ELECTRONIC CALCULATORS

**HC XO-837**  
DESKTOP CALCULATOR

MRP ₹425.00



**KEY FEATURES**

- 12 Digit Calculator
- 112 Steps Check & Correct
- Dual Power
- Auto Replay
- Big Display
- Square Root Key
- Size : 120 x 150 mm

**PACKING DETAILS**  
10 Pcs. Inner Carton  
80 Pcs. Shipper

**12 MONTHS WARRANTY**



LOADED WITH JUMBO Refill

₹ 20.00 Per Piece



**XtraOrdinary Pens**  
for an extraordinary you !

**XO JUMBO BALL**







# Experience at Helm - *Board of Directors*



**Mr. Khubilal Jugraj Rathod**, Chairman

- He has 48+ years of experience in the writing instruments industry
- Received the Lifetime Achievement Award and the Udyog Rattan Award from the Institute of Economic Studies, the Lifetime Achievement Award from The Bombay Fountain Pen Manufacturers and Traders Association, the award for the 'Most Admired Leader' from Herald Global, Inspirational Leaders of New India award from Powerbrands Glam, Las Vegas, USA.



**Mr. Vimalchand Jugraj Rathod**, Managing Director

- He is a fellow member of the ICAI and holds a B.Com degree from the Bangalore University
- Has 40+ years of experience in the writing instruments industry
- Received "Asia's Most Promising Leader 2015-16" award from World Consulting and Research Corporation, "Award of Appreciation" from the Pen and Stationery Association of India and award from the PlastIndia Foundation
- Previously served as Chairman, Plastic Export Promotion Council & currently Chairman of Pen & Stationery Association of India



**Mr. Rajesh Khubilal Rathod**, Whole-time Director

- Holds a B. Com degree from the University of Mumbai and has 33+ years of experience in the writing instruments industry
- He heads the international sales and marketing division along with global relationship development



**Mr. Mohit Khubilal Rathod**, Whole-time Director

- Holds a Bachelor of Arts degree (majoring in business administration) from the Muhlenberg College, Pennsylvania and has 23+ years of experience in the writing instruments industry
- He heads the product development, domestic sales and marketing division



**Mr. Sumit Vimalchand Rathod**, Whole-time Director

- Holds a Bachelor of Arts degree from the Eckerd College, Florida, a Post Graduate Diploma in Management from the S.P. Jain Institute, Mumbai and has 15+ years of experience in the writing instruments industry
- He heads the new business development, production, process and system management



# Experience at Helm - *Board of Directors & Senior Management Team*



**Mr. Bishan Singh Rawat**, Independent Director

- Holds a Bachelor of Science degree from Meerut University and a Bachelor of Laws degree from Garhwal University, Uttarakhand. He is enrolled with the Bar Council of Uttarakhand and is currently a practicing advocate



**Mr. Punit Saxena**, Independent Director

- He holds a Bachelor of Science degree, an MBA degree from University of Rajasthan, Master of Valuation (Real Estate) degree.
- He was previously associated with UTI Infrastructure, Technology and Services Limited (as its chief executive officer), Unit Trust of India, Jaipur Development Authority, Rajasthan State Industrial Development and Investment Corporation Limited.



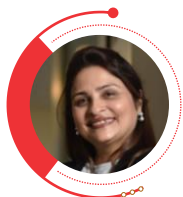
**Mr. Rajneesh Bhandari**, Independent Director

- Holds Bachelor of Technology in Chemical Engineering degree from the IIT, Delhi
- Has experience in the Health Care and Telecommunication Industry



**Mr. Manoj Vinod Lalwani**, Independent Director

- He holds a Bachelor of Engineering degree from University of Pune, Pune, Maharashtra and completed his Master of Science in Plastics Engineering from University of Massachusetts, Boston, USA
- He has experience in the field of manufacturing filler compounds for plastic polymers.



**Ms. Sheetal Bhanot Shetty**, Independent Director

- She holds a Bachelor of Arts degree and a Master of Arts degree from the University of Bombay, Mumbai, Maharashtra.

## Management Team



**Mr. Jatin Chadha**, Chief Operating Officer

- He holds a Bachelor of Technology degree in I.T and engineering, a Master of International Business degree.
- He is responsible for strengthening the operations vertical to improve the productivity of the Company



**Mr. Mayur Gala**, Chief Financial Officer

- He is an associate member of the ICAI and holds Master of Business Administration (Part Time)(Finance) degree.
- He is responsible for the overall finance function in the Company



**Mr. Vishal Kishor Chanda**, Company Secretary and Compliance Officer

- He is an associate member of the ICSI and holds a M.Com degree, a Bachelor of Laws degree both from the University of Mumbai
- He is responsible for the overall secretarial and statutory compliance in the Company



Our CSR Policy is aimed at demonstrating care for the community and our commitment to create social value. Our Company has undertaken various active CSR initiatives to contribute to the community where we have operations.

We believe in empowerment through employment - ~65% of our workforce is comprised of women.



Supporting education through distribution of laptops, stationery to students from tribal and minority communities. Gifted a school bus to a school in Rajasthan.





# Awards



2020-21  
Award for Top Exporter to the Company from the PEPC in the category for writing instruments



2020-21  
Award for Top Exporter to the Company from the PEPC in the category for writing instruments



2019-20  
Award for Top Exporter to the Company from the PEPC in the category for writing instruments



2018-19  
Export Award to the Company from the PEPC in the category for writing instruments (excluding parts)



2017-18  
Award for Second Best Exporter to the Company from the PEPC in the category for writing instruments



2016-17  
Award for No. 1 Exporter to the Flair Group of Companies from the WIMO



2015-16  
Award for No. 1 Exporter to the Flair Group of Companies from the WIMO



2015-16  
Export Excellence Award for No. 1 Exporter to FPIPL from the BFPMTA



2014-15  
Award for No. 1 Exporter to the Flair Group of Companies from the WIMO



2014-15  
Export Excellence Award for No. 1 Exporter to the Flair Group of Companies from the BFPMTA



2013-14  
Most Valuable Brand 2014 award in the category of Gems, Jewellery and Accessories from WCRC



2012-13  
Asia's Most Promising Brands from WCRC



2010-11  
Award for No. 1 Exporter to the Flair Group of Companies from the BFPMTA



2009-10  
Award for No. 1 Exporter to the Flair Group of Companies from the BFPMTA



2008-09  
Award for No. 1 Exporter to the Flair Group of Companies from the BFPMTA





WAY FORWARD







## Product portfolio

- Aim to strengthen and expand our existing product portfolio by growing across price segments
- Leverage the ability to scale-up or refine product lines as per market demand
- Diversifying our product range by expanding into stationery products market



## Premiumization

- Emphasis on Mid-premium Segment and Premium Segment to increase margins
- Already set-up dedicated marketing team for “Pierre Cardin” and changed packaging
- Premiumization strategy already in play as growth witnessed in realization per piece



## Enhance capacity

- Increase production capacity to drive further volume growth
- Develop innovative technology and focus on innovative designing and automation
- Intend to set up a new manufacturing facility at District Valsad, Gujarat



## Strengthen presence

- Expand to high margin markets
- Aim to further increase sales of the “Pierre Cardin” and “ZOOX” brands of pens in the Middle East markets
- Exploring new exports horizon in Middle East, Japan & Latam for other segments



## Distribution network

- Deepen sales & distribution network by strategic incentivization and product-specific schemes
- Increase sales through each channel including e-commerce and modern retail, including hypermarkets, supermarkets
- Team structure changed to ensure equi-focus on Pens & Creatives segment



## Strengthen brands

- Aim to strengthen and expand our existing product portfolio by growing across price segments
- Leverage the ability to scale-up or refine product lines as per market demand
- Conduct meaningful promotional activities via advertisements and trade fairs





*Simply Perfect*



## FINANCIAL HIGHLIGHTS







**Mr. Vimalchand Rathod,  
Managing Director**

**Commenting on the Results, Mr. Vimalchand Rathod , MD said, -**

“The quarter was a mixed bag with challenges on the OEM front and positives in our brands as we took some important business decisions. **Revenue from our own brands remained our shining stars growing in both domestic & exports market throughout the year.** Majority of our **own brands experienced double digit growth**; year to date, in domestic market thus going from strength to strength. The quarter was particularly well for Pierre Cardin & Hauser as **customers continued to choose us as a quality & premium gifting option** during the festive seasons. With 30 new product launches during the quarter, we have now crossed the milestone of adding more than 100 new products for 9MFY24 and is **the largest increase in our portfolio since FY21.**

We remain very upbeat on the prospects of our steel bottles segments and to this effect we have decided to **enter the domestic market through modern trade** and the initial response looks very promising. We’ve also **applied for BIS license** for our steel bottles and are awaiting results for the same.

With our OEM partners experiencing macroeconomic headwinds in the western economy, muted domestic demand combined with Red Sea crisis; it meant **our OEM & export segment were affected due to lack of underlying demand from OEM partners.** However, we are confident that this **situation is transient in nature** and remain hopeful of their demand revival in the upcoming quarters.

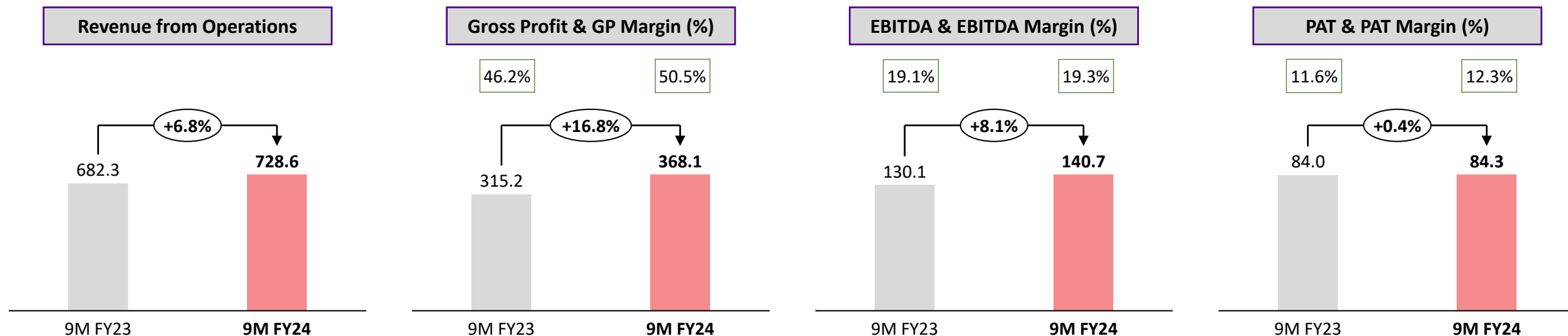
We have a **renewed sense of focus for driving overall business** in our domestic and export markets through new tie-ups, business model, channel fill & expansion as well as backward integration of market accepted products. We’ve set our eyes towards new horizons in exports and are actively exploring avenues for growth in these markets. We remain steadfast on our **vision to be the go-to brand for writing and creative products** across consumer age and preference; building on the goodwill and trust garnered over the years.



# 9MFY24 Key Performance Metrics



₹ in Crs



## Financial Highlights

- **Consolidated Revenue from Operations grew by 7%** to Rs. 729 Crs
- **Gross Profit increased by 17%** to Rs 368 Crs as margin expanded from 46.2% to 50.5%
- **EBITDA improved by 8%** and reached Rs. 141 Crs at an EBITDA margin of 19.3%
- **PAT stable** at Rs. 84.3 Crs thus PAT margin at 11.6%

## Operational Highlights

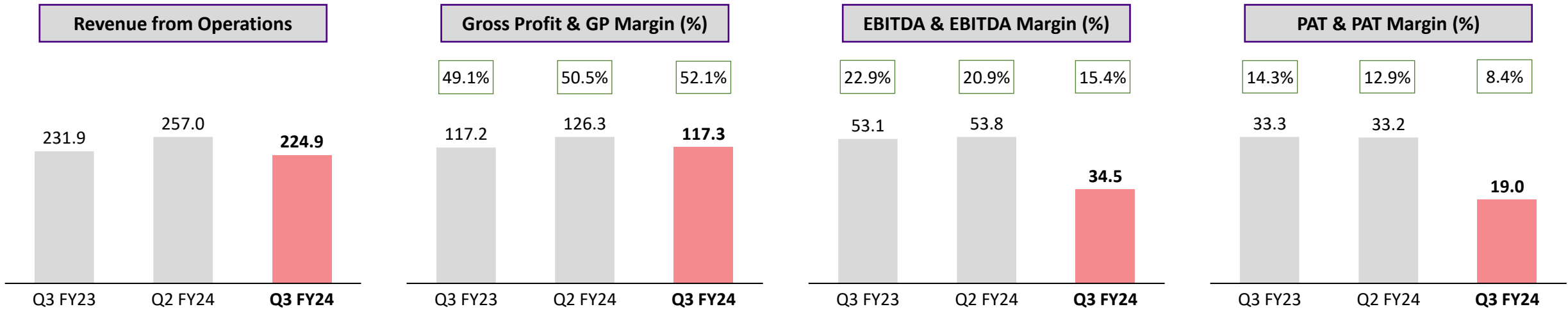
- **Introduced 30 new products** across different brands during the quarter, year to date we have 804 products in our portfolio
- **Widened our distribution base by adding 11 super stockist** in Q3FY24. Total count now stands at 156 super stockists.
- **Sales and Marketing Team strengthened with 36 new personnel** added to the previous headcount of 906.



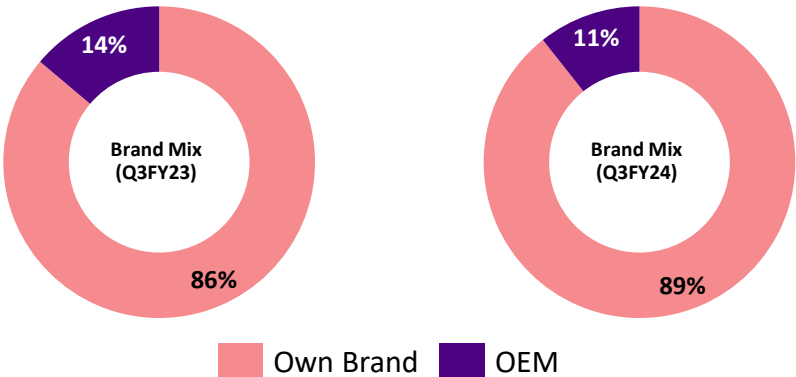
# Q3 FY24 Key Performance Metrics



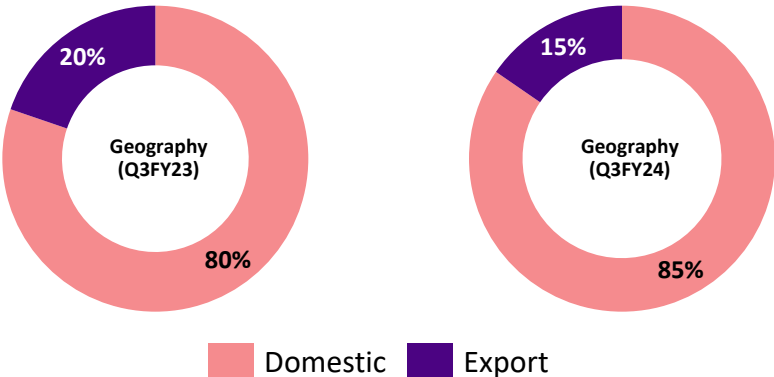
₹ in Crs



Q3 FY24 Brand Mix



Q3 FY24 Revenue Mix







## Positives

Our **own brands experienced volume led growth** in both domestic and export markets year to date – a testament of the continued support and acceptance by the consumers of our brands. **The growth in the domestic market was in high double digits.**

As a further corollary – **revenue from own brands grew year to date by double digits** with Hauser experiencing very high growth. Pierre Cardin grew for the quarter on account of festive giftings.

Despite pricing pressures, we managed to **improve our gross profit margins sequentially as well as year on year** for Q3 & 9MFY24. Gross Profit margin improved by **161 bps YoY & 299 bps QoQ to 52.1%** for Q3FY24. Increase was more pronounced for 9MFY24 where margin improved by **432 bps to reach 50.5%.**



## Challenges

The OEM business experienced degrowth on account of **lack of offtake by our OEM partners** as they themselves were affected by a sluggish US & European economy and the Red Sea crisis.

While a decrease in our topline put pressure on EBITDA & EBITDA margin – **lower volume in OEM meant company could not effectively utilise its operating leverage**

**Rise in Operating expenses** dragged profitability- on account of heightened freight charges due to Red Sea crisis, rise in employee expenses as headcount expanded, increase in depreciation yoy as new assets were put to use



# Consolidated Profit & Loss Statement – Q3 & 9M FY24



Profit & Loss Statement (₹ in crs)	Q3 FY24	Q3 FY23	Y-o-Y	Q2 FY24	Q-o-Q	9M FY24	9M FY23	Y-o-Y
<b>Revenue from Operations</b>	224.9	231.9	-3.0%	257.0	-12.5%	728.6	682.3	6.8%
Cost of Materials Consumed	116.4	140.7		125.9		383.8	380.1	
Purchase of stock-in-trade	1.7	1.8		2.2		5.0	4.1	
Changes in Inventories of Finished Goods and Work in Progress	-10.5	-27.8		2.6		-28.3	-17.2	
<b>Gross Profit</b>	117.3	117.2	0.1%	126.3	-7.2%	368.1	315.2	16.8%
<b>GP %</b>	52.1%	50.5%		49.1%		50.5%	46.2%	
Employee Benefits Expense	38.0	30.2		36.0		109.0	88.1	
Other Expenses	44.7	33.9		36.5		118.4	97.0	
Share of Profit of Joint Venture (net of tax)	-	-		-		-	-	
<b>EBITDA</b>	34.5	53.1	-34.9%	53.8	-35.8%	140.7	130.1	8.2%
<b>EBITDA %</b>	15.4%	22.9%		20.9%		19.3%	19.1%	
Depreciation and Amortisation Expense	9.5	7.1		9.0		26.8	20.2	
Other Income	3.9	2.5		2.7		8.4	10.3	
<b>EBIT</b>	29.0	48.5	-40.2%	47.6	-39.0%	122.3	120.2	1.8%
Finance Costs	2.9	2.6		3.3		9.0	7.0	
<b>PBT</b>	26.1	45.9	-43.1%	44.2	-41.0%	113.3	113.2	0.1%
Total Tax Expense	7.1	12.7		11.1		29.0	29.3	
<b>Profit for the period</b>	19.0	33.3	-42.9%	33.2	-42.7%	84.3	84.0	0.4%
<b>PAT %</b>	8.4%	14.3%		12.9%		11.6%	12.3%	



# Flair<sup>®</sup> Creative

Unlimited Fun!



ANNEXURE

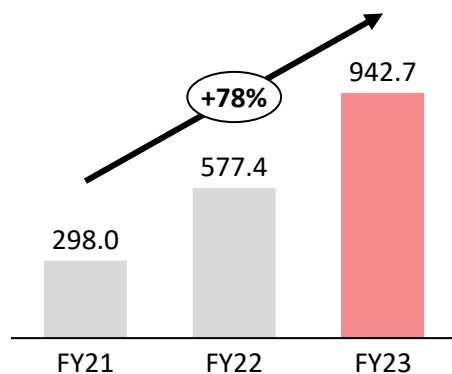




# Performance in Charts

## Revenues

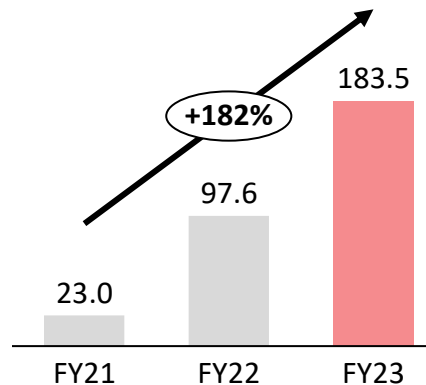
₹ in Crs



## EBITDA & EBITDA %

₹ in Crs

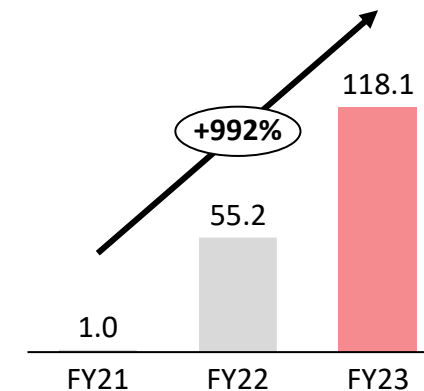
19.5% 16.9% 7.7%



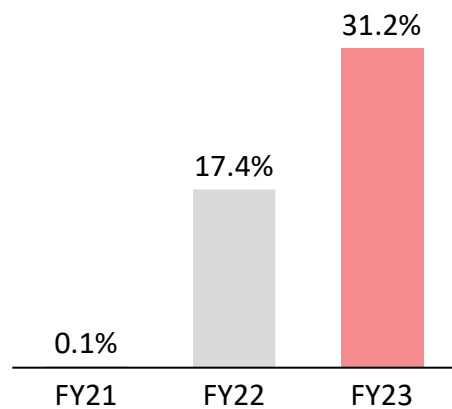
## PAT & PAT %

₹ in Crs

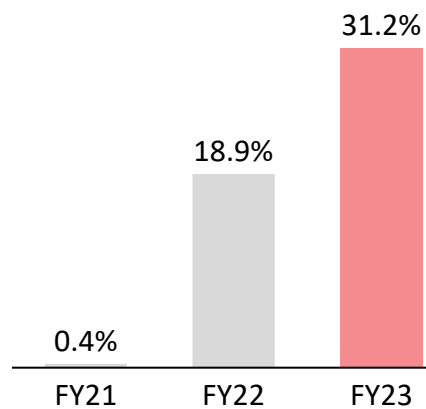
12.5% 9.6% 0.3%



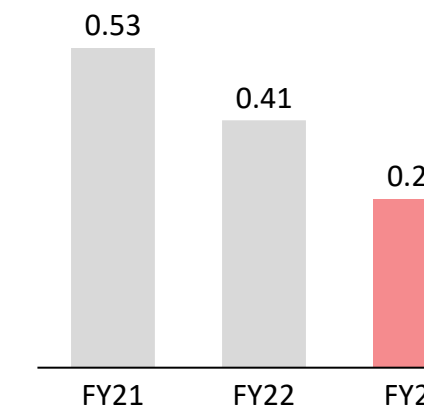
## RoCE (%)



## RoE (%)



## \*Debt to Equity (x)





# Historical Consolidated Profit & Loss Statement



Particulars (₹ in crs)	FY23	FY22	FY21
<b>Revenue from Operations</b>	942.7	577.4	298.0
Cost of Materials Consumed	508.2	333.6	146.1
Purchase of stock in trade	6.2	4.7	4.8
Changes in Inventories of Finished Goods and Work in Progress	-5.5	-30.2	15.6
<b>Gross Profit</b>	433.9	269.2	131.6
<b>GP %</b>	46.0%	46.6%	44.2%
Employee Benefits Expense	117.3	87.8	58.4
Other Expenses	133.0	83.8	50.2
Share of Profit of Joint Venture (net of tax)	-	-	-
<b>EBITDA</b>	183.5	97.6	23.0
<b>EBITDA %</b>	19.5%	16.9%	7.7%
Other Income	11.6	10.2	12.9
Depreciation and Amortisation Expense	27.3	24.4	22.4
<b>EBIT</b>	167.8	83.4	13.4
Finance Costs	9.0	10.0	11.3
<b>PBT</b>	158.8	73.4	2.1
Total Tax Expense	40.7	18.3	1.1
<b>Profit for the year</b>	118.1	55.2	1.0
<b>PAT %</b>	12.5%	9.6%	0.3%



# Historical Balance Sheet



EQUITY & LIABILITIES (₹ in crs)	Mar-23	Mar-22	Mar-21
(a) Equity Share Capital	46.7	23.3	23.3
(b) Other Equity	388.3	293.6	238.3
(c) Non-controlling interest	0.3	0.0	0.0
<b>Total Equity</b>	<b>435.2</b>	<b>317.0</b>	<b>261.6</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	41.8	73.4	111.6
(ii) Lease liabilities	6.8	1.4	4.4
(iii) Other Financial Liabilities	0.3	1.3	3.2
(b) Provisions	6.3	6.1	5.3
(c) Deferred tax Liabilities (Net)	9.6	9.5	10.2
(d) Other Non Current Liabilities	0.3	0.3	0.3
<b>Total Non-Current Liabilities</b>	<b>65.0</b>	<b>92.0</b>	<b>135.0</b>
<b>(a) Financial Liabilities</b>			
(i) Borrowings	73.8	52.9	18.7
(ii) Lease Liabilities	1.1	3.0	3.2
(iii) Trade Payables (total of MSME & Other than MSME)	63.6	50.3	41.1
(iv) Other Financial Liabilities	20.4	19.6	14.0
Other current liabilities	10.9	7.7	2.3
Provisions	7.7	5.6	4.8
Income tax liabilities (net)	6.5	9.4	0.1
<b>Total Current Liabilities</b>	<b>184.0</b>	<b>148.6</b>	<b>84.1</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>684.2</b>	<b>557.5</b>	<b>480.7</b>

ASSETS (₹ in crs)	Mar-23	Mar-22	Mar-21
(a) Property, plant and equipment	240.1	190.1	176.4
(b) Capital Work-in-Progress	1.6	1.8	0.0
(c) Right-of-Use Assets	7.5	3.6	6.5
(d) Intangible Asset	2.0	2.4	2.7
(e) Goodwill	0.4	0.0	0.0
<b>Financial Assets</b>			
(a) Loans	0.0	0.0	0.0
(b) Other Financial Assets	5.6	2.2	2.0
Deferred tax assets	0.0	0.0	0.0
Income tax assets (net)	0.1	0.1	0.0
Other Non-Financial Assets	16.4	5.1	6.6
<b>Total Non-Current Assets</b>	<b>273.6</b>	<b>205.2</b>	<b>194.3</b>
(a) Inventories	213.8	184.3	131.4
<b>(b) Financial Assets</b>			
(i) Investments	0.0	0.0	16.3
(ii) Trade Receivable	170.7	147.0	115.8
(iii) Cash and Cash Equivalents	0.8	0.3	0.7
(iv) Bank balances other than above	0.0	0.0	0.0
(v) Loans	0.3	0.2	0.2
(vi) Other financial assets	0.8	0.3	0.2
(c) Other current assets	24.2	20.2	21.8
<b>Total Current Assets</b>	<b>410.6</b>	<b>352.3</b>	<b>286.4</b>
<b>TOTAL ASSETS</b>	<b>684.2</b>	<b>557.5</b>	<b>480.7</b>



# Consolidated Cash Flow Statement



Particulars (₹ in crs)	Mar-23	Mar-22	Mar-21
Profit before Tax	158.8	73.4	2.1
Adjustment for Non-Operating Items	-36.3	-32.6	-28.6
<b>Operating Profit before Working Capital Changes</b>	<b>195.1</b>	<b>106.1</b>	<b>30.8</b>
Changes in Working Capital	-55.3	-60.3	29.8
<b>Cash Generated from Operations</b>	<b>139.8</b>	<b>45.8</b>	<b>60.6</b>
Less: Direct Taxes paid	-43.4	-10.8	-0.2
<b>Net Cash from Operating Activities</b>	<b>96.4</b>	<b>35.0</b>	<b>60.4</b>
<b>Cash Flow from Investing Activities</b>	<b>-73.6</b>	<b>-19.5</b>	<b>-15.8</b>
<b>Cash Flow from Financing Activities</b>	<b>-22.3</b>	<b>-15.9</b>	<b>-47.5</b>
<b>Net increase/ (decrease) in Cash &amp; Cash equivalent</b>	<b>0.5</b>	<b>-0.3</b>	<b>-2.9</b>
Add: Cash and cash equivalents pursuant to business combination	-0.1	-	-
Add: Cash and cash equivalents as at 1 <sup>st</sup> April	0.3	0.7	3.6
Add: Net effect of exchange gain on cash and cash equivalents	-	-	-
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>0.8</b>	<b>0.3</b>	<b>0.7</b>



**COMPANY :**



Flair Writing Industries Limited

CIN : U51100MH2016PLC284727

Mr. Mayur Gala (Chief Financial Officer)

Email: mayur@flairpens.com

www.flairpens.com

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# Thank You

