



Apex Frozen Foods

Result Presentation

Q3/9M FY21

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Key Business Updates – Q3/9M FY21

Shrimp Sales (MT)

- Shrimp sales in Q3FY21 were impacted largely due to:
 - Covid-19 led demand slowdown in Out-of-Home food consumption
 - Shipping-container shortage

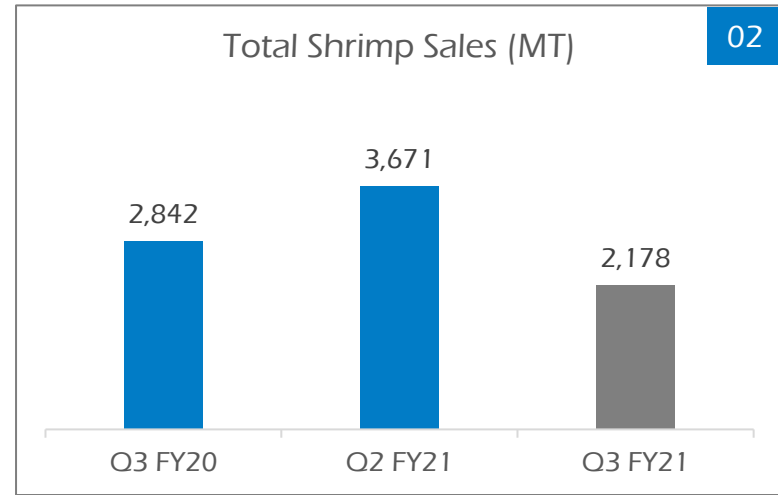
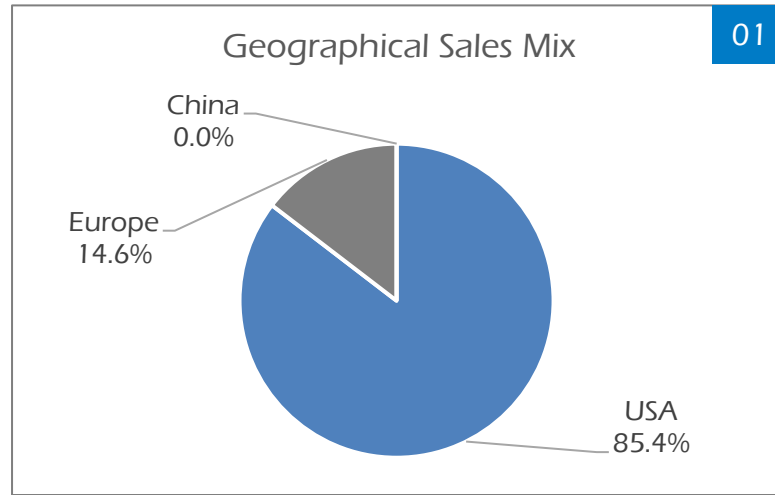
Financial Performance

- The impact on revenue was in-line with that of shrimp volumes sold; However, a higher share of Ready-to-Eat products improved the average realization (\$ per kg) by ~8% y-o-y and ~3% q-o-q
- Profitability was impacted by higher unabsorbed fixed costs on account of lower utilization of the recently expanded capacity (net increase of ~ 14,000 MT)

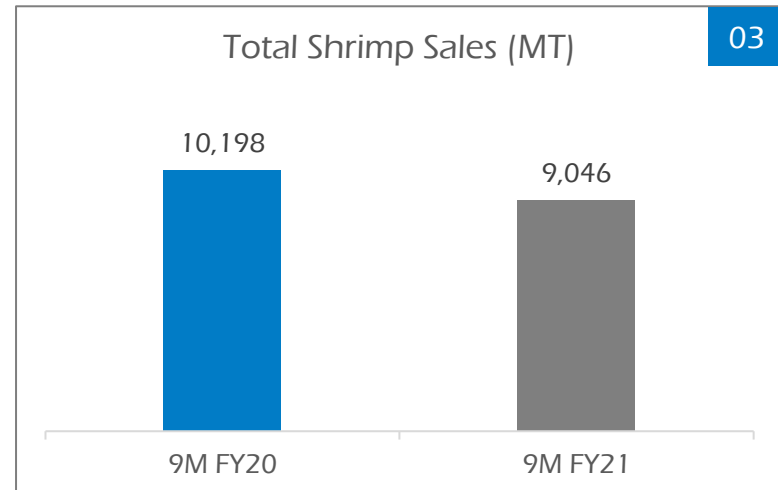
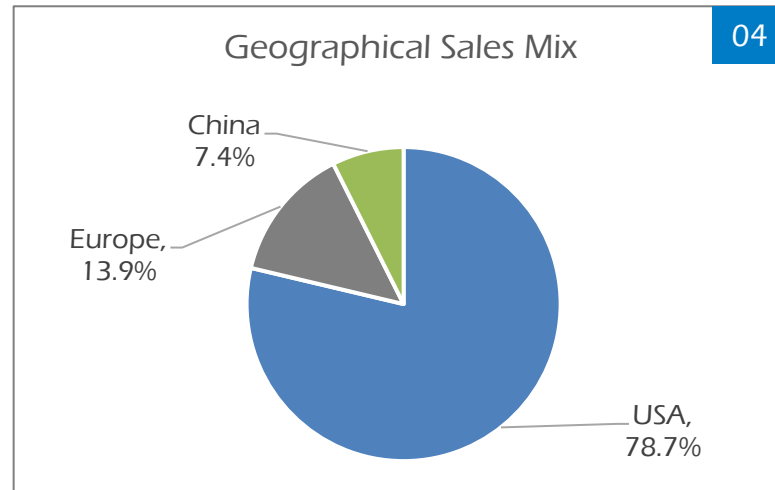
Other Updates

- Hatchery expansion: The Unit-II of Ongole hatchery is likely to be completed by end of FY21
- In-line with its business strategy, the Company is nearing the completion of consolidation of in-house farming operations

Q3 FY21



9M FY21



Income Statement Highlights

Standalone (Rs mn)	Q3 FY21	Q3 FY20	Y-o-Y %	Q2 FY21	Q-o-Q %	9M FY21	9M FY20	Y-o-Y %
Net revenue	1,561	1,952		2,622		6,366	6,864	
Other income	11	43		16		53	137	
Total Income	1,572	1,995	-21.2	2,638	-40.4	6,419	7,001	-8.3
Raw material	1,097	1,359		1,739		4,320	4,824	
Employee expenses	73	109		119		296	340	
Other expenses	283	241		338		1,030	964	
EBITDA	119	286	-58.5	441	-73.1	772	873	-11.6
<i>EBITDA margin</i>	<i>7.6%</i>	<i>14.4%</i>	-	<i>16.7%</i>	-	<i>12.0%</i>	<i>12.5%</i>	-
Depreciation & amortisation	47	37		67		170	98	
Finance cost	40	31		35		115	88	
Profit Before Tax	32	219	-85.5	339	-90.6	487	688	-29.1
Tax expenses	9	6		87		128	173	
Profit After Tax	23	212	-89.4	252	-91.1	359	515	-30.2
<i>PAT margin</i>	<i>1.4%</i>	<i>10.7%</i>	-	<i>9.6%</i>	-	<i>5.6%</i>	<i>7.4%</i>	-
Other comprehensive income	1	-20		1		-5	7	
Total Comprehensive Income	24	193		253		355	522	
Diluted EPS (Rs)	0.72	6.80	-89.4	8.06	-91.1	11.49	16.47	-30.2



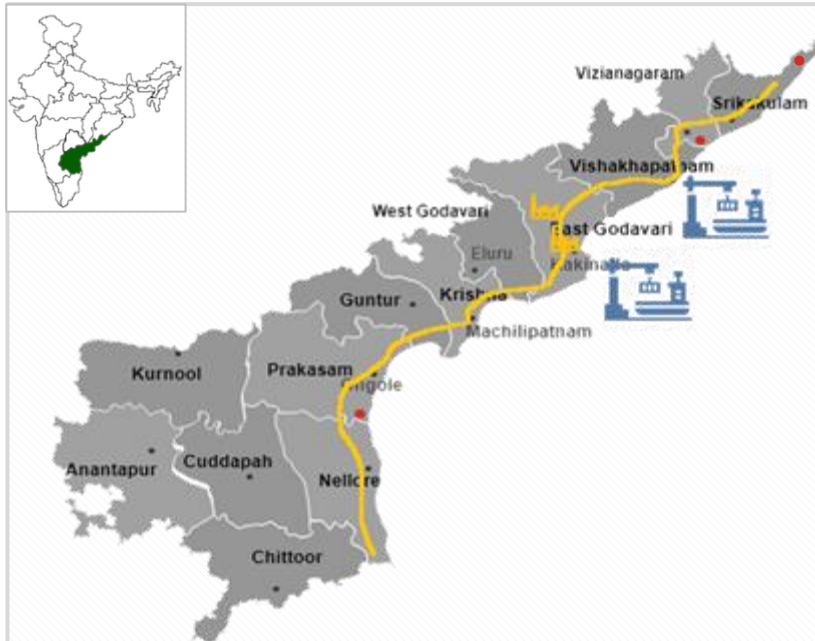
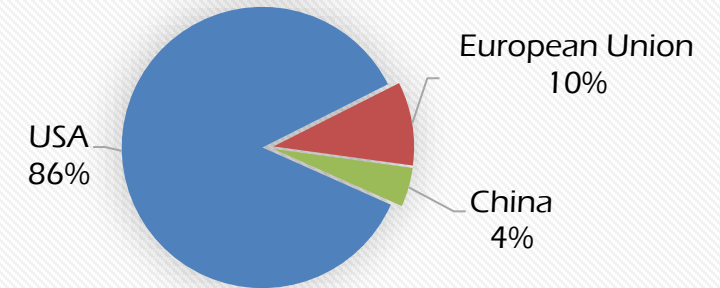
Company At a Glance



One of the Leading Exporters of Processed Shrimp in India

- Commenced business operations in 1995, Apex Frozen Foods has grown to become one of the leading shrimp processors in India
- Diversified customer base of Food Companies, Retail Chains, Restaurants, Club Stores and Distributors across the key markets
- Well integrated operations with presence across the value chain - **Hatchery, Farming, Processing and Exporting of Shrimp**

Key Export Markets – FY20



Strategically Located & Well Integrated Operations

● Hatcheries with a total capacity of 1.2-1.4 bn SPF seed



~ 1,500 acres of farm-land operated by the Company (FY20)

20 - 200 kms from most farms from where produced is sourced



Processing plants with a total capacity of 29,240 MTPA



~ 20 kms from Kakinada port and ~ 150 kms from Vizag port

Hatchery | Stepping-stone for Ensuring Quality Produce



Process: Production of Specific Pathogen Free (SPF) shrimp seed | Typical cycle of 40 – 50 days



Location: North of Vizag
Commenced: Year 2016



Location: Srikakulam
Commenced: Year 2019



Location: Ongole
Commenced: Year 2019

**Phase – II
(Ongole)**

Currently under
construction

Likely completion
in current fiscal



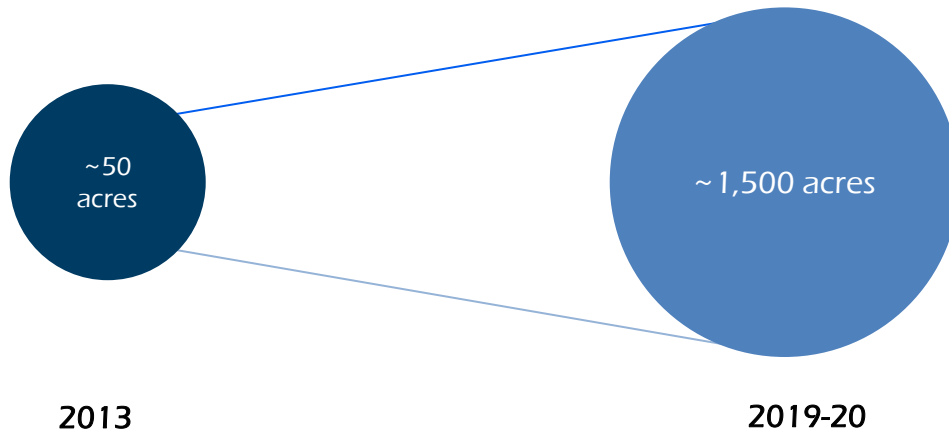
Combined breeding capacity of ~ 1.2 to 1.4 bn Specific Pathogen Free seed for Captive + Outside Sales

Farming | Critical Cushion for Consistent Supply



Process: Cultivation of shrimp, which are reared in ponds in a bio-secured environment | Typical cycle of 90 - 120 days

Farming operations spread across various locations in Andhra Pradesh

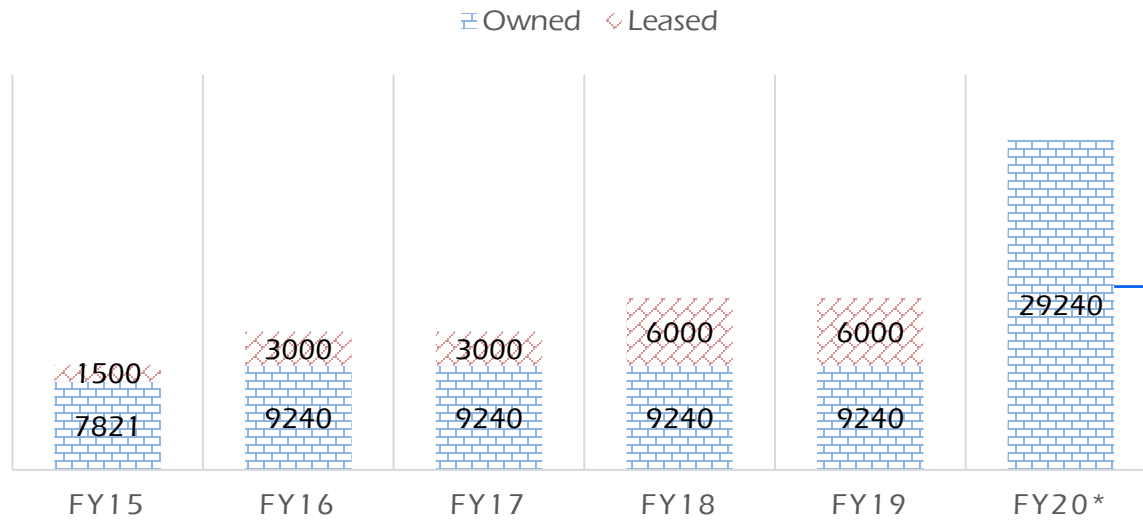


Caters to a part of the in-house raw material requirement; the balance is purchased directly from farmers across the states of Andhra Pradesh, Orissa, Bengal, Gujarat

Processing | Doubling of Capacity and Expanding the Product Line...



Process: Washing, Weighing, Beheading, Grading, Peeling, De-veining, Cooking and Freezing



Kakinada Plant:
Capacity: 9,240 MTPA
Cold Storage: 1,000 MT



G. Ragampeta Plant:
Capacity: 20,000 MTPA
Cold Storage: 2,500 MT



100% of the finished product (Frozen Shrimp) is exported primarily to markets like the USA, EU and China

*Discontinued operations at the leased facility and commenced operations at the new processing plant in G. Ragampeta

...Moving up the Value Chain with 'Ready-to-Eat' Product Offerings



Base Product

- Head On, Whole
- Headless, Shell-on,
- Easy Peel



Peeled Product

- Peeled, Deveined, Tail-on
- Peeled Un-deveined, Tail-on
- Peeled, Deveined, Tail-off
- Peeled, Un-deveined
- Peeled and Deveined



Specialty Product

- Butterfly Shrimp
- Skewered Shrimp
- Seasoned Shrimp



Ready to Eat

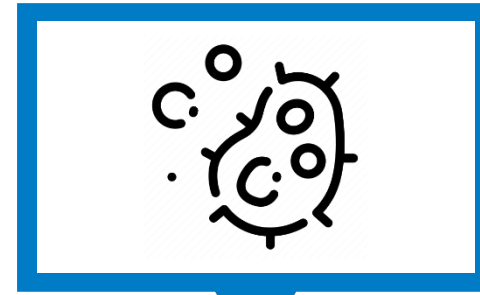
- Cooked Peeled & De-veined Tail-on
- Cooked in Shell
- Shrimp Rings
- Dusted and Breaded
- Par-fried Shrimp

Of the 20,000 MTPA capacity at the new plant, 5,000 MTPA is towards Ready-to-Eat (new product line)



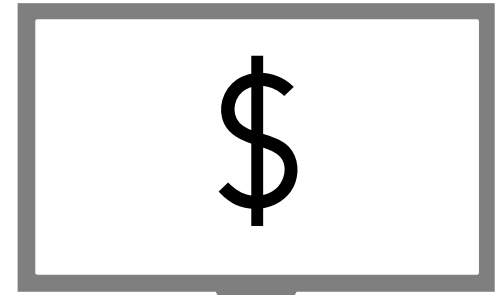
Demand Slowdown

Being an export-oriented sector, any slowdown in consumption in key markets like the USA, EU and South East Asia will have an adverse impact on India's shrimp exports



Disease Related

Highly susceptible to outbreak of diseases, which can have a detrimental effect on the availability of raw material (shrimp)



Volatile Pricing

Global imbalances in demand-supply can impact pricing. Exchange rate fluctuations can amplify the volatility



Annexures



Operational Highlights – Yearly Trend

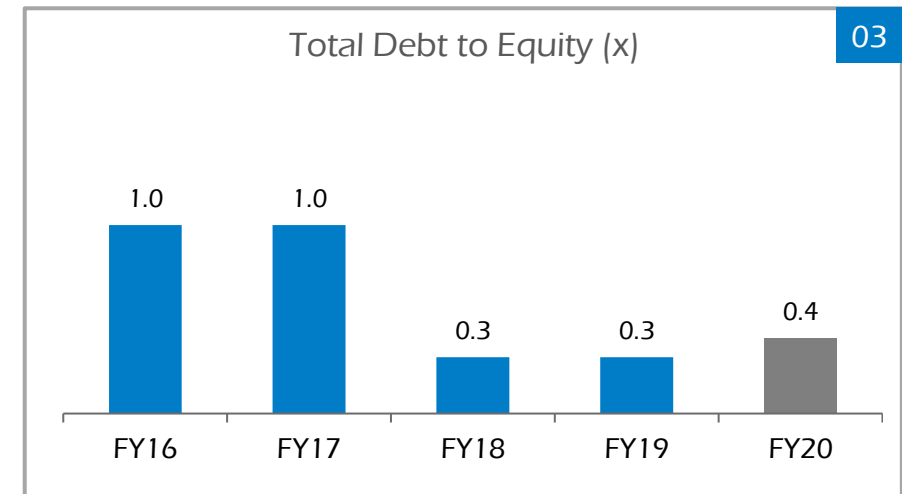
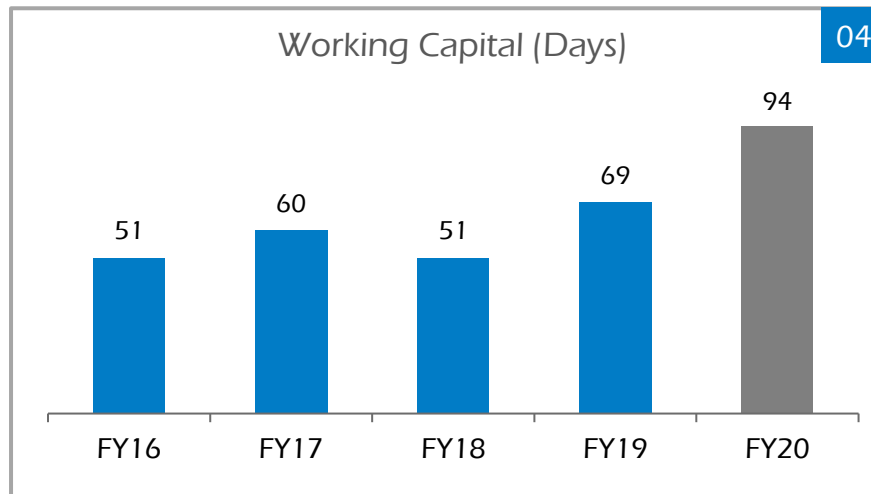
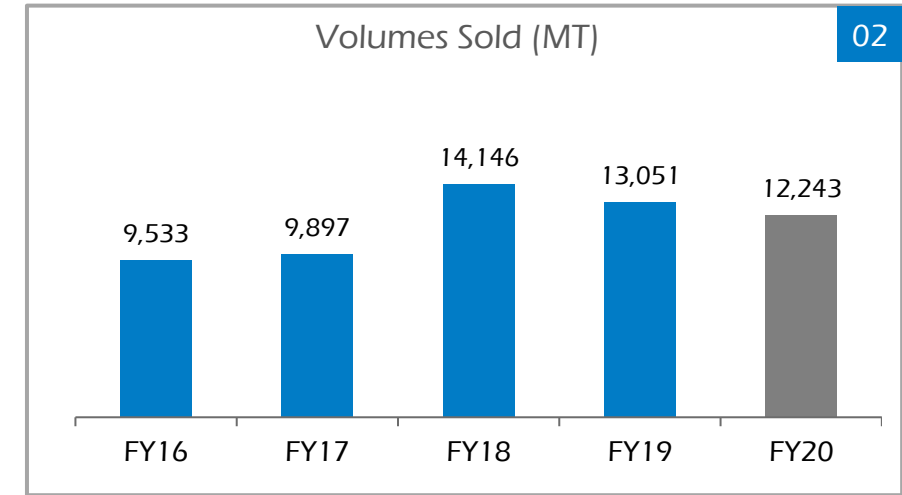
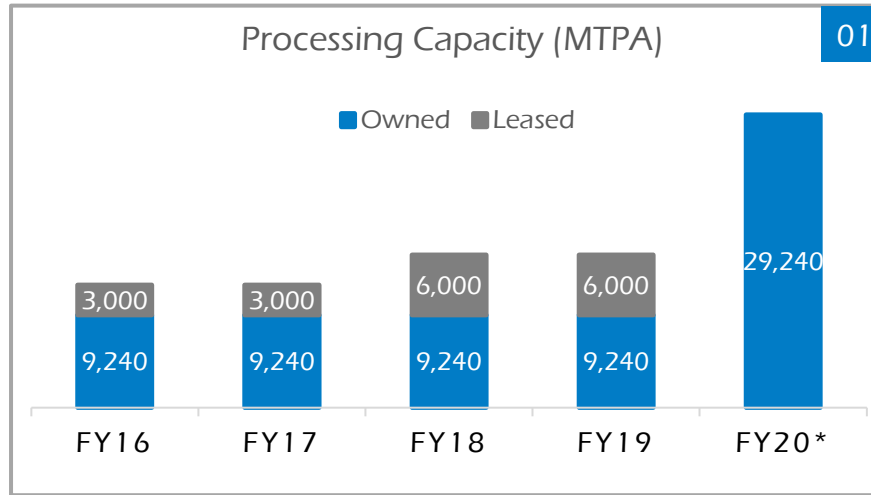


Figure 01: *Discontinued operations at the leased facility and commenced operations at the new processing plant in G. Ragampeta

Figure 04: Working capital days increased due to enhanced Hatchery operations since FY19 and inventory build-up towards end of FY20 led by the Covid-19 pandemic

Income Statement – Yearly Trend

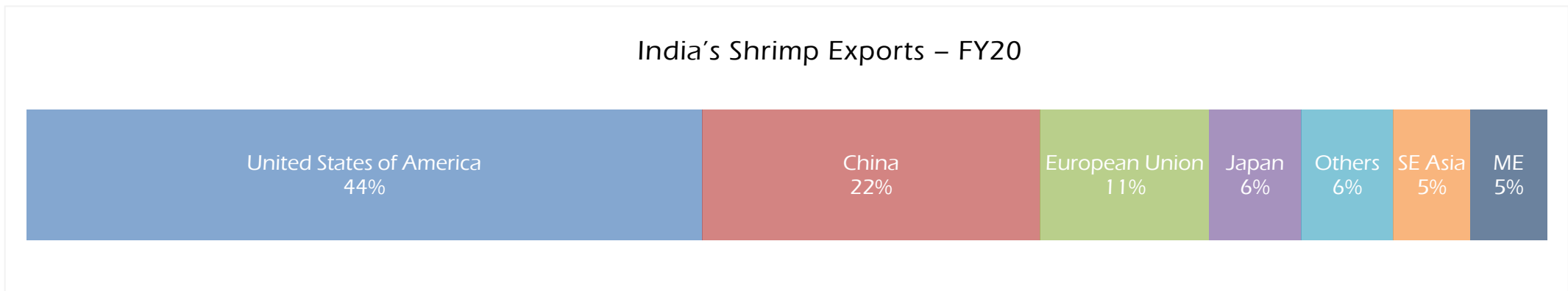
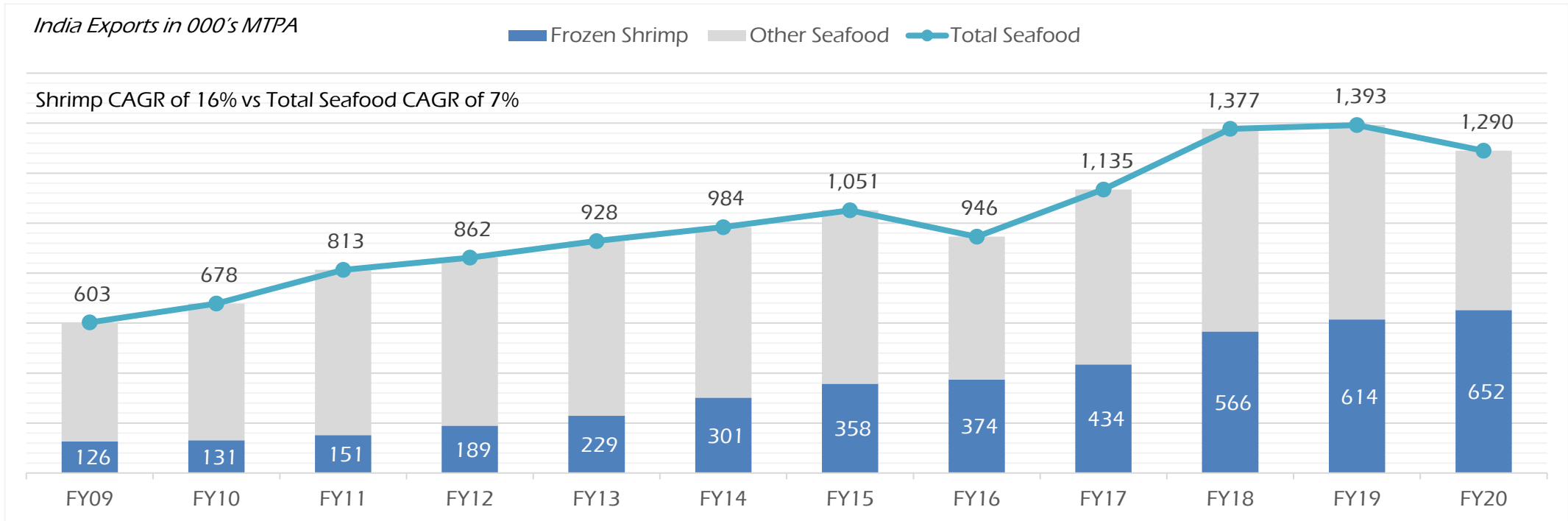
Profit & Loss (Rs mn)	FY16	FY17	FY18	FY19	FY20
Net revenue	6,035	6,987	9,986	8,747	8,271
Other income	47	106	199	215	190
Total income	6,083	7,093	10,185	8,962	8,461
Raw material	4,510	5,317	7,031	5,810	5,735
Employee expenses	233	249	389	482	437
Other expenses	884	977	1,466	1,559	1,228
EBITDA	455	549	1,299	1,111	1,060
<i>EBITDA margin (%)</i>	<i>7.5%</i>	<i>7.7%</i>	<i>12.8%</i>	<i>12.4%</i>	<i>12.5%</i>
Depreciation	49	63	87	109	146
Finance cost	104	112	87	65	106
Profit Before Tax	302	374	1,126	937	808
Tax	105	123	335	329	201
Profit After Tax	197	251	791	608	606
<i>PAT margin (%)</i>	<i>3.2%</i>	<i>3.5%</i>	<i>7.8%</i>	<i>6.8%</i>	<i>7.2%</i>

Balance Sheet – Yearly Trend

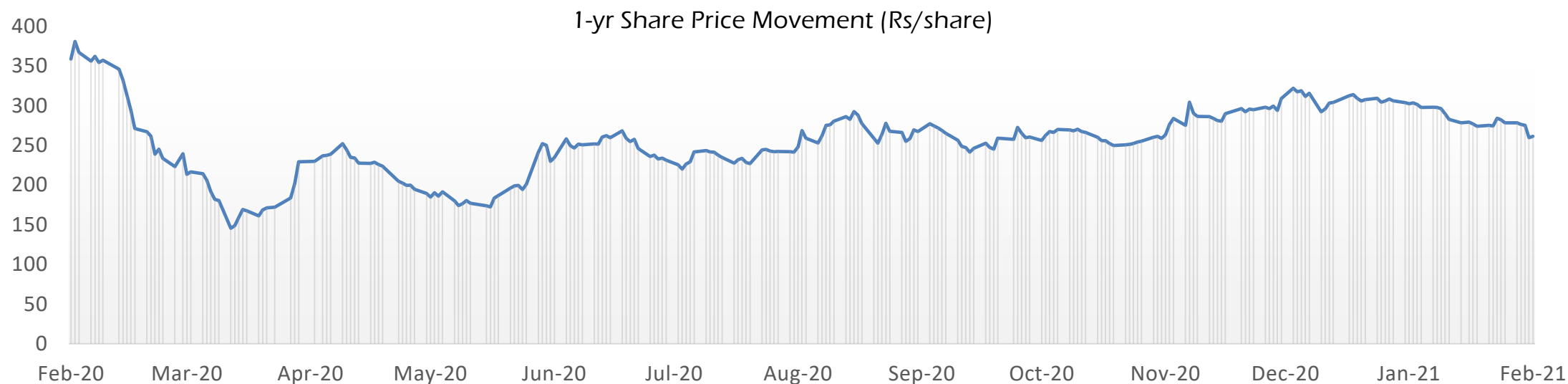
Liabilities (Rs mn)	Mar-18	Mar-19	Mar-20
Shareholder's Funds	3,023	3,551	3,959
Share capital	313	313	313
Reserves & surplus	2,710	3,238	3,646
Non-current liabilities	101	94	243
Long term borrowings	83	71	241
Other non-current liabilities	18	23	3
Current liabilities	1,187	1,453	2,063
Short term borrowings	722	958	1,197
Trade payables	266	315	453
Other current liabilities	107	51	313
Short term provisions	91	129	99
Total Liabilities	4,311	5,098	6,265

Assets (Rs mn)	Mar-18	Mar-19	Mar-20
Non-current assets	1,408	2,456	2,913
Net block	1,111	1,147	2,802
Capital work-in-progress	209	1,163	28
Other non-current assets	54	114	49
Deferred tax asset	35	33	34
Current Assets	2,902	2,641	3,352
Inventories	1,016	1,063	1,840
Trade receivables	674	935	791
Cash & cash equivalents	644	67	72
Other financial assets	184	218	162
Other current assets	384	358	486
Total Assets	4,311	5,098	6,265

India's Seafood Exports Driven by Surging Shrimp Exports ...



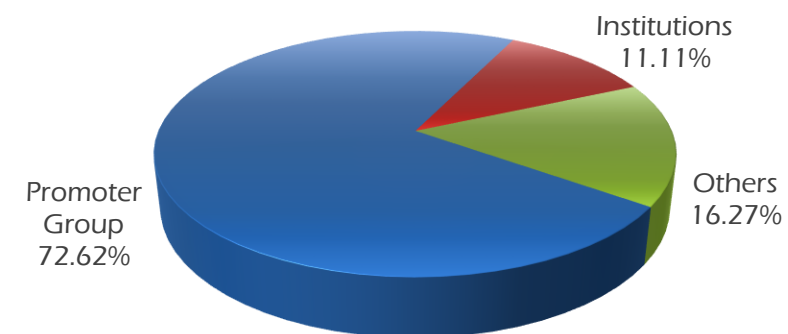
Source: MPEDA



Other data (as on 12-Feb-21)

NSE / BSE code	APEX / 540692
CMP (Rs)	260.35
Market Cap (Rs mn)	8,136
# Shares (mn)	31.25
Face Value (Rs)	10.00
Sector	Aquaculture
Location	Kakinada, AP

Shareholding Pattern (as on Dec-20)





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