



Investor Presentation

Apex Frozen Foods Limited

CIN: L15490AP2012PLC080067

Financial Year 2019



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FY19 Key Highlights



Capacity Expansion | Processing Plant

New Processing Plant at Ragampeta, AP: Installed capacity of 20,000 MTPA (Ready-to-Eat & Ready-to-Cook products)



The total planned outlay of Rs 902 mn has been fully utilised as on Mar-19 and we expect completion of the plant work in the current quarter, i.e., Q1 FY20

Capacity Expansion | Hatchery Operations

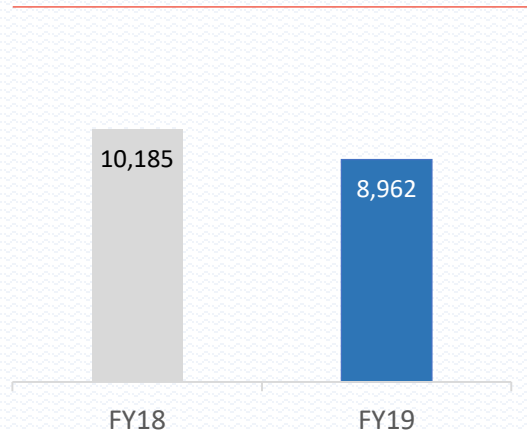
Added two new Hatcheries: One at Srikakulam, North Eastern AP and the second near Ongole, Southern AP



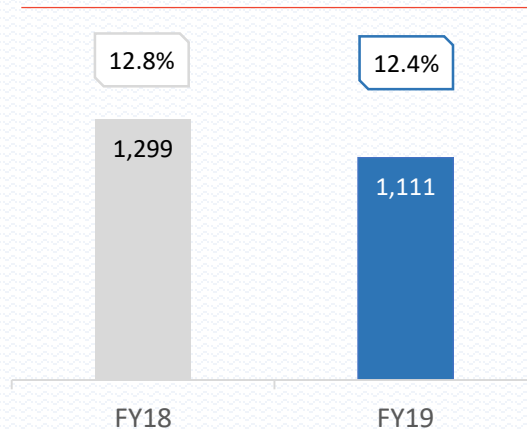
The cumulative breeding capacity stands at ~1.2 bn Specific Pathogen Free per annum (including the aforementioned hatcheries)

FY19 : Key Performance Indicators

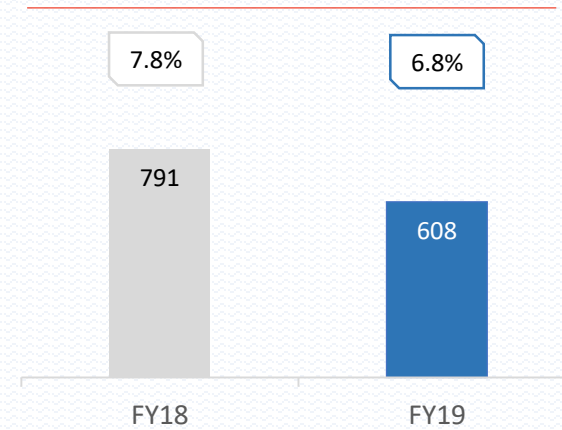
Total income (Rs mn)



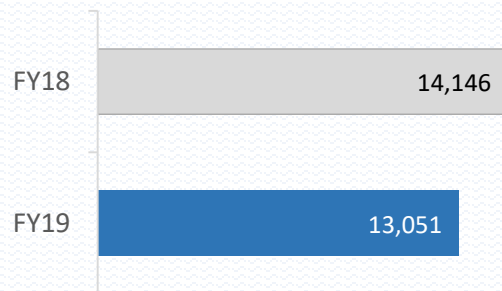
EBITDA (Rs mn) and margin (%)



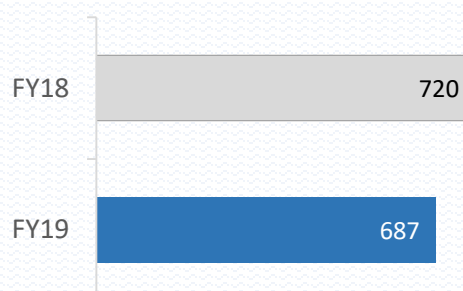
PAT (Rs mn) and margin (%)



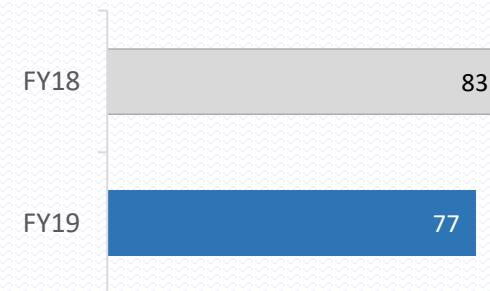
Volumes sold (MT)



Average Realisation* (Rs/kg)



Adjusted EBITDA per kg # (Rs)

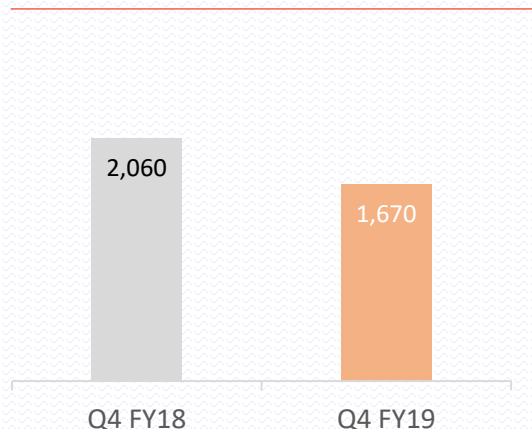


* 'Total Income, incl. other income ÷ Volumes sold'

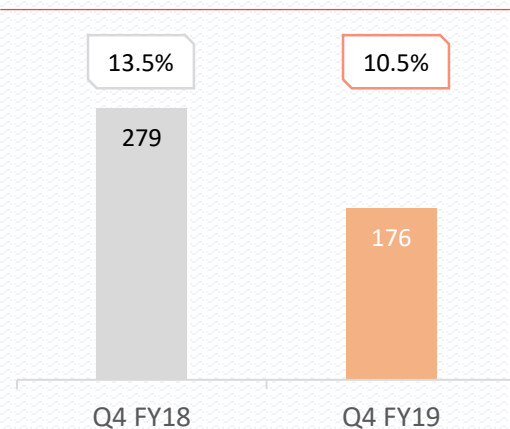
'Adj. EBITDA, incl. other income ÷ Volumes sold'

Q4 FY19 : Key Performance Indicators

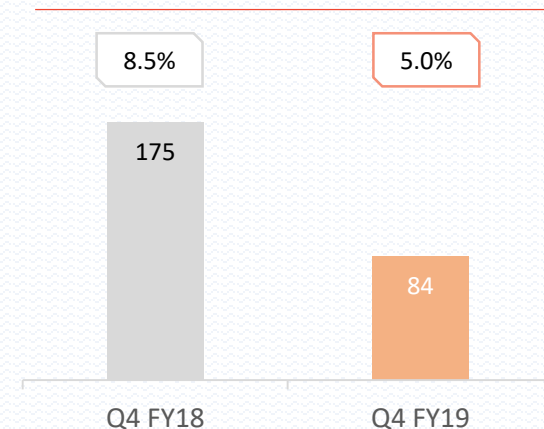
Total income (Rs mn)



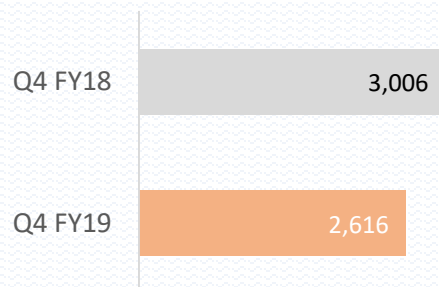
EBITDA (Rs mn) and margin (%)



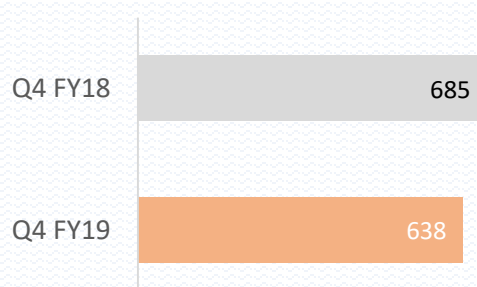
PAT (Rs mn) and margin (%)



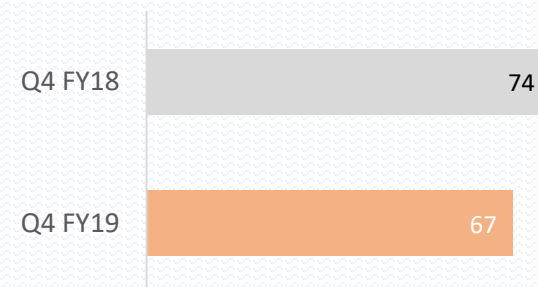
Volumes sold (MT)



Average Realisation* (Rs/kg)



Adjusted EBITDA per kg # (Rs)



* 'Total Income, incl. other income ÷ Volumes sold'

'Adj. EBITDA, incl. other income ÷ Volumes sold'

Profit & Loss Highlights

| Standalone (Rs mn) | Q4 FY19 | Q4 FY18 | Q3 FY19 | FY19 | FY18 | y-o-y % |
|-----------------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Net revenue | 1,639 | 2,031 | 2,160 | 8,747 | 9,986 | -12.4 |
| Other income | 31 | 29 | 50 | 215 | 199 | 8.0 |
| Total Income | 1,670 | 2,060 | 2,209 | 8,962 | 10,185 | -12.0 |
| Raw material | 1,027 | 1,394 | 1,520 | 5,810 | 7,031 | -17.4 |
| Employee expenses | 123 | 106 | 121 | 482 | 389 | 23.9 |
| Other expenses | 344 | 281 | 340 | 1,559 | 1,466 | 6.4 |
| EBITDA | 176 | 279 | 229 | 1,111 | 1,299 | -14.5 |
| <i>EBITDA margin</i> | <i>10.5%</i> | <i>13.5%</i> | <i>10.3%</i> | <i>12.4%</i> | <i>12.8%</i> | <i>-</i> |
| Depreciation & amortisation | 28 | 25 | 28 | 109 | 87 | 25.6 |
| Finance cost | 15 | 13 | 15 | 65 | 87 | -24.7 |
| Profit Before Tax | 133 | 240 | 186 | 937 | 1,126 | -16.8 |
| Tax | 49 | 65 | 73 | 329 | 335 | -1.7 |
| Profit After Tax | 84 | 175 | 113 | 608 | 791 | -23.1 |
| <i>PAT margin</i> | <i>5.0%</i> | <i>8.5%</i> | <i>5.1%</i> | <i>6.8%</i> | <i>7.8%</i> | <i>-</i> |
| Other comprehensive income | 56 | -28 | 76 | 19 | -39 | -149.3 |
| Total Comprehensive Income | 140 | 147 | 189 | 627 | 752 | -16.6 |
| Diluted EPS* (Rs) | 2.69 | 5.60 | 3.63 | 19.45 | 28.02 | -30.6 |

*Calculated as per weighted average total no. of shares

Balance Sheet Highlights

| Standalone (Rs mn) | Mar-18 | Mar-19 |
|--------------------------------|--------------|--------------|
| Shareholder's Funds | 3,023 | 3,551 |
| Share capital | 313 | 313 |
| Reserves & surplus | 2,710 | 3,238 |
| Non-current liabilities | 101 | 94 |
| Long term borrowings | 83 | 71 |
| Other non-current liabilities | 18 | 23 |
| Current liabilities | 1,187 | 1,434 |
| Short term borrowings | 722 | 958 |
| Trade payables | 266 | 315 |
| Other current liabilities | 49 | 51 |
| Current tax liability | 58 | -18 |
| Short term provisions | 91 | 129 |
| Total Liabilities | 4,311 | 5,079 |

| Standalone (Rs mn) | Mar-18 | Mar-19 |
|---------------------------|--------------|--------------|
| Non-current assets | 1,408 | 2,456 |
| Net block | 1,111 | 1,147 |
| Capital work-in-progress | 209 | 1,163 |
| Other non-current assets | 54 | 114 |
| Deferred tax asset | 35 | 33 |
| Current Assets | 2,902 | 2,623 |
| Inventories | 1,016 | 1,063 |
| Trade receivables | 674 | 935 |
| Cash & cash equivalents | 644 | 67 |
| Other financial assets | 184 | 218 |
| Other current assets | 384 | 340 |
| Total Assets | 4,311 | 5,079 |



Subrahmanya Chowdary
Executive Director

Our performance in FY19

The growth in shrimp consumption in some of our key markets like the USA, continued to remain muted largely on account of inventory pile-up and extended winters. This, coupled with overproduction in supplier markets like India, led to correction in shrimp prices of ~15-18% y-o-y.

Consequently, the lower prices dampened shrimp production in India leading to a mis-match in the demand-supply situation for certain sizes; thereby causing order fulfilment times for some orders to get drawn out.

However, with shrimp production anticipated to be lower this fiscal, we expect this situation to correct in the near future.

Going forward, we believe that our valued-added focused product portfolio and upcoming capacity for R-T-E products would help in enhancing the Company's performance. We are looking forward to the commencement of production from our new processing plant and would strive for a strong Fiscal 2020.

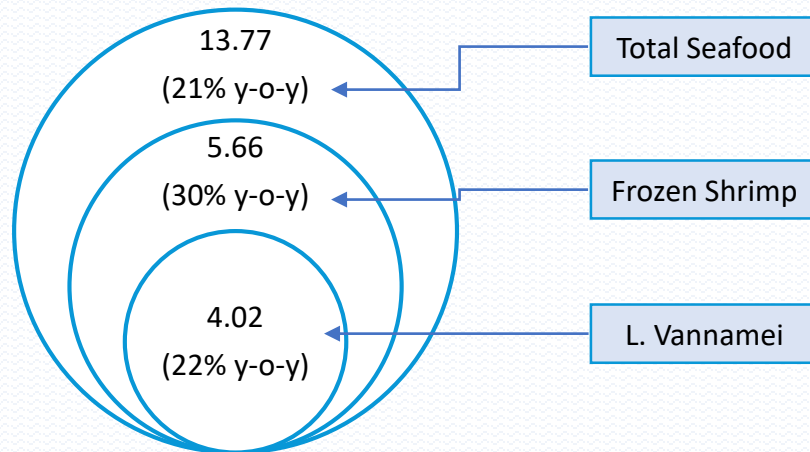


Business Strengths



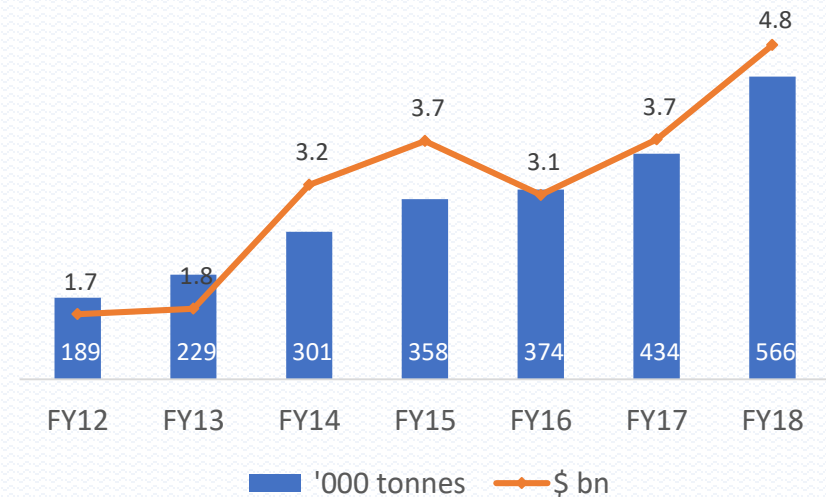
Indian Aquaculture Industry

India's exports on a rise – FY18 (lakh tonnes)



Source: MPEDA

Frozen shrimp exports by India

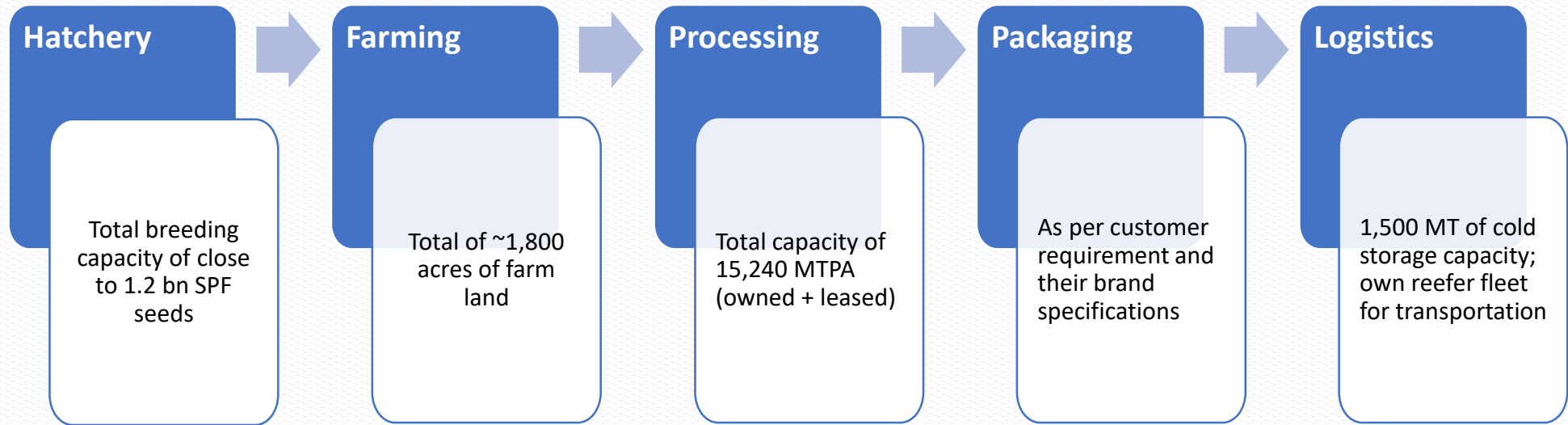


Source: MPEDA



Although shrimp export in FY19 is estimated to be flat y-o-y, in value terms the estimated drop of 10-12%

Integrated Operations Ensure Quality Control & Timely Delivery

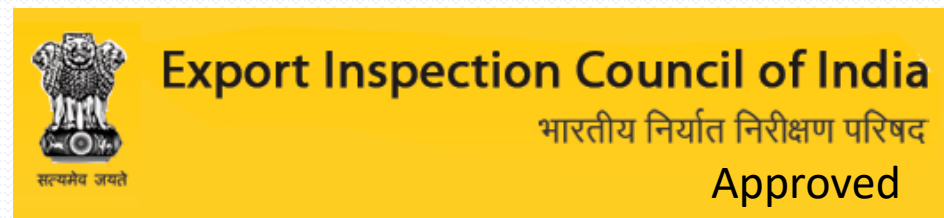


*Our facilities are in proximity to one another, enabling smooth transition to the next stage:
Farms are within **10-200 kms**; Kakinada port is within **~20 kms**; Vizag port is within **~150 kms***

Quality Control Certifications act as Entry Barrier



EU Approved



Long Standing Relationships with Reputed Clients

Our key distributors...

Pacific Seafood

OCEAN WORLD
VENTURES

Mazzetta Company

Chicken of the Sea
frozen foods

...The end customers (Retail/Food Service Companies)

Walmart

WinCo
FOODS

Sysco

US.
FOODS

Kroger

SAFEWAY

ALDI

Photo Gallery



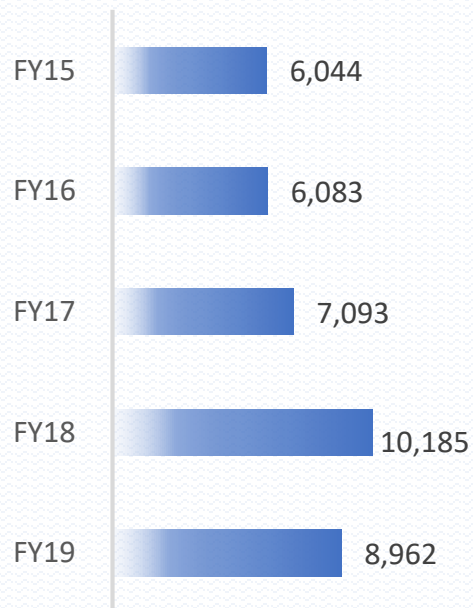


Annual Financial Highlights



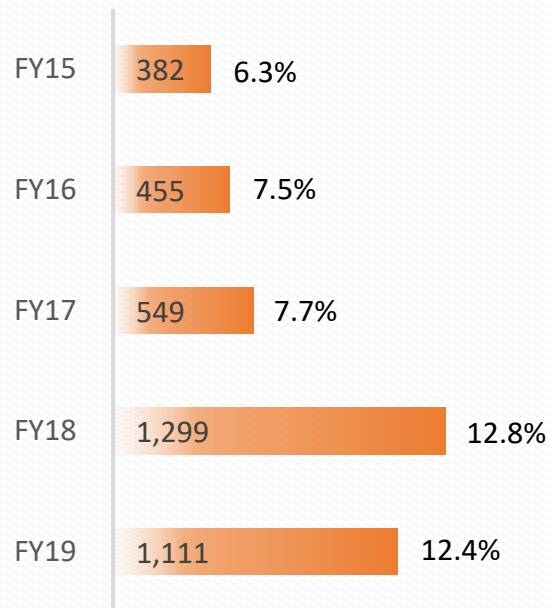
Robust Growth in Revenue and Profits

Total income (Rs mn)



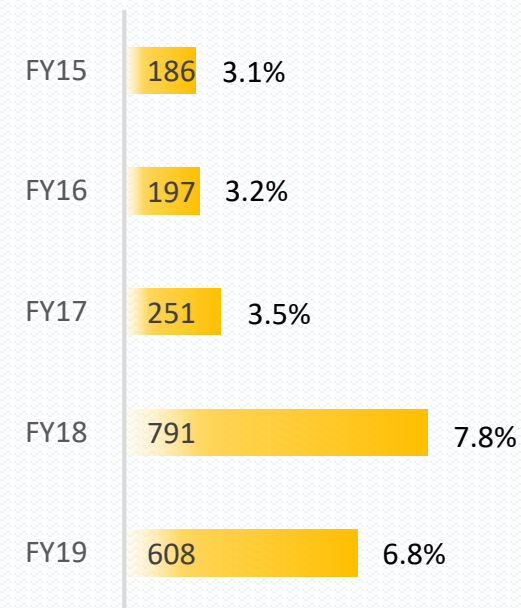
Grown at a CAGR of 10%

EBITDA (Rs mn) & Margin (%)



Aided by value-added products

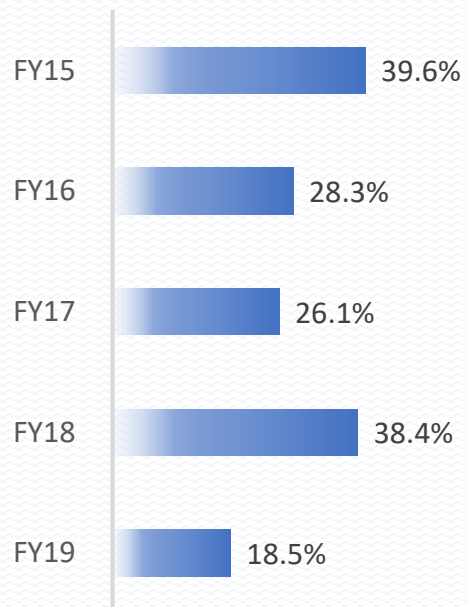
PAT (Rs mn) & Margin (%)



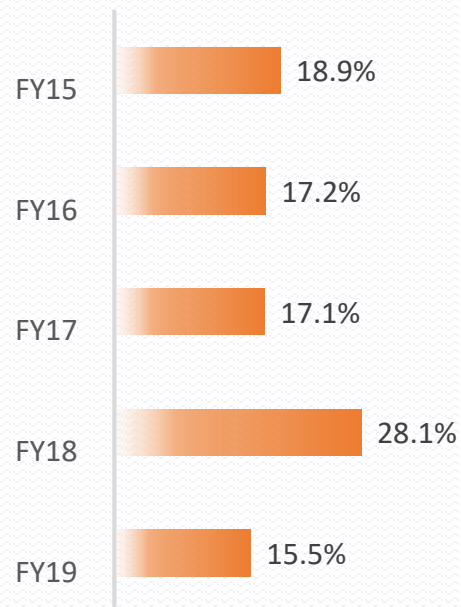
Grown at a CAGR of 35%

Key Performance Ratios

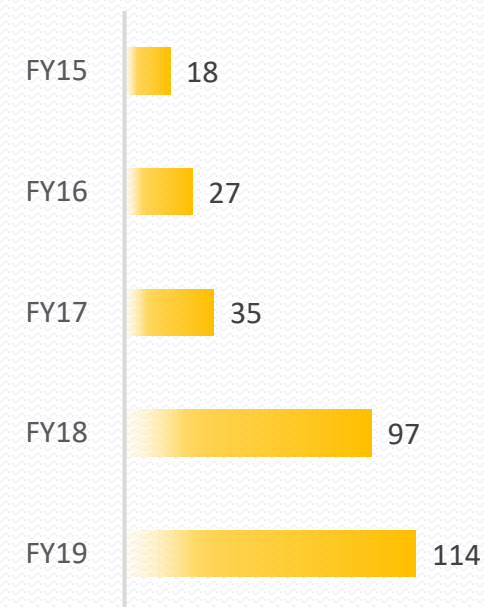
Return on Net Worth (%)



Return on Capital Employed (%)



Diluted Book value (Rs/share)



Calculation of Ratios:

$RoNW = PAT \text{ (before OCI)} \div \text{Average Net-worth} \times 100$; $RoCE = EBIT \times (1 - \text{tax rate}) \div \text{Average Capital employed} \times 100$; $DBVPS = \text{Net-worth} \div \text{Total no. of outstanding shares}$

Profit & Loss Highlights

| Profit & Loss (Rs mn) | FY15 | FY16 | FY17 | FY18 | FY19 |
|--------------------------|--------------|--------------|--------------|---------------|--------------|
| Net revenue | 5,994 | 6,035 | 6,987 | 9,986 | 8,747 |
| Other income | 50 | 47 | 106 | 199 | 215 |
| Total income | 6,044 | 6,083 | 7,093 | 10,185 | 8,962 |
| Raw material | 4,752 | 4,510 | 5,317 | 7,031 | 5,810 |
| Employee expenses | 258 | 233 | 249 | 389 | 482 |
| Other expenses | 652 | 884 | 977 | 1,466 | 1,559 |
| EBITDA | 382 | 455 | 549 | 1,299 | 1,111 |
| <i>EBITDA margin (%)</i> | <i>6.3%</i> | <i>7.5%</i> | <i>7.7%</i> | <i>12.8%</i> | <i>12.4%</i> |
| Depreciation | 4 | 49 | 63 | 87 | 109 |
| EBIT | 378 | 406 | 487 | 1,213 | 1,002 |
| <i>EBIT margin (%)</i> | <i>6.3%</i> | <i>6.7%</i> | <i>6.9%</i> | <i>11.9%</i> | <i>11.2%</i> |
| Finance cost | 96 | 104 | 112 | 87 | 65 |
| Profit Before Tax | 282 | 302 | 374 | 1,126 | 937 |
| Tax | 96 | 105 | 123 | 335 | 329 |
| Profit After Tax | 186 | 197 | 251 | 791 | 608 |
| <i>PAT margin (%)</i> | <i>3.1%</i> | <i>3.2%</i> | <i>3.5%</i> | <i>7.8%</i> | <i>6.8%</i> |

Note: The data beyond FY17 is as per Restated Financials

Balance Sheet Highlights

| Standalone (Rs mn) | FY17 | FY18 | FY19 |
|--------------------------------|--------------|--------------|--------------|
| Shareholder's Funds | 1,094 | 3,023 | 3,551 |
| Share capital | 240 | 313 | 313 |
| Reserves & surplus | 854 | 2,710 | 3,238 |
| Non-current liabilities | 273 | 101 | 94 |
| Long term borrowings | 210 | 83 | 71 |
| Deferred tax liability | 63 | 0 | 0 |
| Other non-current liabilities | - | 18 | 23 |
| Current liabilities | 1,400 | 1,187 | 1,434 |
| Short term borrowings | 847 | 722 | 958 |
| Trade payables | 309 | 266 | 315 |
| Other current liabilities | 44 | 107 | 32 |
| Short term provisions | 199 | 91 | 129 |
| Total Liabilities | 2,767 | 4,311 | 5,079 |

| Standalone (Rs mn) | FY17 | FY18 | FY19 |
|---------------------------|--------------|--------------|--------------|
| Non-current assets | 857 | 1,408 | 2,456 |
| Net block | 829 | 1,111 | 1,147 |
| Capital work-in-progress | 8 | 209 | 1,163 |
| Other non-current assets | 21 | 54 | 114 |
| Deferred tax asset | 0 | 35 | 33 |
| Current Assets | 1,910 | 2,902 | 2,623 |
| Inventories | 638 | 1,016 | 1,063 |
| Trade receivables | 828 | 674 | 935 |
| Cash & cash equivalents | 46 | 644 | 67 |
| Other financial assets | 128 | 184 | 218 |
| Other current assets | 270 | 384 | 340 |
| Total Assets | 2,767 | 4,311 | 5,079 |

Company Overview

About The Company

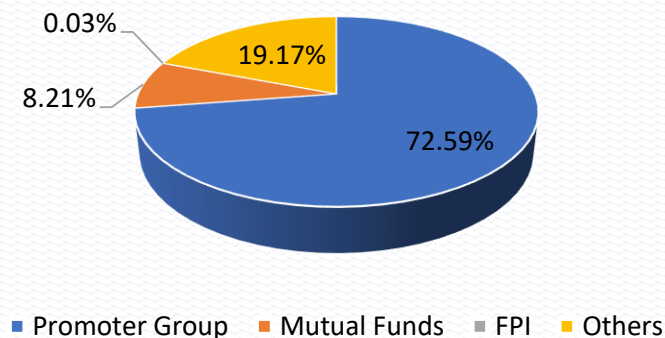
- Commenced business operations in 1995, Apex Frozen Foods is one of the leading Producers and Exporters of processed, ready-to-cook, Shrimp in India. It a fully integrated company with presence across the value chain - Hatchery, Farming, Processing and Exporting of Shrimp.
- Our existing facilities include 15,240 MTPA (owned + leased) of processing capacity; 1,800 acres of farm land; breeding capacity of close to 1.2 bn SPF seeds and cold storage of 1,500 MT of finished goods.
- We supply to a diversified customer base consisting of Food Companies, Retail Chains, Restaurants, Club Stores and Distributors spread across the key consumption centres (markets) – USA and Europe.

Share Capital Information

| | |
|--------------------|---------------|
| NSE / BSE code | APEX / 540692 |
| CMP (Rs) | 254 |
| Market Cap (Rs mn) | 7,941 |
| # Shares (mn) | 31.25 |
| Face Value (Rs) | 10.00 |

| | |
|----------|--------------|
| Sector | Aquaculture |
| Location | Kakinada, AP |

Shareholding Pattern (Mar-19)





For further information, contact:



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