



# Apex Frozen Foods

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Result Presentation

Q4 / FY21

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## Key Business Updates – Q4 / FY21

The Board has recommended a dividend of 20% of face value (Rs 10/share), that is, Rs 2/share

#### Operational Updates

- Key impact of Covid-19 was a Global Disruption in sea transport ⇒ Reduced Container availability ⇒ Delayed Dispatches ⇒ Elongated WC Cycle (increased inventory & debtor days)
- However, Q4FY21 sales volume grew by ~30% YoY on the back easing of transport situation, and aided FY21 sales volume recover to ~96% of FY20 sales
- The value added Ready-to-Eat products have been received well by the customers

#### Financial Updates

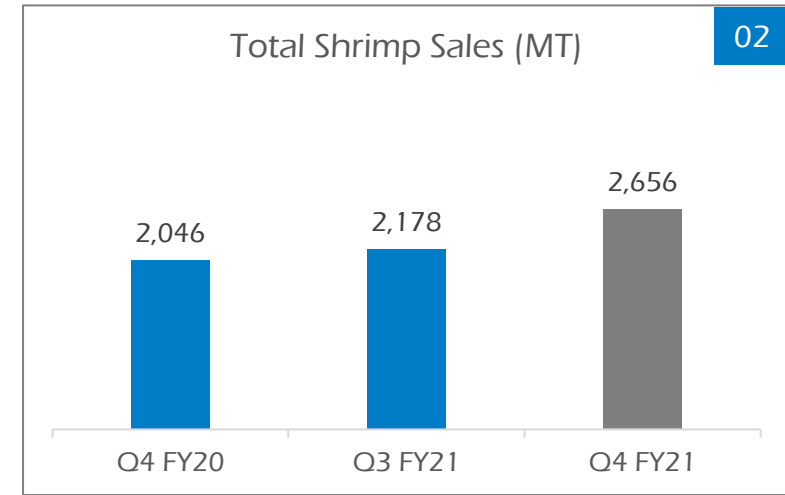
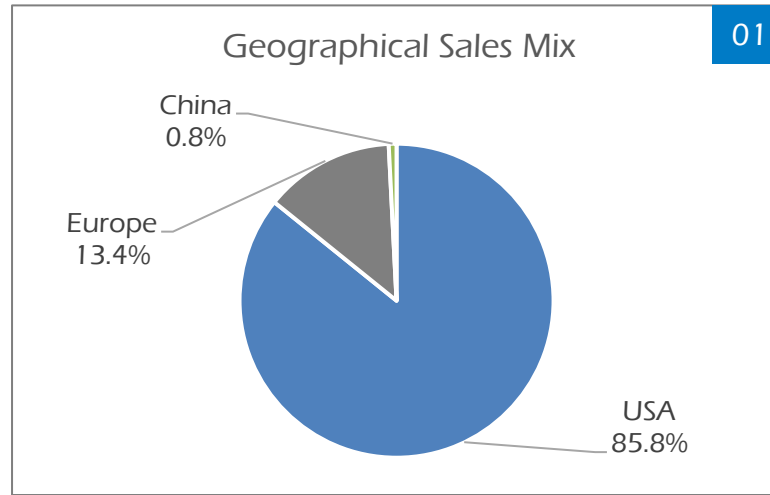
- The average realization improved in FY21, due to contribution from value added Ready-to-Eat products and firm shrimp prices, globally
- Net revenue in FY21 de-grew by a marginal 1% Y-o-Y despite ~4% Y-o-Y drop in volumes and reduction-cum-discontinuation of MEIS benefit (~5% of revenue)
- Overall profitability was lower due to increased other expenses, depreciation (due to commissioning of new plant) and interest costs (due to higher WC requirement)

#### Status of the Unit-II of Ongole Hatchery

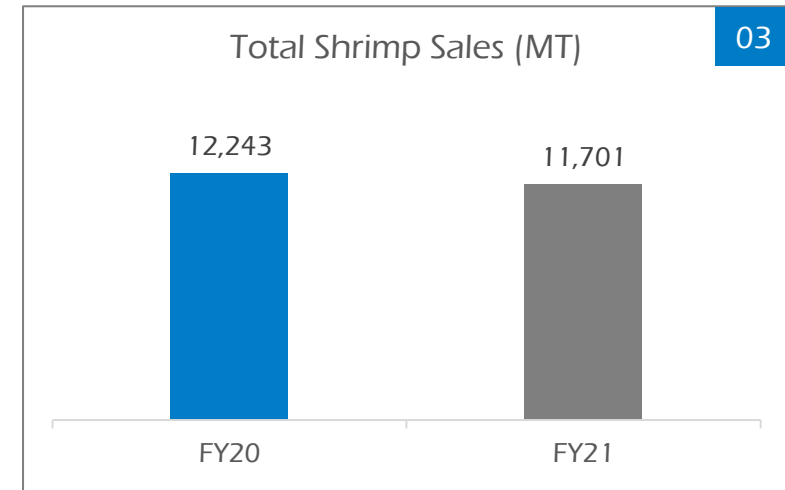
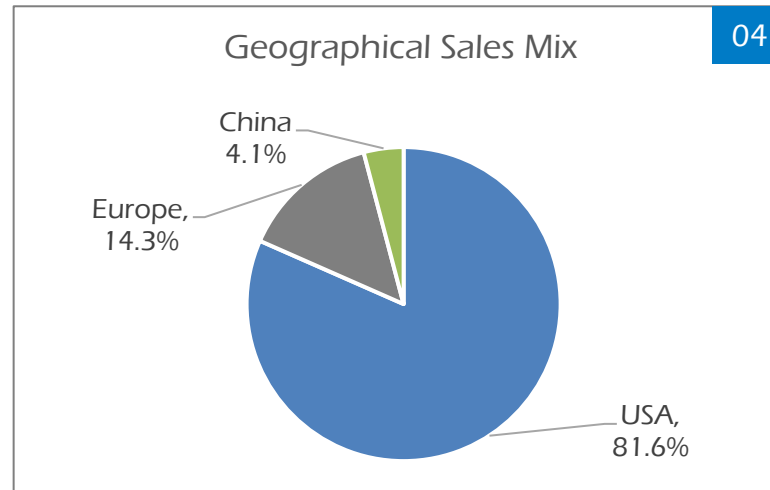
Completed the construction work; Commercial production to start post Audits and certain Regulatory Approvals

# Key Operational Highlights

Q4 FY21



FY21





# Income Statement Highlights

Standalone (Rs Mn)	Q4 FY21	Q4 FY20	Y-o-Y %	Q3 FY21	Q-o-Q %	FY21	FY20	Y-o-Y %
Net revenue	1,819	1,407		1,561		8,185	8,271	
Other income	22	53		11		75	190	
<b>Total Income</b>	<b>1,841</b>	<b>1,460</b>	<b>26.2</b>	<b>1,572</b>	<b>17.2</b>	<b>8,260</b>	<b>8,461</b>	<b>-2.4</b>
Raw material costs	1,211	911		1,097		5,531	5,735	
Employee expenses	102	97		73		398	437	
Other expenses	316	264		283		1,346	1,228	
<b>EBITDA</b>	<b>212</b>	<b>187</b>	<b>13.8</b>	<b>119</b>	<b>78.7</b>	<b>985</b>	<b>1,060</b>	<b>-7.1</b>
<i>EBITDA margin</i>	<i>11.5%</i>	<i>12.8%</i>		<i>7.6%</i>		<i>11.9%</i>	<i>12.5%</i>	
Depreciation & amortisation	49	48		47		219	146	
Finance cost	44	18		40		159	106	
<b>Profit Before Tax</b>	<b>119</b>	<b>120</b>	<b>-1.1</b>	<b>32</b>	<b>273</b>	<b>606</b>	<b>808</b>	<b>-25.0</b>
Tax expenses	35	29		9		163	201	
<b>Profit After Tax</b>	<b>84</b>	<b>92</b>	<b>-8.7</b>	<b>23</b>	<b>271</b>	<b>443</b>	<b>606</b>	<b>-27.0</b>
<i>PAT margin</i>	<i>4.5%</i>	<i>6.3%</i>		<i>1.4%</i>		<i>5.4%</i>	<i>7.2%</i>	
Other comprehensive income	1	31		1		-3	39	
Total Comprehensive Income	85	123		24		440	645	
<b>Diluted EPS (Rs)</b>	<b>2.68</b>	<b>2.93</b>	<b>-8.5</b>	<b>0.72</b>	<b>272</b>	<b>14.17</b>	<b>19.41</b>	<b>-27.0</b>

## Balance Sheet Highlights

Liabilities (Rs Mn)	Mar-20	Mar-21
<b>Shareholder's Funds</b>	<b>3,959</b>	<b>4,398</b>
Share capital	313	313
Reserves & surplus	3,646	4,086
<b>Non-current liabilities</b>	<b>243</b>	<b>281</b>
Long term borrowings	241	281
Other non-current liabilities	3	0
<b>Current liabilities</b>	<b>2,063</b>	<b>1,889</b>
Short term borrowings	1,197	1,380
Trade payables	453	300
Other current liabilities	313	74
Short term provisions	99	135
<b>Total Liabilities</b>	<b>6,265</b>	<b>6,568</b>

Assets (Rs Mn)	Mar-20	Mar-21
<b>Non-current assets</b>	<b>2,913</b>	<b>2,708</b>
Net block	2,802	2,504
Capital work-in-progress	28	154
Other non-current assets	49	27
Deferred tax asset	34	23
<b>Current Assets</b>	<b>3,352</b>	<b>3,860</b>
Inventories	1,840	1,612
Trade receivables	791	1,546
Cash & cash equivalents	72	99
Other financial assets	162	227
Other current assets	486	377
<b>Total Assets</b>	<b>6,265</b>	<b>6,568</b>



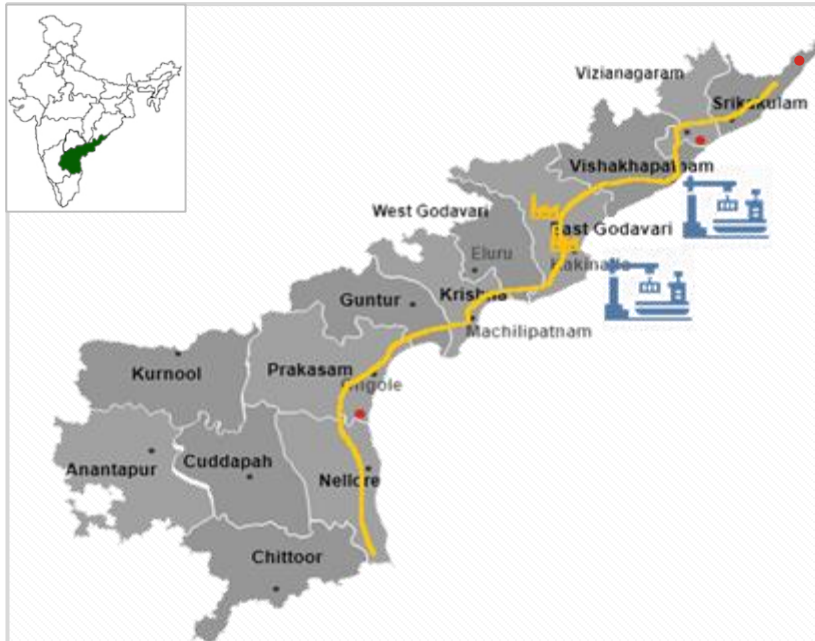
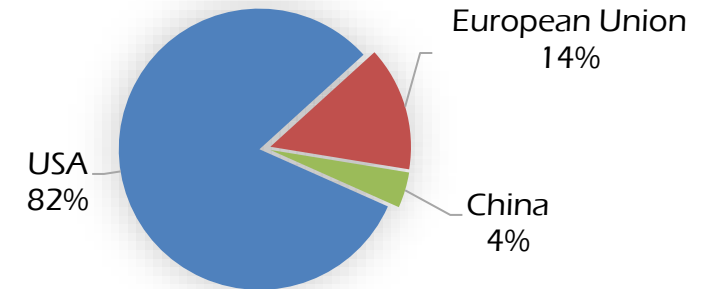
## Company At a Glance



# 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 in **Hatchery and Processing & Exporting of Shrimp**

Key Export Markets – FY21



## Strategically Located & Well Integrated Operations



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



Located within 20 - 200 kms of most farms from where the produce is sourced for processing



Two facilities with a total Processing Capacity of 29,240 MTPA and Cold Storage capacity of ~3,500 MT



Located ~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)**

Construction  
completed

Awaiting audits  
and regulatory  
approvals



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



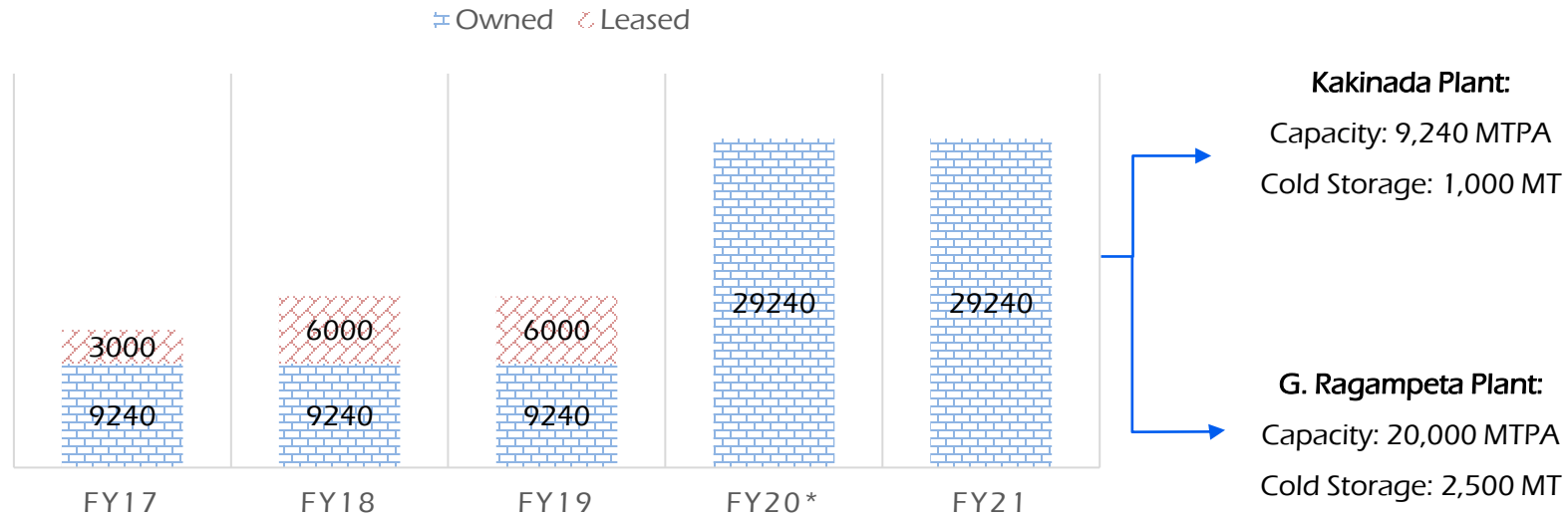
In-line with its strategic realignment, the Company has discontinued its leased farms and will continue to procure the required produce directly from farmers



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



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



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



### 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

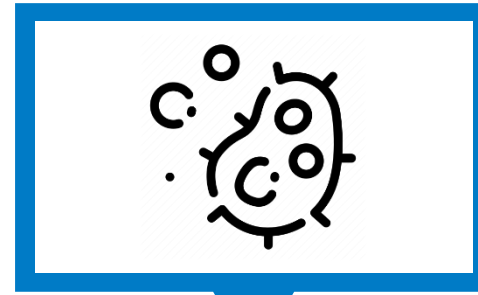
Of the 20,000 MTPA capacity at the new plant, 5,000 MTPA is towards Ready-to-Eat (new product line)





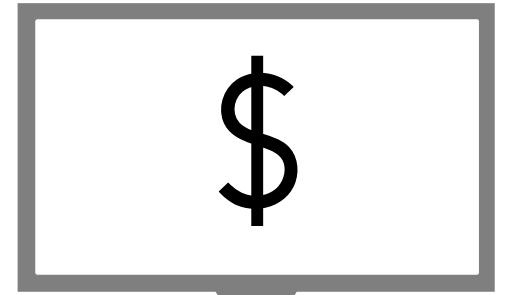
### Demand Slowdown

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

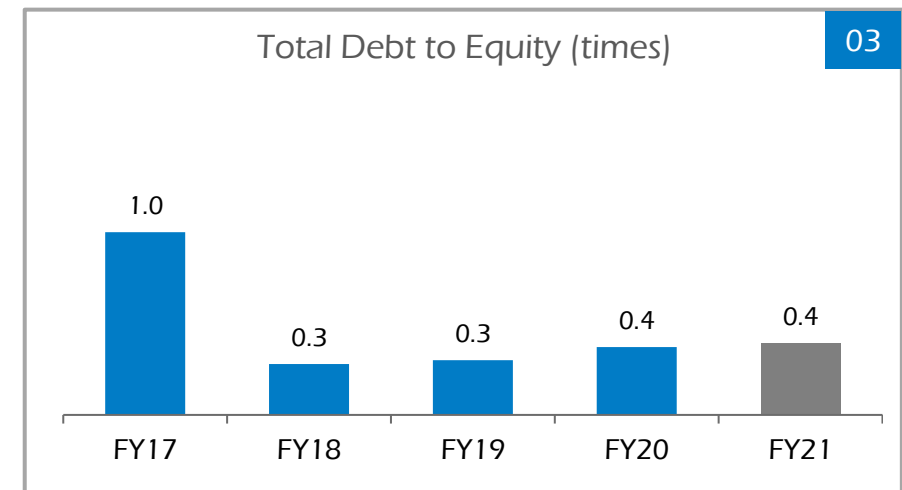
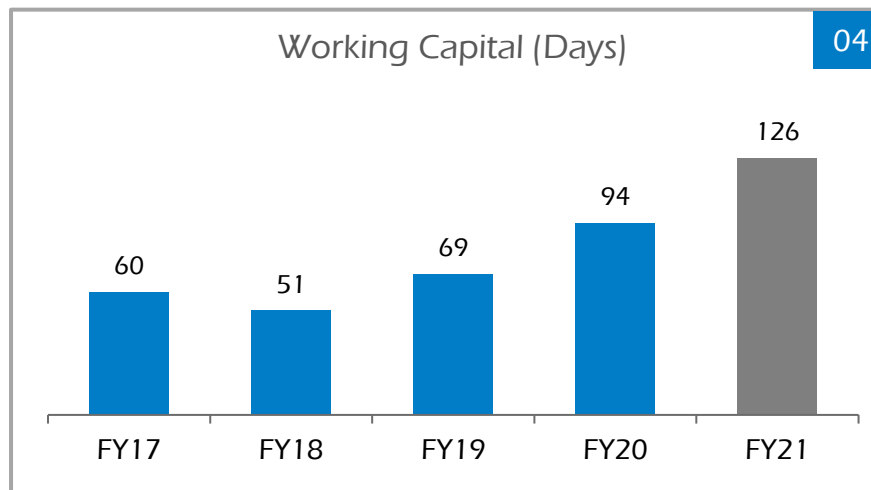
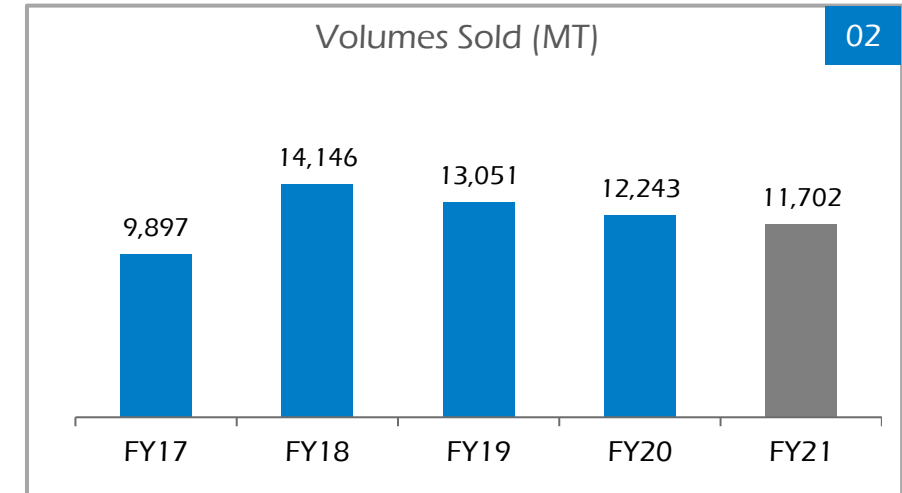
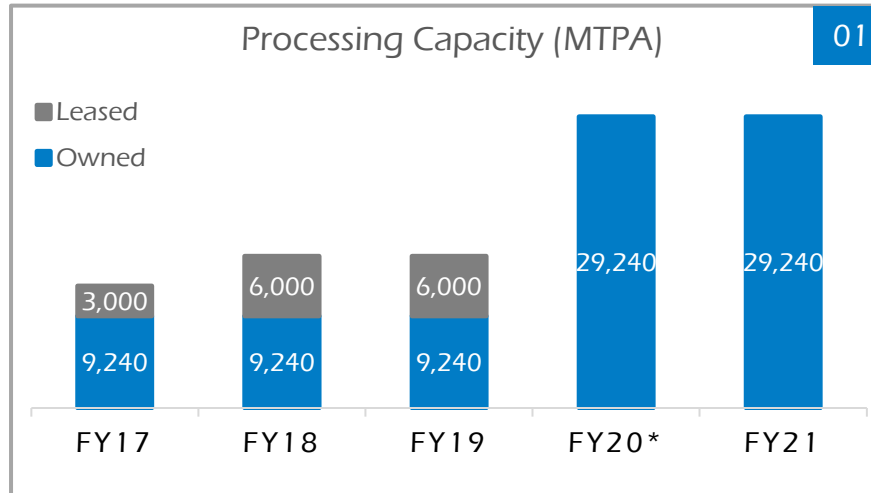


Figure 01: \*Discontinued operations at the leased facility (6,000 MTPA) and commenced operations at the new processing plant in G. Ragampeta (20,000 MTPA)

Figure 04: Working capital days increased due to enhanced Hatchery operations since FY19 and inventory & debtor build-up as on FY20 and FY21, led by the Covid-19 impact

## Income Statement – Yearly Trend

Profit & Loss (Rs Mn)	FY17	FY18	FY19	FY20	FY21
Net revenue	6,987	9,986	8,747	8,271	8,185
Other income	106	199	215	190	75
<b>Total income</b>	<b>7,093</b>	<b>10,185</b>	<b>8,962</b>	<b>8,461</b>	<b>8,260</b>
Raw material costs	5,317	7,031	5,810	5,735	5,531
Employee expenses	249	389	482	437	398
Other expenses	977	1,466	1,559	1,228	1,346
<b>EBITDA</b>	<b>549</b>	<b>1,299</b>	<b>1,111</b>	<b>1,060</b>	<b>985</b>
<i>EBITDA margin (%)</i>	<i>7.7%</i>	<i>12.8%</i>	<i>12.4%</i>	<i>12.5%</i>	<i>11.9%</i>
Depreciation	63	87	109	146	219
Finance cost	112	87	65	106	159
<b>Profit Before Tax</b>	<b>374</b>	<b>1,126</b>	<b>937</b>	<b>808</b>	<b>606</b>
Tax expenses	123	335	329	201	163
<b>Profit After Tax</b>	<b>251</b>	<b>791</b>	<b>608</b>	<b>606</b>	<b>443</b>
<i>PAT margin (%)</i>	<i>3.5%</i>	<i>7.8%</i>	<i>6.8%</i>	<i>7.2%</i>	<i>5.4%</i>

## Balance Sheet – Yearly Trend

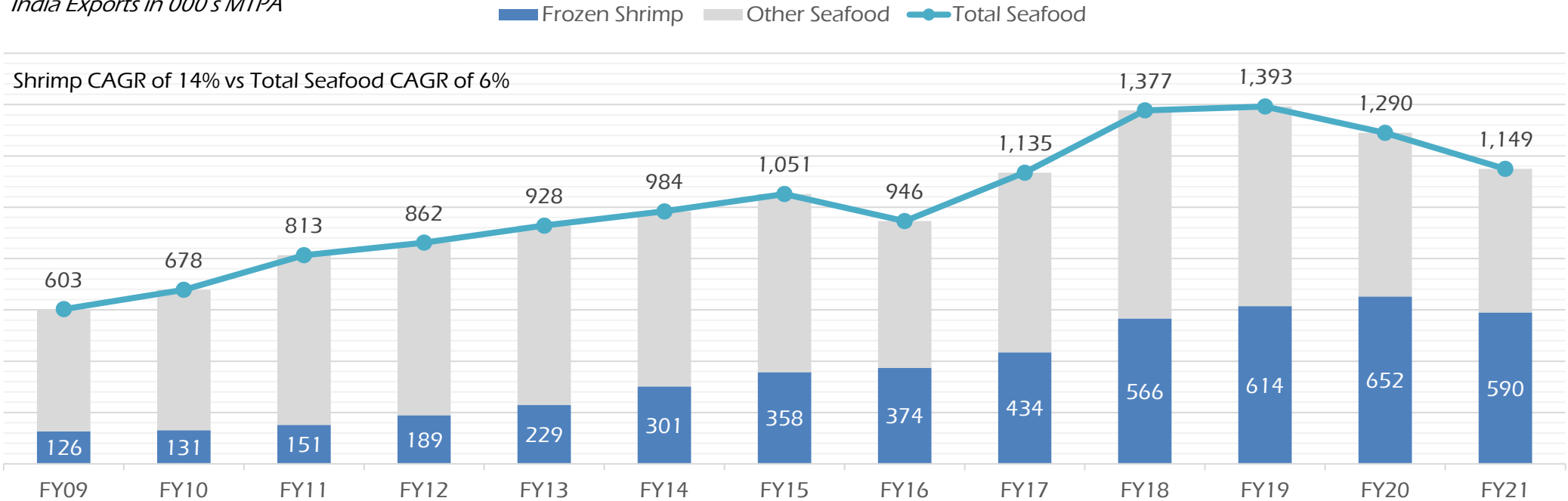
Liabilities (Rs Mn)	Mar-19	Mar-20	Mar-21
<b>Shareholder's Funds</b>	<b>3,551</b>	<b>3,959</b>	<b>4,398</b>
Share capital	313	313	313
Reserves & surplus	3,238	3,646	4,086
<b>Non-current liabilities</b>	<b>94</b>	<b>243</b>	<b>281</b>
Long term borrowings	71	241	281
Other non-current liabilities	23	3	0
<b>Current liabilities</b>	<b>1,453</b>	<b>2,063</b>	<b>1,889</b>
Short term borrowings	958	1,197	1,380
Trade payables	315	453	300
Other current liabilities	51	313	74
Short term provisions	129	99	135
<b>Total Liabilities</b>	<b>5,098</b>	<b>6,265</b>	<b>6,568</b>

Assets (Rs Mn)	Mar-19	Mar-20	Mar-21
<b>Non-current assets</b>	<b>2,456</b>	<b>2,913</b>	<b>2,708</b>
Net block	1,147	2,802	2,504
Capital work-in-progress	1,163	28	154
Other non-current assets	114	49	27
Deferred tax asset	33	34	23
<b>Current Assets</b>	<b>2,641</b>	<b>3,352</b>	<b>3,860</b>
Inventories	1,063	1,840	1,612
Trade receivables	935	791	1,546
Cash & cash equivalents	67	72	99
Other financial assets	218	162	227
Other current assets	358	486	377
<b>Total Assets</b>	<b>5,098</b>	<b>6,265</b>	<b>6,568</b>



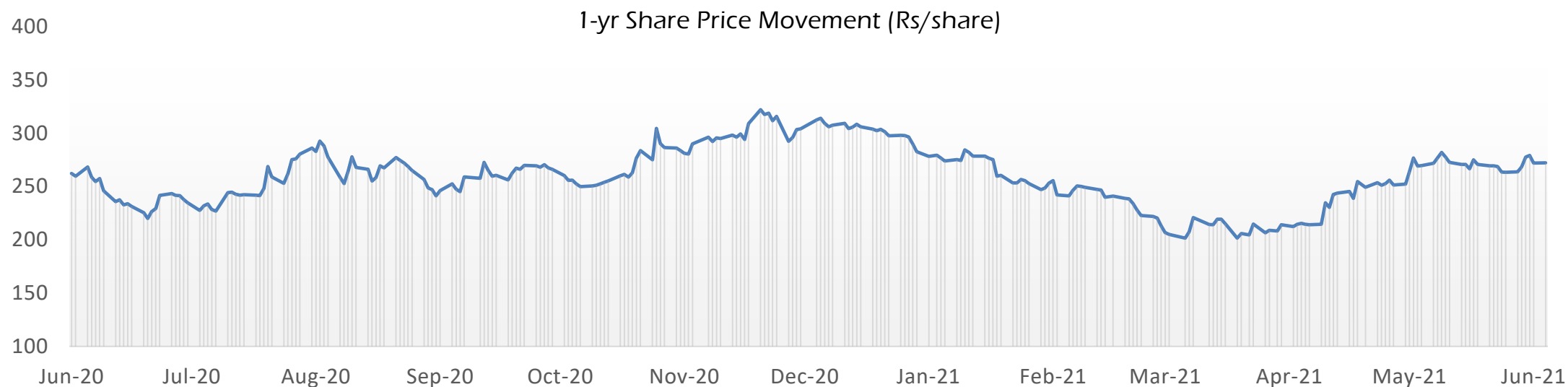
# India's Seafood Exports Driven by Surging Shrimp Exports

India Exports in 000's MTPA



India's Shrimp Exports – FY21

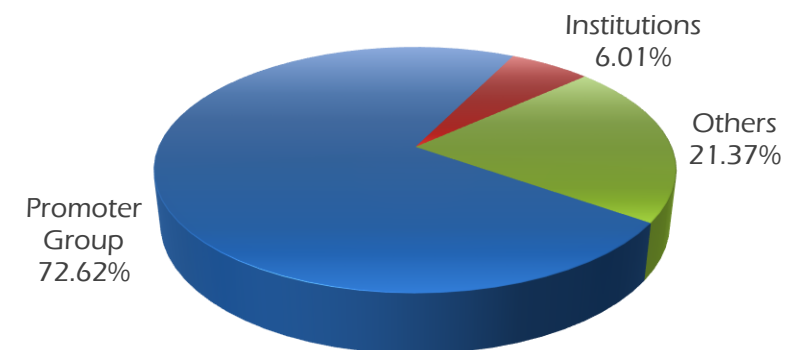




## Other data (as on 28-Jun-21)

NSE / BSE code	APEX / 540692
CMP (Rs/share)	272.20
Market Cap (Rs Mn)	8,506
# Shares (Mn)	31.25
Face Value (Rs/share)	10.00
Sector	Aquaculture
Location	Kakinada, AP

## Shareholding Pattern (as on Mar-21)





Apex Frozen Foods

CIN: L15490AP2012PLC080067

Mr Subhramanya Chowdary, ED

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