



Apex Frozen Foods

Result Presentation

Q2/H1 FY22

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Key Business Updates – Q1/H1 FY22

While demand for Shrimp from our key markets continued to remain robust in Q2 & H1 FY22, the global sea transportation challenges persisted, limiting our growth in volumes sold.

Outlook: The transport situation is easing out, albeit, gradually

Operational Updates:

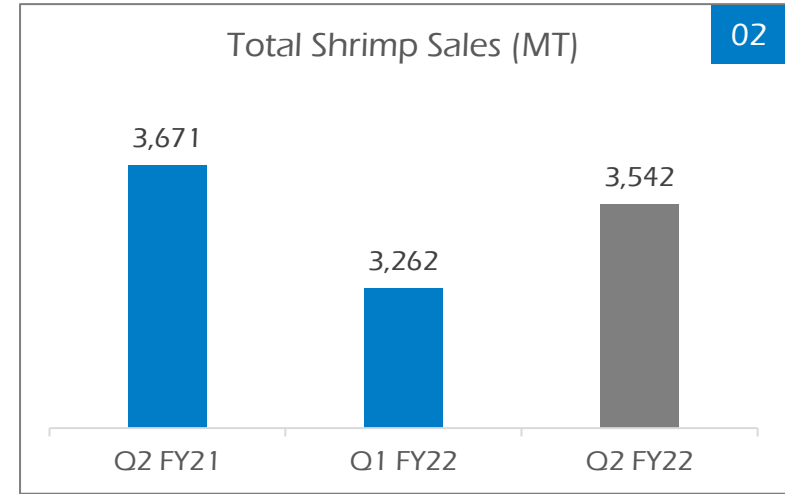
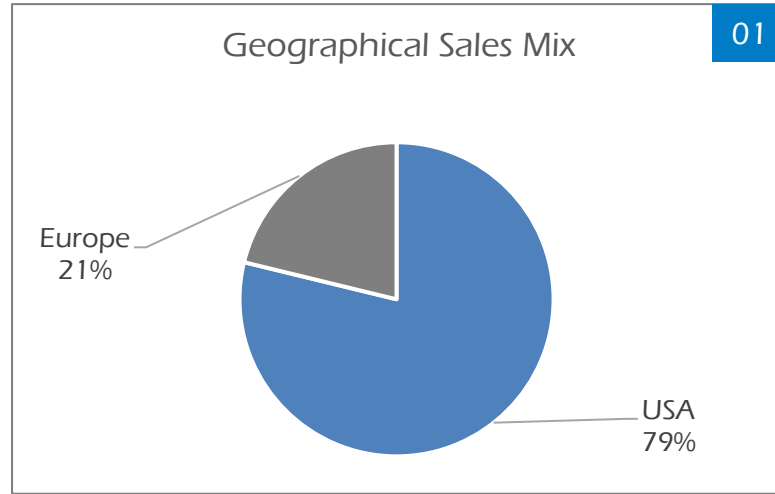
- Overall capacity utilization improved to **~54% in H1 FY22** from **~41% in FY21**
- Amidst the challenging sea transport situation, Shrimp sales volumes in Q2FY22 stood marginally lower on YoY basis at **3,542 MT, but grew by 9% QoQ**
- The share of high value Ready-To-Eat (RTE) products increased to **~21% in Q2 & H1 FY22** versus **~15% in FY21**

Financial Updates:

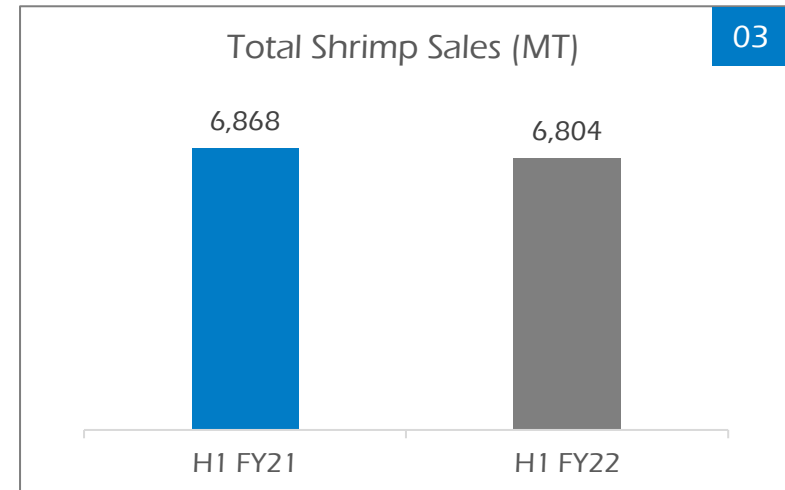
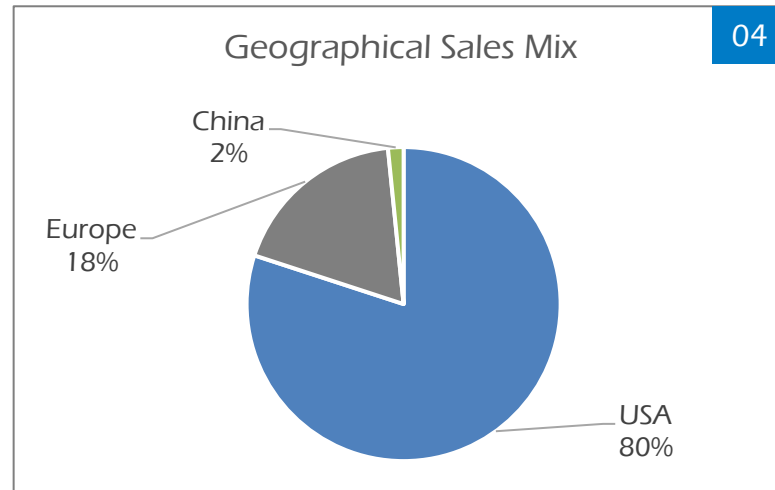
- **Net Revenue** in Q2 FY22 **grew by 2% Y-o-Y** mainly on account of robust growth in Realization, and by **20% QoQ** backed by a combination of Volume and Value growth
- The average realization increased on account of **better product mix** and stable shrimp prices, globally
- **Profitability maintained within expected range**, despite higher Other Expenses (freight costs)

Key Operational Highlights

Q2 FY22



H1 FY22



Income Statement Highlights

| Particulars (Rs Mn) | Q2 FY22 | Q2 FY21 | Y-o-Y % | Q1 FY22 | Q-o-Q % | H1 FY22 | H1 FY21 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net revenue | 2,671 | 2,622 | | 2,228 | | 4,899 | 4,805 |
| Other income | 28 | 16 | | 47 | | 75 | 42 |
| Total Income | 2,699 | 2,638 | 2.3 | 2,275 | 18.6 | 4,974 | 4,847 |
| Raw material costs | 1,697 | 1,739 | | 1,550 | | 3,247 | 3,223 |
| Employee expenses | 100 | 119 | | 119 | | 219 | 223 |
| Other expenses | 507 | 338 | | 469 | | 976 | 747 |
| EBITDA | 394 | 441 | -10.7 | 138 | 186.8 | 532 | 654 |
| <i>EBITDA margin</i> | <i>14.6%</i> | <i>16.7%</i> | | <i>6.0%</i> | | <i>10.7%</i> | <i>13.5%</i> |
| Depreciation & amortisation | 47 | 67 | | 46 | | 93 | 123 |
| Finance cost | 51 | 35 | | 45 | | 96 | 75 |
| Profit Before Tax | 297 | 339 | -12.5 | 47 | 530.8 | 344 | 455 |
| Tax expenses | 77 | 87 | | 14 | | 91 | 119 |
| Profit After Tax | 220 | 252 | -12.6 | 33 | 569.0 | 253 | 337 |
| <i>PAT margin</i> | <i>8.2%</i> | <i>9.6%</i> | | <i>1.4%</i> | | <i>5.1%</i> | <i>6.9%</i> |
| Other comprehensive income | 11 | 1 | | 3 | | 14 | -6 |
| Total Comprehensive Income | 231 | 253 | | 36 | | 267 | 331 |
| Diluted EPS (Rs) | 7.05 | 8.06 | -12.5 | 1.05 | 571.4 | 8.10 | 10.77 |

Balance Sheet Highlights

| Liabilities (Rs Mn) | Mar-21 | Sep-21 |
|--------------------------------|--------------|--------------|
| Shareholder's Funds | 4,398 | 4,575 |
| Share capital | 313 | 313 |
| Reserves & surplus | 4,086 | 4,262 |
| Non-current liabilities | 281 | 278 |
| Long term borrowings | 281 | 278 |
| Other non-current liabilities | 0 | 0 |
| Current liabilities | 1,889 | 2,265 |
| Short term borrowings | 1,380 | 1,540 |
| Trade payables | 300 | 352 |
| Other current liabilities | 18 | 16 |
| Short term provisions | 135 | 274 |
| Current tax liability | 56 | 83 |
| Total Liabilities | 6,568 | 7,118 |

| Assets (Rs Mn) | Mar-21 | Sep-21 |
|---------------------------|--------------|--------------|
| Non-current assets | 2,708 | 2,677 |
| Net block | 2,504 | 2,434 |
| Capital work-in-progress | 154 | 197 |
| Other non-current assets | 27 | 27 |
| Deferred tax asset | 23 | 19 |
| Current Assets | 3,860 | 4,440 |
| Inventories | 1,612 | 2,120 |
| Trade receivables | 1,546 | 1,603 |
| Cash & cash equivalents | 99 | 128 |
| Other financial assets | 227 | 215 |
| Other current assets | 377 | 373 |
| Total Assets | 6,568 | 7,118 |

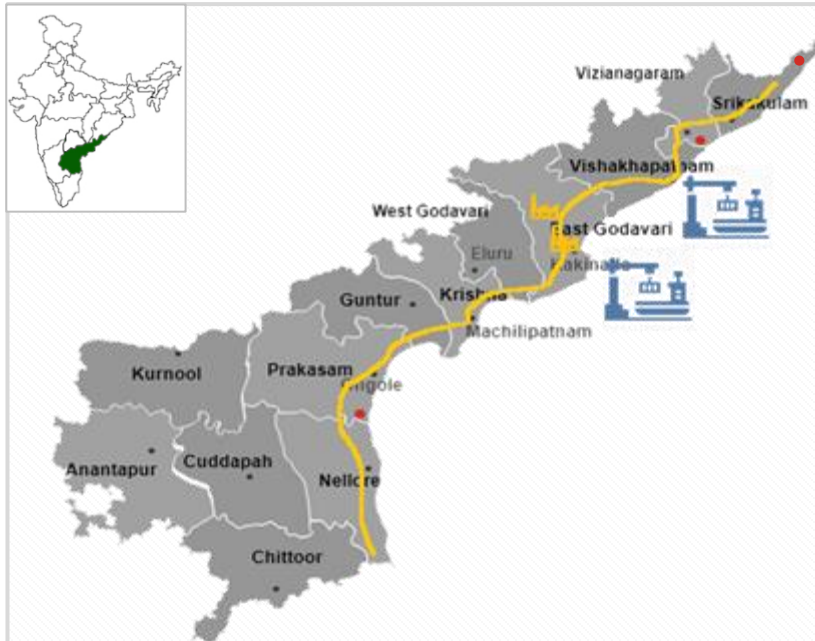
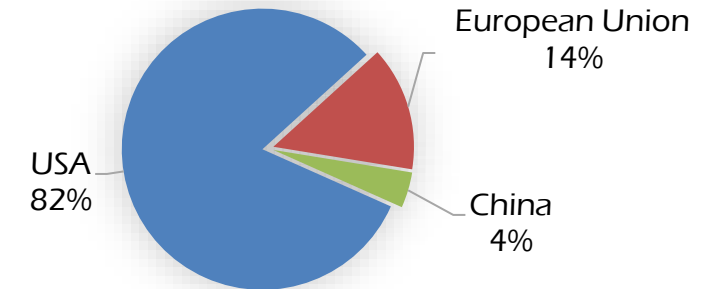


Company At a Glance

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 & exporters 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

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



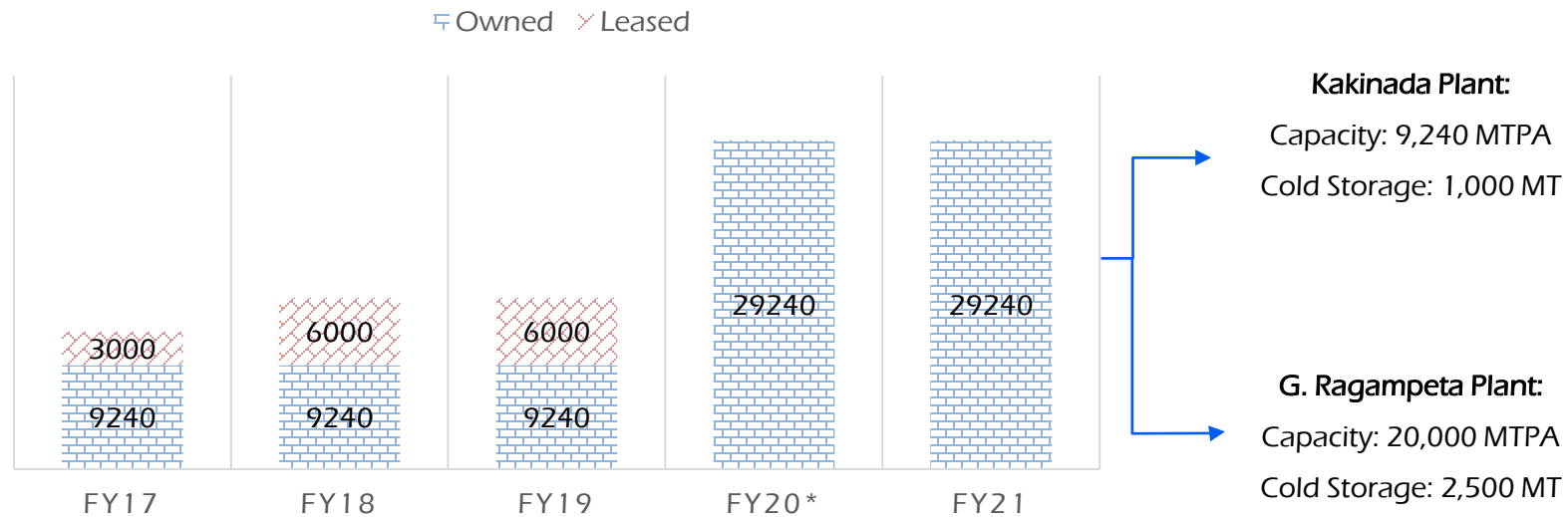
Phase – II
(Ongole)

Construction
completed



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

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

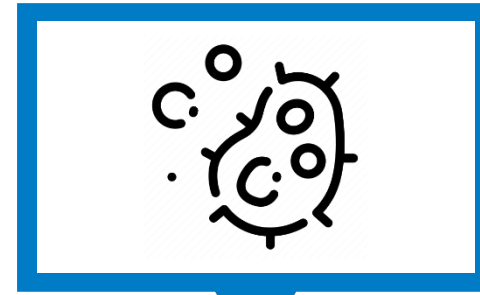
- Cooked Peeled & De-veined Tail-on
- Cooked in Shell
- Shrimp Rings
- Dusted and Breaded
- Par-fried Shrimp

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



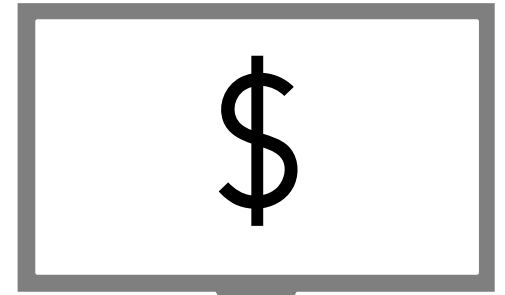
Demand Slowdown

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

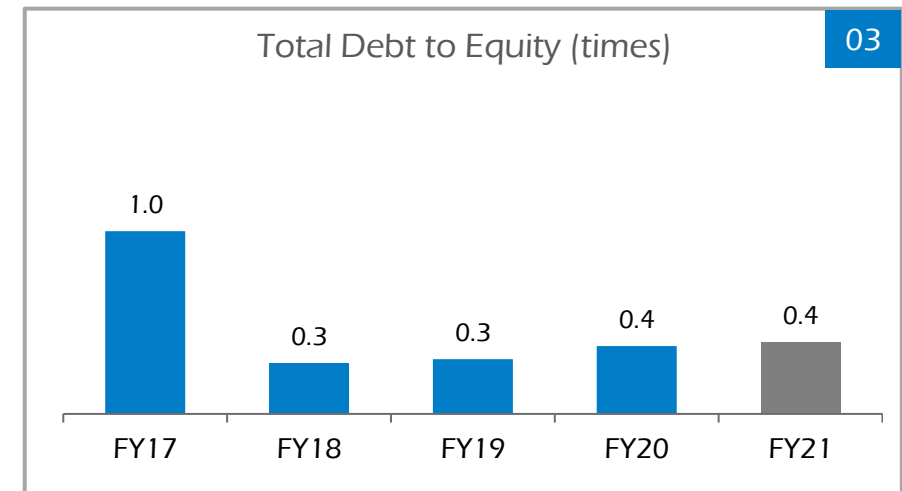
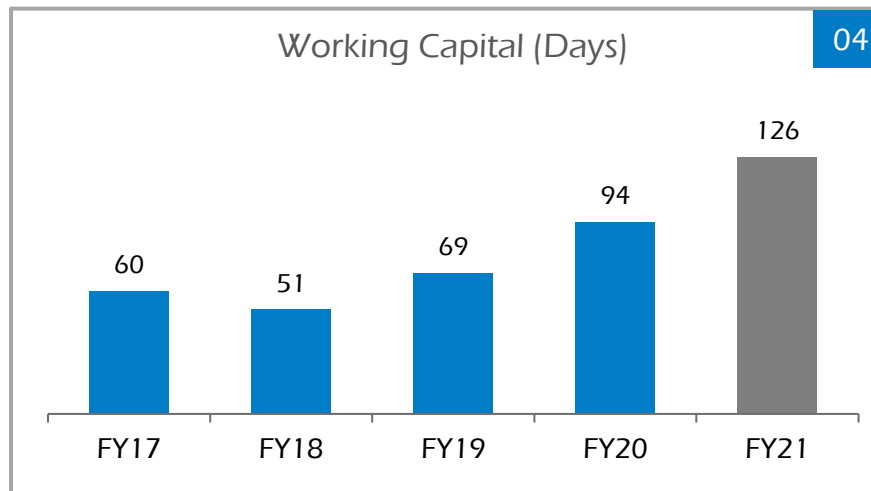
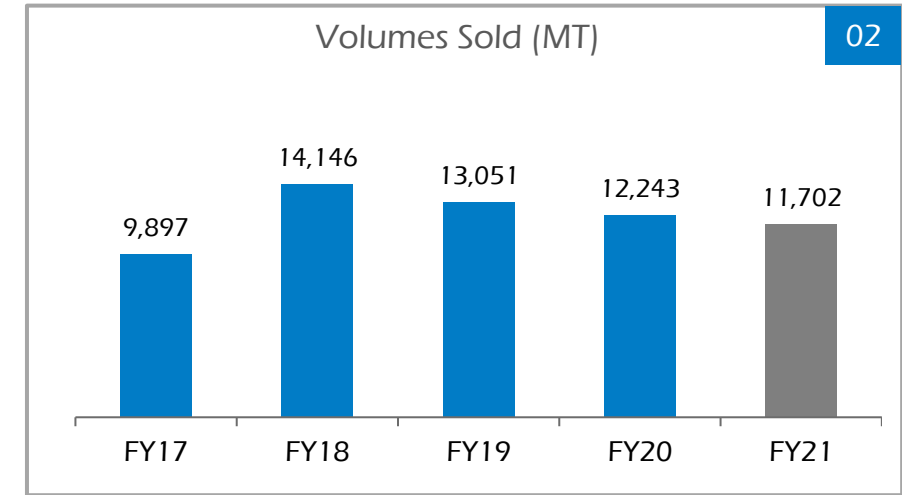
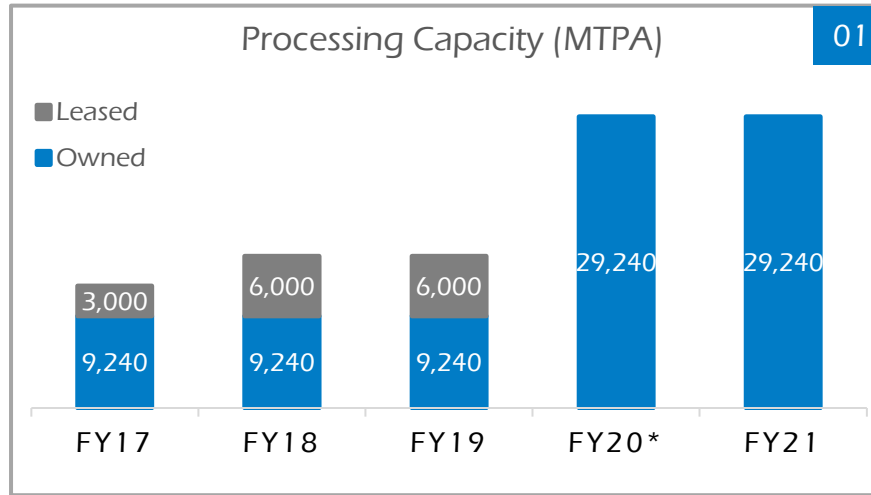


Figure 01: *Discontinued operations at the leased facility (6,000 MTPA) and commenced operations at the new processing plant in G. Ragampeta (20,000 MTPA)

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 |
| Total income | 7,093 | 10,185 | 8,962 | 8,461 | 8,260 |
| 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 |
| EBITDA | 549 | 1,299 | 1,111 | 1,060 | 985 |
| <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 |
| Profit Before Tax | 374 | 1,126 | 937 | 808 | 606 |
| Tax expenses | 123 | 335 | 329 | 201 | 163 |
| Profit After Tax | 251 | 791 | 608 | 606 | 443 |
| <i>PAT margin (%)</i> | <i>3.5%</i> | <i>7.8%</i> | <i>6.8%</i> | <i>7.2%</i> | <i>5.4%</i> |

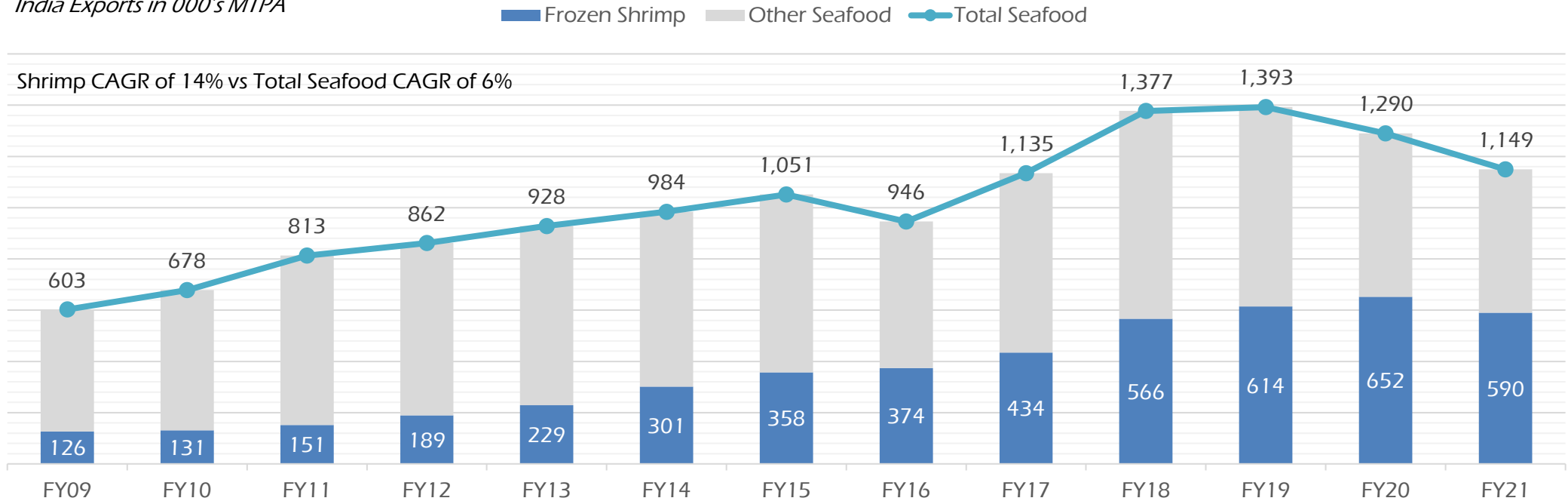
Balance Sheet – Yearly Trend

| Liabilities (Rs Mn) | Mar-19 | Mar-20 | Mar-21 |
|--------------------------------|--------------|--------------|--------------|
| Shareholder's Funds | 3,551 | 3,959 | 4,398 |
| Share capital | 313 | 313 | 313 |
| Reserves & surplus | 3,238 | 3,646 | 4,086 |
| Non-current liabilities | 94 | 243 | 281 |
| Long term borrowings | 71 | 241 | 281 |
| Other non-current liabilities | 23 | 3 | 0 |
| Current liabilities | 1,453 | 2,063 | 1,889 |
| Short term borrowings | 958 | 1,197 | 1,380 |
| Trade payables | 315 | 453 | 300 |
| Other current liabilities | 51 | 188 | 18 |
| Short term provisions | 129 | 99 | 135 |
| Current tax liability | 0 | 125 | 56 |
| Total Liabilities | 5,098 | 6,265 | 6,568 |

| Assets (Rs Mn) | Mar-19 | Mar-20 | Mar-21 |
|---------------------------|--------------|--------------|--------------|
| Non-current assets | 2,456 | 2,913 | 2,708 |
| 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 |
| Current Assets | 2,641 | 3,352 | 3,860 |
| 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 |
| Total Assets | 5,098 | 6,265 | 6,568 |

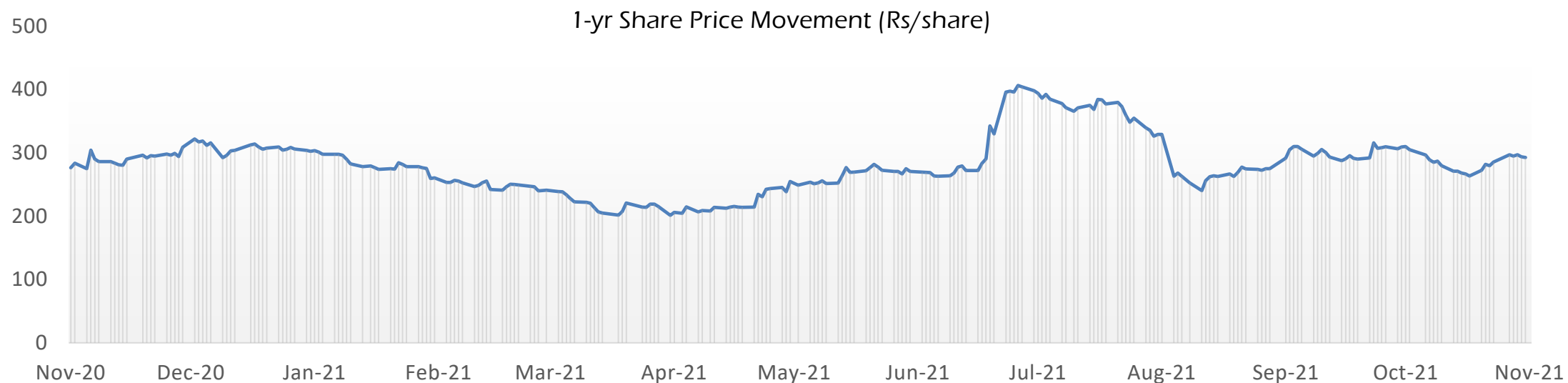
India's Seafood Exports Driven by Surging Shrimp Exports

India Exports in 000's MTPA



India's Shrimp Exports – FY21

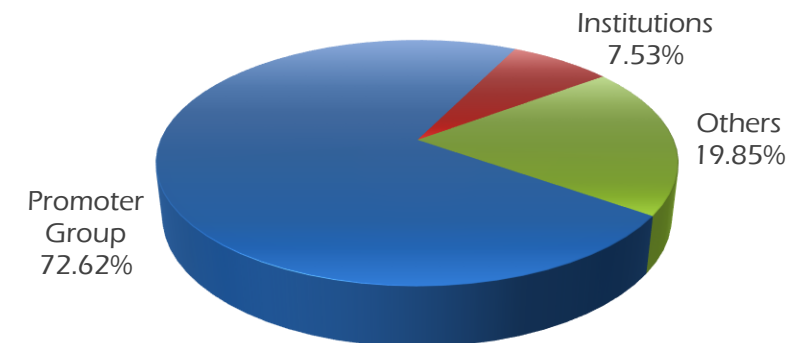




Other data (as on 13-Nov-21)

| | |
|-----------------------|---------------|
| NSE / BSE code | APEX / 540692 |
| CMP (Rs/share) | 292.80 |
| Market Cap (Rs Mn) | 9,150 |
| # Shares (Mn) | 31.25 |
| Face Value (Rs/share) | 10.00 |
| Sector | Aquaculture |
| Location | Kakinada, AP |

Shareholding Pattern (as on Sep-21)





Apex Frozen Foods

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