

A close-up photograph of a shrimp cocktail served in a clear glass. The dish consists of several large, cooked shrimp, some of which are peeled and others still in their shells. They are garnished with fresh green herbs, a slice of yellow lemon, and a slice of green lime. The shrimp are resting on a bed of crushed ice.

Apex Frozen Foods

Result Presentation

Q3/9MFY23

Safe Harbour

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Key Business Updates Q3/9MFY23

Financial Highlights – Q3 & 9MFY23

9M

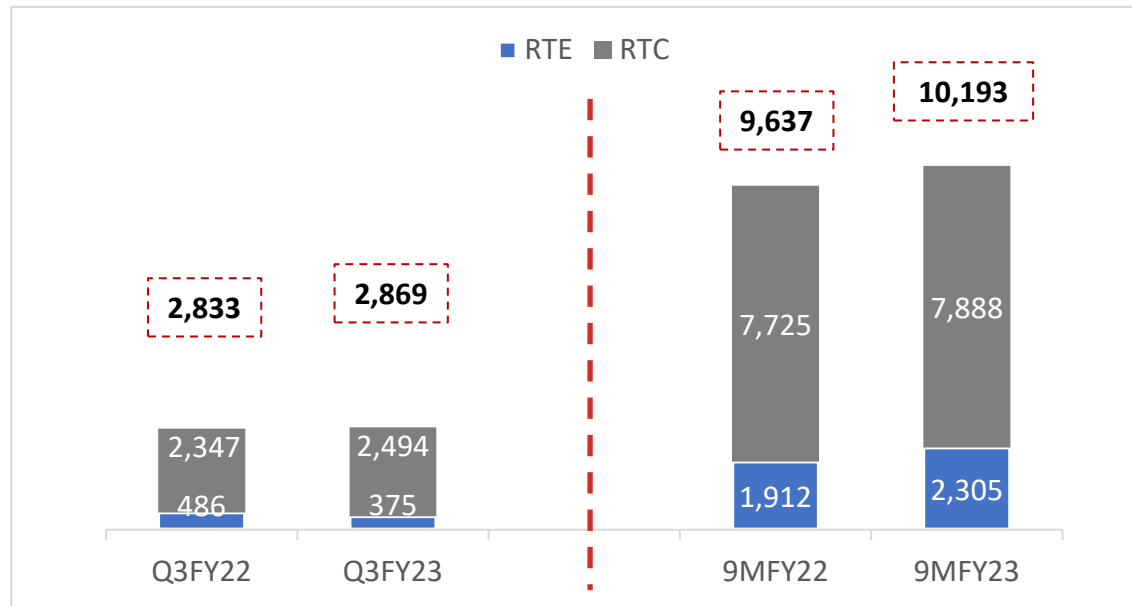
- ↑ **Net Revenue at Rs 8,131 Mn, up 16% YoY**, backed by volume growth of **6% YoY to 10,193 MT** and realization growth of **10% YoY to Rs 798* per kg** with share of Ready-To-Eat (RTE) products **increased to ~23%** versus ~20% in 9MFY22
- ↑ **EBITDA at Rs 817 Mn (up 12% YoY)**; Aided by lower finance costs, **PAT at Rs 399 Mn (up 18% YoY)** leading to improved return ratios
- ↑ **Reduced Total Gross Debt by Rs 428 Mn in 9MFY23 to Rs 1,224 Mn as on 31-Dec-22**, underscoring improved Working Capital cycle and Net Cashflow from Operations

Q3

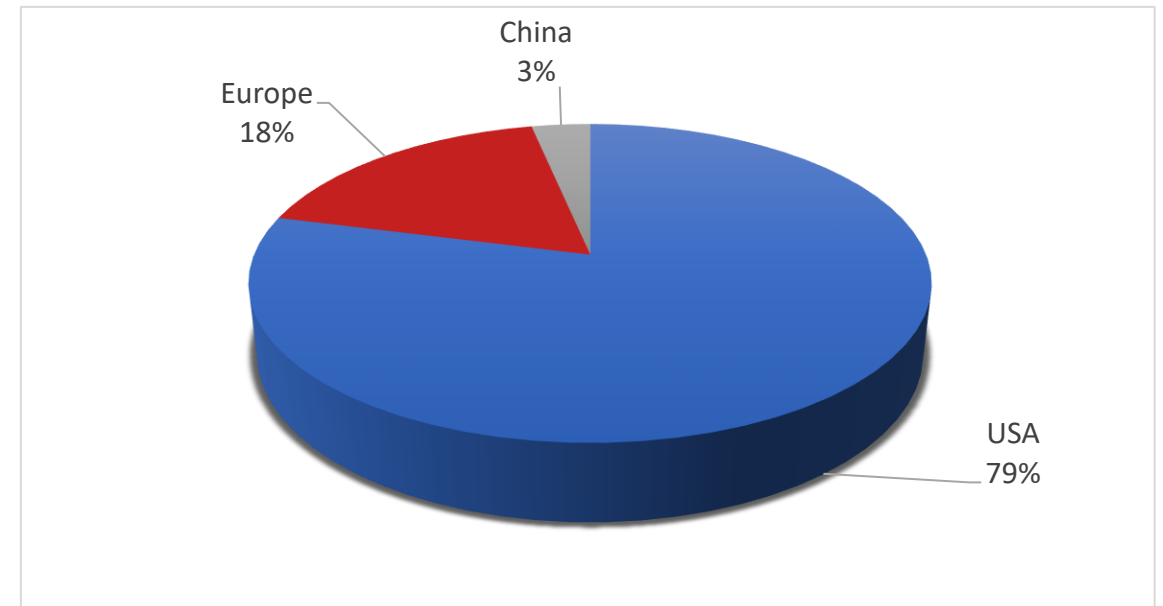
- ↑ Net Revenue at Rs 2,145 Mn, remained flat YoY, as demand in key markets like the USA and EU remained subdued coupled with shortage in supply of raw shrimp in India
 - Consequently, profitability was impacted on account of higher raw material cost even as global shrimp prices were tapering off
 - We remain cautiously optimistic about the upcoming harvest in domestic market and are hopeful of demand revival in consuming markets as inflationary pressures ease out

Sales Volume Break-up

Shrimp Sales (MT)



Shrimp Sales – Q3FY23 Geographical Mix (%)



In Q3FY23, Shrimp sales grew by 1% YoY, on account of muted demand in key markets of USA and EU and supply constraints in specific sizes

In 9MFY23, Shrimp sales grew by 6% YoY to 10,193 MT

Income Statement Highlights

Particulars (Rs Mn)	Q3 FY23	Q3 FY22	Y-o-Y %	Q2 FY23	Q-o-Q %	9M FY23	9M FY22	Y-o-Y %
Net revenue	2,145	2,148		2,928		8,131	6,987	
Other income*	162	62		163		517	235	
Total Income	2,307	2,210	4%	3,091	-25%	8,648	7,222	20%
Raw material costs	1,612	1,488		2,143		5,826	4,735	
Employee expenses	116	104		126		361	323	
Other expenses	393	418		538		1,644	1,432	
EBITDA	186	201	-8%	284	-35%	817	733	12%
<i>EBITDA margin (%)</i>	<i>8.1%</i>	<i>9.1%</i>		<i>9.2%</i>		<i>9.5%</i>	<i>10.1%</i>	
Depreciation & amortisation	52	47		52		155	140	
Finance cost	30	39		48		127	135	
Profit Before Tax	103	115	-10%	184	-44%	535	459	17%
Tax expenses	26	30		48		136	121	
Profit After Tax	77	84	-8%	136	-43%	399	338	18%
<i>PAT margin (%)</i>	<i>3.4%</i>	<i>3.8%</i>		<i>4.4%</i>		<i>4.6%</i>	<i>4.7%</i>	
Diluted EPS (Rs)	2.48	2.71	-8%	4.35	-43%	12.77	10.81	18%

* Other Income includes export benefits (which was earlier reported as part of Net Revenue) of Rs 101 Mn for Q3FY23, Rs 54 Mn for Q3FY22, Rs 120 Mn for Q2FY23, Rs 358 Mn for 9MFY23 and Rs 182 Mn for 9MFY22.

Key Operational and Financial Ratios

Key Operational Data	Q3FY23	Q3FY22	Q2FY23	9MFY23	9MFY22
Volumes sold (MT)	2,869	2,833	3,565	10,193	9,637
Average realisation (Rs/Kg)*	748	758	821	798	725
Key Ratios (% of Total Income)	Q3FY23	Q3FY22	Q2FY23	9MFY23	9MFY22
Other income (% of Net Revenue)^	7.5%	2.9%	5.6%	6.4%	3.4%
Raw material cost	69.9%	67.3%	69.3%	67.4%	65.6%
Employee expenses	5.0%	4.7%	4.1%	4.2%	4.5%
Other expenses	17.0%	18.9%	17.4%	19.0%	19.8%
Depreciation & amortisation	2.2%	2.1%	1.7%	1.8%	1.9%
Finance cost	1.3%	1.8%	1.5%	1.5%	1.9%
Tax expenses (% of PBT)	25.2%	26.4%	26.1%	25.5%	26.4%

*Average sales realization = Net Revenue (including other domestic sales) / Volumes sold

^ Other income includes export benefits which was earlier reported under Net Revenue

Key Growth Drivers

Current Capacity Offers Headroom for Growth

Sales (MT) to Capacity ratio below 50%

Advantage India

India is world's largest shrimp exporter with continuing growth momentum;

Ample growth opportunity in Value-Added Products (VAP)



Improving Product Mix with Growing Share of RTE sales

Enhancing RTE capacity from 5,000 MT to 10,000 MT at marginal capex; Installation completed and ready for commercial production by end of Q4FY23

Long Standing Customer Relationships

Track record of consistent supply of quality products has led to gaining credibility with marquee customers, thereby acting as an entry barrier



2

Company At a Glance

The Growth Journey So Far...

Leased Capacity
~1,200 MT

Owned Capacity
29,240 MT

*RTE capacity expansion of
5,000 MT, likely by end of FY23*

*Well placed to
capitalize on the
growth opportunities*

2022 - 23

2013 – 2021

Capability Expansion

2004 – 2012

Export Market Penetration

1995

Commenced
business
operations under
partnership firm
“Apex Exports”

- Owned **Processing Plant at Kakinada**, Andhra Pradesh (AP)
- Exports to the **USA**
- Exports to **EU**
- Certified processes and quality
- Recognized as a **Star Export House** by the DGFT
- Converted into a Private Limited

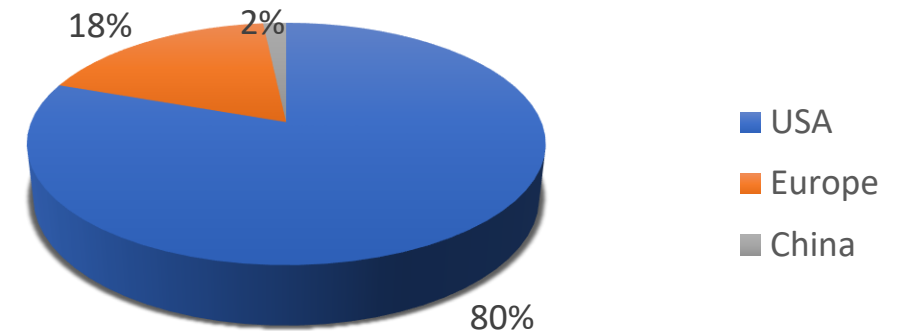
- IPO and Listing on BSE & NSE in Sep'17
- **Backward Integration:** Three owned Hatcheries in AP over 2016-19
- **Focus on VAP:** Pre-processing unit in 2017, to support Kakinada plant in processing more VAP
- **Capacity Expansion:** New processing plant of 20,000 MT capacity at G. Ragampeta, AP, in Mar'20
- **Foray into RTE products:** 5,000 MT of RTE capacity at G. Ragampeta plant

...To Having Built a Well Integrated Operations

One Of The Leading Exporters Of Processed Shrimp In India

Catering to wide array of customers such as Food Companies, Retail Chains, Restaurants, Club Stores and Distributors spread across multiple geographies in the USA, European Union and China.

Key Export Markets – FY22



Well Integrated Business Operations with Presence in Hatchery and Processing & Exporting of Shrimp



Shrimp Seed (Hatchery)

Capacity - 1.2 to 1.4 billion
SPF* seed



Shrimp Processing

Capacity - 29,240 MTPA
Cold Storage – 3,500 MT

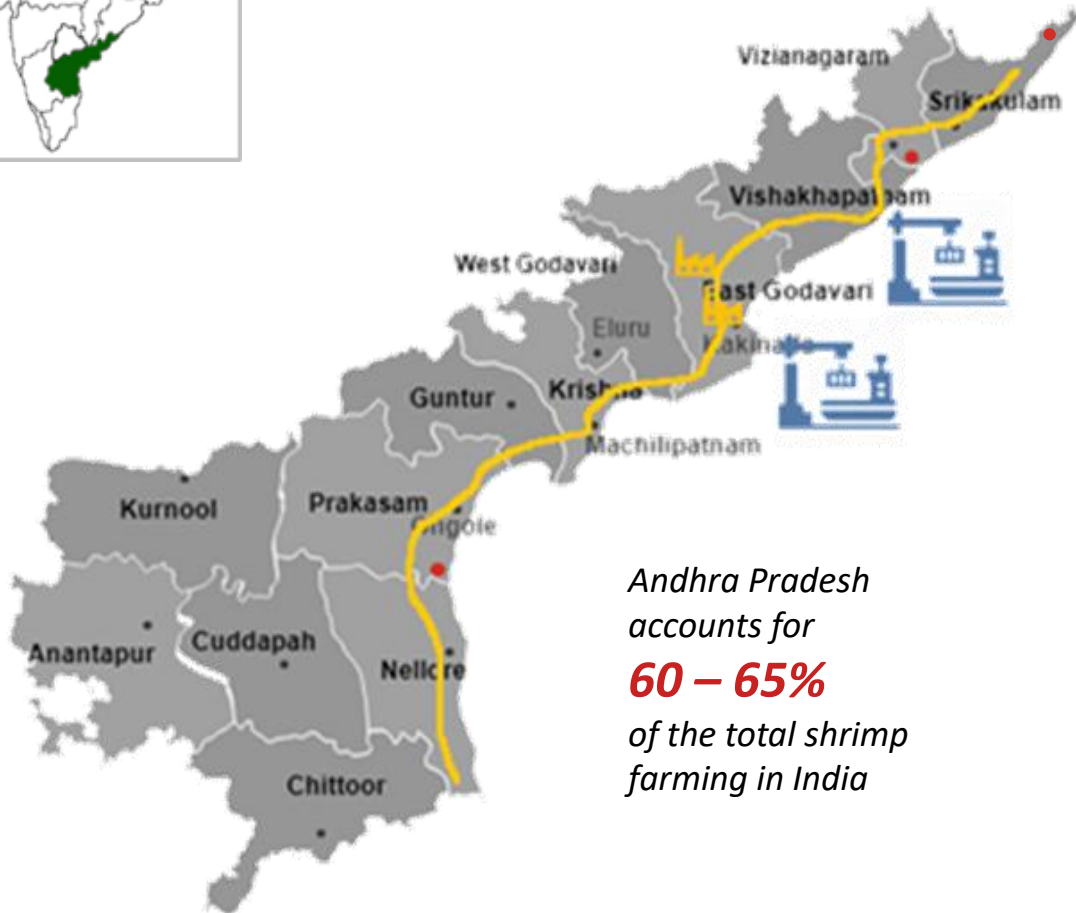


Well Diversified Products

Ready-to-Cook
Ready-to-Eat

Strategically Located Facilities

Enabling smooth transition of products to the next stage



*Andhra Pradesh
accounts for
60 – 65%
of the total shrimp
farming in India*

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



Two Processing plants with a total capacity of 29,240 MTPA, along with Cold Storage capacity of ~3,500 MT



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



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

Processing Capacity Offers Headroom for Growth

Total Capacity – 29,240 MTPA



Unit 1 - Kakinada, AP
Ready-to-Cook: 9,240 MTPA
Cold Storage: 1,000 MT



Unit 2 - G. Ragampeta, AP
Ready-to-Cook: 15,000 MTPA
Ready-to-Eat: 5000 MTPA*
Cold Storage: 2,500 MT

*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

***Additionally, planned capacity expansion by 5,000 MT, which is likely to be completed by end of FY23**

Product Offering – Moving up the Value Chain



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 (RTE)

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

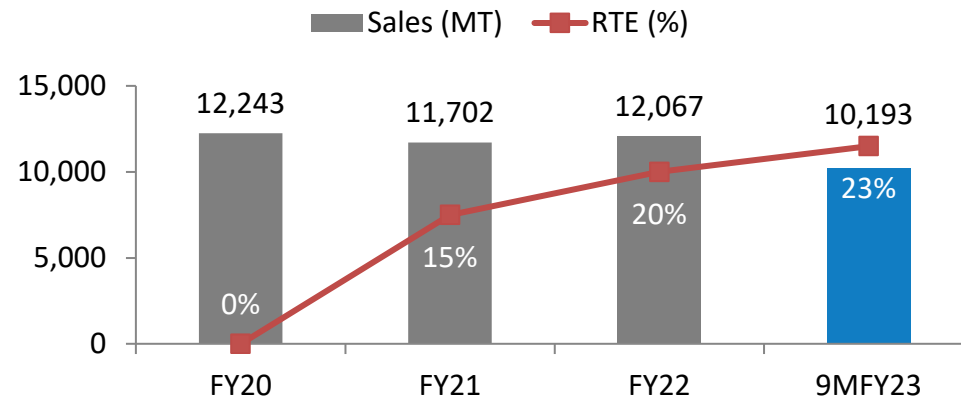


Annexures

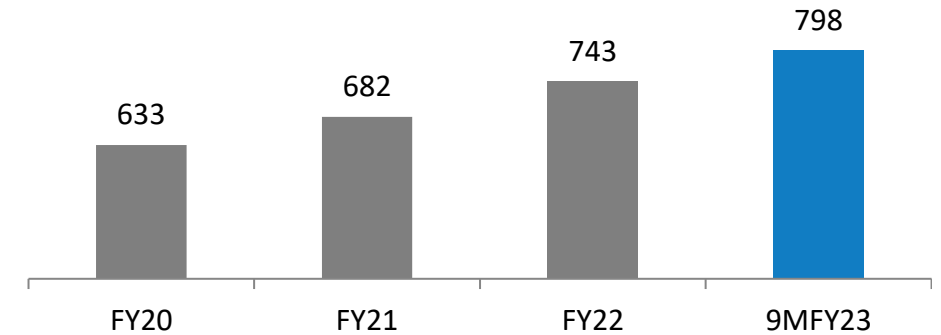
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Key Performance Highlights (1/2)

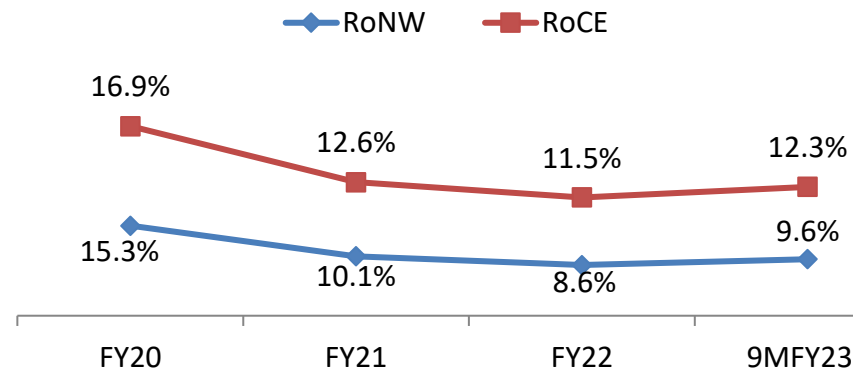
Total Shrimp Sales (MT)



Average Realisation (Rs per kg)



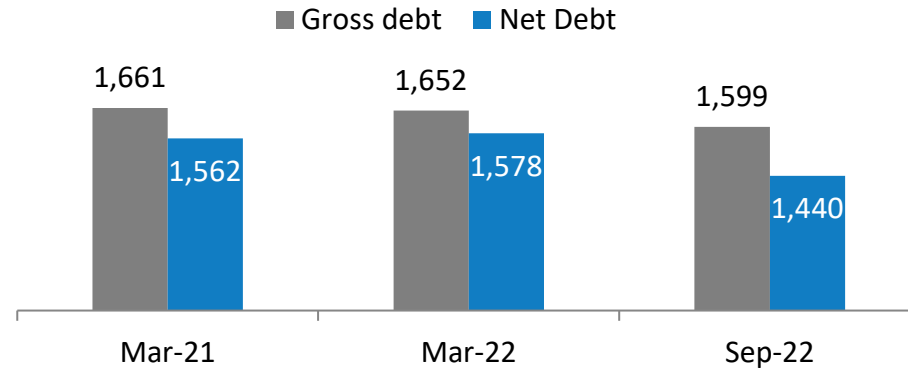
Improving Return Ratios (%)



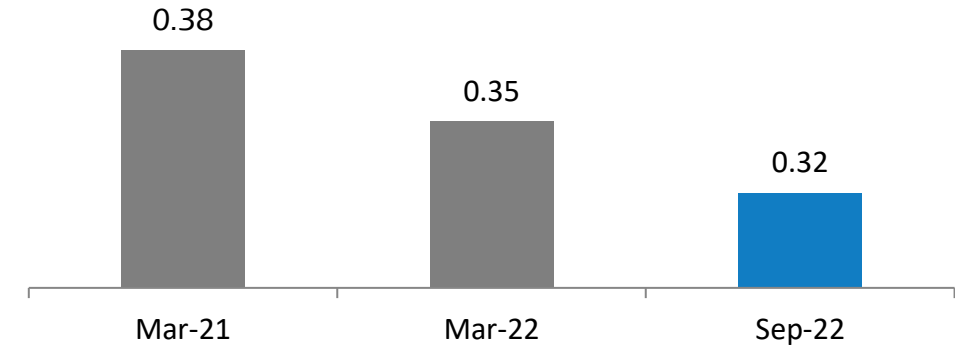
* Calculated based on TTM Earnings over Net Worth and Capital Employed as at 30-Sep-22

Key Performance Highlights (2/2)

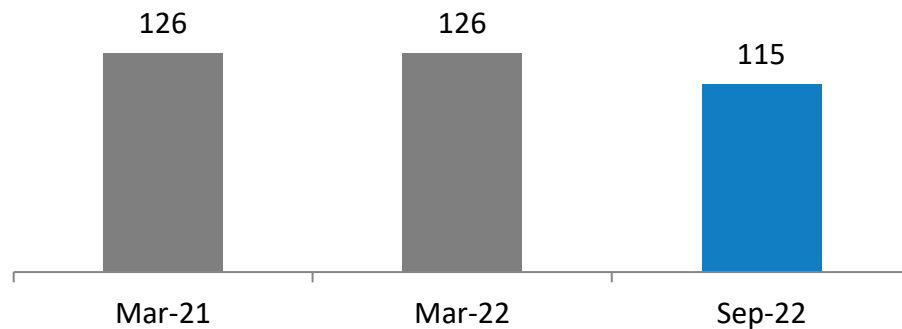
Gross Debt and Net Debt (Rs Mn)



Total Debt To Equity (Times)



Working Capital (Days)



Net Cashflow from Operations (Rs Mn)



Income Statement Highlights

Profit & Loss (Rs Mn)	FY20	FY21	FY22*	9MFY23*
Net revenue	8,271	8,185	8,970	8,131
Other income	190	75	349	517
Total income	8,461	8,260	9,319	8,648
Raw material costs	5,735	5,531	6,150	5,826
Employee expenses	437	398	430	361
Other expenses	1,228	1,346	1,818	1,644
EBITDA	1,060	985	921	817
<i>EBITDA margin (%)</i>	<i>12.5%</i>	<i>11.9%</i>	<i>9.9%</i>	<i>9.5%</i>
Depreciation	146	219	185	155
Finance cost	106	159	174	127
Profit Before Tax	808	606	562	535
Tax expenses	201	163	151	136
Profit After Tax	606	443	411	399
<i>PAT margin (%)</i>	<i>7.2%</i>	<i>5.4%</i>	<i>4.4%</i>	<i>4.6%</i>

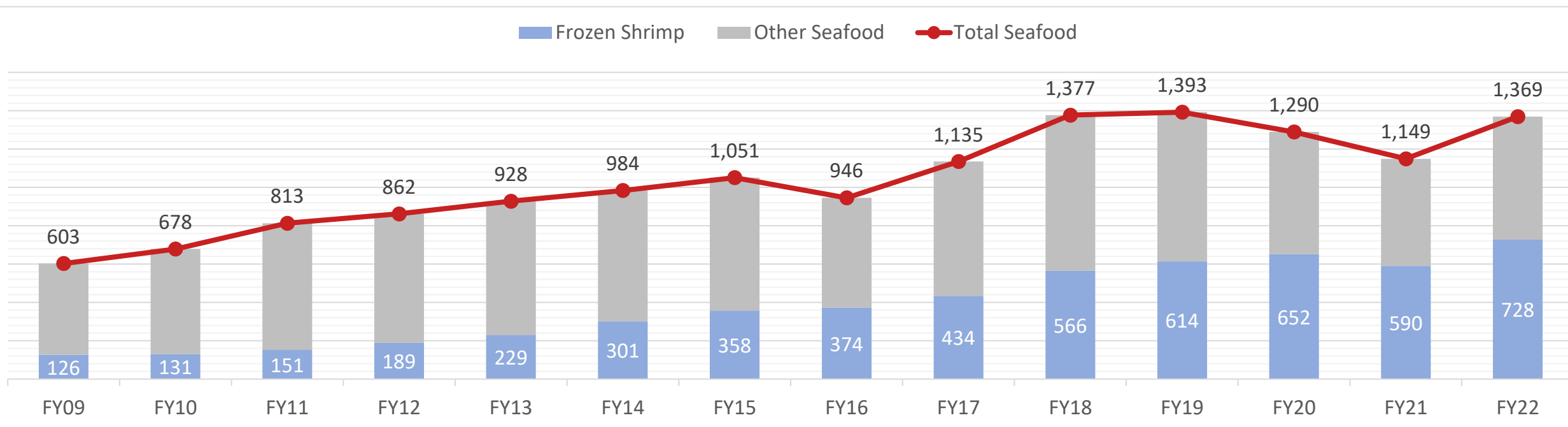
*Other Income includes export benefits (which was earlier reported as part of Net Revenue) of Rs 291 Mn in FY22 and Rs 358 Mn in 9MFY23

Balance Sheet Highlights

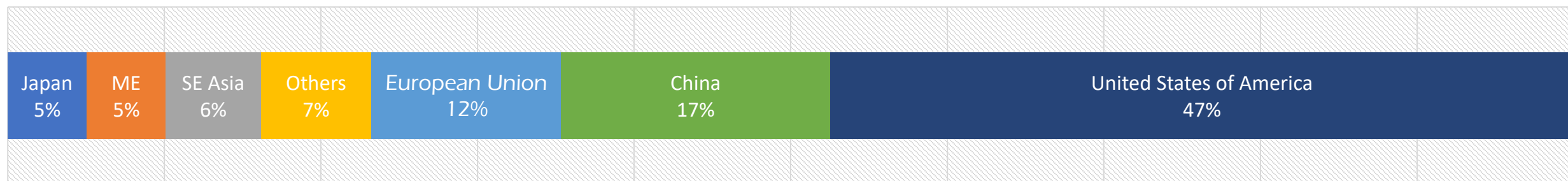
Liabilities (Rs Mn)	Mar-21	Mar-22	Sep-22
Shareholder's Funds	4,398	4,754	4,934
Share capital	313	313	313
Reserves & surplus	4,086	4,442	4,621
Non-current liabilities	281	293	185
Long term borrowings	281	291	185
Other non-current liabilities	0	2	1
Current liabilities	1,889	1,748	1,709
Short term borrowings	1,380	1,361	1,414
Trade payables	300	209	112
Other current liabilities	18	16	23
Short term provisions	135	137	130
Current tax liability	56	25	30
Total Liabilities	6,568	6,795	6,828

Assets (Rs Mn)	Mar-21	Mar-22	Sep-22
Non-current assets	2,708	2,619	2,581
Net block	2,504	2,360	2,293
Capital work-in-progress	154	219	221
Other non-current assets	27	26	51
Deferred tax asset	23	13	15
Current Assets	3,860	4,177	4,247
Inventories	1,612	2,028	2,253
Trade receivables	1,546	1,372	1,393
Cash & cash equivalents	99	74	159
Other financial assets	227	86	102
Other current assets	377	616	340
Total Assets	6,568	6,795	6,828

India's Seafood Exports Driven by Surging Shrimp Exports



India's Shrimp Exports – FY22

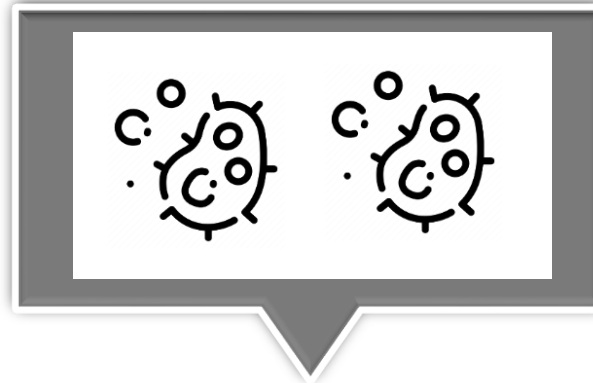


Key Considerations for the Sector



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

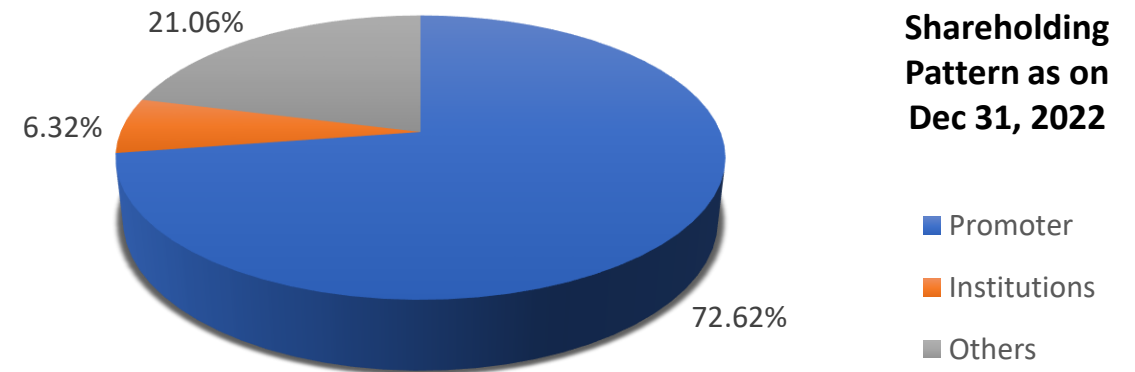
Global imbalances in demand-supply can impact pricing. Exchange rate fluctuations can amplify the volatility

Share Capital Information

Share Price Movement – 1 Year



NSE / BSE code	APEX / 540692
CMP (Rs/share) (as on 03-Feb-23)	225
Market Cap (Rs Mn)	7,033
# Shares (Mn)	31.25
Face Value (Rs/share)	10.00
Sector	Aquaculture
Location	Kakinada, AP



Source: BSE, NSE

Thank You



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