



Apex Frozen Foods

Result Presentation

Q2 & H1FY24



Safe Harbour

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Key Business Updates Q2 & H1FY24

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Financial Highlights – Q2 & H1FY24

Net Revenue impacted on account of:

- ▶ Continued subdued demand from our key market – USA, which led to lower volumes sold at 3,084 MT in Q2FY24. Promotional activities by Retail and Food Service companies are being carried out, albeit gradually
- ▶ Tapering global shrimp prices, which led to lower realization at Rs 738* per Kg in Q2FY24. However, there has been an improvement in shrimp prices on Q-o-Q basis (up 6%). Further, lower RTE contribution led by change in geographical mix (higher share of EU where RTE products are not sold yet) also impacted the overall realisation in Q2FY24

We are foraying into new markets and adding new customers in our existing markets to ensure better utilization of our facilities, but remain cautiously optimistic about the market scenario

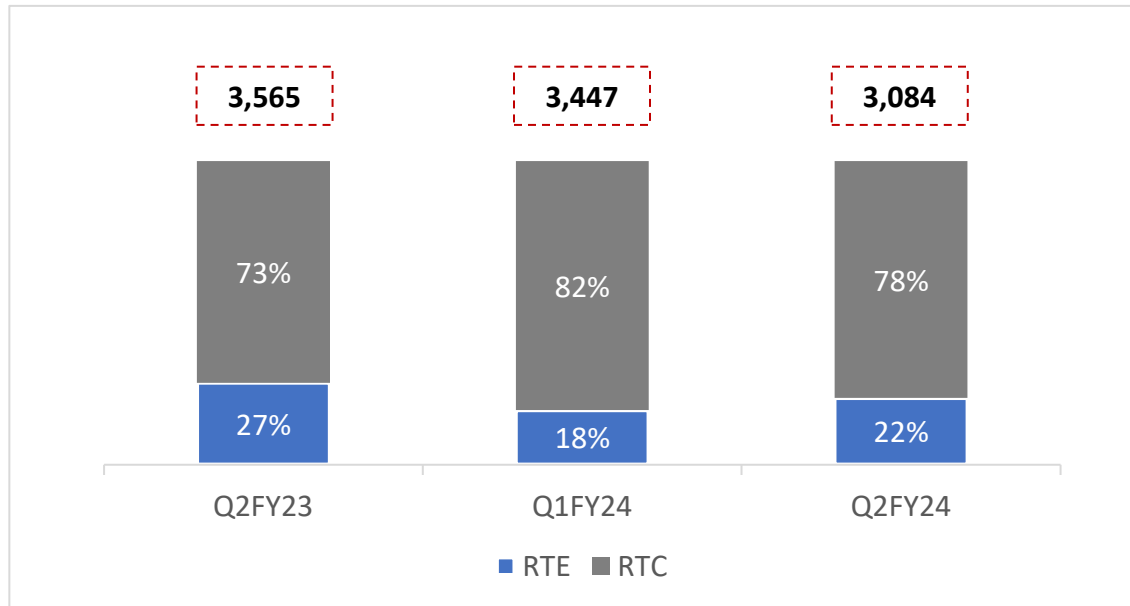
Profitability improved with EBITDA Margin up ~300 bps QoQ to 8.1% in Q2FY24

Reduced Total Gross Debt further from Rs 906 Mn as on 31-Mar-23 to Rs 832 Mn as on 30-Sep-23, underscoring improved Working Capital cycle and positive Cashflow from Operations

*Average sales realization = Net Revenue (excluding export incentives) / Total Shrimp Volumes sold

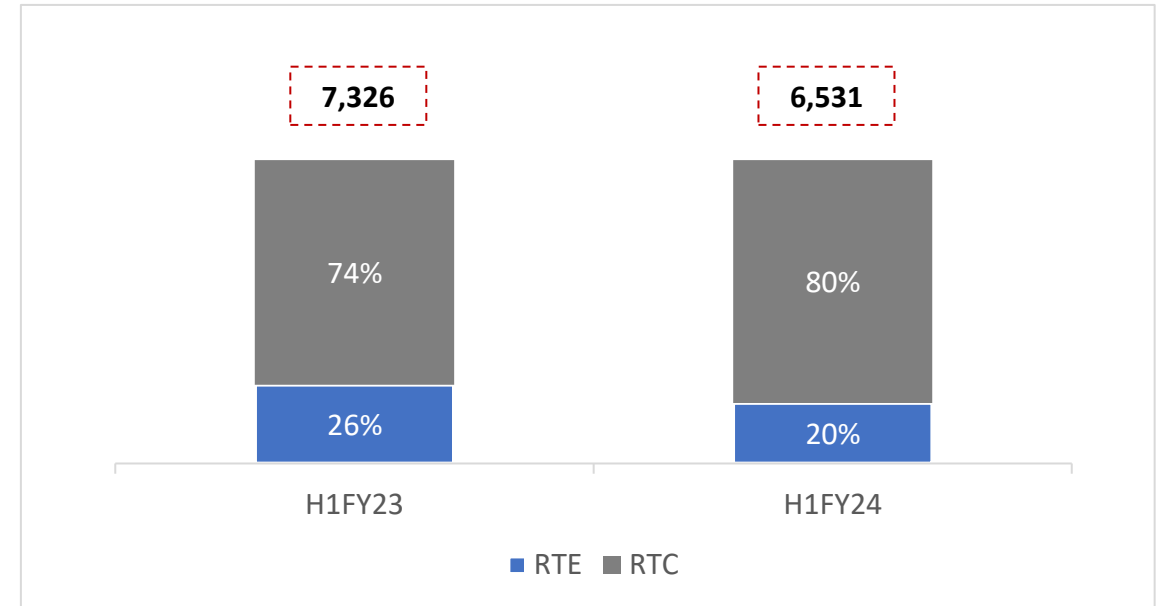
Sales Volume Break-up

Shrimp Sales (MT) - Quarterly



Continued weakness in key markets like the USA impacted Shrimp sales in Q2FY24; **Other markets like the EU and UK continued to grow**

Shrimp Sales (MT) – Half Yearly



The Share of RTE sales lowered YoY due to weak overall off-take from the key RTE market - USA

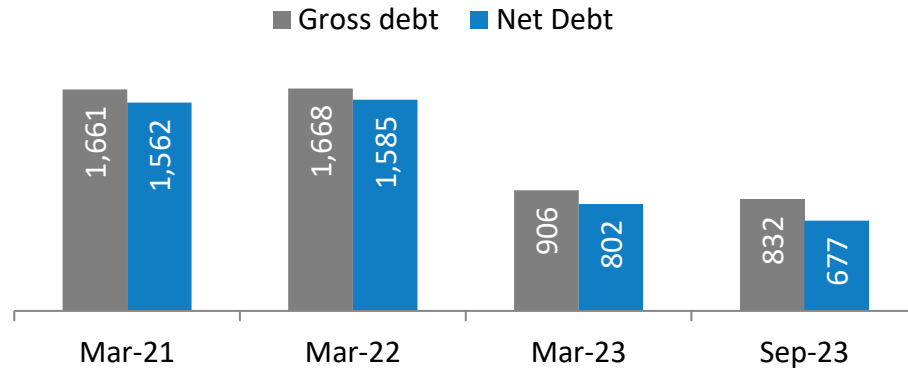
Income Statement Highlights

Particulars (Rs Mn)	Q2 FY24	Q2 FY23	Y-o-Y %	Q1 FY24	Q-o-Q %	H1 FY24	H1 FY23	Y-o-Y %
Net revenue*	2,405	3,084		2,538		4,944	6,279	
Other income	10	6		2		12	62	
Total Income	2,415	3,091	-22%	2,540	-5%	4,955	6,341	-22%
Raw material costs	1,689	2,143		1,816		3,505	4,214	
Employee expenses	147	126		125		272	245	
Other expenses	383	538		468		852	1,250	
EBITDA	195	284	-31%	131	49%	326	632	-48%
<i>EBITDA margin (%)</i>	<i>8.1%</i>	<i>9.2%</i>	<i>-</i>	<i>5.1%</i>	<i>-</i>	<i>6.6%</i>	<i>10.0%</i>	<i>-</i>
Depreciation & amortisation	53	52		52		105	104	
Finance cost	29	48		28		57	96	
Profit Before Tax	113	184	-38%	51	122%	164	432	-62%
Tax expenses	30	48		15		45	110	
Profit After Tax	83	136	-39%	36	129%	120	321	-63%
<i>PAT margin (%)</i>	<i>3.5%</i>	<i>4.4%</i>	<i>-</i>	<i>1.4%</i>	<i>-</i>	<i>2.4%</i>	<i>5.1%</i>	<i>-</i>
Diluted EPS (Rs)	2.67	4.35	-39%	1.17	128%	3.84	10.29	-63%

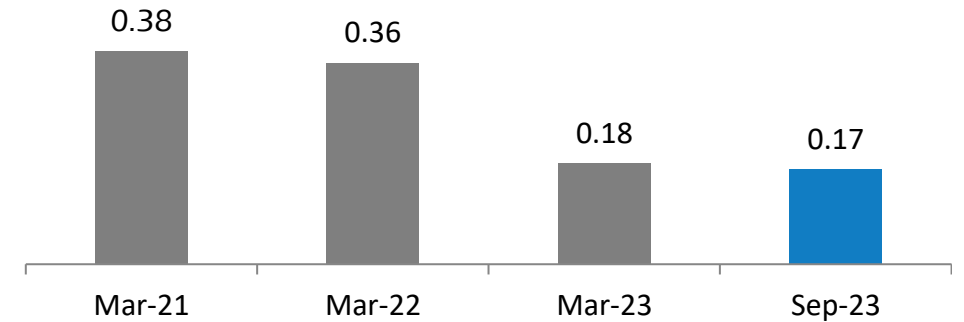
*Net Revenue includes export benefits of Rs 129 Mn for Q2FY24, Rs 156 Mn for Q2FY23, Rs 135 Mn for Q1FY24, Rs 264 Mn for H1FY24 and Rs 293 Mn for H1FY23

Balance Sheet Ratios and Operating Cashflow

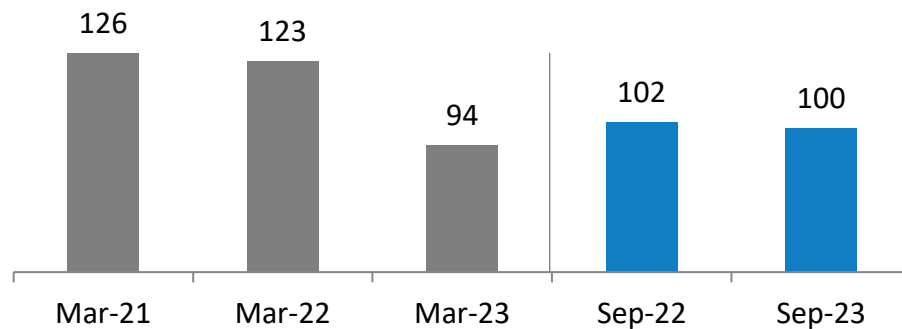
Gross Debt and Net Debt (Rs Mn)



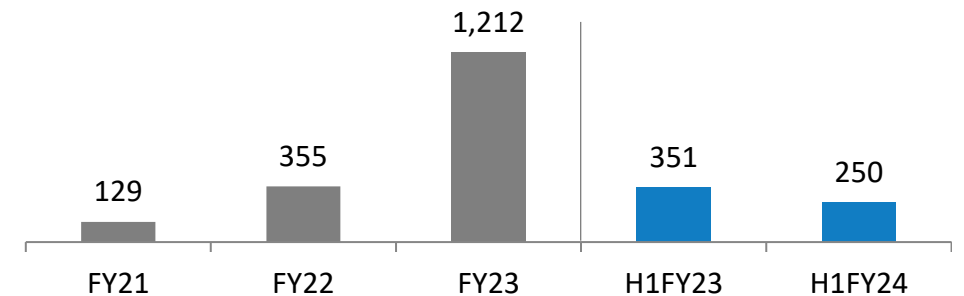
Total Debt To Equity (Times)



Working Capital (Days)



Net Cashflow from Operations (Rs Mn)



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

Enhanced RTE capacity from 5,000 MT to 10,000 MT at marginal capex; The additional capacity of 5,000 MT was commissioned by end of May-23

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



Company At a Glance

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The Growth Journey So Far...

Leased Capacity
~1,200 MT

Owned Capacity
34,240 MT

- 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

2004 – 2012

Export Market Penetration

- 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

2013 – 2021

Capability Expansion

- Improved Product Mix:** Share of RTE products in overall sales increased from 15% in FY21 to 22% in FY23
- RTE Capacity Expansion:** Commissioned an additional line of 5,000 MT of RTE capacity in end of May-23

2022 - 23

Well-placed to capitalize on the growth opportunities

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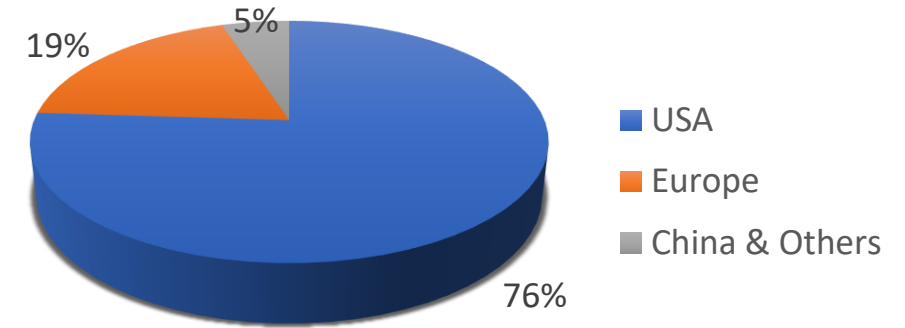
Commenced business operations under partnership firm "Apex Exports"

...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 & Others.

Key Export Markets – FY23



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 - 34,240 MTPA
Cold Storage – 3,500 MT

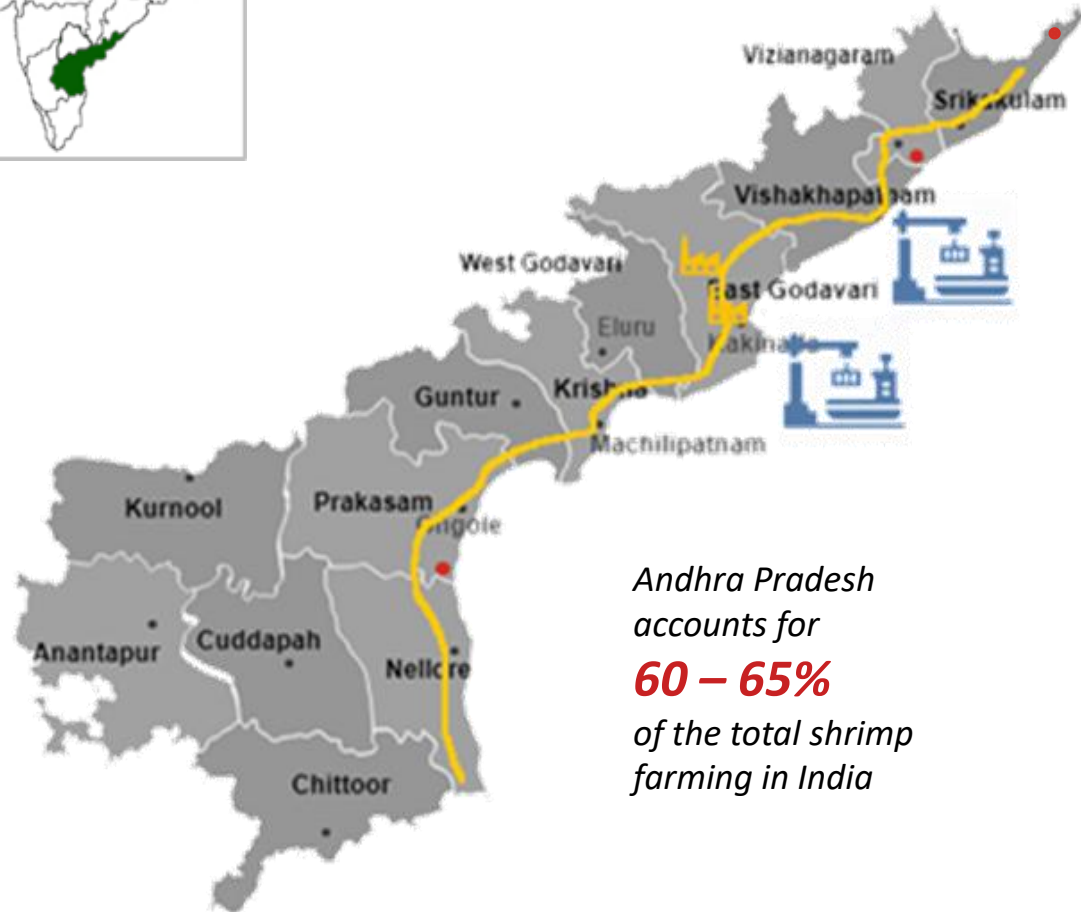


Well Diversified Products

Ready-to-Cook
Ready-to-Eat

Strategically Located Facilities

Enabling smooth transition of products to the next stage



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



Two Processing plants with a total capacity of 34,240 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 – 34,240 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: 10,000 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 & Others

***Of this, 5,000 MT was commissioned towards the end of May-23**

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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Income Statement Highlights

Profit & Loss (Rs Mn)	FY20	FY21	FY22	FY23
Net revenue*	8,271	8,185	9,262	10,703
Other income	190	75	57	17
Total income	8,461	8,260	9,319	10,720
Raw material costs	5,735	5,531	6,150	7,419
Employee expenses	437	398	430	460
Other expenses	1,228	1,346	1,818	1,993 [^]
EBITDA	1,060	985	921	848
<i>EBITDA margin (%)</i>	<i>12.5%</i>	<i>11.9%</i>	<i>9.9%</i>	<i>7.9%</i>
Depreciation	146	219	185	194
Finance cost	106	159	174	147
Profit Before Tax	808	606	562	506
Tax expenses	201	163	151	148
Profit After Tax	607	443	411	359
<i>PAT margin (%)</i>	<i>7.2%</i>	<i>5.4%</i>	<i>4.4%</i>	<i>3.3%</i>

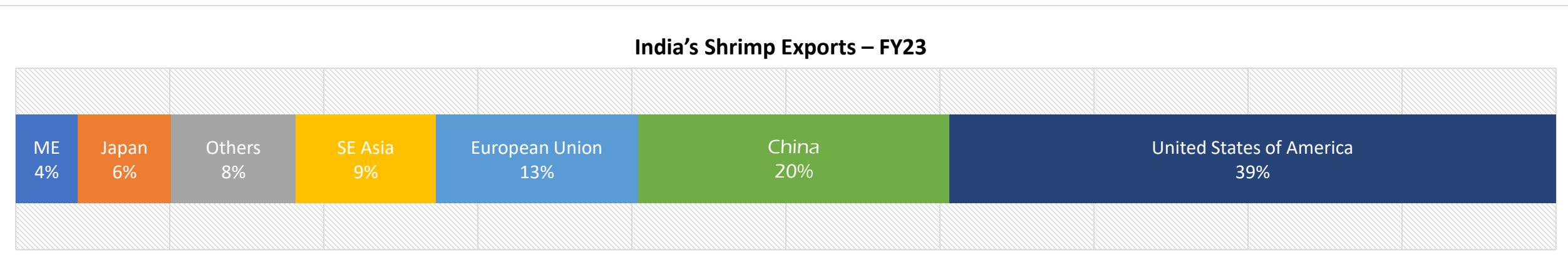
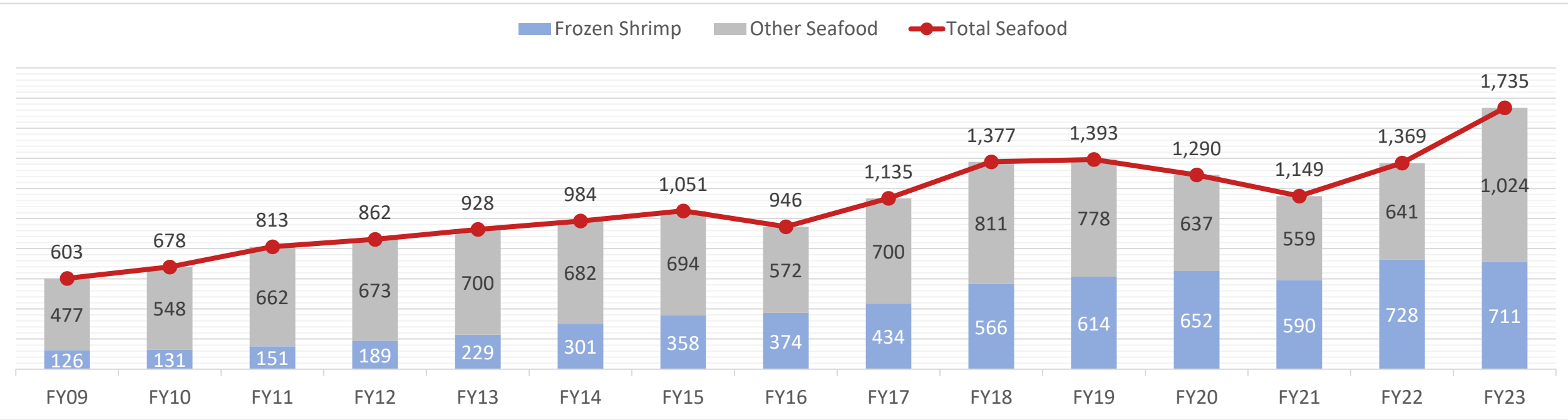
*Includes export incentives; ^ Includes write-off of certain receivables to the extent of Rs 74.6 Mn in FY23 (Rs 13.4 Mn in FY22)

Balance Sheet Highlights

Liabilities (Rs Mn)	Mar-21	Mar-22	Mar-23	Sep-23
Shareholder's Funds	4,398	4,684	4,900	5,019
Share capital	313	313	313	313
Reserves & surplus	4,086	4,372	4,587	4,707
Non-current liabilities	281	348	101	173
Long term borrowings	281	291	28	106
Other non-current liabilities	0	0	9	0
Deferred tax liabilities	0	57	64	67
Current liabilities	1,889	1,745	1,138	1,036
Short term borrowings	1,380	1,377	878	726
Trade payables	300	209	173	184
Other current liabilities	18	55	41	34
Short term provisions	135	79	46	61
Current tax liability	56	25	0	31
Total Liabilities	6,568	6,777	6,138	6,229

Assets (Rs Mn)	Mar-21	Mar-22	Mar-23	Sep-23
Non-current assets	2,708	2,656	2,738	2,737
Net block	2,504	2,360	2,424	2,572
Capital work-in-progress	154	219	179	9
Other non-current assets	27	77	135	156
Deferred tax asset	23	0	0	0
Current Assets	3,860	4,121	3,400	3,492
Inventories	1,612	2,028	1,800	1,776
Trade receivables	1,546	1,320	1,120	1,112
Cash & cash equivalents	99	83	104	155
Other financial assets	227	91	28	33
Other current assets	377	599	348	416
Total Assets	6,568	6,777	6,138	6,229

India's Seafood Exports Driven by Surging Shrimp Exports

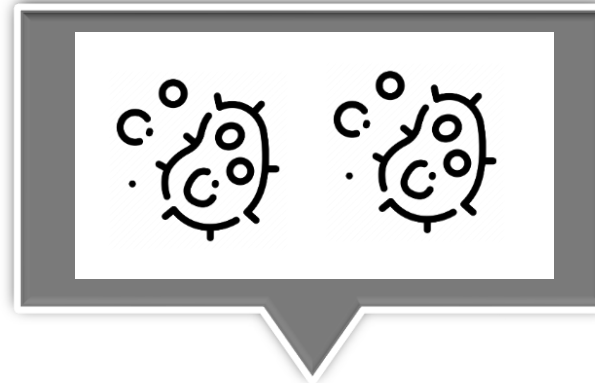


Key Considerations for the Sector



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

NSE / BSE code	APEX / 540692
CMP (Rs/share) (as on 16-Nov-23)	211
Market Cap (Rs Mn)	6,580
# Shares (Mn)	31.25
Face Value (Rs/share)	10.00
Sector	Aquaculture
Location	Kakinada, AP



Thank You



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