



**The
Waterbase
Limited**



Corporate Office :

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Egmore | Chennai | 600008 | India. **www.waterbaseindia.com**

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F: +91 44 45661799

24 Sep 2020

Corporate Relationship Department
BSE Limited
Floor 25, PJ Towers
Dalal Street
Mumbai 400001

Dear Sir/Madam,

Sub: Intimation of Schedule of Analyst/ Institutional Investor Meeting

Pursuant to Regulations 30 (6) and 46 (2) (0) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Company would like to inform its participation in Equirus Virtual Mid Cap conference on September 24th 2020.

At this meeting the Company will be represented by Mr. Ramakanth V. Akula, CEO; Mr. R Suresh Kumar CFO & Mr. Probal Roy, KCT Group (Promoter Group Entity).

The schedule of the meetings is subject to change due to exigencies on part of investors / analysts or the Company.

Kindly acknowledge receipt and take on record the following information.

Thanking You,
For The Waterbase Limited

R. Achuthan
Company Secretary & Compliance Officer

Registered Office / Factory:

Ananthapuram Village | T.P. Gudur Mandal | Nellore | Andhra Pradesh | 524344.

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Corporate Presentation

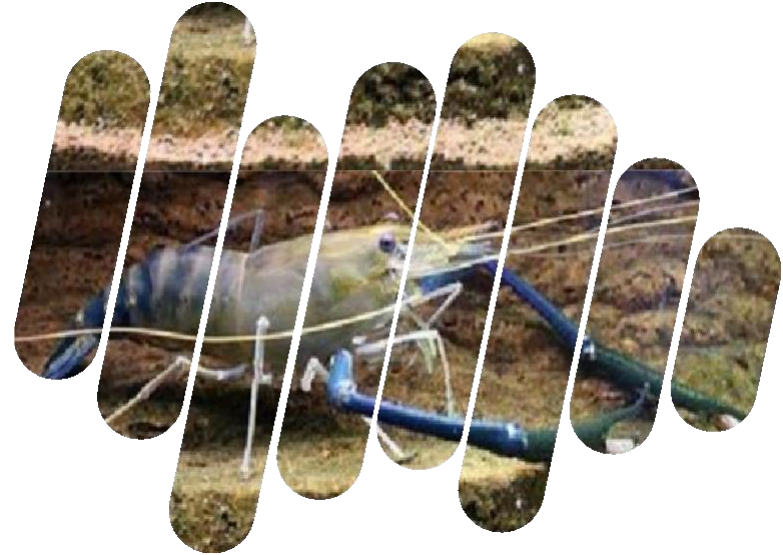
September, 2020



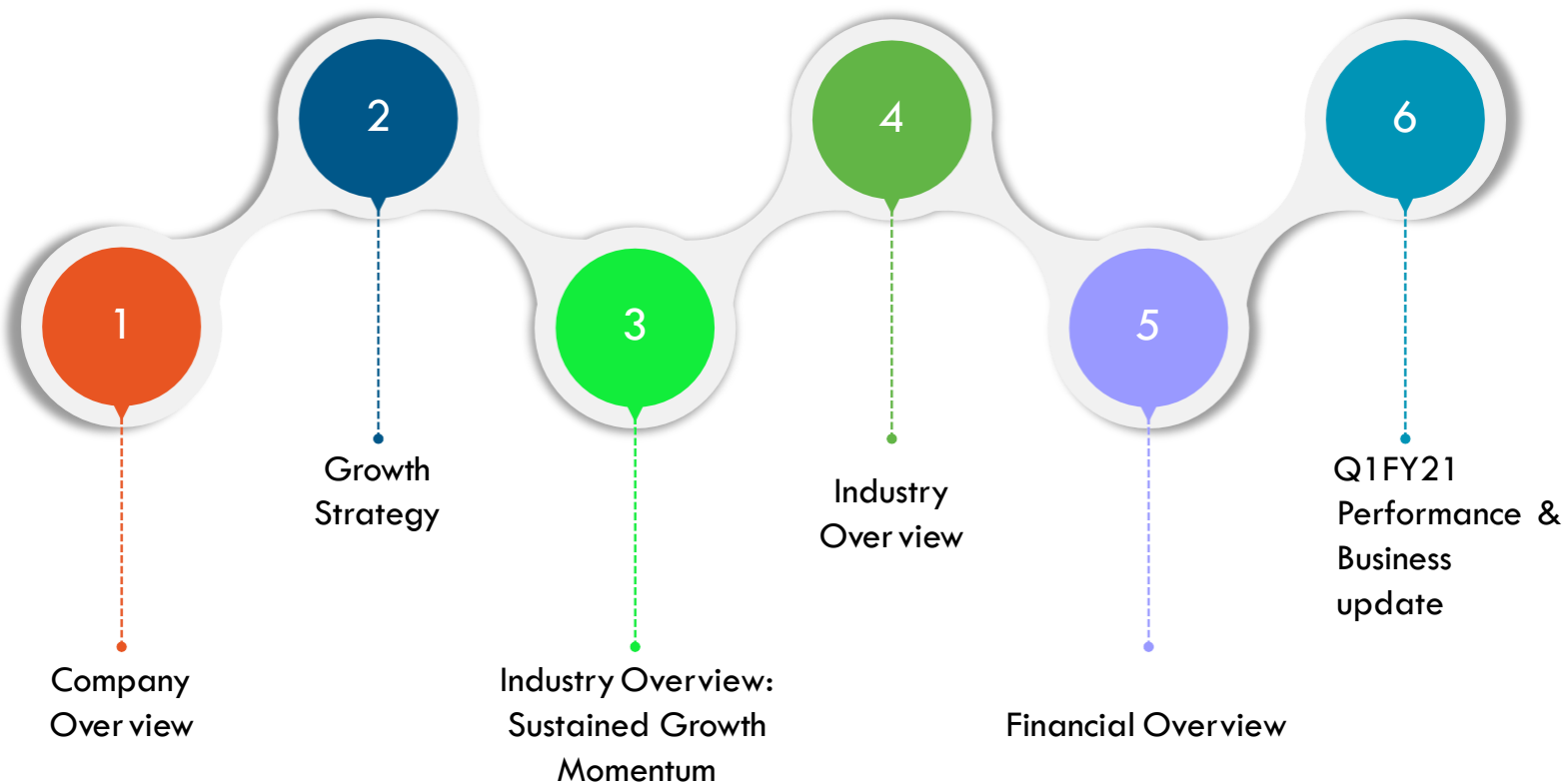
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Safe Harbour Statement:

Certain statements in this presentation concerning our future plans and strategies growth prospects, etc. are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of raw materials, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply products, the success of the companies in which TWL has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. TWL may, from time to time, make additional written and oral forward-looking statements, including those in our reports to shareholders. The Company does not undertake to update any forward looking statement that may be made from time to time by or on behalf of the company



Contents



Company Overview



TWL – Niche Player in the high growth Aquaculture Industry in India

1,10,000 MT

Installed Manufacturing capacity of Shrimp Feed

27

Yrs. In the Industry

325 CR

Revenues In FY20

~6,500 CR

Estimated size of Domestic Shrimp feed Industry

260

No. of Employees March 2020

0.1

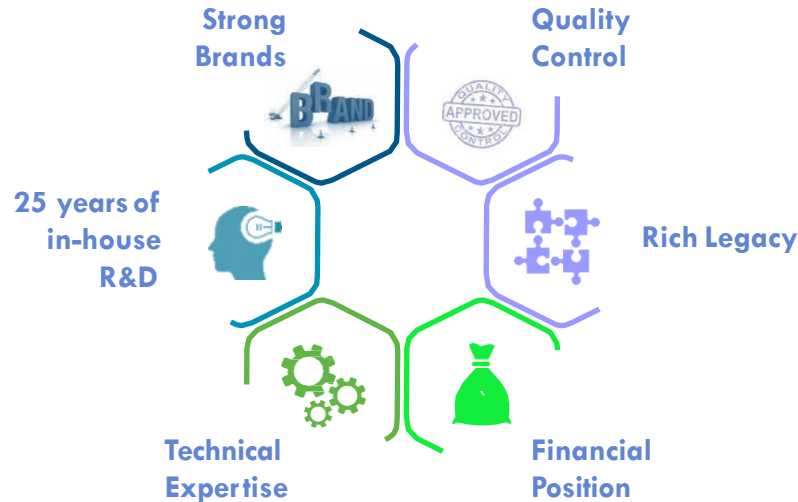
Debt – Equity As of Mar 31, 2020

Key Strengths

- Several popular brands which are favoured by shrimp farmers
- Enjoys high recall and is seen to be synonymous with quality and value

- Robust manufacturing processes and step by step quality control system
- Global best practices implemented

- Working with renowned companies and research institutions in India and abroad for the benefit of industry
- R&D initiatives have been meaningfully converted into new products
- Have driven improvements in feed manufacturing, farm practices, waste management, shrimp processing

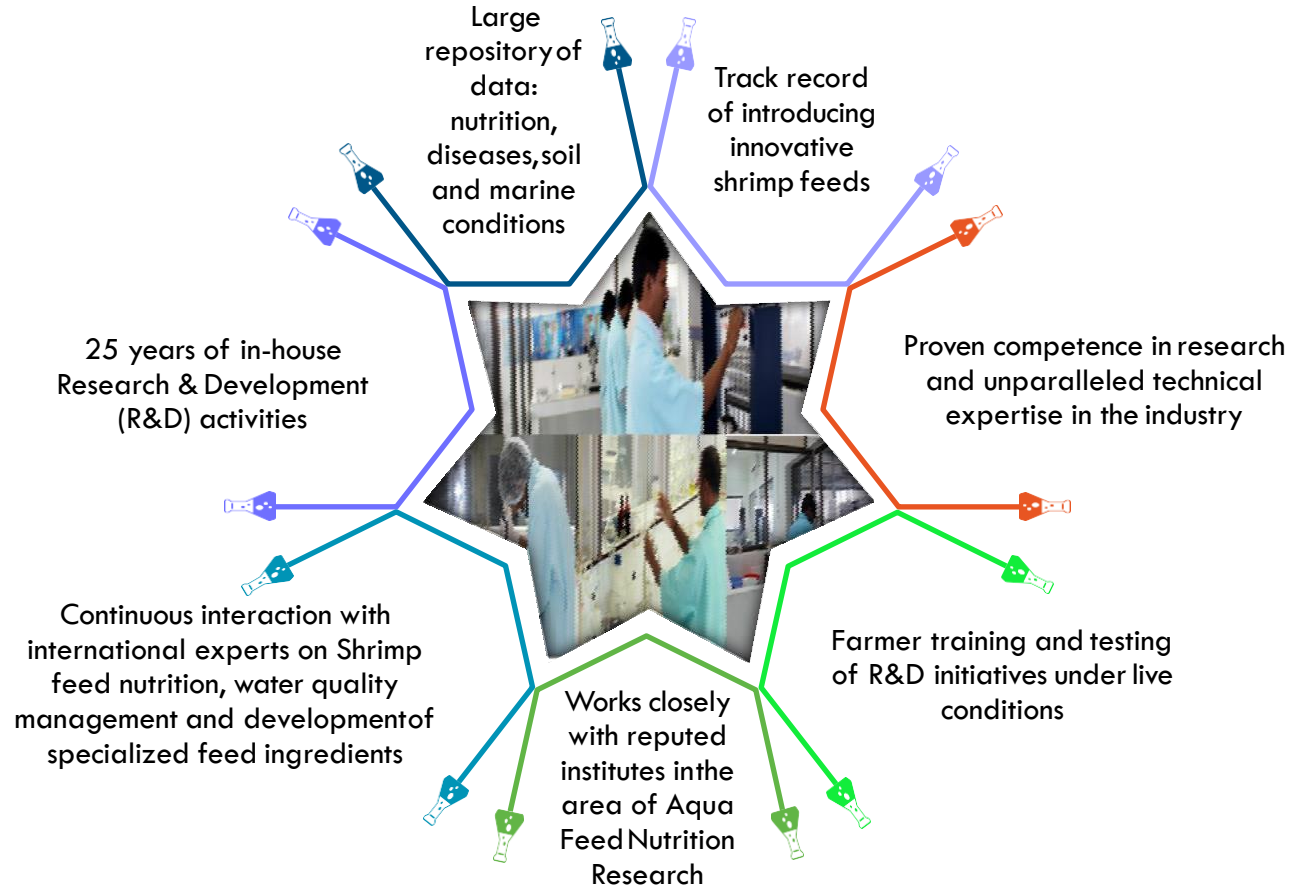


- 27 years of expertise in the business- strong connect with suppliers and farmers
- Backed by the KCT Group – has inculcated ethical business practices with long-term vision in mind

- TWL enjoys unparalleled technical expertise in the industry as the Pioneer
- Staffed by well-qualified personnel with rich industry experience
- Products, processes, practices are viewed as gold standard by industry

- Comfortable debt levels with a debt equity ratio of 0.1 x (Mar 2020)
- Demonstrated financial discipline through good and bad years for industry

Best local R&D Setup in the Industry



Strategic Alliance with CIBA

- Indian Council of Agricultural Research (ICAR), New Delhi under the Ministry of Agriculture, Government of India established the Central Institute of Brackish water Aquaculture (CIBA)
- CIBA, serves as the nodal agency for the development of brackish water aquaculture in the country
- As part of the MoU, CIBA will collaborate for the testing growth performance and refinement of eco-friendly shrimp feed with Waterbase
- MoU will involve exchange of information on feed formulations and testing of identified feed ingredients, trial feeds and any other market feed for macro and micro nutritional parameters at CIBA's Quality Testing Laboratory
- Both CIBA and Waterbase will identify competent technical personnel namely Scientists / Technicians, Chemists, etc. for implementation of the programme. Waterbase will also be able to use CIBA's technology in its own facilities



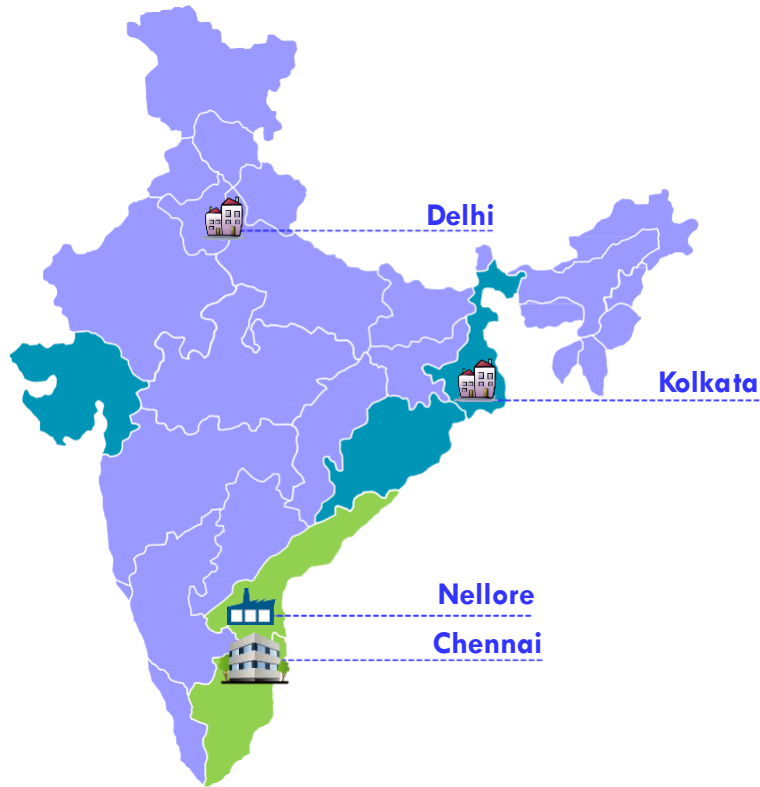
Awards & Accolades



➤ **SME – Empowering India Awards 2019**

- **Wins the award** under the ‘Food, Agro & Horticulture Products (Mid – Corporate)’ category at the SME – Empowering India Awards 2019
- “SME- Empowering India Awards 2019” seeks to recognize the contribution of such SMEs who through their achievements and growth have empowered the nation
- Hon’ble Union Minister of Steel, Govt. of India. Shri Chaudhary Birender Singh presented the award to Mr. Ramakanth V Akula, CEO, The Waterbase Limited

Locations



Key markets served



Gujarat



Andhra Pradesh



West Bengal

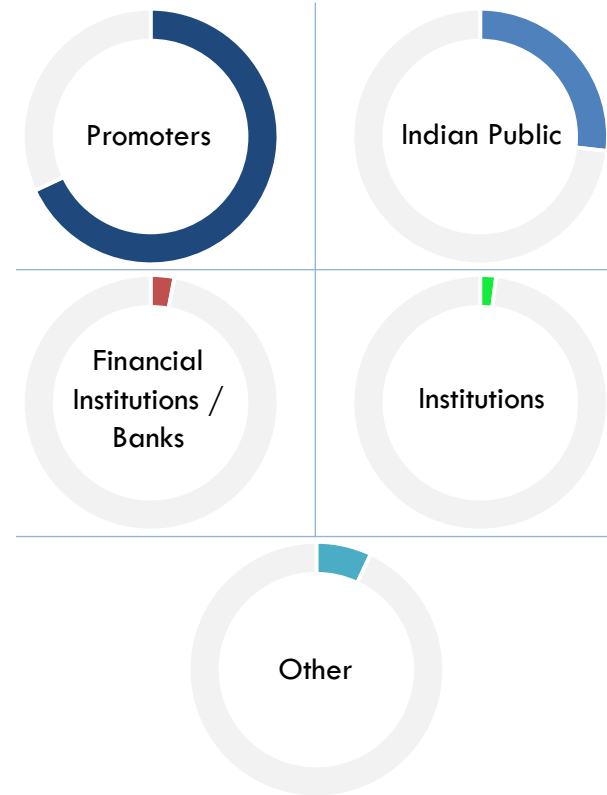
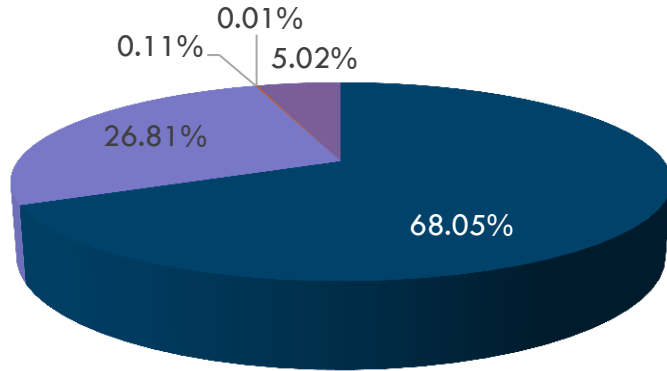


Odisha

● Existing ● New

Shareholding Pattern

As on 30th June 2020



Growth Strategy



Leverage Increased Capacities

- Plant setup in 2015 resulted in capacity growth of 3x to 110000 MTPA
- Focused on higher utilisation through increased sales volumes

Elevate presence in core markets

- Premiumisation of offering
- Deepening of distribution network
- Addressing all sizes of orders

Enhance visibility & Market share in New territories

- Increasing the farmer base
- Adding new dealers & distributors
- Customer connect through workshops, training camps & farmer meets
- Leveraging after sales service

Vertical & Horizontal Integration to enhance business stability

- Launched farm care products under the brand name 'Baylife'
- Launched packaged shrimp and crab meat in Retail market under the brand name 'Prize Catch'
- Commissioned Phase I of Vannamei Hatchery to produce good quality seeds for shrimp farming

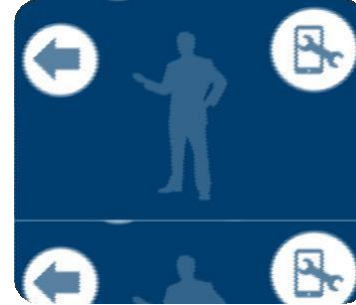


Driving Premiumisation in the Feed Business

Branding & Packaging



After Sales service



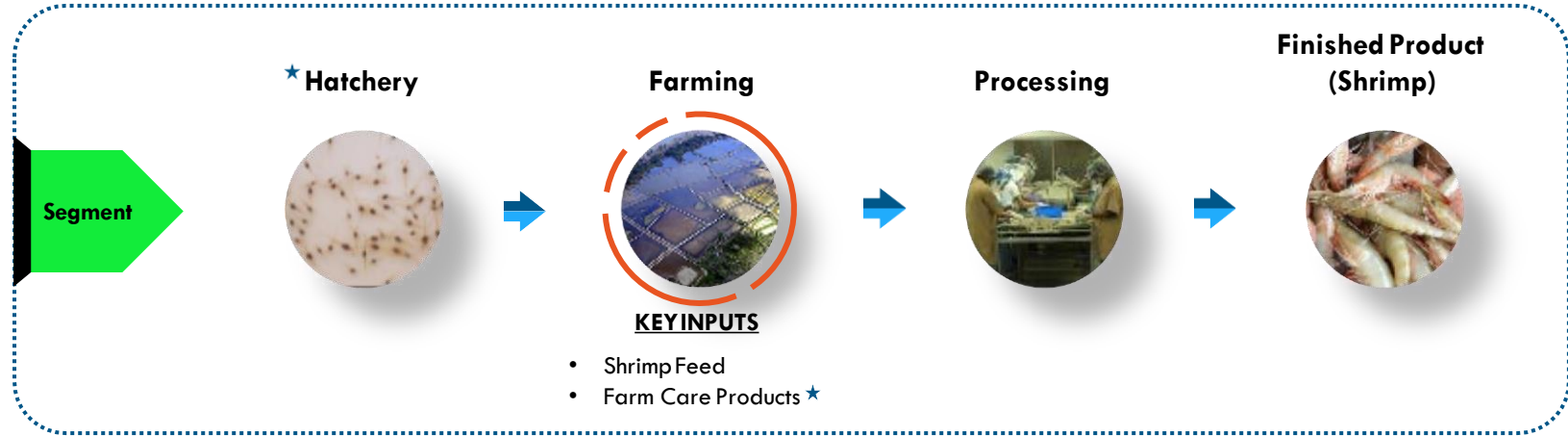
R&D inputs & Feed performance



Enhancing Farming techniques for disease management



Vertical & Horizontal Integration



★ New Growth Areas

| | | | | |
|--|-------------------------------------|---|-------------------------------------|--|
| Shrimp farming-Current status | 500 (No. of hatcheries in India) | 130,000 Ha Under Farming | 500 Processing Plants for shrimp | Frozen shrimp exports in FY20 - 6,52,253 MT |
| 2020 Industry Requirement / Potential | 68 Billion of Post Larvae (PL) | Requires 1,000,000 MT of Shrimp Feed | 1,000,000 MT (Current Capacity) | Frozen shrimp exports expected to decline by 10%-15% |
| TWL Capacity | 1 Hatchery (500 Mn PL) | 1,10,000 MT | 4,000 MT# | NA |

#This capacity is currently being utilised for 3rd party processing and exports

Diversifying Revenue Streams

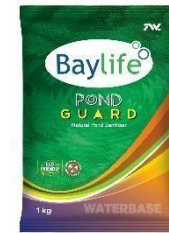


Feed and Farm care range of products

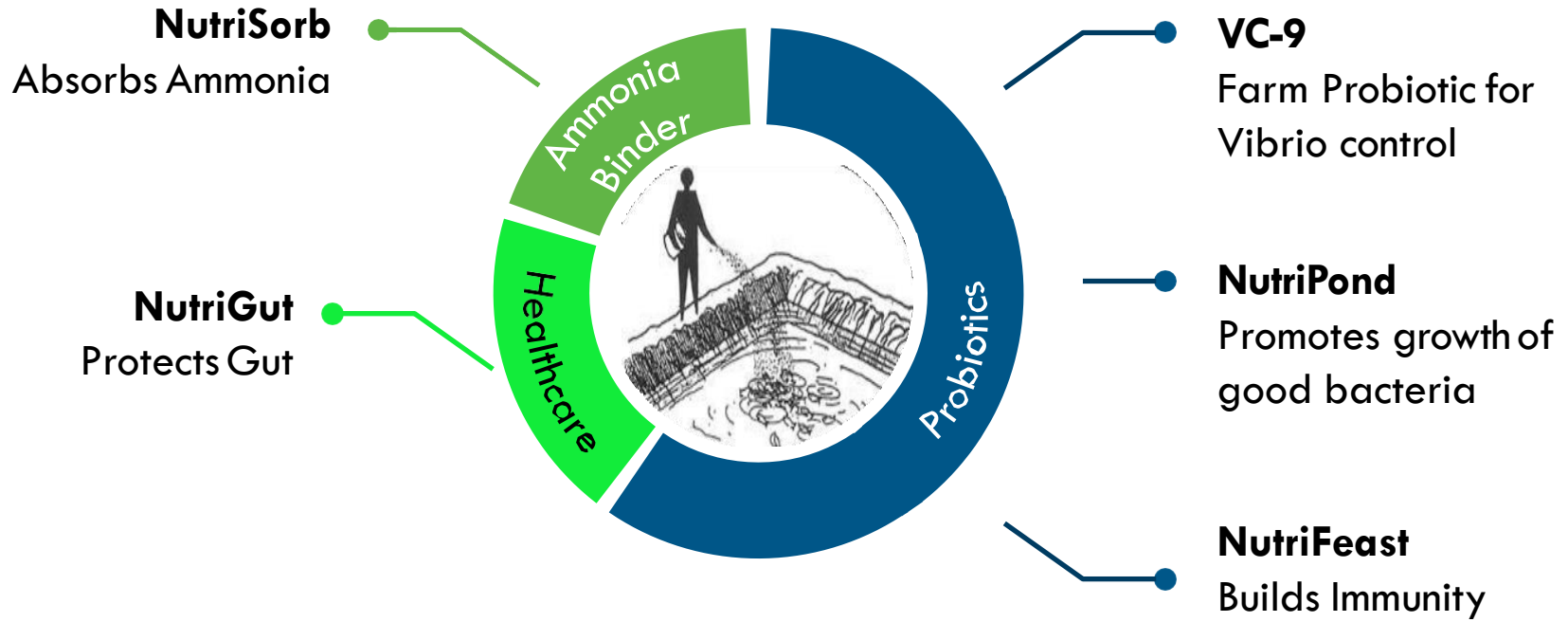
Shrimp Feed



Farm care range



New Initiatives – Farm Care Products



New Initiatives – Processed Seafood in the Domestic Market

Phase - I

- Launched line of frozen seafood under the brand Prize Catch
 - Initially launched Raw Shrimps and Pasteurised Crab meat
 - Soft - launch in Chennai, Bangalore & Goa

Phase - II

- Plan to scale up launch to other major cities in India
- Plan to add other products to widen product range



Aiming for differentiated offering with a focus on quality and freshness – Initially will focus on institutional (HoReCa*) sales

* HORECA – Hotel, Restaurant & Caterers

Industry Overview 1 – Global Market

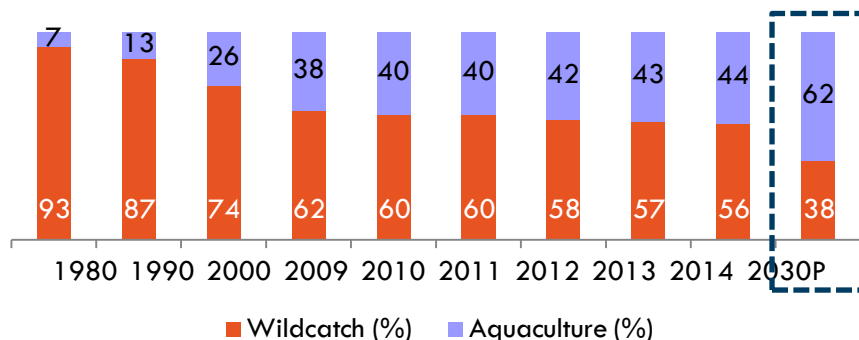


Global Demand for Seafood to remain strong; Aquaculture to drive future supply

(000 tons)

| SEAFOOD CONSUMPTION | | | |
|---------------------|----------------|------------------|--------------|
| | Data (2006) | Projection(2030) | CAGR (%) |
| Capture | 64,533 | 58,159 | (0.43%) |
| Aquaculture | 47,164 | 93,612 | 2.90% |
| Global Total | 111,697 | 151,771 | 1.29% |

Source: www.fao.org



FAO concludes that the maximum wild capture fisheries potential from the world's oceans has probably been reached

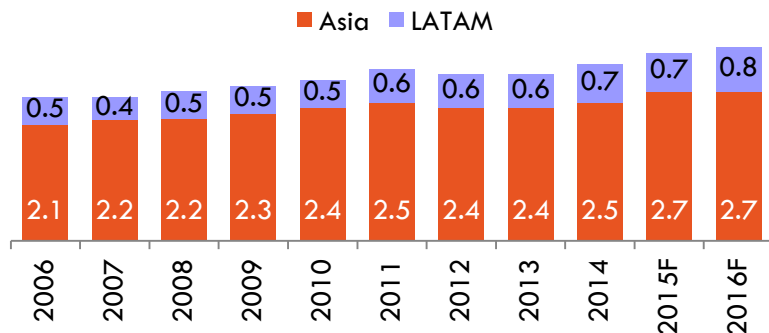
Overall, 80% of the world's fish stocks for which assessment information is available are reported as fully exploited or overexploited

In 2007, about 28% of stocks monitored by FAO were either overexploited, depleted or recovering from depletion and thus yielding less than their maximum potential owing to excess fishing pressure

- Supply of wild catch (from the sea) is expected to remain stagnant - All incremental supply will come from aqua culture (Farmed Shrimp)
- Aquaculture to grow at ~3% (CAGR) as against a marginal decline in Capture

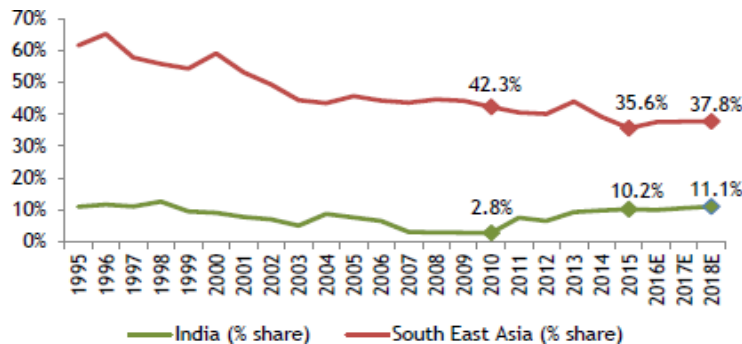
Asia is the primary supplier of global shrimp; India the dominant force in Asia

Asian region dominates global shrimp supply



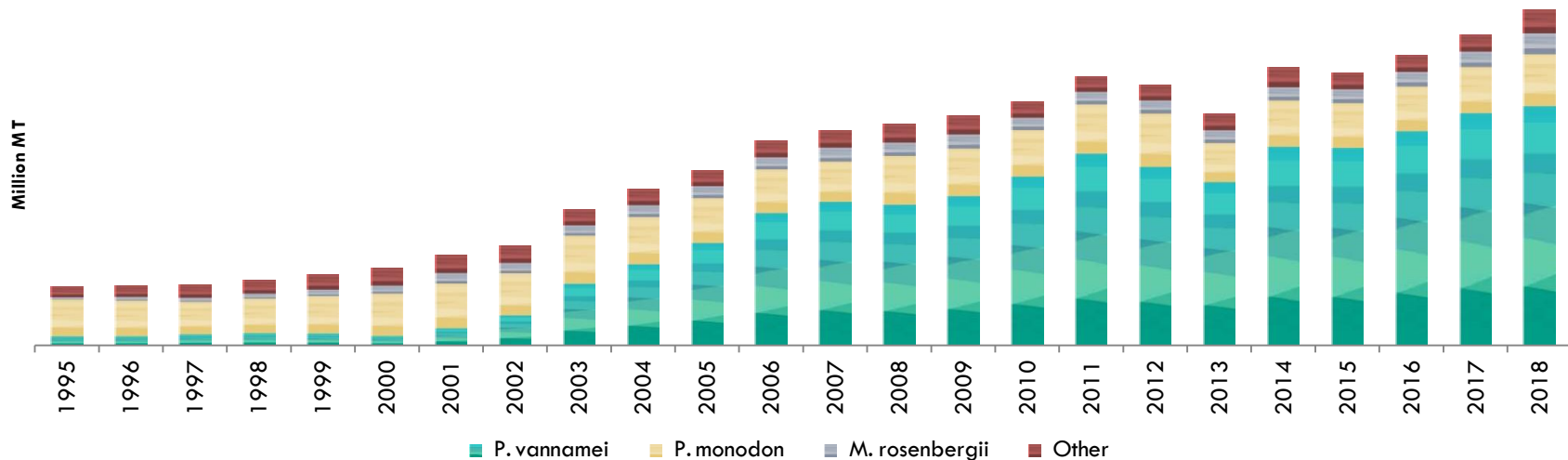
- **~77% of global farmed shrimp supply contributed by Asian countries**
 - Disease outbreak in Thailand and Vietnam in end of the previous decade impacted the growth rate
 - Growth during 2010-14 ~0.9% (albeit on a higher base)
- **LATAM benefiting from disease outbreak in Asia**
 - Supply grew at CAGR of ~7.6% over 2010-2014
 - Ecuador is the shining star within the region - exports grew at a CAGR of 24.4% by value and 38.5% by volume during 2010-14

India the dominant force in Asian region



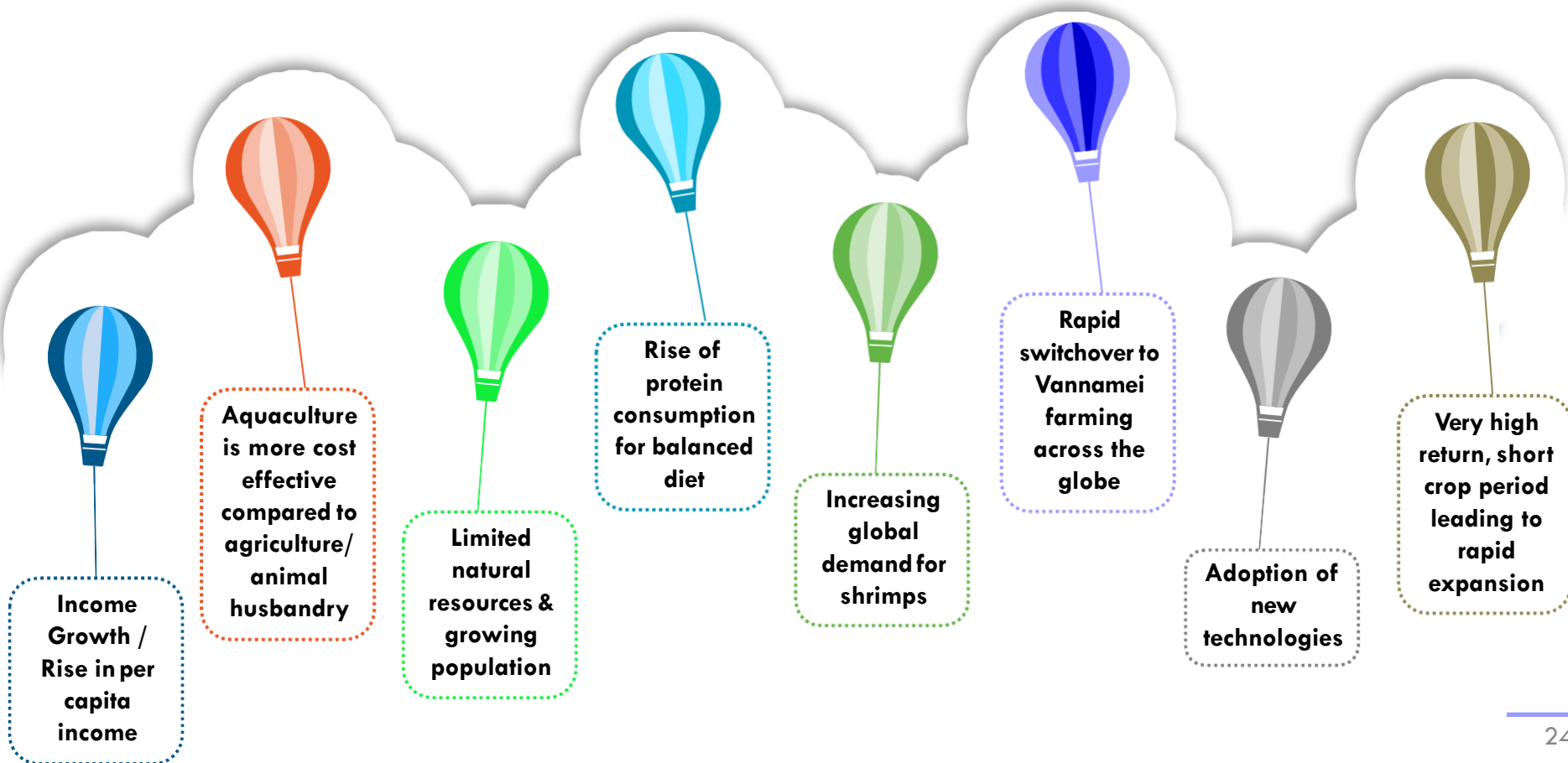
- Despite Asia's stagnant shrimp supply over the past 5 years, India's exports have grown at a CAGR of 32%(2010-15)
- Introduction of P. Vannamei (White shrimp) key catalyst for India's robust performance
- In absolute terms, India's volumes have increased from 0.1 mn tons to 0.4 mn tons growing at CAGR (2010-15) of 32%
- India's shrimp aquaculture market share has risen to 10.2% in 2015 from 2.8% in 2010 and is expected to reach 11.1% by 2018E

World Shrimp Aquaculture by Species:

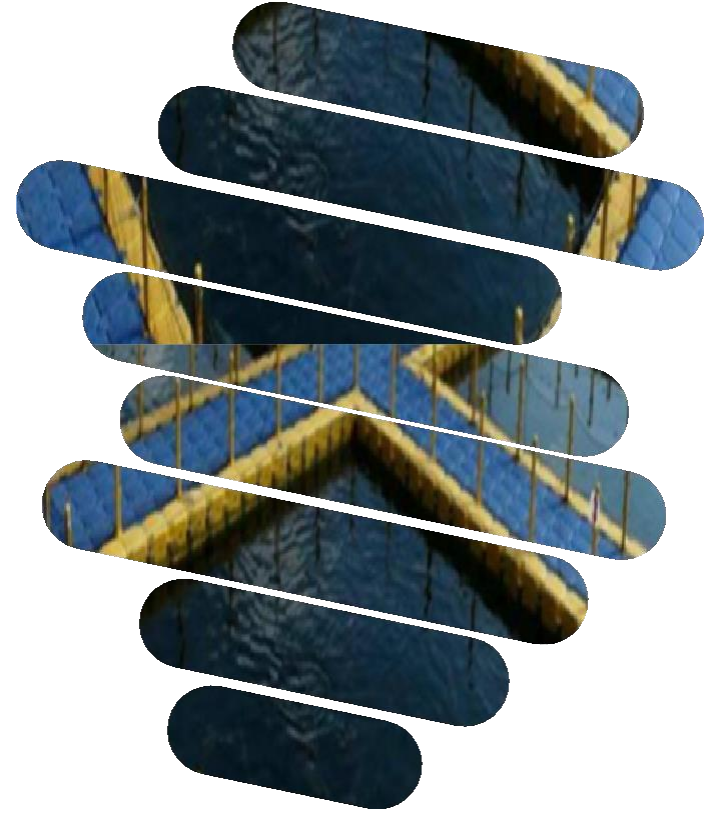


- Aquaculture volumes have grown 4.5x over the last 20 years to 4.5mn tonnes in 2016 from 1.0mn tonnes in 1995
- Share of *P. Vannamei* has increased to 75% in 2016 from <10% in 1995

Growth Drivers



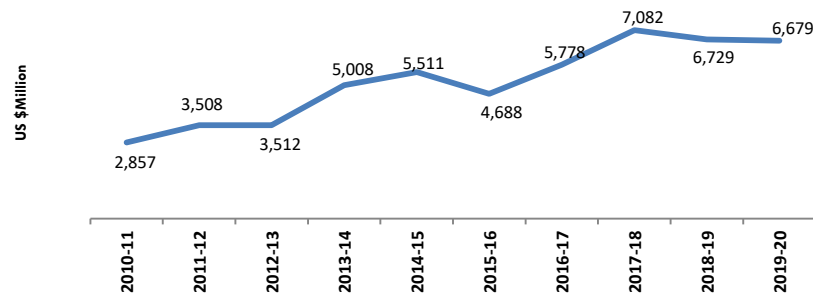
Industry Overview 2 – Domestic Market



Robust Track Record of Aqua Industry Growth

- Indian Seafood exports remained steady at ~USD 7 bn for FY20; mitigating the adverse impact of covid-19 pandemic.
- USA and China were the major import markets of India's seafood products, with a share of 38.37% and 20.58% in dollar terms, respectively, followed by EU (13.12%), South East Asia (10.57%), Japan (6.32%) and Middle East (4.45%).
- Frozen Shrimp and Fish constituted the bulk of India's 12,89,651 MT shipment of Seafood during FY20
- Export of Vannamei shrimp grew from 4,18,128 MT to 5,12,189 MT in 2019-20 — an uptick of 22.49% in quantity.
- USA accounted for around 51% of total Vannamei shrimp exports in USD value, followed by China (21.8%); European Union (8.2 %), South East Asia (4.7%), Japan (4.5%) and the Middle East (3.6%)

Export Performance Since 2010-11 (US \$Million)



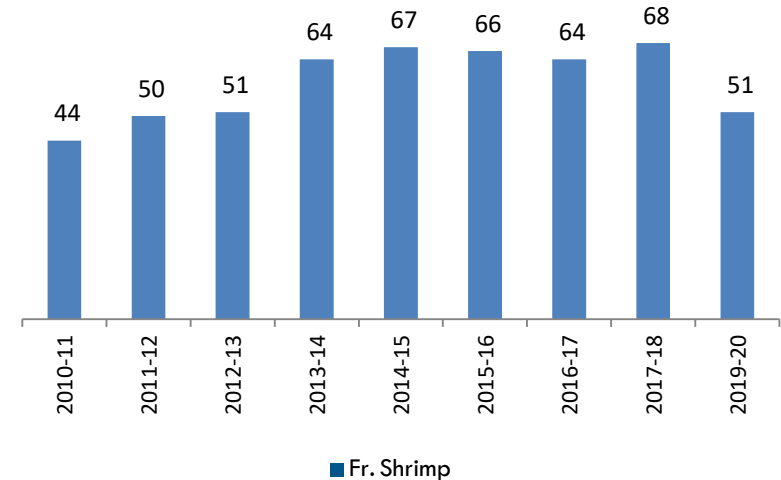
| Export Details | 2018-19 | 2019-20 |
|---------------------|-----------|-----------|
| Quantity Tonnes | 13,92,559 | 12,89,651 |
| Value Rs. crore | 46,589.37 | 46,662.85 |
| Value US \$ Billion | 6.73 | 6.68 |

Source: www.mpeda.com

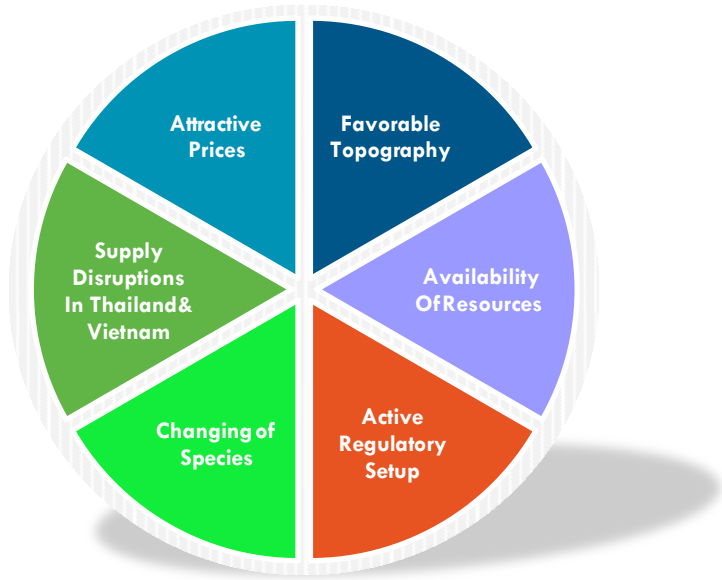
Driven by strong growth in Shrimp Exports

- Shrimp exports during the year rose by 6.20% in quantity and 6.04% in dollar terms
- Frozen shrimp maintained its position as the key contributor to seafood export basket, accounting for 50.58% in quantity and 73.21% of the total dollar earnings
- The overall export of shrimp during 2019-20 stood at 6,52,253 MT valued at \$4.9 billion
- The export of Vannamei stood at 5,12,189 MT recording a growth of ~22% in volumes on a y-on-y basis
- Due to the declining levels of wild shrimp and preference for vannamei, as evident in changed mix in exports, the focus is increasing on farmed products

Marine Export – Frozen shrimp continues to be highest contributor



Factors behind Success of Shrimp Farming in India



India has an abundant coastline and its climatic conditions are favorable for shrimp farming

Abundant farm labour at reasonable cost, availability of other inputs such as land and power and sustained high levels of productivity have enabled India to be competitive

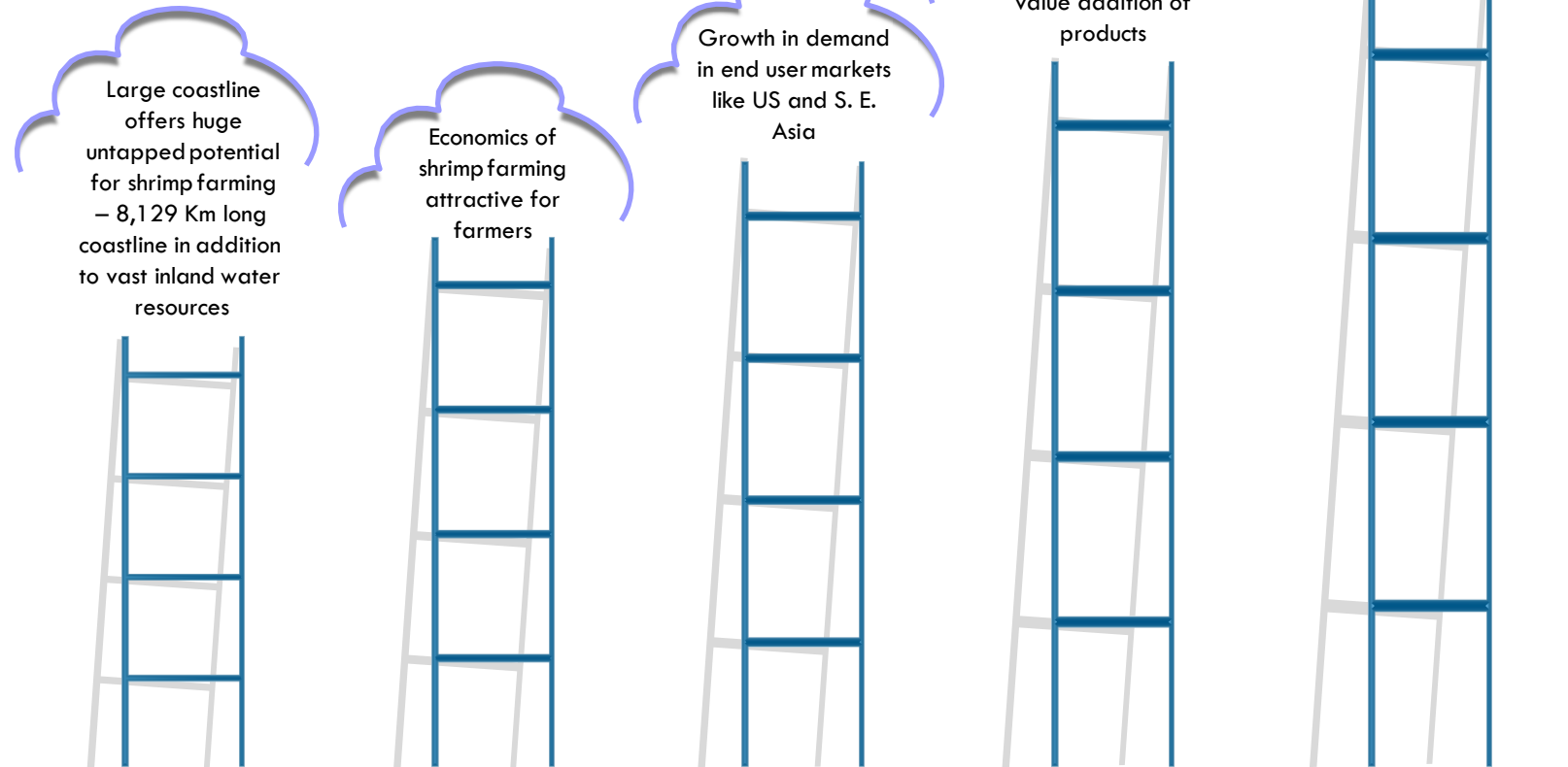
The industry is governed by MPEDA and CAA and the regulatory framework. This is seen as a key factor which helped India to avert disease which impacted industry growth in neighboring South-east Asian countries

The introduction of the L. Vannamei species shifted the dynamics of shrimp farming through a significant improvement in economic viability of farms

Erstwhile key suppliers like Thailand and Vietnam were affected by breakout of EMS, leading to disruption in global supply thereby providing a window of opportunity to Indian farmers & exporters

Global prices for Vannamei shrimp have sustained at attractive levels in recent years which has helped the industry/opportunity to remain lucrative

Growth Drivers



Key Challenges



Fragmented Industry

Due to its nature it is difficult to regulate and ensure industry –wide implementation of standards. The unorganized structure also leads to challenges in financing, insurance and supply of labor



Quality of Inputs

Access to quality brood stock and seeds which are key inputs to farming are impediments to faster and sustainable growth – the poor quality of inputs is impacting yields and sustainability



Expected Increase in Competition

Significant capacities have come up in recent years and suppliers may resort to aggressive marketing in order to offload capacities and / or increase market share



External

Diseases, weather patterns, fluctuating global prices of shrimp make the industry inherently unpredictable



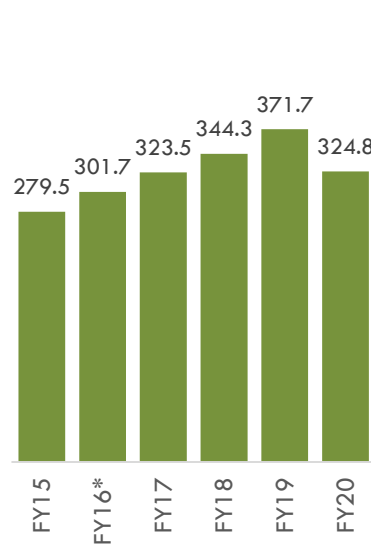
Financial Overview



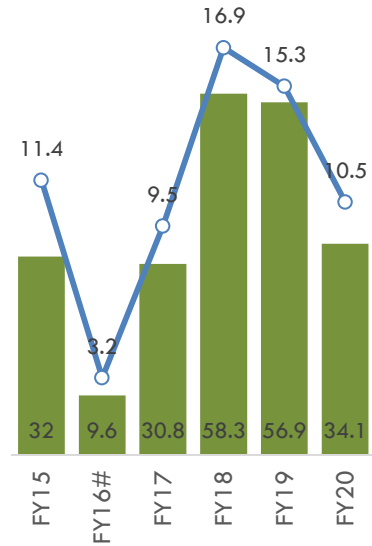
Financial Performance

Revenue

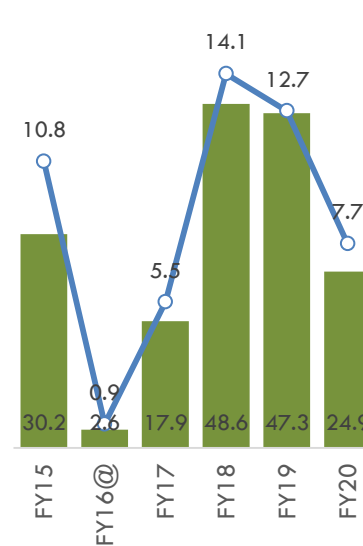
(in Cr)



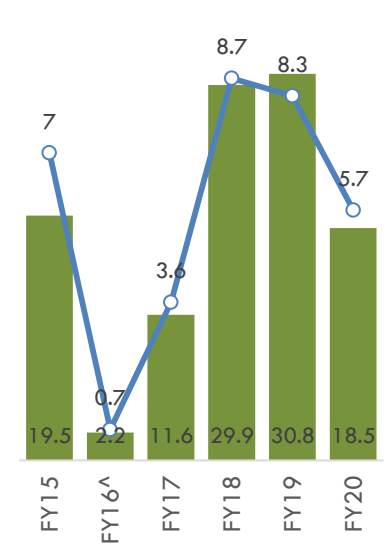
EBITDA — Margins (%)



PBT — Margins (%)



PAT — Margins (%)



Flooding of the factory premises and surrounding areas in Nov/Dec 2015 impacted revenue performance due to destruction of stock-in-hand as well as loss of potential revenue in season #

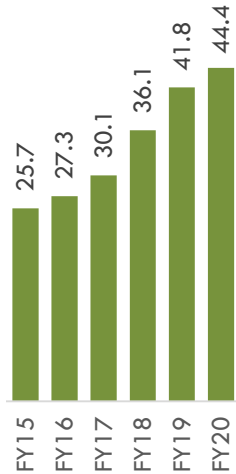
EBIDTA performance was impacted due to higher input costs, unexpected expenses on account of flooding and disruption in operations.

@ PBT was further impacted by (a) exceptional items of Rs. 3.5 crore being one-time settlement cost with one of the company's bankers, (b) extra-ordinary item of Rs. 17.5 crore being one-time loss on account of write off of stock-in-hand and damage to factory premises due to flooding of the factory premises .

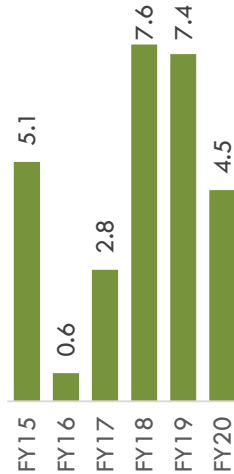
FY15 alone is Ind-GAAP & FY16/17/18/19 & 20 (standalone) the remaining are based on INDA- AS

Key Financials

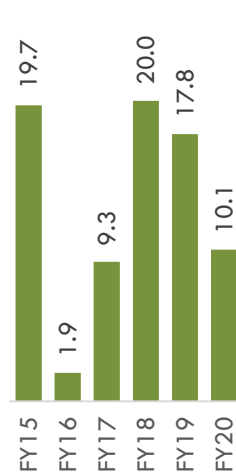
Book value per share (Rs.)



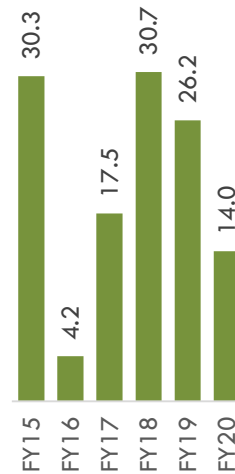
Earnings Per Share (Rs.)



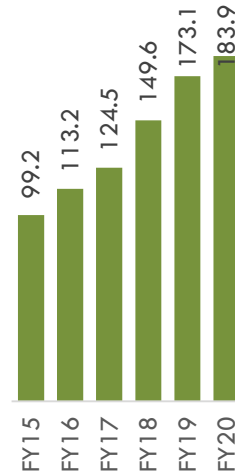
Return on net worth (%)



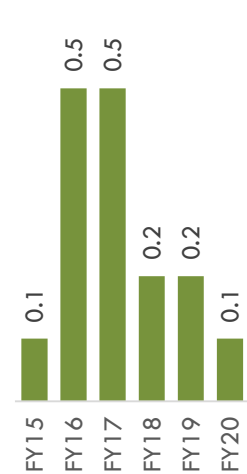
Return on Capital Employed (%)



Net Worth (Rs. cr)



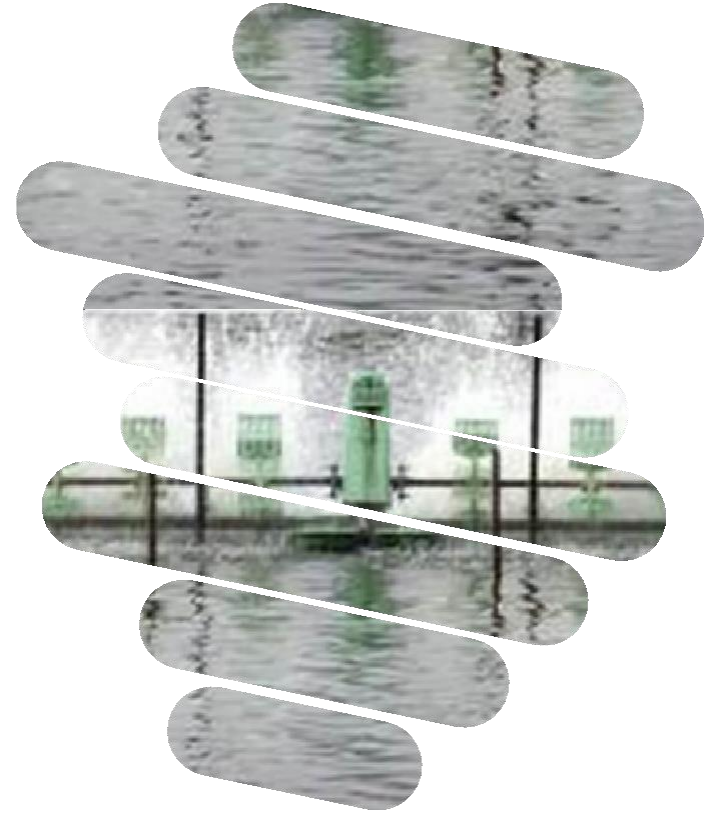
Debt Equity Ratio



FY15 alone is based on IND – GAPP ; FY16, FY17, FY18, FY19 & FY20 (standalone) are based on Merged Entity & Ind-AS. BVPS & EPS for FY16 & FY17 – considering shares to be issued consequent to the merger

All Return ratios for FY16 were impacted by disruption in business operations and unexpected costs incurred due to flooding of the factory premises and surrounding areas in Nov/Dec 2015 *EPS RoE & RoCE further impacted by (a) exceptional items of Rs. 3.5 crore being one-time settlement cost with one of the company's bankers, (b) extra-ordinary item of Rs. 17.5 crore being one-time loss on account of write off of stock-in- hand and damage to factory premises due to flooding of the factory premises

Q1 FY21 Performance Updates



Q1 FY21 - Financial Performance

| Particulars (Rs.cr) | Q1 FY21 | Q1 FY20 | Growth (%) |
|---------------------|---------|---------|------------|
| Total Income | 63.07 | 120.07 | (47.5) |
| EBITDA | 9.04 | 20.19 | (55.2) |
| EBITDA Margin (%) | 14.34 | 16.82 | (248 bps) |
| PAT | 4.9 | 11.39 | (56.9) |
| PAT Margin (%) | 7.8 | 9.49 | (172 bps) |

Profitability for the quarter was expectedly lower given the covid-19 challenges. While the overall situation is gradually improving with H2 expected to be relatively better, pace of overall recovery though hinges on the resumption of farming activities and revival in demand (HORECA) segment

Covid-19 led disruption impacted farming activities during the quarter. Apprehension amongst farmers regarding demand and pricing uncertainties following virus outbreak let to curtailed farming activities. Further material and labour restriction impacted business momentum. While unavailability of broodstock impacted hatchery operations as well; Farmcare business momentum was impacted following early harvesting undertaken by the farmers. Globally, while the ready to cook – Retail demand continues to remain firm, Out-of-home consumption (HORECA) segment the largest consumer segment continues to remain under pressure.

Input prices continued to remain elevated in turn exerting pressure on margins and profitability. Expect raw material prices to remain steady at current level

Q1FY21 - Financial Performance

| Particulars (Rs.cr) | Q1 FY21 | Q1 FY20 | Growth (%) |
|---------------------|---------|---------|------------|
| Total Income | 63.07 | 120.07 | (47.5) |
| EBITDA | 9.04 | 20.19 | (55.2) |
| EBITDA Margin (%) | 14.34 | 16.82 | (248 bps) |
| PAT | 4.9 | 11.39 | (56.9) |
| PAT Margin (%) | 7.8 | 9.49 | (172 bps) |

Revenue Break - up

| Particulars (Rs.cr) | Q1 FY21 | Q1 FY20 | Growth (%) |
|---------------------|-------------|--------------|---------------|
| Feed | 59.4 | 116.2 | (48.9) |
| Farm Care | 2.0 | 2.0 | 0.0 |
| Hatchery | 1.2 | 1.6 | (25.0) |
| Others | 0.5 | 0.3 | 80.4 |
| Total Income | 63.1 | 120.1 | (47.5) |

INR Cr.

As per Ind-AS



Feed Business

- Q1 FY21 performance impacted by Covid-19 led disrupted
- Demand –
 - Lower demand from the end user (HoReCa – export driven) triggered a chain reaction across the value chain, firstly by raising apprehension in farmer's mind regarding realisations – in turn forcing them to undertake early harvesting of their output which in turn led to lower off-take of feed
 - Situation is gradually improving – Farmgate prices have revived, expect H2 to be relatively better
- Supply –
 - Challenges surrounding logistics and limited availability of workers weighed on the supply side of the equation. With ports being jammed and limited movement of material transportation prices jumped up during the quarter. Limited availability of brood stock (Imported) impacted Hatchery business operations as well
 - Things have gradually started improving – labour and material movement has begun



Farmcare Products

- Curtailed farming activities following covid-19 uncertainties impacted growth momentum in Q1
- Expect improvement H2 onwards – brand salience and connect with farmers remains strong
- Buoyed by improving acceptancy ratio; efforts are now directed towards widening the width and breadth of the product portfolio
- Helps the Company to diversify revenue streams and capture larger share of wallet

Hatchery business–

- Limited availability of brood stock impacted Q1 performance
- Commencement of business activities following unlocking of economy should help drive the performance H2 onwards
- Contemplating expanding capacities to meet growing demand – will carefully monitor pace of normalisation of operating environment
- Synergies with Feed and Farmcare products business

Thank You

