



Investor Presentation

Apex Frozen Foods Limited

CIN: L15490AP2012PLC080067

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Result Update – Q1 FY20

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# Q1 FY20 Key Highlights



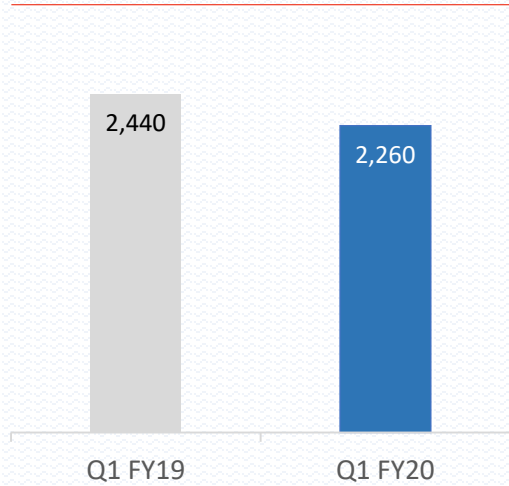
# New Processing Plant in AP | Installed capacity of 20,000 MTPA

**Trial production** will start in this month, Aug-19; while **Commercial production** will begin after receiving the Regulatory Approvals and Certifications

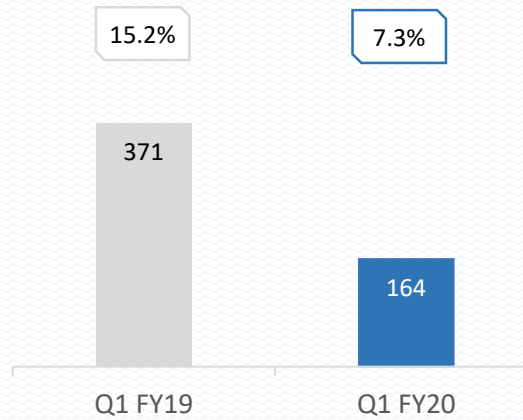


# Q1 FY20 : Key Performance Indicators (1)

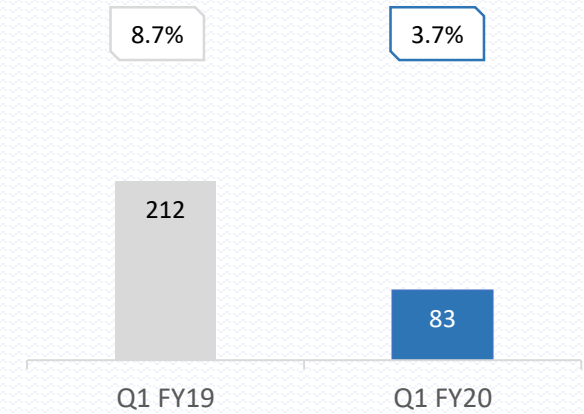
### Total income (Rs mn)



### EBITDA (Rs mn) and margin (%)



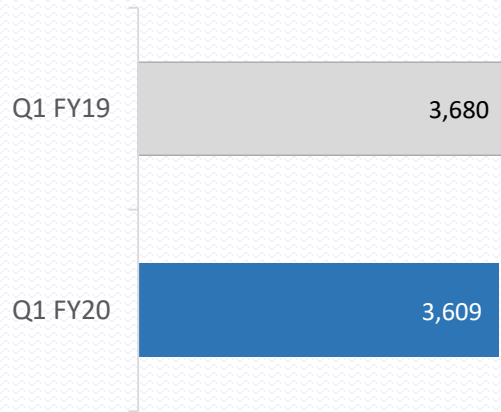
### PAT (Rs mn) and margin (%)



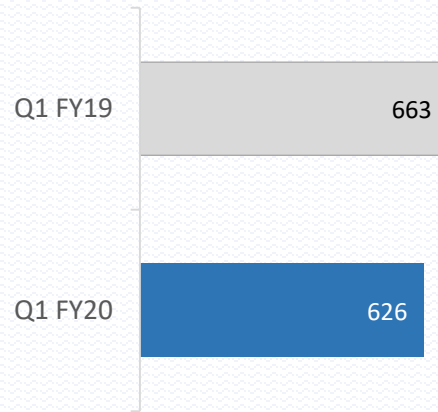
Profitability in Q1FY20 was largely impacted by a relatively higher priced raw material (raw shrimp)

# Q1 FY20 : Key Performance Indicators (2)

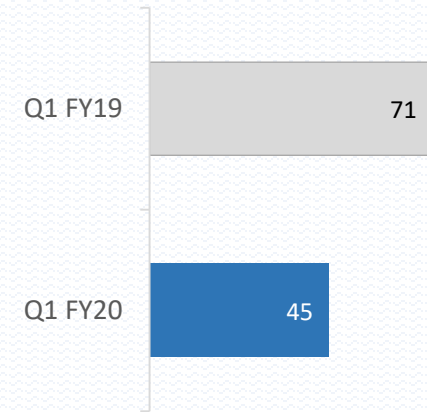
### Volumes sold (MT)



### Average Realisation\* (Rs/kg)



### Adjusted EBITDA per kg # (Rs)



\* 'Total Income, incl. other income ÷ Volumes sold'

# 'Adj. EBITDA, incl. other income ÷ Volumes sold'

# Profit & Loss Highlights

Standalone (Rs mn)	Q1 FY20	Q1 FY19	y-o-y %	Q4 FY19	q-o-q %	FY19
Net revenue	2,219	2,393	-7%	1,639	35%	8,747
Other income	42	47	-12%	31	35%	215
<b>Total Income</b>	<b>2,260</b>	<b>2,440</b>	<b>-7%</b>	<b>1,670</b>	<b>35%</b>	<b>8,962</b>
Raw material	1,645	1,501	10%	1,027	60%	5,810
Employee expenses	101	117	-14%	123	-18%	482
Other expenses	350	451	-23%	344	2%	1,559
<b>EBITDA</b>	<b>164</b>	<b>371</b>	<b>-56%</b>	<b>176</b>	<b>-7%</b>	<b>1,111</b>
<i>EBITDA margin</i>	<i>7.3%</i>	<i>15.2%</i>	<i>-</i>	<i>10.5%</i>	<i>-</i>	<i>12.4%</i>
Depreciation & amortisation	30	26	15%	28	8%	109
Finance cost	18	17	10%	15	19%	65
<b>Profit Before Tax</b>	<b>116</b>	<b>328</b>	<b>-65%</b>	<b>133</b>	<b>-13%</b>	<b>937</b>
Tax	33	116	-71%	49	-33%	329
<b>Profit After Tax</b>	<b>83</b>	<b>212</b>	<b>-61%</b>	<b>84</b>	<b>-1%</b>	<b>608</b>
<i>PAT margin</i>	<i>3.7%</i>	<i>8.7%</i>	<i>-</i>	<i>5.0%</i>	<i>-</i>	<i>6.8%</i>
Other comprehensive income	-3	-65	-95%	56	-106%	19
<b>Total Comprehensive Income</b>	<b>80</b>	<b>147</b>	<b>-46%</b>	<b>140</b>	<b>-43%</b>	<b>627</b>
Diluted EPS (Rs)	2.66	6.78	-61%	2.69	-1%	19.45



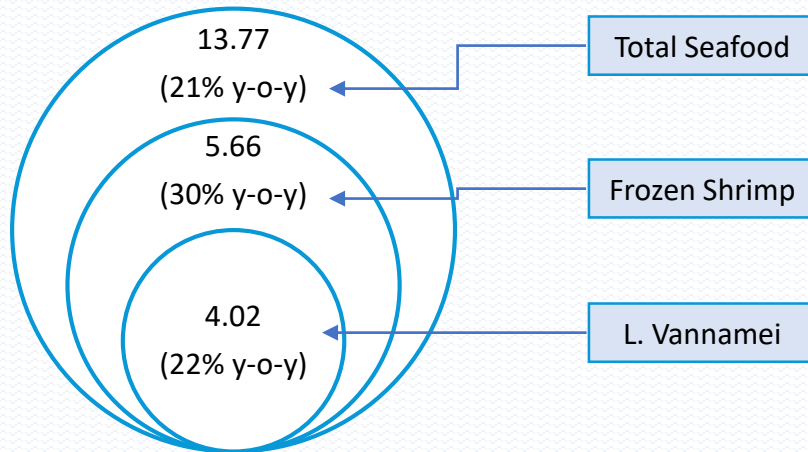
# Business Strengths





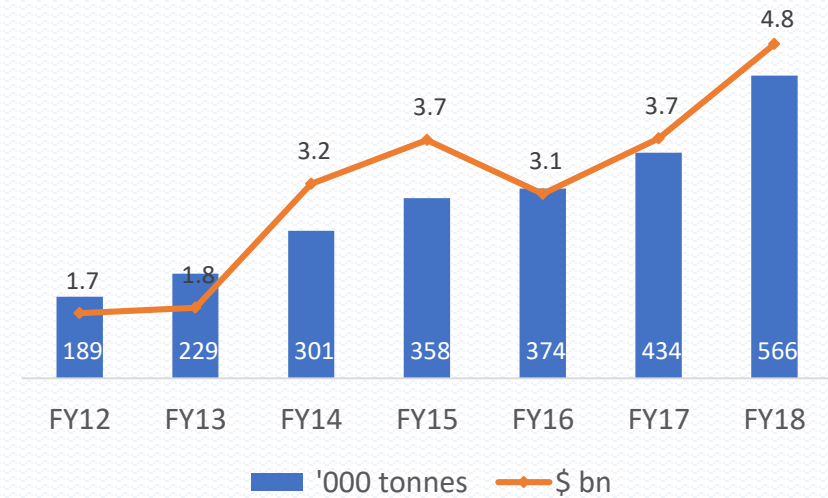
# Indian Aquaculture Industry

## India's exports on a rise – FY18 (lakh tonnes)



Source: MPEDA

## Frozen shrimp exports by India

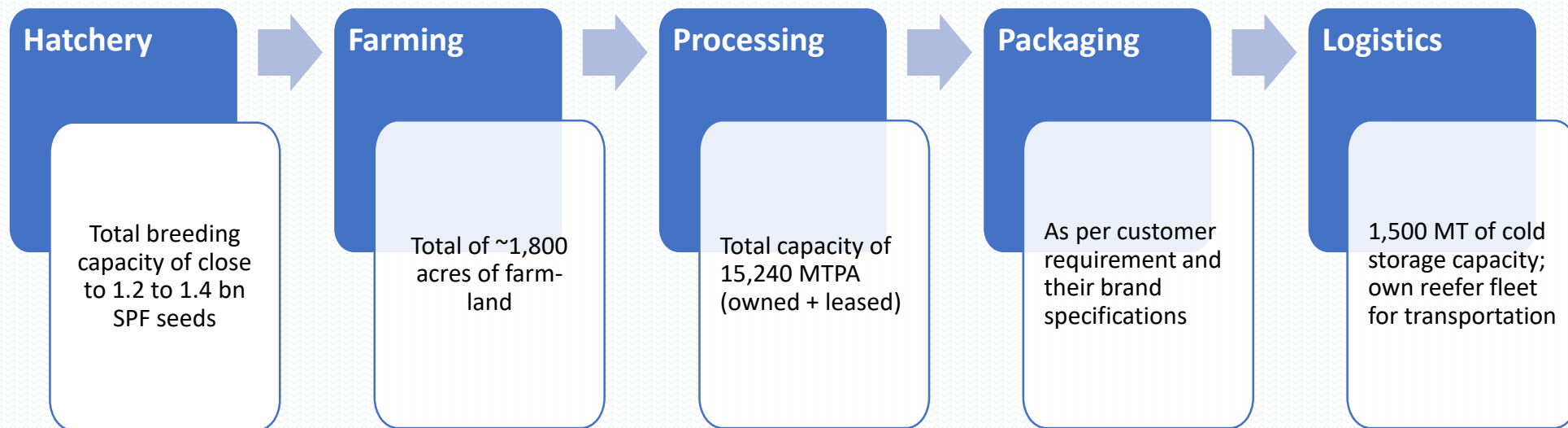


Source: MPEDA



*Although shrimp export in FY19 is estimated to be flat y-o-y, in value terms the estimated drop of 10-12%*

# Integrated Operations Ensure Quality Control & Timely Delivery

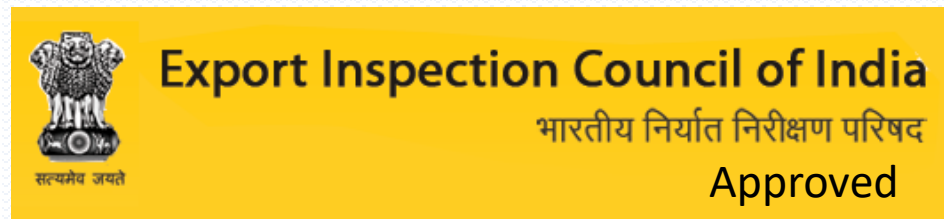


*Our facilities are in proximity to one another, enabling smooth transition to the next stage:  
Farms are within **10-200 kms**; Kakinada port is within **~20 kms**; Vizag port is within **~150 kms***

# Quality Control Certifications act as Entry Barrier



EU Approved



# Long Standing Relationships with Reputed Clients

Our key distributors...

*Pacific Seafood*

OCEAN WORLD  
VENTURES

Mazzetta Company

Chicken of the Sea  
frozen foods

...The end customers (Retail/Food Service Companies)

Walmart

WinCo  
FOODS

Sysco

US.  
FOODS

Kroger

SAFEWAY

ALDI

# Photo Gallery



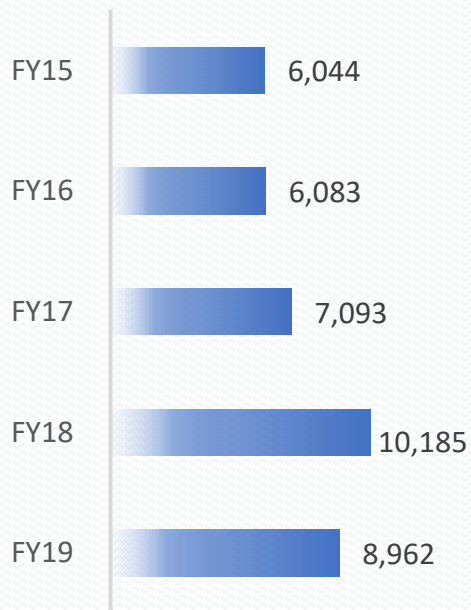


# Annual Financial Highlights



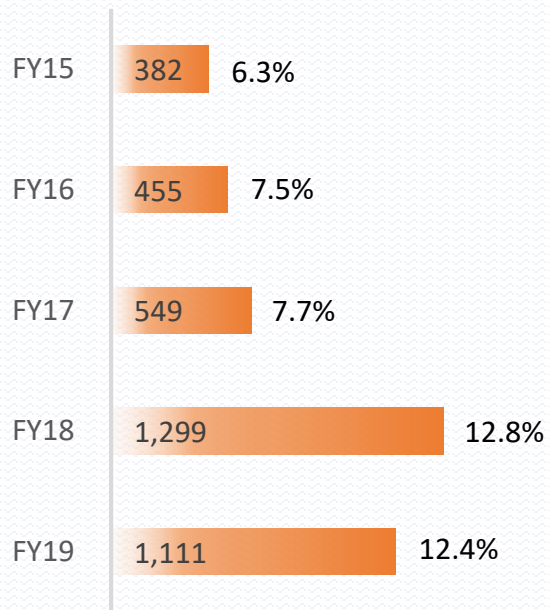
# Robust Growth in Revenue and Profits

Total income (Rs mn)



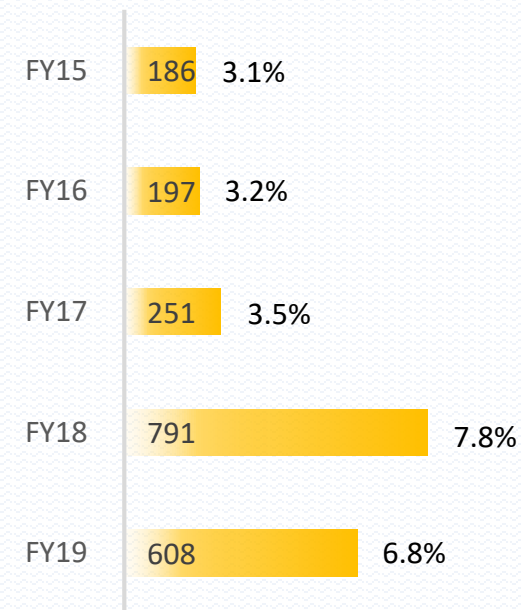
Grown at a CAGR of 10%

EBITDA (Rs mn) & Margin (%)



Aided by value-added products

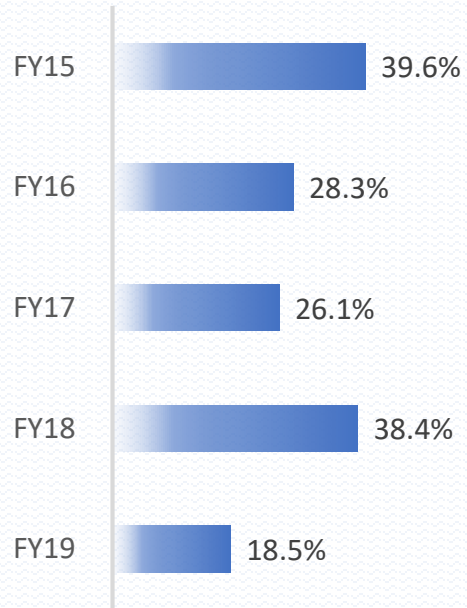
PAT (Rs mn) & Margin (%)



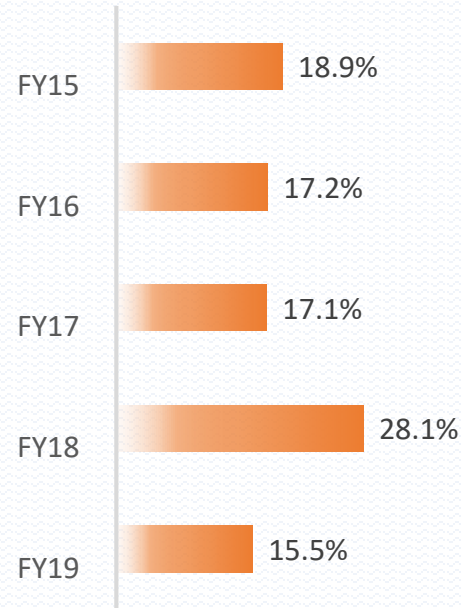
Grown at a CAGR of 35%

# Key Performance Ratios

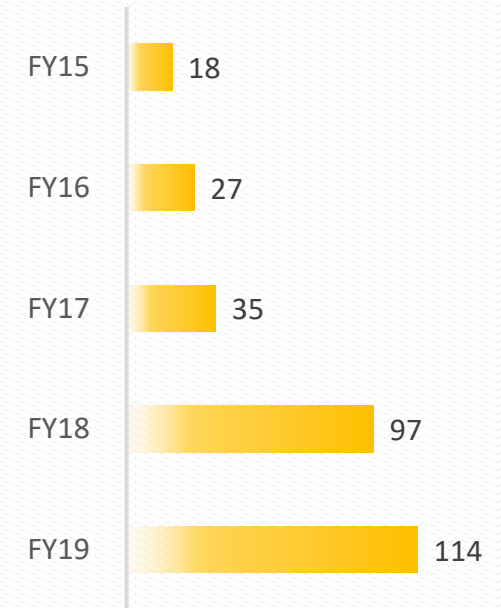
## Return on Net Worth (%)



## Return on Capital Employed (%)



## Diluted Book value (Rs/share)



Calculation of Ratios:

$RoNW = PAT \text{ (before OCI)} \div \text{Average Net-worth};$

$RoCE = EBIT \times (1 - \text{tax rate}) \div \text{Average Capital employed};$

$DBVPS = \text{Net-worth} \div \text{Total no. of outstanding shares}$



# Profit & Loss Highlights

Profit & Loss (Rs mn)	FY15	FY16	FY17	FY18	FY19
Net revenue	5,994	6,035	6,987	9,986	8,747
Other income	50	47	106	199	215
<b>Total income</b>	<b>6,044</b>	<b>6,083</b>	<b>7,093</b>	<b>10,185</b>	<b>8,962</b>
Raw material	4,752	4,510	5,317	7,031	5,810
Employee expenses	258	233	249	389	482
Other expenses	652	884	977	1,466	1,559
<b>EBITDA</b>	<b>382</b>	<b>455</b>	<b>549</b>	<b>1,299</b>	<b>1,111</b>
<i>EBITDA margin (%)</i>	<i>6.3%</i>	<i>7.5%</i>	<i>7.7%</i>	<i>12.8%</i>	<i>12.4%</i>
Depreciation	4	49	63	87	109
EBIT	378	406	487	1,213	1,002
EBIT margin (%)	6.3%	6.7%	6.9%	11.9%	11.2%
Finance cost	96	104	112	87	65
Profit Before Tax	282	302	374	1,126	937
Tax	96	105	123	335	329
<b>Profit After Tax</b>	<b>186</b>	<b>197</b>	<b>251</b>	<b>791</b>	<b>608</b>
<i>PAT margin (%)</i>	<i>3.1%</i>	<i>3.2%</i>	<i>3.5%</i>	<i>7.8%</i>	<i>6.8%</i>

Note: The data beyond FY17 is as per Restated Financials

# Balance Sheet Highlights

Standalone (Rs mn)	FY17	FY18	FY19
<b>Shareholder's Funds</b>	<b>1,094</b>	<b>3,023</b>	<b>3,551</b>
Share capital	240	313	313
Reserves & surplus	854	2,710	3,238
<b>Non-current liabilities</b>	<b>273</b>	<b>101</b>	<b>94</b>
Long term borrowings	210	83	71
Deferred tax liability	63	0	0
Other non-current liabilities	-	18	23
<b>Current liabilities</b>	<b>1,400</b>	<b>1,187</b>	<b>1,434</b>
Short term borrowings	847	722	958
Trade payables	309	266	315
Other current liabilities	44	107	32
Short term provisions	199	91	129
<b>Total Liabilities</b>	<b>2,767</b>	<b>4,311</b>	<b>5,079</b>

Standalone (Rs mn)	FY17	FY18	FY19
<b>Non-current assets</b>	<b>857</b>	<b>1,408</b>	<b>2,456</b>
Net block	829	1,111	1,147
Capital work-in-progress	8	209	1,163
Other non-current assets	21	54	114
Deferred tax asset	0	35	33
<b>Current Assets</b>	<b>1,910</b>	<b>2,902</b>	<b>2,623</b>
Inventories	638	1,016	1,063
Trade receivables	828	674	935
Cash & cash equivalents	46	644	67
Other financial assets	128	184	218
Other current assets	270	384	340
<b>Total Assets</b>	<b>2,767</b>	<b>4,311</b>	<b>5,079</b>

# Company Overview

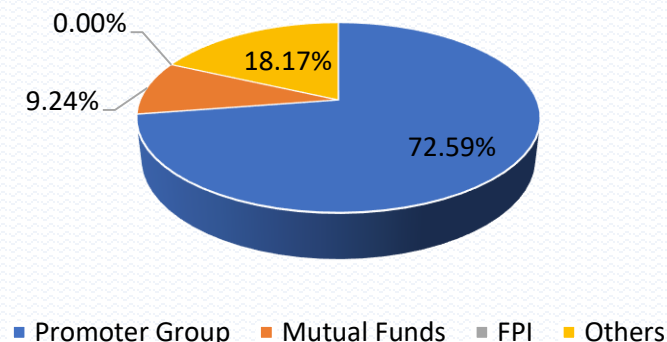
## About The Company

- Commenced business operations in 1995, Apex Frozen Foods is one of the leading Producers and Exporters of processed, ready-to-cook, Shrimp in India. It a fully integrated company with presence across the value chain - Hatchery, Farming, Processing and Exporting of Shrimp.
- The existing facilities include 15,240 MTPA (owned + leased) of processing capacity; 1,800 acres of farm land; breeding capacity of close to 1.2 bn SPF seeds and cold storage of 1,500 MT of finished goods.
- Supplies to a diversified customer base consisting of Food Companies, Retail Chains, Restaurants, Club Stores and Distributors spread across the key consumption centres (markets) – USA and Europe.

## Share Capital Information (last updated on 19-Aug-19)

NSE / BSE code	APEX / 540692
CMP (Rs)	218
Market Cap (Rs mn)	6,816
# Shares (mn)	31.25
Face Value (Rs)	10.00
Sector	Aquaculture
Location	Kakinada, AP

Shareholding Pattern (Jun-19)





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