



Investor Presentation

Apex Frozen Foods Limited

CIN: L15490AP2012PLC080067

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Financial Year 2019

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# FY19 Key Highlights





# Capacity Expansion | Processing Plant

New Processing Plant at Ragampeta, AP: Installed capacity of **20,000 MTPA (Ready-to-Eat & Ready-to-Cook products)**



*The total planned outlay of Rs 902 mn has been fully utilised as on Mar-19 and we expect completion of the plant work in the current quarter, i.e., Q1 FY20*

# Capacity Expansion | Hatchery Operations

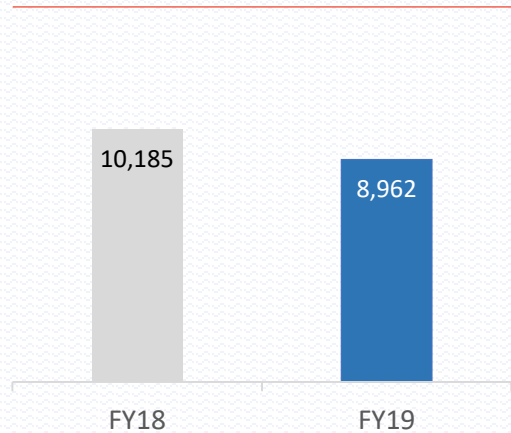
Added two new Hatcheries: One at Srikakulam, North Eastern AP and the second near Ongole, Southern AP



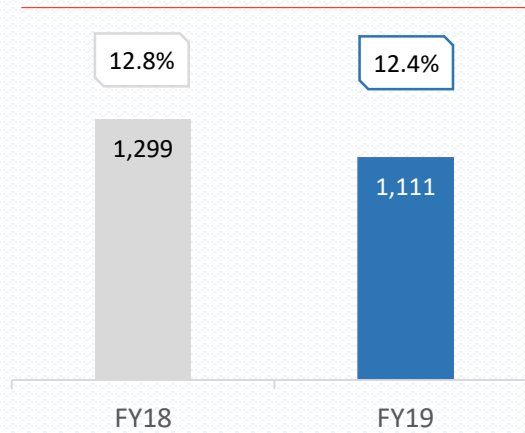
*The cumulative breeding capacity stands at ~1.2 bn Specific Pathogen Free per annum (including the aforementioned hatcheries)*

# FY19 : Key Performance Indicators

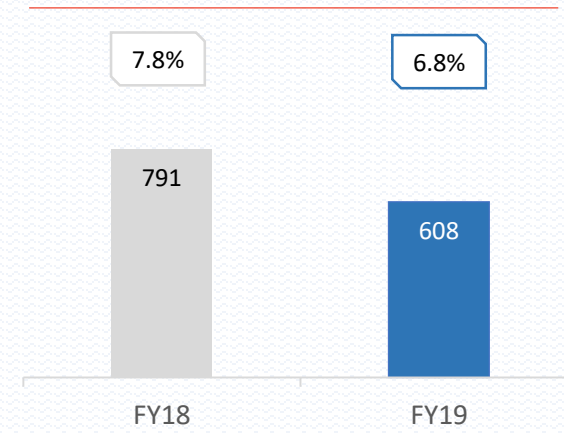
Total income (Rs mn)



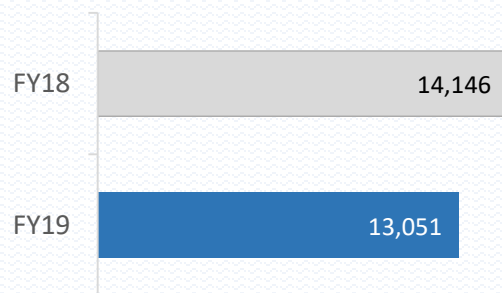
EBITDA (Rs mn) and margin (%)



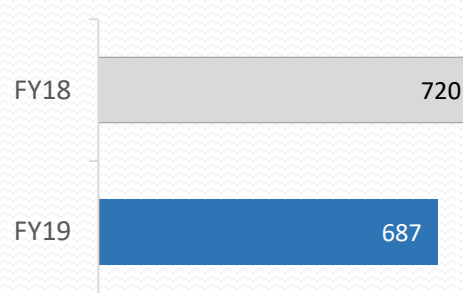
PAT (Rs mn) and margin (%)



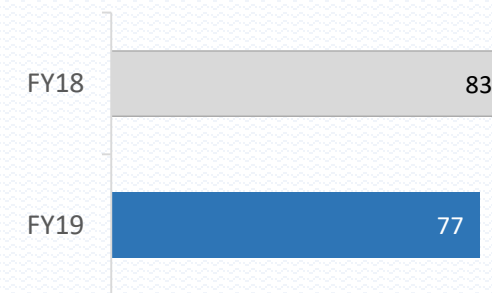
Volumes sold (MT)



Average Realisation\* (Rs/kg)



Adjusted EBITDA per kg # (Rs)

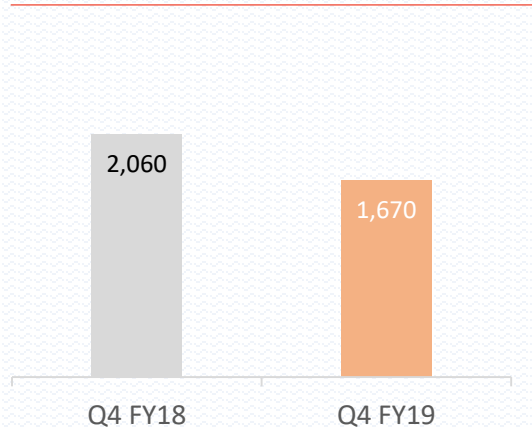


\* 'Total Income, incl. other income ÷ Volumes sold'

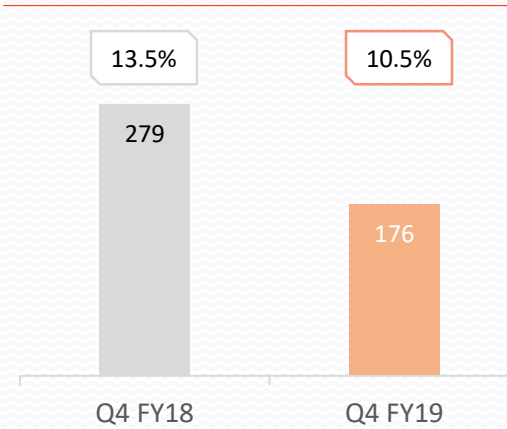
# 'Adj. EBITDA, incl. other income ÷ Volumes sold'

# Q4 FY19 : Key Performance Indicators

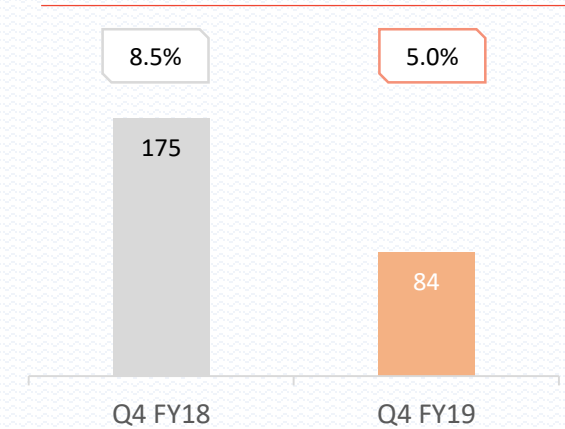
Total income (Rs mn)



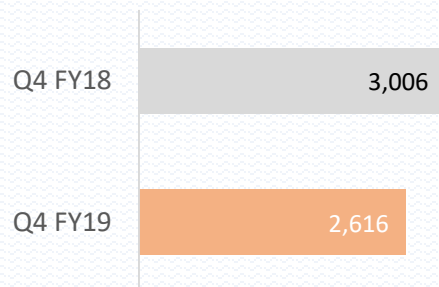
EBITDA (Rs mn) and margin (%)



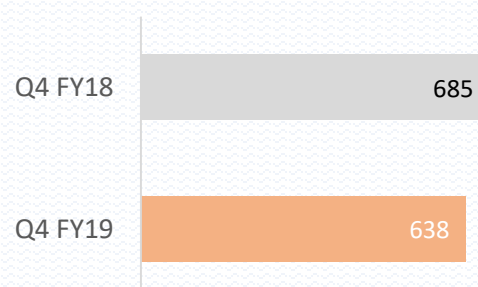
PAT (Rs mn) and margin (%)



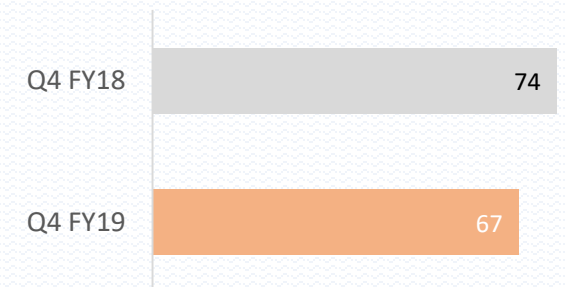
Volumes sold (MT)



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)	Q4 FY19	Q4 FY18	Q3 FY19	FY19	FY18	y-o-y %
Net revenue	1,639	2,031	2,160	8,747	9,986	-12.4
Other income	31	29	50	215	199	8.0
<b>Total Income</b>	<b>1,670</b>	<b>2,060</b>	<b>2,209</b>	<b>8,962</b>	<b>10,185</b>	<b>-12.0</b>
Raw material	1,027	1,394	1,520	5,810	7,031	-17.4
Employee expenses	123	106	121	482	389	23.9
Other expenses	344	281	340	1,559	1,466	6.4
<b>EBITDA</b>	<b>176</b>	<b>279</b>	<b>229</b>	<b>1,111</b>	<b>1,299</b>	<b>-14.5</b>
<i>EBITDA margin</i>	<i>10.5%</i>	<i>13.5%</i>	<i>10.3%</i>	<i>12.4%</i>	<i>12.8%</i>	-
Depreciation & amortisation	28	25	28	109	87	25.6
Finance cost	15	13	15	65	87	-24.7
<b>Profit Before Tax</b>	<b>133</b>	<b>240</b>	<b>186</b>	<b>937</b>	<b>1,126</b>	<b>-16.8</b>
Tax	49	65	73	329	335	-1.7
<b>Profit After Tax</b>	<b>84</b>	<b>175</b>	<b>113</b>	<b>608</b>	<b>791</b>	<b>-23.1</b>
<i>PAT margin</i>	<i>5.0%</i>	<i>8.5%</i>	<i>5.1%</i>	<i>6.8%</i>	<i>7.8%</i>	-
Other comprehensive income	56	-28	76	19	-39	-149.3
Total Comprehensive Income	140	147	189	627	752	-16.6
Diluted EPS* (Rs)	2.69	5.60	3.63	19.45	28.02	-30.6

\*Calculated as per weighted average total no. of shares



# Balance Sheet Highlights

Standalone (Rs mn)	Mar-18	Mar-19
<b>Shareholder's Funds</b>	<b>3,023</b>	<b>3,551</b>
Share capital	313	313
Reserves & surplus	2,710	3,238
<b>Non-current liabilities</b>	<b>101</b>	<b>94</b>
Long term borrowings	83	71
Other non-current liabilities	18	23
<b>Current liabilities</b>	<b>1,187</b>	<b>1,434</b>
Short term borrowings	722	958
Trade payables	266	315
Other current liabilities	49	51
Current tax liability	58	-18
Short term provisions	91	129
<b>Total Liabilities</b>	<b>4,311</b>	<b>5,079</b>

Standalone (Rs mn)	Mar-18	Mar-19
<b>Non-current assets</b>	<b>1,408</b>	<b>2,456</b>
Net block	1,111	1,147
Capital work-in-progress	209	1,163
Other non-current assets	54	114
Deferred tax asset	35	33
<b>Current Assets</b>	<b>2,902</b>	<b>2,623</b>
Inventories	1,016	1,063
Trade receivables	674	935
Cash & cash equivalents	644	67
Other financial assets	184	218
Other current assets	384	340
<b>Total Assets</b>	<b>4,311</b>	<b>5,079</b>



**Subrahmanya Chowdary**  
Executive Director

## **Our performance in FY19**

*The growth in shrimp consumption in some of our key markets like the USA, continued to remain muted largely on account of inventory pile-up and extended winters. This, coupled with overproduction in supplier markets like India, led to correction in shrimp prices of ~15-18% y-o-y.*

*Consequently, the lower prices dampened shrimp production in India leading to a mis-match in the demand-supply situation for certain sizes; thereby causing order fulfilment times for some orders to get drawn out.*

*However, with shrimp production anticipated to be lower this fiscal, we expect this situation to correct in the near future.*

*Going forward, we believe that our valued-added focused product portfolio and upcoming capacity for R-T-E products would help in enhancing the Company's performance. We are looking forward to the commencement of production from our new processing plant and would strive for a strong Fiscal 2020.*

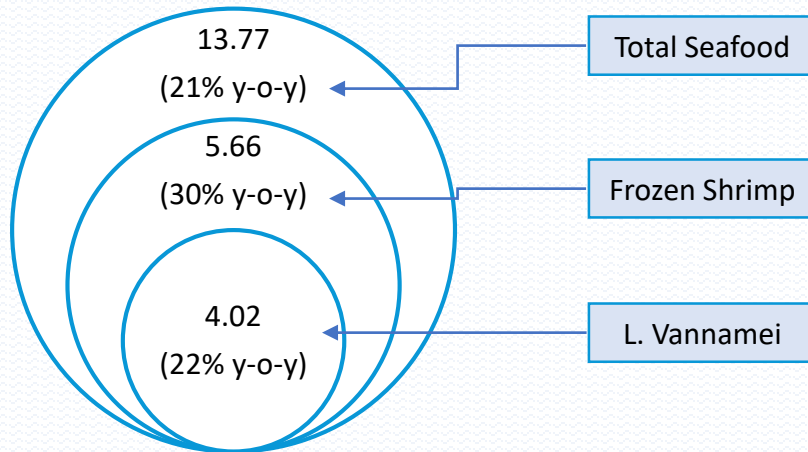


# Business Strengths



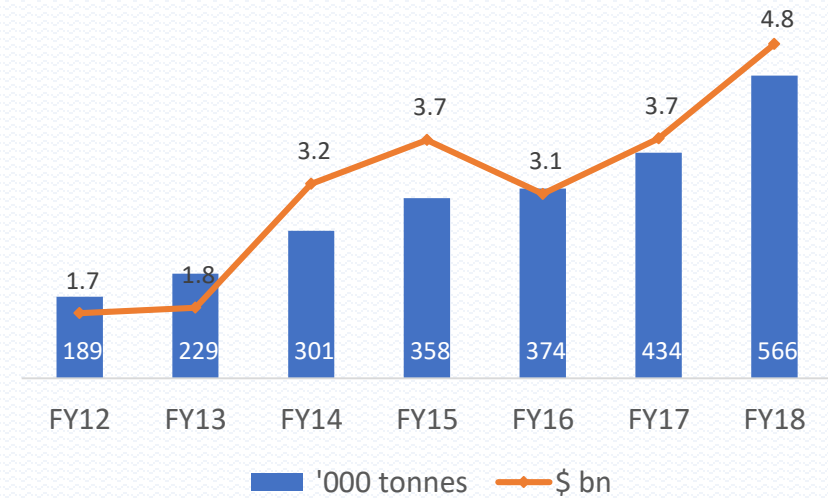
# Indian Aquaculture Industry

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



Source: MPEDA

## Frozen shrimp exports by India



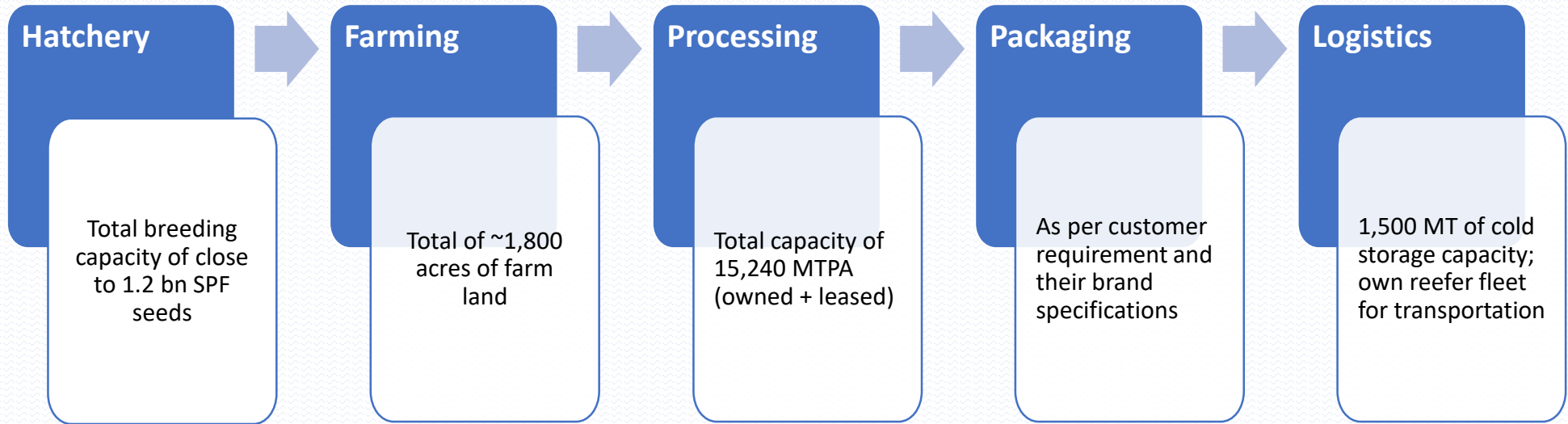
Source: MPEDA



*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

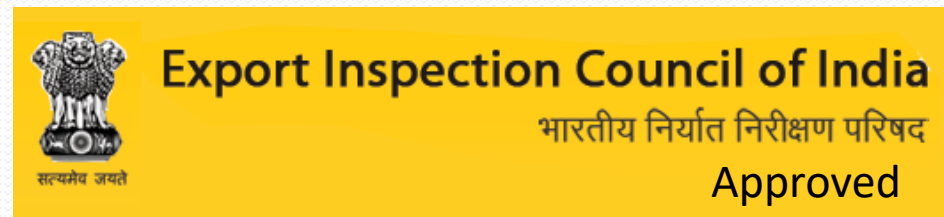


*Our facilities are in proximity to one another, enabling smooth transition to the next stage:  
Farms are within **10-200 kms**; Kakinada port is within **~20 kms**; Vizag port is within **~150 kms***

# 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





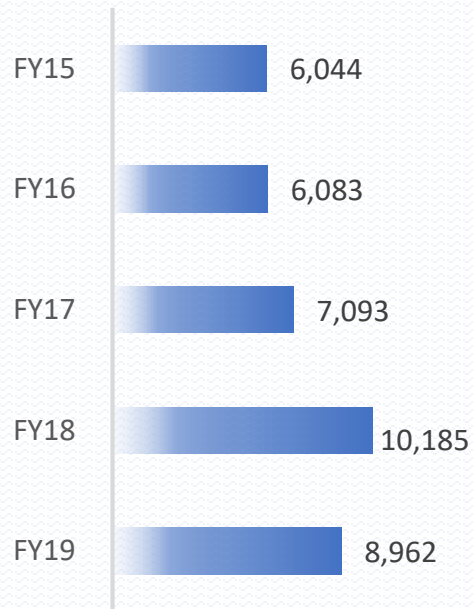


# Annual Financial Highlights



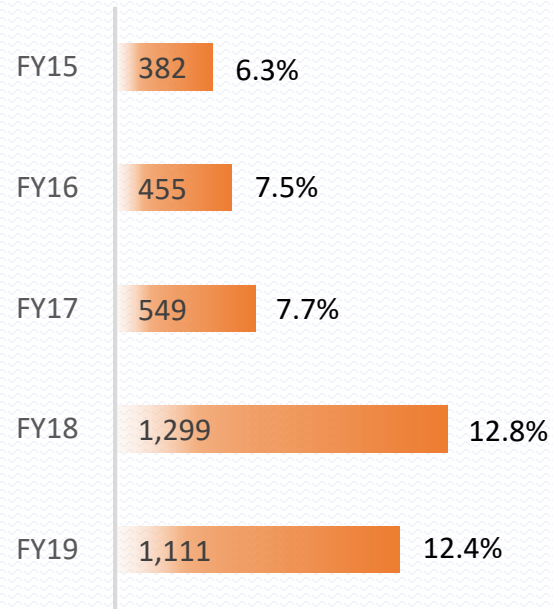
# Robust Growth in Revenue and Profits

Total income (Rs mn)



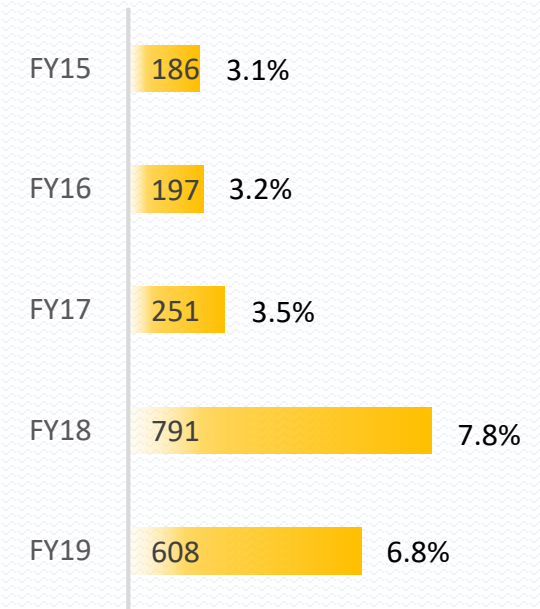
Grown at a CAGR of 10%

EBITDA (Rs mn) & Margin (%)



Aided by value-added products

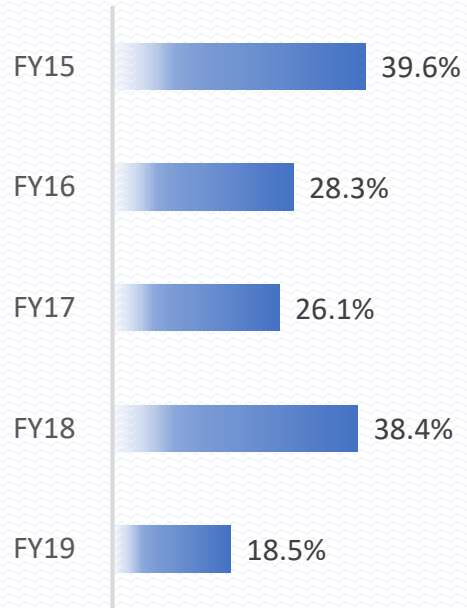
PAT (Rs mn) & Margin (%)



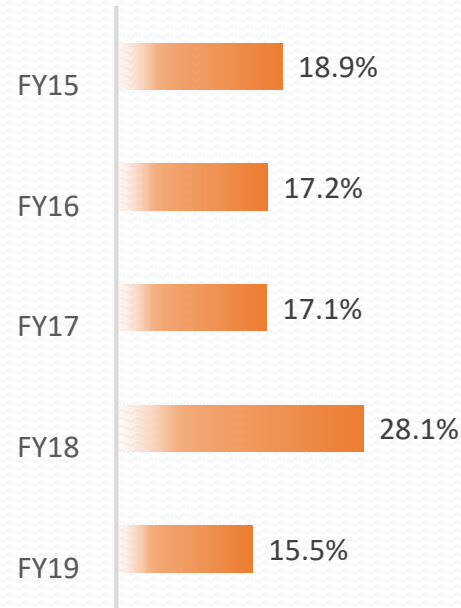
Grown at a CAGR of 35%

# Key Performance Ratios

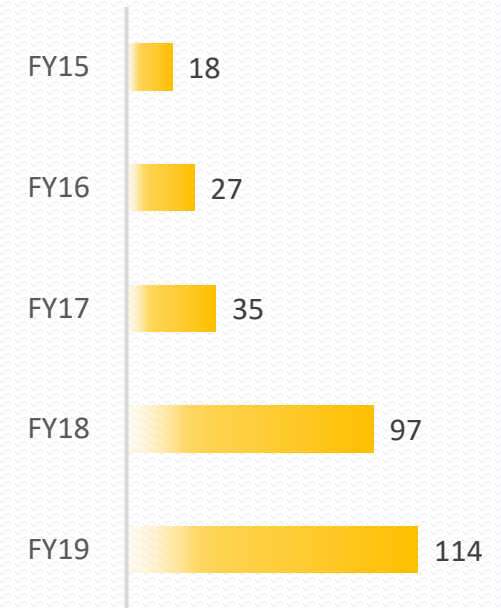
## Return on Net Worth (%)



## Return on Capital Employed (%)



## Diluted Book value (Rs/share)



Calculation of Ratios:

$RoNW = PAT \text{ (before OCI)} \div \text{Average Net-worth} \times 100$ ;  $RoCE = EBIT \times (1 - \text{tax rate}) \div \text{Average Capital employed} \times 100$ ;  $DBVPS = \text{Net-worth} \div \text{Total no. of outstanding shares}$

# Profit & Loss Highlights

<b>Profit &amp; Loss (Rs mn)</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
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
<b>EBIT</b>	<b>378</b>	<b>406</b>	<b>487</b>	<b>1,213</b>	<b>1,002</b>
<i>EBIT margin (%)</i>	<i>6.3%</i>	<i>6.7%</i>	<i>6.9%</i>	<i>11.9%</i>	<i>11.2%</i>
Finance cost	96	104	112	87	65
<b>Profit Before Tax</b>	<b>282</b>	<b>302</b>	<b>374</b>	<b>1,126</b>	<b>937</b>
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

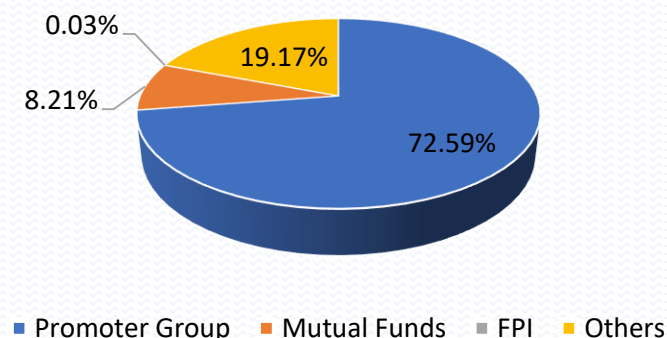
- Commenced business operations in 1995, Apex Frozen Foods is one of the leading Producers and Exporters of processed, ready-to-cook, Shrimp in India. It a fully integrated company with presence across the value chain - Hatchery, Farming, Processing and Exporting of Shrimp.
- Our existing facilities 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.
- We supply 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

NSE / BSE code	APEX / 540692
CMP (Rs)	254
Market Cap (Rs mn)	7,941
# Shares (mn)	31.25
Face Value (Rs)	10.00

Sector	Aquaculture
Location	Kakinada, AP

Shareholding Pattern (Mar-19)





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