

GOVT. OF INDIA RECOGNISED THREE STAR EXPORT HOUSE

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Plant Unit 2 : P. Dharmavaram Village, S. Rayavaram Mandal, Visakhapatnam Dist.

July 28, 2022

То	То
The Manager	The Manager
Listing Compliance	Listing Compliance
National Stock Exchange of India Limited (NSE)	Bombay Stock Exchange Limited
Exchange Plaza, Bandra Kurla Complex,	P.J.Towers, Dalal Street,
Bandra East, Mumbai – 400051	Mumbai-400 001
NSE SYMBOL: COASTCORP	Maharashtra, India

Dear Sir,

<u>SUB: Intimation under Regulation 30 of SEBI (LODR) Regulations, 2015 – Investor</u> <u>Presentation</u>.

Please find enclosed herewith the Investor Presentation for the information of the Stakeholders.

This will also be available on the Company's Website, www.coastalcorp.co.in This is for your information & records.

Yours Sincerely, For Coastal Corporation Limited Monuter. Swaroopa Meruva **Company Secretar**



Coastal Corporation Limited

Investor Presentation July - 2022



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Way Forward

Recent Expansions

COASTAL CORPORATION LIMITED

Kakinada Processing Unit – 32 MTPD:

- Integrated Cold Chain project at KSEZ, Kakinada, A.P. is spread across 10 acres
- Total capex of around Rs 77 crore has been incurred and it is funded by approx Rs 47 crore of promoters contribution, Rs 20 crore of term loans and capital subsidy of Rs 10 crore
- Project is completed and commercial production is started from May 2022
- New capacity of 35 MTPD will widen the value added product basket into breading / marinated products which is better margin product

Captive Solar Power Plant - 3.6 MW:

- Installed Capacity of 3.6 MW DC solar PV plant at Daleswaram Village, Srikakulam District, Andhra Pradesh for the captive consumption spread across 30 acres
- Estimated capex of around Rs 14 crore has already been incurred
- Project is completed and power evacuation is started to grid
- It will reduce the annual power cost and enhance margins

Above investments would enable the Company to almost double its capacity from existing levels



Q1 FY23 Highlights

Q1 FY23 Operational Highlights







Demand for product stayed strong and consistent but raw material cost and freight cost impacted the margins

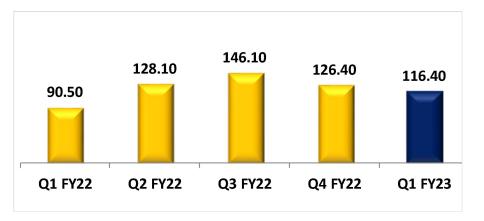


The Company has achieved quarterly revenue of Rs 116.4 crores, 26.7% increase on YoY basis with EBITDA margin of 7.7%

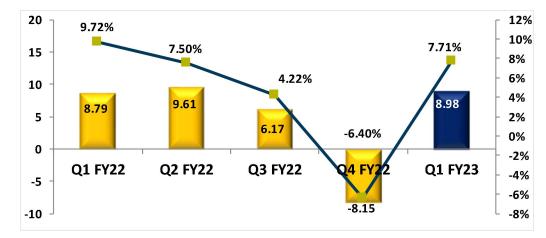
Consolidated Quarterly Financial Highlights



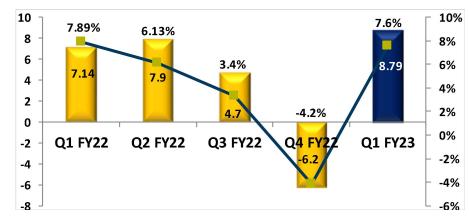
Revenue (Rs. Cr.)



EBITDA (Rs. Cr.) / Margin (%)



PAT (Rs. Cr.) / Margin (%)



Consolidated Quarterly Financial Highlights



Rs. Cr.	Q1 FY23	Q1 FY22	Q4 FY22
Total Income from Operations	116.44	90.49	126.38
Raw Material Expenses	73.29	54.10	97.11
Employee Cost	4.20	3.56	5.18
Other Expenses	29.96	24.03	32.23
Total Expenditure	107.46	81.70	134.53
EBITDA	8.98	8.79	-8.15
EBITDA Margin %	7.71%	9.72%	-6.45%
Other Income	5.55	2.74	3.31
Depreciation	1.07	1.02	1.19
Interest	1.73	0.78	1.69
Profit Before Tax	11.73	9.73	-7.72
Тах	2.94	2.59	-1.56
Profit After Tax	8.79	7.14	-6.16
PAT Margin %	7.55%	8.16%	-4.90%
EPS in Rs (Basic)	7.59	6.68	-5.52
EPS in Rs. (Diluted)	7.59	6.17	-5.32



Company Overview

About Us

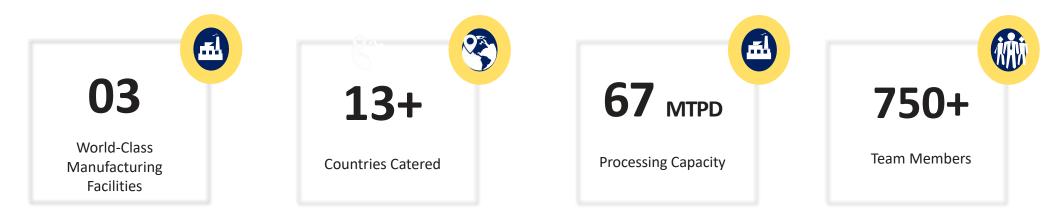


Among top ten player in Shrimp processing and distribution industry worldwide

Engaged in processing and exporting of extensive range of Shrimp products across the high consuming markets of USA, Europe, Canada, USE, Saudi Arabia, Hong Kong, Korea, Japan & Russia

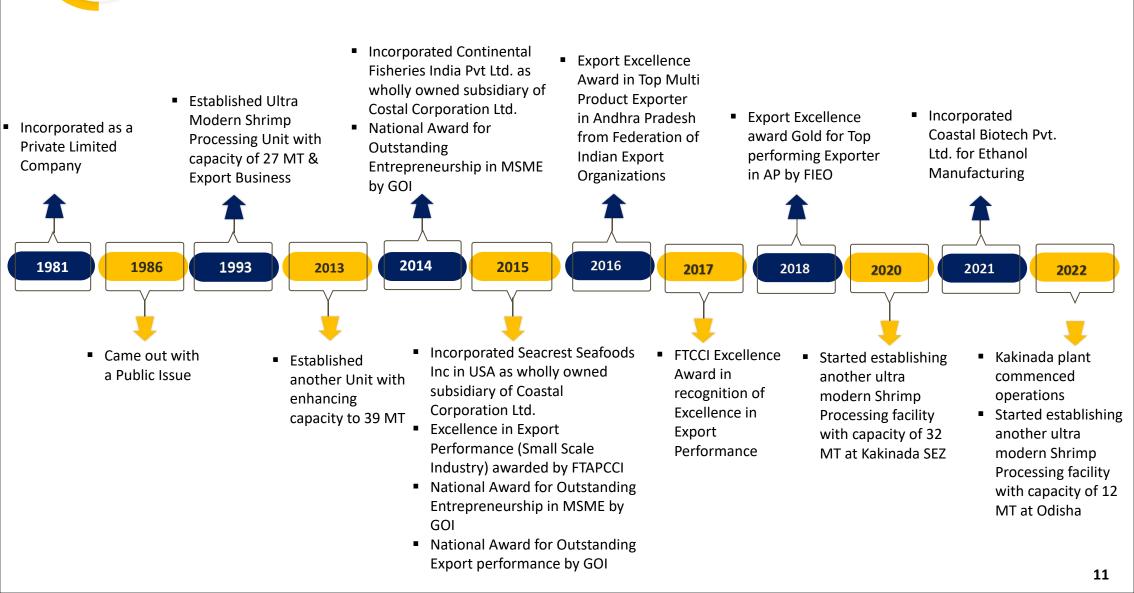
Our Vision

We have a mission to deliver superior quality, highly nutritional seafood at the most competitive prices to global consumers. We are a customer driven, quality conscious, socially responsible and environment friendly global enterprise, completely committed to deliver value added seafood, without compromising on the taste, hygiene and purity.



Milestones





Board of Directors



12



Mr. Valsaraj Thottoli Founder, Vice Chairman & **Managing Director**



Mr. E. Sankar Rao				
Chairman &				
Independent				
Director				



Mr. G.V.V. Sathyanarayana **Director - Finance & CFO**





- Holds a Bachelors Degree of Technology (in Chemical Engineering) with an experience of four decades
- Presently, Vice Chairman and Managing Director of the Company
- Devoting his entire time, efforts and energy to develop this Company in all aspects including strategic business planning and analysis of future competition and threats at global level
- He is an alumni of IIT Bombay (PhD), IIT Kharagpur (M. Tech), Pondicherry Central University (PGDBA) and Andhra University (B.E. Electrical Engineering)
- Three decades of experience and core experience in banking & infrastructure finance
- Association with IDBI Bank, IDFC and subsequently with IIFCL have been well recognised by these financial mammoths of the Indian Economy
- Extensive experience in Project & Corporate Finance, Fund Management, Investment Banking, Infrastructure Development and Long-Term Resource Raising (Domestic & Foreign Capital)
- He has experience of three decades in leading financial strategies to facilitate a company's ambitious growth plans
- He is responsible for the entire finance function of the Company with a proven ability to constantly challenge and improve existing processes and systems
- Holds post Graduate Diploma in Management and Fashion Technology
- Well experienced in the varied areas of Administration and Social responsibility
- Chairperson of Corporate Social Responsibility Committee of the Company and takes care of the CSR activities carried out by the Company

Board of Directors





Mr. M.V. Suryanarayana Independent Director



Mr. P. R. Kalyanaraman Independent Director



Prof. Kamireddi Venkateswara Rao Independent Director

- Distinguished career spanning 40 years in Life Insurance Corporation of India in accounts, marketing, administration, banking and finance
- Fellow member of the Institute of Chartered Accountants of India
- Served as CEO of LIC Mutual Fund and was on Board of UTI and member of ICICI Venture Capital and currently a member in various committees of the Company
- Impeccable career record spanning over 48 years in financial services and is a well-rounded commercial banker
- Held successful assignments across public and private sector banks, across geographies and functions both in business and in operational areas
 – across retail and corporate businesses
 –both in field and at macro levels
- Well-known among Chemical Engineering Institutions & Petroleum, Refining, Petrochemical and other Chemical Industries
- Now Programme Director, Petroleum Courses, JNTUK, Kakinada
- Expert in feasibility studies for Chemical Process Plants, Safety Energy Audits as well as Hazardous and Risk Assessment Studies. Recognizing his research work in biodiesel



Business Overview

Product Portfolio



Headless Shell On (HL)



Peeled Un-Deveined (PUD)



Cooked HL Shrimp



Peeled Deveined Tail On (PDTO)



Butterfly



Cooked HL Easy-Peel Shrimp



Peeled Deveined Tail Off (PD)



Shrimp Skewers



Cooked PDTO Shrimp



Pulled Vein Tail On (PVTO)

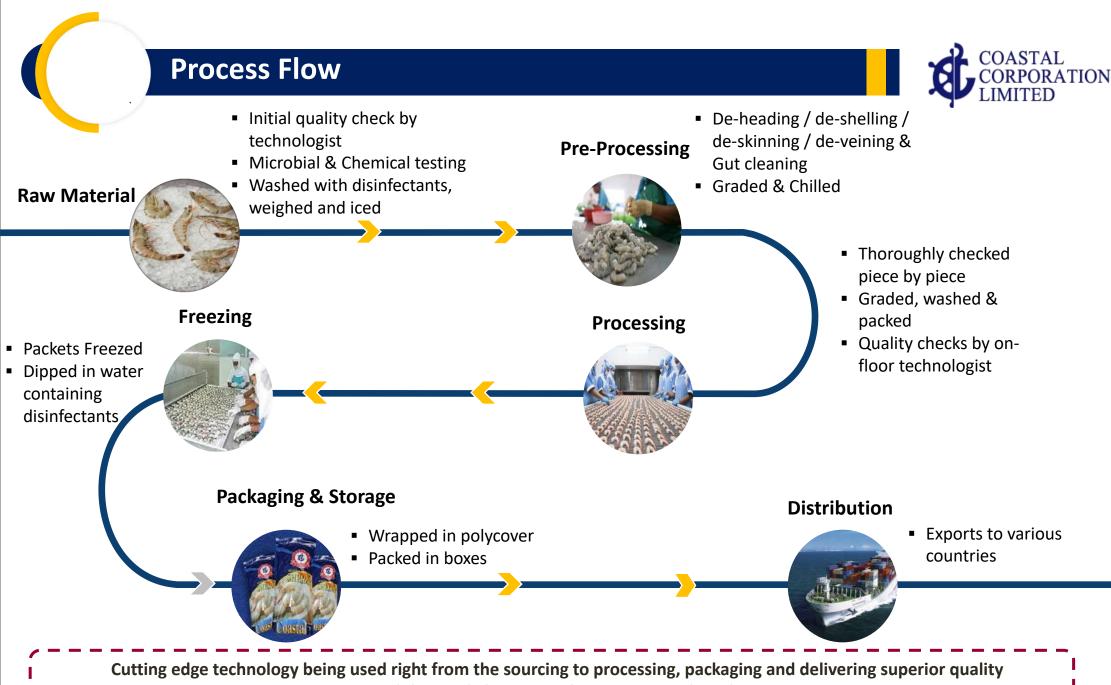


Cooked Head On



Cooked PD Shrimp





unadulterated Shrimps to the international market

Manufacturing Facilities





Unit I:

- Plate Freezer 17.5 MTPD
- Individually Quick Frozen 10 MTPD
- Blast Frozen 10 MTPD
- Cooker 10 MTPD



Unit II:

- Plate Freezer 14 MTPD
- Individually Quick Frozen 25 MTPD
- Cooker 10 MTPD

- Processing units are located in the prime aquaculture zone near coastal area of Andhra Pradesh
- Strategic location facilitates easy procurement of raw materials and process them immediately after harvest, thereby reduce the products process life cycle

Manufacturing Facilities







Unit III:

- Plate Freezer 14 MTPD
- Individually Quick
 Frozen 32 MTPD
- Cooker 12 MTPD









Captive Solar Power plant- 3.6MW







Global Reach





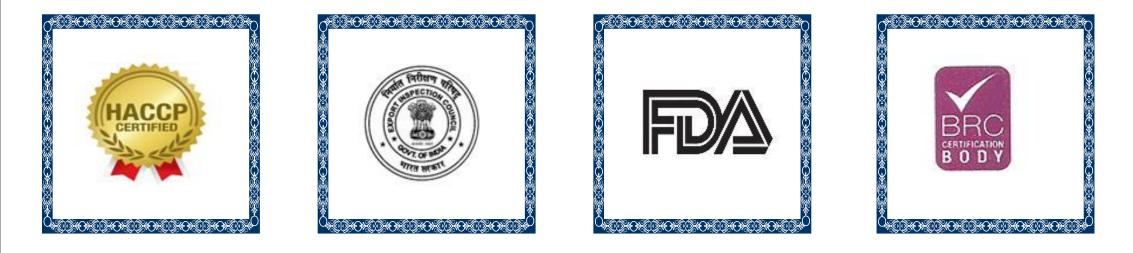


Direct Source Seafood

H&T SEAFOOD, INC.















Industry Overview

Global Sea Food Industry



Surging consumption of Sea Food in Developed and Developing Economies:

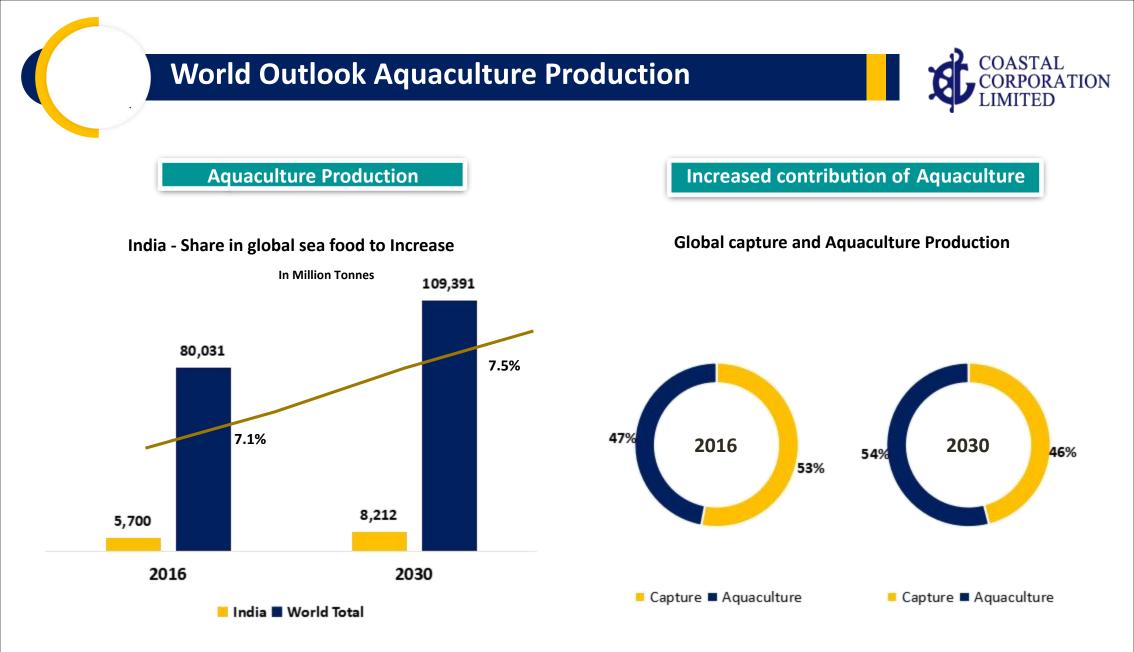
- Economic prosperity driving consumption pattern across geographies
- Consumer shift towards sea food as source of protein and increased demand for exotic varieties
- Expanding population, rising health consciousness with preference for micro nutrient rich foods amongst consumers and increasing disposable income
- Between 1961 and 2016, global sea food consumption grew by 3.2% outpacing population growth of 1.6% and exceeded that of meat, which grew by 2.8%
 - Per Capita consumption of sea food has increased from 9 kg in 1961 to 20.5 kg in 2017 and is expected to increase to 21.6 kg by 2026
 - Rising demand for sea food and relatively static growth in capture sea food - demand and significance for aquaculture is on an uptrend



 Sustainable sea food and organic aquaculture practices are gaining prominence

- Governments across world are implementing regulations placing limits on captures in order to curb overfishing and protect the biodiversity
- With sea food consumption growth outpacing production, emphasis on **aquaculture is increasing**

 Focus is on increasing the area devoted to aquaculture and improve productivity per unit in existing aquaculture areas



India – Conducive Aquaculture Policy



Policy Initiative by Government to fillip Aquaculture:

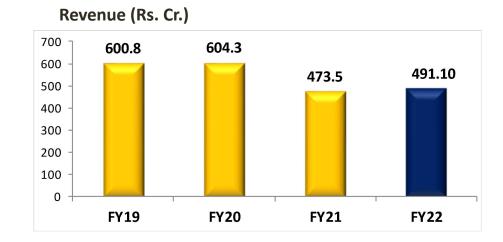
- Ministry of Food Processing, Govt. Of India, is encouraging the entrepreneurs for establishing processing factories under "Scheme for Integrated Cold Chain and Value Addition Infrastructure by extending Rs. 10 Crores Grant-inaid
- The Govt. Of India is providing Interest Equalization @ 3% in respect of exports by the Micro, Small & Medium Enterprises(MSME) sector manufacturers under the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit
- There are various schemes under Andhra Pradesh Food Processing Policy 2015-20 for setting up Cold Chain Units for Establishment of Shrimp Processing Units, eligibility upto 50% of Project Cost and Maximum Limit of Grant-in-aid upto Rs. 5 Crores and interest Subsidy for 5 years from COD @ 6% (Subject to Max. Rs. 2.50 Crores)
- The State Govt. also provides Fiscal Incentives like Reimbursement of Power Consumption Charges @ Rs. 1.00 per unit for 5 years for Fish & Shrimp Processing Units and other incentives for establishing shrimp processing units in the State of AP
- GST Refund, duty drawback @ 2.7% on FOB value and RoDTEP @ 2.5%

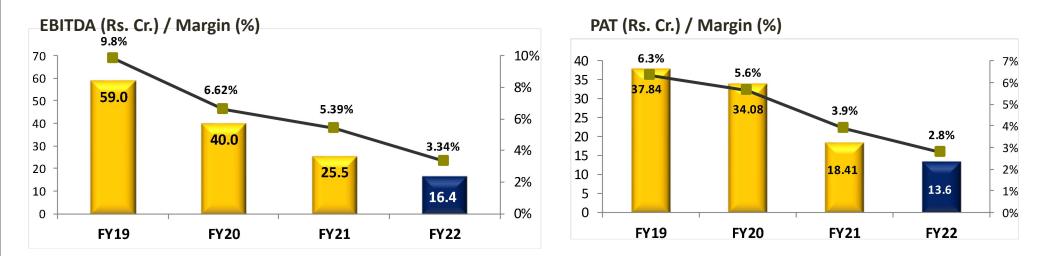


Financial Highlights

Consolidated Annual Financial Highlights







Consolidated Annual Financial Highlights



Rs. Cr.	FY18	FY19	FY20	FY21	FY22
Revenue from Operation	613.65	600.75	604.28	473.48	491.10
Cost of Material Consumed	576.21	455.57	437.92	351.04	345.34
Changes in Inventory	-28.99	-36.04	9.96	-8.06	-10.32
Employee Expenses	12.97	16.28	14.67	14.16	17.24
Other Expenses	6.06	105.98	101.73	90.84	122.41
Total Expenditure	566.25	541.79	564.29	447.98	474.67
EBITDA	47.39	58.96	39.99	25.50	16.42
EBITDA Margin	7.72%	9.81%	6.62%	5.39%	3.34%
Other Income	3.83	16.15	14.81	8.46	13.29
Depreciation	3.11	3.36	3.32	3.53	4.31
Interest / Finance Cost	10.35	10.24	6.85	4.30	6.06
PBT	37.77	61.50	44.63	26.13	19.35
Тах	13.88	23.67	10.55	7.72	5.79
PAT	23.89	37.84	34.08	18.41	13.55
PAT Margin	3.89%	6.30%	5.64%	3.89%	2.76%
Add: Items that will not be reclassified to PL	0.56	0.11	-0.31	0.37	-0.69
Less: Items that will be reclassified to PL	-0.65	0.19	-0.40	0.70	0.01
Net Profit	23.80	37.54	33.38	18.75	12.88
Net Profit Margin	3.88%	6.25%	5.52%	3.96%	2.62%
EPS in Rs.	23.40	37.21	33.51	17.89	11.71

Consolidated Balance Sheet Highlights



Rs. Cr.	FY18	FY19	FY20	FY21	FY22
Shareholders Funds	76.39	113.49	143.19	175.77	204.57
Share Capital	2.54	10.17	10.17	10.68	11.58
R&S	73.85	103.32	133.02	165.09	192.99
Non Current Liabilities	7.08	4.84	3.01	19.72	30.02
Long Term Borrowing	1.91	0.37	0.21	15.44	25.09
Trade Payables	2.87	1.86	0.00	0.00	0.00
Lease Liabilities	0.00	0.00	0.05	0.48	0.71
Other Financial Liabilities	0.00	0.12	0.13	1.17	1.15
LT Provisions	0.52	0.48	1.13	0.92	1.15
Deferred Tax Liability(Net)	1.78	2.01	1.48	1.71	1.91
Other Non-Current Liabilities	0.00	0.00	0.00	0.00	0.00
Current Liabilities	150.52	173.00	134.40	132.40	162.98
Short term Borrowings	88.57	127.10	111.52	122.34	146.82
Trade Payables	43.01	33.64	15.10	3.86	5.70
Lease Liabilities	0.00	0.00	0.03	0.07	0.07
Other Financial Liabilities	1.08	6.33	4.04	2.46	5.93
Other Current Liabilities	0.74	5.83	3.64	3.52	4.17
Short term Provisions	3.26	0.11	0.06	0.16	0.28
Current Tax Liability(net)	13.85	0.00	0.00	0.00	0.00
Total Equity & Liabilities	233.99	291.33	280.59	327.90	397.57



...Continued

Rs. Cr.	FY18	FY19	FY20	FY21	FY22
Non Current Assets	57.07	61.08	73.29	117.00	189.57
Plant, Property & Equipment	41.05	33.20	35.45	44.18	44.41
Capital Work In Progress	0.00	2.37	2.30	32.32	91.53
Right of use asset	0.00	0.00	3.13	6.28	11.04
Investment property	3.91	11.04	10.95	11.77	13.32
Investments	1.41	1.41	1.41	2.18	0.98
Trade Receivables	0.00	0.00	0.00	0.00	0.00
Loans	2.14	1.83	1.11	1.29	2.15
Other Financial asset	7.12	8.13	12.18	6.47	9.65
Other Non-Current assets	1.44	3.09	6.75	12.50	16.50
Current Assets	176.92	230.25	207.30	210.90	208.00
Inventories	78.89	114.77	103.30	100.95	109.04
Trade Receivables	50.81	68.66	37.55	28.67	39.51
Cash & Cash Equivalents	7.41	8.36	15.40	19.18	14.22
Bank balance other than above	9.79	20.50	30.63	29.45	14.02
Short term Loans & Advances	0.13	0.00	0.00	0.00	0.00
Current tax asset	0.00	0.08	2.76	0.77	1.00
Other Current Assets	29.89	17.88	17.66	31.88	30.22
Total Assets	233.99	291.33	280.59	327.90	397.57



Way Ahead

Ongoing Expansions



Odisha Processing Unit:

- New Shrimp processing facility at Haridamada, Khurdha Odisha is spread across 4.28 acres
- Estimated capex of around Rs 42 crore, out of which Rs 3.97 crore has already been incurred
- Civil work of the project is expected to start in Q2 FY23 and project is expected to complete by Q1 FY24. Project is funded by Rs 22 crore of promoters contribution, Rs 20 crore of term loan (the proceeds on receipt of capital subsidy of Rs 5 crore will be used to clear term loan)
- New facility will leverage the incentives from Odisha State Government under a scheme for establishment of Integrated cold chain and Value added Infrastructure
- Greenfield expansion at Odisha with additional capacity of 12 MTPD will further widen the value added product basket

Ethanol Plant - 198KLPD:

- Company has set up 100% subsidiary Coastal Biotech Pvt Ltd for Ethanol manufacturing at Village Maringi in Parlakhemundi Tahsil in Gajapati, Odisha spread across 30 acres
- Estimated capex of around Rs 156 crore (promoters contribution is Rs 31 crore & term loan is Rs 125 crore), out of which Rs 13.20 crore has already been incurred
- Ground Breaking Ceremony (Bhoomi Pujan) has been done on 30th November 2021 and Commencement of project is expected in Q2 FY24. The Engineering, Procurement and Construction Contract is given to Excel Engineering, Pune
- Single window clearance is approved by the state government and the benefit of interest subvention will be provided by Government of India.

Ethanol Sectoral Environment



India's ethanol blending target of 20% is likely to create opportunity of Rs 840 bn bio-ethanol market annually by 2025



Structural changes post 2018

The National Policy on Bio-fuels - 2018 (NPB -2018) released in June 2018 took a more realistic approach, allowing a wider range of feed stock for ethanol production (from c-molasses to b-heavy and juice and other waste such as rural-urban garbage and cellulosic and lingo-cellulosic biomass) in line with the "waste-to-wealth" concept
Feed stock that is permitted as of today includes sorghum, sugarbeet, cassava, decaying potatoes, damaged grain including maize, wheat, rice, and most importantly, crop residue such as wheat and rice stubble

 Due to advancements in the field of Biofuels, various decisions taken in the NBCC meetings to increase biofuel production, recommendation of the Standing Committee and the decision to advance to introduce Ethanol Blended Petrol with up to twenty per cent ethanol throughout the country from 01.04.2023, amendments are done to the National Policy on Biofuels



Rollout plan over 2026

- The Indian government has created a roll out plan for ethanol, with inputs from relevant ministries and associations, considering challenges in manufacturing flex fuel vehicles and infrastructure required for its storage and distribution
- It has planned availability of E10 across the country from April 2022, for existing vehicles, until till April 2028
- The Ministry of Petroleum and Natural Gas (MoP&NG) will initiate a phased rollout of 20% blending from April 2023 with the launch of educational campaigns for customers
- In 2023, the government will launch E20 in select cities of 11 states and union territories, viz. Himachal Pradesh, Uttarakhand, Uttar Pradesh, Haryana, Delhi, Goa, Daman Diu & Nagar Haveli, Karnataka, Bihar, Maharashtra, and Punjab
- Based on the learning from these states, the government will rollout ethanol blending across India

Current & Future Capacities



	IQF MTPD	Cooker MTPD
Existing Capacities		
Unit 1 (Vishakhapatnam)	10	10
Unit 2 (Vishakhapatnam)	25	10
Unit 3 (Kakinada SEZ)	32	12
Upcoming Capacity		
Unit 4 (Odisha)	12	10
Total	79	42



Growth Drivers





New Capacities - Volume Growth



Value Added Segment – Better Margins



Biofuel - Ethanol Project





For more information, Please contact

Coastal Corporation Limited

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