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Date: 17<sup>th</sup> November, 2023.

To  
The General Manager,  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001.  
Scrip Code : 540692

To  
The General Manager,  
Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No C/1, G Block,  
BandraKurla Complex,  
Bankdra (East), Mumbai - 400 051.  
Scrip Symbol: APEX

Dear Sir/Madam,

**Sub: Investor Presentation Q2/H1FY24 -Reg.**

**Ref: Disclosure of information pursuant to Regulation 30 read with Part of Schedule II of the SEBI Requirements) Regulations, 2015.**

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In compliance with Regulation 30 read (Listing Obligations and Disclosure with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, please find the attached copy of Q2/H1FY24 Investor Presentation of the Company.

Please take the same on record.

**For Apex Frozen Foods Limited**

**KARUTURI**  
**SUBRAHMANYA**  
**A CHOWDARY**

Digitally signed by  
KARUTURI SUBRAHMANYA  
CHOWDARY  
Date: 2023.11.17 11:26:16  
+05'30'

Karuturi Subrahmanya Chowdary  
Managing Director  
DIN: 03619259

Encl: a/a



# Apex Frozen Foods

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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**

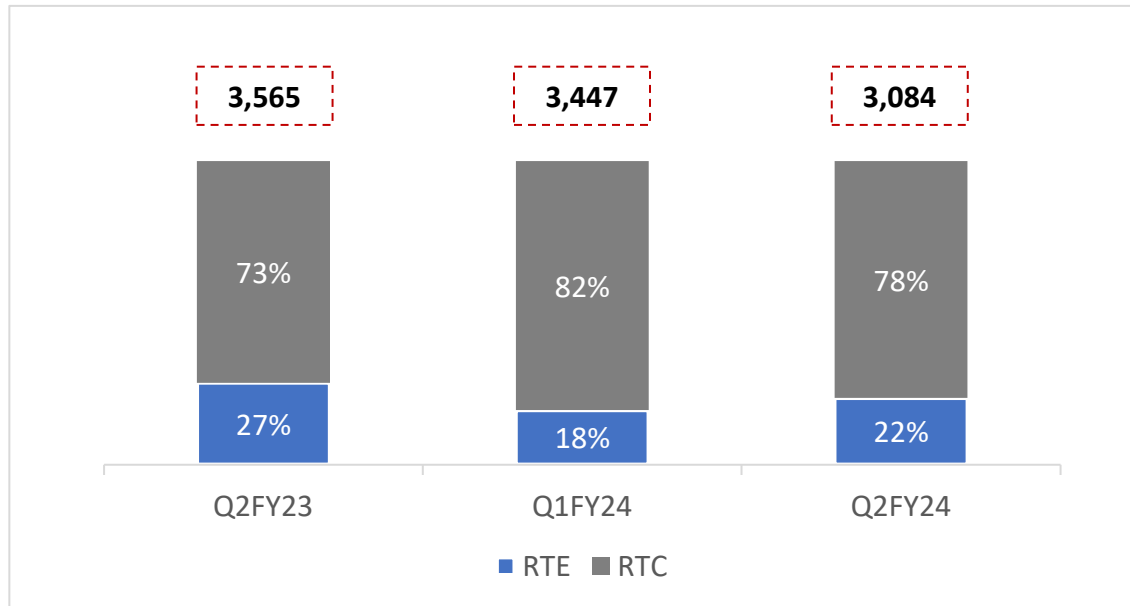
**Profitability improved with EBITDA Margin up ~300 bps QoQ to 8.1% in Q2FY24**

**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

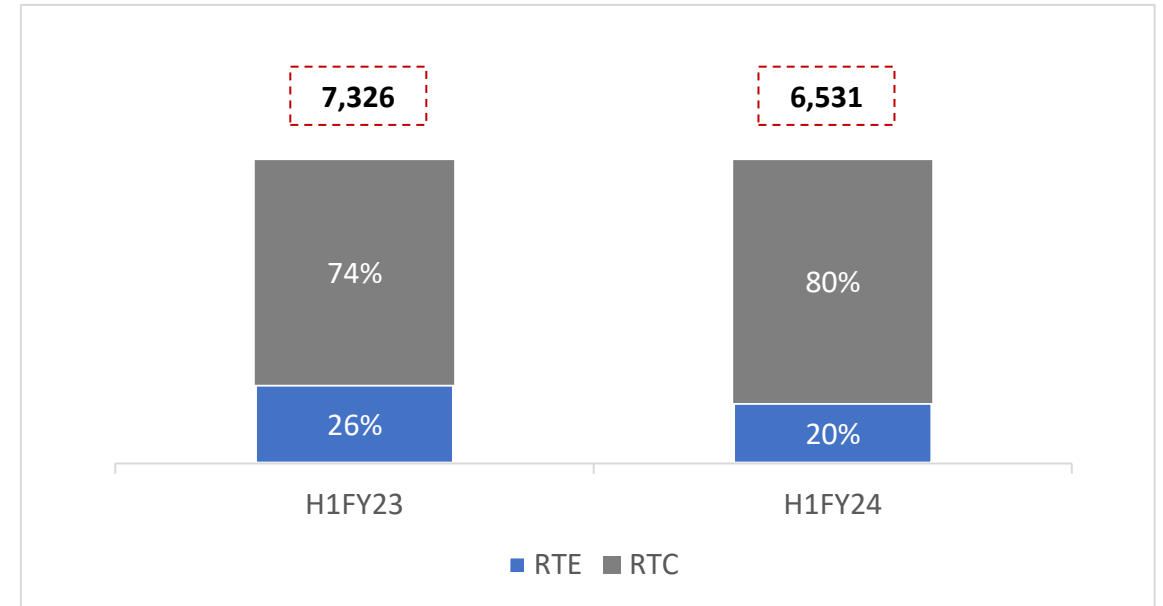
# Sales Volume Break-up

## 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

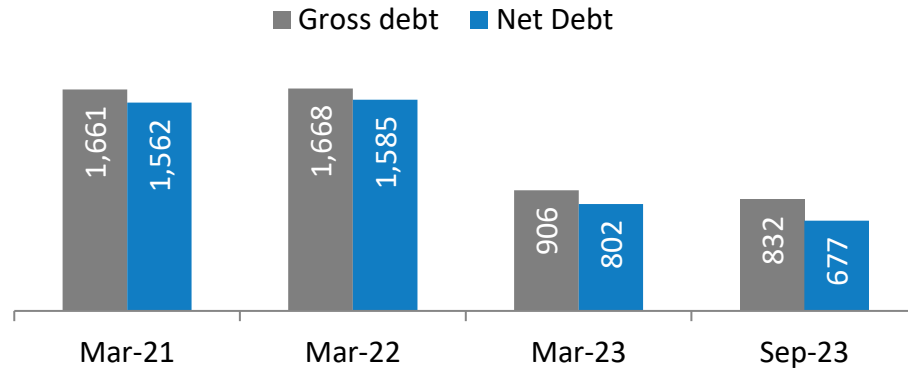
# Income Statement Highlights

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	
<b>Total Income</b>	<b>2,415</b>	<b>3,091</b>	<b>-22%</b>	<b>2,540</b>	<b>-5%</b>	<b>4,955</b>	<b>6,341</b>	<b>-22%</b>
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	
<b>EBITDA</b>	<b>195</b>	<b>284</b>	<b>-31%</b>	<b>131</b>	<b>49%</b>	<b>326</b>	<b>632</b>	<b>-48%</b>
<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	
<b>Profit Before Tax</b>	<b>113</b>	<b>184</b>	<b>-38%</b>	<b>51</b>	<b>122%</b>	<b>164</b>	<b>432</b>	<b>-62%</b>
Tax expenses	30	48		15		45	110	
<b>Profit After Tax</b>	<b>83</b>	<b>136</b>	<b>-39%</b>	<b>36</b>	<b>129%</b>	<b>120</b>	<b>321</b>	<b>-63%</b>
<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>
<b>Diluted EPS (Rs)</b>	<b>2.67</b>	<b>4.35</b>	<b>-39%</b>	<b>1.17</b>	<b>128%</b>	<b>3.84</b>	<b>10.29</b>	<b>-63%</b>

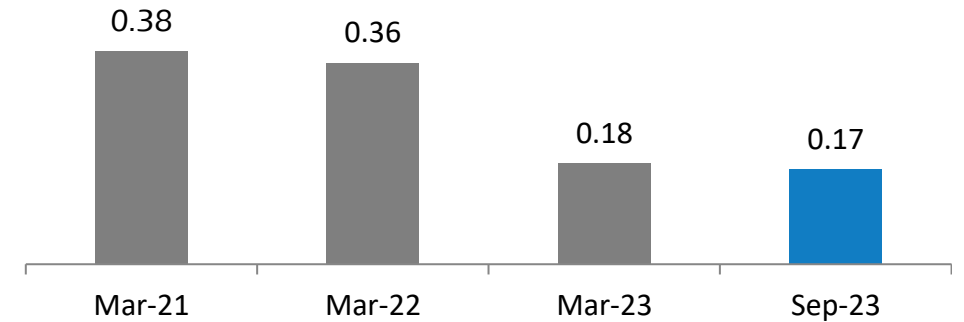
\*Net Revenue includes export benefits of Rs 129 Mn for Q2FY24, Rs 156 Mn for Q2FY23, Rs 135 Mn for Q1FY24, Rs 264 Mn for H1FY24 and Rs 293 Mn for H1FY23

# Balance Sheet Ratios and Operating Cashflow

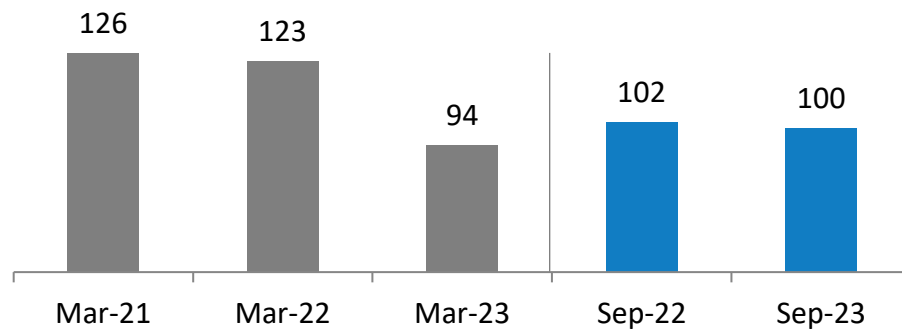
### Gross Debt and Net Debt (Rs Mn)



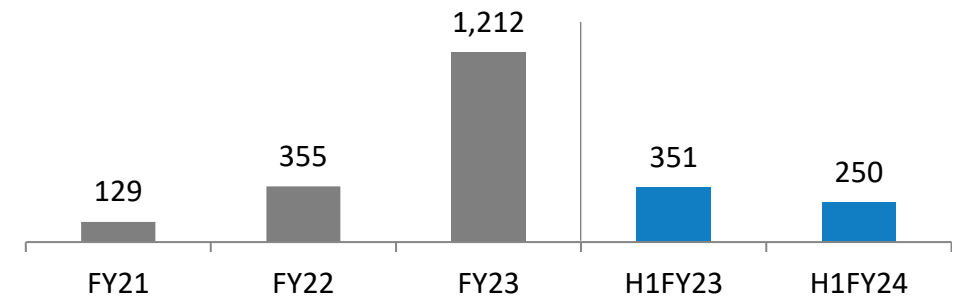
### Total Debt To Equity (Times)



### 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*

1995

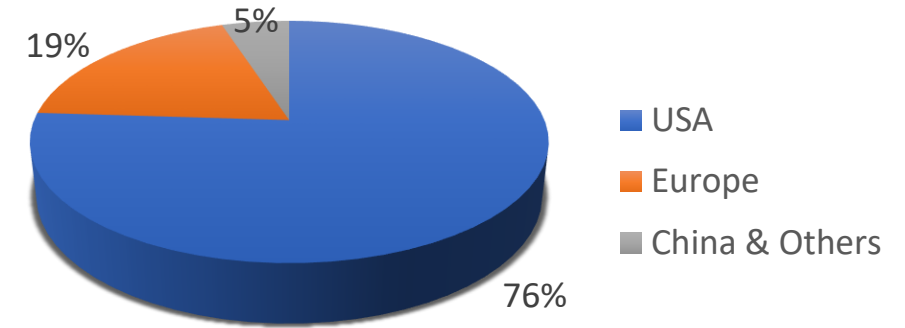
Commenced business operations under partnership firm "Apex Exports"

# ...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

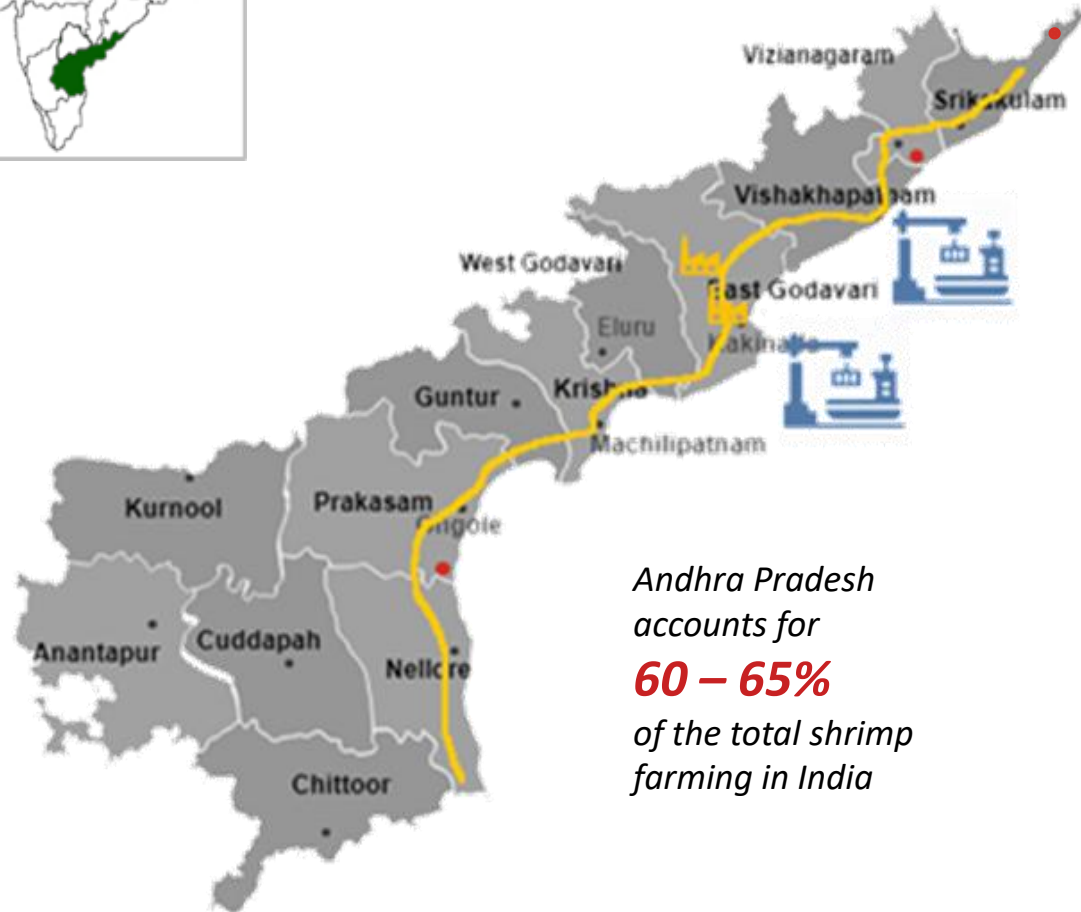


### **Well Diversified Products**

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
<b>Total income</b>	<b>8,461</b>	<b>8,260</b>	<b>9,319</b>	<b>10,720</b>
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 <sup>^</sup>
<b>EBITDA</b>	<b>1,060</b>	<b>985</b>	<b>921</b>	<b>848</b>
<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
<b>Profit Before Tax</b>	<b>808</b>	<b>606</b>	<b>562</b>	<b>506</b>
Tax expenses	201	163	151	148
<b>Profit After Tax</b>	<b>607</b>	<b>443</b>	<b>411</b>	<b>359</b>
<i>PAT margin (%)</i>	<i>7.2%</i>	<i>5.4%</i>	<i>4.4%</i>	<i>3.3%</i>

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

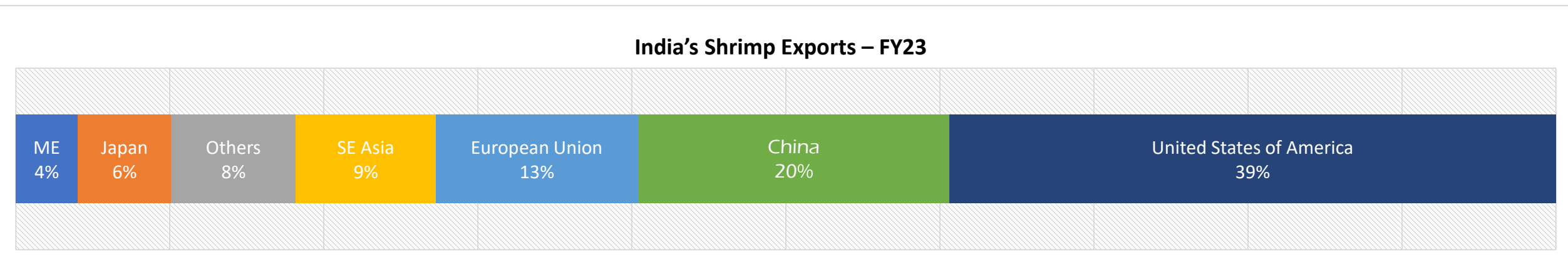
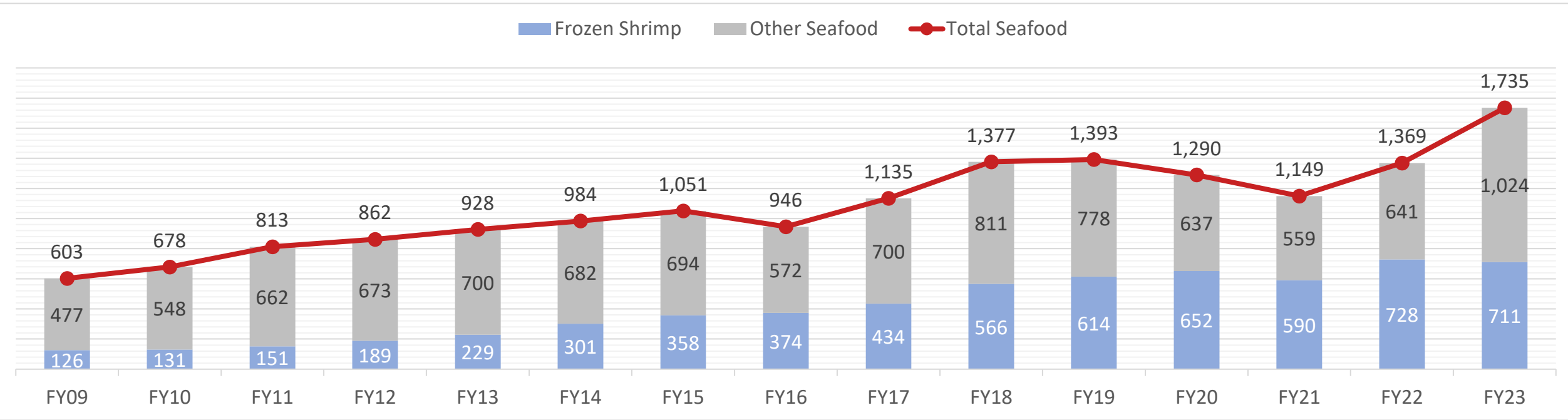
# Balance Sheet Highlights

Liabilities (Rs Mn)	Mar-21	Mar-22	Mar-23	Sep-23
<b>Shareholder's Funds</b>	<b>4,398</b>	<b>4,684</b>	<b>4,900</b>	<b>5,019</b>
Share capital	313	313	313	313
Reserves & surplus	4,086	4,372	4,587	4,707
<b>Non-current liabilities</b>	<b>281</b>	<b>348</b>	<b>101</b>	<b>173</b>
Long term borrowings	281	291	28	106
Other non-current liabilities	0	0	9	0
Deferred tax liabilities	0	57	64	67
<b>Current liabilities</b>	<b>1,889</b>	<b>1,745</b>	<b>1,138</b>	<b>1,036</b>
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
<b>Total Liabilities</b>	<b>6,568</b>	<b>6,777</b>	<b>6,138</b>	<b>6,229</b>

Assets (Rs Mn)	Mar-21	Mar-22	Mar-23	Sep-23
<b>Non-current assets</b>	<b>2,708</b>	<b>2,656</b>	<b>2,738</b>	<b>2,737</b>
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
<b>Current Assets</b>	<b>3,860</b>	<b>4,121</b>	<b>3,400</b>	<b>3,492</b>
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
<b>Total Assets</b>	<b>6,568</b>	<b>6,777</b>	<b>6,138</b>	<b>6,229</b>



# India's Seafood Exports Driven by Surging Shrimp Exports

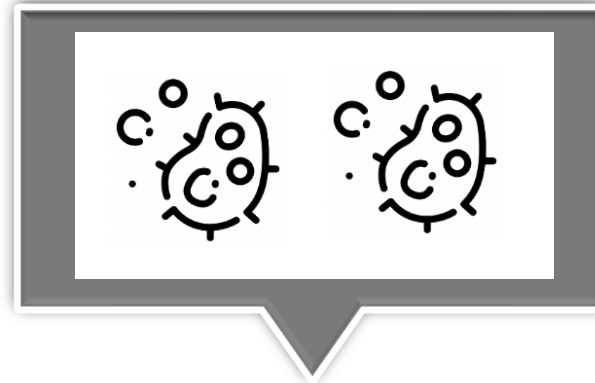


# Key Considerations for the Sector



## 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)

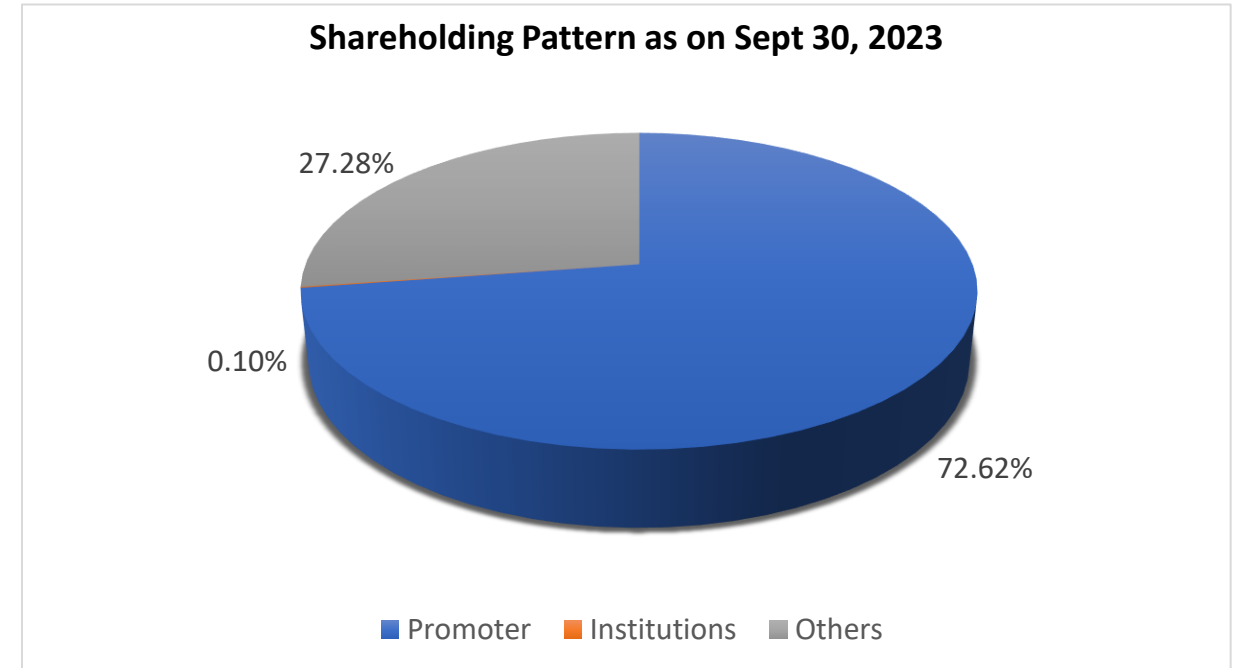


## Volatile Pricing

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



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# Thank You

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Apex Frozen Foods

Mr Chowdary Karuturi, Managing Director

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