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CIN: L15490AP2012PLC080067

Date: 19<sup>th</sup> November, 2019

To  
The General Manager,  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy 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,  
Bandra Kurla Complex,  
Bankdra (East), Mumbai - 400 051.  
**Scrip Symbol : APEX**

Dear Sirs/Madam,

**Sub: Submission of Q2 FY20 Investor Presentation -Reg.**

**Ref: Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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In compliance with Regulation 30 read 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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed copy of the Q2 FY20 Investor Presentation of the Company.

Please take the same on record.

Thank You,

**For APEX FROZEN FOODS LIMITED**

A handwritten signature in black ink, appearing to read 'S. Sarojini', is written over a faint circular stamp.

S.Sarojini  
Company Secretary & Compliance Officer

Encl: a/a



# Apex Frozen Foods

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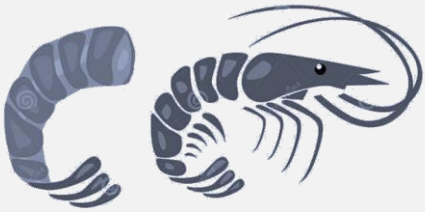
Investor Presentation

November 2019

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### Integrated Model

Consistent investment  
across the value chain -  
Hatchery, Farming,  
Processing

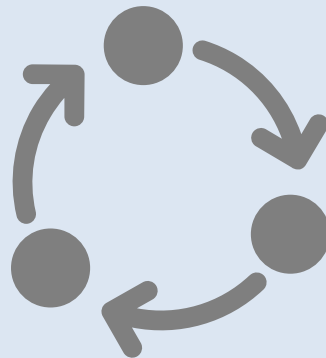


### Growth Visibility

Doubling of capacity;  
Expanding Product Line;  
Foray into new markets

### Leading Processor

Producer-Exporter of  
processed Shrimp in India  
with over 40 years of  
experience in the fishing  
industry



### Advantage India

Largest exporter in the  
World with structural  
growth drivers in place





## Key Business & Financial Updates

# Commenced Production at the New Shrimp Processing Plant



Located at Ragampeta, AP

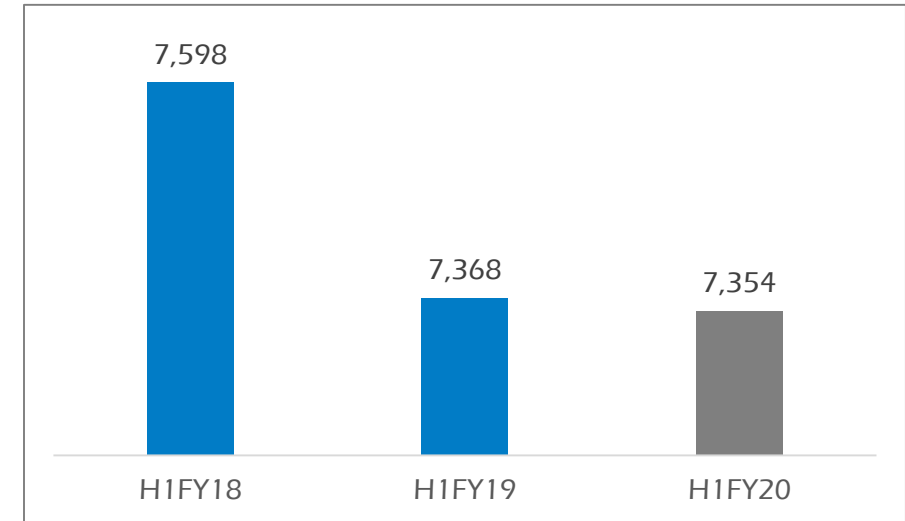
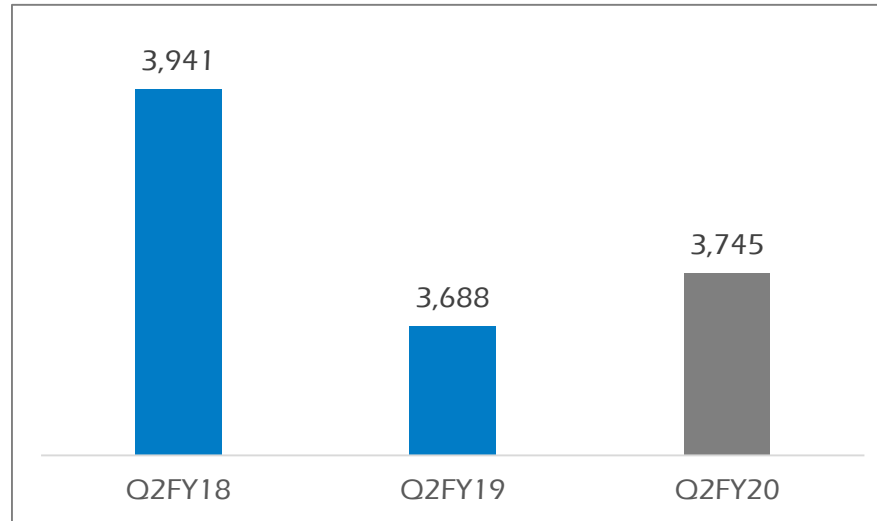
Installed capacity of processing  
20,000 MTPA of Shrimp

Capex incurred of ~Rs 108 cr

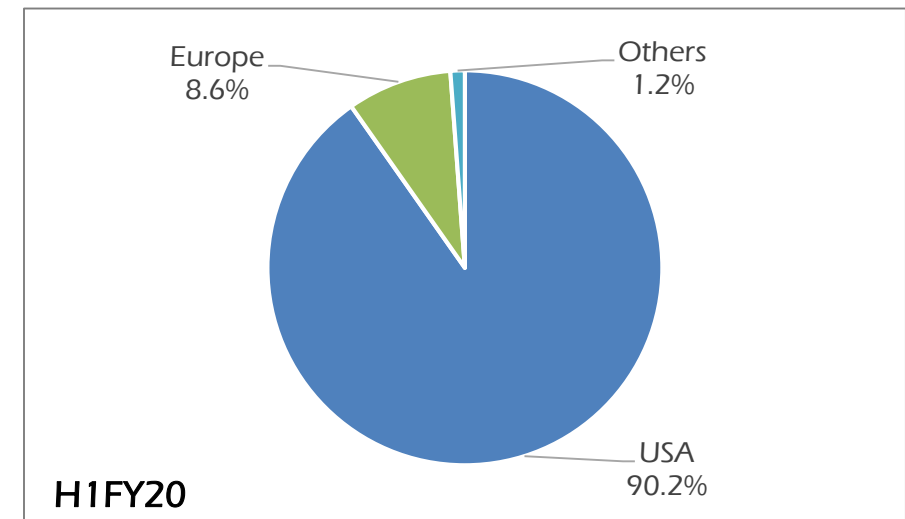
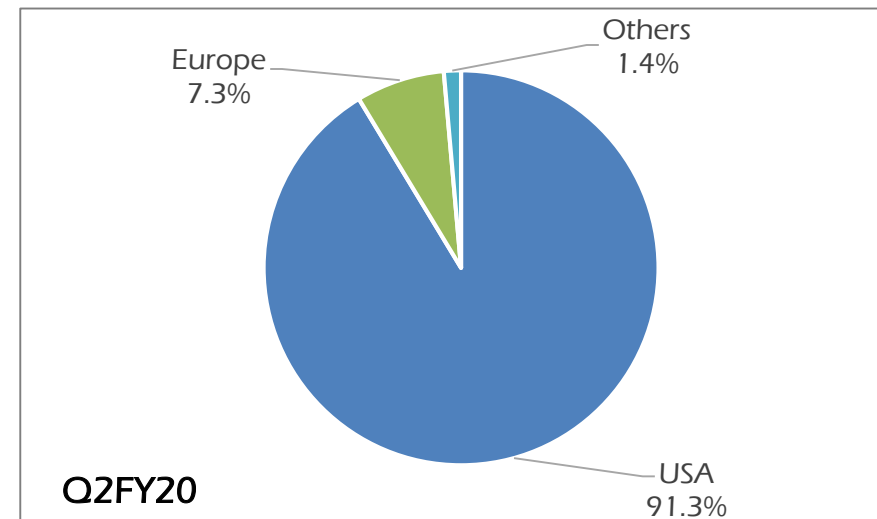
Currently producing for non USA  
and non EU markets as approvals  
are awaited

## Operational Highlights

Sales Trend (MT)



Region-wise (%)



## Income Statement

Standalone (Rs mn)	Q2 FY20	Q2 FY19	y-o-y %	H1 FY20	H1 FY19	y-o-y %
Net revenue	2,694	2,555	5%	4,912	5,327	-1%
Other income	52	87	-40%	94	134	-30%
<b>Total Income</b>	<b>2,746</b>	<b>2,642</b>	<b>4%</b>	<b>5,006</b>	<b>5,082</b>	<b>-2%</b>
Raw material	1,820	1,761	3%	3,465	3,263	6%
Employee expenses	129	121	7%	231	238	-3%
Other expenses	374	424	-12%	723	875	-17%
<b>EBITDA</b>	<b>423</b>	<b>336</b>	<b>36%</b>	<b>587</b>	<b>706</b>	<b>-17%</b>
<i>EBITDA margin</i>	<i>15.4%</i>	<i>12.7%</i>	<i>-</i>	<i>11.7%</i>	<i>13.9%</i>	<i>-</i>
Depreciation & amortisation	30	27	14%	61	53	15%
Finance cost	39	19	110%	57	35	63%
<b>Profit Before Tax</b>	<b>352</b>	<b>290</b>	<b>22%</b>	<b>469</b>	<b>617</b>	<b>-24%</b>
Tax	133	91	46%	166	207	-20%
<b>Profit After Tax</b>	<b>219</b>	<b>198</b>	<b>11%</b>	<b>302</b>	<b>411</b>	<b>-26%</b>
<i>PAT margin</i>	<i>8.0%</i>	<i>7.5%</i>	<i>-</i>	<i>6.0%</i>	<i>8.1%</i>	<i>-</i>
Other comprehensive income	30	-47	-164%	27	-112	-124%
<b>Total Comprehensive Income</b>	<b>249</b>	<b>151</b>	<b>65%</b>	<b>329</b>	<b>298</b>	<b>10%</b>
Diluted EPS (Rs)	7.02	6.35	11%	9.67	13.13	-26%



# Balance Sheet

Liabilities (Rs mn)	Mar-19	Sep-19
<b>Shareholder's Funds</b>	<b>3,551</b>	<b>3,798</b>
Share capital	313	313
Reserves & surplus	3,238	3,485
<b>Non-current liabilities</b>	<b>94</b>	<b>242</b>
Long term borrowings	71	231
Other non-current liabilities	23	11
<b>Current liabilities</b>	<b>1,453</b>	<b>1,907</b>
Short term borrowings	958	1,072
Trade payables	315	442
Other current liabilities	51	54
Current tax liability	0	140
Short term provisions	129	199
<b>Total Liabilities</b>	<b>5,098</b>	<b>5,947</b>

Assets (Rs mn)	Mar-19	Sep-19
<b>Non-current assets</b>	<b>2,456</b>	<b>2,689</b>
Net block	1,147	1,486
Capital work-in-progress	1,163	1,085
Other non-current assets	114	81
<b>Deferred tax asset</b>	<b>33</b>	<b>36</b>
<b>Current Assets</b>	<b>2,641</b>	<b>3,258</b>
Inventories	1,063	1,454
Trade receivables	935	1,260
Cash & cash equivalents	67	122
Other financial assets	218	244
Other current assets	358	179
<b>Total Assets</b>	<b>5,098</b>	<b>5,947</b>

# Management Commentary

We are pleased to announce the commencement of commercial production at our new processing facility and look forward to ramping up operations in the coming quarters. Further, construction of Phase II at the recently commenced hatchery in Ongole has also started.

Coming to the Company's performance, while volumes remained flat, stabilization of shrimp prices with an upward trajectory aided better profitability for the quarter gone by. Further, our farm and hatchery operations also contributed to the overall performance. The quality of the output (SPF seed) from the newly opened hatcheries has been received well by the market (farmers) and is helping improve farm productivity, thereby driving down costs at farm level.

We believe, going forward, our key growth drivers to be i) optimum utilization of expanded capacities ii) enhanced product offering like Ready-to-Eat and iii) foray into new markets.



## Company At a Glance

# One of the Leading Exporters of Processed Shrimp in India ...



Commenced operations in 1995, Apex Frozen Foods is one of the leading Producers and Exporters of processed Shrimp in India

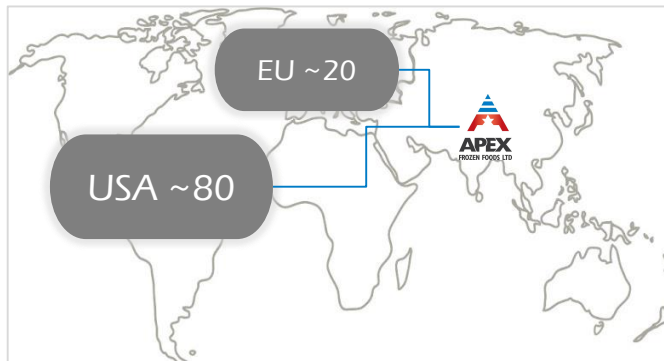


Well integrated company with presence across the value chain - Hatchery, Farming, Processing and Exporting of Shrimp



Diversified customer base of Food Companies, Retail Chains, Restaurants, Club Stores and Distributors across the key markets

## Key Export Markets – FY19



## Processing: 29,240 MTPA



## Farming: ~ 1,800 acres



## Hatchery: ~ 1.2-1.4 bn SPF



## Hatcheries



## Farms



## Processing



## Storage and Logistics



# Hatchery | Stepping-stone for Ensuring Quality Produce



Production of Specific Pathogen Free (SPF) shrimp seed | Typical cycle of 40 – 50 days



Location: North of Vizag  
Commenced: Year 2016

Location: South of Vizag  
Commenced: Year 2017

Location: Srikakulam  
Commenced: Year 2019

Location: Ongole  
Commenced: Year 2019



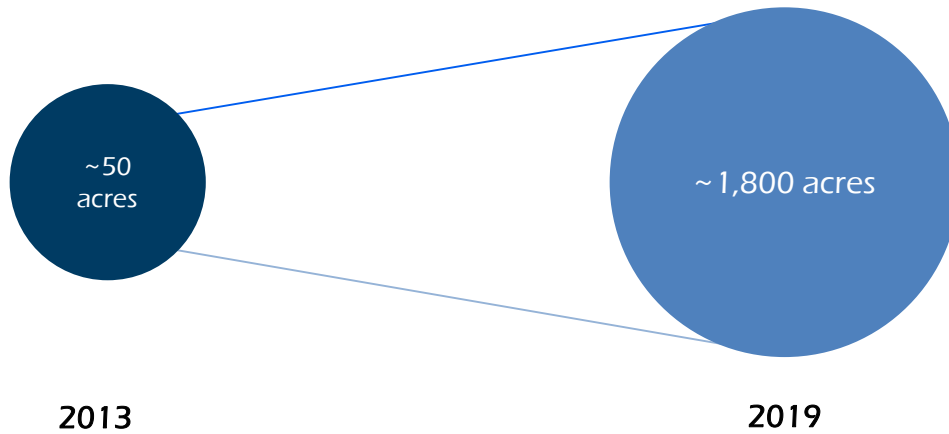
Combined breeding capacity of ~ 1.2 to 1.4 bn Specific Pathogen Free seed for Captive + Outside Sales

# Farming | Critical Cushion for Consistent Supply



Cultivation of shrimp, which are reared in ponds in a bio-secured environment | Typical cycle of 90 - 120 days

Farming operations spread across ~45 locations in Andhra Pradesh

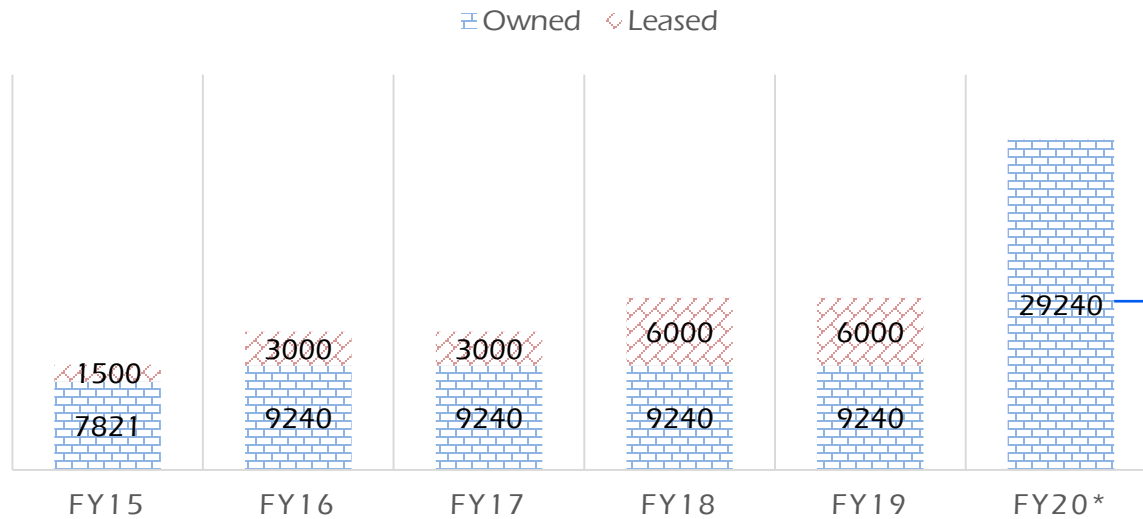


Caters to 15 - 20% of in-house raw material requirement; the balance is purchased directly from farmers across the states of Andhra Pradesh, Orissa, Bengal, Gujarat

# Processing | Doubling Capacity and Expanding Product Line



Washing, Weighing, Beheading, Grading, Peeling, De-veining, Cooking and Freezing



Kakinada Plant;  
Capacity: 9,240 MTPA  
Cold Storage: 1,000 MT



G. Ragampeta Plant;  
Capacity: 20,000 MTPA  
Cold Storage: 2,500 MT



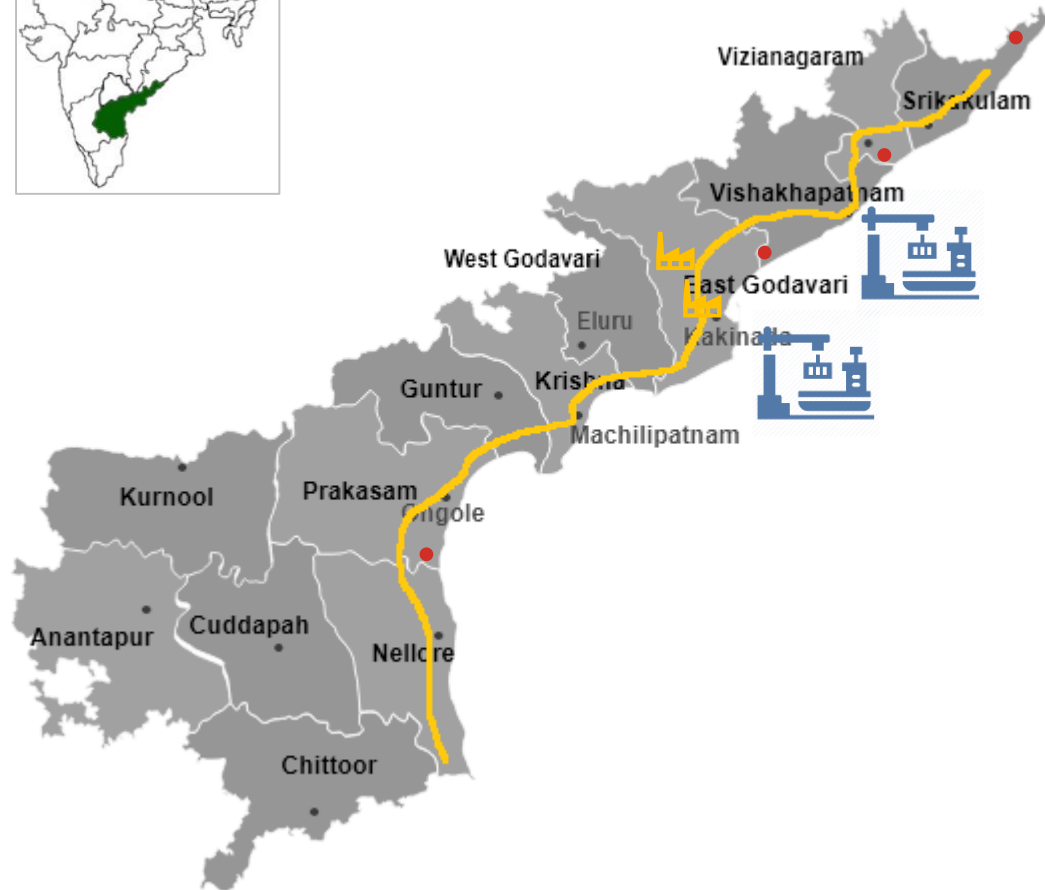
\*New plant at G. Ragampeta commenced operations in Nov '19




100% of the finished product (Frozen Shrimp) is exported to markets like USA, EU, China etc.



Andhra Pradesh accounts for ~60-65% of the total shrimp farming in India



 20 - 200 kms from most farms



20 kms from Kakinada port

150 kms from Vishakapatnam port



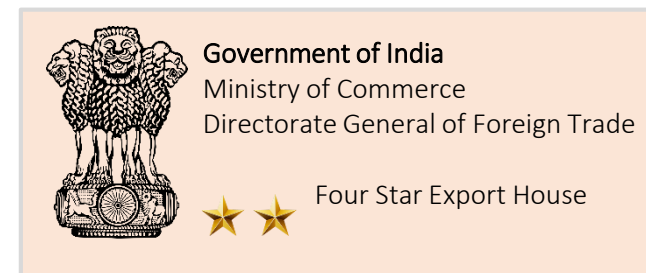
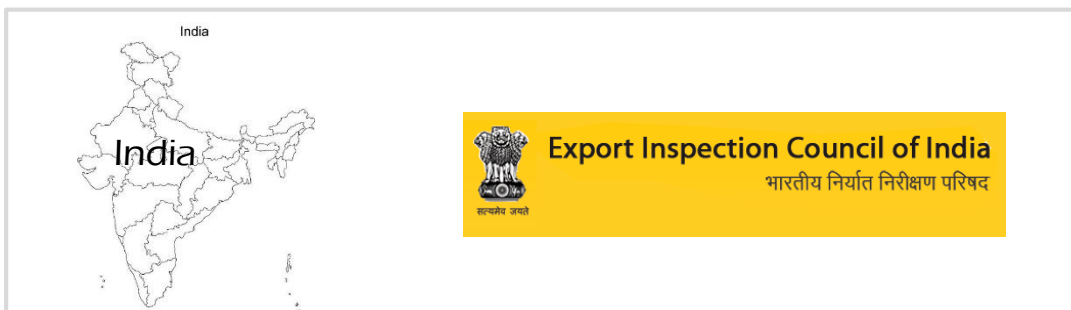
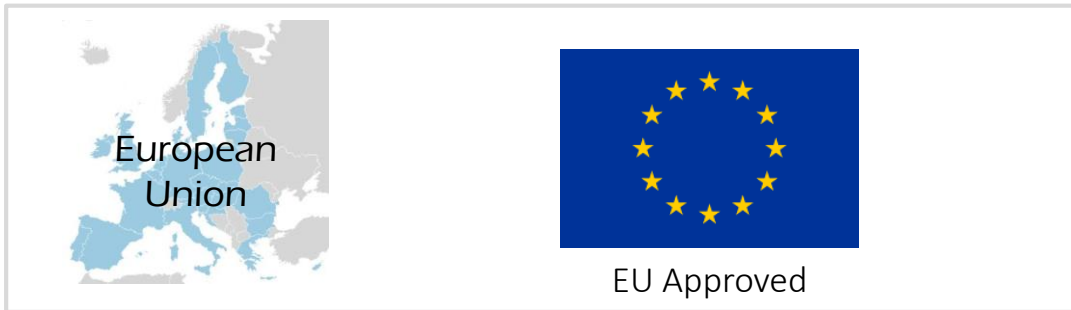
Processing Plants



Hatcheries

Our facilities are in proximity to one another, enabling smooth transition of products to the next stage

# ... And Quality Control Certifications, provide a Competitive Edge





### 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

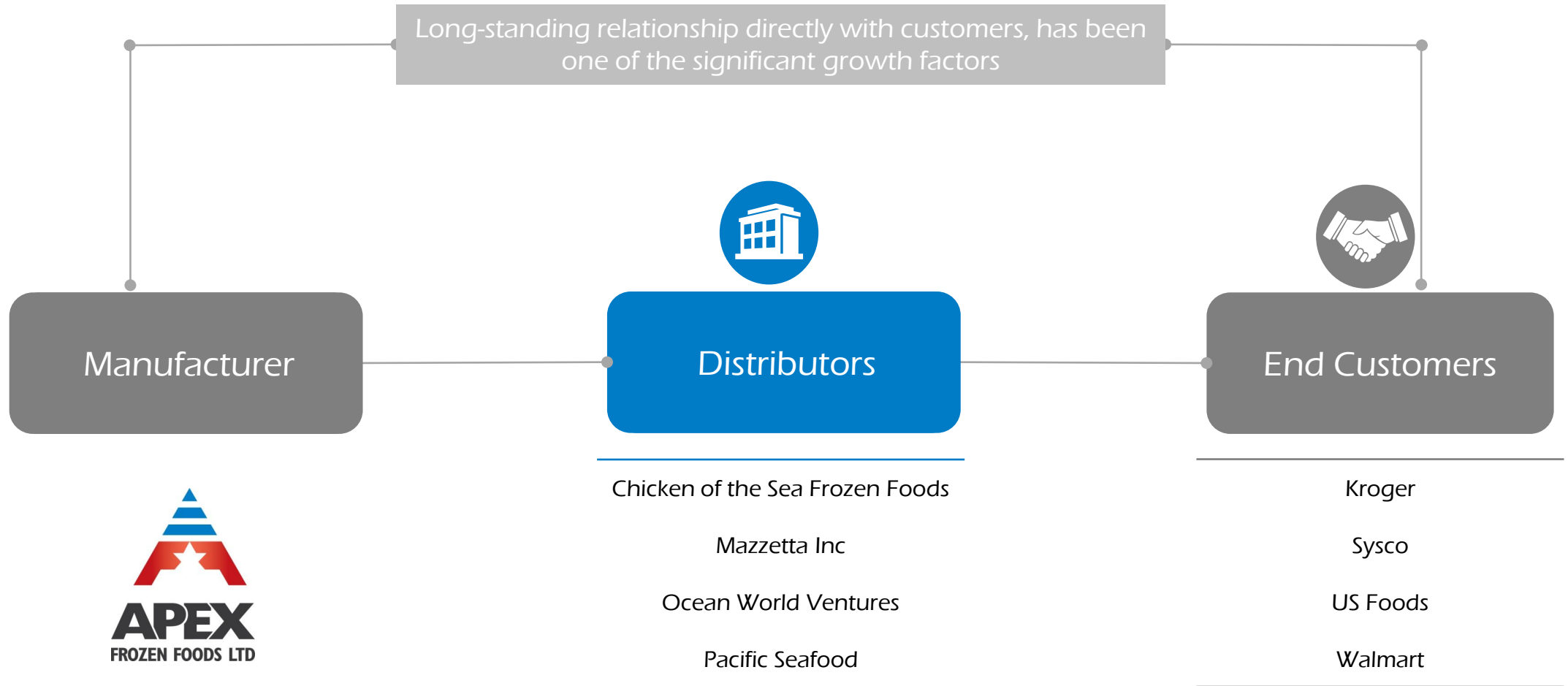
Butterfly Shrimp  
Skewered Shrimp  
Seasoned Shrimp



### Ready to Eat

Cooked Peeled & De-veined Tail-on  
Cooked in Shell  
Shrimp Rings  
Dusted and Breaded  
Par-fried Shrimp

## ... To Garner Wallet Share from Existing Customers



Relationship based ethos has helped our Company grow along with our partners (farmers & customers)



**Karuturi Satyanarayana Murthy**  
*Chairman and Managing Director*

- Founding Promoter with ~35 years of experience in fishing industry
- Involved in making strategic decisions, business development and overall administration
- Active member of the Rotary International Club



**Karuturi Subrahmanya Chowdary**  
*Executive Director*

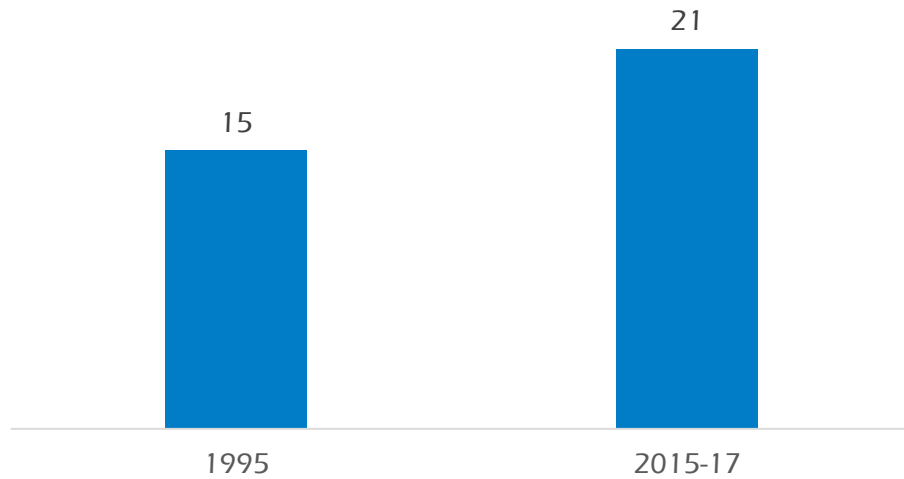
- Director with ~15 years of experience in aquaculture
- Plays a significant role in the development of business
- Involved in business operations and marketing activities of the Company



## Aquaculture Sector – An Update

# Aquaculture to Satisfy the Growing Global Seafood Demand

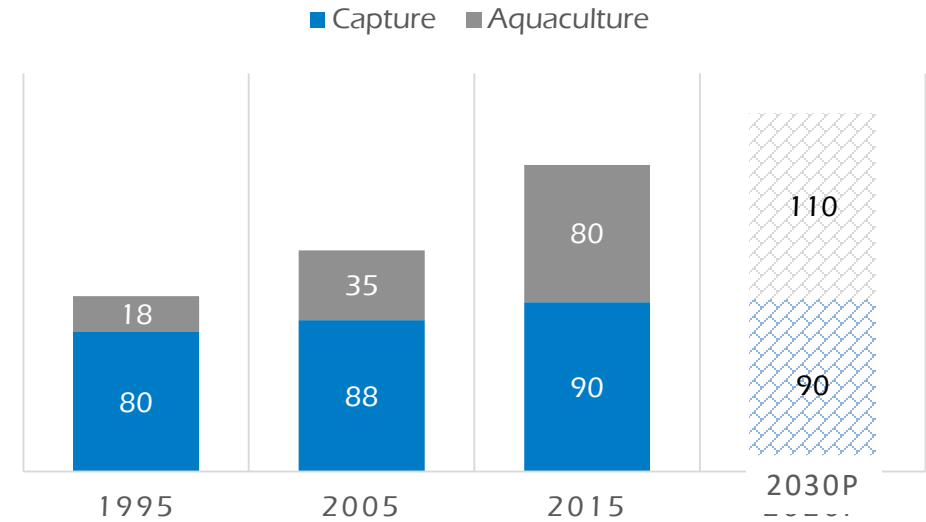
Global Per Capita Seafood Consumption (kg)



Source: FAO

- ✓ Rising income level across geographies
- ✓ Changing preference towards seafood due to its richer protein content
- ✓ Variety in product offering

Global Seafood Production (mn tonnes)

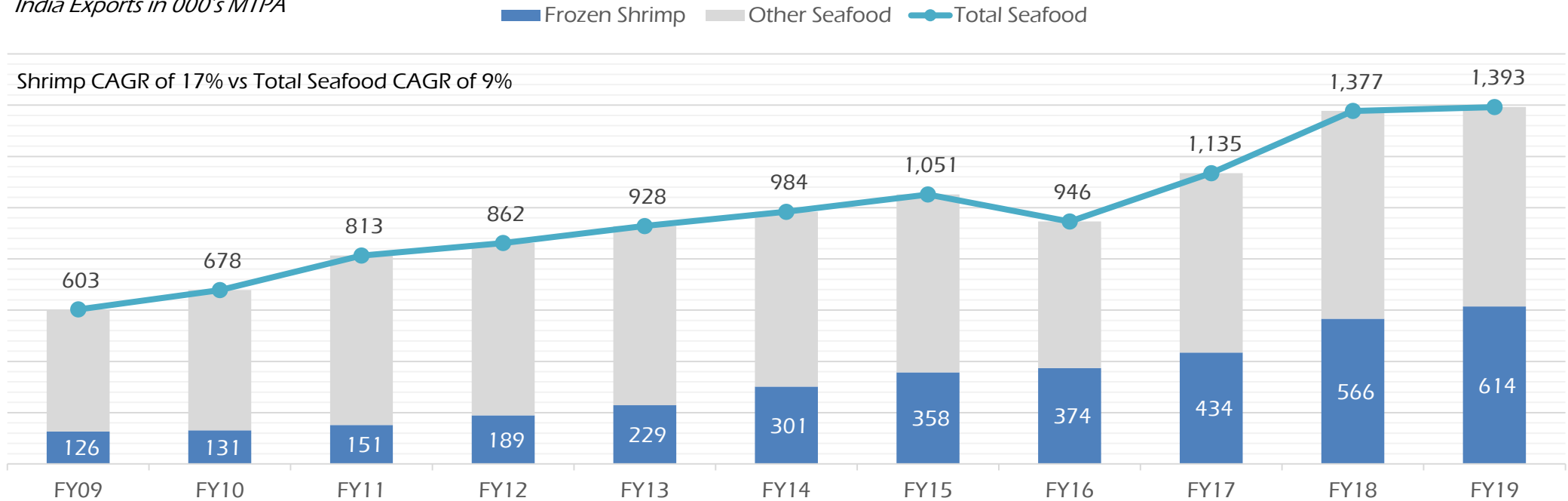


Source: FAO

- ✓ Growing awareness of sustainable use of oceanic resources and fishing practices
- ✓ Cost effective and voluminous output
- ✓ High return on investment

# India's Seafood Exports Driven by Surging Shrimp Exports ...

India Exports in 000's MTPA



India's Shrimp Exports – FY19





# ... Aided by Inherent Strengths and Regulatory Foresight

## Resource Rich Geography

Vast coastline of ~7,500 kms

Abundant inland water resources

Suitable climatic conditions

Availability of farm labour

Currently, only ~15% of land suitable for shrimp farming is utilised

## Regulatory Support

Commercial production of *L. Vannamei* permitted since 2009

Active regulatory bodies like MPEDA, CAA, dedicated ministry for Fisheries

Central and State government incentives for promoting aquaculture

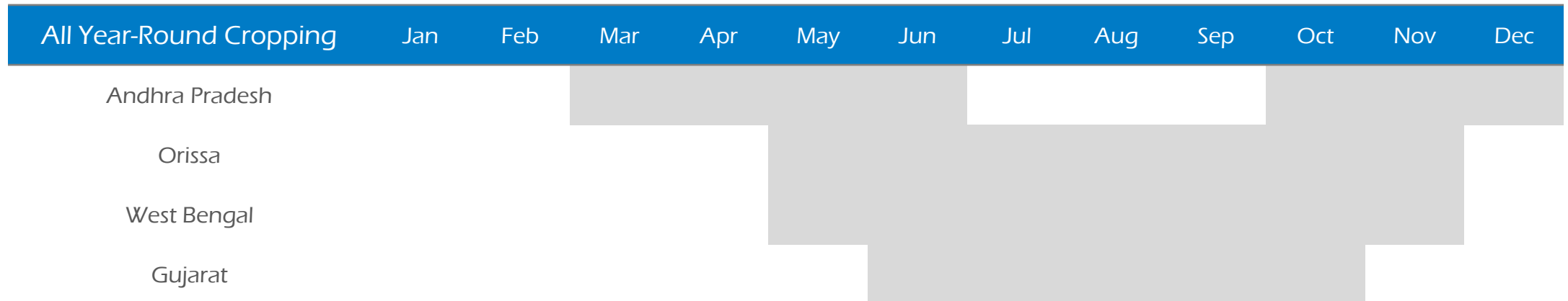
## Quality Produce

Sustainable farming techniques have resulted in consistent quality

India is now seen as a key supplier in the global shrimp industry

Gradually moving up the chain by introducing Value Added Products

## All Year-Round Cropping

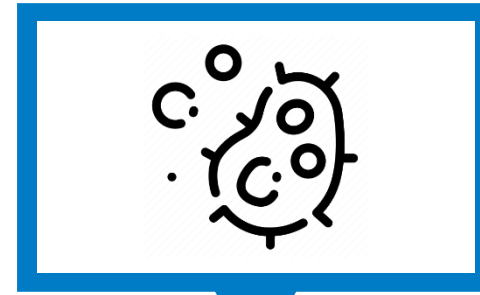


■ Cropping Period



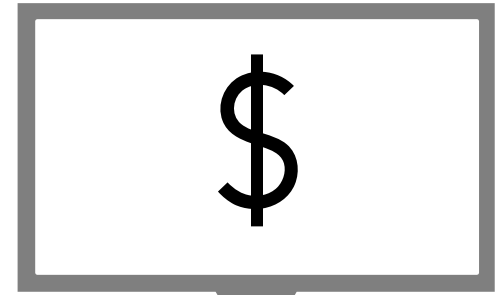
### Demand Slowdown

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 availability of raw shrimp



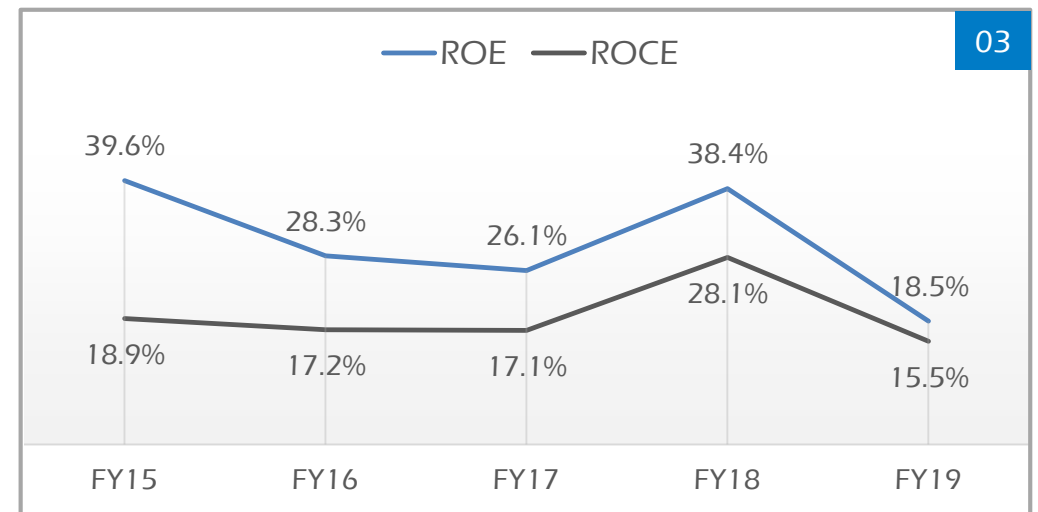
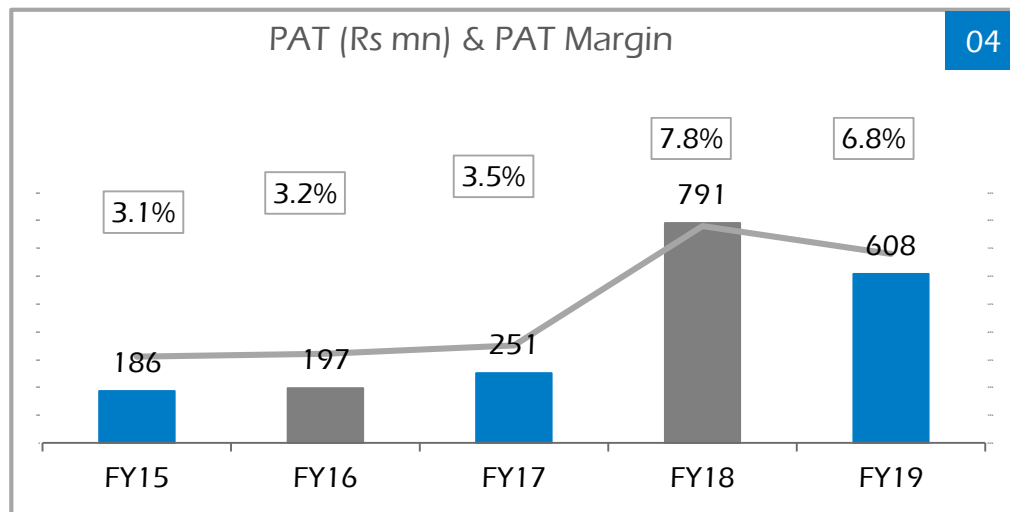
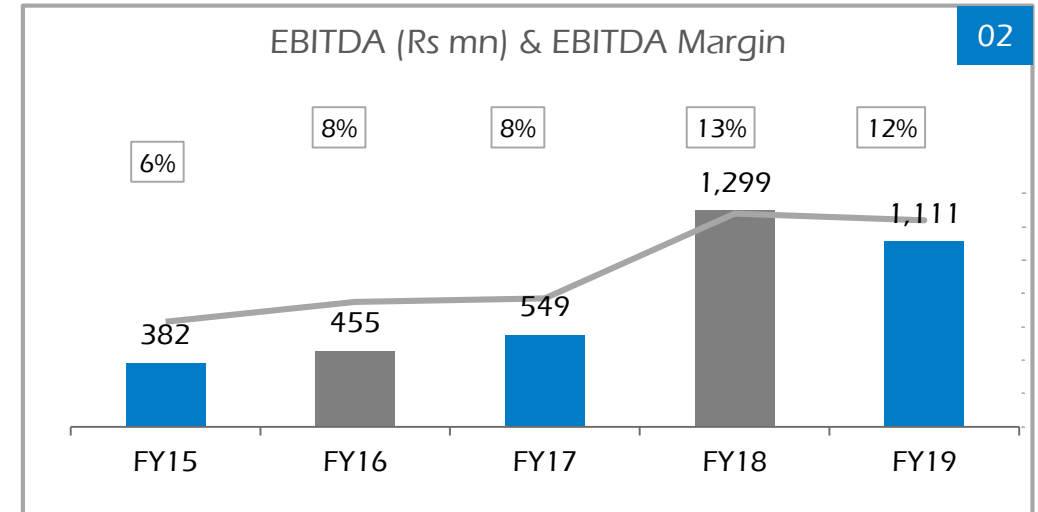
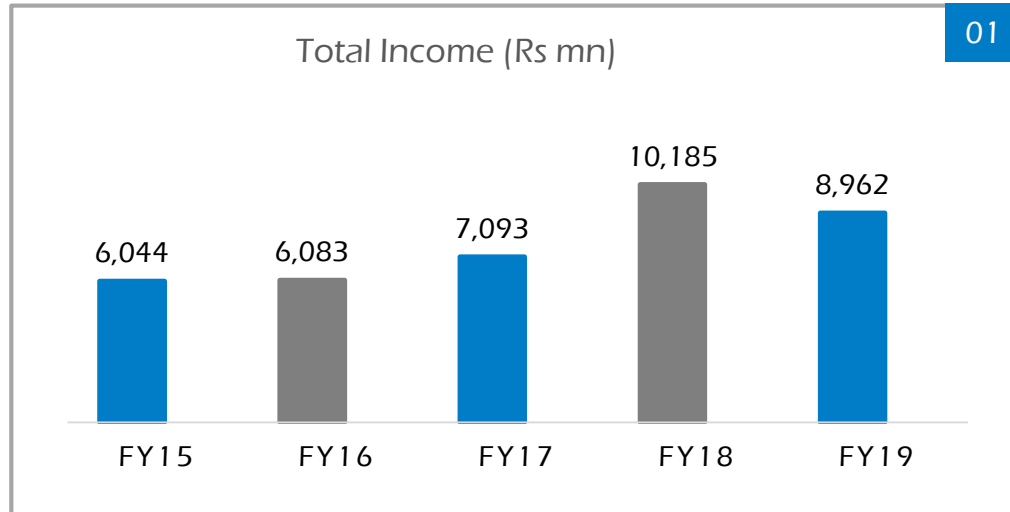
### Volatile Pricing

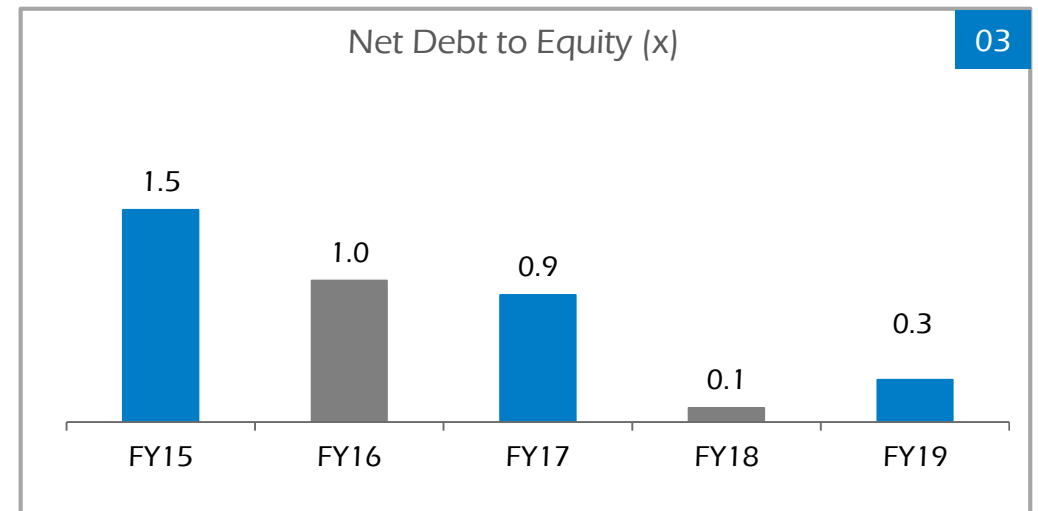
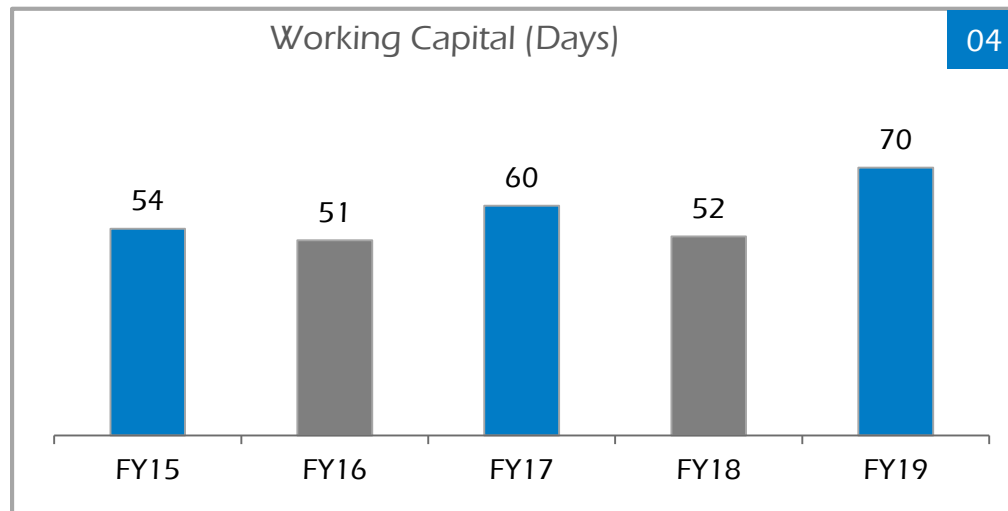
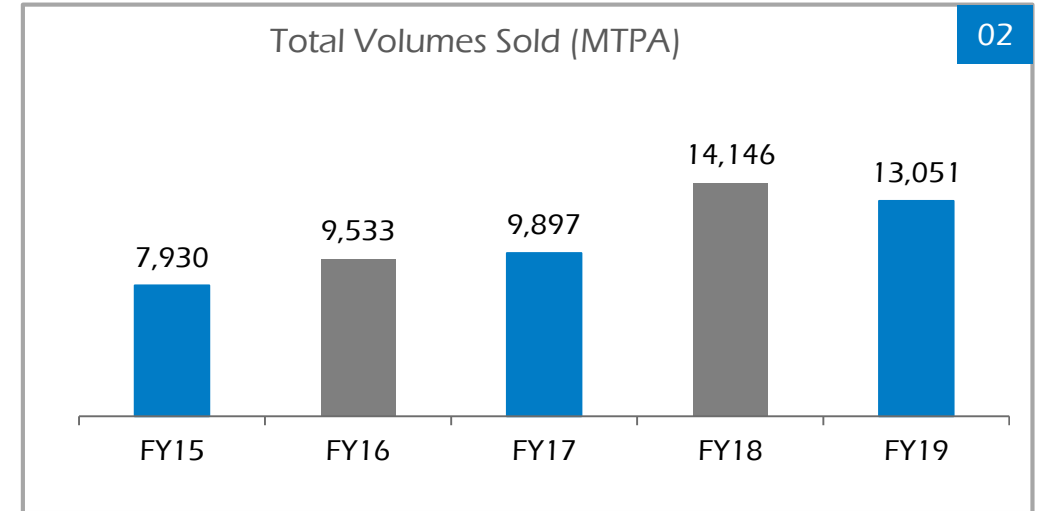
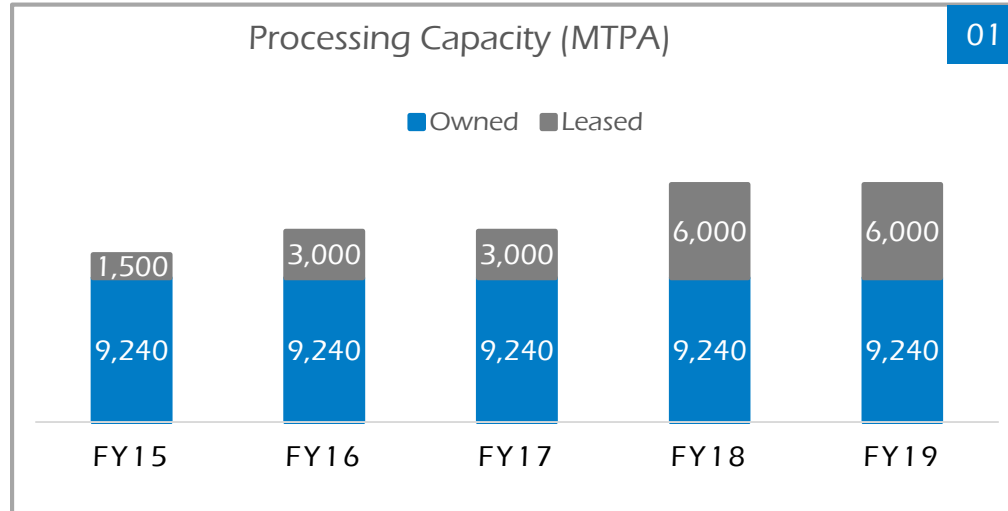
Global imbalances in demand-supply can impact pricing. Exchange rate fluctuations can amplify the volatility



## Annual Performance







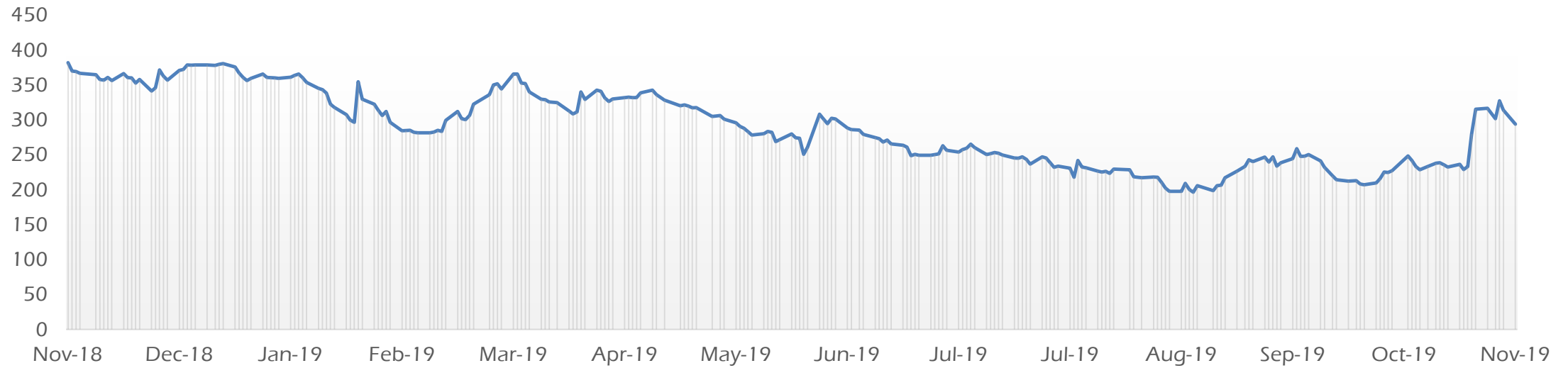
Profit & Loss (Rs mn)	FY15	FY16	FY17	FY18	FY19
Net revenue	5,994	6,035	6,987	9,986	8,747
Other income	50	47	106	199	215
<b>Total income</b>	<b>6,044</b>	<b>6,083</b>	<b>7,093</b>	<b>10,185</b>	<b>8,962</b>
Raw material	4,752	4,510	5,317	7,031	5,810
Employee expenses	258	233	249	389	482
Other expenses	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>
<b>EBITDA margin (%)</b>	<b>6.3%</b>	<b>7.5%</b>	<b>7.7%</b>	<b>12.8%</b>	<b>12.4%</b>
Depreciation	4	49	63	87	109
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>
<b>PAT margin (%)</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.5%</b>	<b>7.8%</b>	<b>6.8%</b>

*Note: The data beyond FY17 is as per Restated Financials*

## Balance Sheet

Liabilities (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
Other non-current liabilities	63	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>

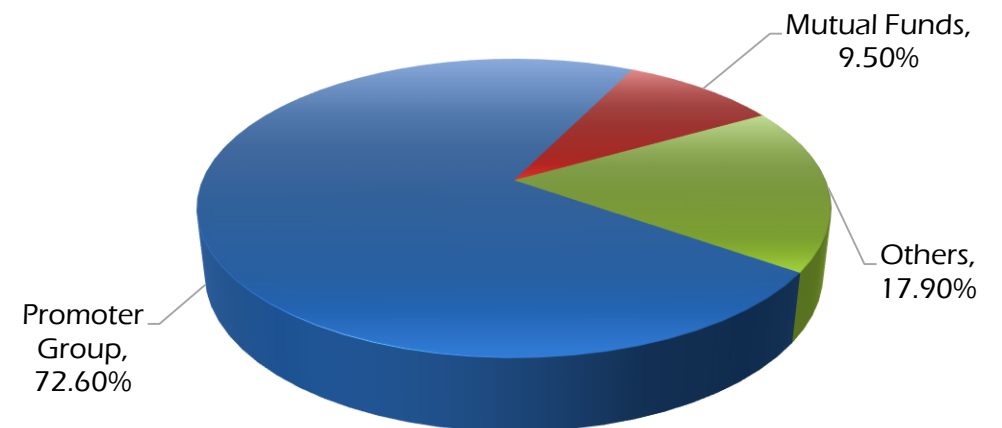
Assets (Rs mn)	FY17	FY18	FY19
<b>Non-current assets</b>	<b>857</b>	<b>1,408</b>	<b>2,456</b>
Net block	829	1,111	1,147
Capital work-in-progress	8	209	1,163
Other non-current assets	21	54	114
Deferred tax asset	0	35	33
<b>Current Assets</b>	<b>1,910</b>	<b>2,902</b>	<b>2,623</b>
Inventories	638	1,016	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>



#### Share Price data as on 19<sup>th</sup> November 2019

NSE / BSE code	APEX / 540692
CMP (Rs)	290
Market Cap (Rs mn)	9,087
# Shares (mn)	31.25
Face Value (Rs)	10.00
Sector	Aquaculture
Location	Kakinada, AP

#### Shareholding Pattern (as on Sep-19)







Apex Frozen Foods  
3-160, Panasapadu, Kakinada, East  
Godavari 533 005, Andhra Pradesh, India



Mr Subhramanya Chowdary  
Executive Director  
[ir@apexfrozenfoods.com](mailto:ir@apexfrozenfoods.com)



Pooja Sharma / Sheetal Keswani  
Investor Relations  
[pooja.sharma@stellar-ir.com](mailto:pooja.sharma@stellar-ir.com)  
[sheetal@stellar-ir.com](mailto:sheetal@stellar-ir.com)