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CIN: L15490AP2012PLC080067

Date: 13.02.2019

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

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

Dear Sir's,

Subject: Submission of Investor Presentation on Q3 FY19 results-reg.

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

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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed a copy of the Q3 FY19 Investor Presentation of the Company.

Please take the same on record.

Thank You,

For Apex Frozen Foods Limited



S.Sarojini

Company Secretary & Compliance officer



Encl: as above



Investor Presentation

Apex Frozen Foods Limited

CIN: L15490AP2012PLC080067

9M & Q3 FY19 Result



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- 2 Industry Trends
- 3 Our Core Strengths
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01

Key Business Highlights



An Update on the Capacity Expansion Plans

New Shrimp Processing Plant – Completion Status



- Total installed capacity of 20,000 MTPA; of which:
 - 15,000 MTPA for Ready-To-Cook (RTC) products and
 - 5,000 MTPA for Ready-To-Eat (RTE) products
- Total planned outlay of Rs 902 mn, of which, Rs 802 mn has been incurred as on 31-Dec-18
- We expect trial production to begin by the end of Q4FY19

Two New Hatcheries – in addition to the existing three operational Hatcheries

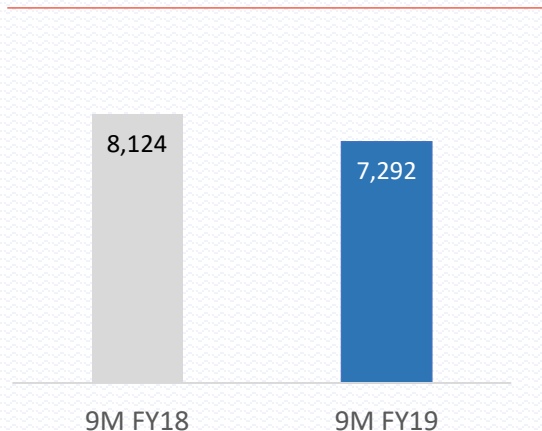


- **Hatchery at Srikakulam, North Eastern side of AP:**
 - Breeding capacity of 150 mn SPF* seeds per cycle
 - Commercial production started in Jan-19
- **Hatchery near Ongole, Southern side of AP:**
 - Breeding capacity of 135 mn SPF seeds per cycle
 - Construction completed and awaiting audit approvals

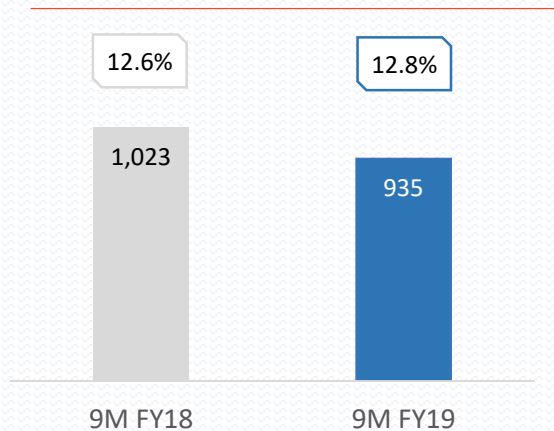
* *Specific Pathogen Free*

9M FY19 : Key Performance Indicators

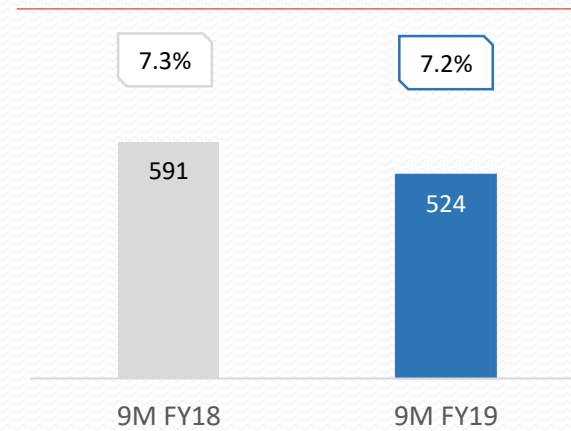
Total income (Rs mn)



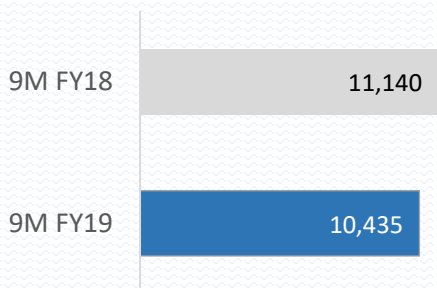
EBITDA (Rs mn) and margin (%)



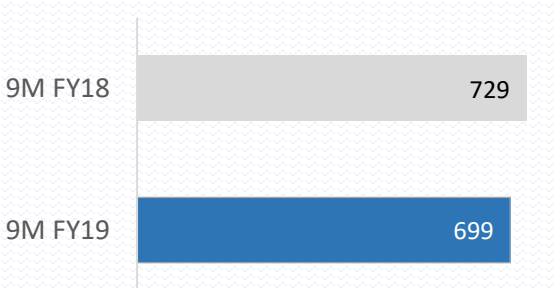
PAT (Rs mn) and margin (%)



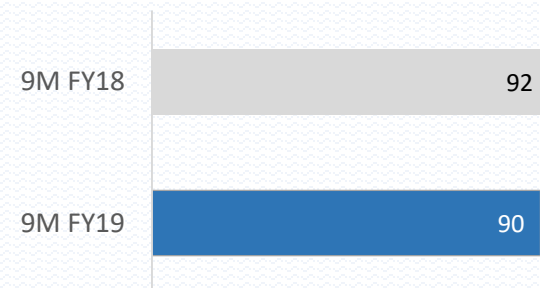
Volumes sold (MT)



Average Realisation* (Rs/kg)



EBITDA per kg # (Rs)

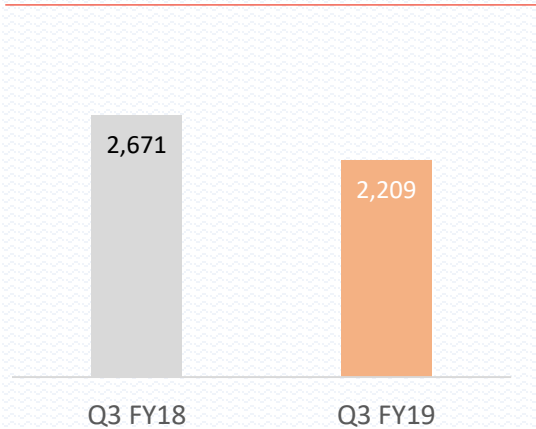


* 'Total Income, incl. other income ÷ Volumes sold'

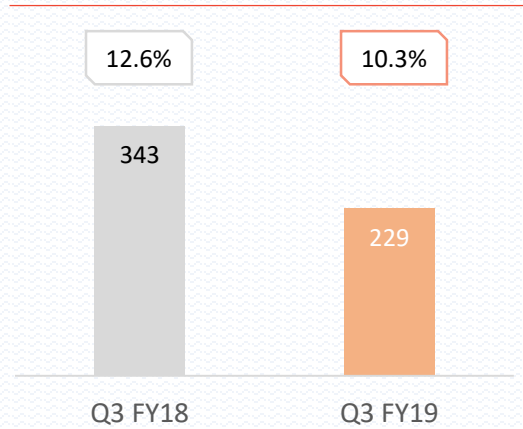
'EBITDA, incl. other income ÷ Volumes sold'

Q3 FY19 : Key Performance Indicators

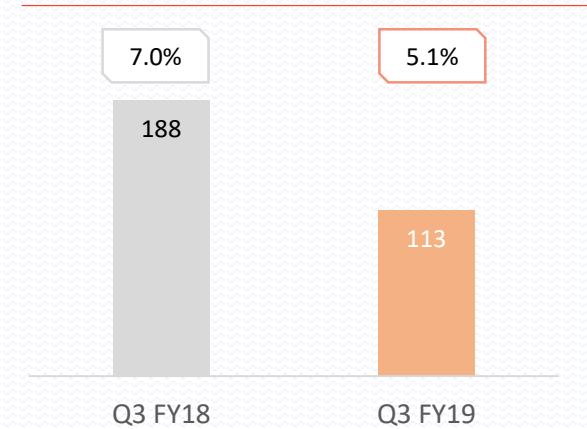
Total income (Rs mn)



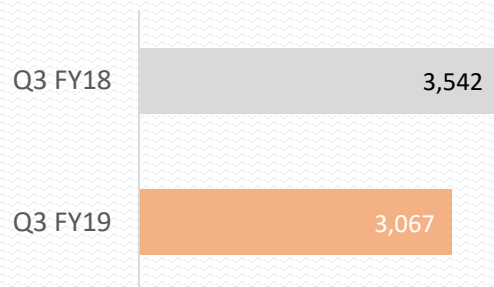
EBITDA (Rs mn) and margin (%)



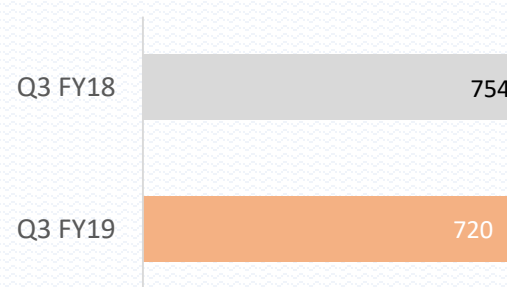
PAT (Rs mn) and margin (%)



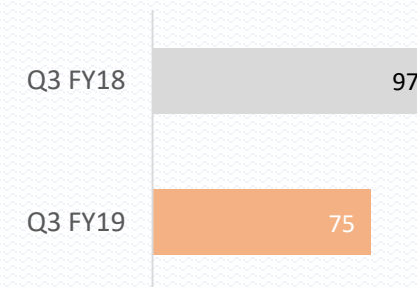
Volumes sold (MT)



Average Realisation* (Rs/kg)



EBITDA per kg # (Rs)



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


'EBITDA, incl. other income ÷ Volumes sold'

Profit & Loss Highlights

Standalone (Rs mn)	Q3 FY19	Q3 FY18	Q2 FY19	9M FY19	9M FY18	y-o-y %
Net revenue	2,160	2,628	2,555	7,108	7,955	-11
Other income	50	43	87	184	169	8
Total Income	2,209	2,671	2,642	7,292	8,124	-10
Raw material	1,520	1,855	1,762	4,783	5,637	-15
Employee expenses	121	115	121	359	285	26
Other expenses	340	358	424	1,215	1,180	3
EBITDA	229	343	336	935	1,023	-9
<i>EBITDA margin</i>	<i>10.3%</i>	<i>12.8%</i>	<i>12.7%</i>	<i>12.8%</i>	<i>12.6%</i>	<i>-</i>
Depreciation & amortisation	28	24	27	81	66	22
Finance cost	15	20	19	50	74	-32
Profit Before Tax	186	299	289	803	883	-9
Tax	73	111	91	279	292	-4
Profit After Tax	113	188	198	524	591	-11
<i>PAT margin</i>	<i>5.1%</i>	<i>7.0%</i>	<i>7.5%</i>	<i>7.2%</i>	<i>7.3%</i>	<i>-</i>
Other comprehensive income	76	47	-47	-36	-10	252
Total Comprehensive Income	189	235	151	488	581	-16
Diluted EPS* (Rs)	3.63	6.02	6.35	16.77	21.74	-23

*Calculated as per weighted average total no. of shares

- The growth in shrimp consumption in some of our key markets like the USA, continue to remain muted largely on account of inventory pile-up and extended winters. However, as part of our diversification plan, the Company has forayed into new markets / geographies like China in the current quarter.
- On the pricing front, globally, shrimp prices corrected by 15-20% in Apr-May '18 from the peak of FY18 but started stabilizing from Q2 FY19. We believe that our valued-added focused product portfolio would help in enhancing the average realizations going forward.
- The EBITDA per kg for 9M FY19 has been largely maintained when compared post adjustment for one-time gain arising from the change in accounting policy of MEIS in FY18 and benefit of anti-dumping duty refund in Q1 FY19).



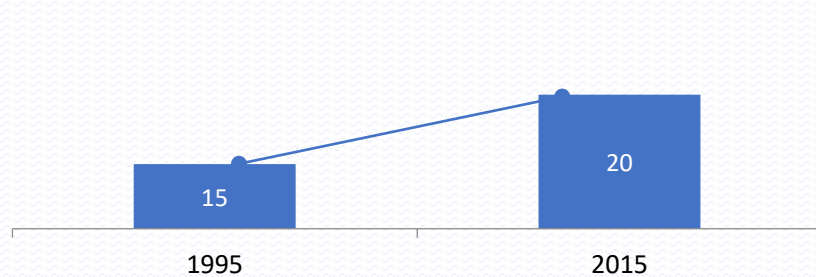
02

Industry Trends



Global Seafood Industry – Overview

Increased seafood intake globally, reflected in higher per capita consumption of seafood (kg)

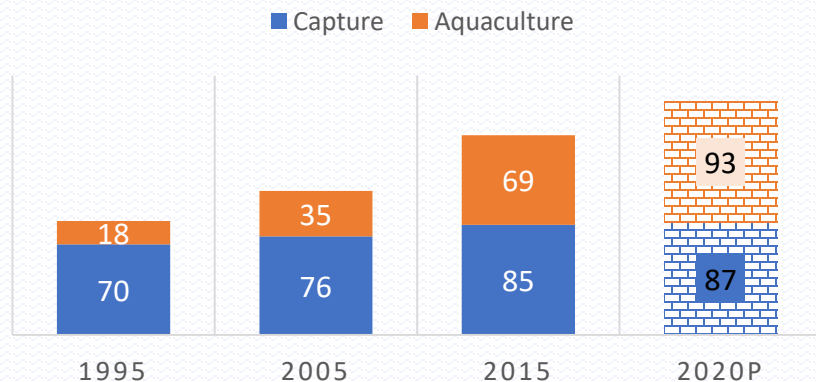


Source: FAO, CRISIL Research



- ✓ Rising income level
- ✓ Variety in product offering
- ✓ Richer protein content
- ✓ Favourable State policies like FTAs

Seafood industry's growth trajectory, led by rising share of Aquaculture – Production (mn tonne)



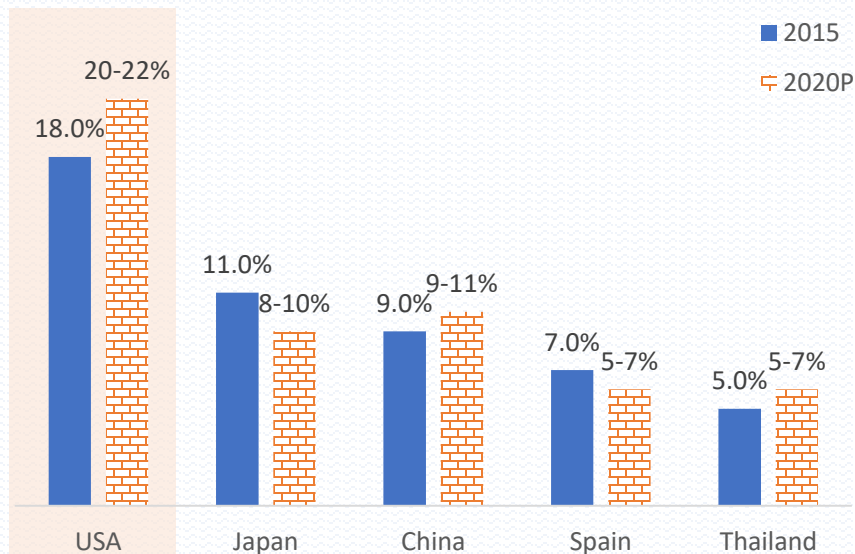
Source: FAO, CRISIL Research



- ✓ Total production grew at a CAGR of 3.3% over 2005-2015
- ✓ Driven by 7% CAGR in aquaculture while capture fishery stagnated with a 1% CAGR
- ✓ The trend is expected to continue in favour of aquaculture growth

Global Demand-Supply Scenario, Favourable for India

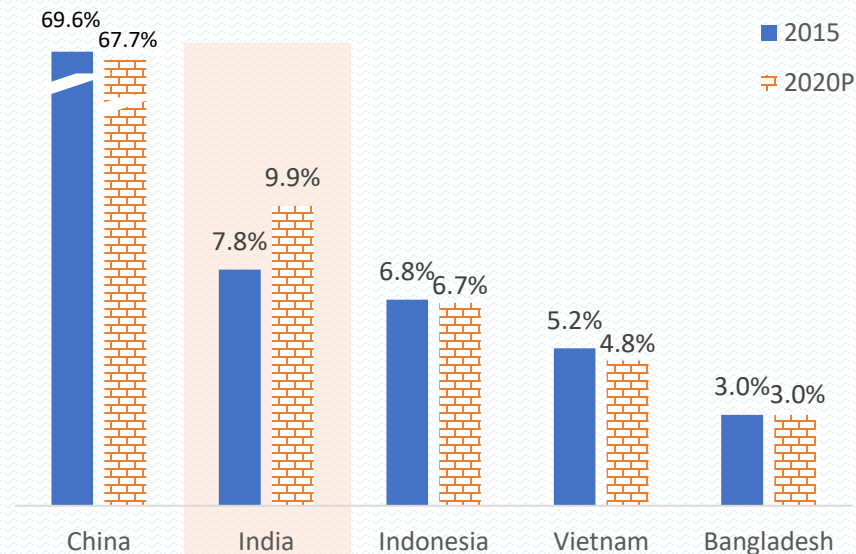
Demand: Top 5 importing countries, forming ~50%



Rising demand for Shrimp and Tuna in the USA is driving its market share increase in consumption, globally

Source: CRISIL Research

Supply: Asia forms ~92% of total aquaculture production

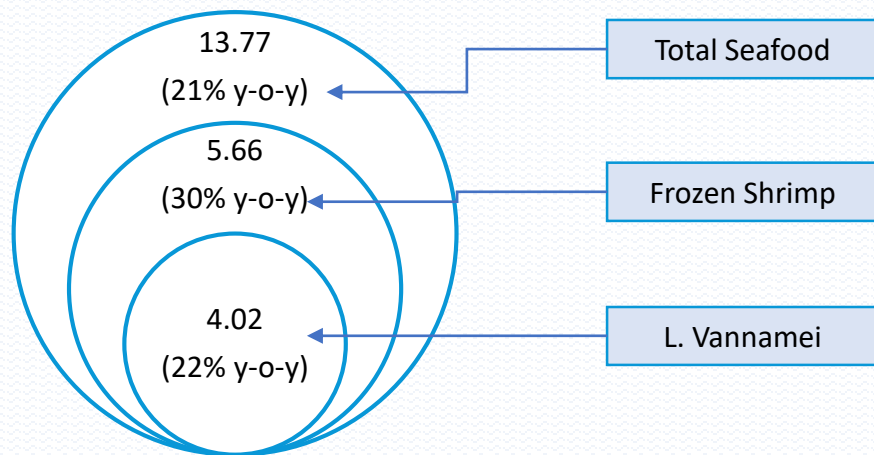


India is gaining market share on the back of its quality output at competitive prices;
Largest exporter of shrimp to USA

Source: FAO, CRISIL Research

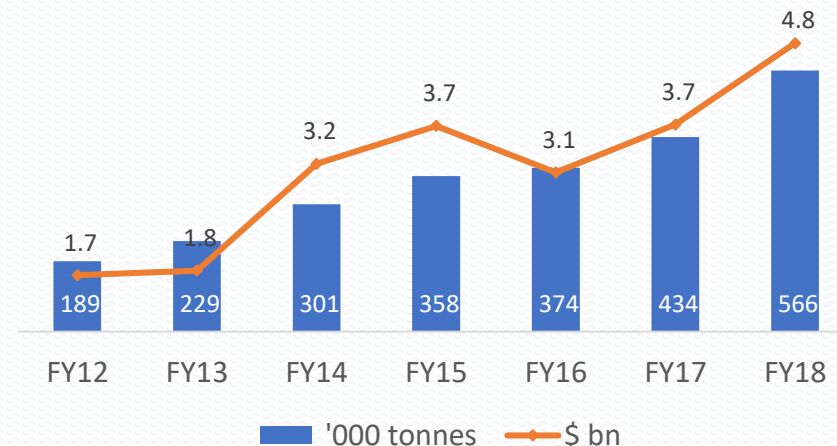
India's Growth in Aquaculture Exports and Farming

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



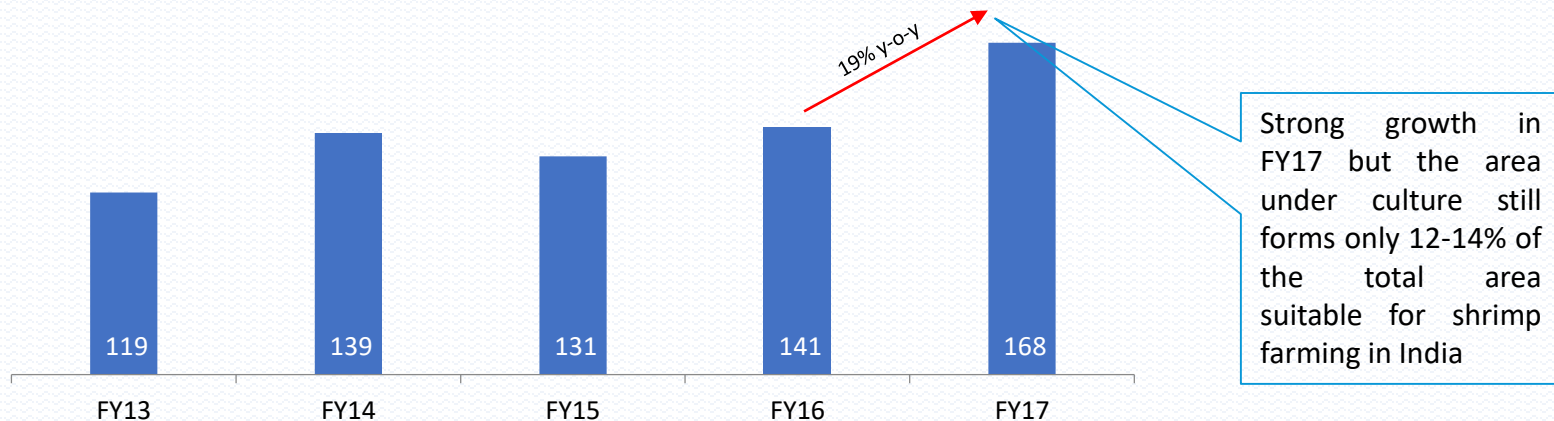
Source: MPEDA

Frozen shrimp exports by India



Source: MPEDA

Significant potential for scaling up shrimp farming in India – Area under culture ('000 hectares)



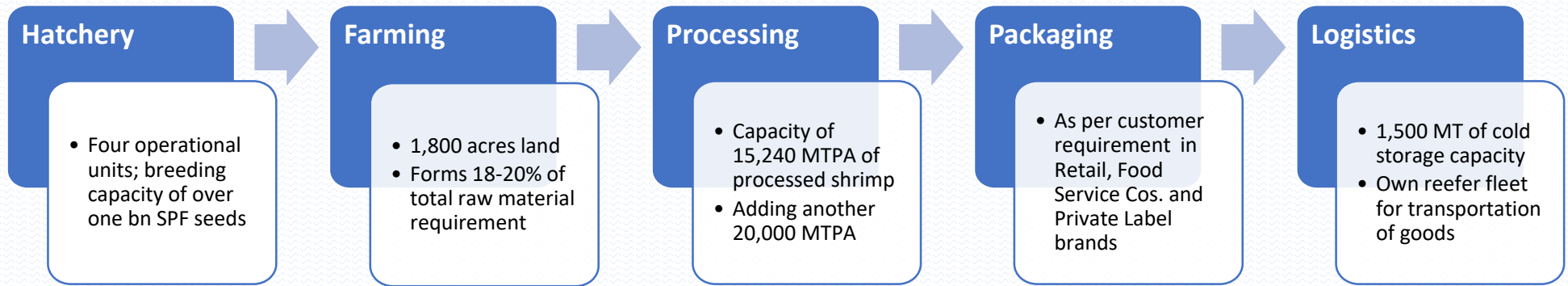


03

Our Core Strengths



Integrated Operations Ensure Quality Control & Timely Delivery

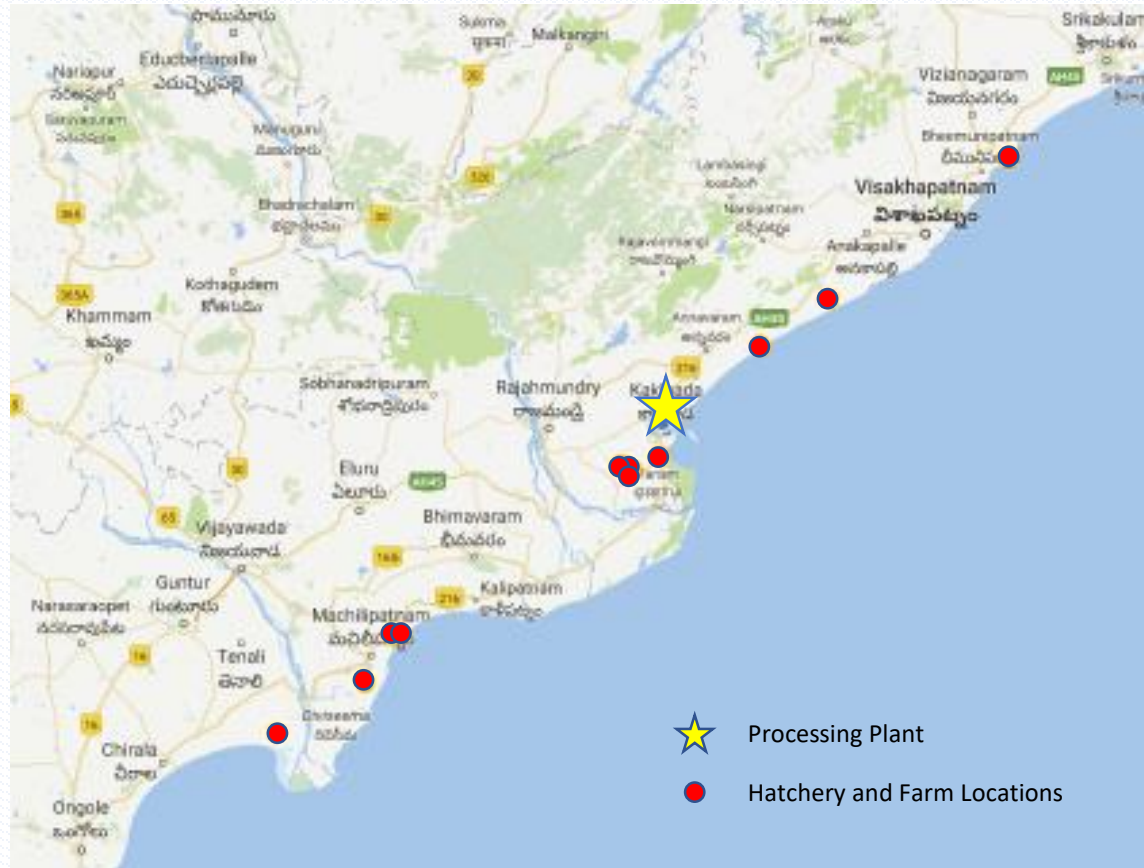


Backward integration allows flexibility in shaping production plan based on customers' needs



Strategically Located – Close to Farms as well as Ports

Andhra Pradesh accounts for ~70% of the total shrimp farming in India



*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***

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

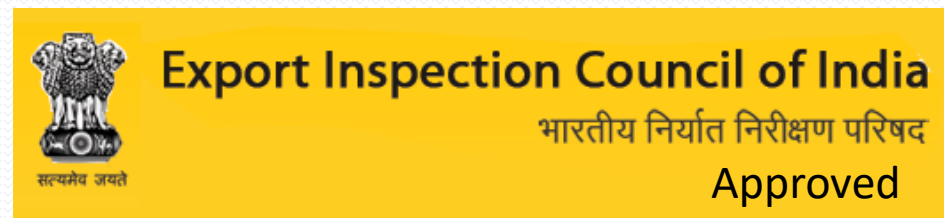
SAFEWAY

ALDI

Quality Control Certifications act as Entry Barrier



EU Approved



Industry knowledge, relationships and experience of the founders has enabled sustained growth



Karuturi Satyanarayana Murthy, *Chairman and Managing Director*

- Founding Promoter of the company and has an experience of over 25 years in aquaculture industry
- Responsible for making strategic decisions and decisions relating to business development and overall administration
- Active member of the Rotary International Club



Karuturi Subrahmanya Chowdary, *Executive Director*

- Promoter of the company with experience of over 15 years in aquaculture industry.
- Played a significant role in the development of our business
- Involved in the business operations and marketing activities of our Company.



...Supplemented by a Strong First Line of Management having Deep Operational Experience



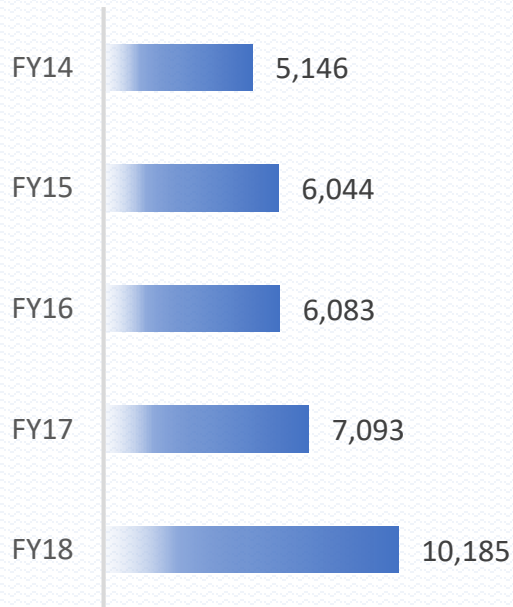
04

Annual Financial Highlights



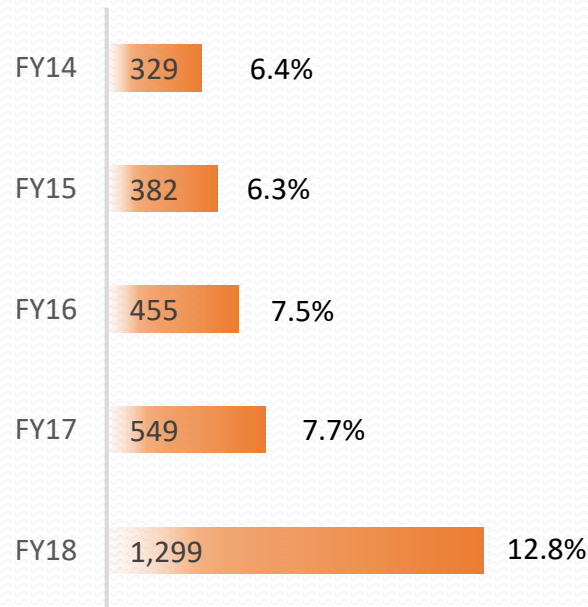
Robust Growth in Revenue and Profits...

Total income (Rs mn)



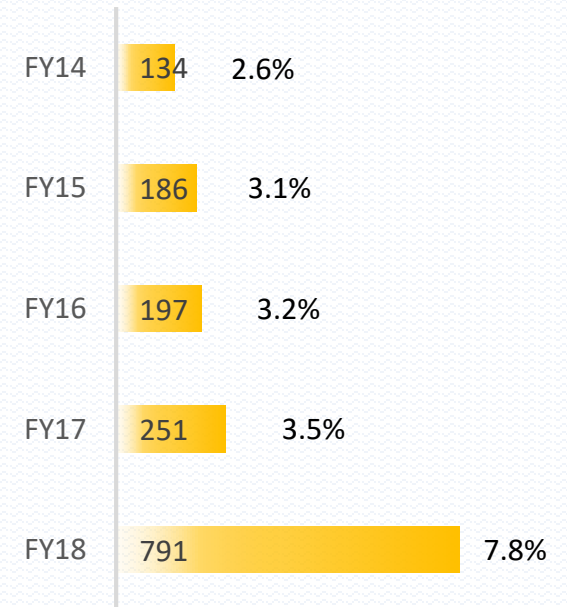
Grown at a CAGR of 19%

EBITDA (Rs mn) & Margin (%)



Margin expansion led by higher utilization, in-house farming and value-added products

PAT (Rs mn) & Margin (%)

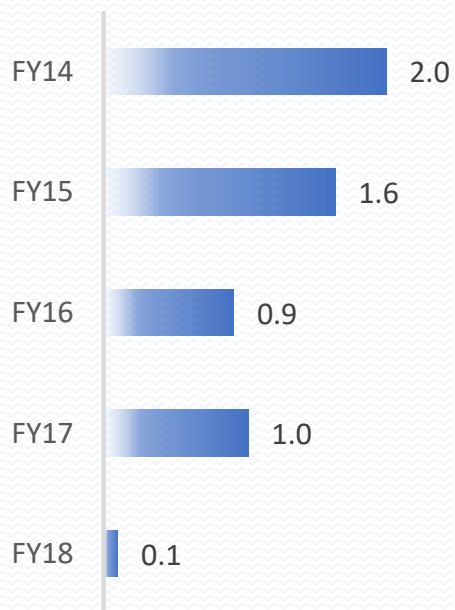


Grown at a CAGR of 56%

Note: The data beyond FY17 is as per Restated Financials

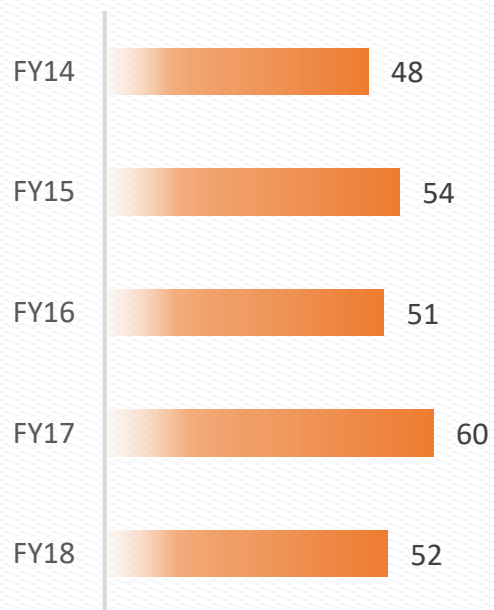
...Led by Strong Financial Discipline, Leading to...

Net debt-to-equity (x)



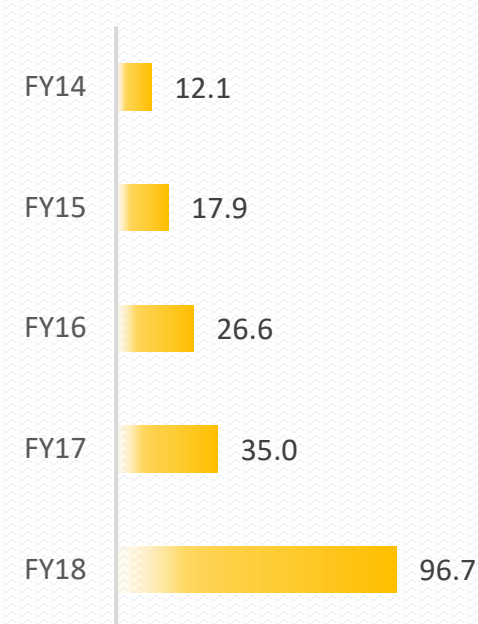
Improved D/E led by...

Working capital (Days)



...largely stable working capital...

Diluted Book value (Rs/share)



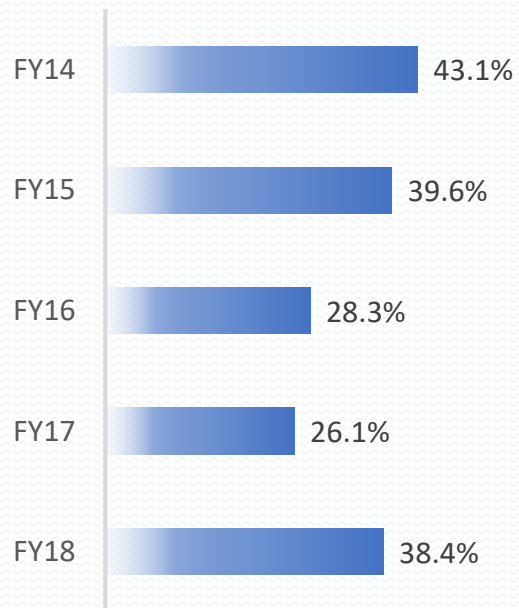
...and growing surplus profits

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

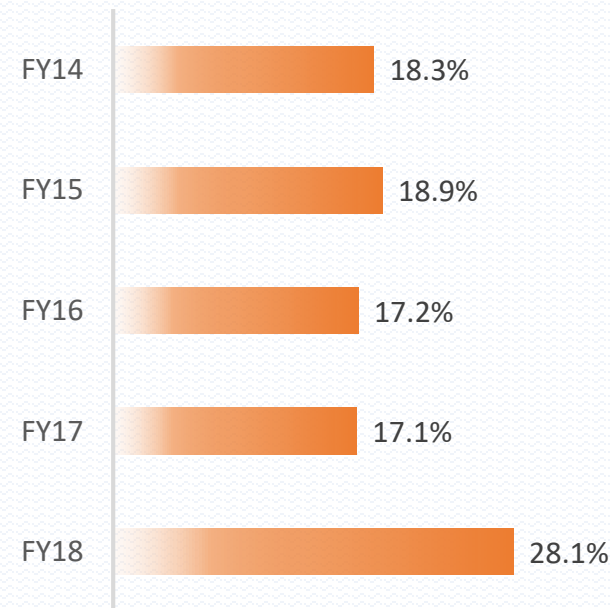
Ratios: Net D/E = (Total debt – Cash & equivalents) ÷ Net-worth; WC days = Inventory days + Debtor days – Creditor days; BVPS = Net-worth ÷ Total no. of outstanding shares

...Enhanced Profitability for Stakeholders

Return on Net Worth (%)



Return on Capital Employed (%)



Consistently generating high Return Ratios

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

Ratios: RoNW = PAT (before OCI) ÷ Average Net-worth × 100; RoCE = EBIT × (1-tax rate) ÷ Average Capital employed × 100

Profit & Loss Highlights

Profit & Loss (Rs mn)	FY14	FY15	FY16	FY17	FY18
Net revenue	5,143	5,994	6,035	6,987	9,986
Other income	3	50	47	106	199
Total income	5,146	6,044	6,083	7,093	10,185
Raw material	3,885	4,752	4,510	5,317	7,031
Employee expenses	226	258	233	249	389
Other expenses	705	652	884	977	1,466
EBITDA	329	382	455	549	1,299
<i>EBITDA margin (%)</i>	<i>6.4%</i>	<i>6.3%</i>	<i>7.5%</i>	<i>7.7%</i>	<i>12.8%</i>
Depreciation	45	4	49	63	87
EBIT	283	378	406	487	1,213
<i>EBIT margin (%)</i>	<i>5.5%</i>	<i>6.3%</i>	<i>6.7%</i>	<i>6.9%</i>	<i>11.9%</i>
Finance cost	80	96	104	112	87
Profit Before Tax	204	282	302	374	1,126
Tax	70	96	105	123	335
Profit After Tax	134	186	197	251	791
<i>PAT margin (%)</i>	<i>2.6%</i>	<i>3.1%</i>	<i>3.2%</i>	<i>3.5%</i>	<i>7.8%</i>

Note: The data beyond FY17 is as per Restated Financials

Balance Sheet Highlights

Standalone (Rs mn)	FY16	FY17	FY18
Shareholder's Funds	831	1,094	3,023
Share capital	240	240	313
Reserves & surplus	591	854	2,710
Non-current liabilities	189	273	101
Long term borrowings	119	210	83
Deferred tax liability	70	63	0
Other non-current liabilities	0	0	18
Current liabilities	924	1,400	1,187
Short term borrowings	642	847	722
Trade payables	161	309	266
Other current liabilities	31	44	49
Short term provisions	89	199	149
Total Liabilities	1,944	2,767	4,311

Standalone (Rs mn)	FY16	FY17	FY18
Non-current assets	632	857	1,408
Net block	552	829	1,111
Capital work-in-progress	80	8	209
Other non-current assets	0	21	54
Deferred tax asset	0	0	35
Current Assets	1,312	1,910	2,902
Inventories	596	638	1,016
Trade receivables	415	828	674
Cash & cash equivalents	18	46	644
Other financial assets	132	128	184
Other current assets	151	270	384
Total Assets	1,944	2,767	4,311



For further information, contact:



Mr. Subhramanya Chowdary
Executive Director
ir@apexfrozenfoods.com



Ms. Pooja Sharma
pooja.sharma@stellar-ir.com