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CIN: L15490AP2012PLC080067

Date: 06<sup>th</sup> February, 2023

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 Sir/Madam,

**Sub: Investor Presentation Q3/9MFY23 –Reg.**

**Ref: Disclosure of information pursuant to Regulation 30 read with Part A of Schedule III of the SEBI(LODR) 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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, please find the attached copy of Q3/9MFY23 Investor Presentation of the Company.

Kindly take the above information on your records.

Thanking you.

Yours Faithfully,  
For **Apex Frozen Foods Limited**

SATYANARAYA  
NA MURTHY  
KARUTURI  
Digitally signed by  
SATYANARAYANA MURTHY  
KARUTURI  
Date: 2023.02.06 08:13:37  
+05'30'

Satyanarayana Murthy Karuturi  
Executive Chairman  
DIN: 05107525



# Apex Frozen Foods

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Result Presentation

Q3/9MFY23



# Safe Harbour

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# Key Business Updates Q3/9MFY23

1

# Financial Highlights – Q3 & 9MFY23

9M

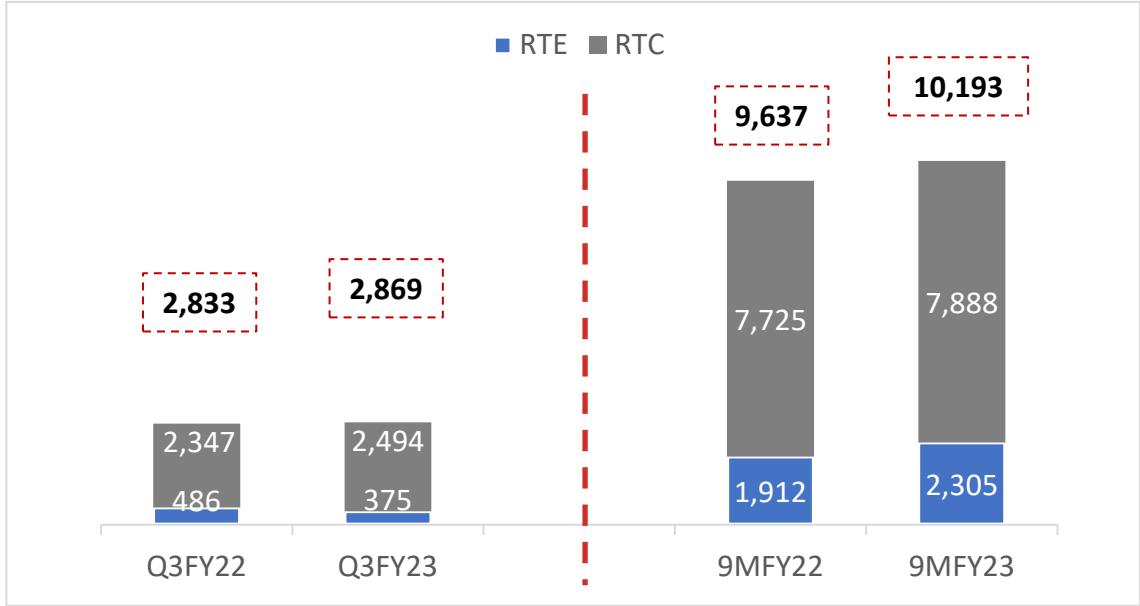
- ↑ **Net Revenue at Rs 8,131 Mn, up 16% YoY**, backed by volume growth of **6% YoY to 10,193 MT** and realization growth of **10% YoY to Rs 798\* per kg** with share of Ready-To-Eat (RTE) products **increased to ~23%** versus ~20% in 9MFY22
- ↑ **EBITDA at Rs 817 Mn (up 12% YoY)**; Aided by lower finance costs, **PAT at Rs 399 Mn (up 18% YoY)** leading to improved return ratios
- ↑ **Reduced Total Gross Debt by Rs 428 Mn in 9MFY23 to Rs 1,224 Mn as on 31-Dec-22**, underscoring improved Working Capital cycle and Net Cashflow from Operations

Q3

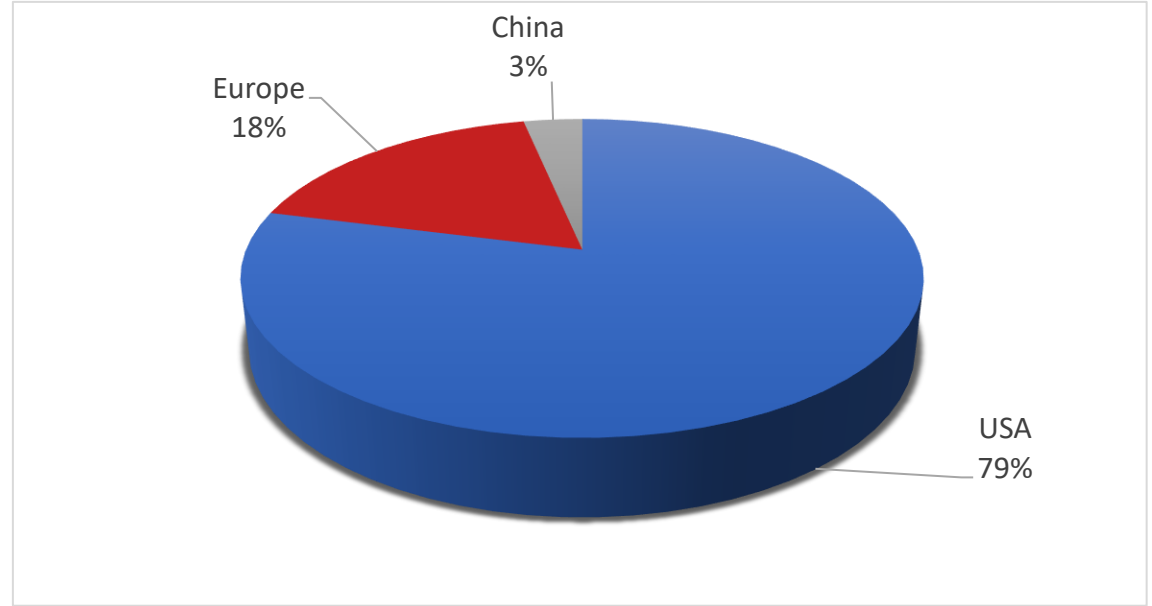
- ↑ Net Revenue at Rs 2,145 Mn, remained flat YoY, as demand in key markets like the USA and EU remained subdued coupled with shortage in supply of raw shrimp in India
- Consequently, profitability was impacted on account of higher raw material cost even as global shrimp prices were tapering off
- We remain cautiously optimistic about the upcoming harvest in domestic market and are hopeful of demand revival in consuming markets as inflationary pressures ease out

# Sales Volume Break-up

Shrimp Sales (MT)



Shrimp Sales – Q3FY23 Geographical Mix (%)



In Q3FY23, Shrimp sales grew by 1% YoY, on account of muted demand in key markets of USA and EU and supply constraints in specific sizes  
**In 9MFY23, Shrimp sales grew by 6% YoY to 10,193 MT**

# Income Statement Highlights

Particulars (Rs Mn)	Q3 FY23	Q3 FY22	Y-o-Y %	Q2 FY23	Q-o-Q %	9M FY23	9M FY22	Y-o-Y %
Net revenue	2,145	2,148		2,928		8,131	6,987	
Other income*	162	62		163		517	235	
<b>Total Income</b>	<b>2,307</b>	<b>2,210</b>	<b>4%</b>	<b>3,091</b>	<b>-25%</b>	<b>8,648</b>	<b>7,222</b>	<b>20%</b>
Raw material costs	1,612	1,488		2,143		5,826	4,735	
Employee expenses	116	104		126		361	323	
Other expenses	393	418		538		1,644	1,432	
<b>EBITDA</b>	<b>186</b>	<b>201</b>	<b>-8%</b>	<b>284</b>	<b>-35%</b>	<b>817</b>	<b>733</b>	<b>12%</b>
<i>EBITDA margin (%)</i>	<i>8.1%</i>	<i>9.1%</i>		<i>9.2%</i>		<i>9.5%</i>	<i>10.1%</i>	
Depreciation & amortisation	52	47		52		155	140	
Finance cost	30	39		48		127	135	
<b>Profit Before Tax</b>	<b>103</b>	<b>115</b>	<b>-10%</b>	<b>184</b>	<b>-44%</b>	<b>535</b>	<b>459</b>	<b>17%</b>
Tax expenses	26	30		48		136	121	
<b>Profit After Tax</b>	<b>77</b>	<b>84</b>	<b>-8%</b>	<b>136</b>	<b>-43%</b>	<b>399</b>	<b>338</b>	<b>18%</b>
<i>PAT margin (%)</i>	<i>3.4%</i>	<i>3.8%</i>		<i>4.4%</i>		<i>4.6%</i>	<i>4.7%</i>	
<b>Diluted EPS (Rs)</b>	<b>2.48</b>	<b>2.71</b>	<b>-8%</b>	<b>4.35</b>	<b>-43%</b>	<b>12.77</b>	<b>10.81</b>	<b>18%</b>

\* Other Income includes export benefits (which was earlier reported as part of Net Revenue) of Rs 101 Mn for Q3FY23, Rs 54 Mn for Q3FY22, Rs 120 Mn for Q2FY23, Rs 358 Mn for 9MFY23 and Rs 182 Mn for 9MFY22.

# Key Operational and Financial Ratios

Key Operational Data	Q3FY23	Q3FY22	Q2FY23	9MFY23	9MFY22
Volumes sold (MT)	2,869	2,833	3,565	10,193	9,637
Average realisation (Rs/Kg)*	748	758	821	798	725
Key Ratios (% of Total Income)	Q3FY23	Q3FY22	Q2FY23	9MFY23	9MFY22
Other income (% of Net Revenue)^	7.5%	2.9%	5.6%	6.4%	3.4%
Raw material cost	69.9%	67.3%	69.3%	67.4%	65.6%
Employee expenses	5.0%	4.7%	4.1%	4.2%	4.5%
Other expenses	17.0%	18.9%	17.4%	19.0%	19.8%
Depreciation & amortisation	2.2%	2.1%	1.7%	1.8%	1.9%
Finance cost	1.3%	1.8%	1.5%	1.5%	1.9%
Tax expenses (% of PBT)	25.2%	26.4%	26.1%	25.5%	26.4%

\*Average sales realization = Net Revenue (including other domestic sales) / Volumes sold

^ Other income includes export benefits which was earlier reported under Net Revenue



# 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

*Enhancing RTE capacity from 5,000 MT to 10,000 MT at marginal capex; Installation completed and ready for commercial production by end of Q4FY23*

## Long Standing Customer Relationships

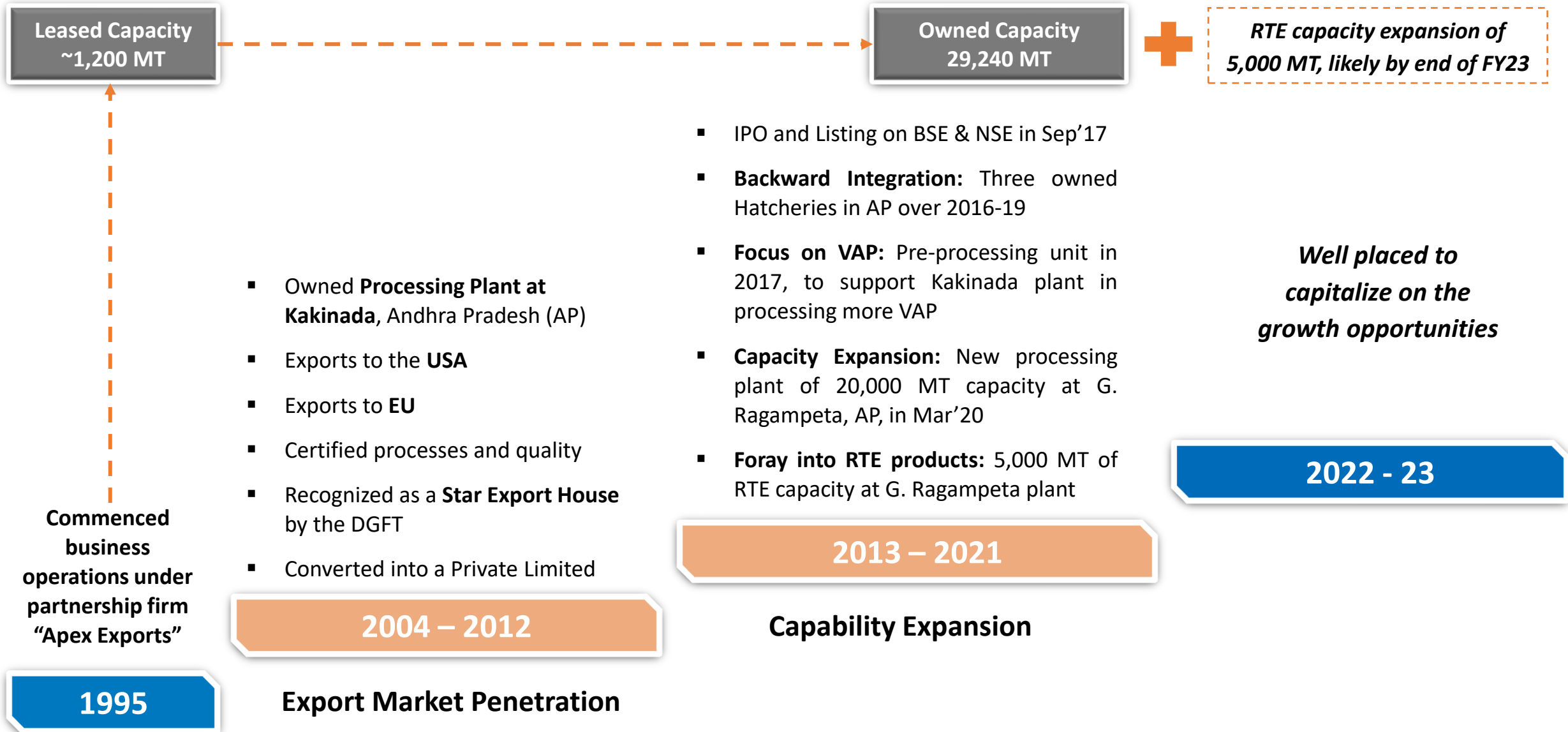
*Track record of consistent supply of quality products has led to gaining credibility with marquee customers, thereby acting as an entry barrier*



## Company At a Glance

2

# The Growth Journey So Far...

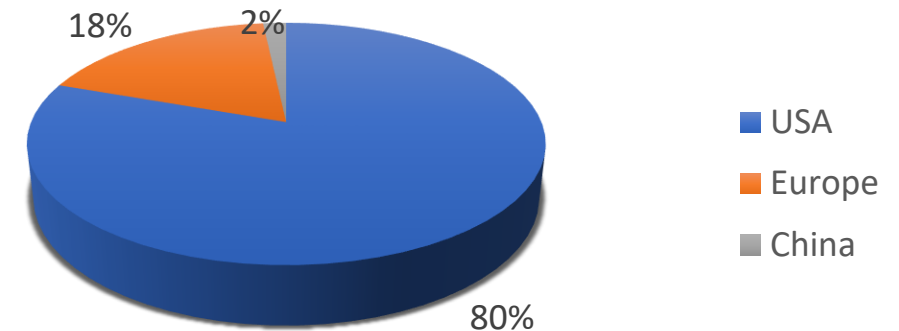


# ...To Having Built a Well Integrated Operations

## 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.

## Key Export Markets – FY22



## 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 - 29,240 MTPA  
Cold Storage – 3,500 MT

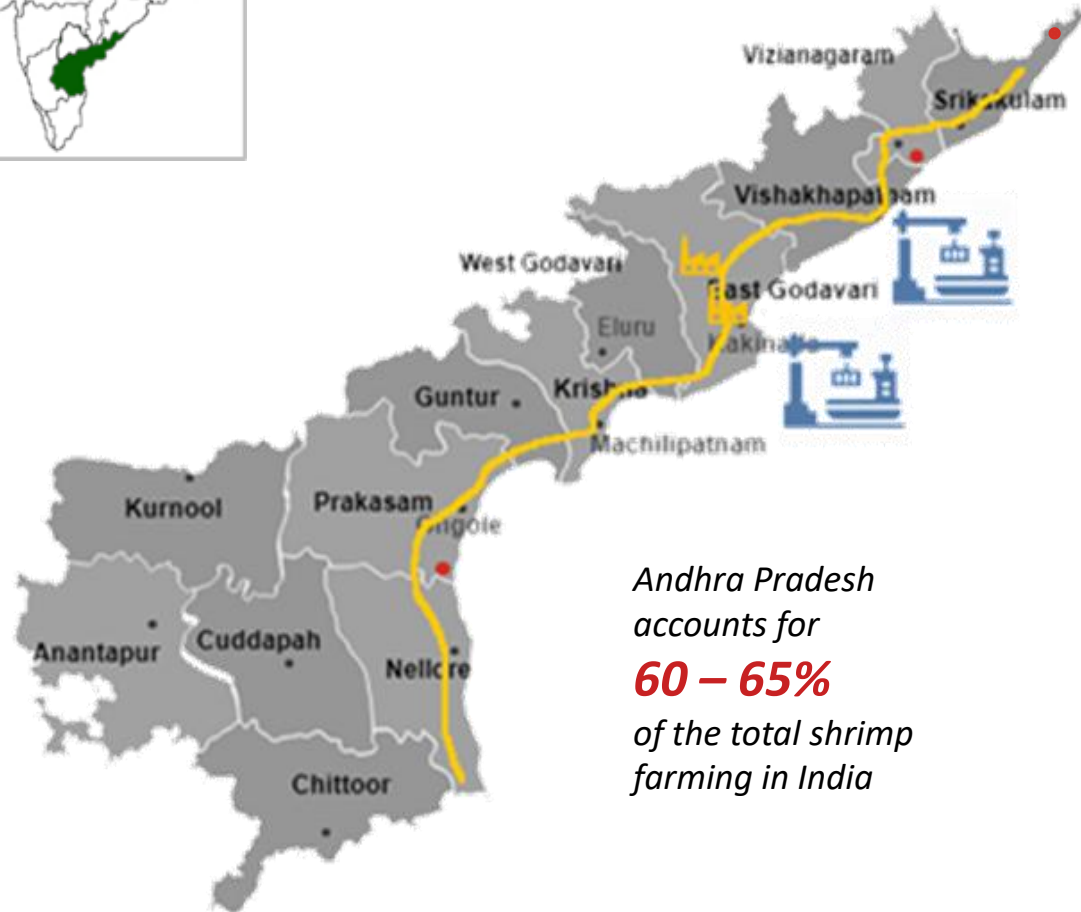


### **Well Diversified Products**

Ready-to-Cook  
Ready-to-Eat

# Strategically Located Facilities

Enabling smooth transition of products to the next stage



*Andhra Pradesh  
accounts for  
**60 – 65%**  
of the total shrimp  
farming in India*



Three Hatcheries with a total capacity of 1.2-1.4 billion SPF seed



Two Processing plants with a total capacity of 29,240 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 – 29,240 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: 5000 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

**\*Additionally, planned capacity expansion by 5,000 MT, which is likely to be completed by end of FY23**

# 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*



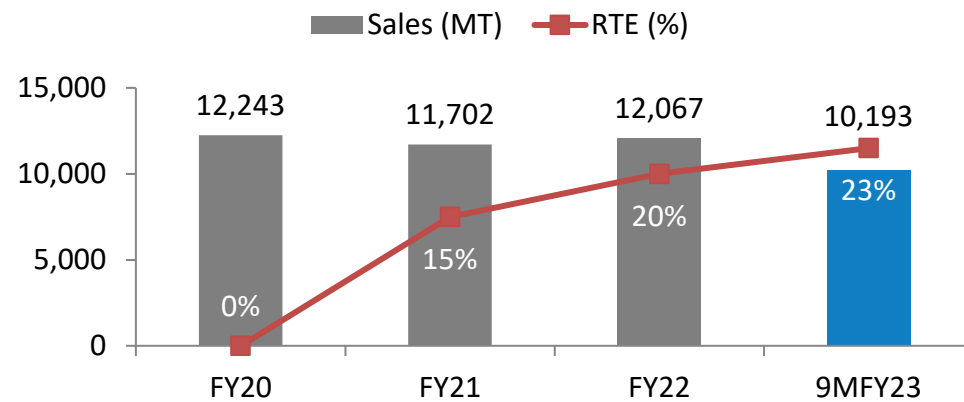
## Annexures

3

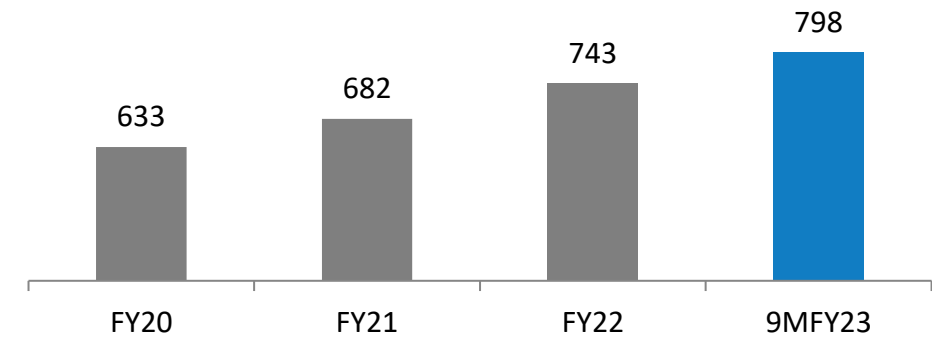


# Key Performance Highlights (1/2)

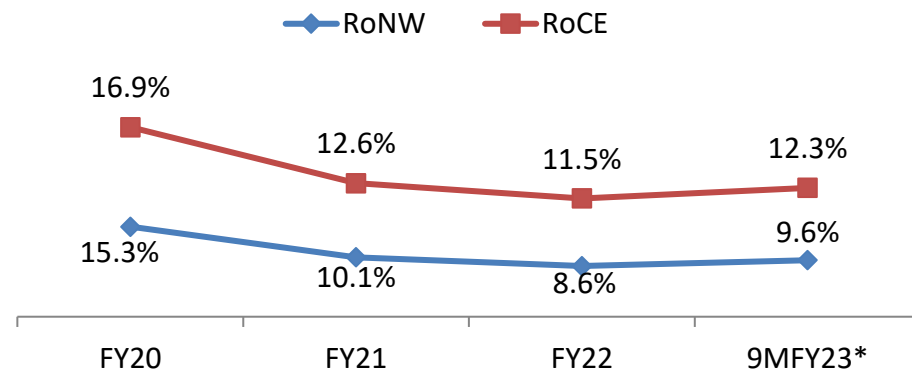
## Total Shrimp Sales (MT)



## Average Realisation (Rs per kg)



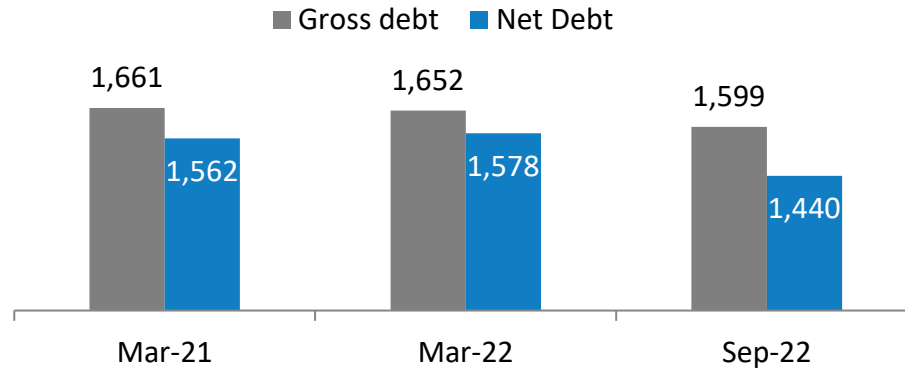
## Improving Return Ratios (%)



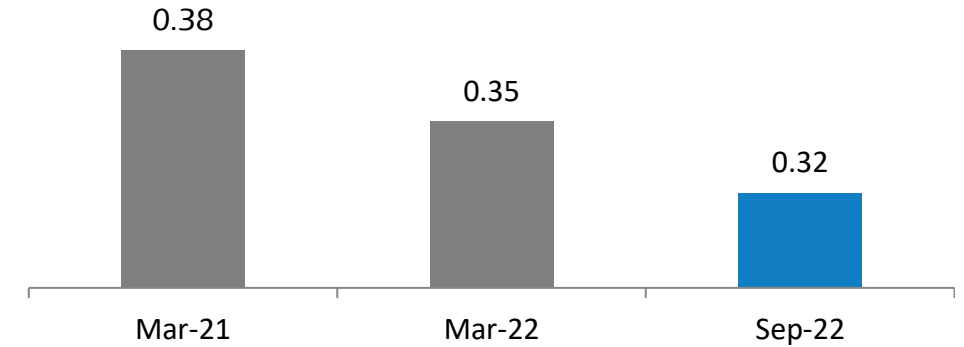
\* Calculated based on TTM Earnings over Net Worth and Capital Employed as at 30-Sep-22

# Key Performance Highlights (2/2)

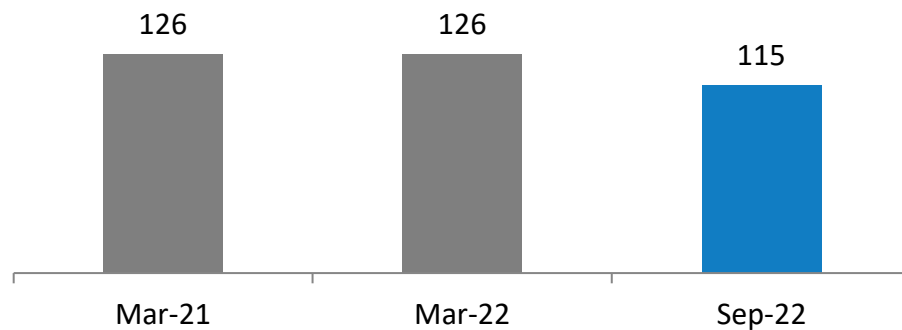
### Gross Debt and Net Debt (Rs Mn)



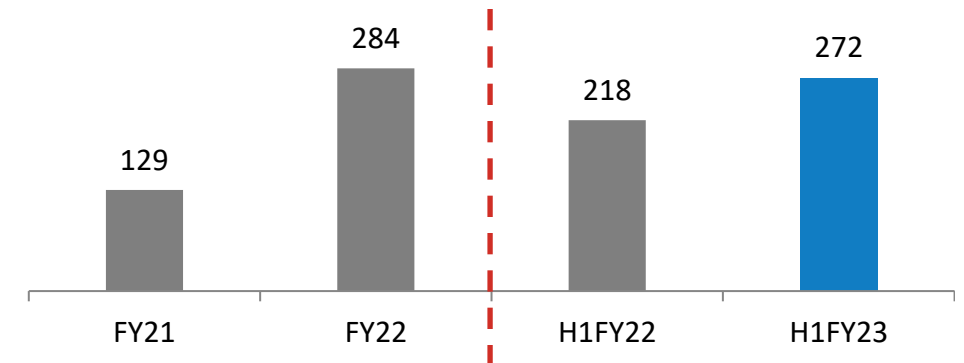
### Total Debt To Equity (Times)



### Working Capital (Days)



### Net Cashflow from Operations (Rs Mn)



# Income Statement Highlights

Profit & Loss (Rs Mn)	FY20	FY21	FY22*	9MFY23*
Net revenue	8,271	8,185	8,970	8,131
Other income	190	75	349	517
<b>Total income</b>	<b>8,461</b>	<b>8,260</b>	<b>9,319</b>	<b>8,648</b>
Raw material costs	5,735	5,531	6,150	5,826
Employee expenses	437	398	430	361
Other expenses	1,228	1,346	1,818	1,644
<b>EBITDA</b>	<b>1,060</b>	<b>985</b>	<b>921</b>	<b>817</b>
<i>EBITDA margin (%)</i>	<i>12.5%</i>	<i>11.9%</i>	<i>9.9%</i>	<i>9.5%</i>
Depreciation	146	219	185	155
Finance cost	106	159	174	127
<b>Profit Before Tax</b>	<b>808</b>	<b>606</b>	<b>562</b>	<b>535</b>
Tax expenses	201	163	151	136
<b>Profit After Tax</b>	<b>606</b>	<b>443</b>	<b>411</b>	<b>399</b>
<i>PAT margin (%)</i>	<i>7.2%</i>	<i>5.4%</i>	<i>4.4%</i>	<i>4.6%</i>

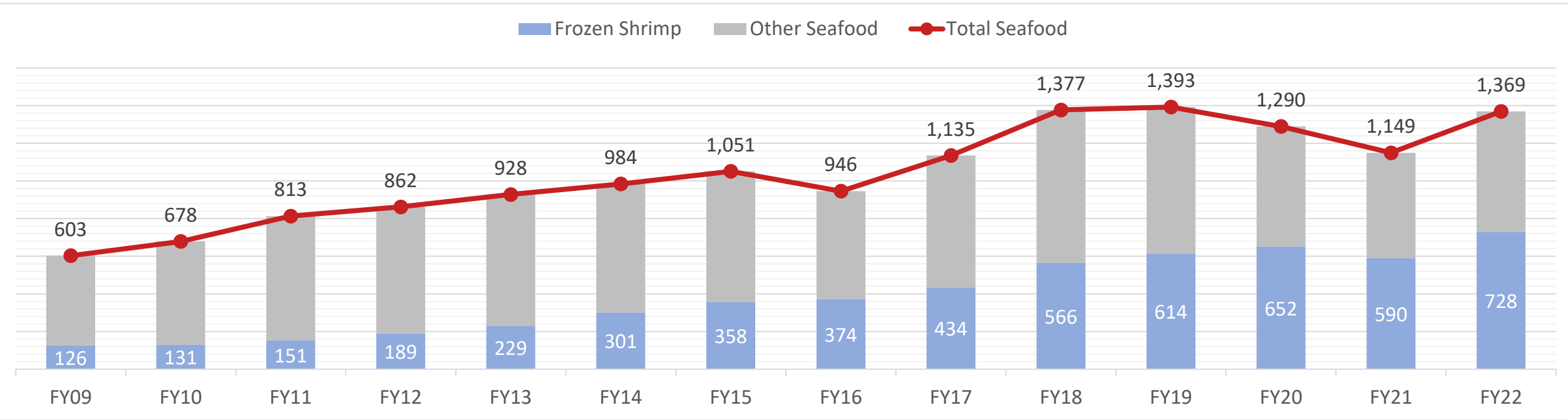
\*Other Income includes export benefits (which was earlier reported as part of Net Revenue) of Rs 291 Mn in FY22 and Rs 358 Mn in 9MFY23

# Balance Sheet Highlights

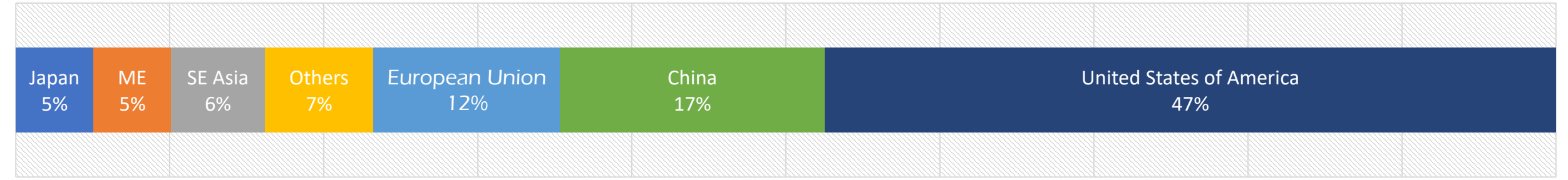
Liabilities (Rs Mn)	Mar-21	Mar-22	Sep-22
<b>Shareholder's Funds</b>	<b>4,398</b>	<b>4,754</b>	<b>4,934</b>
Share capital	313	313	313
Reserves & surplus	4,086	4,442	4,621
<b>Non-current liabilities</b>	<b>281</b>	<b>293</b>	<b>185</b>
Long term borrowings	281	291	185
Other non-current liabilities	0	2	1
<b>Current liabilities</b>	<b>1,889</b>	<b>1,748</b>	<b>1,709</b>
Short term borrowings	1,380	1,361	1,414
Trade payables	300	209	112
Other current liabilities	18	16	23
Short term provisions	135	137	130
Current tax liability	56	25	30
<b>Total Liabilities</b>	<b>6,568</b>	<b>6,795</b>	<b>6,828</b>

Assets (Rs Mn)	Mar-21	Mar-22	Sep-22
<b>Non-current assets</b>	<b>2,708</b>	<b>2,619</b>	<b>2,581</b>
Net block	2,504	2,360	2,293
Capital work-in-progress	154	219	221
Other non-current assets	27	26	51
Deferred tax asset	23	13	15
<b>Current Assets</b>	<b>3,860</b>	<b>4,177</b>	<b>4,247</b>
Inventories	1,612	2,028	2,253
Trade receivables	1,546	1,372	1,393
Cash & cash equivalents	99	74	159
Other financial assets	227	86	102
Other current assets	377	616	340
<b>Total Assets</b>	<b>6,568</b>	<b>6,795</b>	<b>6,828</b>

# India's Seafood Exports Driven by Surging Shrimp Exports



## India's Shrimp Exports – FY22

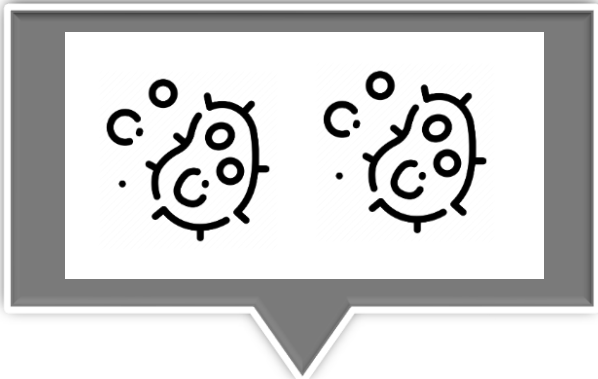


# Key Considerations for the Sector



## 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)

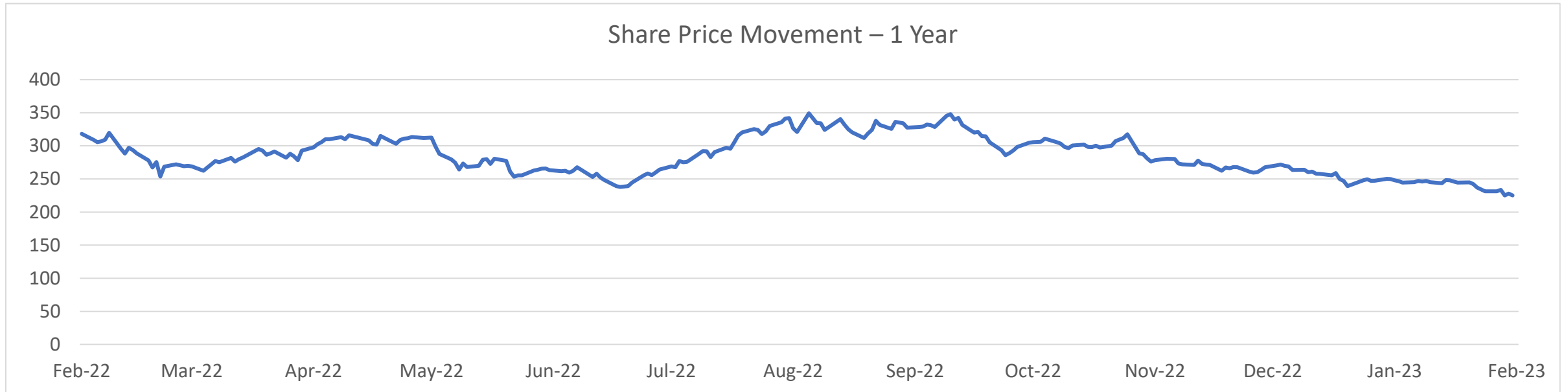


## Volatile Pricing

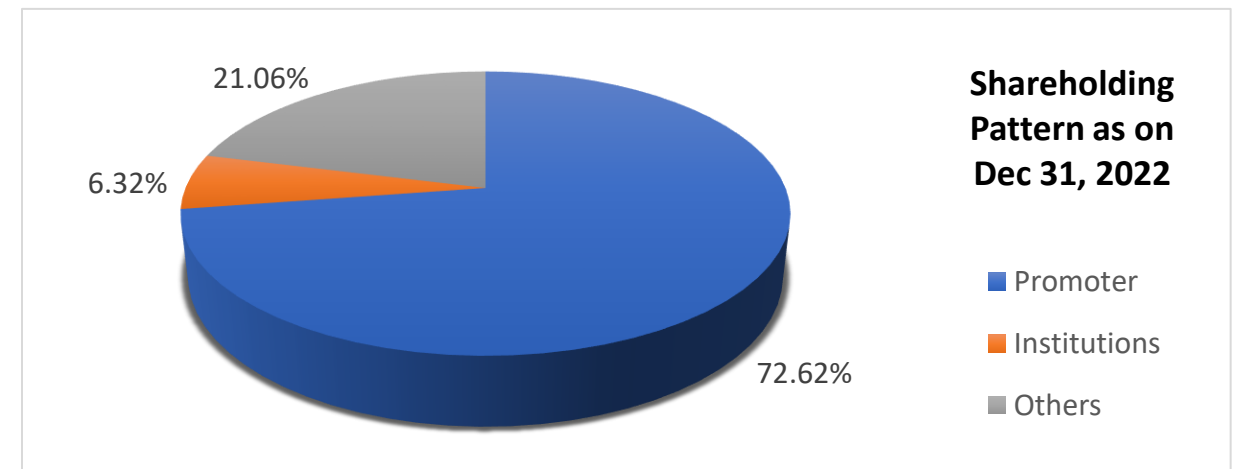
Global imbalances in demand-supply can impact pricing. Exchange rate fluctuations can amplify the volatility

# Share Capital Information

Share Price Movement – 1 Year



NSE / BSE code	APEX / 540692
CMP (Rs/share) (as on 03-Feb-23)	225
Market Cap (Rs Mn)	7,033
# Shares (Mn)	31.25
Face Value (Rs/share)	10.00
Sector	Aquaculture
Location	Kakinada, AP



Source: BSE, NSE

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# Thank You

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Apex Frozen Foods

Mr Chowdary Karuturi, Managing Director

[ir@apexfrozenfoods.com](mailto:ir@apexfrozenfoods.com)

CIN: L15490AP2012PLC080067



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