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CIN: L15490AP2012PLC080067

Date: 16<sup>th</sup> August, 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 Q1/FY24 -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and Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, please find the attached copy of Q1FY24 Investor Presentation of the Company.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: 2023.08.16 18:39:35  
+05'30'

Karuturi Subrahmanya Chowdary  
Managing Director  
DIN: 03619259

Encl: a/a



# Apex Frozen Foods

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## Result Presentation

Q1FY24



# Safe Harbour

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*Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections*



# Key Business Updates Q1FY24

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# Financial Highlights – Q1 FY24

**Net Revenue at Rs 2,538 Mn, grew 20% QoQ in-line with the seasonality factor.** However, when compared on YoY basis, the decline in revenue was mainly on account of:

- ▶ Volume decline of 8% YoY to 3,447 MT, mainly due to continued subdued demand from our key market – USA. Promotional activities by Retail and Food Service companies are being carried out, albeit gradually
- ▶ Realization decline of 14% YoY to Rs 697\* per Kg, mainly due to tapering global shrimp prices and higher share of China (lower-priced shrimp market) in our sales mix. China contributed ~12% of sales in Q1FY24 as against ~2% in Q1FY23

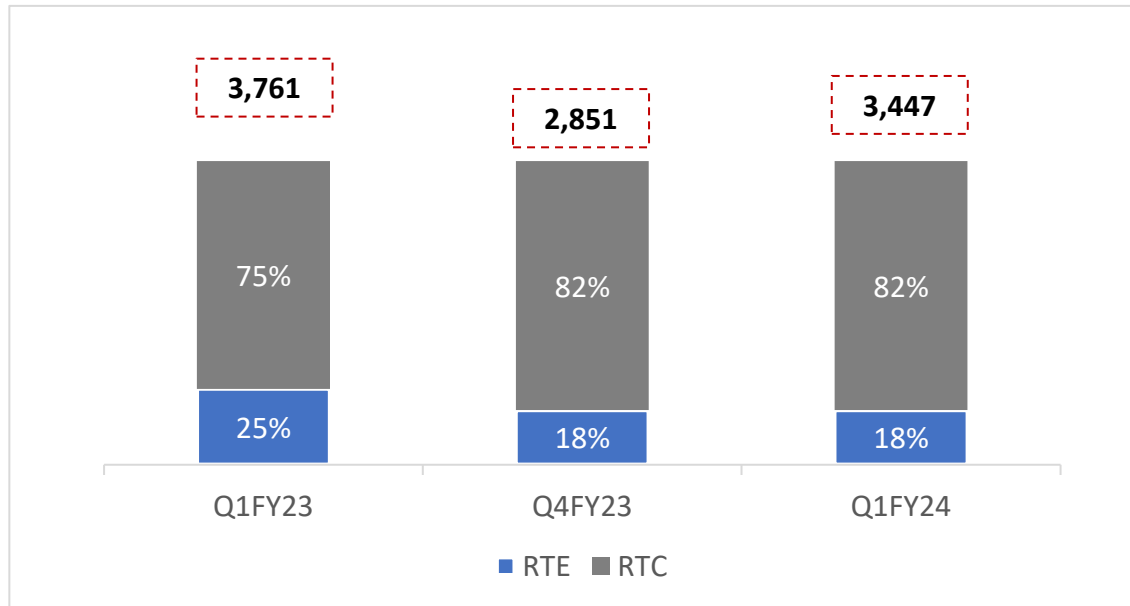
**We are foraying into new markets to ensure better utilization of our facilities,** but remain cautiously optimistic about the market scenario – both in terms of demand and supply (raw shrimp production in India)

**Reduced Total Gross Debt by Rs 762 Mn to Rs 906 Mn as on 31-Mar-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

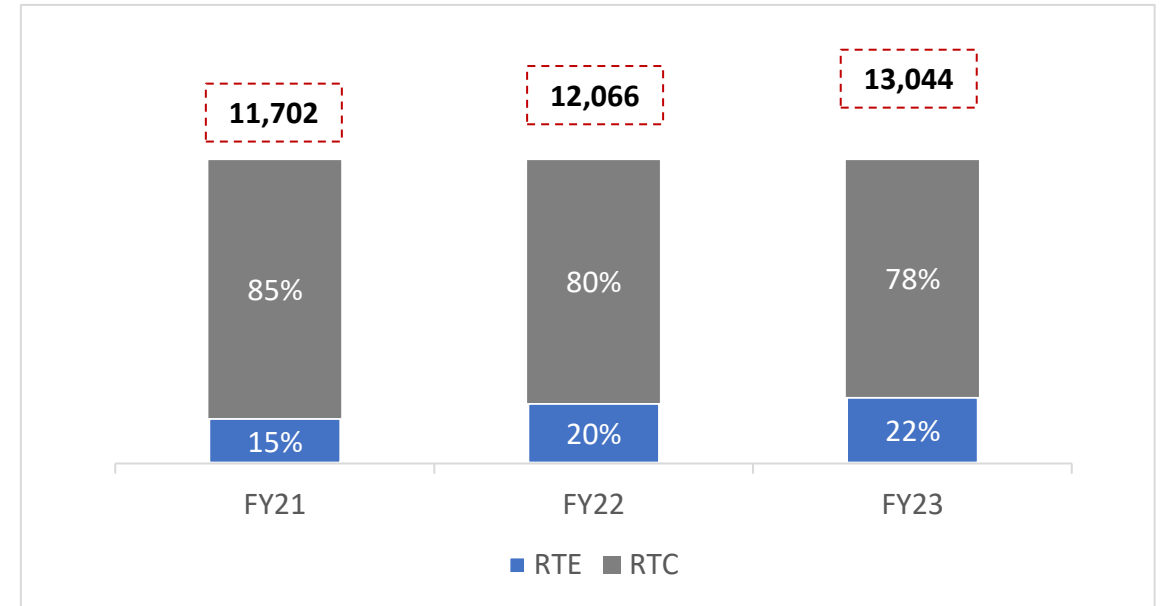
## Shrimp Sales (MT) - Quarterly



Shrimp sales grew 21% QoQ but lowered YoY in Q1FY24 primarily due to lower off-take from the USA

**Other markets like the EU and UK continued to grow**

## Shrimp Sales (MT) – Yearly



Shrimp sales grew **8% YoY to 13,044 MT in FY23**  
 The Share of RTE sales grew by **~200 bps YoY to 22% in FY23**

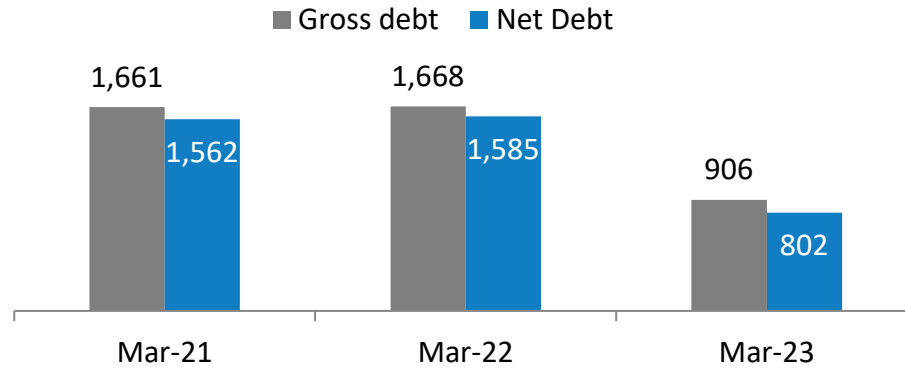
# Income Statement Highlights

Particulars (Rs Mn)	Q1 FY24	Q1 FY23	Y-o-Y %	Q4 FY23	Q-o-Q %	FY23
Net revenue*	2,538	3,195		2,119		10,703
Other income	2	56		-46		17
<b>Total Income</b>	<b>2,540</b>	<b>3,250</b>	<b>-22%</b>	<b>2,072</b>	<b>23%</b>	<b>10,720</b>
Raw material costs	1,816	2,072		1,593		7,419
Employee expenses	125	119		99		460
Other expenses	468	713		350		1,993
<b>EBITDA</b>	<b>131</b>	<b>348</b>	<b>-62%</b>	<b>30</b>	<b>332%</b>	<b>848</b>
<i>EBITDA margin (%)</i>	<i>5.1%</i>	<i>10.7%</i>	<i>-</i>	<i>1.5%</i>	<i>-</i>	<i>7.9%</i>
Depreciation & amortisation	52	51		39		194
Finance cost	28	48		21		147
<b>Profit Before Tax</b>	<b>51</b>	<b>248</b>	<b>-79%</b>	<b>-29</b>	<b>-275%</b>	<b>506</b>
Tax expenses	15	62		11		148
<b>Profit After Tax</b>	<b>36</b>	<b>185</b>	<b>-80%</b>	<b>-40</b>	<b>-191%</b>	<b>359</b>
<i>PAT margin (%)</i>	<i>1.4%</i>	<i>5.7%</i>	<i>-</i>	<i>-1.9%</i>	<i>-</i>	<i>3.3%</i>
<b>Diluted EPS (Rs)</b>	<b>1.17</b>	<b>5.94</b>	<b>-80%</b>	<b>-1.29</b>	<b>-191%</b>	<b>11.48</b>

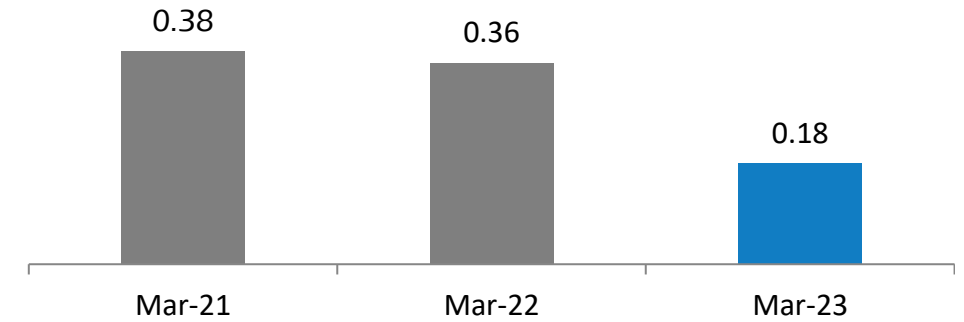
\*Net Revenue includes export benefits of Rs 135 Mn for Q1FY24, Rs 137 Mn for Q1FY23, Rs 102 Mn for Q4FY23, and Rs 556 Mn for FY23

# Balance Sheet Ratios and Operating Cashflow

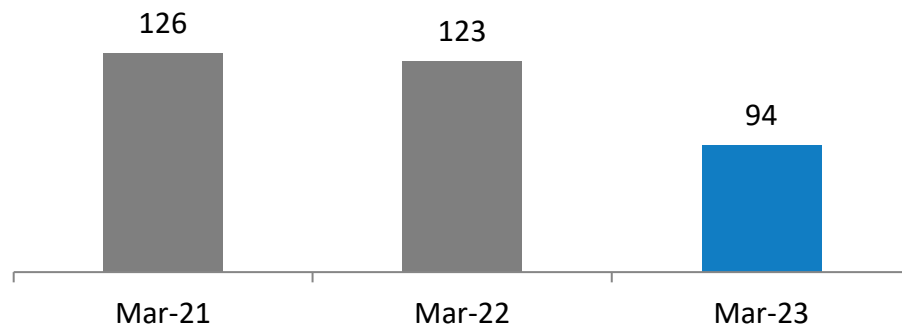
### Gross Debt and Net Debt (Rs Mn)



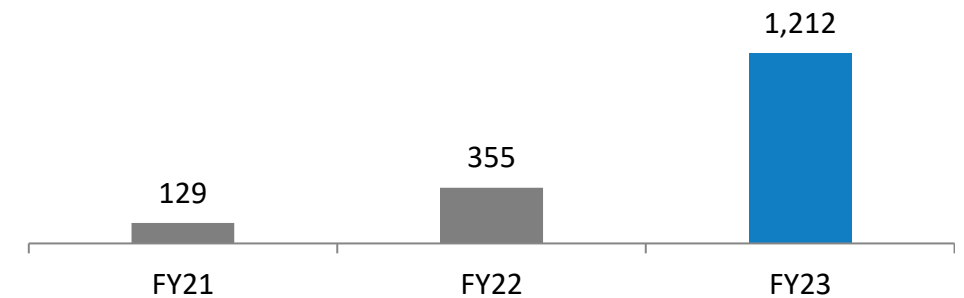
### Total Debt To Equity (Times)



### 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**

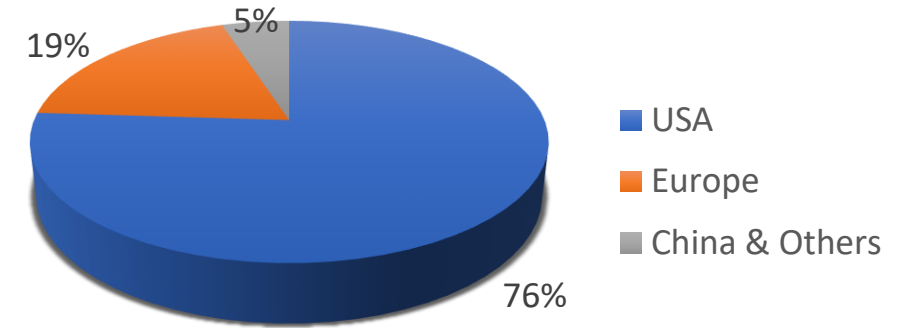
Commenced business operations under partnership firm "Apex Exports"

# ...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

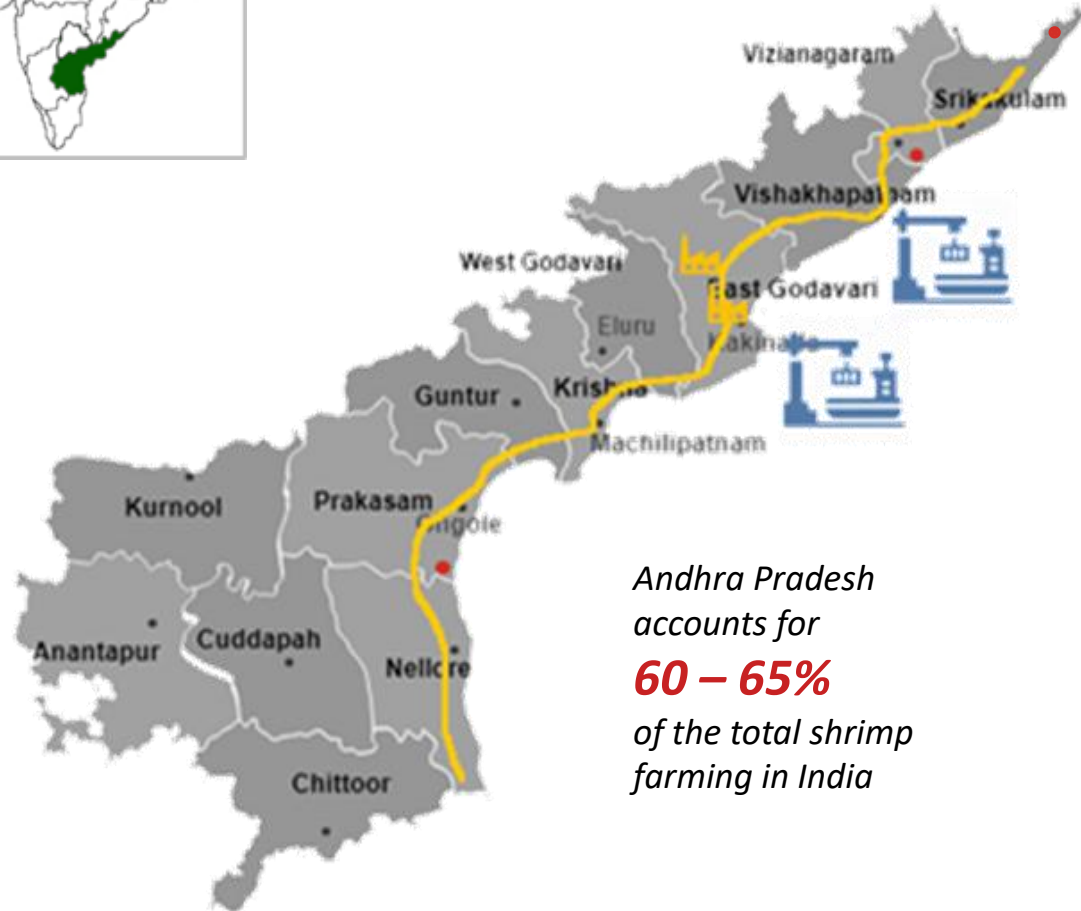


### **Well Diversified Products**

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>

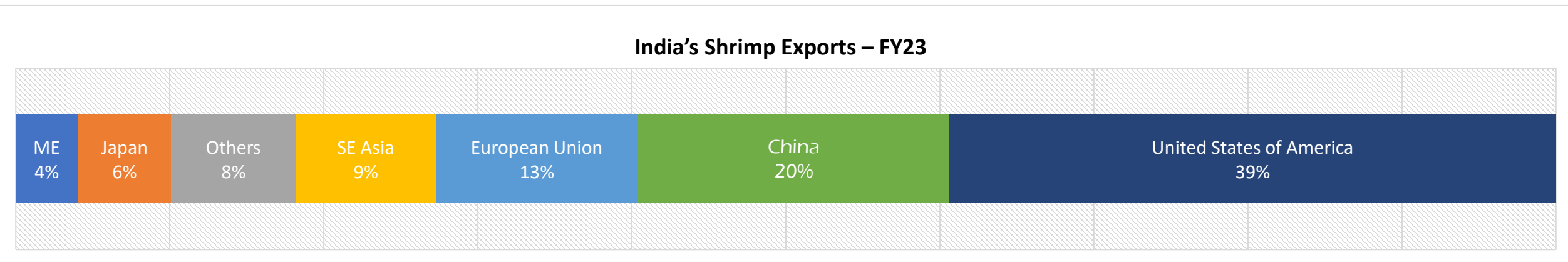
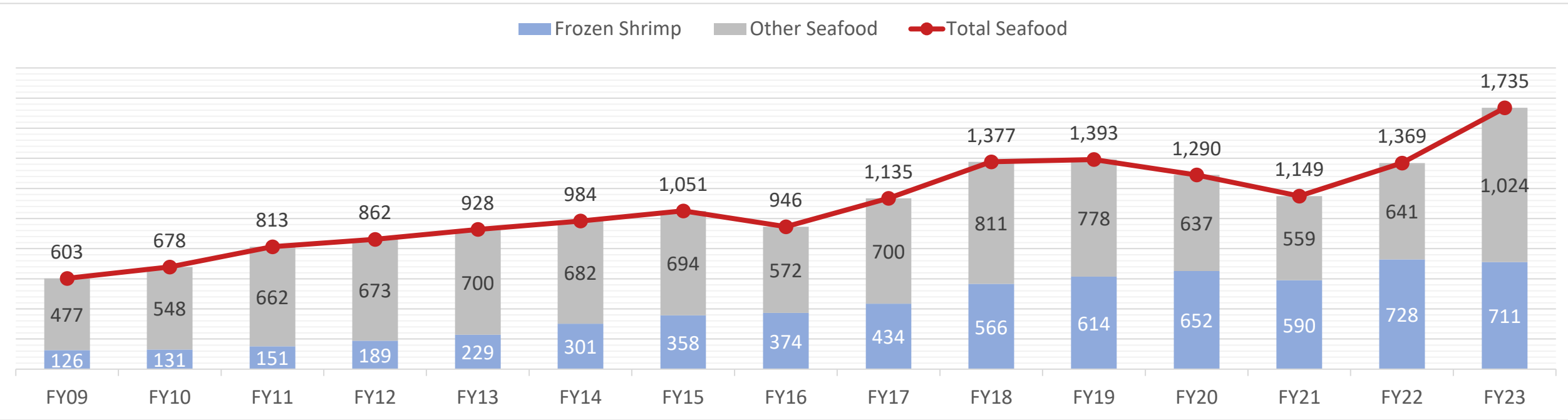
\*Includes export incentives; <sup>^</sup> Includes write-off of certain receivables to the extent of Rs 74.6 Mn in FY23 (Rs 13.4 Mn in FY22)

# Balance Sheet Highlights

Liabilities (Rs Mn)	Mar-21	Mar-22	Mar-23
<b>Shareholder's Funds</b>	<b>4,398</b>	<b>4,684</b>	<b>4,900</b>
Share capital	313	313	313
Reserves & surplus	4,086	4,372	4,587
<b>Non-current liabilities</b>	<b>281</b>	<b>348</b>	<b>101</b>
Long term borrowings	281	291	28
Other non-current liabilities	0	0	9
Deferred tax liabilities	0	57	64
<b>Current liabilities</b>	<b>1,889</b>	<b>1,745</b>	<b>1,138</b>
Short term borrowings	1,380	1,377	878
Trade payables	300	209	173
Other current liabilities	18	55	41
Short term provisions	135	79	46
Current tax liability	56	25	0
<b>Total Liabilities</b>	<b>6,568</b>	<b>6,777</b>	<b>6,138</b>

Assets (Rs Mn)	Mar-21	Mar-22	Mar-23
<b>Non-current assets</b>	<b>2,708</b>	<b>2,656</b>	<b>2,738</b>
Net block	2,504	2,360	2,424
Capital work-in-progress	154	219	179
Other non-current assets	27	77	135
Deferred tax asset	23	0	0
<b>Current Assets</b>	<b>3,860</b>	<b>4,121</b>	<b>3,400</b>
Inventories	1,612	2,028	1,800
Trade receivables	1,546	1,320	1,120
Cash & cash equivalents	99	83	104
Other financial assets	227	91	28
Other current assets	377	599	348
<b>Total Assets</b>	<b>6,568</b>	<b>6,777</b>	<b>6,138</b>

# India's Seafood Exports Driven by Surging Shrimp Exports

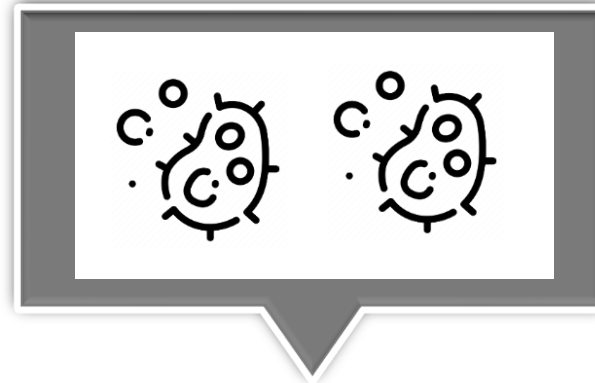


# Key Considerations for the Sector



## 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)



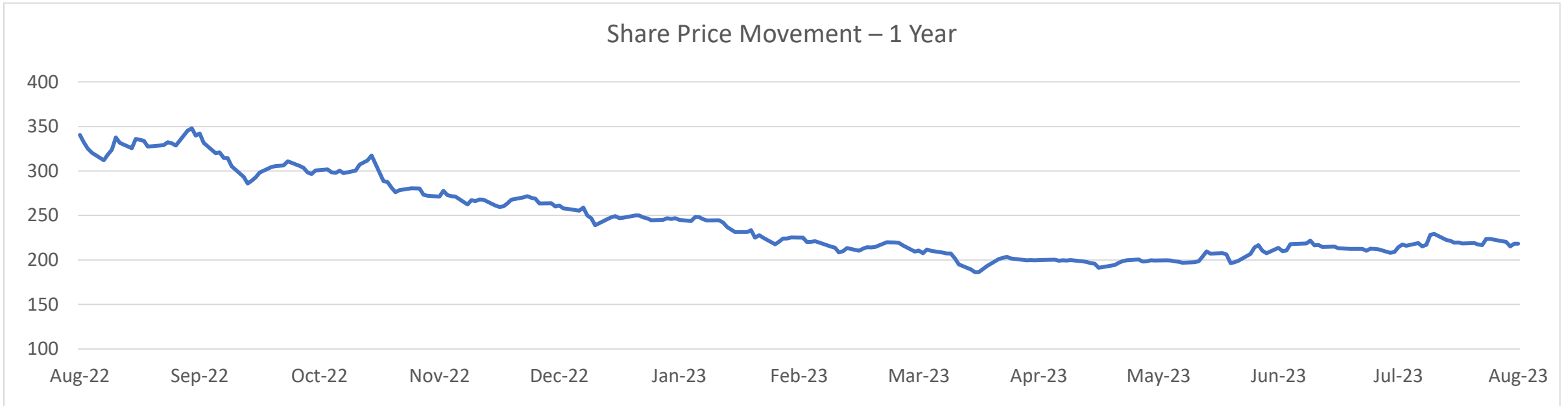
## Volatile Pricing

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

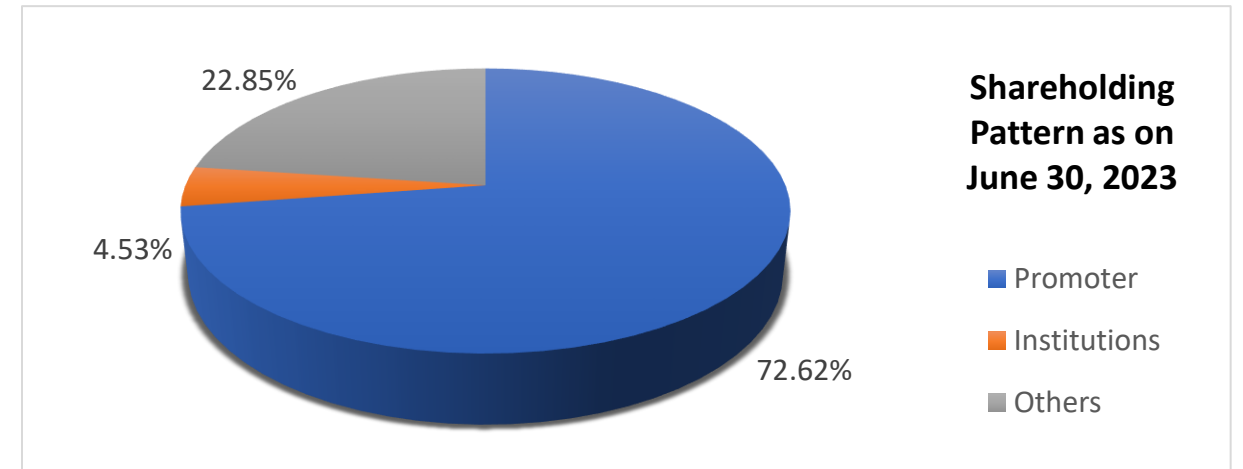
# Share Capital Information



Share Price Movement – 1 Year



NSE / BSE code	APEX / 540692
CMP (Rs/share) (as on 14-Aug-23)	221
Market Cap (Rs Mn)	6,905
# 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

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