APEX
FROZEN FOODS LTD.

3 -160, Panasapadu, Kakinada 533 005
Andhra Pradesh . India
off +91 884 2383902 - 4 (3 lines)
fax +91 884 2383905 - 6
info@apexfrozenfoods.com
CIN: U15490AP2012PLC080067

Date:10.02.2018

To
The General Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.
Ref: 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,
Bankdra (East), Mumbai - 400 051.
Ref: Scrip Symbol : APEX

Dear Sir's,

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Disclosure Requirements) Regulations, 2015 and the Company's Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information, kindly find enclosed copy of the Investor Presentation of the Company.

Please take the same on record.

Thank You,

For Apex Frozen Foods Limited

Murty

Apex Frozen Foods Ltd. Kakinada

Chairman & Managing Director
K. Satyanarayana Murthy

Encl: As above

APEX
FROZEN FOODS LTD

Investor Presentation

Apex Frozen Foods Limited

9MFY18



Safe Harbor

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01

Business Updates – 9MFY18

Completion Status of the New Project

- New shrimp processing facility at Ragampeta, East Godavari, Andhra Pradesh
- Total capacity of 20,000 MTPA: Ready-To-Cook - 15,000 MTPA and Ready-To-Eat - 5,000 MTPA
- Total planned capex: Rs 902 mn, of which, Rs 184 mn has been incurred as of end of Dec'17

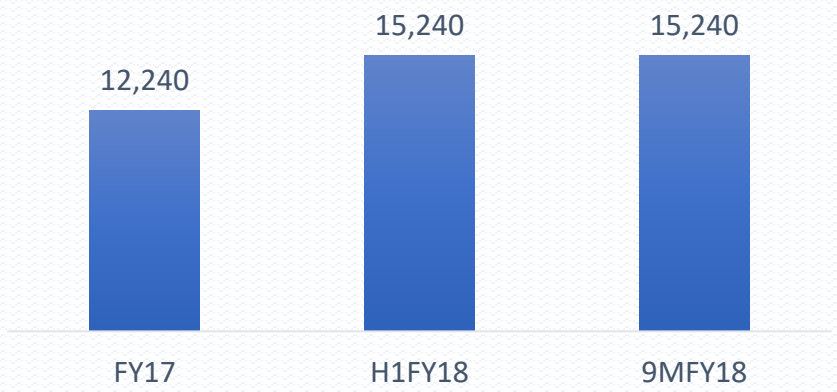
Current progress of the proposed processing facility



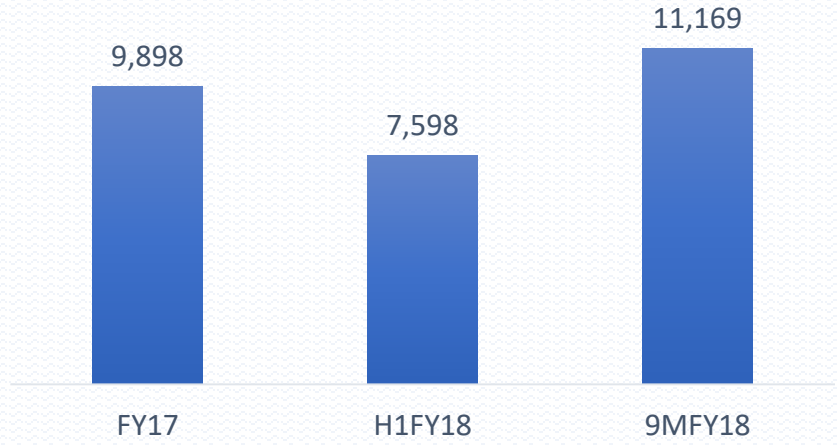
- Piling, plinth and structural works completed
- Pre-engineered sheets, insulated wall panels, roof panels are being installed
- Purchase orders for imported Machinery and few indigenous machinery have been placed
- Expect trial production in Q2FY19

Key Operational Metrics

Higher capacity (MTPA) with better utilisation led to…

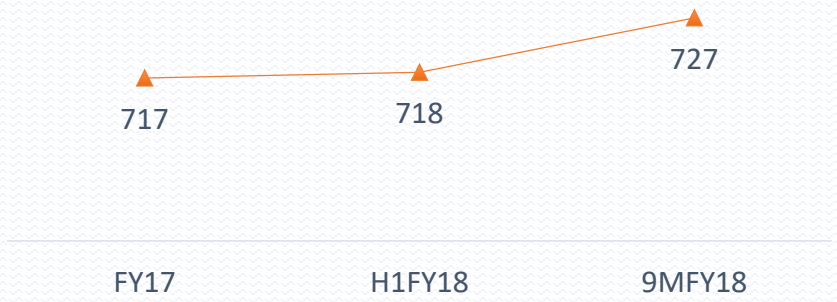


…Increase in total sales (MTPA) in the current fiscal

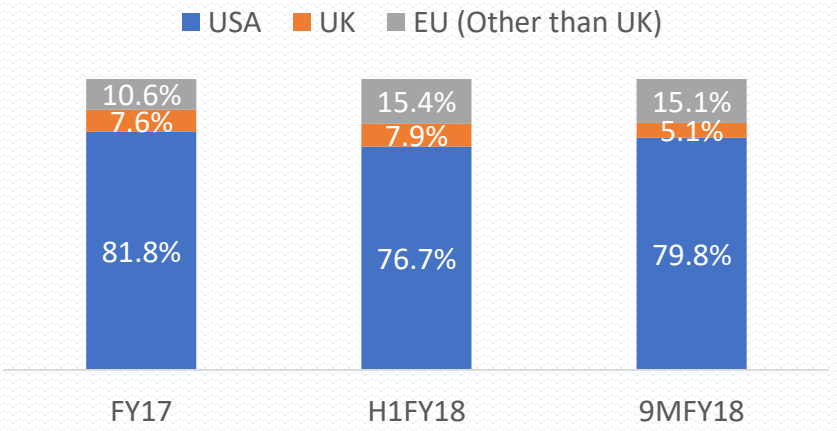


Average realisation* (Rs/kg) improving on a YTD basis

**Calculated on Total Income (including forex fluctuations)*



Well diversified geographical mix



Profit & Loss Highlights

Standalone UFR (Rs mn)	Q3 FY18	Q2 FY18	Q-o-Q %	9MFY18	9MFY17
Net sales	2,628	2,851	-7.8	7,955	5,351
Other income (forex fluctuations)	43	71	-38.4	169	61
Total Income	**2,672**	**2,922**	**-8.6**	**8,125**	**5,412**
Raw material	1,843	2,244	-17.9	6,032	4,216
Change in inventories	13	-232	105.5	-395	-122
Employee expenses	115	91	26.8	285	204
Other expenses	358	439	-18.5	1,180	734
EBITDA	**343**	**379**	**-8.4**	**1,023**	**381**
EBITDA margin (%)	*12.9*	*13.0*	*-*	*12.6*	*7.0*
Depreciation & amortisation	24	24	0.7	66	50
EBIT	**320**	**355**	**-10.0**	**957**	**331**
EBIT margin (%)	*12.0*	*12.1*	*-*	*11.8*	*6.1*
Finance cost	20	28	-26.5	74	88
Profit before tax	**299**	**327**	**-8.6**	**883**	**243**
Tax	111	107	3.7	292	80
Profit after tax	**188**	**220**	**-14.5**	**592**	**163**
PAT margin (%)	*7.1*	*7.5*	*-*	*7.3*	*3.0*
Other comprehensive income	47	-37	226.7	-10	-6
Total comprehensive income	**236**	**183**	**28.6**	**581**	**157**

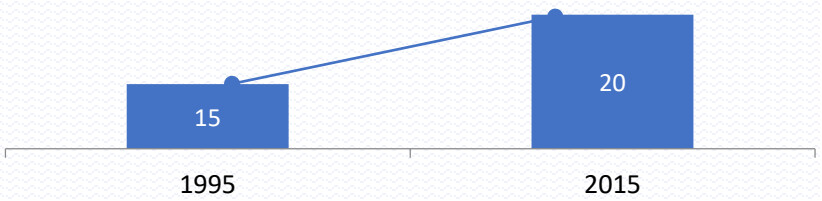


02

Key Growth Drivers & Expansion

Global Seafood Industry – Overview

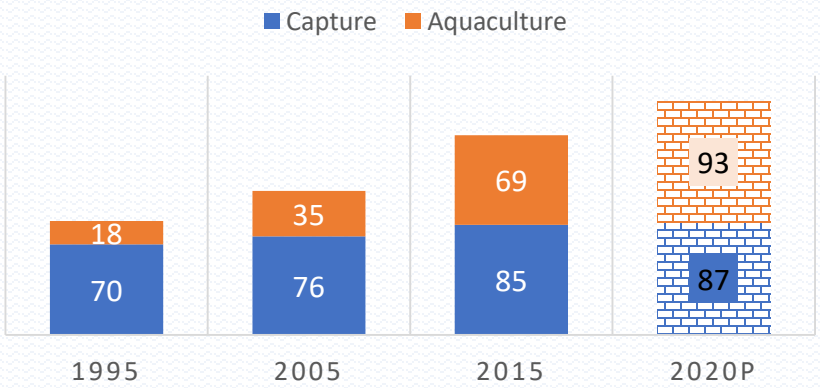
Increased seafood intake globally, reflected in higher per capita consumption of seafood (kg)



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

Source: FAO, CRISIL Research

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

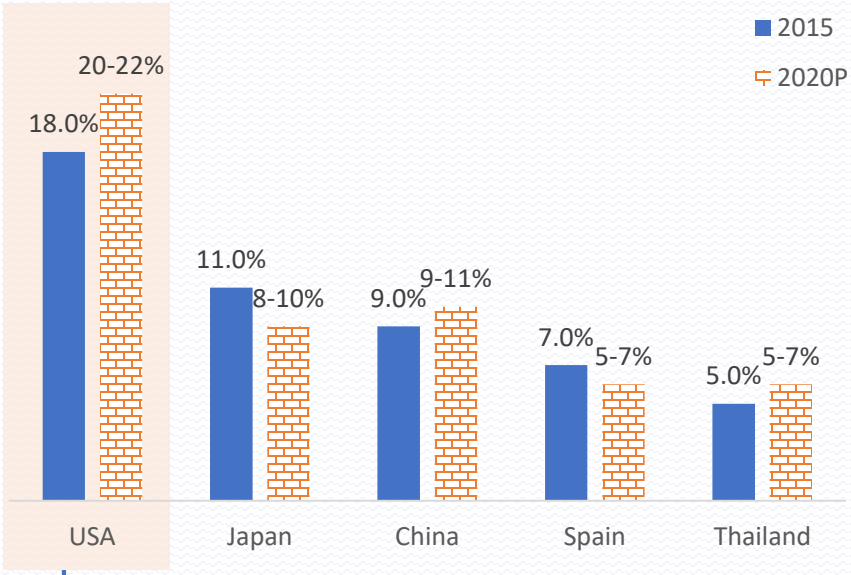


- ✓ Total production grew at a CAGR of 3.3% over 2005-2015
- ✓ Driven by 7% CAGR in aquaculture while capture fishery stagnated with a 1% CAGR
- ✓ The trend is expected to continue in favour of aquaculture growth

Source: FAO, CRISIL Research

Global Demand-Supply Scenario, Favourable for India

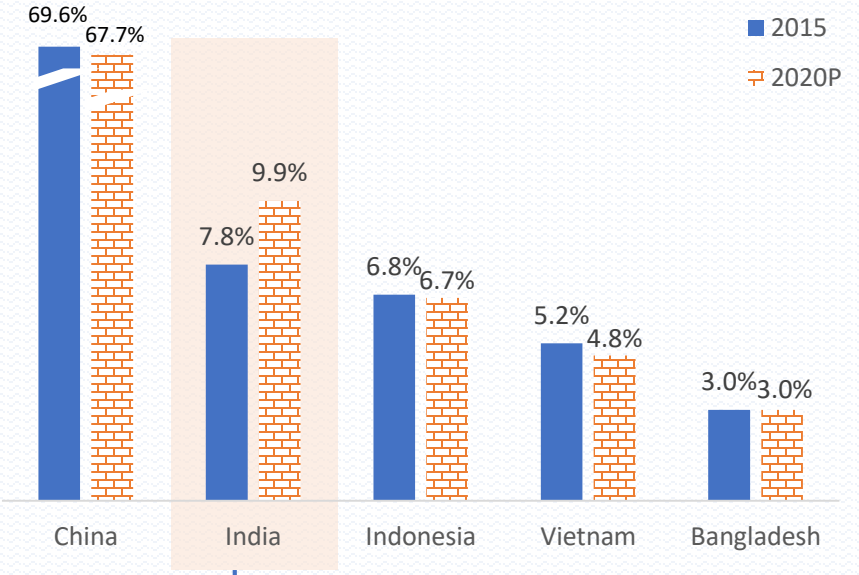
Demand: Top 5 importing countries, forming ~50%



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

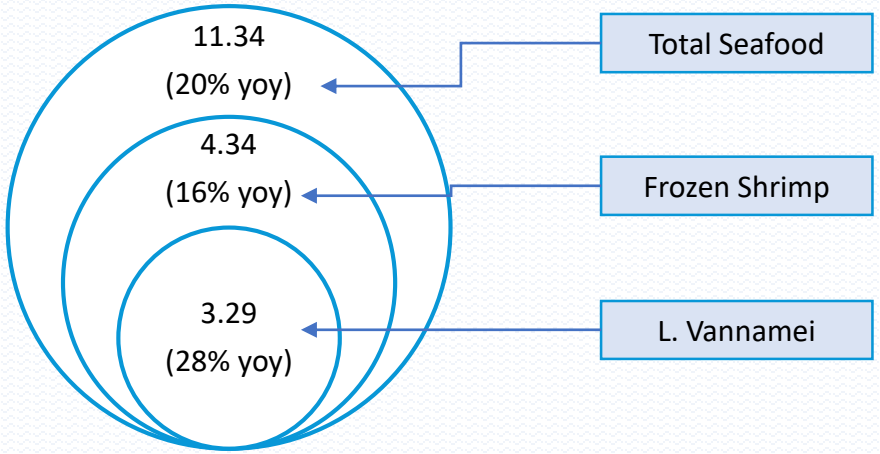


India is gaining market share on the back of its quality output at competitive prices; **It is the largest exporter of shrimp to USA**

Source: FAO, CRISIL Research

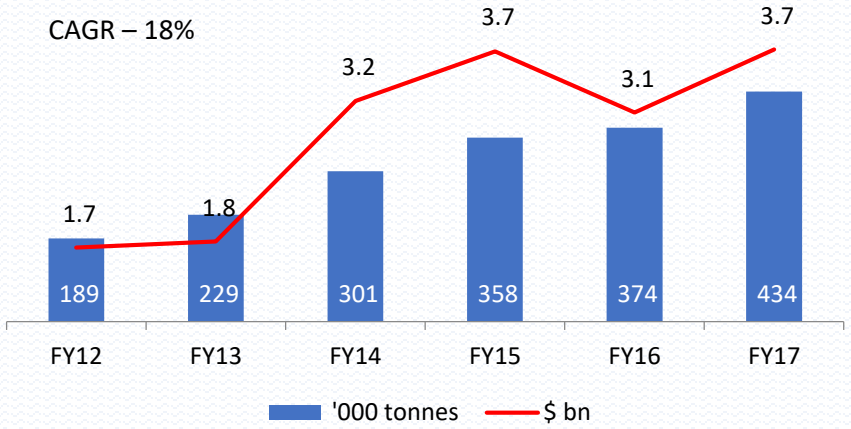
India's Growth in Aquaculture Exports and Farming

India's exports on a rise – FY17 (lakh tonnes)



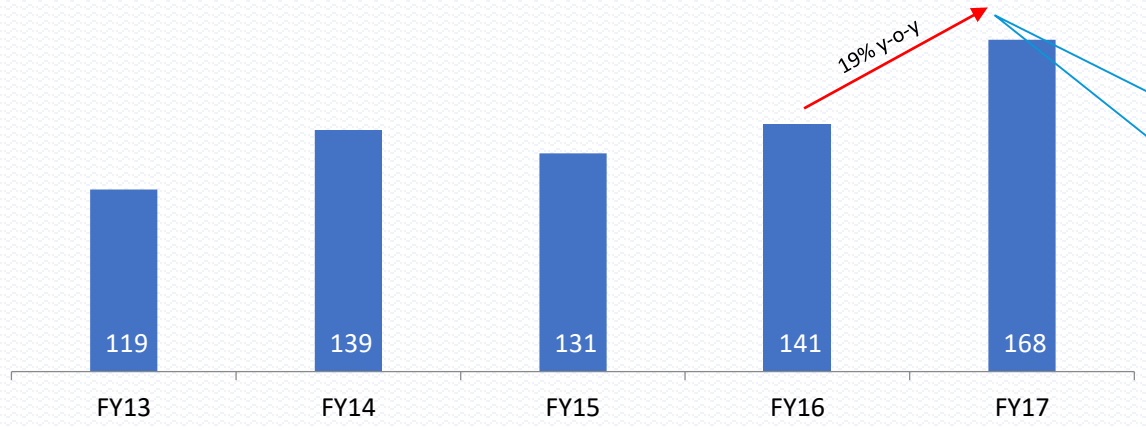
Source: MPEDA

Frozen shrimp exports by India



Source: MPEDA

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



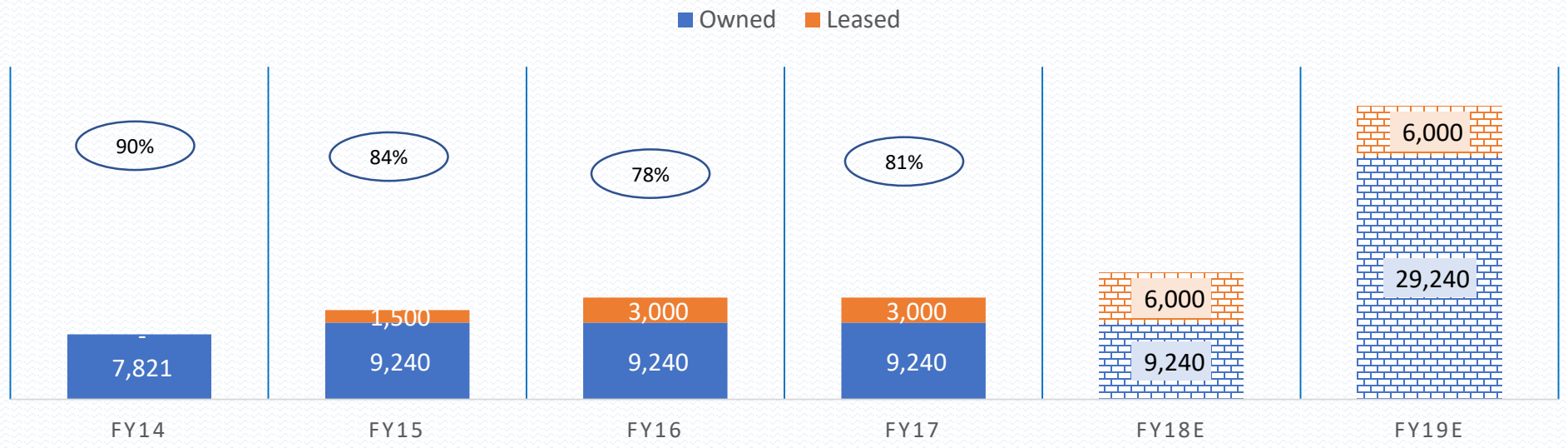
Strong growth in FY17 but the area under culture still forms only 12-14% of the total area suitable for shrimp farming in India

Source: MPEDA

Planned Expansion, to Cater the Growing Demand

- New processing plant in Ragampeta, East Godavari, with a total capacity of 20,000 MTPA, of which;
  - 5,000 MTPA will be towards Ready-To-Eat (Value Added Products)
  - The plant will have a cold storage capacity of 5,000 pallets
  - The plant is expected to be commissioned in Q2FY19
- Meanwhile, leased capacity has been enhanced from 3,000 MTPA to 6,000 MTPA, effective from 1st Apr'17

Capacity expansion, to cater the growing demand – MTPA capacity, % utilisation



Backward Integration, to Ensure Quality and Cost Control

Hatchery Operations

Adding a new Hatchery, which will increase the total breeding capacity to ~ 1.4 bn seeds from ~1 bn seeds currently

Farming Initiatives

In-housing farming, currently on ~1,800 acres (owned + leased)

Focusing on enhancing farm yields by employing better techniques

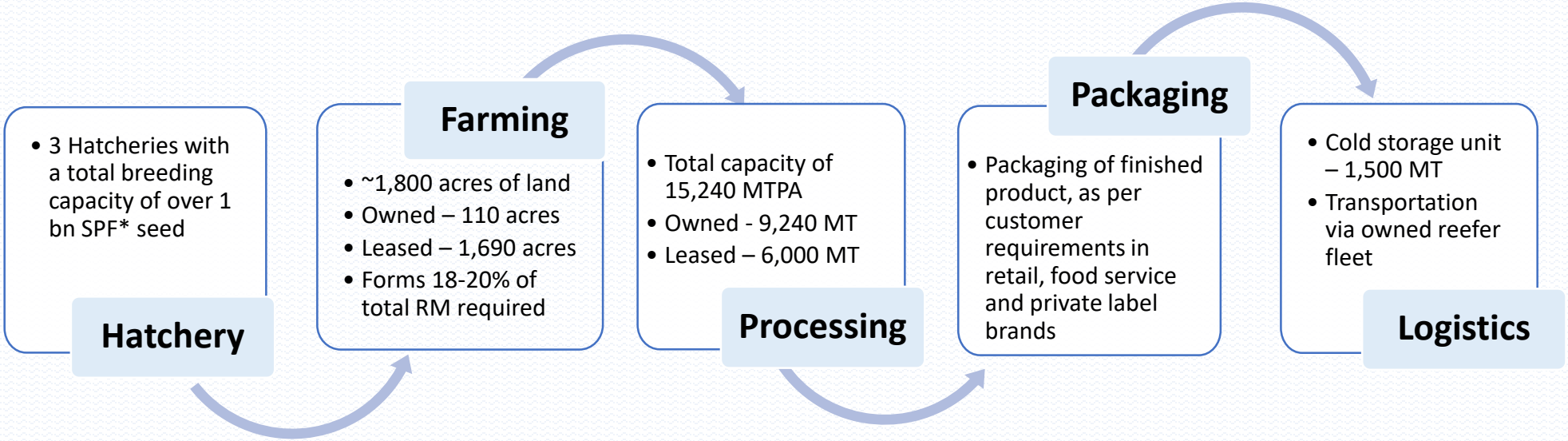
Backward integration allows flexibility in shaping production plan based on customers' needs



03

Our Core Strengths

Integrated Operations Enable Economies of Scale



Leading Producer-Exporter of processed, ready-to-cook, Shrimp in India

** Specific Pathogen Free*





MAERSK



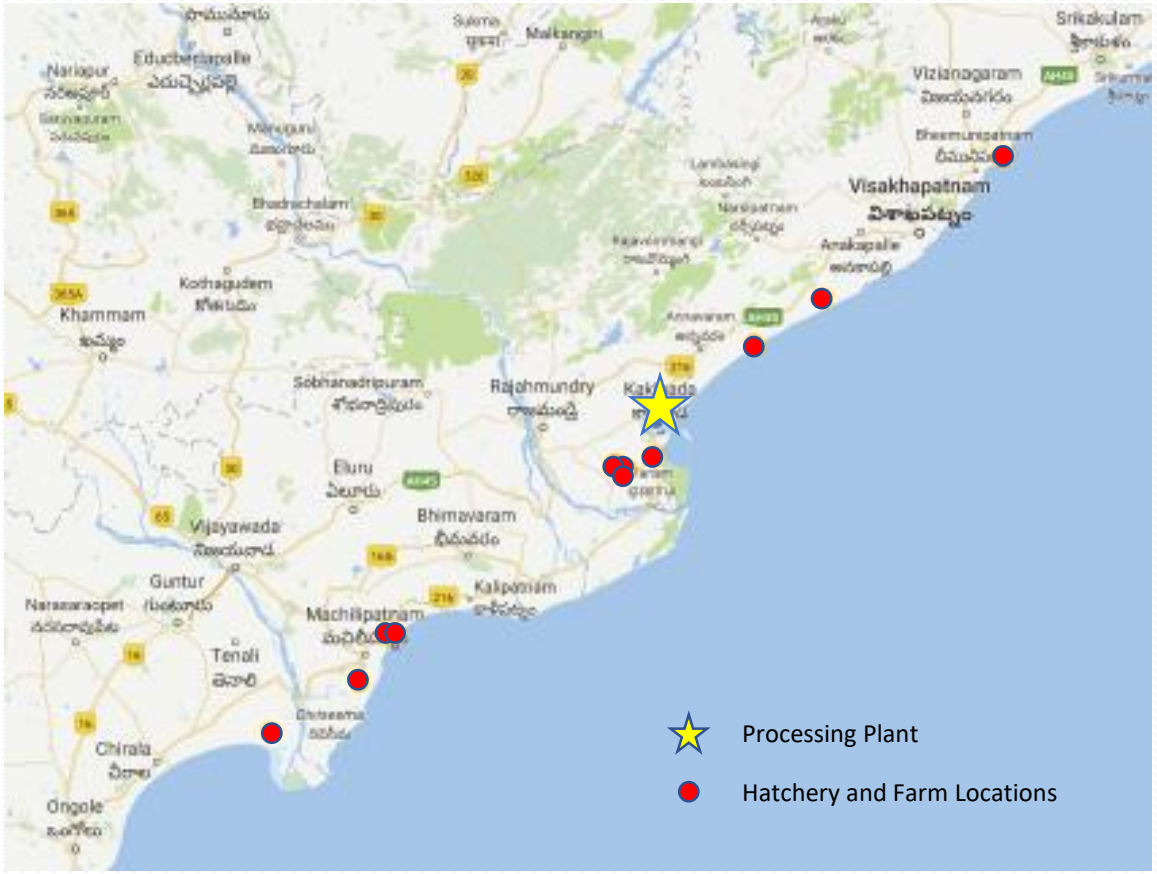






Strategically Located – Close to Farms as well as Ports

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



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

- **10 - 200 kms** from the farms
- **~20 kms** from Kakinada port
- **~150 kms** from Vishakapatnam port

Long Standing Relationships with Reputed Brands

Our key distributors…

…The end customers (Retail/Food Service Companies)

Chicken of the Sea frozen foods

OCEAN WORLD VENTURES

Pacific Seafood

Walmart

WinCo FOODS

Kroger

Sysco

US. FOODS

Long-standing relationship directly with customers - one of the significant growth factors

Quality Control Certifications act as Entry Barrier

















Founded by Promoters with Extensive Experience …

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 20 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 12 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

Deep knowledge and operational experience makes the first line of management strong

Ch Vijaya Kumar, *Chief Financial Officer*	**G. V. Raghava Raju,** *Purchase Manager*	**H. Rajashekhar,** *Operations Manager*	**DR. T. Rambabu** *Farms In-charge*
• Aged 41 years, is a CA with a B.Com from Andhra University • Handles the finance function for the Company	• Aged 46 years, he has 25 years of experience as a Purchase Manager • Responsible for qualitative raw material at competitive prices from farms in and around Andhra Pradesh	▪ Holds a degree in Bachelor of Fisheries Sciences from University of Agriculture Sciences, Bangalore and an MBA in Intl Business • Has over 20 years of work experience in sea-food processing industry	▪ Aged 43 years, holds a Ph.D on Microbial Diseases of Shrimp and Pond Environmental Quality, ICAR SRF project fellowship and M.Sc. In Aquaculture • Has a strong research background

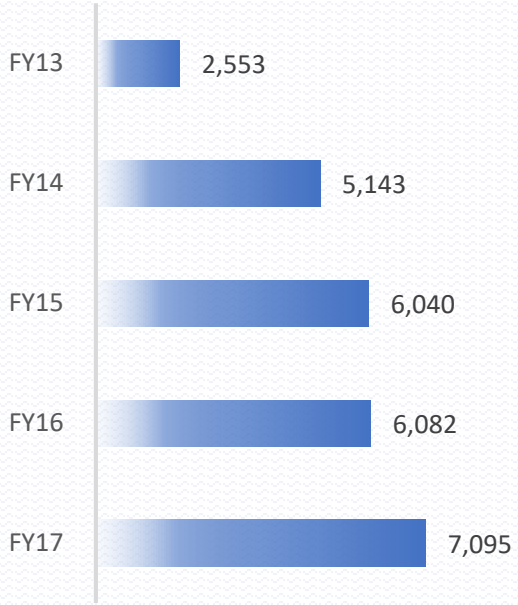


06

Annual Financial Highlights

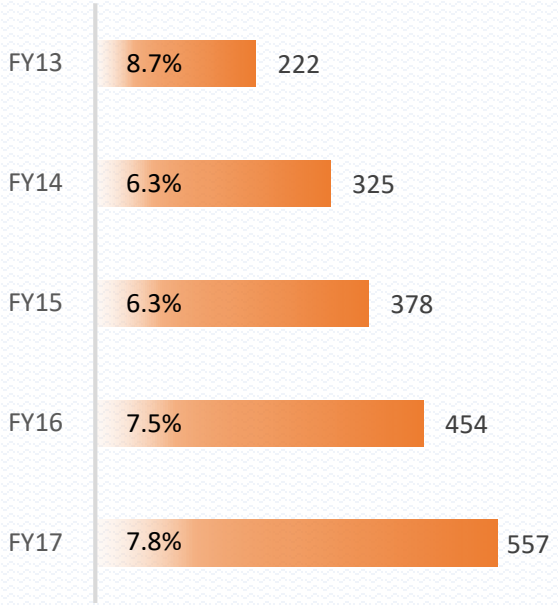
Robust Growth in Revenue and Profits…

Total Income (Rs mn)



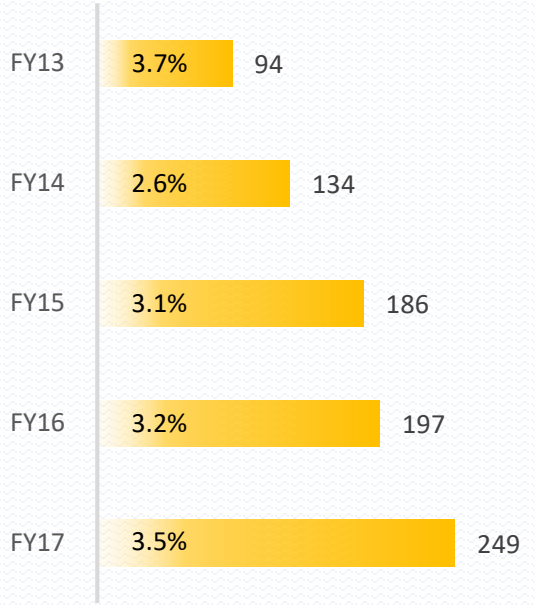
Grown at a CAGR of 29%

EBITDA (Rs mn) & Margin (%)



Margin expansion led by growing in-house farming and share of VAP

PAT (Rs mn) & Margin (%)

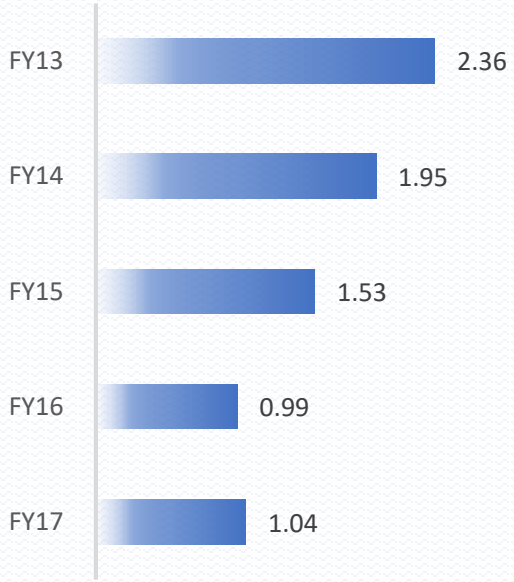


Grown at a CAGR of 28%

Note: The above data is as per Restated Financials of the Company

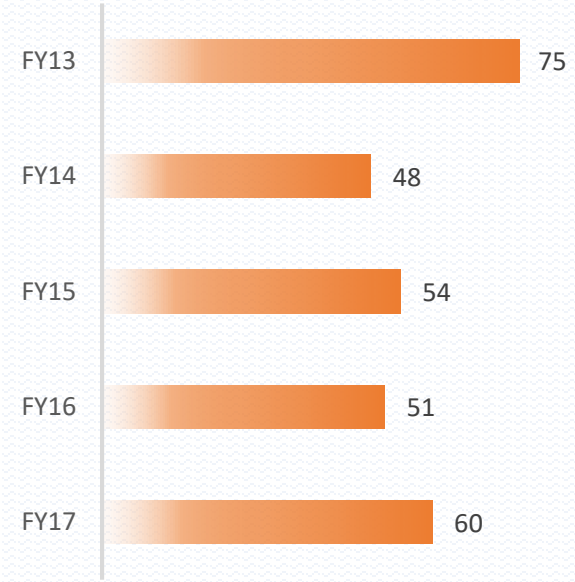
…Led by Strong Financial Discipline, Leading to…

Net Debt to Equity (x)



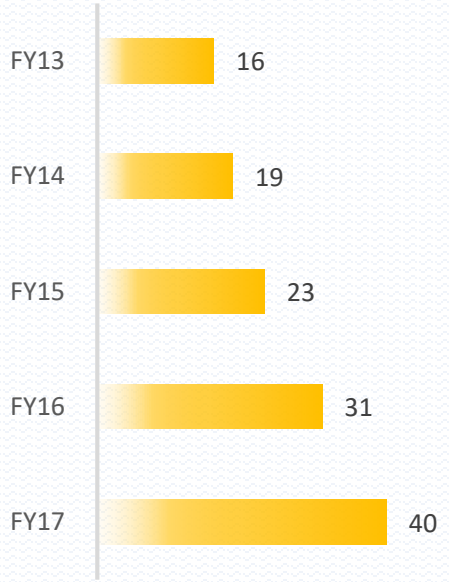
Improved D/E led by…

Working Capital (Days)



…largely stable working capital…

Book value (Rs/share)

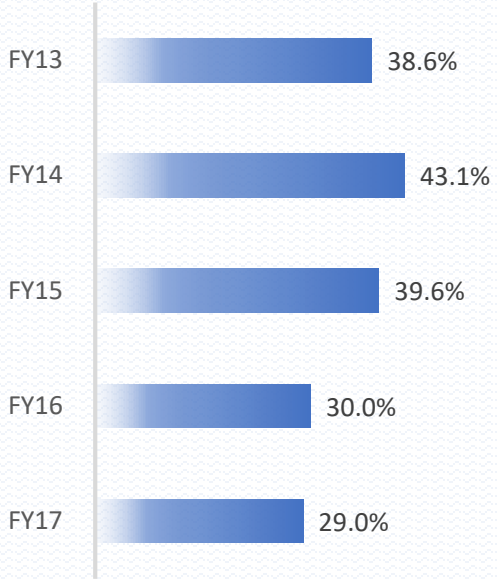


…and growing surplus profits

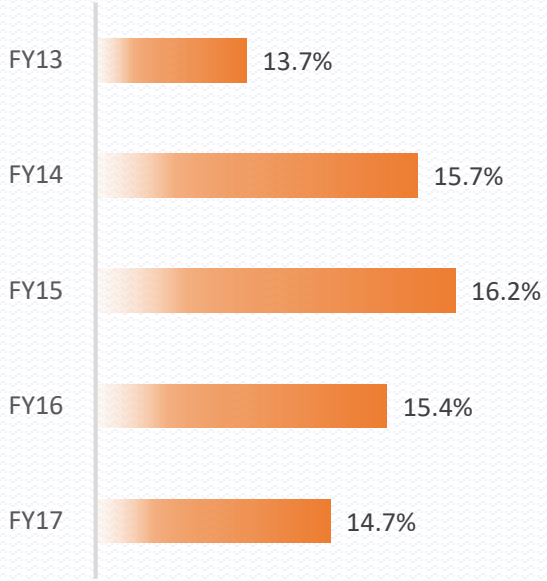
Note: The above data is as per Restated Financials and based on calculation as follows:
1. Net D/E = (Total debt – Cash & equivalents)/Networth 2. WC days = Inventory days + Debtor days – Creditor days 3. BVPS = Networth/Total no. of outstanding shares

…Enhanced Profitability for Stakeholders

Return on Net Worth (%)



Return on Capital Employed (%)



Consistently generating high Return Ratios

Note: The above data is as per Restated Financials and based on calculation as follows:
*1. RoNW = PAT/Average Networth*100* *2. RoCE = EBIT*(1-tax rate)/Average Capital Employed*100*

Profit & Loss Highlights

Profilt & Loss (Rs mn)	FY13	FY14	FY15	FY16	FY17
Total Income	**2,553**	**5,143**	**6,040**	**6,082**	**7,095**
Raw Material	1,895	4,013	4,890	4,675	5,492
Manufacturing cost	151	225	270	406	513
Employee Expenses	104	226	258	233	249
SG&A Expenses	180	353	244	314	284
EBITDA	**222**	**325**	**378**	**454**	**557**
EBITDA Margin (%)	*8.7*	*6.3*	*6.3*	*7.5*	*7.8*
Depreciation	25	45	4	49	63
Other Income	2	3	3	1	2
Interest	56	80	96	104	112
Profit Before Tax	**143**	**204**	**282**	**302**	**384**
Tax	49	70	96	105	135
Profit After Tax	**94**	**134**	**186**	**197**	**249**
PAT Margin (%)	*3.7*	*2.6*	*3.1*	*3.2*	*3.5*

Note: The above data is as per Restated Financials of the Company

Balance Sheet Highlights

Standalone (Rs mn)	FY15	FY16	FY17
Shareholder's Funds	**560**	**753**	**968**
Share capital	240	240	240
Reserves & Surplus	320	513	728
Non-current liabilities	**103**	**131**	**225**
Long term borrowings	94	119	210
Deferred tax liability	8	10	15
Long term provisions	1	2	-
Current liabilities	**989**	**904**	**1,382**
Short term borrowings	777	642	847
Trade payables	115	161	309
Other current liabilities	35	31	44
Short term provisions	61	70	181
Total Laibilities	**1,651**	**1,788**	**2,574**

Standalone (Rs mn)	FY15	FY16	FY17
Non-current assets	**523**	**632**	**857**
Gross block	599	756	1,023
Less: acc. Depreciation	76	124	187
Net block	523	632	836
Other non-current assets	-	1	21
Current Assets	**1,128**	**1,156**	**1,717**
Inventories	503	596	638
Trade receivables	502	415	828
Cash & cash equivalents	16	18	46
Short term loans & advances	107	127	205
Total Assets	**1,651**	**1,788**	**2,574**

Note: The above data is as per Restated Financials of the Company



For further information, contact:

Mr. Subhramanya Choudary Executive Director ir@apexfrozenfoods.com	**Ms. Pooja Sharma** pooja.sharma@stellar-ir.com