



Avanti Feeds Limited Q1FY24 Earnings Audio Conference Call on Tuesday, 22nd August 2023 at 4:00 PM IST

Avanti Feeds Limited (AFL) will host an Audio Conference Call for investors and analysts to discuss its results and developments in Q1FY24. The call will be addressed by the senior management.

Details of the Audio Conference Call:

Date & Timing: Tuesday, 22nd August 2023 @ 4:00 PM IST

Senior Management: Mr. A. Indra Kumar, Chairman & Managing Director
Mr. C. Ramachandra Rao, Joint Managing Director
Mr. A. Venkata Sanjeev, Executive Director
Mr. A. Nikhilesh, Executive Director, Avanti Frozen Foods Pvt. Ltd. [Subsidiary]
Mrs. Santhi Latha, GM (Finance & Accounts)
Ms. Lakshmi Sharma (Sr. Manager – Corp Affairs)

Conference dial-in

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Participant PIN Number (only for International Participants): 3949814#

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AVANTI FEEDS LTD

Q1FY24 Result Presentation



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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 guarantees for future performance and or subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict.

These risks and uncertainties include but are not limited to, performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and worldwide, competition, the company's ability to successfully implement its strategy, company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, withdrawal of governmental fiscal incentives, the company's market preferences and its exposure to market risks, as well as other risks.






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Index

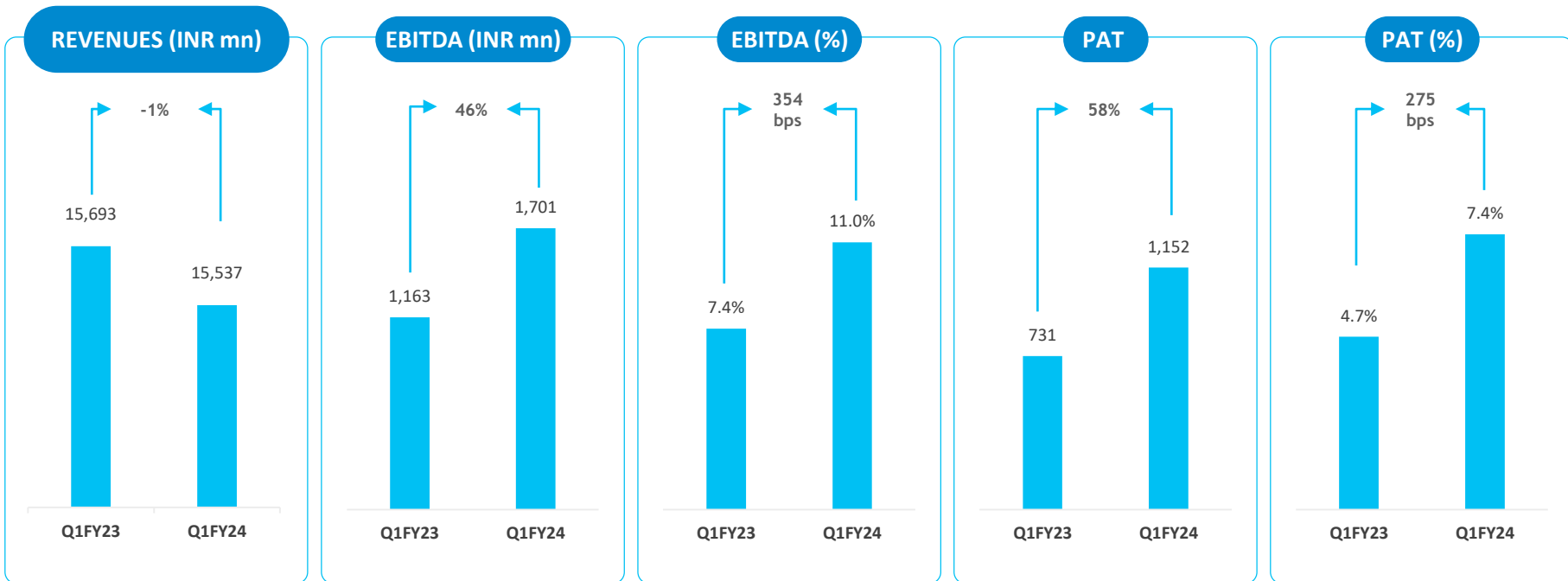
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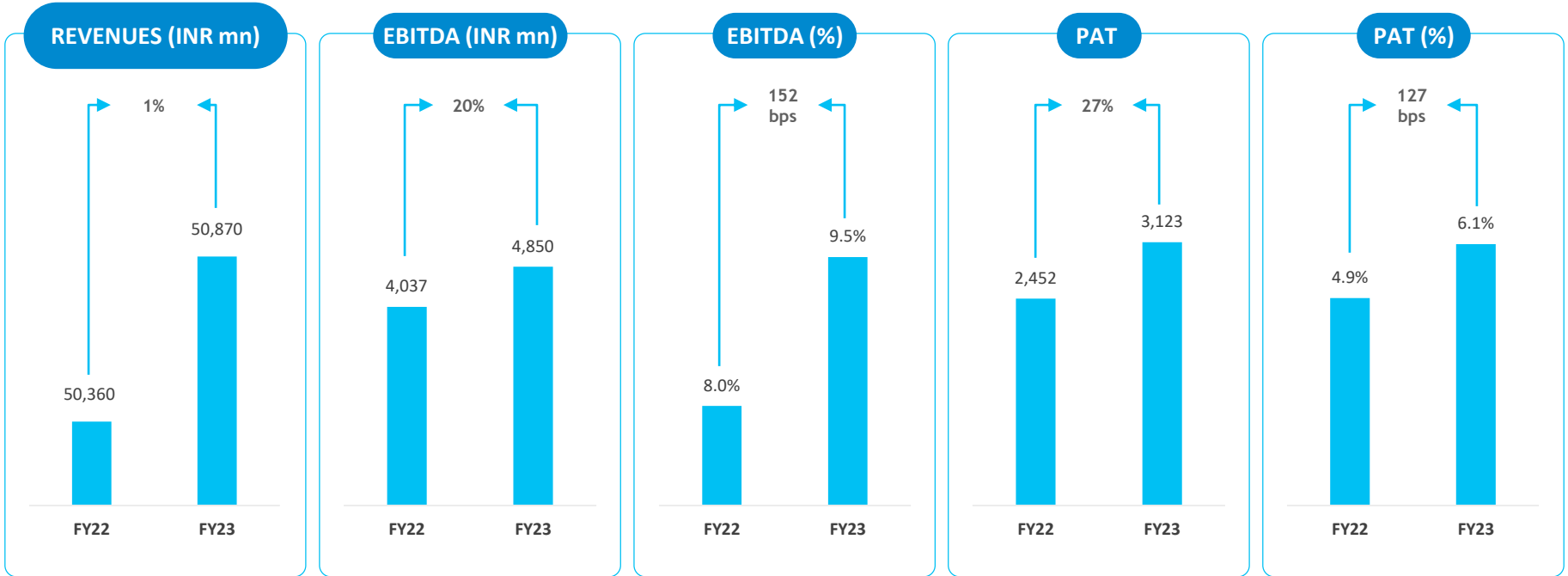
RESULT HIGHLIGHTS



Quarterly Highlights



Annual Highlights



Quarterly Results Snapshot



| Consol Profit & Loss (Rs mn) | Q1FY24 | Q1FY23 | Y-o-Y | Q4FY23 | Q-o-Q | FY23 | FY22 | Y-o-Y |
|----------------------------------|-----------------|-----------------|--------------|-----------------|--------------|-----------------|-----------------|--------------|
| Segment Revenues | | | | | | | | |
| Shrimp Feed | 13,268.3 | 13,067.3 | 1.5% | 8,556.7 | 55.1% | 40,413.6 | 40,443.2 | -0.1% |
| Shrimp Processing | 2,268.2 | 2,625.7 | -13.6% | 2,373.4 | -4.4% | 10,456.3 | 9,916.4 | 5.4% |
| Revenues from operations | 15,536.6 | 15,693.0 | -1.0% | 10,930.0 | 42.1% | 50,869.9 | 50,359.6 | 1.0% |
| COGS | 12,656.1 | 13,146.8 | -3.7% | 8,322.7 | 52.1% | 41,184.5 | 42,378.3 | -2.8% |
| Op. expenses | 1,504.8 | 1,506.2 | -0.1% | 1,272.4 | 18.3% | 5,755.2 | 4,761.2 | 20.9% |
| Operating Profits | 1,375.6 | 1,040.0 | 32.3% | 1,334.9 | 3.1% | 3,930.2 | 3,220.1 | 22.1% |
| Other income | 325.8 | 123.2 | 164.5% | 240.5 | 35.5% | 920.2 | 816.7 | 12.7% |
| Depreciation | 132.0 | 98.2 | 34.5% | 122.0 | 8.2% | 425.9 | 407.9 | 4.4% |
| EBIT | 1,569.4 | 1,065.0 | 47.4% | 1,453.4 | 8.0% | 4,424.4 | 3,628.9 | 21.9% |
| Interest expenses | 2.7 | 3.2 | -15.6% | 10.3 | -73.5% | 20.2 | 20.1 | 0.6% |
| Exceptional Item | 0.0 | -53.0 | -100.0% | -51.9 | -100.0% | -133.1 | -275.0 | -51.6% |
| PBT | 1,566.7 | 1,008.8 | 55.3% | 1,391.2 | 12.6% | 4,271.2 | 3,333.8 | 28.1% |
| Taxes | 419.5 | 267.2 | 57.0% | 387.0 | 8.4% | 1,145.3 | 786.7 | 45.6% |
| Profit after Taxes (PAT) | 1,147.2 | 741.6 | 54.7% | 1,004.3 | 14.2% | 3,125.9 | 2,547.1 | 22.7% |
| Profit/Loss on shr of associate/ | 4.5 | -10.5 | -142.4% | 10.3 | -56.7% | -3.3 | -94.8 | -96.5% |
| PAT (after shr associate) | 1,151.6 | 731.1 | 57.5% | 1,014.5 | 13.5% | 3,122.5 | 2,452.3 | 27.3% |
| EPS | 7.8 | 4.9 | 59.4% | 6.9 | 14.0% | 20.5 | 16.3 | 25.5% |
| NP % Sales | 7.4 | 4.7 | 275 bps | 9.3 | -187 bps | 6.1 | 4.9 | 127 bps |

- 1 Q1FY24 revenues were flattish at 1% YoY at Rs 15,536 Mn. Shrimp Feed revenues were up 1.5% YoY, Shrimp processing revenues was lower by 13.6% YoY.
- 2 Gross margins expanded 232 bps YoY .
- 3 EBITDA margins came in at 11.0% YoY 354 bps higher than Q1FY23 aided by other income.
- 4 Profit after Tax witnessed a growth of 57.5% YoY at Rs. 1,151.6 Mn aided by strong growth of 47.4% YoY in the EBIT.

Management Commentary



Shrimp Feed

Shrimp feed revenues in Q1FY24 was Rs 13,229 Mn an increase of 1.3% YoY. During the quarter sales volume increased 2.6% YoY though realisations saw a decline.

PBT came in at Rs. 1,246 Mn an increase of 63.4% YoY.



Shrimp Processing & Export

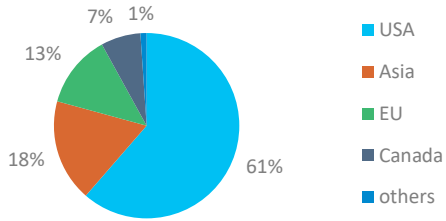
Shrimp processing revenue declined 12% to Rs. 2,307 Mn in Q1FY24. shrimp processing volume fell 18.5% YoY however the realisation remained positively firm.

PBT remained elevated at 7% YoY to Rs 321 Mn due to decline in freight cost.

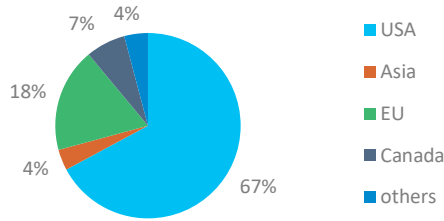
Processed Shrimp Exports – (% share of USA stays buoyant followed by Canada)



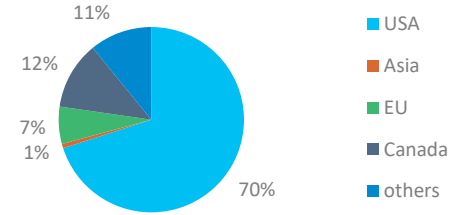
Q1FY23



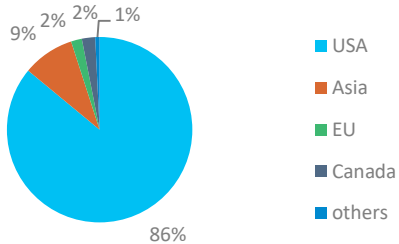
Q4FY23



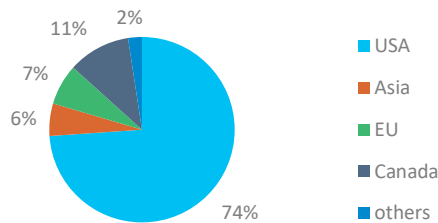
Q1FY24



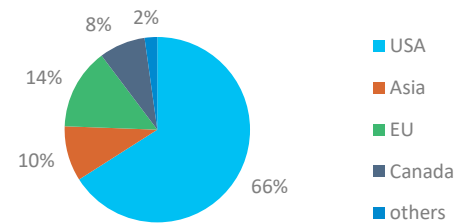
FY21



FY22



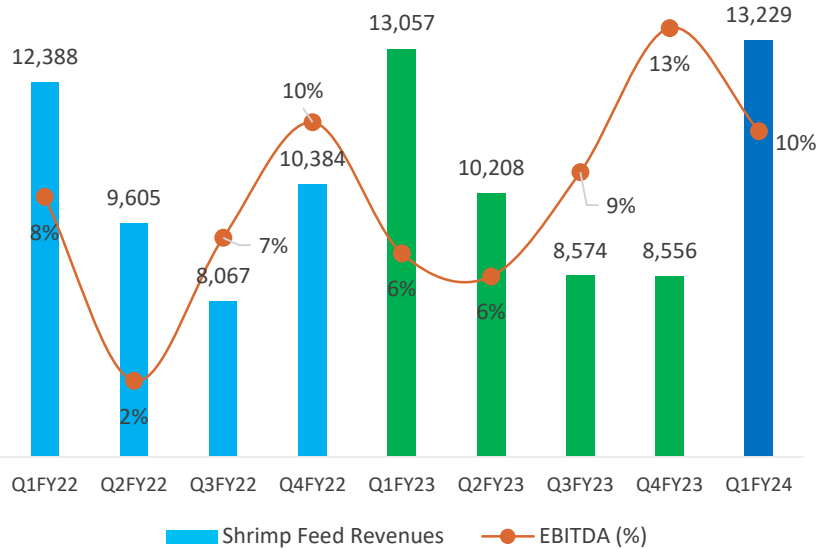
FY23



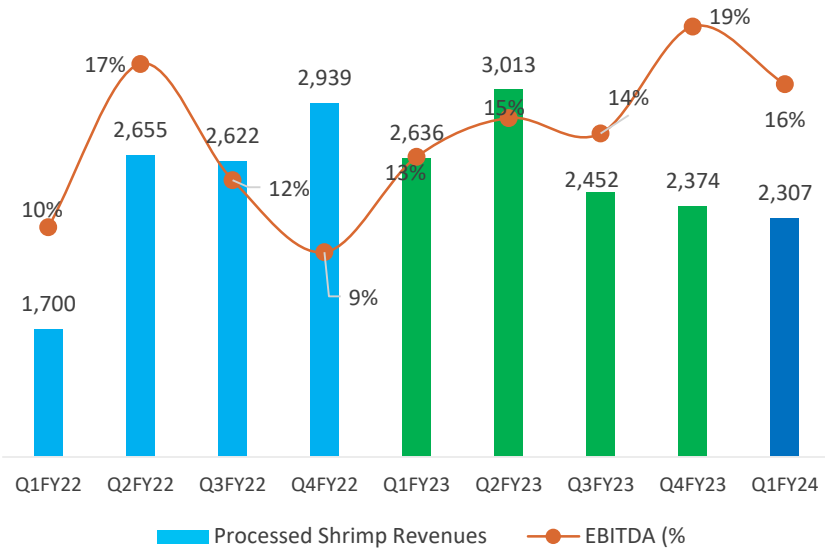
Segmental Quarterly Highlights



Shrimp Feed Revenues



Processed Shrimp Revenues





OPERATIONAL HIGHLIGHTS

Operational Highlights - Quarterly



| | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Production (MT) | | | | | | | | | |
| Shrimp Feed | 170,303.0 | 127,798.2 | 105,329.0 | 133,368.0 | 167,285.0 | 123,464.0 | 105,764.0 | 105,108.0 | 163,610.0 |
| Shrimp Processing | 3,549.0 | 3,529.0 | 2,825.0 | 2,957.0 | 3,949.0 | 2,851.0 | 2,550.0 | 2,609.0 | 3,285.0 |
| Sales (MT) | | | | | | | | | |
| Shrimp Feed | 173,825.0 | 127,449.7 | 106,349.0 | 133,271.0 | 161,343.0 | 126,034.0 | 106,313.0 | 103,376.0 | 165,507.0 |
| Shrimp Processing | 2,451.0 | 3,325.0 | 3,501.0 | 3,559.0 | 3,260.0 | 3,492.0 | 2,865.0 | 2,880.0 | 2,658.0 |
| Particulars (INR mn) | | | | | | | | | |
| Shrimp Feed revenues | 12,388.0 | 9,604.8 | 8,067.3 | 10,383.1 | 13,057.0 | 10,208.0 | 8,574.0 | 8,555.7 | 13,229.3 |
| EBITDA | 989.4 | 224.7 | 543.3 | 1,067.3 | 816.0 | 566.0 | 750.0 | 1,127.0 | 1,324.1 |
| % Margins | 8.0 | 2.3 | 6.7 | 10.3 | 6.2 | 5.5 | 8.7 | 13.2 | 10.0 |
| Particulars (INR mn) | | | | | | | | | |
| Shrimp Processing | 1,700.1 | 2,655.1 | 2,622.0 | 2,939.3 | 2,636.0 | 3,013.0 | 2,452.0 | 2,374.3 | 2,307.3 |
| EBITDA | 171.3 | 457.9 | 318.6 | 264.4 | 347.0 | 448.0 | 348.0 | 448.4 | 377.3 |
| % Margins | 10.1 | 17.2 | 12.2 | 9.0 | 13.2 | 14.9 | 14.2 | 18.9 | 16.4 |
| Particulars (INR mn) | | | | | | | | | |
| Consolidated Revenues | 14,088.1 | 12,260.0 | 10,689.2 | 13,322.4 | 15,693.0 | 13,221.0 | 11,026.0 | 10,930.0 | 15,536.6 |
| EBITDA | 1,160.8 | 682.6 | 861.8 | 1,331.7 | 1,163.0 | 1,014.0 | 1,098.0 | 1,575.4 | 1,701.4 |
| % Blended Margins | 8.2 | 5.6 | 8.1 | 10.0 | 7.4 | 7.7 | 10.0 | 14.4 | 11.0 |

Operational Highlights - Annually



| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Production (MT) | | | | | | |
| Shrimp Feed | 428,452 | 419,472 | 487,402 | 472,234 | 536,798 | 501,621 |
| Shrimp Processing | 9,105 | 11,384 | 13,745 | 12,224 | 12,860 | 11,959 |
| Sales (MT) | | | | | | |
| Shrimp Feed | 430,314 | 421,691 | 484,669 | 473,449 | 540,895 | 497,066 |
| Shrimp Processing | 7,857 | 11,065 | 13,397 | 11,518 | 12,836 | 12,497 |
| Particulars (INR mn) | | | | | | |
| Shrimp Feed revenues | 28,117.2 | 27,352.6 | 31,603.9 | 32,436.7 | 40,443.6 | 40,395.1 |
| EBITDA | 6,457.7 | 3,516.9 | 4,000.5 | 4,252.9 | 2,824.6 | 3,259.7 |
| % Margins | 23.0 | 12.9 | 12.7 | 13.1 | 7.0 | 8.1 |
| Particulars (INR mn) | | | | | | |
| Shrimp Processing | 5,811.8 | 7,525.2 | 9,549.0 | 8,568.9 | 9,916.0 | 10,474.8 |
| EBITDA | 851.3 | 1,093.8 | 1,245.0 | 1,274.3 | 1,212.3 | 1,590.6 |
| % Margins | 14.6 | 14.5 | 13.0 | 14.9 | 12.2 | 15.2 |
| Particulars (INR mn) | | | | | | |
| Consolidated Revenues | 33,929.0 | 34,877.8 | 41,152.9 | 41,005.6 | 50,359.6 | 50,869.9 |
| EBITDA | 7,308.9 | 4,610.8 | 5,245.6 | 5,527.2 | 4,036.8 | 4,850.4 |
| % Blended Margins | 21.5 | 13.2 | 12.7 | 13.5 | 8.0 | 9.5 |

AVANTI FEEDS LIMITED, Unit-IV, Plant-II
Electrical & Automation Panel (A,B,C,D Line)



THE PATH FORWARD



Budget Initiatives by Govt towards Agri & Allied sector

- Agricultural credit target will be increased to Rs 20 lakh cr (vs Rs 18 lakh cr, up 11% YoY) with focus on animal husbandry, dairy and fisheries.
- Collaboration between farmers, state and industry will be done, Rs 2,200 cr will be allocated towards this collaboration under Atmanirbhar Clean Plant Program.
- Duty reduced on key inputs for domestic manufacture of shrimp feed.
- New sub-scheme of PM Matsya Sampada Yojana with targeted investment of Rs 6,000 cr for fisheries

Company Highlights – Q1FY24



Shrimp Feed

Shrimp Feed sales during the FY23 was 4,97,066 MT as compared to 5,40,895 MT in FY22 a degrowth of 8%

The commercial production at new Feed Manufacturing plant situated at Bandapuram, Andhra Pradesh; has been successfully commenced with effect from December 03, 2022, with an estimated total cost of Rs. 125 crores.

The company has expanded operations at its existing plant situated at Andhra Pradesh; through an additional capacity of 1,75,000 MT. The total production capacity (all units) of the company has been increased from 6,00,000 MTs to 7,75,000 MTs



Shrimp Processing & Export

USFDA has removed shrimps produced and exported by Avanti Frozen Foods Pvt. Ltd.{AFFPL} (a subsidiary Company) to USA from detention without physical examination under Import Alert # 16-81, with effect from 21.10.2022.

Shrimp exports in FY23 was 12,497 MTs compared to 12,836 MTs in FY22 dipping 3%, which was in line with the managements expectations for Fiscal-23.



FINANCIAL STATEMENTS



Profit & Loss Statement - Quarterly



| Consolidated Profit & Loss (INR mn) | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Income from Operations | 14,088.1 | 12,260.0 | 10,689.2 | 13,322.4 | 15,693.0 | 13,221.0 | 11,025.8 | 10,930.0 | 15,536.6 |
| Other Income | 212.6 | 255.8 | 185.9 | 162.3 | 123.2 | 264.9 | 291.7 | 240.5 | 325.8 |
| Total Income | 14,300.7 | 12,515.8 | 10,875.1 | 13,484.7 | 15,816.2 | 13,485.9 | 11,317.5 | 11,170.5 | 15,862.4 |
| Operating Expenses | 13,140.0 | 11,833.2 | 10,013.3 | 12,153.1 | 14,653.1 | 12,471.6 | 10,219.9 | 9,595.1 | 14,160.9 |
| EBITDA | 1,160.7 | 682.6 | 861.8 | 1,331.6 | 1,163.2 | 1,014.3 | 1,097.6 | 1,575.4 | 1,701.4 |
| Margin % | 8.2 | 5.6 | 8.1 | 9.9 | 7.4 | 7.5 | 10.0 | 14.4 | 11.0 |
| Depreciation | 103.6 | 104.1 | 102.5 | 97.7 | 98.2 | 99.3 | 106.5 | 122.0 | 132.0 |
| EBIT | 1,057.1 | 578.5 | 759.3 | 1,233.9 | 1,065.0 | 915.0 | 991.1 | 1,453.4 | 1,569.4 |
| Margin % | 7.5 | 4.6 | 7.1 | 9.2 | 6.7 | 6.8 | 9.0 | 13.3 | 10.1 |
| Financial Charges | 3.3 | 7.7 | 4.7 | 4.4 | 3.2 | 4.5 | 2.2 | 10.3 | 2.7 |
| PBT | 1,053.8 | 570.8 | 754.6 | 1,229.6 | 1,061.8 | 910.5 | 988.9 | 1,443.1 | 1,566.7 |
| Margin % | 7.5 | 4.6 | 7.1 | 9.1 | 6.7 | 6.8 | 9.0 | 13.2 | 10.1 |
| Tax | 220.7 | 51.6 | 223.8 | 290.6 | 267.2 | 232.3 | 258.9 | 387.0 | 419.5 |
| PAT (after minority interest) | 764.5 | 330.7 | 439.6 | 917.5 | 731.1 | 670.9 | 706.0 | 1,014.5 | 1,151.6 |
| Margin % | 5.4 | 2.7 | 4.1 | 6.9 | 4.7 | 5.0 | 6.4 | 9.3 | 7.4 |
| EPS | 5.4 | 1.8 | 3.0 | 6.2 | 4.9 | 4.2 | 4.6 | 6.9 | 7.8 |

Profit & Loss Statement - Annually



| Consolidated Profit & Loss (INR mn) | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Income from Operations | 33,929.0 | 34,877.8 | 41,152.9 | 41,005.6 | 50,359.6 | 50,869.9 |
| Other Income | 482.5 | 538.3 | 702.3 | 925.8 | 816.7 | 920.2 |
| Total Income | 34,411.5 | 35,416.1 | 41,855.3 | 41,931.4 | 51,176.3 | 51,790.0 |
| Operating Expenses | 27,102.6 | 30,804.7 | 36,613.9 | 36,404.2 | 47,139.5 | 46,939.7 |
| EBITDA | 7,308.9 | 4,611.4 | 5,245.6 | 5,527.2 | 4,036.8 | 4,850.4 |
| Margin % | 21.5 | 13.2 | 12.7 | 13.5 | 8.0 | 9.5 |
| Depreciation | 237.6 | 358.4 | 377.1 | 409.3 | 407.9 | 425.9 |
| EBIT | 7,071.4 | 4,253.0 | 4,864.3 | 5,117.9 | 3,628.9 | 4,424.4 |
| Margin % | 20.8 | 12.2 | 11.8 | 12.5 | 7.2 | 8.7 |
| Financial Charges | 29.6 | 26.9 | 19.9 | 16.8 | 20.1 | 20.2 |
| PBT | 7,041.7 | 4,226.1 | 4,844.4 | 5,101.1 | 3,608.8 | 4,404.2 |
| Margin % | 20.8 | 12.1 | 11.8 | 12.4 | 7.2 | 8.7 |
| Tax | 2,380.2 | 1,214.3 | 985.7 | 1,122.9 | 786.7 | 1,145.3 |
| PAT (after minority interest) | 4,664.8 | 3,066.2 | 3,862.9 | 3,973.7 | 2,452.3 | 3,122.5 |
| Margin % | 13.7 | 8.8 | 9.4 | 9.7 | 4.9 | 6.1 |
| EPS | 32.8 | 20.1 | 25.4 | 26.4 | 16.3 | 20.5 |

Balance Sheet & Key Ratios



| Consolidated Balance Sheet (INR mn) | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Share capital | 91 | 136 | 136 | 136 | 136 | 136 |
| Reserves and Surplus | 11,408 | 13,437 | 15,811 | 19,759 | 21,338 | 23,632 |
| Non-current liabilities | 326 | 376 | 218 | 193 | 178 | 347 |
| Current liabilities | 3,438 | 2,199 | 2,634 | 2,734 | 3,510 | 3,231 |
| Total Equity and Liabilities | 15,263 | 16,148 | 18,800 | 22,822 | 25,162 | 27,346 |
| Non-current assets | 3,639 | 4,352 | 3,647 | 4,547 | 4,873 | 5,239 |
| Current assets | 11,623 | 11,796 | 15,153 | 18,275 | 20,289 | 22,107 |
| Total Assets | 15,263 | 16,148 | 18,800 | 22,822 | 25,162 | 27,346 |

| Key Ratios | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|---------------------------|------|------|------|------|------|------|
| RoCE (%) | 40% | 22% | 24% | 20% | 13% | 14% |
| RoE (%) | 41% | 23% | 24% | 20% | 11% | 13% |
| Net debt to equity (x)*** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest coverage (x) | 239 | 158 | 245 | 304 | 181 | 219 |
| Inventory days | 56 | 40 | 48 | 49 | 72 | 58 |
| Receivables days | 5 | 5 | 8 | 6 | 8 | 9 |
| Payable days | 31 | 19 | 19 | 21 | 22 | 20 |



ANNEXURE

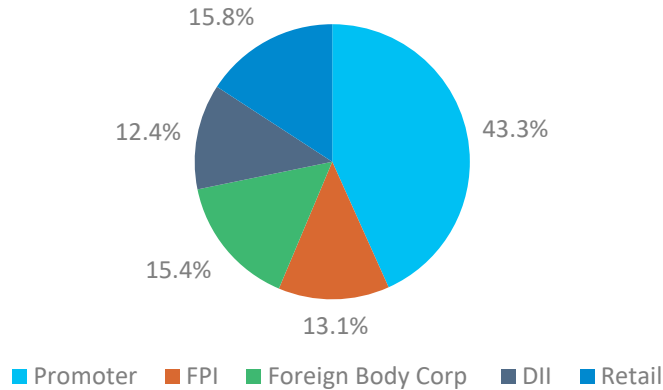
Stock Information



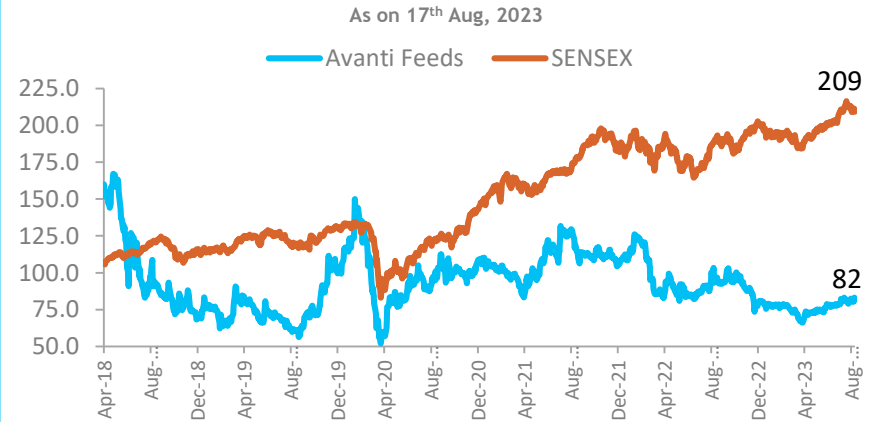
- Market cap (INR) - ~55 bn (As on 17th Aug 2023)
- Shares outstanding - 136 mn (As on 30th June 2023)

- BSE code: 512573
- NSE code: AVANTIFEED

Shareholding Pattern as on 30th June, 2023



Relative stock price vs BSE Sensex





THANK YOU!



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