

Apex Frozen Foods Ltd.

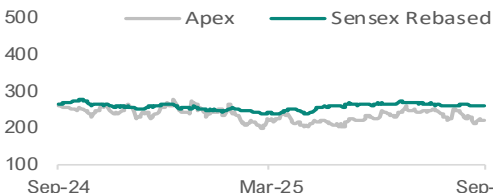
BUY

Sector: Aquaculture

10th September 2025

Key Changes	Target	Rating	Earnings	Target	Rs. 284
Stock Type	Bloomberg Code	Sensex	NSE Code	CMP	Rs. 219
Small Cap	APEX:IN	81,101	APEX	Return	+30%

Data as of: 09-09-2025, 18:00 hrs

Company Data			
Market Cap (Rs. cr.)	684		
52 Week High — Low (Rs.)	282-179		
Enterprise Value (Rs. cr)	755		
Outstanding Shares (Rs cr)	3.13		
Free Float (%)	27		
Dividend Yield (%)	0.9		
6m average volume (cr)	0.01		
Beta	1.4		
Face value (Rs)	10.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	72.6	72.6	72.6
FII's	2.4	3.3	4.2
MFs/Institutions	0.8	0.4	0.6
Public	23.2	22.6	21.5
Others	1.0	1.1	1.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-4%	0%	-16%
Absolute Sensex	-2%	10%	0%
Relative Return	-2%	-9%	-16%
*over or under performance to benchmark index			
			
Consolidated (Rs.cr)	FY25A	FY26E	FY27E
Sales	814	957	1,101
Growth (%)	1.2	17.6	15.1
EBITDA	25	63	82
EBITDA Margin (%)	3.1	6.6	7.5
Adj. PAT	4	38	54
Growth (%)	-71.7	812.5	42.8
Adj. EPS	1.3	12.0	17.2
Growth (%)	-71.7	812.5	42.8
P/E	166.0	18.2	12.7
P/B	1.4	1.3	1.2
EV/EBITDA	30.0	12.0	8.9
ROE (%)	0.8	7.4	9.8
D/E	0.1	0.1	0.1
Author: Vincent K A - Sr. Research Analyst			

Volume Recovers, Europe Adds to Future Growth

Apex Frozen Foods Ltd. (Apex) is a South India (Andhra Pradesh) based exporter of processed shrimps with a capacity of 34,240MT.

- In Q1FY26, revenue increased 39% YoY to Rs.258cr, supported by 17% growth in volumes and a 19% improvement in realisations, partly aided by INR depreciation.
- Gross margin rose 140 bps YoY to 32.9% YoY, while EBITDA margin widened 30 bps YoY to 6.0%. However, profitability remains below pre-Covid levels of ~10–11%, primarily due to softer realizations and elevated farm-gate costs.
- Recently, the US imposed a 50% tariff along with a 5.77% countervailing duty on Indian exports. This development poses a major headwind for India's export sector, while trade negotiations between the two countries are still underway.
- Apex has been actively diversifying its market presence, helping mitigate risks from a high US dependency amid tariff challenges. The contribution of non-US markets to total sales has risen to ~45%, up from ~24% over the past seven years.

Outlook & Valuation

Apex entered FY26 with strong operational momentum, supported by volume and margin recovery along with strategic diversification. However, the U.S. tariff escalation—now totaling 50%—poses a near-term risk to demand and pricing. Apex's proactive shift toward EU, Canada, and UK markets, coupled with stable global shrimp prices and declining freight costs, positions it well to navigate volatility. Apex targets ~10% share from the UK market (5% in FY25) post-FTA. Additionally, the recent approval from the EU for the RTE (ready-to-eat) product facilities unlocks new opportunities, expected to drive incremental growth in the coming quarters, and expects ~30% growth in EU sales in the first year post-approval, translating to ~2,500 MT additional volume as per the company. Expect revenue/EBITDA to grow at 13%/85%, respectively, over FY25-27E. **We value Apex at 17X P/E and recommend BUY rating with a revised target price of Rs. 284.**

Quarterly Financials Consolidated

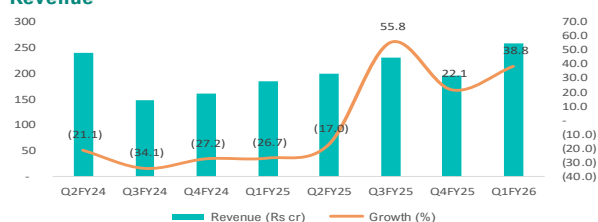
Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	258	186	38.8	197	30.8
EBITDA	15	11	44.9	7	134.5
Margin (%)	6.0	573.7	250bps	3.3	160bps
EBIT	12	7	70.4	3	364.3
PBT	13	5	157.6	3	357.9
Rep. PAT	9	4	140.4	2	362.3
Adj PAT	9	4	140.4	2	362.3
EPS (Rs)	2.9	1.2	140.4	0.6	362.3



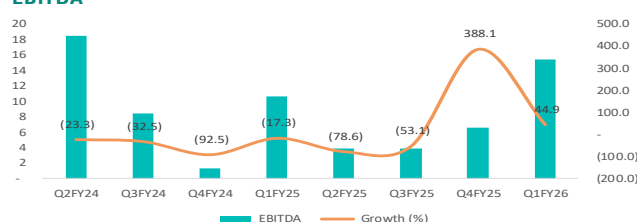
Key Highlights...

- Total shrimp sales volume was 10,534 MT in FY25, of which the share of the USA was ~53%, the EU at ~39%, and others at 8%.
- Net revenue includes export benefits of Rs.10.9 cr compared to Rs.13.2 cr QoQ and Rs.9.1 cr YoY. The export benefit was Rs.45.4cr for FY25 vs. Rs.43.3cr for FY24.
- Average realisation grew 20% YoY and 6% QoQ to Rs 794 per kg and was higher by 5% YoY at Rs 729 per kg in FY25.
- Farmgate prices started correcting during Q4FY25, following the global trade uncertainties.
- RTE products command higher realisations, with a minimum of \$1.5/kg premium over ready-to-cook, with \$0.40–0.50/kg higher margins post additional costs.
- The management maintains a volume guidance of 12,000 MT for FY26, but it is contingent on the resolution of trade uncertainties.
- No major capex is planned for FY26, except for efficiency improvements. Focus is on improving utilisation and cost efficiency of existing capacity.
- India faces an additional 7.12% (anti-dumping + CVD), while Ecuador is at 3.78% CVD in the US, while the recent 10% tariff applies to all exporters.

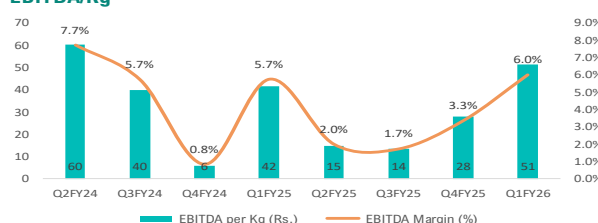
Revenue



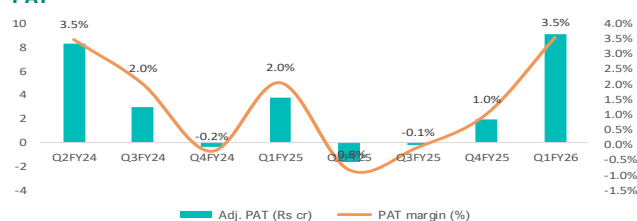
EBITDA



EBITDA/Kg



PAT



Per Kg analysis

	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Volume (MT)	3,015	2,571	17.3	2,349	28.4
Cost of materials consumed	575	495	16.0	595	-3.4
Employee Expenses	44	43.6	-0.1	53	-17.9
Other expenses	187	143	30.5	164	13.8
Total expenses	805	682	18.1	812	-0.9
Realisation (inc. RMC)	856	723	18.4	840	1.9
EBITDA	51	42	23.5	28	82.7

Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	974	1,069	957	1,101	-1.7	3.0
EBITDA	59	82	63	82	6.6	0.6
Margins (%)	6	8	7	7	60bps	-50bps
Adj. PAT	31	51	38	54	21.3	5.3
EPS	10	16	12	17	20.4	7.4



Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	818	911	1,071	804	814	957	1,101
% change	-1.0	11.3	17.5	-24.9	1.2	17.6	15.1
EBITDA	91	76	84	41	25	63	82
% change	4.5	-16.1	9.8	-50.8	-38.9	149.6	31.1
Depreciation	22	19	19	15	15	16	16
EBIT	69	58	64	26	10	47	67
Interest	16	17	15	10	9	6	5
Other Income	8	13	2	3	5	10	11
PBT	61	53	51	20	6	51	73
% change	-24.9	-12.2	-3.4	-62.0	-71.2	812.5	42.8
Tax	16.3	15	15	5	1	14	19
Tax Rate (%)	26.92	28.45	28.70	26.60	26.60	26.60	26.60
Reported PAT	44.3	38	37	15	4	38	54
Adj*	0	0	0	0	0	0	0
Adj PAT	44.3	38	37	15	4	38	54
% change	-27.0	-14.1	-3.8	-60.2	-71.7	812.5	42.8
No. of shares (cr)	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Adj EPS (Rs.)	14	12.2	11.7	4.7	1.3	12.0	17.2
% change	-27.0	-14.1	-3.8	-60.2	-71.7	812.5	42.8
DPS (Rs.)	2	2	2	2	2	2	2
CEPS (Rs.)	21.2	18.1	17.9	9.4	6.2	17.0	22.2

CASH FLOW

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	66	57	56	29	19	53	69
Non-cash adj.	-5	-5	0	-1	0	0	0
Other adjustments	14	18	14	8	8	6	5
Changes in W.C	-57	-46	47	-31	8	-22	-29
C.F. Operation	13	28	121	11	50	37	45
Capital exp.	-15	-11	-23	-12	-5	-16	-10
Change in inv.	1	0	2	2	2	0	0
Other invest.CF	0	0	0	0	0	0	0
C.F – Investment	-14	-10	-20	-10	-3	-16	-10
Issue of equity	0	0	0	0	0	0	0
Issue/repay debt	4	-20	-65	2	-41	-11	-30
Dividends paid	0	0	-8	-8	-6	-7	-7
Other finance.CF	0	0	0	0	0	0	0
C.F – Finance	4	-20	-99	-2	-49	-19	-37
Chg. in cash	3	-2	1	1	-1	2	-2
Closing cash	10	7	2	3	2	4	2

BALANCE SHEET

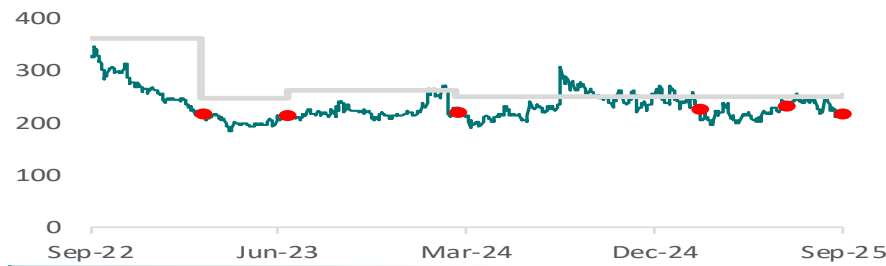
Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	10	7	2	3	2	4	2
Accounts Receivable	155	132	112	107	127	139	151
Inventories	161	203	180	194	188	194	211
Other Cur. Assets	60	75	46	55	37	37	40
Investments	0	0	0	0	0	0	0
Gross Fixed Assets	325	329	355	385	385	395	405
Net Fixed Assets	250	236	242	257	243	237	231
CWIP	15	22	18	4	4	10	10
Intangible Assets	0	0	0	0	0	0	0
Def. Tax (Net)	0	0	0	0	0	0	0
Other Assets	3	3	13	13	13	14	16
Total Assets	654	678	614	633	613	636	661
Current Liabilities	51	39	26	21	37	35	39
Provisions	0	0	0	0	0	0	0
Debt Funds	166	165	91	107	73	67	42
Other Liabilities	-2	-1	7	8	9	9	9
Equity Capital	31	31	31	31	31	31	31
Reserves & Surplus	409	444	459	466	463	494	540
Shareholder's Fund	440	475	490	497	494	525	572
Total Liabilities	654	678	614	633	613	636	661
BVPS (Rs.)	141	152	157	159	158	168	183

RATIOS

Y.E March	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return							
EBITDA margin (%)	11.1	8.4	7.8	5.1	3.1	6.6	7.5
EBIT margin (%)	8.4	6.3	6.0	3.3	1.2	4.9	6.1
Net profit mgn.(%)	5.4	4.2	3.4	1.8	0.5	3.9	4.9
ROE (%)	10.6	8.3	7.6	3.0	0.8	7.4	9.8
ROCE (%)	7.5	6.3	6.0	3.1	1.6	5.5	7.1
W.C & Liquidity							
Receivables (days)	52.1	57.4	41.6	49.7	52.5	50.7	48.0
Inventory (days)	77.0	72.9	65.2	84.9	85.8	72.9	67.2
Payables (days)	24.8	15.1	9.4	8.9	11.2	14.2	12.6
Current ratio (x)	2.0	2.4	3.0	3.0	3.4	3.7	5.0
Quick ratio (x)	0.9	0.8	1.0	0.9	1.2	1.4	1.9
Turnover & Leverage							
Gross asset T.O (x)	2.5	2.8	3.1	2.2	2.1	2.5	2.7
Total asset T.O (x)	1.3	1.4	1.7	1.3	1.3	1.5	1.7
Int. coverage ratio (x)	4.3	3.3	4.4	2.6	1.1	7.9	14.3
Adj. debt/equity (x)	0.4	0.4	0.2	0.2	0.1	0.1	0.1
Valuation							
EV/Sales (x)	1.0	0.9	0.7	1.0	0.9	0.8	0.7
EV/EBITDA (x)	9.3	11.1	9.2	19.1	30.0	12.0	8.9
P/E (x)	15.5	18.0	18.7	46.9	166.0	18.2	12.7
P/BV (x)	1.6	1.4	1.4	1.4	1.4	1.3	1.2



Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Dates	Rating	Target
17-Nov-21	Buy	355
08-Mar-22	Buy	360
25-Aug-22	Accumulate	364
23-Feb-23	Accumulate	250
23-Jun-23	Buy	265
28-Feb-24	Accumulate	255
13-Feb-25	Accumulate	245
24-June-25	Accumulate	263
10-Sept-25	Buy	284

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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