



Corporate Presentation

August 2019

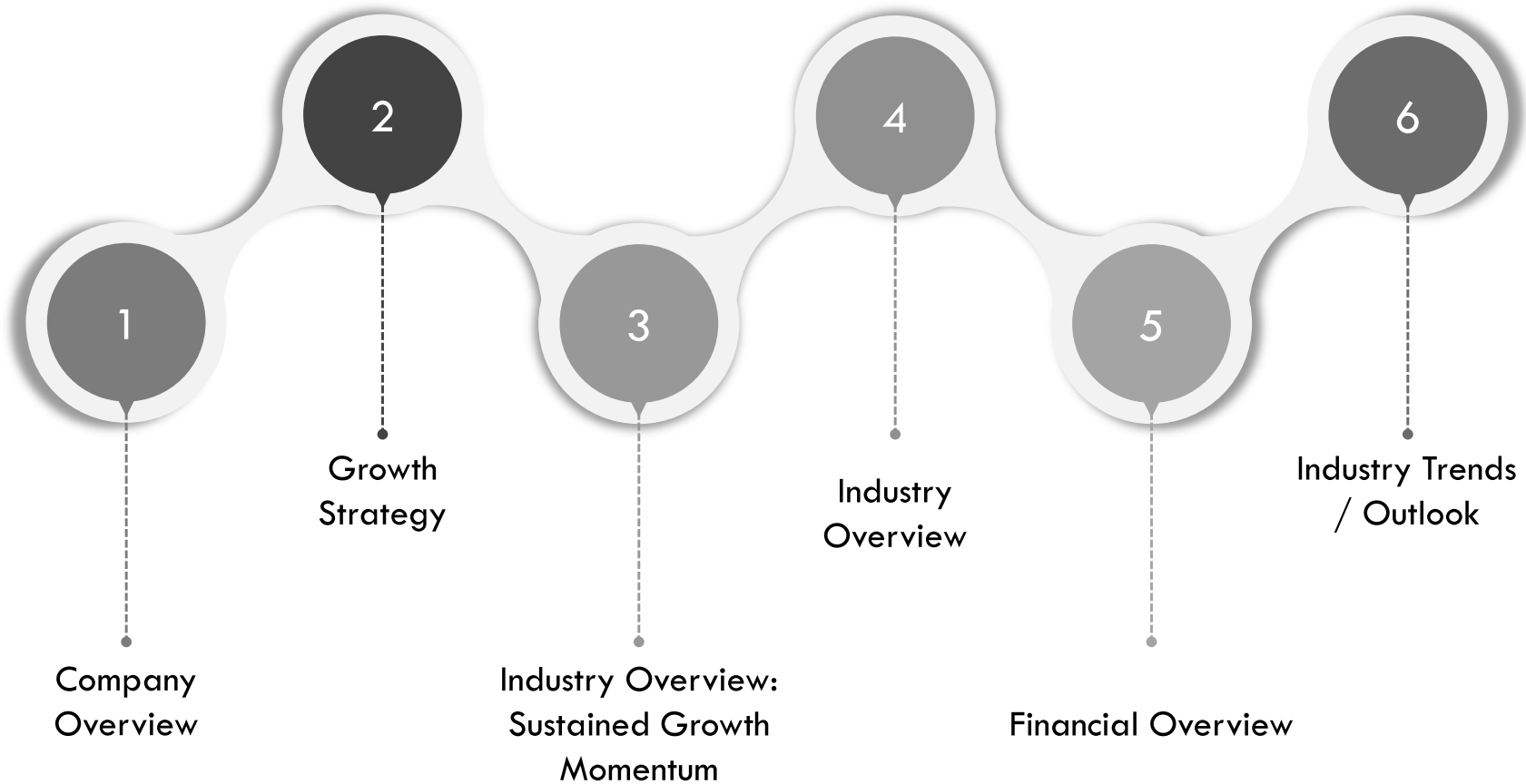


Safe Harbour Statement:

Certain statements in this presentation concerning our future plans and strategies growth prospects, etc. are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of raw materials, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply products, the success of the companies in which TWL has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. TWL may, from time to time, make additional written and oral forward-looking statements, including those in our reports to shareholders. The Company does not undertake to update any forward looking statement that may be made from time to time by or on behalf of the company



Contents



Company Overview



TWL – Niche Player in the high growth Aquaculture Industry in India



1,10,000 MT

Installed Manufacturing capacity of Shrimp Feed

25

Yrs. In the Industry

10%

Revenue CAGR FY14-19

372 CR

Revenues In FY19

~6,500 CR

Estimated size of Domestic Shrimp feed Industry

0.2

Debt – Equity As of Mar 31, 2019

274

No. of Employees

184

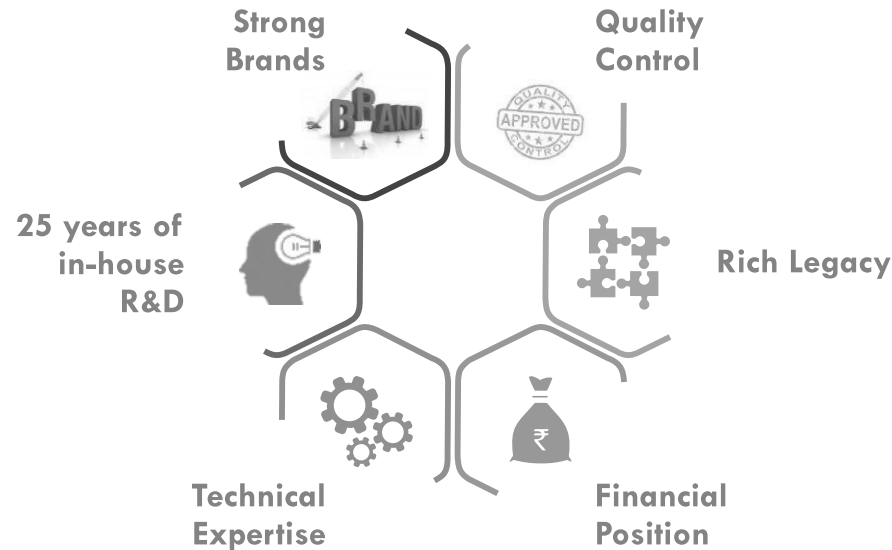
#Dealers Pan India Presence

Key Strengths



- Several popular brands which are favoured by shrimp farmers
- Enjoys high recall and is seen to be synonymous with quality and value
- Robust manufacturing processes and step by step quality control system
- Global best practices implemented

- Working with renowned companies and research institutions in India and abroad for the benefit of industry
- R&D initiatives have been meaningfully converted into new products
- Have driven improvements in feed manufacturing, farm practices, waste management, shrimp processing

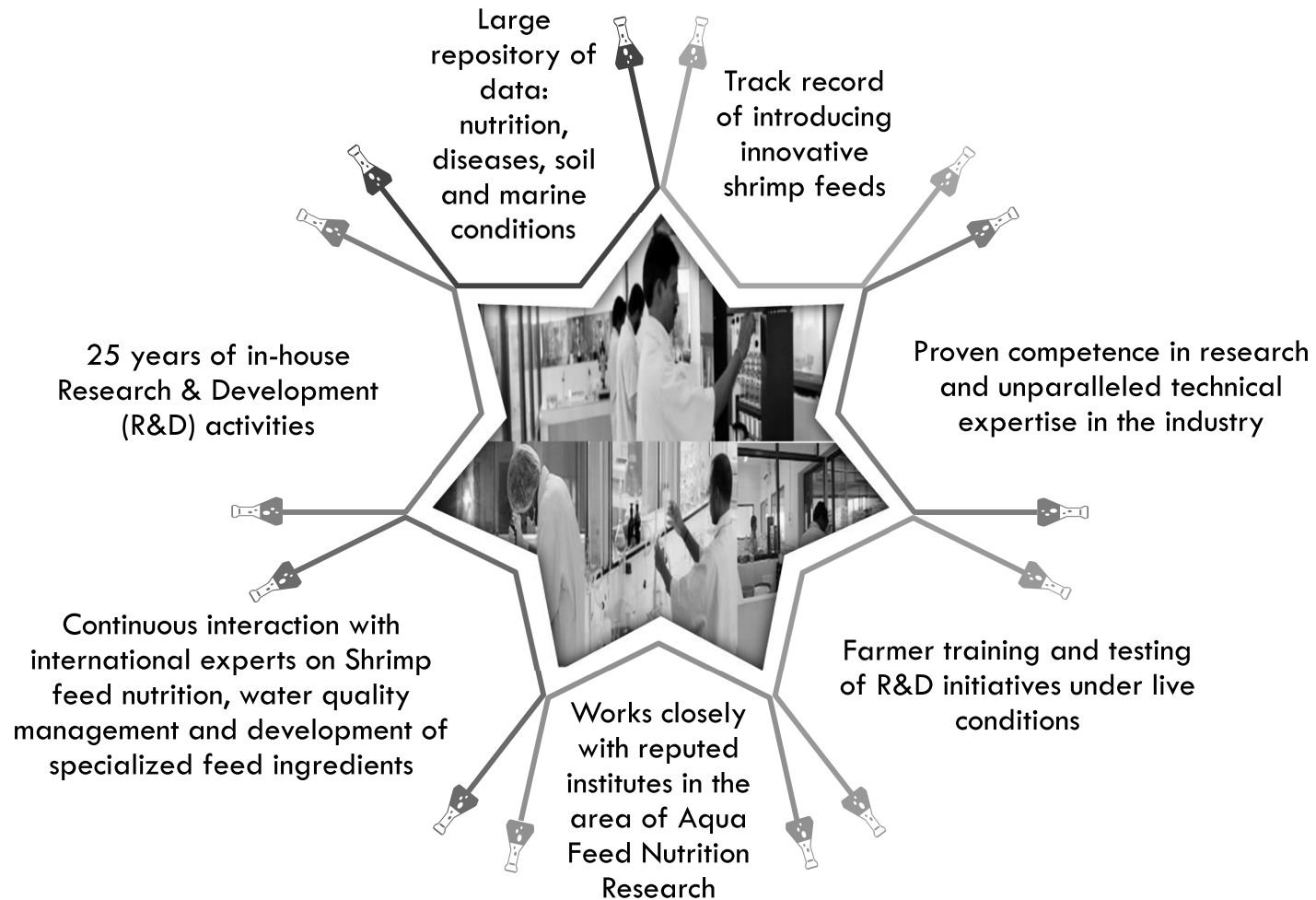


- 25 years of expertise in the business—strong connect with suppliers and farmers
- Backed by the KCT Group – has inculcated ethical business practices with long-term vision in mind

- TWL enjoys unparalleled technical expertise in the industry as the Pioneer
- Staffed by well-qualified personnel with rich industry experience
- Products, processes, practices are viewed as gold standard by industry

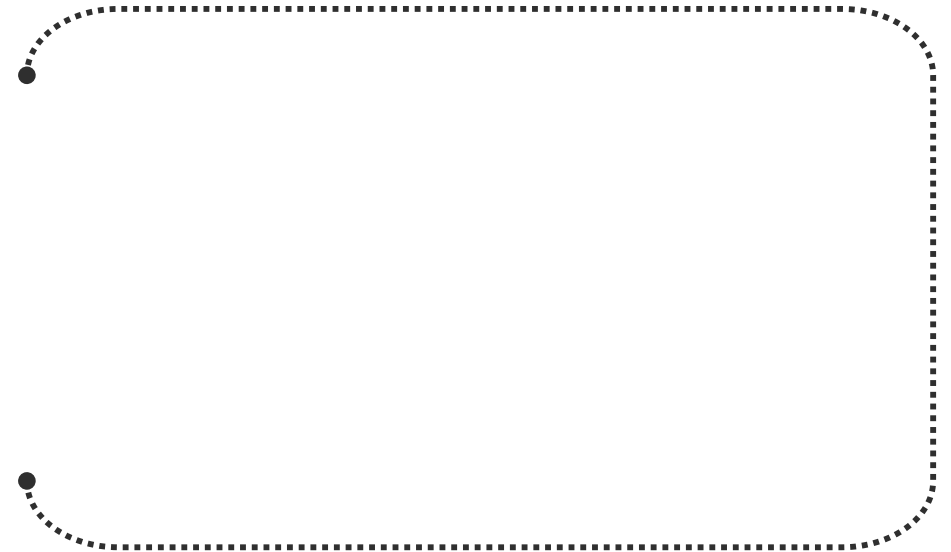
- Comfortable debt levels with a debt equity ratio of 0.2x (Mar 2019)
- Demonstrated financial discipline through good and bad years for industry

Best local R&D Setup in the Industry



Strategic Alliance with CIBA

- Indian Council of Agricultural Research (ICAR), New Delhi under the Ministry of Agriculture, Government of India established the Central Institute of Brackish water Aquaculture (CIBA)
- CIBA, serves as the nodal agency for the development of brackish water aquaculture in the country
- As part of the MoU, CIBA will collaborate for the testing growth performance and refinement of eco-friendly shrimp feed with Waterbase
- MoU will involve exchange of information on feed formulations and testing of identified feed ingredients, trial feeds and any other market feed for macro and micro nutritional parameters at CIBA's Quality Testing Laboratory
- Both CIBA and Waterbase will identify competent technical personnel namely Scientists / Technicians, Chemists, etc. for implementation of the programme. Waterbase will also be able to use CIBA's technology in its own facilities



Awards & Accolades



➤ **SME – Empowering India Awards 2019**

- **Wins the award** under the 'Food, Agro & Horticulture Products (Mid – Corporate)' category at the SME – Empowering India Awards 2019
- “SME- Empowering India Awards 2019” seeks to recognize the contribution of such SMEs who through their achievements and growth have empowered the nation
- Hon’ble Union Minister of Steel, Govt. of India. Shri Chaudhary Birender Singh presented the award to Mr. Ramakanth V Akula, CEO, The Waterbase Limited

Awards & Accolades

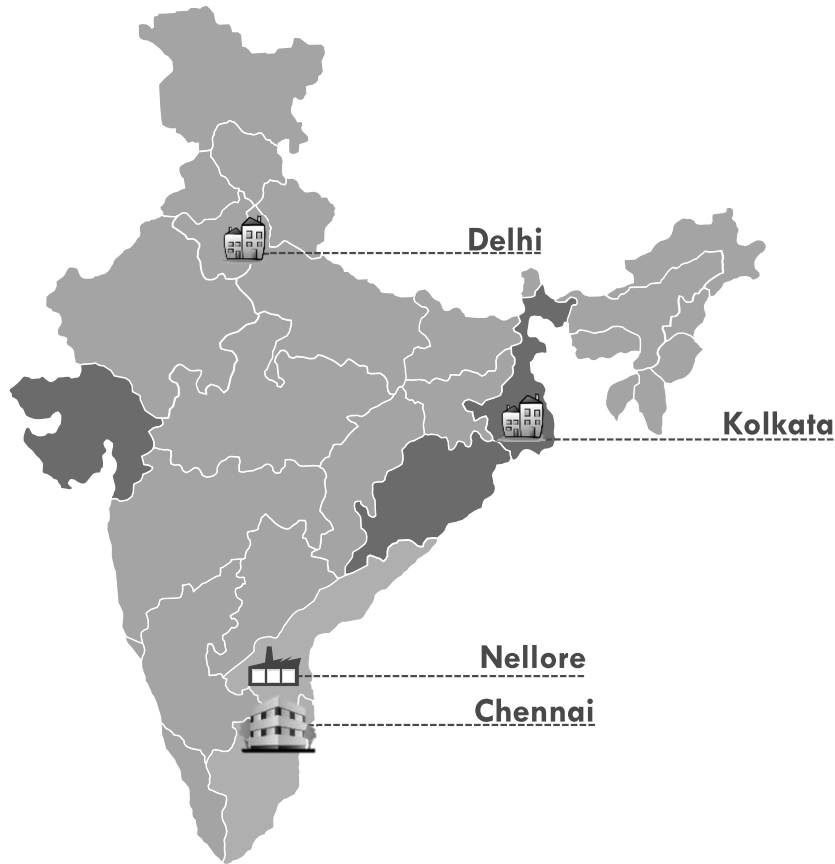


- 'Asia's Most Valuable Business Brand Award 2018'
- Asia's Most Valuable Business Brands is a concept developed by ibrands 360 in collaboration with WRCINT (World Consulting and Research Corporation International)
- Awards are based on broad parameters of brand value proposition, brand persona, prestige, brand reinvention, social conscience, marketing connect and 'Cult Premium'



- 2016 India Shrimp Feed Industry New Product Innovation Leadership Award"
- Frost & Sullivan's, 2016 New Product Innovation Leadership Awards identified companies that demonstrated measured excellence in new, innovative products or product lines within their industry

Locations



Corporate Office

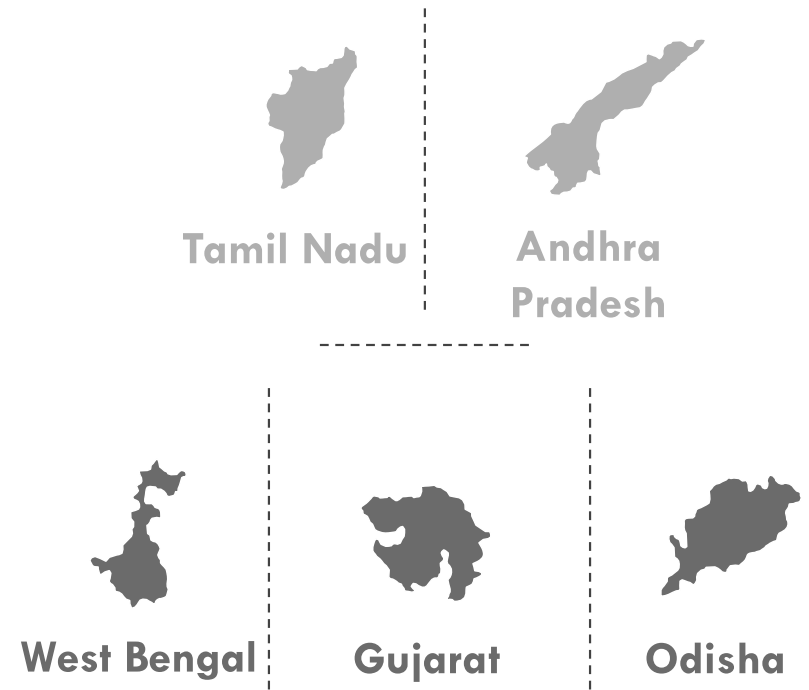


Factory



Group Offices

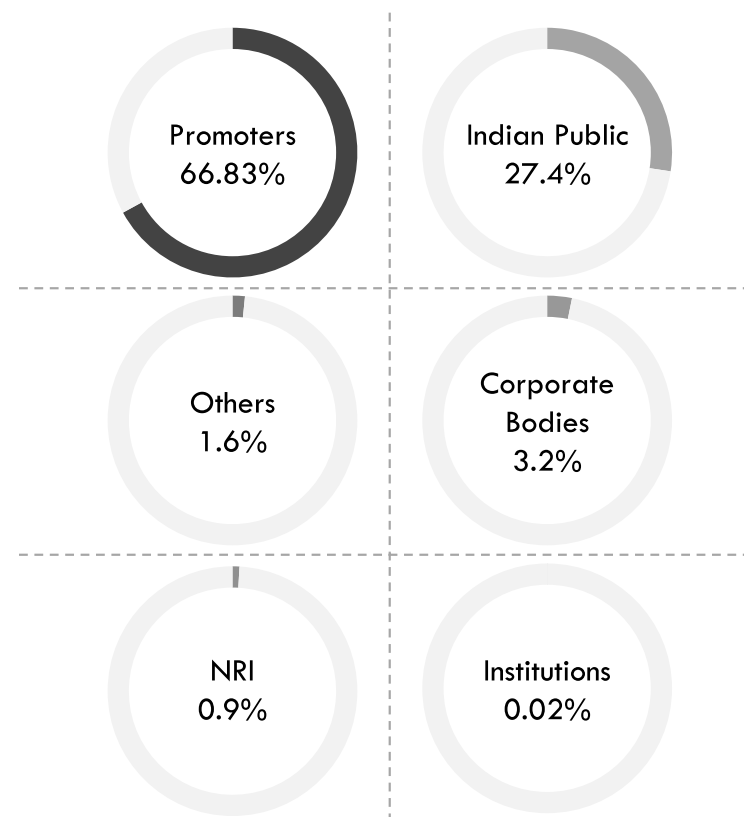
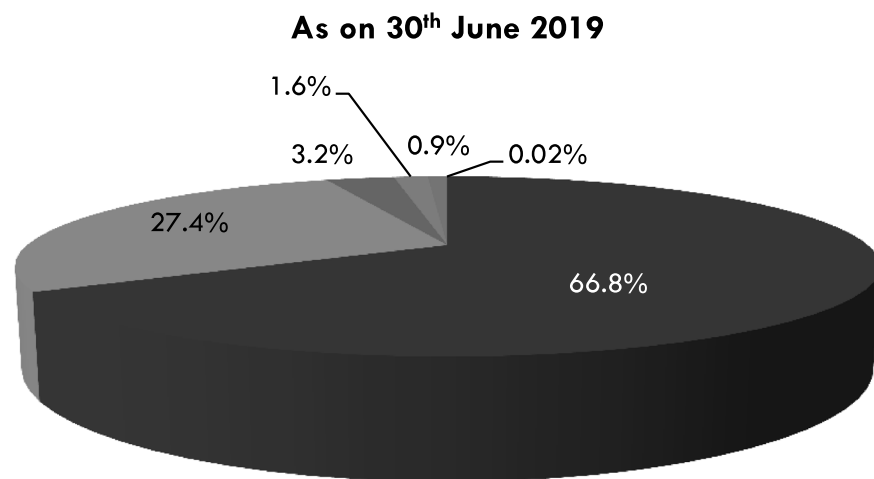
Key markets served



● Existing

● New

Shareholding Pattern



Growth Strategy



Growth Strategy

Leverage Increased Capacities

- New plant set up in 2015 resulted in capacity growth of 3x to 110000 MTPA
- Focused on higher utilisation through increased sales volumes

Elevate presence in core markets

- Premiumisation of offering
- Deepening of distribution network
- Addressing all sizes of orders

Enhance visibility & Market share in New territories

- Increasing the farmer base
- Adding new dealers & distributors
- Customer connect through workshops, training camps & farmer meets
- Leveraging after sales service

Vertical & Horizontal Integration to enhance business stability

- Launched farm care products under the brand name 'Baylife'
- Launched packaged shrimp and crab meat in Retail market under the brand name 'Prize Catch'
- Commissioned Phase I of Vannamei Hatchery to produce good quality seeds for shrimp farming



Driving Premiumisation in the Feed Business



Branding & Packaging



After Sales service



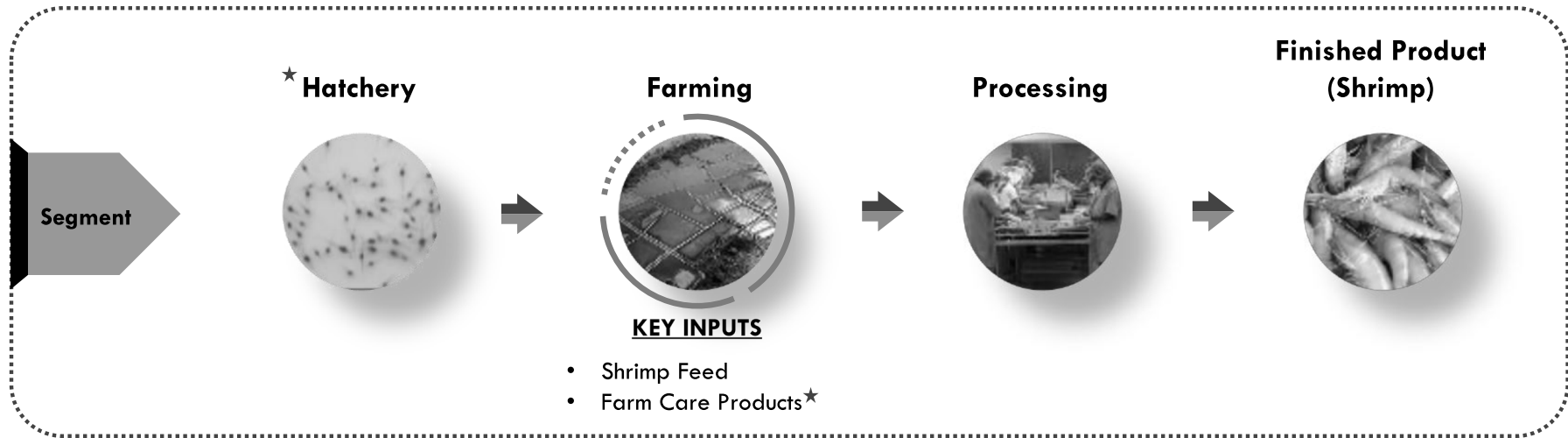
R&D inputs & Feed performance



Enhancing Farming techniques for disease management



Vertical & Horizontal Integration

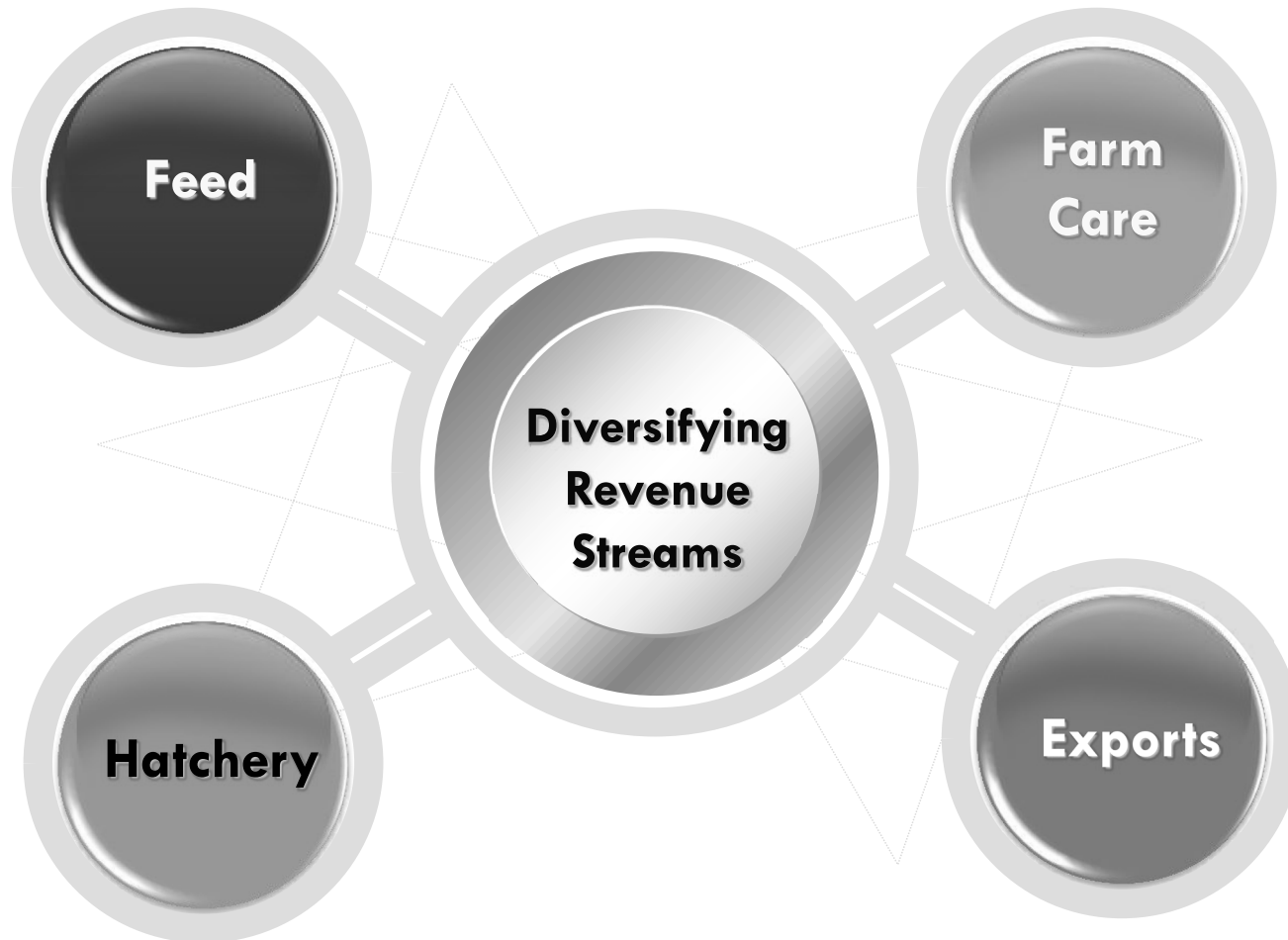


★ New Growth Areas

Shrimp farming-Current status	500 (No. of hatcheries in India)	150,000 Ha Under Farming	500 Processing Plants for shrimp	Frozen shrimp exports in FY18 - 5,65,980 MT ¹
2019 Industry Requirement / Potential	80 Billion of Post Larvae (PL)	Requires 10,00,000 MT of Shrimp Feed	1,000,000 MT (Current Capacity)	Frozen shrimp exports expected to grow further
TWL Capacity	1 Hatchery / 500 Mn PL	1,10,000 MT	4,000 MT#	NA

This capacity is currently being utilised for third party processing and exports

Diversifying Revenue Streams



Feed and Farm care range of products

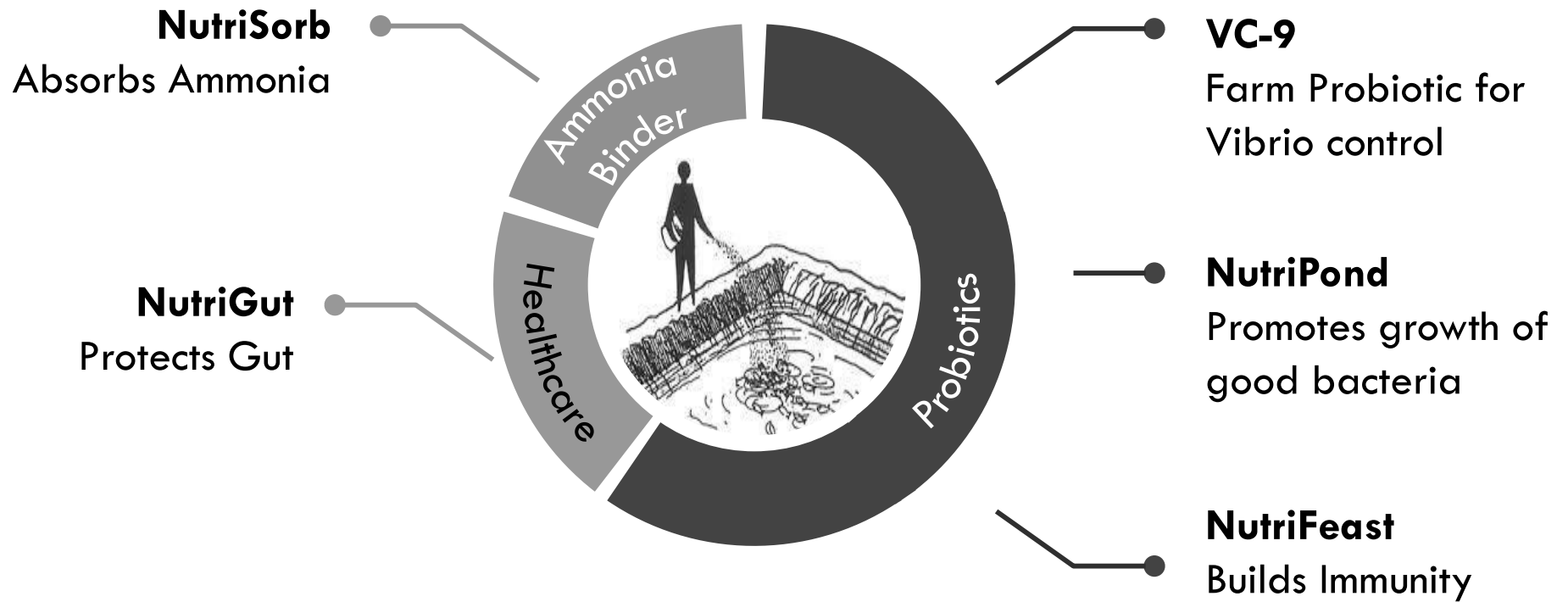
Shrimp Feed



Farm care range



New Initiatives – Farm Care Products



Launched in FY17; received positive response from the customers
Will expand extensively to all touch points in FY19


New Initiatives – Processed Seafood in the Domestic Market

Phase - I

- Launched line of frozen seafood under the brand 'Prize Catch'
 - Initially launched Raw Shrimps and Pasteurised Crab meat
 - Soft - launch in Chennai, Bangalore & Goa

Phase - II

- Plan to scale up launch to other major cities in India
- Plan to add other products to widen product range



Aiming for differentiated offering with a focus on quality and freshness – Initially will focus on institutional (HoReCa*) sales

* HORECA – Hotel, Restaurant & Caterers

Industry Overview 1 – Global Market

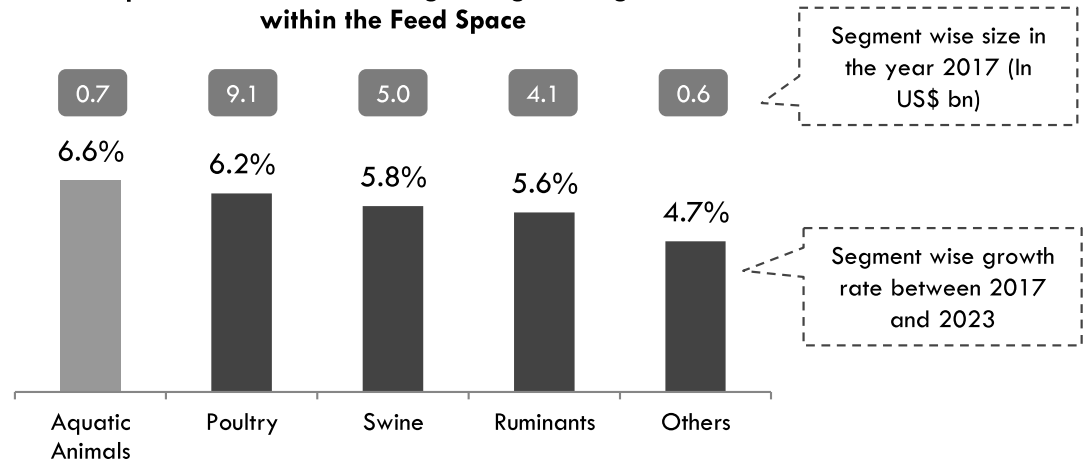


Global seafood market

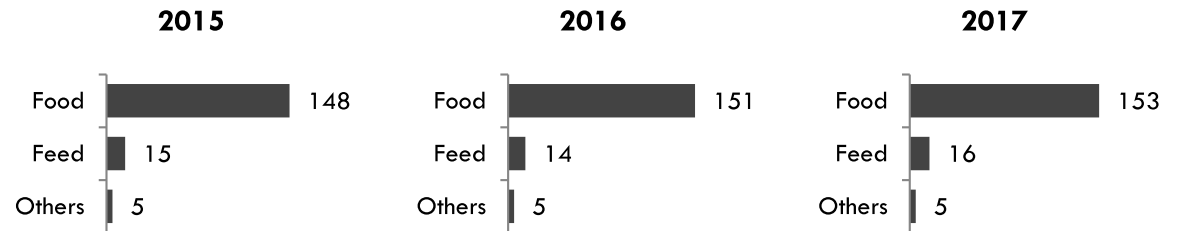
Particulars 2017	Value
Trade Value (exports USD billion)	153.5
Trade Volume (live weight)	60.7



Aquatic Feed is the fastest growing sub-segment within the Feed Space



Total Utilization



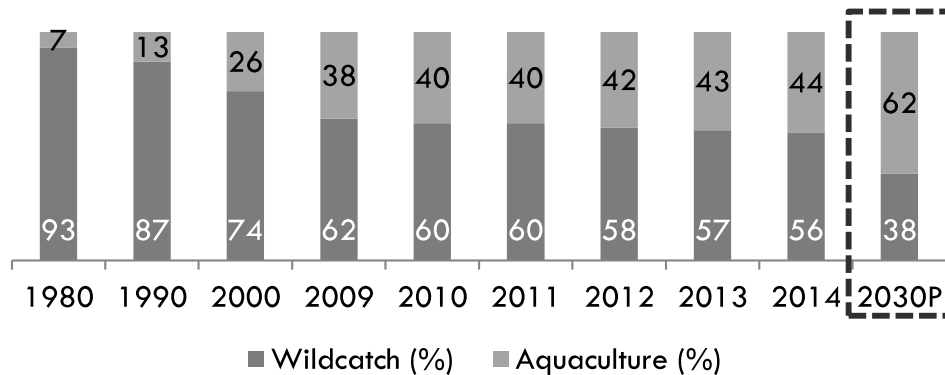
(in million tonnes)

Global Demand for Seafood to remain strong; Aquaculture to drive future supply



SEAFOOD CONSUMPTION			
	Data (2006)	Projection(2030)	CAGR (%)
Capture	64,533	58,159	(0.43%)
Aquaculture	47,164	93,612	2.90%
Global Total	111,697	151,771	1.29%

Source: www.fao.org



FAO concludes that the maximum wild capture fisheries potential from the world's oceans has probably been reached

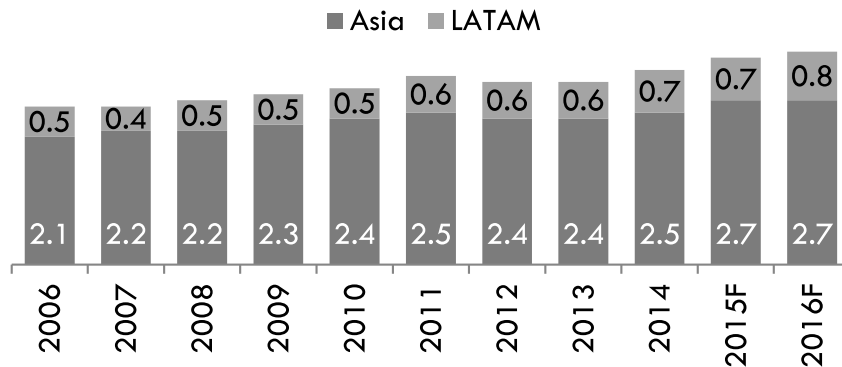
Overall, 80% of the world's fish stocks for which assessment information is available are reported as fully exploited or overexploited

In 2007, about 28% of stocks monitored by FAO were either overexploited, depleted or recovering from depletion and thus yielding less than their maximum potential owing to excess fishing pressure

- Supply of wild catch (from the sea) is expected to remain stagnant - All incremental supply will come from aqua culture (Farmed Shrimp)
- Aquaculture to grow at ~3% (CAGR) as against a marginal decline in Capture

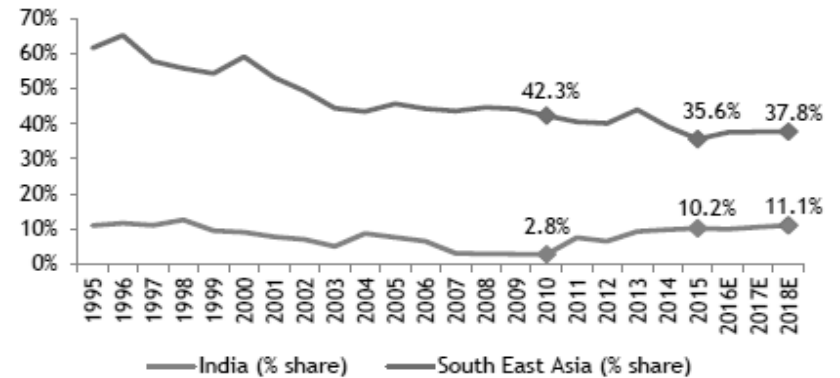
Asia is the primary supplier of global shrimp; India the dominant force in Asia

Asian region dominates global shrimp supply



- **~77% of global farmed shrimp supply contributed by Asian countries**
 - Disease outbreak in Thailand and Vietnam in end of the previous decade impacted the growth rate
 - Growth during 2010-14 ~0.9% (albeit on a higher base)
- **LATAM benefiting from disease outbreak in Asia**
 - Supply grew at CAGR of ~7.6% over 2010-2014
 - Ecuador is the shining star within the region - exports grew at a CAGR of 24.4% by value and 38.5% by volume during 2010-14

India the dominant force in Asian region

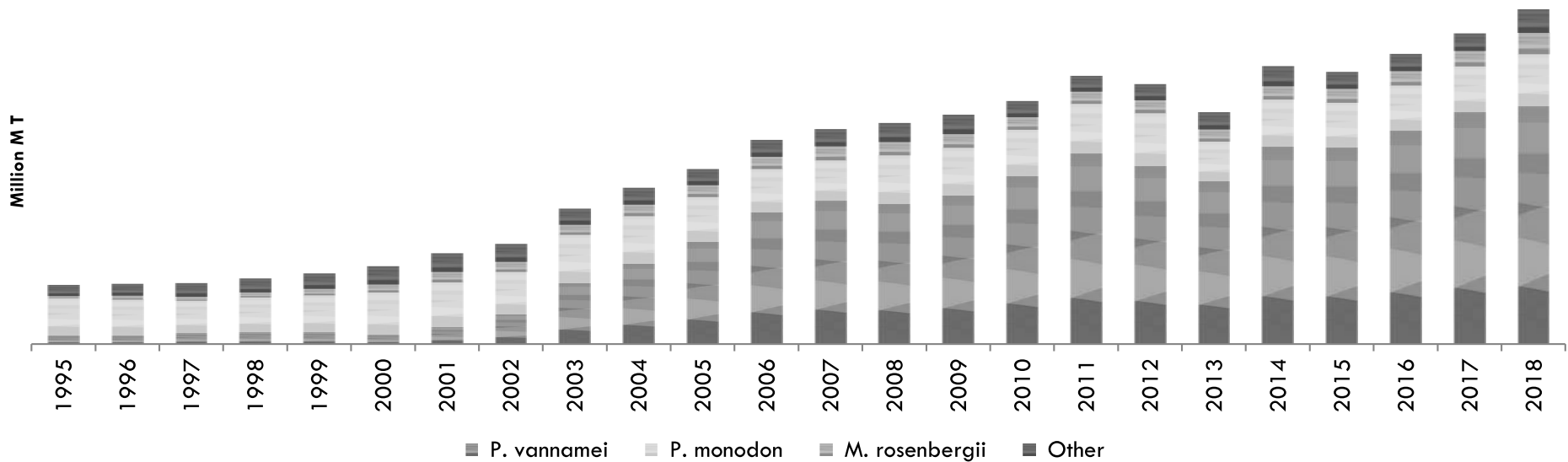


- Despite Asia's stagnant shrimp supply over the past 5 years, India's exports have grown at a CAGR of 32% (2010-15)
- Introduction of *P. Vannamei* (White shrimp) key catalyst for India's robust performance
- In absolute terms, India's volumes have increased from 0.1 mn tons to 0.4 mn tons growing at CAGR (2010-15) of 32%
- India's shrimp aquaculture market share has risen to 10.2% in 2015 from 2.8% in 2010 and is expected to reach 11.1% by 2018E

Global & Regional Trends

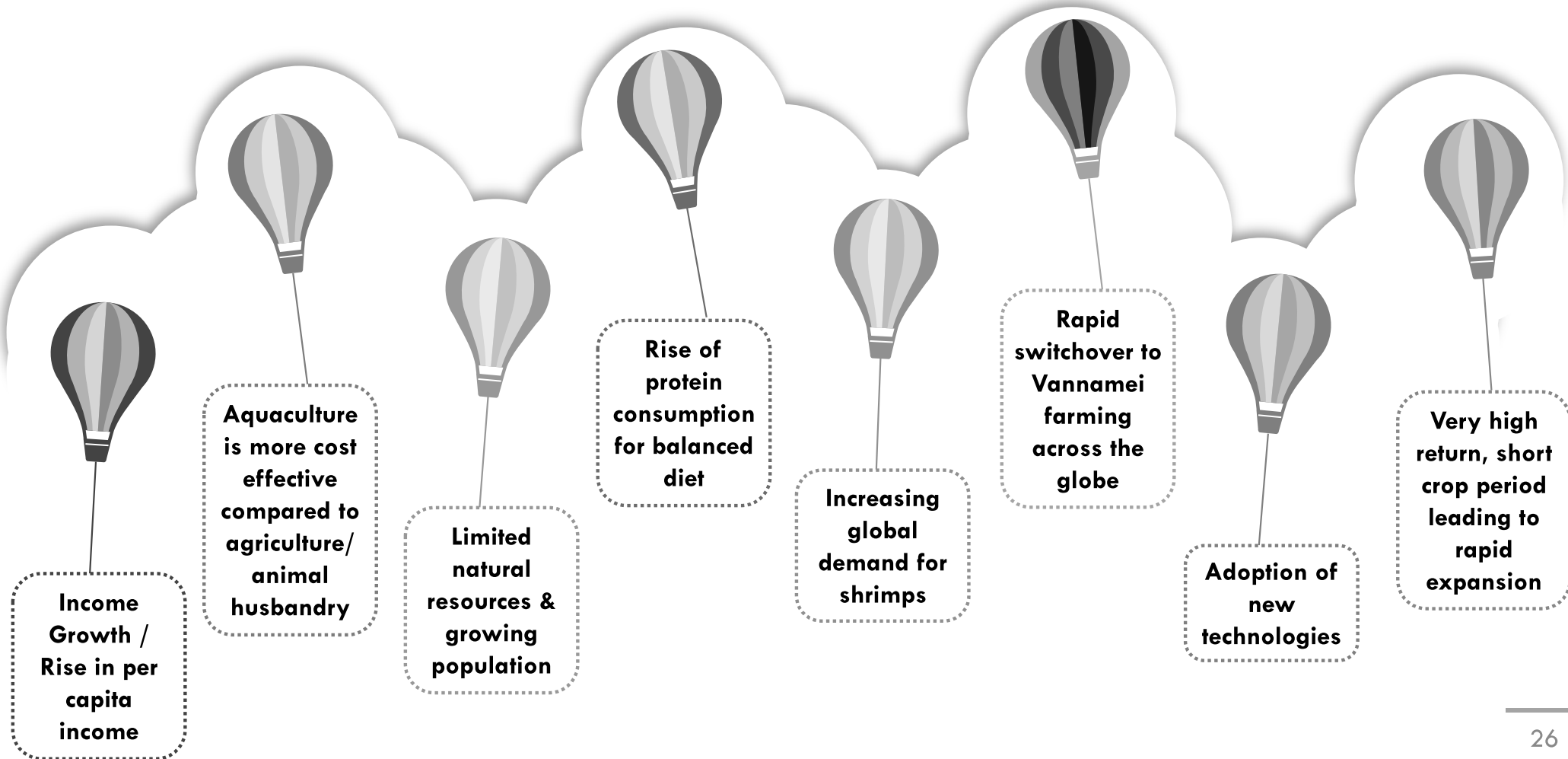


World Shrimp Aquaculture by Species:



- Aquaculture volumes have grown 4.5x over the last 20 years to 4.5mn tonnes in 2016 from 1.0mn tonnes in 1995
- Share of P. Vannamei has increased to 75% in 2016 from <10% in 1995

Growth Drivers



Industry Overview 2 – Domestic Market

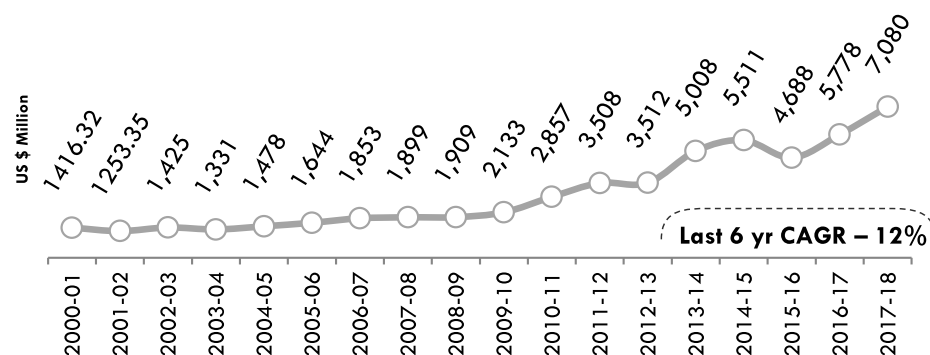


Robust Track Record of Aqua Industry Growth



- Indian Seafood export crossed USD 7 bn for the first time during FY18; a growth of ~23% over FY17.
- USA and South East Asia retained their positions as the major import markets of India's seafood products, with a share of 32.76% and 31.59% in dollar terms, respectively, followed by EU (15.77%), Japan (6.29%), Middle East (4.10%) and China (3.21%).
- Frozen Shrimp and Fish constituted the bulk of India's 13,77,244 MT shipment of Seafood during FY18
- Export of Vannamei shrimp grew from 3,29,766 MT to 4,02,374 MT in 2017-18 — an uptick of 22.02% in quantity and 24.74% in dollar terms.
- USA accounted for around 53% of total Vannamei shrimp exports in USD value, registering an increase of 31.93% in quantity and 33.03% in dollar terms, followed by South East Asia with a share of (21.03%), EU (11.31%), Japan (4.67%), Middle East (3%) and China (1.35%)

Export Performance Since 2002-03 (US \$ Million)



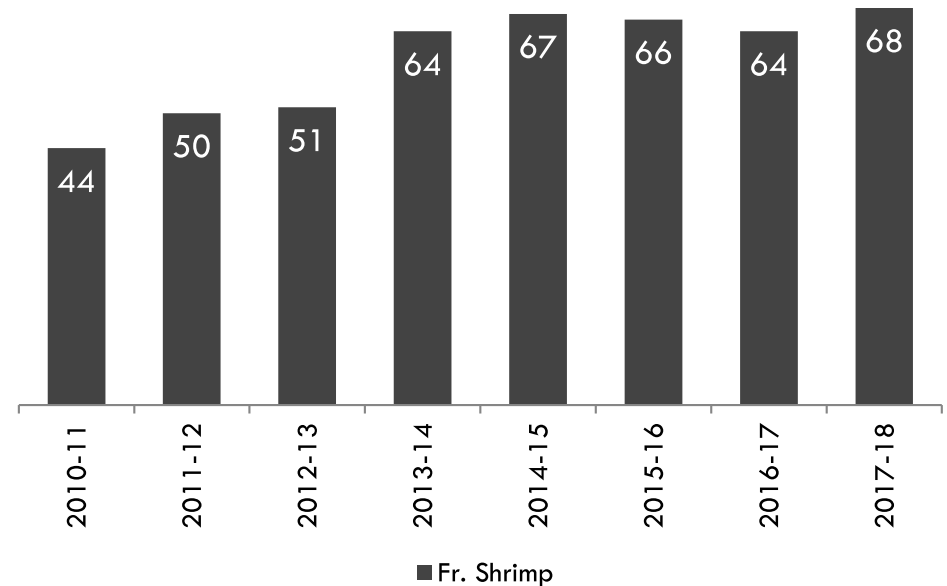
Export Details	2016-17	2017-18	Growth (%)
Quantity Tonnes	11,34,948	13,77,244	21.3%
Value Rs. crore	37,870.90	45,106.89	19.1%
Value US \$ Billion	5.8	7.08	22.7%

Source: www.mpeda.com

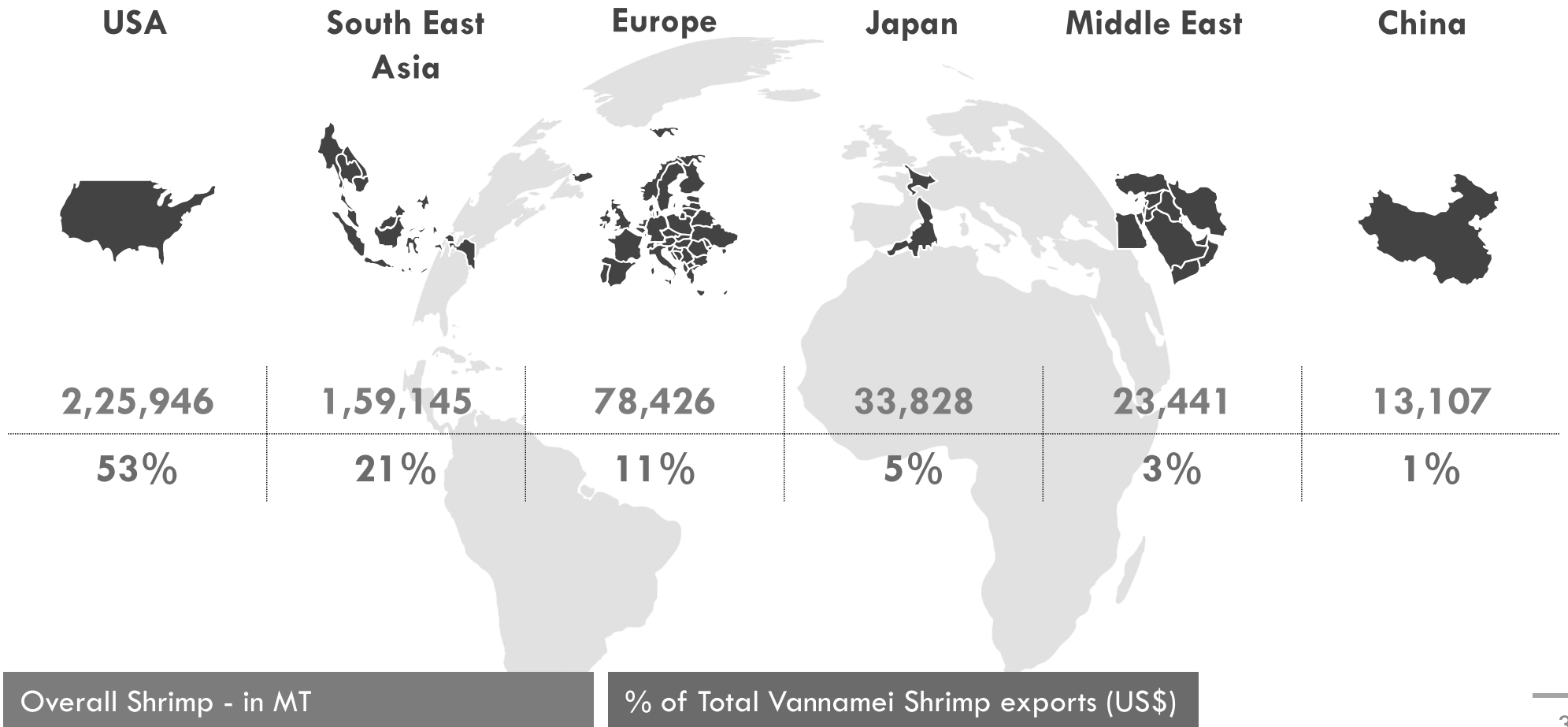
Driven by strong growth in Shrimp Exports

- Shrimp exports during the year rose by 30.26% in quantity and 30.10% in dollar terms
- Frozen shrimp maintained its position as the key contributor to seafood export basket, accounting for 41.10% in quantity and 68.46% of the total dollar earnings
- The overall export of shrimp during 2017-18 stood at 5,65,980 MT valued at \$4.8 billion
- The export of cultured Vannamei stood at 4,02,374 MT recording a growth of ~22% in volumes on a y-on-y basis
- Due to the declining levels of wild shrimp and preference for vannamei, as evident in changed mix in exports, the focus is increasing on farmed products

Marine Export – Frozen shrimp continues to be highest contributor



Shrimp Exports – FY18



Overall Shrimp - in MT

% of Total Vannamee Shrimp exports (US\$)

Source: www.mpeda.com

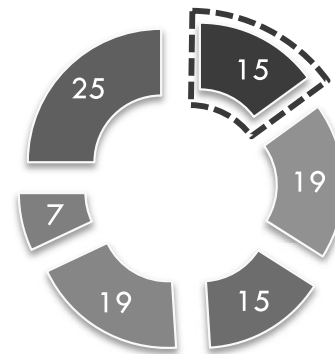
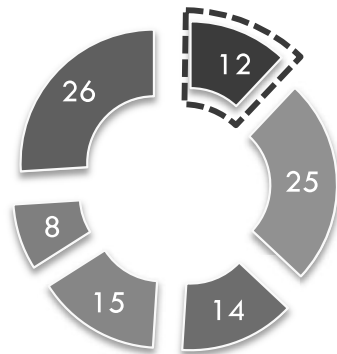
India – Growing share in Frozen & Value Added Shrimps



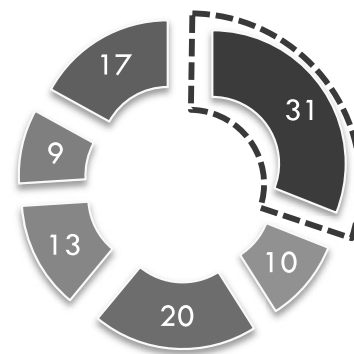
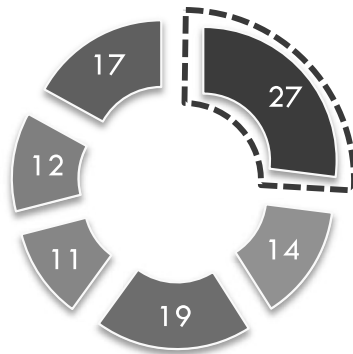
Frozen shrimps

Value-added shrimps

2012



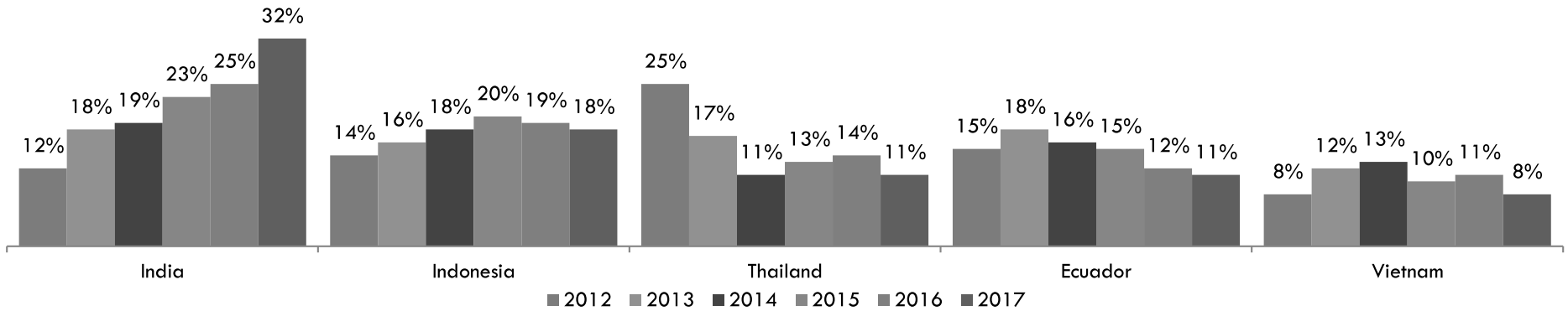
2016



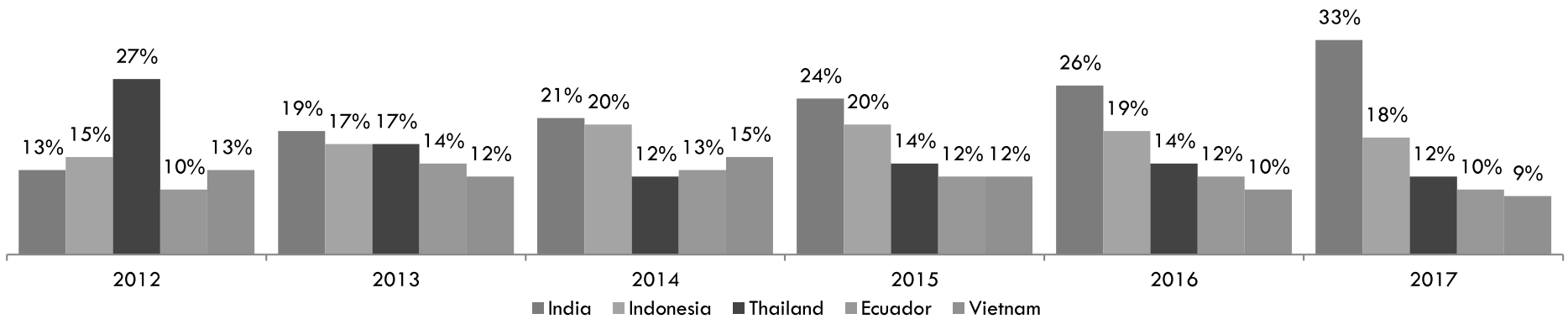
■ India ■ Thailand ■ Indonesia ■ Ecuador ■ Vietnam ■ Others

India – leading exporter of Shrimp to USA

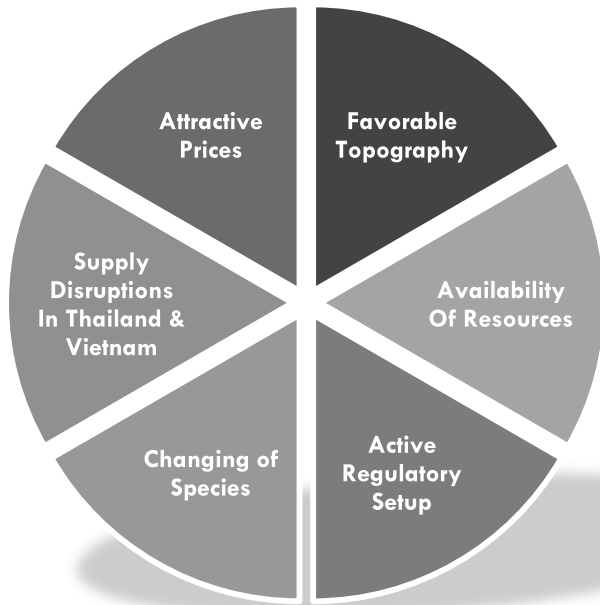
Volume



Value



Factors behind Success of Shrimp Farming in India



▶ India has an abundant coastline and its climatic conditions are favorable for shrimp farming

▶ Abundant farm labour at reasonable cost, availability of other inputs such as land and power and sustained high levels of productivity have enabled India to be competitive

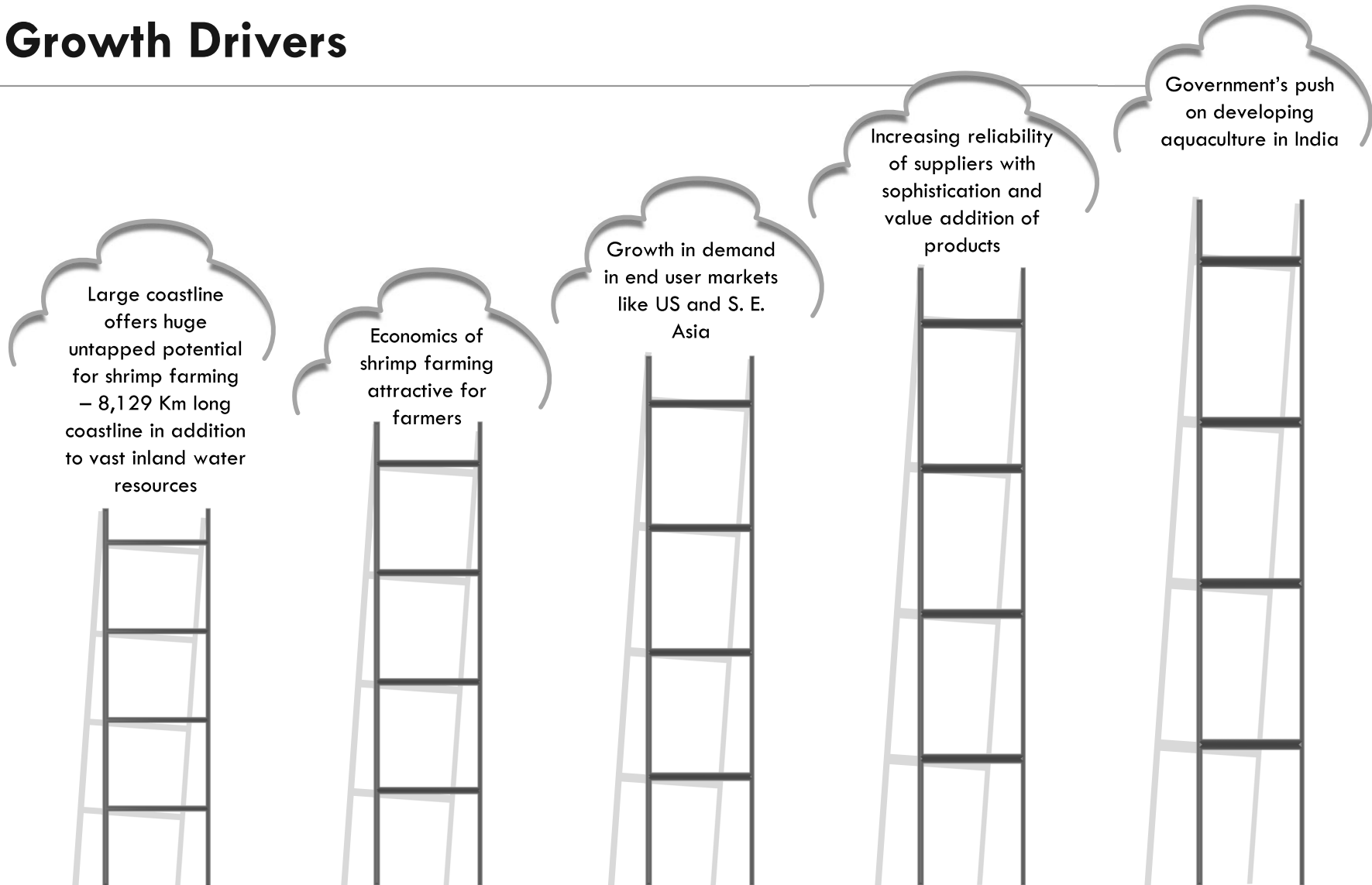
▶ The industry is governed by MPEDA and CAA and the regulatory framework. This is seen as a key factor which helped India to avert disease which impacted industry growth in neighboring South-east Asian countries

▶ The introduction of the L. Vannamei species shifted the dynamics of shrimp farming through a significant improvement in economic viability of farms

▶ Erstwhile key suppliers like Thailand and Vietnam were affected by breakout of EMS, leading to disruption in global supply thereby providing a window of opportunity to Indian farmers & exporters

▶ Global prices for Vannamei shrimp have sustained at attractive levels in recent years which has helped the industry/opportunity to remain lucrative

Growth Drivers



Key Challenges



Fragmented Industry

Due to its nature it is difficult to regulate and ensure industry –wide implementation of standards. The unorganized structure also leads to challenges in financing, insurance and supply of labor



Quality of Inputs

Access to quality brood stock and seeds which are key inputs to farming are impediments to faster and sustainable growth – the poor quality of inputs is impacting yields and sustainability



Expected Increase in Competition

Significant capacities have come up in recent years and suppliers may resort to aggressive marketing in order to offload capacities and / or increase market share



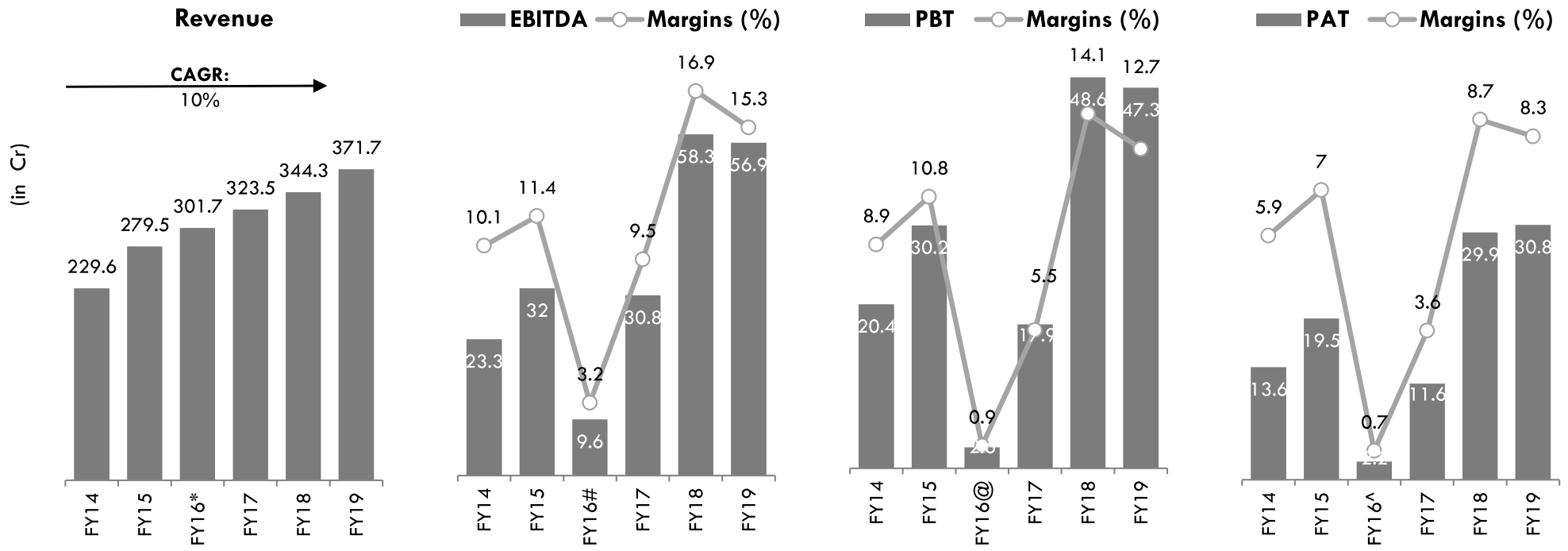
External

Diseases, weather patterns, fluctuating global prices of shrimp make the industry inherently unpredictable

Financial Overview



Financial Performance



Flooding of the factory premises and surrounding areas in Nov/Dec 2015 impacted revenue performance due to destruction of stock-in-hand as well as loss of potential revenue in season

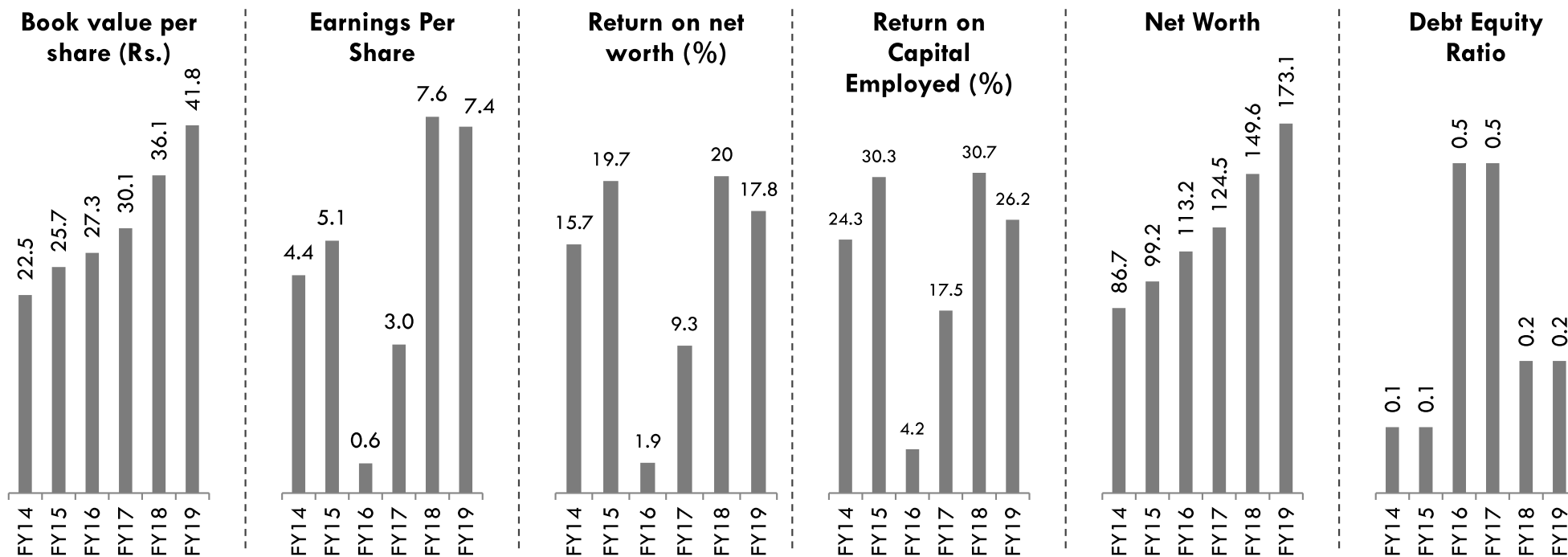
EBITDA performance was impacted due to higher input costs, unexpected expenses on account of flooding and disruption in operations.

@ PBT was further impacted by (a) exceptional items of Rs. 3.5 crore being one-time settlement cost with one of the company's bankers, (b) extra-ordinary item of Rs. 17.5 crore being one-time loss on account of write off of stock-in-hand and damage to factory premises due to flooding of the factory premises .

FY16, FY17 & FY18 are based on Merged Entity & Ind-AS.

All other numbers are based on Ind - GAAP

Key Financials



FY16, FY17 & FY18 are based on Merged Entity & Ind-AS. BVPS & EPS for FY16 & FY17 – considering shares to be issued consequent to the merger

All Return ratios for FY16 were impacted by disruption in business operations and unexpected costs incurred due to flooding of the factory premises and surrounding areas in Nov/Dec 2015 *EPS RoE & RoCE further impacted by (a) exceptional items of Rs. 3.5 crore being one-time settlement cost with one of the company's bankers, (b) extra-ordinary item of Rs. 17.5 crore being one-time loss on account of write off of stock-in-hand and damage to factory premises due to flooding of the factory premises

Q1 FY20 Performance Updates



Q1 FY20 - Financial Performance

Particulars	Q1 FY20	Q1 FY19	Growth (%)
Total Income	120	158	(24.1)
EBITDA	20.3	30.1	(32.6)
EBITDA Margin (%)	16.9	19.0	(210 bps)
PAT	11.4	17.7	(35.6)
PAT Margin (%)	9.5	11.2	(170 bps)

Revenues were subdued, as expected, given the muted sentiments amongst farming community due to benign shrimp prices. This led to reduced acreage under cultivation and lower stocking densities. In addition, delayed winter and sporadic incidences of disease outbreak further impacted cultivation. Farmcare products (Baylife) though continued to perform well - with a high proportion of repeat business, as well as making inroads into new markets

The combination of lower revenue and stable RM prices led to muted profitability. Given the improved farmgate prices and supply shortages in the market, outlook for H2FY20 is favourable and TWL is cautiously optimistic about its prospects.

Raw material prices were stable after rebounding in FY19 from the multi-year lows witnessed in FY18. Due to lower revenues and resultant operating deleverage, EBITDA declined year on year.

Business Update



Feed Business

- Volume growth slowed due to reduced acreage and stocking densities as well as sporadic outbreak of disease
 - Newer markets (Gujarat, Odisha, West Bengal) continue to exhibit encouraging trends
- Input prices rebounded from multi year lows witnessed in FY18, EBITDA margins reverted to long term levels on anticipated lines
- Focussed on optimising performance in the feed business and have de-emphasised shrimp processing and exports, facility being utilised for third party processing and exports

Farmcare Products

- Positive response for Farmcare products across markets; expect the trend to continue throughout FY20
- Have delivered on key objectives of disease management and yield enhancement – this has resonated positively with customers
- The company has expanded the portfolio and made these products available across its distribution networks in existing and new markets
- Helps the Company to diversify revenue streams and capture larger share of wallet

Other Business Lines

- Commissioned Phase I of Vannamei Hatchery during October 2018
- Phase 1 comprises capacity for 250 million PL
- Initial batches of PL have been supplied to customers and the Company is well placed to cater to demand during ongoing Farming season
 - Selectively choosing Post Larvae – have built up a good customer base and don't foresee any challenge in scaling up the business further
- Commissioning of Hatchery operations have further strengthened integrated offering and diversified the revenue base

Industry Trends & Outlook



Domestic Market Trends & Outlook

- Shrimp production in India had a slow start in Farming Season 2019 (*corresponding to Financial Year 2019-20*) due to non-remunerative shrimp prices which resulted in a less aggressive approach by shrimp farmers who reduced the acreage under cultivation and also lowered their stocking densities

- Cautiously optimistic about the business in FY20 owing to –
 - Farming season delayed due to extended winter
 - Reduction in (cultivation) acreage
 - Compressed stocking densities
 - Reports of sporadic disease outbreak

- Midway through the first crop, reduced supply has resulted in unmet demand. Both large and small shrimps are in short supply and the shortage of smaller sized shrimps is more acute. Demand from local processors for exports to the US as well as from nearby markets such as China, Vietnam and Thailand for re-processing and value addition is leading to buildup of demand and consequently firming up of farm gate prices.

- Withdrawal of concessions by the US, a leading market for Indian seafood exporters is not expected to cause any meaningful impact as most of the marine food products, including high-in-demand shrimps, enjoy 'zero tariff' under the current GSP regime. MPEDA made a detailed analysis and found that there would not be any immediate setbacks anticipated due to the withdrawal of GSP benefit in seafood exports. As a result, India is expected to remain a key supplier to the US market for the foreseeable future.

Thank You

