

Corporate Presentation

June 2015



WATERBASE

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About The Waterbase Limited



Pioneers of the Aquaculture Industry in India



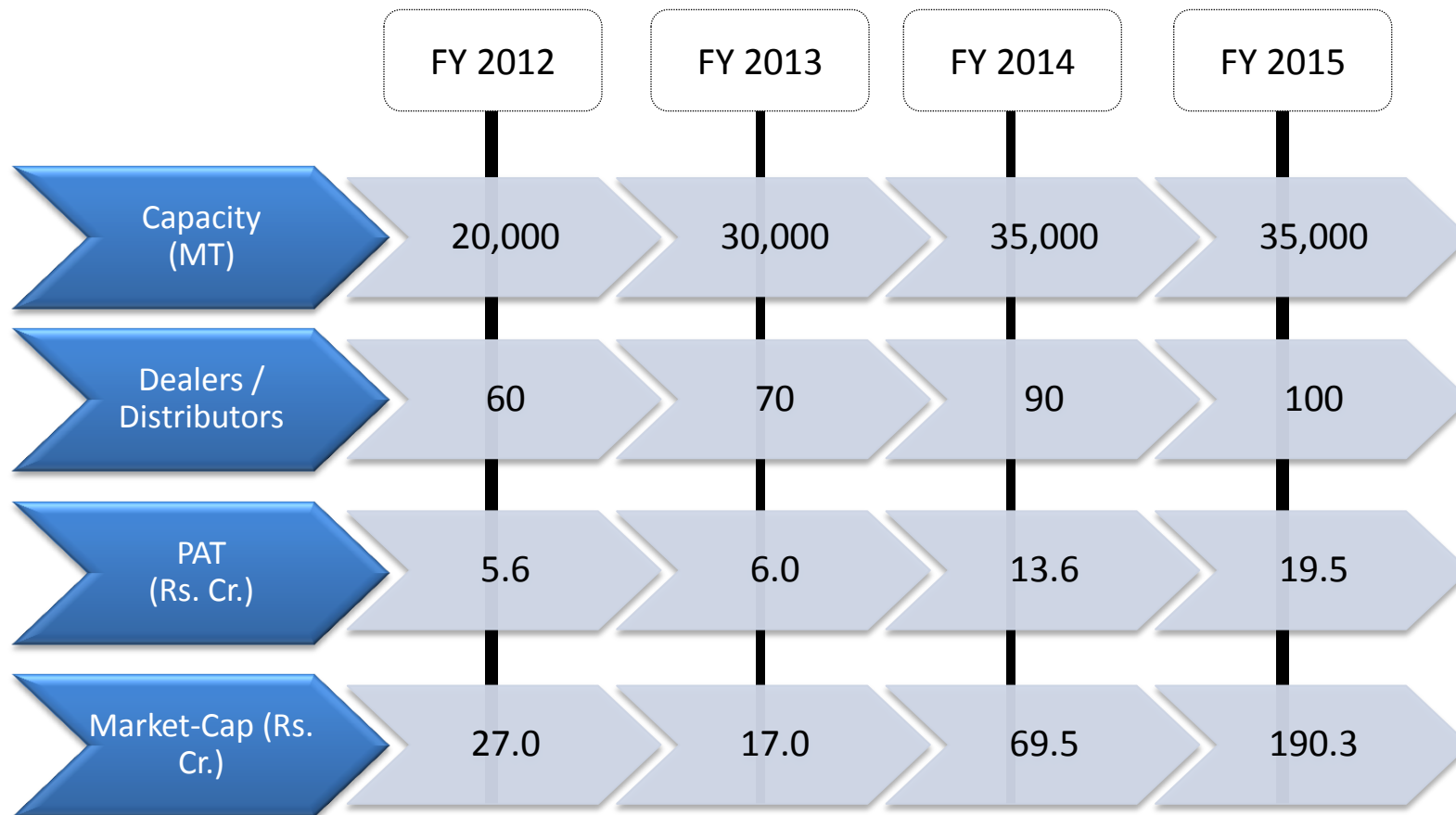
Company Overview

- First Company to enter the aquaculture business in India in a formal manner - founded in 1993 – has completed over two decades in the industry
- Promoted by the Karam Chand Thapar Group which has varied business interests ranging from coal, infrastructure, real estate, manufacturing and aquaculture.
- Currently focused on manufacture of shrimp feed and processing of shrimp for export
- Processing facilities are FDA and BAP approved, EU listed and HACCP certified
- Recognized and appreciated for technical expertise, quality of product and R&D initiatives

Standalone Financials (Rs. Cr.)					
	FY11	FY12	FY13	FY14	FY15
Total Revenue	46.8	103.5	157.0	228.2	277.56
YoY Growth	69%	121%	52%	45%	22%
EBITDA	4.5	10.5	12.2	23.7	32.9
EBITDA Margin	9.7%	10.1%	7.7%	10.4%	11.9%
Profit Before Tax (PBT)	0.1	6.8	7.6	20.4	30.2
Profit After Tax (PAT)	0.7	5.6	6.0	13.6	19.5
PAT Margin	1.5%	5.4%	3.8%	5.9%	6.98
EPS	0.3	2.2	2.3	4.4	5.06
Net Worth	47.6	54.2	60.3	86.7	99.20
Total Loans	25.9	20.3	30.3	14.07	12.38
Cash and Cash Equivalents	10.3	12.4	16.7	24.9	24.9
Market Cap					190.33



Growth Momentum





The Waterbase Limited- Key Strengths

Strong Brands

- Several popular brands which are favoured by shrimp farmers
- Enjoy high recall and are seen to be synonymous with quality and value

Rich Legacy

- Over two decades 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

Technical Expertise

- 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

Quality Control

- Robust manufacturing processes and step by step quality control system
- Processing facilities are FDA and BAP approved, EU listed and HACCP certified
- Global best practices implemented

R&D Focused

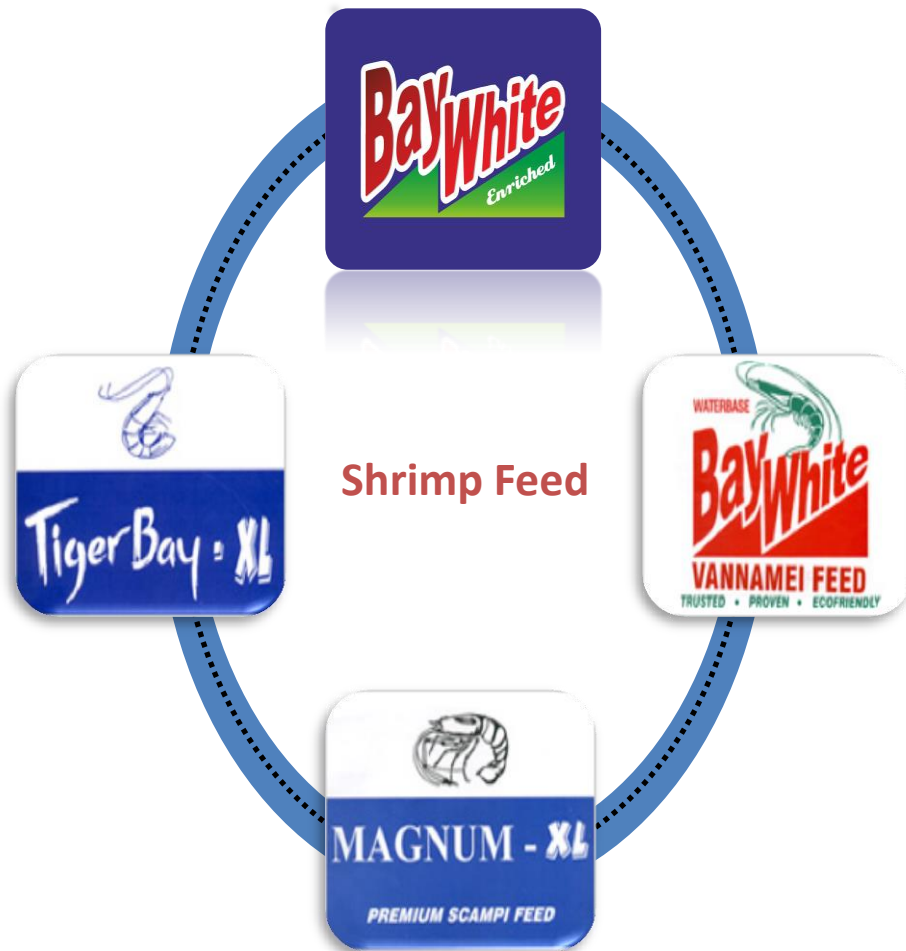
- Working with renowned research institutions in India and abroad for the benefit of industry
- R&D initiatives have been meaningfully converted into new products
- Have driven improvements in feed manufacture, farm practices, waste management, shrimp processing

Financial Position

- Zero net debt – Existing Cash balances are in excess of debt
- Demonstrated financial discipline through good and bad years for industry

WATERBASE

Product Portfolio



Locations

Registered office and factory

- Ananthapuram Village, T.P. Gudur Mandal, Nellore – 524 344, Andhra Pradesh.

Corporate Office

- No. 37, Thapar House, Montieth Road, Egmore, Chennai – 600 008

Group Corporate Office

- Delhi
- Kolkata



R&D Initiatives

- Research on functional feeds that travel beyond meeting nutritional requirements with the objectives of Improving Food Conversion Ratio (FCR), reducing visceral waste & improving yield, reducing environmental output (pond conditions), Optimizing digestible nutrient levels (maintaining performance), reducing impact of infections on productivity, reducing the probability of Bacterial/Viral infections and Parasitic infestations
- Equipped with R&D Farms to study the growth of Shrimps under various conditions

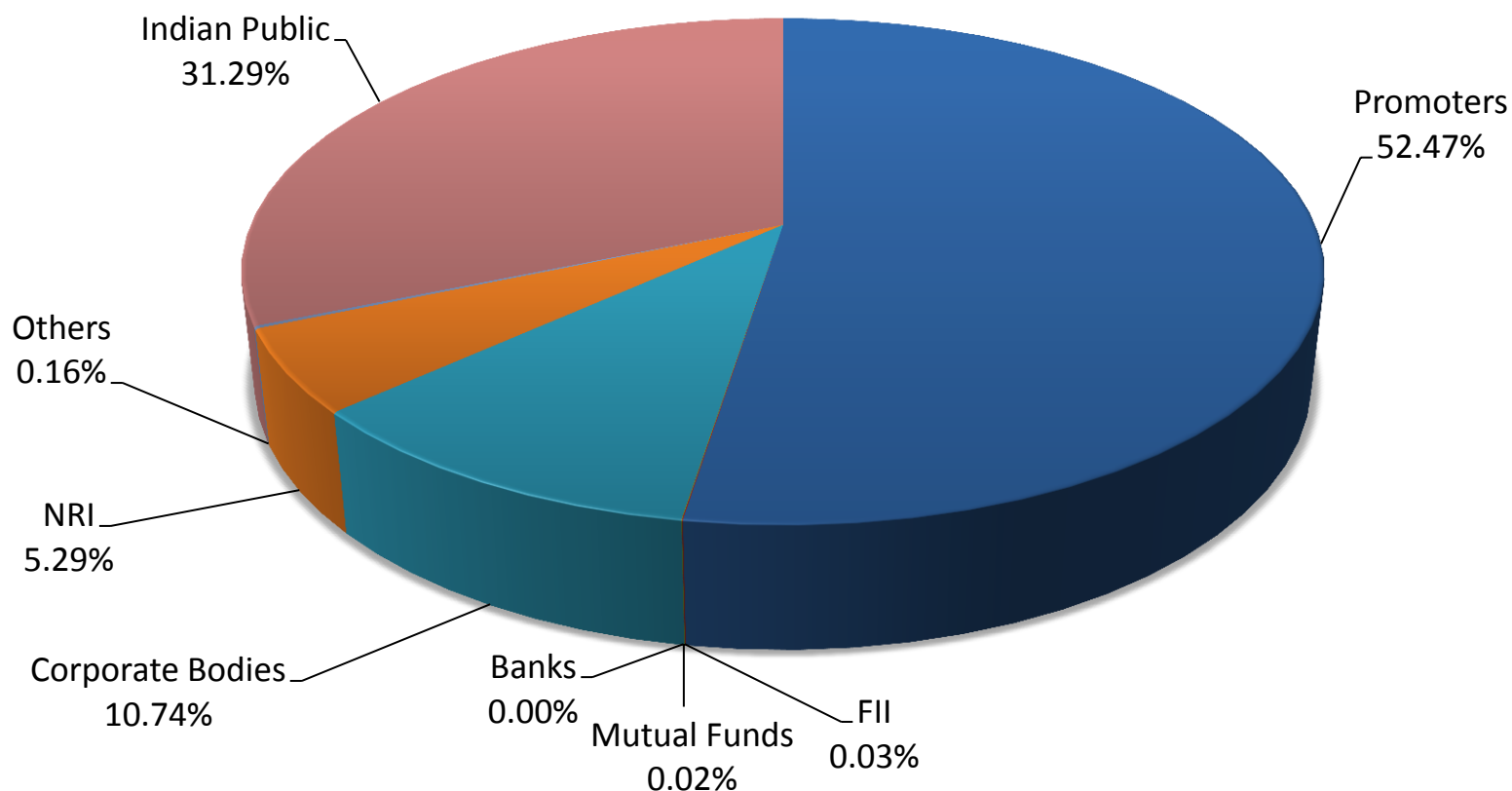


Applied trials are conducted on:

- New Ingredients
- Advanced formulations
- Application of Probiotics and additives
- Ascertain ideal feeding cycles



Shareholding Pattern-March 31,2015



Business Strategy





Business Strategy

Increase
Scale

Enhance Geographic Reach

Diversify Revenue Streams

Business Strategy

Increase
Scale

Enhance Geographic Reach

Diversify Revenue Streams

- Installed capacity at 35,000. Post merger of PFL, expected capacity will be 1,10,000. MTPA to be higher by 300%
- Increase volumes and market share by leveraging on strength of highly skilled technical manpower & brands, wider product portfolio, improved distribution network and value-added services
- Increase in customers, market presence, product portfolio and revenue streams to provide natural hedge
- Increase in scale expected to be margin accretive – incremental revenues to enhance return ratios

Business Strategy

Increase
Scale

Enhance Geographic Reach

Diversify Revenue Streams

- Widening distribution infrastructure to enhance presence in North Andhra, Tamil Nadu, West Bengal, Odisha and Gujarat
- Deepening distribution network with adding new depots, better stocking of wider product portfolio at distributor level and enhanced after-sales service. Dealership network to increase to 130+ dealers from current level of 100
- Focused on identifying and developing new markets for shrimp farming

Business Strategy

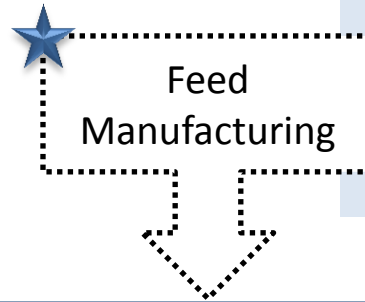
Increase
Scale

Enhance Geographic Reach

Diversify Revenue Streams

- Entering more verticals within the value chain – set to emerge as an integrated player from farm to fork
- Formalizing plans to set up hatcheries to supply good quality seeds for shrimp farming
- Plan to forward integrate from current set up of toll mfg. (packaging of processed shrimp) into direct exports
- Plan to offer value-added products to customers such as farm care products and supplemental feeds.

Value Chain – Shrimp Industry

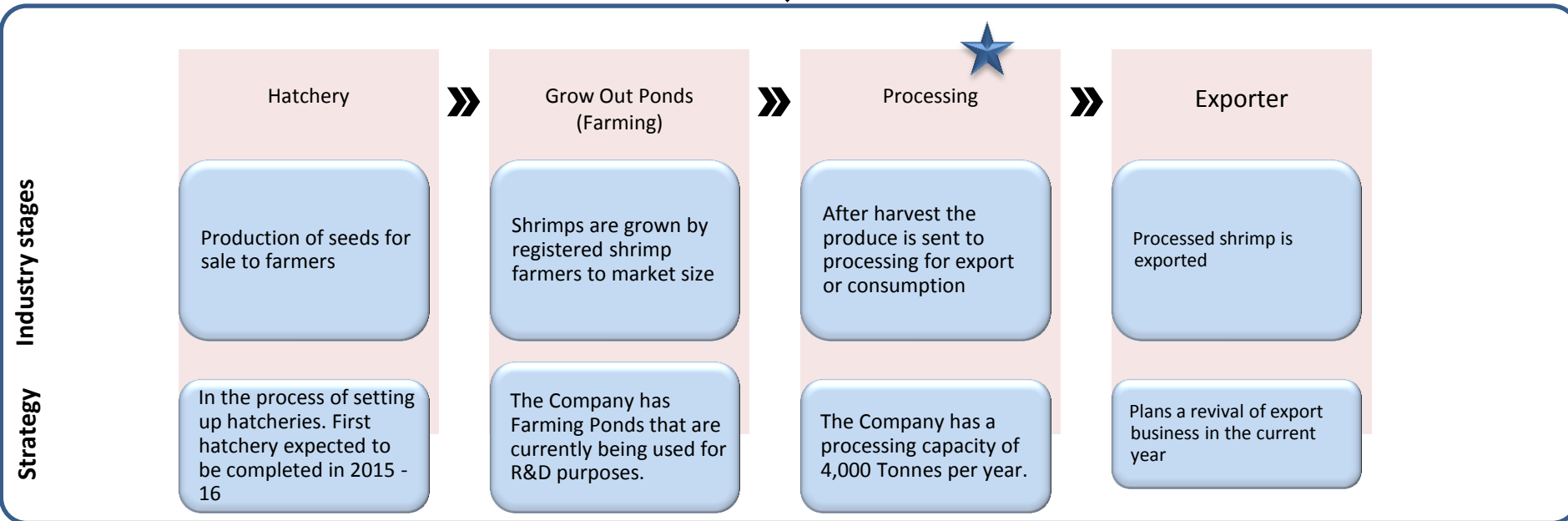


Current Status

- Well established business
- Manufacturing plant located at Nellore, AP

Strategy

- Plan to build capacity and grow in a sustainable manner

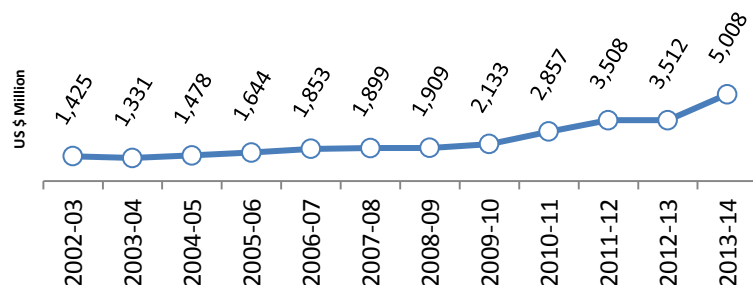


Industry Overview

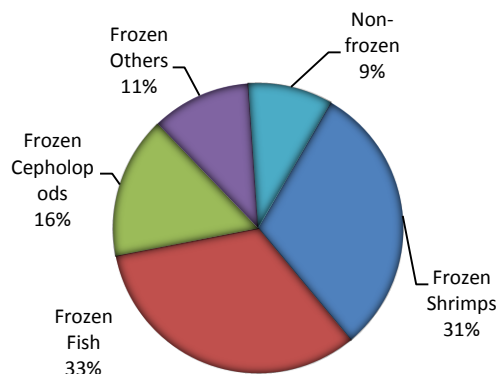


Marine Exports - India

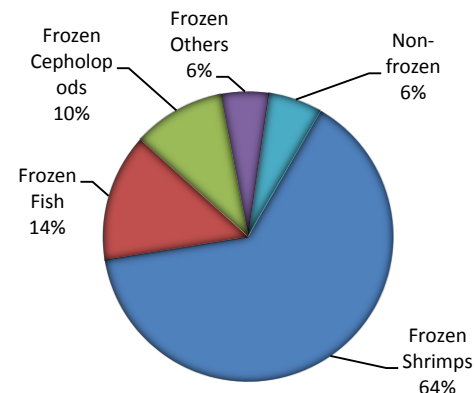
Export Performance Since 2002-03 (US \$ Million)



Volume Contribution



Value Contribution



- Marine products exports breached the US \$ 5 billion mark
 - MPEDA envisages target of US \$ 6.0 billion for the year 2014-15
 - Increased production of Vannamei shrimp, Quality control measures and increase in infrastructure facilities for production of value added items are expected to help in achieving this target
- Unit value Realization - record high of USD/kg 5.09
- Steady growth is anticipated during the coming years due to rapid expansion taking place in the production front through shrimp farming

Export Details	2012-13	2013-14	Growth (%)
Quantity Tonnes	9,28,215	9,83,756	5.98
Value Rs. crore	18,856.26	30,213.26	60.23
Value US \$ Million	3,511.67	5,007.70	42.60
Unit Value (US\$/Kg.)	3.78	5.09	34.55

Source: www.mpeda.com

Marine Exports – India – contd...

- India exports stood at 8,75,791 tonne valued at Rs.28,084 crore (\$4.7 billion) (till Jan 15 this year) an increase helped by a rise in demand in the US and Southeast Asia. India is the largest exporter of Shrimps to the US.
 - This is attributed to increased production and export of Vannamei shrimps, frozen cuttle fish, both live and chilled
- In 2013-14, seafood exports from the country reached a record high of Rs. 30,213 crore
- Vannamei contributed 40% to the total marine exports last year
- In value terms, frozen shrimp accounts for over 68% of the total marine product exports from the country
- Southeast Asia, is the second largest buyer of Indian seafood with a share of 26.22%, marginally below the US which accounts for 26.81%
- With Vannamei shrimps becoming a money spinner in the Indian seafood exports, the focus has shifted to farmed seafood products and the share of sea catch has come down in the total seafood export basket

	Marine Exports	Shrimps Exports	Others
Quantity in MT	9,83,756	3,01,435	6,82,321
Volume (%)	100%	31%	69%
Value (in Rs. Cr.)	30,213	19,368	10,845
Value (%)	100%	64%	35%

	Shrimps Exports (Quantity in MT)	(%)
USA	95,927	32
EU	73,487	24
South East Asia	52,530	17
Japan	28,719	10
Others	52,530	17
Total	3,01,435	100

	Shrimps Exports	Cultured Shrimp	Others
Volume (%)	100%	73.3%	26.7%



Factors behind Success of Shrimp Farming in India

Favorable Topography

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

Availability Of Resources

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

Active Regulatory Setup

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 affliction along with other South-east Asian countries

Changing of Species

The introduction of the L. Vannamei species altered the dynamics of shrimp farming through a significant shift in economic viability of farms

Supply Disruptions In Thailand & Vietnam

Erstwhile key suppliers like Thailand and Vietnam were affected by breakout of EMS, leading to drastic fall in volume.

Attractive Prices

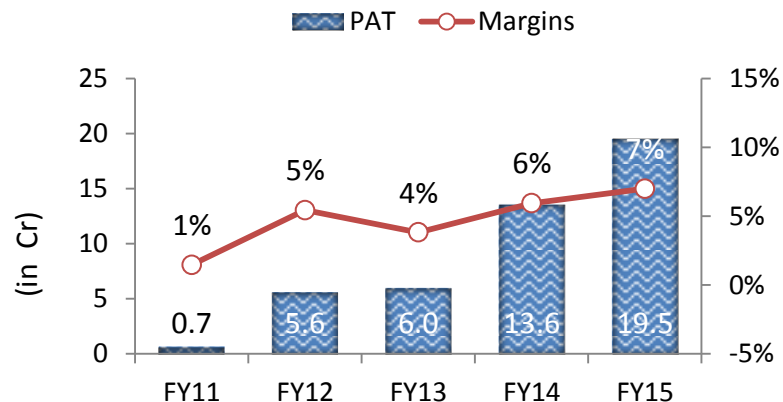
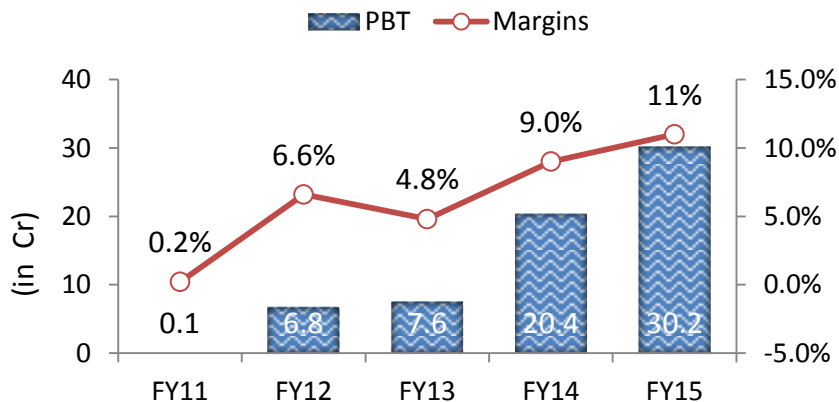
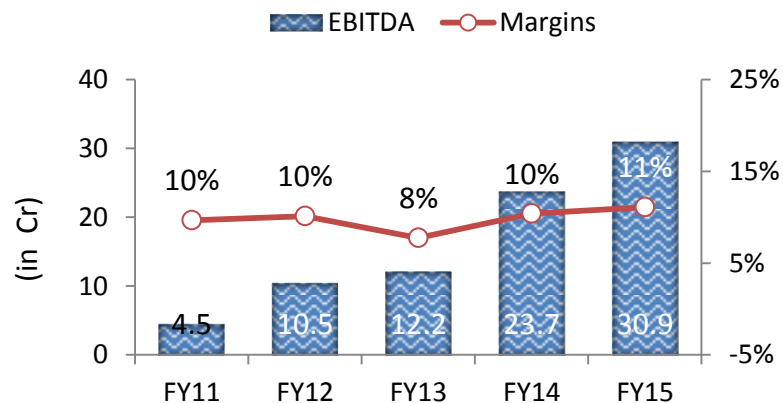
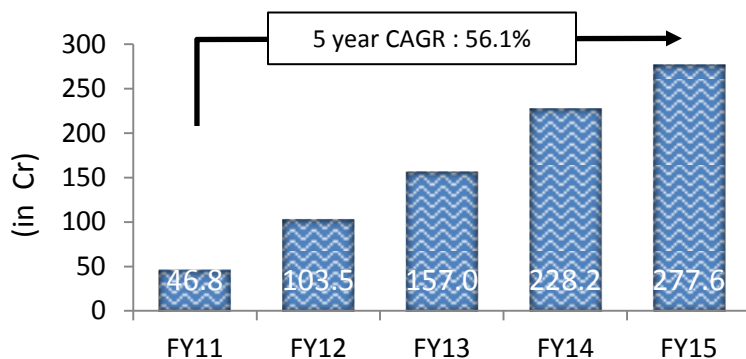
Global prices for Vannamei shrimp have been at sustained high levels since past few years which has helped the industry/opportunity to be more lucrative

Financial Overview



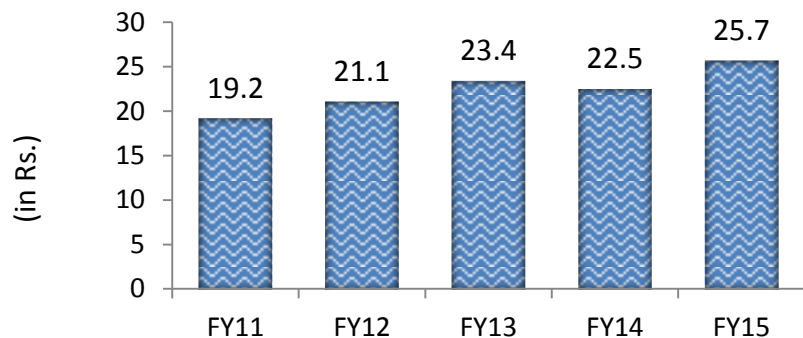
Financial Performance

Revenues

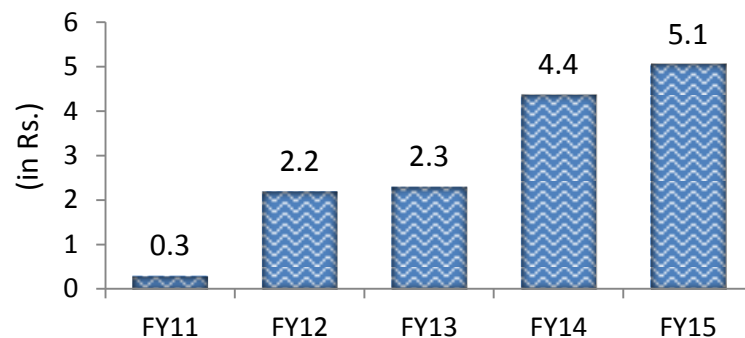


Key Financials

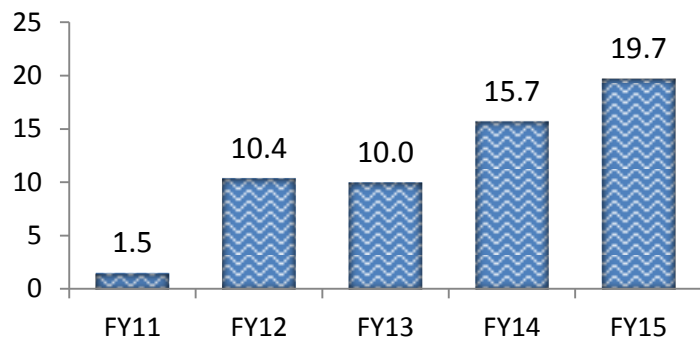
Book value per share (Rs.)



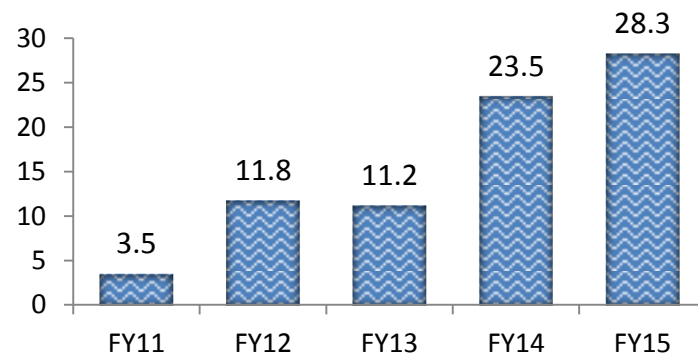
EPS



Return on net worth (%)

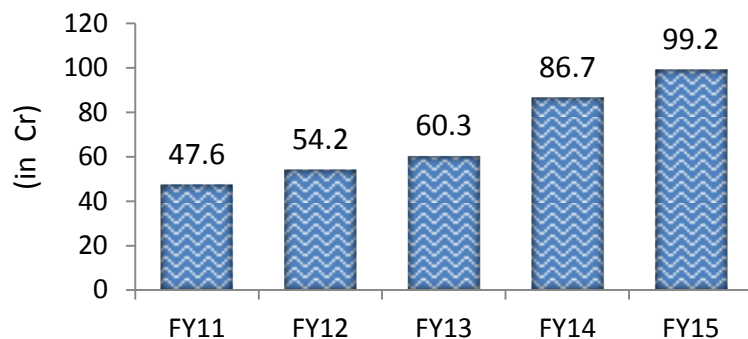


Return on Capital Employed (%)

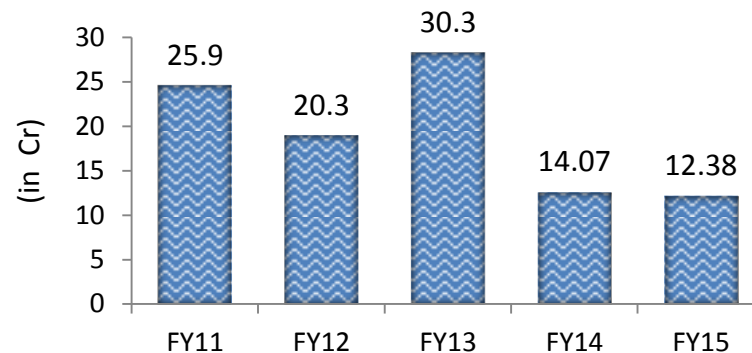


Key Financials

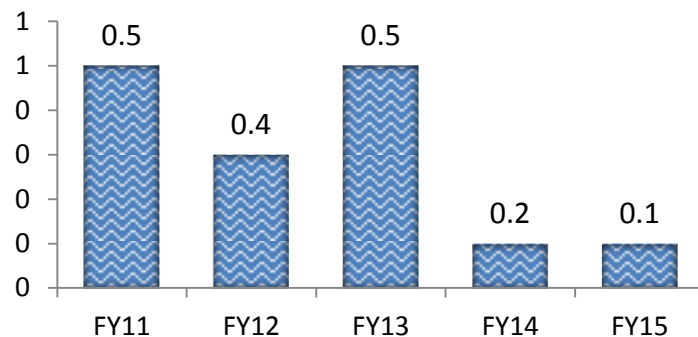
Net Worth



Total Loans



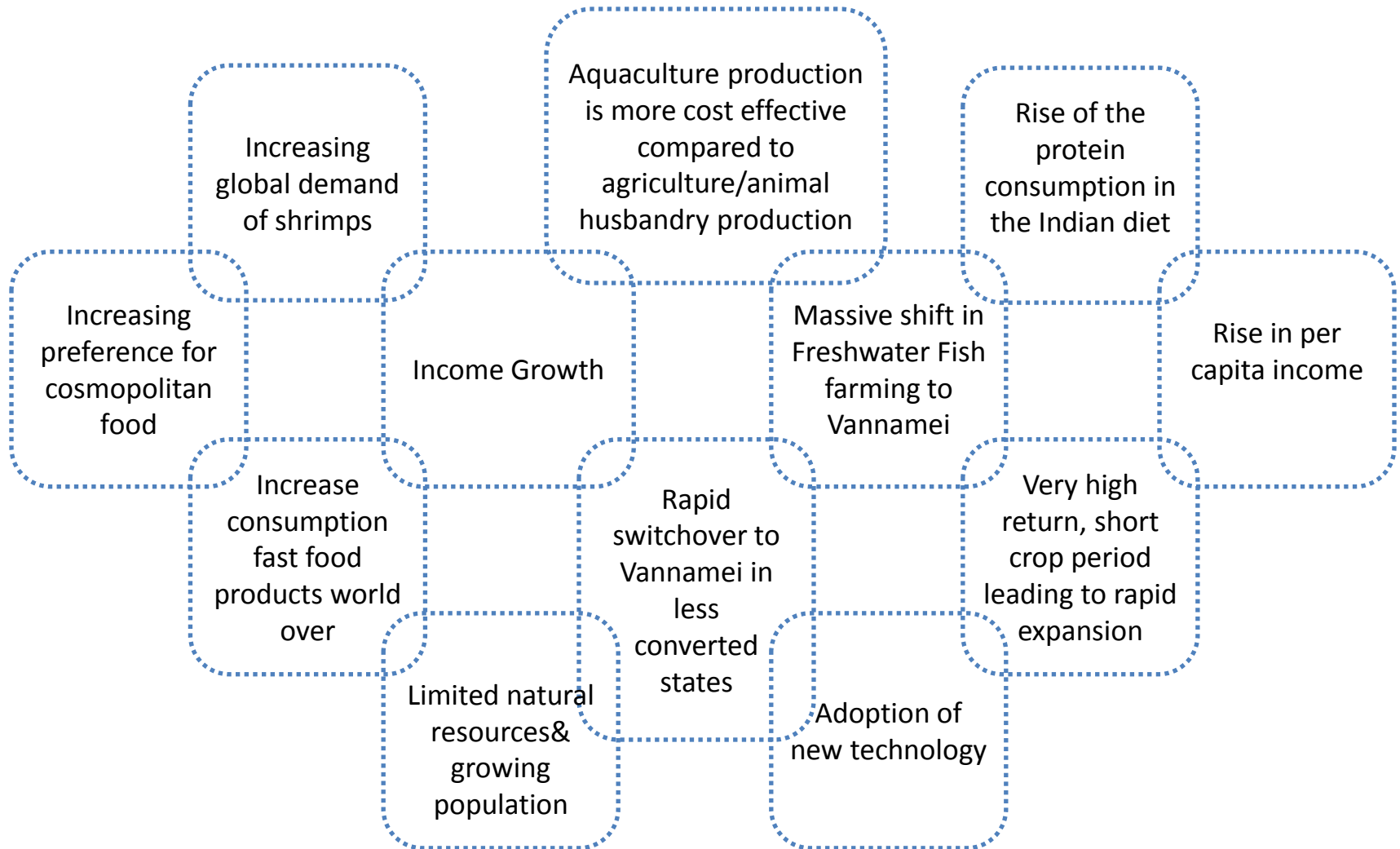
Debt Equity Ratio



Outlook



Growth Drivers



Glossary

SPF	Specific pathogen free
FCR	Feed conversion ratio
MPEDA	Marine Products Exports Development Authority
CAA	Coastal aquaculture authority
MTPA	Metric tonne per annum
Broodstock	a group of mature individuals used in aquaculture for breeding purposes
P. Monodon	Black Tiger
P. Vannamei	White Shrimp



Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those 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, 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 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. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Neither the Company nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this Presentation or the actual occurrence of the forecasted developments.

Thank You

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