

August 01, 2023

**To,
Corporate Relations Department
BSE Limited**
2nd Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001
SCRIP CODE : 543288

**To,
Corporate Relations Department
National Stock Exchange of India Ltd**
Exchange Plaza, Plot No. C/1, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.
SYMBOL : DEEPINDS

Sub: Investors/ Analysts Presentation for the First Quarter ended on June 30, 2023

Respected Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith presentation made on Un-audited Financial Results for the First Quarter ended on June 30, 2023.

You are requested to take the same on your records.

Thanking you,
For, Deep Industries Limited

Shilpa Sharma
Company Secretary & Compliance Officer
M. No.: A34516

Encls: a/a



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CIN: L14292GJ2006PLC049371





Deep Industries Limited

Q1FY24

Investor Presentation

1st Aug'2023



One-Stop Solution Provider for Oil & Gas Industry

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Agenda



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**Business Outlook &
Management Commentary**

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Strong Order Book

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Management Commentary & Business Outlook

Paras Savla
(Chairman and Managing Director)

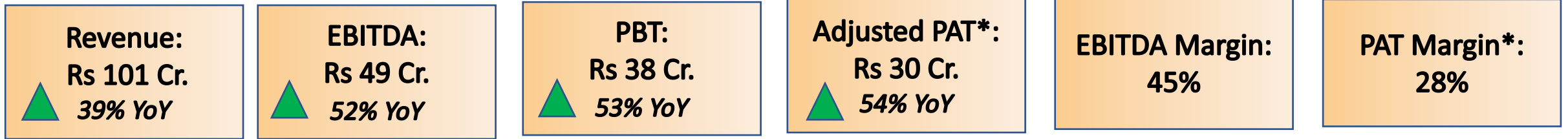
After having a great FY23, we have kick started FY24 on an exciting note. The industry has continued to witness healthy growth momentum with many different growth opportunities coming in. The bidding pipeline for Deep continues to remain robust and is showing increasing trend for the future. I am delighted to share that this quarter we have further grown our order book to INR 1,160 Cr. (growing 52% on YoY basis). This is reflective of Deep's inherent strength to grow and create sustainable value for its stakeholders.

During the quarter , Deep has also entered into 2 joint Ventures to tap further opportunities in Oil & Gas industry. We are also progressing well on revival of Dolphin Offshore and are confident that it will start generating operational revenues from H2FY24 onwards. With zero net debt, strong liquidity position, consistently growing order book, diversification to offshore business & entering into JVs, Deep Industries is well placed for growth in the coming years.

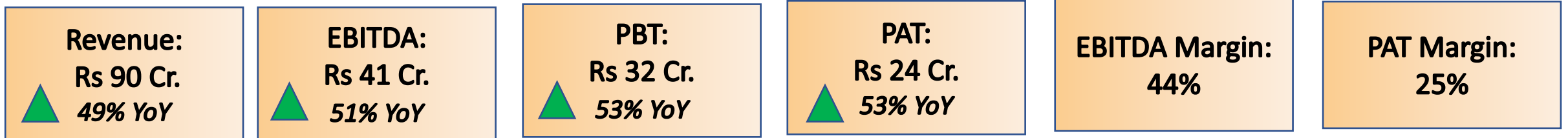


Key Highlights of Q1FY24

Consolidated Performance for Q1FY24

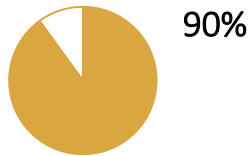


Standalone Performance for Q1FY24

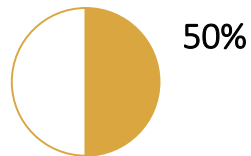


Current Capacity Utilization

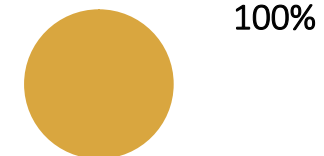
Gas Compression



Gas Dehydration



Workover & Drilling Rigs



*PAT is adjusted for Exceptional Item of Rs. 1.01 Cr.

PAGE 5 Exceptional Items consist of net gains from writing back of operating liabilities

Figures are rounded off to nearest decimal place.

Key Strategic Highlights of Q1FY24

Order Book Growth

1

Order Book has grown significantly by 52% on YoY basis to Rs. 1,160 Cr. Order book has shown strong growth for 9th consecutive quarter.

JV with Focus Energy Ltd.

2

Breitling Drilling Pvt Ltd (BDPL) – JV through subsidiary – will aim to tap opportunities in higher capacity onshore drilling rigs services in India.

JV with Euro Gas S.R.L

3

Deep Onshore Drilling Services Pvt Ltd – JV through subsidiary – will aim to do business of supplying oil field equipment to the oil & gas industry and to undertake EPC contracts.

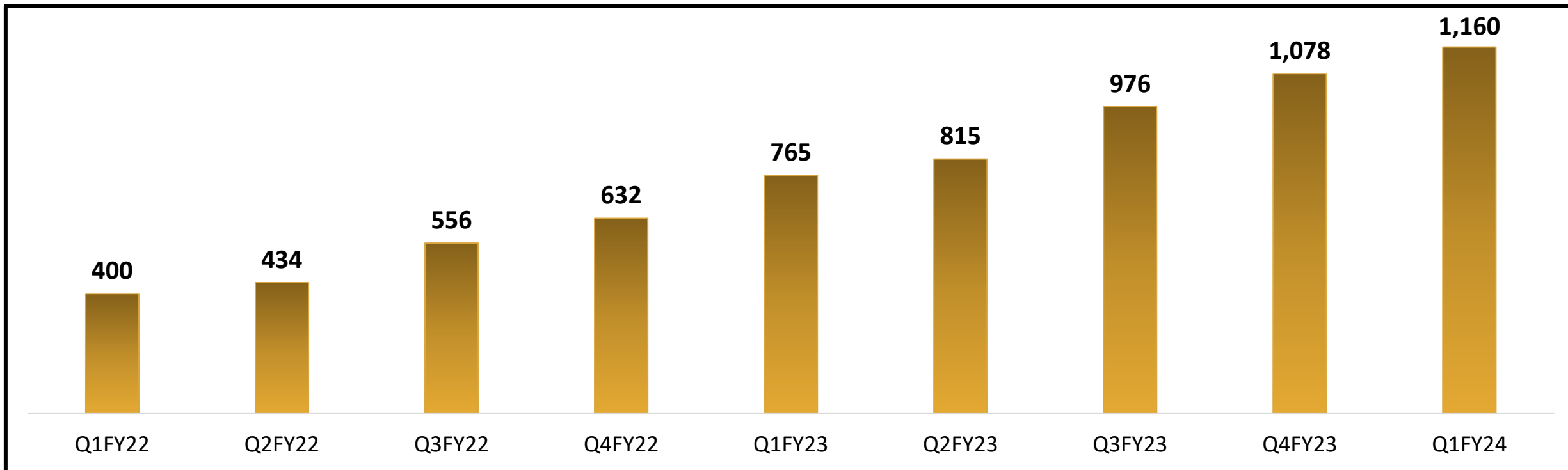
Dolphin Offshore Revival

4

Revival process is progressing as per expectations & we estimate Dolphin to contribute to revenues from H2FY24 onwards.

Strong Order Book Growing Consistently- Crosses Rs. 1,100 Cr.

Order Book (Rs. Cr.)



Q1FY24 Major Order Wins - Won Drilling and Integrated Job order of Rs. 130 Cr. from ONGC

Robust Bidding Pipeline - Company is witnessing highest ever bidding pipeline which could further enhance the order book going forward

Deep enters into Two Joint Ventures

Rationale for JV with Focus Energy

- 1 To carry out business for providing field services like higher capacity Onshore Drilling Rig Services in Oil & Gas Industry
- 2 Helps in getting qualifications for bidding certain projects which otherwise would have taken 2-3 years
- 3 Synergy benefits to capture additional market share in higher capacity drilling rigs

Rationale for JV with Euro Gas S.R.L.

- 1 To carry out business of supplying Oil Field Equipment to the Oil & Gas Industry and to undertake EPC Contracts
- 2 Equipment will be of superior quality & customized according to the needs of the clients
- 3 Synergy benefits to enter into niche business vertical of EPC

Dolphin Offshore – Way Forward



Consolidated Income Statement Q1FY24

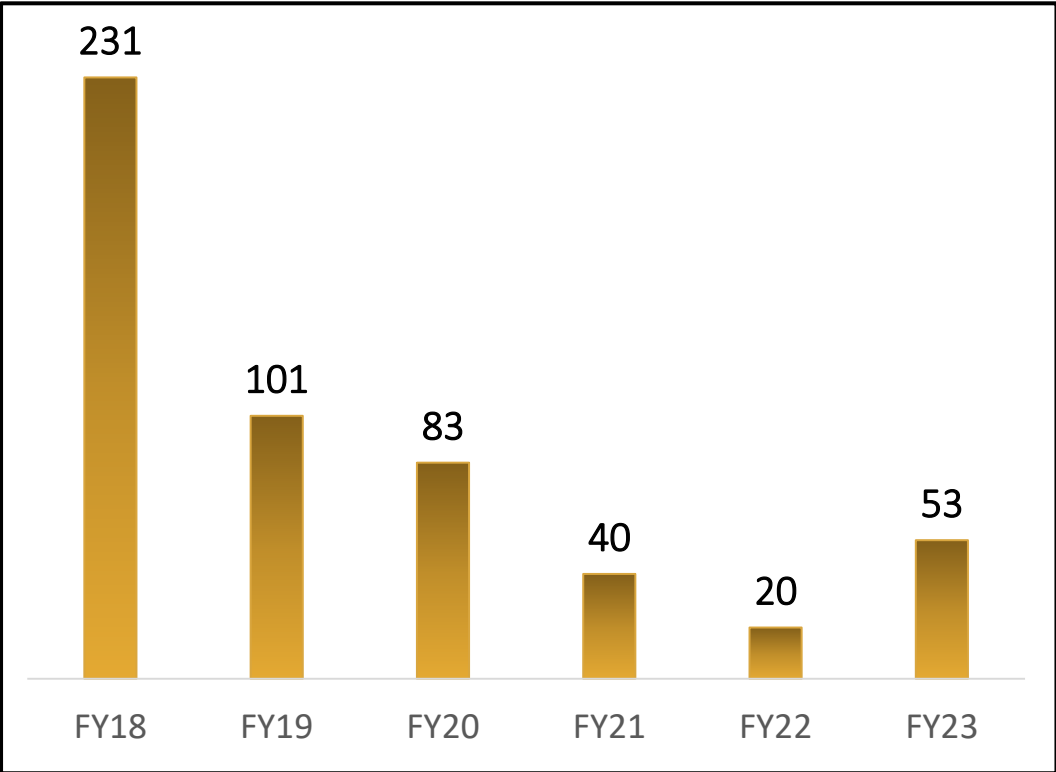
Particulars (Rs. Cr)	Q1FY24	Q1FY23	YoY	FY23
Revenue from Operations	101.32	73.15	39%	341.3
Other Income	5.61	2.33		11.2
Total Income	106.93	75.48	42%	352.5
Direct Expenses	39.76	29.02		144.7
Employee Expenses	10.72	7.25		34.4
Other Expenses	7.84	7.28		31.7
EBITDA	48.60	31.93	52%	141.7
<i>EBITDA Margin</i>	45.45%	42.30%		40.2%
Depreciation & Amortization	9.03	6.34		29.6
EBIT	39.57	25.59	55%	112.1
<i>EBIT Margin</i>	37.01%	33.9%		31.8%
Finance costs	1.63	0.79		5.2
PBT	37.94	24.8	53%	106.9
Exceptional Item*	1.02	-		44.7
PBT after Exceptional Item	38.96	24.8	57%	151.6
Tax & Deferred Tax	7.94	5.29		26.3
PAT	31.02	19.51	59%	125.3
Adjusted PAT (excluding Exceptional Items)	30	19.51	54%	80.6
<i>Adjusted PAT Margin</i>	28.06%	25.85%		22.9%

Consolidated Balance Sheet

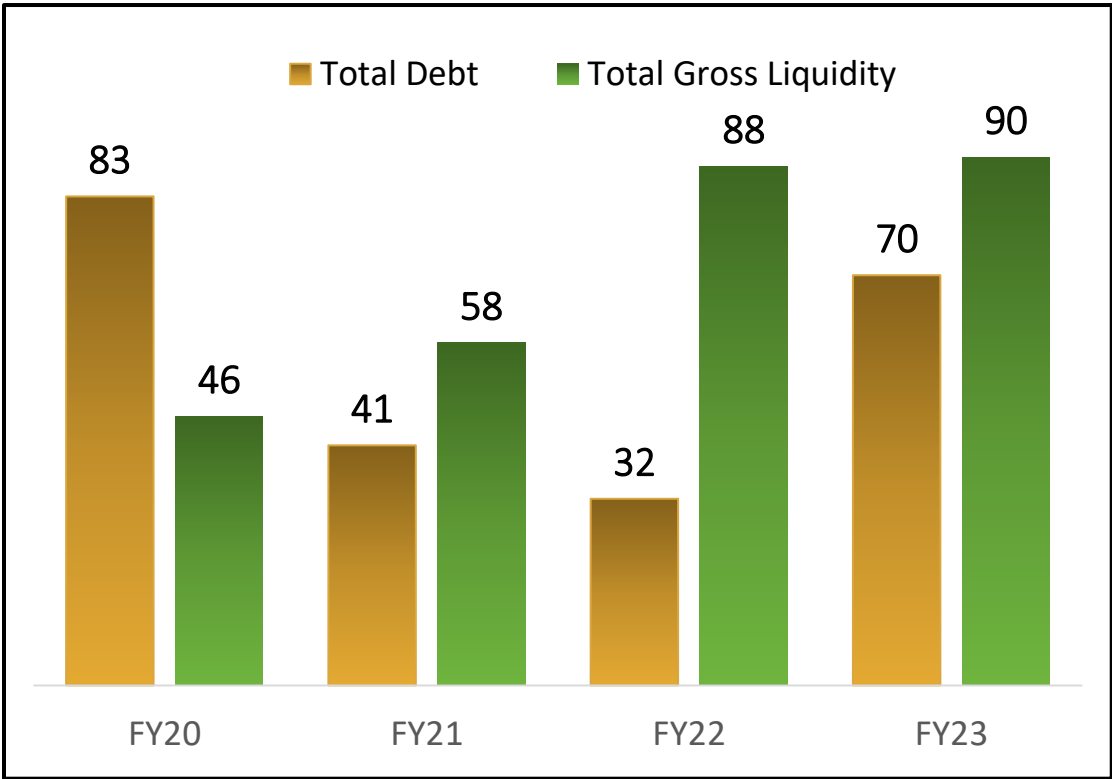
Particulars (Rs Crs)	Mar-23	Mar-22	Particulars (Rs Crs)	Mar-23	Mar-22
Non-Current Assets	1075.0	943.3	Equity	1379.4	1,130.0
Property Plant & Equipment	622.2	483.5	Share Capital	32.1	32.0
Capital Work In Progress	19.8	4.6	Other Equity	1347.3	1,098.0
Intangible Assets	384.9	384.9	Non-Controlling Interest	-	0.3
Investments	1.1	16.9	Total Non-Current Liabilities	98.4	60.4
Other Financial Assets	2.5	4.5	Borrowings	37.6	11.3
Other Non – Current assets	44.5	48.8	Others		
Total Current Assets	512.0	317.1	Deferred Tax Liabilities (Net)	60.8	49.1
Inventories	45.7	39.7	Other Non –Current Liabilities		
Investments	47.2	56.4	Provisions		
Trade Receivables	252.3	135.4	Total Current Liabilities	109.2	69.6
Cash & Cash Equivalentents	20.3	12.0	Borrowings	32.2	20.4
Bank Balance other then above	22.5	19.9	Trade Payables	55.4	38.2
Loans	-	-	Other Financial Liabilities	6.6	4.5
Other Financial Assets	7.7	0.6	Current tax liabilities (Net)	5.3	
Other current asset	116.3	52.7	Provisions		
TOTAL ASSETS	1587.0	1,260.4	Other Current Liabilities	9.5	6.3
			TOTAL EQUITY & LIABILITIES	1587.0	1,260.4

Creating Shareholder Value

Long Term Debt Reduction (Rs Crores)



Strong Liquidity Position (Rs. Crores)

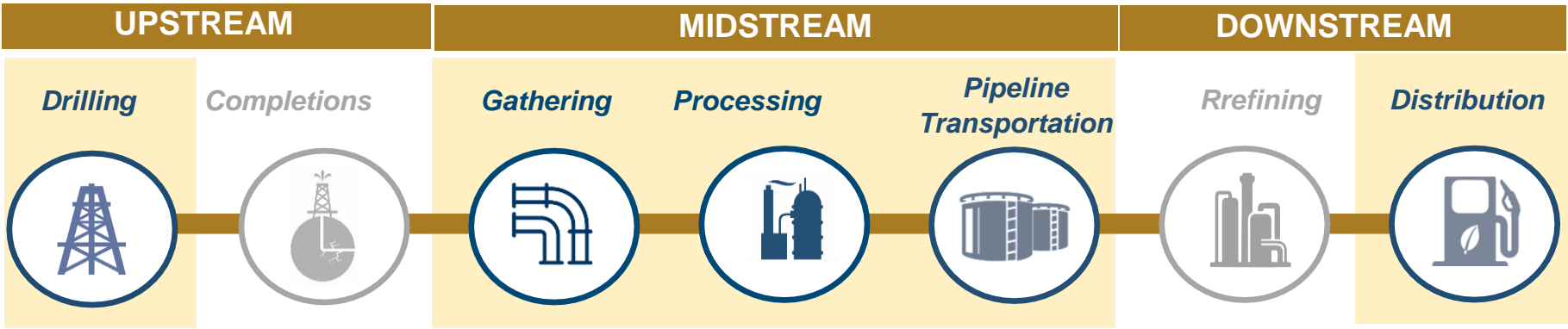


CARE Ratings has reaffirmed "A Rating" with an upgraded outlook from "Stable " to "Positive" citing healthy growth in the order book position leading to growth in the scale of operations and strong liquidity position.

Figures are on Consolidated basis and rounded off to nearest decimal place.

Annexures

Presence Across the Energy Value Chain



Characteristic	Benefits across full spectrum	The Result to Deep
Production Focused	Relatively stable compression demand	Highly efficient operations: High Uptime
Longer Contracts	Longer-term volume commitments	High Revenue Visibility
Earnings Stability	Relative EBITDA stability through cycles	Consistent EBITDA of >40%
Financial Flexibility	Strong cash flow generation	Enables capturing higher return projects with limited debt.

Experienced Management Team



Paras Savla, Chairman and Managing Director - Over 31 years of experience. He is a Commerce Graduate from Gujarat University and under his direction and stewardship the organisation has expanded multifold. Under his vision, the organisation has transformed itself over the years from a transportation service provider to a full-fledged energy infrastructure equipment solutions provider.



Rupesh Savla, Managing Director - has more than 27 years of experience in the energy industry . Under his leadership , the organization has witnessed comprehensive growth in its operations. He holds Masters in Business Administration from Bentley College, USA and is a Commerce Graduate from Gujarat University. He oversees the co-ordination and execution of projects .



Rohan Shah, Director Finance & CFO - is a Chartered Accountant and has more than 17 years of professional experience in the field of Finance, Accounts, Audit and Statutory Compliances. He has been with Deep for more than 13 years, holding various senior positions in Finance including Chief Financial Officer. Prior to Deep, he was working with ICICI Bank Limited. He was accorded with the “Financial Express CFO of the year award 2019(Small Enterprises – Services Industry)”.

Natural Gas Compression

Growth Drivers/ Varied End User Applications

Gas Transportation

During transportation of Gas through pipeline, there is pressure loss. Compression of Natural Gas is required to boost the pressure to ensure that Natural Gas flows through pipeline

Industrial application : refineries , Gas Transportation , fertilizers & ceramics

Boil of Gas

Due to heat entering the cryogenic tank during storage and transportation, a part of the LNG in the tank continuously evaporates creating a gas called Boil-Off Gas (BOG). We compress the said Natural Gas to ensure recovery of same.

Industrial application : LNG importers & LNG Terminals

Artificial Gas Lift

Artificial gas lift is used so that Oil production from Well can be enhanced. Can be used in mature, depleted fields, where the reservoir can no longer produce under its natural pressure. Gas compression is used to inject high pressured gas into Wells to lift the oil levels.

Industrial application : Energy Producers

Gas Based Power Plants

For Gas fired Turbine power plants, Natural Gas is used as fuel to drive turbines. These turbines are in turn connected to generators which produce the electricity. Gas Compression is used to boost pressure of Natural Gas which is then used as fuel.

Industrial Application : Chemicals , Fertilizer & Ceramics industry & Energy Production

Natural Gas Dehydration

Growth Drivers

Opportunity Size	The immediate potential at present state to Dehydrate Gas is estimated to be additional ~10 MMSCMD.
Compliance	PNGRB has made it mandatory to have the Gas Dehydrated before transportation through the National Gas Grid
New Opportunities	In addition to PSUs now private players in the industry are also coming with the requirement of Gas Dehydration Services on charter hire basis.

Workover Rigs & Drilling Rigs

Growth Drivers

Governments Energy Push

India has a stated policy of increasing self reliance in energy production where the PSUs contribute significantly.

Onshore Drilling Opportunity

Onshore Drilling space has huge potential to grow as Investments required in Onshore drilling are lower compared to offshore drilling space.

Low Competition

Competition is low with the exit of few key players making the segment an attractive play for serious long-term contenders.

Integrated Project Management (IPM)

Growth Drivers

Cost Effective Solutions

- Effective bespoke solutions
- Competitive price advantage over MNCs

Improved Synergies

- Enhanced operational efficiency for clients
- Improved synergies across the process due to seamless flow of services

Strategic Positioning

- Strong positioning due to technical skill set.
- One stop solution for end to end services

Reaching New Horizons – RAAS Equipment Pvt Ltd.

Deep forays into manufacturing of CNG Booster Compressors through its subsidiary RAAS Equipment Pvt Ltd.

RAAS has the capability to manufacture Booster Compressor Packages of 22 kw / 37 kw which are highly efficient, low noise and optimally designed. The Booster compressors are in full compliance with regulatory requirements and PESO specification.

Manufacturing Facility

- Greenfield production facility spread over 12,200 sq. mtr.
- Houses dedicated production facility, testing area, storage area and dispatch centre
- Commercial production commenced in Q4 FY21

How will it be beneficial to us?

- **Efficient supply chain & Operational Advantage** - RAAS stands to benefit from strong business franchise and rich operational experience of its parent – Deep Industries Limited.



CNG Booster Compressors are critical to expansion of City Gas Distribution (CGD) Network undertaken by Petroleum & Natural Gas Regulatory Board (PNGRB)

Corporate Social Responsibility

Smart Class Initiative

Deep Industries Ltd. undertook an initiative to install Smart Classes in schools of under privileged children with a view to enable holistic development of students through the use of modern technology. This facility has already been installed in 50 schools.



Medical Check-Up Centre

Furthering the CSR initiatives, Deep Foundation – a philanthropic arm of Deep Industries Limited, established the state of art Medical Checkup Centre at Shri Kutchi Jain Sewa Samaj Ahmedabad. This facility aims to provide medical check-up services at nominal rates with a view to make it accessible to all classes of the society.



ABOUT US & INVESTOR CONTACT

DEEP INDUSTRIES LIMITED (DIL), is a leading solutions provider in energy sector. DIL is specialized in providing Gas Compression Services, Drilling Rigs and Workover Rigs Services, Gas Dehydration Services, and having expertise in Integrated Project Management Services.

The Company has grown up to be a "One Stop Solution" provider for every need in Oil and Gas field operations by providing various equipment and services under rental and chartered-hire basis.

For more information on the company, and its services please log on to www.deepindustries.com

Company's Contact

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