

May 28, 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 Fourth Quarter and Financial Year ended on
March 31, 2023**

Respected Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith presentation made on Audited Financial Results for the Fourth Quarter and Financial year ended on March 31, 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

**Q4 & FY23
Investor Presentation
27th May'2023**



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Management Commentary & Business Outlook



Paras Savla
(Chairman and Managing Director)

FY23 has been a great year for us. Deep achieved record high financial performance with highest ever Revenues and Profits. I am happy to share that the order book has crossed Rs. 1,000 Cr mark that is 71% increase on YoY basis and this gives revenue visibility of 2-2.5 years . Bidding pipeline is also very robust and we are expecting good amount of conversion in near future.

In this year, we have completed the acquisition of Dolphin Offshore. Its revival plan is in place and we expect the operations to start in about next 6 months. The refurbishment of major assets has been started and we expect Dolphin to start contributing to operational revenues from H2FY24 onwards.

Government of India's aim to increase the share of Natural Gas in primary energy mix in India from current 6.5% to 15% by 2030 and changes in policies to support the same like reforms in Domestic Gas Pricing Guidelines is positive for our company. Healthy bidding pipeline, strong order book status, diversification to offshore segment and zero net debt of Deep augurs well for success.



Key Achievements of FY23

Record high Financial Performance

Order book crosses Rs. 1000 Cr mark

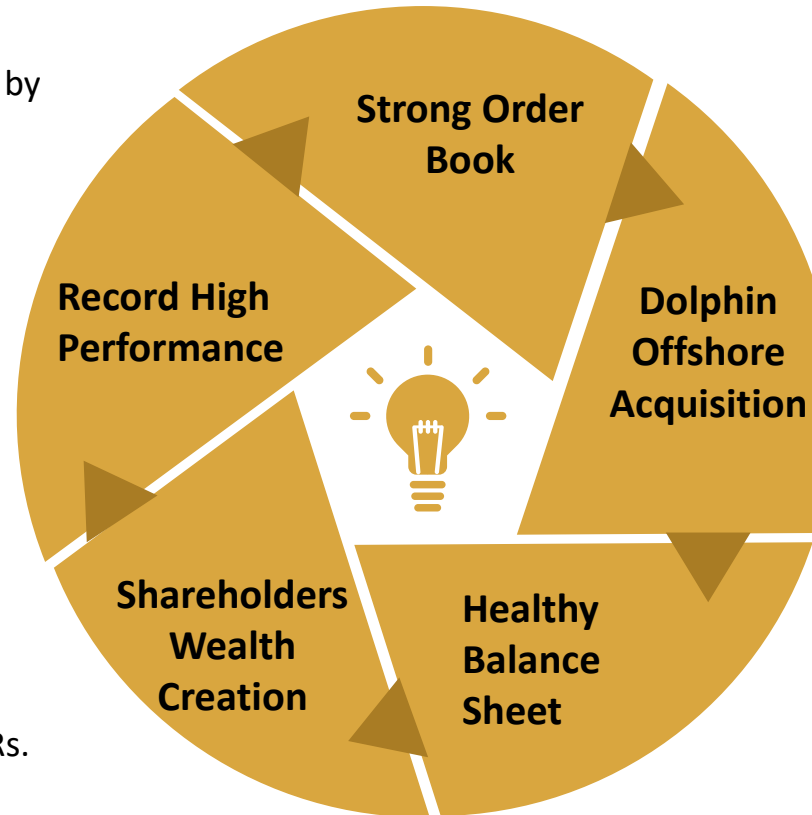
- Order book has increased to Rs. 1,078 Cr.; up by 71% on YoY basis.
- Gives revenue visibility for about 2-2.5 years

Strong Financial Performance

- Record high Revenues at Rs. 341Cr.
- Highest ever EBITDA & PAT

Creating Superior Shareholder Wealth

- Board has recommended final dividend of Rs. 1.85 per Equity Share (FV Rs 5 each)
- Stock split - 1:2



Acquired Dolphin Offshore under IBC

- Rationale for this acquisition is quick market access to offshore services which otherwise would have taken 2-3 years for DIL to get required qualification
- The acquisition is complete, revival process has started and operational activities are expected to start in next 6 months.

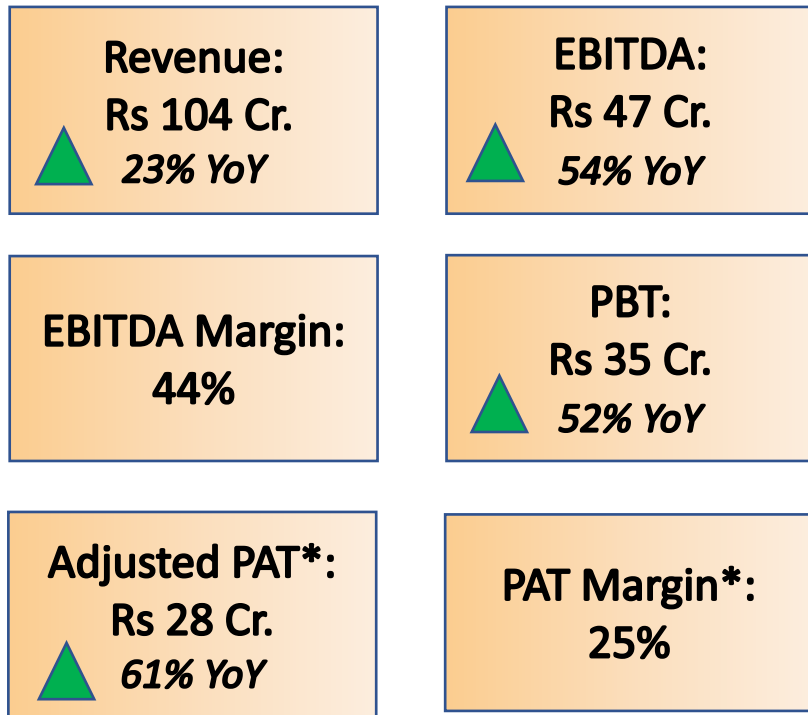
Zero Net Debt with strong Liquidity Position

- Total Gross Liquidity of Rs.90 Cr. placing Deep in a comfortable position to capture next phase of growth.

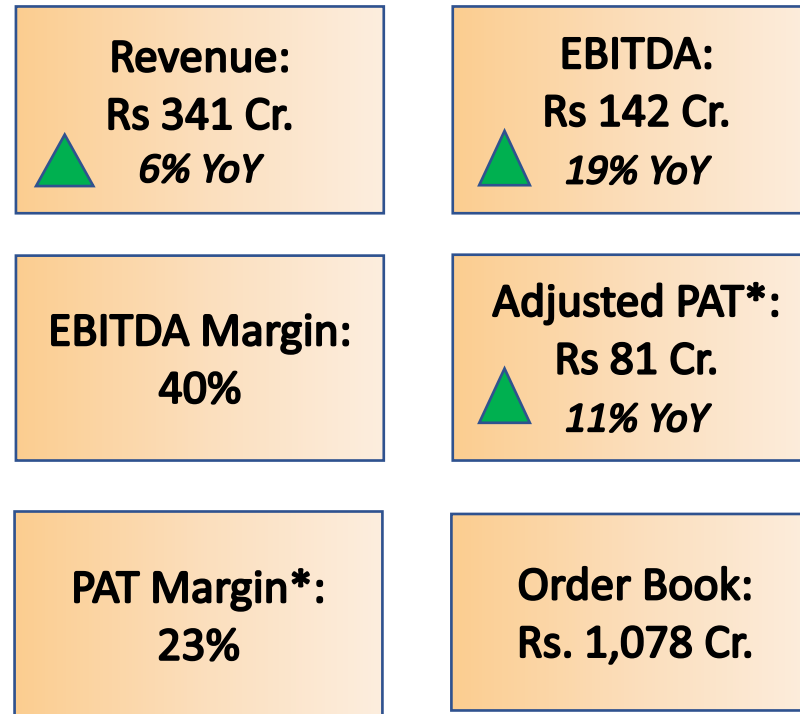


Key Highlights of Q4 & FY23

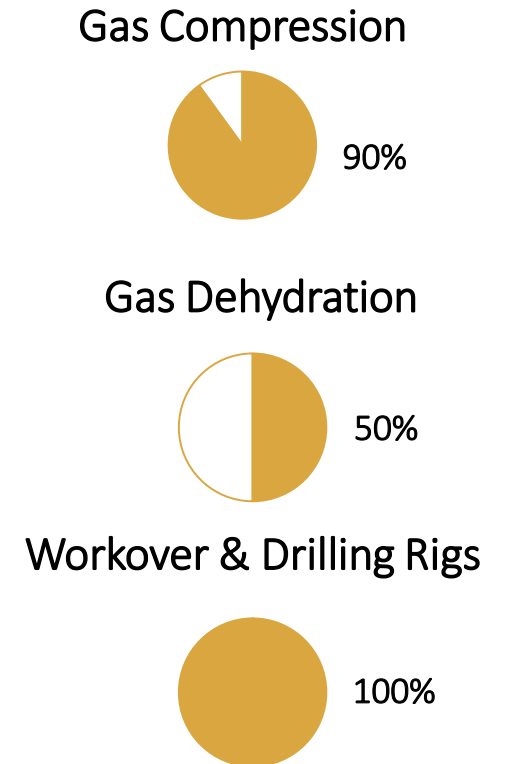
Consolidated Performance for Q4FY23



Consolidated Performance for FY23



Current Capacity Utilization

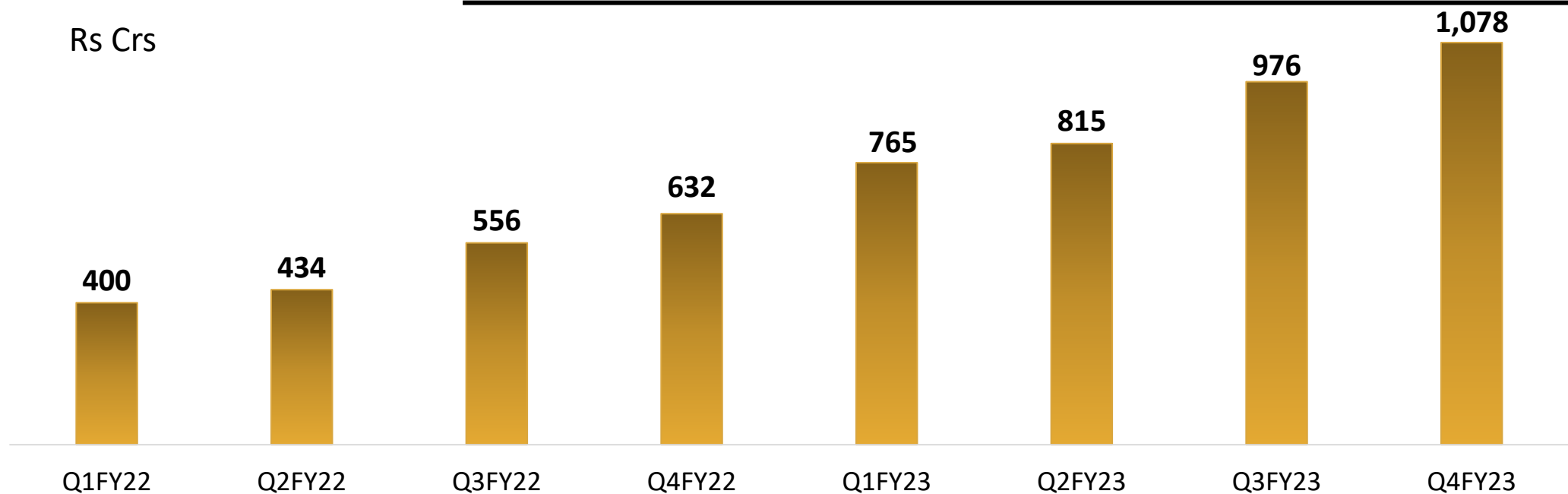


*PAT is adjusted for Exceptional Item of Rs. 44.7 Cr.

Exceptional Items consist of net gains from writing back of operating liabilities and writing off the receivables of Dolphin Offshore.



Strong Order Book Growing Consistently- Crosses Rs. 1000 Cr.



Major Order Wins in Q4FY23

- Rs 106 Crore from ONGC for hiring of 1 Mobile Drilling Rig for 3 years

Robust Bidding Pipeline

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



Dolphin Offshore – Way Forward

Acquisition

The acquisition is now complete as per the resolution plan.

Revival Process

With the overall revival plan in place, the integration process has commenced with the appointment of Key Managerial personnel and the board, taking control of assets and setting up the office.

Operational Update

Refurbishment of major assets has been started and it is expected that Dolphin will start earning operational revenues in H2FY24

Consolidated Income Statement Q4 & FY23

Particulars (Rs. Cr)	Q4 FY23	Q4 FY22	FY23	FY22
Revenue from Operations	103.5	84.0	341.3	321.6
Other Income	5.1	2	11.2	4.6
Total Income	108.6	86	352.5	326.3
Direct Expenses	36.2	41.2	144.7	149.3
Employee Expenses	10.9	7.3	34.4	27.7
Other Expenses	14.3	6.8	31.7	29.9
EBITDA	47.2	30.7	141.7	119.4
<i>EBITDA Margin</i>	43.5%	35.7%	40.2%	36.6%
Depreciation & Amortization	8.9	6.2	29.6	23.9
EBIT	38.3	24.5	112.1	95.5
<i>EBIT Margin</i>	35.3%	28.5%	31.8%	29.2%
Finance costs	2.8	1.0	5.2	4.8
PBT	35.3	23.3	106.9	90.7
Exceptional Item*	44.7	-	44.7	-
PBT after Exceptional Item	80.0	23.3	151.6	90.7
Tax & Deferred Tax	7.7	6.1	26.3	18.3
PAT	72.3	17.2	125.3	72.4
Adjusted PAT (excluding Exceptional Items)	27.6	17.2	80.6	72.4
<i>Adjusted PAT Margin</i>	25.4%	20%	22.9%	22.2%



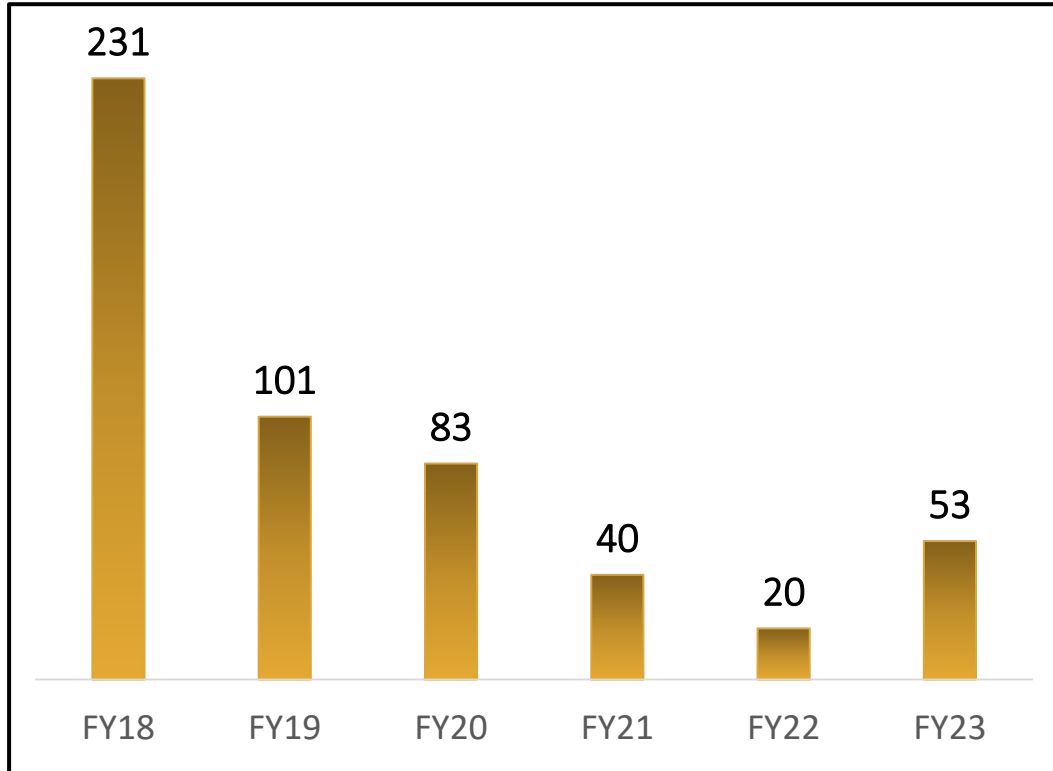
Consolidated Balance Sheet

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

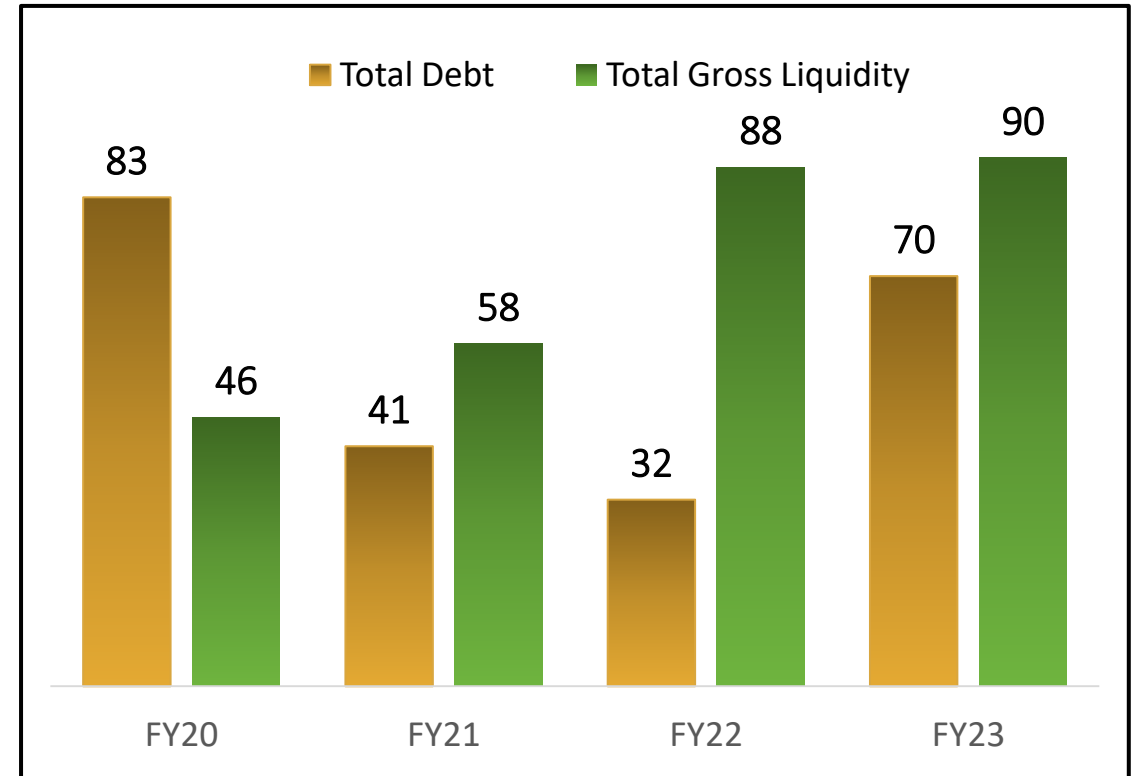


Creating Shareholder Value

Long Term Debt Reduction (Rs Crores)



Strong Liquidity Position (Rs. Crores)



Return on Capital Employed (FY23)* = 12.00%

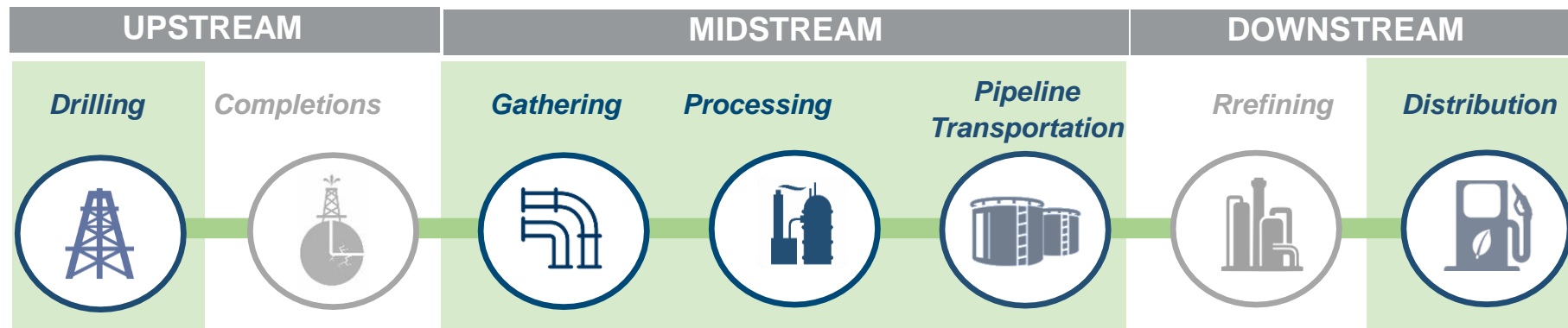
CARE Ratings has reaffirmed “A Rating” with an upgraded outlook from “Stable” to “Positive” citing healthy growth in the order book position leading to growth in the scale of operations and strong liquidity position.

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

What is compression?

- Natural Gas Compression is an essential technology employed to boost the pressure of natural gas for its various end use applications.
- Compression is a critical service required across the energy value chain, from the wellhead till the point of distribution / consumption
- Compression is a critical service required across different end use applications including Artificial Gas Lift and Boil of Gas.
- 24 hours a day, 7 days a week, 365 days a year operation

What sets us apart?

Pioneers: We pioneered natural gas compression services on charter hire basis in India and are one of the largest Company in India to provide high pressure Natural Gas Compression Services

Market Leader: We are the market leaders in gas compression business in India with an estimated market share of ~75%

Turnkey Contracts: Compression contracts on turnkey basis. Includes supply of Equipment, Engineering (Installation & Commissioning) and Operation & Maintenance (Manpower)

Fleet Range &Capacity: Natural Gas Compressors packages ranging from 180 HP to 1,680 HP Compression capability with total capacity of ~87,000 HP.

Supply Chain: Long established vendor relationships with reputed and experienced compressor package suppliers in USA for supply of Natural Gas Compression Packages



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

What is Gas Dehydration?

- Dehydration of natural gas is a technology employed to separate the moisture content and other heavy condensates out of natural gas.
- The natural gas industry has recognized that dehydration is necessary to ensure smooth operation of gas transmission lines, dehydration prevents the formation of gas hydrates and reduces corrosion in pipeline.
- Sector Regulator Petroleum & Natural Gas Regulatory Board (PNGRB) has made it mandatory to dehydrate the natural gas for gas transportation through national gas grid.

What sets us apart?

First Movers Advantage : We are one of the first companies in India who qualifies to provide Gas Dehydration on charter hire basis.

Faster Execution : Time taken from award to Implementation is faster due to our Technical Qualification, Expertise and robust supply chain.

Customisation : Customised solutions by providing gas dehydration units with different configurations and capabilities required as per the gas composition and client requirements.

Wide Range of Fleet: Total Dehydration capacity at ~ 4.35 MMSCMD .Well poised to tap potential dehydration demand which is expected to be ~ 10 MMSCMD.



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 & Drilling Rigs

What is Workover Rig Operation?

- Oil & Gas producing wells require servicing and maintenance at regular intervals in order to smoothen and maintain the oil & gas production. Workover Rigs provides this servicing and maintenance services to keep the production wells in order during their production life.

What is Drilling Rig Services?

- As the name suggests, Drilling Rigs actually drill the wells to make them ready for oil and gas production.
- Drilling Rigs have the capacities to drill the wells with required depth and depending upon the soil composition.

What sets us apart?

Asset & Capacity : Owns & Operates 8 Workover Rigs with capacity ranging from 30T to 100T, 3 Drilling Rigs with capacity of 1000Hp.

End to end cost effective solutions : Provided complete solutions related to Exploration & Production of hydrocarbons. Developed cost effective solutions which result in substantial savings to Clients.

Focus: will be to expand in Onshore Drilling Business as there is a significant opportunity in the Industry.



Workover Rigs & Drilling Rigs

Growth Drivers

Government's 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 Projected Management (IPM)

What is IPM?

- Integrated Project Management (IPM) is a turnkey solution to drill and complete a well or several wells under single contract.
- Under IPM, we are Focusing on complete project, using in-house expertise as well as third party services
- Services included under IPM are:
 - Surface Hole Drilling
 - Air Drilling
 - Cementing
 - Geophysical Logging, wire line service
 - Hydro Fracturing & Coiled tubing
 - Well Completion Services-Workover operations to Production

What sets us apart?

Niche Technical Capabilities: IPM services requiring capabilities to provide pool of niche services involving highly technical jobs. We are the first Indian company to offer integrated solutions.

End to end Solution : Offers end to end well solutions in a single contract for the entire project - right from start of the well till completion of well using in-house expertise as well as third party services.

Assets & Qualifications: would be qualified to provide all the services using in-house expertise after the completion of first contract.



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



Deep Industries Limited 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

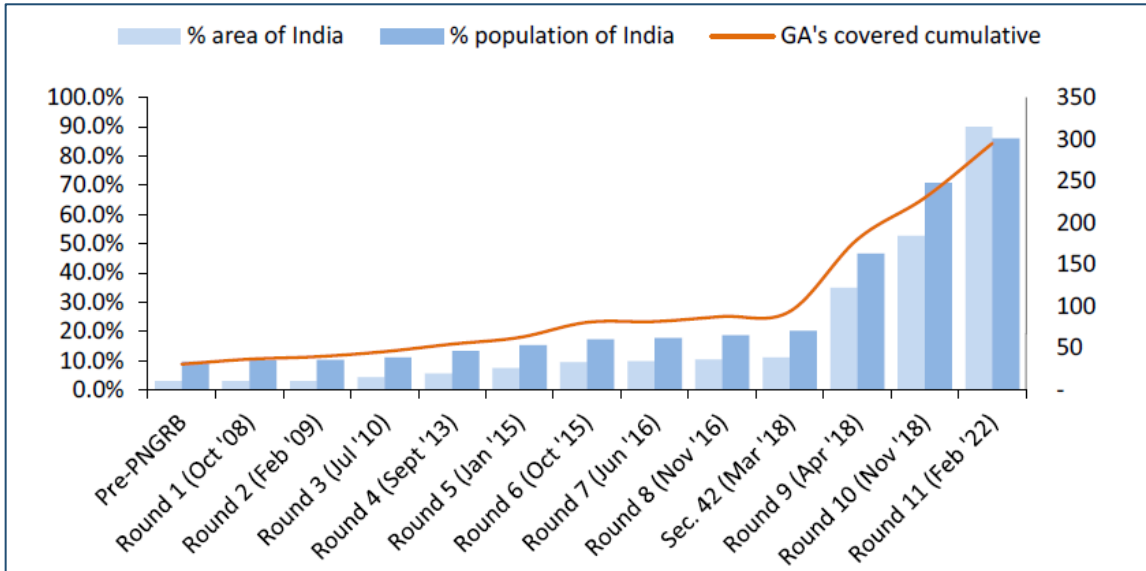
- Greenfield production facility spread over 12,200 sq. mtr.
- Houses dedicated production facility, testing area, storage area and dispatch centre
- Commercial production commenced in Q4 FY21

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



Catering to Strong Growth Segment

Snapshot of City Gas Distribution Authorisations in India



As many as **23,180** booster CNG compression stations and around **6,600** Online CNG Compression stations are to come up during a period of next 8 years. Of these **6,600** CNG Compression stations, at least 80% or so shall be Daughter Booster Stations requiring Booster Compressor Packages.

How will it be beneficial to us?

Installed Capacity

RAAS has current installed capacity of 250 units per annum with an aim to double the installed capacity in next 3 years.

Efficient supply chain & Operational Advantage

RAAS stands to benefit from strong business franchise and rich operational experience of its parent – Deep Industries Limited.



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.



ABOUTS 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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