



TRANSITIONING WORLD
TO A MORE
**SUSTAINABLE
& LOW-CARBON
FUTURE**

Q3 and 9M FY2022
Earnings Presentation

EnKing[®]
INTERNATIONAL
World's Largest Carbon Credit Developer & Supplier

EKI ENERGY
SERVICES LIMITED

www.enkingint.org

Highlights

Business and Financial Highlights



Business Ventures

- Entered in to JV with Shell Overseas work on nature-based solutions in India
- Incorporated associated company, GHG Reduction Technologies Private Limited, for backward integration of carbon credit supply chain through community development projects



New Business Verticals

- NBS Consultancy: Provide consultancy for NBS projects
- Cookstove Manufacturing and Distribution: Manufacturing, trading, selling, buying and exporting all kinds of Cookstoves
- Sustainability reporting solutions



9M FY2022 Key Financials

₹ 1,325 Cr
Revenue from Operations

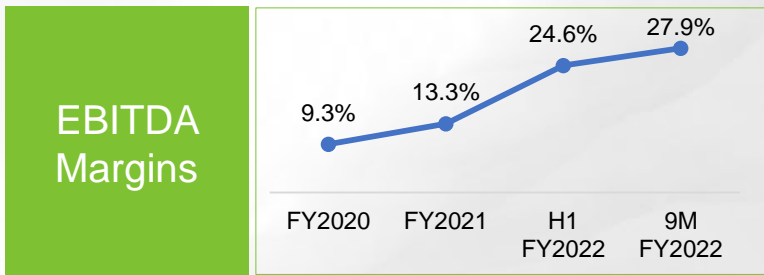
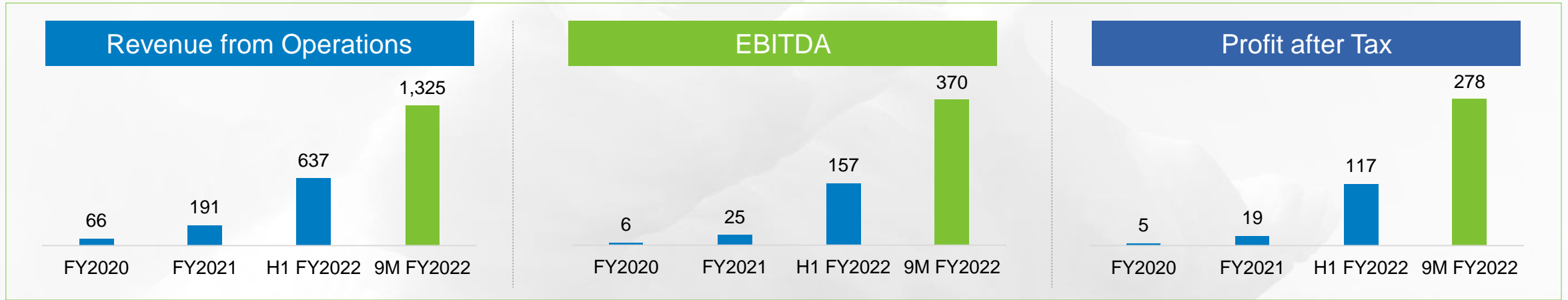
₹ 370 Cr | 27.9%
EBITDA and Margin

₹ 278 Cr | 21.0%
PAT and Margin

0.06x
Debt to Equity Ratio

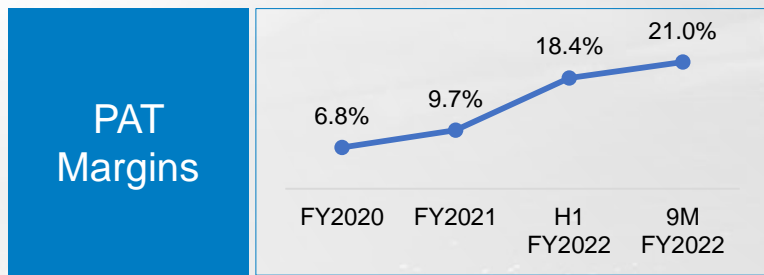
EXPONENTIAL GROWTH IN REVENUES AND PROFITABILITY

(Rs. in Cr)



9M FY2022 Performance Snapshot

- Revenues from operations increased to Rs. 1,325 crores from Rs. 191 crores in FY2021
- EBITDA and PAT continued uptrend; margins almost doubled to 27.9% and 21.0% respectively from FY2021



Growth Drivers

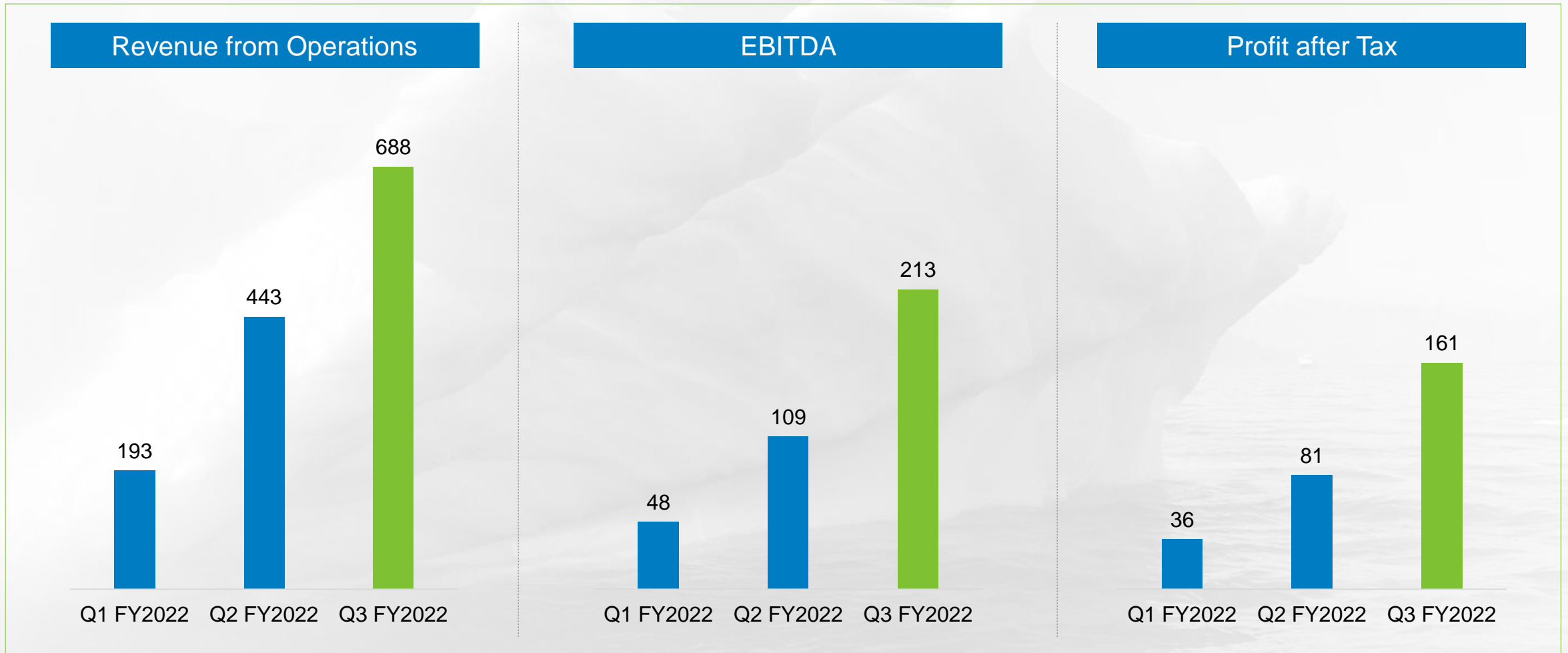
- Robust business performance and continued business growth supported by higher demand and increasing carbon credits prices
- Changing regulations for climate control along with increasing awareness of GHG emissions reduction and carbon neutrality pledges by corporates sustained carbon credit price rise

Notes:

1. Other income has been excluded from EBITDA calculations
2. All the figures has been rounded off to nearest lakhs

EXPONENTIAL GROWTH IN REVENUES AND PROFITABILITY

(Rs. in Cr)



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MANAGEMENT PERSPECTIVE

Commenting on the results and performance, Chairman and Managing Director, Mr. Manish Dabkara:



Mr. Manish Dabkara
Chairman & MD

“We are truly delighted to report that we have continued our outstanding performance in Q3 FY2022 as well with revenue from operations for the 9M FY2022 at Rs. 1,325 Cr, up from Rs. 637 Cr in H1 FY2022. Robust business growth has been supported by higher demand and increasing carbon credits prices along with changing climate related regulations, increasing awareness of GHG emissions reduction and carbon neutrality pledges by corporates. During the 9M FY2022, our EBITDA and PAT margins almost doubled from FY2021 levels to 27.9% and 21.0% respectively.”

As a brand we are always innovating for newer green technologies and projects with which we can offer a wider range of offerings to our customers globally. In line with this, we have been consistently launching strategic projects including a JV with a unit of oil major Royal Dutch Shell for Nature-based Solutions; apart from the incorporation of an associate for the backward integration of carbon credit supply. We promise to continue pioneering state-of-the-art green initiatives that can help companies globally to reduce their carbon footprint and significantly contribute towards building a greener tomorrow.

We are certain that higher global carbon credit demand, new demand generation from CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) and cryptocurrencies, coupled with a positive outcome of the recently concluded COP26, are all together expected to widen the carbon credit demand-supply gap further enabling increased market opportunities. With strong business fundamentals and cutting-edge offerings, we are confident of maintaining our current growth momentum and maximizing value for all our stakeholders”.

EKI Energy and Shell Overseas JV

Signed an agreement to set up a joint venture to work on nature-based solutions (NBS) in India

Objectives

- Carrying on business of reduction of the impact of greenhouse gases
- Providing offsets to emissions through Nature Based Solutions in the areas of forestry, agriculture including agroforestry, horticulture, grasslands, wetlands, blue carbon, peatlands etc.

Operational Highlights

- EKI Energy will provide consultancy services to NBS projects
- Shell will provide capital for the development of NBS projects
- JV target production of 120mn carbon credits in 5-7 years
- JV operations are expected start in February 2022

JV Corporate Structure

	EKI Energy Services Limited	Shell Overseas Investments B.V.
Shareholding Structure	51%	49%
No. of Directors	2	2

GHG Reduction Technologies Pvt. Ltd.

Incorporated associated company GHG Reduction Technologies Private Limited

Rationale

- Backward integration of carbon credit supply chain through community development projects
- Strategic management of the carbon credit supply chain
- Environment friendly solution to community and helps to reduce GHG emission
- Conservation of forest and biodiversity; Reduction in firewood consumption
- Community wellbeing through employment creation, savings in health cost, enhancement of indoor air quality inside homes etc.

80,000

cookstoves distributed till date

2.5 mn

planning to distribute Cookstoves
in next 1 year

Business Activities of New Entity

- Manufacturing, trading, selling, buying and exporting of all kinds of Energy efficient Cookstoves
- Undertake safe water technology and green hydrogen projects for generation of carbon credits

Highlights

- **Operations:**
 - **Phase I:** Manufacturing and distribution of improved cook stoves
 - **Phase II and III:** Oversee and manage the generation and supply of carbon credits to companies across the world in close consultation with EKI Energy
- Pipeline of Rs. 200 Cr orders in the near term

FINANCIAL PERFORMANCE

Rs. In Cr	Q3 FY2022	Q2 FY2022	% QoQ Change	9M FY2022	FY2021
Revenue from Operations	687.8	443.5	55.1 %	1,324.6	190.8
Other Income	0.7	0.2	228.1 %	1.1	0.2
Total Revenue	688.5	443.7	55.2 %	1,325.7	191.0
Direct Expenses	448.0	312.2	43.5 %	900.2	149.7
Gross Profit	240.5	131.5	82.9 %	425.5	41.3
<i>Margins</i>	34.9 %	29.6 %		32.1 %	21.6 %
Employee Benefit and Other Expenses	26.3	22.6	16.8 %	54.5	15.8
EBITDA*	213.5	108.7	96.3 %	370.0	25.3
<i>Margins</i>	31.0 %	24.5 %		27.9 %	13.3 %
Depreciation and Amortization	0.1	0.1	28.8 %	0.3	0.4
EBIT	214.1	108.9	96.7 %	370.8	25.2
<i>Margins</i>	31.1 %	24.5 %		28.0 %	13.2 %
Finance Cost	0.1	0.3	(65.5)%	0.5	0.3
Profit Before Tax	214.0	108.6	97.1 %	370.3	24.9
<i>Margins</i>	31.1 %	24.5 %		27.9 %	13.0 %
Tax Expenses	52.7	27.3	93.2 %	92.1	6.2
Profit After Tax	161.2	81.3	98.4 %	278.2	18.7
<i>Margins</i>	23.4 %	18.3 %		21.0 %	9.8 %
Basic EPS (Rs.)	234.52	118.20	98.4 %	404.72	37.02

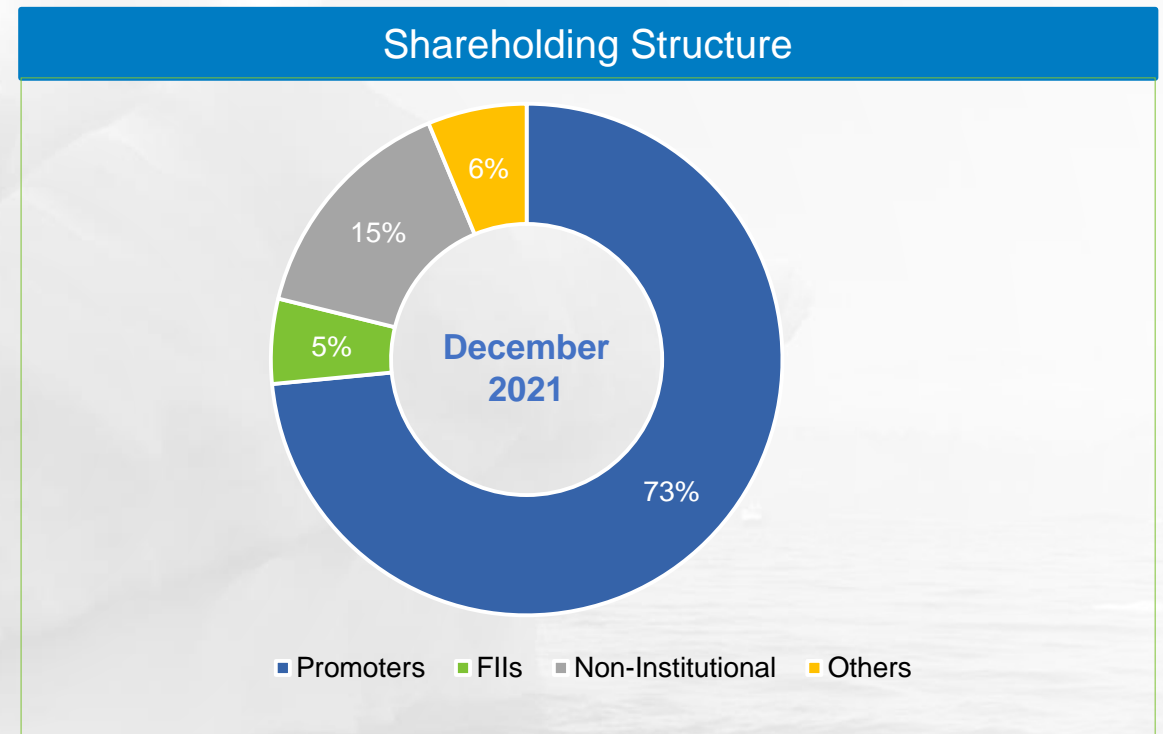
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CAPITAL STRUCTURE

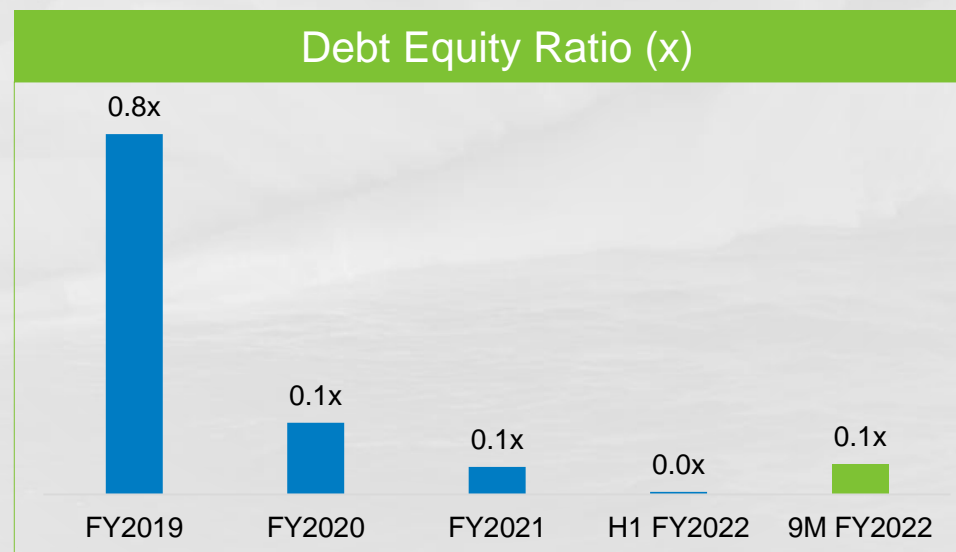
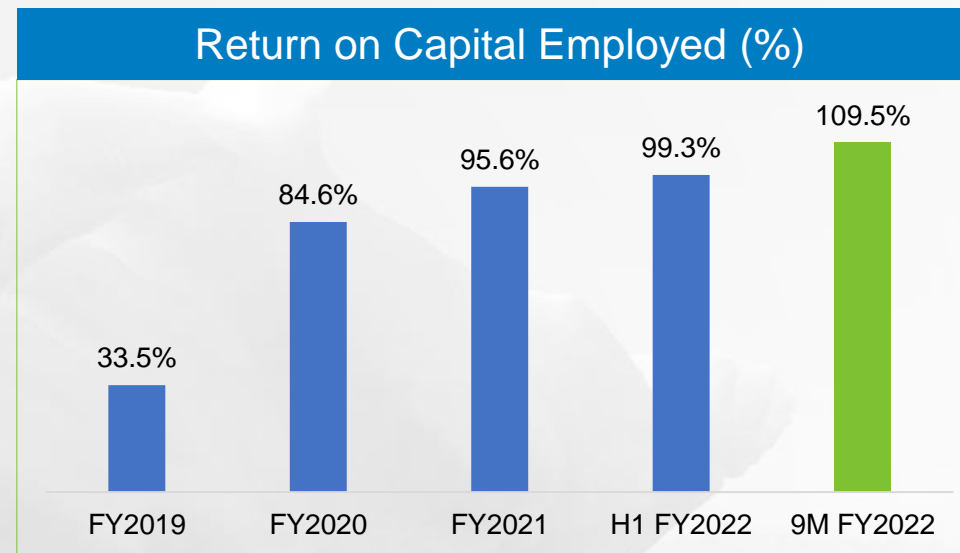
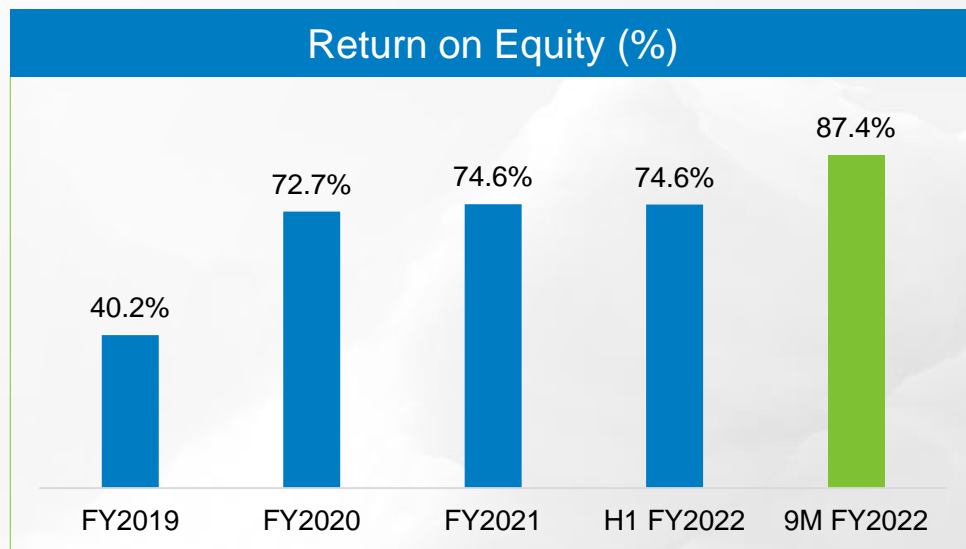
Continues to strengthen balance sheet through debt reduction and effective working capital management

(Rs. Cr)	Mar-2021	Sep-2021	Dec-2021
Long Term Borrowings	0.8	0.7	0.0
Short Term Borrowings	0.7	0.0	20.5
Total Borrowings	1.4	0.7	20.5
Cash and Cash Equivalents	15.6	24.0	0.9
Net Debt	(14.2)	(23.3)	19.6
Shareholder Equity	24.9	156.9	318.1
Debt to Equity	0.06x	0.00x	0.06x



- In FY2021, raised Rs. 18.6 Cr through IPO. Issued new equity shares of 18.24 lakh
- As on December 2021, short term borrowing increased on account of bank overdraft facility utilization of Rs 19.70 Cr

CASH FLOW GENERATION WITH NEGLIGIBLE DEBT



INDUSTRY GROWTH DRIVERS

Net Zero Emissions Pledge

More than 70 countries have committed to work toward net zero emissions by 2050 and to enhance their international climate pledges under the Paris Agreement.

Corporates around the World are aiming for carbon neutrality Voluntary basis

Growing Usage

Companies are increasingly using internal carbon pricing to reduce emissions across their value chains.

Introduction of industry specific emission reduction guidelines such as CORSIA increased global demand for carbon credits.

India's Climate Commitments

India's international climate commitments include a reduction goal in GHG emission intensity of GDP by 33-35% until 2030 (compared to 2005 levels) and a target to increase the share of non-fossil fuel energy sources to 40% by 2030. India is pledged to achieve net zero carbon emissions by 2070

Changing Regulations

Stringent regulations and implementation of carbon pricing (emissions trading systems (ETS) and carbon taxes) around the World are expected to drive demand for carbon credits in the near term.

New Business Avenues

Strong business opportunities with increasing investment in green hydrogen

Use of carbon credit for cryptocurrency creation

Various sustainability projects by municipalities

KEY STRATEGIES OF THE COMPANY



Addition of new clients & projects across the Globe

With the acquisition of new talent pool, Company is aiming to enter into new geographies across the Globe, where it see huge potential for climate change advisory services & acquisition of carbon credits.



Backward integration to Project owners

Company has plans to do backward integration of its carbon credit business by investing in low-cost environmental projects in India i.e. Cook stove, Biogas, tree plantation etc., so that it can generate and sell carbon credits as Project owners.



Increasing our international presence in carbon footprint management

Company intends to continue to expand its end-users client base in the developed countries such as Germany, U.S.A, Australia etc. Its strategy to sell directly to the end-users will result in elimination of middlemen and higher profit margins to the Company.



Focus on brand building & marketing initiatives

Company has plans to continue investing in various brand building & marketing initiatives i.e. sponsorship in national & international industrial events, media advertisements, enhancing social media presence and creating awareness on carbon credits in public.

INVESTMENT RATIONALE



Over 12 years of advisory experience in the innovative and high growth climate change industry



Well established network of 600+ greenhouse gas efficient projects



Year 2035: global corporate commitment to becoming net carbon zero companies



Fully integrated end to end solutions for clients to achieve their carbon neutrality goals



Experienced management team leading 120+ professionals across continents



Proven track record of shareholder value creation:

FY2021 Revenues Rs. 191 Cr, EBITDA Margins 13.3% and 4 year Revenue CAGR of 201%

BALANCING ECONOMIC DEVELOPMENT AND ENVIRONMENT GLOBALLY



Climate Change, Sustainability Advisory and Carbon Offsetting Service

We offer climate sustainability advisory services that includes advisory in respect of climate change, GHG policy, low-carbon transformation strategy, GHG emissions inventory & registry, appropriate mitigating actions as well as climate change action plan. We also provide carbon offsetting service that involves the validation, registration, monitoring, verification, issuance and supply of eligible carbon credits.

NBS Consultancy



We provide consultancy for Nature-based Solutions projects related to conservation, enhancement, and restoration of natural ecosystems to prevent emissions or lower concentrations of greenhouse gases in the atmosphere

Cookstove Manufacturing and Distribution



We are manufacturer of Cookstoves and also in the business of trading, selling, buying and exporting all kinds of Cookstoves

Sustainability



We offer solutions for sustainability reporting including Sustainability Report Preparation, GRI Reporting and BRSR Reporting

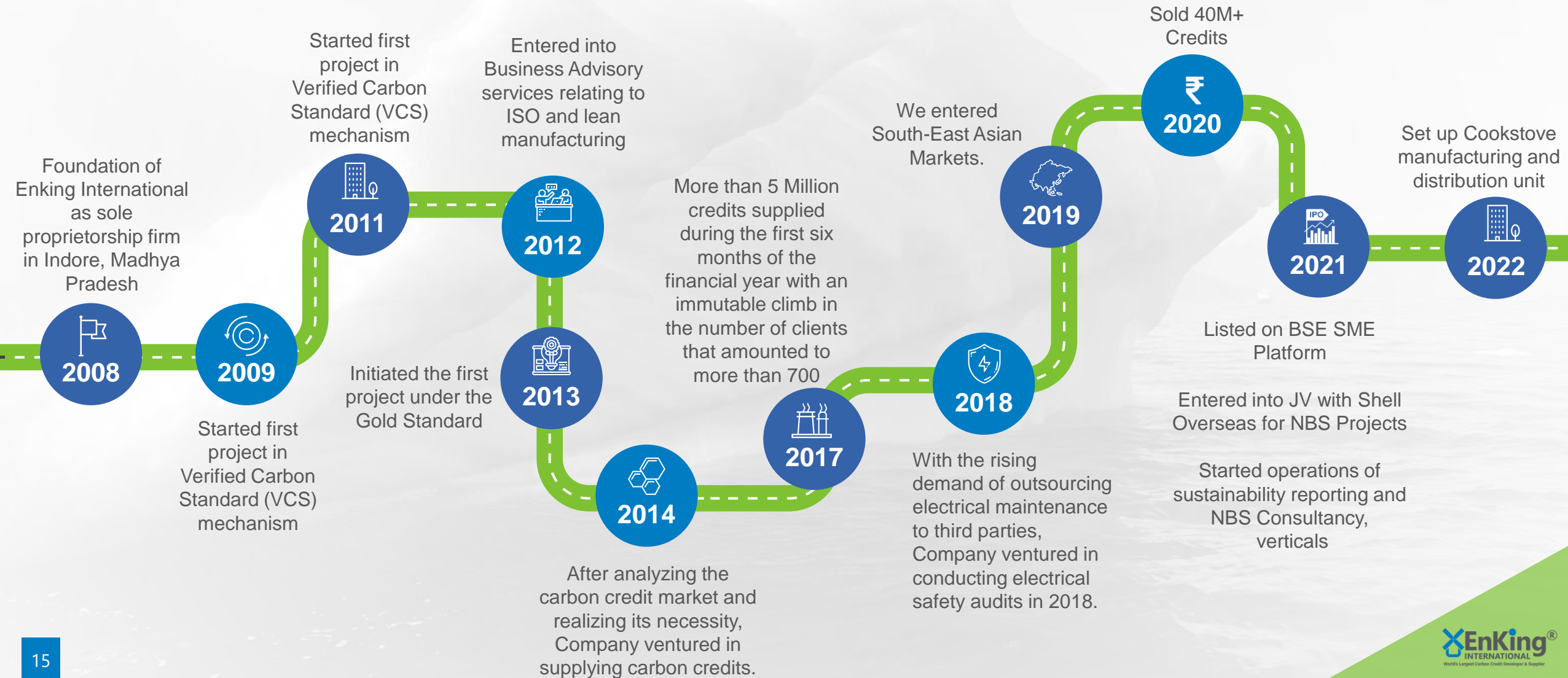
Business Advisory and Other Services



ISO Advisory: We provide integrated solutions for ISO standards implementation.

Electrical Safety Audits: We offer a systematic approach to evaluate potential hazards and recommend corrective measures for improvement in electrical installations.

OUR STORY OF UNLOCKING TRUE POTENTIAL AND GROWTH



OUR BUSINESS PROCESS

We offer carbon sustainability advisory services to a wide range of projects such as bio-methanation, renewable power, waste management, energy efficiency and water purification. We provide advisory services for the validation, registration, monitoring, verification and issuance and supply of eligible carbon credits.

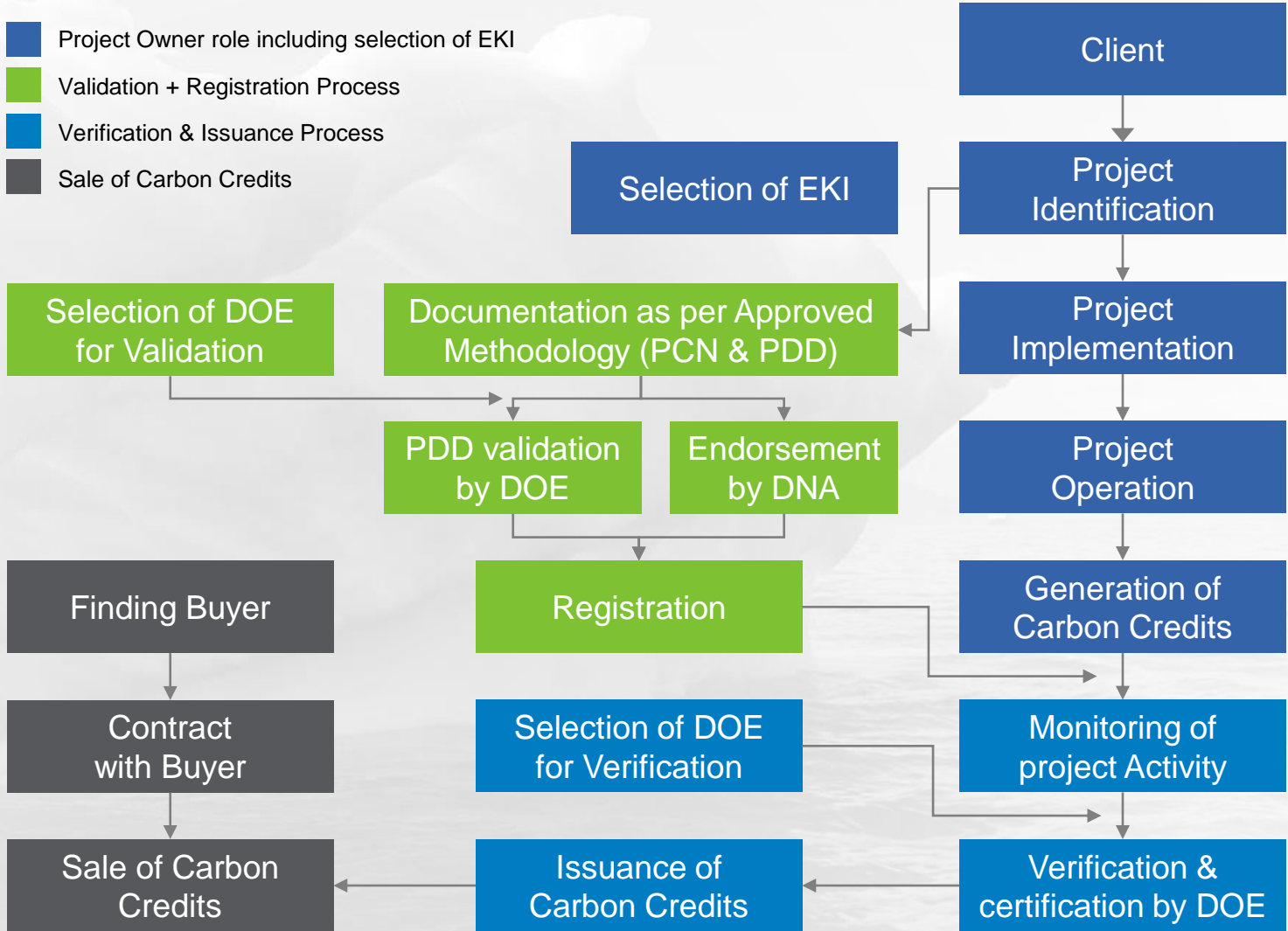
A carbon credit is a tradable certificate, which permits its holder, a right to emit, over a certain period, carbon dioxide or other greenhouse gases. One carbon credit is equal to one ton of carbon dioxide.

Once companies have decided to acquire carbon offsets to achieve their carbon neutrality goals, the next decision is to select the appropriate type of carbon offset.

We identify purchasers of carbon credits across countries and corresponding suitable supplier. The company studies the project requirements, credibility, quantum and profile of the buyer to offer the suitable credits at a competitive price and complete the transaction.

We also locate sellers internationally with the requisite carbon credits. Before executing any contract, it is ensured that the credits are quantifiable and verified by a third party.

- PCN : Project Concept Note
- PDD : Project Design Document
- DOE : Designated Operational Entity
- DNA : Designated national authority (MOEFCC in India)
- CER : Certified Emission Reduction



TRANSFORMATIVE PROJECTS IN PORTFOLIO

Company is constantly identifying projects within & outside Indian territory that reduce carbon emissions, protect biodiversity, and deliver measurable benefits aligned with the aims of the Kyoto Protocol, Paris Agreement and the UN Sustainable Development Goals.

+1,000

Carbon credit projects in the portfolio as on date, consisting of

Solar Energy



Wind Energy



Hydro Energy



Energy Efficiency Projects



Waste Management



Nature-based Solutions



Sewage Treatment Plant



Cookstove Projects



Green Hydrogen



The large portfolio and on-the-ground support allow organizations to choose projects aligned with their brand, business and sustainable development goals

WORKING WITH LEADING BRANDS AND PUBLIC LEADERS ACROSS THE WORLD

Our Presence



Total clients served so far

+2,500

Skilled Manpower

+130

PROMINENT ASSOCIATION AND EMPANELMENT

International partnerships provides us a platform for product innovation



Membership with IETA (International Emissions Trading Association)



Global Gold Consultant of Carbon Disclosure Project (CDP)



Confederation of Indian Industry

Membership with Confederation of Indian Industry(CII)



Member of UNFCCC CNN

INTERNATIONAL CLIENTS



THE WORLD BANK

World Bank Group



International Monetary Fund (IMF)

International Monetary Fund



UNOPS

The United Nations Office for Project Services

SIEMENS

Ingenuity for life

Seimens AG, Germany



KenGen

Energy for the nation

Kenya State Electricity Generation Company, Kenya



TRANS-ASIA
RENEWABLE ENERGY

Transa Asia Renewable, Philippines



Hedcor
HYDRO ELECTRIC DEVELOPMENT CORP.

Hedcor Sibulan Philippines



e n e r g y
DEVELOPMENT CORPORATION

Burgos Wind Farm, Philippines



PacificLight

Pacific Light, Singapore



XUAN THIEN GROUP

Xuan Thien Group



HALCOM

Halcom Vietnam JSC



Southern Hydropower JSC

NATIONAL CLIENTS



Torrent Power



JSW



HINDUSTAN ZINC

Hindustan Zinc



Renew Power



Greenko Group



SEMB Corp
(Green Infra Group)



Avaada Energy



Hero Future Energies



Mahindra Susten



Acme Solar Group



Mytrah Energy



CK Birla Group



Jaypee Group



Hira Group



Emami Group



LANCO



Baidyanath Renewable Energy



RSPL



Adani



Jakson Solar



Hetero Wind
(Hetero Pharmacy group)



RG Sonthalia Group

RG Sonthalia Group



SB Energy



GVK



Aditya Birla group



Fortum India



GMR



Indian Railways



Azure Power



Polyplex Hydro



Rajasthan Gum Private Limited



IDFC (Vector Green)



Panama Renewable Energy

NATIONAL PSU'S CLIENTS



NTPC



NHPC



Airports Authority of India



Indore Smart City Development



Oil and Natural Gas Corporation



M.P. Paschim Kshetra Vidyut Vitaran Co.



Moil



Rajasthan State Mines and Minerals



Hindustan Petroleum Corporation



Indian Oil Corporation



Housing & Urban Development Corporation



India Tourism Development Corporation



Kerala State Electricity Board



Maharashtra State Board of Technical Education



National Research Centre on Camel



Balmar Lawrie & Co.



Gail



Central Water & Power Research Station



Uttarakhand Power Corporation



Bharat Petroleum Oil & Gas Company



Khadi and Village Industries Commission



Ministry of New and Renewable Energy



Ordinance Factory



India Meteorological Department

ENVIRONMENTAL AND SOCIAL INITIATIVES

Environment

- Our projects are aligned with Kyoto Protocol, Paris Agreement and the UN SDGs
- Committed to protect land, natural resources and biodiversity
- Initiated plantation drive program along with its employees within the nearby community
- Focused on transition to renewable energy; Placed solar panel located at the rooftop of its corporate office
- Introduced “Green Initiative” policy across its business division and departments to reduce paper waste.
- Introduced Cloud based applications to transfer and store files/data

Social

- Developed a feedback mechanism for collects employee feedback about infrastructure and work culture
- For employee engagement organized various events such as annual day, Kite Day competition and festival celebrations
- Prepared three days employee training program to develop skill and knowledge
- In FY21 spent Rs 1.59 lakhs on employee training and development
- 100% employees were given safety and skill up-gradation training
- Provided a grant towards promoting education, healthcare, environment and livelihood
- In FY21 granted Rs. 5 lakhs on vocational training project through registered Trust
- Introduced various employee benefit programs such as Medical insurance, health check-up and webinars

EXPERIENCED AND VISIONARY LEADERS

Manish Kumar Dabkara Chairman & Managing Director

12+ years of experience in carbon credit, climate change & allied services

Instrumental in the development of more than 1000 projects

Master of Technology in Energy Management, Bachelor of Engineering in Electrical & Electronics Engineering & Certified Energy Auditor



Naveen Sharma Whole Time Director

10+ years of experience in carbon credit, climate change & allied services

Supplied more than 50 million credits till date

Bachelor of Engineering in Mechanical, MBA



Sonali Sheikh Whole-time Director

9+ years of experience in HR, Admin, finance, compliance and bidding process

Expert in ISO implementation, business advisory and electrical safety audits

MBA & BSc



Priyanka Dabkara Non –Executive Director

10+ years of experience in finance & investments

Expertise in Fund Management

MCA & BCA



Navin Mathur Head - Global Sales and Origination

22+ years of experience in Business and Strategic Development, Environmental and Sustainability Services

MS (Environmental Engineering)



Ramkrishan Patil Head – Operations

15+ years of experience in carbon asset management, sustainability services, climate change mitigation programmes and allied field.

M.Tech. and B.E. (Mechanical)





CA Mohit Agarwal, CFO
Email: mohit@enkingint.org
Mobile: +91 9511910926



Ajay Tambhale/ Ritika Punj
Churchgate Partners
Email: ekienergy@churchgatepartners.com
Phone: +91 22 6169 5988

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Corporate Office: EnKing Embassy, Plot 48, Behind Vrindavan Hotel, Part II, Vijay Nagar, Indore, Madhya Pradesh 452010
Website Address: <https://www.enkingint.org/>; CIN: L74200MP2011PLC025904