

February 06, 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 Third Quarter and Nine months ended on
December 31, 2022**

Respected Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith presentation made on Financial Results for the third quarter and nine months ended on December 31, 2022.

You are requested to take the same on your records.

Thanking you,
Yours faithfully,

For, Deep Industries Limited

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

Encls: a/a





DEEP Industries Limited

**Q3 & 9MFY23
Investor Presentation
6th February'2023**



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Management Commentary & Business Outlook



Paras Savla

(Chairman and Managing Director)

“Indian government is focussed on increasing gas usage in the energy basket from the current 6% to 15% by 2030. At the same time, the focus has been brought to revive the domestic production of gas which was in decline since 2012. All these efforts are yielding results and gas production in India is slated to increase by 18% CAGR till FY25E. This is reflected in our strong order book, which currently stands at Rs 976cr up 76% YoY. With a thriving bidding pipeline, future demand looks promising and our debt-free, well-funded status positions us for success.”

The Government also announced the availability of 26 exploration and development blocks totaling around 2.23 lakh sq km under the HELP Policy. Furthermore, 75 discovered oil and gas fields across multiple onshore and offshore basins were offered under DSF-3 bidding. These policies have interested many new players forming a base for the potential expansion of our clientele.

With the acquisition of Dolphin, the group is set to expand its services portfolio to the offshore segment. Now we are in a position to give service to our clients both onshore and offshore from exploration to production and processing. With multiple growth factors in action, we anticipate substantial growth ahead. Our revenue outlook is positive, and we anticipate robust interest in our offerings.



Key Highlights of Q3 & 9MFY23

Consolidated Performance for Q3FY23

Revenue:
▲ Rs 98 Cr.
30% YoY

EBITDA:
▲ Rs 42 Cr.
41% YoY

EBITDA Margin:
42%

PBT:
▲ Rs 33 Cr.
44% YoY

PAT:
▲ Rs 25 Cr.
45% YoY

PAT Margin:
25%

Consolidated Performance for 9MFY23

Revenue:
▲ Rs 238 Cr.
0.1% YoY

EBITDA:
▲ Rs 103 Cr.
15% YoY

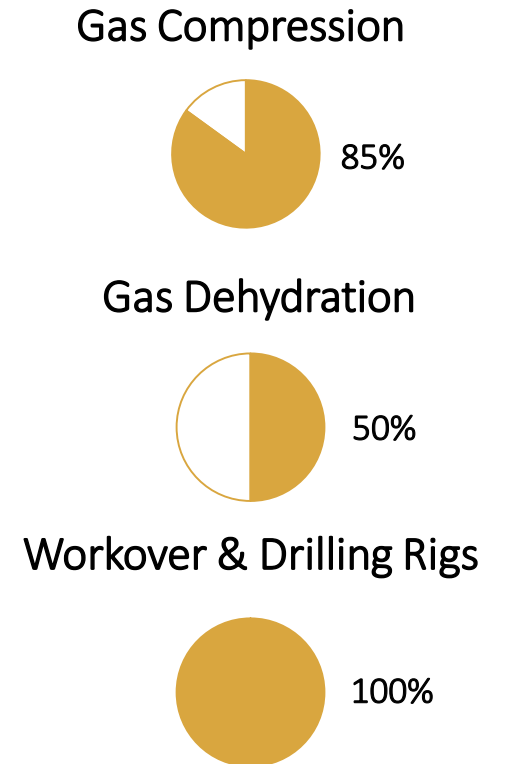
EBITDA Margin:
41%

PAT:
▲ Rs 61 Cr.
10% YoY

PAT Margin:
24%

Order Book:
Rs 976Cr.

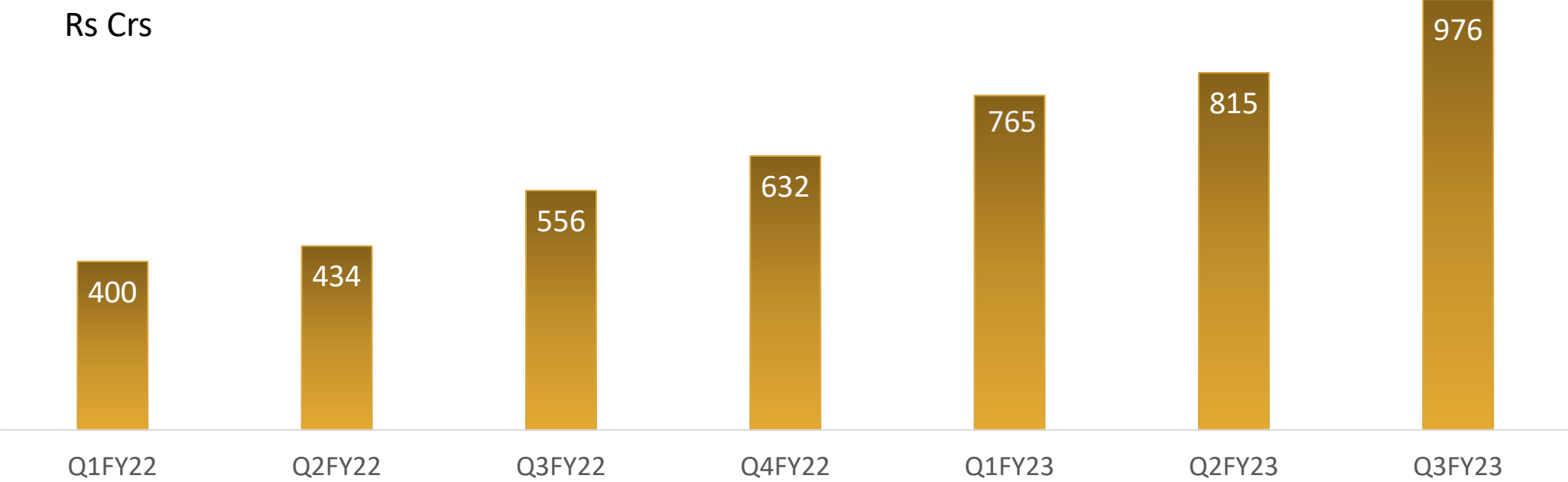
Current Capacity Utilization



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.



Strong Order Book



Robust Bidding Pipeline

- Company is witnessing high EOIs & bids submission 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 refurbishment of assets wherever required.



Operational Update

Operational activities are to start in the next 6-9 months.



Consolidated Income Statement Q3FY23

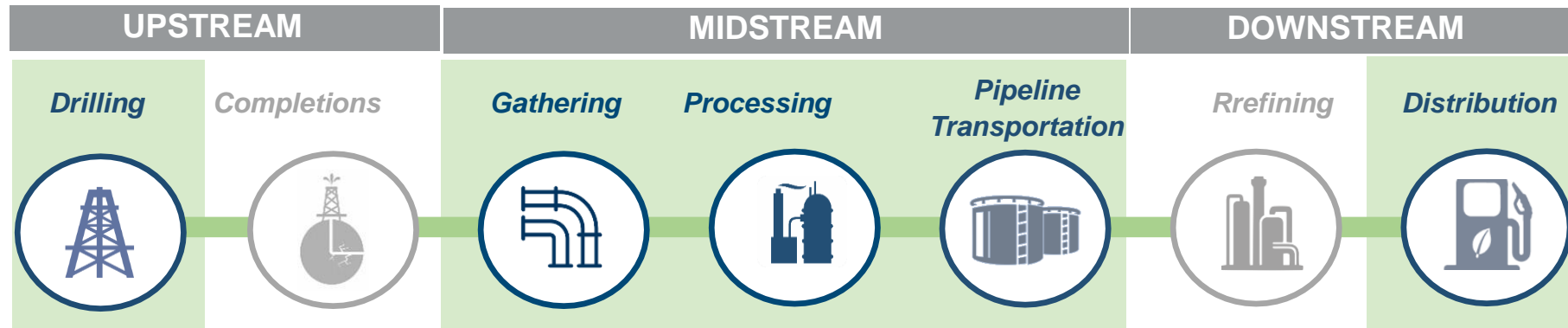
Particulars (Rs. Cr)	Q3 FY23	Q3 FY22	9MFY23	9MFY22	FY22
Revenue from Operations	98.06	75.38	237.88	237.66	321.6
Other Income	1.95	0.31	14.07	2.66	4.6
Total Income	100.01	75.69	251.95	240.32	326.3
Direct Expenses	45.71	32.07	108.50	108.06	149.3
Employee Expenses	8.46	7.00	23.44	20.33	27.7
Other Expenses	4.15	7.18	17.36	23.06	29.9
EBITDA	41.69	29.44	102.65	88.87	119.4
<i>EBITDA Margin</i>	<i>41.68%</i>	<i>38.90%</i>	<i>40.74%</i>	<i>36.98%</i>	<i>36.59%</i>
Depreciation & Amortization	7.91	5.96	20.65	17.72	23.9
EBIT	33.78	23.48	82.00	71.15	95.5
<i>EBIT Margin</i>	<i>33.77%</i>	<i>31.02%</i>	<i>32.54%</i>	<i>29.60%</i>	<i>29.2%</i>
Finance costs	1.11	0.82	2.38	3.76	4.8
PBT	32.67	22.66	79.62	67.39	90.7
Tax & Deferred Tax	7.74	5.49	18.60	12.17	18.3
PAT	24.93	17.17	61.02	55.22	72.4
<i>PAT Margin</i>	<i>24.93%</i>	<i>22.69%</i>	<i>24.22%</i>	<i>22.98%</i>	<i>22.2%</i>

Robust operating performance backed by strong revenue growth of 30% YoY and improved operating margins



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	Cash Flow generation of Rs 696 Mn*

*Standalone Free cash flows generated at enterprise level for FY 2021-22



Experienced Management Team



Paras Savla, Chairman and Managing Director - Over 30 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 26 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 16 years of professional experience in the field of Finance, Accounts, Audit and Statutory Compliances. He has been with Deep for more than 12 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

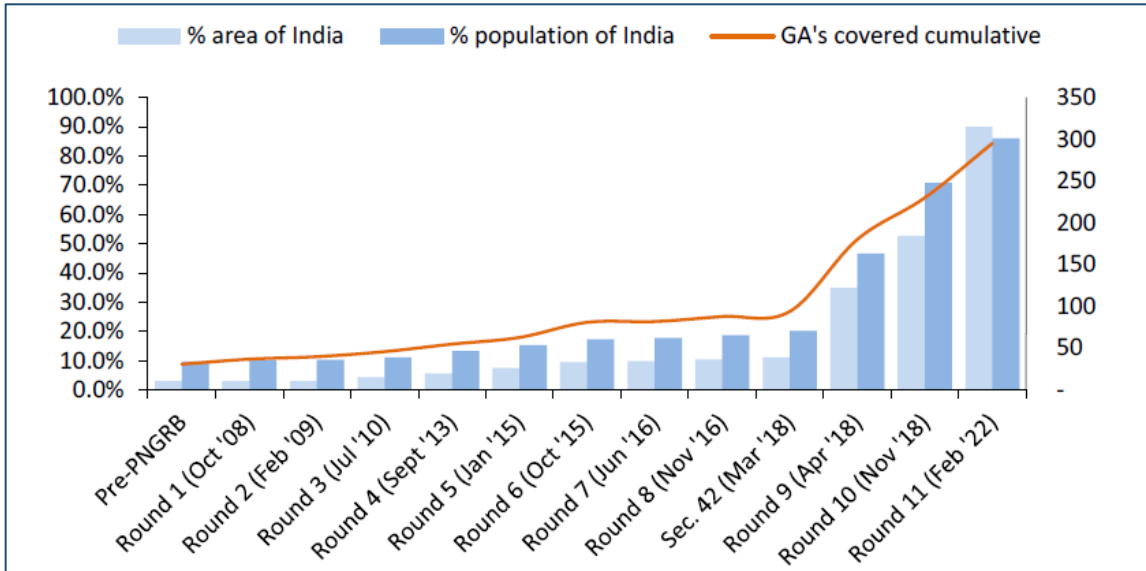
- Greenfield production facility spread over 12,200 sq. mtr.
- Houses dedicated production facility, testing area, storage area and dispatch centre
- Commercial production commenced in Q4 FY21

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

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