

November 10, 2022

**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

Dear Sir/ Madam,

**Sub: Investors/ Analysts Presentation for the Second Quarter and Half year ended on
September 30, 2022**

Pursuant to regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith presentation made on Financial Results for the second quarter and half year ended on September 30, 2022.

You are requested to take the same on your records.

Thanking you,
Yours faithfully,

**For, Deep Industries Limited
(Formerly known as Deep CH4 Limited)**

**Rohan Shah
Whole Time Director (Finance) & Chief Financial Officer
DIN: 09154526**

Encls: A/a





DEEP Industries Limited

Q2 & H1FY23
Investor Presentation
10th November'2022



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Management Commentary & Business Outlook



Paras Savla (Chairman and Managing Director)

“The Oil & Gas industry is witnessing a strong demand environment for over a year now. This translates to continued build up of order book albeit with a lag of 6-9 months considering involvement of complex engineering, floating of tenders , project evaluation , award of the tenders and project commissioning. For a services business like us ,this is now starting to reflect in the strong order book position which now stands at Rs. 815 Cr giving good revenue visibility for around 2-2.5 years. More importantly we continue to witness a very healthy bidding pipeline of almost twice the order book size which indicates continued strong demand environment going forward. We are well capitalised and are a zero net debt company.

Another key development is NCLT approval for the acquisition of Dolphin Offshore. This is a strategic development for the company and opens multiple avenues in offshore services business for us.

With all the growth levers at play, we see remarkable growth coming in going forward. We expects to benefit immensely as we continue to see good revenue visibility, strong traction in bidding pipeline and comfortable leverage position “



Key Highlights of Q2 & H1FY23

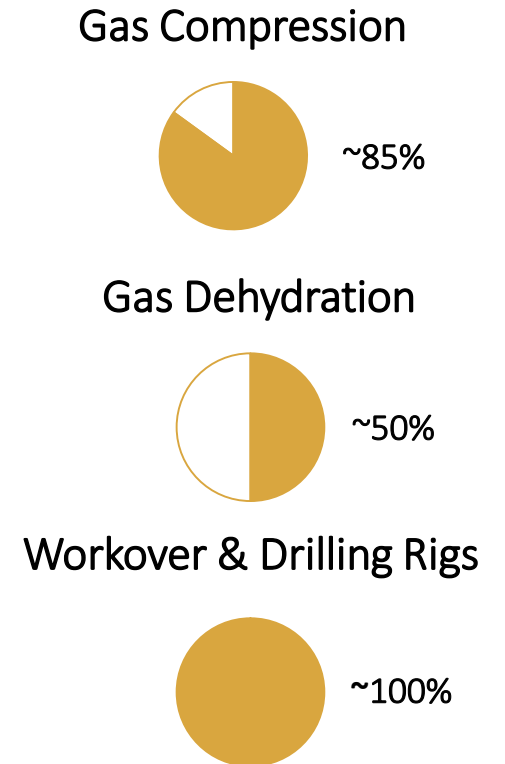
Consolidated Performance for Q1FY23

Revenue: Rs 67 Cr.	EBITDA: Rs 29 Cr.
EBITDA Margin: 38%	PBT: Rs 22 Cr.
PAT: Rs 17 Cr.	PAT Margin: 22%

Consolidated Performance for H1FY23

Revenue: Rs 140 Cr.	EBITDA: Rs 61 Cr.
EBITDA Margin: 40%	PAT: Rs 36 Cr.
PAT Margin: 23.75%	Order Book: Rs 815 Cr.

Current Capacity Utilization



Strong EBITDA Margin Fuelling Growth

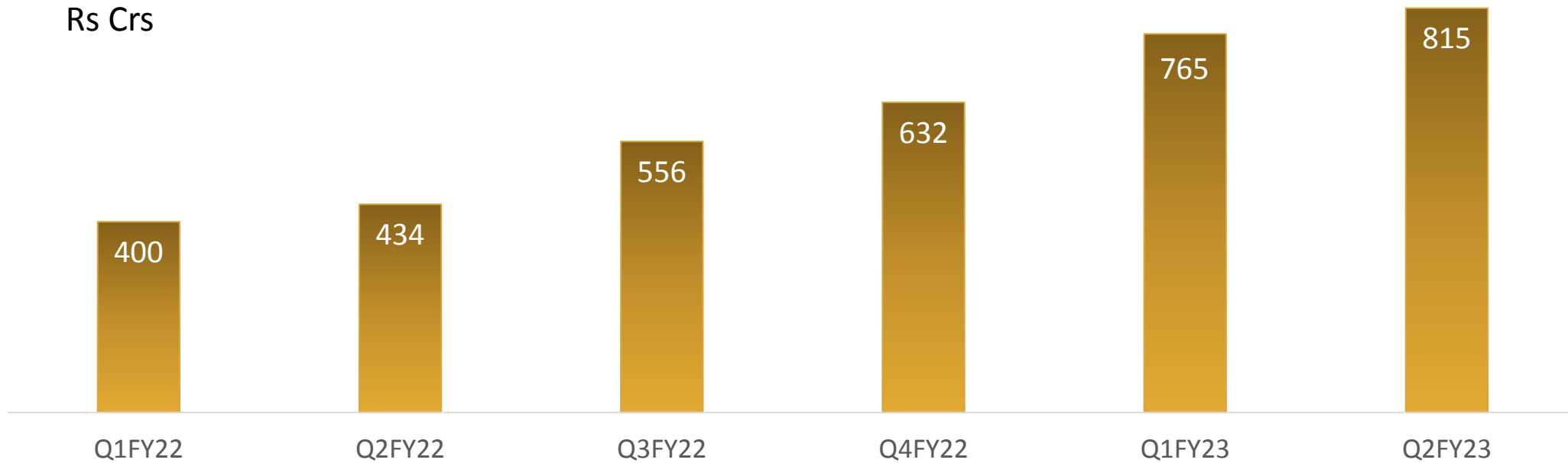


Key Strategic Highlights Q2FY23

Particulars	Current Status
Dolphin Offshore Acquisition	<ul style="list-style-type: none">○ NCLT has approved the Resolution Plan under IBC for acquiring Dolphin Offshore Enterprises (India) Ltd.○ This acquisition will lead to quick market access to offshore services which otherwise would have taken 2-3 years for DIL to get required qualification○ Around 12 months are required to revive the company as it is non-operational since last 3 years



Strong Order Book



Major Order Wins in Q2FY23

- **Rs 71.64 crore** from Oil India Ltd. – charter hiring of 2 Workover Rigs (550 HP (min) – 750 HP(max)) capacity for **3 years**
- Other fresh orders and extensions worth ~Rs 20 Crores during the quarter.

Robust Bidding Pipeline

- Company is witnessing highest ever EOIs & bids submission which could further enhance the order book going forward.



Rationale for Dolphin Offshore Acquisition

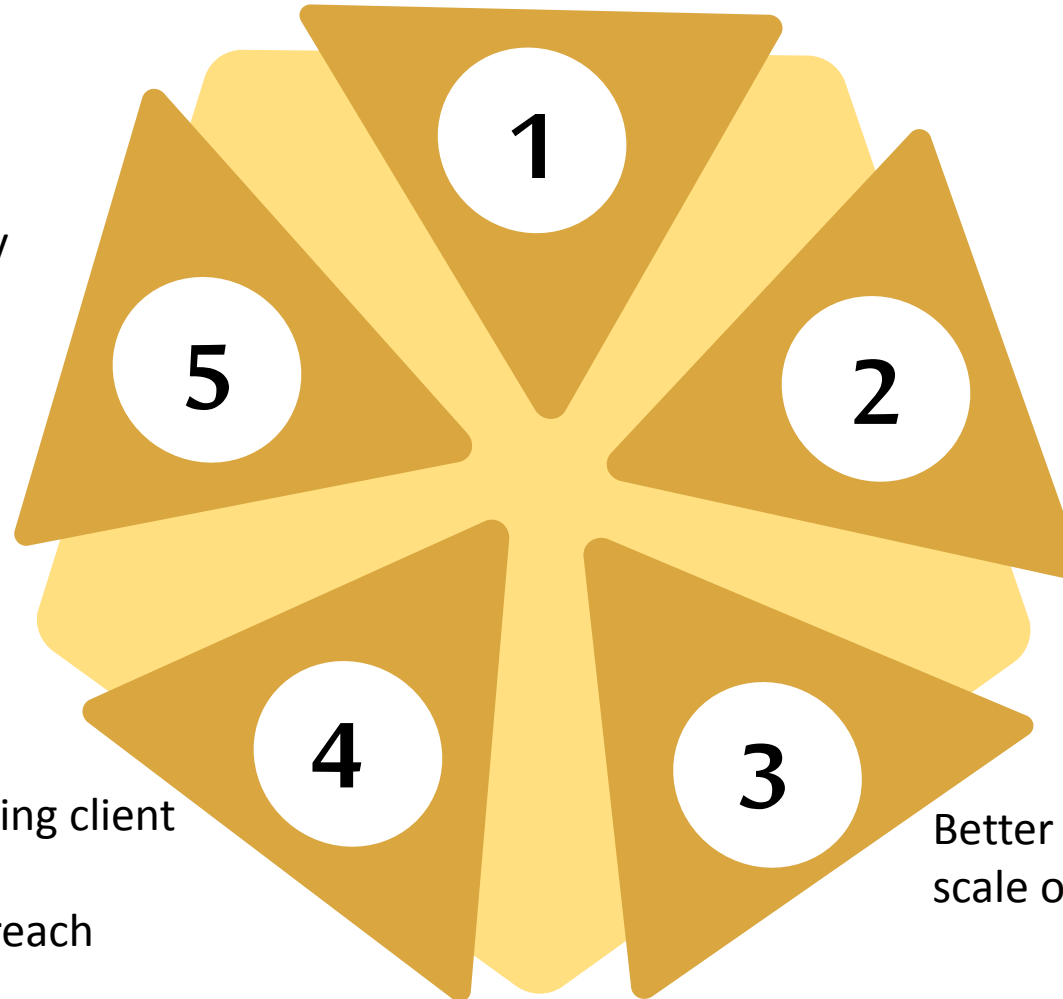
Value creation for stakeholders of Deep Industries

Expand portfolio of services to Offshore Oil & Gas industry leading to diversification of revenues

Quick market access to offshore services which otherwise would have taken 2-3 years for DIL to get required qualification

Synergy benefits from existing client relationship, expanded market and better market reach

Better revenue visibility and higher scale of operations



Dolphin Offshore – Way Forward

Acquisition

Hon'ble NCLT has approved the resolution plan under IBC 2016

Time to Turn Around Dolphin's Business

Dolphin is non-operational since last ~3 years and Deep would require around a year to revive business

Assets & Liabilities taken over by Deep

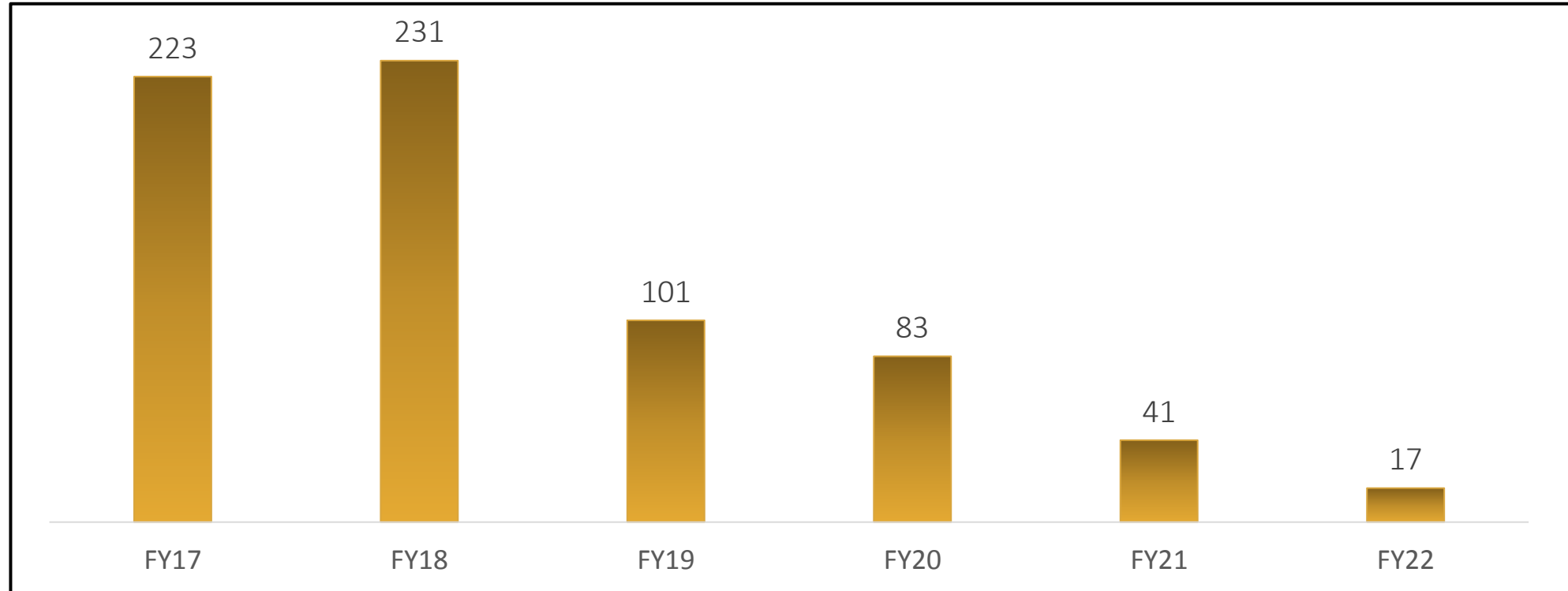
Assets - Real Estate properties in Mumbai as well as plant and equipment

Liability – None except agreed to pay in Resolution Plan



Improving Balance Sheet Strength

Long Term Debt Reduction – Rs Crores



CARE Ratings has reaffirmed “A Rating” with a “Stable Outlook” citing favorable debt metrics, comfortable capital structure and a strong liquidity position.



Consolidated Income Statement Q2FY23

Particulars (Rs. Cr)	Q2 FY23	Q2 FY22	H1FY23	H1FY22	FY22
Revenue from Operations	66.67	91.27	139.81	162.28	321.6
Other Income	9.79	1.47	12.11	2.35	4.6
Total Income	76.46	92.74	151.92	164.63	326.3
Direct Expenses	33.77	47.38	62.79	75.99	149.3
Employee Expenses	7.73	6.83	14.97	13.33	27.7
Other Expenses	5.94	10.17	13.21	15.88	29.9
EBITDA	29.02	28.36	60.95	59.43	119.4
<i>EBITDA Margin</i>	<i>37.96%</i>	<i>30.57%</i>	<i>40.12%</i>	<i>36.10%</i>	<i>36.59%</i>
Depreciation & Amortization	6.40	5.91	12.74	11.77	23.9
EBIT	22.62	22.45	48.21	47.66	95.5
<i>EBIT Margin</i>	<i>29.59%</i>	<i>24.20%</i>	<i>31.73%</i>	<i>28.95%</i>	<i>29.2%</i>
Finance costs	0.48	1.50	1.26	2.94	4.8
PBT	22.14	20.95	46.94	44.72	90.7
Tax & Deferred Tax	5.57	(.38)	10.86	6.68	18.3
PAT	16.57	21.33	36.09	38.04	72.4
<i>PAT Margin</i>	<i>21.67%</i>	<i>22.99%</i>	<i>25.81%</i>	<i>23.11%</i>	<i>22.2%</i>



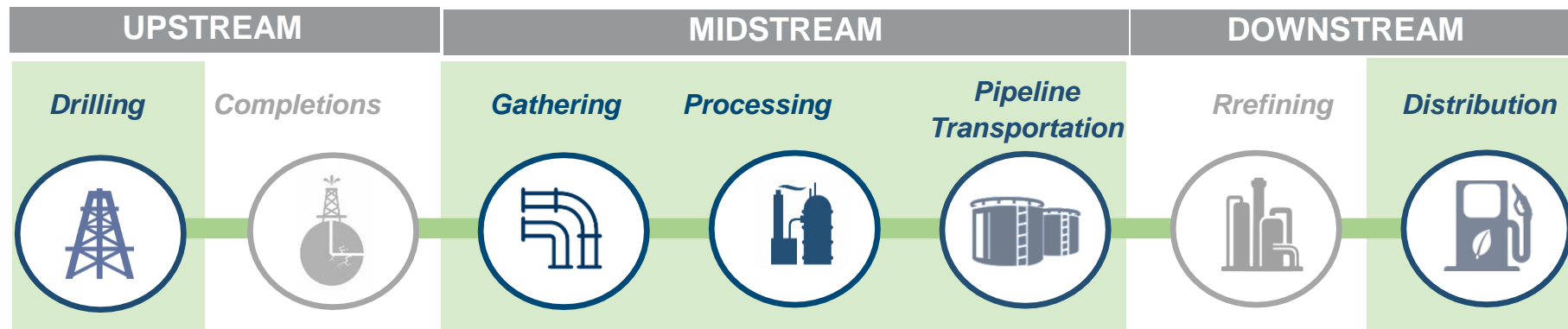
Consolidated Balance Sheet

Particulars (Rs Crs)	Sep-22	Mar-22	Particulars (Rs Crs)	Sep-22	Mar-22
Non-Current Assets	962.0	943.3	Equity	1144.6	1,130.0
			Share Capital	32.3	32.0
Property Plat & Equipment	482.9	483.5	Other Equity	1112.3	1,098.0
Capital Work In Progress	48.4	4.6	Non-Controlling Interest	-	0.3
Intangible Assets	384.9	384.9	Total Non-Current Liabilities	111.7	60.4
Investments	1.6	16.9	Borrowings	53.6	11.3
Other Financial Assets	5.8	4.5	Others		
Other Non – Current assets	38.4	48.8	Deferred Tax Liabilities (Net)	58.1	49.1
Total Current Assets	360.0	317.1	Other Non –Current Liabilities		
Inventories	37.9	39.7	Provisions		
Investments	66.6	56.4	Total Current Liabilities	65.7	69.6
Trade Receivables	123.9	135.4	Borrowings	16.6	20.4
Cash & Cash Equivalents	1.0	12.0	Trade Payables	18.3	38.2
Bank Balance other then above	31.6	19.9	Other Financial Liabilities	20.8	4.5
Loans	-	-	Current tax liabilities (Net)		
Other Financial Assets	10.8	0.6	Provisions		
Other current asset	88.3	52.7	Other Current Liabilities	10.0	6.3
TOTAL ASSETS	1322.0	1,260.4	TOTAL EQUITY & LIABILITIES	1322.0	1,260.4



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

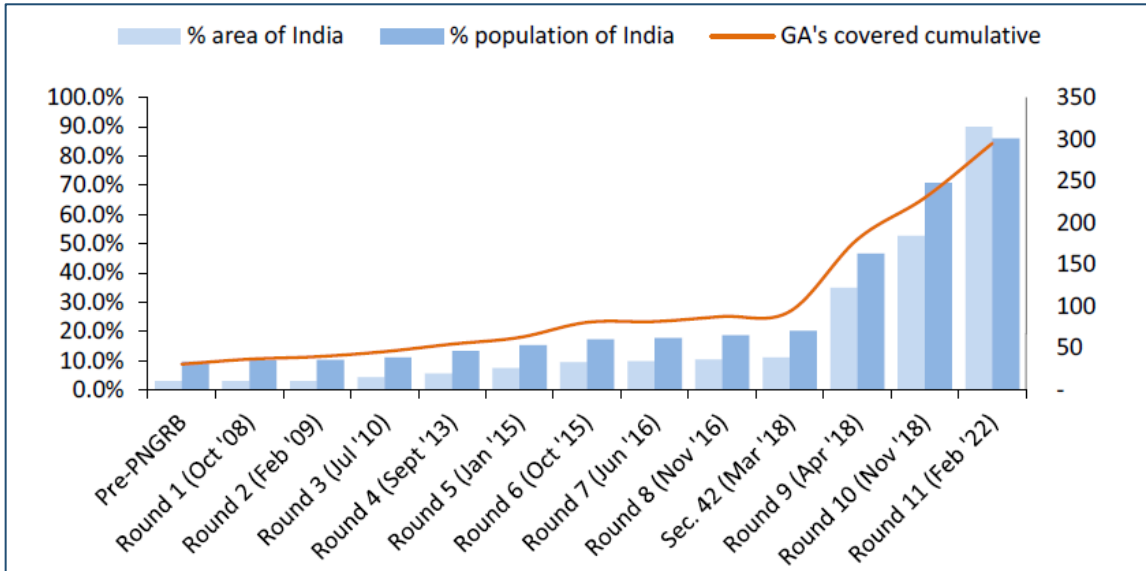
- Greenfield production facility spread over 12,200 sq. mtr.
- Houses dedicated production facility, testing area, storage area and dispatch centre
- Commercial production commenced in Q4 FY21

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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