



**Oil & Gas Exploration
Production & Services**

August 9, 2022

To,
Corporate Relations Department
Bombay Stock Exchange 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 First Quarter ended on June 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 first quarter ended on June 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)


Falak Patel
Company Secretary & Compliance Officer

Encl: as above



Registered Office:
12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058,
Gujarat, India. Tel # 02717 298510, +91 98256 00533 | Fax # 02717 298520
Email: info@deepindustries.com | Website: <http://www.deepindustries.com>
CIN : L63090GJ1991PLC014833





DEEP Industries Limited

Q1FY23 Earnings
9th August'2022



Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Deep Industries Ltd. (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



Management Commentary & Business Outlook



Paras Savla
(Chairman and Managing Director)

“We have had a good start to FY23 and I am very happy to share that as on date, Deep has a strong consolidated order book of over Rs.760Cr. It has grown by about 90% compared to first quarter of last year. Deep is a zero net debt company and has a good revenue visibility for around 2 years. In spite of subdued environment, Deep has shown a growth of 17% in PAT on YoY basis. Going forward, I am sure we will continue to perform well with the support of all our stakeholders.

I am also glad to share that this quarter we have achieved another key milestone in terms of resolving the case with ONGC in our favour through Arbitration Tribunal.”



Key Highlights of Q1FY23

HIGHLIGHTS of Q1FY23

- Revenue up 3% on a YoY basis at Rs.73Cr.
- EBITDA grew by 3% to Rs.32crs.
- PAT up 17% in Q1FY23 at Rs.19.5Cr compared to Rs.16.72 Cr in same quarter last year
- Both EBITDA Margin and PAT Margin have improved on quarterly as well as yearly basis

**Revenue:
Rs 731 Mn**

**EBITDA:
Rs 319 Mn**

**EBITDA Margin:
44%**

**PAT:
Rs 195 Mn**

**PAT Margin:
26%**

**Order Book:
Rs 7,600 Mn+**

Strong EBITDA Margin Fuelling Growth



Key Strategic Highlights Q1FY23

Particulars	Current Status
ONGC Case Update	<ul style="list-style-type: none"> ○ Arbitration Tribunal has decided in favour of Deep Industries against the ONGC case and cited that termination of the dehydration contracts by ONGC was illegal and also contravened the provisions of the contract agreement. ○ Tribunal has also awarded for compensation of approx. Rs108Cr for both the cases.
Dolphin Offshore Acquisition	<ul style="list-style-type: none"> ○ Currently at NCLT level, expected to be completed in next 3-6 months ○ The acquisition will not be immediately value accretive; however, at its peak Dolphin Offshore had more than Rs400Cr. revenue and 30% EBITDA Margin
Order Book	<ul style="list-style-type: none"> ○ Consolidated Order book stands at over Rs760Cr which is continuously growing at a fast pace



Key Financial Highlights Q1FY23

Consolidated Financials

Revenue

▲ Rs. 731 Mn
3% YoY

EBITDA

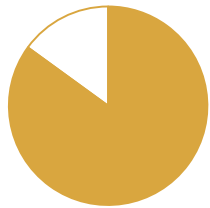
▲ Rs. 319 Mn
3% YoY

PAT

▲ Rs. 195 Mn
17% YoY

Current Capacity Utilization

Gas Compression



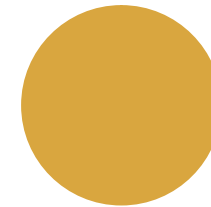
~85%

Gas Dehydration



~50%

Workover & Drilling Rigs

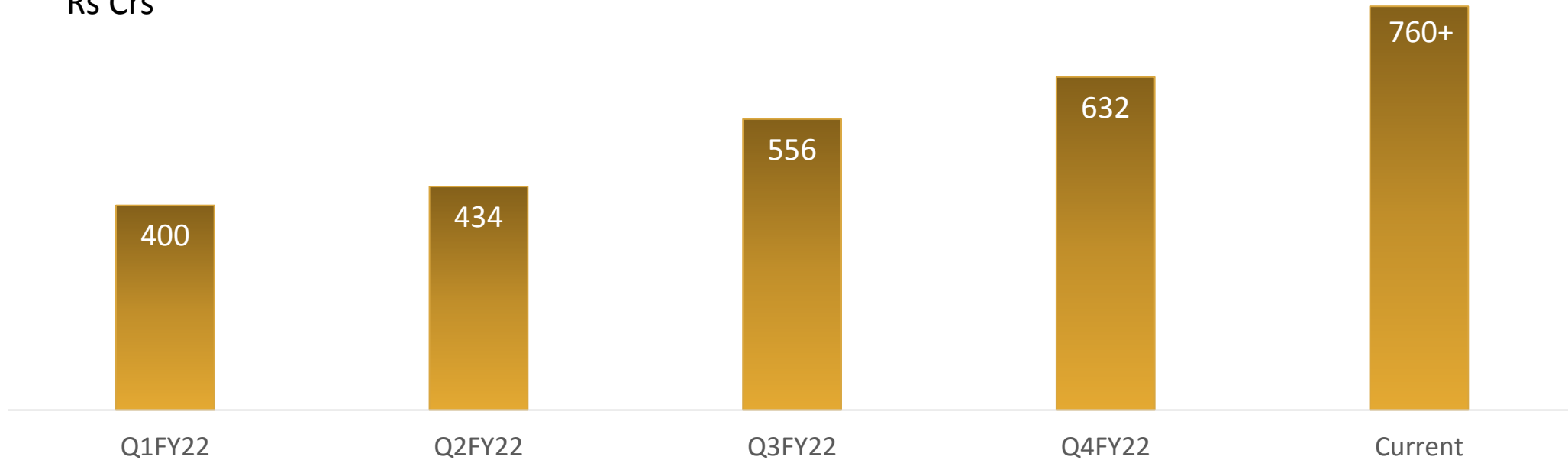


100%



Strong Order Book

Rs Crs



Major Order Wins in Q1FY23

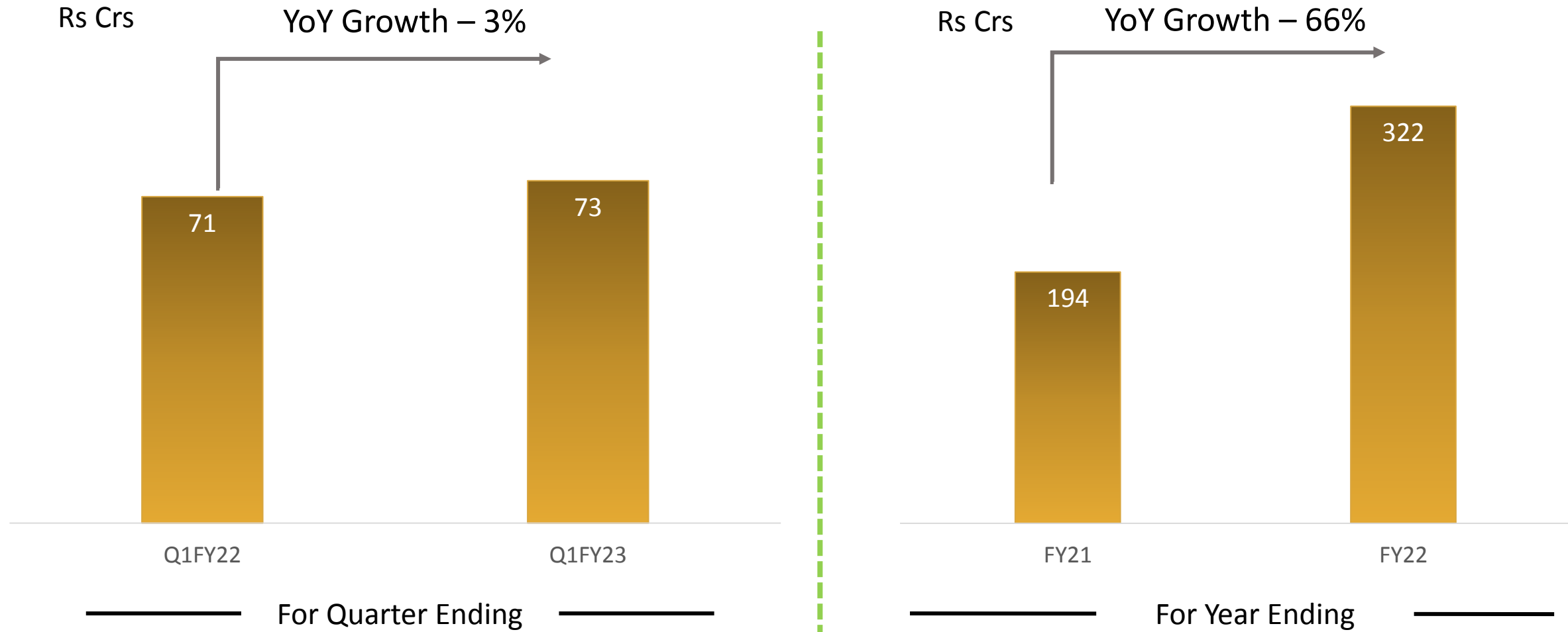
- **Rs 150 crore** from ONGC - charter hiring of 2 - 1000 HP Mobile Drilling Rigs for Ahemdabad Asset for **3 years**

Major Order Wins in Q4FY22

- **Rs 72 crores** from ONGC – 4.5 LSCMD capacity at Linch for **3 years**
- **Rs 40.73 crores** from ONGC – 3.0 LSCMD capacity at Sobhasan for **3 years**

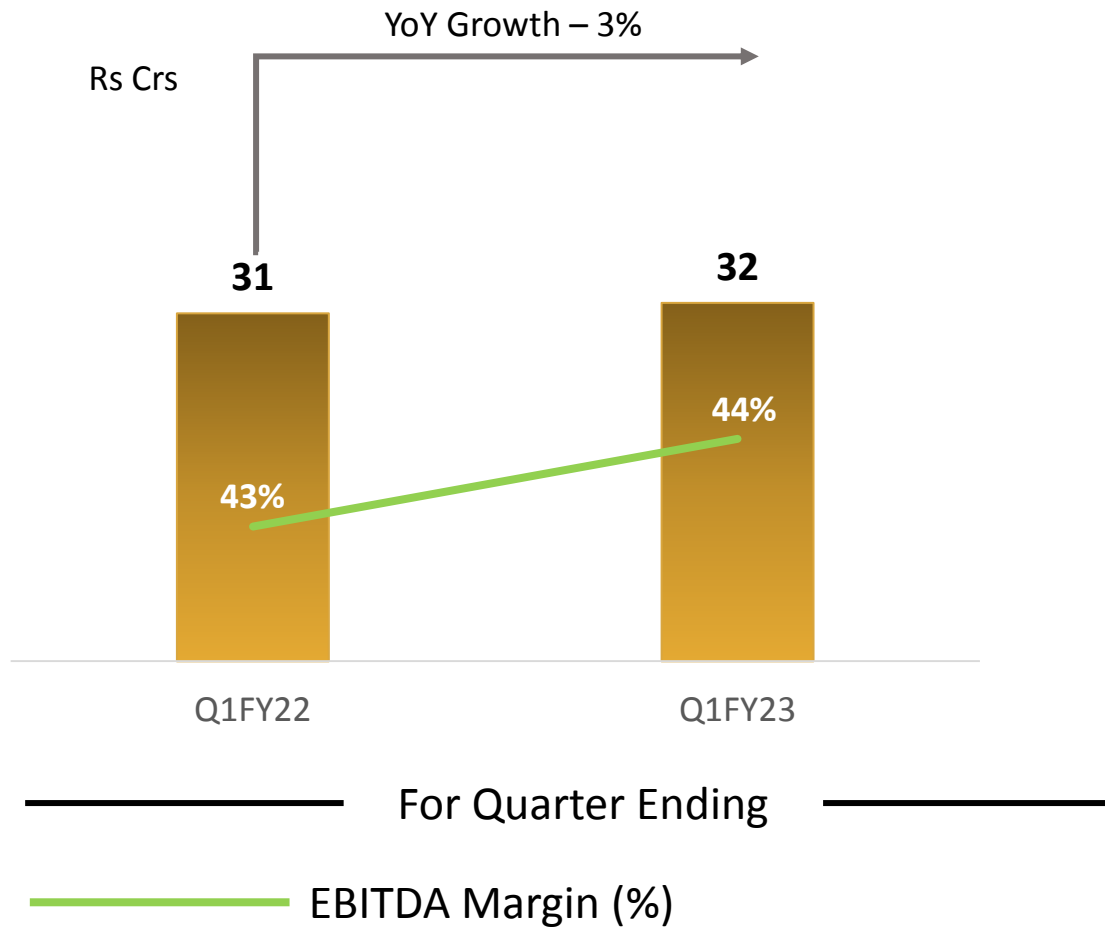


Revenue from Operations - Consolidated

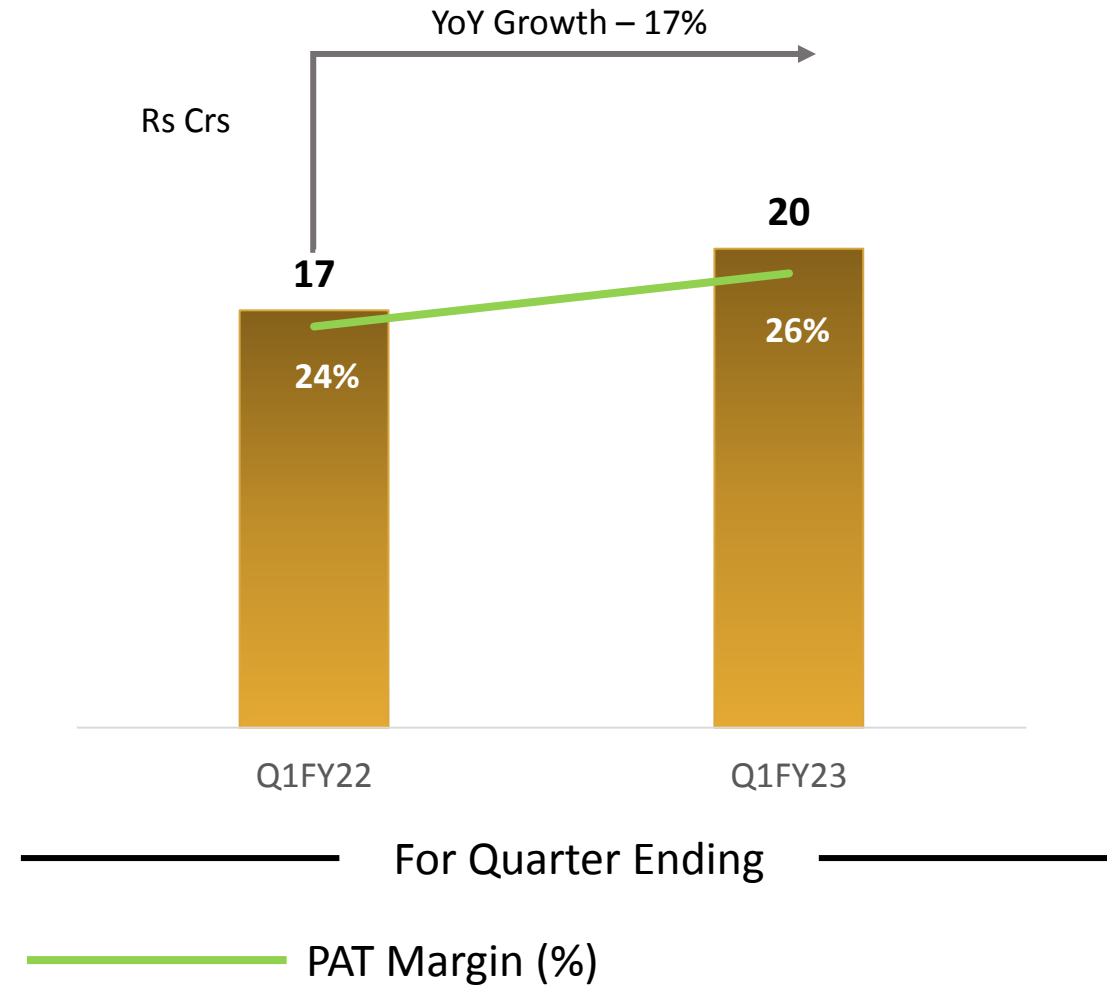


EBITDA & PAT - Consolidated

EBITDA & EBITDA Margin



PAT & PAT Margin



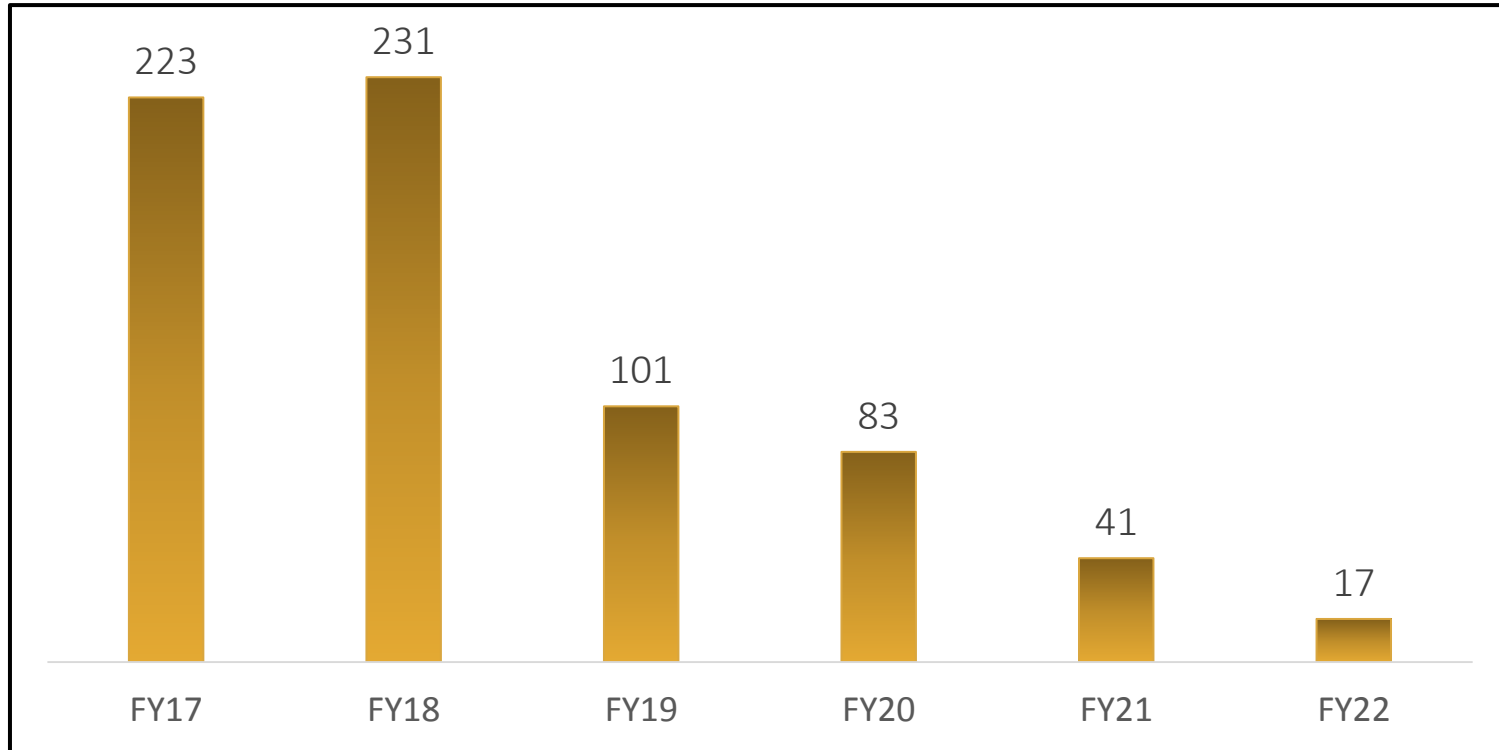
Consolidated Income Statement Q1FY23

Particulars (Rs. Cr)	Consolidated			
	Q1 FY23	Q1 FY22	YoY%	FY22
Revenue from Operations	73.15	71.01	3%	321.6
Other Income	2.33	0.88		4.6
Total Income	75.48	71.89	5%	326.3
Direct Expenses	29.02	28.61		149.3
Employee Expenses	7.25	6.5		27.7
Other Expenses	7.28	5.7		29.9
EBITDA	31.93	31.08	3%	119.4
<i>EBITDA Margin</i>	43.65%	43.23%		36%
Depreciation & Amortization	6.34	5.86		23.9
EBIT	25.59	25.22	1%	95.5
EBIT Margin	33.9%	35.08%		29.2%
Finance costs	0.79	1.44		4.8
PBT	24.8	23.78	4%	90.7
Tax & Deferred Tax	5.29	7.06		18.3
PAT	19.51	16.72	17%	72.4
<i>PAT Margin</i>	25.85%	23.26%		22.2%



Focus on Debt Reduction

Long Term Debt Reduction – Rs Crores



Credit Rating

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

Executing Balance Sheet Goals



Annexures

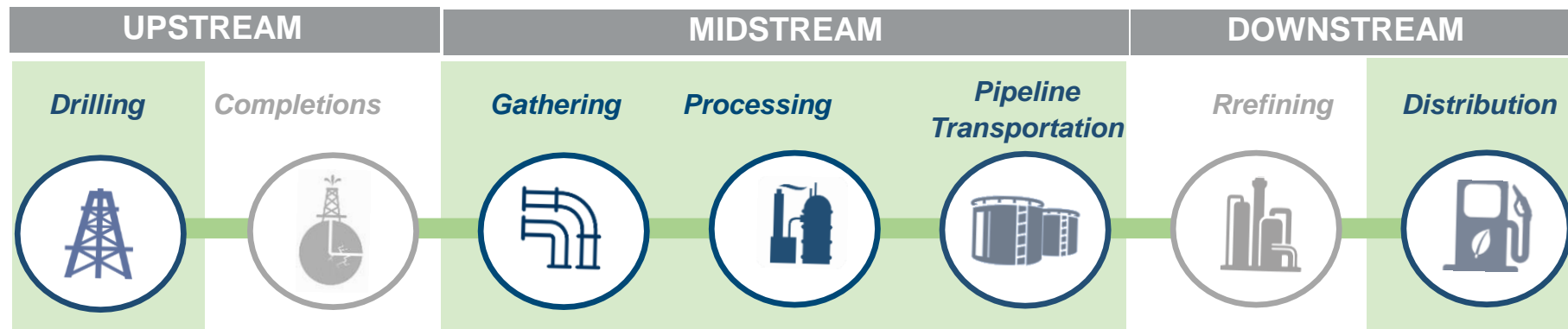
Three Decades of Expertise

Successful 30+ year company history with proven success over time

1991-1994	1995-2004	2005-2015	2015 - Current
<p>1991 : Starts the journey</p> <p>1991 : commenced operations as liquid transport services provider</p> <p>1994 : enters the compression services with first contract from ONGC for Air Compression</p>	<p>1997 : first contract in Natural Gas Compression awarded by ONGC.</p> <p>2001 : Gas compression equipment lease and service agreement with Hanover Asia, Inc USA</p> <p>2004: Sales representation agreement with reputed and experienced gas compressor package providers in USA</p>	<p>2005 : commences Rigs services segment & acquiring its first 100 ton rig.</p> <p>2005: registered with IADC & ISO 9001:2000.</p> <p>2006: Listing on NSE & BSE</p> <p>2010: ISO 14001:2004 certification & BH OHS AS 18001:2007 certification</p> <p>2015 : pioneers first Gas Dehydration service in India on outsourced basis.</p>	<p>2016 : Successfully raised USD 10 million via QIP.</p> <p>2018: Enters into Integrated Project Management Services (IPMS) to become first Indian company in this vertical.</p> <p>2020: becomes approved vendor with Kuwait Oil Company (KOC)</p> <p>2020: Demerged 'Oil & Gas Exploration' Business and 'Services' business into separate listed companies.</p>



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 National Gas Grid

Clientele

Received re-award for Contract of Gas Dehydration from ONGC Agartala for their 2 sites for 1 MMSCMD for the period of another 3 years.

Received fresh award for Contract of Gas Dehydration from ONGC Cauvery Asset for 0.1 MMSCMD for the period of 18 months.



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

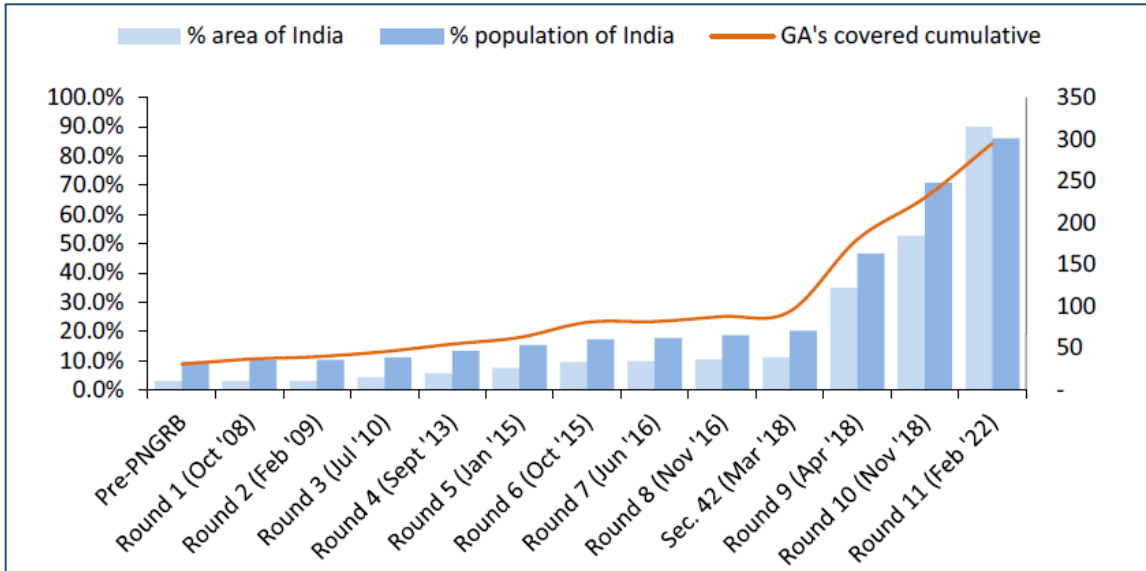
- Greenfield production facility spread over 12,200 sq. mtr.
- Houses dedicated production facility, testing area, storage area and dispatch centre
- Commercial production commenced in Q4 FY21

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 100 schools 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.



Consolidated Balance Sheet

Particulars (Rs Crs)	Mar-22	Mar-21	Mar-20	Particulars (Rs Crs)	Mar-22	Mar-21	Mar-20
Non-Current Assets	943.3	890.1	869.4	Equity	1,130.0	1,061.7	1,026.5
				Share Capital	32.0	32.0	32.0
Property Plat & Equipment	483.4	482.7	460.5	Other Equity	1,098.0	1,029.7	994.52
Capital Work In Progress	4.6	0.6	0.6	Non-Controlling Interest	0.3	0.04	-
Intangible Assets	384.9	384.9	384.9	Total Non-Current Liabilities	60.4	39.4	39.4
Investments	16.9	15.8	17.4	Borrowings	11.3	8.4	8.4
Other Financial Assets	4.5	1.0	0.9	Others		-	-
Other Non – Current assets	48.8	4.8	4.8	Deferred Tax Liabilities (Net)	49.1	30.9	30.9
Total Current Assets	317.0	282.7	262.1	Other Non –Current Liabilities		-	-
Inventories	39.7	38.9	30.2	Provisions		-	-
Investments	56.4	12.8	12.8	Total Current Liabilities	69.6	71.6	65.5
Trade Receivables	135.4	127.6	107.3	Borrowings	20.4	0.6	0.6
Cash & Cash Equivalentents	12.0	19.4	14.7	Trade Payables	38.2	32.4	26.8
Bank Balance other then above	19.9	26.1	26.1	Other Financial Liabilities	4.5	33.9	33.4
Loans	-	0.03	0.03	Current tax liabilities (Net)		-	-
Other Financial Assets	0.6	1.0	15.1	Provisions		-	-
Other current asset	52.7	56.7	55.6	Other Current Liabilities	6.3	4.7	4.6
TOTAL ASSETS	1,260.4	1,172.8	1,131.5	TOTAL EQUITY & LIABILITIES	1,260.4	1,172.8	1,131.5



Standalone Balance Sheet

Particulars (Rs Crs)	Mar-22	Mar-21	Mar-20	Particulars (Rs Crs)	Mar-22	Mar-21	Mar-20
Non-Current Assets	917.7	902.4	933.0	Equity	1,091.4	1,026.5	963.3
Property Plat & Equipment	457.3	460.5	478.1	Share Capital	32.0	32.0	960.0
Capital Work In Progress	4.2	0.6	3.4	Other Equity	1,059.4	994.5	3.3
Intangible Assets	384.9	384.9	449.1	Non-Controlling Interest		-	-
Investments	18.1	17.4	0.1	Total Non-Current Liabilities	57.8	39.4	163.9
Other Financial Assets	4.1	0.9	0.9	Borrowings	8.8	8.4	56.0
Other Non – Current assets	48.8	37.9	1.2	Others		-	2.0
Total Current Assets	294.4	229.0	267.2	Deferred Tax Liabilities (Net)	48.9	30.9	105.8
Inventories	22.0	30.2	21.2	Other Non –Current Liabilities		-	-
Investments	56.4	12.8	8.5	Provisions		-	-
Trade Receivables	127.4	107.3	140.5	Total Current Liabilities	62.8	65.5	72.9
Cash & Cash Equivalentents	7.5	14.7	3.0	Borrowings	17.1	32.4	5.4
Bank Balance other then above	19.9	26.1	33.7	Trade Payables	35.8	26.8	34.6
Loans	-	0.0	0.0	Other Financial Liabilities	3.9	2.2	30.4
Other Financial Assets	9.6	15.1	6.4	Current tax liabilities (Net)		-	-
Other current asset	51.3	22.2	53.7	Provisions		-	-
TOTAL ASSETS	1,212.2	1,131.5	1,200.2	Other Current Liabilities	6.1	4.1	2.3
				TOTAL EQUITY & LIABILITIES	1,212.2	1,131.5	1,200.2



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

Deep Industries Limited
CIN: L14292GJ2006PLC049371
Ms Falak Patel – Company Secretary
cs@deepindustries.com

Go India Advisors
CIN: AAH-6471
Sana Kapoor
sana@goindiaadvisors.com