



Deep
Industries
Limited



CREATING **VALUE** FOR OIL & GAS INDUSTRY



Investor Presentation – 9M & Q3 FY2024



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INDEX

- 01 ► Company Background
- 02 ► Financial & Strategic Highlights of Q3 and 9M FY24
- 03 ► Order Book Highlights
- 04 ► Credit & Liquidity Position
- 05 ► Management Team
- 06 ► Subsidiary Ops & Details
- 07 ► Strengths & Opportunities
- 08 ► Growth Drivers
- 09 ► Company Financials
- 10 ► CSR

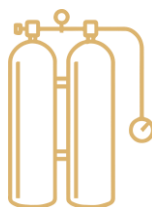


COMPANY BACKGROUND

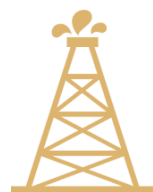


Deep Industries Ltd. is specialized in providing various of Oil & Gas support services including Natural Gas Compression Services, Drilling and Workover Rigs Services, Natural Gas Dehydration Services and Integrated Project Management Services. Deep has been an 'One Stop Solution Provider' for every need of the Energy Sector including Oil and Gas field operations and services. Its comprehensive services portfolio is well supported by skilled manpower and a wide range of equipment's to be used in the industry right from Exploration & Production Services to the Mid Stream Services while maintaining safety and quality as an integral part of the company culture. Recently, the company also forayed into EPC of gas processing facilities on charter hire basis for our client. Deep Industries is the first entity in the country to provide this one of it's kind service.

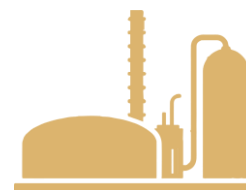
Verticals of the company:



Natural Gas
Compression
Services



Drilling and
Workover Rigs
Services



Natural Gas
Dehydration
Services



Integrated
Project
Management
Services

Within the basket of services offered by Deep Industries Ltd. in the Oil and Gas Services Industry, Q3 FY24 marked some significant order awards. Amongst other awards, the company secured some major contracts from esteemed clients such as ONGC and Vedanta Ltd. for services including Natural Gas Compression, Natural Gas Dehydration, and Workover Rig projects. The total value of these awards for the quarter amounts to Rs. 97 Crores.

COMPANY BACKGROUND

International



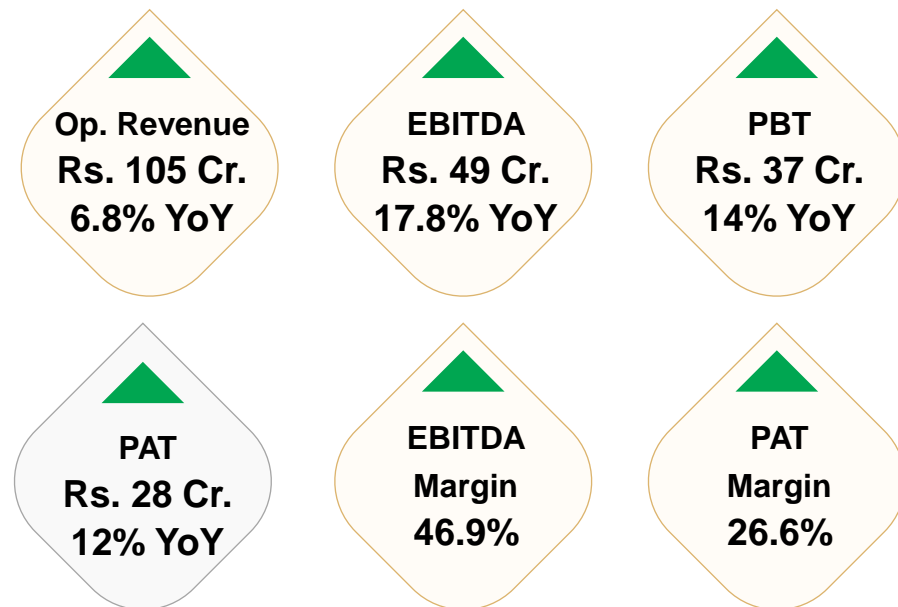
Deep International DMCC has supplied a modular compression station for a client in Egypt to counter well head pressure reduction and maintain well head gas production. The project was executed on a Build/ Own/ Operate basis with the partner in Egypt.

Middle East Fast Track Compressor Overhaul – The Company has supplied quantity four gas compressor packages for a debottlenecking project in Gulf for a client.

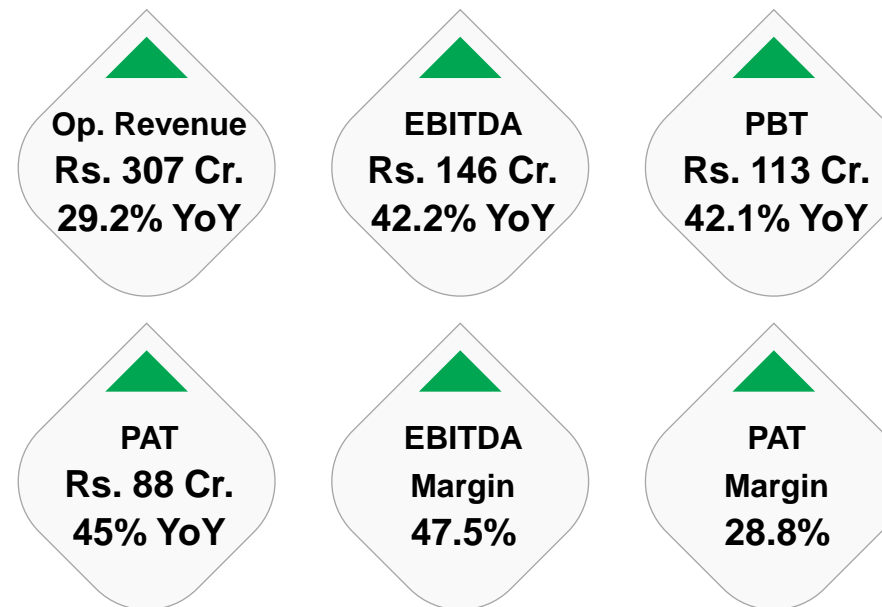
Deep Onshore Drilling Service Private Limited, a subsidiary company of Deep Industries, entered into a JV with Euro Gas Systems to enhance the company's technical expertise and know how to further support gas field services.

FINANCIAL HIGHLIGHTS OF Q3FY24

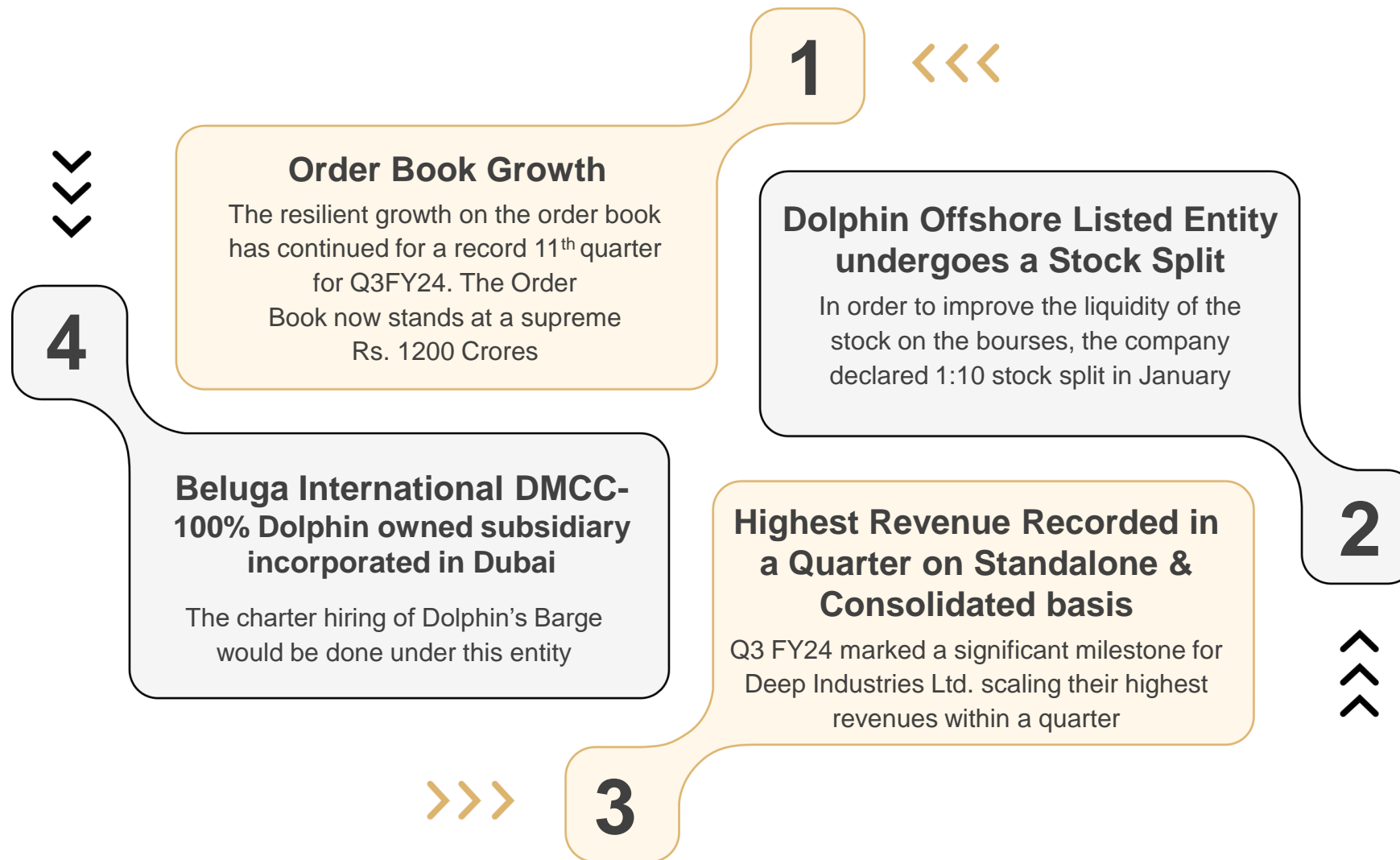
Consolidated Performance for Q3FY24



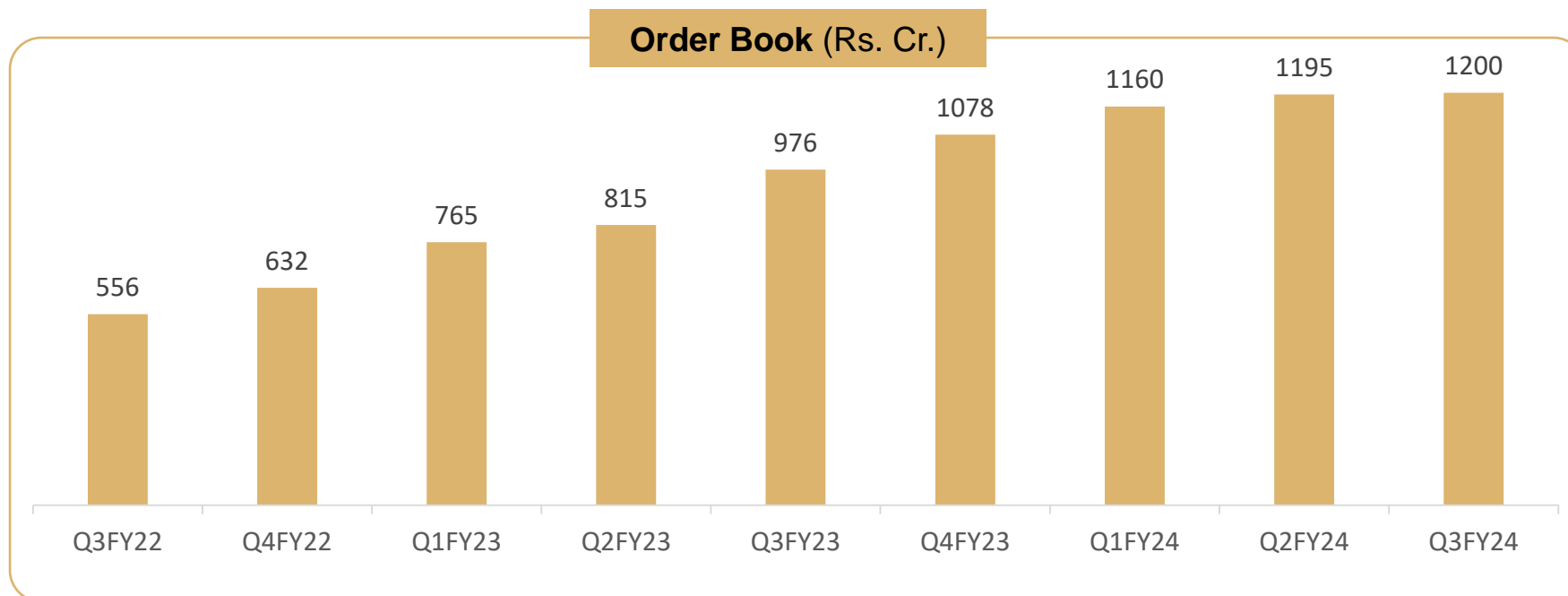
Consolidated Performance for 9MFY24



STRATEGIC HIGHLIGHTS OF Q3 FY24



ORDER BOOK HIGHLIGHTS



Q3FY24 Major Order Wins

The company won major order awards from clients like ONGC and Vedanta amounting to the tune of Rs. 97 Crores in the current quarter

Robust Bidding Pipeline

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

Figures are on Consolidated basis and rounded off to nearest decimal place.

STRONG CREDIT & LIQUIDITY POSITION:

Robust Credit Rating - 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.

Net Debt Free – Deep Industries Ltd. has always commanded a significant financial strength on it’s books by remaining a Net Debt Free company over the years. This supreme liquidity position enables us to capitalize on any short term or inorganic growth opportunity and making us the market leader in our Industry

LONG TERM CLIENT RELATIONSHIPS



...a testimony of our capabilities

MANAGEMENT TEAM



PARAS SAVLA

Chairman and Managing Director

With over three decades of expertise, he graduated in Commerce from Gujarat University. Under his leadership, the organization has experienced exponential growth. Guided by his vision, the company has evolved from a mere transportation service entity to a comprehensive provider of energy infrastructure equipment solutions.



RUPESH SAVLA

Managing Director

Possessing over 27 years of experience in the energy sector, he has steered the organization towards extensive operational expansion. He completed his Masters in Business Administration from Bentley College, USA, and holds a degree in Commerce from Gujarat University. His responsibilities include supervising the coordination and implementation of various projects.



ROHAN SHAH

Director Finance & CFO

A Chartered Accountant with over 17 years of expertise in Finance, Accounts, Audit, and Statutory Compliances, he has dedicated more than 13 years to Deep, assuming several high-ranking financial roles, including Chief Financial Officer. Before joining Deep, he served at ICICI Bank Limited. In 2019, he was honored with the "Financial Express CFO of the year award" in the category of Small Enterprises - Services Industry.

SUBSIDIARY OPS & DETAILS



Dolphin Offshore: A leading company in the country providing offshore services to Oil & Gas Industry. Dolphin's key asset currently being refurbished, has a tremendous utilization in the Industry and is already getting EOI. Dolphin is expected to contribute a significant portion to the entity's topline in the coming FYs given it's wide application scope.



DEEP
INTERNATIONAL
DMCC

Deep International DMCC: Based in Dubai, DMCC is a wholly based subsidiary of Deep Industries. This international arm of the company is providing similar Gas Processing Services across the Middle East, Africa, and Asia. DMCC is also engaged in some level of trading of customized gas processing equipments.



RAAS Equipments: The company produces advanced Booster Compressor Packages with capacities of 22 kW and 37 kW that boast superior efficiency, minimal noise emissions, and meticulously engineered designs. These Booster compressors fully adhere to regulatory mandates and meet the stringent specifications outlined by PESO.

STRENGTHS & OPPORTUNITIES

1

Demonstrating remarkable operational efficiencies, the company consistently utilizes its executional abilities in 4-6 months that often take other organizations 10-12 months. This feat is attributed to our skilled and dedicated workforce, coupled with an outstanding supply chain bolstered by strong vendor relationships, ensuring an impressive operational efficiency rate of 99.6%.

2

Leveraging the flexibility of fully mobile units, the company can expediently transport its resources to any corner of the country within a matter of months.

3

The company's subsidiary is actively pursuing sustainable offshore opportunities, with promising prospects that are expected to unlock significant value in the foreseeable future.

4

The company's liquidity and robust resource base position it favorably to meet expansion requirements seamlessly. The company has mirrored its financial moats from its core principles, maintaining a judicious balance between liquidity and debt on its books, consequently fostering a strong balance sheet.

5

As the market demand for gas compression services continues to rise, the company is poised for an expansion, capitalizing on the increasing trend of outsourcing this specialized service.

6

Deep Industries has supreme Expertise in providing Value added services for our clients which in turn improves their revenue generating ability as well as profitability at large and provides a diversified service mix for their product portfolio

GROWTH DRIVERS

- ↑ The company's current vision entails replicating the remarkable expansion achieved over the past 25 years within the next 5 years. The company is seeing unprecedented demand across all its verticals at elevated levels and this upward trajectory is expected to continue sustainably
- ↑ Implementation of fully mobile units, facilitating swift relocation to any part of the country within a few months. Proactive forecasting of contract renewals enabling optimal resource planning in advance. Minimization of time drag for subsequent optimization and utilization of equipments between contracts for any re-engineering or client related re-configurations as they are finalized in the final 3-4 months of the prior contract period.
- ↑ DMCC is thriving by prioritizing tailored and specialized solutions for clients in the Gulf region.
- ↑ Kuwait Oil Company (One of the largest Oil Producer in the world) exclusively shortlists qualified enterprises, with Deep, being one of the selected few. Moreover, the favorable day rates in the Gulf region should potentially enhance our margin expansion.
- ↑ The company envisions substantial growth prospects in the offshore support services sector, spearheaded by the strategic initiatives of Dolphin.
- ↑ India's strategic directive to bolster self-reliance in energy production underscores the substantial contribution of Public Sector Undertakings (PSUs) to this goal.
- ↑ The industry exhibits relatively subdued competition, largely attributable to its significant capital-intensive nature, operational efficiencies and extreme discipline in leverage.

P&L STATEMENT (Consolidated Basis)

Particulars (Rs. Cr)	Q3FY24	Q3FY23	YoY	9MFY24	9MFY23	YoY	FY23
Revenue from Operations	104.69	98.06	6.76%	307.33	237.88	29.2%	341.34
Other Income	9.14	1.96		24.41	14.07		11.25
Total Income	113.83	100.02	13.81%	331.74	251.95	31.9%	352.59
Direct Expenses	(46.09)	(45.71)		(129.44)	(108.5)		(144.69)
Employee Expenses	(12.23)	(8.46)		(34.61)	(23.44)		(34.42)
Other Expenses	(6.36)	(4.15)		(21.71)	(17.36)		(31.68)
EBITDA	49.09	41.7	17.72%	145.98	102.65	42.2%	141.8
EBITDA Margin	46.9%	42.53%		47.5%	43.2%		40%
Depreciation & Amortization	(8.98)	(7.91)		(27.31)	(20.65)		(29.6)
Finance costs	(2.92)	(1.11)		(5.54)	(2.38)		(5.23)
PBT	37.25	32.68	13.98%	113.13	79.62	42.1%	106.97
PBT Margin	35.44%	33.33%		36.81%	31.6%		30%
Exceptional Item*	0	0		1.01	0		44.69
PBT after Exceptional Item	37.1	32.68		114.14	79.62		151.66
Tax & Deferred Tax	(9.3)	(7.74)		(25.65)	(18.6)		(26.36)
PAT	27.90	24.94	11.87%	88.49	61.02	45%	125.3
PAT Margin	26.6%	25.4%		28.79%	25.7%		36.7%

ANNUAL FINANCIALS (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 Plant & 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 then 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

HOW DEEP INDUSTRIES MAKES A DIFFERENTIATOR



Diversified Service Portfolio:

Offering a wide range of services in various sectors, catering to a diverse client base, and ensuring stability through different market fluctuations and demands.

Continuously Growing Order Book:

Sustained increase in the number of orders and contracts, indicating a strong demand for the company's services and reflecting customer satisfaction and market confidence.

Net Debt Free with Consistent Debt-to-Equity Ratio (D/E) Control:

Maintaining a healthy financial structure with no net debt and a history of never exceeding a D/E ratio of more than 1, signifying sound financial management and a low-risk profile.

Strong Balance Sheet and High Liquidity:

Demonstrating robust financial health and stability, the company possesses significant liquid assets, enabling it to seize both organic and inorganic business opportunities within the industry swiftly and effectively.

Value-Added Services and Preferred Service Provider Status:

Providing additional services that go beyond the basic requirements, resulting in increased customer satisfaction and loyalty, ultimately establishing the company as the preferred service provider in the industry.

Increased Demand for Services in the Industry:

Due to the exceptional value addition services provided, the company is experiencing a surge in demand for its offerings within the industry, indicating a strong competitive position and potential for further growth and expansion.

Smart Class Initiative



Deep Industries Ltd. initiated a program to implement Smart Classes in schools catering to underprivileged children. The aim is to facilitate the comprehensive development of students through the integration of contemporary technology. Currently, this initiative has been successfully implemented in 50 schools.

Medical Check-Up Centre



Continuing their commitment to CSR, Deep Foundation, the charitable division of Deep Industries Limited, inaugurated a cutting edge Medical Checkup centre at Shri Kutchi Jain Sewa Samaj in Ahmedabad. The primary objective of this centre is to offer affordable medical checkup services, ensuring accessibility for all strata of society.



THANK YOU



**Deep
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