

Quick Heal

Security Simplified



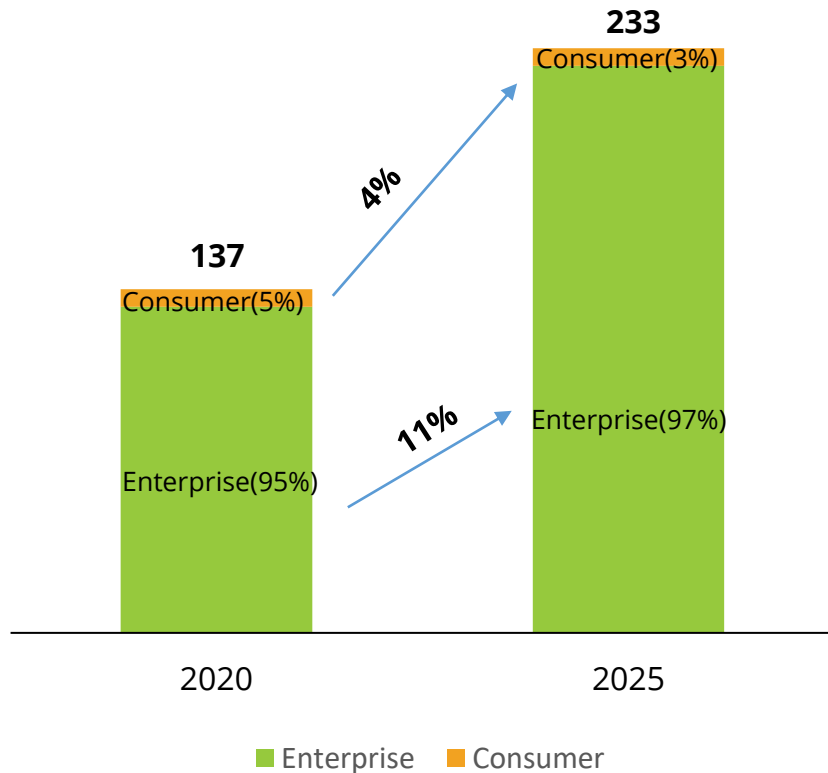
Earnings Presentation | Q4FY22 / FY22



Global cybersecurity market estimated at \$135B in 2020 and expected to grow at 11% till 2025

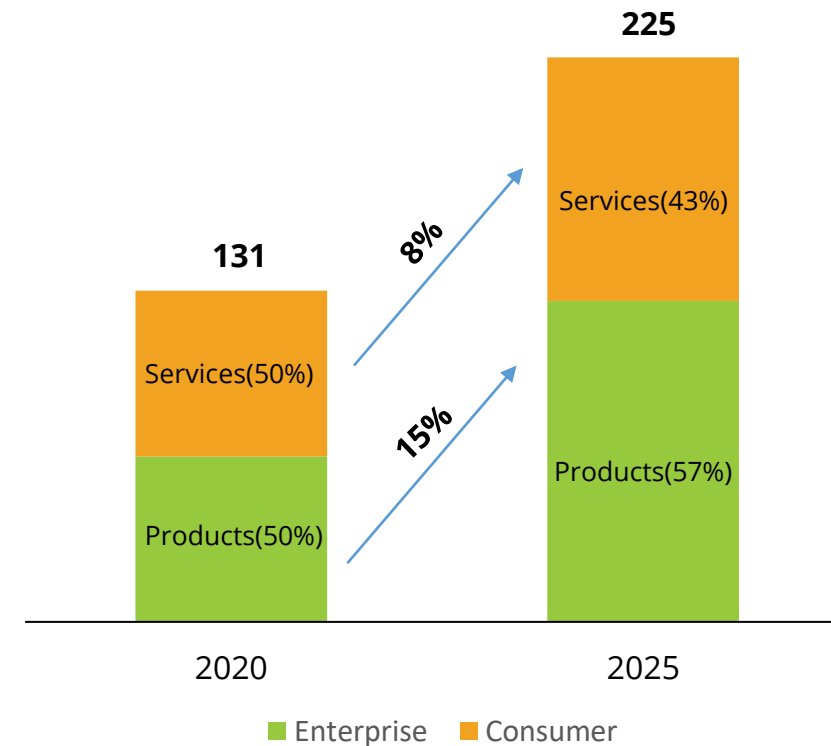
Enterprise market to maintain 95%+ share, growing at 3x consumer market till 2025

Global cybersecurity market (2020,\$B)

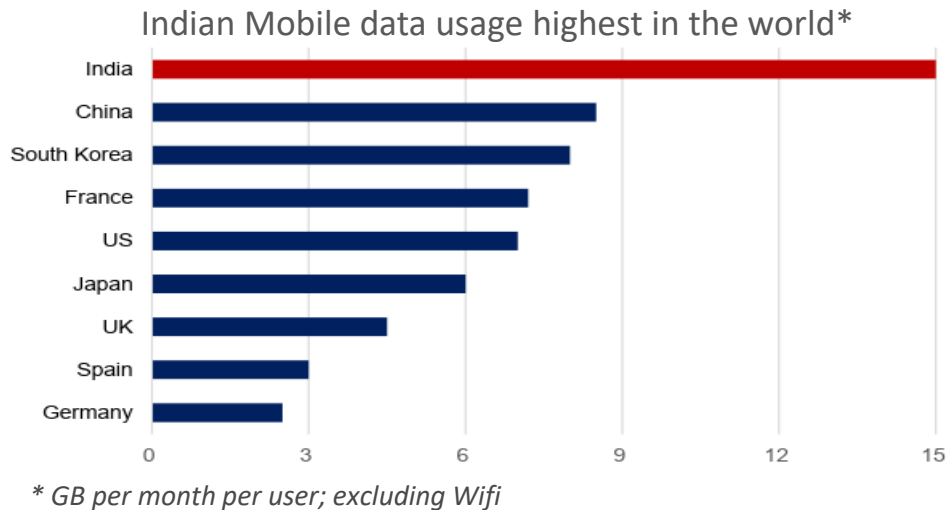


Within enterprise market, product segment to gain significant share, outpacing the overall market by 5pp

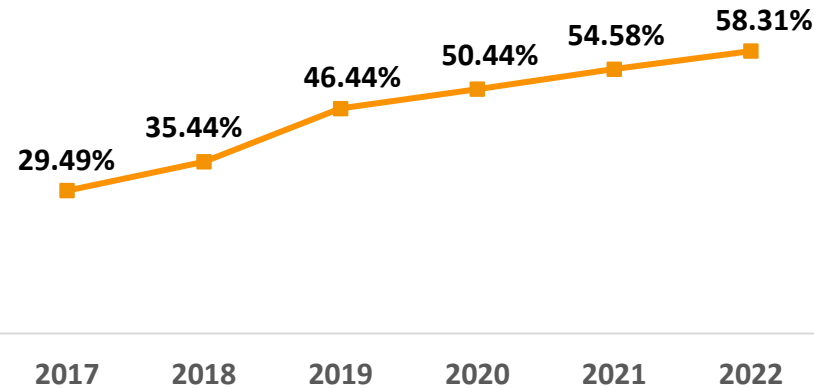
Global cybersecurity market (2020,\$B)



Rapid digitization has enhanced need for greater cybersecurity investments



Social Network Penetration - India



People enrolled in the world's largest unique digital identity program

1.32b



Users engaged in social media

639m



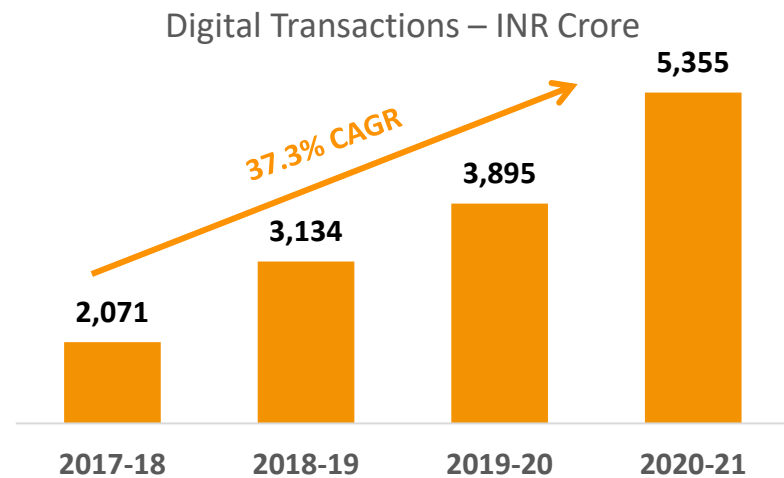
Application downloads in 2020

30b



Average cost to subscriber per GB wireless data

Rs.6.98



845Mn+
Internet users



5x
Internet usage
(FY16 – FY21)



760Mn+
Smartphone users



20x
Mobile data usage
(FY16 – FY21)

Company at a glance

Quick Heal

Security Simplified

SECURITE



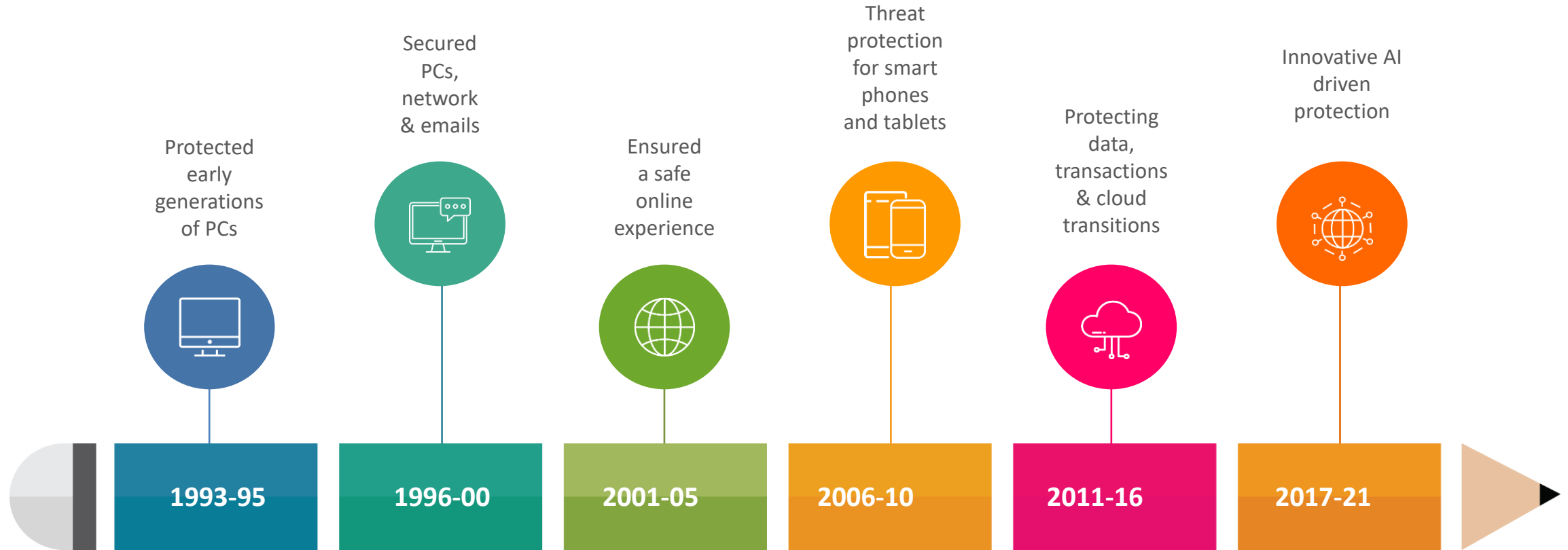
Vision

To be the trusted by our customers in securing the digital world and aim to grow as reputable global market leader

Mission

Empowering the team to solve business problems

Our Journey



Over 25 years
of simplifying security

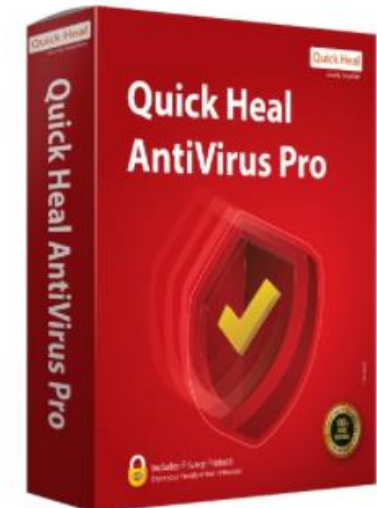
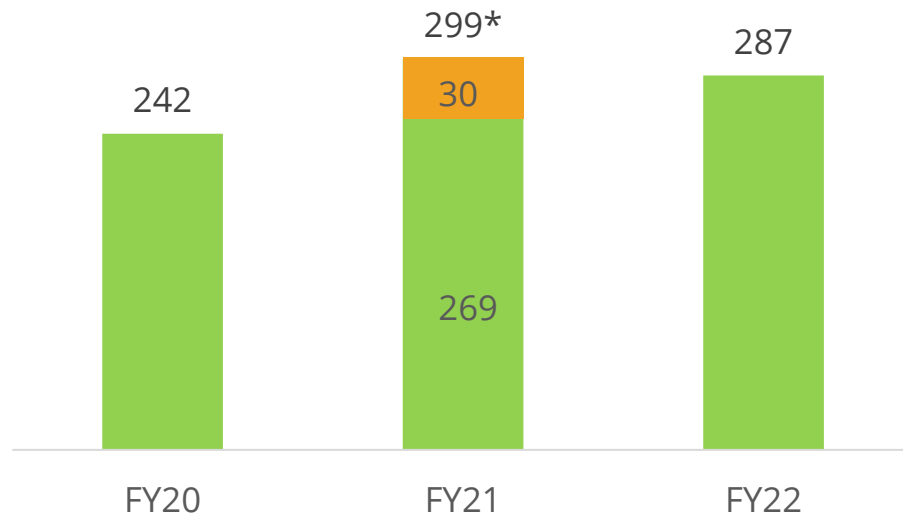
The Cash Cow: Retail Anti Virus Business

Quick Heal
Security Simplified

SECURITE

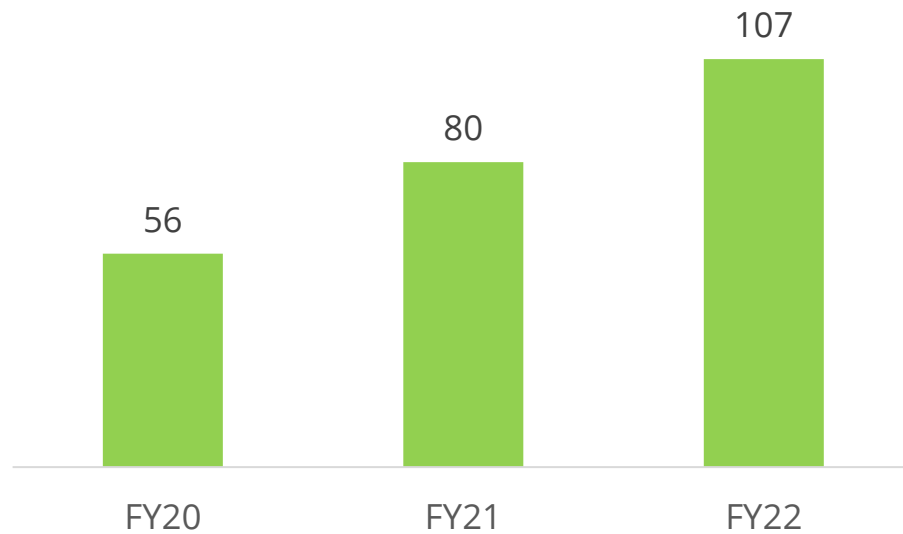
- Over 25 years into existence
- Market leadership with over 30% in the Indian market
- Robust Sales & Distribution network in India

Revenue (INR Crs)



* FY21 revenues included Rs. 30 crores of spillover revenues from FY20 due to Covid pandemic, hence FY22 numbers are not comparable to FY21

Annualised Revenue Run Rate (INR Crs)



- Incubated the enterprise cybersecurity through internal accruals
- Growth story for QH in the years to come
- Launching new products
- Enterprise solutions represent 95% of the cybersecurity market, which is growing at a CAGR of 11% while Quickheal is growing at 25%

*ARR: annualised revenue run rate. $ARR = 4 \times \text{Past quarter revenue}$





**Q4FY22
EARNINGS
HIGHLIGHTS**

The background image shows a collaborative business meeting. Several hands are visible, interacting with various financial documents and tools. One document features a bar chart with three series: Sales (blue), Gross Margin (red), and Net Profit (teal). The y-axis ranges from \$60,000 to \$140,000. Another document shows a line graph with a dashed trend line and handwritten notes: 'Actual Sales Jan 24 - 405M' and 'Target Sales Jan 26 - 63'. A third document has a bar chart with a handwritten note '140,000'. A smartphone, a ruler, and a calculator are also visible on the table.

Q4FY22 / FY22 Earnings Highlights

REVENUE



Q4FY22 Revenue at

₹ **103.7** crs

Down 1.50% YoY

EBITDA

Q4FY22 EBITDA at

₹ **34.9** crs

Down 35.13% YoY

PAT



Q4FY22 PAT at

₹ **28.1** crs

Down 29.24% YoY

Q4FY22 Revenue split

Retail 76.7%



Enterprise +
Government
23.3%

REVENUE



FY22 Revenue at

₹ **341.9** crs

Up 2.66% YoY

EBITDA

FY22 EBITDA at

₹ **106.9** crs

Down 24.44% YoY

PAT



FY22 PAT at

₹ **83.2** crs

Down 22.21% YoY

FY22 Revenue split

Retail 77.7%



Enterprise +
Government
22.3%

Scripting a new success story In the cybersecurity industry

Quick Heal



₹ **87.9** crs

Q4FY22 Revenue*
Down 8.1% YoY



₹ **286.6** crs

FY22 Revenue*
Down 4.3% YoY

SEQRITE



₹ **26.7** crs

Q4FY22 Revenue*
Up 32.8% YoY



₹ **82.0** crs

FY22 Revenue*
Up 23.4% YoY



*Based on net revenues before adjusting for sales incentives

- India's first listed cybersecurity products company
- A "Make in India" product configured to secure individuals, companies, cities and countries
- Undisputed leader in the retail segment
- Seqrite making inroads in the SMB & enterprise segment
- Quick Heal Security Labs - a team of highly efficient security researchers, analysts and engineers leverages a combination of AI, cloud and patented technologies to deliver timely and advanced protection
- Solutions to secure across platforms

- Growth in revenue by 10% YoY in FY22 after removing the impact of spillover revenue
- Enterprise business grew by 33% YoY in Q4FY22 with the addition of more than 30 new customers and exceeding ARR of 100Cr
- Retail business degrew by 8% YoY in Q4FY22 due to lower sales on account of Covid related lockdown in January, with direct online sales growing at 11% YoY and faster than other sales channels
- 2 new age tech beta products launched for enterprise cybersecurity customers with continuous upgrades of exiting product line for enterprise and retail segments.
- Engaging with MNC management consulting company to fructify long term strategic growth plan for the company

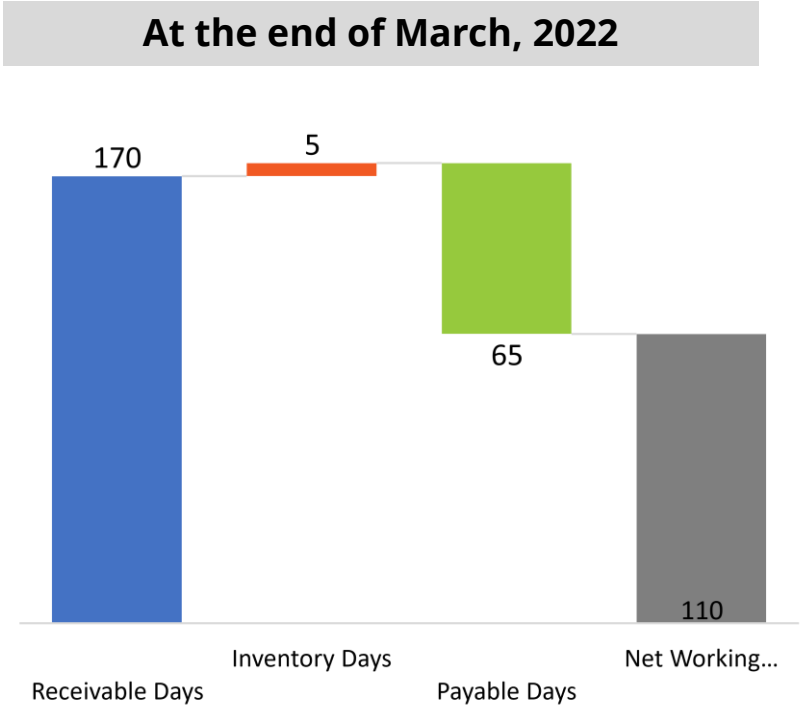
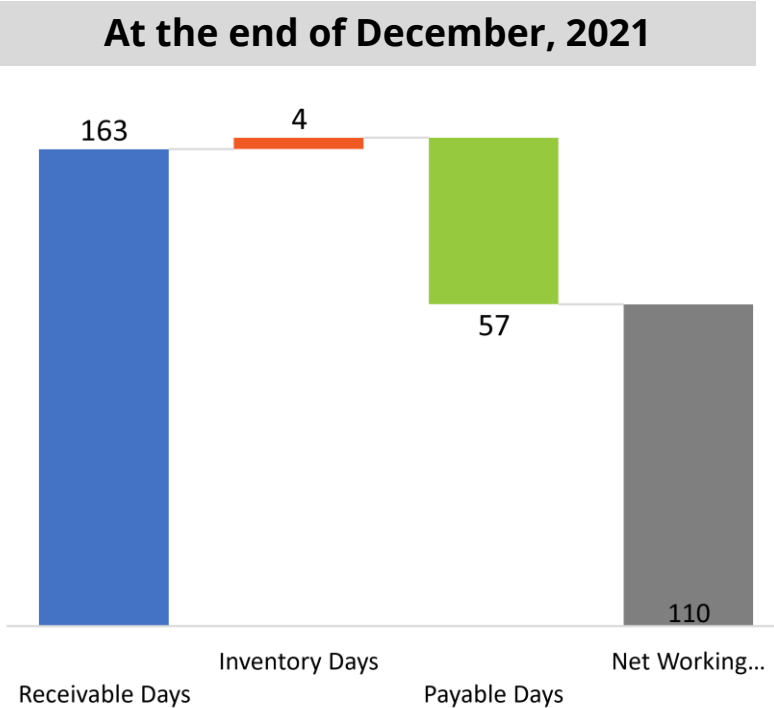
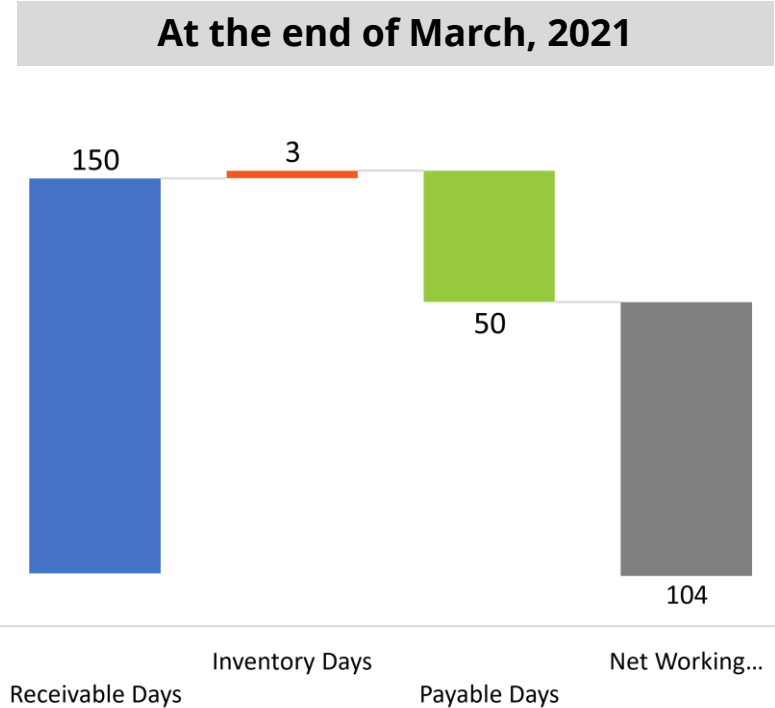
Accreditations

- Seqrite certified and approved for its endpoint anti-malware solution by ICSA labs

Buyback and Dividend


- Completed second buyback amounting to an aggregate of Rs 191 Cr (inclusive of taxes); Total value of buyback done by the company including last financial year is Rs 366 Cr (inclusive of taxes).
- Proposed dividend of Rs. 4.5 per share for FY22 in the Board meeting

Working Capital Analysis



*Note:

- Calculation of Days = [(Particular heading/ Sales) X (last 365 days)]
- Calculation is based on net revenues as per IGAAP before adjusting for sales incentives

A photograph of a business meeting. Two people are looking at a document with financial charts. One person is pointing at a bar chart, and the other is holding a pen over a pie chart. A laptop is visible in the background. The image is split vertically by a diagonal orange line. The left side shows the hands and charts, while the right side is a lighter, more faded view of the same scene.

Q4 & FY22 EARNINGS

Quarterly Income statement

PARTICULARS (₹ crs)	Standalone			Consolidated		
	Q4FY21	Q4FY22	% change	Q4FY21	Q4FY22	% change
Total Revenue	106.10	103.75	-2.21%	105.29	103.71	-1.50%
Direct Cost	4.56	4.78		4.55	4.80	
Gross Profit	101.54	98.97	-2.53%	100.74	98.91	-1.82%
Gross Margin	95.70%	95.39%	-31 bps	95.68%	95.37%	-31 BPS
Operating Cost						
Research and Development (R&D)	18.66	28.11		18.66	27.09	
Sales and Marketing (S&M)	16.66	22.06		17.05	23.17	
General Administration (G&A)	12.16	14.12		11.27	13.76	
Total Expenditure	47.48	64.28	-35.38%	46.98	64.03	-36.28%
EBITDA	54.06	34.69	-35.83%	53.76	34.88	-35.13%
EBITDA Margin	50.95%	33.44%	-1,752bps	51.06%	33.63%	-1743 BPS
Depreciation	5.00	4.58		5.00	4.58	
EBIT	49.06	30.11	-38.63%	48.76	30.30	-37.86%
EBIT Margin	46.24%	29.02%	-1,722 bps	46.31%	29.21%	-1709 BPS
Other Income	5.72	5.66		5.73	5.66	
Profit Before Tax (before exceptional item)	54.78	35.77	-34.70%	54.49	35.96	-34.01%
Exceptional items	-	1.90		-	-	
Profit before Tax after exceptional items	54.78	33.87	-38.17%	54.49	35.96	-34.01%
Tax	14.76	7.84		14.79	7.87	
Profit After Tax (PAT)	40.02	26.03	-34.96%	39.70	28.09	-29.24%
PAT Margin	37.72%	25.09%	-1,263 bps	37.71%	27.08%	-1,063 bps

NOTE: Certain figures have been re-grouped wherever necessary

Annual Income statement

PARTICULARS (₹ crs)	Standalone			Consolidated		
	FY21	FY22	% change	FY21	FY22	% change
Total Revenue	333.52	341.55	2.41%	333.04	341.90	2.66%
Direct Cost	13.43	14.09		13.70	13.84	
Gross Profit	320.09	327.46	2.30%	319.34	328.06	2.73%
Gross Margin	95.97%	95.87%	-10 bps	95.89%	95.95%	+7 BPS
Operating Cost					-	
Research and Development (R&D)	67.52	90.79		67.52	89.75	
Sales and Marketing (S&M)	64.92	81.22		66.51	83.20	
General Administration (G&A)	46.28	49.62		43.87	48.25	
Total Expenditure	178.72	221.63	-24.01%	177.90	221.20	-24.34%
EBITDA	141.37	105.83	-25.14%	141.44	106.86	-24.45%
EBITDA Margin	42.39%	30.99%	-1,140 bps	42.47%	31.26%	-1122 BPS
Depreciation	19.48	17.38		19.49	17.38	
EBIT	121.89	88.45	-27.43%	121.95	89.48	-26.63%
EBIT Margin	36.55%	25.90%	-1,065 bps	36.62%	26.17%	-1045 BPS
Other Income	23.94	19.17		24.16	19.20	
Profit Before Tax (PBT after exceptional items)	145.83	107.62	-26.20%	146.11	108.68	-25.62%
Exceptional items	-	4.06		-	-	
Profit Before Tax	145.83	103.56	-28.99%	146.11	108.68	-25.62%
Tax	39.04	25.37		39.16	25.49	
Profit After Tax (PAT)	106.79	78.19	-26.78%	106.95	83.19	-22.22%
PAT Margin	32.02%	22.89%	-913bps	32.11%	24.33%	-778 BPS

NOTE: Certain figures have been re-grouped wherever necessary

Consolidated Balance Sheet

EQUITY AND LIABILITIES (₹ crs)	Mar 31, 2021	Mar 31, 2022
Share Holder's Funds:		
Equity Share Capital	64.21	58.01
Share application money pending allotment	-	-
Reserves and Surplus	687.28	569.63
Total Shareholder Funds	751.49	627.64
Non-Current Liabilities		
Net employee defined benefit liabilities	0.37	0.89
Other Non Current Liabilities	-	0.52
Deferred tax liability (net)	0.82	0.64
Total Non-Current Liabilities	1.19	2.05
Current Liabilities:		
Trade and Other Payables	49.98	65.25
Other Financial Liabilities	1.33	1.13
Other Current Liabilities	18.31	19.31
Net employee defined benefit liabilities	1.17	0.39
Current tax liabilities (Net)	3.23	0.11
Total Current Liabilities	74.02	86.19
Total Equity & Liabilities	826.70	715.88

ASSETS (₹ crs)	Mar 31, 2021	Mar 31, 2022
Non-Current Assets:		
Property, plant and equipment	140.47	105.93
Capital work-in-progress	2.11	-
Investment Property	-	25.36
Intangible assets	5.28	5.74
Non-current financial assets		
Investments in MF ,Tax-Free Bonds & Others	32.20	27.46
Other Financial Assets	0.54	0.49
Deferred tax assets (net)	-	-
Other non current assets	14.61	16.27
Total Non-Current Assets	195.21	181.25
Current assets:		
Inventories	3.34	4.79
Investment in Mutual Fund	383.31	290.07
Trade and other receivables	150.63	171.96
Bank Balances & Cash and Cash Equivalents	16.57	8.00
Investment in Fixed Deposit	67.74	55.05
Other Financial Assets	1.48	1.17
Other Current assets	6.82	3.58
Assets classified as held for sale	1.60	-
Total Current Assets	631.49	534.63
Total Assets	826.70	715.88

NOTE: Certain figures have been re-grouped wherever necessary

Standalone Balance Sheet

EQUITY AND LIABILITIES (₹ crs)	Mar 31, 2021	Mar 31, 2022
Share Holder's Funds:		
Equity Share Capital	64.21	58.01
Share application money pending allotment	-	-
Reserves and Surplus	691.62	569.20
Total Shareholder Funds	755.83	627.21
Non-Current Liabilities		
Net employee defined benefit liabilities	0.37	0.89
Other Non Current Liabilities	-	0.52
Deferred tax liabilities (net)	0.82	0.64
Total Non-Current Liabilities	1.19	2.05
Current Liabilities:		
Trade and Other Payables	49.71	65.74
Other Financial Liabilities	1.33	1.14
Other Current Liabilities	18.24	19.29
Net employee defined benefit liabilities	1.17	0.39
Current tax liabilities (Net)	3.18	0.07
Total Current Liabilities	73.63	86.63
Total Equity & Liabilities	830.65	715.89

ASSETS (₹ crs)	Mar 31, 2021	Mar 31, 2022
Non-Current Assets:		
Property, plant and equipment	140.45	105.94
Capital work-in-progress	2.11	-
Investment Property	-	25.36
Intangible assets	5.27	5.72
Non-current financial assets		
Investments in MF, Tax-Free Bonds, Subs & others	44.43	30.45
Other Financial Asset	0.54	0.49
Deferred tax assets (net)	-	-
Other non current assets	14.61	16.26
Total Non-Current Assets	207.41	184.22
Current assets:		
Inventories	3.30	4.79
Investment in Mutual Fund	383.31	290.07
Trade and other receivables	149.46	172.93
Bank Balances & Cash and Cash Equivalents	9.69	4.15
Investment in Fixed Deposit	67.74	55.05
Other Financial Assets	1.47	1.18
Other Current assets	6.67	3.50
Assets classified as held for sale	1.60	-
Total Current Assets	623.24	531.67
Total Assets	830.65	715.89

NOTE: Certain figures have been re-grouped wherever necessary

Quarterly Ratio analysis

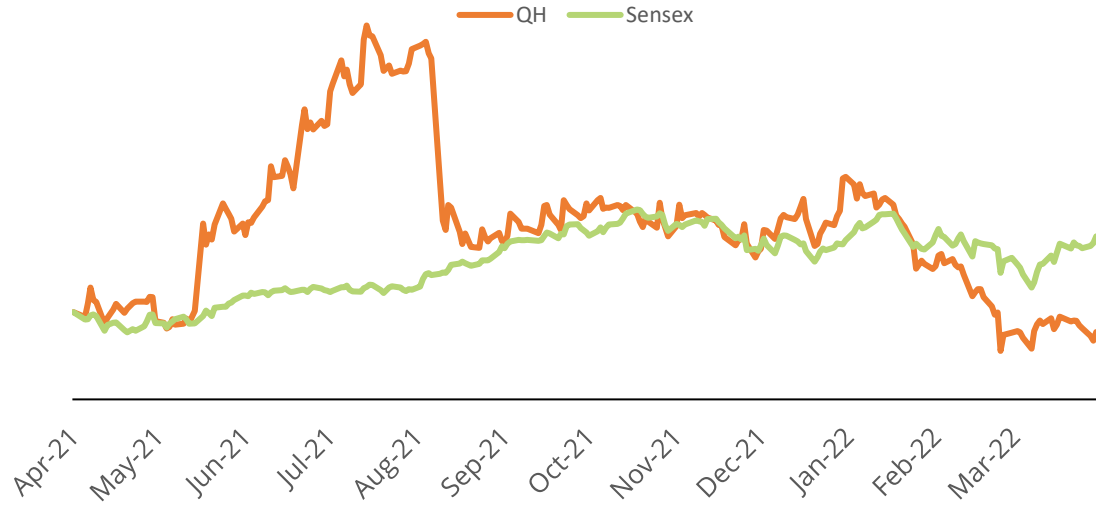
In %	Standalone		Consolidated	
	Q4FY21	Q4FY22	Q4FY21	Q4FY22
Expenses				
Direct Cost / Revenue	4.30%	4.61%	4.32%	4.63%
R&D / Revenue	17.59%	27.09%	17.72%	26.12%
S&M / Revenue	15.70%	21.26%	16.19%	22.34%
G&A / Revenue	11.46%	13.61%	10.70%	13.27%
Total Cost / Revenue	44.75%	61.96%	44.62%	61.74%
Margin				
Gross Margin	95.70%	95.39%	95.68%	95.37%
EBITDA	50.95%	33.44%	51.06%	33.63%
EBIT	46.24%	29.02%	46.31%	29.22%
PBT (Before Exceptional Item)	51.63%	34.48%	51.75%	34.67%
PBT (After Exceptional Item)	51.63%	32.65%	51.75%	34.67%
PAT	37.72%	25.09%	37.71%	27.08%

Annual Ratio analysis

In %	Standalone		Consolidated	
	FY21	FY22	FY21	FY22
Expenses				
Direct Cost / Revenue	4.03%	4.13%	4.11%	4.05%
R&D / Revenue	20.24%	26.58%	20.27%	26.25%
S&M / Revenue	19.47%	23.78%	19.97%	24.33%
G&A / Revenue	13.88%	14.53%	13.17%	14.11%
Total Cost / Revenue	53.59%	64.89%	53.42%	64.70%
Margin				
Gross Margin	95.97%	95.87%	95.89%	95.95%
EBITDA	42.39%	30.99%	42.47%	31.25%
EBIT	36.55%	25.90%	36.62%	26.17%
PBT (Before Exceptional Item)	43.72%	31.51%	43.87%	31.79%
PBT (After Exceptional Item)	43.72%	30.32%	43.87%	31.79%
PAT	32.02%	22.89%	32.11%	24.33%

Capital Market Data

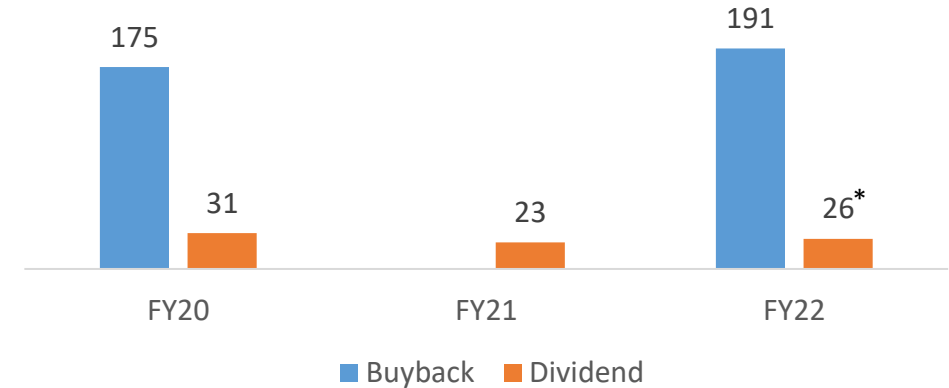
Stock Market Performance (as on 31st March, 2022)



Price Data (As of 31st March 2022)

Face Value	10.0
Market Price	177.6
52 Week H/L	319.9/170.8
Market Cap (INR Cr)	10,30.25
Equity Shares Outstanding (Mn)	58.0
1 Year Avg. Trading Volume ('000)	406.5
1 Year Avg. Net Turnover (Mn)	98.7

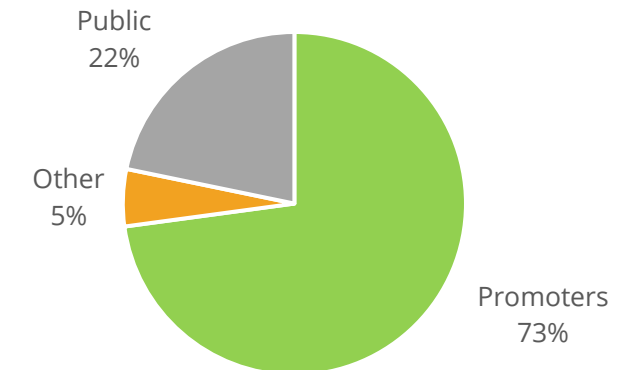
Buyback & Dividend (₹ crs. Tax inc.)



>₹400 Crs rewarded to shareholders through dividend & buyback programs over last 3 financial years.

* Proposed for dividend in ensuing AGM

Shareholding Pattern (as on 31st March, 2022)



Quick Heal Technologies Limited

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Thank You