

Ref. No.: QHTL/Sec/SE/2023-24/07

April 17, 2023

The Manager,
Corporate Services,
BSE Limited,
14th Floor, P J Towers, Dalal Street,
Mumbai – 400 001
Ref: Security ID: QUICKHEAL
Security Code: 539678

The Manager,
Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol: QUICKHEAL
Series : EQ

Dear Sir/Madam,

Sub: **Submission of Investor Presentation**

Dear Sir/Madam,

In continuation to our letter dated April 17, 2023 regarding outcome of Board Meeting, please find attached investor presentation of financial results for the year ended March 31, 2023.

This is for your information and records.

For Quick Heal Technologies Limited

A. Srinivasa Rao
Company Secretary
M.No.: F9901

Quick Heal

Security Simplified



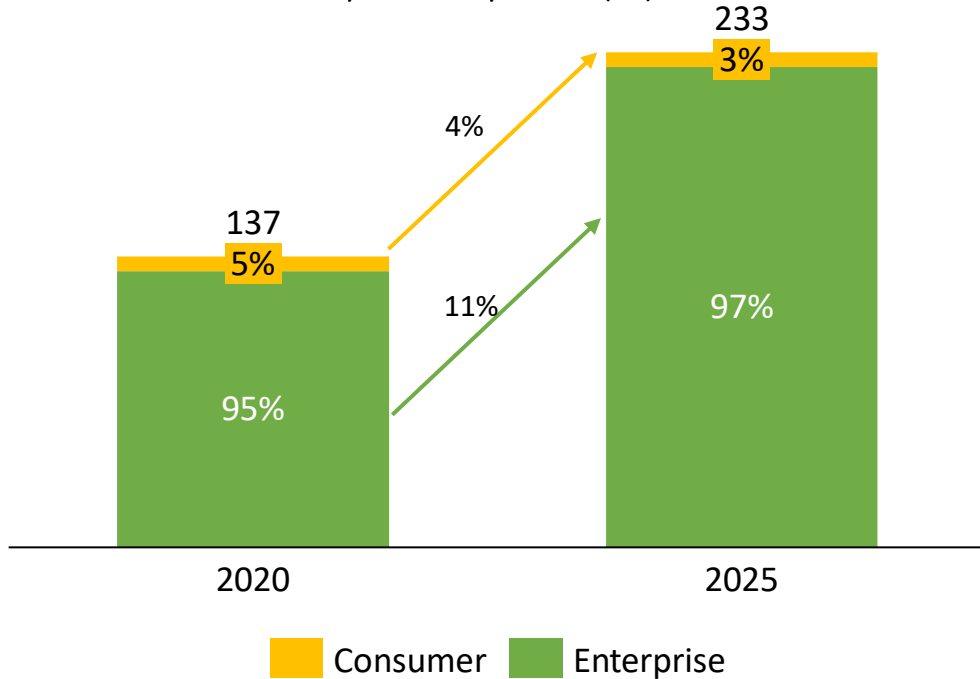
Earnings Presentation | Q4/FY23



Global cybersecurity market overview

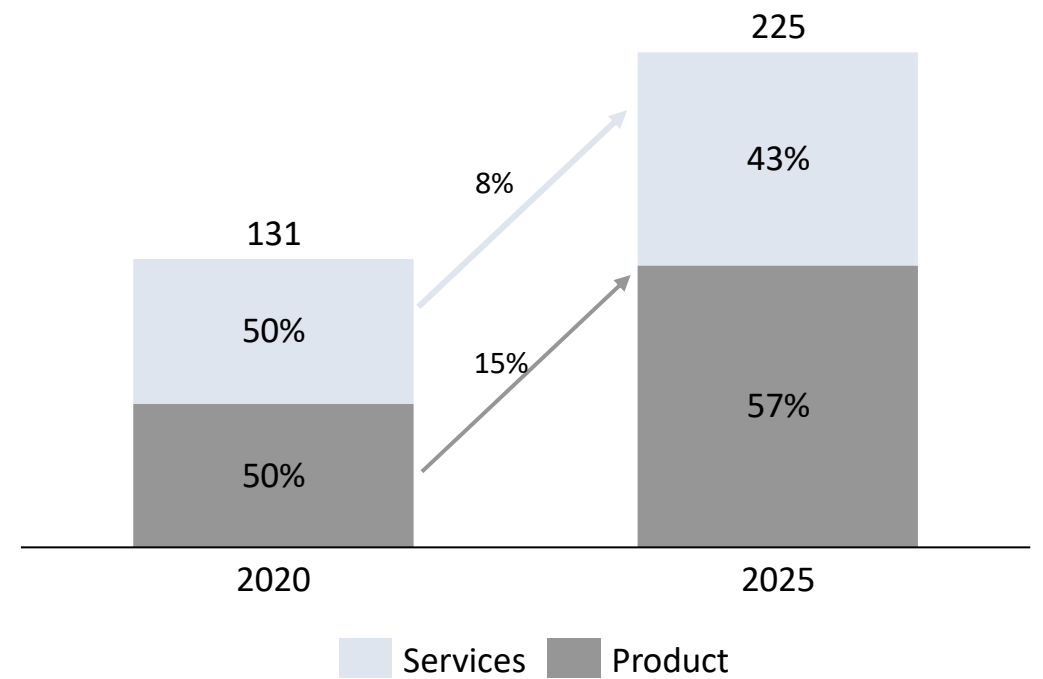
Enterprise market to maintain 95%+ share, growing at 3x consumer market till 2025

Global cybersecurity market (\$B)



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

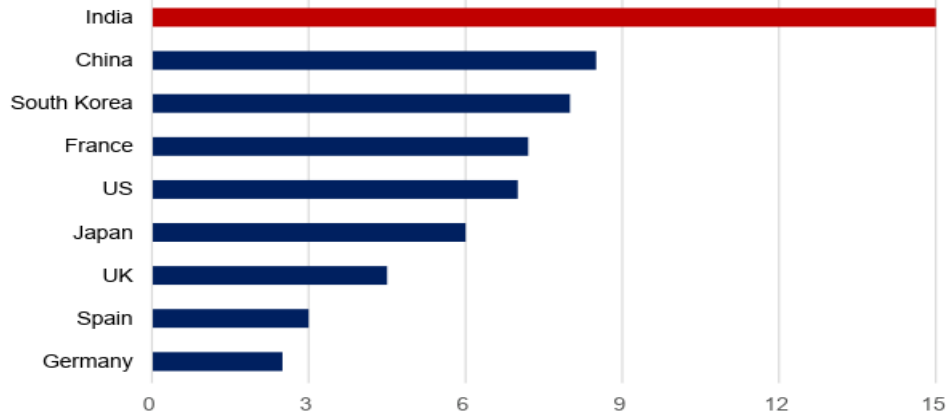
Global cybersecurity market (\$B)



While the long-term growth of the industry is positive, we are witnessing headwinds in the medium-short term

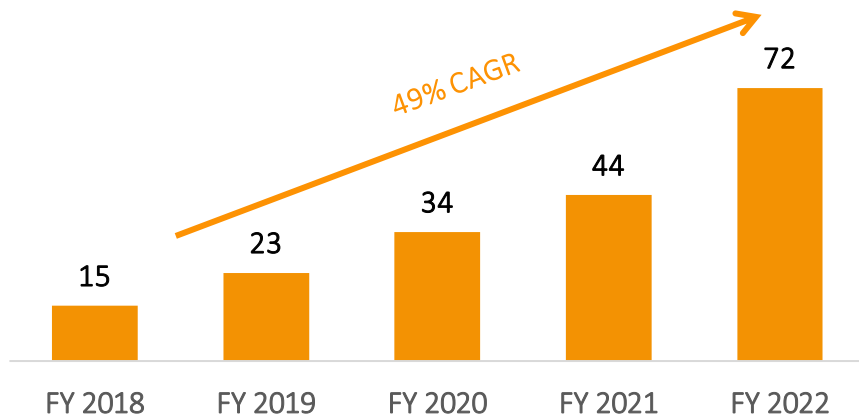
Rapid digitization has enhanced need for greater cybersecurity investments

Indian Mobile data usage highest in the world*

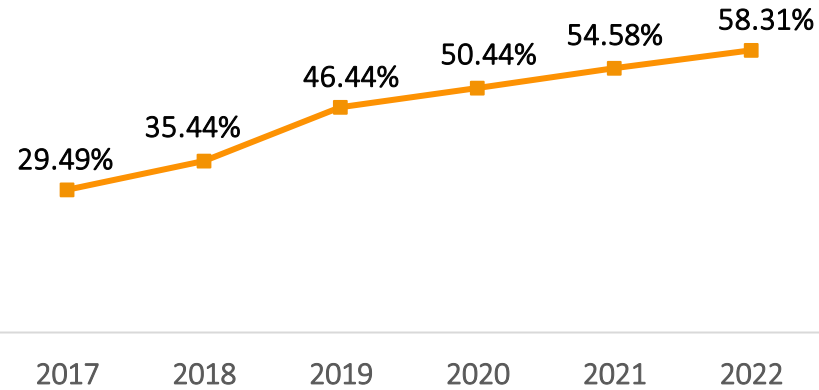


* GB per month per user; excluding Wifi

Digital Transactions – INR Billion



Social Network Penetration - India



845Mn+
Internet users



5x
Internet usage
(FY16 – FY21)



760Mn+
Smartphone users



20x
Mobile data usage
(FY16 – FY21)



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

Company at a glance



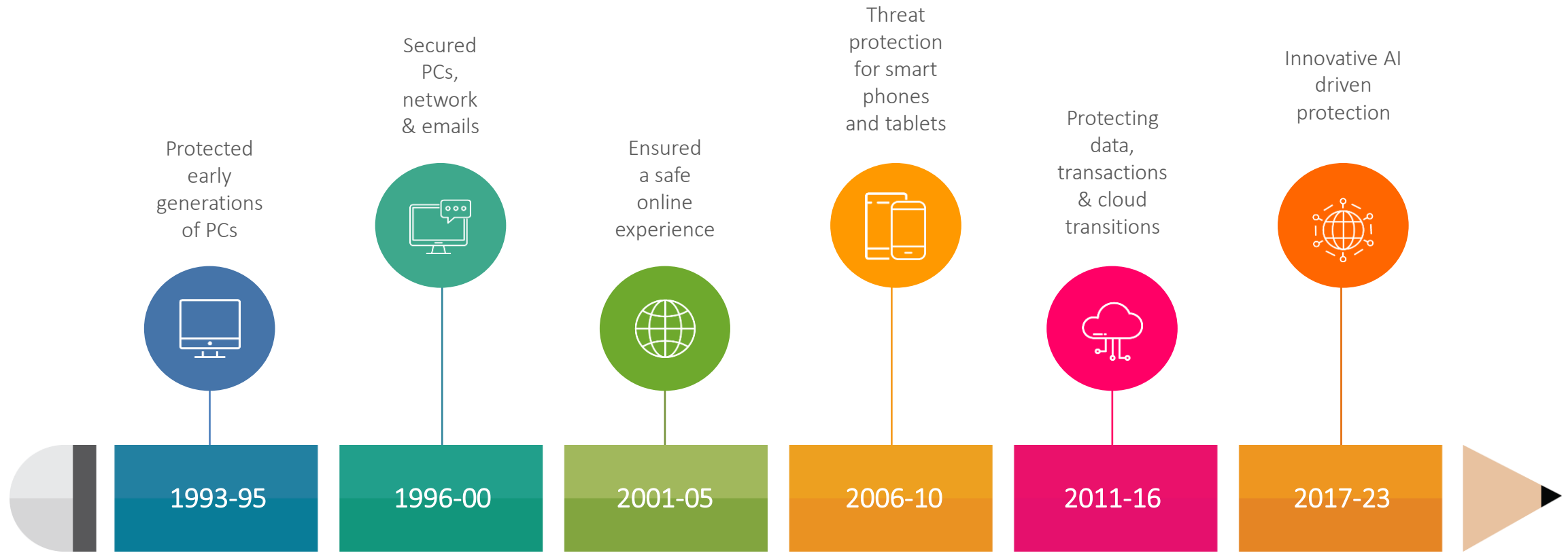
Vision

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

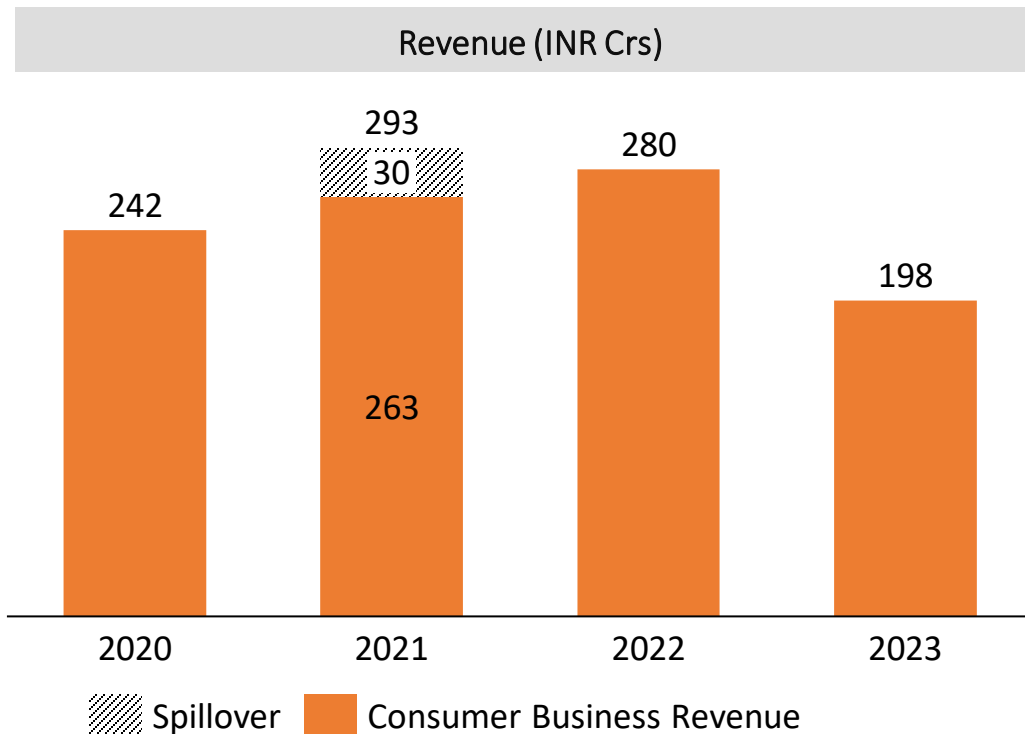


Over 25 years
of simplifying security

The Cash Cow: Retail Anti Virus Business



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



Current Scenario:

- Market Headwinds in the short term: Sudden decrease in IT spending since H2FY22
- The trend is visible across the global software industry
- We foresee the same trend in the upcoming quarter.

Our Approach:

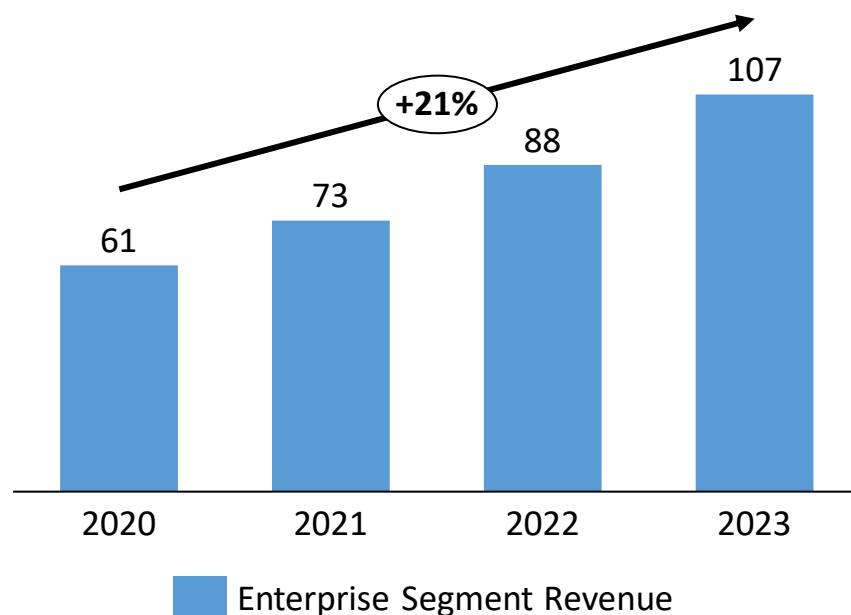
- Focusing towards maintaining our market share in the period
- Drive consumer awareness in the geography in cybersecurity specific domain

- FY21 revenues included Rs. 30 crores of spillover revenues from FY20 due to Covid pandemic, hence FY22 numbers are not comparable to FY21
- Segmental revenues are regrouped basis end customers

The Growth Story: Enterprise Solutions



- Incubated the enterprise cybersecurity through internal accruals
- Growth story for QH in the years to come
- Enterprise solutions represent 95% of the cybersecurity market, which is growing at a CAGR of 11% while Quick Heal is growing at 21%



Business Momentum:

- Enterprise segment outperforming the market growth rates
- Established market fit for HawkHunt: Over 20 customers onboarded
- HawkProtect & HawkScan currently in the process of establishing the product market fit
- New launches for all the products depicted above, planned in H1FY24
- We are overlooking accelerated growth in the segment going forward





Q4/FY23 EARNINGS HIGHLIGHTS

Actual Sales
Jan 24 - 105M
Target Sales
Jan 26 - 65M



Q4-FY23 Earnings Highlights

REVENUE



Q4-FY23 Revenue at

₹ **49.3** crs

Down 52% YoY

EBITDA

Q4-FY23 EBITDA at

₹ **(16.2)** crs

Down 146% YoY

PAT



Q4-FY23 PAT at

₹ **(6.6)** crs

Down 124% YoY

DILUTED EPS

Q4-FY23 EPS at

₹ **(1.3)**

Down 126% YoY

RETAIL REVENUE

Q4-FY23 Retail revenue at

₹ **26.2*** crs

Down 69% YoY

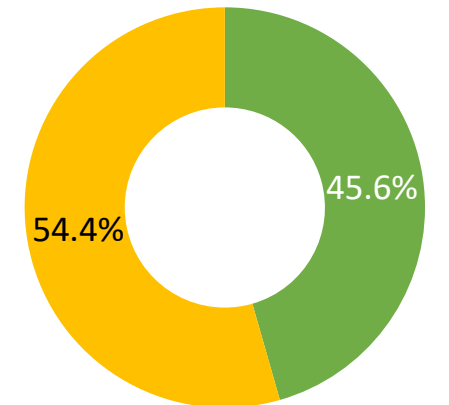
ENTERPRISE REVENUE

Q4-FY23 Enterprise revenue at

₹ **31.3*** crs

Up 9% YoY

Q4-FY23 Revenue split



■ Retail
■ Enterprise + Government

*Based on gross revenues before adjusting for sales incentives

FY23 Earnings Highlights

REVENUE



FY23 Revenue at

₹ **278.1** crs

Down 19% YoY

EBITDA

FY23 EBITDA at

₹ **1.9** crs

Down 98% YoY

PAT



FY23 PAT at

₹ **6.4** crs

Down 92% YoY

DILUTED EPS

FY23 EPS at

₹ **1.14**

Down 91% YoY

RETAIL REVENUE

FY23 Retail revenue at

₹ **197.5*** crs

Down 30%

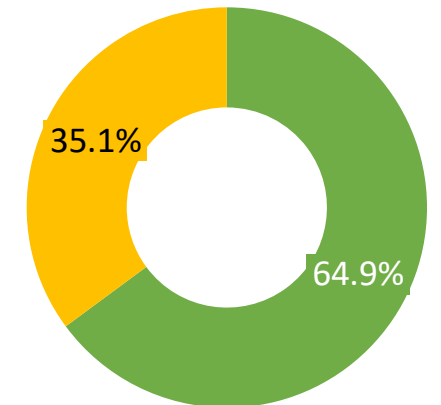
ENTERPRISE REVENUE

FY23 Enterprise revenue at

₹ **106.9*** crs

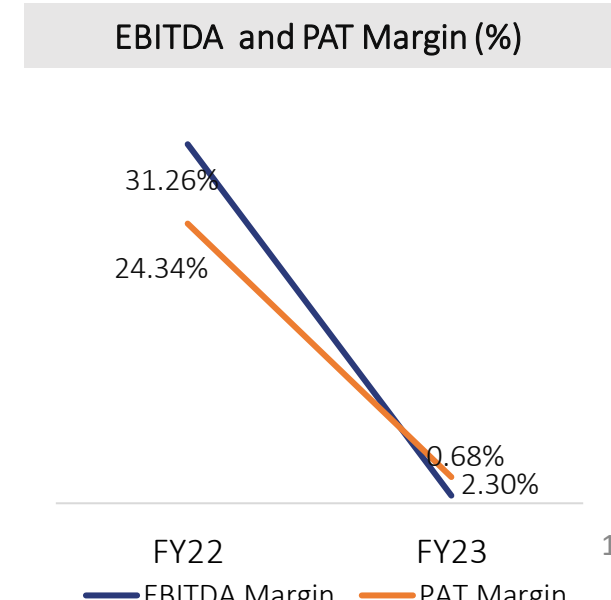
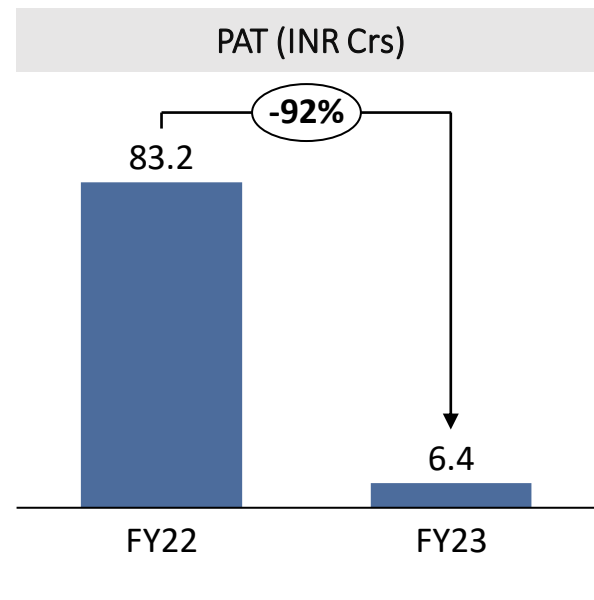
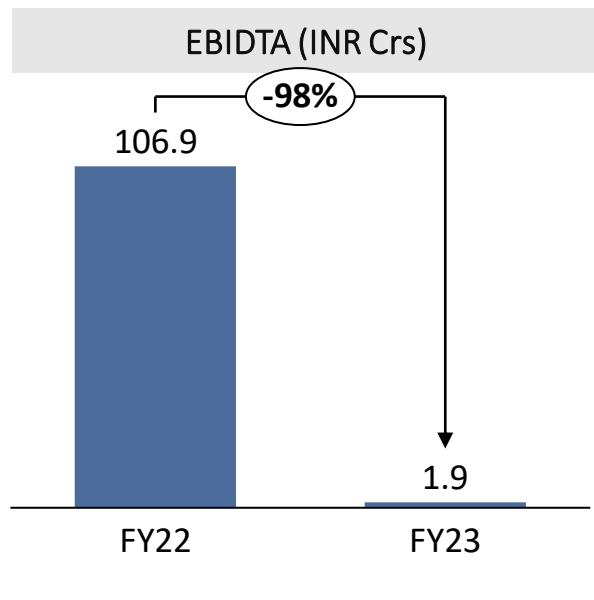
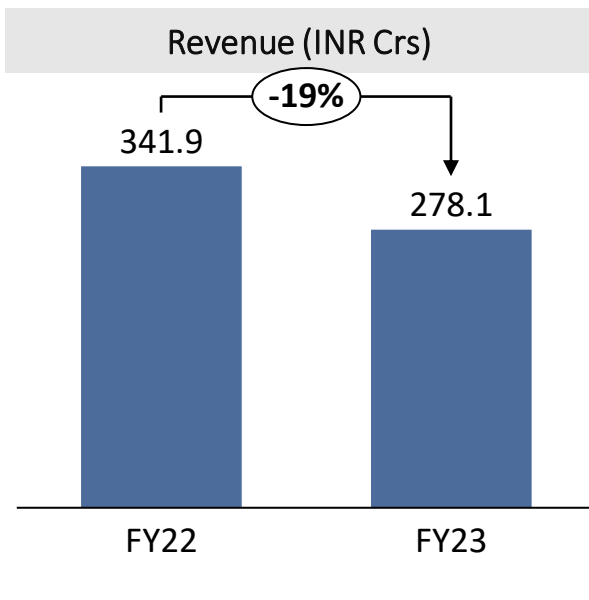
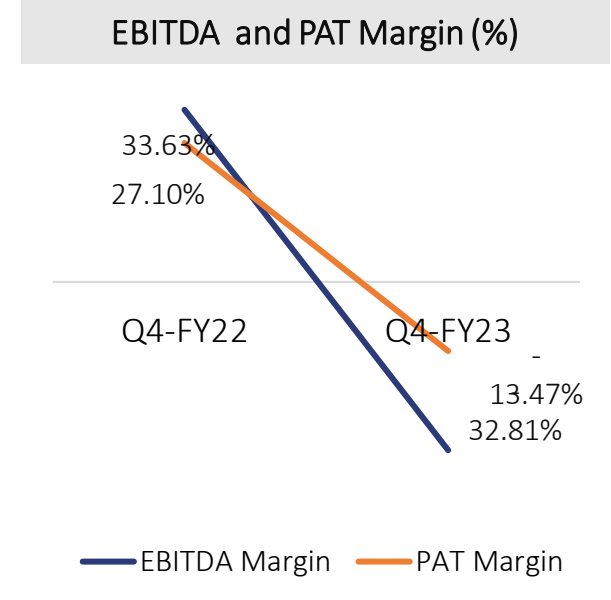
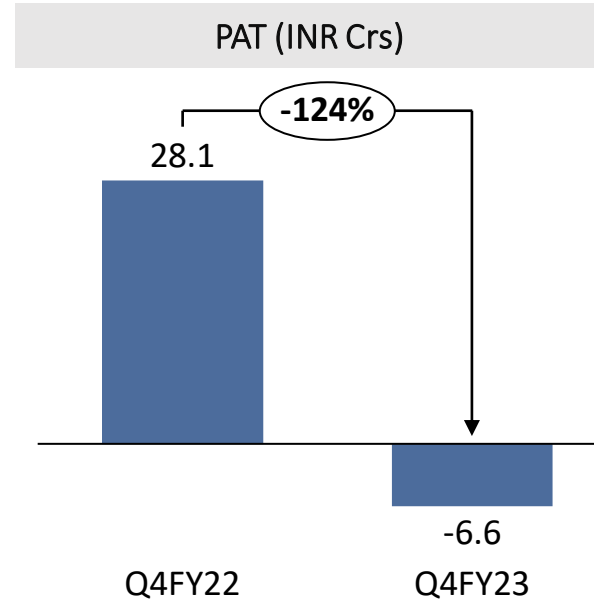
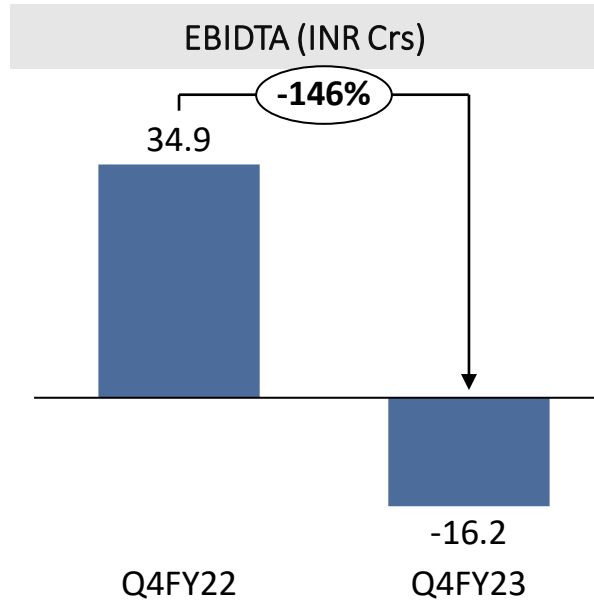
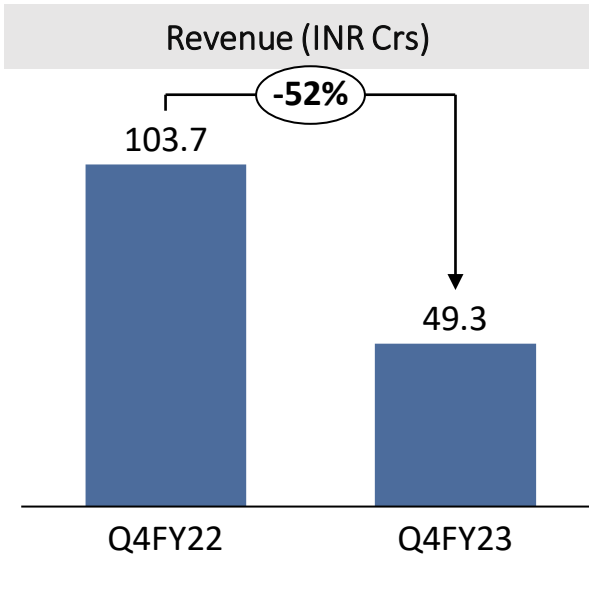
Up 21% YoY

FY23 Revenue split

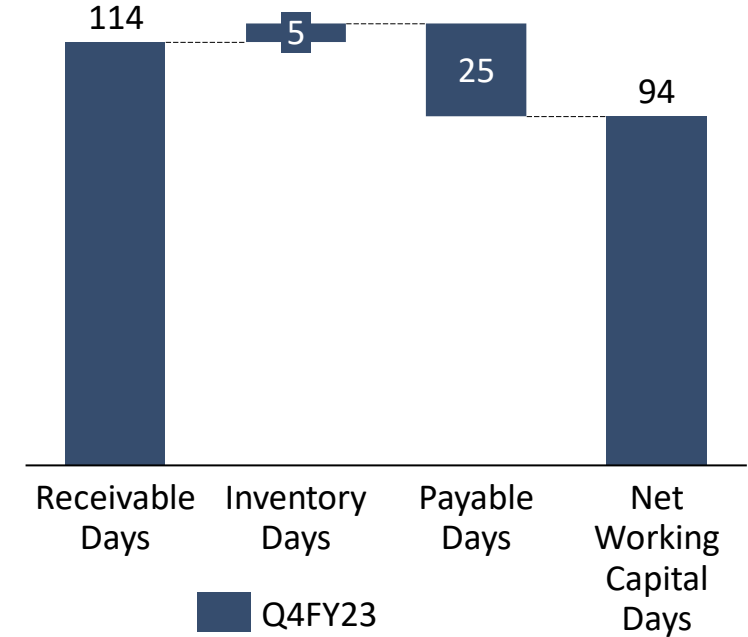
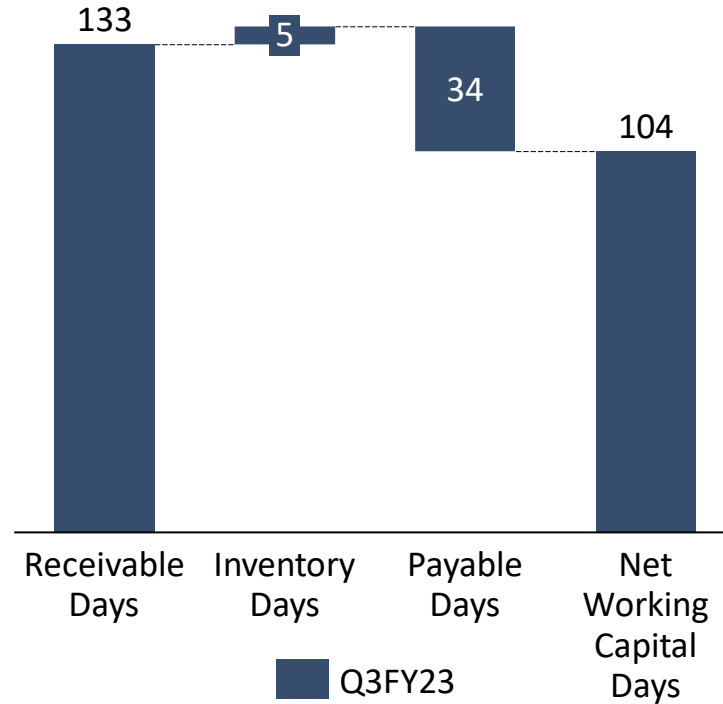
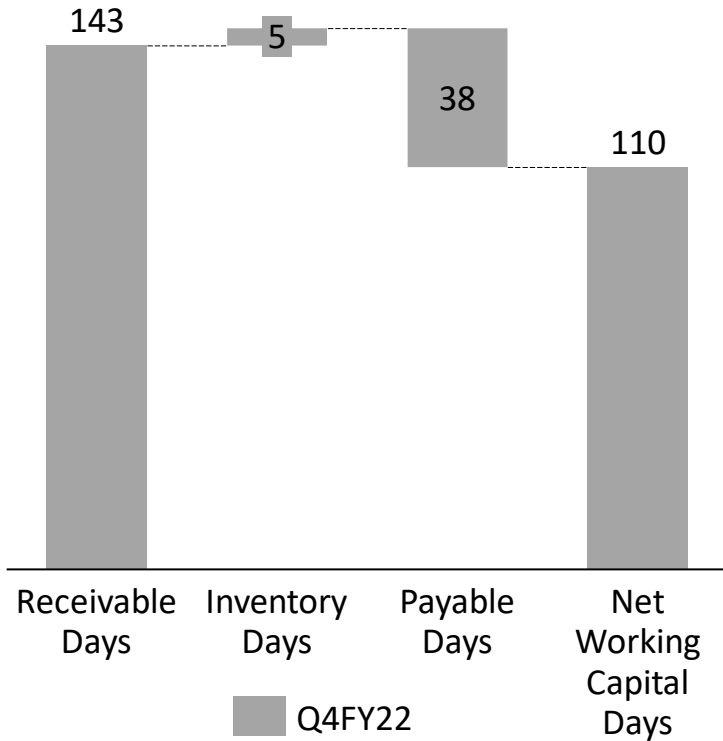


*Based on gross revenues before adjusting for sales incentives

Q4/FY23 Consolidated Performance Highlights



Working Capital Analysis



- Calculation of Days = $[(\text{Particular heading} / \text{TTM Sales}) \times (365 \text{ days})]$
- Receivables have been considered net of Incentive

Q4-FY23 Income Statement

PARTICULARS (₹ crs)	Standalone			Consolidated		
	Q4-FY22	Q4-FY23	% change	Q4-FY22	Q4-FY23	% change
Total Revenue	103.75	49.29	-52.49%	103.71	49.28	-52.48%
Direct Cost	4.78	1.57		4.81	1.57	
Gross Profit	98.97	47.72	-51.78%	98.90	47.71	-51.76%
Gross Margin	95.39%	96.81%		95.36%	96.81%	
Operating Cost						
Research and Development (R&D)	28.12	30.78		28.13	30.78	
Sales and Marketing (S&M)	22.07	23.39		22.41	23.39	
General Administration (G&A)	14.13	9.53		13.48	9.71	
Total Expenditure	64.32	63.70	0.96%	64.02	63.88	0.22%
EBITDA	34.65	(15.98)	-146.11%	34.88	(16.17)	-146.36%
EBITDA Margin	33.40%	-32.42%		33.63%	-32.81%	-6645 BPS
Depreciation	4.58	3.73		4.58	3.73	
EBIT	30.07	(19.71)	-165.54%	30.30	(19.90)	-165.67%
EBIT Margin	28.99%	-39.99%		29.22%	-40.38%	-6960 BPS
Other Income	5.66	9.96		5.67	10.06	
Profit Before Tax (before exceptional item)	35.73	(9.75)	-127.29%	35.97	(9.84)	-127.35%
Exceptional items	1.90	-		-	-	
Profit before Tax after exceptional items	33.83	(9.75)	-128.82%	35.97	(9.84)	-127.35%
Tax	7.84	(3.20)		7.87	(3.20)	
Profit After Tax (PAT)	25.99	(6.55)	-125.20%	28.10	(6.64)	-123.63%
PAT Margin	25.05%	-13.29%		27.10%	-13.47%	

NOTE: Certain figures have been re-grouped wherever necessary

FY23 Income Statement

PARTICULARS (₹ crs)	Standalone			Consolidated		
	FY22	FY23	% change	FY22	FY23	% change
Total Revenue	341.55	278.11	-18.57%	341.90	278.09	-18.66%
Direct Cost	14.09	10.31		13.84	10.31	
Gross Profit	327.46	267.80	-18.22%	328.06	267.78	-18.38%
Gross Margin	95.87%	96.29%		95.95%	96.29%	
Operating Cost						
Research and Development (R&D)	90.79	121.31		90.78	121.31	
Sales and Marketing (S&M)	81.22	92.42		82.45	92.43	
General Administration (G&A)	49.62	51.27		47.96	52.16	
Total Expenditure	221.63	265.00	-19.57%	221.19	265.90	-20.21%
EBITDA	105.83	2.80	-97.35%	106.87	1.88	-98.24%
EBITDA Margin	30.99%	1.01%		31.26%	0.68%	-3058 BPS
Depreciation	17.38	15.99		17.38	15.99	
EBIT	88.45	(13.19)	-114.91%	89.49	(14.11)	-115.77%
EBIT Margin	25.90%	-4.74%		26.17%	-5.07%	-3125 BPS
Other Income	19.17	22.38		19.20	22.13	
Profit Before Tax (before exceptional item)	107.62	9.19	-91.46%	108.69	8.02	-92.62%
Exceptional items	4.06	(0.10)		-	-	
Profit before Tax after exceptional items	103.56	9.29	-91.03%	108.69	8.02	-92.62%
Tax	25.37	1.59		25.49	1.62	
Profit After Tax (PAT)	78.19	7.70	-90.15%	83.20	6.40	-92.31%
PAT Margin	22.89%	2.77%		24.34%	2.30%	

NOTE: Certain figures have been re-grouped wherever necessary

Q4-FY23 Ratio analysis

In %	Standalone		Consolidated	
	Q4FY22	Q4-FY23	Q4-FY22	Q4-FY23
Expenses				
Direct Cost / Revenue	4.61%	3.19%	4.64%	3.19%
R&D / Revenue	27.10%	62.45%	27.12%	62.46%
S&M / Revenue	21.27%	47.45%	21.60%	47.46%
G&A / Revenue	13.62%	19.33%	13.00%	19.71%
Total Cost / Revenue	61.99%	129.24%	61.73%	129.63%
Margin				
Gross Margin	95.36%	96.81%	95.36%	96.81%
EBITDA	33.40%	-32.42%	33.63%	-32.81%
EBIT	28.99%	-39.99%	29.22%	-40.38%
PBT	32.61%	-19.78%	34.68%	-19.97%
PAT	25.05%	-13.29%	27.10%	-13.47%

FY23 Ratio analysis



In %	Standalone		Consolidated	
	FY22	FY23	FY22	FY23
Expenses				
Direct Cost / Revenue	4.13%	3.71%	4.05%	3.71%
R&D / Revenue	26.58%	43.62%	26.55%	43.62%
S&M / Revenue	23.78%	33.23%	24.11%	33.24%
G&A / Revenue	14.53%	18.44%	14.03%	18.76%
Total Cost / Revenue	64.89%	95.29%	64.69%	95.62%
Margin				
Gross Margin	95.87%	96.29%	95.95%	96.29%
EBITDA	30.99%	1.01%	31.26%	0.67%
EBIT	25.90%	-4.74%	26.17%	-5.07%
PBT	30.32%	3.30%	31.79%	2.88%
PAT	22.89%	2.77%	24.34%	2.30%

Historical Annual Consolidated Income Statement



PARTICULARS (INR Crs)	FY21	FY22	FY23
Total Revenue	333.04	341.90	278.09
Direct Cost	13.70	13.84	10.31
Gross Profit	319.34	328.06	267.78
Gross Margins (%)	95.89%	95.95%	96.29%
Operating Cost			
Total Expenditure	177.90	221.20	265.90
EBITDA	141.44	106.86	1.88
EBITDA Margins (%)	42.47%	31.26%	0.68%
Depreciation	19.49	17.38	15.99
EBIT	121.95	89.48	(14.11)
EBIT Margins (%)	36.62%	26.17%	-5.07%
Other Income	24.16	19.20	22.13
Profit Before Tax (PBT)	146.11	108.68	8.02
Tax	39.16	25.49	1.62
Profit After Tax (PAT)	106.95	83.19	6.40
PAT Margins (%)	32.11%	24.33%	2.30%
Basic & Diluted EPS (INR)	16.65	13.94	1.14

NOTE: Certain figures have been re-grouped wherever necessary

Consolidated Balance Sheet

EQUITY AND LIABILITIES (` Crs)	March 31, 2022	March 31, 2023
Share Holder's Funds:		
Equity Share Capital	58.01	53.07
Reserves and Surplus	569.62	366.64
Total Shareholder Funds	627.63	419.71
Non-Current Liabilities		
Net employee defined benefit liabilities	0.89	0.60
Other Non Current Liabilities	0.52	0.52
Deferred tax liabilities (net)	0.64	0.53
Total Non-Current Liabilities	2.05	1.65
Current Liabilities:		
Trade and Other Payables	22.55	21.13
Other Financial Liabilities	16.69	12.73
Other Current Liabilities	19.31	10.03
Net employee defined benefit liabilities	0.39	0.57
Current tax liabilities (Net)	0.11	-
Total Current Liabilities	59.06	44.46
Total Equity & Liabilities	688.74	465.82

ASSETS (` Crs)	March 31, 2022	March 31, 2023
Non-Current Assets:		
Property, plant and equipment	105.93	97.56
Capital work-in-progress	-	0.15
Intangible assets	5.74	2.77
Investment Property	25.36	24.12
Non-current financial assets		
Investments in MF, Tax-Free Bonds, Subs & others	27.46	21.49
Other Financial Asset	0.49	0.76
Deferred tax assets (net)	-	-
Other non current assets	16.27	22.98
Total Non-Current Assets	181.25	169.83
Current assets:		
Inventories	4.79	4.50
Investment in Mutual Fund	290.07	176.20
Trade and other receivables	144.81	95.17
Bank Balances & Cash and Cash Equivalents	8.00	11.77
Investment in Fixed Deposit	55.05	0.08
Other Financial Assets	1.17	1.49
Other Current assets	3.58	6.78
Total Current Assets	507.49	295.99
Total Assets	688.73	465.82

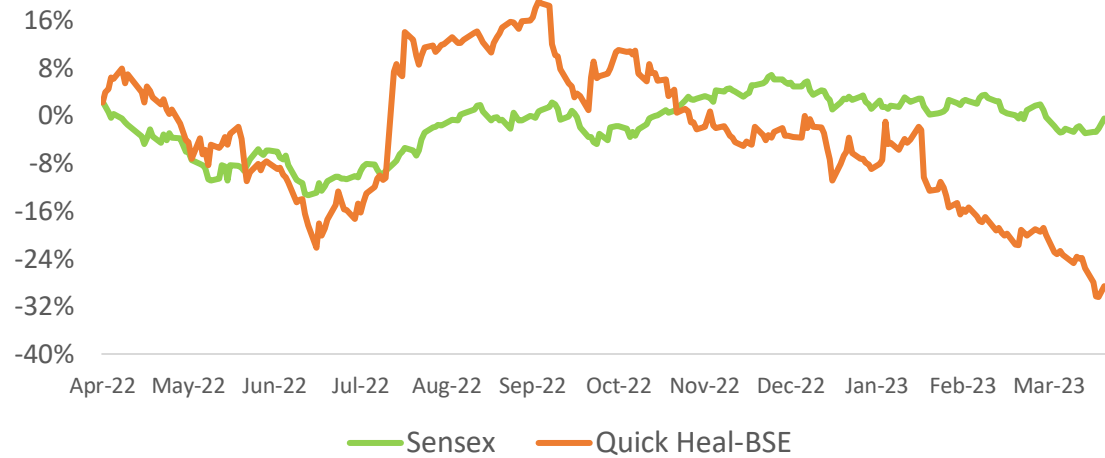
NOTE: Certain figures have been re-grouped wherever necessary

Standalone Balance Sheet

EQUITY AND LIABILITIES (` Crs)	March 31, 2022	March 31, 2023
Share Holder's Funds:		
Equity Share Capital	58.01	53.07
Reserves and Surplus	569.20	366.65
Total Shareholder Funds	627.21	419.72
Non-Current Liabilities		
Net employee defined benefit liabilities	0.89	0.60
Other Non Current Liabilities	0.52	0.52
Deferred tax liabilities (net)	0.64	0.53
Total Non-Current Liabilities	2.05	1.65
Current Liabilities:		
Trade and Other Payables	50.18	48.68
Other Financial Liabilities	16.70	12.73
Other Current Liabilities	19.29	9.54
Net employee defined benefit liabilities	0.39	0.57
Current tax liabilities (Net)	0.07	-
Total Current Liabilities	86.63	71.52
Total Equity & Liabilities	715.89	492.89

ASSETS (` Crs)	March 31, 2022	March 31, 2023
Non-Current Assets:		
Property, plant and equipment	105.94	97.57
Capital work-in-progress	-	0.15
Intangible assets	5.72	2.77
Investment Property	25.36	24.12
Non-current financial assets		
Investments in MF, Tax-Free Bonds, Subs & others	30.45	22.30
Other Financial Asset	0.49	0.76
Deferred tax assets (net)	-	-
Other non current assets	16.26	22.98
Total Non-Current Assets	184.22	170.65
Current assets:		
Inventories	4.79	4.50
Investment in Mutual Fund	290.07	176.20
Trade and other receivables	172.93	122.77
Bank Balances & Cash and Cash Equivalents	3.97	10.48
Investment in Fixed Deposit	55.23	0.08
Other Financial Assets	1.18	1.48
Other Current assets	3.50	6.73
Total Current Assets	531.67	322.24
Total Assets	715.89	492.89

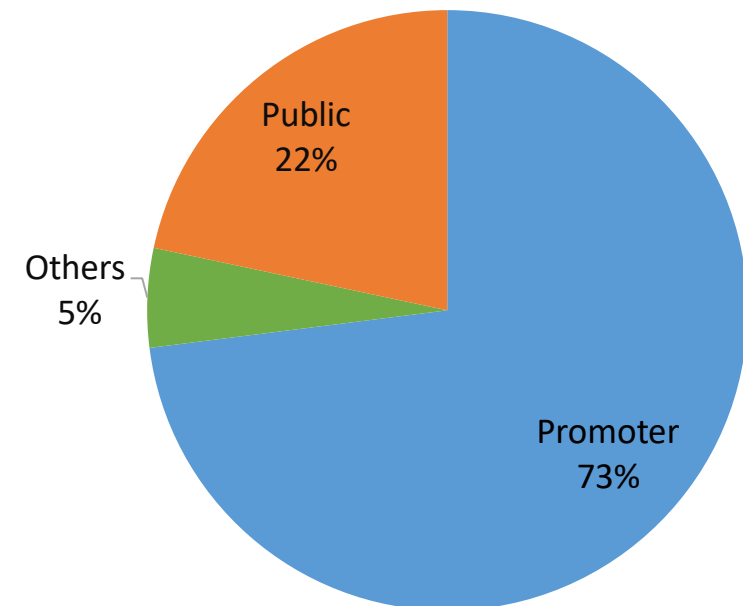
Stock Market Performance (as on 31st March, 2023)



Price Data (as of 31st March, 2023)

Face Value	10.00
Market Price	133.20
52 Week H/L	225.30/128.10
Market Cap (INR Mn)	7,069.44
Equity Shares Outstanding (Mn)	53.08
1 Year Avg. Trading Volume ('000)	115.14
1 Year Avg. Net Turnover (Mn)	22.26

Shareholding Pattern (as on 31st March, 2023)



Quick Heal Technologies Limited

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+91-20-66813232

CIN No: L72200MH1995PLC091408
www.quickheal.co.in



Thank You