

Ref. No.: QHTL/Sec/SE/2023-24/28

July 20, 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 July 20, 2023 regarding outcome of Board Meeting, please find attached investor presentation of financial results for the quarter ended June 30, 2023.

This is for your information and records.

For Quick Heal Technologies Limited

*Vinav Agarwal*  
Vinav Agarwal  
Compliance Officer  
M.No.: A40751



00000235

# Quick Heal

*Security Simplified*



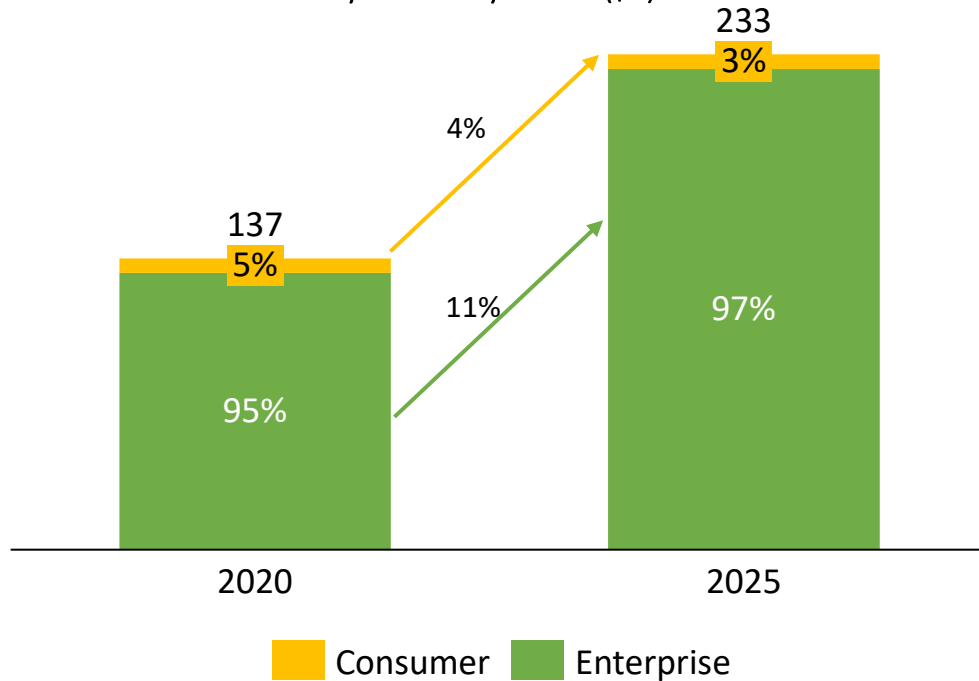
Earnings Presentation | Q1 FY24



# Global cybersecurity market overview

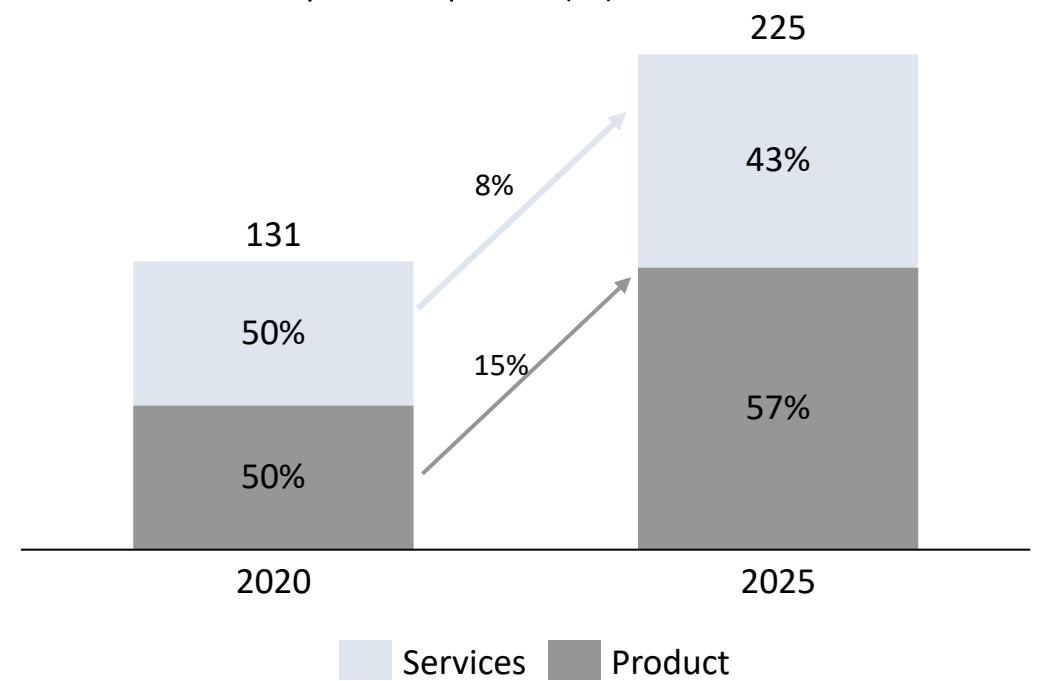
Enterprise market to maintain 95%+ share, growing at 3x consumer market till 2025

Global cybersecurity market (\$B)



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

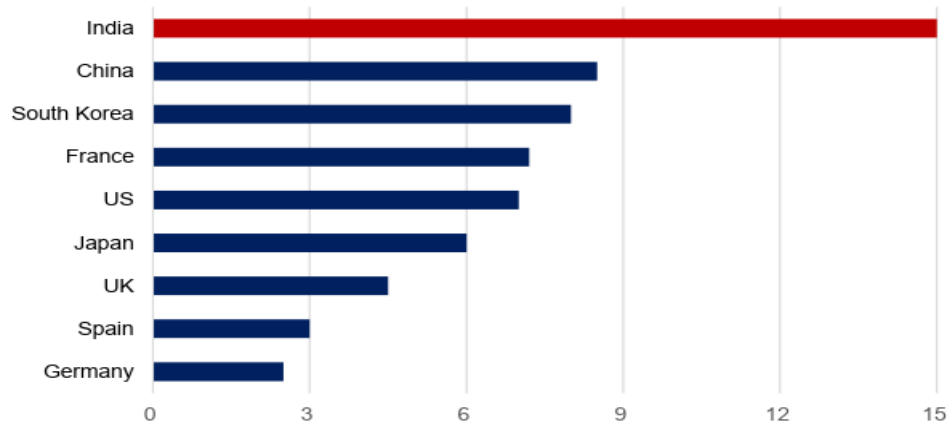
Global cybersecurity market (\$B)



*While the long-term growth of the industry is positive, we have witnessed headwinds for last 6-9 months*

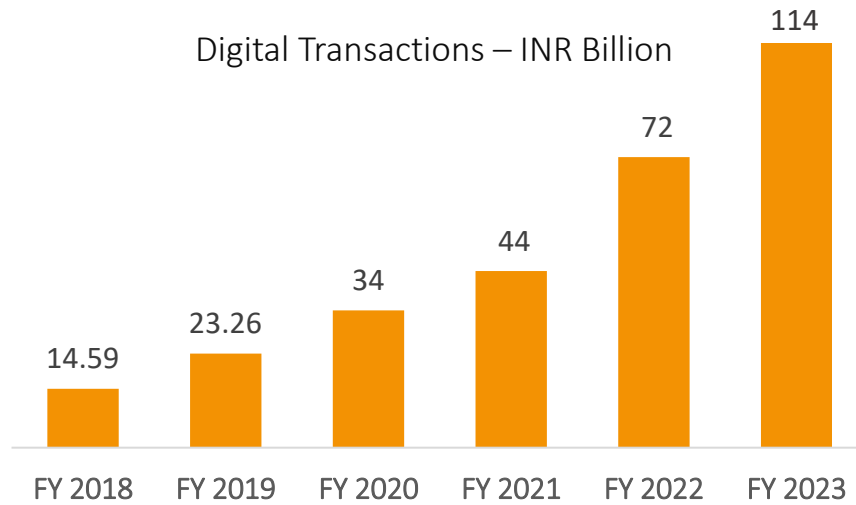
# Rapid digitization has enhanced need for greater cybersecurity investments

Indian Mobile data usage highest in the world\*

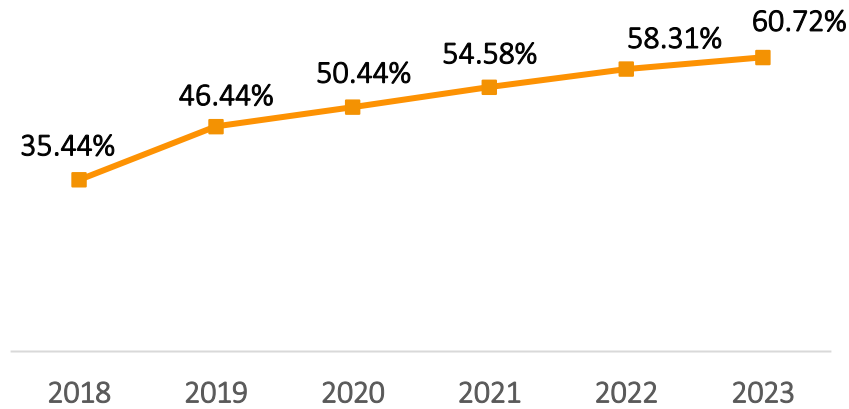


\* GB per month per user; excluding Wifi

Digital Transactions – INR Billion



Social Network Penetration - India



**1.2Bn+**  
Internet users



**5x**  
Internet usage  
(FY16 – FY23)



**1.1Bn+**  
Smartphone users



**20x**  
Mobile data usage  
(FY16 – FY23)



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



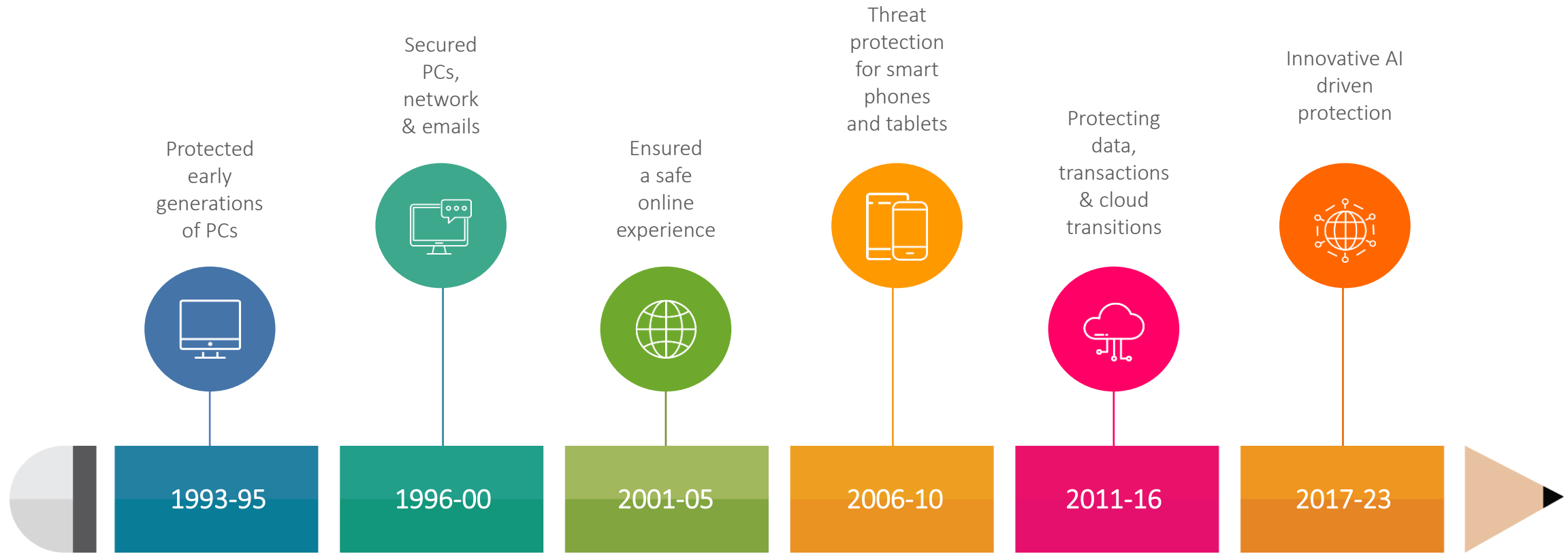
## Vision

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

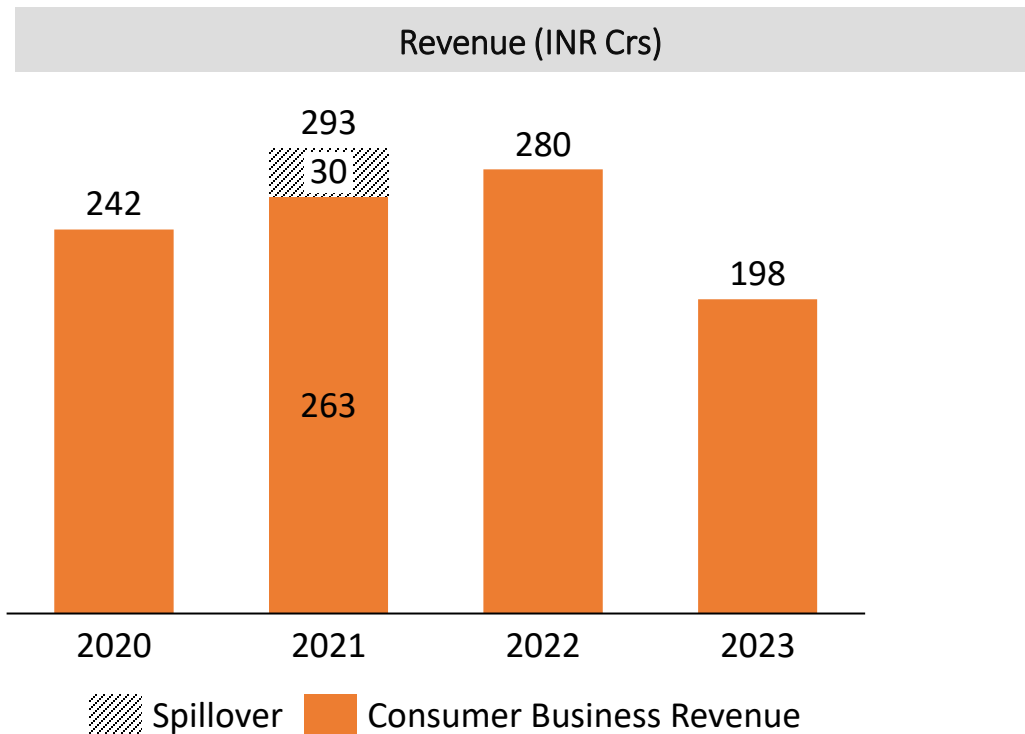


30 years  
of simplifying security

# Consumer Business



- 30 years into simplifying security
- 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 have started addressing the degrowth in the consumer business and are expecting the signs of revival in subsequent quarters.

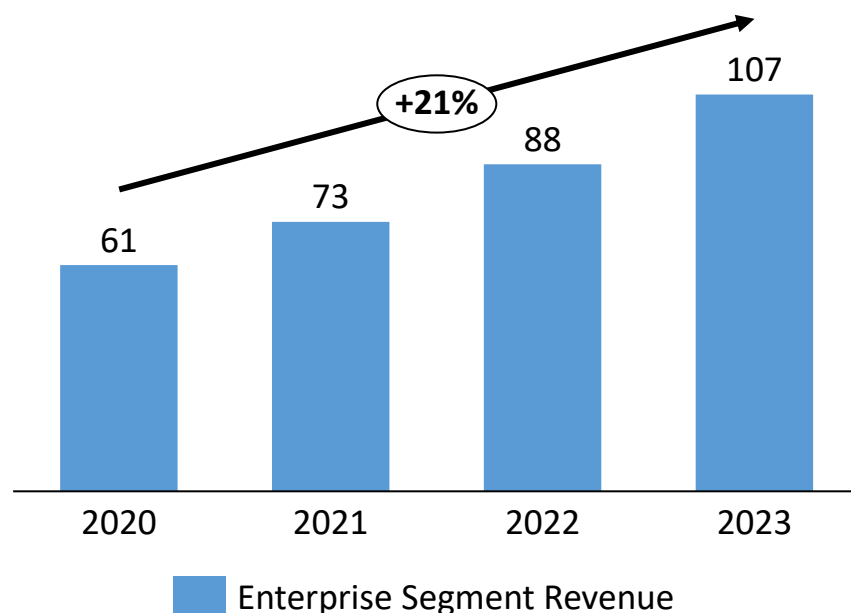
## Our Approach:

- 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%



## Current Business Momentum:

- Enterprise segment outperforming the market growth rates
- Focused on mid-market penetration starting this year
- New products have started to get inroads and generate revenue this quarter.
- Growth in International revenue on a YoY basis with high success in LATAM and Africa
- We are anticipating accelerated growth in the segment going forward







# Q1 FY24 EARNINGS HIGHLIGHTS

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



# Q1-FY24 Earnings Highlights

## REVENUE



Q1-FY24 Revenue at

₹ **51.4** crs

## EBITDA

Q1-FY24 EBITDA at

₹ **(15.1)** crs

## PAT



Q1-FY24 PAT at

₹ **(12.8)** crs

## DILUTED EPS

Q1-FY24 EPS at

₹ **(2.4)**

## CONSUMER REVENUE

Q1-FY24 Consumer revenue at

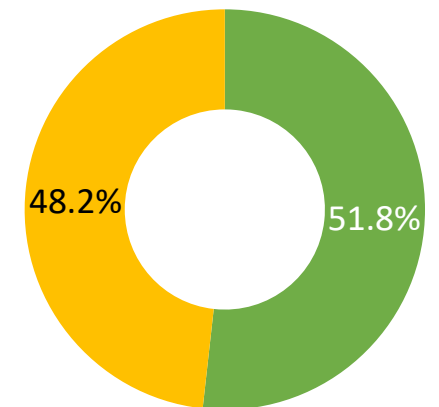
₹ **27.4\*** crs

## ENTERPRISE REVENUE

Q1-FY24 Enterprise # revenue at

₹ **26.5\*** crs

Q1-FY24 Revenue split



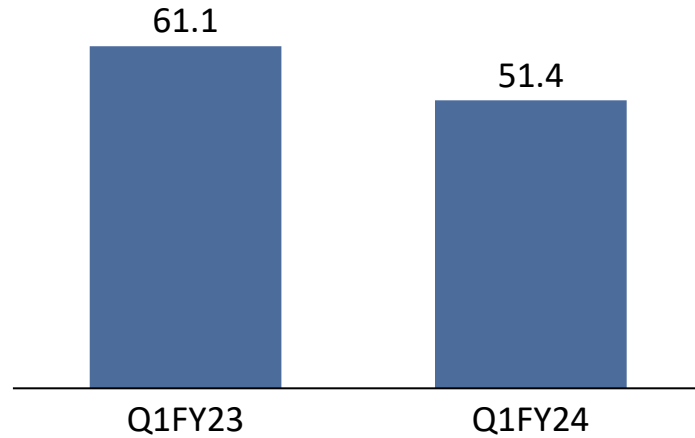
■ Consumer  
■ Enterprise #

\* Based on gross revenues before adjusting for sales incentives

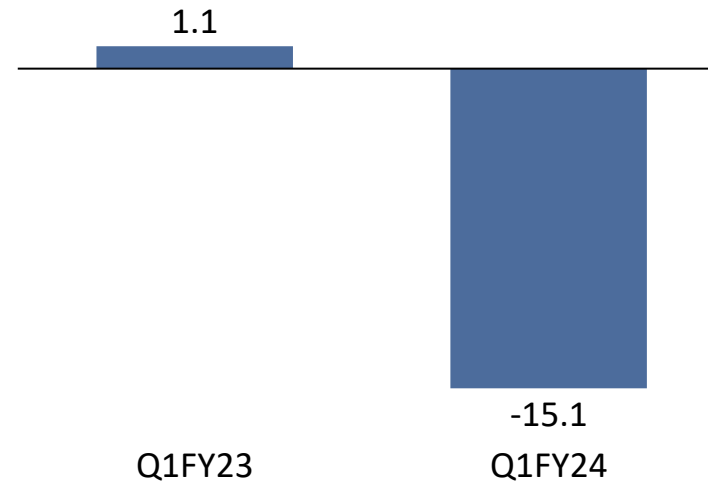
# Enterprise segment is inclusive of government clients

# Q1-FY24 Consolidated Performance Highlights (YoY)

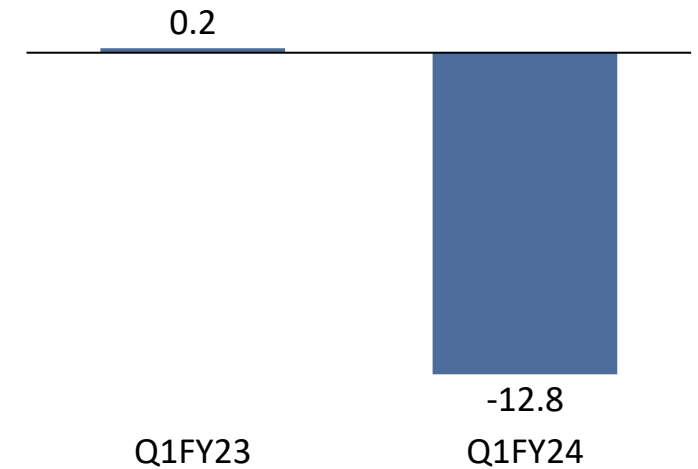
Revenue (INR Crs)



EBIDTA (INR Crs)



PAT (INR Crs)



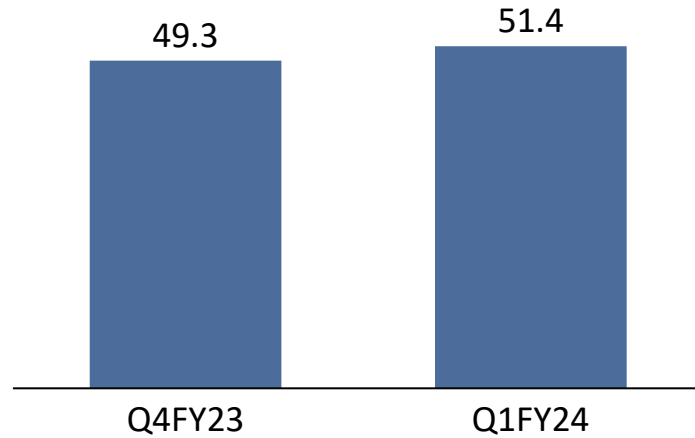
- Enterprise business continues to grow sustainably
- The decline in revenues are primarily due to temporary headwinds in consumer business.
- We are witnessing early signs of revival

- EBITDA drop is primarily due to the reduction in revenues.
- As the gross margins >95%, the change in revenue flows through the bottomline
- We expect this to revive from subsequent quarters

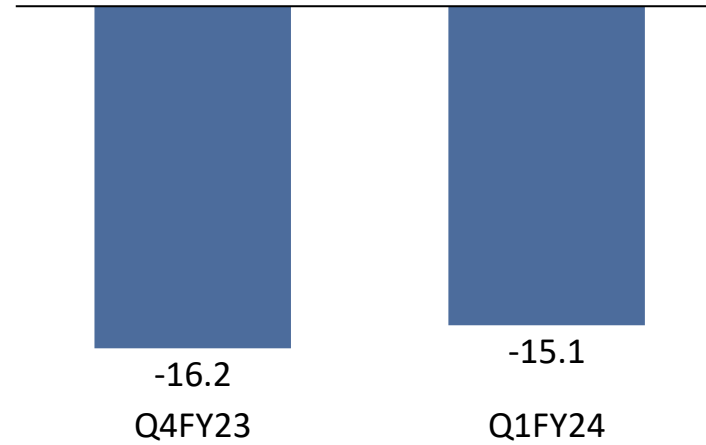
PAT is inline with the movement in EBITDA

# Q1-FY24 Consolidated Performance Highlights (QoQ)

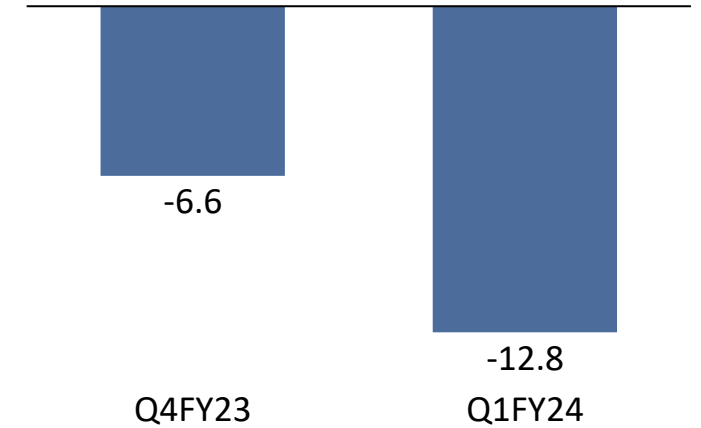
Revenue (INR Crs)



EBIDTA (INR Crs)



PAT (INR Crs)

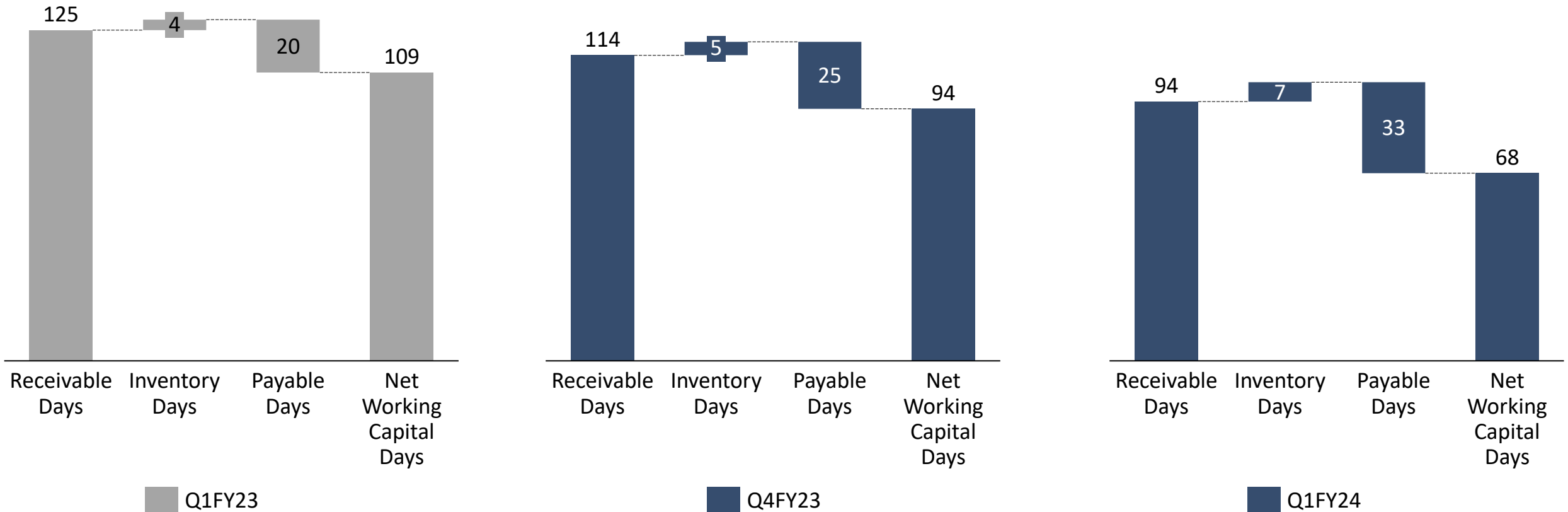


- Enterprise business continues to grow sustainably
- We are witnessing early signs of revival in consumer business.

- We expect EBITDA to revive from subsequent quarters

PAT is inline with the movement in EBITDA

# Working Capital Analysis



- Calculation of Days = [(Particular heading/ TTM Sales) X (365 days)]
- Receivables have been considered net of Incentive

# Q1-FY24 Income Statement



PARTICULARS (INR Crs)	Standalone		Consolidated	
	Q1-FY23	Q1-FY24	Q1-FY23	Q1-FY24
Total Revenue	61.09	51.43	61.08	51.44
Direct Cost	<b>1.88</b>	<b>1.22</b>	<b>1.88</b>	<b>1.22</b>
Gross Profit	<b>59.21</b>	<b>50.21</b>	<b>59.20</b>	<b>50.22</b>
Gross Margin	96.92%	97.63%	96.92%	97.63%
Operating Cost				
Research and Development (R&D)	<b>27.82</b>	<b>31.85</b>	27.82	31.85
Sales and Marketing (S&M)	<b>18.42</b>	<b>17.64</b>	18.43	17.64
General Administration (G&A)	<b>11.81</b>	<b>15.92</b>	11.90	15.81
Total Expenditure	58.05	65.41	58.15	65.30
EBITDA	<b>1.16</b>	<b>(15.20)</b>	1.05	(15.08)
EBITDA Margin	<b>1.90%</b>	<b>-29.55%</b>	1.72%	-29.32%
Depreciation	3.95	2.93	3.95	2.93
EBIT	<b>(2.79)</b>	<b>(18.13)</b>	(2.90)	(18.01)
EBIT Margin	<b>-4.57%</b>	<b>-35.25%</b>	-4.75%	-35.01%
Other Income	3.19	4.73	3.20	4.73
Profit Before Tax (before exceptional item)	<b>0.40</b>	<b>(13.40)</b>	0.30	(13.28)
Exceptional items	-	-	-	-
Profit before Tax after exceptional items	<b>0.40</b>	<b>(13.40)</b>	0.30	(13.28)
Tax	0.10	(0.52)	0.12	(0.52)
Profit After Tax (PAT)	<b>0.30</b>	<b>(12.88)</b>	0.18	(12.76)
PAT Margin	<b>0.49%</b>	<b>-25.04%</b>	0.29%	-24.81%

NOTE: Certain figures have been re-grouped wherever necessary

# Q1-FY24 Ratio analysis



In %	Standalone		Consolidated	
	Q1FY23	Q1-FY24	Q1-FY23	Q1-FY24
<b>Expenses</b>				
Direct Cost / Revenue	3.08%	2.37%	3.08%	2.37%
R&D / Revenue	45.54%	61.93%	45.55%	61.92%
S&M / Revenue	30.15%	34.30%	30.17%	34.29%
G&A / Revenue	19.33%	30.95%	19.48%	30.73%
Total Cost / Revenue	95.02%	127.18%	95.20%	126.94%
<b>Margin</b>				
Gross Margin	96.92%	97.63%	96.92%	97.63%
EBITDA	1.90%	-29.55%	1.72%	-29.32%
EBIT	-4.57%	-35.25%	-4.75%	-35.01%
PBT	0.65%	-26.05%	0.49%	-25.82%
PAT	0.49%	-25.04%	0.29%	-24.81%



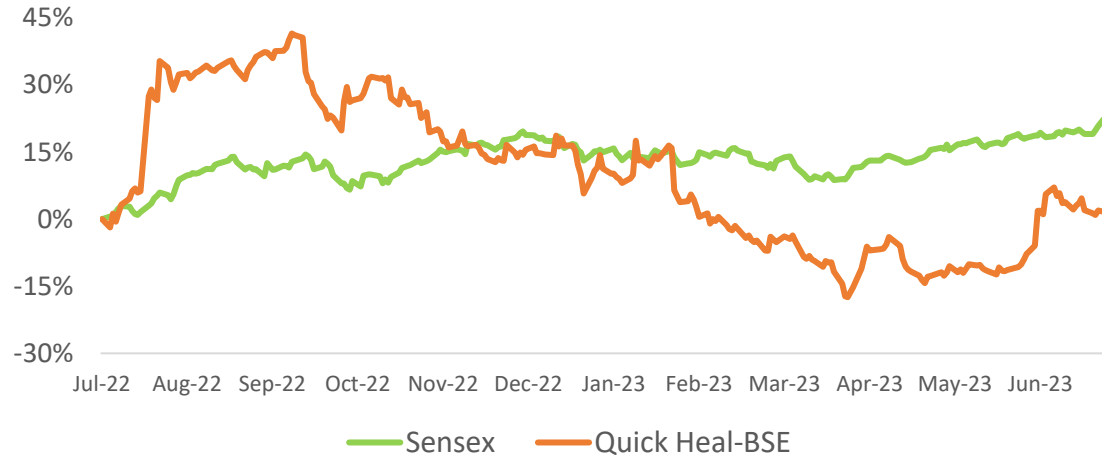
# Historical Annual Consolidated Income Statement



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

NOTE: Certain figures have been re-grouped wherever necessary

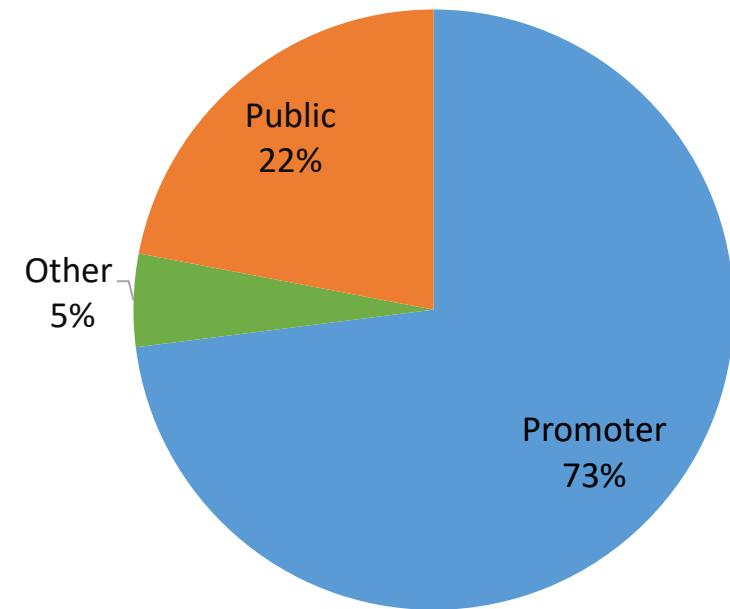
## Stock Market Performance (as on 30<sup>th</sup> June, 2023)



## Price Data (as of 30<sup>th</sup> June, 2023)

Face Value	10.00
Market Price	159.70
52 Week H/L	225.30/127.35
Market Cap (INR Mn)	8,475.89
Equity Shares Outstanding (Mn)	53.07
1 Year Avg. Trading Volume ('000)	128.47
1 Year Avg. Net Turnover (Mn)	23.74

## Shareholding Pattern (as on 30<sup>th</sup> June, 2023)



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Thank You