



Earnings Presentation | Q4FY22 / FY22

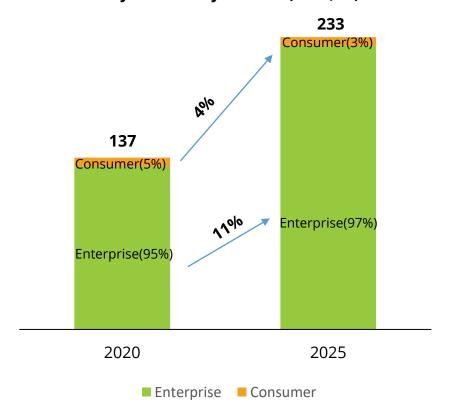


Global cybersecurity market estimated at \$135B in 2020 and expected to grow at 11% till 2025



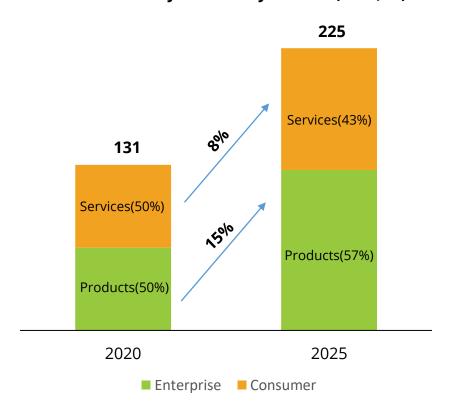
Enterprise market to maintain 95%+ share, growing at 3x consumer market till 2025

Global cybersecurity market (2020,\$B)



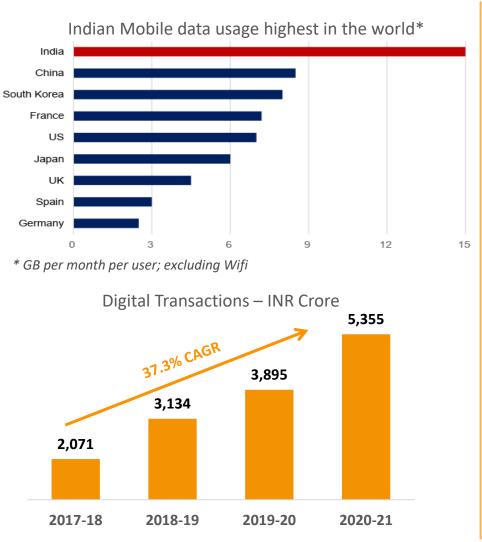
Within enterprise market, product segment to gain significant share, outpacing the overall market by 5pp

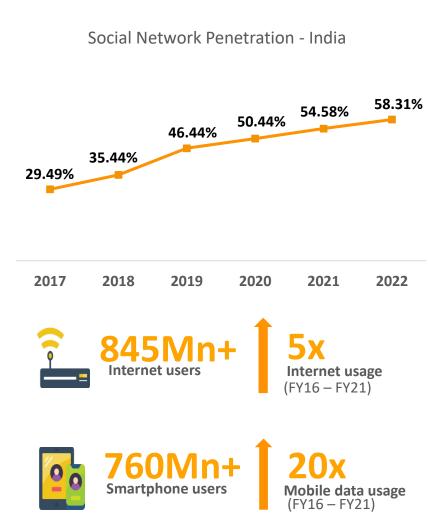
Global cybersecurity market (2020,\$B)



Rapid digitization has enhanced need for greater cybersecurity investments









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**

Source: The Ministry of Electronics and Information Technology, TRAI, Government of India, Statista, Google report – Insights for Brands, KPMG Report – Fintech In India, India Data Diviner – Macquarie, Nokia MBIT, Goldman Sachs Investment Research – Portfolio Strategy Research (Sept 19, 2021)

Company at a glance





Vision

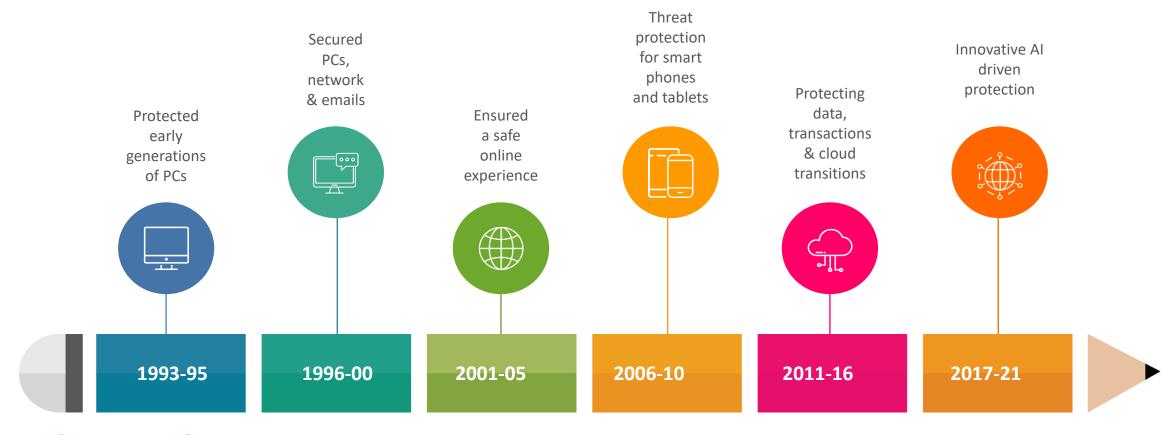
To be the trusted by our customers in securing the digital world and aim to grow as reputable global market leader

Mission

Empowering the team to solve business problems

Our Journey



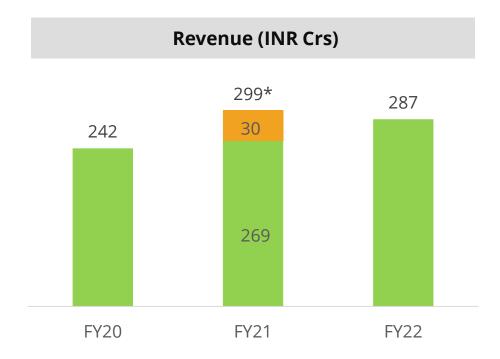


Over 25 years of simplifying security

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











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

Enterprise Solutions



Annualised Revenue Run Rate (INR Crs) 107 80 56 FY20 FY21 FY22

- 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*Past quarter revenue

Future Outlook



Increasing R&D spend

R&D team continuously working towards product upgrades with newer features. In FY22 R&D spends of 26%

Strong and Diversified Channel Network

With 25,000+ channel partners, sales team Has deep market penetration



Innovation

Quick Heal lays strong emphasis innovation and evolving threats are addressed through timely updates of features.



Security Simplified

Global expansion

Planning to expand footprint globally by extending retail and enterprise services to international clients



Hiring the best

Focused on hiring the best employees to innovate, market and distribute its products globally

Higher Focus on Enterprise Solutions

Investing heavily into
Enterprise Solutions, which
offers a significantly larger
market opportunity and is
expected to grow 3 times
faster than the retail marke







Q4FY22 / FY22 Earnings Highlights



Q4FY22 Revenue split

Retail 76.7%



Q4FY22 Revenue at

₹103.7 crs

Down 1.50% YoY

EBITDA

Q4FY22 EBITDA at

34.9 cm

Down 35.13% YoY

PAT

Q4FY22 PAT at

₹28.1 crs

Down 29.24% YoY



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















SECRITE





₹ 26.7 crs ₹ 82.0 crs

Q4FY22 Revenue* FY22 Revenue* Up 23.4% YoY Up 32.8% YoY







- 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
- Segrite 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

Q4FY22/FY22 Operational Highlights



- 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

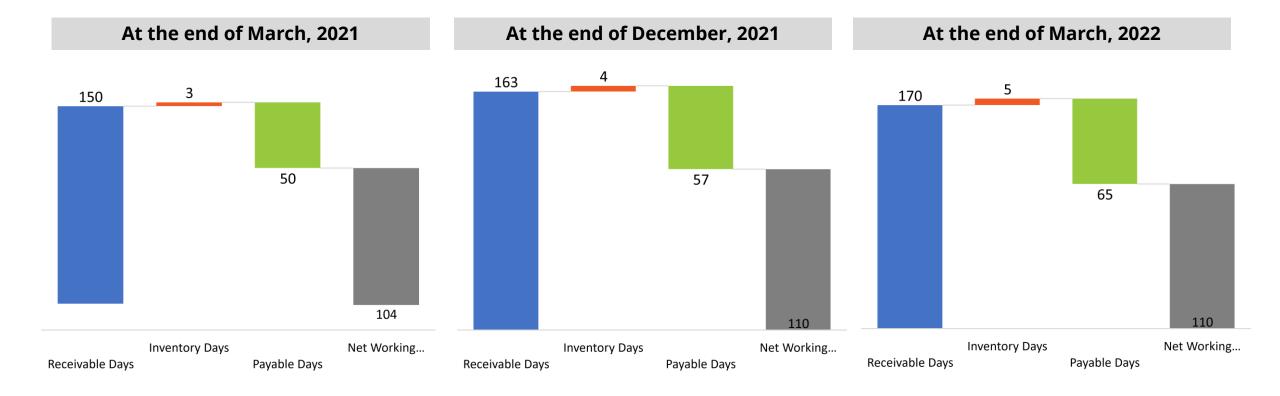
• Segrite certified and approved for its endpoint anti-malware solution by ICSA labs

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)]



Quarterly Income statement



DADTICI II ADC (3 ara)		Standalone		Consolidated			
PARTICULARS (₹ crs)	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

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Annual Income statement



			Security Simplified			
	Standalone			Consolidated		
FY21	FY22	% change	FY21	FY22	% change	
333.52	341.55	2.41%	333.04	341.90	2.66%	
13.43	14.09		13.70	13.84		
320.09	327.46	2.30%	319.34	328.06	2.73%	
95.97%	95.87%	-10 bps	95.89%	95.95%	+7 BPS	
				-		
67.52	90.79		67.52	89.75		
64.92	81.22		66.51	83.20		
46.28	49.62		43.87	48.25		
178.72	221.63	-24.01%	177.90	221.20	-24.34%	
141.37	105.83	-25.14%	141.44	106.86	-24.45%	
42.39%	30.99%	-1,140 bps	42.47%	31.26%	-1122 BPS	
19.48	17.38		19.49	17.38		
121.89	88.45	-27.43%	121.95	89.48	-26.63%	
36.55%	25.90%	-1,065 bps	36.62%	26.17%	-1045 BPS	
23.94	19.17		24.16	19.20		
145.83	107.62	-26.20%	146.11	108.68	-25.62%	
-	4.06		-	-		
145.83	103.56	-28.99%	146.11	108.68	-25.62%	
39.04	25.37		39.16	25.49		
106.79	78.19	-26.78%	106.95	83.19	-22.22%	
32.02%	22.89%	-913bps	32.11%	24.33%	-778 BPS	
	333.52 13.43 320.09 95.97% 67.52 64.92 46.28 178.72 141.37 42.39% 19.48 121.89 36.55% 23.94 145.83 - 145.83 39.04 106.79	FY21 FY22 333.52 341.55 13.43 14.09 320.09 327.46 95.97% 95.87% 67.52 90.79 64.92 81.22 46.28 49.62 178.72 221.63 141.37 105.83 42.39% 30.99% 19.48 17.38 121.89 88.45 36.55% 25.90% 23.94 19.17 145.83 107.62 - 4.06 145.83 103.56 39.04 25.37 106.79 78.19	FY21 FY22 % change 333.52 341.55 2.41% 13.43 14.09 320.09 327.46 2.30% 95.97% 95.87% -10 bps 67.52 90.79 64.92 81.22 46.28 49.62 49.62 178.72 221.63 -24.01% 141.37 105.83 -25.14% 42.39% 30.99% -1,140 bps 19.48 17.38 121.89 88.45 -27.43% 36.55% 25.90% -1,065 bps 23.94 19.17 145.83 107.62 -26.20% - 4.06 4.06 145.83 103.56 -28.99% 39.04 25.37 106.79 78.19 -26.78%	Standalone FY21 FY22 % change FY21 333.52 341.55 2.41% 333.04 13.43 14.09 13.70 320.09 327.46 2.30% 319.34 95.97% 95.87% -10 bps 95.89% 67.52 90.79 67.52 64.92 81.22 66.51 46.28 49.62 43.87 178.72 221.63 -24.01% 177.90 141.37 105.83 -25.14% 141.44 42.39% 30.99% -1,140 bps 42.47% 19.48 17.38 19.49 121.89 88.45 -27.43% 121.95 36.55% 25.90% -1,065 bps 36.62% 23.94 19.17 24.16 145.83 107.62 -26.20% 146.11 - 4.06 - - 4.06 - - 4.06 - - 4.06 -<	Standalone Consolidated FY21 FY22 % change FY21 FY22 333.52 341.55 2.41% 333.04 341.90 13.43 14.09 13.70 13.84 320.09 327.46 2.30% 319.34 328.06 95.97% 95.87% -10 bps 95.89% 95.95% 67.52 90.79 67.52 89.75 64.92 81.22 66.51 83.20 46.28 49.62 43.87 48.25 178.72 221.63 -24.01% 177.90 221.20 141.37 105.83 -25.14% 141.44 106.86 42.39% 30.99% -1,140 bps 42.47% 31.26% 19.48 17.38 19.49 17.38 121.89 88.45 -27.43% 121.95 89.48 36.55% 25.90% -1,065 bps 36.62% 26.17% 23.94 19.17 24.16 19.20 145	

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Consolidated Balance Sheet



EQUITY AND LIABILITIES (₹ crs)	Mar 31, 2021	Mar 31, 2022	ASSETS (₹ crs)	Mar 31, 2021	Mar 31, 2022
Share Holder's Funds:			Non-Current Assets:		
Equity Share Capital	64.21	58.01	Property, plant and equipment	140.47	105.93
Share application money pending allotment	-	_	Capital work-in-progress	2.11	-
Reserves and Surplus	687.28	569.63	Investment Property	-	25.36
Total Shareholder Funds	751.49	627.64	Intangible assets Non-current financial assets	5.28	5.74
	751.49	627.64	Investments in MF ,Tax-Free Bonds & Others	32.20	27.46
Non-Current Liabilities			Other Financial Assets	0.54	0.49
Net employee defined benefit liabilities	0.37	0.89	Deferred tax assets (net)	-	-
Other Non Current Liabilities	-	0.52	Other non current assets	14.61	16.27
Deferred tax liability (net)	0.82	0.64	Total Non-Current Assets	195.21	181.25
Total Non-Current Liabilities	1.19	2.05	Current assets:		
Current Liabilities:			Inventories	3.34	4.79
Trade and Other Payables	49.98	65.25	Investment in Mutual Fund	383.31	290.07
Other Financial Liabilities	1.33		Trade and other receivables	150.63	171.96
		1.13	Bank Balances & Cash and Cash Equivalents	16.57	8.00
Other Current Liabilities	18.31	19.31	Investment in Fixed Deposit	67.74	55.05
Net employee defined benefit liabilities	1.17	0.39	Other Financial Assets	1.48	1.17
Current tax liabilities (Net)	3.23	0.11	Other Current assets Assets classified as held for sale	6.82 1.60	3.58
Total Current Liabilities	74.02	86.19	Total Current Assets	631.49	534.63
Total Equity & Liabilities	826.70	715.88	Total Assets	826.70	715.88

Standalone Balance Sheet



EQUITY AND LIABILITIES (₹ crs)	Mar 31, 2021	Mar 31, 2022	ASSETS (₹ crs)	Mar 31, 2021	Mar 31, 2022
Share Holder's Funds:			Non-Current Assets:		
Equity Share Capital	64.21	58.01	Property, plant and equipment	140.45	105.94
Share application money pending allotment	-		Capital work-in-progress	2.11	-
Reserves and Surplus	691.62	569.20	Investment Property	-	25.36
Total Shareholder Funds	755.83		Intangible assets	5.27	5.72
	/55.65	627.21	Non-current financial assets Investments in MF, Tax-Free Bonds, Subs & others	44.43	30.45
Non-Current Liabilities			Other Financial Asset	0.54	0.49
Net employee defined benefit liabilities	0.37	0.89	Deferred tax assets (net)	0.54	-
Other Non Current Liabilities	-	0.52	Other non current assets	14.61	16.26
Deferred tax liabilities (net)	0.82	0.64	Total Non-Current Assets	207.41	184.22
Total Non-Current Liabilities	1.19	2.05	Current assets:		
Current Liabilities:			Inventories	3.30	4.79
Trade and Other Payables	49.71	65.74	Investment in Mutual Fund	383.31	290.07
Other Financial Liabilities	1.33	1.14	Trade and other receivables	149.46	172.93
			Bank Balances & Cash and Cash Equivalents	9.69	4.15
Other Current Liabilities	18.24	19.29	Investment in Fixed Deposit	67.74	55.05
Net employee defined benefit liabilities	1.17	0.39	Other Financial Assets	1.47	1.18
Current tax liabilities (Net)	3.18	0.07	Other Current assets	6.67	3.50
Total Current Liabilities	73.63	86.63	Assets classified as held for sale Total Current Assets	1.60 623.24	531.67
Total Equity & Liabilities	830.65	715.89	Total Assets	830.65	715.89

Quarterly Ratio analysis



In 06	Standa	lone	Consolidated		
In %	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 %	Standa	lone	Consolidated		
In %	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

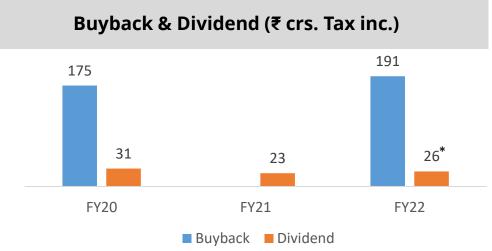


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Price Data	(As of 31st March 2022)
Price Data	(AS UI 3 ISL WIAICII ZUZZ)

•	•	
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	

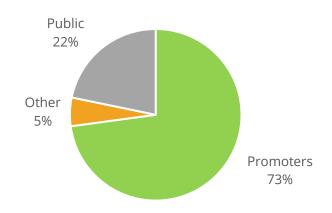




>₹400 Crs rewarded to shareholders through dividend & buyback programs over last 3 financial years.

* Proposed for dividend in ensuing AGM

Shareholding Pattern (as on 31st March, 2022)



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