

Two men in dark blue suits and ties are sitting on a brown leather sofa. The man on the left has a mustache and is smiling. The man on the right wears glasses and has his hands clasped. They are in front of a wall made of light-colored stone tiles.

# Quick Heal

*Security Simplified*

**Quick Heal Technologies Limited**  
Investor Presentation  
May 2017



# DISCLAIMER

This presentation and the following discussion may contain “forward looking statements” by Quick Heal Technologies Limited (“Quick Heal” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of Quick Heal about the business, industry and markets in which Quick Heal operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond Quick Heal’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of Quick Heal. In particular, such statements should not be regarded as a projection of future performance of Quick Heal. It should be noted that the actual performance or achievements of Quick Heal may vary significantly from such statements.

## DISCUSSION SUMMARY

- KEY HIGHLIGHTS
- COMPANY OVERVIEW
- COMPETITIVE ADVANTAGES
- BUSINESS MODEL
- STRATEGY & OUTLOOK
- Q4 & FY17 RESULT UPDATE
- SHAREHOLDING STRUCTURE
- ANNEXURE  
– CASE STUDIES



# KEY HIGHLIGHTS – MOVING IN RIGHT DIRECTION

## STEADY GROWTH DESPITE ECONOMIC CHALLENGES

- Difficult business environment in H2 FY17 post 'Demonetisation'; however active licenses witnessed steady growth from 7.3 mn as on Mar-16 to 7.8 mn as on Mar-17
  - Active Retail licenses grew by 9.3% to 6.6 mn
  - Active Enterprise & Government licenses grew by 11.9% to 1.1 mn
- FY17 Net Revenues remained stable YoY at Rs 3,329.8 mn
- Strong traction in Enterprise & Government segment with healthy customer additions
- Quick Heal has become the Preferred Partner to Government in its 'Cyber Swachhta Kendra' project as a part of 'Digital India' Initiative

## STRICT FOCUS ON COST CONTROL & OPERATING CASH FLOWS

- Overall costs under strict control
- Cash profit \* generation of Rs 879.5 mn in FY17 vs. Rs 816.3 mn in FY16

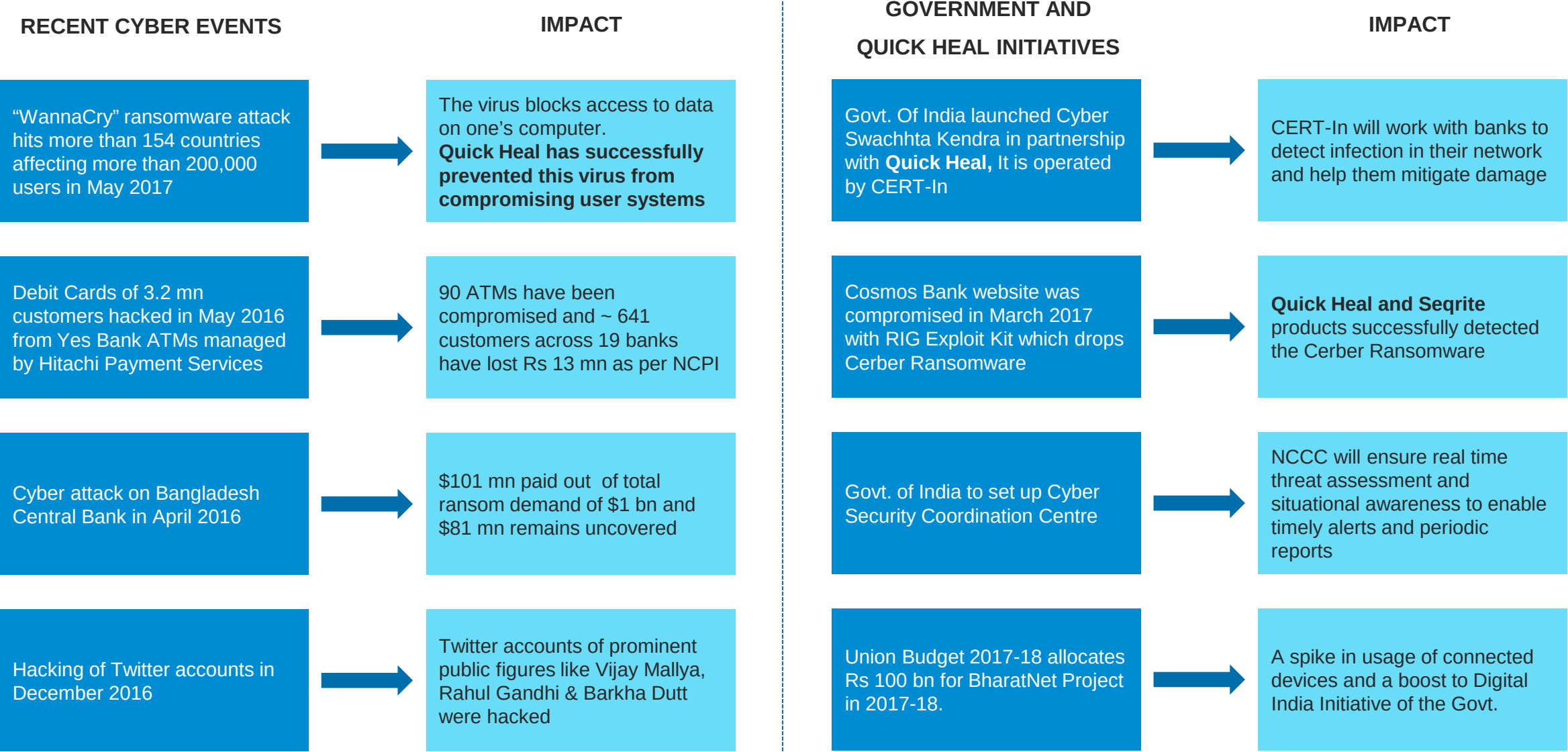
## CONSISTENT DIVIDEND PAYOUT

- The Board of Directors recommended a dividend of Rs 175.3 mn for FY17 (excl. dividend distribution tax of Rs 35.6 mn), Dividend Per Share of Rs 2.5 & Dividend Payout Ratio of 37.0% # of PAT excl. exceptional item

\* Cash Profit = PAT excl. exceptional item + Depreciation / Amortization

# Including Dividend Distribution Tax

# KEY HIGHLIGHTS – RECENT CYBER ATTACKS



# KEY HIGHLIGHTS – ‘CYBER SWACHHTA KENDRA’ PROJECT

## QUICK HEAL COLLABORATES WITH CERT-IN FOR ‘CYBER SWACHHTA KENDRA’

### PROJECT RATIONALE

- ~ 50% of PCs and laptops in India do not have a security software installed
- Quick Heal has been closely working with CERT-In to develop effective security solutions
- CERT-In is the nodal agency responsible for dealing with cyber attacks in India

### CYBER SWACHHTA KENDRA

- The ‘Cyber Swachhta Kendra’ is a Botnet Cleaning and Malware Analysis Centre (BCMAC)
- BCMAC is a part of the Government’s Digital India initiative under the Ministry of Electronics and Information Technology (MeitY)

### QUICK HEAL’S SOLUTION

- Quick Heal is providing its ‘Bot Removal tool’ to CERT-In
- This ‘Bot Removal tool’ will help in detecting and removing any botnet & bot malware infection
- This solution will automatically detect botnets and analyse the behaviour of a malware
- The tool is freely available on Cyber Swachhta Kendra portal
- Currently, around 3,900 users have so far downloaded this tool for cleaning their computers and mobiles.

### What is a ‘Botnet’?

- Botnet is a group of computers controlled by cybercriminals to spread malware and launch other malicious attacks on their targets.
- Attackers can make one’s computer a part of their botnet by infecting it with a ‘bot code’ by sending emails containing malicious links or attachments, fake social media posts, or exploiting existing security vulnerabilities on one’s system.



### Quick Heal Bot Removal Tool

Detect and remove botnet infection from your computer.

Developed in collaboration with  
“Cyber Swachhta Kendra” under  
Indian Computer Emergency Response Team  
(CERT-In), Ministry of Electronics & IT.



[Download Free Tool](#)

# COMPANY OVERVIEW

## QUICK HEAL – BRIEF PROFILE



### BUSINESS OVERVIEW

- Incorporated in 1995, Quick Heal is the pioneer in Indian IT Security Software and is currently one of the leading providers of Security Software Products and Solutions in India
- More than 30% market share in Retail segment
- Strong recognition / customer recall – “Quick Heal” for retail products and “Seqrite” for enterprise products
- Active licenses of over 7.8 mn as on Mar-17 across more than 80 countries
- Continued backing by Venture Capital Investor - Sequoia Capital which still holds 5.23%



### KEY STRENGTHS

- Established and proven technology over a span of 22 years
- Comprehensive product offering (majority indigenously developed) across all segments (Home, SMB, Enterprise), all platforms (Windows, Mac, Android, iOS, Linux) and all devices (Desktops, Laptops, Mobiles, Tablets)
- Strong and diversified Channel network – 63 Offices and Warehouses in 35 Cities in India and 4 International Offices, 15,093 Retail Channel Partners, 491 Enterprise Channel Partners, 102 Government Partners, 1,660 Mobile Channel Partners
- Superior Customer Support



### STRONG FINANCIALS

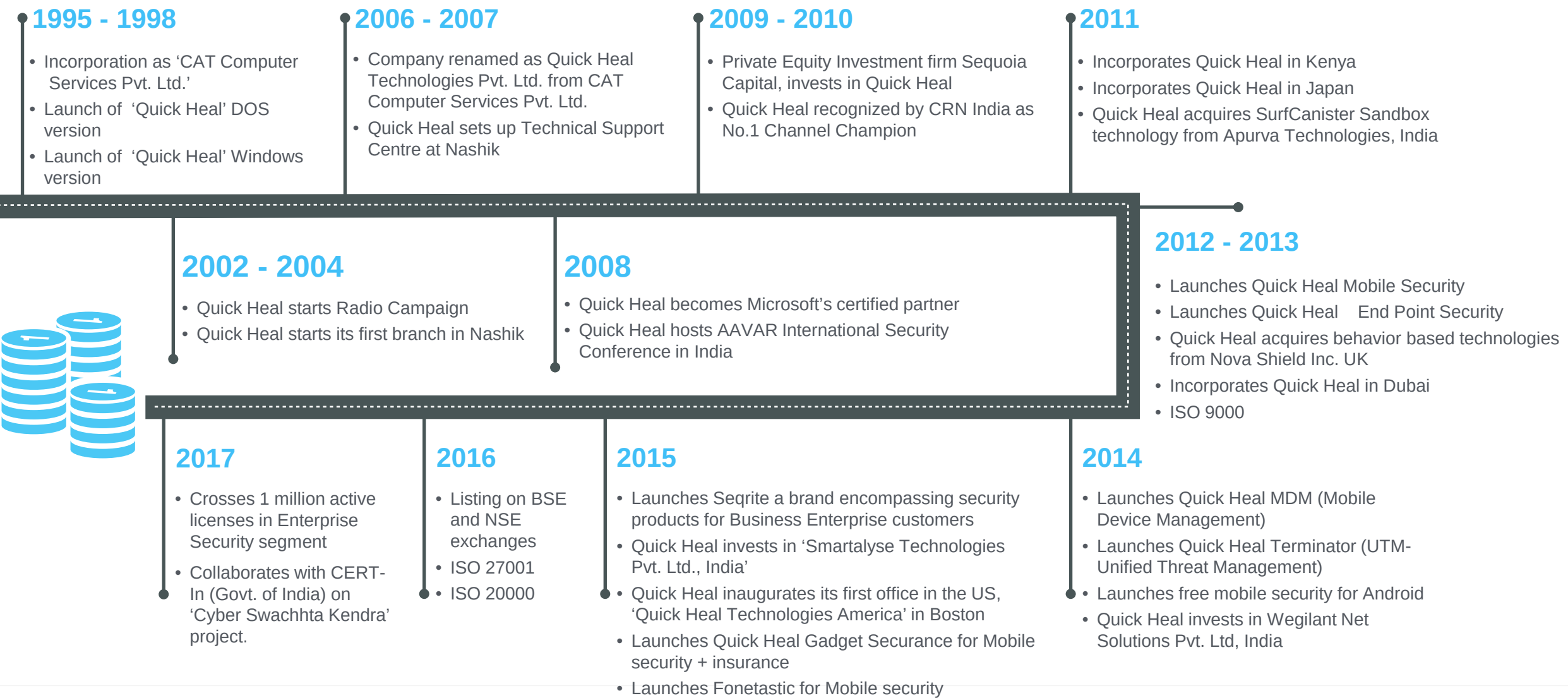
- Consolidated Revenues, EBITDA and PAT excl. exceptional item were Rs 2,999.7 mn, Rs 901.4 mn and Rs 570 mn respectively in FY17
- Robust profitability with EBITDA Margin of 30.0% and PAT Margin of 19.0% in FY17
- Healthy Cash profit\* generation of Rs 879.5 mn in FY17
- Strong balance sheet with zero debt and healthy cash position in FY17
- Consistent dividend payments, the Board of Directors recommended a dividend of Rs 175.3 mn for FY17 (excl. dividend distribution tax of Rs 35.6 mn) translating into Dividend Payout Ratio of 37.0%# of PAT excl. exceptional item

\* Cash Profit = PAT excl. exceptional item + Depreciation / Amortization

# Including Dividend Distribution Tax

# COMPANY OVERVIEW

## QUICK HEAL JOURNEY





# COMPANY OVERVIEW

## TECHNOLOGY & MARKET LEADERSHIP

### Awards in India

- 2017: Quick Heal Total Security for Android (v2.01) gives 100% malware detection – Latest AV-Test results.
- 2016: Seqrite Endpoint Security (EPS) and Quick Heal Total Security recognized as a **'Top Product'** by AV-Test Institute in their September-October 2016 test results
- 2016: Seqrite EPS Enterprise Suite Edition awarded the **AVLab BEST+++ Award** in their October 2016 results
- 2016: **'Top Trademark Driven Industry'** award by CII in its Industrial Intellectual Property Awards
- 2016: **Best Antivirus, 9th NCN Most Innovative Product of the Year Award**
- 2016: **Best Make in India Brand, 14th VARINDIA IT Forum**
- 2016: **12th Annual Info Security PG's 2016 Global Excellence Awards, USA**
  - \* Gold Winner for Product Development/Management Executive of the year
  - \* Silver Winner in the category of Security Products and Solutions for Small Businesses and SOHO
- 2016: **ICSA Labs Excellence in "Information Security Testing" Award for the 5<sup>th</sup> consecutive year**
- 2015: IMC Information Technology Award for Excellence in Information Technology Products for small and medium enterprise category, awarded by Indian Merchants Chamber
- 2015: Mumbai Hot 50 Brands in the B2C category, awarded by OneIndia
- 2014 – 2015: **DQ Channels India's Most Popular Vendor**
- 2014 and 2015: **CRN Channel Champions, Client Security** awarded by United Business Media
- 2012, 2013 and 2014: **Quality Brands**, awarded by Quality Brand Times
- 2012: Maharashtra Corporate Excellence Awards, by Maxell Foundation
- 2008, 2009 and 2010: **CRN Channel Champions, Antivirus Segments** awarded by United Business Media
- 2010: Tech Life – The Lifestyle and Gadgets Awards, awarded by NDTV
- 2010: SME Awards for **Best SME Innovation** awarded by Business Today
- 2010: **Deloitte Technology Fast500 Asia Pacific** awarded by Deloitte
- 2010: **Deloitte Technology Fast50 India** awarded by Deloitte

### International Certificates



# COMPANY OVERVIEW

## BOARD OF DIRECTORS



KAILASH KATKAR

CEO & MD

Promoter of the Company since incorporation



SANJAY KATKAR

CTO & MD

Promoter of the Company since incorporation



ABHIJIT JORVEKAR

Executive Director & VP

Responsible for Sales & Marketing



SHAILESH LAKHANI

Non-Executive Director

Serves as the MD at Sequoia Capital India



APURVA JOSHI

Independent Director

Is a certified bank forensic accounting professional and anti-money laundering expert



SUNIL SETHY

Independent Director

Comes from an experienced background in accountancy, finance, treasury, and legal departments



PRADEEP BHIDE

Independent Director

Ex-IAS Officer and has served a series of increasingly senior positions at the State Government and Central Government



MEHUL SAVLA

Independent Director

Serves as the Director of RippleWave Equity Private Limited

## COMPANY OVERVIEW

### STRONG BRAND RECOGNITION AND RECALL



**7.8 m**

Active Licenses across more than 80 countries



**1.8X** Growth

Active Licenses over last 5 years



**30% +**

Retail Market Share in India



Preferred Choice of  
IT technicians for PC  
Virus Cleaning



**SECURITE**



Quick Heal  
**Gadget Securance**

**15,093 Retail, 491 Enterprise, 102 Government and 1,660 Mobile Partners**

# COMPANY OVERVIEW

EXPANDING PRESENCE ACROSS INTERNATIONAL MARKETS

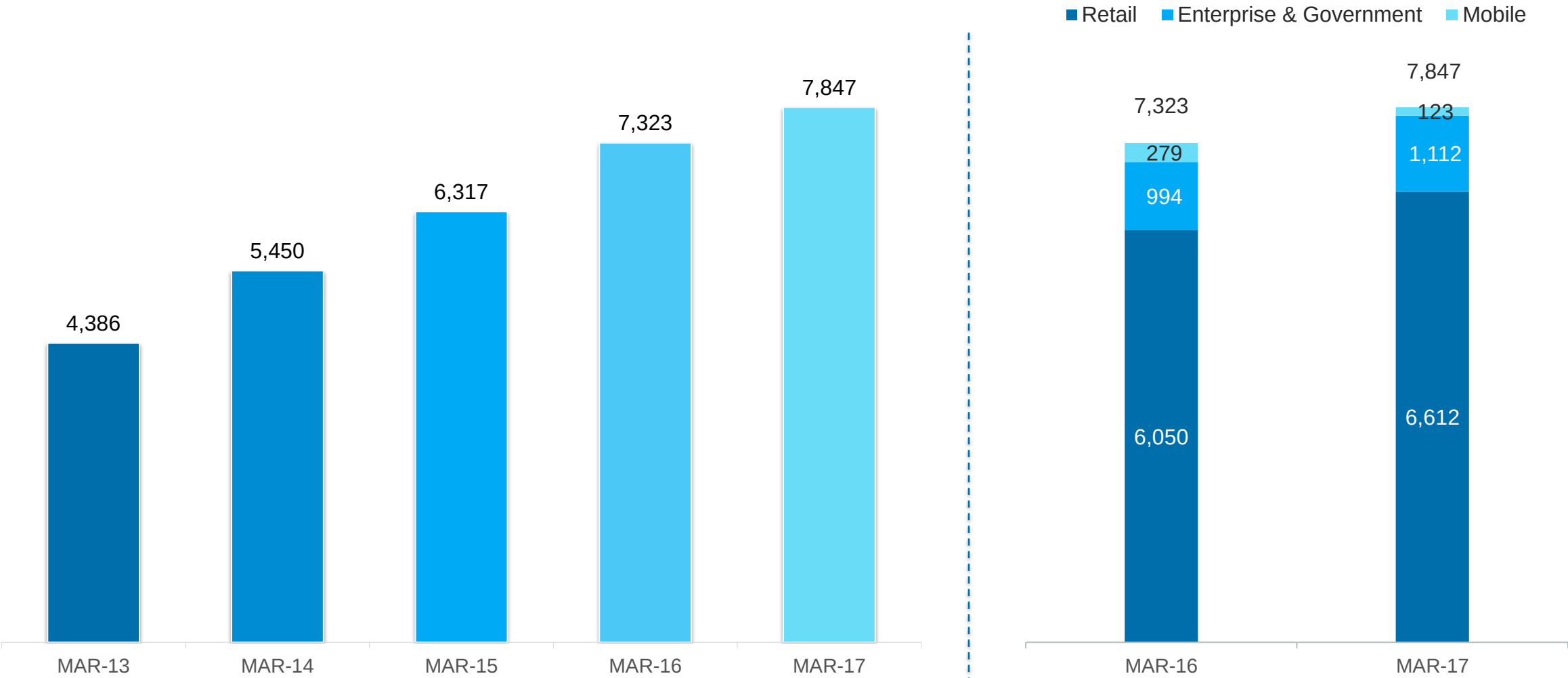




# COMPANY OVERVIEW

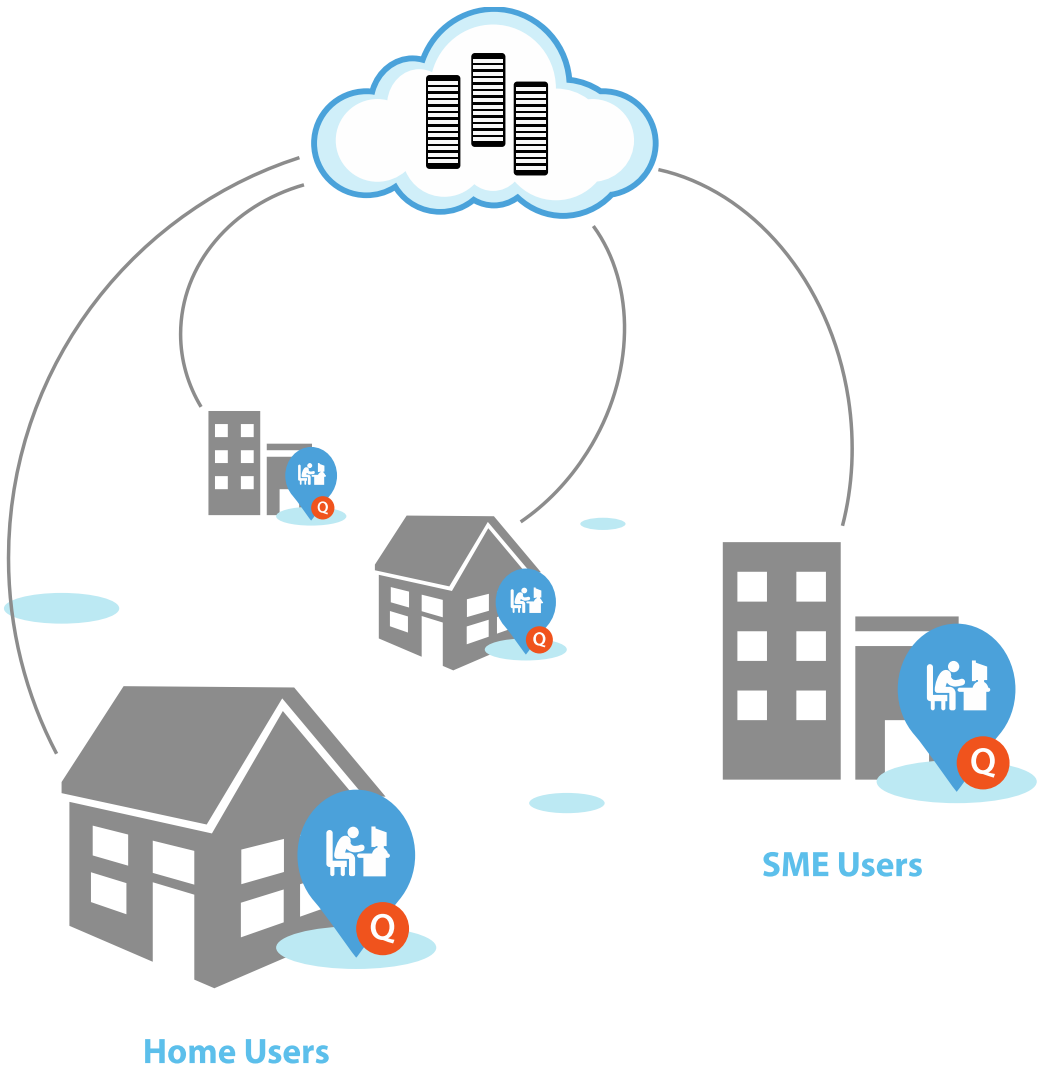
## LARGE AND GROWING USER BASE

ACTIVE LICENSES ('000)

















COMPETITIVE ADVANTAGE  
COMPREHENSIVE PRODUCT PORTFOLIO

Retail / SMB



Features

- |                                                                                                             |                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
|  Core Protection         |  Anti-Keylogger                |
|  Web Security            |  Improved Scan Engine          |
|  Email Security         |  Virtual Keyboard             |
|  Data Theft Protection |  Privacy Protection          |
|  Safe Banking Features |  QH Remote Device Management |
|  Parental Controls     |  PC2Mobile Scan              |
|  Stealth Mode          |  PCTuner                     |
















COMPETITIVE ADVANTAGE  
COMPREHENSIVE PRODUCT PORTFOLIO



Mobile Security / Fontastic  
/Gadget Securance



Features






- |                                                                                       |                       |                                                                                       |                            |
|---------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------|----------------------------|
|    | Background Scan       |    | Virus Protection           |
|    | Security Advisor      |    | Mobile Tracker             |
|  | Privacy Advisor       |  | Cloud Backup               |
|  | Call & Message Filter |  | Insurance cover - Theft    |
|  | Register with TRAI    |  | Physical and Liquid Damage |
|  | Anti-Theft Technology |  | Fire Damage                |
|                                                                                       |                       |  | Remote Device Management   |

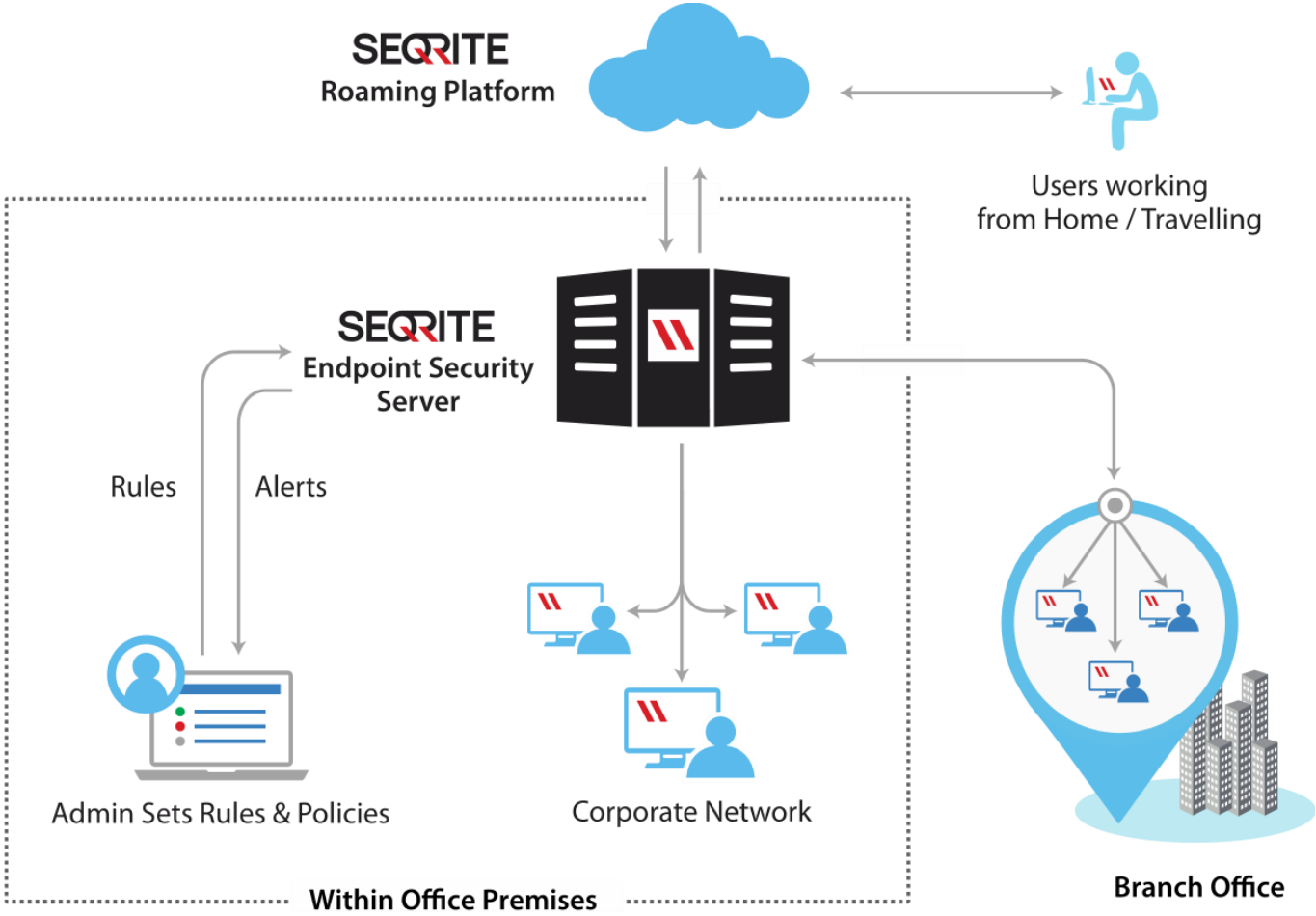
# COMPETITIVE ADVANTAGE

## COMPREHENSIVE PRODUCT PORTFOLIO

# SEQRITE ENDPOINT SECURITY

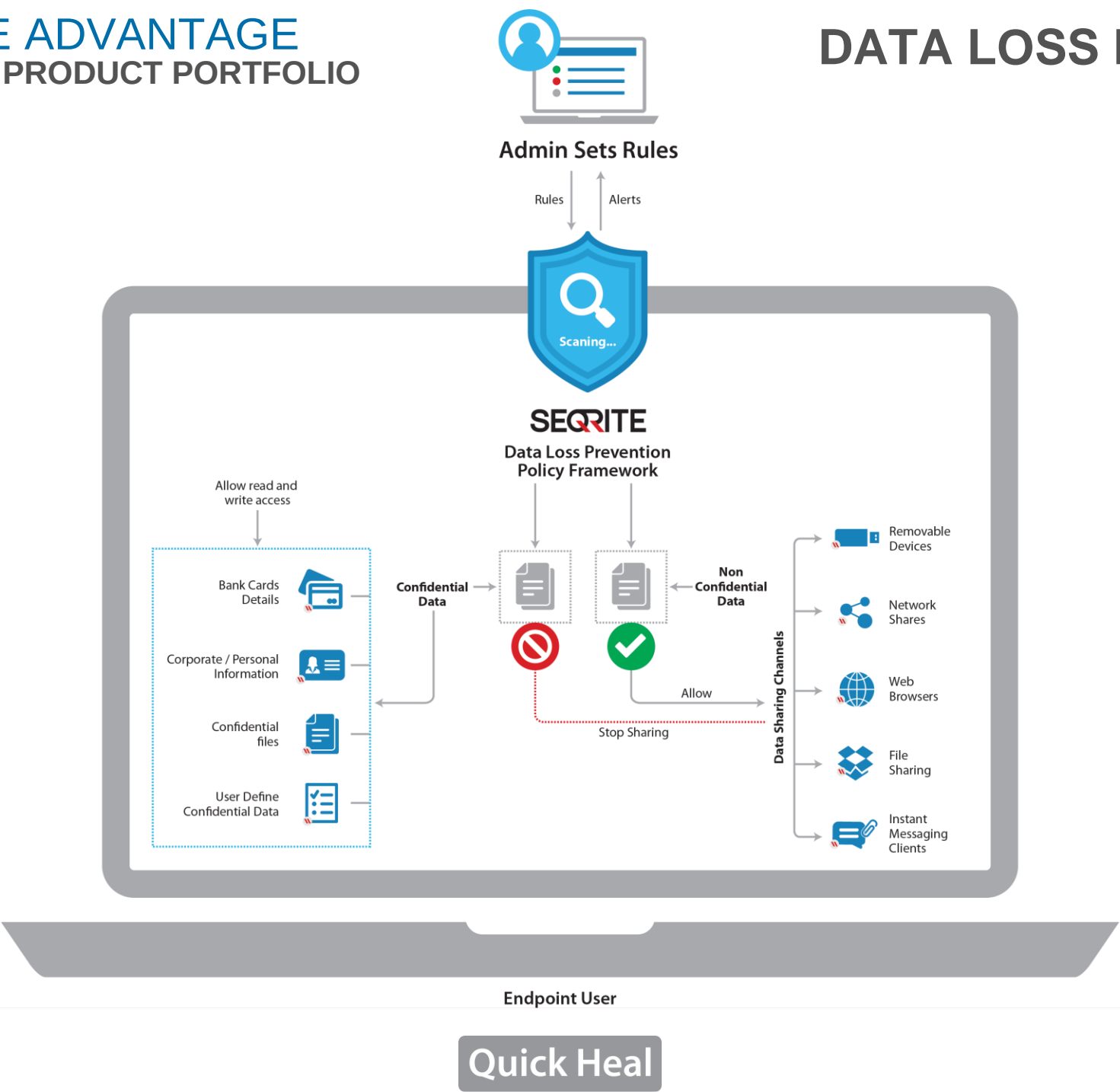
## Features

-  Asset Management
-  File Activity Monitor
-  Advance Device Control
-  Vulnerability Scan
-  Other AV Removal
-  Remote Client management
-  Web Security
-  Core Protection (AV, Firewall, IDS/IPS)
-  Application Control
-  Data Loss Prevention





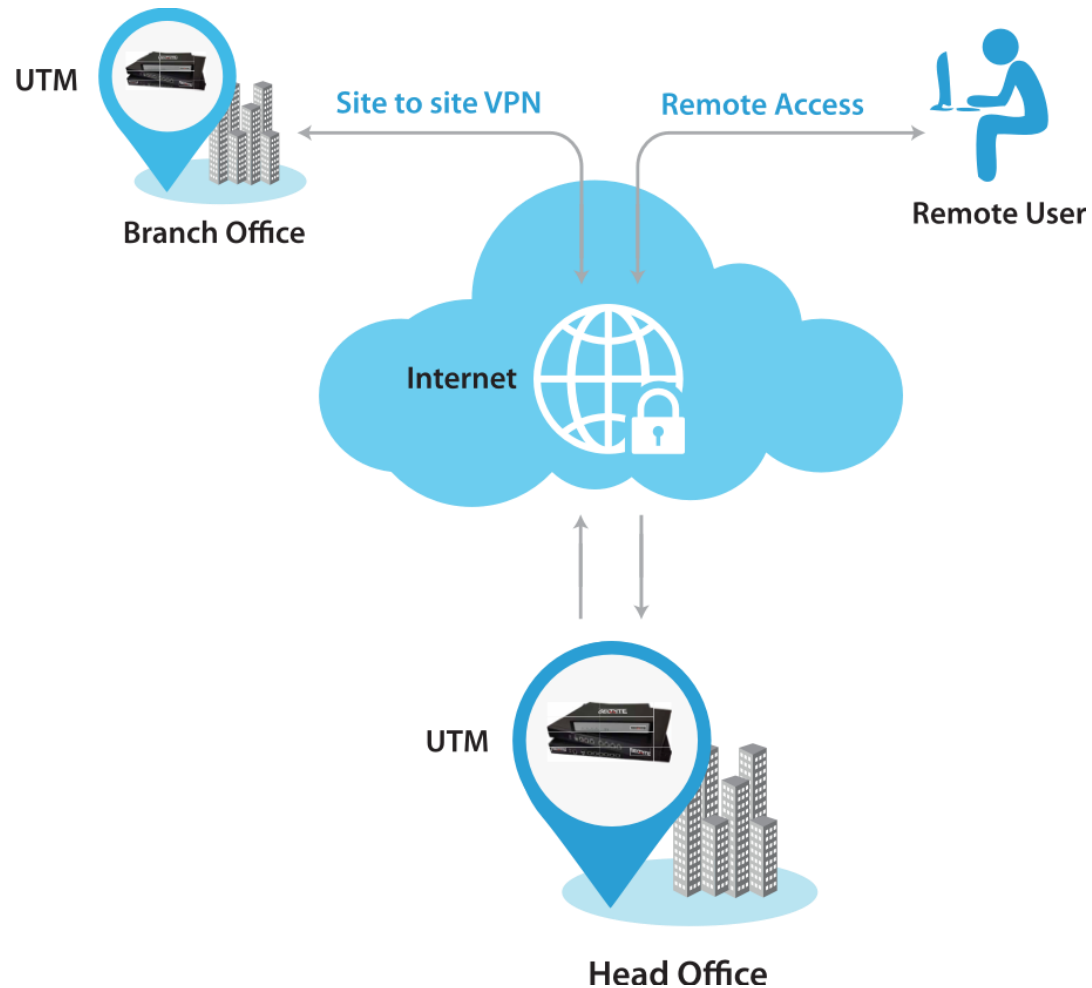
DATA LOSS PREVENTION  
(DLP)  
WINDOWS & MAC



## COMPETITIVE ADVANTAGE

### COMPREHENSIVE PRODUCT PORTFOLIO

## SEQRITE TERMINATOR

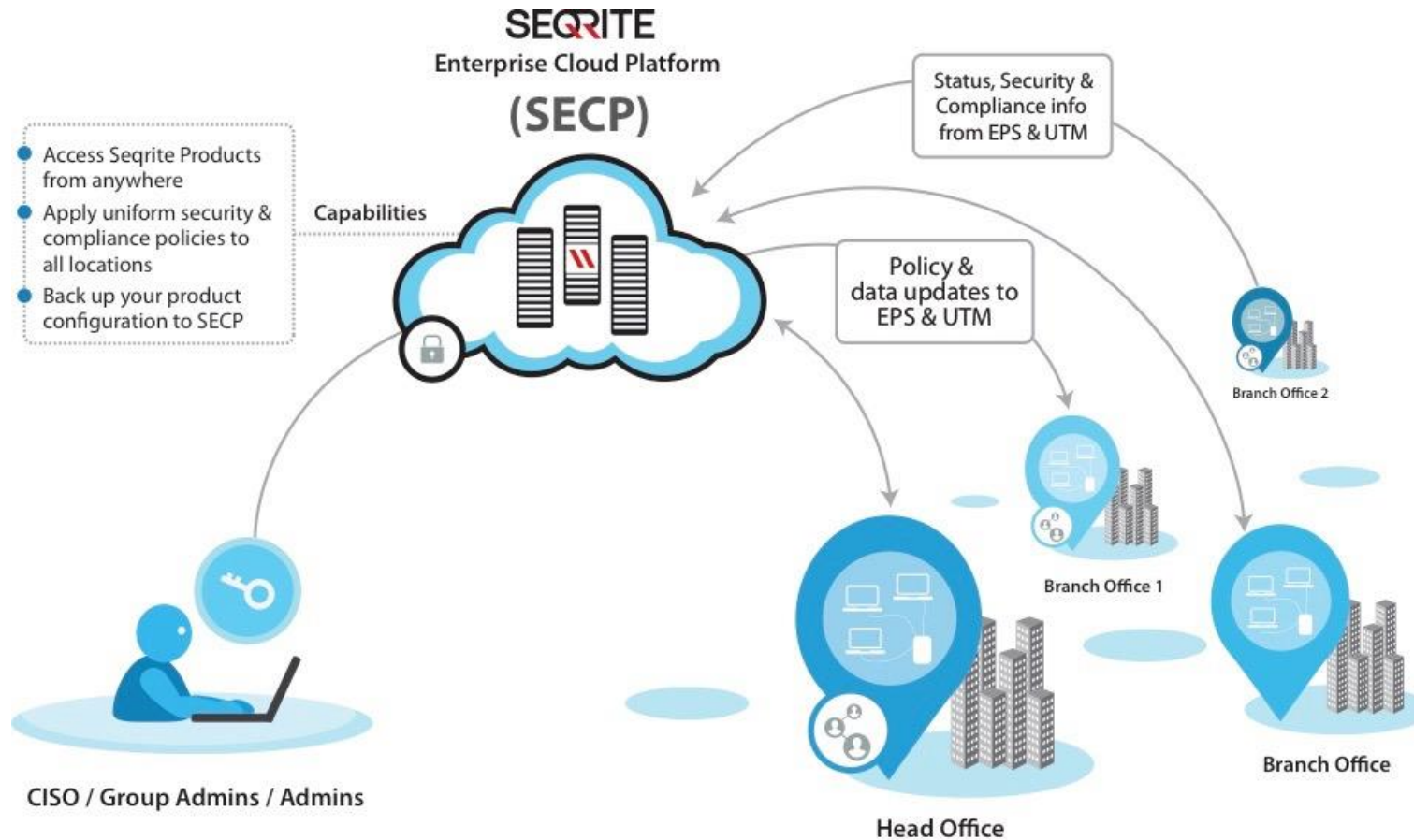


### Features

- Firewall
- Antivirus
- Mail Protection
- Content Filtering
- IPS
- Application Control
- ISP Load Balance
- ISP Failover
- Link Aggregation
- Bandwidth Management
- User / Group management
- Monitoring and Reporting





## COMPETITIVE ADVANTAGE

### COMPREHENSIVE PRODUCT PORTFOLIO



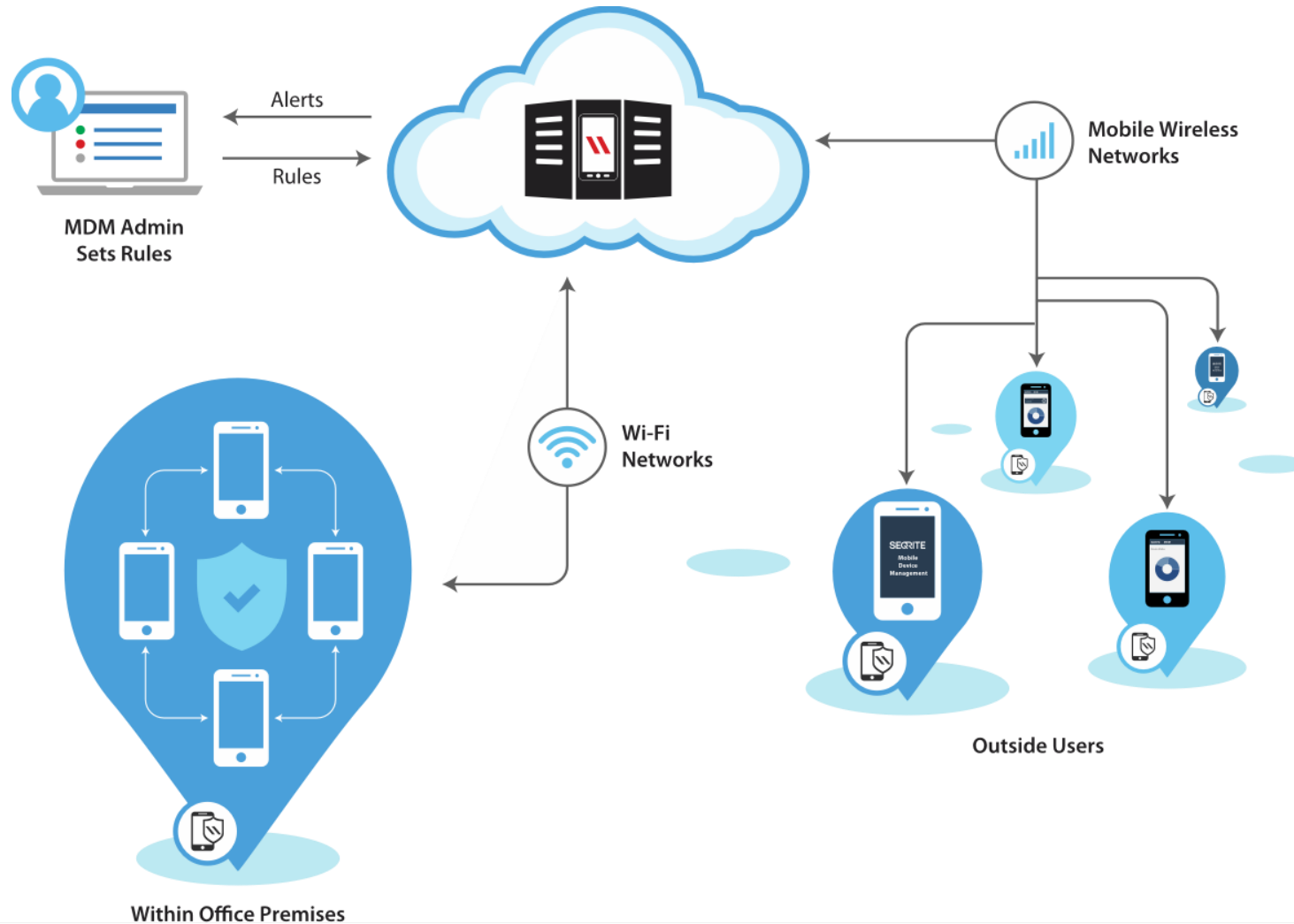
## SEQRITE ENTERPRISE CLOUD PLATFORM

### Features

-  Get status, security and compliance info from EPS, Terminator products
-  Access Seqrite products from anywhere and anytime
-  Apply uniform security policies at all locations
-  Backup important Seqrite product configuration to cloud







## COMPETITIVE ADVANTAGE

### COMPREHENSIVE PRODUCT PORTFOLIO



## SEQRITE MOBILE DEVICE MANAGEMENT

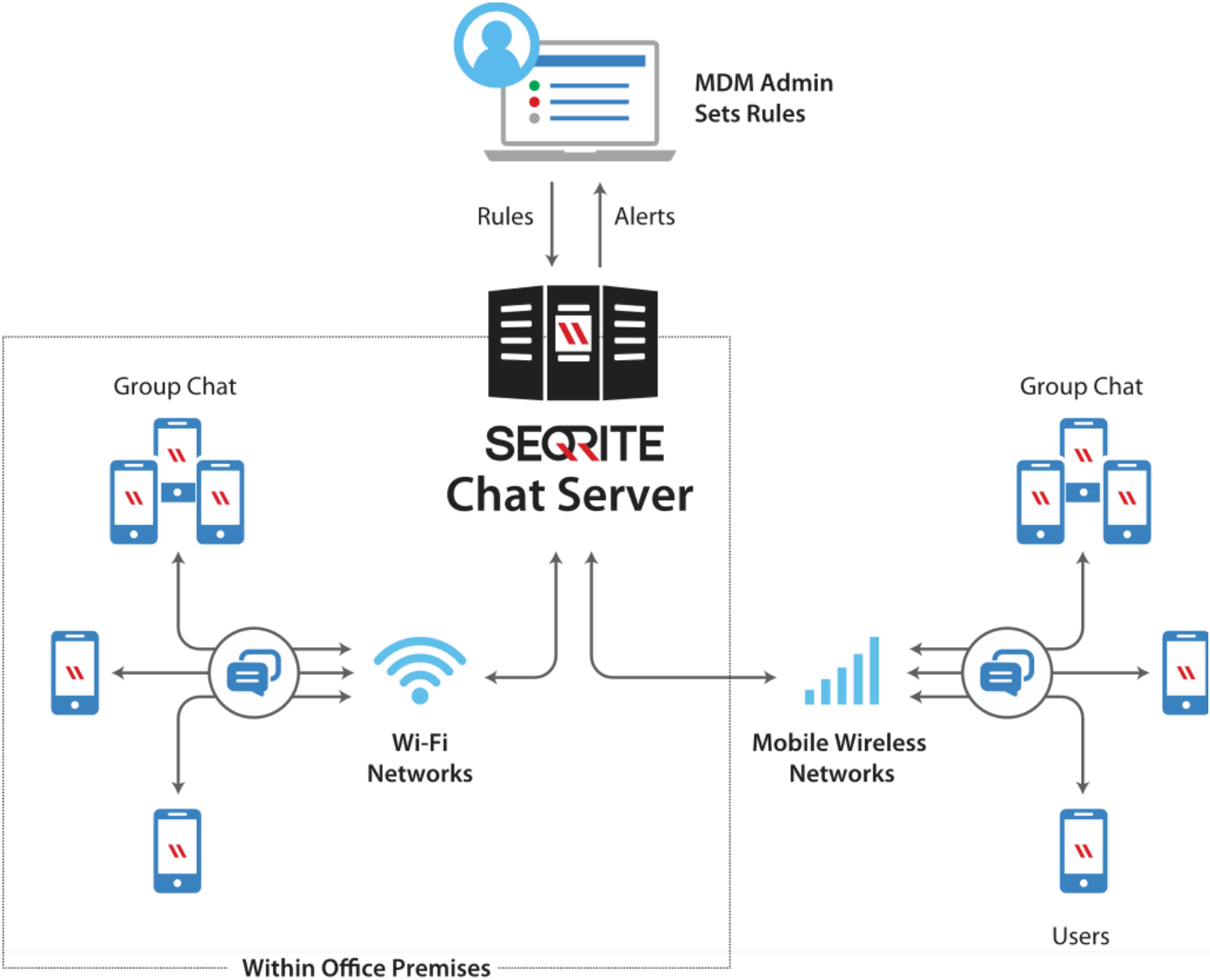
### Features

-  Manage users, devices, groups
-  OTA provisioning of devices
-  Remotely push configuration and policies
-  Application control
-  Anti-theft (ring / lock / locate / trace)
-  Remote wipe



**COMPETITIVE ADVANTAGE**  
COMPREHENSIVE PRODUCT PORTFOLIO

**SEQRITE SECURE CHAT**

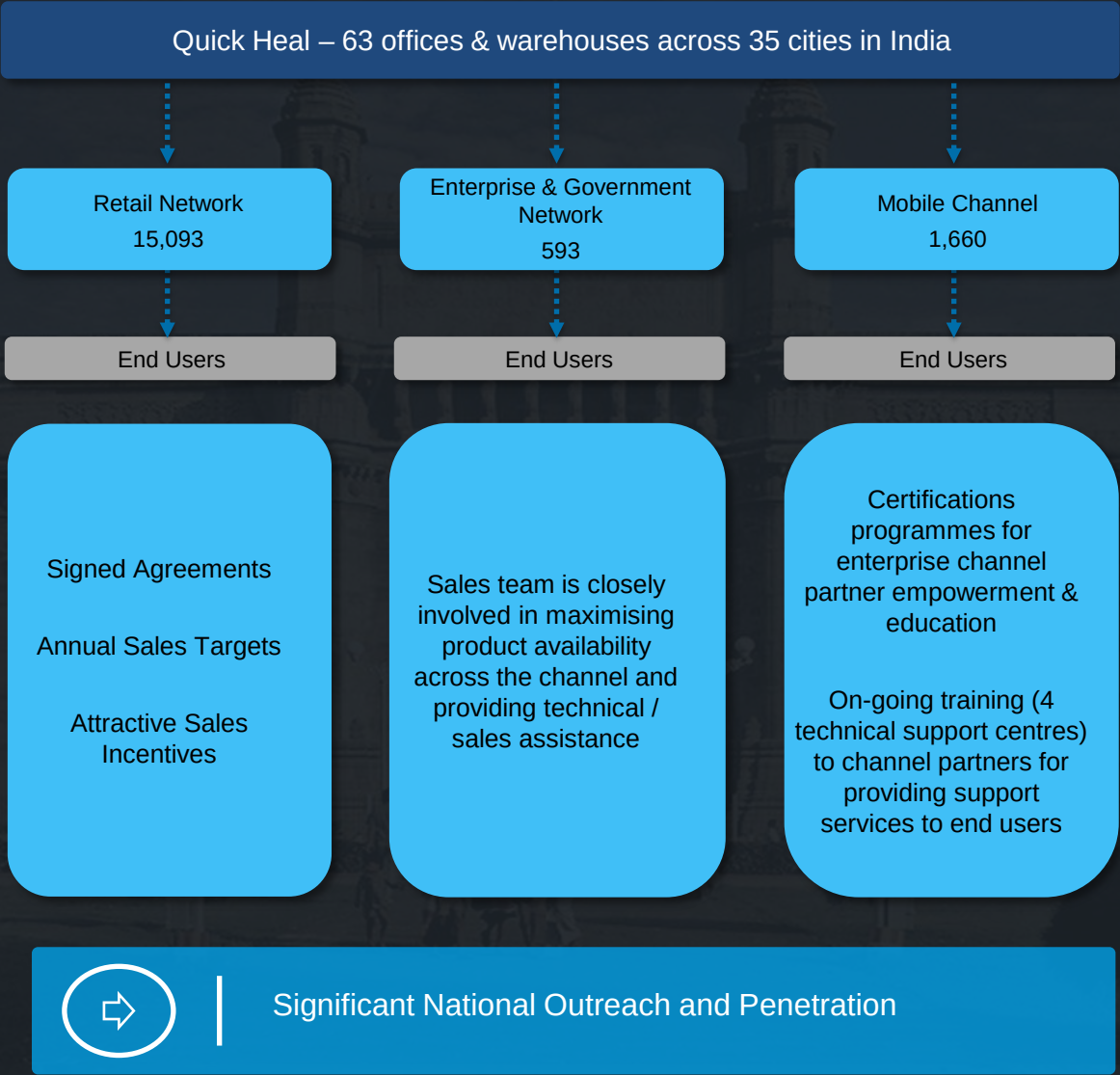


**Features**

- Manage chat groups, policies
- One-to-One chat
- Share files (image, audio, video, etc.)
- Group Chat
- Evaporated & Private messages

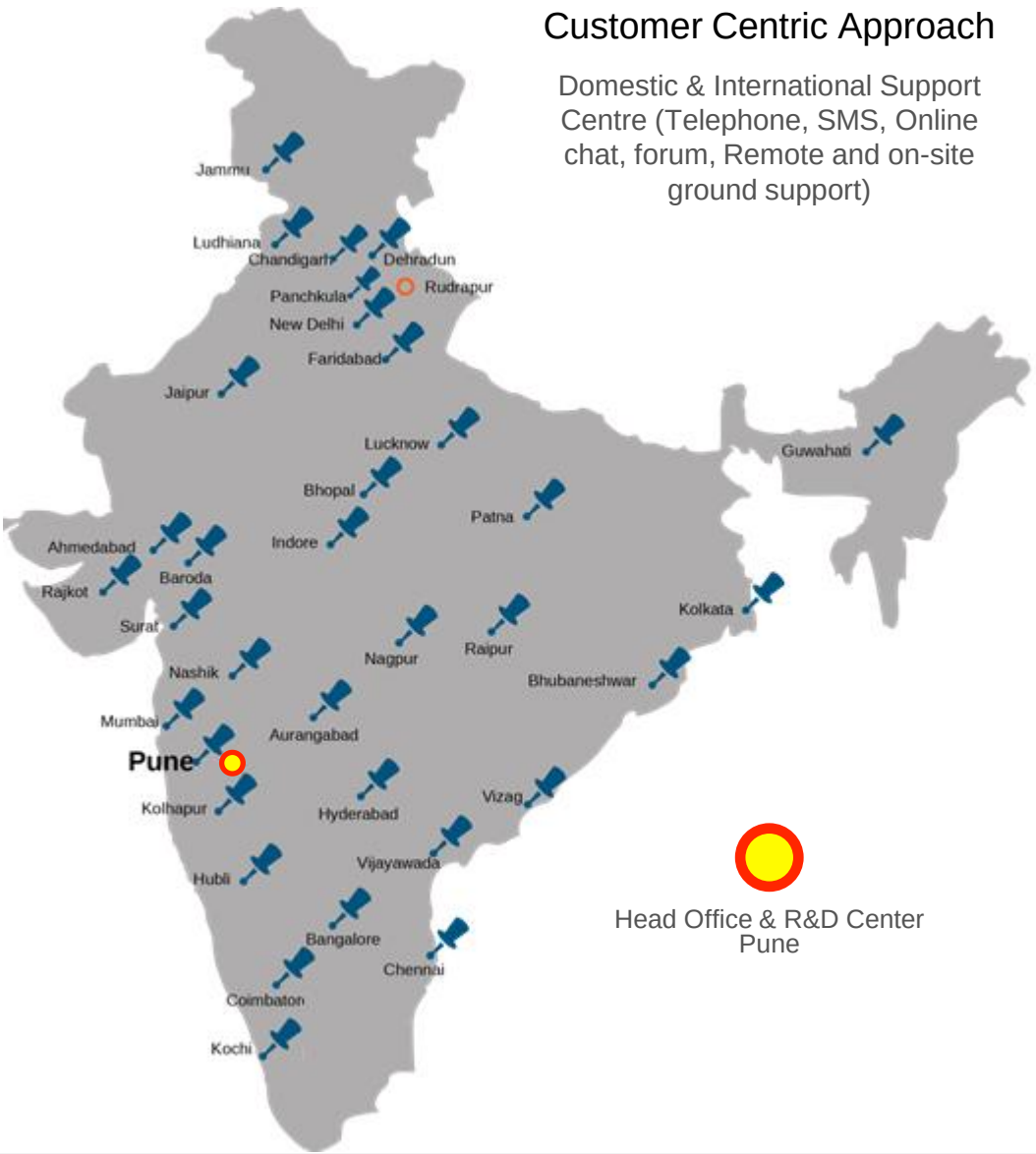
# COMPETITIVE ADVANTAGE

## EXTENSIVE PAN-INDIA DISTRIBUTION NETWORK



### Customer Centric Approach

Domestic & International Support Centre (Telephone, SMS, Online chat, forum, Remote and on-site ground support)



## COMPETITIVE ADVANTAGE

### SUPERIOR CUSTOMER SUPPORT



**Strong Emphasis on  
Efficient Customer Service**



**Remote Access Support –  
Key Differentiator**



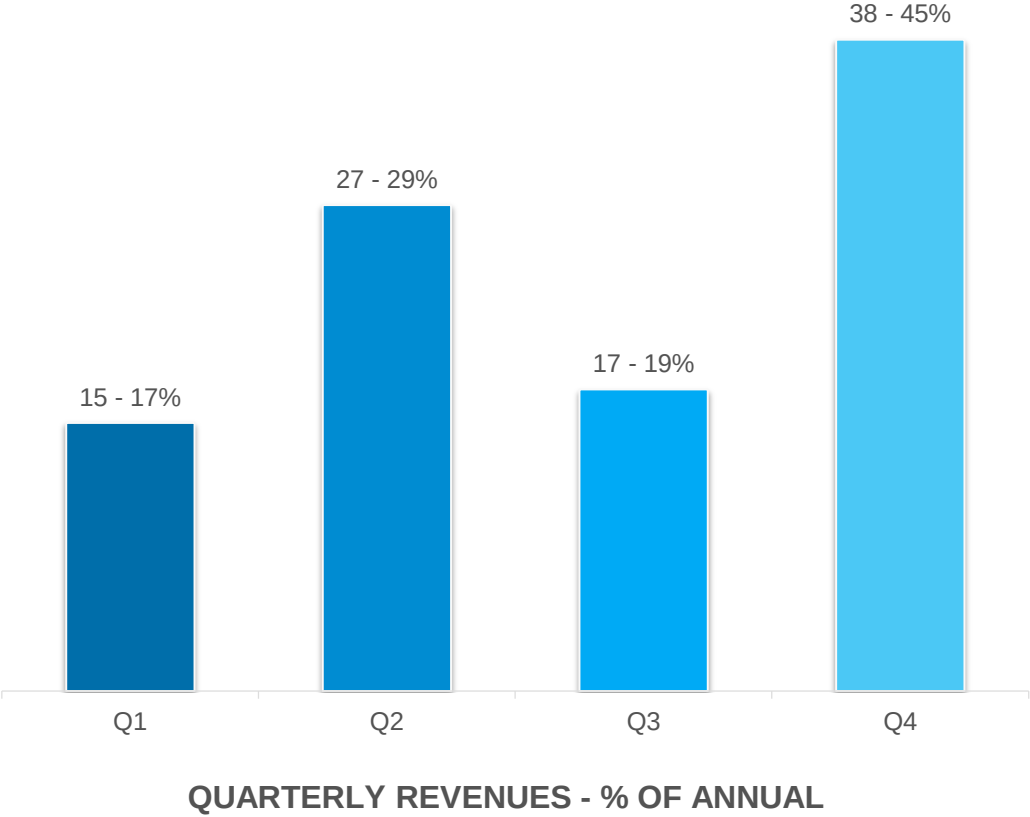
**Maintain High Levels of User  
Satisfaction and Retention**

### **STRONG CUSTOMER SUPPORT – SINGLE LARGEST DIFFERENTIATOR**

- Multi-lingual end user support in English, Hindi and several other major regional Indian languages
- Multi-modal support to users through phone, email, SMS, online chat, support forum and remote access
- Ground support and onsite support for non-home users pan India
- Availability of data sheets, product videos and manuals on website for providing information on technical specifications, installation guide, upgrade mechanisms
- Release of various articles, technical papers, quarterly threat reports and conducting webinars in the area of security software

# BUSINESS MODEL

## SEASONALITY IMPACT ON REVENUES & MARGINS



### SEASONALITY IMPACT ON REVENUES & MARGINS:

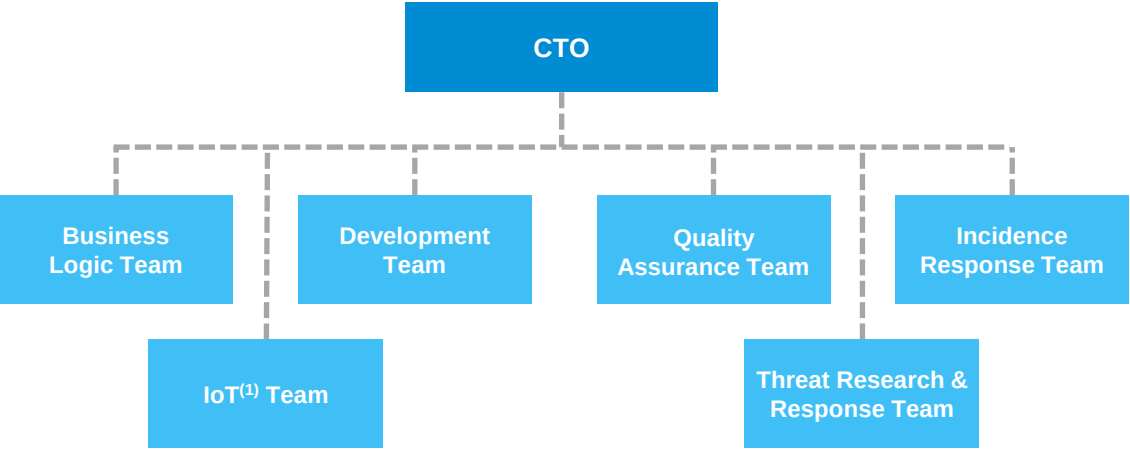
- Revenues are higher in Q2 and Q4.
- R&D, G&A expenses are spread across all four quarters
- Hence, there is variation in EBITDA margin on quarterly basis



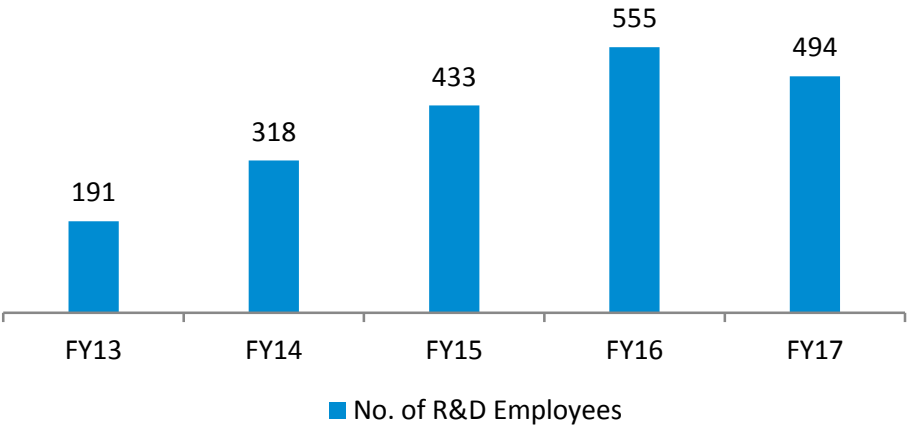
# BUSINESS MODEL

## THRUST ON RESEARCH & DEVELOPMENT

R&D DEPARTMENT STRUCTURE



CONTINUOUS FOCUS AND INVESTMENTS IN R&D



### ROBUST R&D FRAMEWORK TO ACTIVELY TRACK AND QUARANTINE NEW VIRUSES

- **Business Logic Team** - helps in building product roadmaps and devising appropriate strategies.
- **Product Development Team** - responsible for the design and development of various products and solutions.
- **Incidence Response Team** – responsible for any emergency situation/incident at any enterprise security infrastructure.
- **Threat Research and Response Team** -takes part in detection of and removal of reported viruses and malwares
- **Internet of Things Security Team** - create products and solutions for home automation security
- **Quality Assurance Team** - provides systematic measurement, standard evaluation and monitoring of processes.

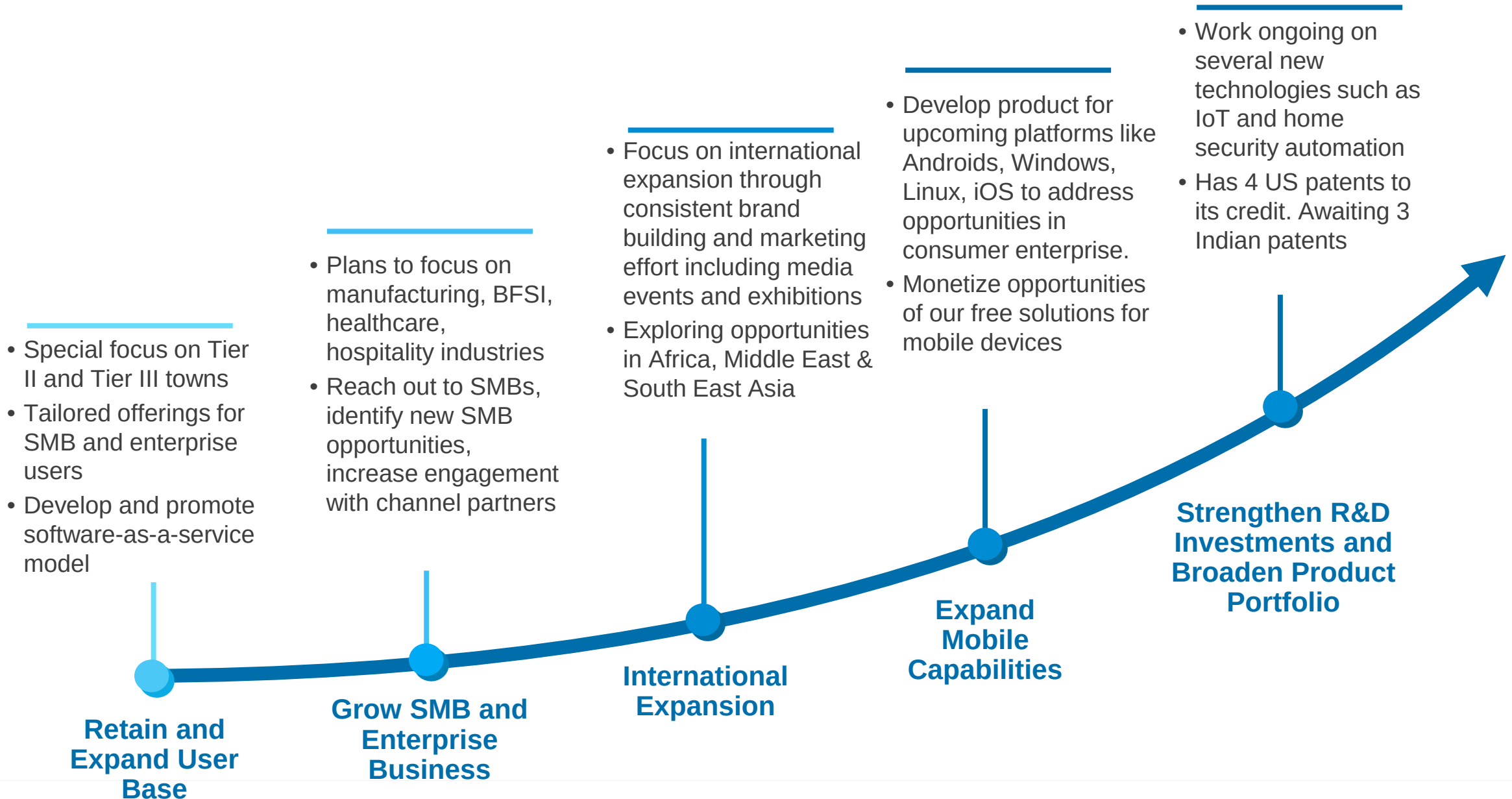


Earmarked Rs 418.8 mn  
from IPO proceeds to be  
spent on R&D investments  
over next 3 years



Indian GAAP Financial  
Reporting with full  
expensing of R&D  
expenses

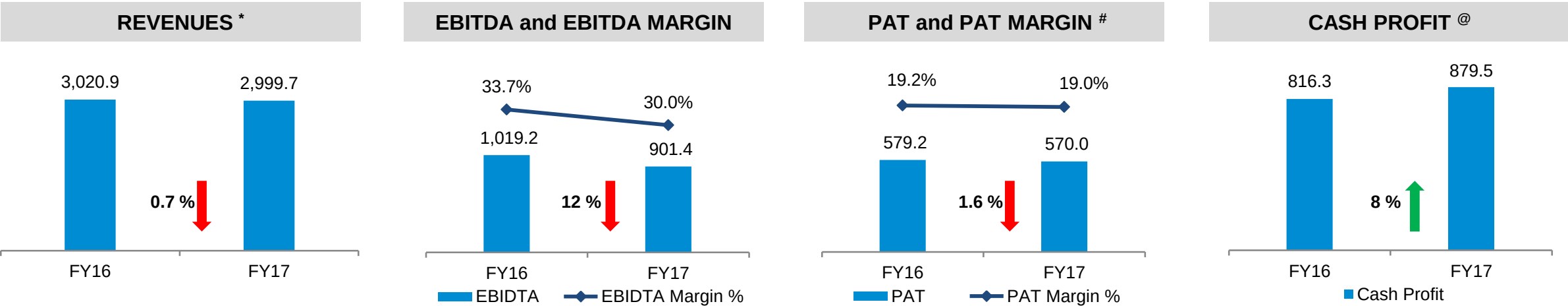
# STRONG DRIVERS FOR LONG-TERM GROWTH



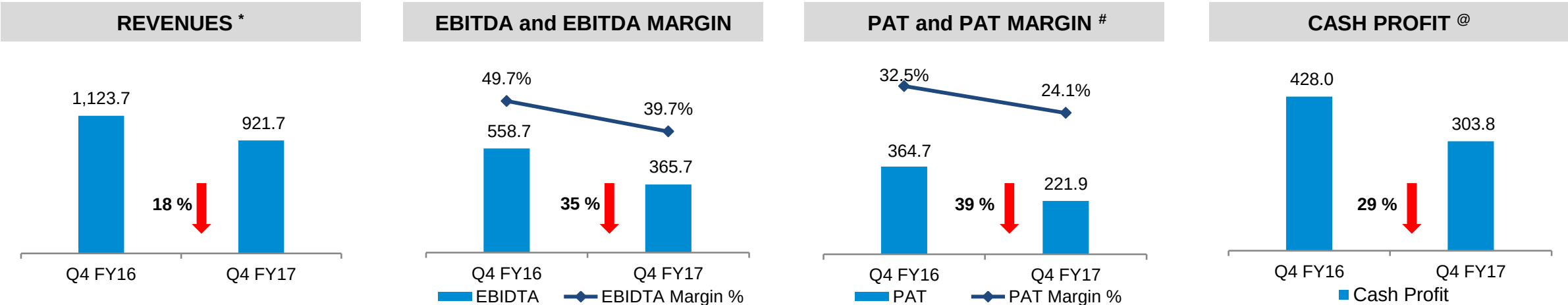
# Q4 & FY17 RESULTS HIGHLIGHTS

## FY17 YoY ANALYSIS

In Rs. Million



## Q4 FY17 YoY ANALYSIS



\* Based on IND-AS Accounting Standards

# FY17 PAT excludes exceptional item of Rs 37.8 mn on account of impairment of financial assets (Loan & Interest receivable)

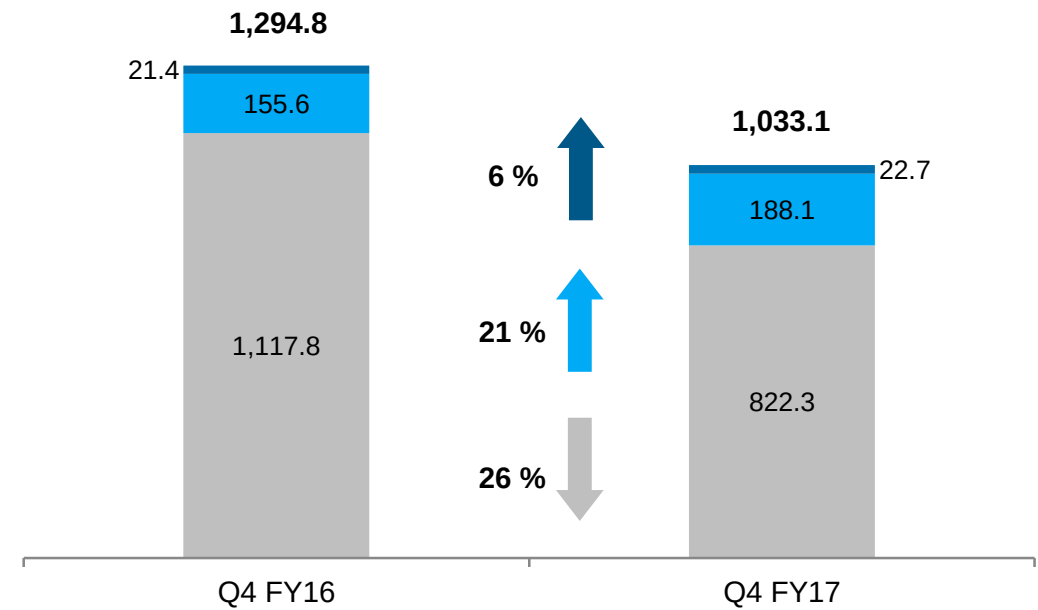
@ Cash Profit = PAT excl. exceptional item + Depreciation / Amortization

# Q4 & FY17 – REVENUE ANALYSIS

In Rs. Million

## Q4 FY17 YoY ANALYSIS

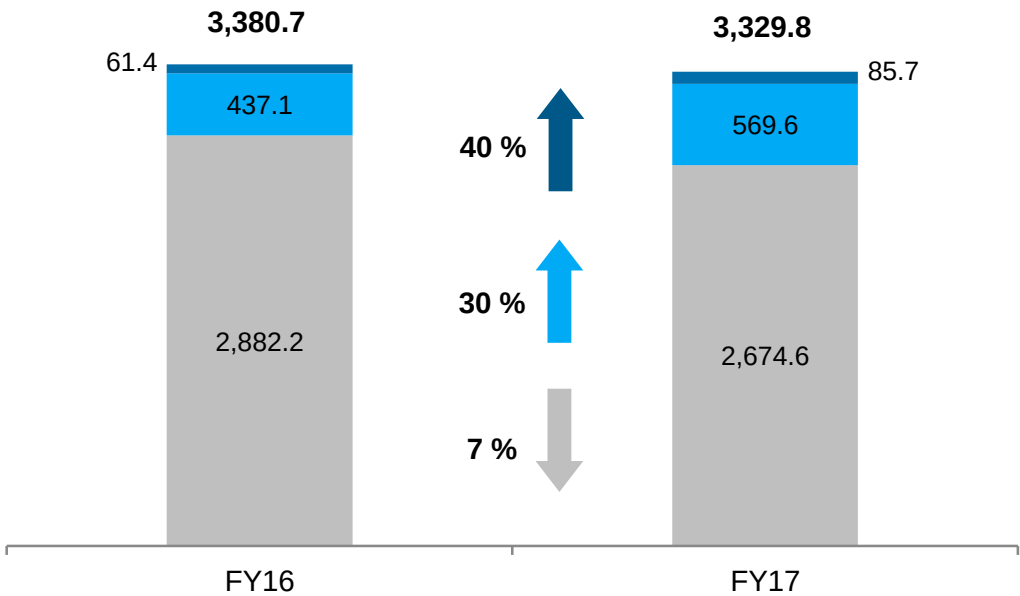
### SEGMENT BREAKUP \*



% Share	Q4 FY16	Q4 FY17
Retail	86.3%	79.6%
Enterprises & Government	12.0%	18.2%
Mobile	1.7%	2.2%

## FY17 YoY ANALYSIS

### SEGMENT BREAKUP \*

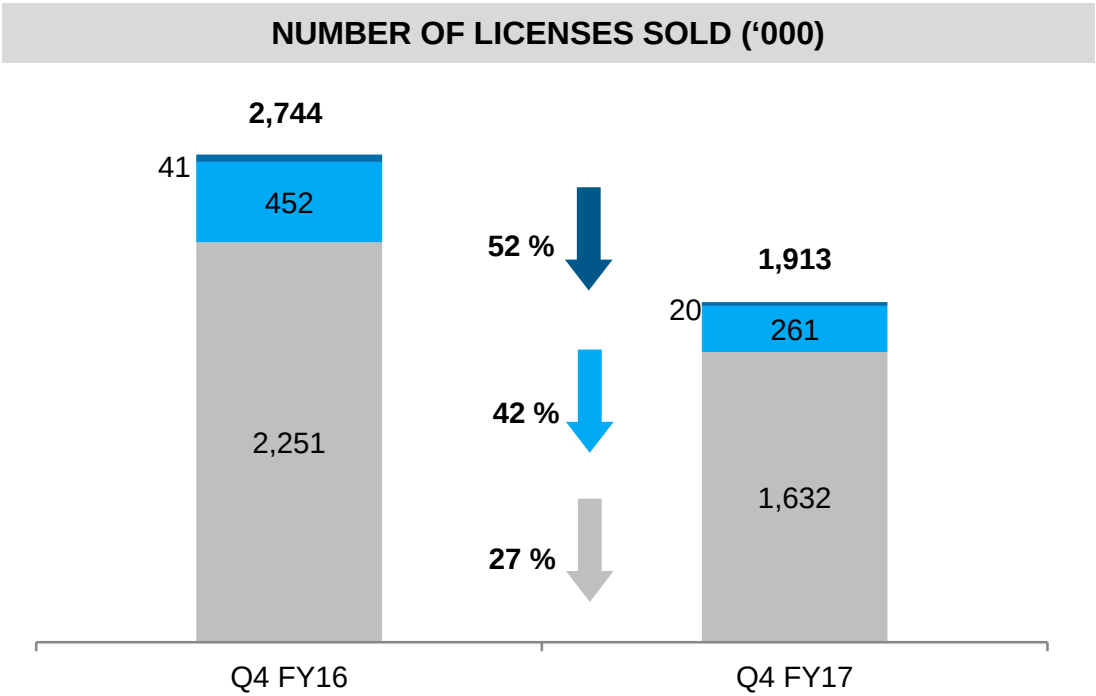


% Share	FY16	FY17
Retail	85.3%	80.3%
Enterprises & Government	12.9%	17.1%
Mobile	1.8%	2.6%

\* Based on net revenues before adjusting for sales incentives

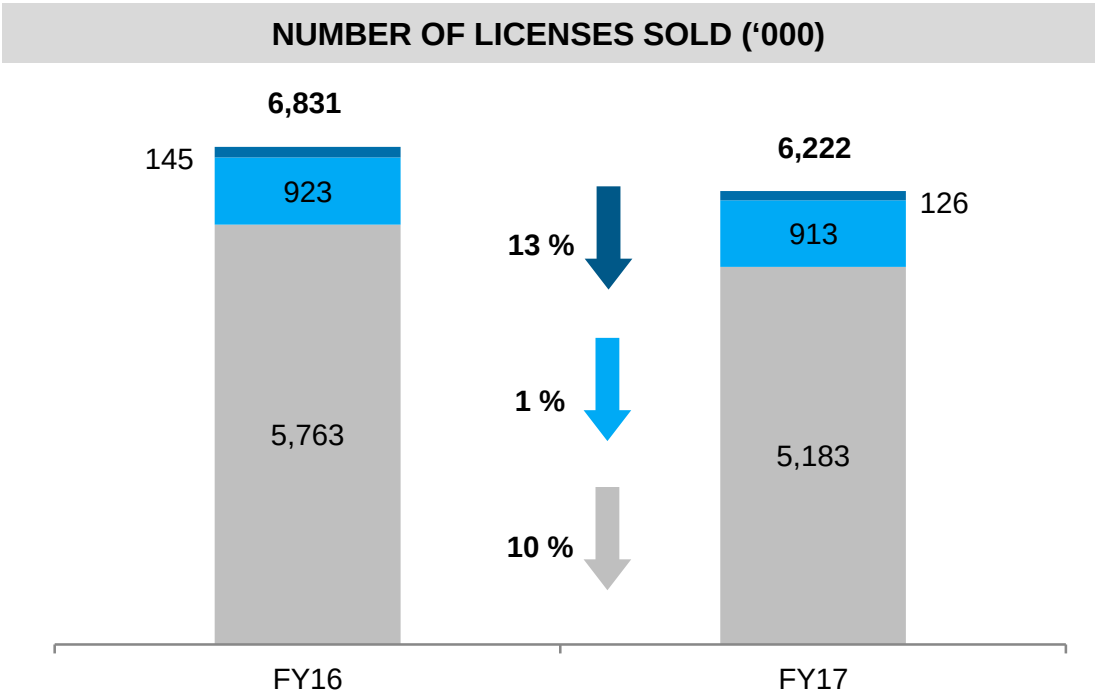
# Q4 & FY17 – REVENUE ANALYSIS

## Q4 FY17 YoY ANALYSIS



% Share	Q4 FY16	Q4 FY17
Retail	82.0%	85.3%
Enterprises & Government	16.5%	13.6%
Mobile	1.5%	1.0%

## FY17 YoY ANALYSIS



% Share	FY16	FY17
Retail	84.4%	82.2%
Enterprises & Government	13.5%	15.9%
Mobile	2.1%	1.9%

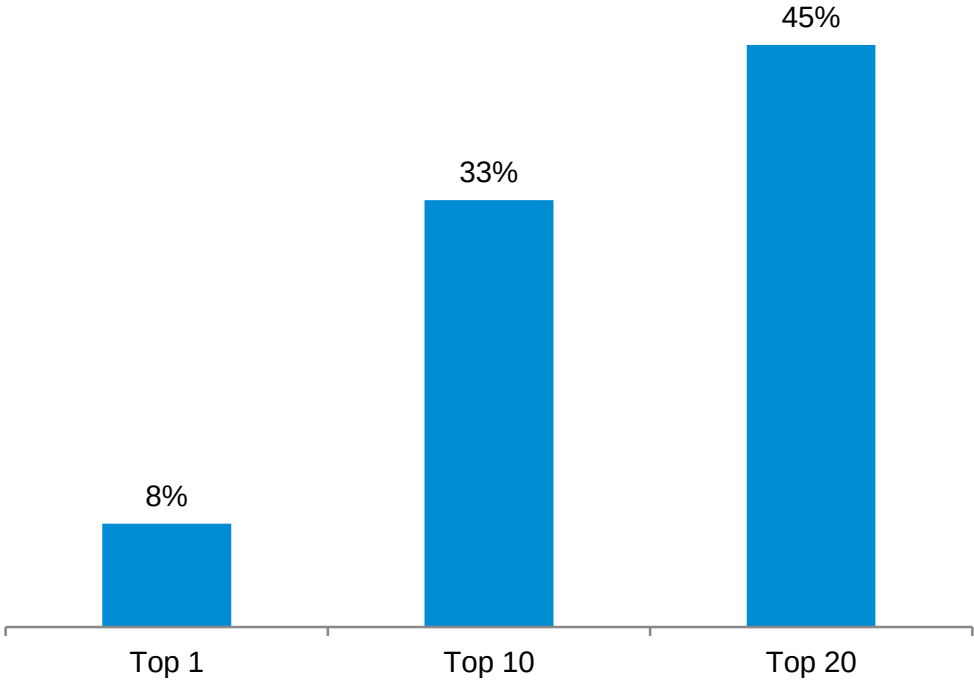


# Q4 & FY17 – REVENUE ANALYSIS

FY16

DEALER CONCENTRATION PROFILE

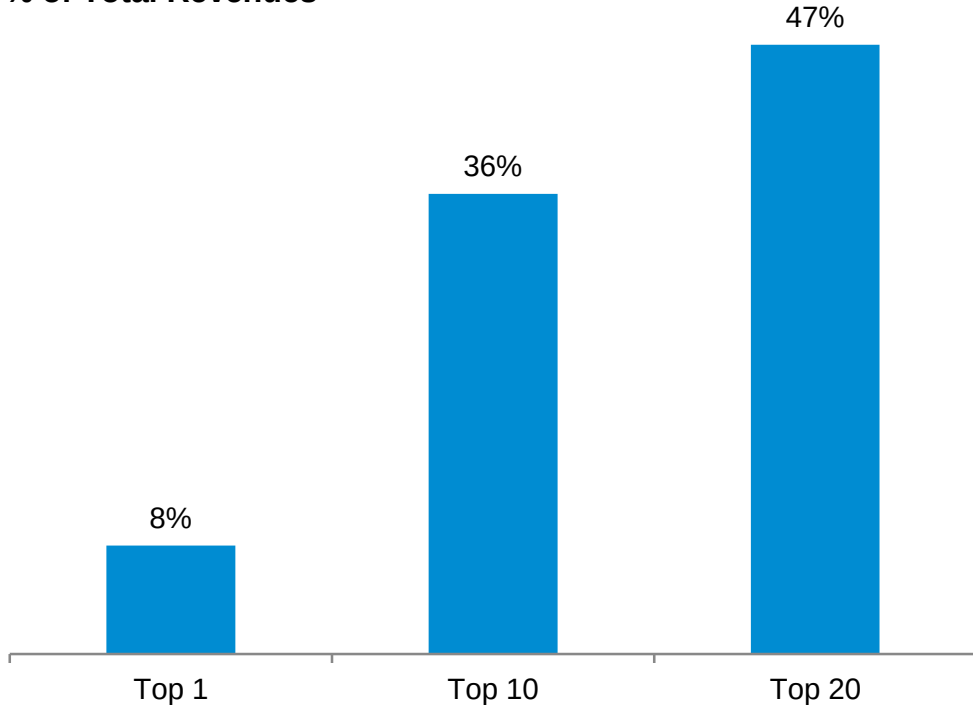
% of Total Revenues



FY17

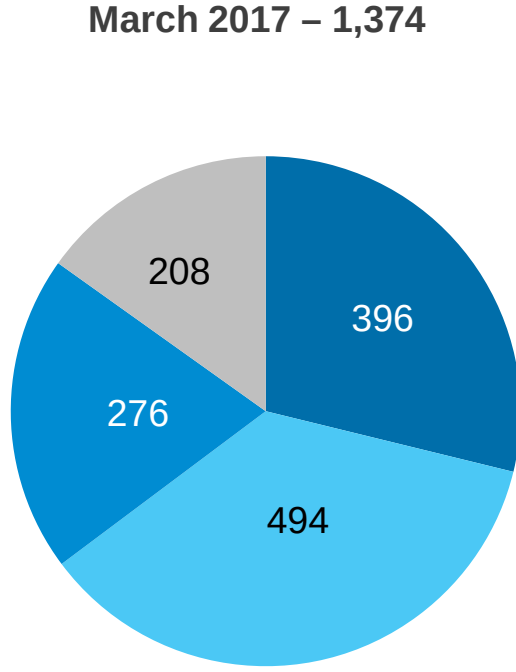
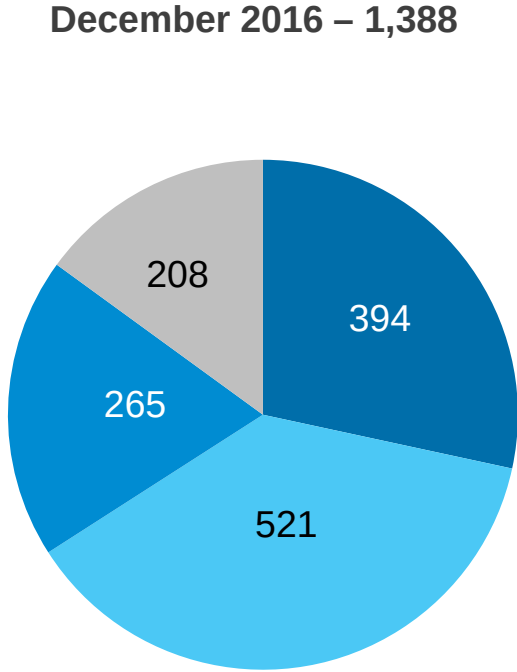
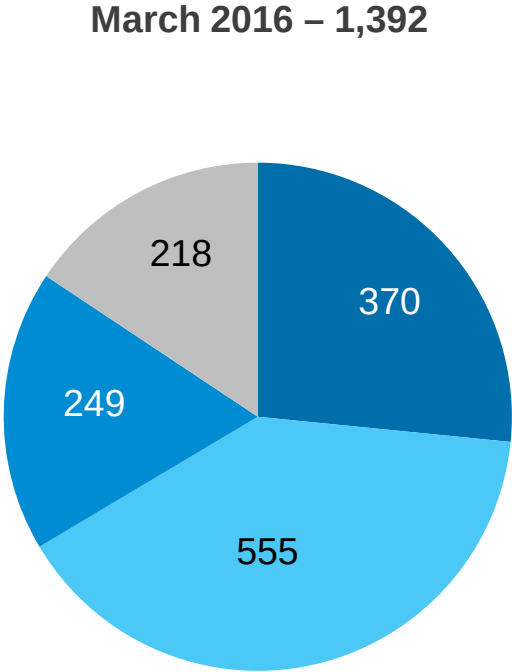
DEALER CONCENTRATION PROFILE

% of Total Revenues



# Q4 & FY17 – EMPLOYEE BREAKUP

- Sales & Marketing
- R&D
- Technical Support
- Others



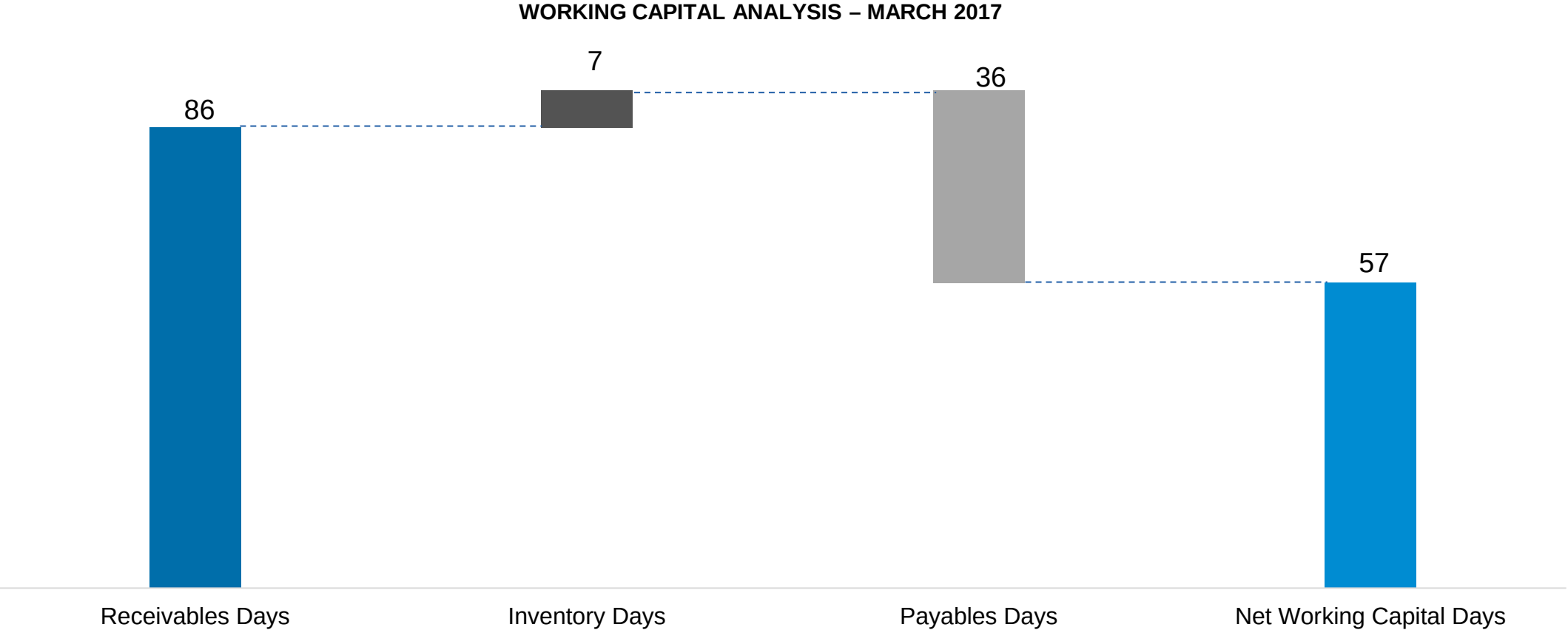
# Q4 & FY17 – COST ANALYSIS

Rs Million

Head	Consolidated				
	Q4 FY17,a	Q3 FY17,a	Q2 FY17,a	Q1 FY17, a	Q4 FY16, a
Operating Cost					
Salaries	116.5	118.7	122.4	120.8	109.6
Fees for technical services	24.9	24.9	25.2	25.1	19.0
Technology subscription charges	14.2	13.6	16.2	12.8	25.7
R&D Expenses (A)	155.6	157.3	163.8	158.8	154.3
Salaries	77.7	75.9	78.3	72.4	67.7
S&M - Mobile Outsourcing Cost	22.9	23.8	21.5	18.0	15.9
Advertising Expenses	71.4	44.2	21.5	34.3	71.3
Sales Promotion	3.4	12.6	7.7	14.1	33.8
Traveling and conveyance	11.6	13.5	12.5	10.9	12.6
Technical Support Cost	19.4	19.1	23.2	18.2	18.0
Selling & Marketing Expenses (B)	206.4	189.1	164.7	167.9	219.3
Salaries	43.7	45.7	40.2	36.3	36.1
Other Expenses	90.5	73.3	74.1	100.9	71.4
G&A (C)	134.2	119.0	114.3	137.2	107.5
Total Expenditure (A+B+C)	496.1	465.4	442.8	463.9	481.1

NOTE: Certain figures have been re-grouped wherever necessary

# Q4 & FY17 – WORKING CAPITAL ANALYSIS



Note: Net Working Capital Days = (Net Working Capital / Fourth Quarter Sales \* 91 days

Calculation is based on net revenues before adjusting for sales incentives

## Q4 & FY17 – TACTICAL MARKETING CAMPAIGNS

### QUICK HEAL ASSOCIATES WITH RISING PUNE SUPERGIANT IPL TEAM AS 'SECURITY PARTNER'

- Quick Heal rolled out IPL (Indian Premier League) themed campaign across OOH, digital and social media channels
- Quick Heal has the rights to feature Rising Pune Supergiant (RPS) team players in its marketing campaigns during the IPL season
- IPL has global viewership and this partnership will offer Quick Heal a strong platform to showcase our capabilities and one of the best Internet Security Solutions



Official Security Partner  
**Quick Heal**  
Security Simplified

**Quick Heal**  
**INNINGS SURE SHOT WINNINGS**

Buy or renew a Quick Heal product to win autographed merchandise and much more!

Assured Gifts\* include

- RPS tickets
- Autographed merchandise
- Cars
- Two wheelers
- Smartphones
- Cameras
- Speakers
- Other exciting gifts

Contest valid till 31st May, 2017

**KNOW MORE**

\*T&C apply. Contest valid on single user products only. Contest valid only in India (except Tamil Nadu).

# Q4 & FY17 CONSOLIDATED RESULTS – PROFIT & LOSS

Rs Million

Head	Consolidated							
	Q4 FY17,a	Q4 FY16,a	Growth	% Change	FY17,a	FY16,a	Growth	% Change
<b>Revenue</b>	<b>921.7</b>	<b>1,123.7</b>	<b>-202.0</b>	<b>-18.0%</b>	<b>2,999.7</b>	<b>3,020.9</b>	<b>-21.2</b>	<b>-0.7%</b>
Direct Cost	59.8	83.9	24.1	28.7%	230.2	278.4	48.2	17.3%
<b>Gross profit</b>	<b>861.9</b>	<b>1,039.8</b>	<b>-177.9</b>	<b>-17.1%</b>	<b>2,769.6</b>	<b>2,742.5</b>	<b>27.0</b>	<b>1.0%</b>
<b>Gross Margin, %</b>	<b>93.0%</b>	<b>92.5%</b>			<b>91.8%</b>	<b>90.8%</b>		
<b>Operating Costs</b>								
R&D Cost	155.6	154.3	-1.3	-0.8%	635.4	590.4	-45.0	-7.6%
Sales and Marketing (S&M)	206.4	219.3	12.9	5.9%	728.5	718.2	-10.3	-1.4%
General Administration (G&A)	134.2	107.5	-26.7	-24.8%	504.2	414.7	-89.5	-21.6%
<b>Total</b>	<b>496.1</b>	<b>481.1</b>	<b>-15.1</b>	<b>-3.1%</b>	<b>1,868.2</b>	<b>1,723.3</b>	<b>-144.9</b>	<b>-8.4%</b>
<b>EBIDTA</b>	<b>365.7</b>	<b>558.7</b>	<b>-193.0</b>	<b>-34.5%</b>	<b>901.4</b>	<b>1,019.2</b>	<b>-117.8</b>	<b>-11.6%</b>
Depreciation / Amortization	81.9	63.3	-18.6	-29.3%	309.5	237.1	-72.3	-30.5%
<b>EBIT</b>	<b>283.9</b>	<b>495.4</b>	<b>-211.5</b>	<b>-42.7%</b>	<b>591.9</b>	<b>782.1</b>	<b>-190.2</b>	<b>-24.3%</b>
Other Income	62.2	42.0	20.2	48.1%	284.5	99.0	185.5	187.3%
Profit Before Tax & Exceptional Item	346.1	537.4	-191.3	-35.6%	876.4	881.1	-4.7	-0.5%
Exceptional Item	-	-	-	-	37.8	-	-37.8	-
Tax	124.2	172.7	48.5	28.1%	306.4	302.0	-4.4	-1.5%
PAT	221.9	364.7	-142.8	-39.2%	532.2	579.2	-47.0	-8.1%
<b>PAT excl. Exceptional Item *</b>	<b>221.9</b>	<b>364.7</b>	<b>-142.8</b>	<b>-39.2%</b>	<b>570.0</b>	<b>579.2</b>	<b>-9.2</b>	<b>-1.6%</b>

## Reconciliation between I GAAP and IND-AS

<b>Revenue (Gross)</b>	<b>1,122.4</b>	<b>1,374.1</b>	<b>-251.6</b>	<b>-18.3%</b>	<b>3,608.2</b>	<b>3,618.6</b>	<b>-10.4</b>	<b>-0.3%</b>
Taxes	89.3	79.2	-10.1	-12.8%	278.3	237.9	-40.4	-17.0%
<b>Net revenue</b>	<b>1,033.1</b>	<b>1,294.8</b>	<b>-261.8</b>	<b>-20.2%</b>	<b>3,329.8</b>	<b>3,380.7</b>	<b>-50.9</b>	<b>-1.5%</b>
Less Dealer Incentive	106.2	171.2	65.0	38.0%	314.0	359.8	45.8	12.7%
Less Mobile Insurance	5.2	0.0	-5.2	-	16.1	0.0	-16.1	-
<b>Net revenue after Dealer Incentive</b>	<b>921.7</b>	<b>1,123.7</b>	<b>-202.0</b>	<b>-18.0%</b>	<b>2,999.7</b>	<b>3,020.9</b>	<b>-21.2</b>	<b>-0.7%</b>

\* FY17 PAT excludes exceptional item of Rs 37.8 mn on account of impairment of financial assets (Loan & Interest receivable)

Quick Heal

NOTE: Certain figures have been re-grouped wherever necessary



## Q4 & FY17 CONSOLIDATED RESULTS – RATIO ANALYSIS

Head	Ratio Analysis			
	Consolidated			
	Q4 FY17,a	Q4 FY16,a	FY17,a	FY16,a
<b>Expenses</b>				
Direct Cost / Revenue	6.5%	7.5%	7.7%	9.2%
R&D / Revenue	16.9%	13.7%	21.2%	19.5%
S&M / Revenue	22.4%	19.5%	24.3%	23.8%
G&A / Revenue	14.6%	9.6%	16.8%	13.7%
Total Cost / Revenue	53.8%	42.8%	62.3%	57.0%
<b>Margin</b>				
Gross Margin	93.5%	92.5%	92.3%	90.8%
EBIDTA	39.7%	49.7%	30.0%	33.7%
EBIT	30.8%	44.1%	19.7%	25.9%
PBT	37.5%	47.8%	29.2%	29.2%
PAT *	24.1%	32.5%	19.0%	19.2%

\* FY17 PAT excludes exceptional item of Rs 37.8 mn on account of impairment of financial assets (Loan & Interest receivable)

## Q4 & FY17 CONSOLIDATED RESULTS – BALANCE SHEET

Particulars (In Rs Mn)	Mar-17	Mar-16
<b>Share Holders' Funds:</b>		
Equity Share Capital	701.0	700.3
Share application money pending allotment	0.1	-
Reserves And Surplus	5,915.5	5,593.3
<b>Total Of Shareholder Funds</b>	<b>6,616.6</b>	<b>6,293.6</b>
<b>Non-Current Liabilities:</b>		
Net employee defined benefit liabilities	22.7	18.3
<b>Current Liabilities:</b>		
Trade and Other Payables	408.9	509.8
Other Financial Liabilities	13.2	10.3
Other Current Liabilities	136.2	160.8
Net employee defined benefit liabilities	14.4	14.8
Current Tax Liabilities (Net)	123.1	165.8
<b>Total Of Current Liabilities</b>	<b>695.9</b>	<b>861.4</b>
<b>Total Equity &amp; Liabilities</b>	<b>7,335.2</b>	<b>7,173.3</b>

Particulars (In Rs Mn)	Mar-17	Mar-16
<b>Non-Current Assets:</b>		
Property, plant and equipment	1,782.2	1,323.5
Capital work-in-progress	135.9	550.6
Other Intangible assets	65.4	93.7
Investments	66.7	40.1
Loan and Security Deposits	4.5	1.5
Bank Balances	1.8	2.0
Deferred tax assets (net)	87.3	77.8
Other non-current assets	244.8	177.4
<b>Total Non-Current Assets</b>	<b>2,388.6</b>	<b>2,266.6</b>
<b>Current assets:</b>		
Inventories	79.4	66.7
Investment in Mutual Fund	1,750.8	1,113.2
Trade and other receivables	971.8	923.8
Investment in Fixed Deposit	1,898.6	2,273.3
Bank Balances & Cash and Cash Equivalents	195.0	417.2
Loans and Security Deposits	6.2	70.2
Interest accrued	8.7	14.2
Share issue expenses recoverable	-	4.5
Other current assets	36.0	23.5
<b>Total Current Assets</b>	<b>4,946.6</b>	<b>4,906.7</b>
<b>Total Assets</b>	<b>7,335.2</b>	<b>7,173.3</b>

NOTE: Certain figures have been re-grouped wherever necessary

## Q4 & FY17 STANDALONE RESULTS – PROFIT & LOSS

Rs Million

Head	Standalone							
	Q4 FY17, a	Q4 FY16, a	Growth	% Change	FY17, a	FY16, a	Growth	% Change
<b>Revenue</b>	<b>918.9</b>	<b>1,116.6</b>	<b>-197.7</b>	<b>-17.7%</b>	<b>2,990.2</b>	<b>2,984.9</b>	<b>5.3</b>	<b>0.2%</b>
Direct Cost	57.1	82.1	25.0	30.5%	217.2	253.2	36.0	14.2%
<b>Gross profit</b>	<b>861.8</b>	<b>1,034.6</b>	<b>-172.7</b>	<b>-16.7%</b>	<b>2,773.0</b>	<b>2,731.7</b>	<b>41.3</b>	<b>1.5%</b>
<b>Gross Margin, %</b>	<b>93.3%</b>	<b>92.7%</b>			<b>92.2%</b>	<b>91.5%</b>		
<b>Operating Costs</b>								
R&D Cost	155.6	148.6	-7.0	-4.7%	635.4	584.6	-50.8	-8.7%
Sales and Marketing (S&M)	196.2	205.7	9.5	4.6%	681.0	674.7	-6.3	-0.9%
General Administration (G&A)	127.3	108.9	-18.3	-16.8%	484.1	404.3	-79.7	-19.7%
<b>Total</b>	<b>479.0</b>	<b>463.2</b>	<b>-15.8</b>	<b>-3.4%</b>	<b>1,800.5</b>	<b>1,663.7</b>	<b>-136.8</b>	<b>-8.2%</b>
<b>EBIDTA</b>	<b>382.7</b>	<b>571.4</b>	<b>-188.7</b>	<b>-33.0%</b>	<b>972.5</b>	<b>1,068.0</b>	<b>-95.5</b>	<b>-8.9%</b>
Depreciation / Amortization	81.6	63.2	-18.4	-29.2%	308.7	236.8	-71.9	-30.4%
<b>EBIT</b>	<b>301.1</b>	<b>508.2</b>	<b>-207.1</b>	<b>-40.7%</b>	<b>663.8</b>	<b>831.2</b>	<b>-167.4</b>	<b>-20.1%</b>
Other Income	58.8	38.1	20.8	54.5%	277.7	94.5	183.3	194.1%
Profit Before Tax & Exceptional Item	360.0	546.3	-186.3	-34.1%	941.5	925.7	15.9	1.7%
Exceptional Item	-	-	-	-	44.1	-	-44.1	-
Tax	123.7	172.7	49.1	28.4%	305.7	301.9	-3.8	-1.3%
PAT	236.3	373.6	-137.3	-36.7%	591.7	623.8	-32.1	-5.1%
<b>PAT excl. Exceptional Item *</b>	<b>236.3</b>	<b>373.6</b>	<b>-137.3</b>	<b>-36.7%</b>	<b>629.5</b>	<b>623.8</b>	<b>5.7</b>	<b>0.9%</b>

\* FY17 PAT excludes exceptional item of Rs 37.8 mn on account of impairment of financial assets (Loan & Interest receivable)

Quick Heal

NOTE: Certain figures have been re-grouped wherever necessary

## Q4 & FY17 STANDALONE RESULTS – RATIO ANALYSIS

### Ratio Analysis

Head	Standalone			
	Q4 FY17, a	Q4 FY16, a	FY17, a	FY16, a
<b>Expenses</b>				
Direct Cost / Revenue	6.2%	7.3%	7.3%	8.5%
R&D / Revenue	16.9%	13.3%	21.2%	19.6%
S&M / Revenue	21.4%	18.4%	22.8%	22.6%
G&A / Revenue	13.9%	9.8%	16.2%	13.5%
Total Cost / Revenue	52.1%	41.5%	60.2%	55.7%
<b>Margin</b>				
Gross Margin	93.8%	92.7%	92.7%	91.5%
EBIDTA	41.6%	51.2%	32.5%	35.8%
EBIT	32.8%	45.5%	22.2%	27.8%
PBT	39.2%	48.9%	31.5%	31.0%
PAT *	25.7%	33.5%	21.1%	20.9%

\* FY17 PAT excludes exceptional item of Rs 37.8 mn on account of impairment of financial assets (Loan & Interest receivable)

**Quick Heal**

NOTE: Certain figures have been re-grouped wherever necessary

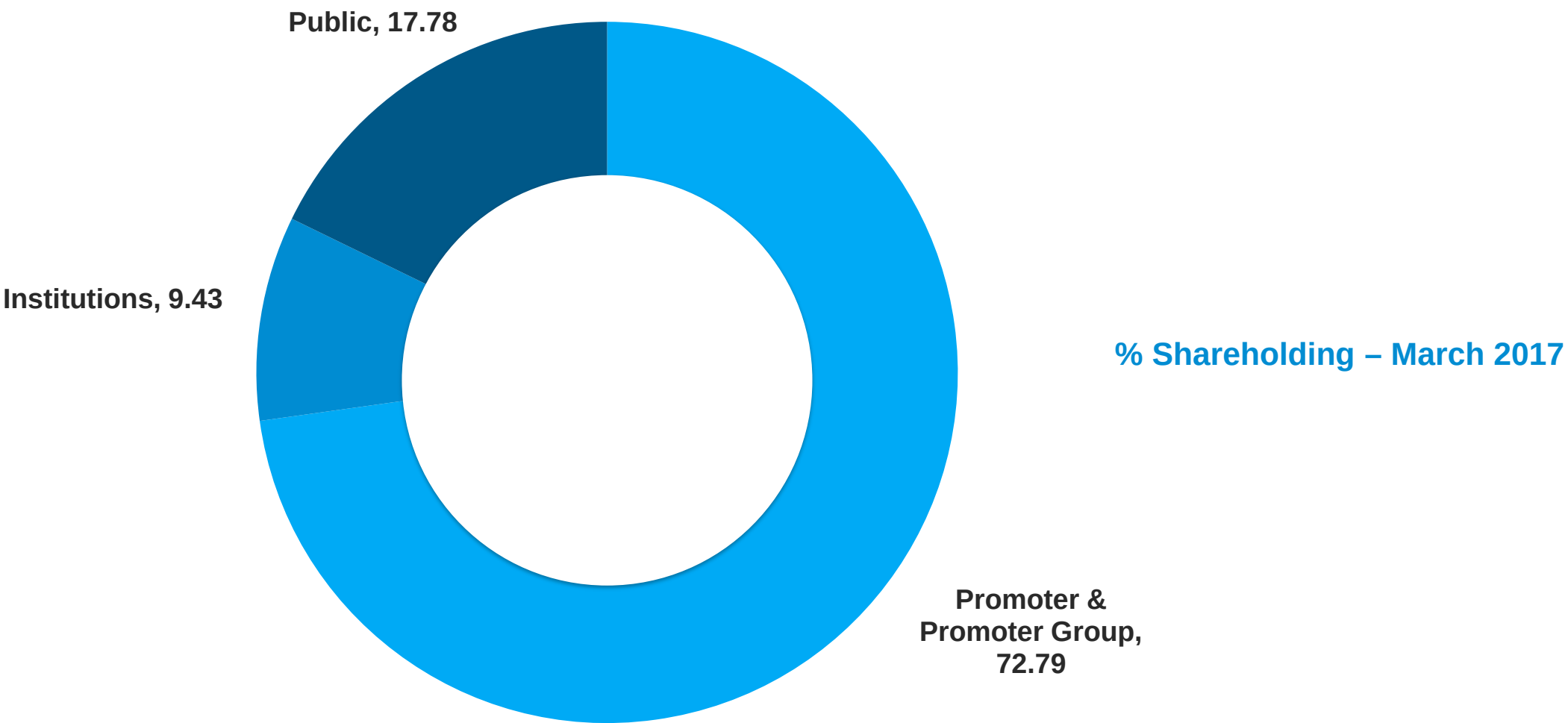
## Q4 & FY17 STANDALONE RESULTS – BALANCE SHEET

Particulars (In Rs Mn)	Mar-17	Mar-16
<b>Share Holders' Funds:</b>		
Equity Share Capital	701.0	700.3
Share application money pending allotment	0.1	-
Reserves And Surplus	6,089.5	5,699.7
<b>Total Of Shareholder Funds</b>	<b>6,790.5</b>	<b>6,400.0</b>
<b>Non-Current Liabilities:</b>		
Net employee defined benefit liabilities	22.7	18.3
<b>Current Liabilities:</b>		
Trade and Other Payables	406.0	506.1
Other Financial Liabilities	13.2	10.3
Other Current Liabilities	135.8	159.7
Net employee defined benefit liabilities	14.4	14.8
Current Tax Liabilities (Net)	122.5	165.8
<b>Total Of Current Liabilities</b>	<b>692.0</b>	<b>856.6</b>
<b>Total Equity &amp; Liabilities</b>	<b>7,505.1</b>	<b>7,274.9</b>

Particulars (In Rs Mn)	Mar-17	Mar-16
<b>Non-Current Assets:</b>		
Property, plant and equipment	1,780.7	1,321.6
Capital work-in-progress	135.9	550.2
Other Intangible assets	65.1	93.7
Non-current financial assets		
Investments	361.6	170.1
Loan and Security Deposits	4.5	1.5
Bank Balances	2.1	5.3
Deferred tax assets (net)	87.3	77.8
Other non-current assets	244.8	177.5
<b>Total Non-Current Assets</b>	<b>2,681.9</b>	<b>2,397.8</b>
<b>Current assets:</b>		
Inventories	72.2	53.7
Financial assets		
Investment in Mutual Fund	1,750.8	1,113.2
Trade and other receivables	949.9	969.1
Investment in Fixed Deposit	1,898.6	2,273.3
Bank Balances & Cash and Cash Equivalents	103.8	357.2
Loans and Security Deposits	5.4	68.9
Interest accrued	8.7	14.2
Share issue expenses recoverable	-	4.5
Other current assets	33.9	23.0
<b>Total Current Assets</b>	<b>4,823.2</b>	<b>4,877.2</b>
<b>Total Assets</b>	<b>7,505.1</b>	<b>7,274.9</b>

NOTE: Certain figures have been re-grouped wherever necessary

# SHAREHOLDING STRUCTURE



% Shareholding – March 2017

Source – BSE



## FOR FURTHER QUERIES



**Mr Vijay Shirode**

**Quick Heal Technologies Limited**

**Company Secretary**

Email ID: [vijay.shirode@quickheal.co.in](mailto:vijay.shirode@quickheal.co.in)

Contact No: +91 932 578 9617



**Nilesh Dalvi / Vatsal Mehta**

**Dickenson Seagull IR  
IR Consultant**

Email ID: [nilesh.dalvi@dickensonir.com](mailto:nilesh.dalvi@dickensonir.com)

[vatsal.Mehta@dickensonir.com](mailto:vatsal.Mehta@dickensonir.com)

Contact No: +91 9819289131 / 9712129581

## ANNEXURE – CASE STUDIES

### AIMIL LIMITED

Nature of Business – Civil Engineering

#### CLIENT CHALLENGES

- Ensure uniformity and consistency across multiple company locations / endpoints
- Manage IT systems and policies across multiple company locations / endpoints
- Continuous ongoing support from the IT security provider for real-time problem resolution

#### QUICK HEAL SOLUTION

- Seqrite Cloud solution - Seqrite Endpoint Security's roaming platform allows monitoring of all endpoints even when they are out of the local network.
- Dedicated quick Heal manager allocated to address on-demand local and remote support issues

### SARDAR PATEL UNIVERSITY

Nature of Business – Education

#### CLIENT CHALLENGES

- Prevent loss of sensitive data
- Provide adequate and efficient support for IT resource management
- Allow multiple policies / rules to be implemented for different student groups

#### QUICK HEAL SOLUTION

- Seqrite Endpoint Security - advanced browsing and spam protection solution that blocks viruses before they enter the network
- Provides group policy management feature that allows the university to customise user groups and define individual policies
- Dedicated technical account manager allocated to reduce dependency on external resources and support expenses

# ANNEXURE – CASE STUDIES

## BOMBAY HOSPITAL, INDORE

Nature of Business – Healthcare & Hospitals

CLIENT CHALLENGES
<ul style="list-style-type: none"><li>▪ Prevent loss of bandwidth due to employees accessing social media sites</li><li>▪ Allow the hospital to implement uniform policies across all systems</li><li>▪ Prevent slowing down and frequent freezing of systems within the hospital network</li></ul>

QUICK HEAL SOLUTION
<ul style="list-style-type: none"><li>▪ Seqrite Endpoint Security - allows the hospital to implement website filtering to block individual sites or category-based sites</li><li>▪ Provides group policy management feature that allows the hospital to define user groups and assign policies</li><li>▪ Allows cleaning up of junk files and deletes invalid registry entries to optimize system speed and avoid unwanted disruptions</li></ul>

## PUBLIC WORKS DEPARTMENT – DEHRADUN

Nature of Business – Government Authority for State Road Network

CLIENT CHALLENGES
<ul style="list-style-type: none"><li>▪ Prevent loss of bandwidth due to employees accessing unwanted websites</li><li>▪ Allow installation of crucial software without slowing down the network</li><li>▪ Provide adequate technical support and services for addressing issues</li></ul>

QUICK HEAL SOLUTION
<ul style="list-style-type: none"><li>▪ Seqrite Endpoint Security - allows website filtering to restrict access to unwanted websites to preserve network bandwidth</li><li>▪ Includes an application control feature that blocks categories of applications from functioning within the network</li><li>▪ Dedicated technical account manager to resolve technical issues from time to time</li></ul>