

INNOVATING WITH
SPEED
PROTECTING WITH
AGILITY



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Investor information

Market Capitalisation as on March 31, 2021 (as per NSE data)	: ₹ 11,974.30 Million
BSE Code	: 539678
NSE Symbol	: QUICKHEAL
Bloomberg Code	: QUICKHEA:IN
Dividend Declared	: ₹ 4 per share
AGM Date	: August 6, 2021
AGM Mode	: Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

Disclaimer

This document contains statements about expected future events and financials of Quick Heal Technologies Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Cybersecurity threat is ever evolving, with cybercriminals constantly finding newer ways to infiltrate a network. This necessitates consumers and businesses to protect their network with advanced security fabric.

There has been a consistent surge in demand for cybersecurity solutions across the increasingly complex landscape of devices, networks, and applications. At Quick Heal, our rigorous and strategic focus on consistent research and development activities allows us to deliver innovative security solutions. When these innovations are merged with speed, they provide customers unmatched protection. Thus, our products, coupled with efficient distribution channel and state of the art support, have given the organisation the required agility to defend new-age threats in the cyberspace.

On the back of these acumen, in FY 21, we further strengthened our revenues and profitability. We also introduced next-generation offerings to strengthen our scale and growth momentum as we advance forward.

FY 21 KPIS

₹ **3,330** Million, ▲ **16.4%**
Revenues (YoY)

81.8% Retail
18.2% Enterprise

₹ **1,415** Million, ▲ **54.8%**
EBIDTA* (YoY)

42.5%
EBIDTA Margin

₹ **1,070** Million, ▲ **43.8%**
PAT (YoY)**

Debt Free
Balance Sheet

Shareholding Structure

Promoter and promoter group: 72.83%
Public: 22.06%
Others: 5.11%

*EBIDTA: Earnings Before Interest, Taxes, Depreciation, and Amortisation
**PAT: Profit After Tax

MD & CEO'S MESSAGE



We are thankful to our stakeholders who have bestowed us with the conviction, strength and courage in believing in our capabilities to deliver next-generation cybersecurity solutions.

DEAR SHAREHOLDERS,

On behalf of our Board of Directors, it is my pleasure to share the annual report of the Company for FY 2020-21, an eventful year in many ways. FY 2020-21 presented unprecedented challenges with the COVID-19 pandemic and lockdown restrictions that followed throughout the year. Despite these challenges, we have delivered strong financial growth backed by robust top-line and bottom-line performance. I would like to thank our employees and partners for their relentless efforts and dedication, as we continued to deliver the best-in-class security solutions to our customers. Our ongoing investments in building newer capabilities

and strengthening of the leadership team, positions us well to launch next-generation solutions and build a solid foundation for the enterprise business.

REWARDING SHAREHOLDERS

In line with our philosophy of constantly rewarding shareholders, during the last quarter we announced buyback of equity shares, which also fits with our robust capital allocation policy and should be EPS accretive. Buyback is being undertaken by Quick Heal after considering the operational and strategic cash requirements of the Company in the medium term and for returning surplus funds to shareholders

in effective and efficient manner. The Board of Directors had also recommended a final dividend of ₹ 4 per equity share with a face value of ₹ 10 per share for FY 2020-21, subject to shareholders' approval in the ensuing annual general meeting. With this dividend of ₹ 4 per share, the total payout ratio will be about 24% on the existing equity base.

OUR FINANCIAL PERFORMANCE

In a challenging market environment, we have delivered a strong financial performance. During the year, our consolidated revenue from operations increased by 16% from ₹ 2,861 Million in FY 2019-20 to ₹ 3,330 Million in FY 2020-21. The recovery is commendable considering business was severely impacted during the initial part of the year because of the lockdown restrictions. As the restrictions in economy were lifted, business continued to recover sequentially during the year. The recovery in the retail segment was stronger with 24% increase in revenue, while the enterprise segment grew by 9%. In case of enterprise segment in the first two quarters of the year, the Government spending was less, and the SME segment also faced some liquidity pressure.

For the whole year, 82% revenue came from retail and the balance 18% came from the enterprise segment. Our EBITDA grew by 55% YoY to ₹ 1,415 Million in FY 2021 versus ₹ 914 Million in FY 2020, mainly on account of top-line growth. We also reported healthy EBITDA margins of 42.5%, an increase of 1,054 bps over the previous year. PAT grew by 44% to ₹ 1,070 Million versus ₹ 744 Million during the previous year. The PAT margin for the year increased to 32% versus 26% in the last year.

TRENDS IN CYBERSECURITY MARKET

The COVID-19 pandemic has ushered India into a new era of digitisation. A rise in the adoption of cloud platforms, digital payments, e-commerce and internet users' count reaching almost 700 million, has led to an increase in cyber threats, targeting individuals and businesses of all sizes. The shortage of skilled security workforce, rapid digital transformation, compliance requirements and evolving nature of cyber-attacks continue to be the most pressing cybersecurity challenges. Threat actors were quick to capitalise on this opportunity

by attacking new unprotected threat surfaces when millions of employees were forced to work from home. Attacks like ransomware, APTs, supply-chain attacks continued to evolve and become more sophisticated, while data breaches made headlines in India and across the world.

All these factors are contributing to the evolution of the cybersecurity industry and a new-found demand for products and solutions. As we become more dependent on digital technologies for our personal and professional requirements, cybersecurity will be as critical as the internet in the post Covid-19 world.

MAKING INVESTMENTS, BUILDING CAPABILITIES

During the year, we continued to build resilience and increase our competitive advantages in the marketplace by making right investments to build capabilities and invest in people, processes and technologies. Our enterprise arm 'Seqrite' has recently introduced 'Seqrite Hawk' a premium suite of next-generation cybersecurity solutions aimed at empowering enterprises to secure their digital transformation journey. In the first phase, Seqrite Hawk will offer – 'Seqrite HawkEye' – a cloud-based centralised security management platform that will empower enterprises to manage multiple security products from a single console. We will continue to invest and add more products under the Hawk umbrella that will also mark the Seqrite brand's foray into endpoint detection and response (EDR), zero trust, data privacy and cloud-based network security products.

For our retail business, we revamped our existing portfolio by launching new products backed by privacy, protection and performance. The new suite has been designed to safeguard consumer devices while securing personal data and protecting digital identities. It is equipped with industry leading features such as Anti-Ransomware, Safe Banking, Anti-Tracker, Parental Control and Webcam Protection among others.

On the M&A side, we have made an additional investment of USD 2 Million in L7 Defense, an Israel-based cybersecurity start-up after making an initial investment of USD 3 Lakh in FY 2019-20. Since

then, L7 Defense has proven its unique capabilities in the area of API security and next-generation web application firewall, which gives us rationale to further increase our investment in this. This investment reiterates Quick Heal's commitment to invest in disruptive technologies that will shape the future of cybersecurity while supporting innovative startups.

COVID-19 RELIEF THROUGH CSR INITIATIVES

COVID-19 is raging across India with a devastating impact. Isolation. Quarantine. Social Distancing. Masks. Lockdown. These are the words that we had to hear and had to work with during the COVID-19 pandemic. On the positive side, the pandemic also meant responsibility, togetherness, adaptation, and opportunity. When our healthcare systems and frontline workers are facing extreme challenges,

Quick Heal Foundation came up with admirable ideas to achieve its mission and positively impact the community, while protecting them. As a part of our commitment to rise to the occasion when the nation needed it the most, Quick Heal Foundation undertook the following COVID-19 relief initiatives:

- ◉ Distributed free immunity booster medicines to frontline workers
- ◉ Organised health camps and assisted in the smooth functioning of COVID-19 centres
- ◉ Donated medical vans to NGOs to heal tribal population
- ◉ Distributed food grains to the needy during lockdown
- ◉ Distributed PPE kits to NGOs
- ◉ Donated to PM Cares Fund

CLOSING THOUGHTS

Quick Heal has done well in a challenging year by quickly adapting and innovating among fluid business environment throughout the year and it is well positioned for the journey ahead. I would like to thank all our employees, channel partners, stakeholders, regulatory agencies and investors who continue to support us in the journey. Our talented employees have done a remarkable job of ensuring business continuity despite the multiple disruptions resulting from the COVID-19 pandemic and lockdowns.

We remain confident that we will continue to invest and create value and opportunity for all our stakeholders, including customers, partners, shareholders and employees. We operate in a highly exciting and attractive market and

we have the benefit of world-class people and technology all working together to create innovative solutions.

We are grateful to our Board of Directors for their guidance and support in these uncertain times. We thank you, our dear shareholders, for your whole-hearted and unflinching support. You have bestowed us with the conviction, strength and courage to prepare for, and face, the future. As we march ahead, we know we can continue to rely on your support to strengthen us in India and across the world.

Best Wishes

Dr. Kailash Katkar

MD & CEO

ABOUT QUICK HEAL

A 'MADE FOR INDIA' PRODUCT CONFIGURED TO SECURE CONSUMERS, BUSINESSES AND GOVERNMENT.

Quick Heal Technologies Ltd ('Quick Heal' or 'the Company' from hereon) is one of the leading providers of IT Security and Data Protection Solutions with a strong footprint in India and an evolving global presence. Incorporated in the year 1995, it is an all-around player in cybersecurity with a presence in B2B, B2G, and B2C segments across multiple product categories – endpoints, network, data, and mobility. With its state-of-the-art R&D centre and deep intelligence on the threat landscape, Quick Heal helps in simplifying security by delivering the best-in-class protection against advance cyber-attacks. Its portfolio includes solutions under the widely recognised brand names 'Quick Heal' and 'Seqrite' across various operating systems and devices.



25+

Years of delivering innovative cybersecurity solutions

Quick Heal

Security Simplified

SECURITE

Enterprise Cybersecurity Solutions by Quick Heal

Market Leader

in the retail segment in India

Business Segments



Home and SOHO



SME



Enterprise and Government

Platforms



Laptop



Desktop



Notepad



Mobile



Server



Smart devices



Applications

NEW ENTERPRISE CUSTOMERS WITH MORE THAN 500 USERS ADDED IN FY21:



Q1

Q2

Q3

Q4

>=500 to
<=999

3

14

12

16

>=1,000
to
<=4,999

0

5

5

12

>=5,000

0

0

1

1

Total

3

19

18

29



OUR JOURNEY



2017-21

Innovative AI driven protection & securing Internet of Things (IoT)



2011-16

Protecting data, transactions & cloud transitions



2006-10

Threat protection for smart phones and tablets



2001-05

Ensured a safe online experience



1996-00

Secured PCs, network & emails



1993-95

Protected early generations of PCs