Ref No.: QHTL/Sec/SE/2016-17/49 7th August, 2016

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

Sub: Result Presentation for the quarter ended Q1 FY 2016-2017

Dear Sir/Madam,

Please find enclosed herewith Result Presentation for the quarter ended Q1 FY 2016-2017 for your records.

Please acknowledge the receipt.

Thanking you,

For Quick Heal Technologies Limited

Sd/-
Vijay Shirode
Company secretary

Encl : As above

Quick Heal

Security Simplified

Quick Heal Technologies Limited

Q1 FY17 – Results Update

August 2016

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

- COMPANY OVERVIEW
- STRATEGY & OUTLOOK
- Q1 FY17 RESULT ANALYSIS
- Q1 FY17 FINANCIALS
- SHAREHOLDING STRUCTURE

COMPANY OVERVIEW

QUICK HEAL JOURNEY

1995 - 1998

- Incorporation as 'CAT Computer Services Pvt. Ltd.'
- Launch of 'Quick Heal' DOS version
- Launch of 'Quick Heal' Windows version

2002 - 2004

- Quick Heal starts Radio Campaign
- Quick Heal starts its first branch in Nashik

2006 - 2007

- Company renamed as Quick Heal Technologies Pvt. Ltd. from CAT Computer Services Pvt. Ltd.
- Quick Heal sets up Technical Support Centre at Nashik

2008

- Quick Heal becomes Microsoft's certified partner
- Quick Heal hosts AAVAR International Security Conference in India

2009 - 2010

- Private Equity Investment firm Sequoia Capital, invests in Quick Heal
- Quick Heal recognized by CRN India as No.1 Channel Champion

2011

- Incorporates Quick Heal in Kenya
- Incorporates Quick Heal in Japan
- Quick Heal acquires SurfCanister Sandbox technology from Apurva Technologies, India

2012 - 2013

- Launches Quick Heal Mobile Security
- Launches Quick Heal End Point Security
- Quick Heal acquires behavior based technologies from Nova Shield Inc. UK
- Incorporates Quick Heal in Dubai
- ISO 9000

2014

- Launches Quick Heal MDM (Mobile Device Management)
- Launches Quick Heal Terminator (UTM-Unified Threat Management)
- Launches free mobile security for Android
- Quick Heal invests in Wegilant Net Solutions Pvt. Ltd, India

2015

- Launches Seqrite a brand encompassing security products for Business Enterprise customers
- Quick Heal invests in 'Smartalyse Technologies Pvt. Ltd., India'
- Quick Heal inaugurates its first office in the US, 'Quick Heal Technologies America' in Boston
- Launches Quick Heal Gadget Securance for Mobile security + insurance
- Launches Fonetastic for Mobile security

2016

- Listing on BSE and NSE exchanges
- ISO 27001
- ISO 20000

COMPANY OVERVIEW

STRONG BRAND RECOGNITION AND RECALL

25.1 m
Product Licenses Installed

7.6 m
Active Licenses across more than 80 countries

2.0x Growth
Active Licenses over last 5 years

30% +
Retail Market Share in India

Preferred Choice of IT technicians for PC Virus Cleaning

Quick Heal
Security Simplified

SEQRITE

Fonetastic

Quick Heal
Gadget Securance

18,041 Retail, 438 Enterprise, 139 Government and 1,189 Mobile Partners

COMPANY OVERVIEW

TECHNOLOGY & MARKET LEADERSHIP

Awards in India

- 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 5th 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
- 2009: **Channels Choice Award**, awarded by DQ Channels
- 2009: Maharashtra IT Awards, awarded by Government of Maharashtra
- 2009: Emerging India Awards, awarded by ICICI Bank and CNBC TV 18

International Certificates

* There marks are owned and copyrighted by their respective holders

COMPANY OVERVIEW

EXTENSIVE REACH & PRESENCE

INDIA (HO)
Quick Heal Technologies Ltd.

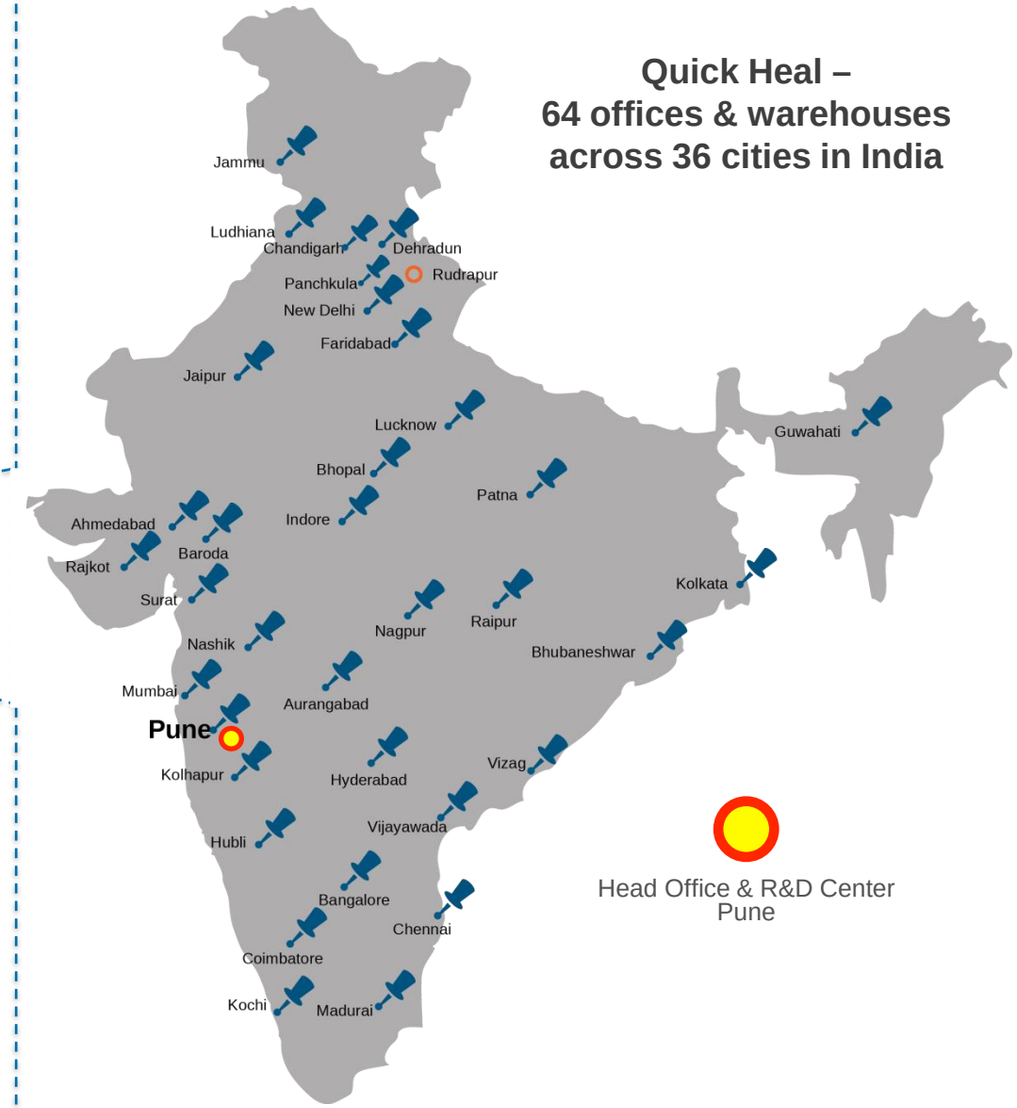
UAE
Quick Heal Technologies (MENA) FZE

USA
Quick Heal Technologies America Inc

JAPAN
Quick Heal Japan KK.

KENYA
Quick Heal Technologies Africa Ltd.

Quick Heal – 64 offices & warehouses across 36 cities in India



STRATEGY AND OUTLOOK

Retain and Expand User Base

- Special focus on Tier II and Tier III towns
- Tailored offerings for SMB and enterprise users
- Develop and promote software-as-a-service model

Grow SMB and Enterprise Business

- Plans to focus on manufacturing, BFSI, healthcare, hospitality industries
- Reach out to SMBs, identify new SMB opportunities, increase engagement with channel partners

International Expansion

- Focus on international expansion through consistent brand building and marketing effort including media events and exhibitions
- Exploring opportunities in Africa, Middle East & South East Asia

Expand Mobile Capabilities

- Develop product for upcoming platforms like Androids, Windows, Linux, iOS to address opportunities in consumer enterprise.
- Monetize opportunities of our free solutions for mobile devices

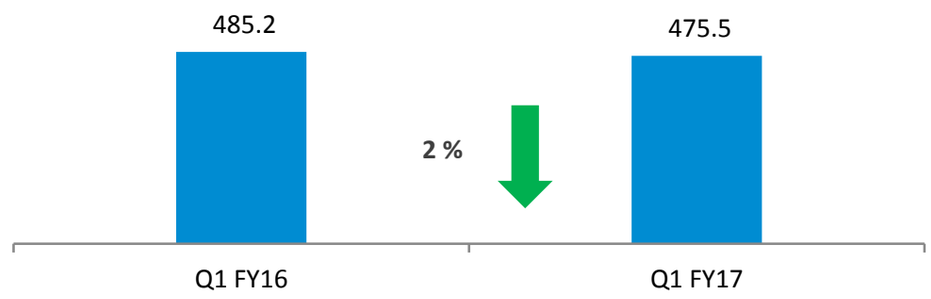
Strengthen R&D Investments and Broaden Product Portfolio

- Work ongoing on several new technologies such as IoT and home security automation
- Has 4 US patents to its credit. Awaiting 3 Indian patents

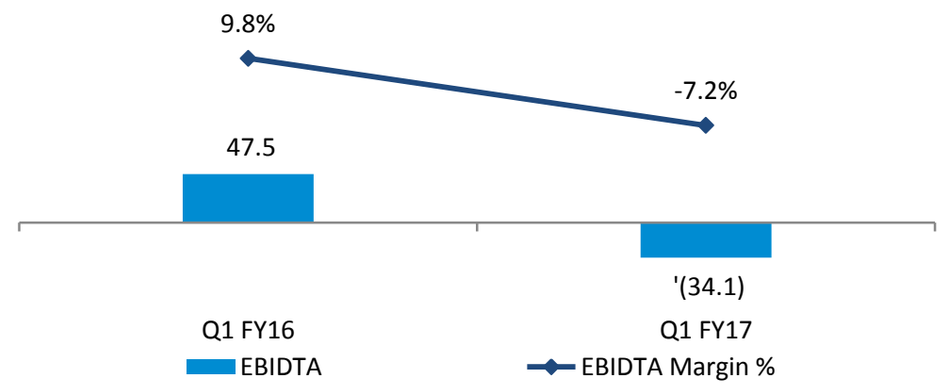
Q1 FY17 RESULTS HIGHLIGHTS

In Rs. Million

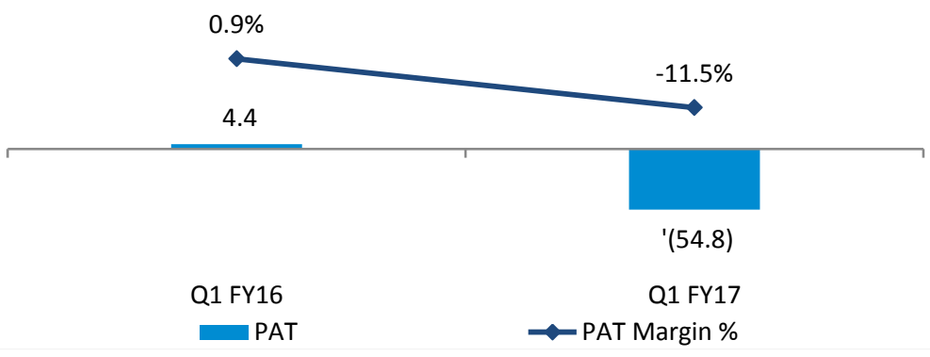
REVENUES



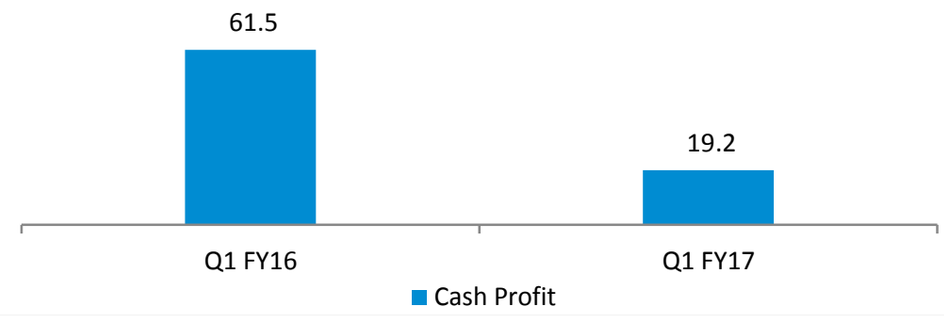
EBITDA and EBITDA MARGIN



PAT and PAT MARGIN



CASH PROFIT



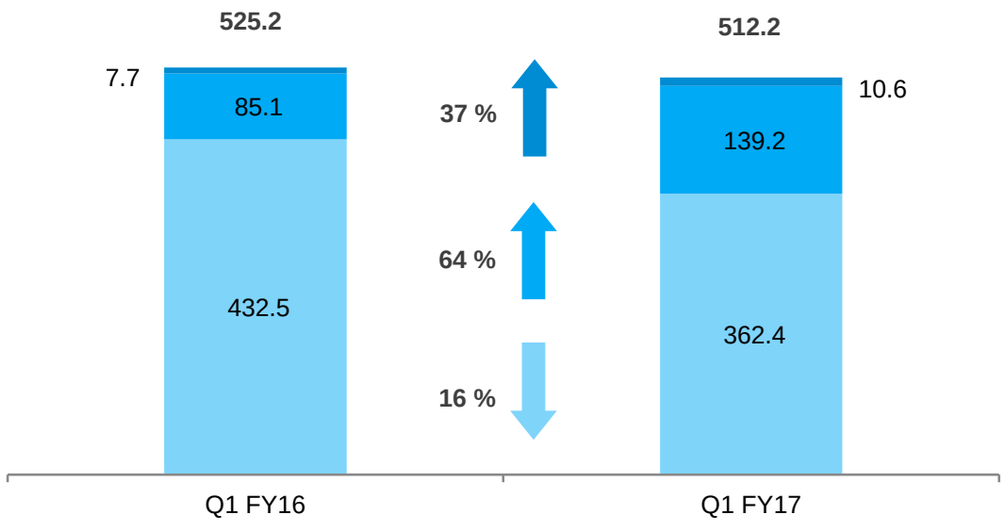
* Based on IND-AS Accounting Standards

Quick Heal

Q1 FY17 – REVENUE ANALYSIS

In Rs. Million

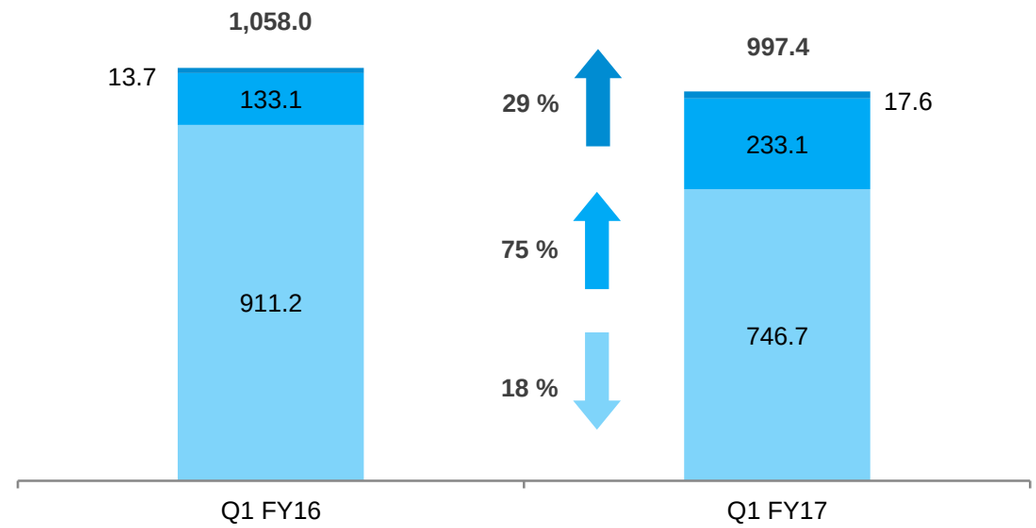
SEGMENT BREAKUP *



% Share	Q1 FY16	Q1 FY17
Retail	82.3%	70.8%
Enterprises & Government	16.2%	27.2%
Mobile	1.5%	2.1%

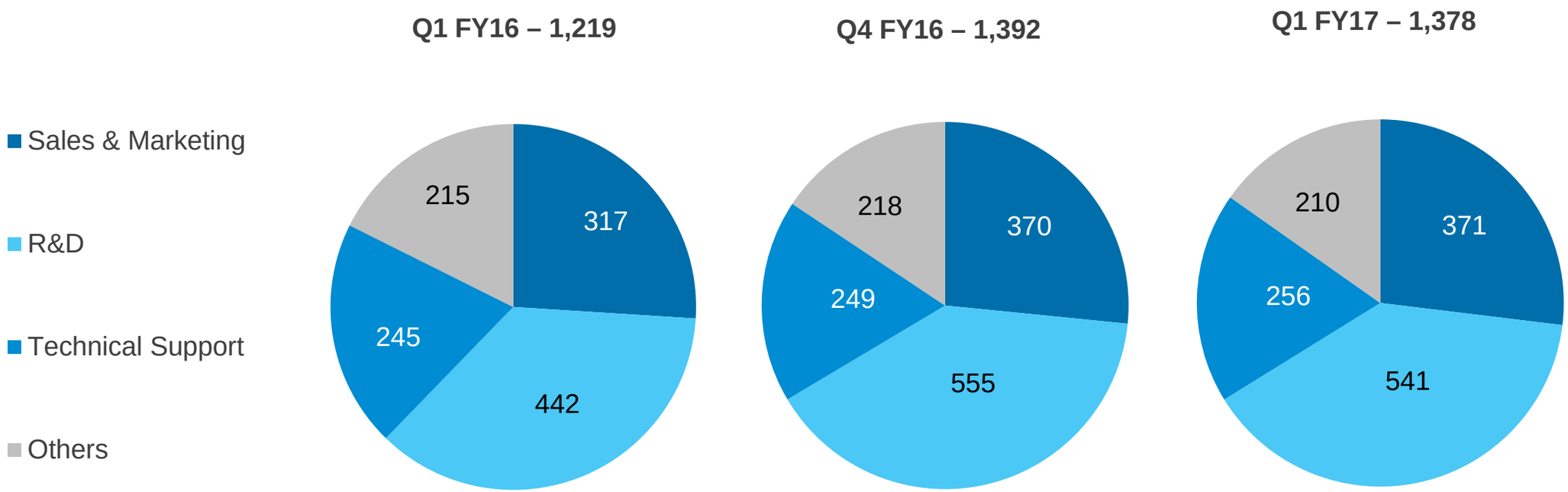
* Based on net revenues before adjusting for sales incentives

NUMBER OF LICENSES SOLD ('000)



% Share	Q1 FY16	Q1 FY17
Retail	86.1%	74.9%
Enterprises & Government	12.6%	23.4%
Mobile	1.3%	1.8%

Q1 FY17 – EMPLOYEE BREAKUP



Q1 FY17 – CHANGES RELATED TO IND-AS FINANCIALS

Note relating to Ind-AS financials and changes related thereto

- As per SEBI pronouncements, due to first time implementation of Ind-AS, companies can issue Ind-AS financials for the quarter, and the same quarter last year

- A reconciliation between the Ind-AS revenue and Indian GAAP revenue is being provided herewith.

- As per SEBI rules, we have opted for publishing the standalone financials for the quarter. A set of consolidated financials is also provided, consolidating the financials for subsidiaries also, however, these are not auditor reviewed.

Q1 FY17 CONSOLIDATED RESULTS – PROFIT & LOSS

Rs Million

S.No	Head	Consolidated			
		Q1 FY17	Q1 FY16	Growth	% Change
1	**Revenue**	**475.5**	**485.2**	**(9.7)**	**(2.0%)**
2	Direct Cost	45.5	54.1	(8.5)	(15.7%)
3	**Gross profit**	**429.9**	**431.1**	**(1.2)**	**(0.3%)**
4	**Gross Margin, %**	**90.4%**	**88.9%**		
	Operating Costs				
5	R&D Cost	158.8	139.6	19.2	13.8%
6	Sales and Marketing (S&M)	150.2	139.3	10.9	7.8%
7	General Administration (G&A)	154.9	104.7	50.2	47.9%
8	**Total**	**463.9**	**383.6**	**80.3**	**20.9%**
9	**EBIDTA**	**(34.0)**	**47.5**	**(81.5)**	**(171.6%)**
10	Depreciation / Amortization	74.0	57.0	1.7	29.8%
11	**EBIT**	**(108.0)**	**(9.5)**	**(98.5)**	**1036.8%**
12	Other Income	72.3	18.8	53.5	284.6%
13	Profit Before Tax & Exceptional Item	**(35.6)**	**9.2**	(44.8)	(486.9%)
14	Exceptional Item	37.8	0.0	37.8	-
15	Tax	(18.7)	4.9	(23.6)	(481.6%)
16	**Profit After Tax**	**(54.7)**	**4.3**	**(59.0)**	**(1372.1%)**
	Revenue Reconciliation between IGAAP and IND-AS				
1	**Revenue (Gross)**	561.5	566.4		
2	Taxes	49.3	41.2		
3	**Net revenue**	**512.2**	**525.2**		
4	Less Dealer Incentive	36.7	40.1		
5	**Net revenue after Dealer Incentive**	**475.5**	**485.2**		

Q1 FY17 CONSOLIDATED RESULTS – COST ANALYSIS

Rs Million

Particulars	Q1 FY17 @	Q1 FY16 @	Q4 FY16 #
Operating Cost	-		
Salaries	120.8	94.3	116.6
Fees for technical services	25.1	30.6	19.0
Technology subscription charges	12.8	14.6	25.7
R&D Expenses (A)	**158.8**	**139.6**	**161.3**
Salaries	72.4	54.7	61.3
Advertising Expenses	34.3	53.4	71.3
Sales Promotion	14.1	7.4	108.8
Traveling and conveyance	10.9	8.1	12.6
Technical Support Cost	18.2	15.5	18.0
Selling & Marketing Expenses (B) $ %	**150.2**	**139.3**	**272.0**
Salaries	36.3	37.0	34.7
Other Expenses	118.5	67.6	93.9
G&A (C)	**154.9**	**104.7**	**128.6**
Total Expenditure (A+B+C) % &	**463.9**	**383.6**	**561.9**

@ - From the Ind-AS financials reported for Q1 FY17

- From the Ind-GAAP numbers published in Q4 FY16

% - Sales Incentive to dealers has been taken out to equate this to Q1 FY17 figures and also for Q4 FY16, apples-to-apples

$ - Sales promotion costs are relative to revenues

& - Exceptional item, not being related to operations has been kept out of this analysis

Q1 FY17 CONSOLIDATED RESULTS – RATIO ANALYSIS

Ratio Analysis

S.No	Head	Consolidated	
		Q1 FY17	Q1 FY16
1	**Expenses**		
	Direct Cost / Revenue	9.57%	11.13%
	R&D / Revenue	33.40%	28.78%
	S&M / Revenue	31.59%	28.72%
	G&A / Revenue	32.58%	21.58%
	Total Cost / Revenue	107.17%	90.21%
2	**Margin**		
	Gross Margin	90.43%	88.87%
	EBIDTA	-7.15%	9.79%
	EBIT	-22.72%	-1.96%
	PBT	-15.50%	1.90%
	PAT	-11.51%	0.89%

Q1 FY17 STANDALONE RESULTS – PROFIT & LOSS

Rs Million

S.No	Head	Standalone			
		Q1 FY17	Q1 FY16	Growth	% Change
1	**Revenue**	**475.1**	**479.6**	**(4.5)**	**-0.9%**
2	Direct Cost	42.9	49.3	(6.4)	-13.0%
3	**Gross profit**	**432.2**	**430.3**	**2.0**	**0.5%**
4	**Gross Margin, %**	**90.9%**	**89.7%**	**1.0**	**1.4%**
	Operating Costs				
5	R&D Cost	158.8	139.8	19.6	14.0%
6	Sales and Marketing (S&M)	136.6	131.1	5.4	4.2%
7	General Administration (G&A)	151.9	100.4	51.0	50.8%
8	**Total**	**447.3**	**371.3**	**76.0**	**20.5%**
9	**EBIDTA**	**(15.0)**	**59.0**	**(74.0)**	**-125.5%**
10	Depreciation / Amortization	73.9	57.0	16.9	29.6%
11	**EBIT**	**(88.9)**	**2.0**	**(90.9)**	**-4619.9%**
12	Other Income	71.1	18.8	52.3	278.2%
13	Profit Before Tax & Exceptional Item	(17.8)	20.8	(38.6)	-185.8%
14	Exceptional Item	37.8	0.0	37.8	-
15	Tax	(18.7)	2.4	(21.1)	-878.3%
16	**Profit After Tax**	**(36.9)**	**18.4**	**(55.3)**	**-301.1%**

Q1 FY17 STANDALONE RESULTS – RATIO ANALYSIS

Ratio Analysis

S.No	Head	Standalone	
		Q1 FY17	Q1 FY16
1	**Expenses**		
	Direct Cost / Revenue	9.03%	10.29%
	R&D / Revenue	33.55%	29.15%
	S&M / Revenue	28.74%	27.34%
	G&A / Revenue	31.85%	20.93%
	Total Cost / Revenue	103.17%	87.70%
2	**Margin**		
	Gross Margin	90.97%	89.71%
	EBIDTA	-3.17%	12.30%
	EBIT	-18.72%	0.41%
	PBT	-11.71%	4.33%
	PAT	-7.77%	3.83%

Q1 FY17 CONSOLIDATED RESULTS – BALANCE SHEET

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Share Holders' Funds:		
Equity Share Capital	700.3	610.7
Reserves And Surplus	5,557.9	2,736.7
Total Of Shareholder Funds	**6,258.2**	**3,347.4**
Non-Current Liabilities:		
Long Term Borrowings	0.0	0.0
Deferred Tax Liabilities (Net)	0.0	0.0
Other Long Term Liabilities	0.0	0.0
Long Term Provisions	0.0	0.0
Total Of Non-Current Liabilities	**0.0**	**0.0**
Current Liabilities:		
Short-Term Borrowings	0.0	0.0
Trade Payables	397.4	339.5
Other Current Liabilities	89.9	542.6
Short-Term Provisions	116.4	32.8
Total Of Current Liabilities	**603.7**	**914.9**
Total Equity & Liabilities	**6,861.9**	**4,262.3**

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Non-Current Assets:		
Fixed Assets		
Fixed Assets	1,911.1	1,940.8
Non-Current Investments	36.5	3.9
Deferred Tax Assets (Net)	67.4	56.2
Long-Term Loans And Advances	2.9	1.3
Other Non-Current Assets	253.7	191.8
Total Non-Current Assets	**2,271.6**	**2,194.1**
Current Assets:		
Current Investments	1,332.8	1,326.5
Inventories	65.1	80.4
Trade Receivables	616.3	448.3
Cash And Bank Balances	2,461.4	105.3
Short-Term Loans And Advances	75.4	62.6
Other Current Assets	39.4	45.1
Total Current Assets	**4,590.3**	**2,068.1**
Total Assets	**6,861.9**	**4,262.3**

Q1 FY17 STANDALONE RESULTS – BALANCE SHEET

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Share Holders' Funds:		
Equity Share Capital	700.3	610.7
Reserves And Surplus	5,682.1	2,813.3
Total Of Shareholder Funds	**6,382.4**	**3,424.0**
Non-Current Liabilities:		
Long Term Borrowings	0.0	0.0
Deferred Tax Liabilities (Net)	0.0	0.0
Other Long Term Liabilities	0.0	0.0
Long Term Provisions	0.0	0.0
Total Of Non-Current Liabilities	**0.0**	**0.0**
Current Liabilities:		
Short-Term Borrowings	0.0	0.0
Trade Payables	392.4	334.5
Other Current Liabilities	89.6	541.5
Short-Term Provisions	116.4	32.8
Total Of Current Liabilities	**598.3**	**908.8**
Total Equity & Liabilities	**6,980.8**	**4,332.8**

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Non-Current Assets:		
Fixed Assets		
Fixed Assets	1,908.6	1,939.8
Non-Current Investments	218.6	93.1
Deferred Tax Assets (Net)	67.4	59.3
Long-Term Loans And Advances	3.8	3.7
Other Non-Current Assets	255.5	193.0
Total Non-Current Assets	**2,453.8**	**2,288.8**
Current Assets:		
Current Investments	1,332.8	1,326.5
Inventories	53.1	70.1
Trade Receivables	633.7	481.5
Cash And Bank Balances	2,394.0	60.3
Short-Term Loans And Advances	75.5	61.6
Other Current Assets	37.8	43.9
Total Current Assets	**4,526.9**	**2,044.0**
Total Assets	**6,980.8**	**4,332.8**

FOR FURTHER QUERIES

Mr Rajesh Ghonasgi

Quick Heal Technologies Limited
CFO

Email ID: rajesh.ghonasgi@quickheal.co.in

Contact No: +91 (20) 6681 3232

Nilesh Dalvi / Kapil Jagasia

Dickenson Seagull IR
IR Consultant

Email ID: nilesh.dalvi@dickensonir.com | kapil.jagasia@dickensonir.com

Contact No:+91 9819289131 / 9819033209