

Quick Heal Technologies Ltd

Quarter 2 FY 2025

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Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY25 Conference Call of Quick Heal Technologies Limited hosted by Valorem Advisors. As a reminder, all participants lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’, then ‘0’ on your touch tone phone. I now have the conference over to Miss Purvangi Jain from Valorem Advisors. Thank you and over to you, ma’am.

Purvangi Jain: Good evening, everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem advisors. We represent the Investor relations of Quick Technologies Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the second quarter of the financial year 2025.

Before we begin, a quick cautionary statement. Some of the statements made in today's earnings conference call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by them and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's conference call is purely to educate and bring awareness about the company, fundamental business and financial quarter under review.

Now I would like to introduce you to the management participating in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Vishal Salvi - Chief Executive Officer and Mr. Ankit Maheshwari - Chief Financial Officer. Without any delay, I request Mr. Vishal Salvi to give his opening remarks. Thank you, and over to you, Sir.

Vishal Salvi: Thank you so much Purvangi and good evening, ladies and gentlemen. I'm Vishal Salvi, CEO of Quick Heal Technologies Limited. Welcome to our Q2 FY25 earnings call and thank you for joining us today. As we navigate through an era marked by rapid digitization technologies such as 5G connectivity, cloud AI and ML, which are shaping the way we live and work, this transformation and the rise of the hybrid workspace sets up has led to a larger attack surface and more advanced cyber threats. Driven by our core purpose of innovation, simplicity and security, our primary goal remains to protect individuals, enterprises and government organizations from this ever-evolving threat landscape.

Our journey started as a consumer antivirus company and the reason for our 3 decades of existence is due to the trust that our end consumers have placed on Quick Heal. The challenges of these consumers have evolved, and they are a constant target of financial frauds. Being a market leader in the consumer security domain, we have taken the onus upon us and launched anti-fraud.ai, a groundbreaking innovation first of its kind to help customers prevent these frauds. Anti-fraud.ai reiterate our dedication to securing India's future, allowing every citizen to participate in the digital economy with confidence. I would urge all of you to give it a try and experience the innovation.

Talking about innovation, it gives me immense pleasure to state that our products and solutions have received multiple accolades in the first half of this year. We received yet another patent, taking the tally to a total nine., Seqrite XDR has been awarded the prestigious AV Pet approved advanced endpoint detection and response certification. Our Endpoint security solution received a perfect

score of 18 out of 18, featuring as the top product in the recent tests conducted by AV test and independent global cybersecurity testing body.

Quick Heal Total Security also received an excellent score of 17.5 out of 18 in a similar test conducted by the body. All this has been possible due to our malware analysis center Seqrite labs, which is India's largest malware research and analysis facility, producing unmatched threat intelligence.

In our commitment towards deep research and innovation to tackle the advanced malware and dynamic threat landscape, I'm happy that Sangamesh Shivaputrappa has joined us to head the Seqrite lab.

Let me deep dive a little bit into our business and our go to market and performance. We have delivered a robust 11% growth in revenue and 238% growth in EBITDA in the first half of this year. Despite market challenges, we have significantly improved our consumer business. We are committed to creating consumer awareness, leveraging social media platforms and micro influencers. We have started to work extensively to create the market demand and penetrate the product, AntiFraud.ai. We believe that twin offerings will create synergy for each other. However, our enterprise business saw a sluggish quarter leading to a dampened growth than expected. This has been largely due to the non-closure of some of the key government orders and also our enterprise sales pivot which is still work in progress.

As we move of the consumer segment in the mid and the large enterprises, we compete against the globally best solutions available to fulfill customer's demand. It is heartening to see the initial success stories that we have been able to create. We secured a contract with one of the largest logistics companies in the industry to modernize their cybersecurity stack, increasing visibility and protection for their customers. For a leading media company, we solved the problem of securing remote access to its hybrid workforce through a zero-trust solution. Similarly, a staffing company, we elevated their security posture of the organization through our XGR protection stack. For a healthcare company, we replaced their existing vendor for improved product performance and support ecosystem. Government is a key stakeholder in our journey, and we work hand in hand with the customers across nation, state, municipalities and PSUs to succeed together. An important point to note here is also that in all the above stories, we were competing with the top global companies. While these are our initial success stories, we are striving together, replicating them on a scale.

With this, I would like to invite Ankit, our CFO, to walk you through the financial performance.

Ankit Maheshwari:

Thank you, Vishal and good evening, everyone. Our consolidated revenue for the quarter stood at rupees 73.5 crores marking a 5% increase quarter on quarter. Having said that, on a yearly basis, there is the decline of 6% in the revenue due to flattish enterprise business as Vishal highlighted earlier alongside the headwinds in the consumer business. While the competitors in the consumer vertical have been struggling due to industry level degrowth, we have shown resilience against market challenges. Thanks to all the initiatives within the business that we have taken. However, we are mindful about improving our collections and are monitoring it very closely and working towards improving it in the next half year.

As we speak, the split between consumer and enterprise business remains at 62% and 38% respectively. Our growth is aligned with our commitment to profitability. EBITDA for the first half of FY25 stands at 5.7 crores as against negative EBITDA of 4.1 crores last year H1. Our PAT for the quarter stands at 4.1 crores. We have taken several investment initiatives within the company like initiation of horizontally products development, leadership strengthening etc. Through effective cost management, we have maintained steady expenses at Rupees 71 crores. We follow prudent accounting practices, expensing all R&D investments. Additionally, we continue to invest in sales and marketing to enhance consumer awareness and bolster the Seqrite labs through events and sponsorships. Their efforts will be further amplified as we would be focused towards getting creation and awareness of our flagship product AntiFraud.ai. We are a cash-rich company focused on creating long-term value for our shareholders. We are focused on and geared up towards improving ourselves in the next half of the year.

With that, I would like to open the floor for the question-and-answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Deepak Sanskar from Trust line. Please go ahead.

Deepak Sanskar: Good evening, everyone and thanks a lot for the opportunity and congratulations for the launch of such a unique and need of the hour product. So firstly, what is the kind of market size for the anti-fraud product in India?

Vishal Salvi: So, thank you so much Deepak for your question. See, this is the first of its kind product that is getting launched in India. There we are creating a new category, and this category is in the space of anti-fraud, and it is specifically tackling the growing challenges of fraud calls and fraudulent attempts which are being faced by unsuspecting consumers on their phones and on their computers. And as you know, they are all focused on using social engineering techniques to extract, you know, funds and extract money in an unauthorized manner from these consumers. And these numbers are only growing. So basically, this is a completely new category which will address it from a 360° point of view in terms of the foundational elements of cybersecurity, which is looking at fraudulent links and phishing attempts, which have been made, and rogue websites that are being connected by the users from the computers as well as their phone. But you know, once it goes beyond that, we are also added features which will, you know give you spam alert fraud alerts in a proactive basis, show you all the hidden applications which are running on your mobile phone, it will show you the unintentional use of your mic and camera while your phone is not in use and so and so forth. And in addition to that it has got cool features like you know unauthorized OTP access not just on your phone but also on your parent's phone or your loved one. So basically, it's based on attempting to have a technology solution to address the problem of fraud on unaware customers. So, it basically has a huge potential in the market because of the category that has got created and now we have a India wide go to market plan through various ad campaigns and various plans that we have through our channel partners and alliances to get this app to as many customers as we can.

Deepak Sanskar: OK, so Sir, who are our real target segment? So, nowadays we can understand that most of the financial transactions are happening through mobile phones, even in cities and even in rural areas, so are we targeting in the sense all mobile phone customers? Or it will be a certain age group or certain income profile. How do we target that particular segment?

Vishal Salvi: See this is a B2C product, right? And so, if you look at fraud, fraud is indiscriminate. It is getting, you know anybody who has money is getting impacted by fraud, right? So basically, any citizen or any resident of the country which has financial independence or finance and money in his bank accounts, and he's regularly doing transactions, is the potential victim. And so those are also our potential customers. So, as you know, this is the first mobile kind of product, and we have more than 850 million mobile users in the country and are growing. So, from that point of view you know its humongous amount of opportunity that is available out there in terms of reaching out this product into them.

Deepak Sanskar: OK, what is the kind of revenue target we have in our mind for medium term like over three to five years from this product alone?

Vishal Salvi: We are right now not sharing our revenue targets for this product, but of course you know on quarter-on-quarter basis we will be sharing with you how the revenues are panning out as far as this category is concerned. I can confirm to you that the product is already launched and we have already started shipping as well as the downloads have already started from the Play Store and the App Store. And so, the revenue has already started getting generated from this quarter onwards.

Moderator: Thank you. The next question is from the line of Shankar Narayanan from I thought financial consulting. Please go ahead.

Shankar Narayanan: Good evening, Sir. Thank you for giving me this opportunity. So, in the previous year the percentage of R&D spending as a percentage of sales has been increased, but that having translated much into the revenue part, could you throw some light on that one?

Vishal Salvi: Thank you for your question, Shankar Narayanan. See the way we look at it is that we have started our journey as a company being a consumer antivirus company right and around 7 years back, we pivoted also and diversified into enterprise security business. And from then on till now, as Ankit mentioned, the split between our consumer business and our enterprise business stands at 62 versus 38%. So, there's a 38% diversification which has happened in the last so many years and so you know we have always adopted the strategy of diversifying and looking at any new growth areas of businesses in cybersecurity and that's what we are continuing to do. So just like we have made that growth and our core has its shifting from consumer into enterprise, we also believe that once we start seeing the investments that we are doing now and in recent past in our Horizon 2 and Horizon 3 solutions will start generating revenues and increasing our business mix in the coming future, the opportunity is humungous and we have just started to see our growth and our new products has started to generate revenues for us. So, you know I think we believe that our strategy is really working well, and cybersecurity is one thing where you know we have to invest now to start looking at the future in the next two to three years.

Shankar Narayanan: Thank you, Sir. One more question. Can you give some guidance on this financial year on the revenue and margin and PAT perspective?

Vishal Salvi: See, we have not given any guidance. We don't give guidance you know on the revenue. PAT and you know our overall financial performance, all we can say, and we have said consistently is that we are focused on profitable growth and that is what we endeavor to do in coming quarters as well. One thing we want to say is that we overall are focusing on a very long-term approach in terms of how we look at our investments and our plans. So, we would, you know, ensure that we are always keeping true to that, and you know, as we had promised earlier, we would be releasing new solutions and products and I'm very happy to announce to you that you know we have announced the new solution now in the market, which is a completely new category. And you can expect that from us. So. So I think you know; we are really looking at the future. But like I said, we don't give guidance in terms of our financials, and you know how we are going to do this here as well, as in the future.

Shankar Narayanan: Thank you, Sir. The last question is regarding your new product AntiFraud.ai. So recently Bharti Airtel launched a feature which will be applicable for Airtel users, which will detect fraud and spammers automatically. How different is this from the product that they have launched and are there any specific features that you have?

Vishal Salvi: Yeah. So basically, you know, Bharti Airtel, all telcos are able to look at scams and scam alerts. And as you know, a lot of frauds are getting initiated through such scams. And so that's really how we are there looking at their length is about looking at frauds and scams coming out of the phones and alerting their customers. We definitely have that feature in, in our product. But our product has got a lot more features that I just talked about earlier. And so, our product is a 360° solution which covers holistic fraud management and not just from a telecom point of view. So, we have carrier features, we have phone features, we have cyber security features and in addition to that we have banking process control feature. All of these four combined together give a holistic solution for fraud management.

Shankar Narayanan: Thank you, Sir. I hope this product succeeds. Thank you for this.

Moderator: Thank you. The next question is from the line of Pankaj from Affluent assets. Please go ahead.

Pankaj: Thanks for taking my question. Well, I'm new to this company. Just wanted to understand what had gone wrong post FY22 that are our margins collapsed from 30 plus percent to below 10% now?

Vishal Salvi: Yeah, yeah, I got it now. See, I think Pankaj see what we have been saying is that we are reinvesting all our margins and profit into our new set of technologies and the company has been you know

constantly increasing its R&D spend to make sure that we are building new products. And for the last two years, if you're tracking our company, you will find that we have introduced products like Zero Trust Network access, extended detection and response, you know data privacy. Options and so as a result of all of this, we have diversified our portfolio in the enterprise security expenditure and all of that investment we have been actually getting through the profits generated by the company from the core technologies and core products. So, that is the conscious call that we have taken in the last 3-4 years to make sure that we are able to create a diversified and sustainable growth business for the future.

Ankit Maheshwari: Pankaj, in addition to this, Ankit here. So, in addition to this, we have seen some headwinds in our consumer business because of which our revenues were down especially in the consumer side of things and hence, A-There was reduction in revenue and B-we were investing into new technology which Vishal was investing in the enterprise side of things. So, these two things lead to a reduction in EBITDA percentage

Pankaj: So how long will we take to regain our past legacy?

Vishal Salvi: See Pankaj, we don't as I said again, we don't give guidance in terms of how long it will take. All we can say is that we are focusing on consistent, predictable profitable growth. And that has been our endeavor. Of course we are also, you know, reading the company for the future scale and growth. We in past we have talked about how these investments have generated increased serviceable operable market for us. And we are constantly focus on seeing how we can not just looking at from a product point of view, but also looking at a new set of customers. So, we have been traditionally micro and SMB player and we are now getting into mid-market and the lower end of large enterprises. And for that, we are doing a significant event, not just in terms of our products, but also in terms of our sales organization and that is something which is work in progress. It takes you know, if you look at the history of all the cyber security companies in the world, you know it takes time and effort to really start seeing how you know that growth happens and that's really the journey that we are on right now.

Pankaj: Yeah, agreed. I take your point. But, I just wanted to know at least can you please guide the road map for monetization of the products which you have developed in last two years?

Vishal Salvi: Yes, there is a clear path. There is a clear path for monetization. If I segment our product into different categories. The mature and core products are already giving us a very significantly higher returns versus the ones which are just got introduced which are having a break-even path and the ones which are currently in development. So, we do have a detailed plan and a P&L for each of the product segments that we have. We don't right now give guidance publicly in terms of how each of those plans are defined. But yeah, of course you know we do have a detailed plan in terms of and a commitment to our board as well as founders on how we are going to break even each of these categories.

Pankaj: At least can you guide out of these 300 odd crores of top line, how much was contributed by the mature products along with the EBITDA?

Vishal Salvi: Yeah, yeah. I mean, I can't give you that Pankaj, see something which we have mentioned in past also is that our core technologies between consumer and enterprise together roughly is calculating between 85 to 90% of our revenue right now. So, the new products that we have just introduced in the market in the last 1 and a 1/2 years have started generating 10 to 15% of our revenues.

Pankaj: But they are eating away almost all of the profits which have been generated by the old products, right?

Vishal Salvi: So the way I would put it is that that is how the investment cycle is for any new incubation and any new products. So, we don't see them as eating away the profit. We see them as investment. We don't capitalize. We basically expense out all our investments in the same year books, so that's how

we have been actually that's been our strategy for innovation as well as adding new products in the market.

Pankaj: At least can you help me at global level, the company, which are your peers, how long did they take to regain their profitability after launch of any new product, you can help me with that or with your own experience means earlier whenever you launch the product, how long did it take to gain currency and become profitable or break even?

Vishal Salvi: Yeah. So, I mean I can give you a broad brush on this, Pankaj. And you can do your research afterwards, the top cybersecurity product companies in the world, which are doing well right now have would have taken anything between 10 to 15 years or to break even and there are some which are yet to break even right in spite of that. So, it that is the general trend that we have seen for companies to break even globally. So, we should see our journey starting around four or five years back when we talk about our new set of investments that we're doing in enterprise security.

Pankaj: So, you're already five years past that phase, right?

Vishal Salvi: Around 4-5 years, yes.

Pankaj: OK. And how many of our products are yet to be..

Moderator: Please, Sir, I request you to come back for a follow up question.

Pankaj: Sure, sure.

Moderator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hi. Good evening, Sir. Thank you so much for taking my question. Some of my questions have already been answered. So, Sir, I just wanted to know like on a ballpark what's the basic R&D spend we are planning to do like in the current year and going forward like it's a sizable chunk of our expense.

Vishal Salvi: Yeah. Thank you, Darshil, for your question. See, I think we are doing two things when it comes to our R&D spend. Ok. We announced in the previous two quarters that we had got board approval to start investment in our horizon. Three products and that work has already started. The good thing for us is that, you know, because some of our core technologies are already stable, we can, you know, have some level of flexibility in using some of our R&D talent into these new technologies. The second thing that we do is to look at all the avenues and opportunities to optimize and, you know, improve our return on investments on R&D expenses. And the third thing is you know the incremental additional talent which is required or specialized skill is where we augment and hire from the market. But broadly, you know the core of our R&D team is already there in place, what we are doing is making sure that we augment it, we, you know, do tactical investments which are required to have those skills and so we feel ourselves are very in a very comfortable space in terms of managing the cost related to R&D and control them as per our aspirations for all the new products that we are developing. So that's really how we are looking at it, so we don't expect our R&D cost to go and significantly grow, but they will maintain at the rate they are and maybe incrementally will add, you know the skills which are required for us.

Darshil Jhaveri: OK. Fair enough, Sir. So, and this, Sir, we are now talking about like you know you've, you know launched our new products and you know some more products we are into you know like development phase. So, I just wanted to know what typical cycle you said maybe it takes 10 years to breakeven but like what is the full life cycle like? How much time does it go to develop it and like and is there a you know, possibility that we've been developing something for some time, but then the market doesn't accept it or you know like it's now redundant or something like that. So, you know, what could you just, you know, just brief us a bit about your thoughts about how you mitigate those risks? Like it's not just too much gestation period. Just making the product. Right.

Vishal Salvi: Yeah. I mean lot of the see first of all, I wanted to say that we are the only full stack cybersecurity company from India. OK. And so, lot of the work that we are doing is very well tried and tested in the sense that when we talk about zero trust network access, when we talk about data privacy, when we talk about mobile security, we talk about you know, extended detection and response solutions, all of these are well defined solutions which are well established in the global market, but obviously has a potential from Indian context, right? And so, you can never go wrong you know, once we know exactly how these technologies are going to pan out as far as India is concerned. And even globally in future, and once we start adding more and more innovation and scale to these products. So that's really what goes into our planning, and you know in the consumer space also we've been very, very strong and we have lot of IP and you know lot of research that we have done over a period of years. So, you know we have the largest malware lab in the country and so we really deeply understand what's happening. And so, to pivot to a technology like anti-fraud is something which is a natural adjacency for a company like ours to really create a new set of solution to address a new completely new market.

Darshil Jhaveri: Oh, OK fair enough. So yeah, that's it from my side. So, all the best. Thank you.

Moderator: Thank you. The next question is from the line of Grishma Shah from Envision Capital. Please go ahead.

Grishma Shah: Good evening to the management team. If you could highlight or you know share more about what's happening on the consumer side of the business? You know, if you could elaborate a little bit that would be helpful.

Vishal Salvi: Yeah. Thank you, Grishma. So basically, you know there are some headwinds in the consumer business and antivirus business in terms of you know the demand and you know how the overall adoption of consumer antivirus has been. Within that headwind, you know as you have seen our performance, we have been, you know, one of the top performers in the market and we do occupy a market leader position and our products are also valued at a premium for the kind of value that we provide to our customers. So, we are you know ensuring that we will show our respectable growth while you know the overall the market is growing. OK. Now, while we do that, we are extremely happy that now we have launched anti-fraud which will give a boost to our consumer business and add one more category in our business mix you know to look at and then drive the growth, right? So that's really how we are looking at the consumer market.

Grishma Shah: OK, so even in quarter two, this market has degrown and we've like kind of held on. Is that a fair assumption?

Vishal Salvi: Yes.

Grishma Shah: OK. And you know therefore the gross margins or overall operating margins in this business segment would have also been slightly under pressure?

Vishal Salvi: I think we are doing ok. We are still holding on to our crisis and you know, because this is a well-oiled kind of business model for us. We've been doing it for the last three decades. It's a very mature business model and so therefore very stable when it comes to margins and you know how we drive it, of course, you know, like Ankit has mentioned in his initial remarks, we do have some kind of work to do in the coming quarters to improve or our collections, but otherwise, you know we are we are doing ok as far as margins are concerned.

Grishma Shah: OK, fine. Thank you and good luck.

Moderator: Thank you. The next question is from the line up, Mihir Manohar from Carnelian Asset Management. Please go ahead.

Mihir Manohar: I wanted to understand enterprise part of the business, 17% of the enterprise business was on cloud in FY23 and now 28% today. So how does it change the revenue recognition? Wanted to understand

that. And second question was on the working capital, I mean how should one see the working capital normalization happening?

Vishal Salvi: So, I'll ask Ankit to answer the second part, but let me answer the first part of your question, Mihir. The revenue recognition is based on how we agree on the EULA or our agreement with the customers and how we are selling the licenses of our products. So, it is by product and not by cloud consumption. OK, so I think that's the answer to your first question.

Ankit Maheswari: So just to add on the first part, when we do the revenue recognition, it is done by so, we have done one product by product analysis as per IAS 15 International accounting standard in days whatever we are following that policy. So Mihir, can you repeat your second part regarding working capital?

Mihir Manohar: Yeah. So basically, how should one see the normalization of working capital by the end of the year?

Ankit Maheswari: So difficult to answer this question at this point of time, but as I said in my opening remarks as well that we are currently focused on getting the collections back to business. So, there is a lot of effort which has been made especially in our consumer section where we'll be focusing on the collections the next six months.

Mihir Manohar: Sure. Yeah. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

Manan Vandur: Thank you so much for this opportunity. And so, I had two questions. First question is on, So out of the 4000-crore market that we have given in the PPT around FY26-27, the whole total addressable market, how much are you planning to, you know cater to?

Vishal Salvi: So Manan, actually, when we talk about serviceable operatable market, that is the market available for us. So, that is what we will focus on. So, the entire market is something that number is what is available addressable for us.

Manan Vandur: And we would be the only person to address this, or we have a competition also in this market?

Vishal Salvi: No, we will have competition in this market and we will have other players also in the market.

Manan Vandur: But we will be the largest player, right?

Vishal Salvi: No, no, we will, this is the market available for us. We will aspire to take a percentage of that market and we'll keep on growing on that percentage. But we are not the market, the market leaders, nor we expect us to be a market leader by 2027 in that market at that point of time.

Manan Vandur: OK. So, the percentage that you mentioned, how much can we take?

Vishal Salvi: So, we don't disclose that right now, Manan. So, but I just wanted to give you some additional nuances to my answer. OK, so we are the market leader in one segment, which is our consumer AV. OK. And so, consumer AV, India, we are the market leaders, we have 33 to 35% of the market share. So that is number one. And the second thing which I also wanted to clarify is the anti-fraud launch that we have done. Also, we are the first one to launch it, right? So, we don't have any competition in that space right now.

Manan Vandur: Alright, understood. And the second question that I have is the new products like the antivirus, sorry, anti-fraud, AI that we have launched and some others also which we might launch in the future. Will these new products do better than our old products or I mean it should do better. So, which is what I'm asking. Will these products do better than our old products?

Vishal Salvi: Yeah. So, Manan, the way to look at is that we are diversifying when we introduce new products. And so, when we, we will have a set of our core products and technologies right now, right. And when we diversify, these new products will start gaining momentum for us and revenue share and so over a period of time we'll have more diversification happening. But the core you know remains

core for a period of time until that mix changes. So, like I said, you know, if you look at the consumer antivirus and enterprise antivirus together form our core right now, which is around 85%, but that used to be only consumer AV 100% around seven years. Back so many things have changed over the period of the year to have a better product mix into our business model and by introducing these new products we can we are hoping and we are aspiring to have a similar diversity diversification happening in the coming years for us.

Manan Vandur: OK, so these new products that we are having or do you think they will let's say like 5-10 whatever years you know ahead in life these might also take like a sizable chunk. So, like right now, we are at 80% and the new products are 15%, so this might go to 30/40/50.

Vishal Salvi: Yeah, actually all our products, we have a full conviction and confidence and only then we have launched this. So, we have full confidence that they will add a good amount of revenue in future for us. So, the way you are articulating is how we are looking at it in future, Manan.

Manan Vandur: Yeah, that's it. Thank you so much.

Moderator: Thank you. The next question is from the line of Debashish Mazumdar from Swan Investments. Please go ahead.

Debashish Mazumdar: Hi, Vishal, Ankit, good evening and thank you for taking my question. I have two questions. The first one is on your new product which you have launched. First of all, congratulations on the new product launch and starting to create a new category. Just wanted to get some sense that I have understood by discussing you for last week 6-8 months that you are trying to pivot towards more into a B2B business, why launching a product in a B2C business and investing there? So that is first part, the second part is our historical experience suggested that it is very difficult to monetize any mobile related product in India. So why do I get into that business again? So that is all the new product category, and the second one is on B2B business. This I mean if I see the numbers, it is getting very, very difficult for us to predict how the trajectory would be. So, I'm not asking for any guidance or anything, but can we get some amount of you know lead indicators whether it is number of clients or number of licenses getting sold so that we can build some amount of predictability on our repeatable business. So, these are the two questions

Vishal Salvi: Yeah. So, you know me actually coming from the Indian banking industry where I've worked for two decades, I've actually seen the consumer fraud in India and also overall growing significantly and it has been unabating right, so it is constantly creating a bigger challenge for the ecosystem, right? And there have been a humongous number of investments and money being spent on B2B2C products for anti-fraud so far, ok. But because it's B2B2C, it becomes a big challenge for adoption for the common citizens because they work with different banks. One consumer may be working with various banks, so challenge you know it, it doesn't pick up. Now when it comes to you know and so, there was clearly an opportunity for us to look at a direct B2C solution and also, while it is a completely new category but it builds on the core of Quick Heal as a company, right for its commitment towards fighting this problem. See because we you know when we look at Quick Heal, you should look at Quick Heal, not as an antivirus company. We are in the business of protecting end consumers. Now, if that is our mission, then we need to recognize that when you know the issues have moved from antivirus to fraud, it is our responsibility to do something about that and we want to be known as the company which is you know, safeguarding our consumers. And so, it was a very natural and logical step for us, right. That was number one and #2 because lot of the things that we have leveraged our existing power of understanding the risks and threats which are happening you know the use of AI and so you know we have used, and we used all of these things and added some additional features functionality which we believe can be path breaking for Indian consumer. And so, then it was a no brainer Debashish you know, to go into it and you know, it looked like a very important aspect and a mission to solve and hence commitment to anti-fraud.ai and I think you know in the last previous quarters also we have always maintained although not mentioned it as much. You should be always hinted at you know, working on these issues, these areas and coming out with announcements in the near future.

Ankit Maheshwari: As far as predicting, just to add Vishal, so Debashish we have this experience in B2C business. We have a three decade experience. So, we want to capitalize on that as well and we are confident that by doing this we are doing the right thing.

Debashish Mazumdar: So, the sorry just to have on the same point. So do you think that in Indian customer there is a change in behavior because in the past we have seen several times that despite trying to create awareness in the client's mind normally B2 doesn't want to pay for this kind of product. Especially when it comes to mobile.

Vishal Salvi: See Debashish, you know what we are thinking is we don't want to sort of stereotype an Indian customer because you know the same Indian customer is actually adopting lot of global apps, right? So, why can't they do it? And if for example a blink it can be adopted as an app in India which is mobile first for some other business model, the same model can be adopted for securing you and fool proofing you from a cost point of view, right? So, I think you know we are we know that it is a challenging business model, but we are going. With the open mind and embracing that challenge, but because of our understanding of how this pans out in the in the computer business we will be able to navigate these challenges and you know ensure success so I think your point is well taken, that you know we are you know looking at how do we cover all our bases to ensure our success here and so far the feedback has been very good received from customers as well as our partners.

Debashish Mazumdar: Sure, Just one observation. When you try to download this through App Store, it shows a four-year-old product. So, I'm not really sure that there is any mistake there. Just checking. So, if you can check that it is showing a four year plus old product in the App Store.

Vishal Salvi: Sure. Sure. We'll have a look. Maybe it's a different app that is popping up for you, but we will look at it Debashish. We'll definitely circle back with you.

Debashish Mazumdar: Sure. Sure. Thank you so much. And the second question on predictability, if you if we can get some kind of direction towards the predictability of the B2B business, that will be helpful.

Vishal Salvi: See, we have already been sharing our business mix we have this time also shared so we may talk about lead indicators and some KPIs. We are constantly seeing how we can start disclosing more KPIs to this time around and we have shown how our enterprise business is changing from a cloud versus on Prem. So that's a very important KPI to track, which will show the maturity of our business and modernization of our business. And we will continue to add more and more features as we go along and your point is well taken, yeah.

Debashish Mazumdar: Sure. Sure. Thank you so much. And I wish you best of luck.

Moderator: Thank you. The next question is from the line Sanjay Shah from Pranista. Please go ahead.

Sanjay Shah: Hi. Can you just talk a little bit more about the enterprise market and how it's evolving because a large part of the discussion, I think we have focused on the new product and B2C. So just your overall perspective on the experience, the transition of course you given the numbers and how do you see that panning out over the next one to two years?

Vishal Salvi: Thanks, Sanjay. Sanjay, I think you know one of the things we are extremely happy about is that we have now you know started to work on the new set of solutions like, you know, SWG, which is your secure web gateway or your cloud, Security access broker. We've also developed a malware analysis platform, a threat Intel platform. And all of these are back of the deep research that we do and the deep number of technologies that we have created through our Seqrite labs. So extremely bullish and happy about how we are progressing as far as these new solutions are concerned. We are focusing on how to pivot from a sales motion point of view to the mid-market segment. And that is, as I said, is a work in progress and we are you know adding leaders and mid management team members in our sales organization to bolster our team and you know drive that. So overall if you look at you know there's a huge potential if you see the recent events and incidents unfolding globally, as well as in India, you will find that humongous amount of cybersecurity breaches and

incidents which are happening. So, the awareness level of enterprises is only growing. The expectation from the Government of India through regulations or bankers, even SEBI has come out with a very detailed cybersecurity guidance and policy framework which has been launched recently, which is very, very comprehensive. So, all of this is heightening the need and the requirement for cybersecurity to be adopted in large enterprises and organizations, so I think clearly we see huge potential for us in because of these different trends that I just talked about, Sanjay.

Sanjay Shah: That's wonderful. Thank you so much. And would you mind Vishal also talking a little bit more about data privacy and how that's evolving?

Vishal Maheshwari: Yeah, I think you know very interesting is that obviously now India is at the cusp of launching the enforcement of the data privacy as far as India is concerned. And you know, that the law and act has already been passed in Parliament. We are now just waiting for the final enforcement guidance and guidelines from Government of India. We in one of these investor calls, we had mentioned that our anticipation was that this will be announced in Q3, which is this quarter, and we can start seeing a positive impact of that in terms of our pipeline and our closures in Q4 and Q1 onwards from next year. So, I think generally speaking, Sanjay, what we have seen with the experience of GDPR in Europe and California Data Protection Act in us that generally whenever such things come in, not just the data privacy but also the overall cybersecurity investments grow around 5 to 7% in the country where the act gets launched, so we expect that same thing will happen as far as India is concerned and it's going to be a very positive move for India and the digital adoption of India in the country as well as how people are seeing India as a country.

Sanjay Shah: Sir, thank you. This is very exciting. So, thank you. Thank you for the comments. Thank you.

Moderator: Thank you. Ladies and gentlemen, we'll take this as a last question. I now hand the conference over to the management for closing comments.

Vishal Salvi: So, before that I just want to clarify Debashish if you are here. Four plus is the age recommendation and not age of the app. So, we thought just to clarify right away.

Vishal Salvi: OK, I think you can. You can ask the next question.

Moderator: This was the last question.

Vishal Salvi: OK. All right. Thank you so much everyone for a very engaging conversation and asking a variety of different questions. I hope you found this useful. Thank you so much for joining today and look forward to the next quarter call as well, thank you.

Vishal Maheshwari: Thank you, everyone. Good day.

Moderator: Thank you. On behalf of Quick Heal Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.