



February 11, 2019

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 3rd Quarter (October-December) of the Financial Year 2018-19. I take this opportunity to share with you the Company's performance this year along with some key business highlights.

The business performance of the Company during the quarter ended 31st December, 2018 showed marked improvement with Sales growth of 4% over same period of previous year driven by growth in US and Emerging Markets. The increase in revenue and gross margin was partially offset by increase in R&D and other expenses leading to decrease in EBITDA from ₹45 Crore in Q3 FY 18 to ₹19 Crore in current quarter. Costs of on-going remedial measures also continued to impact profitability. The focus in strategic R&D initiatives of the Company in the global arena continued to remain one of the key priorities. Such strategic R&D expenses though meant for the future are expensed off.

#### Financial Highlights for Q3 (October - December) FY 2018-19

- ◆ Consolidated revenue for the quarter is ₹ 1,046 crore representing a growth of 4%.
- ◆ EBITDA before R&D spend is ₹ 98 crore for Q3FY19, compared to ₹ 107 crore in previous year.
- ◆ R&D spend at ₹ 79 crore (8% of sales) and including capital expenditure is at 14% to sales for Q3FY19.

#### Financial Highlights for 9 Months (April - December) FY 2018-19

- ◆ Consolidated revenue for 9MFY19 is ₹ 3,179 crore representing a growth of 9%.
- ◆ EBITDA before R&D spend is ₹ 322 crore for 9MFY19, compared to ₹ 185 crore in previous year.
- ◆ R&D spend at ₹ 222 crore (7% of sales) and including capital expenditure is at 11% to sales for 9MFY19.

#### Business Highlights

- ◆ The International Business contributed 65% of the global revenue in Q3FY19 and 62% in 9MFY19.
- ◆ India Business de-grew by 7% over Q3FY18 and stood at ₹363 crore in Q3FY19 vs ₹392 crore in Q3FY18. In 9MFY19 it stood at ₹1,213 crore vs ₹1,147 crore in 9MFY18 representing a growth of 6%. Two new products launched in India during Q3FY19 and eight new products in 9MFY19.
- ◆ Emerging Markets Business grew by 15% in Q3FY19 compared to Q3FY18 and stood at ₹125 crore in Q3FY19 compared to ₹109 crore in Q3FY18. In 9MFY19 it stood at ₹388 crore vs ₹ 282 crore in 9MFY18 representing a growth of 38% in 9MFY19.
- ◆ UK revenues were at ₹248 crore in Q3FY19 vs ₹264 crore in Q3FY18, representing a de-growth of 6% in Q3FY19 in INR terms. UK operations stood at ₹737 crore in 9MFY19 versus ₹775 crore in 9MFY18; de-grew by 5%. The Company successfully filed 1 new product during the quarter.
- ◆ US business for Wockhardt contributed 23% of the Global Revenues in Q3FY19 compared to 17% in the Q3FY18. Revenues from the US Business were at ₹243 crore in Q3FY19 versus ₹175 crore in Q3FY18 representing a growth of 39%. In 9MFY19 it stood at ₹612 crore versus ₹485 crore in 9MFY18 representing a growth of 26%. Cumulative ANDA's pending for approval at 70.
- ◆ Irish Business revenues were at ₹35 crore in Q3FY19 vs ₹42 crore in Q3FY18; de-grew by 16% in Q3FY19 in INR terms. In 9MFY19 business grew by 5% in INR terms (Revenues at ₹121 crore in 9MFY19 versus ₹115 crore in 9MFY18).
- ◆ French Operations were at ₹15 crore in Q3FY19 and ₹13 crore in Q3FY18 versus ₹48 crore in 9MFY19 and ₹ 43 crore in 9MFY18.

We wish to thank each one of you for your continued support and confidence in Wockhardt. We continue to stay focused and build a strong business at Wockhardt as we solicit your unstinted support.

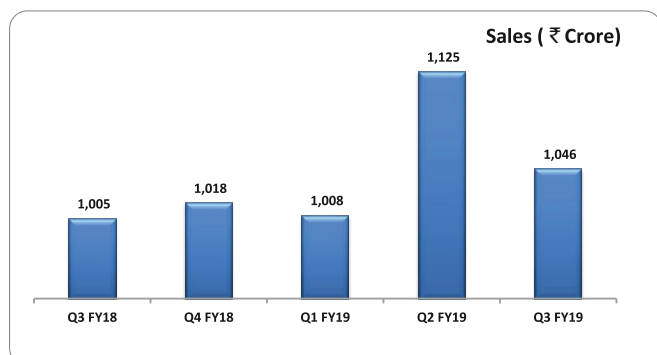
Warm Regards,

Dr. Habil Khorakiwala  
Founder Chairman

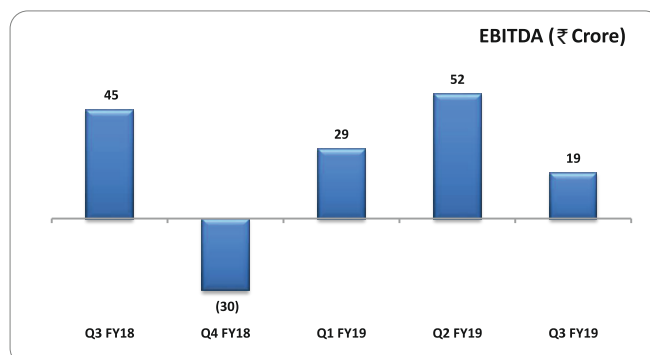


# PERFORMANCE HIGHLIGHTS

Sales Performance over the period:



EBITDA over the period:



## Consolidated Financials – Q3FY19:

- Consolidated revenues at **₹1,046** crore in **Q3FY19** vs **₹1,005** crore in **Q3FY18**, a growth of ~4%.
  - India Business de-grew by **7%** in Q3FY19 compared to Q3FY18.
  - Emerging market Business grew by **15%** in Q3FY19 compared to Q3FY18.
  - UK revenues de-grew by 13% in GBP terms in Q3FY19 over Q3FY18.
  - US Business grew by 29% in Q3FY19 compared to Q3FY18 in dollar terms mainly on account of New Products launched from Third Party manufacturing sites.
- Gross Margins at **56%** during **Q3FY19**.
- EBITDA at ₹ 19 crore compared to ₹45 crore in **Q3FY18**.

## Consolidated Financials – 9MFY19 :

- Consolidated revenues at **₹3,179** crore in **9MFY19** vs **₹2,919** crore in **9MFY18**.
  - India Business grew by 6% in 9MFY19 as compared to 9MFY18.
  - Emerging market Business grew by **38%** in 9MFY19 as compared to 9MFY18.
  - UK revenues de-grew by 12% in GBP terms in 9MFY19 compared to 9MFY18.
  - US Business grew by 18% in dollar terms in 9MFY19 as compared to 9MFY18.
- Gross Margins at **57%** during 9MFY19 up by 2% from 9MFY18.
- EBITDA at ₹100 crore compared to ₹(25) crore in 9MFY18.

# BUSINESS HIGHLIGHTS

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## International Operations

- At ₹ 683 crore, contributes 65% of global revenues for Q3FY19, grew by 12% as compared to Q3FY18.
- At ₹ 1,966 crore, contributes 62% of global revenues for 9MFY19, grew by 11% as compared to 9MFY18.

## India & Emerging Markets Business

- India and Emerging Markets contributed 47% of the global revenues in Q3FY19 and 50% in 9MFY19.
- 8 new products during 9MFY19.
- India Business de-grew by 7% in Q3FY19 over Q3FY18 and stood at ₹363 crore in Q3FY19 vs ₹392 crore in Q3FY18. India Business stood at ₹1,213 crore for 9MFY19 vs ₹1,147 crore in 9MFY18.
- Emerging Markets Business grew by 15% in Q3FY19 compared to Q3FY18 and stood at ₹125 crore in Q3FY19 compared to ₹109 crore in Q3FY18. During 9MFY19 it stood at ₹388 crore vs ₹282 crore of 9MFY18 representing a growth of 38% in 9MFY19.

## Europe Business

- Europe Operations (including France) contributed 30% of the Global Revenues in Q3FY19 and 9MFY19. Revenues from EU Operations (excluding France) were at ₹300 crore in Q3FY19 and at ₹919 crore during 9MFY19. Revenues from French Operations were at ₹15 crore in Q3FY19 and ₹48 crore in 9MFY19 versus ₹13 crore in Q3FY18 and ₹43 crore during 9MFY18.

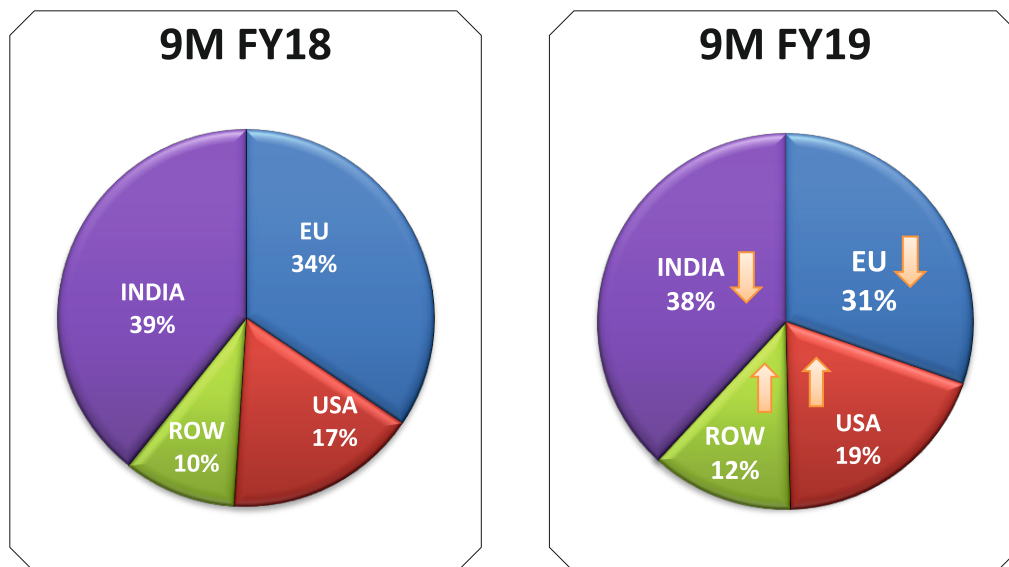
## UK Operations (including Pinewood's UK business)

- UK revenues were at ₹248 crore in Q3FY19 vs ₹264 crore in Q3FY18, representing a de-growth of 6% in Q3FY19 in INR terms (and de-grew by 13% in GBP terms in Q3FY19 over Q3FY18). UK operations stood at ₹737 crore in 9MFY19 versus ₹775 crore in 9MFY18, de-grew by 5% in INR terms (and de-grew by 12% in GBP terms in 9MFY19 over 9MFY18).
- Irish Business revenues were at ₹35 crore in Q3FY19 vs ₹42 crore in Q3FY18, de-grew by 16% in Q3FY19 in INR terms (and 23% in Euro terms). During 9MFY19 Irish business grew by 5% in INR terms (Revenues at ₹121 crore in 9MFY19 versus ₹115 crore in 9MFY18) and de-grew by 3% in Euro terms.

## US Business

- US business for Wockhardt contributed 23% of the Global Revenues in Q3FY19 compared to 17% in the Q3FY18. Revenues from the US Business were at ₹243 crore in Q3FY19 versus ₹175 crore in Q3FY18. During 9MFY19 it stood at ₹612 crore versus ₹485 crore during 9MFY18.
- The company received 1 new approval of ANDA during 9MFY19. Total pending ANDAs as on 30th September, 2018 is 70.

# SHARE OF GLOBAL REVENUES



## FINANCIALS

### Consolidated P&L

₹ Crore

Particulars	Q3-FY19	Q2-FY19	Q3-FY18	9M FY19	9M FY18
<b>Revenues from Operations</b>	<b>1046</b>	<b>1125</b>	<b>1005</b>	<b>3179</b>	<b>2919</b>
Material Consumption	464	485	446	1373	1325
<b>Gross Margins</b>	<b>582</b>	<b>640</b>	<b>559</b>	<b>1806</b>	<b>1594</b>
<b>Gross Margin %</b>	<b>56%</b>	<b>57%</b>	<b>56%</b>	<b>57%</b>	<b>55%</b>
Staff Cost	220	229	204	667	638
R&D Expenses	79	82	62	222	210
Other Expenditure	264	277	247	817	771
<b>Total Expenditure</b>	<b>1026</b>	<b>1073</b>	<b>960</b>	<b>3079</b>	<b>2944</b>
<b>EBITDA</b>	<b>19</b>	<b>52</b>	<b>45</b>	<b>100</b>	<b>(25)</b>
<b>EBITDA Margin</b>	<b>2%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>-1%</b>
<b>EBITDA before R&amp;D</b>	<b>98</b>	<b>134</b>	<b>107</b>	<b>322</b>	<b>185</b>
<b>EBITDA Margin before R&amp;D</b>	<b>9%</b>	<b>12%</b>	<b>11%</b>	<b>10%</b>	<b>6%</b>
Interest Expenses (Net)	63	63	56	195	169
(Income)/Expense due to Exchange Rate Fluctuation	37	(15)	(1)	46	(33)
Depreciation	41	40	38	121	111
Other Income / (Loss)	1	5	31	10	107
<b>Profit/(Loss) Before Tax before exceptional items</b>	<b>(121)</b>	<b>(32)</b>	<b>(16)</b>	<b>(252)</b>	<b>(165)</b>
Exceptional Item Profit/(Loss)	-	-	-	-	(358)
<b>Profit/(Loss) before Tax</b>	<b>(121)</b>	<b>(32)</b>	<b>(16)</b>	<b>(252)</b>	<b>(523)</b>
Tax Expense (Including Deferred Tax)	(44)	(1)	27	(50)	(9)
<b>Profit After Tax (PAT)</b>	<b>(77)</b>	<b>(31)</b>	<b>(43)</b>	<b>(203)</b>	<b>(514)</b>
Add: Share of Profit/(Loss) from Associates	-	-	-	-	-
Less: Non-Controlling Interest	(6)	(8)	(2)	(23)	(60)
<b>PAT after Non-Controlling Interest</b>	<b>(71)</b>	<b>(23)</b>	<b>(41)</b>	<b>(180)</b>	<b>(454)</b>
<b>PAT after Non-Controlling Interest Margin %</b>	<b>-7%</b>	<b>-2%</b>	<b>-4%</b>	<b>-6%</b>	<b>-16%</b>

For further clarification, write to: Investor Service Cell, Wockhardt Limited, Wockhardt Towers, Bandra-Kurla Complex, Bandra East, Mumbai 400 051 or Email: investorrelations@wockhardt.com

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