



May 16, 2018

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 4th Quarter (January-March) and the Financial Year 2017-18. I take this opportunity to share with you the Company's performance this year along with some key business highlights.

The business performance during the quarter ended 31st March, 2018 showed marked improvement with Sales growth by 18% as compared with the similar quarter of previous year.

While Company's focus on cost containment and rationalisation continues to deliver its intended positive impact on profitability, cost of on-going remedial measures, volatility in various currencies like GBP, EURO & USD had impacted the business. Also focus in strategic R&D initiatives of the Company in the global arena continued to impact the profitability. However, it would be noteworthy to mention that such strategic R&D expenses are for the future, inspite of the fact that they are expensed off.

#### Financial Highlights for Q4 (January - March) FY 2017-18

- ◆ Consolidated revenue for the quarter is ₹1,018 crore
- ◆ EBITDA before R&D spend is ₹47 crore for Q4FY18, compared to ₹(87) crore in previous year
- ◆ R&D spend at ₹77 crore (8% of sales) and including capital expenditure is at 13% to sales for Q4FY18

#### Financial Highlights for 12 Months (April-March) FY 2017-18

- ◆ Consolidated revenue for FY17-18 is ₹3,937 crore
- ◆ EBITDA before R&D spend is ₹232 crore for FY 17-18, compared to ₹423 crore in previous year
- ◆ R&D spend at ₹287 crore (7% of sales) and including capital expenditure is at 11% to sales for FY 17-18

#### Business Highlights

- ◆ The International Business contributed 64% of the global revenue in Q4FY18 and 62% in FY 17-18.
- ◆ India Business grew by 10% in Q4FY18 over Q4FY17 and stood at ₹362 crore in Q4FY18 vs ₹328 crore in Q4FY17. In FY 17-18 it stood at ₹1,510 crore vs ₹1,527 crore in FY 16-17. One (1) new product launched in India during Q4FY18 and 12 new products in FY 17-18.
- ◆ Emerging Markets Business grew by 43% Q-o-Q, grew by 37% in Q4FY18 compared to Q4FY17 stood at ₹155 crore in Q4FY18 compared to ₹114 crore in Q4FY17. In FY 17-18 it stood at ₹437 crore vs ₹369 crore in FY 16-17 representing a growth of 18% in FY 17-18.
- ◆ UK revenues were at ₹258 crore in Q4FY18 vs ₹210 crore in Q4FY17, representing a growth of 23% in Q4FY18 in INR terms (and grew by 24% in GBP terms in Q4FY18). UK operations stood at ₹1,033 crore in FY 17-18 versus ₹1,041 crore in FY 16-17; de-grew by 1% (however, grew by 7% in GBP terms in FY 17-18).
- ◆ US business for Wockhardtd contributed 17% of the Global Revenues in Q4FY18 compared to 18% in the Q4FY17. Revenues from the US Business were at ₹176 crore in Q4FY18 versus ₹156 crore in Q4FY17. In FY 17-18 it stood at ₹661 crore versus ₹726 crore in FY 16-17. Cumulative ANDA's pending for approval at 70.
- ◆ Irish Business revenues were at ₹34 crore in Q4FY18 vs ₹32 crore in Q4FY17; grew by 6% in Q4FY18 in INR terms (grew by 2% in Euro terms). In FY 17-18 business grew by 7% in INR terms (Revenues at ₹149 crore in FY 17-18 versus ₹139 crore in FY 16-17).
- ◆ French Operations were at ₹14 crore in Q4FY18 and ₹57 crore in FY 17-18 versus ₹15 crore in Q4FY17 and ₹66 crore in FY 16-17.

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

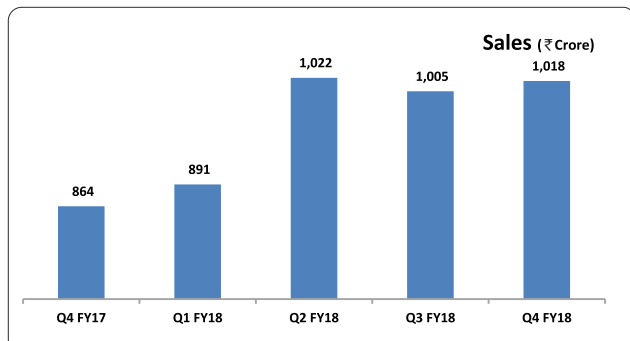
Warm Regards,

Dr. Habil Khorakiwala  
Founder Chairman

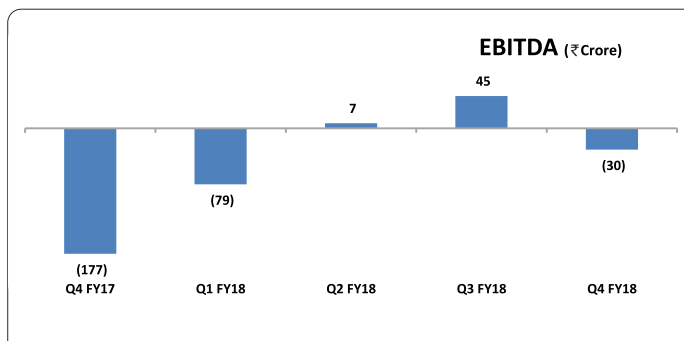


# PERFORMANCE HIGHLIGHTS

## Sales Performance over the period:



## EBITDA over the period:



## Consolidated Financials - Q4FY18

- Consolidated revenues at ₹**1,018** crore in **Q4FY18** vs ₹**864** crore in **Q4FY17** which is a growth of ~18%. Revenues grew by **1%** compared to Q3FY18
  - India Business grew by **10%** in Q4FY18 compared to Q4FY17
  - Emerging market Business grew by **37%** in Q4FY18 compared to Q4FY17
  - UK revenues grew 24% in GBP terms in Q4FY18 over Q4FY17
  - US Business grew by 18% in Q4FY18 compared to Q4FY17 in dollar terms mainly on account of New Products launched from Third Party manufacturing sites
- Gross Margins at **55%** in **Q4FY18**, up by **5%** from **Q4FY17**
- EBITDA at ₹**(30)** crore is showing marked improvement as compared to ₹**(177)** crore in **Q4FY17**

## Consolidated Financials - FY18

- Consolidated revenues at ₹**3,937** crore in **FY18** vs ₹**4,015** crore in **FY17**
  - India Business de-grew by 1% in FY18 as compared to FY17 mainly on account of reclassification of taxes post GST implementation in India apart from subdued business sentiments for part of the year
  - Emerging market Business grew by **18%** in FY18 as compared to FY17
  - UK revenues grew by 7% in GBP terms in FY18 compared to FY17
  - US Business de-grew by 5% in dollar terms in FY18 as compared to FY17
- Gross Margins at **55%** during FY18
- EBITDA at ₹(55) crore compared to ₹26 crore in FY17

# BUSINESS HIGHLIGHTS

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## International Operations

- At ₹656 crore, for Q4FY18 contributes 64% of global revenues.
- At ₹2,428 crore, contributes 62% of global revenues for FY18, de-grows by 2% as compared to FY17.

## India & Emerging Markets Business

- India and Emerging Markets contributed 51% of the global revenues in Q4FY18 and 49% in FY18.
- 1 new product launched in India during Q4FY18 and 12 new products during FY18.
- India Business grew by 10% in Q4FY18 over Q4FY17 and stood at ₹362 crore in Q4FY18 vs ₹328 crore in Q4FY17. India Business stood at ₹1,510 crore for FY18 vs ₹1,527 crore in FY17.
- Emerging Markets Business grew by 37% in Q4FY18 compared to Q4FY17 and stood at ₹155 crore in Q4FY18 compared to ₹114 crore in Q4FY17. During FY18 it stood at ₹437 crore vs ₹369 crore of FY17 representing a growth of 18% in FY18.

## Europe Business

- Europe Operations (including France) contributed 32% of the Global Revenues in Q4FY18 and 34% during FY18. Revenues from EU Operations (excluding France) were at ₹311 crore in Q4FY18 and at ₹1,273 crore during FY18. Revenues from French Operations were at ₹14 crore in Q4FY18 and ₹57 crore in FY18 versus ₹15 crore in Q4FY17 and ₹66 crore during FY17.

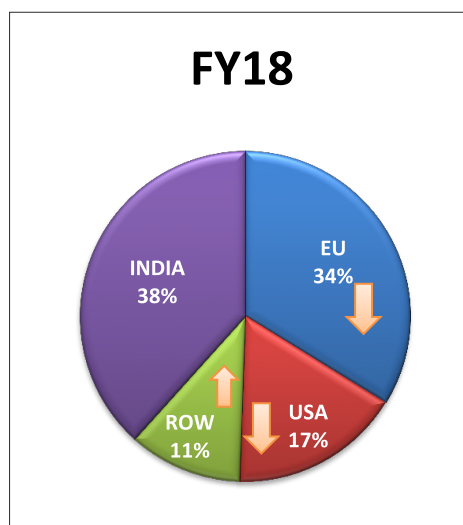
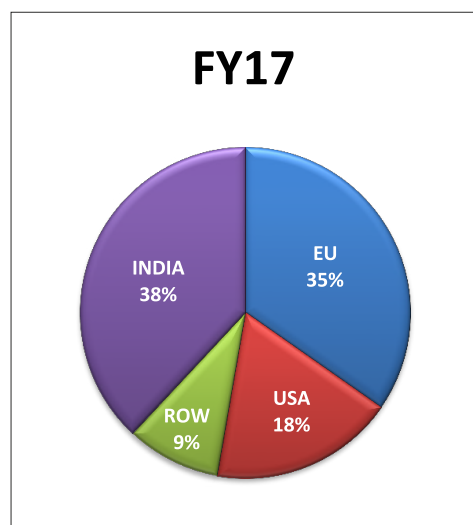
## UK Operations (including Pinewood's UK business)

- UK revenues were at ₹258 crore in Q4FY18 vs ₹210 crore in Q4FY17, representing a growth of 23% in Q4FY18 in INR terms (and grew by 24% in GBP terms in Q4FY18 over Q4FY17). UK operations stood at ₹1033 crore in FY18 versus ₹1041 crore in FY17, de-grew by 1% mainly due to Brexit in previous year.
- Irish Business revenues were at ₹34 crore in Q4FY18 vs ₹32 crore in Q4FY17, grew by 6% in Q4FY18 in INR terms (grew by 2% in Euro terms). During FY18 Irish business grew by 7% in INR terms (Revenues at ₹149 crore in FY18 versus ₹139 crore in FY17).

## US Business

- US business for Wockhardt contributed 17% of the Global Revenues in Q4FY18 compared to 18% in the Q4FY17. Revenues from the US Business were at ₹176 crore in Q4FY18 versus ₹156 crore in Q4FY17. During FY18 it stood at ₹661 crore versus ₹726 crore during FY17.
- The company received 3 new approval of ANDA and 5 Site Transfer approvals during FY18. Total pending ANDAs as on 31st March, 2018 is 70.

# SHARE OF GLOBAL REVENUES



## FINANCIALS

### Consolidated P&L

₹ Crore

Particulars	Q4-FY18	Q3-FY18	Q4-FY17	FY18	FY17
<b>Revenues from Operations</b>	<b>1018</b>	<b>1005</b>	<b>864</b>	<b>3937</b>	<b>4015</b>
Material Consumption	462	446	436	1787	1650
<b>Gross Margins</b>	<b>556</b>	<b>559</b>	<b>428</b>	<b>2150</b>	<b>2365</b>
<i>Gross Margin %</i>	<i>55%</i>	<i>56%</i>	<i>50%</i>	<i>55%</i>	<i>59%</i>
Staff Cost	195	204	195	833	826
R&D Expenses	77	61	90	287	397
Other Expenditure	315	248	320	1086	1116
<b>Total Expenditure</b>	<b>1048</b>	<b>960</b>	<b>1041</b>	<b>3992</b>	<b>3989</b>
<b>EBITDA</b>	<b>(30)</b>	<b>45</b>	<b>(177)</b>	<b>(55)</b>	<b>26</b>
<i>EBITDA Margin</i>	<i>-3%</i>	<i>5%</i>	<i>-20%</i>	<i>-1%</i>	<i>1%</i>
<b>EBITDA before R&amp;D</b>	<b>47</b>	<b>106</b>	<b>(87)</b>	<b>232</b>	<b>423</b>
<i>EBITDA Margin before R&amp;D</i>	<i>5%</i>	<i>11%</i>	<i>-10%</i>	<i>6%</i>	<i>11%</i>
Interest & Financing Cost					
Interest Exp	65	62	59	255	225
Less: Interest Income	(4)	(6)	(11)	(27)	(56)
Interest Expenses (Net)	61	56	48	228	169
(Income)/Expense due to Exchange Rate Fluctuation	(24)	(1)	(12)	(57)	13
Depreciation	38	38	37	150	149
Other Income / (Loss)	(13)	31	45	93	58
<b>Profit/(Loss) Before Tax before exceptional items</b>	<b>(118)</b>	<b>(16)</b>	<b>(204)</b>	<b>(283)</b>	<b>(247)</b>
Exceptional Item Profit/(Loss)	-	0	-	(358)	-
<b>Profit/(Loss) before Tax</b>	<b>(118)</b>	<b>(16)</b>	<b>(204)</b>	<b>(641)</b>	<b>(247)</b>
Tax Expense (Including Deferred Tax)	35	27	3	26	(21)
<b>Profit After Tax (PAT)</b>	<b>(153)</b>	<b>(43)</b>	<b>(207)</b>	<b>(667)</b>	<b>(226)</b>
Less: Non-Controlling Interest	2	(2)	(32)	(59)	(30)
<b>PAT after Non-Controlling Interest</b>	<b>(155)</b>	<b>(41)</b>	<b>(175)</b>	<b>(608)</b>	<b>(196)</b>
<i>PAT after Non-Controlling Interest Margin %</i>	<i>-15%</i>	<i>-4%</i>	<i>-20%</i>	<i>-15%</i>	<i>-5%</i>

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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