

## Sales

- Q4FY15 at Rs.1079crore.
- FY14-15 at Rs.4481crore.

## EBITDA

- Q4FY15 at Rs.136 crore.
- FY15-16 at Rs.827 crore.
- Margins at 12.6% for Q4FY15 compared to 11.8% in Q4FY14 and at 18.5% for FY14-15 compared to 20% in FY13-14.

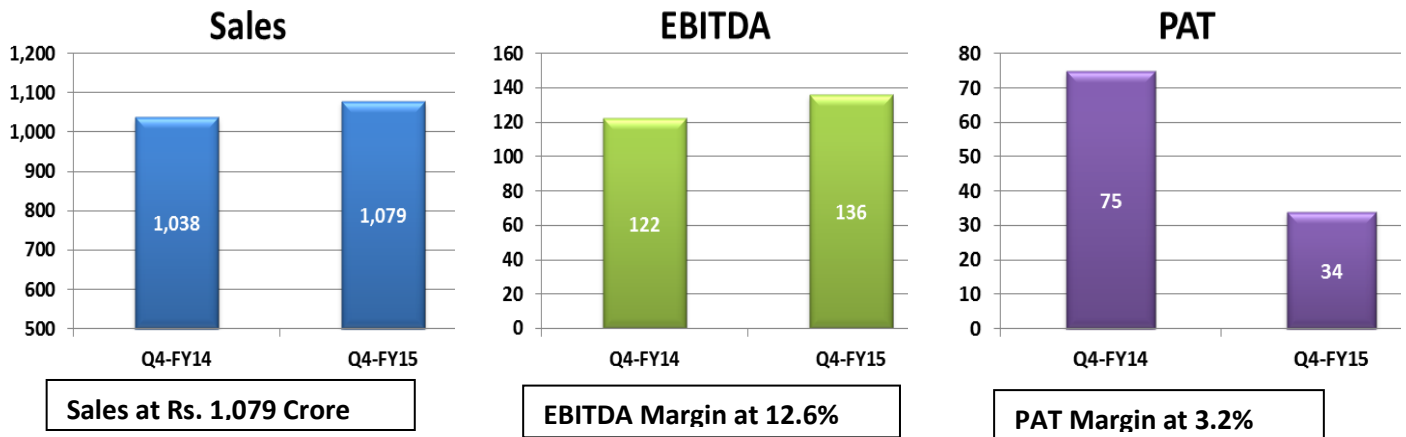
## PAT

- Q4FY15 at Rs.34 crore.
- FY14-15 at Rs.405crore.

## KEY INDICATORS

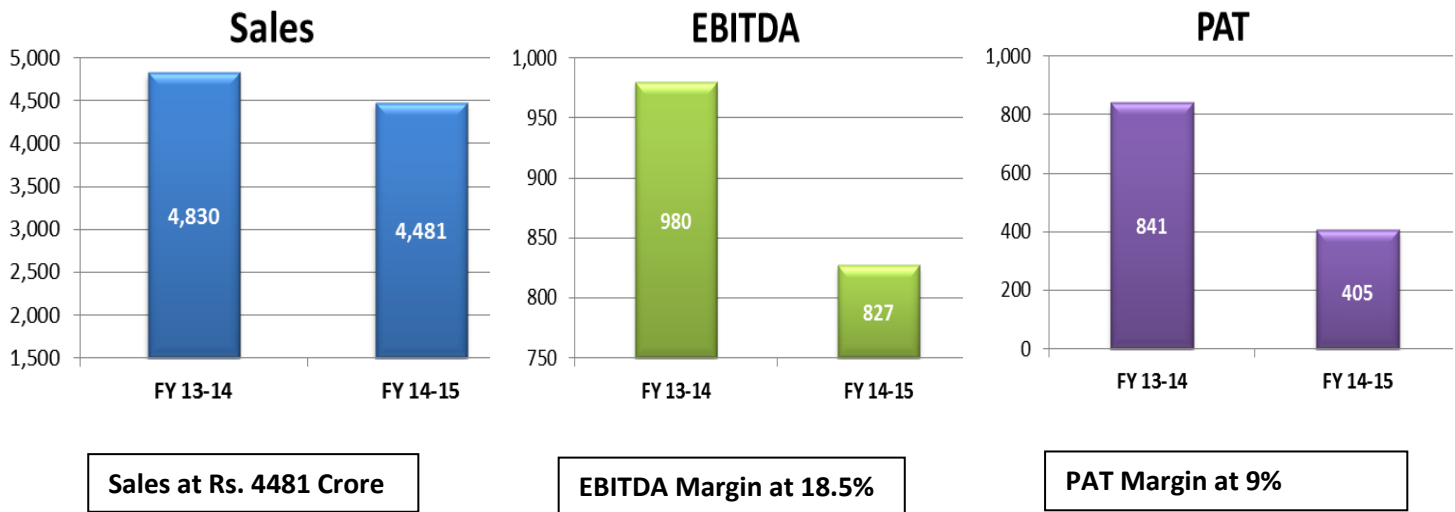
- Capital Expenditure of Rs.431 crore during FY14-15 and at Rs.144 crore for Q4FY15.
- R&D expenses at 15% of Sales in Q4FY15 and at 11.5% of Sales in FY14-15.

# PERFORMANCE HIGHLIGHTS Q4FY15 vs. Q4FY14



- Consolidated revenues at Rs.1,079 crore in **Q4FY15** versus Rs.1,038 crore in **Q4FY14**, year-on-year growth of **4%**.
  - India & Emerging Markets Business grows by **26%**, India Business **grows** by **46%**
  - Europe Business (excluding France) grows by **20%** (France declines by **55%**)
  - USA Business declines by **21%** in INR & **22%** USD terms.
- Gross Margins at **65%** in **Q4FY15** improves from **63%** in **Q4FY14**.
- EBITDA at Rs. **136** crore in **Q4FY15** versus Rs. **122** crore in **Q4FY14** grows by **11%**.
- EBITDA margins at **12.6%** in **Q4FY15** versus **11.8%** in **Q4FY14**.
- R&D Expenses at **15%** of Sales in **Q4FY15**.
- Profit After Tax at Rs. **34** crore in **Q4FY15**.

# PERFORMANCE HIGHLIGHTS FY14-15 vs. FY13-14



- Consolidated revenues at Rs.**4481** crore in **FY14-15** versus Rs.**4830** crore in **FY13-14**, year-on-year decline of **7%**.
  - India & Emerging Markets Business grows by **19%**.
  - Europe Business (excluding France) grew by **38%** for **FY14-15** (France degrows by **1%**)
  - USA Business declines by **49%** (**51%** in \$ terms)
- Higher Gross Margins at **67%** in **FY14-15** versus **63%** in **FY13-14**.
- EBITDA at Rs. **827** crore in **FY14-15** versus Rs. **980** crore in **FY13-14** declines **16%**.
- EBITDA margins at **18.5%** in **FY14-15** versus **20%** in **FY13-14**.
- R&D Expenses at **11.5%** of Sales in **FY14-15** and growth of **14%** over **FY13-14**.
- Profit After Tax at Rs. **405** crore in **FY14-15**.

# Business Highlights

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- **International operations**

- at Rs.742 crore, contributes **69%** of global revenues **for Q4FY15**, degrows by **8%**
- at Rs.3246 crore, contributes **72%** of global revenues **for FY14-15**, declines by **15%**

- **US Business**

- At Rs. **290** crore **for the quarter** and at Rs. **1,087** crore **for FY14-15**.
- Contributes **27%** of global revenues **for Q4FY15** with decline of **21% in INR & 22% in USD terms**.
- Contributes **24%** of global revenues **for FY14-15** with decline of **49% (51% on \$ basis)**.

- **Europe Business**

- At Rs. **364** crore (excluding France) **for Q4FY15** and at Rs. **1704** crore **for FY14-15**.
- Grows by **20%** (excluding France) **for Q4FY15**. France declines by **55%**.
- EU excluding France grows by **38%** for **FY14-15**. France degrows by **1%**.
- **UK** markets grows by **36%** (grows by **34%** £ basis) for **Q4FY15**. Growth of **46%** (growth of **35%** on £ basis) in **FY14-15**.
- Among top 5 Generic companies in UK.
- Irish market declines by **11%** (**6%** on € basis) **for Q4FY15**. Declines by **10%** (**11%** on € basis) in **FY14-15**.

- **India & Emerging Markets Business**

- **India Business** grows by **46%** in **Q4FY15** and growth of **24%** in **FY14-15**.
- **Emerging Markets (Including India) Business** grows by **26%** for **Q4FY15** and grows by **19%** in **FY14-15**.

# Financials

## Consolidated P&L

Rs. Crore

Particulars	Q4-FY15	Q4-FY14	Growth %	FY14-15	Growth %
Revenues from Operations	1,079	1,038	3.9%	4,481	-7.2%
Material Consumption	372	386	-3.6%	1,478	-17.7%
Gross Margins	707	652	8.4%	3,003	-1.0%
<b>Gross Margin %</b>	<b>65.5%</b>	<b>62.8%</b>		<b>67.0%</b>	<b>6.7%</b>
Staff Cost	192	167	15.0%	733	10.4%
R&D Expenses	148	101	46.5%	489	21.3%
Other Expenditure	231	262	-11.8%	954	-3.3%
Total Expenditure	943	916	2.9%	3,654	-5.1%
EBITDA	136	122	11.5%	827	-15.6%
<b>EBITDA Margin</b>	<b>12.6%</b>	<b>11.8%</b>		<b>18.5%</b>	
Interest & Financing Cost					
a. Interest	14	17	-17.6%	55	-33.7%
b. (Income)/Expense due to Exchange Rate Fluctuation	40	-12		118	
Depreciation	35	34	2.9%	145	3.6%
Other Income	13	9		66	
Profit/(Loss) Before Tax before exceptional items	60	92	-34.5%	575	-31.6%
Exceptional Item Profit/(Loss)	0	-9		0	
Profit/(Loss) before Tax	60	83	-27.4%	575	-35.5%
Tax Expense	27	7		162	
Profit/(Loss) After Tax	33	76	-56.6%	413	-51.0%
Add: Share of Profit/(Loss) from Associates	0	0		0	
Less: Minority Interest	-1	1		8	
Net Profit/(Loss)	34	75	-54.7%	405	-51.8%
<b>Net Profit Margin %</b>	<b>3.2%</b>	<b>7.2%</b>		<b>9.0%</b>	

# Business Review

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## US Operations

USA business for Wockhardt contributed 27% of the Global Revenues in Q4FY15 compared to 35% in the Q4FY14. Revenues from the US Business were at Rs. 290 crore in Q4FY15 versus Rs. 367 crore in Q4FY14, representing a decline of 21% in INR and 22% in USD terms.

The business contributed 24% of the Global Revenues in FY14-15 compared to 45% in FY13-14 with revenues at Rs.1087 crore in FY14-15 compared to Rs. 2150 crore in FY13-14 representing a decline of 49% in INR terms and 51% in USD terms.

The company filed 14 ANDA's with US FDA during FY15 and a total of 69 ANDA's are pending for approval till date.

## Europe Operations

Europe Operation (including France) contributed 36% of the Global Revenues in Q4FY15 and 41% in FY14-15. Revenues from EU Operations (excluding France) were at Rs.364 crore in Q4FY15 and at Rs.1704 crore in FY14-15, representing a growth of 20% in INR terms in Q4FY15 and 38% in FY14-15. Revenues from French Operations were at Rs.22 crore in Q4FY15 and at Rs.143 crore in FY14-15, versus Rs.49 crore in Q4FY14 and Rs.145 crore in FY13-14, representing a decline of 55% in INR terms in Q4FY15 and a degrowth of 1% in FY14-15.

UK Operations (including Pinewood's UK business) revenues were at Rs.308 crore in Q4FY15 and at Rs.1405 crore in FY14-15, versus Rs.226 crore in Q4FY14 and Rs.964 crore in FY13-14, representing a growth of 36% in INR terms in Q4FY15 and growth of 46% in FY14-15. UK made 11 new filings in FY14-15.

Irish Business revenues were at Rs.38 crore in Q4FY15 and at Rs.158 crore in FY14-15, versus Rs.43 crore in Q4FY14 and Rs.176 crore in FY13-14, representing a de-growth of 11% in INR terms in Q4FY15 and a de-growth of 10% in FY14-15.

## India & Emerging Markets

India and Emerging Markets contributed 37% of the global revenues in Q4FY15. Revenues from India and Emerging Markets were at Rs.403 crore in Q4FY15 and at Rs.1547 crore in FY14-15, versus Rs.319 crore in Q4FY14 and Rs.1300 crore in FY13-14, representing a growth of 26% in Q4FY15 and growth of 19% in FY14-15.

- India Business grew by 46% during Q4FY15 and 24% for FY14-15.
- Emerging Markets business declined by 25% during the quarter and grew by 3% in FY14-15.
- 2 New products launched in Domestic Market during Q4FY15 and 42 new products launched in Domestic Market during FY14-15.

## Financial Highlights

Particulars	Mar-15	Mar-14
a. Fixed assets	2,416	2,152
b. Goodwill on consolidation	714	850
c. Other Assets	288	264
d. Cash, Bank balances, Liquid Investment	1,573	1,700
e. Net Current Assets	1,368	1,071
<b>Total Assets</b>	<b>6,359</b>	<b>6,037</b>
a. Shareholders funds	3,715	3,581
b. Minority Interest	144	136
c. Loans	2,010	1,906
d. Other liabilities	489	414
<b>Total Liabilities</b>	<b>6,359</b>	<b>6,037</b>

- ✓ Net Debt to Equity now at 0.12 as against 0.06 as of 31<sup>st</sup> Mar 2014.
- ✓ Capital Expenditure of Rs 431 during FY14-15.
- ✓ R&D expenses at 15% of sales in Q4FY15 and at 11.5% of sales in FY14-15.

## Status Update on Recent Events

The Company has initiated a number of improvement measures to ensure creation of a robust, sustainable and compliant operating framework on a consistent basis. As an outcome of completion of GMP remediation submitted by the Company during the year, US FDA conducted inspection at L1-Chikalhana and Waluj facilities in Aurangabad and observed on going improvement in Company's efforts towards compliance. The Company is in the process of implementing remedial measures. During the year, UK MHRA carried out inspection of Company's manufacturing unit at Aurangabad and has lifted Statement of Non-Compliance (SNC). A good manufacturing practice (GMP) certificate remains in force that allows products to be supplied to the UK market. Additionally, UK MHRA has restored the EU GMP certification of the Company's potent product facility at Kadaiya.

The company's investment in its research programs were aptly rewarded as it received the coveted Qualified Infectious Disease Product (QIDP) status for its NCE product WCK 4873 during this month. This is the third product from Wockhardt to receive this status after WCK 771 and WCK 2349 received the same status during FY15. QIDP status is granted to drugs, identified by CDC (Centre for Disease Control, USA), that act against pathogens which have a high degree of unmet need in their treatment. The incentives include fast track clinical development and review of the drug application by US FDA for drug approval and five-year extension of market exclusivity in addition to the regular patent protected period in the USA. Wockhardt is the only Indian company to receive QIDP status for its NCE products.

## About Wockhardt

Wockhardt is a Research based and technology intensive global pharmaceutical and biotechnology company. It's multi-disciplinary and innovative R&D programmes globally are strongly focused on creating Intellectual Properties. It has 3 research centres globally and manufacturing facilities across India, USA, UK and Ireland. Wockhardt has a significant presence in USA, Europe and India, with 72% of its global revenues coming from international businesses. With a large pool of Patents and Intellectual Property knowhow, Wockhardt is home to 850 scientists, of whom 80 are doctorates. In all, Wockhardt has 341 Patents granted worldwide. In biotechnology research, it has built competent 'Concept to Market' capability in all facets of development and manufacture of recombinant biopharmaceuticals. Wockhardt boasts of a multi-ethnic workforce of more than 8600 people from 21 different nationalities.

## Disclaimer

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