

Sales

- Q3FY18 : Rs.1,005 crore vs Rs 995 crore in PY
- 9MFY18 : Rs. 2,919 crore vs Rs 3,151 crore in PY

EBITDA before R&D

- Q3FY18 : Rs. 106 crore vs Rs 118 crore in PY
- 9MFY18 : Rs 185 crore vs Rs 510 crore in PY

EBITDA

- Q3FY18 : Rs. 45 crore vs Rs 18 crore in PY
- 9MFY18 : Rs. (25) crore vs Rs 203 crore in PY

PAT

- Q3FY18 : Rs (41) crore vs Rs (54) crore in PY
- 9MFY18 : Rs (454) crore vs Rs (21) crore in PY

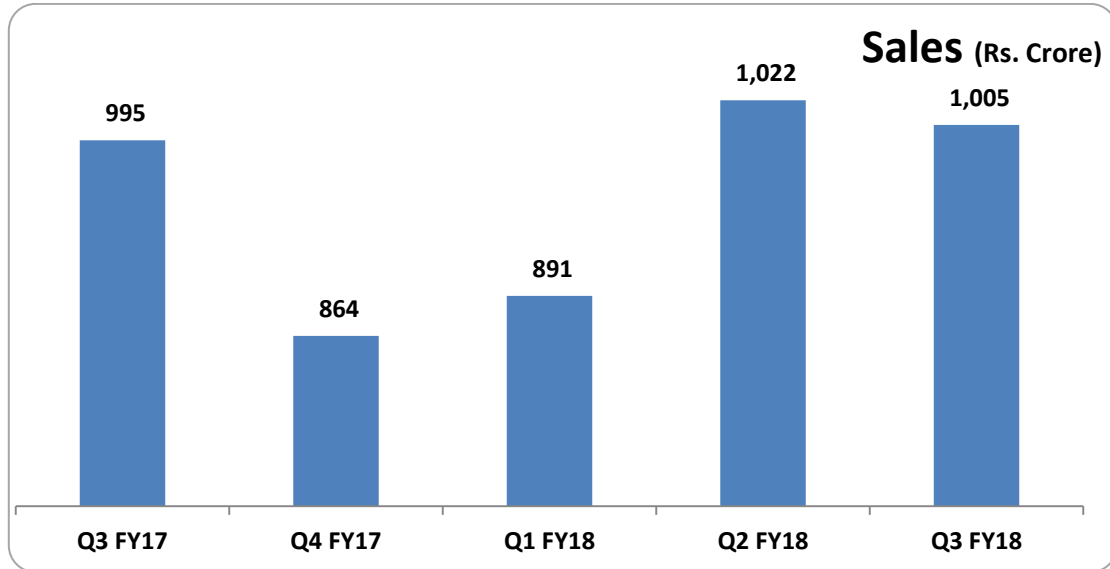
KEY INDICATORS

- Capital Expenditure of Rs.91 crore during Q3FY18 & Rs. 205 crore in 9MFY18

INVESTOR COMMUNICATION – Q3FY18

PERFORMANCE HIGHLIGHTS

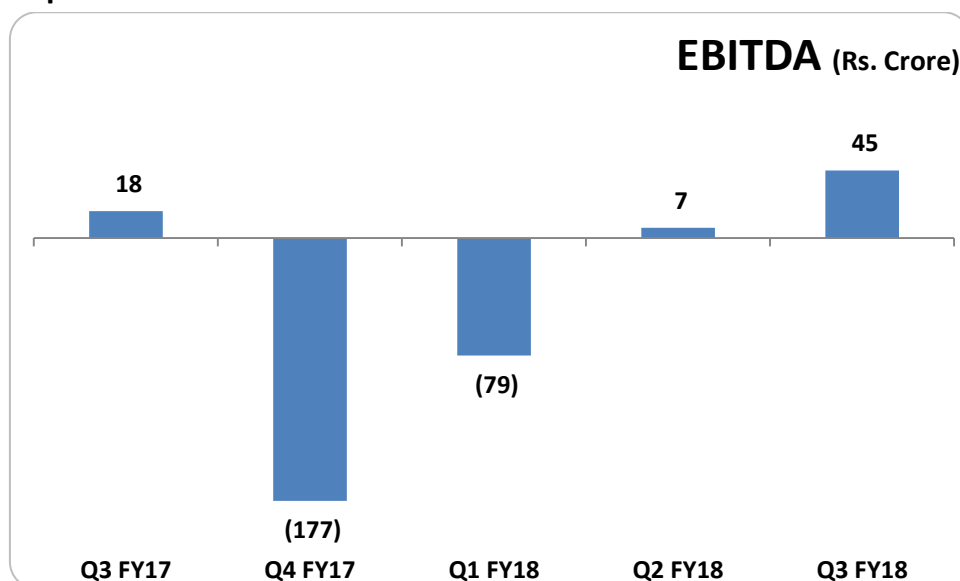
Sales Performance over the period:



After subdued performances in past few quarters mostly owing to genericisation of some of the products in US and introduction of GST in India, Sales grew by 1% to Rs.1,005 crore over Q3FY17, which stood at Rs.995 crore.

Growth in Sales is mainly on account of improved India Branded Business coupled with an upward trend in Emerging market business over Q3FY17.

EBITDA over the period:



The business performance showed marked improvement during the quarter with significant increase in EBITDA to 2.5 times to Rs. 45 crore compared to Rs. 18 crore in Q3 FY 17. Company's focus on cost containment and rationalisation continues delivering its intended positive impact on profitability inspite of on-going remedial measures. However, the focus in strategic R&D initiatives of the Company continues in-spite of the fact that they are expensed off.

Consolidated Financials – Q3FY18:

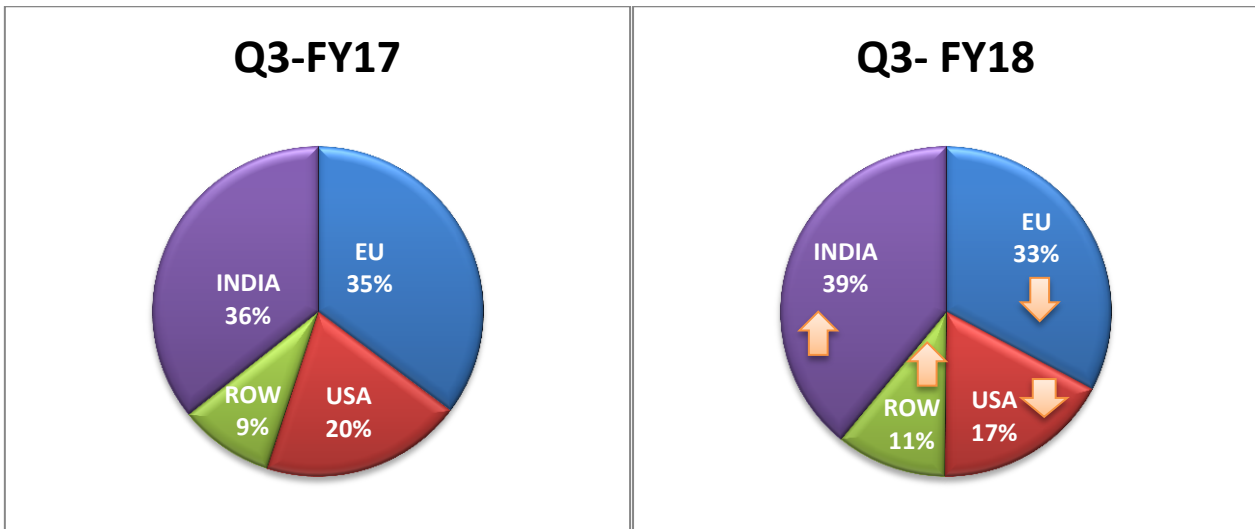
- Consolidated revenues at Rs. **1,005** crore in **Q3FY18** vs Rs. **995** crore in **Q3FY17** which is a growth of ~1%. However revenues de-grew by **2%** compared to Q2FY18
 - India Business grew by **10%** in Q3FY18 compared to Q3FY17, de-grew by **13%** in Q3FY18 over Q2FY18 mainly due to normalisation of GST impact in Q3FY18.
 - Emerging market Business grew by **18%** in Q3FY18 compared to Q3FY17 and recorded a growth of 26% in Q3FY18 over Q2FY18.
 - UK revenues grew 6% in GBP terms in Q3FY18 over Q3FY17, grew by **3%** in GBP terms in Q3FY18 over Q2FY18.
 - US Business grew by 11% in Q3FY18 compared to Q2FY18 in dollar terms and grew by 10% in INR terms Q-o-Q, mainly on account of New Products approvals by US FDA.
- Gross Margins at **56%** in **Q3FY18**, up by 2% from last two quarters of this fiscal.
- EBITDA at Rs. **45** crore compared to Rs. **18** crore in **Q3FY17**, which is 2.5 times over same period of last year, and 6 times compared to last quarter Q2FY18 which stood at Rs. 7 crore.

Consolidated Financials – 9 months ended FY18 :

- Consolidated revenues at Rs. **2,919** crore in **9 months ended FY18** vs Rs. **3,151** crore in **9 months ended FY17**.
 - India Business de grew by 4% in 9 months ended FY18 compared to same period of FY17.
 - Emerging market Business grew by **10%** in 9 months ended FY18 as compared to 9 months ended FY17.
 - UK revenues de grew by 7% in INR terms in 9 months ended FY18 compared to 9 months ended FY17 (which however recorded 2% growth in GBP terms).

- US Business de grew by 15% in INR terms in 9 months ended FY18 as compared to 9 months ended FY17.
- Gross Margins at **55%** during 9 month ended FY18.
- EBITDA at Rs. (25) crore compared to Rs. 203 crore in 9 months ended FY17.

Share of Global Revenues:-



Business Highlights

- **International operations**

- at Rs.613 crore, contributes **61%** of global revenues **for Q3FY18**, de grows by 4% compared to **Q3FY17** mainly on account of genericisation of some of the products of the Company in USA.
- at Rs.1,772 crore, contributes **61%** of global revenues **for 9 months ended FY18**, de grows by 9% compared to same period of **FY17**.

- **India & Emerging Markets Business**

- India and Emerging Markets contributed 50% of the global revenues in Q3FY18 and 49% in 9 months ended FY18.
- 3 new products launched in India during Q3FY18 and 11 new products during 9MFY18.
- India Business grew by 10% in Q3FY18 over Q3FY17 and stood at Rs.392 crore in Q3FY18 vs Rs.355 crore in Q3FY17. India Business stood at Rs.1,147 crore for 9MFY18 vs Rs. 1,199 crore in for 9MFY17.

- **Emerging Markets Business** grew by 26% in Q3FY18 compared to Q2FY18 and stood at Rs. 109 crore in Q3FY18 compared to Rs. 86 crore in Q2FY18. During 9 months ended FY18 it stood at Rs. 282 crore vs Rs 256 crore in same period of FY17 representing a growth of 10% in 9 months ended FY18.
- **Europe Business**
 - Europe Operation (including France) contributed 33% of the Global Revenues in Q3FY18 and 34% during 9 months ended FY18. Revenues from EU Operations (excluding France) were at Rs.317 crore in Q3FY18 and at Rs.962 crore during 9 months ended FY18. Revenues from French Operations were at Rs.13 crore in Q3FY18 and Rs. 43 crore in 9MFY18 versus Rs.15 crore in Q3FY17 and Rs. 51 crore during 9MFY17.
- **UK Operations (including Pinewood's UK business)**
 - UK revenues were at Rs.264 crore in Q3FY18 vs Rs.260 crore in Q3FY17, representing a growth of 2% in Q3FY18 in INR terms (and grew by 6% in GBP terms in Q3FY18 over Q3FY17). UK operations stood at Rs.775 crore YTD Dec '17 versus Rs.831 crore in YTD Dec FY '16; de grew by 7% mainly due to Brexit .
 - 1 product was launched in Q3FY18 in UK.
 - **Irish Business** revenues were at Rs.42 crore in Q3FY18 vs Rs.36 crore in Q3FY17, grew by 17% in Q3FY18 in INR terms (grew by 16% in Euro terms). During 9MFY18 Irish business grew by 8% in INR terms (Revenues at Rs.115 crore in 9MFY18 versus Rs.107 crore in 9MFY17).
- **US Business**
 - US business for Wockhardt contributed 17% of the Global Revenues in Q3FY18 compared to 20% in the Q3FY17. Revenues from the US Business were at Rs. 175 crore in Q3FY18 versus Rs.197 crore in Q3FY17. During 9MFY18 it stood at Rs 485 crore versus Rs.570 crore during 9MFY 17.
 - The company received 1 new approval of ANDA during the quarter.

• Consolidated P&L

Rs. Crore

Particulars	Q3-FY18	Q2-FY18	Q3-FY17	9M FY18	9M FY17
Revenues from Operations	1005	1022	995	2919	3151
Material Consumption	446	471	410	1325	1214
Gross Margins	559	551	585	1594	1937
<i>Gross Margin %</i>	<i>56%</i>	<i>54%</i>	<i>59%</i>	<i>55%</i>	<i>61%</i>
Staff Cost	204	226	211	638	631
R&D Expenses	61	77	100	210	307
Other Expenditure	248	241	256	771	796
Total Expenditure	960	1015	977	2944	2948
EBITDA	45	7	18	(25)	203
<i>EBITDA Margin</i>	<i>5%</i>	<i>1%</i>	<i>2%</i>	<i>-1%</i>	<i>6%</i>
EBITDA before R&D	106	84	118	185	510
<i>EBITDA Margin before R&D</i>	<i>11%</i>	<i>8%</i>	<i>12%</i>	<i>6%</i>	<i>16%</i>
Interest Expenses (Net)	56	60	44	169	117
(Income)/Expense due to Exchange Rate Fluctuation	(1)	(14)	17	(33)	26
Depreciation	38	36	38	111	112
Other Income / (Loss)	31	47	5	107	9
Profit/(Loss) Before Tax before exceptional items	(16)	(28)	(76)	(165)	(43)
Exceptional Item Profit/(Loss)	-	0	-	(358)	-
Profit/(Loss) before Tax	(16)	(28)	(76)	(523)	(43)
Tax Expense (Including Deferred Tax)	27	(20)	(15)	(9)	(24)
Profit After Tax (PAT)	(43)	(8)	(61)	(514)	(19)
Add: Share of Profit/(Loss) from Associates	0	0	0	0	0
Less: Non-Controlling Interest	(2)	(5)	(7)	(60)	2
PAT after Non-Controlling Interest	(41)	(3)	(54)	(454)	(21)
<i>PAT after Non-Controlling Interest Margin %</i>	<i>-4%</i>	<i>0%</i>	<i>-5%</i>	<i>-16%</i>	<i>-1%</i>

About Wockhardt

Wockhardt is a Global Pharmaceutical and Biotech company employing over 10,000 people and 27 nationalities with presence in USA, UK, Ireland, Mexico, Russia and many other countries. It has manufacturing and research facilities in India, USA & UK and a manufacturing facility in Ireland. Wockhardt has a significant presence in USA, Europe and India, with 61% of its global revenues coming from international businesses. Wockhardt is home to 600 plus scientists, of whom 70 plus are doctorates. Wockhardt is the only company in the world where USFDA has given QIDP Status (Qualified Infectious Diseases Programme) for 5 of our Anti-bacterial discovery programmes – 2 of them are Gram Negative and 3 Gram Positive effective against untreatable “Superbugs”. Wockhardt’s entire Anti-infective portfolio particularly addresses the specific bacterial organism where resistances are high and breakthrough antibiotics are needed.

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Contact Information

Investorrelations@wockhardt.com