

CHAIRMAN'S SPEECH

ANNUAL GENERAL MEETING

14th August, 2019



SHAPING TOMORROW.
LIFE WINS.

Golden
50
years

WOCKHARDT | **LIFE WINS**



Dr. Habil Khorakiwala
Founder Chairman

My dear shareowners,
friends and distinguished guests,

Welcome to the Annual General Meeting of
Wockhardt Limited.

Our theme for this year is Shaping Tomorrow.
As a research-based pharmaceutical company,
much of what we do is about ensuring a healthy

future. We fulfil a need and not fuel a desire. From developing new drugs to providing cutting-edge healthcare services to fulfilling our corporate social responsibility, we are enabling a better tomorrow.

Shaping Tomorrow through Performance

You will be pleased to know that this year we improved our performance over the last year.

In FY 2018-19, our consolidated revenues increased by nearly 6% over the previous year to ₹4,158 crore, with Profit After Tax (PAT) at ₹(194) crore. In the year under review, our EBITDA improved to ₹135 crore as compared to ₹(55) crore in FY 2017-18. Our Net Debt increased to ₹2,913 crore as against ₹2,441 crore in the previous year. As on March 31, 2019, Net Debt to Equity Ratio is 0.97 as compared to 0.76 as on March 31, 2018.

As on March 31, 2019, our international businesses accounted for 64% of total revenues. Our US business contributed 19%, up from 17% in FY 2017-18, while revenues from Emerging Markets accounted for 13%, up from 11% in the previous year. The India business accounted for 36% of total business, as against 38% in the

previous year, while revenues from EU operations stood at 32% of total revenues, as compared to 34% in FY 2017-18.

But like American orator William J. H. Boetcker said, “The difficulties and struggles of today are but the price we must pay for the accomplishments and victories of tomorrow.” I assure you that the future has a lot of achievements in store for Wockhardt.

Shaping Tomorrow through R&D

You are all well aware of our long and continuing focus on Research & Development. Our industry-leading spends on R&D, as a percentage of total revenues, have been validated year after year by the results of our efforts.

In FY 2018-19, our investment in R&D, including capital expenditure, amounted to 11% of total sales. During the year, we filed 95 patents and were granted 66 patents, taking cumulative patents filed to 3,132 and patents granted to 694, as on March 31, 2019. This represents a substantial Intellectual Property (IP) base that will yield rich dividends in the future.

As you know, we have several New Chemical Entities (NCEs) under development as antibiotic drugs to counter the danger of Antimicrobial Resistance (AMR). They are at various stages of clinical trials and there is ample reason to be highly optimistic of the results. I would like to share with you a few significant developments that are an indication of what the future holds for Wockhardt.

Chinese regulator NMPA has acknowledged that our NCE, WCK 4282, would address unmet needs in China and so, China would be a part of the global Phase III cUTI study. Another NCE, WCK 4873, has obtained India Phase 3 CABP study approval from DCGI, which will commence in the third quarter of 2019. Yet another NCE, WCK 771/WCK 2349, has completed India Phase 3 ABSSSI study and our New Drug Application (NDA) is under review by the Investigational New Drug (IND) committee. Finally, for another NCE, WCK 6777, the US FDA has accepted IND for a unique once-a-day MDR Gram-negative product, our 6th IND to be cleared in the very first filing.

As American sales and motivational legend William E. Holler said, "What the future holds for us depends on what we hold for the future. Hard working today's make high-winning tomorrows."

Shaping Tomorrow through Compliance

For a sustainable tomorrow, achieving regulatory compliance today is critical. As we operate in global markets that account for about two-thirds of our total revenues, it is imperative to maintain stringent quality control and meet global norms and standards.

While we are still facing compliance issues in two of our manufacturing facilities, I would like to assure you all that we are doing everything we can to measure up and meet all regulatory norms as stipulated by the respective authorities in the markets that we operate in.

Shaping Tomorrow through Excellence

I acknowledge and congratulate all our employees, around 7000 people across 27 nationalities worldwide, for their commitment to excellence. Team Wockhardt demonstrates a global work culture and mind-set aligned to Wockhardt's corporate values, as evident by the numerous awards for excellence won at various industry fora, at an individual and organisational level. In

FY 2018-19, Team Wockhardt continued to excel and won over 40 awards in recognition of its efforts by industry peers.

I wish them all the best and urge them to continue with their winning efforts in the future.

Shaping Tomorrow through CSR

Like our R&D efforts, our CSR activities too stand in eloquent testimony to our efforts in shaping the future. Spearheaded by Wockhardt Foundation and partnered by Wockhardt Hospitals along with several other organisations, our social initiatives aim to enable, empower and enrich the quality of life of the underprivileged and disadvantaged.

Our social outreach programmes that include providing mobile medical services to remote rural areas, toy libraries, skills development, e-learning, potable water, sanitation etc.; cater to unmet needs of the underserved population and help in shaping their lives for the better. Also, by adopting 21 villages near Aurangabad under the Adarsh Gram Yojana, we are endeavouring to create a self-contained and self-reliant community for tomorrow.

I am pleased to tell you that our efforts in FY 2018-19 managed to touch the lives of over 3.5 million people who can look forward to a better tomorrow.

Shaping Tomorrow through Education

You will agree that children are the future; and a good education will mould and shape their minds and thus, shape tomorrow.

Wockhardt Global School (WGS) was established in 2015 with a vision to develop a student community of lifelong learners that demonstrates skills, knowledge and values required for global citizenship to make the world a better place. A non-profit initiative, WGS strives to provide a world-class learning environment of structure, balance, flexibility, inquiry and accountability.

I am proud to inform that WGS was selected as one of the 10 most beautiful schools in the world by 'World Architecture Forum' in Berlin, Germany, in 2017. I am also happy to announce that Wockhardt Global School received accreditation from International Baccalaureate (Geneva, Switzerland) within just 18 months of establishment, becoming

the first and only IB World School in Aurangabad and the entire Marathwada region.

In conclusion, I quote global investor Warren Buffet, who said, "Someone is sitting in the shade today because someone planted a tree a long time ago."

I believe that we are all stakeholders in the future, and thus it is a matter of pride for each one of us that our endeavours, truly and in no small measure, contribute to shaping the future.

I and the Board of Directors, sincerely thank all Wockhardt shareowners, associates, the medical and financial communities, and our vendor associates, for their support, cooperation and good wishes.

God bless us all.



Dr. Habil Khorakiwala
Founder Chairman



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