

Mumbai, 2nd November, 2020

Wockhardt's profitability (PAT) for H1FY21 at Rs.764 crore

	Q2-FY21	Q1-FY21	Q2-FY20	H1 FY 21	H1 FY 20
	Jul - Sep 2020	Apr - Jun 2020	Jul - Sep 2019	Apr - Sep 2020	Apr - Sep 2019
	INR Cr	INR Cr	INR Cr	INR Cr	INR Cr
Sales	714	652	802	1,366	1,665
EBITDA before R&D*	72	(12)	103	61	219
EBITDA % to Sales	10.1%	-1.8%	12.8%	4.4%	13.2%
R&D	45	38	60	83	120
R&D % to Sales	6.3%	5.8%	7.4%	6.1%	7.2%
EBITDA*	27	(49)	43	(22)	99
EBITDA Margins %	3.8%	-7.6%	5.4%	-1.6%	6.0%
Exceptional Items	0	1,328	-	1,328	-
PBT	(85)	1,148	(71)	1,063	(148)
Profit After Tax	4	760	(82)	764	(127)
PAT Margins %	0.5%	116.6%	-10.2%	55.9%	-7.6%
EPS (Rs)	0.3	68.6	(7.4)	69.0	(11.5)

*Inclusive of impact of IND AS 116 (Lease Accounting).

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 2nd Quarter Results for Financial Year 2020-21, today.

The Company has reported EBITDA of Rs. 27 crore (as compared to loss of Rs. 49 crore in the previous quarter i.e. Q1FY21) mainly driven by enhanced Revenue and Cost rationalisation. The Company has also turned around its Profit after Tax (PAT) at marginal level of Rs. 4 crore against a loss of Rs. 82 crore in the corresponding previous quarter i.e. Q2FY20.

Profit after Tax (PAT) for H1FY21 is reported at Rs.764 crore as against Loss of Rs.127 crore in the corresponding period. The Profit includes Exceptional Items in connection with the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh, where some of the products which are being transferred were manufactured (together the “**Business Undertaking**”), to Dr. Reddy’s Laboratories Limited (“**DRL**”).

Business Review:

Quarter ended 30th September, 2020:

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.

- **Emerging Market Business** of the Company stood at Rs.169 crore in Q2FY21 (PY Rs.132 crore). Emerging Market business contributed about 24% of the Global Revenue.
- **UK Business** during the quarter stood at Rs.233 crore in Q2FY21 (PY Rs.223 crore). UK Business contributed about 33% of Global Revenue.
- **India Business** stood at Rs.124 crore in Q2FY21 as compared to Rs.227 crore in Q2FY20. The Continuing Business stood at Rs.124 in Q2FY21 (PY Rs108 crore) registering growth of 15%. De-growth is mainly due to partially divested Branded Generic business. India Business contributed 17% of the Global Revenue.
- **Irish Business** stood at Rs.34 crore in Q2FY21 (PY Rs.39 crore).
- **US Business** stood at Rs.99 crore in Q2FY21 as compared to Rs.145 crore in Q2FY20. US Business contributed 14% of the Global Revenue.

Research & Development expenditure during the quarter was at Rs.45 crore (6% to sales) and including capital expenditure is at 11% to sales.

Capital expenditure during the quarter was Rs.31 crore.

Half year ended 30th September, 2020:

1st Indian Pharmaceutical Company to launch NCE in India in the Anti- Infective space.

Wockhardt is the 1st Indian Pharmaceutical company to launch NCE in the Indian Pharma market. 2 Products have been launched under the Tablet and Injection category under the brand name “EMROK O and EMROK”.

- **Emerging Market Business** of the Company stood at Rs.308 crore in H1FY21 (PY Rs.276 crore). Emerging Market business contributed about 23% of the Global Revenue.
- **UK Business** stood at Rs.451 crore in H1FY21 (PY Rs.447 crore). UK Business contributed about 33% of Global Revenue.
- **India Business** stood at Rs.240 crore in H1FY21 as compared to Rs.471 crore in H1FY20. De-growth is mainly due to partially divested Branded Generic business. India Business contributed 18% of the Global Revenue.
- **Irish Business** stood at Rs.67 crore in H1FY21 (PY Rs.77 crore).
- **US Business** stood at Rs.213 crore in H1FY21 as compared to Rs.331 crore in H1FY20. US Business contributed 16% of the Global Revenue.

Research & Development expenditure during the half year was at Rs.83 crore (6% to sales) and including capital expenditure is at 9% to sales.

Capital expenditure during the half year ended 30th September, 2020 was Rs.62 crore.

COVID -19 Vaccine partnership with UK Government

Wockhardt, on August 3rd, 2020 entered into an agreement with the UK Government to fill finish COVID-19 vaccines for which manufacturing will be undertaken at CP Pharmaceuticals, a subsidiary of Wockhardt based in Wrexham, North Wales.

As per the terms of the agreement the company has reserved manufacturing capacity to allow for the supply of multiple vaccines to the UK Government in its fight against COVID-19, including AZD1222, the vaccine co-invented by the University of Oxford and its spin-out company, Vaccitech, and licensed by AstraZeneca.

In the UK, Wockhardt is one of the largest suppliers into the NHS for over 20 years, has had a presence in Wrexham for over two decades and employs over 400 people at its 612,000 square feet high-tech manufacturing facility.

Debt Position:

Net Debt- Equity ratio as on 31st March, 20 stood at 0.84 and as on 30th September, 20 stood at 0.41.

Intellectual Property (IP) :

8 patents were filed during the quarter ended 30th September, 2020 and the cumulative filings till date are 3173. The company was granted 14 patents during the quarter and now holds 742 patents.

About Wockhardt :

Wockhardt is a research based Global Pharmaceutical and Biotech company. Wockhardt's New Drug Discovery programme has focussed on unmet need of Anti-bacterial drugs that are effective against the menace of untreatable superbugs. Wockhardt is the only company in the world where USFDA has given QIDP Status (Qualified Infectious Diseases Programme) for 6 of our Anti-bacterial discovery programmes – 3 of them are Gram Negative and 3 Gram Positive effective against untreatable "Superbugs". It has a comprehensive Drug Discovery team and clinical organisation.

Wockhardt is employing over 5000 people and 27 nationalities with presence in USA, UK, Ireland, Switzerland, France, 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 82% of its global revenues coming from international businesses.