

November 12, 2020

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 2nd Quarter (July-September) of the Financial Year 2020-21. I take this opportunity to share with you the Company's performance this year along with some key business highlights.

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 "EMROKO and EMROK".

Divestment of Business undertaking to Dr. Reddy's Laboratories accomplished:

The Board of Directors, in their meeting held on June 09, 2020, concluded the Business transfer agreement ("BTA") entered into between the Company and Dr. Reddy's Laboratories Limited ("Purchaser") dated February 12, 2020 read with amendments made time to time for the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees, 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 the Purchaser. The consideration for the above said transfer of Business Undertaking for ₹1,850 crore was structured as per following:

- a) an amount equal to ₹1,550 crore (including a deposit of ₹67 crore in escrow account towards adjustments for, inter alia, Net working capital, employee liabilities and certain other contractual and statutory liabilities) to be paid on the Closing Date under the BTA. The said amount has been paid by the Purchaser to the Company during the half year ended September 30, 2020 including release of ₹63 crore out of the original escrow account of ₹67 crore and,
- b) balance amount equal to ₹300 crore out of total consideration of ₹1,850 crore has been held back ("Holdback Amount"), by the Purchaser on the Closing Date (i.e., June 09, 2020) for assessment of the impact of the COVID-19 pandemic on the Business Undertaking and shall be released as equal to 2 (two) times the amount by which the revenue exceeds ₹480 crore from sales of the products forming part of the said Business Undertaking by the Purchaser during the 12 months post-closing date.

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.

Financial Highlights

The Company has reported EBITDA of ₹27 crore (as compared to loss of ₹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 ₹4 crore against a loss of ₹82 crore in the corresponding previous quarter i.e. Q2FY20. The PAT for H1FY21 is ₹764 crore as against a loss of ₹127 crore in the corresponding period.



Q2 (July-September) FY 2020-21

- ◆ Consolidated revenue for the quarter is ₹714 crore, compared to ₹802 crore in the previous year.
- ◆ EBITDA before R&D is ₹72 crore for Q2FY21, compared to ₹103 crore in previous year.
- ◆ R&D spend at ₹45 crore (6% of sales) and including capital expenditure is at 11% to sales for Q2FY21.

Business Highlights

- ◆ The International Business contributed 83% of the global revenue in Q2FY21.
- ◆ India Business stood at ₹124 crore in Q2FY21 as compared to ₹227 crore in Q2FY20. The Continuing Business stood at ₹124 crore in Q2FY21 (PY ₹108 crore) registering growth of 15%. De-growth is mainly due to partially divested Branded Generic business.
- ◆ Emerging Markets Business of the Company stood at ₹169 crore in Q2FY21 (PY ₹132 crore).
- ◆ UK Business during the quarter stood at ₹233 crore in Q2FY21 (PY ₹223 crore).
- ◆ US Business stood at ₹99 crore contributing to 14% of the Global Revenues in Q2FY21.
- ◆ Irish Business stood at ₹34 crore in Q2FY21 (PY ₹39 crore).
- ◆ French Operations stood at ₹20 crore in Q2FY21 as compared to ₹18 crore in Q2FY20.

H1 (April-September) FY 2020-21

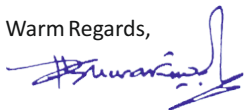
- ◆ Consolidated revenue for H1FY21 is ₹1,366 crore, compared to ₹1,665 crore in the previous year.
- ◆ EBITDA before R&D is ₹61 crore for H1FY21, compared to ₹219 crore in previous year.
- ◆ R&D spend at ₹83 crore (6% of sales) and including capital expenditure is at 9% to sales for H1FY21.

Business Highlights

- ◆ The International Business contributed 82% of the global revenue in H1FY21.
- ◆ India Business stood at ₹240 crore in H1FY21 as compared to ₹471 crore in H1FY20. De-growth is mainly due to partially divested Branded Generics business. India Business contributed 18% of the Global Revenue.
- ◆ Emerging Markets Business of the Company stood at ₹308 crore in H1FY21 showing a growth of 12% compared to the previous year (PY ₹276 crore).
- ◆ UK Business stood at ₹451 crore in H1FY21 (PY ₹447 crore).
- ◆ US Business stood at ₹213 crore contributing to 16% of the Global Revenues in H1FY21.
- ◆ Irish Business stood at ₹67 crore in H1FY21 (PY ₹77 crore).
- ◆ French Operations stood at ₹36 crore in H1FY21 as compared to ₹34 crore in H1FY20.

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

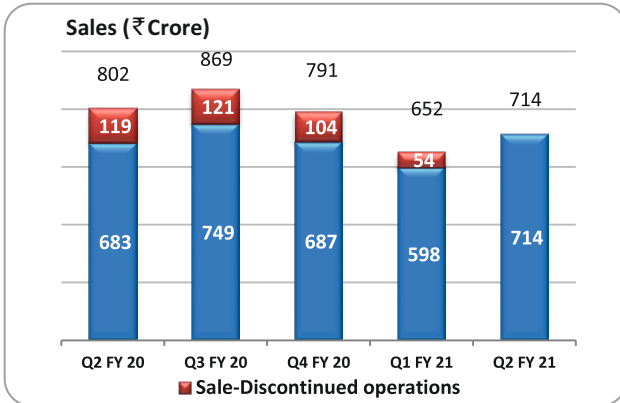
Warm Regards,



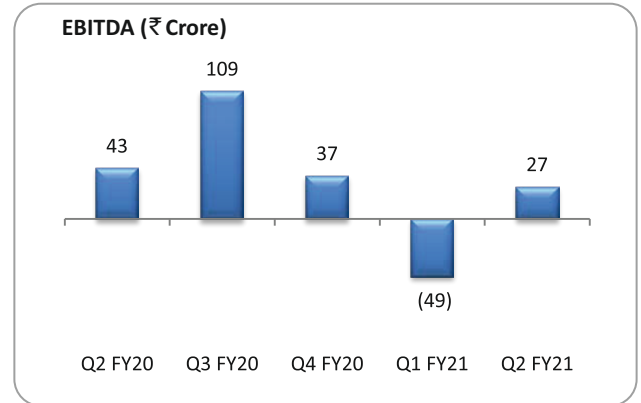
Dr. Habil Khorakiwala
Founder Chairman

PERFORMANCE HIGHLIGHTS

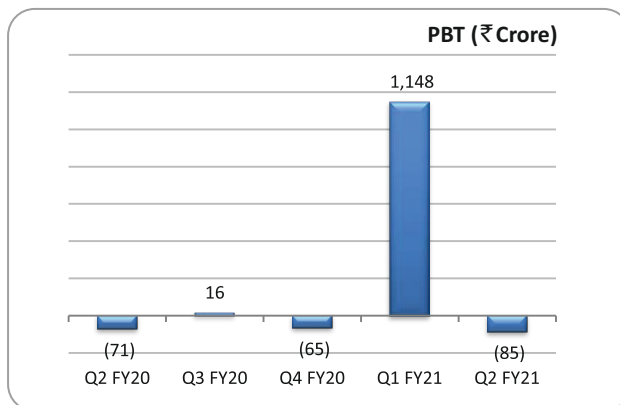
Sales Performance over the period:



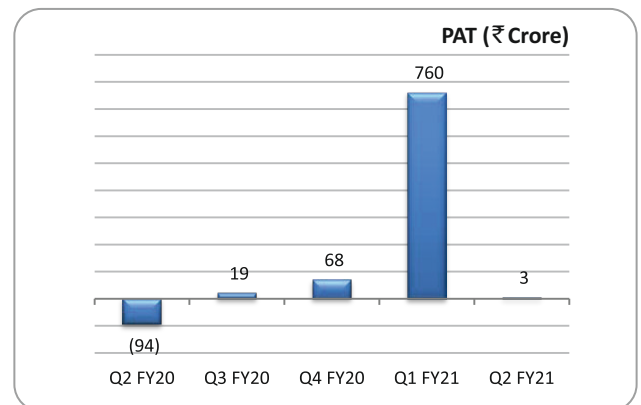
EBITDA over the period:



PBT over the period:



PAT over the period:



Consolidated Financials – Q2FY21:

- Consolidated revenues at ₹ 714 crore in Q2FY21 vs. ₹ 802 crore in Q2FY20, a de-growth of ~11%.
 - India Business Continued operations **grew by 15%** in Q2FY21 compared to Q2FY20.
 - Emerging Markets Business **grew by 28%** in Q2FY21 compared to Q2FY20.
 - UK revenues de-grew by 4% in GBP terms in Q2FY21 over Q2FY20.
 - US Business de-grew by 36% in Q2FY21 compared to Q2FY20 in dollar terms.
- Gross Margins at 59% during Q2FY21 compared to 60% in Q2FY20.
- EBITDA at ₹ 27 crore compared to ₹ 43 crore in Q2FY20.

Consolidated Financials – H1FY21:

- Consolidated revenues at ₹ 1,366 crore in H1FY21 vs. ₹ 1,665 crore in H1FY20, a de-growth of ~18%.
 - India Business Continued operations de-grew by 13% in H1FY21 compared to H1FY20.
 - Emerging Markets Business **grew by 12%** in H1FY21 compared to H1FY20.
 - UK revenues de-grew by 6% in GBP terms in H1FY21 over H1FY20.
 - US Business de-grew by 40% in H1FY21 compared to H1FY20 in dollar terms.
- Gross Margins at 62% during H1FY21 **up by 2%** compared to H1FY20.
- EBITDA at ₹ (22) crore compared to ₹ 99 crore in H1FY20.

BUSINESS HIGHLIGHTS

• International Operations

- At ₹590 crore, contributes 83% of global revenues for Q1FY21, **grew by 3%** as compared to Q1FY20.
- At ₹1,126 crore, contributes 82% of global revenues for H1FY21, de-grew by 6% as compared to H1FY20.

• India & Emerging Markets Business

- India and Emerging Markets contributed 41% of the global revenues in Q2FY21 and 40% in H1FY21.
- NCE launched in India Branded business during H1FY21.
- India Business continued operations stood at ₹124 crore showing a growth of 15% compared to Q2FY20 and India Business discontinued operations were NIL compared to ₹119 crore in Q2FY20. India Business continued operations stood at ₹186 crore in H1FY21 compared to ₹214 crore in H1FY20 and India Business discontinued operations were ₹54 crore in H1FY21 compared to ₹257 crore in H1FY20.
- Emerging Markets Business stood at ₹169 crore in Q2FY21 showing a growth of 28% compared to ₹132 crore in Q2FY20. Emerging Markets Business stood at ₹308 crore in H1FY21 compared to ₹276 crore in H1FY20.

• Europe Business & UK

- Europe Operations (including France) contributed 45% of the Global Revenues in Q2FY21 and 44% in H1FY21. Revenues from EU Operations (excluding France) were at ₹321 crore in Q2FY21 and ₹605 crore in H1FY21. Revenues from French Operations stood at ₹20 crore in Q2FY21 compared to ₹18 crore in Q2FY20 and at ₹36 crore in H1FY21 compared to ₹34 crore in H1FY20.

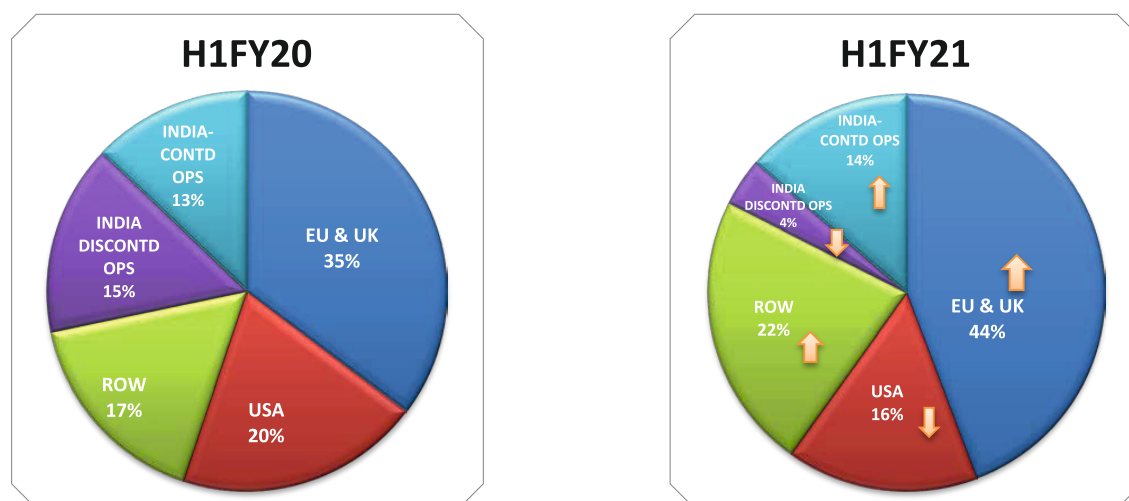
• UK Operations (including Pinewood's UK Business)

- UK revenues stood at ₹233 crore in Q2FY21 vs. ₹223 crore in Q2FY20, representing growth of 5% in INR terms (and de-grew by 4% in GBP terms in Q2FY21 over Q2FY20). UK revenues stood at ₹451 crore in H1FY21 vs. ₹447 crore in Q2FY20, representing growth of 1% in INR terms (and de-grew by 6% in GBP terms in H1FY21 over H1FY20).
- Irish Business revenues were at ₹34 crore in Q2FY21 vs. ₹39 crore in Q2FY20, de-grew by 14% in Q2FY21 in INR terms (and 22% in Euro terms). Irish Business revenues were at ₹67 crore in H1FY21 vs. ₹77 crore in H1FY20, de-grew by 13% in H1FY21 in INR terms (and 20% in Euro terms).

• US Business

- US Business contributed to 14% of the Global Revenues in Q2FY21 compared to 18% in the Q2FY20. Revenues from the US Business were at ₹99 crore in Q2FY21 versus ₹145 crore in Q2FY20. US Business contributed to 16% of the Global Revenues in H1FY21 compared to 20% in the H1FY20. Revenues from the US Business were at ₹213 crore in H1FY21 versus ₹331 crore in H1FY20.
- Total pending ANDAs as on 30th September, 2020 is 37.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q2 FY21	Q1 FY21	Q2 FY20	H1 FY21	H1 FY20
Revenues from Operations	714	652	802	1366	1665
Material Consumption	292	229	321	521	671
Gross Margins	422	423	482	846	994
<i>Gross Margin %</i>	<i>59%</i>	<i>65%</i>	<i>60%</i>	<i>62%</i>	<i>60%</i>
Staff Cost	177	205	190	382	401
R&D Expenses	45	38	60	83	120
Other Expenditure*	173	230	189	402	374
Total Expenditure	687	702	759	1388	1566
EBITDA*	27	(49)	43	(22)	99
<i>EBITDA Margin</i>	<i>4%</i>	<i>-8%</i>	<i>5%</i>	<i>-2%</i>	<i>6%</i>
EBITDA before R&D*	72	(12)	103	61	219
<i>EBITDA Margin before R&D</i>	<i>10%</i>	<i>-2%</i>	<i>13%</i>	<i>4%</i>	<i>13%</i>
Interest Expenses (Net)*	61	74	65	135	136
(Income)/Expense due to Exchange Rate Fluctuation	11	9	(4)	19	11
Depreciation*	57	56	53	113	108
Other Income / (Loss)	16	8	(0)	24	8
Profit/(Loss) Before Tax before exceptional items	(85)	(180)	(71)	(265)	(148)
Exceptional Items	0	1,328	-	1,328	-
Profit/(Loss) before Tax	(85)	1148	(71)	1063	(148)
Tax Expense (Including Deferred Tax)	(88)	388	24	300	(17)
Profit After Tax (PAT)	3	760	(94)	763	(131)
Less: Non-Controlling Interest	(0)	(0)	(12)	(1)	(4)
PAT after Non-Controlling Interest	4	760	(82)	764	(127)
<i>PAT after Non-Controlling Interest Margin %</i>	<i>0%</i>	<i>117%</i>	<i>-10%</i>	<i>56%</i>	<i>-8%</i>

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

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

Visit us at: www.wockhardt.com