



August 30, 2019

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 1st Quarter (April-June) of the Financial Year 2019-20. I take this opportunity to share with you the Company's performance this quarter along with some key business highlights.

The business performance of the Company during the quarter ended 30th June, 2019 showed improvement in EBITDA by 93% from ₹29 crore in Q1 FY19 to ₹56 crore in Q1 FY20 driven by Remedial cost reduction and overall cost rationalisation. EBITDA in Q1 FY20 is inclusive of impact of IND AS 116 (Lease Accounting) as applicable. Sales during Q1 FY20 were at ₹863 crore lower by 14% as compared to corresponding quarter of previous year.

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.

Financial Highlights for Q1 (April - June) FY 2019-20

- ◆ Consolidated revenue for the quarter is ₹ 863 crore.
- ◆ EBITDA before R&D spend is ₹116 crore for Q1FY20, compared to ₹ 90 crore in previous year.
- ◆ R&D spend at ₹ 60 crore (7% of sales) and including capital expenditure is at 12% to sales for Q1FY20.

Business Highlights

- ◆ The International Business contributed 72% of the global revenue in Q1FY20.
- ◆ India Business de-grew by 38% over Q1FY19 and stood at ₹244 crore in Q1FY20 vs ₹395 crore in Q1FY19. Four new products launched in India during Q1FY20.
- ◆ Emerging Markets Business grew by 21% in Q1FY20 compared to Q1FY19 and stood at ₹144 crore in Q1FY20 compared to ₹119 crore in Q1FY19.
- ◆ UK revenues were at ₹225 crore in Q1FY20 vs ₹238 crore in Q1FY19, representing de- growth of 6% in INR terms.
- ◆ US Business for Wockhardt contributed 22% of the Global Revenues in Q1FY20 compared to 18% in the Q1FY19. Revenues from the US Business were at ₹186 crore in Q1FY20 versus ₹182 crore in Q1FY19.
- ◆ Irish Business de-grew by 14% to ₹38 crore in Q1FY20 as compared to Q1FY19.
- ◆ Revenues from French Operations were at ₹16 crore in Q1FY20 and Q1FY19.

Debt Repayment:

During the quarter the Company repaid ₹351 crore towards various Long term debts obligations as per schedule. Total Long term outstanding debts as on 30th June, 2019 was ₹ 2,119 crore as compared to ₹2,723 crore as on 30th June, 2018. Gross Debt- Equity ratio as on 30th June, 2019 stood at 0.91.

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.

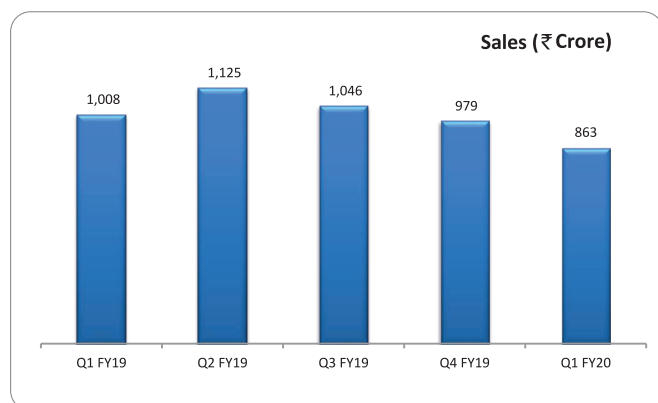
Warm Regards,

Dr. Habil Khorakiwala
Founder Chairman

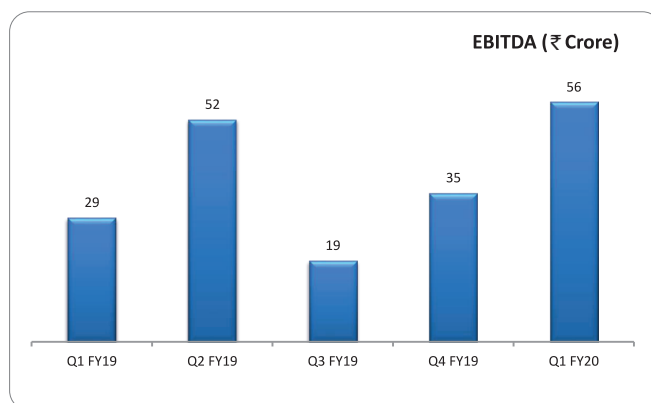


PERFORMANCE HIGHLIGHTS

Sales Performance over the period:



EBITDA over the period:



Consolidated Financials – Q1FY20:

- Consolidated revenues at ₹863 crore in Q1FY20 vs ₹1,008 crore in Q1FY19, a de-growth of ~14%.
 - India Business de-grew by 38% in Q1FY20 compared to Q1FY19.
 - Emerging Markets Business grew by 21% in Q1FY20 compared to Q1FY19.
 - UK revenues de-grew by 4% in GBP terms in Q1FY20 over Q1FY19.
 - US Business de-grew by 1% in Q1FY20 compared to Q1FY19 in dollar terms.
- Gross Margins at 59% during Q1FY20.
- EBITDA at ₹56 crore compared to ₹29 crore in Q1FY19.

BUSINESS HIGHLIGHTS

- **International Operations**

- At ₹619 crore, contributes 72% of global revenues for Q1FY20, grew by 1% as compared to Q1FY19.

- **India & Emerging Markets Business**

- India and Emerging Markets contributed 45% of the global revenues in Q1FY20 and 51% in FY19.
- 4 new products launched during Q1FY20.
- India Business de-grew by 38% in Q1FY20 over Q1FY19 and stood at ₹244 crore in Q1FY20 vs ₹395 crore in Q1FY19.
- Emerging Markets Business grew by 21% in Q1FY20 compared to Q1FY19 and stood at ₹144 crore in Q1FY20 compared to ₹119 crore in Q1FY19.

- **Europe Business**

- Europe Operations (including France) contributed 33% of the Global Revenues in Q1FY20. Revenues from EU Operations (excluding France) were at ₹273 crore in Q1FY20. Revenues from French Operations were at ₹16 crore in Q1FY20 and Q1FY19.

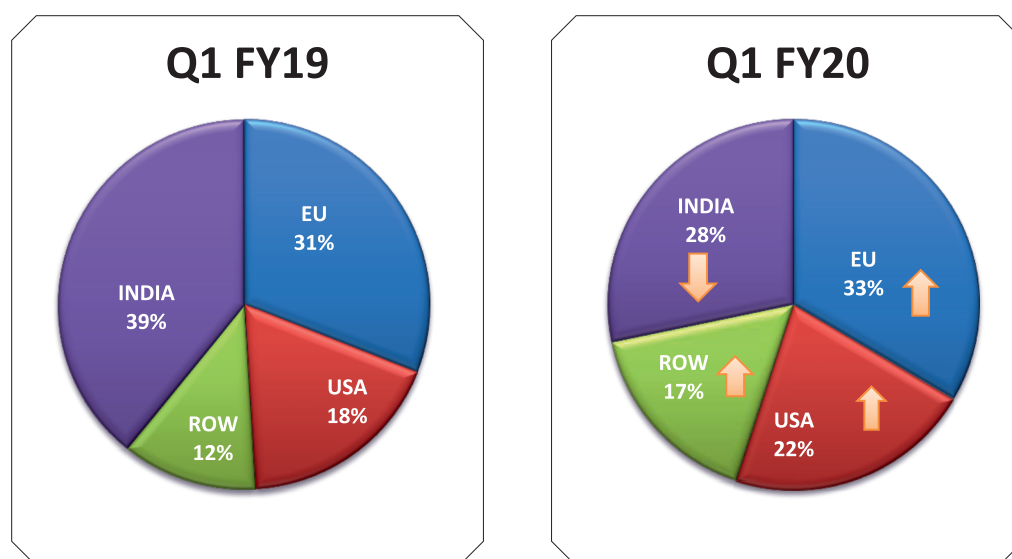
- **UK Operations (including Pinewood's UK Business)**

- UK revenues were at ₹225 crore in Q1FY20 vs ₹238 crore in Q1FY19, representing de-growth of 6% in INR terms (and de-grew by 4% in GBP terms in Q1FY20 over Q1FY19).
- Irish Business revenues were at ₹38 crore in Q1FY20 vs ₹44 crore in Q1FY19, de-grew by 14% in Q1FY20 in INR terms (and 12% in Euro terms).

- **US Business**

- US Business for Wockhardt contributed 22% of the Global Revenues in Q1FY20 compared to 18% in the Q1FY19. Revenues from the US Business were at ₹186 crore in Q1FY20 versus ₹182 crore in Q1FY19.
- Total pending ANDAs as on 30th June, 2019 is 55.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q1-FY20	Q4-FY19	Q1-FY19
Revenues from Operations	863	979	1008
Material Consumption	351	430	424
Gross Margins	512	549	584
<i>Gross Margin %</i>	<i>59%</i>	<i>56%</i>	<i>58%</i>
Staff Cost	211	169	218
R&D Expenses	60	69	61
Other Expenditure*	201	277	276
Total Expenditure	807	944	979
EBITDA*	56	35	29
<i>EBITDA Margin</i>	<i>6%</i>	<i>4%</i>	<i>3%</i>
EBITDA before R&D*	116	103	90
<i>EBITDA Margin before R&D</i>	<i>13%</i>	<i>11%</i>	<i>9%</i>
Interest Expenses (Net)*	67	62	70
(Income)/Expense due to Exchange Rate Fluctuation	16	(21)	24
Depreciation*	55	45	39
Other Income / (Loss)	4	3	4
Profit/(Loss) Before Tax before exceptional items	(78)	(48)	(100)
Exceptional Item Profit/(Loss)	-	-	-
Profit/(Loss) before Tax	(78)	(48)	(100)
Tax Expense (Including Deferred Tax)	(41)	(34)	(5)
Profit After Tax (PAT)	(37)	(14)	(95)
Less: Non-Controlling Interest	8	0	(9)
PAT after Non-Controlling Interest	(45)	(14)	(86)
<i>PAT after Non-Controlling Interest Margin %</i>	<i>-5%</i>	<i>-1%</i>	<i>-9%</i>

*Inclusive of impact of IND AS 116 (Lease Accounting) in Q1 FY20.

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