



September 17, 2020

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 1st Quarter (April-June) 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 "EMROK O and EMROK".

Successful completion of divestment of business undertaking to Dr. Reddy's Laboratories accomplished during the quarter:

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 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 which has been paid by the Purchaser to the Company during the quarter 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, 9th June 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.

The profit from aforesaid Transfer of Business Undertaking (excluding the Holdback Amount of ₹300 crore) amounting to ₹1,470.32 crore has been shown as 'Exceptional Items - discontinued operations'.

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 for Q1 (April-June) FY 2020-21

The Company has reported Profit after Tax (PAT) of ₹760 crore in Q1FY21 as against Loss of ₹45 crore in the corresponding period. The Profit includes Exceptional Items in connection with the transfer of the Business Undertaking to Dr. Reddy's Laboratories.

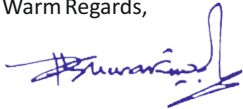
- ◆ Consolidated revenue for the quarter is ₹ 652 crore, compared to ₹ 863 crore in the previous year.
- ◆ EBITDA before R&D is ₹ (12) crore for Q1FY21, compared to ₹ 116 crore in previous year.
- ◆ R&D spend at ₹38 crore (6% of sales) and including capital expenditure is at 8% to sales for Q1FY21.

Business Highlights

- ◆ The International Business contributed 82% of the global revenue in Q1FY21.
- ◆ India Business-Continued Operations stood at ₹62 crore in Q1FY21 (PY ₹106 crore). India Business-Discontinued Operations stood at ₹54 crore in Q1FY21 (PY ₹138 crore). De-growth is mainly on account of lower sales in Quality Generics division and in some of the therapeutic areas.
- ◆ Emerging Market Business of the Company stood at ₹139 crore in Q1FY21 (PY ₹144 crore).
- ◆ UK Business during the quarter stood at ₹218 crore in Q1FY21 (PY ₹225 crore).
- ◆ US Business stood at ₹114 crore contributing to 17% of the Global Revenues in Q1FY21. Cumulative ANDA's pending for approval at 51.
- ◆ Irish Business stood at ₹ 33 crore in Q1FY21 (PY ₹38 crore).
- ◆ French Operations stood flat at ₹16 crore in Q1FY21 as compared to Q1FY20.

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.

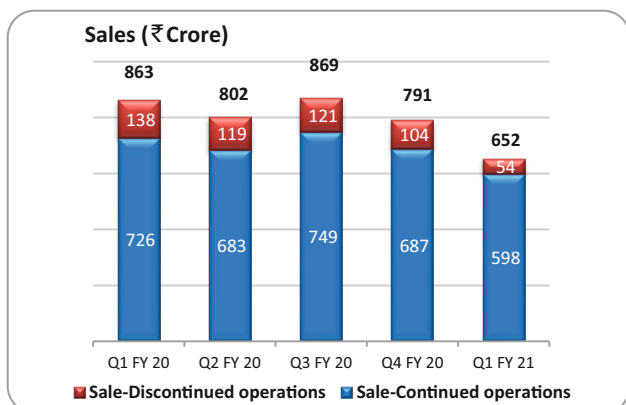
Warm Regards,



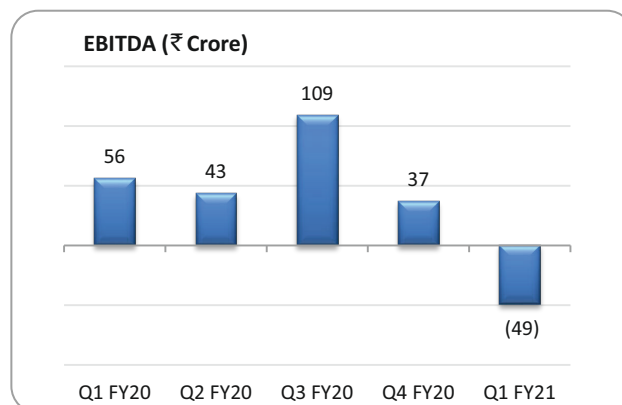
Dr. Habil Khorakiwala
Founder Chairman

PERFORMANCE HIGHLIGHTS

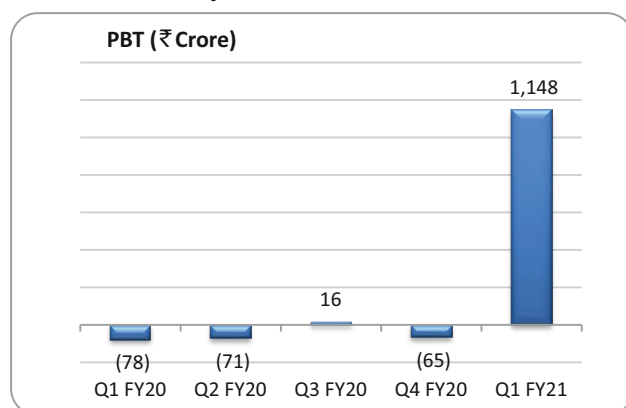
Sales Performance over the period:



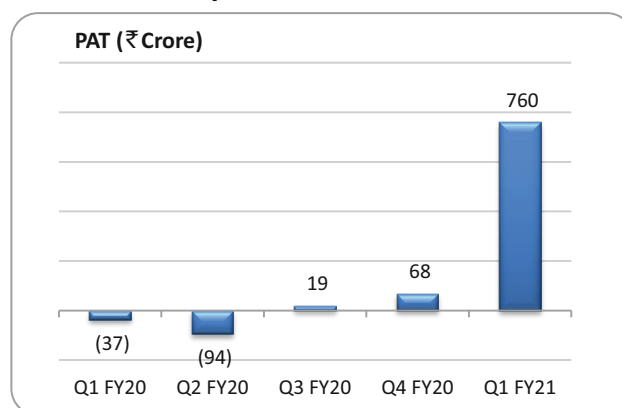
EBITDA over the period:



PBT over the period:



PAT over the period:



Consolidated Financials – Q1FY21:

- Consolidated revenues at ₹ 652 crore in Q1FY21 vs ₹ 863 crore in Q1FY20, a de-growth of ~24%.
 - India Business Continued operations de-grew by 41% in Q1FY21 compared to Q1FY20.
 - India Business discontinued operations de-grew by 61% in Q1FY21 compared to Q1FY20.
 - Emerging market Business de-grew by 4% in Q1FY21 compared to Q1FY20.
 - UK revenues de-grew by 8% in GBP terms in Q1FY21 over Q1FY20.
 - US Business de-grew by 44% in Q1FY21 compared to Q1FY20 in dollar terms.
- Gross Margins at 65% during Q1FY21, up by 6% compared to Q1FY20.
- EBITDA at ₹ (49) crore compared to ₹ 56 crore in Q1FY20.

BUSINESS HIGHLIGHTS

- **International Operations**

- At ₹536 crore, contributes 82% of global revenues for Q1FY21, de-grew by 13% as compared to Q1FY20.

- **India & Emerging Markets Business**

- India and Emerging Markets contributed 39% of the global revenues in Q1FY21.
- NCE launched in India Branded business during Q1FY21.
- India Business continued operations stood at ₹62 crore compared to ₹ 106 crore in Q1FY20 and India Business discontinued operations stood at ₹54 crore compared to ₹ 138 crore in Q1FY20.
- Emerging Markets Business stood at ₹ 139 crore in Q1FY21 compared to ₹ 144 crore in Q1FY20.

- **Europe Business**

- Europe Operations (including France) contributed 43% of the Global Revenues in Q1FY21. Revenues from EU Operations (excluding France) were at ₹268 crore in Q1FY21. Revenues from French Operations remained flat at ₹ 16 crore in Q1FY21 compared to Q1FY20.

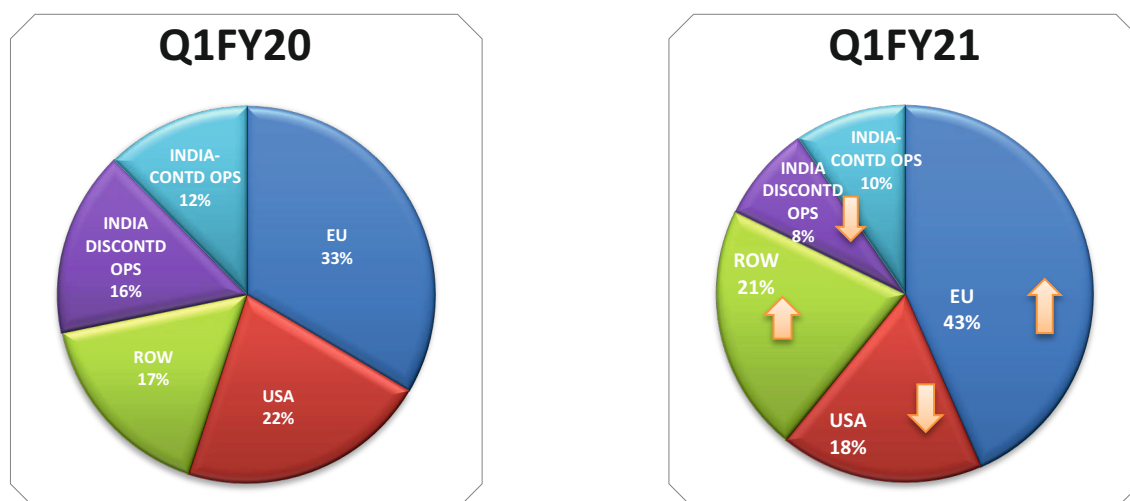
- **UK Operations (including Pinewood's UK Business)**

- UK revenues stood at ₹218 crore in Q1FY21 vs ₹ 225 crore in Q1FY20, representing de-growth of 3% in INR terms (and de-grew by 8% in GBP terms in Q1FY21 over Q1FY20).
- Irish Business revenues were at ₹33 crore in Q1FY21 vs ₹38 crore in Q1FY20, de-grew by 11% in Q1FY21 in INR terms (and 17% in Euro terms).

- **US Business**

- US Business contributed to 17% of the Global Revenues in Q1FY21 compared to 22% in the Q1FY20. Revenues from the US Business were at ₹114 crore in Q1FY21 versus ₹186 crore in Q1FY20.
- Total pending ANDAs as on 30th June, 2020 is 51.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q1-FY21	Q4-FY20	Q1-FY20
Revenues from Operations	652	791	863
Material Consumption	229	302	351
Gross Margins	423	489	512
Gross Margin %	65%	62%	59%
Staff Cost	205	185	211
R&D Expenses	38	43	60
Other Expenditure*	230	224	185
Total Expenditure	702	754	807
EBITDA*	(49)	37	56
EBITDA Margin	-8%	5%	6%
EBITDA before R&D*	(12)	80	116
EBITDA Margin before R&D	-2%	10%	13%
Interest Expenses (Net)*	74	61	71
(Income)/Expense due to Exchange Rate Fluctuation	9	(7)	16
Depreciation*	56	61	55
Other Income / (Loss)	8	14	8
Profit/(Loss) Before Tax before exceptional items	(180)	(65)	(78)
Exceptional Items	1,328	-	-
Profit/(Loss) before Tax	1148	(65)	(78)
Tax Expense (Including Deferred Tax)	388	(133)	(41)
Profit After Tax (PAT)	760	68	(37)
Less: Non-Controlling Interest	(0)	20	8
PAT after Non-Controlling Interest	760	48	(45)
PAT after Non-Controlling Interest Margin %	117%	6%	-5%

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