



May 21, 2019

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 4th Quarter (January-March) of the Financial Year 2018-19. I take this opportunity to share with you the Company's performance this year along with some key business highlights.

The business performance of the Company during the year ended 31st March, 2019 showed improvement driven by growth in US and Emerging Markets. Sales during Q4 FY19 was at ₹979 crore was however lower by 4% as compared to corresponding quarter of previous year. EBITDA during FY19 increased to ₹135 crore as compared to ₹(55) crore in the previous year. During the quarter Q4 FY19, the EBITDA grew to ₹35 crore as compared to ₹(30) crore in the corresponding quarter of previous year. Costs of on-going remedial measures continued to impact profitability. 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 Q4 (January-March) FY 2018-19

- ◆ Consolidated revenue for the quarter is ₹979 crore representing a de-growth of 4%.
- ◆ EBITDA before R&D spend is ₹103 crore for Q4FY19, compared to ₹47 crore in previous year.
- ◆ R&D spend at ₹69 crore (7% of sales) and including capital expenditure is at 9% to sales for Q4FY19.

Financial Highlights for 12 Months (April-March) FY 2018-19

- ◆ Consolidated revenue for FY19 is ₹4,158 crore representing a growth of 6%.
- ◆ EBITDA before R&D spend is ₹426 crore for FY19, compared to ₹232 crore in previous year.
- ◆ R&D spend at ₹291 crore (7% of sales) and including capital expenditure is at 11% to sales for FY19.

Business Highlights

- ◆ The International Business contributed 69% of the global revenue in Q4FY19 and 64% in FY19.
- ◆ India Business de-grew by 17% over Q4FY18 and stood at ₹301 crore in Q4FY19 vs ₹362 crore in Q4FY18. In FY19 it stood at ₹1,514 crore vs ₹1,510 crore in FY18 representing a flat growth. Eight new products launched in FY19.
- ◆ Emerging Markets Business de-grew by 3% in Q4FY19 compared to Q4FY18 and stood at ₹151 crore in Q4FY19 compared to ₹155 crore in Q4FY18. In FY19 it stood at ₹539 crore vs ₹437 crore in FY18 representing a growth of 23% in FY19.
- ◆ UK revenues were at ₹258 crore in Q4FY19 vs ₹258 crore in Q4FY18, representing a flat growth in Q4FY19 in INR terms. UK operations stood at ₹995 crore in FY19 versus ₹1,033 crore in FY18; de-grew by 4%.
- ◆ US Business for Wockhardt contributed 19% of the Global Revenues in Q4FY19 compared to 17% in the Q4FY18. Revenues from the US Business were at ₹182 crore in Q4FY19 versus ₹176 crore in Q4FY18 representing a growth of 3%. In FY19 it stood at ₹794 crore versus ₹661 crore in FY18 representing a growth of 20%. Cumulative ANDA's pending for approval at 58.
- ◆ Irish Business revenues were at ₹47 crore in Q4FY19 vs ₹34 crore in Q4FY18; grew by 39% in Q4FY19 in INR terms. In FY19 business grew by 13% in INR terms (Revenues at ₹168 crore in FY19 versus ₹149 crore in FY18).
- ◆ French Operations were at ₹16 crore in Q4FY19 and ₹14 crore in Q4FY18 versus ₹63 crore in FY19 and ₹57 crore in FY18.

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.

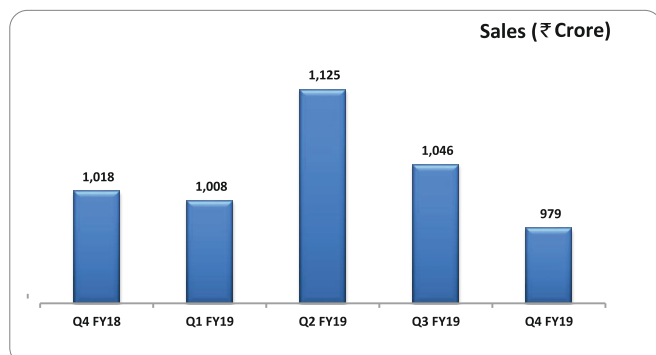
Warm Regards,

Dr. Habil Khorakiwala
Founder Chairman

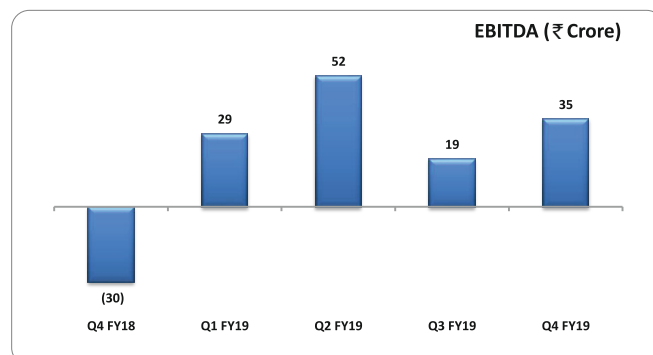


PERFORMANCE HIGHLIGHTS

Sales Performance over the period:



EBITDA over the period:



Consolidated Financials – Q4FY19:

- Consolidated revenues at ₹979 crore in Q4FY19 vs ₹1,018 crore in Q4FY18, a de-growth of ~4%.
 - India Business de-grew by 17% in Q4FY19 compared to Q4FY18.
 - Emerging Markets Business de-grew by 3% in Q4FY19 compared to Q4FY18.
 - UK revenues de-grew by 6% in GBP terms in Q4FY19 over Q4FY18.
 - US Business de-grew by 5% in Q4FY19 compared to Q4FY18 in dollar terms.
- Gross Margins at 56% during Q4FY19.
- EBITDA at ₹ 35 crore compared to ₹ (30) crore in Q4FY18.

Consolidated Financials – FY19:

- Consolidated revenues at ₹4,158 crore in FY19 vs ₹3,937 crore in FY18.
 - India Business remained flat in FY19 as compared to FY18.
 - Emerging Markets Business grew by 23% in FY19 as compared to FY18.
 - UK revenues de-grew by 11% in GBP terms in FY19 compared to FY18.
 - US Business grew by 12% in dollar terms in FY19 as compared to FY18.
- Gross Margins at 57% during FY19 up by 2% from FY18.
- EBITDA at ₹ 135 crore compared to ₹ (55) crore in FY18.

BUSINESS HIGHLIGHTS

• International Operations

- At ₹678 crore, contributes 69% of global revenues for Q4FY19, grew by 3% as compared to Q4FY18.
- At ₹2,644 crore, contributes 64% of global revenues for FY19, grew by 9% as compared to FY18.

• India & Emerging Markets Business

- India and Emerging Markets contributed 46% of the global revenues in Q4FY19 and 49% in FY19.
- 8 new products during FY19.
- India Business de-grew by 17% in Q4FY19 over Q4FY18 and stood at ₹301 crore in Q4FY19 vs ₹362 crore in Q4FY18. India Business stood at ₹1,514 crore for FY19 vs ₹1,510 crore in FY18.
- Emerging Markets Business de-grew by 3% in Q4FY19 compared to Q4FY18 and stood at ₹151 crore in Q4FY19 compared to ₹155 crore in Q4FY18. During FY19 it stood at ₹539 crore vs ₹437 crore of FY18 representing a growth of 23% in FY19.

• Europe Business

- Europe Operations (including France) contributed 35% of the Global Revenues in Q4FY19 and 32% in FY19. Revenues from EU Operations (excluding France) were at ₹328 crore in Q4FY19 and at ₹1,247 crore during FY19. Revenues from French Operations were at ₹16 crore in Q4FY19 and ₹63 crore in FY19 versus ₹14 crore in Q4FY18 and ₹57 crore during FY18.

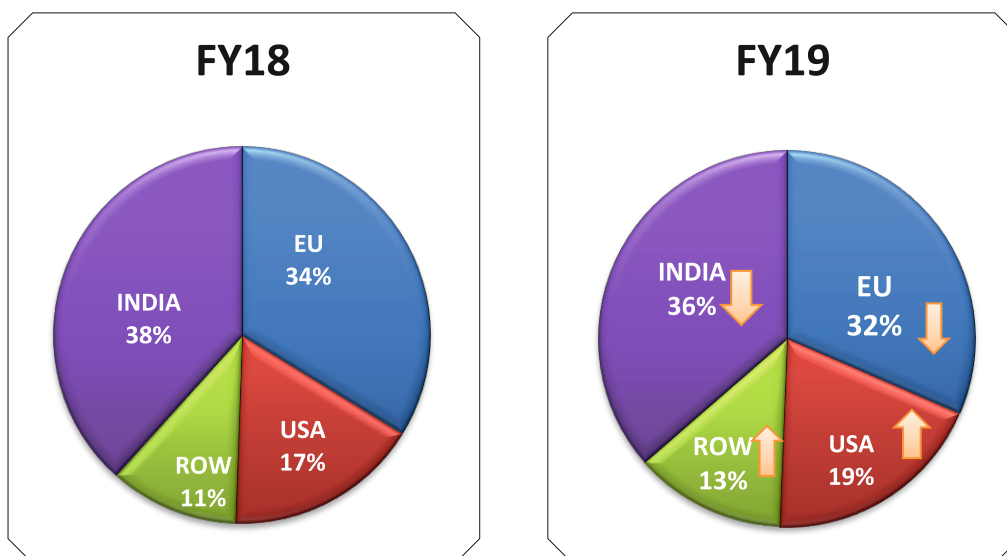
• UK Operations (including Pinewood's UK Business)

- UK revenues were at ₹258 crore in Q4FY19 vs ₹258 crore in Q4FY18, representing flat growth in INR terms (and de-grew by 6% in GBP terms in Q4FY19 over Q4FY18). UK operations stood at ₹995 crore in FY19 versus ₹1,033 crore in FY18, de-grew by 4% in INR terms (and de-grew by 11% in GBP terms in FY19 over FY18).
- Irish Business revenues were at ₹47 crore in Q4FY19 vs ₹34 crore in Q4FY18, grew by 39% in Q4FY19 in INR terms (and 31% in Euro terms). During FY19 Irish Business grew by 13% in INR terms (Revenues at ₹168 crore in FY19 versus ₹149 crore in FY18) and grew by 4% in Euro terms.

• US Business

- US Business for Wockhardt contributed 19% of the Global Revenues in Q4FY19 compared to 17% in the Q4FY18. Revenues from the US Business were at ₹182 crore in Q4FY19 versus ₹176 crore in Q4FY18. During FY19 it stood at ₹794 crore versus ₹661 crore during FY18.
- Total pending ANDAs as on 31st March, 2019 is 58.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q4-FY19	Q3-FY19	Q4-FY18	FY19	FY18
Revenues from Operations	979	1046	1018	4158	3937
Material Consumption	430	464	462	1803	1787
Gross Margins	549	582	556	2355	2150
<i>Gross Margin %</i>	<i>56%</i>	<i>56%</i>	<i>55%</i>	<i>57%</i>	<i>55%</i>
Staff Cost	169	220	195	836	833
R&D Expenses	69	79	77	291	287
Other Expenditure	277	264	315	1094	1085
Total Expenditure	944	1026	1048	4024	3992
EBITDA	35	19	(30)	135	(55)
<i>EBITDA Margin</i>	<i>4%</i>	<i>2%</i>	<i>-3%</i>	<i>3%</i>	<i>-1%</i>
EBITDA before R&D	103	98	47	426	232
<i>EBITDA Margin before R&D</i>	<i>11%</i>	<i>9%</i>	<i>5%</i>	<i>10%</i>	<i>6%</i>
Interest Expenses (Net)	62	63	63	257	128
(Income)/Expense due to Exchange Rate Fluctuation	(21)	37	(14)	25	(33)
Depreciation	45	41	38	166	150
Other Income / (Loss)	3	1	0	13	18
Profit/(Loss) Before Tax before exceptional items	(48)	(121)	(118)	(300)	(283)
Exceptional Item Profit/(Loss)	-	-	-	-	(358)
Profit/(Loss) before Tax	(48)	(121)	(118)	(300)	(641)
Tax Expense (Including Deferred Tax)	(34)	(44)	35	(84)	26
Profit After Tax (PAT)	(14)	(77)	(153)	(217)	(667)
Add: Share of Profit/(Loss) from Associates	-	-	-	-	-
Less: Non-Controlling Interest	0	(6)	2	(23)	(59)
PAT after Non-Controlling Interest	(14)	(71)	(155)	(194)	(608)
<i>PAT after Non-Controlling Interest Margin %</i>	<i>-1%</i>	<i>-7%</i>	<i>-15%</i>	<i>-5%</i>	<i>-15%</i>

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