



Mumbai, 4<sup>th</sup> November, 2022

## **Wockhardt's Q2 FY23 Topline growth @14% and EBITDA growth @369% over previous quarter**

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 2<sup>nd</sup> Quarter Results for Financial Year 2022-23, today.

The Company recorded a Revenue of Rs.679 Cr in Q2FY23 compared to Rs.595 Cr in previous quarter registering a growth of 14%. EBITDA for the quarter is Rs.43 Cr as compared to Rs. (16) Cr in Q1FY23 registering a substantial growth of 369%.

The corresponding quarter of previous year includes revenue & profitability from UK Vaccines business.

### **Business Review:**

#### **Quarter ended 30<sup>th</sup> September, 2022:**

- **UK Business** stood at Rs.226 Cr in Q2FY23 (PY Rs.387 Cr). UK Business contributed about 33% of Global Revenue.
- **India Business:** India Business stood at Rs.150 Cr (PY Rs.187 crore). India Business contributed 22% of the Global Revenue. EMROK, the NCE launched during FY21 continues to provide unmatched benefits to the patients.
- **Emerging Markets Business** of the Company stood at Rs.117 Cr in Q2FY23 (PY Rs.165 Cr). Emerging Markets Business contributed about 17% of the Global Revenue.
- **Irish Business** stood flat at Rs.38 Cr in Q2FY23 compared to the previous year.
- **US Business** stood at Rs.89 Cr in Q2FY23 compared to Rs.61 crore in the previous year registering a growth of 45%. US Business contributed 13% of the Global Revenue. US business was impacted by price erosion and supply disruptions.



Research and Development expenditure during the quarter was at Rs.39 Cr (6% to sales) and including capital expenditure was at 11.8% to sales.

### **Half year ended 30<sup>th</sup> September, 2022:**

- **UK Business** stood at Rs.422 Cr in H1FY23 (PY Rs.794 Cr). UK Business contributed about 33% of Global Revenue.
- **India Business:** India Business stood at Rs.308 Cr (PY Rs.339 crore). India Business contributed 24% of the Global Revenue. EMROK, the NCE launched during FY21 continues to provide unmatched benefits to the patients.
- **Emerging Markets Business** of the Company stood at Rs.234 Cr in H1FY23 (PY Rs.289 Cr). Emerging Markets Business contributed about 18% of the Global Revenue.
- **Irish Business** stood flat at Rs.75 Cr in H1FY23 (PY Rs.74 crore).
- **US Business** stood flat at Rs.163 Cr in H1FY23 compared to the previous year. US Business contributed 13% of the Global Revenue. US business was impacted by price erosion and supply disruptions.

Research and Development expenditure during the period was at Rs.75 Cr (6% to sales) and including capital expenditure was at 11.3% to sales.

### **Intellectual Property (IP):**

1 patent was filed during the quarter ended 30<sup>th</sup> September, 2022 and the cumulative filings till date are 3236. The company was granted 2 patents during the quarter and now holds 806 patents.

### **Re-structuring of US business:**

As already disclosed by Company in its earlier communications, and in view of the changed pharmaceutical market situation in the United States, the management had initiated various steps to restructure its USA business by closing down its manufacturing facility in Illinois, USA and undertake its business in USA through Contract manufacturing the products sold by it in US/North America by engaging USFDA approved manufacturing partners meeting the quality standards acceptable to the Company.

In line with the above, the Company has now engaged multiple USFDA approved manufacturing partners, after thorough due diligence and inspection of their facilities, to manufacture various products of the Company for sale in US/ North America under the same brand and Wockhardt name.

The Company believes, that this new arrangement is in the best interest of the Company as this will help the Company to avoid the manufacturing and quality management cost completely and allow the management to focus on penetrating and expansion of the market share of its products in US/ North America.

**Consolidated Profit and Loss - Snap shot :**

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22
	INR Cr	INR Cr	INR Cr	INR Cr	INR Cr
Sales	679	595	862	1,274	1,722
EBITDA before R&D	82	20	148	102	290
EBITDA % to Sales	12.1%	3.3%	17.2%	8.0%	16.8%
R&D	39	36	39	75	73
R&D % to Sales	5.8%	6.0%	4.5%	5.9%	4.2%
EBITDA	43	(16)	109	27	217
EBITDA Margins %	6.3%	-2.7%	12.7%	2.1%	12.6%
Exceptional Items #	(195)	-	-	(195)	-
PBT	(230)	(96)	(29)	(326)	(35)
Profit After Tax	(207)	(75)	37	(282)	31
PAT Margins %	-30.5%	-12.6%	4.3%	-22.1%	1.8%

# Exceptional items represent,

- In view of changed pharmaceutical market situation in USA, the Group has initiated various measures including restructuring its business model in US interalia by closing down its manufacturing facility in Illinois during the current quarter and is undertaking its business in USA through contract manufacturing the products sold by it in US/ North America by engaging USFDA approved manufacturing partners meeting the quality standards acceptable to the

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*Group. Accordingly, the Group has provided for Rs.123 crore w.r.t its property, plant and equipment, Rs.16 crore for inventory and other expenses of Rs.6 crore pursuant to this restructuring.*

- Company had accounted for a contract asset of Rs.50 crore pursuant to a contract manufacturing agreement. The Customer is yet to fulfill its contractual obligations and commitments. Though, the Company is pursuing various options and taking necessary actions related to this matter, given the uncertainty, Company has provided for this Contract asset.*

## **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 Disease Product) 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 ~4000 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 76% of its global revenues coming from international businesses.