

Mumbai, 27th January, 2020

**Wockhardt Q3FY20 sales at Rs. 869 crore,
 EBITDA at Rs.109 crore (PY Rs 19 crore),
 PAT at Rs 9 crore compared to loss of (Rs 71 crore) in PY.**

	Q3-FY20	Q2-FY20	Q3-FY19	9M-FY20	9M-FY19
	Oct - Dec	Jul - Sep	Oct - Dec	Apr - Dec	Apr - Dec
	2019	2019	2018	2019	2018
	INR Cr	INR Cr	INR Cr	INR Cr	INR Cr
Sales	869	802	1,046	2,534	3,179
EBITDA before R&D*	154	103	98	373	322
EBITDA % to Sales	17.7%	12.8%	9.4%	14.7%	10.1%
R&D	45	60	79	165	222
R&D % to Sales	5.2%	7.4%	7.6%	6.5%	7.0%
EBITDA*	109	43	19	208	100
EBITDA Margins %	12.5%	5.4%	1.9%	8.2%	3.2%
PBT	16	(71)	(121)	(132)	(252)
Profit After Tax	9	(82)	(71)	(117)	(180)
PAT Margins %	1.1%	-10.2%	-6.8%	-4.6%	-5.7%
EPS (Rs)	0.9	(7.4)	(6.4)	(10.6)	(16.3)

*Inclusive of impact of IND AS 116 (Lease Accounting) in 9M FY20.

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 3rd Quarter Results for Financial Year 2019-20, today.

For the first time in 3 years, the Company bounces back into Profit (PAT).

Wockhardt: 1st Indian Company to Achieve Approval for New Discovered Antibiotics

In January 2020, Drug Controller General of India (DCGI) approved Wockhardt's 2 new antibiotics, EMROK (IV) and EMROK 0 (Oral), for acute bacterial skin and skin structure

Infections including diabetic foot infections and concurrent bacteraemia based on the Phase 3 study involving 500 patients in 40 centres across India. The new drug by virtue of its broad spectrum activity against widely prevalent pathogens including Methicillin resistant Staphylococcus aureus (MRSA), superior safety over the currently available anti-MRSA agents will target superbug like MRSA which is a leading cause of rising antimicrobial resistance (AMR).

The size of Indian Antibiotic market is approx. 16,000 Crore, growing at 7% and is one of the largest therapeutic segment, with a 12% market share of the Indian Pharmaceutical Market.

Business review for the 3rd quarter and 9 months ended 31st December, 2019:

The business performance of the Company during the quarter ended 31st December, 2019 showed a marked improvement with Sales growth of over 8% compared to previous quarter. EBITDA for the quarter showed a substantial improvement from Rs.19 crore in Q3FY19 to Rs.109 Crore in Q3FY20. 9MFY20 EBITDA also showed an improvement from Rs. 100 crore to Rs. 208 crore over previous year.

While the Company has been reporting steady EBITDA Quarter by Quarter, for the first time in the past 3 years, the Company bounces back into Profit (PAT OF Rs 9 crore) owing to marked improvement in Operational Performance & Cost rationalisation.

Sales during Q3FY20 were at Rs. 869 crore, lower by 17% 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.

- **Emerging Market Business** of the Company showed a growth of 10% and stood at Rs.138 crore in Q3FY20 (PY Rs.125 crore). Emerging Market business contributed about 16% of the Global Revenue.
- **Irish Business** showed a growth of 7% and stood at Rs.38 crore in Q3FY20 (PY Rs.35 crore).
- **US Business** stood at Rs.213 crore in Q3FY20 as compared to Rs.243 crore in Q3FY19. US Business contributed 25% of the Global Revenue.
- **UK Business** during the quarter stood at Rs.219 crore in Q3FY20 (PY Rs.248 crore). UK Business contributed about 25% of Global Revenue.

- **India Business** stood at Rs.235 crore in Q3FY20 as compared to Rs.363 crore in Q3FY19. De-growth is mainly on account of lower sales in Quality Generics division and in some of the therapeutic areas. India Business contributed 27% of the Global Revenue.
- **Total EU Business** contributed 33% of the Global Revenue.

Research & Development expenditure during the quarter was at Rs.45 crore (5% to sales) and including capital expenditure is at 9 % to sales.

Capital expenditure during the quarter was Rs.70 crore.

9 Months ended 31st December, 2019:

- **US Business** stood at Rs.544 crore in 9MFY20 as compared to Rs.612 crore in 9MFY19. US Business contributed 21% of the Global Revenue.
- **Emerging Market Business** of the Company recorded a growth of 7% in 9MFY20 over 9MFY19 and contributed about Rs.414 crore.(about 16% of the Global Revenue)
- **UK Business** stood at Rs.666 crore in 9MFY20 as compared to Rs.737 crore in 9MFY19. UK Business contributed about 26% of Global Revenue.
- **Irish Business** stood at Rs.114 crore in 9MFY20 as compared to Rs.121 crore 9MFY19. Irish business contributed to about 5% of the Global Revenue.
- **India Business** stood at Rs.706 crore in 9MFY20 as compared to Rs.1,213 crore in 9MFY19. De-growth is mainly on account of lower sales in Quality Generics division and in some of the therapeutic areas. India Business contributed 28% of the Global Revenue.
- **Total EU Business** contributed 34% of the Global Revenue.

Research & Development expenditure during 9MFY20 was at Rs.165 crore (7% to sales) and including capital expenditure is at 11% to sales.

Capital expenditure during 9MFY20 was Rs.190 crore.

Debt Repayment:

During the 9M ended 31st December, 2019 the Company repaid Rs. 768 crore (PY Rs. 750 crore) towards various Long term debt obligations as per schedule. Debt repayment during the quarter was Rs 359 crore (PY Rs. 347 crore). Gross Debt- Equity ratio as on 31st December 2019 stood at 0.95.

Intellectual Property (IP) :

The company's continued pursuit in creating strong **Intellectual Property (IP)** base resulted into filing of 5 patents **during the Quarter ended 31st December, 2019** taking the cumulative filings to 3,162. The company was granted 9 patents during the quarter and now holds 717 patents.

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 Diseases Programme) for 5 of our Anti-bacterial discovery programmes – 2 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 7000 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 72% of its global revenues coming from international businesses.