

Mumbai, 11th May, 2020

Wockhardt's profitability (PAT) for Q4FY20 improves to Rs 48 crore compared to loss of (Rs 15 crore) in PY.

| | Q4-FY20 | Q3-FY20 | Q4-FY19 | FY20 | FY19 |
|-------------------------------|--------------|--------------|--------------|--------------|---------------|
| | Jan - Mar | Oct - Dec | Jan - Mar | Apr - Mar | Apr - Mar |
| | 2020 | 2019 | 2019 | 2020 | 2019 |
| | INR Cr | INR Cr | INR Cr | INR Cr | INR Cr |
| Sales | 791 | 869 | 979 | 3,325 | 4,158 |
| EBITDA before R&D* | 80 | 154 | 103 | 453 | 425 |
| EBITDA % to Sales | 10.1% | 17.7% | 10.5% | 13.6% | 10.2% |
| R&D | 43 | 45 | 69 | 208 | 291 |
| R&D % to Sales | 5.4% | 5.2% | 7.0% | 6.3% | 7.0% |
| EBITDA* | 37 | 109 | 34 | 245 | 134 |
| EBITDA Margins % | 4.6% | 12.6% | 3.5% | 7.4% | 3.2% |
| PBT | (65) | 16 | (49) | (197) | (301) |
| Profit After Tax | 48 | 10 | (15) | (69) | (195) |
| PAT Margins % | 6.1% | 1.1% | -1.5% | -2.1% | -4.7% |
| EPS (Rs) | 4.4 | 0.9 | (1.3) | (6.3) | (17.6) |

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

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 4th Quarter Results for Financial Year 2019-20, today.

The Company has reported PAT of Rs.48 cr in Q4FY20 as against Loss of Rs.15 cr in the corresponding period. EBIDTA for FY 20 improved by ~183% to INR 245 cr (PY INR 134 cr).

Business Review:

4th quarter and year ended 31st March, 2020:

EBITDA for the quarter showed an improvement from Rs.34 crore in Q4FY19 to Rs.37 Crore in Q4FY20. FY20 EBITDA also showed an improvement from Rs.134 crore in the previous year to Rs.245 crore.

PAT for the quarter is Rs.48 cr as compared to loss in the corresponding period.

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 stood at Rs.133 crore in Q4FY20 (PY Rs.151 crore). Emerging Market business contributed about 17% of the Global Revenue.
- **Irish Business** stood at Rs.38 crore in Q4FY20 (PY Rs.47 crore).
- **US Business** showed a growth of 4% and stood at Rs.189 crore in Q4FY20 as compared to Rs.182 crore in Q4FY19. US Business contributed 24% of the Global Revenue.
- **UK Business** during the quarter stood at Rs.229 crore in Q4FY20 (PY Rs.258 crore). UK Business contributed about 29% of Global Revenue.
- **India Business** stood at Rs.177 crore in Q4FY20 as compared to Rs.301 crore in Q4FY19. De-growth is mainly on account of lower sales in Quality Generics division and in some of the therapeutic areas. India Business contributed 22% of the Global Revenue.
- **Total EU Business** contributed 37% of the Global Revenue.

Research & Development expenditure during the quarter was at Rs.43 crore (5% to sales) and including capital expenditure is at 13% to sales.

Capital expenditure during the quarter was Rs.56 crore.

Year ended 31st March, 2020:

FY20 EBITDA also showed an improvement from Rs.134 crore in the previous year to Rs.245 crore.

- **US Business** stood at Rs.734 crore in FY20 as compared to Rs.794 crore in FY19. US Business contributed 22% of the Global Revenue.
- **Emerging Market Business** of the Company recorded a growth of 1% in FY20 over FY19 and contributed about Rs.547 crore.(about 16% of the Global Revenue)
- **UK Business** stood at Rs.895 crore in FY20 as compared to Rs.995 crore in FY19. UK Business contributed about 27% of Global Revenue.
- **Irish Business** stood at Rs.153 crore in FY20 as compared to Rs.168 crore FY19. Irish business contributed to about 5% of the Global Revenue.
- **India Business** stood at Rs.883 crore in FY20 as compared to Rs.1,514 crore in FY19. 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 35% of the Global Revenue.

Research & Development expenditure during FY20 was at Rs.208 crore (6% to sales) and including capital expenditure is at 12% to sales.

Capital expenditure during the year was Rs.179 crore.

Debt Repayment:

During the year ended FY20, the Company repaid Rs.813 crore (PY Rs.817 crore) towards various Long term debt obligations as per schedule. Net Debt- Equity ratio as on 31st March, 20 stood at 0.84.

Wockhardt receives US FDA Qualified Infectious Disease Product designation for WCK 6777, first ever once-a-day β -lactam enhancer class antibiotic

In April 2020, Wockhardt received coveted Qualified Infectious Disease Product ('QIDP') designation for WCK 6777 from the United States Food and Drug Administration ('USFDA'). WCK 6777 is a once-a-day combination antibiotic based on Wockhardt's NCE Zidebactam, which imparts WCK 6777 novel mechanism of β -lactam enhancer. Driven by the enhancer action, WCK 6777 overcomes an array of problematic bacterial resistance mechanisms such as metallo- β -lactamases, KPC and OXA carbapenemases. Further, Zidebactam has the unique ability to overpower other tough resistance mechanisms such as reduced drug uptake and drug efflux encountered in contemporary multidrug (MDR) resistant Gram negative pathogens. Being a once-a-day drug, WCK 6777 would be the first ever antibiotic facilitating the treatment of MDR

infections in out-patient settings. Wockhardt's other Zidebactam-based product, WCK 5222, has already received US FDA's nod for global Phase III clinical trial.

WCK 6777 for injection has been awarded QIDP for the following indications:

- Treatment of complicated urinary tract infections, including pyelonephritis (cUTI)
- Treatment of complicated intra-abdominal infections (cIAI)

The dual coveted objectives attained by this drug are the prevention of hospitalization and the facilitation of early discharge of hospitalized patients.

With WCK 6777 getting the QIDP status, Wockhardt has become the only company in the world to hold QIDP status for six antibiotics emerging from its anti-bacterial discovery programme. Three of these antibiotics target Gram Negative pathogens, and the other three are effective against Gram positive difficult-to-treat 'Superbugs'.

Wockhardt to raise INR 1,850 crore by sale of part of portfolio of its Domestic Branded Business to Dr. Reddy's Laboratories Limited:

During the quarter the Shareholders of Wockhardt vide postal ballot dated 16th March 2020 approved the intended sale of part of the Domestic Branded Business comprising of 62 products and related business, assets and liabilities including manufacturing facility at Baddi, Himachal Pradesh, India for a consideration of INR 1,850 crore to Dr. Reddy's Laboratories Limited.

The sale of Business will enable the Company to:

- Have adequate liquidity for robust growth in international operations and investments in Biosimilars for the US market;
- Augment remaining significant Domestic Branded Business portfolio of the Company and re-focus towards chronic segment with differentiated product portfolio
- Continue its ongoing research and development activities;
- Necessary action for completion of clinical trials of the Company's breakthrough NCEs in the anti-infective space, duly approved by coveted QIDP Program of United States Food & Drug Administration (US FDA); and
- Strengthen the balance sheet.

Post above sale, Wockhardt continues to own:

- All international operations in UK, USA, Ireland and other locations through its stepdown subsidiaries.

- Formulation plants located at Waluj, Shendra and Chikalthana in Aurangabad, Bhimpore and Kadaiya in Daman; bulk drugs plant at Ankleshwar, India and manufacturing facilities at all existing international locations.
- Research & Development centers located at Chikalthana, Aurangabad, India and existing facilities in the international locations.
- Significant part of Domestic Branded Business constituting Chronic & Speciality portfolios.

Intellectual Property (IP) :

The company's continued pursuit in creating strong **Intellectual Property (IP)** base resulted into filing of 3 patents **during the Quarter ended 31st March, 2020** taking the cumulative filings to 3,165. The company was granted 5 patents during the quarter and now holds 722 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 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 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 73% of its global revenues coming from international businesses.