



August 26, 2022

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 1st Quarter (April-June) of the Financial Year 2022-23. I take this opportunity to share with you the Company's performance this year along with some key business highlights.

Successful initiation of Global Phase 3 Clinical Study of novel antibiotic WCK 5222

Wockhardt is pleased to announce the completion of first site initiation visit for the pivotal Phase 3 global Clinical Study of its novel antibiotic WCK 5222.

WCK 5222 a Super-drug which is an entirely new class of antibiotic for Gram-negative terrain known as “β-lactam ENHANCER” presently being tested for complicated Urinary Tract Infections and Hospital Acquired Bacterial Pneumonia (HABP/VABP).

This is a double-blind, multi-center, efficacy, safety, and tolerability study on the treatment of hospitalized adults with Complicated Urinary Tract Infections, including Acute Pyelonephritis. This is a worldwide Study that will be conducted at 70 centres across 11 countries including US, Europe, India, China and Latin America and is expected to be completed within 18 months.

Scientific evidence clearly suggest that Superdrug WCK 5222, when available will save many lives worldwide.

Restructuring of the USA Business

Giving effect to our new business model for USA and North America, the Company has closed its plant in Illinois, USA and tied up with various USFDA approved manufacturing partners to manufacture various products of the Company for sale in US/North America under the existing brand and Wockhardt name. Further, the Company is relieving all its staff who were directly engaged by our US subsidiary in its plant in connection with the manufacturing process in a phased manner and in full compliance with the applicable local laws. Since the said site was under 483 observations and warning letters from US FDA, the Company has also entered into a Consent Decree with DoJ which resolves and settles all matters with the US FDA, whereby the Company shall stop all manufacturing activities at the plant for the present. There is no financial compensation in the Consent Decree.

The management believes that the new business model is in best interest of the Company and will help to avoid the manufacturing and quality management cost completely resulting in significant savings in operating and overhead cost while allowing the management to fully focus on penetrating and expansion of the market share of its products in US/North America.

Highlights of Consolidated Financial Statements

The key financial achievements of the Company for the previous quarter is detailed below. In this regard, it is pertinent to note that the results for the corresponding quarter of previous year (Q1FY22) includes revenue and profitability from UK Vaccines business.



Q1 (April-June) FY 2022-23

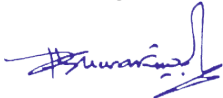
- ◆ Consolidated revenue for the quarter is ₹595 crore, compared to ₹655 crore in the previous quarter.
- ◆ EBITDA for the quarter stood at ₹(16) crore as compared to ₹(33) crore in Q4FY22.
- ◆ EBITDA before R&D is ₹20 crore for Q1FY23, compared to ₹(7) crore in previous quarter.
- ◆ Gross Margins remained stable at 62% during Q1FY23 and Q1FY22.
- ◆ R&D spend stood at ₹36 crore (6% of sales) and capital expenditure is at 10.7% to sales for Q1FY23.

Business Highlights

- ◆ The India Business stood at ₹158 crore in Q1FY23 registering growth of 4%. EMROK, the NCE launched during FY21 continues to provide unmatched benefits to the patients.
- ◆ Emerging Markets Business of the Company stood at ₹117 crore in Q1FY23 which constituted 20% of the global revenue.
- ◆ Revenue from UK Business stood at ₹196 crore in Q1FY23 and constituted about 33% of the global revenue.
- ◆ US Business stood at ₹74 crore in Q1FY23 as compared to ₹102 crore in Q1FY22. US Business was impacted by price erosion and supply disruptions.
- ◆ Irish Business stood at ₹37 crore in Q1FY23 (PY ₹36 crore).

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

Key Financial highlights – Q1FY23:

- Consolidated revenues at ₹595 crore in Q1FY23 vs ₹860 crore in Q1FY22.
 - India Business **grew by 4%** in Q1FY23 compared to Q1FY22.
 - UK-Pinewood Business **grew by 10%** in Q1FY23 compared to Q1FY22 in Euro terms.
- Gross Margins remained stable at **62%** during Q1FY23 and Q1FY22.
- EBITDA at ₹(16) crore compared to ₹108 crore in Q1FY22.
- The quarter of the previous year includes revenue and profitability from UK vaccine business.

BUSINESS HIGHLIGHTS

• International Operations

At ₹436 crore, International business contributed **73%** of consolidated revenues of the Company for Q1FY23.

• India and Emerging Markets Business

- India and Emerging Markets contributed 46% of the global consolidated revenues in Q1FY23. India Business grew by 4% in Q1FY23. EMROK, the NCE launched during FY21 continues to provide unmatched benefits to the patients.
- Emerging Markets Business of the Company stood at ₹117 crore in Q1FY23.

• Europe Business and UK

- Europe Operations contributed 41% of the Global Revenues in Q1FY23. Revenues from EU Operations were at ₹243 crore in Q1FY23.

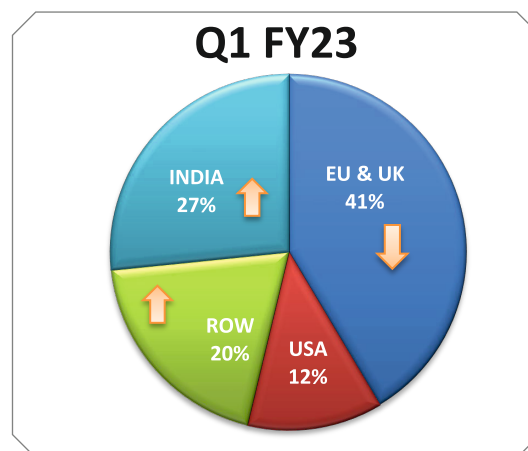
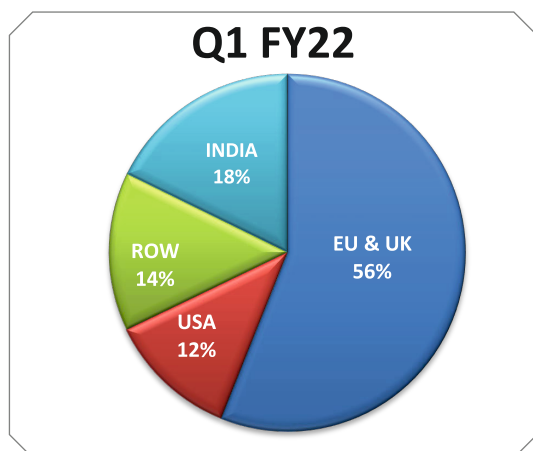
• UK Operations (including Pinewood's UK Business)

- UK revenues stood at ₹196 crore in Q1FY23 vs ₹407 crore in Q1FY22 (which included revenue from UK vaccine business).
- Irish Business revenues were at ₹37 crore in Q1FY23 vs. ₹36 crore in Q1FY22, grew by 2% in Q1FY23 in INR terms (**grew by 10% in Euro terms**).

• US Business

- US Business contributed to 12% of the Global Consolidated Revenues in Q1FY23 and Q1FY22. Revenues from the US Business were at ₹74 crore in Q1FY23.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q1 FY23	Q4 FY22	Q1 FY22
Revenues from Operations	595	655	860
Material Consumption	226	276	323
Gross Margins	369	379	537
<i>Gross Margin %</i>	62%	58%	62%
Staff Cost	165	177	175
R&D Expenses	36	26	34
Other Expenditure	183	209	220
Total Expenditure	611	688	752
EBITDA	(16)	(33)	108
<i>EBITDA Margin</i>	-3%	-5%	13%
EBITDA before R&D	20	(7)	142
<i>EBITDA Margin before R&D</i>	3%	-1%	17%
Interest Expenses (Net)	73	86	64
(Income)/Expense due to Exchange Rate Fluctuation	(56)	(13)	(13)
Depreciation	64	59	64
Other Income / (Loss)	1	1	2
Profit/(Loss) Before Tax before exceptional items	(96)	(164)	(6)
Exceptional Items #	-	(183)	-
Profit/(Loss) before Tax	(96)	(347)	(6)
Tax Expense (Including Deferred Tax)	(21)	(36)	1
Profit After Tax (PAT)	(75)	(311)	(7)
Less: Non-Controlling Interest	(8)	(53)	6
PAT after Non-Controlling Interest	(67)	(258)	(13)
<i>PAT after Non-Controlling Interest Margin %</i>	-11%	-39%	-2%

Exceptional items represent,

• For Q4 FY22, the final provision made by the US subsidiaries of the Company towards Net Present Value of the amount payable to the State of Texas as per the settlement entered into between the US subsidiaries and the State of Texas in regard to Civil Investigative Demand with respect to submission of price information and updates to Medicaid.

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