



23 November, 2022

My Dear Share Owners,

The Company's Board of Directors have approved the financial results for 2nd Quarter (July-September) 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.

Highlights of Consolidated Financial Statements

The Company recorded a Revenue of ₹679 crore in Q2FY23 compared to ₹595 crore in previous quarter registering a growth of 14%. EBITDA for the quarter was ₹43 crore as compared to ₹(16) crore in Q1FY23.

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

Q2 (July-September) FY 2022-23

- ◆ Consolidated revenue for the quarter was ₹679 crore, compared to ₹595 crore in the previous quarter registering a growth of 14%
- ◆ EBITDA for the quarter was ₹43 crore as compared to ₹(16) crore in Q1FY23 registering a substantial growth of 369%
- ◆ R&D spend was at ₹39 crore (6% of sales) and including capital expenditure at 11.8% to sales for Q2FY23

Business Highlights

- ◆ The International Business contributed 78% of the global revenue in Q2FY23
- ◆ The India Business stood at ₹150 crore in Q2FY23 compared to ₹187 crore in Q2FY22. 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 Q2FY23 (PY ₹165 crore). Emerging Markets business contributed 17% of the global revenue in Q2FY23.
- ◆ UK Business stood at ₹226 crore in Q2FY23 (PY ₹387 crore). UK Business contributed about 33% of global revenue.
- ◆ US Business stood at ₹89 crore in Q2FY23 as compared to ₹61 crore in Q2FY22 registering a growth of 45%. US business was impacted by price erosion and supply chain disruptions.
- ◆ Irish Business stood flat at ₹38 crore compared to the previous year

H1 (April-September) FY 2022-23

- ◆ Consolidated revenue for the period was ₹1,274 crore, compared to ₹1,722 crore in H1FY22
- ◆ EBITDA for the period was ₹27 crore as compared to ₹217 crore in H1FY23
- ◆ R&D spend was at ₹75 crore (6% of sales) and including capital expenditure at 11.3% to sales for H1FY23



Business Highlights

- ◆ The International Business contributed 76% of the global revenue in H1FY23
- ◆ The India Business stood at ₹308 crore in H1FY23 (PY ₹339 crore). EMROK, the NCE launched during FY21 continues to provide unmatched benefits to the patients.
- ◆ Emerging Markets Business of the Company stood at ₹234 crore in H1FY23 (PY ₹289 crore). Emerging Markets business contributed 18% of the global revenue in H1FY23.
- ◆ UK Business stood at ₹422 crore in H1FY23 (PY ₹794 crore). UK Business contributed about 33% of global revenue.
- ◆ US Business stood flat at ₹163 crore in H1FY23 as compared to the previous year. US business was impacted by price erosion and supply disruptions.
- ◆ Irish Business stood at ₹75 crore in H1FY23 (PY ₹74 crore)

Re-structuring of US business

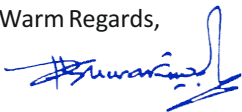
As already disclosed by Company in its earlier communications, and in view of the changed pharmaceutical market situation in the United States, the management had initiated various steps to restructure its USA business by closing down its manufacturing facility in Illinois, USA and undertake its business 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.

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,

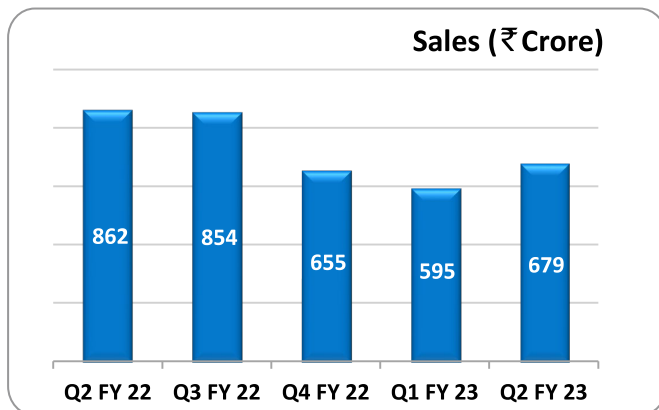


Dr. Habil Khorakiwala
Founder Chairman

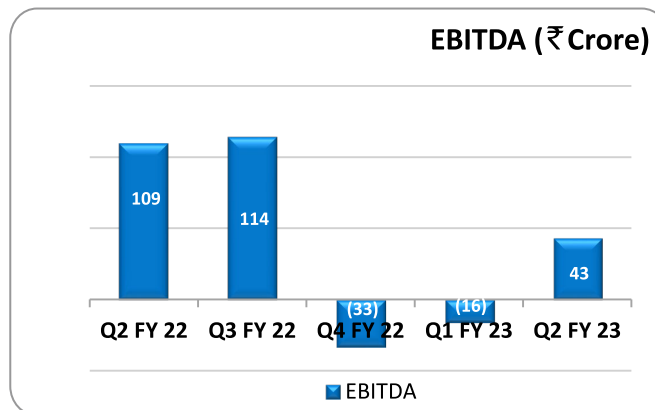


PERFORMANCE HIGHLIGHTS

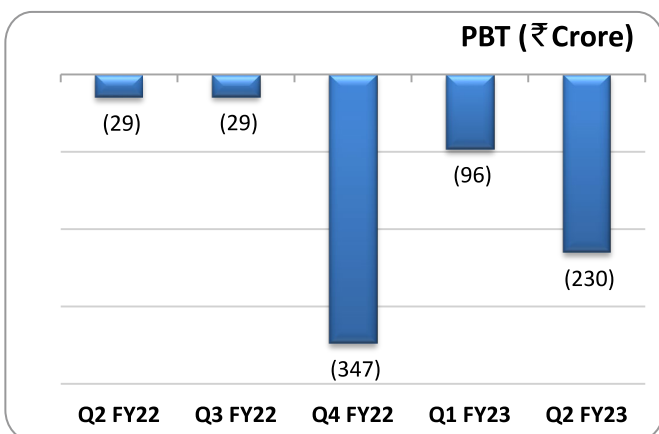
Sales Performance over the period:



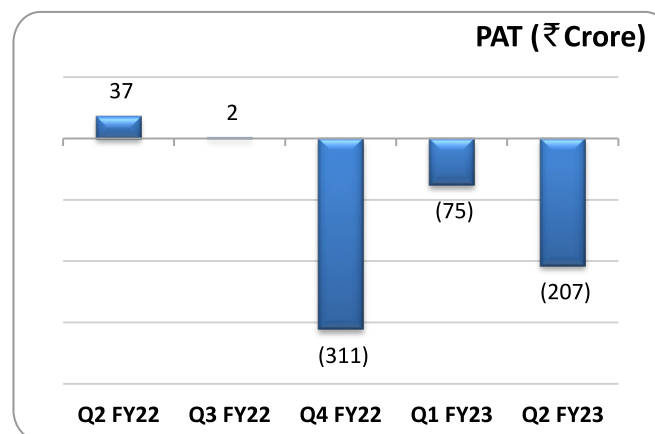
EBITDA over the period:



PBT over the period:



PAT over the period:



Consolidated Financials – Q2FY23:

- Consolidated revenues at ₹679 crore in Q2FY23 vs. ₹862 crore in Q2FY22
 - India Business de-grew by 20% in Q2FY23 compared to Q2FY22
 - Emerging Markets Business de-grew by 29% in Q2FY23 compared to Q2FY22
 - UK revenues de-grew by 37% in GBP terms in Q2FY23 over Q2FY22
 - US Business **grew by 36%** in Q2FY23 compared to Q2FY22 in dollar terms
 - Pinewood Business **grew by 8%** in Q2FY23 compared to Q2FY22 in Euro terms
- Gross Margins during Q2FY23 were 62% compared to 61% in Q2FY22
- EBITDA at ₹43 crore compared to ₹109 crore in Q2FY22
- The quarter of the previous year includes revenue and profitability from UK vaccine business

Consolidated Financials – H1FY23:

- Consolidated revenues at ₹1,274 crore in H1FY23 vs. ₹1,722 crore in H1FY22
 - India Business de-grew by 9% in H1FY23 compared to H1FY22
 - Emerging Markets Business de-grew by 19% in H1FY23 compared to H1FY22
 - UK revenues de-grew by 43% in GBP terms in H1FY23 over H1FY22
 - US Business de-grew by 6% in H1FY23 compared to H1FY22 in dollar terms
 - Pinewood Business **grew by 9%** in H1FY23 compared to H1FY22 in Euro terms
- Gross Margins were 62% during H1FY23 and H1FY22
- EBITDA at ₹27 crore compared to ₹217 crore in H1FY22
- The previous year includes revenue and profitability from UK vaccine business

BUSINESS HIGHLIGHTS

- **International Operations**

- At ₹529 crore, contributes 78% of global revenues for Q2FY23, de-grew by 22% as compared to Q2FY22
- At ₹966 crore, contributes 76% of global revenues for H1FY23, de-grew by 30% as compared to H1FY22

- **India and Emerging Markets Business**

- India and Emerging Markets contributed 39% of the global revenues in Q2FY23 and 42% in H1FY23. India business stood at ₹150 crore in Q2FY23 (PY ₹187 crore) and at ₹308 crore in H1FY23 (PY ₹339 crore). 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 Q2FY23 (PY ₹165 crore) and at ₹234 crore in H1FY23 (PY ₹289 crore)

- **Europe Business and UK**

- Europe Operations (including France) contributed 48% of the Global Revenues in Q2FY23 and 45% in H1FY23

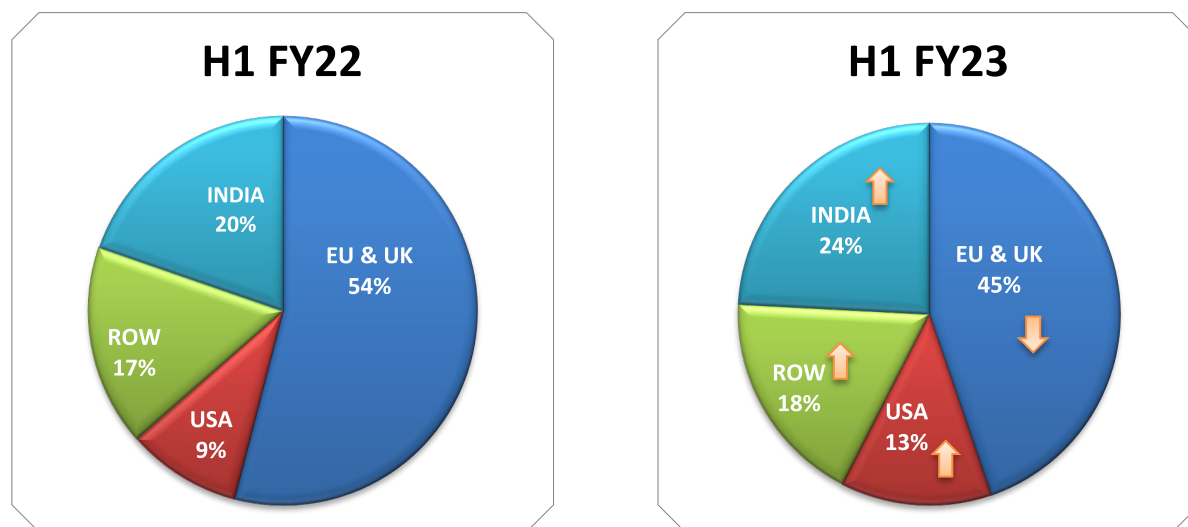
- **UK Operations (including Pinewood's UK Business)**

- UK revenues stood at ₹226 crore in Q2FY23 vs. ₹387 crore in Q2FY22, representing de-growth of 42% in INR terms (and de-grew by 37% in GBP terms in Q2FY23 over Q2FY22). For H1FY23 UK revenues stood at ₹422 crore compared to previous year of ₹794 crore representing a de-growth of 47% (and de-grew by 43% in GBP terms). Previous year includes revenue from UK vaccine business.
- Irish Business revenues remained flat at ₹38 crore in Q2FY23 compared to the previous year and for H1FY23 the revenues were ₹75 crore (PY ₹74 crore)

- **US Business**

- US Business contributed to 13% of the Global Revenues in Q2FY23 and H1FY23. Revenues from the US Business were at ₹89 crore in Q2FY23 versus ₹61 crore in Q2FY22 registering a growth of 45% and stood flat at ₹163 crore in H1FY23 compared to the previous year.

SHARE OF GLOBAL REVENUES



FINANCIALS

Consolidated P&L

₹ Crore

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22
Revenues from Operations	679	595	862	1274	1722
Material Consumption	258	226	335	484	658
Gross Margins	421	369	527	790	1064
<i>Gross Margin %</i>	62%	62%	61%	62%	62%
Staff Cost	151	165	168	317	343
R&D Expenses	39	36	39	75	73
Other Expenditure	188	183	211	371	431
Total Expenditure	636	611	753	1247	1505
EBITDA	43	(16)	109	27	217
<i>EBITDA Margin</i>	6%	-3%	13%	2%	13%
EBITDA before R&D	82	20	148	102	290
<i>EBITDA Margin before R&D</i>	12%	3%	17%	8%	17%
Interest Expenses (Net)	70	73	69	143	133
(Income)/Expense due to Exchange Rate Fluctuation	(50)	(56)	13	(106)	0
Depreciation	65	64	61	129	126
Other Income / (Loss)	7	1	5	8	7
Profit/(Loss) Before Tax before exceptional items	(35)	(96)	(29)	(131)	(35)
Exceptional Items #	(195)	-	-	(195)	-
Profit/(Loss) before Tax	(230)	(96)	(29)	(326)	(35)
Tax Expense (Including Deferred Tax)	(23)	(21)	(66)	(44)	(66)
Profit After Tax (PAT)	(207)	(75)	37	(282)	31
Less: Non-Controlling Interest	(18)	(8)	4	(26)	10
PAT after Non-Controlling Interest	(189)	(67)	34	(256)	21
<i>PAT after Non-Controlling Interest Margin %</i>	-28%	-11%	4%	-20%	1%

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

• Company had accounted for a contract asset of ₹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.

WOCKHARDT IN THE NEWS!!

Past quarter has been positive for the company and certain events have made it to the headlines of most of the newspapers.

'Under-trial antibiotic cleared superbug infection in 5 days'

- Times of India, Nov 13, 2022

Wockhardt's Super Drug WCK 5222 saved a Nepalese woman's life. She was on ventilator for nearly four weeks and all available antibiotics had failed. The woman was successfully treated with the drug and Wockhardt has now received multiple requests. Currently the drug is under phase – III trial in Europe as per USFDA guidelines.

<https://timesofindia.indiatimes.com/city/mumbai/under-trial-antibiotic-cleared-superbug-infection-in-5-days/articleshow/95481272.cms>

'Wockhardt receives affirmation in credit ratings from CARE'

- Business Standard, Sept 5, 2022

Wockhardt has received reaffirmation in credit ratings from CARE, after considering tie-up with multiple global companies for supply of vaccines and multiple antibiotics, diversified product portfolio, strong R&D and global presence amongst other positive reasons.

https://www.business-standard.com/article/news-cm/wockhardt-receives-affirmation-in-credit-ratings-from-care-122090500463_1.html

'Will restructuring US biz turnaround this pharma player?'

- Economic Times, Aug 26, 2022

Multiple industry veterans appreciated the management's decision to restructure the US business and are hoping that this would help revive the business and turnaround the losses due to the US vertical.

<https://economictimes.indiatimes.com/markets/stocks/news/will-restructuring-us-biz-turnaround-this-pharma-player/articleshow/93776040.cms>

'Wockhardt ties up with various partners to roll out products in US market'

- Economic Times, Aug 20, 2022

The company has tied up with partners in US to manufacture and sell their products as they are restructuring the US business and relieving the workers in a phased manner.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/wockhardt-ties-up-with-various-partners-to-roll-out-products-in-us-market/articleshow/93676680.cms?from=mdr>

'Wockhardt initiates phase-III clinical study of new antibiotic candidate'

- Economic Times, Aug 16, 2022

The company has initiated phase-III trial of WCK 5222 for complicated UTI infections caused by resistant pathogens and will be conducted worldwide in 11 countries across 70 centres.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/wockhardt-initiates-phase-iii-clinical-study-of-new-antibiotic-candidate/articleshow/93585694.cms>

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