

Mumbai, 26th May, 2023

Wockhardt's Q4 FY23 3 Fold Jump in EBITDA over Q4 FY22

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 4th Quarter Results for Financial Year 2022-23, today.

The Company recorded a Revenue of Rs.710 crore in Q4FY23 compared to Rs.666 crore in Q4FY22 registering a growth of 7%. EBITDA for the quarter is Rs.47 crore as compared to Rs.(22) crore in Q4FY22 registering a substantial growth of 314%.

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

NCE Update:

EMROK	<ul style="list-style-type: none">• 45,000 Patients Treated• Indication Expansion – CAP, BJI, Septicemia, Immuno compromised
NCE 4873	<ul style="list-style-type: none">• Phase III study in India is progressing well• 488 patients (100% of study target) randomized• Study estimated to be completed by October 2023 and filing of marketing application by Feb 2024
NCE 5222	<ul style="list-style-type: none">• WCK 5222 has saved 3 lives on compassionate use.• These were critical patients on ventilators for several weeks and used all new antibiotics available in India and globally.• They were all cured and discharged from the hospital on completion of treatment in 10 days as WCK 5222, being a beta lactam enhancer, a new class of antibiotic, works dramatically.

Business Review:

Quarter ended 31st March, 2023:

- **UK Business** stood at Rs.242 crore in Q4FY23 compared to Rs.223 crore in Q3FY23 registering a growth of 8%. UK Business contributed about 36% of Global Revenue.
- **India Business** stood at Rs.125 crore in Q4FY23. India Business contributed 19% of the Global Revenue.
- **Emerging Markets Business** of the Company stood at Rs.173 crore in Q4FY23 compared to Rs.148 crore in Q3FY23 registering a growth of 16%. Emerging Markets Business contributed about 25% of the Global Revenue.
- **Irish Business** stood at Rs.44 crore in Q4FY23 compared to Rs.40 crore in Q3FY23 showing a growth of 10%.
- **US Business** stood at Rs.50 crore in Q4FY23. US Business contributed 7% of the Global Revenue.

Research and Development expenditure during the quarter was at Rs.25 crore (3.5% to sales) and including capital expenditure was at 7.1% to sales.

Year ended 31st March, 2023:

- **UK Business** stood at Rs.887 crore in FY23. UK Business contributed about 33% of Global Revenue.
- **India Business** stood at Rs.609 crore in FY23. India Business contributed 23% of the Global Revenue.
- **Emerging Markets Business** of the Company stood at Rs.555 crore in FY23. Emerging Markets Business contributed about 21% of the Global Revenue.
- **Irish Business** stood at Rs.158 crore in FY23 compared to Rs.153 crore in the previous year registering a growth of 4%.
- **US Business** stood at Rs.303 crore in FY23. US Business contributed 11% of the Global Revenue.

Research and Development expenditure during the period was at Rs.139 crore (5% to sales) and including capital expenditure was at 10% to sales.

Intellectual Property (IP):

2 patents were filed during the quarter ended 31st March, 2023 and the cumulative filings till date are 3239. The company was granted 3 patents during the quarter and now holds 810 patents.

Consolidated Profit and Loss - Snapshot:

Particulars	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
	INR Cr	INR Cr	INR Cr	INR Cr	INR Cr
Total Revenue	710	701	666	2,693	3,239
EBITDA before R&D	72	101	4	282	450
EBITDA % to Sales	10.1%	14.4%	0.6%	10.5%	13.9%
R&D	25	40	26	139	143
R&D % to Sales	3.5%	5.6%	3.9%	5.2%	4.4%
EBITDA	47	61	(22)	143	307
EBITDA Margins %	6.6%	8.7%	-3.3%	5.3%	9.5%
Exceptional Items #	(96)	(3)	(183)	(294)	(183)
PBT	(193)	(105)	(347)	(624)	(411)
Profit After Tax	(237)	(102)	(311)	(621)	(279)
PAT Margins %	-33.4%	-14.5%	-46.7%	-23.1%	-8.6%

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 Q2 FY23 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 / incurred loss of for Rs.123 crore w.r.t its property, plant and equipment,

Rs.80 crore provided for claims incurred/ expected claims from customers, Rs.17 crore for inventory and other expenses of Rs.13 crore pursuant to this restructuring. The impact of the above matter for the quarter ended March 31, 2023 is Rs.85 crore.

- *During the current quarter, the Company has agreed for an early payment schedule of the settlement liability. Pursuant to this revision, Company has recorded an additional cost of Rs.11 crore due to unwinding of the discount.*
- *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 around ~2600 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 77% of its global revenues coming from international businesses.