

CHAIRMAN'S SPEECH

ANNUAL GENERAL MEETING

14th August, 2023

**A STRATEGIC APPROACH WINS.
LIFE WINS.**



WOCKHARDT | **LIFE WINS**

55
years

WOCKHARDT | **LIFE
WINS**



Dr. Habil Khorakiwala **Founder Chairman**

My dear shareowners,

friends, and distinguished guests. Welcome to the Annual General Meeting of Wockhardt Limited.

Let me briefly review the financial year gone by.

We posted consolidated Total Revenues of ₹2,773 crore with an Operating Profit (EBITDA) of ₹223 crore. Our International Business accounted for 77% of Total Business, with 45% contributed by EU and UK business; 11% from US business; and 21% from Emerging Markets business.

We have now adopted a strategic approach to the business keeping in mind our core competencies, research capabilities, market strengths, and long-term objectives. A strategic approach lays the groundwork for effective execution, and without a solid strategy, even the best execution efforts may fall short. A well-designed strategy is the foundation for achieving business objectives. It involves actively seeking and implementing innovative ideas that can differentiate our business from the competition, and engaging and aligning the entire team towards common goals. Our strategic approach focusses on several specific areas that will lead us to sustainable growth.



STRATEGIC FOCUS: INTERNATIONAL BUSINESS

Considering that our global business contributes a lion's share of the total business, year after year, it makes sense to consolidate and further strengthen our position in these markets. Towards this end, we have undertaken several strategic measures designed to drive future growth.

We have strengthened our sterile manufacturing facility in the UK in line with our profit-sharing joint venture with Serum Life Sciences, UK, which has identified two vaccines for production. Post regulatory approvals and exhibit batches, we hope to manufacture these in the next 8 to 12 months.

Like the legendary Jack Welch said, "An organisation's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage." We have derisked our US business by restructuring it dramatically. We have shut down our manufacturing facilities at MGP, Illinois, and are carrying on our business through USFDA-approved Contract Manufacturing Organisations (CMOs). We have now engaged multiple USFDA-approved manufacturing partners after thorough due diligence and inspection of their facilities, to manufacture various products of Wockhardt for sale in the USA/North America under the same brand. We continue to maintain sales with approximately 40% gross margins and are focusing on market penetration and expansion. These steps will translate into annual savings of approximately US\$12 Mn.

Further, we are looking to forge strong partnerships and explore geographies with untapped medical needs. They include emerging markets across Latin America, Middle East and North Africa, and South East Asia.

STRATEGIC FOCUS: DIABETES/BIOLOGICALS

As you well know, Wockhardt has achieved remarkable success in the field of Biologicals. This achievement can be attributed to our cutting-edge in-house research capabilities, top-notch manufacturing facilities for insulins and complex CHO cell-based biologicals, and our state-of-the-art sterile manufacturing units located in India and the UK.

One particular area where we have established ourselves as pioneers is the diabetes segment, where we enjoy a distinct advantage due to limited competition worldwide. Our strength lies in a strong pipeline of recombinant therapeutic proteins tailored for insulin-resistant and higher BMI diabetic patients. We have successfully introduced recombinant Human Insulin and Insulin Glargine in various emerging markets, and aim to further expand our reach in the next 1 or 2 years. Thereafter, we plan to enter developed markets with a carefully selected portfolio.

Additionally, our biotechnology team is actively working on other Biosimilars that are in different stages of development. These include recombinant Insulin analogues like Insulin Aspart and Insulin Lispro, and GLP-1 agonists. Notably, our co-formulation of insulin analogues has already received a pre-clinical waiver from the drug regulator.

A distinct advantage we possess is the cost-effectiveness of manufacturing and research of our products in India, which is further supplemented by our patented drug delivery devices. This distinctive combination puts Wockhardt in a highly competitive position globally, setting us apart from other companies in this segment.



STRATEGIC FOCUS: NOVEL ANTIBIOTICS

Long before Jeff Bezos, Founder & CEO of Amazon said, "If you're competitor-focused, you have to wait until there is a competitor doing something. Being customer-focused allows you to be more pioneering.", we had veered off the beaten path towards antibiotic drug discovery. The trail-blazing results have put us in a unique position on the global novel antibiotics map. Let me update you all.

Our flagship novel antibiotic, WCK 5222, is a new class of antibiotic that works dramatically. While still under trial, it has been used in India on compassionate grounds and has saved five lives. These were critical patients on ventilators for several weeks and had used all available antibiotics in India and globally. They were all cured and discharged from the hospital on completion of treatment with WCK 5222. An article by American Society for Microbiology emphasises its clear superiority of treatment and safety efficacy. Our phase III clinical trial is scheduled to be completed in the first half of 2024 and thereafter will soon be launched in the global markets.

We have also completed the recruitment for Phase III clinical study of WCK 4873 in India and plan to file for marketing authorisation before this calendar year is over.

The launch of EMROK and EMROK O in India has been well-received with over 47,000 patients being treated so far. We plan to register them in other global markets soon.

Wockhardt's farsighted pursuit to discover novel antibiotics has resulted in a stream of products that would effectively manage infections caused by high-mortality-inflicting pathogens. Moreover, these novel antibiotics are designed to provide 360-degree coverage of patients in ICUs, wards, out-patient settings, and the community at large.

Our unwavering belief in the potential of our life-saving molecules is only matched by the long-term trust you, our investors, have placed in us.

STRATEGIC FOCUS: CSR

I strongly identify with Rosabeth Moss Kanter, American sociologist and Professor at Harvard Business School, who said, "A vision is not just a picture of what could be; it is an appeal to our better selves, a call to become something more."

Wockhardt Foundation's efforts towards Corporate Social Responsibility goes beyond compliance and is a conscientious extension of our vision to ensure that Life Wins. While our initiatives across healthcare, education, sanitation, skills development, etc. touch millions of lives, it is our flagship programme, Mobile 1000, that provides basic healthcare to remote and inaccessible areas of the country. Our vans, each equipped with a doctor, diagnostic equipment, pharmacist, and medicines, cover over 4,000 villages serving over 3 million lives every year.

Also, our e-learning centres reach out to around two and a half lakh children bringing qualitative learning and significantly improving their learning ability and experience.

In FY 2022-23, Wockhardt Foundation's initiatives managed to touch over 5 million lives.

55
years

WOCKHARDT | **LIFE
WINS**

STRATEGIC FOCUS: HEALTHCARE

Wockhardt Hospitals, a chain of super-speciality hospitals across Maharashtra and Gujarat, has a solid reputation for clinical expertise and care with state-of-the-art technology and topmost clinicians across specialities.

I am sure that you will share my pride to know that the Wockhardt Super Speciality Hospital in Nagpur has emerged as a centre of excellence in multi-organ transplants like Liver, Kidney, and Bone-Marrow transplants conducted by some of the country's most renowned and experienced transplant specialists.

In conclusion, I echo American political theorist John Schaar who said, "The future is not some place we are going, but one we are creating. The paths are not to be found, but made." Our vision is clear, the mission is defined, the strategy is mapped, and the execution is in play. Let's all look forward to a promising future.

I and the Board of Directors, sincerely thank all Wockhardt shareowners, associates, the medical and financial communities, and our vendor associates, for their support, cooperation, and good wishes.

God bless us all.



Dr. Habil Khorakiwala
Founder Chairman





GLOBAL HEADQUARTERS

Wockhardt Limited
Wockhardt Towers, Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051. Maharashtra, India
Tel: +91 22 2653 4444

REGISTERED OFFICE

Wockhardt Limited
D-4, MIDC, Chikalthana, Aurangabad - 431 006, India
Tel: +91 240 669 44444 | Fax: +91 240 2489219

www.wockhardt.com