

Mumbai, 29th August, 2020

Wockhardt's profitability (PAT) for Q1FY21 at Rs.760 crore

	Q1-FY21	Q4-FY20	Q1-FY20
	Apr - Jun 2020	Jan - Mar 2020	Apr - Jun 2019
	INR Cr	INR Cr	INR Cr
Sales	652	791	863
EBITDA before R&D*	(12)	80	116
EBITDA % to Sales	-1.8%	10.1%	13.5%
R&D	38	43	60
R&D % to Sales	5.8%	5.4%	7.0%
EBITDA*	(49)	37	56
EBITDA Margins %	-7.6%	4.6%	6.5%
Exceptional Items	1,328	-	-
PBT	1,148	(65)	(78)
Profit After Tax	760	48	(45)
PAT Margins %	116.6%	6.1%	-5.2%
EPS (Rs)	68.6	4.4	(4.1)

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

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 1st Quarter Results for Financial Year 2020-21, today.

The Company has reported Profit after Tax (PAT) of Rs.760 crore in Q1FY21 as against Loss of Rs.45 crore in the corresponding period. The Profit includes Exceptional Items in connection with the transfer of the business comprising 62 products and line extensions along with related assets and liabilities, contracts, permits, intellectual properties, employees, marketing, sales and distribution of the same in the Domestic Branded Division in India, Nepal, Bhutan, Sri Lanka

and Maldives, and the manufacturing facility at Baddi, Himachal Pradesh, where some of the products which are being transferred were manufactured (together the “**Business Undertaking**”), to Dr. Reddy’s Laboratories Limited (“**DRL**”).

Business Review:

Quarter ended 30th June, 2020:

1st Indian Pharmaceutical Company to launch NCE in India in the Anti- Infective space.

Wockhardt is the 1st Indian Pharmaceutical company to launch NCE in the Indian Pharma market. 2 Products have been launched under the Tablet and Injection category under the brand name “EMROK O and EMROK ”.

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.139 crore in Q1FY21 (PY Rs.144 crore). Emerging Market business contributed about 21% of the Global Revenue.
- **Irish Business** stood at Rs.33 crore in Q1FY21 (PY Rs.38 crore).
- **US Business** stood at Rs.114 crore in Q1FY21 as compared to Rs.186 crore in Q1FY20. US Business contributed 17% of the Global Revenue.
- **UK Business** during the quarter stood at Rs.218 crore in Q1FY21 (PY Rs.225 crore). UK Business contributed about 33% of Global Revenue.
- **India Business** stood at Rs.116 crore in Q1FY21 as compared to Rs.244 crore in Q1FY20. De-growth is mainly on account of lower sales in Quality Generics division and in some of the therapeutic areas. India Business contributed 18% of the Global Revenue.
- **Total EU Business** contributed 43% of the Global Revenue.

Research & Development expenditure during the quarter was at Rs.38 crore (6% to sales) and including capital expenditure is at 7.8% to sales.

Capital expenditure during the quarter was Rs.31 crore.

Debt Position:

Net Debt- Equity ratio as on 31st March, 20 stood at 0.84 and as on 30th June, 20 stood at 0.31.

Divestment of Business undertaking to Dr. Reddy's Laboratories accomplished during the quarter:

The Company, during the Quarter successfully completed the divestment of Business Undertaking and

- a) INR 1,483 crores received towards the same
- b) INR 43 crores out of Rs 67 crores deposited by the Purchaser in an escrow account, towards adjustments for, *inter alia*, Net working capital, employee liabilities and certain other contractual and statutory liabilities etc. has since been settled and received

COVID-19 vaccine partnership with UK Government

Wockhardt, on Aug 3rd, 2020 entered into an agreement with the UK Government to fill finish COVID-19 vaccines for which manufacturing will be undertaken at CP Pharmaceuticals, a subsidiary of Wockhardt based in Wrexham, North Wales.

As per the terms of the agreement the company has reserved manufacturing capacity to allow for the supply of multiple vaccines to the UK Government in its fight against COVID-19, including AZD1222, the vaccine co-invented by the University of Oxford and its spin-out company, Vaccitech, and licensed by AstraZeneca.

In the UK, Wockhardt is one of the largest suppliers into the NHS for over 20 years, has had a presence in Wrexham for over two decades and employs over 400 people at its 612,000 square feet high-tech manufacturing facility.

Intellectual Property (IP) :

No patents were filed during the quarter ended 30th June, 2020 and the cumulative filings till date are 3165. The company was granted 6 patents during the quarter and now holds 728 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 5000 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 82% of its global revenues coming from international businesses.