

Aurangabad, 2nd August, 2017

Wockhardt Q1FY18 Net Sales at Rs.891 crore

	Q1-FY18	Q4-FY17	Q1-FY17
	Apr - Jun	Jan - Mar	Apr - Jun
	2017	2017	2016
	INR Cr	INR Cr	INR Cr
Sales	891	864	1,091
EBITDA before R&D	(7)	(87)	193
EBITDA % to Sales	-0.8%	-10.1%	17.7%
EBITDA	(79)	(177)	85
EBITDA Margins %	-8.9%	-20.5%	7.8%
PBT before exceptional item	(121)	(204)	7
Exceptional item ^[1]	(358)	-	-
PBT after exceptional item	(479)	(204)	7
Profit After Tax	(410)	(175)	16
PAT Margins %	-46.0%	-20.3%	1.5%
EPS	(37.1)	(15.8)	1.4

^[1] Refer note on Settlement of commercial litigation.

Wockhardt Limited, the Pharmaceutical and Biotechnology major, reported its 1st Quarter for Financial Year 2018, today.

Settlement of commercial litigation:

During the quarter ended June 30, 2017, the on-going commercial litigation between the Company and two of its subsidiaries namely Wockhardt UK Holdings Limited and CP Pharmaceuticals Limited (CP) in relation to a supply contract with Cephalon Inc, (Cephalon) an affiliate of Teva Pharmaceuticals USA, Inc. (Teva) before the High Court in London, United Kingdom, was settled at cost of GBP 43 mn to Wockhardt Group.

The High Court has accepted the settlement between the parties and a Consent Order was issued on June 21, 2017. Pursuant to this settlement the ongoing litigation stands closed.

Business review for the quarter:

Despite uncertainties hovering over GST implementation in India, ongoing US FDA related matters and genericisation of some of the products of the Company in USA, the overall sales during the quarter improved over the trailing quarter of Q4FY17 (quarter on quarter) by about Rs. 27 crore, mainly on account of enhanced business in UK.

While on-going expenses on remedial measures (for US FDA related issues) impacted the profitability, the Company's focus on cost containments and rationalisation gave positive impact thereby significantly reducing losses quarter on quarter. The continued strategic focus of the Company in R&D initiatives though impacted the profitability of the Company during the quarter, it would be noteworthy to mention that such strategic R&D spends are for the future even if they are expensed off.

UK Business in GBP terms grew by 29% over Q4FY17. The Company received 1 new approval in UK market in Q1FY18.

India Business of the Company de grew by 8% in Q1FY18 over Q4FY17. 4 New Products were launched in Q1FY18.

Emerging Market Business of the Company grew by 11% in Q1FY18 compared to Q1FY17.

The company's continued pursuit in creating strong Intellectual Property (IP) base resulted into filing of 20 patents during the Quarter ended 30th June, 2017 taking the cumulative filings to 2,924. The company was granted 9 patents during the quarter and now totally holds 562 patents.

The company continued to focus in Research & Development with quarterly spent at Rs.72 crore (8% to sales) and including capital expenditure is at 10% to sales for the quarter ended 30th June, 2017.

Capital expenditure of Rs.51 crore was incurred in Q1FY18.

The company made 1 new filling in Q1FY18 and received 1 new approval taking the cumulative ANDA's pending for approval at 80. 1 tentative ANDA approval received in US.

Quarter ended 30th June, 2017

Consolidated revenue for Q1FY18 was Rs.891 crore and EBITDA was at Rs.(79) crore.

International Business contributed 66% of the Total Revenues in Q1FY18.

EBITDA before R&D spend was Rs.(7) crore in Q1FY18 compared to Rs.193 crore in the Q1FY17.

Ireland Business grew by 25% in Euro terms in Q1FY18 and by 9% in INR terms Q1FY18

Proposed Issue of Securities :

Pursuant to the approval by the Board of Directors of the Company in the meeting held on 4th May, 2017 for raising of additional capital by way of one or more public or private offerings including through a Qualified Institutions Placement (“QIP”) to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding Rs 1,000 crores, notice of postal ballot was sent to the shareholders of the Company during the quarter. The resolution was passed with 99.95% voted in favour of the resolution on 8th June, 2017 and shall be valid for one year.

About Wockhardt :

Wockhardt is a Global Pharmaceutical and Biotech company employing over 10,000 people and 27 nationalities with presence in USA, UK, Ireland, 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 66% of its global revenues coming from international businesses. Wockhardt is home to 600 plus scientists, of whom 70 plus are doctorates. Wockhardt is the only company in the world where USFDA has given QIDP Status (Qualified Infectious Diseases Programme) for 5 of our Anti-bacterial discovery programmes – 2 of them are Gram Negative and 3 Gram Positive. Wockhardt’s entire Anti-infective portfolio particularly addresses the specific bacterial organism where resistances are high and breakthrough antibiotics are needed