

WuXi AppTec

First Quarterly 2023 Results

April 25, 2023



603259.SH / 2359.HK

Forward-Looking Statements

This presentation may contain certain “forward-looking statements” which are not historical facts, but instead are predictions about future events based on our beliefs as well as assumptions made by and information currently available to our management. Although we believe that our predictions are reasonable, future events are inherently uncertain and our forward-looking statements may turn out to be incorrect. Our forward-looking statements are subject to risks relating to, among other things, the ability of our service offerings to compete effectively, our ability to meet timelines for the expansion of our service offerings, our ability to protect our clients’ intellectual property, unforeseeable international tension, competition, the impact of emergencies and other force majeure. Our forward-looking statements in this presentation speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements except as required by applicable law or listing rules. Accordingly, you are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. All forward-looking statements contained herein are qualified by reference to the cautionary statements set forth in this section. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and we do not undertake any obligation to update any forward-looking statement, except as required under applicable law.

Non-IFRS Financial Measures

We provide non-IFRS gross profit and non-IFRS net profit attributable to owners of the Company, which exclude share-based compensation expenses, listing expenses and issuance expenses of convertible bonds, fair value gain or loss from derivative component of convertible bonds, foreign exchange-related gains or losses and amortization of intangible assets acquired in business combinations, goodwill impairment, etc. We also provide adjusted non-IFRS net profit attributable to owners of the Company and earnings per share, which further exclude realized and unrealized gains or losses from our venture capital investments and joint ventures. Neither of above is required by, or presented in accordance with IFRS.

We believe that the adjusted financial measures used in this presentation are useful for understanding and assessing our core business performance and operating trends, and we believe that management and investors may benefit from referring to these adjusted financial measures in assessing our financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and non-operating items that we do not consider indicative of the performance of our core business. Such non-IFRS financial measures, the management of the Company believes, is widely accepted and adopted in the industry the Company is operating in. However, the presentation of these adjusted non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. You should not view adjusted results on a stand-alone basis or as a substitute for results under IFRS, or as being comparable to results reported or forecasted by other companies.

Disclaimer

All intellectual property rights and other rights pertaining to the information and materials presented in the results briefing are owned by WuXi AppTec Co., Ltd. (“WuXi AppTec” or the “Company”). Audio recording, video recording or disclosure of such materials by any means without the prior consent of WuXi AppTec is prohibited. This briefing does not intend to provide a complete statement of the relevant matters. For relevant information, please refer to the 2023 First Quarterly Report published on the website of Hong Kong Stock Exchange (www.hkexnews.hk), Shanghai Stock Exchange (www.sse.com.cn) and media designated by the Company.



01 Results Overview

02 Business Highlights

03 Financial Performance

04 Growth Outlook

Notes:

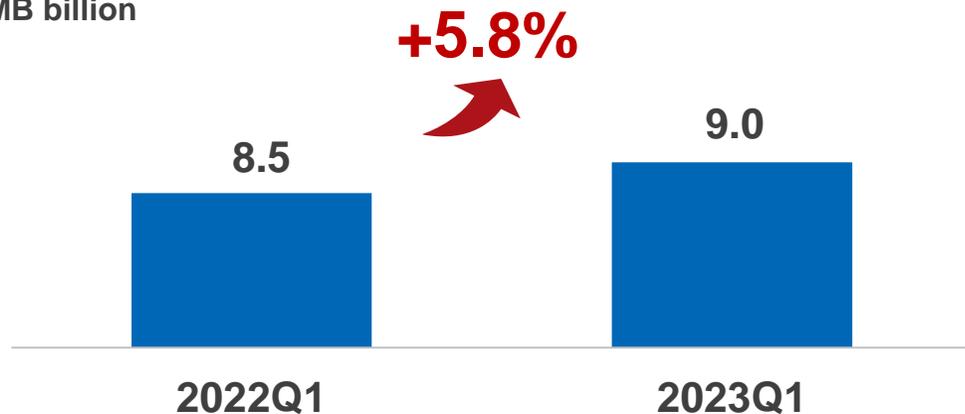
- 3 All financials disclosed in this presentation are prepared based on International Financial Reporting Standards (or “IFRSs”).
The currency is RMB.

1. Results Overview

Continued Solid Growth of Revenue & Profit in Q1 2023

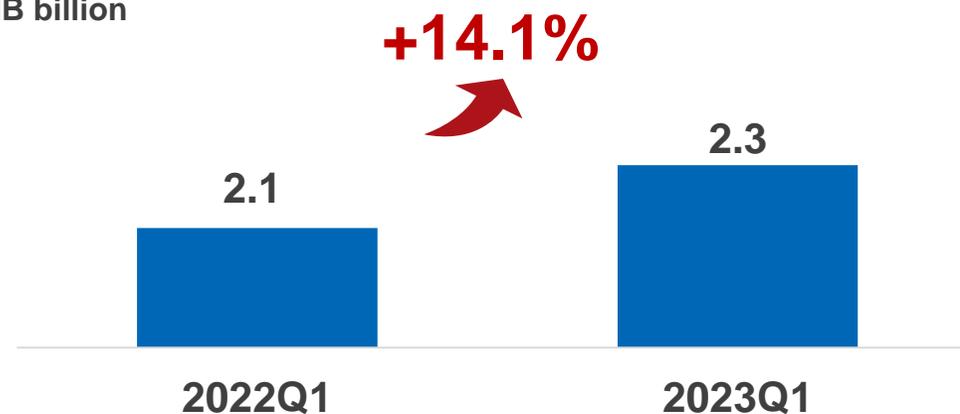
Revenue

RMB billion



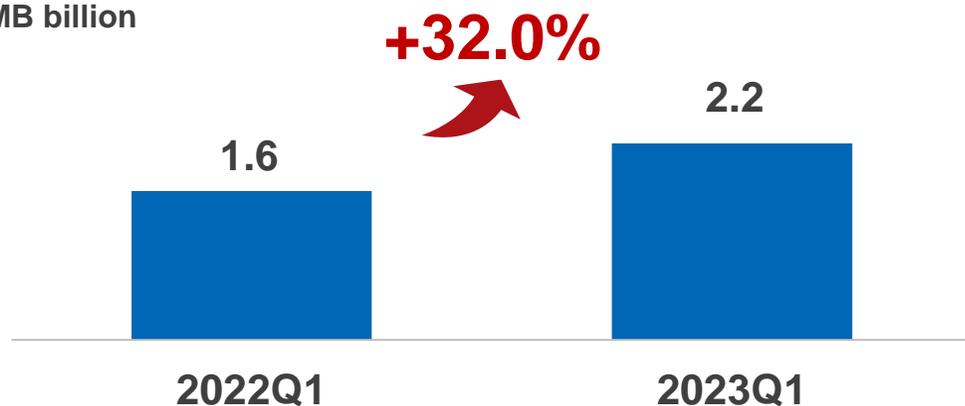
Adjusted Non-IFRS Net Profit

RMB billion



Net Profit

RMB billion



Net Profit After Deducting Non-Recurring Items

RMB billion

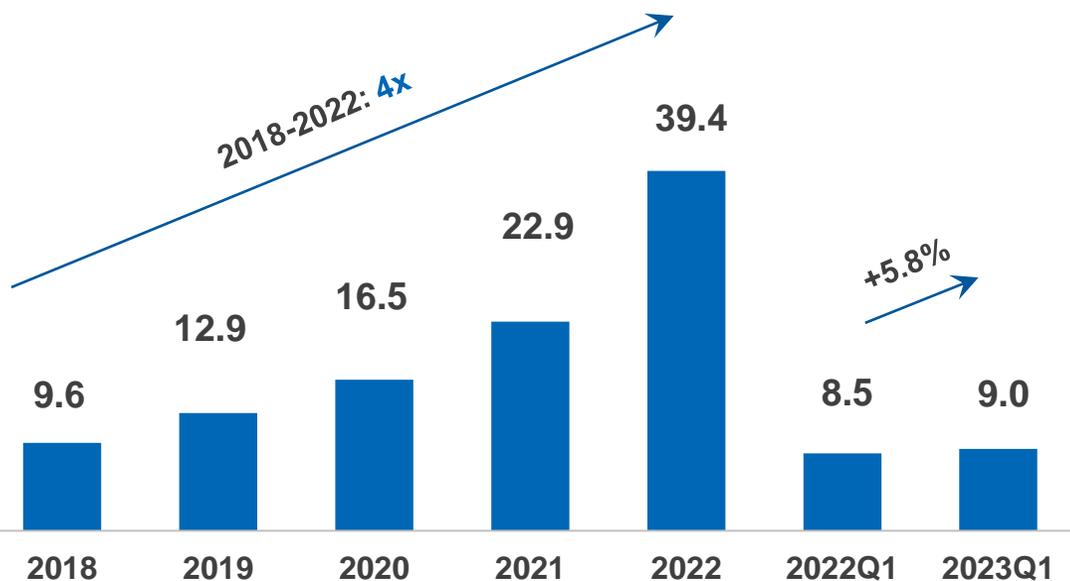


Continue Strong Growth on Back of CRDMO/CTDMO Business Model

Follow the Science / Technology – Follow the Customer – Follow the Molecule

Revenue

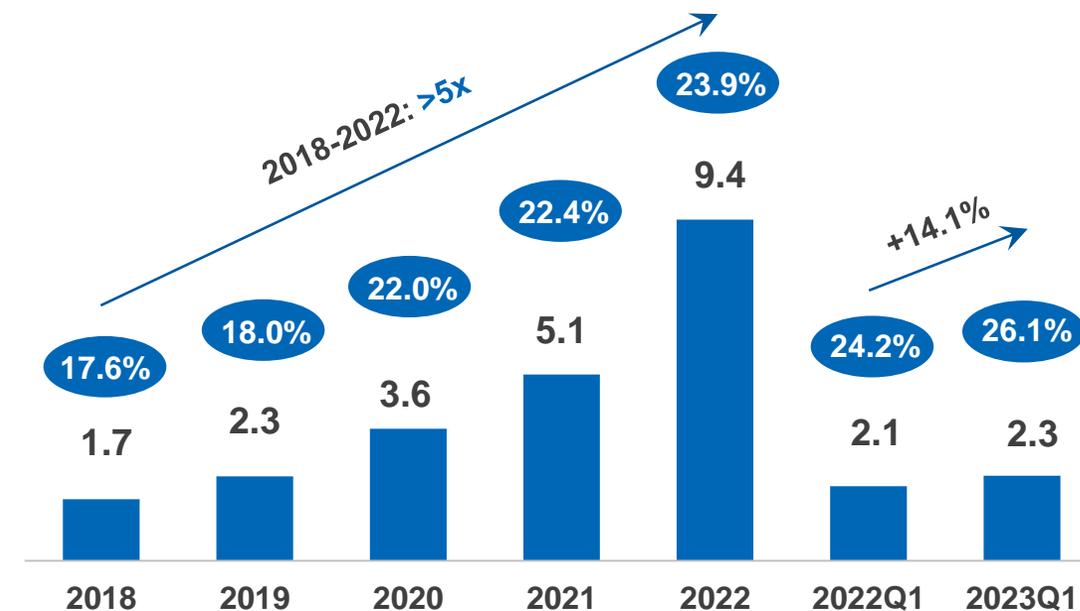
RMB billion



Adjusted Non-IFRS Net Profit

RMB billion

Adjusted Non-IFRS NPM



Q1 2023 Business Highlights

“Long-Tail” Strategy

310+ New Customers
6,000+ Active Customers

Loyal Customer Base

100% Retention of Our
Top 10 Customers

Small Molecule CRDMO Pipeline

258 New Molecules
2,590 Molecules;
55 Commercial; **57** Phase III

Cell & Gene Therapies CTDMO

52 Pre-clinical & Phase I
8 Phase II, **8** Phase III



Global Footprint

32 Global Sites & Branch Offices
43,800 Total employees
40,405 Scientists & Technicians

DDSU Q1 2023

3 INDs; **6** CTAs

Cumulatively

175 INDs; **150** CTAs

Clinical Development

1 NDA Approved, **1** NDA, **6** Phase III,
27 Phase II, **70** Phase I

Our Platform & Business Model Continued to Perform Well

Strong, Loyal & Expanding Customer Base

Revenue composition

Existing clients

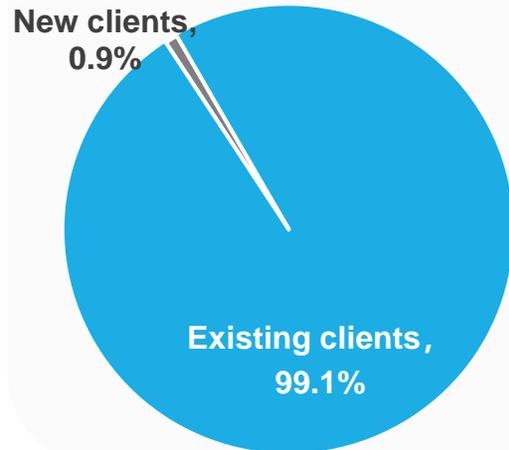
8.88Bn, 6.7%↑

Excluding COVID-19

commercial projects: 18.4%↑

Newly added clients

0.08Bn



Execute Long-Tail Strategy & Increase Support to Large Pharma

Revenue composition

Top 20 Global Pharma clients

3.15Bn, -17.4%↓

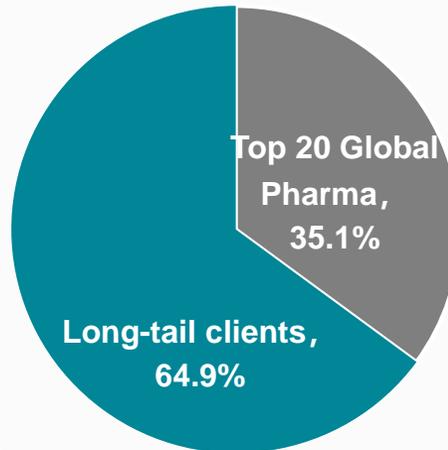
Excluding COVID-19

commercial projects: 1.2%↑

Long-tail and all other clients

5.82Bn, 24.6%↑

Including biotech clients: 53.2%↑



Increase Customer Conversion to Sustain Growth

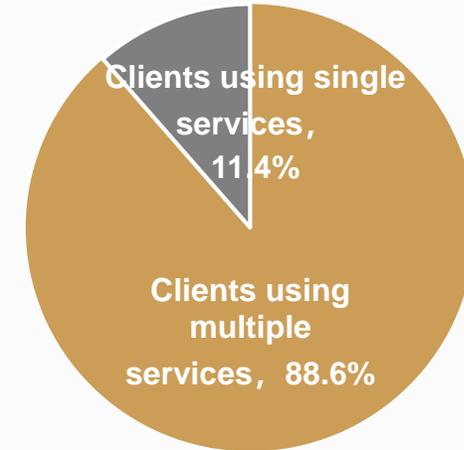
Revenue composition

Clients using multiple services

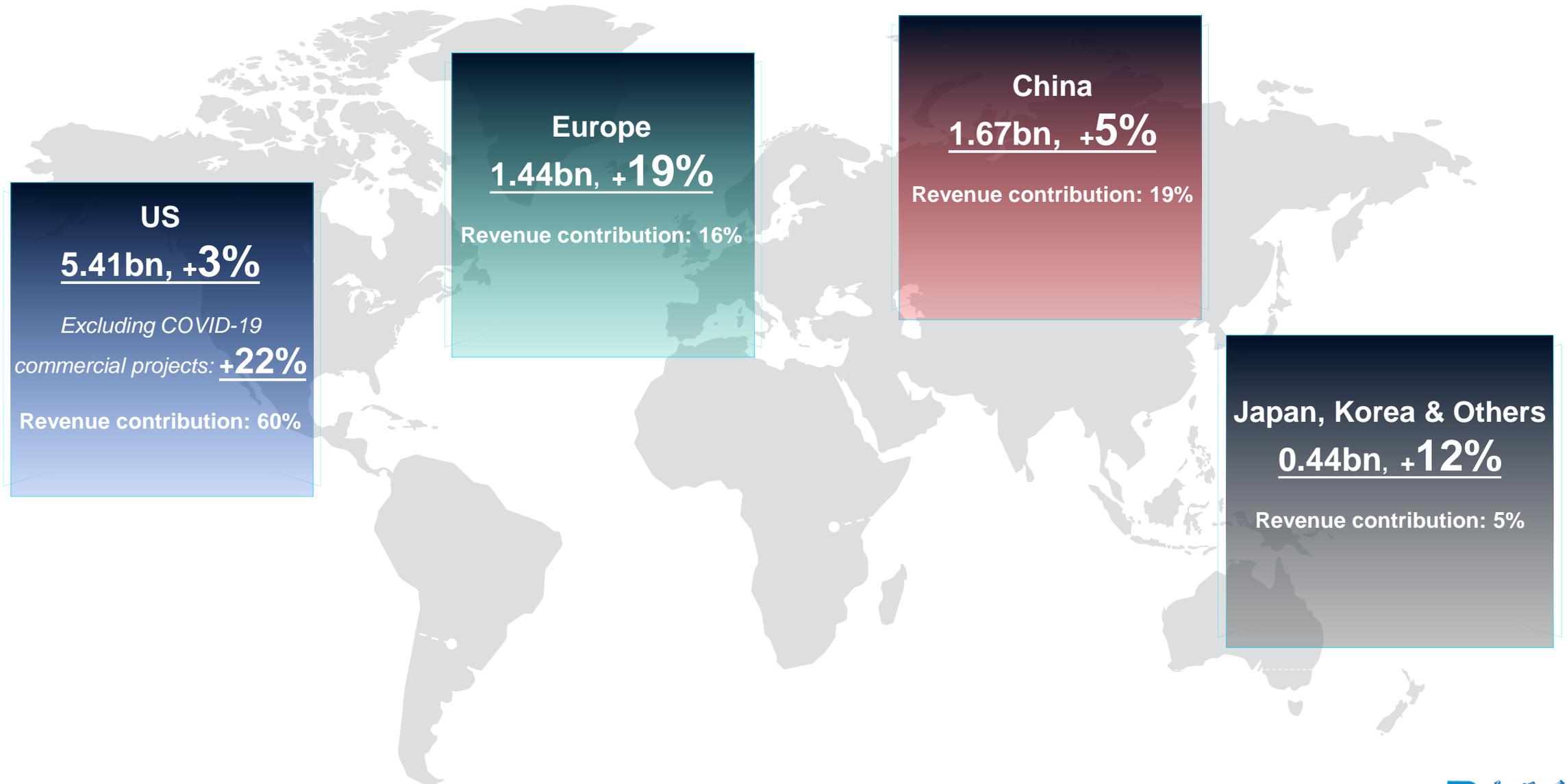
7.95Bn, 7.5%↑

Excluding COVID-19

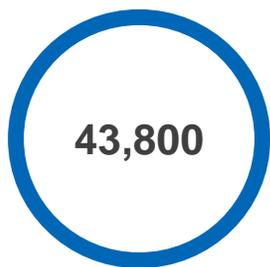
commercial projects: 21.2%↑



Diversified Revenue from Customers Across Regions Ensures the Stability and Resilience of the Company's Financial Performance



Talent Development and Operating Efficiency Improvement to Support Growth



Total Employees ending
March 31 2023



Overseas
Employees

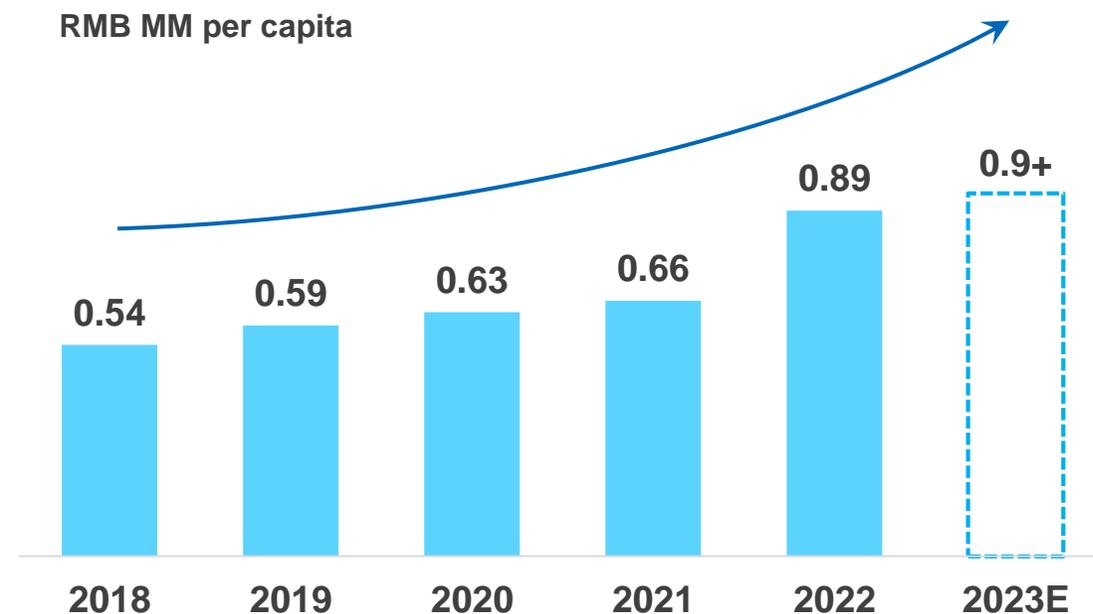


Research
Employees



Manufacturing
Employees

Steady Growth of Output per Capita¹, Resulting from Continuously Improved Operating Efficiency



2018-2023 revenue growth CAGR: **+34%**

Headcount growth CAGR much lower than revenue growth CAGR

10 Note¹: Output per capita = revenue / headcount.

2. Business Highlights

WuXi Chemistry: Integrated CRDMO Business Model Drives Steady Growth, with Continuous Expansion in TIDES

Financial Performance

- Revenue growth of **5.1%** YoY to **6.43bn**
- Adjusted non-IFRS GP grew **17.1%** YoY to **2.89bn**
- Adjusted non-IFRS **GPM 44.9%**, improved by **4.6pts** YoY
- Excluding COVID-19 commercial projects, WuXi Chemistry revenue grew by **21.8%**

Drug Discovery (R)

- Revenue of discovery chemistry service grew **8.5%** YoY to **1.89bn**
- In the past 12 months, delivered **420,000+** synthesized new compounds to our clients, generating opportunities for downstream business units
- Demand from long-tail customers in small molecule and new modalities discovery services continued to grow

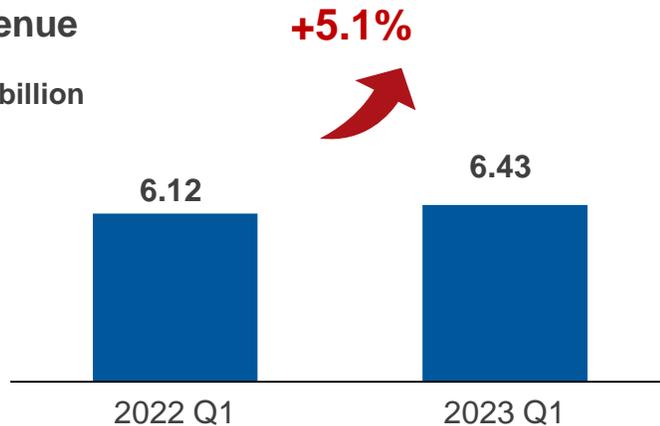
Development and Manufacturing (D&M)

- Revenue of D&M service grew **3.8%** YoY to **4.54bn**. Excluding COVID-19 commercial projects, D&M revenue grew strongly by **30.0%**
- Total pipeline of **2,590** molecules (with **258** newly added), including **55** commercial, **57** Phase III, **301** Phase II, **2,177** pre-clinical and Phase I projects

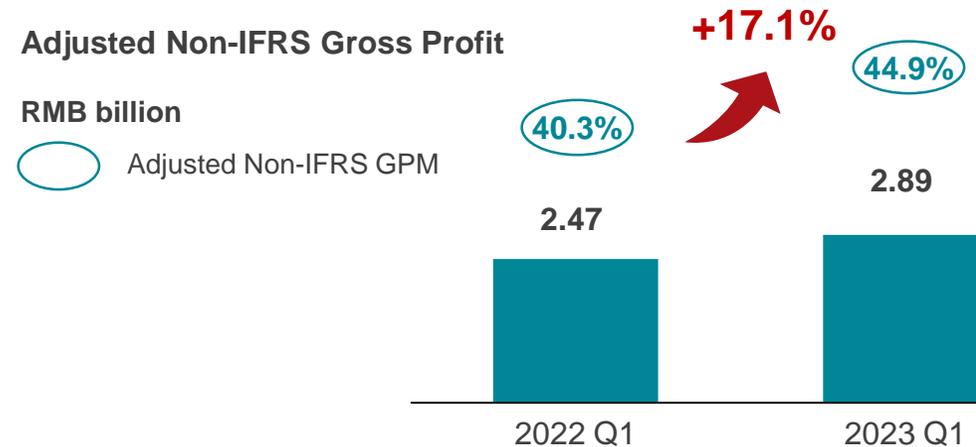
New Modalities (TIDES)

- Revenue from new modalities (TIDES) grew **44.1%** to **0.54bn**
- TIDES D&M clients grew **22%** to **112**, and molecules grew **28%** to **193**, D&M revenue continued to grow strongly by **69.1%** to **0.42bn**

Revenue
RMB billion

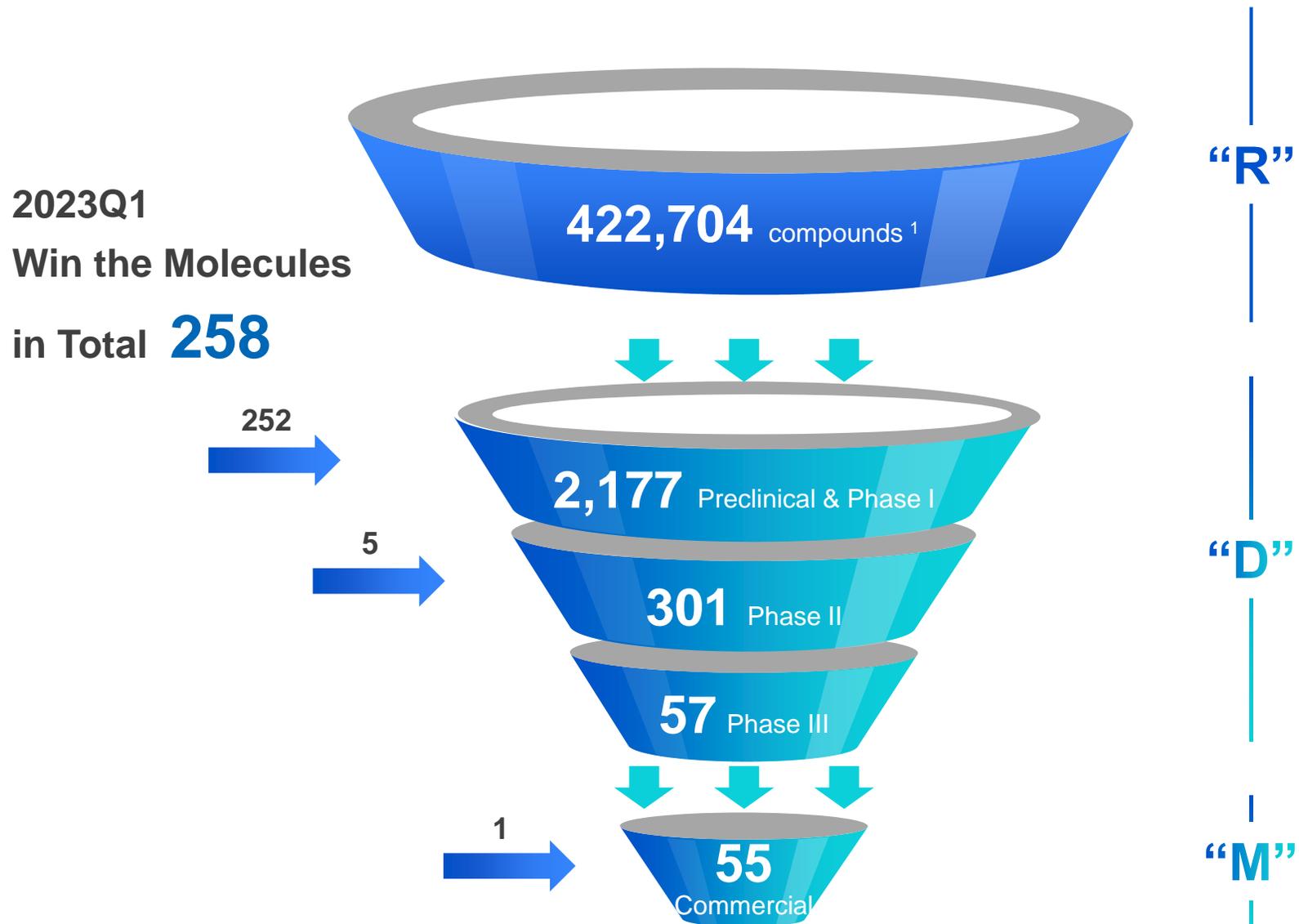


Adjusted Non-IFRS Gross Profit
RMB billion



GPM @ CER:
39.3% Q1'22
40.7% Q1'23

WuXi Chemistry: Growing CRDMO Pipeline driven by “Follow the Molecule + Win the Molecule” Strategies



13 Notes¹: 422,704 individually synthesized compounds in labs in the past 12 months until March 31st, 2023.

WuXi Testing: Lab Testing Services Drives Steady Growth

Financial Performance

- Revenue growth of **13.6%** YoY to **1.45bn**
- Adjusted non-IFRS GP grew **15.6%** YoY to **0.53bn**
- Adjusted non-IFRS **GPM 36.3%**, improved by **0.7pts** YoY

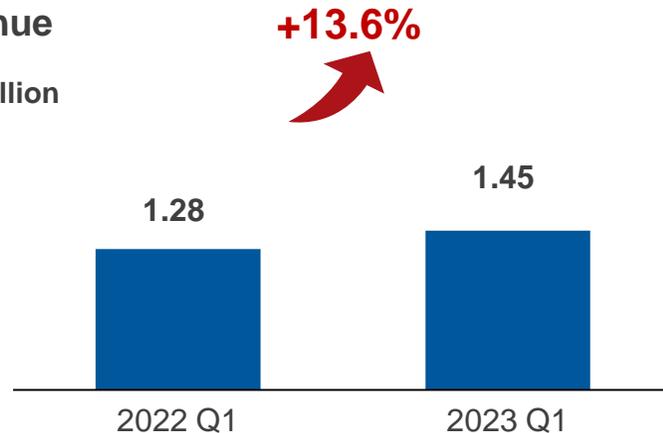
Lab Testing Services

- Revenue from lab testing services grew **15.9%** YoY to **1.05bn**
- Drug safety evaluation service revenue grew **24%**, maintaining APAC industry leader
- Medical device testing service revenue grew **14%**

Clinical CRO & SMO

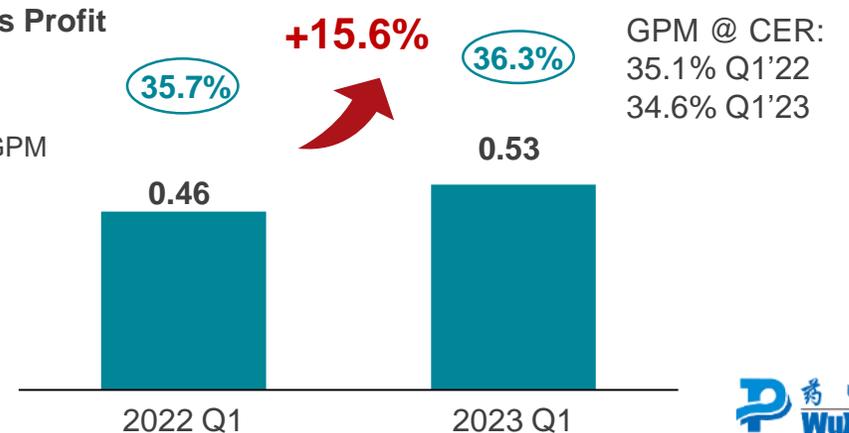
- Revenue of clinical CRO and SMO grew **7.7%** YoY to **0.40bn**
- SMO revenue grew **16.9%**
- Clinical CRO served **~150** projects, enabling clients to obtain **6** IND approvals in Q1 2023
- SMO maintained **#1** leadership position in China and continued to grow, providing services at more than **1,000** hospitals across **~150** cities
- Supported **13** new drug approvals in Q1 2023

Revenue
RMB billion



Adjusted Non-IFRS Gross Profit
RMB billion

○ Adjusted Non-IFRS GPM



GPM @ CER:
35.1% Q1'22
34.6% Q1'23

WuXi Biology: Strong Contribution from New Modalities Related Services

Financial Performance

- Revenue growth of **8.3%** YoY to **0.58bn**
- Adjusted non-IFRS GP growth **8.7%** YoY to **0.24bn**
- Adjusted non-IFRS **GPM 41.5%**, improved by **0.2pts** YoY

Discovery Biology

- One of the largest discovery biology enabling platform with **~3,000** experienced scientists globally (across 9 sites in China, the US and Germany), covering all stages of drug discovery and all major therapeutic areas

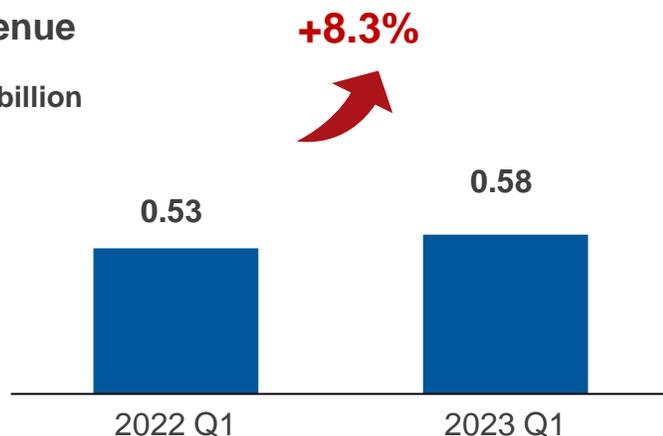
New Modalities

- Focused on improving our new modalities related capabilities, including target protein degradation, nucleic acid based, conjugated modalities, etc.
- Cumulatively delivered **260+** ADC discovery projects with comprehensive experiences from target identification, in vitro/in vivo proof-of-concept (PoC) to preclinical pharmacology studies
- Revenue from new modalities grew by **40%**, contributing **25.3%** of revenue in WuXi Biology in Q1 2023

Comprehensive Screening Platform

- A comprehensive early discovery screening platform, integrating multi-technologies (HTS, DEL, ASMS, FBDD, CADD etc.) and analysis capabilities of multi-dimensional databases, provides extensive and in-depth services to clients
- A global leading DNA Encoded Library (DEL), serving **1,600+** clients with over **90bn** DEL compounds, **6,000** unique scaffolds and **35,000** building blocks, and in addition, multiple **special functional libraries** for targeting RNA, covalent compounds, bifunctional molecules, cyclic peptides, etc.

Revenue
RMB billion



Adjusted Non-IFRS Gross Profit
RMB billion



GPM @ CER:
40.3% Q1'22
38.8% Q1'23

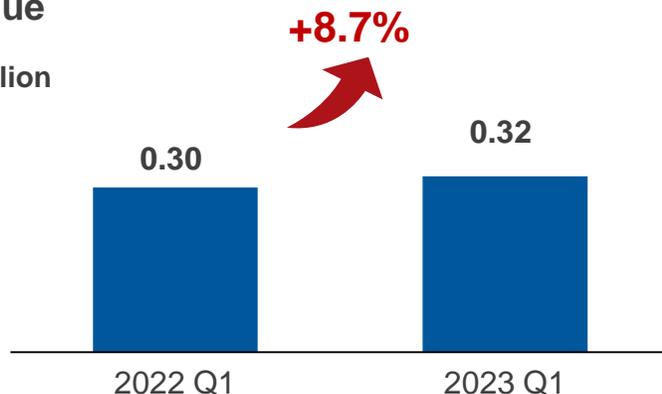
WuXi ATU: CTDMO Business Model Drives Growth

Financial Performance

- Revenue grew **8.7%** to **0.32bn**; Testing grew **8.6%**, Development declined **55.4%**, Manufacturing grew **7.1%**
- Adjusted non-IFRS GP **-0.02bn**. GP declined due to under-utilized capacity of Shanghai Lingang site
- Adjusted non-IFRS **GPM -7.4%**, improved by **0.1pts** YoY

Revenue

RMB billion



Project Pipeline

- Focused on improving our integrated CTDMO enabling platform, providing development and manufacturing services for **52** pre-clinical and Phase I projects, **8** Phase II projects, **8** Phase III projects (**2** projects are in BLA review stage, and **2** projects in BLA preparation stage)

Progress of Commercial Projects

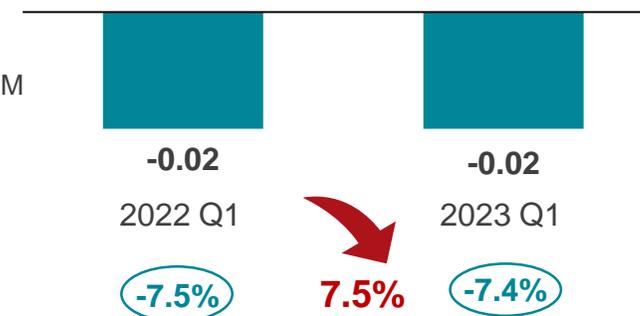
- Supported a US client to complete BLA filing for a TIL product, the **world's first innovative TIL-based therapy**
- Supported a China-based client to file BLA for LVV used in a CAR-T product, and successfully passed the on-site extended inspection of Pre-approval Inspection by CFDI¹, which is the **first CGT CDMO in China to pass CFDI LVV on-site inspection**
- If proceed as planned, expect to have **commercial stage projects** in H2 2023

Adjusted Non-IFRS Gross Profit

RMB billion

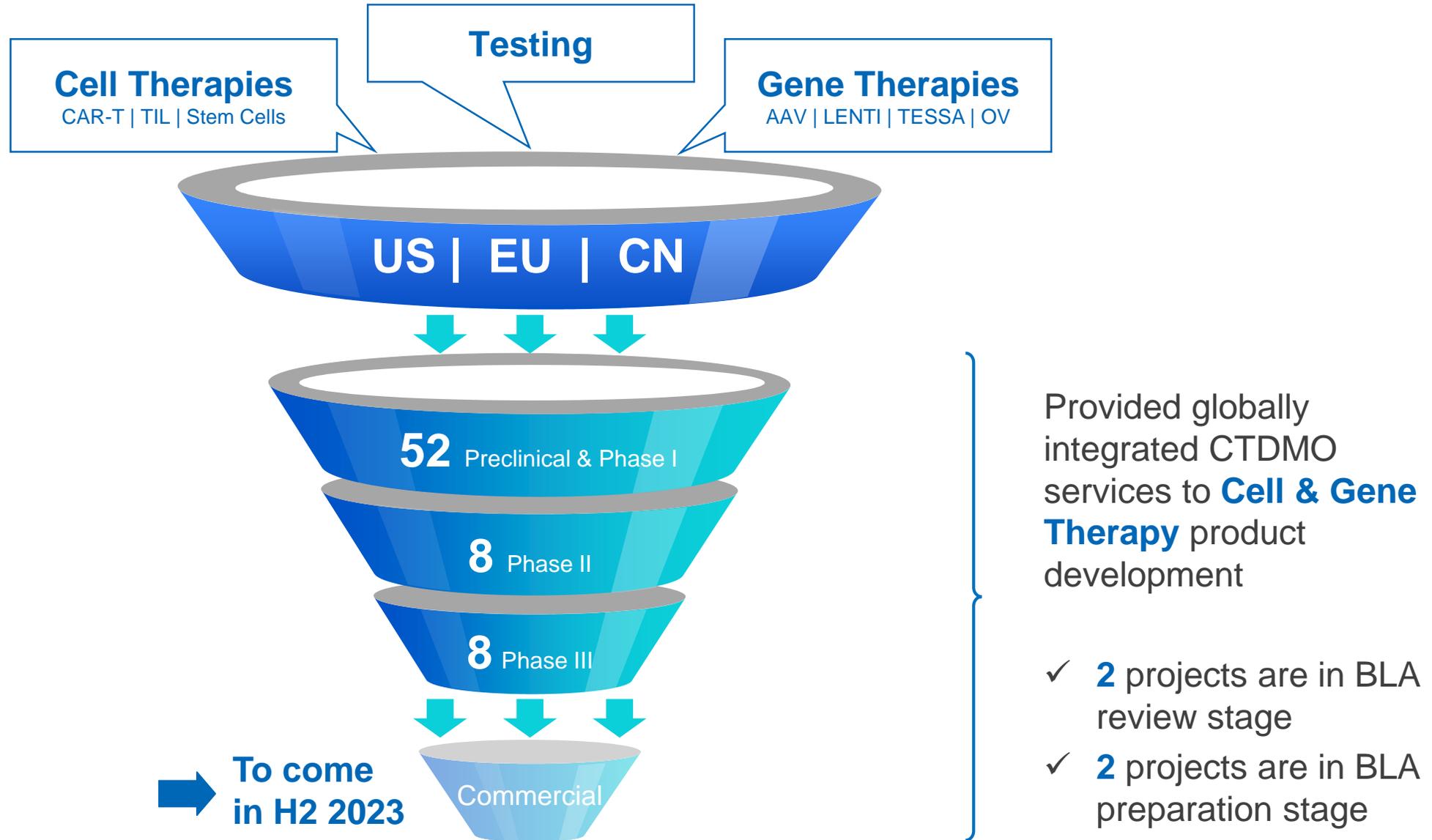


Adjusted Non-IFRS GPM



GPM @ CER:
-7.5% Q1'22
-7.9% Q1'23

WuXi ATU: Growing Pipeline on Our Globally Integrated CTDMO Platform



WuXi DDSU: the First Year to Receive NDA Approval of New Drugs Developed for Customers

Financial Performance

- Revenue declined **31.0%** YoY to **0.17bn**
- Adjusted non-IFRS GP **0.04bn**. Revenue and GP declined as fewer new projects due to decreased demands in China
- Adjusted non-IFRS **GPM 24.0%**, a **9.1pts** YoY drop

Project Pipeline

- Cumulatively submitted **175** IND filings and obtained **150** Clinical Trial Approvals (CTAs), with **1** project receiving NDA approval, **1** project in NDA review stage, **6** in Phase III, **27** in Phase II, and **70** in Phase I, covering multiple therapeutic areas

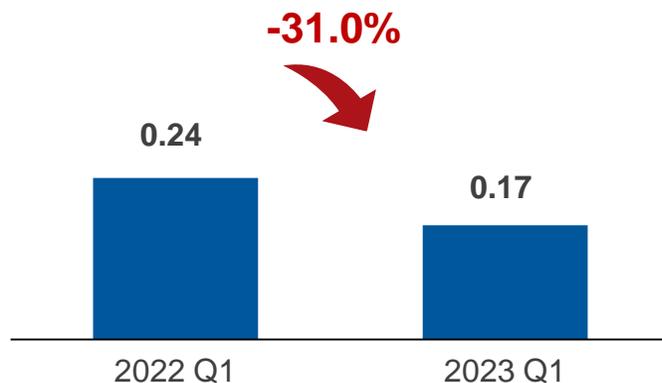
Innovative R&D

- Filed INDs for **3** drug candidates and obtained **6** CTAs in Q1 2023
- **15** new modality projects covering peptide/PDC, PROTAC[®] and oligo, some projects have filed INDs, and multiple projects expect to file INDs in 2023

NDA Approval

- In March 2023, a customer has **obtained approval** of a new drug to treat COVID-19 infection
- Royalty income will be generated based on the sales according to agreements with clients, which is estimated to grow at **~50% CAGR** over the next 10 years as more and more products get commercialized by DDSU clients

Revenue
RMB billion



Adjusted Non-IFRS Gross Profit
RMB billion

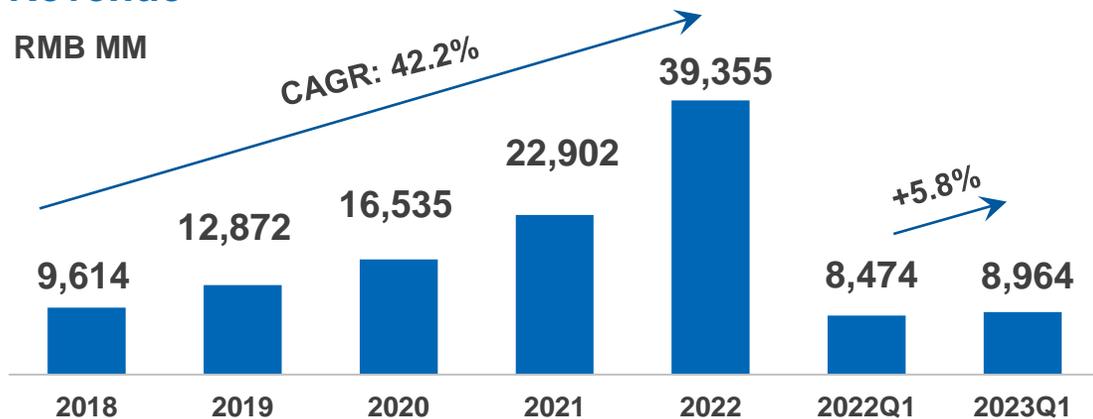


3. Financial Performance

Financial Performance

Revenue

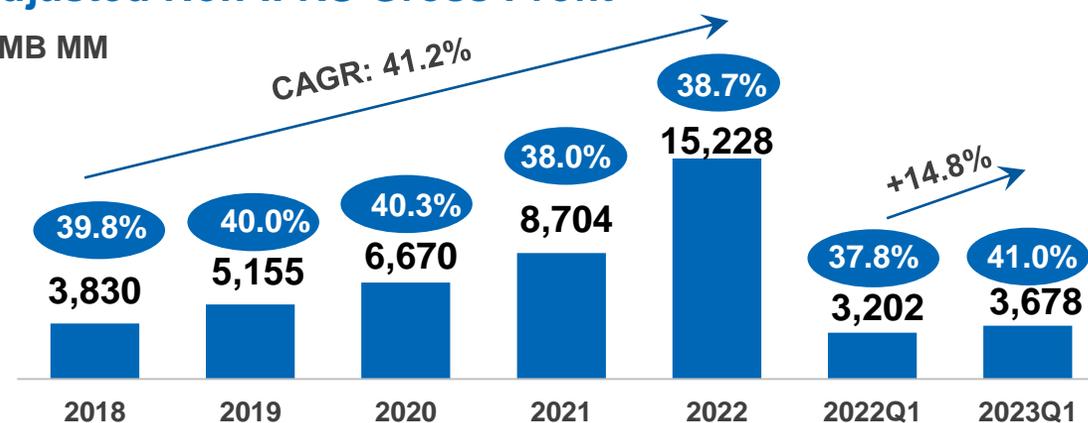
RMB MM



Adjusted Non-IFRS Gross Profit

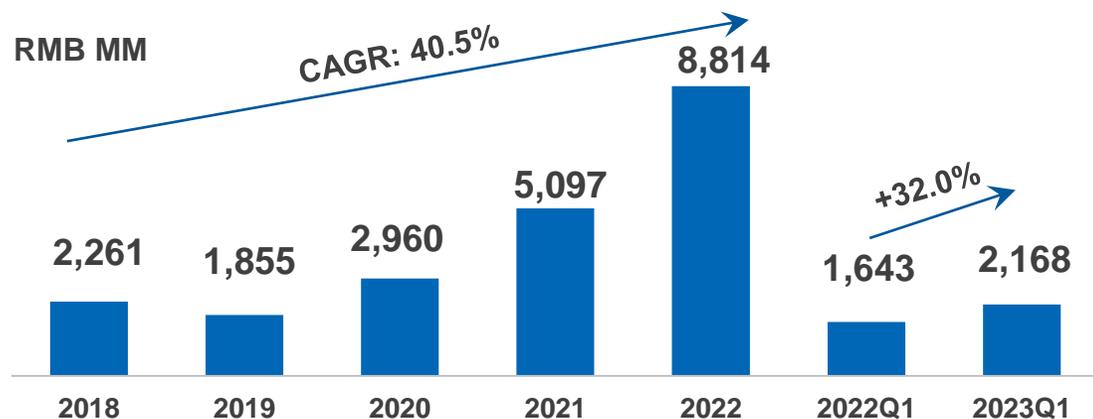
RMB MM

Adjusted Non-IFRS GPM



Net Profit Attributable to Owners of the Company

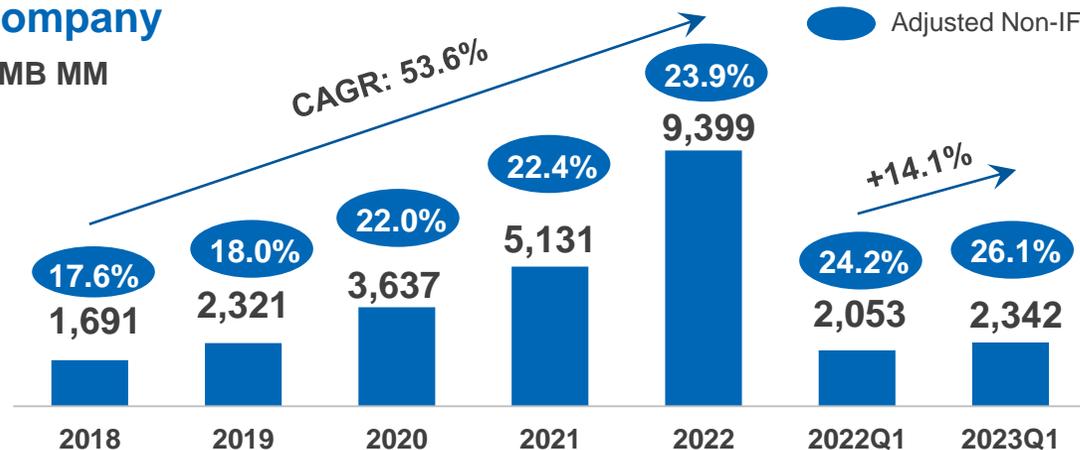
RMB MM



Adjusted Non-IFRS Net Profit Attributable to Owners of the Company

RMB MM

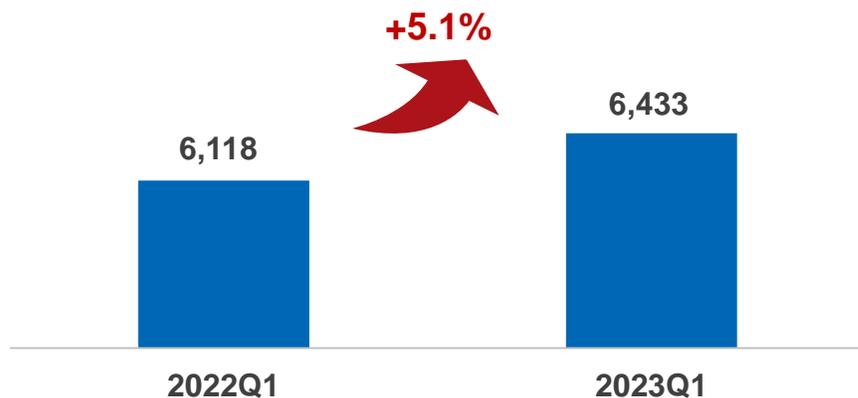
Adjusted Non-IFRS NPM



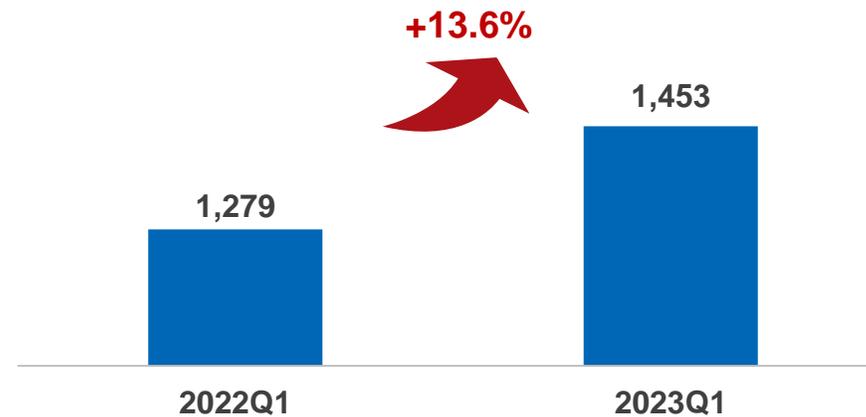
Segment Revenue

RMB MM

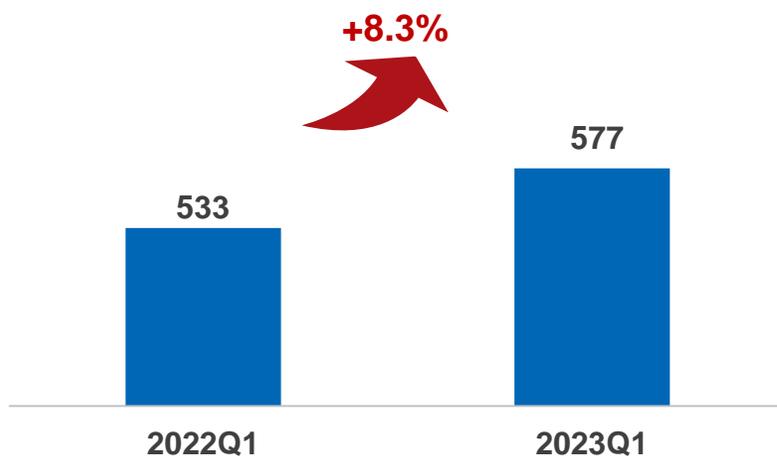
WuXi Chemistry



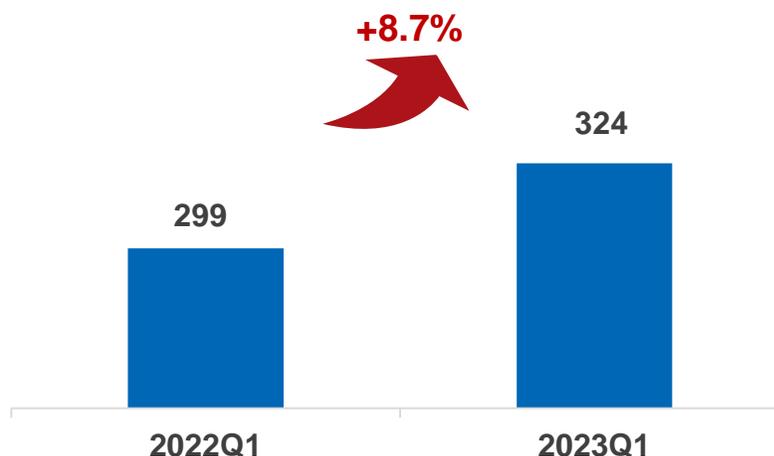
WuXi Testing



WuXi Biology



WuXi ATU



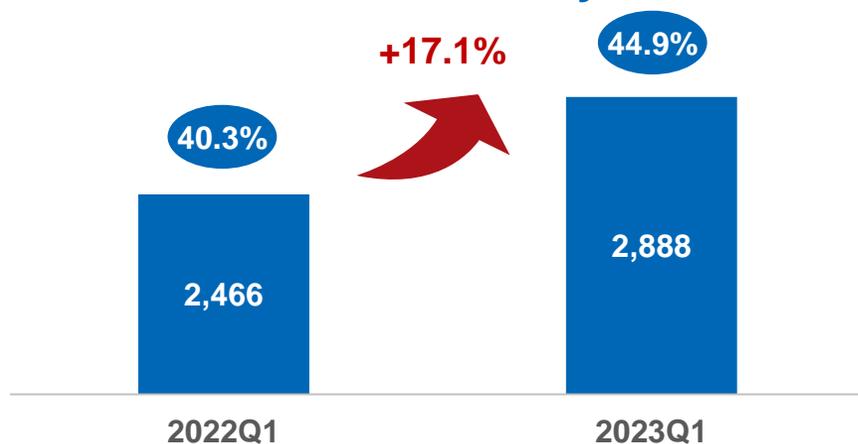
WuXi DDSU



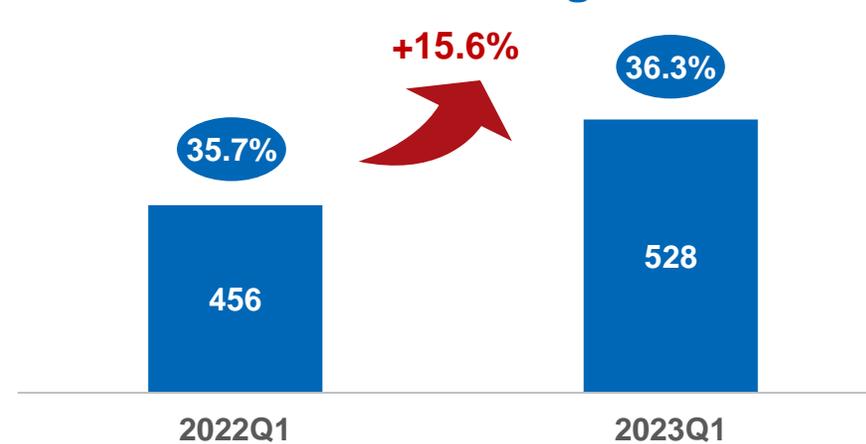
Segment Adjusted Non-IFRS Gross Profit

RMB MM

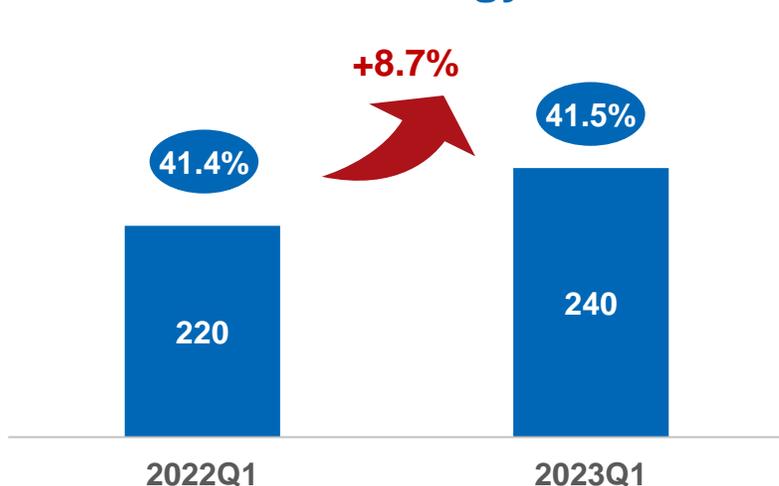
WuXi Chemistry



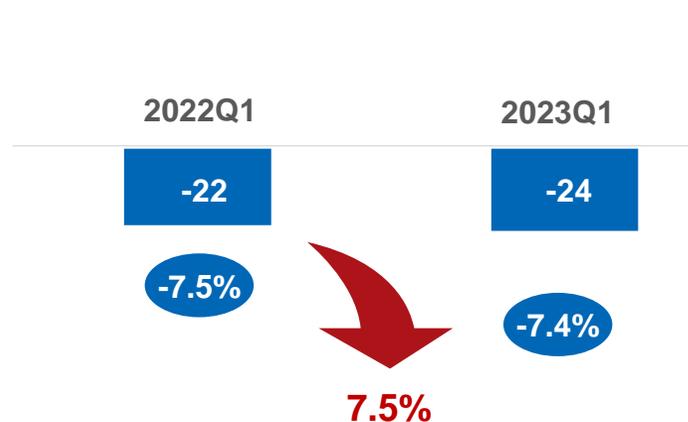
WuXi Testing



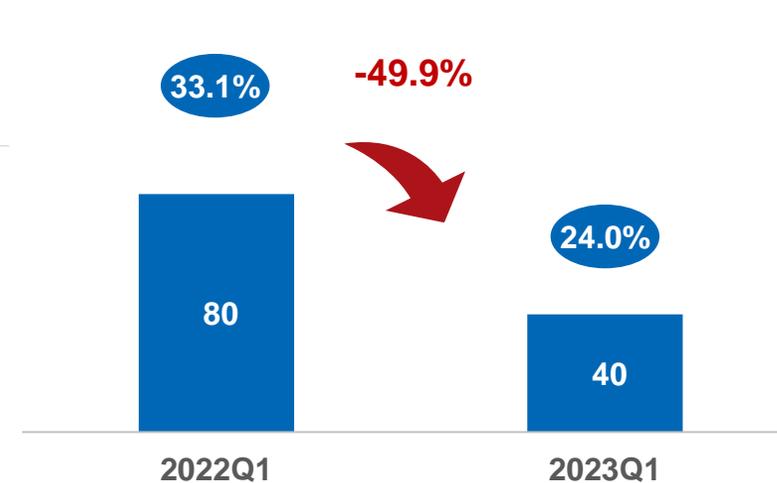
WuXi Biology



WuXi ATU

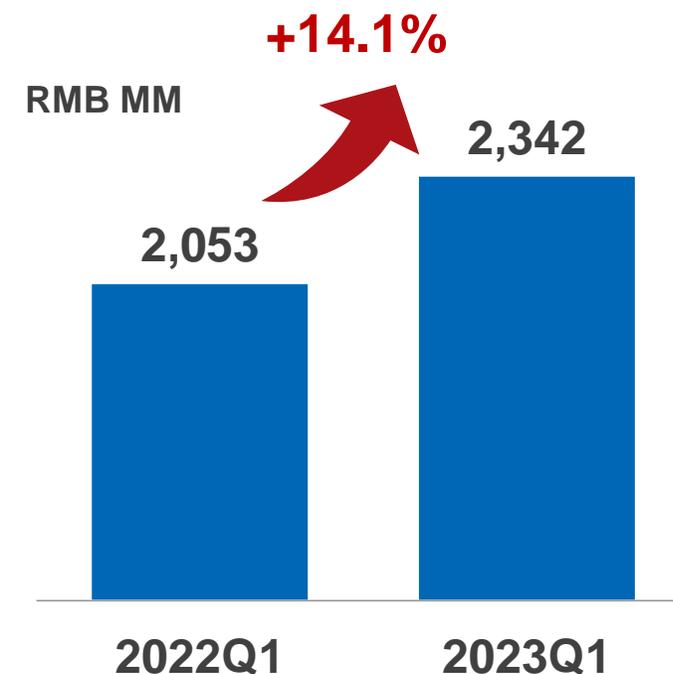


WuXi DDSU



Adjusted Non-IFRS Net Profit

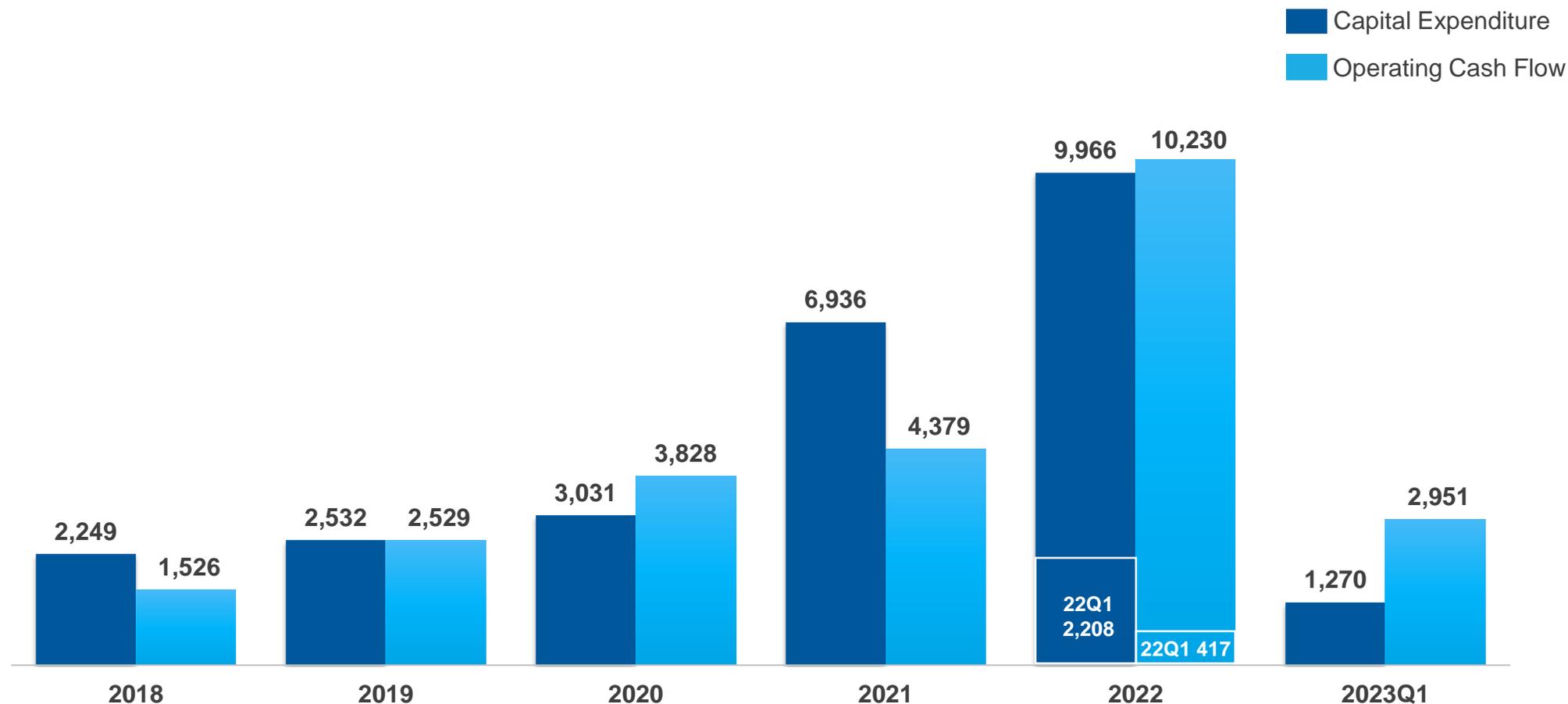
RMB Million	2023Q1	2022Q1
Net profit attributable to the owners of the Company	2,168	1,643
Add:		
Share-based compensation expenses	166	180
Issuance expenses of convertible bonds	0.3	0.4
Fair value gains from derivative component of convertible bonds	(40)	(83)
Foreign exchange related losses	164	6
Amortization of acquired intangible assets from merge and acquisition	14	14
Non-IFRS net profit attributable to the owners of the Company	2,473	1,761
Add:		
Realized and unrealized (gains)/losses from venture capital investments	(122)	294
Realized and unrealized share of gains from joint ventures	(8)	(2)
Adjusted non-IFRS net profit attributable to the owners of the Company	2,342	2,053



Capital Expenditure and Operating Cash Flow

Q1 2023 Free Cash Follow Achieved RMB 1.68 Billion, Turned Positive and Grew Strongly YoY

RMB MM



4. Growth Outlook

2023 Outlook



1

As global demand for life saving and innovative drugs continues to grow, demand for our integrated CRDMO & CTDMO services keeps growing. We will achieve **revenue growth of 5-7%** in 2023

2

We will focus on building new capabilities and capacities, and constantly improving operating efficiency to drive profitability growth. **Adjusted non-IFRS gross profit** expects to **increase 12-14%**, with further improved operating efficiency, which will be conducive to adjusted non-IFRS net profit growth

3

Resulting from our unique CRDMO & CTDMO business model, better asset utilization and efficiency improvement, **free cash flow** will **remain positive** and expect to **increase 600-800%** in 2023