

WuXi AppTec

603259.SH / 2359.HK

2020 Annual Results



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, exclude the impact in revenue and cost from effective hedge accounting, share-based compensation expenses and amortization of intangible assets acquired in business combinations, 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 and goodwill impairment. 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 investments and joint ventures. We further provide EBITDA and adjusted EBITDA. 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.

Agenda



01

2020 Annual Results

02

Business Highlights

03

Financial Overview

04

Corporate Governance

05

Outlook For 2021 & Beyond

Notes:

All financials disclosed in this presentation are prepared based on International Financial Reporting Standards (or “IFRSs”).

The unit of currency is RMB.

01



2020 Annual Results

2020 Business Highlights

“Long-Tail” Strategy

1,300+ New Customers
4,200+ Active Customers

Loyal Customer Base

100% Retention of Our
Top 10 Customers

Small Molecule

1,300+ Projects;
45 Phase III; **28** Commercial

Cell & Gene Therapies

14 Phase II/III; **24** Phase I



Global Footprint

29* Global Sites & Branch Offices
21,900+ Scientists & Technicians
Acquired **Milestone** testing lab to
consolidate and expand capacity of our
analytical testing services

2020

33 INDs; **30** CTAs

Cumulatively

118 INDs; **87** CTAs

Clinical Development

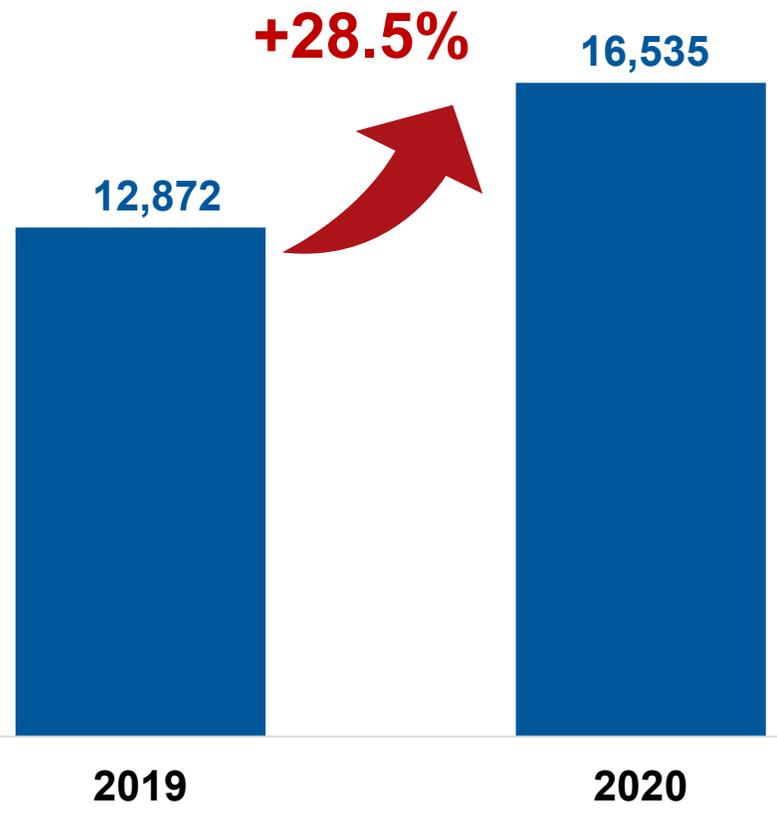
2 Phase III; **9** Phase II; **60** Phase I

* As of March 30, 2021, two more sites were added as a result of two acquisitions

Strong Revenue & Profit Growth in 2020

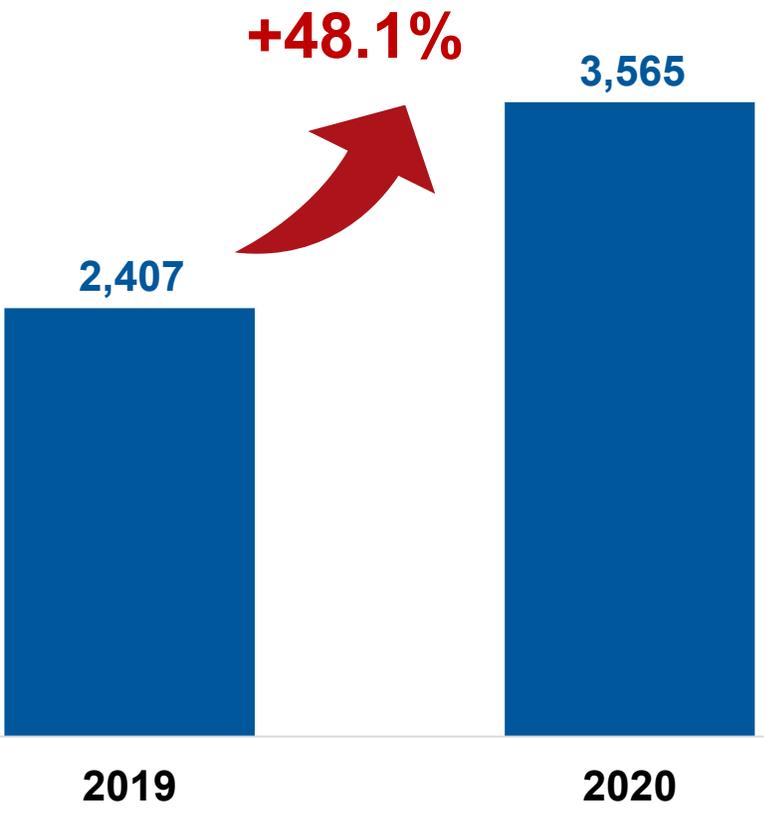
Revenue

RMB MM



Adjusted Non-IFRS Net Profit

RMB MM



Our Platform & Business Model Continued to Perform Well

Global Platform Enabling Innovation Worldwide

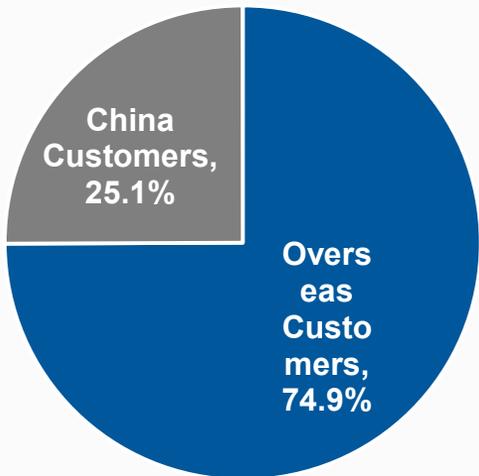
Revenue Composition

Overseas Customers

12,390M, 25.1%↑

China Customers

4,145M, 39.8%↑



Strong, Loyal & Expanding Customer Base

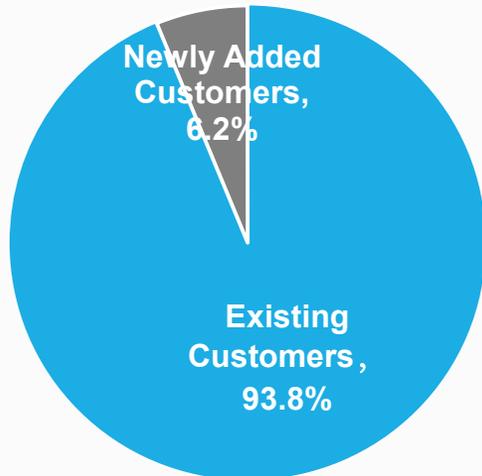
Revenue Composition

Existing Customers

15,504M, 32.1%↑

Newly Added Customers

1,032M



Execute "Long-Tail" Strategy & Increase Our Support to Large Pharma

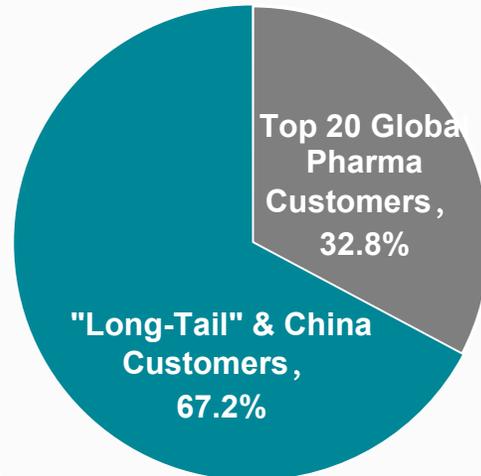
Revenue Composition

"Long-Tail" & China Customers

11,108M, 28.3%↑

Top 20 Global Pharma Customers

5,427M, 28.8%↑

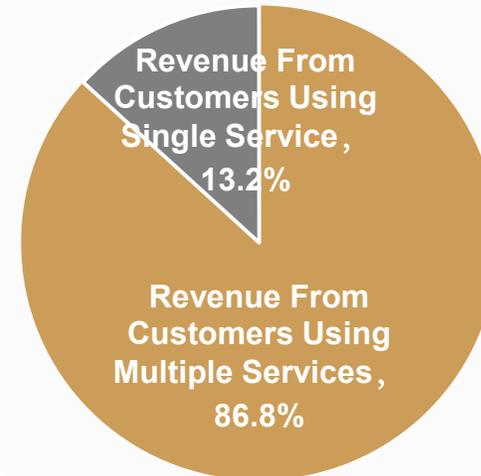


Increase Customer Conversion to Sustain Growth

Revenue Composition

Customers Using Multiple Services

14,352M, 27.6% ↑



02



Business Highlights

China-based Laboratory Services Highlights

Revenue & Profit

- Revenue growth of **32.0%** YoY to **8,546M**, attributable to the timely implementation of BCP and increased demand from overseas customers.
- Non-IFRS GP growth **29.1%** YoY to **3,829M**.
- Non-IFRS GPM 45.0%, slightly down by 0.3pct.

Small Molecule Drug Discovery

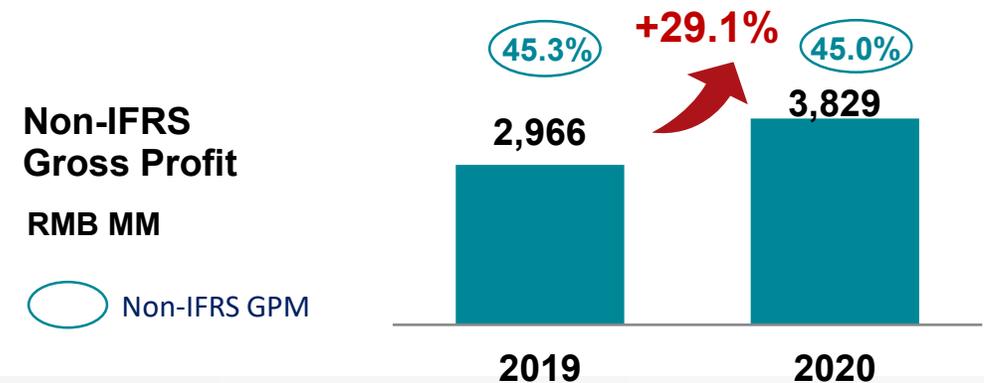
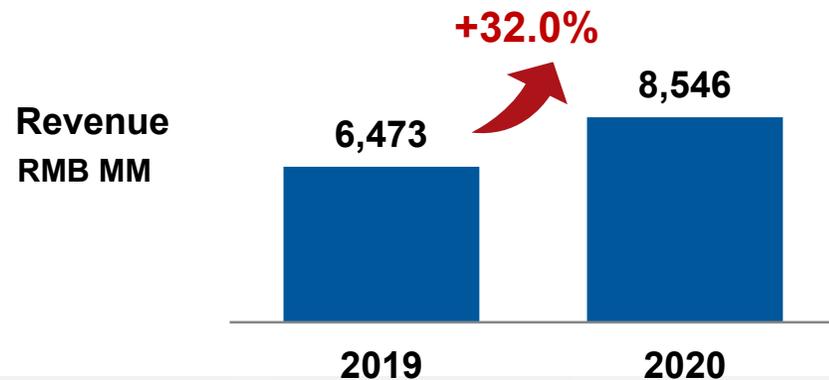
- Chemistry FFS achieved **~35%** revenue growth.
- Developed COVID-19 small molecule drug discovery platform very early and enabled **77** customers globally.
- HitS platform enabled **>500** global customers and revenue increased **~43%** to **~RMB196M**.

Integrated IND Package Services

- Safety assessment services achieved **~74%** revenue growth. With sufficient animal resource supplies, we can meet and exceed business demand and support strong growth.
- Signed **100** integrated WIND packages.

Success-based Services

- In 2020, submitted **33** IND filings for our customers and obtained **30** CTAs.
- Cumulatively, submitted **118** IND filings for our customers and obtained **87** CTAs.
- **2** projects in Phase III, **9** projects Phase II and **60** projects Phase I.



Expand Our Capacity Through Organic Growth & M&A

Chengdu R&D Center Began Operations

New **Chengdu** (western city in China) R&D center began operations in August 2020 to provide chemistry services.

During the reporting period, our Chengdu site provided services to **95** global customers.



Acquired Milestone Pharma

Acquired third party analytical testing lab **Milestone** to consolidate and expand capacity of analytical services.

With **5,500m²** modern laboratories in Nanjing and Shanghai, Milestone Pharma is able to provide comprehensive pharmaceutical analytical services from registration to lot release testing.



Success-based Business Model With Potential Upside

118

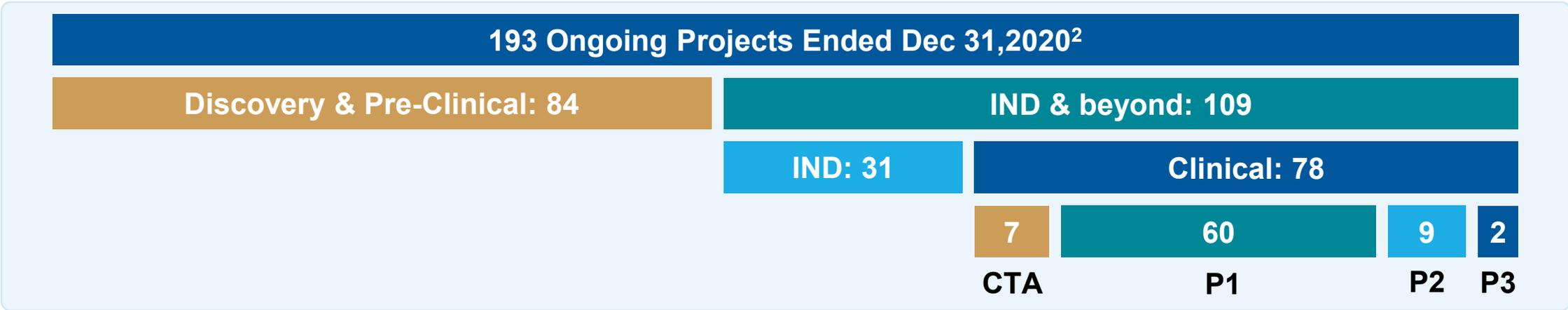
IND Filings For Our Customers ended Dec 31, 2020

53

1st In China¹

85

First 3 In China¹



Notes:
 1. Among China companies.
 2. Exclude inactive projects.

CDMO Services Highlights

Revenue & Profit

- Revenue growth of **40.8%** YoY to **5,282M**. Our “follow and win the molecule” business model continued to perform well.
- Non-IFRS GP growth **42.3%** YoY to **2,187M**.
- Non-IFRS GPM 41.7%, up by 0.7pct.

Follow and Win the Molecule

- Added **575** new molecules into our pipeline, including **35** “win the molecule” projects.
- **28** commercial projects, including **the 1st integrated CMC project** (both DS and DP).
- **45** projects in Phase III.

Small Molecule Drugs

- Applied flow chemistry technology to large-scale manufacturing in several late clinical stage and commercial projects.
- Further expanded the manufacturing capacity of high potency APIs and boosted our annual manufacturing capacity of high potency APIs to **100 kg** level.

Oligo & Peptide Drugs

- Kg grade oligonucleotide commercial manufacturing facility began operations with maximum scale of single batch of oligonucleotide APIs increased to **1 mole**.
- Large-scale peptide API manufacturing facility began operations with **7** manufacturing lines.

Revenue
RMB MM



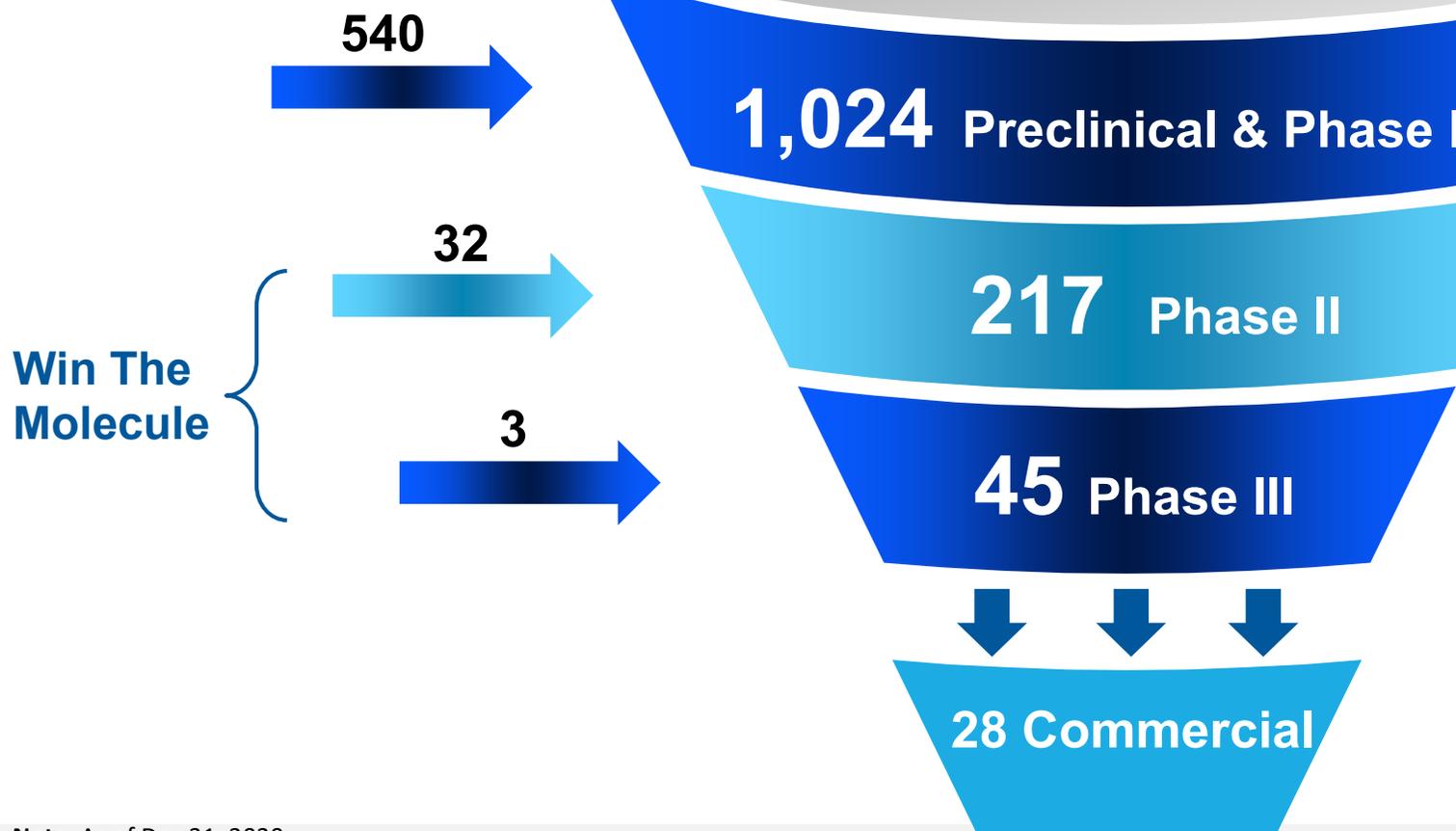
Non-IFRS
Gross Profit
RMB MM

○ Non-IFRS GPM



Growing Small Molecule CDMO Project Pipeline

Added **575** New Molecules into the Pipeline



Provided CDMO Services to **~14%** Global Innovative Small Molecule Drug Clinical Pipeline

Note: As of Dec 31, 2020

1st Innovative Drug Commercial Project From API to DP

BTK Inhibitor Orelabrutinib Approved by NMPA

Pre-Approval Inspections
(Sept. 15 – Oct. 3rd)



国家药品监督管理局
National Medical Products Administration



Jinshan



Changzhou



Wuxi



Waigaoqiao

Record Setting for NMPA PAI

1st

Drug product PAI

1st

Inspection for our spray drying commercial manufacturing

1st

Comprehensive inspection for our integrated CMC platform including both DS and DP

1st

PAI involving 4 sites within WuXi STA at the same time

Acquire BMS Manufacturing Facility in Couvet, Switzerland

- Built in 2018, the Couvet site is a world-class facility designed for quality, safety, and efficiency.
- The Couvet site will be the first facility in Europe for STA and will enhance STA's existing capabilities while growing capacity to support its partners' life-saving work.
- STA anticipates completing the transaction by Q2 2021, subject to regulatory approvals and the satisfaction of other closing conditions.
- Upon closing, STA will acquire the Couvet site's operations and assets, which include the plant and equipment, as well as a workforce with technical capabilities and expertise.



US-based Laboratory Services Highlights

Revenue & Profit

- Revenue decline **3.0%** YoY to **1,517M**. CGT services revenue decline **9%** and medical device testing revenue growth **6%**.
- Non-IFRS GP decline **27.4%** YoY to **346M**.
- Non-IFRS GPM 22.8%, down by 7.7pct., due to COVID-19 impact on U.S. operations.

Cell and Gene Therapies CDMO

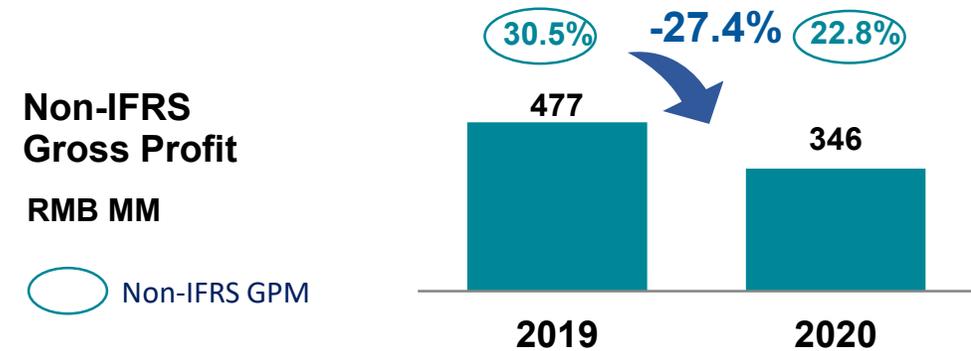
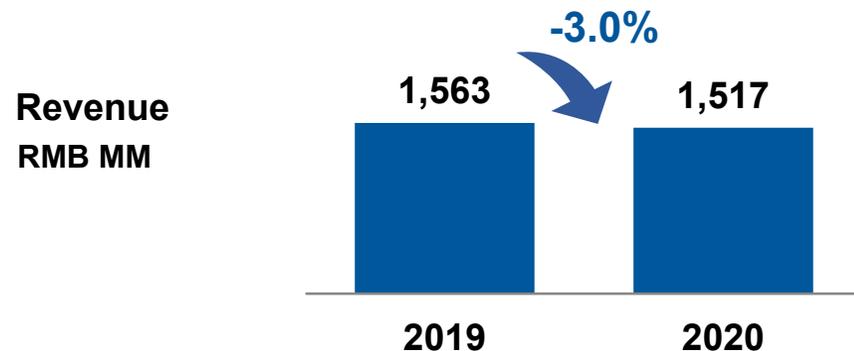
- Provided services to **36** clinical stage projects.
- **12** projects in Phase II/III.
- **24** projects in Phase I.
- Expanded plasmid manufacturing facility, and launched fully integrated Closed Process CAR-T Cell Therapy Platform, AAV adherent manufacturing platform and AAV Vector Suspension Platform.

New Capabilities

- Launched a **fully integrated AAV Vector Suspension Platform** and a **fully integrated Closed Process CAR-T Cell Therapy Platform**, which will help customers accelerate the timelines of cell and gene therapies development, manufacturing and release.

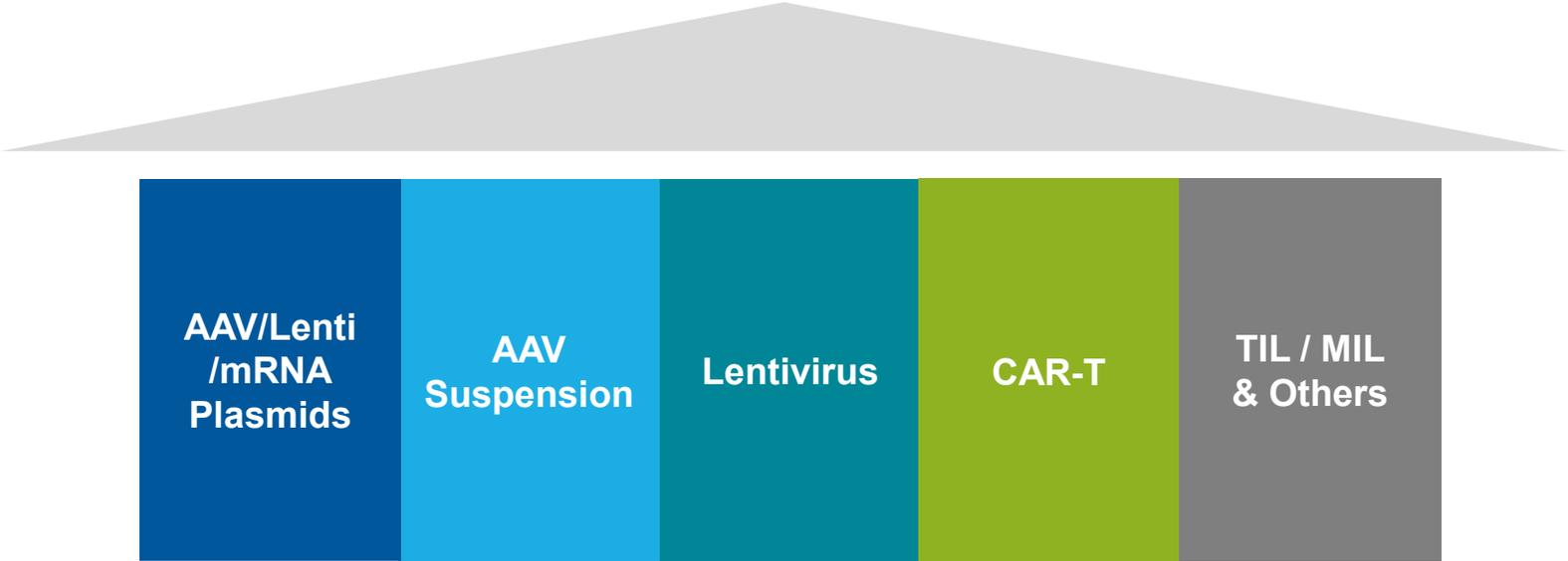
Medical Device Testing

- Integration and strengthening of the management and sales team and actively developed new customers.
- Capture the opportunities brought by new EU MDR regulation.



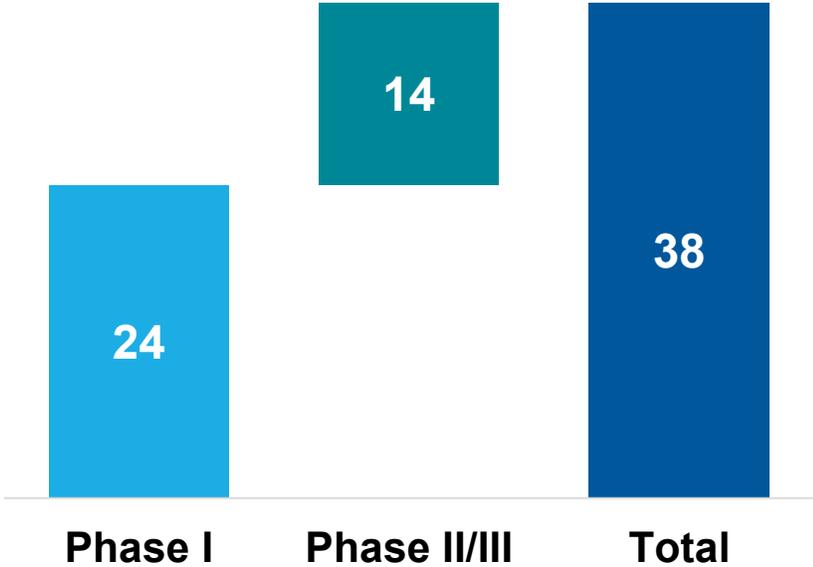
Cell and Gene Therapy CTDMO¹ Services Highlights

2020 CGT CTDMO Platform



2-3 products, including autologous cell therapy and allogeneic cell therapy products, are expected to file **BLA** in 2021.

2020 CGT CTDMO projects²

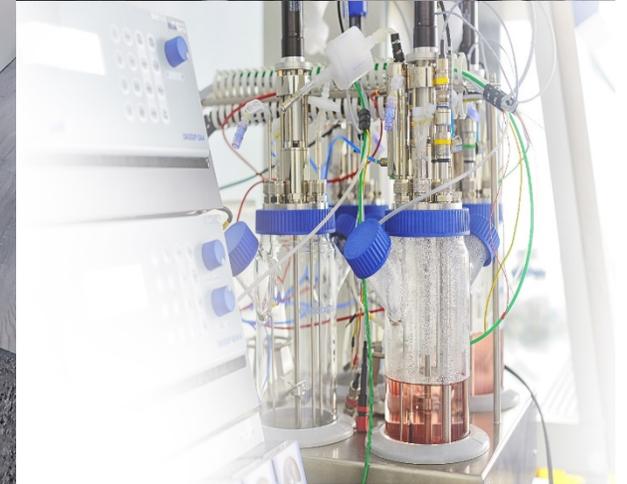


Technology Platform to Support CGT CTDMO Business Growth

- Notes:**
1. "CTDMO" means Contract Testing Development Manufacturing Organization.
 2. Include projects from our China-based CGT operations.

Acquired OXGENE to Further Strengthen CGT CTDMO Services

- Founded 2011, OXGENE offers discovery and biomanufacturing solutions to the CGT industries and manufacturing systems that deliver exceptional scalability.
- OXGENE's novel TESSA technology for AAV manufacturing and XLenti stable solutions for lentiviral manufacturing simplify CGT manufacturing while significantly reducing costs.
- OXGENE is our first CGT CTDMO facility in Europe. Combining WuXi's world-class CGT CTDMO platform with OXGENE's innovative capabilities, we will be able to provide end-to-end support in the creation and development of cutting-edge CGT therapy for customers.



Clinical Research CRO/SMO Services Highlights

Revenue & Profit

- Revenue growth of **10.0%** YoY to **1,169M**. Growth rate slowed down due to severe impact of COVID-19. However, the backlog of CDS and SMO grew **48%** and **41%** YoY, respectively.
- Non-IFRS GP declined by 24.4% YoY to 209M.
- Non-IFRS GPM 17.9%, down by 8.1pct.

Capabilities & Capacity

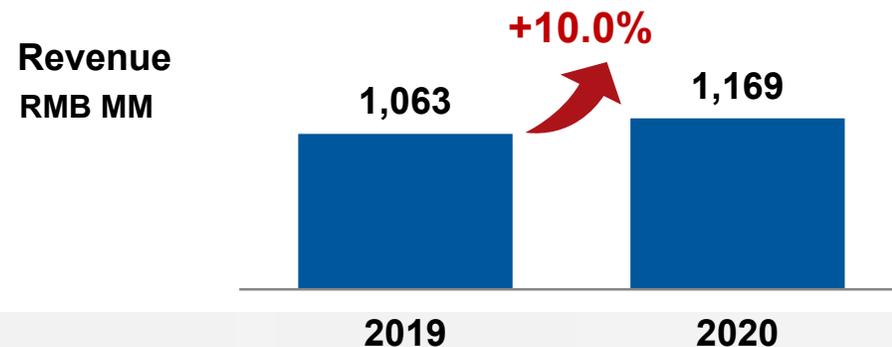
- SMO maintained **#1** leadership in China, with **3,300+** CRCs stationed in **150** cities and provide services in **~1,000** hospitals.
- Clinical CRO team has **~800+** employees distributed in China and the U.S.

CDS

- Clinical development team provided services to **130+** projects for our clients in China and U.S. and completed the registration trials of **6** products.
- Biometrics business has maintained strong momentum and achieved rapid growth in both U.S. and China.

SMO

- SMO assisted in the market approval of **17** products, including the approval of a surgical implant for the treatment of glaucoma based on **real world evidence** in China.
- Since July 22, 2015, **50+** projects undertaken by our SMO were inspected, all with excellent results.



Strong Track Record & Backlog to Support Future Growth

Capabilities & Capacity

SMO strengthened **#1** leadership in China, with **3,300+** CRCs stationed in **150** cities and provide services in **~1,000** hospitals.

CDS team with **~800** employees distributed in China and the U.S. In 2020, CDS conducted **12** multi-regional clinical trials for our customers in the U.S. and China.

CDS

2020, CDS backlog increased **~48%** on a YoY basis.

Assisted in the registration trials of **6** products in China, including:

- A **first-in-class** drug for the treatment of type II diabetes.
- A global customer's new drug for the treatment of pulmonary arterial hypertension which **obtained FDA approval**.

SMO

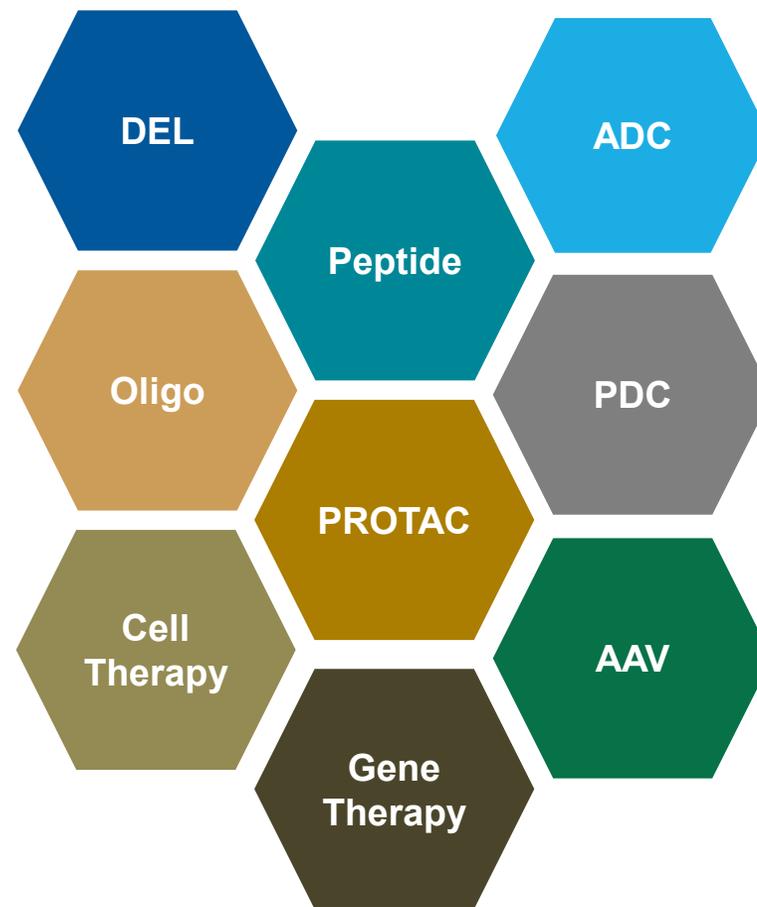
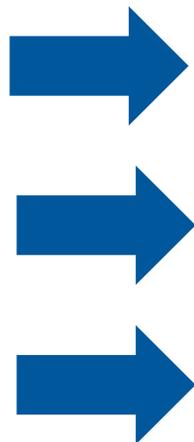
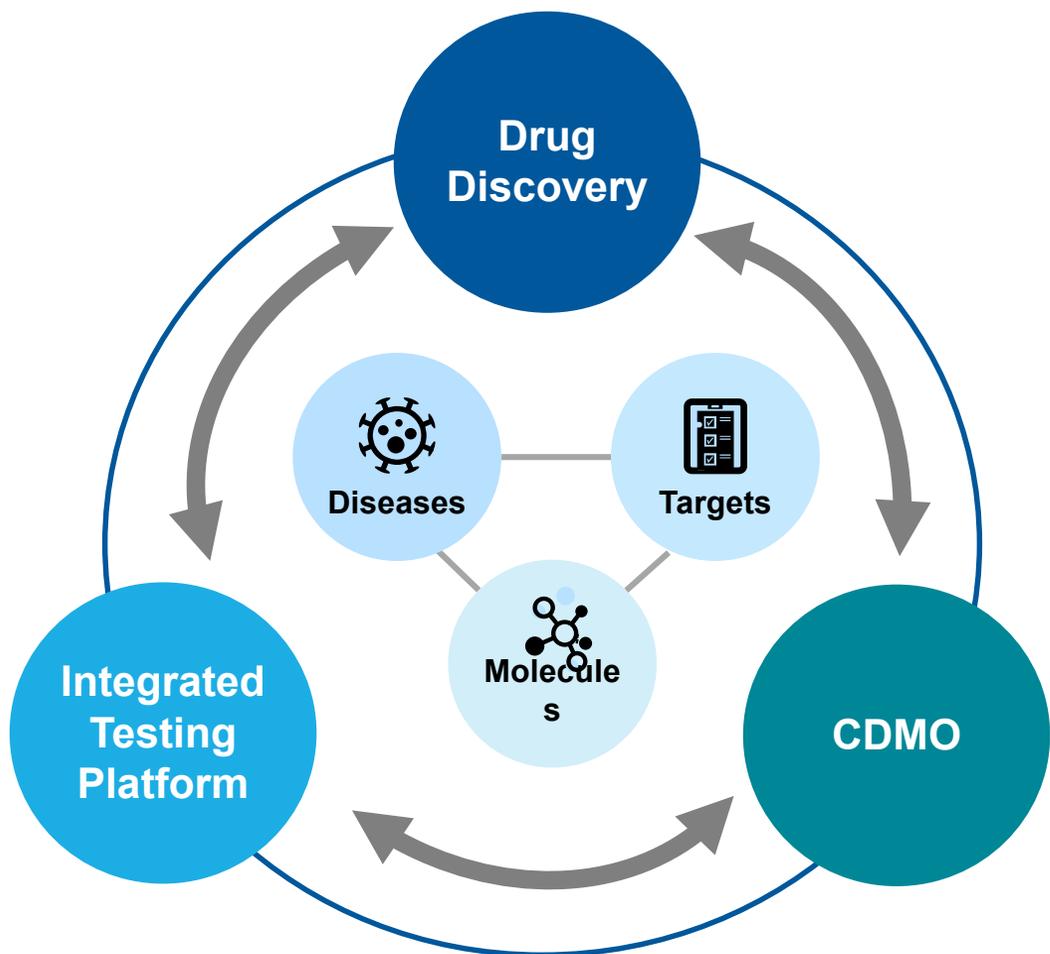
2020, SMO backlog increased **~41%** on a YoY basis.

Assisted in the market approval of **17** products, including:

- A surgical implant for the treatment of glaucoma **under real world evidence**.
- The **first** bevacizumab biosimilar in China.
- The **first** China company's trastuzumab biosimilar in EMA.

Anticipate the Industry Trend & Enable Global Innovations

New Modalities: Integrated Drug Discovery, Lab Testing and Manufacturing Platform



03

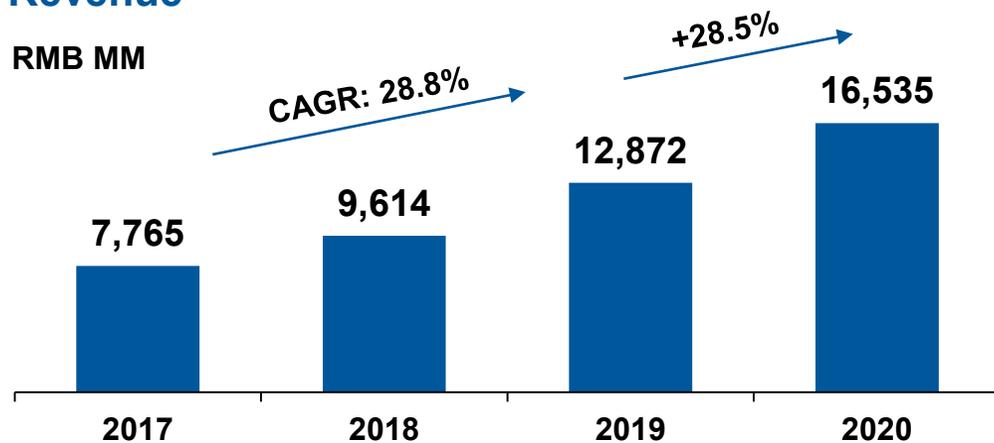


Financial Overview

Financial Performance

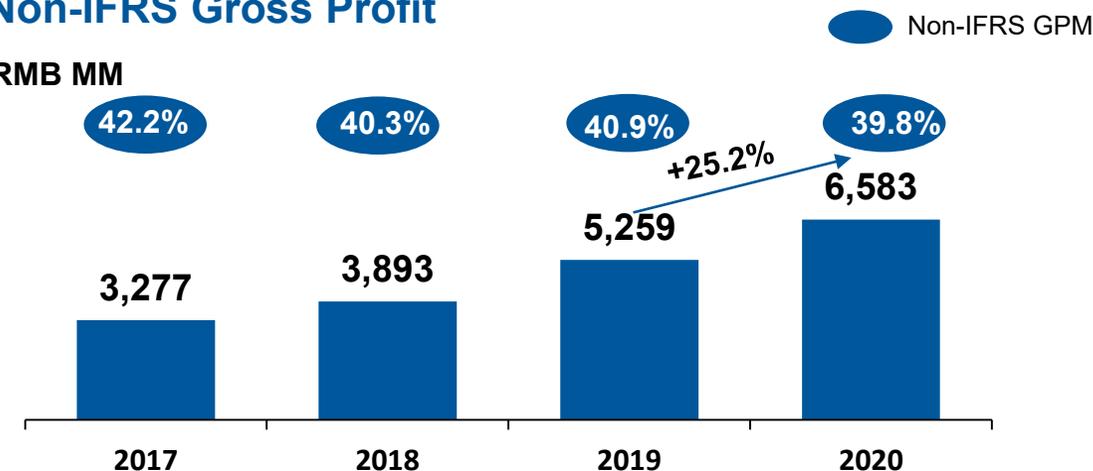
Revenue

RMB MM



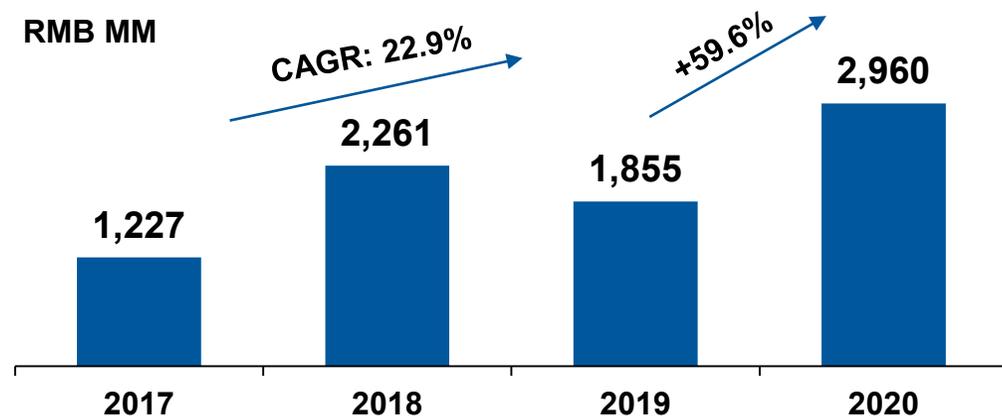
Non-IFRS Gross Profit

RMB MM



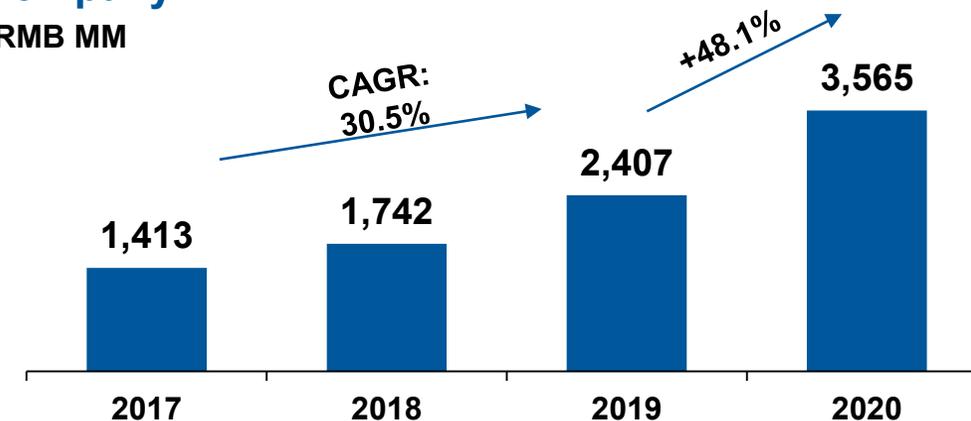
Net Profit Attributable to Owners of the Company

RMB MM



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

RMB MM

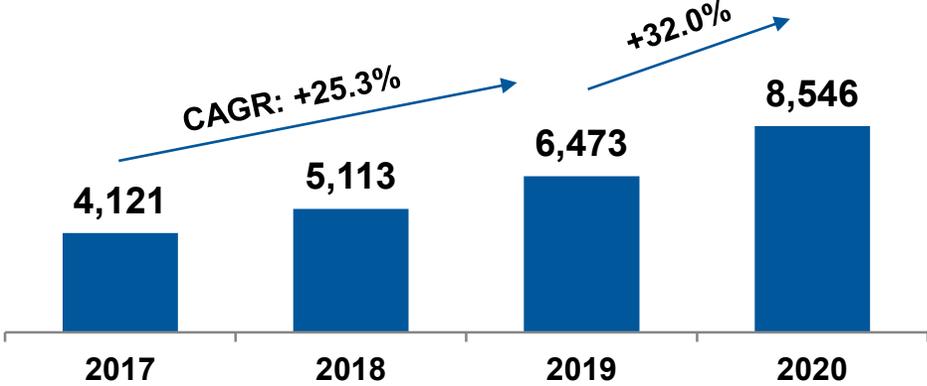


Note: In 2020, we reported RMB1,456million gain from the fair value change of our investment portfolio. In the same period of 2019, we reported RMB180 million loss from the fair value change of our investment portfolio.

Segment Revenue

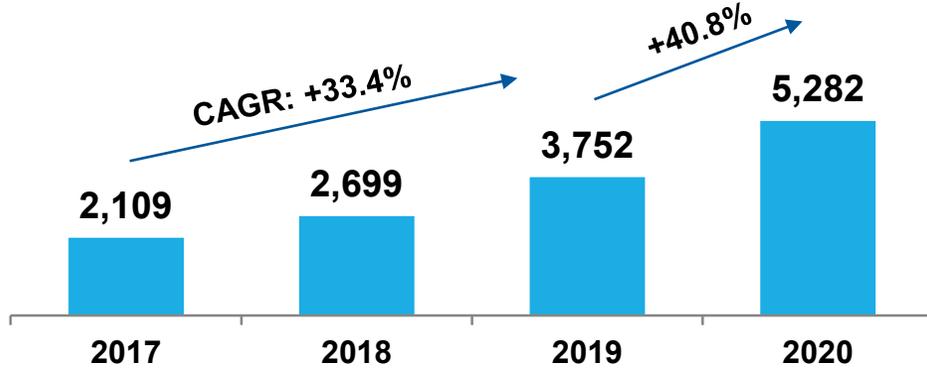
China-based Laboratory Services

RMB MM



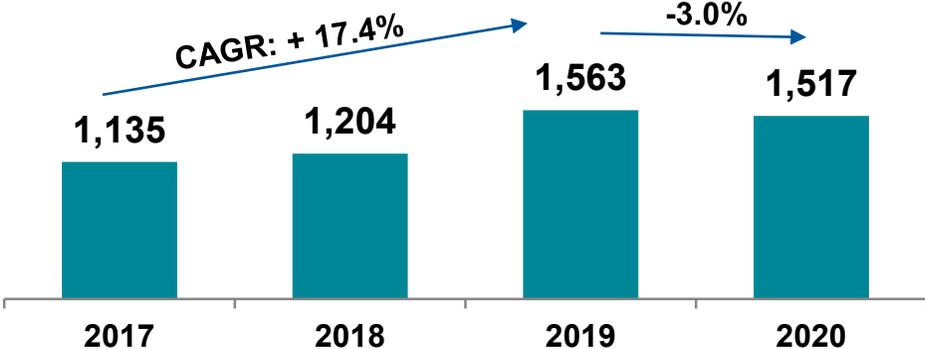
CDMO Services

RMB MM



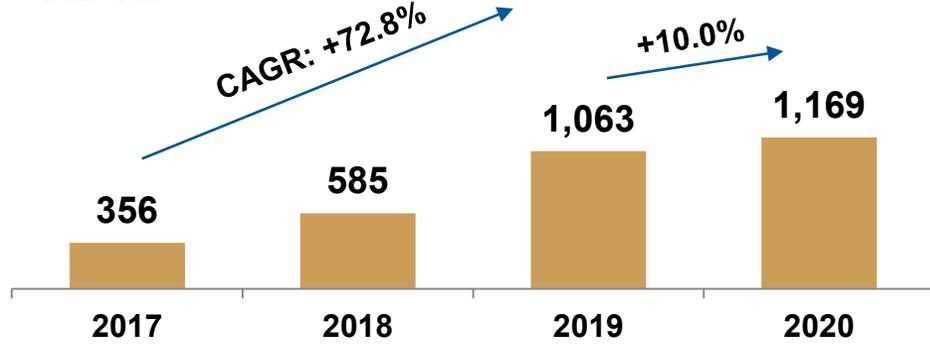
US-based Laboratory Services

RMB MM



Clinical and Other CRO Services

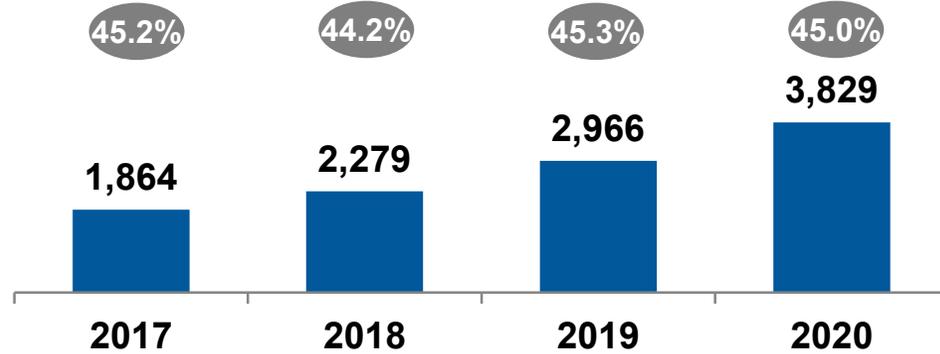
RMB MM



Segment Non-IFRS Gross Profit

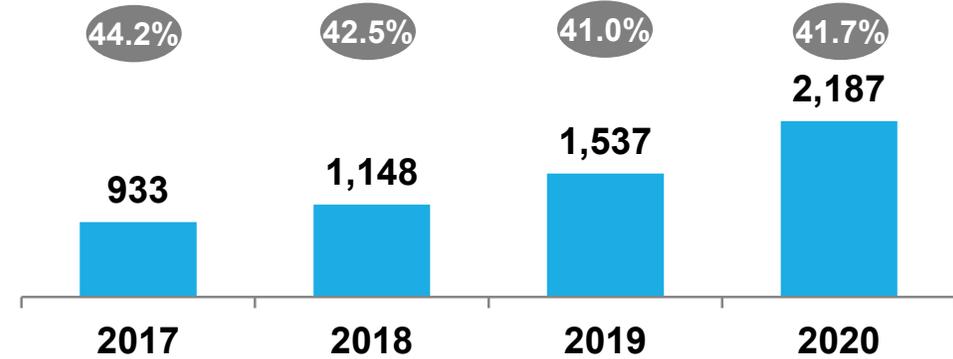
China-based Laboratory Services

RMB MM



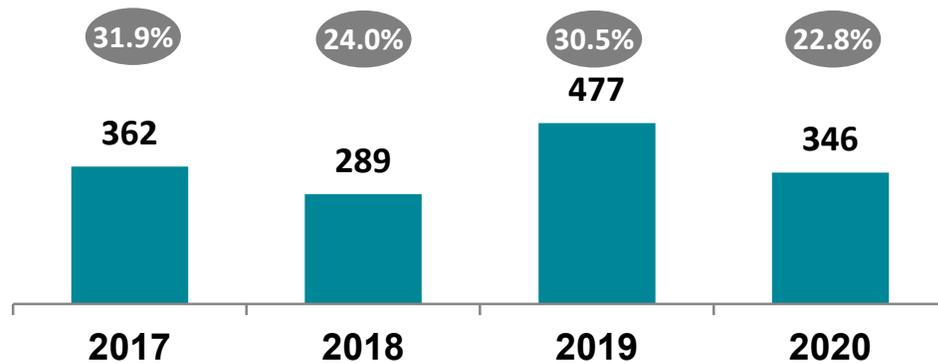
CDMO Services

RMB MM



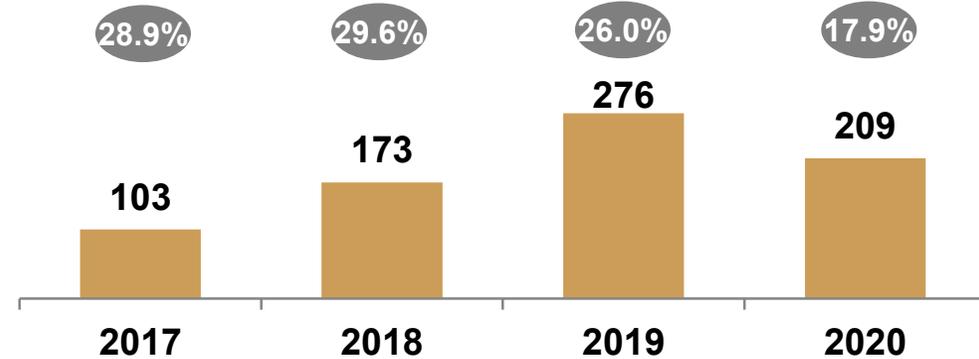
US-based Laboratory Services

RMB MM



Clinical and Other CRO Services

RMB MM



● Non-IFRS GPM

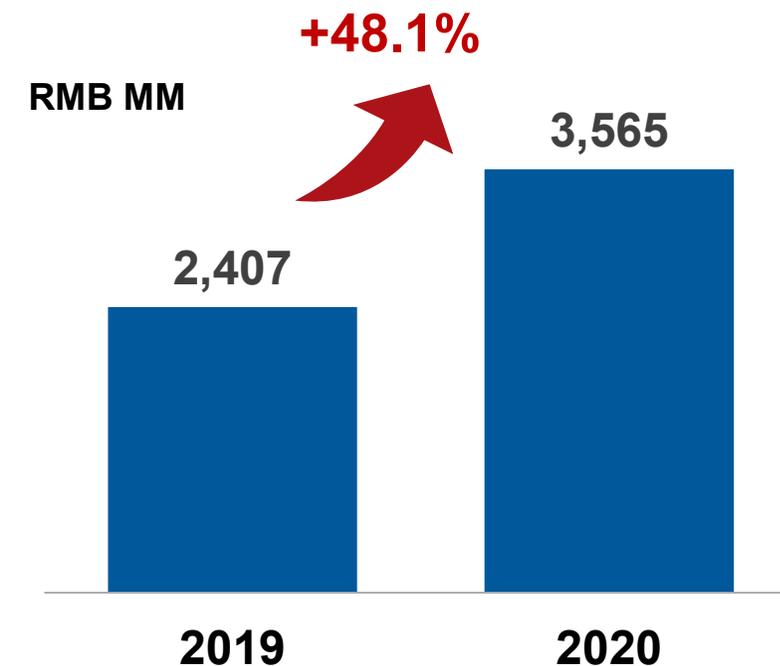
IFRS & Adjusted Non-IFRS Measures

| RMB Million | 2020 | 2019 | YoY | Change |
|---|---------------|---------------|--------------|--------------|
| Revenue | 16,535 | 12,872 | 3,663 | 28.5% |
| <i>IFRS Gross Margin%</i> | 37.8% | 38.9% | -1.1% | |
| <i>Adjusted Non-IFRS Gross Margin%</i> | 39.8% | 40.9% | -1.0% | |
| IFRS Operating Profit | 3,656 | 2,486 | 1,170 | 47.1% |
| <i>IFRS Operating Profit Margin%</i> | 22.1% | 19.3% | 2.8% | |
| Adjusted Non-IFRS Operating Profit | 4,353 | 3,081 | 1,272 | 41.3% |
| <i>Adjusted Non-IFRS Operating Profit Margin%</i> | 26.3% | 23.9% | 2.4% | |
| Net Profit Attributable to Owners of the Company | 2,960 | 1,855 | 1,106 | 59.6% |
| Adjusted Non-IFRS Net Profit Attributable to Owners of the Company | 3,565 | 2,407 | 1,158 | 48.1% |
| IFRS EPS (RMB) | | | | |
| -Basic | 1.27 | 0.81 | 0.46 | 56.8% |
| -Diluted | 1.25 | 0.80 | 0.45 | 56.3% |
| Adjusted Non-IFRS EPS(RMB) | | | | |
| -Basic | 1.53 | 1.05 | 0.48 | 45.7% |
| -Diluted | 1.51 | 1.04 | 0.47 | 45.2% |
| Weighted Average Number of Shares'000 | 2,327,840 | 2,281,037 | | |
| Fully Diluted Weighted Average Number of Shares'000 | 2,348,623 | 2,287,089 | | |

Note: "IFRS Operating Profit" is calculated based on IFRS Gross Profit deducted by SG&A, R&D expenses and impairment losses while adding Other income and Other gains and losses, which aligns with the disclosure in Group Consolidated Profit & Loss Statement.

Adjusted Non-IFRS Net Profit

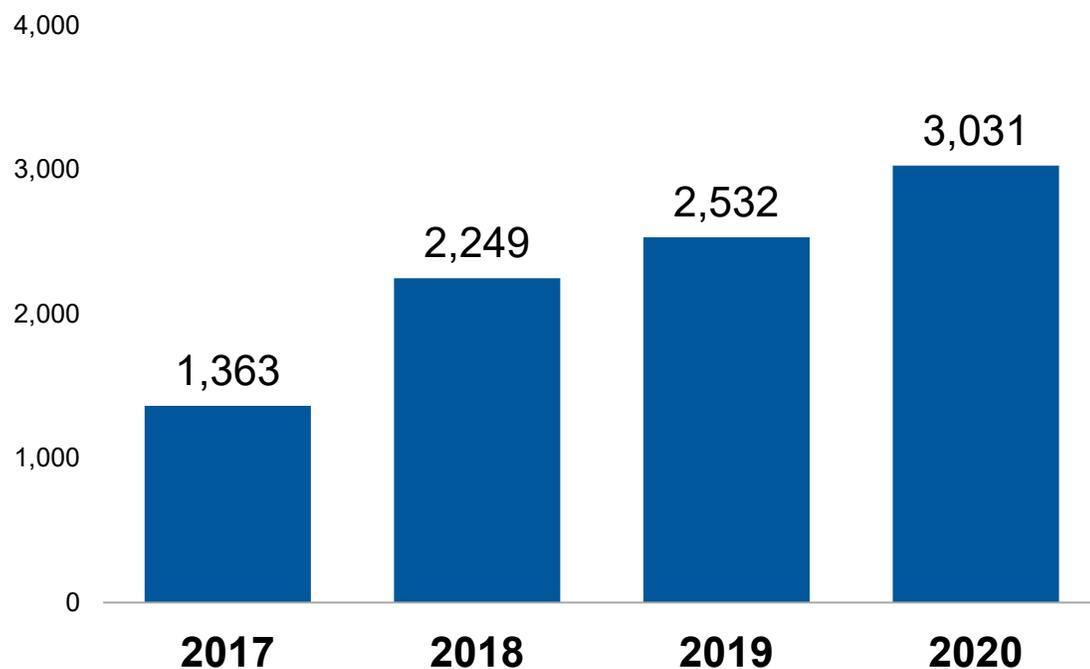
| RMB Million | 2020 | 2019 |
|---|--------------|--------------|
| Net Profit Attributable to the owners of the Company | 2,960 | 1,855 |
| Add: | | |
| Share-based compensation expenses | 588 | 161 |
| Convertible Bonds issuance expenses | 5 | 4 |
| Fair value losses from derivative component of Convertible Bonds | 1,349 | 98 |
| Foreign exchange related losses | 286 | 115 |
| Amortization of acquired intangible assets from merge and acquisition | 36 | 28 |
| Goodwill impairment | 44 | - |
| Non-IFRS Net Profit Attributable the owners of the Company | 5,268 | 2,261 |
| Add: | | |
| Realized and unrealized (gains)/losses from venture investments | (1,717) | 107 |
| Realized and unrealized share of losses from joint ventures | 14 | 39 |
| Adjusted non-IFRS net profit attributable to the owners of the Company | 3,565 | 2,407 |



Capital Expenditure and Total Debt

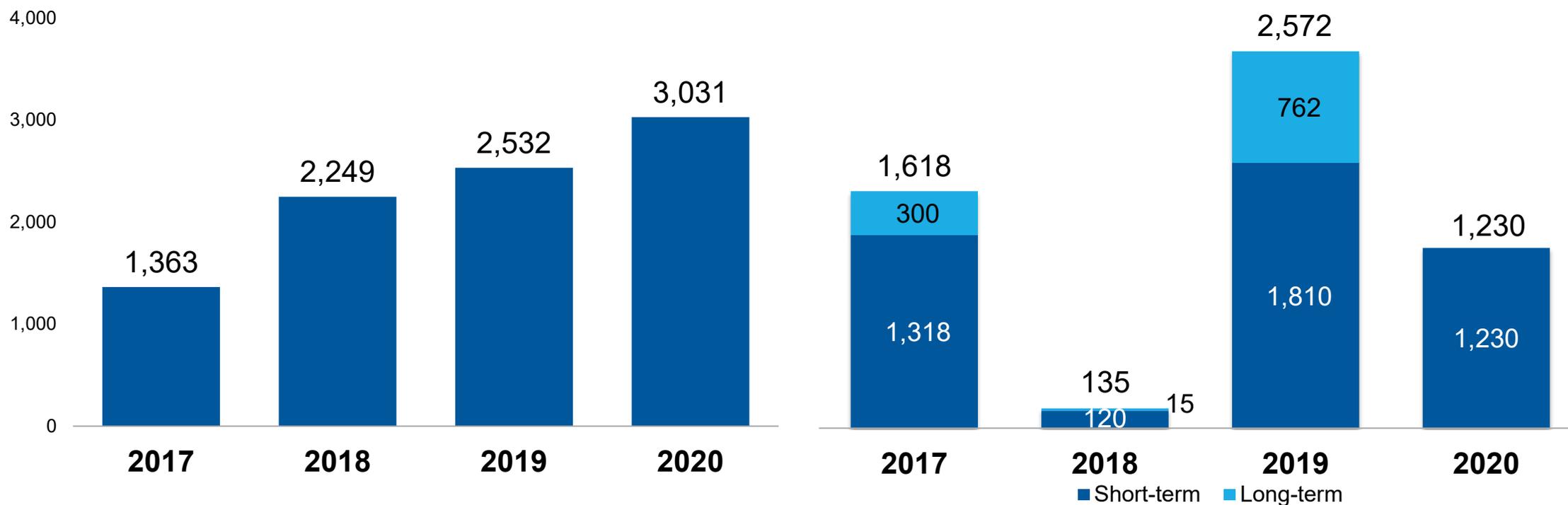
Capital Expenditure ⁽¹⁾

RMB MM



Total Borrowings ⁽²⁾

RMB MM



Note:

- 1. Capital expenditure includes purchase of property, plant and equipment, other intangible assets, prepaid lease payments and other long-term expenses.
- 2. Total borrowings include short-term and long-term borrowings, excluding the lease liabilities and convertible bond issued in Q3'2019.

04



Corporate Governance

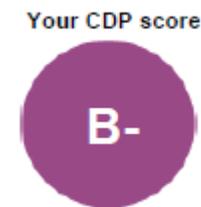
Highlights of ESG governance



- ESG Committee established by board of directors, led by Vice Chairman
- ESG Office established for purposes of formation and development of WuXi AppTec's ESG visions, strategies and policies
- Enforced strict compliance with Environmental Protection Law, other EHS regulations and WuXi AppTec Code of Business Conduct and Ethics
- WuXi AppTec has been recognized for its good ESG performance by well-known ESG rating organizations



CLIMATE
CHANGE
2020



WATER
SECURITY
2020



ESG Performance and Management

ENVIRONMENTAL

Greenhouse gas emissions :
Reduced by 6%

Obtained ISO50001
energy management
system certification : STA
Changzhou Site

Obtained ISO14001
environmental
management system
certification : STA

SOCIAL

Percentage of female
employees : 53%

Customer Satisfaction
Rate: 98%

Number of working days
lost due to work-related
injuries per capita : 0.02

Obtained ISO45001
Occupational Health and
Safety Management System
Certification : STA

GOVERNANCE

Compliance Training
Coverage : 100%

Corruption Cases : 0
Major corruption complaint
cases : 0
Environmental Violation
Penalties : 0

Anti-Corruption Policy,
Whistleblower Protection
Policy , Regular audits of all
operations

ESG RATINGS

Included in the Dow Jones
Sustainability (DJSI) Index

MSCI ESG RATINGS
2020 BBB



CDP SCORE
2020 B-



Highlights of Corporate Social Responsibility

Donations



Fight against
COVID-19

- Held fundraiser for COVID-19 relief involving donations from over 19,000 employees, conducted academic exchanges focused on COVID-19, and joined the international new coronavirus drug development alliance.
- Utilized industry connections and resources to organize global forums dedicated to in-depth exchanges with top global industry leaders. With hopes that the exchange of ideas would inspire and drive the industry forward.
- Continued commitment to social welfare and dedication to community needs. Provided public welfare donations and assistance with respects to education, sanitation, culture and sports, disaster relief and poverty alleviation.
- Prioritized rare disease R&D, drug availability, medical technology innovation, as well as new methods and modalities for curing diseases.

Social Welfare



Sending our Love with Voluntary
Blood Donations

Industry-wide Cooperation



WuXi AppTec Global Forum 2020

Inclusive Healthcare



Attention to
Rare Disease

05

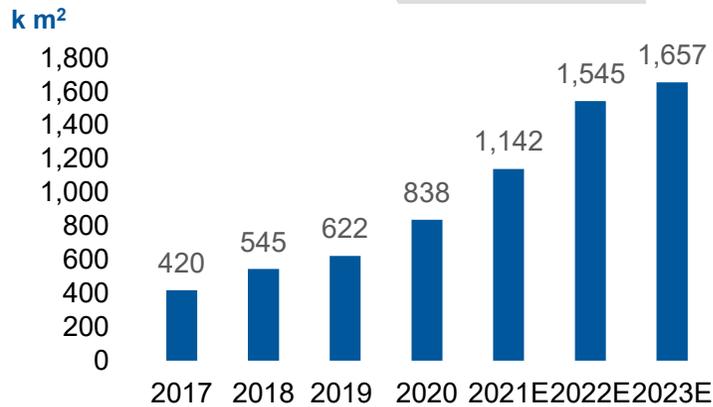


Outlook For 2021 & Beyond

Global Capacity in Progress

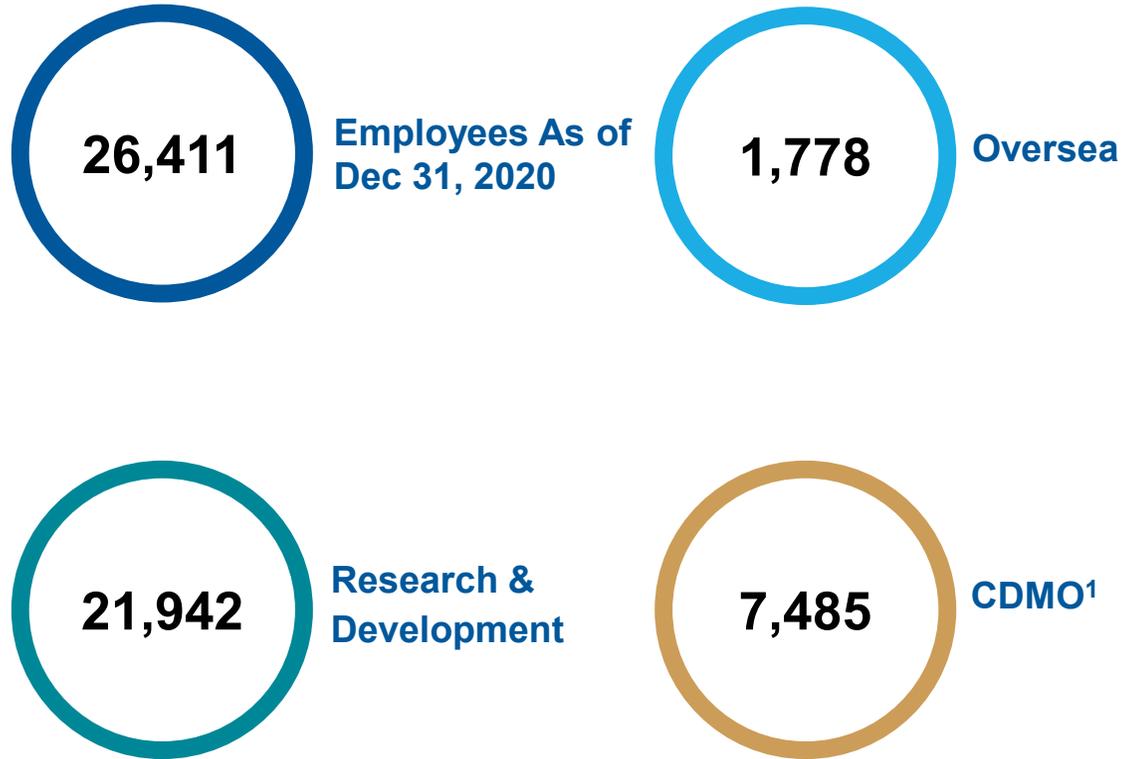


The Capacity of Our Sites is Expanding

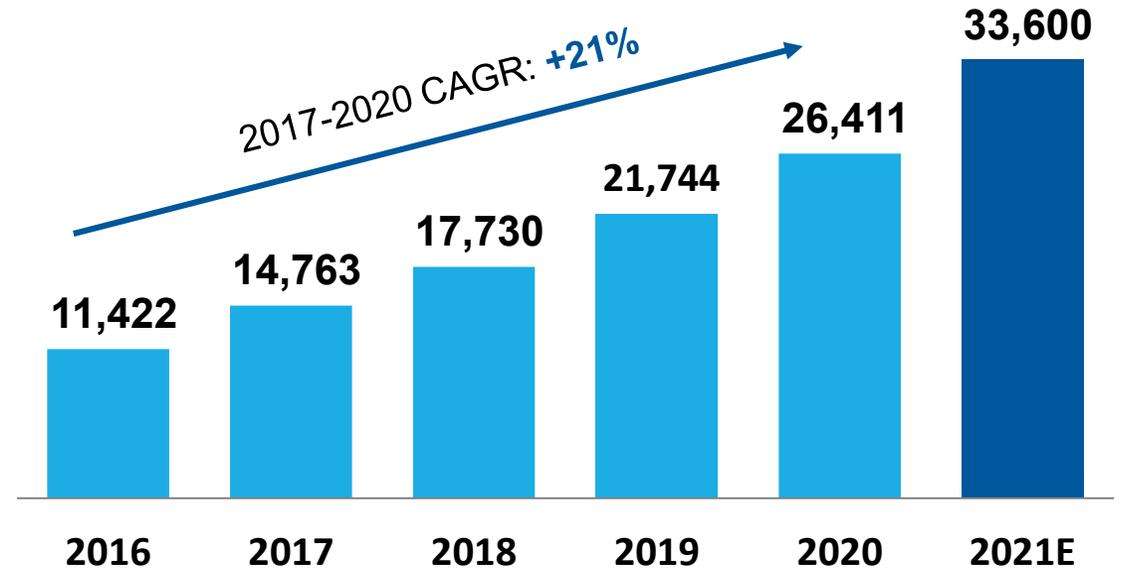


~1,657K m² of Laboratories, Manufacturing Facilities and Offices Worldwide

Growing Talents for Sustaining Business Growth



Rapid Expansion of Talent Base



Note:

1. Including small molecule CDMO & cell and gene therapies CDMO.

WuXi STA and WuXi Biologics to Form “XDC” Joint Venture

JV Business Scope

- Combine WuXi STA and WuXi Biologics’ respective capabilities in developing and manufacturing drug conjugates such as Antibody-Drug-Conjugate.
- Provide customers end-to-end CDMO services from payloads/linkers, antibodies to finished conjugated drug products under one roof.

JV Capital Structure

- WuXi Biologics owns 60% by investing \$120 million cash
- WuXi STA owns 40% by investing \$80 million cash

Contributions of Assets

- WuXi STA contributes its payloads and linkers business and associated facilities and personnel valued RMB 280M
- WuXi Biologics contributes its ADC business and associated facilities and personnel valued at RMB 420M.

Excellent Track Record and 2021 Outlook

China-based Lab Services

- ✓ Strong demand from long-tail biotech customers globally continues to drive growth of our discovery services and lab testing services
- ✓ Stick large pharma relations continues to expand collaboration scopes and penetration
- ✓ New laboratory capacity expansion in Nantong, Wuhan, Changshu, Tianjin, Chengdu

US-based Lab Services

- ✓ Support 2-3 BLA filings in 2021 for cell therapies
- ✓ Integrate Oxgene capabilities with existing CGT CTMDO capabilities to provide end to end gene therapy development services
- ✓ Further expand CGT testing capacity in Philadelphia
- ✓ Medical device testing business to grow steadily

CDMO Services

- ✓ 4-6 new products to commercialize in 2021 and continue to expand product pipeline
- ✓ Strong demand for CDMO services of new modalities
- ✓ Small molecule API and drug product demand remain very strong
- ✓ The first European GMP drug product manufacturing facility to start operations in 2H-2021

Clinical Research Services

- ✓ Expect clinical CRO and SMO services to grow strongly in China
- ✓ US based clinical CRO services sees modest growth due to COVID-19 impact
- ✓ Attract clients and projects that need to do clinical trials in both China and the U.S.

Continuing to Gain Market Share to Sustain High Growth

Excellent Track Record

- Outstanding customer satisfaction and strong worldwide recognition
- Excellent execution to deliver services and products to meet/exceed customers' needs
- Strong track record of delivering revenue and profit growth

Global Presence

- Global presence in 29 sites and branch offices
- Recently added two new sites in Switzerland and the U.K.
- Site selection in the U.S. for API/Drug Product manufacturing

Unparalleled Capacity

- Global capacity expansion in both China(Wuhan/Nantong/Changshu/Lingang) and the U.S.
- To reach 1.6 million sq. meters of laboratories, manufacturing facilities and offices Worldwide by 2023

Largest Talent Base

- Largest pharmaceutical R&D organization: 21,900+ scientists and technicians
- Expected to increase headcount by 27% in 2021

We Achieved Strong Growth in 2020 and Continue to Invest for Future Growth

- 1 We Won Back 2020 Despite the COVID-19 Pandemic Challenges.**
- 2 We will Maintain Strong Growth Momentum in 2021 Through Our “Long-tail” and “Follow the Customer, Follow and Win the Molecule” Strategies.**
- 3 We will Continue to Expand Capabilities and Capacities Globally.**
- 4 We will Invest Aggressively to Capture Business Opportunities of Fast Growing New Modalities.**
- 5 We Continue to Actively Seek M&A Opportunities Worldwide.**

Thank You!

Global Platform. One Vision.



www.wuxiapptec.com