

2023 WuXi AppTec Investor Day

# Industry Trend and Company Strategy

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## Forward-Looking Statements

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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

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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, non-financial assets 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.



## 01 Industry Trend

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## 02 Company Strategy

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# 1. Industry Trend

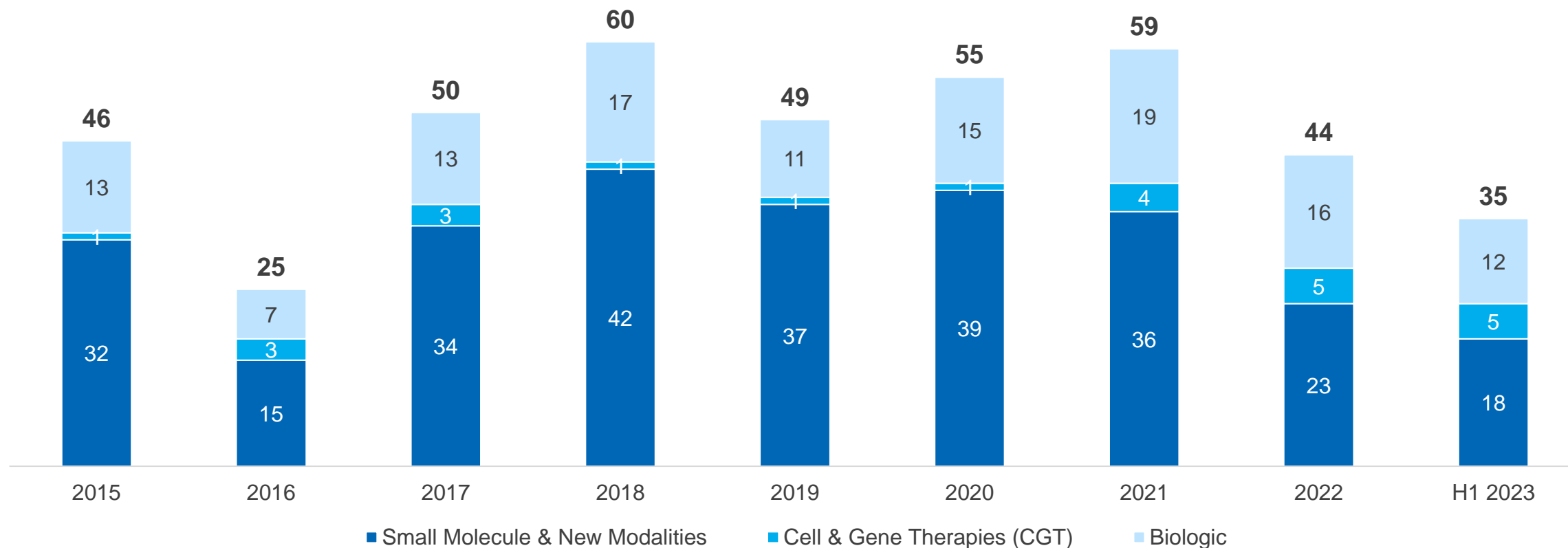
-- *Thriving Industry of CRO & CDMO*

# Innovations Continue to Drive Approvals of New Drugs for Patients in Need

FDA Approved ~48 Drugs per Year on Average since 2015. Expecting 50+ Approvals in 2023

## Breakdown of FDA New Drug Approvals by Modalities, 2015 - H1 2023

# of drugs

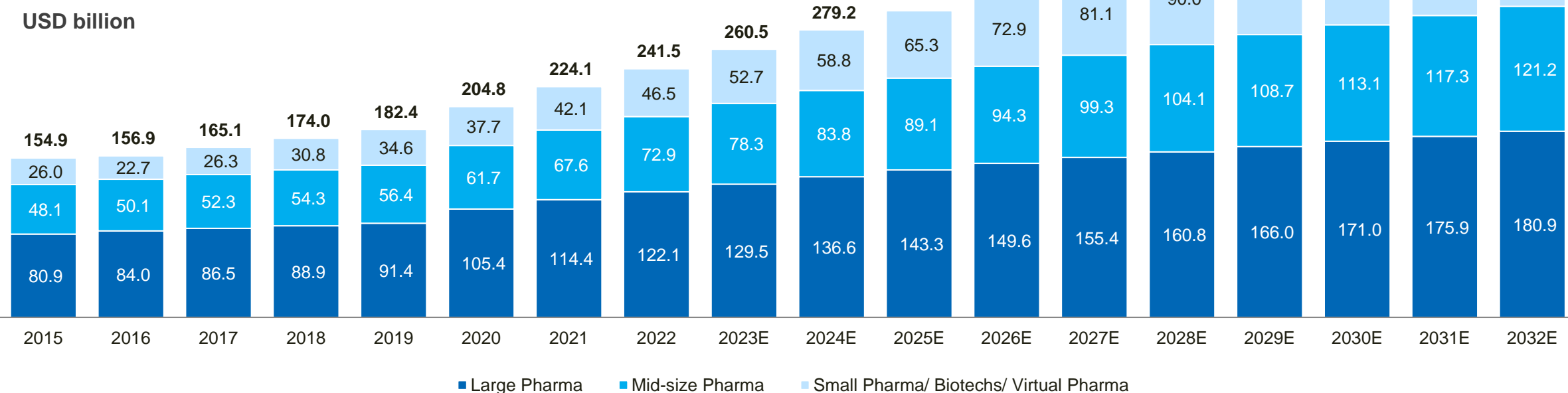


# Steady R&D Expenditures Growth across the Pharmaceutical Industry

Global Pharmaceutical R&D Expenditures Continue to Grow at ~7% CAGR, with Large and Mid-sized Companies Contributing ~80% in Total, and Small Companies are Growing Faster at ~12% CAGR

## Global R&D Expenditures Breakdown by Pharma Size, 2015-2032E

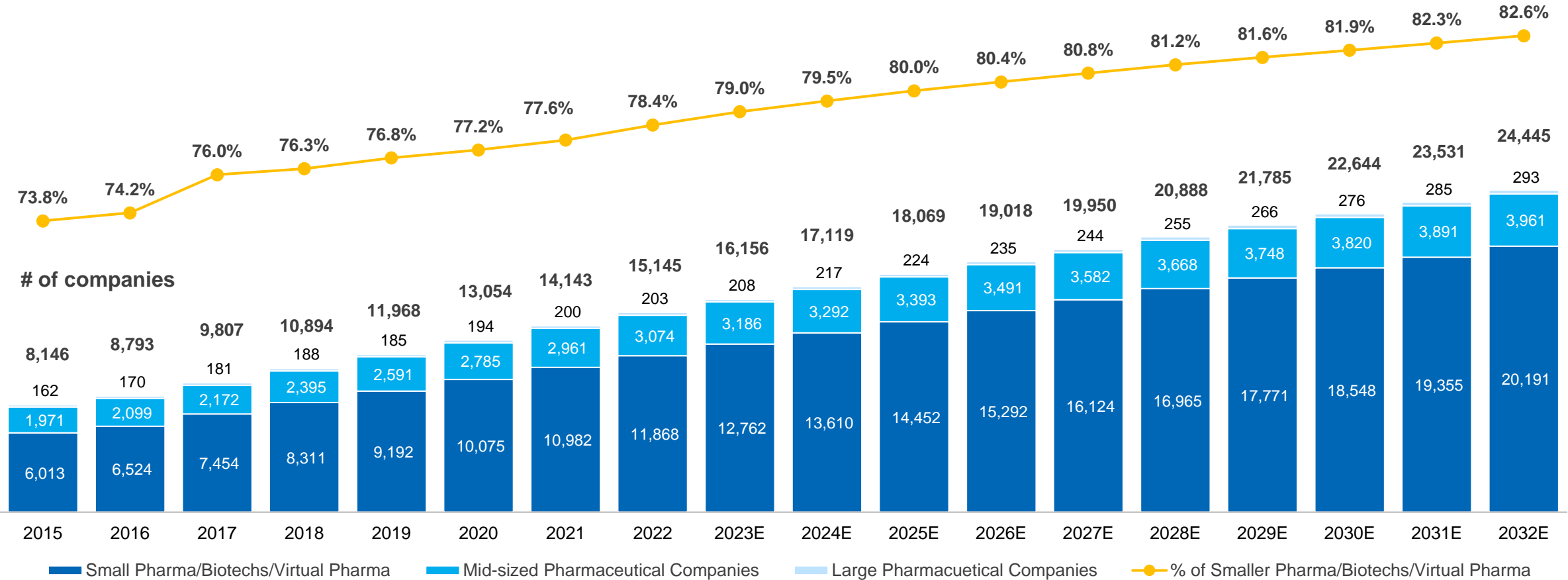
Period	Large Pharmaceutical Companies	Mid-sized Pharmaceutical Companies	Small Pharma/ Biotechs/ Virtual Pharma	Total
2015-2022	6.1%	6.1%	8.7%	6.5%
2022-2027E	4.9%	6.4%	11.7%	6.8%
2027E-2032E	3.1%	4.1%	10.2%	5.3%



# New Innovators Continue to Emerge at ~1,000 Companies Creation per Year

Large and Mid-size Companies Account for ~20%, while Small Companies Grow to ~80% by 2025

## Number of Global Pharmaceutical Companies, 2015-2032E



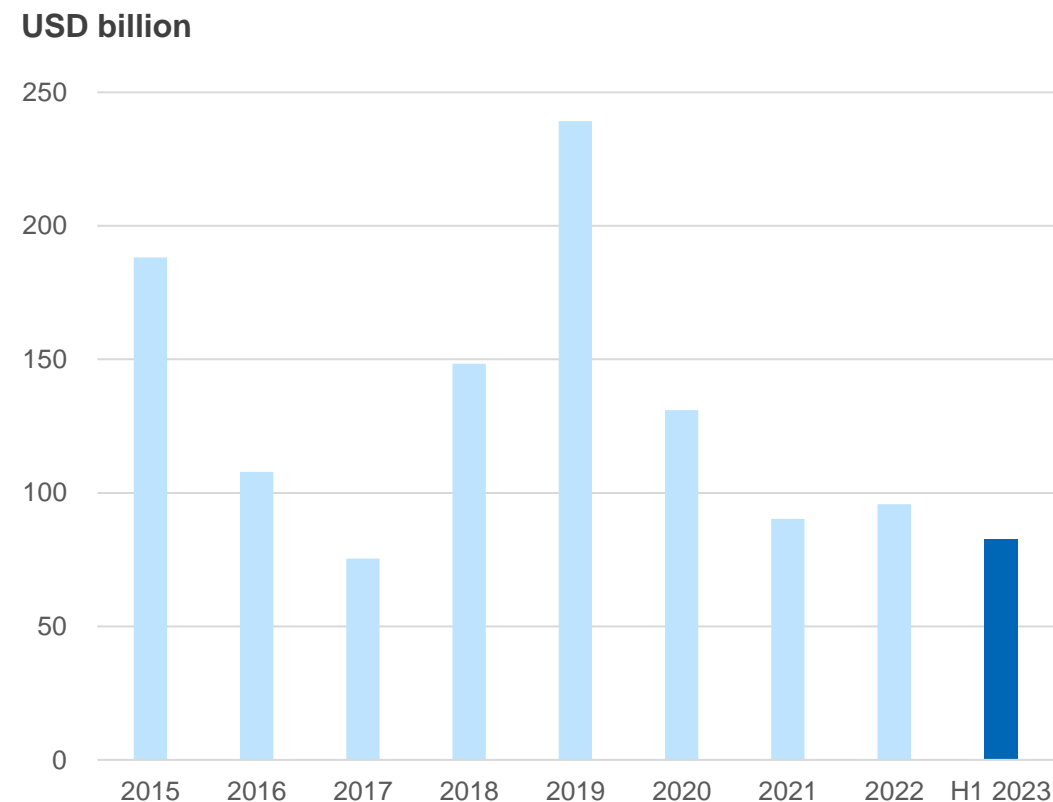
# Continuous M&A Activities for Biopharma Companies to Replenish Pipeline

H1 2023 M&A Deal Values Almost Equal to 2021 & 2022 Full Year, with a Preference of Targets with Late Stage Pipeline or Commercialized Products Covering Diversified Therapeutic Areas

## Selected Deals ≥\$1Bn in H1 2023

Date	Acquirer	Target	Deal Value (USD \$Bn)	Premium (30 day)
2023/6/30	Bausch & Lomb	Novartis (3 assets) <sup>1</sup>	2.5	N/A
2023/6/29	Semper Paratus	Tevogen Bio	1.4	N/A
2023/6/20	Eli Lilly	Dice Therapeutics	2.4	40%
2023/6/12	Norvatis	Chinook Therapeutics	3.5	83%
2023/5/22	Ironwood	VectivBio	1.0	63%
2023/5/10	SOBI	CTI BioPharma	1.7	95%
2023/4/30	Astellas	Iveric Bio	5.4	75%
2023/4/25	Assertio	Spectrum Pharmaceuticals	2.5	85%
2023/4/18	GSK	Bellus Health	2.0	101%
2023/4/16	Merck & Co.	Prometheus Biosciences	10.8	75%
2023/3/13	Pfizer	Seagen	43.0	33%
2023/3/13	Sanofi	Provention Bio	2.9	273%
2023/1/9	AstraZeneca	CinCor Pharma	1.8	121%
2023/1/9	Ipsen	Albireo	1.0	84%
2023/1/8	Chiesi	Amryt Pharma	1.5	107%

## Global Biopharma M&A Deal Values, 2015 - H1 2023



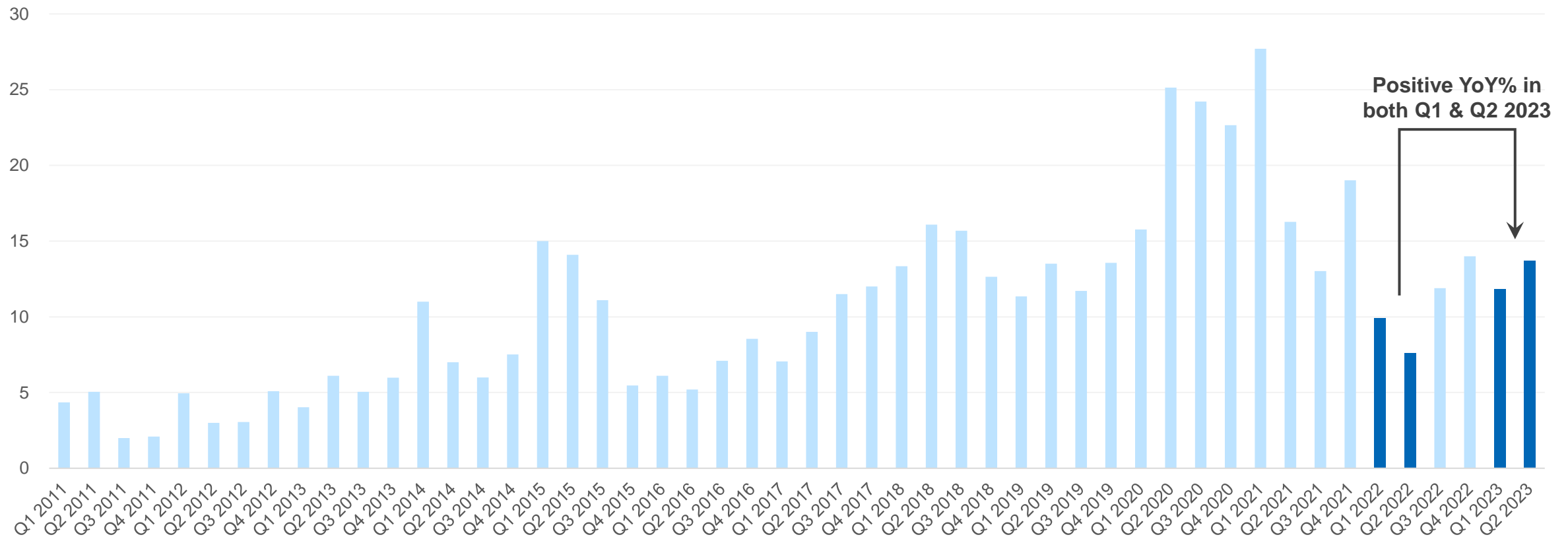


# Global Biotech Funding Still Active, Driven by Continuous Innovations

Despite Decline in 2022 post 2021 Peak, Positive YoY% Growth in H1 2023 Indicates Signs of Recovery

## Global Biotech Funding by Quarter (IPO + FO + PIPE + VC), Q1 2011 - Q2 2023

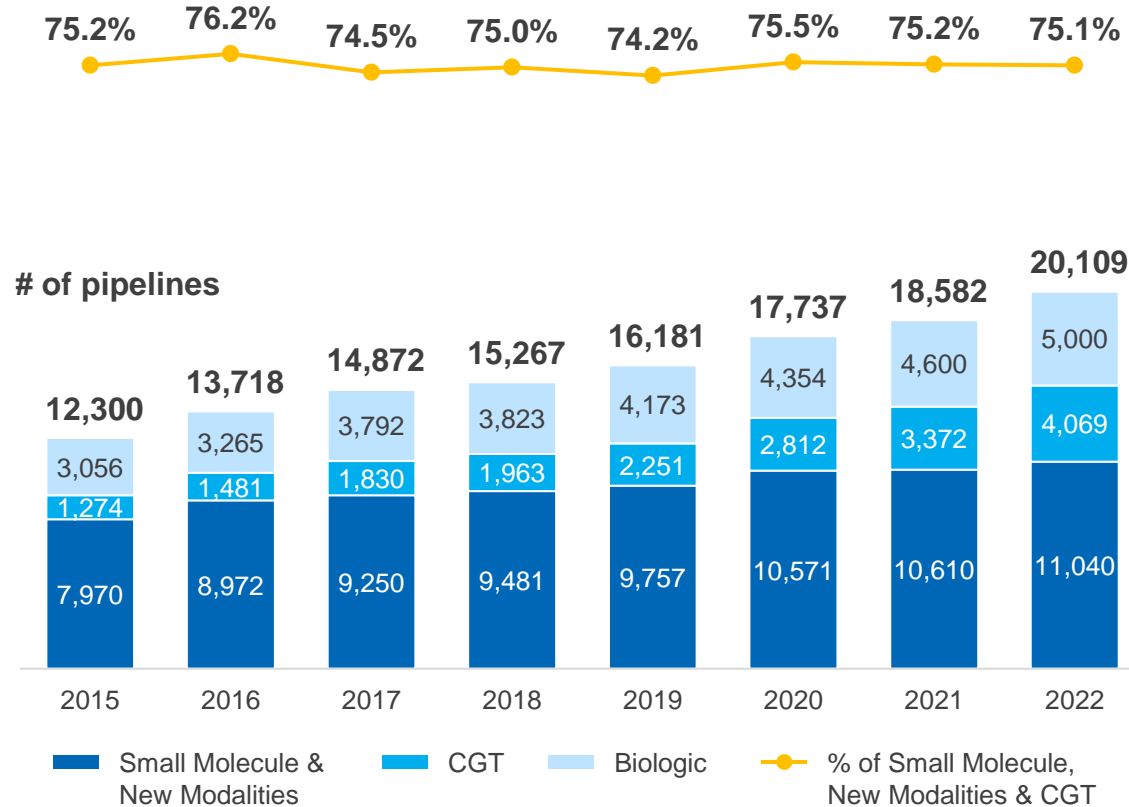
USD billion



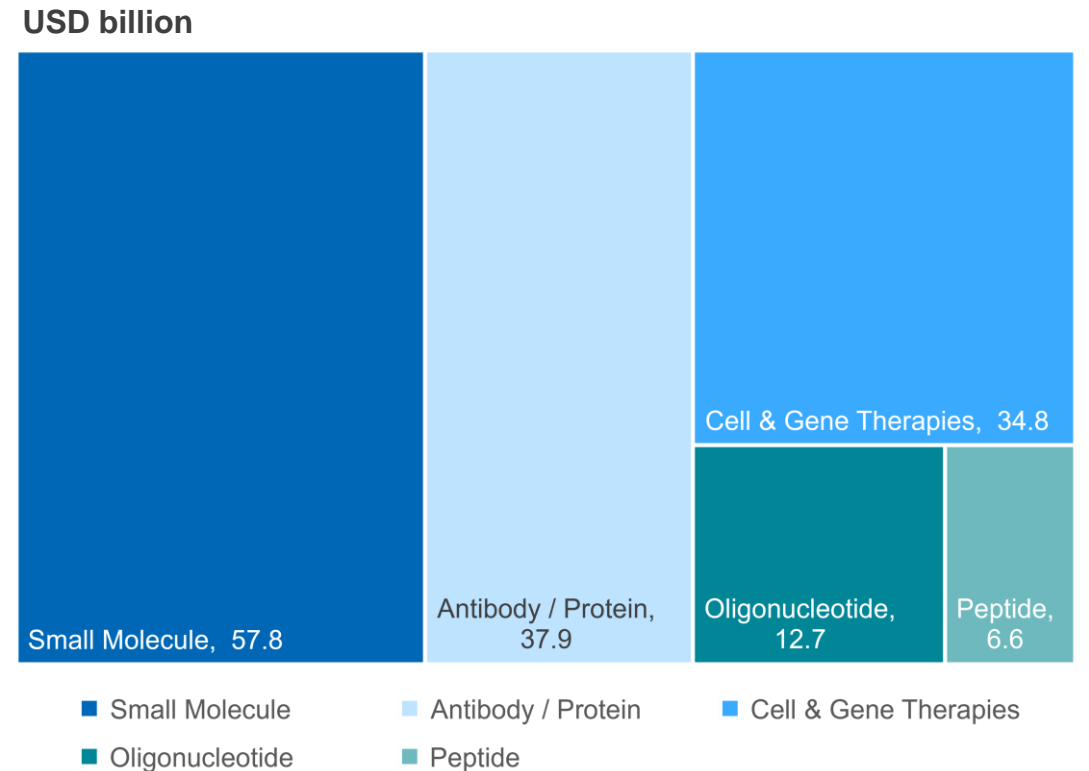
# Global R&D Pipeline is Growing Steadily over the Past Years

Small Molecule Remains the Dominant Modality, while CGT and New Modalities Increase Traction

### Global R&D Pipeline Breakdown by Modalities 2015-2022



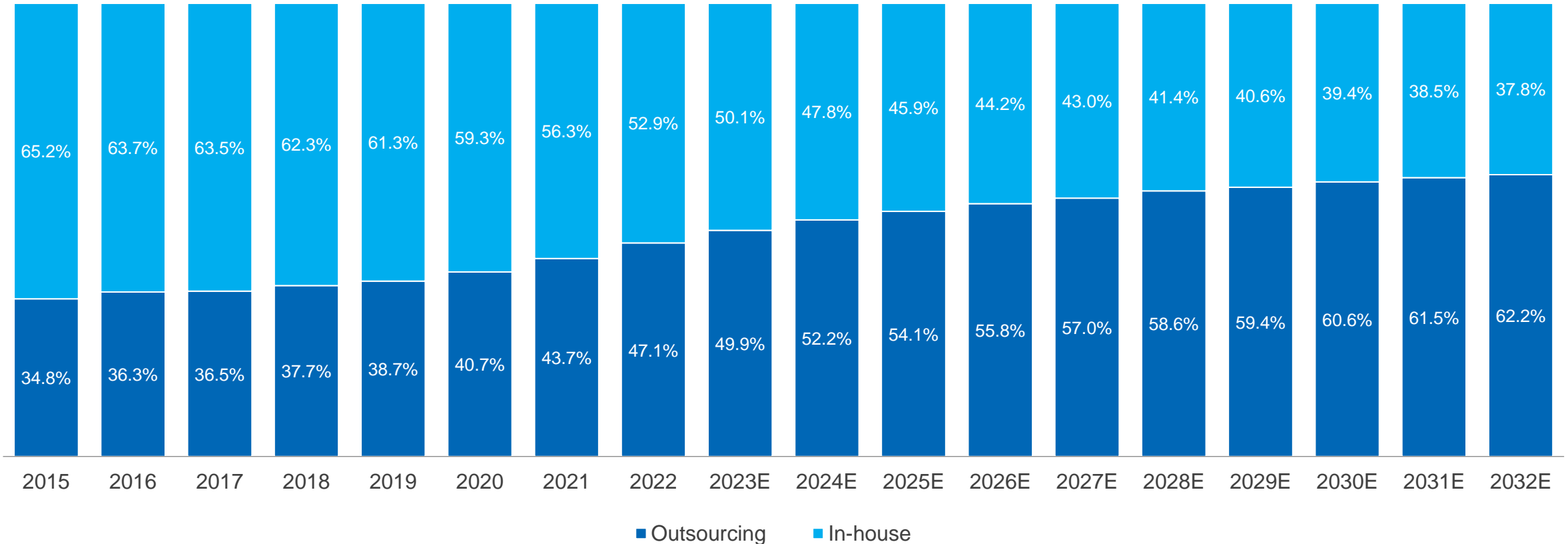
### Global Venture Investment Breakdown by Modalities 2019-2022



# Outsourcing Market Continuously to Expand Globally

Global Outsourcing Penetration Rate Increases Steadily to Reach ~55% by 2025, with US 60% and China 52%

## Global CRO Outsourcing Rate, 2015-2032E



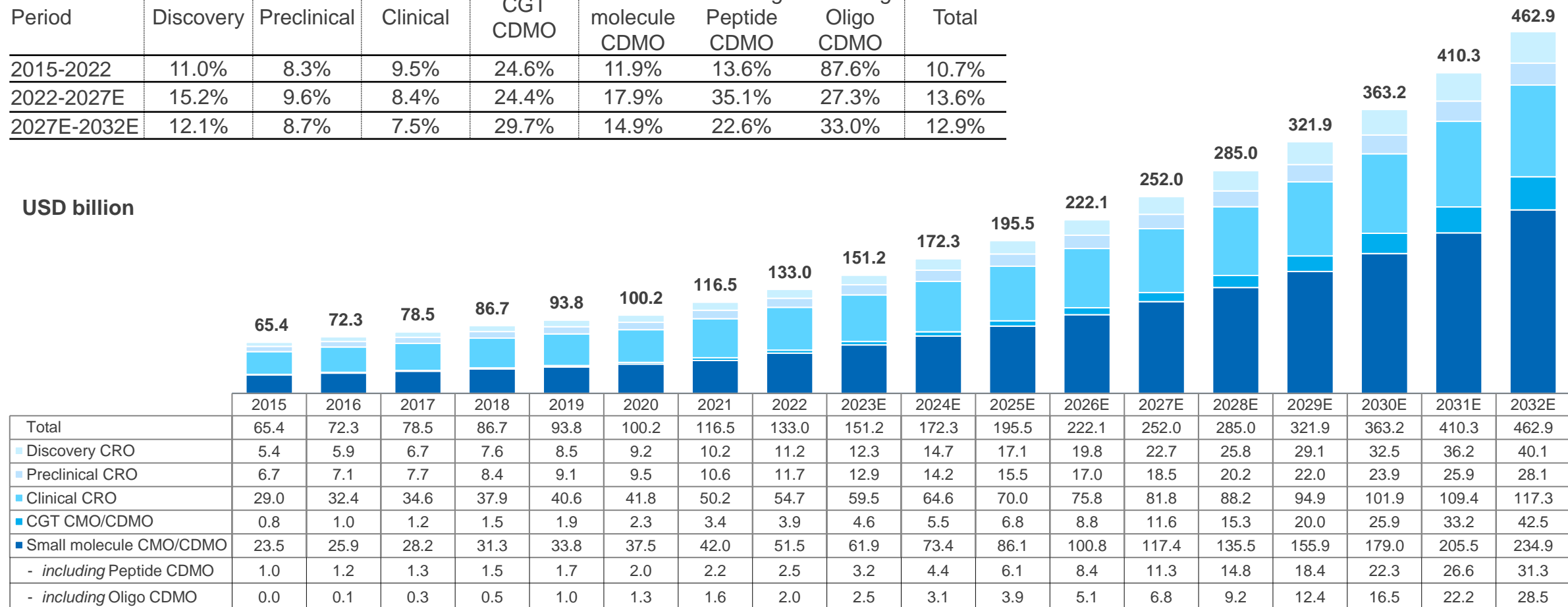
# Global Outsourcing Market Grows Faster than Overall R&D Expenditures

Global R&D Outsourcing Market growing at ~13% annually for 2022-2026, with CGT and New Modalities (Peptide & Oligo) CDMO Markets Significantly Outpacing Others

## Global Pharmaceutical R&D Outsourcing Market, 2015-2032E

Period	Discovery	Preclinical	Clinical	CGT CDMO	Small molecule CDMO	<i>including</i> Peptide CDMO	<i>including</i> Oligo CDMO	Total
2015-2022	11.0%	8.3%	9.5%	24.6%	11.9%	13.6%	87.6%	10.7%
2022-2027E	15.2%	9.6%	8.4%	24.4%	17.9%	35.1%	27.3%	13.6%
2027E-2032E	12.1%	8.7%	7.5%	29.7%	14.9%	22.6%	33.0%	12.9%

USD billion



## 2. Company Strategy

-- *Enabling excellence with a leading integrated CRDMO & CTDMO business model*

# Industry Leading Integrated CRDMO & CTDMO Platforms

Five Integrated Platforms Drive Excellence in Execution, with Upstream Business Continuing to Generate Opportunities for Downstream Business



## WuXi Chemistry (CRDMO)

Small molecule (including Oligo, peptide, conjugates)

## WuXi Testing

DMPK / bioanalysis, toxicology, medical device, clinical CRO & SMO

## WuXi Biology

DEL/HTS, in vitro/in vivo biology, disease models

## WuXi ATU (CTDMO)

Cell and gene therapies (Testing, Development, Manufacturing)

## WuXi DDSU

Domestic discovery service unit

# Continued Strong Growth as a Leading Global CRDMO & CTDMO Company



**16%**

Market Share in FDA  
Approved Chemistry New  
Drugs since 2018

**16%**

Market Share in Global  
Clinical Stage Small  
Molecule New Drug Pipeline



**2,819**

Molecules in WuXi  
Chemistry Small Molecule  
CDMO Pipeline in 2023H1

**36%**

CAGR of WuXi Chemistry  
CDMO Pipeline Molecules  
from 2018 to 2022



**+34%**

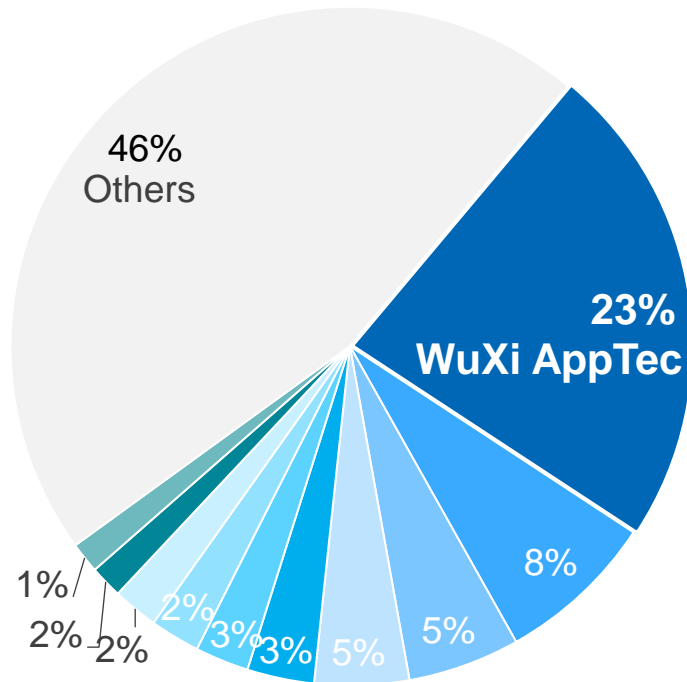
Revenue Growth  
of CAGR during  
2018-2023E

**+6pts**

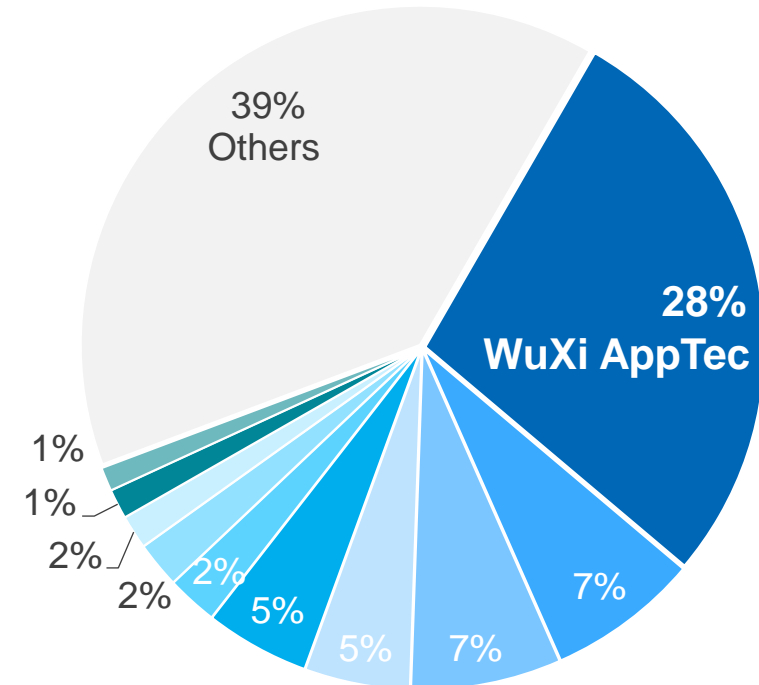
Margin Improvement of  
Adjusted Non-IFRS Net Profit  
2018-2022

# Unparalleled Leader<sup>1</sup> among All the China-based Outsourcing Service Providers with Expanding Market Share

China-based Total Outsourcing Market Share in 2021



China-based Total Outsourcing Market Share in 2022





# Comprehensive Capabilities in New Modalities, Well Positioned for Future Growth

Business Segments	New Modalities Business Highlights	New Modalities Capabilities					
		Nucleic Acid-Based Modalities (Oligo/RNA/ASO)	Peptide	Novel Small Molecule / Target Protein Degradation	Conjugated Modalities	Cell & Gene Therapies	Others
WuXi Chemistry	<ul style="list-style-type: none"> <li>WuXi TIDES revenue grew <b>37.9%</b> YoY to <b>RMB 1.3bn</b></li> <li>WuXi TIDES backlog grew strongly by <b>188%</b> YoY</li> </ul>	✓	✓	✓	✓		
WuXi Testing	<ul style="list-style-type: none"> <li>Number of customers grew <b>21%</b> YoY, with <b>&gt;40%</b> growth in ADC and gene therapy</li> </ul>	✓	✓	✓	✓	✓	✓
WuXi Biology	<ul style="list-style-type: none"> <li>Revenue grew <b>51%</b> YoY, now contributing <b>25.4%</b> of WuXi Biology revenue</li> </ul>	✓	✓	✓	✓	✓	✓
WuXi ATU	<ul style="list-style-type: none"> <li><b>69</b> projects from pre-clinical to Phase III stage, including <b>4</b> potential commercial manufacturing projects</li> </ul>					✓	
WuXi DDSU	<ul style="list-style-type: none"> <li><b>17</b> projects in total. Some have filed INDs, and multiple projects to file INDs in 2023</li> </ul>	✓	✓	✓	✓		

# Global Capacity Expansions in Progress to Support Strong Future Growth

>250K m<sup>2</sup> of Labs, Manufacturing Facilities & Offices Worldwide to Come Online in 2023



# Our Platform & Business Model Continued to Perform Well

## Strong, Loyal & Expanding Customer Base

### Revenue<sup>1</sup> breakdown

Existing clients

**18.65Bn,**

excluding COVID-19  
commercial projects **+30%↑**

Newly added clients

**0.22Bn**



## Execute Long-Tail Strategy & Increase Support to Large Pharma

### Revenue<sup>1</sup> breakdown

Top 20 global pharma clients

**7.14Bn,**

excluding COVID-19  
commercial projects **+47%↑**

Other clients

**11.73Bn, +20%↑**



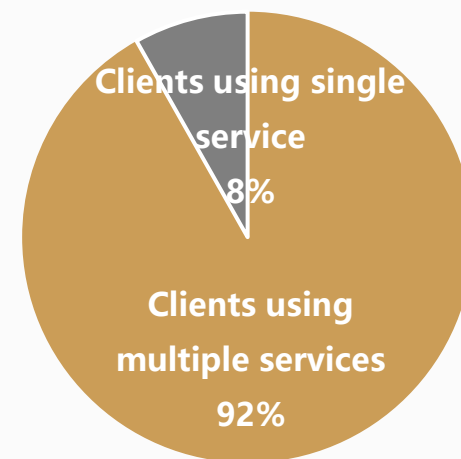
## Increase Customer Conversion to Sustain Growth

### Revenue<sup>1</sup> breakdown

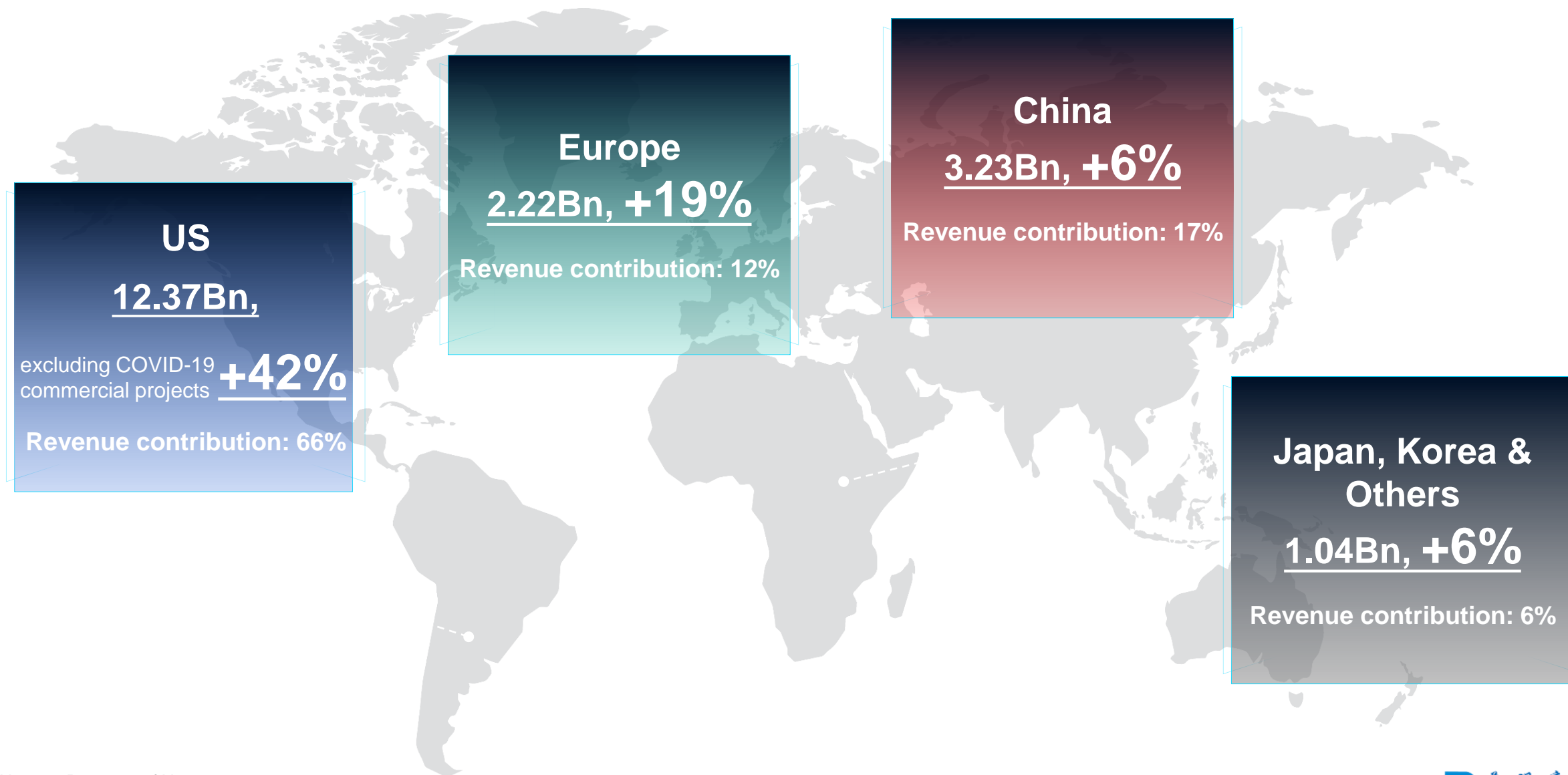
Clients using multiple services

**17.33Bn,**

excluding COVID-19  
commercial projects **+37%↑**



# Diversified Revenue<sup>1</sup> Streams from Customers Across Regions Ensure the Stability and Resilience of the Company's Financial Performance



# Strong Commitment to Environmental Protection and ESG

## ESG Leading Position in the Global ESG Rating Systems

**MSCI**  
ESG RATINGS



Consecutive “AA” ratings  
in 2021 and 2022



Awarded as Industry and  
Regional Top Rated company



Named to the 2022 S&P DJSI  
(World and Emerging Markets)



Leadership level of “A-” in 2022  
CDP Climate Change rating



“Bronze” rating; “Silver” for 4 sites in  
Changzhou, Shanghai, Wuxi & Couvet

## Sustainability Management and Technologies

### Green Chemistry Technology Platforms

- Biocatalysis
- Flow chemistry (continuous manufacturing)

### Effective Sustainability Management Across All Sites

H1 2023 vs. 2020 Baseline  
(per Revenue)

<b>20.1%</b>	↓	Carbon emission
<b>18.4%</b>	↓	Energy consumption
<b>31.6%</b>	↓	Water use

## Our Environmental Targets by 2030

compared to the 2020 baseline

**Greenhouse gas  
emission target**

**25% reduction**  
Carbon emission intensity

**Energy-saving  
target**

**25% reduction**  
Energy consumption intensity

**Water-saving  
target**

**30% reduction**  
Water use intensity

**Waste management  
target**

**Achieve landfill free for  
all productive wastes**

# We are Well Positioned to Continue Grow in Good Times and Challenging Times

## Scientific Discovery will Continue to Spawn New Biotech Companies that Drive Demand for our Services

Our integrated **CRDMO & CTDMO model** will continue to drive strong growth and enable global pharmaceutical and biotech industry to discover, develop and manufacture new drugs for patients in need

01

02

Our **5 platforms** with **comprehensive global capabilities and capacities** will propel our company to achieve strong growth for **many years** to come

03

Our proven strategy of enabling **entrepreneur and biotech** partners to **lower entry barriers** of drug discovery and development and the “**Follow the Molecule**” and “**Follow the Customer**” execution strategy position us well in the global healthcare ecosystem

04

Our **experienced** management team and **talented** employees are the **most important** assets to deliver shareholder values

05

Our **track record and reputation** of consistently delivering excellent results in **good times and challenging times** to our **partners** and **shareholders** won the **trust** for sustainable growth of our company