

WuXi AppTec

First Half 2023 Results

August 1, 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, 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.

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01 Results Overview

02 Business Highlights

03 Financial Performance

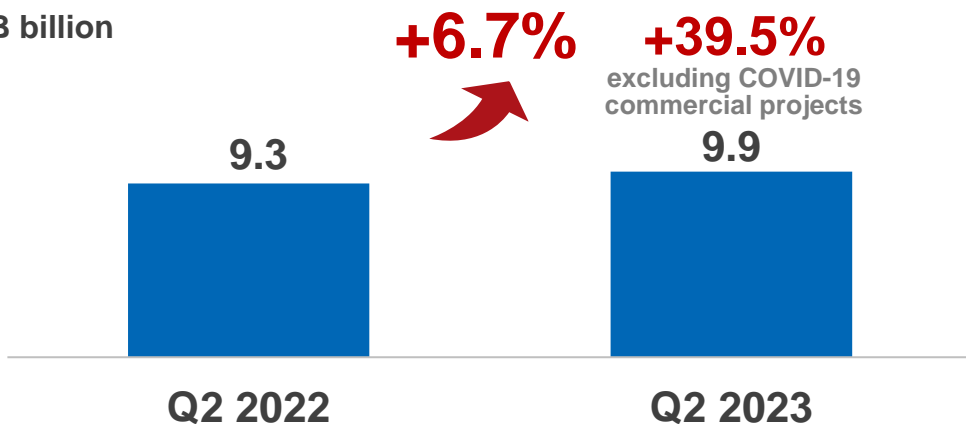
04 Growth Outlook

1. Results Overview

Continued Revenue & Profit Growth in Q2 2023; Revenue excluding COVID-19 Commercial Projects Grew Stronger

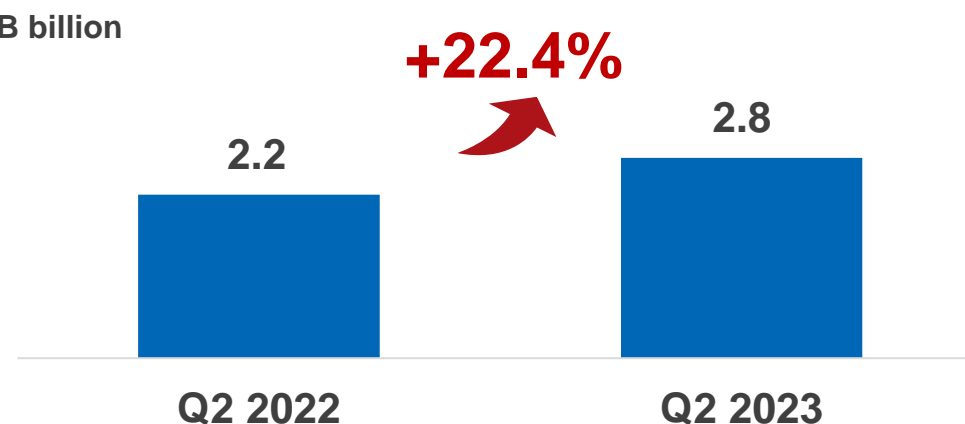
Revenue

RMB billion



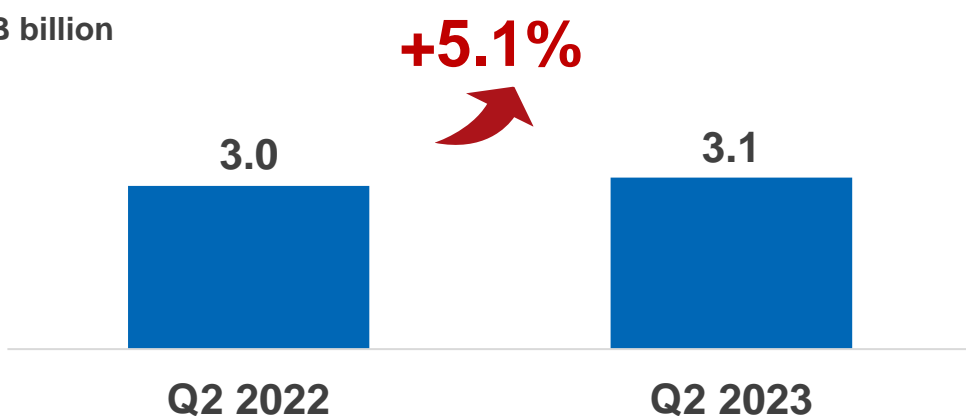
Adjusted Non-IFRS Net Profit

RMB billion



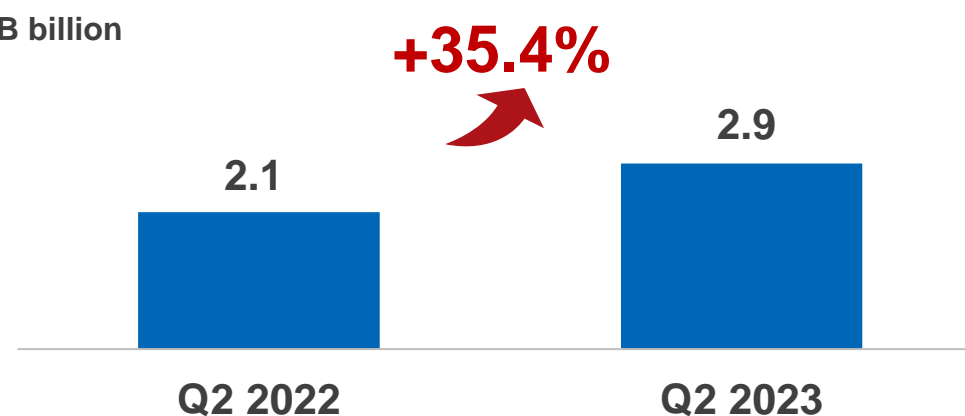
Net Profit

RMB billion



Net Profit After Deducting Non-Recurring Items

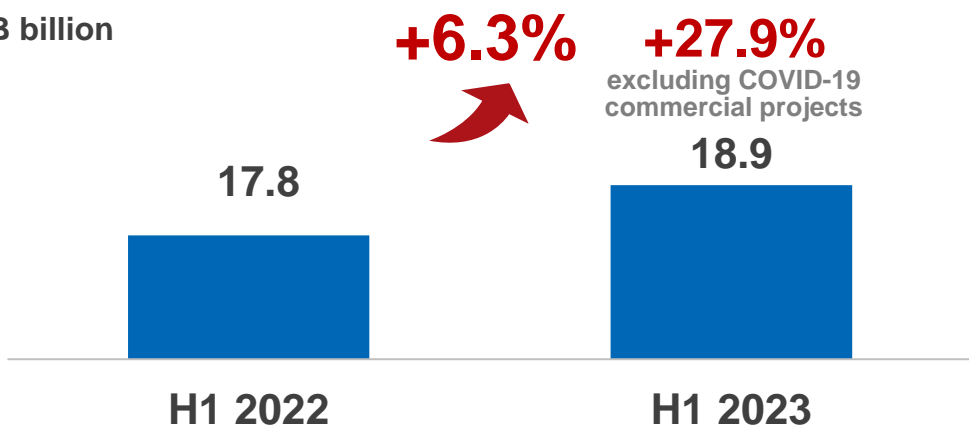
RMB billion



Continued Solid Growth of Revenue & Profit in H1 2023

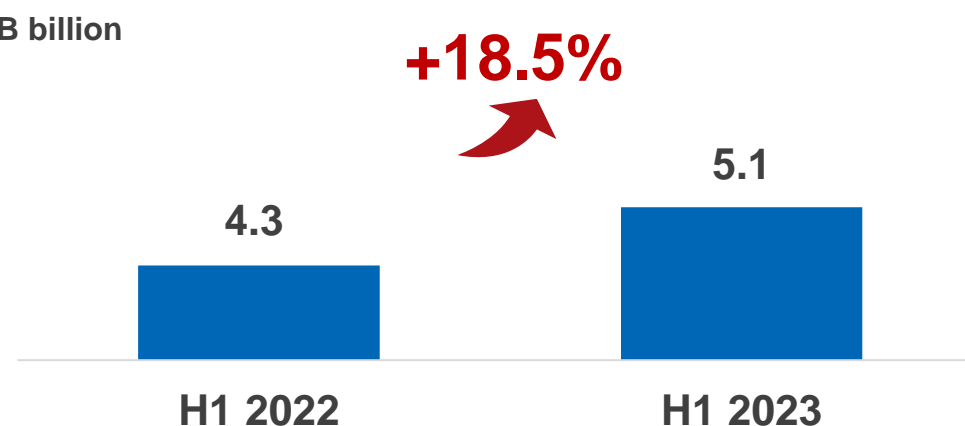
Revenue

RMB billion



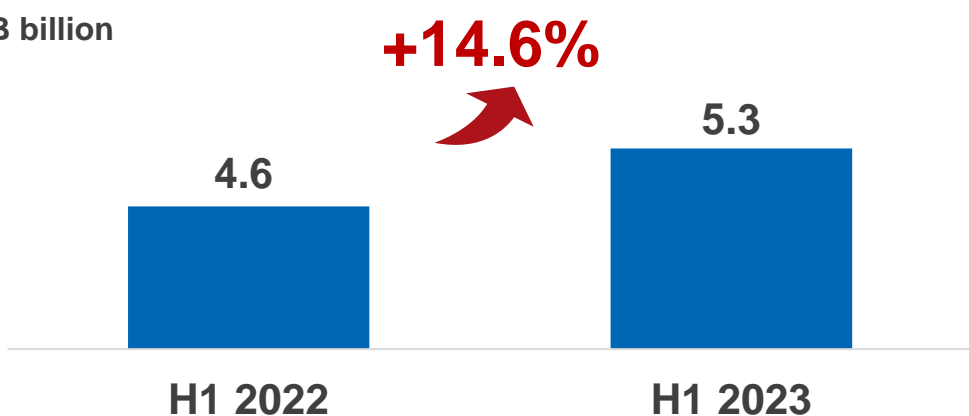
Adjusted Non-IFRS Net Profit

RMB billion



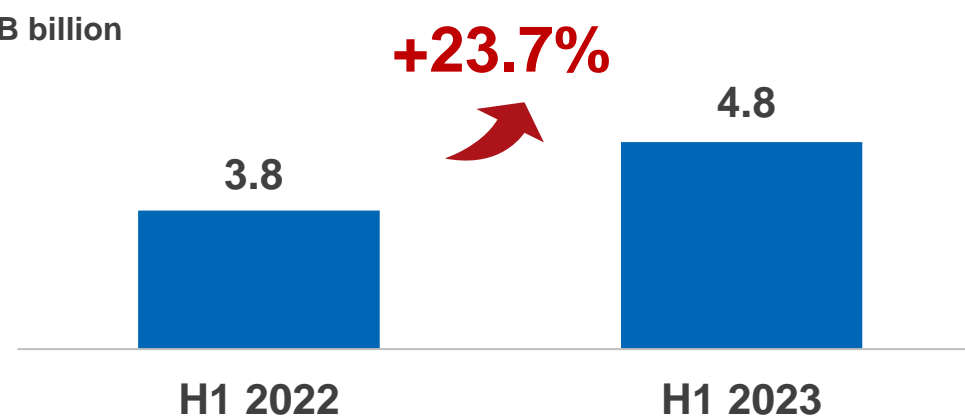
Net Profit

RMB billion



Net Profit After Deducting Non-Recurring Items

RMB billion



H1 2023 Business Highlights

Enable Customers to Grow Together

600+ new customers, **6,000+** active customers

Backlog **+25%**↑ excluding COVID-19 commercial projects, among which, TIDES backlog **+188%**↑

Small Molecule CRDMO Pipeline

2,819 molecules, **583** newly added molecules,

including **56** commercial, **59** Phase III

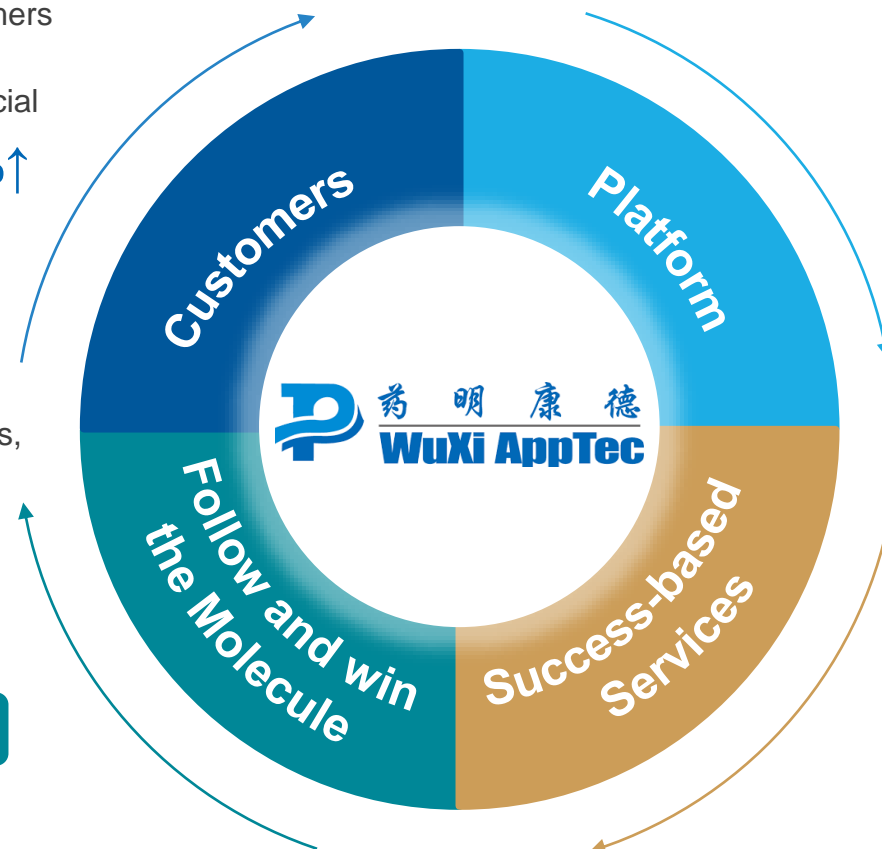
Adding **8** commercial & Phase III projects

Cell & Gene Therapies CTDMO Pipeline

7 Phase III, **10** Phase II,

52 Phase I & preclinical

Advancing **4** potential commercial manufacturing projects



Continued to Build Platform

32 global sites & branch offices

41,296 total employees, including,

37,972 scientists & technicians

Adding **55,000** m² testing laboratories

Continued to advance the design & construction of facilities around the world

Clinical Development of DDSU Pipeline

2 NDA approved, **2** in NDA review, **5** Phase III,

100 Phase II & Phase I

2 new drugs approved, the **1st** royalty income received from customers

Our Platform & Business Model Continued to Perform Well

Strong, Loyal & Expanding Customer Base

Revenue breakdown

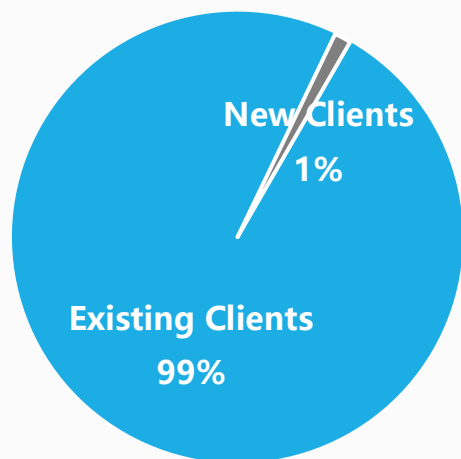
Existing clients

18.65Bn,

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

Newly added clients

0.22Bn



Execute Long-Tail Strategy & Increase Support to Large Pharma

Revenue breakdown

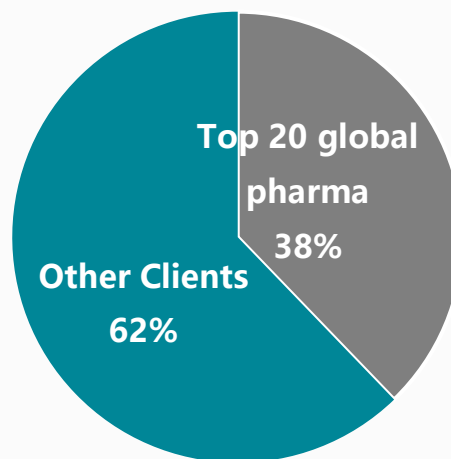
Top 20 global pharma clients

7.14Bn,

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

Other clients

11.73Bn, +20%↑



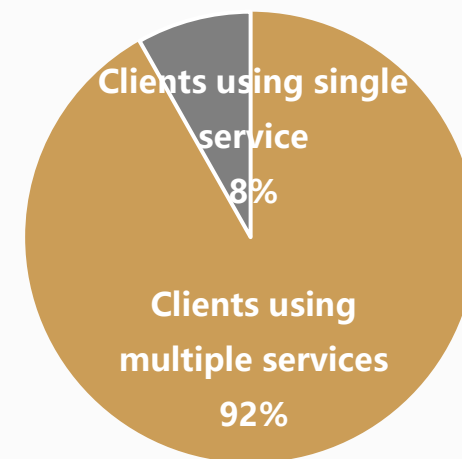
Increase Customer Conversion to Sustain Growth

Revenue breakdown

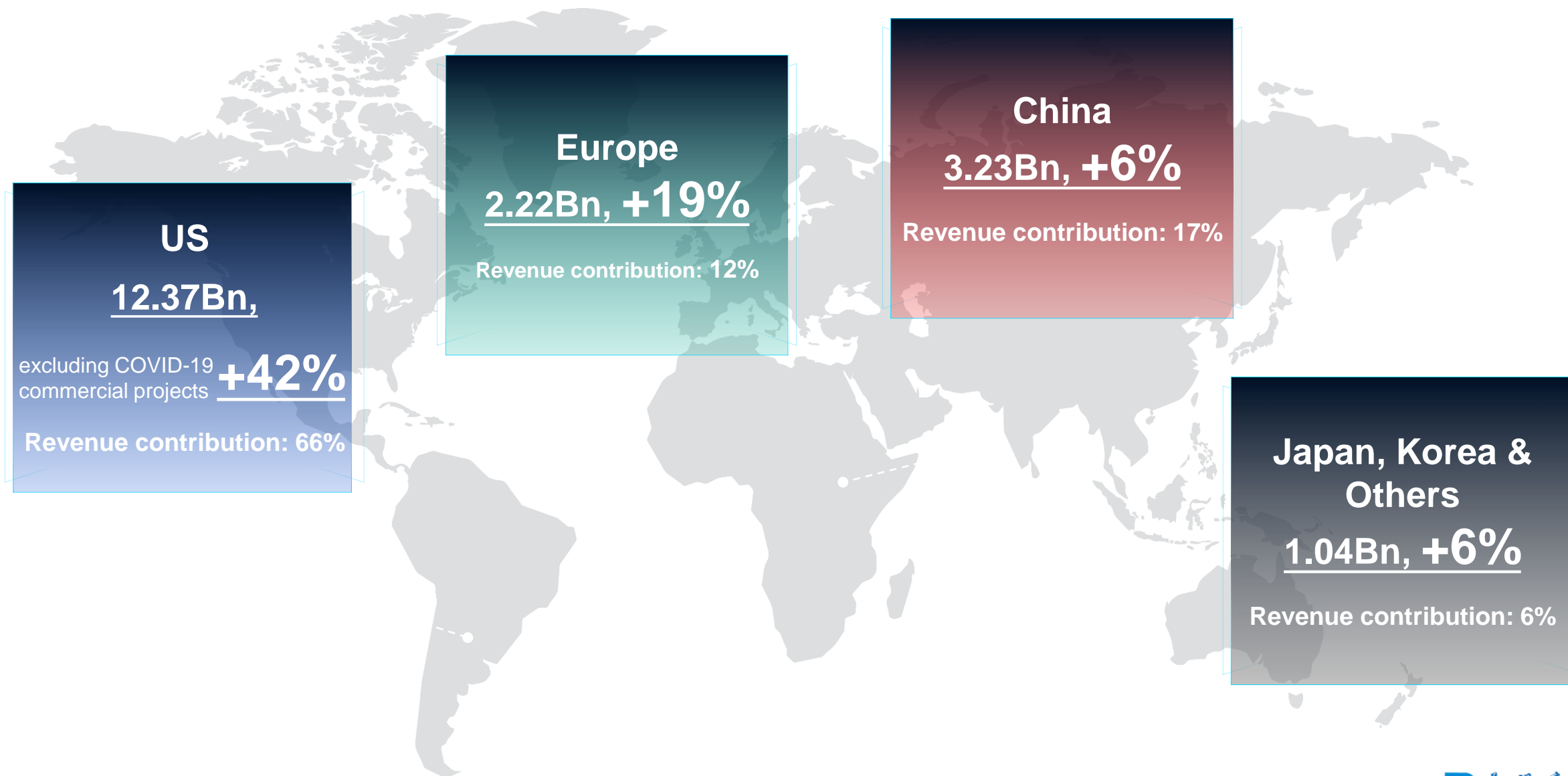
Clients using multiple services

17.33Bn,

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



Diversified Revenue 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)

20.1%	↓	Carbon emission
18.4%	↓	Energy consumption
31.6%	↓	Water use

Our Environmental Targets by 2030

compared to a 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**

2. Business Highlights

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

Financial Performance

- Q2 revenue grew **2.6%** YoY to **7.03bn**, excluding COVID-19 commercial projects, grew strongly by **51.6%**
- H1 revenue grew **3.8%** YoY to **13.47bn**; excluding COVID-19 commercial projects, grew **36.1%**
- H1 adjusted non-IFRS **GPM 45.3%**, improved by **4.4pts** YoY, besides FX impact, thanks to favorable mix and efficiency improvement

Drug Discovery (R) Generating Downstream Opportunities

- In the past 12 months, successfully synthesized and delivered **420,000+** new compounds (grew **20%** YoY), generating opportunities for downstream business units
- In the past 12 months, molecules converted from R to D&M grew **21%** YOY to **120**
- Growing demand from long-tail customers in discovery services of small molecule & new modalities, # of new customers grew **17%** YoY

Strong Growth of Development and Manufacturing (D&M)

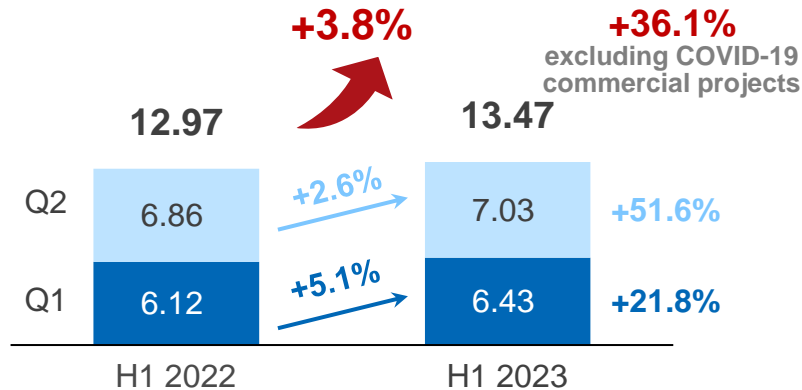
- H1 revenue grew **2.1%** YoY to **9.67bn**; excluding COVID-19 commercial projects, grew strongly by **54.5%**
- Total pipeline of **2,819** molecules (with **583** newly added in H1), including **56** commercial, **59** Phase III, **301** Phase II, and **2,403** preclinical & Phase I projects, adding **8** commercial & Phase III projects in H1

Continued Expansion of New Modalities (TIDES)

- H1 revenue grew **37.9%** YoY to **1.33bn**
- As of June 30, 2023, TIDES backlog grew strongly by **188%** YoY. TIDES revenue growth expected to exceed **70%** in 2023
- TIDES D&M customers increased **25%** YoY to **121**, and molecules increased **46%** YOY to **207**

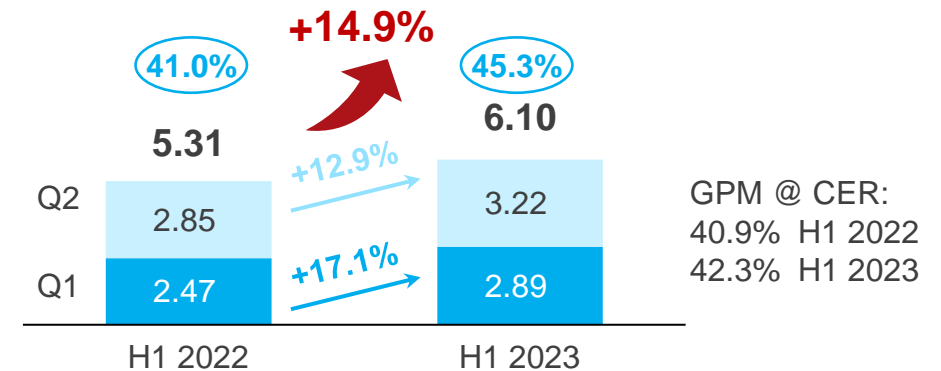
Revenue

RMB billion

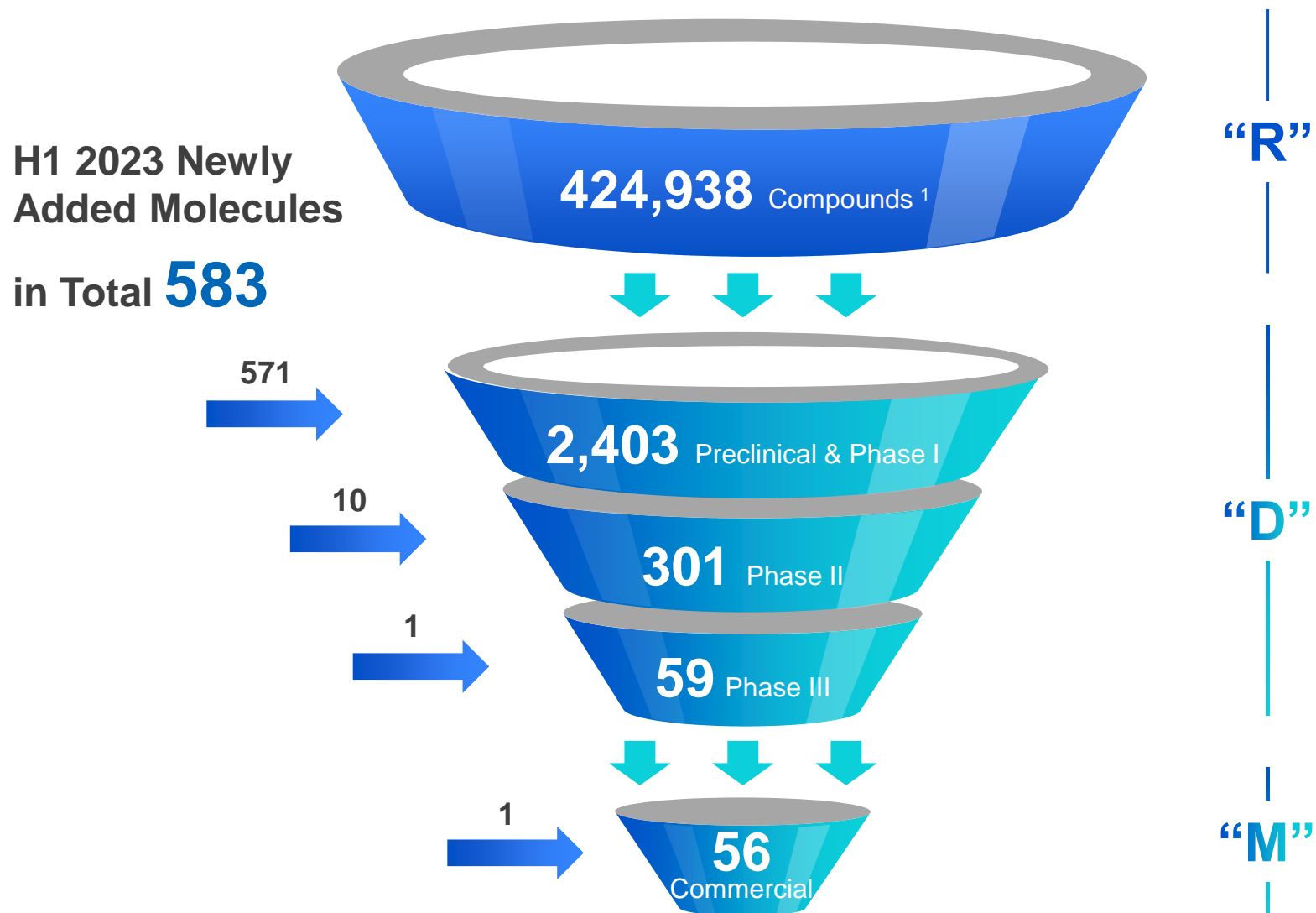


Adjusted Non-IFRS Gross Profit

RMB billion



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



WuXi Testing: Lab Testing Services Drive Steady Growth, and Clinical Business Fully Recovered

Financial Performance

- Q2 revenue grew **23.6%** YoY to **1.64bn**
- H1 revenue grew **18.7%** YoY to **3.09bn**
- H1 adjusted non-IFRS **GPM 37.8%**, improved by **2.2pts** YoY, thanks to the full recovery of clinical business and efficiency improvement, in addition to FX impact

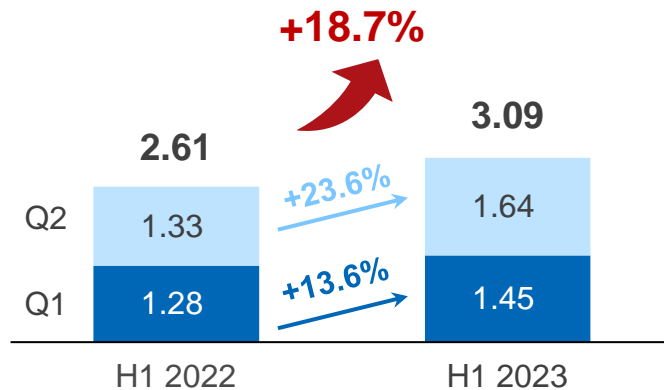
Lab Testing Services

- Q2 revenue of lab testing services grew **21.4%** YoY to **1.19bn**
- H1 revenue of lab testing services grew **18.8%** YoY to **2.25bn**, among which, drug safety evaluation service revenue grew **24%**, YoY, maintaining the APAC **industry leadership** position. Meanwhile, new facilities in Qidong and Suzhou **began operations as scheduled**, ensuring the business growth to accelerate in H2 2023
- Continued to enhance capabilities related to new modalities, with comprehensive coverage such as target protein degradation, nucleic acids, conjugates, cell & gene therapies, etc.

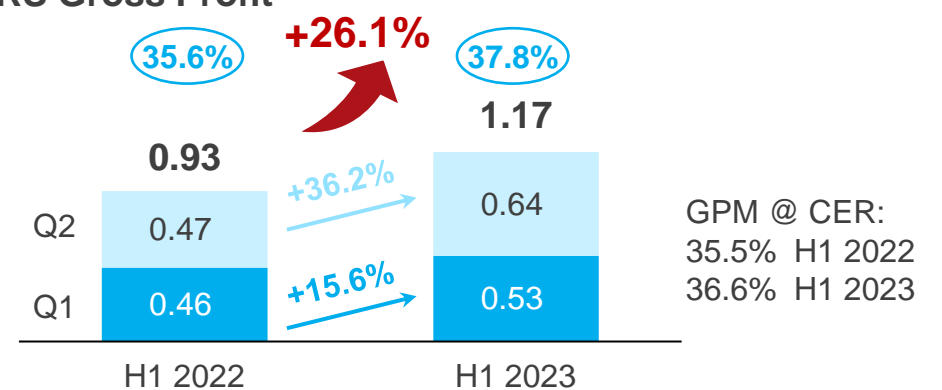
Clinical CRO & SMO

- Q2 revenue from clinical CRO and SMO grew **29.6%** YoY to **0.45bn**, among which, SMO revenue grew strongly by **53.9%** YoY
- H1 revenue from clinical CRO and SMO grew **18.3%** YoY to **0.85bn**, among which, SMO revenue grew **34.3%** YoY, maintaining **leadership** position in China
- In H1 2023, clinical CRO enabled customers to obtain **8** IND approvals and submit for **3** NDA filings; SMO supported **25** new drug approvals

Revenue
RMB billion



Adjusted Non-IFRS Gross Profit
RMB billion



WuXi Biology: Strong Contribution from New Modalities; Early Discovery Screening Platform Continued to Generate Downstream Opportunities

Financial Performance

- Q2 revenue grew **17.5%** YoY to **0.66bn**
- H1 revenue grew **13.0%** YoY to **1.23bn**
- H1 adjusted non-IFRS **GPM 41.5%**, improved by **0.7pts** YoY
- H1 revenue from new modalities grew strongly by **51%** YoY, contributing **25.4%** of revenue

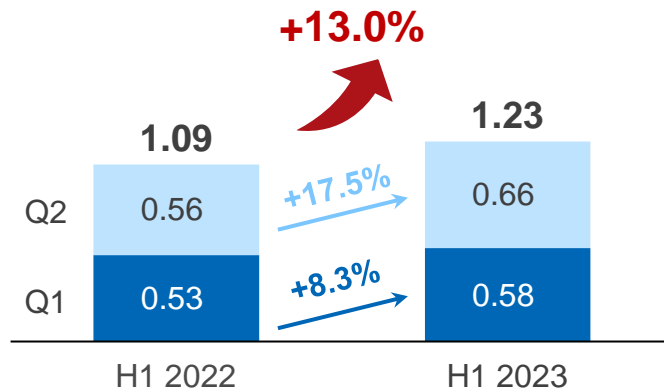
Discovery Biology

- 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
- Focused on improving capabilities related to new modalities. Number of customers and projects served by our **nucleic acid platform** continued to increase. Cumulatively, we have provided services to **110+** customers, and successfully delivered **700+** projects since 2021

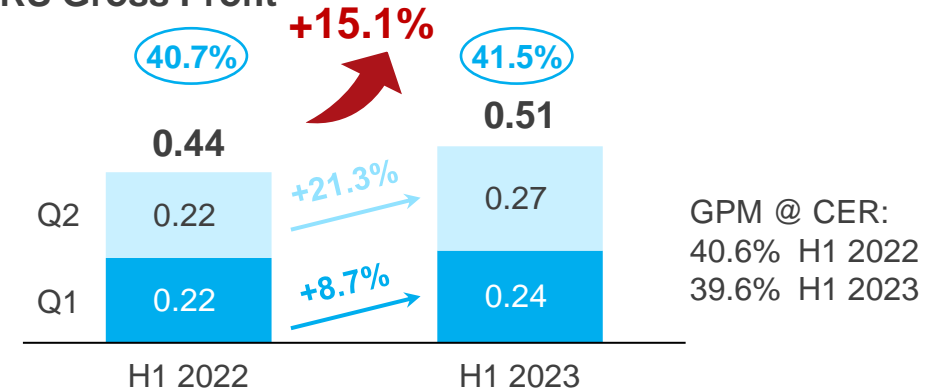
Comprehensive Screening Platform

- 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 customers
- Global leading DNA Encoded Library (DEL), serving **1,600+** customers with **>90bn** DEL compounds, **6,000** unique scaffolds and **35,000** building blocks; multiple **special function libraries** for targeting RNA, covalent compounds, bifunctional molecules, cyclic peptides, etc.
- In H1 2023, continued to generate downstream opportunities and contributed **20%+** of the new customers to the company

Revenue
RMB billion



Adjusted Non-IFRS Gross Profit
RMB billion



WuXi ATU: CTDMO Business Model Drives Growth

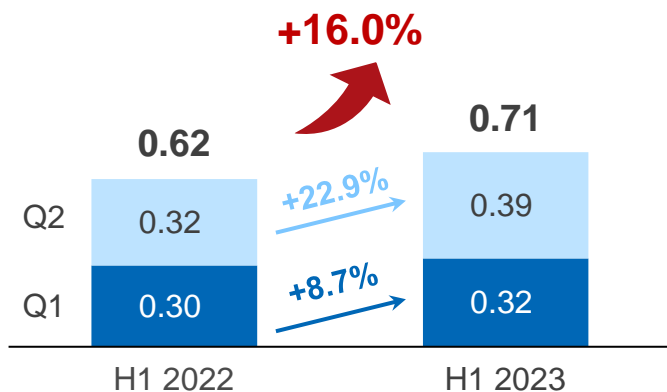
Financial Performance

- Q2 revenue grew **22.9%** YoY to **0.39bn**
- H1 revenue grew **16.0%** YoY to **0.71bn**
- H1 adjusted non-IFRS **GPM -5.7%**, improved by **1.3pts** YoY
- By end of June 2023, backlog grew by **28.8%** YoY

Pipeline & Progress of Commercial Projects

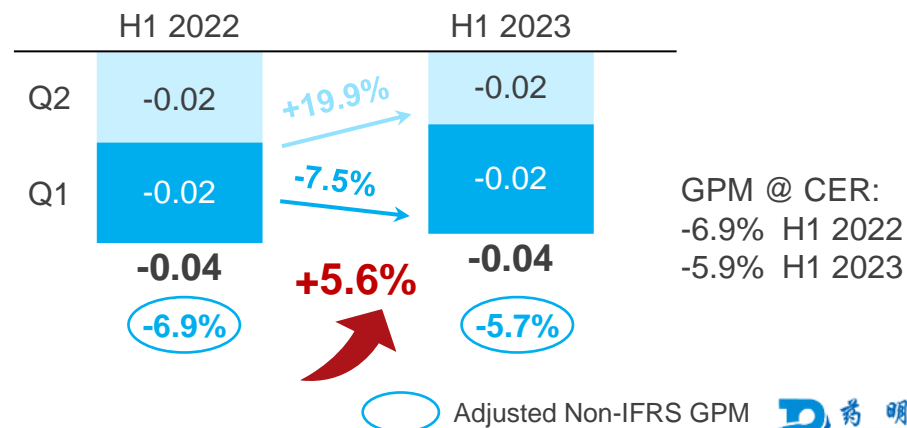
- Focused on improving our integrated CTDMO enabling platform, providing development, testing & manufacturing services for **69** projects, including **7** Phase III projects (**2** projects in BLA review stage, and **2** projects in BLA preparation stage), **10** Phase II projects, and **52** preclinical and Phase I projects
- Supported a client to complete BLA filing for a TIL product with FDA, the **world's first innovative TIL-based therapy**; supported a client to file BLA for the LVV used in a CAR-T product, and became the **first CGT CDMO in China to pass CFDI¹ LVV on-site inspection**. We expect our customers will **obtain approval of their products in H2 2023**
- Completed the technology transfer to manufacture a blockbuster commercial CAR-T product, **expected to start commercial manufacturing after FDA approval in H2 2024**
- In June 2023, signed a LVV manufacturing contract used in a commercial CAR-T product, **expected to start manufacturing in H1 2024**

Revenue
RMB billion

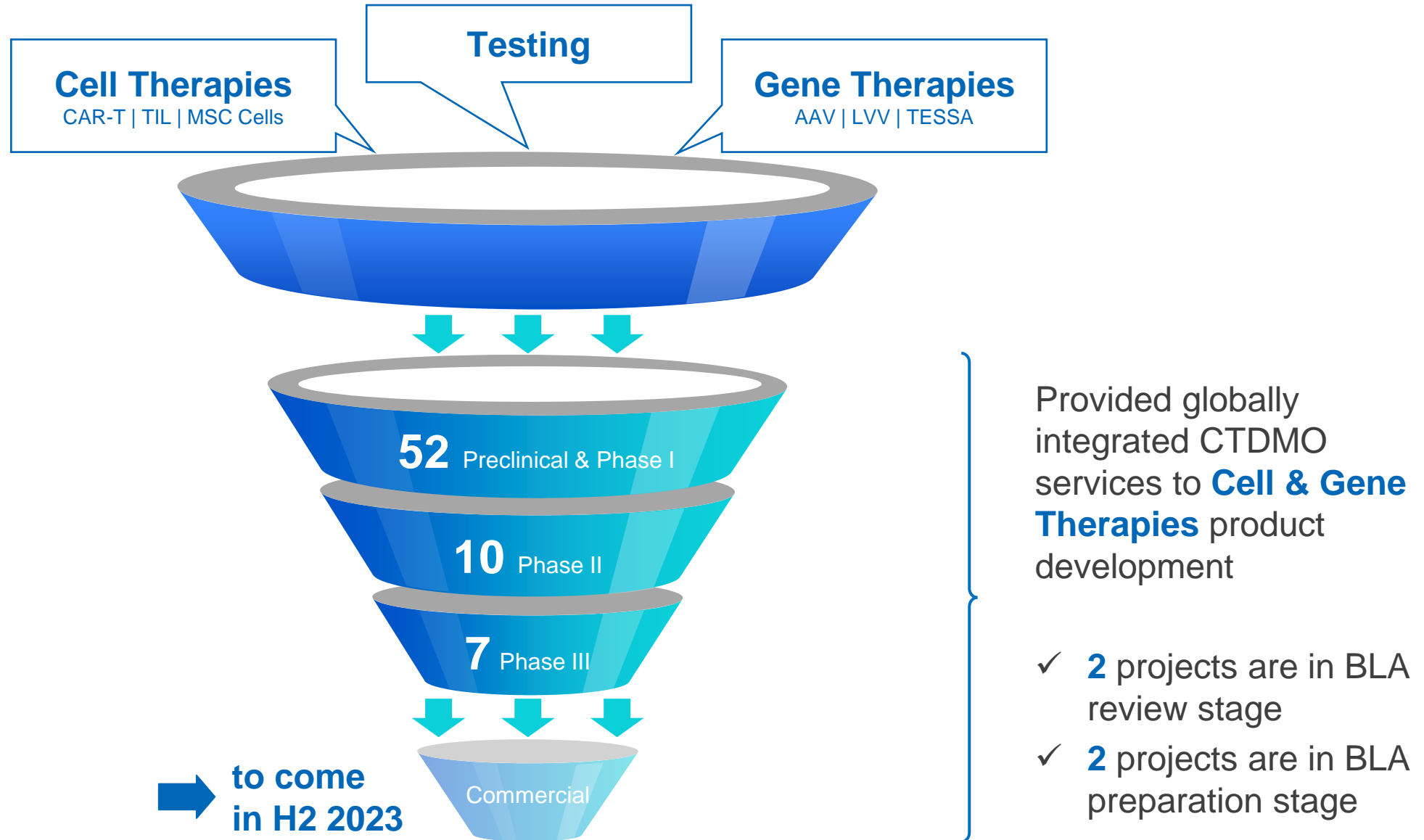


Adjusted Non-IFRS Gross Profit

RMB billion



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; Breakthrough to Receive the First Royalty Income

Financial Performance

- Q2 revenue declined **17.9%** YoY to **0.18bn**
- H1 revenue declined **24.9%** YoY to **0.34bn**
- H1 adjusted non-IFRS **GPM** **30.1%**, a **0.6pts** YoY drop

NDA Approval

- In H1 2023, **2 new drugs** developed for our customers have **obtained NMPA approvals**, including **one for COVID-19 infection treatment and the other for tumor treatment**
- In Q2 2023, received **the first royalty income** from customers. Royalty income is estimated to grow at **50%+ CAGR** over the next 10 years as more and more products get commercialized by DDSU customers

Project Pipeline

- In H1 2023, supported customers to file INDs for **12** drug candidates and obtained **11** Clinical Trial Approvals (CTAs)
- Cumulatively submitted **184** IND filings and obtained **155** CTAs, with **2** project receiving NDA approval, **2** project in NDA review stage, **5** in Phase III, **30** in Phase II, and **70** in Phase I
- 17** new modality projects covering peptide/PDC, PROTAC[®] and oligo. Some projects have filed INDs, and multiple projects expected to file INDs in 2023

Royalty Income

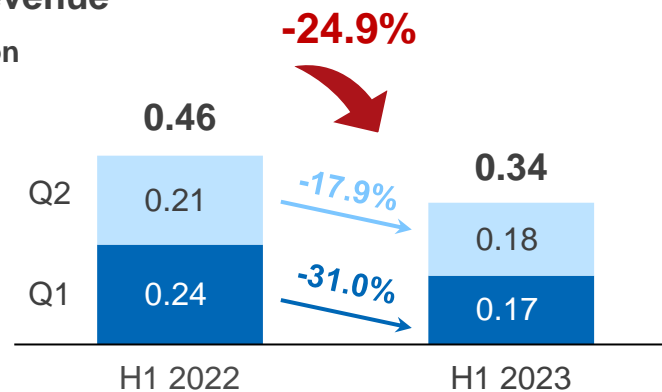
RMB million

Breakthrough from 0 to 1



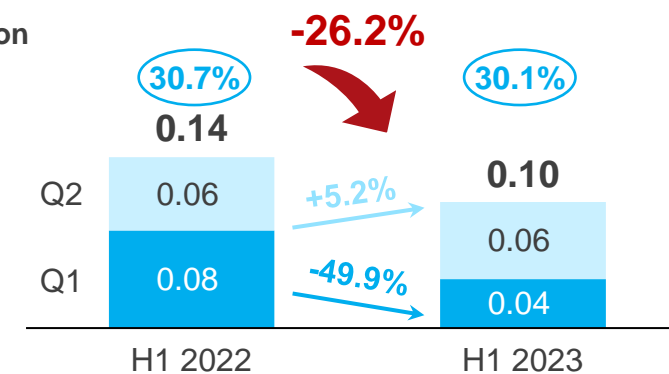
Total Revenue

RMB billion



Adjusted Non-IFRS Gross Profit

RMB billion

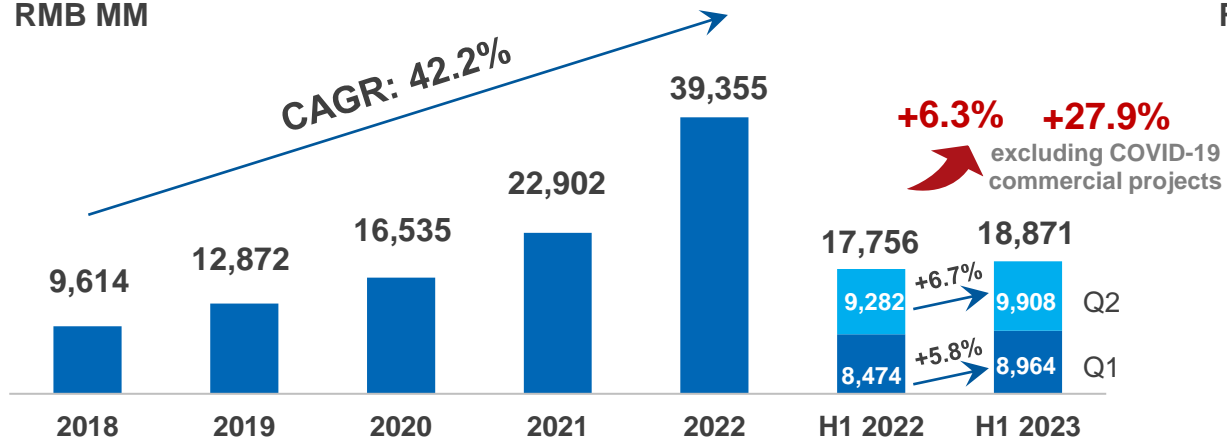


3. Financial Performance

Financial Performance

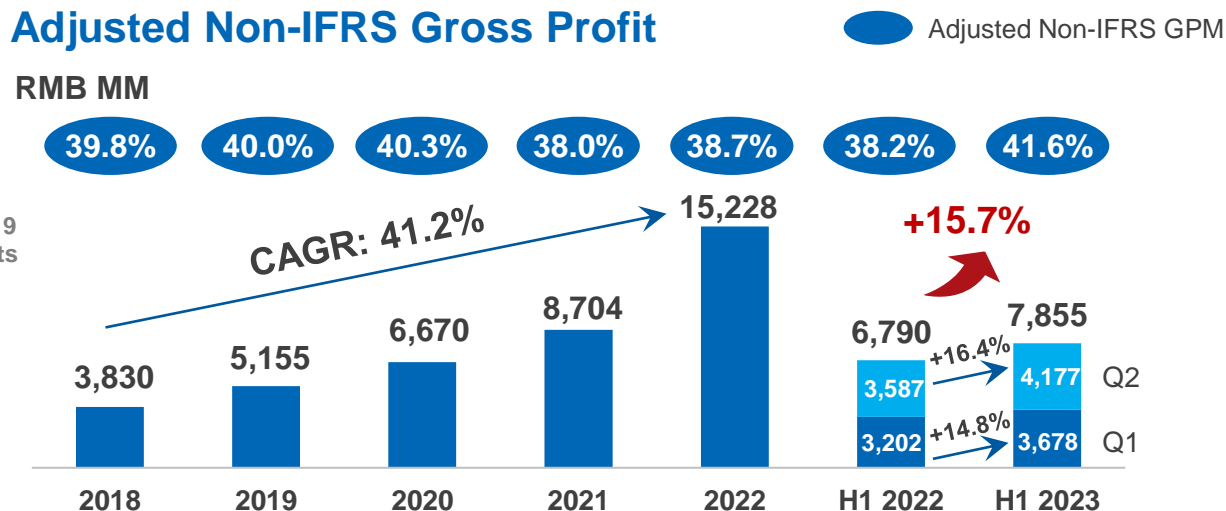
Revenue

RMB MM



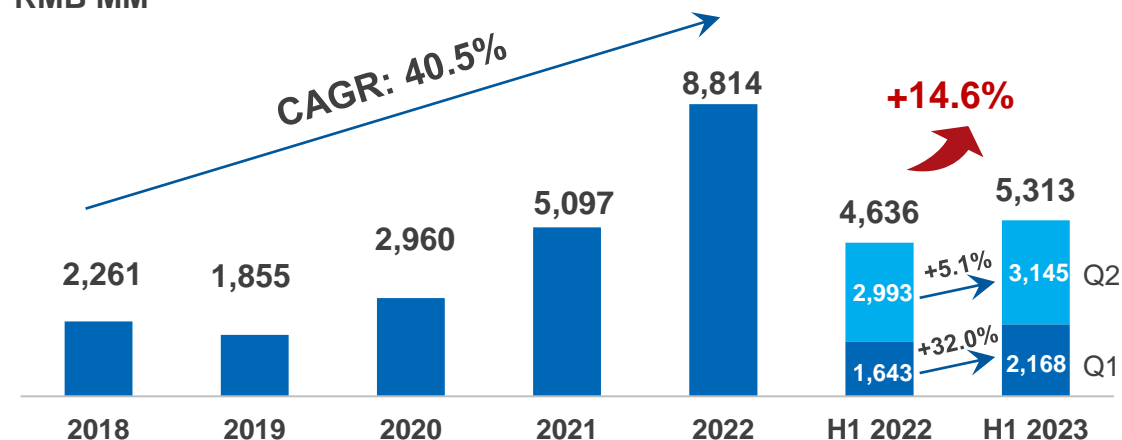
Adjusted Non-IFRS Gross Profit

RMB MM



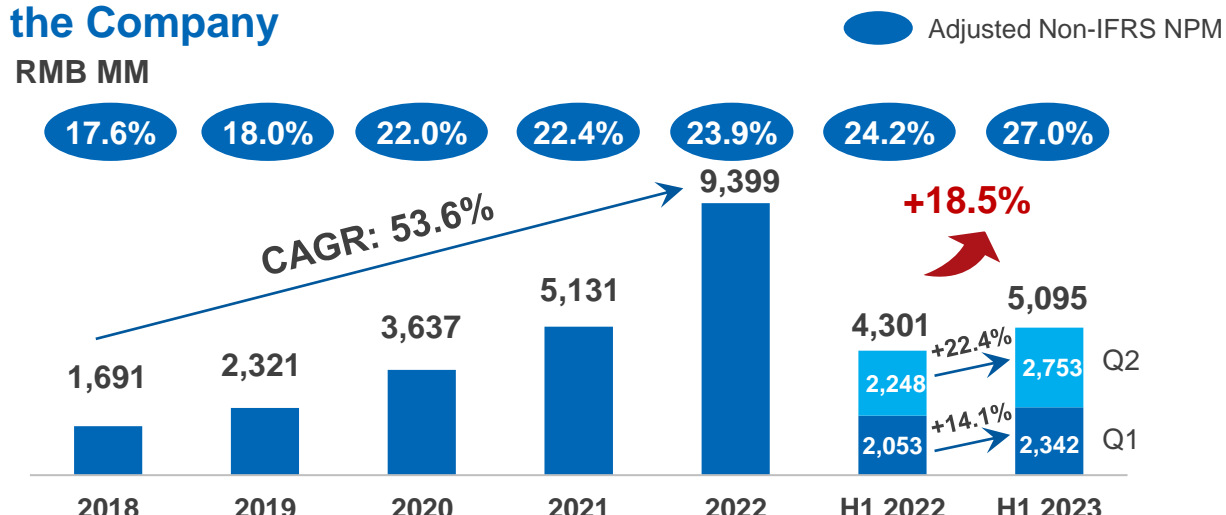
Net Profit Attributable to Owners of the Company

RMB MM



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

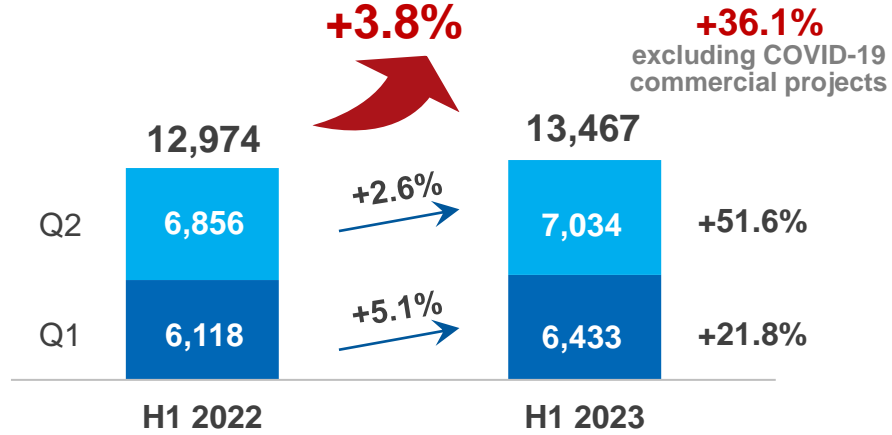
RMB MM



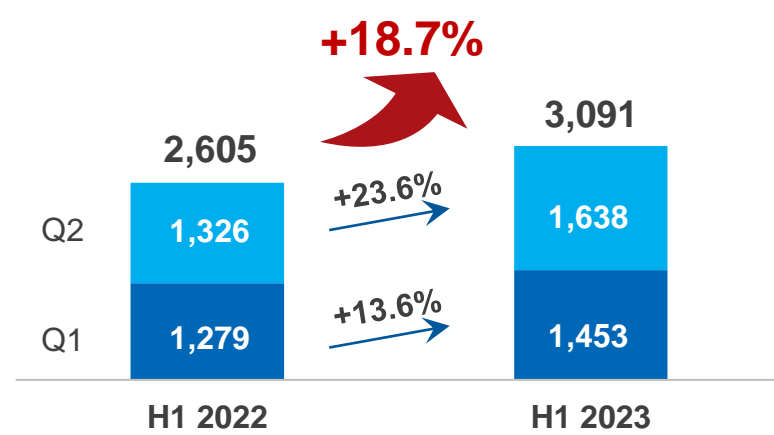
Segment Revenue

RMB MM

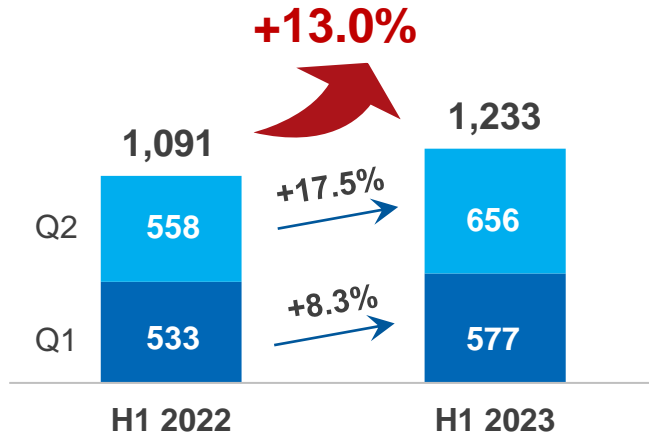
WuXi Chemistry



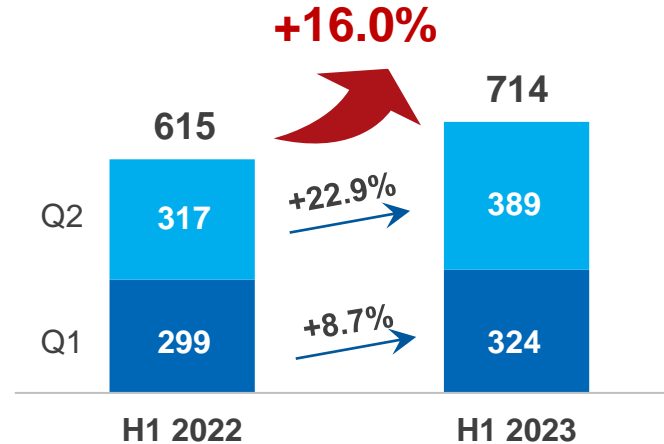
WuXi Testing



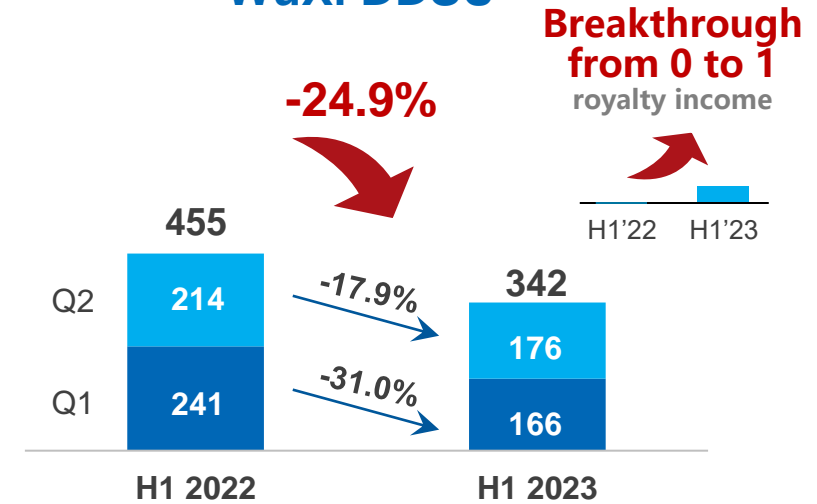
WuXi Biology



WuXi ATU



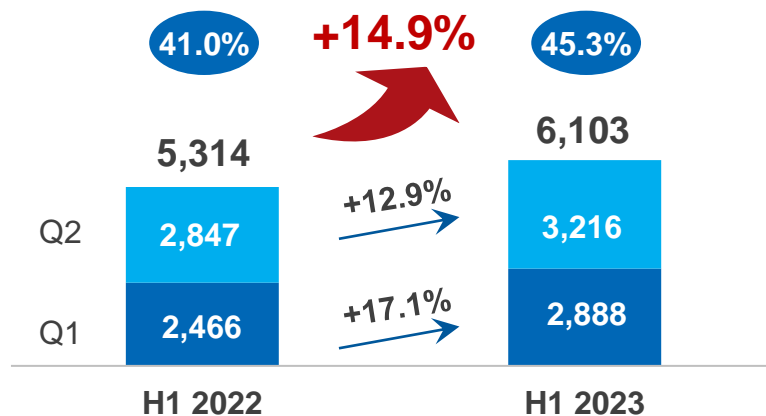
WuXi DDSU



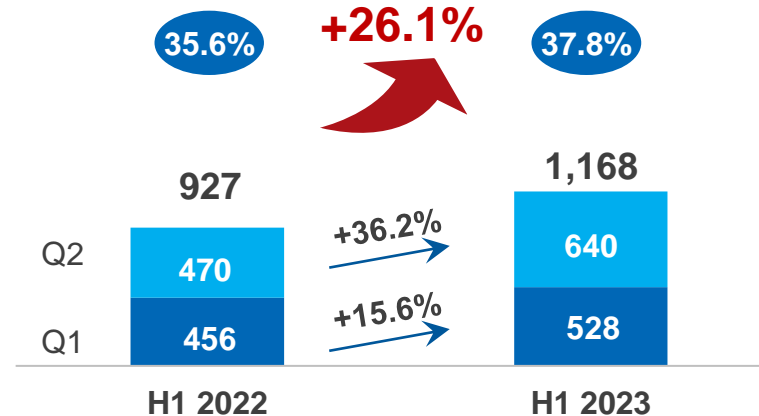
Segment Adjusted Non-IFRS Gross Profit

RMB MM

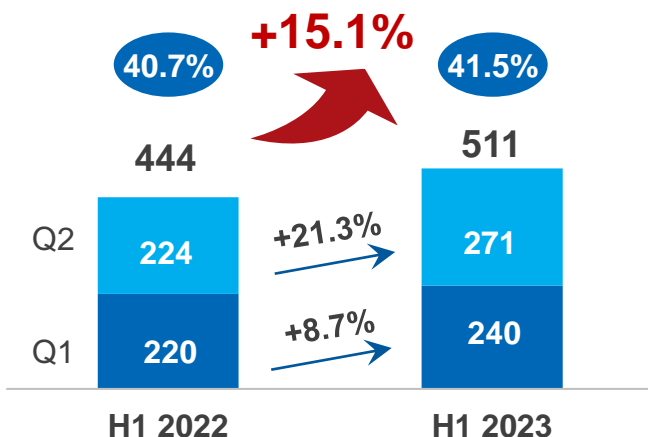
WuXi Chemistry



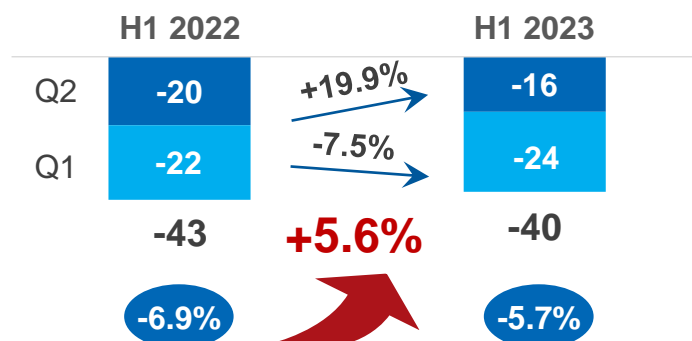
WuXi Testing



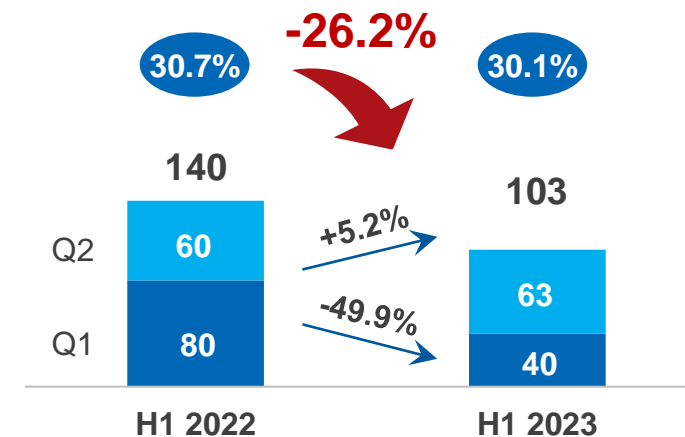
WuXi Biology



WuXi ATU



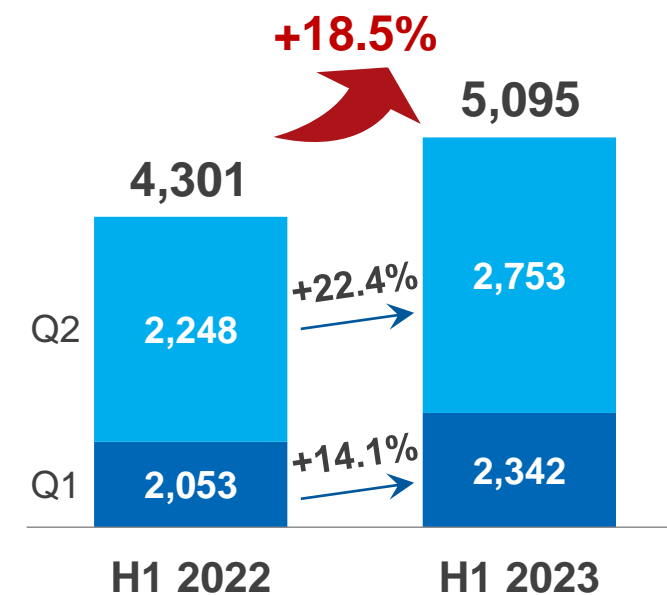
WuXi DDSU



Adjusted Non-IFRS Net Profit

RMB Million	H1 2022	H1 2023
Net profit attributable to the owners of the Company	4,636	5,313
Add:		
Share-based compensation expenses	360	324
Issuance expenses of convertible bonds	1	0.3
Fair value gains from derivative component of convertible bonds	(275)	(40)
Foreign exchange related gains	(159)	(337)
Amortization of acquired intangible assets from merge and acquisition	29	29
Non-financial assets impairment	-	43
Non-IFRS net profit attributable to the owners of the Company	4,592	5,333
Add:		
Realized and unrealized gains from venture capital investments	(290)	(230)
Realized and unrealized share of gains from joint ventures	(1)	(8)
Adjusted non-IFRS net profit attributable to the owners of the Company	4,301	5,095

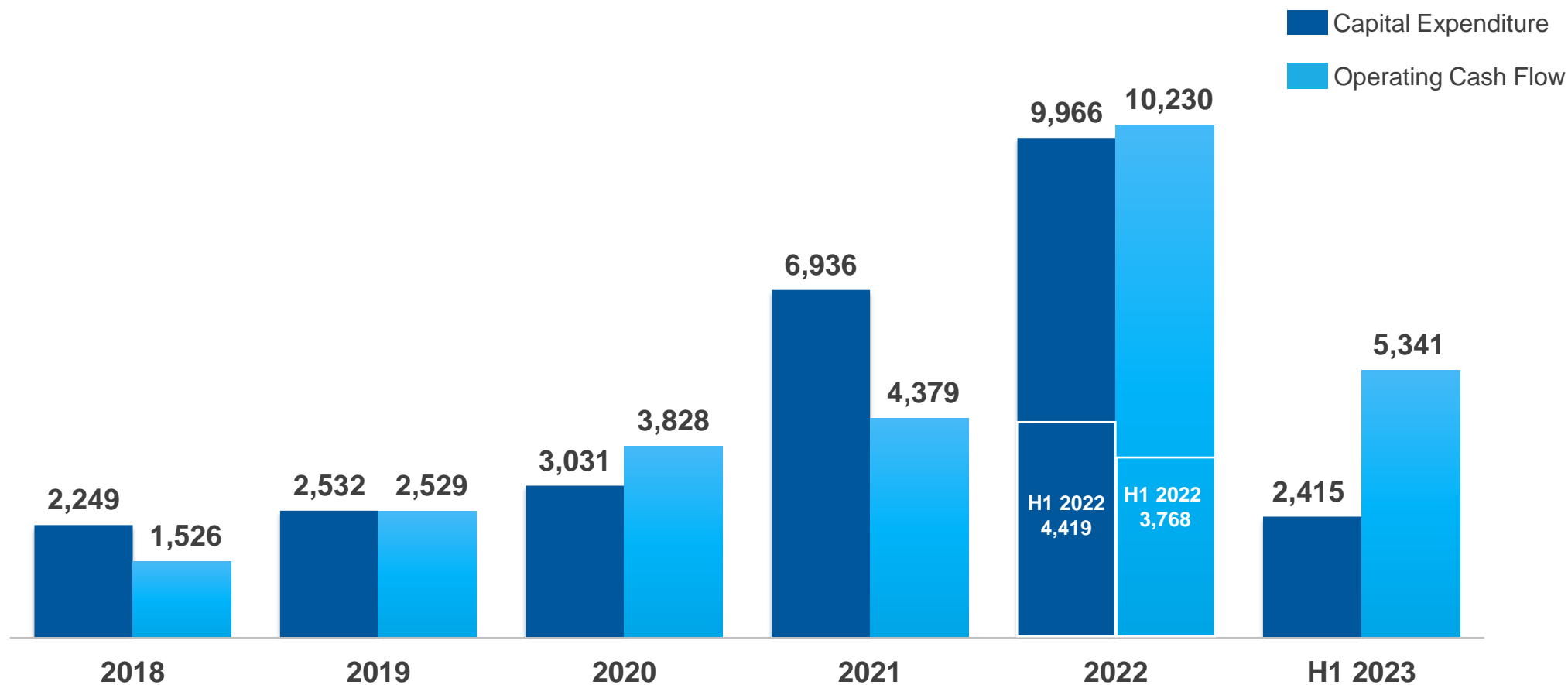
RMB MM



Continued Growth of FCF Driven by Business Growth & Operation Efficiency

H1 2023 Free Cash Flow Achieved RMB 2.93 Billion, Turned Positive and Grew Strongly YoY; Continued to Invest in New Capacities & New Capabilities

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 13-14%**, 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 750-850%** in 2023