

# WuXi AppTec

603259.SH / 2359.HK

2021 First-Quarter 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 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

<b>Co-CEO: Steve Yang</b>	<b>01</b>	<b>Quarterly Results</b>
<b>Co-CEO: Steve Yang</b>	<b>02</b>	<b>Business Highlights</b>
<b>CFO: Ellis Chu</b>	<b>03</b>	<b>Financial Overview</b>
<b>Co-CEO: Steve Yang</b>	<b>04</b>	<b>Summary</b>

**Notes:**

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

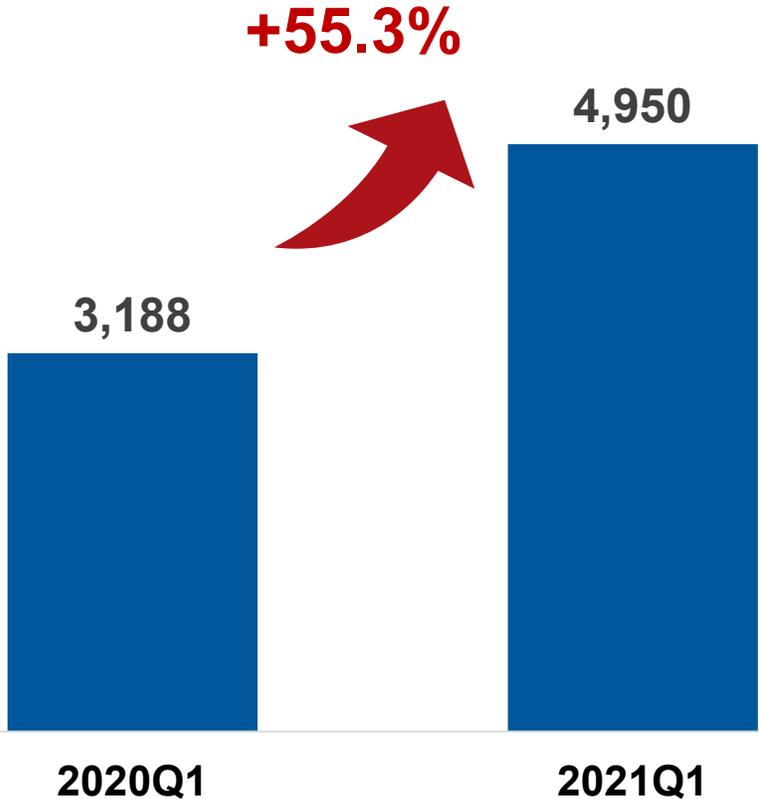
01

# 2021 First Quarter Results

# Strong Revenue & Profit Growth in 2021Q1

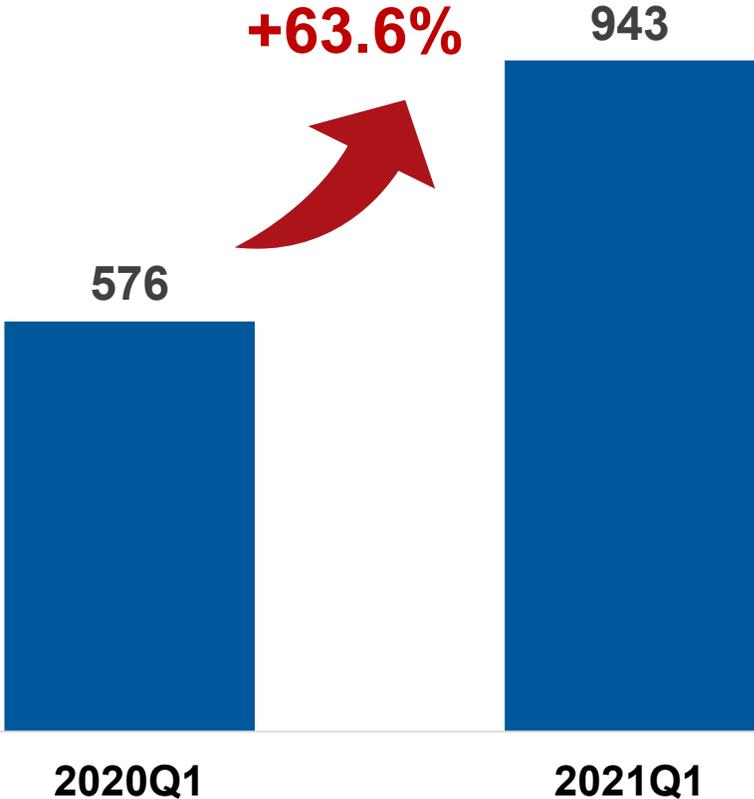
## Revenue

RMB MM



## Adjusted Non-IFRS Net Profit

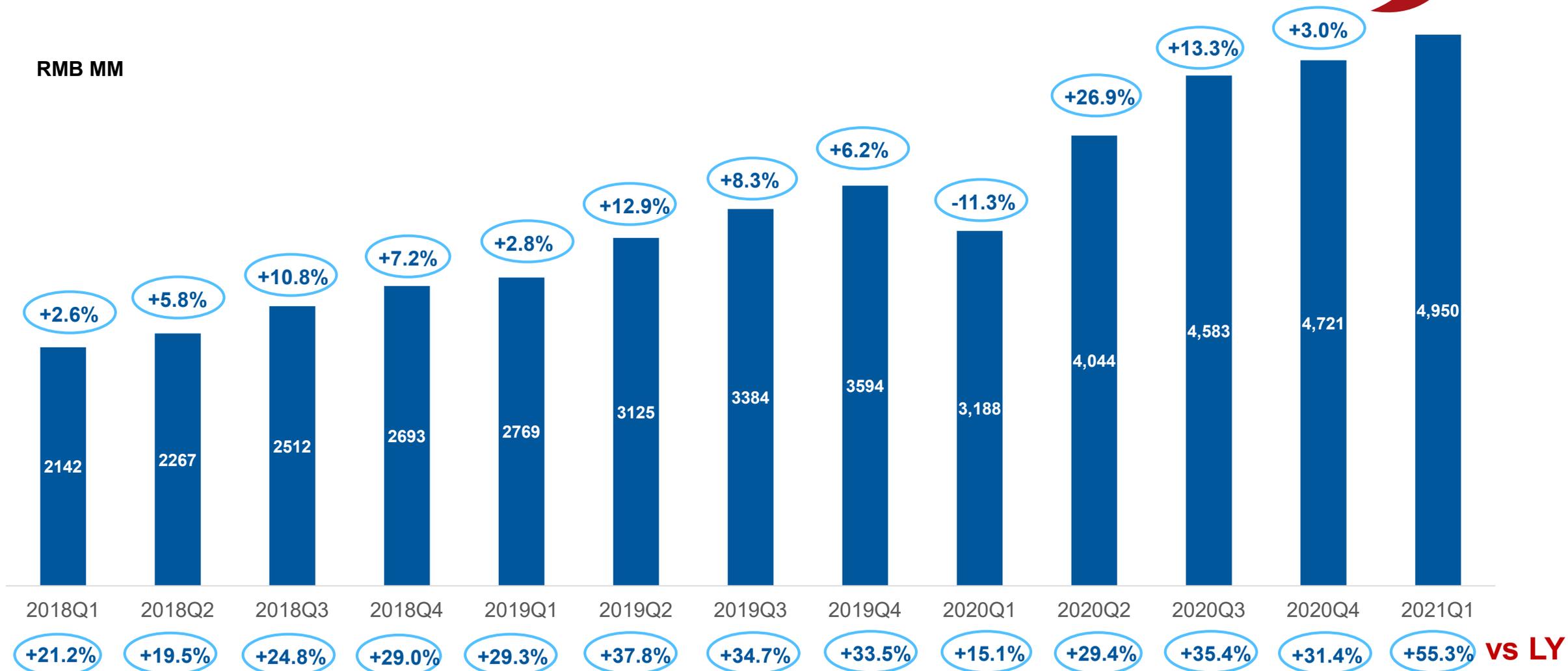
RMB MM



# Consistent Track Record of Setting New Records Quarter After Quarter

**+4.9% vs LQ**

RMB MM



# 2021Q1 Business Highlights

## “Long-Tail” Strategy

**360+** New Customers  
**4,400+** Active Customers

## Loyal Customer Base

**100%** Retention of Our  
Top 10 Customers

## Small Molecule

**169** New Projects  
**1,340+** Projects;  
**46** Phase III; **28** Commercial

## Cell & Gene Therapies

**16** Phase II/III; **22** Phase I\*



## Global Footprint

**30** Global Sites & Branch Offices  
**27,200+** Total employees  
**22,500+** Scientists & Technicians

## 2021Q1

**2** INDs; **4** CTAs

## Cumulatively

**120** INDs; **91** CTAs

## Clinical Development

**2** Phase III; **11** Phase II; **57** Phase I

7 \*By Mar 31 2021, included two clinical stage projects from China ATU

# Our Platform & Business Model Continued to Perform Well

## Global Platform Enabling Innovation Worldwide

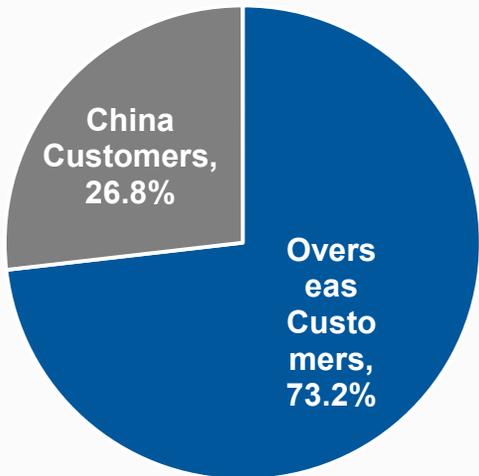
Revenue Composition

Overseas Customers

**3,622M, 49.5%** ↑

China Customers

**1,328M, 73.9%** ↑



## Strong, Loyal & Expanding Customer Base

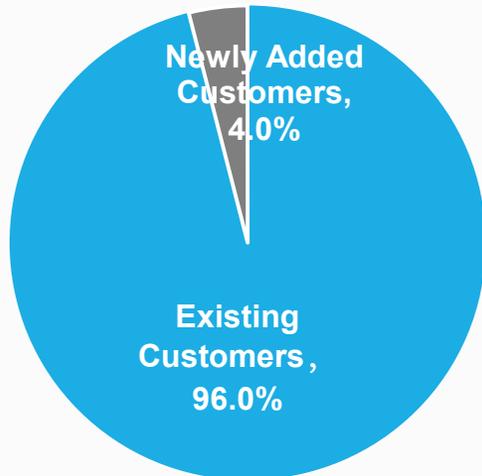
Revenue Composition

Existing Customers

**4,753M, 54.3%** ↑

Newly Added Customers

**197M**



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

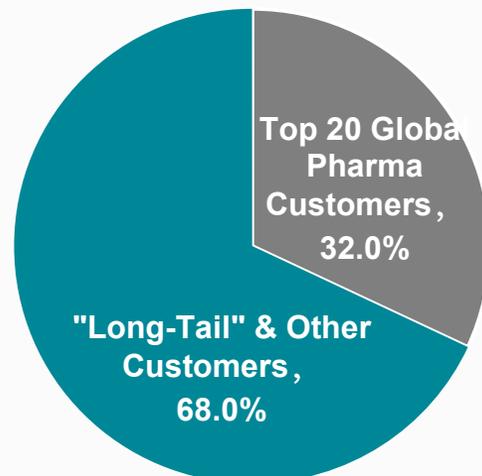
Revenue Composition

Top 20 Global Pharma Customers

**1,584M, 66.6%** ↑

"Long-Tail" & Other Customers

**3,366M, 50.5%** ↑

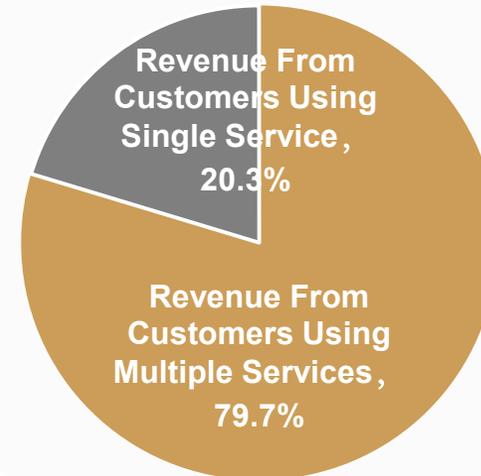


## Increase Customer Conversion to Sustain Growth

Revenue Composition

Customers Using Multiple Services

**3,944M, 58.4%** ↑



02



# Business Highlights

# China-based Laboratory Services Highlights

## Revenue & Profit

- Revenue growth of **49.0%** YoY to **2,563M**. Robust growth in all business lines on the back of strengthened customer penetration and expansion. Non-IFRS GP growth **46.0%** YoY to **10.97M**.
- Non-IFRS GPM **42.8%**, slightly down by **0.3pts**.

## Small Molecule Drug Discovery

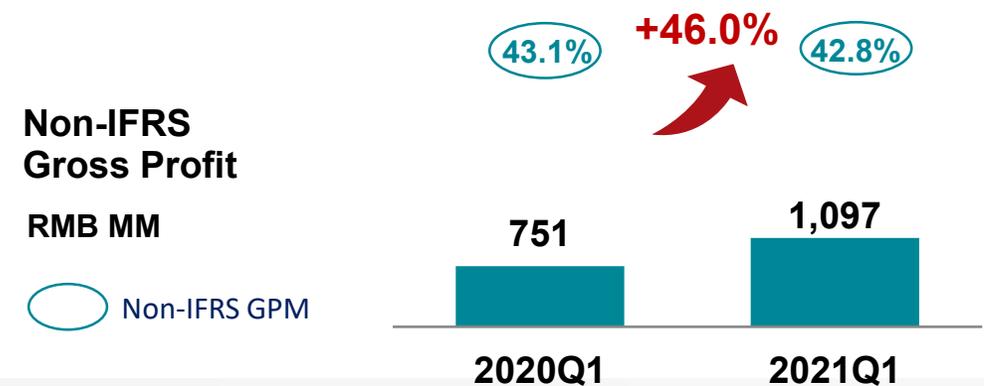
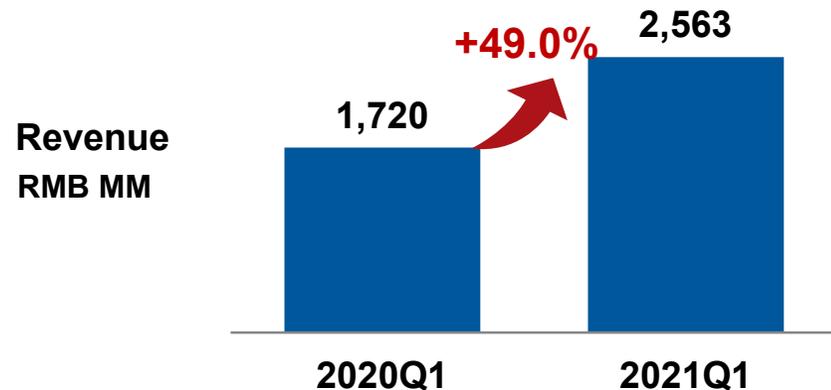
- Chemistry FFS achieved **58%+** revenue growth.
- HitS platform enabled **>600** global customers and revenue increased **~36%**
- New capacities continued to be built up and put into operation.
- Central China regional center started construction in Mar 2021

## Integrated IND Package Services

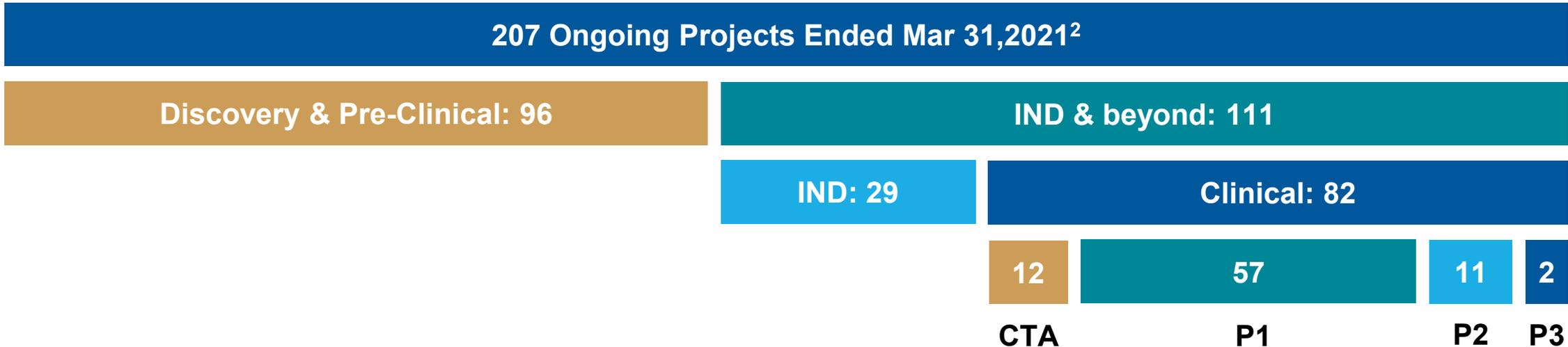
- Drug safety assessment services achieved **~114%** revenue growth YoY. With sufficient animal resource supplies, we can meet customers' demand
- New animal rooms in Suzhou started operation from Mar 2021.
- Signed **40+** integrated WIND packages.

## Success-based Services

- In 2021Q1, submitted **2** IND filings for our customers and obtained **4** CTAs.
- Cumulatively, submitted **120** IND filings for our customers and obtained **91** CTAs.
- **2** projects in Phase III, **11** projects Phase II and **57** projects Phase I.



# Success-based Business Model With Potential Upside



**120**

IND Filings For Our Customers ended Mar 31, 2021

**53**

1<sup>st</sup> In China<sup>1</sup>

# CDMO Services Highlights

## Revenue & Profit

- Revenue growth of **100.0%** YoY to **1,695M**. Our “follow and win the molecule” business model continued to perform well.
- Non-IFRS GP growth **118.3%** YoY to **737M**.
- Non-IFRS GPM **43.5%**, up by **3.6pct**.

## Follow and Win the Molecule

- Added **169** new molecules into our pipeline, including **11** projects transferred in from customers.
- **28** commercial projects, including **the 1<sup>st</sup> integrated CMC project** (both DS and DP).
- **46** projects in Phase III.

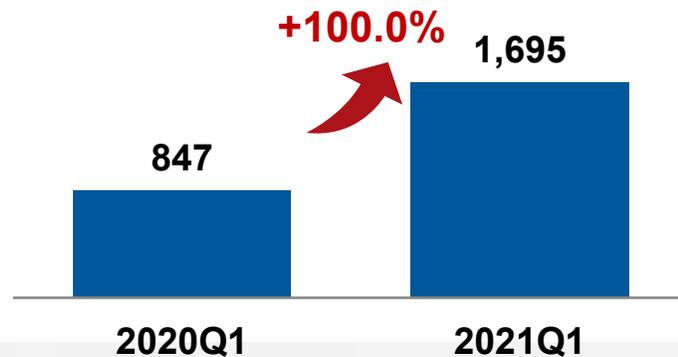
## Small Molecule Drugs

- Taixing site will provide a large scale API and oligonucleotide and peptide APIs production with **140,000+** square meters in 2022.
- Constructions in Wuxi and Changzhou cities are in good progress and will improve production capacity once completed in second half of 2021.

## Oligo & Peptide Drugs

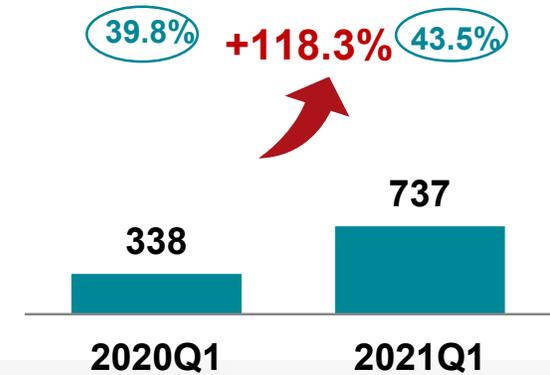
- Kg grade oligonucleotide commercial manufacturing facility began operations with maximum scale of single batch of oligonucleotide APIs increased to **1 mol**.
- Large-scale peptide API manufacturing facility began operations with **7** manufacturing lines.

Revenue  
RMB MM



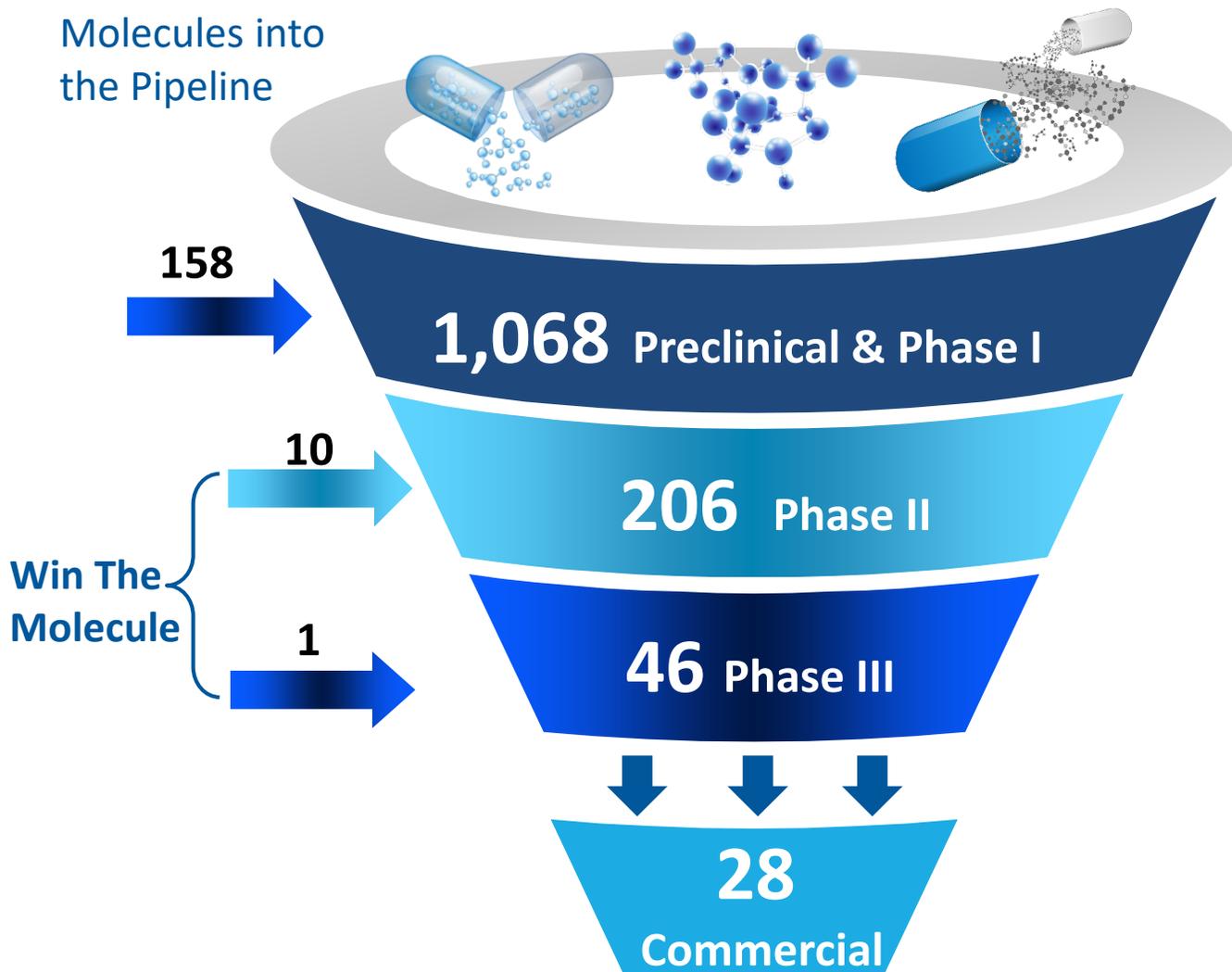
Non-IFRS  
Gross Profit  
RMB MM

○ Non-IFRS GPM



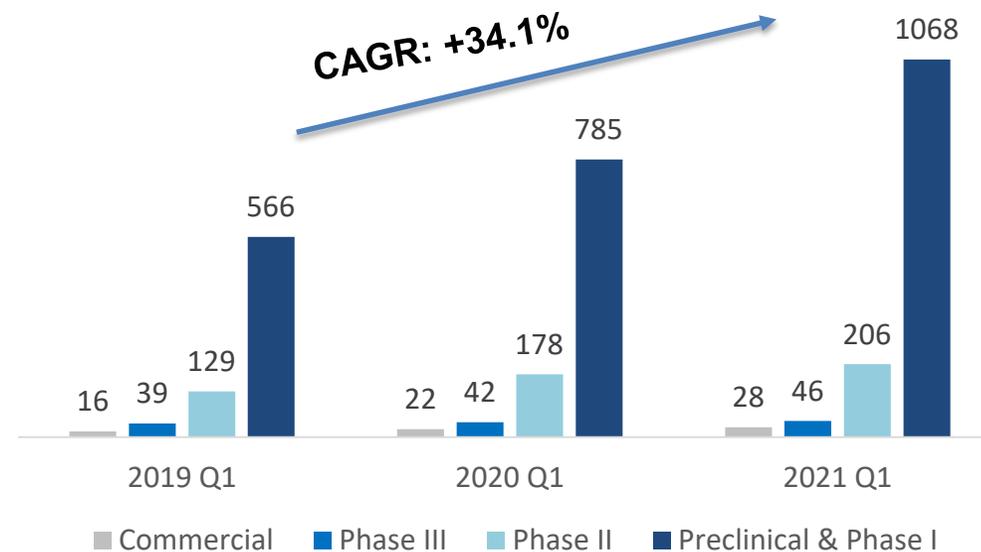
# Growing Small Molecule CDMO Project Pipeline

Added **169** New Molecules into the Pipeline



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

Small Molecule CDMO Pipeline Trend

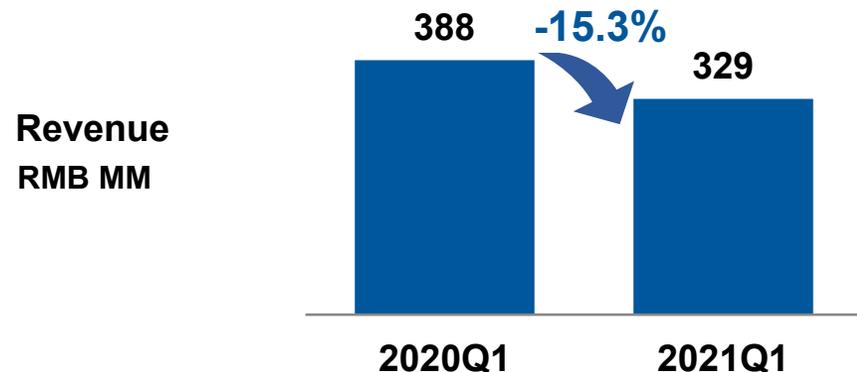


Note: As of Mar. 31, 2021

# US-based Laboratory Services Highlights

## Revenue & Profit

- Revenue decline **15.3%** YoY to **329M**. CGT services revenue decline **16%** and medical device testing revenue down **18%** due to COVID-19 and certain phase III projects impact.
- Non-IFRS GP decline **63.4%** YoY to **40M**.
- Non-IFRS GPM **12.0%**, down by **15.8pct**.



## Cell and Gene Therapies CTDMO

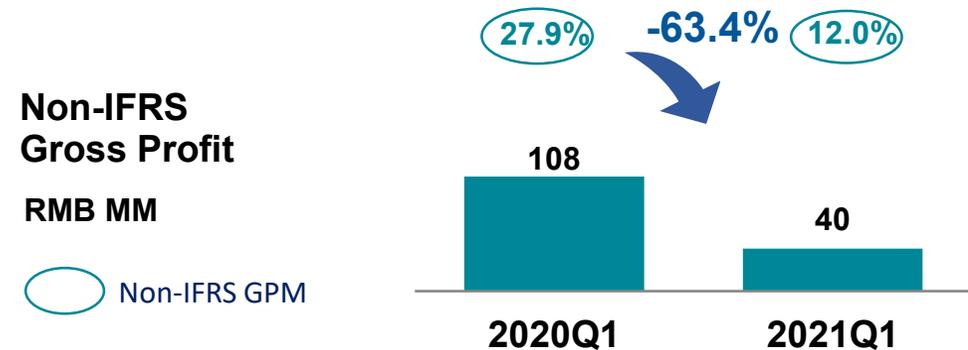
- Provided services to **36** clinical stage projects. **14** projects in Phase II/III. **22** projects in Phase I.
- Integration with Oxgene progressing well.
- The current decline in U.S. was mainly due to delay in approval of commercial clients impacted by pandemic.

## New Capabilities

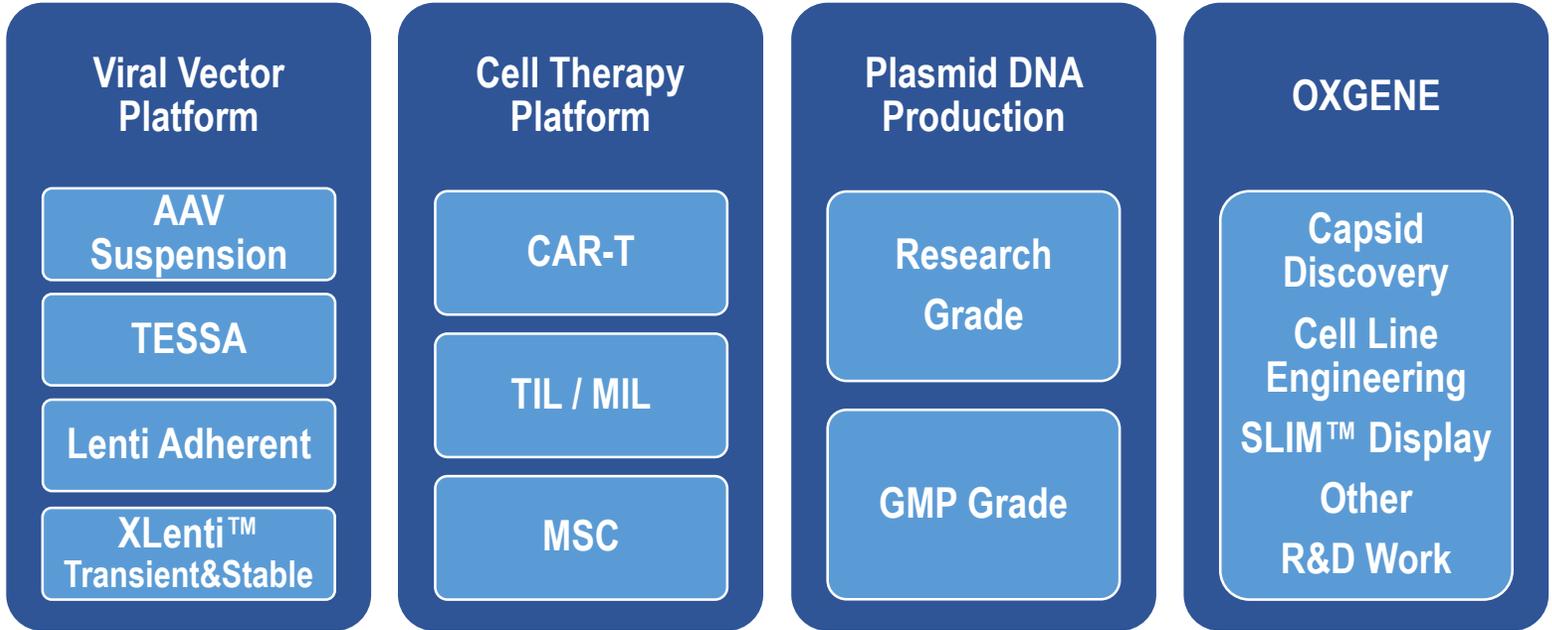
- Launched a **fully integrated AAV Vector Suspension Platform** and a **fully integrated Closed Process CAR-T Cell Therapy Platform**, accelerate projects development, manufacturing and release.
- Utilization of newly operated testing facility continuously improved.

## Medical Device Testing

- In our Medical Device segment, the impact of pandemic continued in the first-quarter.
- The delay of elective/non-essential surgeries impacted key projects caused shortfall of the demand.

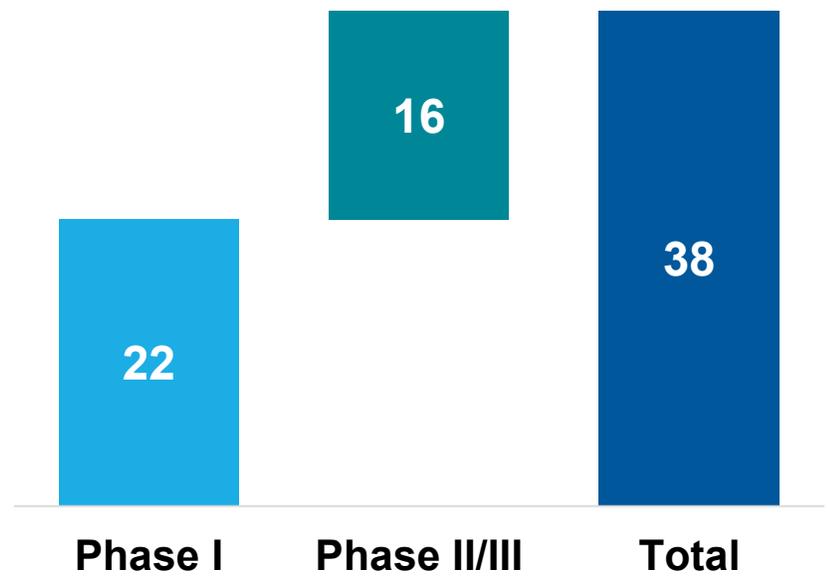


# Cell and Gene Therapy CTDMO<sup>1</sup> Services Highlights



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

## 2021Q1 CGT CTDMO projects<sup>2</sup>



**Integrated with OXGENE capability to further expand CGT Technology Platform**

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

# Clinical Research CRO/SMO Services Highlights

## Revenue & Profit

- Revenue growth of **56.8%** YoY to **359M**, **China revenue grew 64.7%**.
- China business rebound strongly with order execution timely while US business still impacted by Covid-19 pandemic.
- Non-IFRS GP increased by **127.3%** YoY to **61M**.
- Non-IFRS GPM **17.1%**, up by **5.3pct**.

## Capabilities & Capacity

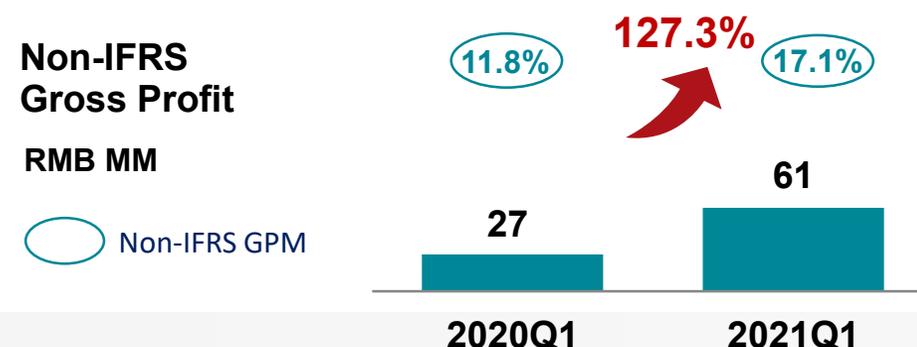
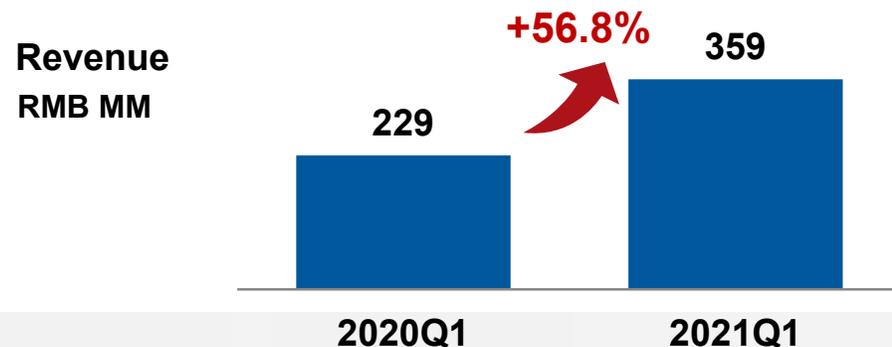
- SMO maintained **#1** leadership in China, with **3,500+** CRCs stationed in **150** cities and provide services in **~1000** hospitals.
- Clinical CRO developed “Statistical Analysis Automation Platform (“SAAP”) to increase efficiencies and project delivery speed.

## CDS

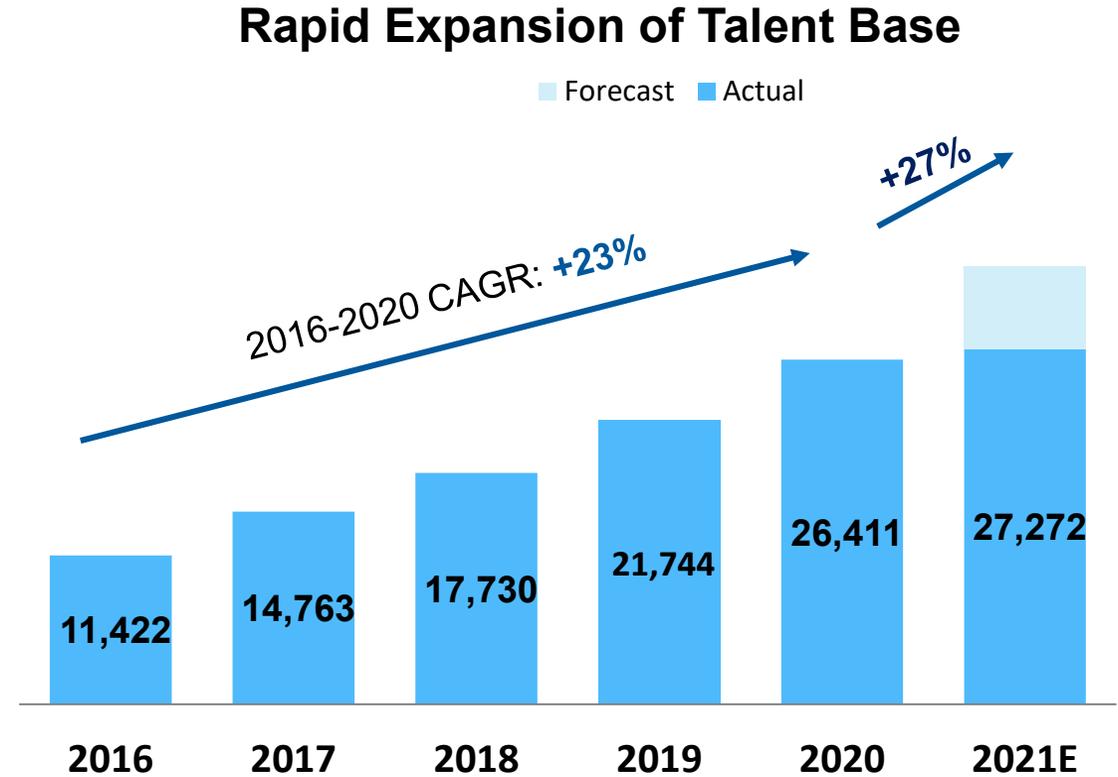
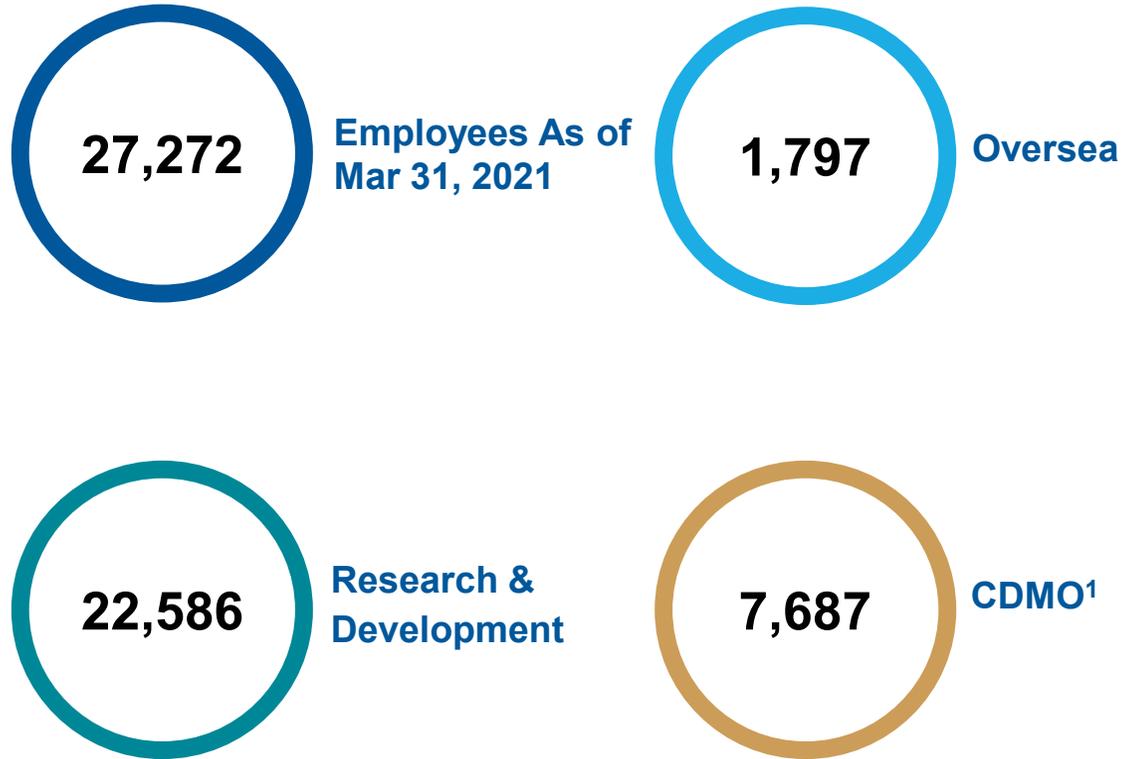
- Clinical development team provided services to **130+** projects for our clients in China and U.S. and completed the registration trials of **3** products.
- Clinical development services (CDS) backlog increased approximately **56%** on a year-over-year basis.

## SMO

- SMO assisted customers approval of **5** products.
- Since July 22, 2015, **60+** projects undertaken by our SMO were inspected, all with excellent results.
- Site management organization (SMO) backlog increased approximately **47%** on a year-over-year basis.



# Growing Talents for Sustaining Business Growth



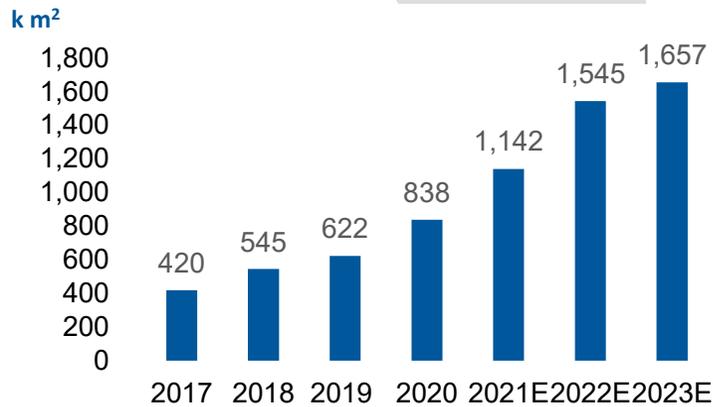
**Note:**

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

# Global Capacity in Progress



The Capacity of Our Sites is Expanding



**~1,657K m<sup>2</sup> of Laboratories, Manufacturing Facilities and Offices Worldwide**

03

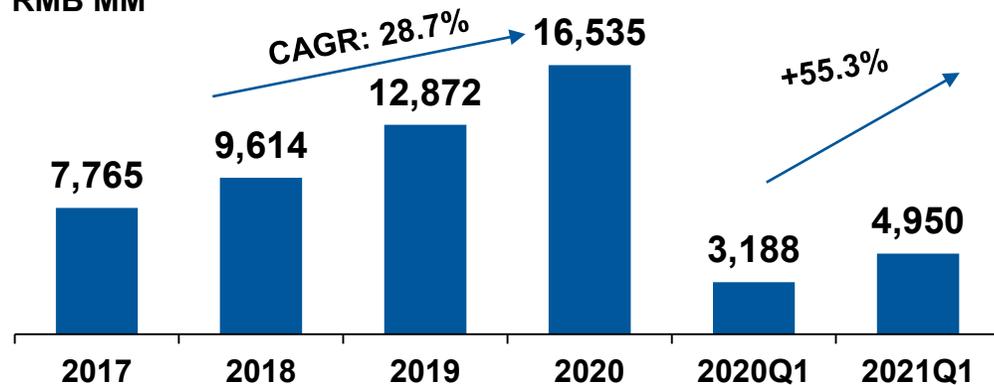


# Financial Overview

# Financial Performance

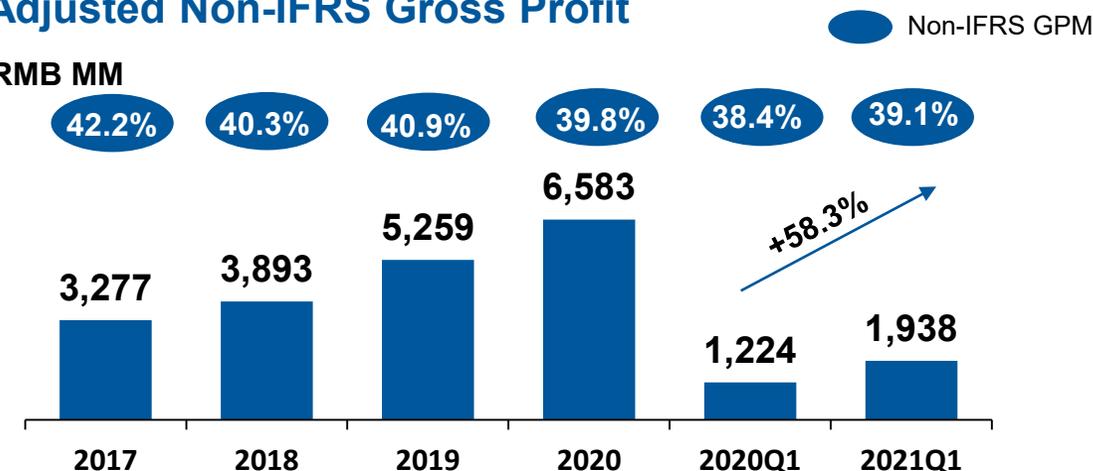
## Revenue

RMB MM



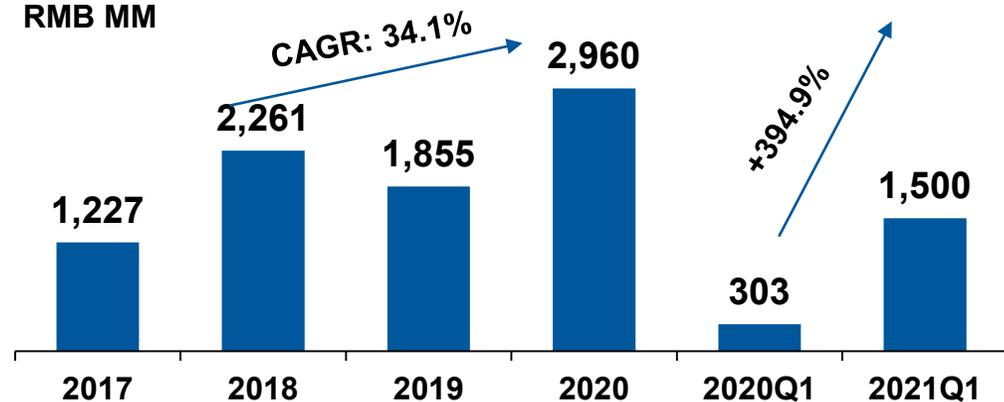
## Adjusted Non-IFRS Gross Profit

RMB MM



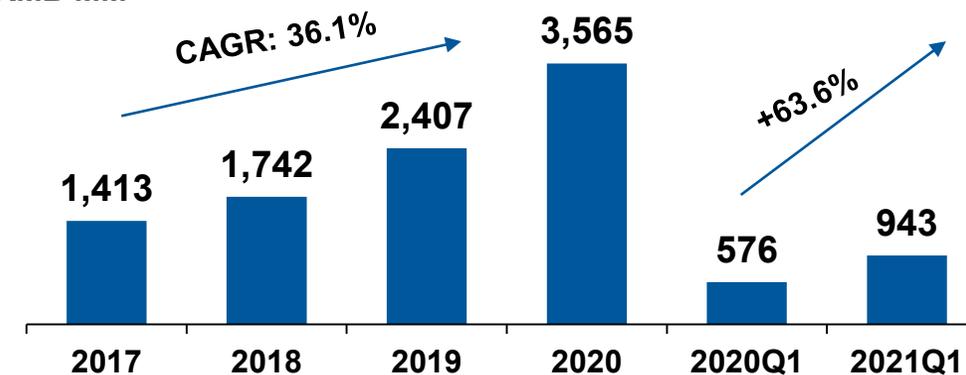
## Net Profit Attributable to Owners of the Company

RMB MM



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

RMB MM

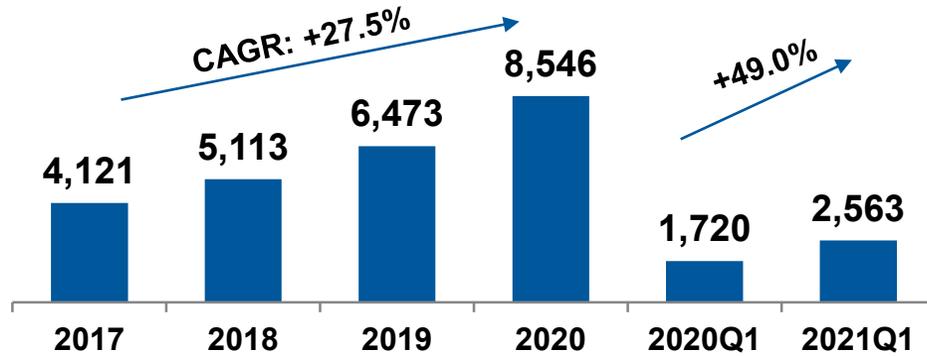


**Note:** In 2021Q1, we reported RMB1,020million gain from our investment portfolio, associates and joint ventures. In the same period of 2020, we reported RMB178 million loss.

# Segment Revenue

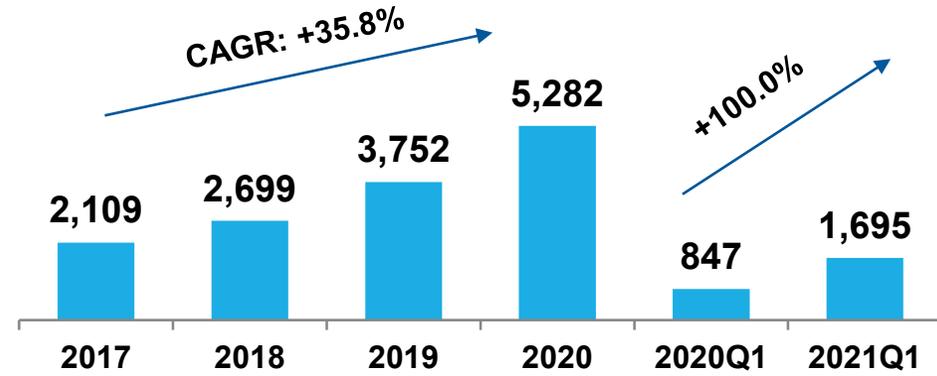
## China-based Laboratory Services

RMB MM



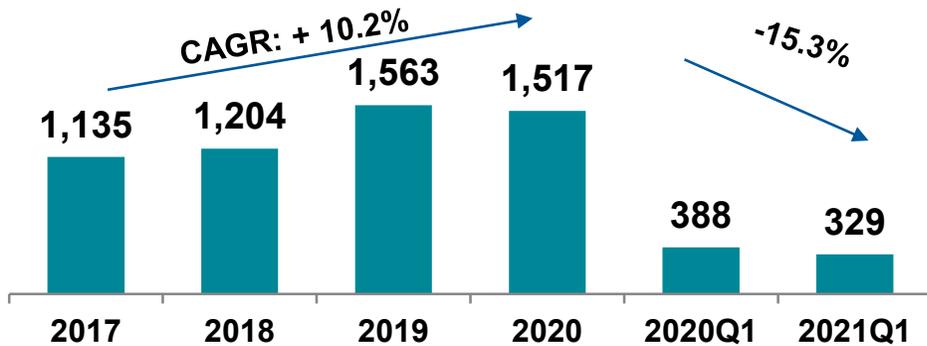
## CDMO Services

RMB MM



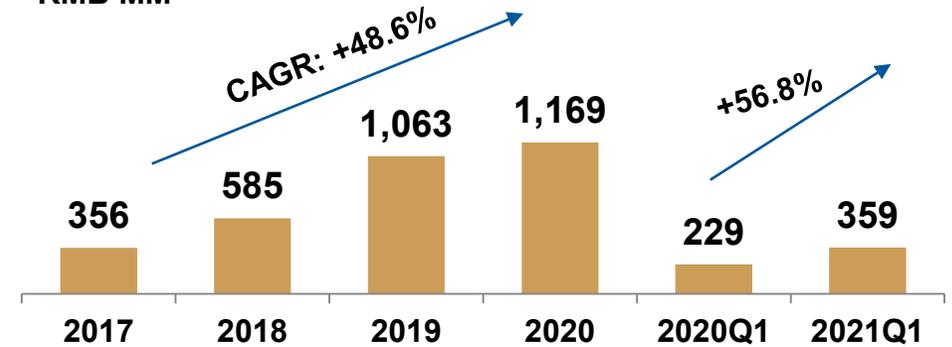
## US-based Laboratory Services

RMB MM



## Clinical and Other CRO Services

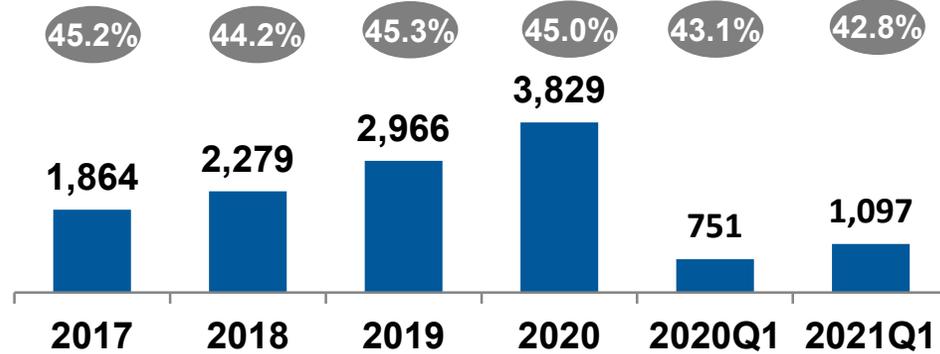
RMB MM



# Segment Non-IFRS Gross Profit

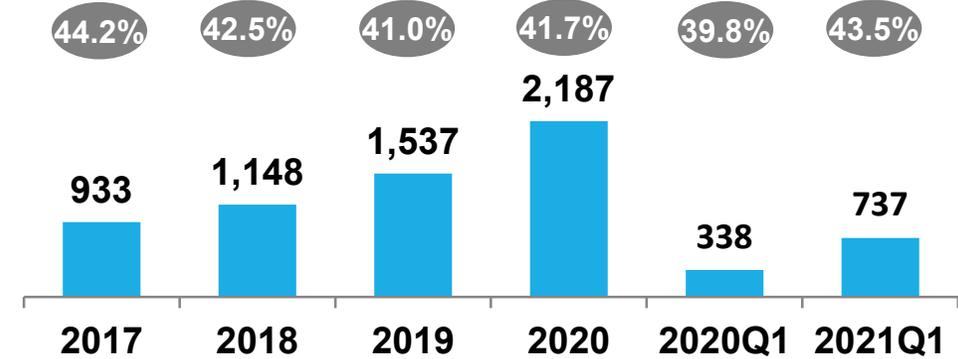
## China-based Laboratory Services

RMB MM



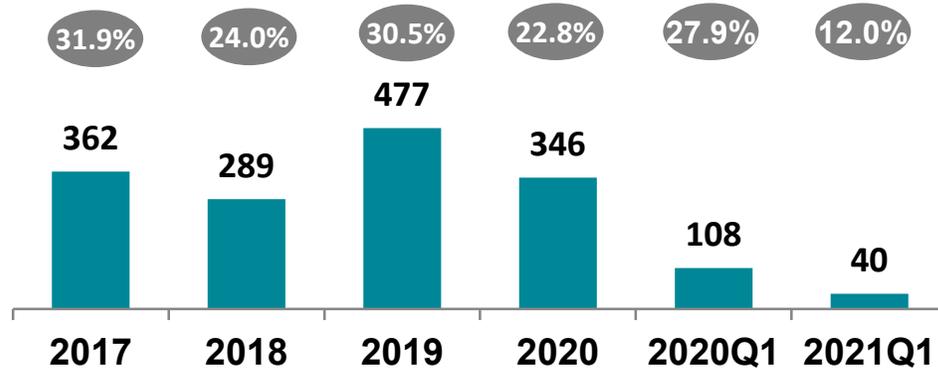
## CDMO Services

RMB MM



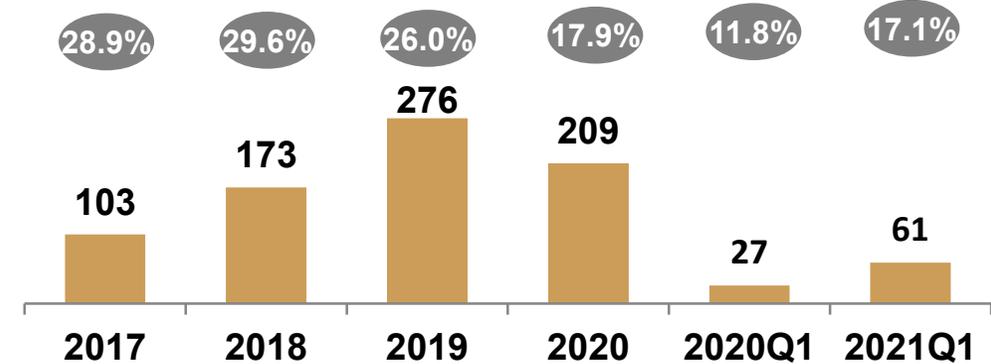
## US-based Laboratory Services

RMB MM



## Clinical and Other CRO Services

RMB MM



● Non-IFRS GPM

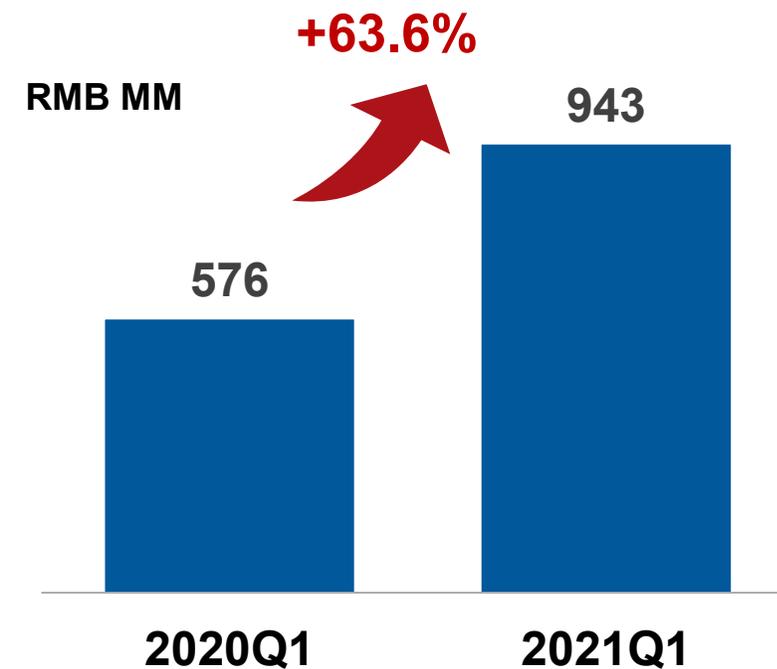
# IFRS & Adjusted Non-IFRS Measures

RMB Million	2021Q1	2020Q1	YoY	
<b>Revenue</b>	<b>4,950</b>	<b>3,188</b>	<b>1,763</b>	<b>55.3%</b>
<i>IFRS Gross Margin%</i>	37.1%	34.4%	2.7%	
<b>Adjusted Non-IFRS Gross Margin%</b>	<b>39.1%</b>	<b>38.4%</b>	<b>0.7%</b>	
IFRS Operating Profit	1,759	558	1,202	215.5%
<i>IFRS Operating Profit Margin%</i>	35.5%	17.5%	18.0%	
<b>Adjusted Non-IFRS Operating Profit</b>	<b>1,166</b>	<b>772</b>	<b>394</b>	<b>51.0%</b>
<b>Adjusted Non-IFRS Operating Profit Margin%</b>	<b>23.5%</b>	<b>24.2%</b>	<b>-0.7%</b>	
Net Profit Attributable to Owners of the Company	1,500	303	1,197	394.9%
<b>Adjusted Non-IFRS Net Profit Attributable to Owners of the Company</b>	<b>943</b>	<b>576</b>	<b>367</b>	<b>63.6%</b>
IFRS EPS (RMB)				
-Basic	0.62	0.13	0.49	376.9%
-Diluted	0.61	0.13	0.48	369.2%
<b>Adjusted Non-IFRS EPS(RMB)</b>				
<b>-Basic</b>	<b>0.39</b>	<b>0.25</b>	<b>0.14</b>	<b>56.0%</b>
<b>-Diluted</b>	<b>0.38</b>	<b>0.25</b>	<b>0.13</b>	<b>52.0%</b>
Weighted Average Number of Shares'000	2,415,125	2,282,334		
Fully Diluted Weighted Average Number of Shares'000	2,466,121	2,291,373		

**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

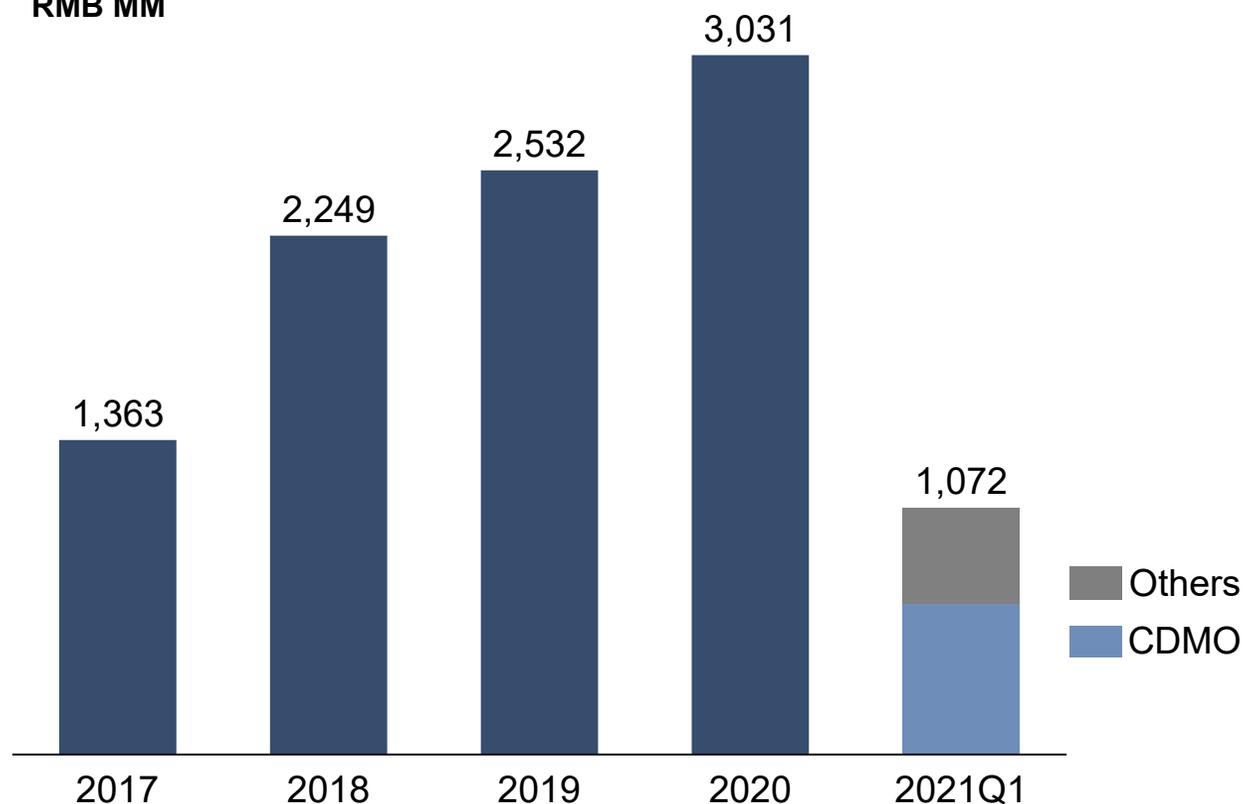
RMB Million	2021Q1	2020Q1
<b>Net Profit Attributable to the owners of the Company</b>	<b>1,500</b>	<b>303</b>
Add:		
Share-based compensation expenses	126	117
Convertible Bonds issuance expenses	1	1
Fair value losses/(gains) from derivative component of Convertible Bonds	451	(15)
Foreign exchange related gains	(126)	(16)
Amortization of acquired intangible assets from merge and acquisition	11	9
<b>Non-IFRS Net Profit Attributable the owners of the Company</b>	<b>1,963</b>	<b>399</b>
Add:		
Realized and unrealized (gains)/losses from venture investments	(1,024)	171
Realized and unrealized share of losses from joint ventures	4	7
<b>Adjusted non-IFRS net profit attributable to the owners of the Company</b>	<b>943</b>	<b>576</b>



# Capital Expenditure and Total Debt

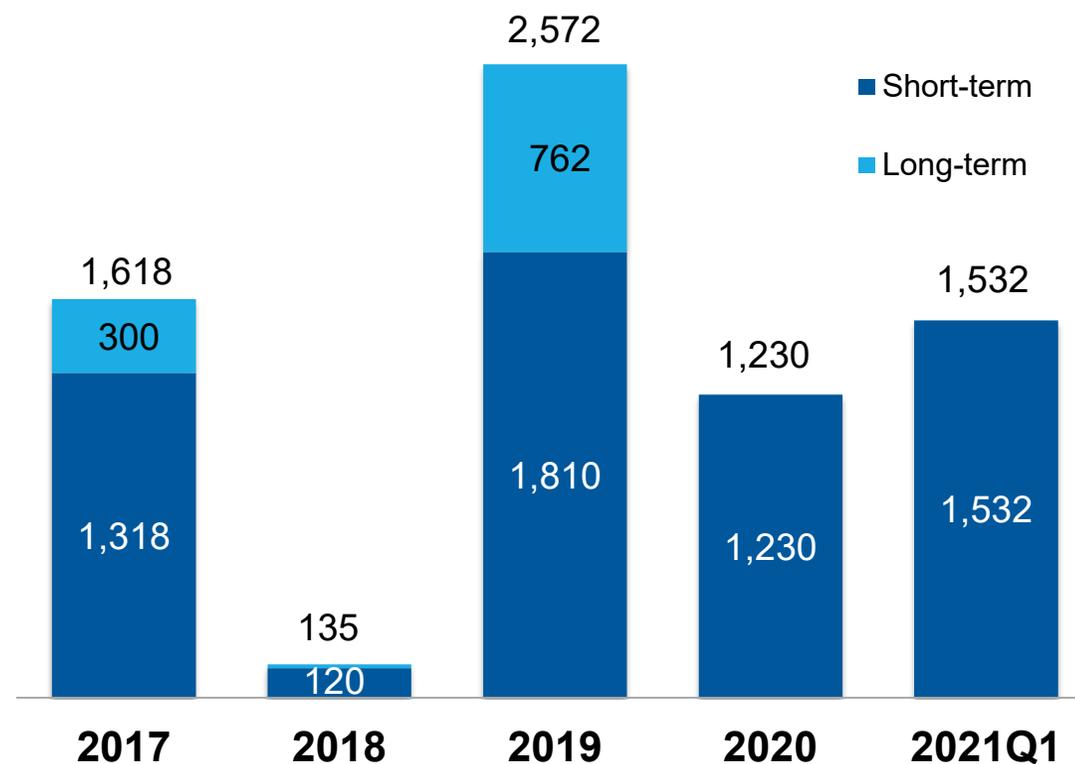
## Capital Expenditure <sup>(1)</sup>

RMB MM



## Total Borrowings <sup>(2)</sup>

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



# Summary

# **We are off to a strong start and will continue to invest for future growth**

- 1 We will continue to build up momentum of strong growth in next quarters.**
- 2 Despite of strong headwind faced by U.S. laboratory services, we can achieve overall growth target through accelerated growth from other segments.**
- 3 We will invest aggressively to the capabilities of fast growing new modalities.**
- 4 We will continue to expand capabilities and capacities globally whilst actively seek M&A opportunities**

# Thank You!

Global Platform. One Vision.



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