

# WuXi AppTec

603259.SH / 2359.HK

J.P. Morgan Global Healthcare Conference  
January 13, 2021



# 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. 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.

# Our Vision

“Every drug can be made and every disease can be treated” through building the open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry

**Enabler of Innovation**

**Trusted Partner**

**Global Contributor**

# Our Solution: Integrated, End-to-End Enabling Platform

Our open-access capabilities and technology platforms deliver quality service – and help customers and partners achieve their goals more quickly – by lowering the cost of research and development and shortening the time required to discover and produce new medicines.



Small Molecule Drug  
Discovery Capability



Pharmaceutical  
Development and  
Manufacturing  
Capability



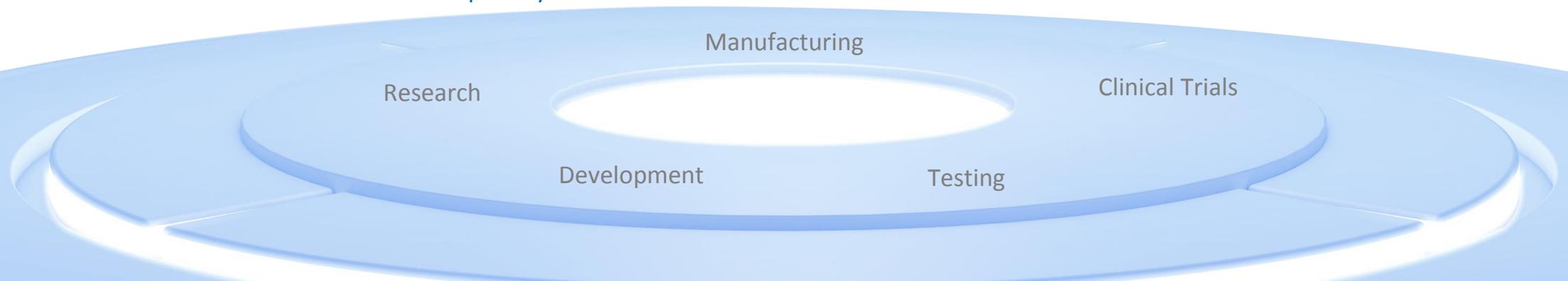
Drug R&D and  
Medical Device  
Testing Capability



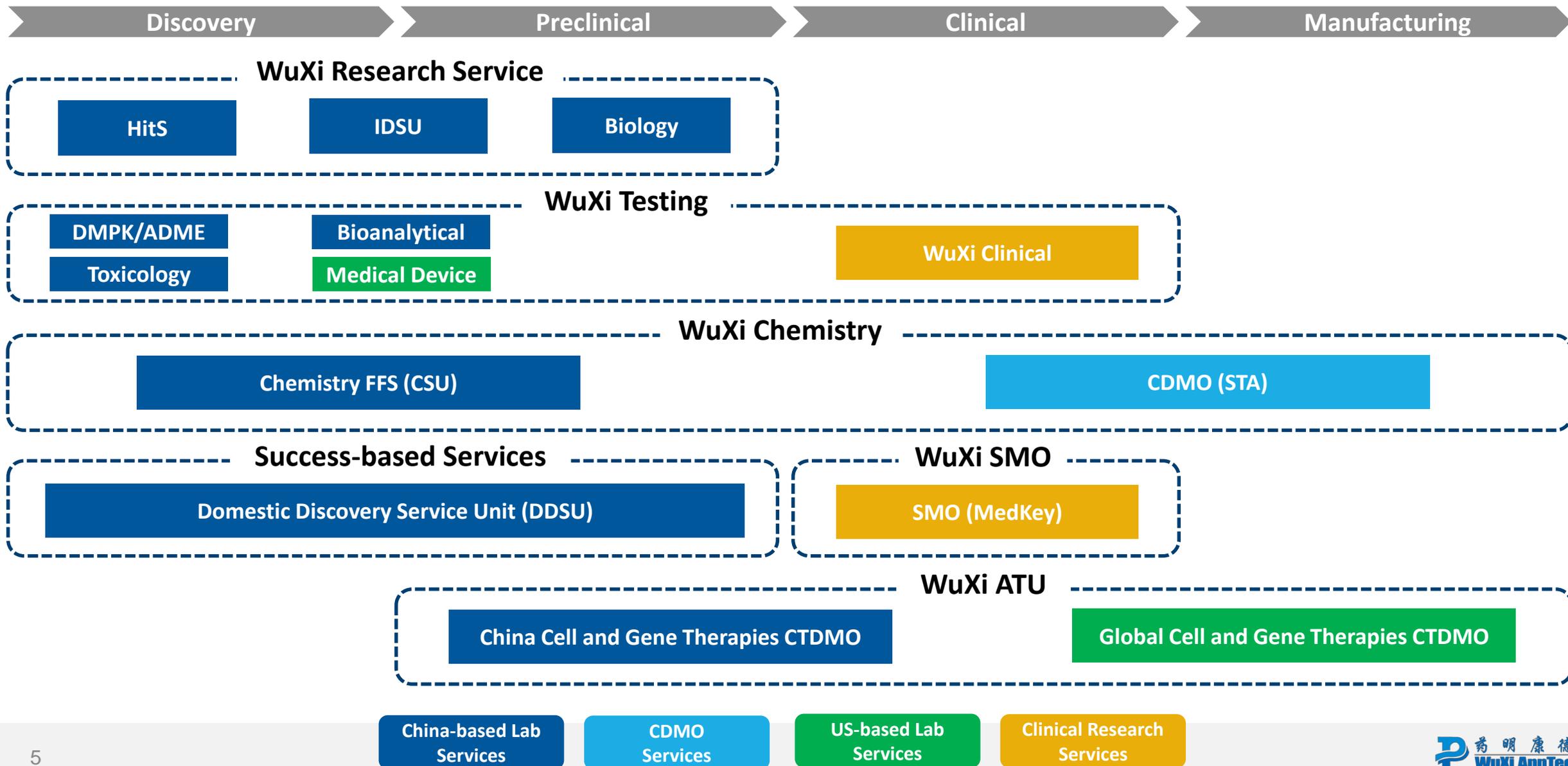
Clinical Research  
Capability



Cell and Gene Therapies  
R&D and Manufacturing  
Capability



# Business Units are Organized to Drive Segments Synergies



# 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

**1,200+** 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 Pharma** to consolidate and expand capacity of our analytical testing services

2020

**33** INDs; **30** CTAs

Cumulatively

**118** INDs; **87** CTAs

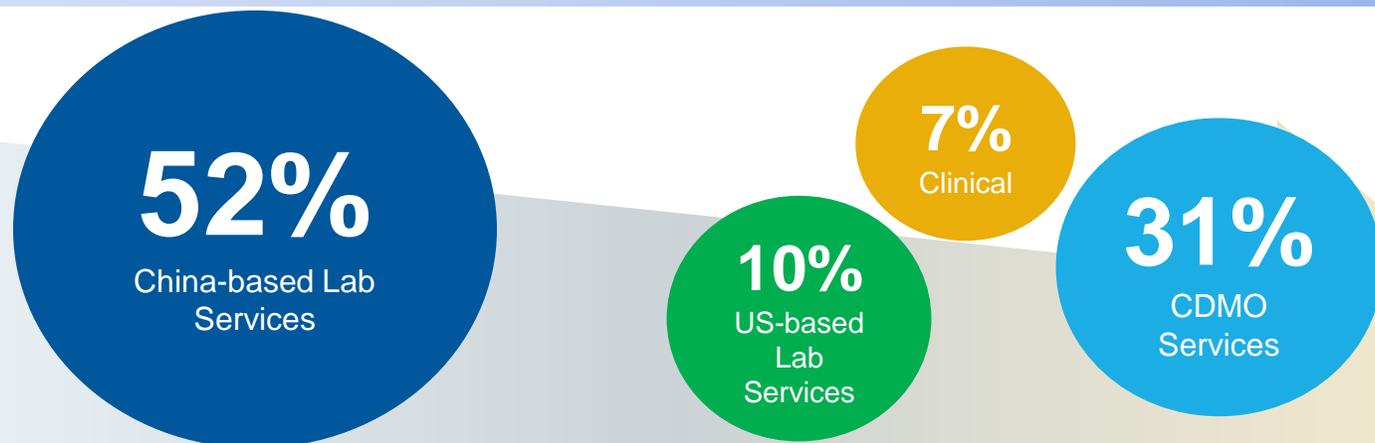
Clinical Development

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

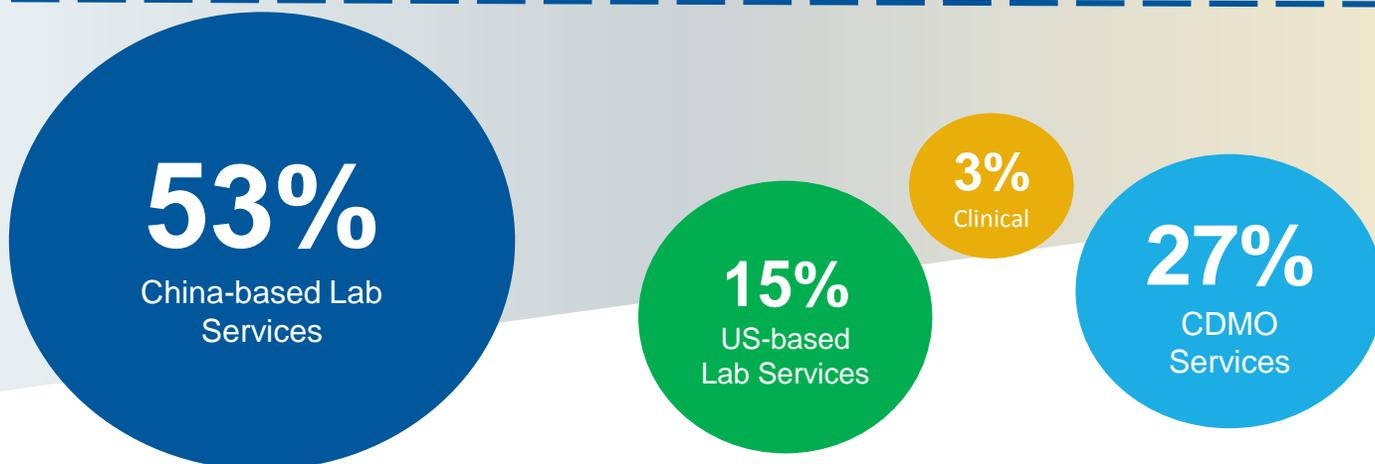
# Increase Customer Conversion to Drive Growth

Contract Value & Duration  
Customer Stickiness

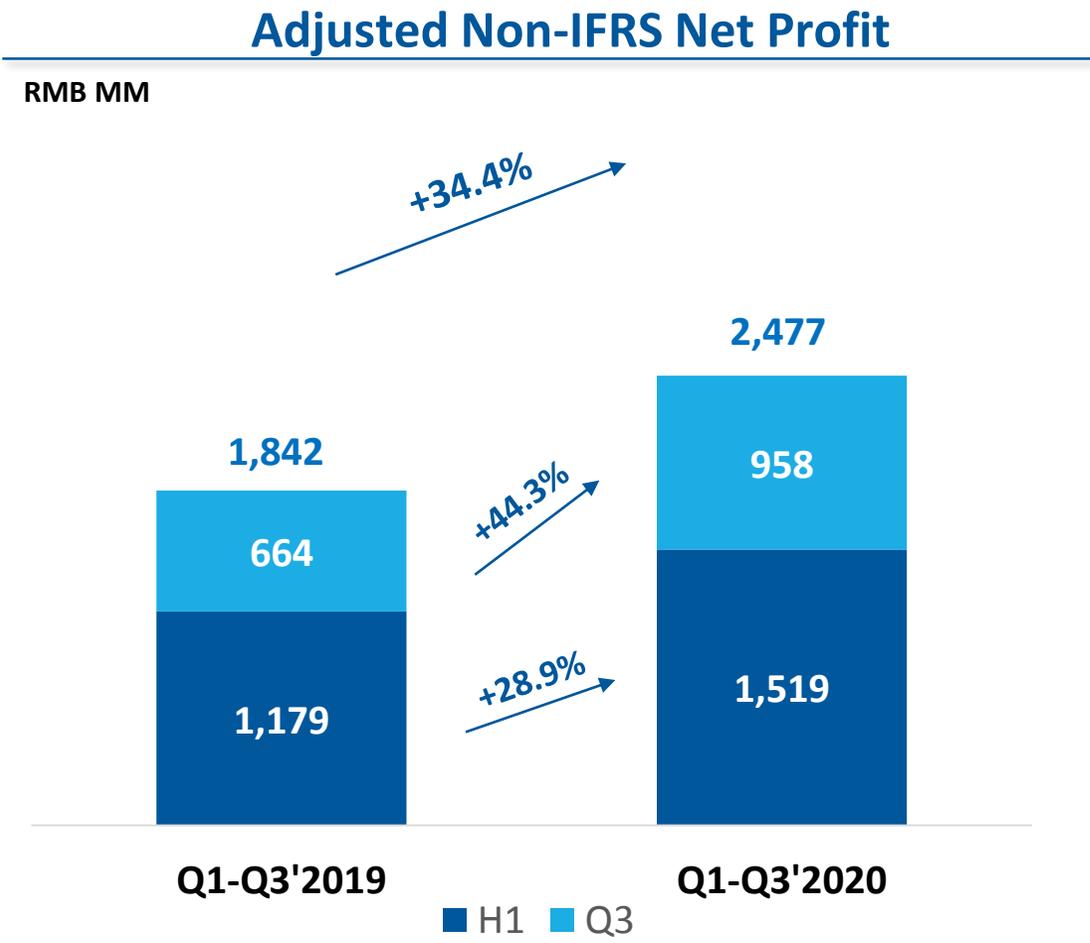
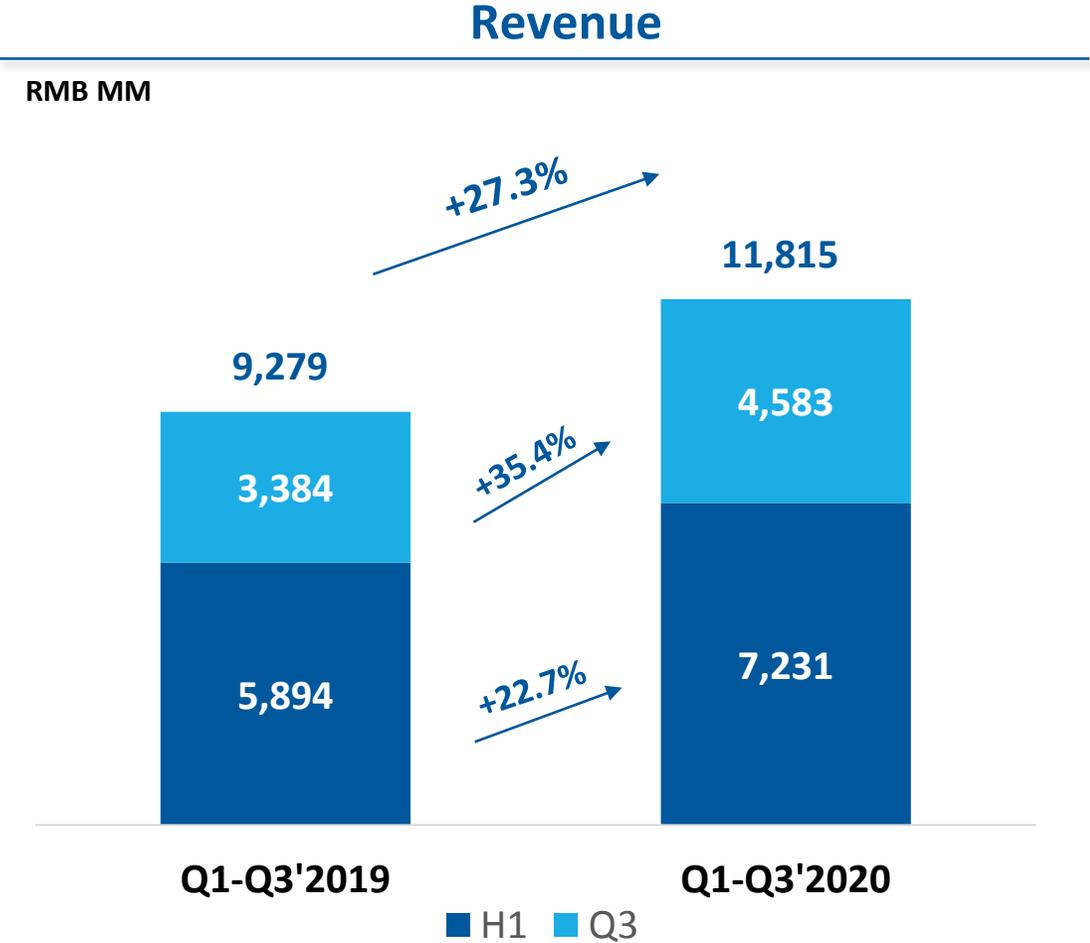
Q1-Q3'2020 Revenue  
Composition



2016 Revenue  
Composition



# Accelerated Revenue & Profit Growth in Q3'2020



# Our Platform & Business Model Continued to Perform Well

**Global Platform  
Enabling Innovation  
Worldwide**

**Strong, Loyal &  
Expanding  
Customer Base**

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

**Increase Customer  
Conversion to Sustain  
Growth**

Revenue Composition

Revenue Composition

Revenue Composition

Revenue Composition

Overseas Customers

Existing Customers

"Long-Tail" & China Customers

Customers Using Multiple Services

**9,023M, 25.3% ↑**

**11,109M, 29.1% ↑**

**7,938M, 28.4% ↑**

**10,164M, 27.1% ↑**

China Customers

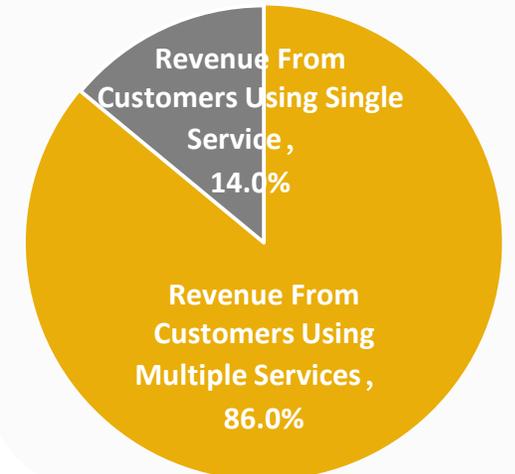
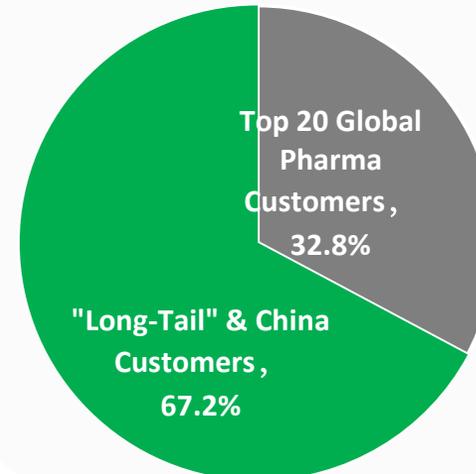
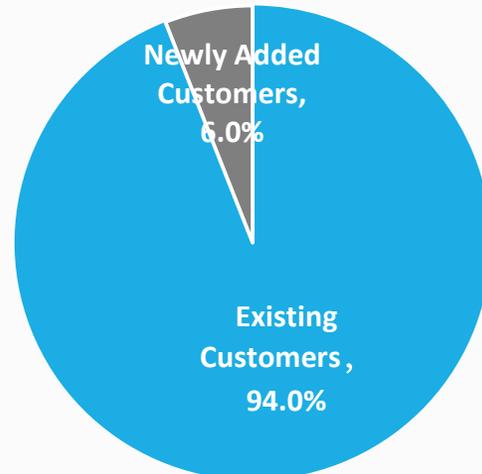
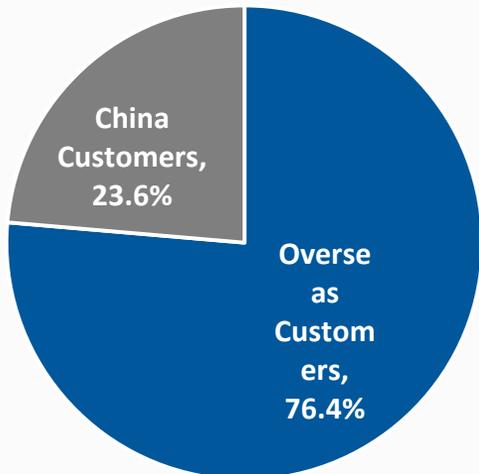
Newly Added Customers

Top 20 Global Pharma Customers

**2,792M, 34.4% ↑**

**706M**

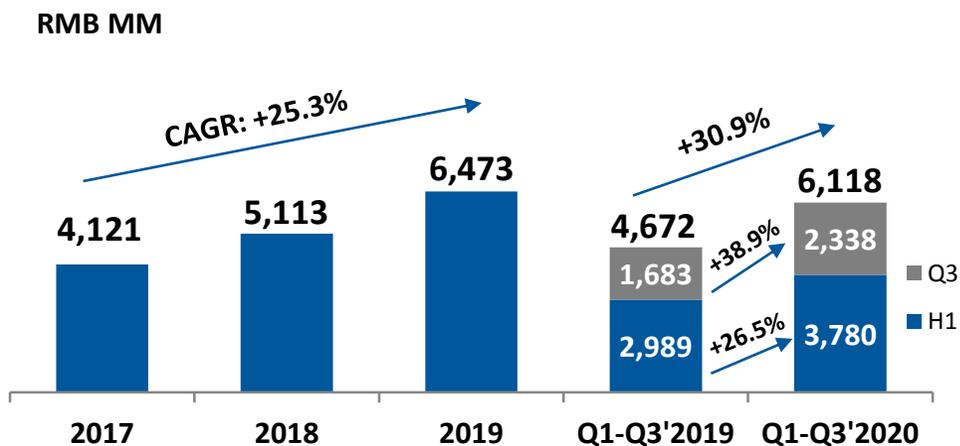
**3,877M, 25.1% ↑**



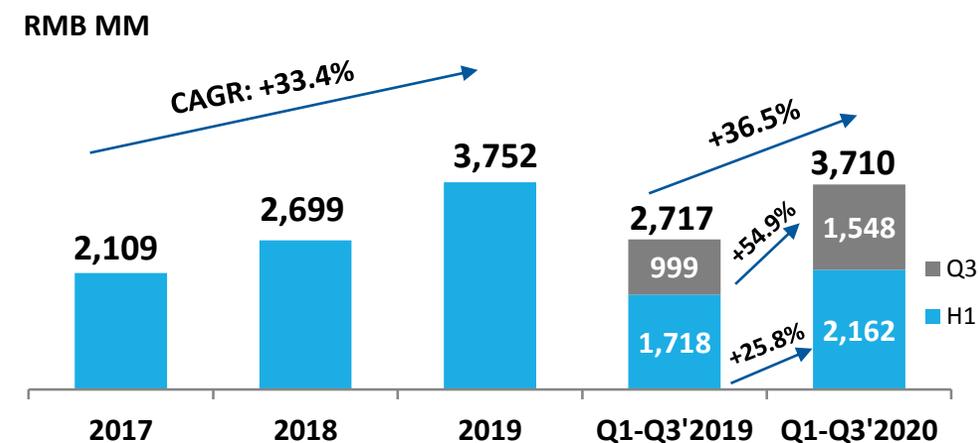
**Note:** Q1-Q3'2020 Results; Data include large pharmaceutical companies' M&A activities.

# Segment Revenue

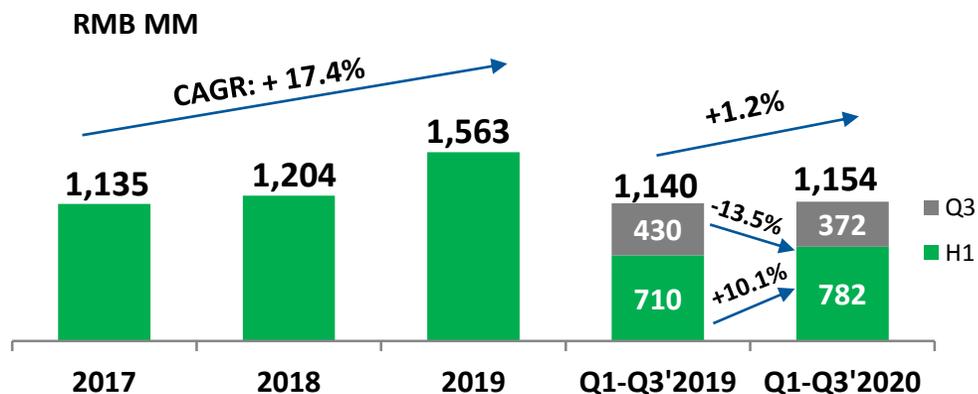
## China-based Laboratory Services



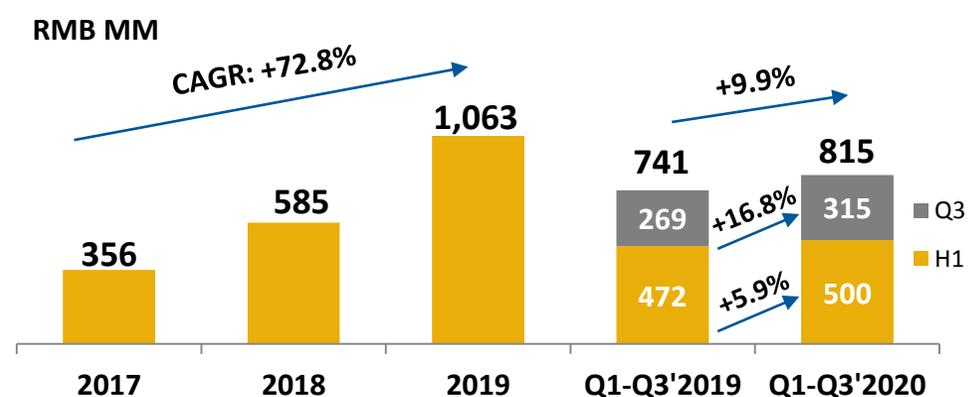
## CDMO Services



## US-based Laboratory Services

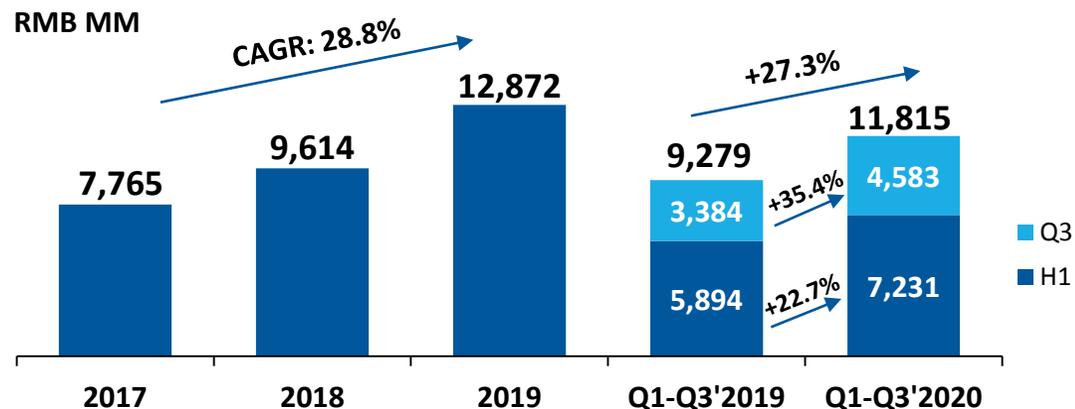


## Clinical and Other CRO Services

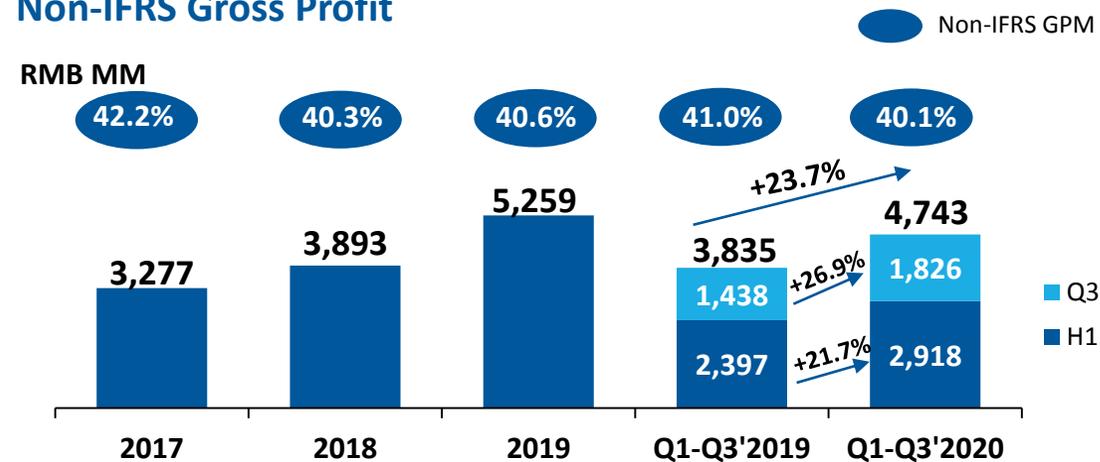


# Financial Performance

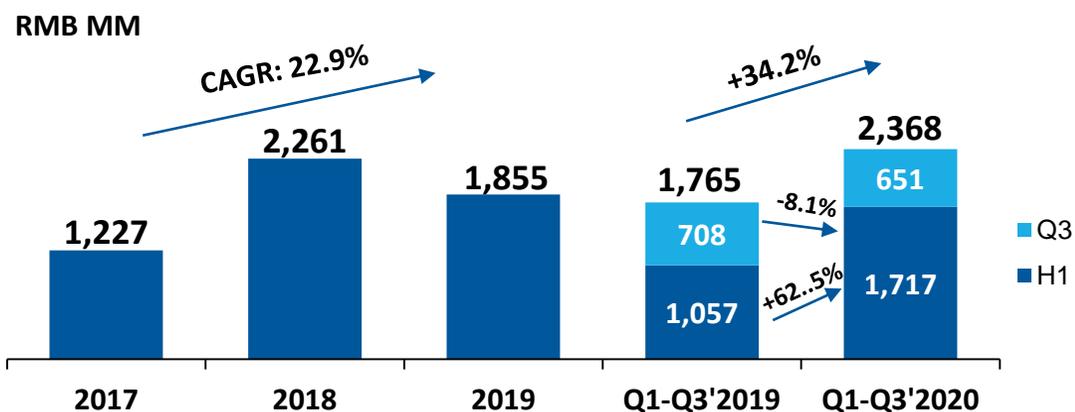
## Revenue



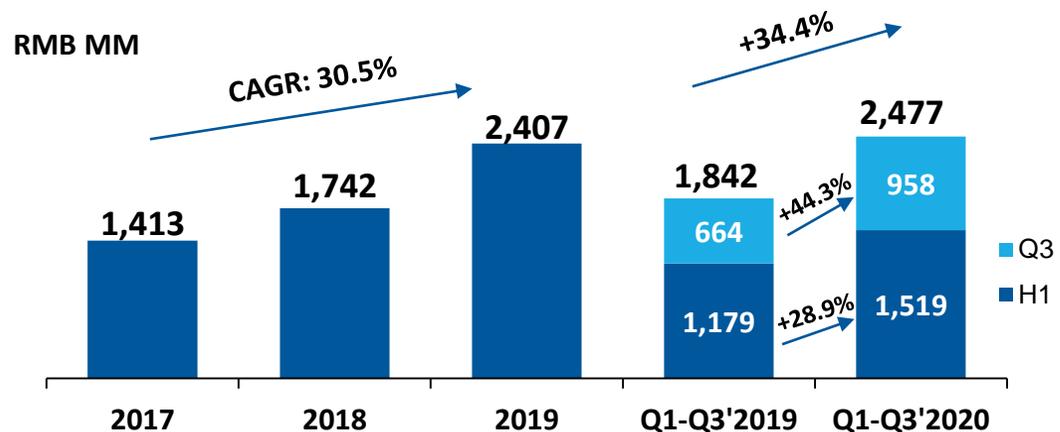
## Non-IFRS Gross Profit



## Net Profit Attributable to Owners of the Company



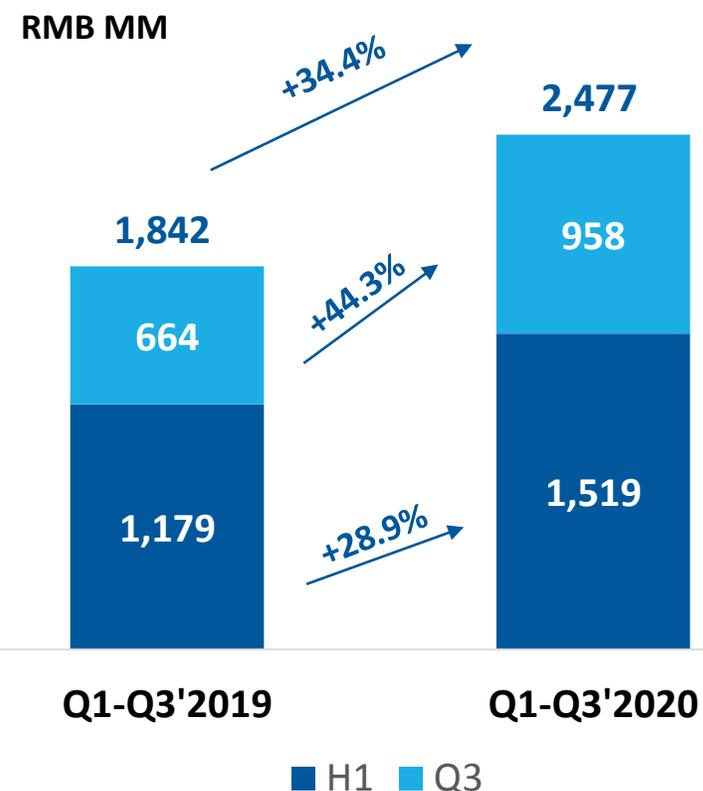
## Adjusted Non-IFRS Net Profit Attributable to Owners of the Company



**Note:** In Q1-Q3'2020, we reported RMB1,123 million gain from the fair value change of our investment portfolio. In the same period of 2019, we reported RMB45 million loss from the fair value change of our investment portfolio.

# Adjusted Non-IFRS Net Profit

RMB Million	Q3'20	Q3'19	Q1-Q3'20	Q1-Q3'19
<b>Net Profit Attributable to the Owners of the Company</b>	<b>651</b>	<b>708</b>	<b>2,368</b>	<b>1,765</b>
Add:				
Share-based compensation expenses	138	26	413	89
Convertible bonds issuance expenses	1	3	4	3
Fair value loss from derivative component of convertible bonds	190	-	676	-
Foreign exchange related (gains)/losses	133	-6	154	75
Amortization of acquired intangible assets from merge and acquisition	9	7	26	20
<b>Non-IFRS Net Profit Attributable to the Owners of the Company</b>	<b>1,122</b>	<b>739</b>	<b>3,641</b>	<b>1,952</b>
Add:				
Realized and unrealized gains from venture investments	(166)	(85)	(1,179)	(140)
Realized and unrealized share of losses from joint ventures	2	10	15	30
<b>Adjusted Non-IFRS Net Profit Attributable to the Owners of the Company</b>	<b>958</b>	<b>664</b>	<b>2,477</b>	<b>1,842</b>



# China-based Laboratory Services Highlights

## Small Molecule Drug Discovery

- We developed **COVID-19** small molecule drug discovery platform very early and enabled **60+** customers globally.
- HitS platform enabled **359** global customers; Q1-Q3'2020 realized revenue **~RMB140M**, representing a YoY growth of **~92%**.
- Strong growth of chemistry fee for services business.  
Q3'2020 revenue grew **~53%** YoY.  
Q1-Q3'2020 revenue grew at **~36%** YoY.

## Integrated Lab Testing Services

- Q1-Q3'2020, signed **78** integrated WIND packages with our customers, helping many of our customers submit their IND packages for global filings and obtain CTAs under eCTD format.
- Strong growth of drug safety assessment services business.  
Q3'2020 revenue grew **~77%** YoY.  
Q1-Q3'2020 revenue grew **~65%** YoY.  
With sufficient animal resource supplies, we can meet and exceed business demand and support strong growth.

## Capabilities & Capacities

- New **Chengdu** R&D center began operations, enabling customers worldwide.
- Acquired third party analytical testing lab **Milestone Pharma** to consolidate and expand capacity of our analytical services. With **5,500m<sup>2</sup>** modern laboratories in Nanjing and Shanghai, Milestone Pharma is able to provide comprehensive analytical services from registration to lot release testings.

# Success-based Business Model With Potential Upside



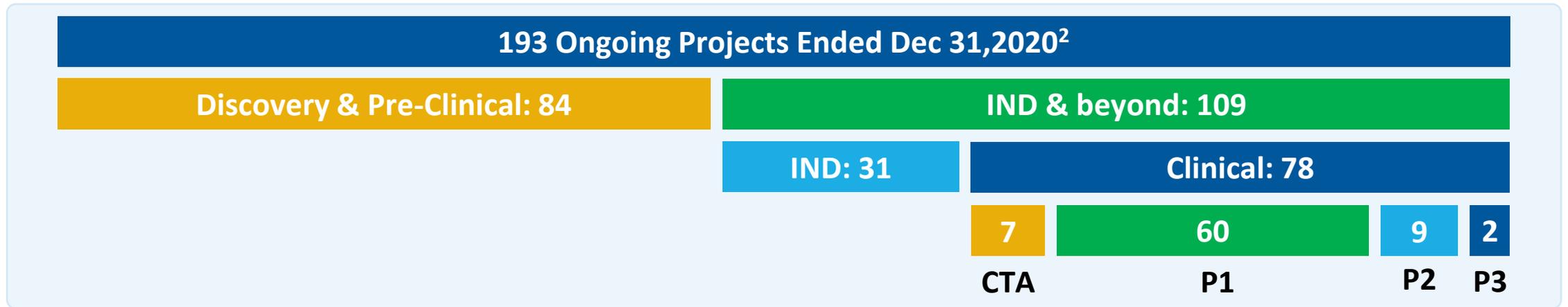
IND Filings For  
Our Customers  
ended Dec 31,  
2020



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



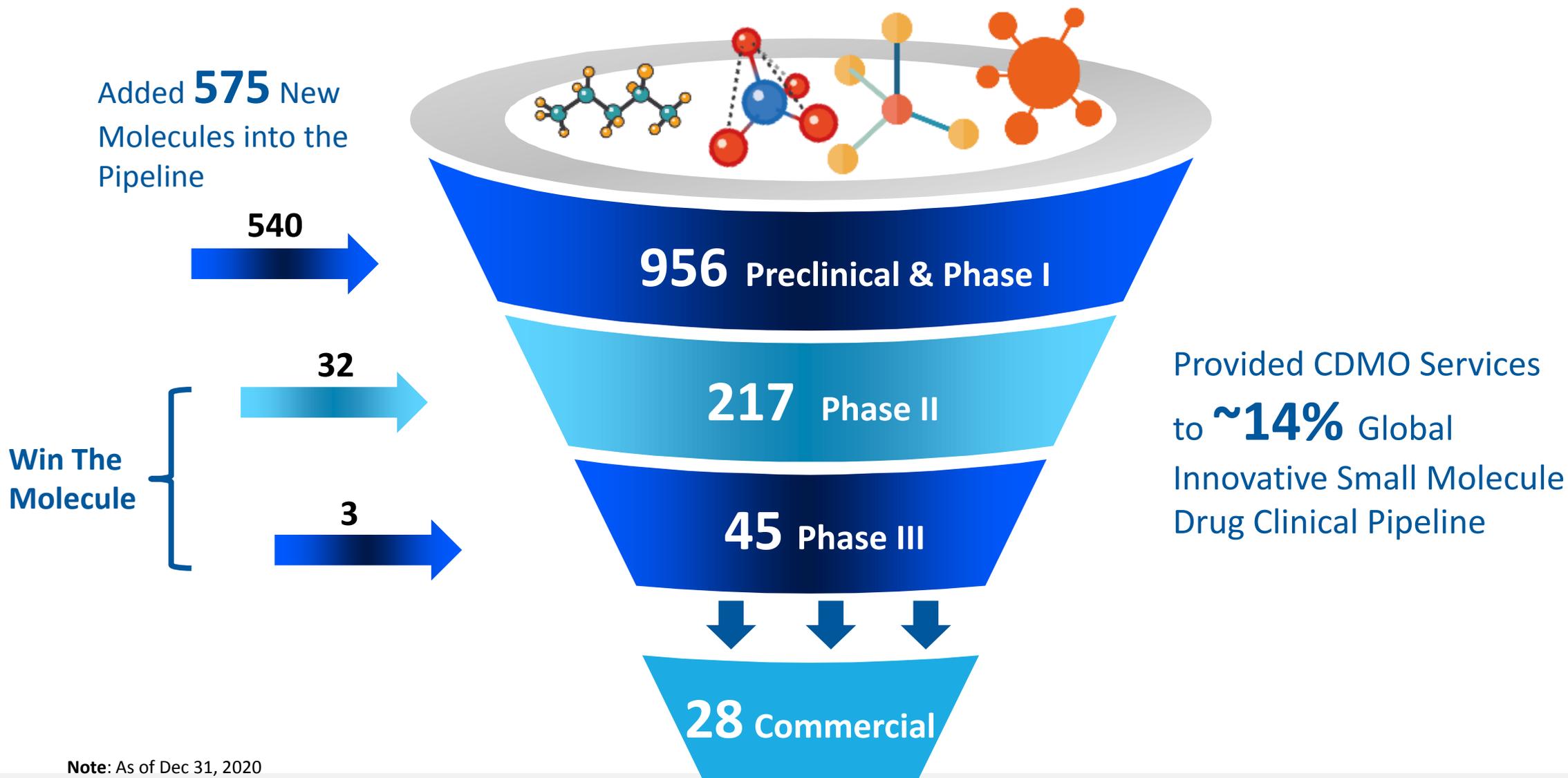
First 3 In  
China<sup>1</sup>



**Notes:**

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

# Growing Small Molecule CDMO Project 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. 3<sup>rd</sup>)



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

DS Manufacturing

ASD  
Manufacturing

Tablet  
Manufacturing

R&D  
Manufacturing  
(DS/DP)



Jinshan



Changzhou



Wuxi



Waigaoqiao

### Record Setting for NMPA PAI

1<sup>st</sup>

Drug product PAI

1<sup>st</sup>

Inspection for our spray drying commercial manufacturing

1<sup>st</sup>

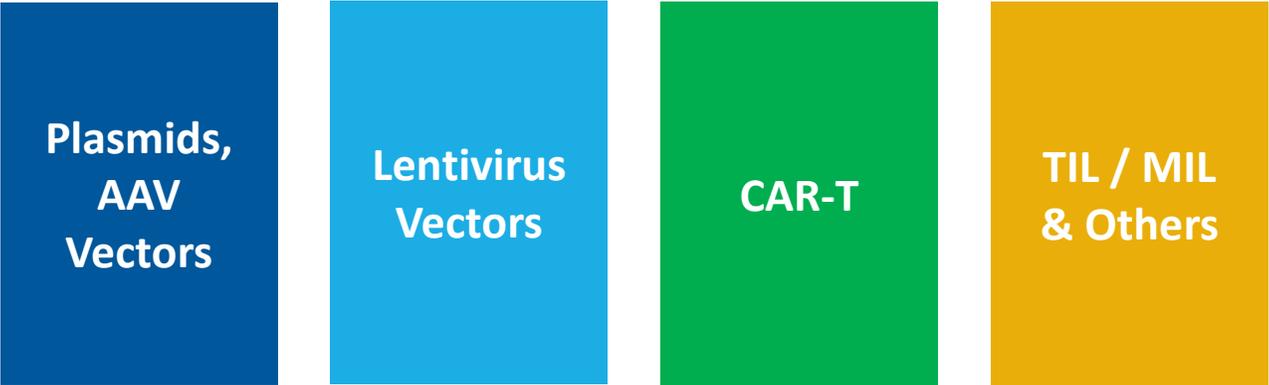
Comprehensive inspection for our integrated CMC platform including both DS and DP

1<sup>st</sup>

PAI involving 4 sites within WuXi STA at the same time

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

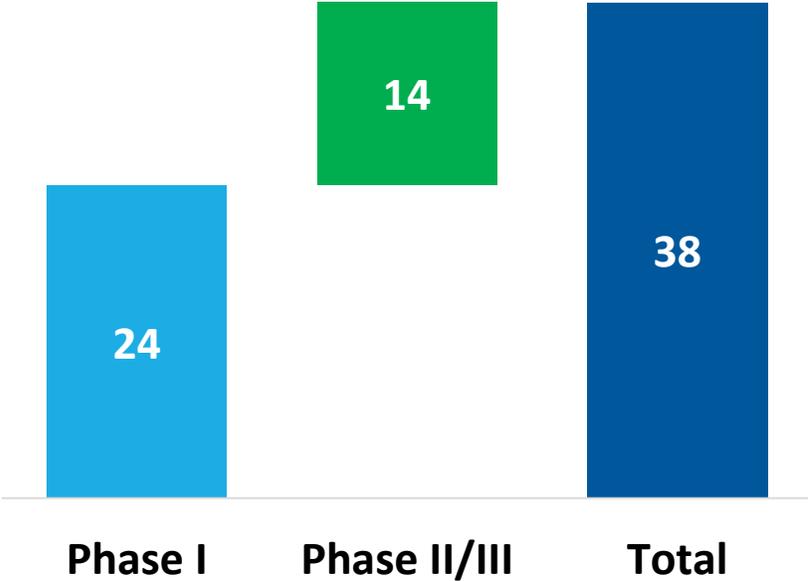
Q3'2020 CGT CTDMO Backlog  
 QoQ Growth of  
**~35%**



Technology Platform to Support CGT CTDMO Business Growth

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

2020 ATU projects



Notes:

1. "CTDMO" means Contract Testing Development Manufacturing Organization.

# Clinical Research CRO/SMO Services Highlights

## Capabilities & Capacity

- SMO maintained **#1** leadership in China, with **3,300+** CRCs stationed in **150** cities.
- CDS team with **850** employees distributed in China and the U.S.

## Backlog

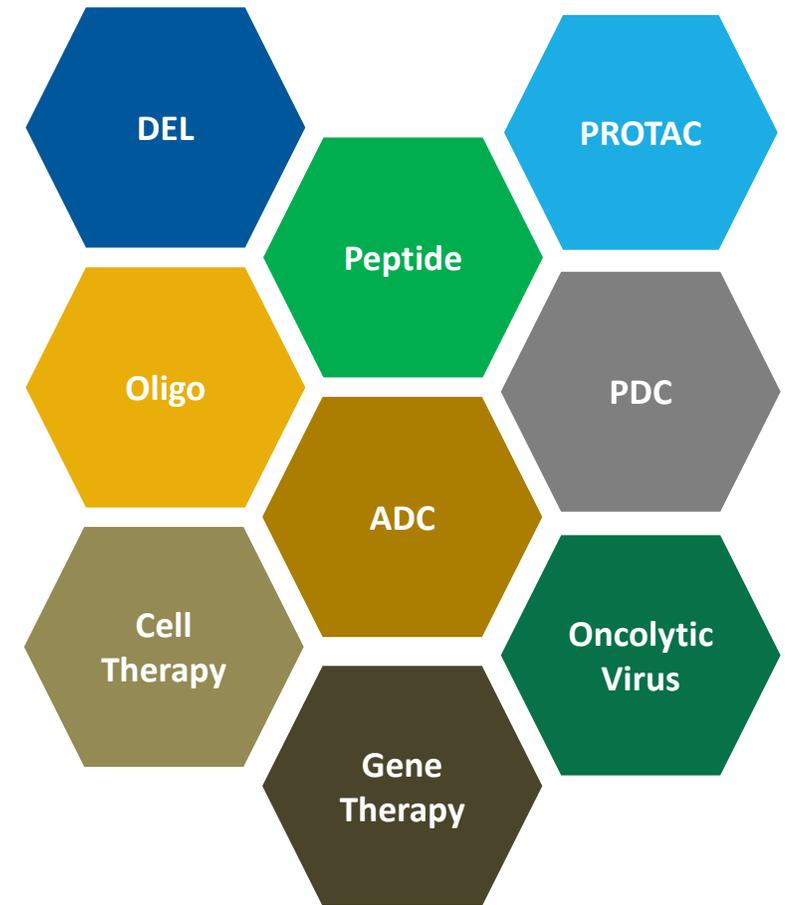
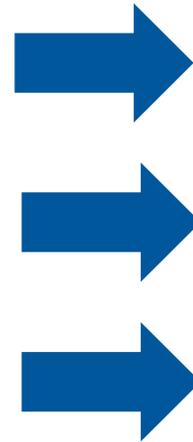
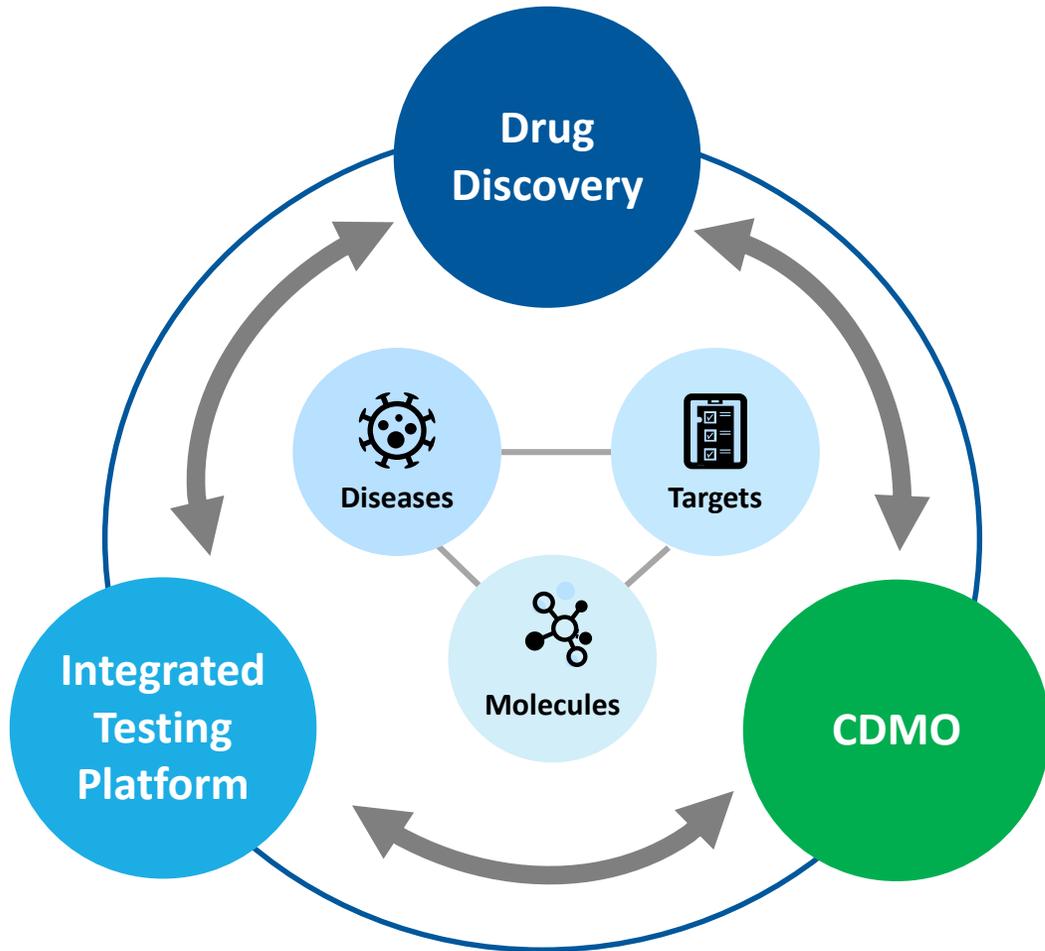
- Q1-Q3'2020, SMO backlog increased **~45%** on a YoY basis.
- Q1-Q3'2020, CDS backlog increased **~100%** on a YoY basis.

## Projects

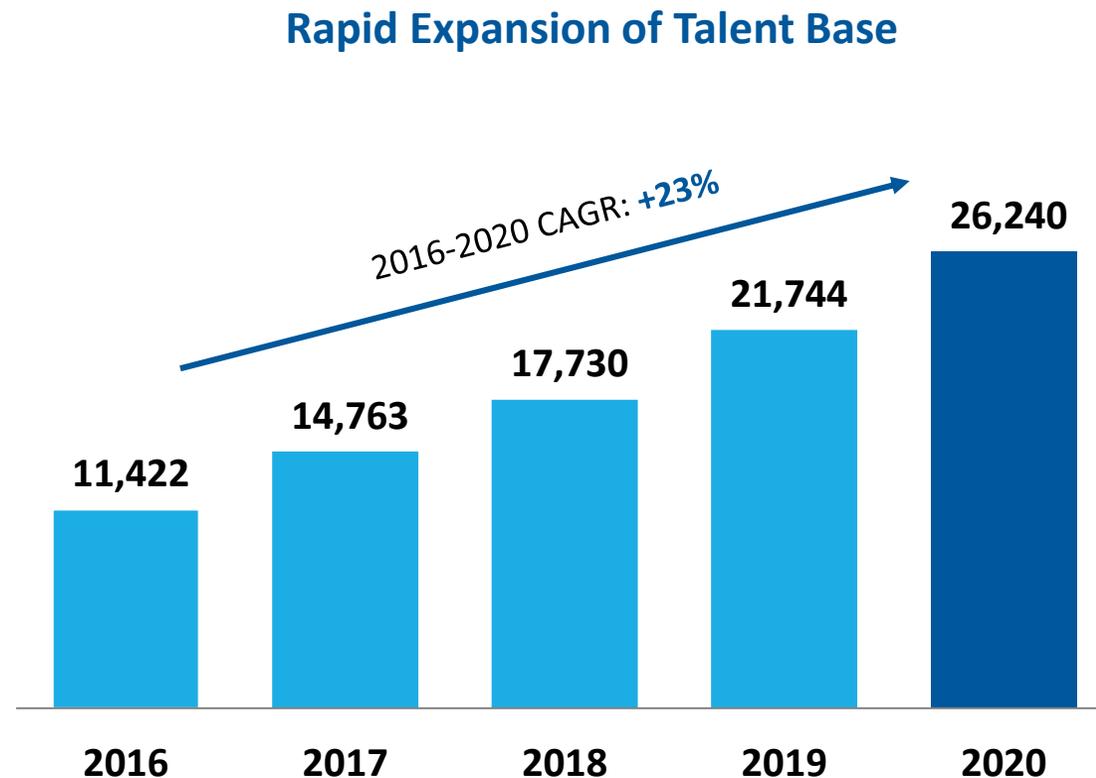
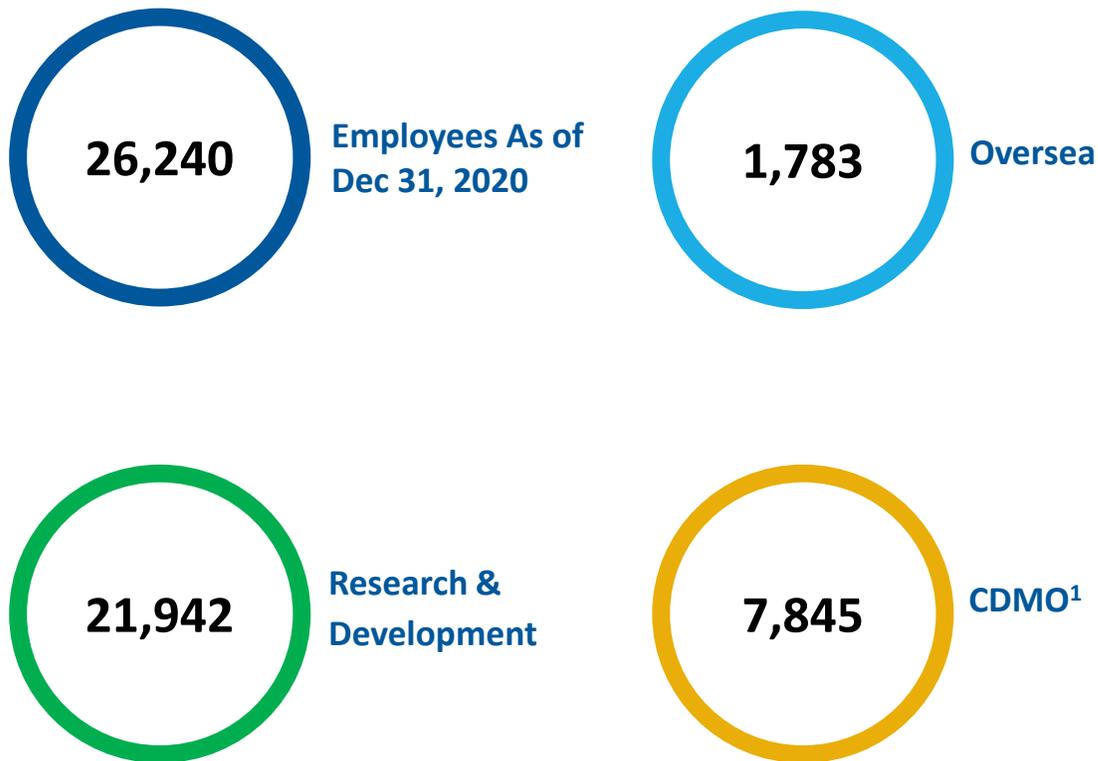
- Q1-Q3'2020, SMO assisted in the market approval of **14** products, including the approval of **China's first biosimilar** in the European Union.
- Q1-Q3'2020, CDS conducted **10** multi-regional clinical trials for our customers in the U.S. and China.

# Anticipate the Industry Trend & Enable Global Innovations

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



# Growing Talents for Sustaining Business Growth



**Note:**

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

# Global Capacity Expansion to Drive Strong Growth for 2021 & Beyond

## China-based Laboratory Services:

- Build a new site in Nantong, Jiangsu Province for drug safety testing (toxicology) and laboratory testing services.
- Build a new site in Wuhan to expand discovery chemistry and new modality services capacity.
- Build a new site in Changsu, Jiangsu province for scale-up and non-GMP manufacturing capacity for small molecule drug discovery and development.

## CDMO Services:

- Expansion of API manufacturing capacity in Changzhou, with 4 new facilities to begin operation.
- Build a new API/Intermediates manufacturing site in Taixing, Jiangsu province.
- Expansion of drug product manufacturing capacity in Wuxi, new GMP facility to begin operation.
- Select sites in the U.S. for building commercial API and drug product manufacturing facilities.

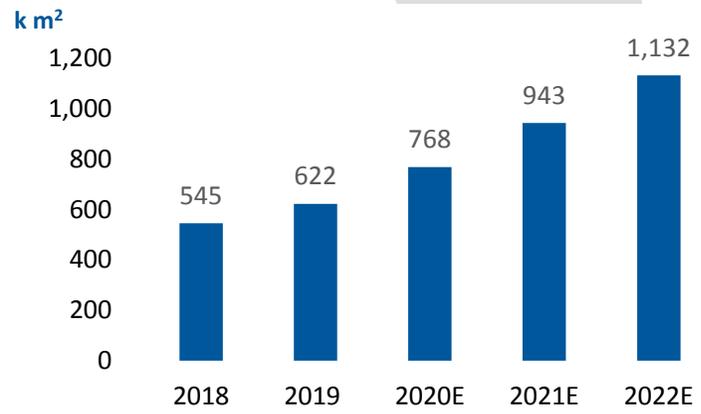
## CGT CTDMO Services:

- Build out a global Process Development Center and Testing Center in the Lin Gang district of Shanghai.
- Build out additional testing capacity in Philadelphia in the U.S.

# Capacity in Progress



The Capacity of Our Sites is Expanding



**~1,132K m<sup>2</sup> of Laboratories, Manufacturing Facilities and Offices Worldwide**

# We Are Achieving Strong Growth in 2020 and Continue to Invest for Future Growth

- 1 We Won Back 2020 Despite the COVID-19 Pandemic Caused Challenges.**
- 2 We will Maintain Strong Growth Momentum in 2021 Through Our “Long-tail” and “Follow the Customer, Follow 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 Explore M&A Opportunities Across Our Platform.**

# Thank You!

Global Platform. One Vision.



[www.wuxiapptec.com](http://www.wuxiapptec.com)