

WuXi AppTec

2020 Third Quarterly Results

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, 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.

2020 Third-Quarter Business Highlights

“Long-Tail” Strategy

900+ New Customers

4,100+ Active Customers

Loyal Customer Base

100% Retention of Our Top 10 Customers

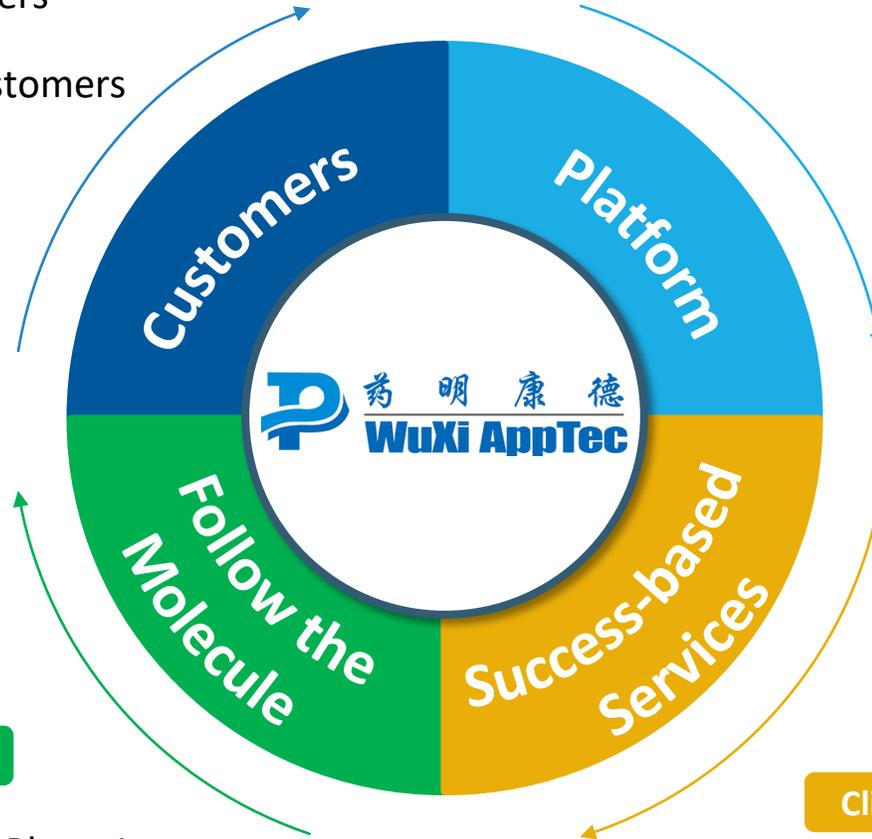
Small Molecule

1,100+ Projects; **42**

Phase III; **26** Commercial

Cell & Gene Therapies

11 Phase II/III; **22** Phase I



Global Footprint

29 Global Sites & Branch Offices

21,400+ Scientists & Technicians

Acquired **Milestone Pharma** to consolidate and expand capacity of our analytical services

YTD 2020

18 INDs; **20** CTAs

Cumulatively

103 INDs; **77** CTAs

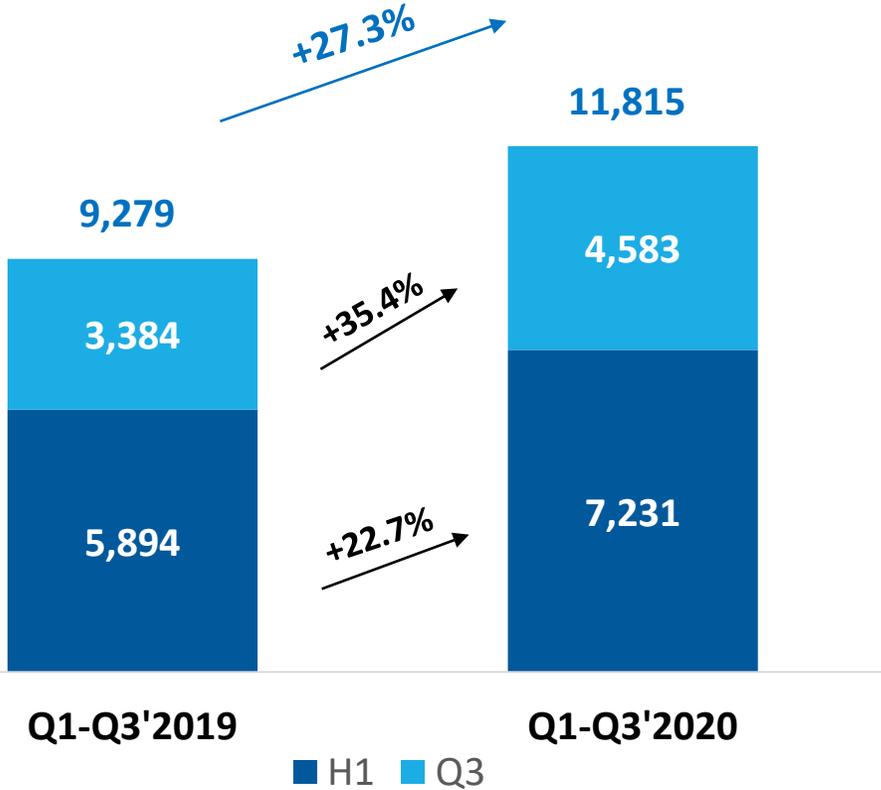
Clinical Development

1 Phase III; **9** Phase II; **56** Phase I

Accelerated Growth in Q3'2020

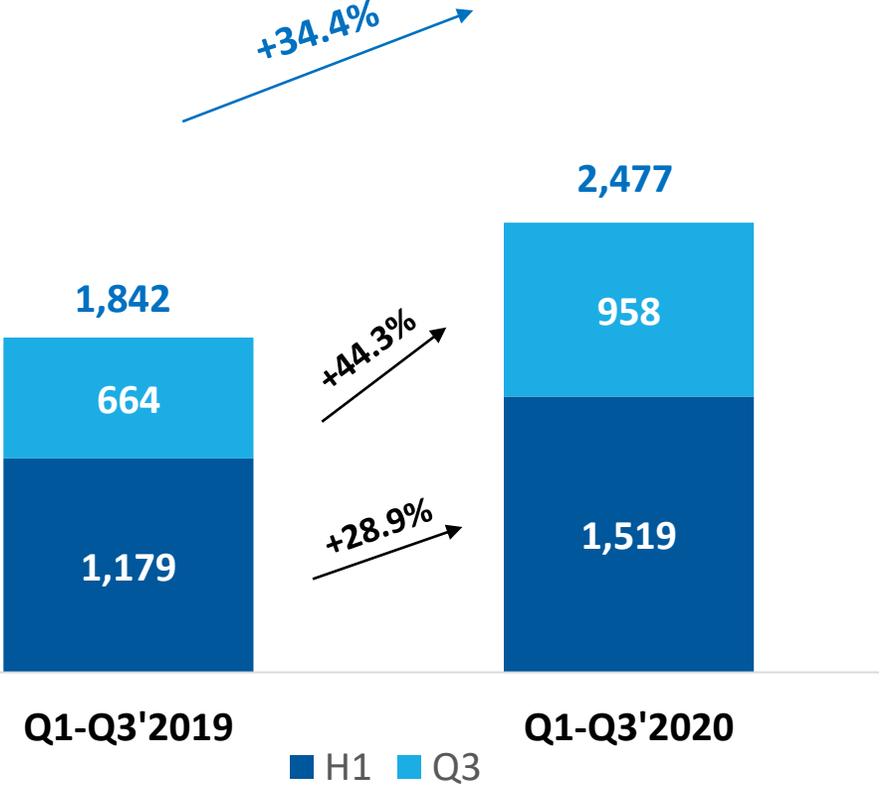
Revenue

RMB MM



Adjusted Non-IFRS Net Profit

RMB MM



Our Platform & Business Model Continued to Perform Well

**Global Platform
Enabling Innovation
Worldwide**

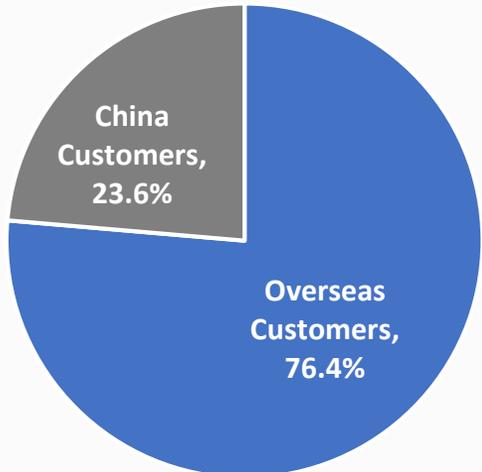
Revenue Composition

Overseas Customers

9,023M, 25.3% ↑

China Customers

2,792M, 34.4% ↑



**Strong, Loyal &
Expanding
Customer Base**

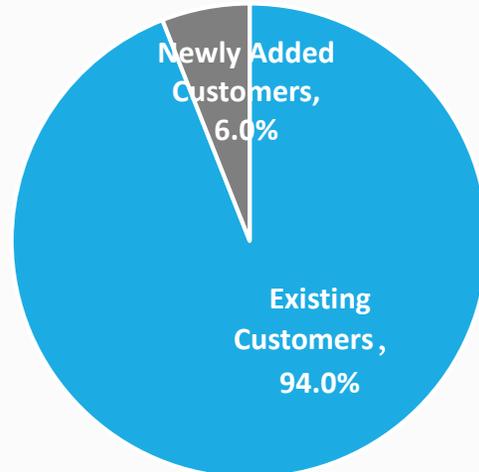
Revenue Composition

Existing Customers

11,109M, 29.1% ↑

Newly Added Customers

706M



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

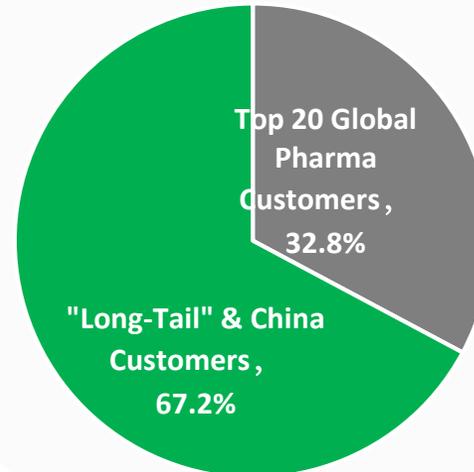
Revenue Composition

"Long-Tail" & China Customers

7,938M, 28.4% ↑

Top 20 Global Pharma Customers

3,877M, 25.1% ↑

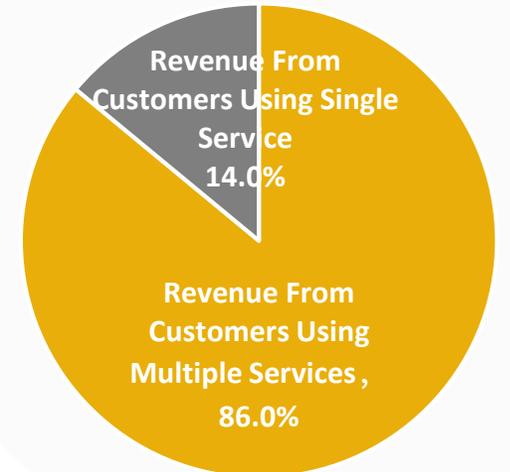


**Increase Customer
Conversion to Sustain
Growth**

Revenue Composition

Customers Using Multiple Services

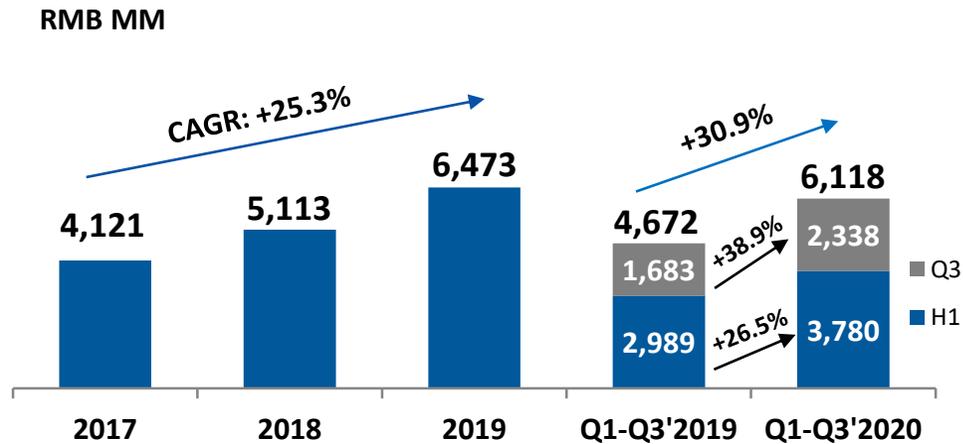
10,164M, 27.1% ↑



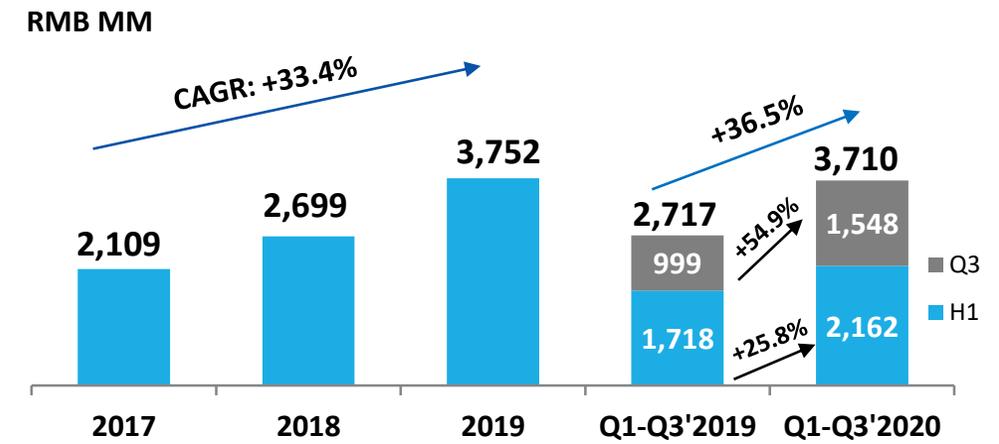
Note: YTD'2020 Results; Data include large pharmaceutical companies' M&A activities.

Segment Revenue

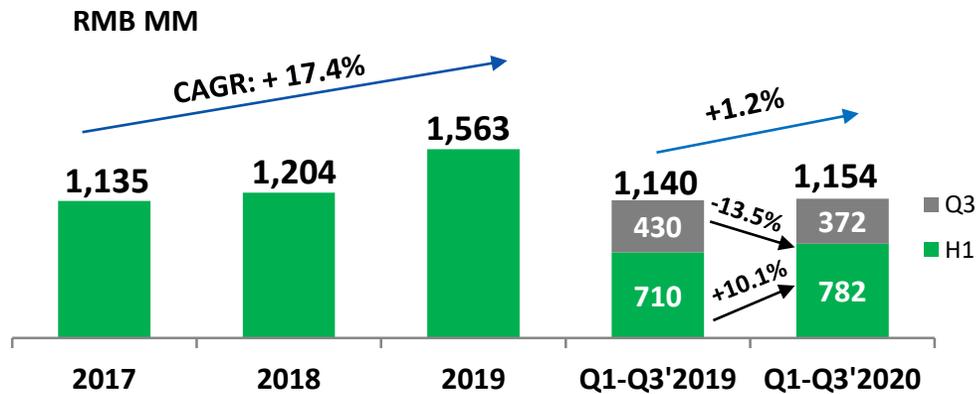
China-based Laboratory Services



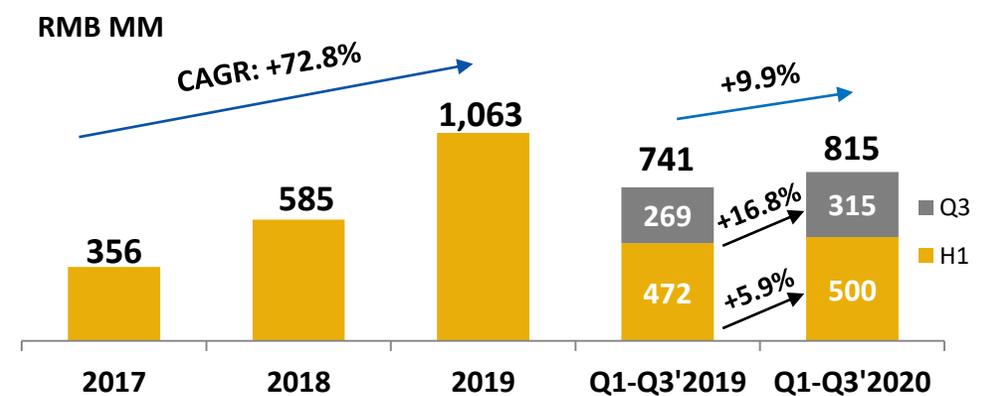
CDMO Services



US-based Laboratory Services

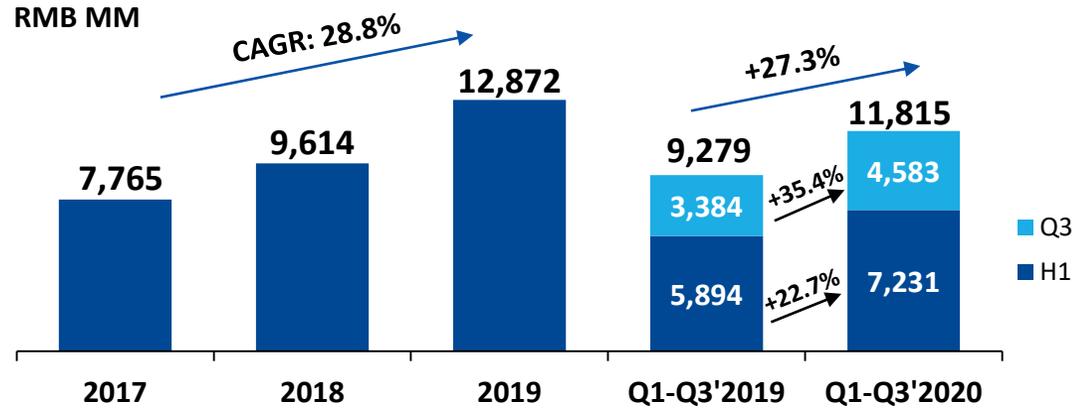


Clinical and Other CRO Services

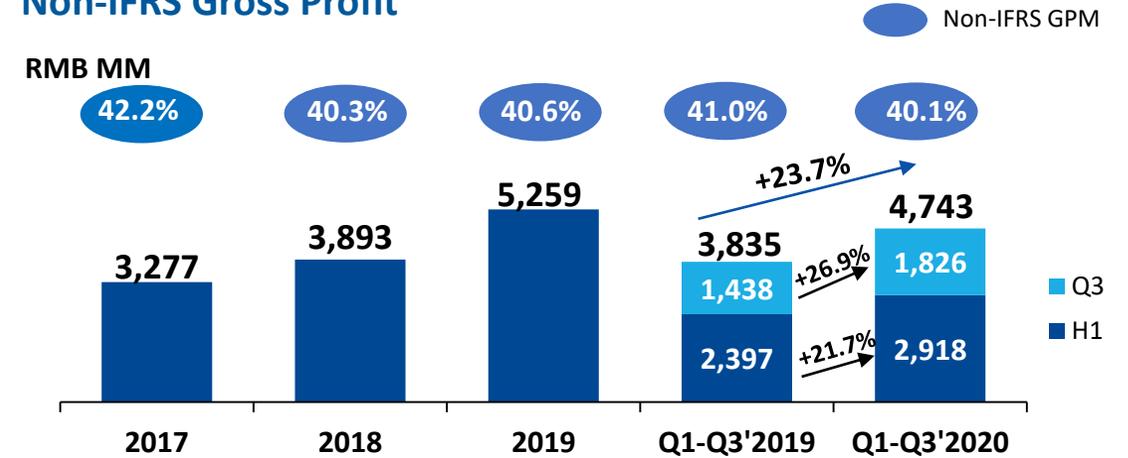


Financial Performance

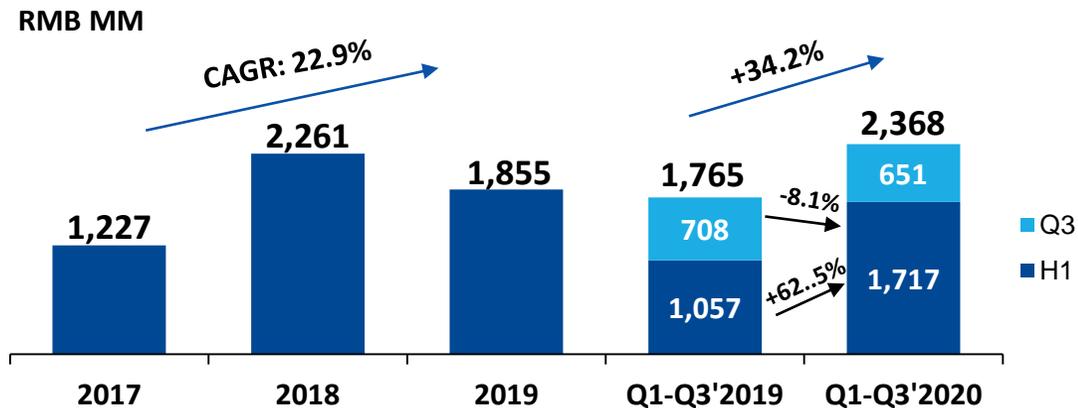
Revenue



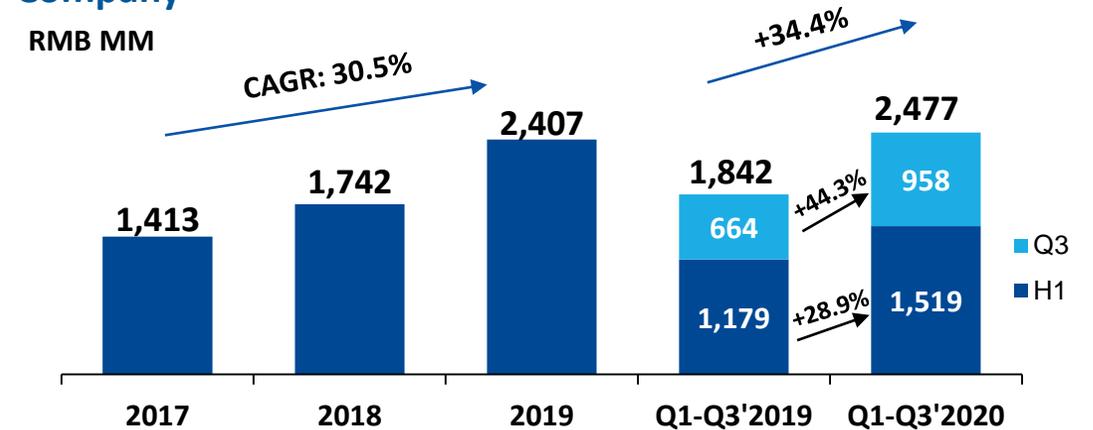
Non-IFRS Gross Profit



Net Profit Attributable to Owners of the Company



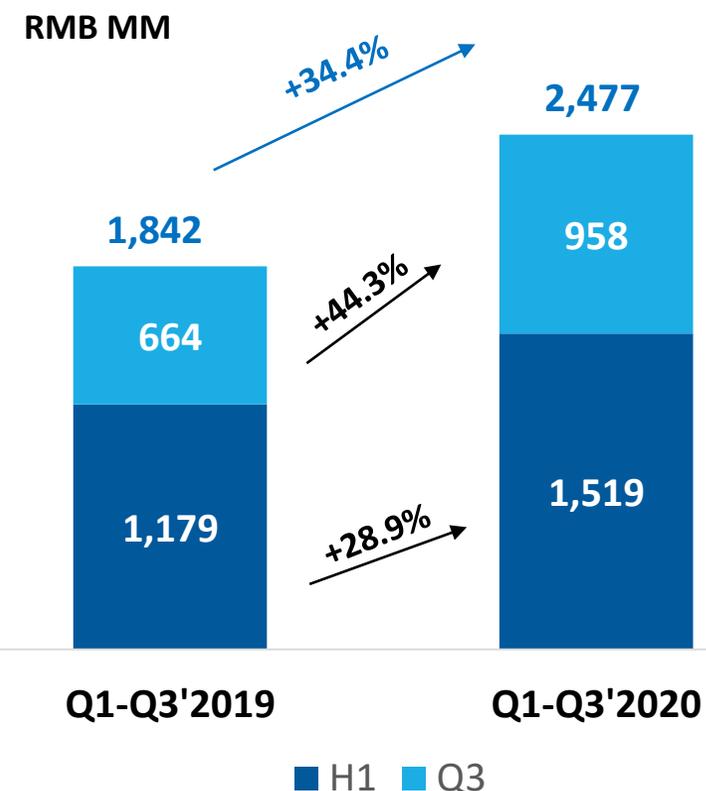
Adjusted Non-IFRS Net Profit Attributable to Owners of the Company



Note: In YTD 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
Net Profit Attributable to the Owners of the Company	651	708	2,368	1,765
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
Non-IFRS Net Profit Attributable to the Owners of the Company	1,122	739	3,641	1,952
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
Adjusted Non-IFRS Net Profit Attributable to the Owners of the Company	958	664	2,477	1,842



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; YTD'2020 realized revenue **~RMB140M**, representing a YoY growth of **~92%**.
- Strong growth of chemistry fee for services business.
Q3'2020 revenue grew **~53%** YoY.
YTD'2020 revenue grew at **~36%** YoY.

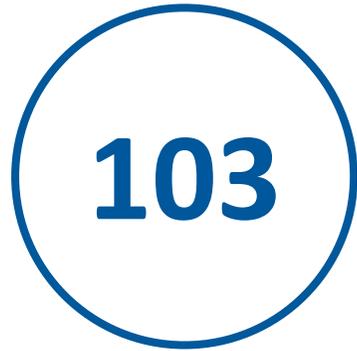
Integrated Lab Testing Services

- YTD'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.
YTD'2020 revenue grew **~65%** YoY.
With sufficient animal resource supplies, we can meet and exceed business demand and support strong growth.

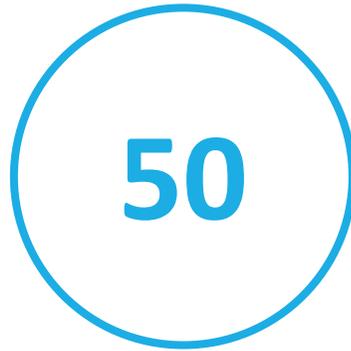
Capabilities & Capacities

- 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 **5,500m²** 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



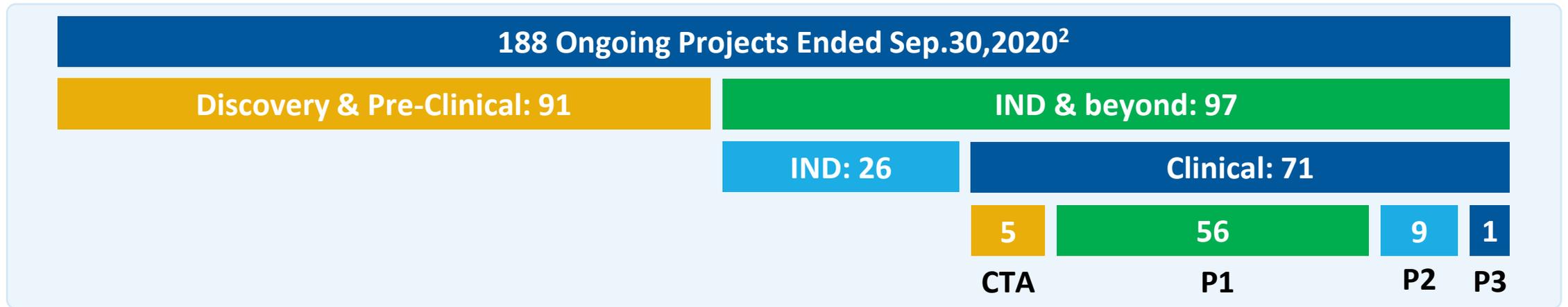
IND Filings For Our Customers ended Sep.30, 2020



1st In China¹



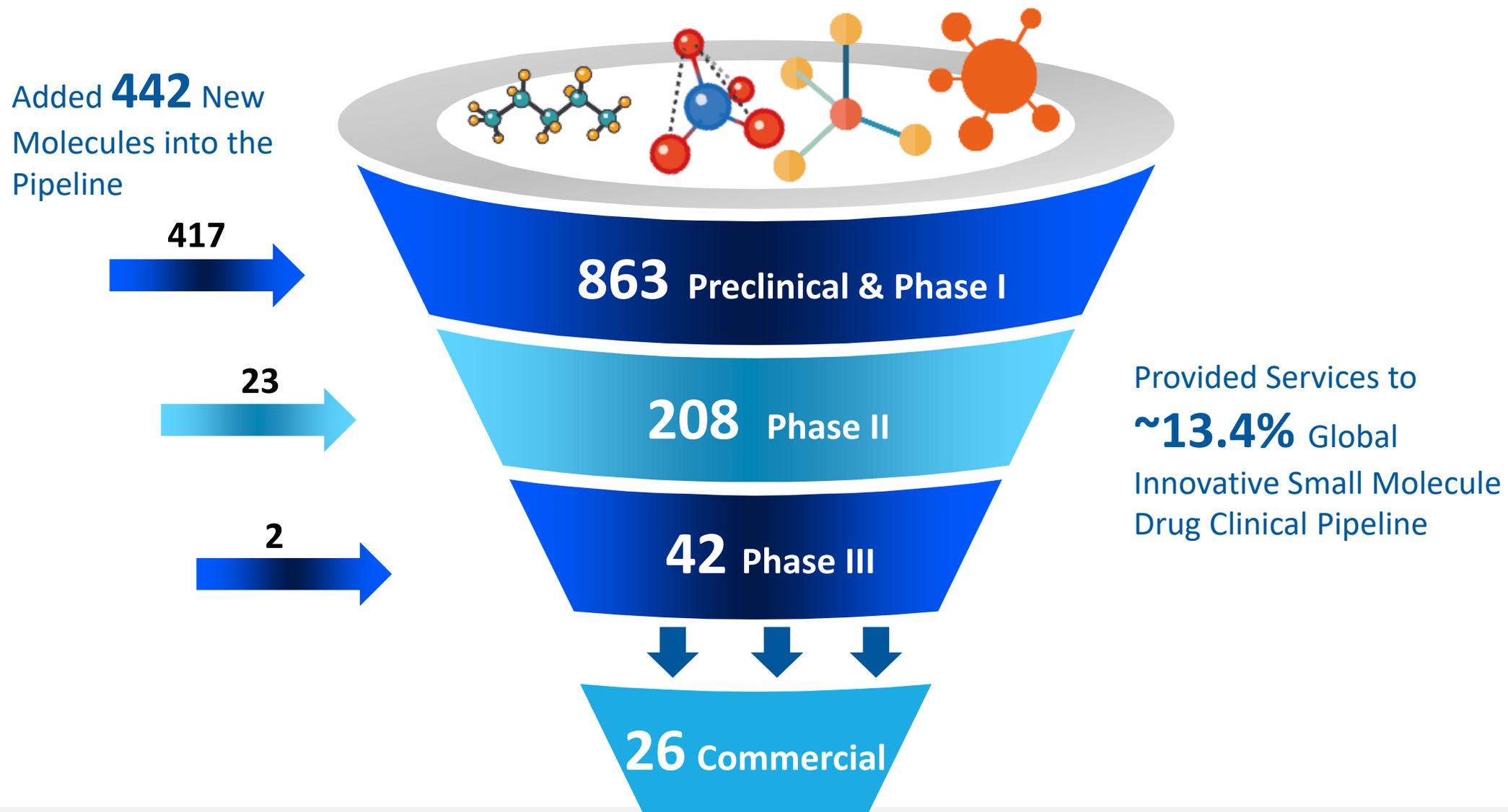
Top 3 In China¹



Notes:

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

Growing Small Molecule CDMO Project Pipeline



4 STA Sites Passed China NMPA New Drug Pre-Approval Inspections at the Same Time

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



Jinshan



Changzhou



Wuxi



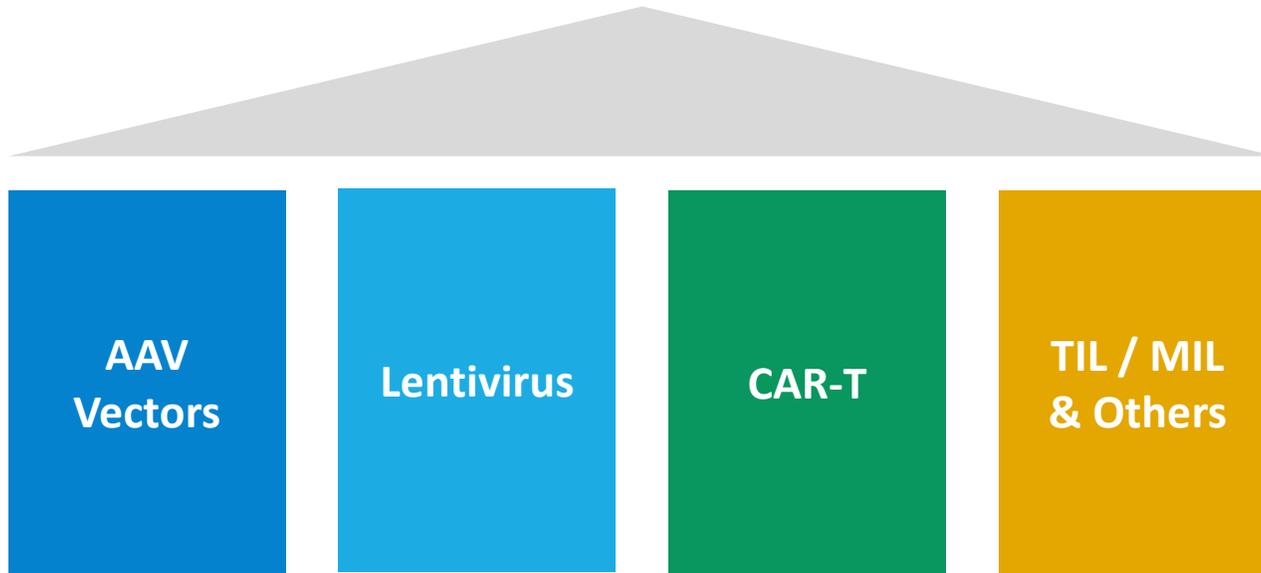
Waigaoqiao

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

US-based Laboratory Services Highlights

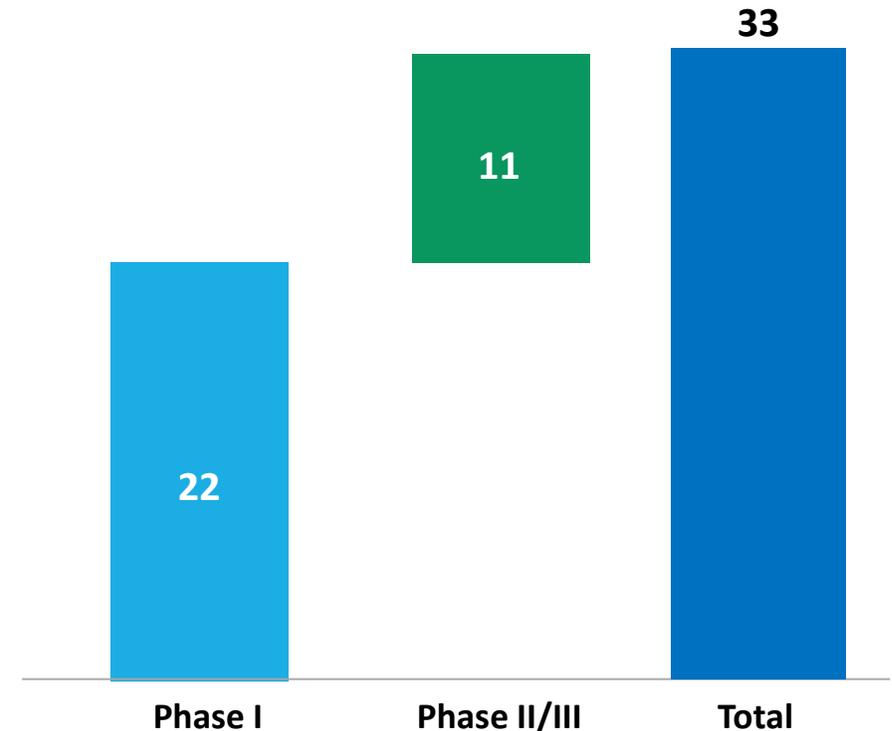
Q3'2020 CGT CDMO Backlog
QoQ Growth of
~35%



Better Platforms, Operational Excellence, Stable Supply Chain, More Pro-active Work Force, Better Technologies and Predictability

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

Q1-Q3'2020 ATU projects amount



Clinical Research CRO/SMO Services Highlights

Capabilities & Capacity

- SMO maintained **#1** leadership in China, with **3,100+** CRCs stationed in **145** cities.
- CDS team with **810+** employees distributed in China and the U.S.

Backlog

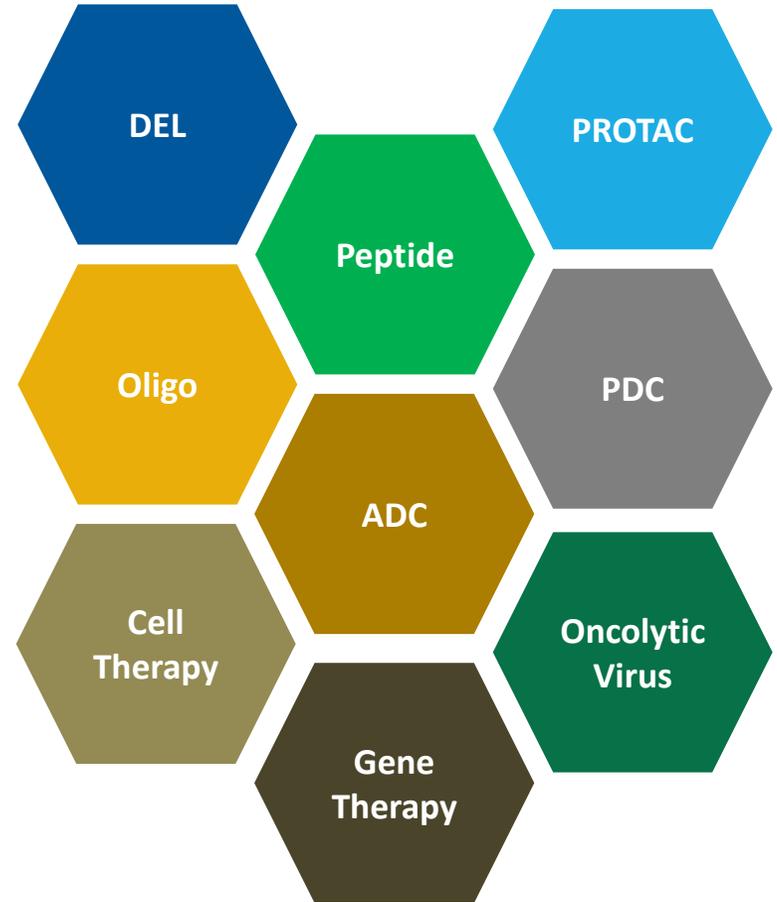
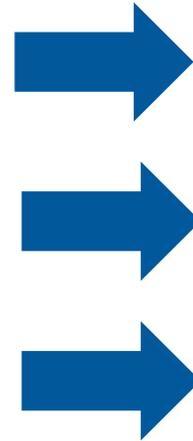
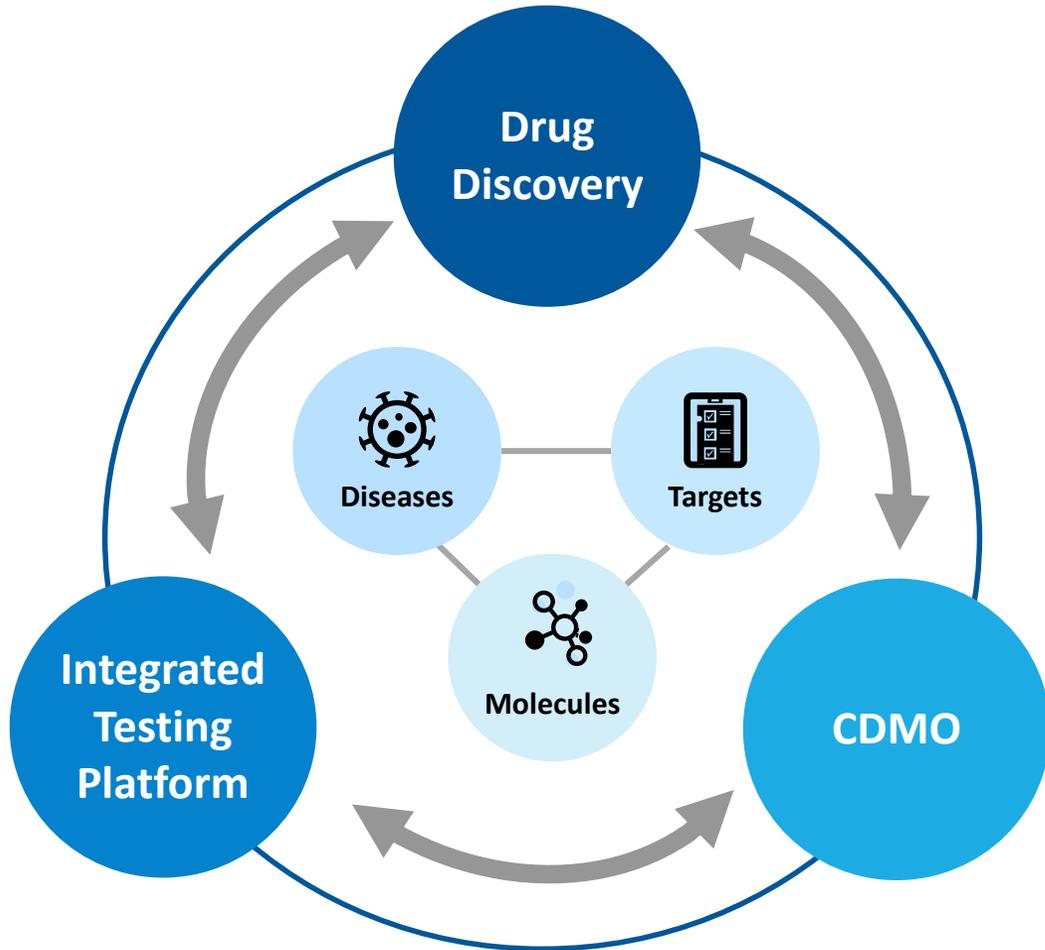
- YTD'2020, SMO backlog increased **~45%** on a YoY basis.
- YTD'2020, CDS backlog increased **~100%** on a YoY basis.

Projects

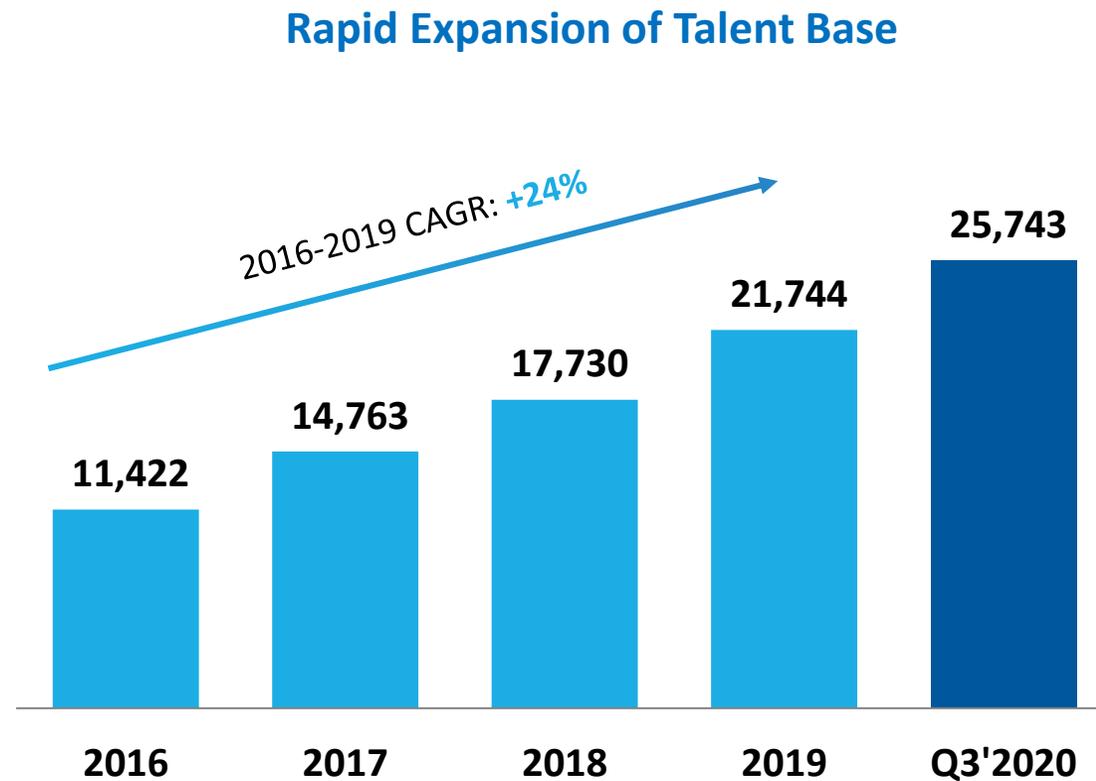
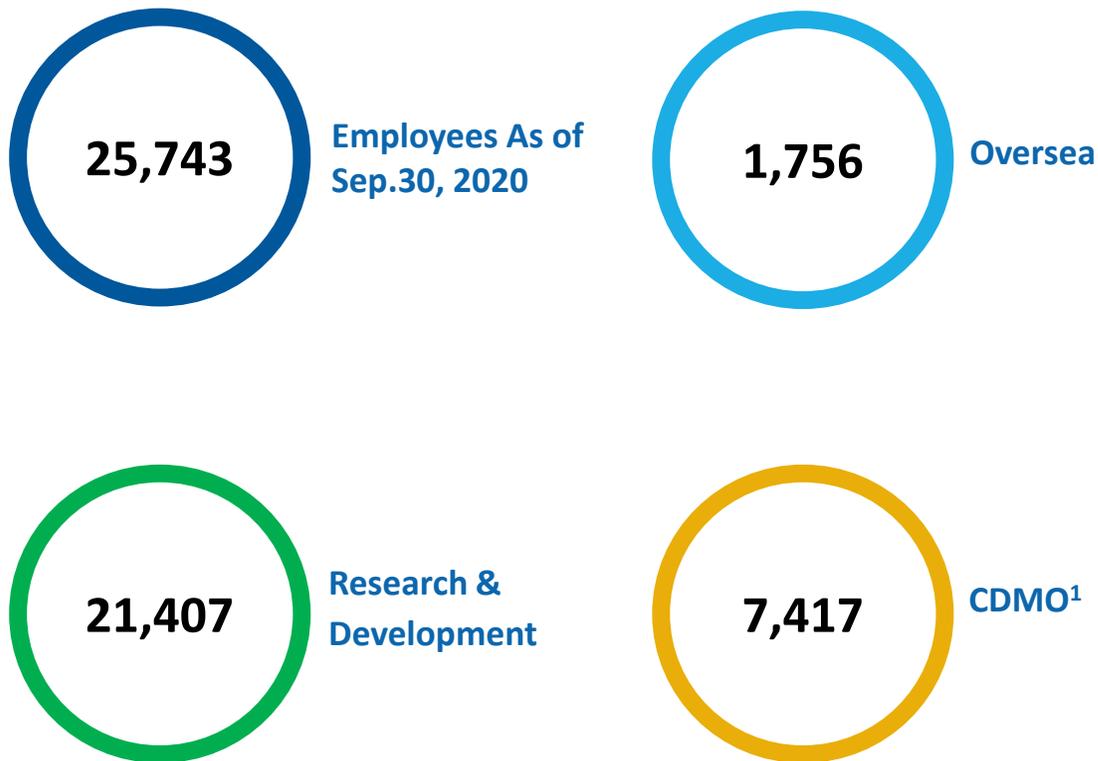
- YTD'2020, SMO assisted in the market approval of **14** products, including the approval of **China's first biosimilar** in the European Union.
- YTD'2020, CDS conducted **10** multi-regional clinical trials for our customers in the U.S. and China.

Anticipate the Industry Trend & Enable Global Innovations

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



Growing Talents for Sustaining Business Growth



2019 Key Talent Retention Rate: 94%²

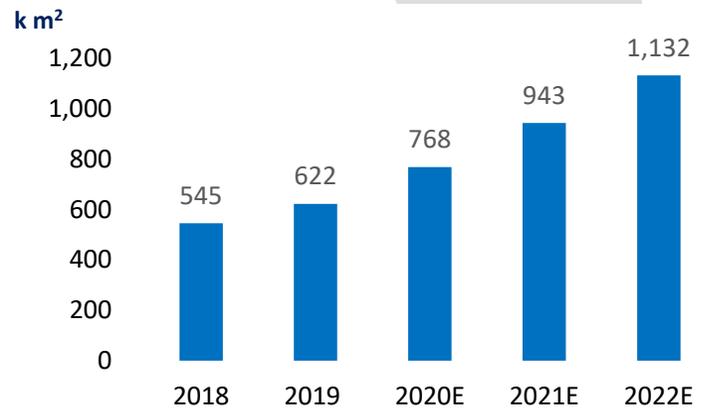
Note:

- 1. Including small molecule CDMO & cell and gene therapies CDMO.
- 2. Key Talent: employees granted restricted stocks or stock options.

Capacity in Progress



The Capacity of Our Sites is Expanding

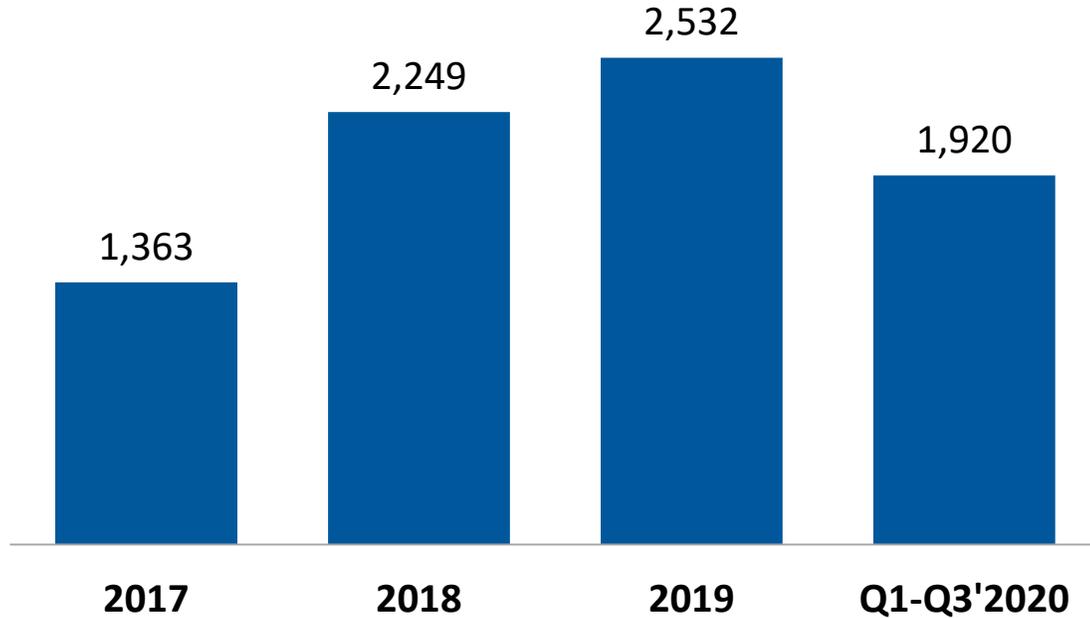


~1,132K m² of Laboratories, Manufacturing Facilities and Offices Worldwide

Capital Expenditure and Total Debt

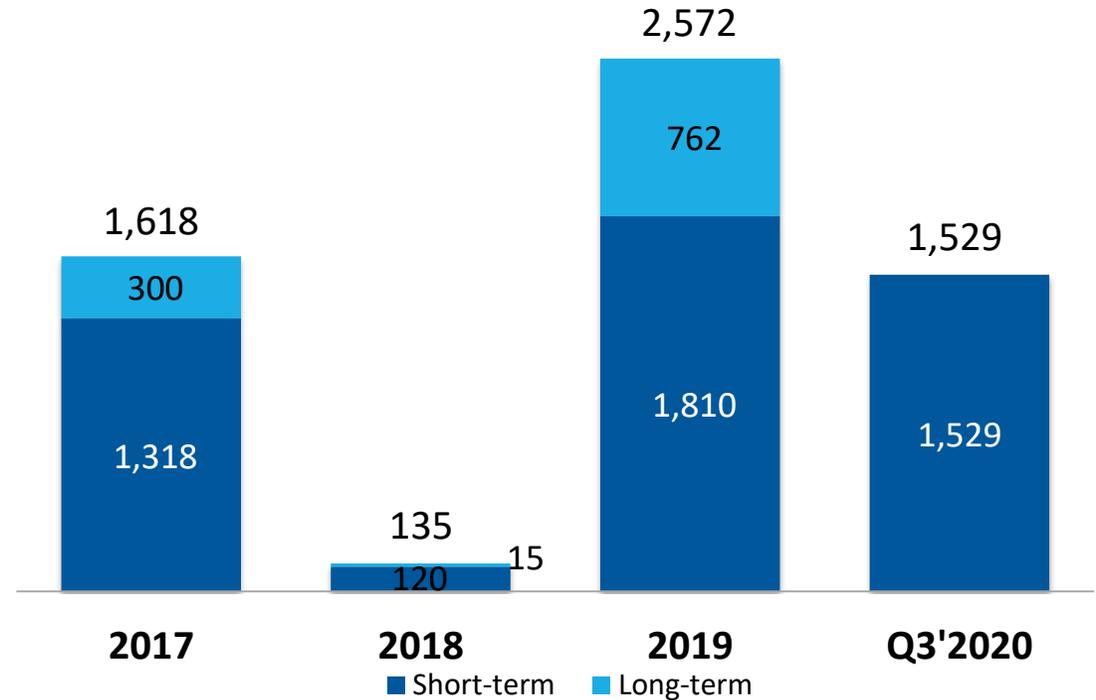
Capital Expenditure ⁽¹⁾

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.

Thank You!

Global Platform. One Vision.



www.wuxiapptec.com