

WuXi AppTec

First Quarterly 2024 Results

April 30, 2024



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 the 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 the 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 Segment Performance

03 Financial Performance

04 Business Outlook

1. Results Overview

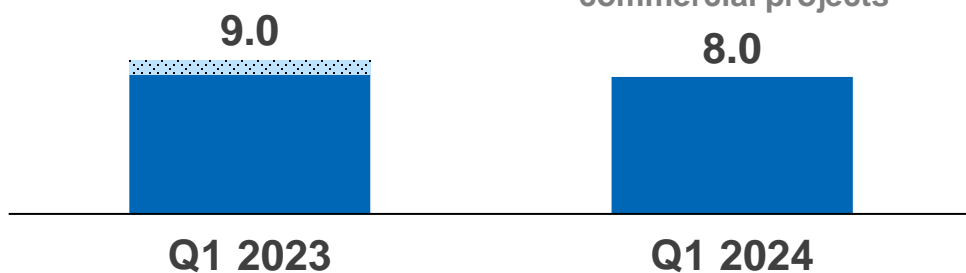
Q1 2024 Target Achieved Despite External Challenges, Maintaining Stable Operations

Revenue

RMB billion

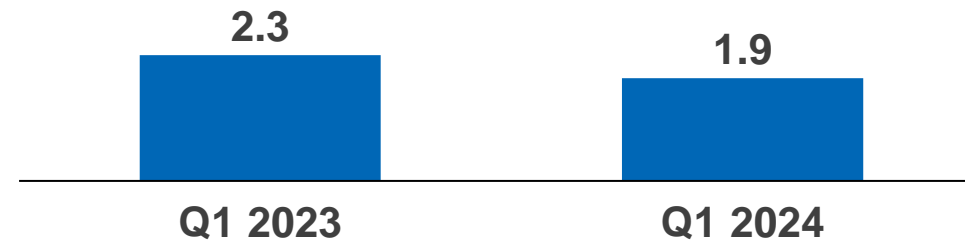
COVID-19 Commercial Projects

non-COVID-19 Commercial Projects



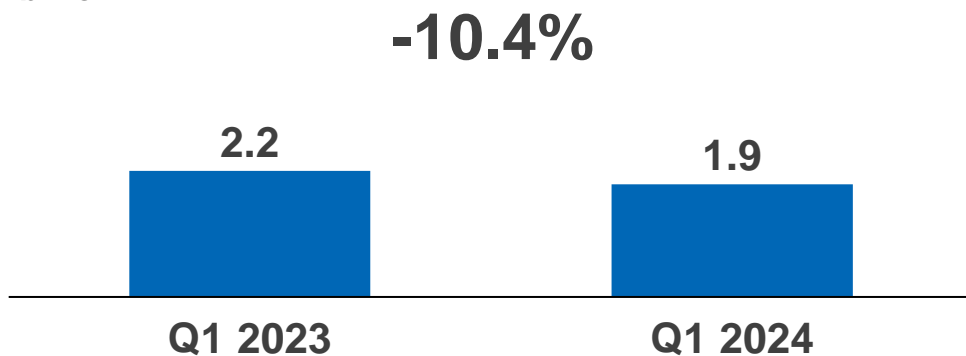
Adjusted Non-IFRS Net Profit

RMB billion



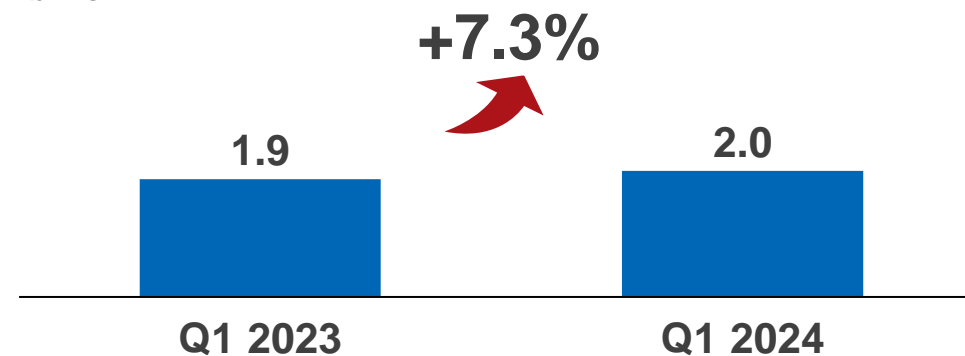
Net Profit

RMB billion



Net Profit After Deducting Non-Recurring Items

RMB billion



5 Note: Net profit after deducting non-recurring items is prepared according to the relevant information disclosure rules issued by the China Securities Regulatory Commission.

Continue to Serve as a Highly-Efficient Enabler to the Industry

Strong, Loyal &
Expanding Customer
Base

- **300+** new customers, **6,000+** active customers
- **7.92Bn** revenue from existing customers, **-1.6%** YoY excluding COVID-19 commercial projects
- **0.07Bn** revenue from new customers

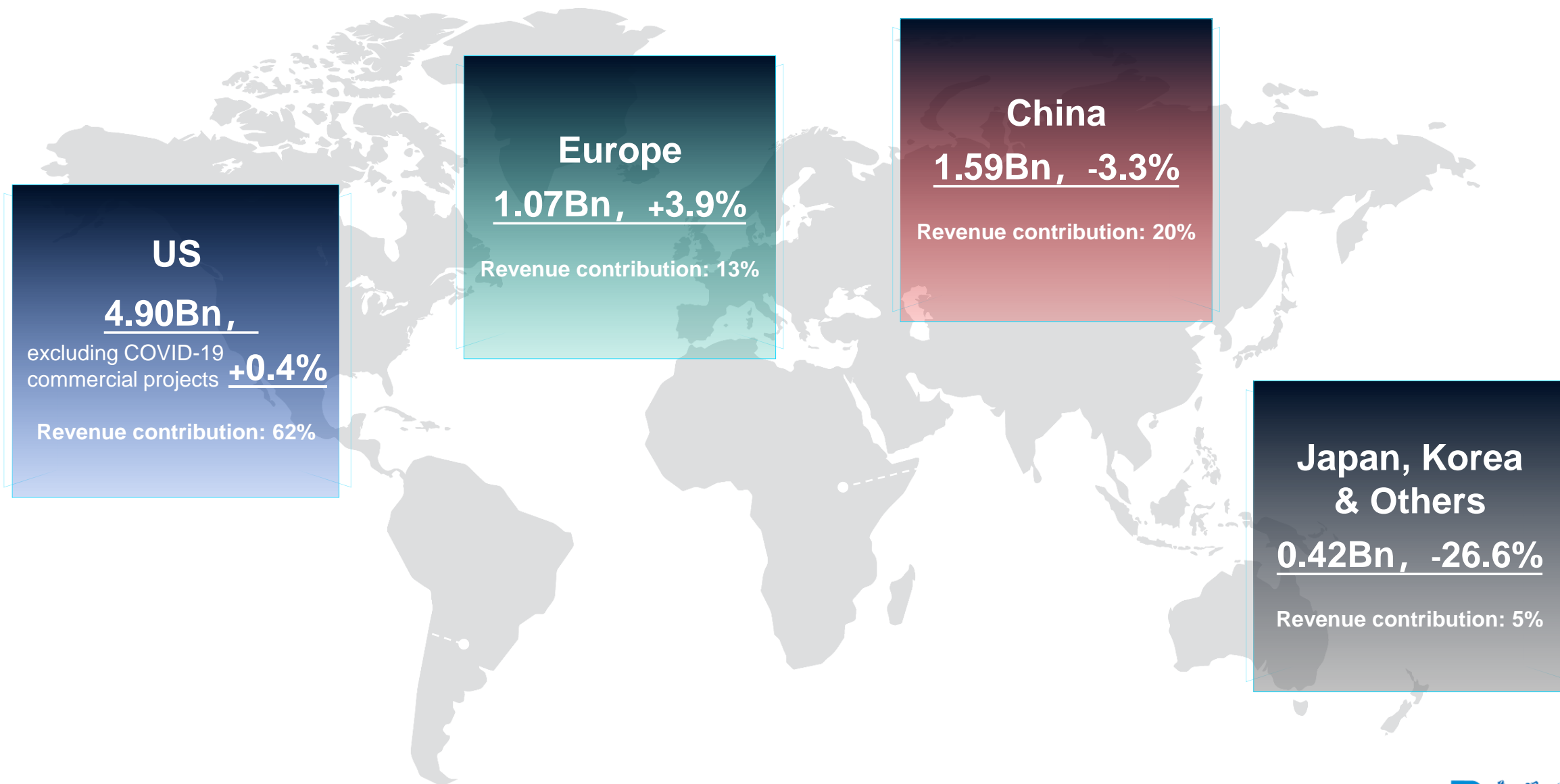
Execute Long-Tail
Strategy & Increase
Support to Large
Pharma

- **2.70Bn** revenue from Top 20 global pharma clients, **+4.2%↑** YoY excluding COVID-19 commercial projects
- **5.28Bn** revenue from other customers, **-4.6%** YoY

Increase Customer
Conversion to Sustain
Growth

- **7.19Bn** revenue from customers using services from multiple business units, representing over **90%** of total revenue

Diversified Revenue Streams from Customers Across Regions Ensure the Stability and Resilience of the Company's Financial Performance



ESG Leading Position Further Enhanced in the Global ESG Rating Systems

Consecutively in 2023-2024: Named to the S&P Global Sustainability Yearbook, and Awarded as Industry and Regional Top-Rated Company by Sustainalytics



Consecutive “AA” ratings in 2021-2023



Consecutive “A-” rating in CDP Climate Change in 2022-2023, first “A-” rating in CDP Water Security in 2023



“Silver” medal by EcoVadis in 2023

WuXi AppTec Co., Ltd.
Life Sciences Tools & Service

**Sustainability
Yearbook Member**

S&P Global Corporate Sustainability
Assessment (CSA) Score 2023

Named to the S&P Global
Sustainability Yearbook
consecutively in 2023-2024



Awarded as Industry and Regional
Top-Rated company consecutively
in 2023-2024 by Sustainalytics



Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Named to S&P DJSI
consecutively in 2021-2023



FTSE4Good

Named to FTSE4Good
Index in 2023

Unwavering Commitment to Customers' IP Protection and the Highest Quality & Compliance Standards



748¹

Quality Audits & Inspections by Global Customers, Regulatory Authorities and Independent Third Parties in 2023



83

Information Security Audits by Global Customers in 2023, with **0 Critical Findings**



100%

Pass Rate with **0 Critical Findings**



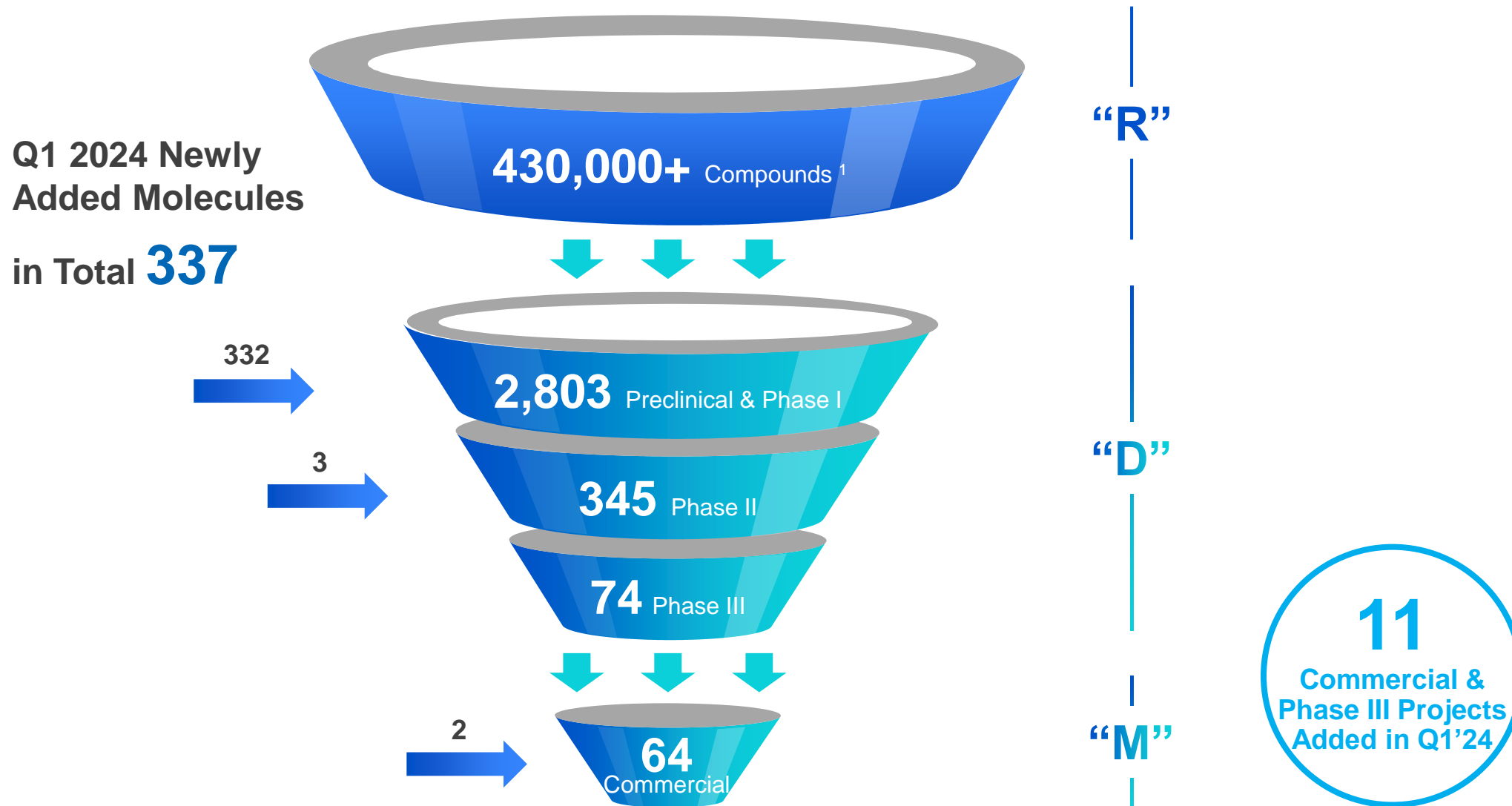
24²

Main Operating Sites are **ISO/IEC 27001 Certified**

9 Note: 1. Including 687 audits by customers, 59 inspections by regulatory authorities, and 2 audits by independent third parties.
2. Including all the main operating sites in China.

2. Segment Performance

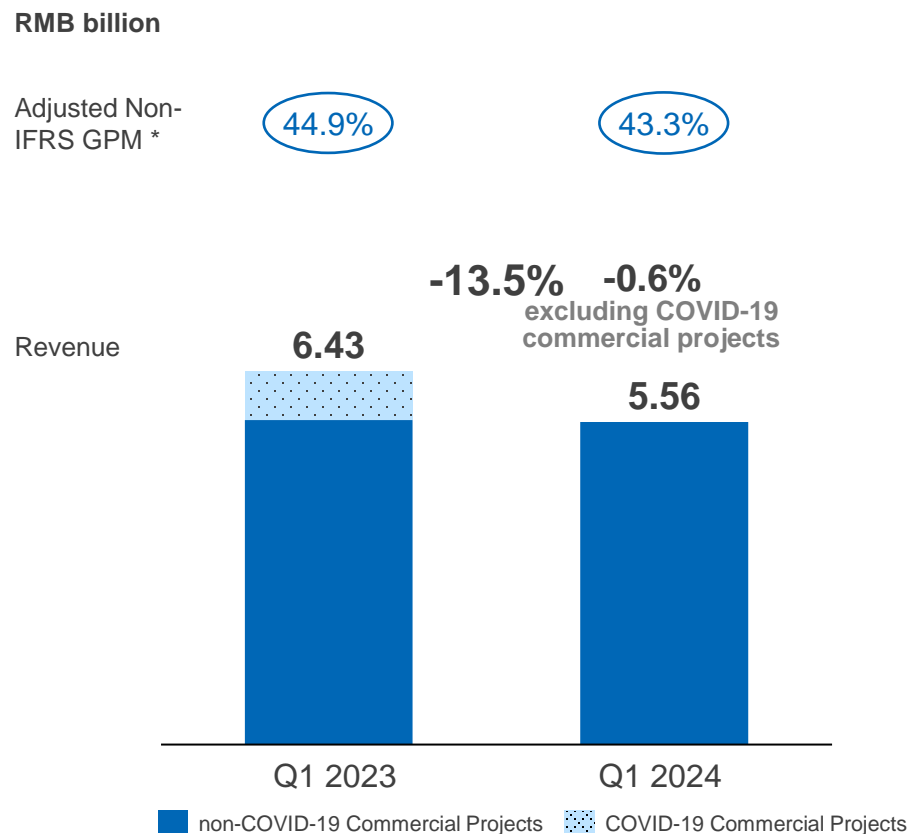
WuXi Chemistry: Growing CRDMO Pipeline Driven by “Follow the Molecule + Win the Molecule” Strategies



11 Note: 1. 430,000+ compounds successfully synthesized and delivered in labs in the past 12 months.

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

Revenue & Gross Profit Margin



* GPM @ CER: Q1 2023 44.5%, Q1 2024 40.6%

Drug Discovery (R) Generating Downstream Opportunities

- In the past 12 months, successfully synthesized and delivered **430,000+** new compounds (grew **3%** YoY)
- R to D&M conversion continued to improve efficiency, and molecules converted from R to D&M continued to grow

Continued Growth of Development and Manufacturing (D&M)

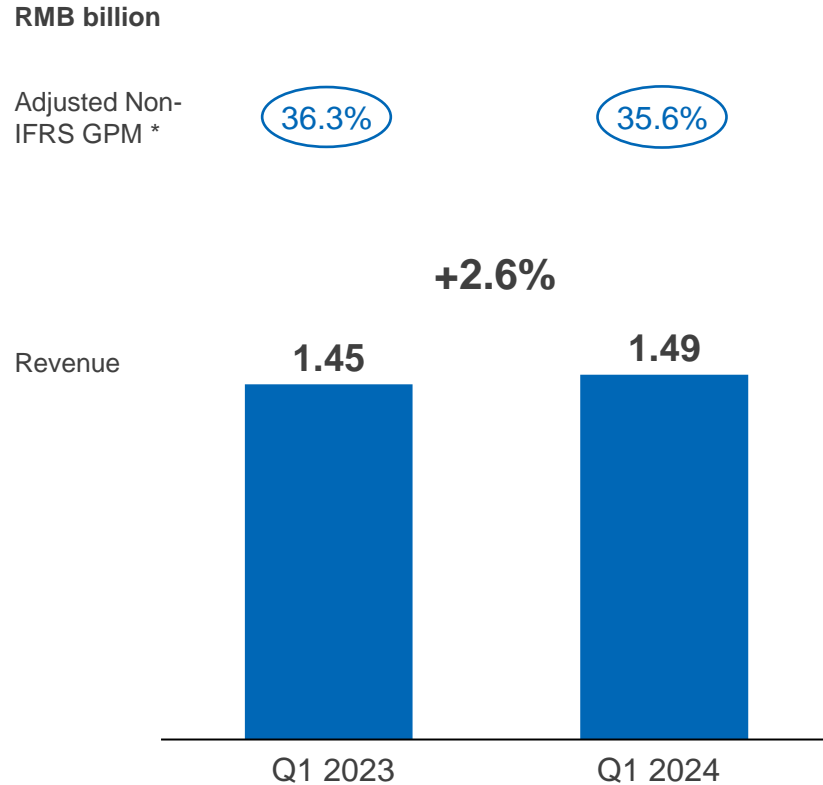
- Q1 D&M revenue¹ reached **4.00bn**, excluding COVID-19 commercial projects, grew **1.2%** YoY
- CDMO pipeline currently in total of **3,286** molecules (with **337** newly added in Q1); **11** commercial & Phase III projects added in Q1

Continued Expansion of New Modalities (TIDES)

- Q1 TIDES revenue grew strongly by **43.1%** YoY to **0.78bn**. By end of Q1, TIDES backlog grew significantly by **110%** YoY
- TIDES D&M customers grew **30%** YoY to **146**, and molecules grew **43%** YoY to **276**
- In January 2024, total reactor volume of Solid Phase Peptide Synthesizer increased to **32,000L**

WuXi Testing: Drug Safety Evaluation Service & SMO Maintain Leadership Positions and Drive Steady Growth

Revenue & Gross Profit Margin



* GPM @ CER: Q1 2023 36.2%, Q1 2024 34.5%

Lab Testing Services

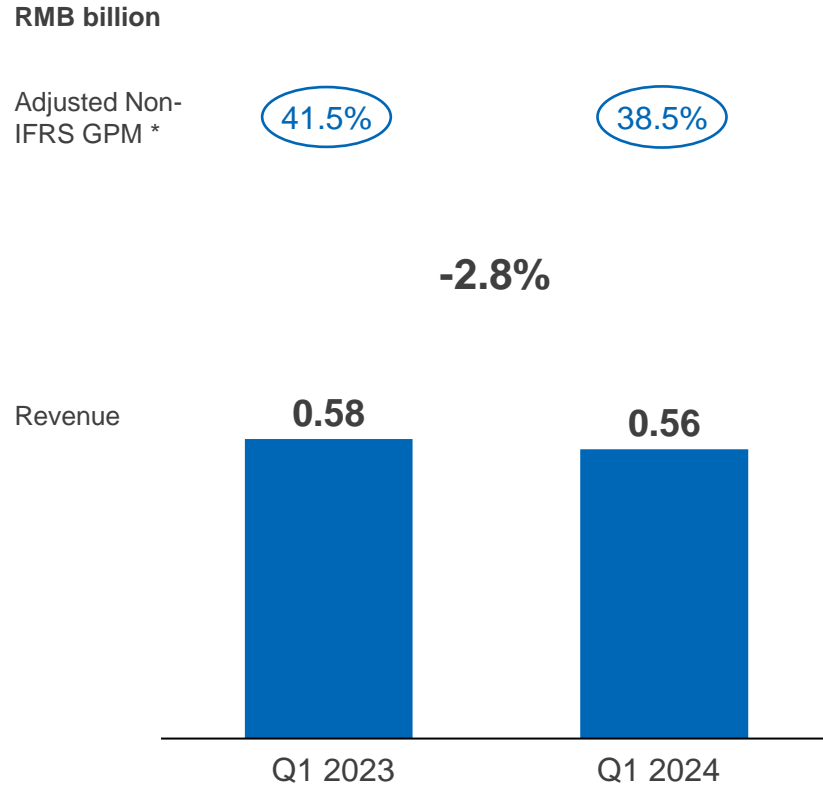
- Q1 revenue of lab testing services down **0.6%** YoY to **1.05bn**, among which, drug safety evaluation service revenue grew **3.7%** YoY, maintaining **industry leading** position in APAC
- In Q1, Chengdu facility received NMPA¹ GLP qualification; Qidong facility received OECD² and NMPA GLP qualifications in March and April. Additional **22,000m²** of facilities were GLP-qualified in Q1
- New modality business continued to develop, while new vaccine capabilities continued to improve, and market share of nucleic acids, conjugates, and mRNA further expanded

Clinical CRO & SMO

- Q1 revenue from clinical CRO and SMO grew **11.0%** YoY to **0.44bn**, among which, SMO revenue grew **26.4%** YoY, maintaining **industry leading** position in China
- In Q1, clinical CRO enabled customers to obtain **7** IND approvals; SMO supported **10** new drug approvals
- SMO business sustains rapid growth, gaining market share in multiple therapeutic areas (lung cancer, breast cancer, dermatology, cardiovascular disease, ophthalmology, rheumatology, central nervous system, endocrinology and medical aesthetics etc.)

WuXi Biology: New Modalities Business Drives Growth; WuXi Biology Platform Continues to Generate Downstream Opportunities

Revenue & Gross Profit Margin



* GPM @ CER: Q1 2023 41.3%, Q1 2024 36.6%

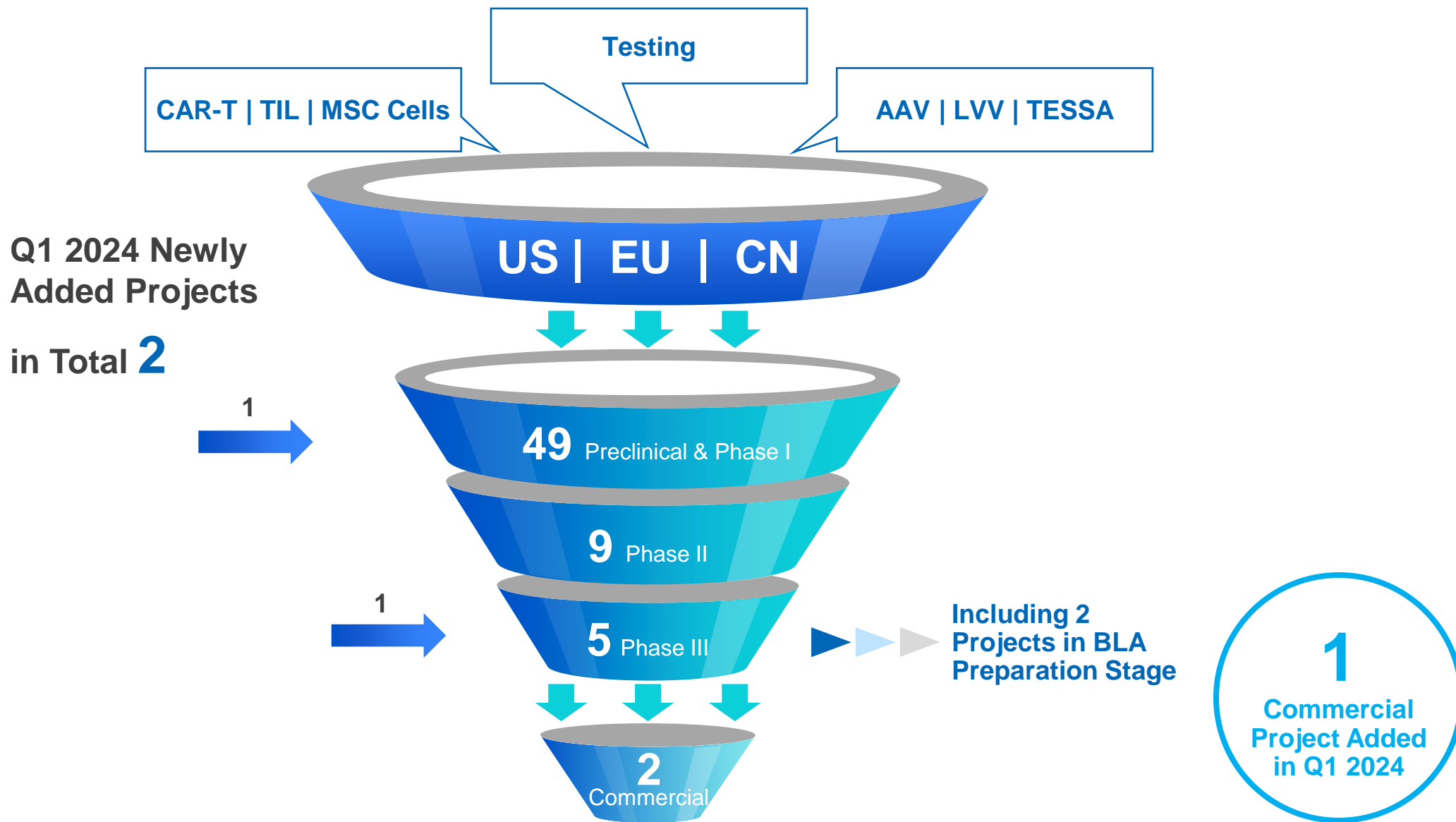
Discovery Biology

- Focused on improving capabilities related to new modalities, revenue from new modalities grew **12.2%** YoY, contributing **29.2%** of WuXi Biology revenue
- Number of customers and projects served by the **nucleic acid platform** continued to increase. Cumulatively provided services to **230+** customers, and successfully delivered **1000+** projects since 2021
- Further integrated resources of **in vivo pharmacology platform**, and continued to improve platform capabilities and efficiency

Comprehensive Screening Platform

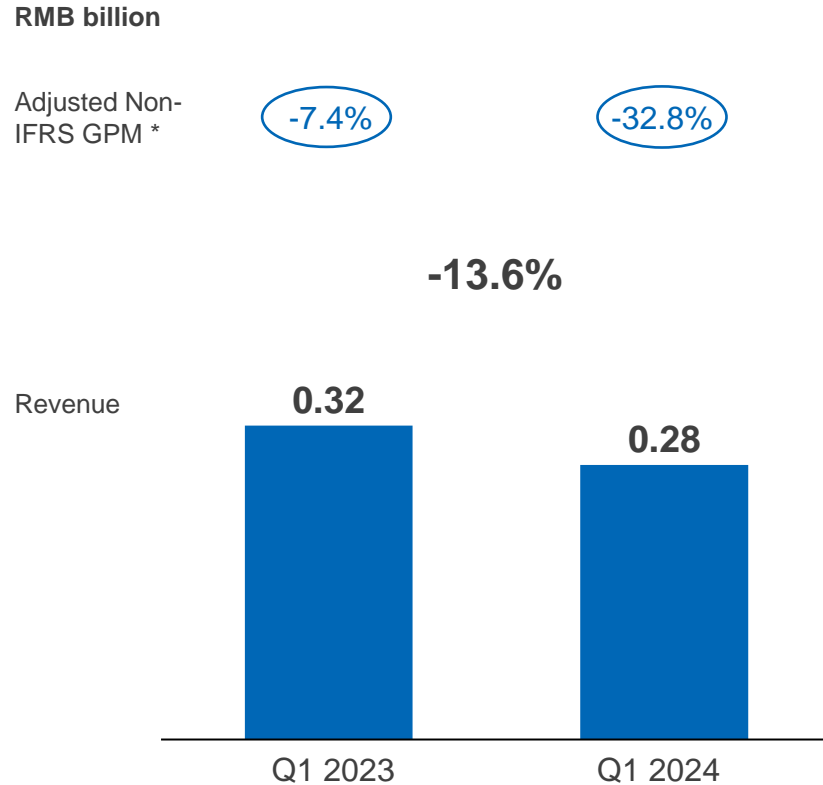
- Commenced operations at **Suzhou Guoxiang research platform** by end of March 2024, strengthening new capabilities of *in vitro* biology and *in vivo* pharmacology
- Continued to generate downstream opportunities and contributed **20%+** of the Company's new customers

WuXi ATU: Advancing Pipeline on the Globally Integrated CTDMO Platform



WuXi ATU: Commercial Projects Gradually Approved, Driving Future Growth

Revenue & Gross Profit Margin



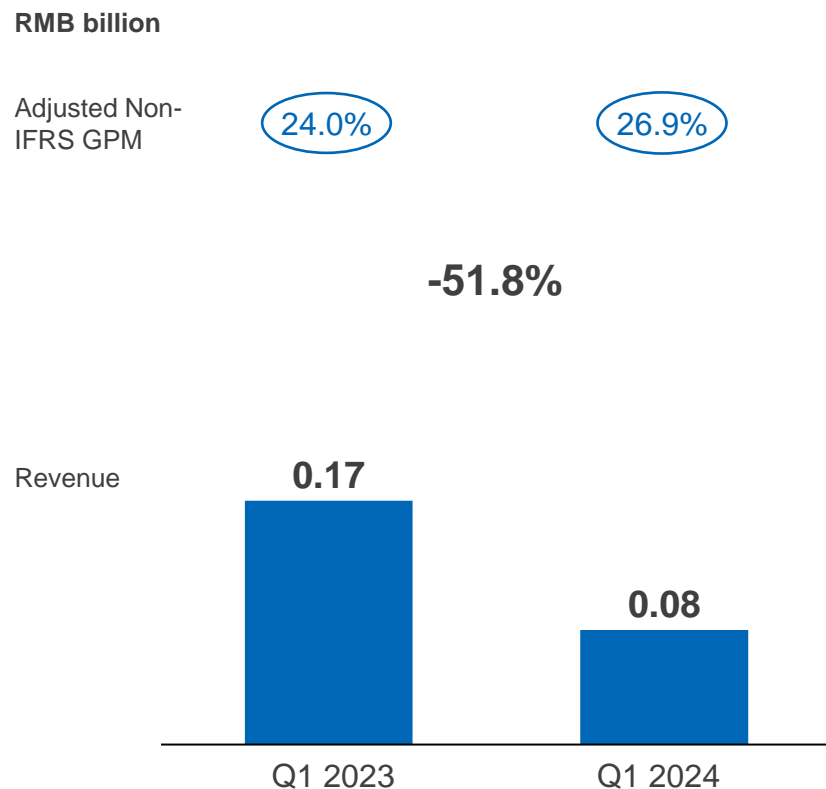
* GPM @ CER: Q1 2023 -7.4%, Q1 2024 -34.2%

Pipeline & Progress of Commercial Projects

- Total pipeline of **65** projects by end of Q1, among which, the **world's first innovative TIL-based therapy was approved by FDA** in Q1
- Preparing for BLA filing to manufacture the LVV used in a commercial CAR-T product. **Completed process performance qualification (PPQ) and started post-PPQ manufacturing, expect to file pre-approval submission (PAS) to FDA in H2 2024**
- **Expect to complete PPQ and file PAS to FDA in H2 2024** for a blockbuster commercial CAR-T product
- Q1 revenue and GPM down YoY, mainly due to: high-margin projects were completed in 2023; the new TIL product was approved in late February 2024, while manufacturing and quality staffs have been hired and came onboard in advance to prepare for commercial manufacturing, and thus costs increased accordingly; and under-utilization of capacity for other projects

WuXi DDSU¹: Supporting Customers to Continue Advancing Pipeline Projects

Revenue & Gross Profit Margin



NDA Approval

- By end of Q1, **3 new drugs** developed for our customers **obtained NMPA approvals**, including 2 for COVID-19 infection treatment and 1 for tumor treatment. Continued to **receive royalty income from customers for the approved new drugs**. Moreover, 2 new drug candidates are in NDA review stage

Project Pipeline

- In Q1, supported customers to file INDs for **6** drug candidates and obtained **6** Clinical Trial Approvals (CTAs)
- Cumulatively submitted **196** IND filings and obtained **175** CTAs, including **3** projects with NDA approvals, **2** projects in NDA review stage, **4** in Phase III, **35** in Phase II, and **71** in Phase I
- 17** new modality projects covering peptide/PDC, PROTAC^{®2} and oligo. Multiple projects have completed pre-clinical development and filed INDs, among which **6** projects have entered clinical stage
- Demand declined significantly, and thus fewer new projects were signed as expected

17 Note: 1. WuXi DDSU will not be shown separately in the subsequent earnings presentation, as its revenue currently accounts for only ~1% of the Company.

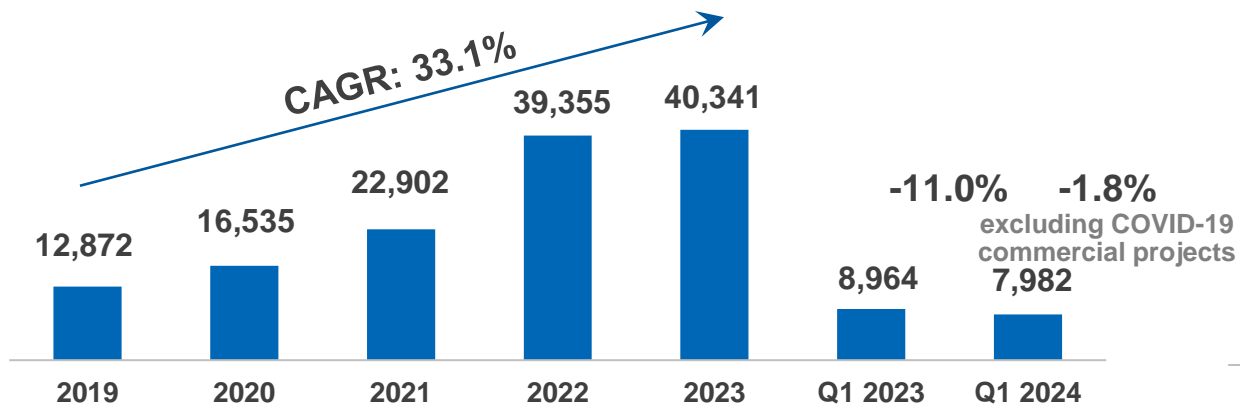
2. PROTAC[®] is a registered trademark of Arvinas Operations, Inc., and is used under license.

3. Financial Performance

Financial Performance

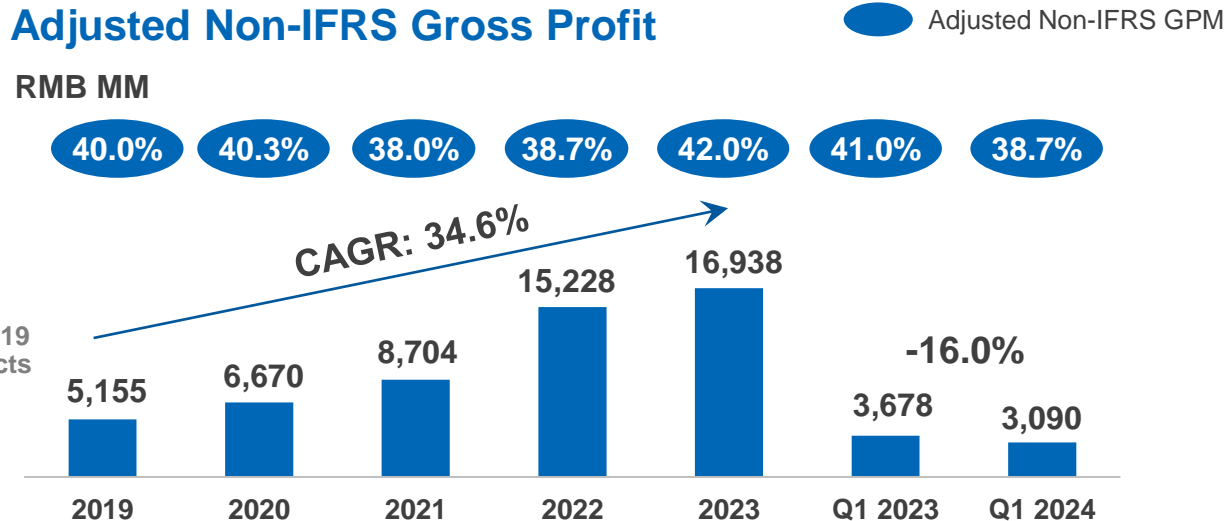
Revenue

RMB MM



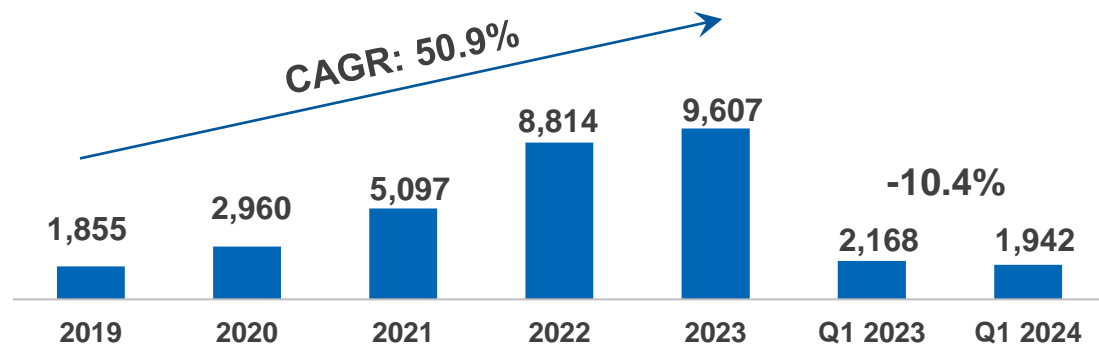
Adjusted Non-IFRS Gross Profit

RMB MM



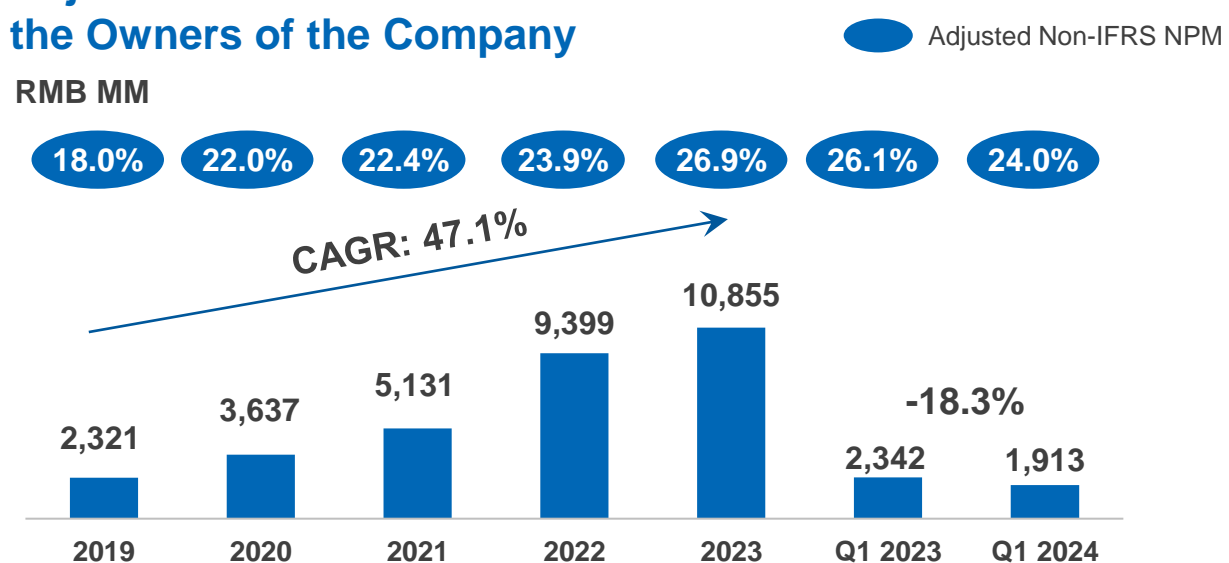
Net Profit Attributable to the Owners of the Company

RMB MM



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

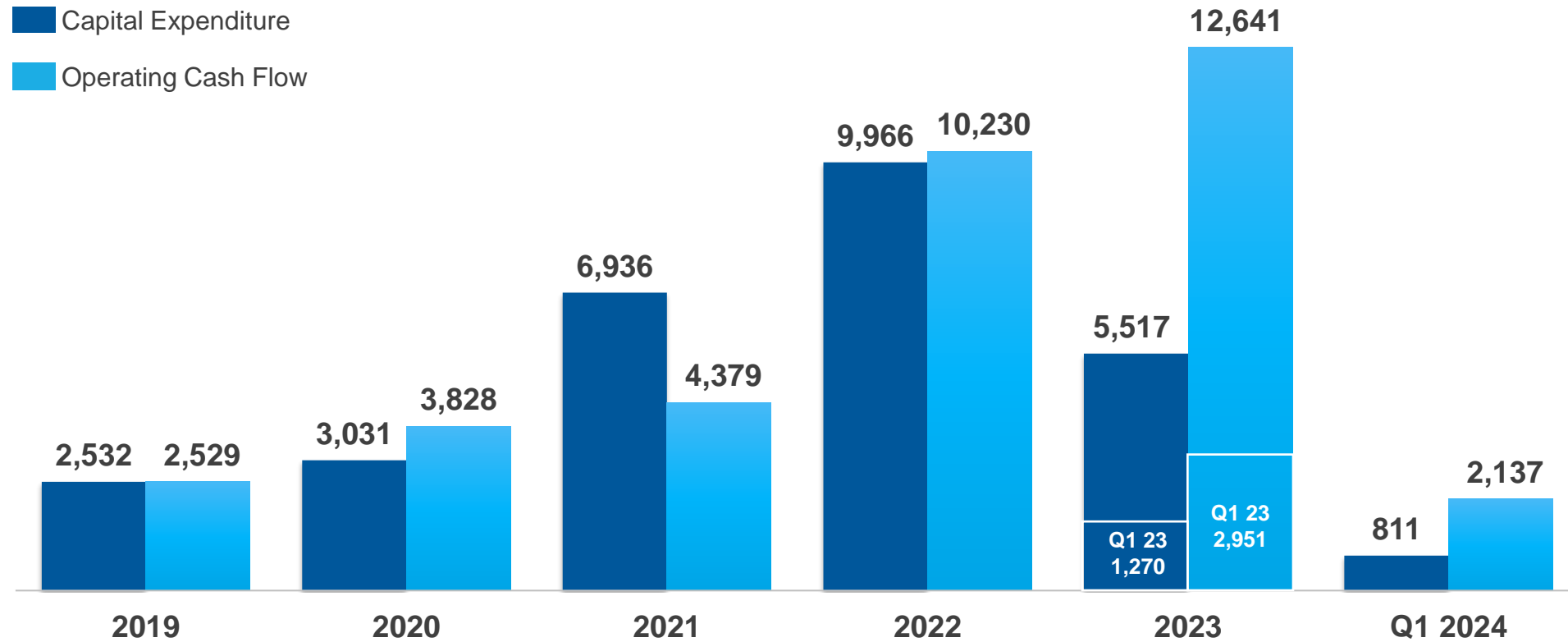
RMB MM



Sustained Positive FCF Driven by Business Growth & Operating Efficiency

Q1 2024 Free Cash Flow Remained Positive and Reached RMB 1.33Bn

RMB MM



20 Note: Capital expenditure includes purchase of property, plant and equipment, other intangible assets and other long-term expenses.

4. Business Outlook

2024 Outlook



1

Despite uncertainties in the external environment, **revenue expects to reach RMB 38.3-40.5 billion in 2024, and maintain positive growth of 2.7-8.6% excluding COVID-19 commercial projects**

2

Continue to improve operating efficiency. **Adjusted non-IFRS NPM in 2024 expects to remain at a similar level as last year**, taking into consideration of new capacity ramp-up and FX impact

3

With improved asset utilization and operating efficiency, **free cash flow expects to remain positive and reach RMB 4-5 billion in 2024**, which will **continuously cover the cash dividends and investments in talents**, while global capacity is expected to be expanded as planned (with capex of RMB ~5 billion)