

# WuXi AppTec

## First Half 2022 Results

July 27, 2022



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, 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 capital 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.

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## 01 Results Overview

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## 02 Business Highlights

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## 03 Financial Performance

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## 04 Growth Outlook

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**Notes:**

All financials disclosed in this presentation are prepared based on International Financial Reporting Standards (or “IFRSs”).

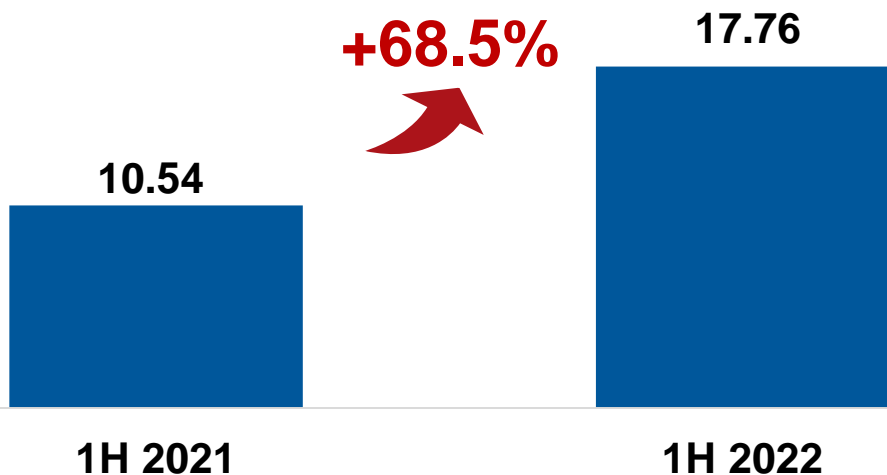
The unit of currency is RMB.

# 1. Results Overview

# Strong Revenue & Profit Growth in 1H-2022

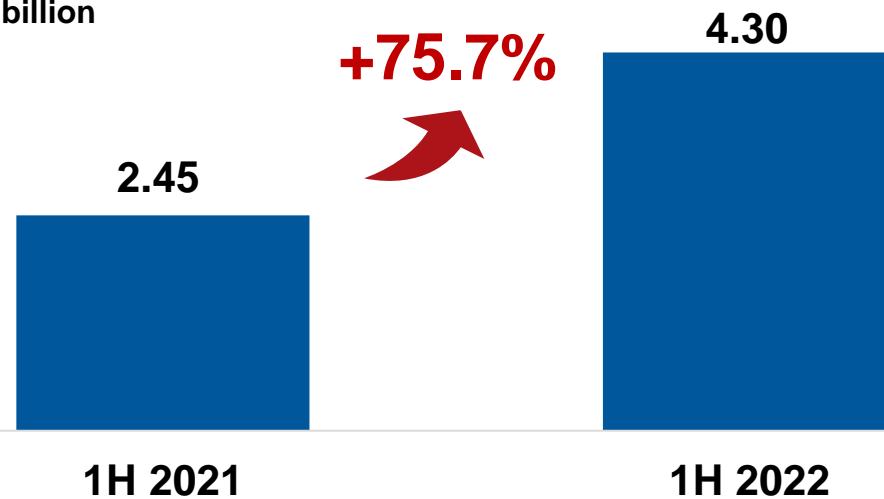
## Revenue

RMB billion



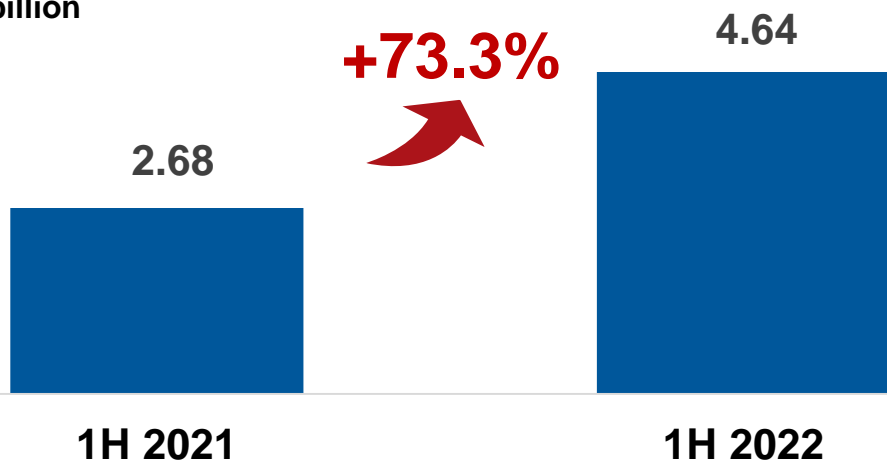
## Adjusted Non-IFRS Net Profit

RMB billion



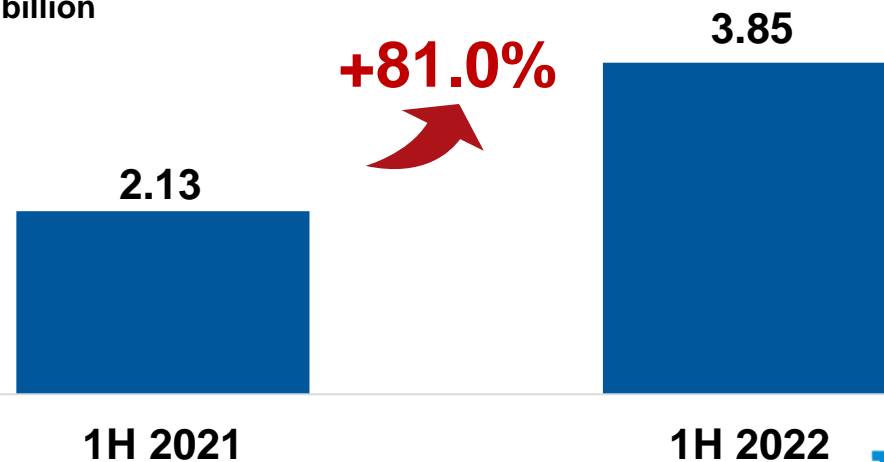
## Net Profit

RMB billion



## Net Profit After Deducting Non-Recurring Items

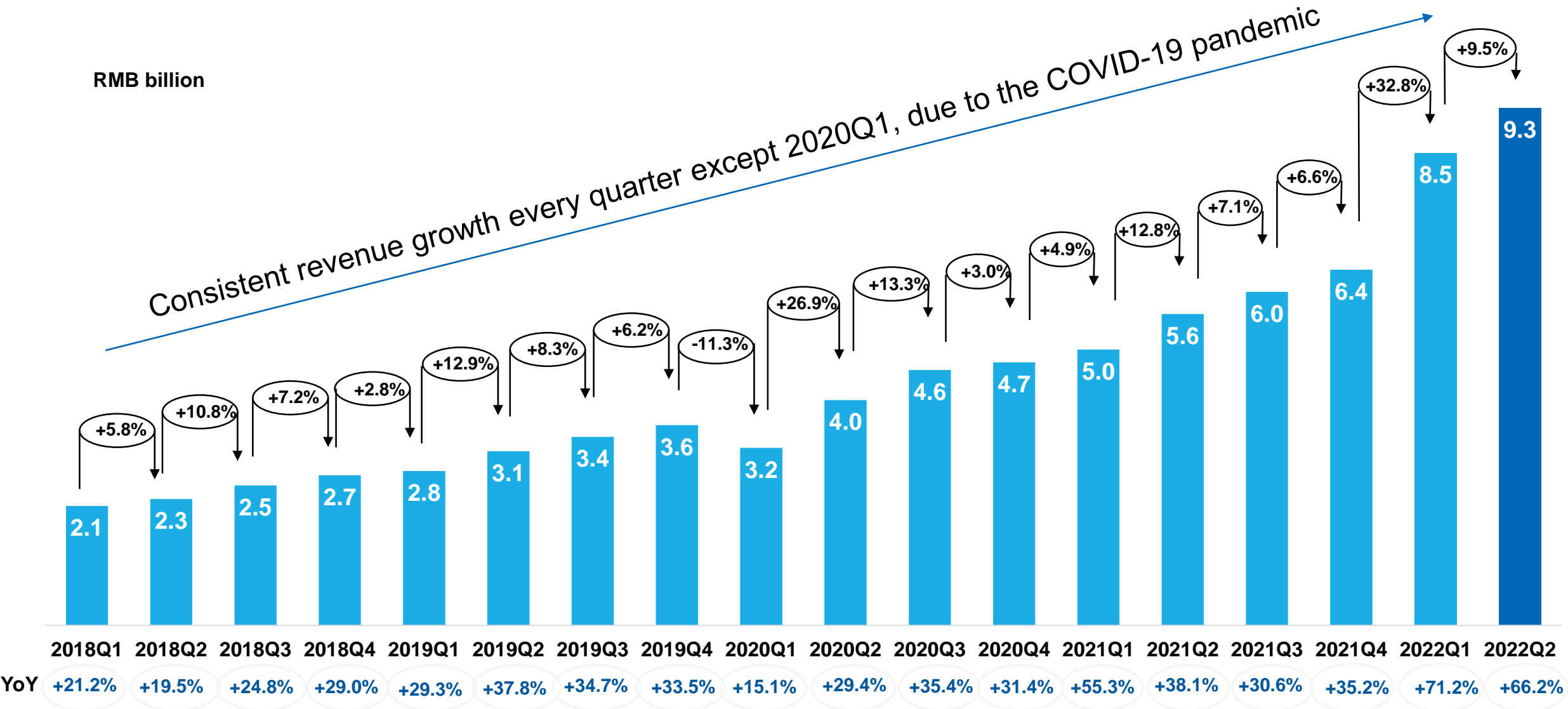
RMB billion



# Consistent Revenue Growth Quarter after Quarter

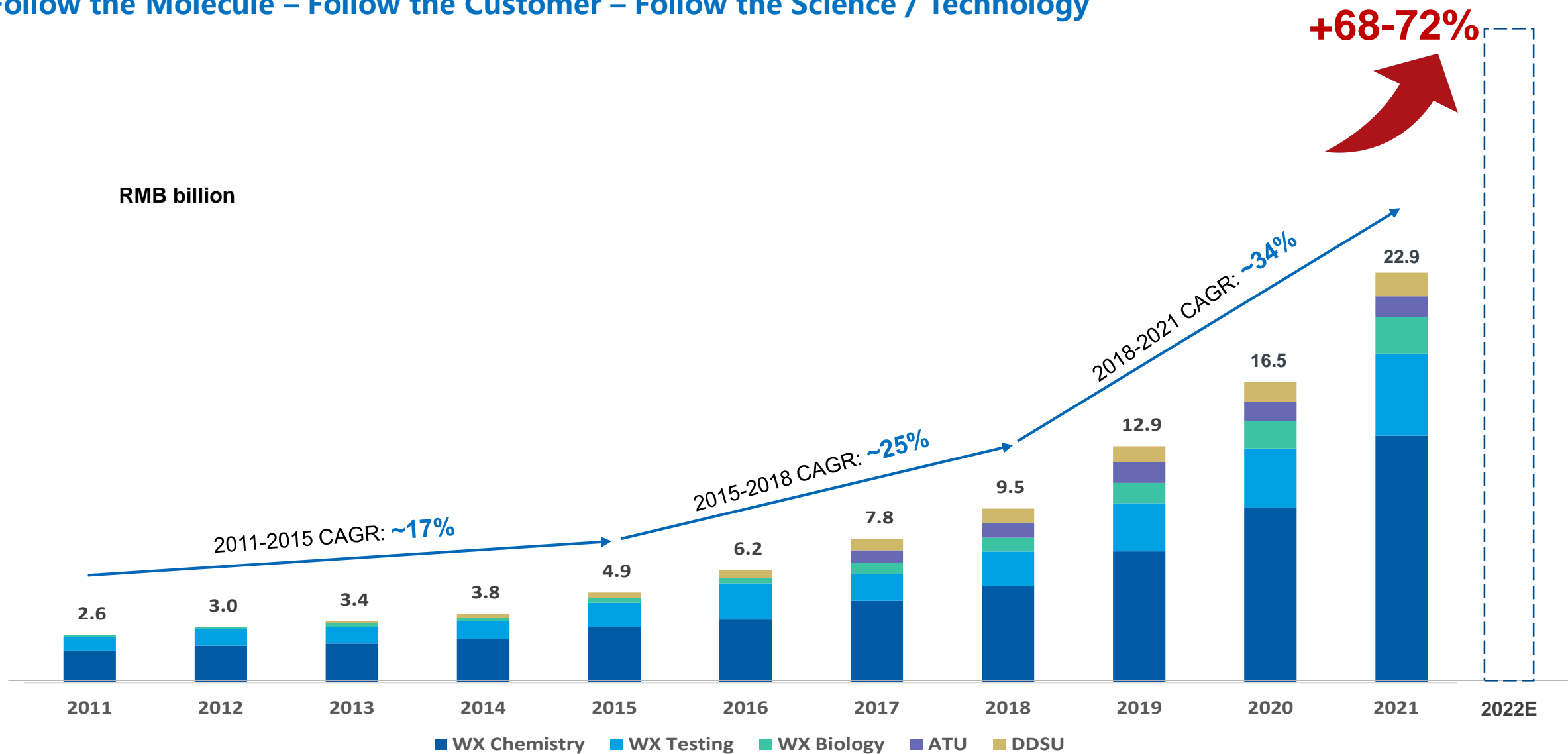
RMB billion

Consistent revenue growth every quarter except 2020Q1, due to the COVID-19 pandemic



# Accelerating Growth on Back of CRDMO/CTDMO Business Model

Follow the Molecule – Follow the Customer – Follow the Science / Technology



# 1H-2022 Business Highlights

## “Long-Tail” Strategy

**650+** New Customers  
**5,850+** Active Customers

## Loyal Customer Base

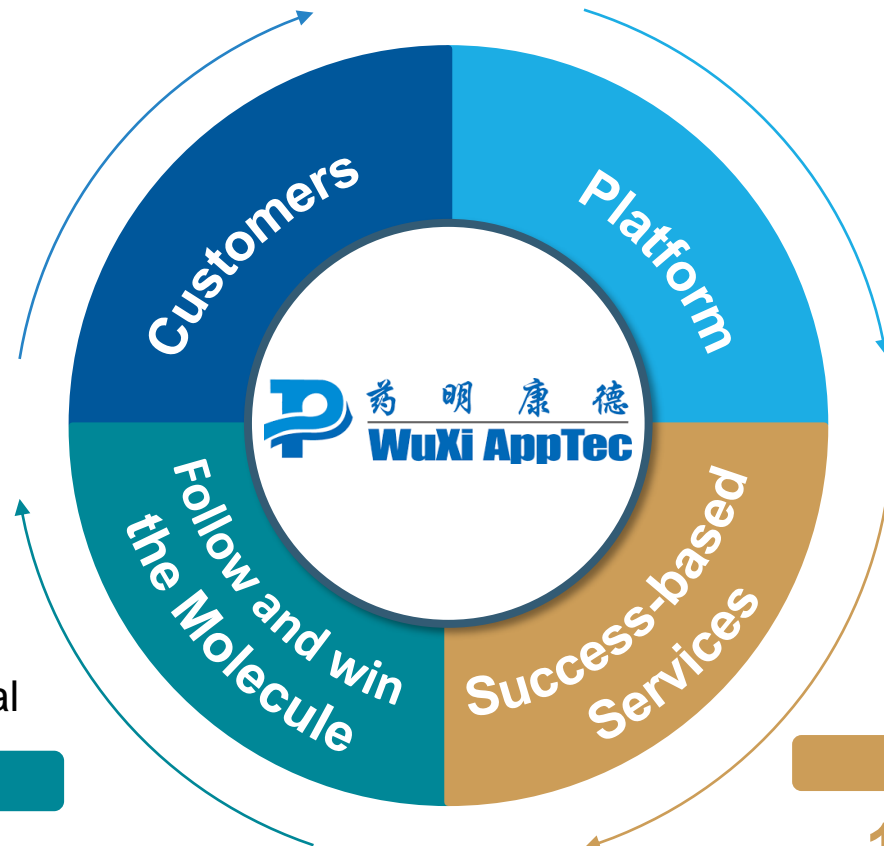
**100%** Retention of Our  
Top 10 Customers

## Small Molecule CRDMO Pipeline

**473** New Molecules  
**2,010** Molecules;  
**52** Phase III; **43** Commercial

## Cell & Gene Therapies CTDMO

**51** Pre-clinical & Phase I  
**9** Phase II, **7** Phase III



## Global Footprint

**32** Global Sites & Branch Offices  
**39,716** Total employees  
**36,764** Scientists & Technicians

## 1H22

**9** INDs; **19** CTAs

## Cumulatively

**153** INDs; **129** CTAs

## Clinical Development

**1** NDA, **5** Phase III

**18** Phase II, **77** Phase I



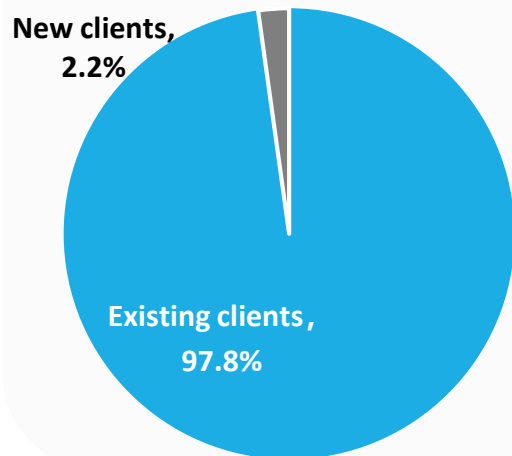
# Our Platform & Business Model Continued to Perform Well

## Strong, Loyal & Expanding Customer Base

### Revenue composition

Existing clients  
**17,366M, 79%↑**

Newly added clients  
**391M**

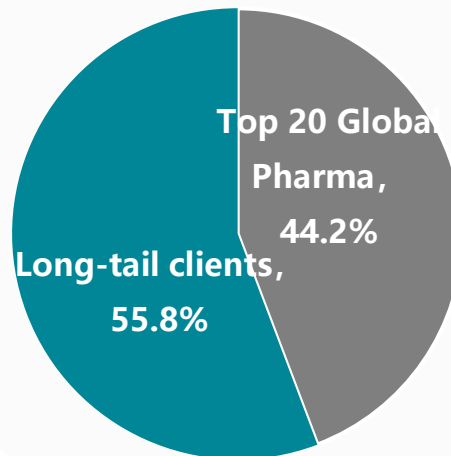


## Execute Long-Tail Strategy & Increase Support to Large Pharma

### Revenue composition

Top 20 Global Pharma clients  
**7,856M, 165%↑**

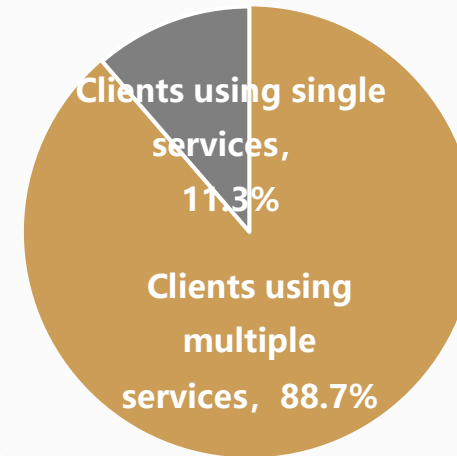
Long-tail and all other clients  
**9,900M, 31%↑**



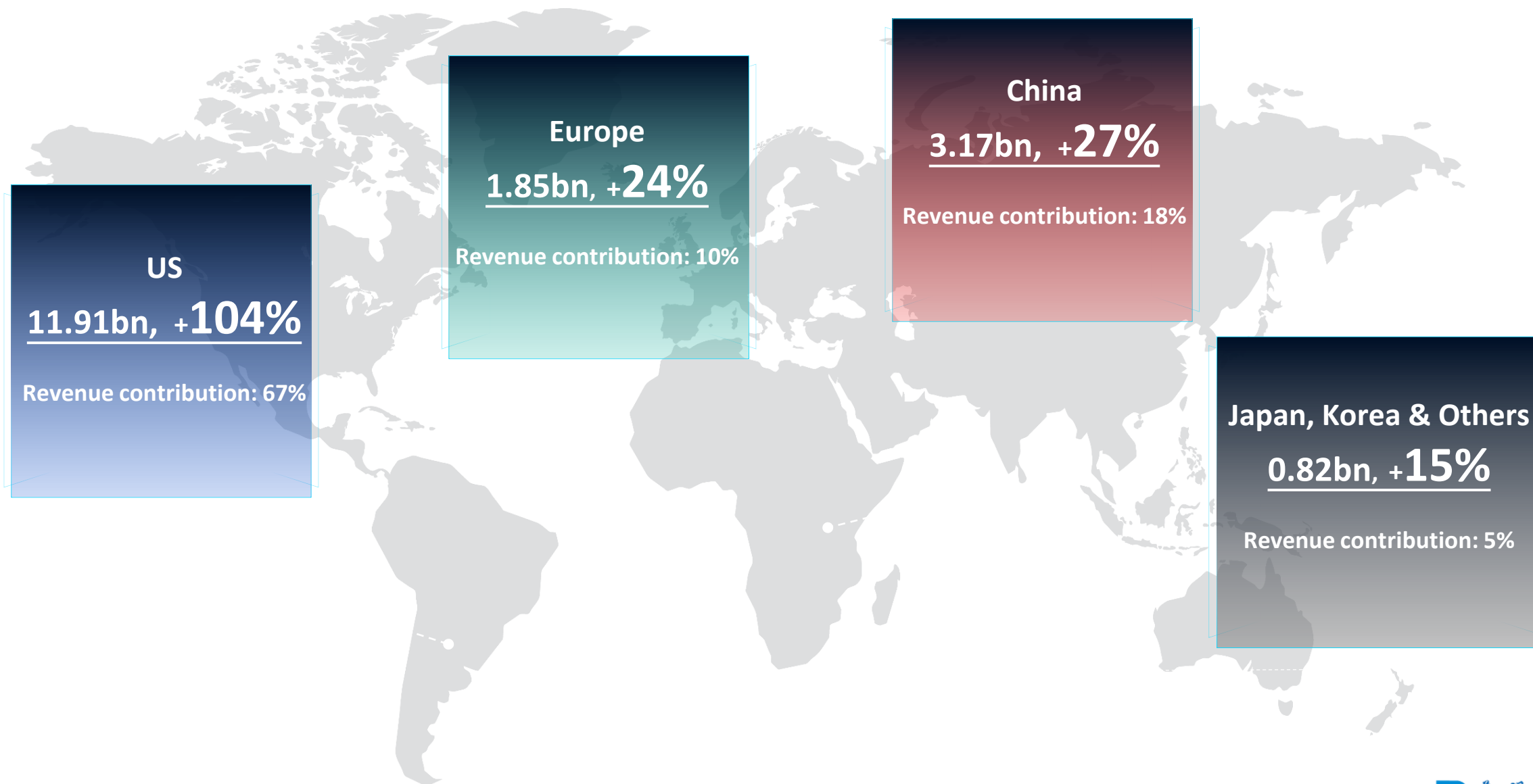
## Increase Customer Conversion to Sustain Growth

### Revenue composition

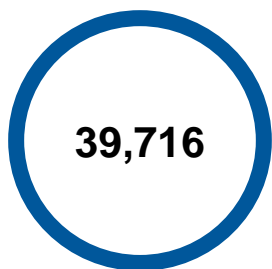
Clients using multiple services  
**15,744M, 82%↑**



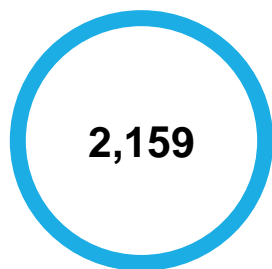
# Strong Revenue Growth from Customers Across All the Regions



# Continue to Attract, Train and Retain Talent to Support Rapid Growth



Total Employees ending June 30 2022



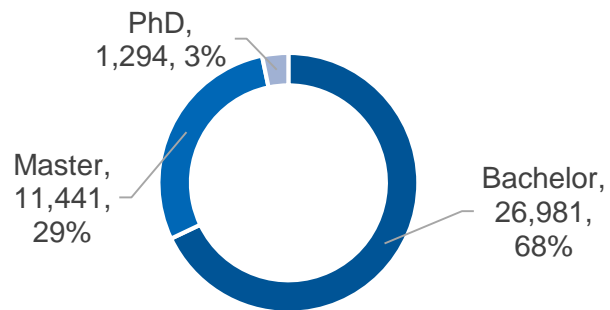
Overseas Employees



Research Employees

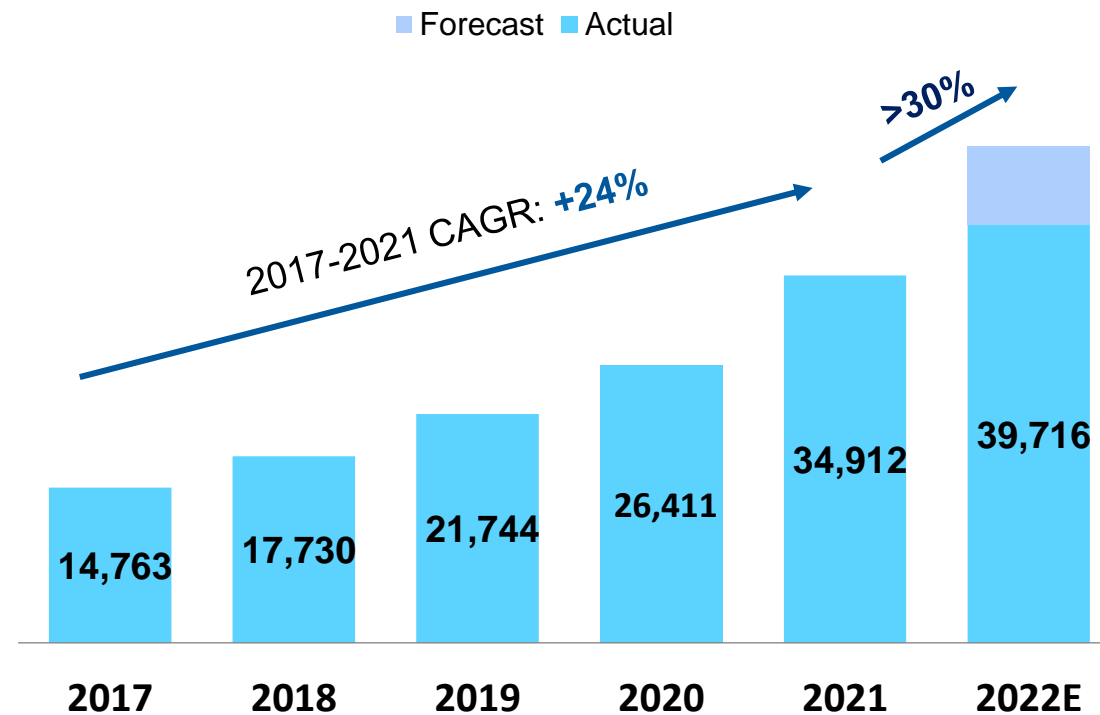


Manufacturing Employees



Professional Team with 32%+ Master or PhD

## Rapid Expansion of Talent Base



2017-2021 Revenue Growth CAGR: +31%

# Strong Commitment to Environmental Protection and ESG

## 10+ Global ESG Recognitions

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA

2<sup>nd</sup>

place in the entire global CXO industry in Y2022

Member of  
**Dow Jones**  
Sustainability Indices

Powered by the S&P Global CSA



## Sustainability Management and Technologies

### Green Chemistry Technology Platforms

- Biocatalysis
- Flow Chemistry
- Direct Isolation

### Effective Sustainability Management Across All Sites

2022 1H vs. 2021 (Per Revenue)

22.5% ↓

Carbon Emission Intensity

18.8% ↓

Energy Consumption Intensity

23.6% ↓

Water Use Intensity

## 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: CRDMO Integrated Business Model Drives Revenue to Double in 2022

## Financial Performance

- Revenue growth of **101.9%** YoY to **12.97bn**. Adjusted Non-IFRS gross profit grew by **94.3%** YoY to **5.31bn**.
- Adjusted Non-IFRS gross profit margin is **41.0%**.
- Excluding COVID-19 commercial projects, WuXi Chemistry revenue grew **36.8%**.

## Drug Discovery (R)

- Revenue of discovery service grew **36.5%** YoY to **3.50bn**.
- Delivered **180,000+** synthesized compounds to our clients
- Demand from “long-tail” customers in small molecule, oligo and peptide discovery service continued to be strong

## Development and Manufacturing (D&M)

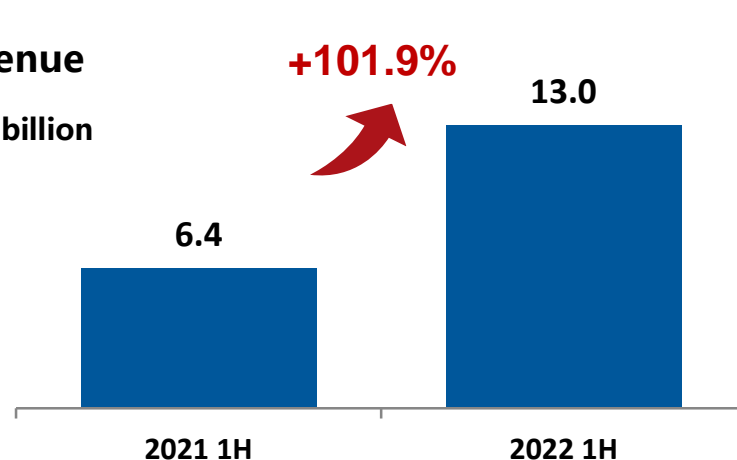
- Revenue of development and manufacturing service grew **145.4%** YoY to **9.47bn**.
- Total pipeline of **2,010** molecules (**473** newly added), including **43** commercial, **52** Phase III, **288** Phase II, **1,627** Phase I and pre-clinical projects.
- Oligo & peptide D&M clients and molecules grew **123%** and **63%**, D&M revenue reached **RMB705mn**.

## Capacity Expansion

- Capacity expansion continued to accelerate in 2022 1H. During the reporting period, we began to operate part of **Changzhou Phase 3** facility including a new R&D center and 4 plants.
- Opening of a new **large-scale oligonucleotide and peptide manufacturing facility** at Changzhou campus

### Revenue

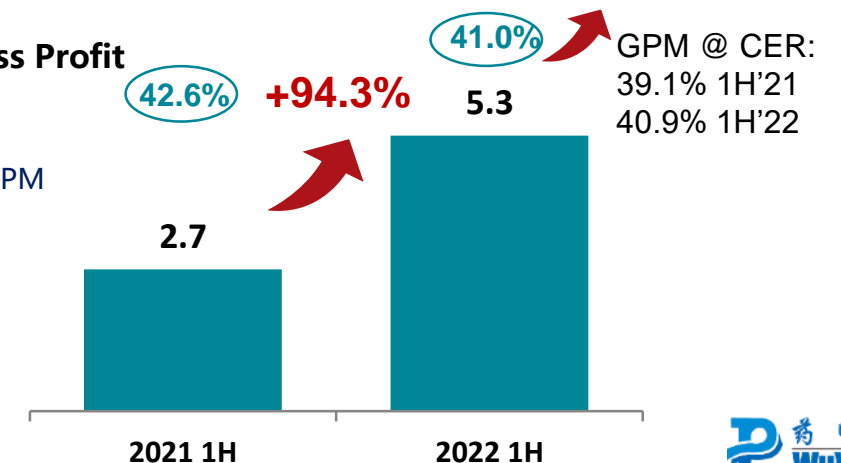
RMB billion



### Adjusted Non-IFRS Gross Profit

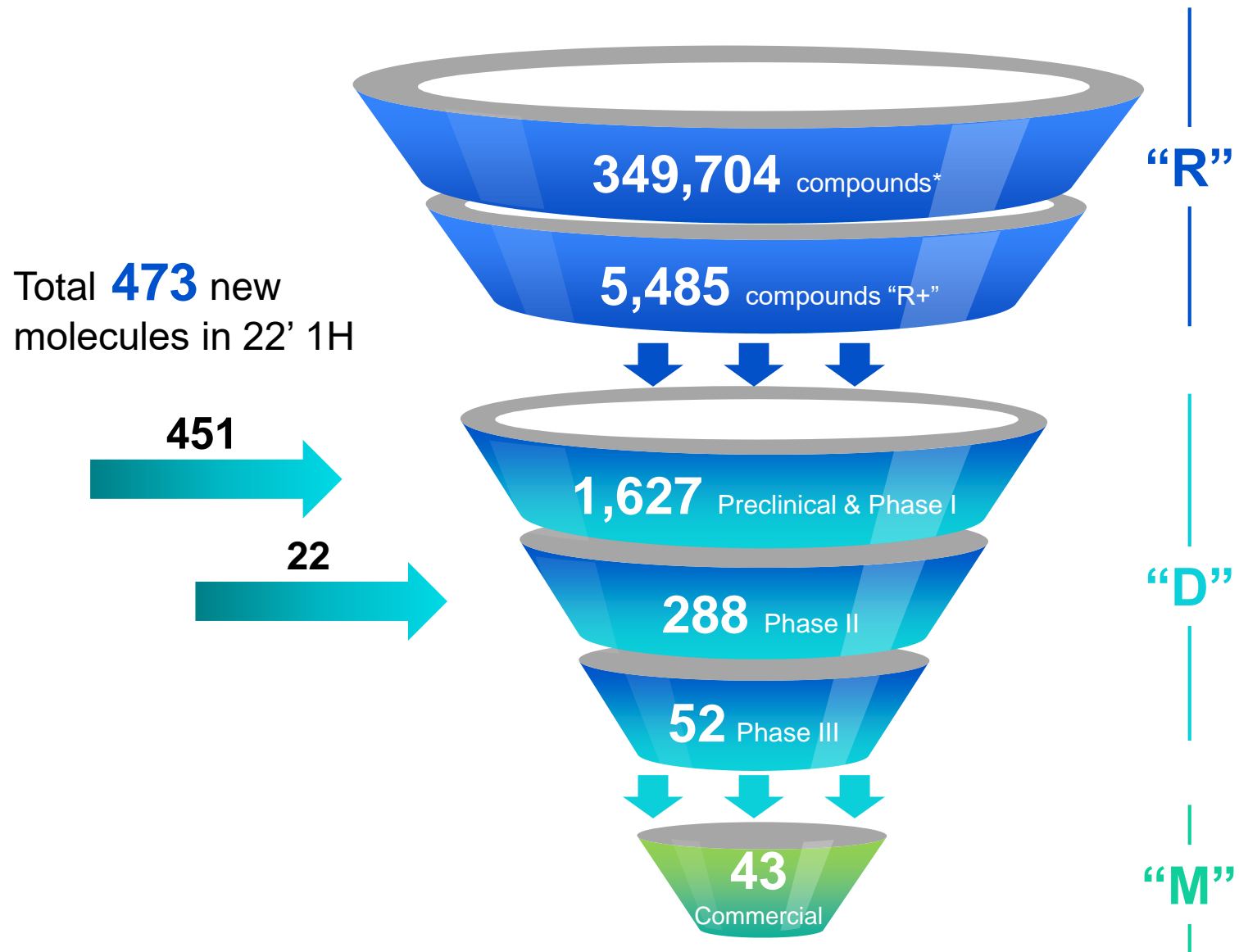
RMB billion

○ Adjusted non-IFRS GPM



GPM @ CER:  
39.1% 1H'21  
40.9% 1H'22

# WuXi Chemistry: Growing CRDMO Pipeline



**Note:**

1. 349,704 individually synthesized compounds in the past 12 months until June, 2022.
2. 5,485 compounds "R+" refer to those at the scale of 100g or larger.

# WuXi Chemistry: Growing Footprint and Capacity Expansion

## China



Shanghai Waigaoqiao

R D M



Shanghai Zhangjiang

R



Tianjin

R



Wuhan, Hubei

R



Chengdu, Sichuan

R



Qidong, Jiangsu

R



Shanghai Jinshan

D M



Changzhou, Jiangsu

D M



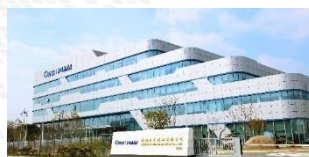
Changshu, Jiangsu

M



Taixing, Jiangsu

M



Wuxi city, Jiangsu

D M

## United States



San Francisco, CA

R



San Diego, CA

D M



Middletown, DE

D M



Couvet, Neuchâtel

M



Singapore

R D M

## Switzerland

## Singapore

R Research 8

D Development 7

M Manufacturing 10



# WuXi Chemistry: Capacity Expansion in New Modalities and New Capabilities

## 2<sup>nd</sup> High-Potency API Plant in Changzhou



- WuXi STA opened its second high-potency API plant at the Changzhou site.
- The new high-potency plant consists of reactors from 250 L to 3,000 L.
- The new plant is added to meet the growing demand for high-potency API process R&D and manufacturing services.

## New Oligo and Peptide Facility in Changzhou



- WuXi STA opened a new large-scale oligonucleotide (30,570 sq.ft) and peptide (22,260 sq.ft.) manufacturing facility at its Changzhou campus.
- The new facility underscores WuXi STA's ongoing commitment to enhance its capacity and capability to meet the fast-growing customer needs for oligonucleotide and peptide therapeutics development and manufacturing.

## New Flow Chemistry Plant in Changzhou



- WuXi STA opened a new continuous manufacturing (flow chemistry) plant with 11 continuous production lines at its Changzhou campus for large-scale API and advanced intermediate production.
- To date, WuXi STA has 25 continuous production lines and has supported over 500 continuous manufacturing projects, including more than 20 late-stage and commercial projects.

# WuXi Testing: Strong Growth in Lab Testing Drives Revenue and Profit Growth

## Financial Performance

- Revenue growth of **23.6%** YoY to **2.61bn**
- Adjusted Non-IFRS GP growth **26.1%** YoY to **0.93bn**
- Adjusted Non-IFRS **GPM 35.6%**

## Lab Testing Services

- Revenue from lab testing services grew **34.6%** YoY to **1.89bn**
- Drug safety evaluation services revenue grew **53%**. We are APAC industry leader
- Medical device testing business has turned around and grew **31%**

## Clinical CRO

- Revenue of clinical CRO and SMO grew **1.7%** YoY to **0.72bn**. Revenue growth slowdown was mainly due to Omicron outbreak in Q2.
- Provided services to around **170** projects for our clients, enabling **10** IND approvals

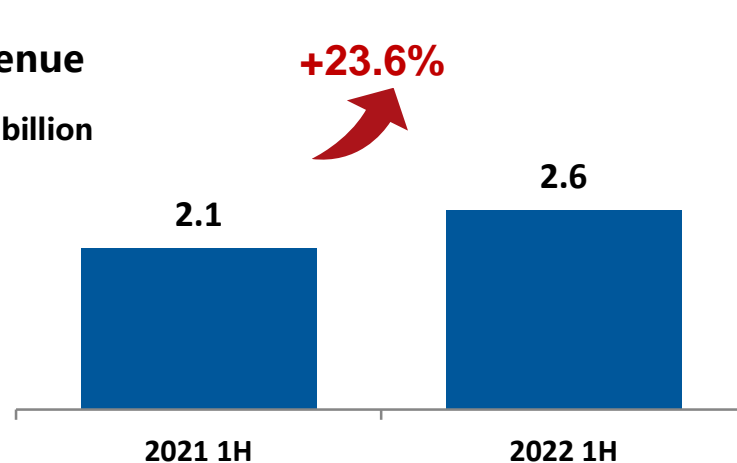
## &

## SMO

- SMO maintained **#1** leadership position in China, with over **4,600** staffs in around **150** cities and provide services in more than **1,000** hospitals.
- Supported **16** products approvals

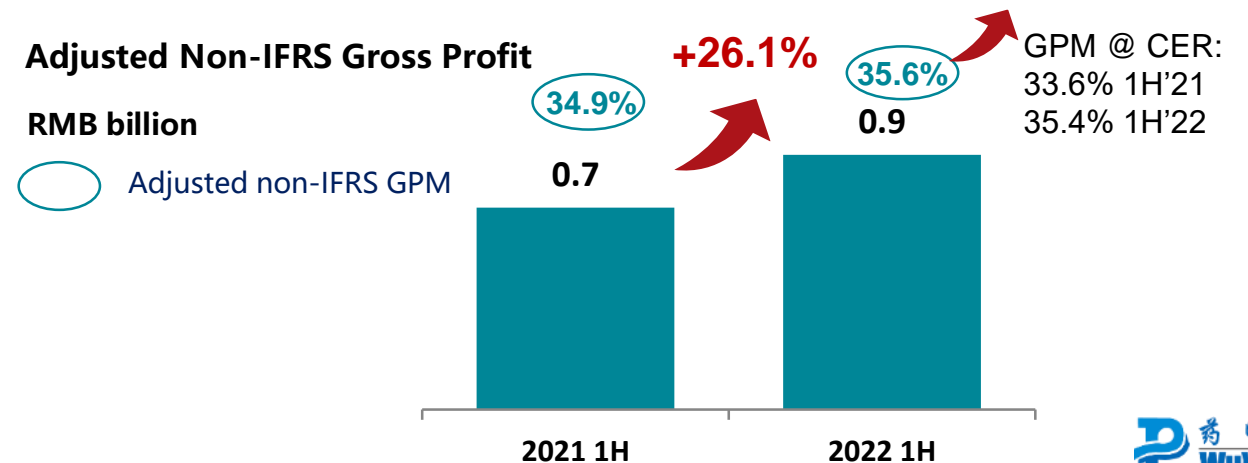
### Revenue

RMB billion



### Adjusted Non-IFRS Gross Profit

RMB billion



# WuXi Testing Business Highlights

## Growing Lab Capacity

- 15,000 m<sup>2</sup> new capacity in Chengdu and Nanjing delivered in 2021
- 55,000 m<sup>2</sup> new capacity under construction for mid 2023 delivery

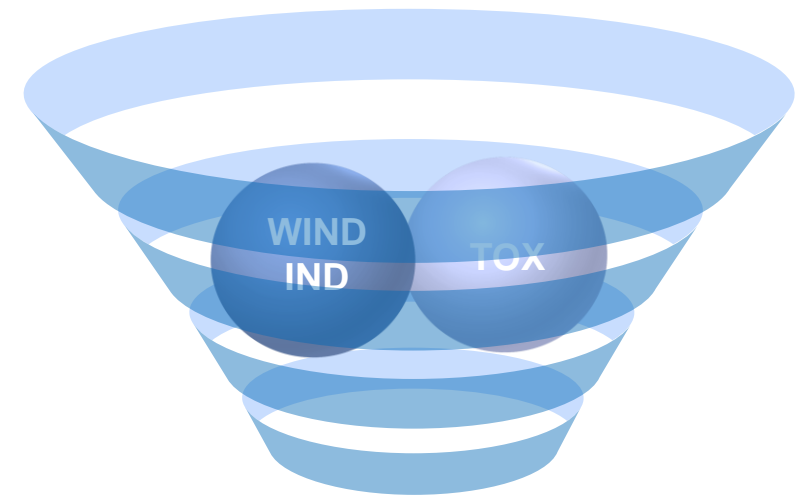
## Business Continuity Plan

- Business Continuity Plan (BCP) executed, leveraging global site network to transfer projects and mitigate COVID impacts

## Med. Device Rebound

- Medical Device business delivered 31% growth, driven by strong growth of MDR related materials testing business

## 1 Drive Conversion Leverage Preclinical Opportunities



## 2 Drive Conversion Capture Clinical Wins



# WuXi Biology: New Modalities Related Biology Services Drive Growth

## Financial Performance

- Revenue growth of **18.5%** YoY to **1.09bn**. Robust growth in new modalities and large molecules
- Adjusted Non-IFRS GP growth **30.7%** YoY to **0.44bn**
- Adjusted Non-IFRS **GPM 40.7%**

## Discovery Biology

- We have the largest discovery biology enabling platform with over **2,500** experienced scientists
- Established **3 Center of Excellence (COE)** for NASH, antiviral, neuroscience and aging
- Strong growth from both **cancer discovery** service and **rare & immune disease** service

## New Modalities

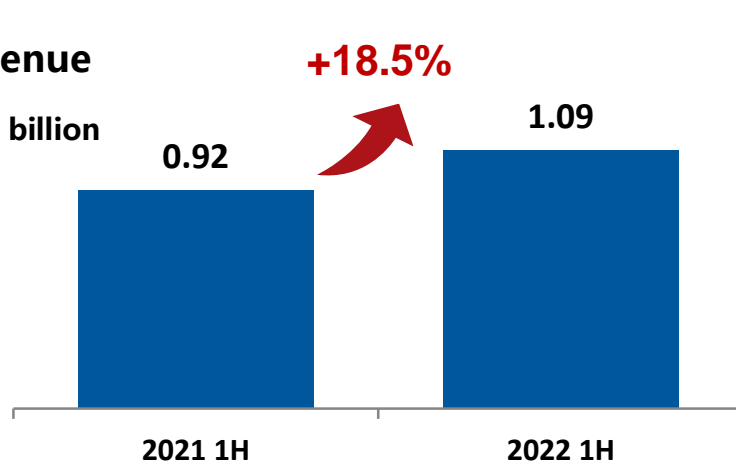
- We continue to build new biology capabilities related to new modalities, such as target protein degradation, nucleic acid based and conjugated modalities
- Revenue from new modalities and large molecules in WuXi Biology grew **67%**, and its revenue contribution rose to **19.0%** in 1H 2022, from 14.6% in 2021

## DNA Encoded Library

- We have a leading DNA Encoded Library (DEL) with over **90** billion compounds, **6,000** unique proprietary scaffolds and **35,000** building blocks, **1,200+** clients
- We leverage our global network of sites in Asia, Europe and North America to develop and use new technologies such as OBOC (“One-Bead-One-Compound”) to drive growth and maintain business continuity

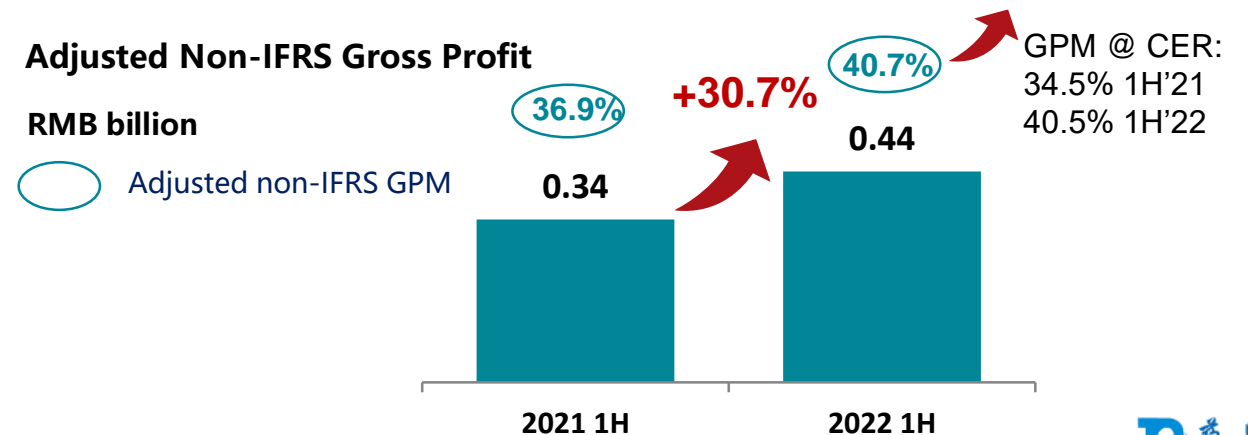
### Revenue

RMB billion



### Adjusted Non-IFRS Gross Profit

RMB billion



GPM @ CER:  
34.5% 1H'21  
40.5% 1H'22



# WuXi ATU: CTDMO Business Model Drives Growth

## Financial Performance

- Revenue grew **35.7%** to **0.62bn.**
- Adjusted Non-IFRS gross profit **-0.04bn.** Gross profit declined is largely due to under-utilized capacities of newly built Shanghai Lingang site. With utilization ramping up, gross profit will turn positive and increasing.
- Adjusted Non-IFRS GPM **-6.9%.**

## Projects

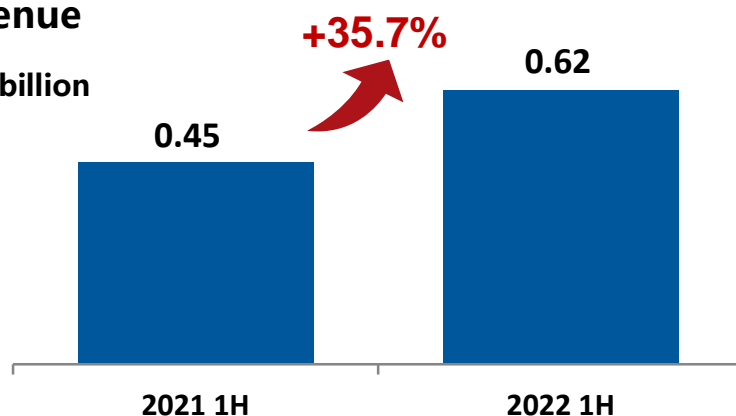
- We focused on improving our CTDMO integrated enabling platform and provided development and manufacturing services for **51** pre-clinical and Phase I projects, **9** Phase II projects, **7** Phase III projects (**4** projects are in BLA preparation stage)

## AAV - TESSA

- Launched TESSA™ in March 2022. TESSA™ is a revolutionary novel process for transfection-free, scalable manufacture of AAV. Process now scaled to 200L that produces more than 10 times AAV products compared to traditional plasmid-based manufacture.
- Total **30** TESSA evaluation projects including 6 large biotech/pharm companies

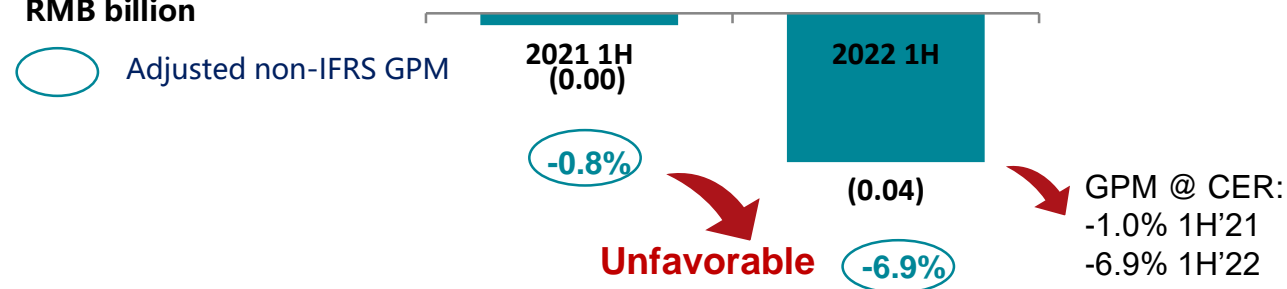
### Revenue

RMB billion

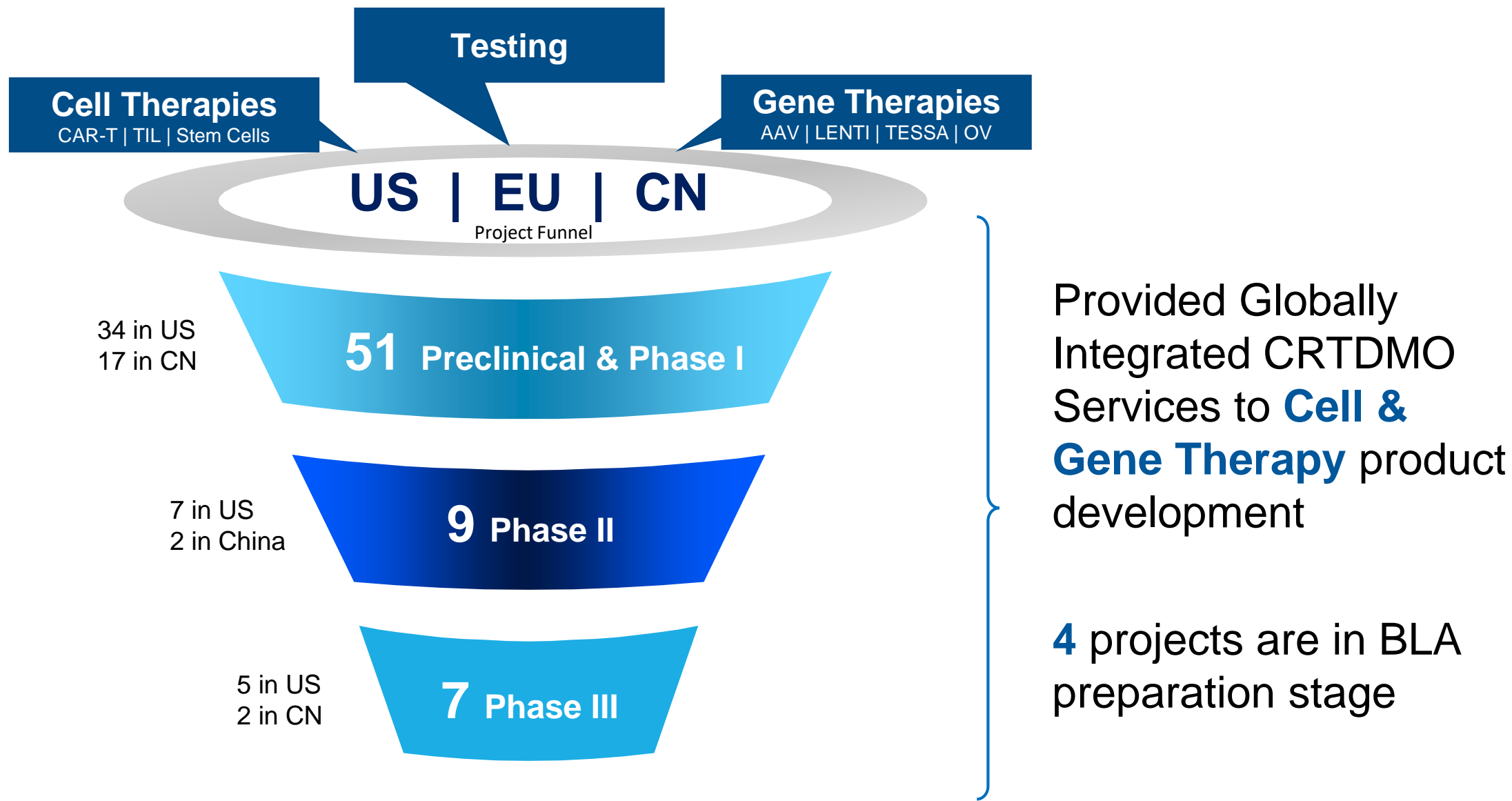


### Adjusted Non-IFRS Gross Profit

RMB billion



# WuXi ATU: Growing Pipeline on Our Integrated CTDMO Platform



# WuXi DDSU: Better Enabling China-based Customer Innovation, Business Evolving in 2022

## Financial Performance

- Revenue declined **26.7%** YoY to **0.46bn.**
- Adjusted Non-IFRS GP declined **52.4%** to **0.14bn.**
- Adjusted Non-IFRS GPM **30.7%.**

## Project Number

- During the Reporting Period, our success-based drug discovery service unit filed INDs for **9** drug candidates and obtained **19** CTAs.
- Cumulatively submitted **153** new chemical entity IND filings and obtained **129** CTAs, with **1** project in NDA review stage, **5** project in Phase III clinical trial, **18** projects in Phase II clinical trials, and **77** projects in Phase I clinical trials.

## Innovative R&D

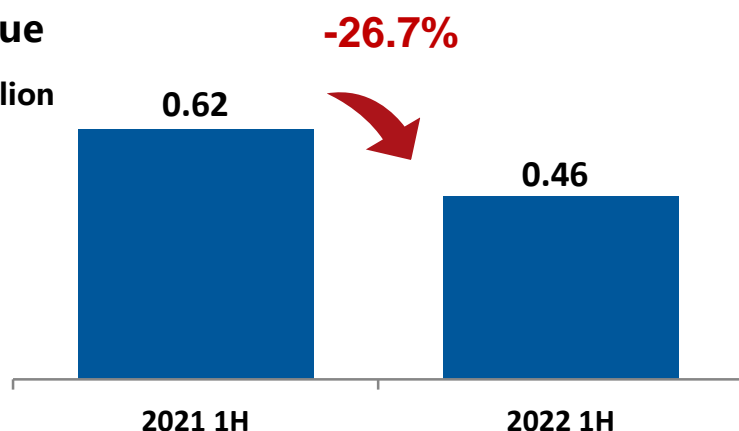
- Among the 153 projects that INDs were filed or currently in clinical stage, **6** projects are in pivotal studies and registration stage.
- **15 new modality** projects are in pre-clinical stage areas covering Peptide/PDC, PROTAC® and oligonucleotides, and multiple projects are expected to file IND in late 2022 or early 2023.

## Business Evolvement

- DDSU's revenue decline was mainly attributed to our business evolution that aims to better serve the growing needs of clients in China for novel innovative drug discovery, which sets a higher bar of R&D and requires longer delivery time.

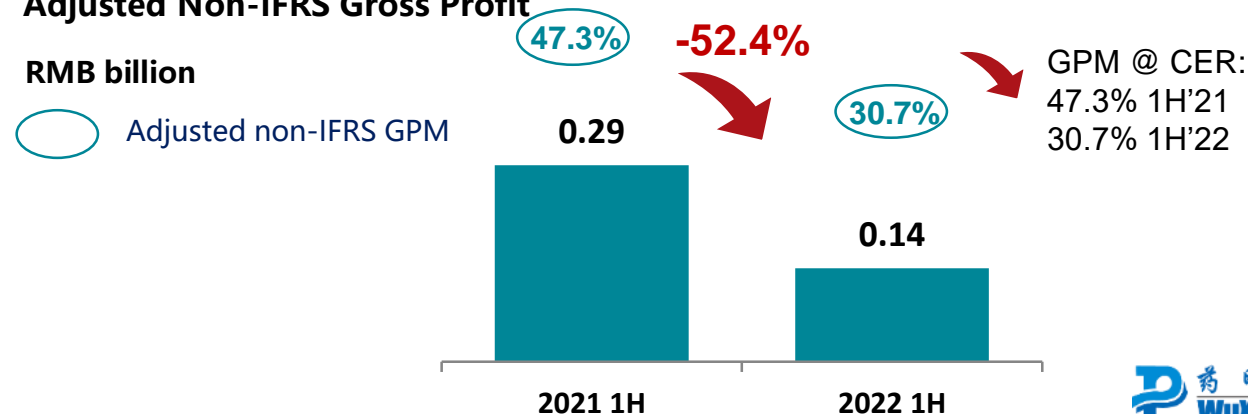
### Revenue

RMB billion



### Adjusted Non-IFRS Gross Profit

RMB billion





# WuXi DDSU: Success-based Business Model with Potential Upside

**153**

## IND filings<sup>1</sup>

Percentage of Domestic Innovative NCEs:  
2019~2021 Avg.: 17.7%  
2016~2018 Avg.: 13.9%

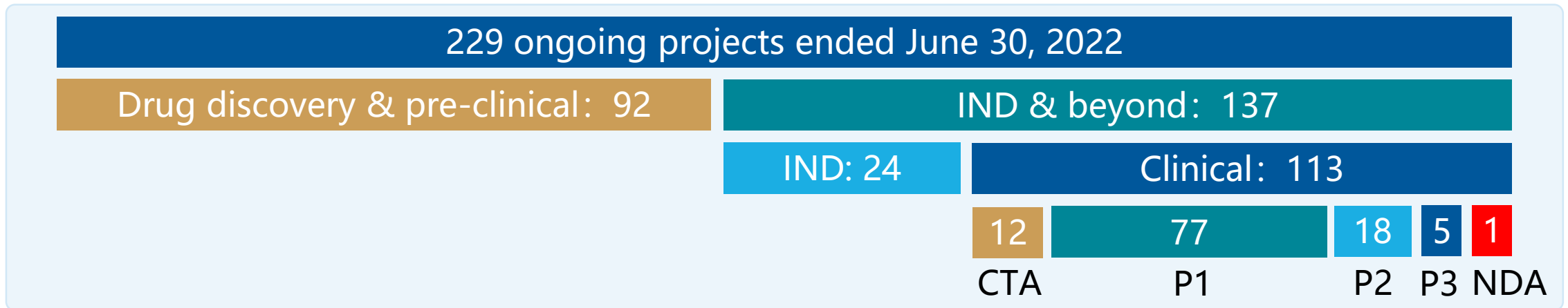
**6**

## Pivotal Trial & Beyond

NDA: ALK inhibitor

Phase 3: CDK4/6 Inhibitor PI3K inhibitor

Anti-influenza Anti-tuberculosis Orexin1/2 Antagonist



Note:

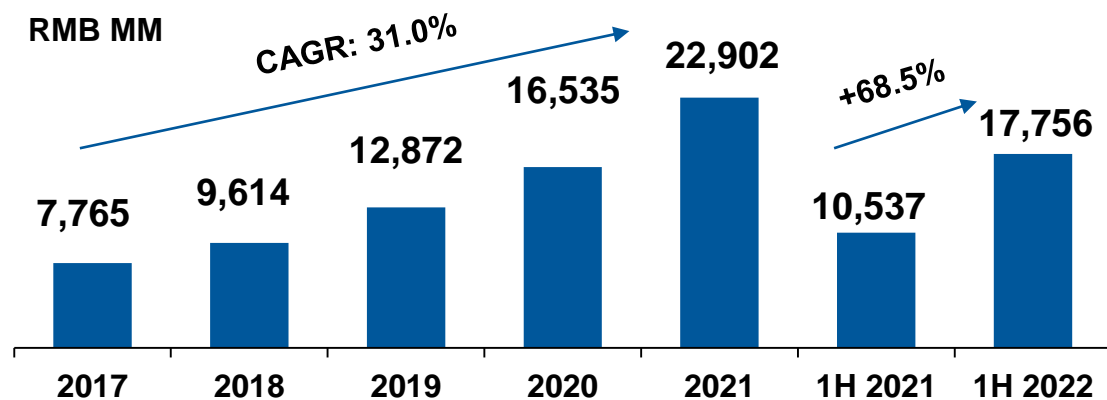
1. 16 projects in CTA, Phase 1 and Phase 2 stages were stopped clinical development by clients so far

# 3. Financial Performance

# Financial Performance

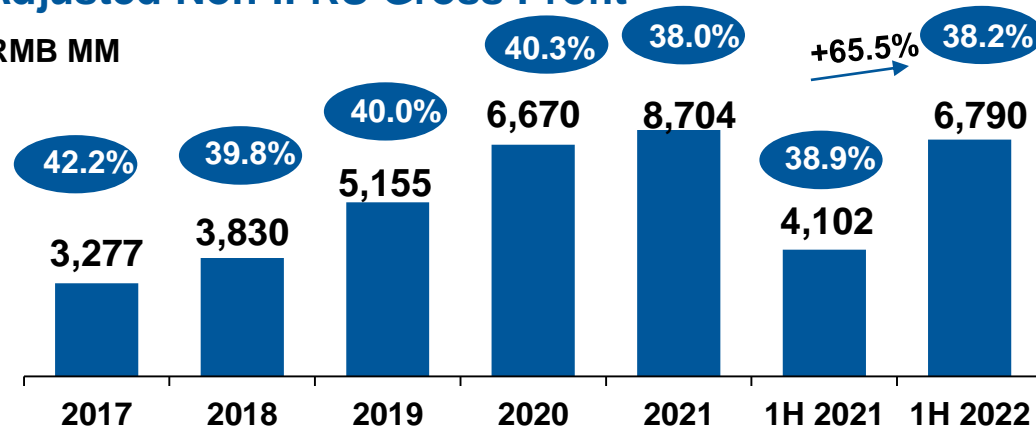
## Revenue

RMB MM



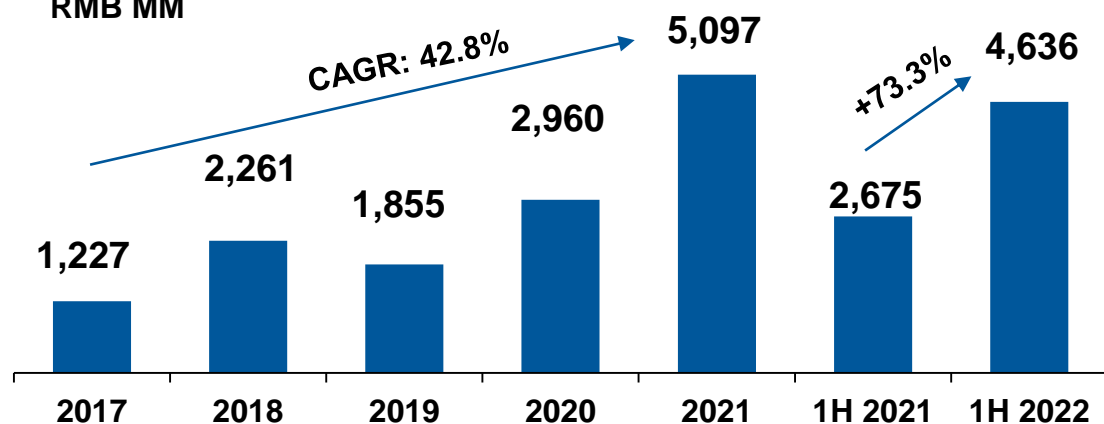
## Adjusted Non-IFRS Gross Profit

RMB MM



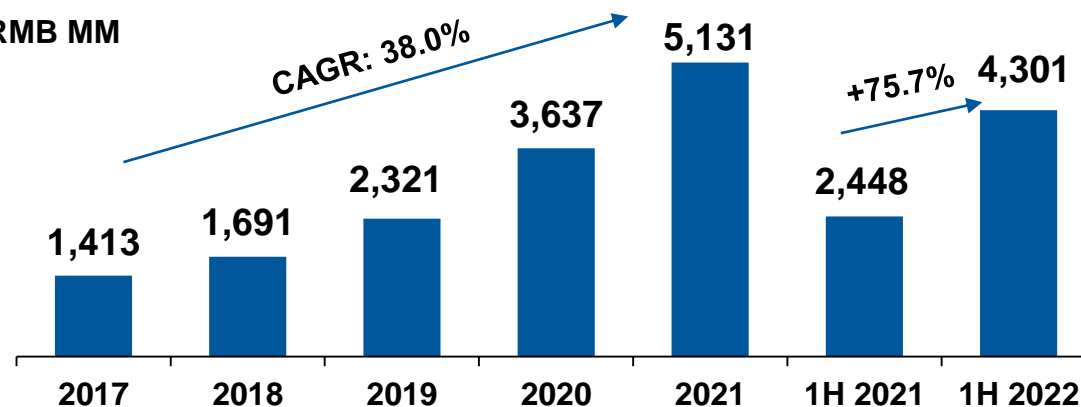
## Net Profit Attributable to Owners of the Company

RMB MM



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

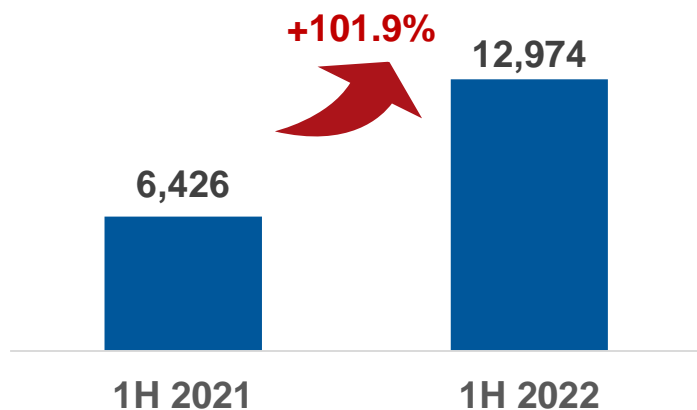
RMB MM



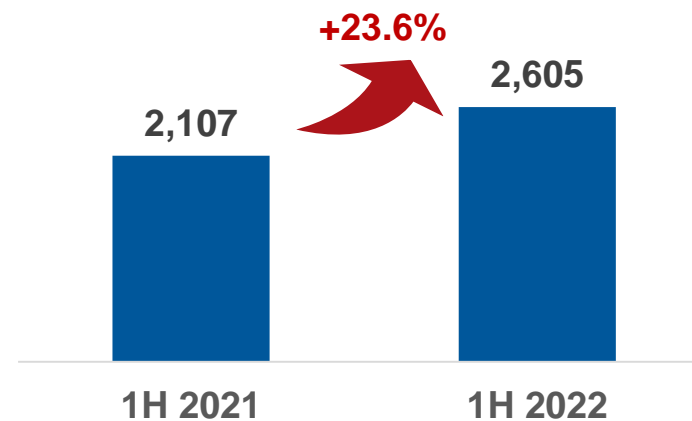
# Segment Revenue

RMB MM

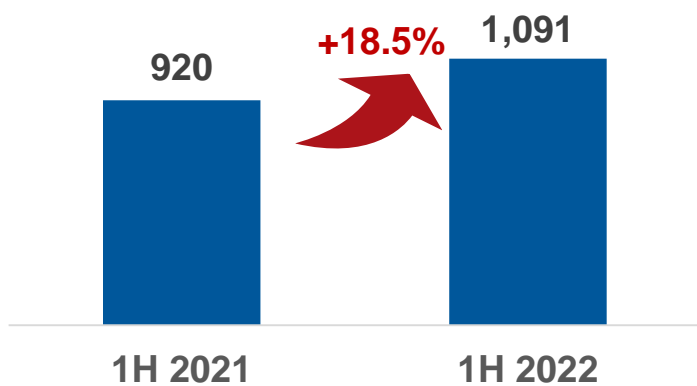
## WuXi Chemistry



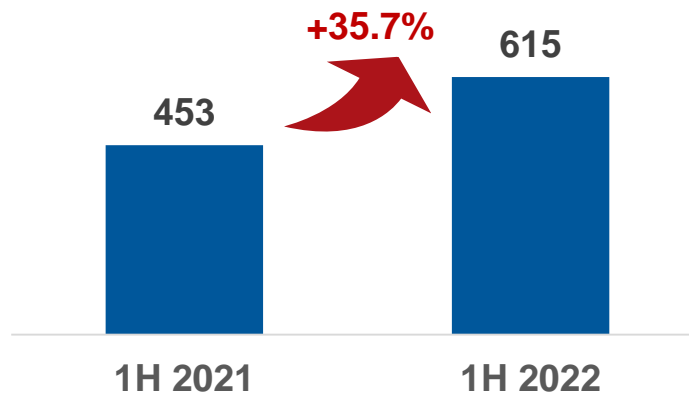
## WuXi Testing



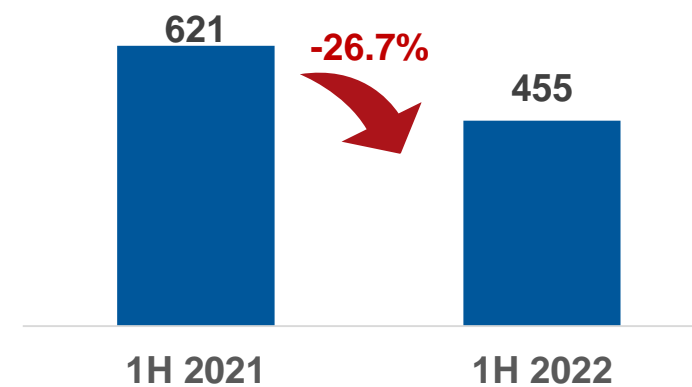
## WuXi Biology



## WuXi ATU



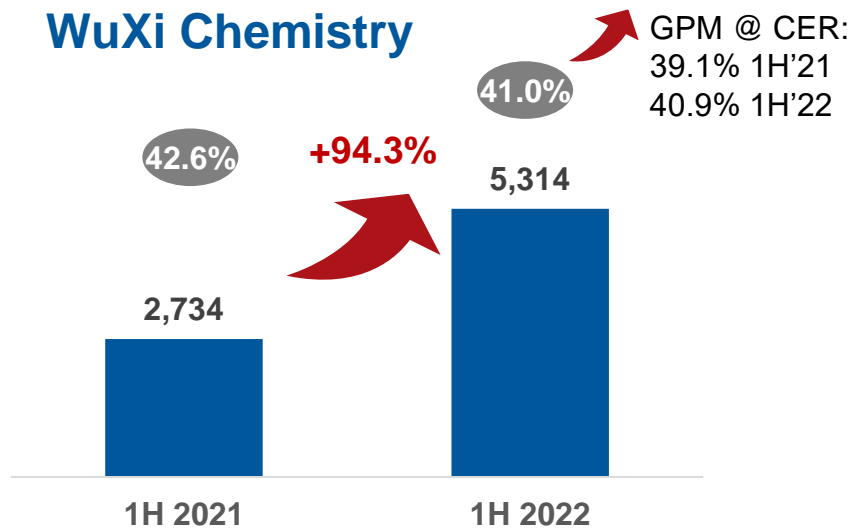
## WuXi DDSU



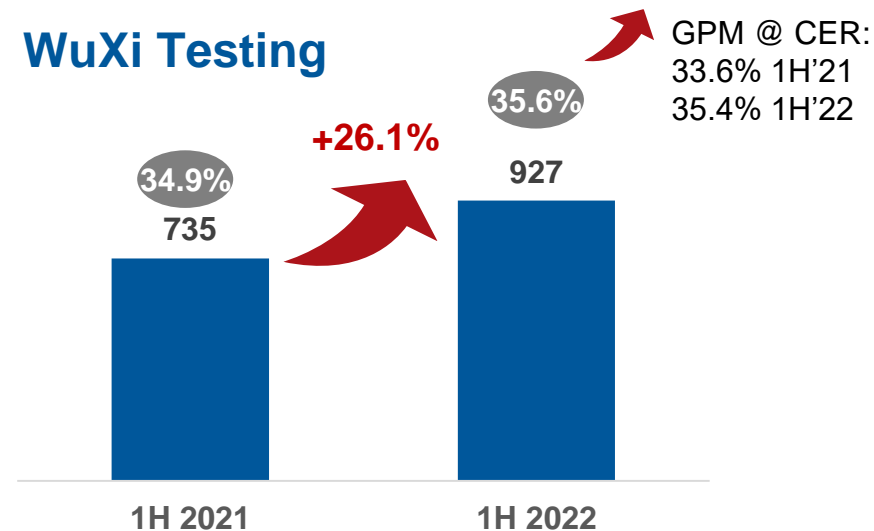
# Segment Non-IFRS Gross Profit

RMB MM

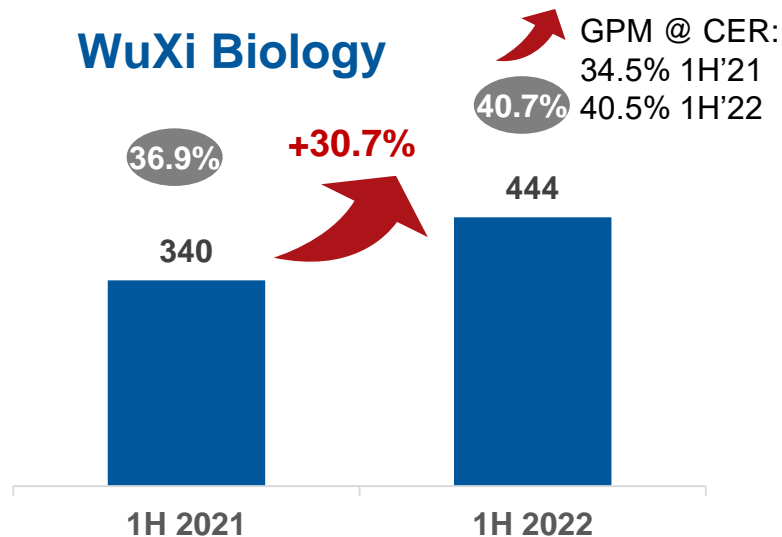
## WuXi Chemistry



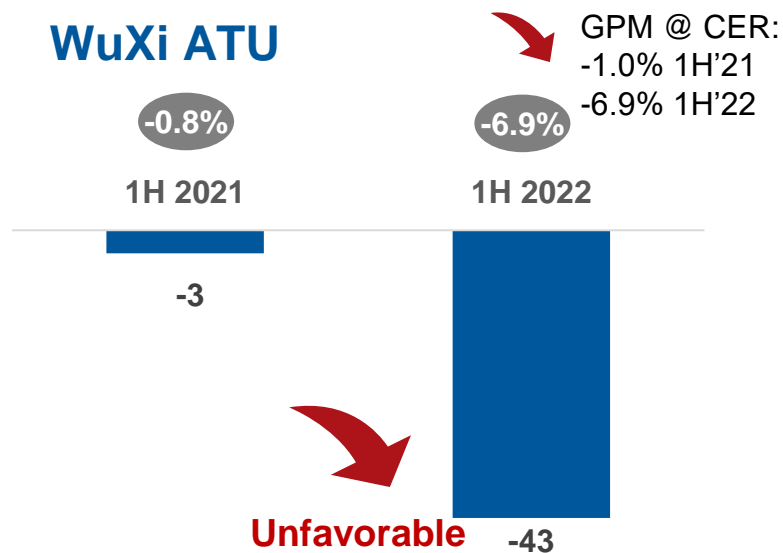
## WuXi Testing



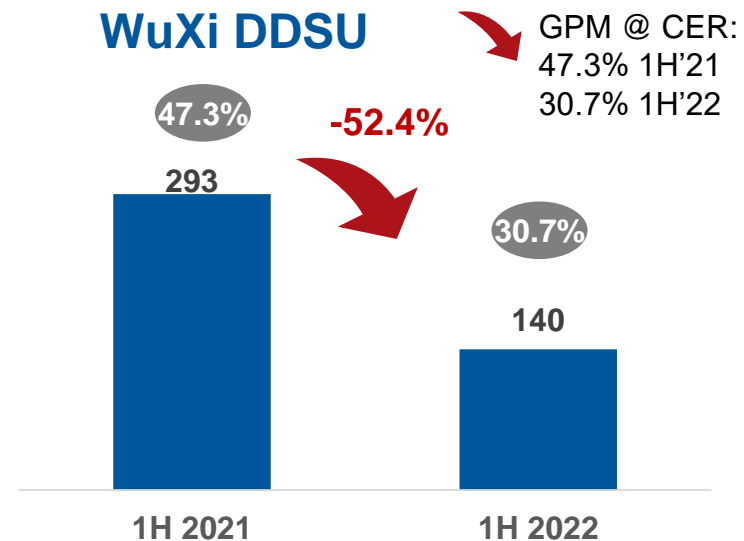
## WuXi Biology



## WuXi ATU



## WuXi DDSU



# Revenue and Adjusted Non-IFRS Gross Profit at Constant Exchange Rate (CER)

(RMB Million)	1H'22	1H'21	YoY	1H'22 ex. Hedge @CER	1H'21 ex. Hedge	YoY@CER
Revenue	17,756	10,537	68.5%	17,730	10,093	75.7%
Adjusted Non-IFRS Gross Profit	6,790	4,102	65.5%	6,762	3,659	84.8%
Adjusted Non-IFRS Gross Profit Margin	38.2%	38.9%	-0.7pts	38.1%	36.3%	1.9pts

**Note:** In first half of 2022, approximately 82% of our revenues were denominated in currencies other than RMB. Because our financial statements are reported in RMB, changes in foreign currency exchange rates can significantly affect our financial results. As a result, we believe that reporting results of revenue and gross profit margin that exclude the effects of foreign currency rate fluctuations can facilitate analysis of period to period comparisons. This constant currency information excludes hedge impact, and assumes the same foreign currency exchange rates that were in effect for the comparable prior-year period were used in translation of the current period results.

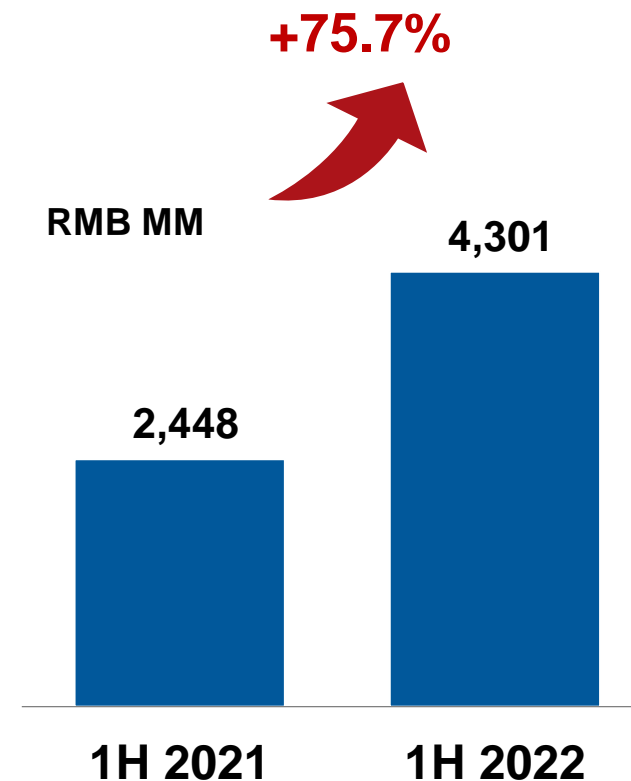
# IFRS & Adjusted Non-IFRS Measures

RMB Million	1H 2022	1H 2021	YoY
<b>Revenue</b>	17,756	10,537	68.5%
<i>IFRS Gross Margin</i>	36.2%	36.9%	
<b>Adjusted Non-IFRS Gross Margin</b>	<b>38.2%</b>	<b>38.9%</b>	
IFRS Operating Profit	5,678	3,054	85.9%
<i>IFRS Operating Profit Margin</i>	32.0%	29.0%	
<b>Adjusted Non-IFRS Operating Profit</b>	<b>5,217</b>	<b>2,987</b>	<b>74.6%</b>
<b>Adjusted Non-IFRS Operating Profit Margin</b>	<b>29.4%</b>	<b>28.3%</b>	
Net Profit Attributable to Owners of the Company	4,636	2,675	73.3%
<b>Adjusted Non-IFRS Net Profit Attributable to Owners of the Company</b>	<b>4,301</b>	<b>2,448</b>	<b>75.7%</b>
IFRS EPS (RMB)			
-Basic	1.59	0.92	72.8%
-Diluted	1.48	0.91	62.6%
<b>Adjusted Non-IFRS EPS(RMB)</b>			
<b>-Basic</b>	<b>1.47</b>	<b>0.84</b>	<b>75.0%</b>
<b>-Diluted</b>	<b>1.46</b>	<b>0.84</b>	<b>73.8%</b>
Weighted Average Number of Shares'000	2,922,374	2,903,298	
Fully Diluted Weighted Average Number of Shares'000	2,951,897	2,924,395	

**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	1H 2022	1H 2021
<b>Net Profit Attributable to the owners of the Company</b>	<b>4,635.7</b>	<b>2,675.1</b>
Add:		
Share-based compensation expenses	360.0	310.6
Issuance expenses of Convertible Bonds	0.9	1.8
Fair value (gains)/losses from derivative component of Convertible Bonds	(274.5)	1,493.3
Foreign exchange related (gains)/losses	(158.5)	66.8
Amortization of acquired intangible assets from merge and acquisition	28.7	26.2
<b>Non-IFRS Net Profit Attributable to the owners of the Company</b>	<b>4,592.2</b>	<b>4,573.8</b>
Add:		
Realized and unrealized gains from venture capital investments	(290.1)	(2,148.2)
Realized and unrealized share of (gains)/losses from joint ventures	(1.4)	22.3
<b>Adjusted non-IFRS net profit attributable to the owners of the Company</b>	<b>4,300.7</b>	<b>2,447.9</b>

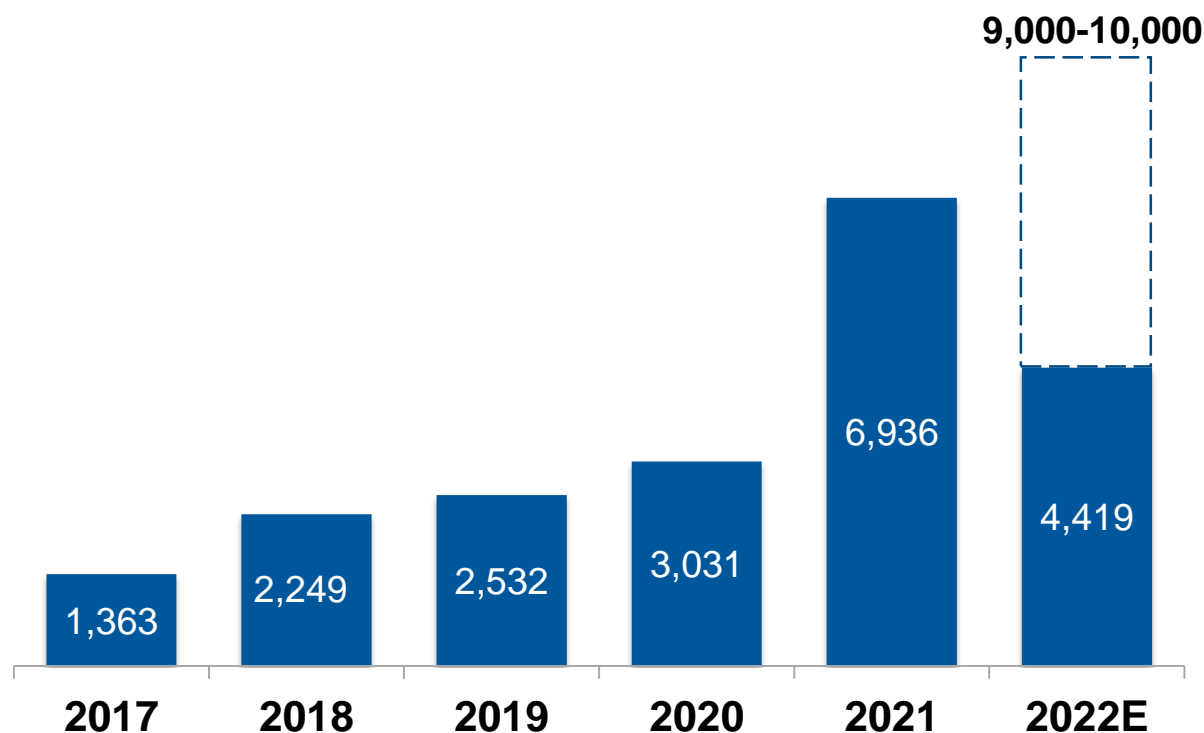




# Capital Expenditure and Total Debt

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

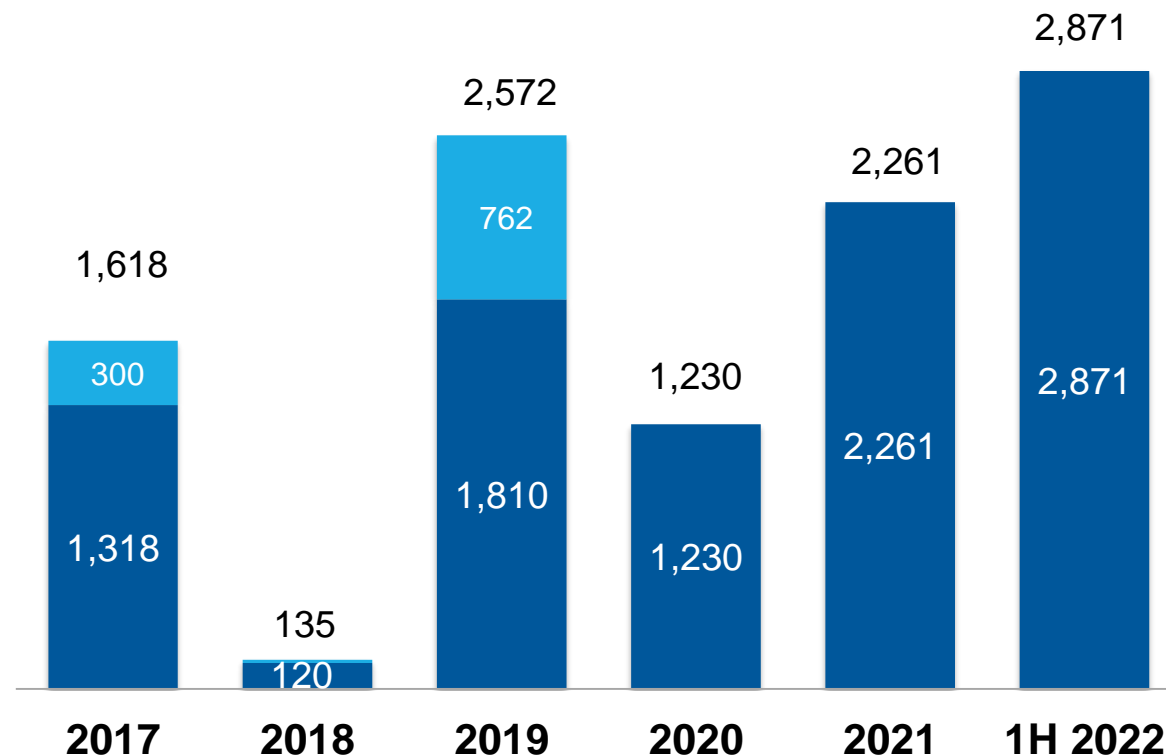
RMB MM



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

RMB MM

Long-term  
Short-term



**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.

# 4. Growth Outlook

# 2022 Outlook

1 The Company expects to deliver strong revenue growth of 68-72% in 2022



2 Client demands for our CRDMO & CTDMO services remain very strong across all segments

3 Strong balance sheet and flexible financing options will enable us to fund our growth

**Disclaimer:** 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.