

WuXi AppTec

Third Quarterly 2022 Results

October 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. 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 Business Highlights

03 Financial Performance

04 Growth Outlook

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 Q1-Q3 2022

Net Profit After Deducting Non- Recurring Items

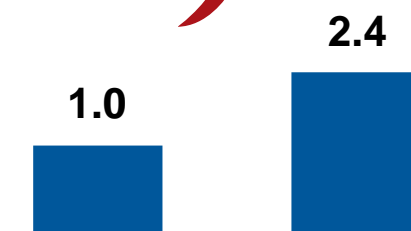
RMB billion

Revenue

Adjusted Non- IFRS Net Profit

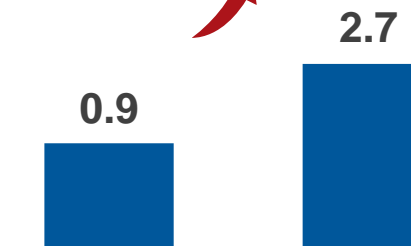
Net Profit

+143.3%



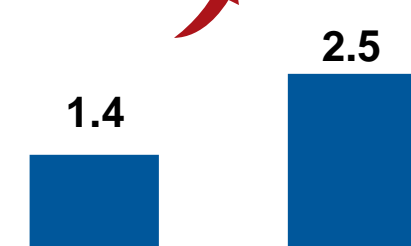
2021Q3 2022Q3

+209.1%



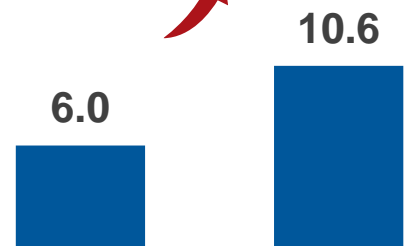
2021Q3 2022Q3

+81.9%



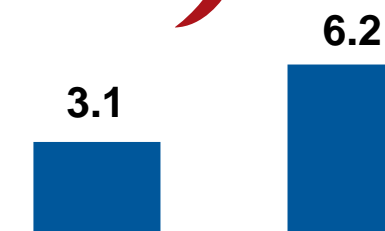
2021Q3 2022Q3

+77.8%



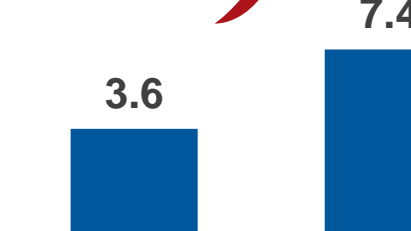
2021Q3 2022Q3

+100.6%



2021 Q1-Q3 2022 Q1-Q3

+107.1%



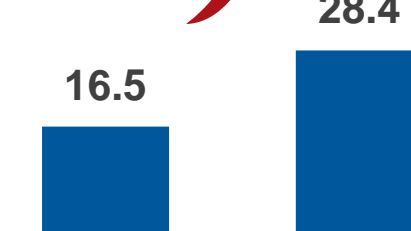
2021 Q1-Q3 2022 Q1-Q3

+77.9%



2021 Q1-Q3 2022 Q1-Q3

+71.9%



2021 Q1-Q3 2022 Q1-Q3

Note:

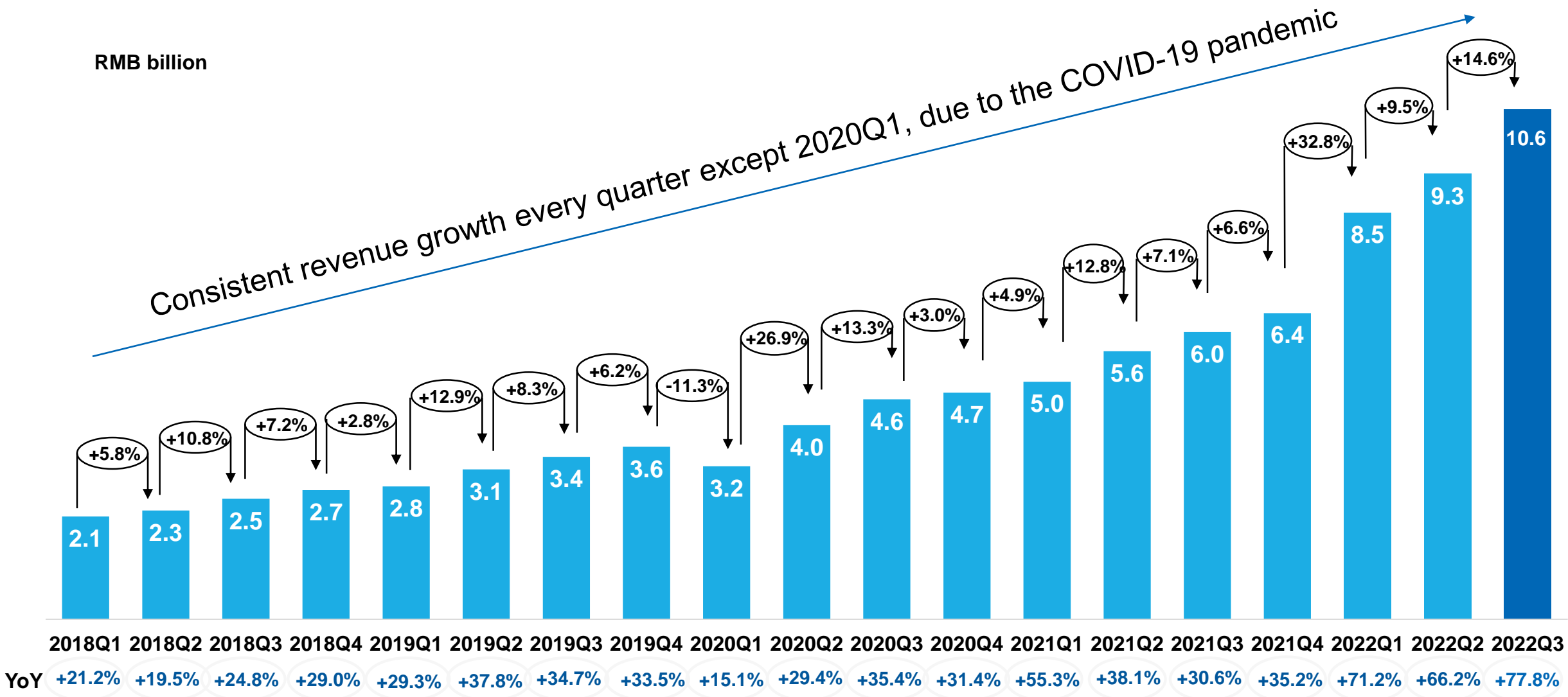
5 The non-recurring net profit is prepared according to the requirement of information disclosure rules issued by China Securities Regulatory Commission.

Consistent Revenue Growth Quarter after Quarter

Third Quarter Revenue over RMB10 Billion

RMB billion

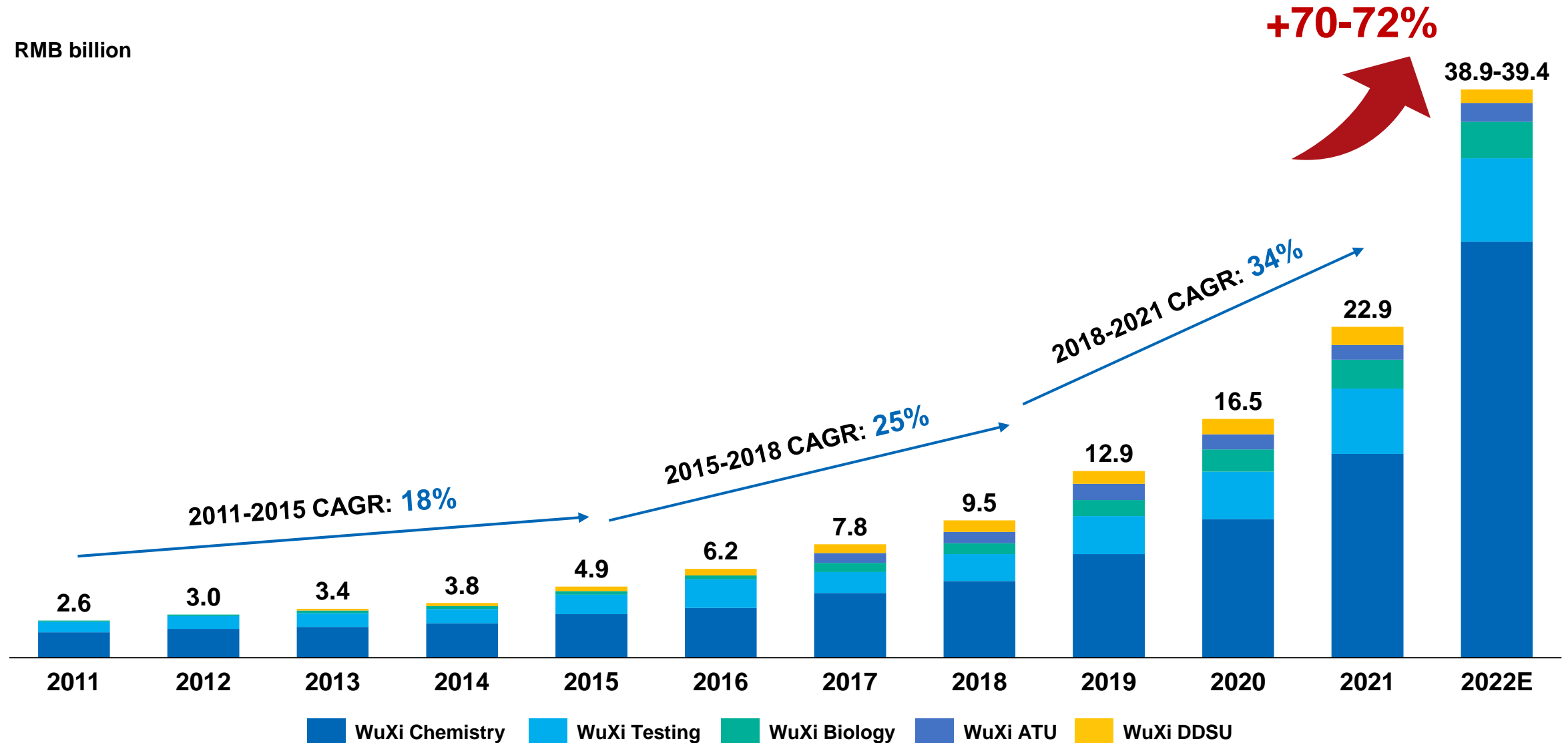
Consistent revenue growth every quarter except 2020Q1, due to the COVID-19 pandemic



Accelerating Growth on Back of CRDMO/CTDMO Business Model

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

RMB billion



Note:
Core WuXi AppTec segments only. Does not include other revenues/eliminations and revenues from discontinued segments.

Q1-Q3 2022 Business Highlights

“Long-Tail” Strategy

1,000+ New Customers
5,900+ Active Customers

Loyal Customer Base

100% Retention of Our
Top 10 Customers

Small Molecule CRDMO Pipeline

692 New Molecules
2,123 Molecules;
44 Commercial; **53** Phase III

Cell & Gene Therapies CTDMO

50 Pre-clinical & Phase I
9 Phase II, **8** Phase III



Global Footprint

32 Global Sites & Branch Offices
45,646 Total employees
42,569 Scientists & Technicians

2022 Q1-Q3

15 INDs; **26** CTAs

Cumulatively

159 INDs; **136** CTAs

Clinical Development

1 NDA, **5** Phase III
21 Phase II, **77** Phase I

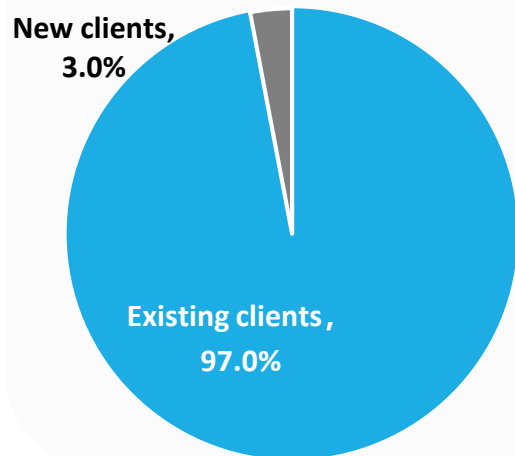
Our Platform & Business Model Continued to Perform Well

Strong, Loyal & Expanding Customer Base

Revenue composition

Existing clients
27,546M, 80%↑

Newly added clients
849M

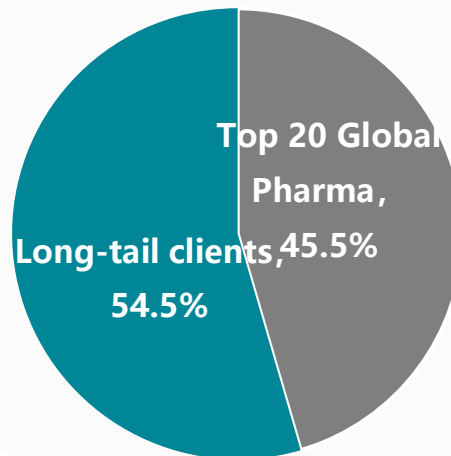


Execute Long-Tail Strategy & Increase Support to Large Pharma

Revenue composition

Top 20 Global Pharma clients
12,918M, 175%↑

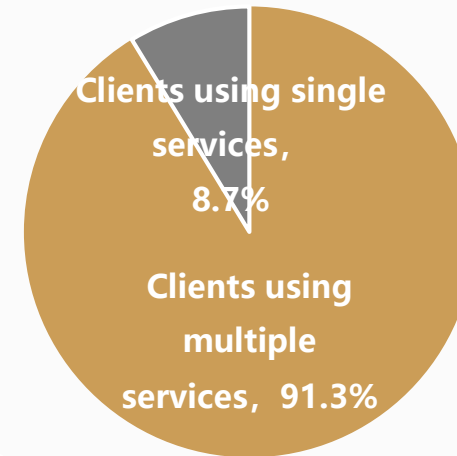
Long-tail and all other clients
15,477M, 31%↑



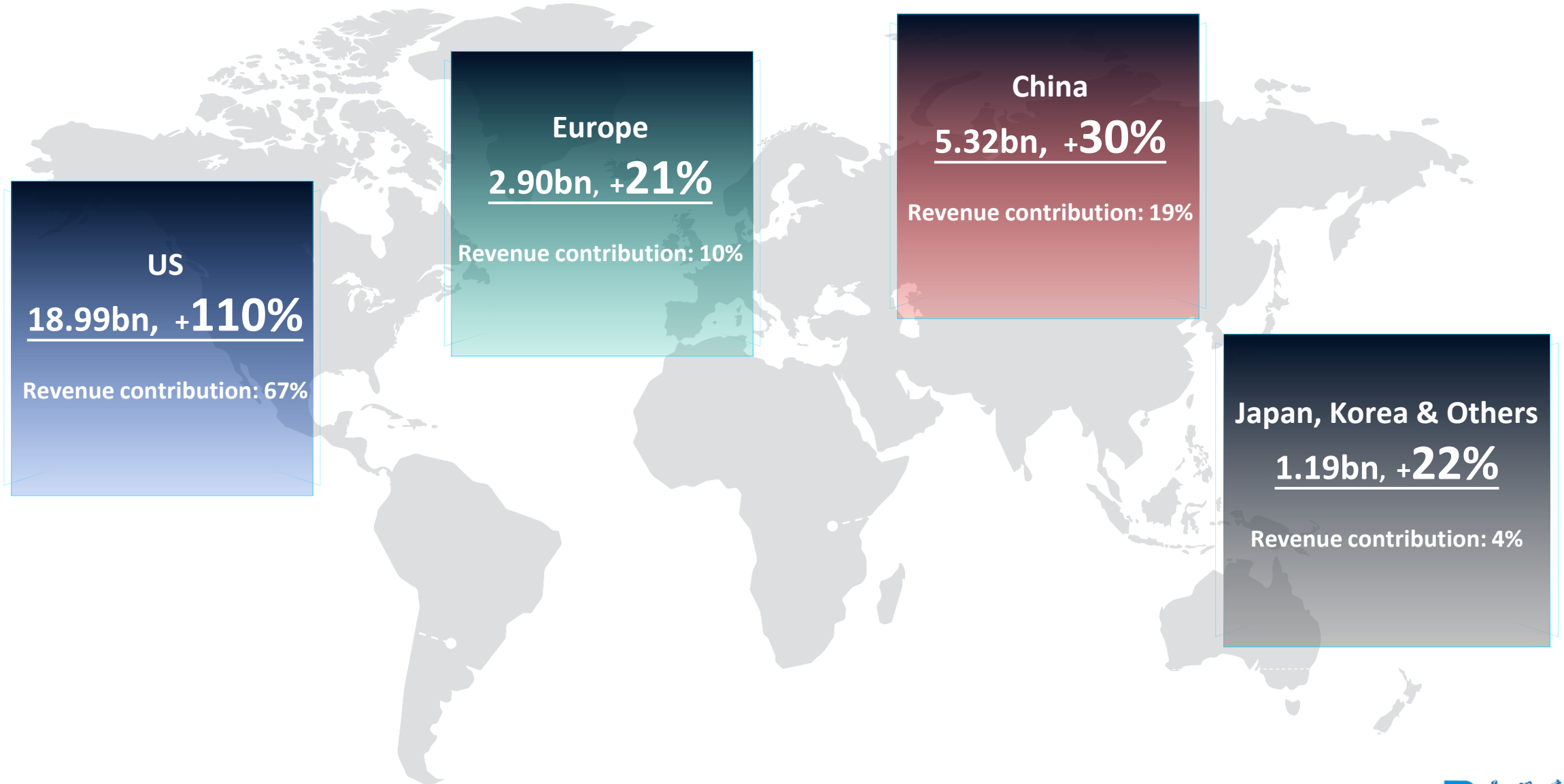
Increase Customer Conversion to Sustain Growth

Revenue composition

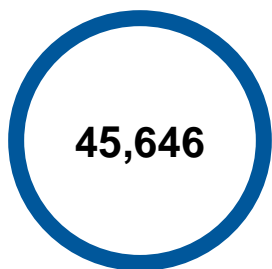
Clients using multiple services
25,915M, 83%↑



Strong Revenue Growth from Customers Across All the Regions



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



Total Employees ending September 30 2022



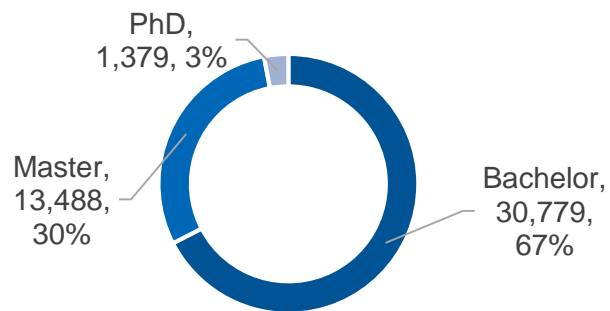
Overseas Employees



Research Employees

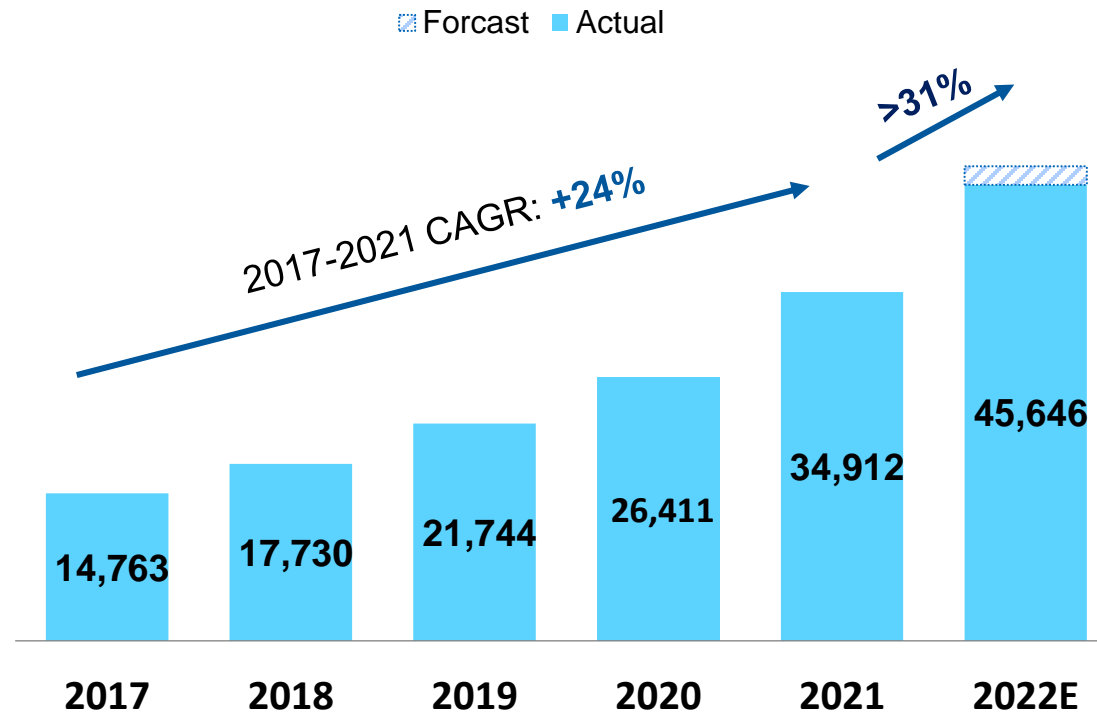


Manufacturing Employees



Professional Team with ~33% 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



2nd place in the entire global CXO industry in Y2022



Sustainability Management and Technologies

Green Chemistry Technology Platforms

- Biocatalysis
- Flow Chemistry
- Direct Isolation

Effective Sustainability Management Across All Sites

2022 Q1-Q3 vs.2021 (Per Revenue)

16.8% ↓
Carbon Emission

19.8% ↓
Energy Consumption

22.0% ↓
Water Use

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 **106.6%** YoY to **20.82bn**. Adjusted Non-IFRS gross profit grew by **102.4%** YoY to **8.58bn**
- Adjusted Non-IFRS gross profit margin is **41.2%**
- Excluding COVID-19 commercial projects, WuXi Chemistry revenue grew **38.3%**
- Revenue from new modalities grew **192.5%** to **1.48bn**

Drug Discovery (R)

- Revenue of discovery service grew **36.2%** YoY to **5.39bn**
- In the past 12 months, delivered **379,000+** synthesized compounds to our clients, generating opportunities for downstream business units
- Demand from “long-tail” customers in small molecule, oligo and peptide discovery service continued to be strong

Development and Manufacturing (D&M)

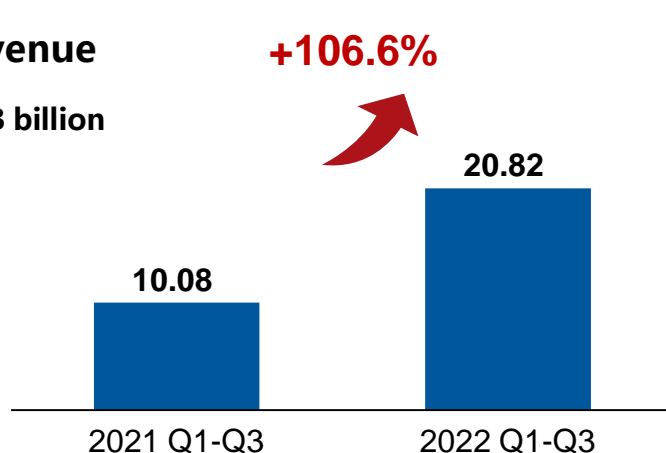
- Revenue of D&M service grew **152.2%** YoY to **15.42bn**
- Total pipeline of **2,123** molecules (**692** newly added), including **44** commercial, **53** Phase III, **288** Phase II, **1,738** Phase I and pre-clinical projects
- Oligo & peptide D&M clients grew **98%** to **97**, and molecules grew **101%** to **155**, D&M revenue increased **406%** to **RMB1.10bn**

Capacity Construction

- Continued capacity construction. Began operations in part of **Changzhou Ph3** facility including a new R&D center and 5 plants, e.g. a new **large-scale oligo & peptide D&M facility**, which strengthens large-scale D&M capability
- Opening of a new **sterile LNP formulation D&M facility** as well as our **1st HP oral DP D&M facility** at Wuxi Campus, further enhancing global CRDMO capability
- Opening of a **new campus** in Wuhan, continuously expanding the capacity of drug discovery service

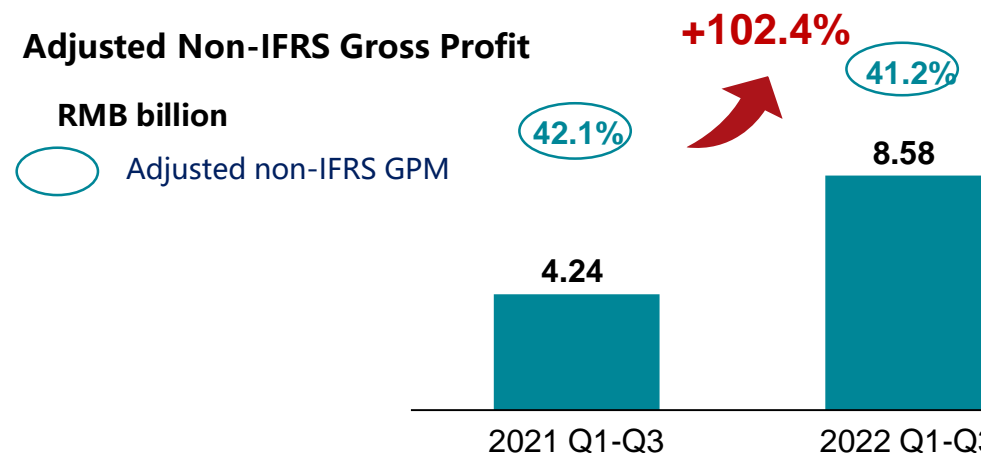
Revenue

RMB billion



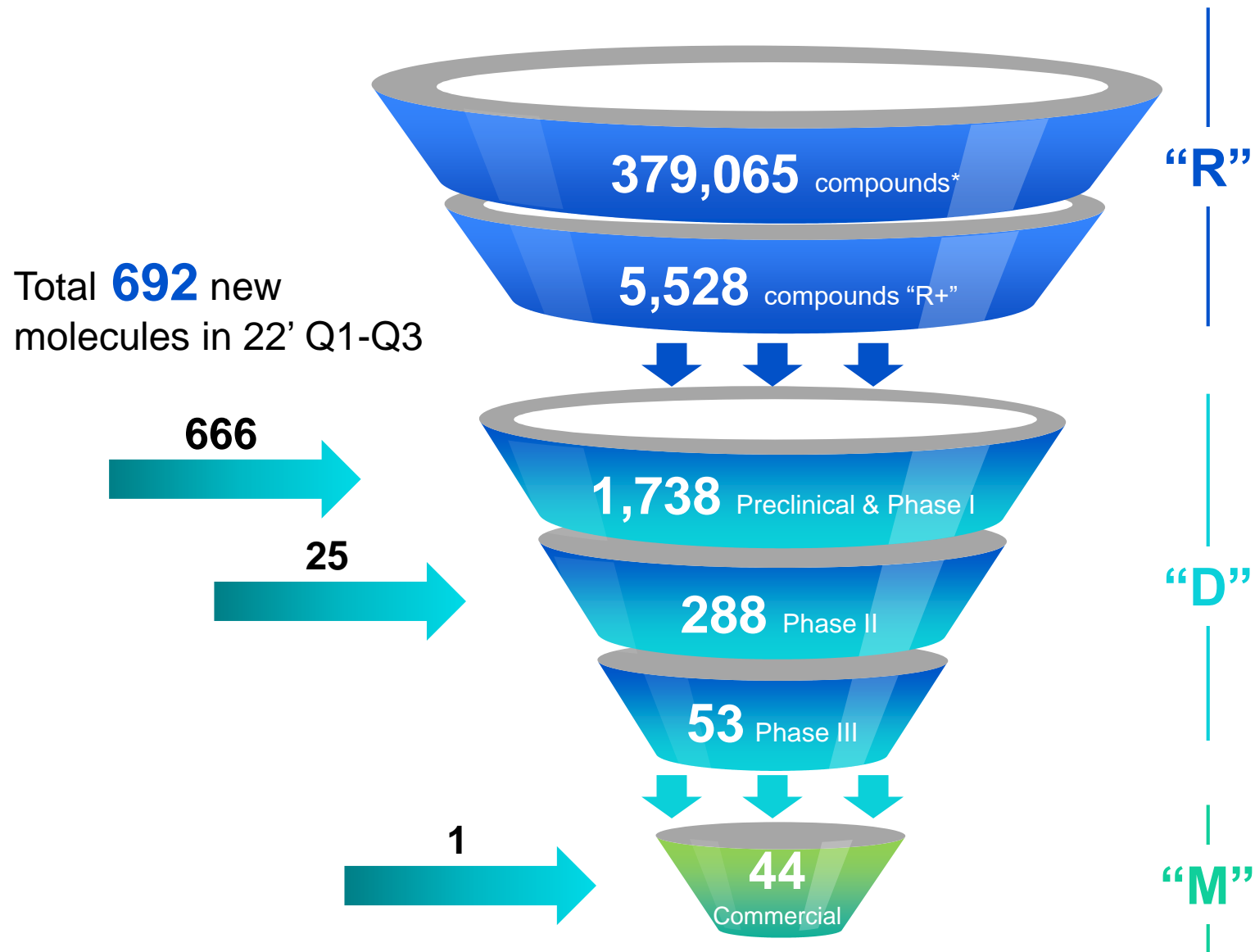
Adjusted Non-IFRS Gross Profit

RMB billion



GPM @ CER:
38.9% Q1-Q3'21
40.7% Q1-Q3'22

WuXi Chemistry: Growing CRDMO Pipeline



Note:

1. 379,065 individually synthesized compounds in the past 12 months until September, 2022.
2. 5,528 compounds "R+" refer to those at the scale of 100g or larger.

WuXi Chemistry: Global Footprint and Capacity Construction

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



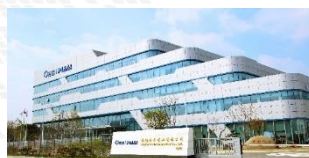
Changshu, Jiangsu

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

Financial Performance

- Revenue growth of **25.3%** YoY to **4.18bn**
- Adjusted Non-IFRS GP growth **36.0%** YoY to **1.54bn**
- Adjusted Non-IFRS **GPM** **36.8%**

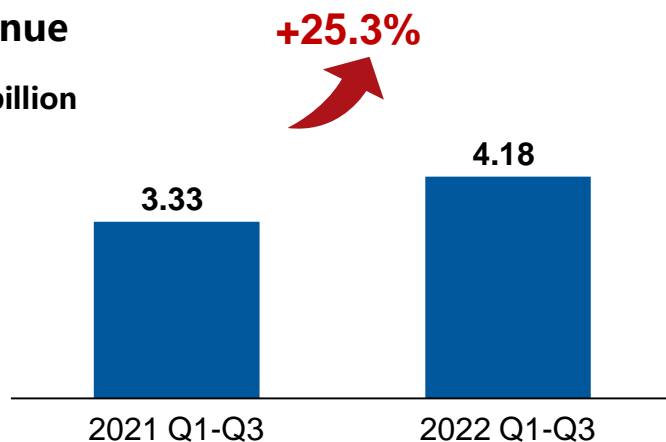
Lab Testing Services

- Revenue from lab testing services grew **35.2%** YoY to **3.04bn**
- Drug safety evaluation services revenue grew **49%**. We are APAC industry leader
- Medical device testing business has turned around and grew **30%**

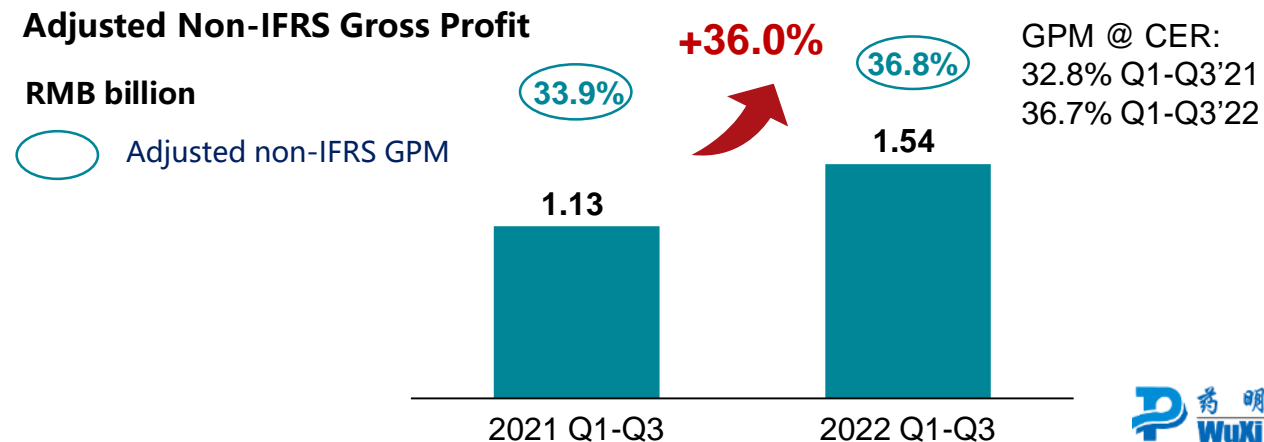
Clinical CRO & SMO

- Revenue of clinical CRO and SMO grew **4.6%** YoY to **1.14bn**.
- SMO revenue grew **20.0%**, and backlog grew **34.9%**
- Clinical CRO provided services to around **190** projects for our clients, enabling **10** IND approvals
- SMO maintained **#1** leadership position in China and continued to grow, with over **4,700** staffs across around **150** cities and provide services at more than **1,000** hospitals
- Supported **23** products approvals

Revenue
RMB billion



Adjusted Non-IFRS Gross Profit
RMB billion



GPM @ CER:
32.8% Q1-Q3'21
36.7% Q1-Q3'22

WuXi Testing Business Highlights

Growing Lab Capacity

- 55,000 m² new capacity under construction for mid 2023 delivery

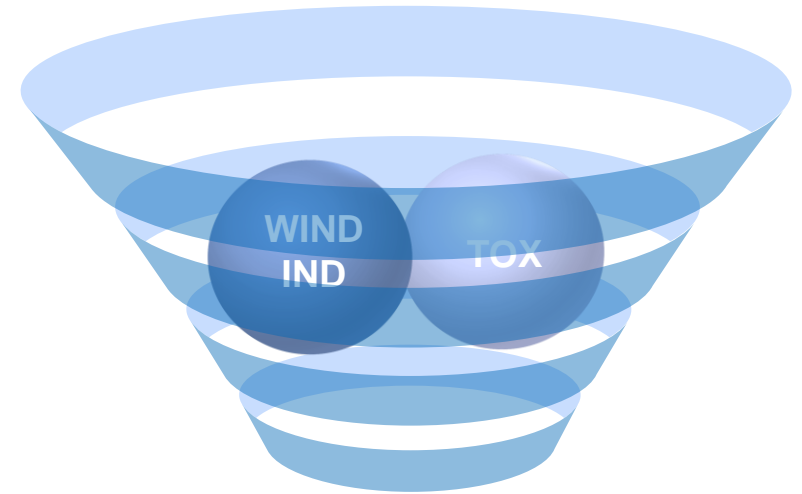
Continuous Growing Momentum

- Robust and stable supply chain ensures strong growth of preclinical business
- Clinical business development has rebounded by approximately 95% as recovered from the major impact of the epidemic

Med. Device Rebound

- Medical Device business delivered 30% 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 **24.9%** YoY to **1.78bn**. Robust growth in new modalities and large molecules
- Adjusted Non-IFRS GP growth **22.8%** YoY to **0.73bn**
- Adjusted Non-IFRS **GPM 41.1%**

Discovery Biology

- We have one of the largest discovery biology enabling platform with over **2,800** experienced scientists
- Established **3 Center of Excellence (COE)** for NASH, antiviral, neuroscience and aging
- **Continuous growth** from both cancer discovery service and rare & immune disease service, providing customers with integrated high-quality services from target discovery to clinical biomarker detection

New Modalities

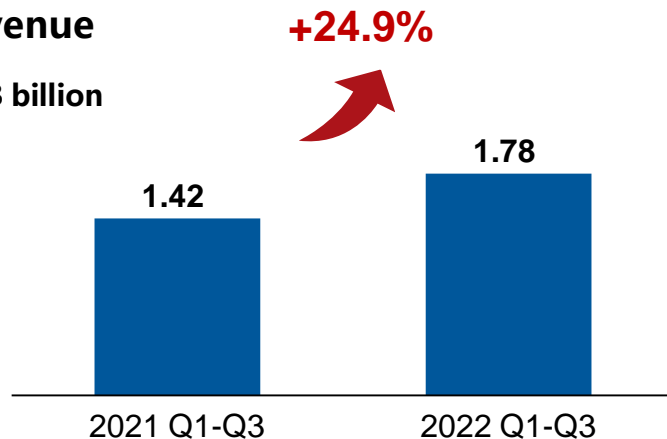
- We continue to build new biology capabilities related to new modalities, such as target protein degradation, nucleic acid based and conjugated modalities, oncolytic virus, vector platform, novel drug delivery vehicles, etc.
- Revenue from new modalities and large molecules in WuXi Biology grew **76%**, and its revenue contribution rose to **20.5%** in Q1-Q3 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, **1,300+** clients
- A customer advanced a project into clinical stage based on the hits generated using our DEL screening technology. This is the **first reported** clinical candidate from our DEL hits, an important validation of our platform.

Revenue

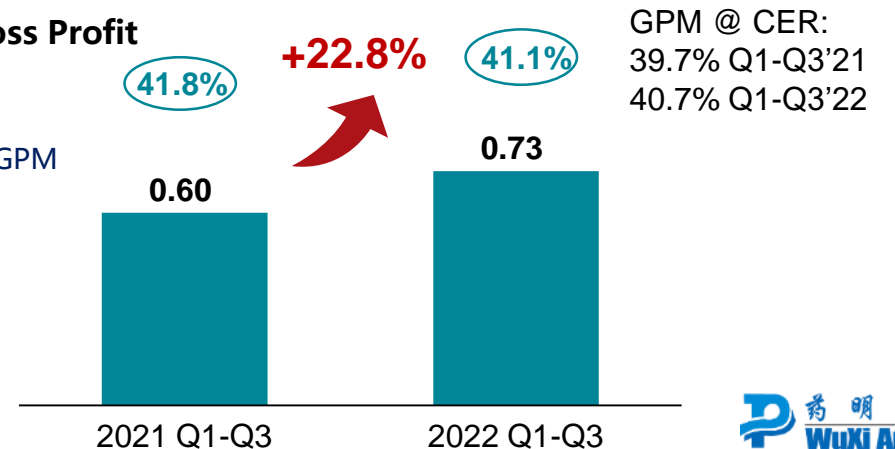
RMB billion



Adjusted Non-IFRS Gross Profit

RMB billion

○ Adjusted non-IFRS GPM



WuXi ATU: CTDMO Business Model Drives Growth

Financial Performance

- Revenue grew **25.2%** to **0.92bn**; Testing grew **44%**, Development grew **54%**
- Adjusted Non-IFRS gross profit **(0.06)bn**. Gross profit declined is largely due to under-utilized capacities of newly built Shanghai Lingang site
- Adjusted Non-IFRS GPM **(6.5)%**

Project Pipeline

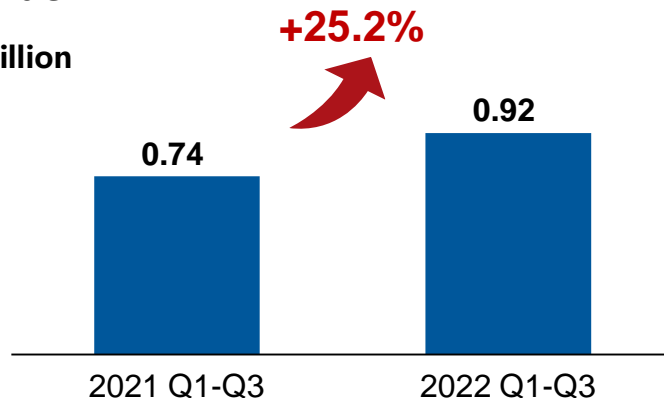
- We focused on improving our CTDMO integrated enabling platform and provided development and manufacturing services for **50** pre-clinical and Phase I projects, **9** Phase II projects, **8** Phase III projects (**4** projects are in BLA preparation stage)

AAV - TESSA

- Launched TESSA™ in March 2022
TESSA™ is a revolutionary technology for AAV manufacturing. Process now scaled to 200L that produces more than 10 times AAV products compared to traditional plasmid-based manufacture
- Total **38** TESSA evaluation projects including 6 large biotech/pharm companies
- Announced Licensing Agreement with Janssen for TESSA™ in August 2022

Revenue

RMB billion

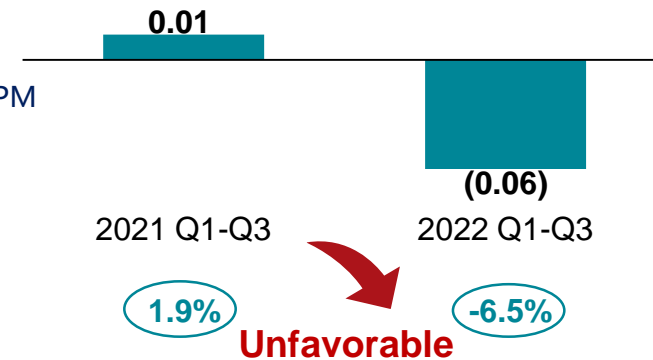


Adjusted Non-IFRS Gross Profit

RMB billion

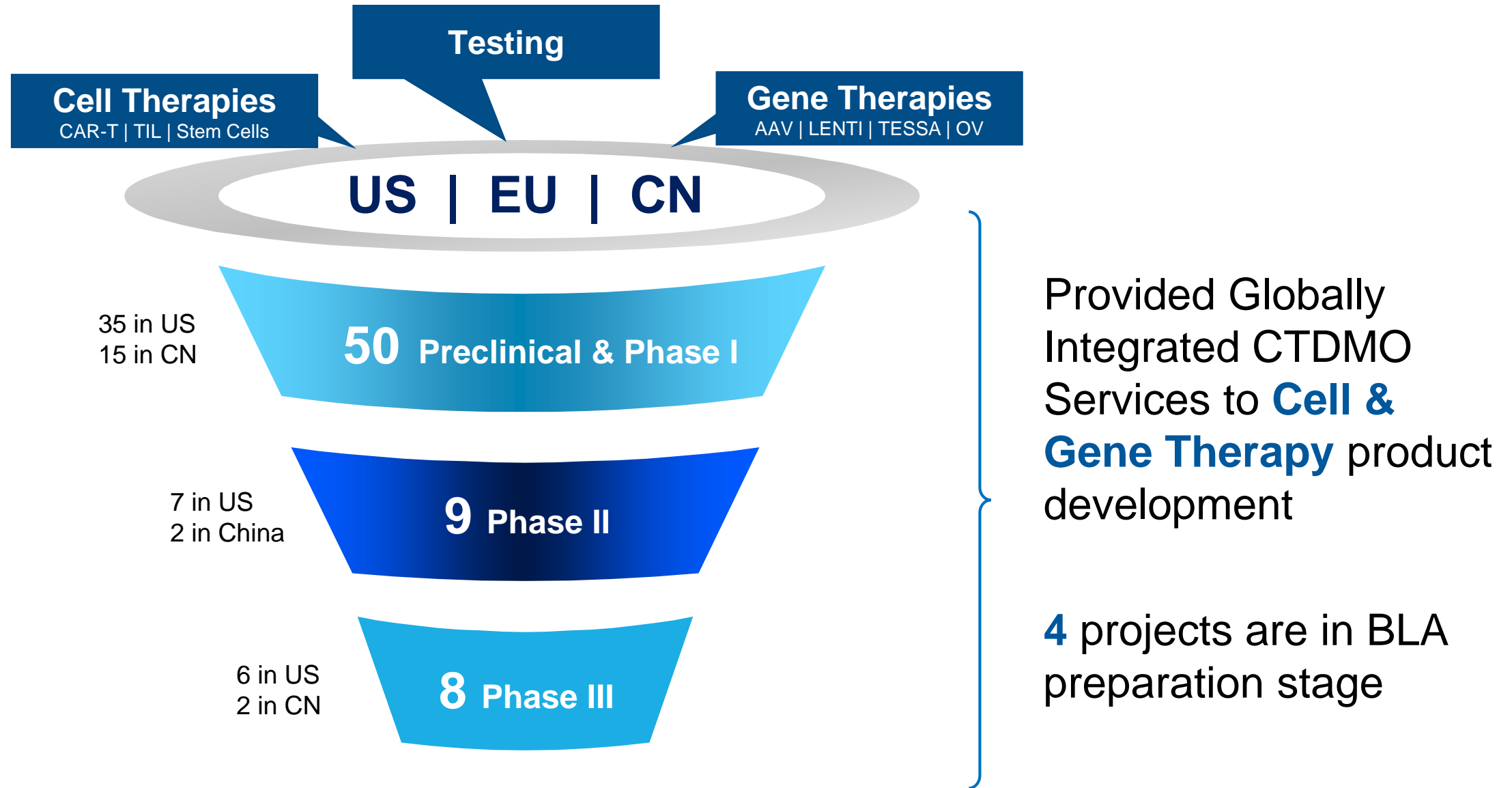


Adjusted non-IFRS GPM



GPM @ CER:
1.6% Q1-Q3'21
-6.3% Q1-Q3'22

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 **27.9%** YoY to **0.67bn**
- Adjusted Non-IFRS GP declined **54.2%** to **0.19bn**
- Adjusted Non-IFRS GPM **28.1%**

Project Number

- During the Reporting Period, our success-based drug discovery service unit filed INDs for **15** drug candidates and obtained **26** CTAs
- Cumulatively submitted **159** new chemical entity IND filings and obtained **136** CTAs, with **1** project in NDA review stage, **5** project in Phase III clinical trial, **21** projects in Phase II clinical trials, and **77** projects in Phase I clinical trials

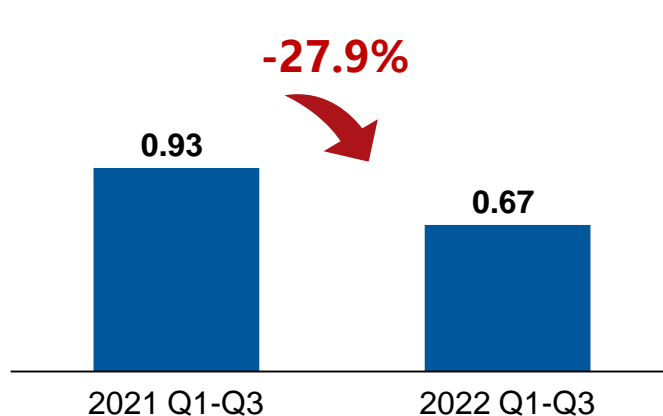
Innovative R&D

- Among the 159 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

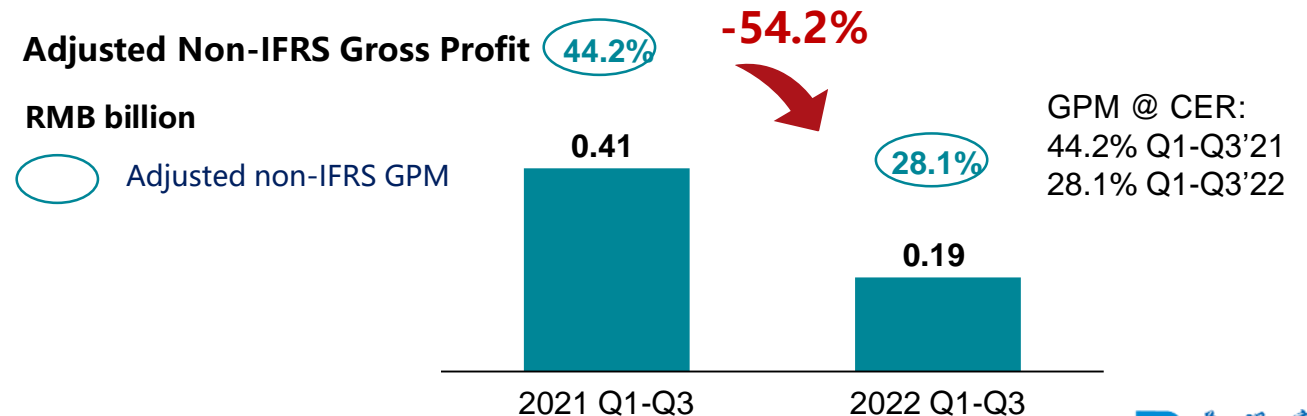
Business Evolvement

- 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



GPM @ CER:
44.2% Q1-Q3'21
28.1% Q1-Q3'22

WuXi DDSU: Success-based Business Model with Potential Upside

159

IND filings¹

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

217 ongoing projects ended September 30, 2022

Drug discovery & pre-clinical: 81

IND & beyond: 136

IND: 21

Clinical: 115

11

CTA

77

P1

21

P2

5

P3

1

NDA

Note:

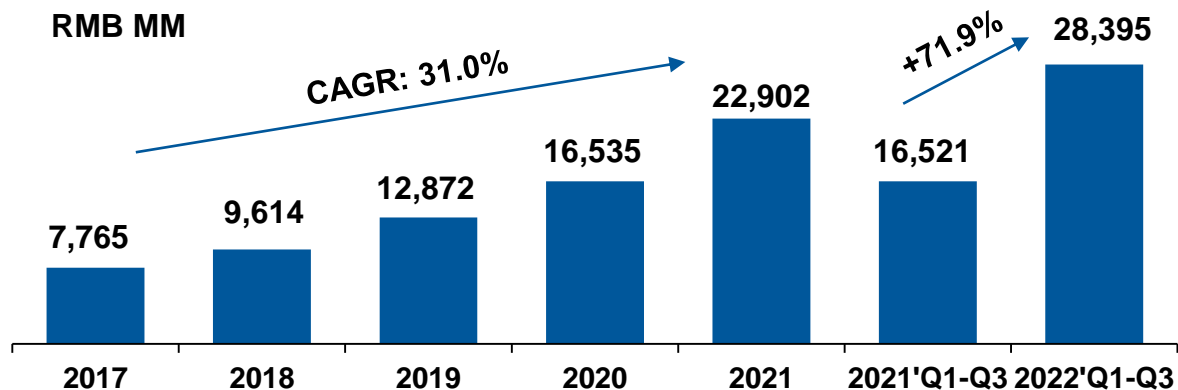
1. 23 projects in CTA, Phase 1 and Phase 2 stages were stopped clinical development by clients so far

3. Financial Performance

Financial Performance

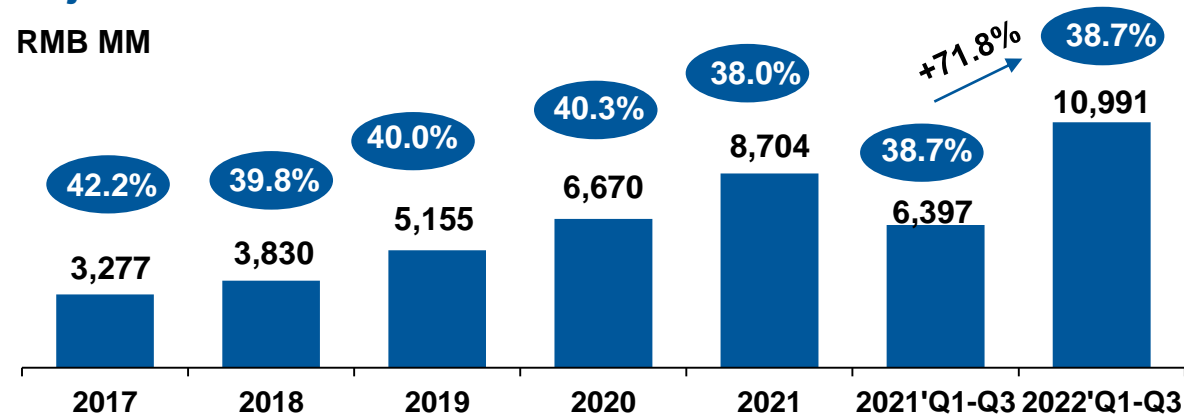
Revenue

RMB MM



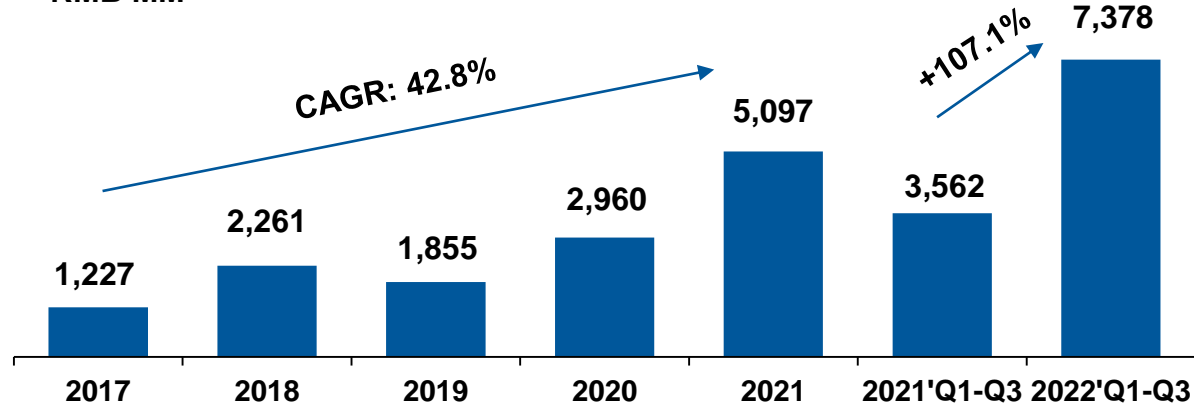
Adjusted Non-IFRS Gross Profit

RMB MM



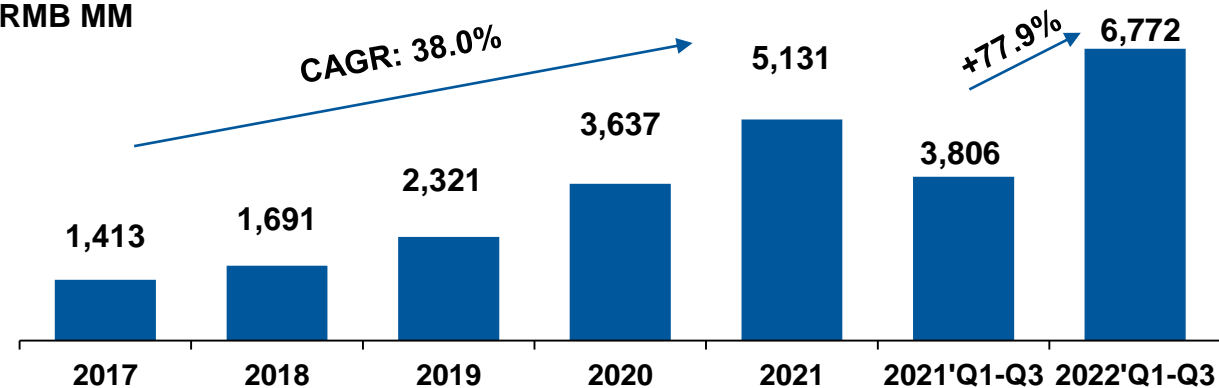
Net Profit Attributable to Owners of the Company

RMB MM



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

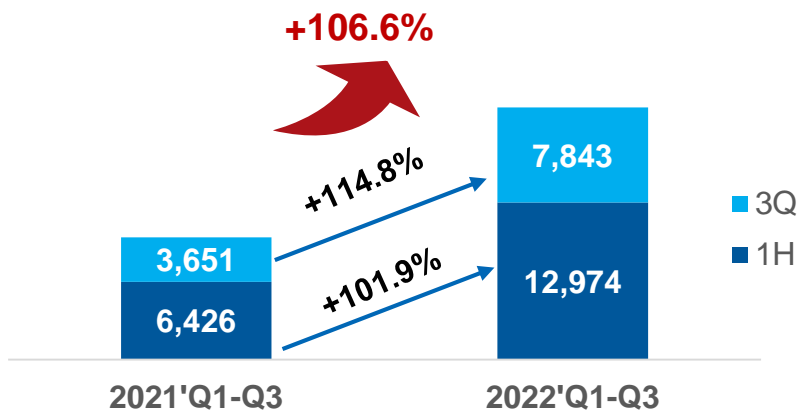
RMB MM



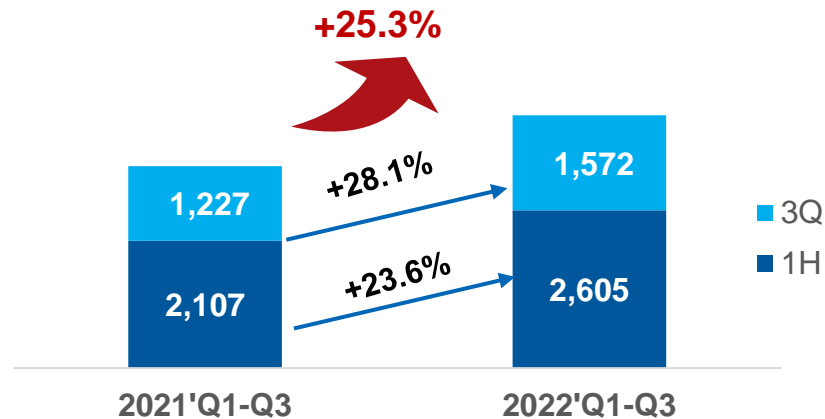
Segment Revenue

RMB MM

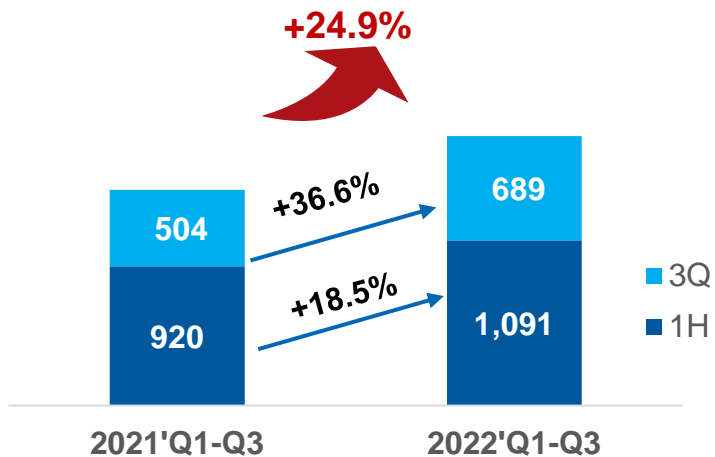
WuXi Chemistry



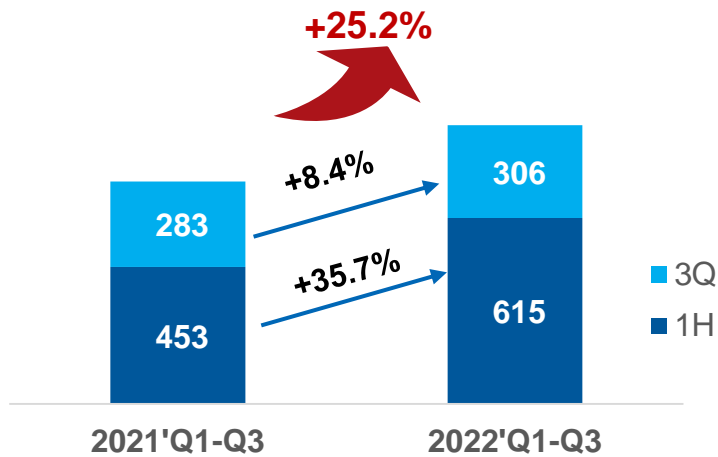
WuXi Testing



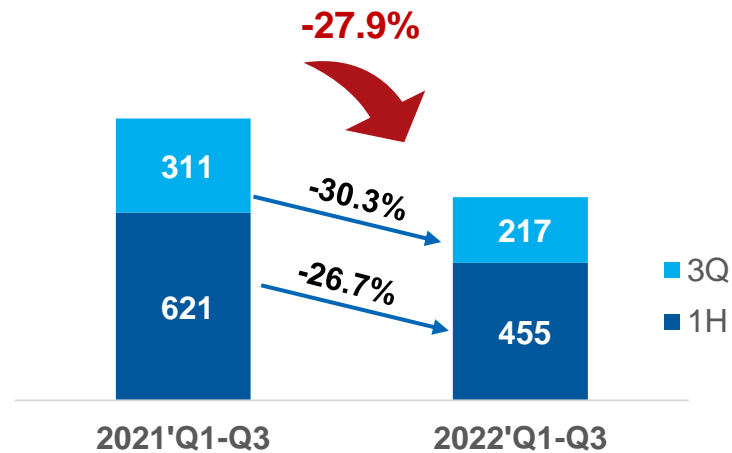
WuXi Biology



WuXi ATU



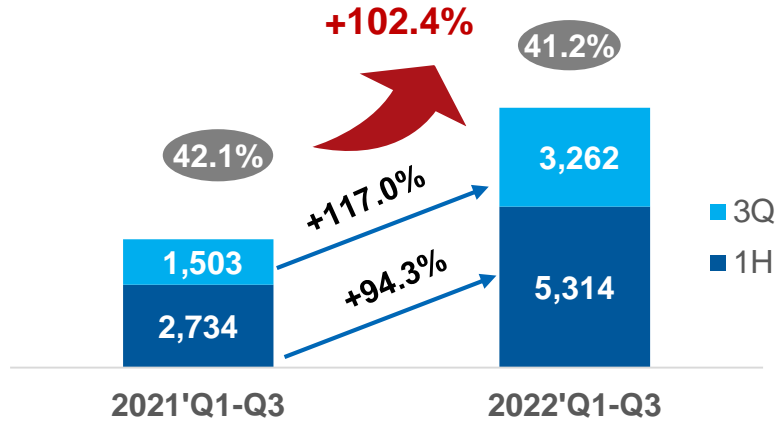
WuXi DDSU



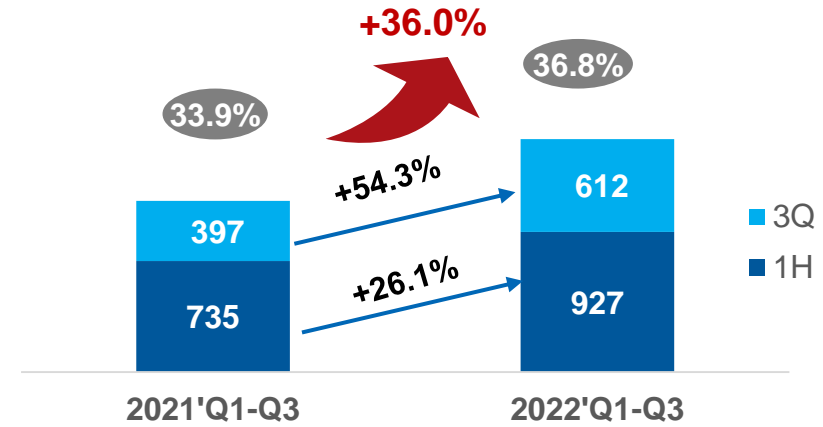
Segment Non-IFRS Gross Profit

RMB MM

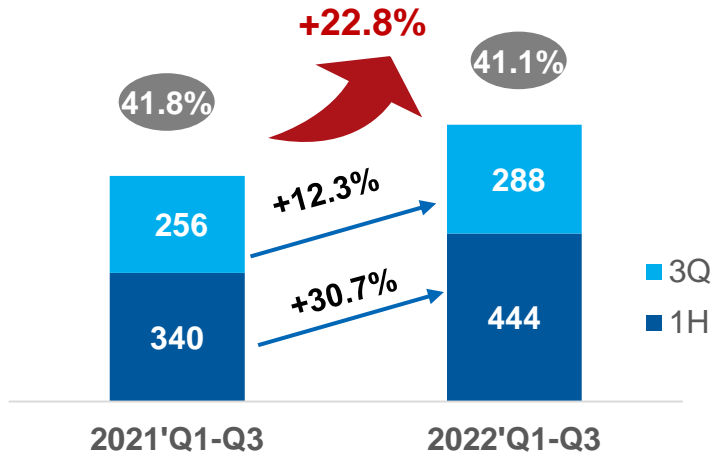
WuXi Chemistry



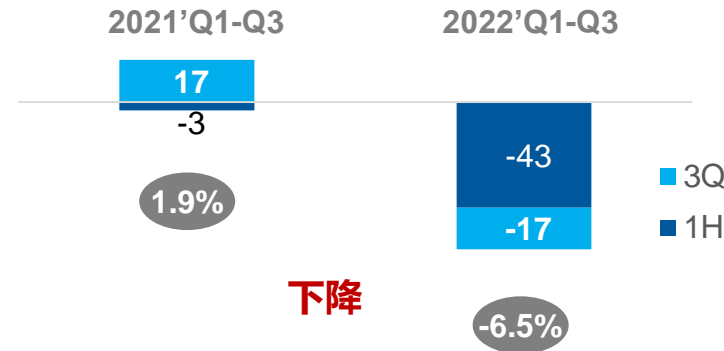
WuXi Testing



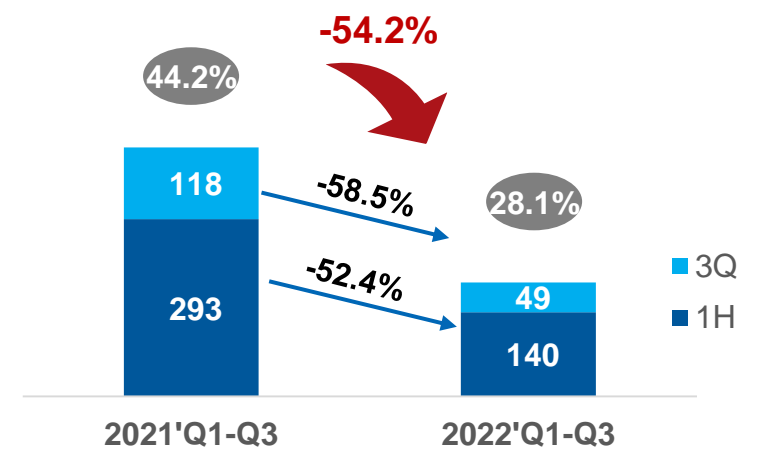
WuXi Biology



WuXi ATU



WuXi DDSU



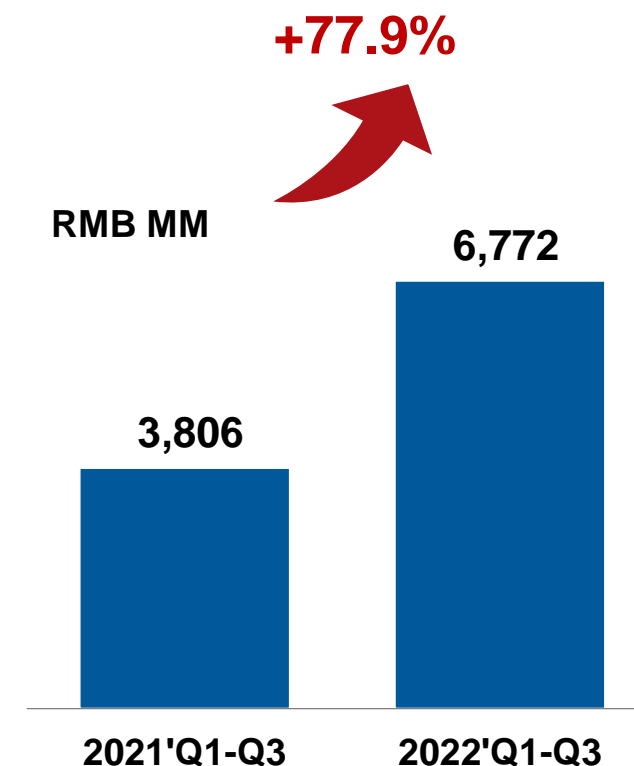
Revenue and Adjusted Non-IFRS Gross Profit at Constant Exchange Rate (CER)

(RMB Million)	3Q'22 YTD	3Q'21 YTD	YoY	3Q'22 YTD ex. Hedge @CER	3Q'21 YTD ex. Hedge	YoY@CER
Revenue	28,395	16,521	71.9%	28,182	15,897	77.3%
Adjusted Non-IFRS Gross Profit	10,991	6,397	71.8%	10,801	5,773	87.1%
Adjusted Non-IFRS Gross Profit Margin	38.7%	38.7%	Flat	38.3%	36.3%	2.0pts

Note: From January to September 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.

Adjusted Non-IFRS Net Profit

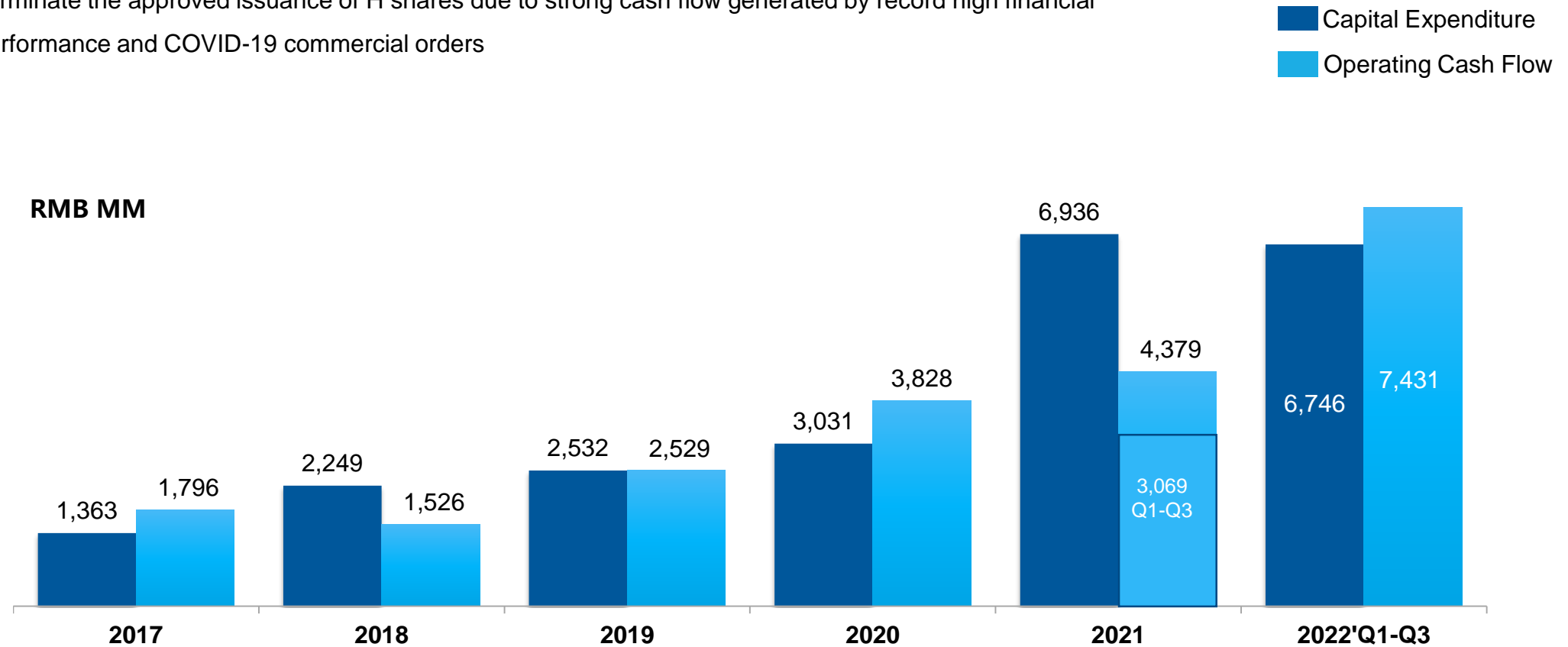
RMB Million	2022'Q1-Q3	2021'Q1-Q3
Net Profit Attributable to the owners of the Company	7,378	3,562
Add:		
Share-based compensation expenses	503	419
Issuance expenses of Convertible Bonds	1	2
Fair value (gains)/losses from derivative component of Convertible Bonds	(617)	1,469
Foreign exchange related (gains)/losses	(366)	73
Amortization of acquired intangible assets from merge and acquisition	43	41
Non-IFRS Net Profit Attributable to the owners of the Company	6,942	5,567
Add:		
Realized and unrealized gains from venture capital investments	(170)	(1,780)
Realized and unrealized share of losses from joint ventures	0.4	19
Adjusted non-IFRS net profit attributable to the owners of the Company	6,772	3,806



Note: Any sum of the data above that is inconsistent with the total is due to rounding.

Capital Expenditure and Operating Cash Flow

- 2022 Q1-Q3, operating cash flow grew **142%** YoY
- Capital Expenditure maintained 2022-full year forecast of **RMB 9-10 billion**
- Terminate the approved issuance of H shares due to strong cash flow generated by record high financial performance and COVID-19 commercial orders



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

4. Growth Outlook

We Will Maintain Strong Growth Regardless of the Environment

01

Unchanged growing global demand for new medical technologies & innovative drugs



Science & technology keep progressing. Innovators continue to emerge. Mankind's pursuit of health & longevity won't change

02

Keep enabling the global pharmaceutical industry to develop innovative drugs to meet patient needs



Unique integrated, end-to-end CRDMO & CTDMO business models

03

Continue to better serve customers worldwide by building an open-access platform with the most comprehensive capabilities & technologies globally



Proven management team with global vision, strategic industry insights and extensive experiences