

# *Global Premier CRDMO: Enabling Global Partners and Delivering Sustainable High Growth*

*2023 Interim Results*  
**August 2023**



**WuXi Biologics**  
Global Solution Provider

Stock Code: 2269.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, and our ability to protect our clients’ intellectual property. 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.

## Use of Adjusted Financial Measures (Non-IFRS Measures)

We have provided adjusted net profit, adjusted net profit margin, adjusted EBITDA, adjusted EBITDA margin and adjusted diluted earnings per share for the corresponding periods, which excludes the share-based compensation expenses, listing expenses, gains or losses from equity investments and foreign exchange gains or losses, and are not 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 underlying 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 and non-recurring items that we do not consider indicative of the performance of our business. However, the presentation of these 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.

**01**

**1H 2023 Interim Results**

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**02**

**WBS Drives  
Operations Excellence**

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**03**

**ESG as an Important Component  
of Business Strategy**

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# 1H 2023 Interim Results *01*

**534** <sup>16.3%</sup> → **621**  
Integrated Projects YoY

**~60%**

Non-COVID Projects Revenue Growth (YoY)

**46 / 14** <sup>57.1%</sup> → **22**  
New Projects Added /  
Commercial Projects YoY

**18.5** → **20.1**  
Total Backlog (US\$ Bn) YoY

**262KL**

Capacity in 1H 2023

**12,397/4,344**  
Employees / Development Scientists



**7.21** <sup>17.8%</sup> → **8.49**  
Revenue (RMB Bn) YoY

**2.91** <sup>0.4%</sup> → **2.93**  
Adj Net Profit (RMB Bn) YoY

**47.0%**  
Adj Gross Profit Margin

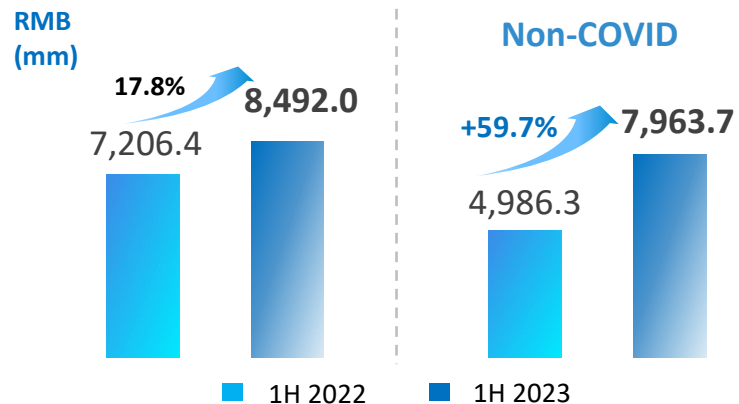
**34.5%**  
Adj Net Profit Margin

**45.0%**  
Adj EBITDA Margin

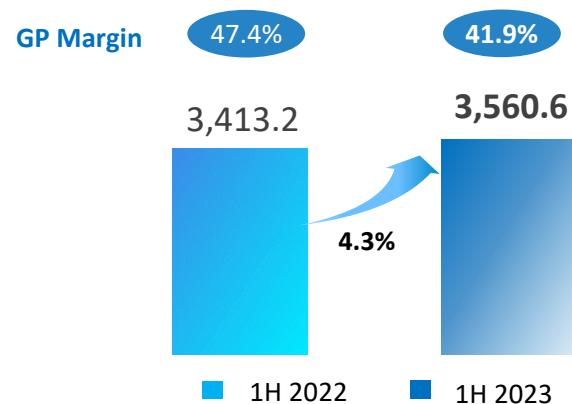
**0.65**  
Adj. Diluted EPS (RMB)

# Financial Performance

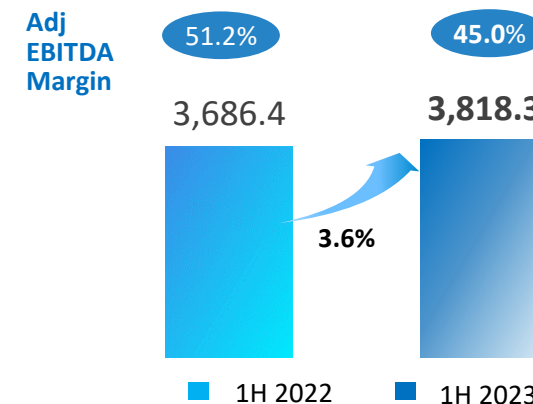
## Revenue



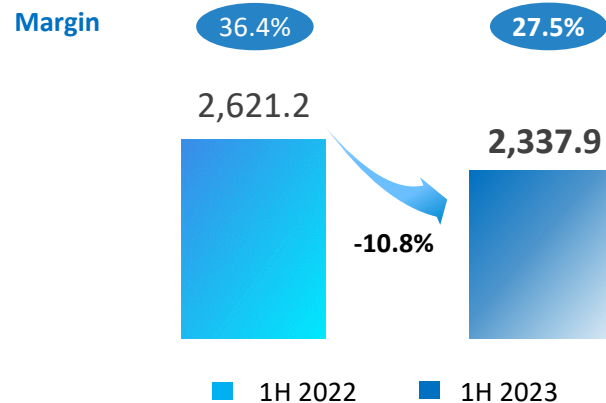
## Gross Profit



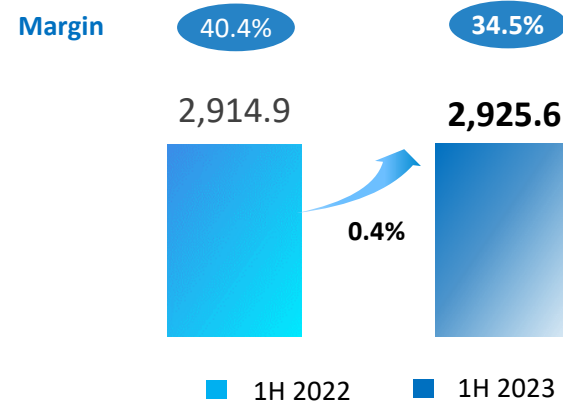
## Adj EBITDA



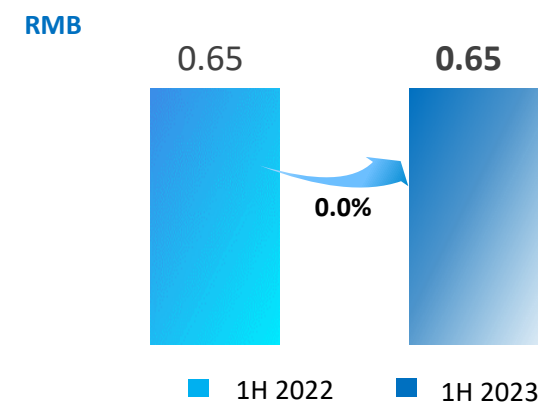
## Net Profit



## Adj Net Profit



## Adj Diluted EPS



# Key Financials

## AVAILABLE FUNDS

- Operating cash flow of **RMB2.7 bn** in 1H 2023
- Available funds approx. **RMB8.7 bn** as of June 30, 2023
- Total Liability to Equity Ratio **33.5%**, expect to have sufficient funds for capacity expansion

## CAPEX

- 1H 2023 CAPEX approx. **RMB2.4 bn**, mainly for capacity expansion in Europe, China and U.S.
- 2023 and 2024 CAPEX Plan: approx. **RMB5 bn** and **RMB5-6 bn** respectively each year from company's own funds

## LOAN

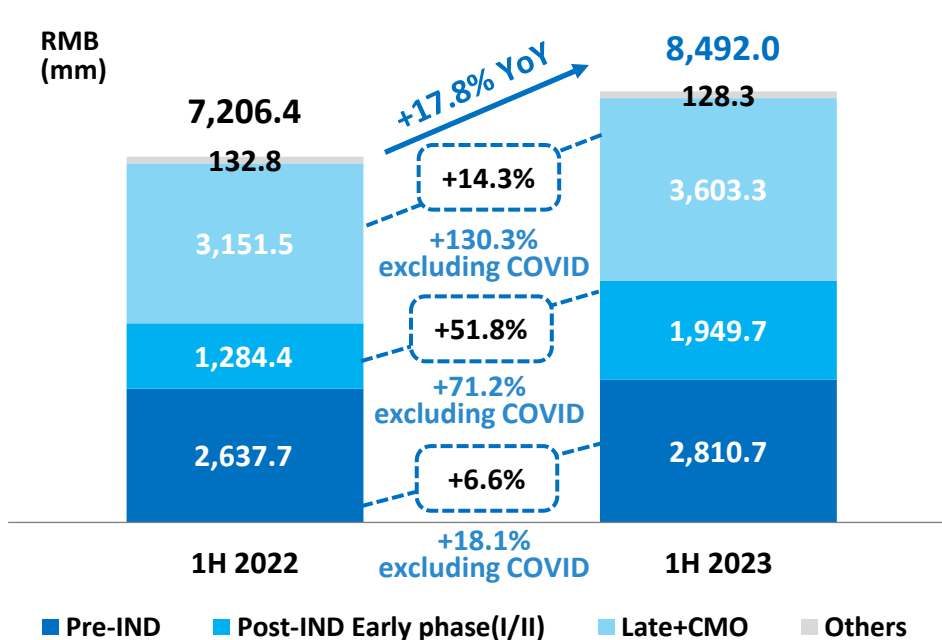
- Approx. **RMB2.8 bn** borrowings as of June 30, 2023
- Available bank credit facilities of around **RMB6.5 bn**

## CASH FLOW

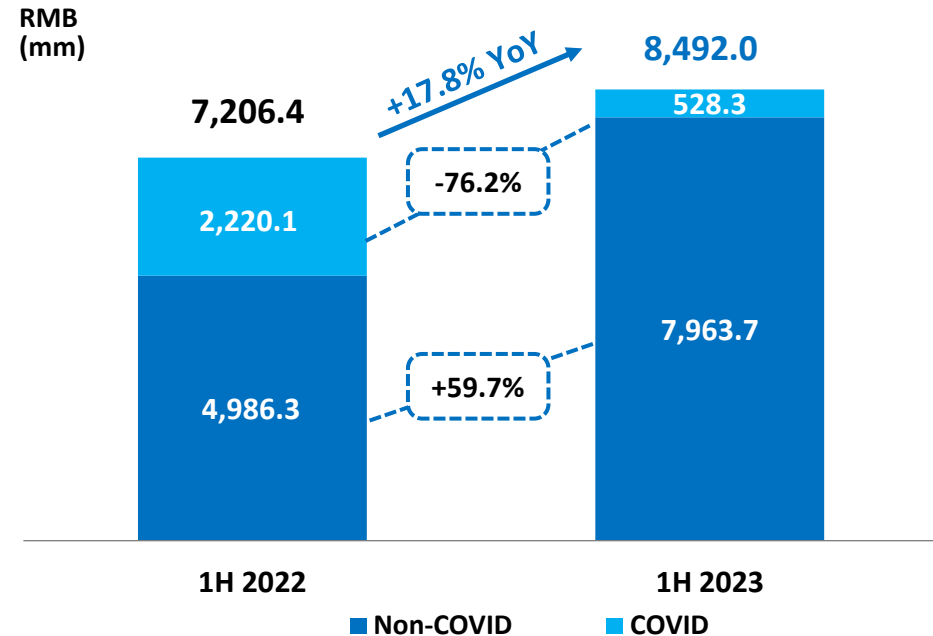
- 2023 cash from operations target > **RMB 6 bn**
- Continued to target free cash flow positive in 2023

# Post-IND Continued to Accelerate and Delivered Steady Revenue Growth

## By Project Phase



## COVID VS Non-COVID



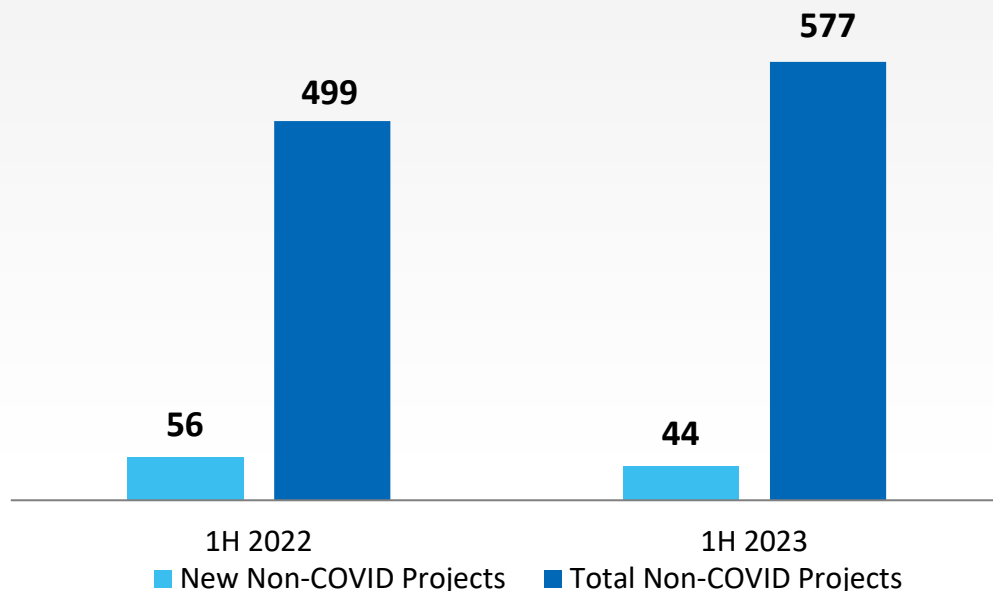
- Early-phase revenue grew by **51.8%** YoY thanks to seamless pre-IND development execution, demonstrating the successful implementation of “Follow the Molecule” strategy and indicating potential acceleration of late-phase and commercial manufacturing projects
- Due to biotech funding slowdown especially in China, pre-IND revenue increased by **6.6%** YoY. With the biotech funding rebounding in U.S. and EU, revenue generated from pre-IND is expected to regain its momentum
- Late-phase and CMO revenue achieved steady growth: despite the declined revenue contribution from COVID, non-COVID revenue from late phase and CMO stage grew rapidly by **130.3%** YoY

- Non-COVID projects delivered **~60%** YoY revenue growth in 1H 2023, and will continue to fuel future growth
- COVID projects demonstrated the strength of the Group’s technology platforms and speed of execution to win more projects from global clients

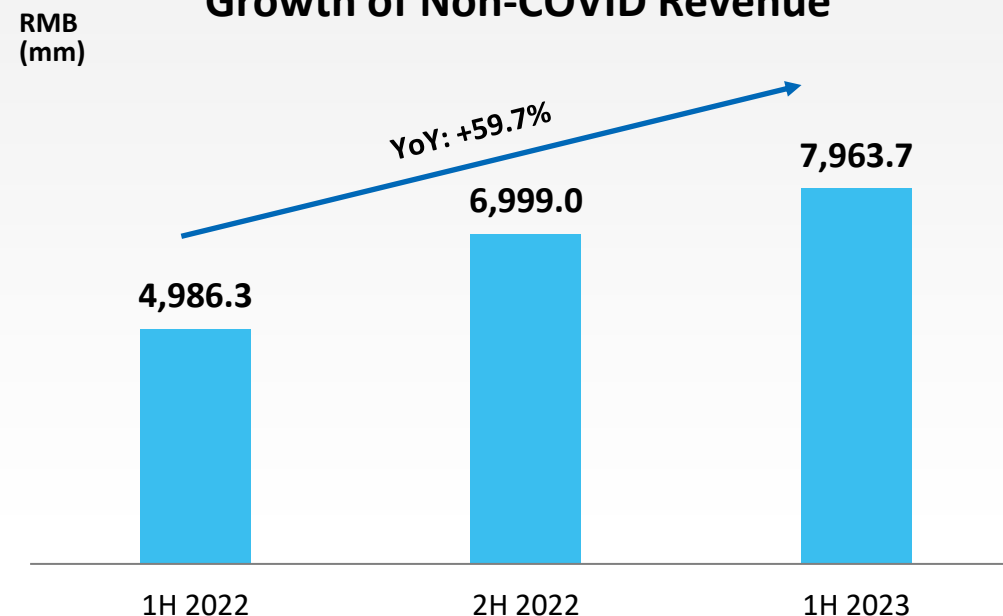


# Non-COVID Projects Driving Growth with Strong Momentum

## Growth of Non-COVID Project Number



## Growth of Non-COVID Revenue



- **1H 2023: despite the headwinds from biotech funding slowdown, 44 non-COVID projects added in 1H 2023, maintain similar market share as before** thanks to unique CRDMO business model, advanced R&D capabilities, strong execution, determined quality system and proven track record
- “Follow and Win the Molecule” for non-COVID projects will drive company’s sustainable growth
- Thanks to our relentless efforts on COVID projects execution in past three years, we continued to win more trust from global clients and establish strong partnerships with them

### Arcus Biosciences Expands Strategic Relationship with WuXi Biologics to Develop a Best-in-Class anti-CD39 Antibody for the Treatment of Cancer

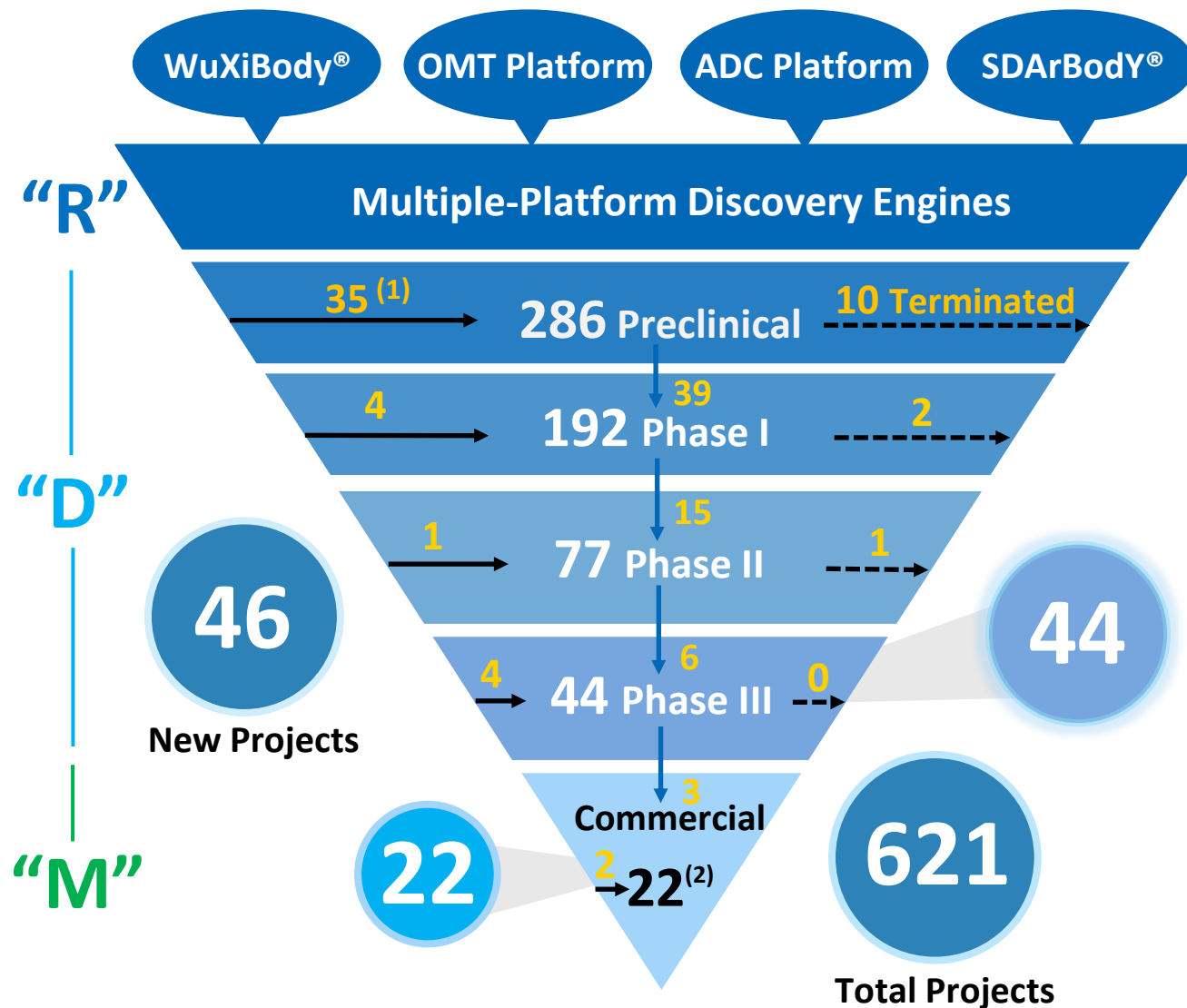
- The parties will discover anti-CD39 antibodies using WuXi Bio's proprietary technology.
- This CD39 collaboration represents the fourth antibody development program on which the two companies have joined forces.
- Arcus was granted exclusive worldwide rights to anti-CD39 antibodies discovered under the collaboration and will be responsible for all further development and commercialization activities of such anti-CD39 antibodies.

### WuXi Biologics and GSK Enter into License Agreement on Multiple Novel Bi- & Multi-specific T Cell Engagers

- WuXi Biologics will provide an exclusive license to GSK for 1 preclinical bispecific T cell engaging (TCE) antibody and 3 additional bi-/multi-specific TCE antibodies developed using WuXi Biologics' proprietary technology platforms
- WuXi Biologics will receive an upfront payment of **US\$40 million**, up to **~US\$1.4 billion** at key milestones and tiered royalties on net sales

# Moderate Growth in Pre-clinical Balanced with Strong Growth in Phase III & CMO, Deliver 2X Industry Growth

- Biotech funding slowdown especially in China resulted in softer growth in pre-clinical stage. Only observed 6Q into the cycle still highlighted our leadership position.
- Fewer projects additions but increased revenue per project thanks to more late stage and CMO projects. Sales cycle extension is the reason for the lower No. of projects
- “Win-the-Molecule” strategy continued to excel: **11** external projects transferred into the pipeline as of Jun 30, 2023, including **4** phase III projects and **2** CMO for blockbuster products
- **100+** client visits in 1H 2023. Already seen funding recovery from U.S. and EU market since June
- **22** CMO projects: total contract value of 4 new projects exceeding **US\$1 bn**



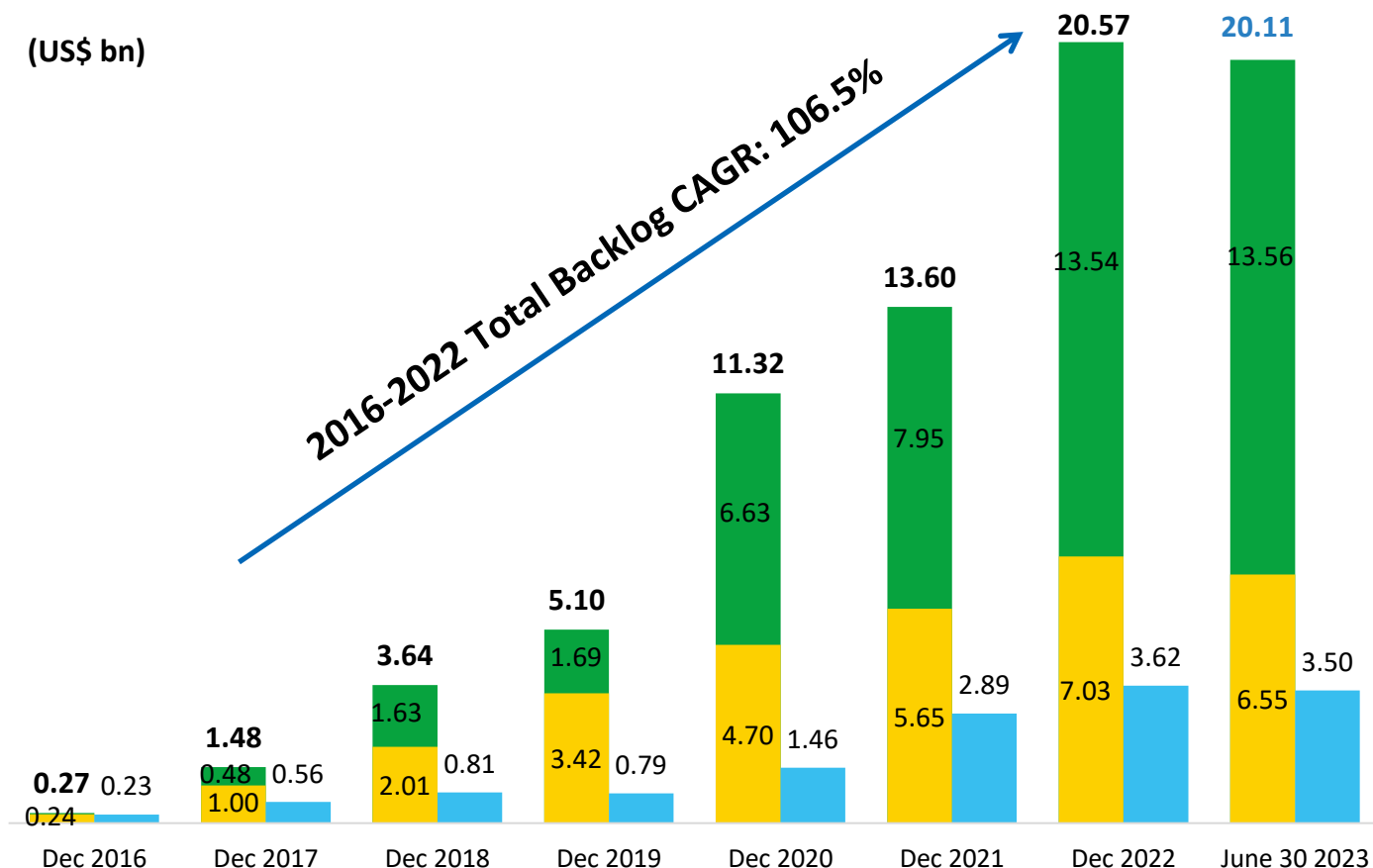
Notes:

1. As of June 30, 2023
2. The commercial manufacturing projects refer to the projects approved by regulatory authorities and signed CMO contracts with the Group

# Backlog Underpins Future Performance

- Service Backlog
- Upcoming Potential Milestone Fees <sup>(1)</sup>
- Backlog within 3 Years

(US\$ bn)

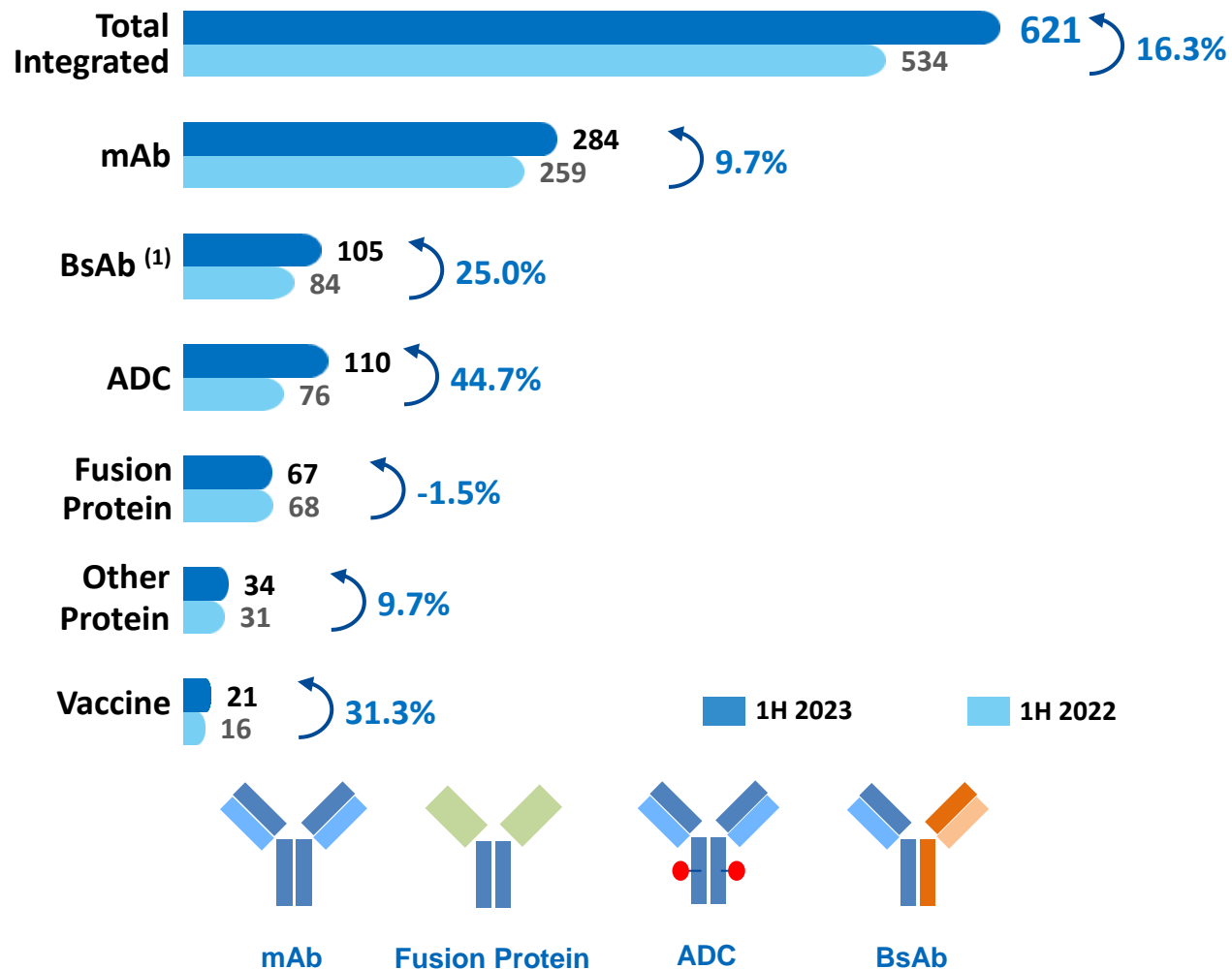


**Note:**

1. Upcoming milestone revenue may take longer to receive at the various development stages as it depends on the success rate and progress of the projects
2. Results may not foot due to rounding

- As of June 30, 2023, total backlog reached **US\$20.1 bn**. **US\$13.6 bn** service backlog as of June 30, 2023, “Win the Molecule” commercial projects brought over **US\$1 bn** backlog for mAb, bispecific and biosimilar projects, providing clear visibility of mid-to-long-term growth
- Upcoming potential milestone backlog reached **US\$6.5 bn**, **~US\$60 mm** milestone backlog converted to revenue in 1H 2023, still expect R to accelerate benefiting from technology enabling platforms and unique CRDMO business model
- As of June 30, 2023, backlog within 3 years approximated **US\$3.5 bn**, non-COVID backlog within 3 years increased by **~20% YoY**, providing high visibility of strong short-term growth
- Excellent execution of pre-clinical projects and expanded capacity would shorten the order to fulfillment cycle
- Strong backlog does not indicate lack of capacity for new projects. Additional projects can be initiated within **4 weeks**

# Rich Pipeline across All Biologics Modalities



222 First-in-class programs



21 vaccine projects, including 3 mRNA and 14 non-COVID vaccines



105 bispecific projects covering different formats



110 Antibody Drug Conjugates (ADC) projects with 44.7% YoY growth driven by increasing industry demands



17 CNS (Central Nervous System) programs from domestic and global companies with exciting potential



One of the largest portfolios of complex biologics, consisting of mAbs, bispecifics, multispecifics, ADCs, fusion proteins and vaccines, etc.

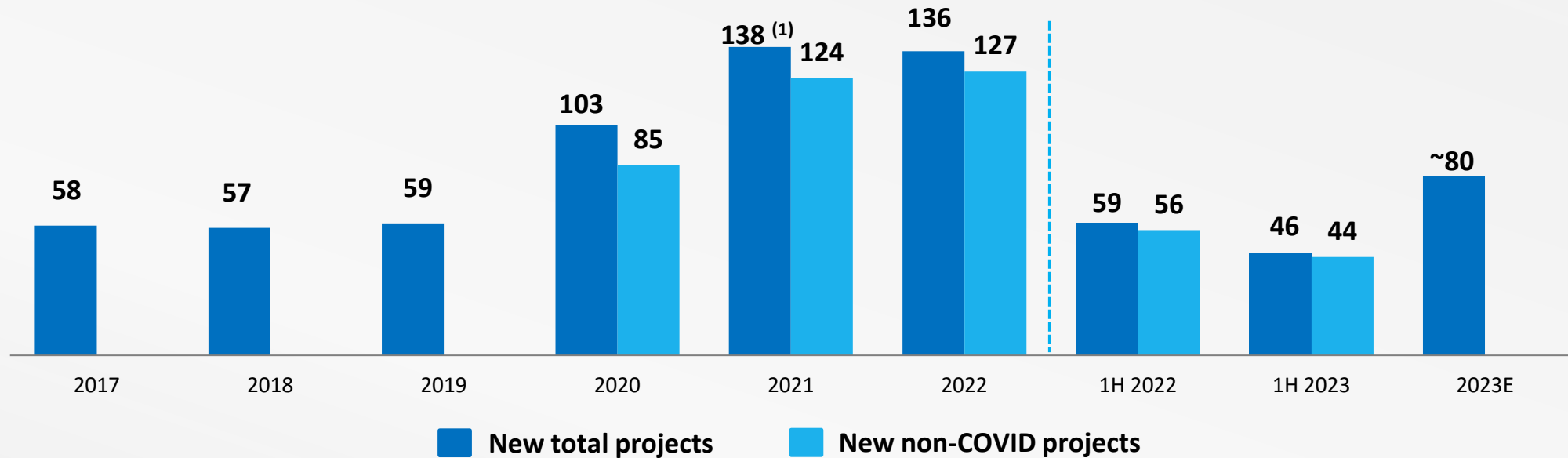
Notes:

1. As of June 30, 2023, compared with projects number as of June 30, 2022

2. Bispecific Antibody (BsAb) Included both WuXiBody® projects and non-WuXiBody® projects

# New Projects Higher than Pre-COVID Solid Trend Continues

No. of Newly Added Integrated Projects



- The number of new projects reached peak in past 3 years due to COVID contribution and high-level biotech funding
- Despite the headwinds from biotech funding slowdown, our number of new projects is still much higher than pre-COVID, indicating more recognition and trust from the industry

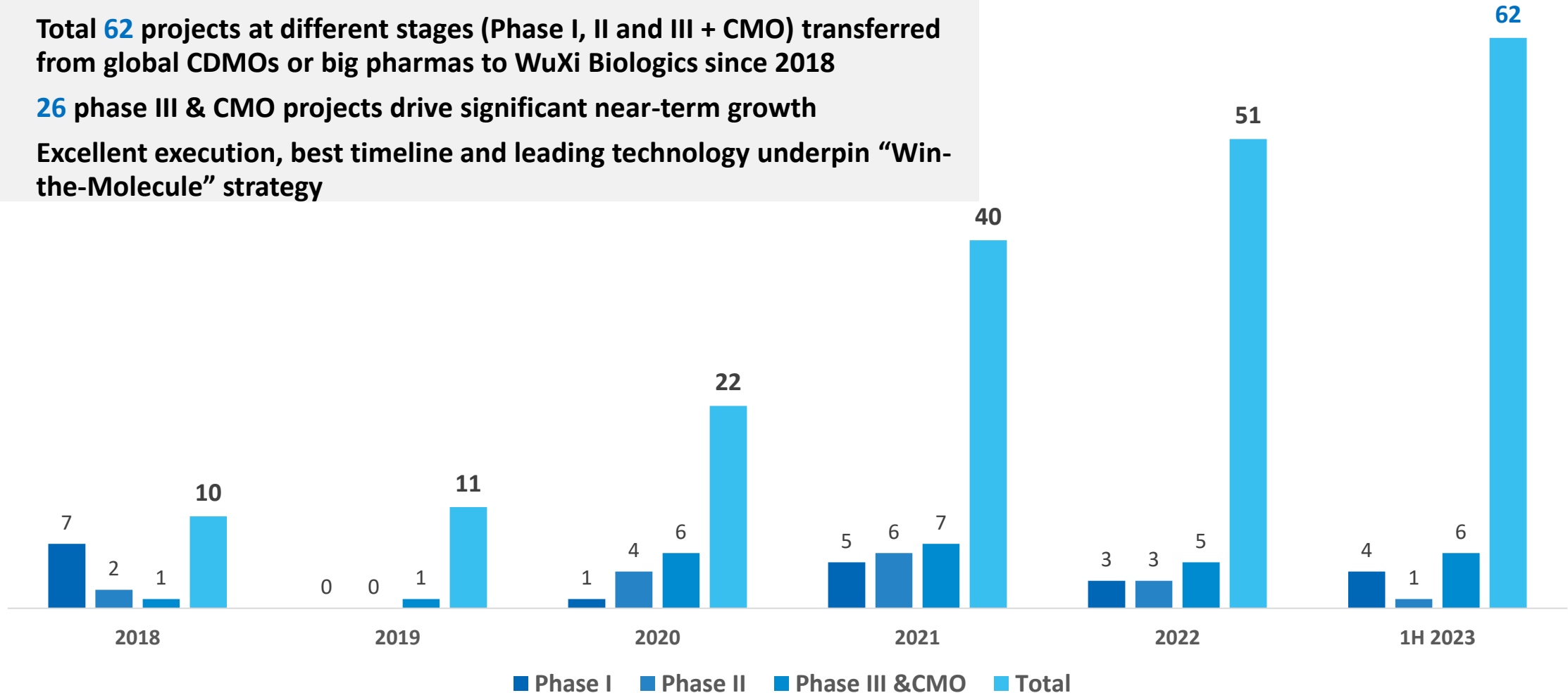
Notes:

1. Newly-added integrated project number in 2021 has excluded the projects from CMAB

# “Win-the-Molecule” Strategy: Another Driver to Expand Pipeline and Deliver Additional Near-term Growth

## “Win-the-Molecule” Projects

- Total 62 projects at different stages (Phase I, II and III + CMO) transferred from global CDMOs or big pharmas to WuXi Biologics since 2018
- 26 phase III & CMO projects drive significant near-term growth
- Excellent execution, best timeline and leading technology underpin “Win-the-Molecule” strategy



# “Win-the-Molecule” Driving Accelerated Commercial MFG



European Pharma: blockbuster mAb to be manufactured in Ireland site



USA Pharma A: potential blockbuster with over US\$1 bn peak sales to be manufactured in Ireland site



USA Pharma B: multi-billion Bispecific to be manufactured



Korean Biotech: late stage tech transfer, target for global filing



USA Biotech: late stage tech transfer, target for U.S. filing

- Total contract value of four new projects exceeding **US\$1 bn**
- Reputation and strong brand recognition for “**best in class**” operational excellence. Proven technical capabilities, quality, reliability and industry leading timelines for projects, create a winning formula of trust and operational excellence and delivery for our clients



# U.S. FDA Pre-license Inspection for AT-GAA Completed

## Follow the Molecule Strategy Validated Again



### Amicus Therapeutics Announces First Quarter 2023 Financial Results and Corporate Updates

May 10, 2023

*1Q23 Revenue Growth of 14% at CER to \$86.3M*

*On Track to Deliver Full-Year 2023 Galafold Revenue Growth of 12%-17% at CER*

*U.S. FDA Pre-approval Inspection for AT-GAA Complete; Approval Expected 3Q 2023*

*European Launch of Pombiliti®+Opfolda® Expected 3Q 2023*

*Non-GAAP Profitability Projected in 2H 2023*

*Conference Call and Webcast Today at 8:30 a.m. ET*

PHILADELPHIA, May 10, 2023 (GLOBE NEWSWIRE) -- [Amicus Therapeutics](#) (Nasdaq: FOLD), a patient-dedicated global biotechnology company focused on developing and commercializing novel medicines for rare diseases, today announced financial results for the first quarter ended March 31, 2023.

Bradley Campbell, President and Chief Executive Officer of Amicus Therapeutics, Inc., stated, "We had an outstanding start to 2023 across our global business. In Q1, Galafold saw strong operational growth primarily driven by robust patient demand in our major markets. We are pleased with the outcome of the U.S. FDA inspection of the WuXi Biologics manufacturing facility and remain highly confident in the anticipated global approvals of AT-GAA as we move towards launch in the three largest Pompe markets this year. Our strategic focus remains on continuing to grow Galafold, securing regulatory approvals and launching of AT-GAA, and achieving non-GAAP profitability in the second half of 2023. Together, we see these driving value for our stakeholders and advancing our mission of delivering high quality medicines for people living with rare diseases."

- The U.S. FDA has completed the required pre-license inspection of Amicus's AT-GAA in 1H 2023
- Amicus continues to expect regulatory approval of AT-GAA in the U.S. in the 3Q 2023
- U.K. market authorization for AT-GAA in August 2023 and EU full approval in June 2023

## Global Dual Sourcing Strategy Continues its Strong Momentum

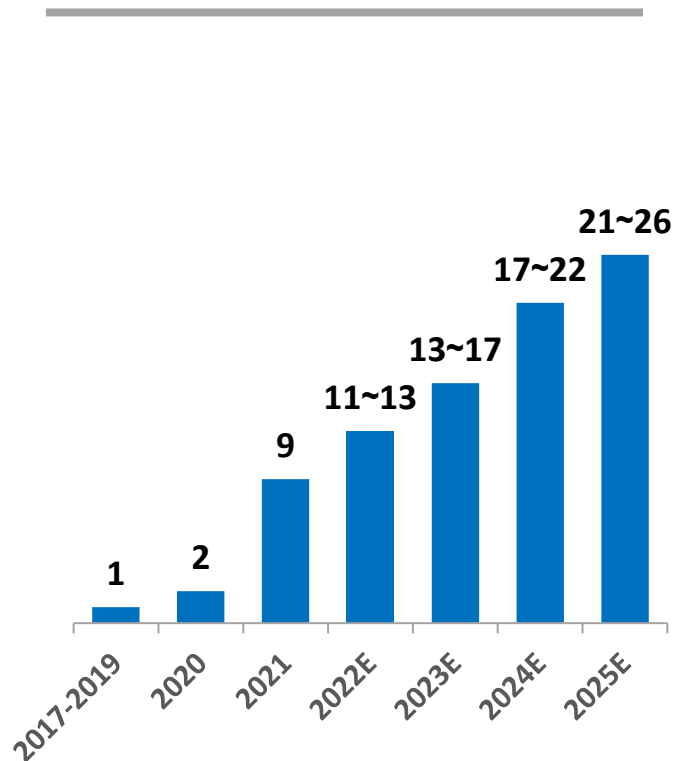


Signed **long-term agreement** with Amicus further strengthens relationship and secures long-term capacity at our **Ireland site**

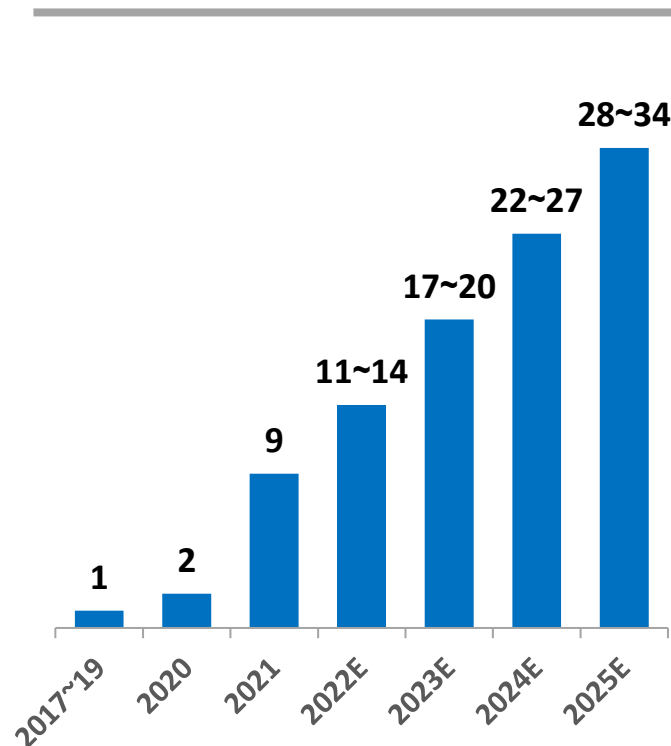


# Commercial Manufacturing will Drive Strong Growth from 2021 and Beyond

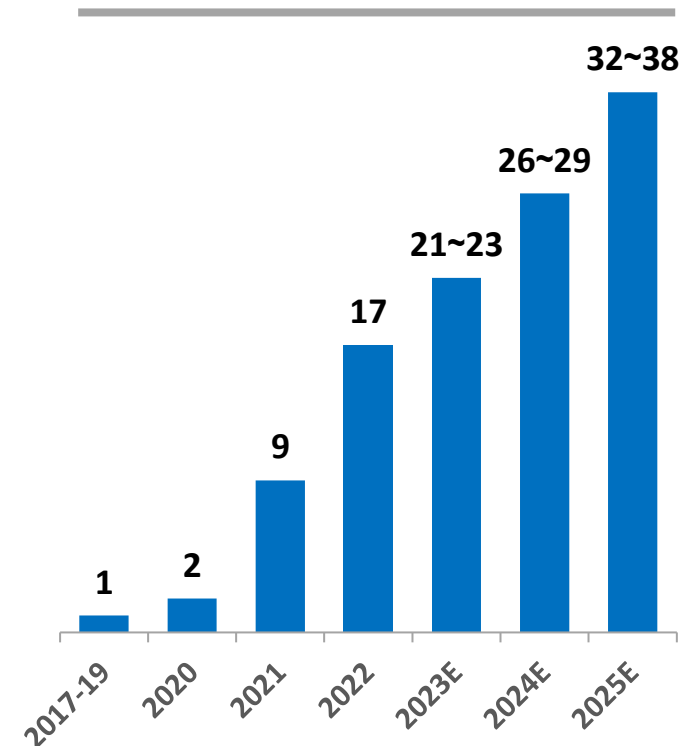
2020 CMO Prediction



1H2022 CMO Prediction



2023 CMO Prediction



- CMO projects expected to increase by implementing “Follow and Win the Molecule” strategies
- “Win-the-Molecule” enables WuXi Bio to secure more potential CMO projects

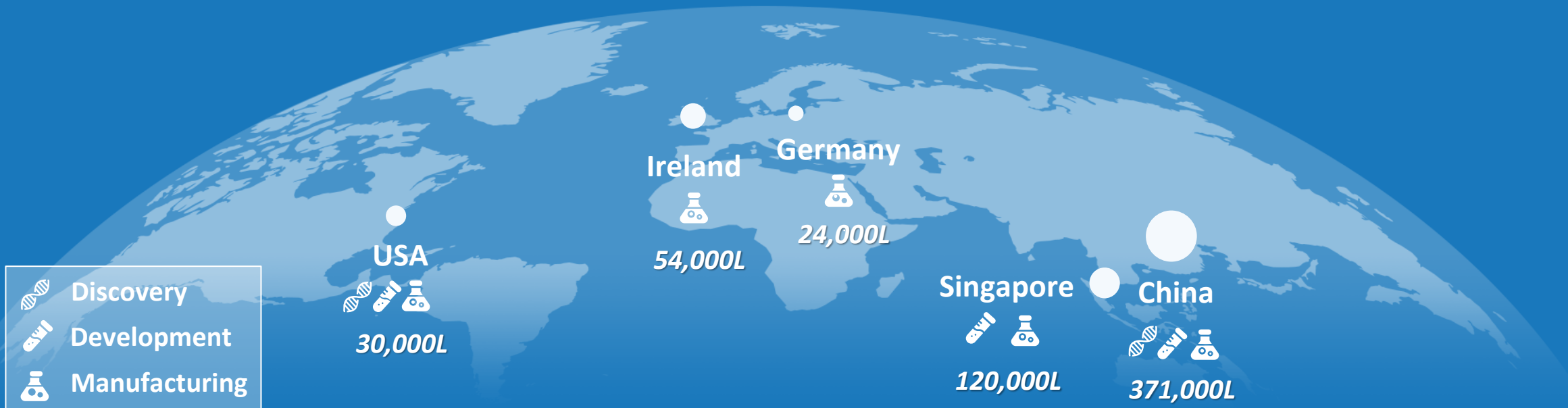
# Robust Global Network to Enable Partners: Multiple Nodes with Geographic Diversity

Global CRDMO: 3 R centers + 8 D centers + 9 M centers

R: Shanghai WGQ, Shanghai FX, Boston

D: Shanghai WGQ, Wuxi, Shanghai FX, Chengdu, Hangzhou, Suzhou, Cranbury NJ and Singapore

M: Wuxi, Hebei, Chengdu, Hangzhou, Wuppertal, Leverkusen, Dundalk, Worcester MA and Singapore



# New Chapter for Global Operations

Development and Hiring in U.S. & EU on track, 7-8 DS PPQ Expected in 2024, Driving Robust Revenue Increase



- MFG6/7 GMP released in Q4 2022, and received first GMP Certificate from Ireland
- 7 CMO contracts signed and almost fully booked in 2025
- 3 eng run completed with 100% success rate, will kick off 1<sup>st</sup> PPQ and 5 PPQ expected in 2024

MFG6/7 in Dundalk, Ireland



- MFG19 (6x2,000L currently expanding to 12x2,000L)
- DP7 (liquid/lyo commercial facility, Germany/EMA certified): with an annual capacity of approximately ten million doses, is being expanded to include a second variable filling line

MFG19/DP7 in Germany



- MFG18, the first clinical manufacturing facility in U.S., started GMP operations in mid 2022
- 100% manufacturing success rate
- Attracted 20+ new clients to WuXi Bio
- 2023 focus is site improvement to prepare for a strong growth in 2024

MFG18 in New Jersey, U.S.



- Construction on track and completed weather tight, GMP operation targeted in 2025 with total capacity of 24,000L
- Another choice in the U.S. within WuXi Bio global network

MFG11 in Massachusetts, U.S.



- Design on track and completed land purchase
- Entered into a strategic partnership with Pharmadule Morimatsu to provide modular factory for 2 of production assets
- Setting up a comprehensive CRDMO center in Singapore for global customers

MFG10 in Singapore

# Eli Lilly Applies Single Use Technology in its Ireland Site

## Another Demonstration for This Manufacturing Technology

### Eli Lilly picks ABEC for single-use Ireland facility

by Millie Nelson

Thursday, July 13, 2023 5:33 am

ABEC will deliver multiple Customer Single Run (CSR) single-use systems to Eli Lilly's manufacturing facility in Limerick, Ireland.

Eli Lilly announced plans to build a €400+ million (\$433 million) greenfield site in Limerick, Ireland last year. The firm then magnified the investment to around \$1 billion to further support its biologics ambition in the country . in March.

Now, Lilly has selected ABEC, a solutions and services for biotech manufacturing to support Basis of Design (BOD) engineering of the plant's upstream and downstream processes. ABEC will implement its single-use technology and its large-scale CSR bioreactors will be "at the heart of the facility," used for Lilly's high-density culture processes.

Lilly

Company ▼ Science ▼ Medicines ▼ Impact ▼



01

### Big Pharma's Choice

Eli Lilly plans to expand its facility in Ireland with single use technology, showcasing the strength and trend of such manufacturing technology

02

### WuXi Bio's Track Record








WuXi Bio delivered ~4 tons of COVID-19 neutralizing antibodies with single use technology, demonstrating that such technology is comparable to stainless steel in large-scale manufacturing

03

### Single-Use in Capacity Expansion

Growing trend: 44% single-use technology is applied in new capacity; 36% single-use technology is applied in CMO capacity.

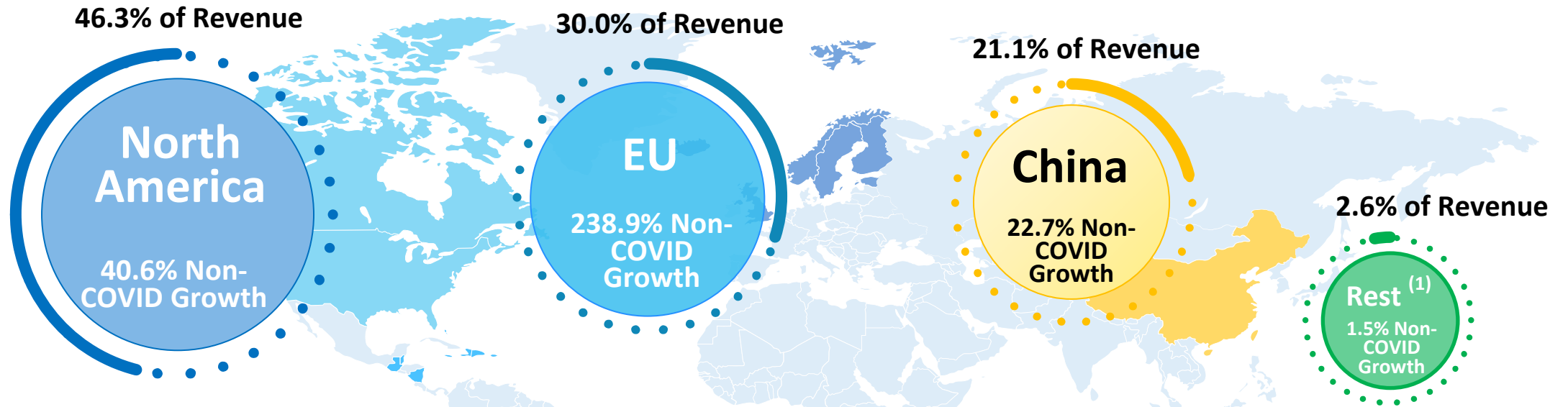
Source: Morgan Stanley report

Signed Commercial Contracts	MFG	Scale (FB/L)	Est. Batches/Yr.
 <b>Pharma A</b>	Perfusion	1K	30+
 <b>Pharma B</b>	Fed Batch	12K	10+
 <b>Pharma C</b>	Fed Batch	16K	6+
 <b>Pharma D</b>	Fed Batch	8K	20+
 <b>Pharma E</b>	Fed Batch	12K	15+
 <b>Pharma F</b>	Fed Batch	12K	13+
 <b>Pharma G</b>	Fed Batch	12K	20+



- *Ireland site completed construction with the shortest timeline, received the 2023 Facility of the Year Award (FOYA) in the Operations category from the International Society for Pharmaceutical Engineering (ISPE)*
- *Significant commercial manufacturing from 2024 onwards, almost fully booked in 2025*
- *30% projects transferred from China as global dual sourcing ie follow the molecule*
- *70% win the molecule for all potential blockbuster biologics, most of them for blockbuster products on the market*

# Sustained Growth with Diverse Engines



- **North America:** the biggest market with growth potential. Non-COVID revenue grew by **40.6%** YoY and over **60%** of new projects were added from this region in 1H 2023, expecting more growth drivers to fuel sustainable growth
- **Europe:** the market with the fastest growth rate. Non-COVID revenue grew by **238.9%** YoY. Extended more collaboration with MNCs and biotech in EU and expect continued strong performance from EU market
- **China:** achieved **22.7%** non-COVID revenue growth and collaborated more with high-quality clients, especially those who licensed out the products to global MNCs, partially offset by the impact from biotech funding constrains
- **Rest of the World:** continued to enable customers in this region and explored more collaborative opportunities

**Note:**

1. The rest market primarily includes Singapore, Japan, South Korea, Australia and Israel

# Excellent Operational Metrics

## 1H 2023 R&D Track Records

- Enabled **55** INDs in 1H 2023 and supported **440+** INDs as of June 30, 2023
- Developed **40+** cell based assays in 1H 2023 and developed **340+** in total since 2017
- Completed **130+** GMP audits/inspections in 1H 2023. **1,000+** audits/inspections completed since 2013
- **23** first-author publications in 1H 2023 with another **12+** already submitted
- Received EMA GMP certificate **9 months** after facility release
- **11,900+** proteins generated to support global research in 1H 2023, which has already exceeded 2022 whole year total
- **1,000+** viral clearance projects completed since 2013

## MFG Operational Excellence

- Drug Substance: **4** PPQ campaigns at 100% success rate in 1H 2023 and **2,500+** batches completed at 98%+ success rate overall
- Drug Product: **7** PPQ campaigns completed at 100% success rate in 1H 2023 and **1,700+** batches completed at 99%+ success rate overall, 100% mfg success for three years in a row
- **68** 12000L batches completed at 100% success rate in 1H 2023
- **14** facilities with **~262,000L** Drug Substance capacity in 1H 2023 vs **580,000L+** in the future
- **9** facilities for drug product filling, including **1** bioconjugate Drug Product by end of 1H 2023
- Building **13** facilities globally

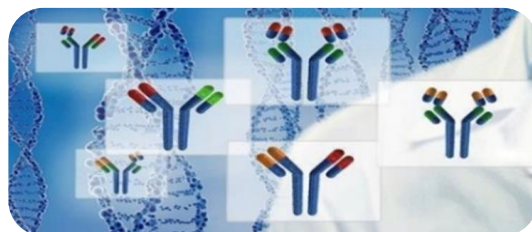


# Bispecifics to be Another Growth Driver – WuXiBody®



Leading Edge  
Technology

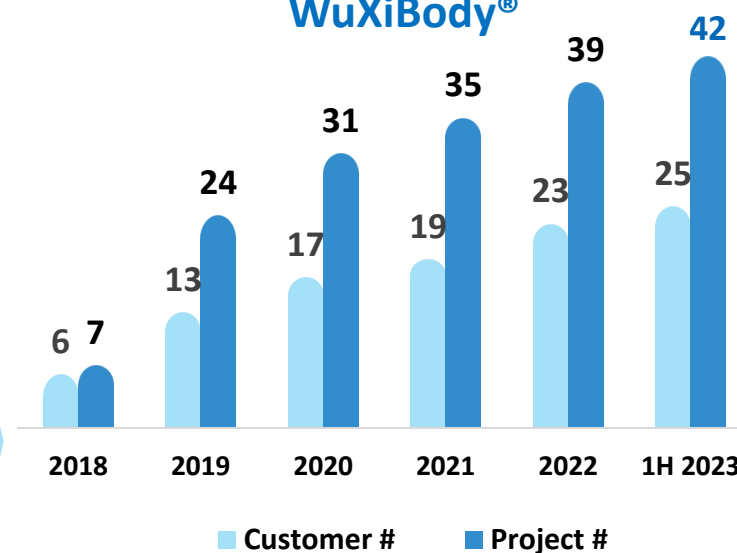
Empower to discover best  
or first-in-class molecules



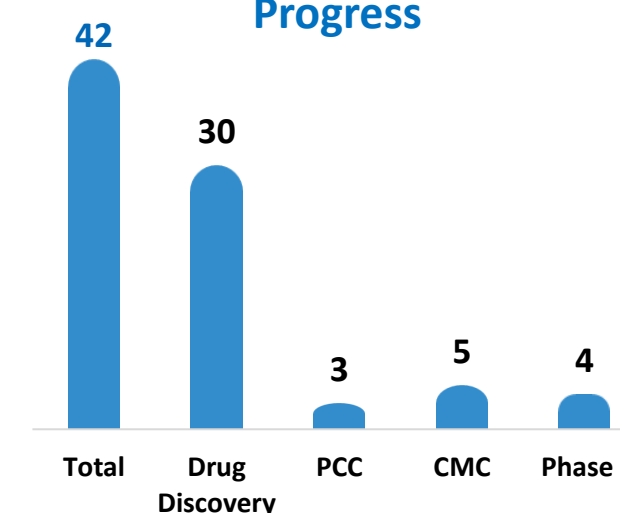
**WuXiBody® Bispecific**  
Antibody Technology Platform



Out-licensed Projects for  
WuXiBody®

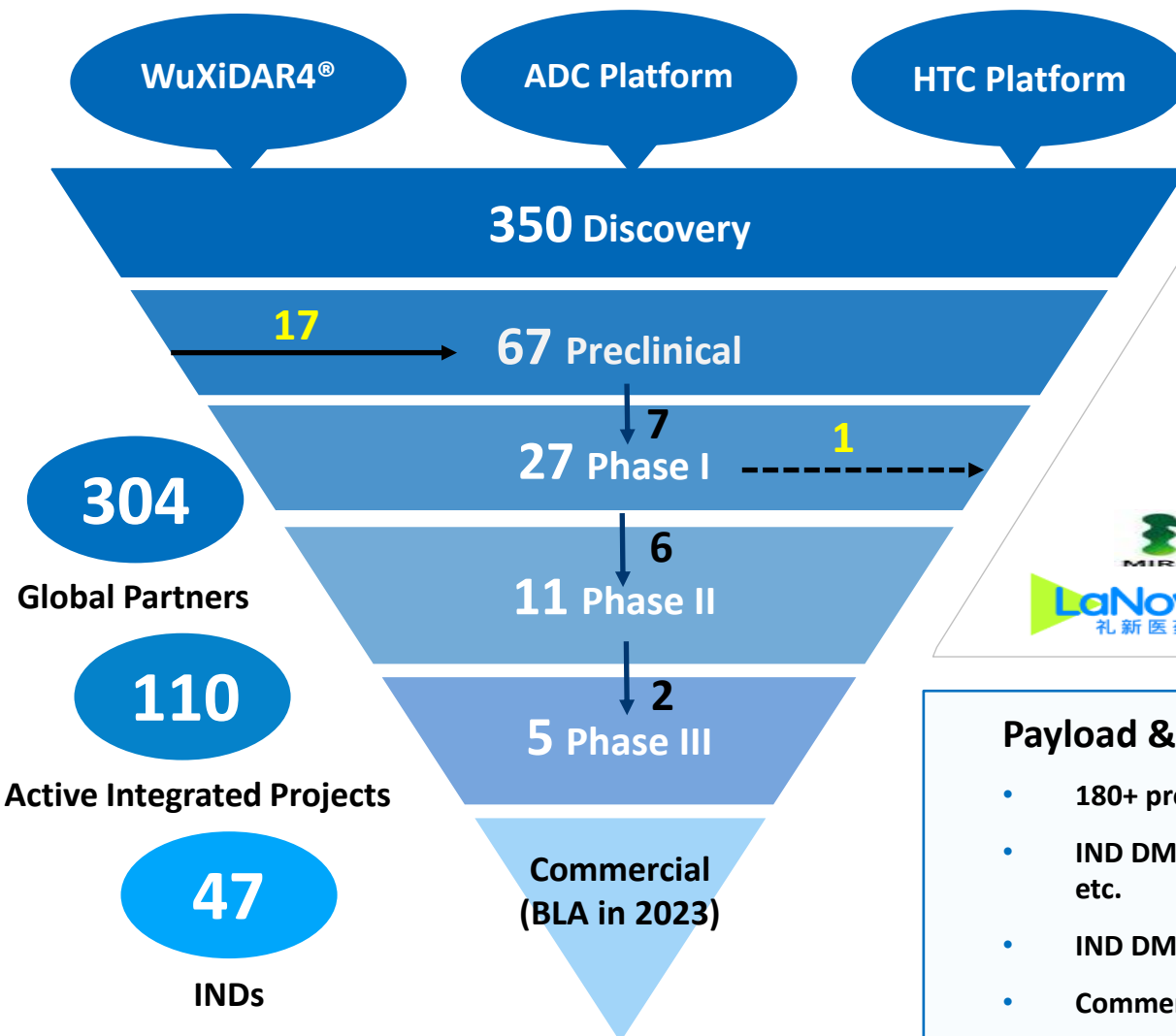


WuXiBody® Development  
Progress



- WuXiBody® continues to gain worldwide recognition, with **42** out-licensed projects as of June 30, 2023
- **4** projects at Phase I, **5** projects at CMC, and **3** projects at PCC, demonstrating state-of-the-art technology of WuXiBody®
- **5 to 8** WuXiBody® projects are expected to get IND approval in 2024

# “Follow and Win the Molecule” Strategies Supporting Multiple XDCs



## Selected Global XDC Partners



### Payload & Linker

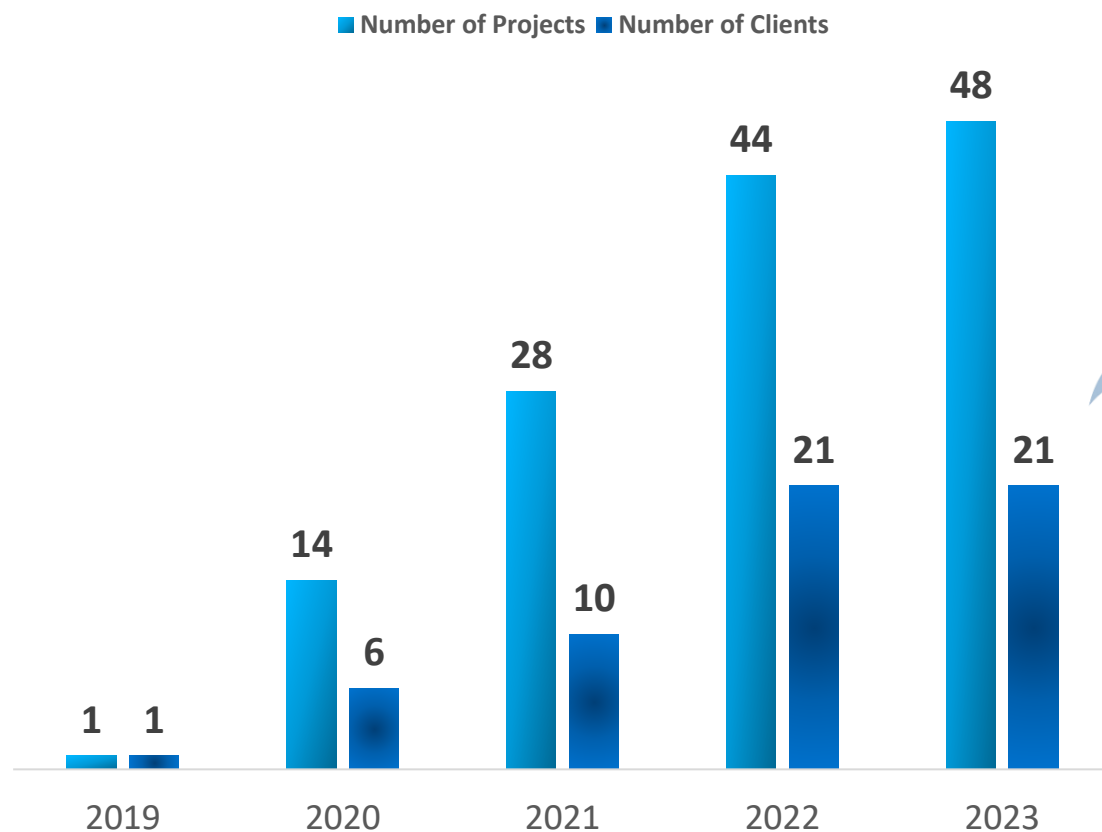
- 180+ projects completed with 10 IND Submission by 1H 2023
- IND DMF files for common payloads: vcMMAE, MCMMAF, MMAE, Exatecan mesylate etc.
- IND DMF filing for DM1 under submission
- Commercial DMF for vcMMAE by Q3 2023

Note:  
1. As of June 30, 2023

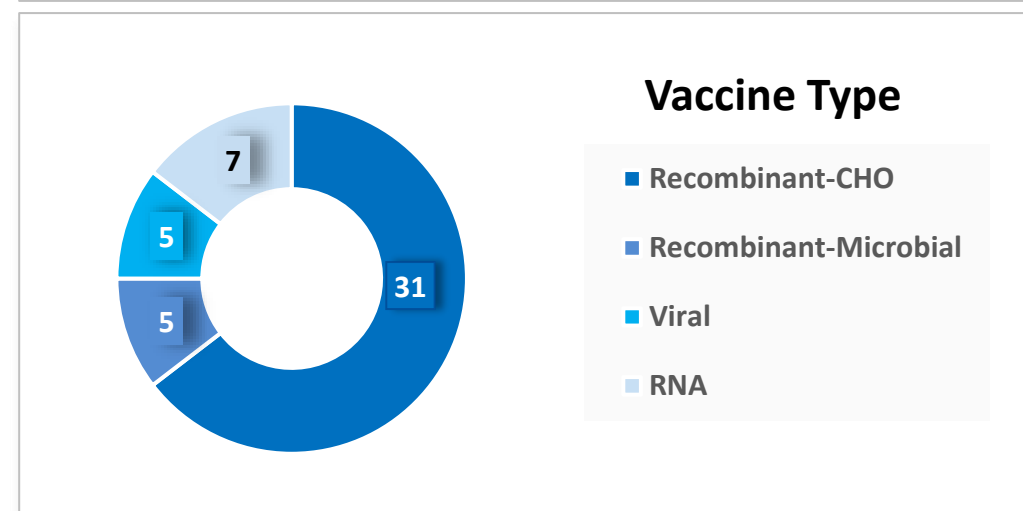
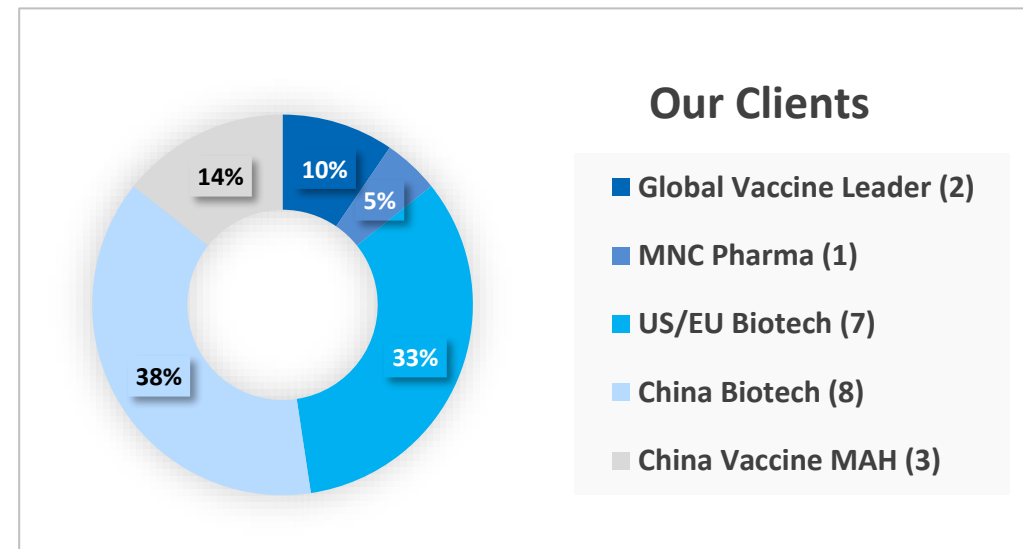
# Progress of WuXi Vaccines

## Serving 21 Clients on 48 Projects

### Cumulative Number of Projects and Clients 2019 - 2023

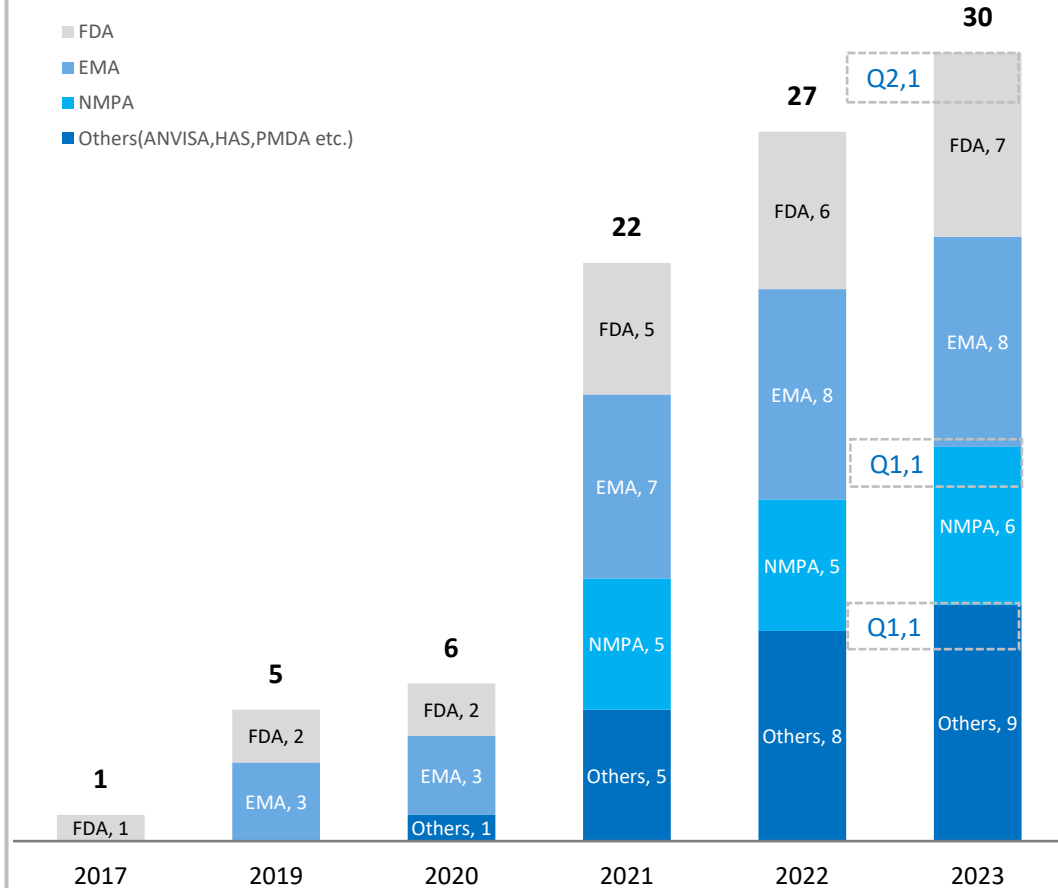


Note:  
1. As of June 30, 2023

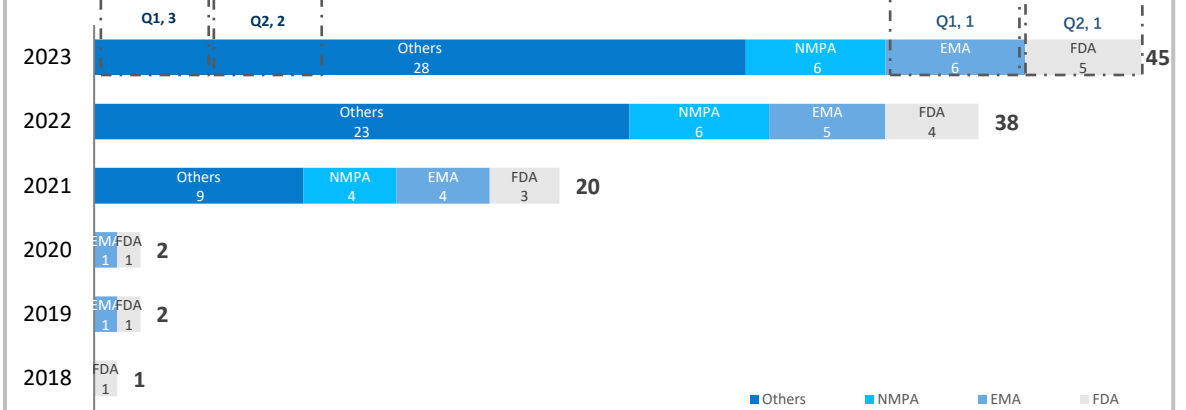


# QUALITY is Our Competitive Advantage and Moat

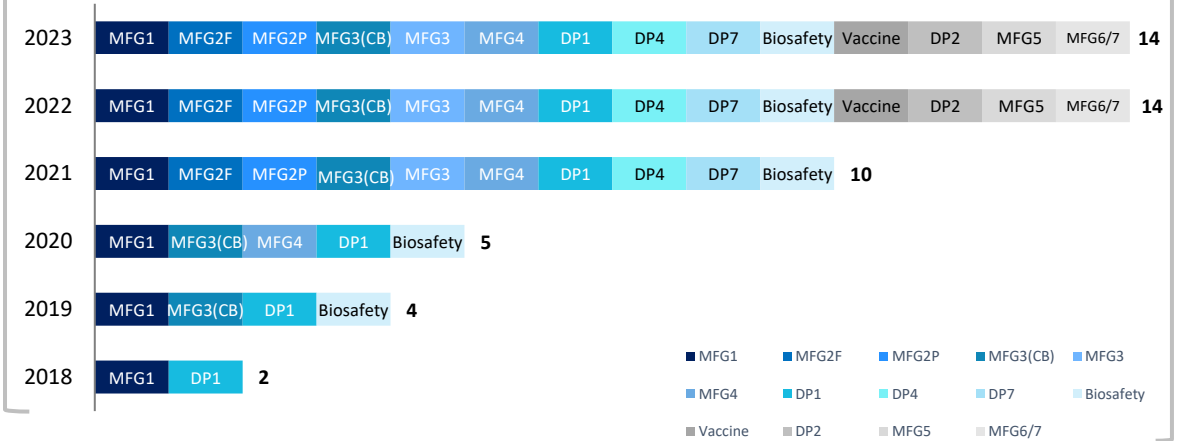
**Number of Regulatory Inspections: 30**



**Number of License Approvals: 45**



**Number of Certified Facilities: 14**



**Note:**  
1. As of June 30, 2023

# Talent Forms the Prerequisite for Business Success

Total Employees

12,397



Employees working in US/EU/APAC

1,308



Ph.D./equivalent

811

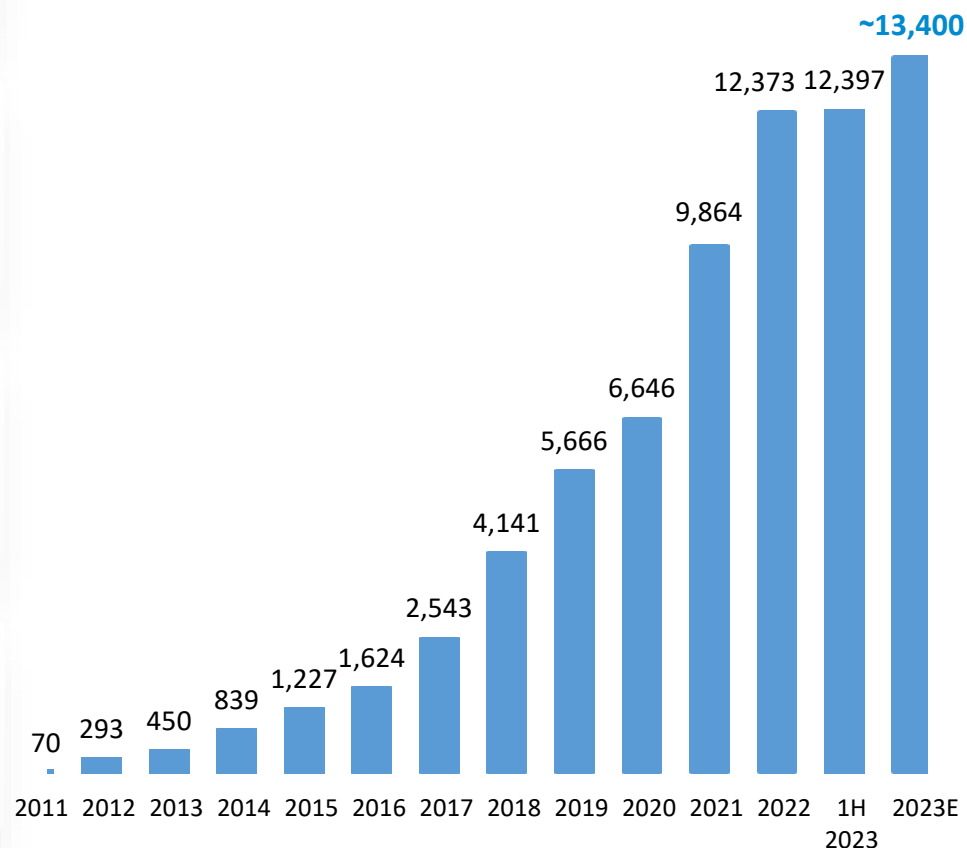


Development scientists

4,344



## Rapid Expansion of Talent Pool



## 1H 2023 Retention Rate <sup>(1)</sup>



Total Retention Rate



Key Talent Retention Rate

Note:

1. As of June 30, 2023, retention rate is calculated on voluntary staff turnover

# Benefits for WuXi Biologics from WuXi XDC's Proposed Spin-off Listing



Develop a Global Leading ADC and Bioconjugate CRDMO

- Enables WuXi XDC to develop a unique global leading CRDMO focusing on bioconjugate and capture opportunities in the fast-growing global ADC and bioconjugate market, with an independent fundraising platform
- Gives WuXi Biologics more flexibility and capacity to allocate capital among various businesses and drive long-term growth



More Defined and Delineated Business Focus and Strategy

- Business focus tailored to the respective drivers of profitability and long-term growth of WuXi Biologics
- More direct alignment of management's responsibilities and accountability in each company to improve efficiency



More Organized and Efficient Allocation of Capital and Resources

- Alleviates WuXi Biologics' capital demands to finance the ongoing CapEx plans of WuXi XDC at a fast-growing stage
- Enables WuXi Biologics to allocate resources effectively to biologics CRDMO business and improve capital utilization efficiency



Improved Governance, Market Communication and Transparency

- WuXi XDC's operational and financial performance (including capital commitment) are independently reported to investors
- Enhances market communication and enables investors to assess the value, performance and strategy of each of WuXi Biologics and WuXi XDC at different development stages more effectively



Value Creation for WuXi Biologics and Shareholders

- Fully develops and unlocks the intrinsic value of WuXi XDC with enhanced reputation and leadership position
- Maximizes the value creation for both WuXi Biologics and its shareholders as WuXi XDC will remain a subsidiary of the Company upon the Proposed Spin-off



No Material Adverse Financial Impact

- WuXi XDC remains as a subsidiary post spin-off, with financials continue to be consolidated into WuXi Biologics' statements
- No adverse impact on WuXi Biologics' financial and operational performance, as WuXi XDC's revenue and adjusted net profit accounted for ~6.5% and <5% of WuXi Biologics in 2022

**WBS Drives  
Operations Excellence**

**02**

# WuXi Biologics Business System (WBS) launched in 2021

## WuXi Biologics' Lean Operation and Management System

CHEAPER FASTER BETTER

WuXi Lean **Culture**

Culture

Lean **Mindset** and  
Management System

Mindset/System

Lean Operation **Tool Box** to Support  
Continuous Improvement and Innovation

Tool/Methodology



# WBS Achievements in 1H 2023: On Target to Achieve Full Year Saving

## Identified Opportunities

350+

Planned Kaizen projects

350+ kaizen opportunities identified and planned to be completed in Y2023

Opportunities

## Realized Benefit in 1H 2023

Inventory Reduction

RMB630 mm

- ✓ Inventory reduced from Kaizen projects

Efficiency Improvement

340 khr

- ✓ Labor hours saving from kaizen projects



### Quality Improvement

- Drug Substance filter testing strategy harmonization
- On-time completion rate of Deviation increasing



### Material Cost Saving

- Buffer preparation process optimization
- Procurement strategy optimization
- Key reagent management optimization



### Labor Efficiency Improvement

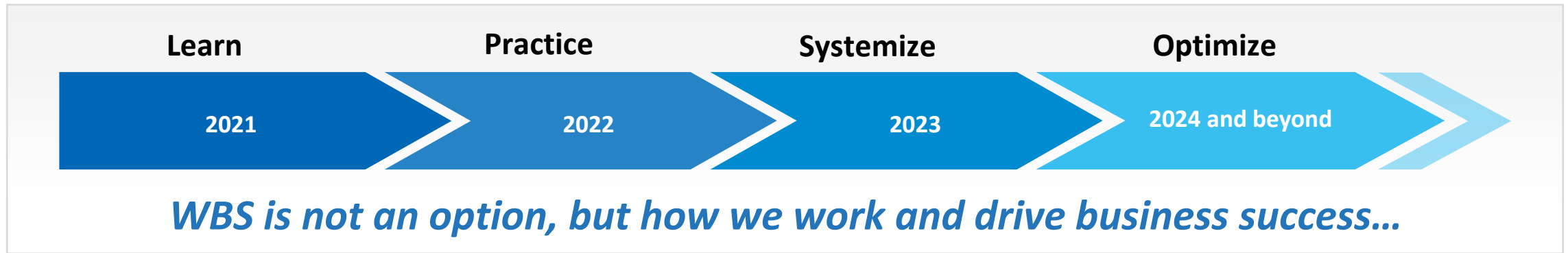
- Payment process optimization, ↓ 11,000 hr/yr
- Standard work model for clinical QC establishment, ↓ 4,700 hr/yr



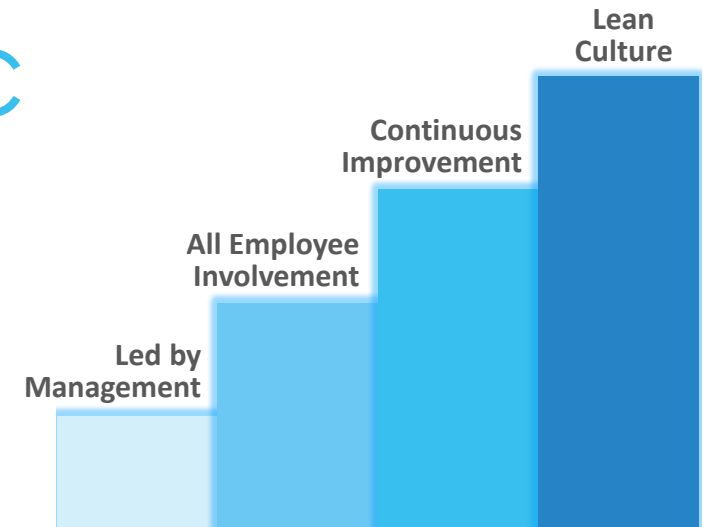
### ESG

- ESG kaizen week
- Set up multi-tasks to improve ESG system

# WBS Drives Business Success



## Key to WBS Success



**ESG as an Important  
Component of  
Business Strategy**

**03**

1. 53% of employee are women; 47% of managerial positions and 30% of executive management are female
2. 100% renewable energy combined with disposable manufacturing technologies make Irish manufacturing site “greenest” biologics manufacturing globally
3. Committed to Science Based Targets Initiative (SBTi)
4. 21% YoY reduction in GHG emissions intensity (Scope 1/2 )



## SBTi COMMITMENT LETTER

Version 1.2  
April 2023



PARTNER ORGANIZATIONS



### COMMITMENT SELECTION

By signing this Commitment Letter, our organization indicates an intent to join the growing group of leading corporations that are setting emissions reduction targets in line with what climate science says is necessary. By doing so, we recognize the crucial role the business community can play in minimizing the risk climate change poses to the future of our planet.

Thereby, I am pleased to confirm that (WuXi Biologics (Cayman) Inc. \_\_\_\_\_) is committing to:

**Set near-term science-based emissions reduction targets** in line with the SBTi Criteria and Recommendations, and submit them to the SBTi for validations within a maximum of 24 months.

We acknowledge that our commitment will be recognized on the [SBTi website](#) as well as on our partner websites at [We Mean Business](#). Companies who are participants of the UN Global Compact will also be recognized on the [UNGC webpage](#).

In addition, to align with the most ambitious aim of the Paris Agreement and to what science dictates is necessary to reduce the destructive impacts of climate change on human society and nature - to reach net-zero global emissions by 2050 at the latest in order to limit global warming to 1.5°C - my company is committing to:

**Set net-zero targets, including a long-term science-based target**: My company commits to set long-term science-based targets to reach net-zero value chain GHG emissions by no later than 2050 in line with the [SBTi Net-Zero Standard](#) and submit it for SBTi validation within a maximum of 24 months. By committing to set a net-zero target, I also acknowledge that my company will join the [Race to Zero campaign](#).<sup>1,2,3</sup>

**Near-term science-based targets** are 5-10 year GHG mitigation targets in line with 1.5°C pathways.

**Net-zero science-based targets** are long-term targets that show companies how much they must reduce value chain emissions to align with reaching net-zero at the global or sector level in eligible 1.5°C pathways by 2050 or sooner. The SBTi defines the state of net-zero emissions for companies as reaching a state of no impact on the climate resulting from the organization's GHG emissions. Reaching a status of science-based net-zero emissions implies the following two conditions:

# 1H 2023 ESG Key Deliverables

## Enhancing Governance

### ESG Committee

Comprised of four board members  
Led by CEO

**21**

Material ESG issues

**100%**

Participation in business ethics  
and anti-corruption training

**100%**

Supplier Code of Conduct  
Sign-Off

**ISO27001**

Information security  
certification

## Enabling Clients and Community

**573**

Global partners \*

**621**

Integrated projects\*

**30**

Inspections by global regulatory  
agencies passed\*

**98%+**

Success rate of 2,500+ batches of  
drug substance produced\*

**5,996**

Volunteer hours for community

## Empowering People

**47%**

managerial positions are  
female

**53%**

Female employees in STEM

**49**

Nationalities represented by  
our employees

**72 hours**

Of training per employee

**ISO45001**

Occupational health & safety  
certification

## Greening Our Business

**21%**

YoY reduction in GHG emissions  
intensity (Scope 1 and Scope 2)

**5%**

YoY reduction of water intensity

**New Waste Target**

10% reduction of waste intensity by  
2027 from base year of 2022

**ISO14064**

GHG emissions verification

**ISO14001**

Environment management certification

Note:

1. As of June 30, 2023

# Integrated Strategy and Targets for Tackling Climate Change



## Five Approaches



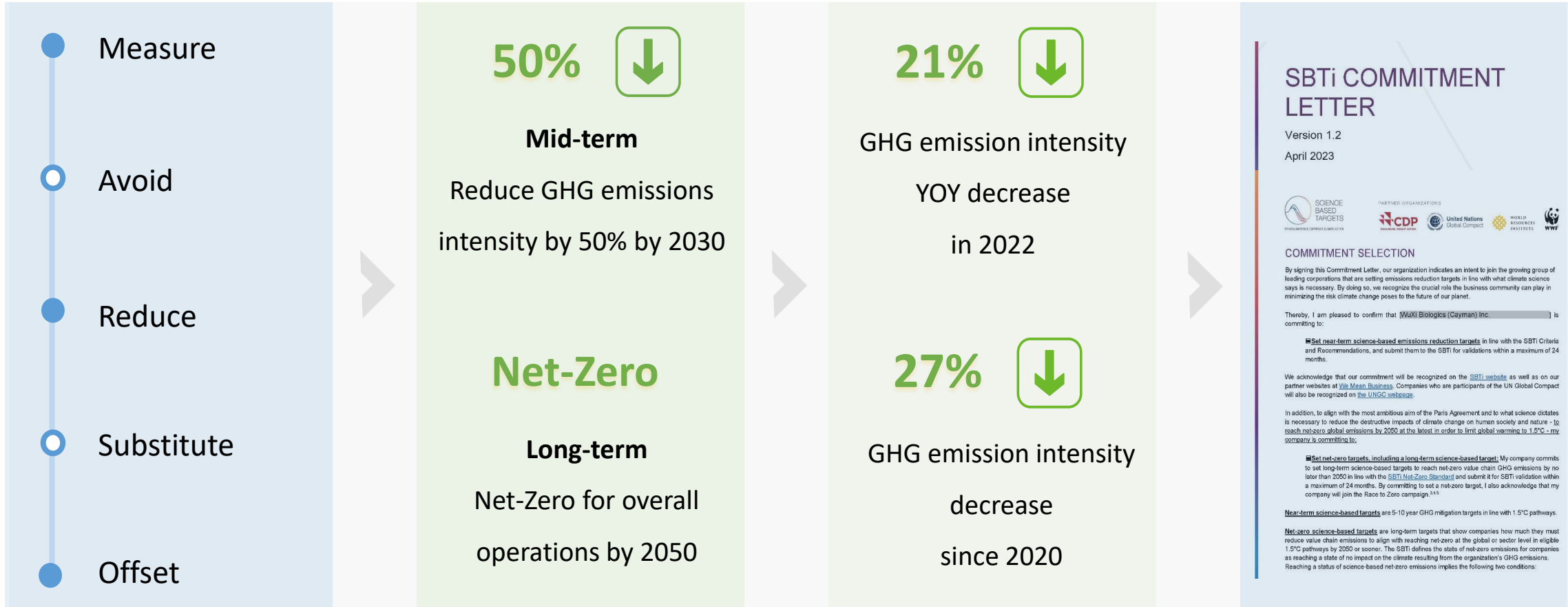
## Carbon Targets



## Efforts & Progress



## Committed to SBTi



### SBTi COMMITMENT LETTER

Version 1.2  
April 2023



#### COMMITMENT SELECTION

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**Near-term science-based targets** are 5-10 year GHG mitigation targets in line with 1.5°C pathways.

**Net-zero science-based targets** are long-term targets that show companies how much they must reduce value chain emissions to align with reaching net-zero at the global or sector level in eligible 1.5°C pathways by 2050 or sooner. The SBTi defines the state of net-zero emissions for companies as reaching a state of no impact on the climate resulting from the organization's GHG emissions. Reaching a status of science-based net-zero emissions implies the following two conditions:

# Climate Friendly Initiatives Across Global Sites

## Energy Saving Across Global Sites



8,912 tCO<sub>2</sub>e of carbon reduction



8.5 million+ kWh of electricity savings



6,550 tonnes of steam savings



284,010 tonnes of water savings

## Eco-friendly Commuting



- 75% of business taxis are e-cars, 63 tCO<sub>2</sub>e reduced
- 109 electric shuttle buses for daily commuting
- 207 chargers for electric vehicles

## Green Sites of the Future

### MFG8 in Hebei



### MFG 6/7 in Ireland



*“Every new site will be our better site in ESG.”*

Note:

1. Partially calculated from 76 projects across 9 sites

# ESG Performance Recognized as Industry Leader



**Sustainalytics**  
Industry Top 2%  
Regional (APAC) Top Rated



**EcoVadis Bronze Medal**  
Recognitions from  
Top Pharma Companies



**Leadership Awards**  
Water A-/Climate Change B



**MSCI**  
ESG Rating of A  
2019-2022



**Top 10 Constituent**  
of FTSE4Good Emerging Index  
Industry Top 30%



**Industry top 5%**  
S&P A List



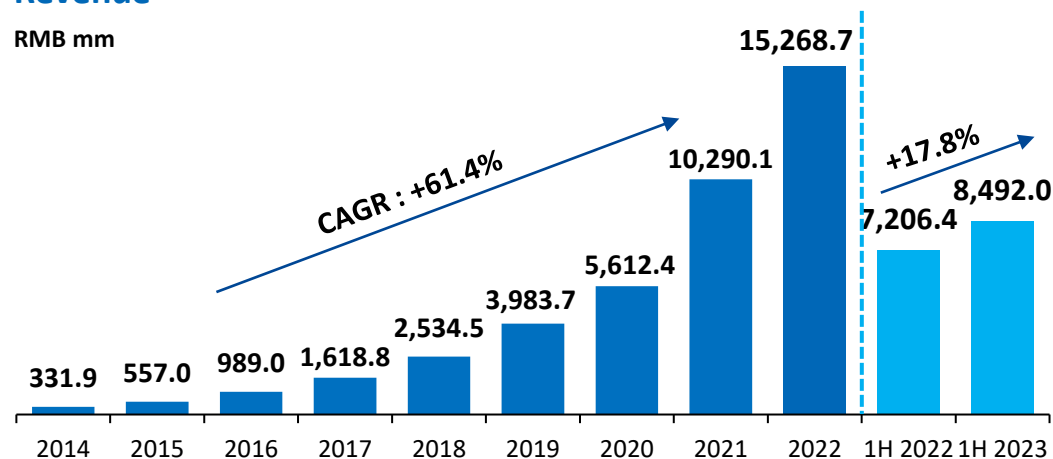
## Financial Overview

**04**

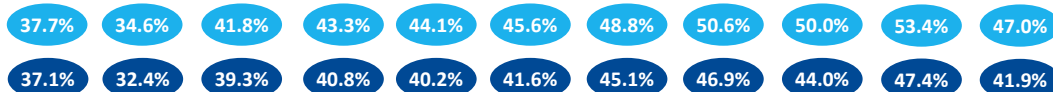
# Consistent Financial Growth Achieved

## Revenue

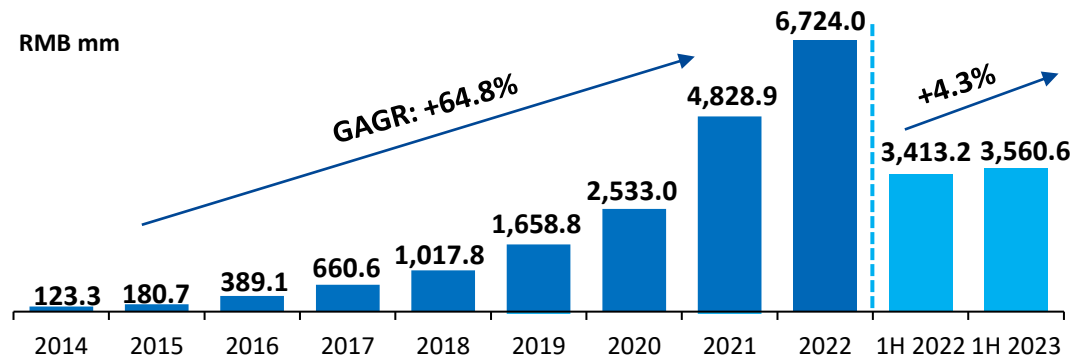
RMB mm



## Gross Profit



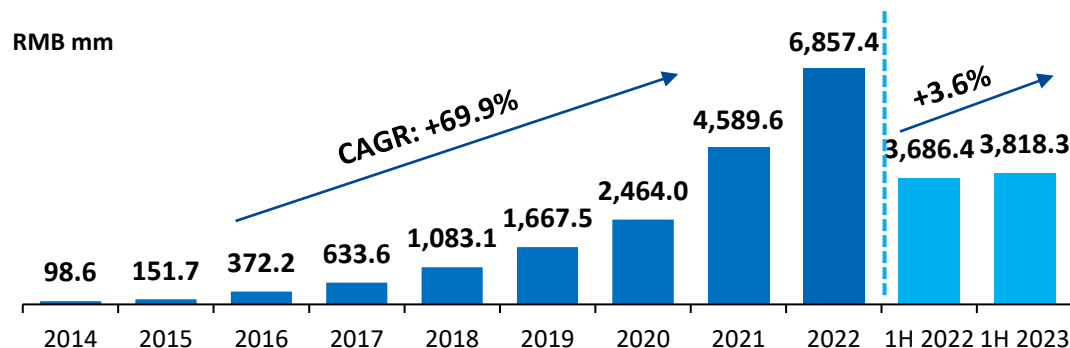
RMB mm



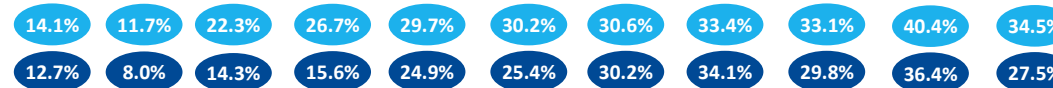
## Adjusted EBITDA <sup>(1)</sup>



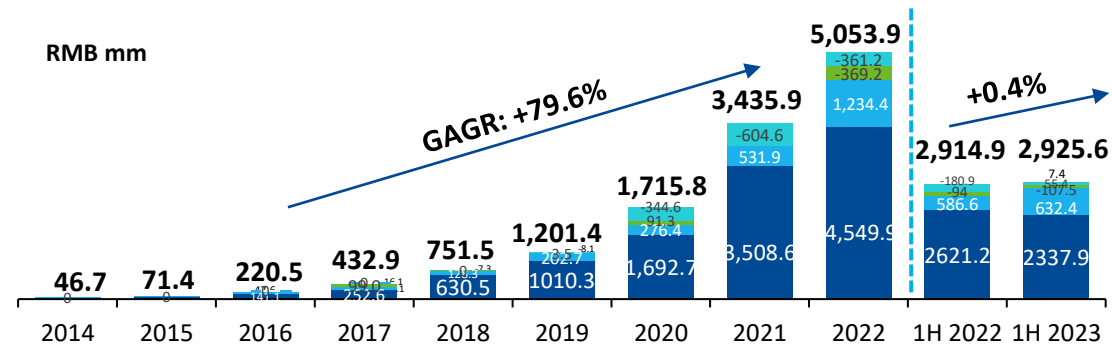
RMB mm



## Adjusted Net Profit <sup>(2)</sup>



RMB mm



**Notes:**

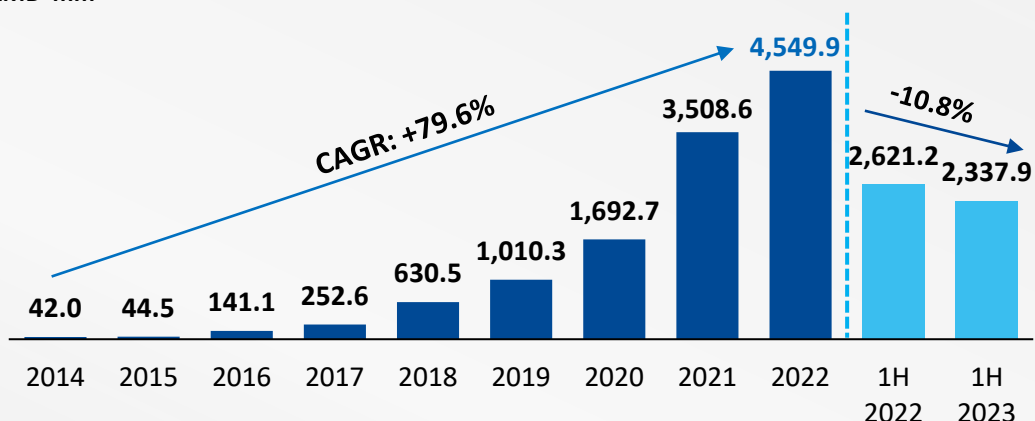
- Adjusted EBITDA represents net profit before (i) interest expenses, income tax expenses, listing expenses (ii) certain non-cash expenses, consisting of share-based compensation, amortization and depreciation and (iii) foreign exchange gains/losses and (iv) fair value gains/losses on investment portfolios
- Adjusted net profit excludes the share-based compensation expenses, fair value gains/losses on investment portfolios, foreign exchange gains/losses and listing expenses
- Refers to foreign exchange gains/losses
- Adjusted EBITDA and adjusted net profit of 2019 have been restated to further exclude the fair value gains/losses on the Group's investment portfolios

● Unadjusted Margin % 
 ● Adjusted Margin % 
 ■ SBC Impact 
 ■ FX Impact <sup>(3)</sup>
▨ Listing Expense 
 ■ Investment Impact

# Sustained Profitability Over the Past 9 Years

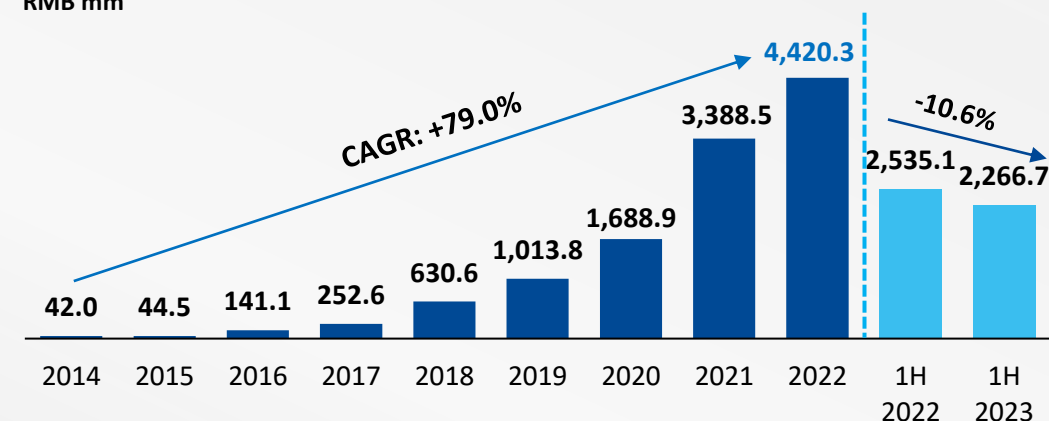
## Net Profit

RMB mm



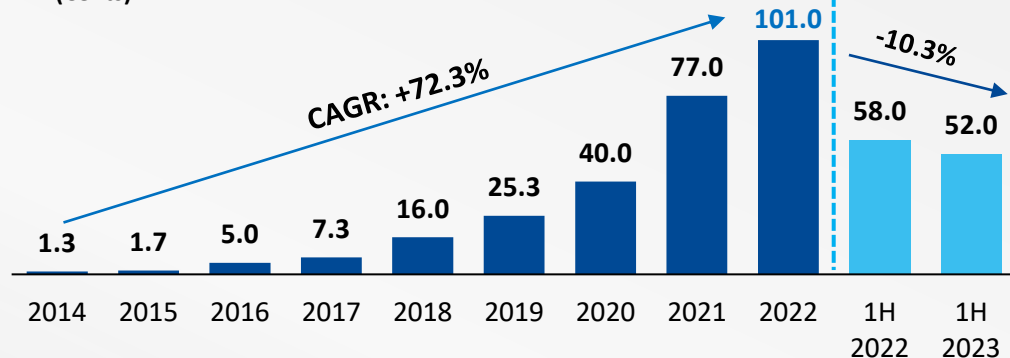
## Net Profit Attributable to Owners of the Company

RMB mm



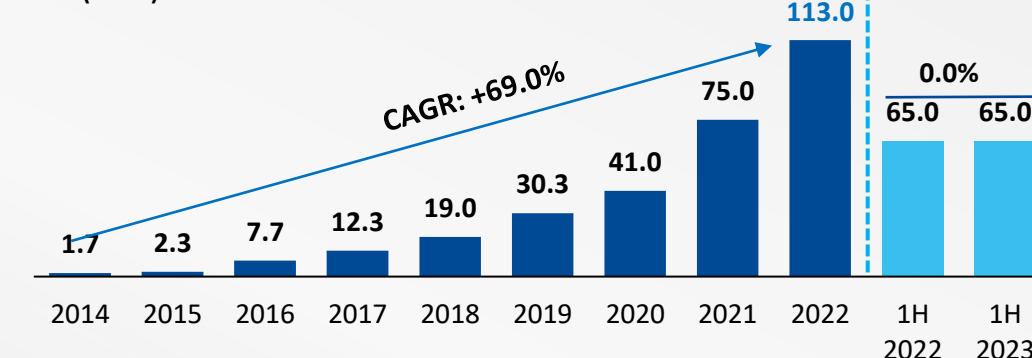
## Diluted EPS <sup>(1)</sup>

RMB (Cents)



## Adjusted Diluted EPS <sup>(1)</sup>

RMB (Cents)

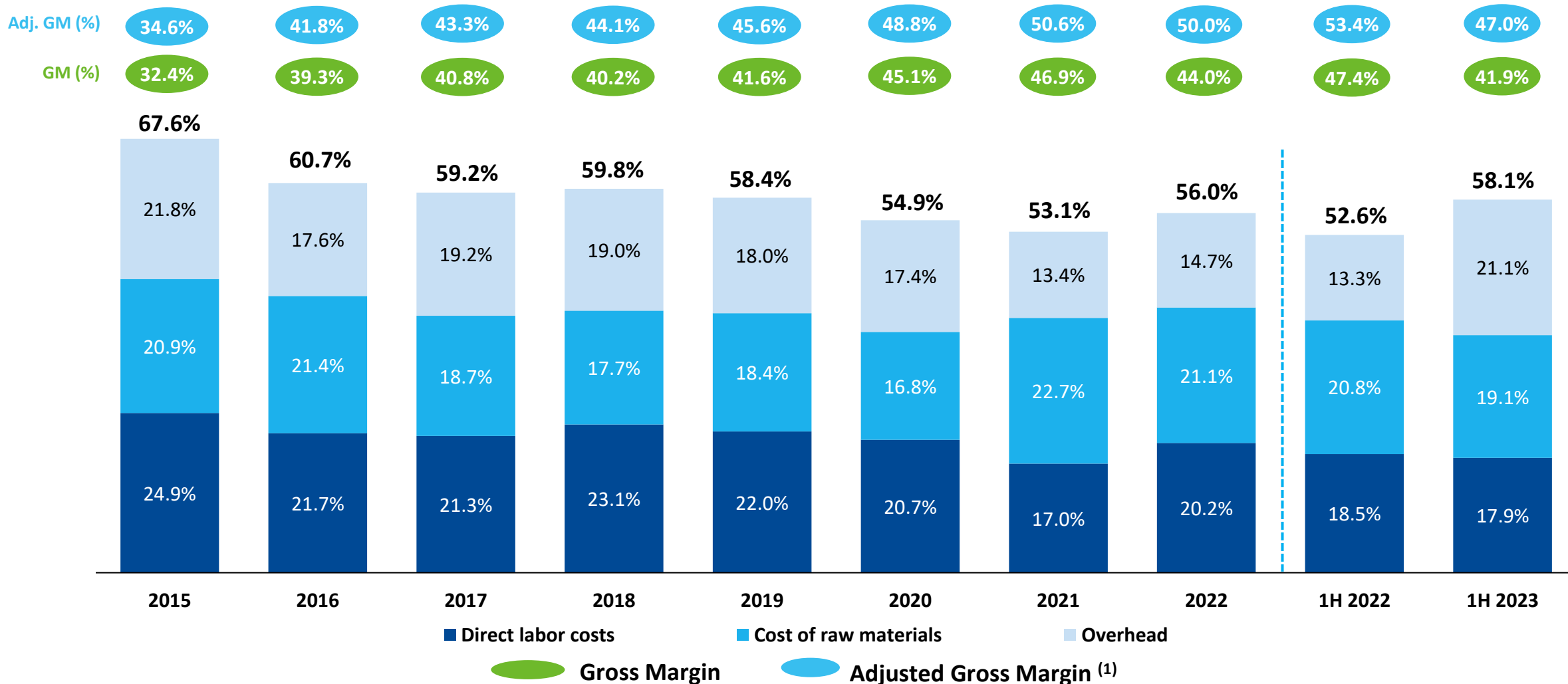


**Note:**

1. The authorized and issued shares of the Company were subdivided on the basis that every one (1) issued share is subdivided into three (3) subdivided shares (the "Share Subdivision"), which became effective on November 16, 2020. Basic and diluted earnings per share were stated after taking into account the effect of the Share Subdivision. Comparative figures have also been restated on the assumption that the Share Subdivision had been effective in the prior year

# GP Margin: Industry Top-notch Position

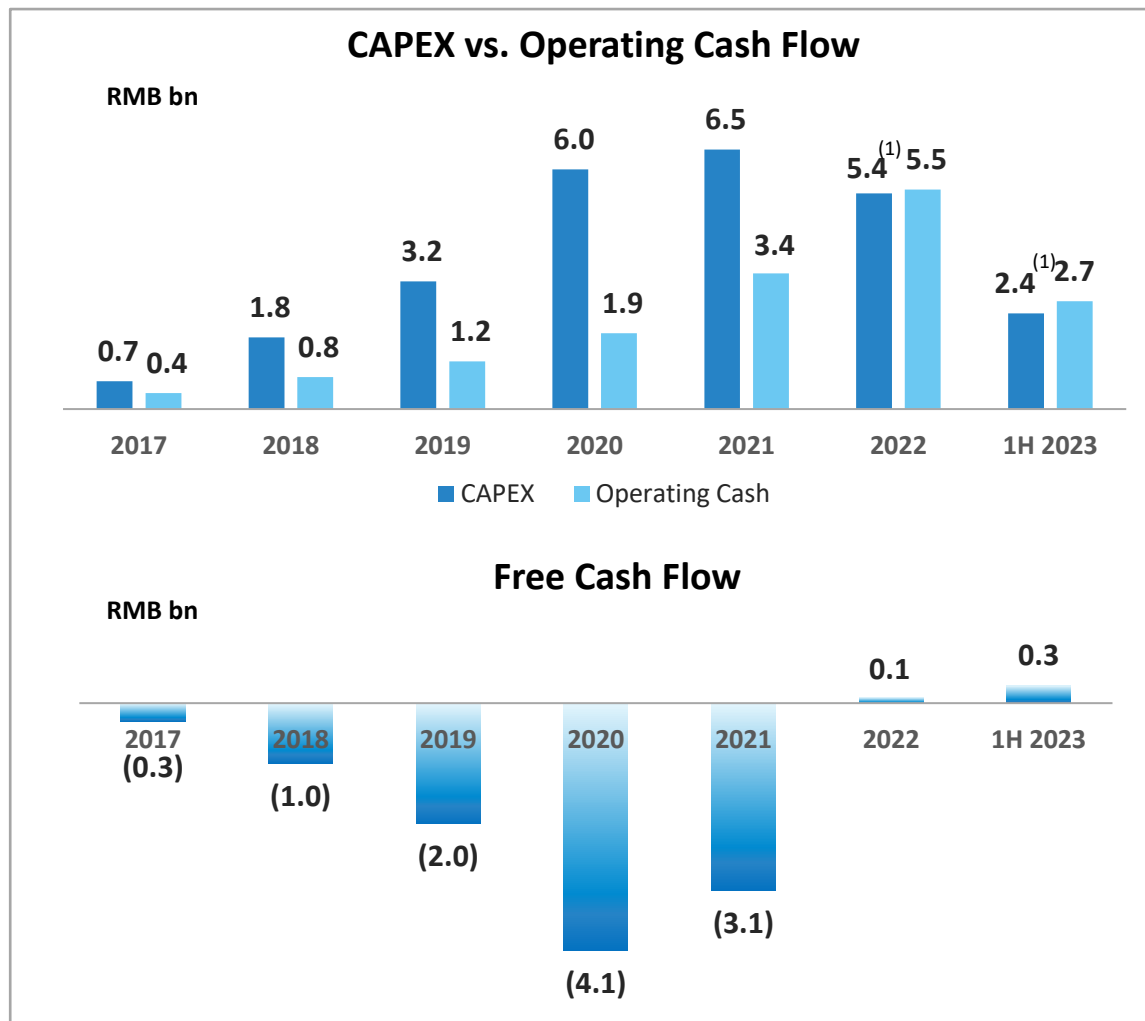
## Cost of Services as % of Revenue



Note:

1. Adjusted gross margin excludes the share-based compensation expenses

# Free Cash Flow Positive in 2022 and 1H 2023



- Net operating cash flow recorded **~69%** CAGR growth from 2017 to 2022
- **RMB28+** bn CAPEX investment from 2017 to 2022 to support business growth
- Free cash flow turned positive in 2022 and continued to improve in 1H 2023: critical milestone for company growth
- Expect continued free cash flow **positive** in 2023 and beyond

**Note:**

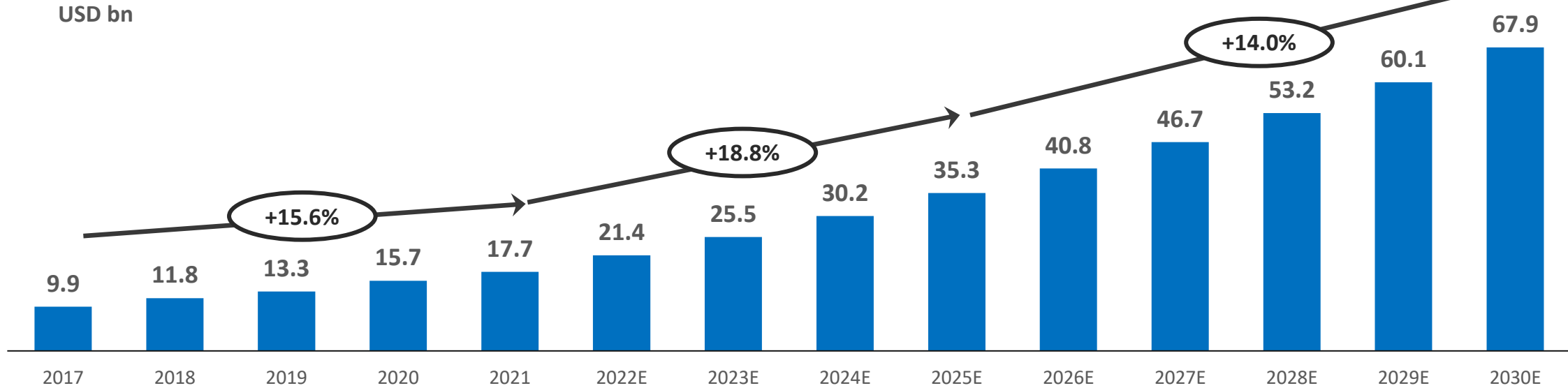
1. CAPEX excluded of asset acquisitions via M&A deals

**Summary**

**05**

# Global Biologics CDMO Industry Continues to Grow

Global Biologics CDMO Market Size, 2017-2030E

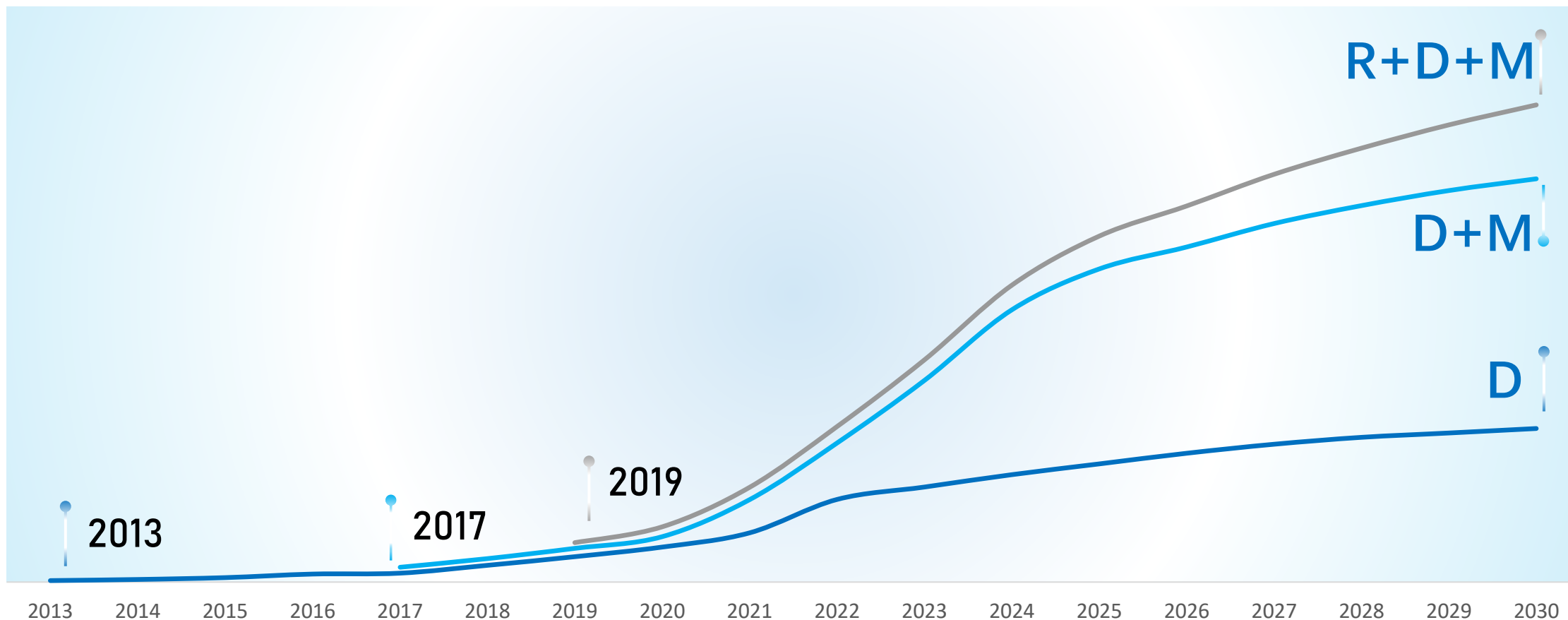


Source: Frost & Sullivan, September 2022

- **MNCs are more willing to outsource rather than expand production capacity due to inflation**
- **The surging demands of AD drugs and the constraints of global biologics capacity further drive the growth of CDMO industry**
- **Multiple biologics are set to lose exclusivity in next few years, which may lead to the market expansion of biosimilar - another tailwind for CDMO industry**

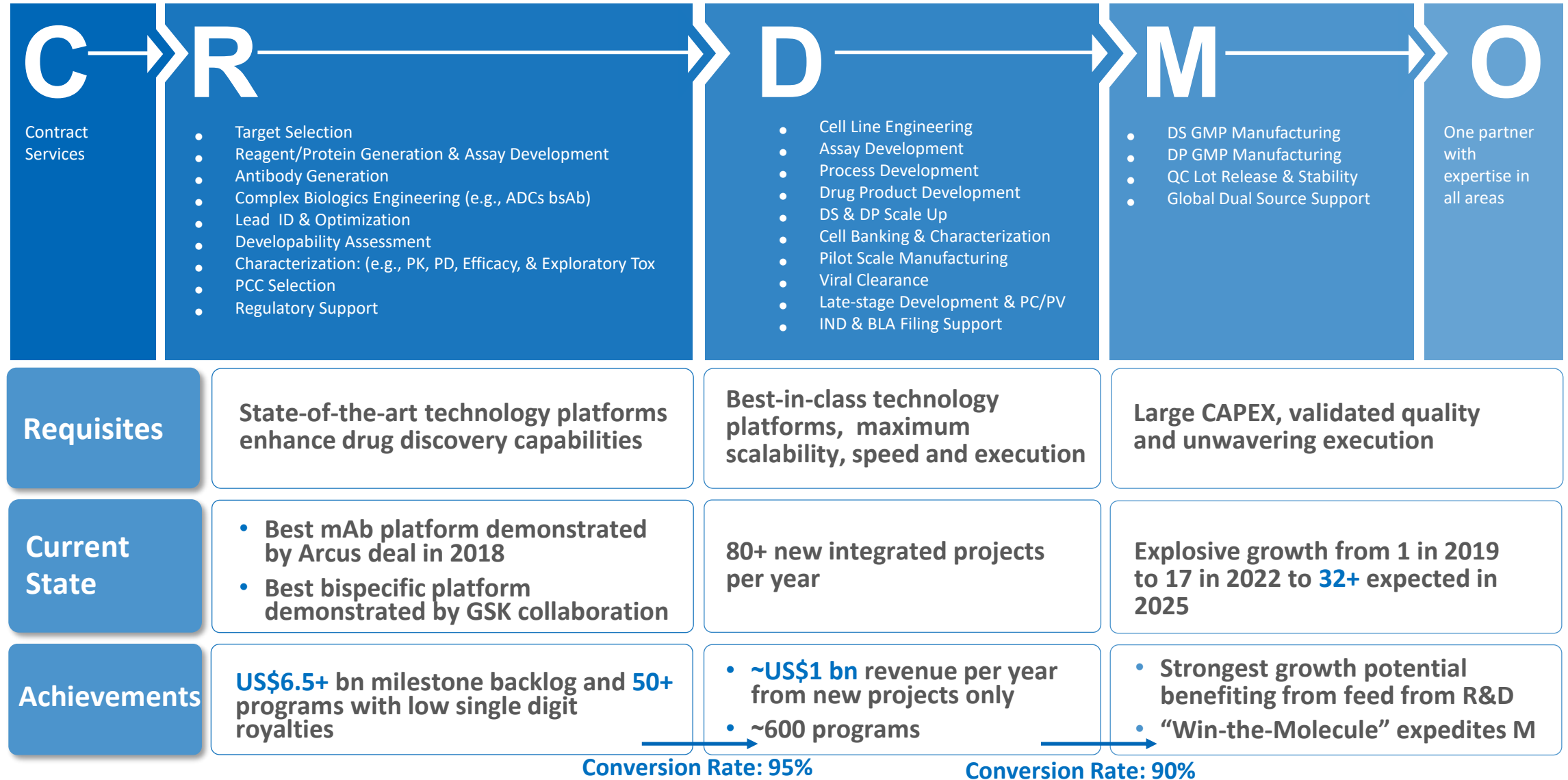
# CRDMO: Three Growth Curves Drive Sustainable Long-term Growth

## Three Long-Term Growth Curves





# Proven CRDMO Business Model Continues to Deliver Sustainable Growth



# Growth Outlook



CRDMO + “Follow and Win the Molecule” Strategies continue to drive sustainable future growth, achieved **~60% non-COVID revenue growth** in 1H 2023

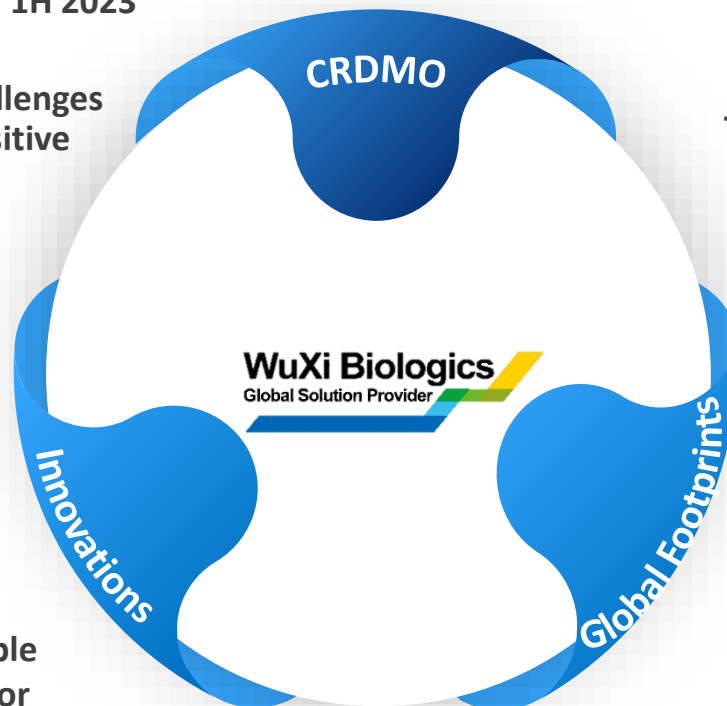
Despite a more dynamic macro environment, we foresee some challenges in short-term, but still maintain positive for our long-term growth



R: accelerates due to innovative technology platforms, bringing more upside potential and expecting more deals



Digitalization and WBS empowered WuXi Biologics to continuously enable faster, better and cheaper services for biologics discovery, development and manufacturing



M: Commercial mfg is the most significant driver for growth: 6 late/CMO projects signed in 1H 2023, and non-COVID late phase/CMO **increased by 130.3%** in 1H 2023

The No. of CMO projects has **reached full-year target** in 1H 2023; **US\$1 bn** mfg contract added for 4 blockbuster drugs, expect more in 2H



D: already a strong global leader poised to grow as funding continue to improve. Maintain **similar market share** as before and expect 80 new projects this year



Continue to invest in new technologies and platforms that drive future growth



**Appendix**

**06**

# 1H 2023 Financial Summary

(RMB million)	1H 2023	1H 2022	Change
<b>Revenue</b>	<b>8,492.0</b>	<b>7,206.4</b>	<b>17.8%</b>
Cost of Sales	(4,931.4)	(3,793.2)	
<b>Gross Profit</b>	<b>3,560.6</b>	<b>3,413.2</b>	<b>4.3%</b>
Other Income	198.0	159.1	
Impairment Losses under ECL Model, Net of Reversal	(131.8)	(70.8)	
Other Gains and Losses	114.8	309.6	
Selling and Marketing Expenses	(105.4)	(67.1)	
Administrative Expenses	(679.6)	(520.1)	
Other Expenses	(7.4)	-	
Research and Development Expenses	(341.4)	(271.1)	
Financing Costs	(78.8)	(22.7)	
<b>Profit before Tax</b>	<b>2,529.0</b>	<b>2,930.1</b>	<b>-13.7%</b>
Income Tax Expenses	(191.1)	(308.9)	
<b>Profit for the Period</b>	<b>2,337.9</b>	<b>2,621.2</b>	<b>-10.8%</b>
Earnings per Share – Diluted (RMB)	0.52	0.58	
Adjusted Earnings per Share – Diluted (RMB)	0.65	0.65	

**Notes:**  
1. Results may not foot due to rounding

# Reconciliation for Adjusted Net Profit and Adjusted EBITDA

(RMB million)	1H 2023	1H 2022	Change
<b>Adjusted Net Profit Reconciliation</b>			
<b>Net Profit</b>	<b>2,337.9</b>	<b>2,621.2</b>	
Share-based Compensation Expense	632.4	568.6	
Foreign Exchange Gain	(107.5)	(94.0)	
Losses/(Gains) from Equity Investments	55.4	(180.9)	
Listing Expenses	7.4	-	
<b>Adjusted Net Profit</b>	<b>2,925.6</b>	<b>2,914.9</b>	<b>0.4%</b>
<b>Adjusted EBITDA Reconciliation</b>			
<b>EBITDA</b>	<b>3,230.6</b>	<b>3,392.7</b>	
Share-based Compensation Expense	632.4	568.6	
Foreign Exchange Gain	(107.5)	(94.0)	
Losses/(Gains) from Equity Investments	55.4	(180.9)	
Listing Expenses	7.4	-	
<b>Adjusted EBITDA</b>	<b>3,818.3</b>	<b>3,686.4</b>	<b>3.6%</b>

**Notes:**

1. Results may not foot due to rounding

## **WuXi Bio Vision**

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

