



The United Laboratories International Holdings Limited

2022 Annual Results Announcement Corporate Presentation

March 2023

Stock Code: 3933.HK





Results Snapshot

Financial Highlights

Business Review

R & D

Outlook & Strategies



2022 Annual Results Snapshot

Financial Highlights	<ul style="list-style-type: none">• Turnover: +16.8% to RMB11,334.3 million• Gross profit: +18.0% to RMB4,969.0 million• EBITDA: +40.2% to RMB2,640.8 million• Profit attributable to owners of the Company: +60.0% to RMB1,581.1 million• The Board recommends payment of final dividend of RMB14.0 cents per share and special dividend of RMB6.0 cents per share• Totaled with the interim dividend of RMB5 cents per share, 2022 annual dividend payout ratio was approximately 28.8%
Segment Business	<ul style="list-style-type: none">• Intermediate products: -5.9% to RMB1,599.2 million with segment margin of 21.3%• Bulk medicine: +30.4% to RMB5,174.7 million with segment margin of 6.4%• Finished products: +13.0% to RMB4,560.4 million with segment margin of 17.5%
Insulin Series	<ul style="list-style-type: none">• Insulin series: -18.0% to RMB1,175.5 million[#]• Recombinant human Insulin: sales recorded RMB661.8 million[#], sales volume increased by 8.8%• Insulin Glargine: sales recorded RMB422.1 million[#], sales volume increased by 41.5%• Insulin Aspart: sales recorded RMB91.6 million[#], sales volume increased by 940.4%
Others	<ul style="list-style-type: none">• Overseas sales: +13.1% to RMB2,371.5 million, accounting for 20.9% of total sales• Animal healthcare: +106.1% to RMB796.9 million• In July 2022, The United Animal Healthcare (Inner Mongolia) established a joint venture with Muyuan Foods Co., Ltd. to carry out cooperation in the field of veterinary drugs

[#] Sales revenue denotes gross sales including sales discounts.

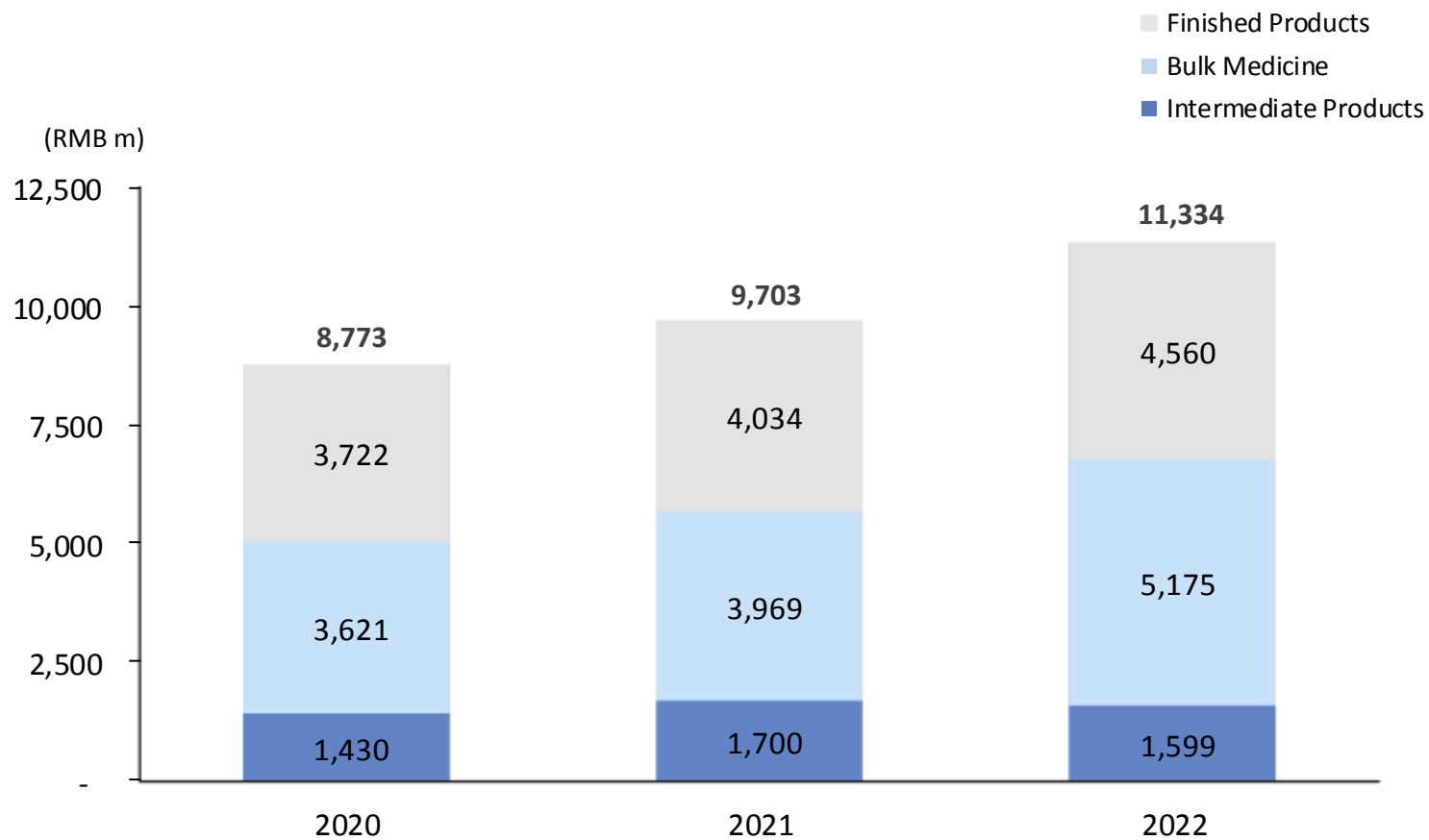


Financial Highlights – Overview

RMB million	2022	2021	Y-o-Y change	1H2022	2H2022
Revenue	11,334.3	9,703.4	+16.8%	5,181.9	6,152.4
Gross Profit	4,969.0	4,211.0	+18.0%	2,254.0	2,715.0
EBITDA	2,640.8	1,883.7	+40.2%	1,141.0	1,499.8
Profit Attributable to Owners of the Company	1,581.1	988.1	+60.0%	629.5	951.6
• Impairment losses under expected credit loss model, net of reversal [#]	--	296.6	--	--	--
Adjusted Profit	1,581.1	1,284.7	+23.1%	629.5	951.6
Earning per share (RMB cents)					
- Basic	86.89	53.70	+61.8%	34.55	52.34
- Diluted	86.89	53.70	+61.8%	34.55	52.34
Final (Interim) Dividend per share (RMB cents)	14.0	8.0	+75.0%	5.0	--
Special Dividend per share (RMB cents)	6.0	2.0	+200.0%	--	--

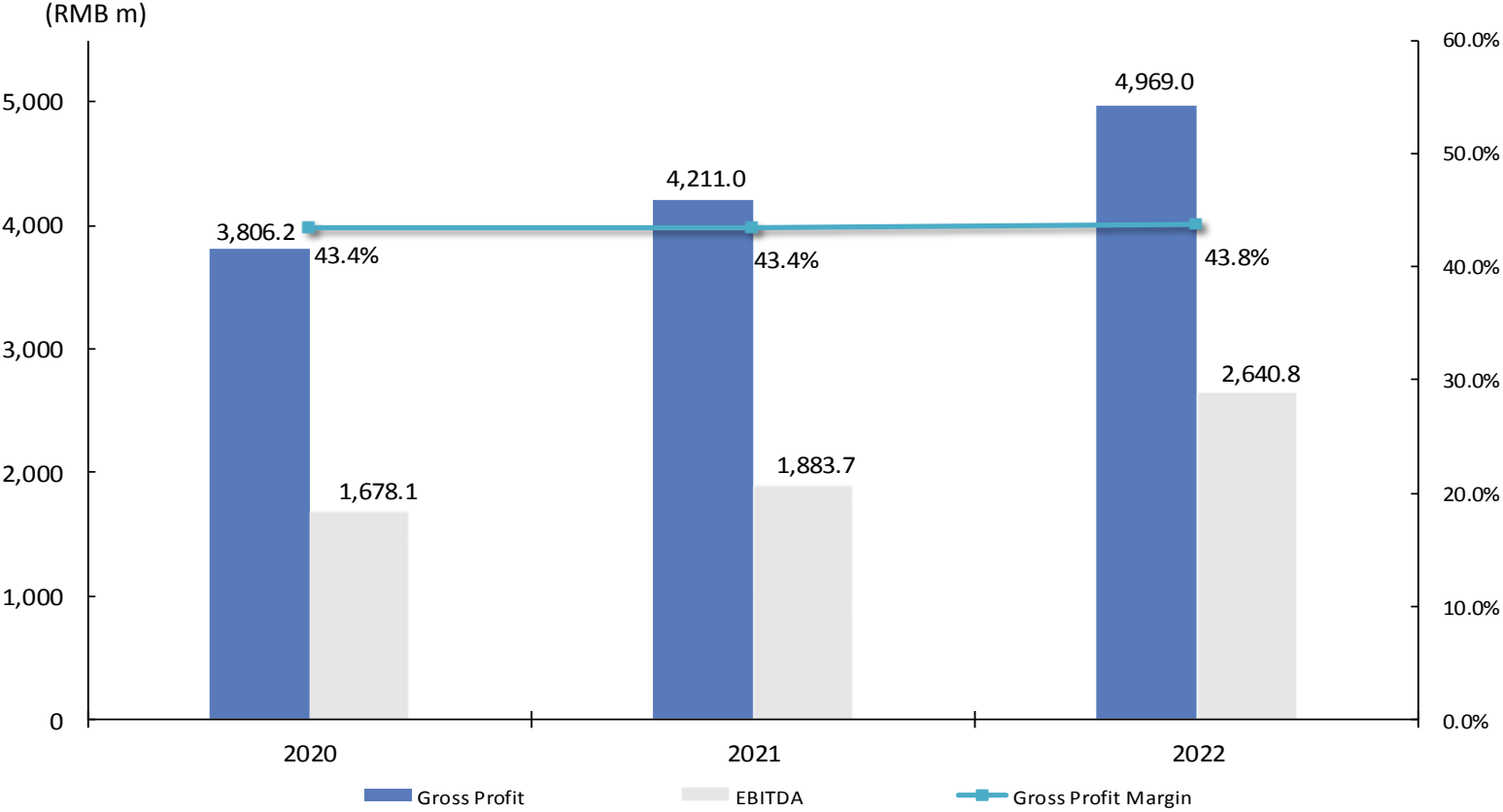
[#] Mainly for consideration receivables of Evergrande Chengdu.

Financial Highlights – Revenue



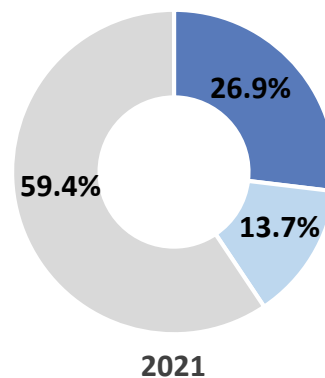
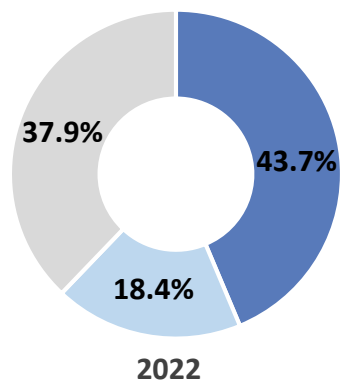


Financial Highlights – Gross Profit, EBITDA & GP Margin





Financial Highlights – Segment Results & Margins



Segment Profit Breakdown

- Intermediate Products
- Bulk Medicine
- Finished Products

Types	Segment Profit [#] (RMB m)		Segment Margin	
	2022	2021	2022	2021
Intermediate Products	918.8	396.2	21.3%	11.7%
Bulk Medicine	385.7	202.2	6.4%	4.4%
Finished Products	796.2	875.6	17.5%	21.7%

[#] EBIT: Earnings before interest and taxation.



Financial Highlights – Other Key Financial Indicators

	As at 31 Dec 2022	As at 31 Dec 2021
Trade and bills receivables turnover (days)	143.7	128.8
Trade and trade payables under supplier finance arrangement turnover (days)	204.0	213.4
Stock turnover (days)	124.1	133.2
Current ratio	1.78	1.53
Net current assets (RMB million)	5,481.9	3,451.1
Net cash position [#] (RMB million)	1,394.6	212.6
Cash and cash equivalents (RMB million)	4,743.1	3,331.0
Total assets (RMB million)	18,979.6	16,331.1

[#] Net cash position denotes the Group's net cash and bank balances after deducting borrowings and trade payables under supplier finance arrangement (mainly refer to bills payables).

	2022	2021
Net cash from operating activities (RMB million)	2,030.5	1,542.6

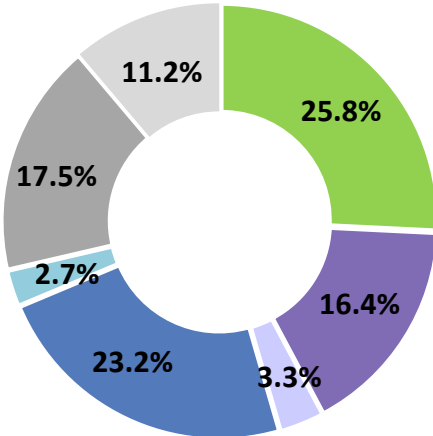


Finished Products



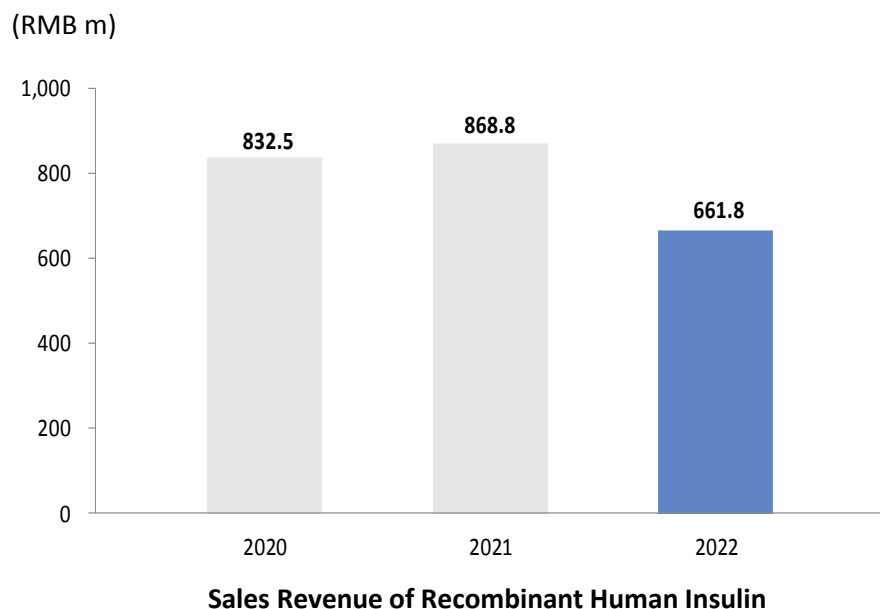
Business Review – Revenue Breakdown of Finished Products

In 2022, sales revenue of finished products increased by 13.0% to RMB4,560.3 million, accounting for 40.2% of the Group’s total external sales



- Insulin Series: -18.0% to RMB1,175.5 million
- Semi-synthetic penicillins antibiotics: +14.7% to RMB749.5 million
- Cephalosporins antibiotics: +18.6% to RMB151.0 million
- β-lactamase inhibitors antibiotics: +23.8% to RMB1,055.8 million
- Carbapenems antibiotics: +2.5% to RMB122.6 million
- Veterinary drugs: +106.1% to RMB796.9 million
- Others: -7.8% to RMB509.0 million

Revenue breakdown of finished products in 2022



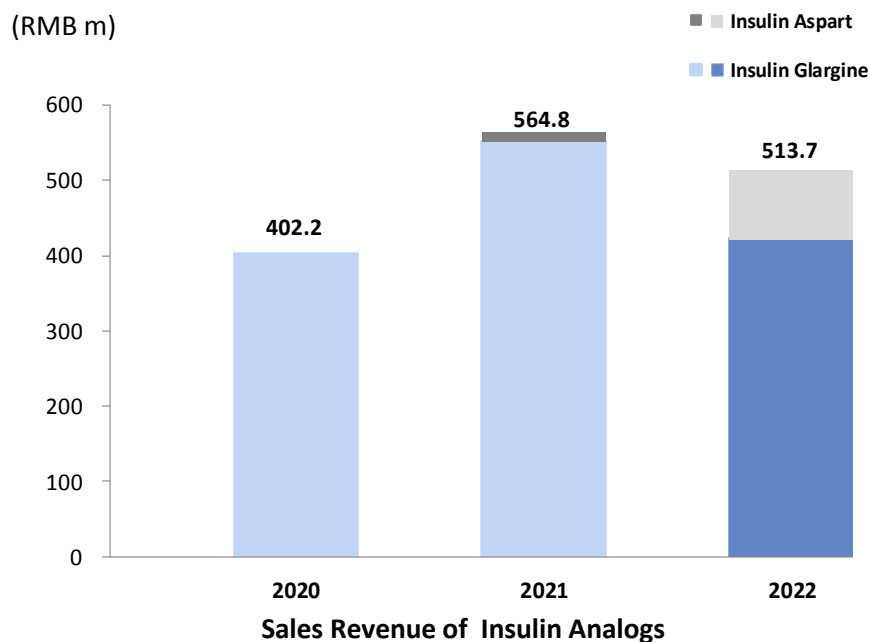
Recombinant Human Insulin Injection



- Sales recorded RMB661.8 million[#]
- Sales volume increased by 8.8%
- Included in the National Medical Insurance Drug List (2022 version) & National Essential Drug List (2018 version)

[#] Sales revenue denotes gross sales including sales discounts.

Business Review – Insulin Analogs



Insulin Analogs



- Sales recorded RMB513.7 million[#]
- Total sales volume increased by 87.3%
- Insulin Glargine has been included in the National Medical Insurance Drug List (2022 version) & National Essential Drug List (2018 version)
- Insulin Aspart and Insulin Aspart 30 was included in the National Medical Insurance Drug List (2022 version)

[#] Sales revenue denotes gross sales including sales discounts.



National Centralized Drug Procurement

The 6th Batch National Centralized Drug Procurement (specialising in Insulin)

- Purchase quantity for the first year is approx. RMB210 million vials, representing a purchase amount of RMB17 billion, with an average price reduction of 48% for the selected drugs
- Duration: 2 years
- Effective date: May 2022

Basic Information of TUL's Bid-winning Products

(Specification and Packaging: 3ml: 300 units (refilled pen-type))

Procurement Group	Product Name	Trade Name	Tendering Price (RMB/vial)	Ranking Category
Mealttime Insulin	Human Insulin Injection	USLIN [®] R	28.77	A3
Basal Insulin	Protamine Insulin Injection	USLIN [®] N	29.37	A3
Premixed Insulin	Protamine Insulin Mixed Injection(30R/50R)	USLIN [®] 30R/50R	27.37	B
Mealttime Insulin Analogue	Insulin Aspart Injection	UBLIN [®]	41.27	B
Basal Insulin Analogue	Insulin Glargine Injection	USLEN [®]	66.97	A2
Premixed Insulin Analogue	Insulin Aspart 30 Injection	UBLIN [®] 30	41.27	B

Business Review – Other Finished Products

Antibiotic products

- ✓ Including oral and injectable antibiotic products of penicillins, cephalosporins, β -lactamase inhibitors and carbapenems
- ✓ Sales revenue of antibiotic products (including animal healthcare) increased by 32.9% to RMB3,063.0 million in 2022

Piperacillin Sodium and Tazobactam Sodium for Injection

- Listed in National Essential Drugs List (2018 version)
- Sales revenue increased by 10.0% to RMB672.6 million



Amoxicillin Capsules

- TUL's Amoxicillin Capsules (0.25g) have passed the consistency of quality and efficacy evaluation for generic drugs
- Sales revenue increased by 14.7% to RMB578.8 million

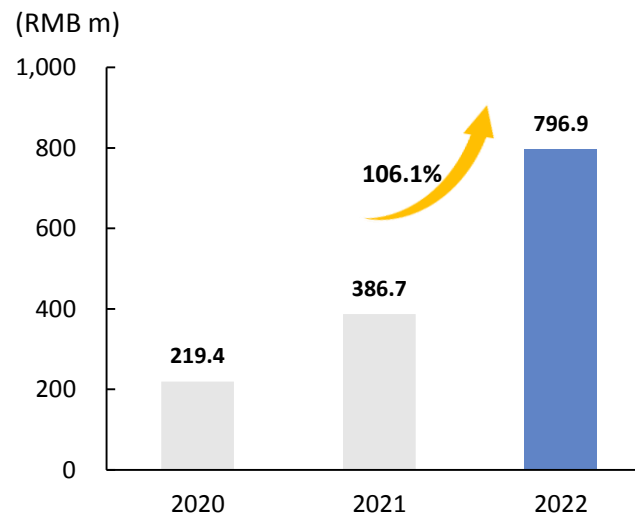


Business Review – Animal Healthcare

The United Animal Healthcare (Inner Mongolia) Co., Ltd.

- ✓ Mainly engaged in the R&D, production and sales of veterinary drugs used in economic animal and companion animal
- ✓ Leveraging TUL's brand reputation, technology and advantages in upstream industry
- ✓ A leader in producing the penicillin-based veterinary drugs
- ✓ In July 2022, The United Animal Healthcare established a joint venture with Muyuan Foods Co., Ltd. to cooperate in the field of veterinary drugs
- ✓ Sales revenue of animal healthcare increased by 106.1% to RMB796.9 million

Part of Our Partners



Business Review – Animal Healthcare



- ✓ Totaled 100+ veterinary drugs that meet national standards
- ✓ Totaled 30+ feed additives and premixtures
- ✓ In possession of 4 Class II new veterinary drug certificates and 2 Class IV new veterinary drug certificates
- ✓ In possession of multiple invention patents

Category	Product	Status
Class 2 new veterinary drugs	Tildipirosin API, Tildipirosin Injection,	Approved for production
	Gamithromycin API, Gamithromycin Injection	Expected to submit application in 2023
Class 4 new veterinary drugs	Amoxicillin and Clavulanate Potassium Granules, Amoxicillin and Clavulanate Potassium Injection	Launched



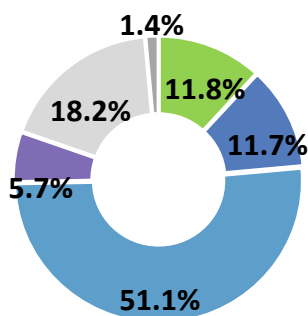
Intermediate Products & Bulk Medicine

Business Review

– Revenue Breakdown of Intermediate Products & Bulk Medicine

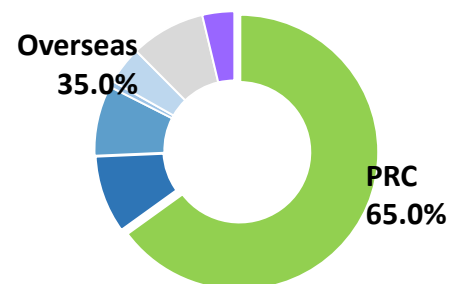


In 2022, sales revenue of intermediate products decreased by 5.9% to RMB1,599.2 million and bulk medicine increased by 30.4% to RMB5,174.7 million, accounting for 14.1% and 45.7% of the Group's total external sales, respectively



Revenue breakdown of intermediate products & bulk medicine in 2022 (By Products)

- 6-APA: RMB800.9 million
- Penicillin G Potassium First Crystal: RMB794.5 million
- Semi-synthetic penicillins type: RMB3,463.9 million
- Cephalosporins type: RMB384.5 million
- β-lactamase inhibitors type: RMB1,232.8 million
- Carbapenems type: RMB97.3 million



Revenue breakdown of intermediate products & bulk medicine in 2022 (By Regions)

- PRC: RMB4,402.4 million
- Europe: RMB631.3 million
- India: RMB556.3 million
- Middle East: RMB48.3 million
- South America: RMB297.6 million
- Other Asian Regions: RMB587.8 million
- Other Regions: RMB250.2 million



Business Review – Production Capacity

Types	Products	Designed Capacity (tonnes)	Utilization Rate	External Sales
Intermediate products	6-APA	18,000	76.9%	25.6%#
	Penicillin G Potassium First Crystal	5,000	86.8%	100%
	T-Octylammonium Clavulanate	800	74.9%	N/A
Bulk medicine	Semi-synthetic penicillins type	20,000	96.5%	86.5%
	Cephalosporins type	1,200	57.5%	86.5%
	β -lactamase inhibitors type	1,568	90.2%	86.5%

Opening inventory is not included in calculating the percentage of external sales.



Business Review – Sales Revenue & External Selling Price

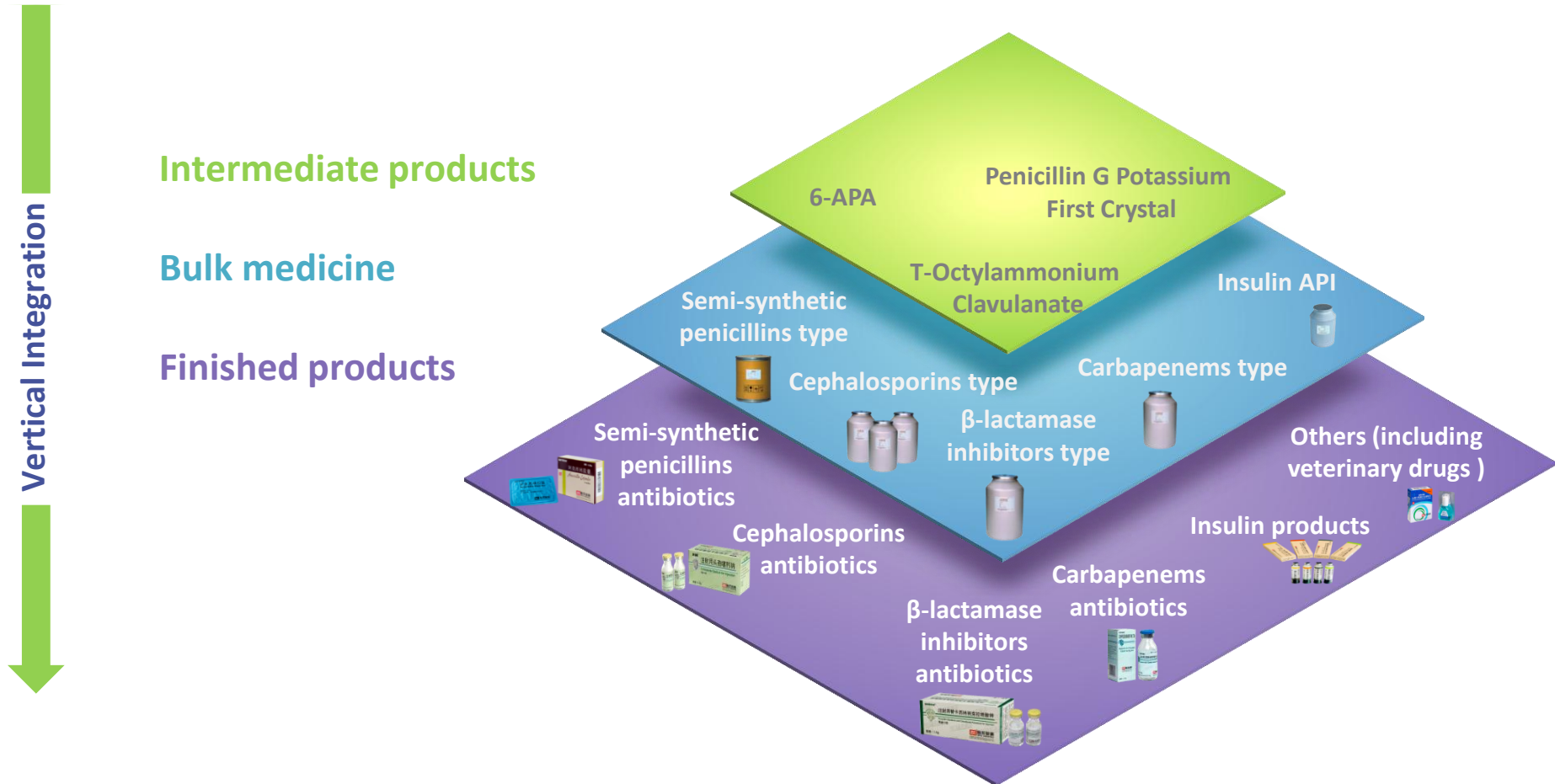
Types	Products	External Sales Revenue (RMB m)		
		2022	2021	y-o-y change
Intermediate products	6-APA	800.9	957.6	-16.4%
	Penicillin G Potassium First Crystal	794.4	742.8	+6.9%
Bulk medicine	Semi-synthetic penicillins type	3,463.9	2,607.7	+32.8%
	Cephalosporins type	384.5	313.8	+22.5%
	β-lactamase inhibitors type	1,232.8	949.5	+29.8%

Types	Products	Average External Selling Price ¹ (RMB/kg)		
		2022	2021	y-o-y change
Intermediate products	6-APA	225.0	165.9	+35.6%
	Penicillin G Potassium First Crystal (RMB/BOU ²)	89.4	66.3	+34.8%
Bulk medicine	Semi-synthetic penicillins type	210.2	165.0	+27.4%
	Cephalosporins type	775.5	651.3	+19.1%
	β-lactamase inhibitors type	896.6	857.4	+4.6%

¹ Selling price not including VAT and other tax

² It is the market practice to use BOU as the measuring unit of Penicillin G Potassium First Crystal. 1 BOU represents around 0.63kg of this product.

Business Review – Vertical Integration





Business Review – Production Bases

Hong Kong	Zhongshan	Zhuhai	Inner Mongolia ¹	Inner Mongolia ²	Kaiping
Finished products	Finished products	Bulk medicines, biological and finished products	Intermediate products and bulk medicines	Veterinary drugs and feed additives	Empty capsule casings



Business Review – Sales & Distribution Network



Overseas Markets

- A global sales network of intermediates products and bulk medicine
- Selling products to Europe, India, the Middle East, South America and other regions
- Obtained official approvals and certifications including EU CEP, US FDA, Germany, India, Japan, Brazil and Mexico, etc.

Domestic Market

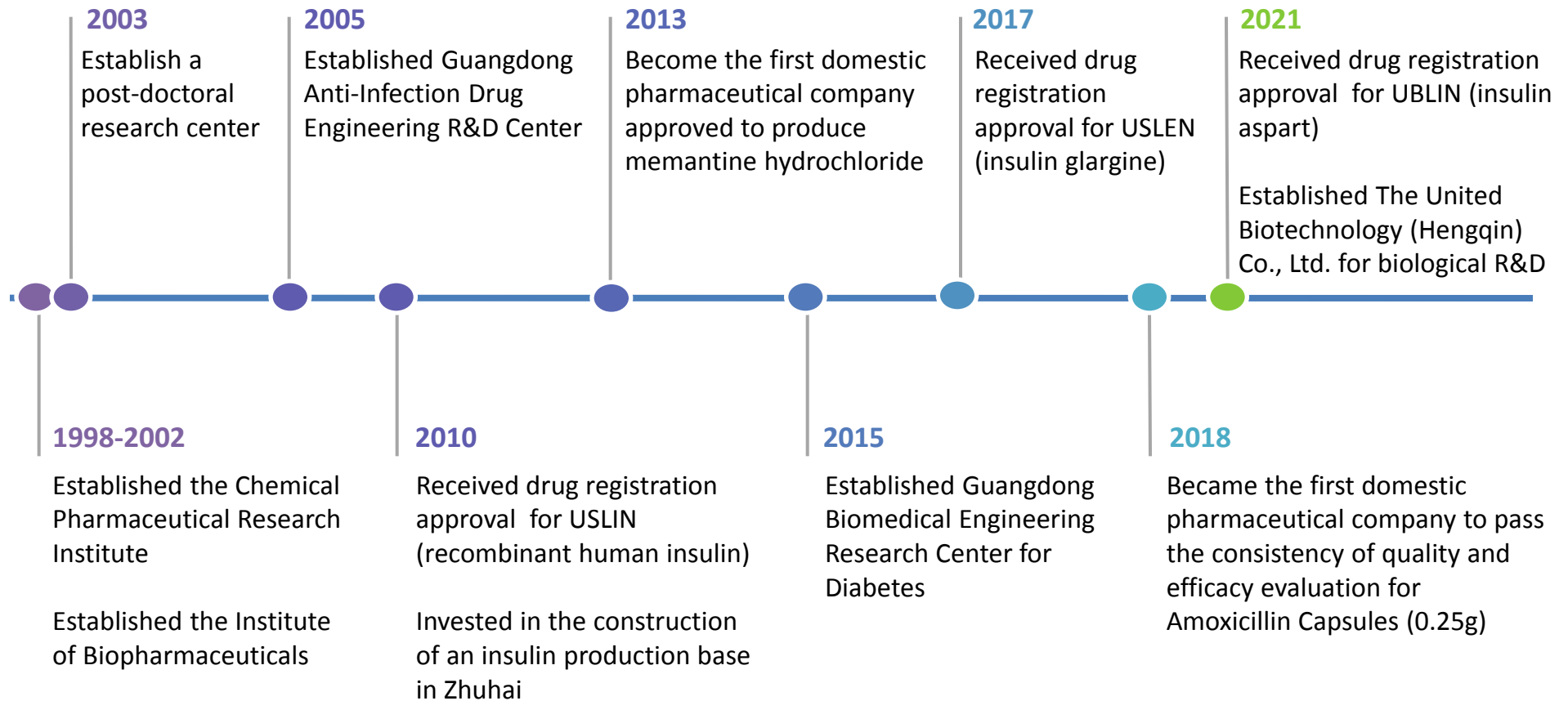
- Currently, the Group focuses on China market for the sales of finished products
- Around 3,700 sales staff in 28 sales offices of finished products in China
- Penetrated into hospital, essential drugs market, OTC and rural areas



- R&D Milestones
- Investment & Achievements
- R&D Platforms
- R&D Pipeline



R&D – Milestones





R&D – Investment & Achievements in 2022

Drug Registration

- ✓ Sodium Hyaluronate Eye Drops (0.3% (0.4ml:1.2mg))
- ✓ Sodium Hyaluronate Eye Drops (0.1% (0.4ml:0.4mg))

Clinical Trial

- ✓ Semaglutide Injection
- ✓ TUL01101 Ointment (0.5%, 1%, 2%)
- ✓ Insulin Degludec and Insulin Aspart Injection

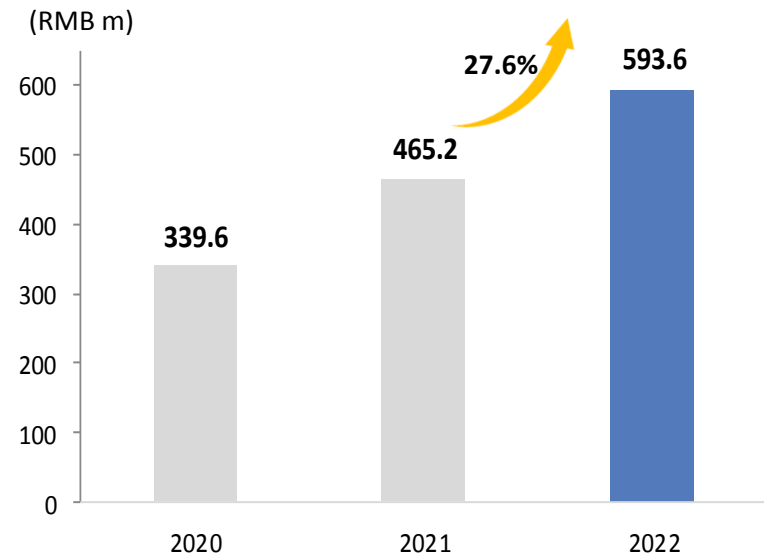
Clinical Trial Application

- ✓ TUL12101 Eye Drops

Consistency Evaluation of Generic Drugs

- ✓ Piperacillin Sodium and Tazobactam Sodium for Injection (4.5g)
- ✓ Cefuroxime Axetil Tablets (0.125g)
- ✓ Biapenem for Injection (0.3g)

R&D Investment



R&D Platforms

A Comprehensive R&D System with Multiple Platforms

Biological Drug	Chemical Drug	Innovative (Chemical) Drug	Clinical Research Center	External Cooperation
<ul style="list-style-type: none"> • 15 human drugs under research, including 7 Class I new drugs • 8 veterinary drugs and pharmaceutical excipients, including 2 Class I new veterinary drugs • Approx. 420 R&D and technical personnel • Post-doctoral research station • Guangdong Biomedical Engineering Research Center for Diabetes 	<ul style="list-style-type: none"> • 6 chemical generic drugs under research • 11 generic drugs passed and other 15 generic drugs in the process of the Consistency Evaluation • Approx. 150 R&D personnel • Post-doctoral research station 	<ul style="list-style-type: none"> • Cooperation and development of small molecule innovative drug projects • 8 Class I new drugs • 17 partner institutes • 62.5% of researchers have a master's or doctoral degree 	<ul style="list-style-type: none"> • Work closely with more than 100 authoritative institutes in China that are qualified to conduct national drug clinical trials • Clinical trials of 80 drugs have been completed 	<ul style="list-style-type: none"> • Cooperate with well-known universities, research institutes and laboratories at home and abroad



R&D Pipeline – Biological Drugs

Focus on endocrinology and autoimmunity, with a well-developed pipeline of diabetes drugs

Project	Indication	Pre-Clinical	Clinical Trial Application	Clinical Trial	Production Application	Expected Time to Market
Liraglutide Injection	Diabetes	[Progress bar]			Clinical Phase III	2024
Insulin Degludec Injection		[Progress bar]			Clinical Phase III	2025
Insulin Degludec/Insulin Aspart		[Progress bar]				2027
Insulin Degludec/Liraglutide		[Progress bar]				2027
Semaglutide Injection		[Progress bar]				2026
	Obesity	[Progress bar]				2027
Gastrointestinal (GI) Hormones*	Diabetes, Obesity & NASH	[Progress bar]				2030
Second-generation GI Hormones*		[Progress bar]				2032
Anti-osteoporosis Peptides	Osteoporosis	[Progress bar]				2029
Osteoporosis Monoclonal Antibody		[Progress bar]				2030
Anti-IL-4R monoclonal antibody	Eczema & Asthma	[Progress bar]				2031
Ultra-long-acting Insulin analogue*	Diabetes	[Progress bar]				2030
GLP-1 Oral Preparation*		[Progress bar]				2032
Dual Target Hypolipidemic Drugs*	Hyperlipidemia	[Progress bar]				2031
Interleukin-2 Fusion Protein*	SLE & other Autoimmune Disease	[Progress bar]				2033
Novel Recombinant Urate Oxidase*	Hyperuricemia & Gout	[Progress bar]				2033

*Class I new drug



R&D Pipeline – Chemical Drugs

A comprehensive approach to autoimmunity, ophthalmology and anti-infection

Project	Indication	Pre-Clinical	Clinical Trial Application	Clinical Trial	Production Application	Expected Time to Market
TUL01101 Tablets*	Rheumatoid Arthritis	Clinical Phase Ib				2029
	Atopic Dermatitis					2030
LB1091*	Inflammatory Bowel Disease					--
TUL01101 Ointment*	Atopic Dermatitis	Clinical Phase I				2030
LB2012*	Inflammatory diseases					--
LB2023*	IgA Nephritis					2033
TUL12101 Eye Drops*	Xerophthalmia	Clinical Phase I				2030
LB2311*	Bacterial Infection					2033
LB2132*	Xerophthalmia					--
Mupirocin Ointment	Dermatosis					2024
Tadalafil tablets	Erectile Dysfunction					2025
Sodium Hyaluronate Eye Drops	Xerophthalmia					2024
Polyvinyl Alcohol Eye Drops	Xerophthalmia					2024
Moxifloxacin Eye Drops	Conjunctivitis					2024
Olotadine Hydrochloride Eye Drops	Conjunctivitis					2025

*Class I new drug



R&D – Key Projects

Semaglutide Injection

- GLP-1 analogue
- Once-a-week injection
- Safe, convenient, effective
- The treatment of type 2 diabetes was approved for clinical trial in Oct 2022
- Received the *Notice on Acceptance of Clinical Trial Registration* for the treatment of obesity in Feb 2023

Gastrointestinal (GI) Hormones

- Class 1 innovative drug
- **GI hormone analogue with multi-target (GLP-1/GCG/GIP) effect**
- Better efficacy than existing GLP-1 analogues
- Indications of diabetes, weight management and NASH are expected to be approved for clinical trial in 2023

TUL01101 Tablets & TUL01101 Ointment

- Class 1 innovative drug
- Selective JAK1 inhibitor
- Phase 1b clinical trial for the treatment of rheumatoid arthritis
- **IND application as a topical preparation for the treatment of atopic dermatitis was approved in Oct 2022**
- Application for indication expansion of moderate-to-severe atopic dermatitis had been done

TUL12101 Eye Drops

- Class 1 innovative drug
- Novel small molecule RASP (active aldehyde) inhibitor
- Eye drops for the treatment of dry eye syndrome
- Precise therapeutic mechanism and is safe and comfortable to use
- **IND application was approved in Mar 2023**



R&D Pipeline – Animal Healthcare

21 In-house R&D Projects

Product	Category	Invention Stage	Non-clinical Study	Clinical Trial	Apply for Registration	Expected Time to Market
Weekly Insulin Preparation*	Pet Drugs	[Progress bar]				2028
Canine JAK1 inhibitor*		[Progress bar]				2027
Amoxicillin & Clavulanate Potassium Tablets		[Progress bar]				2023
Fipronil Drops		[Progress bar]				2024
Pyrantel Pamoate & Praziquantel Tablets		[Progress bar]				2025
Compound Nystatin		[Progress bar]				2025
Permethrin and Imidacloprid Drops		[Progress bar]				2025
Amoxicillin and Clavulanate Potassium Injection		[Progress bar]				2026
Florfenicol 50% Premix	Aquaculture Drugs	[Progress bar]				2025
Functional Pet Additives	Pet Food Additives	[Progress bar]				2023
Functional Pet Shampoo	Pet Supplies	[Progress bar]				2024

*Class I new veterinary drug



R&D Pipeline – Animal Healthcare

21 In-house R&D Projects (Continue)

Product	Category	Invention Stage	Non-clinical Study	Clinical Trial	Apply for Registration	Expected Time to Market	
Moxidectin Topical Solution	Livestock Drugs					2023	
Amoxicillin Sodium (Sterile) API (New spray process)						2023	
Ampicillin Sodium (Sterile) API (New spray process)						2023	
Moxidectin and Imidacloprid Drops						2024	
Amoxicillin Injection (Specification change)						2024	
Ampicillin Sodium Injection (Specification change)						2024	
Lincomycin Hydrochloride & Spectinomycin Sulfate Premix						2025	
Penethacillin API and preparation						2027	
Amoxicillin Injection		Livestock Drugs, Pet Drugs					2024
Ceftiofur Sodium (Sterile) API							2024



R&D Pipeline – Animal Healthcare

10 Co-development Projects

Product	Category	New Veterinary Drug Class	Indication	Invention Stage	Non-clinical Study	Clinical Trial	Apply for Registration	Expected Time to Market
RD30	Pet Drugs	Class II	Anti-infection					2024
RD67		Class II	Fungal Dermatitis					2025
RD69		Class IV	Fungal Dermatitis					2025
RD80		Class II	Vomit					2027
RD98		Class IV	Acne on the Body Surface					2026
RD99		Class II	Body Surface Insect Repellent					2025
RD103		Class II	Pain Relief & Inflammation					2024
RD39	Livestock Drugs	Class II	Iron-deficiency Anemia					2025
RD104		Class IV	Allergic & Atopic Dermatitis					2027
RD102	Disinfectant for livestock	Class III New Veterinary Disinfectant	Disinfecting					2024

Outlook & Strategies

R&D

- ✓ Increase the investment in R&D
- ✓ Accelerate the recruitment of high-end R&D talents
- ✓ Step up R&D effort to enrich product categories
- ✓ Focus on endocrine, autoimmunity, ophthalmology and other therapeutic fields
- ✓ Accelerate the construction of new drug R&D centers and industrialization

Business

- ✓ Continue to optimize the vertically integrated business model
- ✓ Fully expand the production capacity of finished products, upgrade the production lines and equip with intelligent storage facilities
- ✓ Expand high-quality customer base to consolidate TUL's market position
- ✓ Focus on diabetes area and increase market share and penetration
- ✓ Extend external cooperation to diversify products and business

Finance

- ✓ Maintain solid cash liquidity
- ✓ Balance the mix of long-term and short-term borrowings
- ✓ Control finance costs
- ✓ Seek for more low-cost bank borrowings



让 生 命 更 有 价 值
Our mission is to make life more valuable

