

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

*2022 Annual Results*

**March 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**

**2022 Annual Results**

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**02**

**WBS Drives  
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**03**

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of Business Strategy**

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# 2022 Annual Results *01*

**480** <sup>22.5%</sup> → **588**  
Integrated Projects YoY

**62.8%**  
Non-COVID Projects Revenue Growth (YoY)

**136 / 9** <sup>88.9%</sup> → **17**  
New Projects Added /  
Commercial Projects YoY

**13.6** → **20.6**  
Total Backlog (US\$ Bn) YoY

**154KL** → **262KL**  
Capacity from 2021 to 2022

**12,373/4,372**  
Employees / Scientists



**10.29** <sup>48.4%</sup> → **15.27**  
Revenue (RMB Bn) YoY

**50.6%** → **50.0%**  
Adj Gross Profit Margin YoY

**3.44** <sup>47.1%</sup> → **5.05**  
Adj Net Profit (RMB Bn) YoY

**33.4%** → **33.1%**  
Adj Net Profit Margin YoY

**44.6%** → **44.9%**  
Adj EBITDA Margin YoY

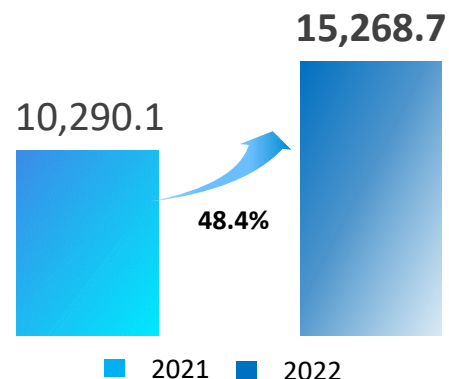
**0.77** <sup>31.2%</sup> → **1.01**  
Diluted EPS (RMB) YoY



# Impressive Financial Performance Continued

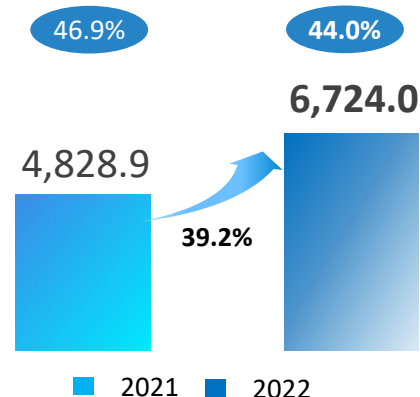
## Revenue

RMB  
(mm)



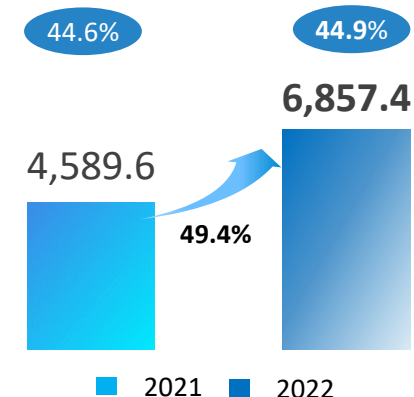
## Gross Profit

GP Margin



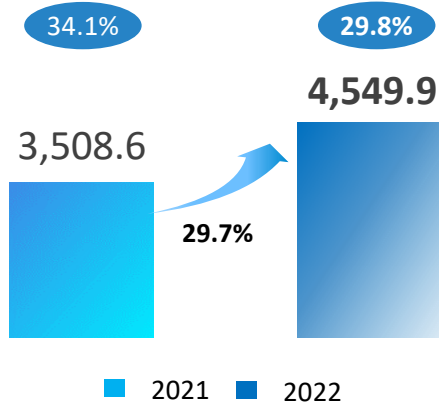
## Adj EBITDA

Adj  
EBITDA  
Margin



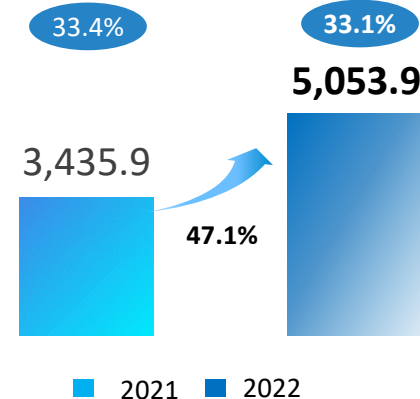
## Net Profit

Margin



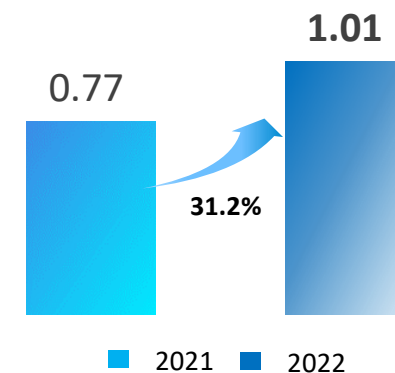
## Adj Net Profit

Margin



## Diluted EPS

RMB



# Key Financials

## AVAILABLE FUNDS

- Available funds approx. **RMB8.7 bn** as of Dec. 31, 2022
- Total Liability to Equity Ratio **36.9%**, expect to have sufficient funds for capacity expansion

## LOAN

- Approx. **RMB2.8 bn** borrowings as of Dec. 31, 2022
- Available bank credit facilities of around **US\$0.7 bn**
- Operating cash flow of **RMB5.5 bn**, increased **61.5% YoY**

## BUYBACK

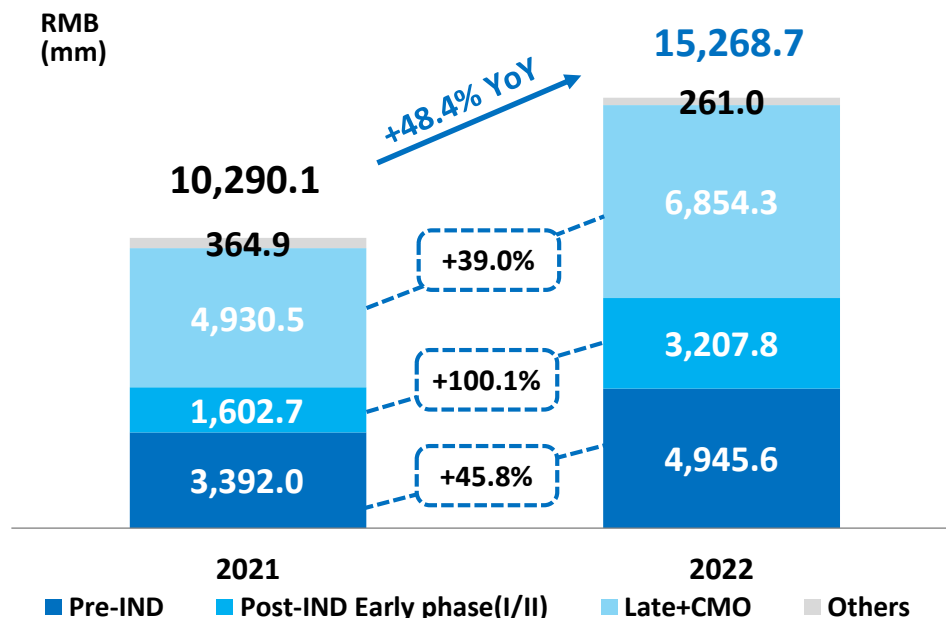
- Executed and completed **~US\$800 million** share buyback by the end of 2022, demonstrating management's confidence in the company outlook
- **95,779,000** repurchased shares cancelled

## CAPEX

- 2022 CAPEX approx. **RMB5.4 bn**, mainly for capacity expansion in Europe, China and U.S.
- 2023 and 2024 CAPEX plan: approx. **RMB6 bn each year from company funds**

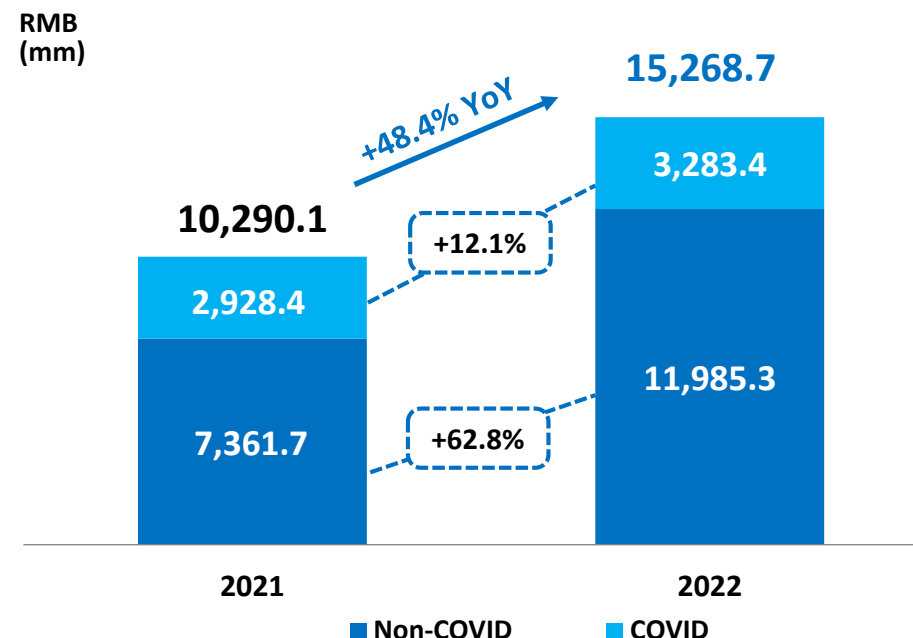
# All Engines Firing and Delivered Rapid Revenue Growth

## By Project Phase



- Early-phase revenue grew **100.1%** YoY as many projects resumed their clinical activities which were previously delayed by COVID-19, indicating potential acceleration of late-phase and CMO projects
- Despite the large size and market share, pre-IND revenue increased by **45.8%** YoY as a result of continued strong demand from global clients and higher market share
- Late-phase and CMO revenue achieved solid growth: growth rate slower than company average due to slower growth of COVID revenue, but non-COVID portion grew **78%** YoY

## COVID VS Non-COVID

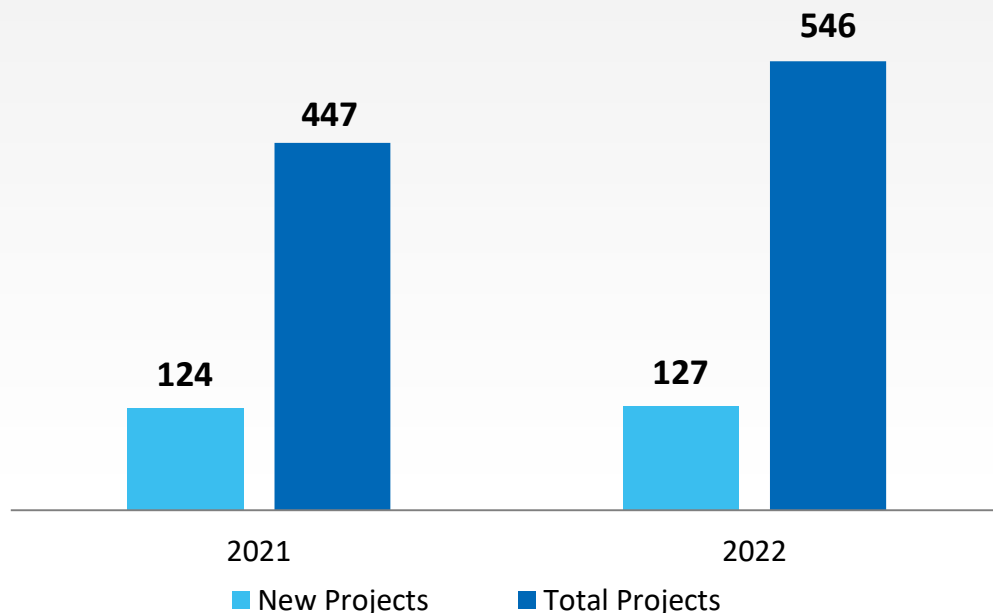


- Non-COVID projects delivered **62.8%** YoY revenue growth and drove the overall revenue growth in 2022, the strong momentum will continue into 2023.
- COVID projects demonstrated the power of the Group's technology platforms and strong execution: to win more projects from global clients

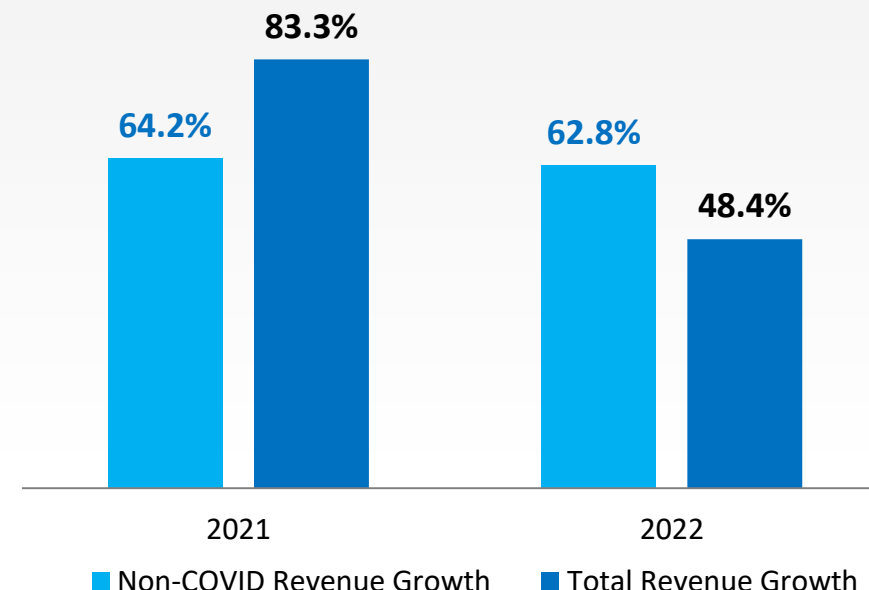


# Non-COVID Projects Driving Growth with Strong Momentum

Growth of Non-COVID Project Number



Growth of Total and Non-COVID Revenue



- **2022:** despite all the headwinds, record high number of **non-COVID projects added** thanks to unique CRDMO business model, advanced R&D capabilities, excellent execution, validated quality system and proven track record
- “Follow and Win the Molecule” for non-COVID projects will drive company’s sustainable high growth
- **2021-2023 62%+ CAGR growth of non-COVID revenue reaffirmed**

# R in CRDMO: Exciting Validation

## 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\$1.46 billion at key milestones and tiered royalties on net sales

WuXiBody®

OMT Platform

ADC Platform

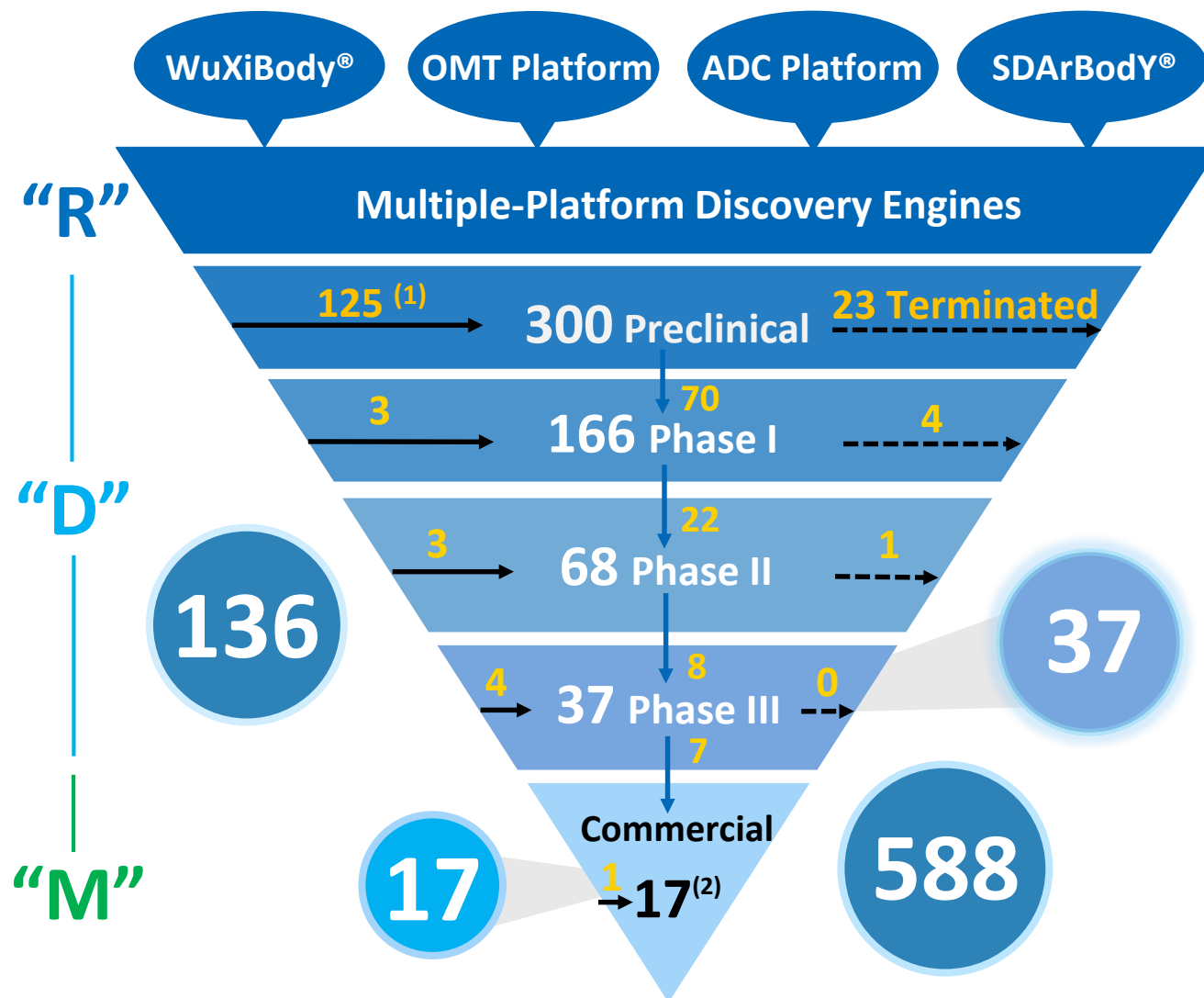
SDArBodyY®

## Multiple-Platform Discovery Engines

- Goal of WuXi Biologics is to develop exceptional technology platforms to serve global clients
- Low-toxicity CD3, WuXiBody® and SDArBodyY® bi-/multi-specific technologies: potential best-in-class for cancer therapeutics
- This deal fully validates our business model
- A clear demonstration of CRDMO: 4 potential subsequent development and commercial mfg programs

# Sustained Robust Business Momentum in 2022

- Business momentum continued to accelerate despite headwinds from biotech funding slowdown, UVL issue, COVID challenges, delayed FDA PLI inspection, and high inflation in U.S. and EU
- **136** new integrated projects added as of Dec. 31, 2022 vs 120 targeted; **1,193** CDO projects
- “Win-the-Molecule” strategy continued to excel: **11** external projects transferred into the pipeline as of Dec. 31, 2022, including **5** phase III/Commercial projects to boost near-term revenue and secure long-term CMO contracts
- **17** commercial projects as of Dec. 31, 2022, accelerating business momentum to fuel the future growth
- Late-phase and CMO pipeline expansion accelerates: added **3** new phase III projects YTD, another **4** phase III and **2** commercial projects from MNCs to be signed by April



**Notes:**

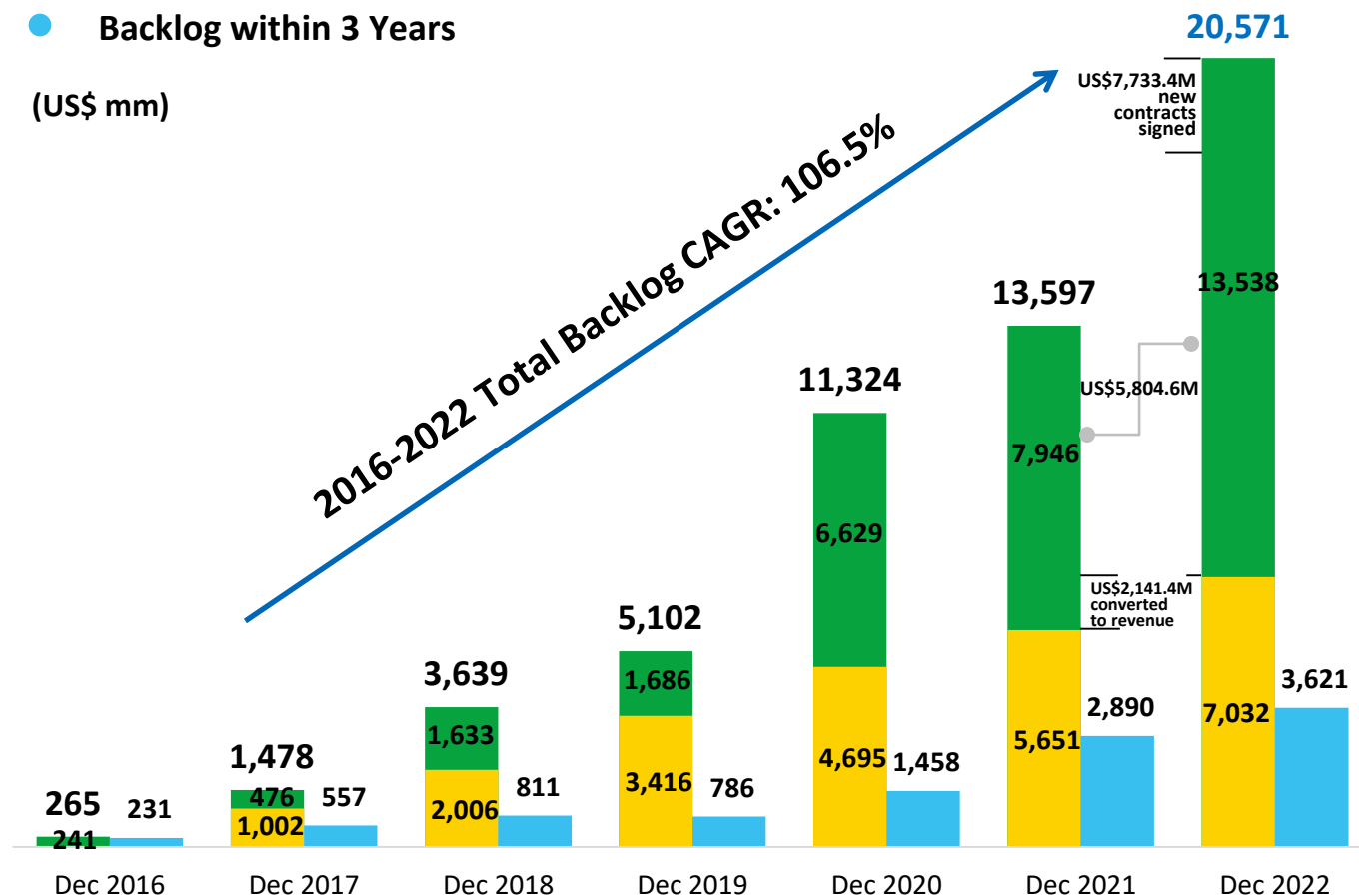
1. As of Dec. 31, 2022

2. The commercial manufacturing projects refer to the projects approved by regulatory authorities and signed CMO contracts with the Group

# Strong Backlog Underpins Future Performance

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

(US\$ mm)

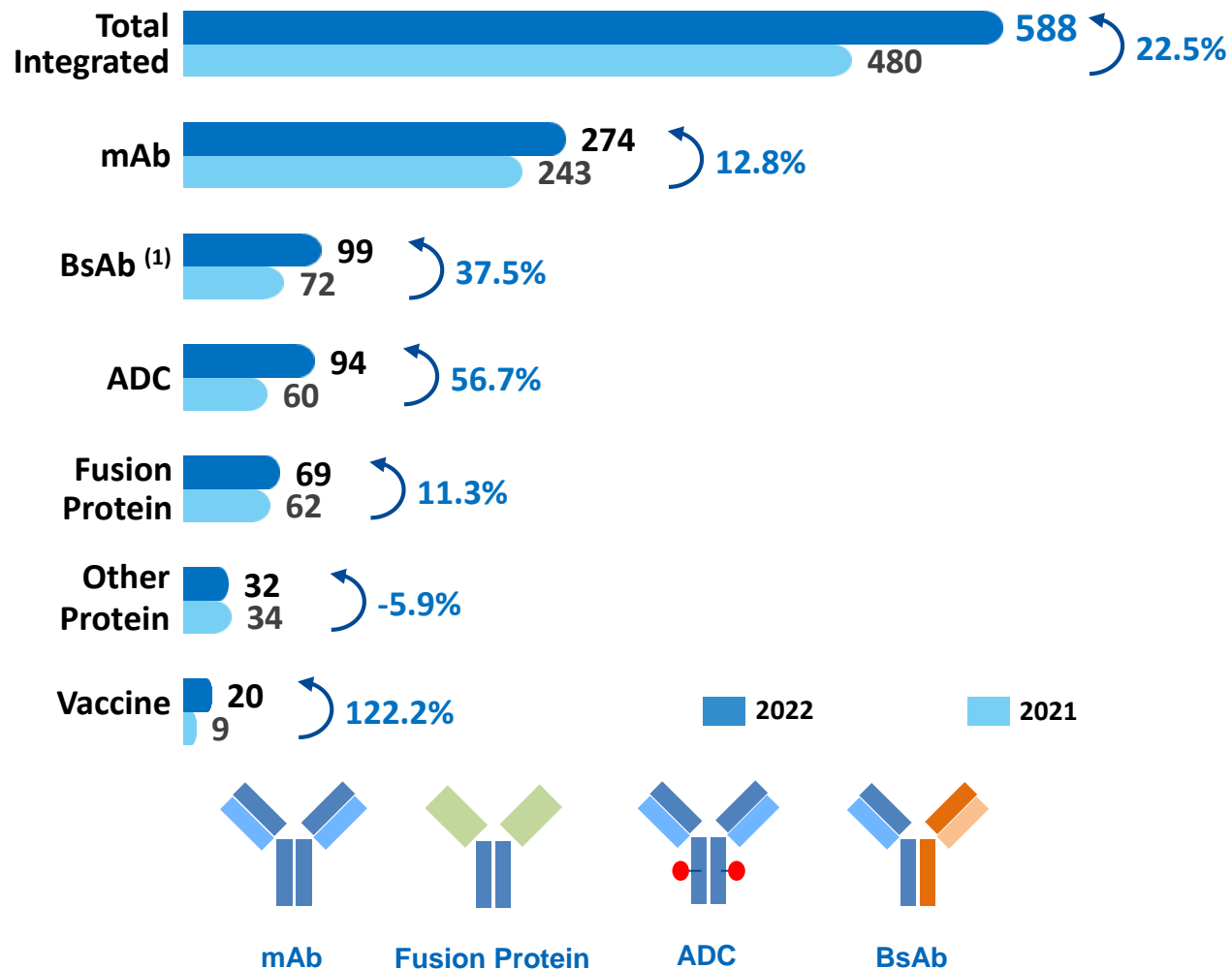


- As of Dec. 31, 2022, total backlog increased to **US\$20.6 bn**. Strong momentum continued
- Upcoming potential milestone backlog reached **US\$7.0 bn**, benefiting from technology enabling platforms and unique CRDMO business model
- As of Dec. 31, 2022, backlog within 3 years approximated **US\$3.6 bn**, providing high visibility of strong short-term growth
- US\$13.5 bn** service backlog as of Dec. 31, 2022 due to growth of CMO pipeline, providing high visibility of mid-to-long-term growth
- ~82%** of total backlog is for year 3 beyond while **~18%** is for revenue within 3 years
- Strong backlog does not indicate lack of capacity for new projects. Any projects can be initiated within **4 weeks**

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

# Rich Pipeline across All Biologics Modalities



**211** First-in-class programs



**20** vaccine projects, including **2** mRNA and **14** non-COVID vaccines



**99** bispecific projects covering different formats



**94** ADC projects with 56.7% YoY growth driven by increasing industry demands



**13** 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 Dec. 31, 2022, compared with projects number as of Dec. 31, 2021

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

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

2018

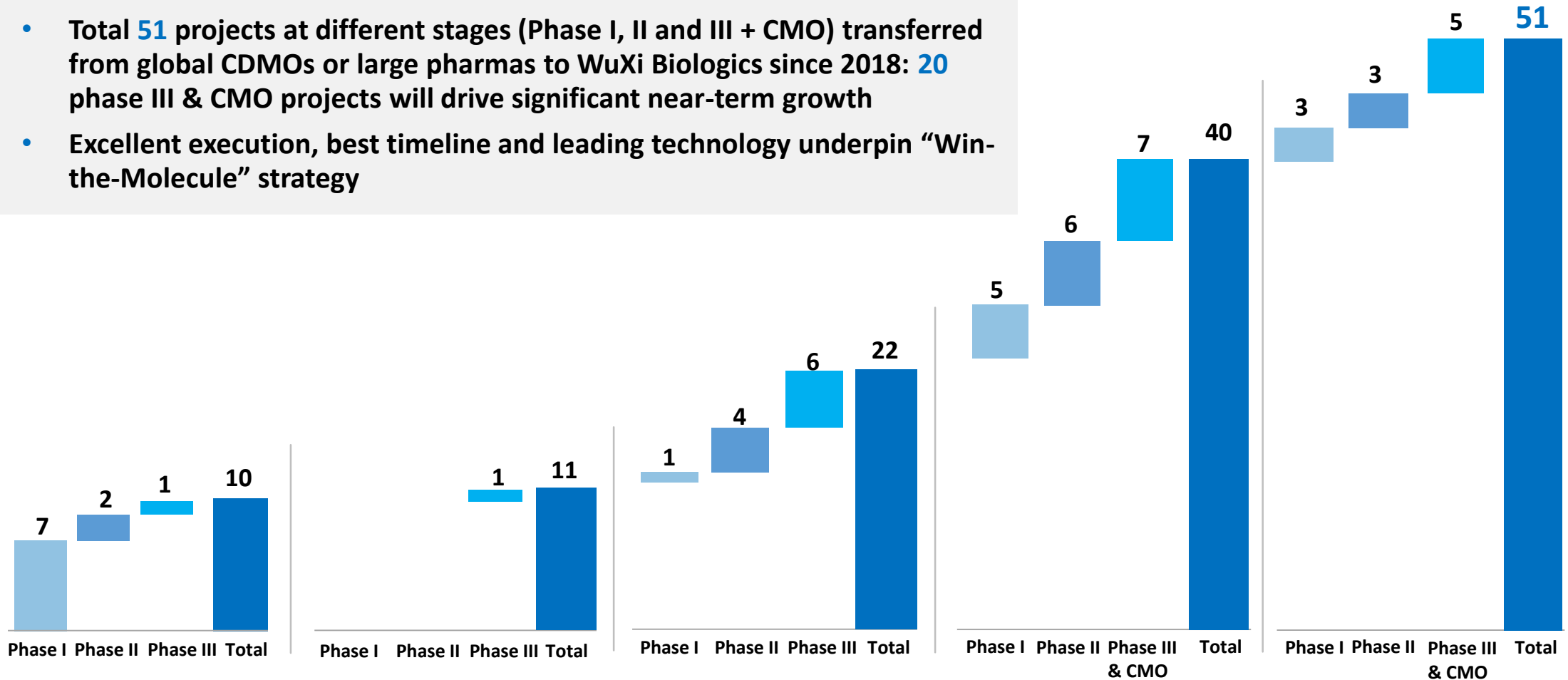
2019

2020

2021

2022

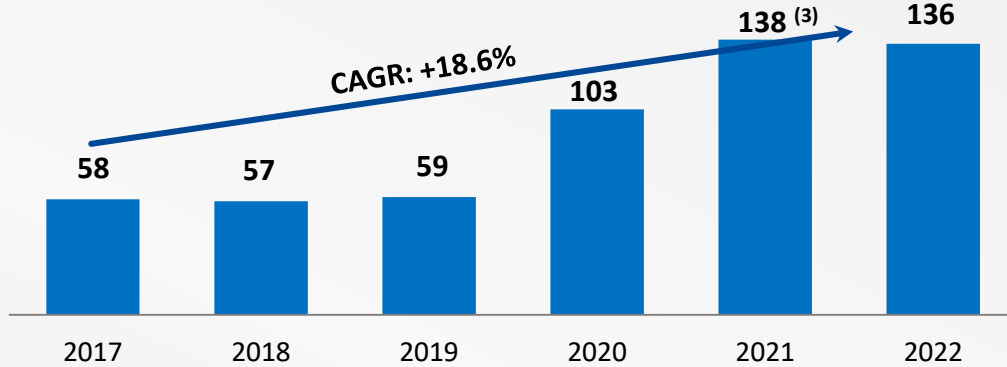
- Total **51** projects at different stages (Phase I, II and III + CMO) transferred from global CDMOs or large pharmas to WuXi Biologics since 2018: **20** phase III & CMO projects will drive significant near-term growth
- Excellent execution, best timeline and leading technology underpin “Win-the-Molecule” strategy



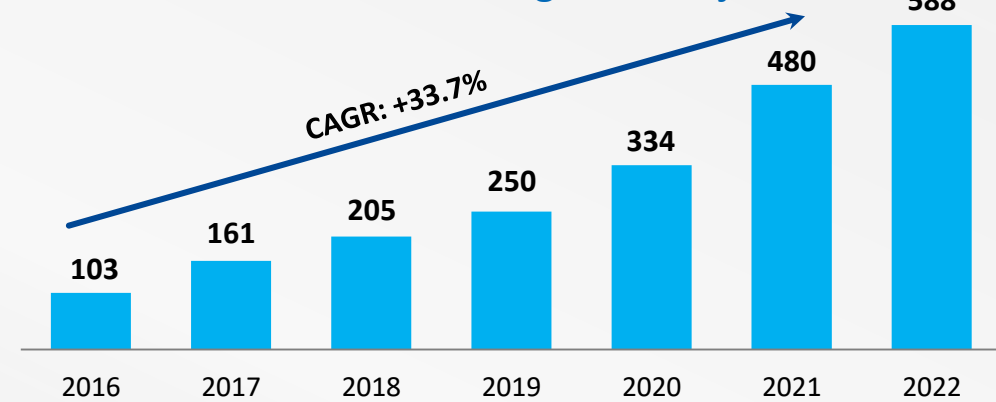


# “Follow and Win the Molecule” Strategies Driving Robust Growth

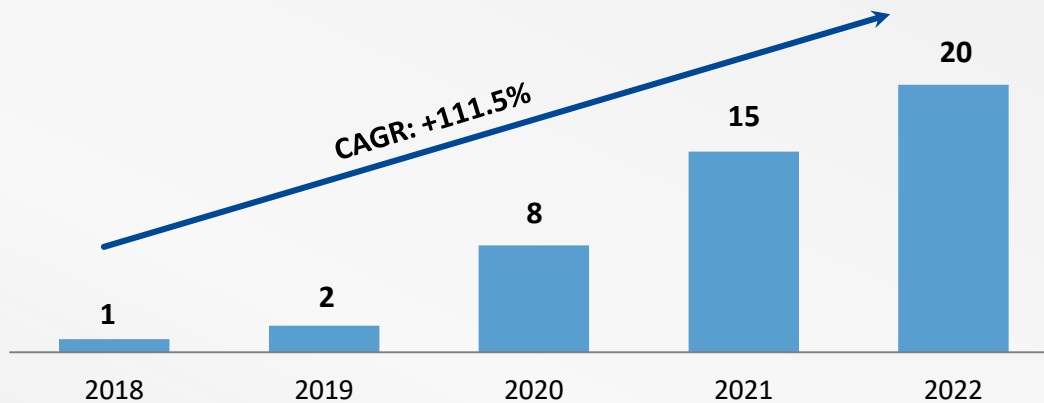
## No. of Newly Added Integrated Projects



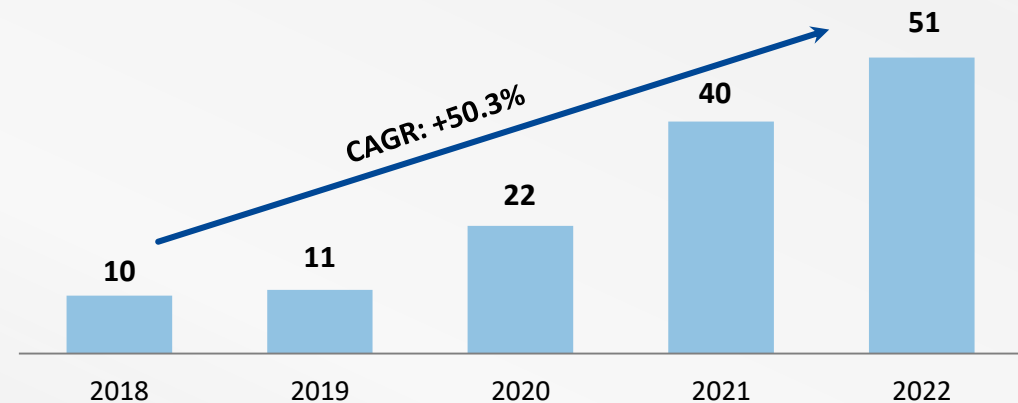
## No. of Total Integrated Projects <sup>(1)</sup>



## No. of “Win-the-Molecule” Phase III & CMO Projects <sup>(2)</sup>



## No. of “Win-the-Molecule” Projects <sup>(2)</sup>



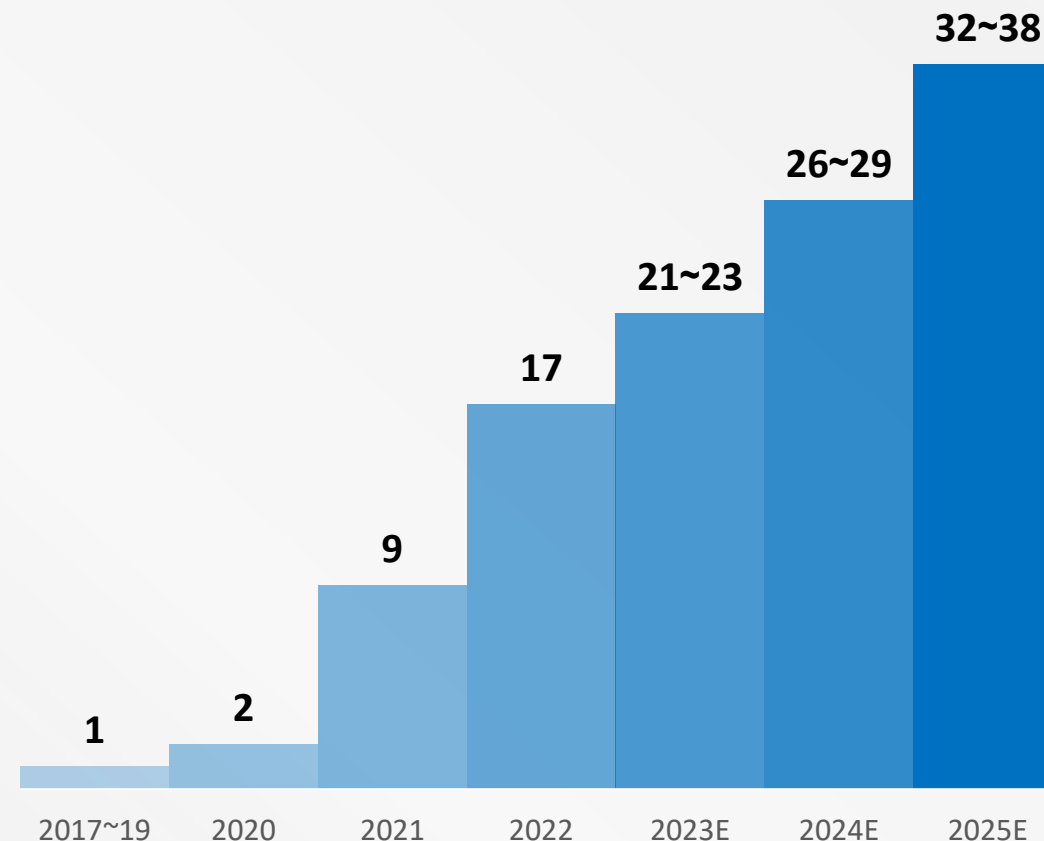
### Notes:

1. Integrated projects are defined as projects requiring services for multiple stages during biologics development process
2. “Win-the-Molecule” projects are shown in accumulative number
3. Newly-added integrated project number in 2021 has excluded the projects from CMAB

# Rapid Growth of Commercial Manufacturing Continues

- CMO projects are expected to increase by implementing “Follow and Win the Molecule” strategies
- Total **17** commercial projects as of Dec. 31, 2022, including **7** via “Win-the-Molecule” strategy
- **6** COVID-19 commercial projects and **11** non-COVID commercial projects, diversified CMO pipeline
- FDA PLI inspections for **two** programs scheduled in **Q2, 2023**
- **32+** CMO projects are expected in 2025
- “Win-the-Molecule” enables WuXi Bio to secure more potential CMO projects

## Strong business momentum in CMO projects with high revenue potential <sup>(1)</sup>

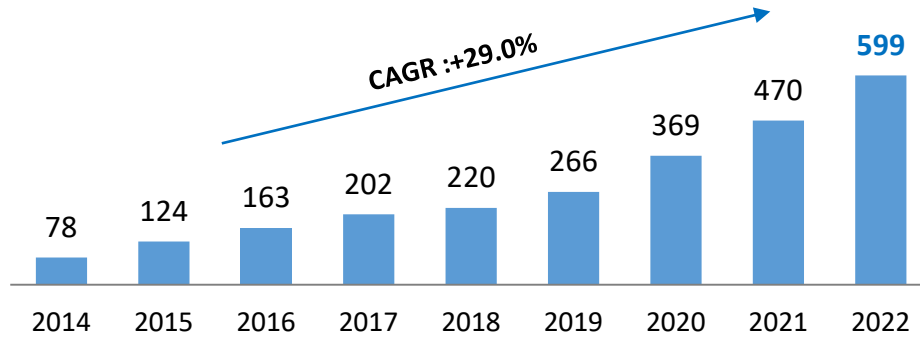


Note:

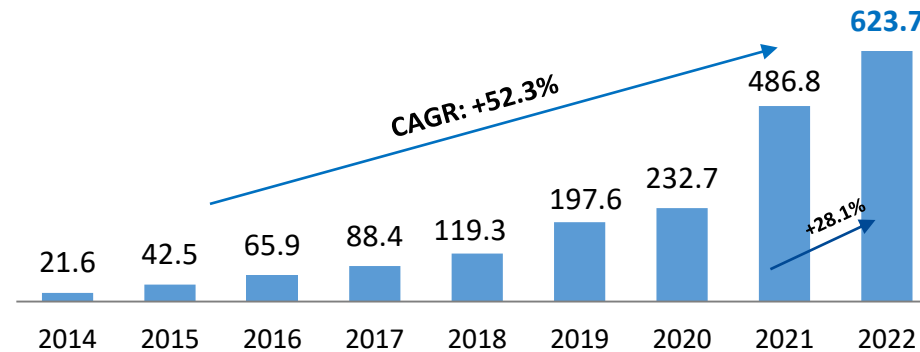
1. Based on current portfolio and potential “Win-the-Molecule” projects

# Expanding Global Customer Base and Growing per Customer Revenue

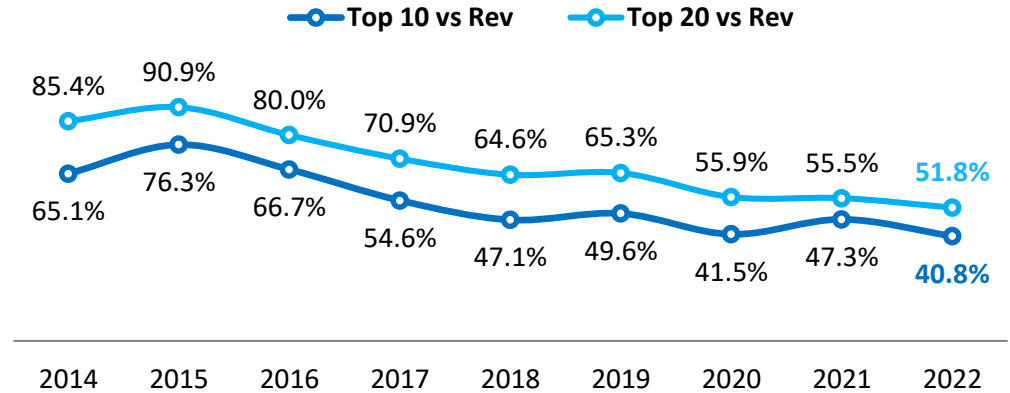
**Number of Integrated Customers <sup>(1)</sup> Serviced in Each Period**



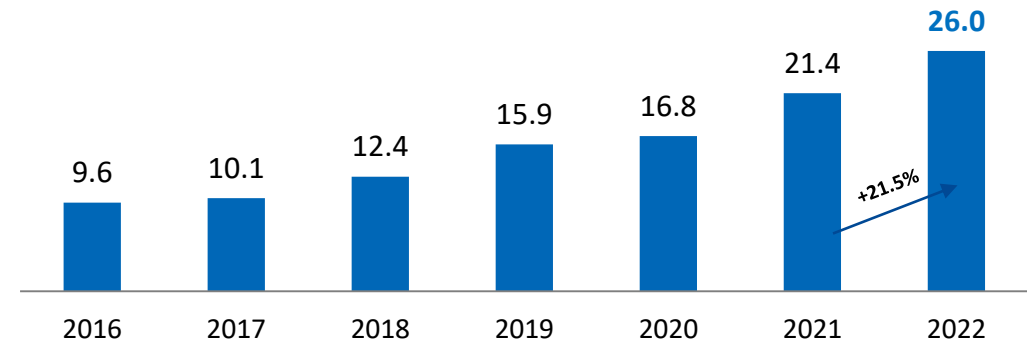
**Average Revenue per Top 10 Customers (RMB mm)**



**Revenue % of the Top 20 and the Top 10 Customers**



**Average Revenue per Integrated Project (RMB mm)**



- ~130 new clients added: customer base further expanded and diversified, thanks to strong R&D capabilities, best execution and operational excellence which are highly recognized by global biotechs and large pharmas
- Average Revenue per project continued to grow due to more revenue contribution from late stage and commercial projects and increasing complexity of the early stage projects

**Note:**

1. Customers refer to those clients who contributed revenue during the reporting period

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

Global CRDMO: 2 R centers + 8 D centers + 9 M centers

R: Shanghai WGQ, Shanghai FX

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

USA  
  
30,000L

Ireland  
  
54,000L

Germany  
  
15,000L

Singapore  
  
120,000L

China  
  
371,000L



Discovery



Development



Manufacturing

# New Chapter for Global Operations: Full Supply Chain from DNA to BLA Established in U.S. & EU



- MFG18, the first clinical manufacturing facility in U.S., started GMP operations in mid 2022
- Attracted 10+ new clients to WuXi Bio
- 2022 breakeven at GP level and expect strong growth in 2023/2024

MFG18 in New Jersey, U.S.



- Construction on track and completed building steel work in Oct. 2022, GMP operation targeted in 2024
- Another choice in the U.S. within WuXi Bio global network

MFG11 in Massachusetts, U.S.



- MFG6/7 GMP released in Q4 2022, and received first GMP Certificate from Ireland Health Products Regulatory Authority
- 5 PPQ projects initiated and another 4 in negotiations
- Expect 60% utilization in 2025, one year earlier than planned

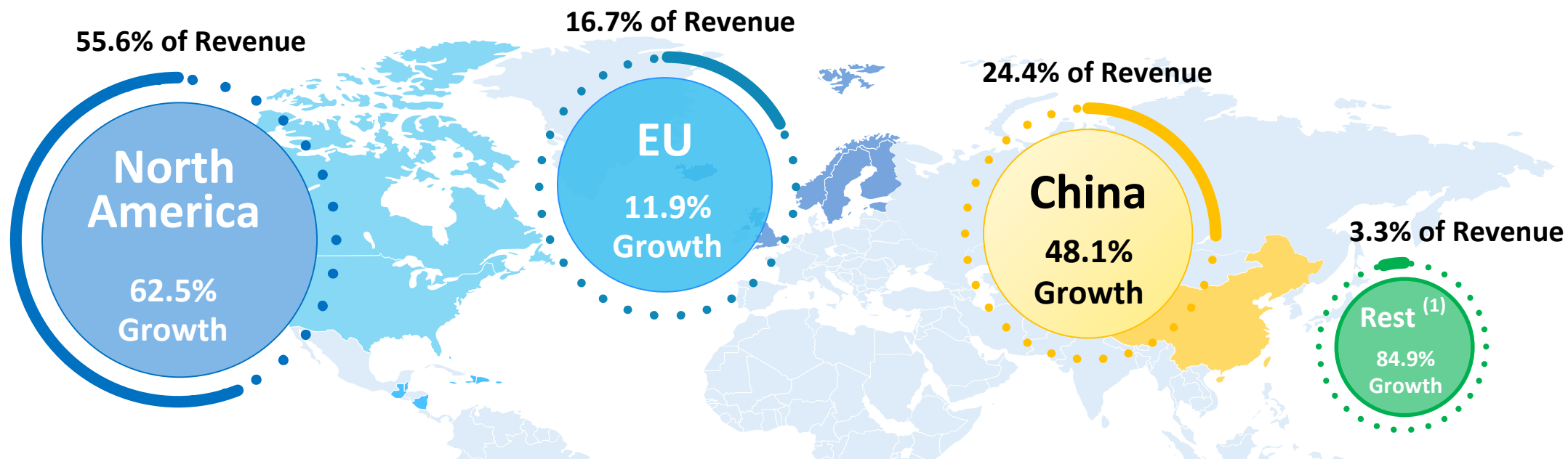
MFG6/7 in Dundalk, Ireland



- MFG19 (6x2,000L currently expanding to 12x2,000L in 2024): first engineering run to be run in Q2 2023
- DP7 (liquid/lyo commercial facility, Germany/EMA certified): multiple projects ongoing

MFG19/DP7 in Germany

# Sustained High Growth with Diverse Engines



- **North America:** the biggest market with robust growth of **62.5%**. Continue to see accelerated demand from both small biotechs and large pharmas in NA, **50%** of new projects were added from this region in 2022, approx. **100** new clients added
- **China:** resumed exciting growth as biologics innovation momentum remained strong and benefited from COVID projects revenue contribution despite macroenvironment uncertainties and funding challenges
- **Europe:** 2021 base record high due to COVID mAbs and COVID vaccines. Non-COVID revenue grew over **150%** YoY. New integrated projects grew ~3x in 2022. Switzerland became the third largest market in 2022. Expect continued strong performance from EU market
- **Rest of the World:** exceptional growth of **84.9%** was mainly driven by a “Win-the-Molecule” CMO project

Note:

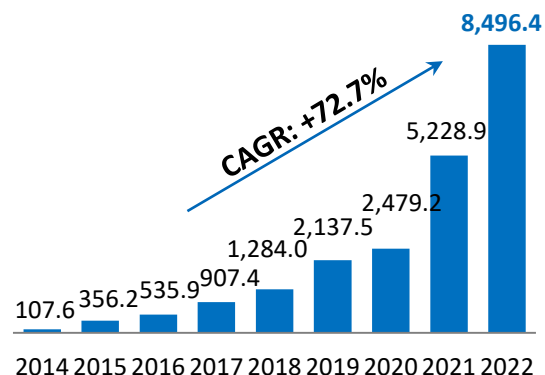
1. The rest market primarily includes Singapore, Japan, South Korea, Australia and Israel



# Overview on Geographic Markets<sup>(1)</sup>

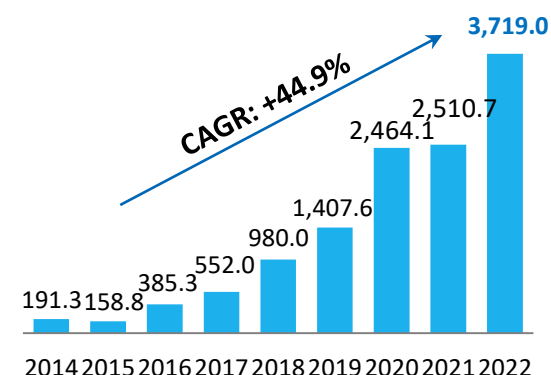
## North America

RMB mm



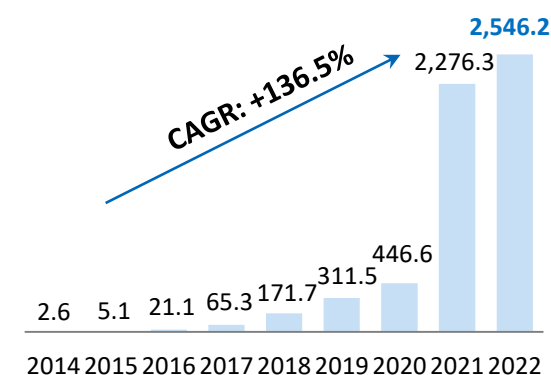
## PRC

RMB mm



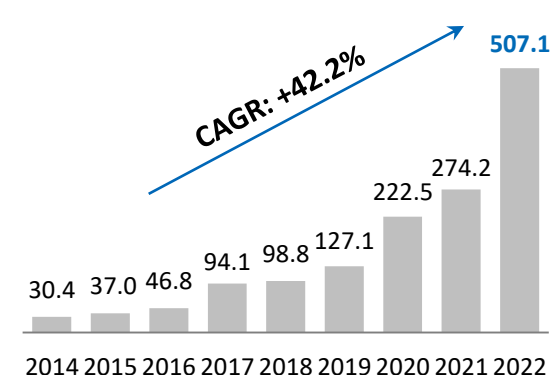
## Europe

RMB mm

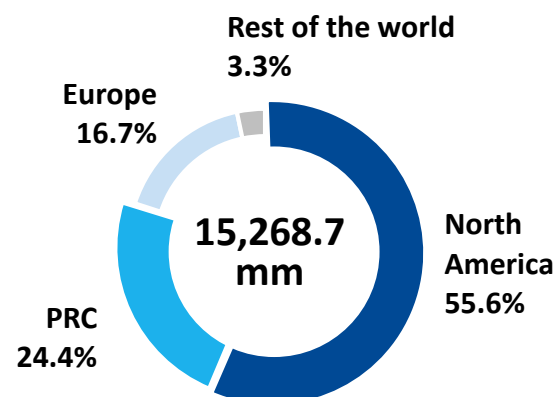


## Rest of the World <sup>(2)</sup>

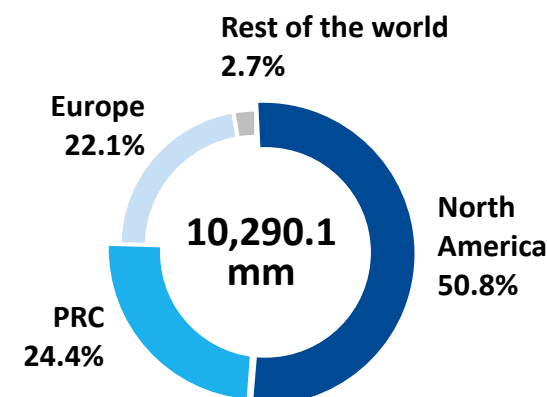
RMB mm



## 2022 Revenue (RMB)



## 2021 Revenue (RMB)

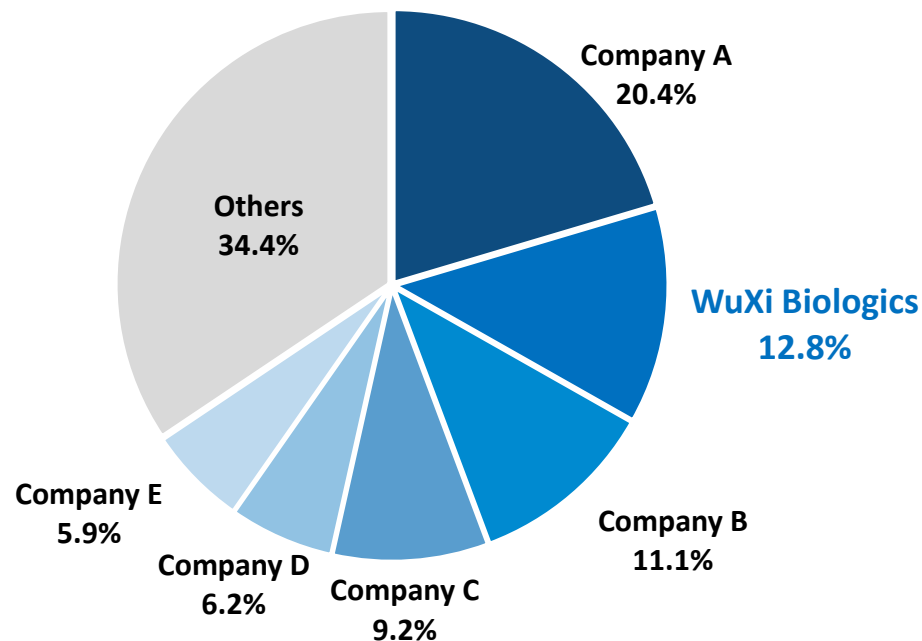


### Notes:

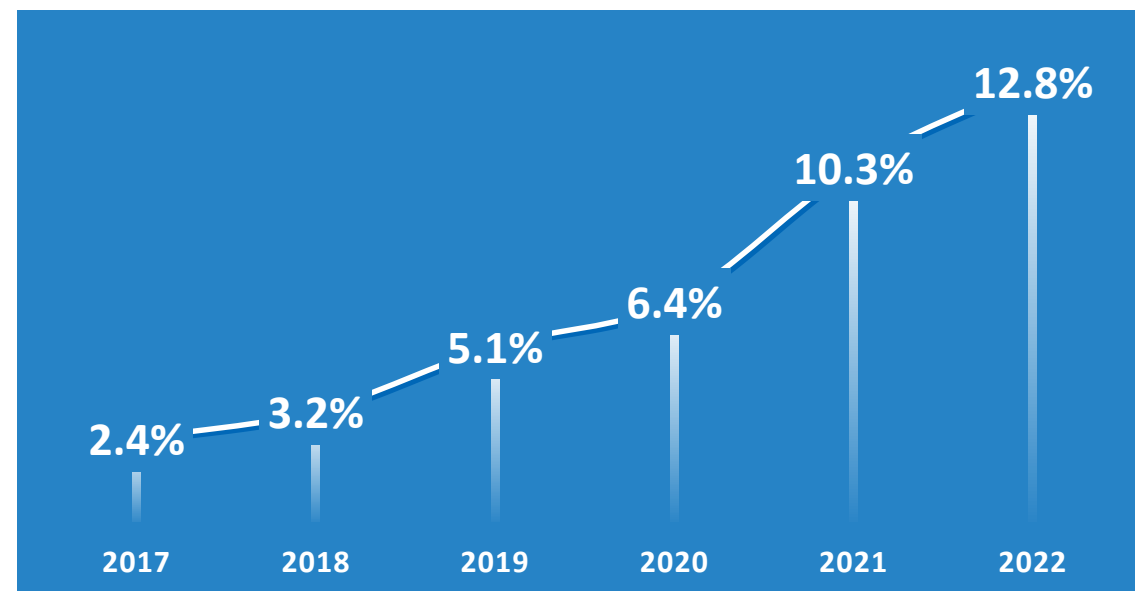
1. Customers are classified into different regions based on their headquarters
2. Rest of the world primarily includes Singapore, Japan, South Korea, Australia and Israel

# Global Top 2 With Fastest 6-Year CAGR Growth

Market Share of Global Biologics <sup>(1)</sup>  
Outsourcing Market by Revenue in 2022



Global Biologics <sup>(1)</sup> Outsourcing Market by Revenue of  
WuXi Biologics 2017 to 2022



- The global biologics outsourcing market became more concentrated as Top 6 players accounted for ~66% of total market share
- Top 10 leaders are expected to win 80%+ market share in 2025 due to high entry barriers and 5-10 years to establish track record and proven quality systems to win over clients: new players have stiff learning curve to win meaningful market share

# Excellent Operational Metrics

## 2022 R&D Track Records

- Enabled **123** INDs in 2022 including 1<sup>st</sup> RNA IND
- Delivered more than **3,000kg** of **COVID mAbs**
- Developed **90+** **cell based assays** in 2022 and developed **300+** in total since 2017
- Completed **250+** GMP audits/inspections in 2022. **900+** audits/inspections completed since 2013
- Published **10** papers on bispecific purification, **38** publications in total
- Received EMA GMP certificate **9 months** after facility release
- **5,188** proteins generated to support global research
- **1,000** viral clearance projects completed since 2013

## MFG Operational Excellence

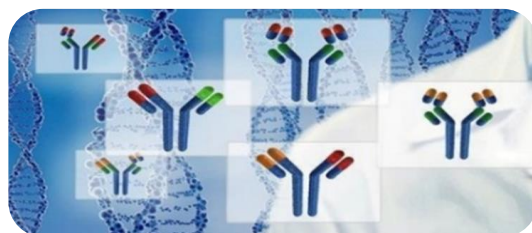
- DS: **11** PPQ campaigns at 100% success rate in 2022 and **2,100+** batches completed at 99%+ success rate overall
- DP: **8** PPQ campaigns completed at 100% success rate in 2022 and **1,400+** batches completed at 99% success rate overall, 100% mfg success for three years in a row
- **100** batches completed under 12,000L MFG line at 98% success rate
- **14** facilities with **~262,000L** DS capacity in 2022 vs **~580,000L** after 2026
- **9** facilities for drug product filling, including **1** bioconjugate DP by end of 2022
- Building **13** facilities globally

# Bispecifics May Be the Next Wave – WuXiBody®



Leading Edge  
Technology

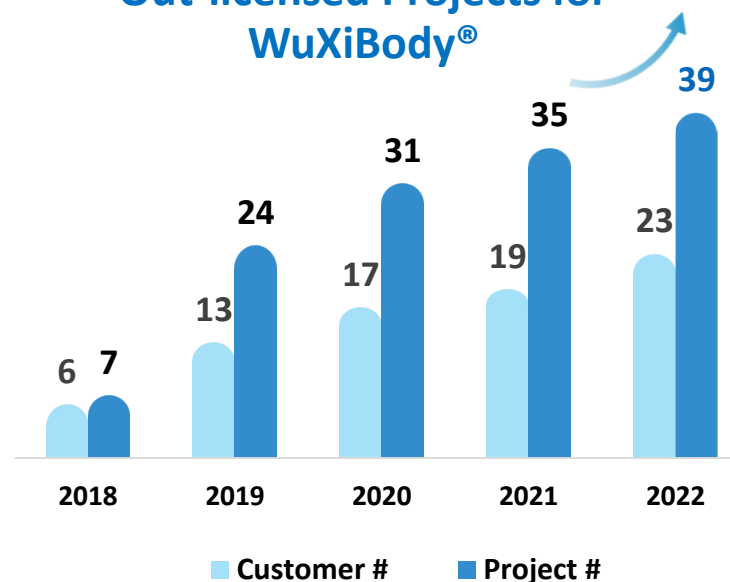
Empower to discover best  
or first-in-class molecules



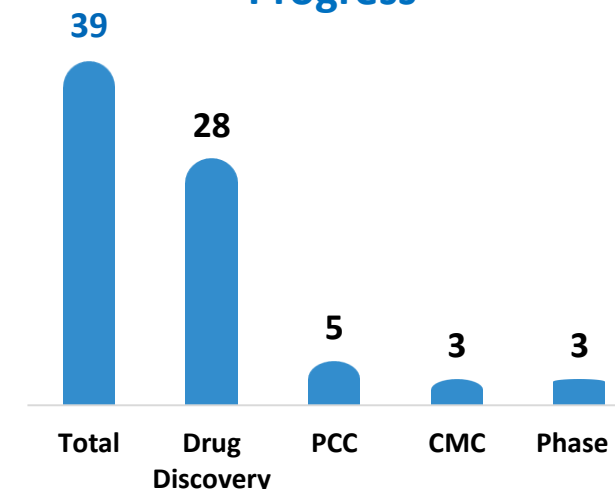
**WuXiBody® Bispecific**  
Antibody Technology Platform



Out-licensed Projects for  
WuXiBody®

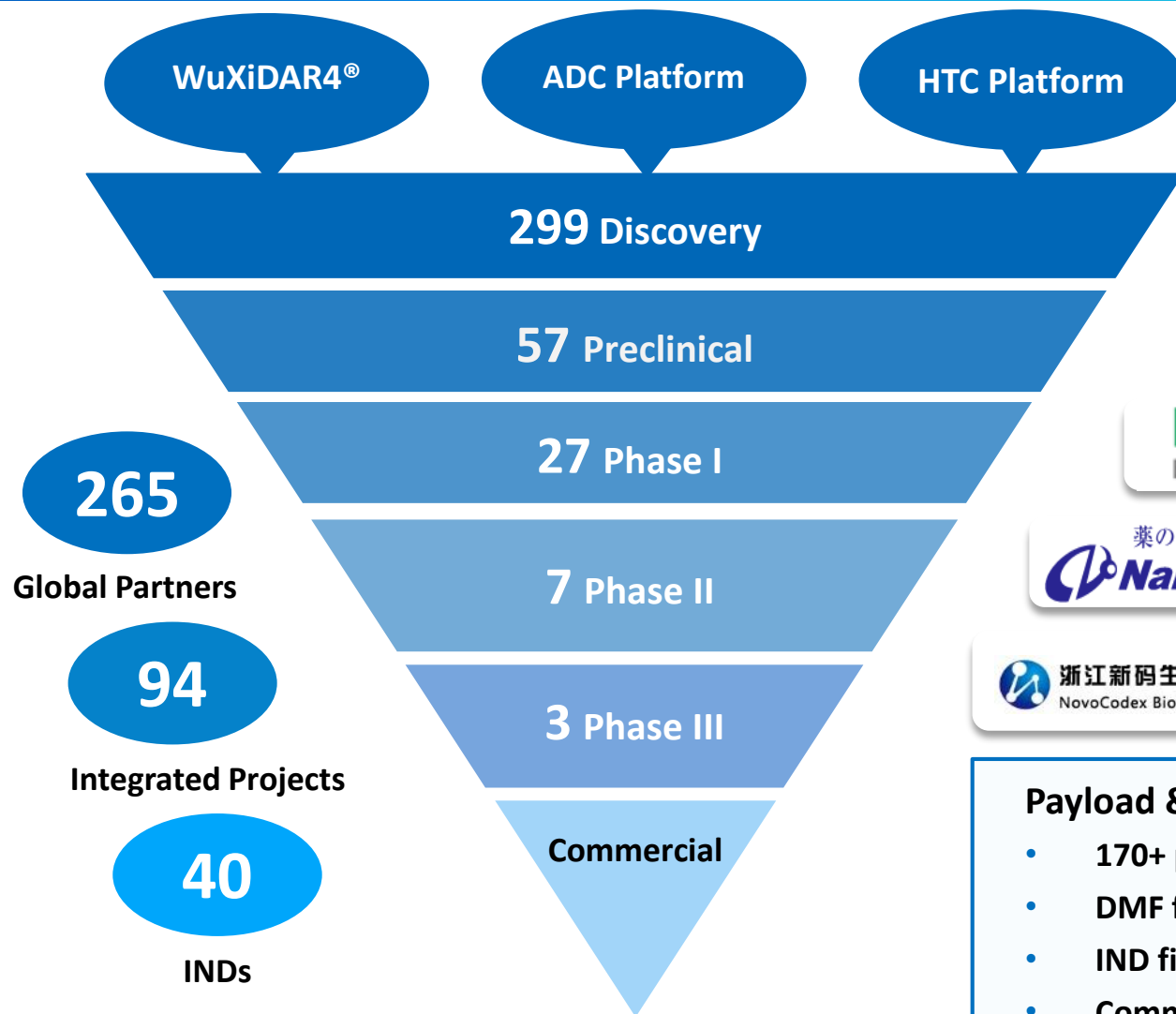


WuXiBody® Development  
Progress



- WuXiBody® continues to gain worldwide recognition, with **39** out-licensed projects as of Dec. 31, 2022
- **3** projects at Phase I, **3** projects at CMC, and **5** projects at PCC, demonstrating state-of-the-art technology of WuXiBody®
- **3** WuXiBody® projects are expected to get IND approval in 2023 and more are expected in 2024

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



## Selected Global XDC Partners

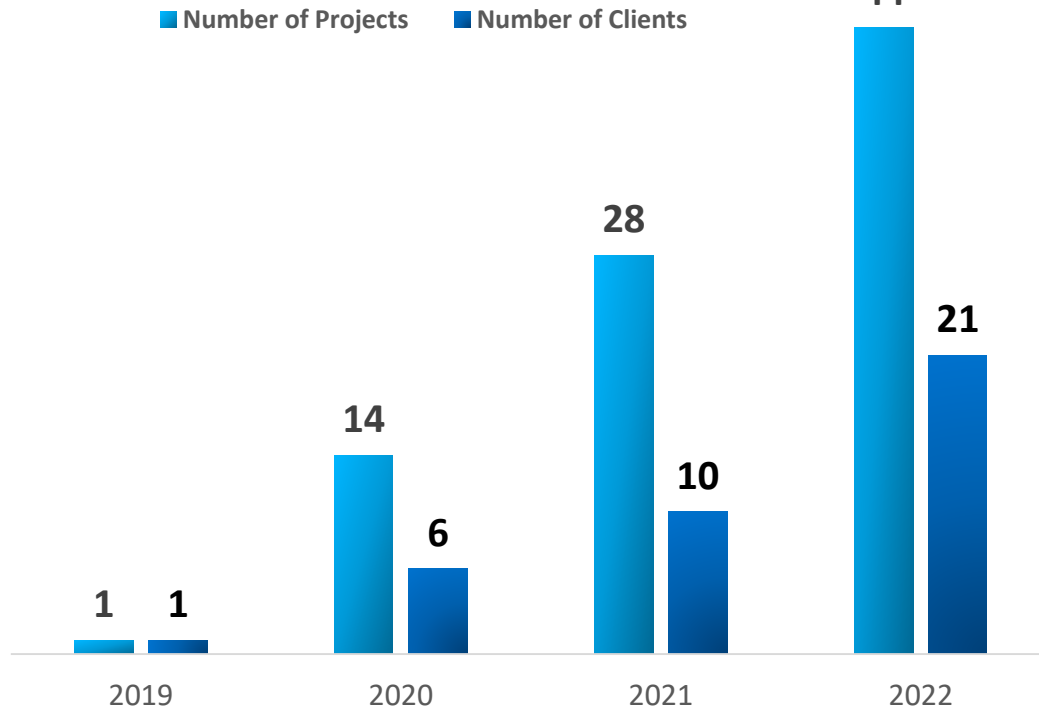


## Payload & Linker

- 170+ projects completed with 9 IND submissions in 2022
- DMF files for common payloads: vcMMAE, MCMMAF, MMAE, etc.
- IND filing for DM1, Exatecan Mesylate under submission
- Commercial DMF for vcMMAE by 1H 2023

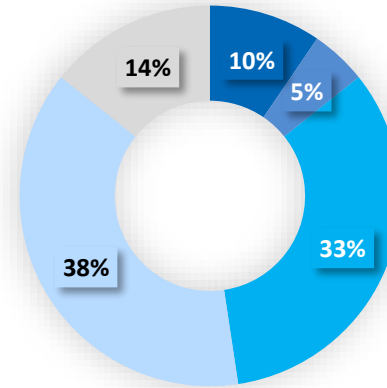
# Progress of WuXi Vaccines: Serving 21 Clients on 44 Projects

## Cumulative Number of Projects and Clients 2019 - 2022



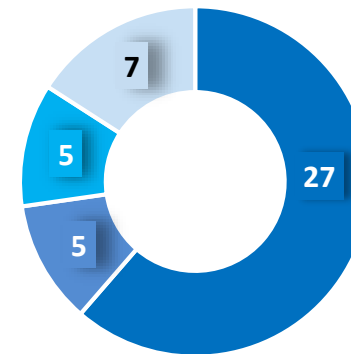
**Note:**  
1. As of Dec. 31, 2022

## Our Clients



- Global Vaccine Leader (2)
- MNC Pharma (1)
- US/EU Biotech (7)
- China Biotech (8)
- China Vaccine MAH (3)

## Vaccine Type

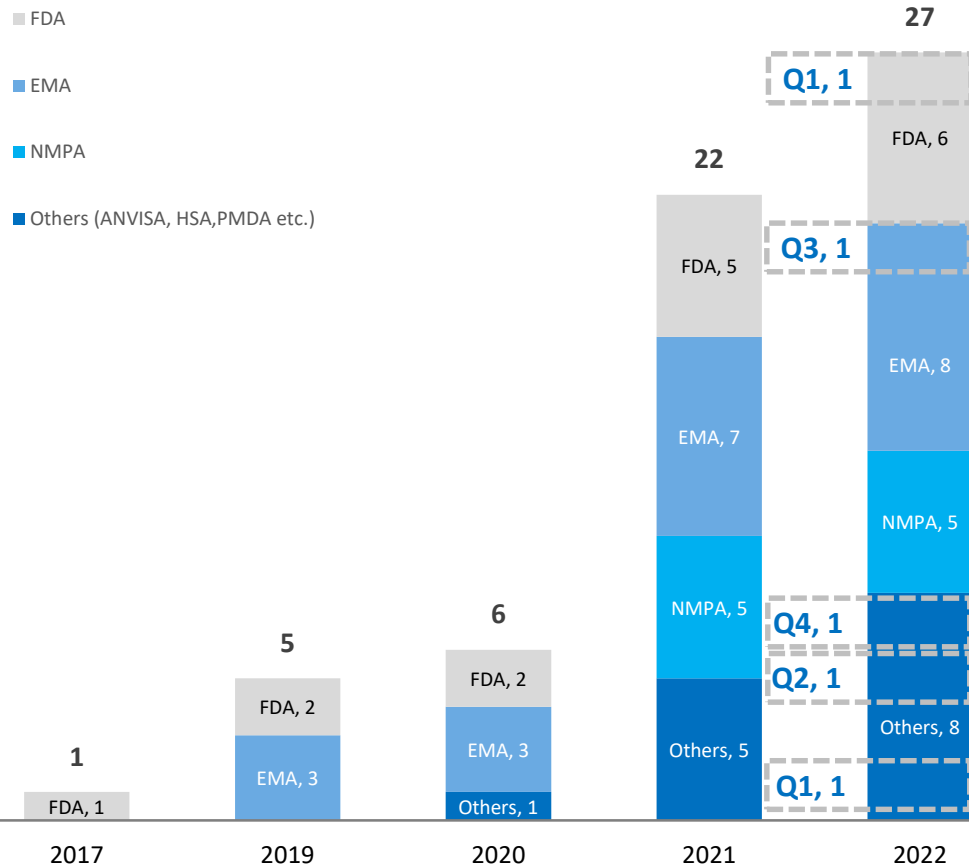


- Recombinant-CHO
- Recombinant-Microbial
- Viral
- RNA

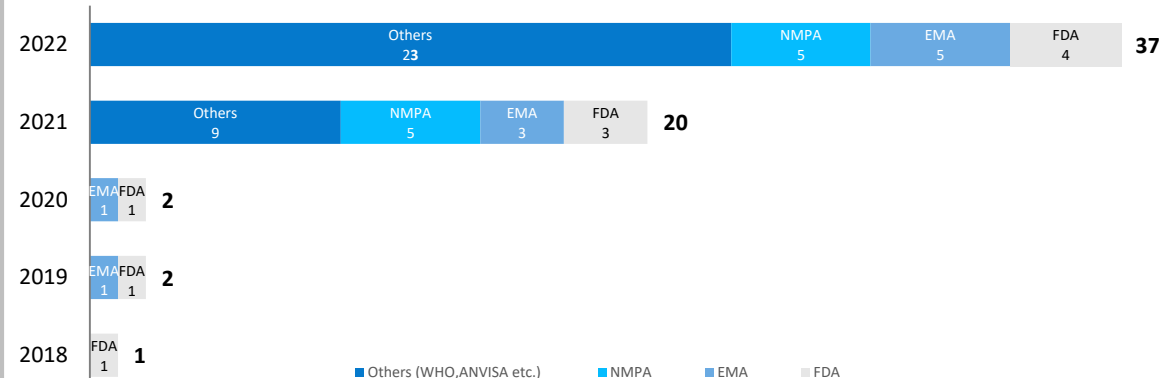


# QUALITY is Our Competitive Advantage and Moat

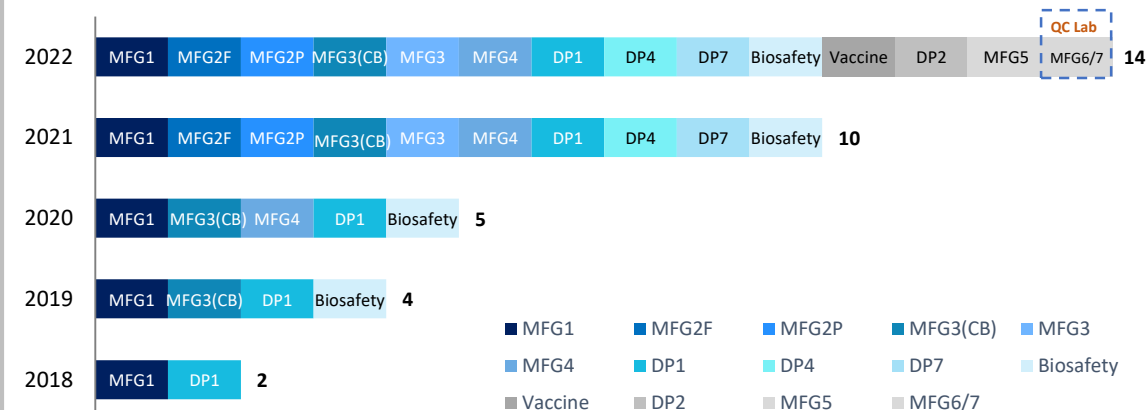
## Number of Regulatory Inspections: 27



## Number of License Approvals: 37



## Number of Certified Facilities: 14



**Note:**

1. As of Dec. 31, 2022



# Talent Forms the Prerequisite for Business Success

Total Employees

12,373



Employees working in US/EU/APAC

1,121



Ph.D./equivalent

758

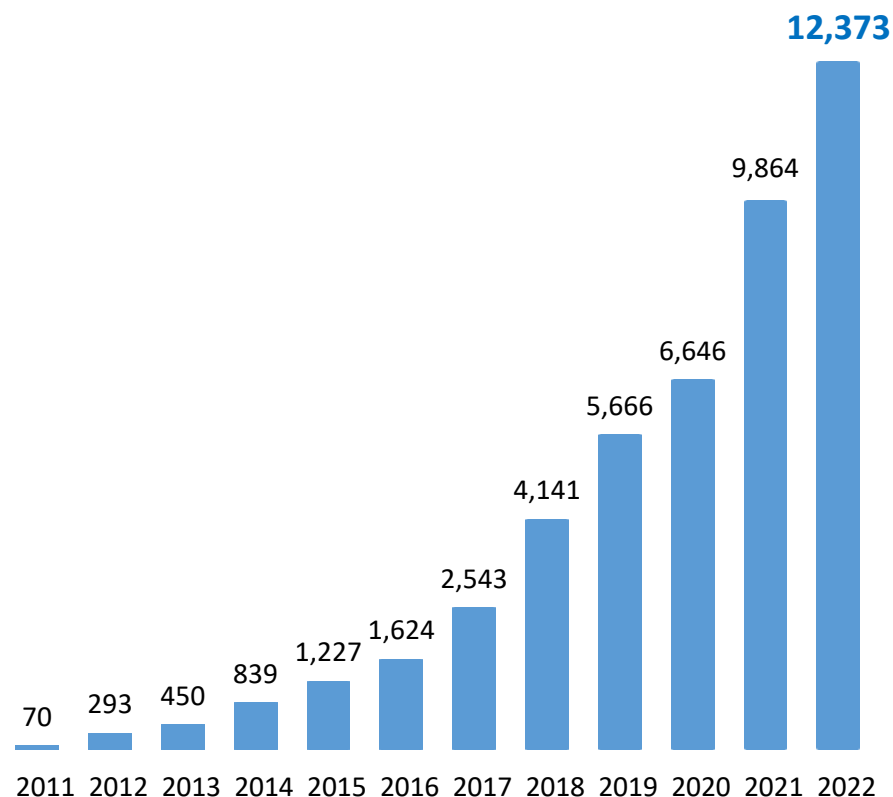


R&D scientists

4,372



## Rapid Expansion of Talent Pool



## 2022 Retention Rate <sup>(1)</sup>



Total Retention Rate

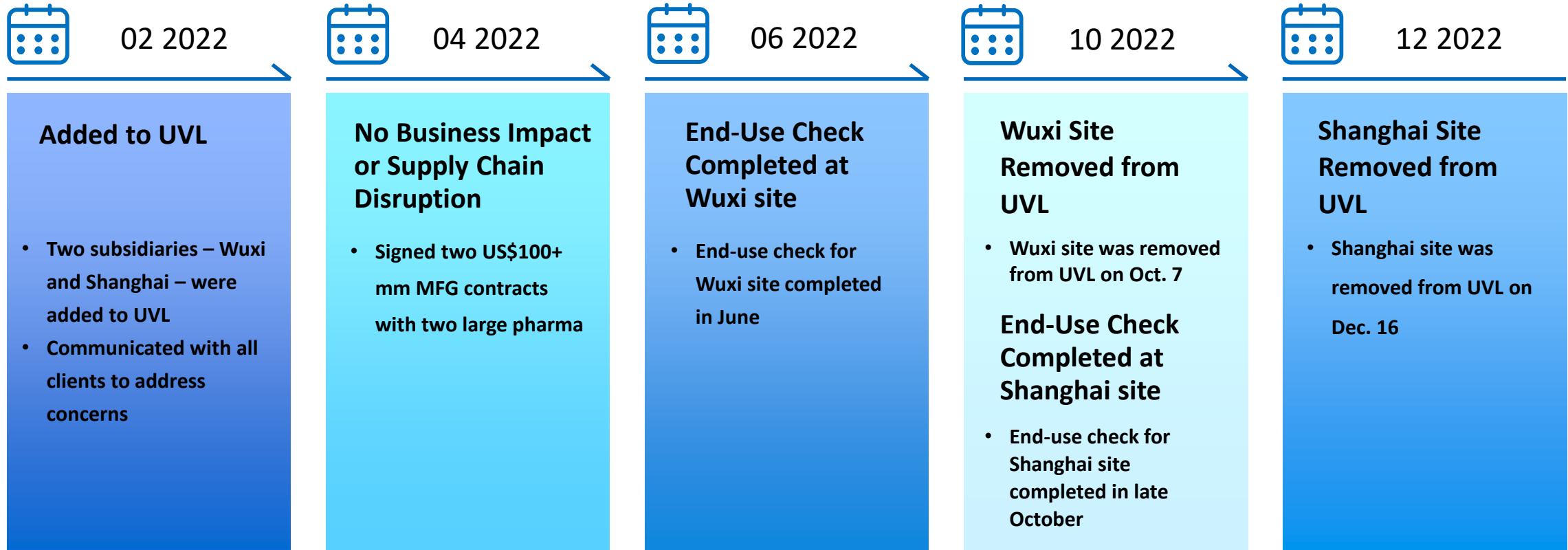


Key Talent Retention Rate

Note:

1. As of Dec. 31, 2022, retention rate is calculated on voluntary staff turnover

# Successful Delisting from UVL: Demonstration of Global Standards and Compliance



- Minimal business impact:** Overseas markets witnessed strong growth in both revenue and newly added projects, indicating continued trust from global clients and well-established partnerships
- No disruptions to supply chain:** maintained regular and reliable procurement from global vendors and ensured sufficient stock thanks to “Dual-Source, Dual-Factory” supply chain strategy

## **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

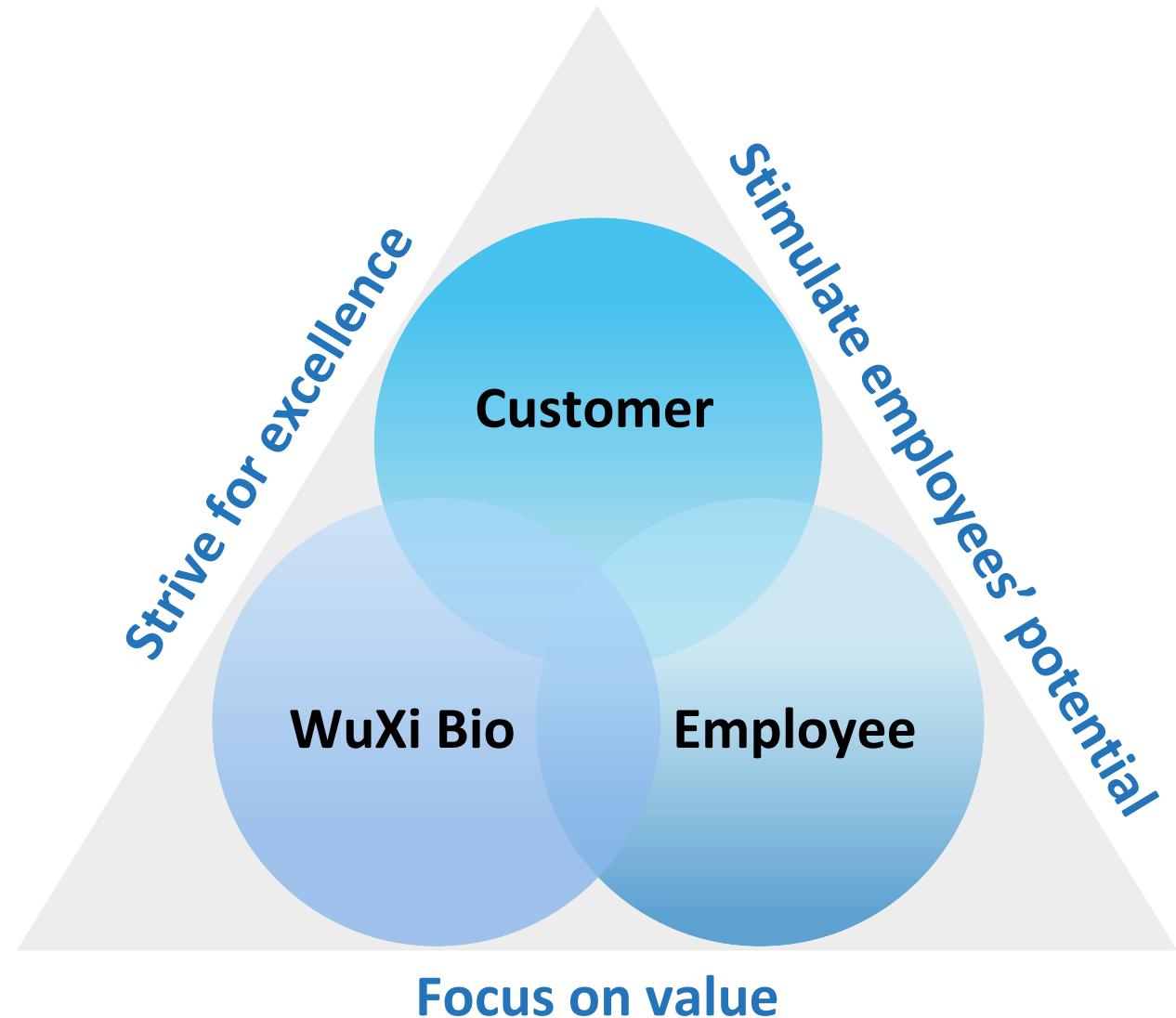
Tool/Methodology

# WBS Improves Operational Efficiency and Excellence



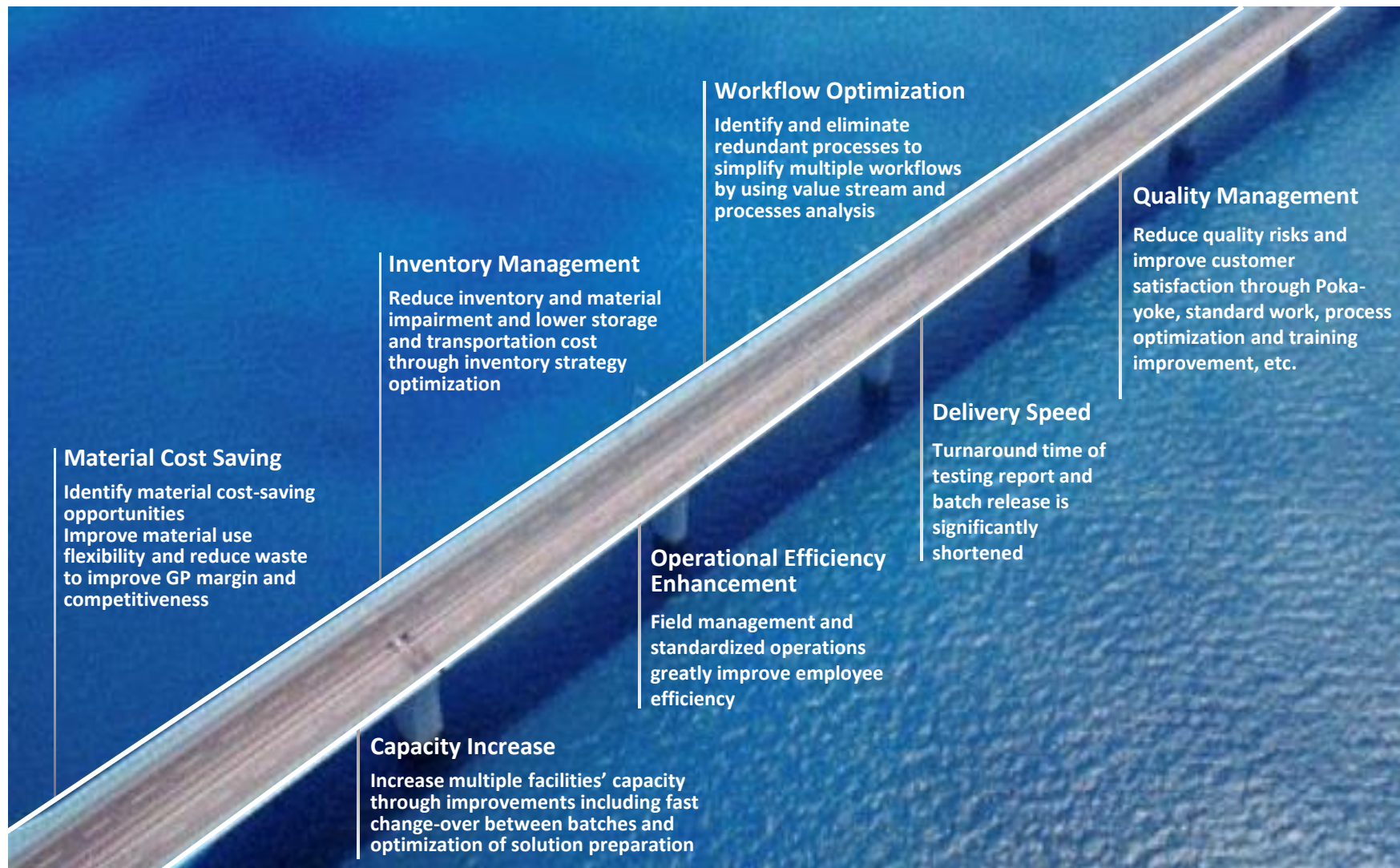
## WBS Tool Box

- Problem Solving Process
- Kaizen
- Value Stream Mapping
- Daily/Visual Management
- Standard Work
- 5S
- Workflow Improvement by ECRS
- Voice of Customer
- Training Within Industry (TWI)
- Poka-Yoke
- Single Minute Exchange of Die (SMED)

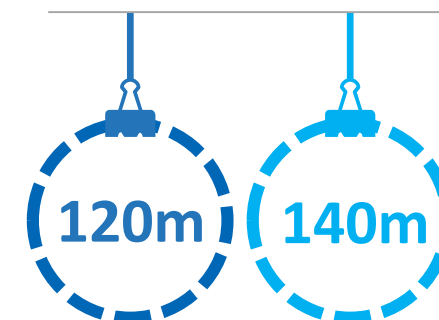




# WBS Achievements in 2022



**250+**  
Kaizen projects completed



Material/labor  
cost reduced  
(RMB/yr)

Capacity  
increase  
(RMB/yr)

**Note:**

1. Working hours, cost, and capacity increase are estimated annualized return

# WBS Drives Business Success: Expect to Improve Margin by 300+ Basis Points in 2023

Learn

2021

Practice

2022

Systemize

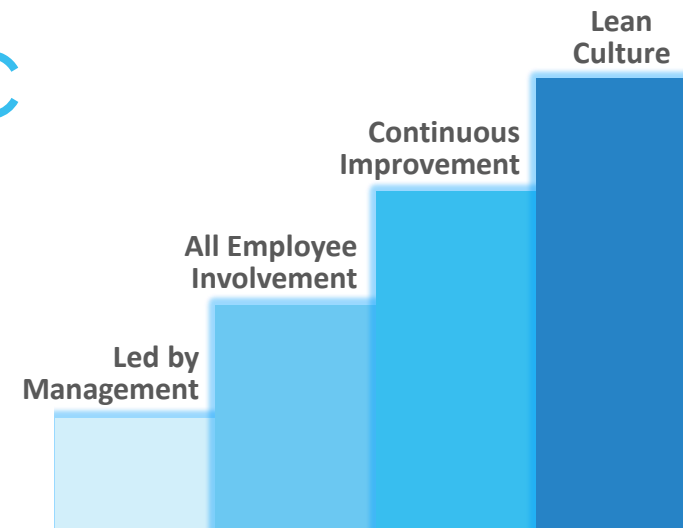
2023

Optimize

2024 and beyond

*WBS is not an option, but how we work and drive business success...*

## Key to WBS Success



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

**03**

# 2022 ESG Key Deliverables

Enhancing Governance	Enabling Clients and Community	Empowering People	Greening Our Business
<b>ESG Committee</b> Comprised of four board members Led by CEO	<b>~600</b> Global partners	<b>47%</b> managerial positions are female	<b>50%</b> Reduction target in GHG emissions intensity by 2030
<b>20</b> Material ESG issues	<b>588</b> Integrated projects	<b>53%</b> Female employees	<b>18%</b> Reduction target of water intensity by 2025
<b>100%</b> Participation in business ethics and anti-corruption training	<b>27</b> Inspections by global regulatory agencies passed	<b>49</b> Nationalities represented by our employees	<b>10%</b> Reduction target of waste intensity by 2027
<b>100%</b> Supplier Code of Conduct Sign-Off	<b>99%</b> Success rate of 2,100+ batches of drug substance produced	<b>72 hours</b> Of training per employee	<b>ISO14064</b> GHG emissions verification
<b>ISO27001</b> Information security certification	<b>5996</b> Volunteer hours for community	<b>ISO45001</b> Occupational health & safety certification	<b>ISO14001</b> Environment management certification

Note:

1. As of December 31, 2022

# Committed to the Future



Mid-term: We aim to reduce our Scope 1 + 2 GHG emissions intensity by **50%**  
Long-term: Achieve net-zero emissions across all operations by 2050

## Net Zero by 2050



**Waste Reduction Target (2022 - 2027)**  
(tonnes/RMB 10,000)  
We aim to reduce our waste intensity by **10% by 2027**

## 10% ↓ by 2027

- All sites advocate **daily energy conservation** to further reduce electricity use
- **Pilot Solar Power Project** at Ireland, Shanghai and Wuxi Sites to explore clean energy opportunities



# 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

# EcoVadis Bronze Medal: Trusted ESG Partner of Top Pharma



“

*“This is really fantastic news! So exciting to hear WuXi Biologics is doing an excellent job with EcoVadis.”*

*— feedback from one of our Top Pharma clients*

”

EcoVadis is one of the largest global Sustainability Rating Platforms, enabling MNCs – including top pharma companies – to evaluate and enhance supply chain sustainability



## Financial Overview

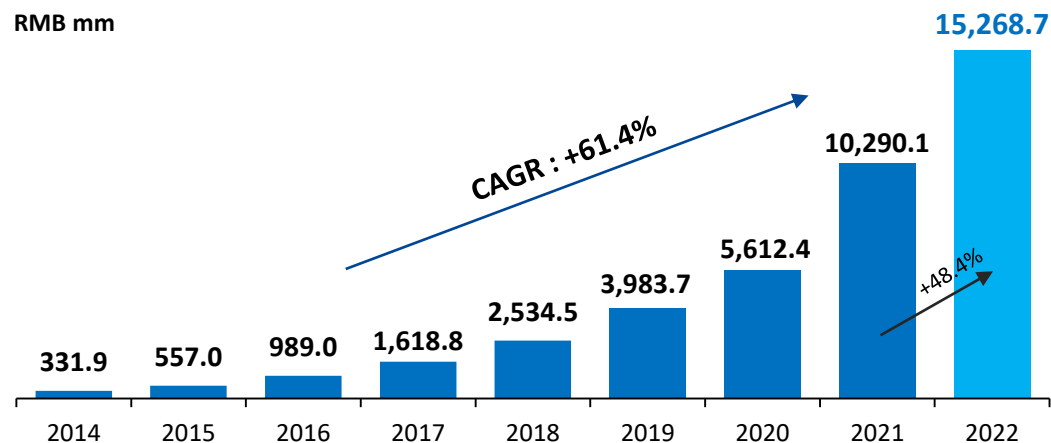
**04**



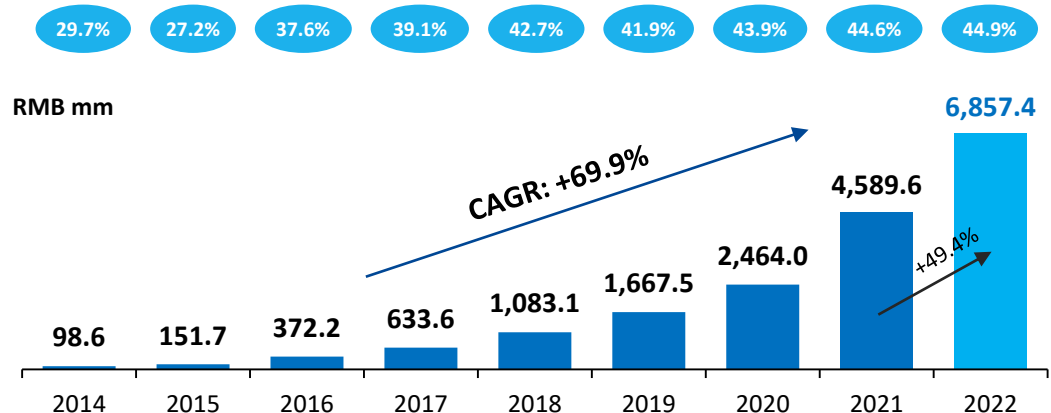
# Financial Excellence Achieved Consistently

## Revenue

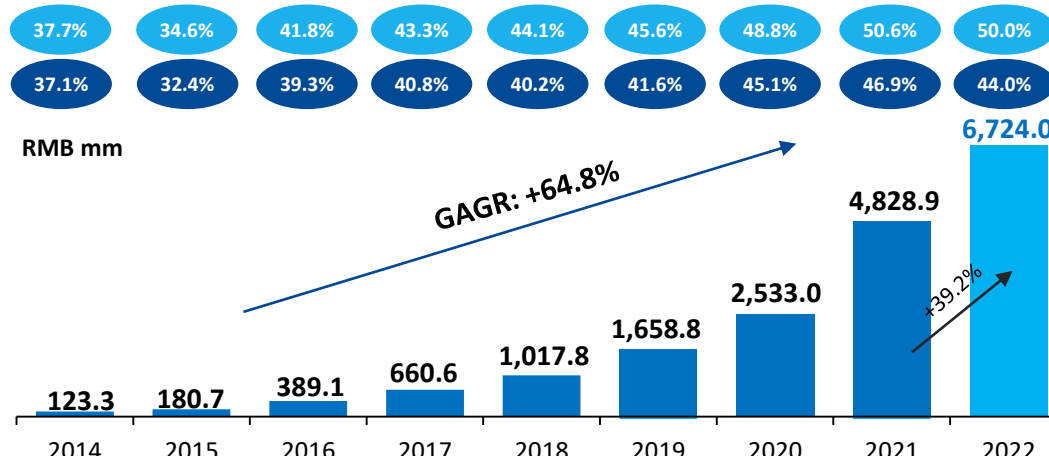
RMB mm



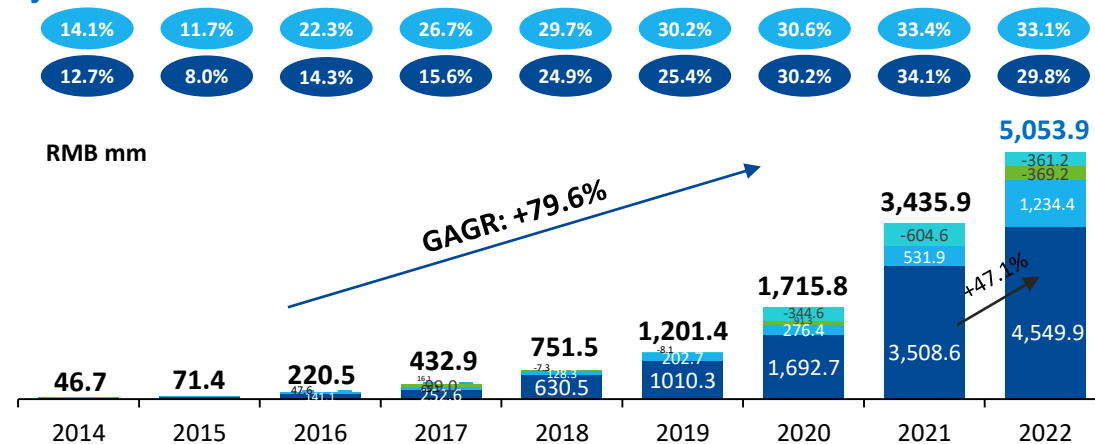
## Adjusted EBITDA <sup>(1)</sup>



## Gross Profit



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



### Notes:

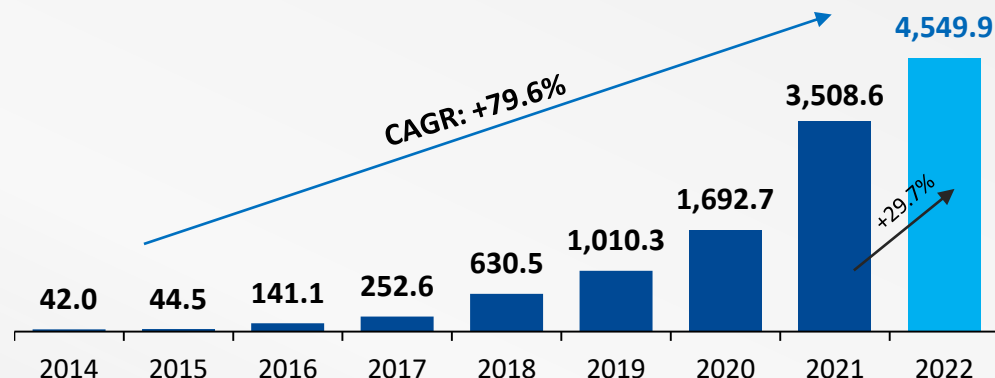
- Adjusted EBITDA represents net profit before (i) interest expenses, income tax expenses, listing expenses (ii) certain non-cash expenses, consisting of share-based compensation, amortization and depreciation and (iii) foreign exchange (gains)/losses and (iv) fair value gains on investment portfolios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

Legend: Unadjusted Margin % (Dark Blue), Adjusted Margin % (Light Blue), SBC Impact (Blue), FX Impact <sup>(3)</sup> (Green), Listing Expense (Light Blue), Investment Impact (Cyan)

# Sustained High Growth Over the Past 9 Years

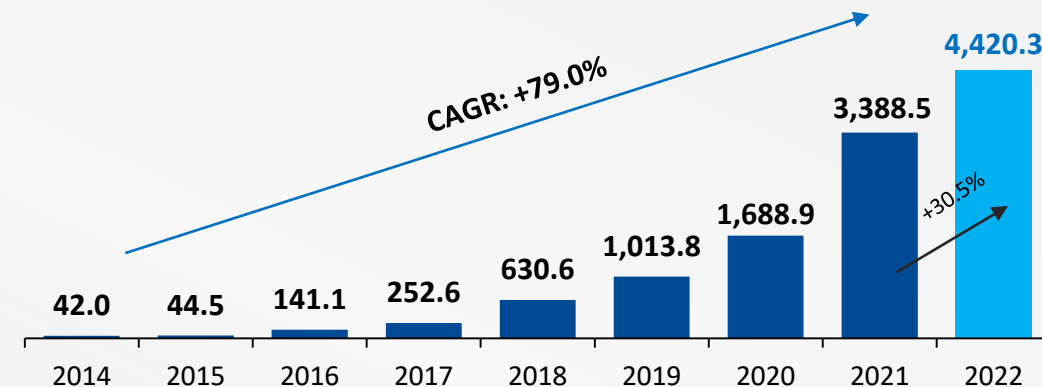
## Net Profit

RMB mm



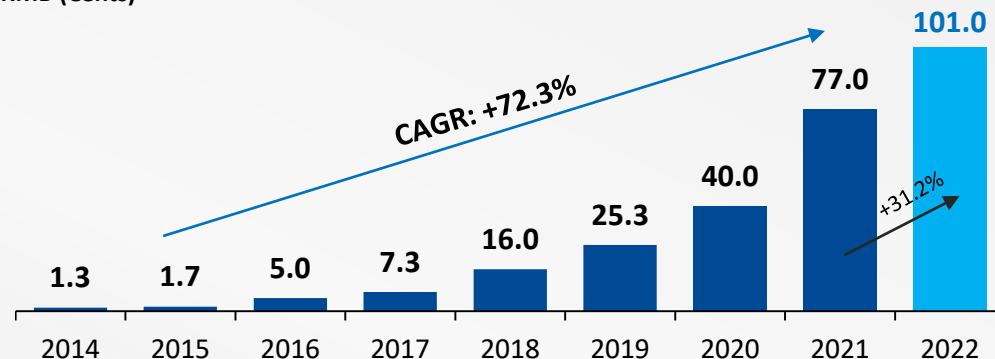
## Net Profit Attributable to Owners of the Company

RMB mm



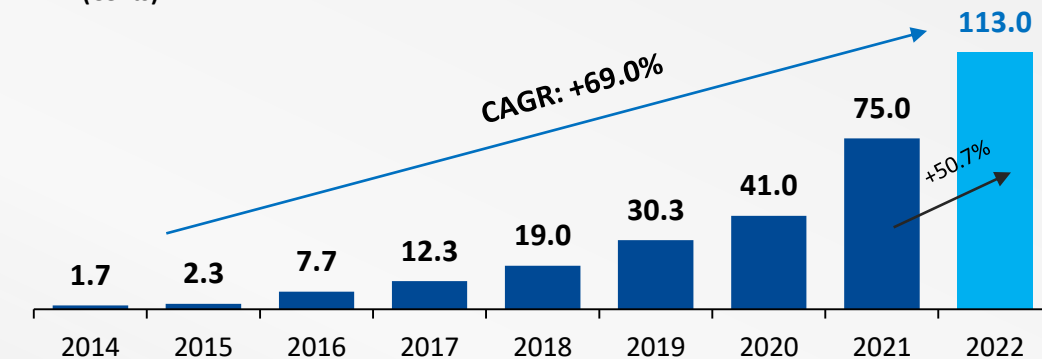
## Diluted EPS <sup>(1)</sup>

RMB (Cents)



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

RMB (Cents)

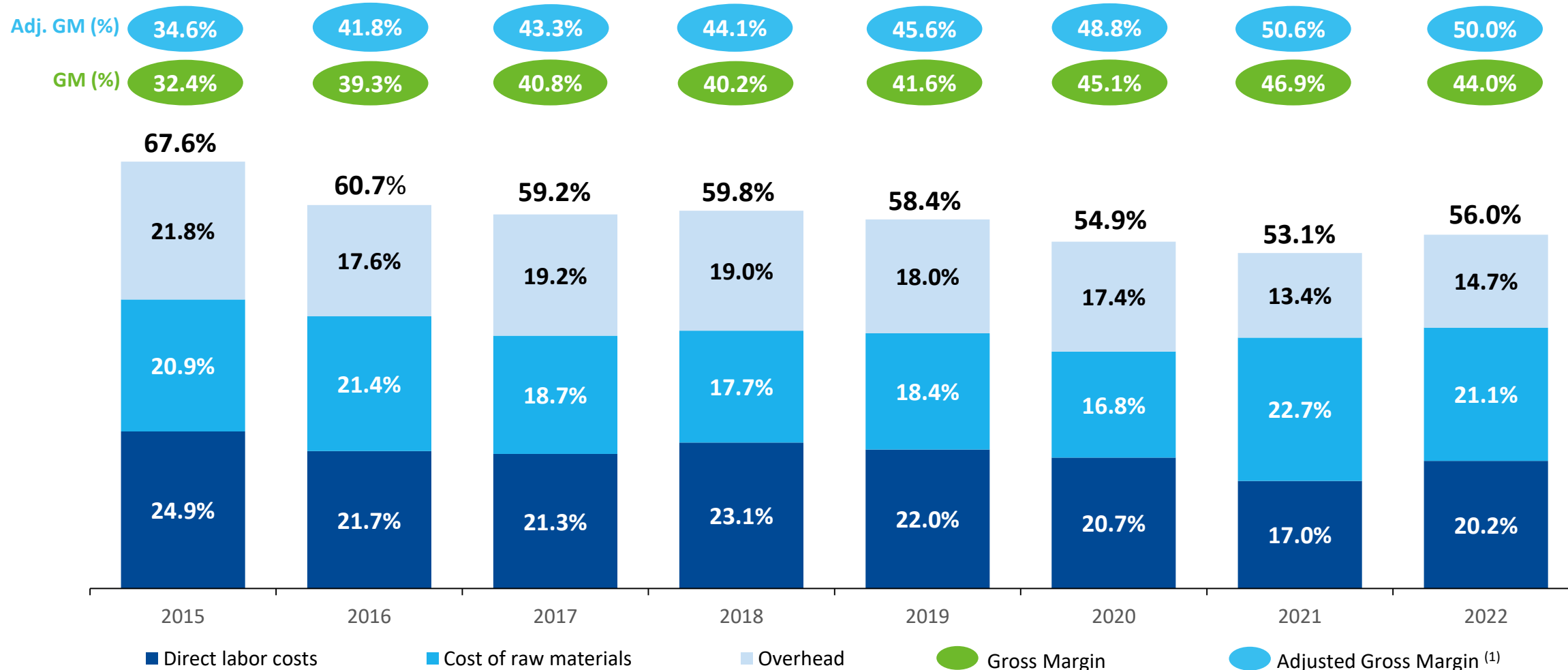


**Note:**

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:**

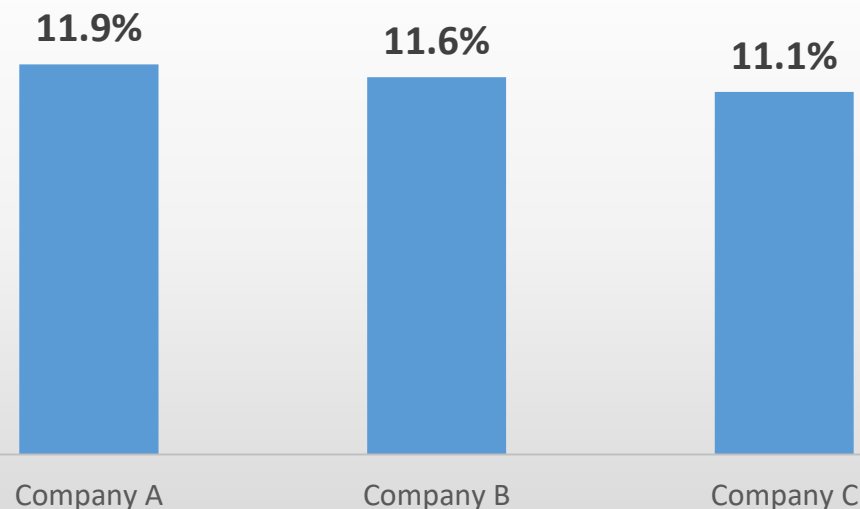
1. Adjusted gross margin excludes the share-based compensation expenses

# ROE Continues to Improve in Past 6 Years

ROE of WuXi Bio

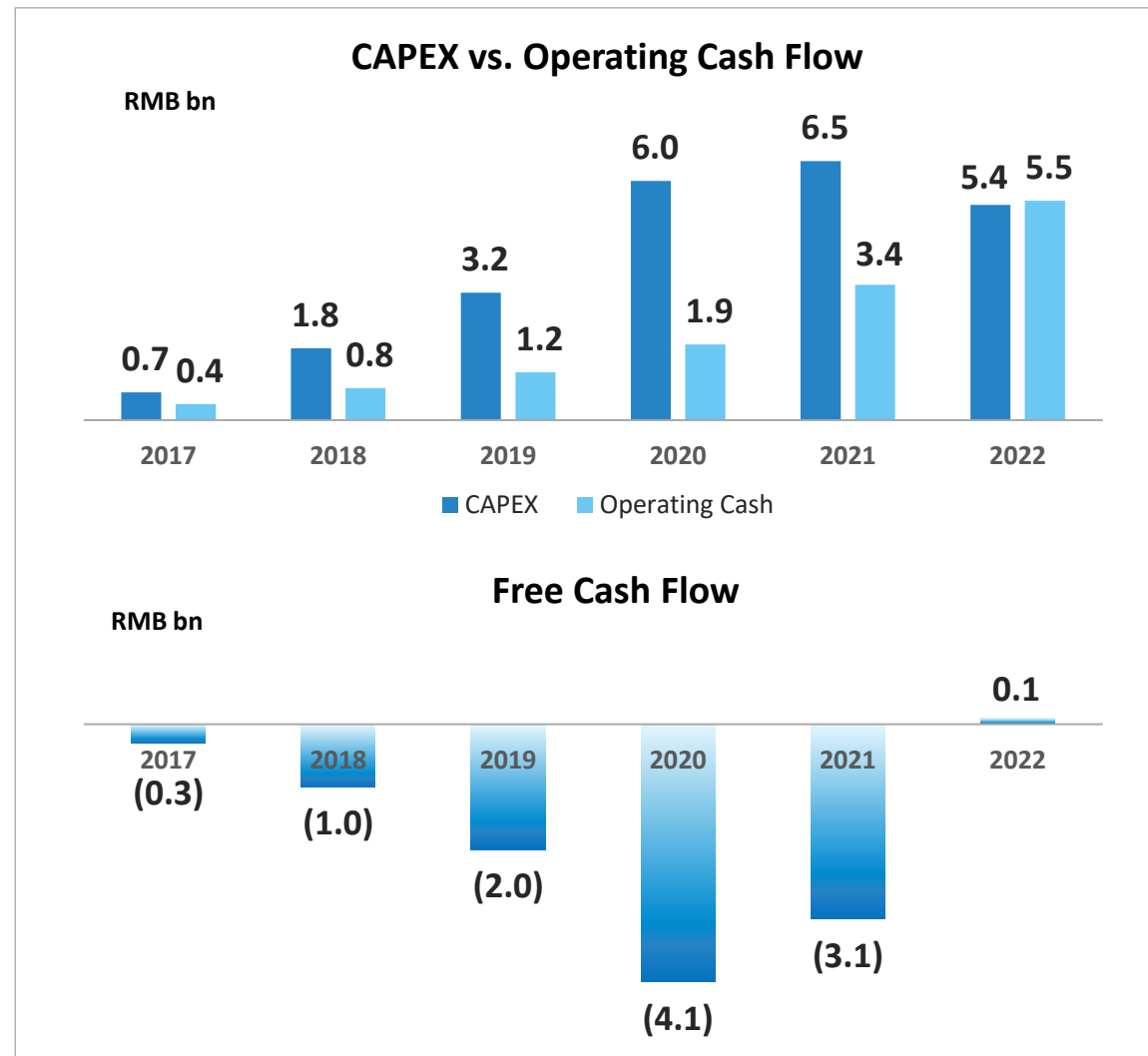


ROE of Global Peers (2022)



- The Group has made a lot of investments over the years. Due to 2-3 years to build the facility and 2-3 years to ramp up, our ROE lags behind the investment
- With a large percentage of capacity near completion, the Group will continue to see improvement in ROE to 12-15%, best in industry ROE

# Free Cash Flow Positive in 2022: Huge Milestone



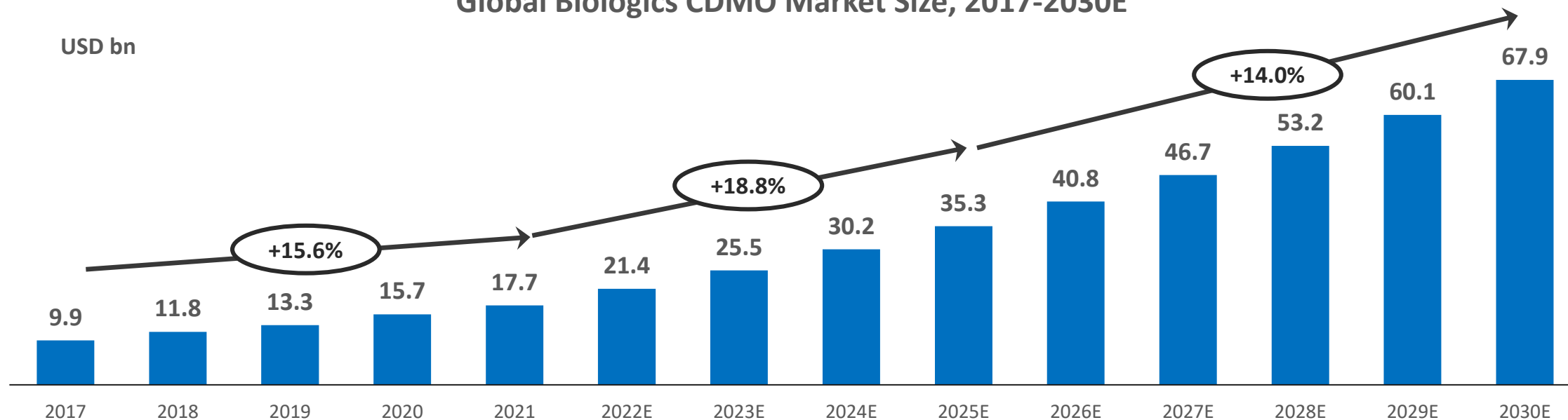
- Net operating cash flow recorded ~69% CAGR growth from 2017 to 2022
- Free cash flow turned positive in 2022: critical milestone for company growth
- Expect continued free cash flow positive since 2022
- US\$4+ bn CAPEX investment from 2017 to 2022 to support business growth

## Summary

*05*

# Global Biologics CDMO Industry Continues to Grow

Global Biologics CDMO Market Size, 2017-2030E



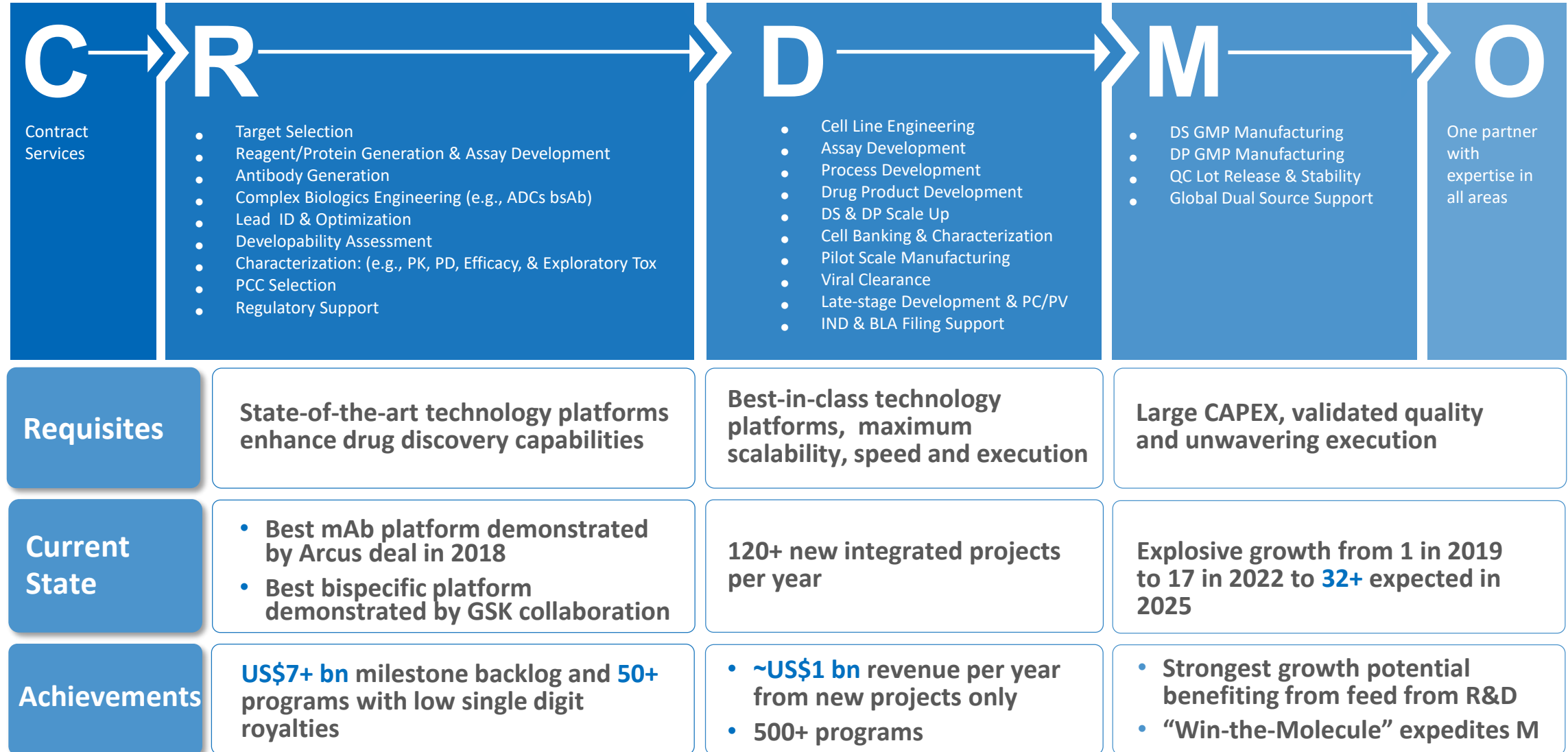
Source: Frost & Sullivan, September 2022

- 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

Note:

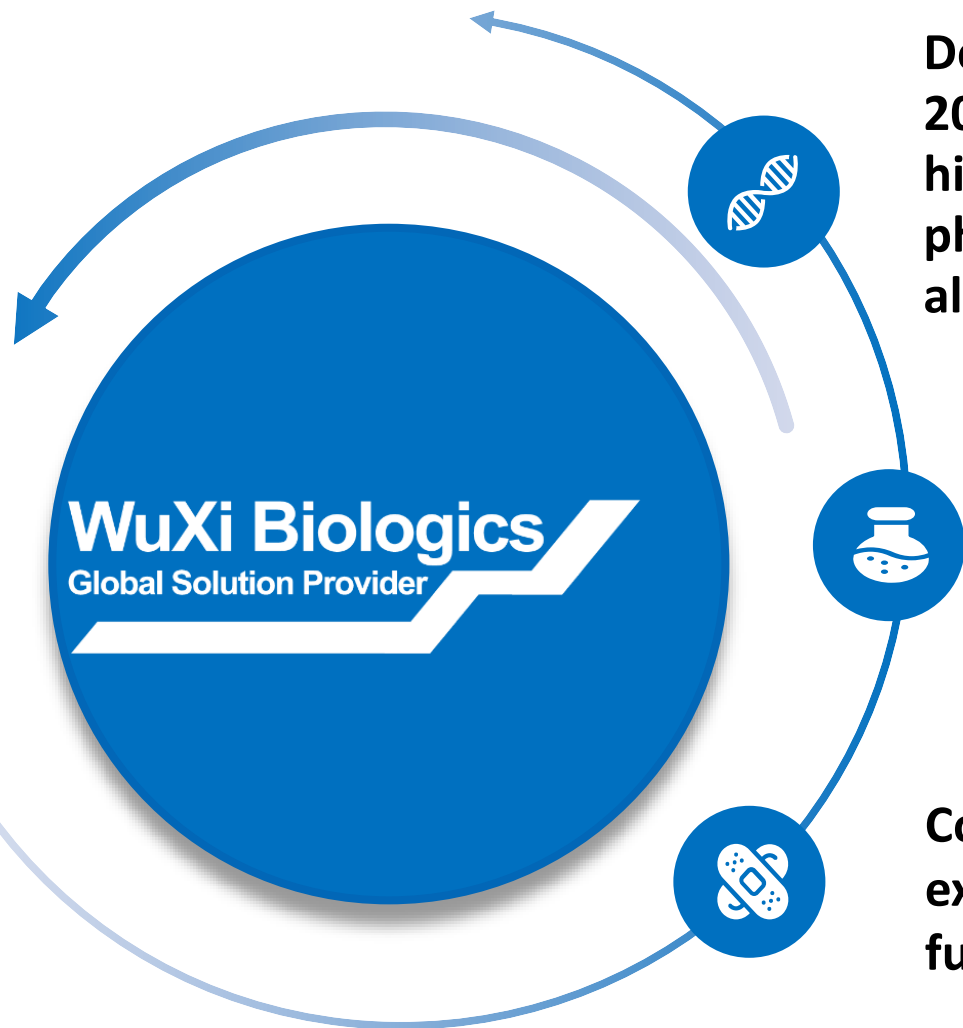
1. CGT is not included

# Proven CRDMO Business Model Continues to Deliver Sustainable High Growth





# Summary



**Despite external challenges, business and financial metrics in 2022 reached all time high: free cash flow positive, one of the highest newly added projects, “Win-the-Molecule” projects, phase III and commercial projects further increase, growth in all three phases (pre-IND, clinical, phase III and commercial)**

**Unique CRDMO model will continue to drive sustainable rapid growth: from CMO to CDMO to CRDMO, potential to enable our clients with several global blockbusters in the near term**

**Count on WuXi Biologics to do the right things and do it well: execution, M&A, invest in technology platforms for the future**

# Growth Outlook

1

**Fully confident** of continued strong revenue and adjusted net profit growth despite all the challenges: lower COVID revenue, bringing online Ireland/Germany/US facilities at the same time with planned lower utilization, continued biotech funding challenges

2

Ireland/Germany/US GP margin drag will start at ~450bp in 2023 to ~300 bp in 2024 to ~100bp in 2025

3

Continued sustainable high growth for revenue and adjusted net profit  
2023-2025: aiming for ~2X industry growth

4

1H 2023 will see slower revenue and profit growth due to high base and best performance financial period in 1H2022: transition from high-COVID revenue to low COVID revenue takes about six months. 2H 2023 growth will **accelerate** to achieve strong full year growth

## Appendix

*06*

# 2022 Financial Summary

	(RMB million)	2022	2021	Change
<b>Revenue</b>		<b>15,268.7</b>	<b>10,290.1</b>	<b>48.4%</b>
Cost of Sales		(8,544.6)	(5,461.2)	
<b>Gross Profit</b>		<b>6,724.0</b>	<b>4,828.9</b>	<b>39.2%</b>
Other Income		305.5	196.6	
Impairment Losses under ECL Model, Net of Reversal		(258.5)	(156.7)	
Other Gains and Losses		766.5	665.6	
Selling and Marketing Expenses		(162.9)	(124.6)	
Administrative Expenses		(1,269.6)	(875.9)	
Research and Development Expenses		(682.8)	(501.6)	
Financing Costs		(64.4)	(39.2)	
<b>Profit before Tax</b>		<b>5,357.8</b>	<b>3,993.1</b>	<b>34.2%</b>
Income Tax Expenses		(807.9)	(484.5)	
<b>Profit for the Year</b>		<b>4,549.9</b>	<b>3,508.6</b>	<b>29.7%</b>
Earnings per Share – Basic (RMB)		1.06	0.81	
Earnings per Share – Diluted (RMB)		1.01	0.77	

**Notes:**

1. Results may not foot due to rounding

# Reconciliation for Adjusted Net Profit and Adjusted EBITDA

(RMB million)	2022	2021	Change
<b><u>Adjusted Net Profit Reconciliation</u></b>			
<b>Net Profit</b>	<b>4,549.9</b>	<b>3,508.6</b>	
Share-based Compensation	1,234.4	531.9	
Foreign Exchange Gain	(369.2)	-	
Gain from Equity Investments	(361.2)	(604.6)	
<b>Adjusted Net Profit</b>	<b>5,053.9</b>	<b>3,435.9</b>	<b>47.1%</b>
<b><u>Adjusted EBITDA Reconciliation</u></b>			
<b>EBITDA</b>	<b>6,353.4</b>	<b>4,662.3</b>	
Share-based Compensation	1,234.4	531.9	
Foreign Exchange Gain	(369.2)	-	
Gain from Equity Investments	(361.2)	(604.6)	
<b>Adjusted EBITDA</b>	<b>6,857.4</b>	<b>4,589.6</b>	<b>49.4%</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**

