

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

***2023 Annual Results***

**March 2024**



**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 gross profit, adjusted gross profit margin, adjusted EBITDA, adjusted EBITDA margin and adjusted basic 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**

**2023 Annual Results**

---

**02**

**Global Operations on  
track to Support  
Business Growth**

---

**03**

**State-of-the-art  
Technologies Lead to  
Future Success**

---

**04**

**WBS and ESG as Important  
Components of Business Strategy**

---

**05**

**Financial Overview**

---

**06**

**Summary**

---

**2023 Annual Results**

**01**

**588** <sup>18.7%</sup> → **698**  
Integrated Projects YoY

**37.7%**  
Non-COVID Revenue Growth (YoY)

**132**  
New Projects Added

**17** <sup>41.2%</sup> → **24**  
Commercial Projects YoY

**20.59**  
Total Backlog (US\$ Bn)

**12,740/4,432**  
Employees / Development Scientists



**15.27** <sup>11.6%</sup> → **17.03**  
Revenue (RMB Bn) YoY

**5.05** <sup>-2.0%</sup> → **4.95**  
Adj Net Profit (RMB Bn) YoY

**45.3%**  
Adj Gross Profit Margin

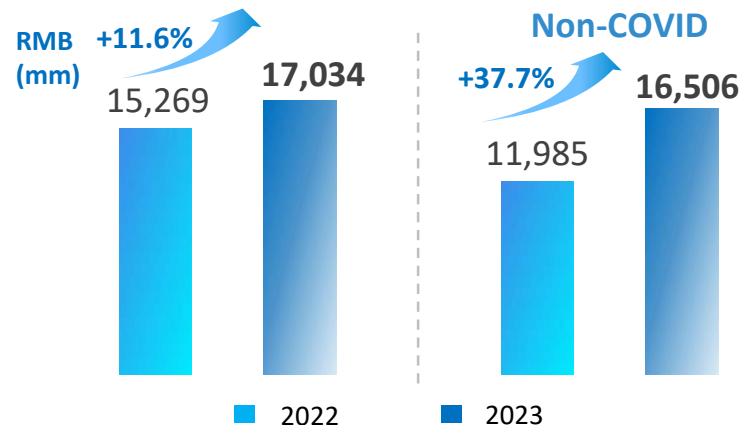
**29.1%**  
Adj Net Profit Margin

**41.1%**  
Adj EBITDA Margin

**1.13**  
Adj. Basic EPS (RMB)

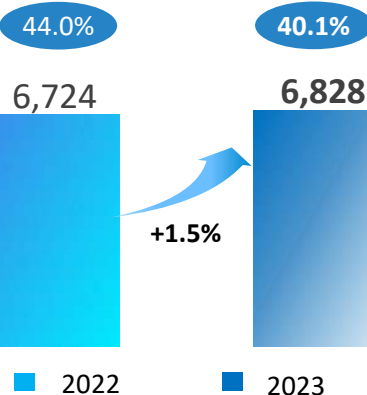
# Financial Performance

## Revenue



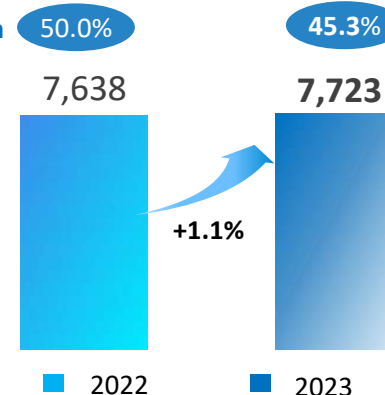
## Gross Profit

GP Margin



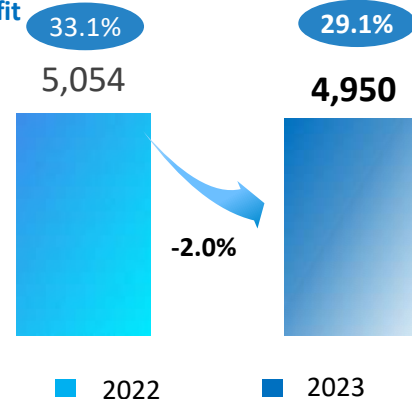
## Adj Gross Profit

Adj GP Margin



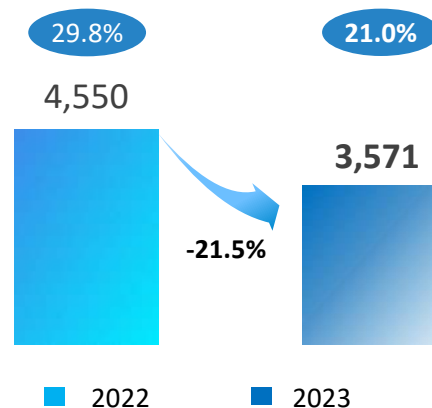
## Adj Net Profit

Adj Net Profit Margin



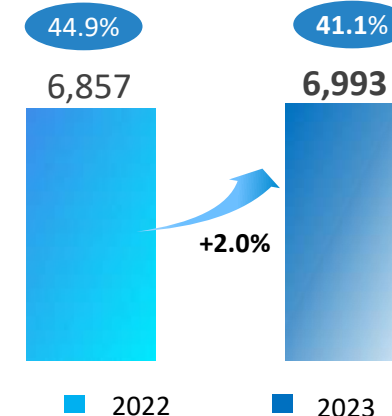
## Net Profit

Net Profit Margin



## Adj EBITDA

Adj EBITDA Margin



# Key Financials

## AVAILABLE FUNDS

- Available funds approx. **RMB11.2 bn** as of Dec 31, 2023
- Total Liability to Equity Ratio **28.5%**, expect to have sufficient funds for capacity increase

## CAPEX

- 2023 CAPEX approx. **RMB4.1 bn**, mainly for capacity increase in Europe and U.S.
- 2024 CAPEX Plan: approx. **RMB5 bn**

## LOAN

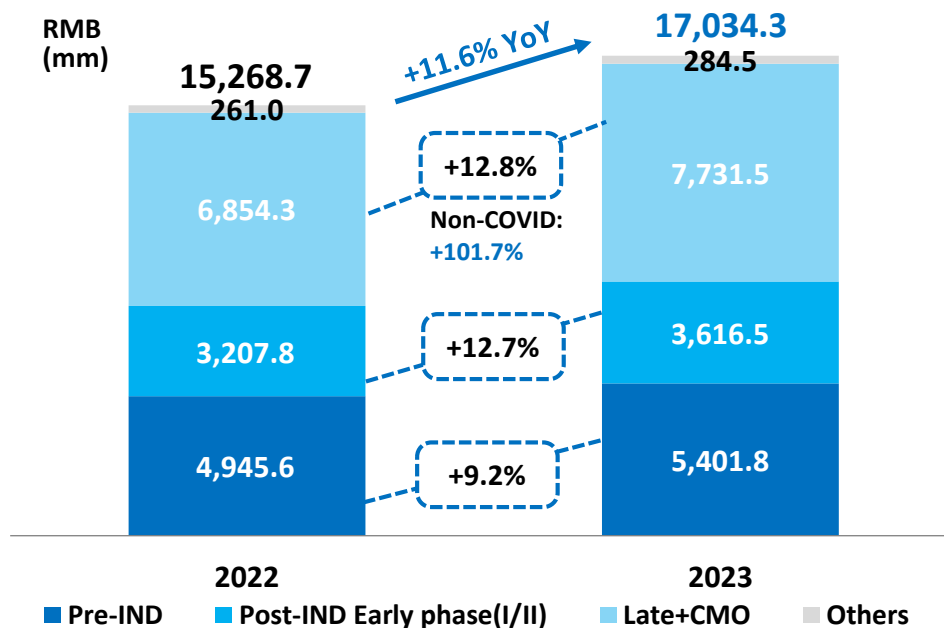
- Approx. **RMB2.1 bn** borrowings as of Dec 31, 2023
- Available bank credit facilities of around **RMB6 bn**

## CASH FLOW

- Positive Free Cash Flow of **RMB0.6 bn** in 2023
- Continue to target free cash flow positive in 2024

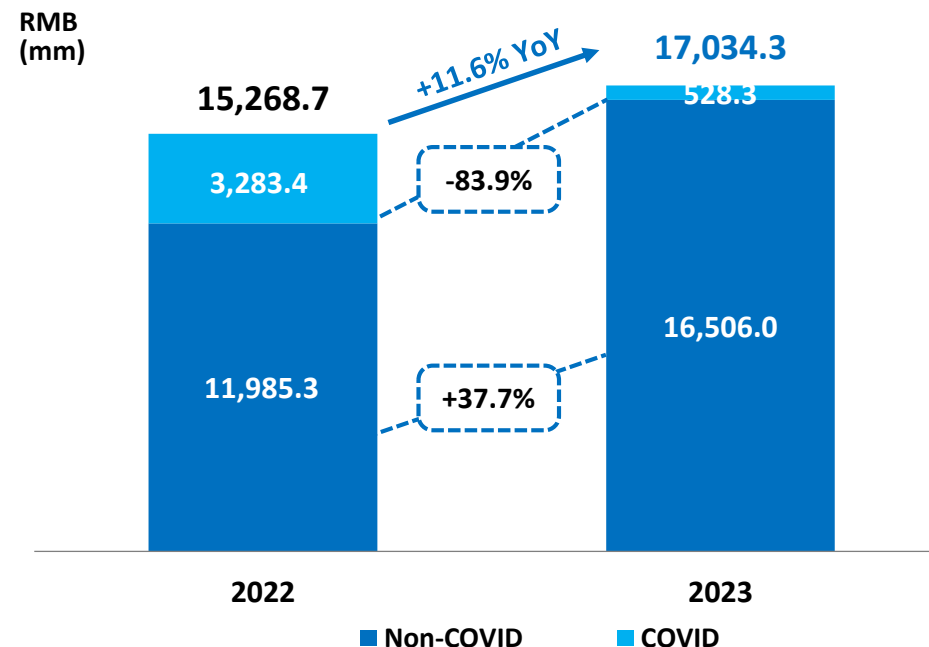
# Non-COVID Projects Continued to Accelerate and Delivered Steady Revenue Growth

## By Project Phase



- Due to biotech funding constraints, pre-IND revenue increased by **9.2%**. With more projects signed in 4Q, revenue from pre-IND is expected to regain its growth momentum
- Early-phase revenue grew by **12.7%** YoY, contributed by the strong execution of “Follow and Win the Molecule” strategies. The inflow of our early-phase projects will continue to feed the late-phase and commercial manufacturing growth
- Late-phase and CMO revenue achieved steady growth despite of the declining revenue from COVID, non-COVID revenue from late phase and CMO stage grew **101.7%** YoY

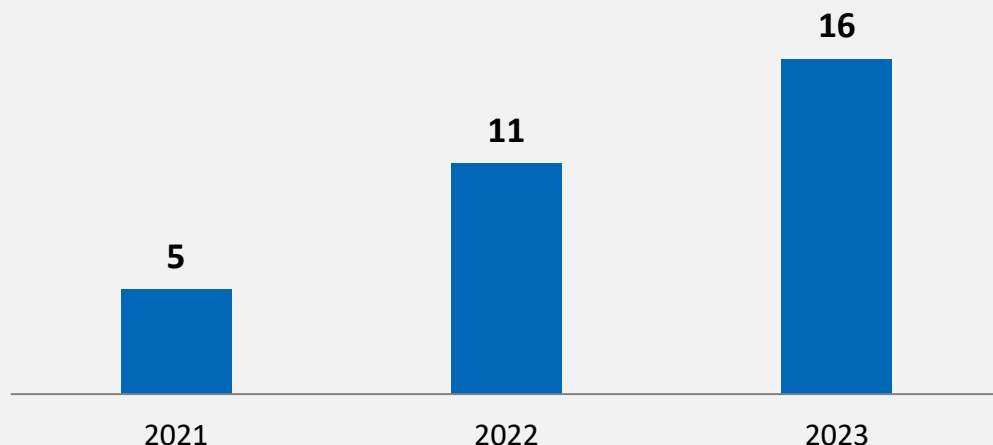
## COVID VS Non-COVID



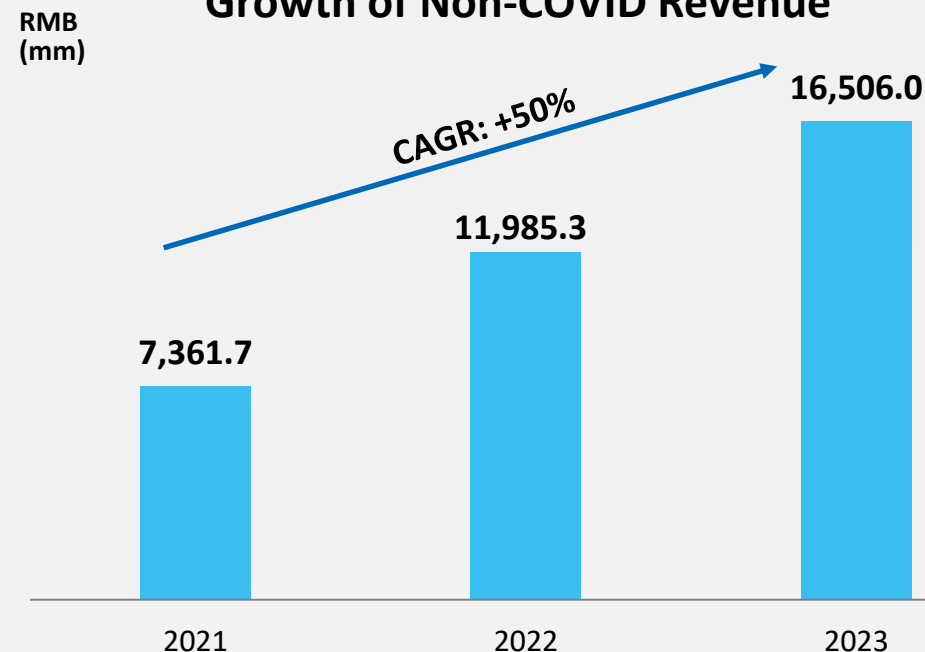
- Non-COVID projects delivered **37.7%** YoY revenue growth in 2023, , despite of the diminishing COVID sales
- With COVID transition behind us, our non-COVID technology platforms and speed of execution will drive our growth in the long-run

# Non-COVID Projects Driving Growth with Sustained Momentum

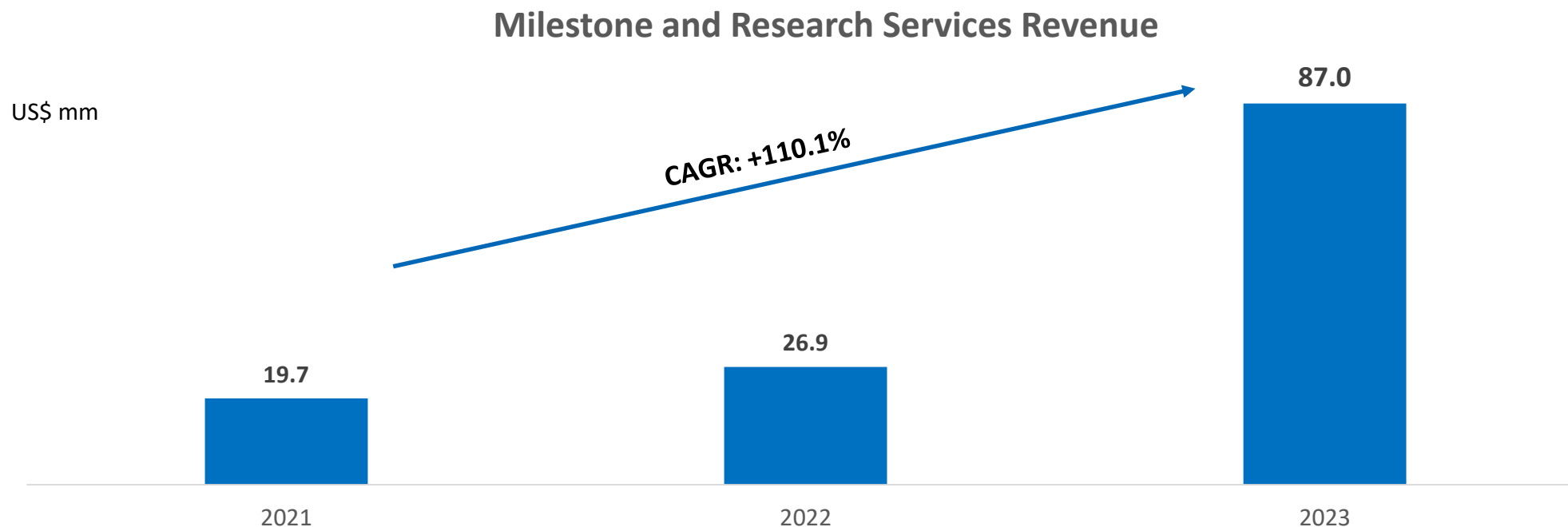
Growth of Non-COVID CMO Project Number



RMB (mm) Growth of Non-COVID Revenue

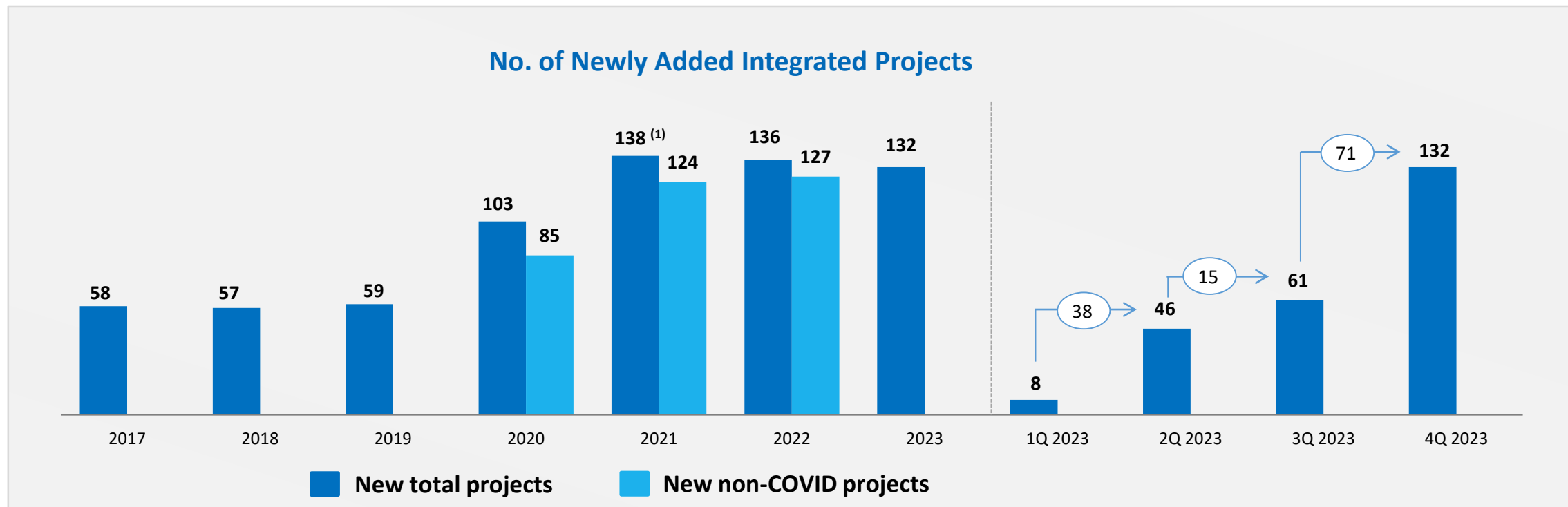


- CMO growth and the Non-COVID growth are the sustainable pillars for the Company's growth
- The successful implementation of "Follow and Win the Molecule" strategies will enhance the growing momentum of CMO projects and boost the future growth



- Benefitted from the comprehensive technology platforms, milestone and research services revenue achieved **110.1% CAGR growth** from 2021 to 2023, demonstrating the accelerated growth in R and solidifying growth potential
- The Company will continue to enhance its capabilities to expand service business, enable more discovery projects, thus optimizing the spectrum of services offered to the global biologics industry and bringing more business opportunities

# New Projects Rebound from the Bottom in Q1 2023: 2023 is One of the Highest Levels of New Projects



- Number of new projects impacted in Q1 2023 by global biotech slowdown and rebounded since Q2 2023. Strong recovery in 2H 2023 and 2023 is one of the highest No. of new projects, indicating more brand recognition and trust from the industry
- Strong growth in drug development with more projects inflow

**Notes:**

1. Newly-added integrated project number in 2021 has excluded the projects from CMAB acquisition
2. The rest market primarily includes Singapore, Japan, South Korea, and Australia

# “Win-the-Molecule” Strategy: Another Driver to Expand Pipeline

2018

2019

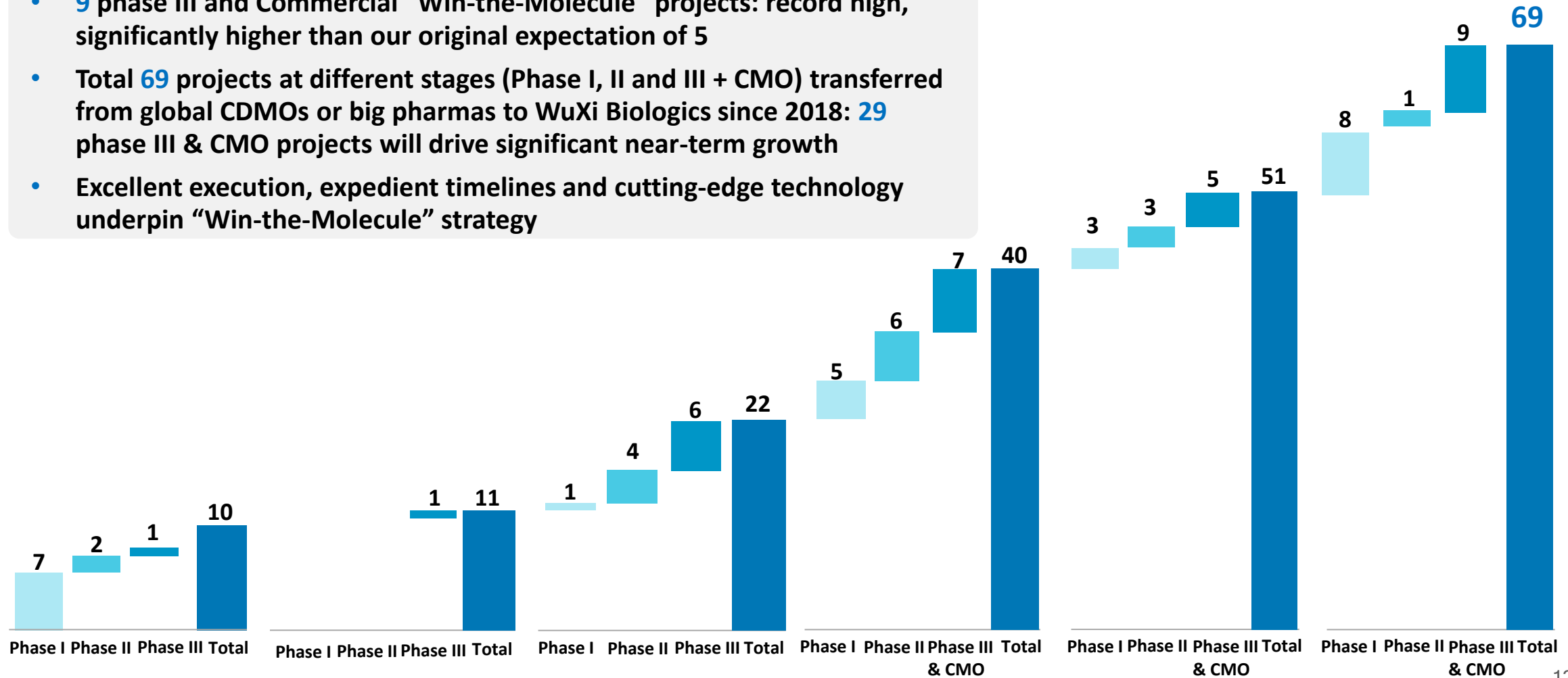
2020

2021

2022

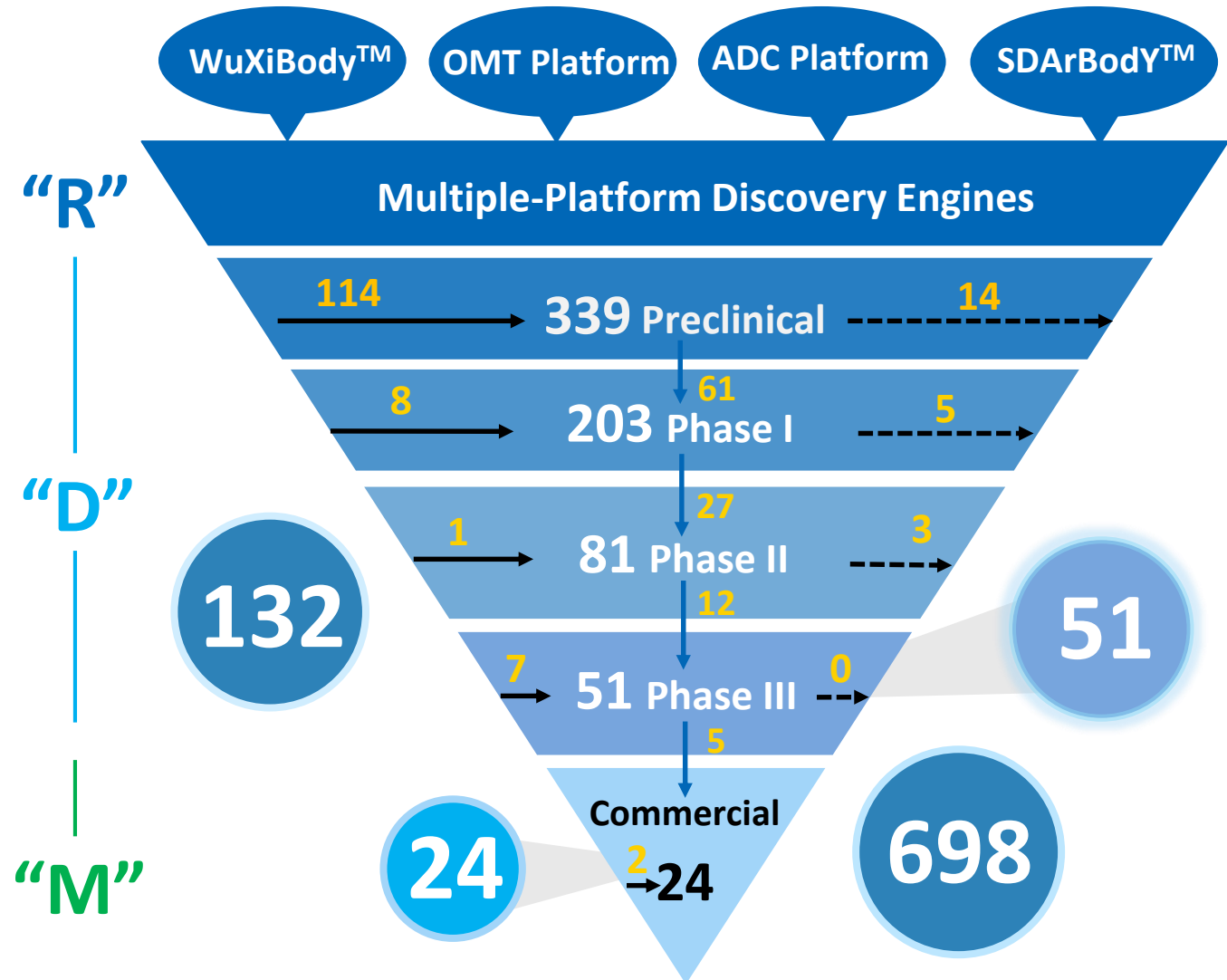
2023

- 9 phase III and Commercial “Win-the-Molecule” projects: record high, significantly higher than our original expectation of 5
- Total 69 projects at different stages (Phase I, II and III + CMO) transferred from global CDMOs or big pharmas to WuXi Biologics since 2018: 29 phase III & CMO projects will drive significant near-term growth
- Excellent execution, expedient timelines and cutting-edge technology underpin “Win-the-Molecule” strategy



# New Projects Exceeded Expectations: Demonstrate Business Resilience Despite Headwinds

- Continue to gain growth opportunities for both “Follow and Win the Molecule”
- Despite headwinds, newly-added projects reached one of the highest levels since inception, demonstrating the Company’s resilience during the downturn cycle and ability to maintain the business growth
- “Win-the-Molecule” strategy continued to excel: **18** external projects transferred into the pipeline as of Dec 31, 2023, including **7** phase III projects and **2** CMO for blockbuster products
- Milestone and research services revenue exceeded **US\$87 million**, indicating the accelerated growth in R services
- **51** Phase III projects and **24** CMO projects: poised for future manufacturing revenue growth



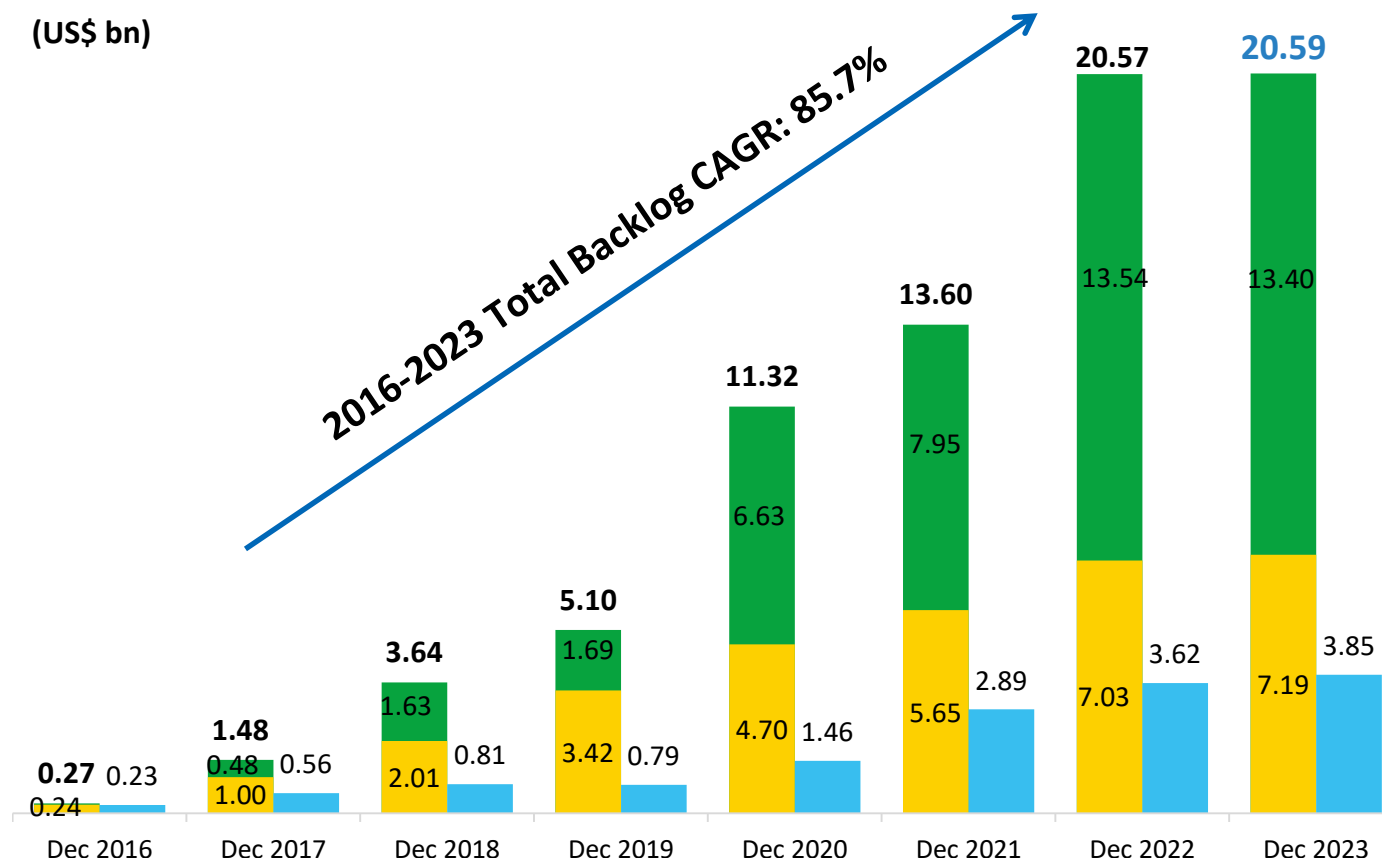
## Notes:

1. As of Dec 31, 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)

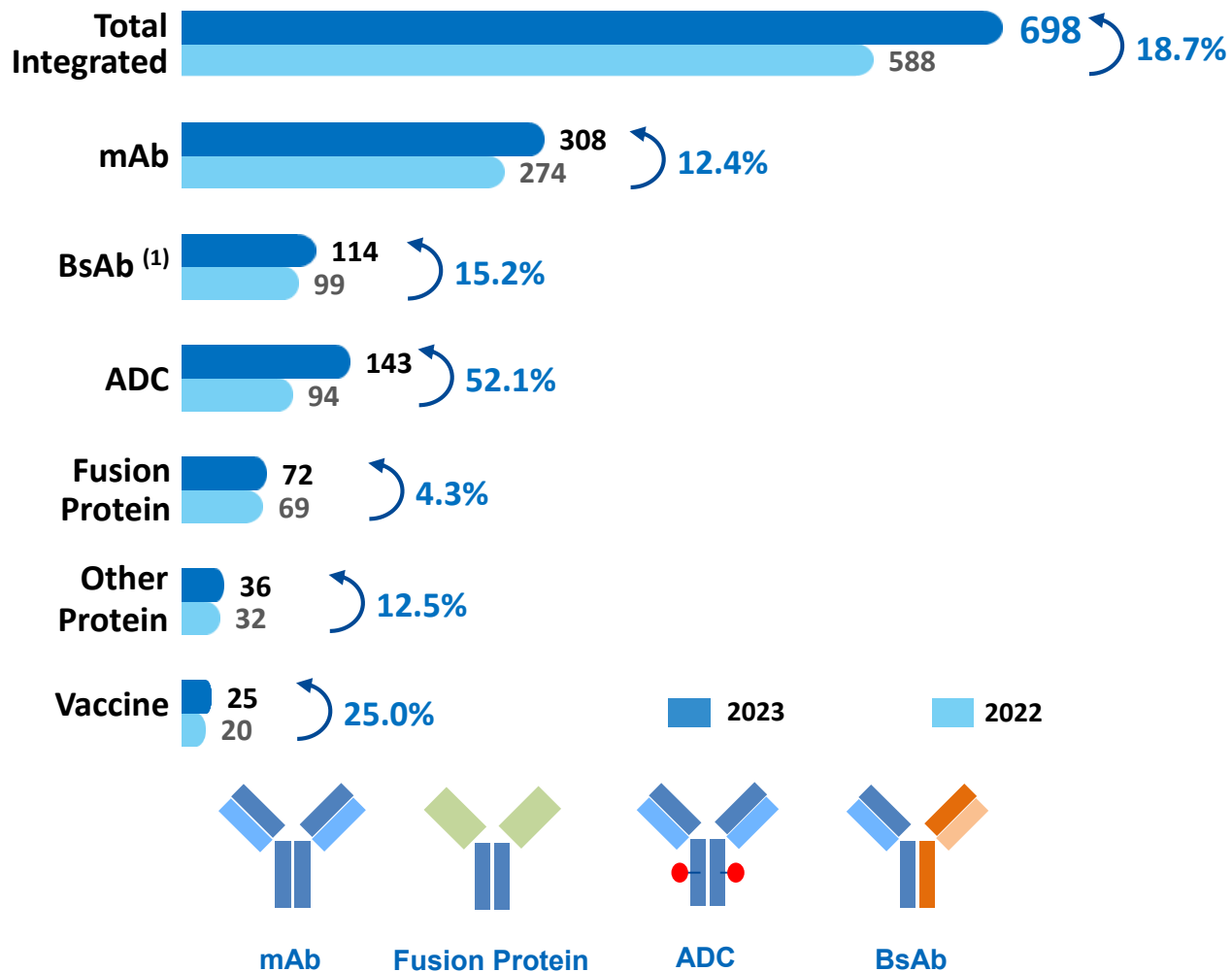


**Note:**

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 Dec 31, 2023, total backlog reached **US\$20.6 bn**. **US\$13.4 bn** service backlog as of Dec 31, 2023, the slight decrease is partially attributable to the COVID cancellation
- Upcoming potential milestone backlog reached a record high of **US\$7.2 bn**, research service capability got validated again to benefit from technology enabling platforms and unique CRDMO business model
- As of Dec 31, 2023, backlog within 3 years approximated **US\$3.9 bn**, providing high visibility of short-term growth
- Excellent execution of pre-clinical projects and increased 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



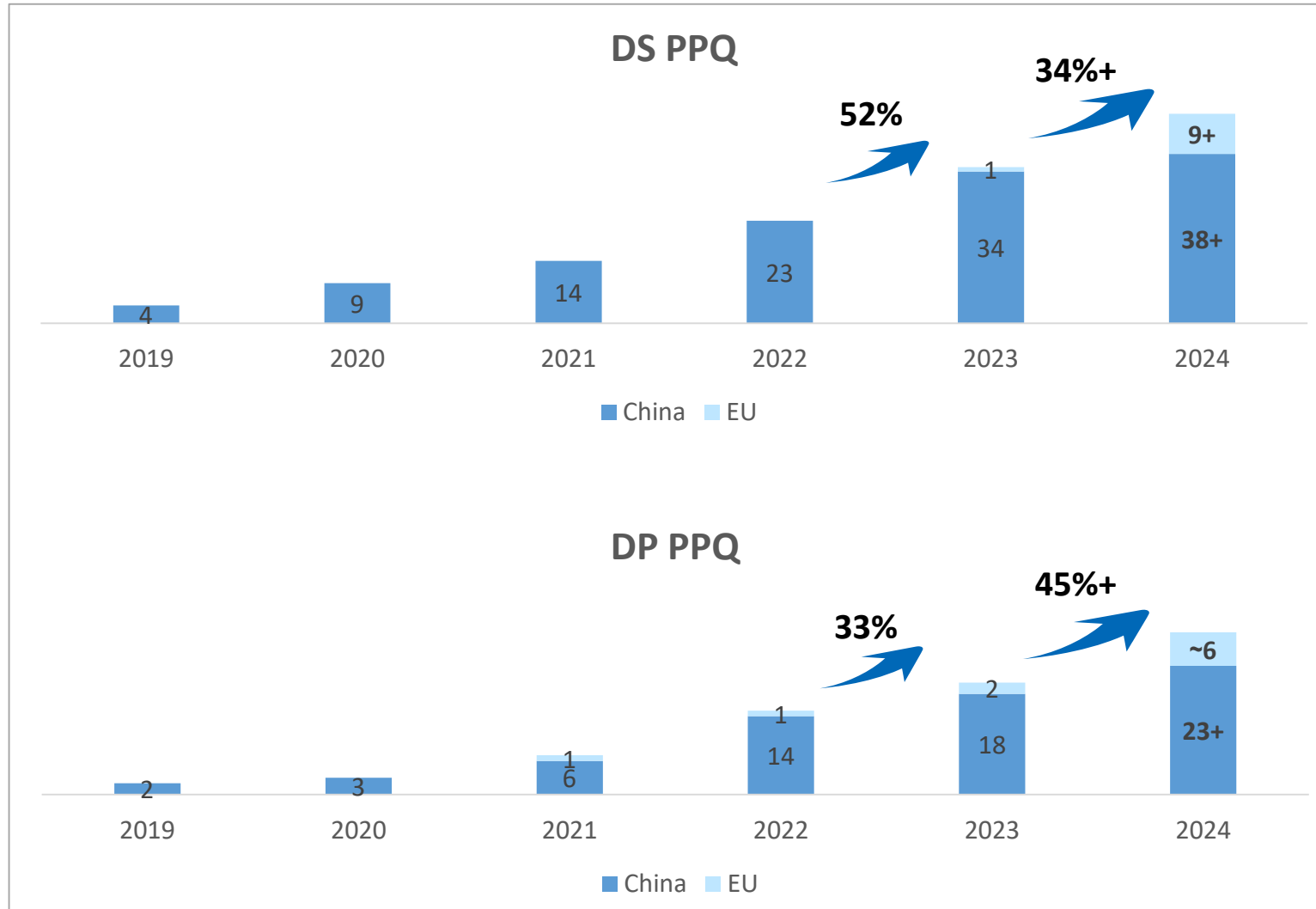
- **259** First-in-class programs
- **25** vaccine projects, including **19** non-COVID vaccines
- **114** bispecific projects covering different formats, several in phase III and commercial stage with upside potential
- **143** Antibody Drug Conjugates (ADC) projects with 52.1% YoY growth driven by increasing industry demands with ~35% global ADC outsourcing market CAGR growth between 2018 and 2022 and ~28% CAGR growth between 2022 and 2030
- **19** CNS (Central Nervous System) programs from domestic and global companies with exciting potential, the fastest one already in phase III
- 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, 2023, compared with projects number as of Dec 31, 2022

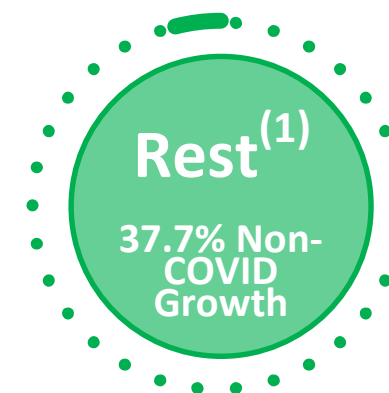
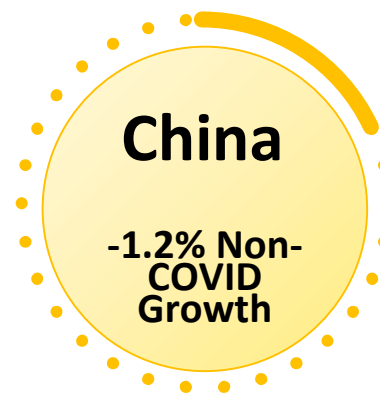
2. Bispecific Antibody (BsAb) Included both WuXiBody™ projects and non-WuXiBody™ projects

# CMO Continues with Strong Momentum as Shown by Leading Indicators: No. of PPQs



- Robust growth in drug substance (DS) and drug product (DP) PPQs, in line with our CMO project increase: will add more in 2024
- Growing number of PPQs executed in 2023 and scheduled for 2024, indicating the solid growth for future CMO
- PPQ success of **97%+**: one of the best performers in the industry, premier quality demonstrated

# Sustained Growth with Diverse Engines



- **Europe:** the market with the fastest growth rate. Non-COVID revenue grew by **172.4%** YoY and EU market accounted for **30.2%** of our total revenue in 2023, increased from 16.7% in 2022. Extended more collaboration with MNCs and witnessed more revenue contribution from them. Expect continued strong performance from EU market
- **North America:** Non-COVID revenue grew by **20.2%** YoY. Riding on unwavering execution and established track record, WuXi Bio continues to enable the clients in North America
- **China:** -1.2% non-COVID revenue growth attributable to the impact from biotech funding constraints. Collaborated more with high-quality clients, especially those who licensed out the products to global MNCs. Signed more projects in Q4 and still maintain positive outlook for Chinese market in the long run
- **Rest of the World:** continued to enable customers, saw massive potential in this region especially in Southeast Asia and explored more collaborative opportunities

Note:

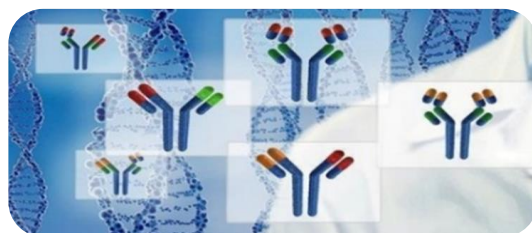
1. The rest market primarily includes Singapore, Japan, South Korea and Australia

# Bispecifics to be Another Growth Driver – WuXiBody™

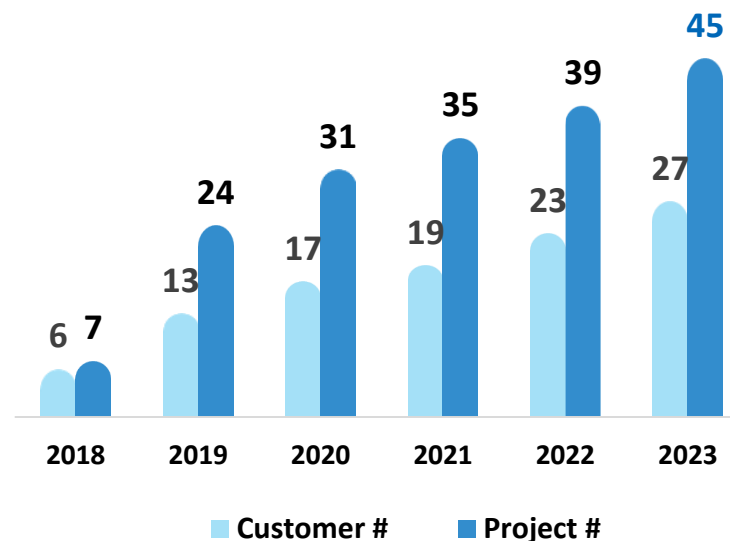


Cutting-Edge  
Technology

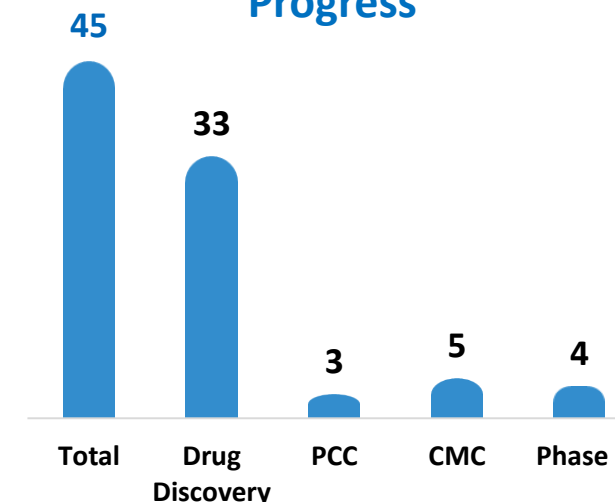
Empower to discover best  
or first-in-class molecules



WuXiBody™ Projects



WuXiBody™ Development  
Progress



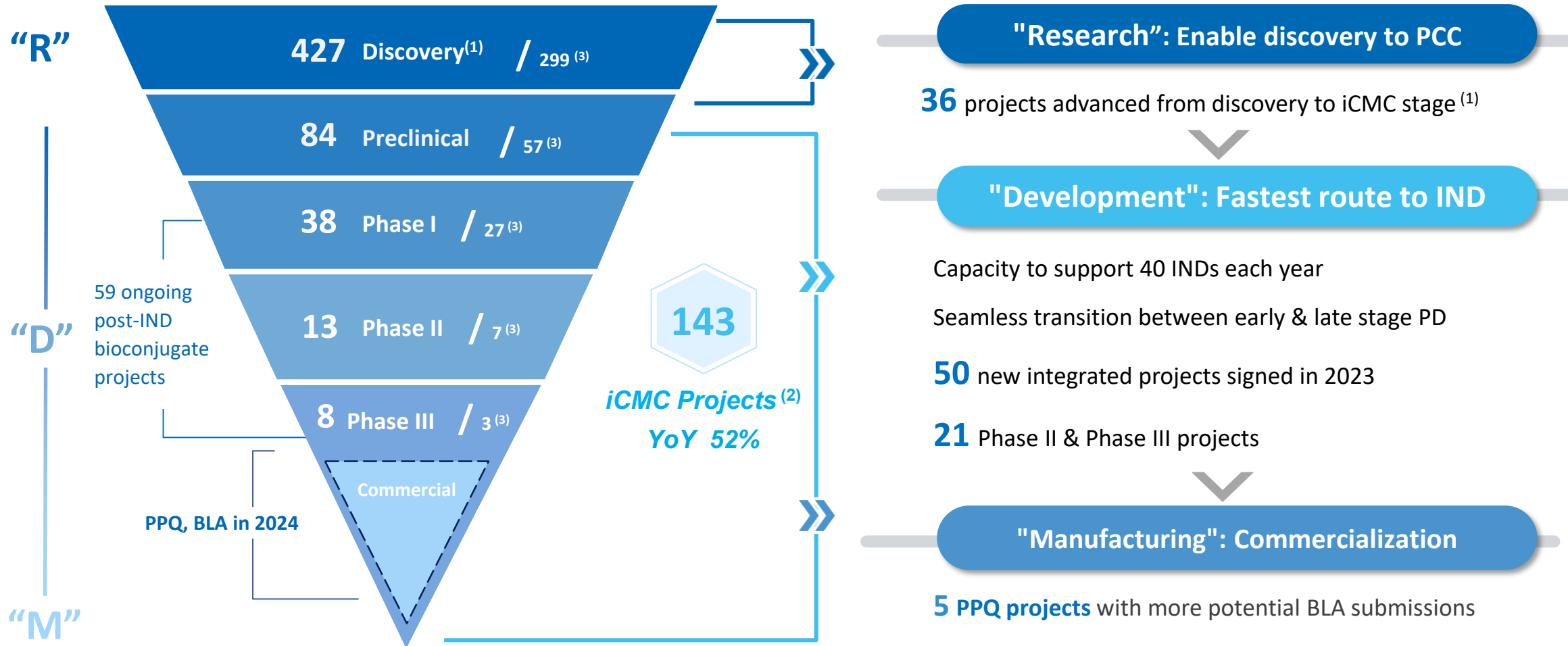
- WuXiBody™ continues to gain worldwide recognition, with **45** projects as of Dec 31, 2023
- **4** projects at Phase I, **5** projects at CMC, and **3** projects at PCC, demonstrating state-of-the-art technology of WuXiBody™
- **2** WuXiBody™ projects are expected to get IND approval in 2024

Note:

1. As of Dec 31, 2023

# WuXi XDC's Powerful Platform and Business Model to Secure Project Wins and Fuel The Growth

## Number of Projects Through “Enable – Follow – Win” Strategy



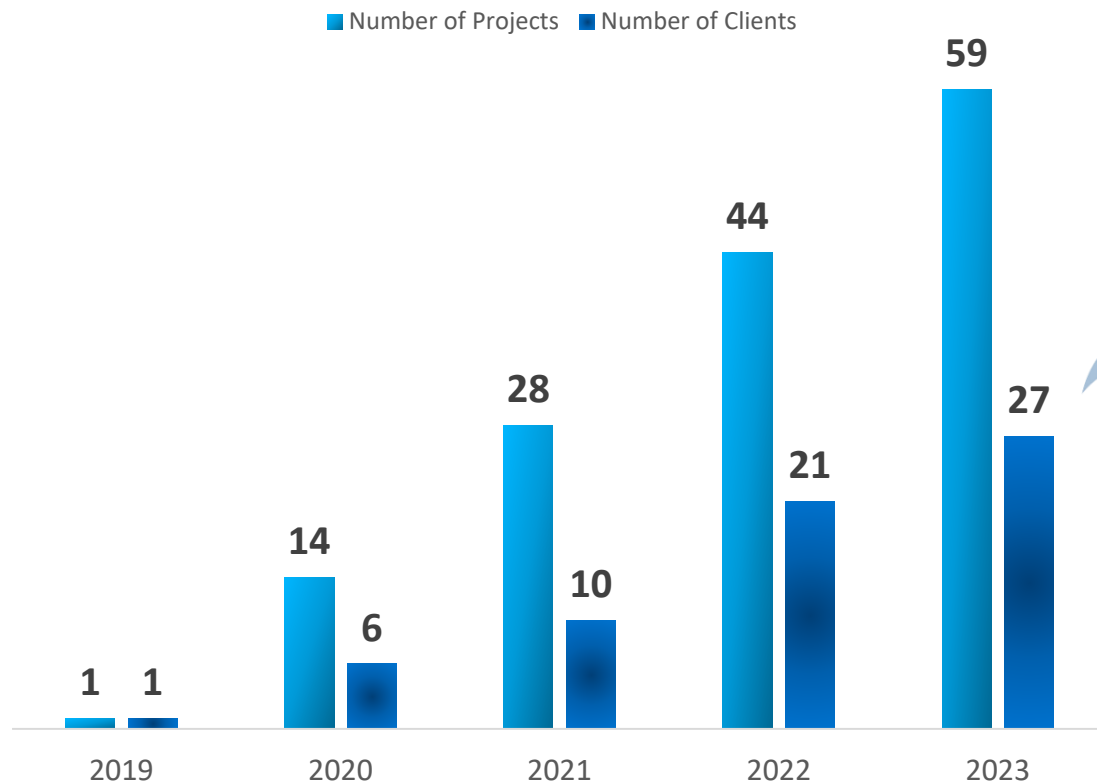
### Notes:

1. Cumulative number since our inception and as of Dec 31, 2023
2. Number of ongoing integrated CMC projects, as of Dec 31, 2023
3. The small-sized figures account for the number of projects as at December 31, 2022, save for the number of projects at discovery stage which is cumulative from the Group's inception up until December 31, 2022

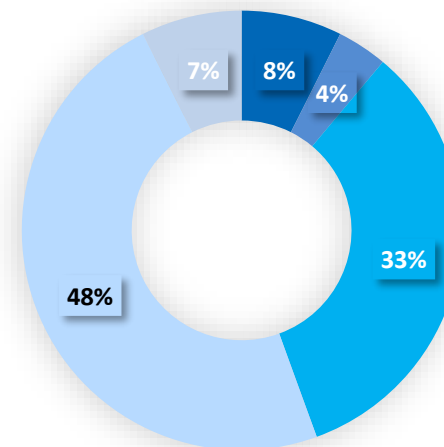
# Progress of WuXi Vaccines

## Serving 27 Clients on 59 Projects

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

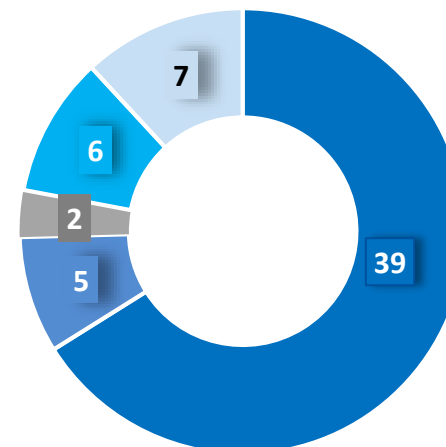


**Note:**  
1. As of Dec 31, 2023



### Our Clients

- Global Vaccine Leader
- MNC Pharma
- US/EU Biotech
- China Clients
- Others

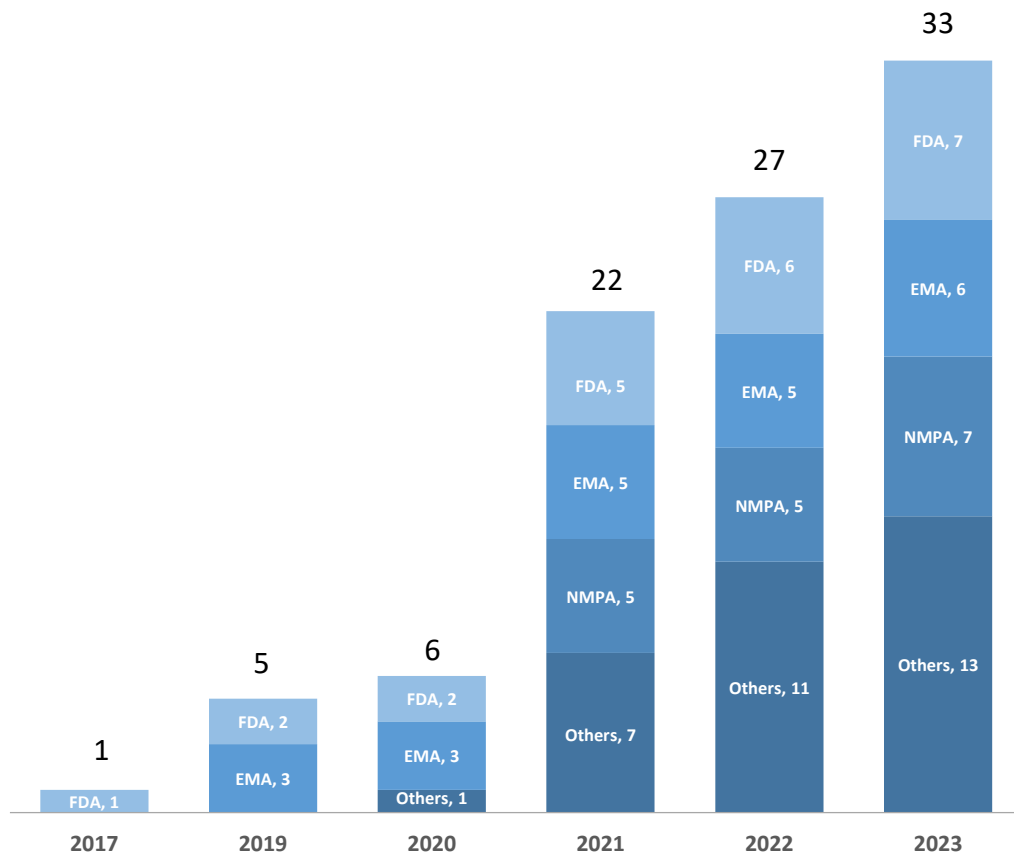


### Vaccine Type

- Recombinant-Mammalian
- Recombinant-Microbial
- VLP
- Viral
- Others

# QUALITY is Our Competitive Advantage

## Number of Regulatory Inspections Completed: 33<sup>(1)</sup>



## Number of License Approvals: 48 (64 by Facility)

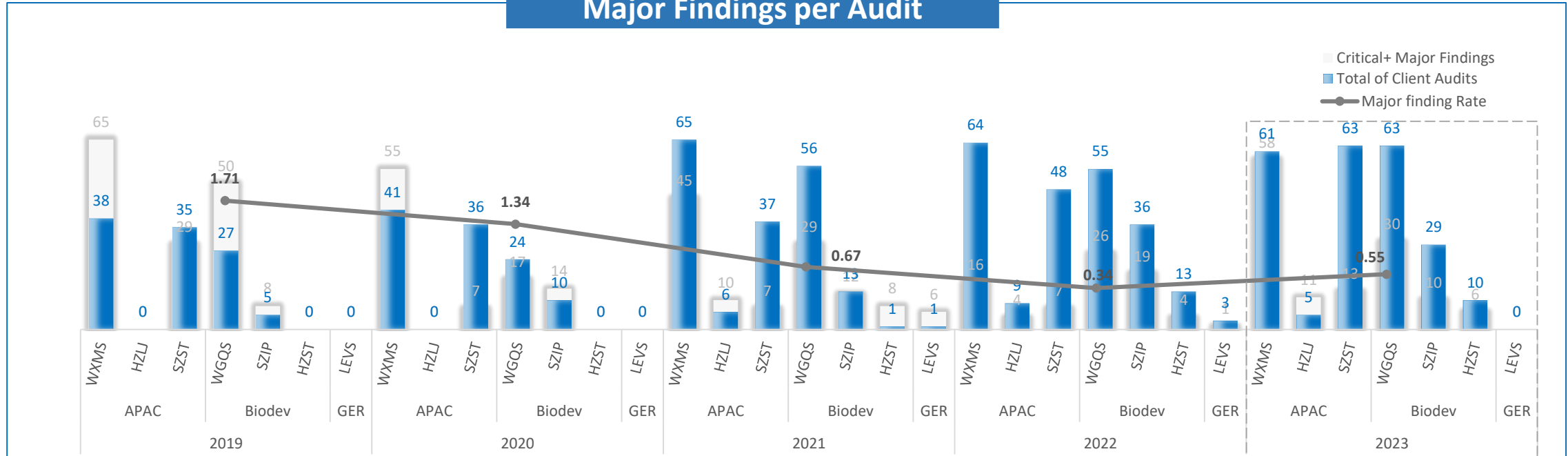
| Agency         | Facility                 | MFG1                          | MFG2F              | MFG2P                 | MFG4    | MFG5                        | DP1                              | DP4                | MFG3(CB) | MFG3    |
|----------------|--------------------------|-------------------------------|--------------------|-----------------------|---------|-----------------------------|----------------------------------|--------------------|----------|---------|
| 1              | FDA (6)                  | WBP XXX<br>WBP XXX<br>WBP XXX | WBP XXX<br>WBP XXX | WBP XXX               |         | WBP XXX/<br>WBP XXX         | WBP XXX<br>WBP XXX<br>WBP XXX    |                    |          |         |
| 2              | EMA (7)                  | WBP XXX<br>WBP XXX<br>WBP XXX | WBP XXX<br>WBP XXX | WBP XXX               | WBP XXX | WBP XXX/<br>WBP XXX         | WBP XXX                          |                    | WBP XXX  |         |
| 3              | NMPA (6)                 | WBP XXX<br>WBP XXX            |                    | WBP XXX(2)<br>WBP XXX |         |                             | WBP XXX<br>WBP XXX(2)<br>WBP XXX | WBP XXX<br>WBP XXX |          | WBP XXX |
| 4              | ANVISA (3)               |                               | WBP XXX<br>WBP XXX |                       | WBP XXX |                             |                                  |                    |          |         |
| 5              | WHO (1)                  |                               |                    |                       | WBP XXX |                             |                                  |                    |          |         |
| 6              | TGA (2)                  |                               | WBP XXX<br>WBP XXX |                       |         |                             |                                  |                    |          |         |
| 7              | Hong Kong (1)            |                               | WBP XXX            |                       |         |                             |                                  |                    |          |         |
| 8              | MHRA (4)                 | WBP XXX<br>WBP XXX            | WBP XXX            | WBP XXX               |         |                             | WBP XXX                          |                    |          |         |
| 9              | PMDA (2)                 |                               | WBP XXX            |                       |         |                             |                                  |                    |          |         |
| 10             | Switzerland (2)          |                               | WBP XXX            |                       |         |                             |                                  |                    |          |         |
| 11             | United Arab Emirates (2) |                               | WBP XXX            |                       |         |                             |                                  |                    |          |         |
| 12             | Canada (3)               |                               | WBP XXX<br>WBP XXX |                       |         |                             |                                  |                    |          |         |
| 13             | Saudi Arabia (1)         |                               |                    |                       |         | WBP XXX/<br>WBP XXX<br>(14) |                                  |                    |          |         |
| 14             | Costa Rica (1)           |                               |                    |                       |         |                             |                                  |                    |          |         |
| 15             | Panama (1)               |                               |                    |                       |         |                             |                                  |                    |          |         |
| 16             | Russian (1)              |                               |                    |                       |         |                             |                                  |                    |          |         |
| 17             | New Zealand (1)          |                               |                    |                       |         |                             |                                  |                    |          |         |
| 18             | Thailand (1)             |                               |                    |                       |         |                             |                                  |                    |          |         |
| 19             | Jordan (1)               |                               |                    |                       |         |                             |                                  |                    |          |         |
| 20             | Malaysia (1)             |                               |                    |                       |         |                             |                                  |                    |          |         |
| 21             | HSA (1)                  |                               |                    |                       |         |                             |                                  |                    |          |         |
| # Approvals 64 |                          | 10                            | 15                 | 6                     | 3       | 16                          | 10                               | 2                  | 1        | 1       |

Note:

1. As of Dec 31, 2023

# Leading Indicators of Quality/Regulatory Inspections: Continue to See Favorable Trends During Client Audits

## Major Findings per Audit



## Summary

**231** Client Audits completed as of 2023

**0.55** (128/231) Major findings per Audit as of 2023

1.71 → 1.34 → 0.67 → 0.34 → 0.55  
 (2019) (2020) (2021) (2022) (2023)

While others struggle with data integrity issues, WuXi Biologics continues to safeguard our data integrity to maintain our strong track record with customers and regulators: **0** issue with data integrity during regulatory inspections

**Global Operations on  
track to Support  
Business Growth**

**02**

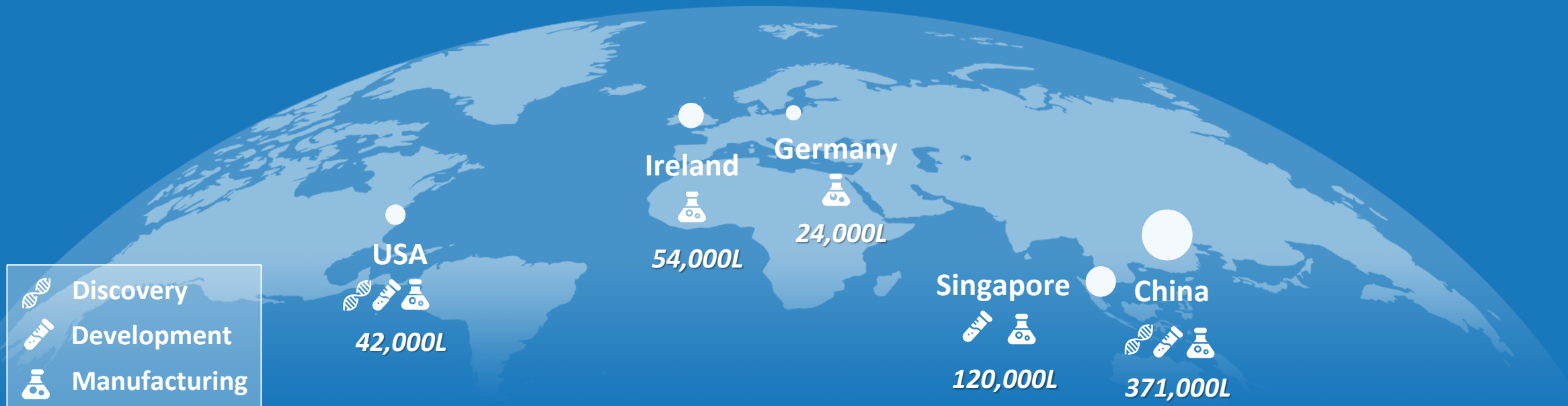
# Robust Global Network to Enable Partners: Multiple Nodes with Geographic Diversity

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



# Groundbreaking on CRDMO Center in Singapore



The Company has broken ground on its new 13.5-hectare CRDMO center in Singapore. The center will provide integrated biologics research, development and manufacturing services



The CRDMO site will add 120,000L manufacturing capacity to WuXi Biologics' global network



The site is expected to employ 1,500 people when fully operational



# New Chapter for Global Operations



- 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, completed first 16,000L manufacturing run, 3 PPQ batches in progress and 5 PPQ expected in 2024

**MFG6/7 in Dundalk, Ireland**



- MFG19 will further increase to 12x2,000L
- DP7 (liquid/lyo commercial facility, Germany/EMA certified): with an annual capacity of approximately ten million doses, is being upgraded to include a second variable filling line in 2025

**MFG19/DP7 in Germany**



- MFG18, the first clinical manufacturing facility in U.S., started GMP operations in August, 2022
- Produced 10+ GMP batches and achieved 100% success rate
- GMP slots for 2024 are 70% booked

**MFG18 in New Jersey, U.S.**



- In response to global clients' increasing demands, MFG11 will increase its capacity from original planned 24,000L to 36,000L
- Anticipates being operational in 2025 with GMP release in 2026

**MFG11 in Massachusetts, U.S.**



- A 48,000L commercial DS manufacturing facility GMP released in Oct, 2022
- Completed 6 batches with 100% success rate in 2023
- Expect 1<sup>st</sup> PPQ completed in 2024

**MFG8 in Hebei, China**

# Ireland Ramp-up Ahead of Schedule: Expect to Break Even in 2024



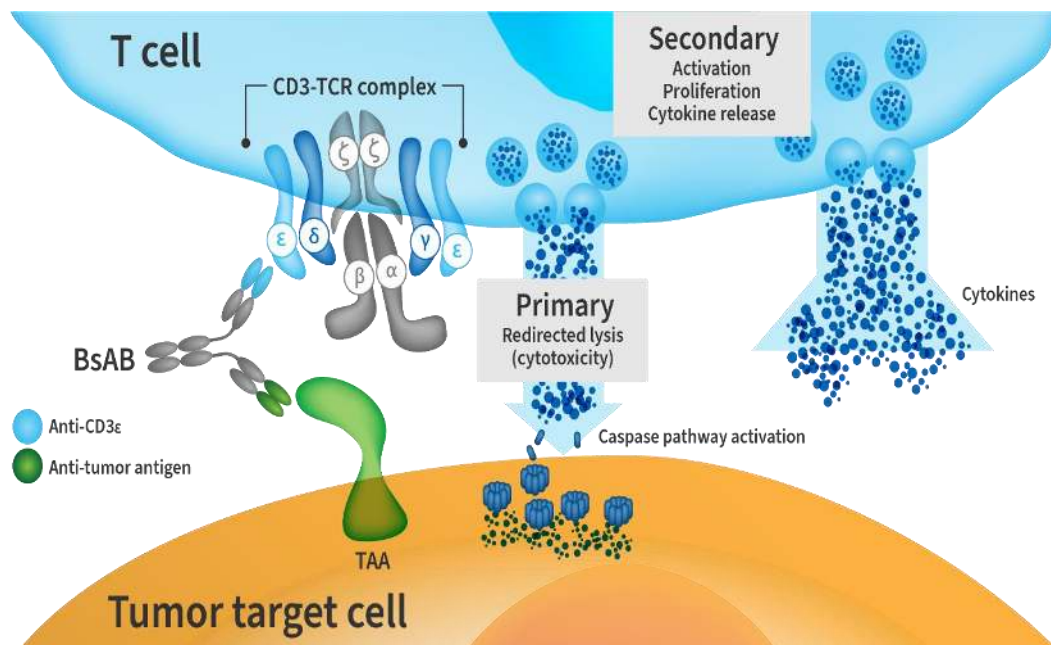
- Ireland site completed construction with record speed and received the 2023 Facility of the Year Award (FOYA) in the Operations category from ISPE
- GMP runs at both facilities are proceeding as expected: the first PPQ batch was successfully completed at MFG6 and successfully completed first 16,000L manufacturing run at MFG7
- Significant commercial manufacturing demands from 2024 onwards, almost fully booked in 2025
- Expect to break even in 2024, one year earlier than the original target. This is a strong testament of our continued business momentum as we undergo capacity increase outside of China
- 70% of the pipeline are from “Win-the-Molecule” execution, most of which are commercialized blockbuster products on the market
- Fast ramp-up in Ireland can be replicated to other global sites

**State-of-the-art  
Technologies Lead to  
Future Success**

**03**

# WuXi Bio's Proprietary Clinical Stage Anti-CD3 mAb Empowers Discovery of Best-in-Class T Cell Engagers (TCEs)

## Potent Tumor Killing with Minimal Cytokine Release



**Hypothesis – Adjusting CD3 Affinity & Binding Kinetics to Disassociate Tumor Cytotoxicity from Cytokine Release**

## WuXi CD3 Platform Highlights

- 3 TCEs in **clinical stage** (Ph1 clinical trials)
- Cynomolgus monkey cross-reactive CD3 binder
- Unique epitope with intermediate affinity
- Fast-on & fast-off binding kinetics
- Low cytokine release with potent tumor killing
- Several partnered with leading pharmaceutical companies

| Full Kinetic Affinity to Human CD3εδ | ka (1/Ms) | kd (1/s) | K <sub>D</sub> (nM) |
|--------------------------------------|-----------|----------|---------------------|
| CD3xCD20 (Regeneron)                 | 2.21E+04  | 7.39E-05 | 3.4                 |
| CD3xDLL3 (Amgen)                     | 4.60E+05  | 2.22E-03 | 4.8                 |
| CD3xDLL3 (Harpoon)                   | 6.01E+06  | 4.03E-03 | 6.7                 |
| CD3xDLL3 (BI)                        | 5.28E+05  | 6.23E-03 | 12                  |
| CD3xPSMA (Amgen)                     | 1.45E+05  | 2.25E-03 | 16                  |
| CD3xBCMA (Celgene/Engmab)            | 8.64E+04  | 3.12E-03 | 36                  |
| CD3xGPC3 (Chugai)                    | 3.98E+04  | 1.69E-03 | 43                  |
| CD3xCEACAM5 (Roche/Chugai)           | 7.94E+04  | 3.95E-03 | 50                  |
| CD3xFolR1(Roche)                     | 2.25E+05  | 2.00E-03 | 89                  |
| WuXi Bio Lead                        | 4.61E+05  | 1.86E-02 | 40                  |

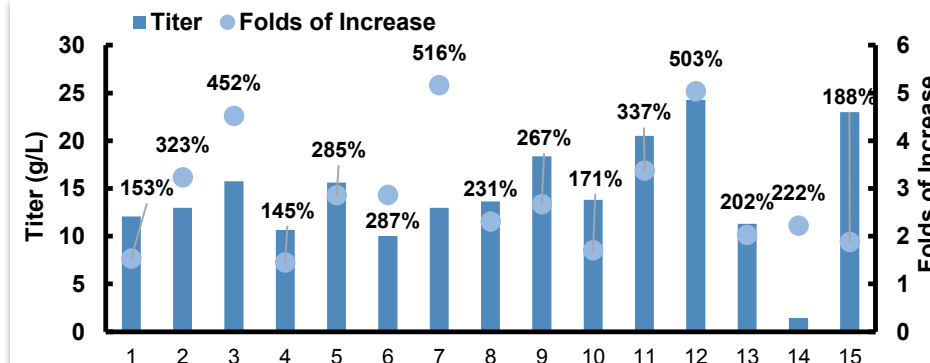
# WuXiUI™ Performance and Strategic Applications to Biologics Commercial Manufacturing



## WuXiUI™ Ultra-Intensified FB Bioprocessing Strategy

- **3~6 folds** of TFB productivity with WuXiUI™
- **10~35 g/L** upstream titer for popular CHO cell lines
- Implementing **ESG concept** in process design

## Productivity Comparison WuXiUI™ vs. TFB



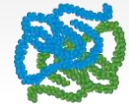
## Implementation Strategy



mAb



BsAb



rProteins

Suitable for multiple common host cell lines such as **CHOK1/CHO-S/CHO-M/CHO GS**

1 x 2kL



2 x 2kL



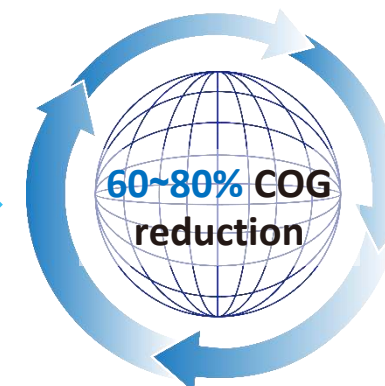
6 x 2kL\*



10-35 g/L Titer

Existing facility for ease of implementation

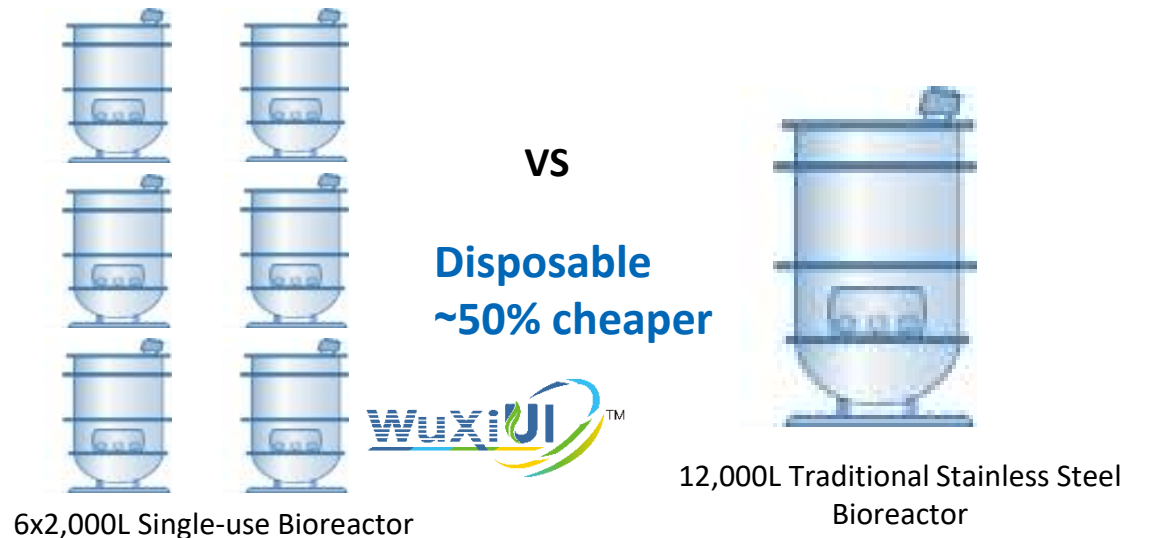
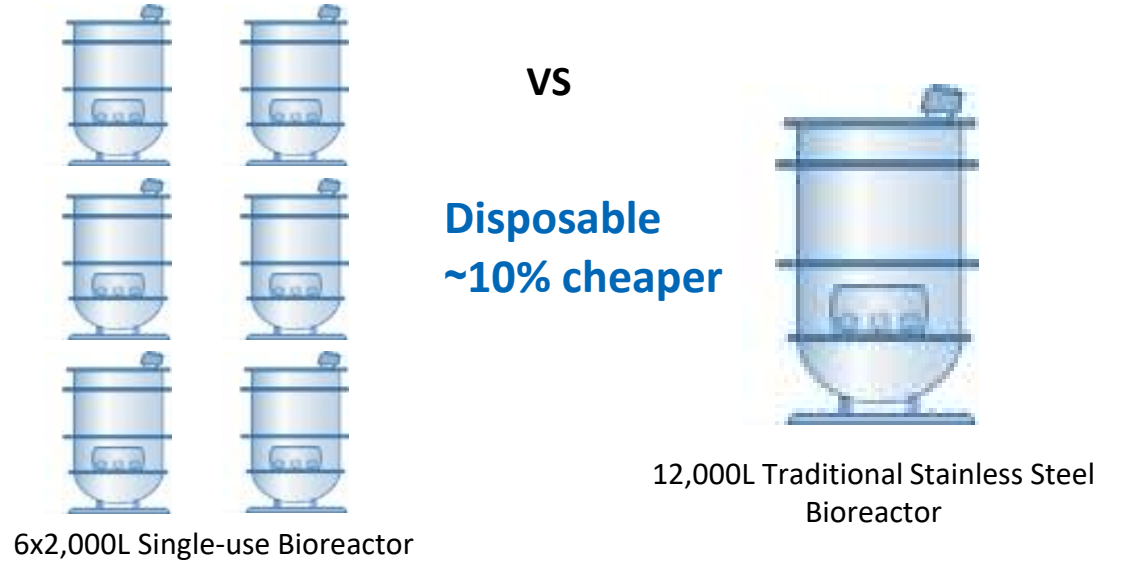
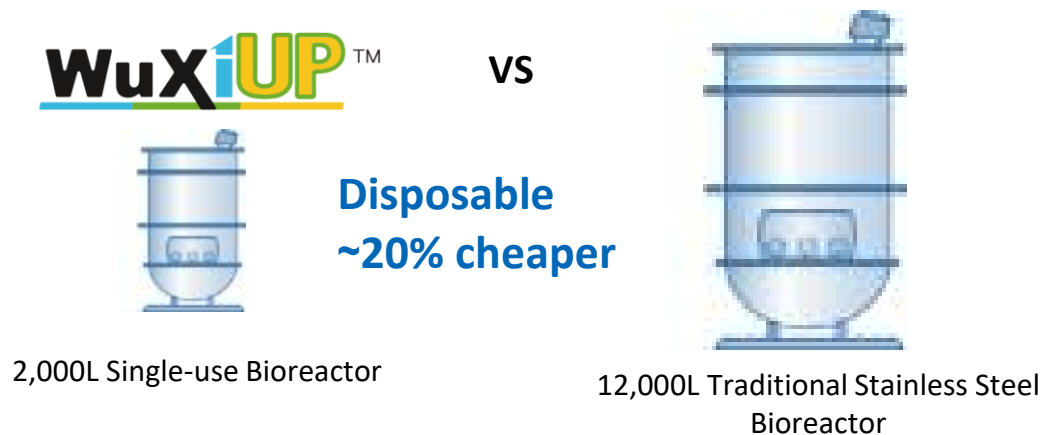
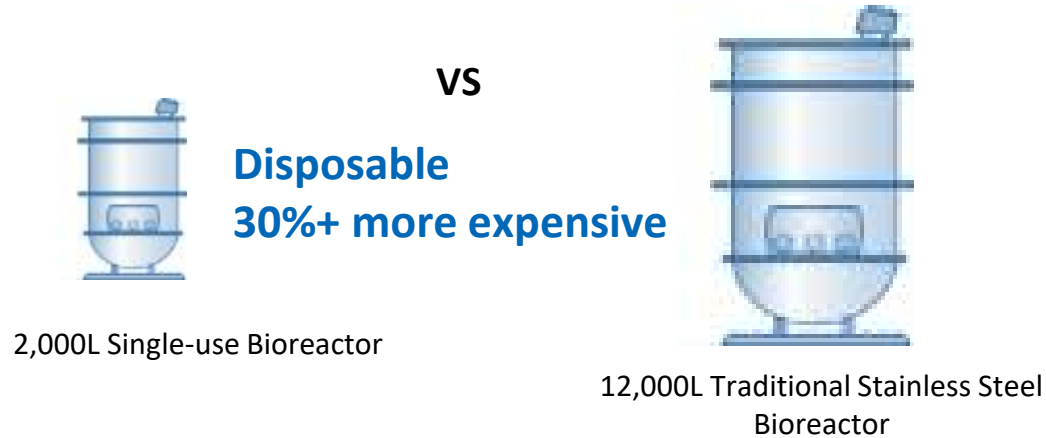
\*Minor upgrade to adapt the facility



Up to **500%** increase in DS/batch\*

\*Assuming no scale change

# Disposable Bioreactors CAN Deliver Lower COGS than Traditional Stainless Steel



# Global MNC Applies Single-use Technology at 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.

01

### Big Pharma's Choice

One big pharma 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

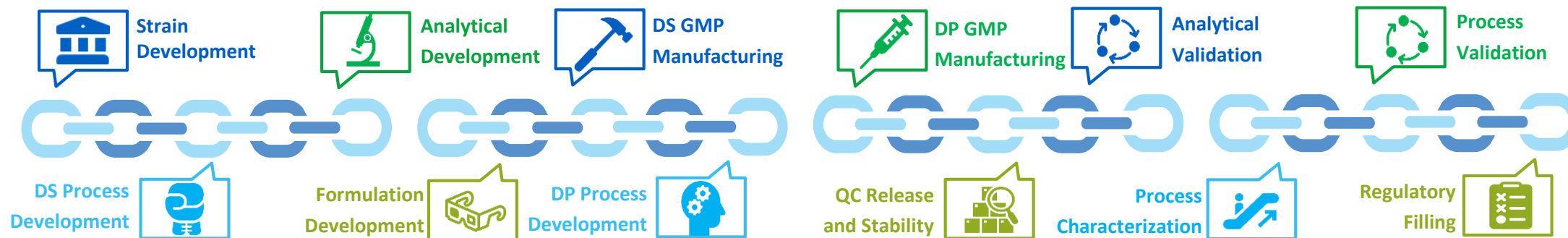
03

### Single-Use in Capacity Expansion\*

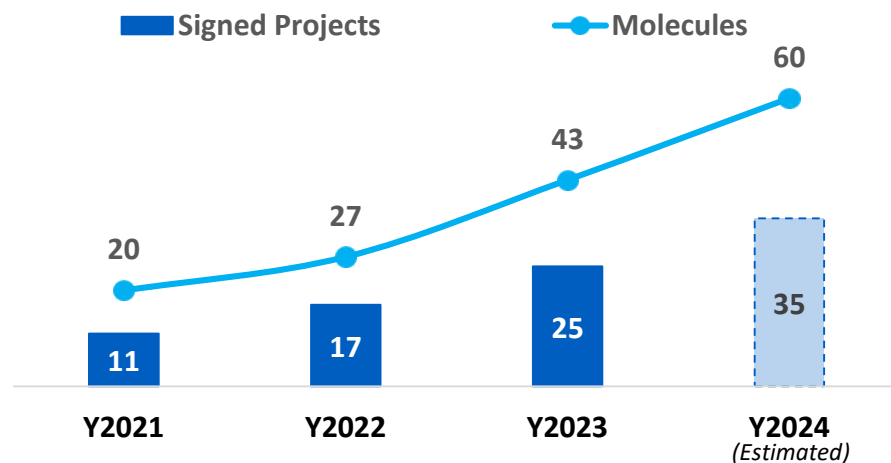
Growing trend: 44% single-use technology is applied in new capacity; 36% single-use technology is applied in CMO capacity

# Thriving Growth in Microbial Business

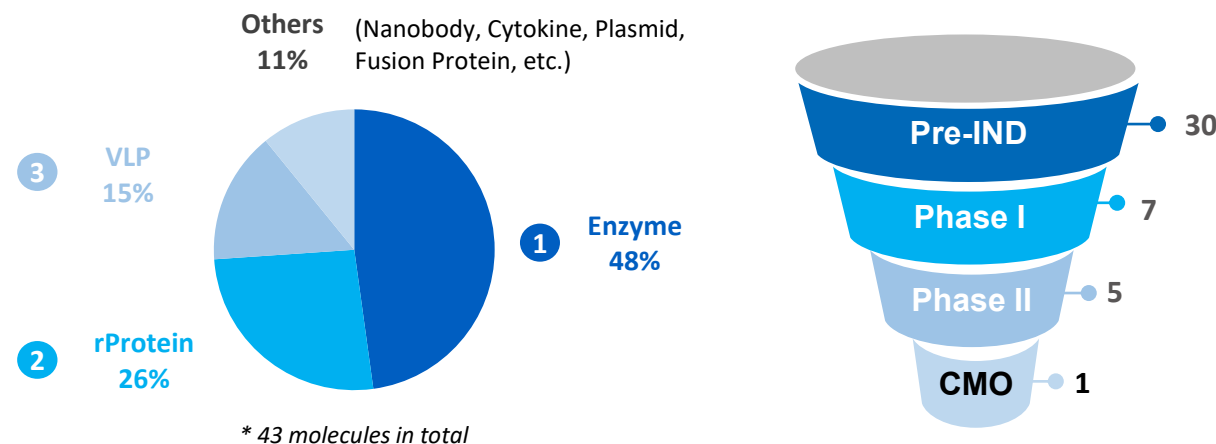
## End-to-end One-stop Service Platform for Microbial



## Microbial Project Overview



## Microbial Molecule Analysis



# Strong “D” and Expansion for “M” in Microbial Business

## D Strong development capabilities

### Proprietary Expression Systems

#### Microbial Host & Plasmid Innovations

FOT host Stable expression Controlled secretion expression

Phage resistance Antibiotic free Better product purity

Codon optimization Enhanced secretory production



*E. coli*: BL21, B & K-12 derivatives

Yeast: *Pichia pastoris* & *Hansenula polymorpha*

### Microbial Process Development

#### Comprehensive Tool-box, Enriched Experience

High throughput process development technology

Robust fermentation scale-up strategy

Advanced process understanding & control with PAT

High-efficient downstream processing

Customized solution for challenging molecules

Intracellular Soluble, Inclusion Body, Secretory

## M

### Commercial Projects



The 1<sup>st</sup> Project Signed on Dec 18<sup>th</sup>, 2023 (Visen)

### Plan for Large-scale Microbial Production



Chengdu site (for Late-stage & Commercial Projects)

Technology  
Depth

CMC  
Experience

Global  
Quality System

Operational  
Excellence

Cost Effectiveness

Fast Turn-around

High Quality

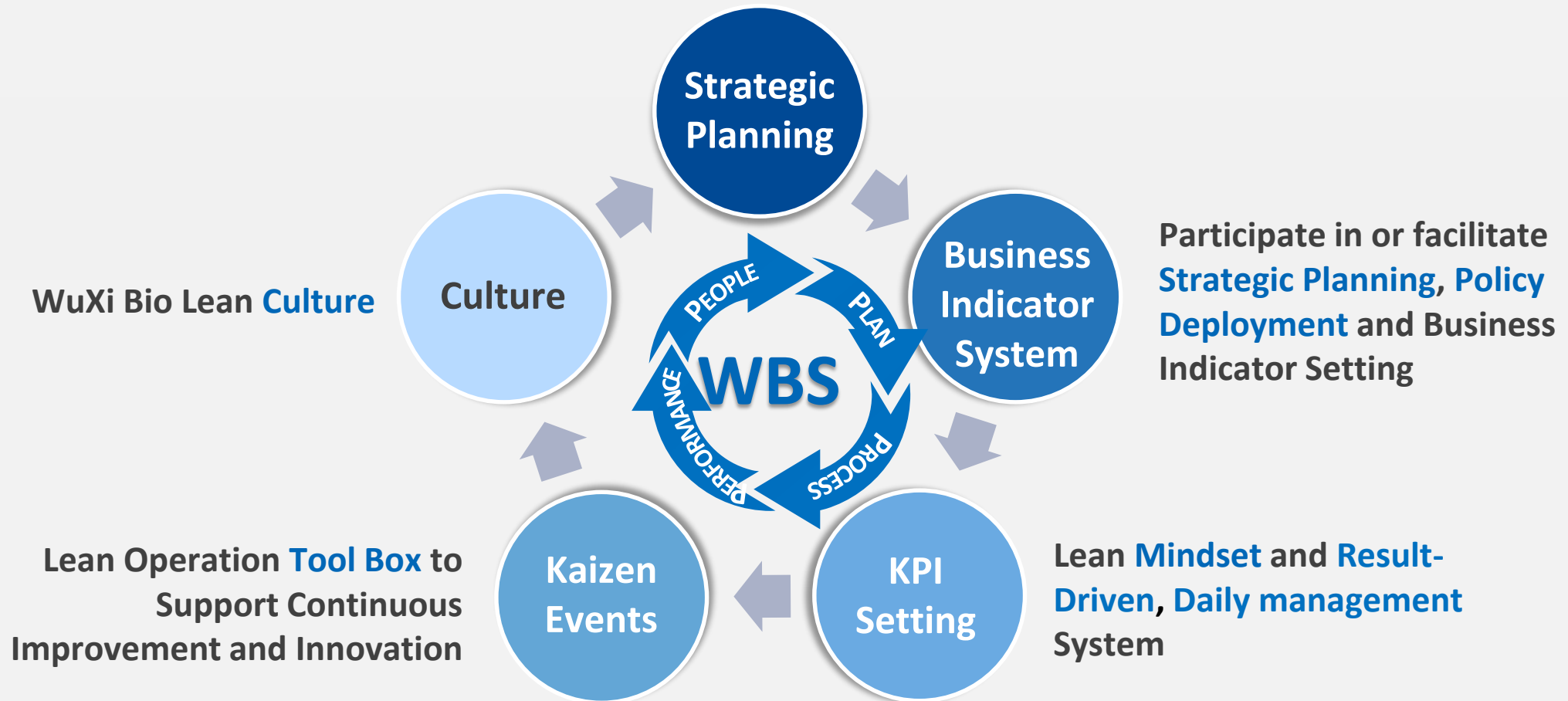
## **WBS and ESG as Important Components of Business Strategy**

**04**

# WuXi Biologics Business System (WBS) launched in 2021

## WuXi Biologics' Lean Operation and Management System

HIGHER QUALITY, FASTER DELIVERY, BETTER VALUE



# WBS Achievements in 2023

## Completed Kaizen Projects

**370+**

Completed Kaizen projects

376 kaizen projects are completed in 2023

Improvements

## Realized Benefit in 2023

### Revenue Increase

**160 mm**

- ✓ Revenue increased from WBS projects to improve capacity

Revenue

### Cost Saving

**245 mm**

- ✓ Internal Material Cost Saving
- ✓ Expense Saving

Cost

### Labor Efficiency Improvement

**1,000k hr**

- ✓ Labor hours saving from WBS projects

Efficiency

### Inventory Reduction

**270 mm**

- ✓ Inventory reduced from Kaizen projects

Inventory



## Quality Improvement

- Reduction of QC assay failure rate, ↓ **28%**
- On-time completion rate of Deviation increasing **6%**



## Material Cost Saving

- Materials cost saving for one project in MFG, ↓ **13.7mm**
- Cost saving for non-GMP materials in one site, ↓ **5.9mm**
- Material cost saving in PD, ↓ **5.2mm**



## Labor Efficiency Improvement

- Working hours reduction for MFG downstream, ↓ **16,000+ hr/yr**
- Re-validation strategy optimization for SZ site, ↓ **7,000+ hr/yr**



## ESG

- Low-energy model establishment for HBST facility, ↓ **5.8mm/yr**
- Standardize operation of membrane pack, ↓ **3.2mm/yr**

# ESG Performance Recognized as Industry Leader



## Dow Jones Sustainability World Index Dow Jones Sustainability Emerging Markets Index

- Ranked No.1 in its sector and identified as a global sustainability leader
- Recognition in talent development, innovation, quality, environment and climate change, etc.
- Inclusion into *Global Sustainability Yearbook*, generating long-term value for stakeholders



## MSCI AAA ESG Rating of 2023

- The highest rating on MSCI's AAA (Leaders) to CCC (Laggards)
- A company leading its industry in managing the most significant ESG opportunities
- MSCI is a major ESG data and rating provider, covering 10,000+ companies

# ESG Performance Recognized as Industry Leader



## EcoVadis Platinum Medal

- Ranked top 1% of 100,000+ companies
- Outstanding performance across all areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement
- A trusted partner by global clients for its strong sustainability commitment

***This is really fantastic news! So excited to hear WuXi Bio is doing an excellent job with EcoVadis.***

- Feedback from one of Top Pharma clients



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



**A for Water Security**  
**A- for Climate Change**



**Constituent of**  
**FTSE4Good Emerging Index**

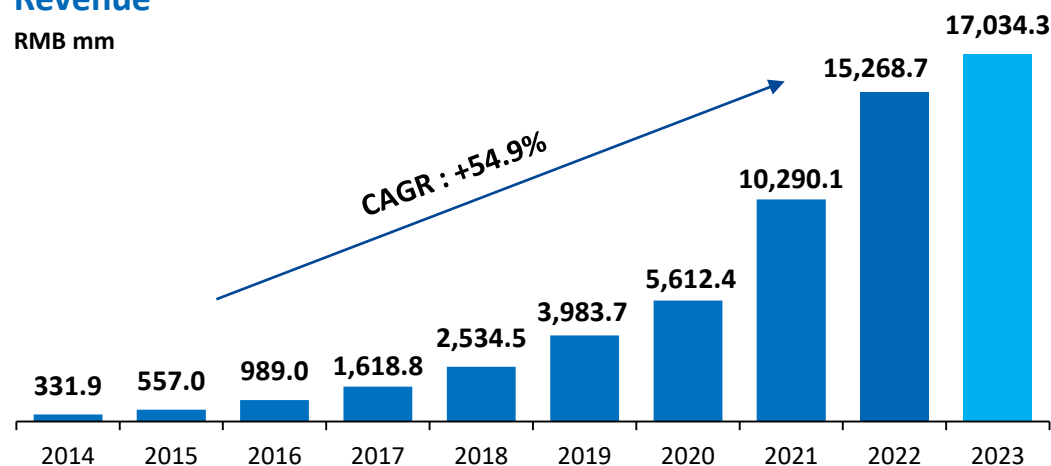
## Financial Overview

**05**

# Solid Financial Performance Achieved

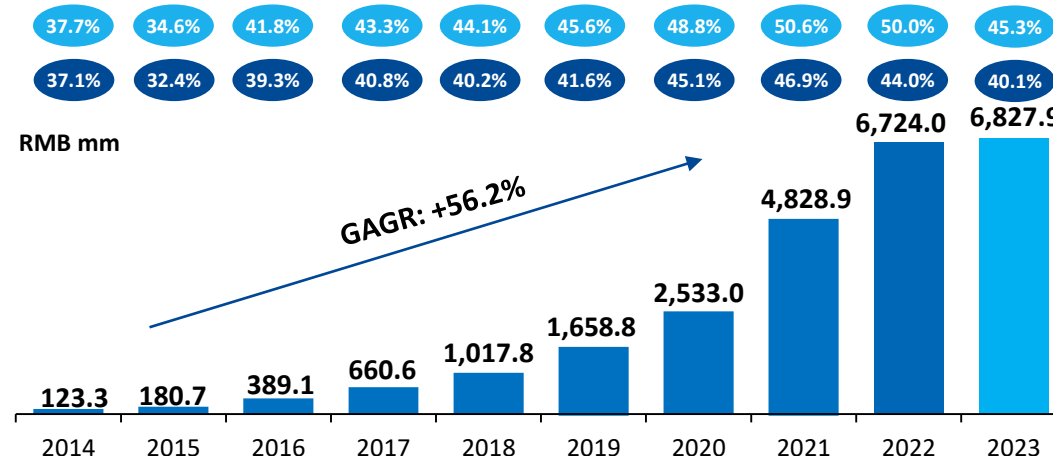
## Revenue

RMB mm



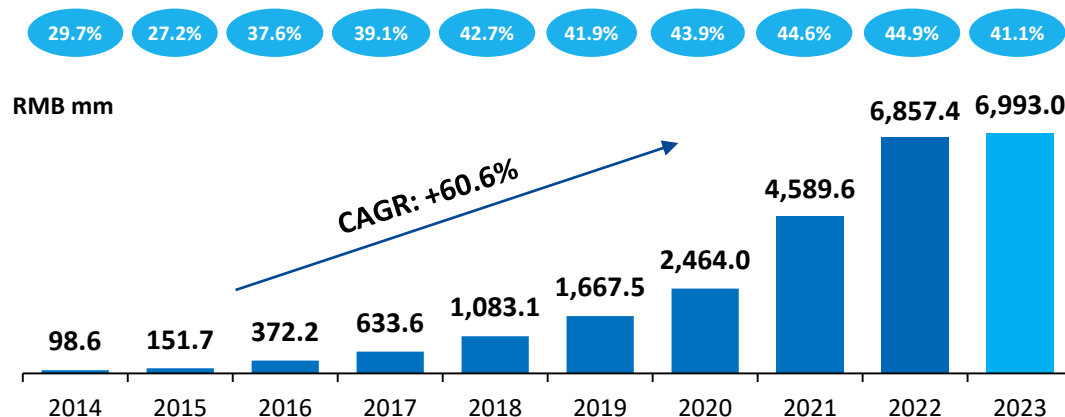
## Gross Profit

RMB mm



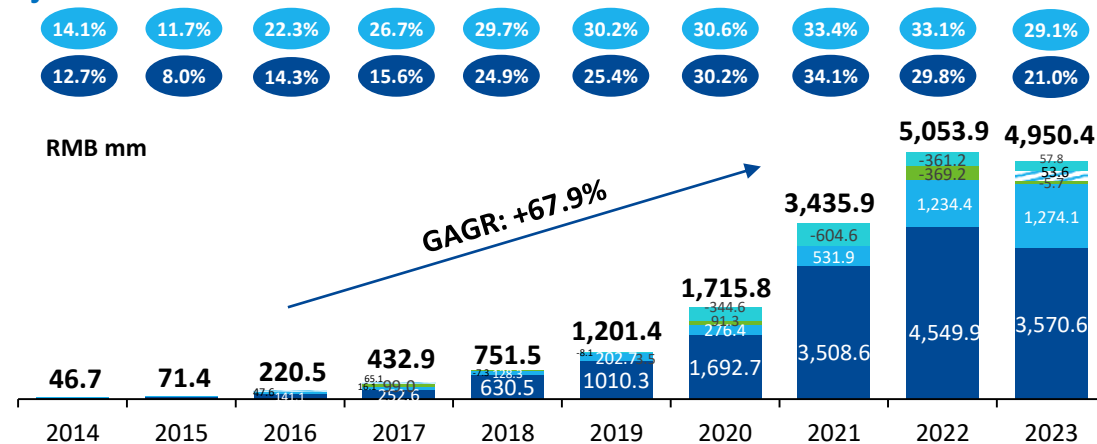
## Adjusted EBITDA <sup>(1)</sup>

RMB mm



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

RMB mm



### Notes:

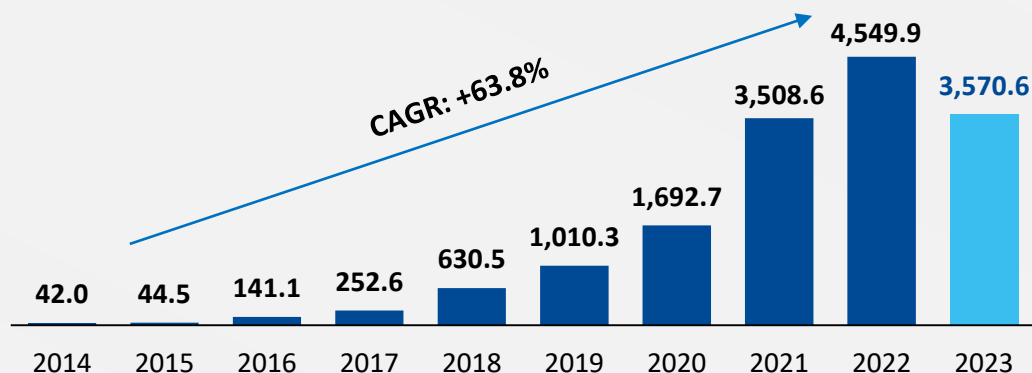
- Adjusted EBITDA represents net profit before (i) interest expenses, income tax expenses, listing expenses (ii) certain non-cash expenses, consisting of share-based compensation, amortization and depreciation and (iii) foreign exchange gains/losses and (iv) fair value gains/losses on investment portfolios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

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

# Key Profit Metrics

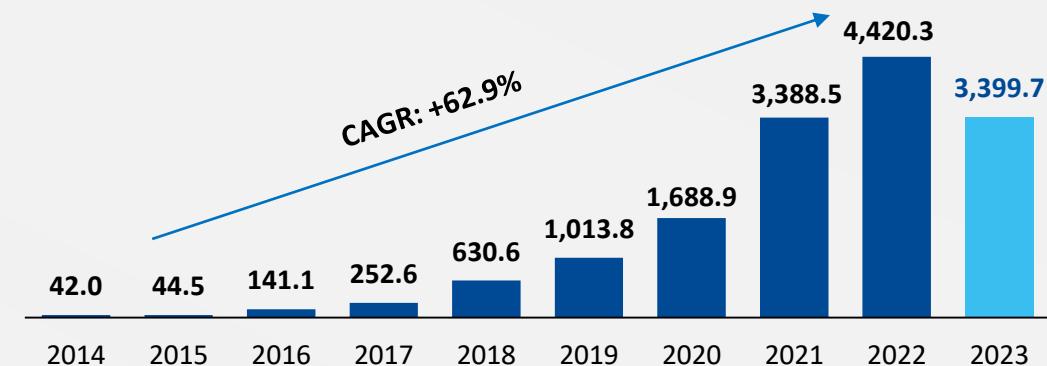
## Net Profit

RMB mm



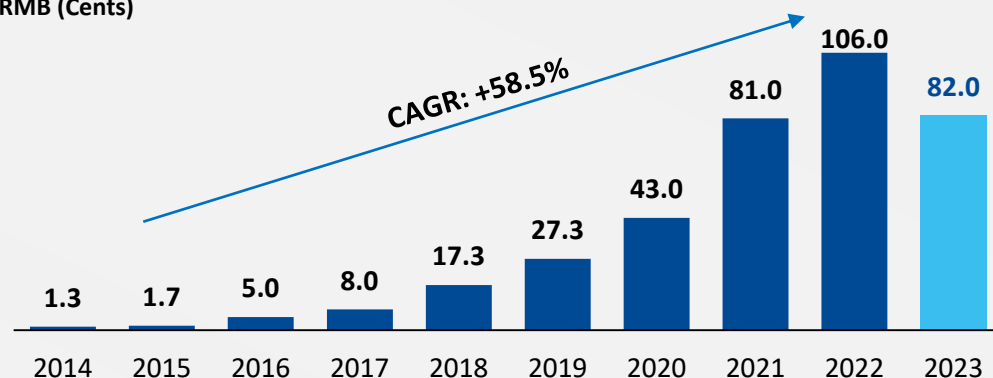
## Net Profit Attributable to Owners of the Company

RMB mm



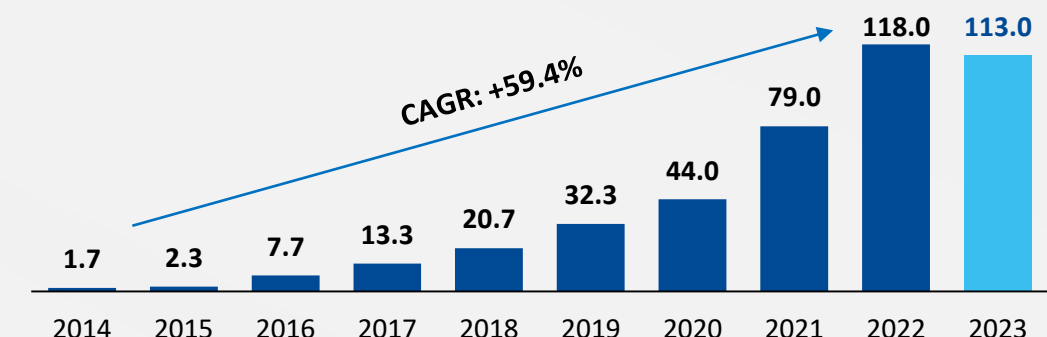
## Basic EPS <sup>(1)</sup>

RMB (Cents)



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

RMB (Cents)

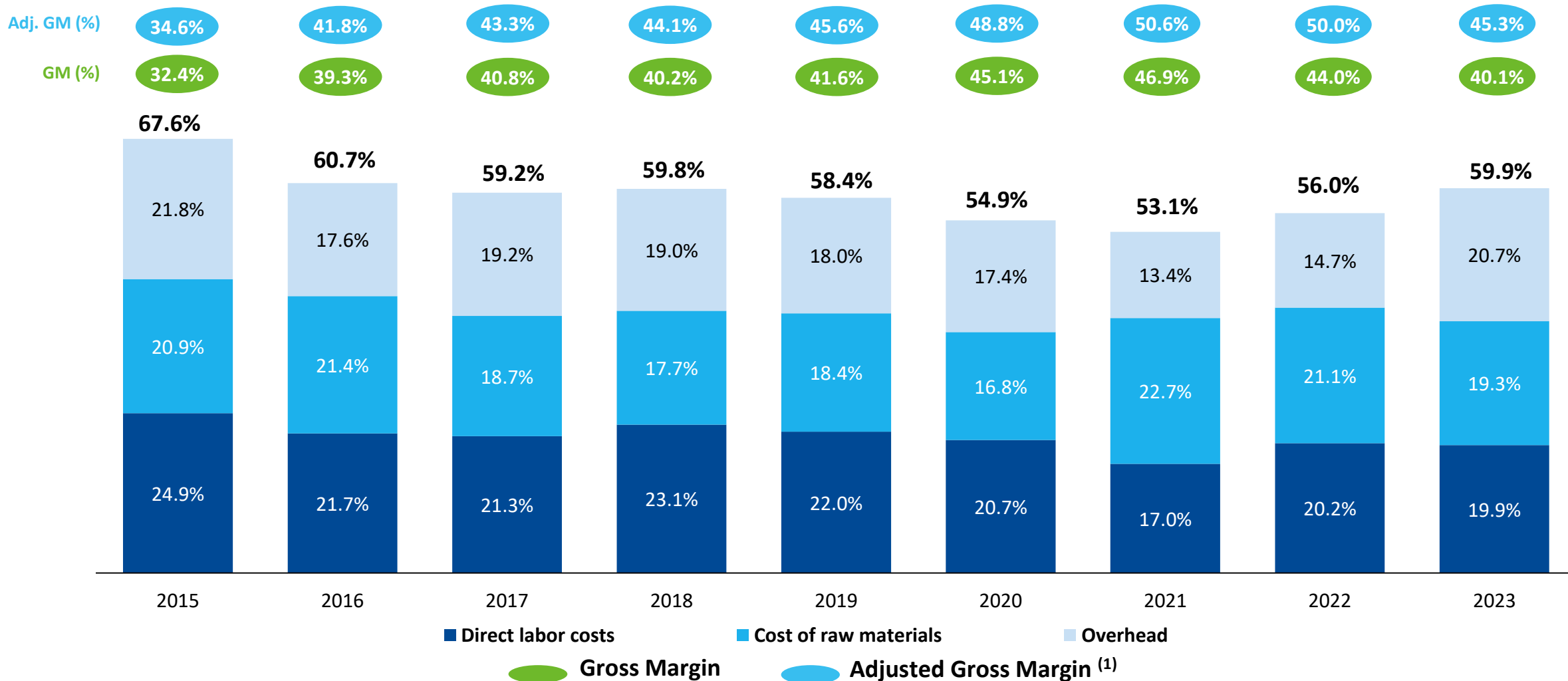


**Note:**

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

# Gross Profit and Cost of Sales

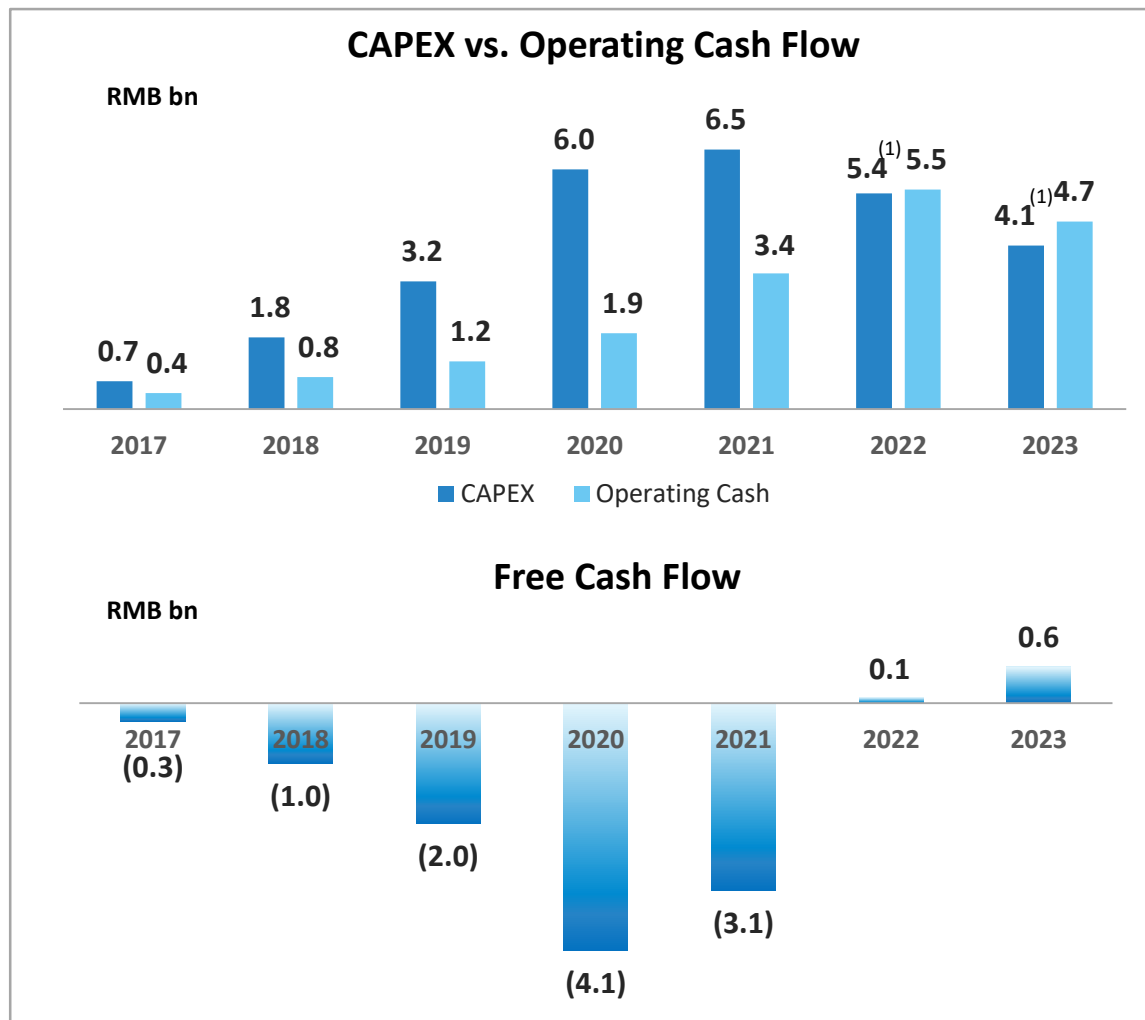
## Cost of Services as % of Revenue



Note:

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

# Free Cash Flow Positive since 2022



- Net operating cash flow recorded **~51%** CAGR growth from 2017 to 2023
- Free cash flow turned positive in 2022 and continued to improve in 2023: critical milestone for company growth
- Target at continued free cash flow **positive** in 2024 and beyond
- Solid cash flow management to support global capacity and capabilities enhancement

**Note:**

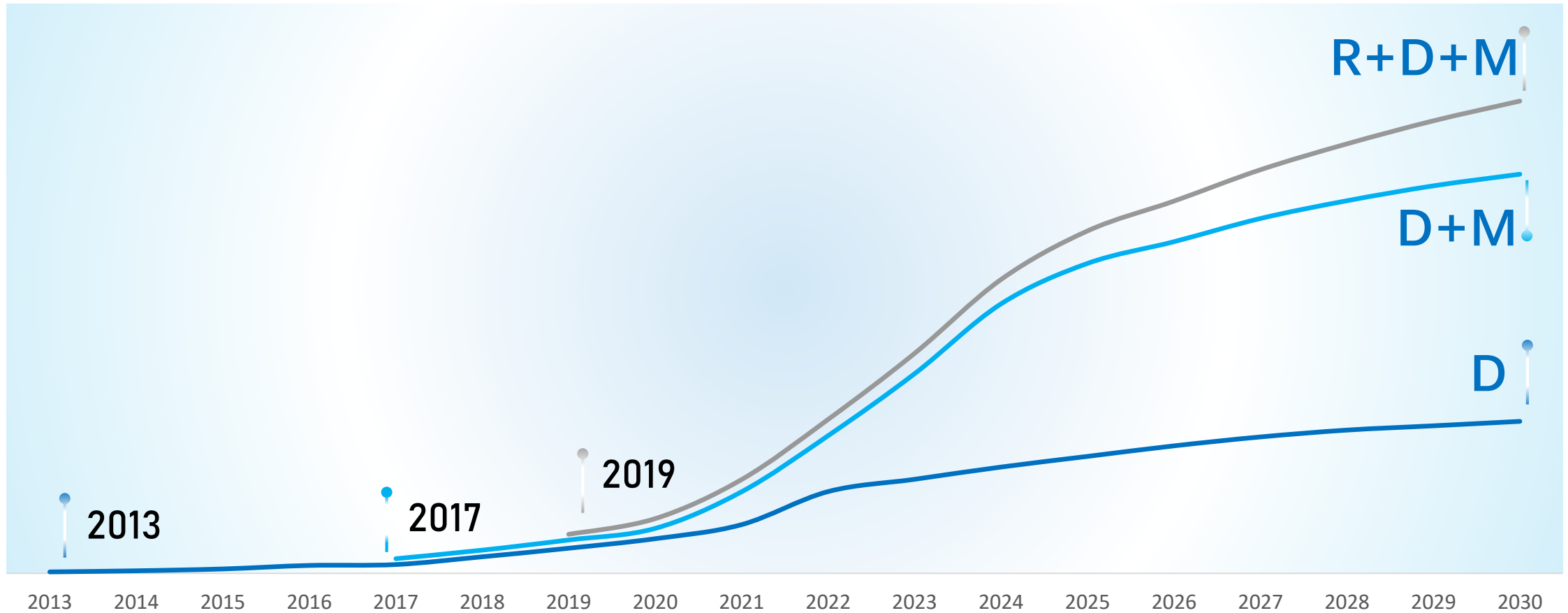
1. CAPEX excluded of asset acquisitions via M&A deals

**Summary**

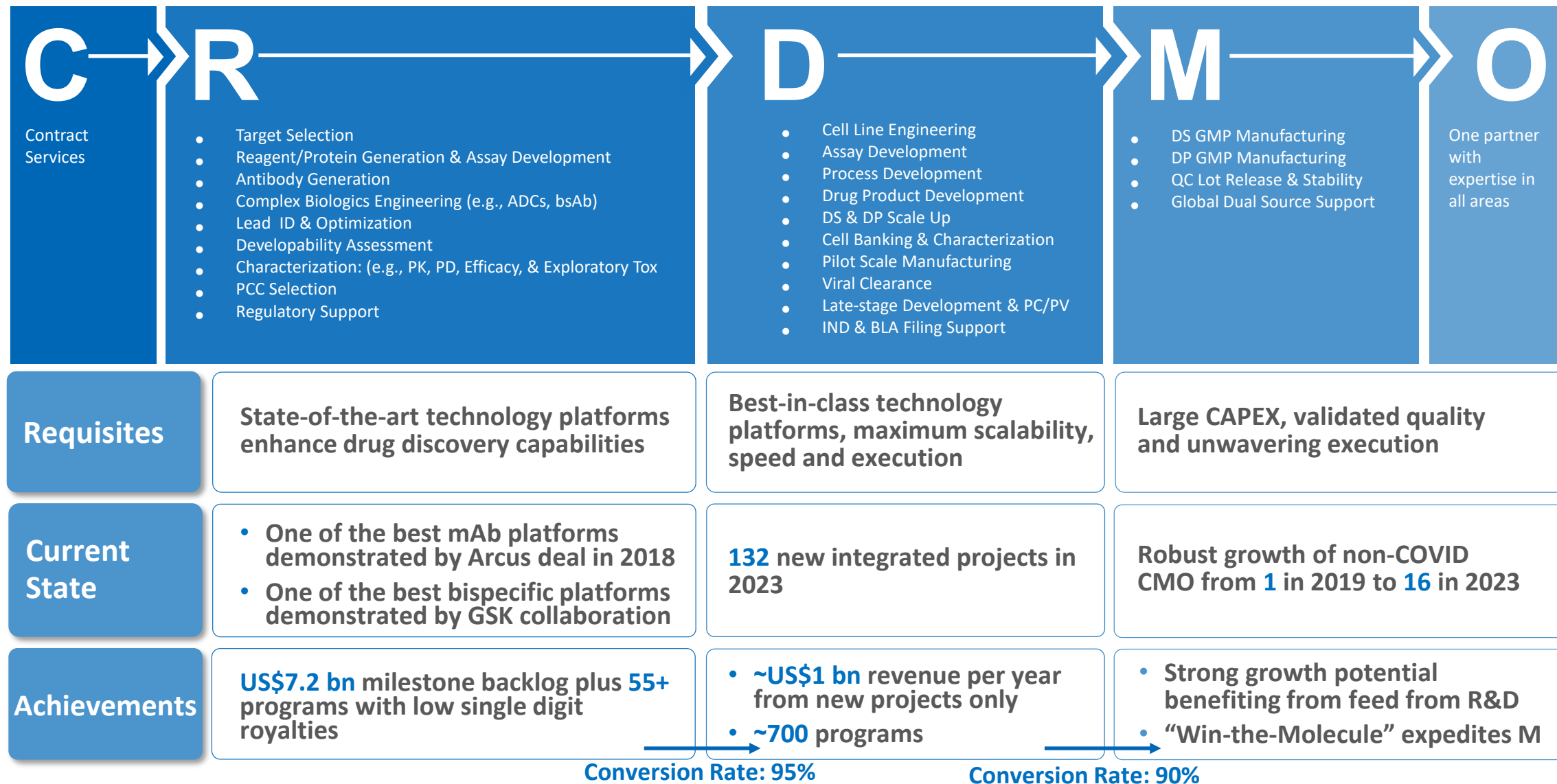
**06**

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

## Three Long-Term Growth Curves



# Proven CRDMO Business Model Continues to Deliver Sustainable Growth



# 2023 Highlights: Significant Progress in R, D and M, Best in Company Record



Most important reason for the 2023 slow-down is **84%** decrease of COVID revenue. Overall non-COVID revenue grew **37.7%** YoY in 2023. R&D is still core to the Company with high profitability and customer stickiness



**R:** record high revenue, **110%** 3-year CAGR growth for milestone and research services revenue, blockbuster deals signed with global pharma



**D:** We saw significantly fewer projects in Q1 2023 due to biotech funding challenges, but great recovery to full year record high of **132** new projects added. New technology platform progressing well: WuXiUI™ and Microbial. Continue to gain market share despite all challenges



**M:** non-COVID revenue from late phase and CMO stage grew **101.7%** YoY. Ireland site ramp-up ahead of schedule

# 2024 Outlook



**R&D:** Continue to expect strong growth. Strong momentum from global biotech recovery in Q4 2023 continued in Q1 2024. **25** new projects signed as of Mar 22, 2024 vs 8 in Q1 2023



**M:** “Follow the Molecule” projects track well. Several potential blockbuster projects move to PPQ stages which will generate significant revenue in 2025 and beyond. “Win-the-Molecule” projects will be potentially more challenging due to geopolitical concerns. As a result, we will continue to invest in Germany, US and Singapore for commercial MFG capacities



Due to uncertainties in the external environment, 2024 revenue is expected to achieve 5%-10% growth, non-COVID revenue is expected to grow 8%-14%



Business fundamentals remain strong

# Appendix

# 2023 Financial Summary

| (RMB million)                                      | 2023            | 2022            | Change        |
|----------------------------------------------------|-----------------|-----------------|---------------|
| <b>Revenue</b>                                     | <b>17,034.3</b> | <b>15,268.7</b> | <b>11.6%</b>  |
| Cost of Sales                                      | (10,206.4)      | (8,544.6)       |               |
| <b>Gross Profit</b>                                | <b>6,827.9</b>  | <b>6,724.0</b>  | <b>1.5%</b>   |
| Other Income                                       | 416.7           | 305.5           |               |
| Impairment Losses under ECL Model, Net of Reversal | (320.0)         | (258.5)         |               |
| Other Gains and Losses                             | 36.5            | 766.5           |               |
| Selling and Marketing Expenses                     | (294.0)         | (162.9)         |               |
| Administrative Expenses                            | (1,495.4)       | (1,269.6)       |               |
| Other Expenses                                     | (53.6)          | -               |               |
| Research and Development Expenses                  | (785.8)         | (682.8)         |               |
| Financing Costs                                    | (158.5)         | (64.4)          |               |
| <b>Profit before Tax</b>                           | <b>4,173.8</b>  | <b>5,357.8</b>  | <b>-22.1%</b> |
| Income Tax Expenses                                | (603.2)         | (807.9)         |               |
| <b>Profit for the Year</b>                         | <b>3,570.6</b>  | <b>4,549.9</b>  | <b>-21.5%</b> |
| Earnings per Share – Basic (RMB)                   | 0.82            | 1.06            |               |
| Adjusted Earnings per Share – Basic (RMB)          | 1.13            | 1.18            |               |

**Notes:**

1. Results may not foot due to rounding

# Reconciliation for Adjusted Net Profit and Adjusted EBITDA

| (RMB million)                                    | 2023           | 2022           | Change       |
|--------------------------------------------------|----------------|----------------|--------------|
| <b><u>Adjusted Net Profit Reconciliation</u></b> |                |                |              |
| <b>Net Profit</b>                                | <b>3,570.6</b> | <b>4,549.9</b> |              |
| Share-based Compensation Expense                 | 1,274.1        | 1,234.4        |              |
| Foreign Exchange Gain                            | (5.7)          | (369.2)        |              |
| Losses (Gains) from Equity Investments           | 57.8           | (361.2)        |              |
| Listing Expenses                                 | 53.6           | -              |              |
| <b>Adjusted Net Profit</b>                       | <b>4,950.4</b> | <b>5,053.9</b> | <b>-2.0%</b> |
| <b><u>Adjusted EBITDA Reconciliation</u></b>     |                |                |              |
| <b>EBITDA</b>                                    | <b>5,613.2</b> | <b>6,353.4</b> |              |
| Share-based Compensation Expense                 | 1,274.1        | 1,234.4        |              |
| Foreign Exchange Gain                            | (5.7)          | (369.2)        |              |
| Losses (Gains) from Equity Investments           | 57.8           | (361.2)        |              |
| Listing Expenses                                 | 53.6           | -              |              |
| <b>Adjusted EBITDA</b>                           | <b>6,993.0</b> | <b>6,857.4</b> | <b>2.0%</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**

