



Stock Code: 2268.HK

# WuXi XDC 2024 Interim Results

21 August, 2024 | Hong Kong

## 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.

# WuXi XDC: Global Leading All-in-One CRDMO Dedicated to ADC and Broader Bioconjugates Market



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**“Best CDMO” 2023  
World ADC Awards**

**419 (1)**  
Global Customers

**167**  
iCMC Projects

**29**  
Late-stage Projects

**9**  
PPQ Projects

Note:

1. Cumulative number since our inception and as of June 30, 2024;

*01*

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# **Key Highlights**

**01**

## Projects and Customers

**419**

Global customers  
(cumulatively\*)

**167**

Ongoing iCMC projects,  
with 26 newly signed

**29**

Phase II, III projects

**9**

PPQ projects

**02**

## Key Financial Results

**Revenue**

1,665 Mn RMB

68% YoY 

**Gross Profit**

535 Mn RMB

133% YoY 

**Net Profit**

488 Mn RMB

176% YoY 

**Adj. Net Profit**

534 Mn RMB

147% YoY 

02

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# Latest XDC Industry Trend

# ADC/XDC Continue to be the Focus of the Healthcare Industry Globally



## ADC/XDC M&A deals since Jun 2023

Target	Buyer	Deal size	Date
Mariana Oncology	NOVARTIS	\$1.8 bn	May 2024
ProfoundBio	Genmab	\$1.8 bn	Apr 2024
Fusion	AstraZeneca	\$2.4 bn	Mar 2024
IsoTherapeutics	Telix	\$0.1 bn	Feb 2024
AMBRX	Johnson & Johnson Innovative Medicine	\$2.0 bn	Jan 2024
LegoChem Biosciences	ORION	\$0.4 bn	Jan 2024
RayzeBio	Bristol Myers Squibb	\$4.1bn	Dec 2023
immun.gen	abbvie	\$10.1bn	Nov 2023
POINT Biopharma	Lilly	\$1.4bn	Oct 2023
mablink	Lilly	Undisclosed	Oct 2023
DTX PHARMA	NOVARTIS	\$1.0bn	Jul 2023
Synaffix	Lonza	\$0.2bn	Jun 2023

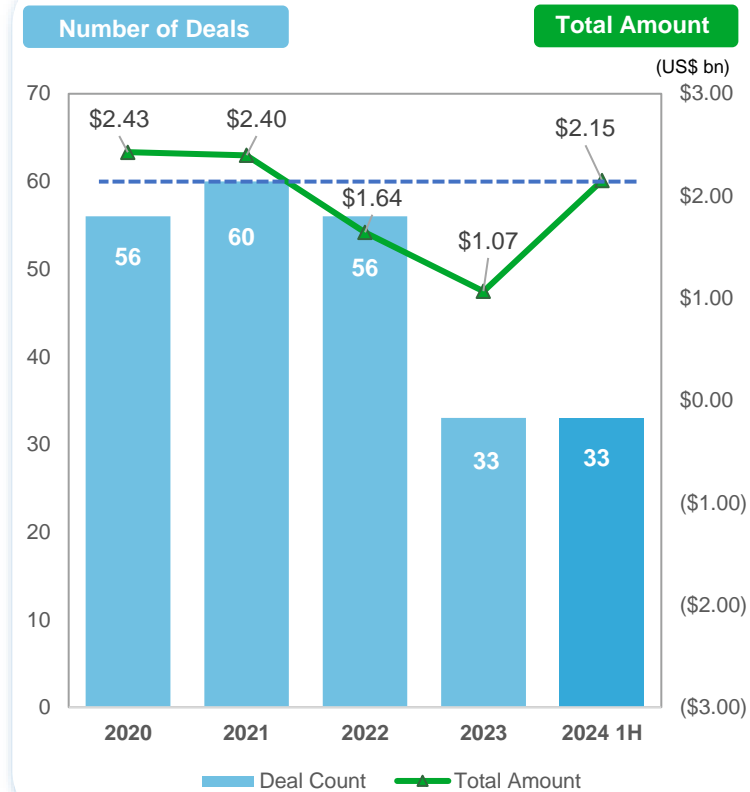


## Representative ADC/XDC collaboration/licensing deals(≥\$1 bn) since Dec 2023

Licensor/ Originator	Licensee/ Partner	Deal size	Date	Lead Asset Ph.	Target/ Modality
Foreseen	IPSEN	\$1.0bn	Jul 2024	Pre-clinical	/
Radionetics	Lilly	\$1.4bn	Jun 2024	Pre-clinical	GPCR
MabCare	Day One BIOPHARMACEUTICALS	\$1.2bn	Jun 2024	Pre-clinical	PTK7
宜联生物	BIONTECH	\$1.8bn	May 2024	Platform	/
PeptiDream	NOVARTIS	\$2.7bn	Apr 2024	Platform	RLT
CARIS LIFE SCIENCES	MERCK	\$1.4bn	Apr 2024	Platform	/
宜联生物	Roche	\$1.0bn	Jan 2024	Ph1	c-Met
LegoChem Biosciences	Johnson & Johnson	\$1.7bn	Dec 2023	Ph1/2	TROP 2
HANSOH PHARMA	GSK	\$1.7bn	Dec 2023	Ph1	B7H4
HARBOR BIOMED	Seagen	\$1.1bn	Dec 2023	Ph1	MSLN
百利天恒	Bristol Myers Squibb	\$8.4bn	Dec 2023	Ph3	EGFRxHER3



## Global ADC/XDC Primary Market Financing Deals (2020-1H 2024)



“ WuXi XDC’s customers contributed **90%+(1)** financing in primary market for ADC in 1H 24 ”

Source: Frost & Sullivan, Dealogic, PharmaCube, DXY Insight, public news, as of June 30 2024

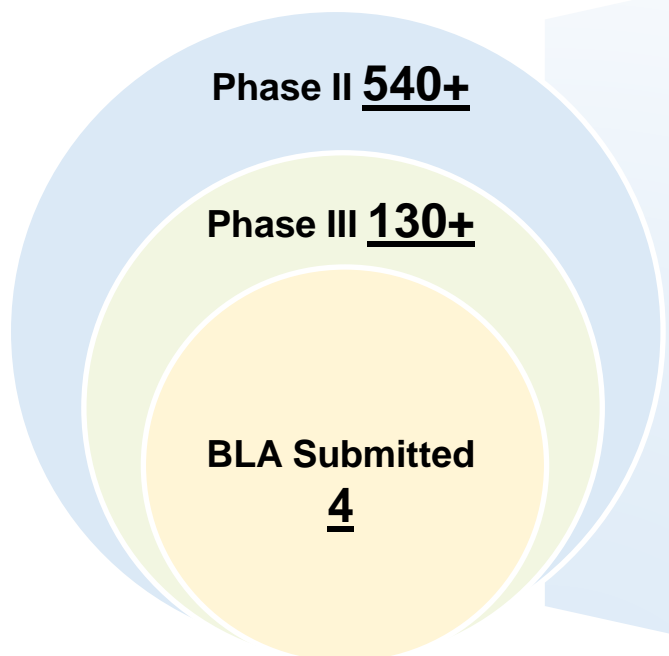
Note:

1. In terms of the deal amount disclosed



# ADC/XDC Global Late Stage Trials with Diversified Targets Continue to Enrich the Pipeline of Next Generation Bioconjugate Drugs

## Global Late Stage Trials in ADC/XDC as of 1H 2024



*Total ~700 Phase II and Above Trials*

### ✓ Among 4 BLA Submissions

- HER2
- TROP2
- HER3

### ✓ Top Targets among 130+ Phase III Trials

- CLDN18.2
- HER3/EGFR
- CDH6
- B7H3
- Nectin-4
- EGFR

### ✓ More Emerging Targets in Phase II

- HER2 bipolaratopic
- ROR1
- c-Met
- LIV-1
- AXL
- MSLN

*With the advancement of late-stage clinical trials, diversified targets under validation bolster the potential approval of differentiated bioconjugate therapies*



# Latest R&D Trends of Bioconjugates: Explore its Application in Different Therapeutic Areas and Expand its Commercial Potential

**1** ADC drugs continue to develop commercial value by expanding into different indications, or advancing to 1L or earlier stage of treatment



Combo

**Go for 1L**

- Trop 2 ADC
- Trop 2 ADC + PD-1 Combo

**2** ADC drugs continue to investigate different targets, and enhance payload diversity and specificity

- HER3, B7-H3, FR $\alpha$ , B7-H4, PTK7, CDH6, MSLN ...
- Bi-specific ADC: EGFR/HER3, EGFR/c-Met
- Dual-payloads, novel payloads

**3** ADC combo with other drugs especially I/O are becoming clinical focus

- ADC+ PD-1
- Bi-specific ADC+PD-1
- 2 ADCs+ PD-1

**4** From ADC to XDC

- From ADC to more diversified bioconjugations, i.e RDC, AOC, PDC, DAC and APC
- And expect more XDCs ...

**5** Bioconjugates are exploring other therapeutic areas beyond oncology

- CNS
- Metabolic health
- Autoimmune
- Rare diseases

AOC= Antibody-oligonucleotide conjugates; PDC=Peptide drug conjugates; DAC=Degrader antibody conjugates; APC=Antibody peptide conjugates

Source: Public news

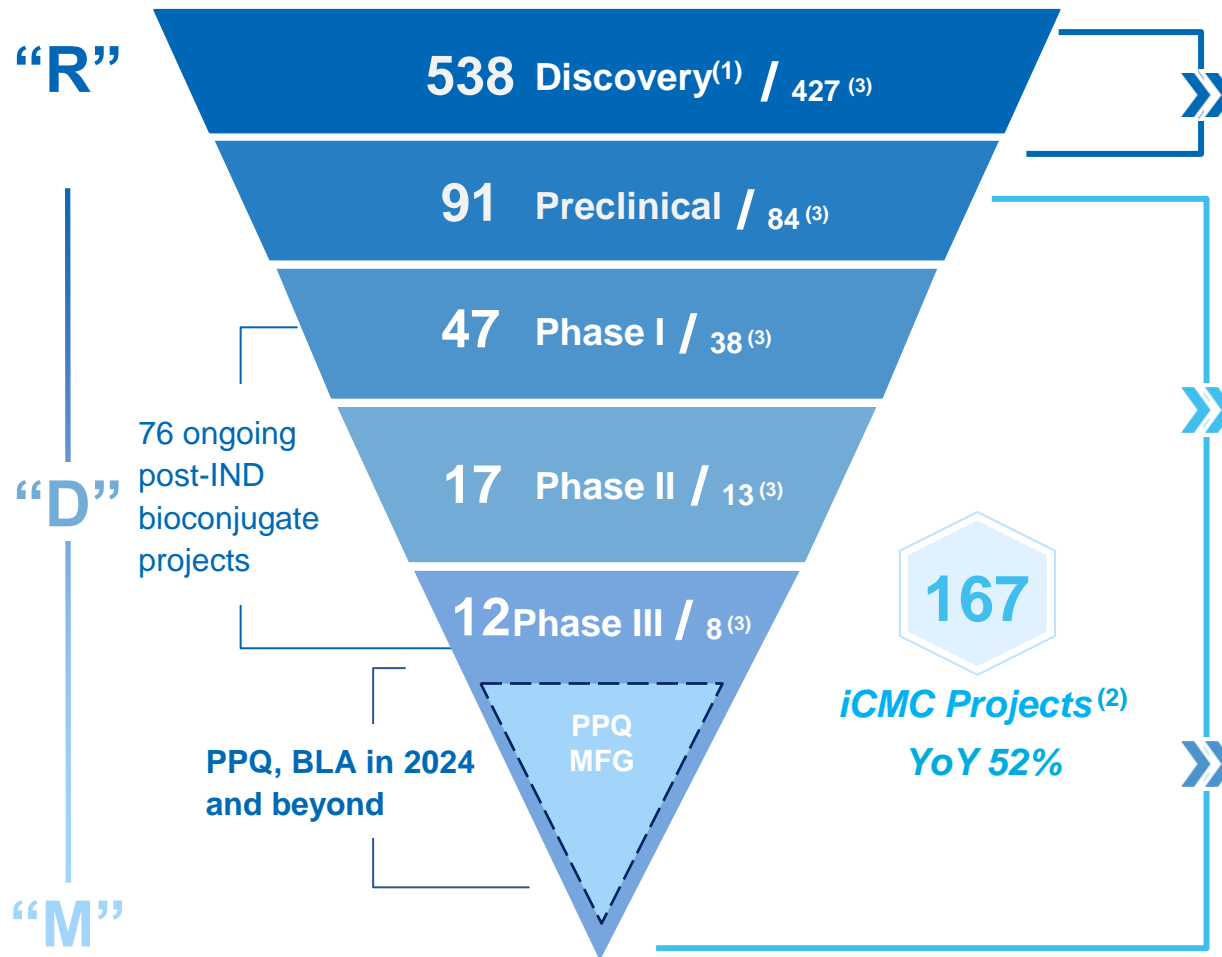
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# Operation and Business Updates

# Our “Enable – Follow – Win” Business Model Continues to Win Customers and Projects Globally

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



### "Research": Enable discovery to PCC

41 projects advanced from discovery to iCMC stage<sup>(1)</sup>

### "Development": Fastest route to IND

Capacity to support 40 INDs each year

Seamless transition between early & late stage PD

**26** new integrated projects signed in 1H 2024

**29** phase II & Phase III projects

### "Manufacturing": PPQ manufacturing

**9** PPQ projects with more potential BLA submissions

Notes:

1. Cumulative number since our inception and as of June 30, 2024;
2. Number of ongoing integrated CMC projects, as of June 30, 2024;
3. The small-sized figures account for the number of projects as at December 31, 2023, save for the number of projects at discovery stage which is cumulative from the Group's inception up until December 31, 2023

# 9 PPQ Projects with Diverse Targets From Global Customers, with Potential Multiple BLA Submissions in 2024 and Beyond

## Global Projects

- Currently signed 9 PPQ high-quality projects from **both MNC and biotech customers**
- Potential multiple **BLA Submissions in U.S. and China**



## 9 PPQ Projects



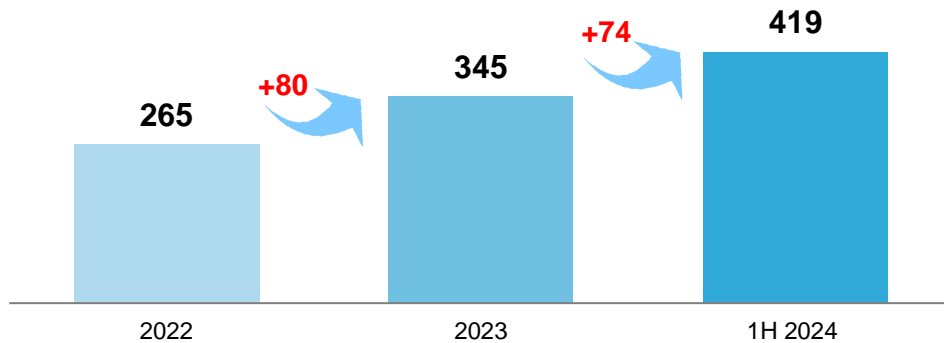
## Diversified Targets

- 9 PPQ projects **cover multiple innovative targets and pay-load linkers**

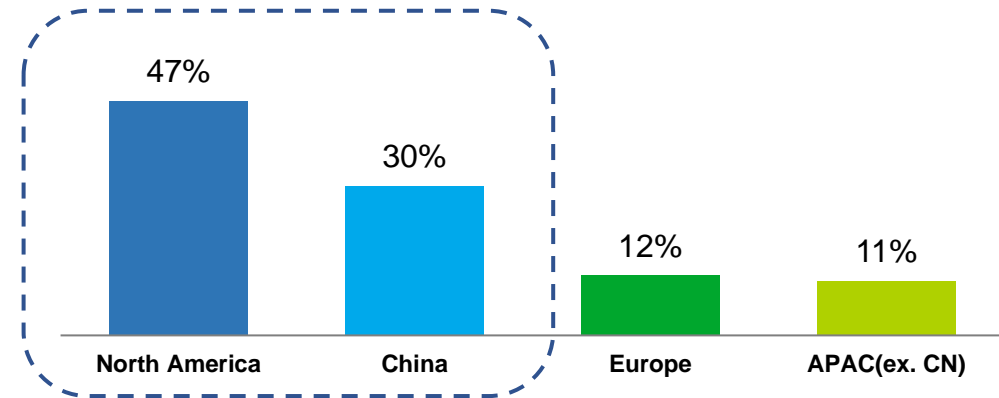
# High Quality and Rich Global Customer Portfolio

## A Fast-Growing Customer Base...

Cumulative



## Geographic Breakdown of New Customers in 1H 2024



## We Continued to Win and Retain High-Quality Customers

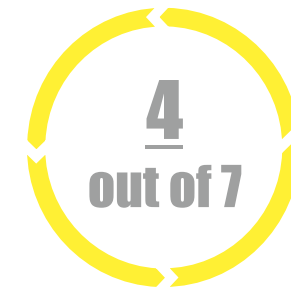
...High Profile and Innovative Global Customer Base



Customers from “**Top 20 Pharmaceutical Companies**” <sup>(1)</sup> <sup>(2)</sup> composing ~29% of 1H 2024 revenue



Customers from “**Top 20 Pharmaceutical Companies**” <sup>(1)</sup> partnered with us in 1H 2024



“ADC Companies to watch” by Clarivate™ partnered with us

# Our Vastly Experienced and Leading Technology Platform: Unmatched Diverse Solutions From 11,000+ Molecules

## Experience

**11,000+**  
Bioconjugate molecules

**1,800+**  
Payload-linkers<sup>(1)</sup>

**1,200+**  
Protein carriers

## Total 705 Diversified Projects ..

### ADC Ongoing Projects

**412**  
*discovery projects* | **152**  
*integrated projects*

### XDC Ongoing Projects

**126**  
*discovery projects* | **15**  
*integrated projects*



## .. With Various Targets and Payload-linker Technologies

### Diversified Targets

- ✓ HER3
- ✓ CLDN6
- ✓ CD30
- ✓ Nectin-4
- ✓ FOLR1
- ✓ CDH6
- ✓ CLDN18.2
- ✓ EGFR /HER3
- ✓ EGFR/c-MET
- ✓ B7-H3
- ✓ EGFR
- ✓ CD70

### Payload & Linker

- ✓ **Strong capabilities** in catalytic hydrogenation, fluid dynamic chemistry and biocatalysis
- ✓ **Unique single source** for the development and synthesis of novel payload-linkers
- ✓ **Green tech** - Flow hydrogenation capability

# Enable Customers With Cutting-edge Conjugation and Payload-Linker Technologies: Innovation by In-house and External Partnerships

- ✓ Enable Customer's Technologies in CMC Development and MFG

**10+**  
**Conjugation technologies**

- Industry leading conjugation development expertise
- Full panel ADC development capabilities

- ✓ In-house Proprietary Conjugation Technology



- Proprietary conjugation technology to improve homogeneity
- Multiple choices of bioconjugation methods
- Common Payloads and Linkers Inventory (non-GMP and GMP)

- ✓ External Partnerships



GeneQuantum Healthcare  
启德医药



- iGDC (intelligent Glycotransferase Dependent Conjugation)
- iLDC (intelligent Ligase Dependent Conjugation)
- Interchain re-bridging technology to achieve DAR4
- Combo with WuXiDAR4 to achieve DAR2



**HySlink**

- Novel payload-linker technologies
- Proprietary T-Moiety linker technologies

***Provide cutting-edge conjugation and payload-linker technologies and/or process development expertise to meet customers' needs***



# Our Global GMP-Compliant Manufacturing Facilities

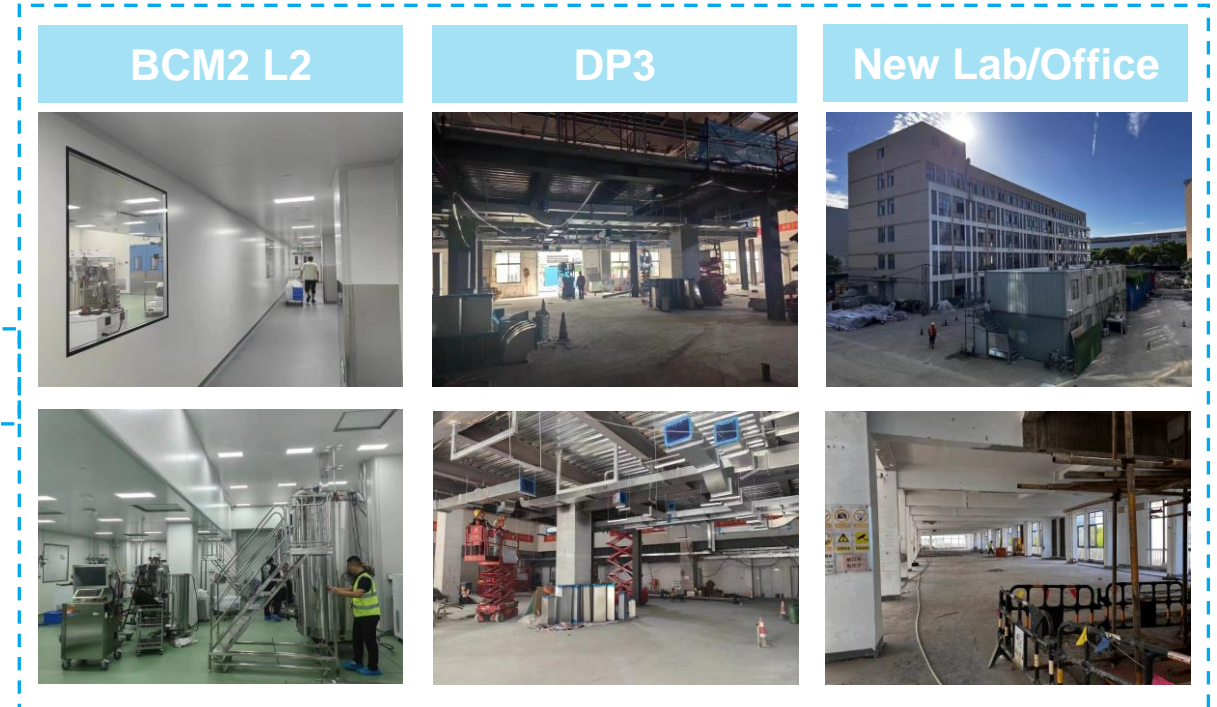


**We are committed to expand our manufacturing capacities globally to meet customer demand and continue to hire and develop talents diligently. Total employees expected to be 2,000+ by end of 2024.**

● Operational      ● Under construction

Note:  
1. As of June 30, 2024

# Wuxi Site: All-in-One Manufacturing Facility Operational and Ramping Up Rapidly



*All-in-One manufacturing facility with expanded capacity and a robust supply chain!*

The 1<sup>st</sup> mAb/DS dual function line (BCM2 L1) launched in Sep 2023, ramped up quickly and reached higher utilization rate already in 1H 2024.

Quickly initiated the build-up of additional mAb/DS (BCM2 L2) and DP (DP3) after BCM2 L1 launch in Sep 2023, responding to strong customer demands globally

Other than BCM2 L2 and DP3, new buildings are under construction to empower us with more office and lab space, and DS&DP production

# Singapore Site: Construction Ongoing as Planned

## Construction Status - June 2024



## Facilities



Singapore's Tuas  
Biomedical Park



22,000 sq meters

## Capacities and Capabilities

### Commercial scale GMP manufacture

- ✓ mAb intermediate: **50 L** to **2,000 L**
- ✓ ADCs / conjugates DS: up to **2,000 L**
- ✓ DP: **8 Mn** vials / year, equipped with one 10 sqm lyo and two 30 sqm lyo units.

## Operational by late 2025/early 2026





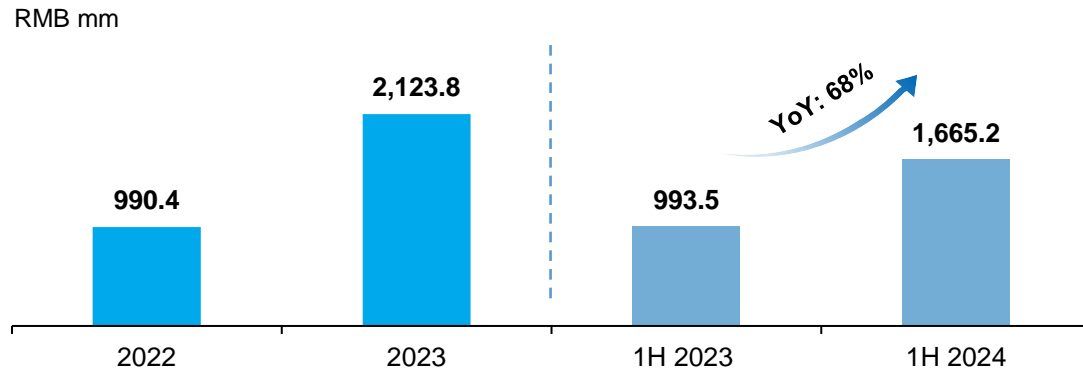
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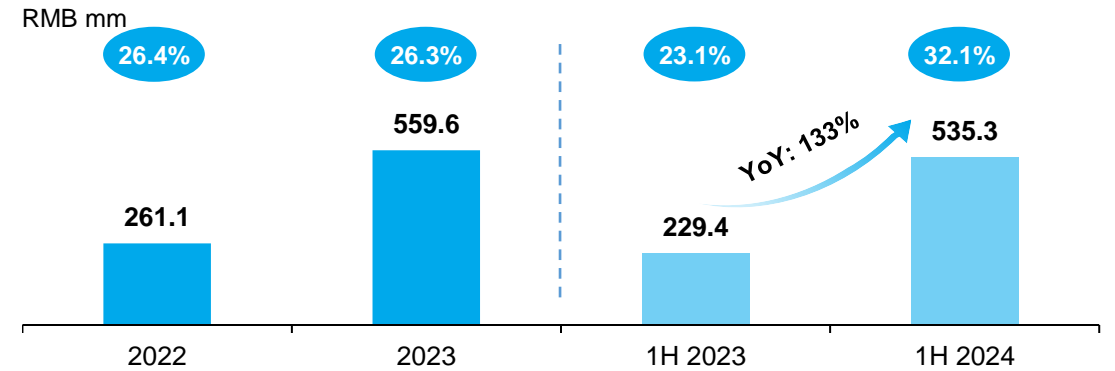
# **Financial Performance**

# Superior Financial Results and Strong Growth Momentum

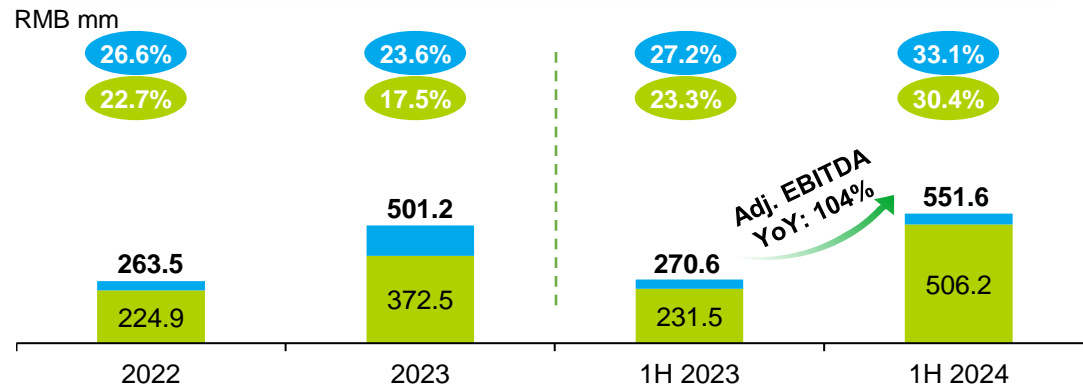
## Revenue



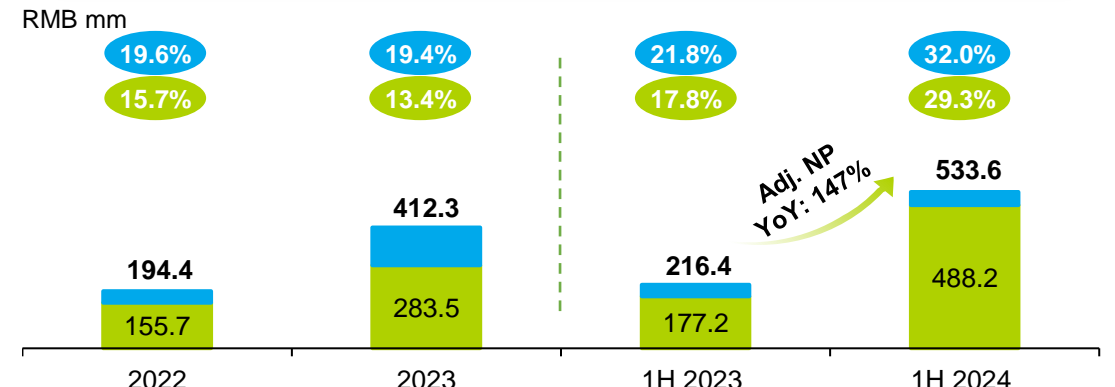
## Gross Profit



## EBITDA<sup>(1)</sup> and Adjusted EBITDA<sup>(2)(3)</sup>



## Net Profit and Adjusted Net Profit<sup>(2)(3)</sup>



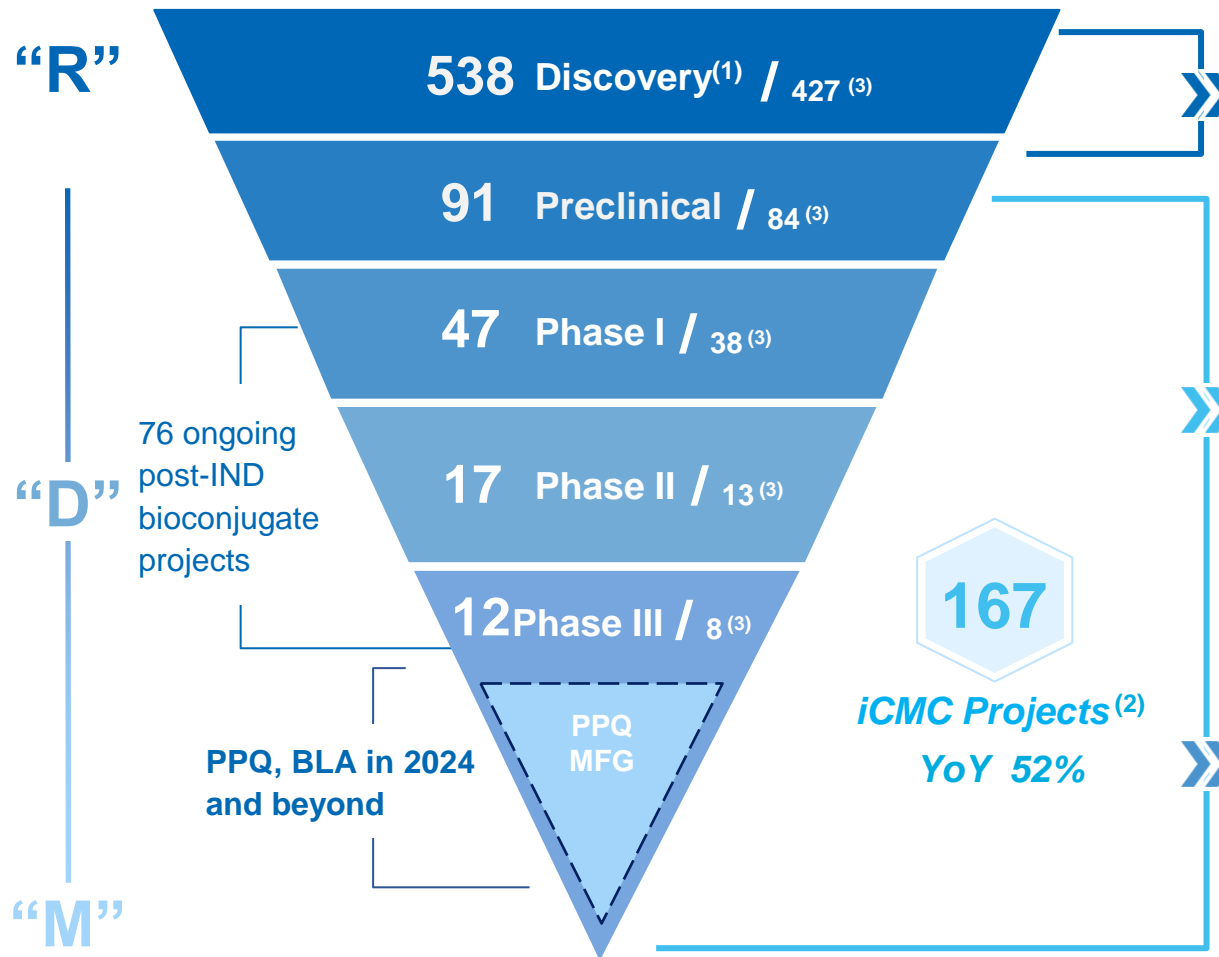
■ Unadjusted    
 ● Unadjusted Margin %    
 ■ Adjusted    
 ● Adjusted Margin %

Notes:

- EBITDA is defined as profit for the period adjusted by adding back depreciation and amortization, income tax expense finance costs and interest income from banks
- Adjusted EBITDA and adjusted net profit is defined as EBITDA and net profit for the period adjusted by adding back share-based compensation and listing expenses
- CAGR and YoY growth stand for Adjusted EBITDA or Adjusted Net Profit

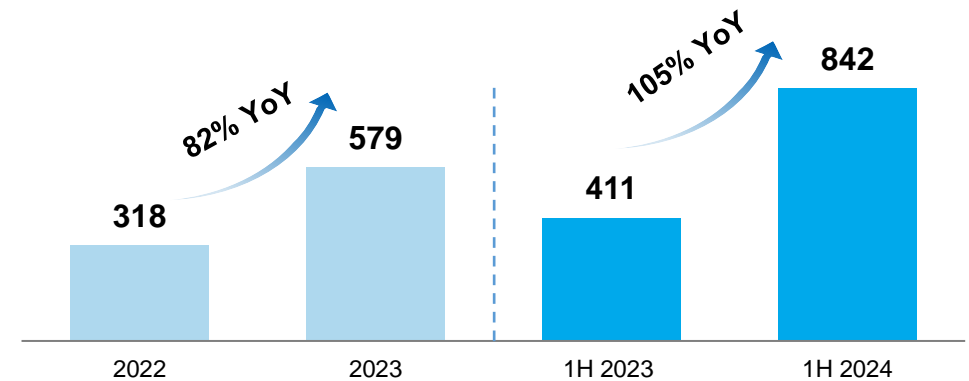
# Continuous Fast Growth of Backlog and Newly Signed Contract Values

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



## Backlog Amount Grew Significantly in 1H 2024

USD mm



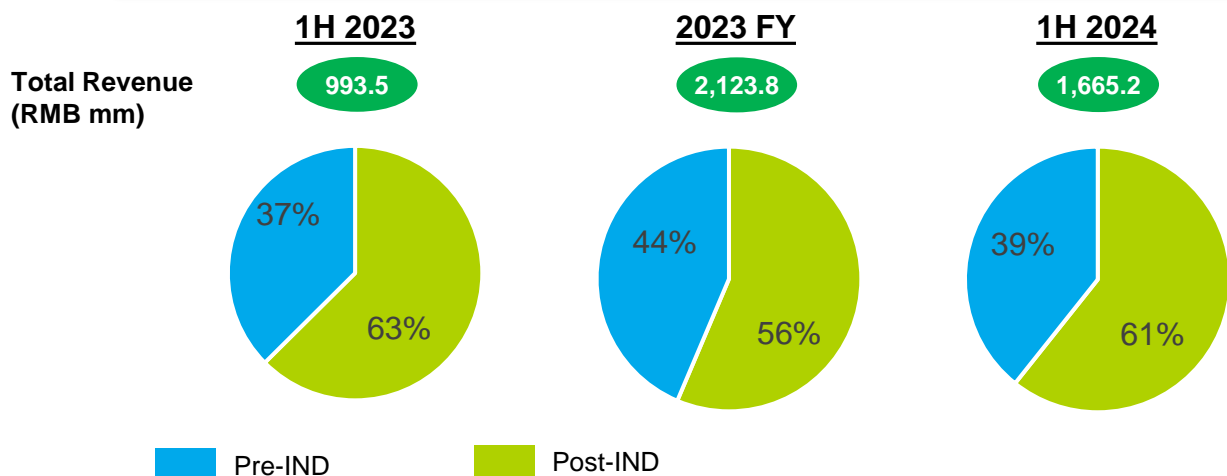
- Backlog achieved over 100% period-on-period growth rate in 1H 2024, aligning with the trend of project signed in Q1 and Q2 of 2024.
- The values of the newly signed contracts in 1H 2024 increased at the similar rate as the backlog growth from period-on-period.

Notes:

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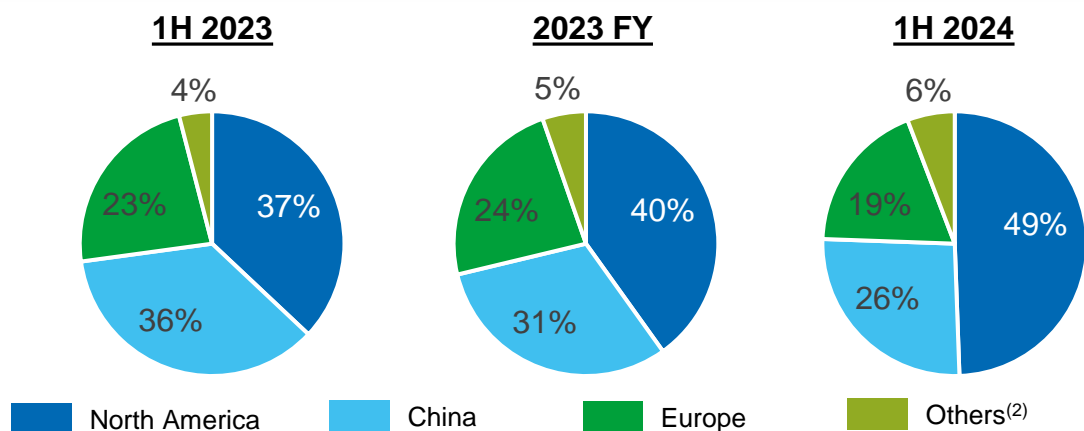
# High Quality Development of Revenue Across All Geographic Regions

## Revenue Percentage by Project Status



- With more projects progressing towards the advanced stage, the revenue from post-IND projects accounts for ~61% of the total revenue in 1H 2024.
- With active out-licensing and M&A activities, we expect more projects to expedite clinical development progress, and ultimately benefit our business.

## Revenue Percentage by Regions



- Our international business continues to grow due to the sustainable growth of the XDC industry.
- We anticipate that the revenue contribution from different regions will remain within a reasonable range.

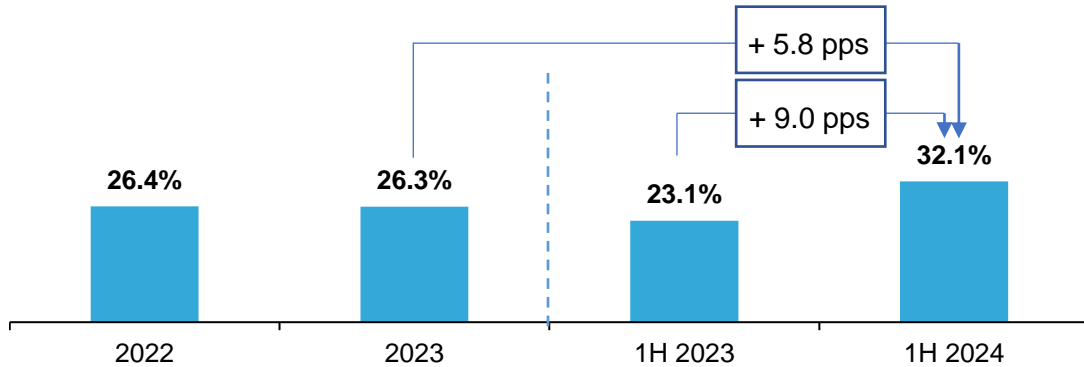
Notes:

1. The Company classifies revenue based on the location of the customers' headquarters
2. Includes primarily countries and regions in Asia (excluding China) and Australia

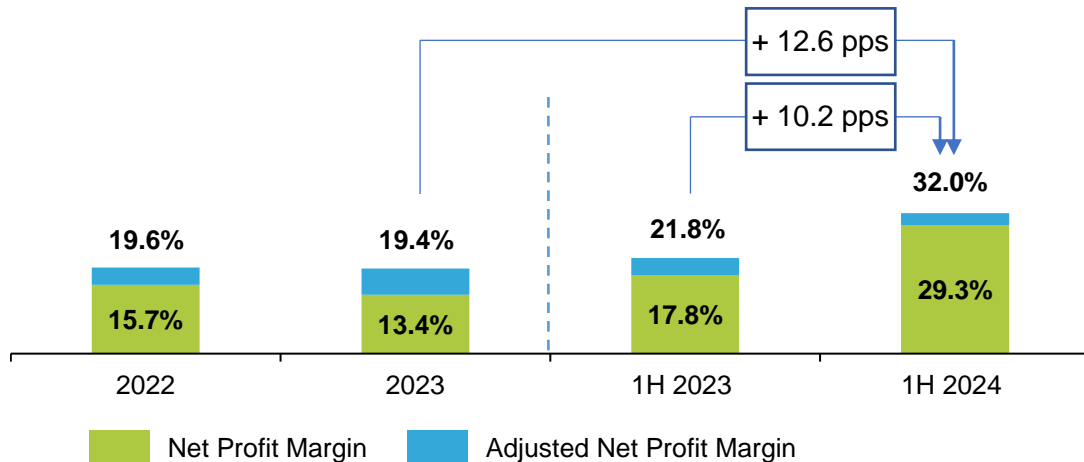


# Continuous Margin Improvement

## Gross Profit Margin Rised by 9.0 pps



## Net Profit Margin and Adj. Net Profit Margin



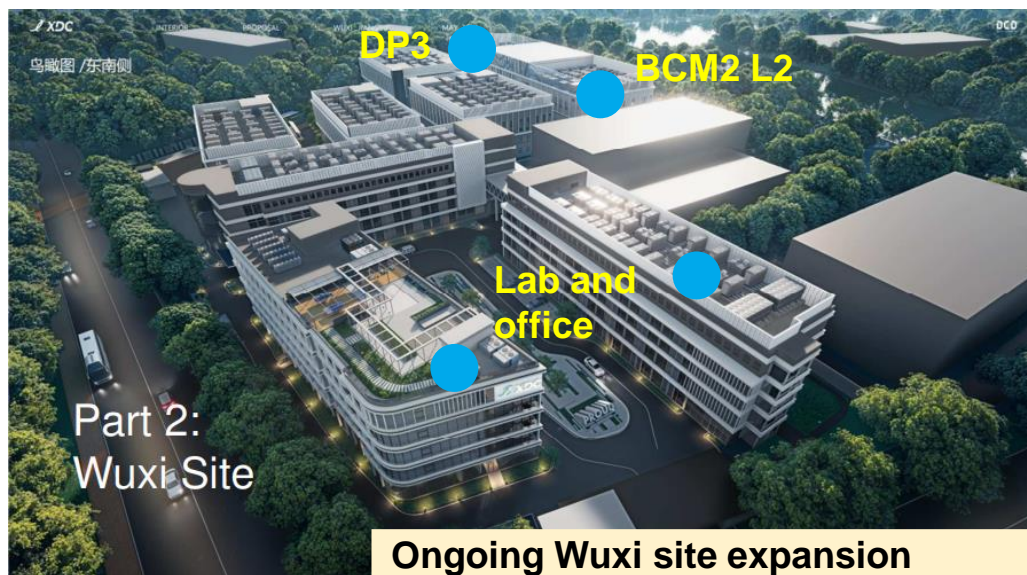
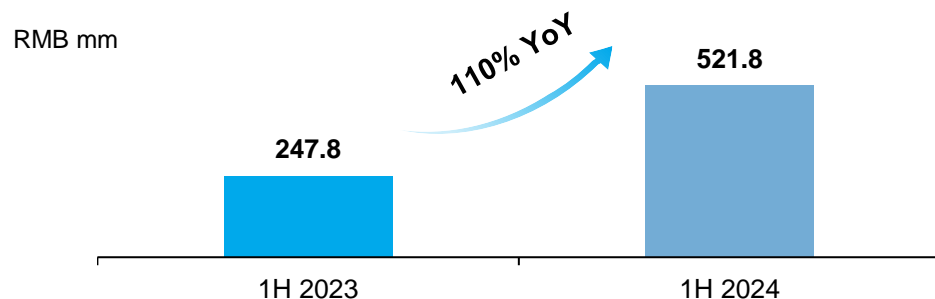
## Improved margins mainly attributed by ...

- Wuxi site facilities ramped up quickly and reached higher utilization ratio both in DS and DP production
- Enhanced overall operation efficiency
- Optimized procurement strategy
- Increased interest income from treasury management

***We expect to continue to improve our margins along with increasing operation scale. Meanwhile, the margin may fluctuate period-on-period due to new capacities online and ramping-up.***

# Capex and Global Facilities' Expansion

## Capex in 1H 2024 vs. 1H 2023



## Singapore Site Construction Progress

- Our modular facility pre-fabrication is well on track and will be delivered to the site in September 2024.
- Overall site construction is progressing smoothly, and we expect the operations to commence by late 2025 or early 2026.

## Wuxi Site Expansion

- Due to the high global downstream demand and PPQ execution requests, we quickly increased the "All-in-One" capacities at the Wuxi site.
- The additional DP line (DP3) will further fill the demand gap and enhance our DP capacities.

mAb/DS (BCM2 L2) by 2024 Q4; DP (DP3) by 2025 Q2



## Projects and Customers

**419**

Global customers cumulatively

**167**

Ongoing iCMC projects, with  
26 newly signed

**29**

Phase II&III projects

**9**

PPQ projects

**We continue to deliver superior performance despite the uncertain macro environment.**



## Financial Highlights

### Revenue

**1,665 Mn RMB, 68% YoY**

### Gross Profit

**535 Mn RMB, 133% YoY**

### Net Profit

**488 Mn RMB, 176% YoY**

### Adj. Net Profit

**534 Mn RMB, 147% YoY**

### Backlog

**842 Mn USD, 105% YoY**

### Margins

#### GPM

**32.1%,  
9.0pps ↑**

#### NPM

**29.3%,  
11.5pps ↑**

#### Adj. NPM

**32.0%,  
10.2pps ↑**

# Appendix

# Consolidated Income Statements

(unaudited) RMB'000	Six months ended June 30,	
	2024	2023
<b>Revenue</b>	1,665,199	993,468
Cost of sales	(1,129,868)	(764,068)
Gross profit	535,331	229,400
Other income	136,424	39,579
Other gains and losses	40,428	4,461
Impairment losses (recognized) reversed, under expected credit loss model, net of reversal	(3,168)	24,382
Selling and marketing expenses	(23,927)	(5,823)
Administrative expenses	(75,529)	(42,739)
Listing expenses	-	(7,374)
Research and development expenses	(47,594)	(29,749)
Finance costs	(249)	(569)
Profit before tax	561,716	211,568
Income tax expenses	(73,488)	(34,354)
<b>Profit for the year/period</b>	<b>488,228</b>	<b>177,214</b>
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain (loss) on hedging instruments designated in cash flow hedges, net of income tax	-	1,146
Exchange gain arising on translation of foreign operations	560	4,635
Other comprehensive income (expense) for the year/period	560	5,781
<b>Total comprehensive income for the year/period</b>	<b>488,788</b>	<b>182,995</b>
<b>Basic Earnings per share (RMB)</b>	<b>0.41</b>	<b>0.18</b>
<b>Diluted Earnings per share (RMB)</b>	<b>0.38</b>	<b>0.17</b>

# Consolidated Balance Sheets

(unaudited)

RMB'000	As at June 30, 2024	Year ended December 31 2023
<b>Non-current assets</b>		
Property, plant and equipment	1,751,579	1,246,234
Investment property	12,207	12,409
Right-of-use assets	18,528	2,145
Goodwill	215,193	215,193
Intangible assets	48,845	52,946
Deferred tax assets	6,677	6,267
Other long-term deposits and prepayments	150	147
<b>Total Non-current assets</b>	<b>2,053,179</b>	<b>1,535,341</b>
<b>Current assets</b>		
Inventories	133,731	46,804
Trade and other receivables	1,392,710	956,412
Contract assets	46,111	31,051
Contract costs	167,666	113,730
Pledged bank deposits	-	4,400
Bank balances and cash	3,476,581	4,047,583
<b>Total current assets</b>	<b>5,216,799</b>	<b>5,199,980</b>
<b>Current liabilities</b>		
Trade and other payables	920,629	915,386
Short-term borrowing	50,000	-
Contract liabilities	234,493	328,322
Income tax payable	55,092	34,455
Lease liabilities	3,287	1,247
<b>Total Current liabilities</b>	<b>1,263,501</b>	<b>1,279,410</b>



## Consolidated Balance Sheets (Cont'd)

(unaudited)  
RMB'000

<b>Net current assets (liabilities)</b>	<b>3,953,298</b>	<b>3,920,570</b>
<b>Total assets less current liabilities</b>	<b>6,006,477</b>	<b>5,455,911</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	-
Lease liabilities	15,365	1,595
<b>Net assets</b>	<b>5,991,112</b>	<b>5,454,316</b>
<b>Capital and reserves</b>		
Share capital	390	390
Reserves	5,990,722	5,453,926
<b>Total equity</b>	<b>5,991,112</b>	<b>5,454,316</b>