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**2 0 2 3**

**Interim Results**



August, 2023



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## Solid Growth of Revenue & Profit

**RMB5.640 bn** revenue, YoY growth of **21.7%**

**GPM 36.1%**, up by **1.3 pts**

**RMB786 mm** net profit, YoY growth of **34.3%**

**RMB932 mm** non-IFRS adjusted net profit, YoY growth of **14.7%**

Excluding the impact of fair value change of biological assets, non-IFRS adjusted net profit increased by **28.7%** YoY

## Global Platform & Customers

**400+** new customers, **2,140+** active customers, including all of the **TOP 20** global pharmas

As of June 30, 2023, total backlog increased by **15%+** compare to that of December 31, 2022

**19,733** employees, including **1,600+** overseas employees. **17,689** scientists & technicians, representing **~90%** of total employees

## Rich Pipeline to Fuel Future Growth

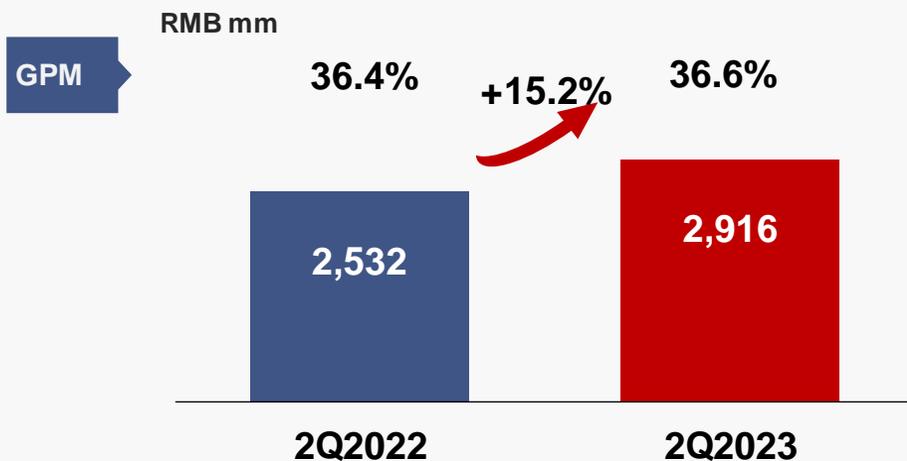
Discovery projects: **650** drug discovery projects, a YoY increase of **~13%**

CMC projects: **29** in validation & commercial, **24** in Ph3, **136** in Ph1/2, **431** in preclinical

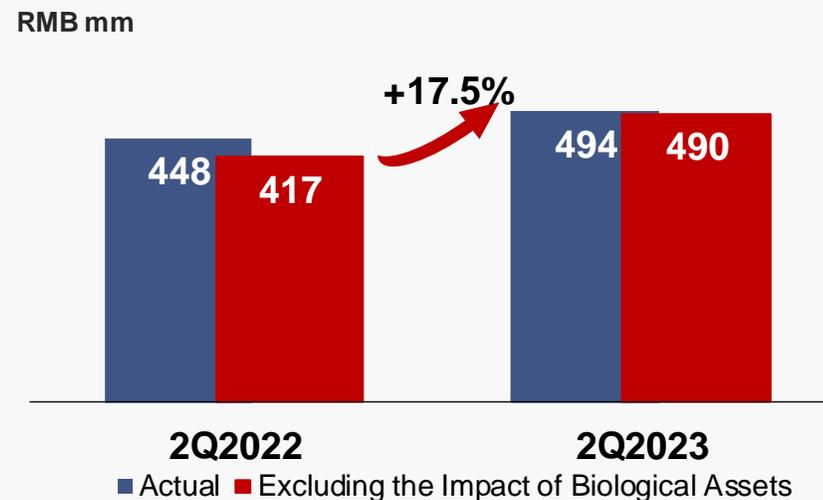
Clinical projects: **912** CRO projects, including **74** in Ph3. **1,400+** SMO projects, CRC team covers **~600** hospitals & clinical trial centers in **~120** cities

CGT projects: **26** release testing projects, including **2** commercial projects. **11** gene therapy CDMO projects, including **2** in Ph3, **7** in Ph1/2, **2** in preclinical

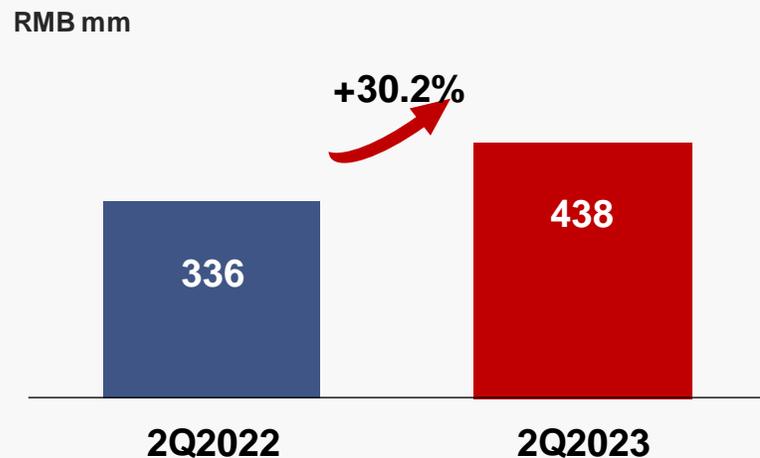
## Revenue & Gross Profit Margin (GPM)



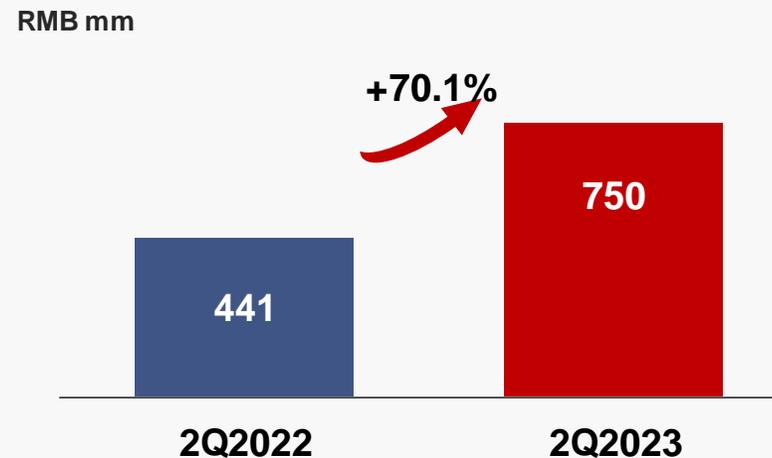
## Non-IFRS Adjusted Net Profit Attributable to Owners of the Company



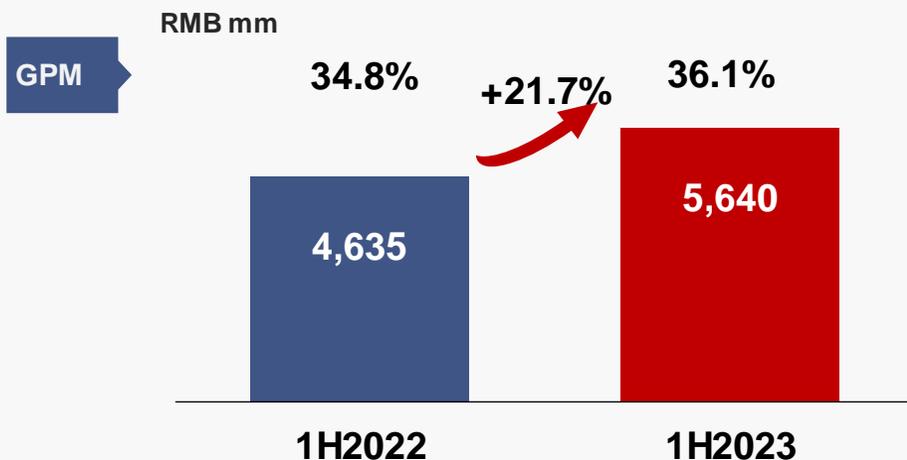
## Net Profit Attributable to Owners of the Company



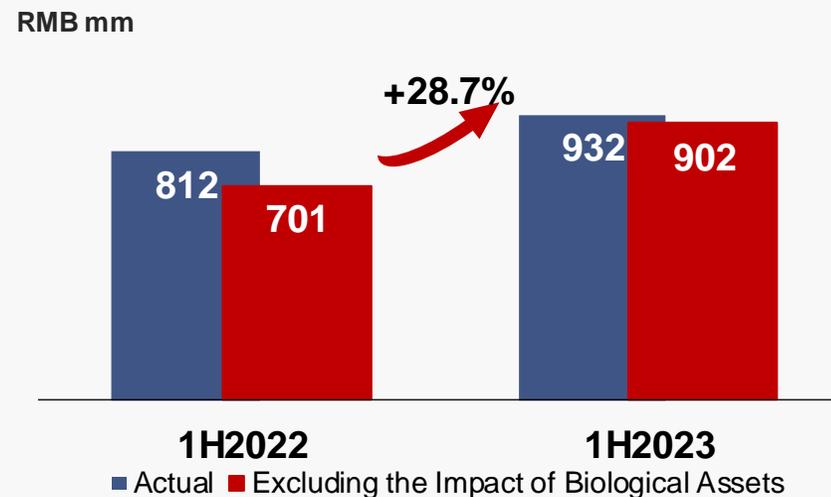
## Net Cash Flows Generated from Operating Activities



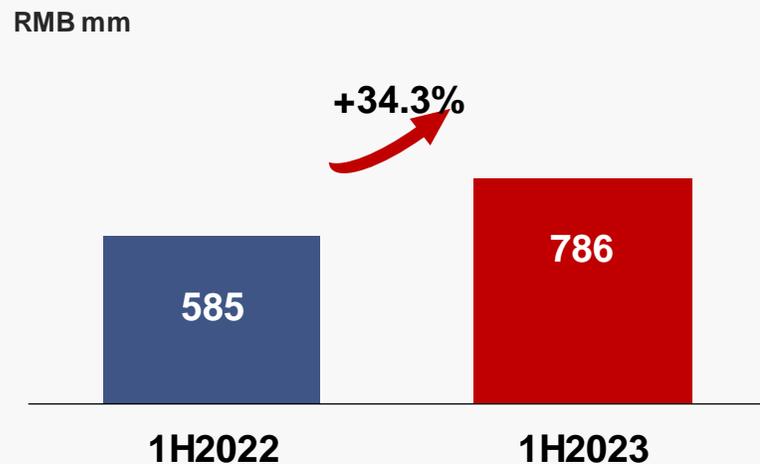
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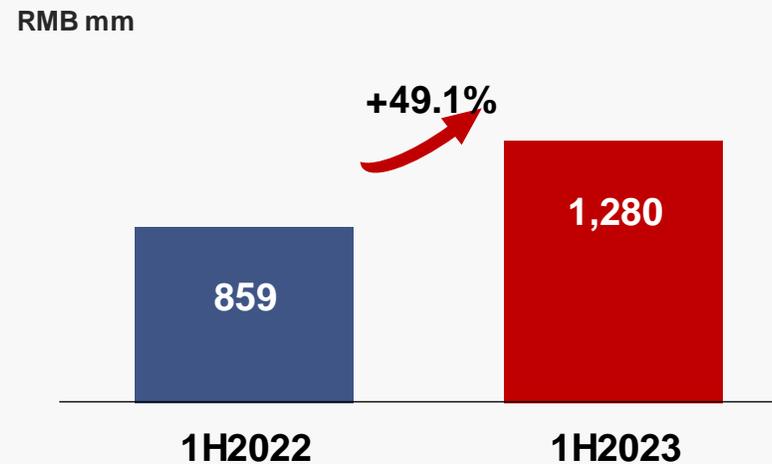
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## Net Profit Attributable to Owners of the Company

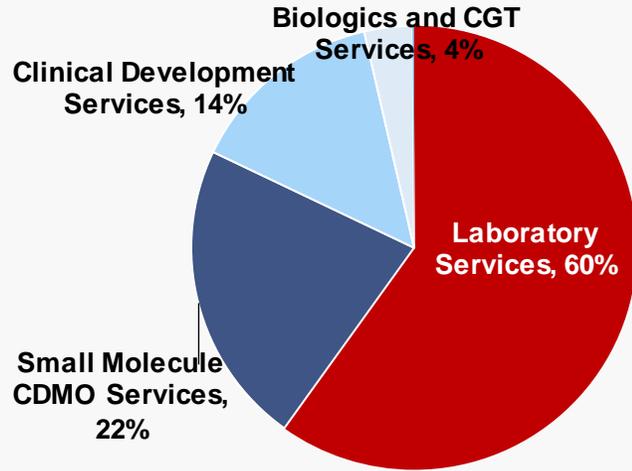


## Net Cash Flows Generated from Operating Activities



## Segments

### Revenue Composition



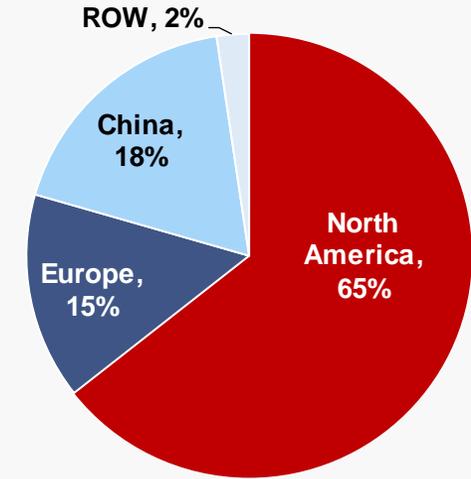
## Global Customers

NA Revenue Grew **20.8%**

EU Revenue Grew **36.5%**

CN Revenue Grew **18.4%**

### Revenue Composition

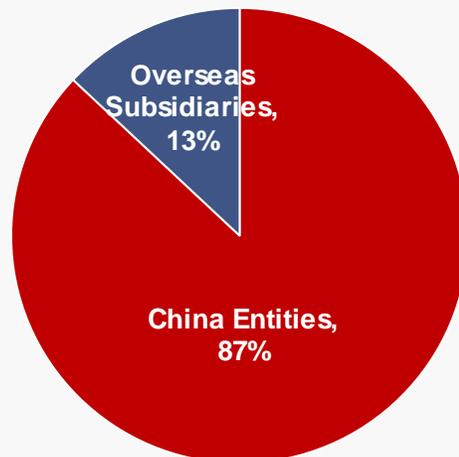


## China/Overseas Entities

### Revenue Composition

China Entities  
Revenue Grew **21.1%**

Overseas Subsidiaries  
Revenue Grew **26.4%**



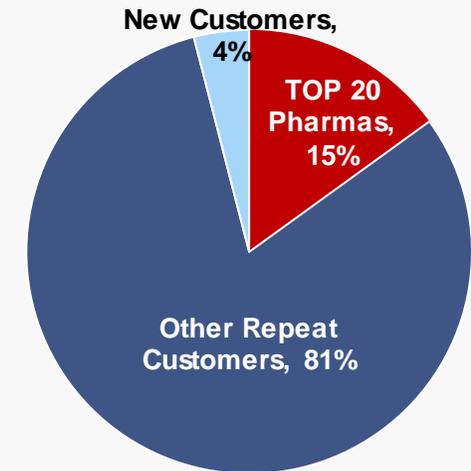
## Diversified Customer Base

TOP 20 Pharmas  
Revenue Grew **27.7%**

Other Repeat Customers  
Revenue Grew **22.0%**

New Customers  
Revenue Contribution **4.0%**

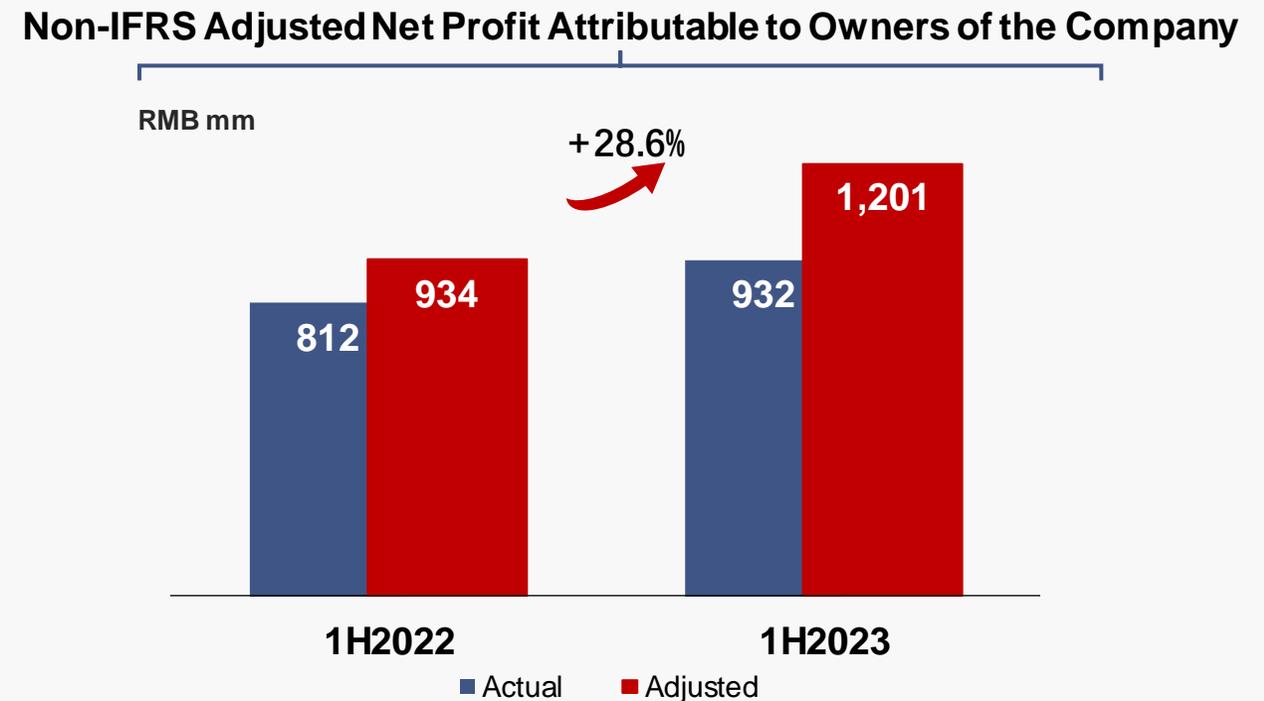
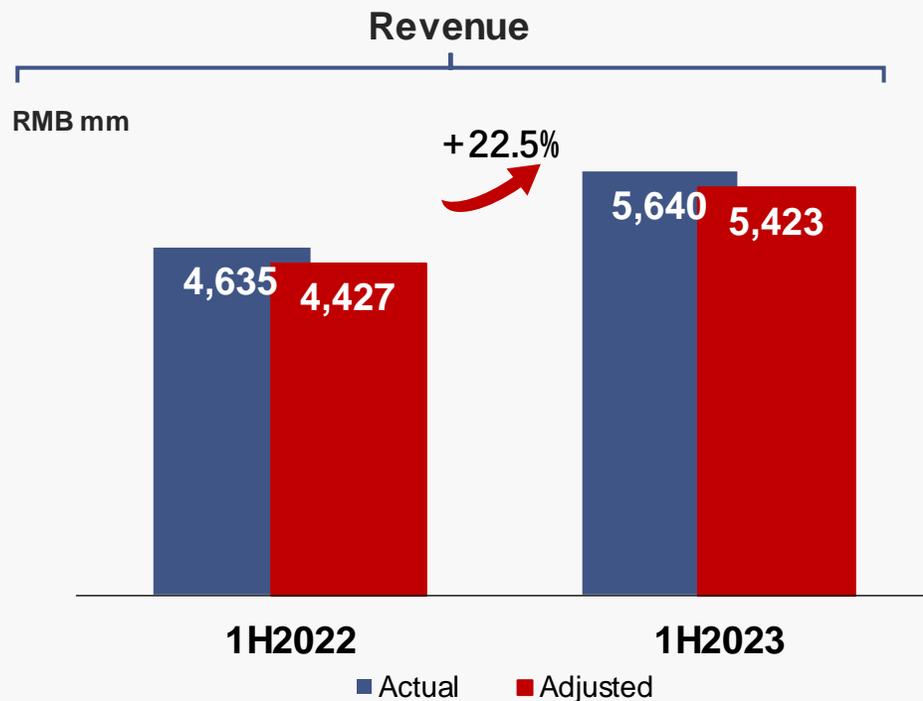
### Revenue Composition



# 1H2023 Strong Non-IFRS Adjusted Net Profit Growth of the Established Segments

**Established Business Segments:** excluding impact from **Biologics and CGT Services** and the addition of **overseas small molecule manufacturing capacities**, **non-IFRS adjusted net profit achieved strong growth**

- Since 2021, we began to build Biologics and CGT Services through internal buildup and external acquisitions
- We have acquired manufacturing sites in UK and US in January and July 2022, respectively



Adjusted numbers exclude the impact of Biologics and CGT Services and Overseas Capacity Layout of CMC (small molecule CDMO) Services

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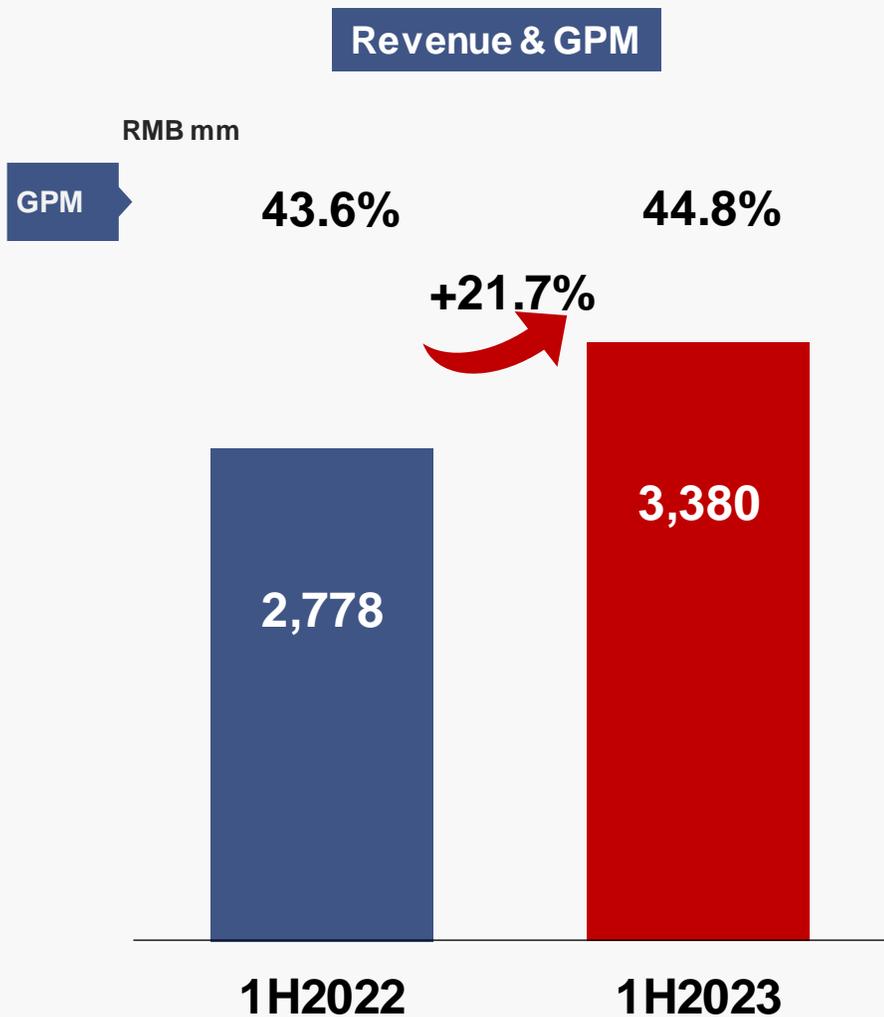
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# 1H2023 Lab Services Achieved Solid Growth & Margin Improvement



~10% revenue growth of lab chemistry services

World leading lab chemistry team with ~6,200 scientists & technicians in China, UK & US



35%+ revenue growth of bioscience services as a result of the synergies with lab chemistry & transfer of external orders. Bioscience services accounting for 51%+ of the segment revenue



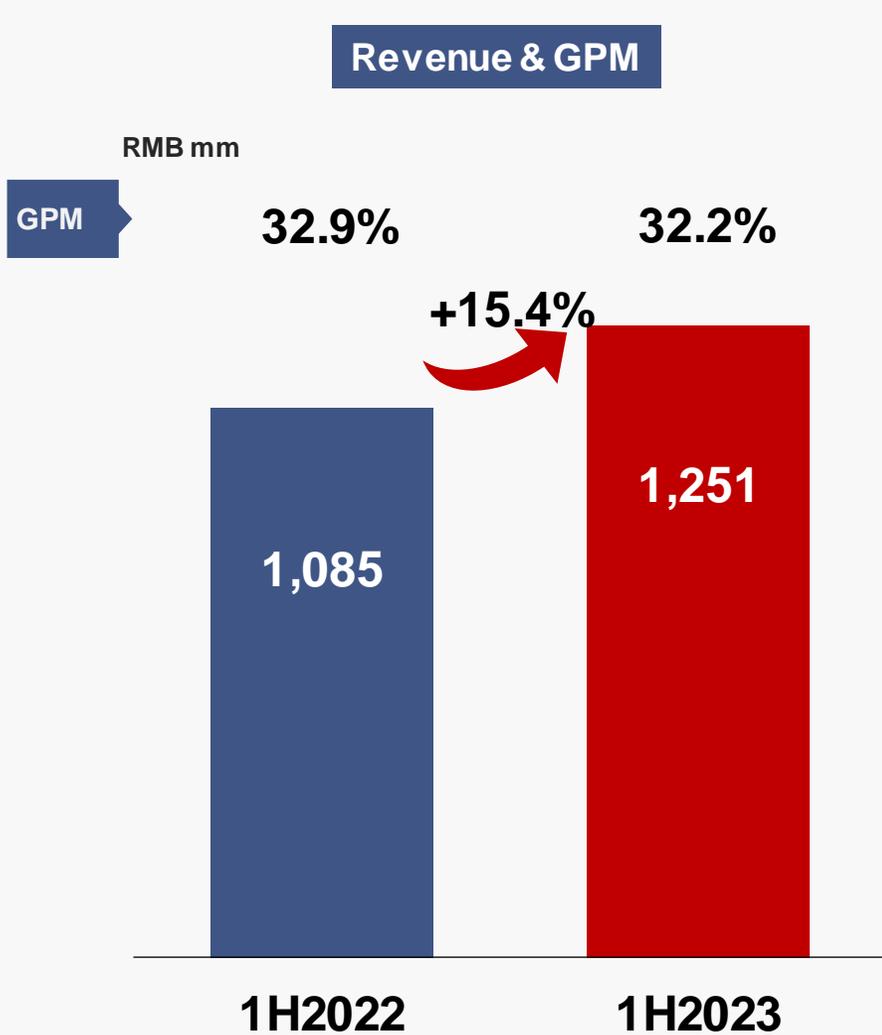
Continued to contribute to the global innovative drug R&D and participated in 650 drug discovery projects, a YoY increase of ~13%



140,000m<sup>2</sup> labs and animal facilities in Ningbo will gradually begin operation in 2H2023

105,000m<sup>2</sup> labs in Xi'an will gradually begin operation in 2024

# 1H2023 CMC Services Maintained Steady Growth & DP Facility Passed PAI



~75% of CMC services revenue came from the existing customers of lab services

Shaoxing facility began operation in 2022 and were headwinds for the GPM in 1H2023



World leading PD team: **1,100+** process chemists in CN & **180+** process chemists in UK

Global capacities: **CN+UK+US** provided customers with flexible and efficient integrated solutions

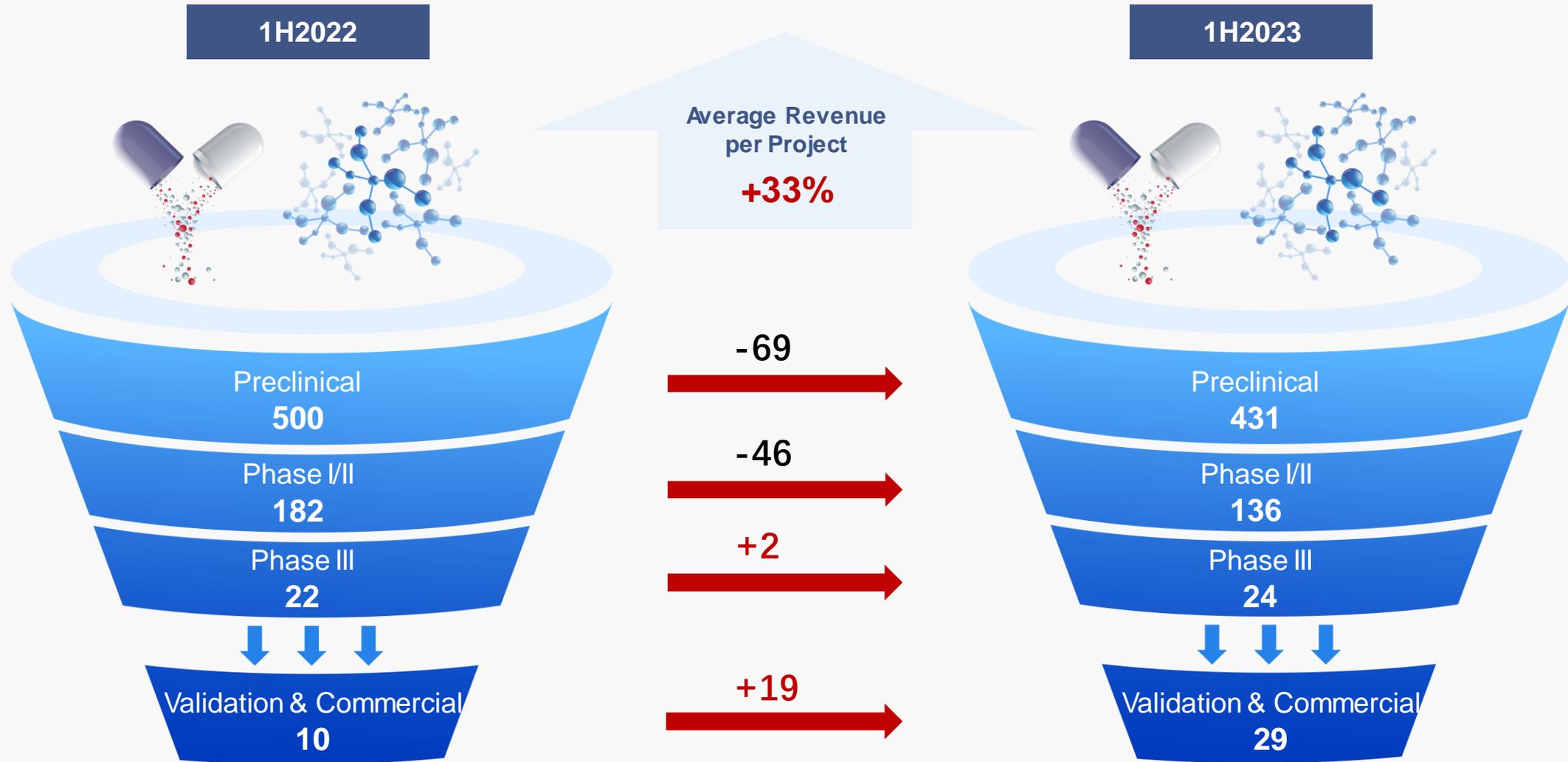


CMC services covered **620** projects, including **29** in validation & commercial, **24** in Ph3, **136** in Ph1/2 & **431** in preclinical

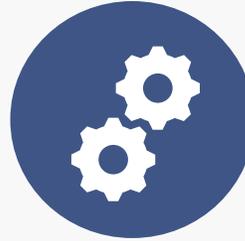
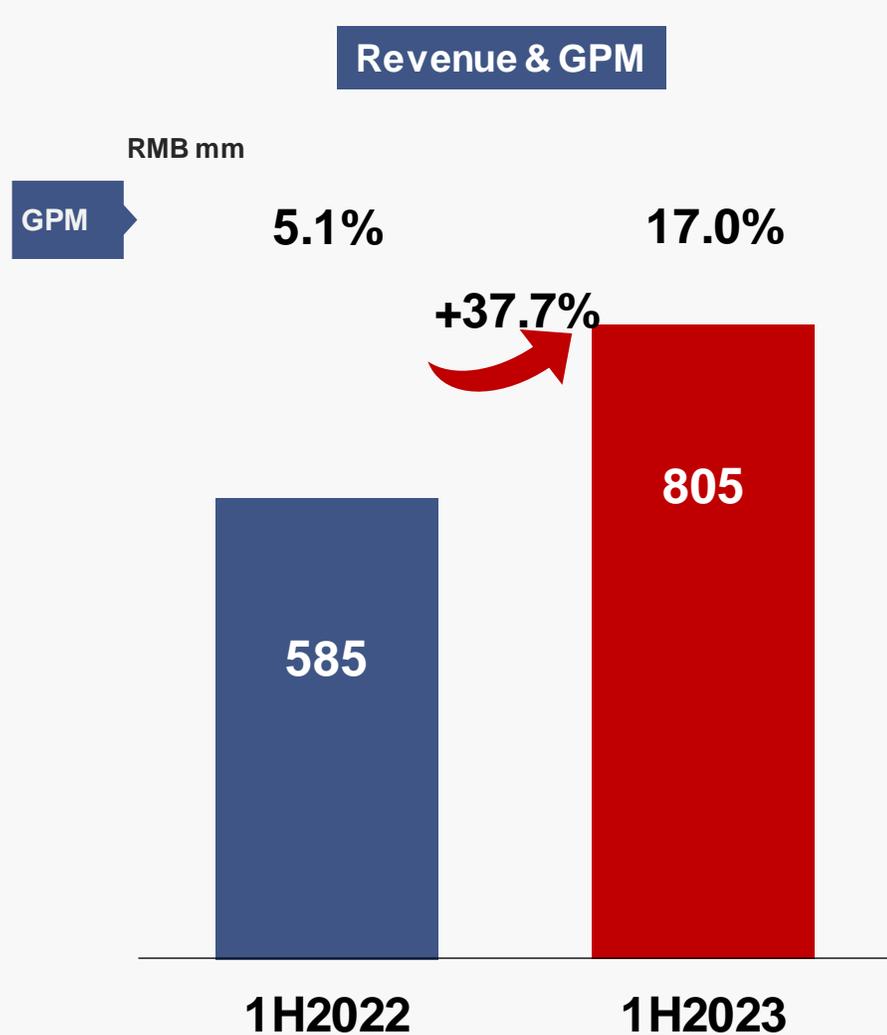


Drug product manufacturing facility in Ningbo passed China NMPA new drug PAI & GMP compliance pre-market inspections. The inspected product is expected to be launched in early 2024

# 1H2023 CMC Projects Continued to Advance to Late Stage



# 1H2023 Clinical Development Services Delivered Robust Growth & Margin Expansion



Pharmaron Clinical's consolidation of the integrated clinical service platform has seen remarkable results and GPM significantly improved by **11.9 pts**



Integration of **CN, UK & US** clinical services capabilities to help overseas customers develop their products in CN and help CN customers develop their products overseas



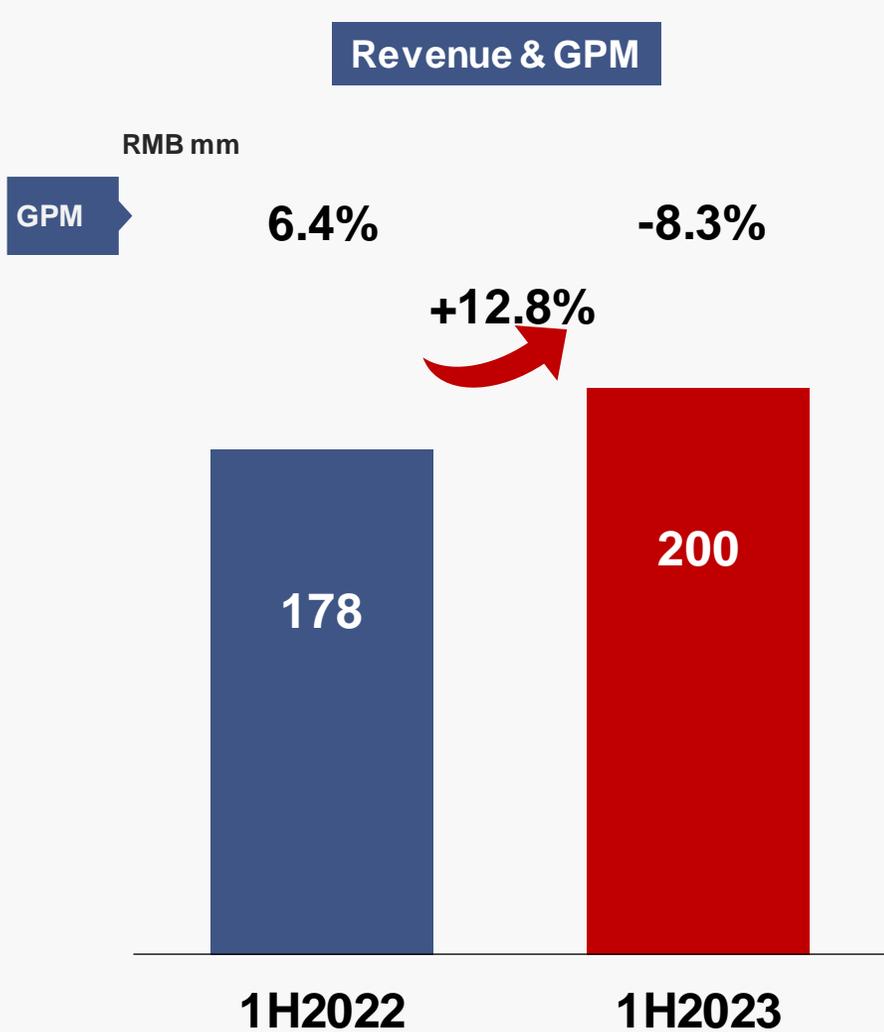
**912** clinical CRO projects, including **74** Ph3 clinical trials, **400** Ph1/2 clinical trials & **438** other clinical trials



**1,400+** SMO projects

CRC team covers **~600** hospitals & clinical trial centers in **~120** cities

# 1H2023 Pharmaron Biologics' Growing Pipeline & Valuation of ~RMB8.55 bn

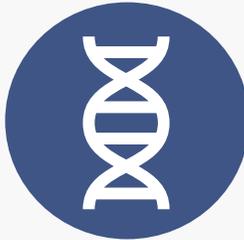


Entered into an equity financing agreement of **~RMB950 mm**, with a post-investment valuation of **~RMB8.55 bn**



**26** CGT analytical release testing projects, including **2** commercial projects

**21** GLP & non-GLP tox studies for CGT products either had been completed or are in progress



**11** gene therapy CDMO projects, including **2** in Ph3, **7** in Ph1/2 & **2** in preclinical



Providing process development services to a global customer's **innovative bispecific antibody** in IND enabling stage & plans to start to provide GMP manufacturing services in 4Q2023

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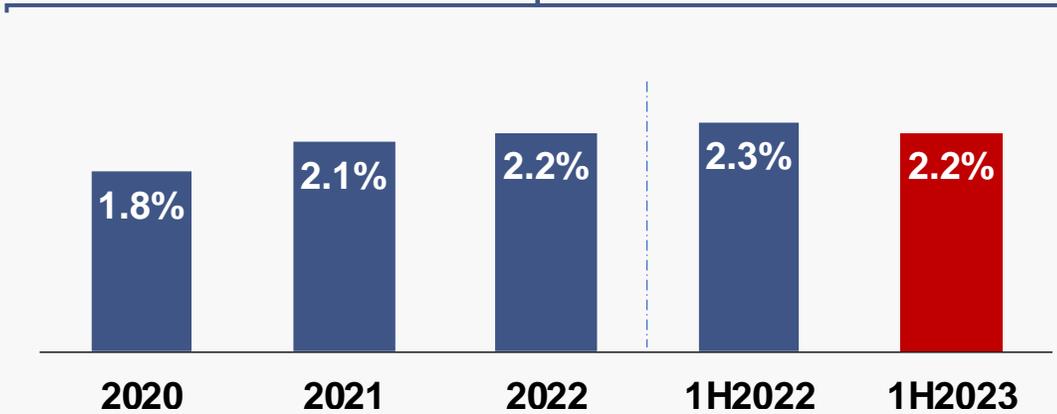
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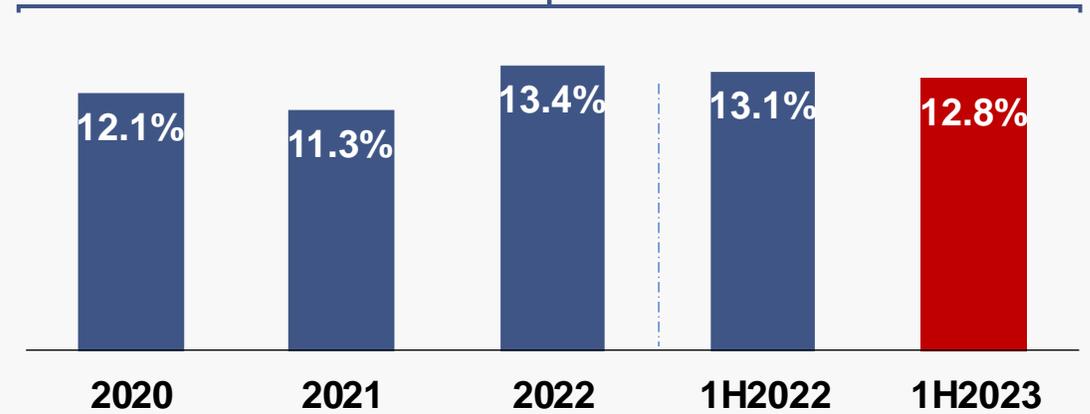
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# 1H2023 Expenses for the Period

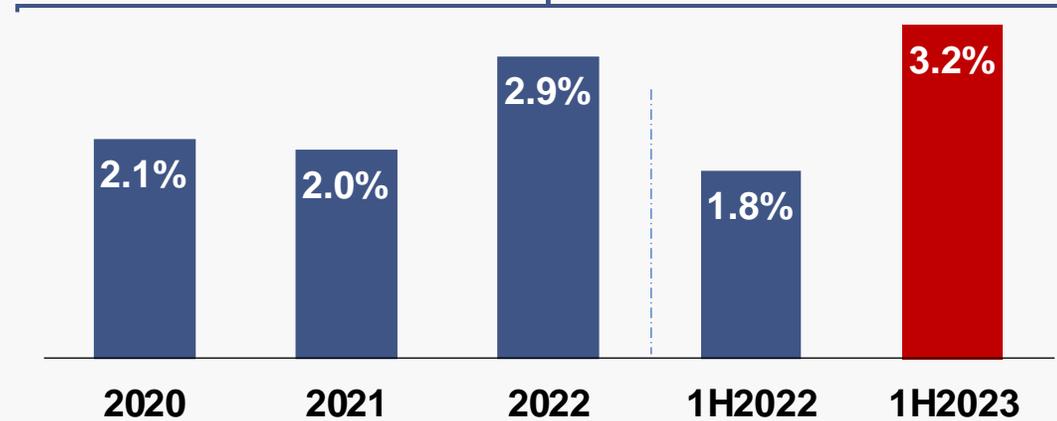
### Selling and Distribution Expenses as % of Total Revenue



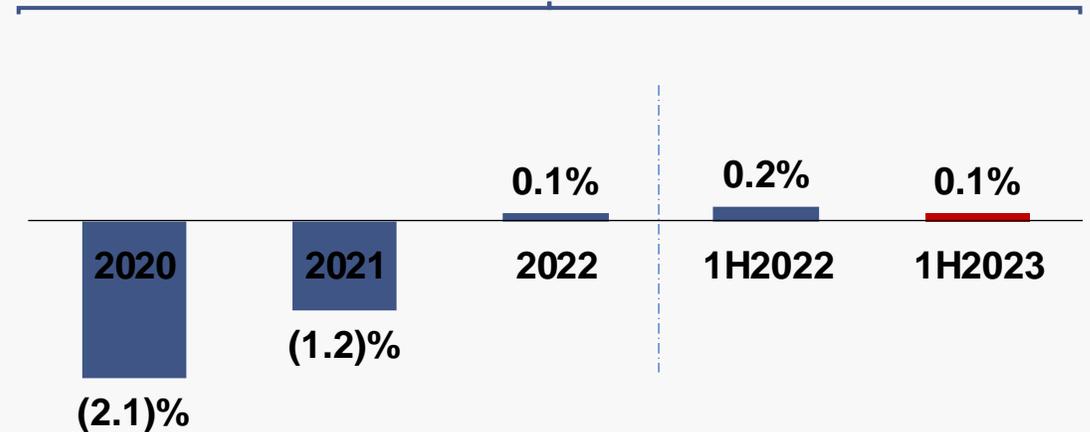
### Administrative Expenses as % of Total Revenue <sup>(1)</sup>



### R&D Costs as % of Total Revenue



### Net Finance Costs as % of Total Revenue <sup>(2)</sup>



1. Excluding share-based compensation expenses recognized in administrative expenses

2. Net finance costs including interest expenses on bank borrowings and lease liabilities, interest income and bank wealth management products related gains or losses

# 1H2023 Non-IFRS Adjusted Net Profit Attributable to Owners of the Company

<b>RMB mm</b>	<b>1H2022</b>	<b>1H2023</b>
<b>Profit attributable to owners of the Company</b>	<b>585</b>	<b>786</b>
Add:		
Share-based compensation expenses	<b>43</b>	<b>110</b>
Convertible Bonds related losses	<b>66</b>	<b>57</b>
Foreign exchange related losses/ (gains)	<b>32</b>	<b>(4)</b>
Realized and unrealized losses/ (gains) from equity investments	<b>86</b>	<b>(17)</b>
<b>Non-IFRS adjusted net profit attributable to owners of the Company</b>	<b>812</b>	<b>932</b>

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The pursuit of health and longevity is eternal, and the global pharmaceutical markets will continue to develop



Fully integrated service platforms can meet the needs of different kinds of customers, improving efficiency, reducing cost and providing flexibility



**We aim to double our revenue by 2025. Profit will grow faster than revenue as a result of economies of scale and improved efficiencies**



THANK YOU