

# WuXi Biologics (2269 HK)

## Robust performance in a challenging environment

Wuxi Bio reported 1H24 revenue of RMB8.57bn, up 1.0% YoY, and adjusted attributable net income of RMB2.25bn, down 20.7% YoY. 1H24 revenue and adjusted attributable net income accounted for 47.9% and 44.5% of our full-year forecasts, moderately higher than the historical levels. If excluding COVID revenue, total revenue in 1H24 would increase by 7.7% YoY, while revenue from late-stage and CMO projects would grow by 11.7% YoY. The company added 61 integrated projects in 1H24, a figure only surpassed by that of 1H22 in its history. Total backlog was maintained stable at US\$20.11bn as of end-1H24 with backlog within three years growing by 4% YoY. Despite the geopolitical uncertainties and the bumpy recovery of global biotech funding, management has reaffirmed its full-year guidance for 2024, expecting high-single-digit growth in both revenue and adjusted attributable net income.

- Robust demand from overseas customers.** In 1H24, WuXi Bio added 61 integrated projects, including 52 in preclinical and 5 in Ph1/2 stages, indicating a recovery in customer demand for early clinical and preclinical biologics development. Additionally, the company signed 3 Ph3 projects and 1 commercial stage project through its "win-the-molecule" strategy in 1H24, followed by additional 4 late-stage clinical and commercial projects with a MNC client in July. These project signings underscore the continued confidence global customers have in WuXi Bio's service capabilities and quality, despite the geopolitical uncertainties. Meanwhile, revenue from North America grew 27.5% YoY in 1H24, contributing 58.4% of the total revenue, with most of the growth driven by demand from the US customers.
- The bioconjugate business emerged as a significant growth driver.** Thanks to the robust demand from global customers, revenue of WuXi XDC grew by 68% YoY in 1H24, with its adjusted net profit surging by 147% YoY. In 1H24, WuXi XDC added 26 integrated projects, bringing the total number of ongoing integrated projects in the pipeline to 167, which included 12 Ph3 projects and 9 PPQ projects. The backlog of XDC business increased by 105% to US\$842mn, with new orders growing at a similar pace. WuXi XDC is expanding facilities in both Singapore and WuXi city to accommodate the rising customer demand.
- Geopolitical uncertainties persist, but so far have limited impact on operations.** Following the proposal of the Biosecure Act in early 2024, only one project indicated an intention to transfer out, underpinning the trust that global customers place in the company. We think WuXi Bio's expanding global CRDMO network will help to retain its customers.
- Maintain BUY.** To reflect the lasting geopolitical uncertainties, we cut our TP from HK\$18.32 to HK\$13.58, based on a 10-year DCF model with WACC of 10.95% and terminal growth of 2.0%. We forecast WuXi Bio's revenue to grow by +4.9%/ +11.7%/ +12.7% YoY and attributable adj. net income to increase by -4.1%/ +11.4%/ +12.5% YoY in 2024E/ 25E/ 26E, respectively.

### Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (RMB mn)	15,269	17,034	17,863	19,958	22,486
YoY growth (%)	48.4	11.6	4.9	11.7	12.7
Adjusted net profit (RMB m)	4,925	4,699	4,508	5,020	5,647
YoY growth (%)	48.5	(4.6)	(4.1)	11.4	12.5
EPS (Adjusted) (RMB)	1.18	1.13	1.09	1.21	1.36
Consensus EPS (RMB)	na	na	0.92	1.07	1.27
P/E (Adjusted) (x)	8.1	8.5	8.8	7.9	7.0

Source: Company data, Bloomberg, CMBIGM estimates

### BUY (Maintain)

Target Price	HK\$13.58
(Previous TP)	HK\$18.32)
Up/Downside	30.6%
Current Price	HK\$10.40

### China Healthcare

**Jill WU, CFA**  
 (852) 3900 0842  
 jillwu@cmbi.com.hk

**Benchen HUANG, CFA**  
 huangbenchen@cmbi.com.hk

### Stock Data

Mkt Cap (HK\$ mn)	43,194.1
Avg 3 mths t/o (HK\$ mn)	516.0
52w High/Low (HK\$)	51.00/10.40
Total Issued Shares (mn)	4153.3

Source: FactSet

### Shareholding Structure

WuXi Biologics Holdings	14.3%
BlackRock	4.5%

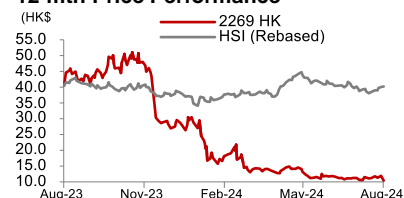
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-7.5%	-7.5%
3-mth	-21.0%	-14.0%
6-mth	-43.5%	-46.4%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

**Figure 1: Earnings revision**

RMB mn	New			Old			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	17,863	19,958	22,486	17,914	20,350	23,185	-0.29%	-1.93%	-3.01%
Gross Profit	7,065	7,934	9,052	7,079	8,193	9,390	-0.19%	-3.16%	-3.60%
Operating Profit	4,692	5,047	5,824	4,728	5,456	6,254	-0.76%	-7.49%	-6.88%
Adjusted net profit	4,508	5,020	5,647	5,052	5,784	6,588	-10.78%	-13.20%	-14.28%
Adjusted EPS (RMB)	1.09	1.21	1.36	1.19	1.36	1.55	-8.80%	-11.12%	-12.28%
Gross Margin	39.55%	39.75%	40.25%	39.52%	40.26%	40.50%	+0.03ppt	-0.51ppt	-0.25ppt
Operating Margin	26.27%	25.29%	25.90%	26.39%	26.81%	26.97%	-0.12ppt	-1.52ppt	-1.07ppt
Adjusted net margin	25.23%	25.15%	25.11%	28.20%	28.43%	28.41%	-2.97ppt	-3.28ppt	-3.30ppt

Source: CMBIGM estimates

**Figure 2: CMBIGM estimates vs consensus**

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	17,863	19,958	22,486	18,097	20,616	23,710	-1.29%	-3.19%	-5.16%
Gross Profit	7,065	7,934	9,052	7,366	8,536	10,018	-4.08%	-7.05%	-9.65%
Operating Profit	4,692	5,047	5,824	4,645	5,406	6,326	1.01%	-6.63%	-7.94%
Adjusted net profit	4,508	5,020	5,647	4,094	4,783	5,686	10.10%	4.96%	-0.69%
Adjusted EPS (RMB)	1.09	1.21	1.36	0.92	1.07	1.27	17.97%	13.29%	6.81%
Gross Margin	39.55%	39.75%	40.25%	40.70%	41.40%	42.25%	-1.15ppt	-1.65ppt	-2.00ppt
Operating Margin	26.27%	25.29%	25.90%	25.67%	26.22%	26.68%	+0.60ppt	-0.93ppt	-0.78ppt
Adjusted net margin	25.23%	25.15%	25.11%	22.62%	23.20%	23.98%	+2.61ppt	+1.95ppt	+1.13ppt

Source: Bloomberg, CMBIGM estimates

**Figure 3: Valuation on risk-adjusted DCF valuation**

DCF Valuation (in RMB mn)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EBIT	3,844	4,941	5,695	6,321	6,953	7,579	8,185	8,758	9,284	9,748
Tax rate	11.36%	11.36%	11.36%	11.36%	11.36%	11.36%	11.36%	11.36%	11.36%	11.36%
EBIT*(1-tax rate)	3,408	4,379	5,048	5,603	6,164	6,718	7,256	7,764	8,229	8,641
+ D&A	1,259	1,393	1,525	1,692	1,862	2,029	2,192	2,345	2,486	2,610
- Change in working capital	184	(579)	(689)	(765)	(842)	(918)	(991)	(1,060)	(1,124)	(1,180)
- Capex	(4,800)	(5,000)	(5,000)	(4,500)	(4,050)	(3,645)	(3,281)	(2,952)	(2,657)	(2,391)
<b>FCFF</b>	<b>51</b>	<b>193</b>	<b>883</b>	<b>2,031</b>	<b>3,134</b>	<b>4,185</b>	<b>5,176</b>	<b>6,096</b>	<b>6,934</b>	<b>7,679</b>
<b>Terminal value</b>										<b>87,569</b>

<b>Terminal growth rate</b>	<b>2.00%</b>
<b>WACC</b>	<b>10.95%</b>
Cost of Equity	14.55%
Cost of Debt	5.00%
Equity Beta	1.10
Risk Free Rate	3.00%
Market Risk Premium	10.50%
Target Debt to Asset ratio	35.00%
Effective Corporate Tax Rate	15.00%

Terminal value (RMB mn)	30,994
Total PV (RMB mn)	47,890
Net debt (RMB mn)	(3,997)
Equity value (RMB mn)	51,887
# of shares (mn)	4,153
Price per share (RMB per share)	12.49
<b>Price per share (HK\$ per share)</b>	<b>13.58</b>

Source: CMBIGM estimates. HK\$/RMB=0.92

**Figure 4: Sensitivity analysis of DCF model**

		WACC				
		9.95%	10.45%	10.95%	11.45%	11.95%
Terminal growth rate	4.00%	19.39	17.62	16.12	14.83	13.71
	3.50%	18.27	16.70	15.36	14.19	13.16
	2.00%	15.76	14.60	<b>13.58</b>	12.67	11.86
	2.50%	16.49	15.21	14.10	13.12	12.25
	2.00%	15.76	14.60	13.58	12.67	11.86

Source: CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Revenue	10,290	15,269	17,034	17,863	19,958	22,486
Cost of goods sold	(5,461)	(8,545)	(10,206)	(10,797)	(12,024)	(13,435)
<b>Gross profit</b>	<b>4,829</b>	<b>6,724</b>	<b>6,828</b>	<b>7,065</b>	<b>7,934</b>	<b>9,052</b>
<b>Operating expenses</b>	<b>(1,306)</b>	<b>(1,810)</b>	<b>(2,159)</b>	<b>(2,373)</b>	<b>(2,887)</b>	<b>(3,228)</b>
Selling expense	(125)	(163)	(294)	(502)	(581)	(632)
Admin expense	(876)	(1,270)	(1,495)	(1,590)	(1,757)	(1,957)
R&D expense	(502)	(683)	(786)	(808)	(902)	(1,016)
Others	197	305	417	527	353	377
<b>Operating profit</b>	<b>3,523</b>	<b>4,914</b>	<b>4,669</b>	<b>4,692</b>	<b>5,047</b>	<b>5,824</b>
Share of (losses)/profits of associates/JV	0	0	0	0	0	0
<b>Net interest income/(expense)</b>	<b>(39)</b>	<b>(64)</b>	<b>(158)</b>	<b>(136)</b>	<b>(143)</b>	<b>(134)</b>
Others	509	508	(337)	(544)	100	100
<b>Pre-tax profit</b>	<b>3,993</b>	<b>5,358</b>	<b>4,174</b>	<b>4,012</b>	<b>5,005</b>	<b>5,790</b>
Income tax	(485)	(808)	(603)	(456)	(568)	(658)
<b>After tax profit</b>	<b>3,509</b>	<b>4,550</b>	<b>3,571</b>	<b>3,556</b>	<b>4,436</b>	<b>5,133</b>
Minority interest	(120)	(130)	(171)	(569)	(732)	(873)
<b>Net profit</b>	<b>3,388</b>	<b>4,420</b>	<b>3,400</b>	<b>2,987</b>	<b>3,704</b>	<b>4,260</b>
<b>Adjusted net profit</b>	<b>3,316</b>	<b>4,925</b>	<b>4,699</b>	<b>4,508</b>	<b>5,020</b>	<b>5,647</b>
BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
<b>Current assets</b>	<b>19,530</b>	<b>18,470</b>	<b>21,198</b>	<b>19,993</b>	<b>22,600</b>	<b>26,161</b>
Cash & equivalents	9,003	6,395	9,670	8,218	9,884	12,339
Account receivables	4,857	5,610	6,293	6,094	6,645	7,302
Inventories	1,687	2,281	1,766	2,141	2,384	2,663
ST bank deposits	1,148	304	340	340	340	340
Financial assets at FVTPL	976	2,015	1,234	1,234	1,234	1,234
Other current assets	1,859	1,864	1,896	1,967	2,114	2,283
<b>Non-current assets</b>	<b>24,503</b>	<b>31,095</b>	<b>35,377</b>	<b>38,918</b>	<b>42,526</b>	<b>46,001</b>
PP&E	18,065	24,171	27,378	31,153	34,996	38,706
Deferred income tax	221	223	236	236	236	236
Investment in JVs & assos	752	1,582	1,394	1,394	1,394	1,394
Intangibles	601	549	512	451	390	329
Goodwill	1,530	1,530	1,530	1,530	1,530	1,530
Financial assets at FVTPL	1,356	1,086	1,519	1,519	1,519	1,519
Other non-current assets	1,978	1,955	2,809	2,636	2,462	2,288
<b>Total assets</b>	<b>44,033</b>	<b>49,564</b>	<b>56,576</b>	<b>58,912</b>	<b>65,126</b>	<b>72,162</b>
<b>Current liabilities</b>	<b>8,256</b>	<b>9,319</b>	<b>7,636</b>	<b>8,067</b>	<b>8,429</b>	<b>8,846</b>
Short-term borrowings	2,122	1,321	576	576	576	576
Account payables	3,698	3,269	2,756	3,187	3,549	3,965
Tax payable	558	774	619	619	619	619
Other current liabilities	1,775	3,805	3,530	3,530	3,530	3,530
Lease liabilities	104	149	155	155	155	155
<b>Non-current liabilities</b>	<b>3,071</b>	<b>4,033</b>	<b>4,922</b>	<b>4,922</b>	<b>4,922</b>	<b>4,922</b>
Long-term borrowings	641	1,462	1,571	1,571	1,571	1,571
Obligations under finance leases	1,429	1,490	2,259	2,259	2,259	2,259
Deferred income	224	238	258	258	258	258
Other non-current liabilities	777	844	834	834	834	834
<b>Total liabilities</b>	<b>11,326</b>	<b>13,351</b>	<b>12,558</b>	<b>12,989</b>	<b>13,351</b>	<b>13,767</b>
Share capital	0	0	0	0	0	0
Capital surplus	32,278	35,047	40,331	41,667	46,788	52,535
<b>Total shareholders equity</b>	<b>32,279</b>	<b>35,047</b>	<b>40,332</b>	<b>41,667</b>	<b>46,788</b>	<b>52,535</b>
Minority interest	428	1,166	3,686	4,255	4,987	5,860
<b>Total equity and liabilities</b>	<b>32,706</b>	<b>36,213</b>	<b>44,018</b>	<b>45,923</b>	<b>51,775</b>	<b>58,395</b>

<b>CASH FLOW</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	3,993	5,358	4,174	4,012	5,005	5,790
Depreciation & amortization	482	801	1,169	1,259	1,393	1,525
Tax paid	(350)	(586)	(783)	(456)	(568)	(658)
Change in working capital	(963)	(974)	(896)	184	(579)	(689)
Others	270	943	1,003	1,157	1,326	1,363
<b>Net cash from operations</b>	<b>3,431</b>	<b>5,542</b>	<b>4,668</b>	<b>6,157</b>	<b>6,576</b>	<b>7,331</b>
<b>Investing</b>						
Capital expenditure	(6,508)	(5,868)	(4,046)	(4,800)	(5,000)	(5,000)
Acquisition of subsidiaries/ investments	(2,535)	(281)	0	0	0	0
Others	(559)	241	817	304	207	229
<b>Net cash from investing</b>	<b>(9,602)</b>	<b>(5,908)</b>	<b>(3,228)</b>	<b>(4,496)</b>	<b>(4,793)</b>	<b>(4,771)</b>
<b>Financing</b>						
Net borrowings	(53)	(174)	(705)	0	0	0
Proceeds from share issues	10,978	0	0	0	0	0
Others	(2,715)	(2,418)	2,666	(3,112)	(117)	(106)
<b>Net cash from financing</b>	<b>8,209</b>	<b>(2,592)</b>	<b>1,961</b>	<b>(3,112)</b>	<b>(117)</b>	<b>(106)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	7,096	9,003	6,395	9,670	8,218	9,884
Exchange difference	(132)	350	(126)	0	0	0
<b>Cash at the end of the year</b>	<b>9,003</b>	<b>6,395</b>	<b>9,670</b>	<b>8,218</b>	<b>9,884</b>	<b>12,339</b>
<b>GROWTH</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Revenue	83.3%	48.4%	11.6%	4.9%	11.7%	12.7%
Gross profit	90.6%	39.2%	1.5%	3.5%	12.3%	14.1%
Operating profit	91.1%	39.5%	(5.0%)	0.5%	7.6%	15.4%
Net profit	100.6%	30.5%	(23.1%)	(12.1%)	24.0%	15.0%
Adj. net profit	92.6%	48.5%	(4.6%)	(4.1%)	11.4%	12.5%
<b>PROFITABILITY</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Gross profit margin	46.9%	44.0%	40.1%	39.6%	39.8%	40.3%
Operating margin	34.2%	32.2%	27.4%	26.3%	25.3%	25.9%
Adj. net profit margin	32.2%	32.3%	27.6%	25.2%	25.2%	25.1%
Return on equity (ROE)	12.8%	13.1%	9.0%	7.3%	8.4%	8.6%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
Net debt to equity (x)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Current ratio (x)	2.4	2.0	2.8	2.5	2.7	3.0
Receivable turnover days	143.6	125.1	127.5	124.5	121.5	118.5
Inventory turnover days	92.6	84.8	72.4	72.4	72.4	72.4
Payable turnover days	214.8	148.8	107.7	107.7	107.7	107.7
<b>VALUATION</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
<b>YE 31 Dec</b>						
P/E (adjusted)	12.0	8.1	8.5	8.8	7.9	7.0
P/B	1.2	1.1	0.9	0.9	0.8	0.7
P/CFPS	11.6	7.2	8.5	6.4	6.0	5.4

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

# Disclosures & Disclaimers

## Analyst Certification

The research analyst who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that analyst in this report.

Besides, the analyst confirms that neither the analyst nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

## CMBIGM Ratings

**BUY** : Stock with potential return of over 15% over next 12 months  
**HOLD** : Stock with potential return of +15% to -10% over next 12 months  
**SELL** : Stock with potential loss of over 10% over next 12 months  
**NOT RATED** : Stock is not rated by CMBIGM

**OUTPERFORM** : Industry expected to outperform the relevant broad market benchmark over next 12 months  
**MARKET-PERFORM** : Industry expected to perform in-line with the relevant broad market benchmark over next 12 months  
**UNDERPERFORM** : Industry expected to underperform the relevant broad market benchmark over next 12 months

## CMB International Global Markets Limited

**Address:** 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

**CMB International Global Markets Limited ("CMBIGM") is a wholly owned subsidiary of CMB International Capital Corporation Limited (a wholly owned subsidiary of China Merchants Bank)**

## Important Disclosures

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/ or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

### For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

### For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

### For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.