BERNSTEIN
SOCIETE GENERALE GROUP

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## China CDMO

# China CDMOs: Opportunities after recent correction




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**Small-molecule / peptide CDMOs appear better positioned than biologics**, supported by stronger revenue growth, improving backlog coverage, and less dependence on early-stage biotech funding (global biotech funding recovered in 1H26 before moderating again in 3Q26). Among major players, **WuXi AppTec has continued to gain share globally**, reaching **64% share** in the SM/peptide peer group in 1H26 from 58% last year.

**WuXi AppTec is still our top pick: high revenue share, high growth, low valuation.** Despite its global leadership in peptides revenue and capacity, and higher growth rate than peers (20%+ CAGR until 2030E), it trades at a discounted 1-year forward PE of 16X (vs. CDMO average 20-30X). The Biosecure Act overhang is overblown in our view, as even the worst-case scenario of Apptec losing the DoD lawsuit would not result in material loss of commercial business.

**Asymchem: peptide business growing as expected; biologics as optionality.** While the small-molecule CDMO business disappointed in 1H26, we view this as a timing issue rather than a demand issue, supported by exceptional 54% YoY backlog growth. At the same time, its emerging businesses continue to exceed expectations. Peptides and oligonucleotides delivered more than 90% growth in 1H26, while biological macromolecules grew 123% and **secured the company's first bispecific ADC BLA order**. We believe this marks an important strategic milestone. While still early, the success suggests Asymchem has the potential to evolve from a chemical CDMO into a broader platform encompassing biologics manufacturing, providing upside beyond our original peptide-driven investment thesis.

**WuXi Biologics: near-term outlook healthy, but we still aren't sure of the commercial conversion.** The company reported 23% backlog growth in 1H26 and continued momentum in ADCs and bispecific antibodies, leading us to raise our mid-term forecasts. Recent approval trends and project additions suggest BsAbs may ultimately become a larger opportunity than ADCs. However, despite a sizable pipeline and industry-leading project funnel, conversion from late-stage development into commercial manufacturing remains limited.


See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.



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## BERNSTEIN TICKER TABLE

| | | | 15 Oct 2026 | | TTM | | Reported EPS | | | Reported P/E (x) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ticker | Rating | Cur | Closing Price | Price Target | Rel. Perf. | Cur | 2025A | 2026E | 2027E | 2025A | 2026E | 2027E |
| 002821.CH (Asymchem) | O | CNY | 158.90 | **205.00** | 32.6% | CNY | 3.16 | **3.83** | **5.58** | 50.3 | 41.5 | 28.5 |
| *OLD* | | | | 198.00 | | | | 4.04 | 6.07 | | | |
| 6821.HK (Asymchem) | O | HKD | 141.20 | **163.00** | 37.8% | CNY | 3.16 | **3.83** | **5.58** | 38.1 | 31.5 | 21.6 |
| *OLD* | | | | 157.00 | | | | 4.04 | 6.07 | | | |
| 2269.HK (WuXi Biologics) | M | HKD | 48.64 | **50.00** | 18.1% | CNY | 1.22 | **1.50** | **1.79** | 39.9 | 32.4 | 27.2 |
| *OLD* | | | | 42.00 | | | | 1.54 | 1.85 | | | |
| 603259.CH (WuXi AppTec) | O | CNY | 154.50 | 205.00 | 38.1% | CNY | 6.72 | 7.88 | 9.57 | 23.0 | 19.6 | 16.1 |
| 2359.HK (WuXi AppTec) | O | HKD | 200.60 | 247.00 | 74.6% | CNY | 6.72 | 7.88 | 9.57 | 25.5 | 21.7 | 17.9 |
| ASIAX | | | 1,876.06 | | | | | | | | | |

**PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD**

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

## INVESTMENT IMPLICATIONS

We maintain WuXi AppTec Outperform rating with a TP of CNY205;

We maintain Asymchem Outperform rating with an updated TP of CNY205;

We maintain Wuxi Biologics Market-Perform rating with an updated TP of HK$50.

## DETAILS

## INDUSTRY UPDATE: SMALL MOLECULES / PEPTIDE CDMOS LOOKING INCREMENTALLY BETTER THAN BIOLOGICS

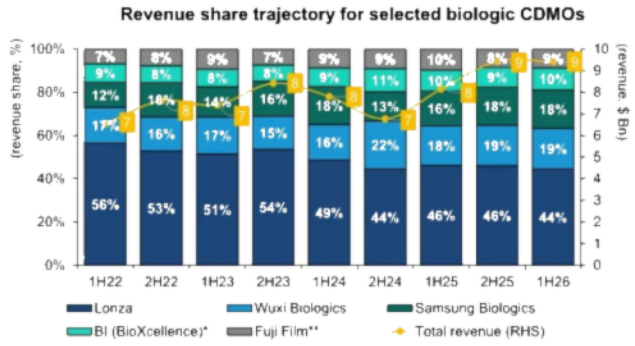
Among major CDMOs, **WuXi AppTec remains the clear share gainer globally**, increasing its revenue share within the selected chemical and peptide CDMO peer group from 44% in 1H22 to 64% in 1H26. In contrast, most peers have either ceded share or remained broadly stable (Exhibit 1-Exhibit 4).

**Global biotech funding recovered in 1H26 before moderating again in 3Q26.** We view this as incrementally neutral to slightly negative for biologics CDMOs, which have greater exposure to venture-funded and early-stage biotech customers, while the impact on small-molecule and peptide CDMOs should be more limited given their larger contribution from late-stage and commercial manufacturing programs. As a result, the funding backdrop is unlikely to be a major driver of earnings upgrades for biologics-focused CDMOs in the near term (Exhibit 5).

Backlog trends also increasingly differentiate chemical and biologic CDMOs: backlog-to-revenue multiples at WuXi AppTec and Asymchem have expanded steadily from below 1.0x in 2022-23 to 1.1-1.3x in 1H26, indicating improving order coverage and stronger revenue visibility. By contrast, backlog-to-revenue multiples for biologics CDMOs have plateaued or declined. **While backlog levels remain healthy in absolute terms,** the divergence suggests that **demand momentum is currently stronger in chemical and peptide outsourcing** than in biologic (Exhibit 6-Exhibit 8).

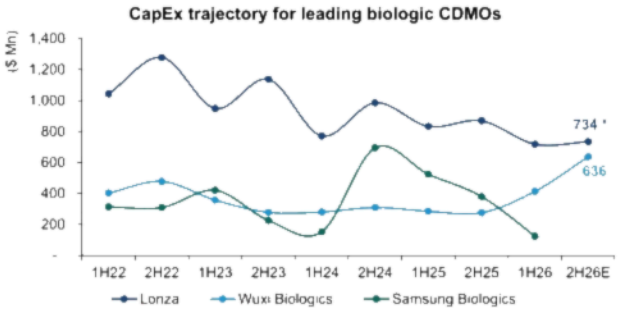
*(Note: Lonza, Euroapi, and Siegfried are covered by Justin Smith, Fujifilm, Bachem, PoplyPeptide, Samsung Biologics are not covered)*

EXHIBIT 1: **Lonza remains dominant with 44% revenue share among selected biologic CDMOs, while WuXi Biologics' share recovered modestly to 19% in 1H26 following a decline in 1H25 as COVID-related projects concluded**



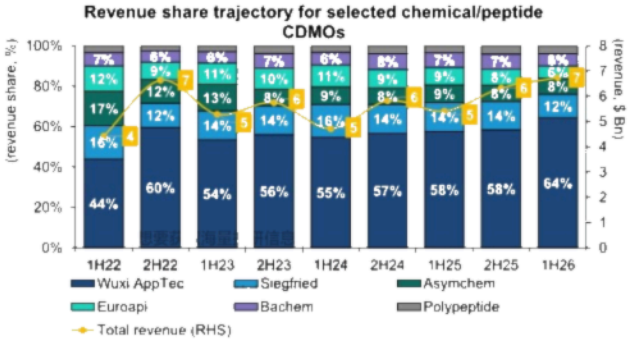

Note: * BI BioXcellence's 1H revenue figures are estimated from reported annual revenue, assuming steady sequential growth; **Fuji Film's revenue are calculated based on calendar year; total revenue represents selected leading biologic CDMOs and is not an exhaustive measure of the market
Source: Company disclosures, Bernstein analysis

EXHIBIT 2: **WuXi Biologics' rising CapEx is narrowing the gap with Lonza, while Samsung Biologics' spending continued to decline**



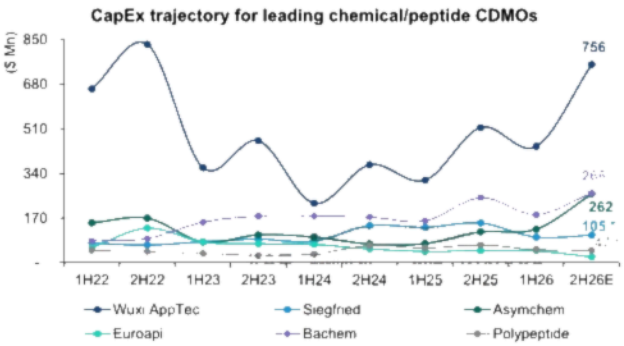

Note: Fuji Film and BI did not disclose CapEx separately for their Bio CDMO segment; * Calculated as est. FY26 revenue times an assumed 17% CapEx intensity as guided, minus 1H26 actual CapEx
Source: Company disclosures, Bernstein analysis and estimates

EXHIBIT 3: **WuXi AppTec is extending its lead among selected chemical/peptide CDMOs, with its revenue share rising to 64% in 1H26**



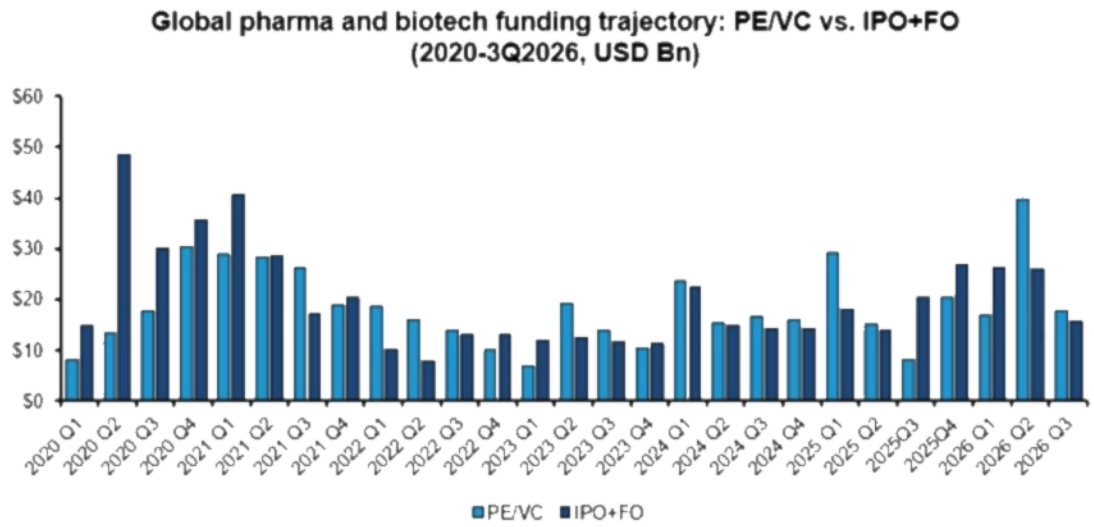

Note: Total revenue represents selected leading chemical/peptide CDMOs and is not an exhaustive measure of the market
Source: Company disclosures, Bernstein analysis

EXHIBIT 4: **Chemical and peptide CDMO CapEx is expected to increase in 2H26, led by WuXi AppTec, with Bachem and Asymchem also stepping up investment**



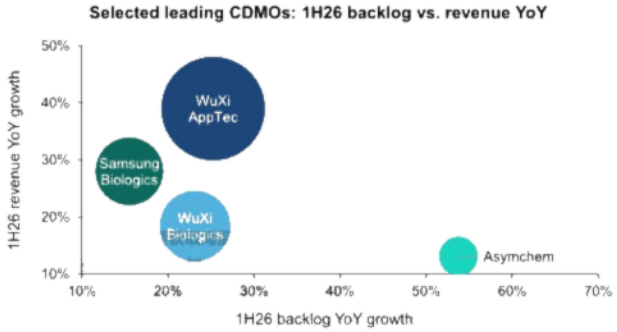

Note: * Siegfried and Polypeptide 2H26 CapEx is calculated as estimated FY 26 revenue times guided CapEx intensity (low-teens % and 15-20% respectively), less 1H26 actual CapEx
Source: Company disclosures, Bernstein analysis and estimates

EXHIBIT 5: **Global pharma and biotech funding decreases in 26Q3 vs Q2, while still at average compared to previous quarters**



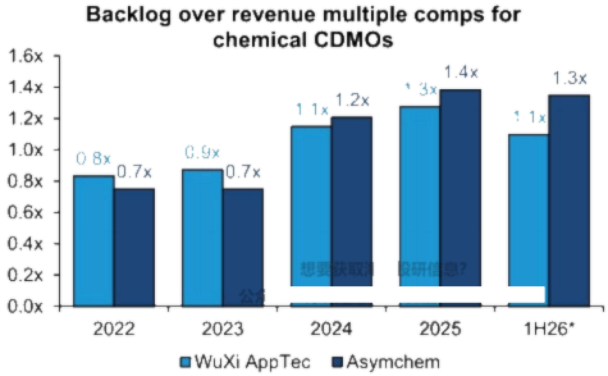

Source: Bloomberg, Bernstein analysis

EXHIBIT 6: **WuXi AppTec leads in 1H26 revenue growth, while Asymchem outpaced peers in 1H26 backlog growth**



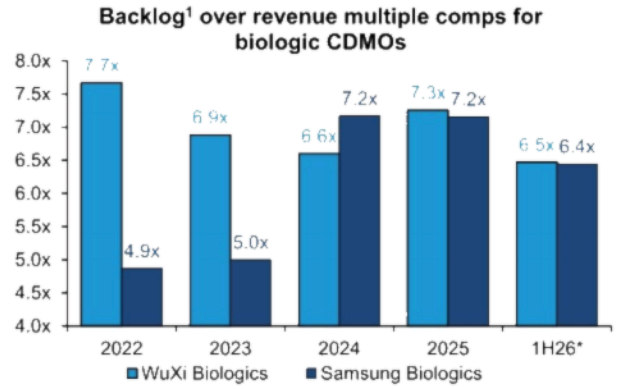

Note: Bubble size represents revenue scale; Samsung Biologics' backlog growth figure represents cumulative contract value growth
Source: Company disclosures, Bernstein analysis

EXHIBIT 7: **Chemical CDMOs: lower revenue multiples place greater emphasis on near-term order execution**



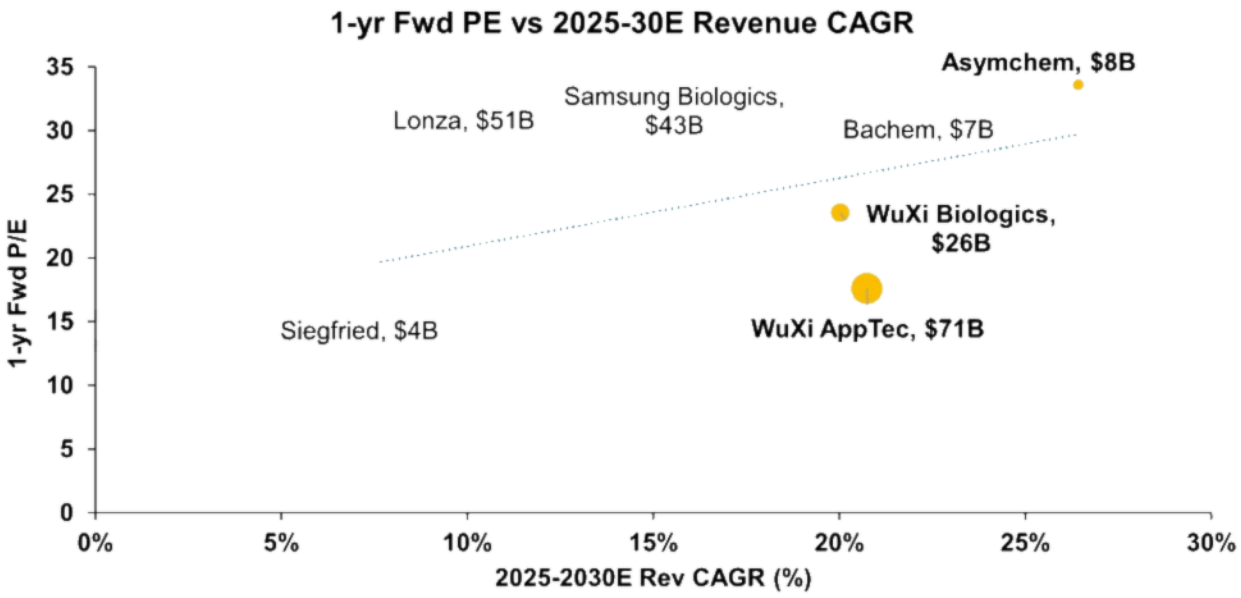

Note: * 1H26 multiples: WuXi = 1H backlog / BernE FY26 revenue; Asymchem = 1H backlog / BernE FY26 revenue
Source: Company disclosures, Bernstin analysis and estimates

EXHIBIT 8: **Biologics CDMOs: higher revenue multiples (backlog-to-revenue ratio) point to a longer-term business pipeline**



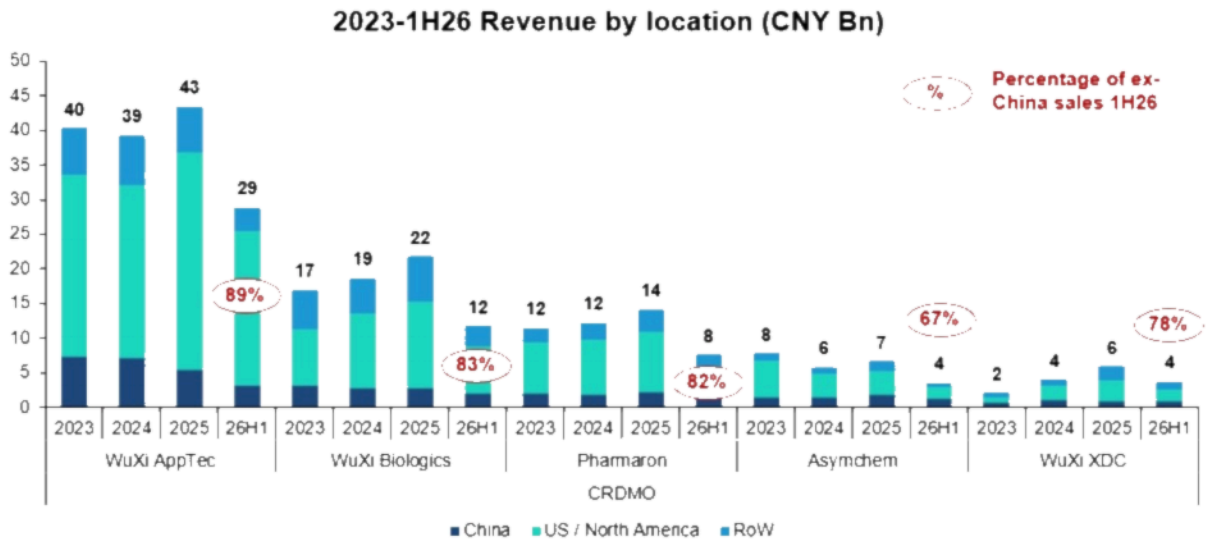

Note: 1. Samsung's metric reflects cumulatice contract value; WuXi Biologics' 2020-23 backlog excludes MSD vax project; * 1H26 multiples: WuXi = 1H backlog / BernE FY26 revenue; Samsung = 1H contract value / 1H26 revenue times 2
Source: Company disclosures, Bernstin analysis and estimates

EXHIBIT 9: **WuXi AppTec and WuXi Biologics are more undervalued compared to Asymchem**




Source: Bloomberg, Bernstein analysis and estimates

EXHIBIT 10: **Shares of US / North America business of China CDMOs have not deteriorated 2 years into the announcement of Biosecure Act**




*Note: US / North America revenue reported: WuXi AppTec - US; WuXi Biologics - North America; Pharmaron - North America; Asymchem - US; WuXi XDC - North America*

Source: Company disclosures, Bernstein analysis

## ASYMCHEM MODEL UPDATE - REVENUE 2030E RAISED BY 17% FROM BIOLOGICS UPSIDE; 5-Y CAGR 34%

### Small-molecule CDMO: backlog points to recovery

Small-molecule CDMO growth disappointed in 1H26 (-5% YoY), but is still the core of the business at ~60% of revenue. The unprecedented 54% YoY backlog growth in 1H26 suggests that 1H weakness is more a function of project delivery timing than

any deterioration in underlying demand (Exhibit 11). We maintain the thesis that the segment is supported by healthy demand from upcoming blockbuster opportunities in oral GLP-1s as well as emerging modalities such as molecular glues. We see the current softness as transitory, and project broadly flat FY26 revenue followed by an inflection to 8-12% growth from 2027E onward as backlog converts into revenue.

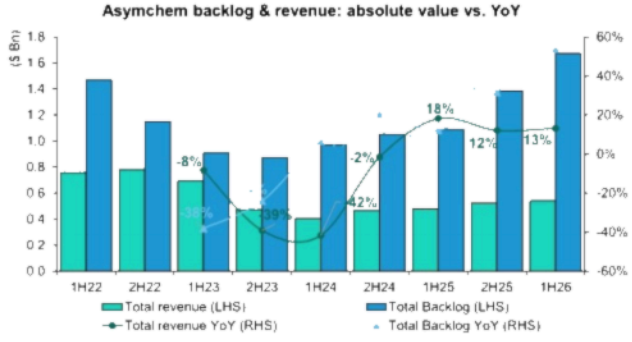
### Emerging CDMO: peptides continue to scale while biologics emerge as a new optionality

Chemical macromolecules, primarily peptides and oligonucleotides, continued to deliver strong momentum with revenue growing more than 90% YoY in 1H26. We continue to expect this business to reach roughly 40% of WuXi AppTec's TIDES revenue by 2030E.

Biological macromolecules (antibodies, ADCs, etc.) have provided a pleasant upside surprise recently, with revenue growing 122% YoY in 1H26 and the company **securing its first bispecific ADC BLA order**. While still at an early stage, these developments suggest Asymchem has the potential to become a serious contender in biologics CDMO and a challenger to WuXi Biologics, which currently has two commercial ADC manufacturing projects. We raise our growth assumptions for the biological macromolecule business to above 100% over the next two years, and expect the segment to reach roughly CNY5bn by 2030E, equivalent to around 10% of our projected 2030E revenue for WuXi Biologics (Exhibit 12-Exhibit 14).

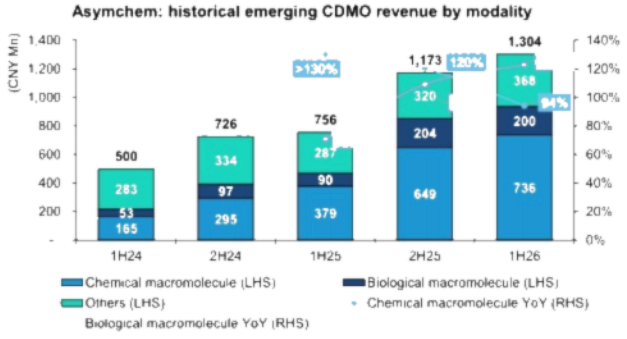
We project total revenue in 2030E at CNY28 Bn (vs. 24 Bn OLD), representing a 34% 5-y CAGR.

EXHIBIT 11: **Asymchem's backlog growth accelerated to 54% at 1H26 vs. 12% in 1H25 driven by chemical and biologic macromolcules; 1H26 revenue rose 13%**



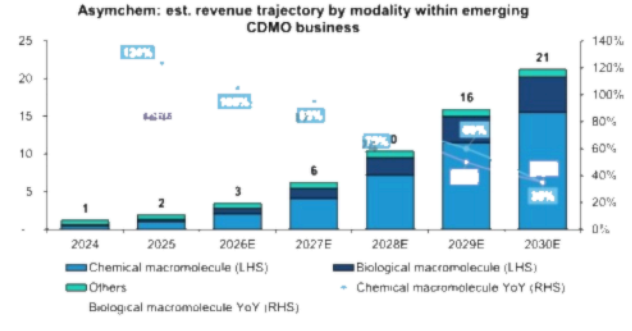

Source: Company disclosures, Bernstein analysis

EXHIBIT 12: **Chemical macromolecules remain the main driver of Asymchem's emerging CDMO growth, while biological macromolecule growth accelerated in 1H26**



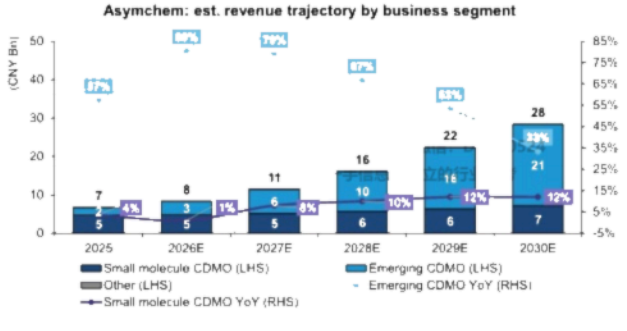

Note: 1H/2H24 revenue by modality are estimated from 2025 disclosures and YoY growth rate
Source: Company disclosures, Bernstein analysis

EXHIBIT 13: **Within the emerging CDMO business, we lifted the revenue growth for biologic macromolecule to reflect Asymchem's BsADC potential**




Source: Company disclosures, Bernstein analysis and estimates

EXHIBIT 14: **We estimate emerging business to drive the revenue growth and become the main revenue contributor for Asymchem**




Source: Company disclosures, Bernstein analysis and estimates

## VALUATION UPDATES

We have updated Asymchem's one-year price target to CNY205 per share from CNY198, utilizing a blended approach that incorporates DCF valuation as well as forward EV/EBITDA and P/E multiples.

**DCF valuation (1/3 in weight):** As seen in Exhibit 15, our updated DCF valuation of Asymchem yields a one-year forward price per share of CNY213. This valuation is based on an 11% WACC, with an explicit projection period extending until 2039 and a terminal growth assumption of 2.5%. Accordingly, the company's estimated total EV is valued at CNY62 Bn, with net cash surplus of CNY6.5 Bn. Consequently, the total equity is valued at CNY68 Bn. This yields CNY192 per share as of today and CNY213 per share 1-y forward.

**EV/EBITDA valuation (1/3 in weight):** Alongside DCF, our updated NTM EBITDA of CNY2.6 Bn yield a 1-y forward price per share of CNY195, with NTM EV/EBITDA multiple unchanged at 24x (Exhibit 16).

**P/E valuation (1/3 in weight):** We also modified NTM net income to CNY1.9 Bn with NTM P/E multiple unchanged at 40x. This yields a 1-y forward price per share of CNY208 (Exhibit 17).

Taking into account the one-year forward values derived from these three methodologies, our updated 1-y forward price target reached CNY205 per share for Asymchem.

EXHIBIT 15: **DCF method - Asymchem**

| DCF method - Asymchem | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(CNY in Millions Unless Otherwise Indicated)* | 2024 Act | 2025 Act | 2026 Est. | 2027 Est | 2028 Est. | 2029 Est. | 2030 Est. | 2031 Est. | 2032 Est. | 2039 Est. |
| **Total Revenue** | 5,805 | 6,670 | 8,269 | 11,403 | 16,069 | 22,294 | 28,368 | 32,882 | 37,608 | |
| *Annual Growth %* | -25% | 15% | 24% | 38% | 41% | 39% | 27% | 16% | 14% | |
| EBIT (core) | 662 | 1,188 | 1,460 | 2,210 | 3,483 | 5,475 | 8,113 | 10,221 | 11,976 | |
| *Annual Growth %* | -70% | 79% | 23% | 51% | 58% | 57% | 48% | 26% | 17% | |
| *Margin %* | 11% | 18% | 18% | 19% | 22% | 25% | 29% | 31% | 32% | |
| Less Income Taxes | (99) | (175) | (219) | (331) | (522) | (821) | (1,217) | (1,533) | (1,796) | |
| **Unlevered Net Income (NOPAT)** | **563** | **993** | **1,241** | **1,878** | **2,961** | **4,654** | **6,896** | **8,688** | **10,180** | |
| Plus: Depreciation and Amortization | 526 | 575 | 520 | 596 | 775 | 915 | 1,040 | 1,173 | 1,407 | |
| Less: Capital Expenditure | (1,130) | (1,270) | (2,775) | (3,426) | (2,898) | (2,681) | (2,843) | (4,610) | (6,777) | |
| Less: (Increase)/Decrease in net Working Capital | 54 | (204) | (401) | (939) | (1,380) | (1,843) | (1,765) | (1,302) | (1,338) | |
| **Unlevered Free Cash Flow** | **13** | **94** | **(1,415)** | **(1,890)** | **(542)** | **1,045** | **3,328** | **3,948** | **3,472** | **11,909** |
| *Annual Growth %* | -99% | 599% | *N.M.* | *N.M.* | *N.M.* | *N.M.* | 218% | 19% | -12% | 6% |
| Discount Factor - End-of-Period Convention | (1.79) | (0.79) | 0.21 | 1.21 | 2.21 | 3.21 | 4.21 | 5.21 | 6.21 | 13.21 |
| Present value of FCF | 0 | 0 | (292) | (1,667) | (431) | 749 | 2,149 | 2,297 | 1,821 | 3,018 |
| **Cumulative PV of FCF** | **0** | **0** | **(292)** | **(1,959)** | **(2,390)** | **(1,641)** | **508** | **2,805** | **4,626** | **25,342** |
| Terminal Value | | | | | | | | | | 144,453 |
| **PV of Terminal Value** | | | | | | | | | | **36,606** |
| **Total Corporate Value** | | | | | | | | | | **61,948** |
| Less: Debt, Preferred Capital, Minority Interest | | | | | | | | | | 21 |
| Add: Cash and Investments | | | | | | | | | | 6,514 |
| **Implied 12-Month Forward EV (CNY Mn)** | | | | | | | | | | **68,731** |
| Shareholder Value (CNY Mn) | | | | | | | | | | 68,441 |
| **Implied Core Value per Share Today (CNY)** | | | | | | | | | | **192** |
| **Implied 12-Month Forward Core Value per Share (CNY)** | | | | | | | | | | **213** |

Source: Company disclosures, Bloomberg, Bernstein analysis and estimates

EXHIBIT 16: **EV/EBITDA method - Asymchem**

| EV/EBITDA method - Asymchem | |
|---|---|
| Target NTM EV/EBITDA ratio | 24.0 |
| NTM EBITDA estimate (CNY Mn) | 2,632 |
| Enterprise value (CNY Mn) | 63,164 |
| Cash and debt adjustments (CNY Mn) | 6,494 |
| Shareholder value (CNY Mn) | 69,657 |
| Shareholder value per share today (CNY) | **176** |
| Implied 12-month shareholder value per share (CNY) | **195** |

Source: Bloomberg, Bernstein analysis and estimates

EXHIBIT 17: **P/E method - Asymchem**

| P/E method - Asymchem | |
|---|---|
| Target NTM P/E ratio | 40.0 |
| NTM Net income estimate (CNY Mn) | 1,859 |
| Shareholder value (CNY Mn) | 74,361 |
| Shareholder value per share today (CNY) | **188** |
| Implied 12-month shareholder value per share (CNY) | **208** |

Source: Bloomberg, Bernstein analysis and estimates

## WUXI BIOLOGICS MODEL UPDATE - CAGR 18 % TILL 2030E

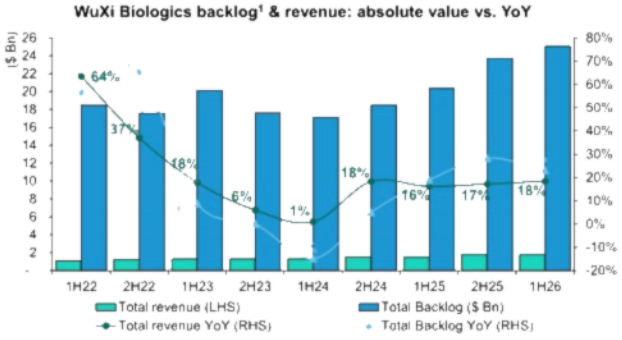
### BACKLOG GROWTH PRICED IN

**WuXi Biologics delivered solid 1H26 results**, with revenue increasing 18.4% YoY to CNY11.8 Bn and core EBIT rising 34% to CNY3.8 Bn. **Total backlog grew 23% YoY** to $25 Bn, while backlog executable within 3-y rose c.30% to $5.5 Bn. The project portfolio expanded from 945 at FY'25 to 1,064 at 1H26, with **additions and conversions concentrated in early stages**; late stage/commercial projects increased more modestly. Management subsequently raised **FY'26 revenue-growth guidance to 15-18%** on a reported basis, from 13-17%, and to 20-23% at constant currency, from 16-20%, while reiterating **3-y CAGR ambitions of 20%** for total revenue and **30%** for revenue from manufacturing (Exhibit 18-Exhibit 22).

**We raise our mid-term revenue forecasts to reflect 1H26 backlog growth.** We increased our late stage/commercial revenue forecast in the mid-term, supported by the scheduled PPQ and expected new Bs/Ms Abs and biosimilars project additions. However, we retain conservative assumptions for late stage/commercial projects conversion rate, given 4 PhII to PhIII and only 1 PhIII to commercial project conversion in 1H26 and the moderated late stage/commercial revenue growth. We now forecast 3-y CAGR of 21% for late/commercial revenue and 18% for total revenue, vs. mgmt's ambition of 30% and 20% respectively.

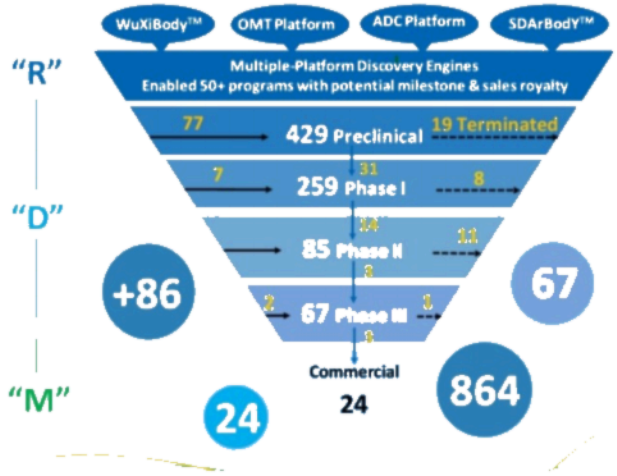
**Commercial conversion remains the key uncertainty, and we maintain Market Perform.** We think long-term growth for WuXi Biologics depend on the ability to convert early stage project to late stage and commercial within the existing project funnel. Moreover, we believe stronger backlog growth and updated FY26 guidance already been reflected in terms of share price: share price rose 7.4% ahead of the 1H26 results while fell 2.8% following the session. We look for clearer evidence of successful late stage/commercial conversion and sustained CMO revenue growth before taking a more constructive view.

EXHIBIT 18: **WuXi Biologics' backlog growth accelerated to 23% YoY in 1H26 from 19% in 1H25, outpacing revenue growth of 18%**



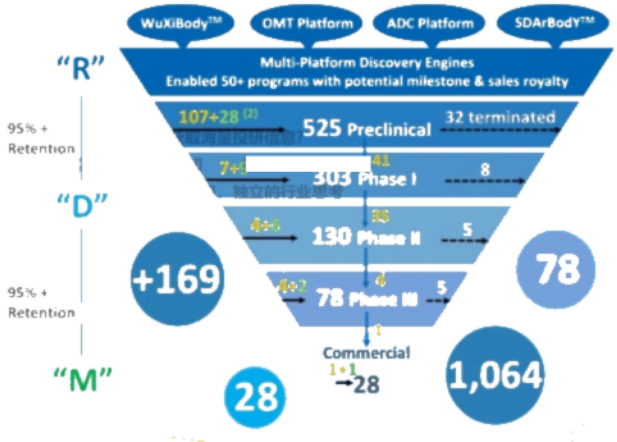

Note: 1. Total backlog excludes COVID-related orders
Source: Company disclosures, Bernstein analysis

EXHIBIT 19: **WuXi Biologics 1H25 project funnel**



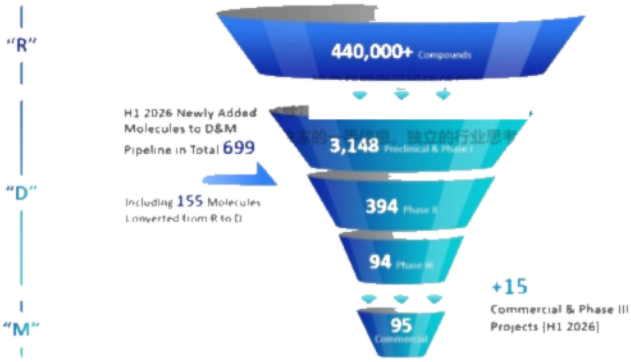

Source: WuXi Biologics

EXHIBIT 20: **WuXi Biologics 1H26 project funnel**




Source: WuXi Biologics

EXHIBIT 21: **WuXi AppTec 1H26 small molecule project funnel**



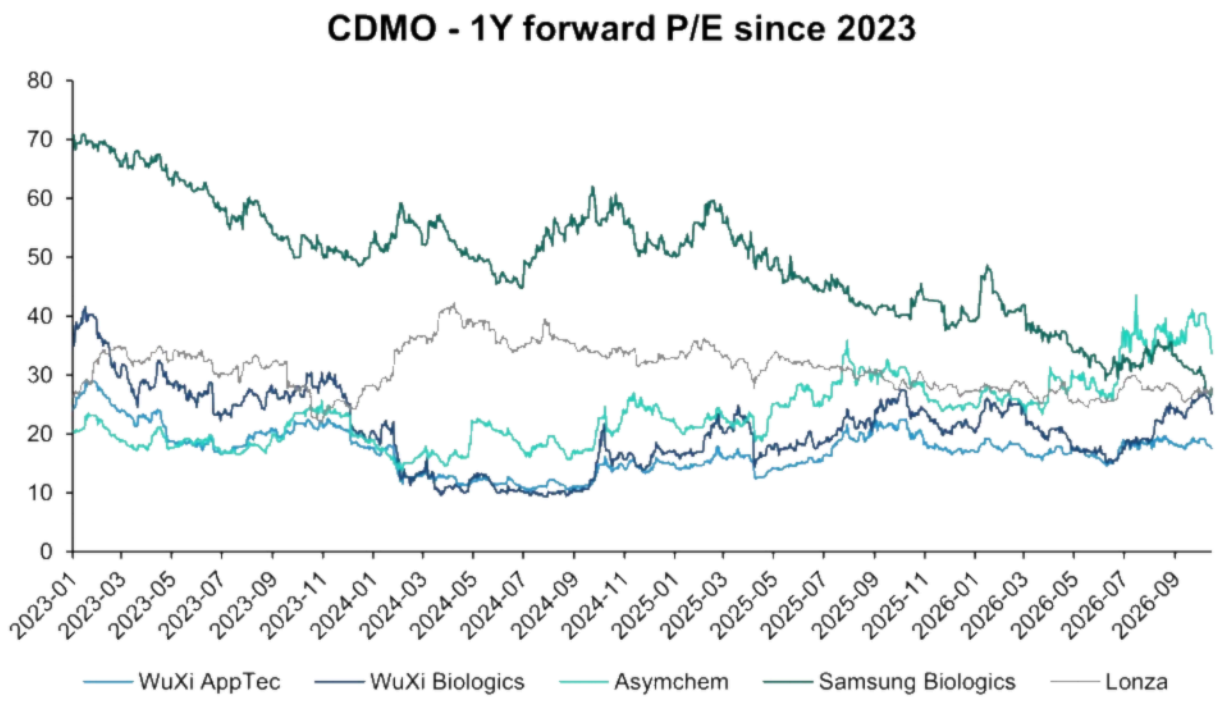

Source: WuXi AppTec

EXHIBIT 22: **In terms of revenue growth, late stage/ commercial revenue led growth in 2025, while slowed to 10.5% in 1H26 as early stage growth accelerated to 25%**



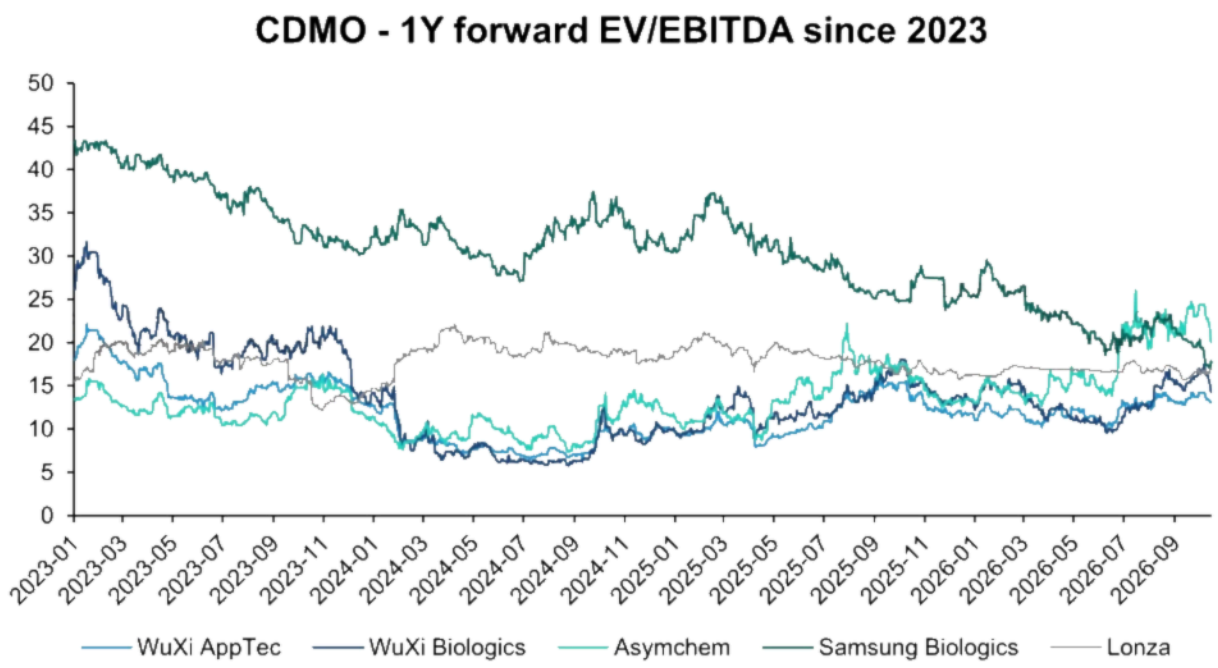

Note: MSD-vax activity affects 2021-2023 revenue, 2024 - 1H26 revenue did not include any COVID-related projects
Source: Company disclosures, Bernstein analysis

EXHIBIT 23: **CDMO: Asymchem's 1Y forward P/E has exceeded global peers**




Source: Bloomberg, Bernstein analysis

EXHIBIT 24: **CDMO: Chinese companies' 1Y forward EV/EBITDA is converging with global peers**




Source: Bloomberg, Bernstein analysis

## REVENUE UPDATE: HIGHER MID-TERM FORECAST LED BY BS/MSABS; COMMERCIAL CONVERSION REMAINS KEY

### Recent industry trends support a larger Bs/Ms Ab opportunity

ADC revenue growth has moderated, while project count growth has also slowed from earlier highs despite a rebound in 1H26. Bs/MsAb project growth, on the other hand, has recovered from its 2023 trough. Revenue growth in 1H26 reached 30% following growth of 120% in FY'25, reflecting a strong prior year comparison (Exhibit 25-Exhibit 28). BCG's analysis indicates faster growth in forward-projected pipeline value for BsAbs, supporting the longer-term development and manufacturing opportunity (Exhibit 29-Exhibit 32).

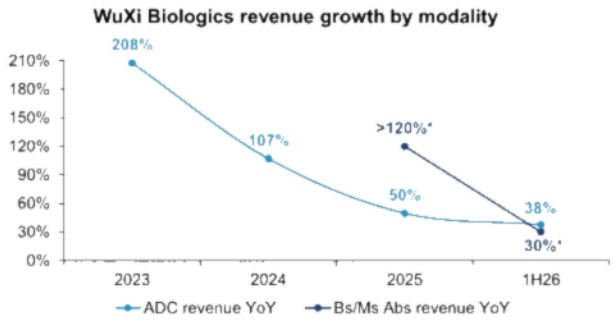
### BsAbs look more promising than ADCs, but commercial conversion remains an issue

Recent approval trends suggest WuXi Biologics is better positioned in bispecifics than ADCs, although execution remains mixed. Despite plenty of ADC approvals in recent years (13 by NMPA), WuXi Biologics has secured **only two commercial ADC projects** to date, implying a lower conversion rate from industry approvals into commercial manufacturing opportunities than investors may have expected. By comparison, the company has made somewhat better progress in bispecifics, with three commercial projects supported by a sizeable funnel of 10 Phase III assets and 74 Phase I/II programs.

We have raised our near- to mid-term forecasts for late-stage and commercial BsAb revenue. Our adjusted total revenue grows at an 18% CAGR over 2026-29E to CNY42 Bn, with late stage/commercial revenue increase at a 21% CAGR to CNY20 Bn in the same period. Bs/MsAbs are our principle mid-term growth driver, with revenue rising at a 29% CAGR over 2026-31E to CNY18 Bn, representing c.one-third of total revenue (Exhibit 33-Exhibit 36).

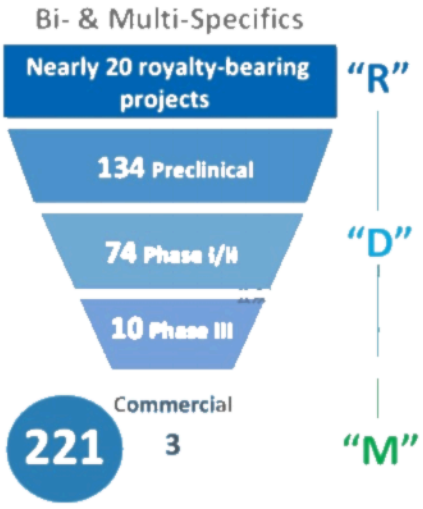
However, the longer-term outlook remains a key area of debate. While WuXi Biologics has built one of the industry's largest bispecific pipelines, including 221 total projects and nearly 20 royalty-bearing programs, the current funnel still exhibits a significant drop-off between Phase III assets and commercial programs. Unless conversion rates improve meaningfully, sustained long-term growth may prove more challenging than the size of the development pipeline alone would suggest.

EXHIBIT 25: **ADC revenue growth is already moderating, while Bs/MsAb growth of 30% YoY in 1H26 likely reflects a high 1H25 base**



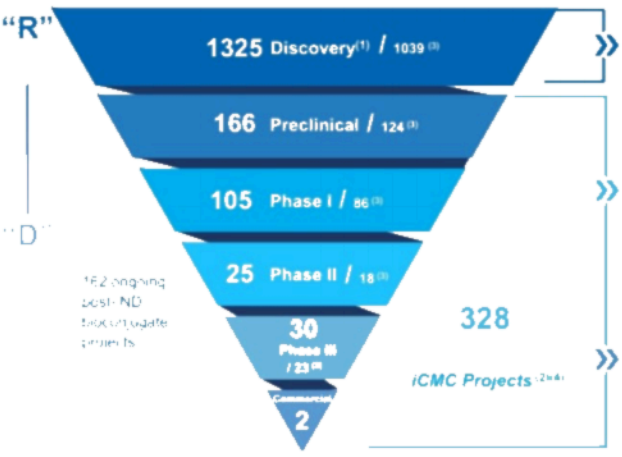

Note: * Company disclosed, rather than calculated from disclosed revenue amounts
Source: Company disclosures, Bernstein analysis

EXHIBIT 26: **WuXi Biologics 1H26 Bs/MsAbs project funnel**



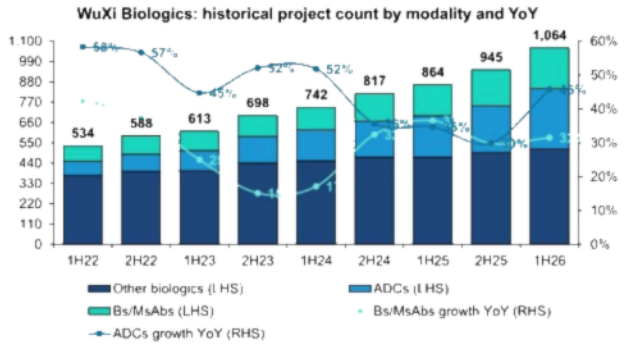

Source: WuXi Biologics

EXHIBIT 27: **WuXi Biologics 1H26 ADC project funnel**



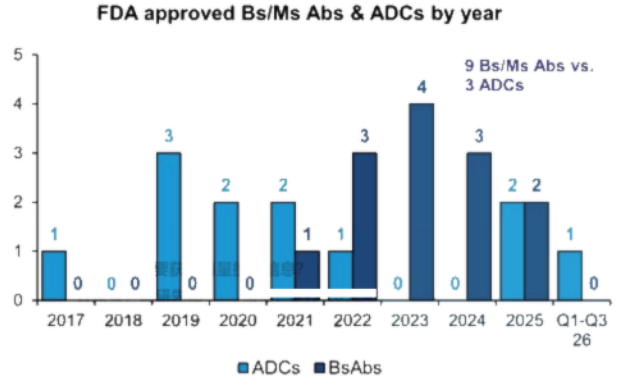

Source: WuXi XDC

EXHIBIT 28: **ADC project count growth showed signs of slow down despite a rebound in 1H26, while Bs/Ms Ab growth has accelerated from its 2023 trough**



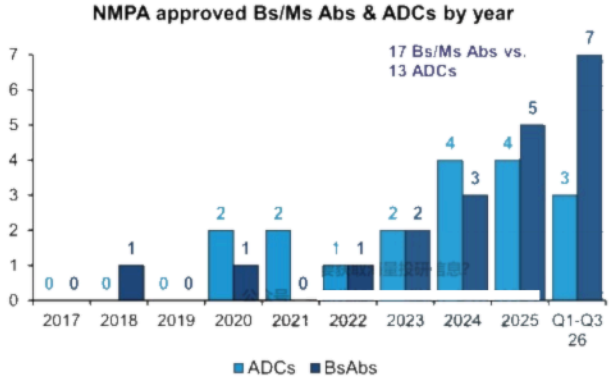

Source: Company disclosures, Bernstein analysis

EXHIBIT 29: **Bs/Ms Abs outpaced ADCs in FDA approvals since 2023 (9 vs. 3).....**



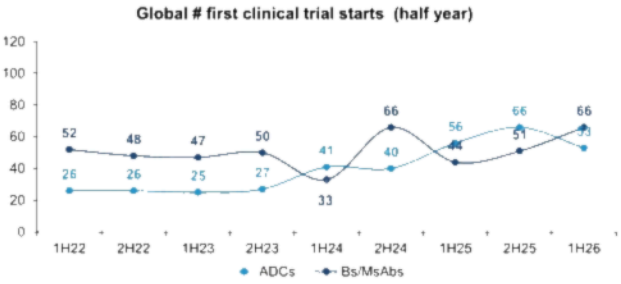

Source: FDA, Pharmcube, Bernstein analysis

EXHIBIT 30: **.....while China's Bs/Ms Abs approval momentum is stronger than ADC in 1H26 (7 vs. 3)**




Source: NMPA, Pharmcube, Bernstein analysis

EXHIBIT 31: **Growing pipeline development interest in complex biologics such as ADC and Bs/MsAbs**



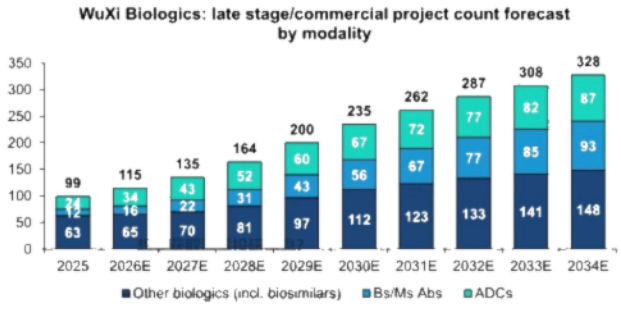

Note: * Include Bs ADCs
Source: Pharmcube, Bernstein analysis

EXHIBIT 32: **Projected growth in pipeline value by modality: BsAb showed higher growth from 2020 to 2025**



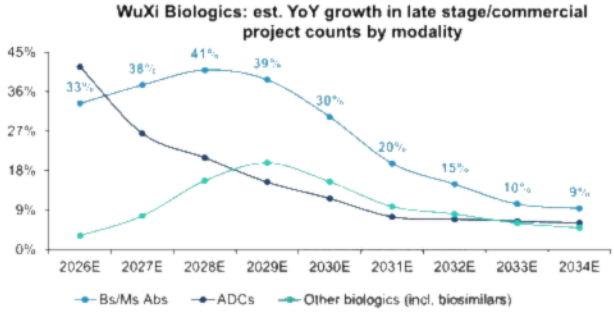

Source: BCG

EXHIBIT 33: **We forecast late stage/commercial projects to increase from 99 in 2025 to 235 in 2030, with Bs/MsAbs and ADCs accounting for over half of the portfolio**



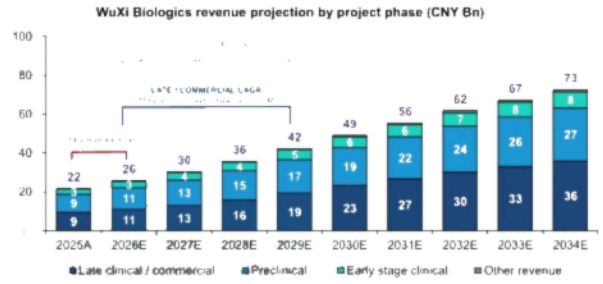

Source: Company disclosures, Bernstein analysis and estimates

EXHIBIT 34: **We estimate Bs/MsAbs to lead project count growth from 2027E, with biosimilar driving faster growth in other biologics in 2029E, while ADC growth moderates from 2027E**



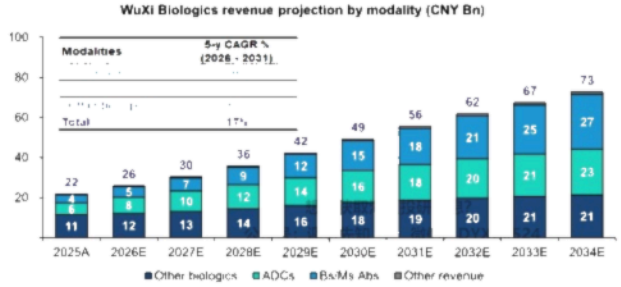

Source: Company disclosures, Bernstein analysis and estimates

EXHIBIT 35: **Our updated revenue trajectory is broadly in line with mmgt's guidance both in 2026 and in the next 3 years**




Source: Company disclosures, Bernstein analysis and estimates

EXHIBIT 36: **ADCs is estimated to drive 2026 growth following 37.8% YoY revenue in 1H26, while we expect Bs/Ms Abs to take the lead over the mid-to-long-term, delivering a 29% revenue CAGR in 2026-2031E**




Source: Company disclosures, Bernstein analysis and estimates

## VALUATION UPDATES

We updated Wuxi Biologics one-year price target to HK$50 per share from HK$42 per share, utilizing a blended approach that incorporates
DCF valuation as well as forward EV/EBITDA and P/E multiples.

**DCF valuation (1/3 in weight):** As seen in Exhibit 37, our updated DCF valuation of Wuxi Biologics yields a one-year forward price per share of CNY39. This valuation is based on an 10.9% WACC, with an explicit projection period extending until 2039 and a terminal growth assumption of 2.5%. Accordingly, the company's estimated total EV is valued at CNY138 Bn, with net cash surplus of CNY3 Bn. Consequently, the total equity is valued at CNY141 Bn. This yields CNY35 per share as of today and CNY39 per share 1-y forward.

**EV/EBITDA valuation (1/3 in weight):** Alongside DCF valuation, we also modified EV/EBITDA multiple, with an adjusted NTM multiple of 18x (vs. old 17x) to our forecast NTM EBITDA of CNY11 Bn. This approach yields CNY50 per share 1-y forward (Exhibit 38).

**P/E valuation (1/3 in weight):** We updated P/E multiple with NTM multiple of 28x (vs. old 25x) to our estimated NTM net income of CNY7 Bn, we derive a 1-y forward price per share of CNY48 (Exhibit 39)

Taking into account the one-year forward values derived from these three methodologies, we have assigned a one-year target price CNY46 per share for Wuxi Biologics, equivalent to HK$50 per share.

## EXHIBIT 37: **DCF - Wuxi Biologics**

**DCF - Wuxi Biologics**

| *(CNY in Millions. Unless Otherwise Indicated)* | 2024 Act | 2025 Act | 2026 Est. | 2027 Est. | 2028 Est. | 2029 Est. | 2030 Est. | 2031 Est. | 2032 Est. | 2039 Est. |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **18,675** | **21,790** | **25,819** | **30,390** | **35,804** | **42,323** | **49,195** | **55,574** | **61,859** | |
| *Annual Growth %* | *10%* | *17%* | *18%* | *18%* | *18%* | *18%* | *16%* | *13%* | *11%* | |
| EBIT (core) | 4,737 | 6,852 | 8,206 | 9,750 | 11,917 | 14,510 | 16,868 | 19,053 | 21,207 | |
| *Annual Growth %* | *11%* | *45%* | *20%* | *19%* | *22%* | *22%* | *16%* | *13%* | *11%* | |
| *Margin %* | *25%* | *31%* | *32%* | *32%* | *33%* | *34%* | *34%* | *34%* | *34%* | |
| Income Taxes rate | 18% | 21% | 21% | 19% | 19% | 18% | 18% | 17% | 17% | |
| **Unlevered Net Income (NOPAT)** | **3,866** | **5,413** | **6,606** | **7,893** | **9,700** | **11,876** | **13,881** | **15,766** | **17,645** | |
| Plus: Depreciation and Amortization | 1,437 | 1,448 | 1,460 | 1,738 | 2,045 | 2,306 | 2,521 | 2,686 | 2,880 | |
| Less: Capital Expenditure | (3,930) | (3,685) | (4,126) | (4,993) | (5,268) | (6,475) | (5,559) | (6,280) | (6,846) | |
| Less: Additions to Intangibles | | (51) | (129) | (152) | (179) | (212) | (248) | (278) | (309) | |
| Less: Increase in Working Capital | (801) | (1,731) | (1,243) | (1,041) | (1,580) | (1,899) | (1,952) | (1,834) | (1,801) | |
| **Unlevered Free Cash Flow** | **573** | **1,395** | **(432)** | **455** | **2,718** | **5,596** | **8,645** | **10,061** | **9,568** | **23,532** |
| *Annual Growth %* | N.M. | 143% | N.M. | N.M | 497% | 106% | 54% | 16% | -5% | 7% |
| Discount Factor - End-of-Period Convention | (1.8) | (0.8) | 0.2 | 1.2 | 2.2 | 3.2 | 4.2 | 5.2 | 6.2 | 13.2 |
| Present value of FCF | 0 | 0 | (89) | 402 | 2,162 | 4,012 | 5,588 | 5,863 | 5,028 | 5,987 |
| Cumulative PV of FCF | 0 | 0 | (89) | 313 | 2,474 | 6,487 | 12,075 | 17,938 | 22,966 | 65,116 |
| Terminal Value | | | | | | | | | | 286,573 |
| PV of Terminal Value | | | | | | | | | | 72,909 |
| **Total Corporate Value** | | | | | | | | | | **138,025** |
| Less: Debt, Preferred Capital, Minority Interest | | | | | | | | | | 6,834 |
| Add: Cash and Investments | | | | | | | | | | 10,157 |
| **Implied 12-Month Forward EV (CNY Mn)** | | | | | | | | | | **153,092** |
| Shareholder Value (CNY Mn) | | | | | | | | | | 141,348 |
| **Implied Core Value per Share Today (CNY)** | | | | | | | | | | **35** |
| **Implied 12-Month Forward Core Value per Share (CNY)** | | | | | | | | | | **39** |

Source: Company disclosures, Bloomberg, Bernstein analysis and estimates

## EXHIBIT 38: **EV/EBITDA method - Wuxi Biologics**

| **EV/EBITDA method - Wuxi Biologics** | |
|---|---|
| Target NTM EV/EBITDA ratio | **18.0** |
| NTM core EBITDA estimate (CNY Mn) | 11,104 |
| Enterprise value (CNY Mn) | 199,867 |
| Cash and debt adjustments (CNY Mn) | 3,323 |
| Shareholder value (CNY Mn) | 203,190 |
| Shareholder value per share today (CNY) | **45** |
| Implied 12-month shareholder value per share (CNY) | **50** |

Source: Bloomberg, Bernstein analysis and estimates

## EXHIBIT 39 **P/E method - Wuxi Biologics**

| **P/E method - Wuxi Biologics** | |
|---|---|
| Target NTM P/E ratio | **28.0** |
| NTM Net income estimate (CNY Mn) | 6,962 |
| Shareholder value (CNY Mn) | 194,934 |
| Shareholder value per share today (CNY) | **44** |
| Implied 12-month shareholder value per share (CNY) | **48** |

Source: Bloomberg, Bernstein analysis and estimates



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## APPENDIX - FINANCIAL FORECASTS

EXHIBIT 40: **WuXi AppTec's Income statement**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **39,241** | **45,456** | **60,529** | **75,202** | **87,764** | **100,642** | **116,643** | **137,299** | **157,807** | **175,690** |
| Gross Profit | 16,016 | 21,379 | 32,454 | 40,570 | 47,497 | 54,593 | 63,430 | 74,865 | 86,208 | 96,071 |
| Selling and marketing expenses | (745) | (807) | (1,074) | (1,335) | (1,558) | (1,786) | (2,070) | (2,437) | (2,801) | (3,119) |
| Administrative expenses | (3,009) | (2,805) | (3,329) | (4,512) | (5,266) | (6,039) | (6,999) | (8,238) | (9,468) | (10,541) |
| R&D expenses | (1,239) | (1,119) | (1,211) | (1,880) | (2,633) | (3,522) | (4,083) | (4,805) | (5,523) | (6,149) |
| **Core EBIT (calculated)** | **11,023** | **16,648** | **26,840** | **32,843** | **38,040** | **43,246** | **50,278** | **59,384** | **68,415** | **76,261** |
| Non-operating income/(expense) | 418 | 7,303 | 1,604 | 1,696 | 1,715 | 1,672 | 1,694 | 1,694 | 1,687 | 1,692 |
| Pretax Income (Loss) | 11,441 | 23,951 | 28,444 | 34,539 | 39,755 | 44,917 | 51,973 | 61,078 | 70,101 | 77,953 |
| Tax | (1,972) | (4,573) | (5,431) | (6,595) | (7,591) | (8,576) | (9,923) | (11,662) | (13,385) | (14,884) |
| **Net Income** | **9,469** | **19,378** | **23,013** | **27,944** | **32,165** | **36,341** | **42,049** | **49,416** | **56,717** | **63,069** |
| Profit attributable to owner of the parents | 9,353 | 19,195 | 22,830 | 27,761 | 31,982 | 36,158 | 41,866 | 49,233 | 56,534 | 62,886 |
| EPS (Basic) | 3.24 | 6.72 | 7.88 | 9.57 | 11.00 | 12.41 | 14.35 | 16.84 | 19.30 | 21.43 |
| | | | | | | | | | | |
| **YoY Growth** | | | | | | | | | | |
| Revenue | -2.7% | 15.8% | 33.2% | 24.2% | 16.7% | 14.7% | 15.9% | 17.7% | 14.9% | 11.3% |
| Gross Profit | -2.2% | 33.5% | 51.8% | 25.0% | 17.1% | 14.9% | 16.2% | 18.0% | 15.2% | 11.4% |
| Core EBIT (calculated) | -1.9% | 51.0% | 61.2% | 22.4% | 15.8% | 13.7% | 16.3% | 18.1% | 15.2% | 11.5% |
| Pretax Income (Loss) | -11.5% | 109.3% | 18.8% | 21.4% | 15.1% | 13.0% | 15.7% | 17.5% | 14.8% | 11.2% |
| Net Income | -12.3% | 104.6% | 18.8% | 21.4% | 15.1% | 13.0% | 15.7% | 17.5% | 14.8% | 11.2% |

Source: Company disclosure, Bernstein estimates and analysis

EXHIBIT 41: **WuXi AppTec's Balance sheet**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash & Cash Equivalents | 13,434 | 29,456 | 34,321 | 43,738 | 56,531 | 71,024 | 84,329 | 93,496 | 109,492 | 140,779 |
| Short-term investments | 3,425 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 |
| Trade and other receivables | 9,644 | 9,623 | 12,813 | 15,919 | 18,579 | 21,305 | 24,692 | 29,065 | 33,406 | 37,192 |
| Inventories | 3,532 | 6,923 | 8,072 | 9,958 | 11,578 | 13,240 | 15,300 | 17,952 | 20,587 | 22,893 |
| Other Current Assets | 8,655 | 9,775 | 12,783 | 15,096 | 16,484 | 18,646 | 20,189 | 23,433 | 26,709 | 29,577 |
| **Total Current Assets** | **38,690** | **61,677** | **73,891** | **90,612** | **109,073** | **130,117** | **150,411** | **169,847** | **196,095** | **236,342** |
| | | | | | | | | | | |
| Net PP&E | 25,268 | 26,234 | 30,450 | 35,373 | 41,136 | 47,682 | 59,933 | 79,427 | 97,518 | 106,117 |
| ROU assets | 1,875 | 1,629 | 1,471 | 1,332 | 1,210 | 1,104 | 1,013 | 935 | 870 | 816 |
| Other L-T Assets | 14,493 | 13,581 | 13,917 | 14,244 | 14,524 | 14,811 | 15,168 | 15,628 | 16,085 | 16,484 |
| **Total Assets** | **80,326** | **103,121** | **119,728** | **141,560** | **165,943** | **193,714** | **226,525** | **265,837** | **310,568** | **359,758** |
| | | | | | | | | | | |
| Short-Term Debts | 1,279 | 5,987 | 5,987 | 5,987 | 5,987 | 5,987 | 5,987 | 5,987 | 5,987 | 5,987 |
| Trade and other payables | 7,026 | 7,833 | 8,334 | 10,414 | 11,946 | 13,606 | 15,763 | 18,561 | 21,170 | 23,364 |
| Other Current Liabilities | 7,922 | 5,415 | 6,314 | 7,188 | 7,937 | 8,704 | 9,658 | 10,889 | 12,111 | 13,177 |
| **Total Current Liabilities** | **16,226** | **19,235** | **20,635** | **23,589** | **25,869** | **28,298** | **31,408** | **35,437** | **39,268** | **42,527** |
| | | | | | | | | | | |
| Long-Term Liabilities | 5,014 | 3,638 | 3,638 | 3,638 | 3,638 | 3,638 | 3,638 | 3,638 | 3,638 | 3,638 |
| **Total Liabilities** | **21,240** | **22,873** | **24,273** | **27,227** | **29,507** | **31,936** | **35,046** | **39,075** | **42,906** | **46,165** |
| **Shareholders' Equity** | **59,086** | **80,248** | **95,456** | **114,333** | **136,436** | **161,778** | **191,479** | **226,762** | **267,661** | **313,593** |
| **Total Liabilities & Shareholders' Equity** | **80,326** | **103,121** | **119,728** | **141,560** | **165,943** | **193,714** | **226,525** | **265,837** | **310,568** | **359,758** |

Source: Company disclosure, Bernstein estimates and analysis

## EXHIBIT 42: **WuXi AppTec's Cash flow statement**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| Profit before tax | 11,441 | 23,951 | 28,444 | 34,539 | 39,755 | 44,917 | 51,973 | 61,078 | 70,101 | 77,953 |
| Depreciation & Amortization | 3,014 | 3,563 | 3,582 | 3,504 | 4,031 | 4,652 | 5,361 | 6,699 | 8,835 | 10,819 |
| Change in WC | (648) | (1,879) | (3,783) | (2,857) | (2,701) | (2,680) | (3,231) | (4,149) | (4,291) | (3,832) |
| Other | (1,820) | (9,209) | (4,332) | (5,278) | (6,004) | (6,673) | (7,657) | (8,970) | (10,187) | (11,101) |
| **Cash Flow From Operations** | **11,987** | **16,426** | **23,910** | **29,908** | **35,082** | **40,217** | **46,446** | **54,659** | **64,458** | **73,839** |
| | | | | | | | | | | |
| Capex | (4,003) | (5,538) | (7,640) | (8,288) | (9,673) | (11,092) | (17,521) | (26,116) | (26,861) | (19,363) |
| Other | (1,095) | 4,371 | (2,502) | (1,819) | (966) | (1,730) | (1,005) | (2,551) | (2,587) | (2,268) |
| **Cash Flow From Investments** | **(5,098)** | **(1,167)** | **(10,142)** | **(10,108)** | **(10,639)** | **(12,822)** | **(18,526)** | **(28,667)** | **(29,448)** | **(21,631)** |
| | | | | | | | | | | |
| Equity Issued | - | 6,996 | - | - | - | - | - | - | - | - |
| Net debt Issued (issued - repaid) | (202) | 3,563 | - | - | - | - | - | - | - | - |
| Other | (3,631) | (9,436) | (8,904) | (10,383) | (11,649) | (12,902) | (14,615) | (16,825) | (19,015) | (20,921) |
| **Cash Flow From Financing** | **(3,833)** | **1,123** | **(8,904)** | **(10,383)** | **(11,649)** | **(12,902)** | **(14,615)** | **(16,825)** | **(19,015)** | **(20,921)** |
| | | | | | | | | | | |
| Net Effect of Exchange Rate Changes | 388 | (370) | - | - | - | - | - | - | - | - |
| **Net Change in Cash** | **3,056** | **16,382** | **4,865** | **9,417** | **12,793** | **14,493** | **13,305** | **9,167** | **15,995** | **31,287** |
| Beginning Cash | 10,001 | 13,445 | 29,456 | 34,321 | 43,738 | 56,531 | 71,024 | 84,329 | 93,496 | 109,492 |
| **Ending Cash** | **13,445** | **29,456** | **34,321** | **43,738** | **56,531** | **71,024** | **84,329** | **93,496** | **109,492** | **140,779** |

Source: Company disclosure, Bernstein estimates and analysis

## EXHIBIT 43: **Asymchem's Income statement**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **5,805** | **6,670** | **8,269** | **11,403** | **16,069** | **22,294** | **28,368** | **32,882** | **37,608** | **41,611** |
| Gross Profit | 2,382 | 2,774 | 3,457 | 4,736 | 6,883 | 9,746 | 12,980 | 15,533 | 18,052 | 19,973 |
| Selling and distribution expenses | (243) | (210) | (261) | (360) | (507) | (703) | (895) | (1,037) | (1,187) | (1,313) |
| Administrative expenses | (861) | (802) | (992) | (1,254) | (1,607) | (2,006) | (2,269) | (2,631) | (3,009) | (3,329) |
| R&D expenses | (614) | (593) | (744) | (912) | (1,286) | (1,561) | (1,702) | (1,644) | (1,880) | (2,081) |
| **Core EBIT (calculated)** | **662** | **1,168** | **1,460** | **2,210** | **3,483** | **5,475** | **8,113** | **10,221** | **11,976** | **13,251** |
| Non-operating income/(expense) | 410 | 118 | 138 | 120 | 141 | 151 | 219 | 298 | 261 | 293 |
| Pretax Income (Loss) | 1,072 | 1,286 | 1,599 | 2,330 | 3,624 | 5,626 | 8,332 | 10,519 | 12,237 | 13,544 |
| Tax | (137) | (160) | (240) | (349) | (544) | (844) | (1,250) | (1,578) | (1,836) | (2,032) |
| **Net Income** | **936** | **1,127** | **1,359** | **1,980** | **3,081** | **4,782** | **7,083** | **8,941** | **10,401** | **11,512** |
| Profit attributable to owner of the parents | 949 | 1,133 | 1,366 | 1,991 | 3,097 | 4,808 | 7,120 | 8,988 | 10,456 | 11,573 |
| EPS (Basic) | 2.69 | 3.16 | 3.83 | 5.58 | 8.69 | 13.48 | 19.97 | 25.21 | 29.32 | 32.46 |
| EPS (Diluted) | 2.69 | 3.16 | 3.83 | 5.58 | 8.67 | 13.46 | 19.94 | 25.17 | 29.28 | 32.41 |
| | | | | | | | | | | |
| **YoY Growth** | | | | | | | | | | |
| Revenue | -25.4% | 14.9% | 24.0% | 37.9% | 40.9% | 38.7% | 27.2% | 15.9% | 14.4% | 10.6% |
| Gross Profit | -39.9% | 16.5% | 24.6% | 37.0% | 45.3% | 41.6% | 33.2% | 19.7% | 16.2% | 10.6% |
| Core EBIT (calculated) | -70.4% | 76.4% | 25.0% | 51.3% | 57.6% | 57.2% | 48.2% | 26.0% | 17.2% | 10.6% |
| Pretax Income (Loss) | -58.1% | 20.0% | 24.3% | 45.8% | 55.6% | 55.2% | 48.1% | 26.2% | 16.3% | 10.7% |
| Net Income | -58.4% | 20.4% | 20.6% | 45.8% | 55.6% | 55.2% | 48.1% | 26.2% | 16.3% | 10.7% |

Source: Company disclosure, Bernstein estimates and analysis

## EXHIBIT 44: **Asymchem's Balance sheet**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash & Cash Equivalents | 5,789 | 6,321 | 4,634 | 2,395 | 1,481 | 1,922 | 4,374 | 7,234 | 9,356 | 11,340 |
| Short-term investments | 1,540 | 1,117 | 1,117 | 1,117 | 1,117 | 1,117 | 1,117 | 1,117 | 1,117 | 1,117 |
| Trade and other receivables | 2,424 | 2,501 | 3,100 | 4,275 | 6,025 | 8,358 | 10,636 | 12,328 | 14,100 | 15,601 |
| Inventories | 1,193 | 1,471 | 1,816 | 2,517 | 3,468 | 4,737 | 5,809 | 6,549 | 7,383 | 8,168 |
| Other Current Assets | 104 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 | 97 |
| **Total Current Assets** | **11,050** | **11,506** | **10,764** | **10,401** | **12,187** | **16,231** | **22,033** | **27,325** | **32,052** | **36,323** |
| | | | | | | | | | | |
| Net PP&E | 5,940 | 6,442 | 8,761 | 11,656 | 13,849 | 15,693 | 17,588 | 21,137 | 26,638 | 33,362 |
| ROU assets | 700 | 670 | 687 | 735 | 824 | 967 | 1,157 | 1,374 | 1,616 | 1,876 |
| Other L-T Assets | 1,599 | 1,660 | 1,661 | 1,662 | 1,663 | 1,664 | 1,666 | 1,668 | 1,670 | 1,672 |
| **Total Assets** | **19,289** | **20,277** | **21,873** | **24,453** | **28,523** | **34,556** | **42,444** | **51,503** | **61,976** | **73,232** |
| | | | | | | | | | | |
| Short-Term Debts | - | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Trade and other payables | 1,616 | 1,832 | 2,376 | 3,312 | 4,633 | 6,393 | 7,978 | 9,109 | 10,376 | 11,462 |
| Other Current Liabilities | 94 | 127 | 124 | 128 | 139 | 156 | 178 | 202 | 226 | 251 |
| **Total Current Liabilities** | **1,709** | **1,968** | **2,509** | **3,450** | **4,782** | **6,560** | **8,166** | **9,321** | **10,612** | **11,722** |
| | | | | | | | | | | |
| Long-Term Liabilities | 717 | 663 | 687 | 714 | 773 | 871 | 996 | 1,128 | 1,267 | 1,406 |
| **Total Liabilities** | **2,426** | **2,631** | **3,196** | **4,164** | **5,556** | **7,431** | **9,163** | **10,449** | **11,880** | **13,128** |
| **Shareholders' Equity** | **16,863** | **17,646** | **18,677** | **20,289** | **22,967** | **27,125** | **33,282** | **41,055** | **50,097** | **60,104** |
| **Total Liabilities & Shareholders' Equity** | **19,289** | **20,277** | **21,873** | **24,453** | **28,523** | **34,556** | **42,444** | **51,503** | **61,976** | **73,232** |

Source: Company disclosure, Bernstein estimates and analysis

## EXHIBIT 45: **Asymchem's Cash flow statement**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| Profit before tax | 1,072 | 1,286 | 1,359 | 1,980 | 3,081 | 4,782 | 7,083 | 8,941 | 10,401 | 11,512 |
| Depreciation & Amortization | 526 | 575 | 520 | 596 | 775 | 915 | 1,040 | 1,173 | 1,407 | 1,761 |
| Change in WC | 54 | (204) | (401) | (939) | (1,380) | (1,843) | (1,765) | (1,302) | (1,338) | (1,201) |
| Other | (398) | (250) | 14 | 30 | 62 | 96 | 142 | 180 | 209 | 231 |
| **Cash Flow From Operations** | **1,254** | **1,408** | **1,492** | **1,668** | **2,538** | **3,951** | **6,501** | **8,992** | **10,680** | **12,303** |
| | | | | | | | | | | |
| Capex | (1,130) | (1,270) | (2,775) | (3,426) | (2,898) | (2,681) | (2,843) | (4,610) | (6,777) | (8,330) |
| Other | (54) | 637 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Cash Flow From Investments** | **(1,184)** | **(633)** | **(2,775)** | **(3,426)** | **(2,898)** | **(2,681)** | **(2,843)** | **(4,610)** | **(6,777)** | **(8,330)** |
| | | | | | | | | | | |
| Equity Issued | - | 176 | - | - | - | - | - | - | - | - |
| Net debt Issued (issued - repaid) | - | - | - | - | - | - | - | - | - | - |
| Other | (1,928) | (521) | (403) | (481) | (555) | (829) | (1,205) | (1,522) | (1,781) | (1,989) |
| **Cash Flow From Financing** | **(1,928)** | **(345)** | **(403)** | **(481)** | **(555)** | **(829)** | **(1,205)** | **(1,522)** | **(1,781)** | **(1,989)** |
| | | | | | | | | | | |
| Net Effect of Exchange Rate Changes | 96 | (35) | - | - | - | - | - | - | - | - |
| **Net Change in Cash** | **(1,858)** | **430** | **(1,687)** | **(2,239)** | **(915)** | **441** | **2,453** | **2,860** | **2,122** | **1,984** |
| Beginning Cash | 4,772 | 3,009 | 3,403 | 1,716 | (522) | (1,437) | (996) | 1,457 | 4,317 | 6,439 |
| **Ending Cash** | **3,009** | **3,403** | **1,716** | **(522)** | **(1,437)** | **(996)** | **1,457** | **4,317** | **6,439** | **8,423** |

Source: Company disclosure, Bernstein estimates and analysis

## EXHIBIT 46: **Wuxi Biologics' Income statement**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **18,675** | **21,790** | **25,819** | **30,390** | **35,804** | **42,323** | **49,195** | **55,574** | **61,859** | **67,378** |
| Gross Profit | 7,651 | 10,019 | 11,877 | 13,980 | 16,828 | 20,315 | 23,614 | 26,675 | 29,692 | 32,341 |
| Selling and marketing expenses | (474) | (609) | (723) | (851) | (1,003) | (1,185) | (1,377) | (1,556) | (1,732) | (1,887) |
| Administrative expenses | (1,674) | (1,704) | (1,936) | (2,188) | (2,506) | (2,963) | (3,444) | (3,890) | (4,330) | (4,716) |
| R&D expenses | (766) | (853) | (1,011) | (1,190) | (1,402) | (1,658) | (1,927) | (2,176) | (2,423) | (2,639) |
| **Core EBIT (calculated)** | **4,737** | **6,852** | **8,206** | **9,750** | **11,917** | **14,510** | **16,866** | **19,053** | **21,207** | **23,100** |
| Non-operating income/(expense) | 97 | 405 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 |
| Pretax Income (Loss) | 4,834 | 7,257 | 8,347 | 9,891 | 12,058 | 14,651 | 17,007 | 19,194 | 21,348 | 23,241 |
| Tax | (889) | (1,524) | (1,628) | (1,884) | (2,243) | (2,659) | (3,010) | (3,311) | (3,587) | (3,800) |
| **Net Income** | **3,945** | **5,733** | **6,719** | **8,007** | **9,815** | **11,992** | **13,997** | **15,883** | **17,762** | **19,441** |
| Profit attributable to owner of the parents | 3,356 | 4,908 | 6,048 | 7,206 | 8,834 | 10,793 | 12,597 | 14,295 | 15,986 | 17,497 |
| EPS (Basic) | 0.82 | 1.22 | 1.50 | 1.79 | 2.19 | 2.68 | 3.13 | 3.55 | 3.97 | 4.34 |
| EPS (Diluted) | 0.78 | 1.16 | 1.45 | 1.73 | 2.12 | 2.58 | 3.02 | 3.42 | 3.83 | 4.19 |
| **YoY Growth** | | | | | | | | | | |
| Revenue | 9.6% | 16.7% | 18.5% | 17.7% | 17.8% | 18.2% | 16.2% | 13.0% | 11.3% | 8.9% |
| Gross Profit | 12.1% | 30.9% | 18.5% | 17.7% | 20.4% | 20.7% | 16.2% | 13.0% | 11.3% | 8.9% |
| Core EBIT (calculated) | 11.4% | 44.6% | 19.8% | 18.8% | 22.2% | 21.8% | 16.2% | 13.0% | 11.3% | 8.9% |
| Pretax Income (Loss) | 15.8% | 50.1% | 15.0% | 18.5% | 21.9% | 21.5% | 16.1% | 12.9% | 11.2% | 8.9% |
| Net Income | 10.5% | 45.3% | 17.2% | 19.2% | 22.6% | 22.2% | 16.7% | 13.5% | 11.8% | 9.5% |

Source: Company disclosure, Bernstein estimates and analysis

## EXHIBIT 47: **Wuxi Biologics' Balance sheet**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash & Cash Equivalents | 8,279 | 9,214 | 10,901 | 7,328 | 13,748 | 13,634 | 28,215 | 33,797 | 49,903 | 57,403 |
| Short-term investments | 524 | 932 | 870 | 2,167 | 1,262 | 3,817 | 2,087 | 4,582 | 2,841 | 5,245 |
| Trade and other receivables | 6,241 | 8,853 | 10,489 | 12,347 | 14,546 | 17,195 | 19,987 | 22,578 | 25,132 | 27,374 |
| Inventories | 1,522 | 1,381 | 1,636 | 1,926 | 2,227 | 2,582 | 3,002 | 3,391 | 3,774 | 4,111 |
| Other Current Assets | 7,008 | 7,756 | 7,283 | 9,646 | 10,727 | 13,053 | 14,858 | 16,788 | 18,578 | 20,134 |
| **Total Current Assets** | **23,573** | **28,135** | **31,179** | **33,414** | **42,510** | **50,281** | **68,149** | **81,137** | **100,228** | **114,266** |
| | | | | | | | | | | |
| Net PP&E | 26,070 | 27,739 | 33,485 | 39,814 | 45,105 | 49,335 | 52,430 | 56,081 | 62,107 | 68,624 |
| ROU assets | 2,365 | 2,015 | 1,992 | 1,983 | 1,992 | 2,019 | 2,066 | 2,129 | 2,208 | 2,300 |
| Other L-T Assets | 4,969 | 5,807 | 5,134 | 7,166 | 5,911 | 9,866 | 7,413 | 11,314 | 8,871 | 12,653 |
| **Total Assets** | **56,977** | **63,697** | **71,790** | **82,378** | **95,517** | **111,501** | **130,058** | **150,660** | **173,415** | **197,843** |
| | | | | | | | | | | |
| Short-Term Debts | 2,435 | 874 | 874 | 874 | 874 | 874 | 874 | 874 | 874 | 874 |
| Trade and other payables | 2,778 | 3,287 | 3,501 | 4,118 | 4,753 | 5,514 | 6,411 | 7,222 | 8,026 | 8,722 |
| Other Current Liabilities | 3,408 | 4,147 | 4,784 | 5,716 | 6,516 | 7,483 | 8,504 | 9,451 | 10,385 | 11,204 |
| **Total Current Liabilities** | **8,621** | **8,308** | **9,159** | **10,707** | **12,143** | **13,871** | **15,788** | **17,546** | **19,284** | **20,800** |
| | | | | | | | | | | |
| Long-Term Liabilities | 2,879 | 2,350 | 2,405 | 2,292 | 2,187 | 2,088 | 1,996 | 1,910 | 1,829 | 1,754 |
| **Total Liabilities** | **11,500** | **10,657** | **11,564** | **13,000** | **14,330** | **15,959** | **17,784** | **19,456** | **21,113** | **22,554** |
| **Shareholders' Equity** | **45,478** | **53,039** | **60,226** | **69,378** | **81,188** | **95,542** | **112,273** | **131,204** | **152,301** | **175,289** |
| **Total Liabilities & Shareholders' Equity** | **56,977** | **63,697** | **71,790** | **82,378** | **95,517** | **111,501** | **130,058** | **150,660** | **173,415** | **197,843** |

Source: Company disclosure, Bernstein estimates and analysis

EXHIBIT 48: **Wuxi Biologics' Cash flow statement**

| CNY in Millions | 2024 | 2025 | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E |
|---|---|---|---|---|---|---|---|---|---|---|
| Profit before tax | 4,834 | 7,257 | 6,719 | 8,007 | 9,815 | 11,992 | 13,997 | 15,883 | 17,762 | 19,441 |
| Depreciation & Amortization | 1,437 | 1,448 | 1,460 | 1,738 | 2,045 | 2,306 | 2,521 | 2,686 | 2,880 | 3,188 |
| Change in WC | (801) | (1,731) | (1,243) | (1,031) | (1,580) | (1,899) | (1,952) | (1,834) | (1,801) | (1,592) |
| Other | (254) | (633) | 1,885 | 2,218 | 2,614 | 3,090 | 3,591 | 4,057 | 4,516 | 4,919 |
| **Cash Flow From Operations** | **5,217** | **6,341** | **8,821** | **10,933** | **12,894** | **15,488** | **18,157** | **20,792** | **23,357** | **25,955** |
| | | | | | | | | | | |
| Capex | (3,930) | (3,736) | (7,255) | (8,145) | (7,447) | (6,687) | (5,805) | (6,558) | (9,155) | (9,972) |
| Other | (12) | 649 | 1,672 | (5,162) | 1,709 | (8,079) | 3,188 | (7,547) | 3,174 | (7,027) |
| **Cash Flow From Investments** | **(3,942)** | **(3,087)** | **(5,583)** | **(13,306)** | **(5,738)** | **(14,766)** | **(2,617)** | **(14,105)** | **(5,981)** | **(16,999)** |
| | | | | | | | | | | |
| Equity Issued | - | - | - | - | - | - | - | - | - | - |
| Net debt Issued (issued - repaid) | 490 | (1,629) | - | - | - | - | - | - | - | - |
| Other | (3,240) | (535) | (1,552) | (1,199) | (737) | (836) | (959) | (1,105) | (1,270) | (1,456) |
| **Cash Flow From Financing** | **(2,750)** | **(2,164)** | **(1,552)** | **(1,199)** | **(737)** | **(836)** | **(959)** | **(1,105)** | **(1,270)** | **(1,456)** |
| | | | | | | | | | | |
| Net Effect of Exchange Rate Changes | 84 | (155) | - | - | - | - | - | - | - | - |
| **Net Change in Cash** | **(1,391)** | **935** | **1,687** | **(3,573)** | **6,420** | **(114)** | **14,581** | **5,582** | **16,105** | **7,500** |
| Beginning Cash | 9,670 | 8,279 | 9,214 | 10,901 | 7,328 | 13,748 | 13,634 | 28,215 | 33,797 | 49,903 |
| **Ending Cash** | **8,279** | **9,214** | **10,901** | **7,328** | **13,748** | **13,634** | **28,215** | **33,797** | **49,903** | **57,403** |

Source: Company disclosure, Bernstein estimates and analysis