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2024

Interim Results



August 2024



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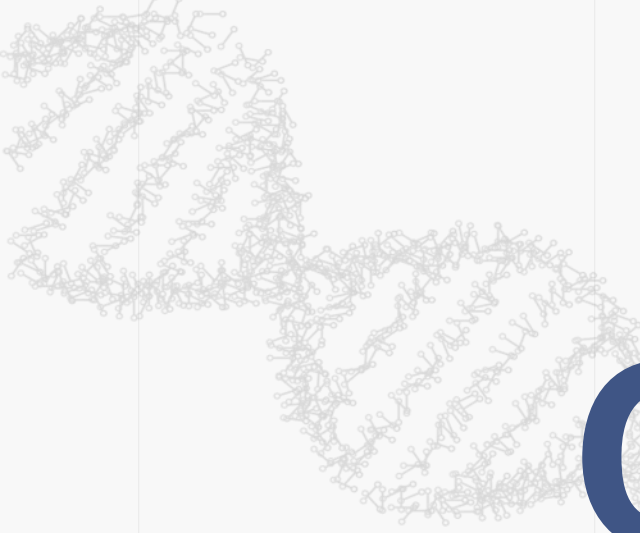
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Future
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2Q2024 Revenue Achieved Strong QoQ Growth

RMB mm	2Q2024	1Q2024	QoQ	2Q2023	YoY
Revenue	2,934	2,671	9.9%	2,916	0.6%
Net Profit	883	231	282.9%	438	101.6%
Non-IFRSs Adjusted Net Profit	351	339	3.7%	494	-28.8%

- 2Q2024 revenue achieved strong QoQ growth over 1Q2024, and slight YoY growth over 2Q2023
- Strong net profit growth driven by the disposal of equity interests in the Company's minority investment in PROTEOLOGIX, which also improved the Company's cash position
- Non-IFRSs adjusted net profit temporarily declined YoY as a result of increased labor costs (mainly from the newly added employees in 2H2023), increased syndicated loans at the end of 2023, and the operation of new production capacities at the end of 2023 and during the Reporting Period

RMB mm	1H2024	1H2023	YoY
Revenue	5,604	5,640	-0.6%
Net Profit	1,113	786	41.6%
Non-IFRSs Adjusted Net Profit	690	932	-25.9%

- **New POs:** 1H2024 new POs YoY growth of 15%+. Modest recovery in two consecutive quarters
- **Revenue:** new POs of laboratory services had gradually converted into revenue in 2Q2024. Due to different delivery cycles, more POs of the CMC services will be delivered from 3Q2024
- **Net Margin:** expect QoQ improvement of Non-IFRSs adjusted net profit margin in 3Q2024 as a result of increased revenue
- **Guidance:** maintain full-year 2024 guidance of 10%+ revenue growth

Global Platform & Customers

360+ new customers, **2,200+** active customers, including all of the **TOP 20** global pharmas

21 R&D & manufacturing facilities across **China, UK & US**, providing fully-integrated services for **SM, LM & CGT**

20,342 employees, including **1,700+** overseas employees. **18,241** scientists & technicians, representing **~90%** of total employees

Rich Pipeline to Fuel Future Growth

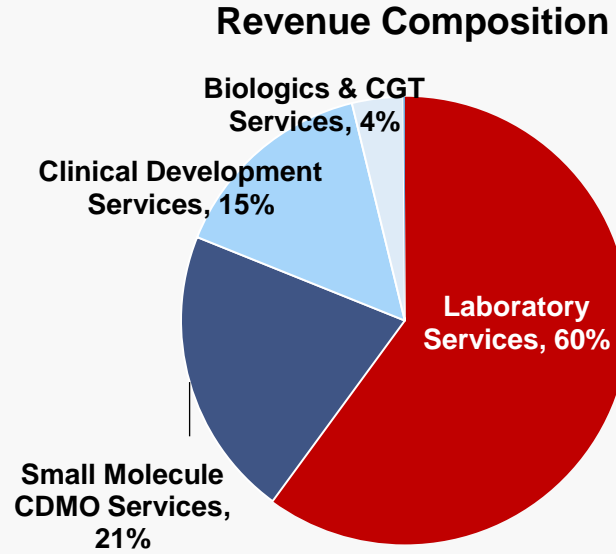
Discovery projects: **666** drug discovery projects, increased by **2.5%** YoY

CMC projects: **16** in validation & commercial, **19** in PhIII, **162** in PhI/II, **498** in preclinical

Clinical projects: **1,112** CRO projects, including **77** in PhIII. **1,500+** SMO projects, CRC team covers **650+** hospitals & clinical trial centers in **140+** cities

CGT projects: **21** release testing projects, including **2** commercial projects. **11** CDMO projects, including **1** in PhIII, **6** in PhI/II, **4** in preclinical

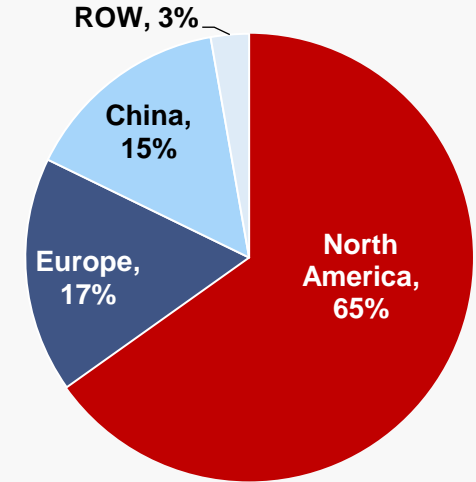
Segments



Global Customers

NA Revenue Declined **0.2%**
 EU Revenue Grew **10.0%**
 CN Revenue Declined **13.2%**

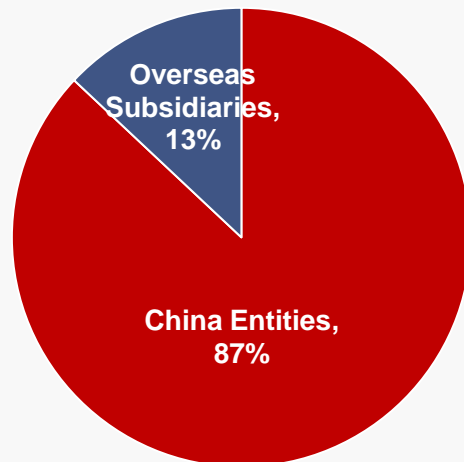
Revenue Composition



China/Overseas Entities

China Entities Revenue Declined **1.3%**
 Overseas Subsidiaries Revenue Grew **4.0%**

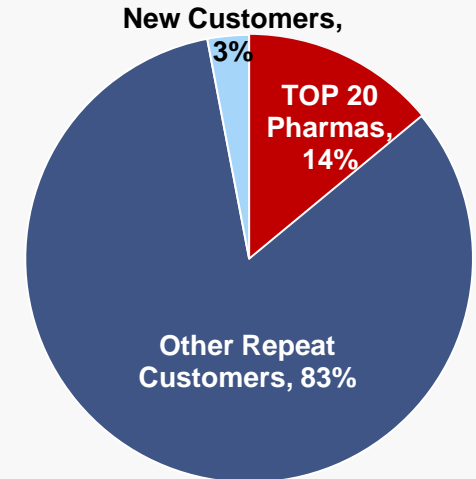
Revenue Composition



Diversified Customer Base

TOP 20 Pharmas Revenue Declined **7.2%**
 Other Customers Revenue Grew **0.5%**

Revenue Composition



Sustainability



Sustainable Markets Initiative

The Company joined the Health Working Group of the Sustainable Markets Initiative (SMI) China Council, and worked together with value chain partners of the industry to make concerted efforts for energy saving and emission reduction

Diversity, Equity & Inclusion



The Company enhanced its DEI practice and strengthened its occupational health and safety management in accordance with ISO 45001

The Company also strengthened the DEI management of its supply chain, and expanded its supplier network

ESG Ratings

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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2023 MSCI ESG rating of BBB
 2023 EcoVadis Bronze Prize
 2024 SNSI ESG Rating of AA.
 Selected as one of the 2024 Top 100 A-share Listed Companies in ESG Excellence and 2024 Top 20 A-share Listed Companies in Best Practices in Corporate Governance (G) Dimension

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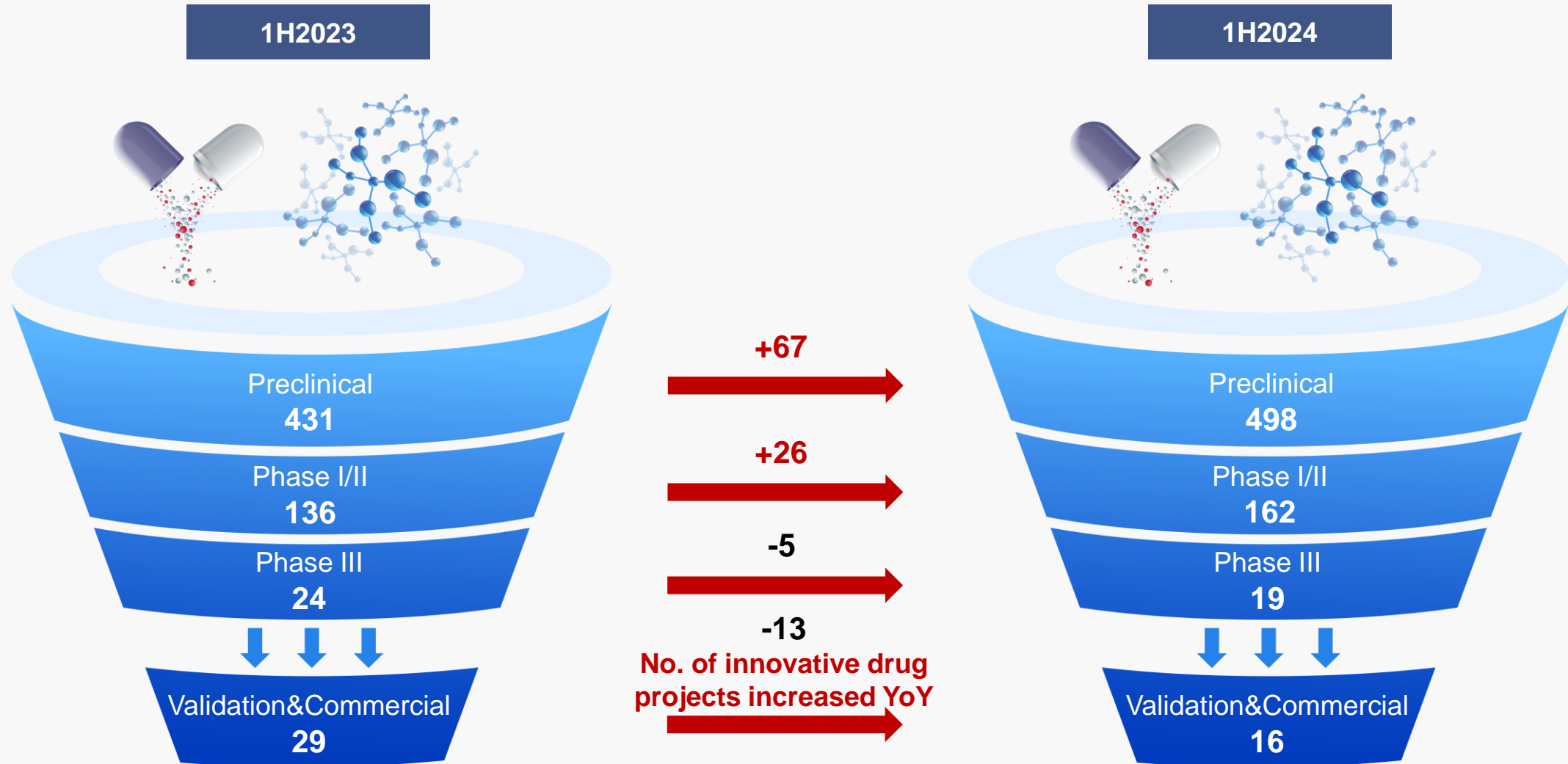
RMB mm	2Q2024	1Q2024	QoQ	2Q2023	YoY	1H2024	1H2023	YoY
Revenue	1,767	1,605	10.1%	1,728	2.3%	3,371	3,380	-0.3%
GPM	44.3%	43.6%	0.7pct	45.3%	-1.0pct	44.0%	44.8%	-0.8pct

- QoQ improvement of laboratory chemistry services revenue since 4Q2023. Steady YoY revenue growth of bioscience services revenue, which accounted for 53%+ of the segment revenue in 1H2024
- 1H2024 new POs increased by 10%+ YoY
- 1H2024 participated in 666 drug discovery projects, a YoY increase of 2.5%
- Campus III in Ningbo began operation, and increased the Company's capacities in safety assessment, DMPK and *in vivo* pharmacology services. The safety assessment laboratory received China GLP certification in July 2024

RMB mm	2Q2024	1Q2024	QoQ	2Q2023	YoY	1H2024	1H2023	YoY
Revenue	594	582	2.0%	653	-9.1%	1,176	1,251	-6.0%
GPM	28.3%	27.3%	1.0pct	31.7%	-3.4pct	27.8%	32.2%	-4.4pct

- ~78% of CMC services revenue came from the existing customers of laboratory services
- 1H2024 new POs increased by 25%+ YoY. More projects will be delivered from 3Q2024
- Commercial Manufacturing: during the Reporting Period, an innovative drug the Company produced for its customer obtained NMPA approval, and became its first commercial drug product manufacturing project. In August 2024, another product also obtained NMPA approval, and marked a new milestone for the Company's drug product commercial manufacturing services
- Increased costs due to certain modules in Shaoxing facility transferred from CIP into fixed assets in 4Q2023 and increased labor costs in CN & UK

CMC Projects Continued to Advance to Late Stage



RMB mm	2Q2024	1Q2024	QoQ	2Q2023	YoY	1H2024	1H2023	YoY
Revenue	452	392	15.4%	431	4.8%	843	805	4.7%
GPM	15.4%	9.3%	6.1pct	19.6%	-4.2pct	12.6%	17.0%	-4.4pct

- As a result of synergies of the Company's integrated platform and increasing customer recognitions of Pharmaron Clinical, the Company has continued to increase its number of projects and gain market share
- 1,112 clinical CRO projects, including 77 PhIII clinical trials, 409 Ph/II clinical trials, and 626 other clinical trials
- 1,500+ SMO projects. CRC team covers 650+ hospitals & clinical trial centers in 140+ cities
- GPM declined due to revenue mix of different projects and competitions in China market. 2Q2024 GPM improved QoQ as a result of increased revenue

RMB mm	2Q2024	1Q2024	QoQ	2Q2023	YoY	1H2024	1H2023	YoY
Revenue	120	91	31.0%	105	14.3%	211	200	5.5%
GPM	-25.9%	-38.6%	12.7pct	-5.3%	-20.6pct	-31.4%	-8.3%	-23.1pct

- Strong QoQ revenue growth driven by the delivery of an innovative bispecific antibody project
- 21 CGT analytical release testing projects from 17 customers, including 2 commercial projects and 9 clinical projects
- 12 GLP & non-GLP tox studies for CGT products either had been completed or are in progress
- 11 gene therapy CDMO projects, including 1 in PhIII, 6 in PhI/II & 4 in preclinical
- The emerging segment is still in the investment stage. Increased operating costs and depreciation of the biologics CDMO capacity in Ningbo

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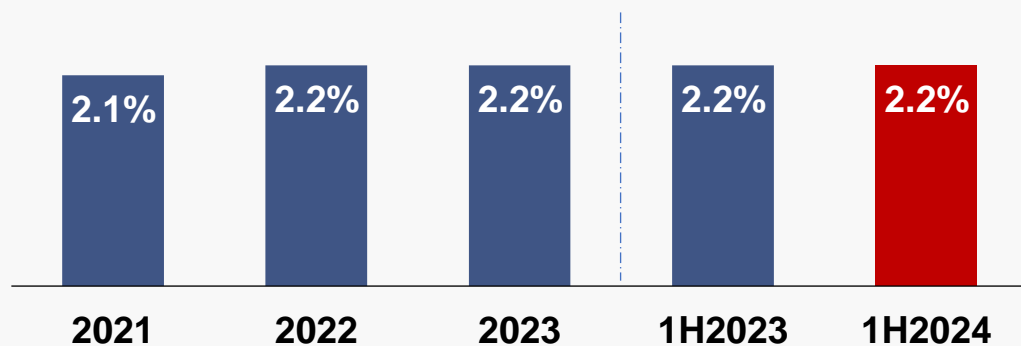
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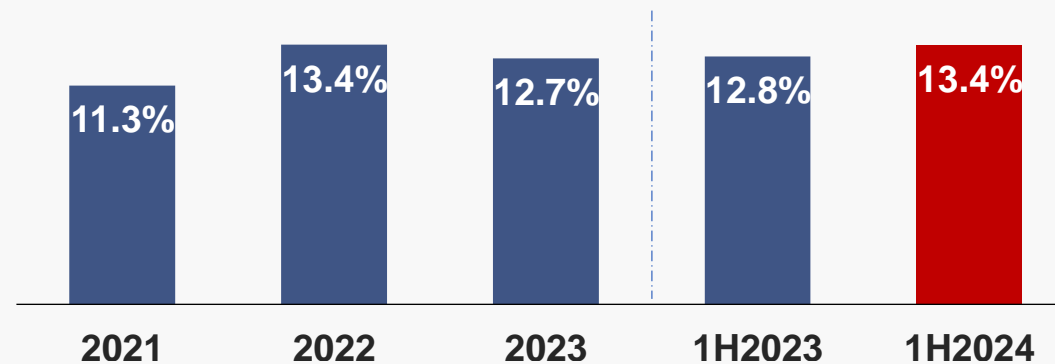
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1H2024 Expenses for the Period

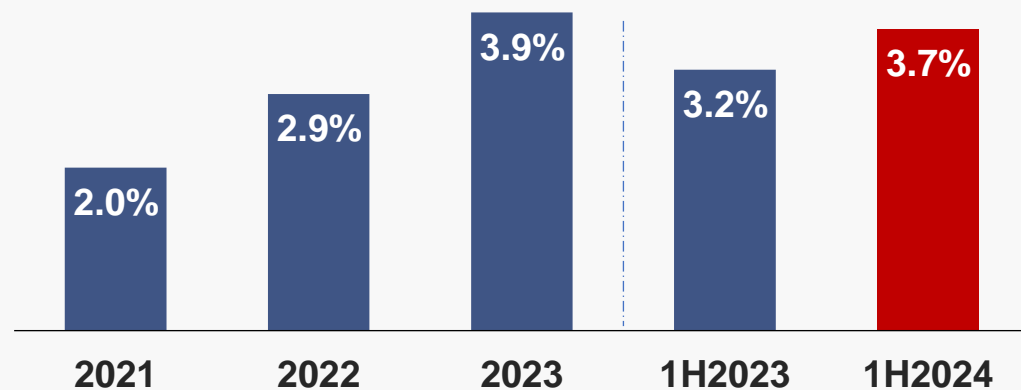
Selling and Distribution Expenses as % of Total Revenue



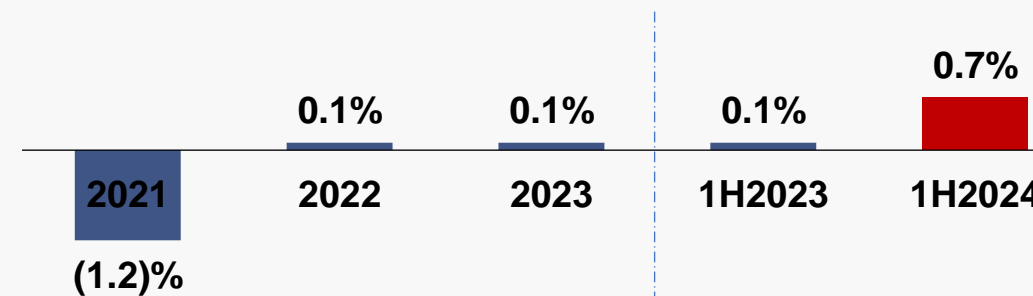
Administrative Expenses as % of Total Revenue ⁽¹⁾



R&D Costs as % of Total Revenue



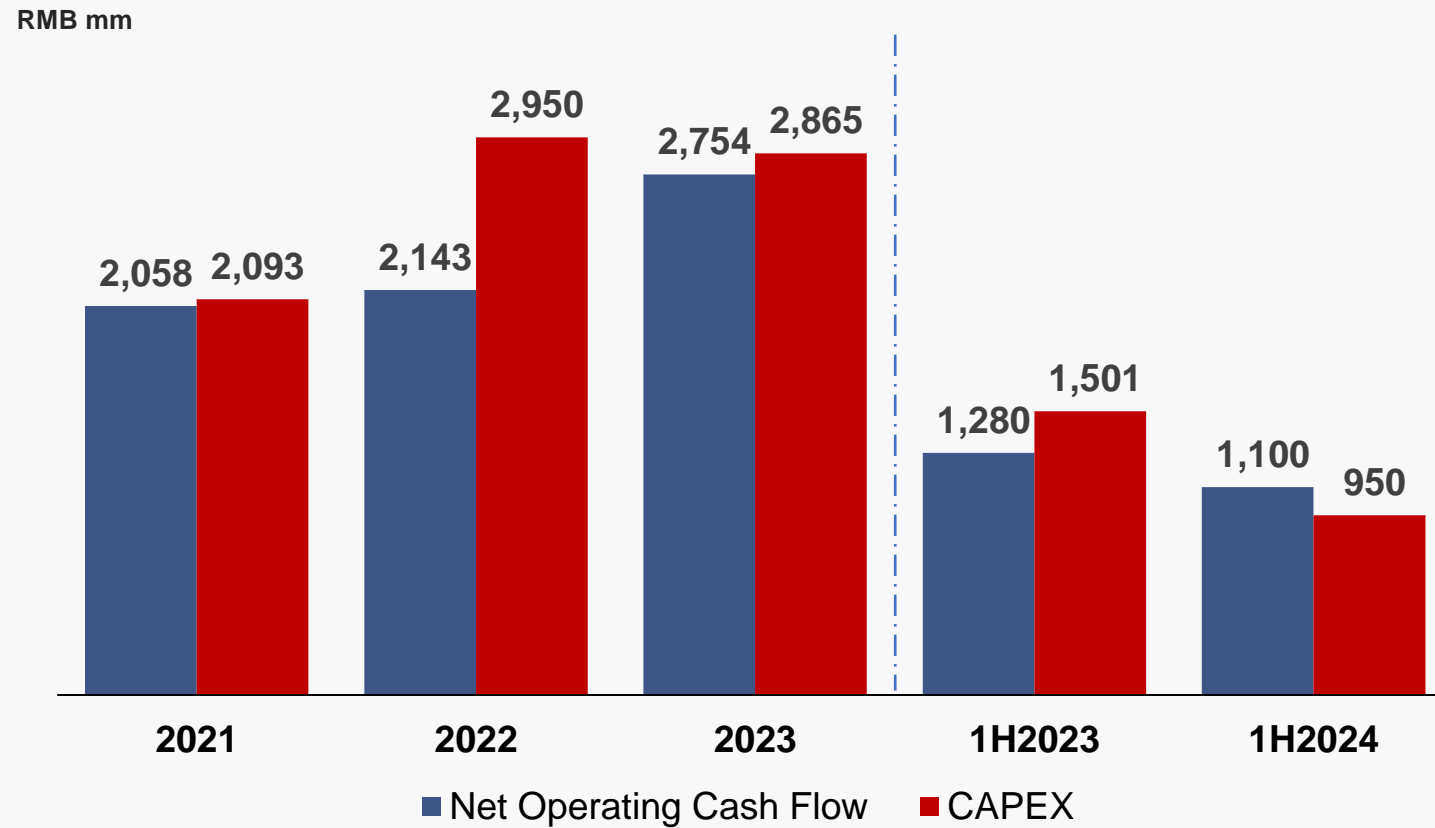
Net Finance Costs as % of Total Revenue ⁽²⁾



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

Expect to Achieve Positive Free Cash Flow in 2024



1H2024 Non-IFRSs Adjusted Net Profit

RMB mm	1H2024	1H2023
Net Profit	1,113	786
Add:		
Share-based Compensation Expenses	66	110
Convertible Bonds Related Losses / (Gains)	(7)	57
Foreign Exchange Related (Gains) / Losses	5	(4)
Realized and Unrealized Gains From Equity Investments	(531)	(17)
One-off Loss Made by Pharmaron Shanghai Co., Ltd. due to the Business Close	44	-
Non-IFRSs Adjusted Net Profit	690	932

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The pursuit of health and longevity is eternal, and the long-term industry fundamentals remain intact. Seeing early signs of customer demand recovery



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



Expect to deliver 10%+ revenue growth in 2024



THANK YOU