

IPO FACT SHEET
Wu Xi AppTec.,Ltd. (2359 HK)
ISSUE STATISTICS

Offer Size:	HK\$7,465.9m – HK\$8,327.9m
Placement Tranche:	116.4742m
Price:	HK\$64.10– HK\$71.50
Board lot:	100
Entry fee:	HK\$7,222.05
Historical PE	50.97x – 64.22x
Net tangible asset per share:	HK\$14.99 – HK\$15.71
Market Cap (post-IPO):	HK\$74,659.9m – HK\$83,279.0m
Open:	3 Dec 2018
Close:	12.00 noon on 6 Dec 2018
Trading:	13 Dec 2018
Sponsor:	Morgan Stanley Asia Ltd, Huatai Financial Holdings (Hong Kong) Ltd, Goldman Sachs (Asia) L.L.C.

Year ended 31 Dec	(RMB\$'000)	yoy % chg
Revenue		
2016	6,116,131	25.2%
2017	7,765,260	26.7%
Loss for the year/period		
2016	1,120,973	63.9%
2017	1,296,720	15.7%

BACKGROUND

- Their vision is that “every drug can be made and every disease can be treated” through building the open-access platform with the most comprehensive capabilities and technologies in the global healthcare industry.
- According to Frost & Sullivan, They are a leading global pharmaceutical R&D services platform and the largest in Asia by total revenue in 2017.
- They provide comprehensive and integrated research and manufacturing services throughout the discovery, development and manufacturing spectrum for small molecule drugs.
- They also provide development and manufacturing services for cell and gene therapies as well as testing services for medical devices.
- They completed the initial public offering and listing of 104,198,556 A Shares (stock code: 603259) on the Shanghai Stock Exchange on May 8, 2018.

BUSINESS STRATEGY AND FUTURE PLANS

- Expand capacity and capabilities globally.
- Capture innovative technologies through strengthening their in-house R&D capabilities and acquisitions.
- Increase customer penetration and win new customers.
- Continue to attract, train and retain quality talent to support their rapid growth.
- Expand their reach within the healthcare ecosystem.

COMPETITIVE STRENGTHS

- Leading global pharmaceutical R&D services platform with the most comprehensive capabilities.
- Enabling innovation to strengthen their competitive advantage.
- Growing network within the healthcare ecosystem through strategic acquisitions and venture investments.
- Strong, loyal and expanding customer base.
- Experienced management team with vision and ambition.

KEY RISKS

- They are dependent on their customers' spending on and demand for outsourced discovery, testing, development and manufacturing of pharmaceuticals, cell and gene therapies and medical devices. A reduction in spending or demand could have a material adverse effect on their business, financial condition, results of operations, cash flows and prospects.
- Their success depends on their ability to attract, train, motivate and retain highly skilled scientists and research technicians.
- The loss of services of their senior management and key scientific personnel could severely disrupt their business and growth.
- Any failure to comply with existing regulations and industry standards or any adverse actions by the drug approval authorities against us could negatively impact their reputation and their business, financial condition, results of operations and prospects.
- Their failure to obtain or renew certain approvals, licenses, permits and certificates required for their business may materially and adversely affect their business, financial condition and results of operations.
- They face increasing competition and their inability to compete effectively may result in downward pricing pressure or reduced demand for their services.
- Their growth strategy and business expansion may not be successful.
- They may not be successful in developing, enhancing, adapting to or acquiring new technologies.
- They may not be successful in protecting their customers' or their own intellectual property.
- In conducting discovery, testing, development and manufacturing of pharmaceuticals, cell and gene therapies and medical devices, they face potential liabilities, in particular, product liability risks.

DIVIDEND POLICY

- Except for special circumstances, when the Company makes profits in the current year and the accumulated undistributed profit is positive, the Company shall give priority to the distribution of cash dividends. The total amount of the cash dividend distributed in the latest three years shall be at least 30% of their average annual distributable profits in the same period, and the amount of the cash dividend distributed in a year generally shall be at least 10% of their annual distributable profit in the same year.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Expansion of their capacity and capabilities across all business units globally, including in the PRC, the U.S. and Hong Kong.	2,777.8	36.9%
Funding of the acquisition of CRO and CMO/CDMO companies.	2,000.0	26.5%
Investment in their ecosystem by investing and incubating companies with innovative business models of growth potential in the healthcare sector.	300.0	4.0%
Development of cutting-edge technology such as AI-powered drug discovery platform and lab automation, healthcare data platform and robotic chemistry capability.	200.0	2.7%
Repayment of bank loans outstanding at the Latest Practicable Date.	1,500.0	19.9%
For working capital and general corporate purposes.	753.1	10.0%
Total:	7,530.9	100.00%

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