



# 2024 Q3 Results

**Asymchem Laboratories (Tianjin) Co., Ltd.**

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### *Forward-Looking Statement*

This presentation may contain certain “forward-looking statements” which are not historical facts, but instead are predictions about future events based on our beliefs as well as assumptions made by and information currently available to our management. Although we believe that our predictions are reasonable, future events are inherently uncertain and our forward-looking statements may turn out to be incorrect. Our forward-looking statements are subject to risks relating to, among other things, the ability of our service offerings to compete effectively, our ability to meet timelines for the expansion of our service offerings, our ability to protect our clients’ intellectual property, unforeseeable international tension, competition, the impact of emergencies and other force majeure. Our forward-looking statements in this presentation speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements except as required by applicable law or listing rules. Accordingly, you are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. All forward-looking statements contained herein are qualified by reference to the cautionary statements set forth in this section. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and we do not undertake any obligation to update any forward-looking statement, except as required under applicable law.

All financials disclosed in this document are presented in accordance with International Financial Reporting Standards (“**IFRS**”s) except for those specifically noted otherwise.

### *Use of Adjusted Financial Measures*

We have provided adjusted net profit attributable to shareholders of the Company and adjusted net profit margin attributable to shareholders of the Company as additional financial measures, which are not required by, or presented in accordance with, the IFRS. We believe that the adjusted financial measures used in this presentation are useful for understanding and assessing underlying business performance and operating trends, and we believe that management and investors may benefit from referring to these adjusted financial measures in assessing our financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that we do not consider indicative of the performance of our business. However, the presentation of these non- IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view adjusted results on a stand-alone basis or as a substitute for results under IFRS.



## 4,091

Q1-Q3 Revenue  
(RMB mm)

(35.5%)

Exclude Large  
Orders



+3.9%

## 14.36

Q3 Revenue  
(RMB mm)

qoq<sup>1</sup> +11.2%

Exclude Large  
Orders



pop<sup>2</sup> +12.5%

## 710

Net Profit Attributable to  
Shareholders of the Company  
(RMB mm)

## 42.9%

Q1-Q3  
Gross Profit Margin

## 46.1%

Q3 Gross Profit Margin

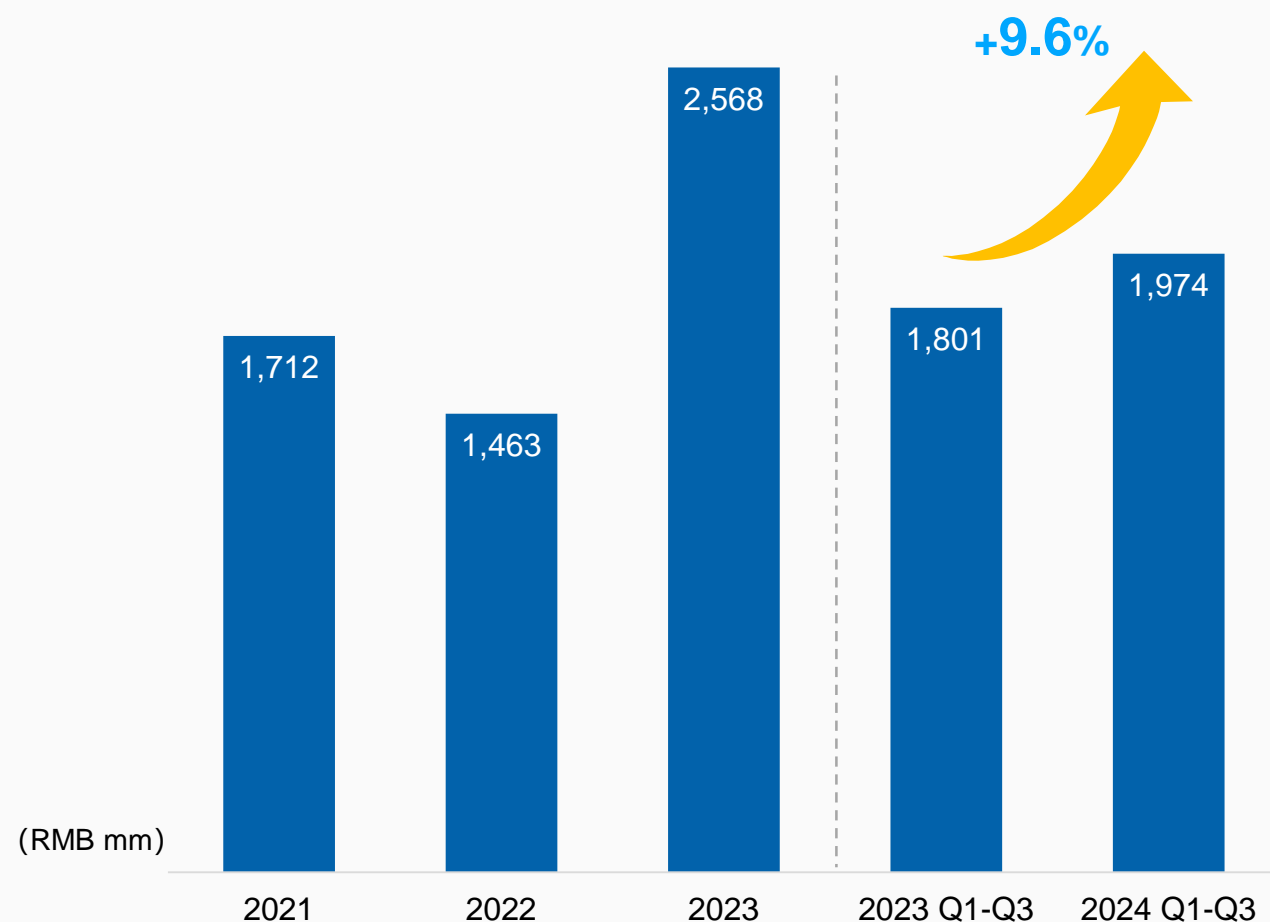
## 17.4%

Net Profit Margin Attributable to  
Shareholders of the Company

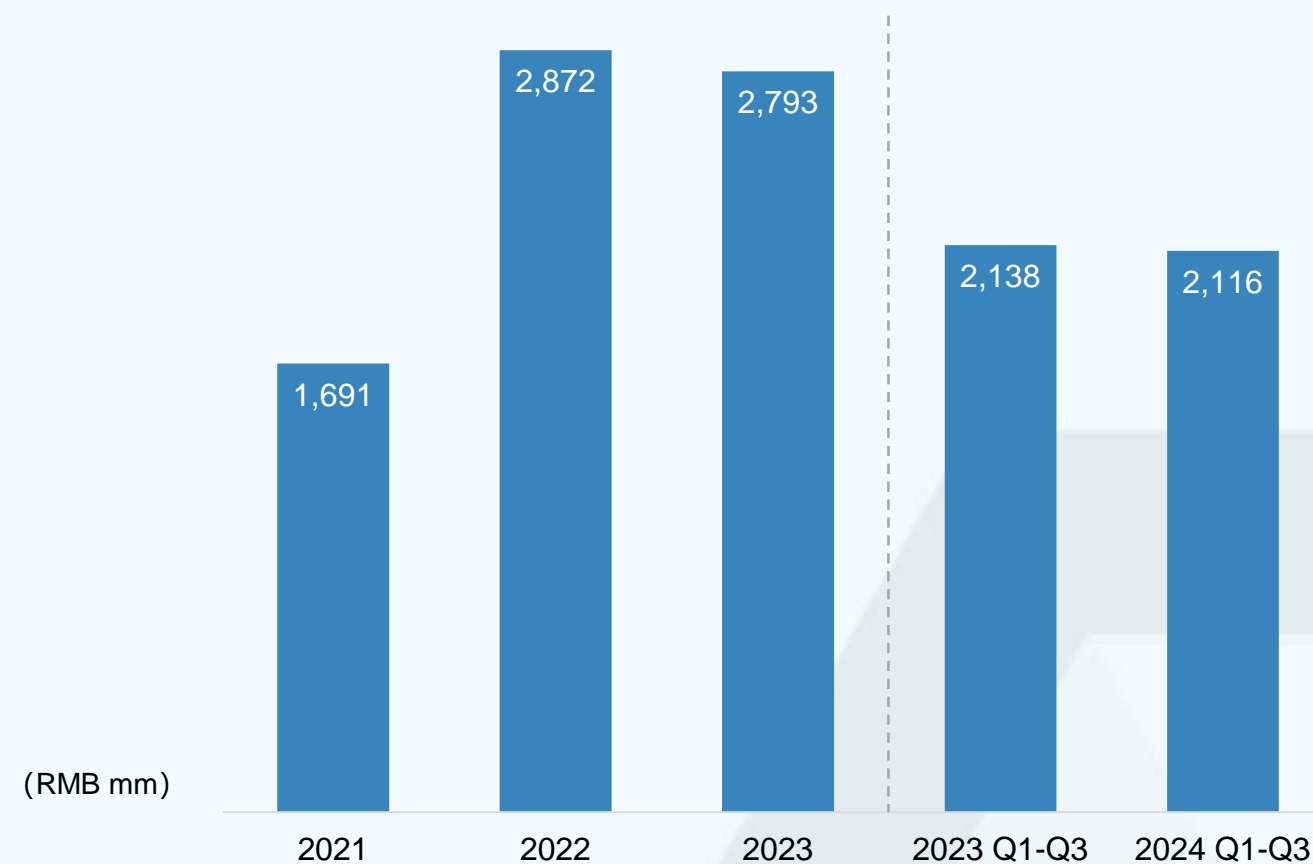
The Company continues to strengthen its partnership with leading customers, actively expanding domestic and international markets and broadening its customer base. The new order development continues to be improved

**Note: All financial data disclosed in this document are presented in accordance with IFRS unless otherwise specified**

## Revenue From Large Pharma (Exclude Large Orders)

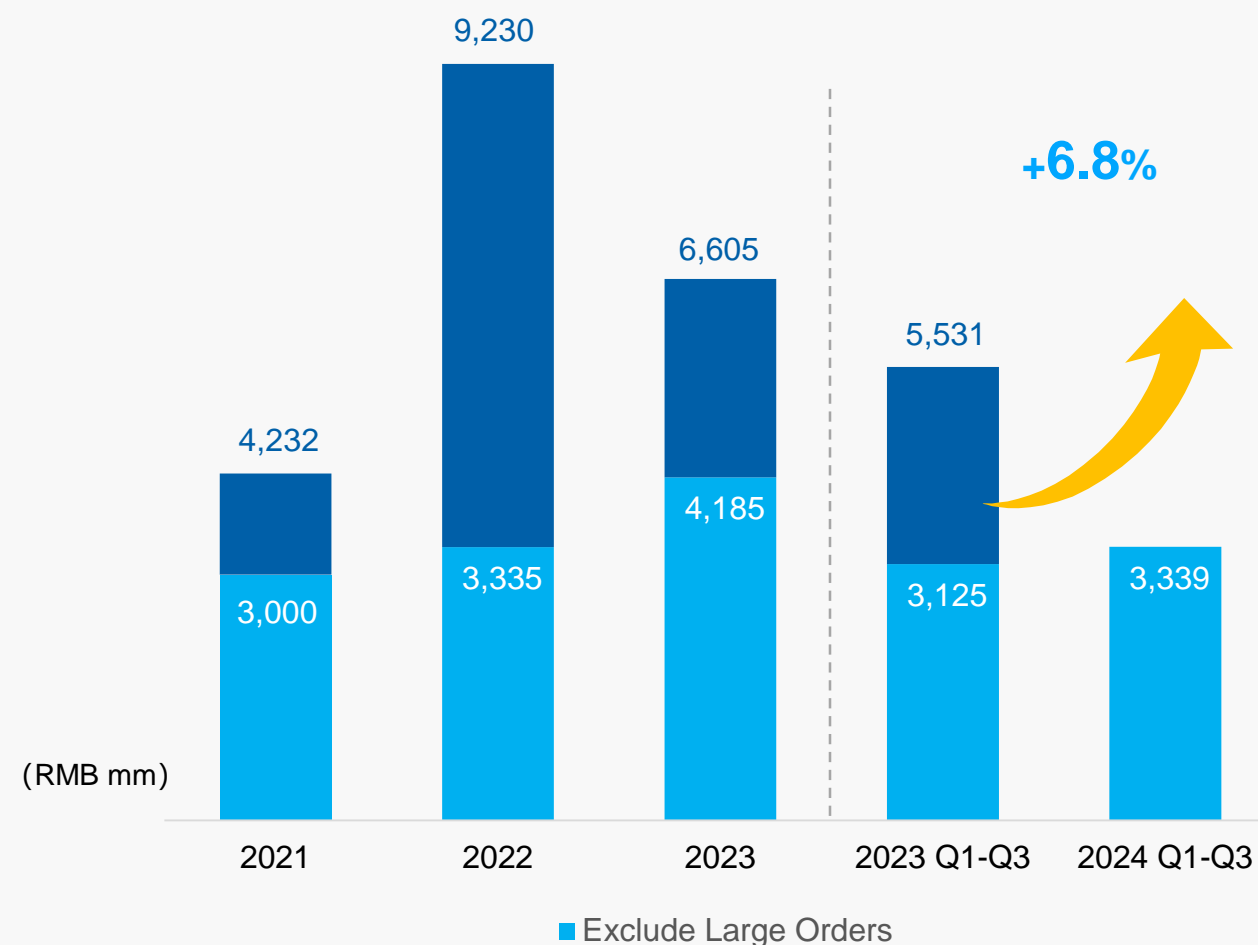


## Revenue From Mid-to-Small Pharma



Revenue from Mid-to-Small Pharma amounted to **RMB2,116 mm**, representing a slight decrease of 1.0% *pop*;  
 Revenue from overseas Mid-to-Small Pharma was **RMB1,069 mm**, reflecting a slight decrease of 0.3% *pop*

## Revenues from Small Molecule CDMO Services



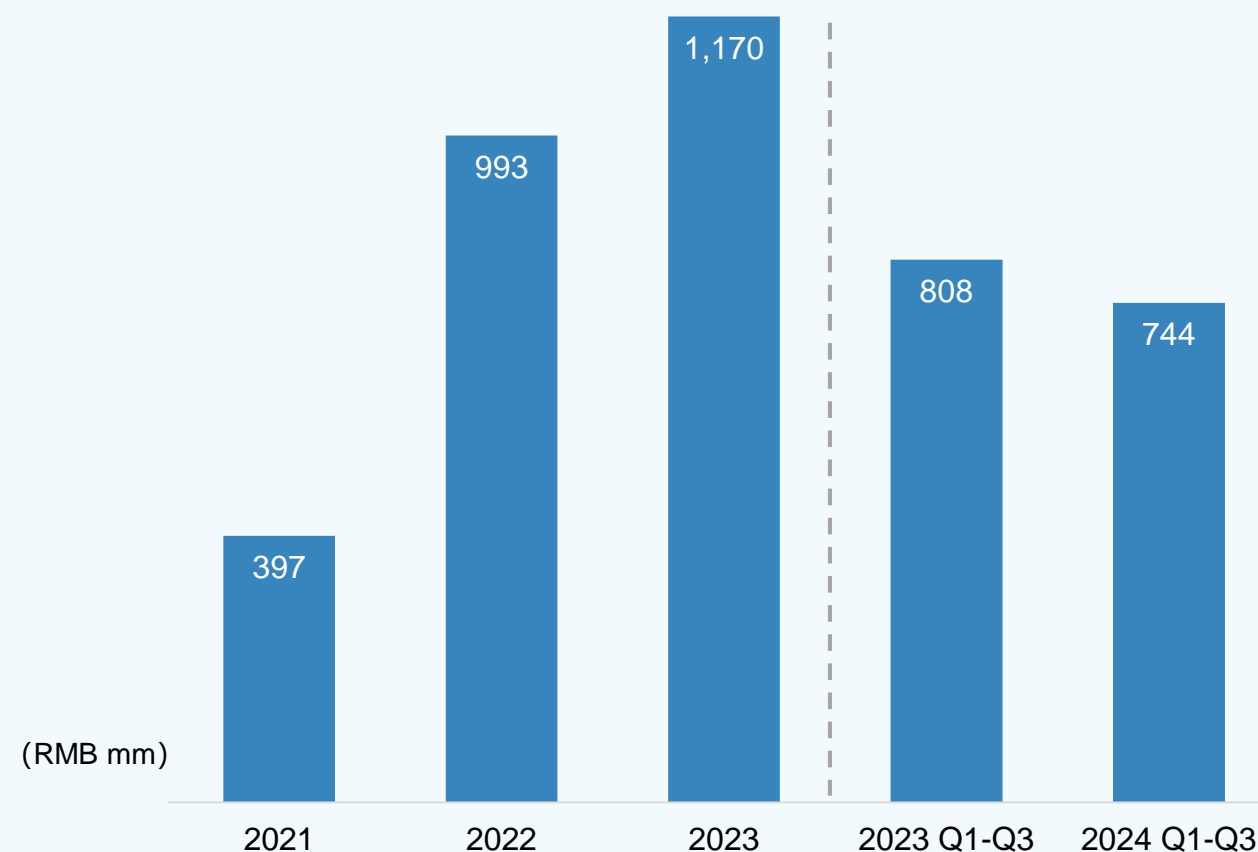
In Q3, small molecule business generated revenue of **RMB1,185 mm**, increasing by **19.1%** pop excluding large orders and **22.6%** qoq respectively

## Gross Profit Margin of Small Molecule CDMO Business (Excluding Large Orders)



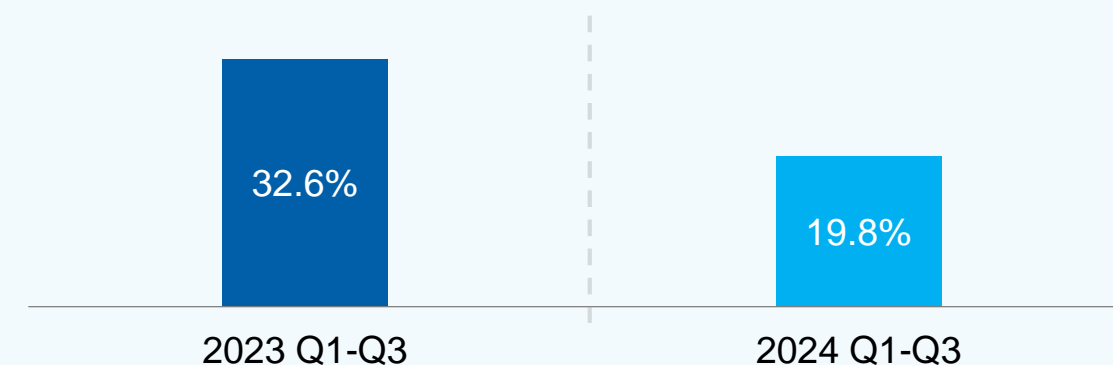
- With the implementation of cost control measures and the growth of late-stage clinical and commercial projects, the small molecule business has effectively absorbed the additional resources from large orders
- From Q1 to Q3, the gross profit margin for the small molecule business was **48.2%**, reflecting a **0.8 pts<sup>1</sup>** increase pop, excluding large orders
- The **1st R&D and pilot plant** in Sandwich, Europe, has commenced operations and **begun accepting new orders**, further enhancing the Company's overseas commercialization capacity

## Revenues from Emerging Services



Emerging business reflected revenue of **RMB244 mm** in 2024 Q3, representing a 13.0% pop decline  
Based on the backlog and execution status, the emerging business will **resume a growth trend in the Q4**

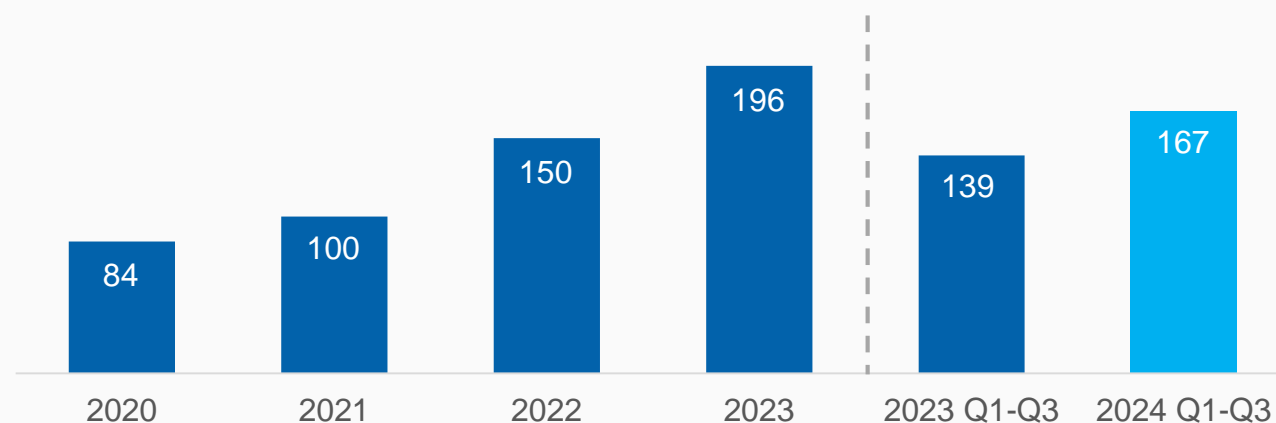
## Gross Profit Margin of Emerging Services



- Gross profit margin for emerging business was **19.8%**, representing a decrease of 12.8 pts *pop*, which is primarily affected by the continued sluggishness of the domestic market and the fact that certain businesses are still in a capacity ramp up phase. **This issue will gradually ease as project deliveries continue to increase, especially with the growing number of overseas projects**
- The markets for peptides, ADCs, and small nucleic acids remained active, and the Company accelerated the expansion of peptide business and its capacity construction, having secured **multiple middle-to-late clinical stage peptide projects from MNCs and signed GLP-1 peptide commercialization orders with significant domestic clients**. As of the end of the Reporting Period, the Company's solid-phase synthesis peptide capacity exceeded **20,000L**

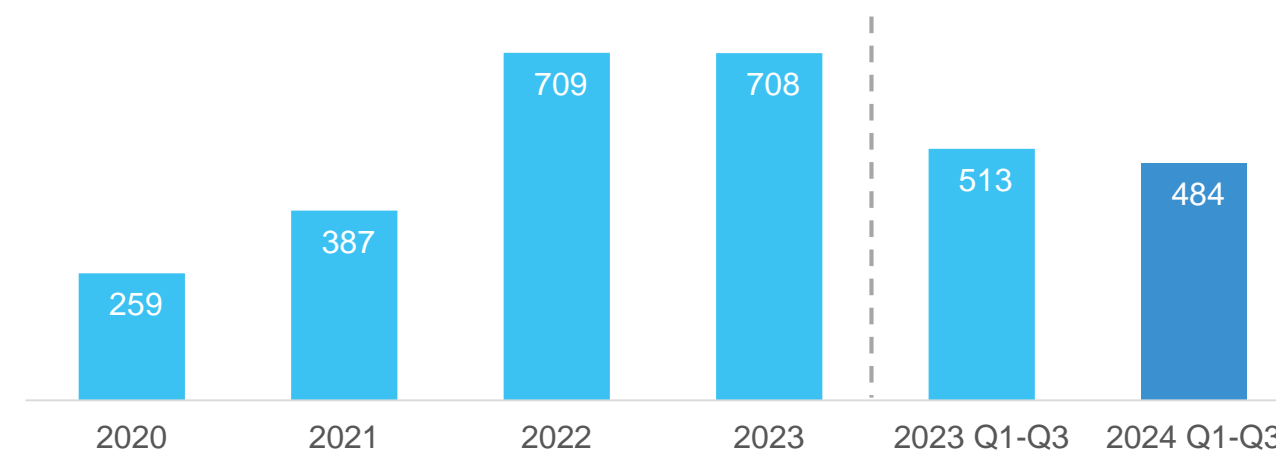
## Selling and Distribution Expenses

(RMB mm)



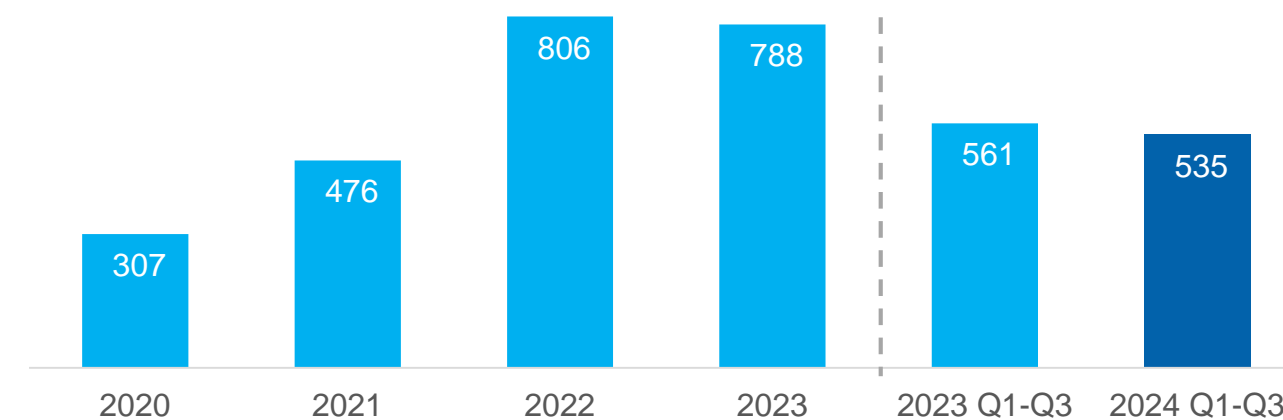
## R&D Expenses

(RMB mm)



## Administrative Expenses

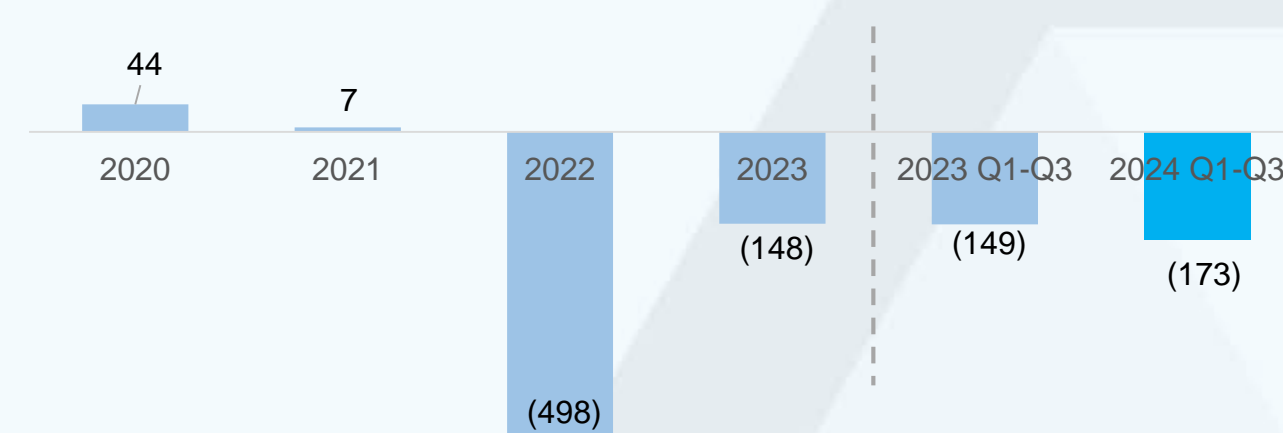
(RMB mm)



\*Due to the disparities between Chinese Accounting Standards ("CAS") and International Financial Reporting Standards ("IFRS"), there exist variations in the treatment of administrative expenses and finance costs. Consequently, under IFRS, these expenses differ from those recognized under CAS. To accurately represent the concept of "net finance costs," we have chosen to utilize finance costs as per CAS. This entails including exchange gains, bank interest income, and other gains derived from financing activities.. Also, we display the administrative expenses under CAS

## Finance Costs

(RMB mm)



% of Revenue

25.6%

32.2%

35.8%

21.0%

16.0%

21.9%

(RMB mm)

627

1,015

1,659

2,151

1,242

Q1-Q3:  
894

Overseas

2019

2020

2021

2022

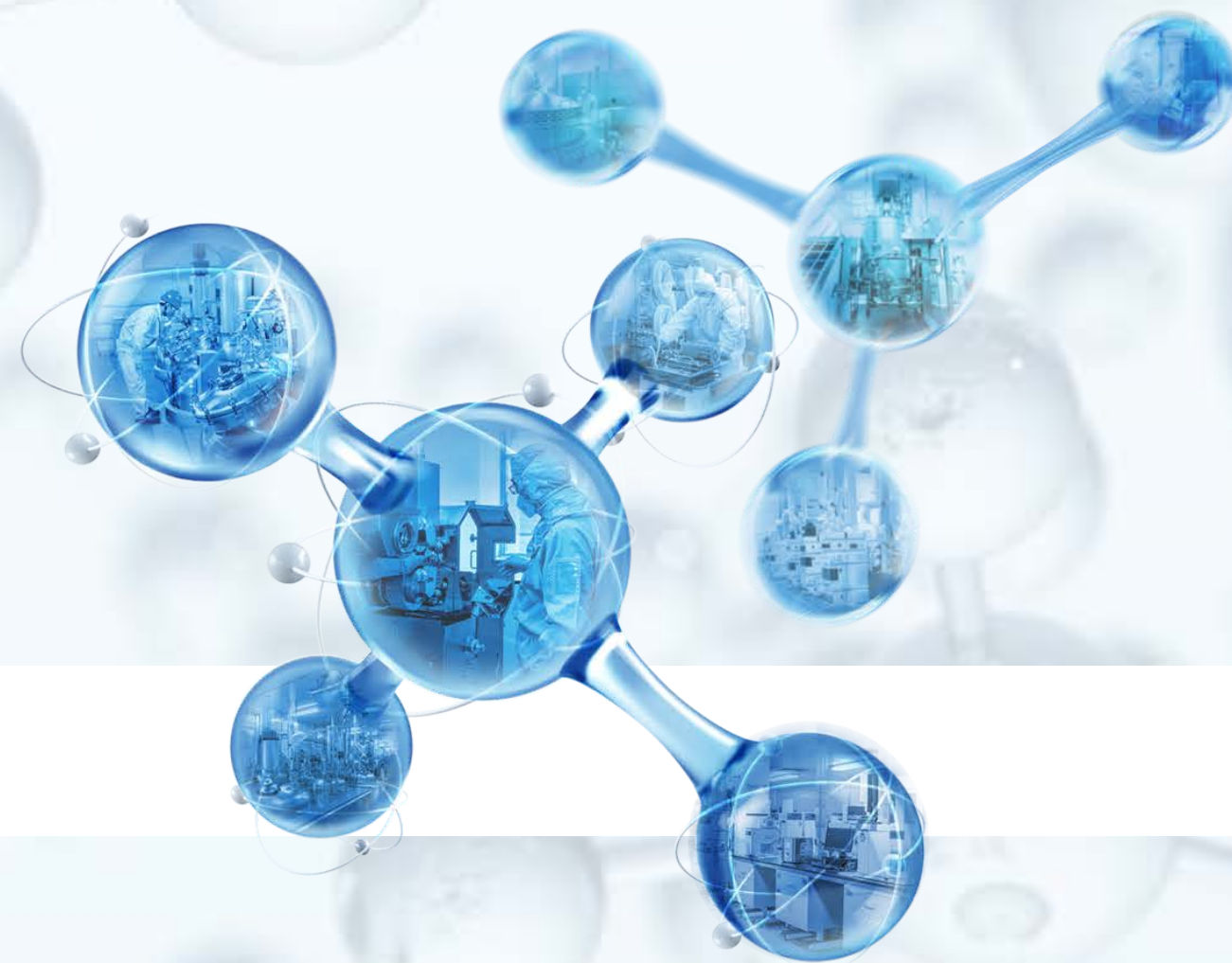
2023

2024



(RMB MM)	2024 Q1-Q3	2023 Q1-Q3
Net Profit Attributable to Shareholders of the Parent	710	2,210
Additions:		
Amortization expenses of share-based compensation	59	38
Gain or loss on exchange rate fluctuations	(57)	(58)
Income tax effect	0	3
<b>Adjusted Net Profit Attributable to Shareholders of the Parent</b>	<b>712</b>	<b>2,193</b>
<b>Adjusted Net Profit Margin Attributable to Shareholders of the Parent</b>	<b>17.4%</b>	<b>34.6%</b>

# Appendix



RMB mm

	2024 Q1-Q3	2023 Q1-Q3
<b>Revenue</b>	<b>4,091</b>	<b>6,345</b>
<b>Cost of sales</b>	<b>(2,335)</b>	<b>(2,929)</b>
<b>Gross profit</b>	<b>1,756</b>	<b>3,416</b>
Other income and gains	263	305
Selling and distribution expenses	(167)	(139)
Administrative expenses	(558)	(583)
Research and development expenses	(484)	(513)
Net impairment losses on financial and contract assets	(10)	(16)
Other expenses	(28)	(4)
Finance costs	(4)	(1)
Share of (loss)/profit of associate	(9)	23
<b>Profit before tax</b>	<b>759</b>	<b>2,488</b>
Income tax expense	(59)	(287)
<b>Profit for the period</b>	<b>700</b>	<b>2,201</b>
Attributable to:		
<b>Owners of the parent company</b>	<b>710</b>	<b>2,210</b>
Plus:		
Amortization expenses of share-based compensation	59	38
Gain or loss on exchange rate fluctuations	(57)	(58)
Income tax effect	0	3
<b>Adjusted net profit attributable to shareholders of the listed company</b>	<b>712</b>	<b>2,193</b>

RMB mm

	2024 Q3	2023
<b>Non-current assets</b>		
Property, plant and equipment	5,865	5,366
Right-of-use assets	500	526
Goodwill	146	146
Other intangible assets	47	54
Deferred tax assets	277	213
Investments in associates	530	260
Prepayments, deposits and other receivables	566	689
Financial assets at fair value through profit or loss	155	131
Equity investments at fair value through other comprehensive income	-	30
<b>Total non-current assets</b>	<b>8,086</b>	<b>7,415</b>
<b>current assets</b>		
Inventories	1,198	945
Trade receivables	1,671	2,011
Contract assets	76	81
Prepayments, deposits and other receivables	508	297
Tax recoverable	0	2
Financial assets at fair value through profit or loss	1,957	1,906
Cash and bank balances	5,202	7,110
<b>Total current assets</b>	<b>10,612</b>	<b>12,352</b>
<b>Total assets</b>	<b>18,698</b>	<b>19,767</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

RMB mm

	2024 Q3	2023
<b>Current liabilities</b>		
Trade payables	550	452
Other payables and accruals	974	1,276
Interest-bearing bank borrowings	-	12
Lease liabilities	31	29
Amounts due to related party	1	1
Tax payable	30	31
<b>Total current liabilities</b>	<b>1,586</b>	<b>1,801</b>
<b>Non-current liabilities</b>		
Deferred income	260	233
Lease liabilities	85	106
Provision	1	-
Deferred tax liabilities	133	117
<b>Total non-current liabilities</b>	<b>479</b>	<b>456</b>
<b>Equity</b>		
Share capital	368	369
Restricted Shares under share-based payment	(1,233)	(494)
Other reserves	17,478	17,605
Non-controlling interests	20	30
<b>Total equity</b>	<b>16,633</b>	<b>17,510</b>





# Thanks!

