



**The United Laboratories International Holdings Limited**

**2022 Interim Results Announcement  
Corporate Presentation**

August 2022



Stock Code: 3933.HK



**Results Snapshot**

**Financial Highlights**

**Business Review**

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# 2022 Interim Results Snapshot

## Financial Highlights

- Turnover: +9.8% to RMB5,181.9 million
- Gross profit: +7.5% to RMB2,254.0 million
- Profit attributable to equity holders: +1.0% to RMB629.5 million
- The Board declared an interim dividend of RMB5.0 cents per share

## Segment Business

- Intermediate products: -9.9% to RMB740.8 million with segment margin of 21.9%
- Bulk medicine: +29.7% to RMB2,553.4 million with segment margin of 6.4%
- Finished products: -2.1% to RMB1,887.7 million with segment margin of 16.3%

## Insulin Series

- Insulin series: -6.8% to RMB619.7 million<sup>#</sup>
- Recombinant human Insulin: sales recorded RMB347.8 million<sup>#</sup> and sales volume increased by 5.4%
- Insulin Glargine: sales recorded RMB236.7 million<sup>#</sup> and sales volume increased by 40.5%
- Insulin Aspart: sales recorded RMB35.2 million<sup>#</sup>

## Others

- Overseas sales: -12.0% to RMB1,052.9 million, accounting for 20.3% of total sales
- On 21 Jun 2022, the Group received the Notice on Approval of Clinical Trial regarding the insulin degludec and insulin aspart injection by NMPA
- In July 2022, The United Animal Healthcare (Inner Mongolia) established a joint venture with Muyuan Foods Co., Ltd. to carry out cooperation in the field of veterinary drugs

<sup>#</sup> Sales revenue denotes gross sales including sales discounts.



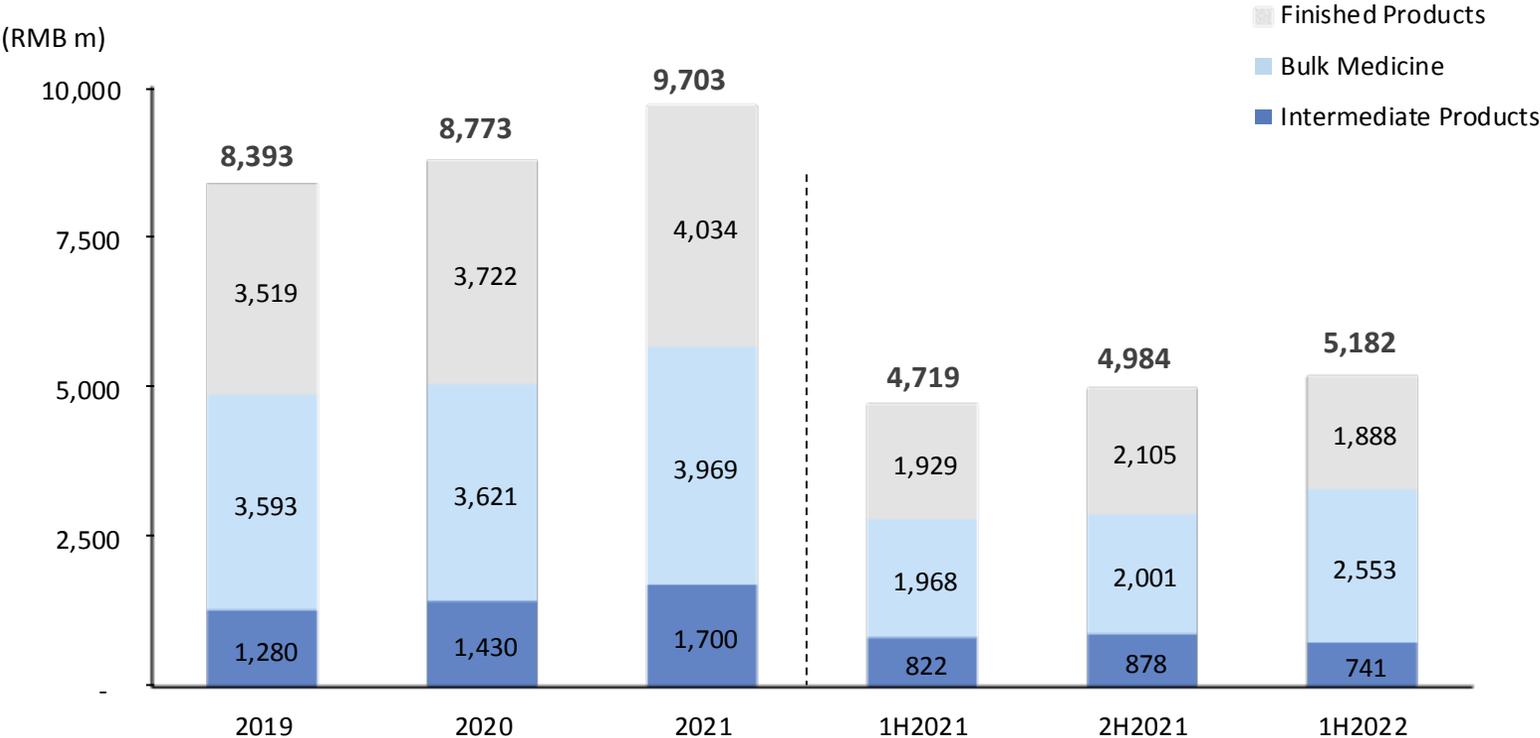
# Financial Highlights – Overview

RMB million	1H2022	1H2021	y-o-y change	2H2021	1H22 vs 2H21 change
<b>Revenue</b>	<b>5,181.9</b>	4,719.1	+9.8%	4,984.3	+4.0%
<b>Gross Profit</b>	<b>2,254.0</b>	2,095.9	+7.5%	2,115.1	+6.6%
<b>EBITDA</b>	<b>1,141.0</b>	1,056.8	+8.0%	826.9	+38.0%
<b>Profit Attributable to Equity Holders</b>	<b>629.5</b>	623.1	+1.0%	365.0	+72.5%
• Impairment losses under expected credit loss model, net of reversal#	--	105.6	--	191.0	--
<b><u>Adjusted Profit</u></b>	<b>629.5</b>	728.7	-13.6%	556.0	+13.2%
<b>Earning per share (RMB cents)</b>					
- Basic	<b>34.55</b>	33.86	+2.0%	19.84	+74.1%
- Diluted	<b>34.55</b>	33.86	+2.0%	19.84	+74.1%
<b>Interim Dividend per share (RMB cents)</b>	<b>5.0</b>	4.0	+25.0%	--	--
<b>Dividend payout ratio for interim results</b>	<b>14.5%</b>	11.8%	+2.7 p.p.	--	--

# Mainly for consideration receivables of Evergrande Chengdu.

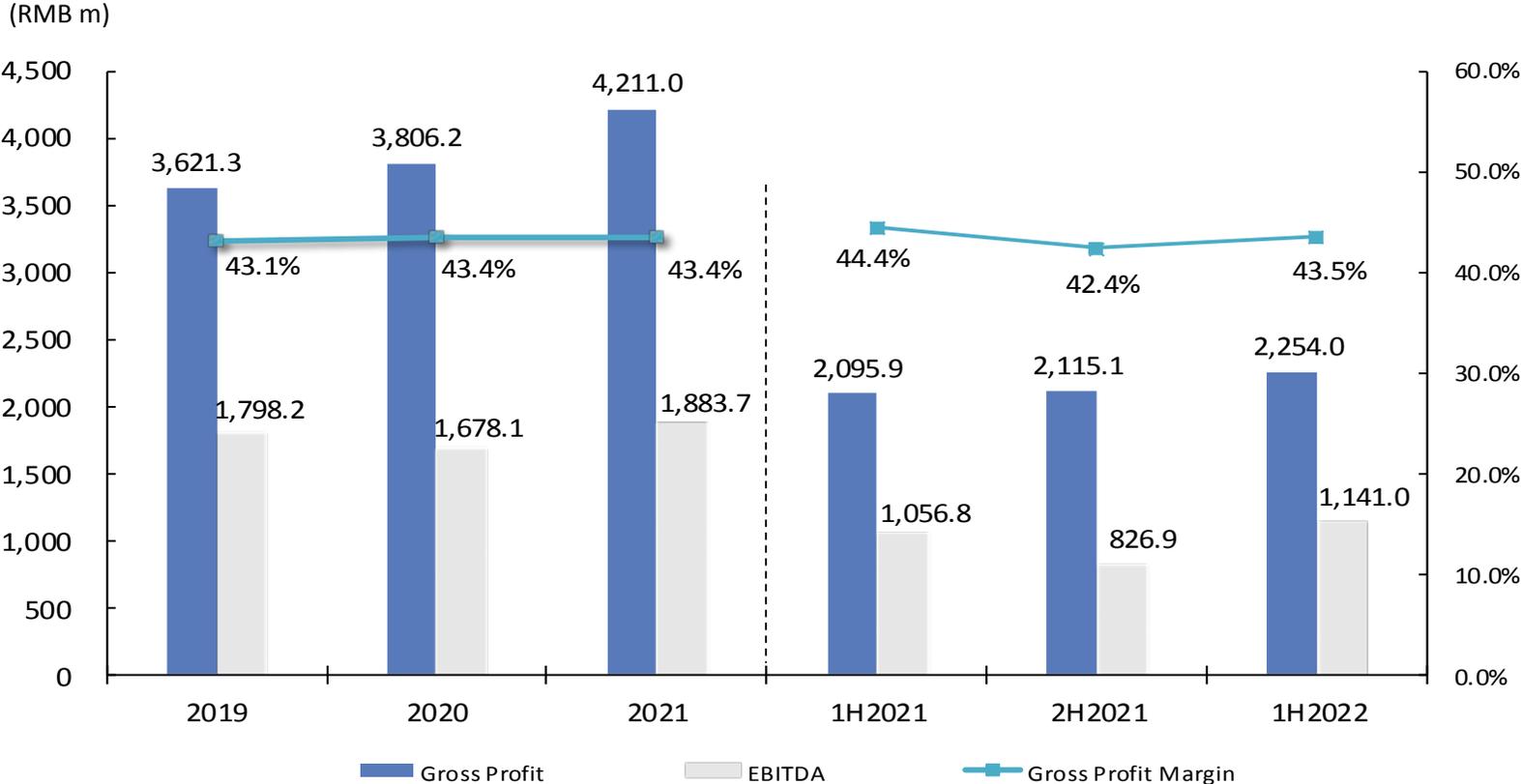


# Financial Highlights – Revenue



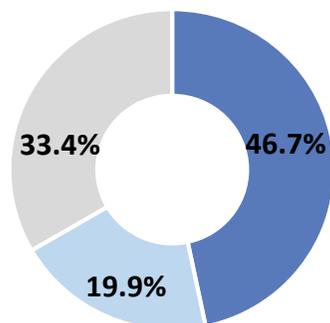


# Financial Highlights – Gross Profit, EBITDA & GP Margin

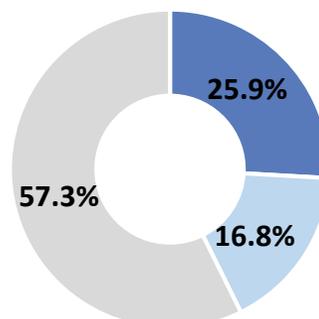




# Financial Highlights – Segment Results & Margins



1H2022



1H2021

## Segment Profit Breakdown

- Intermediate Products
- Bulk Medicine
- Finished Products

Types	Segment Profit <sup>#</sup> (RMB m)		Segment Margin	
	1H2022	1H2021	1H2022	1H2021
Intermediate Products	<b>429.1</b>	217.8	<b>21.9%</b>	13.3%
Bulk Medicine	<b>183.3</b>	140.7	<b>6.4%</b>	6.2%
Finished Products	<b>307.4</b>	480.9	<b>16.3%</b>	24.9%

<sup>#</sup> EBIT: Earnings before interest and taxation.



## Financial Highlights – Other Key Financial Indicators

	As at 30 Jun 2022	As at 31 Dec 2021
Trade and bills receivables turnover (days)	133.3	128.8
Trade and trade payables under supplier finance arrangement turnover (days)	190.0	213.4
Stock turnover (days)	138.3	133.2
Current ratio	1.60	1.53
Net current assets (RMB million)	4,113.3	3,451.1
Net cash position <sup>#</sup> (RMB million)	1,014.8	212.6
Cash and cash equivalents (RMB million)	4,038.0	3,331.0
Total assets (RMB million)	17,354.4	16,331.1

<sup>#</sup> Net cash position denotes the Group's net cash and bank balances after deducting borrowings and trade payables under supplier finance arrangement (mainly refer to bills payables).

	1H2022	1H2021
Net cash from operating activities (RMB million)	659.6	866.1

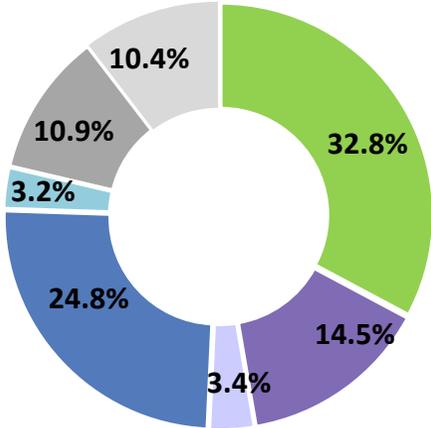


## Finished Products



# Business Review – Revenue Breakdown of Finished Products

In 1H2022, sales revenue of finished products decreased by 2.1% to RMB1,887.7 million, accounting for 36.4% of the Group’s total external sales

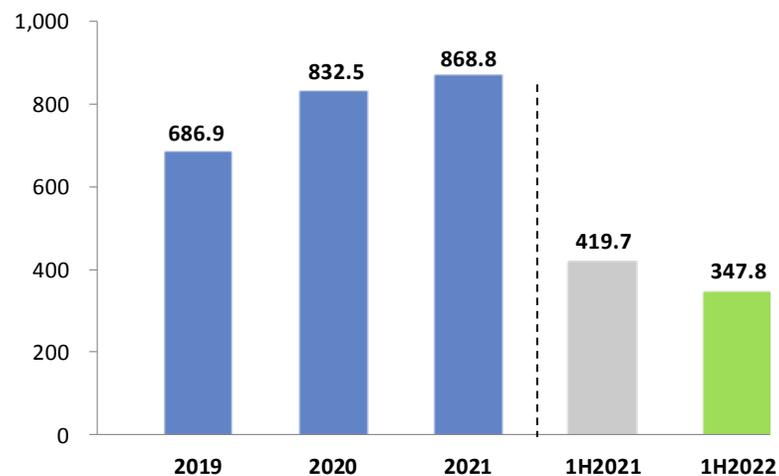


- Insulin Series: -6.8% to RMB619.7 million
- Semi-synthetic penicillins antibiotics: -7.5% to RMB273.3 million
- Cephalosporins antibiotics: +3.9% to RMB64.5 million
- β-lactamase inhibitors antibiotics: +15.3% to RMB468.2 million
- Carbapenems antibiotics: +0.2% to RMB59.7 million
- Veterinary drugs: -3.8% to RMB206.6 million
- Others: -13.5% to RMB195.7 million

Revenue breakdown of finished products in 1H2022



(RMB m)



Sales Revenue of Recombinant Human Insulin

## Recombinant Human Insulin Injection



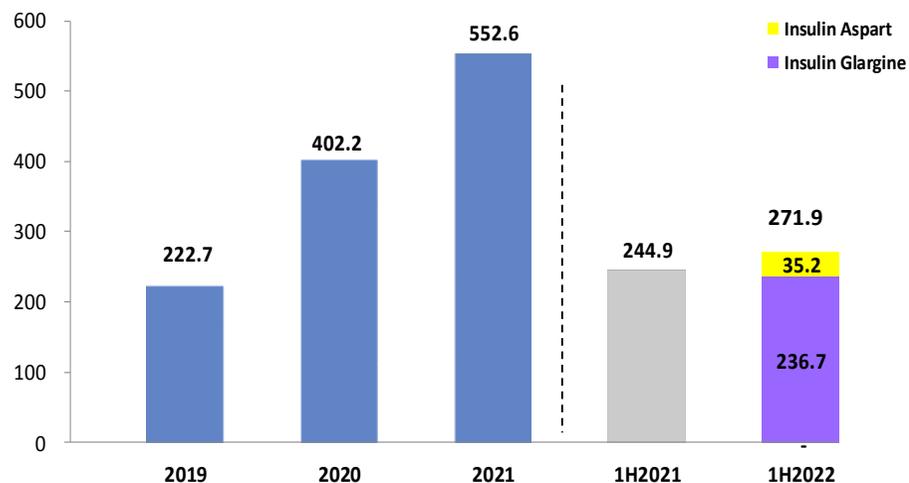
- Sales recorded RMB347.8 million<sup>#</sup>
- Outstanding sales performance from Anhui, Henan, Shandong, Jilin and Guangdong Province
- Included in the National Medical Insurance Drug List (2021 version) & National Essential Drug List (2018 version)

<sup>#</sup> Sales revenue denotes gross sales including sales discounts.

# Business Review – Insulin Analogues



(RMB m)



Sales Revenue of Insulin analogues



## Insulin Analogues

- Sales recorded RMB271.9 million<sup>#</sup>
- Outstanding sales performance from Henan, Jiangsu, Anhui, Hebei and Shandong Province
- Insulin Glargine was included in the National Medical Insurance Drug List (2021 version) & National Essential Drug List (2018 version)
- Insulin Aspart and Insulin Aspart 30 was included in the National Medical Insurance Drug List (2021 version)

<sup>#</sup> Sales revenue denotes gross sales including sales discounts.



# National Centralized Drug Procurement

## The 6<sup>th</sup> Batch National Centralized Drug Procurement (specialising in Insulin)

- Purchase quantity for the first year is approx. RMB210 million vials, representing a purchase amount of RMB17 billion, with an average price reduction of 48% for the selected drugs
- Duration: 2 years
- Effective date: May 2022

### Basic Information of TUL's Bid-winning Products

(Specification and Packaging: 3ml: 300 units (refilled pen-type))

Procurement Group	Product Name	Trade Name	Tendering Price (RMB/vial)	Ranking Category
<b>Mealttime Insulin</b>	Human Insulin Injection	USLIN <sup>®</sup> R	<b>28.77</b>	<b>A3</b>
<b>Basal Insulin</b>	Protamine Insulin Injection	USLIN <sup>®</sup> N	<b>29.37</b>	<b>A3</b>
<b>Premixed Insulin</b>	Protamine Insulin Mixed Injection(30R/50R)	USLIN <sup>®</sup> 30R/50R	<b>27.37</b>	<b>B</b>
<b>Mealttime Insulin Analogue</b>	Insulin Aspart Injection	UBLIN <sup>®</sup>	<b>41.27</b>	<b>B</b>
<b>Basal Insulin Analogue</b>	Insulin Glargine Injection	USLEN <sup>®</sup>	<b>66.97</b>	<b>A2</b>
<b>Premixed Insulin Analogue</b>	Insulin Aspart 30 Injection	UBLIN <sup>®</sup> 30	<b>41.27</b>	<b>B</b>

# Business Review – Other Finished Products

## Antibiotic products

- ✓ Including oral and injectable antibiotic products of penicillins, cephalosporins,  $\beta$ -lactamase inhibitors and carbapenems
- ✓ Sales revenue of antibiotic products increased by 3.2% to RMB1,166.5 million in 1H2022

### Piperacillin Sodium and Tazobactam Sodium for Injection

- Listed in National Essential Drugs List (2018 version)
- Sales revenue increased by 7.2% to RMB315.0 million



### Amoxicillin Capsules

- TUL's Amoxicillin Capsules (0.25g) have passed the consistency of quality and efficacy evaluation for generic drugs
- Sales revenue decreased by 6.5% to RMB210.0 million



# Business Review – Veterinary Drugs

## The United Animal Healthcare (Inner Mongolia) Co., Ltd.

- ✓ Mainly engaged in the R&D, production and sales of veterinary drugs used in economic animal and companion animal
- ✓ Leveraging TUL's brand reputation, technology and advantages in upstream industry, the Company started operations in 2017
- ✓ A leader in producing the penicillin-based veterinary drugs
- ✓ Sales revenue of veterinary drugs decreased by 3.8% to RMB206.6 million in 1H2022
- ✓ In July 2022, The United Animal Healthcare and Muyuan Foods Co., Ltd. established a joint venture to cooperate in the field of veterinary drugs

### Our Partners





# Business Review – Veterinary Drugs



## R&D Achievements

Category	Product	Status
Class 2 new veterinary drugs	Tildipirosin API, Tildipirosin Injection,	Expected to be launched in 2022
	Gamithromycin API, Gamithromycin Injection	Expected to be launched in 2023
Class 4 new veterinary drugs	Amoxicillin and Clavulanate Potassium Granules, Amoxicillin and Clavulanate Potassium Injection	Launched



# Business Review – Veterinary Drugs

## In-house R&D Projects

Category	Product	Status
Livestock Drugs, Pet Drugs	Amoxicillin Injection	Submitting supplementary documents for the 1st review
	Amoxicillin and Clavulanate Potassium Injection	Pharmaceutical research
	Ceftiofur Sodium (Sterile) API	Planning to apply for GMP certification
Pet Drugs	Amoxicillin and Clavulanate Potassium Tablets	Pending the 2nd review
	Pyrantel Pamoate and Praziquantel Tablets	Planning to conduct bioequivalence study
	Moxidectin and Imidacloprid Drops, Fipronil Drops, Compound Nystatin Permethrin and Imidacloprid Drops	Pharmaceutical research
Livestock Drugs	Lincomycin Hydrochloride and Spectinomycin Sulfate Premix, Amoxicillin Sodium Injection	Pharmaceutical research
	Ampicillin Sodium Injection, Penethacillin API and preparation	
	Moxidectin Topical Solution	Pending the 2nd review
	Ampicillin Sodium (Sterile) API, Amoxicillin Sodium (Sterile) API	Planning to apply for GMP certification
Aquaculture Drugs	Florfenicol 50% Premix	Pharmaceutical research
Pet Food Additives	Functional Pet Additives	Test marketing
Pet Supplies	Functional Pet Shampoo	Production process research

# Business Review – Veterinary Drugs



## Co-development Projects

Category	Product	Status
Pet Drugs	RD30	Completed the pilot test of API and preparations
	RD67	Clinical trial
	RD69	Clinical trial
	RD80	Pharmaceutical research
	RD100	Pharmaceutical research
	RD101	Pharmaceutical research
Livestock Drugs	RD39	Completed the pilot test of API
Disinfectant for livestock	RD102	Submitting supplementary documents for the 1st review





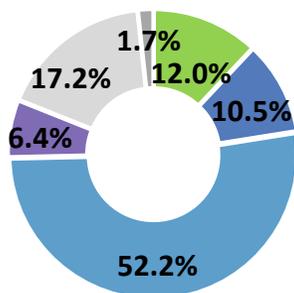
## Intermediate Products & Bulk Medicine

# Business Review



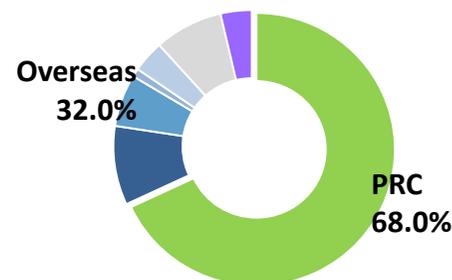
## – Revenue Breakdown of Intermediate Products & Bulk Medicine

In 1H2022, sales revenue of intermediate products decreased by 9.9% to RMB740.8 million and bulk medicine increased by 29.7% to RMB2,553.4 million, accounting for 14.3% and 49.3% of the Group's total external sales, respectively



Revenue breakdown of intermediate products & bulk medicine in 1H2022 (By Products)

- 6-APA: RMB394.5 million
- Penicillin G Potassium First Crystal: RMB346.3 million
- Semi-synthetic penicillins type: RMB1,718.3 million
- Cephalosporins type: RMB211.3 million
- β-lactamase inhibitors type: RMB567.8 million
- Carbapenems type: RMB56.1 million



Revenue breakdown of intermediate products & bulk medicine in 1H2022 (By Regions)

- PRC: RMB2,241.4 million
- Europe: RMB308.5 million
- India: RMB204.0 million
- Middle East: RMB32.2 million
- South America: RMB124.4 million
- Other Asian Regions: RMB263.7 million
- Other Regions: RMB120.1 million



## Business Review – Production Capacity

Types	Products	1H Designed Capacity (tonnes)	Utilization Rate	External Sales
Intermediate products	6-APA	9,000	91.2%	21.7% <sup>1</sup>
	Penicillin G Potassium First Crystal (BOU) <sup>2</sup>	6,666,667	29.6%	100.0%
	T-Octylammonium Clavulanate	400	111.2%	N/A
Bulk medicine	Semi-synthetic penicillins type	10,000	98.2%	86.5%
	Cephalosporins type	600	64.4%	86.5%
	β-lactamase inhibitors type	784	90.8%	86.5%

<sup>1</sup> Opening inventory is not included in calculating the percentage of external sales.

<sup>2</sup> It is the market practice to use BOU as the measuring unit of Penicillin G Potassium First Crystal.

1 BOU represents around 0.63kg of this product.



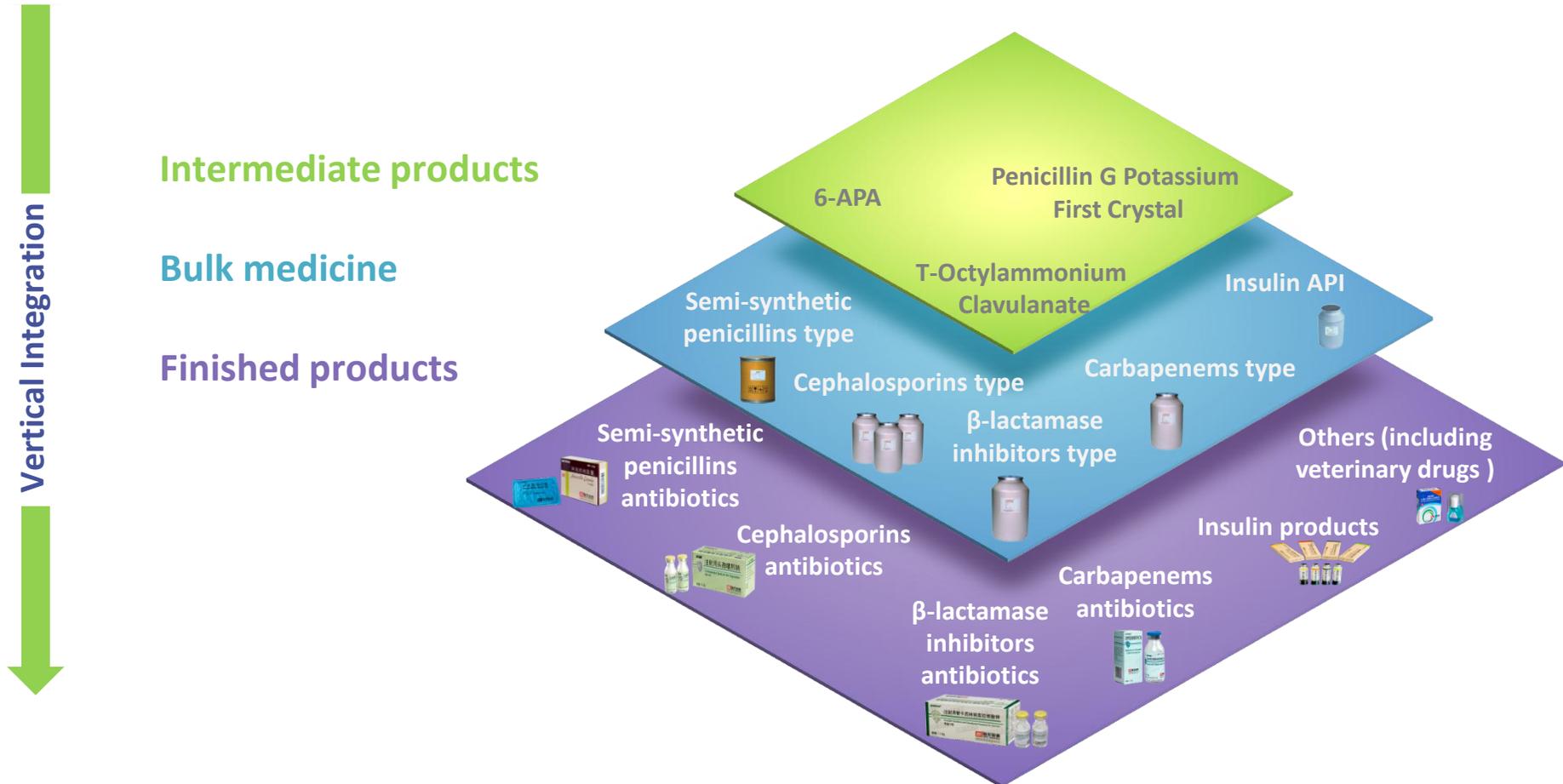
## Business Review – Sales Revenue & External Selling Price

Types	Products	External Sales Revenue (RMB m)		
		1H2022	1H2021	y-o-y change
Intermediate products	6-APA	394.5	510.3	-22.7%
	Penicillin G Potassium First Crystal	346.3	311.7	+11.1%
Bulk medicine	Semi-synthetic penicillins type	1,718.3	1,288.2	+33.4%
	Cephalosporins type	211.3	172.3	+22.6%
	β-lactamase inhibitors type	567.8	463.6	+22.5%

Types	Products	Average External Selling Price# (RMB/kg)		
		1H2022	1H2021	y-o-y change
Intermediate products	6-APA	221.7	158.0	+40.3%
	Penicillin G Potassium First Crystal (RMB/BOU)	79.1	62.8	+26.0%
Bulk medicine	Semi-synthetic penicillins type	201.8	161.5	+25.0%
	Cephalosporins type	757.3	630.8	+20.1%
	β-lactamase inhibitors type	893.4	876.6	+1.9%

# Selling price not including VAT and other tax

# Business Review – Vertical Integration





# Business Review – Production Bases

Hong Kong	Zhongshan	Zhuhai	Inner Mongolia <sup>1</sup>	Inner Mongolia <sup>2</sup>	Kaiping
Finished products	Finished products	Bulk medicines, biological and finished products	Intermediate products and bulk medicines	Veterinary drugs and feed additives	Empty capsule casings



# Business Review – Sales & Distribution Network



## Overseas Markets

- A global sales network of intermediates products and bulk medicine
- Selling products to Europe, India, the Middle East, South America and other regions
- Obtained official approvals and certifications including EU CEP, US FDA, Germany, India, Japan, Brazil and Mexico, etc.

## Domestic Market

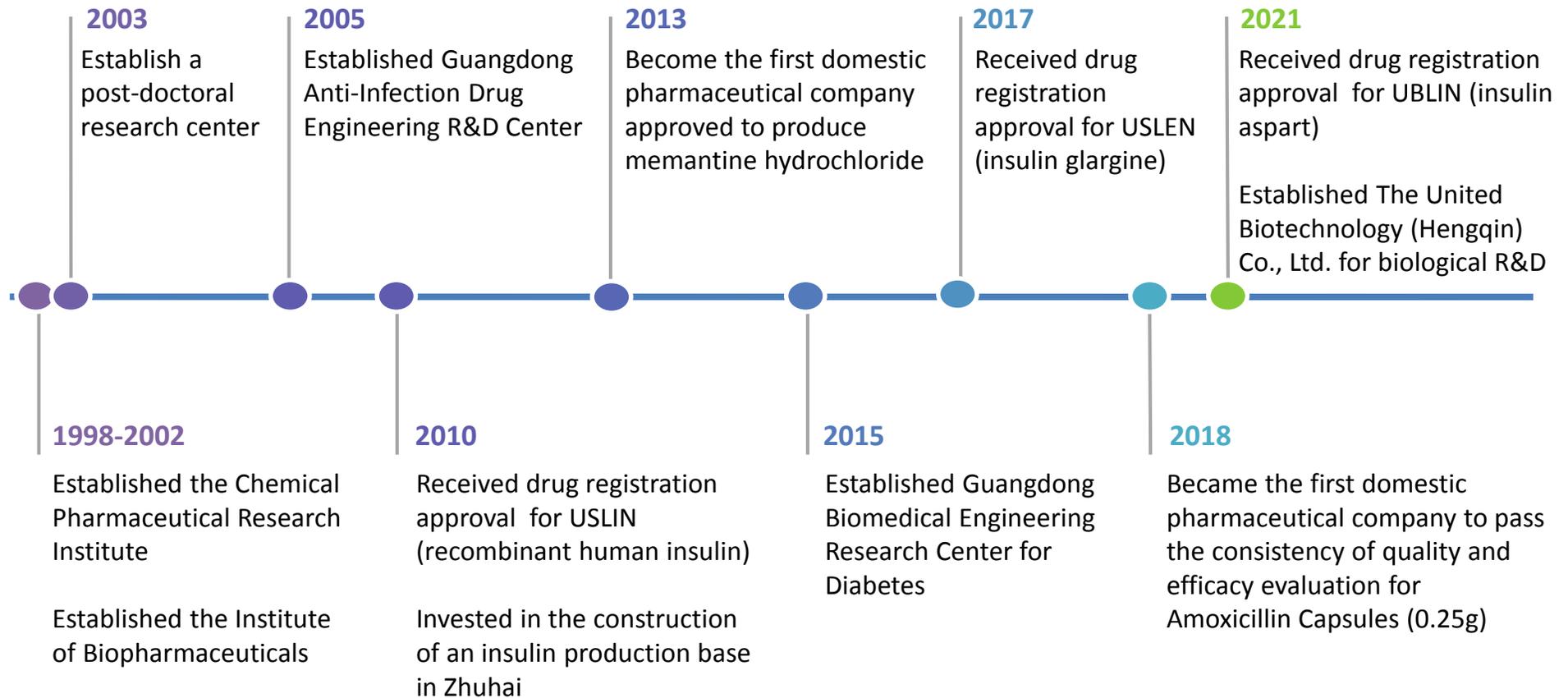
- Currently, the Group focuses on China market for the sales of finished products
- Around 3,700 sales staff in 28 sales offices of finished products in China
- Penetrated into hospital, essential drugs market, OTC and rural areas



- R&D Milestones
- Investment & Achievements
- R&D Platforms
- R&D Pipeline



# R&D – Milestones





# R&D – Investment & Achievements in 1H2022

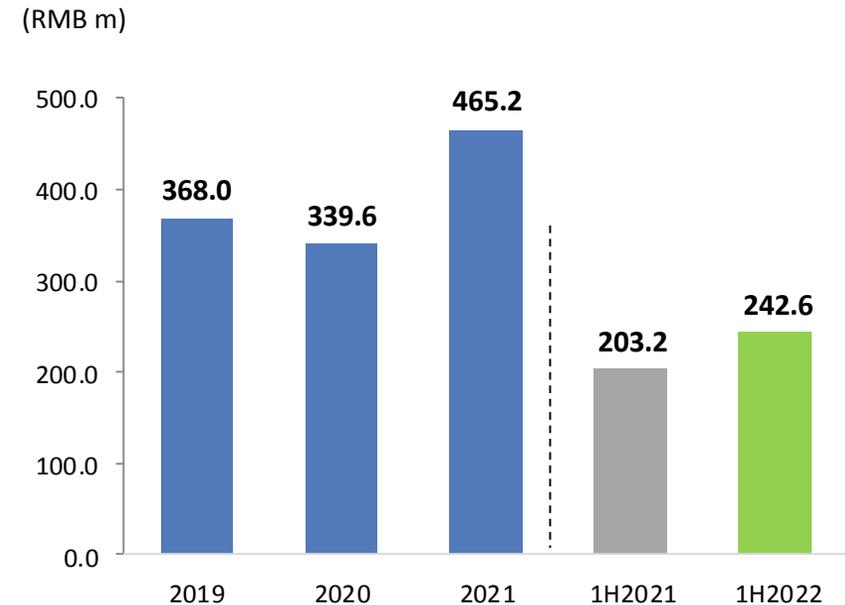
## Clinical Trial

- ✓ Received clinical trial approval for insulin Degludec/Insulin Aspart injection in Jun 2022

## Consistency Evaluation of Generic Drugs

- ✓ Biapenem for injection (Specification: 0.3g) passed the consistency evaluation in April 2022
- ✓ Cefuroxime Axetil Tablet (Specification: 0.125g) passed consistency evaluation in April 2022
- ✓ Piperacillin Sodium and Tazobactam Sodium for Injection (Specification: 4.5g) passed consistency evaluation in Jun 2022

## R&D Investment



# R&D Platforms

## A Comprehensive R&D System with Multiple Platforms

Biological Drug	Chemical Drug	Innovative (Chemical) Drug	Clinical Research Center	External Cooperation
<ul style="list-style-type: none"> <li>• 13 human drugs under research, including 5 Class 1 innovative drugs</li> <li>• 9 projects on veterinary drugs and pharmaceutical excipients</li> <li>• Approx. 340 R&amp;D personnel</li> <li>• Post-doctoral research station</li> <li>• Guangdong Biomedical Engineering Research Center for Diabetes</li> </ul>	<ul style="list-style-type: none"> <li>• 19 chemical drugs under research</li> <li>• 25 generic drug projects, 9 of which have passed the Consistency Evaluation</li> <li>• Approx. 150 R&amp;D personnel</li> <li>• Post-doctoral research station</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation and development of small molecule innovative drug projects</li> <li>• 7 Class 1 innovative drugs</li> <li>• 15 partner institutes</li> <li>• 62.5% of researchers have master's or doctoral degree</li> </ul>	<ul style="list-style-type: none"> <li>• Work closely with more than 100 authoritative institutes in China that are qualified to conduct national drug clinical trials</li> <li>• Clinical trials of 70 drug have been completed</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperate with well-known universities, research institutes and laboratories at home and abroad</li> </ul>



# R&D Pipeline – Biological Drugs

Focus on endocrinology and autoimmunity, with a well-developed pipeline of diabetes drugs

Project	Indication	Pre-Clinical	Clinical Trial Application	Clinical Trial	Production Application	Expected Time to Market
Liraglutide Injection	Diabetes	[Progress bar]			Clinical Phase III	2024
Insulin Degludec Injection		[Progress bar]			Clinical Phase III	2025
Insulin Degludec/Insulin Aspart		[Progress bar]				2027
Insulin Degludec/Liraglutide		[Progress bar]				2027
Semaglutide Injection		[Progress bar]				2026
GLP-1 Oral Preparation		[Progress bar]				2032
Ultra-long-acting Insulin analogue		[Progress bar]				2033
Gastrointestinal Hormones	Diabetes & Obesity	[Progress bar]				2030
Second-generation Gastrointestinal Hormones		[Progress bar]				2032
Semaglutide Injection	Obesity	[Progress bar]				2027
Anti-osteoporosis Peptides	Osteoporosis	[Progress bar]				2029
Osteoporosis Monoclonal Antibody		[Progress bar]				2030
Dual Target Hypolipidemic drugs	Hyperlipidemia	[Progress bar]				2031
Anti-IL-4R monoclonal antibody	Eczema & Asthma	[Progress bar]				2031



## A comprehensive approach to autoimmunity, ophthalmology and anti-infection

Project	Indication	Pre-Clinical	Clinical Trial Application	Clinical Trial	Production Application	Expected Time to Market
LB1071	Rheumatoid Arthritis					2029
	Atopic Dermatitis					2030
LB1091	Inflammatory Bowel Disease					2033
LB2002	Atopic Dermatitis					2030
LB2012	Inflammatory diseases					--
LB2023	IgA Nephritis					--
LB2101	Xerophthalmia					2030
LB2311	Resistant Bacterial Infection					2033
Sodium Hyaluronate EyeDrops	Xerophthalmia					2022
Polyvinyl Alcohol Eye Drops	Xerophthalmia					2024
Moxifloxacin Eye Drops	Conjunctivitis					2024
Mupirocin Ointment	Dermatosis					2024

# R&D – Key Projects

## Biological Drugs

- GLP-1 analogue
- Once-a-week injection
- Safe, convenient, effective
- Received the *Notice on Acceptance of Clinical Trial Registration* for the treatment of type 2 diabetes on 16 Aug 2022
- Indication of weight management is currently under research

Semaglutide Injection

- Class 1 innovative drug
- **GI hormone analogue with multi-target (GLP-1/GCG/GIP) effect**
- Indications of diabetes, weight management and NASH are currently under research
- Better efficacy than existing GLP-1 analogues

Gastrointestinal (GI) Hormones

## Chemical Drugs

- Class 1 innovative drug
- Selective JAK1 inhibitor
- Phase 1b clinical trial for the treatment of rheumatoid arthritis
- **IND application as a topical preparation for the treatment of atopic dermatitis has been accepted**
- Application for indication expansion of moderate-to-severe atopic dermatitis is in process

LB1071 & LB2002

- Class 1 innovative drug
- Novel small molecule eye drops for the treatment of dry eye syndrome
- Precise therapeutic mechanism and is safe and comfortable to use
- Research work before IND application has been completed
- IND application is expected to be completed in Oct 2022

LB2101



# Outlook & Strategies

## R&D

- ✓ Increase the investment in R&D
- ✓ Accelerate the recruitment of high-end R&D talents
- ✓ Step up R&D effort to enrich product categories
- ✓ Focus on endocrine, autoimmunity, ophthalmology and other therapeutic fields
- ✓ Accelerate the construction of new drug R&D centers and industrialization

## Business

- ✓ Continue to optimize the vertically integrated business model
- ✓ Expand high-quality customer base to consolidate TUL's market position
- ✓ Focus on diabetes area and increase market share and penetration
- ✓ Extend external cooperation to diversify products and business

## Finance

- ✓ Maintain solid cash liquidity
- ✓ Balance the mix of long-term and short-term borrowings
- ✓ Control finance costs
- ✓ Seek for more low-cost bank borrowings



让 生 命 更 有 价 值  
Our mission is to make life more valuable

