WuXi Biologics
2017 Interim Results

August 2017

WuXi Biologics
Global Solution Provider

(Stock Code: 2269.HK)

Forward-Looking Statements

This presentation may contain certain "forward-looking statements" 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, and our ability to protect our clients' intellectual property. 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.

Use of Adjusted Financial Measures

We have provided adjusted net profit, net profit margin, EBITDA, EBITDA margin and diluted earnings per share for the first half of 2016 and 2017, which excludes share-based compensation expenses, listing expenses and foreign exchange loss, and are not required by, or presented in accordance with, 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 and non-recurring 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 IFRS. You should not view adjusted results on a stand-alone basis or as a substitute for results under IFRS, or as being comparable to results reported or forecasted by other companies.

Agenda

I. Results Highlights

II. Business Operational Overview

III. Financial Overview

IV. Growth Strategies and Conclusion

V. Appendix

VI. Q&A session

I. Results Highlights

First Half 2017 Overview: Revenue

- Revenue grew 59.5% YoY, from RMB410.1 million to RMB654.0 million
- Revenue growth in the United States, China, Europe, and Rest of World were 53%, 58%, 1,664%, and 58% YoY, respectively
- Phenomenal backlog growth to US$452 million as of June 30, 2017, vs US$68 million as of June 30, 2016 and US$383 million as of May 23, 2017
  - Increasingly solid track record in the global competition
  - Successful execution of business development in Europe
  - Doubling of our late phase (phase III) projects from 3 to 6 requiring more large-scale manufacturing
- We expect strong revenue growth to continue in 2H 2017

First Half 2017 Overview: Profitability

- **Despite of the ramp-up of a new facility, our 1H 2017 gross margin of 40.4% was still higher than that of full year of 2016, 39.3%.**

- **Adjusted EBITDA grew 51.7% YoY, from RMB175.4 million to RMB266.1 million. Adjusted EBITDA margin of 1H 2017 was 40.7% vs 37.5% for 2016**

- **Gross profit margin of 40.4%, adjusted EBITDA margin of 40.7% and adjusted net profit margin of 23.4% all beat full year 2016 numbers**

First Half 2017 Overview: Cash

- **Net operating cashflows improved to RMB227.3 million from negative RMB60.0 million in 1H 2016**
- **We raised a net proceeds of equivalent approximately RMB3,367.9 million from IPO**
- **Cash and cash equivalents amounted to RMB3,619.8 million as of June 30, 2017**
- **We repaid around RMB1 billion bank loan as of July 31, 2017 and expect to repay bridge loan of US$38.6 million in early September 2017**
- **Interest expense will be significantly reduced in 2H 2017**

First Half 2017 Operational Highlights

- **Record high number of integrated projects, increased from 75 as of June 30, 2016, 103 as of January 2017, to 134 as of June 30, 2017**
- **Number of late phase (phase III) projects doubled to 6 as of June 30, 2017 from 3 at the time of our IPO, requiring more process development and large-scale GMP manufacturing: significant contributions to backlog growth**
- **Expansion plan of our two new facilities on schedule**
  - **30,000L commercial manufacturing capacity at Wuxi city: 2x1,000L perfusion line operational, 1st batch completed Q2 2017; 14x2,000L fed-batch line in validation, expect operational Q4 2017**
  - **7,000L clinical manufacturing capacity in shanghai: shell construction and equipment order in progress, expect operational Q2 2018. Once completed, will more than double the clinical manufacturing capacity**

Recent Operational Highlights

- Rapid expansion of talent base from 1,624 employees as of December 31, 2016 to 1,998 employees as of June 30, 2017, which enables sustainable revenue growth. Expect Headcount to reach 2,600-2,800 by December 2017

- Out-licensing of the Fully Human PD-1 Antibody (GLS-010) to Arcus Biosciences
  - Our China gateway and global capabilities allow us to increase our potential revenues significantly for each molecule
  - US$18.5 million upfront payment expected 2nd half of 2017
  - Total US$816 million milestone payments and up to 10% royalty
  - Exclusive manufacturer for GLS-010
  - Three-year exclusive partner for developing Arcus' biologics portfolio

First PLI Audit in China – Validation of Our "Follow-the-Molecule" Strategy

- On August 3, 2017, the U.S. FDA completed the PLI for production of ibalizumab with no critical observations
- The five-inspector, 13-day inspection covered both drug substance and drug product facilities in the city of Wuxi, China
- We expect to complete all follow-up actions by October 2017
- First commercial batch is expected to be delivered in 1Q 2018, if approved
- First commercial manufacturing project for WuXi Biologics
- This validated both our global quality standard and pioneer use of disposable bioreactors for commercial manufacturing

II. Business Operational Review

Our Mission and Business Model

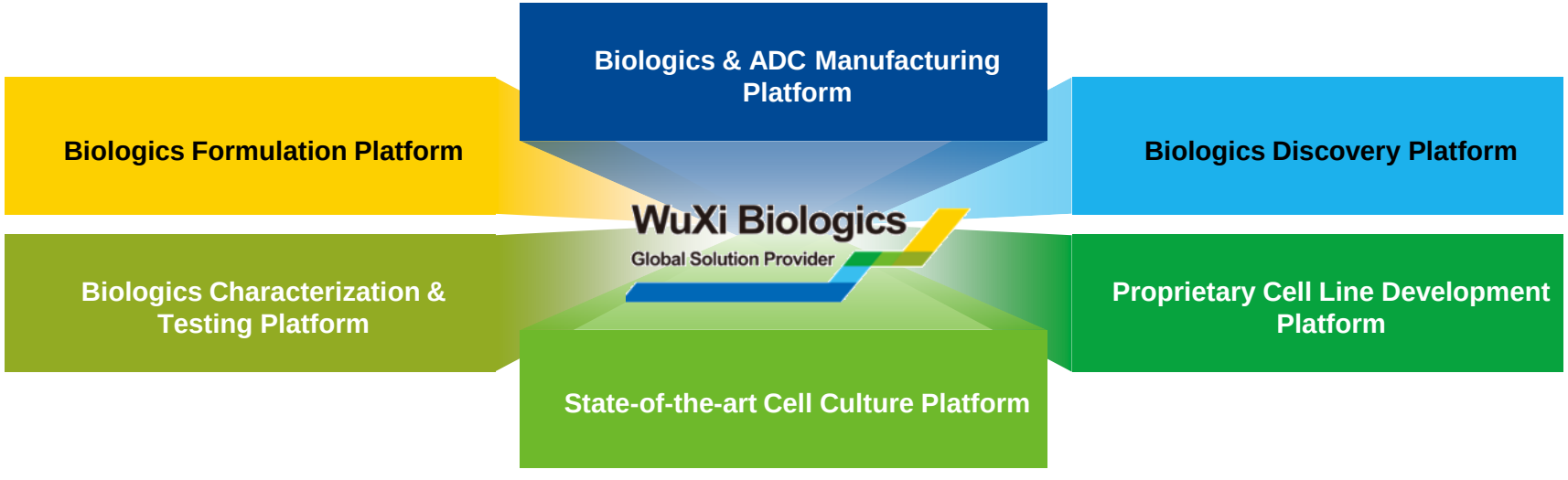
Our Mission

To transform and accelerate pharmaceutical discovery, development and manufacturing in the fast growing field of biologics to benefit patients worldwide

Our "Follow the Molecule" Integrated Solution Model

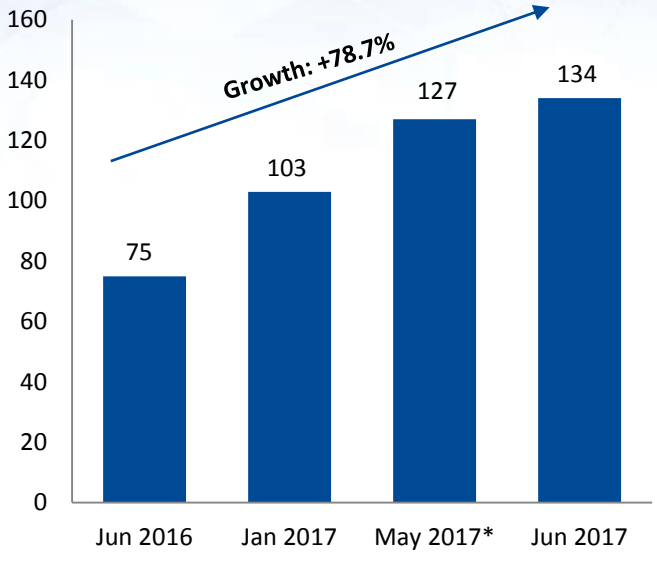
Our customers' demand for our services increases as their biologics advance through development and ultimately to commercialization, which allows our revenue from each project to grow geometrically as the project advances through the biologics development cycle

Our Strong Proprietary Technology Platform

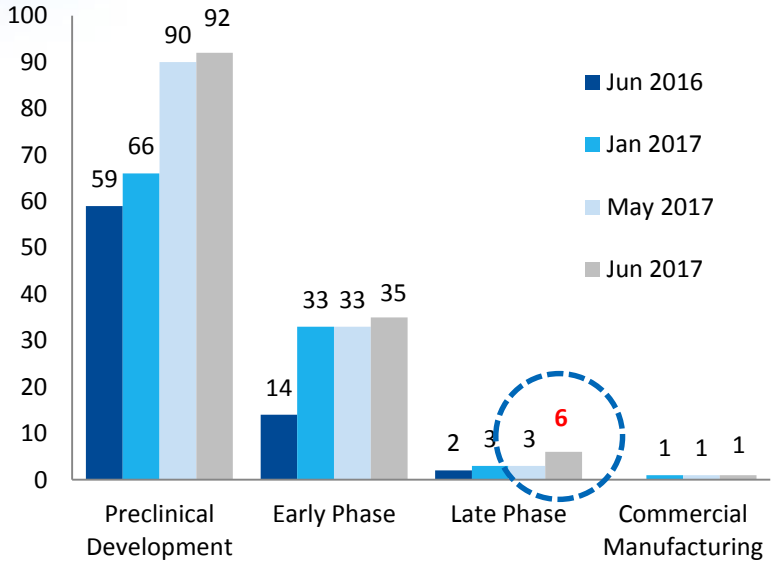


Solid Business Progress

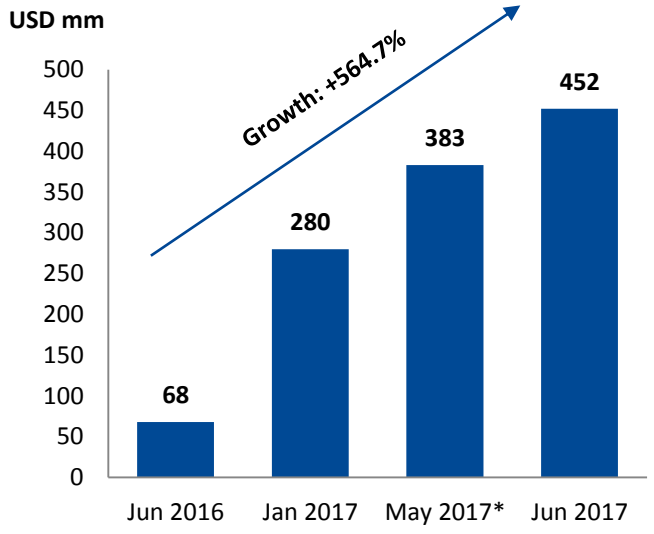
No. of Integrated Projects (1)



Analysis of Integrated Projects (1) By Phases



Backlog



	PRE-IND		POST-IND		
	Drug Discovery	Preclinical Development	Early Phase (Phase I & II)	Late Phase (Phase III)	Commercial Manufacturing
Typical Revenue For Stage:	US$1.5-2.5 mm	US$4-6 mm	US$4-6 mm	US$20-50 mm	US$50-100 mm(2)
On-Going Integrated Project Numbers(1):		92	35	6	1

Total: 134

Notes:

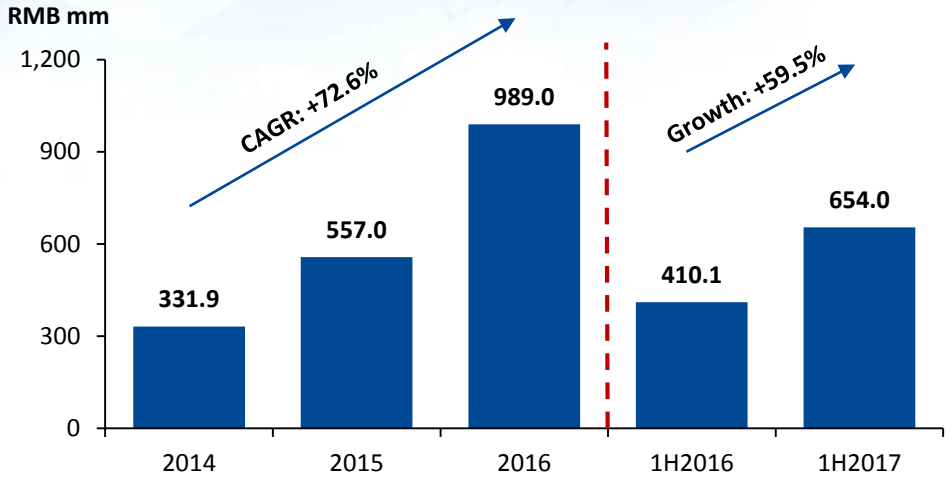
1. Integrated projects are projects that require us to provide services across different stages of the biologics development process
2. Estimated value when a biologic drug reaches peak sales. A biologic drug typically reaches peak sales after a ramp-up period

*May 2017 is the Latest Practicable Date for IPO prospectus

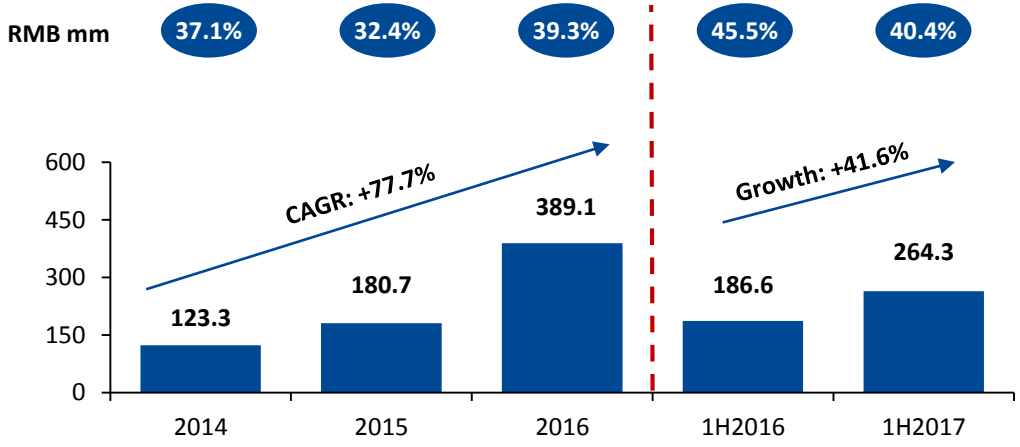
III. Financial Overview

Phenomenal Financial Performance

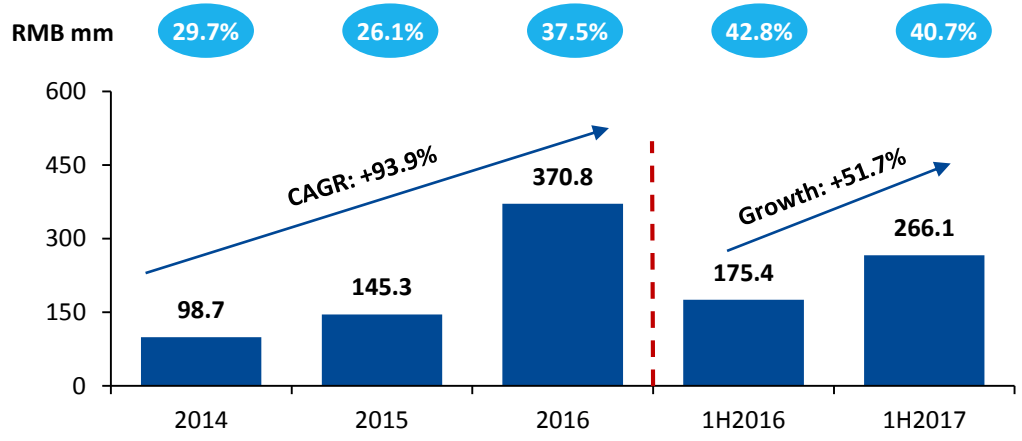
Revenue



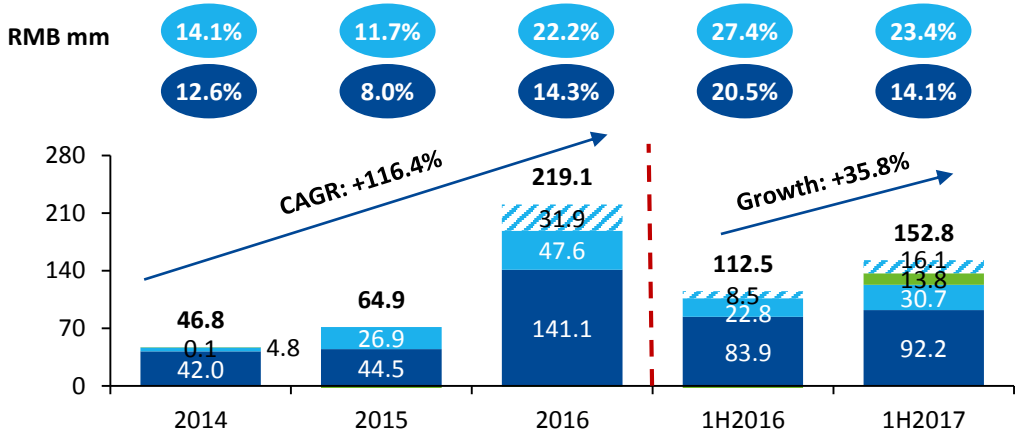
Gross Profit



Adjusted EBITDA (1)



Adjusted Net Profit (2)



Unadjusted Margin % | Adjusted Margin % | SBC Impact | FX Impact | Listing Expense

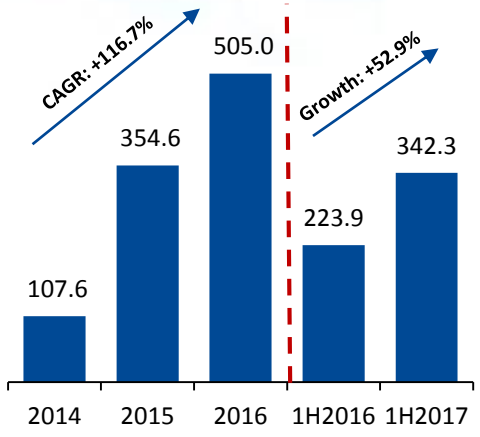
Notes:

1. Adjusted EBITDA represents net profit before (i) interest income and expense, income tax expenses and (ii) certain non-cash expenses, consisting of share-based compensation, amortization, depreciation and impairment of goodwill and (iii) FX gains and losses
2. Adjusted net profit excludes share-based compensation, foreign exchange gain or losses, and listing expense; For the year of 2015, 2016 and period of 1H 2016, the company recorded foreign exchange gains

Robust Growth Across All Geographic Markets (1)

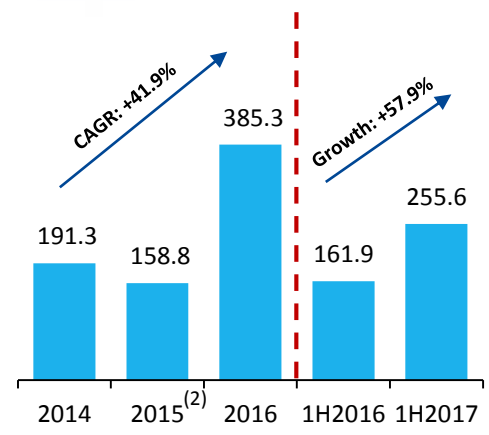
United States of America

RMB mm



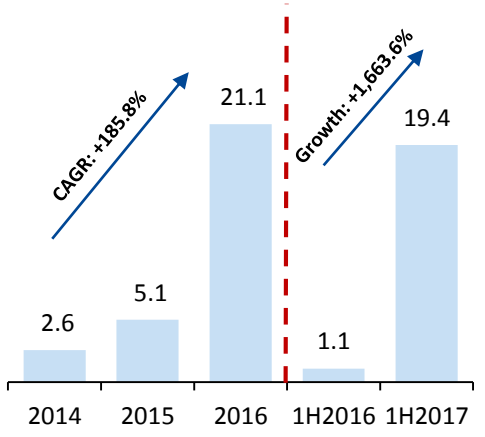
PRC

RMB mm



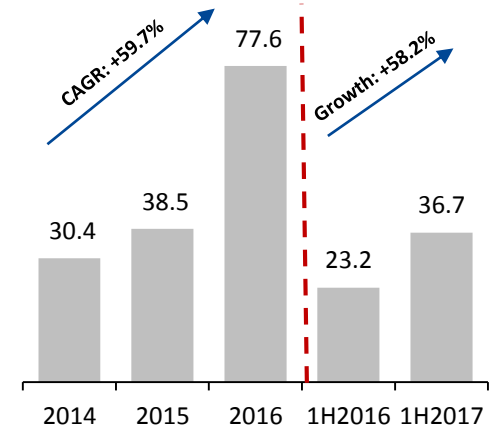
Europe

RMB mm

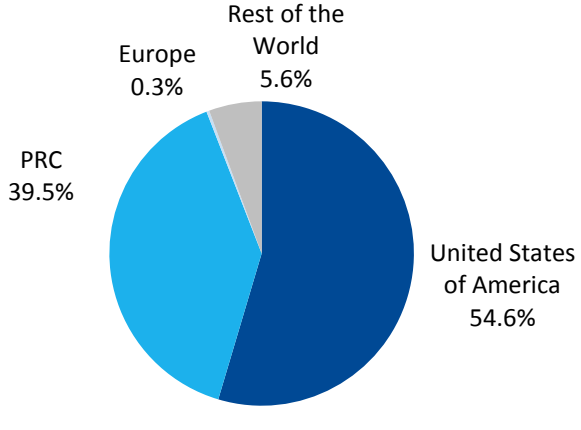


Rest of the world (3)

RMB mm

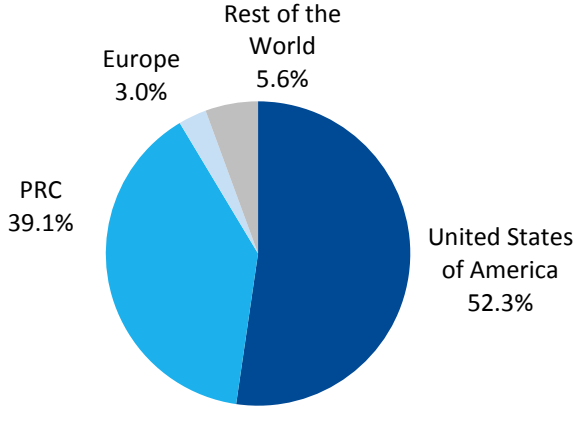


1H2016 Revenue



RMB410.1 mm

1H2017 Revenue



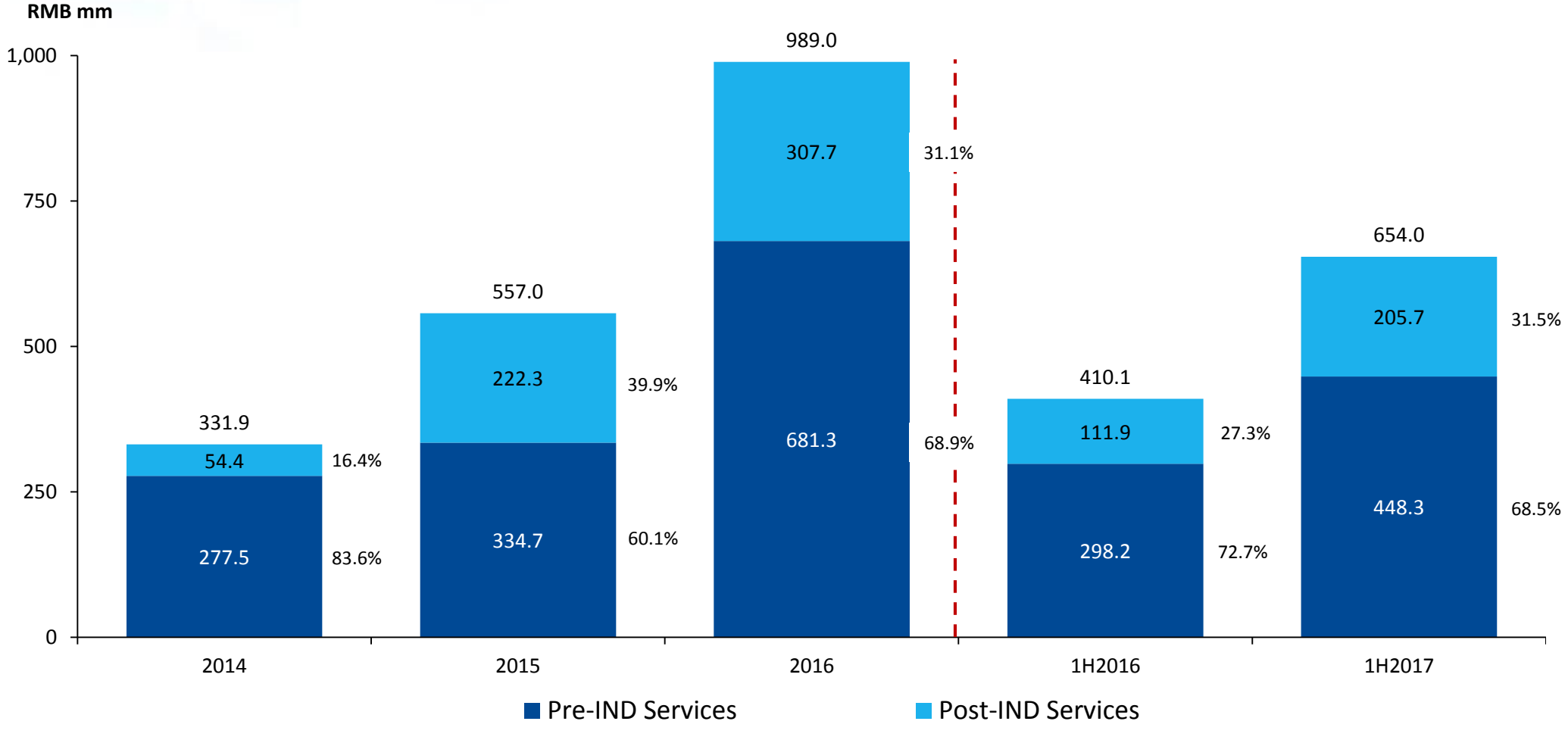
RMB654.0 mm

Notes:

1. Geographic breakdown by client headquarters
2. Decline in revenue from PRC in 2015 due to a substantial number of on-going project-based service contracts and work orders with Chinese customers pending standard regulatory approvals in 2015
3. Rest of the world primarily includes Canada, Israel, Japan, India and South Korea

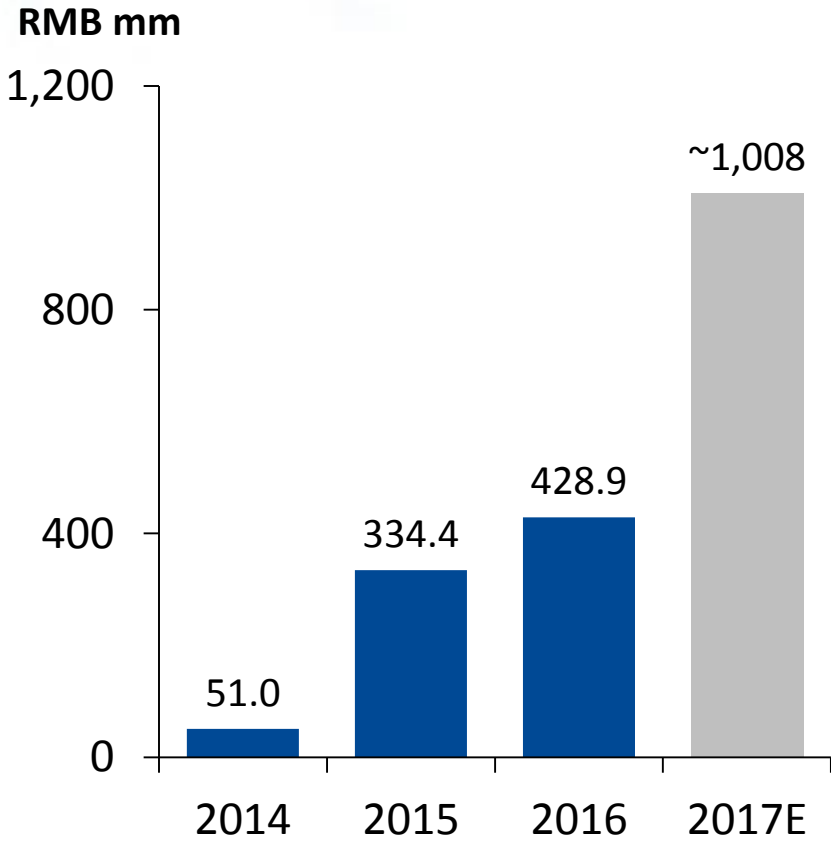
Revenue Breakdown by Development Process Stages

Revenue by Development Process Stages



Capital Expenditure and Use of Proceeds

Purchase of Plants and Equipment



Use of Proceeds

% of Total Net Proceeds	Use of Proceeds
36%	To repay all the Group's outstanding bank facilities
56%	To construct new facilities, as well as improve and maintain existing facilities
8%	For the Group's working capital and other general corporate purposes

As of July 31, 2017, the Group has subsequently repaid the syndicated loan borrowed from SPDB & Pingan in full (approximately RMB 1 billion).

1H 2017 Financial Summary

(RMB million)	1H 2017	1H 2016	*Change*
Revenue	**654.0**	**410.1**	***59.5%***
Cost of services	(389.8)	(223.5)	
Gross Profit	**264.3**	**186.6**	***41.6%***
Other income	16.1	5.1	
Other gains and losses	(15.9)	(0.8)	
Selling and marketing expenses	(13.3)	(6.6)	
Administrative expenses	(51.1)	(39.8)	
Research and development expenses	(36.4)	(30.1)	
Other expenses	(16.1)	(8.5)	
Financial Cost	(31.3)	(8.1)	
Profit before Tax	**116.2**	**97.8**	***18.8%***
Income Tax Expenses	(24.0)	(13.9)	
Profit and total comprehensive income for the period	**92.2**	**83.9**	***9.9%***
Earnings per share – Basic (RMB)	0.09	0.09	
Earnings per share – Diluted (RMB)	0.09	0.09	

**Result may not foot due to rounding*

Reconciliation for Adjusted net profit and Adjusted EBITDA

(RMB million)	1H 2017	1H 2016
Adjusted net profit Reconciliation		
Net profit	92.2	83.9
Share-based Compensation	30.7	22.8
Listing Expenses	16.1	8.5
Foreign Exchange (Gain) or Loss	13.8	(2.7)
Adjusted net profit	152.8	112.5
Adjusted EBITDA Reconciliation		
EBITDA	205.5	146.8
Share-based Compensation	30.7	22.8
Listing Expenses	16.1	8.5
Foreign Exchange (Gain) or Loss	13.8	(2.7)
Adjusted EBITDA	266.1	175.4

IV. Growth Strategies and Conclusion

Growth Strategies

1
- Expand Commercial and Research Manufacturing Capacities

2
- Invest in Cutting-edge Technologies through Both In-house Research and Development and Potential Acquisitions

3
- Building upon Strong Customer Relationships to Secure New Projects from Existing Customers

4
- Leveraging the Existing Market Position to Expand the Customer Base

5
- Continue to Attract, Train and Retain Quality Talent to Support Our Rapid Growth

6
- Capitalize on Our Strategic China Location to Provide Customers with a Unique Value Proposition

Conclusion

- We delivered another strong performance for the first half of 2017, and we expect this strong growth to continue in 2H 2017
- FDA PLI completion is a key milestone for our commercial manufacturing capabilities
- Our capacity expansion is on schedule which enables us to continue to deliver sustainable growth
- Recent out-licensing of GLS-010 to Arcus Biosciences shows that our China gateway and global capabilities allow us to increase potential revenues significantly for each molecule. Expect significant milestone payments and royalties if the product is approved

V. Appendix

Share Count Information

Date	Description	No. of Shares
27-Feb-2017	Share Issued	964,000,000
13-Jun-2017	Shares of Global Offering	170,118,057
14-Jun-2017	Exercise of Over-allotment	28,947,000
Sub-total Share Issued and Outstanding		1,163,065,057
First Half of 2017	Share Options Exercised	-
30-Jun-2017	Weighted Average Number of Ordinary Shares-Basic	983,636,597
30-Jun-2017	Share Options and Equivalents	45,919,209
30-Jun-2017	Weighted Average Number of Ordinary Shares-Diluted	1,029,555,806

Q&A Session

THANK YOU!

WuXi Biologics

Global Solution Provider