

Global Premier Biologics Platforms to Enable Innovations

*WuXi Biologics 2018 Annual Result
(2269.HK)*

March 2019



WuXi Biologics
Global Solution Provider



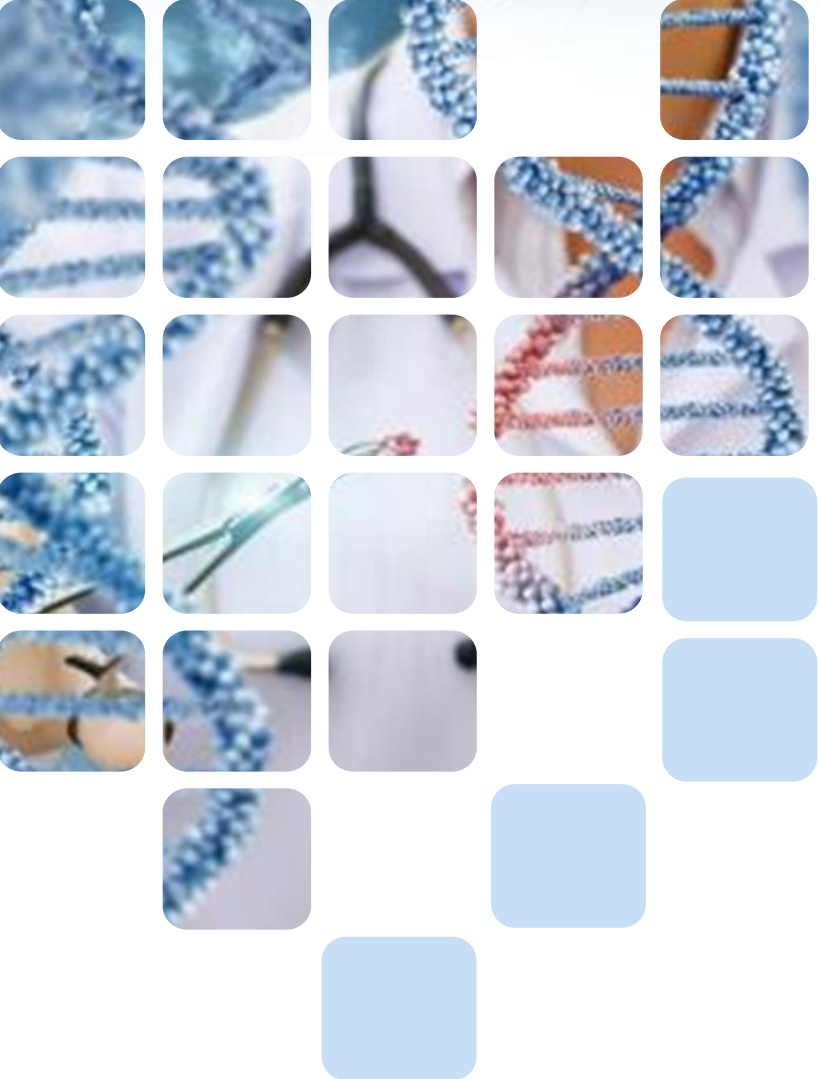
Forward-Looking Statements

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, 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 (Non-IFRS 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 the share-based compensation expenses, Listing expenses and foreign exchange gains or losses, 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



01 2018 Results

02 Technology Leadership

03 Financial Overview

04 Summary



I. 2018 Results

205

Integrated Projects

57

New Projects

13

Late Phase Projects

US\$3.6B

Total Backlog

220,000L

Capacity by 2022

4,141/1,600

Employees/Scientists



¥2,534.5M

Revenue

¥751.5M

Adj Net Profit

57%

Revenue YoY Growth

74%

Adj Net Profit
YoY Growth

40.2%

Gross Margin

29.7%

Adj Net Profit Margin

Our Mission

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



Our “Follow-the-Molecule” Integrated Solution Model

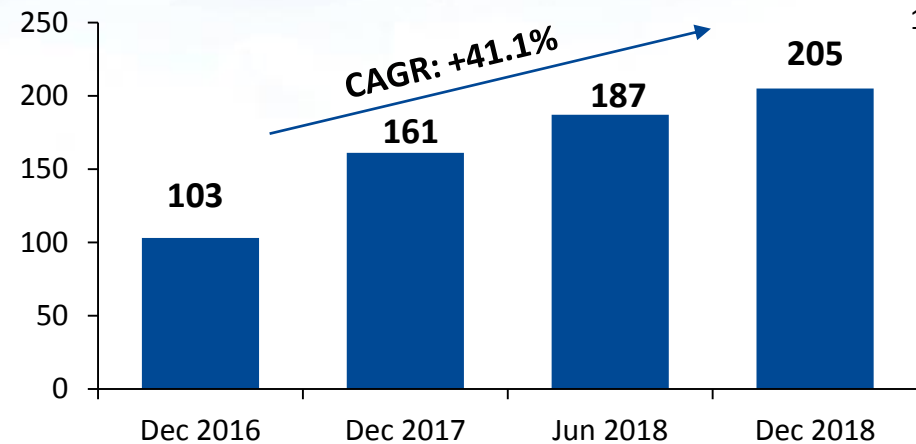
Our customers’ demand for our services increases as their biologics advance through development and ultimately to commercialization, which allows our revenue from each project to grow geometrically as the project advances through the biologics development cycle

Revenue from each project increases with its stages

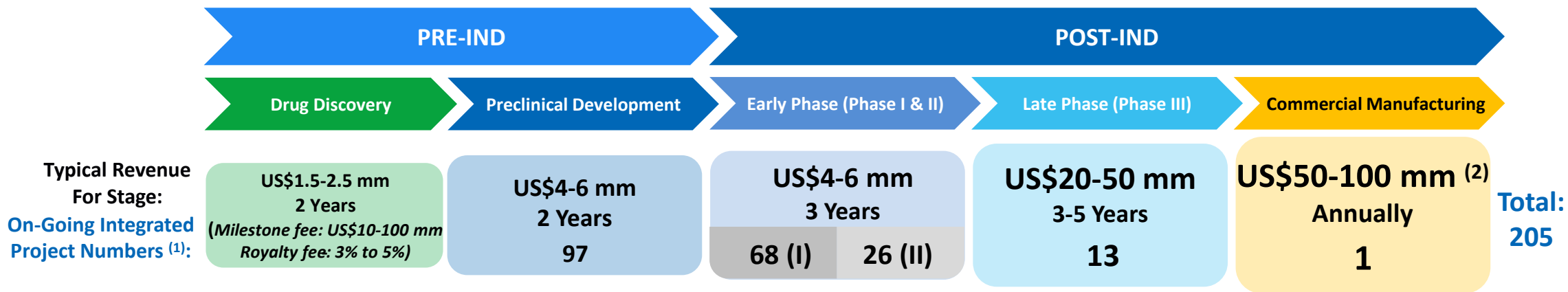
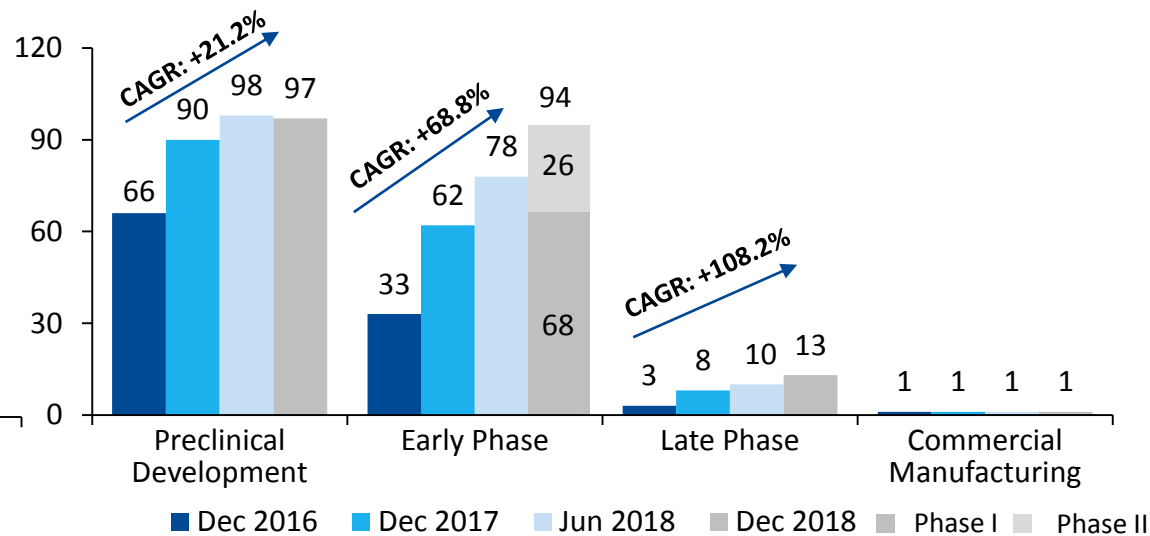
Biologics Development Process	Typical Duration	Typical Revenue
Pre-IND		
Drug Discovery	2 Years	US\$1.5-2.5 mm (Milestone fee ranges from US\$ 10-100 mm Royalty fee ranges from 3% to 5%)
Pre-Clinical Development	2 Years	US\$4-6 mm
Post-IND		
Early-Phase (Phases I & II) Clinical Development	3 Years	US\$4-6 mm
Late-Phase (Phase III) Clinical Development	3-5 Years	US\$20-50 mm
Commercial Manufacturing	Annually	US\$50-100 mm annually

Solid Business Progress – Integrated Projects

No. of Integrated Projects ⁽¹⁾



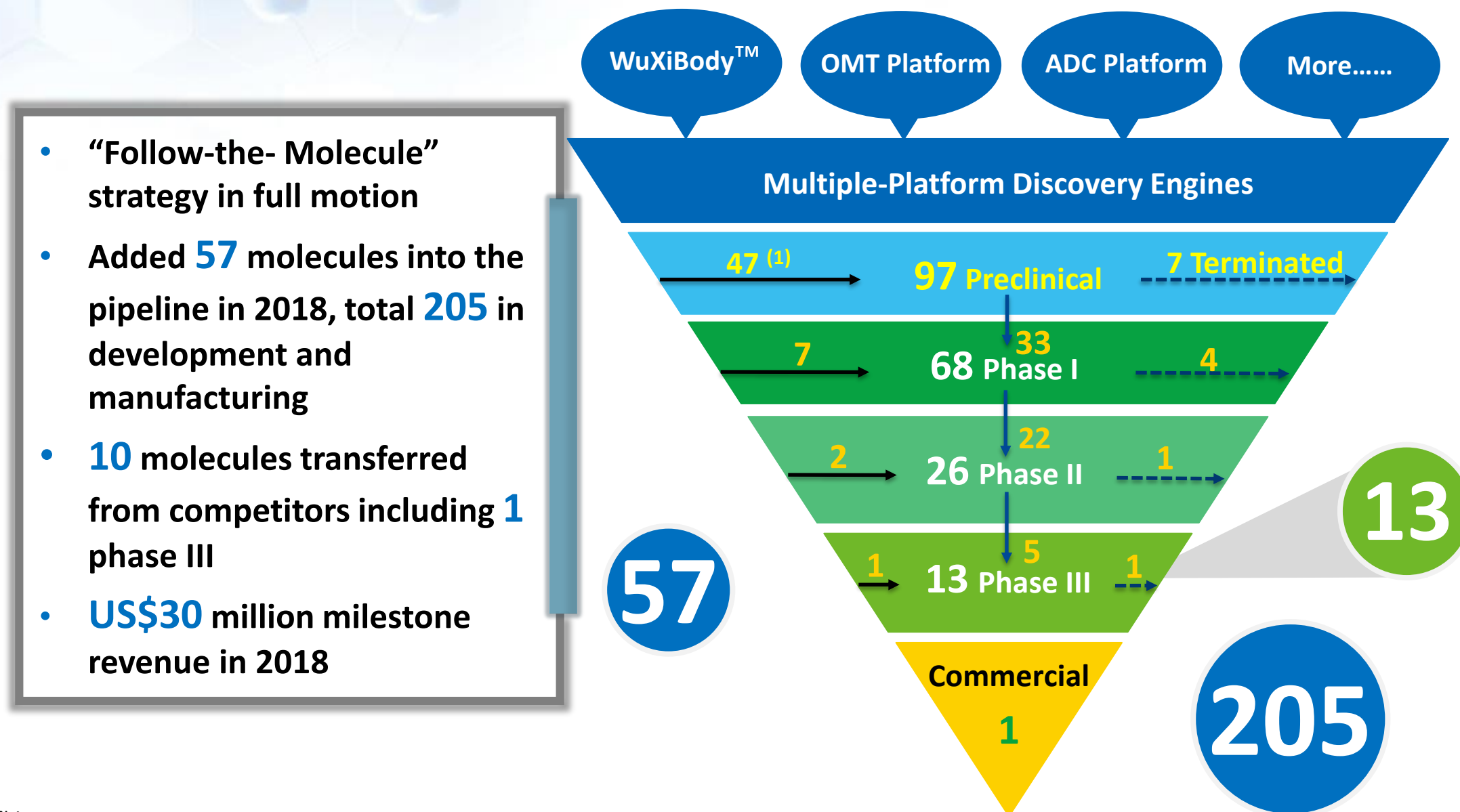
Integrated Projects ⁽¹⁾ By Phases



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

2018 Pipeline Highlights



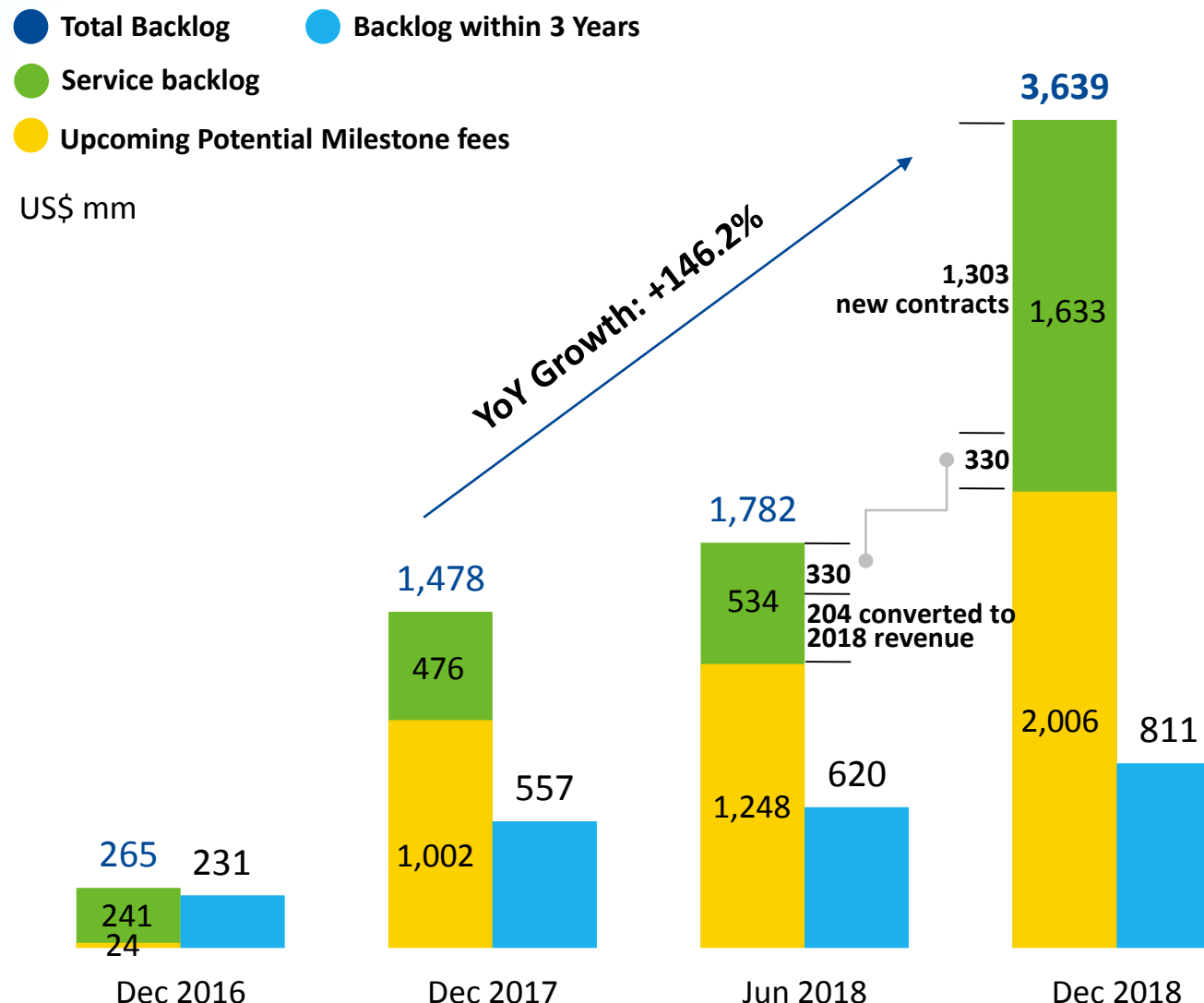
Note:

1. All of the project No. were compared to 2017 Q4

2. The arrows in black are the projects newly added from outside; the arrows in blue are the projects progressing from earlier stage thanks to our Follow-the-molecule strategy; the dashed arrows are terminated projects.

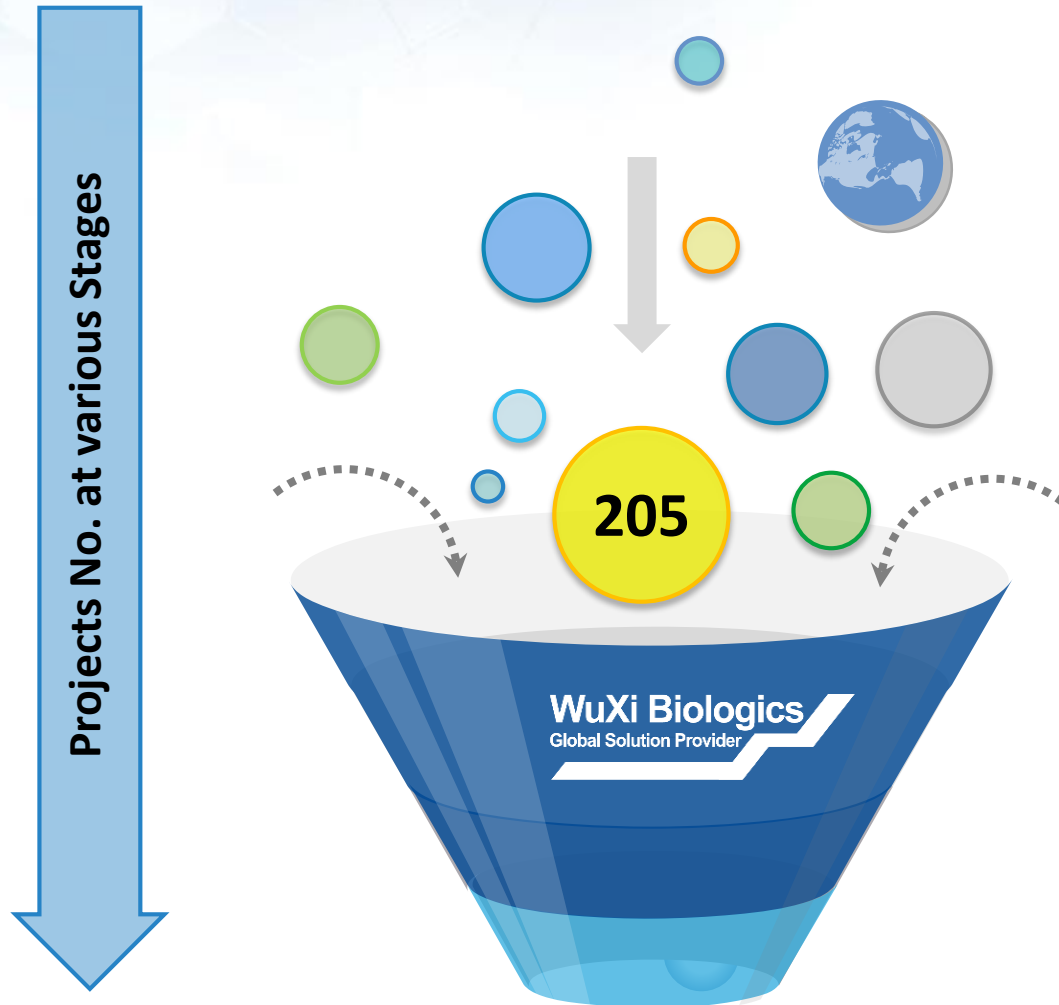
Phenomenal Backlog Growth in 2018

- Total backlog surged to US\$3.6 bn and boosted by newly signed manufacturing and WuXiBody™ contracts
- Service backlog increased 243.1% to US\$1.6 bn, which will ensure sustained high growth
- Upcoming potential milestone fees* doubled to US\$2.0 bn, which will continue to improve margin profile



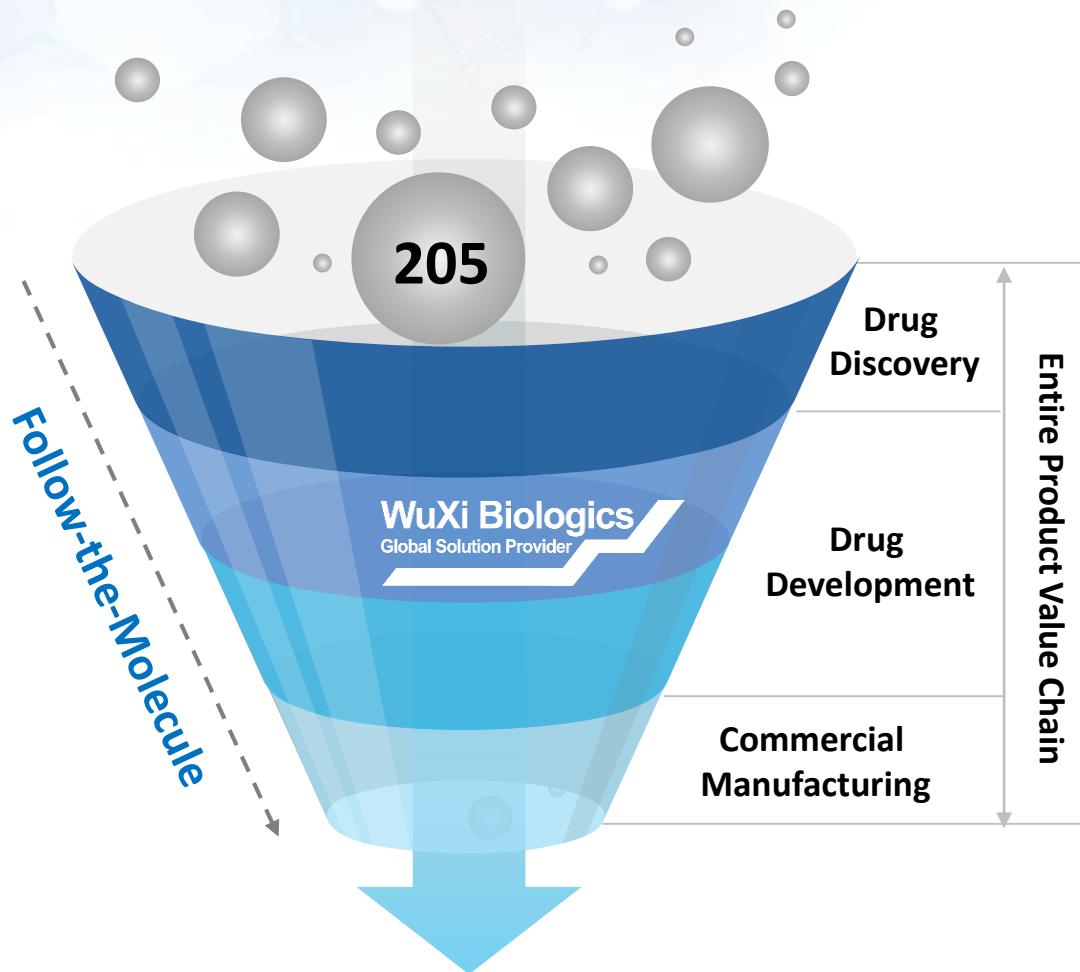
Disclaimer: The upcoming potential milestone fees take a longer term to charge at various development stages. The potential to realize these milestone fees is subject to the success rate of the projects and the project progress.

“Follow-the-Molecule” Strategy Securing Global Clients from Early Stage and Developing Long-term Partnership



- World-class capabilities, expanding capacities, excellent track record and superb execution secured more projects globally than competitors
- Biologics projects are sticky, securing early stage projects to ensure high likelihood of continuing to commercialization – “Follow-the-Molecule”
- 205 current projects potentially lead to approx. 25 commercial manufacturing projects
- 40+ projects potentially generate US\$4 bn milestone payments* and US\$200 mm+ royalties* per year

When “Follow-the-Molecule” Meets “Global Dual Sourcing within WuXi Bio”



Global Dual Sourcing within WuXi Bio

- 205 current projects potentially lead to approx. 25 commercial manufacturing projects and approx. US\$2 bn revenue
- Our “on-demand global capacity planning” and “global dual sourcing within WuXi Bio” fulfill our global customers’ rapid growing demand

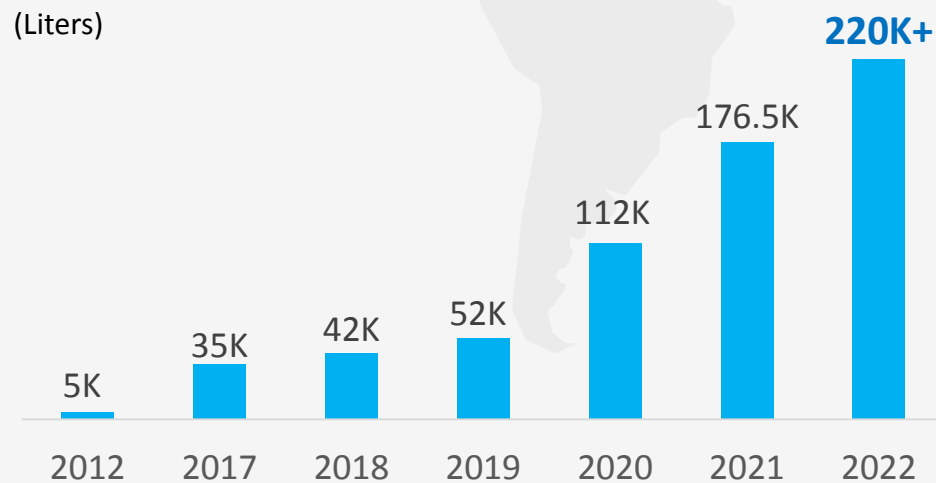


- Exclusive Manufacturing Partnership
- Both DS and DP, each at two sites across our global network in EU, China and U.S.

Global Network Ensures Success of “Follow-the-Molecule”



Capacity in Progress (CIP) by Year



*Providing **220,000L** of total bioreactor capacity and a global supply chain network across **4** countries*

“Follow-the-Molecule” Generates High ROI for MFG



MFG1

**First Disposable
GMP Ready in 2012**

Fed-batch: 1x1,000 L
2x2,000 L
Perfusion: 2x200 L
Drug product fill & finish



MFG2

**Large Scale Disposable
GMP Ready in 2016**

Fed-batch: 14x2,000 L
Perfusion: 2x1,000 L



MFG3

**Continuous Manufacturing
GMP Ready in 2018**

Fed-batch: 1x200 L, 1x1,000 L
2x2,000 L
Perfusion: 1x500 L
1x1,000 L



MFG4

**1st 4000L Disposable
Bioreactor
GMP Ready in 2019**

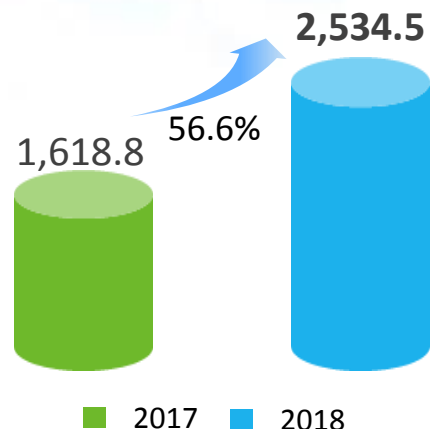
Fed-batch: 1x4,000 L
2x2,000 L
2x1,000 L

	MFG1	MFG2	MFG3	MFG4
CAPEX (US\$ mm)	70	150	70	50
Peak Revenue (US\$ mm)	90	200	100	70
Ramp-up Speed (% of peak revenue)	/	1 st year ~30% 2 nd year Target 60%	1 st year (6 month) ~20% 2 nd year Target 70%	1 st year (6 month) Target 40%

Financial Highlights: Record Revenue and Earnings Growth

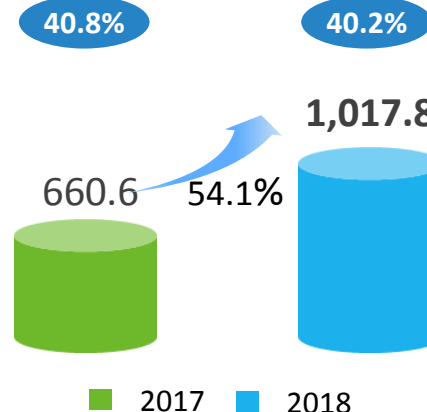
RMB
(mm)

Revenue



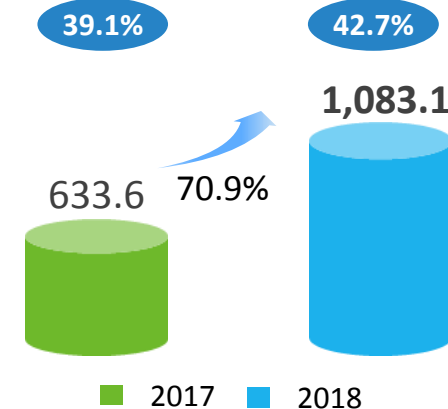
Gross Profit

GP Margin



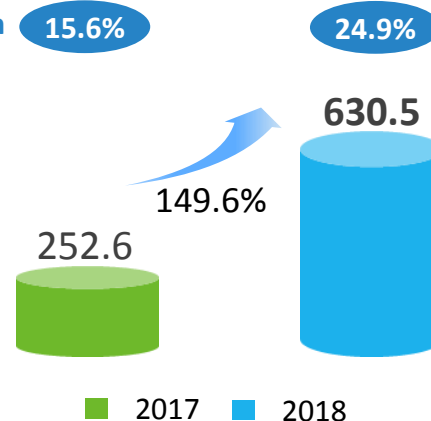
Adj EBITDA

Adj
EBITDA
Margin



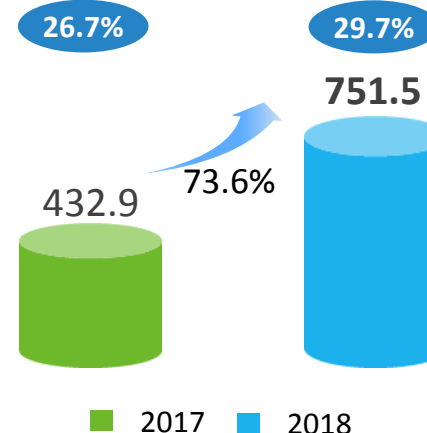
Net Profit

NP Margin



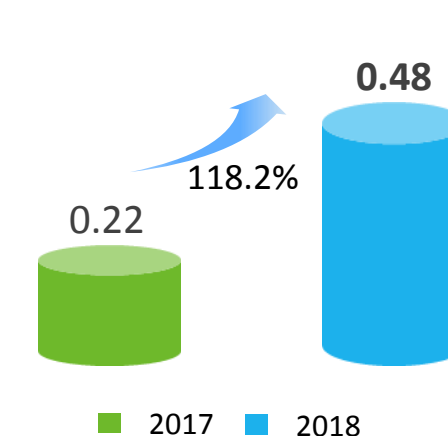
Adj Net Profit

Adj NP Margin



Diluted EPS

RMB



Key Financials

01

■ Cash on Hand: RMB4,084 mm

- As of December 31, 2018, bank balances and cash amounted to RMB4,084 million in total

02

■ No Borrowing and Strong Operating Cash Flow

- No outstanding borrowings as of December 31, 2018
- Operating cash flow of RMB761.6 million, increased 114% over 2017

03

■ RMB1.8 bn CAPEX in 2018 and Approximately RMB4.4 bn in 2019

- Total CAPEX in 2018 amounted to RMB1.8 billion, and CAPEX in 2019 will be approximately RMB4.4 billion
- Rapid CAPEX increase for facility expansion globally to support our revenue growth

Operational Highlights



- Completed **EMA** pre-approval inspection in Feb. 2019
- The **first** biologics biomanufacturing facility with approval from both U.S. FDA and EMA in China
- Enabling customer's products to the market at the right time
- Well positioned as a global biomanufacturing leader



Technology Innovation

**R&D Investment
+127.2%**

- Continued to invest in R&D and generate additional milestone and royalty fees
- Shortest IND filing to **7** months, setting a record and creating a competitive advantage over the industry standards
- WuXiBody™, WuXia and WuXiUP Platforms help to enable more customers and expedite product launch and reduce the cost significantly

Global Partners Continue to Expand

220 global partners including **13** of the 20 largest pharmaceutical companies in the world and **22** of the 50 largest pharmaceutical companies in China



More Anchor and Exclusive Customers



Anchor Clients



Exclusive Clients



Exclusive for Projects for Chinese Market



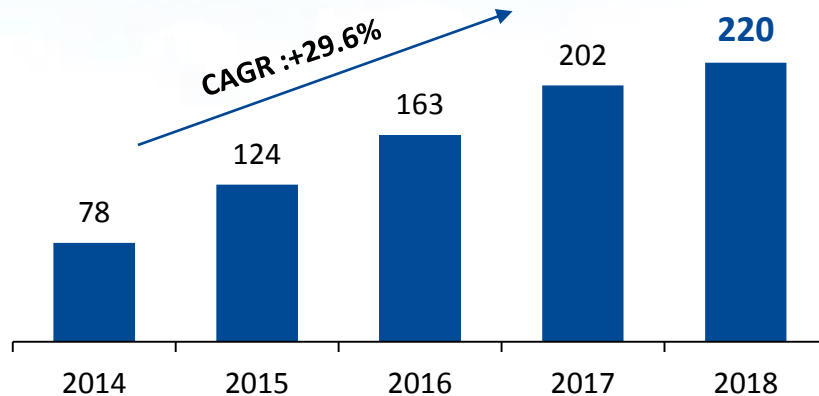
WuXiBody™ Projects



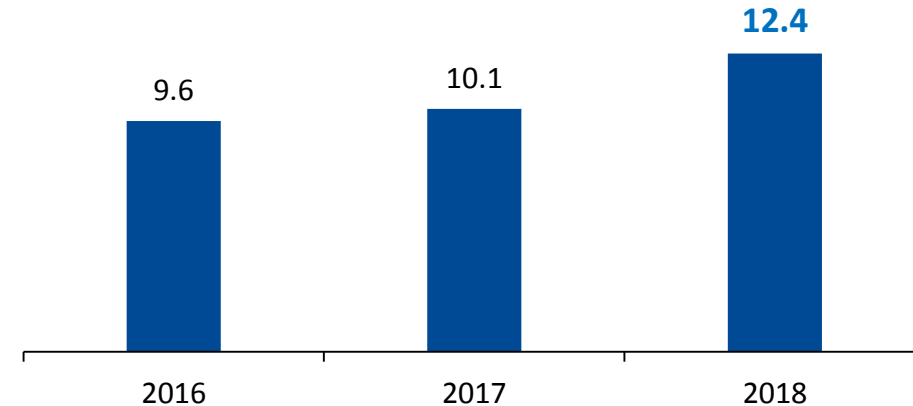
Undisclosed Swiss Customer

“Follow-the-Molecule” Drives Customer Growth and Revenue Diversification

Number of Customers Serviced in Each Period

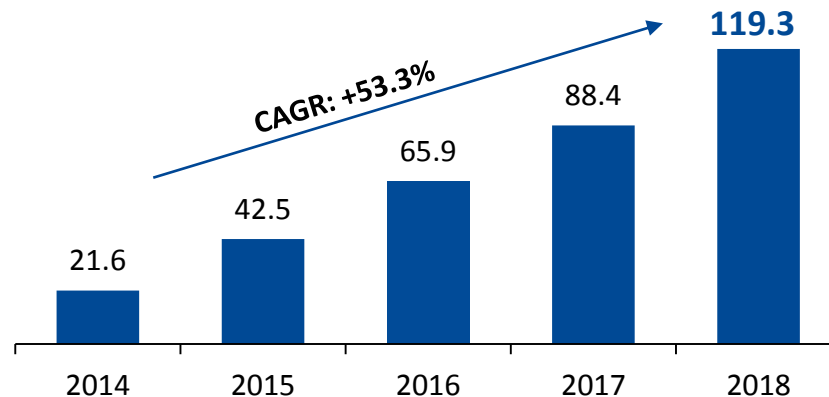


Average Revenue per Project (RMB mm)

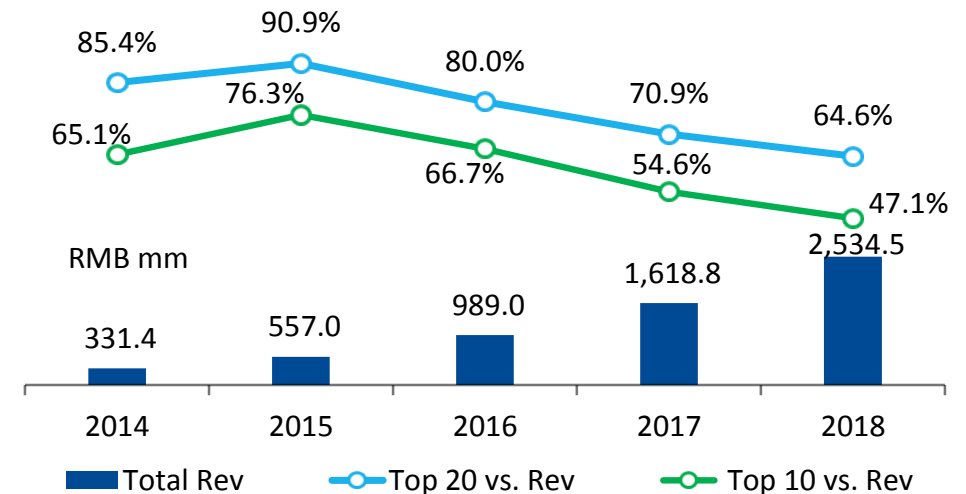


Average revenue per project grew as projects advanced along the value chain

Average Revenue per Customer among the Top 10 Customers in Each Period (RMB mm)



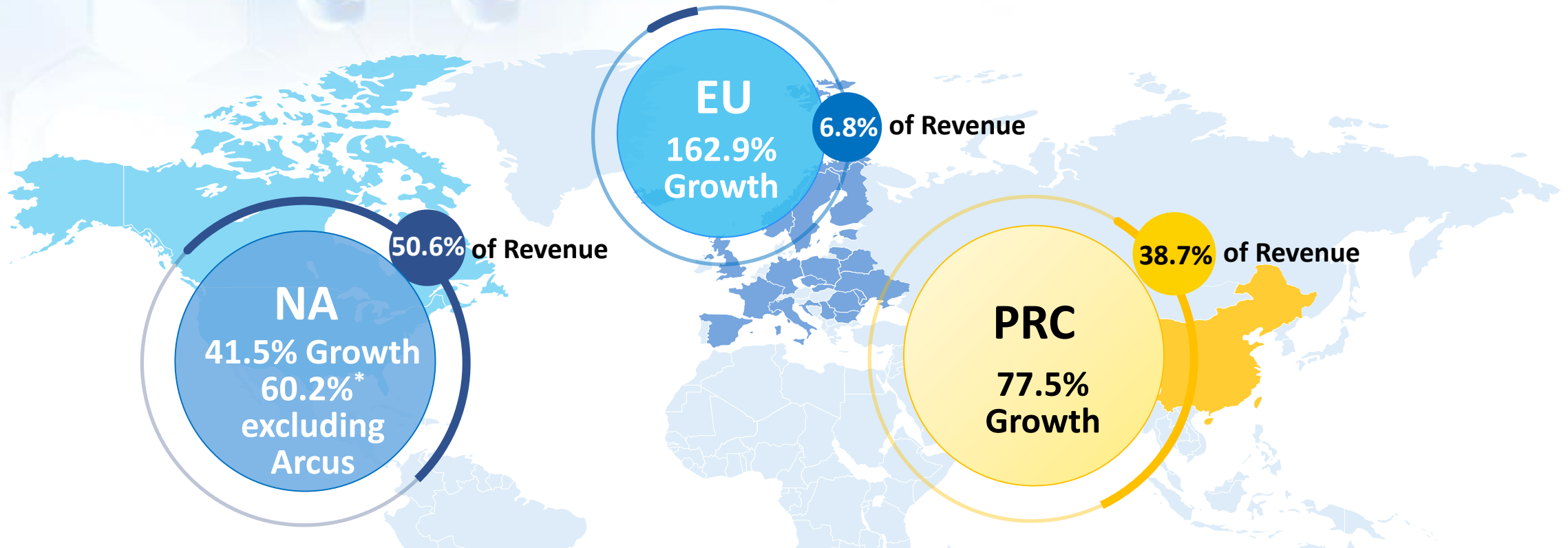
Revenue % of the Top 20 and the Top 10 Customers



Note:

1. Number of customers refer to those who incurred revenue during the reporting period.

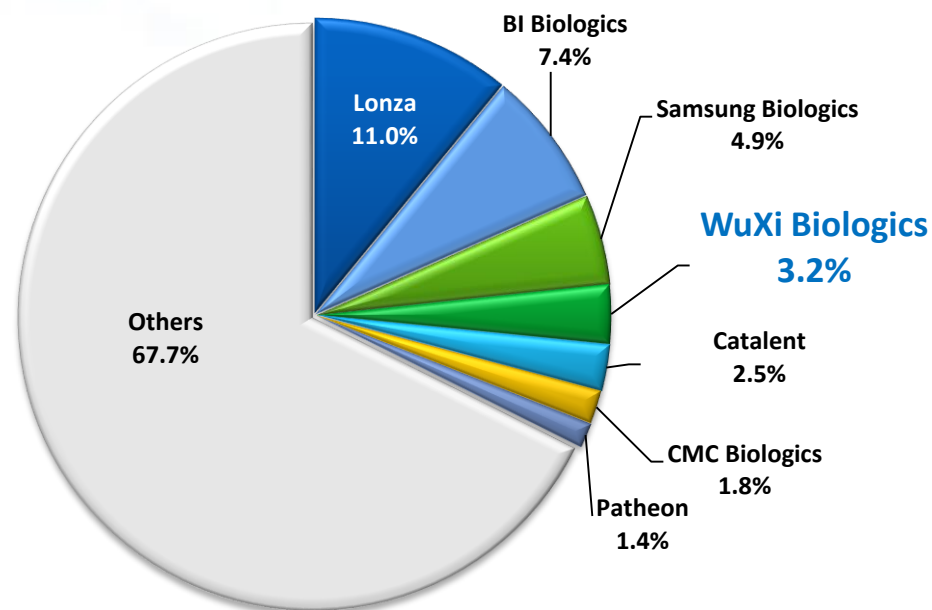
Rapid Business Progress Across Geographic Markets



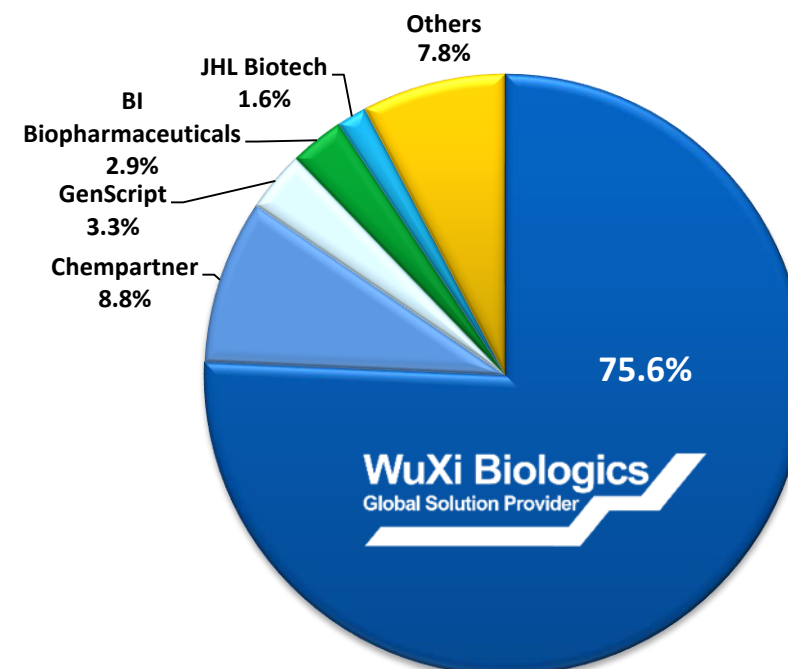
- North America (NA), China (PRC) and EU continued sustainable strong growth: **THREE** growth engines
- 105.7% growth in **China** 2H 2018 due to regulatory reform and recent policy to change
- Growth in North America would be **60.2%** excluding Arcus, US\$18.5 mm one-time payment in 2017
- Phenomenal growth in EU especially **Switzerland** (6 companies with **13** projects ongoing)

Top 4 Player Globally and Dominant Leader in China

Market Share of Global Biologics Outsourcing Market
by Revenue in 2018 ⁽¹⁾



Market Share of China Biologics Outsourcing Market
by Revenue in 2018 ⁽¹⁾



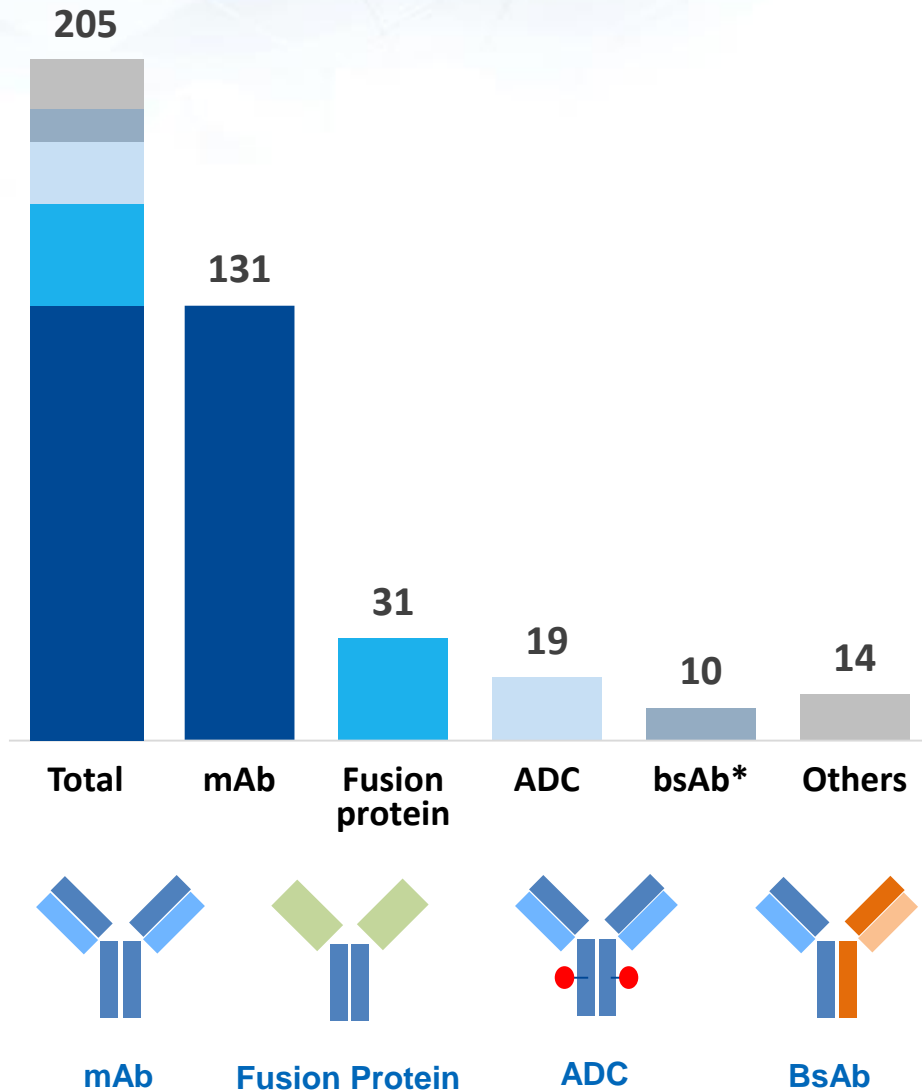
Continued to expand market share:

- Global market share increased from 1.0% in 2015, 1.8% in 2016, 2.4% in 2017 to 3.2% in 2018
- China market share increased from 36.4% in 2015, 48.0% in 2016, 63.5% in 2017 to 75.6% in 2018

Note:

1. Source: Contract Pharma, BioPharm International, Fierce pharma

Rich Pipeline Across all Biologics Formats



- **51** First-in-class programs
- One of the largest portfolios of complex proteins such as Bispecifics, Antibody Drug Conjugates (ADCs), and fusion proteins
- All demonstrating globally leading technical capabilities

Note: Bispecific Antibody (bsAb)

Impressive Talent Growth Forms the Basis for Business Success

4,141

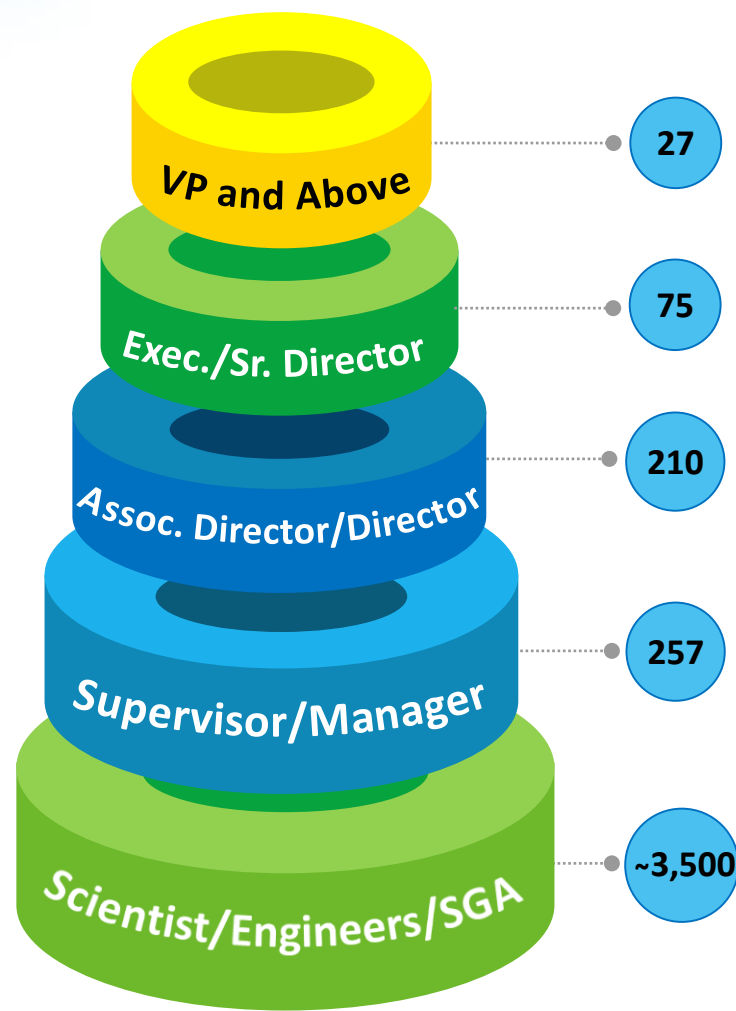
Employees in 2018 and expected to reach 5,600 employees by end of 2019

364

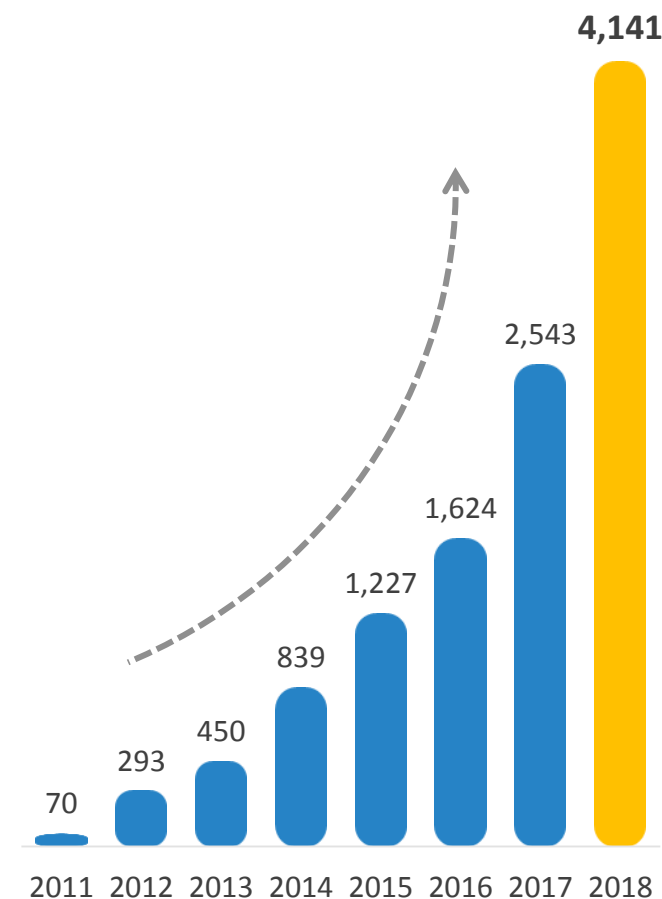
Employees possessing a Ph.D. or equivalent

1,600

One of the largest biologics development teams with 1,600



Rapid Expansion of Talent Base



2018 Talent Retention Rate >90%, Key talent >95%

Recent Progress

WuXiBody™ Platform

- A new growth driver, reached agreements with **7 partners** since launch in Aug 2018
- Expect to add **10** projects in 2019 and **20** projects in 2020

Dual Sourcing within WuXi Bio

- **Exclusive manufacturing partnership** with Amicus
- **First** success of the “Follow-the-Molecule” strategy from development to BLA
- **Dual sourcing** across our global network

- **First** cGMP biologics DS, DP and cell banking facilities in China to be approved for commercial manufacturing
- World-class quality system recognized again

Recent policies in China have driven more companies to partner with WuXi for innovation:
China revenue growth of **77.5%** in 2018 (44.9% in 1H 2018 vs **105.7%** in 2H 2018)

EMA Inspection Successful

Chinese Market Accelerated





II. Technology Leadership

State-of-the-Art Technology Differentiates WuXi Biologics

1 WuXiBody™ Bispecific Platform

- Combine any two antibodies and assemble into bispecifics
- Easy to express, no aggregation or mispairing, can be developed **6-18** months faster and much lower COGS than competitor platforms
- Support **50+** projects per year which attracts downstream services

2 Transgenic Animal For mAbs Discovery

- Access to OMT's state-of-the-art transgenic animal technology to develop fully human antibodies with high quality, specificity, expression, solubility and stability
- Proven technology platform used by **20+** other global companies
- Support 50+ projects per year with potential downstream services

3 Antibody Drug Conjugate Discovery

- Integrate our in-house antibody discovery, toxin and linker to deliver the ideal lead ADC molecules
- Greatly simplify ADC drug development by providing a one-stop shop
- **30** ongoing projects with ADC discovery services with potential downstream service

4 WuXia Cell Line Platform

- Our own proprietary cell line paired with our own proprietary algorithm is more cost-effective, more efficient and yields better results
- License know-how generated during cell line engineering and development process to the customer in exchange for a license fee and future royalty payments
- Developed **220** cell lines total for therapeutic protein purpose

5 Disposable Manufacturing Technology

- No cleaning and sterilization required for disposable bioreactors that use pre-irradiated plastic bags as the production vessel in a stainless holder
- A facility using disposable bioreactors can be built 12 to 18 months faster with **30% to 50%** less investment, and can produce 5% to 15% more batches of products with a higher success rate compared to traditional stainless steel bioreactors

6 WuXiUP continuous manufacturing platform

- The next generation biologic manufacturing solution to accelerate biologics development and manufacturing as well as to improve the affordability of biologics
- **30-50g/L** titer, **10+x**
- Enabling 1,000L disposable bioreactors to comparable productivity as traditional SS tank through WuXiUP

High-Impact Innovation to Enable Customers' Success

WuXiBody™ Bispecific Platform

- Universal
- **6-18** months of time-saving
- **No** CMC issue
- More strategic partnerships with customers



WuXia Cell Line

- Robust cell line with proven track record
- Enabling **60** Integrated Projects Per Year
- **20+** ongoing clinical projects in U.S., EU and China



WuXiUP Continuous Manufacturing Platform

- **30-50g/L** titer, 10+x
- Achieving ultra-high productivity
- Enabling **2,000L** disposable bioreactors to **comparable productivity** as 20,000L traditional SS tank



Discovery

Development

Manufacturing

Innovation of next growth cycle in biologics

Leading Edge Technology of WuXiBody™

DIFFERENTIATION

- **Universal:** almost any mAb sequence can be used to build bispecifics
- **Flexibility:** bi/tri/tetra valency based on biology

SPEED

No CMC challenges: no expression, aggregation or purification challenges
– Save **6-18** months of development time

QUALITY

- Expected **low immunogenicity:** natural sequence without complicated engineering
- Typical in vivo **half-life**, longer than typical bispecifics

WuXiBody™ Platform
A new era in bispecifics



ablbio
medicine for a better life

AC Immune

正大天晴
CHIATAI TIANQING

安科生物
ANKEBIO

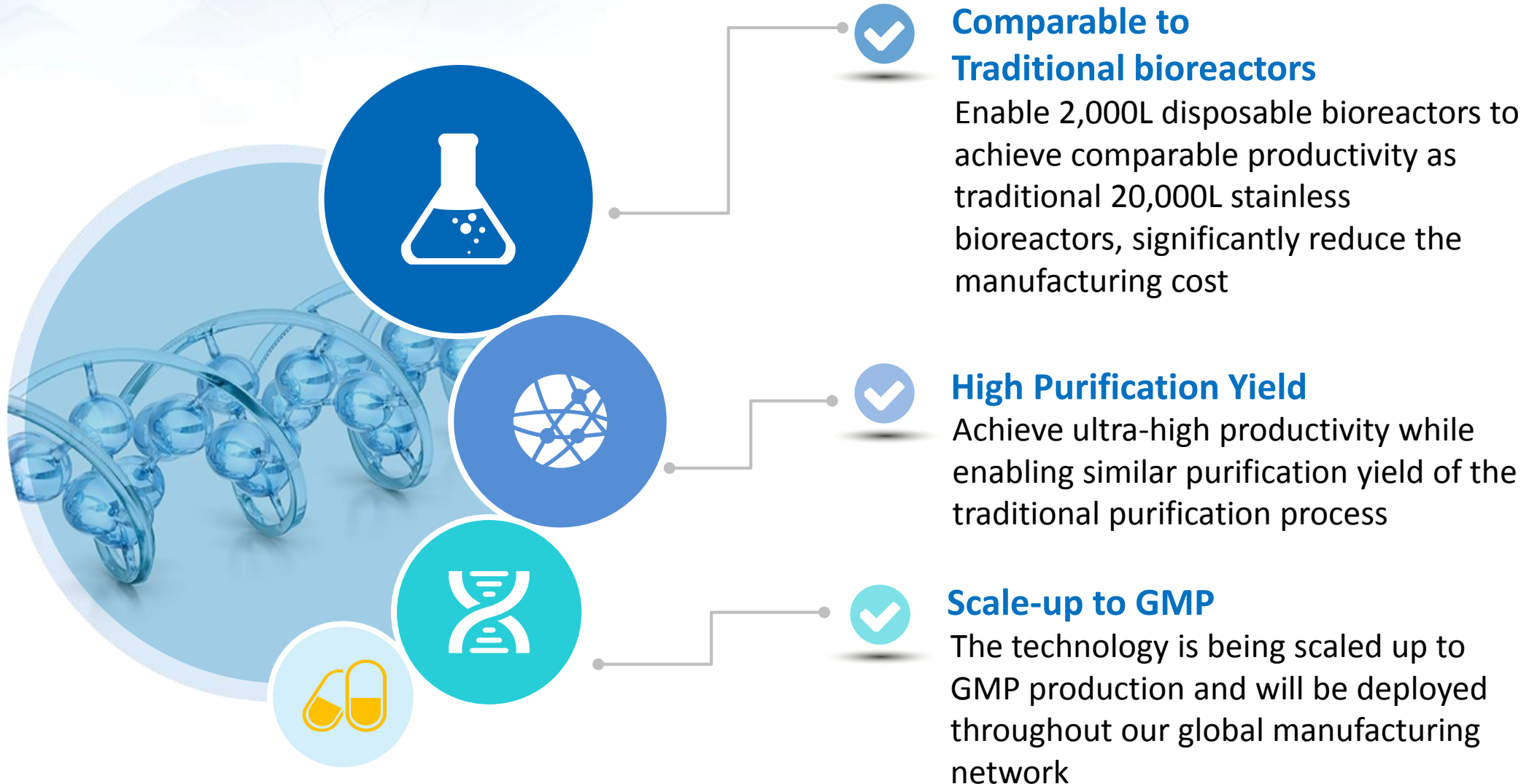
天境生物
I-MAB BIOPHARMA

OXFORD
BioTherapeutics

Brii

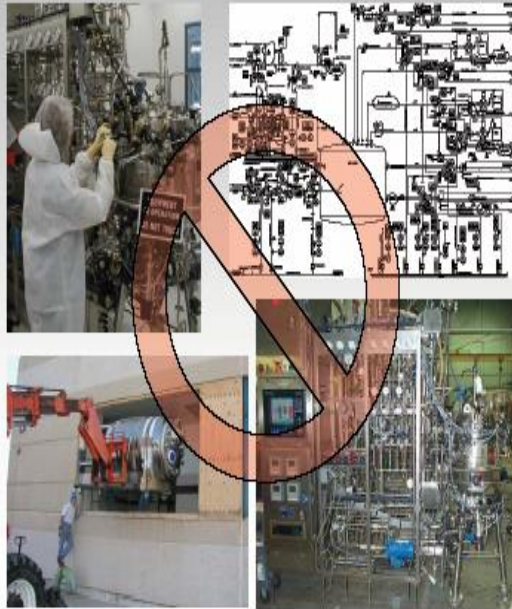
More...

WuXiUP to Expedite Product Launch and Reduce Manufacturing Cost



Global Leader in Biomanufacturing Using Disposable Bioreactors

Conventional Bioreactors



Single-Use Bioreactors

- ✓ No cleaning and sterilization
- ✓ Simple design & operation
- ✓ Saves time and resources
- ✓ Minimal utilities
- ✓ Less maintenance and repair
- ✓ Simple qualification & validation
- ✓ Low contamination risk
- ✓ Less capital investment

VS

HyClone Single-Use Bioreactor (SUB)

Permanent
Support Vessel
(50 and 250L)

Single-Use
Bioreactor BPC



HyClone

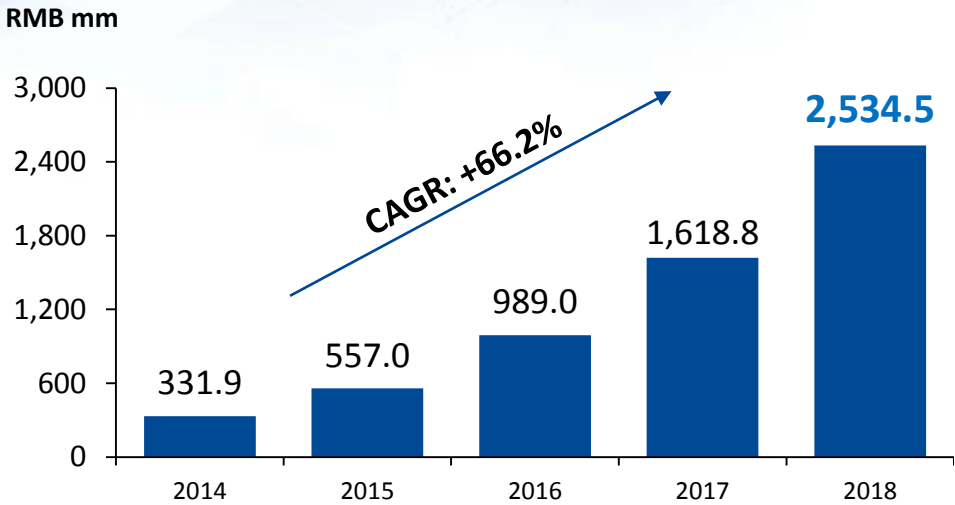
- **No** stainless steel bioreactors, 11 facilities and largest users of disposables bioreactors
- **500+** batches manufactured at **98%** success rate
- Comparable COGS with 10,000+L with **Scale-out** strategy
- Less CAPEX, faster in building facilities and comparable COGS



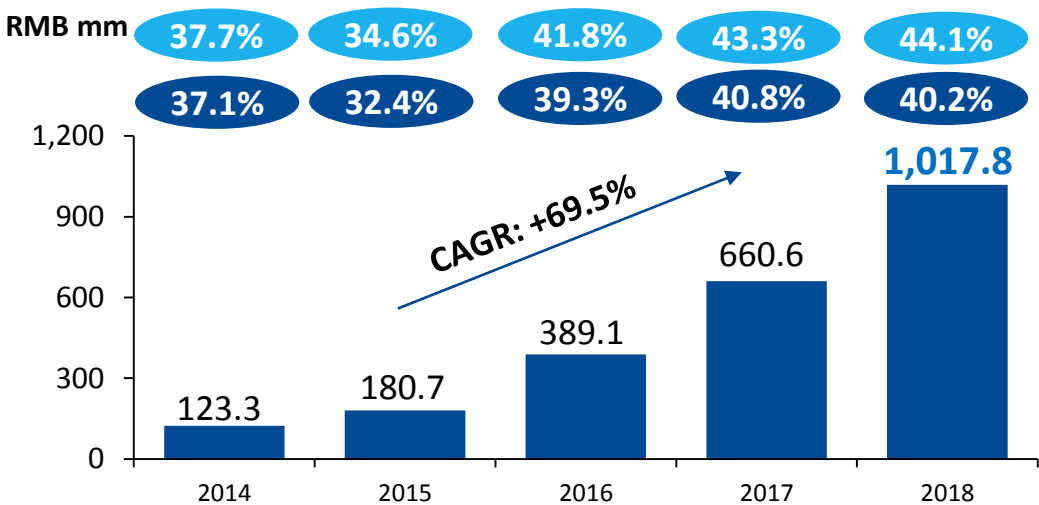
III. Financial Overview

Excellent Financial Performance

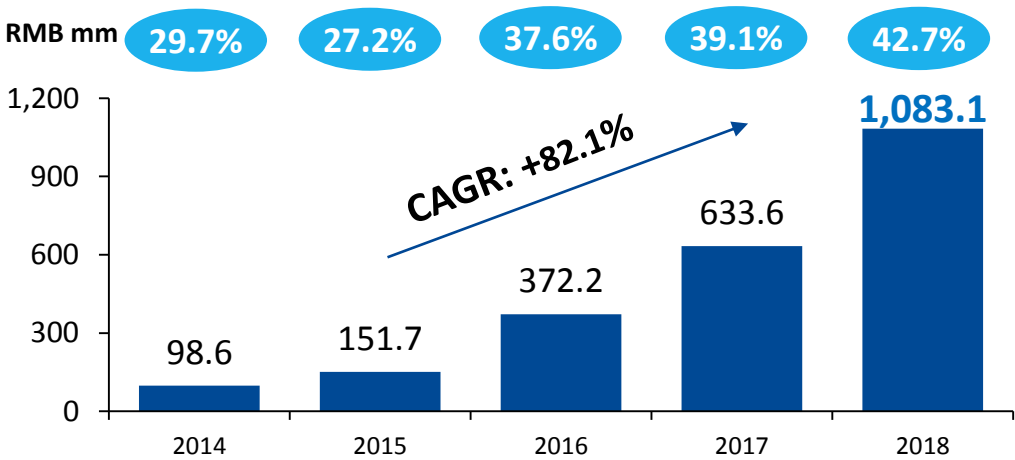
Revenue



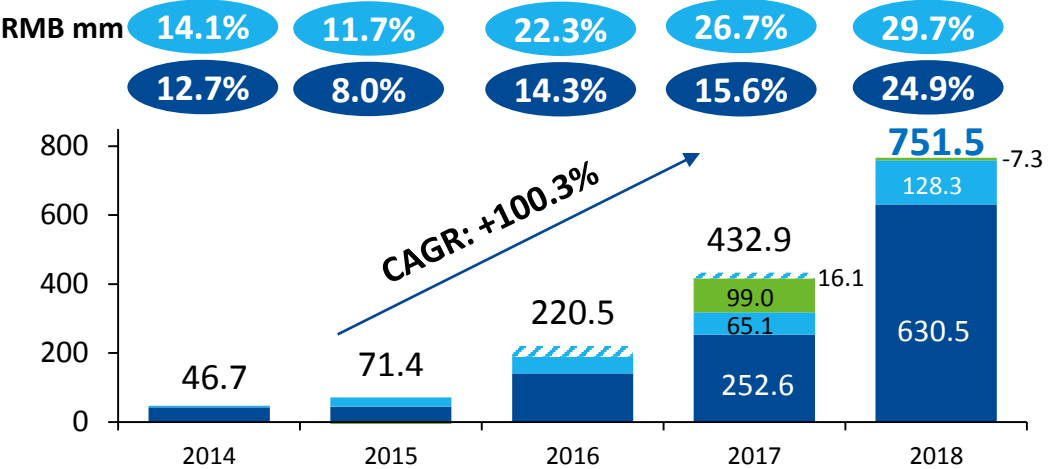
Gross Profit



Adjusted EBITDA ⁽¹⁾



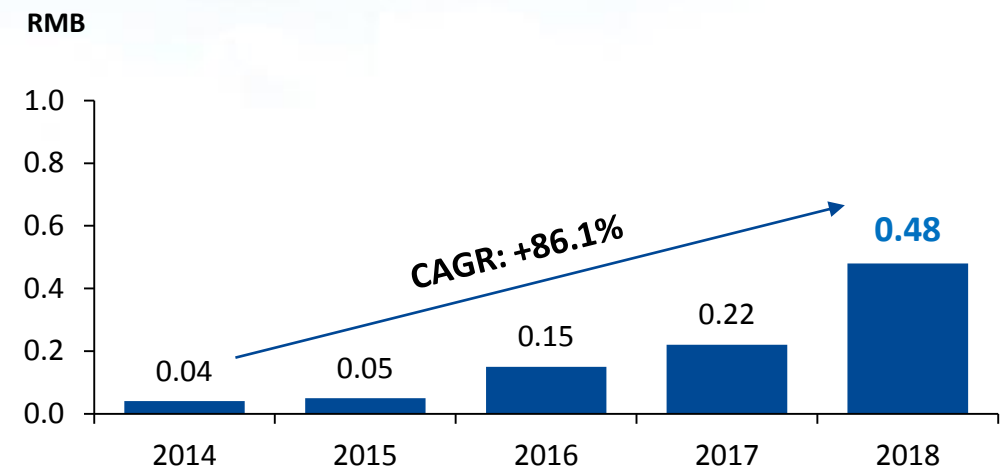
Adjusted Net Profit ⁽²⁾



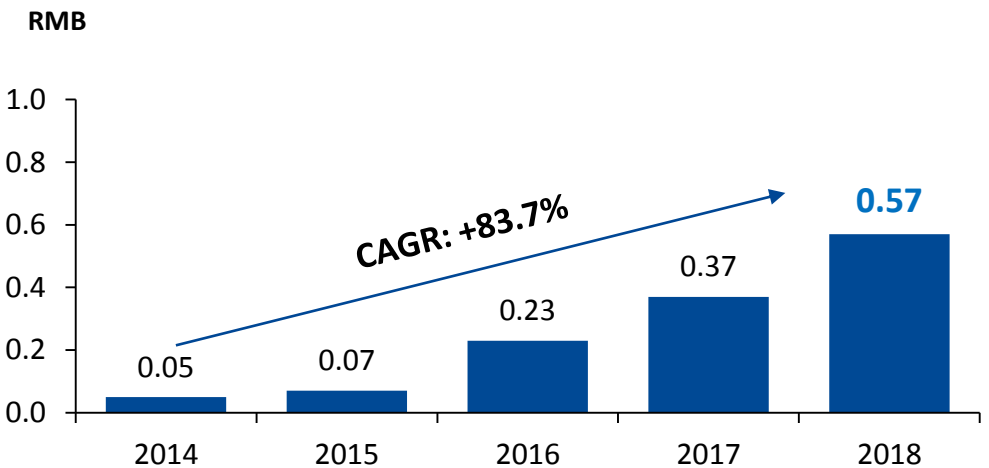
Notes:
 1. Adjusted EBITDA represents net profit before (i) interest expenses, income tax expenses, listing expenses and (ii) certain non-cash expenses, consisting of share-based compensation, amortization and depreciation and (iii) foreign exchange (gains)/losses
 2. Adjusted net profit excludes the share-based compensation expenses, Listing expenses and foreign exchange (gains)/losses
 3. Refers to foreign exchange (gains)/losses

Excellent Financial Performance (Con'd)

Diluted EPS

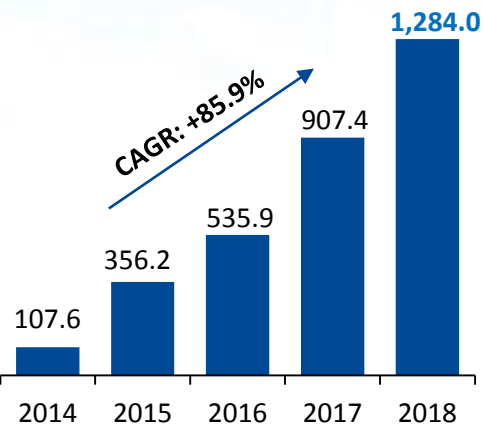


Adjusted Diluted EPS

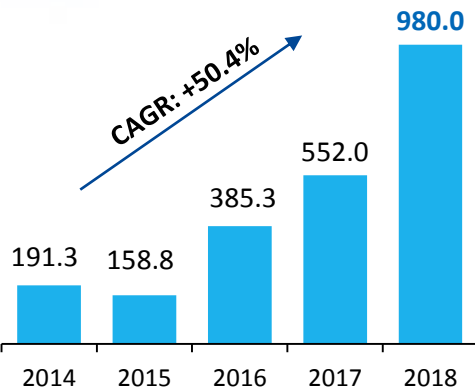


Robust Growth Across All Geographic Markets (1)

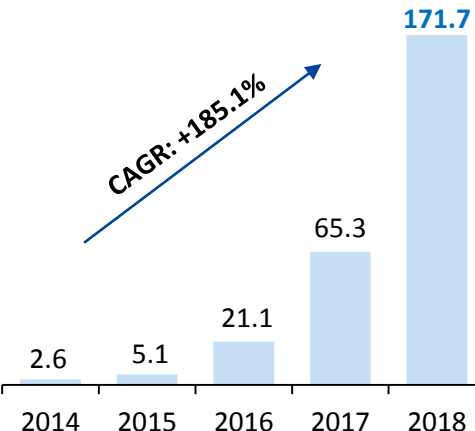
North America
RMB mm



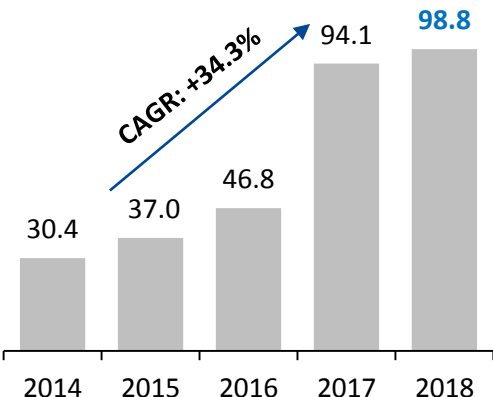
PRC
RMB mm



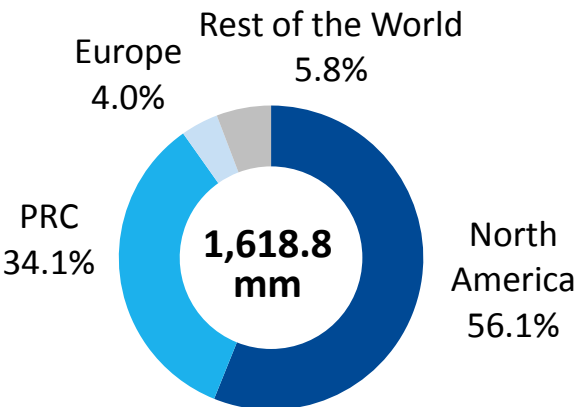
Europe
RMB mm



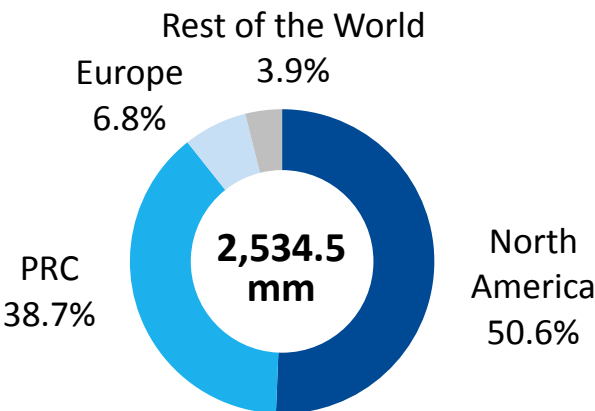
Rest of the World (2)
RMB mm



2017 Revenue (RMB)



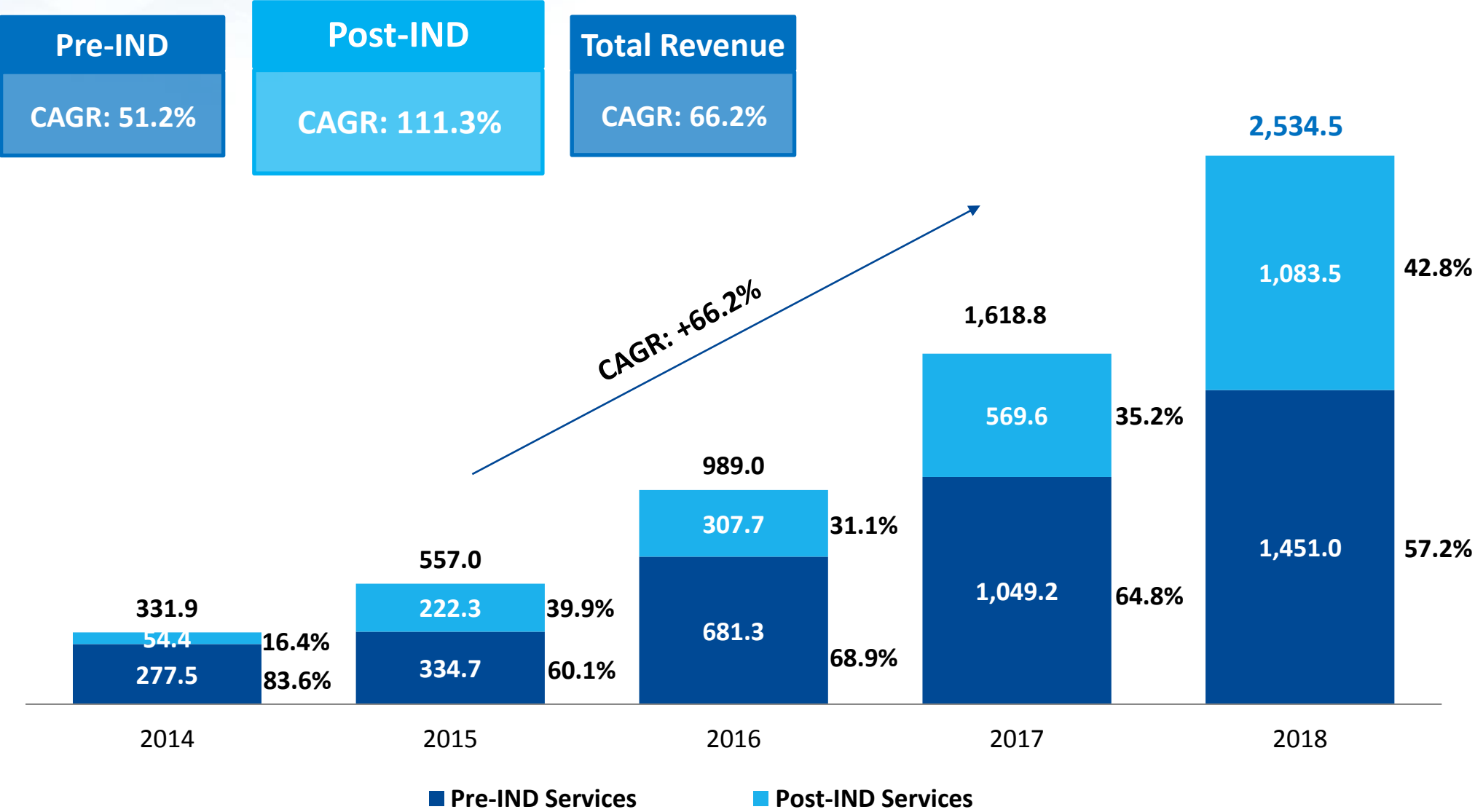
2018 Revenue (RMB)



Notes:
1. Geographic breakdown by client headquarters
2. Rest of the world primarily includes Israel, Japan, India, South Korea

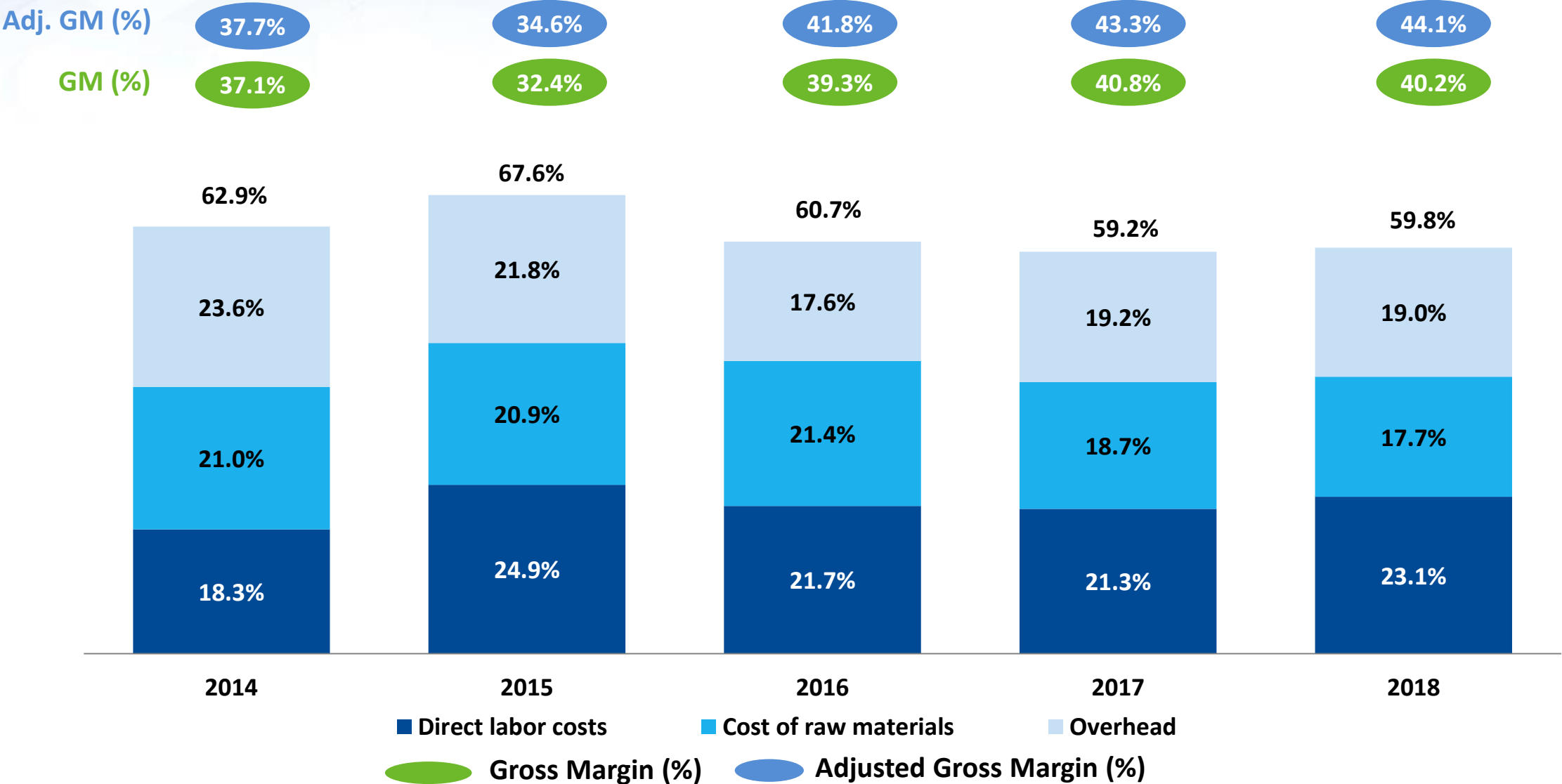
Post-IND Revenue Increase Indicates Success of Strategy

(RMB mm)



Steady Increase of Gross Margin Despite New Facilities

Cost of Services as % of Revenue



Notes:
1. Adjusted gross margin excludes the share-based compensation expenses



IV. Summary

Continuing to Gain Market Share

Cutting Edge Technology

- WuXiBody™ bispecific (universal, **6-18 months** of time-saving, no CMC issue)
- WuXia cell line (robust cell line with proven track record)
- WuXiUP continuous manufacturing platform (**30-50g/L** titer, **10+x**)

Best Timeline

IND Filing Timeline

- Industry average: 18-24 months
- WuXi average: **15** months
- WuXi record: From 9 months to **7** months

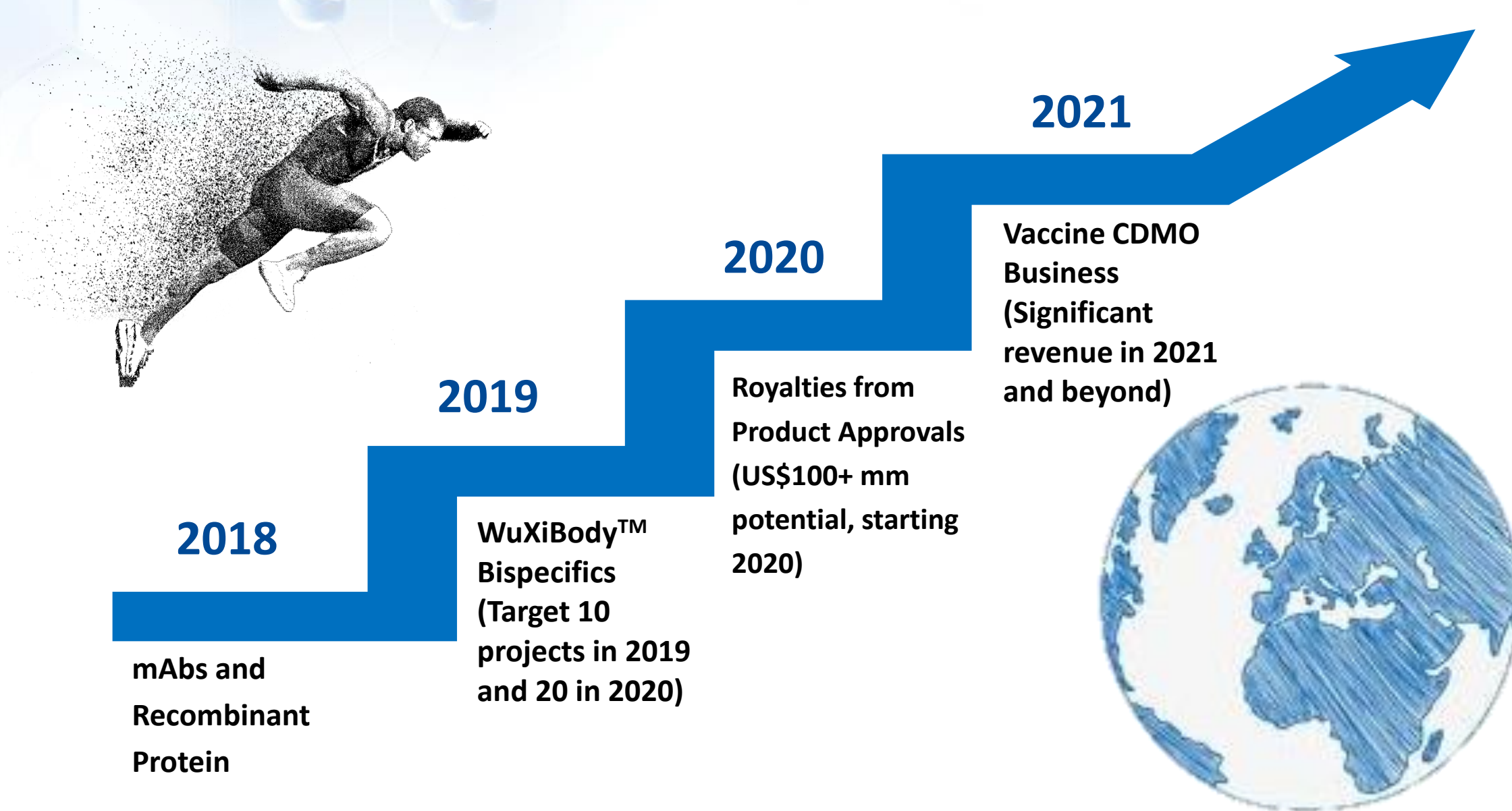
Excellent Track Record

- **100%** projects delivered
- **No** customer transfer out
- Excellent customer satisfaction and high recognition

Unparalleled Capacity

- **60** INDs and **5** BLAs per year
- Largest scientist team in the world: **1,600**
- Largest capacity using single-use bioreactor: **220,000 L by 2022**

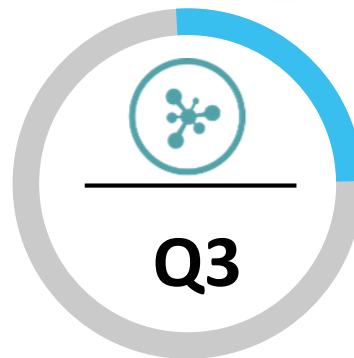
Multiple Growth Engines to Support Sustainable High Growth



2019 Key Milestones and Catalysts



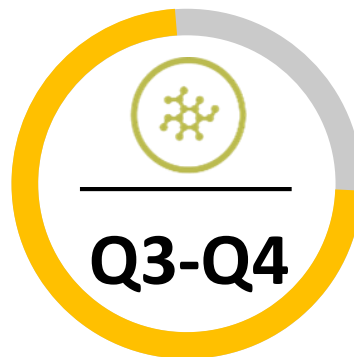
**EMA GMP certificate
MFG4 Online**



**DP3 and DP4 online
1st 4,000L bioreactor
in production**



**1st IND of WuXiBody™
1st IND of WuXiUP**



**1-3 BLA filing
packages**



Six Unbreachable “Moats” of WuXi Biologics

- 1 **Excellent IP protection**
- 2 **FDA accepted Quality System: only company in China, top 10 among global CDMOs**
- 3 **State-of-art Technology Platform: comparable or superior to large pharma**
- 4 **World-class talent: 400 senior scientists, 1,000+ junior staff to be recruited per year**
- 5 **Superb execution won trust from global customers**
- 6 **Strong financials: US\$500+ mm in the bank, no debt**

Summary

1

“Follow-the-Molecule” plus “Global Dual Sourcing within WuXi Bio” are transforming the bio industry

2

Strong technical leadership, expanding capacities, good track record and premier quality allowed us to continue to gain market share globally and in China

3

NA, EU and China all show strong growth with phenomenal growth in China and EU despite uncertainties

4

Continue to attract and retain talents and expand globally

5

Strong momentum on WuXiBody, WuXia Cell line and WuXiUP will continue to drive sustainable high growth

6

Continue to build capacities: any project can start within 4 weeks



Appendix – Financial Summary

2018 Financial Summary

(RMB million)	2018	2017	Change
Revenue	2,534.5	1,618.8	56.6%
Cost of Services	(1,516.7)	(958.3)	
Gross Profit	1,017.8	660.6	54.1%
Other Income	194.2	34.7	
<i>Including Interest Income</i>	78.4	8.7	
Other Gains and Losses	21.1	(89.9)	
Impairment losses, net of reversal	(55.9)	(13.7)	
Selling and Marketing Expenses	(42.4)	(27.6)	
Administrative Expenses	(227.7)	(134.0)	
Research and Development Expenses	(169.3)	(74.5)	
Other Expenses	-	(16.1)	
Financial Cost	-	(35.7)	
Profit before Tax	737.7	303.7	142.9%
Income Tax Expenses	(107.3)	(51.1)	
Profit for the Year	630.5	252.6	149.6%
Earnings per share – Basic (RMB)	0.52	0.24	
Earnings per share – Diluted (RMB)	0.48	0.22	

Note:

1. Results may not foot due to rounding

Reconciliation for Adjusted Net Profit and Adjusted EBITDA

(RMB million)	2018	2017	Change
Adjusted Net Profit Reconciliation			
Net Profit	630.5	252.6	
Share-based Compensation	128.3	65.1	
Listing Expenses	-	16.1	
Foreign Exchange Loss/(Gain)	(7.3)	99.0	
Adjusted Net Profit	751.5	432.9	73.6%
Adjusted EBITDA Reconciliation			
EBITDA	962.1	453.4	
Share-based Compensation	128.3	65.1	
Listing Expenses	-	16.1	
Foreign Exchange Loss/(Gain)	(7.3)	99.0	
Adjusted EBITDA	1,083.1	633.6	70.9%

Note:
 1. Results may not foot due to rounding

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Thanks

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WuXi Biologics
Global Solution Provider