[Press Release]

WuXi Biologics Reports Robust 2018 Interim Results

Revenue up 61.2% to a Record High of RMB1,054.4 Million

Net Profit 270.7% of Same Period Last Year to RMB249.6 Million

Diluted EPS 211.1% of Same Period Last Year

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Commenced Commercial Production of "Trogarzo™"

Total Integrated Projects Increased to 187 Including 10 Late-Phase Projects

Phenomenal Growth in Total Backlog to US$1,782 Million

Global Expansion Will Bring the Total Capacity to Approximately 220,000L

(Hong Kong, August 20, 2018) – **WuXi Biologics (Cayman) Inc. ("WuXi Biologics" or "the Group", stock code: 2269.HK)**, a leading global open-access biologics technology platform company offering end-to-end solutions for biologics discovery, development and manufacturing, announced its unaudited interim results for the six months ended June 30, 2018 today.

First-Half 2018 Financial Highlights

- Phenomenal revenue growth of 61.2% Year-on-year to RMB1,054.4 million; the U.S. revenue grew 60.0% to RMB547.6 million while EU revenue surged 172.7% to RMB52.9 million.
- Gross profit rose 56.9% to RMB414.7 million. Gross profit margin was 39.3%, as compared to 40.4% of same period last year. Excluding foreign currency impact, it would have been approximately 41.4%.
- Net profit was 270.7% of same period last year to approximately RMB249.6 million (as compared to 250.0% announced in Profit Alert Announcement). Excluding the impact of foreign exchange gains and losses, listing expenses incurred last year, and share-based compensation, the adjusted net profit [1] increased by 94.2% year-on-year to RMB296.7 million.
- Net profit margin and adjusted net profit margin were 23.7% and 28.1% respectively, up 960 basis points and 470 basis points year-on-year, respectively.

[1] Adjusted net profit excludes the impact of foreign exchange gains and losses, share-based compensation, and IPO listing expenses incurred last year

- Diluted EPS was 211.1% of same period last year (as compared to 200.0% announced in Profit Alert Announcement), reached RMB0.19 in the first half 2018 from RMB0.09 of same period last year.
- Adjusted diluted EPS was 153.3% of same period last year, reached RMB0.23 in the first half 2018 from RMB0.15 of same period last year.

First-Half 2018 Operational Highlights

- Total backlog grew significantly from US$1,478 million as of December 31, 2017 to US$1,782 million as of June 30, 2018. The sustainable and solid growth of our current backlog is sufficient to support substantial revenue growth. Furthermore, as we continue to gain market share, add early-phase projects, and more projects progress to late-phase, we expect significant growth of total backlog.
- The number of ongoing integrated projects [1] significantly increased by 39.6% year-on-year from 134 as of June 30, 2017 to 187 as of June 30, 2018.
- Commenced our first commercial manufacturing project. More late-phase projects were initiated, demonstrating our commercial manufacturing capacity, advanced capabilities, and premier FDA-approved quality system.
- Continue to achieve great success with pre-IND projects increasing to 98 projects as of June 30, 2018. The number of early-phase (Phase I&II) projects increased to 78 and the number of late-phase (Phase III) projects increased from 6 to 10 from June 30, 2017 to June 30, 2018, and 1 project was in commercial manufacturing.
- Five early-phase projects and one late-phase project have been transferred to WuXi Biologics from the U.S. and EU competitors due to our industry leading technical capabilities and unparalleled capacities.

Management Comments

In the first half of 2018, we once again made phenomenal achievements on all fronts. One of the major milestones achieved was our partner TaiMed receiving U.S. FDA approval for Ibalizumab (**Trogarzo™**). This cemented our position as the only company in China with FDA-approved biologic manufacturing facilities. Trogarzo's approval placed WuXi Biologics among the world's top 10 CDMOs with FDA-approved cGMP facilities, validating our world-class quality standards and our pioneering business strategy of adopting single-use technology for commercial manufacturing.

This approval also set a solid foundation for WuXi Biologics to replicate our success and significantly expand our commercial manufacturing capacity. Hence, we implemented our global capacity expansion plan to build state-of-the-art manufacturing facilities in Ireland,

[1] An integrated project refers to a project that requires the Group to provide services across different stages of the biologics development process.

Singapore, the U.S. and China. These facilities will increase our manufacturing capacity to approximately 220,000L, further expand our customer base, attract more local talent and ensure a global diversified and robust supply chain network. Our 'Best CMO Asia' award at the 8th Annual BioPharma Industry Awards clearly demonstrated our outstanding global leadership position today.

We continue to invest significantly in new technology and new platforms which will drive further milestone and royalty payments and introduce more biologics projects into the "Follow-the-Molecule" model. For the first six months of 2018, investment in R&D totaling RMB56.2 million increased 54.4% year-on-year. Both our clients and WuXi Biologics are really pleased with all the state-of-the-art technology platforms we have successfully developed over the years which have undoubtedly created huge barriers to entry for new competitors. These platforms also differentiate WuXi Biologics from our global peers and enable us to adopt an aggressive growth model similar to fast-paced and innovative technology companies, whilst adding significant value to our client's projects and portfolios. These platforms will continue to solidify our global leadership position and enable us to realize our vision of accelerating and transforming how biologics are discovered, developed and manufactured globally.

As a result of our R&D investment for the last three years, we are launching a new proprietary, potentially best-in-class bispecific platform, called WuXiBody™ which will expedite bispecific development by 6-18 months and at the same time tremendously reduce bispecific manufacturing cost, a current limitation of most bispecific platforms. Another investment in state-of-the-art WuXia cell line development platform has enabled us to start more than 60 IND-enabling projects per year, one of the largest capacities in the world. WuXia cell line platform has been widely accepted by the industry with more than 20 ongoing clinical projects in the U.S., EU and China and more than 60 additional projects to be developed.

Dr. Chris Chen, CEO of WuXi Biologics, stated, "We are excited about the launch of our proprietary, bispecific technology platform, which can potentially transform the industry. We are also following the new frontiers of biotherapeutics carefully and exploring entry into new areas such as cancer vaccines. These new modalities will drive the future growth of WuXi Biologics."

"WuXi Biologics has continued to deliver great performance in the first half of 2018. The Group's revenue surged 61.2% to RMB1,054.4 million and adjusted net profit increased by 94.2% to RMB296.7 million, benefiting mainly from the increase in high-margin milestone revenue, higher operational efficiency, and effective cost control. Our overseas markets continued to experience accelerated growth with the U.S. revenue surging by 60.0% year-on-year to RMB547.6 million and EU revenue rising by 172.7% year-on-year to RMB52.9 million following our well-executed business development strategy," **Dr. Chris Chen further commented.** The number of integrated projects has continued to increase from 134 in the same period last year to 187. Customer stickiness remains strong while we continue to gain

market share and add new customers. During the reporting period, no projects were transferred out of WuXi Biologics while 5 early-phase projects and 1 late-phase project were transferred from our U.S. and EU peers, which certainly demonstrated that our world-leading technical capabilities and unparalleled capacities convinced our new partners that WuXi Biologics is the partner of choice for biologics development and manufacturing. As an example of the technology transfer project, we announced a late-phase development and manufacturing agreement for the production of Bertilimumab, a first-in-class anti-eotaxin-1 monoclonal antibody, with U.S.-based Immune Pharmaceuticals.

Moreover, the Group's clinical production capacity has more than doubled since the 7,000L capacity at the cGMP facility in Shanghai (MFG3) became operational in July 2018. As a result, WuXi Biologics can initiate 10 cGMP clinical-scale manufacturing campaigns at the same time, one of the largest capacities in the world.

We believe that talent is our key to success. After the appointment of Dr. Chiang Syin, former Associate Country Director of the U.S. FDA, as our Chief Quality Officer (CQO) in January this year, Dr. Gang Wang, another former FDA inspector who worked for the U.S. FDA and CFDA for 13 years, joined us as Vice President of QA in April 2018. Taking advantage of the experienced global talent base and our vast pool of local graduates, we have grown from a team of 1,998 to 3,059 people since June 30, 2017.

In the first half of 2018, we continued to execute capacity expansion in China. In May, we announced the construction of a biologics manufacturing center in northern China city, Shijiazhuang. Operations are expected to begin in 2020. Also, in May, we initiated construction of the WuXi Biologics Life Science Park in Wuxi with a plot land of approximately 66 acres, initially with 60,000L manufacturing capacity.

Besides China, we have announced plans to execute our global strategy. This April, we announced €325 million investment to build our first ex-China site in Ireland, which is also the first large-scale overseas facility construction project commenced by the Chinese pharmaceutical industry. This facility is planned to have 48,000L fed-batch and 6,000L perfusion capacity, making it the world's largest single-use bioreactor facility. Moreover, we plan to invest in state-of-the-art biologics manufacturing facilities in Singapore and the U.S. to further expand our customer base, attract local talent, and serve global clients.

Dr. Ge Li, Chairman of WuXi Biologics, concluded: "Looking to 2018 and beyond, we see that the global biologics market continues to grow and the market in China has great potential. We will continue to drive the efforts to optimize our technology platforms, recruit and develop global talent and enable our customers. We will continue to focus on expanding our capabilities and capacities to enable our customers to transform biologics discovery, development and manufacturing globally."

2018 Interim Results

The Group's revenue increased by 61.2% year-on-year to RMB1,054.4 million as of June 30, 2018. The major revenue growth drivers were: (i) a steady growth in number of integrated projects; (ii) more pre-IND stage projects progressing into later stages and; (iii) production expansion of a new fed-batch facility, MFG2, which commenced operations from the fourth quarter of 2017.

Gross profit increased by 56.9% to RMB414.7 million, primarily attributable to the Group's strong growth in the number of integrated projects. The gross margin was 39.3% (vs 40.4% same period last year), it was driven by the following factors: (i) capacity utilization improvement and (ii) efficiency in business operations; partially offset by (iii) strong depreciation of USD against RMB through the first half of 2018, as a significant part of our revenue is denominated in USD. Excluding foreign currency impact, it would have been approximately 41.4%.

During the Reporting Period, Net profit increased by 170.7% year-on-year to RMB249.6 million as of June 30, 2018 with net profit margin up 960 basis points to 23.7% in 2018. The higher net profit margin was primarily attributable to (i) our strong growth in the number of integrated projects and as a result, strong growth in revenue; (ii) solid cost control and business operational efficiency enhancement, and (iii) interest income in the first half of 2018 as compared to interest cost in the first half of 2017.

Adjusted net profit, by excluding the impact of: (i) foreign exchange gains and losses (we excluded FX gains of RMB5.0 million in the first half of 2018, as compared to FX losses of RMB13.8 million of same period last year; (ii) IPO listing expenses of nil in current year as compared to RMB16.1 million in the first half of last year; and (iii) share-based compensation, our adjusted net profit increased by 94.2% year-on-year to RMB296.7 million in the first half of 2018, and adjusted net profit margin up 470 basis points from 23.4% in the first half of 2017 to 28.1% of same period this year.

Basic and diluted EPS were RMB0.21 and RMB0.19. Diluted EPS increased by 111.1% year-on-year.

Adjusted diluted EPS increased by 53.3% year-on-year to RMB0.23. See "Adjusted net profit".

Key Financial Ratios

(For the six months ended June 30)

Key Financial Ratio	2018	2017	Change
Revenue (In RMB million)	1,054.4	654.0	61.2%
Gross profit (In RMB million)	414.7	264.3	56.9%
Gross profit margin (%)	39.3%	*40.4%*	
Net profit (In RMB million)	249.6	92.2	170.7%
Net profit margin (%)	23.7%	*14.1%*	
Adjusted net profit (In RMB million)	296.7	152.8	94.2%
Adjusted net profit margin (%)	*28.1%*	*23.4%*	
Adjusted EBITDA (In RMB million)	428.3	266.1	61.0%
Adjusted EBITDA margin (%)	40.6%	*40.7%*	
Adjusted diluted EPS (In RMB)	0.23	0.15	53.3%

Consolidated Statement of Profit & Loss

(For the six months ended June 30)

(RMB million)	2018	2017
Revenue	1,054.4	654.0
Cost of services	(639.7)	(389.8)
Gross profit	**414.7**	**264.3**
Other income	40.8	16.1
Other gains and losses	12.3	(11.9)
Impairment losses, net of reversal	(19.6)	(4.0)
Selling and marketing expenses	(19.9)	(13.3)
Administrative expenses	(87.1)	(51.1)
Research and development expenses	(56.2)	(36.4)
Other expenses	-	(16.1)
Finance cost	-	(31.3)
Profit before tax	**285.1**	**116.2**
Income tax expense	(35.5)	(24.0)
Profit and total comprehensive income for the period	**249.5**	**92.2**
Earnings per share – Basic (RMB)	0.21	0.09
Earnings per share – Diluted (RMB)	0.19	0.09

Note: Results may not foot due to rounding.

Consolidated Statement of Balance Sheet

RMB million	As of June 30, 2018	As of December 31, 2017
Current Assets		
Inventories	243.3	135.5
Service work in progress	-	202.4
Contract costs	233.7	-
Trade and other receivables	928.1	614.3
Contract assets	28.5	-
Prepaid lease payments	2.7	-
Financial assets designated as at fair value through profit or loss	0.8	641.3
Pledged bank deposits	21.5	21.2
Time deposits	-	914.8
Bank Balances and cash	4,371.1	503.9
Derivative financial assets	0.5	-
	5,830.3	**3,033.4**
Non-Current Assets		
Plant and equipment	2,166.2	1,780.2
Deferred tax assets	14.2	6.9
Other intangible assets	331.9	-
Deposits paid for acquisition of land use right	-	17.1
Prepaid lease payments	133.4	-
Equity instruments at fair value through other comprehensive income ("FVTOCI")	85.7	-
Other long-term deposits and Prepayments	17.0	11.4
Derivative financial assets	0.1	-
	2,748.5	**1,815.5**
Total Assets	**8,578.8**	**4,849.0**
Current Liabilities		
Trade and other payables	535.8	784.7
Contract liabilities	382.9	-
Derivative financial liabilities	30.0	-
Income tax payable	41.6	13.4
	990.2	**798.1**
Non-Current Liabilities		
Deferred revenue	65.1	19.7
Deferred tax liabilities	3.9	6.8
	69.0	**26.5**
Total Liabilities	**1,059.2**	**824.6**
Capital and Reserves		
Share capital	0.201	0.192
Reserves	7,519.4	4,024.2
Total Equity	**7,519.6**	**4,024.4**

Note: Results may not foot due to rounding.

Reconciliation for Adjusted EBITDA and Adjusted Net Profit

(For the six months ended June 30)

In RMB million

Adjusted EBITDA Reconciliation	**1H 2018**	**1H 2017**
EBITDA	381.1	205.5
Share-based compensation	52.1	30.7
Listing expenses	-	16.1
Foreign Exchange Loss/(Gain)	(5.0)	13.8
Adjusted EBITDA	428.3	266.1

In RMB million

Adjusted Net Profit Reconciliation	**1H 2018**	**1H 2017**
Net Profit	249.6	92.2
Share-based compensation	52.1	30.7
Listing expenses	-	16.1
Foreign Exchange Loss/(Gain)	(5.0)	13.8
Adjusted Net Profit	296.7	152.8

Note: Results may not foot due to rounding.

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About WuXi Biologics

WuXi Biologics is the only open-access biologics technology platform in the world offering end-to-end solutions to empower anyone to discover, develop and manufacture biologics from concept to commercial manufacturing. The Group's history and achievements demonstrate its commitment to provide a truly ONE-stop service offering and value proposition to global clients. For more information on WuXi Biologics, please visit: http://www.wuxibiologics.com.

Forward-Looking Statements

This announcement may contain certain "forward-looking statements" that are not historical facts, but instead are predictions about future events based on our expectations 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 announcement 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.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS, the Group has provided adjusted net profit, adjusted net profit margin, adjusted EBITDA, adjusted EBITDA margin and adjusted basic and diluted earnings per share (excluding the share-based compensation expenses, Listing expenses and a foreign exchange loss due to translation loss from the IPO proceeds.) as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Group believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Group's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual and nonrecurring items that the Group does not consider indicative of the performance of the Group's 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 the adjusted results on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results reported or forecasted by other companies.

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