Preliminary results for the twelve months ended 30 June 2017

11 September 2017
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Agenda

Highlights from FY 2017

Full year financial results

Looking ahead

Q&A
Highlights from FY 2017
This past year we were recognised for our work
We achieved our strategic targets for the year

- **RabMAb® primary antibodies growth***

- **Non-primaries growth***

- **Brand Net Promoter Score (NPS)***

- **Strategic position**

*At constant exchange rates (applying prior period’s exchange rates to this period’s results)

**NPS was measured via an unbranded survey in Jan 2017 using a sample size of 182 respondents
We were guided by five goals we set in 2014

- Grow our core faster than market
- Establish new growth platforms
- Scale organisational capabilities
- Sustain attractive economics
- Selectively pursue partnerships and acquisitions
We have made a lot of progress since 2014

**Grow our core faster than market**
- Grew antibodies sustainably at more than 2x market in all regions
- Became more customer and high value target focused
- Rebranded business

**Establish new growth platforms**
- Became market leader in China
- Built an in-house immunoassay business
- Doubled share of underpenetrated segments and introduced Abcam Inside

**Scale organisational capabilities**
- Redefined organisation roles, training, compensation, and capabilities
- Strengthened team at all levels
- Redesigned business processes and IT systems

**Sustain attractive economics**
- Double-digit annual growth for Revenue and adjusted EPS
- Sustained attractive ROCE

**Selectively pursue partnerships and acquisitions**
- Acquired and integrated FireflyBio and AxioMx
- Completed integration of Epitomics, MitoSciences, and Ascent
This past year, we achieved annual objectives

**Grow our core faster than market**
- Introduced own manufactured products to high value targets
- Implemented higher quality standards for ourselves and our industry
- Improved our digital marketing and e-catalogues

**Establish new growth platforms**
- Strengthened China market leadership
- Expanded immunoassay portfolio
- Grew ‘Abcam Inside’ projects and agreements

**Scale organisational capabilities**
- Completed Executive Team and aligned organisation
- Implemented several Oracle Cloud modules and working towards full implementation
- Began construction of new HQ and fit out of new lab at Branford site

**Sustain attractive economics**
- Improved productivity and cost management

**Selectively pursue partnerships and acquisitions**
- Accelerated AxioMx deal terms saving $4.5m in total consideration
Full year financial results
Strong global financial performance in FY 2017

- **Catalogue revenue**
  - +10.8%
  - Reported revenue £202.5m: +27.4%

- **Total revenue**
  - +9.9%
  - Reported revenue £217.1m: +26.5%

- **Gross margin**
  - +90bps
  - Gross profit: 70.1%, £152.1m (2016: 70.2%, £120.5m)
    - (2016: Restated 69.2%)

- **Adjusted EBITDA**
  - +22.4%
  - Adjusted EBITDA £73.4m (2016: £60.0m)

- **Adjusted diluted EPS**
  - +14.2%
  - Adjusted diluted EPS 25.46p (2016: 22.35p)

- **Total dividend**
  - +14.3%
  - 10.18p per share (2016: 8.91p per share)

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1. At constant exchange rates (applying prior period's actual exchange rates to this period's results)
2. Included in gross margin are the reclassification of certain inbound expenses from OPEX to gross margin, which we believe are better included in gross margin due to the nature, but which had historically been included in OPEX
3. Excluding acquisition and integration costs, the change in fair value of contingent consideration, the initial incremental costs associated with the investment in systems and processes and prior year R&D tax credits
4. Excluding acquisition and integration costs, the change in fair value of contingent consideration, unwinding of discount factor on contingent consideration and fees, amortisation of acquisition-related intangible assets, the initial incremental costs associated with the investment in systems and processes, prior year R&D tax credits and the tax effect of adjusting items
Foreign exchange - significant tail wind to revenue but offsetting hedges impact OPEX

**Total Reported revenue**
- 2017: £217.1m
- 2016: £171.7m

**Catalogue revenue**
- 2017: £202.5m
- 2016: £159.0m

**Foreign Currency Movement**

<table>
<thead>
<tr>
<th>Currency</th>
<th>% of Rev</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>12.3%</td>
</tr>
<tr>
<td>USD</td>
<td>49.8%</td>
</tr>
<tr>
<td>EUR</td>
<td>19.2%</td>
</tr>
<tr>
<td>JPY</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

Brexit
Revenue growth by category is aligned to strategy

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017 £m</th>
<th>FY 2016 £m</th>
<th>Constant Currency growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core primary antibodies</td>
<td>118.3</td>
<td>98.1</td>
<td>4.9%</td>
</tr>
<tr>
<td>RabMAb® primary antibodies</td>
<td>41.5</td>
<td>28.8</td>
<td>25.2%</td>
</tr>
<tr>
<td>Non-primary antibody products</td>
<td>42.7</td>
<td>32.1</td>
<td>15.6%</td>
</tr>
<tr>
<td>Catalogue revenue total</td>
<td>202.5</td>
<td>159.0</td>
<td>10.8%</td>
</tr>
<tr>
<td>Custom products and licensing</td>
<td>14.6</td>
<td>12.7</td>
<td>(0.4)%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>217.1</td>
<td>171.7</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

* At constant exchange rates (applying prior period’s exchange rates to this period’s results)
Regional growth exceeded market growth

FY 2017 Catalogue revenue growth rate %*

- Americas: 7.9%
- EMEA: 7.2%
- China: 27.8%
- Japan: 11.6%
- Rest of Asia: 13.8%

*Catalogue revenue growth at constant exchange rates (applying prior period’s exchange rates to this period’s results)
We continue to invest in our people and for future growth

- Excluding acquisition costs, acquisition integration costs, the initial incremental costs associated with the investment in systems and processes and prior year R&D tax credits.

Adj EBITDA* FY 2016: £60.0
FX Impact: £4.2
Gross Profit FY 2017: £17.7
People: £-4.2
Scaling operations: £-4.4
Adj EBITDA* FY 2017: £73.4
Investing to support continued growth

Scalable and flexible IT platform

• Successfully launched several of the Oracle Cloud modules
• Broadened the scope of the global ERP system
• Completion expected FY 2018
• Updated financial estimates
  • Total cost £44m - £46m / CAPEX £29m - £31m; OPEX £15m
  • Total spent to date: CAPEX £16m; OPEX £8m

Fit for purpose facilities

• Cambridge Biomedical Campus on track for occupation early 2019
• Branford fit out completed – doubling capacity
• Refreshed buildings in Shanghai and Eugene

Total cost £44m - £46m / CAPEX £29m - £31m; OPEX £15m
Total spent to date: CAPEX £16m; OPEX £8m
## Continued attractive cash generation

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 £m</th>
<th>FY 2016 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flows before working capital</td>
<td>71.7</td>
<td>59.9</td>
</tr>
<tr>
<td>Working capital</td>
<td>4.8</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Tax</td>
<td>(10.1)</td>
<td>(9.5)</td>
</tr>
<tr>
<td>Investing activities (excl. term deposits)</td>
<td>(34.8)</td>
<td>(21.5)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(17.7)</td>
<td>(15.4)</td>
</tr>
<tr>
<td>Net change in cash and term deposits</td>
<td>13.9</td>
<td>10.4</td>
</tr>
<tr>
<td>Forex</td>
<td>0.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Opening cash and term deposits</td>
<td>70.7</td>
<td>58.7</td>
</tr>
<tr>
<td>Closing cash and term deposits</td>
<td>84.8</td>
<td>70.7</td>
</tr>
</tbody>
</table>

- Group continues to build cash after investing in growth and infrastructure
- Main investing activities
  - Settlement of AxioMx £9.8m
  - ERP investment £8.3m
  - T/fer New HQ escrow £6.1m
- Financing Activities were predominantly dividends
Looking ahead
Our business now serves ~$8bn of addressable markets

<table>
<thead>
<tr>
<th>Research Use Only (RUO) Proteomic Tools</th>
<th>Custom products and licensing</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$2.7b markets at 3-4% p.a.</td>
<td>~$5b markets growing at 5-8% p.a.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Protein Binding Reagents</th>
<th>Related Reagents</th>
<th>Diagnostic applications</th>
<th>Disease treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Antibodies</td>
<td>Immunoassays</td>
<td>Companion, IVD, and Point of Care</td>
<td>Biological Therapeutics</td>
</tr>
<tr>
<td>~$900m</td>
<td>&amp; Secondary Antibodies</td>
<td>“Abcam Inside”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cellular Activity Kits</td>
<td>Immunoassay and Dx Platform Development</td>
<td></td>
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<tr>
<td></td>
<td>Epigenetic Kits</td>
<td></td>
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<tr>
<td></td>
<td>miRNA Kits</td>
<td></td>
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<tr>
<td></td>
<td>Proteins, Peptides, and Lysates Biochemicals</td>
<td></td>
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</tbody>
</table>
Abcam Inside is an opportunity to earn multi-year revenue streams from an individual project.
We have updated our multi-year goals

- Sustain antibody and digital marketing leadership
- Expand in related growth markets
- Invest in operating capabilities for 2x 2016 scale by 2023
- Sustain attractive economics
- Supplement organic growth - partnerships and acquisitions
For FY 2018, our objectives for each goal are clear

**Sustain antibody and digital marketing leadership**
- Continue customer and high value target focus to gain share
- Continue validation initiative and raising quality standards
- Implement next phase of our digital marketing vision

**Expand in related growth markets**
- Grow immunoassays in line with multi-year aspiration
- Increase Abcam Inside projects and framework agreements

**Invest in operating capabilities for 2x 2016 scale by 2023**
- Successfully implement Oracle Cloud and complete organisation alignment
- Complete implementation of Supply Chain and Manufacturing function

**Sustain attractive economics**
- Deliver major capital projects within planned costs and time
- Realise further productivity gains
- Move to direct distribution in more markets

**Supplement organic growth - partnerships and acquisitions**
- Strengthen relationships for future deals

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For FY 2018, our objectives for each goal are clear.
Our business evolution suggested it was also time to refine our strategic performance measures.

<table>
<thead>
<tr>
<th>FY15-17 Measures</th>
<th>FY18 Measures</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>RabMAb® primary antibodies growth</td>
<td>Recombinant antibody revenue growth</td>
<td>Recombinant quality and covers RabMAb®, NGS, and Phage Display</td>
</tr>
<tr>
<td>Non-primaries growth</td>
<td>Immunoassay revenue growth</td>
<td>Immunoassays are a strategic priority vs. other product categories</td>
</tr>
<tr>
<td>Brand Net Promoter Score (NPS)</td>
<td>Customer engagement: Transactional Net Promoter Score (NPS)</td>
<td>Reliable measurement of customer transaction NPS – more actionable measure</td>
</tr>
<tr>
<td>Strategic position</td>
<td></td>
<td>Continue to monitor but not a strategic KPI</td>
</tr>
</tbody>
</table>
We have ambitious strategic targets for FY 2018

* At constant exchange rates (applying prior period’s exchange rates to this period’s results)
Investment thesis for Abcam

- **Continued share gains** from #1 position in Research Use Only (RUO) antibodies
- **Investing to sustain growth:**
  - Extend antibodies into kits/assays
  - Market leadership in China
  - “Abcam Inside” custom products and licensing
  - People, systems, and facilities
- **Continue to acquire** unique content

Double scale from FY 2016 to FY 2023
Be the most influential life sciences company
Back up
Current facts about our business

- Abcam makes, sources and sells a range of life science tools to help protein researchers discover more
- We offer over 112,000 products to research protein targets across antibodies, proteins, lysates, biochemicals, kits and assays
- Working in partnership with over 400 suppliers who provide us with innovative products and data
- More than 40% of our revenue is generated from our own products and innovation
- 50% of our top-selling products are innovations from, and manufactured by, Abcam
- Over 1000 employees working globally across twelve locations, including seven production sites, to make it all happen
Foreign currency and exchange rate analysis
Tailwind to revenues, but negative to margin
Cohort catalogue revenue by financial year

Revenue £m calculated fixed exchange rates

Added pre-FY2004
Added FY2004
Added FY2005
Added FY2006
Added FY2007
Added FY2008
Added FY2009
Added FY2010
Added FY2011
Added FY2012
Added FY2013
Added FY2014
Added FY2015
Added FY2016
Added FY2017

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