

**abcam**

Annual Report and Accounts 2018

Abcam plc:  
Investing for  
long-term growth  
2018: Doing more, faster

# Precision delivery of high-quality protein research tools for the life sciences industry

## Operational and strategic highlights

Strong commercial and strategic execution, with the achievement of all strategic key performance targets

Continued to drive quality standards through knockout validation, recombinant antibodies, and other quality initiatives, with a further 400+ products knockout validated

Acquired the exclusive rights from Roche for a portfolio of Spring Bioscience products for research use only (RUO) applications

Entered into 28 new agreements with pharmaceutical and diagnostic partners, further increasing our addressable market in Custom Products and Licensing

Continued to expand our FirePlex® platform, with the addition of over 150 new validated antibody pairs

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## Financial highlights

**Total revenue**  
**£233.2m** +7.4%

<b>2017/18</b>	<b>£233.2m</b>
2016/17	£217.1m
2015/16	£171.7m

**Gross margin**  
**69.9%** -0.2%

<b>2017/18</b>	<b>69.9%</b>
2016/17	70.1%
2015/16	70.2%

**Adjusted EBITDA margin**  
**37.9%** +4.1%

<b>2017/18</b>	<b>37.9%</b>
2016/17	33.8%
2015/16	34.9%

**Adjusted profit before tax**  
**£81.6m** +26.3%

<b>2017/18</b>	<b>£81.6m</b>
2016/17	£64.6m
2015/16	£53.8m

**Reported profit before tax**  
**£69.1m** +33.1%

<b>2017/18</b>	<b>£69.1m</b>
2016/17	£51.9m
2015/16	£45.4m

**Adjusted diluted earnings per share**  
**32.4p** +27.1%

<b>2017/18</b>	<b>32.4p</b>
2016/17	25.5p
2015/16	22.4p

**Reported diluted earnings per share**  
**30.2p** +45.9%

<b>2017/18</b>	<b>30.2p</b>
2016/17	20.7p
2015/16	18.5p

**Total dividends**  
**12.00p** +17.9%

<b>2017/18</b>	<b>12.00p</b>
2016/17	10.18p
2015/16	8.91p

**Return on capital employed**  
**22.2%** +2.6%

<b>2017/18</b>	<b>22.2%</b>
2016/17	19.6%
2015/16	18.1%

Note:  
 Certain financial measures in this Annual Report and Accounts, including adjusted results above, are not defined under IFRS and are alternative performance measures as described on page 146. All adjusted measures are reconciled to the most directly comparable measure prepared in accordance with IFRS in note 7 to the financial statements.

# Abcam produces and markets high-quality protein research tools

**These tools enable life scientists to analyse components of living cells at the molecular level which is essential in a wide range of fields and applications including drug discovery, diagnostics, and basic research. We are headquartered in Cambridge, UK, with ten additional locations across the globe.**

### Our vision

To be the most influential company for life science researchers worldwide to support research, diagnostic and therapeutic applications.

### Our mission

To serve life scientists to achieve their mission, faster.

### Our global presence

Headquartered in Cambridge, UK, we employ over 1,100 people across eleven locations, servicing researchers in more than 140 countries.

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Locations globally

140+

Countries delivered to worldwide

### Our people

Our team is a distinctive asset. We have over 1,100 employees who thrive on serving customers. Nurturing employee excellence is important to our success and we continue to prioritise investment in the training and development of our people.

1,100+

Abcam employees worldwide

190+

Abcam employees with a PhD

### Our products and services

We innovate and manufacture our own products in our specialist facilities worldwide and we source thousands more from hundreds of quality suppliers. This combination of in-house production and sourcing offers scientists access to the newest and best research tools available globally.

In total, we offer over 110,000 diverse products in our catalogue. These products support research of proteins in biological pathways and how signals in DNA are regulated to produce biological function. Ultimately, findings from this research can translate to treatments for diseases such as cancer and immune deficiency disorders.

Including our revenues from Custom Products and Licensing, approximately 45% of our total revenue is now derived from our in-house manufactured products, innovation and services.

110,000+

Diverse products in our catalogue

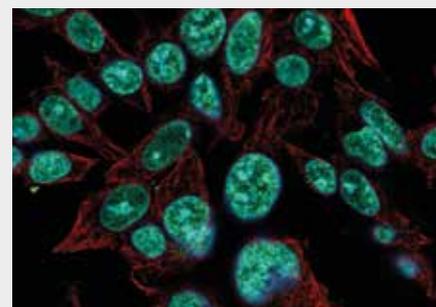
45%

In-house product sales



- Customer support
- R&D/Production
- Warehouse

63x magnification image of ab109028 staining HPIalpha in wild-type HAP1 cells (shown in green). Cells were counterstained with alpha Tubulin (shown in pseudo colour red) and nuclear DNA was labelled in blue with DAPI.



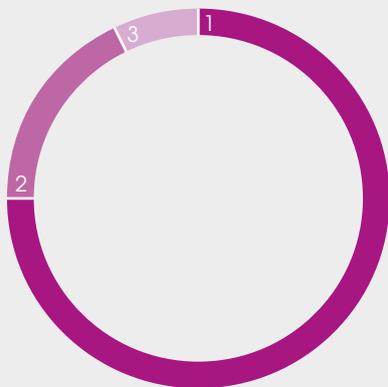
## Antibodies

The immune system in animals produces antibodies when the body becomes infected by a foreign substance, biologically called an antigen. Each antibody binds to a very specific part of the antigen surface known as an epitope. We design antibodies that bind specifically to epitopes on antigens that are typically proteins of research interest. We generate these antibodies to target proteins to provide our research customers with the tools to complete several basic tasks, including: quantification of a protein, visualisation of where proteins are located within a cell or tissue sample, purifying proteins or cells, and potentially in diagnosing disease, or inhibiting disease causing biological activity. There are millions of combinations of antibodies that can be produced to cover all protein, epitope, and application combinations. Few of these combinations are studied and typically there is a leading antibody that is the first choice of researchers for each combination.

## Research-grade antibodies

Our main focus is providing antibodies intended for basic research – that is, those typically used in academic pharmaceutical and biotech laboratories to investigate fundamental scientific questions that further the understanding of biology or new clinical applications in development. These are sold through our digital catalogue online.

## Revenue split by product and service



- 1 Antibody products 75%
- 2 Kits, assays and other products 18%
- 3 Custom Products and Licensing (CP&L) 7%

## In vitro diagnostic (IVD) antibodies

IVDs are tools typically used in a clinical setting, such as a hospital or medical institute laboratory, to help diagnose disease or a condition. These antibody-based tools are used on patient samples (such as blood, urine, or tissue) and help clinicians to diagnose or assess the progression of a disease. IVDs can also provide information on the type of treatment to use and on disease prognosis. These products are sold directly and through specialist distributors.

## Kits and assays

Kits and assays contain everything a researcher needs to run an experiment: the reagents and protocol are provided and the contents have been optimised for maximum performance. A researcher provides the sample of interest and the kit delivers everything else. An immunoassay is a type of kit that contains one or more pairs of antibodies.

## Other research products

Alongside our antibodies, kits and assays, we provide other products that are related to the study of biological pathways and targets, including proteins, peptides, agonists, antagonists and many others.

## Custom Products and Licensing

Some customers are unable to find the product they require from our online digital catalogue. In these situations, Abcam produces an antibody or assay that is specific to their application – typically in diagnostics, drug discovery, or drug development. Commercial options for these products include making them available for sale to researchers online, supplying product to the customer from Abcam manufacturing, licensing the technology to the customer for their own manufacture, and potentially generating payment from milestones achieved in clinical development. In other situations, the product is available online for research use only and we work with them to provide a license for a specific clinical application.

## Our customers

Our customers are life scientists who work in a wide variety of settings including academic labs, research institutions, diagnostic development companies, drug development companies and clinical laboratories. They are unified in their need for high-performance biological products with precise technical specifications.

Our products are unique in their combination of biology and data. These features, together with expert customer support and fast delivery, make us the researcher's choice, with approximately two-thirds of the world's estimated 700,000+ life science researchers using Abcam's antibodies and other affinity binders, immunoassays, proteins, and related reagents.



**Without our collaboration with Abcam, our work would have taken at least six more months.**

**Dr Feng Shao**  
National Institute of Biological Sciences,  
Beijing



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CiteAb Awards won

