

Dear Shareholders



Abcam's position as the global leader in the sale of research antibodies and our reputation for providing high-quality products alongside comprehensive scientific data positions us well. We are committed to investing in the Company to build on that position, in order that we remain at the forefront of scientific advances and can take full advantage of the multiple opportunities within our markets.

Peter Allen
Chairman

I have recently been appointed as the Chairman of Abcam plc and it gives me great pleasure to introduce my first Annual Report for the Group, which sets out the continued financial and strategic progress the Company has made over the past twelve months.

2018 performance

We are pleased to report a 7.4% increase in revenue to £233.2m (2016/17: £217.1m), representing growth of 10.7% on a constant currency (CER)¹ basis and an increase in adjusted² profit before tax of 26.3% to £81.6m (2016/17: £64.6m). On a reported basis, profit before tax rose by 33.1% to £69.1m (2016/17: £51.9m).

The Group generated Free Cash Flow³ of £26.8m (2016/17: £41.3m) and ended the year with net cash of £90.2m (2016/17: £84.8m) after investing close to £30m on key capital projects.

Implementing our strategy and generating future sources of value

Abcam is a remarkable Company and I am delighted to have joined at this stage of its development. The Company's growth strategy continues to deliver strong results and the Group is embedding strong organisational capabilities to enable it to sustain this growth in the future. At the same time, our balance sheet strength enables us to consider further selected acquisitions that are in line with our vision and strategy and meet our financial criteria.

We are investing to build on our position in order that we remain at the forefront of scientific advances and can take full advantage of the multiple opportunities within our markets. We are confident that these investments will enable us to continue to deliver solid growth over the long term.

Dividend

The Group's strong balance sheet and cash generation capability has allowed the Directors to maintain a progressive increase in the dividend in the year. Subject to approval at the AGM on 6 November 2018, the Board proposes to pay a final dividend of 8.58 pence (2016/17: 7.355 pence) per share. Together with the interim dividend of 3.42 pence per share paid on 12 April, this makes a combined dividend of 12.00 pence (2016/17: 10.18 pence) per share, representing an increase of 17.9% versus last year.

Board and governance

Murray Hennessy stepped down from the Board and as Chairman of the Group on 14 November 2017. Our thanks go to Murray for his significant contributions to the development of Abcam over the previous six years. I joined the Board as Non-Executive Chairman on 18 June 2018, assuming the position from Louise Patten who had fulfilled the role on an interim basis following Murray's departure. She did an excellent job for which we are most grateful and has reverted to her role as Senior Independent Director.

As one of the largest companies on AIM, Abcam is committed to high standards of governance and continues to comply with almost every principle and provision of the UK Corporate Governance Code insofar as it is applied to companies that are not in the FTSE 350. In addition, we operate a robust framework of systems and controls to maintain high standards throughout the Company and more details can be found in the Directors' report. The Board believes that effective corporate governance assists us in the delivery of our corporate strategy, the sustainable generation of shareholder value and the safeguarding of our stakeholders' long-term interests.

Our people

On behalf of the Board, I would like to thank our employees for their hard work and dedication as well as our suppliers, business partners and shareholders for their continued support over the last year.



Peter Allen
Chairman
7 September 2018

- 1 CER is calculated by applying the prior year's actual exchange rates to the current year's results.
- 2 Adjusted measures are reconciled to the most directly comparable measure prepared in accordance with IFRS in note 7 to the financial statements.
- 3 Free cash flow comprises net cash generated from operating activities less net capital expenditure and transfer of cash into escrow for future capital expenditure.



Scheduled Board meetings in 2017/18

Governance drives growth

Robust corporate governance plays a key role in ensuring the long-term sustainable growth of our business.

Nomination Committee

Role and responsibility

Responsible for succession planning for the Board, its Committees and senior management.

How we supported growth in 2017/18

Led the process to appoint a new Chairman and reviewed succession planning for the Executive Leadership Team, to ensure Abcam is equipped with the skills and competencies needed for continued growth.

Audit and Risk Committee

Role and responsibility

Oversight of Abcam's financial and business reporting and financial statements, external and internal audit, risk management and internal control systems.

How we supported growth in 2017/18

Continued the development of Abcam's risk management systems and financial reporting to support growth.

Remuneration Committee

Role and responsibility

Responsible for determining the remuneration of Executive Directors and overseeing the remuneration of the Executive Leadership Team.

How we supported growth in 2017/18

Completed strategic review of remuneration structure to support Abcam's sustainable, long-term growth and our philosophy for employee share ownership.

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