Sustaining long-term growth

2017/18 Preliminary Results

10 September 2018
Disclaimer

Important information
The information provided in this presentation is for the sole use of those attending the presentation; it shall not and does not constitute an offer or solicitation of an offer to make an investment in Abcam ordinary shares. The information in this presentation is confidential and proprietary to Abcam and is being submitted to you solely for your confidential use and with the explicit understanding that, without the prior written permission of Abcam, you will not release or discuss this presentation, its existence or any of the information contained herein, or make any reproduction of or use this presentation for any purpose. By accepting delivery of and continuing to review this presentation, you agree to promptly return it and any other documents or information furnished to you by Abcam upon request of Abcam.

Statements/opinions/views
All opinions and estimates in this presentation constitute the reasonable belief of Abcam as of the date hereof but are subject to change without notice. Abcam is not rendering legal or accounting advice through this material; readers should contact their legal and accounting professionals for such information.

Information subject to change
The information contained herein is subject to change, without notice, at the discretion of Abcam and Abcam does not undertake to revise or update this information in any way.

Third party data
Some information contained herein has been obtained from other third party sources and has not been independently verified by Abcam. Abcam makes no representations as to the accuracy or the completeness of any of the information herein. Neither Abcam nor any other party involved in or related to compiling, computing or creating the data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof) and all such parties hereby expressly disclaim, to the maximum extent permitted by law and regulation, any and all responsibility or liability as to the accuracy, completeness or reasonableness of the information provided.

Forward-looking statements
This presentation may contain forward-looking statements, which are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Abcam Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this presentation and accordingly you should not place undue reliance on such statements.

General
The distribution of this presentation may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any relevant restrictions. This presentation does not constitute an invitation or inducement to engage in investment activity. Similarly, this presentation does not constitute or form part of any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for any securities of Abcam in any jurisdiction, nor shall it (nor any part of it) or the fact of its distribution form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or investment decision in relation thereto. Recipients of this presentation who intend to purchase or subscribe for shares in Abcam are reminded that any such purchase or subscription must only be made solely on the basis of information contained in a formal offer document or circular relating to Abcam in its final form. Abcam ordinary shares have not been registered under the US Securities Act of 1933, as amended (the Securities Act), or any state securities laws and may not be offered or sold in the United States absent a registration statement or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws. By attending the presentation you agree to be bound by the limitations above.
Introduction and FY18 highlights

Alan Hirzel
Becoming the most influential company for life scientists worldwide
In 2017/18 we met our financial and strategic targets

<table>
<thead>
<tr>
<th>2017/18 Target</th>
<th>2017/18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue growth*</td>
<td>+10.7%</td>
</tr>
<tr>
<td>Catalogue revenue growth*</td>
<td>+10.2%</td>
</tr>
<tr>
<td>Recombinant antibody revenue growth*</td>
<td>+22.3%</td>
</tr>
<tr>
<td>Immunoassay growth*</td>
<td>+25.4%</td>
</tr>
<tr>
<td>Customer engagement: transactional NPS</td>
<td>+64%</td>
</tr>
</tbody>
</table>

* At constant exchange rates (CER, applying prior period’s exchange rates to this period’s results).
Most 2017/18 goals achieved

- 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
- Grow immunoassays in line with multi-year aspiration
- Increase Abcam Inside projects and framework agreements
- Further improve organisational engagement
- Implement Oracle Cloud and complete organisation alignment
- Complete implementation of Supply Chain & Manufacturing function
- Deliver major capital projects within planned costs and time
- Realise further productivity gains
- Move to direct distribution in more markets
- Strengthen relationships for future deals
Delivery against strategy has delivered a near doubling of revenue over the last five years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue, £m</th>
<th>Adj. EBITDA, £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
<td>122.2</td>
<td></td>
</tr>
<tr>
<td>FY2014</td>
<td>49.1</td>
<td></td>
</tr>
<tr>
<td>FY2015</td>
<td>5yr CAGR*</td>
<td></td>
</tr>
<tr>
<td>FY2016</td>
<td>88.3</td>
<td></td>
</tr>
<tr>
<td>FY2017</td>
<td>233.2</td>
<td></td>
</tr>
<tr>
<td>FY2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All sales growth and CAGR rates calculated at constant exchange rates (CER)
FY2018 Financial Results

Gavin Wood
Solid financial performance delivered in FY2018

Total Revenue growth¹
Reported revenue £233.2m, +7.4%
(2016/17: £217.1m)

Catalogue Revenue growth¹
Reported revenue £216.8m, +7.1%
(2016/17: £202.4m)

Gross margin
Gross margin: 69.9%
(2016/17: 70.1%)

Adjusted EBITDA² growth
Adjusted EBITDA £88.3m
(2016/17: £73.3m)

Adjusted diluted EPS³ growth
Adjusted diluted EPS 32.4p
(2016/17: 25.5p)

Total dividend growth
Total dividends per share: 12.00p
(2016/17: 10.18p)

1. At constant exchange rates (applying prior period’s actual exchange rates to this period’s results)
2. Excludes system and process improvement costs, acquisition costs, one-off costs associated with the new Group headquarters
3. Excludes system and process improvement costs, acquisition costs, one-off costs associated with the new Group headquarters, amortisation of acquisition related intangible assets) and the tax effect of these adjusting items, the revaluation of deferred tax balances due to new US tax legislation and one-off tax charges due to new US tax legislation
## Product revenue analysis:

Double-digit catalogue growth sustained, together with strong increase in CP&L

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 £m</th>
<th>FY 2017 £m</th>
<th>Constant Currency growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catalogue revenue – product split:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary and Secondary Antibodies</td>
<td>174.5</td>
<td>165.5</td>
<td>8.4%</td>
</tr>
<tr>
<td>of which Recombinant antibodies</td>
<td>48.0</td>
<td>40.4</td>
<td>22.3%</td>
</tr>
<tr>
<td>Other products¹</td>
<td>42.3</td>
<td>36.9</td>
<td>18.2%</td>
</tr>
<tr>
<td>of which Immunoassay products</td>
<td>15.0</td>
<td>12.4</td>
<td>25.4%</td>
</tr>
<tr>
<td>Catalogue revenue sub-total</td>
<td>216.8</td>
<td>202.4</td>
<td>10.2%</td>
</tr>
<tr>
<td>Custom Products and Licensing (CP&amp;L) revenue²</td>
<td>16.4</td>
<td>14.7</td>
<td>17.6%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>233.2</td>
<td>217.1</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

1 Includes kits and assays, proteins, peptides, lysates and AAAI products sold for research use
2 Includes royalty income, custom services, IVD/IHC, and licensing revenue
* At constant exchange rates (applying prior period’s exchange rates to this period’s results)
Regional (CER) revenue analysis: Above market growth achieved in all regions

2017/18 Catalogue CER revenue growth rate, %¹

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas (40.8%)</td>
<td>8.0%</td>
</tr>
<tr>
<td>EMEA (28.9%)</td>
<td>7.7%</td>
</tr>
<tr>
<td>China (15.2%)</td>
<td>26.0%</td>
</tr>
<tr>
<td>Japan (7.5%)</td>
<td>1.1%</td>
</tr>
<tr>
<td>Rest of Asia (7.6%)</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

Global catalogue: 10.2%

¹ Catalogue revenue growth at constant exchange rates (applying prior period’s exchange rates to this period’s results)
Figures in parenthesis indicate percentage of total catalogue revenue in 2017/18
Adjusted\(^1\) EBITDA bridge:
Continued investment for future growth, offset by FX

1. Excludes system and process improvement costs, acquisition costs and costs associated with the Group’s new headquarters
## Cash flow analysis:
Continued strong cash generation funding investment cycle

### Operating cash flows before w/c

<table>
<thead>
<tr>
<th></th>
<th>2018 £’m</th>
<th>2017 £’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in working capital</td>
<td>(8.1)</td>
<td>4.8</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(9.6)</td>
<td>(10.1)</td>
</tr>
<tr>
<td>Net finance (costs) / income</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(38.0)</td>
<td>(33.1)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(20.6)</td>
<td>(17.8)</td>
</tr>
<tr>
<td><strong>Net change in cash and term deposits</strong></td>
<td><strong>5.0</strong></td>
<td><strong>15.7</strong></td>
</tr>
<tr>
<td>Effect of FX rates</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Opening cash and term deposits</td>
<td>84.8</td>
<td>68.9</td>
</tr>
<tr>
<td><strong>Closing cash and term deposits</strong></td>
<td><strong>90.2</strong></td>
<td><strong>84.8</strong></td>
</tr>
</tbody>
</table>

- Group continues to generate cash after investing in growth and infrastructure
- Movement in working capital due to:
  - increase in inventories of high-selling products to enhance customer experience; and
  - AP/AR timing related impacts in prior year
- Main investing activities:
  - ERP investment £18.3m
  - New Cambridge HQ £11.6m
  - Product development £4.3m
  - Global lab equipment £2.4m
- Investing activities also includes £1.5m related to Spring consideration paid in year (total ~£13m)
- Financing activities mainly dividends
Ongoing investment in infrastructure to support scalability

**ERP: Flexible and scalable IT platform**

- Successful launch of HR and customer contact modules to date
- Moving to phased roll-out of remaining modules
  - Enables increased focus on other strategic IT projects
  - Focus on financial modules in the coming year
- Total 2017/18 spend: £23.6m (of which capex £17.5m)
- 2018/19 estimated spend: ~£16m (Capex ~£12m)

**Upgraded and expanded operations**

- ~100k sq. ft. Cambridge Biomedical Campus on track for occupation in calendar 2019
  - State of the art, purpose built facilities
  - £15.2m spent to date (~£25m estimated total)
- Prior year investments include Hangzhou, Boston and Branford sites
Capex ratio expected to start to reduce from above average levels from 2019/20

D&A expense expected to increase in 2018/19 and again in 2019/20 as a result of implementation of Oracle Cloud ERP, completion of UK HQ, and the introduction of IFRS16 in 2020.

(1) Includes capitalised R&D, laboratory equipment, office & computer equipment
(2) Adjusted for £0.6m reclassification in 2016/17
(3) Details provided in additional information section
Strategic update
Sustaining long-term growth

Alan Hirzel
Our company goals are aligned to delivering sustained long-term growth

- Sustain antibody and digital marketing leadership
  - Gain share in global research reagents

- Expand in related growth markets
  - Immunoassays
  - Dx/Tx (Abcam Inside)
  - Consumer segments

- Invest in operating capabilities for 2x 2016 scale by 2023
  - Infrastructure
  - Capabilities
  - Systems & processes
  - People

- Sustain attractive economics
  - Balancing growth, margin and return on capital

- Supplement organic growth - acquisitions and partnerships
  - Strengthen capabilities and portfolio to deliver vision
We are pursuing four large growth opportunities

Note: Chart for illustrative purposes only. Not to scale
Those opportunities fall within ~$8bn markets

Research Use Only (RUO) proteomic tools
~$3bn at ~4% p.a.

- Protein binding reagents
  - Primary antibodies
  - Immunoassays
  - Secondary antibodies
  - Kits (1)
    - Proteins, peptides, lysates
    - Biochemicals

Related reagents

Diagnostic & Therapeutic antibodies (Dx/Tx)
~$5bn at 5-8% p.a.

- Diagnostic applications
  - Companion Dx
  - IVD
  - Point of Care
- Immunoassays
- Dx platform development
- Biological therapeutics

2017/18 revenue

- Abcam plc, 2017/18 Preliminary Results Presentation, 10 September 2018

(1) Includes Cellular Activity Kits, Epigenetic Kits, miRNA Kits
(2) Excludes research use sales
In the ~$3bn proteomic research tools area, our focus is on gaining market share

Source: Pivotal Scientific (2017), Company estimates
Investing to gain share globally

- Recombinant antibodies to high value research areas
- Expansion of CRISPR knockout validation project
- Expansion of immunoassay portfolio
- Investing in our customer and digital experience
- 1% of revenue committed for new strategic growth initiatives
- China
Investing to extend our leadership in China

Areas of focus:

• Further content localisation
• Enhancing the digital experience
• Getting closer to our customers

Abcam citations in China, #

Source: CiteAb (calendar year)
Diagnostic & Therapeutic antibodies
Early stages of Abcam Inside

• Commercial team established

• Enhanced antibody discovery platform completing
  ~150 projects per year

• Forming stronger strategic relationships:
  » Portfolio of biomarker programmes with Tier 1 biopharma
  » Increasing number of Abcam clones in development on
    assay and instrumentation platforms

• All new projects have downstream revenue potential
Investing in our people
Global share scheme launching 2018/19

- Ambition to deliver our employees meaningful ownership and stake in our future
- Scheme available to all employees globally
  - 3 year term
  - Replaces inflexible schemes in UK/US
- Conditional on Abcam’s continued profitability, revenue growth and individual employment
2018/19 objectives to sustain growth

- Continue customer and high value research area focus
- Continue validation initiative and raising quality standards
- Initiate next phase of growth strategy for China

- Continue to extend immunoassay range
- Increase Abcam Inside projects and framework agreements
- Launch teams to develop 1-2 new capability areas

- Successfully deploy next phases of Oracle Cloud ERP
- Roll out equity participation scheme globally
- Successfully move UK team to the Cambridge Biomedical Campus
- Fill capability gaps in IT, SC&M, and new areas

- Realise further productivity gains
- Move to direct distribution in more markets

- Strengthen relationships for future deals

- Sustain antibody & 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 & acquisitions
Financial Guidance Summary

Gavin Wood
2018/19 strategic targets

**Strategic KPIs**

- Recombinant antibody revenue growth*
- Immunoassay growth*
- Customer engagement: transactional NPS

| 2018/19 Target | 20%+ | 20%+ | 57-67% |

*At constant exchange rates (CER, applying prior period’s exchange rates to this period’s results).*
2018/19 guidance and medium-term ambition

<table>
<thead>
<tr>
<th>Revenue(^1)</th>
<th>2017/18</th>
<th>2018/19</th>
<th>Medium-term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.7%</td>
<td>~11%</td>
<td>low double-digit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted(^2) EBITDA margin</th>
<th>2017/18</th>
<th>2018/19</th>
<th>Medium-term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>37.9%</td>
<td>~36%</td>
<td></td>
</tr>
</tbody>
</table>

Other technical guidance:

- D&A expense to increase modestly in 2018/19 before stepping up in 2019/20 relating to:
  - i) UK HQ; ii) Oracle Cloud ERP; iii) IFRS16 in 2020\(^3\)
- Capex to revenue ratio: 11-13% in 2018/19
- Effective tax rate: ~19% in 2018/19 and over medium-term

---

1 At constant exchange rates (CER, applying prior period’s exchange rates to this period’s results).
2 Excludes system and process improvement costs relating to Oracle ERP implementation.
3 See Additional Information section for details on the expected impact of IFRS16.
Wrap-up

• Enduring demand for research tools

• Abcam remains global market leader in research antibodies, growing at 2x market rates*

• Unique capabilities arising from data insights, proprietary IP, digital marketing, global distribution and agile teams support our position

• These capabilities and investment in consumer focused strategy are opening up multiple growth opportunities in addressable markets of ~$8bn

• Investing to ensure capacity supports long-term opportunity

* Source: Company estimates, FY16/17 & FY17/18
Additional Information
Cohort catalogue revenue by financial year
Gross margin reconciliation:
Modest product mix and FX benefits offset by regional and CP&L impacts in FY18

- Anticipate gradual GM% increases in future years, driven by:
  - catalogue product mix
  - productivity improvements from increased automation
Foreign exchange – FX headwinds in FY18 mainly due to USD/GBP movement

**Total Reported revenue**
2017/18: £233.2m
2016/17: £217.1m

**Reported Catalogue revenue**
2017/18: £216.8m
2016/17: £202.4m

**Foreign Currency Movements**

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Percentage of Revenue</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/GBP</td>
<td>48.3%</td>
<td>1.28</td>
<td>1.35</td>
</tr>
<tr>
<td>EUR/GBP</td>
<td>19.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMB/GBP</td>
<td>14.2%</td>
<td>8.68</td>
<td>8.78</td>
</tr>
<tr>
<td>JPY/GBP</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: average exchange rates in period
Breakdown of 2017/18 revenue, cost of sales and expense by currency
IFRS 16, ‘Leases’ (effective from FY2019/20)

- IFRS16, ‘Leases’ is effective from the Group’s 2019/20 financial year and has the most significant impact for lessees.
- The most significant changes are that the Group will recognise an asset and a corresponding liability for all leases currently accounted for as operating leases. Exceptions are leases for a short period (less than 12 months) or where the underlying asset value is low.
- The operating lease cost which the Group currently incurs will be replaced by a depreciation charge on the asset (over the term of the lease) as well as an interest charge on the liability over the same period.
- The Group therefore anticipates that the adoption of IFRS16 will have a significant impact on the primary financial statements, which will impact on operating profit, profit before tax, total assets and total liabilities lines.
- The Group has conducted a review of its lease contracts and based on the operating leases in place at 30 June 2018, including the new Group HQ as well as judgements over expected extension options on all of its leases.
- At transition, the Group expects a decrease in net assets of up to £5m. In the years after transition the impact on the Group’s income statement will be an increase in operating profit as a result of removing the operating lease expense net of the new depreciation charge. The overall impact to the Group’s reported profit after tax is expected to be immaterial, with a small net decrease in the initial years after transition which will reverse in later years as the leases in existence at transition come closer to ending.
- The final transition impact may differ from the above guidance depending on business decisions made during the period to 30 June 2019.

Estimated impact on P&L (all figures approximate)

<table>
<thead>
<tr>
<th>£’m</th>
<th>FY20e</th>
<th>FY21e</th>
<th>FY22e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>~6.0</td>
<td>~6.0</td>
<td>~6.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>~6.0</td>
<td>~6.0</td>
<td>~6.0</td>
</tr>
<tr>
<td>Operating expenses - depreciation</td>
<td>~(4.7)</td>
<td>~(4.5)</td>
<td>~(4.3)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>~1.3</td>
<td>~1.5</td>
<td>~1.7</td>
</tr>
<tr>
<td>Finance costs</td>
<td>~(2.3)</td>
<td>~(2.0)</td>
<td>~(2.0)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>~(1.0)</td>
<td>~(0.5)</td>
<td>~(0.3)</td>
</tr>
</tbody>
</table>

Estimated impact on Balance Sheet

<table>
<thead>
<tr>
<th>£’m</th>
<th>FY20e</th>
<th>FY21e</th>
<th>FY22e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>~50</td>
<td>~45</td>
<td>~40</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>~55</td>
<td>~50</td>
<td>~46</td>
</tr>
<tr>
<td>Net Assets</td>
<td>~(5)</td>
<td>~(5)</td>
<td>~(6)</td>
</tr>
</tbody>
</table>

Note: The final transition impact may differ from the above guidance depending on business decisions made during the period to 30 June 2019. Figures assume all leases up for renewal over the forecast period are extended on current normal market terms.
Facts about our business:

- Abcam makes, sources and sells a range of highly validated biological binders and assays to help study important targets in critical biological pathways.

- We offer over 110,000 products to research protein targets across antibodies, proteins, lysates, biochemicals, kits and assays.

- ~45% 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 1,100 employees working globally across eleven locations, including five production sites, to make it all happen.
Facts about our business:
Our global platform and capabilities

Digital platform and reach
- #1 site for research antibodies
- Easy to search and use
- SEO optimised

Product range, data and insight
- 110,000+ research products
- ~12,800 recombinant antibodies
- 20 years of product validation data
- Unique data and data driven insights

Global footprint
- Products sold in 140+ countries
- 48h delivery for many products
- 4 warehouses
- Global scientific and customer support

Leading innovation
- Recombinant
- RabMAb®
- NGS screening
- AxioMx phage display
- World class in-house expertise

Dx/Tx relationships
- Growing portfolio of partnerships with leading global players