Serving science, sustaining growth
2019 Full Year Results and Strategy Update
9 September 2019
Topics covered today

Introduction
2018/19 financial review
Strategy update
2019/20 and long-term outlook
Q&A session
Our purpose is to serve life scientists to help them achieve their mission faster, by listening to their needs; continuously innovating and improving; and giving them the tools, data and experience they want.

Our ambition is to become the most influential life science company for researchers worldwide to support research, diagnostic and therapeutic applications.
Helping customers achieve their mission, faster

Over the past decade we distributed anti-mouse L1 ORF1p rabbit polyclonal antibodies (originally from S. Martin). We now tested the new monoclonal rabbit ab from @abcam. It is wicked good. See more here: alexbortvinlab.org/methods/. Let your colleagues know. #L1ORF1p
Our global team makes results possible
With investment, our team delivered results

**Selected Achievements 2014-2019:**

- Improved brand, customer experience and product range
- Upgraded organisation, systems, and facilities
- Gained market share, improved quality of revenue and doubled scale
- Completed five tuck-in acquisitions
- ROCE consistently > cost of capital
- Total shareholder return >3x

1. Group estimated Weighted Average Cost of Capital (WACC) ~7%
2. Return on Capital Employed (ROCE) is calculated by dividing adjusted operating profit by total capital employed at the end of the period. Capital employed is calculated by subtracting the Group’s current liabilities from its total asset
3. From 30 June 2014 to 6 September 2019 (Source: Bloomberg)
Performance Headlines
Solid top line growth; continued investment in our business

**Total Revenue growth**
- +9.2%
- Reported revenue £259.9m, +11.4%
  (2017/18: £233.2m)

**Catalogue Revenue growth**
- +9.8%
- Reported revenue £242.8m, +12.0%
  (2017/18: £216.8m)

**Gross margin**
- +60bps
- Gross margin: 70.5%
  (2017/18: 69.9%)

**Adjusted EBITDA growth**
- +4.6%
- Adjusted EBITDA £92.4m
  (2017/18: £88.3m)

**Adjusted (diluted) EPS growth**
- +0.6%
- Adjusted diluted EPS 32.6p
  (2017/18: 32.4p)

**Free Cash Flow growth**
- +28.0%
- Free cash flow: £34.3m
  (2017/18: £26.8m)

---

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
Revenue by Product Type
Growth driven by in-house Recombinant Abs and Immunoassays

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 £m</th>
<th>FY 2019 £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>193.2</td>
<td>8.7%</td>
</tr>
<tr>
<td>of which Recombinant antibodies</td>
<td>48.0</td>
<td>59.1</td>
<td>22.4%</td>
</tr>
<tr>
<td>Other products¹</td>
<td>42.3</td>
<td>49.6</td>
<td>14.7%</td>
</tr>
<tr>
<td>of which Immunoassay products</td>
<td>15.0</td>
<td>18.5</td>
<td>21.9%</td>
</tr>
<tr>
<td>Catalogue revenue sub-total</td>
<td>216.8</td>
<td>242.8</td>
<td>9.8%</td>
</tr>
<tr>
<td>Custom Products and Licensing (CP&amp;L) revenue²</td>
<td>16.4</td>
<td>17.1</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>233.2</td>
<td>259.9</td>
<td>9.2%</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)
Catalogue Revenue Growth by Region

Market growth exceeded in all major regions

2018/19 Catalogue CER revenue growth rate, %

- Americas (41.7%): 10.3%
- EMEA (27.3%): 6.0%
- China (16.4%): 20.9%
- Japan (6.9%): 0.0%
- Rest of Asia (7.6%): 10.0%

Global catalogue CER revenue growth: 9.8%

1 Catalogue revenue growth at constant exchange rates (applying prior period’s exchange rates to this period’s results)
Continued investment to sustain growth

Adjusted¹ EBITDA bridge

<table>
<thead>
<tr>
<th></th>
<th>£, m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18 Adj. EBITDA</td>
<td>88.3</td>
</tr>
<tr>
<td>Incremental gross profit post FX impact</td>
<td>18.2</td>
</tr>
<tr>
<td>Volume related cost increases</td>
<td>3.4</td>
</tr>
<tr>
<td>Growth &amp; scaling investments</td>
<td>8.2</td>
</tr>
<tr>
<td>Increase in costs of share-based payments</td>
<td>3.8</td>
</tr>
<tr>
<td>Net change in R&amp;D expense</td>
<td>1.3</td>
</tr>
<tr>
<td>2018/19 Adj. EBITDA</td>
<td>92.4</td>
</tr>
</tbody>
</table>

¹ Excludes system and process improvement costs, acquisition costs and costs associated with the Group’s new headquarters
Continued progress against investment projects
Enabling growth and efficient scalability

- Successful occupation of new UK based HQ in February 2019
  - Final capex of £8.4m incurred in 2018/19
  - Total 3-year project spend of £23.6m, in line with original budget

- Project implemented during year to mitigate risks of no-deal BREXIT
  - Plans successfully deployed in <6 months, becoming operational in March 2019

- Finance & non-stock procurement ERP modules successfully deployed in 2019
  - In year spend £16.1m (£11.6m capitalised)
  - Evolving approach to future IT programme
    - £12.8m impairment to historic work
    - Detailed design underway
## Cash flow analysis

### Strong cash generation

Figures in £m unless indicated

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating cash flows before w/c</strong></td>
<td>81.0</td>
<td>88.2</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>(8.1)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(9.6)</td>
<td>(13.5)</td>
</tr>
<tr>
<td>Net finance income</td>
<td>0.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(38.0)</td>
<td>(50.5)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(20.6)</td>
<td>(24.7)</td>
</tr>
<tr>
<td><strong>Net change in cash and term deposits</strong></td>
<td>5.0</td>
<td>(4.4)</td>
</tr>
<tr>
<td>Effect of FX rates</td>
<td>0.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Opening cash and term deposits</td>
<td>84.8</td>
<td>90.2</td>
</tr>
<tr>
<td><strong>Closing cash and term deposits</strong></td>
<td>90.2</td>
<td>87.1</td>
</tr>
</tbody>
</table>

**Free cash flow**

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free cash flow(^1)</td>
<td>26.8</td>
<td>34.3</td>
</tr>
<tr>
<td>Cash conversion ratio(^2)</td>
<td>82.6%</td>
<td>90.6%</td>
</tr>
<tr>
<td>Capex to revenue</td>
<td>15.7%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

\(^1\) Free cash flow comprises net cash generated from operating activities less net capital expenditure and transfer of cash into escrow for future capital expenditure

\(^2\) Operating cash flow after w/c / Adjusted EBITDA

**RCF put in place to support acquisition strategy**

- Main areas of spend:
  - ERP investment £13.1m
  - New Cambridge HQ £9.6m
  - NEW product innovation £7.8m
  - Global lab and automation equipment £6.2m
  - Spring and Calico acquisitions

- Financing activities relate to the payment of dividends

- RCF put in place during year to provide additional financial flexibility for future corporate transactions
  - £200m with a £100m Accordion feature
  - Initial term of 3 years, with option to extend by a further 2 years
Growth strategy in the context of a new era for biology
Our leadership in research antibodies is strengthening our competitive position in an $8bn addressable market.

### Est. Total Addressable Market (TAM)

**Research Use Only (RUO) Proteomic Tools**

- **Protein binding reagents**
  - Primary antibodies
  - Primary conjugated antibodies
  - Secondary antibodies
  - Singleplex immunoassays
  - Multiplex immunoassays

- **Other tools and reagents**
  - Kits and Assays\
  - Proteins, peptides, lysates
  - Edited cell lines
  - Biochemicals

**Antibody development for diagnostic and therapeutic use (Dx/Tx)**

- **Diagnostic applications**
  - Companion Dx
  - IVD
  - Point of Care

- **Disease treatment**
  - Biological therapeutics

- **Catalogue revenue**
- **Custom Products & Licensing revenue**

---

**Est. Total Addressable Market (TAM)**

- **$3bn** ~4% pa
- **$5bn** 5-8% pa

---

(1) Includes Cellular Activity Kits, Epigenetic Kits, miRNA Kits
(2) Excludes research use sales
Since 2014, we have delivered growth within our markets

Research Use Only (RUO) Proteomic Tools

Antibodies

Immunoassays

Other kits and reagents¹

‘Abcam Inside’
Ab development for Dx/TX partners

China

~$1.0bn+

~$0.5bn+

~$1.5bn+

~$5.0bn

~$0.5bn²

£193.2m

£18.5m

£31.1m

£17.1m³

£39.8m²

+14%

+30%

+22%

+14%

+44%

Est. TAM

FY19 reported revenue

Abcam 5yr CAGR⁴

¹ Includes proteins, peptides, lysates, kits and biochemicals
² RUO reagents only
³ CP&L revenue (formerly Non-product revenue)
⁴ FY2014-FY2019

Note: all figures and growth rates calculated at reported rates in GBP
Our approach: Everything starts by dedicating ourselves to helping customers

1. Customer dedication
2. Investment in our business
3. Product expansion and revenue growth
4. Value Creation
Research antibody leadership creates opportunities to follow customers to related markets.
Creating proprietary products improves quality of revenue; opens strategic opportunities

- Higher quality revenue
- Superior GM%
- More flexibility for customers
- Full control over licensing
- Increased innovation from combining products + technology

Catalogue In-house Revenue, £m

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>26.2</td>
</tr>
<tr>
<td>FY2013</td>
<td>28%</td>
</tr>
<tr>
<td>FY2014</td>
<td>31%</td>
</tr>
<tr>
<td>FY2015</td>
<td>35%</td>
</tr>
<tr>
<td>FY2016</td>
<td>36%</td>
</tr>
<tr>
<td>FY2017</td>
<td>38%</td>
</tr>
<tr>
<td>FY2018</td>
<td>40%</td>
</tr>
<tr>
<td>FY2019</td>
<td>42%</td>
</tr>
</tbody>
</table>

In-house products as proportion of total catalogue revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>28%</td>
</tr>
<tr>
<td>FY2013</td>
<td>31%</td>
</tr>
<tr>
<td>FY2014</td>
<td>35%</td>
</tr>
<tr>
<td>FY2015</td>
<td>36%</td>
</tr>
<tr>
<td>FY2016</td>
<td>38%</td>
</tr>
<tr>
<td>FY2017</td>
<td>40%</td>
</tr>
<tr>
<td>FY2018</td>
<td>42%</td>
</tr>
<tr>
<td>FY2019</td>
<td>44%</td>
</tr>
</tbody>
</table>
Our approach is generating market share gains

Share of global 1° antibody citations, %

- 2010: 10.7%
- 2011: 16.0%
- 2012: 21.5%

Source: CiteAb

1 Enzyme-Linked Immunosorbent Assay (ELISA) is a common immunoassay test performed to detect the presence of a protein in a biological liquid sample.
Market share gains arise from investments in innovation, organisation, systems, and facilities

- Strengthening global teams
- Expanding and improving facilities
- Upgrading legacy IT systems and processes
- Wave 1 automation
Our results scorecard suggests we made good choices

Customer Influence

- **Global 1st Ab citations¹, 000s**
  - Cal-2013: 10.0
  - Cal-2018: 30.0
  - **+10 points NPS**

Employee Engagement

- **Glassdoor rating**
  - FY2014: 4.1
  - FY2019: 4.7
  - **+45 points NPS**

RabMAb and Immunoassay Growth

- FY2014: £23m (CAGR +29%)
- FY2019: £80m

Total Revenue Growth

- **£128m (FY2014)**
- **£260m (FY2019)**
- **+15% CAGR**

Adjusted EBITDA Growth

- **£50.0m (FY2014)**
- **£92.4m (FY2019)**
- **+13% CAGR**

Average Annual ROCE² (in %)

- **>20% Avg.** (5yr avg. to FY19)

---

¹ Source: CiteAb
² ROCE calculated on a pre-tax basis using adjusted operating profit. Capital employed is based on total assets less current liabilities.
Question: What is holding Abcam back from doing more?
Several internal areas are still holding us back – we will invest to address these over the next 3-5 years.

- In-house capabilities for faster/broader innovation
- Digital marketing and e-commerce legacy
- Operations optimisation and efficiency
- Other legacy IT

Organisation skill gaps underpin all areas
Addressing these areas is important to Abcam’s wider growth strategy:

- **Sustain and extend antibody and digital leadership**
  - Offer best binders for most important research needs
  - Remove technical constraints to growth
  - Increase own-produced content/IP
  - Deliver a personalised digital customer experience

- **Drive continued expansion into complementary market adjacencies**
  - Build out from antibody leadership into proteomic assays and related reagents
  - Stay instrument agnostic
  - Get Abcam proprietary content into platforms and clinical applications: ‘Abcam Inside’

- **Build organisational scalability and sustain value creation**
  - Remove operational constraints to growth
  - Build talent depth and fill capability gaps
  - Complete legacy IT upgrades
  - Realise operational improvements and efficiencies
Proteins case study: addresses a constraint and creates an adjacent market opportunity

- Essential innovation input for proprietary antibodies
- Part of Abcam addressable market (~3% of FY19 revenue) with TAM ~$500m+
- Built lab and team required for internal needs over past 12 months
- Planned investment to scale-up new line of business

Strong growth trajectory

Total proteins and peptides revenue (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2014</td>
<td>3.5</td>
</tr>
<tr>
<td>FY2015</td>
<td>4.0</td>
</tr>
<tr>
<td>FY2016</td>
<td>5.0</td>
</tr>
<tr>
<td>FY2017</td>
<td>6.0</td>
</tr>
<tr>
<td>FY2018</td>
<td>7.0</td>
</tr>
<tr>
<td>FY2019</td>
<td>8.3</td>
</tr>
</tbody>
</table>

+19% CAGR
Cellular editing case study: addresses a constraint and creates an adjacent market opportunity

- Important tool for antibody validation – both at Abcam and in customer labs
- Addressable market of ~$200m+ and growing rapidly
- Acquired 2,800 diploid knock-out cell lines from Edigene in July 2019
- Planned investment to scale-up new line of business

Knock-out validation of Anti-Ki67 antibody (ab15580) in Immunocytochemistry / Immunofluorescence

>2,250 Knock-out validated antibodies on catalogue
The right acquisitions will be used to compliment our organic growth strategy across the portfolio

- “Gold standard” reagents to study biological pathways
- Potential to drive growth via Abcam’s platform and brand
- Opportunities to create unique propositions by combining with Abcam technology
- Accretive deals with attractive return on capital/IRR
- Technological tuck-ins to further differentiate product offering
Updated strategic performance measures for 2019/20

<table>
<thead>
<tr>
<th>Strategic KPIs</th>
<th>2019/20 target range</th>
<th>2018/19 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-house product revenue growth (Catalogue)¹</td>
<td>12 – 15%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Customer engagement: transactional Net Promotor Score (tNPS)</td>
<td>54 – 60%²</td>
<td>59%</td>
</tr>
</tbody>
</table>

¹ At constant exchange rates (CER, applying prior period’s exchange rates to this period’s results).
² Under new feedback mechanism. Equivalent to ~62-68% under prior mechanism.
Implementing Abcam strategy ought to create incremental £200m+ in profitable revenue by 2024

Drivers:
- Continued global R&D funding
- Further share gains in RUO antibodies
- Growth from adjacent market opportunities
- Successful “Abcam Inside” relationships
- More capacity and capabilities to deliver

* Long-term revenue target at 2019/20 budget exchange rates
2019/20 and long-term outlook
Greater value creation potential for our shareholders

- Talented people
- Investment opportunities
- Optimal capital allocation to maximise long-term sales and returns
- More diversified and sustainable performance
- Greater returns to shareholders
Capital Allocation Strategy

1. Reinvestment in business to drive long term growth
   • Invest in existing, core growth businesses
     • Best-in-class antibodies
     • Differentiated, proprietary research reagents

2. Capex in foundations to support scalable growth
   • Increase scalability of core platform – automation/footprint
   • IT transformation: providing best-in-class customer experience and business systems
   • Infrastructure improvements to best serve the customer base

3. Selective acquisitions aligned to core strategy
   • Complementary portfolios of best-in-class products
   • Acquisitions that support or accelerate core growth strategy

4. Capital discipline
   • Disciplined, long-term investment approach to organic and inorganic investment
   • Maintain a robust balance sheet
   • Continued focus on ROCE
## 2019/20 and long-term outlook

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Reported</th>
<th>2018/19 Restated for IFRS16</th>
<th>2019/20 Outlook</th>
<th>Long-term outlook to 2023/24</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue, £</strong> (CER growth rate)</td>
<td>£259.9m (9.2%*)</td>
<td>£259.9m (9.2%*)</td>
<td>£288 – 294m1 (9-11%*)</td>
<td>£450m – £500m</td>
</tr>
<tr>
<td><strong>Adjusted Operating Profit Margin, %</strong></td>
<td>32.2%</td>
<td>32.4%</td>
<td>25 – 28%2</td>
<td>Low thirties %3</td>
</tr>
<tr>
<td><strong>Adjusted Pre-tax ROCE</strong></td>
<td>20.8%</td>
<td>18.1%</td>
<td></td>
<td>At or above 18%2</td>
</tr>
<tr>
<td><strong>Capex, £ (% of revenue)</strong></td>
<td>£35.9m (13.8%)</td>
<td>£35.9m (13.8%)</td>
<td>£30 – 50m</td>
<td>£175 – 225m over FY20-24 period</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin, %</strong></td>
<td>35.6%</td>
<td>38.3%</td>
<td>32 – 35%3</td>
<td></td>
</tr>
</tbody>
</table>

(1) Based on internal budget rates to GBP as follows: USD 1.27; EUR 1.12; RMB 8.72; JPY 134.0
(2) Post impact of IFRS16 introduction
(3) Contingent upon the phasing of existing plans and future projects

* At Constant Exchange Rates (CER)
Summary and Wrap-up

• **Multiple growth opportunities** within attractive markets of $8bn

• **Solid foundations built** – well placed to extend our leading position in research antibodies and related markets

• **Core business fundamentals remain appealing** - highly profitable and cash generative, providing capital to invest

• **Clear strategy going forward to sustain and increase our growth potential**, build the enterprise and deliver shareholder-value creation

• Capital Markets Event, 14 November in Cambridge, UK
Thank you for your attention.
Catalogue revenue growth
Revenue by product cohort since 2004
### Adjusting items and reported results

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 £m</th>
<th>FY 2019 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>88.3</td>
<td>92.4</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(7.0)</td>
<td>(8.8)</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>81.3</td>
<td>83.6</td>
</tr>
<tr>
<td>Adjusting items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERP development costs</td>
<td>(6.1)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Impairment of certain historic ERP development costs</td>
<td>-</td>
<td>(12.8)</td>
</tr>
<tr>
<td>One-off costs associated with new Group headquarters</td>
<td>(0.3)</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Amortisation of acquisition intangibles</td>
<td>(5.9)</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>Reported Operating Profit</td>
<td>68.8</td>
<td>56.1</td>
</tr>
</tbody>
</table>

1 Excluding amortisation of acquisition intangibles and depreciation of Group headquarters
2018/19 currency analysis

Revenue by currency

Cost of sales by currency

Expenses by currency
The Group has conducted a review of its lease contracts and based on the leases in place at 30 June 2019 expects a decrease in net assets of £2.1m on transition at 1 July 2019.

This is the combination of a £5.9m decrease driven by the recognition of liabilities over asset values offset by the release of deferred rent accruals and prepayments of £3.8m.

In the years post transition, there would also be an impact on the Group’s income statement as the fixed rental expense is replaced by a depreciation charge and an interest expense.

This will lead to an increase of approximately £1m in operating profit as a result of removing the operating lease expense net of the new leased asset 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.

<table>
<thead>
<tr>
<th>Estimated impact on P&amp;L (all figures approximate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’m</td>
</tr>
<tr>
<td>Reduction in operating expenses (ex. D&amp;A)</td>
</tr>
<tr>
<td>Increase in EBITDA</td>
</tr>
<tr>
<td>Increase in depreciation</td>
</tr>
<tr>
<td>Increase in operating profit</td>
</tr>
<tr>
<td>Increase in finance costs</td>
</tr>
<tr>
<td>Impact on Profit before tax</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated impact on Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’m</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Net Assets</td>
</tr>
</tbody>
</table>
## Trajectory by business line

<table>
<thead>
<tr>
<th></th>
<th>Catalogue (RUO)</th>
<th>CP&amp;L</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales growth FY20-24</strong></td>
<td>Double-digit+ CER % Accelerating through period</td>
<td>Projects ~0% trend growth Low double-digit growth from Supply and Licence agreements</td>
</tr>
<tr>
<td><strong>Gross margin, %</strong></td>
<td>Gradual improvement, benefitting from in-house product mix and as CP&amp;L mix shifts to more supply / license revenue over medium- to long-term, partially offset by regional mix</td>
<td></td>
</tr>
<tr>
<td><strong>Key drivers and building blocks</strong></td>
<td>Continued share gains in antibody markets RUO immunoassays Other proteomic research reagents</td>
<td>Fixed internal capacity to conduct customer projects IVD, Royalty, Licensing growth dependent on downstream success</td>
</tr>
</tbody>
</table>
Cash Capex Trajectory

Total capex spend, £m

- Core (ex. IT) 1
- ERP/IT
- HQ 2
- Capex / revenue (RHS)

(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

- 2013/14: £3.5m, 5.8%
- 2014/15: £6.5m, 5.2%
- 2015/16: £8.3m, 9.1%
- 2016/17: £8.5m, 8.8%
- 2017/18: £18.8m, 10.7%
- 2018/19: £5.1m, 15.7%
- 2019/20e: £30 – 50m, 13.5%

- Total capex spend, £m
  - 2013/14: £3.5m
  - 2014/15: £6.5m
  - 2015/16: £8.3m
  - 2016/17: £8.5m
  - 2017/18: £18.8m
  - 2018/19: £5.1m
  - 2019/20e: £30 – 50m

- Growth rate
  - 2013/14: 5.8%
  - 2014/15: 5.2%
  - 2015/16: 9.1%
  - 2016/17: 8.8%
  - 2017/18: 10.7%
  - 2018/19: 15.7%
  - 2019/20e: ~13.5%

- Percentage of revenue
  - 2013/14: 0%
  - 2014/15: 2%
  - 2015/16: 4%
  - 2016/17: 6%
  - 2017/18: 8%
  - 2018/19: 10%
  - 2019/20e: 12%

(4) Global ERP
(5) New headquarters, Cambridge, UK
(6) Capacity expansion across global R&D and SC&M operations
(7) Investment in automation and product development
(8) £30 – 50m
## Five-Year Return on Capital Employed

Consistently delivering strong returns on capital

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash</td>
<td>57.1</td>
<td>68.9</td>
<td>84.8</td>
<td>90.2</td>
<td>87.1 (Restated)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>249.9</td>
<td>329.6</td>
<td>361.7</td>
<td>414.8</td>
<td>446.7 (516.6)</td>
</tr>
<tr>
<td>Less Current Liabilities</td>
<td>21.1</td>
<td>33.3</td>
<td>32.6</td>
<td>49.0</td>
<td>45.3 (51.8)</td>
</tr>
<tr>
<td>Total Capital Employed (end of period)</td>
<td>228.8</td>
<td>296.3</td>
<td>329.1</td>
<td>365.8</td>
<td>401.4 (464.8)</td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>49.2</td>
<td>53.6</td>
<td>64.4</td>
<td>81.3</td>
<td>83.6 (84.2)</td>
</tr>
<tr>
<td>Adj. ROCE(^1)</td>
<td>21.5%</td>
<td>18.1%</td>
<td>19.6%</td>
<td>22.2%</td>
<td>20.8% (18.1%)</td>
</tr>
</tbody>
</table>

\(^1\) Return on Capital Employed (ROCE) is calculated by dividing adjusted operating profit by total capital employed at the end of the period. Capital employed is calculated by subtracting the Group’s current liabilities from its total asset. The Group believes that ROCE is a key tool in measuring the Group’s financial efficiency and the resulting potential for future growth in value.