

Dear Shareholder,

It is my pleasure to introduce Abcam's 2019 Annual Report, which sets out the continued financial and strategic progress made by the Company over the past 12 months, as well as our plans and priorities for the future.



Abcam has made good progress, both financially and strategically, over the past 12 months. We have continued to successfully implement our growth strategy whilst strengthening the organisation's underlying capabilities to deliver further growth in the future.

Peter Allen
Chairman



I am pleased to report that Abcam has made good progress, both financially and strategically, over the past 12 months. We have continued to successfully implement our growth strategy whilst strengthening the organisation's underlying capabilities to deliver further growth in the future.

Financial performance

We are pleased to report an 11.4% increase in revenue to £259.9m (2017/18: £233.2m), representing growth of 9.2% on a constant currency (CER)¹ basis and an increase in adjusted² profit before tax of 2.8% to £83.9m (2017/18: £81.6m).

On a reported basis, profit before tax declined by 18.4% to £56.4m (2017/18: £69.1m), predominantly due to a non-cash impairment charge of £12.8m relating to historical costs associated with the ERP system. Free Cash Flow³ increased to £34.3m (2017/18: £26.8m) and we ended the year with net cash of £87.1m (2017/18: £90.2m) after investing close to £50m on acquisitions, R&D and major capital projects.

Implementing our strategy to sustain growth: Five-year plan to 2023/24

Investment in the business over the last five years, which has seen us deliver on our strategy and generate significant value to our shareholders, has laid the foundation for growth in 2019/20 and beyond, as well as highlighting numerous new opportunities.

To ensure we can take full advantage of these opportunities and remove constraints to growth, the Board conducted an in-depth review of our strategy and investment plans during the year. This resulted in a new five-year plan being developed, which provides for an increase in the pace of investment over the medium term.

The investment will see us increase our capacity for innovation and new product development, improve our IT infrastructure and global supply chain to meet the demands of a global business and enhance our digital platform and capabilities, improving our customers' experience.

Thoughtful partnerships and acquisitions can accelerate this trend and we are confident that these organic and inorganic investments will drive further growth and value for shareholders over the coming years.

Dividend

The Group's strong balance sheet and cash generation capability has allowed the Directors to propose an increase in the dividend for the year. Subject to approval at the AGM on 13 November 2019, the Board proposes to pay a final dividend of 8.58 pence (2017/18: 8.58 pence) per share.

- 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 consolidated 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.

Together with the interim dividend of 3.55 pence per share paid on 12 April, this makes a total dividend for the year of 12.13 pence (2017/18: 12.00 pence) per share, representing an increase of 1.1% compared to last year. If approved, the final dividend will be payable on 29 November 2019 to shareholders of record at the close of business on 8 November 2019. The ex-dividend date is 7 November 2019.

Board changes and governance

Following a rigorous recruitment process for a Non-Executive Director, Giles Kerr was appointed to the Board in December 2018. Giles brings extensive experience as both an Executive and Non-Executive Director. His appointment strengthens the Abcam Board as he brings experience of life sciences, finance and first-hand understanding of our academic research customers.

On 19 July 2019 Gavin Wood notified the Board of his intention to step down at the end of his notice period, or when we appoint a successor. The Board appreciates the work Gavin has achieved in the previous three years but recognises his desire to be closer to his family in Oxford.

On 6 September 2019 Sue Harris notified the Board that she would not be seeking re-election at the 2019 AGM. Sue has played an important role in chairing the Audit and Risk Committee to high standards over the last five years. The Board thanks her for support in performing this critical leadership role.

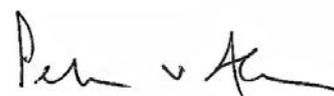
Abcam remains committed to high standards of governance and continues to comply with almost every principle and provision of the UK Corporate Governance Code. In addition, we maintain a robust framework of systems and controls to maintain high standards throughout the Company, more details of which can be found in the Directors' Report.

The Board strongly 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.

Recognition and thanks

Finally, I would like to pay tribute to our colleagues around the world for their continued dedication and hard work, as well as our customers, suppliers, business partners and shareholders for their continued support over the last year.

Sincerely,



Peter Allen
Chairman

6 September 2019