

The background of the entire page is a high-magnification microscopic image of tissue. It shows a dense network of cells with blue-stained nuclei and brown-stained cytoplasm and connective tissue. The cells are arranged in a somewhat regular pattern, with some larger, more irregular cells interspersed among the smaller ones. The overall appearance is that of a histological section, possibly from a glandular or epithelial tissue.

**abcam**

Annual Report and Accounts 2019

**Serving scientists,  
sustaining growth.**

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

## Operational and strategic highlights

All product categories growing above underlying market rates and all strategic performance targets achieved

Continued in-house innovation, with in-house product revenue growth of 13.6% (CER) and the introduction of the Group's 18,000th recombinant antibody

Further enhancements to product quality through knockout validation, recombinant antibodies, and other quality initiatives

Ongoing development of our addressable market in custom products and licensing, with 57 new agreements entered into with biopharmaceutical and diagnostic partners and over 160 custom projects completed during the year

Implemented the financial and non-stock procurement modules of the Oracle Cloud ERP IT system

Successfully relocated to our new global headquarters

Acquisition of Calico Biolabs, expanding expertise in recombinant rabbit monoclonal antibody development

## Contents

### Strategic report

- 1 Our purpose
- 2 Purpose in action
- 8 Chairman's statement
- 10 Chief Executive Officer's review and operational report
- 16 Our markets
- 20 Our business model
- 22 Corporate responsibility
- 28 Our strategic priorities
- 32 Our KPIs
- 36 Risk overview
- 39 Principal risks and uncertainties
- 46 Chief Financial Officer's Report
- 49 Financial Review

### Corporate governance

- 56 Chairman's introduction to governance
- 58 Board of Directors
- 60 Leadership
- 67 Board effectiveness
- 68 Nomination Committee
- 70 Audit and Risk Committee
- 75 Remuneration Committee
- 77 Remuneration at a glance
- 80 Annual Report on Remuneration
- 87 Directors' Report

### Financial statements

- 92 Independent auditor's report
- 99 Consolidated income statement
- 99 Consolidated statement of comprehensive income
- 100 Consolidated balance sheet
- 101 Consolidated statement of changes in equity
- 102 Consolidated cash flow statement
- 103 Notes to the consolidated financial statements
- 132 Company balance sheet
- 133 Company statement of changes in equity
- 134 Notes to the Company financial statements

### Investor information

- 141 Five year record
- 141 Alternative performance measures

### Further information

- 142 Technical glossary
- 144 Corporate directory and Shareholder information

## Financial highlights

**Total revenue** ↗  
**£259.9m +11.4%**

<b>2018/19</b>	<b>£259.9m</b>
2017/18	£233.2m
2016/17	£217.1m

**Gross margin** ↗  
**70.5% +0.6%pts**

<b>2018/19</b>	<b>70.5%</b>
2017/18	69.9%
2016/17	70.1%

**Adjusted EBITDA margin** ↘  
**35.6% -2.3%pts**

<b>2018/19</b>	<b>35.6%</b>
2017/18	37.9%
2016/17	33.8%

**Adjusted profit before tax** ↗  
**£83.9m +2.8%**

<b>2018/19</b>	<b>£83.9m</b>
2017/18	£81.6m
2016/17	£64.6m

**Reported profit before tax** ↘  
**£56.4m -18.4%**

<b>2018/19</b>	<b>£56.4m</b>
2017/18	£69.1m
2016/17	£51.9m

**Adjusted diluted earnings per share** ↗  
**32.6p +0.6%**

<b>2018/19</b>	<b>32.6p</b>
2017/18	32.4p
2016/17	25.5p

**Reported diluted earnings per share** ↘  
**21.8p -27.8%**

<b>2018/19</b>	<b>21.8p</b>
2017/18	30.2p
2016/17	20.7p

**Total dividends** ↗  
**12.13p +1.1%**

<b>2018/19</b>	<b>12.13p</b>
2017/18	12.00p
2016/17	10.18p

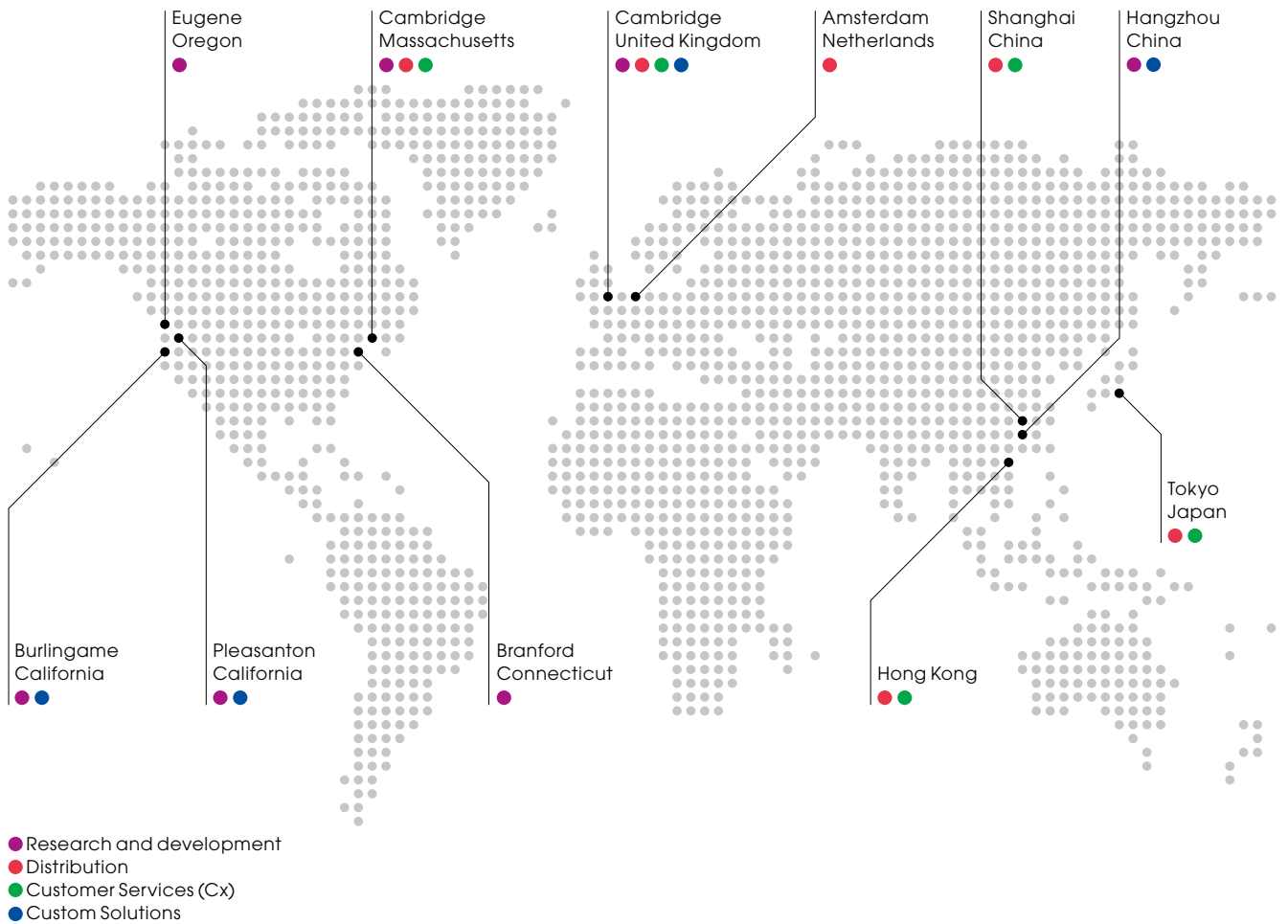
**Return on capital employed (ROCE)** ↘  
**20.8% -2.4%pts**

<b>2018/19</b>	<b>20.8%</b>
2017/18	22.2%
2016/17	19.6%

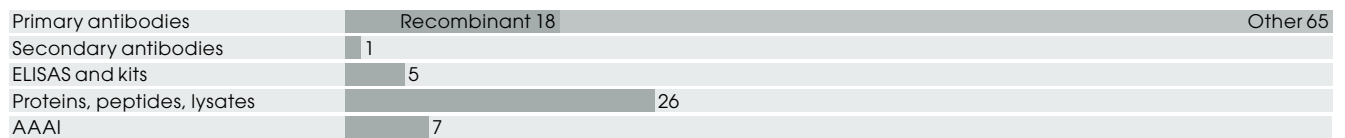
Note:  
 Certain financial measures in this Annual Report and Accounts, including adjusted results above, are not defined under IFRS and are alternative performance measures as described on page 141. All adjusted measures are reconciled to the most directly comparable measure prepared in accordance with IFRS in note 7 to the consolidated financial statements.

# A global leader in the supply of life science research tools

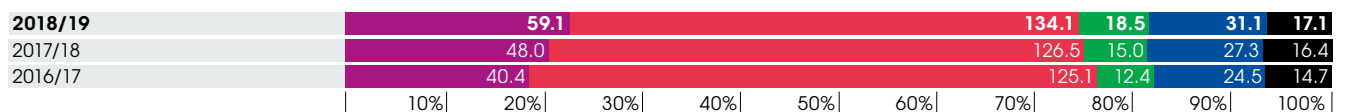
## Global locations



### Catalogue products by type, 000s



### Group revenue, £m



- Recombinant antibodies
- Other antibodies
- Immunoassays
- Other catalogue products
- Custom Products & Licensing

Share of global primary antibody research citations (2018)<sup>1</sup>

21%

Employees

1,155

PhDs

212

<sup>1</sup> Source: CiteAb.



**Related investor presentations**

Abcam plc regularly updates its stakeholders through the website.

Please visit [abcamplc.com](http://abcamplc.com) for further information.

**Cover image**

Visualising PD-L1 in cells: PD-L1 is involved in suppressing certain immune responses and is a key target for cancer therapies. These therapies aim to reduce PD-L1 levels in cancer cells, preventing them from 'hiding' from the immune system.