
Abcam Plc

Interim results for the six months
ended 31 December 2017

5th March 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.

Agenda

Introduction

Alan Hirzel, CEO

H1 Financial Results

Gavin Wood, CFO

H1 Business Update

Alan Hirzel, CEO

Q&A

Introduction

Becoming the most influential life science company for researchers worldwide

“ I had been looking for antibodies that detect M13 phage and had tried several anti-M13 antibodies without satisfactory results.

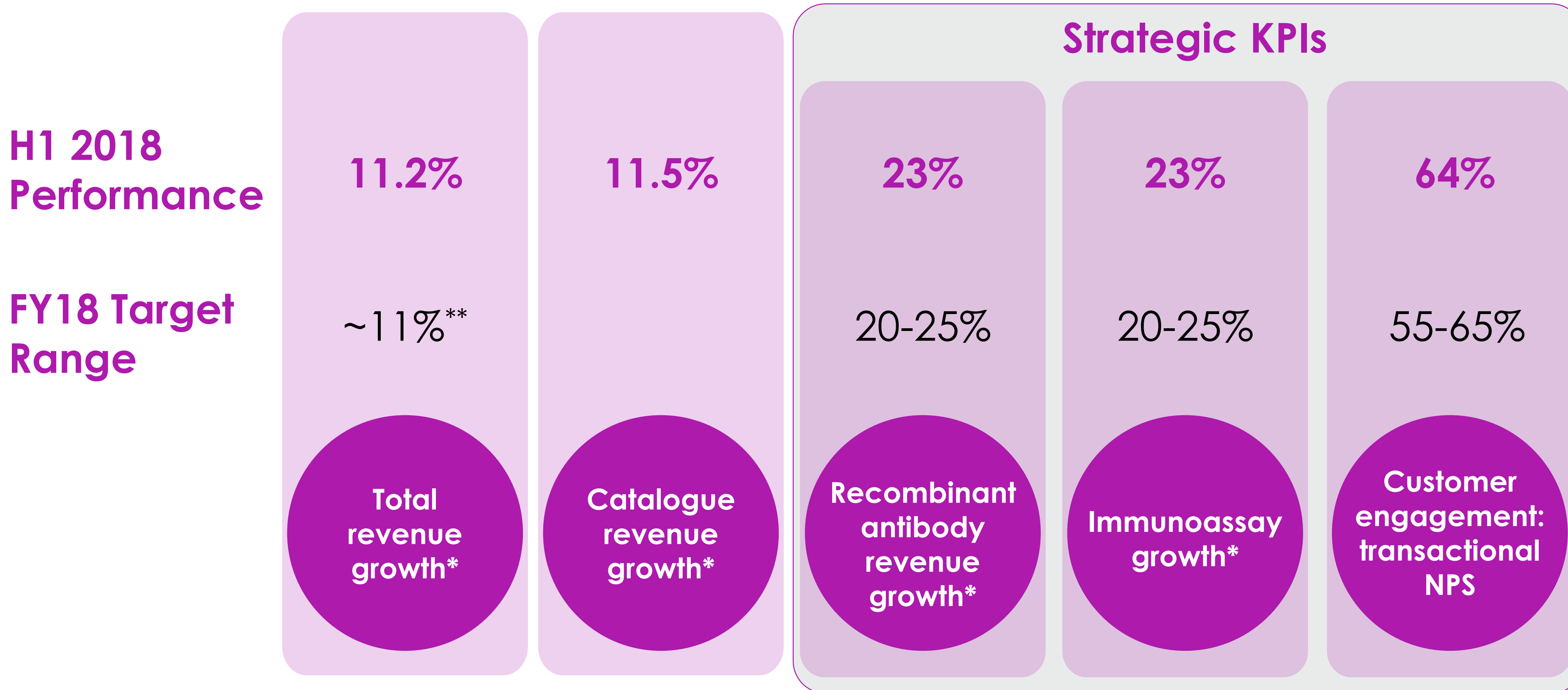
We were on the point of giving up, when I tried Abcam's Anti-Filamentous Phages antibody (ab20337). It displayed **better sensitivity** and **better specificity** than other antibodies, ultimately generating the desired result.

My research, which had been held up for a year, is now proceeding smoothly.”

Associate Professor, National Institute for Basic Biology, Okazaki, Japan



Double digit underlying growth delivered in H1

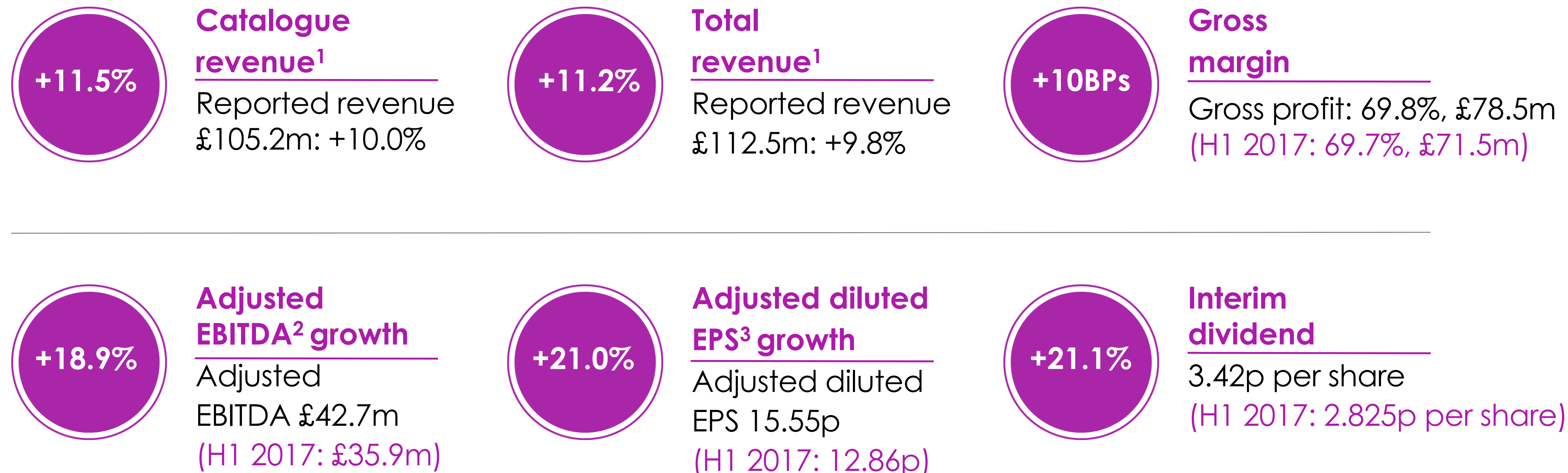


* At constant exchange rates (CER, applying prior period's exchange rates to this period's results).

** FY18 target includes the impact from the Spring Bioscience deal signed in January 2018

H1 Financial Results

Strong financial performance in H1 2018



1. At constant exchange rates (applying prior period's actual exchange rates to this period's results)
2. Excluding other system and process improvement costs, contingent consideration fair value adjustments and acquisition costs
3. Excluding other system and process improvement costs, contingent consideration fair value adjustments, acquisition costs, amortisation of acquisition related intangible assets, system and process improvements impairment costs, the unwinding of discount factor on contingent consideration and fees, the tax effect of 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

Foreign exchange – modest headwind in H1



Total Reported revenue

H1 2018: £112.5m
H1 2017: £102.5m

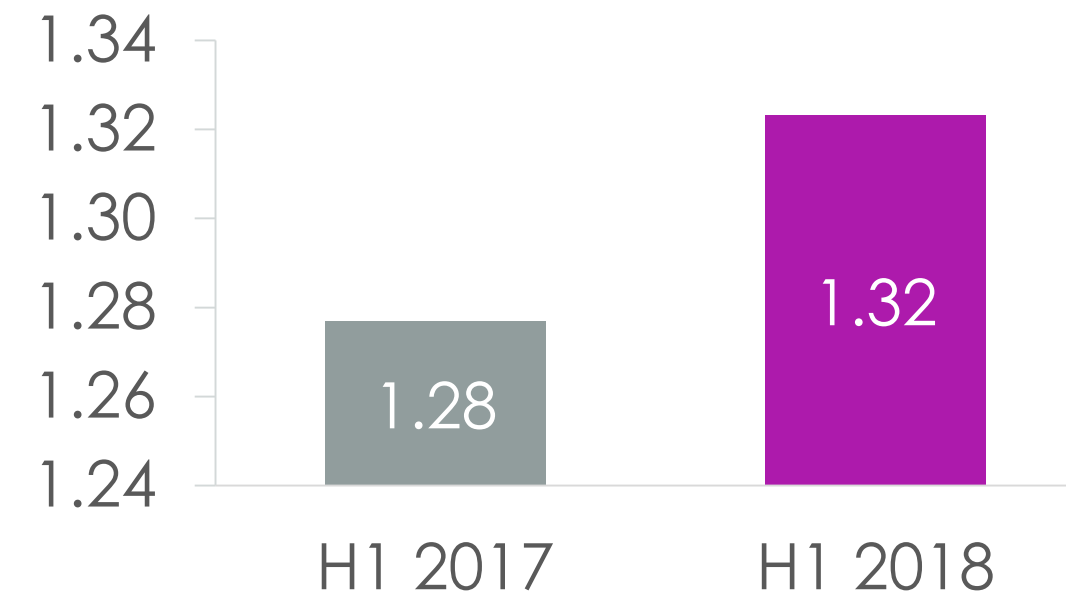


Reported Catalogue revenue

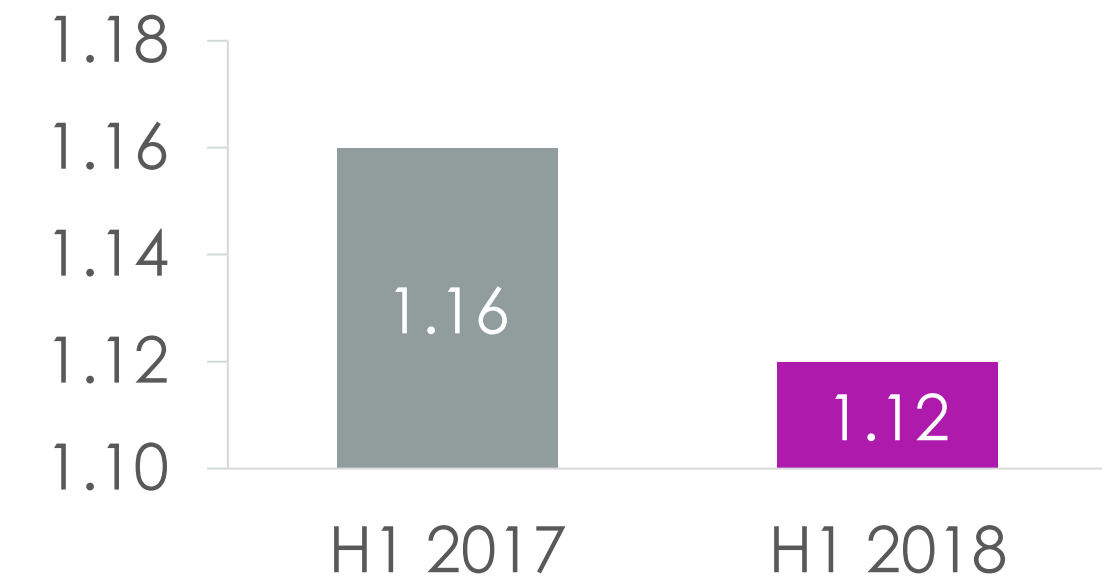
H1 2018: £105.2m
H1 2017: £95.6m

Foreign Currency Movements

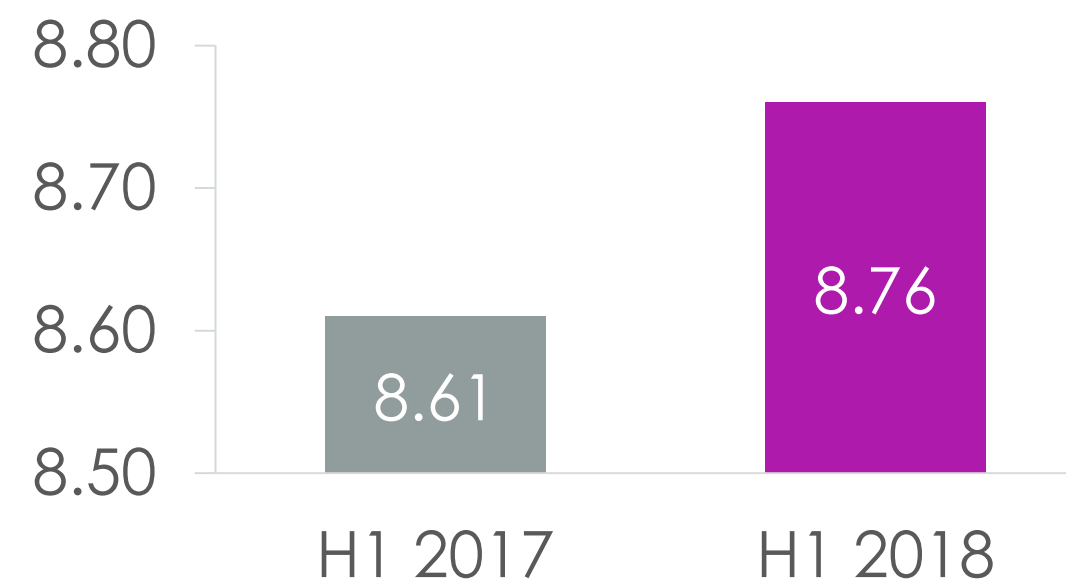
USD/GBP (47.6% of rev)



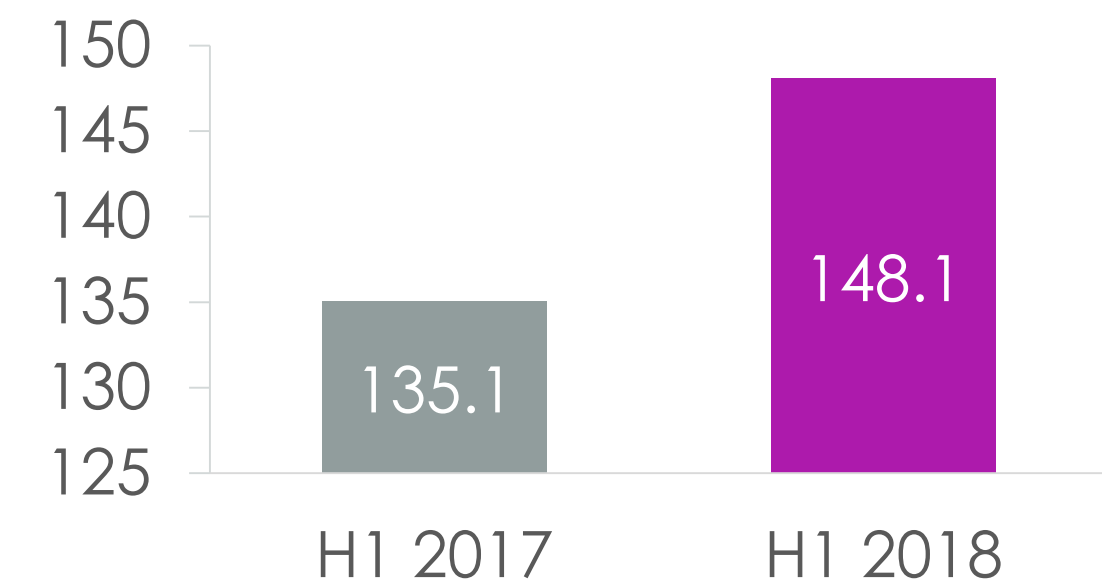
EUR/GBP (19.8% of rev)



RMB/GBP (14.7% of rev)



JPY/GBP (7.0% of rev)



Note: average exchange rates in period

Revenue growth by category aligned to strategy

	H1 2018 £m	H1 2017 £m	Constant Currency growth*
Catalogue:			
Primary and Secondary Antibodies	85.2	78.7	9.6%
<i>o/w Recombinant antibodies</i>	22.4	18.5	22.8%
Other products¹	20.0	16.9	20.1%
<i>o/w Immunoassay products</i>	7.0	5.8	23.4%
Catalogue total	105.2	95.6	11.5%
Custom products and licensing (CP&L) ²	7.3	6.9	7.8%
Total	112.5	102.5	11.2%

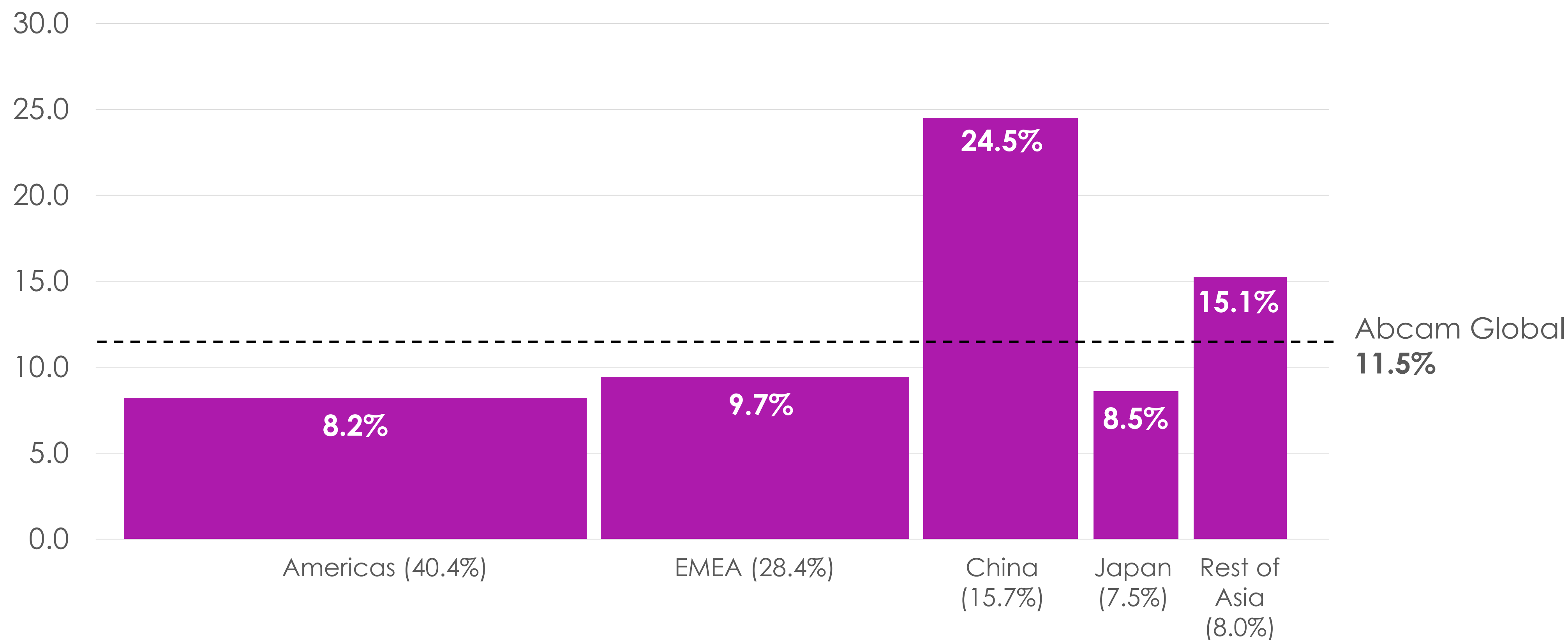
¹ Includes kits and assays, proteins, peptides, lysates and AAI products sold for research use

² Includes royalty income, custom products and licensing revenue

* At constant exchange rates (applying prior period's exchange rates to this period's results)

Regional growth continues to exceed market growth rates

H1 2018 Catalogue revenue growth rate, %*



* 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 H1 2018

We are investing to ensure our business is scalable



Strengthened global team

Global Manufacturing and Supply Chain function created

Executive Leadership Team complete

Continued investment in team capabilities



Transforming our systems and processes

Oracle Fusion cloud based ERP to replace IT legacy systems

Benefiting from two releases launched to date

Technical solution for majority of remaining modules substantially complete

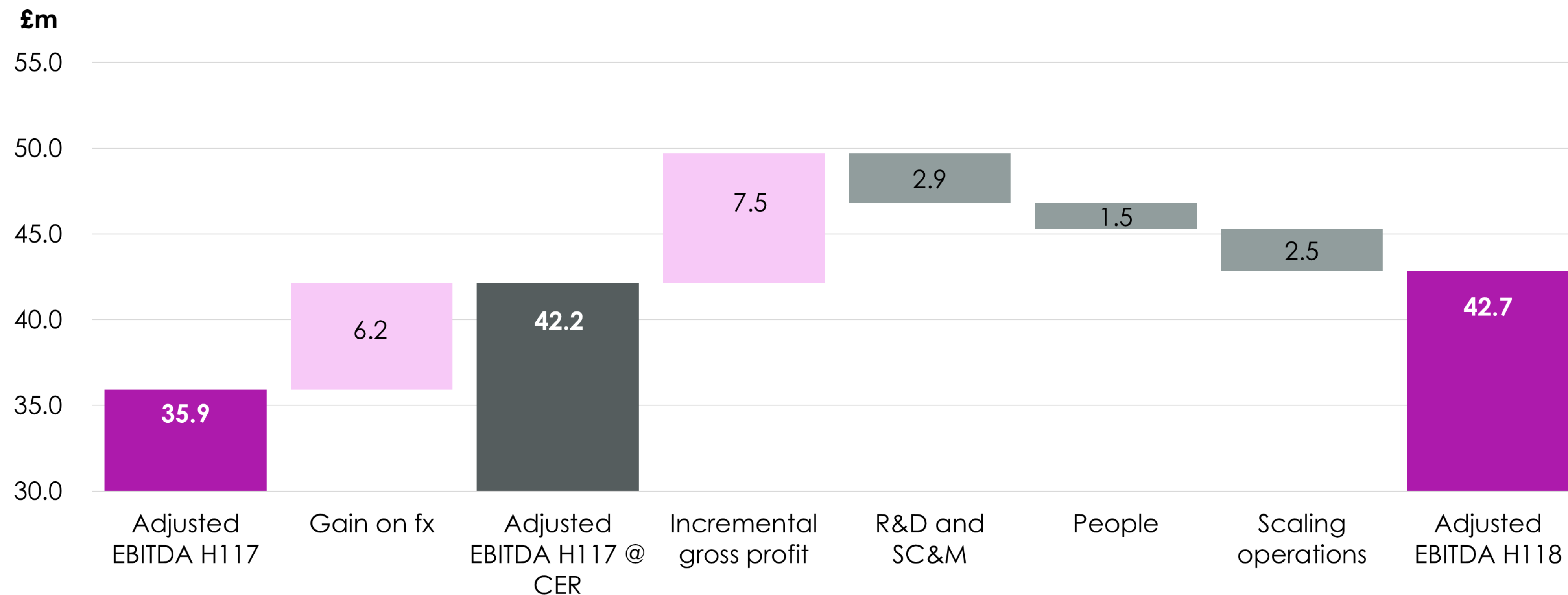


Expanded facilities

Continued investment in R&D and production facilities in the US and China

On track to complete construction of new UK HQ in late calendar 2018

We continue to invest in our people and operations to support future growth



- Excluding acquisition costs, acquisition integration costs, the initial incremental costs associated with the investment in systems and processes and prior year R&D tax credits.

Continued strong cash generation

	H1 2018	H1 2017
	£m	£m
Operating cash flows before w/c	39.5	35.9
Change in working capital	(3.1)	4.1
Tax	(4.3)	(4.6)
Investing activities (excl. term deposits)	(11.1)	(16.0)
Financing activities	(14.3)	(12.7)
Net change in cash and term deposits	7.5	6.7
Forex	(0.7)	0.8
Opening cash and term deposits	84.8	68.9
Closing cash and term deposits	91.6	76.4

- Group continues to build cash after investing in growth and infrastructure

- Movement in working capital predominantly due to the timing of one off items in this and prior year period

- Main investing activities
 - ERP investment £5.9m
 - New Cambridge HQ £2.2m
 - Global lab facilities £1.1m
- Spring Bioscience consideration of \$17.6m (c.£13m) post period end

- Financing activities were predominantly dividends

H1 Business Update

Our five goals to sustain growth



Sustain antibody and digital marketing leadership



Expand in related growth markets



Invest in operating capabilities for 2x 2016 scale by 2023



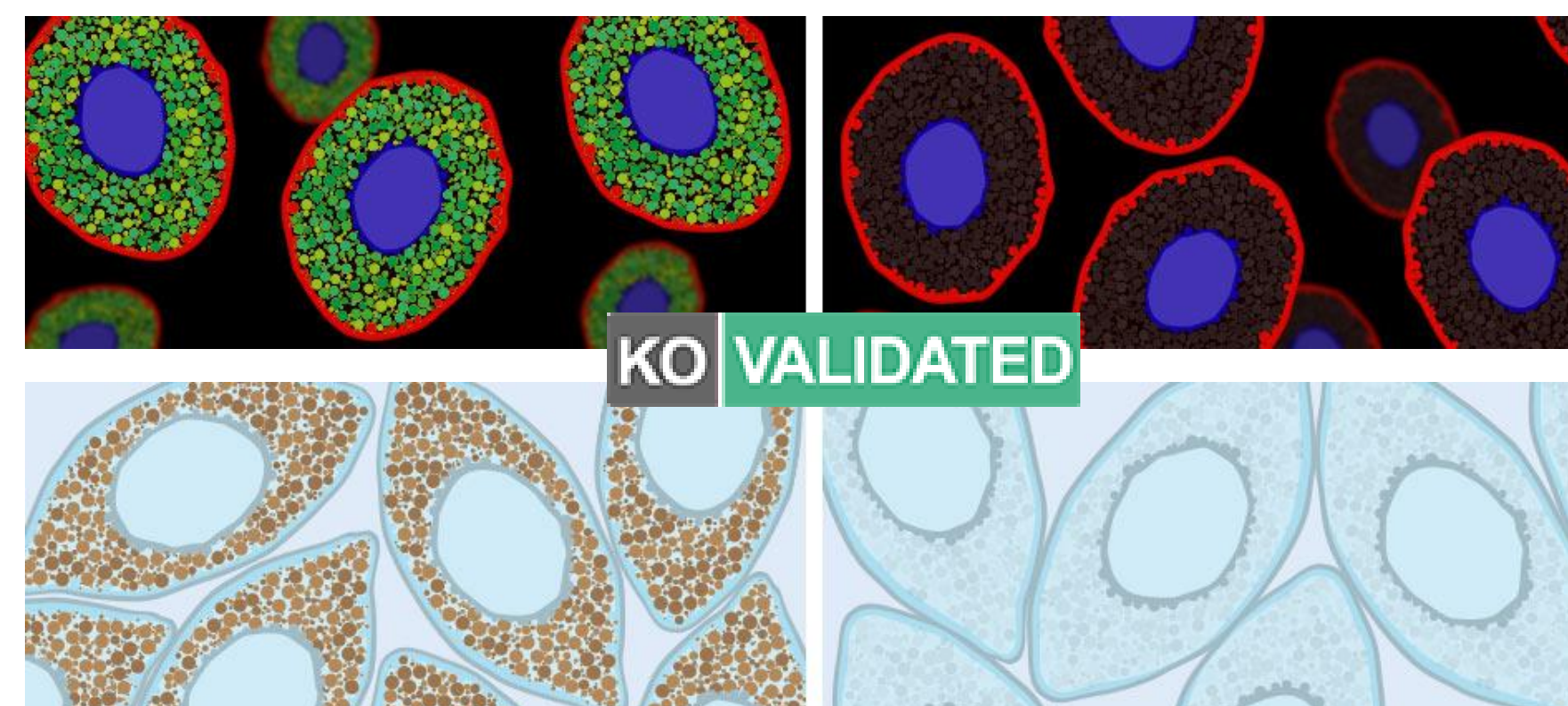
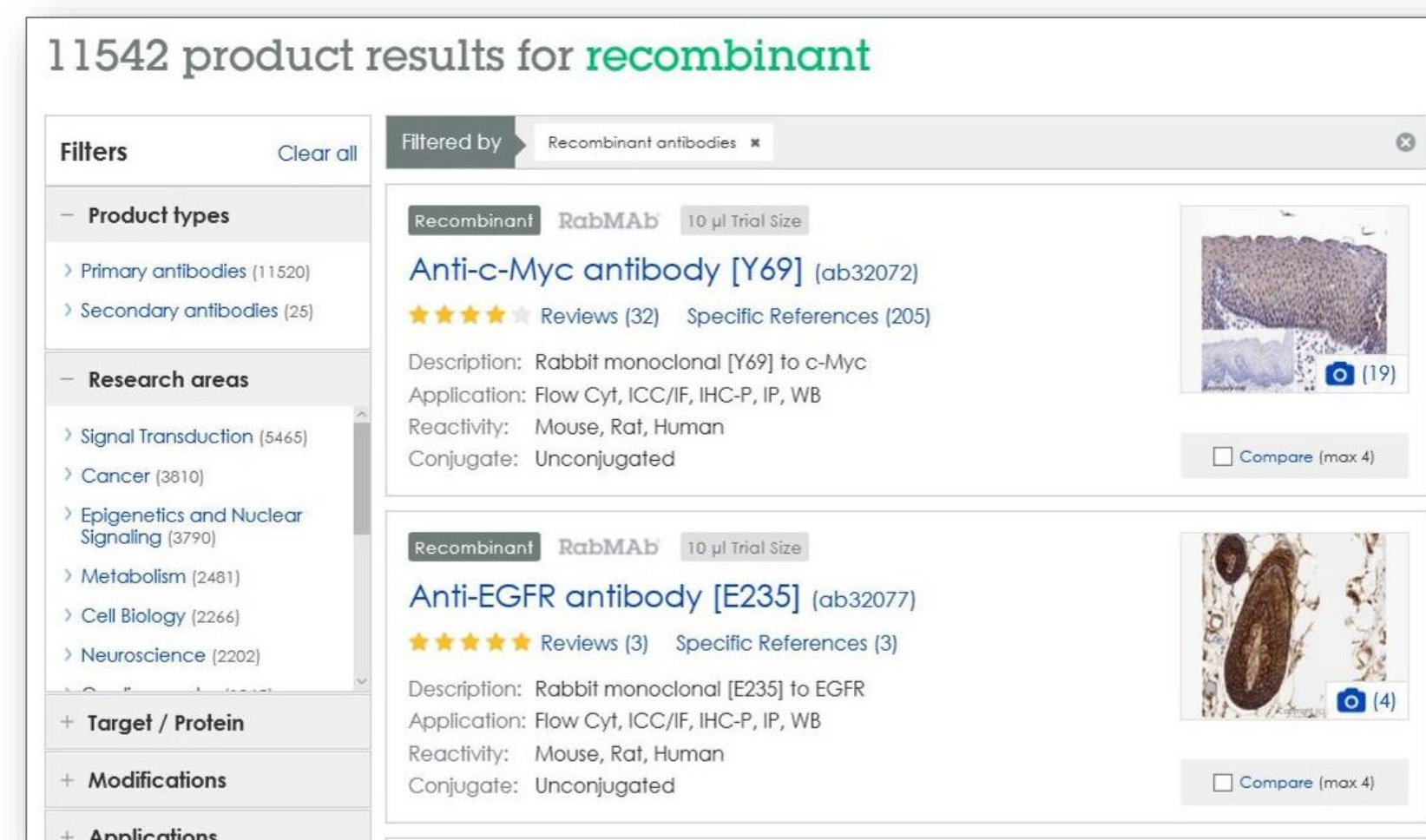
Sustain attractive economics



Supplement organic growth - partnerships and acquisitions

Sustaining antibody leadership

- Continued focus on **data analytics** to inform product development decisions
- **Over 600** internally developed antibodies published in H1
- Over 850 **recombinant** antibodies added in H1
- Total number of **Knockout Validated** antibodies now >1,200



Fluorescent western blotting using anti-Cdk4 antibody [EPR4513] (ab108357) at 1/1000 dilution. Lane 1: Wild-type HAP1 cell lysate, lane 2: Human Cdk4 Knockout cell lysate. Target band at 34 kDa. Loading control band using anti-beta Actin (ab8227) at 42 kDa

Sustaining digital marketing leadership

- Continued growth in global web traffic
- Two new site upgrades implemented
- More effective email campaigns launched, driving higher engagement rates





Expand in related growth markets - **Immunoassays**

- **c.100 new in-house products** added to catalogue across antibody pairs and single / multiplex immunoassays
- Strategic collaborations with **TTP-Labtech Ltd** and **Molecular Devices Inc** announced
- New FirePlex[®]-HT **high-throughput** multiplex immunoassay launched in alpha





Expand in related growth markets - **Abcam Inside**

- Framework agreements put in place over last 2 years with **over 20 leading** pharmaceutical (Tx) and diagnostic (cDx) companies
- **>75 'Abcam Inside' projects initiated** in H1 under new terms with cDx/Tx partners

Example **completed** projects:

Therapeutic area / project	Target	Stage	Revenue sources	
			CP&L	Research Catalogue
Oncology	CD40	FDA Phase 3	• Milestones • Royalty	-
Oncology	PD-L1	Multiple cDx (510k) approvals	• Supply • Royalty	✓
Oncology	ARv7	Dx w/CLIA	• Milestones	✓
Infectious diseases	Viral infection	Early Dx development	• Supply • Milestones	Under review
Neuroscience	Neurodegeneration	Dx development	• Milestones	✓
Dx platform	Multiple	Early platform commercialisation	• Milestones	✓



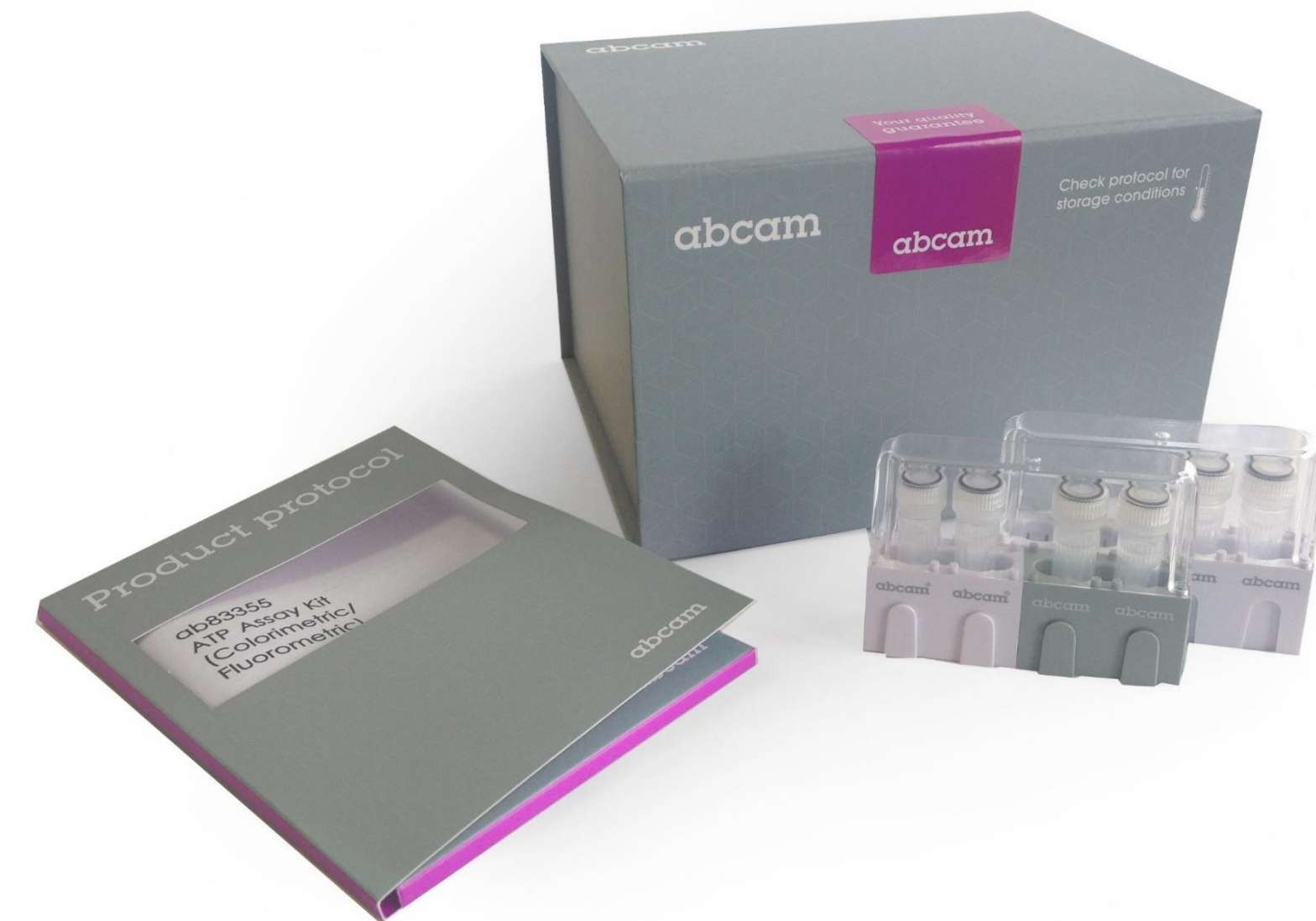
Supplement organic growth - partnerships and acquisitions

- Roche licence agreement announced in January covering Spring Bioscience portfolio
 - ~760 products including 243 'SP Clones'
- **Highly aligned with our M&A criteria:**
 - ✓ “Gold standard” reagents to study biological pathways
 - ✓ opportunity to drive further growth via digital platform and brand
 - ✓ potential to create new propositions by combining with existing Abcam technology
 - ✓ accretive deals with attractive return on capital



Investment thesis for Abcam

- **Sustained long term demand** for research tools
- A **global market leader of research antibodies**, growing at 2x market rates*
- **Unique capabilities** arising from data insights, proprietary IP, digital marketing, global distribution and our agile culture, **support continued share gains**
- These **capabilities** and a **consumer focused strategy** are **opening up multiple growth opportunities in addressable markets of ~\$8bn**
- **Investing** to ensure **capacity supports opportunity**



* Source: Company estimates, FY16/17 & H1 17/18

Q&A

Back up

Our 2018 objectives



Sustain antibody and digital marketing leadership

- **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



Expand in related growth markets

- **Grow immunoassays** in line with multi-year aspiration
- **Increase Abcam Inside** projects and framework agreements



Invest in operating capabilities for 2x 2016 scale by 2023

- **Successfully implement Oracle Cloud** and complete organisation alignment
- **Complete implementation of Supply Chain and Manufacturing** function



Sustain attractive economics

- **Deliver major capital projects** within planned costs and time
- Realise further **productivity** gains
- Move to **direct distribution** in more markets



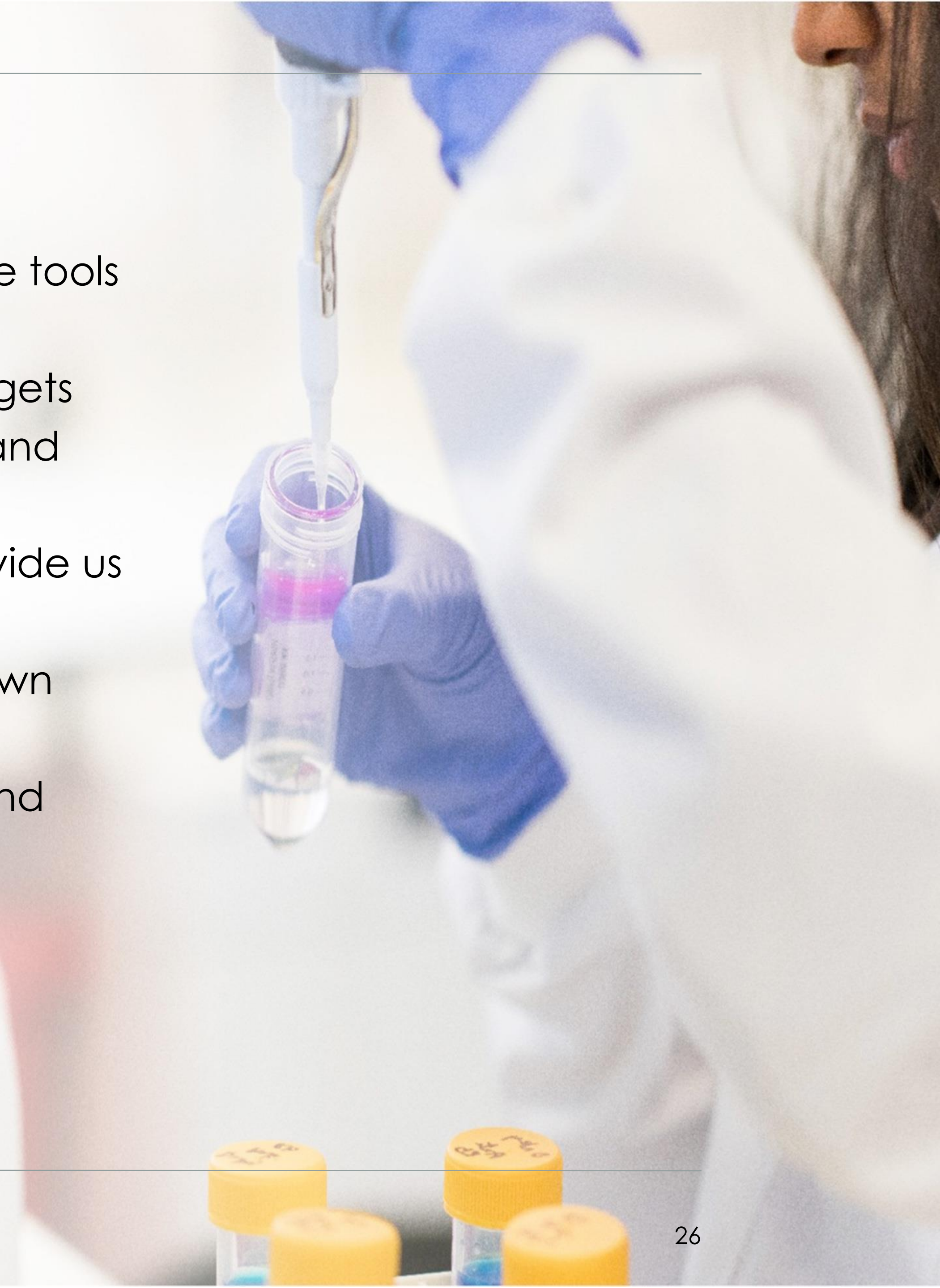
Supplement organic growth - partnerships and acquisitions

- **Strengthen relationships** for future deals

Facts about our business

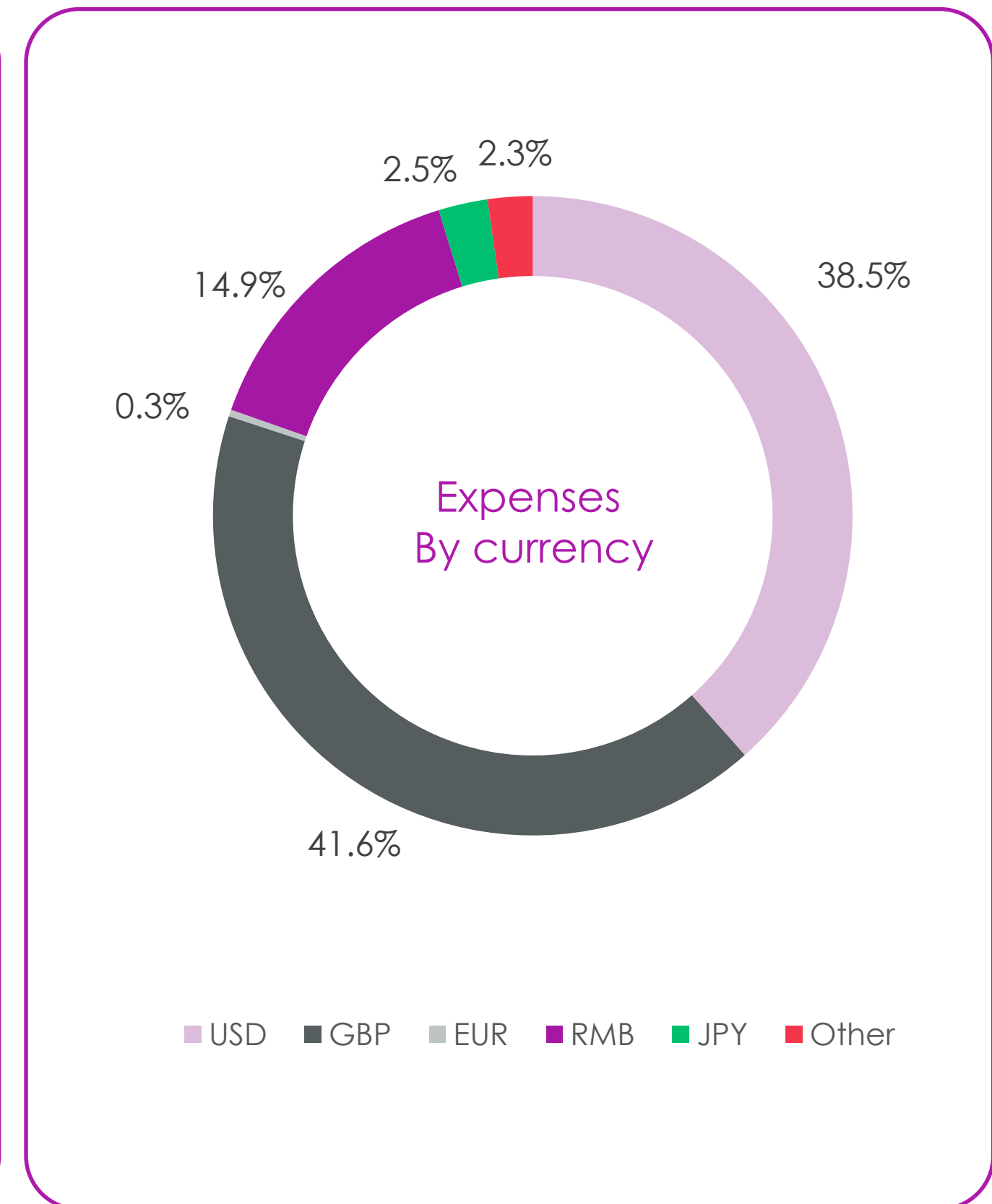
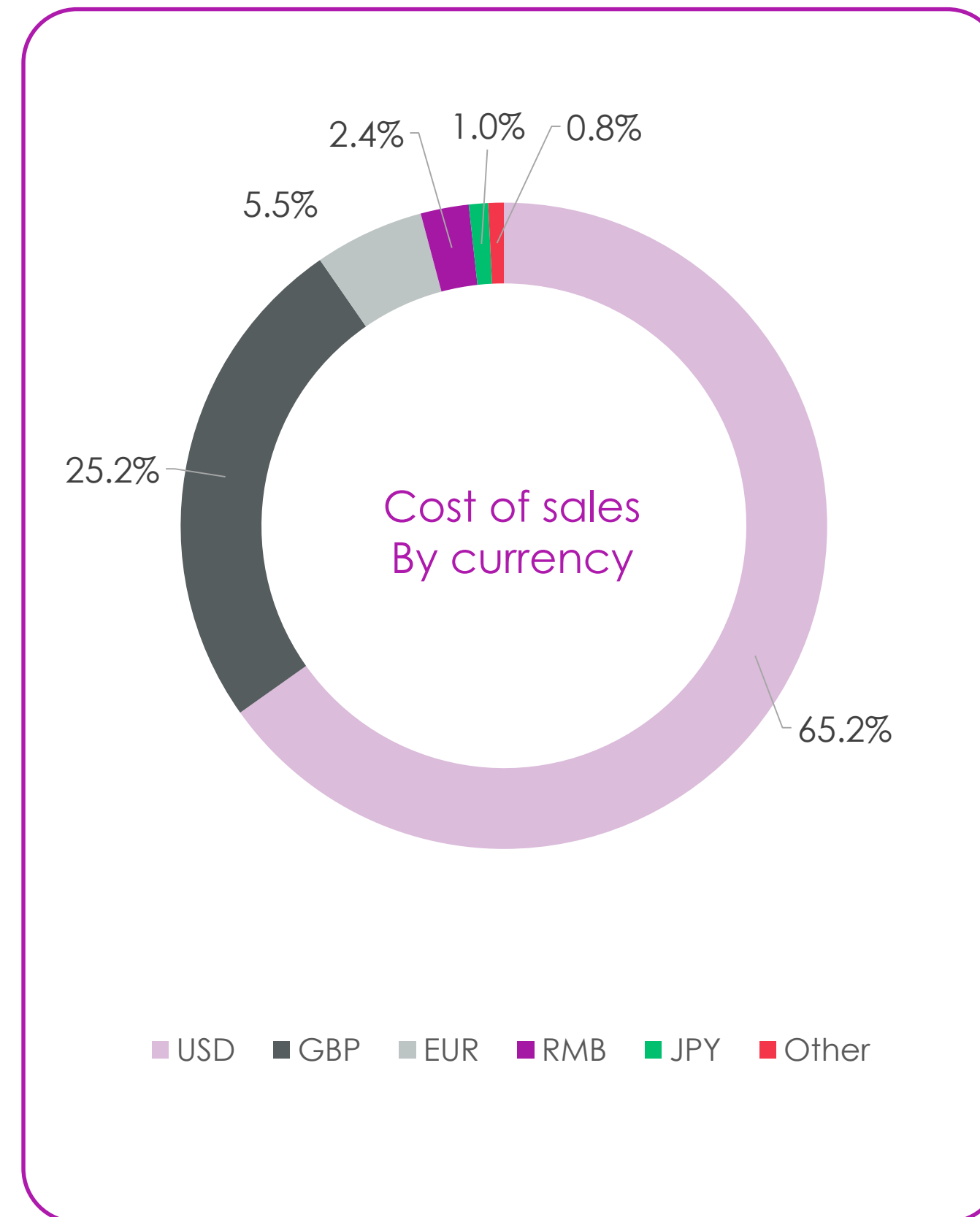
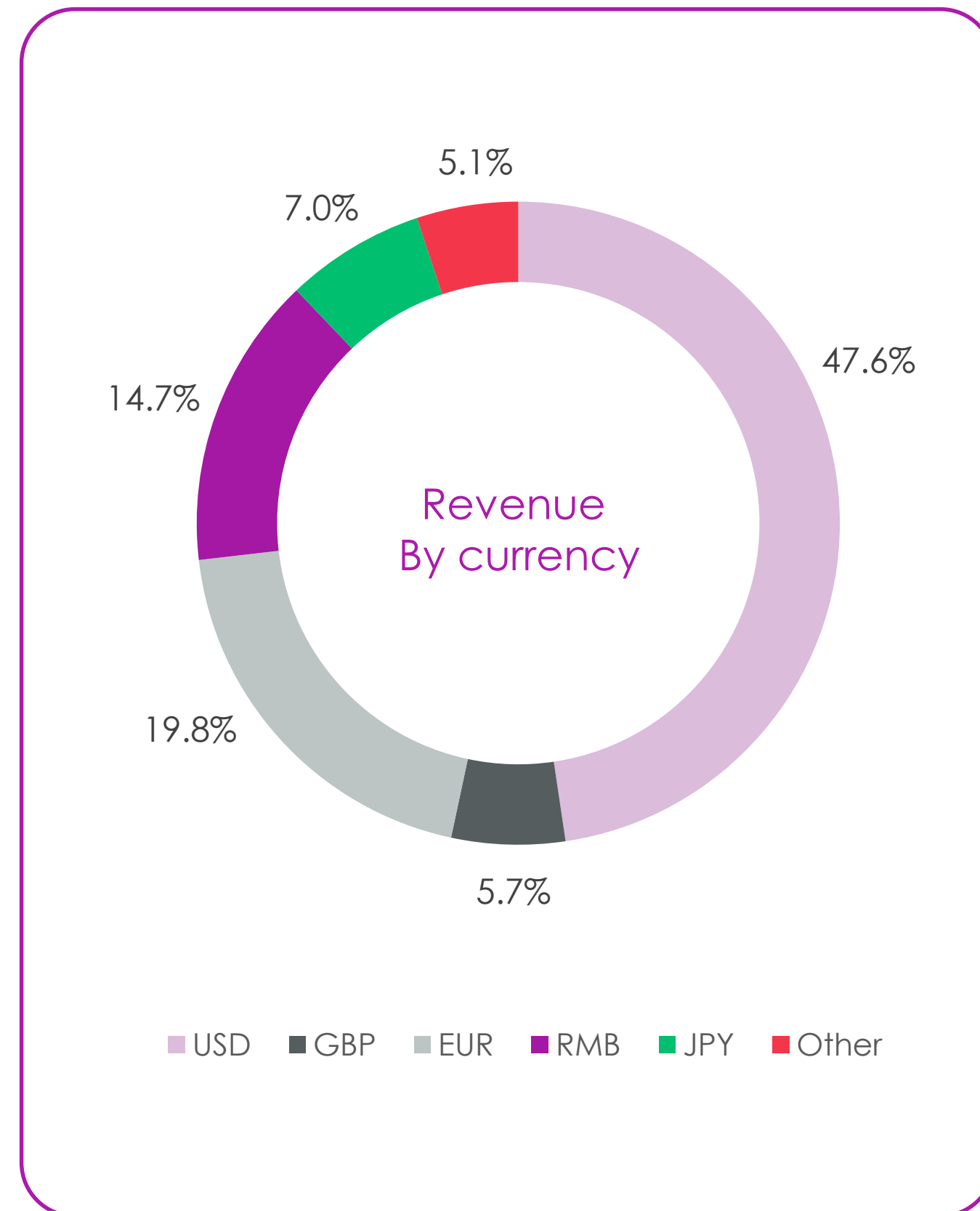
- Abcam makes, sources and sells a range of life science tools to help protein researchers discover more
- We offer over 100,000 products to research protein targets across antibodies, proteins, lysates, biochemicals, kits and assays
- Working in partnership with over 300 suppliers who provide us with innovative products and data
- More than 40% 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 employees¹ working globally across eleven locations, including five production sites, to make it all happen

¹ Includes contractors

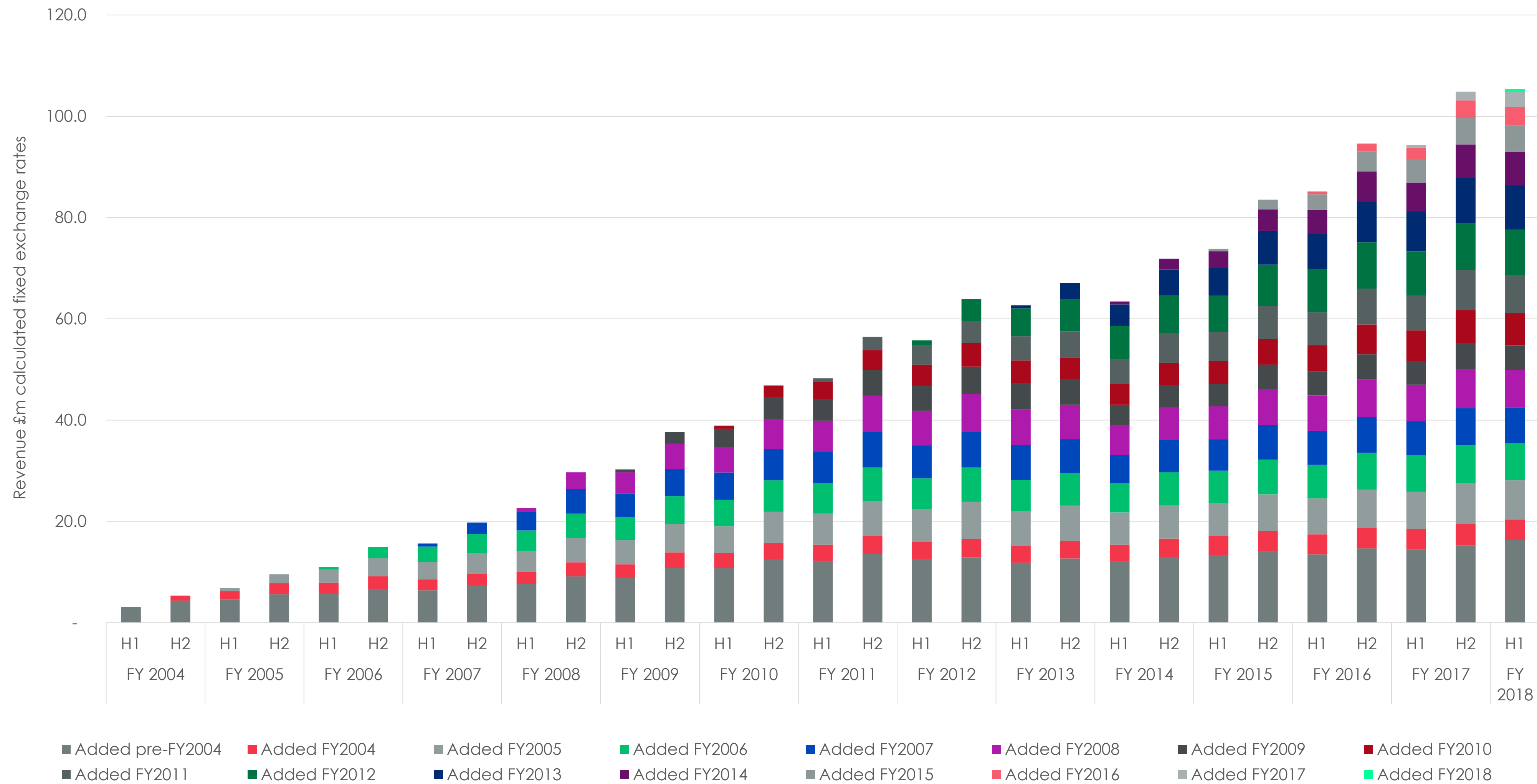


Foreign currency and exchange rate analysis

Modest headwind to revenues in H1



Cohort catalogue revenue by financial year



Revenue growth – previous product category split

	H1 2018 £m	H1 2017 £m	Constant Currency growth*
Core primary antibodies	59.0	56.9	4.9%
RabMAb [®] primary antibodies	23.1	19.2	22.5%
Non-primary antibody products	23.1	19.5	19.9%
Catalogue revenue total	105.2	95.6	11.5%
Custom products and licensing	7.3	6.9	7.8%
Total revenue	112.5	102.5	11.2%

* At constant exchange rates (applying prior period's exchange rates to this period's results)