
Abcam plc

Serving life scientists to achieve
their mission, faster

abcam

Abcam plc, Company presentation, March 2019



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Important information

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A global leader in affinity reagents



Disruptive, profitable growth company helping researchers study biological pathways since 1998



Global market leader in research antibodies growing at ~2x market rates



Highest number of antibody citations in scientific research journals globally



Unique capabilities arising from big data insights, proprietary IP, digital marketing, global distribution and our agile culture support continued share gains across TAM of ~\$8bn



Financial performance and **cash generation** supports **continued investment to grow and double** the FY16 scale of the business by FY23

“ We aspire to be the **most influential company for life scientists**, supporting research, diagnostic and therapeutic discovery.”

A disruptive growth company since 1998

Global Reported Revenue, £m

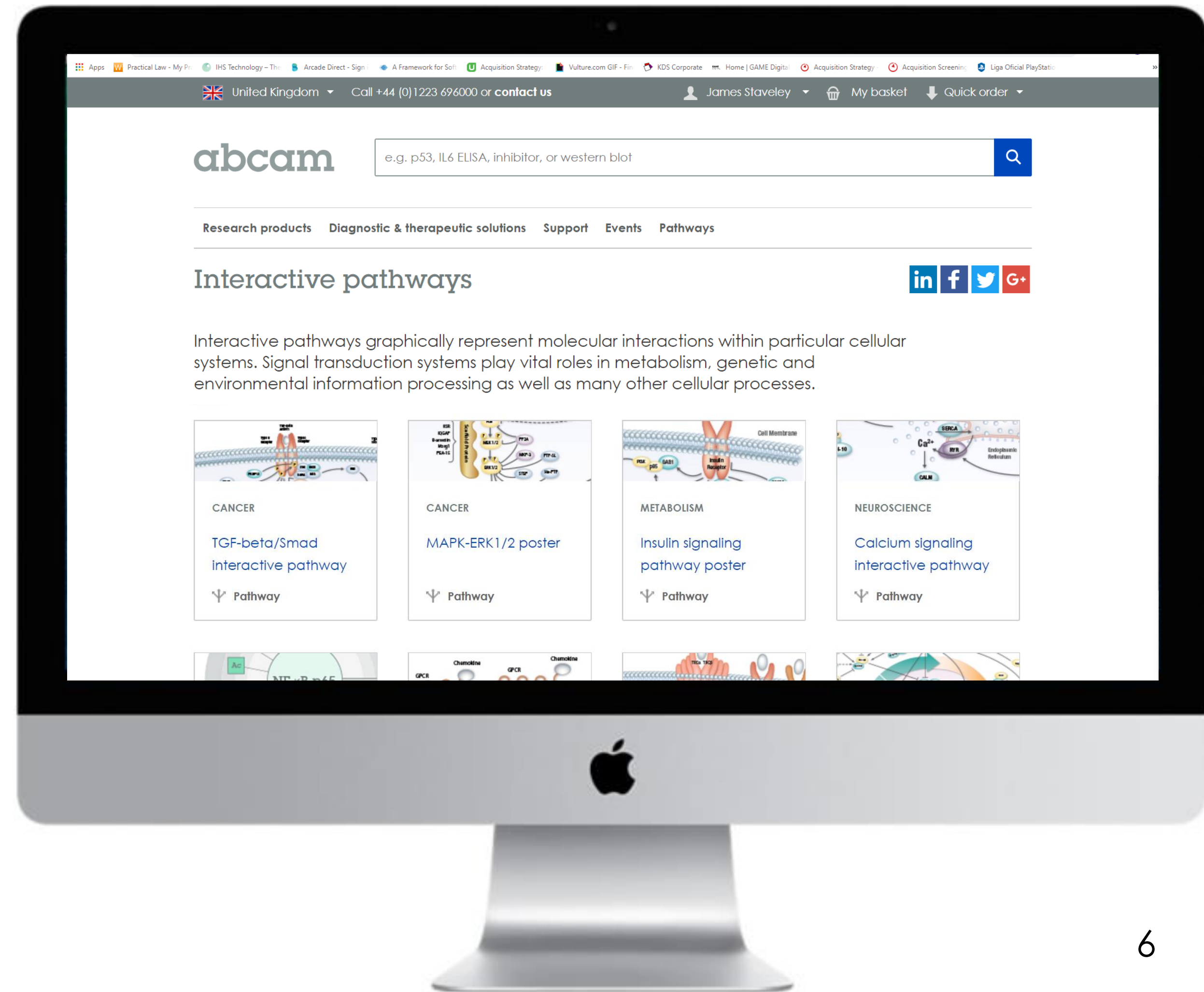


We serve customers in over 140 countries from 12 locations globally



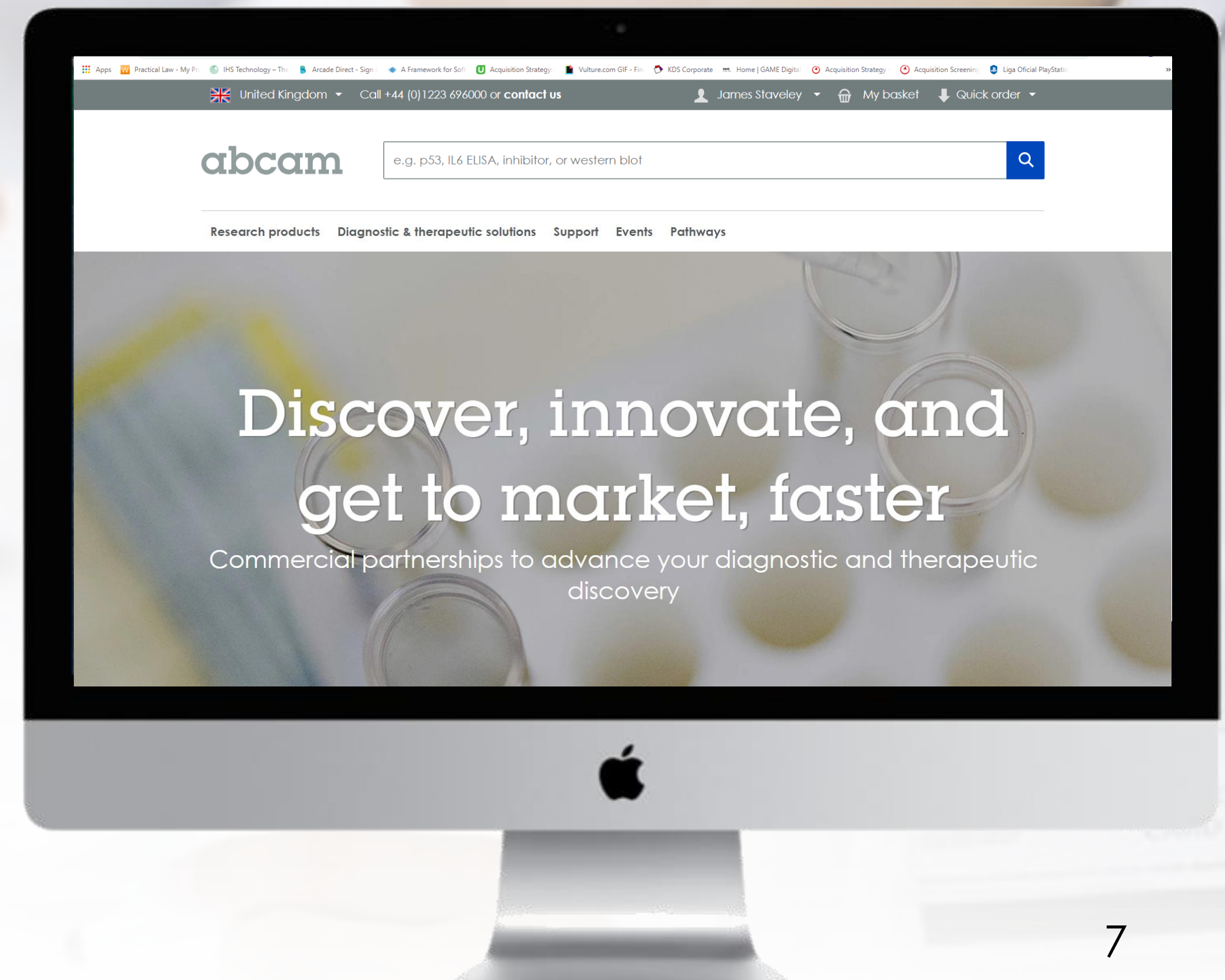
We provide validated products to help researchers understand biological pathways

- **>600,000** scientists served in more than **140 countries**
- **Over 19,000 internally developed recombinant** antibody products
- **Total of >118,000 products** listed online including:
 - Primary and secondary antibodies
 - Immunoassays and Kits
 - Proteins, peptides, lysates
 - Biochemicals



We are an antibody development partner to diagnostic and biopharmaceutical companies

- Antibody development partner for **diagnostic and therapeutic solutions**
- **Framework agreements** in place with major diagnostic and biopharma companies
- **More than 300 projects** completed since 2016
- Some early projects entering market



Our five strategic priorities are aligned to sustaining this growth and creating value over the long-term



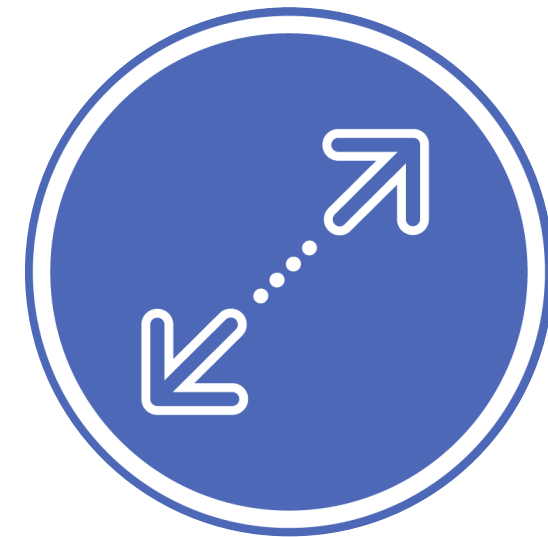
Sustain antibody and digital marketing leadership

- » Gain share in global research reagents



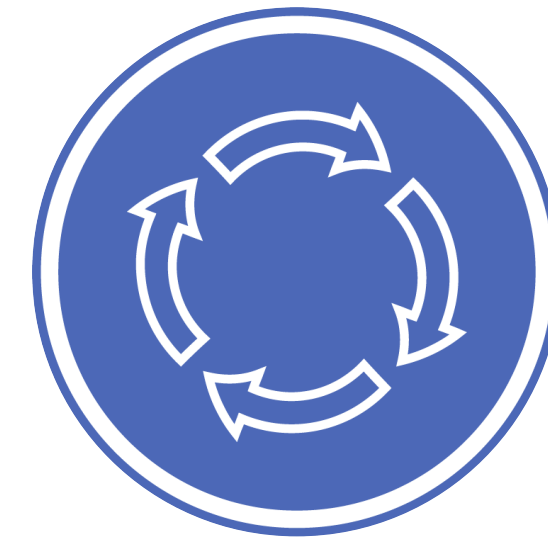
Expand in related growth markets

- » Immunoassays
- » Dx/Tx
- » 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

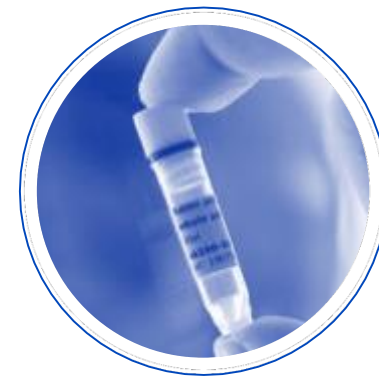


Supplement organic growth - acquisitions and partnerships

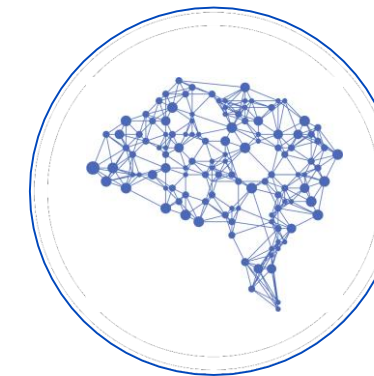
- » Strengthen capabilities and portfolio to deliver vision

Our strengths and business model support **sustained share gains** within our markets

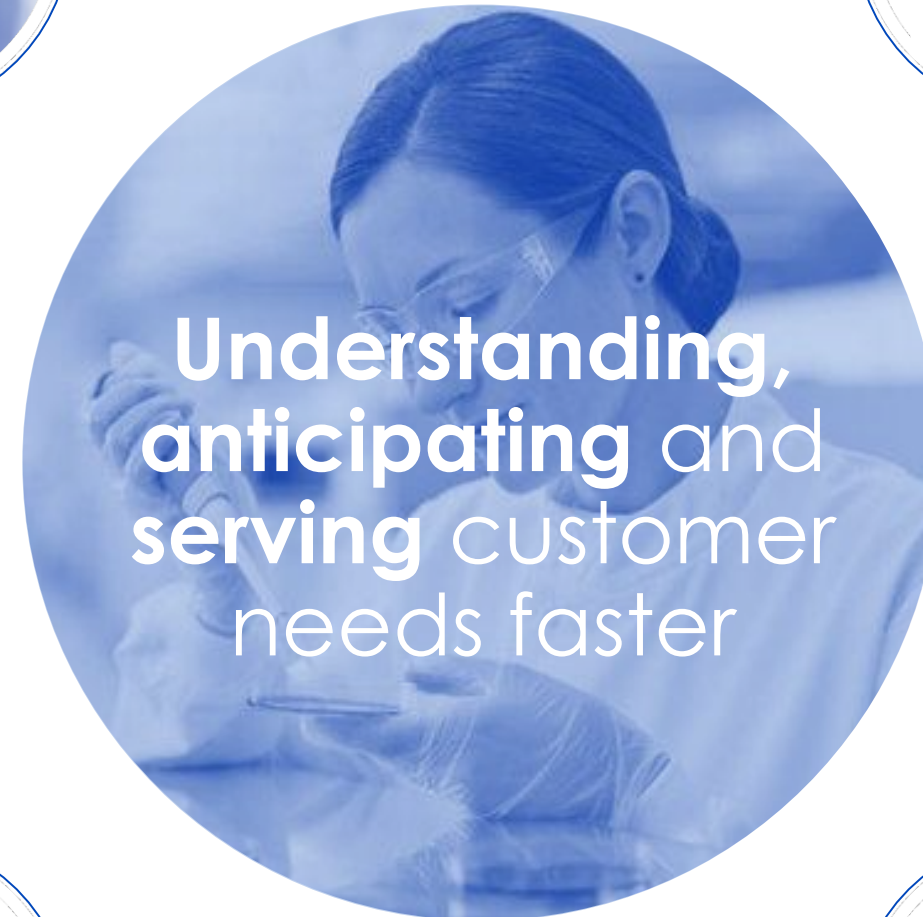
Rapid global distribution:
local marketing with global
customer and scientific
support



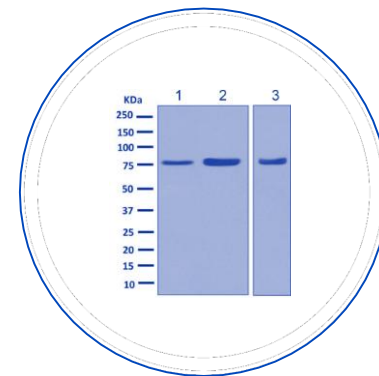
Extensive data and analytics:
generate proprietary insights
which are used to inform
product development
pipeline



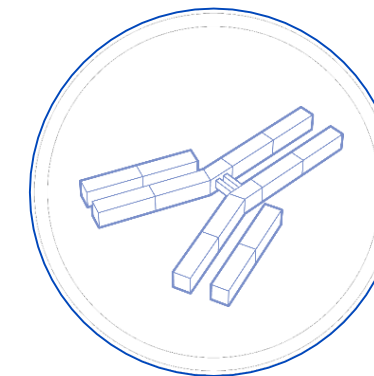
Understanding,
anticipating and
serving customer
needs faster



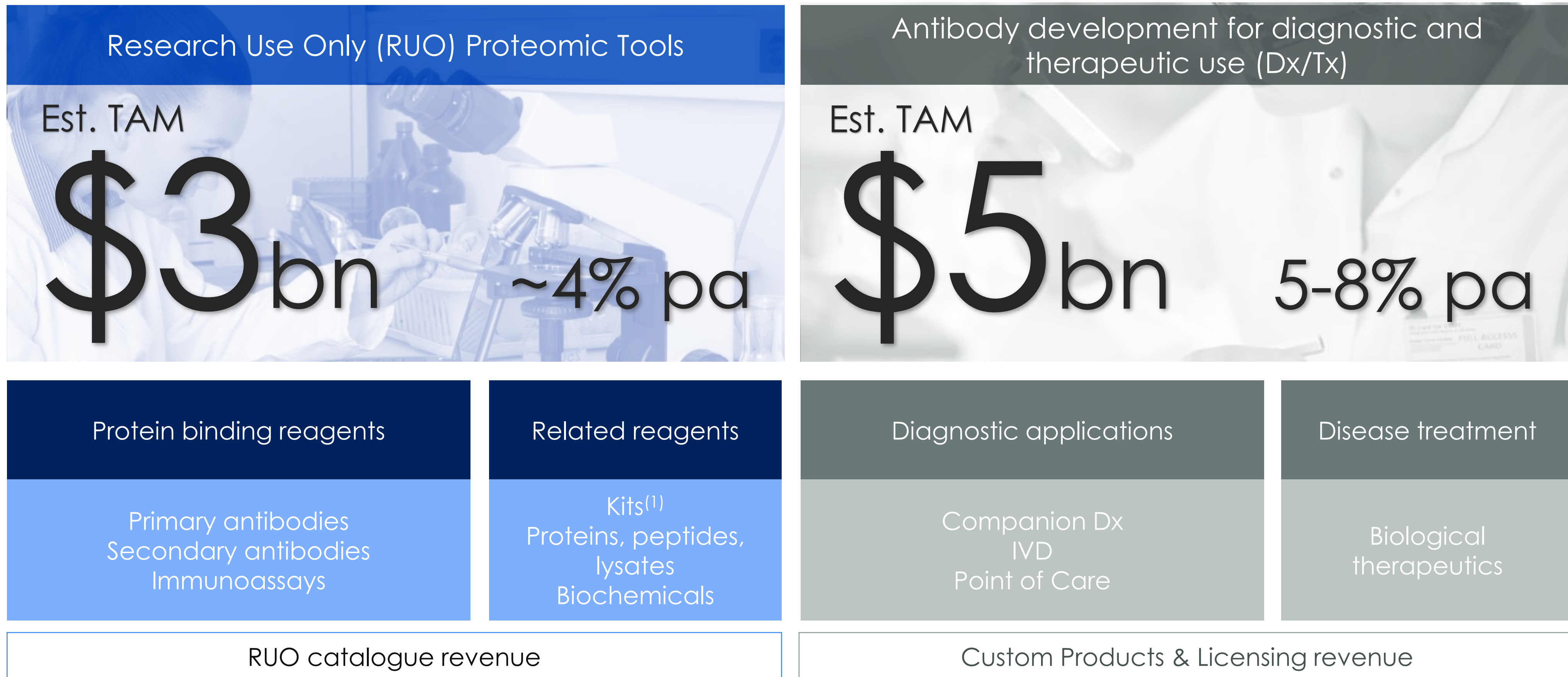
**Industry leading product
validation and characterisation:**
validates performance and
provides quality assurance



**Scale platform and leading
technologies for antibody
develop:** Ab toolkit, including
recombinant RabMAbs®,
phage display and NGS delivers
high performance antibodies
exhibiting superior *sensitivity*,
specificity and *consistency*

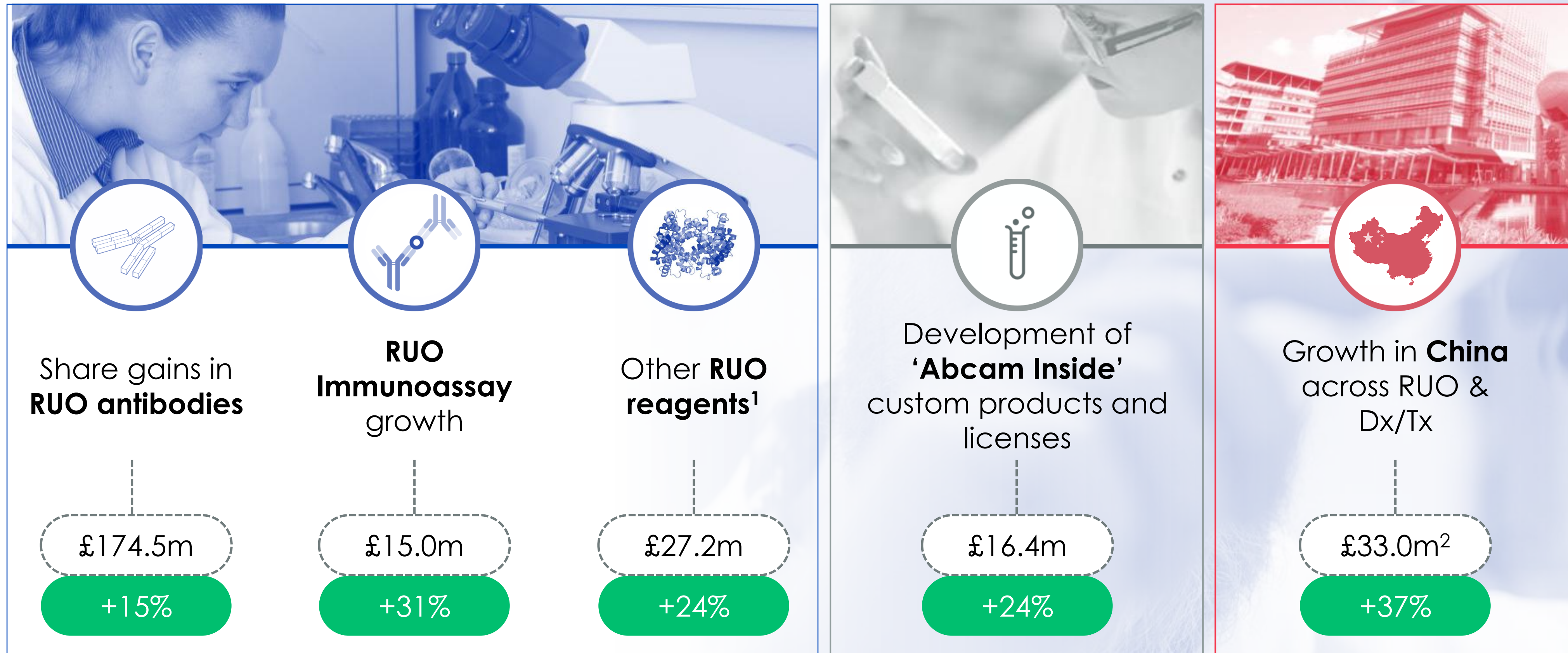


Leadership in research use markets is strengthening our competitive position in an \$8bn addressable market



(1) Includes Cellular Activity Kits, Epigenetic Kits, miRNA Kits
 (2) Excludes research use sales

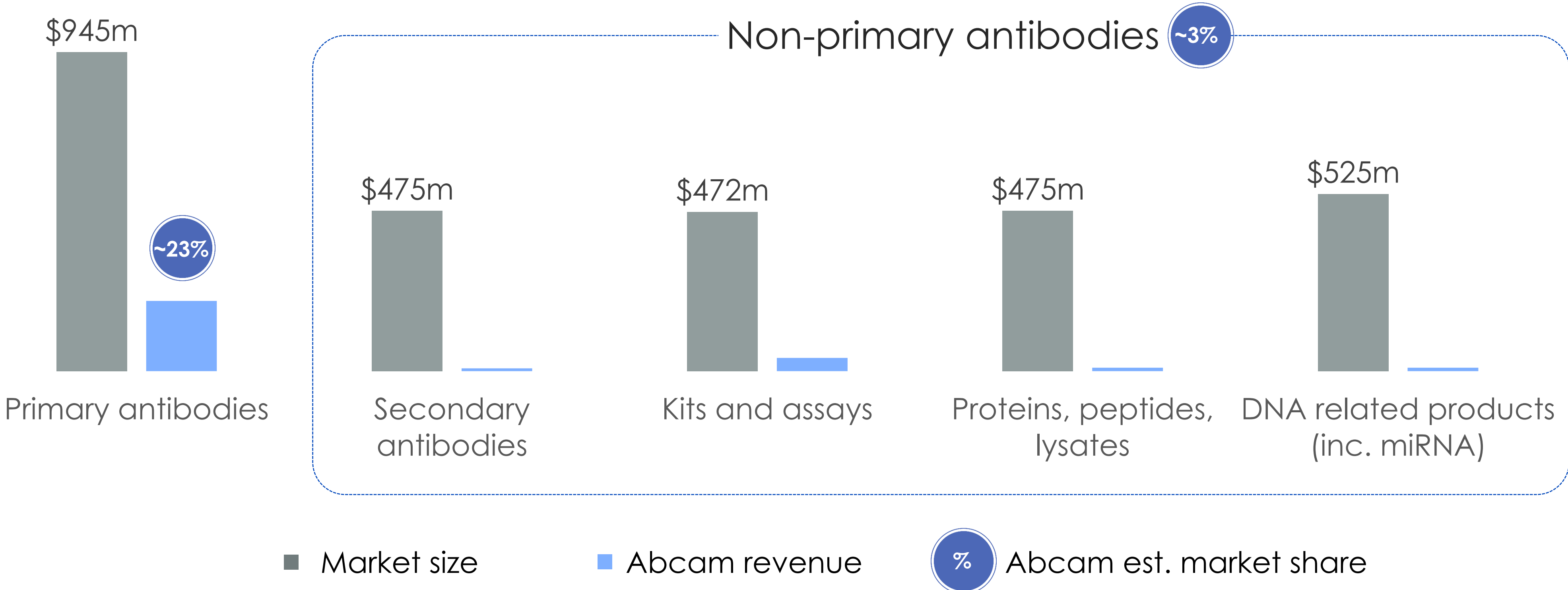
We are targeting several **opportunities** to **sustain future growth**



FY18 revenue

3yr CAGR³, %

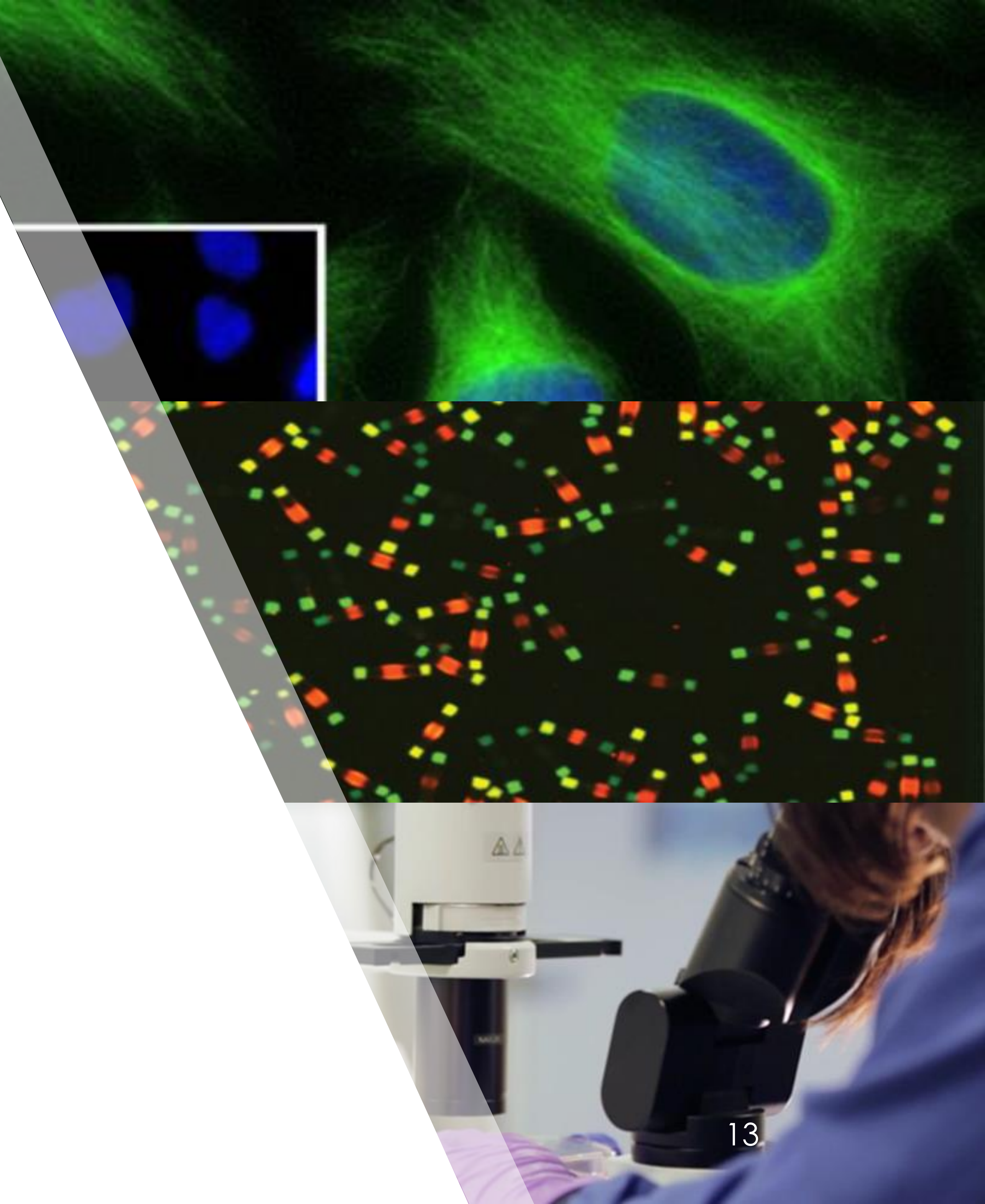
In the ~\$3bn proteomic research tools area, our focus is on **gaining market share**



Source: Pivotal Scientific (2017), Company estimates

We are investing to **sustain share gains 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



Extending our leadership in China

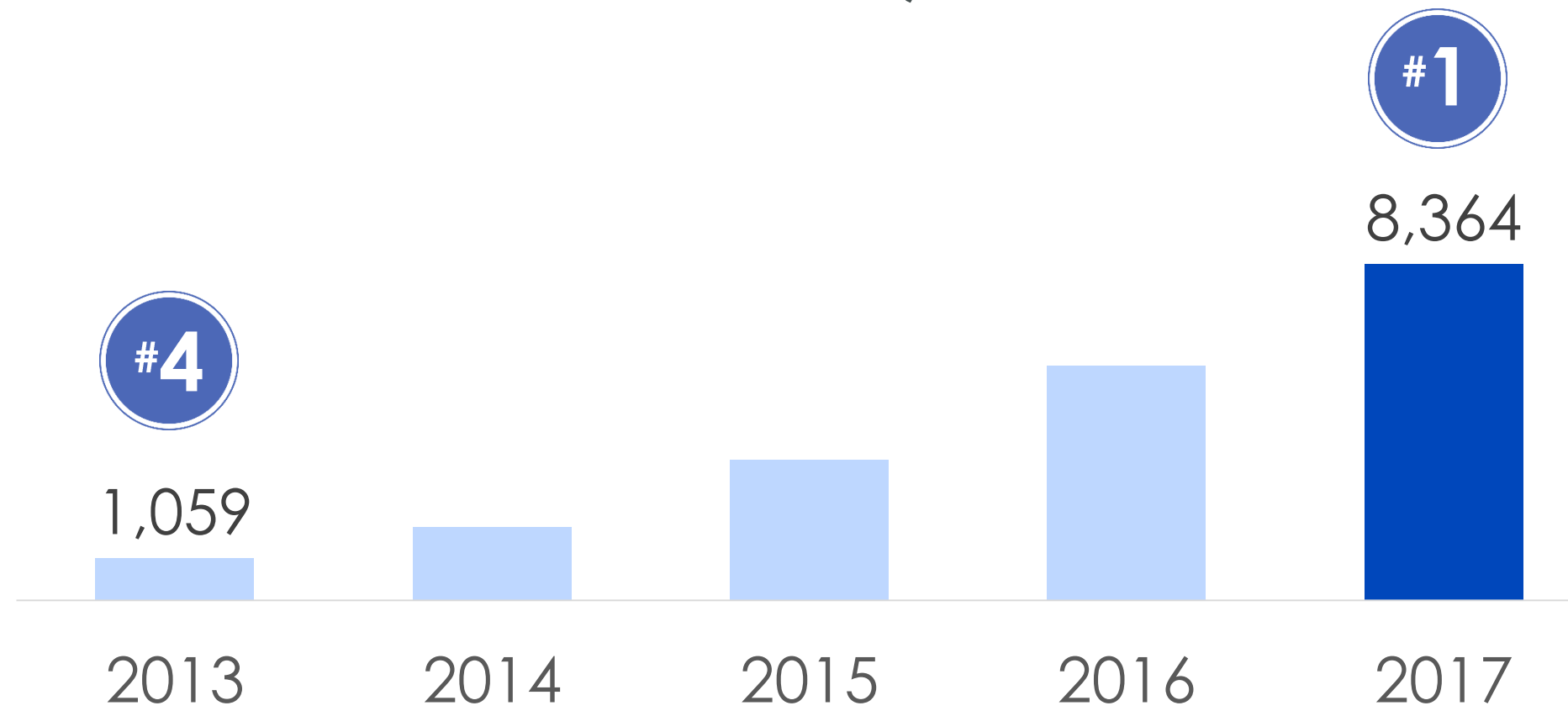
Areas of focus:

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

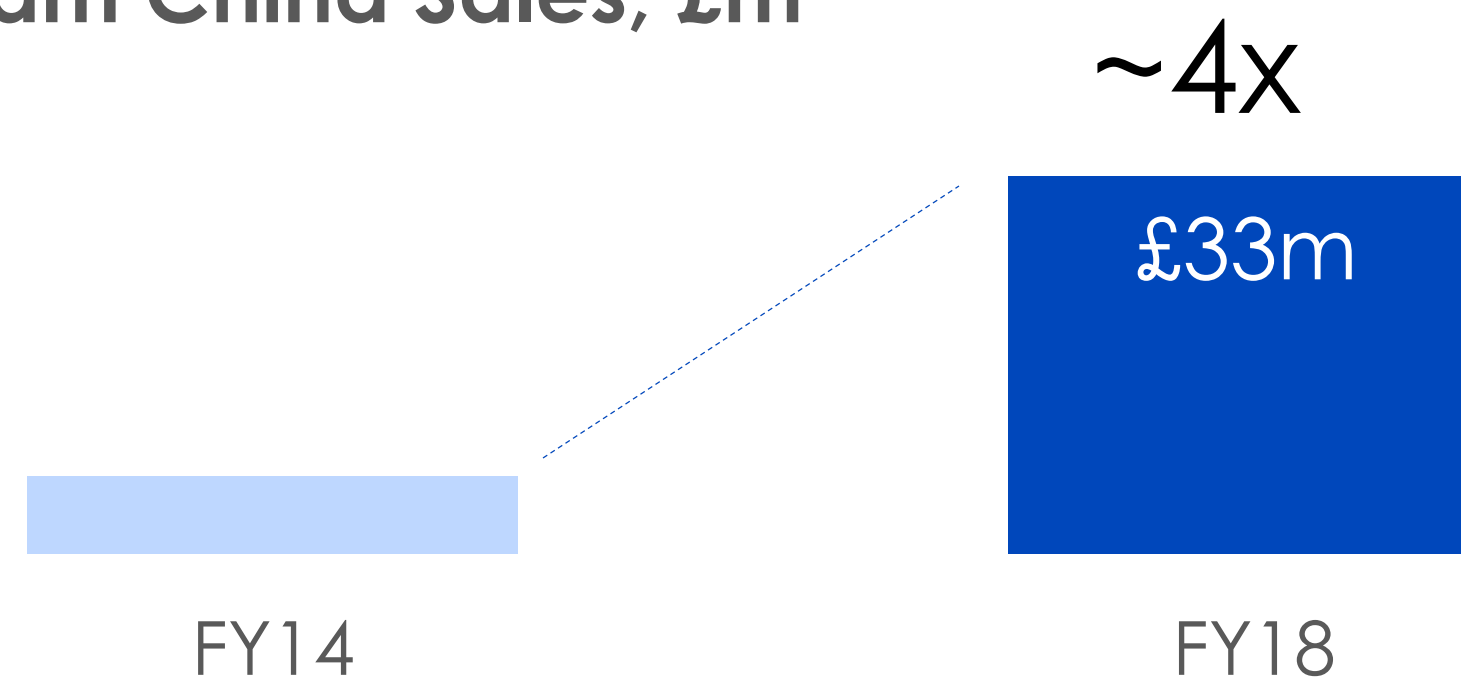


(1) CiteAb (calendar year)

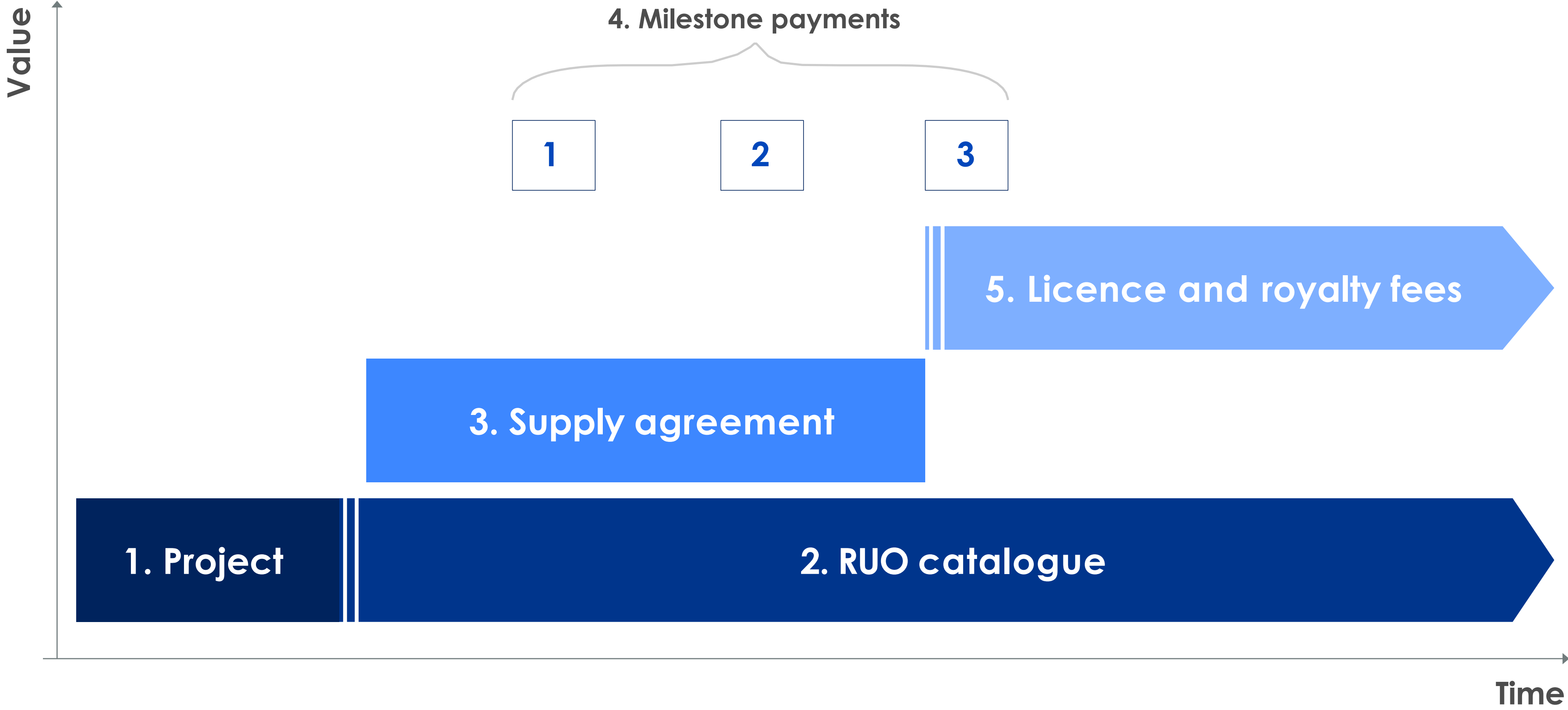
Abcam citations in China, #(1)



Abcam China Sales, £m



Abcam Inside is an opportunity to earn **multi-year revenue** streams from an individual project



We are making good progress but remain at the early stages of Abcam Inside

- Commercial team established
- 28 framework agreements in place with leading pharmaceutical (Tx) and diagnostic (Dx) companies
- 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

Example completed projects to date:

Therapeutic area / project	Target	Stage	Revenue sources	
			CP&L	Available for RUO
Oncology	CD40	FDA Phase 3	<ul style="list-style-type: none"> • Milestones • Royalty 	-
Oncology	PD-L1	Multiple cDx (510k) approvals	<ul style="list-style-type: none"> • Supply • Royalty 	✓
Oncology	ARv7	Dx w/CLIA	<ul style="list-style-type: none"> • Milestones 	✓
Infectious diseases	Viral infection	Early Dx development	<ul style="list-style-type: none"> • Supply • Milestones 	Under review
Neuroscience	Neurodegeneration	Dx development	<ul style="list-style-type: none"> • Milestones 	✓
Dx platform	Multiple	Early platform commercialisation	<ul style="list-style-type: none"> • Milestones 	✓

We are building a company capable of delivering and implementing **consistently and quickly**



Strengthening global teams

Building global functions, including Manufacturing and Supply Chain, IT and Cx

Ongoing investment in team training and capabilities



Transforming systems and processes

Implementing Oracle Fusion ERP to replace IT legacy systems

Benefiting from releases launched to date

Phased deployment of remaining modules ongoing



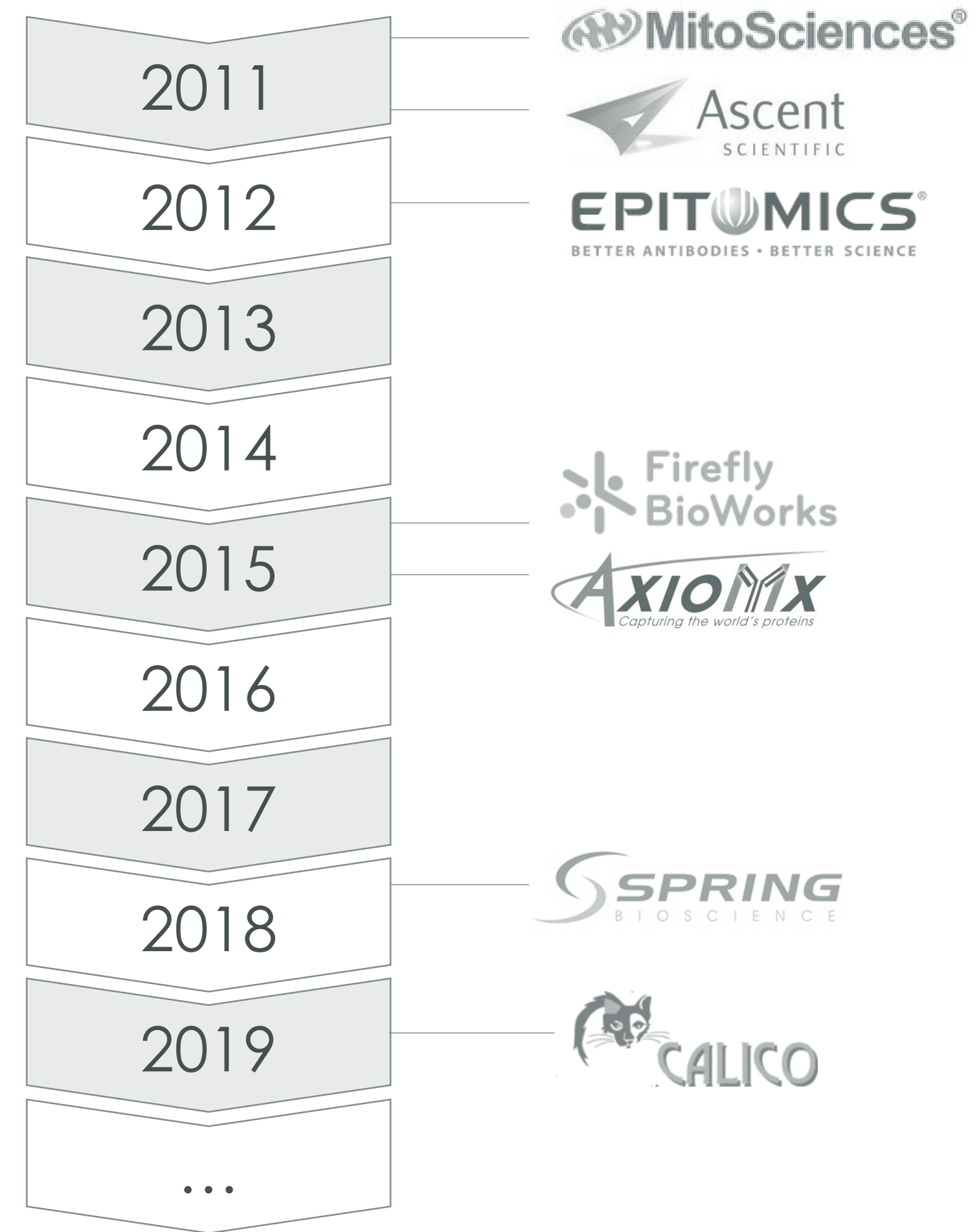
Expanding global facilities

Further investment in global R&D and production facilities, including automation

Move into new global HQ in the UK early 2019

We also seek acquisitions to help us **accelerate toward market and scaling objectives**

- ✓ **“Gold standard”** reagents to study biological pathways
- ✓ Potential to drive further 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

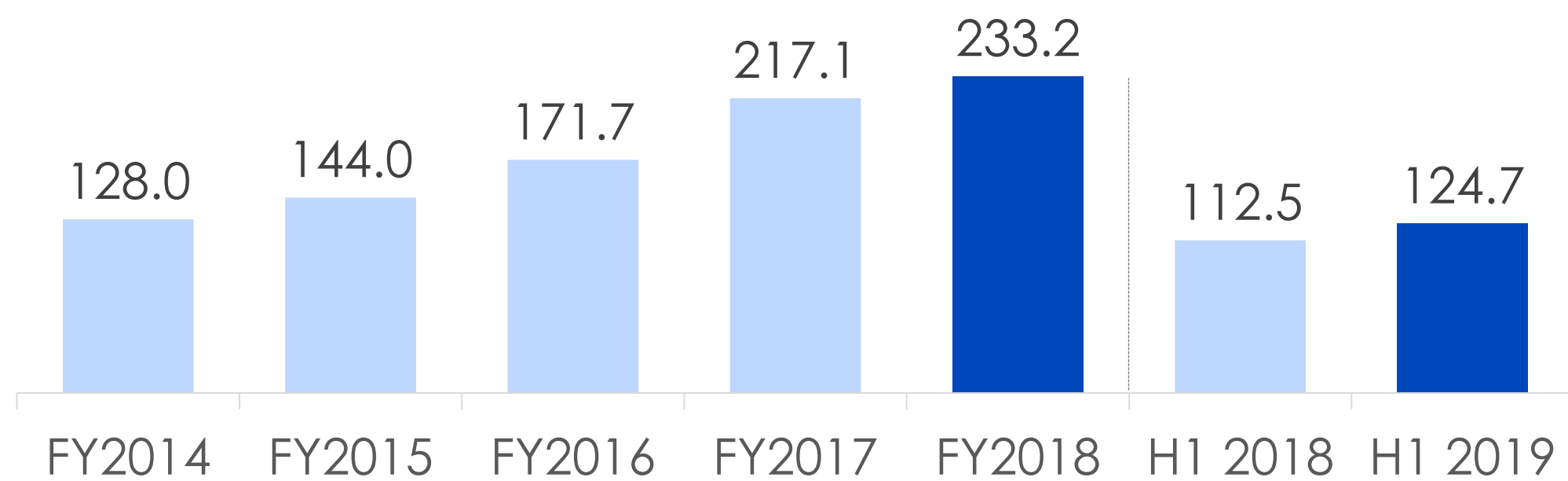


Financials

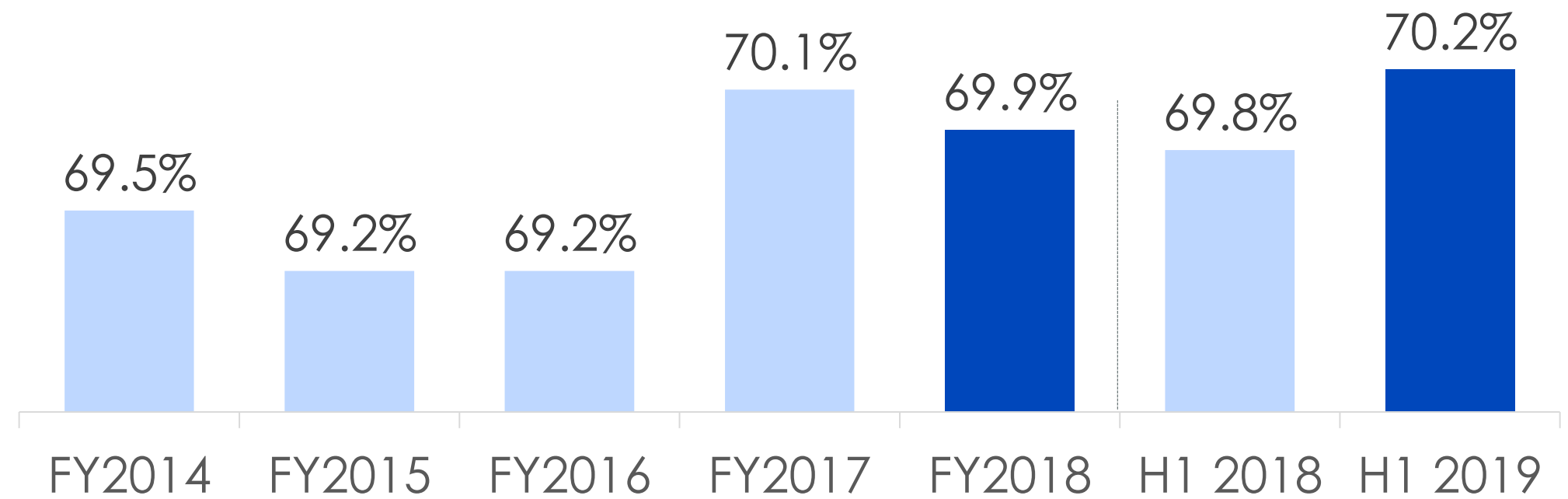
Strong financial performance

Financial history 2015-19e – selected performance indicators

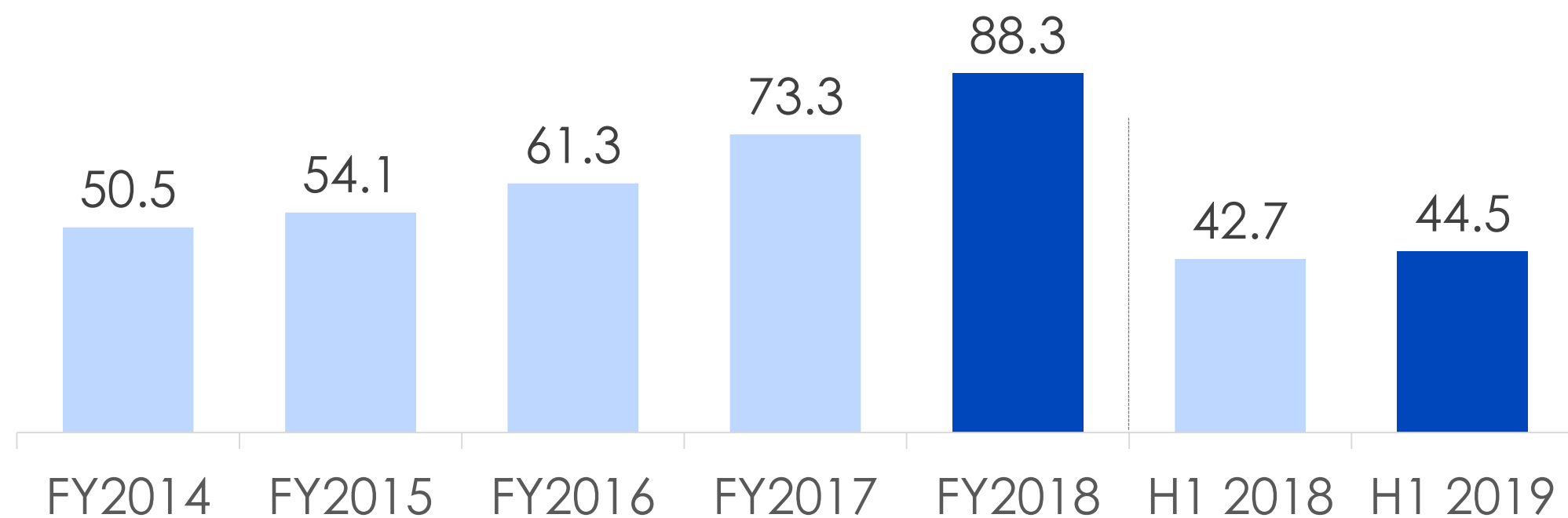
Total Group Revenues (in £m)



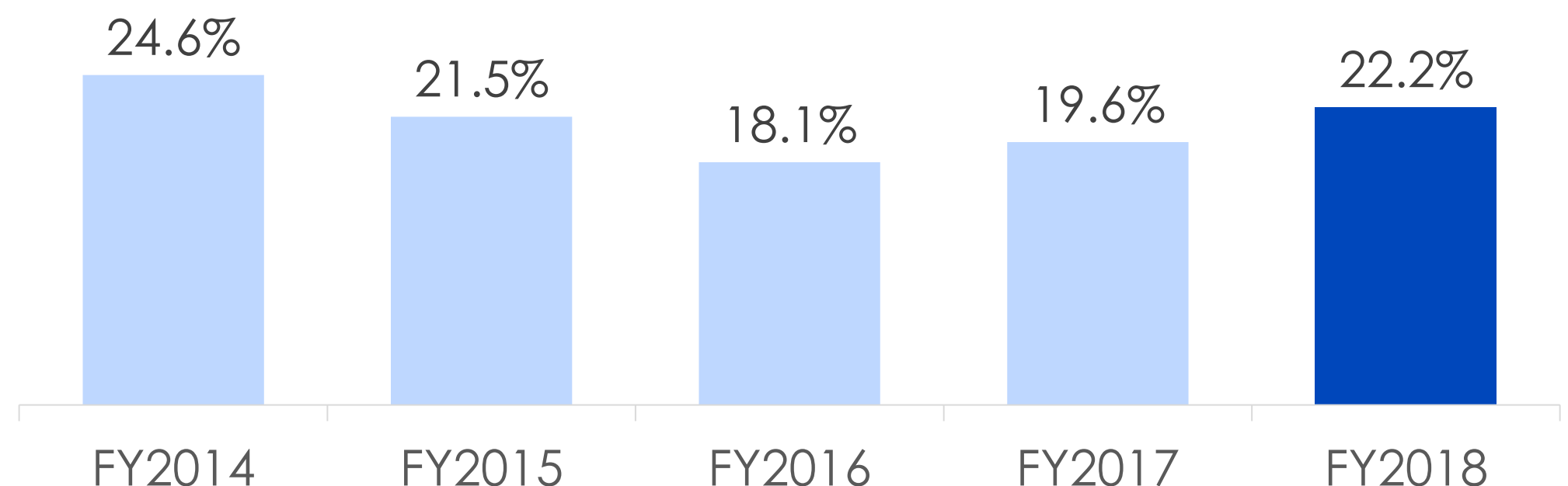
Gross Margin¹ (in %)



Adjusted EBITDA (in £m)

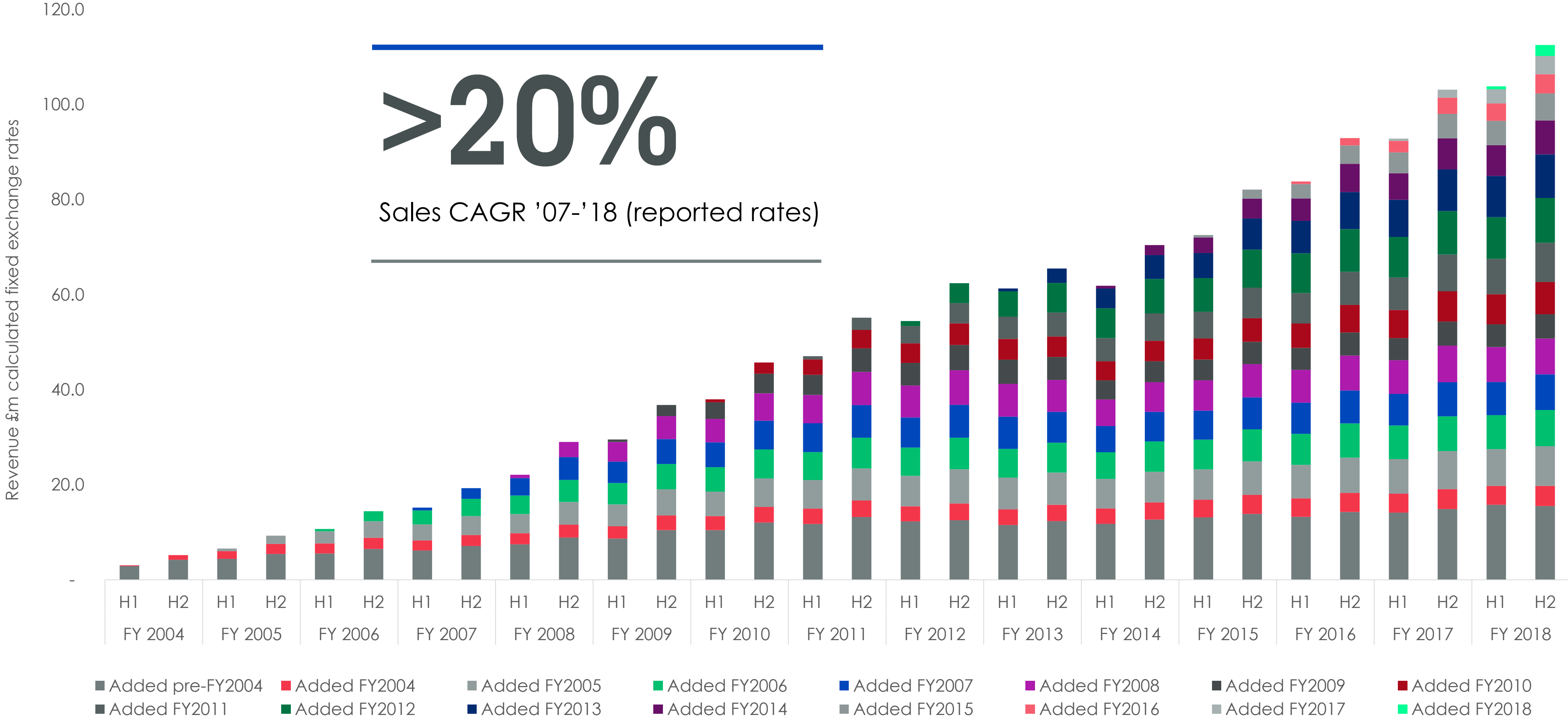


ROCE² (in %)



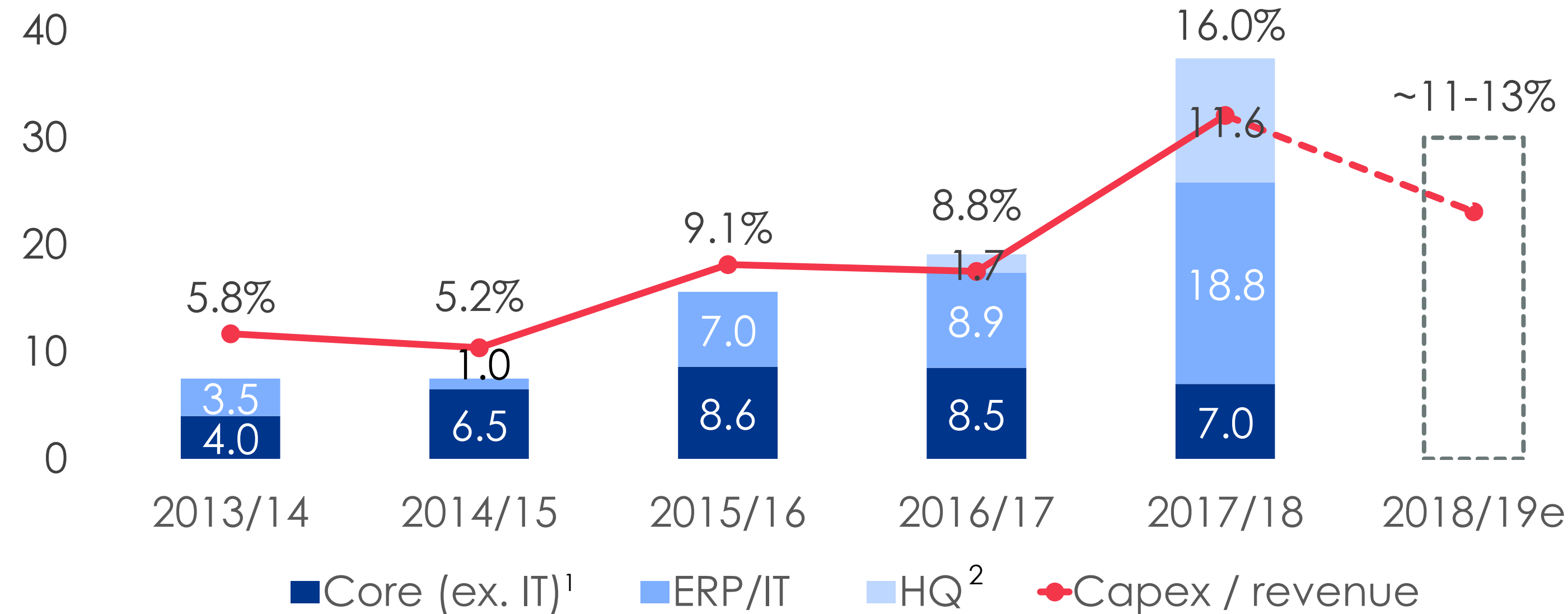
Long-term Catalogue revenue growth:

Revenue by product cohort since 2004



Capex ratio to reduce from above average levels from 2019/20

Total capex spend, £m



» 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 2020³

(1) Includes capitalised R&D, laboratory equipment, office & computer equipment

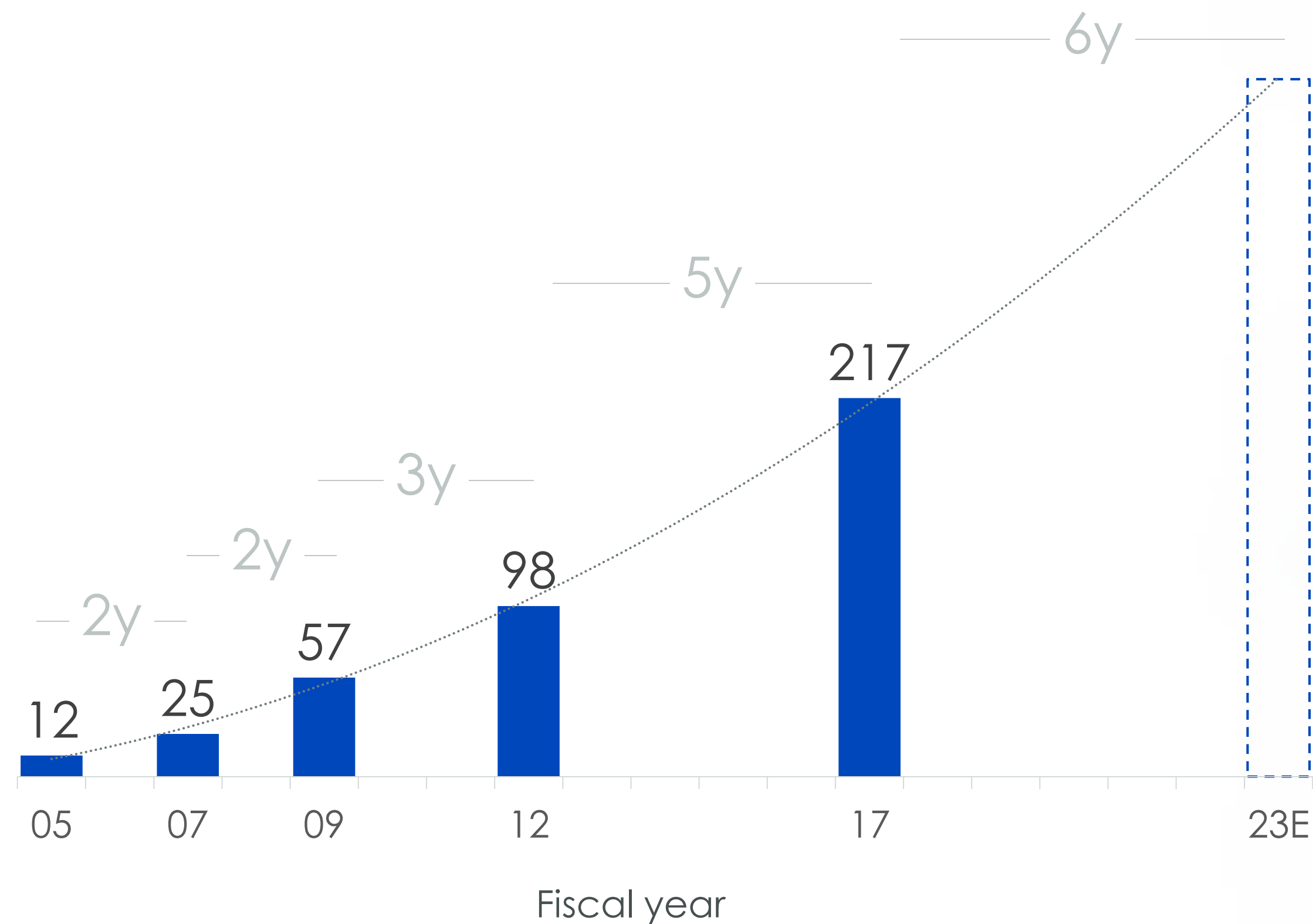
(2) Adjusted for £0.6m reclassification in 2016/17

(3) Details provided in additional information section



Strong outlook: Confident in sustaining our **long term growth trajectory**

Global Reported Revenue, £m



- **Medium term guidance of low double-digit revenue growth:**
 - Enduring demand for proteomic research tools
 - Global market leader of research antibodies opening up new related markets
 - Unique capabilities support continued share gains
 - Focused on major growth opportunities in TAM of ~\$8bn
 - Investing to support opportunity