Abcam plc Interim Report and Accounts 2019

Sustaining long-term profitable growth

abcam

Investing for a sustainable future

As a global leader in the sale of research antibodies and related proteomic tools, Abcam is committed to serving life scientists to achieve their mission, faster. We continue to identify the biological pathways of greatest interest to researchers and strive to provide robust products exhibiting the highest levels of specificity, sensitivity and consistency. At the same time, through investment, we are expanding into new markets, identifying new technologies and applications while developing in newer geographic regions, thereby driving sustainable growth.

"We made further progress toward achieving our long-term goals in the first half of the year and delivered double digit revenue growth whilst meeting our strategic targets. These results arise from our global team dedicating themselves to serving customer needs whilst building a strong enterprise. Together, they are helping Abcam increase its influence across research, diagnostic and therapeutic applications. We continue to invest in building a sustainable, profitable business with purpose and look forward to the impact that work will have on scientific knowledge and human health."

Alan Hirzel, Chief Executive Officer

Contents

About Abcam plc

As a global life sciences company, Abcam identifies, develops, and distributes high-quality biological reagents and tools that are crucial to research, drug discovery and diagnostics. Working across the industry, the Company supports life scientists to achieve their mission, faster.

Abcam partners with life science organisations to co-create novel binders for use in drug discovery, in vitro diagnostics and therapeutics, driven by the Company's proprietary discovery platforms and world-leading, antibody expertise.

By constantly innovating its binders and assays, Abcam is helping advance the global understanding of biology and causes of disease, which enables new treatments and improved health. The Company's pioneering data-sharing approach gives scientists increased confidence in their results by providing validation, user comments and peer-reviewed citations for its 110,000 products.

Operating from sites globally, many of Abcam's 1,100 strong team are located in the world's leading life science research hubs, complementing a global network of services and support. Abcam was admitted to AIM in 2005 (AIM: ABC).

To find out more, please visit **www.abcam.com** and **www.abcamplc.com**

Financial and Operational highlights

Double-digit growth delivered in H1, ahead of underlying market rates

- Total revenue growth of 10.8% (10.0% constant currency[1])
- Organic investment plans on track; new RCF facility in place to support M&A strategy
- Expect FY19 constant currency revenue growth to be broadly in line with first half

Cambridge, UK: Abcam plc (AIM: ABC) ("Abcam" or the "Group"), a global leader in the supply of life science research tools is pleased to announce its interim results for the six-month period ended 31 December 2018*.

Financial highlights

- Total revenue growth of 10.8% on a reported basis to £124.7m (H1 2018: £112.5m) and 10.0% on a constant currency basis
- Catalogue revenue growth of 11.2% on a reported basis to £117.0m (H1 2018: £105.2m) and 10.5% on a constant currency basis
  - Recombinant and Immunoassay product revenues up 21.4% (constant currency: 21.1%) and 25.7% (constant currency: 25.8%) respectively
- Gross margin improved 40 basis points to 70.2% (H1 2018: 69.8%)
- EBITDA margin was 32.3% (H1 2018: 34.7%) and adjusted EBITDA margin[2] 35.6% (H1 2018: 38.0%) reflecting planned operational investments
- Reported operating margin was 26.8% (H1 2018: 29.1%) and adjusted[2] operating margin 32.7% (H1 2018: 34.8%). Profit before tax (PBT) on a reported basis was £33.7m (H1 2018: £32.8m) and £41.1m (H1 2018: £39.3m) on an adjusted basis
- Reported diluted earnings per share (EPS) was 13.4 pence (H1 2018: 15.7 pence). Adjusted[2] diluted EPS increased by 5.2% to 16.3 pence (H1 2018: 15.5 pence)
- Strong cash generated from operating activities of £36.4m (H1 2018: £32.9m), ending period with cash of £83.2m; £200m Revolving Credit Facility (RCF) signed post period end, providing additional flexibility as we continue to pursue attractive corporate transactions
- Interim dividend increased to 3.55 pence (H1 2018: 3.42 pence)

Operational highlights

- Continued commercial execution in the period, with all product categories growing above underlying market rates
- Significant in-house product development activity across both our recombinant antibody and immunoassay product ranges
- Further developed our addressable market in custom products and licensing, with over 75 projects initiated with biopharmaceutical and diagnostic partners under framework agreements in the first half of the year
- Bolt-on acquisition of Calico Biolabs post period end (January 2019), expanding our expertise in recombinant rabbit monoclonal antibody development and custom solutions capabilities
- Completed design, development and testing of the next phases of the Oracle ERP system, covering financial and non-stock procurement modules; on track for implementation in Summer 2019
- Relocated UK teams to our new headquarters on the Cambridge Biomedical Campus in February 2019, with the building's construction and fit out completed on time and on budget

1. Constant currency results are calculated by applying prior period's actual exchange rates to this period's results.
2. Adjusted figures exclude systems and process improvement costs, costs associated with the new Group headquarters, amortisation of acquired intangibles, the tax effect of adjusting items, and in respect of the six months ended 31 December 2017, one-off tax arising from new US tax legislation. Such excluded items are described as "adjusting items". Further information on these items is shown in note 4.

For further information please contact:

Abcam + 44 (0) 1223 696 000

Alan Hirzel, Chief Executive Officer

Gavin Wood, Chief Financial Officer

James Staveley, Vice President, Investor Relations

J.P. Morgan Cazenove – Nominated Advisor & Corporate Broker + 44 (0) 20 7742 4000

James Mitford / Hemant Kapoor / Jonty Edwards

FTI Consulting + 44 (0) 20 3727 1000

Ben Atwell / Brett Pollard / Natalie Garland-Collins

Interim management report

Introduction

The Group delivered a solid financial performance in the half, achieving double-digit constant currency revenue growth, ahead of the underlying market growth rate.

Through in-house development, as well as through acquisition and partnership, we continue to focus our efforts on providing academic researchers and research and development teams worldwide with the latest tools and technologies to support their research, diagnostic and drug discovery objectives.

Customer feedback remains positive and we continue to gain market share across our research markets, with all major product categories growing ahead of their respective market growth rates in the half. China was once again our fastest growing major market in the period, with sales increasing by over 22%, whilst the challenging dynamics in Japan persist.

The outlook for biomedical research funding in our major markets remains robust, with the notable exception of Japan. As a result, we continue to take a long-term approach to the way we run the business and have continued to invest in our people, systems, processes and facilities during the half. Those investments are supporting improved solutions for our customers today and are laying the foundations for the growth opportunities of tomorrow.

Underpinning progress is our strong and flexible financial position. This position was further augmented in early February through the addition of a £200m RCF facility, providing additional flexibility as we continue to pursue attractive corporate transactions.

Executing our strategy

Alongside the delivery of double-digit constant currency revenue growth in the period, our strategic key performance indicators (KPIs) performed within the range of our full year targets.

Strategic KPIs	FY 2019 Target	**H1 2019 Result**
Revenue growth from recombinant antibody range (constant currency)	20%+	**21%**
Revenue growth from immunoassay products (constant currency)	20%+	**26%**
Customer engagement: Transactional Net Promoter Score (tNPS)	57-67%	**64%***

* July-October 2018 (tNPS provider changed in October 2018)

Milestones achieved across our five strategic goals

We have made further operational progress against our multi-year goals in the first half, as set out below.

1. Sustain antibody and digital marketing leadership

Across our core reagents business, we continue to focus on the introduction and development of high-performance antibodies to high value targets, particularly where we can apply our proprietary antibody technologies. At the same time, we are building further on our reputation for providing comprehensive, transparent data, fast delivery, excellent customer service and expert technical support. We are constantly looking to improve our customers' experience of finding, buying and using our products and we are investing in big data tools and predictive analytics that enable us to understand and serve the needs of customers faster.

Highlights of recent progress include:

- the publication of over 1,500 internally-developed recombinant antibodies to the catalogue in the first half, including novel binders, primary conjugated-antibodies and formulations;

- continued investment in our leading validation and quality standards initiative, with a total of over 1,800 antibodies knockout validated by the end of H1, across more than ninety protein targets;
- further development of our digital channels, including content marketing, marketing automation, and overall improvements in the online user experience in finding products and completing transactions;
- launched a more user-friendly platform for collecting customer feedback, increasing engagement and supporting further improvements to the customer experience; and
- initiated the next stage of our China growth project, supporting enhanced customer service levels and our growth ambitions in the territory.

2. Expand in related growth markets

Beyond our core primary antibody business, we have identified and continue to focus on the following long-term market growth opportunities:

Immunoassays

We continue to invest and innovate to increase the use of our market leading antibodies in immunoassay products and delivered strong sales growth of 26% (constant currency) across these products in the first half.

Highlights of recent progress include:

- further development of our immunoassay product portfolio to meet strong customer demand, including the publication of over 100 new singleplex immunoassays (SimpleStep® ELISA kits) in the first half, the introduction of new formulations of our matched antibody pairs, and the creation of additional multiplex panels for our FirePlex® particle platform;
- launched and signed up the first customer cohort for our high-throughput multiplex immunoassay product, Fireplex®-HT; and
- established new supply agreements with immunoassay instrumentation partners and continued to expand the use of Abcam's antibodies with existing partners.

Custom Products & Licensing (Abcam Inside)

Beyond our expertise in the development and sale of research antibodies, we are focused on being an innovation partner to biopharma organisations seeking novel binders for diagnostic and therapeutic applications.

Highlights of recent progress include:

- successful licencing of Abcam's pan-TRK antibody to Roche for their landmark tropomyosin receptor kinase (TRK) cancer diagnostic (VENTANA pan-TRK (EPR17341);
- multiple license and supply agreements signed for Abcam's 73-10 (PD-L1) antibody, the companion diagnostic for Avelumab (Bevencio®), originally developed for the treatment of non-small-cell lung carcinoma (NSCLC);
- further expanded our addressable market in custom products and licensing, including:
    - initiated over 75 projects with biopharmaceutical and diagnostic partners under existing framework agreements;
    - signed development agreements with further diagnostic and biopharmaceutical companies, including the announced partnerships with Qiagen China and Shuwen Biotech to jointly develop the Chinese IVD market;
- acquired Calico Biolabs in January 2019, expanding our expertise in recombinant rabbit monoclonal antibody development and custom solutions capabilities

In addition to the Immunoassay and Custom Products and Licensing (CP&L) opportunities outlined above, we continue to seek out new growth platforms where we can leverage our core capabilities. We remain in the early stages of evaluating future opportunities across our markets with a view to launching teams to develop one or two new capability areas over the medium term.

3. Invest in operating capabilities to double our scale from 2016 to 2023

Abcam is a rapidly growing organisation and as such it is vital that we continue to have the infrastructure, systems, processes and people to support our growth plans.

Highlights of recent progress include:

- completed the construction of our global headquarters on the Cambridge Biomedical Campus, providing 75% more space than our existing UK footprint. All teams successfully moved in on schedule;
- successfully launched 'AbShare', a global employee share ownership scheme, with strong employee take up of 88%;
- made good progress on the build, test and deployment phases of the financial and non-stock procurement modules of the Group's Oracle ERP system; on track for implementation in Summer 2019; and
- continued investment in our global teams, including the corporate development, product development, digital marketing and global supply chain and manufacturing functions.

4. Sustain attractive economics

In line with our long-term goals we remain focused on generating strong revenue growth whilst optimising operational efficiency and making targeted investments.

Highlights of recent progress include:

- further increased the proportion of sales generated from in-house manufactured products;
- continued expansion of our addressable markets in CP&L;
- identification and delivery of operating efficiencies and productivity gains, including implementation of the first wave of product development automation;
- delivered our new global headquarters in the UK on time and budget; and
- executed against our contingency planning to ensure customer disruption is minimised in the event the UK leaves the EU without a withdrawal agreement. Effected through the implementation of a European distribution hub to be operationally ready by 29 March 2019.

5. Supplement organic growth through acquisitions and partnerships

Our dual-growth strategy combines organic development alongside the successful execution of partnerships and acquisitions. We continue to proactively evaluate the landscape for opportunities which align with our business objectives and that will provide increased scale.

Highlights of recent progress include:

- the appointment of a new SVP Corporate Development to lead delivery of our M&A strategy;
- completed the small bolt-on acquisition of Calico Biolabs, expanding our expertise in recombinant rabbit monoclonal antibody development and our custom solutions capabilities, as well as bringing a small portfolio of high-quality Cal™ antibodies, optimised for use in IHC and covering critical immuno-oncology targets;
- entered a £200m Revolving Credit Facility in February 2019, providing additional financial flexibility for future corporate transactions; and
- continued to strengthen relationships across the industry for future deals.

Financial Performance in the Period

Overall reported revenues increased by 10.8% in H1 2019. On a constant currency basis (in which we assume exchange rates remain unchanged from H1 2018), total revenue grew by 10.0%.

Catalogue revenue, which contributed approximately 94% of total revenue in the half, grew 10.5% on a constant currency basis when compared to the same period last year. For products sold via the Catalogue, all main product categories are performing at levels above underlying market growth rates. Regionally, China was once again our fastest growing major market whilst Japan declined modestly in the period, reflecting the weaker funding environment in the country.

Custom Products & Licencing (CP&L), which includes royalty income and revenues from our in vitro diagnostic (IVD) products and custom service business, accounted for 6% of revenue. CP&L revenue grew 2.3% on a constant currency basis, lower than anticipated due to the phasing and timing of certain projects within the custom service business. CP&L continues to be an area of focus for the Group and we remain confident in its long-term potential. In the short term we expect the phasing of custom projects to continue to impact revenue growth in the second half as the offering matures. As a result, we anticipate overall CP&L growth will be below the group's growth rate for the current financial year.

	Reported revenue			
	H1 2019 £'m	H1 2018 £'m	Increase in reported revenue	Constant currency growth rate
Geographic split				
The Americas	**47.6**	42.5	12.0%	10.4%
EMEA	**32.1**	29.9	7.4%	7.3%
China	**20.1**	16.5	21.8%	22.4%
Japan	**7.9**	7.9	0.0%	(1.6%)
Rest of Asia Pacific	**9.3**	8.4	10.7%	10.9%
Catalogue revenue	**117.0**	105.2	11.2%	10.5%
CP&L revenue*	**7.7**	7.3	5.5%	2.3%
Total reported revenue	**124.7**	112.5	10.8%	10.0%
Catalogue Product split				
Primary and secondary antibodies	**93.5**	85.2	9.7%	9.3%
o/w Recombinant primary antibodies	*27.2*	*22.4*	*21.4%*	*21.1%*
Other products**	**23.5**	20.0	17.5%	15.6%
o/w Immunoassay products	*8.8*	*7.0*	*25.7%*	*25.8%*
Catalogue revenue	**117.0**	105.2	11.2%	10.5%

*Includes royalty income, custom products and licensing revenue

** Includes kits and assays, proteins, peptides, lysates and AAAI products

Gross margins were modestly ahead of last year at 70.2% (H1 2018: 69.8%).

Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) were £40.3m (H1 2018: £39.0m). Adjusted EBITDA rose 4.0% to £44.4m (H1 2018: £42.7m), giving an adjusted EBITDA margin of 35.6% (H1 2018: 38.0%), reflecting the plans we announced in September 2018 to increase investment to support the long-term growth of the business. Overall, reported operating expenses rose £8.4m to £54.2m (H1 2018: £45.8m), including depreciation and amortisation costs of £6.9m (H1 2018: £6.3m).

Selling, General and Administrative (SG&A) expenses rose by £10.7m in the half to £46.2m (H1 2018: £35.5m). The increase is predominantly due to the continued investment we are making in our global teams to support our growth plans, including the corporate development, digital marketing, product development and global supply chain and manufacturing functions, as well as a one-off £2.1m increase in property costs relating to the move into our new UK headquarters and a £0.5m increase in share-based payment related costs.

Research & Development (R&D) related expenses decreased by £2.3m to £8.0m (H1 2018: £10.3m) due to a rise in the proportion of capitalised R&D expense and UK R&D tax credits.

Reported expenses included £2.0m of costs relating to the Oracle Cloud ERP project, £2.1m of one-off charges relating to the move to the new Cambridge headquarters, predominantly duplicate rent, and £3.3m relating to the amortisation of acquired intangibles. These pre-tax costs, totalling £7.4m (H1 2018: £6.5m) are excluded from adjusted expenses. Note 4 to the interim financial information sets out a reconciliation between reported and adjusted profit measures.

Reported operating profit was £33.4m (H1 2018: £32.7m) and adjusted operating profit was £40.8m (H1 2018: £39.2m), equating to an adjusted operating margin of 32.7% (H1 2018: 34.8%). Further details are shown in note 4 to the interim financial statements.

Profit Before Tax (PBT) on a reported basis was £33.7m (H1 2018: £32.8m). Adjusted PBT was £41.1m (H1 2018: £39.3m), giving an adjusted PBT margin of 33.0% (H1 2018: 34.9%).

The Group's reported tax rate for the first half was 17.8% (H1 2018: 1.5%, following certain one-time impacts of US tax reform). Further details are shown in note 5 to the interim financial information.

The effective tax rate on adjusted profits for the full year is expected to be approximately 18% (year ended 30 June 2018: 18.3%) with a rate of around 19% expected to be maintained over the medium term.

Diluted Earnings Per Share (EPS) was 13.4 pence per share (H1 2018: 15.7 pence). Adjusted diluted EPS increased by 5.2% to 16.3 pence per share (H1 2018: 15.5 pence). Note 6 sets out a reconciliation between reported and adjusted EPS.

Cash inflows remains strong, with cash generated from operating activities of £36.4m (H1 2018: £32.9m). Net capital expenditure (after the release of £4.2m funds held in escrow relating to the new UK HQ) increased by £4.2m in the period to £15.4m (H1 2018: £11.2m). Capital expenditure incurred in relation to the construction and fit out of our new Cambridge headquarters was £7.2m (£3.0m net of funds held in escrow), with a further £5.9m invested on our new ERP systems and processes (H1 2018: £5.9m), £3.9m on capitalised R&D and £2.0m on improvements to laboratory facilities and equipment across the Group. After further outflows of £11.9m in the period relating to the final payment for the Spring licensing deal and £17.6m for the FY 2018 final dividend payment (H1 2018: £15.1m), closing cash at the end of the period was £83.2m (H1 2018: £91.6m).

New Banking Facility

On 1 February 2019 the Group entered into a Revolving Credit Facility (RCF) of £200m with a £100m additional Accordion option which has been put in place to provide additional financial flexibility for future corporate transactions. The initial term of the facility is 3 years, with the option to extend by a further 2 years.

Dividend

The board have approved an interim dividend of 3.55 pence per share (H1 2018: 3.42), an increase of approximately 4% on the same period in 2018. The interim dividend will be paid on 12 April 2019 to shareholders whose names are on the register at close of business on 15 March 2019. The associated ex-dividend date will be 14 March 2019.

Board update

As previously announced, we were delighted that Giles Kerr was able to join the Board as a non-executive Director in December 2018. Giles brings a wealth of experience within the life science sector, finance and a first-hand understanding of our academic research customers.

Outlook

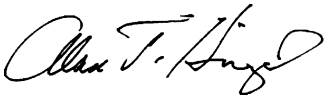
The fundamentals of our business remain strong and we continue to grow our revenues ahead of the market in every region we serve.

We are confident that the long-term investments we are making will enable us to sustain our low double-digit growth trajectory with attractive margins. We have a strong balance sheet which enables us to move swiftly to capitalise on further opportunities, including acquisitions and partnerships.

In the short term, given the continued softness in Japan and the anticipated phasing of revenue within the CP&L line, we expect to deliver total constant currency revenue growth for the current financial year broadly in line with the first half and an adjusted EBITDA margin of approximately 35%.

We remain committed to the investments we are making in our people, R&D, global ERP system, and facilities, which remain on track with our plans. These investments are enabling us to provide innovative, trusted and improved solutions for our customers, helping to sustain our growth and deliver long-term value for our shareholders.

Peter Allen
Chairman



Alan Hirzel
Chief Executive Officer
1 March 2019

Responsibility statement

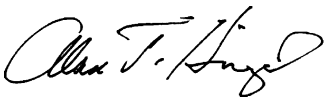
We confirm to the best of our knowledge:

- the interim financial information has been prepared in accordance with IAS 34, as adopted by the European Union;
- the Financial and Operational highlights, Interim Management Report and Interim Financial Information include a fair review of the information required by the Financial Statements Disclosure and Transparency Rules (DTR) 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the Financial and Operational highlights and Interim Management Report include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period and also any changes in the related party transactions described in the last Annual Report that could do so.

At the date of this statement, the Directors are those listed in the Group's 2017/18 Annual Report and Accounts except for the following change:

	Appointment
Giles Kerr	12 December 2018

By order of the Board



Alan Hirzel
Chief Executive Officer

Gavin Wood
Chief Financial Officer

1 March 2019

Independent review report to Abcam plc

Report on the condensed consolidated interim financial information

Our conclusion

We have reviewed Abcam plc's condensed consolidated interim financial information (the "interim financial statements") in the interim report of Abcam plc for the 6 month period ended 31 December 2018. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

What we have reviewed

The interim financial statements comprise:

- the consolidated balance sheet as at 31 December 2018;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Cambridge
1 March 2019

- The maintenance and integrity of the Abcam plc website is the responsibility of the directors; the work carried out by the auditors does not involves consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated income statement

Six months ended 31 December 2018

	Note	(Unaudited) six months ended 31 Dec 2018 Adjusted* £m	Adjusting items* £m	Total £m	(Unaudited) six months ended 31 Dec 2017 Adjusted* £m	Adjusting items* £m	Total £m
Revenue		**124.7**	**—**	**124.7**	112.5	—	112.5
Cost of sales		**(37.1)**	**—**	**(37.1)**	(34.0)	—	(34.0)
Gross profit		**87.6**	**—**	**87.6**	78.5	—	78.5
Selling, general and administrative expenses		**(40.9)**	**(5.3)**	**(46.2)**	(31.1)	(4.4)	(35.5)
Research and development expenses		**(5.9)**	**(2.1)**	**(8.0)**	(8.2)	(2.1)	(10.3)
Operating profit		**40.8**	**(7.4)**	**33.4**	39.2	(6.5)	32.7
Finance income		**0.3**	**—**	**0.3**	0.1	—	0.1
Profit before tax		**41.1**	**(7.4)**	**33.7**	39.3	(6.5)	32.8
Tax	5	**(7.5)**	**1.5**	**(6.0)**	(7.4)	6.9	(0.5)
Profit for the period attributable to equity shareholders of the parent		**33.6**	**(5.9)**	**27.7**	31.9	0.4	32.3
Earnings per share							
Basic	6	16.4p		13.5p	15.6p		15.8p
Diluted	6	16.3p		13.4p	15.5p		15.7p

* Adjusted figures exclude systems and process improvement costs, costs associated with the new Group headquarters, amortisation of acquired intangibles, the tax effect of adjusting items, and in respect of the six months ended 31 December 2017, one-off tax arising from new US tax legislation. Such excluded items are described as "adjusting items". Further information on these items is shown in note 4.

Consolidated statement of comprehensive income

Six months ended 31 December 2018

	(Unaudited) six months ended 31 Dec 2018 £m	(Unaudited) six months ended 31 Dec 2017 £m
Profit for the period attributable to equity shareholders of the parent	**27.7**	32.3
Items that may be reclassified to the income statement in subsequent years		
Movements on cash flow hedges	**(1.7)**	1.5
Exchange differences on translation of foreign operations	**4.8**	(7.3)
Movement in fair value of investment	**(0.2)**	0.1
Tax relating to components of other comprehensive income	**0.4**	(0.2)
Other comprehensive income / (expense) for the period	**3.3**	(5.9)
Total comprehensive income for the period	**31.0**	26.4

Consolidated balance sheet

As at 31 December 2018

	Notes	(Unaudited) as at 31 Dec 2018 £m	(Audited) as at 30 Jun 2018 £m	(Unaudited) as at 31 Dec 2017 £m
Non-current assets				
Goodwill		**117.2**	114.2	111.2
Intangible assets		**113.4**	106.3	75.9
Property, plant and equipment		**32.7**	25.1	25.6
Investment	8	**0.7**	0.9	—
Deferred tax asset		**7.9**	8.4	7.0
Derivative financial instruments		**—**	—	0.2
		271.9	254.9	219.9
Current assets				
Inventories		**32.1**	29.6	22.4
Trade and other receivables		**30.7**	39.3	30.2
Investment		**—**	—	1.1
Derivative financial instruments	8	**0.1**	0.8	2.3
Cash and cash equivalents		**83.2**	90.2	91.6
		146.1	159.9	147.6
Total assets		**418.0**	414.8	367.5
Current liabilities				
Trade and other payables		**(33.3)**	(45.8)	(26.4)
Derivative financial instruments	8	**(1.9)**	(0.5)	(0.5)
Current tax liabilities		**(1.2)**	(2.7)	(4.4)
		(36.4)	(49.0)	(31.3)
Net current assets		**109.7**	110.9	116.3
Non-current liabilities				
Deferred tax liability		**(14.1)**	(14.0)	(15.3)
Derivative financial instruments	8	**(0.2)**	(0.1)	—
		(14.3)	(14.1)	(15.3)
Total liabilities		**(50.7)**	(63.1)	(46.6)
Net assets		**367.3**	351.7	320.9
Equity				
Share capital		**0.4**	0.4	0.4
Share premium account		**26.2**	25.6	24.9
Merger reserve		**68.1**	68.1	68.1
Own shares		**(3.0)**	(3.2)	(3.5)
Translation reserve		**31.1**	26.3	21.0
Hedging reserve		**(1.3)**	0.1	1.2
Retained earnings		**245.8**	234.4	208.8
Total equity attributable to the equity shareholders of the parent		**367.3**	351.7	320.9

Approved by the Board of directors and authorised for issue on 1 March 2019.

Consolidated statement of changes in equity

Six months ended 31 December 2018

	Share capital £m	Share premium account £m	Merger reserve £m	Own shares £m	Translation Reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Balance as at 1 July 2018	**0.4**	**25.6**	**68.1**	**(3.2)**	**26.3**	**0.1**	**234.4**	**351.7**
Profit for the period	—	—	—	—	—	—	27.7	27.7
Other comprehensive income / (expense)	—	—	—	—	4.8	(1.4)	(0.1)	3.3
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**4.8**	**(1.4)**	**27.6**	**31.0**
Issue of ordinary shares	—	0.6	—	0.2	—	—	(0.2)	0.6
Share-based payments inclusive of deferred tax	—	—	—	—	—	—	1.8	1.8
Purchase of own shares	—	—	—	—	—	—	(0.2)	(0.2)
Equity dividends	—	—	—	—	—	—	(17.6)	(17.6)
Balance as at 31 December 2018 (unaudited)	**0.4**	**26.2**	**68.1**	**(3.0)**	**31.1**	**(1.3)**	**245.8**	**367.3**

Six months ended 31 December 2017

	Share capital £m	Share premium account £m	Merger reserve £m	Own shares £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Balance as at 1 July 2017	0.4	23.9	68.1	(3.6)	28.1	(0.1)	190.3	307.1
Profit for the period	—	—	—	—	—	—	32.3	32.3
Other comprehensive (expense)/ income	—	—	—	—	(7.1)	1.3	(0.1)	(5.9)
Total comprehensive income for the period	—	—	—	—	(7.1)	1.3	32.2	26.4
Issue of ordinary shares	—	1.0	—	0.1	—	—	(0.2)	0.9
Share-based payments inclusive of deferred tax	—	—	—	—	—	—	1.7	1.7
Purchase of own shares	—	—	—	—	—	—	(0.1)	(0.1)
Equity dividends	—	—	—	—	—	—	(15.1)	(15.1)
Balance as at 31 December 2017 (unaudited)	0.4	24.9	68.1	(3.5)	21.0	1.2	208.8	320.9

Year ended 30 June 2018

	Share capital £m	Share premium account £m	Merger reserve £m	Own shares £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Balance as at 1 July 2017	0.4	23.9	68.1	(3.6)	28.1	(0.1)	190.3	307.1
Profit for the period	—	—	—	—	—	—	62.2	62.2
Other comprehensive (expense) / income	—	—	—	—	(1.8)	0.2	(0.1)	(1.7)
Total comprehensive income for the period	—	—	—	—	(1.8)	0.2	62.1	60.5
Issue of ordinary shares	—	1.7	—	0.4	—	—	(0.5)	1.6
Share-based payments inclusive of deferred tax	—	—	—	—	—	—	4.7	4.7
Purchase of own shares	—	—	—	—	—	—	(0.1)	(0.1)
Equity dividends	—	—	—	—	—	—	(22.1)	(22.1)
Balance as at 30 June 2018 (audited)	0.4	25.6	68.1	(3.2)	26.3	0.1	234.4	351.7

Consolidated cash flow statement

Six months ended 31 December 2018

	Notes	(Unaudited) six months ended 31 Dec 2018 £m	(Unaudited) six months ended 31 Dec 2017 £m
Operating profit for the period		**33.4**	32.7
Adjustments for:			
Depreciation of property, plant and equipment		**2.0**	2.7
Amortisation of intangible assets		**4.9**	3.6
Derivative financial instruments at fair value through profit or loss		**0.4**	(1.1)
Research and development expenditure credit		**(1.5)**	(0.4)
Share-based payments charge		**2.4**	1.8
Unrealised currency translation (gains)/ losses		**(0.6)**	0.2
Operating cash flows before movements in working capital		**41.0**	39.5
Increase in inventories		**(2.5)**	(0.9)
Decrease in receivables		**5.0**	3.7
Decrease in payables		**(1.3)**	(5.9)
Cash generated from operations		**42.2**	36.4
Net income taxes paid		**(5.8)**	(3.5)
Net cash inflow from operating activities	*	**36.4**	32.9
Investing activities			
Investment income		**0.3**	0.1
Purchase of property, plant and equipment	*	**(9.8)**	(5.3)
Purchase of intangible assets	*	**(9.8)**	(5.9)
Transfer of cash from escrow in respect of future capital expenditure	*	**4.2**	—
Net cash outflow arising from acquisitions		**(11.9)**	—
Net cash outflow from investing activities		**(27.0)**	(11.1)
Financing activities			
Dividends paid	7	**(17.6)**	(15.1)
Proceeds on issue of shares		**0.6**	0.9
Purchase of own shares		**(0.2)**	(0.1)
Net cash outflow from financing activities		**(17.2)**	(14.3)
Net (decrease) / increase cash and cash equivalents		**(7.8)**	7.5
Cash and cash equivalents at beginning of period		**90.2**	84.8
Effect of foreign exchange rates		**0.8**	(0.7)
Cash and cash equivalents at end of period		**83.2**	91.6
Free Cash Flow	(i)	**21.0**	21.7

(i) Free Cash Flow comprises those items marked * and comprises net cash generated from operating activities less net capital expenditure.

Cash and cash equivalents includes £0.1m (2017: nil) in respect of funds contributed by employees for the purpose of purchasing shares under the Abcam Abshare Scheme upon vesting.

Notes to the interim financial information

For the six-month period ended 31 December 2018

1. General information

This condensed consolidated interim financial information for the six months ended 31 December 2018 is unaudited and does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006 but has been reviewed by the auditor. The financial information for the year ended 30 June 2018 does not constitute the Company's statutory accounts for that period, but has been extracted from those accounts, which were approved by the Board of Directors on 7 September 2018 and have been delivered to the Registrar of Companies. The auditor has reported on those accounts, their opinion was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The condensed interim financial information for the six months ended 31 December 2018 included in this interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union and has been prepared on a going concern basis as described further below.

a Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are those as set out in the Group's financial statements for the year ended 30 June 2018 save as outlined below. In addition, tax on income in the interim period is calculated as described in note 5.

New accounting standards and interpretations

The group adopted IFRS 9 and IFRS 15 on 1 July 2018 and this is the first financial information prepared under these standards. Analyses of the impacts of these new standards are set out below and the remaining accounting policies in this financial information have been applied consistently with the Group's financial statements for the year ended 30 June 2018.

IFRS 15, 'Revenue from contracts with customers'

IFRS 15 superseded IAS 18 'Revenue' and establishes a principles-based approach to revenue recognition and measurement. Revenue is recognised when performance obligations are satisfied in respect of the transfer of goods or services at an amount that the entity expects to receive in exchange for those goods or services.

Over 90% of the Group's revenue is derived from catalogue product sales. Under IFRS 15 the performance obligation for catalogue sales has been determined to be at the point when control of the products is transferred to the customer, normally upon delivery or despatch depending on the terms of the agreement. This does not represent a change from the previous treatment under IAS18.

The Group's other revenue streams (being custom service, licensing and royalties) is such that entitlement to income is aligned to defined performance obligations and deliverables. Consequently, there is no impact on transition to IFRS 15 for revenue, profit or net assets.

IFRS 9, 'Financial instruments'

IFRS 9 replaced IAS 39 and is applicable to financial assets and liabilities, covering classification, measurement and derecognition. The relevant applications to the group and their impact are:

Expected credit loss model: Upon transition the Group has applied the simplified model specified for expected credit loss, based on the historical default rates experienced across the Group. This replaces the previous policy for providing against credit risk on trade receivables, which was based on estimated irrecoverable amounts determined by specific circumstance or past experience. At transition, no additional provision against trade receivables was required.

Equity investments: An election has been made to continue to recognise fair value gains and losses through the statement of other comprehensive income. There is no transitional impact as a result.

Derivatives: The group purchases forward contracts to manage exposure to foreign exchange risk arising from sales in foreign currency, principally US Dollars, Euros, Japanese Yen and Chinese Renminbi. These arrangements qualify as cash flow hedges under IAS 39 and IFRS 9 and the transition to IFRS 9 has therefore not resulted in any changes to their classification or measurement, nor is there to be a change in assessing hedge effectiveness.

Notes to the interim financial information (continued)

For the six-month period ended 31 December 2018

2. Basis of preparation (continued)

b Going concern

The directors have prepared the interim financial information on a going concern basis. In considering the going concern basis, the directors have considered the principal risks and uncertainties set out at the end of this report. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, support the conclusion that there is a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future and a period of not less than twelve months from the date of this report. Accordingly, the going concern basis has been adopted in preparing the interim financial report.

c Adjusted performance measures

Adjusted performance measures are used by management in its review of the business and exclude certain cash and non-cash items which management believes are not reflective of the normal course of business of the Group. Management believe that disclosing such non-IFRS measures enables a reader to isolate and evaluate the impact of such items on results and allows for fuller understanding of performance from year to year. A detailed reconciliation between reported and adjusted measures is presented in note 4.

3. Operating segments

The Directors consider that there are no identifiable business segments that are engaged in providing individual products or services or a group of related products and services that are subject to risks and returns that are different to the core business. The information reported to the Group's Chief Executive Officer, who is considered the chief operating decision maker, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8 *Operating Segments*, which is 'sales of antibodies and related products'. The Group's revenue and assets for this one reportable segment can be determined by reference to the Group's income statement and balance sheet.

4. Consolidated adjusted financial measures

A reconciliation of the Group's adjusted performance measures to reported IFRS measures is presented below:

		(Unaudited) six months ended 31 Dec 2018			(Unaudited) six months ended 31 Dec 2017		
	Note	**Adjusted £m**	**Adjusting items £m**	**Total £m**	Adjusted £m	Adjusting items £m	Total £m
EBITDA[1]		**44.4**	**(4.1)**	**40.3**	42.7	(3.7)	39.0
Depreciation and amortisation		**(3.6)**	**(3.3)**	**(6.9)**	(3.5)	(2.8)	(6.3)
Operating profit		**40.8**	**(7.4)**	**33.4**	39.2	(6.5)	32.7
Finance income		**0.3**	**—**	**0.3**	0.1	—	0.1
Profit before tax		**41.1**	**(7.4)**	**33.7**	39.3	(6.5)	32.8
Tax	5	**(7.5)**	**1.5**	**(6.0)**	(7.4)	6.9	(0.5)
Profit for the period		**33.6**	**(5.9)**	**27.7**	31.9	0.4	32.3

1 EBITDA = Earnings before interest, tax, depreciation and amortisation

	(Unaudited) six months ended 31 Dec 2018 £m	(Unaudited) six months ended 31 Dec 2017 £m
Analysis of adjusting items		
Affecting EBITDA		
System and process improvement costs	**(2.0)**	(3.7)
Costs associated with new Group headquarters	**(2.1)**	—
	(4.1)	(3.7)
Affecting depreciation and amortisation		
Amortisation of acquisition related intangible assets	**(3.3)**	(2.8)
	(3.3)	(2.8)
Affecting profit before tax	**(7.4)**	(6.5)
Affecting tax		
Tax effect of adjusting items	**1.5**	1.4
One-off tax arising from new US tax legislation	**—**	5.5
Total adjusting items	**(5.9)**	0.4

Notes to the interim financial information (continued)

For the six-month period ended 31 December 2018

5. Income tax

The major components of the income tax expense in the income statement are as follows:

	(Unaudited) six months ended 31 Dec 2018 £m	(Unaudited) six months ended 31 Dec 2017 £m
Current tax	**6.1**	7.0
Deferred tax	**(0.1)**	(6.5)
	6.0	0.5

The UK corporation tax rate for the six months ended 31 December 2018 was 19.0% (six months ended 31 December 2017: 19.0%). Effective tax rates represent management's best estimate of the average annual effective tax rate on reported or adjusted profits with these rates being applied to half year results.

An effective rate of 17.8% is recorded in the half year results and is lower than the UK statutory rate mainly due to the recognition of the ongoing benefits of the US tax reform. The estimated effective rate of tax on reported profits for the full year ending 30 June 2019 is 18.0% representing management's best estimate of the average annual effective tax rate on profits expected for the full year with this rate being applied to the half year results (year ended 30 June 2018 10.0%, reflecting the one-off impacts of the US tax reform changes).

The effective rate on adjusted half year profits is 18.2% and for the full year ending 30 June 2019 is expected to be approximately 18.1% (year ended 30 June 2018: 18.3%).

6. Earnings per share

The calculation of earnings per ordinary share (EPS) and adjusted earnings per ordinary share (adjusted EPS) are based on profit after tax, and adjusted profit after tax, respectively, attributable to owners of the parent and the weighted number of shares in issue during the six-month period.

Adjusted EPS figures have been calculated based on adjusted earnings which are set out and described in note 4.

	(Unaudited) six months ended 31 Dec 2018 £m	(Unaudited) six months ended 31 Dec 2017 £m
Profit attributable to equity shareholders of the parent - adjusted	**33.6**	31.9
Adjusting items	**(5.9)**	0.4
Profit attributable to equity shareholders of the parent – total reported	**27.7**	32.3
	Million	Million
Weighted average number of ordinary shares in issue	**205.2**	204.7
Less ordinary shares held by Equiniti Share Plan Trustees Limited	**(0.5)**	(0.7)
Weighted average number of ordinary shares for the purposes of basic EPS	**204.7**	204.0
Effect of potentially dilutive ordinary shares: – share options and awards	**1.7**	1.6
Weighted average number of ordinary shares for the purposes of diluted EPS	**206.4**	205.6

Diluted EPS and adjusted diluted EPS are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. Such potentially dilutive ordinary shares comprise share options and awards granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period and any unvested shares which have met, or are expected to meet, the performance conditions at the end of the reporting period.

	(Unaudited) six months ended 31 Dec 2018	(Unaudited) six months ended 31 Dec 2017
Basic EPS	**13.5p**	15.8p
Diluted EPS	**13.4p**	15.7p
Adjusted basic EPS	**16.4p**	15.6p
Adjusted diluted EPS	**16.3p**	15.5p

Notes to the interim financial information (continued)

For the six-month period ended 31 December 2018

7. Dividends

	(Unaudited) six months ended 31 Dec 2018 £m	(Unaudited) six months ended 31 Dec 2017 £m
Amounts recognised as distributions to equity shareholders in the period:		
Final dividend for the year ended 30 June 2017 of 7.355 pence per share	**—**	15.1
Final dividend for the year ended 30 June 2018 of 8.580 pence per share	**17.6**	—
Total distributions to owners of the parent in the period	**17.6**	15.1
Proposed interim dividend of 3.55 pence (H1 2018: 3.42 pence) per share	**7.3**	7.0

The proposed interim dividend was approved by the Board on 1 March 2019 and has not been included as a liability in these financial statements.

8. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks that include currency risk, interest rate risk, credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements; accordingly, they should be read in conjunction with the Group's financial statements for the year ended 30 June 2018. There have been no changes to the risk management policies since the year ended 30 June 2018.

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable market inputs).

The following table presents the Group's assets and liabilities carried at fair value by valuation method.

31 December 2018	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Derivative financial instruments	**—**	**0.1**	**—**	**0.1**
Investment	**0.7**	**—**	**—**	**0.7**
Total assets	**0.7**	**0.1**	—	**0.8**
Liabilities				
Derivative financial instruments	**—**	**(2.1)**	**—**	**(2.1)**
Total liabilities	**—**	**(2.1)**	**—**	**(2.1)**

30 June 2018	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Derivative financial instruments	—	0.8	—	0.8
Investment	0.9	—	—	0.9
Total assets	0.9	0.8	—	1.7
Liabilities				
Derivative financial instruments	—	(0.6)	—	(0.6)
Total liabilities	—	(0.6)	—	(0.6)

Notes to the interim financial information (continued)

For the six-month period ended 31 December 2018

8. Financial instruments and risk management (continued)

There were no transfers between levels during the period.

The Group's Level 2 financial instruments consist of forward foreign exchange contracts fair valued using forward exchange rates that are quoted in an active market.

The Group continues to generate significant amounts of US Dollars, Euros, Japanese Yen and Chinese Renminbi in excess of payments in these currencies and has hedging arrangements in place to reduce its exposure to currency fluctuations.

The following table details the forward exchange contracts outstanding as at the period end:

	US Dollars		Euros		Japanese Yen		Chinese Renminbi	
Maturing in	Sell $'m	Average rate	Sell €'m	Average rate	Sell ¥'m	Average rate	Sell ¥'m	Average rate
Period ending 30 June 2019	**11.7**	**1.35**	**23.1**	**1.12**	**1,162**	**146.8**	**66.2**	**9.0**
Year ending 30 June 2020	**17.1**	**1.34**	**30.8**	**1.10**	**1,374**	**143.3**	**33.3**	**9.0**

9. Capital commitments

As at 31 December 2018, the Group had capital commitments of £3.9m (31 December 2017: £6.8m) relating to the acquisition of property, plant and equipment and intangible assets, most of which relates to the Group's system and process improvement project.

10. Related party transactions

During the period, the Group made purchases of £nil (six months ended 31 December 2017: £0.1m) and sales of less than £0.1m (six months ended 31 December 2017: less than £0.1m) from companies of which Jonathan Milner is either a director or a significant investor. The majority of transactions in the six months ended 31 December 2017 were with Horizon Discovery Group Plc, of which Jonathan Milner was previously a non-executive director.

11. Post balance sheet events

On 24 January 2019, the Group completed the acquisition of 100% of the share capital of Calico Biolabs Inc, a developer of recombinant rabbit monoclonal antibodies for diagnostic and biopharmaceutical companies, for total cash consideration of $4.5m (£3.5m), of which $0.9m (£0.7m) is deferred for 12 months.

The acquisition strategically expands Abcam's leading position in rabbit monoclonal antibodies, bringing a small catalogue of ready-made antibodies for immunohistochemistry (IHC) in addition to custom development services.

Risks and uncertainties

The principal risks and uncertainties which the Group faces in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives are set out in the Annual Report and Accounts 2018 on pages 35 to 38 and in note 4 to the consolidated financial statements. Information on financial risk management is set out on pages 130 to 133. A copy of the Annual Report and Accounts is available on the Group's website www.abcamplc.com/investors/reports-presentations/.

The principal risks and risk profile of the Group have not changed over the interim period and are not expected to change over the next six months. As noted in the Annual Report and Accounts 2018, the Group continues to monitor developments in respect of the UK's withdrawal from the EU and the consequences of how these might affect the business.

The principal risks remain as:

Principal risk	**Description and relevance**
1. Increased competition: specifically pinpointed to disruptive developments	The risk of competitors introducing new technologies, channels or workarounds, strengthening product offerings, routes to market and/or human resources.
2. Identification, valuation and pursuit of acquisitions and investments	The risk that Abcam fails to acquire businesses which could bring added value or does not fully identify risks within acquisition targets which would affect the valuation or acquisition rationale.
3. Availability of research funding	The risk of a substantial reduction in funding for life sciences research in one of Abcam's significant territories.
4. ERP project/IT infrastructure	The risk of non-delivery or significant delay in the critical components of the ERP project.
5. Cyber security risks including loss of data and website inaccessibility	The risk that Abcam's IT infrastructure, website or ecommerce systems are affected by a cyber security issue.
6. Loss of output at any Group manufacturing or logistics facility	The risk that a disruptive event or disaster occurs at a key facility.
7. Business growth is constrained by not having appropriate people, resources and infrastructure in place	The risk of failure to attract and retain high calibre personnel, or to maintain operational and IT infrastructure that is sufficiently robust, efficient and scalable.
8. Inadequate integration or leverage of acquired businesses	The risk of misjudging key elements of an acquisition or failing to integrate the acquired business in an efficient and timely manner.
9. Reputational risk	The risk of not meeting internal high standards of quality and ethical business practice.
10. Significant exchange rate movements	The risk of significant unfavourable foreign exchange movements.
11. Non-compliance with laws and regulations	The risk of insufficient evaluation and non-compliance with legislation and regulation in the markets and countries in which Abcam operates.

Technical Glossary

AAAI products - Agonists, Antagonists, Activators and Inhibitors
Biochemicals which activate or inhibit biological pathways.

Affinity Binder
A reagent that binds specifically to an antigen (protein) – antibodies are a subset of affinity binders.

Antibody
A protein made by the immune system that binds specifically to an antigen. When an antibody detects this antigen in the body, it will contribute to an immune response to rid the body of the antigen.

Assay
A laboratory test for assessing the presence, amount or functional activity of a chemical or biological molecule.

Biological pathway
A series of molecular interactions that leads to a change in a cell in response to a stimulus. For example, biological pathways can trigger the assembly of new molecules, turn genes on and off, or spur a cell to move.

Biomarker
A measurable indicator of a biological state or condition. For example, increased amounts of a particular protein in a blood sample may indicate the presence of a particular disease.

Biological therapeutics
Any pharmaceutical drug product manufactured in, extracted from, or semi-synthesised from biological sources. Different from totally synthesised pharmaceuticals, they include vaccines, blood, blood components, allergenics, somatic cells, gene therapies, tissues, recombinant therapeutic protein, and living cells used in cell therapy.

Conjugated antibody
Antibodies that are chemically bound to molecules that enable detection of the antibody. For example, an antibody might be bound to a fluorescent dye.

ELISA
Assay that uses antibodies to detect and quantify proteins and peptides in a biological sample. Acronym for enzyme-linked immunosorbent assay.

ERP
Acronym for Enterprise Resource Planning. It refers to business process management software that allows an organisation to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services and human resources.

Immunohistochemistry (IHC)
The process of selectively imaging antigens (proteins) in cells of a tissue section by exploiting the principle of antibodies binding specifically to antigens in biological tissues

Immunoassay
A test that uses the binding of antibodies to antigens to detect and quantify a biological molecule in a sample.

In vitro
Describes studies that are performed with microorganisms, cells or biological molecules outside their normal biological context. For example, an in vitro experiment might involve extracting a blood sample from a patient and performing an assay on that sample in a test tube.

In vitro diagnostics (IVD)
Tests done on samples such as blood or tissue that have been taken from the human body. In vitro diagnostics can detect diseases or other conditions, and can be used to monitor a person's overall health to help cure, treat, or prevent diseases

Kits and assays
Multi-component products comprising antibodies and other reagents that can be used to detect a wide range of biological molecules.

Knockout cell lines / Knockout validation
A cell line that has had a particular gene removed (or 'knocked out'). The protein that the knocked-out gene encodes for is therefore not produced.

Matched antibody pairs
A pair of antibodies that binds to an individual protein at different sites, meaning that both antibodies of the pair can bind the protein at the same time. Matched antibody pairs are used in assays such as ELISA.

microRNA or miRNA
Small RNAs that are involved in regulating gene expression.

Monoclonal antibodies
Identical antibodies derived from a group of identical cloned cells or from an expression vector. Monoclonal antibodies recognise only one kind of antigen, i.e. they bind to the same site on a protein.

Multiplex immunoassays
Immunoassays that can detect multiple proteins at once within a single sample. They allow scientists to increase the efficiency and scope of their experiments.

Transactional (or Touchpoint) Net Promoter Score or tNPS
A management tool that can be used to gauge the loyalty of a company's customer relationships. It serves as an alternative to traditional customer satisfaction research and can be correlated with revenue growth.

Peptides
Short chains of amino acids

PD-L1
Acronym for programmed death-ligand 1. It is a protein that plays a major role in suppressing the immune system and is an important target in difficult to treat cancers.

Polyclonal antibodies
Antibodies that target the same antigen but are derived from different cell lineages. Polyclonal antibodies bind to different sites on the antigen.

Proteins
Large, complex molecules made up of amino acids. Proteins are required for the structure, function and regulation of the body's tissues and organs.

RabMAb®
Abcam's patented technology for the generation of high quality rabbit monoclonal antibodies.

Rabbit/recombinant monoclonal antibodies
Antibodies made by cloning DNA sequences from cell lines that produce rabbit monoclonal antibodies. Cloned recombinant antibodies are identical and are therefore not susceptible to lot-to-lot variation.

Reagent
A product used in an experiment to detect or measure biological processes.

Recombinant
An antibody or protein that is synthesised from modified DNA in an artificial system that permits rapid production of large quantities of the protein.

SimpleStep ELISA® kits
Kits that deliver fast results in just 90 minutes by reducing antibody and sample additions to a single step.

Abcam plc
Discovery Drive
Cambridge Biomedical Campus
Cambridge
CB2 0AX
UK

www.abcam.com
www.abcamplc.com

Follow us at: