

Abcam plc

Serving life scientists to achieve their mission, faster

Interim results for the 6- and 12-month periods ended 30 June 2021

13 September 2021

abcam



Disclaimer

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This presentation contains forward-looking statements, which are based upon current expectations and assumptions regarding anticipated developments and other factors affecting Abcam. In some cases, you can identify forward-looking statements by the following words: "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. They are not historical facts, nor are they guarantees of future performance. Forward-looking statements are subject to many risks and uncertainties, including (1) the impact of a regional or global health pandemic, including COVID-19; (2) challenges in implementing our strategies for revenue growth, developing new products and enhancing existing products, adapting to significant technological change and responding to the introduction of new products by competitors to remain competitive; (3) failure to successfully identify or integrate acquired businesses or assets into our operations or fully recognize the anticipated benefits of businesses or assets that we acquire; (4) any discontinuation or reduction in our customers' spend on research, development, production or other scientific endeavours; (5) failure to successfully use, access and maintain information systems and implement new systems to handle our changing needs; (6) cyber security risks; (7) failure to successfully manage our current and potential future growth; (8) any significant interruptions in our operations; (9) failure of our products to satisfy applicable quality criteria, specifications and performance standards; and (10) failure to maintain our brand and reputation; among other risks. 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. Moreover, new risks emerge from time to time, and it is not possible for Abcam to predict all risks, nor can it assess the impact of all factors on its business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements Abcam may make. Abcam cautions readers against relying on these forward-looking statements. Neither Abcam, nor its advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Neither Abcam nor its advisors undertakes any obligation to update any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results of changes in expectations except as may be required by law. Abcam's actual future results, performance and events and circumstances may be materially different from these expectations.

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This presentation contains certain financial measures that are not presented in accordance with the International Financial Reporting Standards ("IFRS"), including, but not limited to, Adjusted Operating Profit, Adjusted Operating Profit Margin, Return on Capital Employed ("ROCE") and Free Cash Flow. These non-IFRS financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing Abcam's financial results. Therefore, these measures should not be considered in isolation or as an alternative to profit for the year, cash flows from operations or other measures of profitability, liquidity or performance under IFRS. Abcam's presentation of these measures may not be comparable to similarly titled measures used by other companies. Please see the appendix to this presentation for a reconciliation of these measures to the closest comparable IFRS measure.

Third party data

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Agenda

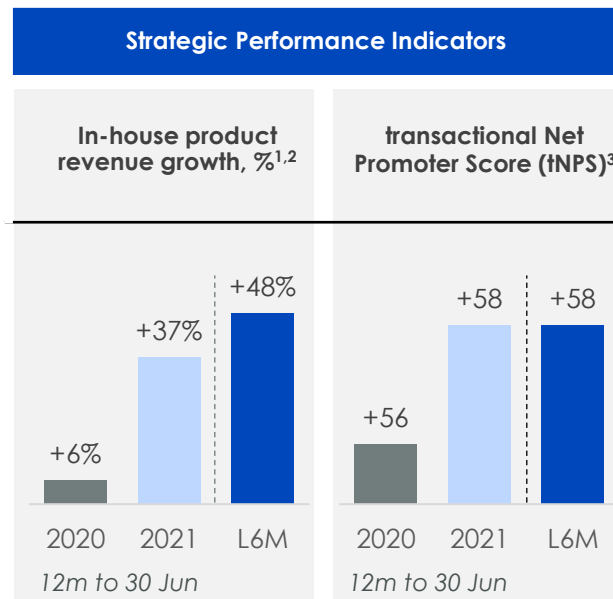
- › 2021 Headlines and business review
Alan Hirzel
- › CFO financial review
Michael Baldock
- › Q&A



Serving life scientists to
achieve their mission, faster

2021 Headlines

- › **Revenue growth acceleration in H2** as lab activity gradually returned and **demand for in-house products increased**
- › Continued focus on **supporting teams and customers** through the pandemic
- › Strategic progress: **on track with investment plans that position the company for durable growth going forward; moving from install to realisation**
- › **US Nasdaq listing** in October 2020
- › **Acquisition of BioVision announced post period-end for \$340m** – expected to close in October
- › **Attractive long-term outlook:** growth markets, profitable and cash generative company, providing capital to invest in a sustainable and durable business



As lab activity recovers, quarterly revenue is returning to trend



2021 **business** review



Increasing influence with customers and partners

- >50,000 journal citations **per year**
- **#1 cited primary antibody for 38% of proteins studied** (#1 or 2 in 50%)
- **Partnerships shaping** proteomic discovery platforms and complimentary diagnostics

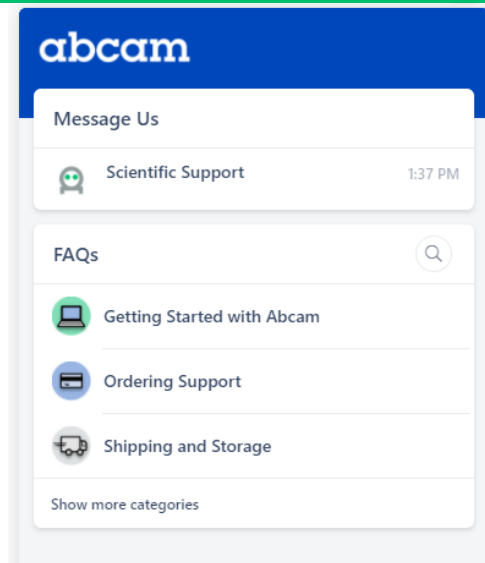


2019-2024: **Moving from installation to outcomes**

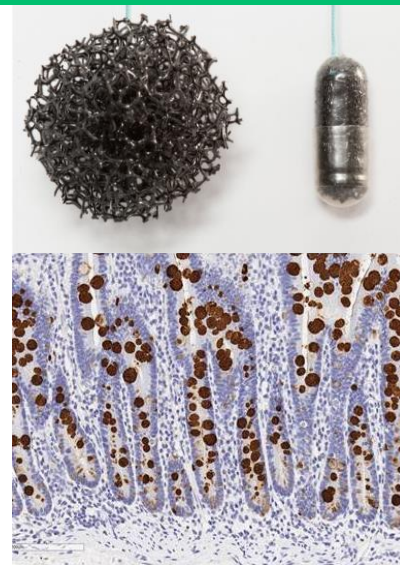
Installation



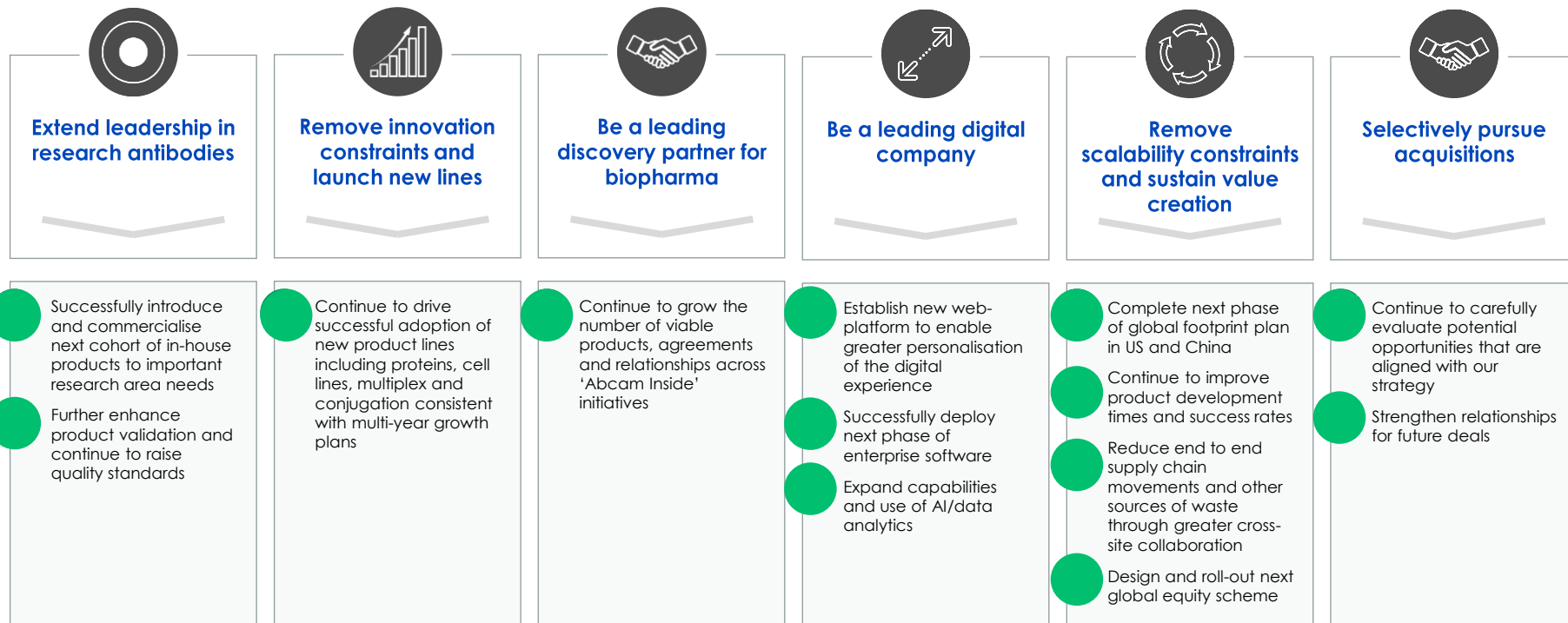
Refinement



Outcomes



Progress made across all goals of our 2024 growth strategy in 2021

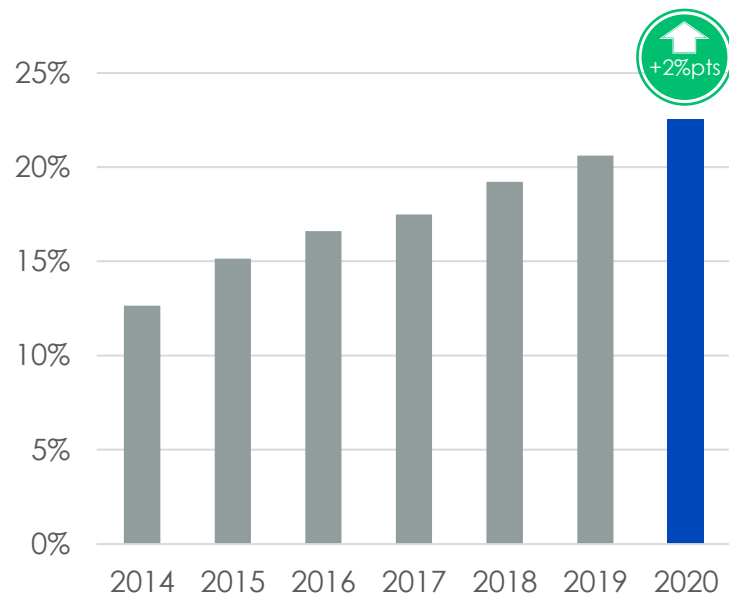




Extending **leadership in research abs**

- **In-house new product dev. rate +50% YoY**
 - >4,000 in-house product introductions
 - Recombinant portfolio >26,000
- Continued progress across quality initiatives delivers **record product satisfaction rates**
- **Partnerships shaping** cDx and proteomic discovery platforms

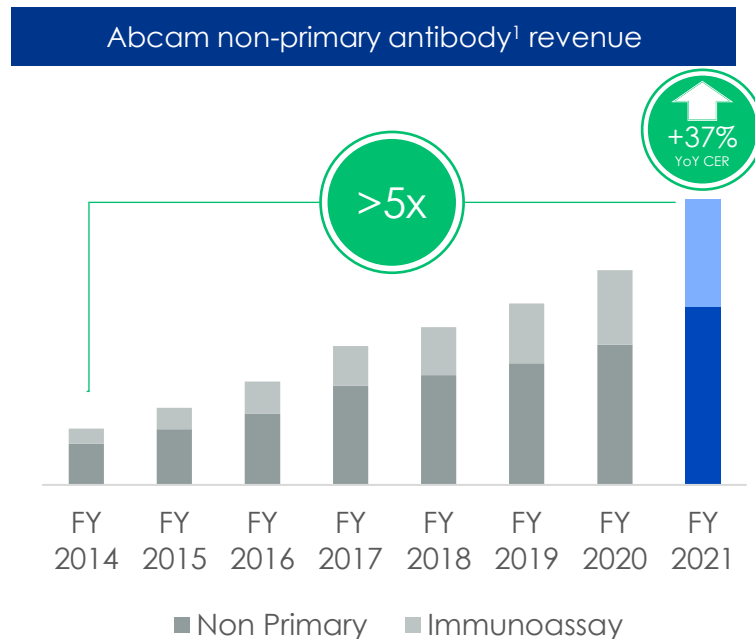
Abcam – Global antibody research citation share¹





Expanding into **new product adjacencies**

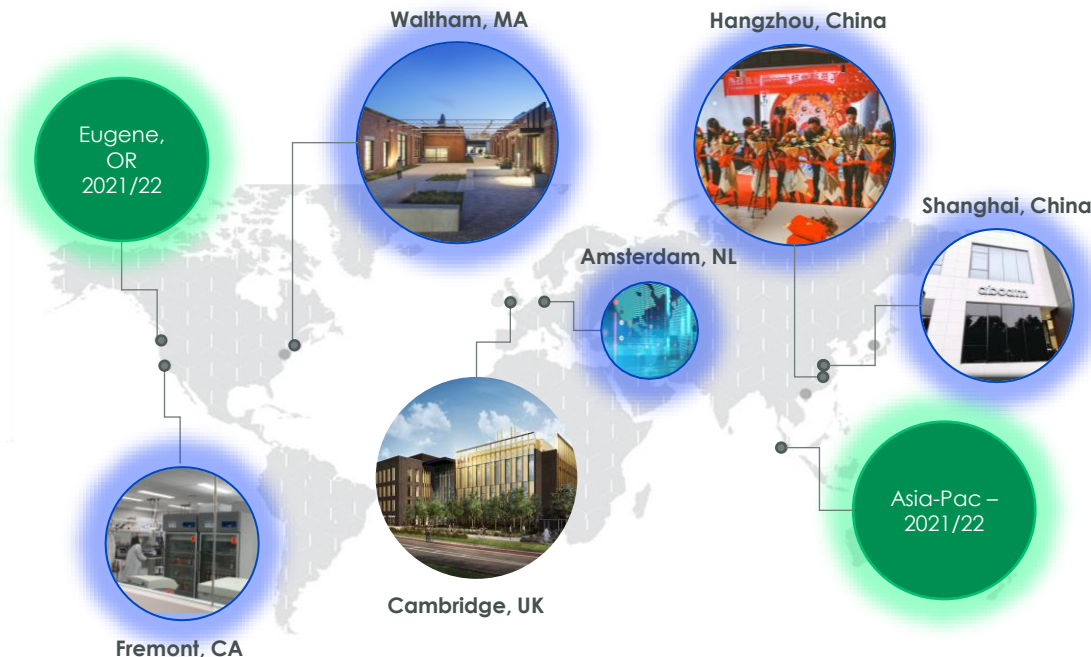
- **Completed conjugation integrations** of Expedeon, BrickBio and MGT
- Developed and launched initial batch of **high-quality, bioactive proteins**
- Published first group of **in-house developed engineered cell lines**
- Made further **operational and commercial progress** with FirePlex®
- **Expanded operational capacity** with opening of the new facilities





Expanding and improving our **global footprint**

- Multi-year upgrades to global footprint continue
- Increasing **operational capacity** and **efficiency**
- Improvements to **manufacturing infrastructure** and **supply chain network**
- **Engineering, technology and system enhancements** underway





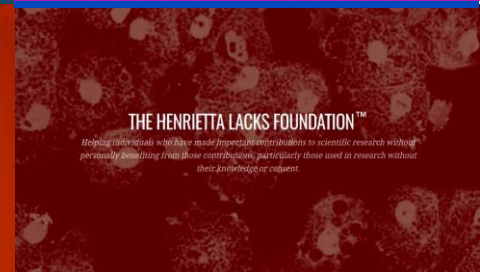
Spotlight on our people

Building capabilities and culture















- Recognised as **#3 Employer** in UK by Glassdoor reviews
- Managed and supported each other through COVID-19 as **one team**, supporting **sustained strong employee engagement**
- **Launched Diversity & Inclusion approach** with ERG's
- **Recognised externally** across multiple award categories
- Launched **Abcampus** online training portal
- Continued **investment in development** with US/APAC trainers



#UnitingBusiness



Responsibly and sustainably **growing our impact**

	SDG Focus	Sustainability Performance Measures	2021	2020	Δ
PRODUCTS 	  	Customer tNPS (12m rolling)	+58	+56	↑
		In-house revenue as % of total catalogue revenue	54%	47%	↑
		Product satisfaction rate (12m rolling)	98.9%	98.7%	↑
PEOPLE 	   	Employee tNPS	Coming Spring 2022		
		Days lost to Health & Safety incidents	4	2	↑
PARTNERS 	 	No. of antibodies validated for use on third-party platforms or in Dx	843	459	↑
		3rd party suppliers signed up to Abcam's Code of Conduct	100%	98%	↑
PLANET 		Carbon intensity (SECR 1,2,3) TCO2e/£m	TBC	21.2	
		Waste to landfill, Tonnes	TBC	77.5	

CFO review

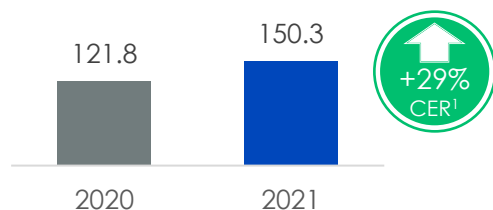
Michael Baldock



Growth accelerated across all product categories and geographic areas in H2

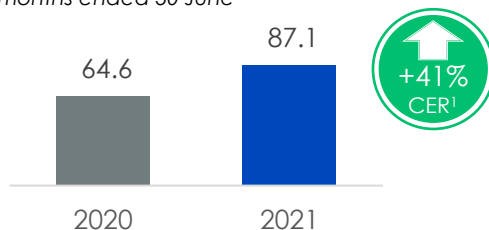
Total Revenue, £m

6 months ended 30 June



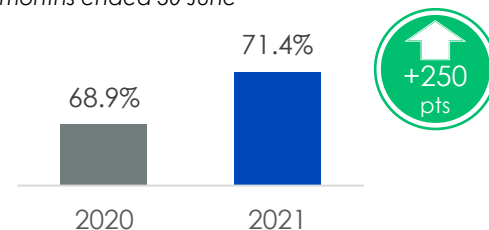
In-house product revenue², £m

6 months ended 30 June



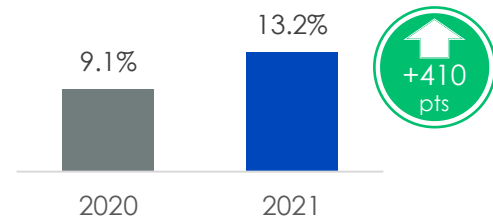
Gross margin, %

6 months ended 30 June



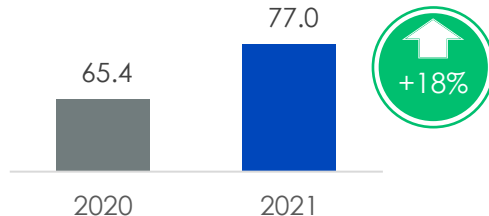
Adj. operating profit margin³, %

6 months ended 30 June



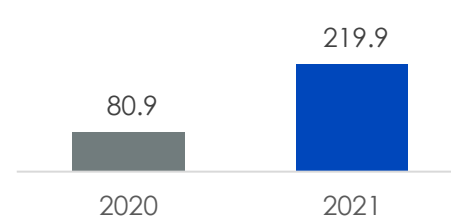
Cash generated from operations, £m

12 months ended 30 June



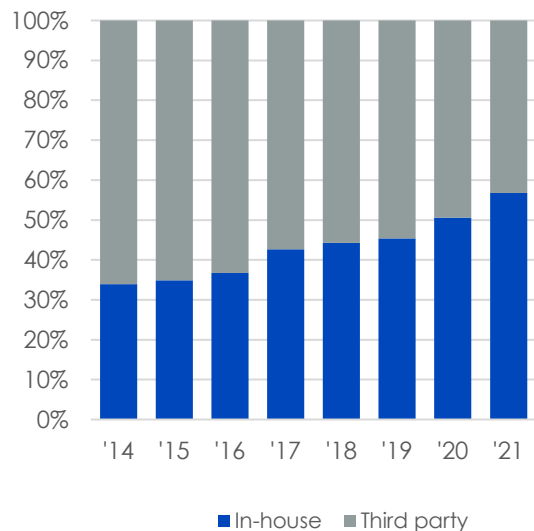
Net Cash, £m

As at 30 June

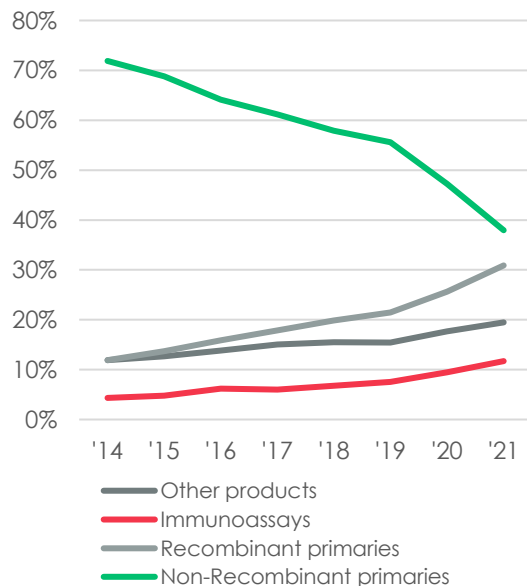


Revenue profile continues to **diversify and strengthen**

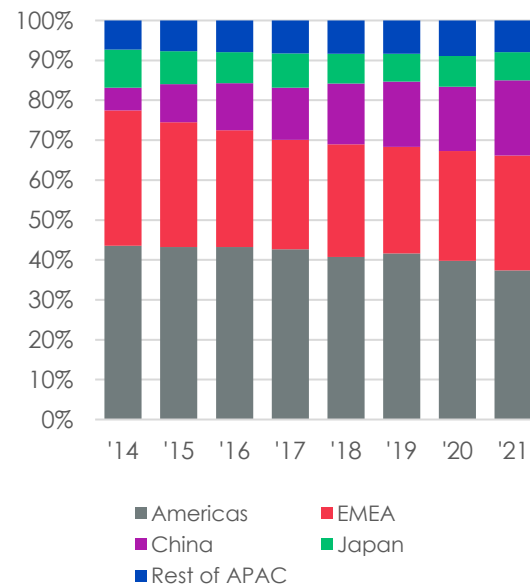
In-house vs. Third Party



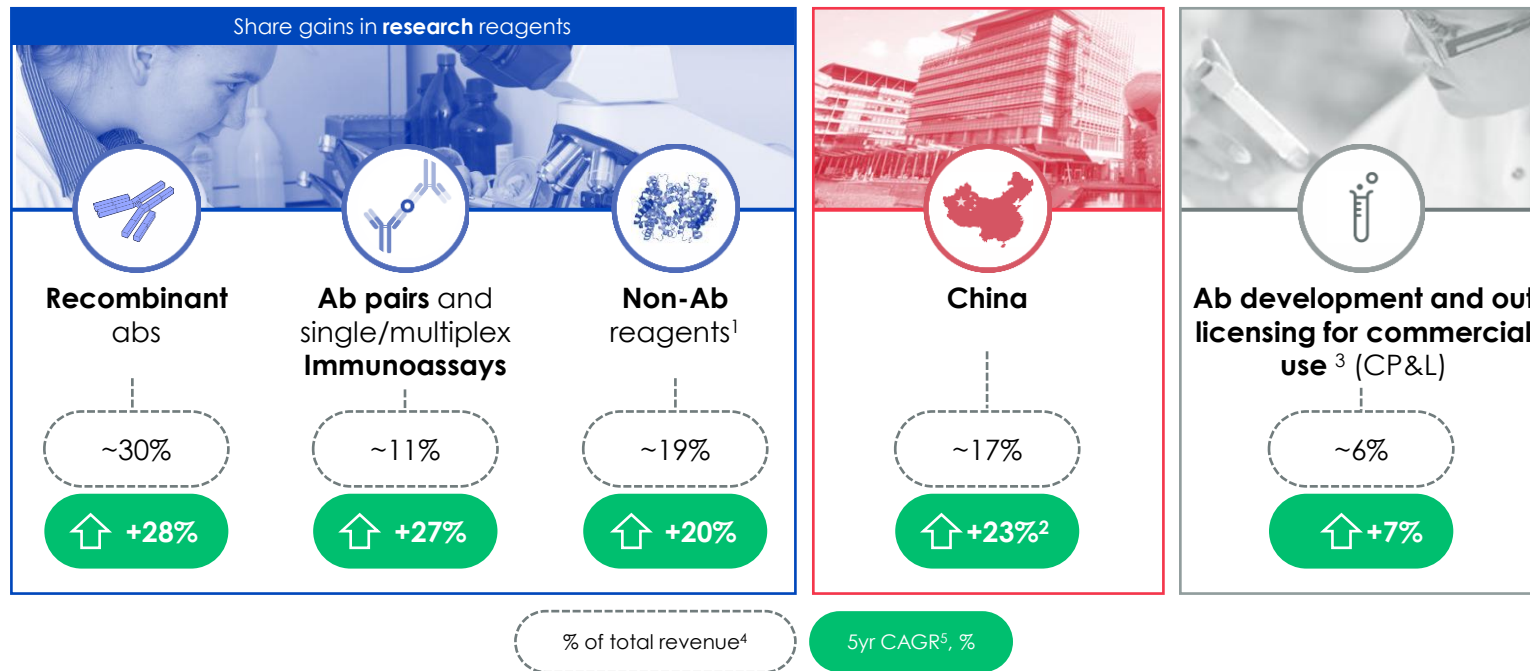
By product¹



By region¹

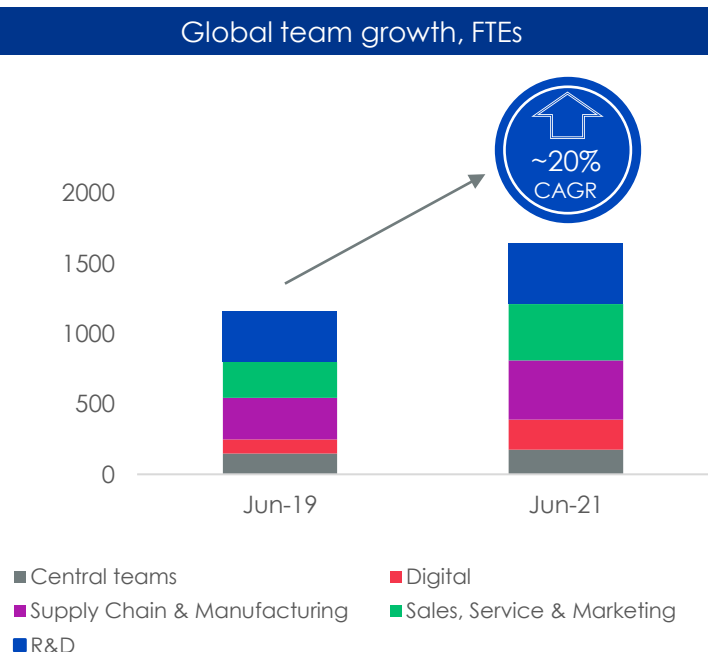


Powered by our **in-house innovation**, that evolution sets Abcam up to pursue **several major organic growth opportunities**



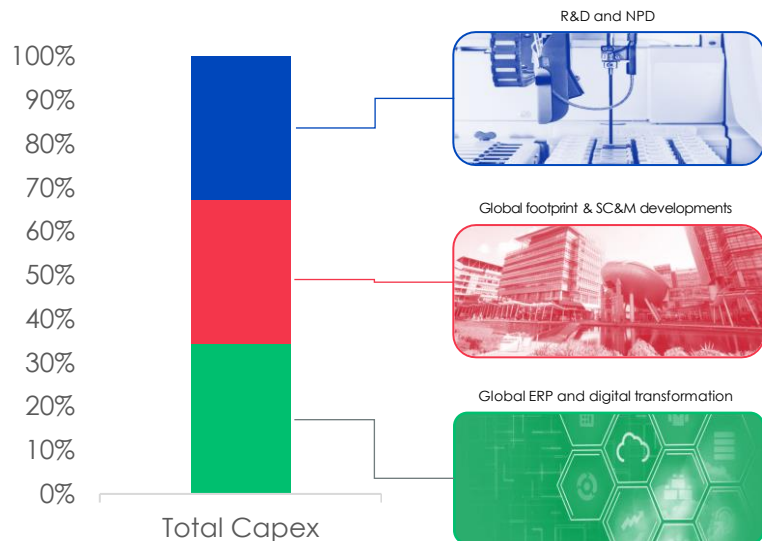
Global team and capability expansion to support growth plans

- ~500 employees joined since Jun-19, with main areas of growth **R&D**, **supply chain and manufacturing** and **sales and service**
- Pace of hiring slowing
 - Expect to add ~150 people in Cal-21 (350 added in 2020)
- Future investment focused on further **R&D** and **manufacturing development**

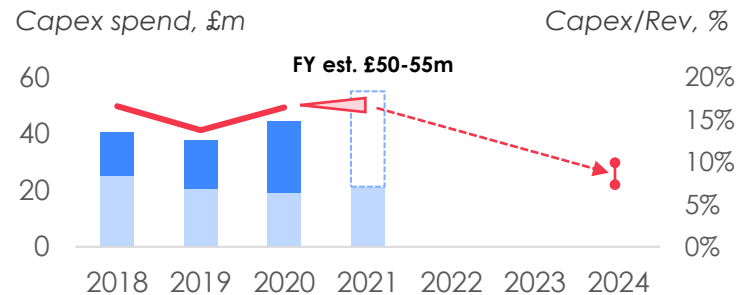


We are prioritising investment in the near term, to maximise returns

Capex deployment since launch of 2024 strategy



Capex profile (calendarized to 31 Dec)

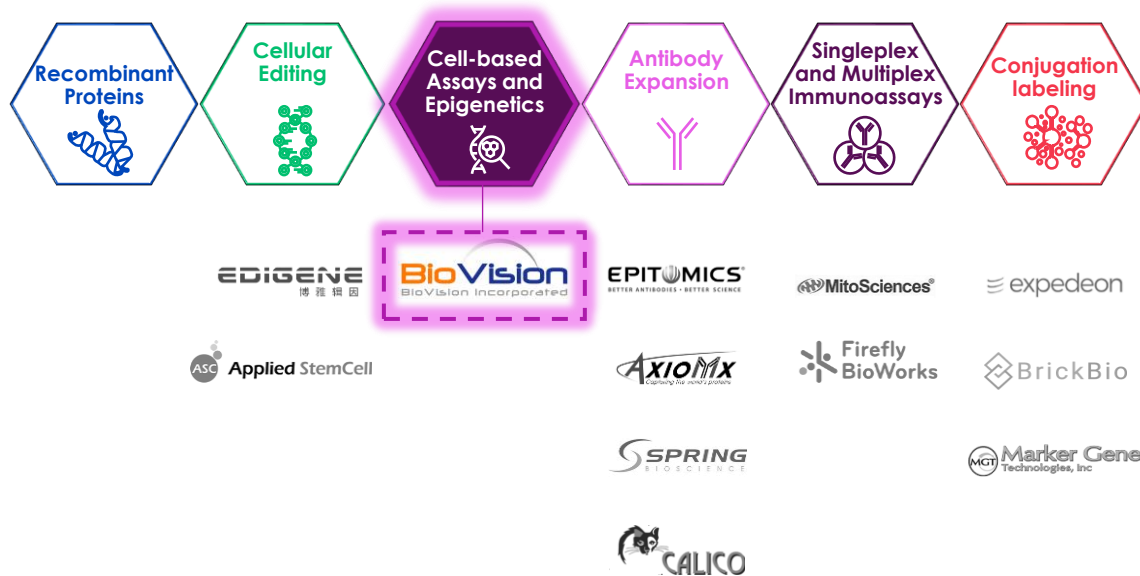


- Major footprint projects complete in 2021
- Final deployments of ERP due 2022
- Future capex focused on R&D capacity, NPD and digital front-end
- Adj. D&A expected to rise to ~£32-33m for 12m to Dec-21



Supplementing our growth strategy with acquisitions

- **Acquisition of BioVision**
announced on 2 August
 - Expected to complete in October
 - 12m to Dec-20 financials
\$33.8m rev / \$12.6m operating profit
 - Abcam represents ~25% of sales
 - \$5m of non-recurring COVID sales
- Expedeon **integration now complete**
- **Continue to selectively pursue high quality companies and portfolios**



Outlook and Guidance to Dec-21¹

Revenue

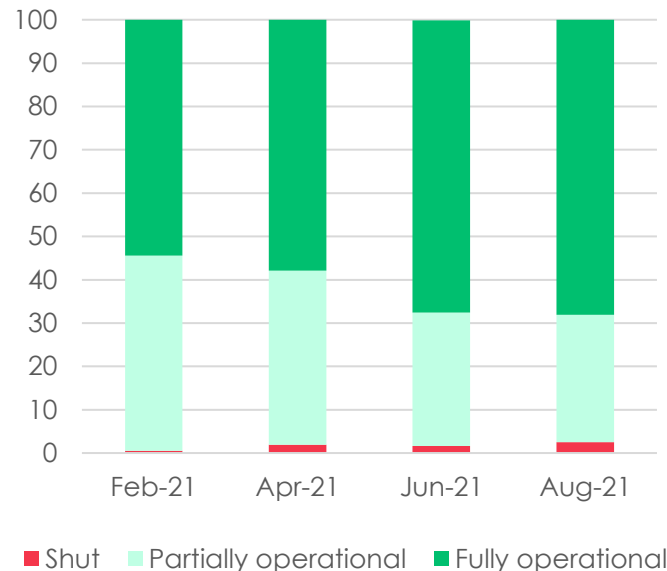
- Global lab activity continues to recover though uncertainty remains
- Trading performance YTD in line with the Board's expectations; mid-teens YoY CER revenue growth in July and August
- FX headwind to revenue growth of approx. 6% in 6m to 31-Dec-21 at current rates³

Costs and expenses

- Adjusted D&A of approx. £17-18m expected in 6m to 30-Dec-21, reflecting ERP deployments and investment in global footprint
- Ex. D&A, adjusted costs for the 6m ending 31-Dec-21 expected to grow MSD-HSD

- Expect to provide Cal-2022 outlook in March 2022

Global research lab status²



Durable mission and financial value creation

- Clear purpose and vision, with a **talented team and strong culture**
- **Achieving growth across all product categories and geographic areas** of the business
- **Investments are enabling the business to sustain growth** and achieve the long-term targets we have set for ourselves
- Remain **committed to generating revenue of £425 – 500m in Cal-2024**
- **Investment is expected to moderate from recent levels** as we pass peak for 2019-2024 strategy implementation
- Retain continuing appetite to invest in growing Abcam sustainably for the long term



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Q&A

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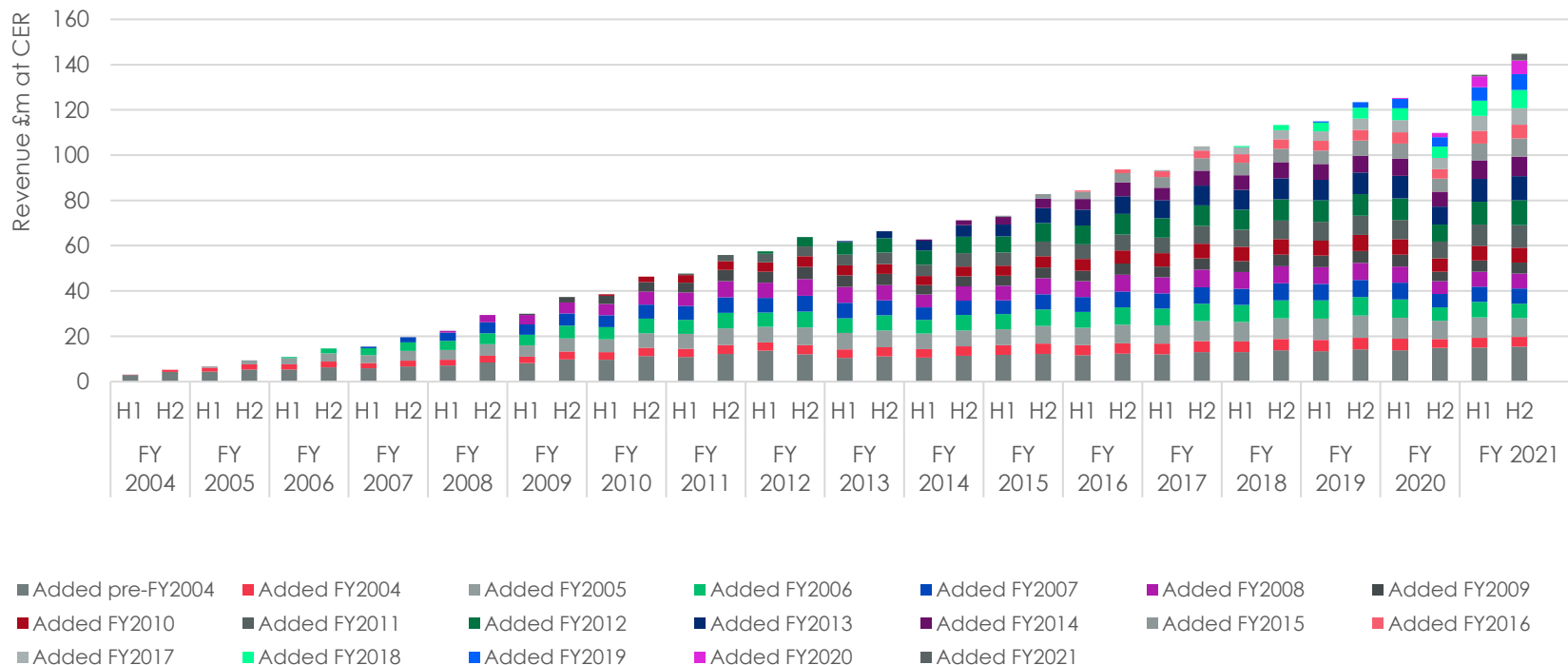
Supplementary information

i. Product Cohort Data and FX splits

Pro-forma P&L for the 12 months ended 31 December 2020

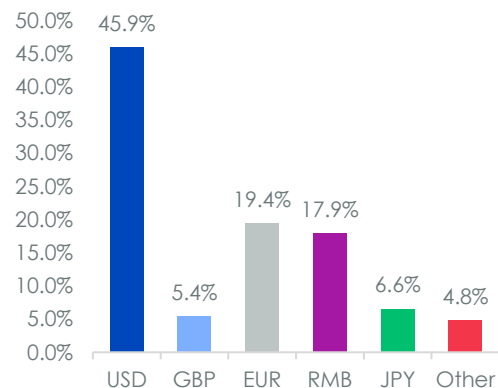
Adjusted Results ¹ , £m	12 months ended 2020	H1 2021 (6 months ended 30 June 2021)
Revenue	269.3	150.2
Gross Profit	188.5	107.2
Operating costs excl. non-cash costs ²	(117.4)	(66.0)
Depreciation and Amortisation	(22.4)	(15.1)
Share based payments	(11.6)	(6.3)
Total operating costs	(151.4)	(87.4)
Operating profit	37.1	19.8
Net finance Income / (expense)	(3.2)	(1.1)
Profit before tax	33.9	18.7
Tax	(6.6)	(7.8)
Profit after tax	27.3	10.9
Earnings per share		
Basic	12.7	4.8
Diluted	12.6	4.8

Cohort catalogue revenue by financial year



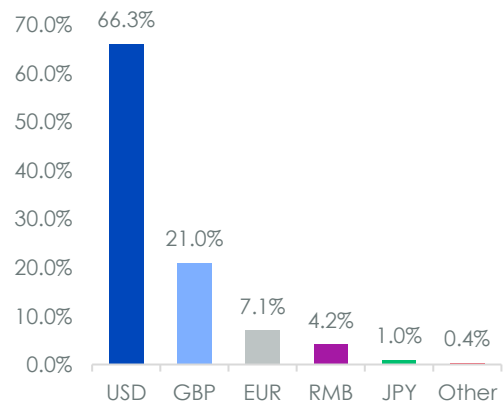
Breakdown by currency: 12m to 30 June 2021

Revenue



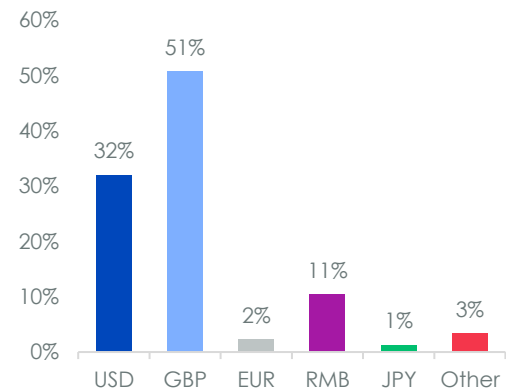
■ USD ■ GBP ■ EUR ■ RMB ■ JPY ■ Other

Cost of Goods Sold



■ USD ■ GBP ■ EUR ■ RMB ■ JPY ■ Other

Expenses



■ USD ■ GBP ■ EUR ■ RMB ■ JPY ■ Other

ii. IFRS Reconciliations

Additional Information

Adjusted Operating Profit Reconciliation

	Twelve months ended June 2021	Twelve months ended June 2020	Six months ended June 2021 £m	Six months ended June 2020 £m
Profit / (Loss) for the year	16.2	12.5	2.9	(13.6)
Tax charge / (credit)	9.2	(4.1)	6.3	(4.0)
Finance Income	(0.4)	(0.7)	(0.2)	(0.2)
Finance costs	3.2	2.8	1.3	1.7
System and process improvements costs ^(a)	3.8	4.3	2.0	2.2
Integration and reorganisation costs ^(b)	4.4	2.1	2.5	2.1
Acquisition costs ^(c)	1.0	4.1	1.0	2.8
Impairment of intangible assets ^(d)	-	14.9	-	14.9
Amortisation of acquisition intangibles ^(e)	8.4	8.6	4.0	5.2
Adjusted Operating Profit ^(f)	45.8	44.5	19.8	11.1
Adjusting items:				
Systems and process improvement costs (ERP)	(3.8)	(4.3)	(2.0)	(2.2)
Integration and reorganisation costs	(4.4)	(2.1)	(2.5)	(2.1)
Acquisition related costs	(1.0)	(4.1)	(1.0)	(2.8)
Impairment of intangible assets	-	(14.9)	-	(14.9)
Amortisation of acquisition intangibles	(8.4)	(8.6)	(4.0)	(5.2)
Reported Operating Profit / (Loss)	28.2	10.5	10.3	(16.1)

a) Comprises costs of the ERP implementation which do not qualify for capitalisation. Such costs are included within selling, general and administrative expenses.

b) Twelve and six months ended 30 June 2021: Integration and reorganisation costs largely relate to the reorganisation and property related costs in respect of the alignment of the Group's operating structure and geographic footprint to its strategic goals, as well as some costs associated with the secondary listing on Nasdaq. Year and six months ended 30 June 2020: Integration and reorganisation costs relate partly to the integration of Expeleon (comprising mainly retention and severance costs as well as employee backfill costs for those involved in the integration). These costs are included in selling, general and administrative expenses.

c) Comprises legal and other professional fees associated with the acquisition of the Expeleon business (for the year and six months ended 30 June 2020) and the proposed acquisition of BioVision Inc. Such costs are included within selling, general and administrative expense.

d) Comprises the full impairment of the acquisition intangible in respect of AxioMx in Vitro monoclonal antibody production technology (AxioMx acquired technology) and subsequent post acquisition expenditure capitalised. This arose following an appraisal of the ability to utilise at scale this technology whereby although technical feasibility remained valid, the challenges to realise material commercial returns resulted in the conclusion not to pursue further active development and substantive utilisation of this technology. The impairment charge is included within research and development expenses.

e) For the twelve month period to 30 June 2021, £6.2m (2020: £6.0m) of amortisation of acquisition intangibles is included in research and development expenses, with the remaining £2.2m (2020: £2.6m) included in selling, general and administrative expenses. For the six month period to 30 June 2021, £3.0m (2020: £4.2m) of amortisation is included in research and development expenses, with the remaining £1.0m (2020: £1.0m) included in selling, general and administrative expenses.

Free Cash Flow Reconciliation

	Twelve months ended June 2021 £m	Twelve months ended June 2020 £m
Net cash inflow from operating activities	71.9	63.0
Purchase of property, plant and equipment	(31.5)	(12.7)
Purchase of intangible assets	(25.7)	(23.0)
Transfer of cash from / (to) escrow in respect of future capital expenditure	0.4	(0.6)
Reimbursement of leasehold improvement costs	10.7	-
Principal and interest in respect of lease obligations	(9.7)	(7.7)
Free Cash Flow ^(a)	16.1	19.0

a) Free Cash Flow comprises net cash inflow from operating activities less net capital expenditure, transfer of cash from/(to) escrow in respect of future capital expenditure and the principal and interest elements of lease obligations. Free Cash Flow is included in this presentation because it is a key metric used internally to assess our liquidity. Free Cash Flow is not an IFRS measure of our financial performance and should not be considered as an alternative to net cash inflow from operations as a measure of liquidity, or as an alternative to any other performance measure derived in accordance with IFRS.

iii. American Depositary Receipt (ADR) Information

American Depositary Receipt (ADR) Programme

- Abcam offers investors the opportunity to invest through its American Depositary Receipt (ADR) programme
- Abcam's ADRs are listed on Nasdaq:

ADR Symbol	ABCM ¹
CUSIP	000380204
Ratio	1:1
DR ISIN	US0003802040
Underlying ISIN	GB00B6774699
Depository bank	Citi

- Note: Due to Abcam's AIM listing, Stamp Duty Reserve Tax (SDRT) is not payable on the conversion of Ordinary Shares to ADRs
- For questions about creating Abcam ADRs, please contact Citi:

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