



# Abcam plc Full Year Results

12 and 18 months to 31 December 2021

14 March 2022

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# Strategic highlights

Alan Hirzel, CEO

# Abcam in 2021: a snapshot in time

## Two years into the five year plan announced in late 2019

» **£315m (\$425m) CY2021 revenue** in a **\$3-8bn** total addressable market, growing at **+4-6% pa** » **£63m (\$85m) operating cash flow<sup>1</sup>** with **7.6% ROCE (CY2021)** » **>1,750 employees** across **14 sites<sup>3</sup>**

### Influencing Life Science discovery and impact:

**>70,000 research publications** per year citing abcam products, from 14,000 in 2012

**#1 global market share** in antibody citations for research

**Almost 1,000 abcam antibody clones commercialized** in **diagnostic or proteomic platforms** with thousands more under evaluation

### Building a durable enterprise:

**Proprietary content:** **>60%** revenue from own products and **>40%** YoY growth in catalogue revenue from in-house products<sup>2</sup>

**Customer focused:** **+56** Customer transactional NPS

**Diverse and engaging employer:** Multiyear Top 5 employer Glassdoor rating; **+41** Employee NPS

**Sustainable:** **A** rating from MSCI; **Low Risk** Sustainalytics rating

# Our 2024 Vision: Strategic goals to achieve by end of 2024



**Extend leadership** in research antibodies



**Remove innovation constraints** and launch new lines



Be **a leading discovery partner** for biopharma



**Reinvent** our digital channel



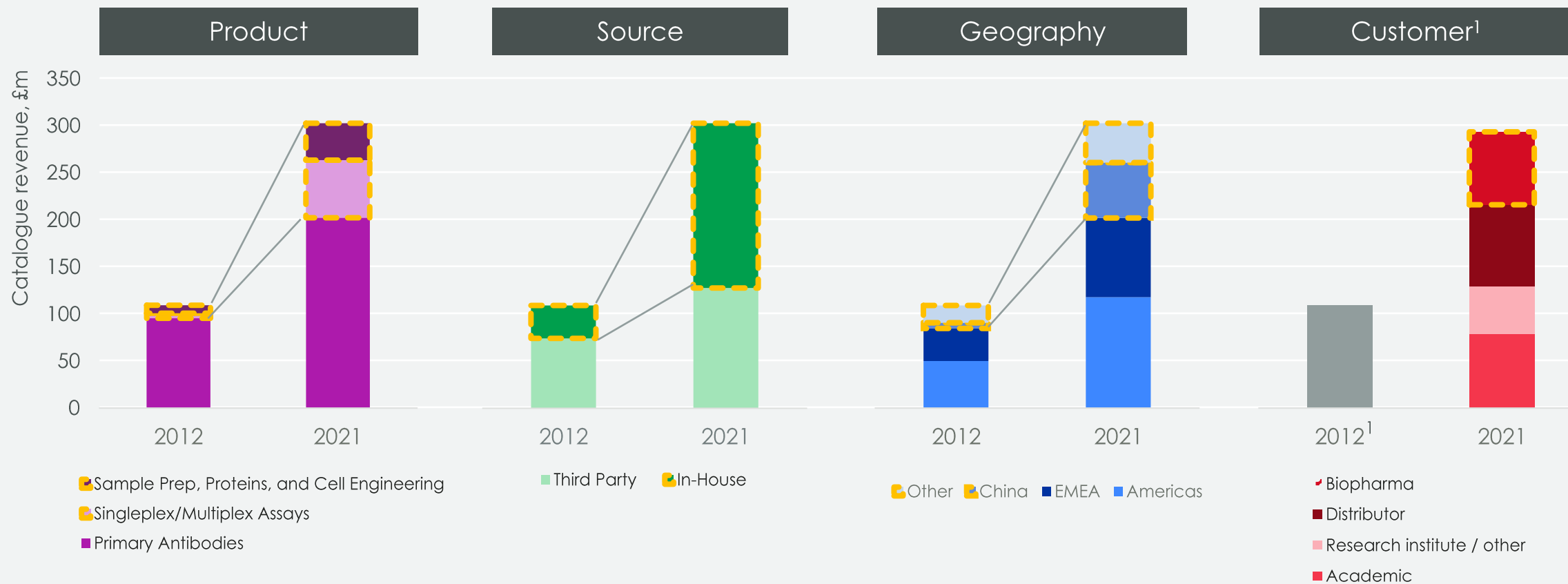
**Remove scalability constraints** and sustain value creation



**Selectively pursue acquisitions**

- ⦿ **Data is a competitive advantage** to make faster decisions and serve customer needs better
- ⦿ **In-house developed** precision products accelerate the transition from early discovery to clinical application and/or social impact
- ⦿ **Abcam is the most recommended and cited brand** in biological research
- ⦿ **Cash reinvested** in the business has created opportunities to sustain profitable double-digit revenue growth
- ⦿ **Customers have a personalised experience** and marvel at how well we understand and anticipate their needs
- ⦿ **Our team has grown as owner-employees**, it has become a diverse source of talent for our future and is recommended by our teams as an exceptional place to work
- ⦿ **Our company is globally recognised** for how we balance and serve the needs of all stakeholders to build and operate a sustainable enterprise
- ⦿ **Delivery of our 2024 financial goals**

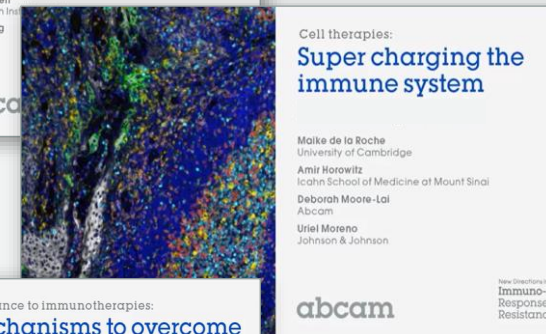
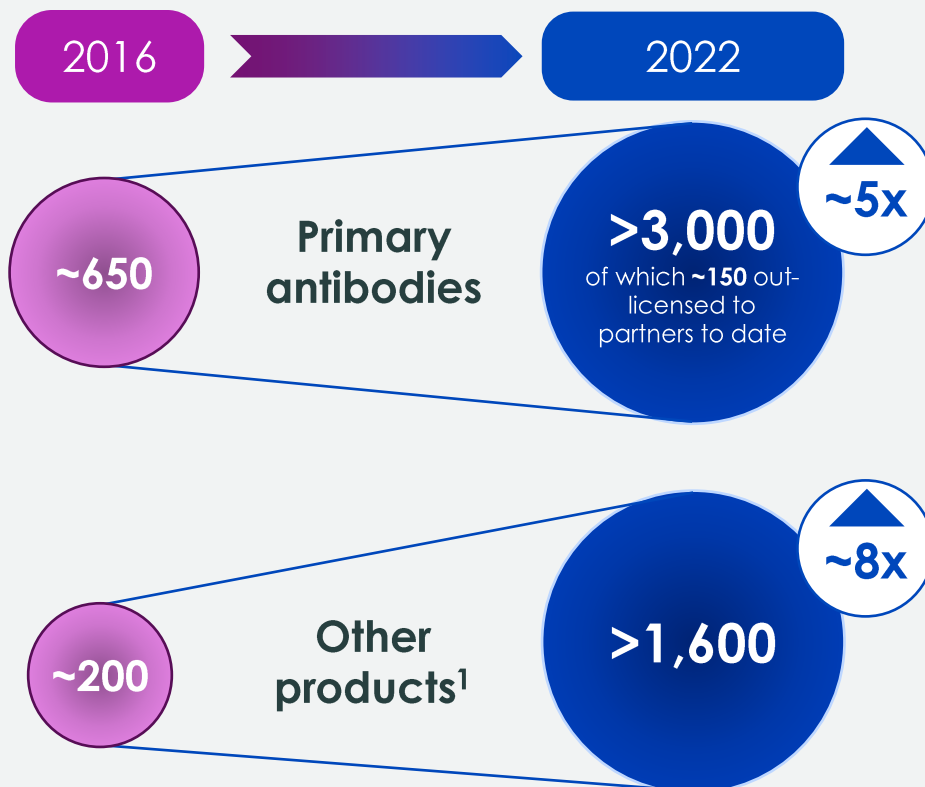
# 10 year growth transition: broader range, more in-house product, more global, and more biopharma





# Growing impact: Abcam is increasing its influence on the path from discovery to clinic

Immuno-oncology  
**in-house** products to



**Significant expansion in immuno-oncology coverage and capacity is unlocking our ability to serve translational research needs**

# We continue to build our company: major milestones achieved in the last six months



**Extend leadership** in research antibodies



**Remove innovation constraints** and launch new lines



Be **a leading discovery partner** for biopharma



**Reinvent** our digital channel



**Remove scalability constraints** and sustain value creation



**Selectively pursue acquisitions**

- ▶ **New product development** throughput **increased**
- ▶ **Oracle manufacturing live** in **4 sites**
- ▶ **Expanded facilities** in: **Eugene**; **Adelaide**; and **Singapore**
- ▶ **AbShare vested**; new plan announced aligned to strategy
- ▶ **Acquired BioVision** and started integration



# 2022 marks a new phase of our five-year growth plan as we complete strategy “installation”

- Clear purpose and a **talented team with vibrant culture in place**
- **Achieving growth across all product categories and geographic areas** of the business
- **Investments are enabling the business to generate profitable growth** and achieve our ambitious 2024 goals
- **Investment moderating** as we move from “installation phase” into refining and improving what we have built
- Durable approach to **grow Abcam beyond 2024**



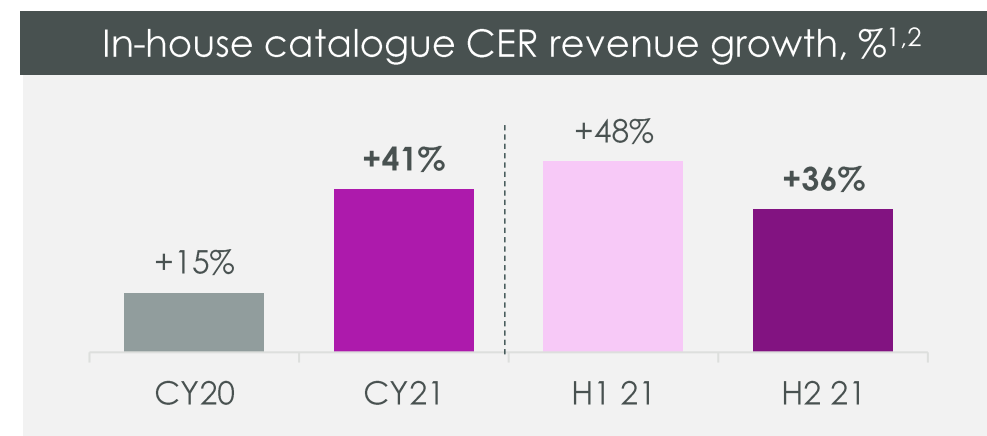


# Financial review

Michael Baldock, CFO

# Financial highlights for CY2021

- **Total revenue +22% CER<sup>1,2</sup>** (+17% reported)
  - Organic revenue **+21% CER** (excludes BioVision)
- **Total in-house revenue<sup>2,3</sup> +38% CER** (+32% reported)
- **61%** of revenue generated from **in-house products<sup>2,3</sup>** (CY2020: 54%)
- **Adjusted gross margin** up **>200** basis points to **72.2%** (CY2020: 70.0%)
- **Adjusted operating margin<sup>4,5</sup>** on a like-for-like<sup>5</sup> basis up **>300** basis points from H1 '21 to H2 '21, to **16.5%**
- Net cash inflow from operating activities increased to **£62.9m**
- Number of shares traded as ADSs on NASDAQ up **>2x** since listing in October 2020



Adjusted operating margin, %<sup>4</sup>

	CY20	CY21	H1 CY21	H2 CY21
Like-for-like <sup>5</sup>	13.9%	15.1%	13.3%	16.5%
Adjusted for SBPs	18.8%	19.2%	17.8%	20.3%

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

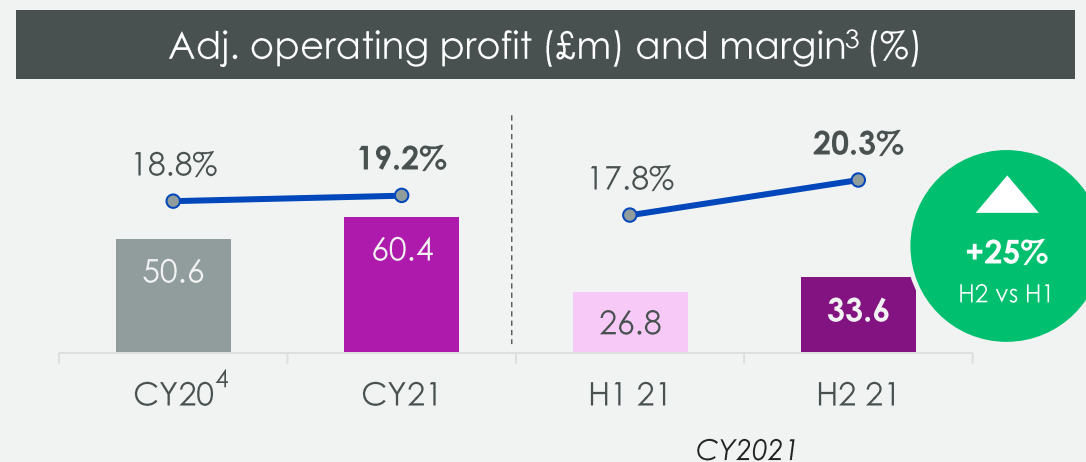
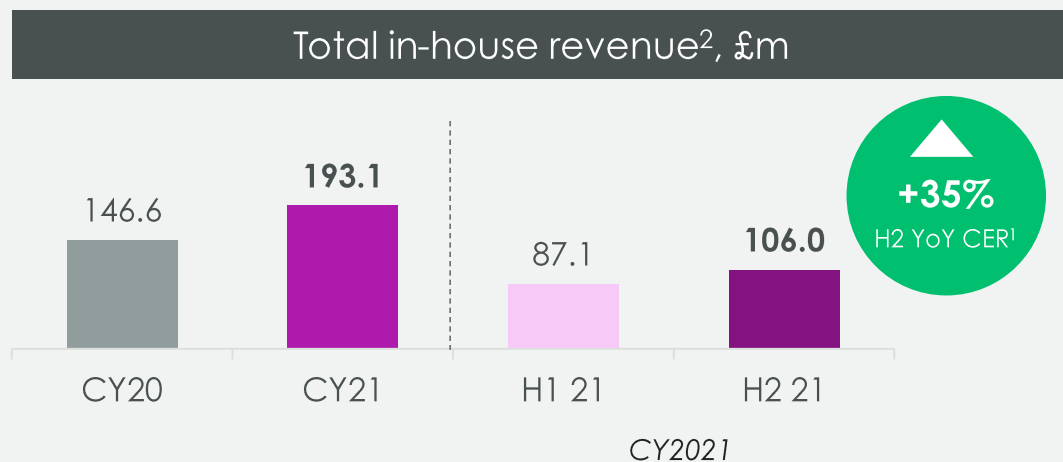
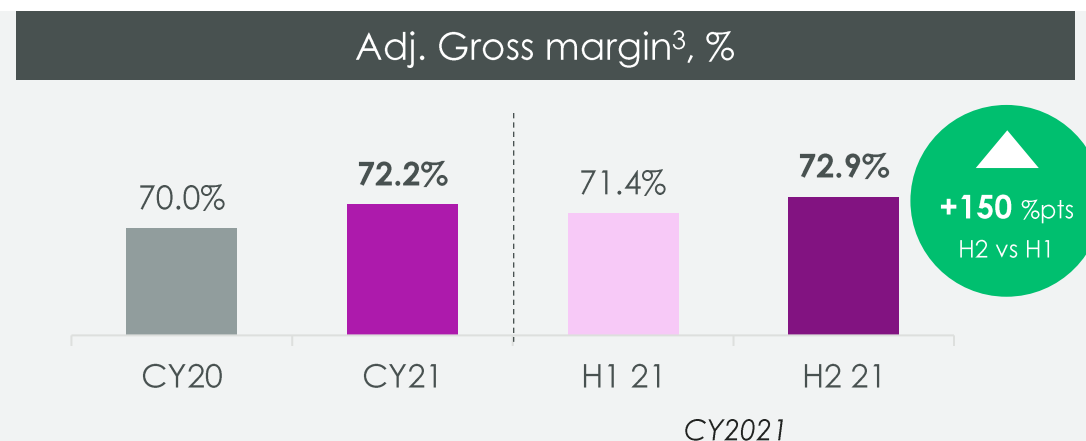
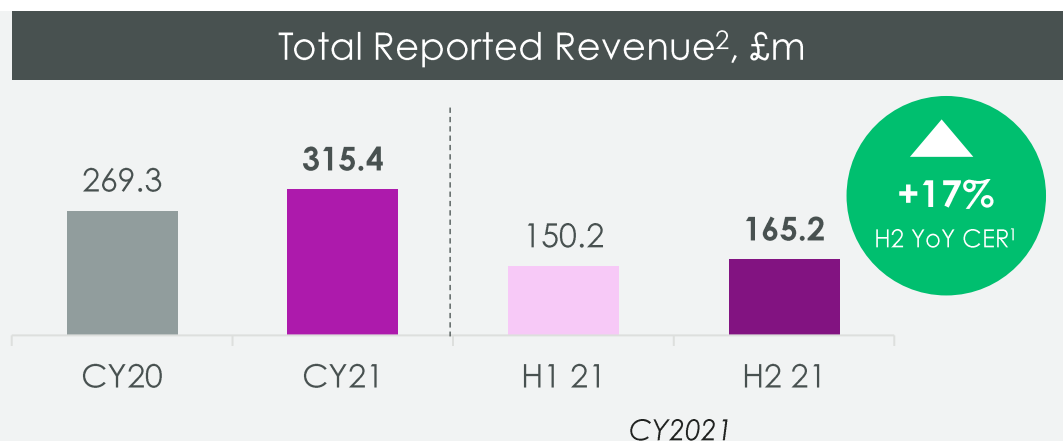
2) Includes £2.6m incremental revenue from BioVision in the two months of CY2021 post the acquisition's closing on 26 October, 2021

3) Includes Custom Products & Licensing revenue

4) Adjusted figures exclude impairment of intangible assets, systems and process improvement costs, acquisition costs, amortisation of fair value adjustments, integration and reorganisation costs, amortisation of acquisition intangibles, share-based payments and employer tax contributions thereon, the tax effect of adjusting items and credits from patent box claims. Such excluded items are described as 'adjusting items'

5) Like-for-like excludes costs of share-based payments related to the Profitable Growth Incentive Plan (PGIP) scheme introduced in 2021

# H2 '21 performance: Positive revenue, gross margin and operating profit progression through 2021



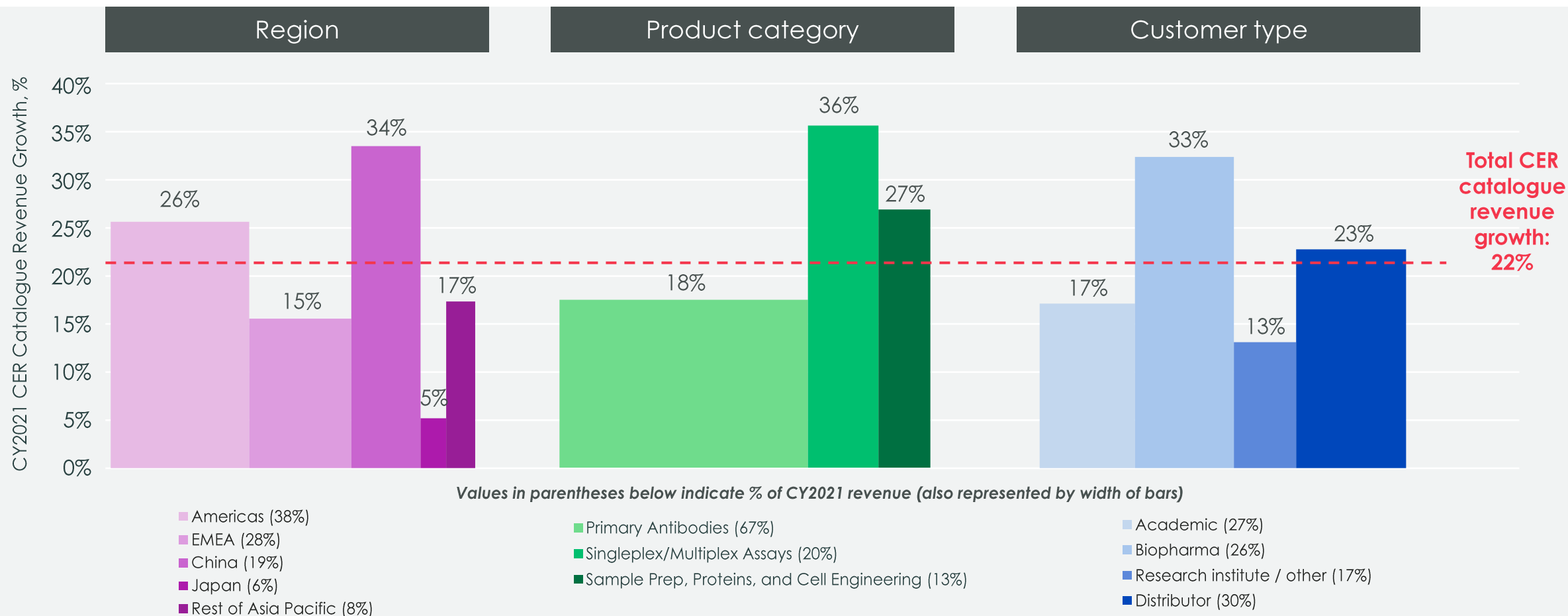
1) At constant exchange rates (CER, applying prior period's exchange rates to this period's results)

2) Includes Custom Products & Licensing revenue and £2.6m incremental revenue from BioVision in H2 '21

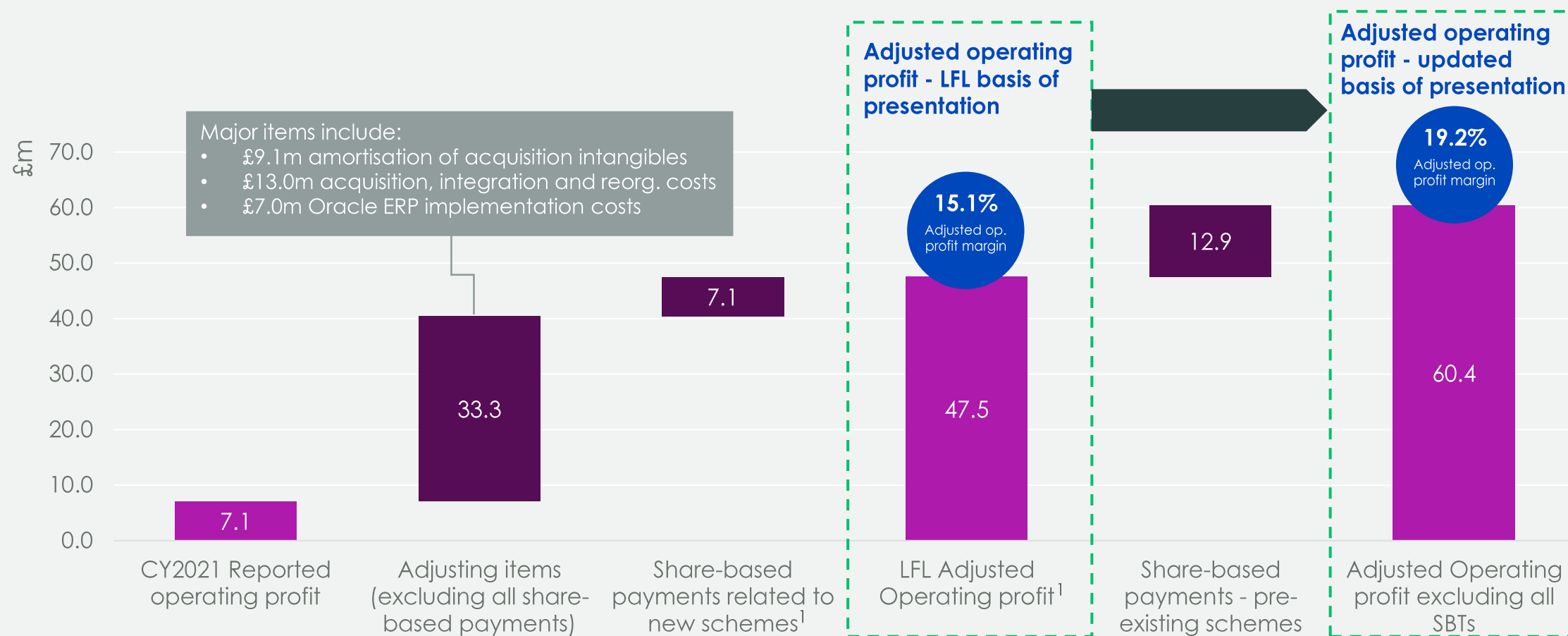
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4) Includes restatement of GRNI balances amounting to £2.4m

# CY2021 revenue performance: strong growth across every major region, product category and customer type



# Reconciliation from reported to adjusted operating profit for CY2021



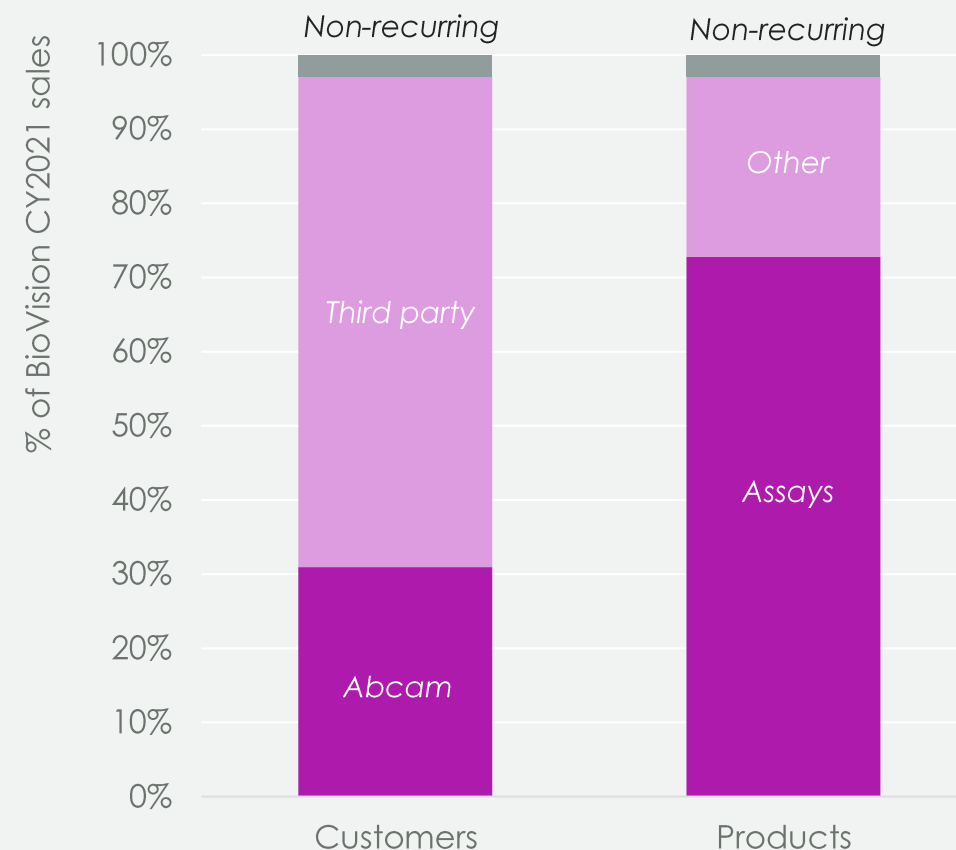
# Acquisition of BioVision completed in October 2021

- Leading innovator of biochemical and cell-based assays, accelerating our presence in the market
- Aligns with existing areas of research focus including oncology, immuno-oncology, neuroscience, and epigenetics
- Business integration ongoing, building on combined expertise and enhancing presence in biochemical and cell-based assays

## Financial Impact:

- Acquired for \$340m (cash free / debt free) in cash – financed with existing cash and partial draw down of RCF
- LTM recurring<sup>1</sup> revenue of £17.8m (c.\$25m) (as of 26 October 2021)
- Transaction expected to be accretive to EPS from CY2022 with ROCE above Abcam's cost of capital by 2024
- Long-term Abcam revenue goal updated to reflect impact of acquisition

## Total CY2021 BioVision Revenue<sup>2</sup> (\$37.5m)

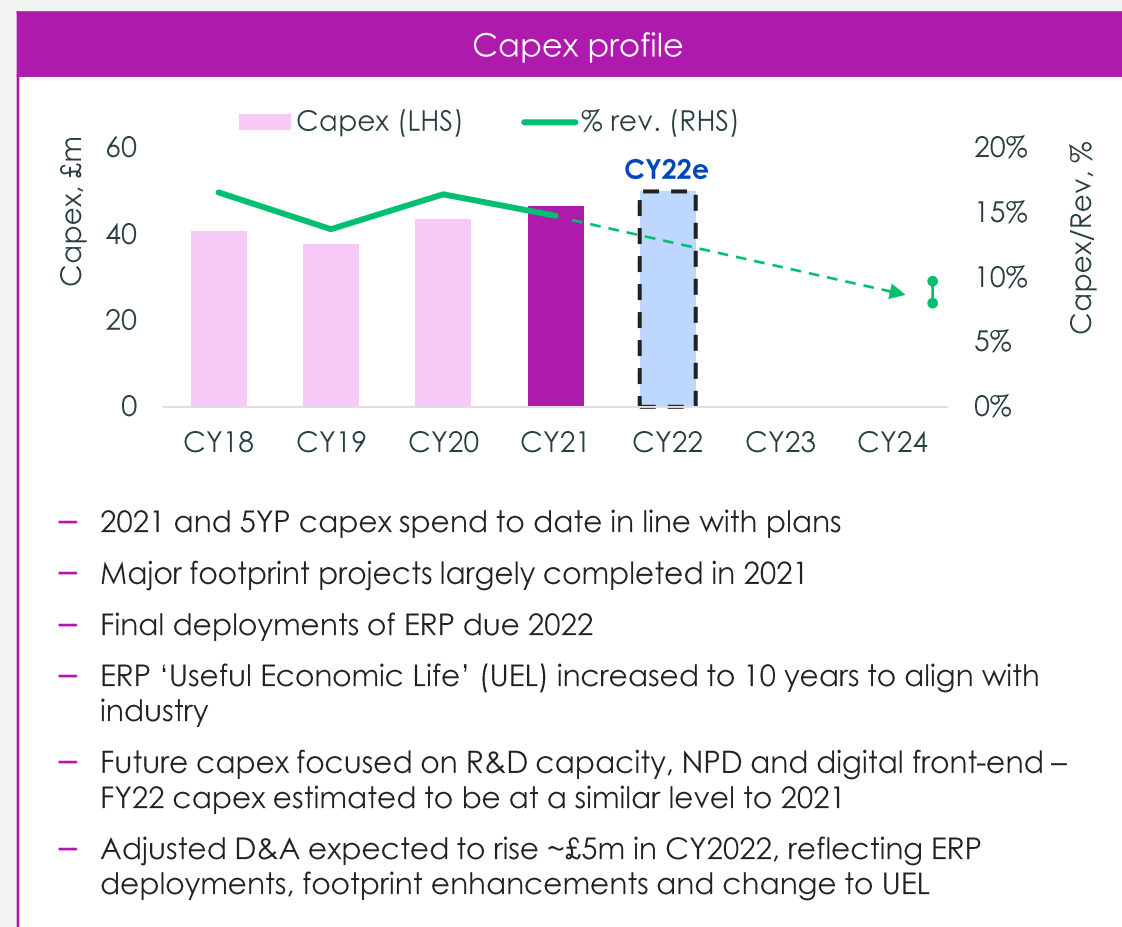




# Self funding capital investment to support future growth

## Summarised cash flow:

£m	CY2021	CY2020
<b>Net cash inflow from operating activities</b>	<b>62.9</b>	58.9
Capital expenditure (net of leasehold incentives)	(46.6)	(43.6)
Acquisitions	(245.1)	(110.3)
Other	0.2	0.2
<b>Net cash outflow from investing activities</b>	<b>(291.5)</b>	(153.7)
<b>Net cash inflow from financing activities</b>	<b>111.4</b>	116.0
<b>Change in cash and cash equivalents</b>	<b>(117.2)</b>	21.2
Cash and cash equivalents at beginning of period	211.9	189.9
Effect of foreign exchange rates	0.4	0.8
<b>Cash and cash equivalents at end of the period</b>	<b>95.1</b>	211.9
<b>Free Cash Flow <sup>1</sup></b>	<b>6.0</b>	5.6
<b>Net cash / (debt)</b>	<b>(24.1)</b>	211.9



# 2022 guidance and long-term financial goals

## CY2022 Guidance

- Global lab activity continues to recover, though some uncertainty remains
- Trading performance YTD is in line with expectations
- Currently anticipate total CER<sup>1</sup> revenue growth of approx. 20% (including BioVision) with mid-teens organic CER revenue growth
- Expect continued adjusted gross margin improvement from the contribution of higher margin in-house products and full year impact of the BioVision acquisition
- Expect total adjusted operating cost growth (including depreciation and amortisation<sup>2</sup>) at mid-teens percentage, as we slow rate of investment and leverage recent investments

## CY2024 Goals

- Revenue goal target range increased by £25m to **£450m-£525m**, adjusted to incorporate BioVision and current operating performance
- Adjusted operating margin and ROCE targets remain unchanged

## Share trading, liquidity and listing

- Following our listing on NASDAQ in October 2020, the number of Abcam shares traded as ADSs on NASDAQ has doubled. While only 10% of our shares trade in the US market, it represents 25% of liquidity
- The Board continues to review options to increase share liquidity and will consult with shareholders on any proposals

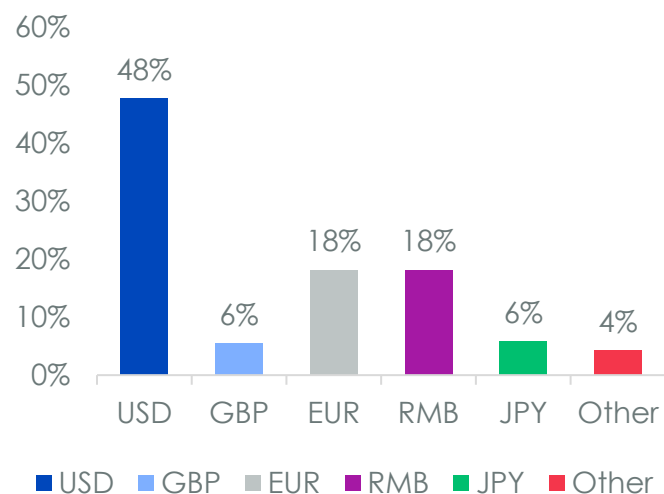
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Q&A

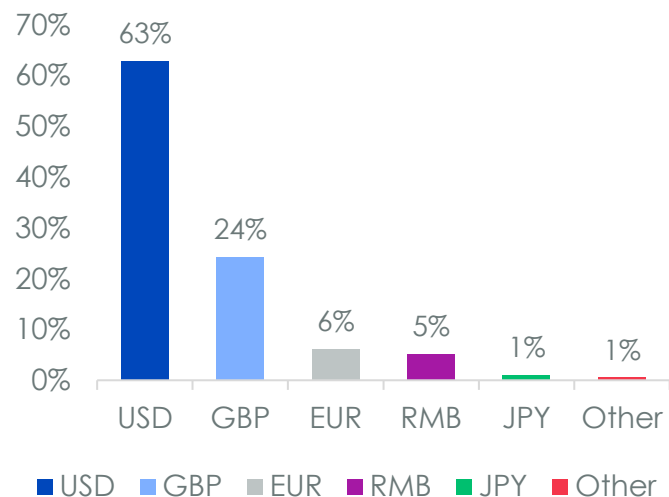
# Supplementary Information

# Currency analysis: 12m to 31 December 2021 (CY2021)

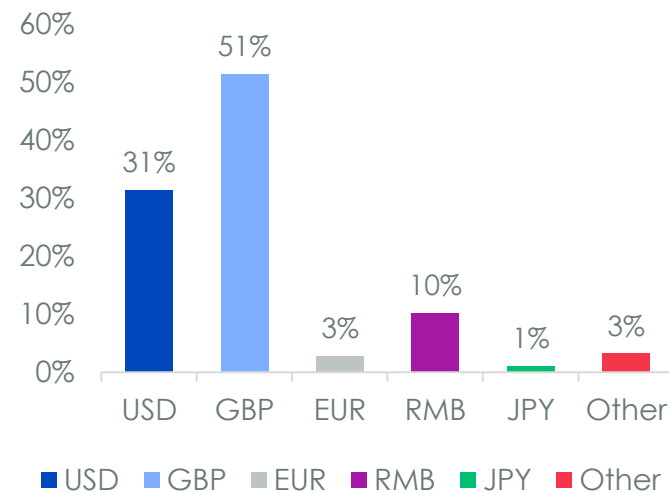
Revenue



Cost of Goods Sold

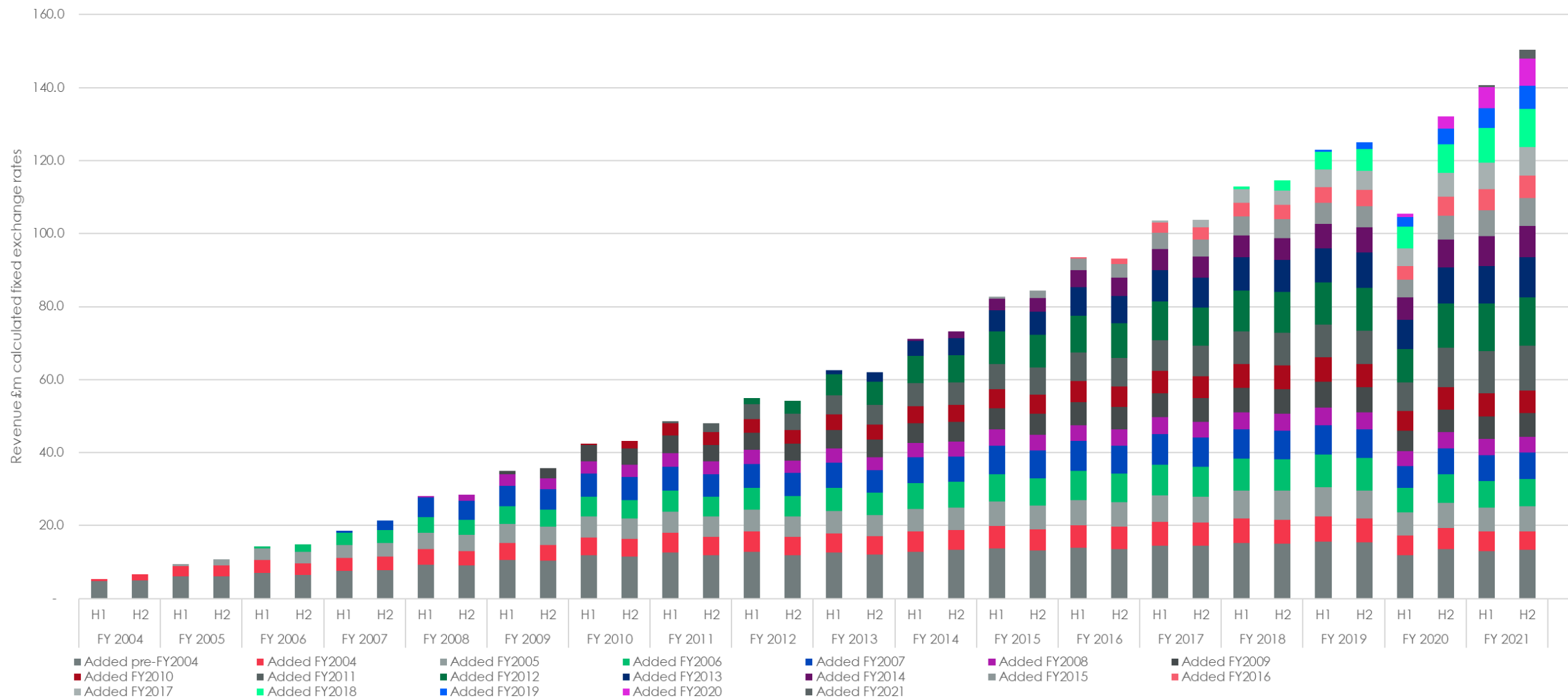


Expenses



per GBP	CY2021 Average Rate
USD	1.378
EUR	1.159
RNB	8.891
JPY	150.7

# Catalogue revenue by cohort of product launch



# Adjusted Operating Profit Reconciliation

	Twelve months ended December 2021 (CY2021) £m	Twelve months ended December 2020 (CY2020) £m
<b>Reported operating profit</b>	<b>7.1</b>	<b>1.0</b>
Amortisation of fair value adjustments	3.1	-
Impairment of intangible assets	1.1	14.9
System and process improvement costs	7.0	5.0
Acquisition costs	8.3	2.8
Integration and reorganisation costs	4.7	4.0
Amortisation of acquisition intangibles	9.1	9.6
Share-based payments:		
Relating to all schemes excluding the 2021 Profitable Growth Incentive Plan ("PGIP")	12.9	13.3
Relating to the 2021 PGIP	7.1	-
<b>Adjusted Operating Profit</b>	<b>60.4</b>	<b>50.6</b>



# Free Cash Flow Reconciliation

	Twelve months ended December 2021 (CY2021) £m	Twelve months ended December 2020 (CY2020) £m
<b>Net cash inflow from operating activities</b>	<b>62.9</b>	58.9
Purchase of property, plant and equipment	(34.5)	(16.3)
Purchase of intangible assets	(25.3)	(29.0)
Transfer of cash from / (to) escrow in respect of future capital expenditure	-	(0.3)
Reimbursement of leasehold improvement costs	13.2	1.7
Principal and interest in respect of lease obligations	(10.3)	(9.4)
<b>Free Cash Flow <sup>(a)</sup></b>	<b>6.0</b>	5.6

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.