

Our key performance indicators

We measure our performance against a number of strategic and financial KPIs. Success against our strategic KPIs forms a component of the Executive Directors' and senior management's remuneration.

Strategic performance measures

Performance

Description

Why this metric is important

How we performed

Alignment to strategic priorities

Link to management remuneration

Related material

Revenue growth from in-house products (CER)

41% (CY2021)

CY2020: 15%

Total constant currency revenue growth of our in-house (catalogue) products published. Includes sales from BioVision following completion of the acquisition in October 2021

There are approximately 38,000 in-house products published on our catalogue.

Innovating new, high-quality products and growing our in-house product portfolio is fundamental to our long-term growth strategy.

In-house product growth of over 40% represents a strong performance and and out-turn at the upper end of our internal targets.

1-6

Yes. Performance against the Group's strategic KPIs determines part of management's Annual Bonus Plan (ABP) payout.

Our strategy (pages 28 to 32)
Our impact (pages 33 to 45)

Transactional Net Promoter Score (tNPS)

+56 (CY2021)

CY2020: +59

Transactional (often referred to as 'touchpoint') Net Promoter Score (tNPS) is an industry standard benchmark used to gauge the loyalty of our customer relationships based on their interactions with us.

Allows us to monitor customer satisfaction on a timely basis, helping to determine the likelihood of consumers recommending Abcam to a colleague.

We achieved a 12-month tNPS score of +56 in the year, toward the upper end of our target range.

1-5

Yes. Performance against the Group's strategic KPIs determines part of management's Annual Bonus Plan (ABP) payout.

Our strategy (pages 28 to 32)
Our impact (pages 33 to 45)

Financial performance measures

Performance

Total CER revenue growth

Adjusted Gross Margin

22% (CY2021)

CY2020: (1)%

72.2% (CY2021)

CY2020: 70.0%

Description

Total revenue growth of the business on a constant exchange rate basis (CER). CER is achieved by applying the prior year's actual exchange rates to the current year's results.

Adjusted gross margin is calculated by dividing total gross profit achieved by total sales, before fair value adjustments on inventory relating to the BioVision acquisition.

Why this metric is important

Total revenue growth is a key metric for monitoring the Group's performance and ability to drive growth.

Gross margin is a key metric for monitoring the Group's earnings quality and potential.

Calculating growth on a CER basis allows management to identify the relative year-on-year performance by removing the impact of currency movements which are outside of management's control.

How we performed

Total revenue CER growth of 22% represented a strong performance, reflecting the recovery in research activity levels following the disruptions in the prior year as well as growing demand for our portfolio of proprietary in-house products.

Gross margin improved in the period, reaching over 72%.

Alignment to strategic priorities

1-6

1-3, 5-6

Link to management remuneration

Yes. Performance against the Group's strategic KPIs determines part of management's LTIP payout.

No

Related material

CEO's report
Our strategy
Our performance

Our performance

Our key performance indicators continued

Financial performance measures (cont'd)

Adjusted Operating Profit

Return on Capital Employed

Performance

£60.4m (CY2021)

7.6% (CY2021)

CY2020: £50.6m

CY2020: 6.6%

Description

Operating Profit based on the related IFRS measure but excluding adjusting items (see note 7 of the consolidated financial statements for more information).

Return on Capital Employed (ROCE) is calculated by dividing adjusted operating profit by total capital employed at the end of the period.

Capital employed is calculated by subtracting the Group's current liabilities from its total assets.

Why this metric is important

The Board considers this measurement of profitability a viable alternative to underlying profit. It represents a key metric of overall business profitability.

The Board believes that ROCE is a key tool in measuring the Group's financial efficiency and ability to create future growth in value.

The Group attempts to maintain ROCE at a level well above the Group's estimated cost of capital.

How we performed

Adjusted operating profit increased by 19% to £60.4m. This figure was in line with our expectations, and equates to an adjusted operating margin of approximately 19%.

Return on capital employed improved in the year to 7.6% as profitability improved and the capital employed by the business remained relatively stable compared with the prior year.

Alignment to strategic priorities

3-6

1-6

Link to management remuneration

No

No

Related material

Our performance

Our performance

Free Cash Flow

Adjusted diluted EPS

£6.0m (CY2021)

CY2020: £5.6m

Free cash flow comprises net cash generated from operating activities less net capital expenditure and transfer of cash from/(to) escrow in respect of future capital expenditure.

The Board considers this measurement important for providing an indication of the amount of cash available for discretionary growth investment after removing capital-related items.

Free cash flow improved modestly in CY2021, to £6m, reflecting a combination of increased profitability, together with continued elevated levels of capital investment to support the Group's growth plans

3-6

No

Our performance

20.6p (CY2021)

CY2020: 17.8p

Adjusted diluted earnings per share (EPS) is calculated by dividing the Group's profit after tax, after adjusting items, by the weighted average number of ordinary shares in issue, including those shares that may be awarded under future share option and awards.

The Board considers this measurement an important indicator of the underlying profits generated for shareholders.

Adjusted EPS increased in CY2021, reflecting the improvement in the Group's profitability over the period.

3-6

Yes, Adjusted EPS performance determines part of management's LTIP payout.

Our performance



Further details can be found in our CFO's review, pages 46 to 57.