

abcam

Abcam plc

Interim results
For the period ending 30 June, 2022

12 September 2022

Disclaimer

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Agenda



Introduction to Abcam
Alan Hirzel



Financial review
Michael Baldock



Q&A

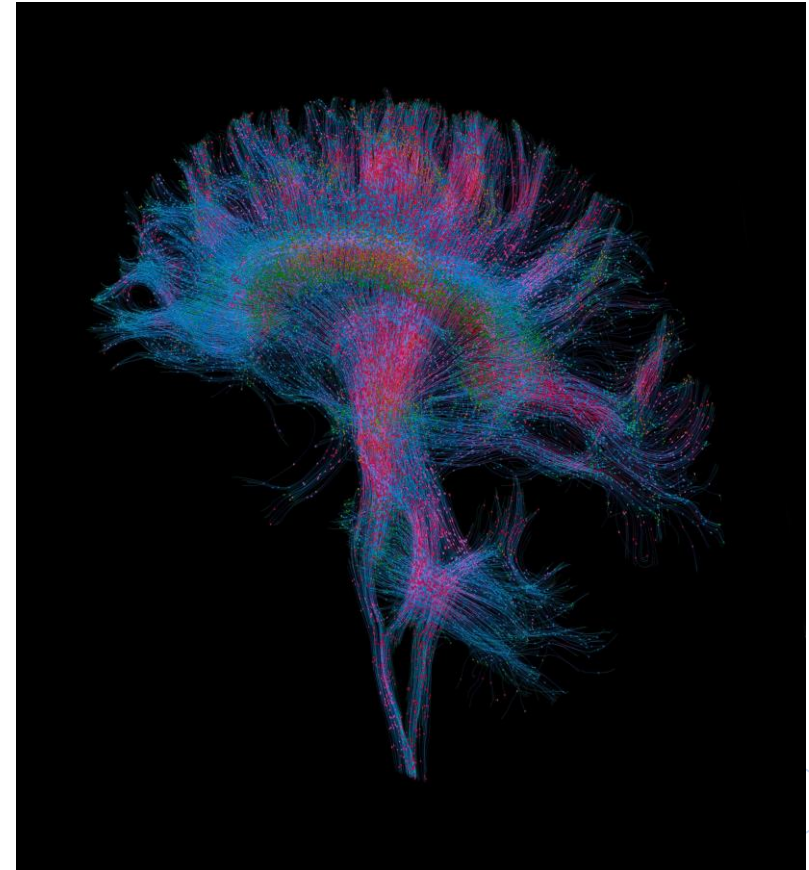


https://commons.wikimedia.org/w/index.php?title=File:Protein_NTRK2_PDB_1hcf.png&oldid=469303424

Enabling researchers to achieve their mission faster

“

We've been blown away by the results... **Love (the rabMAb), it's highly sensitive** with an outstanding signal to noise ratio”



Our addressable market is \$8B+¹



Research Use Proteomic Tools

Protein binding reagents

Related reagents

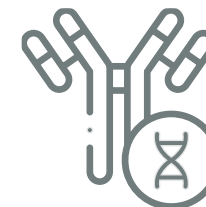
Primary
Antibodies
~\$1Bn+

Secondary Antibodies
Immunoassays
3rd party instrument platforms

Conjugation | Cellular activity kits
Epigenetic kits | miRNA Kits
Proteins & Peptides | Edited Cell Lines
Biochemicals

Estimated Total Addressable Market

~\$3Bn+ MSD% pa



Antibody development for Clinical Applications

Diagnostic applications

Disease treatment

CDx

IVD

POC

Third-party Dx

platform

development

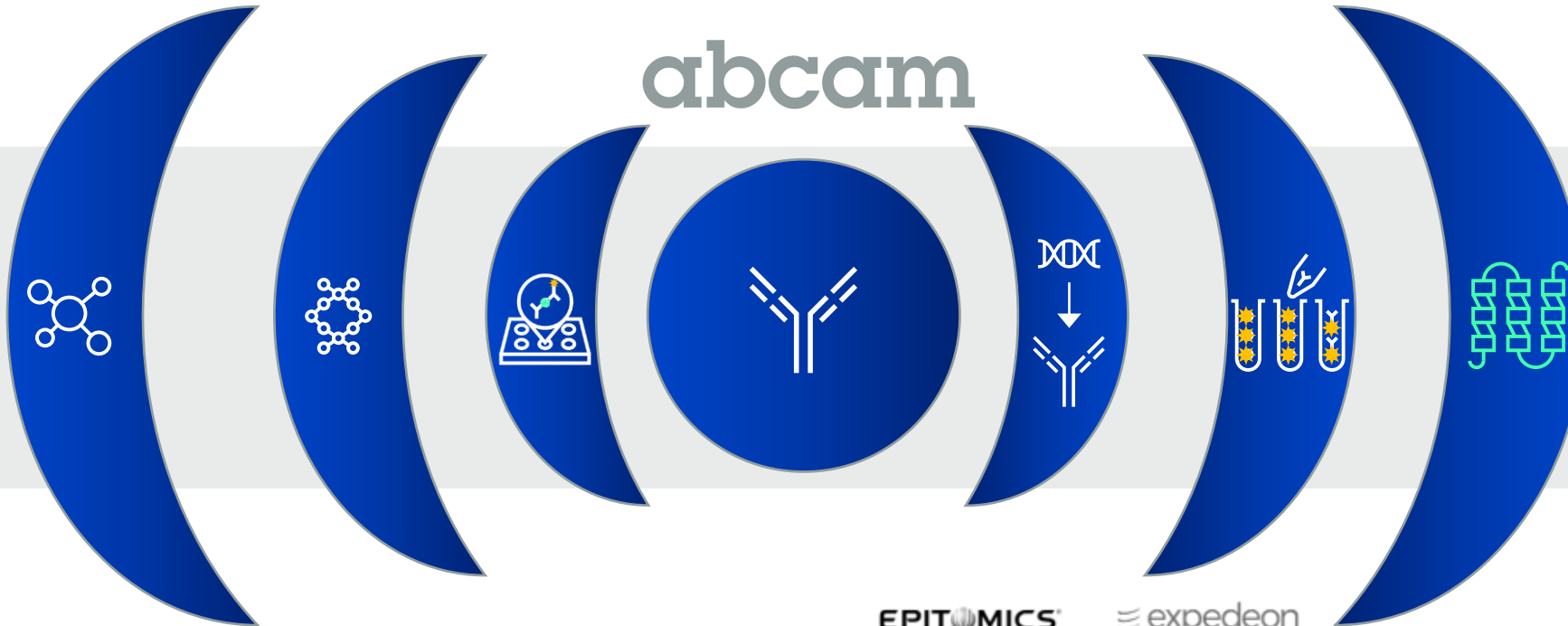
Biotherapeutics

Estimated Total Addressable Market

~\$5Bn+ MSD-HSD% pa

¹ – Management estimates

We are expanding market from our antibody core



BioVision
BioVision Incorporated

- ✓ Cell-based and biochemical assay capability

EDIGENE
博雅辑因

ASC Applied StemCell

- ✓ Cell engineering capability

MitoSciences®

TGR
BioSciences

- ✓ Immunoassay capability

EPITOMICS®
BETTER ANTIBODIES • BETTER SCIENCE

CALICO
SPRING
BIOSCIENCE

- ✓ Recombinant RabMAb® capability

expedeon

Marker Gene
Technologies, Inc

BrickBio

- ✓ Conjugation capability

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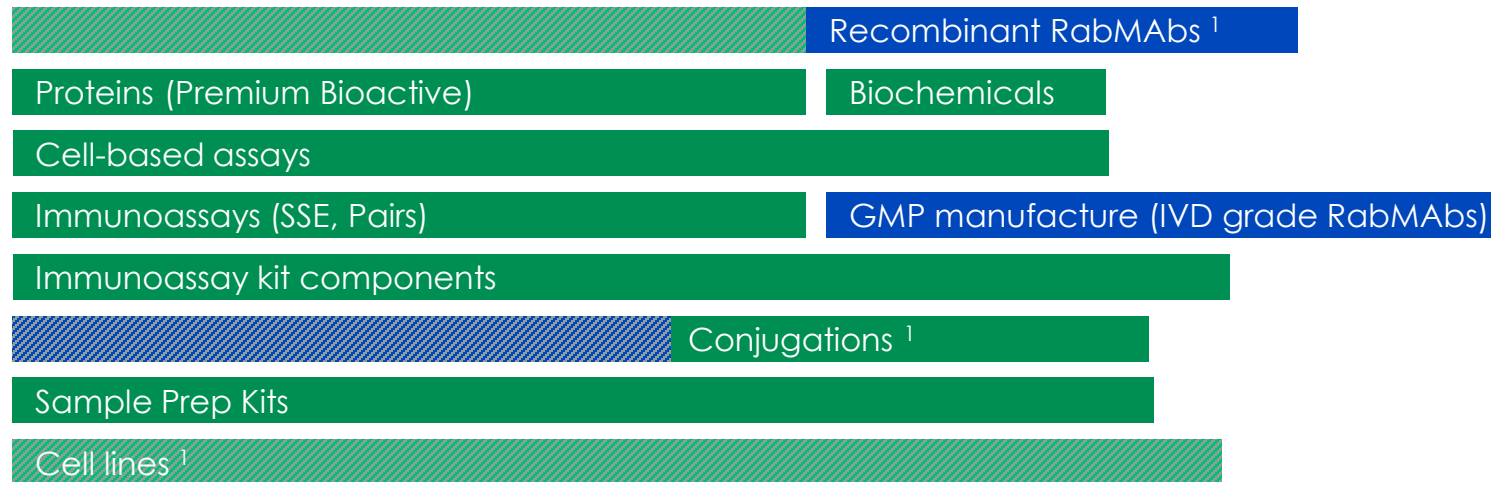
- ✓ In-house developed proteins capability

abcam

Our catalogue/custom product portfolio serves the Life Science value chain

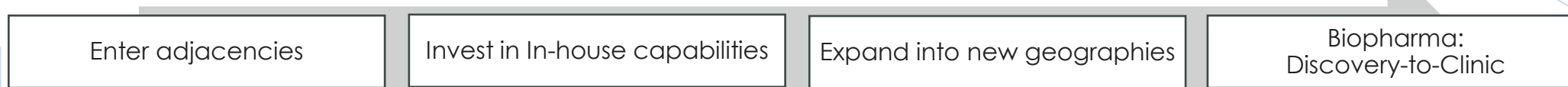
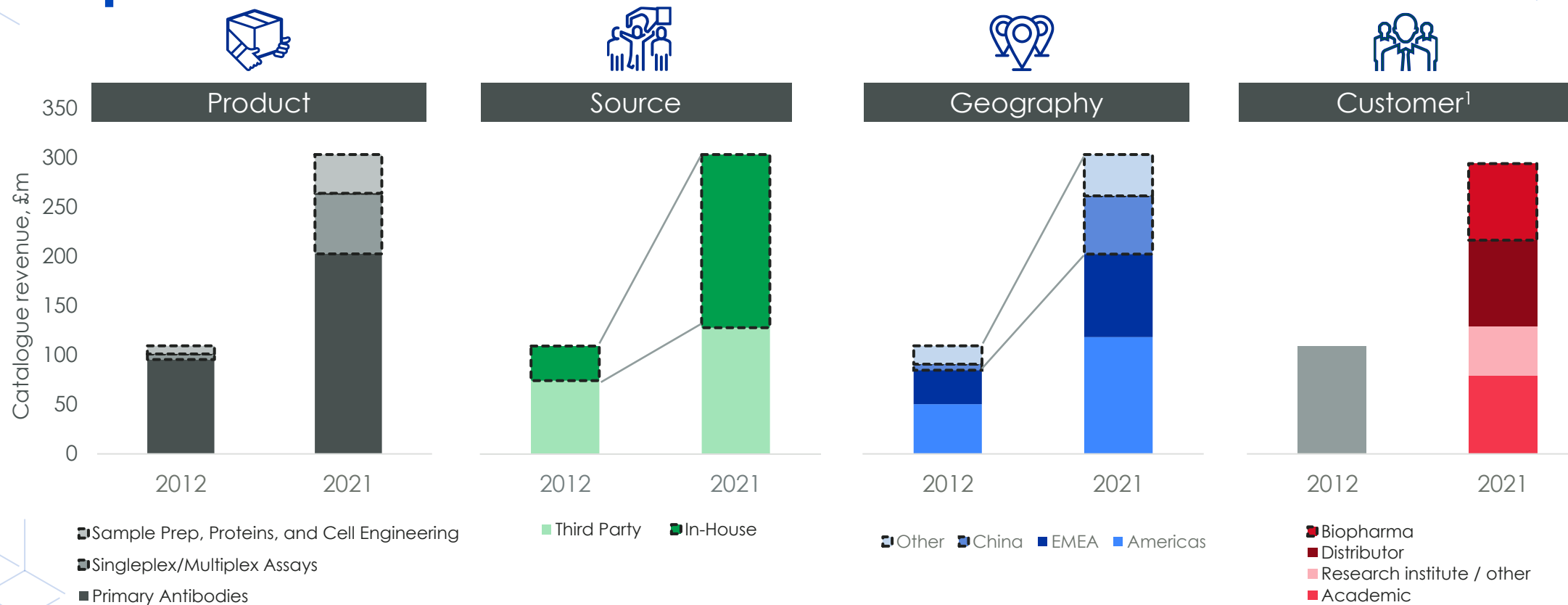


<https://www.niddk.nih.gov/research-funding/research-programs/translational-research-therapeutic-discovery-development>

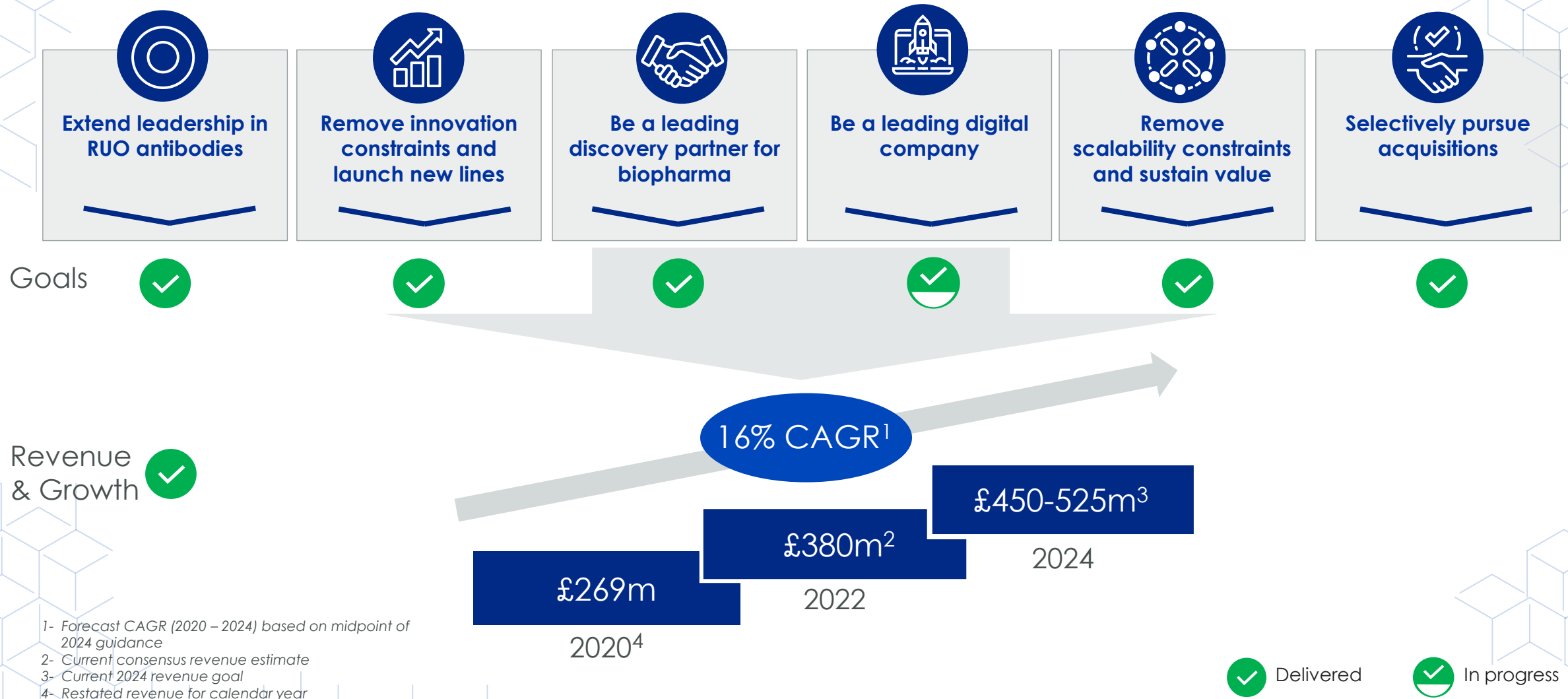


¹- Noted product groups have catalogue and custom offerings.

Our investments and actions have significantly changed our portfolio



Abcam 2.0 – value from completed investments



1- Forecast CAGR (2020 – 2024) based on midpoint of 2024 guidance
2- Current consensus revenue estimate
3- Current 2024 revenue goal
4- Restated revenue for calendar year

Towards 2024: Expanding our in-house RabMAb portfolio



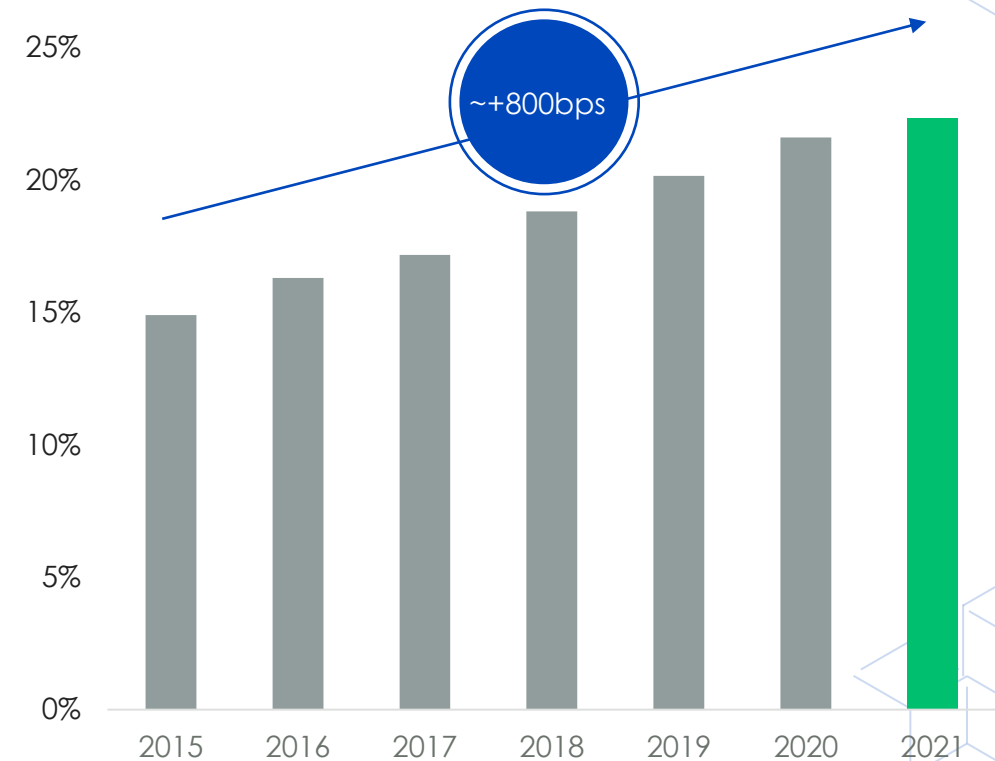
Extend leadership in
RUO antibodies



Be a leading
discovery partner for
biopharma

- **In-house developed products continues to grow**
 - Recombinant portfolio now ~29,000
 - Focused on reproducibility and quality →
Record 99% customer satisfaction
- **Ongoing business development**
 - Executed >100 outbound commercial agreements with new and existing partners
 - >1,000 recombinant RabMAbs commercialised for third party platforms or diagnostic tools

Abcam – Global antibody research citation share¹



¹- Source: CiteAb, based on ~360,000 recorded citations for 2021 as of July 2021

Towards 2024: Expanding product adjacencies & global footprint



Remove innovation constraints and launch new lines



Selectively pursue acquisitions



Remove scalability constraints and sustain value

- **Strengthened conjugation offering** following integrations of Expedeon, BrickBio and MGT
- In-house catalogue now contains >700 **proteins** and >4,000 **engineered cell lines**
- Contribution of **new products** is c.15% of in-house catalogue revenue ¹
- **Non-primary antibody products** account for c.39% of total catalogue revenue
- Increased **operational footprint and efficiency**
- Improved **manufacturing infrastructure** and **supply chain network**

¹ - New in-house product development over ~3 years



Investments in innovation: Case study



- **Customer:** Volition ("VNRX")



- **Function:** Developing pipeline of blood tests and services for diagnosis and monitoring



- **Disease area:** Cancer, Sepsis, COVID-19 and other life-altering diseases



- **Challenge:**

- Nu.Q® Discover is an epigenetic discovery platform
- Rapid epigenetic profiling in disease models, pre-clinical testing and clinical trials
- Qualifying with KOLs
- Commercial service roll-out in 2022
- Required antibodies to detect novel biomarkers (nucleosome-associated targets)



- **The Abcam solution:** Provision of rabMAbs against several epigenetics targets



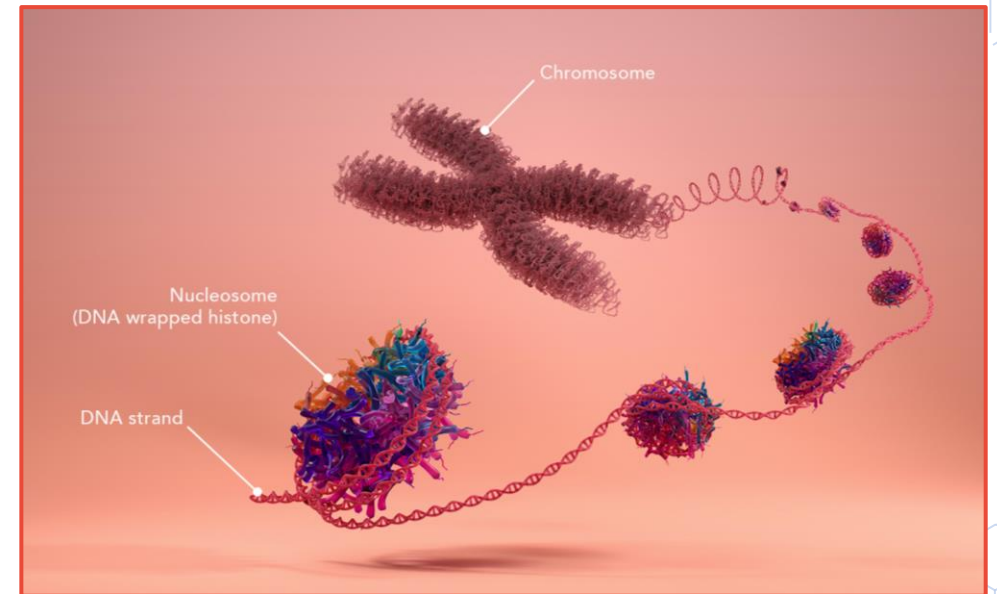
nu.Q



nu.Q
vet

nu.Q
capture

nu.Q
discover



"We selected Abcam not only due to the breadth of their antibody portfolio but their ability to supply these high performing antibodies in quantity for our clinical development programs"

Towards 2024: Entering new phase of our digital vision

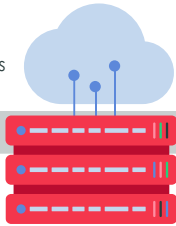
Abcam Digital
Digital Roadmap Aug '22

✓ Delivered

● Next in
Roadmap
22/23

Customer Data Hub

All in one view of all Customers



Enterprise Manufacturing 2.2.(HZ)

Increase operational productivity → standardised processes



Digital Platform New Website Search Beta

Primaries Catalogue on Beta for selected single-distributor markets. Internal tests of our new Digital Platform.

Enterprise Manufacturing 2.3 (CAM)

Second site rollout of standard Manufacturing processes.



Product Data

Strategic Platform for Product Data (PIMCore) launched

Creation of a new data platform holding our scientific product information.

Drives connectivity to better serve our customer needs and enables Abcam to scale for new product lines and integration



Lab Information (LIMS) Release 1 - Cambridge

Central repository to manage our laboratory information across our products, integrating data and driving global efficiencies.



Today



Enterprise Supply Chain (S&D)

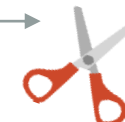
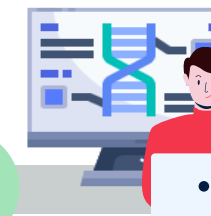
- The final phase rollout of Enterprise.
- Accelerating our delivery and responsiveness to Customers.
- Increase business decisions making across ordering, supply chain and manufacturing operations through integrated systems, and timely & accurate global data



Updated E-Commerce Platform

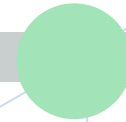
Phased roll out of end-to-end customer journey

We anticipate Customer needs and provide personalised information at the right time



Decommission

Phased Decommission legacy systems (Adminsite & PWS), cutting cost and complexity and supporting scalability



Building capabilities and culture



- **Recognitions:**

- **Most awarded** – CiteAb
- ESG efforts
 - **#1 ranked** – Sustainalytics
 - **"A"** by MSCI
- Consecutive **UK Top 5 Best Places to Work** – Glassdoor



- **Culture: focused on inclusion, rewards, development**

- **DE&I efforts** – Employee Resource Groups
- Employee professional development – Abcampus
- **Rewards** – **>90%** of employees are shareholders



Abcam in 2022

A snapshot in time

1- Based on catalogue & custom and product licensing sales
2- Constant exchange rate growth. Includes acquisition of BioVision
3- In peer-reviewed papers in 2021
4- Source: CiteAb, 2021
5- For the twelve-month rolling period ending 30 June 2022

ATTRACTIVE FOUNDATION

 **~£380m** **>70%**
FY22 consensus revenue estimates GM profile

 **1,750** **12**
Global team Global sites

 **\$8bn+** **MSD+**
Total Addressable Market Long-term market growth

DURABLE STRATEGY

 **>65%** **>35%**
revenue from in-house products¹ in-house product revenue growth^{1,2}

 **+55** **99%**
Customer NPS⁵ Product Satisfaction⁵

 **#1**
Industry rated by Sustainalytics & A rated by MSCI on ESG metrics

GROWING INFLUENCE

 **~80,000**
Product citations per year³

 **#1**
Global market share in research antibodies⁴

 **>1,000**
Abs commercialised with Dx / proteomic platforms

Extraordinary General Meeting (Nasdaq sole listing): November 2022

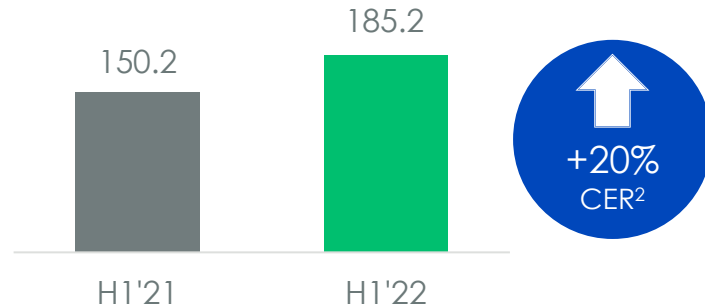


Financial Review

Michael Baldock, CFO

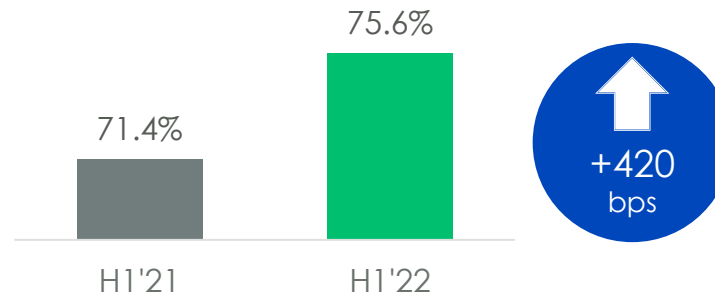
Financial highlights for H1 2022

Total Revenue, £m



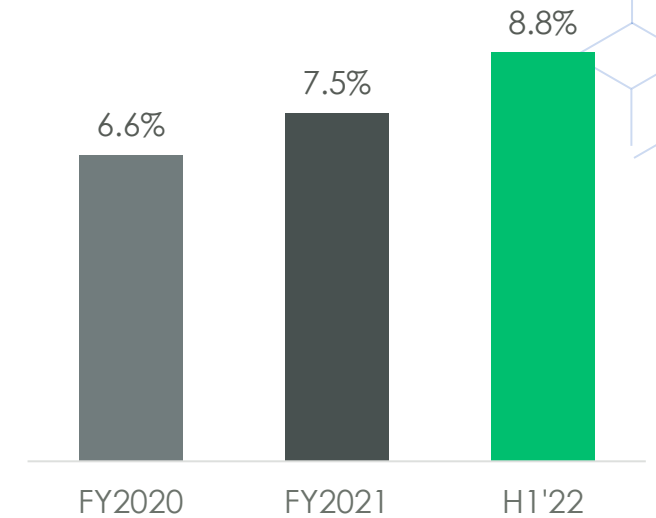
- In-house revenues¹ +37% CER
- Third-party¹ -5% CER

Adjusted gross margin, %

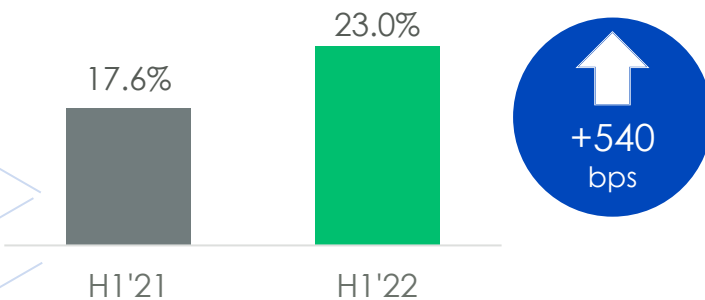


- Favorable margin mix: in-house revenues & BioVision
- Ongoing commercial activities

ROCE³, %

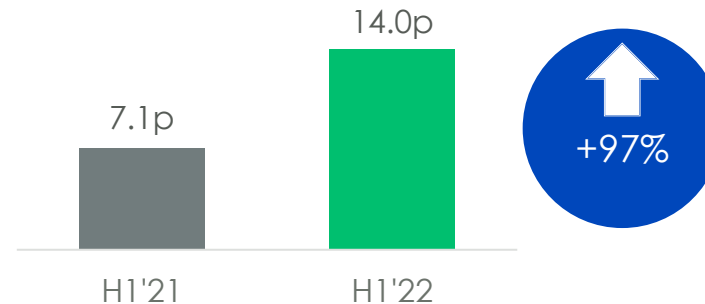


Adjusted operating profit margin⁴, %



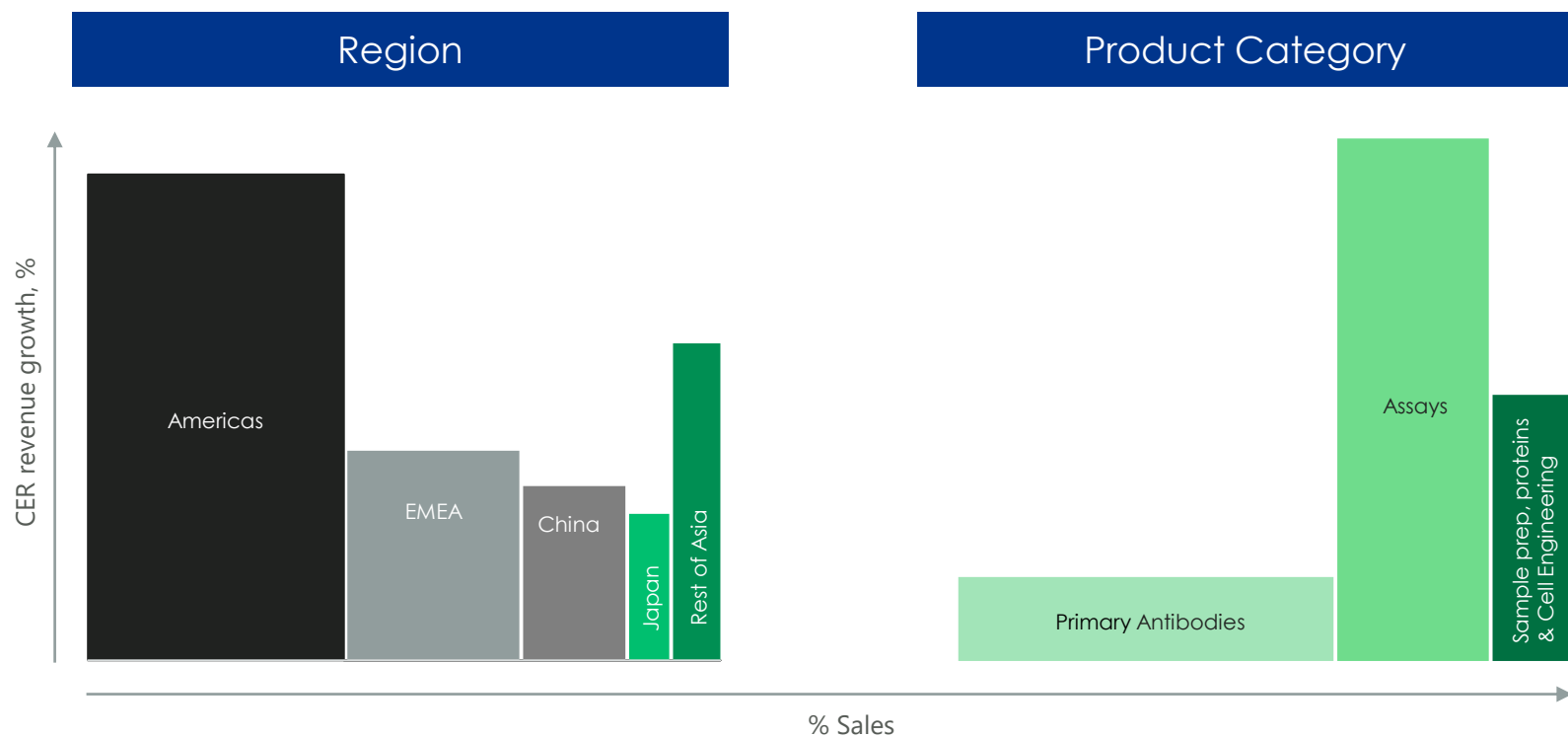
- Total OpEx +18%: Base +14% + BioVision +4% CER
- Favorable FX impact +20 bps

Adjusted diluted EPS, %



- 1- BioVision is reported as in-house vs. third party in H1 2021 effecting comparability
- 2- CER results are calculated by applying prior period's actual exchange rates to this period's results
- 3- Adjusted ROCE is a 12- month rolling average for 30 June 2022 only: BioVision contribution is only 8 months
- 4- Restated for share-based compensation

H1 2022 Catalogue revenue performance¹



CER Revenue Growth, %

31 13 11² 9 20

% Sales

43 26 17 6 8

9

56

27

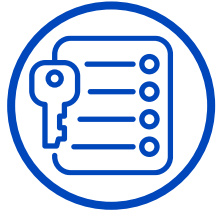
61

25

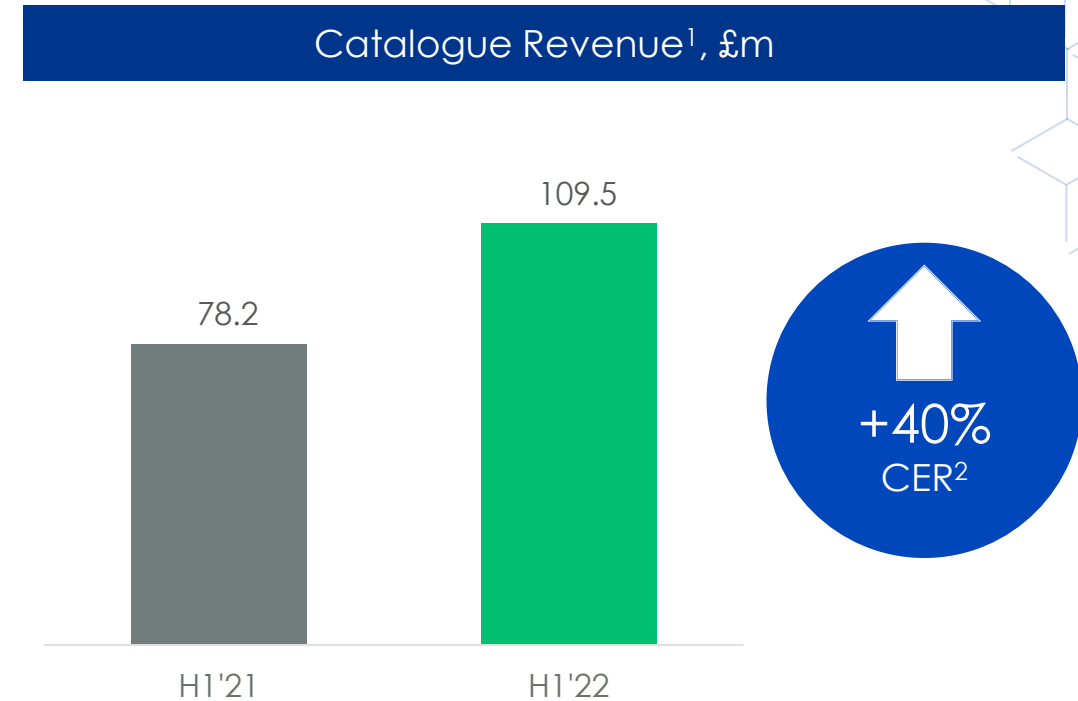
14

¹- Total revenues excluding Custom Product & Licensing.
²- China now includes Hong Kong, (HK), ex-HK +HSD%.

In-house catalogue sales: expanding from our antibody core



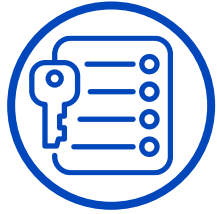
- **Key Takeaways – Favourable mix shift²**
 - Recombinant antibodies +21%
 - Assays >150% **including BioVision**
 - Sample Prep & Detection, Protein & Cell Engineering >40%



1- In-house catalogue revenue now includes BioVision

2- CER revenue growth rates are calculated by applying prior period's actual exchange rates to this period's results

Total adjusted operating expenses



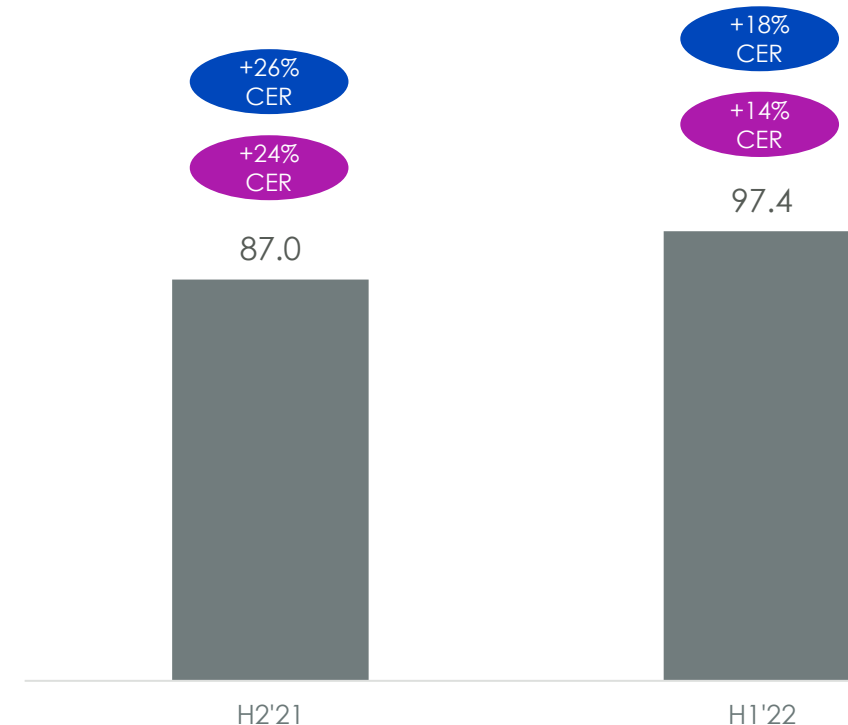
- **Key Takeaways**

- Half-on-half sequential cost growth improvement

- **H1'22 Drivers**

- Investments in manufacturing & supply chain personnel & IT expenses
- Return of travel to near pre-COVID levels

Reported Operating Expenses¹, £m



1- Year-on-Year % expense growth at CER **including** and **excluding** BioVision



CY2022 Guidance

- Total revenue increase of approximately 20% CER, including the impact from BioVision
- Organic CER revenue growth of mid-teens
- Favourable in-house product mix to improve adjusted operating margins



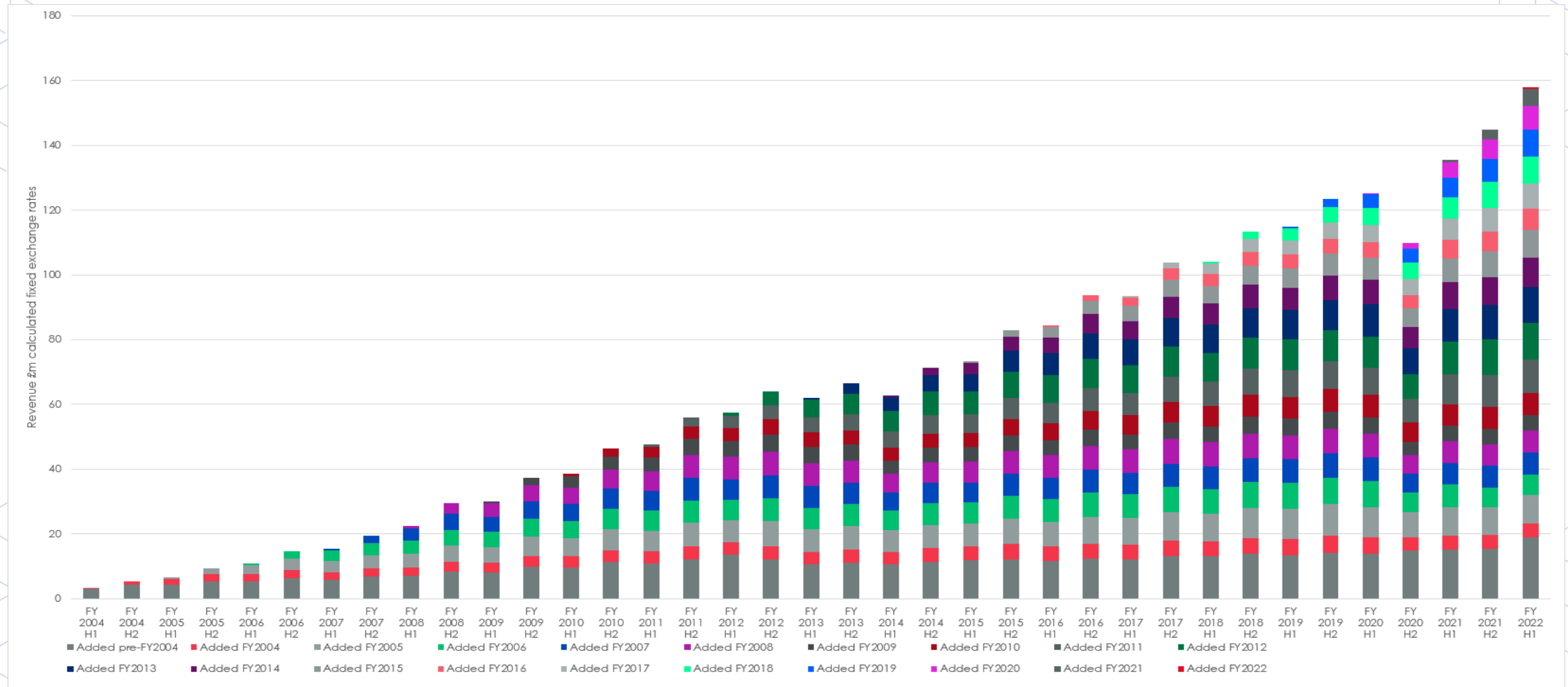
CY2024 Goals (reiterated)

- Revenue goal target range of £450m-£525m
- Adjusted operating margin >30%

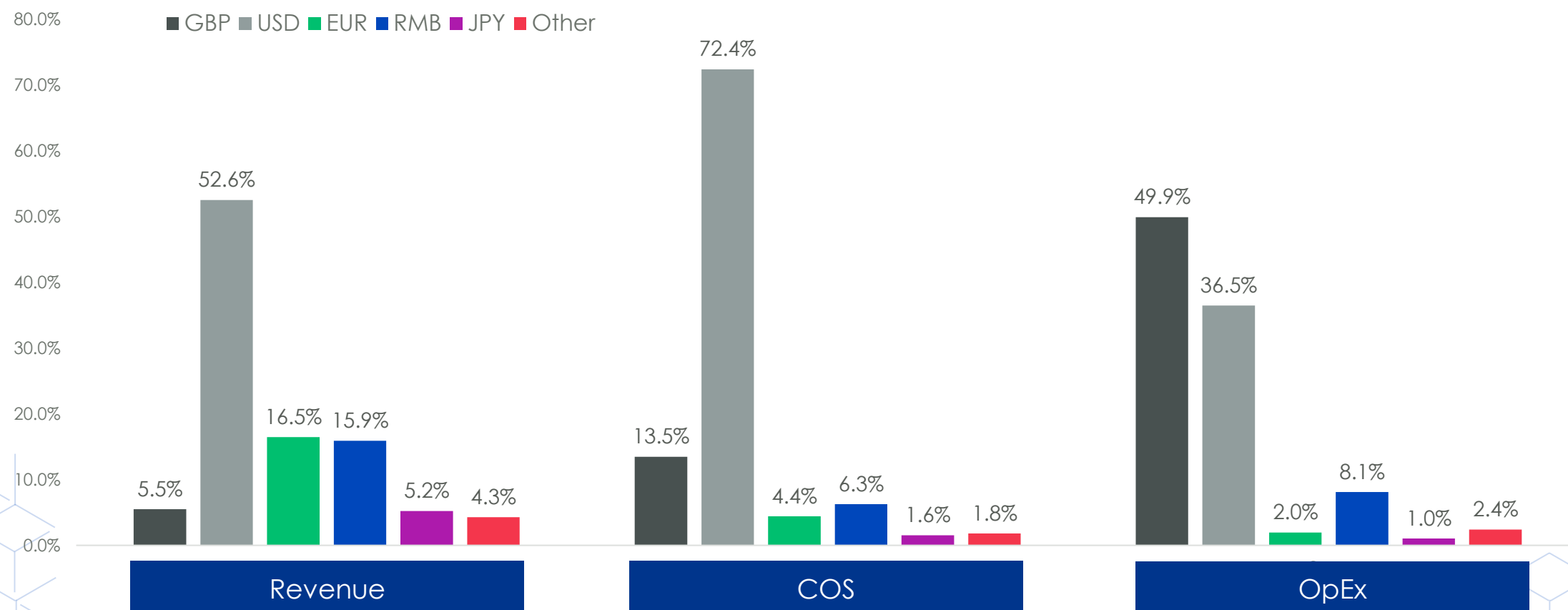
Q&A

Supplemental information

Catalogue revenue by cohort of product launch



H1 FY2022 breakdown by currency



Adjusted operating profit reconciliation

£m	6 months ended	
	30 June 2022	30 June 2021
Reported operating profit	9.3	10.3
Amortisation of fair value adjustments	2.7	-
System and process improvement costs	2.6	2.0
Acquisition, integration and reorganization costs	6.0	3.5
Amortisation of acquisition intangibles	9.0	4.0
Share-based payments	13.0	6.7
Adjusted operating profit	42.6	26.5

Free cash flow reconciliation

£m	6 months ended	
	30 June 2022	30 June 2021
Net cash inflow from operating activities	29.8	38.2
Purchase of property, plant and equipment	(4.5)	(20.3)
Purchase of intangible assets	(11.0)	(12.0)
Transfer (to)/from Escrow in respect of future capital expenditure	0.3	-
Reimbursement of leasehold improvement costs	-	9.0
Principal and interest in respect of lease obligations	(6.6)	(5.4)
Free cash flow	8.0	9.5

* Free cash flow is included in this presentation because it is a key metric used internally to assess our liquidity. FCF 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.