

Financial Results

For the year ended 31 December 2022

20 March 2023

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Agenda



Intro and overview

Alan Hirzel



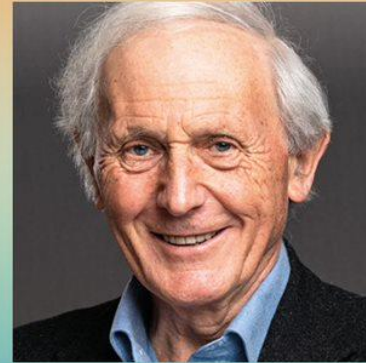
Financial Overview

Michael Baldock



Q&A

“Discoveries result from the contribution of many people and there are too few ways to recognise this.”



Professor Sir Bruce Ponder

Emeritus Professor of Oncology at the University of Cambridge and former inaugural director of the Cancer Research UK Cambridge Institute

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Progress happens together



Daniela Qual, PhD
McGill University

“When we first tried to get this technology off the ground, we needed special formulations and Abcam had recombinant carrier-free antibodies that were ideal because they have a much lower lot-to-lot variability. When we perform IMC™, we want to ensure we can get the exact same quality of antibodies for every experiment, so we don’t have to optimize and validate our antibody batches again and again.”

Using recombinant antibodies really make sense for scientists investing so much money in antibody-based technologies like IMC™. If we run out of antibody, we don’t want to have to go back to the drawing board and start everything from scratch, it just wastes time. We’ve tested hundreds of antibodies so far and the Abcam carrier-free recombinant antibodies have been the most reliable for us. These antibodies also consistently have a really high percentage of recovery after metal conjugation.”

“For anyone interested in IMC, I highly recommend Abcam for antibodies if you are doing custom conjugations (especially their RabMab catalogue).”

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Highlights



Finance

- +HSD CER revenue growth
- 21.1% Adjusted operating profit margin
- +21% Adjusted diluted EPS growth
- 8.9% Adjusted ROCE
- Global market share leader (CiteAb)
 - #1 in Ab citations
 - ~80,000 citations



Employee highlights

- Top 25% in eNPS
- Top 5% in DE&I benchmark
- EXA '22 triple award winner
- >90% employee owners



Partners

- 18 new partner agreements
- >1,200 antibodies commercialised



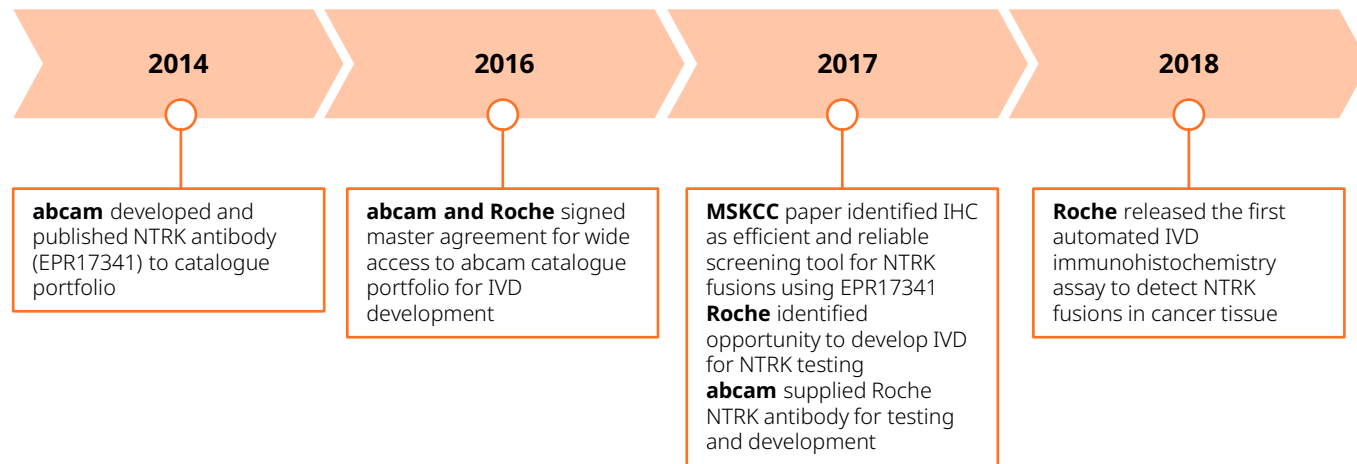
ESG

- Best in class, 1st Percentile (Low-Risk – Sustainalytics)
- MSCI "A"
- +4 EcoVadis score
- Women represent:
 - 57% Overall employees
 - 52% Managers
 - 70% Promotions
 - 44% Board of Directors

NTRK (EPR17341)

Immediately available **abcam** antibody saved 1-2 years on development timeline for **Roche** IVD assay development

<https://diagnostics.roche.com/us/en/landing-pages/ventana-pan-trk--epr17341--assay.html>

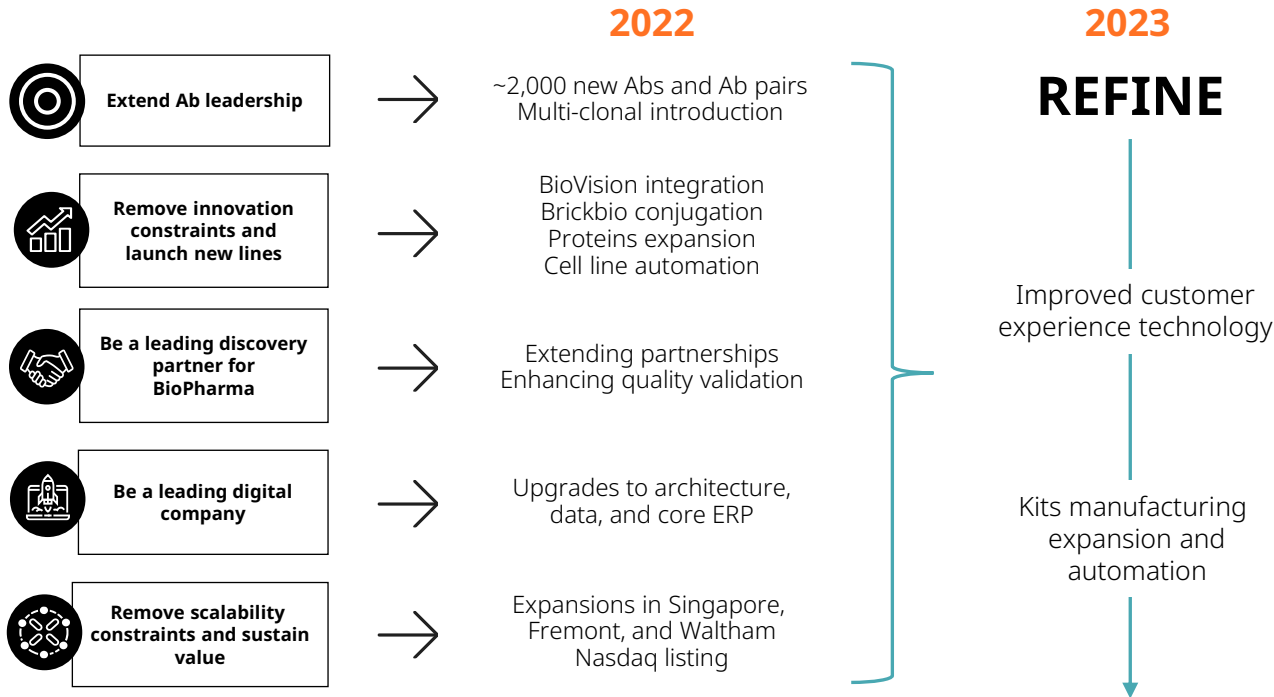


Roche partnership with abcam enabled IVD product to be launched from journal publication to regulatory approval in <2-years

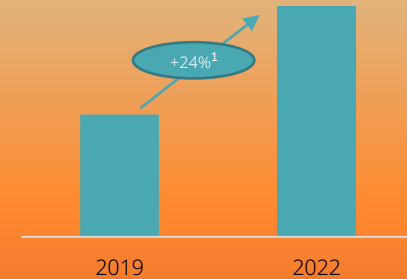
Attacking growth constraints



Reducing constraints has enabled in-house revenues



Revenues



1- CER results are calculated by applying prior year's actual exchange rates to this year's results

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Financial review

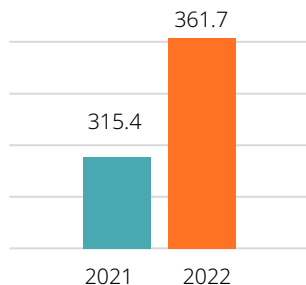
Michael Baldock, CFO

Financial highlights for 2022



Total revenue £m

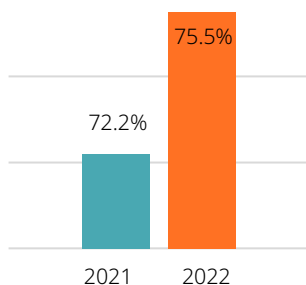
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+8%
CER²



- In-house revenues¹ +18% CER²
- Third-party¹ (9%) CER²

Adjusted gross margin %

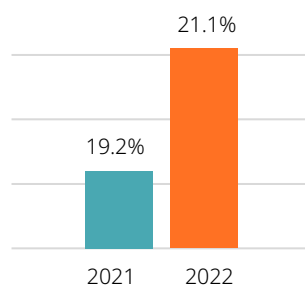
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+330
bps



- Favourable margin mix: In-house revenues & BioVision
- Ongoing commercial activities

Adjusted operating profit margin %

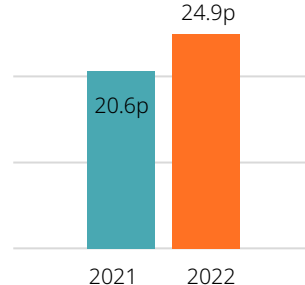
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+190
bps



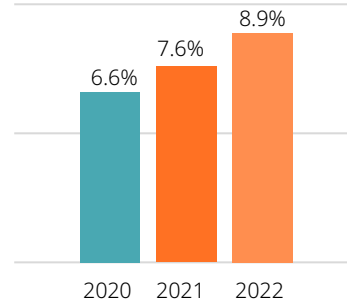
- Total OpEx +12%: Base +8%; and BioVision +4% CER²

Adjusted diluted EPS %

↑
+21%



ROCE %



- Adjusted operating profit expansion

1- BioVision is reported as in-house vs. third party impacting comparability

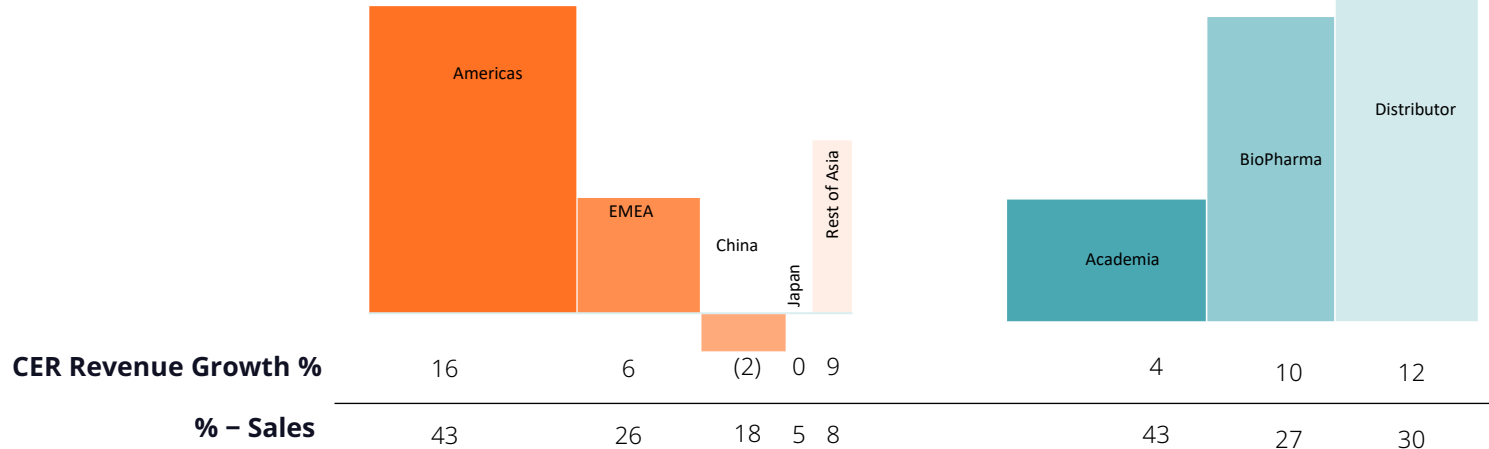
2- CER results are calculated by applying prior year's actual exchange rates to this year's results

Catalogue revenue¹



Region

Customer



1- Total revenues excluding Custom Product & Licensing

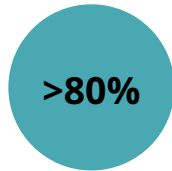
In-house catalogue sales



Key takeaways – Favourable mix shift²



Recombinant antibodies

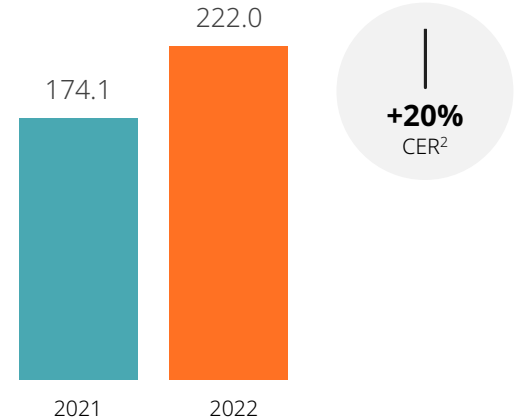


Assays, including **BioVision**



Sample prep & Detection, Proteins & Cell engineering

Abcam In-house Catalogue revenue¹, £m



1- In-house catalogue revenue including BioVision (+28% on a reported basis)

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

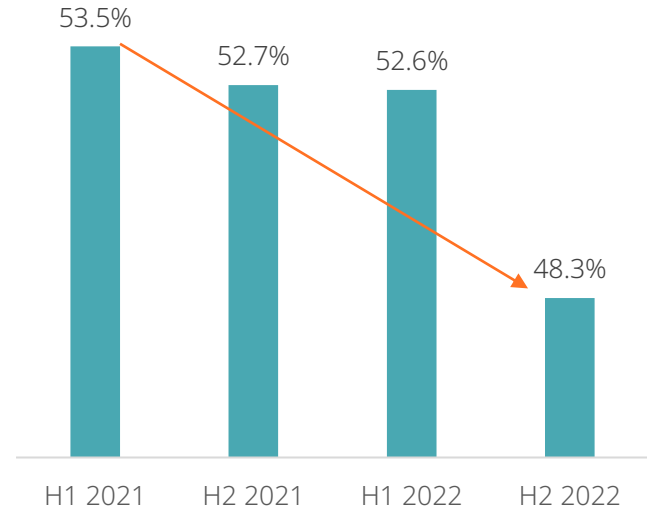
Adjusted operating expenses



2022 OpEx

- Strong cost controls² offsetting planned investments
 - Headcount investments to support in-house growth
 - Final year of ERP and increased license costs
 - A return to travel post COVID-19
- Focused on driving operating leverage consistent with 2024 goals

Adjusted Operating Expenses^{1,2}, % of Revenues

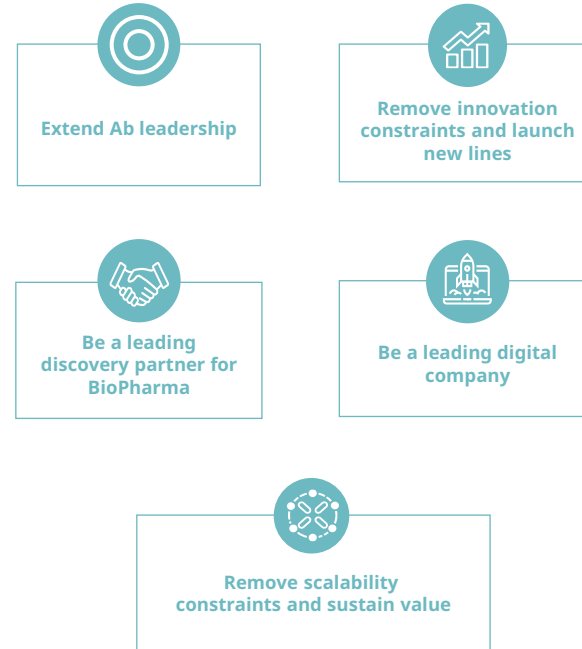


1- Reported adjusted operating expenses, % of reported revenues.

2- Pro-forma H2 2022 (assumes no revenue impact), % of reported revenues

Summary 2022

- Final installation of ERP system
- Elimination of three material weaknesses
- Ongoing gross margin growth enabled by in-house products
- OpEx is expanding adjusted operating margins



Road to 2024



FY23

- £420m - £440m Reported Revenues (+15%-20% CER)
- Ongoing adj. operating profit margin expansion
- Focusing on refinement: ERP invoicing and cash collection
- US GAAP



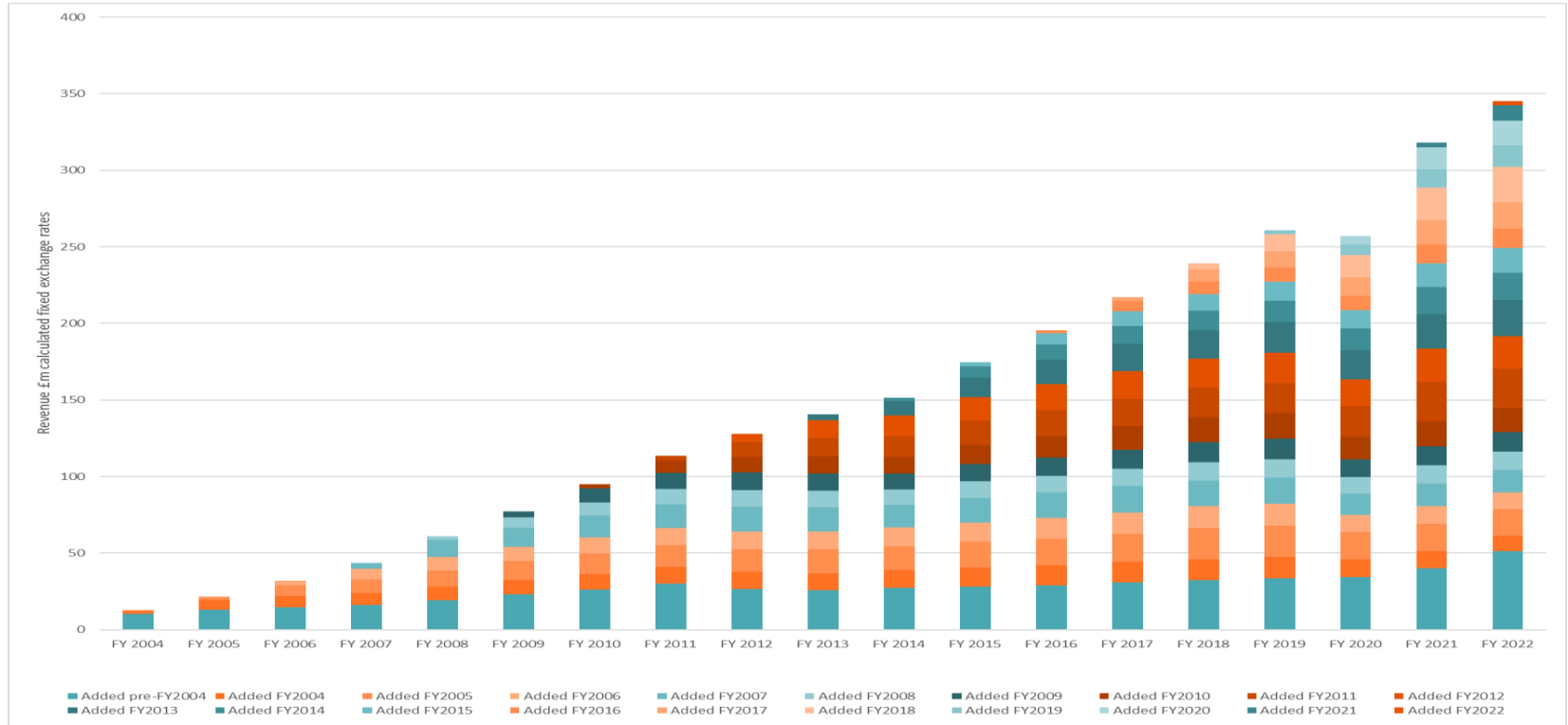
FY24

- £450m - £525m¹
- Adjusted operating profit margin >30%

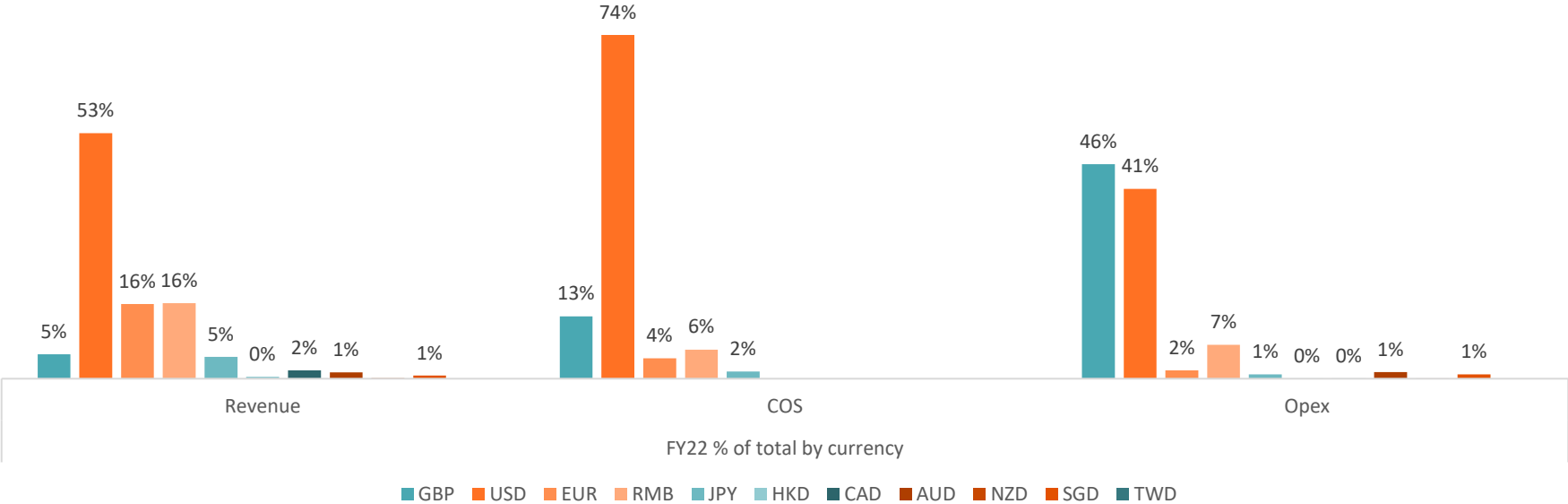
1- FY24 Revenue goals calculated at the average exchange rates for the 12 months ended June 2021

Appendix

Product cohort data



FY22 breakdown by currency



Adjusted gross profit reconciliation

£m	Year ended 31 December 2022	Year ended 31 December 2021
Adjusted gross profit	273.2	227.7
Amortisation of fair value adjustments	(2.7)	(3.1)
Reported gross profit	270.5	224.6

Adjusted operating profit reconciliation

£m	Year ended 31 December 2022	Year ended 31 December 2021
Adjusted operating profit	76.3	60.4
Impairment of intangible asset and asset held for sale	(18.3)	(1.1)
System and process improvement costs	(6.6)	(7.0)
Amortisation of fair value adjustments	(2.7)	(3.1)
Acquisition costs	-	(8.3)
Integration and reorganisation costs	(15.7)	(4.7)
Amortisation of acquisition intangibles	(16.9)	(9.1)
Share-based payments charges	(26.2)	(20.0)
Reported operating profit	(10.1)	7.1

Free cash flow reconciliation

£m	Year ended 31 December 2022	Year ended 31 December 2021
Net cash flow from operating activities	28.7	62.9
Purchase of property, plant and equipment	(16.8)	(34.5)
Purchase of intangible assets	(24.5)	(25.3)
Reimbursement of leasehold improvement costs	-	13.2
Principal and interest for lease payments	(13.4)	(10.3)
Transfer (to) / from Escrow - future CapEx	0.3	-
Free cashflow	(25.7)	6.0

ROCE

£m	Year ended 31 December 2022	Year ended 31 December 2021
Adjusted operating profit	76.3	60.4
Total assets	1,056.6	1,000.9
Current liabilities	(201.8)	(202.0)
Capital employed	854.8	798.9
ROCE	8.9%	7.6%

Adjusted diluted EPS

£m	Year ended 31 December 2022	Year ended 31 December 2021
Reported operating profit	(10.1)	7.1
Impairment of intangible asset and asset held for sale	18.3	1.1
System and process improvement costs	6.6	7.0
Amortisation of fair value adjustments	2.7	3.1
Acquisition costs	-	8.3
Integration and reorganisation costs	15.7	4.7
Amortisation of acquisition intangibles	16.9	9.1
Share-based payments charges	26.2	20.0
Adjusted operating profit	76.3	60.4
Finance costs	(5.5)	(2.4)
Profit before tax	70.8	58.0
Taxes	(13.1)	(10.8)
Net Profit	57.7	(47.2)
 Adjusted Diluted Earnings Per Share	 £ 0.249	 £ 0.206

Weighted average number of ordinary shares for purposes of diluted EPS: FY2022 231.3m / FY2021 228.9m