

13 January 2025

Oxford Nanopore Technologies plc

Full Year Trading Update and Notice of Results

Strong and accelerating second half momentum, with full year performance in-line with guidance

Highlights:

- Commercial performance accelerated in the second half in-line with guidance; underlying revenue growth in the second half was approximately 34% on a constant currency basis
- Full year performance in-line with guidance, with reported revenues of approximately £183 million, underlying revenue growth of approximately 23% on a constant currency basis and gross margin slightly above guidance of approximately 57%
- Medium-term guidance reaffirmed, with improving top line momentum, further gross margin expansion and ongoing cost discipline to deliver adjusted EBITDA breakeven in 2027

Gordon Sanghera, Chief Executive Officer, commented:

"We are pleased with our performance in 2024, which is in line with our guidance in a year that proved challenging for the broader sector, demonstrating the value of our differentiated platform. We are particularly encouraged by the increasing momentum delivered across all regions into the second half of 2024, with overall underlying revenue growth at constant currency accelerating to approximately 34%. This momentum alongside our growing opportunity pipeline gives us confidence as we enter 2025.

"Looking beyond 2025, our highly differentiated platform and deep innovation pipeline coupled with strengthened commercial and operational capabilities combined with a strong balance sheet, position us well to deliver long-term, sustainable, above-market growth."

Oxford Nanopore Technologies plc (LSE: ONT) ("Oxford Nanopore" or "the Group"), the company delivering a new generation of molecular sensing technology based on nanopores, today provides a trading update for the twelve months ended 31 December 2024 ("FY24"), ahead of reporting its annual results on 4 March 2025.

Full year performance in-line with guidance. The Group expects to report revenue of approximately £183 million (FY23: £169.7 million), up 11% on a constant currency ("CC") basis, or 8% on a reported basis and driven by expansion into customer end-markets outside of Research, i.e. Applied Industrial, BioPharma and Clinical. This figure includes an approximate £16 million combined headwind from COVID sequencing and the Emirati Genome Program, slightly less than previously expected. Underlying revenue growth at CC excluding these headwinds was approximately 23%.

Underlying growth has been strongest across the PromethION product range, up approximately 55% in 2024, primarily driven by increasing customer flow cell utilisation. This helped offset softness in the MinION product range, which declined in the period due to a mix of factors primarily related to product life cycle management, as previously outlined at the interim results, that continued into the second half.

On a geographical basis the Group delivered strong underlying revenue growth in all regions, led by EMEA and APAC and driven by new product launches, new and expanded contracts, and increasing sales team productivity. The strong and broad based acceleration across the business in H2 was moderated in part by export control restrictions to China. The anticipated acceleration in growth in AMR in H2 started as expected, and our confidence that this will continue to accelerate in 2025 is underpinned by our growing commercial pipeline across both our existing customer base and new opportunities.

Gross margin for the full year is expected to be slightly above the Group's FY24 guidance of approximately 57%.

The Group remains well capitalised with approximately £403 million in cash, cash equivalents and other liquid investments as at 31 December 2024 (FY23: £472.1 million), noting that a £8.3 million R&D tax credit is now expected in H1 2025, previously H2 2024.

Medium-Term Outlook

No change to medium-term guidance:

- Revenue is expected to grow by more than 30% CC on a compound annual growth rate ("CAGR") between FY24 and FY27 underpinned by continued penetration in existing markets (Research) and expansion into emerging end-market opportunities, in particular across BioPharma, Clinical and Applied Industrial.
- Gross margin is expected to continue to improve and exceed 62% by FY27, supported by continued underlying improvements in manufacturing efficiencies, increased volume growth and further penetration of new end-markets.
- Operating expenses are expected to grow at a CAGR of 3-8% between FY24 and FY27, reflecting a continued focus on financial discipline to leverage the infrastructure the Group has already built and to modulate investment relative to the outlook for growth.
- The Group expects to reach adjusted EBITDA breakeven in FY27 and become cash flow positive in FY28.

Notice of Results

Oxford Nanopore will announce its preliminary annual results for the twelve months ended 31 December 2024, on Tuesday 4 March 2025. Management will host a virtual presentation on the same day, at 9:30am GMT/ 4:30am EST, followed by a Q&A session, accessible via conference call or webcast. The webcast will be available on Oxford Nanopore's website at <https://nanoporetech.com/about-us/investors/reports>.

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This trading update is based upon unaudited management accounts and has been prepared solely to provide additional information on trading to the shareholders of Oxford Nanopore Technologies plc. All figures are provisional and subject to further review.

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Notes:

- All 'underlying revenue' throughout this document excludes revenue from COVID sequencing and revenue from the Emirati Genome Program (collectively £20.0 million in FY23).
- All 'underlying growth' throughout this document is revenue growth after adjusting for COVID sequencing and the Emirati Genome Program revenues.
- Underlying revenues include fluctuations in currency unless stated at constant currency.
- Constant currency (CC) applies the same rate to the FY24 and FY23 non-GBP results based on FY23 rates.
- All percentages compare to the equivalent 2023 period.
- APAC: Asia Pacific, AMR: The Americas, EMEA: Europe, the Middle East, Africa and India.

About Oxford Nanopore Technologies plc:

Oxford Nanopore Technologies' goal is to bring the widest benefits to society through enabling the analysis of anything, by anyone, anywhere. The Group has developed a new generation of nanopore-based sensing technology that is currently used for real-time, high-performance, accessible, and scalable analysis of DNA and RNA. The technology is used in more than 125 countries, to understand the biology of humans, plants, animals, bacteria, viruses and environments as well as to understand diseases such as cancer. Oxford Nanopore's technology also has the potential to provide broad, high impact, rapid insights in a number of areas including healthcare, food and agriculture.

For more information please visit: www.nanoporetech.com

Forward-looking statements

This announcement contains certain forward-looking statements. For example, statements regarding expected revenue growth and profit margins are forward-looking statements. Phrases such as "aim", "plan", "expect", "intend", "anticipate", "believe", "estimate", "target", and similar expressions of a future or forward-looking nature should also be considered forward-looking statements. Forward-looking statements address our expected future business and financial performance and financial condition, and by definition address matters that are, to different degrees, uncertain. Our results could be affected by macroeconomic conditions, delays or challenges in manufacturing or delivering of products to our customers, suspensions of large projects and/or acceleration of large products or accelerated adoption of pathogen surveillance or applied uses of our products. These or other uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

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