

## Chairman's review

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# 2018 was a pivotal year for Horizon. Following Terry Pizzie's appointment as CEO in April, a new management team has been formed and under his leadership the business has seen a refocus through the development and implementation of a new 'Investing for Growth' strategic plan.

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Dr Ian Gilham, Non-Executive Chairman

**"The Board is confident that Horizon's scientific expertise and commercial leadership make it well placed to capitalise on the rapidly increasing demand for our products and services."**

The Group will now prioritise the highest value, high-growth market segments that Horizon is well placed to address, while continuing to invest in innovative new technologies to maintain our scientific leadership and enhance Horizon's position as a world-leading cell-engineering provider.

The benefits of this plan are beginning to bear fruit, with increasing capacity in cell line engineering and new ongoing CRISPR screening contracts signed with a number of major pharmaceutical companies.

We are pleased to report strong revenue growth of 68% against the prior year (73% on a constant currency basis) with revenues on a like-for-like basis showing growth of 16%. The integration of Dharmacon was also completed during the year. Building on the progress already achieved by the internal changes this year, we expect to carry forward this momentum for a successful 2019. During the year we reviewed the performance of our In Vivo business and determined that a non-cash impairment of £32.1m was appropriate.





### Next stage of growth

At the beginning of 2019, Richard Vellacott announced his intention to step down as Chief Financial Officer of the Group. Richard has played a key role in the development of the Horizon business over the past nearly seven years. On behalf of the Board I would like to thank Richard for his work and to wish him well for the future.

Following Richard's decision, Jayesh Pankhania was appointed as CFO on 29 January 2019. Jayesh initially joined Horizon as Interim CFO in April 2018 whilst Richard was acting CEO and has played a pivotal role in developing the strategic plan, as well as in strengthening the corporate and financial governance of the Group. As a result, Horizon is now well placed to scale further. Together, Terry and Jayesh will lead Horizon on its next stage of growth.

During 2018, we welcomed Margarita Krivitski to the Board of Directors as a Non-Executive Director. Margarita is a Vice President at ValueAct Capital and brings strong insights in finance, strategy, mergers and acquisitions.

From the beginning of 2019, Horizon has introduced a business unit management structure to better align the business with the market and ensure continued focus on the customer. These individuals have ownership for their specific product portfolio and together with the well-established executive team will be responsible for delivering the ongoing commercial and operational success of the business unit.

### Summary

Despite macro-economic uncertainties on the global stage, Horizon continues to operate in an attractive, high-growth market. Gene editing and modulation technologies continue to be essential in drug discovery, development and manufacturing and Horizon has never been better placed to capitalise on its unique position in these markets.

I would like to thank the staff at Horizon for their endless dedication to enabling our customers to deliver better healthcare solutions and our investors and customers for their continuing support.

**Dr Ian Gilham**  
Non-Executive Chairman