

## Vectura marks a sorry outcome for UK biotech



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With Vectura's sale to the private equity company Carlyle Group for £958m (\$1.4bn), UK investors have another reason to be down on biotech. Vectura, like Cenes and Vernalis before it, is the result of numerous UK biotech mergers that failed to amount to much. During its 24-year existence Vectura subsumed Innovata, Activaero and Skyepharma for a combined £680m, but shortly after building this respiratory disease focus it gave up on drug development to become a service company. Its sale price amounts to a 142% premium to its 2004 IPO. Cenes and Vernalis were sold for a pittance to Paion and Ligand respectively, and UK biotech's shining star is probably [GW Pharmaceuticals, which had to seek fame and fortune in the US](#). The UK still produces cutting-edge science, but the likes of Autolus, Achilles and Nightstar [all chose Nasdaq to float](#). The UK sector is left with a rump of micro caps, and even the once mighty Oxford Biomedica is now largely a services business. Though Vectura has started generating contract revenue its top line is driven by Flutiform, Enerzair Breezhaler and an Advair generic, and a private equity group would typically now cut costs and take on debt.

### A potted history of Vectura

1997	Company is founded
2004	Lists on London's Aim at 56 pence per share
2007	Acquires Innovata for £131m in stock
2014	Acquires Activaero for £108m in cash and stock
2016	Acquires Skyepharma for £441m in stock
2020	Management overhaul and change of focus from respiratory drug development to contract work and manufacturing
2020/21	Patent win results in £128m payout from Glaxosmithkline
2021	Company is sold to Carlyle Group for £958m (136 pence per share + 19 pence dividend)

Source: company filings.

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