

Vectura Group PLC

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Vectura hikes guidance after approval of a generic Advair and CDMO wins

Vectura Group PLC (LON:VEC) said sales and profits for 2020 will be better than the market expects, after the approval of a generic version of asthma drug Advair in December.

This US regulatory approval led to an US\$11m milestone payment from partner Hikma.

Moreover, the drug formulation specialist said it has won 18 contracts under its inhalation contract development and manufacturing organization (CDMO) strategy, with roughly £3m of revenue from this new business being recognised in the second half of the year.

Management said they expect CDMO revenue to more than treble in 2021, while also anticipating £5-7m of operating expenditure savings from a planned site closure in Switzerland, offset by some "low single-digit millions" of exceptional cash costs from the transition towards a development services model.

Vectura said it closed the year with cash and equivalents of roughly £79m, versus £81.9m at the half year.

A previously announced US\$200m patent litigation win against GlaxoSmithKline is expected to be mostly paid by the end of this month and subject to 10% tax.

Price: 112

Market Cap: £667.48 m

1 Year Share Price Graph



February 2020 August 2020 February 2021

Share Information

Code: VEC

Listing: AIM

52 week High Low
131.6 59.1

Sector: Pharma & Biotech

Website: www.vectura.co.uk

Company Synopsis:

Vectura Group plc, (Vectura) along with its subsidiaries, is principally engaged in the research and development of therapeutic products and drug delivery systems for human use. The Company is focused on the development of inhaled pharmaceuticals. It has eight marketed products and a portfolio of drugs in clinical and pre-clinical development, some of which have been licensed to pharmaceutical companies.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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