

University of Cambridge spinout companies have better long term success than peers, new research reveals

Businesses founded at Cambridge university are more likely to have long term success than those established at other UK universities, research reveals.

CAMBRIDGE, CAMBRIDGESHIRE , UNITED KINGDOM, June 29, 2023 /EINPresswire.com/ -- Research by national UK based accounting firm Price Bailey found that the University of Oxford and the University of Cambridge continue to lead the way in the creation of university spinout organisations in the UK.



University of Cambridge and Kings College Chapel

The study investigated the differences in success of university spinout organisations in the life sciences, MedTech, AI and Genomics sector, who received equity funding between calendar years 2012 and 2022, with 99 organisations founded at the University of Oxford and 54

organisations founded at the University of Cambridge, during this period.

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*Chand Chudasama, Partner
at Price Bailey*

The research revealed that, of the 19% of Cambridge spinout business that have sold to the market, 100% remain active, with 9% of Cambridge spinouts going on to successfully trade for 5-15 years with a three-year consecutive profit of £5m+ or turnover of £20m+.

Despite being second place to the University of Oxford, spinouts established at the University of Cambridge are, in

fact, 2.5 times less likely to go into insolvent liquidation than those established at neighbouring Oxford.

In spite of this, findings showed that spinouts from the University of Oxford benefit from greater access to equity capital and receive pre-money valuations on average £4m higher than those founded at the University of Cambridge.

Chand Chudasama, Partner at Price Bailey comments:

"We don't believe that these valuation figures are driven by sector valuation norms and, therefore, what this indicates is that, generally, University of Oxford spinout businesses attract higher valuations than both Cambridge, and other universities across the UK.



University of Oxford graduates in traditional robes

"However, when we tie this in with the data on stage of evolution and those businesses that have successfully exited or failed, Oxford founded businesses have represented a higher risk than Cambridge founded businesses, though this risk comes with potential for a higher reward."

Chand Continues:

"What is clear from our findings is that both universities are leading the way in the development of high-growth innovative businesses within the life-sciences sector, with the percentages for growth, venture and seed very similar between the two".

Price Bailey's research report is due to be released next month; register your interest to [receive a copy here](#).

Find out more about Price Bailey's report on [university spinout organisations here](#).

Visit their [website here](#).

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