

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

RPRX.OQ - Q2 2021 Royalty Pharma PLC Earnings Call

EVENT DATE/TIME: AUGUST 11, 2021 / 12:00PM GMT

OVERVIEW:

Co. reported 2Q21 results.

CORPORATE PARTICIPANTS

Pablo Legorreta *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Terrance Coyne *Royalty Pharma Plc - Executive VP & CFO*

Christopher Hite *Royalty Pharma Plc - Vice Chairman & Executive VP*

Jim Reddoch *Royalty Pharma Plc - Executive VP, Chief Scientific Officer and Co-Head of Research & Investments*

Marshall Urist *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

George Grofik *RP Management LLC - Senior VP and Head of IR & Communications*

CONFERENCE CALL PARTICIPANTS

Christopher Thomas Schott *JPMorgan Chase & Co, Research Division - Senior Analyst*

Chen Yuan Yang *Morgan Stanley, Research Division - Research Associate*

William Patrick Maughan *BofA Securities, Research Division - Associate*

Stephen Michael Scala *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Terence C. Flynn *Goldman Sachs Group, Inc., Research Division - MD*

Umer Raffat *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Andrew Simon Baum *Citigroup Inc., Research Division - Global Head of Healthcare Research and MD*

Gregory Daniel Fraser *Truist Securities, Inc., Research Division - Research Analyst*

Ivan Philip Feinseth *Tigress Financial Partners LLC, Research Division - Director of Research*

PRESENTATION

Operator

Welcome to the Royalty Pharma's Second Quarter 2021 Earnings Conference Call. I would now like to turn the call over to George Grofik, SVP, Head of Investor Relations and Communications. Please go ahead, sir.

George Grofik - *RP Management LLC - Senior VP and Head of IR & Communications*

Good morning and good afternoon to everyone on the call. Thank you for joining us to review Royalty Pharma's Second Quarter Results. You can find the slides of this call on the Investors page of our website at royaltypharma.com.

Moving to Slide 3. I would like to remind you that information presented in this call contains forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. I refer you to our 10-K on file with the SEC for a description of these risks.

With that, please advance to Slide 4. Our speakers on the call today are Pablo Legorreta, founder and Chief Executive Officer; Jim Reddoch, EVP, Co-Head of Research and Investments and Chief Scientific Officer; Marshall Urist, EVP, Co-Head of Research and Investments; and Terry Coyne, EVP, Chief Financial Officer.

Pablo will discuss the key highlights, after which Jim and Marshall will provide an update on our royalty portfolio and acquisitions. Terry will then review the financials. And after concluding remarks from Pablo, we will hold a Q&A session. Chris Hite, our Vice Chairman, will also join the Q&A session.

With that, I'd like to turn the call over to Pablo.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Thank you, George, and welcome to everyone on the call. I am delighted to report that Royalty Pharma continued to execute very well against our strategy in the second quarter. We continue to deliver double-digit bottom-line growth despite losses of exclusivity. We maintained our strong deal momentum with year-to-date transactions announced of \$2.8 billion, and we completed an innovative bond issuance to strengthen our capital structure and expand our competitive advantage. Taken together, based on our strong business dynamics, we're again raising our guidance for Adjusted Cash Receipts for full year 2021.

On Slide 7, you can see our financials in a little more detail. In the second quarter, we delivered 3% growth in Adjusted Cash Receipts and 16% in Adjusted Cash Flow, what we consider to be our top and bottom line, respectively. The continued business momentum puts us in a great position to deliver another year of strong financial performance in 2021, as Terry will speak to when he discusses our raised guidance for the current year.

Slide 8, takes a step back and sets out what we have achieved since our IPO in June 2020. I am particularly proud of this slide as it really speaks to the strength of our business model and our competitive position. In just over a year, we have announced \$4.7 billion in Royalty acquisitions, across 9 transactions, spanning 4 therapeutic categories and 17 therapies. Meanwhile, we have converted our top line efficiency to cash with an 85% Adjusted Cash Flow margin over the period, and we have grown our bottom line by 25%. These milestones are a testament to our market leadership position in a rapidly growing Royalty funding market and the innovative approach of our team.

And as you will hear through the course of this presentation, our prospects for sustained long-term growth continue to be excellent.

With that, I will hand over to Jim and Marshall to update you on our royalty portfolio.

Jim Reddoch - *Royalty Pharma Plc - Executive VP, Chief Scientific Officer and Co-Head of Research & Investments*

Thank you, Pablo, and hello, everyone. As shown on Slide 10, we have seen strong early progress of our recently acquired royalties. As noted on the last slide, we deployed about \$4.7 billion in capital since our IPO. However, if we look a little further back to the beginning of 2020, our capital deployment is around \$5.3 billion. The graphic on the right here shows the evolution and consensus sales forecast since we acquired each of the royalties. And while the products underlying our royalties do not need to outperform consensus to reach our targeted returns, we are very encouraged to see that consensus has evolved positively for most of our recent royalty acquisitions with 4 therapies outperforming consensus estimates at the time of the deal and only one underperforming.

While it is still early days for these deals, with many of the products expected to generate growing royalties well into the next decade, we are definitely encouraged by these trends. We believe this speaks to our ability at Royalty Pharma through our deep due diligence and unique competitive advantages to identify therapies that deliver important and potentially transformative benefits to patients.

Slide 11 analyzes our royalty acquisitions by therapy area and type of royalty deal. Around 40% of the new therapies we added to our portfolio since the beginning of last year are for rare diseases with the balance divided between oncology, immunology and neurology, all are targeted at areas of high unmet patient need.

And as a reminder, a strength of our business model is that we are a therapeutic category agnostic, and we evaluate each opportunity on a case-by-case basis so we can quickly pivot our focus to areas where breakthrough of medical innovations are happening. And when we look at our royalty acquisitions by type, roughly 2/3 have been existing royalties and 1/3 are newly created or synthetic royalties.

Through our MorphoSys transaction, a significant portion of each category relates to enabling mid-cap M&A where we see considerable opportunity for future deal flow.

And with that, I'll hand it over to Marshall.

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

Thank you, Jim, and good morning and afternoon to everyone. Let me just add that I'm really excited about the royalty acquisitions we have announced since our IPO, and our team remains very busy in assessing new potential opportunities. I want to take a couple of minutes now to highlight the MorphoSys transaction and to discuss upcoming portfolio events.

Slide 13 provides a summary of what was a highly customized transaction of up to \$2 billion, which enabled MorphoSys to acquire Constellation Pharmaceuticals. Pablo had described this, at the time, as our biggest and boldest transaction since we went public. And I would echo this with my personal view that Royalty Pharma is uniquely positioned with the technical, scientific and financial capabilities in place to deliver such a carefully tailored funding structure in what we believe is a true win-win M&A deal.

As a reminder, we paid \$1.425 billion upfront to MorphoSys and purchased \$100 million of equity. Beyond this, we agreed to provide up to \$150 million in clinical, regulatory and commercial milestone payments and up to \$350 million in development funding bonds.

In return, we will receive 6 cash flow streams, with the cornerstone being the royalty on Tremfya, a leading immunology blockbuster marketed by Johnson & Johnson. On top of this, we added four attractive development stage opportunities to a royalty pipeline. We received Royalty rights to otilimab, a novel approach to rheumatoid arthritis by targeting GM-CSF under development in GSK.

At a June investor event, we note that GSK provided an outlook for peak otilimab sales of between GBP 1 billion to GBP 2 billion on a non-risk-adjusted basis with Phase III data expected towards the end of 2022. As a reminder, we acquired 80% of MorphoSys' tiered double-digit royalty.

We also received royalty rights on gantenerumab for Alzheimer's, which is in development at Roche. Since the deal was announced, Biogen's Aduhelm was approved by the FDA, indicating a potentially more favorable regulatory environment for Alzheimer's therapies, and we are cautiously optimistic that the upcoming gantenerumab Phase III data will support a best-in-class profile. The opportunity is clearly significant, and we like the upside potential that this therapy offers in the context of the MorphoSys deal as well as our broader portfolio. As a reminder, we acquired 60% of MorphoSys' 5.5% to 7% royalty.

We also created two synthetic royalties on oncology assets from Constellation, mainly collaborative for myelofibrosis and CPI-0209, which is being assessed in several oncology settings.

Lastly, we are entitled to receive stable fixed payments on the development funding bonds. These fixed payments, which will generate 2.2x multiple and roughly 13% unlevered IRR mitigates the risk return profile of the deal. Our ability to execute such a complex transaction underscores the breadth of our funding capabilities and our unique role in M&A, which we see as a major business opportunity going forward.

Slide 14 sets out the upcoming clinical and regulatory events that are expected over the next 12 to 18 months for our portfolio. Looking to the balance of 2021, we expect several important data readouts, including the Phase III results for AstraZeneca's PT027 in asthma, Biohaven's Phase II/III results for intranasal zavegepant in migraine and Gilead's pivotal results for Trodelvy in HR-positive breast cancer.

When we look out into 2022, we have potentially very meaningful clinical trial readouts, particularly the Phase III results for gantenerumab in Alzheimer's as well as Tremfya in ulcerative colitis and Crohn's and otilimab in rheumatoid arthritis among several others.

Turning to regulatory decisions. In the past quarter, the FDA approved Trodelvy in urothelial cancer as well as the expansion of the Nurtec ODT label to include migraine prevention and Trikafta in CF in 6- to 11-year-olds. In summary, we're approaching a number of clinical and regulatory milestones over the next 12 months to support the continued development of our portfolio. And if positive, many of these could add significantly to our long-term outlook for Adjusted Cash Flow.

With that, I will hand it over to Terry.

Terrance Coyne - Royalty Pharma Plc - Executive VP & CFO

Thanks, Marshall. Let's move to Slide 16. Total royalty receipts were slightly ahead of year-ago period, consistent with the commentary we provided on our first quarter earnings call. Growth drivers in the quarter included our largest franchise, cystic fibrosis, together with payments from Biohaven and the addition of new royalties such as Cabometyx. These positive factors were largely offset by a more than 50% decline in royalty receipts from the HIV franchise.

As a reminder, our royalties are generally booked one quarter in arrears from actual performance and that many biopharma companies reported a softer first quarter. These dynamics will largely reverse next quarter, as you have seen in the recent reporting season.

Slide 17 shows how our royalty receipts translated to strong Adjusted Cash Flow in the second quarter. As you're aware, Adjusted Cash Receipts is a key non-GAAP metric for us, which we arrive at after deducting noncontrolling interest. This amounted to \$475 million in the quarter, growth of 3% compared with last year's second quarter, as Pablo noted earlier.

The NCI line declined 9% as royalties from products with a larger NCI percentage like emtricitabine and Letairis have declined in 2021 due to loss of exclusivity. When we move from left to right, operating professional costs of \$40 million equated to 8% of Adjusted Cash Receipts representing a similar ratio to the first quarter. Net interest was de minimis and reflected the fact that this quarter, along with the fourth quarter, we did not incur the semiannual interest payments associated with our \$6 billion unsecured note offering in 2020.

As a reminder, the next semiannual interest payment of approximately \$64 million will be in the third quarter. This does not reflect our recent \$1.3 billion debt offering with the first interest payment from that offering expected in the first quarter of 2022. After other items of \$5 million plus Adjusted Cash Flow, our bottom-line earnings were \$429 million or \$0.71 per share. This resulted in an Adjusted Cash Flow margin of 90.2%, again, underscoring the strong leverage in our business model.

Slide 18 shows how we continued to strengthen our balance sheet after the quarter end through an innovative debt issuance, which raised \$1.3 billion in July. With maturities of 2031 and 2051 for the two tranches, we extended the majority of our debt profile to 2030 and beyond at very attractive rates. On the right-hand side of the slide, you can see how our total debt profile compares favorably with our biopharma peers. We are particularly pleased that \$600 million of the bonds we issued are in the form of a social bond, which underscores our commitment to ESG and corporate responsibility.

Specifically, our social bond framework is linked to SDG 3 and 9, which promote social health and wellbeing as well as enhanced scientific research and innovation. The proceeds from the social bond will go towards funding innovation in areas such as orphan diseases, top diseases as defined by the WHO and/or UAN as well as other underserved diseases. This can also be applied retroactively to deals that were done in the 2 years prior to the bond offering, such as the residual royalty interest in the CF franchise that we acquired from the CF Foundation in November of last year.

On slide 19, you can see we ended the quarter with cash and marketable securities of \$2 billion, similar to our position at the end of 2020. Cash inflows over the 6 months included Adjusted Cash Flow of \$838 million. These inflows were broadly offset by the \$719 million we deployed on royalty acquisitions and by \$226 million in dividends and distributions, hence the limited change over the period on a net basis.

Following the quarter end, we closed the MorphoSys transaction and the debt offering I just described. If we adjust for these factors, our pro forma cash and marketable securities would have been just over \$1.7 billion. We currently have \$7.3 billion of investment-grade debt and our pro forma leverage is approximately 3x EBITDA on a net basis and 4x EBITDA on a total basis. Our cash balance, strong cash generation of the business, along with our untapped \$1.5 billion revolving credit facility gives us a strong liquidity position and leaves us well positioned to execute on our business plan.

Slide 20 demonstrates why we believe we are uniquely positioned to fund innovation. First, we have deep access to debt capital to fund royalty acquisitions. For example, we have raised \$2.2 billion in debt at attractive rates since 2020, which compares to the \$5.3 billion in deals we've announced. Second, we have aligned our debt maturity profile with the average duration of our royalty profile at around 13 to 14 years. And third,

with conservative leverage, we can considerably amplify the returns to our shareholders. We target returns in the high single-digit to teens percentage range, depending on the transaction type, which compares with our average debt coupon of 2.24%.

We believe the power of our capital structure is a strength that is consistently overlooked, providing us with the lowest cost of capital to buy assets while also delivering attractive returns to equity holders.

My final slide sets out our new full year 2021 guidance. We now expect Adjusted Cash Receipts to be in the range of \$2.08 billion to \$2.12 billion, an increase of approximately \$140 million from our previous guidance. Around half of this increase was driven by the strength of our portfolio, with particularly strong performance from the CF franchise, Tysabri, as well as recently launched therapies, Evrysdi (inaudible).

Around 1/4 of the increase was driven by the addition of Tremfya and another quarter was driven by a onetime \$37 million milestone payment related to our Soliqua royalty, which we previously expected to occur in 2022. Our new Adjusted Cash Receipts guidance represents growth of between 16% to 18% over the \$1.8 billion we delivered in 2020. And in -- the midpoint is around 8% above where analyst consensus stood for Adjusted Cash Receipts at the time of our IPO.

Turning to operating costs. we expect these to be approximately 9% to 10% of Adjusted Cash Receipts, which is unchanged versus our prior guidance. While our operating costs have been around 8% of our Adjusted Cash Receipts in the first half of this year, our guidance implies a bit of a step up in the second half due to the timing of various expenses. Lastly, our interest paid guidance for 2021 is unchanged at \$130 million. Our recent \$1.3 billion debt offering will not impact our net interest line in 2021, but will increase net interest paid in 2022 to approximately \$170 million with semi interest payments split fairly evenly between the first and third quarter.

Although in 2022, the payments will be skewed slightly to the first quarter. The second and fourth quarters of 2022 are expected to have de minimis payments. In line with our established practice, you should note that this guidance is based on our portfolio as of today and does not take into account any future acquisitions.

With that, I'd like to hand the call back to Pablo for his closing comments.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Thanks, Terry. Let me close by first reiterating that I'm extremely pleased with how our business has progressed in 2021. We have delivered strong financial performance, raising our full year guidance. We have continued to find innovative funding solutions for our partners, and we have demonstrated that same innovative approach to our own capital structure, which positions us to compete in the growing biopharma royalty market. Our market has strong momentum growing over 70% by volume and value in the past year, and we have captured the majority share of that value.

Looking ahead, we expect the powerful fundamental tailwind supporting this growth to continue for the foreseeable future based on the rapid pace of scientific advance across the biopharma ecosystem, and the need to fund that innovation.

On my final two slides, I want to step back and put our deal activity over the past couple of years in perspective. Over our history, we have maintained a consistent and strong pace of capital deployment. Up to the year prior to going public, we deployed a total of around \$18 billion in capital from \$5 billion in 2012 or a total of \$13 billion deployed over 8 years.

Since the start of 2020, we have continued the strong trend with \$5.3 billion in announced transactions. This puts us well above the run rate we have previously indicated for \$7 billion of capital deployed to 2025. This pace of capital deployment positions us well to deliver strong long-term growth. And importantly, to deliver value to our shareholders. It also really speaks to the increased awareness and acceptance of royalty funding in biopharma and the significant opportunities for growth ahead of us.

On this next slide, when we look back at our deals over the past 5 years, we deployed about \$1.8 billion per year, which demonstrates our ability to consistently identify attractive royalty funding opportunities.

The second graphic shows that based on actual results and the current consensus sales estimates, this level of capital deployment is expected to result in significant cash receipts five years later, about \$350 million on average. In other words, every \$1 billion of capital we deploy is estimated to translate to approximately \$170 million in royalty receipts five years later. This shows how our scale and expertise enables us to grow and diversify and drive value enhancing long-term growth.

Furthermore, we believe the compounding effect of our business is very powerful as we're adding new royalties each year on top of an attractive portfolio of leading products and franchises. We remain as excited as ever about our pipeline and expect to continue to layer new cash flow streams on our existing business and deliver top-tier growth in biopharma.

With that, I would like to open the call to Q&A. Back to you, George.

George Grofik - *RP Management LLC - Senior VP and Head of IR & Communications*

Thanks, Pablo. And we will now open the call to your questions. Operator, please take the first question.

QUESTIONS AND ANSWERS

Operator

Our first question comes from Chris Schott with JPMorgan.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Just two for me. First, on Alzheimer's, I know you talked a little bit about this, but can you just elaborate your thoughts on the development of this market since the Genmab deal. I guess, do you see an attractive opportunity for your products or for the royalty stream even if we don't see a meaningful cognitive benefit with the data next year with the new guidelines? Or do you think cognition is really going to be key to success in this market?

And then my second question, I know you've talked about this in the past, but when we think about the new triple that Vertex is advancing, what would that mean for your royalty levels if approved? And very importantly, with that, to the extent there is a disagreement between the parties in interpreting the agreement, what is the resolution pathway? Is that something that we'll be able to get clarity on ahead of a launch or something we really have to wait until an approval to see how that plays out? Because it seems like the companies are really communicating slightly different things about the implications for the longer-term royalties?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Sure. Thanks, Chris. Good to hear you. And I'll ask Marshall to take on the first question about Alzheimer's. And then Terry and I will touch on the -- your question regarding -- a lot of topics related to CF. Marshall?

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

Yes. Thanks, Pablo. So on our view on Alzheimer's and everything that's happened, it's certainly been an active area since we announced the MorphoSys transaction and our interest in gantenerumab. And we're, like everyone, I think, in our industry, watching and observing what's happening with the Aduhelm launch and as we come into the NCD, sometime next year and watching how this market develops. But I wanted to just remind everyone what we liked about gantenerumab, to your question about cognition, is we really thought Roche had designed a very large, robust clinical trial program to really give gantenerumab its best chance to succeed.

So -- and I think Roche sees that the same way as they commented on their call this year. So I think, like we said, we are cautiously optimistic about those data next year, and we're going to see what the data show and how this market develops. So we are excited, like we said, to have that in the portfolio.

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

Yes. And Chris, on your question on the new triple that Vertex is developing. So first of all, just to sort of walk through the royalty rates on that. We don't see a scenario in which we end up with a low single-digit royalty rate on the new triple combo. First, our royalties on tezacaftor will bring the royalty rate on the new triple to 4%. Second, and we've been very clear about our position here that we believe that deuterated Kalydeco is simply Kalydeco and that would bring the royalty rate on the new triple to 8%.

On the third component, we'll just have to wait and see if it's royalty bearing and at what rate, it's -- we really can't comment on that one at this point. But I think just to sort of take a step back, we also have to remember that Trikafta sets an extremely high bar for safety and efficacy. I think we share the views of a lot of others who have commented on the recent Phase II data. These are, obviously, small patient numbers. But when we looked at the data, there was nothing that we saw that suggested that the new triple will offer a meaningful improvement over Trikafta. We've also now learned that the new triple is going to require large non-inferiority trials with 48-week endpoints.

These trials will have to enroll in a population that's already very well served by Trikafta. And if the new triple does succeed, it's unlikely to be on the market before the middle of the decade. And if it does come to market, many patients will have over 5 years of experience on Trikafta. And this is a drug that Vertex has pointed out many times, has completely transformed the disease for many CF patients.

So for all those reasons, we're really confident that the CF franchise will be an important contributor to our business over the long term. On your question on the resolution pathway, there is a dispute resolution clause in our contract and we would obviously make sure that we defend our rights under the contract. It's really too early right now to get into any potential legal strategies there.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Chris, I'd like to just add to some of Terry's comments. And I'll just start by saying that from our perspective, investors, analysts have expressed some concern about a potential impact to Royalty Pharma from issues with our CF royalties. Personally, I believe it's so overblown, the concern, for many reasons that Terry already talked on, but I'm going to add some color. So just thinking of timelines, which are really critical here. We're in 2021. If we look at what might take to develop this triple, thinking of a trial that is probably going to take a couple of years to enroll. And then 48-week follow-up on patients. So we're talking about 2 to 3 years, more likely 3 years. So 2022, '23, '24.

Then the trial will be completed, it takes time to go through data, to file, FDA approval. So we're talking about mid-'25, late '25 for a potential launch. And then obviously, we're not considering one bit that there's going to be an issue with Kalydeco. We're super comfortable. You have to also just think of the fact that we've been following this for a very long time since we made the investment in 2014.

We actually invested a lot more last year when we bought the residual interest and did an incredibly thorough analysis of everything around this investment, which gave us a very significant level of confidence to go ahead and make this additional \$600-or-so million investment. So we're not considering anything. But just thinking of what may happen if there is a small shortfall in revenue when you look at what analysts have projected for CF in our numbers, which is somewhere in the \$800 million-plus revenue.

And if there is a small shortfall, just think about this, launch in '25, '26, for it to get some traction, we're probably looking at the later half of this decade. And by then, Royalty Pharma will be much, much bigger. Just think of the revenues that analysts have projected, analyst estimates by 2025 of about \$2.7 billion.

And then think -- and that's based on what we have today, the portfolio we have today. As you know, we're going to be very active adding much more capital deployed, more revenue to our top line. And we went through the figures of what every \$1 billion of investment adds to our top line.

So now if we think of where our revenue might be by the end of the decade, we're probably looking at something north of \$3 billion, somewhere in the \$3 billion to \$4 billion, maybe more. So if you think of a potential shortfall in one asset of a couple of hundred million dollars, it is really immaterial. We're talking about a couple of percentage points to the top line. So that's why I think this issue has been overblown.

And maybe just in summary, I think I'd like to mention a couple of important concepts here. This is an industry that has uncertainty, whether it is competition, clinical study results, patents, et cetera. So focusing on any one issue for any one product in our portfolio misses the bigger picture, which is that the strength of our business model and the unique role we play in this industry, really makes Royalty Pharma such a highly diversified business with some of the most attractive assets in the industry and with very high predictable growth.

And again, just to put this in context, my last slide showed that over the past 5 years, every \$1 billion we deployed resulted in an average of around \$170 million in Adjusted Cash Receipts five years later. We've announced over \$5 billion of transactions since the beginning of 2020, 1.5 years. So I think if we project into the future, I think it's important just to realize what's going to happen with this business as we continue to deploy billions of capital every year. And I think I'll just finish by saying that we went public, we tried to come out with conservative assumptions. But there's no question that looking now 1.5 years or a year after our public offering, we have a feeling now, myself and the team, that this opportunity set for us is pretty big.

And that's why we're so confident on our long-term growth prospects. So concerns about any single product in our portfolio misses the most important driver of our business that we add innovative therapies to our portfolio year in, year out, growing and diversifying our revenue base. And sorry to extend myself, but I just wanted to make sure that I share these views with you.

Operator

Our next question comes from Matthew Harrison with Morgan Stanley.

Chen Yuan Yang - *Morgan Stanley, Research Division - Research Associate*

This is Charlie on for Matthew. Just to kind of think about like kind of long term in terms of the large transaction that potentially kind of coming out over the next few years. How are you thinking about given your existing guidance of greater than \$7 billion through 2025? And I know you're exceeding that by quite a bit. But I think that you're also trying to maintain that investment grading. And it seems like the leverage right now is close to 4x. I'm just wondering how you're thinking about that in terms of taking down more debt or doing more large transactions in the coming years?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Sure. Thanks for the question. Terry, can you please take this question?

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

Yes, sure. So yes, we feel very, very confident in our ability to continue to pursue large royalty deals over the coming years. We have \$1.7 billion of cash on the balance sheet. We're just going to naturally de-lever over time as EBITDA grows. And when we bring in cash flow products that have cash flows, we can, obviously, add leverage then as well.

And then the business throws off a lot of cash. So we feel like we're very well positioned with the opportunity set ahead of us. I feel really good about the trajectory. Obviously, Pablo mentioned, we're tracking well ahead of the original target that we gave. We feel very good about the opportunities ahead of us. And that target is something that we'll look to update as we update other long-term guidance metrics because they're all related, but we feel very, very, very confident in the business and very confident in the opportunity set.

Operator

Our next question comes from Geoff Meacham with Bank of America.

William Patrick Maughan - *BofA Securities, Research Division - Associate*

This is Bill Maughan on for Geoff Meacham. So my question is on the social bonds. Just wanted to get a little more color on exactly kind of the intent and plan for those -- for what we might be seeing for the investment from those social bonds. And correct me if I misheard, but you mentioned, I believe, that it could be applied sort of retroactively to CF from the past few years. Can you just kind of walk through what that means logistically in terms of what that looks like on the balance sheet?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Sure. Thanks for the question. And I think, look, Terry will answer it, but I think this again highlights how we can be creative and innovative. I think we're the second life sciences company to issue social bonds. And we just realized that there was this very attractive new instrument that we could use to fund the business, and we move quickly, took advantage of it and ended up being able to issue bonds with a lower cost than normal bonds. So Terry, do you want to...

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

Yes, sure. I mean I think that -- sort of taking a step back, the social bonds, we published our social bond framework on our website, but they really highlight the unique role that we play in this industry. So in terms of how we can help to recycle capital back into the industry, for places like the Cystic Fibrosis Foundation to go and fund their mission to attempt to find a permanent cure for this disease. So types of deals that would be eligible would be sort of the CF Foundation deal, the deal that we did with UCLA back in 2016 where the proceeds that we gave them were going back into funding medical research and funding scholarships and things like that.

So in terms of how it could be applied retroactively and that -- we're not saying that, that's exactly how is going to happen. But we'll ultimately provide an annual report until the funds are allocated. And so that would be disclosed in the annual report and how those funds were allocated. And we also would attempt to show sort of the impacts metrics of how those funds were allocated.

Operator

Our next question comes from Steve Scala with Cowen.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Congratulations on another well-executed quarter. I have two questions. Can you discuss the \$37 million milestone on Soliqua performance that will be booked in the Q3 quarter? Soliqua has been a modest success for Sanofi. So the milestone really seems oversized versus its sales. So maybe you can tell us how that milestone is calculated?

And then secondly, I'm curious, and I apologize if you've addressed this in the past, but I'm curious if the royalty on gantenerumab also covers the brain shuttle version of gantenerumab, which, at least to our understanding, is a distinct and separate molecular entity?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Thank you for the question. Terry is going to answer the first question related to the Soliqua milestone, and then Marshall will address your question on gantenerumab.

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

Yes. So on Soliqua, it was a commercial milestone. We haven't gotten into any of the specifics, but it is something that we previously -- and we were, obviously, a little conservative to forecast that it would happen in 2022 and it's now a 2021 event. But we haven't got -- we're not going to be any more specific than that on the sort of threshold there.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

And can you tell us, are there future milestones on Soliqua that we should anticipate?

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

So we do have other milestones in the portfolio. We're not probably going to talk about specific milestones right now. But I think when we do anticipate that they will come into Adjusted Cash Receipts we'll try to give you a heads up on that. That's why we did it this quarter. But I think that to the extent that we're aware that something is going to affect that, a particular year, we'll try our best to give guidance ahead of time if that's going to be a factor.

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

Steve, thanks for the question on the brain shuttle version. So yes, the brain shuttle version of gantenerumab is included in the royalty agreement between MorphoSys and Roche, but we have not gotten into any more details on it beyond the fact that, yes, it is included.

Operator

Our next question comes from Terence Flynn with Goldman Sachs.

Terence C. Flynn - *Goldman Sachs Group, Inc., Research Division - MD*

Two for me. I guess on Slide 24, Pablo, you talked a lot about capital deployment and how you're tracking above your historical run rate. Maybe just give us your views on sustainability of that run rate. Should we think about that as kind of the go forward? Or do you expect some kind of mean reversion over time? And then the second question I had relates to Dicerna's recent nedosiran data. Just wondering if that changes how you're thinking about the peak opportunity for your Oxlumio royalty stream.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Thank you for the question. So I think, as Terry said, we're actually in the near future going to probably update analysts and investors on several of our metrics. But I think, as I said, in thinking of how to come out as a new company, we actually decided to guide conservatively. Now with a year of experience after going public, there's just no question that the opportunity set is much bigger than we even thought years ago.

And I think the things to think about are the following. So on that Page 24, when you look at the -- those charts, if I think back of what the market looked like 5 or 10 years ago, it was really an effort on our side to open up the market to educate owners of royalties about the attractiveness of

monetizing them to fund, in the case of universities and hospitals to fund buildings, to fund research, but also in the case of companies to really start to use royalty structures to fund their R&D.

It was not mainstream. It was a lot of hard work to actually get companies, Boards, management teams to consider royalty-based structures to fund their business. I think that has started to become a lot more mainstream. And I think Chris Hite has talked a lot about how things have changed on the boardrooms and how there's a much greater acceptance today about what we do in partnership with companies and how that brings win-win situations. So Chris, maybe you want to add a little bit to the change in mentality in the boardrooms and how this is becoming a lot more mainstream.

Christopher Hite - *Royalty Pharma Plc - Vice Chairman & Executive VP*

Yes. Thanks, Pablo. And thanks for the question, Terence. I -- Pablo is right. I'd say really there has been a mind shift at the board level and at the CFO and executive suites where they are looking really for alternative ways of financing, not only R&D but commercial launches and, as you saw most recently with MorphoSys, M&A. And so as we've continued to innovate, I think it's been very accepted now at these -- within these boards and within these executive suites to take advantage of our innovations through these development-stage bondings -- bonds, commercial funding, M&A support. And we just see just a tremendous set of opportunities going forward, just given both our innovation and the willingness to accept those innovations at the Board level.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

So I think maybe just to finish, I mean look at what happened in '19, '20 and '22, we're investing at a rate of \$2 billion plus. So as I said, we'll come back in the near term to talk about the metrics of how you should judge our business. But I hope that answers your question.

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

Great. And then your question on Dicerna. It seems like we said, at the time, our expectations for the Dicerna's data relative to Oxlummo is that the products looked more similar than different, and we were really excited to be partnered with a company like Alnylam that's really distinguishing themselves in building out a rare disease platform around the world. And so the Dicerna data in PH1 was more or less consistent with our expectations and then certainly disappointing for PH2 patients out there. So I think we'll continue to watch, I think, their decision to find a commercial partner will likely slow things down and certainly accrue to the benefit of Oxlummo over the long term. But I think overall, I think the result in PH1 specifically was along the lines with what we were expecting.

Operator

Our next question comes from Umer Raffat with Evercore ISI.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

I want to touch upon two things, if I may. First, as I think about the potential Alzheimer's opportunity, one of the questions to think about is that not only gantenerumab is subcutaneous versus the competitors, but also gantenerumab is not tapping into the same payer pool as donanemab and aducanumab. And I'm referring to Part B. I guess my question to you is, how important is that to the commercial prospects? And how important is that to your sort of modeling of what the peak opportunity could look like? One.

Secondly, could you also walk us through your thoughts on gantenerumab not having the breakthrough designation and Roche's decision, not to file based on biomarker. Because presumably, the approvals in the space have all been biomarker related, not data related.

And then finally, Terry, one of the points you mentioned, which I've been trying to think about for some time is the idea that deuterated Kalydeco, is the same as Kalydeco. And I guess one of the questions I had was, if a deuterated Kalydeco does have its own composition of matter patent, I

guess, how would you make that case legally? If -- and we've seen this with some prior deuterated molecules as well, where they have their own composition of matter patent because the structure is technically different.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Sure. So Marshall is going to take your first question about Alzheimer's, Umer. And then Terry will answer CF. One thing just to reflect on, as I was thinking about my comments about CF is that, yes, CF is important for us today, 1/4 of our revenues. But as I highlighted, as the business grows, it's going to become relatively -- we're going to get more diversified and bigger. But also, I think a lot of the focus of many people, and I think that's why it has been a bit overblown is on impact, potentially today. And the reality is that if -- as this plays out, we're talking about very long timeframes. And that's one thing just to think about that, that these things take very long to play out. So anyway, Marshall, maybe go through the Alzheimer's question.

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

Yes. Yes, sure. So two good questions. So I think your first question on gantenerumab having a little bit of a different commercial look because of the sub-Q and not a Part B story. There -- I think like we talked about at the time, we look at a lot of different scenarios and how different payer structures might impact the product. I think our feeling in Alzheimer's is that the -- over time, the volume opportunity is just so big and there's going to be lots of different, I think, flavors and parts of the market for -- and I think sub-Q has certain inherent advantages from a delivery perspective, and we think Roche will optimize that.

So I think regardless, we think with -- as this market develops, there's a large opportunity and room for multiple players. And I just point out, I think also that we've seen the other players in this market also talk about exploring sub-Q opportunities as well, either for current products or for backup or pipeline products as well and looking at sub-Q delivery. So I think clearly, the advantages and delivery advantages of that are clear and will serve different parts of the market.

Your second question was Roche's comments on gantenerumab and breakthrough designation. We listened to the same comments as you guys did, that Roche made recently on this. And I think overall, it does really dovetail with our view of the Roche development program that it's a large program, fully accrued data is pretty near term. And so it sounds like that was key in their decision. But I think also sounds to me like, that -- from what Roche said, they still are even short of potentially filing on biomarkers looking at ways that they can accelerate the regulatory process. So the data for gantenerumab is coming next year. So pretty near term, we're looking forward to that and then Roche's activities in doing everything they can do to accelerate the regulatory process.

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

And then, Umer, on your question on deuterated Kalydeco, we can totally understand why analysts and investors are very curious about what gives us confidence in our position on deuterated Kalydeco, but we really can't get into our legal strategy around that at this time.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Umer, maybe I'm going to add something else because I was trying to express a perspective, and I maybe didn't do a good job, but I'm going to try again. I personally view this whole CF deuterated versus non-deuterated Kalydeco, the real thing as near-term noise. And there's a lot of focus on that near-term noise. That is not -- that noise is irrelevant, and it's going to play out in 5 to 10 years. And by then, it's going to be a nothing.

What people should really focus on right now are the positives. This franchise is vastly outperforming, and we have a very significant interest in it. So that's what people should really be paying attention to, to the fact that it's driving very attractive growth for Royalty Pharma and really not focused on something that honestly, it's a nothing, which is just noise, and that's going to, as I said, be resolved way out in the future when it's going to be a lot less important. But anyway, that's what I wanted just to add.

Operator

Our next question comes from Andrew Baum with Citi.

Andrew Simon Baum - *Citigroup Inc., Research Division - Global Head of Healthcare Research and MD*

A couple of questions, please. Firstly, your stock has underperformed since the IPO. You don't need me to tell you that. But yet, as you outlined, you've completely executed on what you said in terms of capital allocation, consensus upgrades and the ROIC, at least based on consensus forecast. Now you've addressed cystic fibrosis concerns as being overblown. I know there's some discussion about whether royalty is more exposed to future U.S. drug pricing legislation.

But I'm interested, what other factors you think there are, which are keeping investors away from the name given the valuation construct. Is it the definition of the investor base. So you're bisecting healthcare investors versus credit? Is it concerns about emerging competition? Is it the drug pricing concerns? Or do you think it's all driven by the overhang from CF. So that's the first question.

The second is in relation to the previous question on gantenerumab, Roche has indicated that they intend to seek reimbursement on the Medicare Part B similar to Neulasta, so B for Berty. I just want to make sure that's consistent with your expectation even though it's a sub-Q drug. And then finally, could you remind us the duration or durability of your IP on Imbruvica?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Sure. Thank you. Maybe I'll add -- I'll start by making some comments about your question initially about the performance of the stock. And what I would say is that -- there's, as I said, noise on things that really don't matter about the performance of Royalty Pharma that are near term. What really matters is the big picture and just the fundamentals about our business, that Royalty Pharma has become one of the most innovative, creative funders of this industry, which is one of the most exciting industries in the planet in terms of innovation and an industry that requires a huge amount of capital.

And when you then think of the position we have in this industry, which is very unique, nobody can do what we can do in terms of scale, in terms of creativity, in terms of making long-term investments that deliver over the long term where we can be very -- a very patient partner to many of these companies. So all of these things are attributes that our business has that no other peer has and it positions us extremely well to take advantage of a growing set of opportunities, rapidly growing set of opportunities.

So I think that's really what investors should be focusing on. And I think there's other things that are quite unique about Royalty Pharma that I think investors should reflect on. So there's a huge, huge appetite for growth among the investment community. And in our industry, it's very interesting, but it's sort of polarized. You have biotechs that, obviously, do grow very fast, very risky, single product companies. Sometimes things work out really well and investors make multiples on their investments. But often, very often, things don't work out and a lot of money is lost.

And then you have, on the other side, the much bigger companies that grow at 2% to 3%. There's a few of the bigger ones that grow in the mid-single digits, 6%, 7%. And what's so unique about Royalty Pharma is that we are capable of growing at a much faster rate than the bigger companies in life sciences. So the ones that grew at mid-single digits, we can grow much faster than they can. And you've seen the growth this year, which is in the teens.

And again, looking at the growth, importantly, there is an underlying growth that our portfolio provides, but then acquisitions add to that growth. And we have had a really good couple of years that have added to the growth such that we're growing in the mid-teens. And I think that's very unique to have a business with the diversity we have with the downside -- like -- the thing about Royalty Pharma, it's so diversified, our revenue base, that the growth is much more predictable, and it's high, which is very unique, and investors should be paying attention to those things.

They look for growth. We have the growth. We have the diversified growth. We have durable growth and we have growth with magnitude, the three things I talked about during the road show, that we stand out because of three attributes of our growth, magnitude of growth, diversity of growth and duration of growth. And that is very unusual, very, very unusual. And I think we can deliver that to our investors in this very exciting industry. Marshall, I think the other...

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

Andrew, on gantenerumab. So yes -- so no, thanks for pointing it out. Like we -- like I referenced, I think it was Umer's question. We did look at a lot of different scenarios in terms of physician administered sub-Q products and how that might change or if it changes over time and what those different mixes and scenarios might look like from a payer and access perspective. So thanks for pointing it out. And absolutely, we thought through kind of different profiles and particularly how that might evolve over time. And I don't know, Terry, if you wanted to -- I think Andrew had one more question on Imbruvica.

Terrance Coyne - *Royalty Pharma Plc - Executive VP & CFO*

Yes. So what we said on Imbruvica is that we expect the royalty to run through 2027 through 2029. We haven't been more specific. Obviously, there's various different scenarios that can play out with any product in terms of patent extensions or additional patents. But we've said 2027 through 2029.

Operator

Our next question comes from Greg Fraser with Truist Securities.

Gregory Daniel Fraser - *Truist Securities, Inc., Research Division - Research Analyst*

You're generally agnostic to therapeutic area and you have a broad portfolio of royalties on drugs in many areas. But I'm curious if there are any particular areas that you would point to that are of high interest where you haven't yet transacted. And then my second question is on the guidance. Are there any milestone payments baked in that or tied to the clinical or regulatory events that you laid out in the slides?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Jim, can you please take this question?

Jim Reddoch - *Royalty Pharma Plc - Executive VP, Chief Scientific Officer and Co-Head of Research & Investments*

Yes, I can start out and Marshall may add. But to the question of therapeutic areas. I mean -- I think we're in such a golden age of tractability of new targets that can open up new areas that I think it really provides a lot for us to work on, even in sort of existing areas that we've already had good many investments and some success such as rheumatoid arthritis. I mean, for example, on otilimab which was mentioned earlier, is a totally new approach to treating rheumatoid arthritis that has been enabled by just understanding the science of immunology better than we had before and allowing us to go broader than TNFs and JAKs, in that area and related inflammatory immunology areas.

So I still think there's a lot to do in that area, maybe even opening up lupus and some other previously hard-to-drug or hard-to-treat areas. And we also want to keep an eye to new modalities. So cell therapy and gene therapy, we have not made really investments in that area, but there certainly are a lot of interesting products moving forward that have royalties because those are so highly engineered technologies that they usually come with potentially one or two or three royalties associated with them. So there is a lot to do there. And we're following those areas really closely. But

in general, I think because of the improvement and understanding of these diseases, it's really opening up a lot more opportunities even in fields where we've made investments in the past.

Marshall Urist - *Royalty Pharma Plc - Executive VP and Co-Head of Research & Investments*

And then your question on the guidance. No, just the only milestone that's included in the guidance for this year was the \$37 million Soliqua milestone that I mentioned. So we're very happy that we had a nice significant raise in our guidance of around \$140 million and around 1/4 of that was from the Soliqua impact.

George Grofik - *RP Management LLC - Senior VP and Head of IR & Communications*

Operator, we'll take the next question.

Operator

Our last question comes from Ivan Feinseth with Tigress Financial.

Ivan Philip Feinseth - *Tigress Financial Partners LLC, Research Division - Director of Research*

Congratulations on the great results and ongoing progress. Can you give some detail into your M&A strategy and pipeline? And where do you see breakthroughs happening? And what areas do you feel that your funding presence could make the biggest impact?

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

Sure. Thanks for the question. And Chris is really well positioned to answer this question. What I would say is that -- just a bit of perspective, because as you know, Chris joined us a bit more than a year ago, and has just a great experience as one of the top M&A bankers in life sciences of his generation. But one of the things that has always been very exciting to me is opening up the market of M&A and us partnering with companies in M&A.

And the whole history of Royalty Pharma has been one of developing markets from the very beginning. And I've talked in the past about how we've gone through different phases where a lot of the work was just to open markets. And I think that is one that is, at this point, really right for opening up. And I think what's so unique is that I think we've -- with the deal that we announced with MorphoSys, put some light on kind of M&A that I think has not happened in the past in life sciences that I think could drive very attractive transactions midsize -- mid-cap M&A for mid-cap companies, but also for us. But Chris, why don't you provide your perspective on this?

Christopher Hite - *Royalty Pharma Plc - Vice Chairman & Executive VP*

Sure, sure. Thanks, Pablo, and thanks for the question, Ivan. I agree with Pablo. I think if you think back over time, there's really been a lack of mid-cap to mid-cap M&A in the space. And that's really been for one main reason, which is, a seller's Board of Directors would much rather sell for all cash as opposed to a stock deal in most cases, and it's very difficult sometimes to -- if you're looking at two development stage companies or one company that has maybe a recent approval of a drug, but it's not really clear how the drug is going to perform. It's sometimes very difficult to value the stock of the acquiring company.

So for that reason, there's been just a lack of M&A in that mid-cap space and banks, which would typically provide the funding for the M&A are unwilling to lend the companies that don't have a proven track record of cash flow. And I think the MorphoSys/Constellation deal is a great example

of how mid-cap M&A companies and obviously, MorphoSys has an approved product, but hasn't yet really been profitable, can-do M&A and use all cash as the currency through funding by us.

And Marshall went through a great slide that showed how we can advance funds to the acquiring company in many ways, whether it's development-stage funding, equity investment, existing royalties, synthetic royalties. And we just see that as a huge opportunity going forward where we can provide the cash as opposed to a bank that's unwilling to provide the cash upfront so that the target company's Board can get comfortable and actually do the deal. So we see a huge opportunity for this going forward.

Pablo Legorreta - *Royalty Pharma Plc - Founder, Chairman of the Board & CEO*

I think the other thing just to think about is that if you look at biotech, companies often have diversified. When they're doing research, they have many products and not -- it's common that these products don't fit together. So what happens often is that a company might then have one product that is the driver of value, driver of growth, but other multiple assets that are noncore where we can come in.

And I think if you look at MorphoSys, it's a great example. This company had very attractive royalties but royalties that were not going to actually really create value for MorphoSys. For MorphoSys collecting cash flow, it's interesting, but it doesn't create value. And you have to really admire the boldness of the CEO of MorphoSys, of how he realized that just collecting those royalties over 5, 10 years was not going to create value for his company and how he completely transformed this company overnight by partnering with us, selling the royalties and acquiring a company with assets that he can develop. And those are assets that will create value for MorphoSys.

So when you think of this industry, and the thousands of companies that are out there, that are going to face situations like this, we are the perfect partner and we can help them achieve their strategic initiatives. And I think MorphoSys is a great example. And obviously, it will take time, but I think they did the right thing, and it created a win-win situation for everyone.

But anyway, I'll end there and just thank all of you and everyone on the call for your continuing interest in Royalty Pharma. And I'll just finish by saying that my team and I look forward to continuing to share our progress with you. And that if you have any questions, please feel free to reach out to George Grofik and Terry. But thank you for spending time with us today on our call. Bye.

Operator

Ladies and gentlemen, this does conclude the conference. You may now disconnect. Everyone, have a great day.

DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2021, Refinitiv. All Rights Reserved.