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Michael Nedelcovych *TD Cowen, Research Division*

PRESENTATION

Stephen Scala - *TD Cowen, Research Division - MD & Senior Research Analyst*

Good morning, everyone. Welcome to the Royalty Pharma session. Thanks for joining us. We're very pleased to welcome Pablo Legorreta, who's the Founder and CEO of Royalty Pharma as well as Marshall Urist, who is the Head of Research and Investments. Thanks for joining us, gentlemen.

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

Thank you for inviting us. Great to be here.

QUESTIONS AND ANSWERS

Michael Nedelcovych - *TD Cowen, Research Division*

So I'll start with something of a bigger picture question. Regarding your 2030 target of $4.7 billion plus in Portfolio Receipts, unlike a traditional pharma company with a published pipeline that can be evaluated, should we understand that most of the gap between Royalty Pharma's current revenue and the 2030 target is likely to be made up by as yet unannounced deals? And what confidence can you give investors in achieving that target? What benchmark should we look for between here and there?

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

Of course. Thank you for the question. So I think what's very interesting about our business relative to many other companies is that we have a really attractive portfolio of drugs with very predictable growth and a lot of new investments that we made over the last five years, 10 years of drugs that are approved and growing with predictable growth. And you can model it, and you'll see that, that will provide attractive -- an attractive base.

And then I think another thing that I would differ a little bit from the way you put things is we do have a pipeline. If you look at Royalty Pharma, we made a lot of investments recently where we have very exciting drugs that are going to read out, we'll see the data soon, and could add very significant revenue to our business. And some of those are like the Lp(a)'s, olpasiran, pelacarsen, KarXT, aficamten, seltorexant, which is a product that is a bit under the radar, but J&J has recently started to talk about it as a very attractive product in their pipeline. So those -- we're very excited about those. The approval of those will add significant revenue. And then you are right that in addition to the existing portfolio and then the growth from new assets in our portfolio and our pipeline, there is -- our -- what we do every day, myself, Marshall, the team, which is to look for attractive investments and add to the pipeline.

And one metric to think about is -- we have revenues right now of around $3 billion roughly, right? And we have guided to about $5 billion by 2030, which is adding $2 billion of revenue. And I think one metric to look at is historically, when we look at all of the royalty investments that we've made, every -- when we deploy about $1 billion of capital, that adds a couple of hundred million dollars of top-line revenue when you look sort of five years out.

And so how much money are we going to deploy between now and 2030 if we're deploying $3-ish billion per year, and then you say, well, it's about seven years. So it's a big number, right? Like we're going to probably make investments somewhere in the $15 billion to $20 billion range. How much revenue is that going to add? Again, $1 billion adds $200 million. So that will give you a sense of how much our top line could grow. Just -- and that's why the $5 billion that we have guided to, I think it's very achievable. It's probably even in the -- on the conservative side.

And again, since we went public, you look at the investments that we've made over these past three years. And we've added over $1 billion of revenue just from those investments. I think the number is somewhere between $1.2 billion, $1.4 billion. So we're very excited about what we're seeing now in the pipeline. And the pipeline of this -- the active discussions we're having, okay, not the products, but there is a pipeline of opportunity we're looking at with many companies that need funding with other royalty holders and the pipeline is super strong, very dynamic with a lot of really interesting things. And obviously, that changes every year, things get added. We deploy capital. So we're in a very strong position for continued double-digit growth for this business, which is another very unique thing that Royalty Pharma has that many -- not many companies of the larger companies in the space have, which is the ability to deliver double-digit top-line growth and bottom-line growth.

Michael Nedelcovych - *TD Cowen, Research Division*

Marshall, do you have anything to add?

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

No, I think that covered it. Lots of ways. We feel really confident about that outlook to 2030, and I think Pablo outlined all the reasons why.

Michael Nedelcovych - *TD Cowen, Research Division*

So Pablo, I think you said in the past that currently unprofitable biotech companies will need to raise something on the order of $1.5 trillion over the next 10 years. Is that still your expectation? And if that funding need does not materialize, what would be the reason for that?

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

So I think the figure is in excess of $1 billion. And the way we see the whole ecosystem is that when you look at how R&D is funded in life sciences, and what's so interesting is that there is a very consistent source of funding that is at the beginning of all of this innovation in life sciences, which is what goes to academia and research hospitals. And that is about $100 billion plus per year. When you look at the next 10 years, it's about $1 trillion of money that's going to universities, research hospitals funded by governments, NIH foundations. In Europe, obviously, you have many other government entities, Medical Research Council, Weizmann, Karolinska and so on, Max Planck. That money which is quite interesting, and I don't know if you have thought about it, but it's fairly secure. Governments are going to continue to fund medical research, and they're going to do it -- it's going to continue to grow, right? And that's $1 trillion that goes into this ecosystem to fund all of the innovation happening in academia.

Then if we look at the corporate side, there's about another $2 trillion over the next -- it's a bit more actually over the next 10 years, which is the big pharma satellite. That money, that investment is also fairly secure because these companies are very profitable and they just reinvest their cash flow. Now the part of the ecosystem that you're referring to is the biotech side, right, which when you look at the pipelines that these companies have, the money they need to bring forward all of these products, it's more than $1 trillion. That part of the funding of the ecosystem is what is at greater risk because it's more dependent on the capital markets. Will it materialize or not? We'll see. But also what's very interesting to just think about from our perspective is that we're so well-positioned to actually provide some of that capital very selectively. There's a lot of things that we look at that are not of interest and at the end, don't meet our criteria, but there's a lot of things that do. And it's such a big number that -- that's why it's such a big opportunity for Royalty Pharma.

But I think the funding of biotech is starting to improve a little bit, which is great. But at the same time, for us, the opportunity set is there, and it's big and we're very active. And this whole idea of us, I think we started about 11, 12 years ago in 2012, of creating the synthetic royalties, which is something we sort of invented, didn't exist, about going out and funding the ecosystem not for equity, but we end up with a royalty. So contractually, the companies agreed to pay us a royalty, which is sort of a new idea and took a long time to get management teams at biotech to really understand that and embrace it. That, at this point, it's so interesting to see how in every sort of Board discussion and management teams that are looking at how to finance a biotechs, it has become mainstream. So that is there to stay, and it is growing. And like we've recently highlighted that last year was the best year for Royalty Pharma in terms of capital deployed in synthetics, about $750 million, and we see that as a very attractive growing part of our business.

Michael Nedelcovych - *TD Cowen, Research Division*

So we're often asked what your competition is, and frankly, we're hard-pressed to come up with it often. But to the extent that you do have competition, what have your competitors done that has surprised you the most?

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

So the competition has -- sort of comes and goes and I've been doing this for 27 years, and we've seen people try to get into the market, they try, they raise money, they set up funds and they don't succeed and many of them leave the market. So the thing that has -- like I expected the competition to actually be more consistent in terms of the players that get in to sort of stay and be there for the long term. And I think there's evidence that even some of the ones that got into the market maybe three, four years ago -- I mean there's obviously all of the PE firms that got -- started to -- tried to get into the market with closed-end funds. Very easy for us to actually compete with them because we have lower cost of capital, we can do bigger deals. And we're much more consistent. We have a team that's working together and has been working together for many decades. And we really have a complete focus on what we do. But what's interesting is we see these PE firms come into the market and obviously, there are some that are still there and trying to make it work. But others have actually left the market recently. So there's not a lot of surprises to -- for us. Now that doesn't mean that we don't need to actually continue to innovate, continue to really reflect on how we can better work with all of the companies out there and continue to do novel things so that we can continue to grow, create this win-win -- things with the biotechs, so that all of this gets bigger for us. But I haven't been too surprised, but that doesn't mean that we need to always take -- like cautious and make sure that we are at the forefront. But yes.

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

Yes, I'd just add one thing to what Pablo said, it's important for everyone to understand how we think about it, which is competition is not a bad thing, right? I think there's sort of implicit in the question that it's a bad thing. But look, it makes our market bigger, deeper. We spend our time not worrying about competition. We spend our time trying to grow the size of the pie, right? Because ultimately, we feel really confident about we've been in this business for over two decades. We have the most sort of institutional credibility, the most flexibility. I think we are among the most innovative people out there in our space. So that's what we spend our time worrying about, not so much the competition.

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

But we do follow what we do all the time.

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

Of course, of course, yes.

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

We're not surprised.

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

Yes, absolutely. Yes.

Michael Nedelcovych - *TD Cowen, Research Division*

So you mentioned scale. Is that really the main moat here? What keeps competitors out of the market and do you anticipate that changing?

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

So if you're a private equity fund and you ask people to give you money and tie up capital for five to 10 years, which is what people do when they give money to a private equity firm in a closed-end fund, those investors, if you're going to tie up your capital, require high teens returns. So then that means that you need to make investments at higher returns than that, right? High teens, low 20s because you have this two and 20 structure, right? So cost of capital and in our case, which is really low, I mean, our cost of capital is somewhere in the 6%, 7% WACC, which is similar to the best capitalized companies in life sciences. It's obviously so much lower than the cost of capital that what the private equity firms have. So that's a big advantage we have.

Another one is scale, as you mentioned. And last year, we did a $1 billion investment in Evrysdi, in one transaction, one asset, and we did another $1.3 billion, I think, in Trelegy maybe the prior year. And obviously, we've done a deal of $3-plus billion with cystic fibrosis where things -- in that, there were a bunch of things that were not approved. Of the $3.3 billion, I think $800 million we allocated to Kalydeco and $2.5 billion to obviously, the follow-on, the doubles and triples that were not approved. That kind of sort of ability to take risk, we can take like we've been doing a lot of investments recently in situations where we fund a company and we make an investment, $0.25 billion, $0.5 billion in something that's not approved, that's going to get approved in three, four, five years.

That is -- I think that it's very few investors that can actually invest in that way when things are still several years for approval and at scale. And we can invest at scale and what that results in is our ability to do a transaction with Merck, where we're funding their schizophrenia program, one of their top programs, at scale, right? And companies need a partner that can do that, that can actually -- investing $50 million, $100 million is not going to make a difference for a big pharma, but investing $0.5 billion will make a difference. So scale definitely is a big advantage.

I think the other thing that is really important in my mind and is -- and maybe underappreciated is the team we have, which is extraordinary led by Marshall, 30 people with medical backgrounds, science backgrounds that they spend their days looking at therapeutic areas, talking to companies, going to medical conferences with very significant focus and a lot of consistency over decades. We don't have turnover. People that come to Royalty Pharma love it, stay with us. And that gives us also a huge advantage that I think is underappreciated. And you see this turnover of all of the teams and all of the other investment firms. And so anyway, those are, I think, some of the key advantages.

Michael Nedelcovych - *TD Cowen, Research Division*

Right. Well, on that topic of the team and its decision-making. What therapeutic areas do you think that investors may be overestimating and what therapeutic areas do you think they may be underestimating?

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

Yes, I'll comment on that. I don't know that I'm going to answer your question directly, so much is to say what's been kind of what drives our approach is not to think about it like that so much as we are just looking for really great opportunities wherever they land. And sometimes, they may be in areas that are getting a lot of investor focus, sometimes they're in areas where people aren't really paying a lot of attention, right? Like we made several investments in neuropsychiatry over the last few years, and I -- we continue to be hopeful that the world is sort of cycling back to that as an area of interest.

So I think -- but our approach, and I think it's important that the team is built that way, like Pablo was talking about that we can look at anything and we're not -- we try to be not constrained by what's sort of in focus, in vogue, not in vogue at any one time. But is this product meaningful? Is it something we want as part of the portfolio? And that's how we approach things, and I think has served us well over time. And I think having the continuity of the team is a big part of that.

Michael Nedelcovych - *TD Cowen, Research Division*

You mentioned neuropsych as an area where you were perhaps ahead of the curve. What right now are you looking at be it at academic institutions or early-stage discovery phase that you think is going to be a big breakthrough in the next 10 years?

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

Yes. I mean I think that remains one where we think there's a lot of opportunity going forward, right? There's just so much unmet need. Honestly, migraine was a little bit sort of started us thinking that way was you have -- any market where you have a lot of generic drugs that aren't great and patients aren't well served, we think that's a super interesting opportunity.

So we're still -- that's one sort of theme we've been looking at. But we're always sort of thinking about what are -- where can we find meaningful products. And I think if you take a step back and look at the variety of things we've invested in even in one year, over two years, it's where -- we really do range widely, and I think that's something that's so key to our approach and to continuing to build the portfolio.

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

Neuro degeneration, I think, is another really interesting area and immunology. I think immunology, the advances we're going to see in immunology in the next five to 10 years as we understand better the immune system and how to intervene are just really exciting and a lot to do there because it touches so many different diseases, right, in immunology. So...

Michael Nedelcovych - *TD Cowen, Research Division*

So I should have said at the outset if there are any questions in the audience, feel free to raise your hand. We'd be happy to call on you to ask those. So is there one or two decisions that you look back on and you say, if not for that we would not be here today, these were defining decisions in the history of the company?

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

Many. Building a business is not a straight line. And there's so many things that you need to get right for something to work well. And there's also a few things that can actually derail you completely. But when I look back at the history of Royalty Pharma, there's been a constant, constant like attempt or desire or -- in how can we do things better and innovate and do things in a creative way. And we were set up initially as a closed-end fund like all of the PE firms that are today actually trying to compete with us. And in 2003, so more than 20 years ago, I realized that converting Royalty Pharma into a business that had permanent capital was going to be critical.

And we changed the business in 2003 to a business that actually was not a closed-end fund anymore. It was an ongoing business. And at the same time, I realized that actually lowering our cost of capital by being able to issue debt was going to be critical, to lower cost of capital in a dramatic way. And we had a portfolio at the time that was very well diversified that allowed us to fund ourselves from a debt perspective.

At that time, we were A rated and we could fund ourselves at LIBOR plus 175, about 4%. And then I realized, okay, if half of the capital is going to be equity, roughly, and half debt to be very conservative, when you think of leveraging, not real estate, you never think 80% or depending on the business, the type of asset, you can lever more or less.

In our case, we set very conservative. We want to be investment-grade rated. So 40%, 50% leverage. But if half of that capital cost is 4%, we dramatically lower our cost of capital. So when you look at the history and the evolution of Royalty Pharma, it has been a constant attempt to actually have the lowest cost of capital. And it started with starting to use debt. But then the IPO, actually, again, we innovated. We took this business public in 2020, lower cost of capital even further. Like we were able to then refinance our entire debt infrastructure or debt facility -- sorry, debt facility, which was floating and short term, five to seven years, term loan A and term loan B into bonds that we issued. And we issued a lot of bonds that -- where the average duration today is about 13 years, with a fixed coupon of 2.25, 2.5, again, lowering our cost of capital even further.

So it's been a constant push to actually have the lowest cost of capital in the industry. And then scale. And like I remember years ago, we had the opportunity at some point to put 40% of our portfolio into a royalty Neupogen/Neulasta. For me, that was such an easy decision because Neupogen/Neulasta was a monopoly to give white blood cells stimulus to cancer patients, one of the best franchises in the industry. So we decided to do it and it was concentrating us a little bit into that, but in a great asset, it was already doing $2 billion in sales. At some point, we have the opportunity to buy a royalty in Humira. Again, it was approved, it was doing $1.5 billion. I saw that as an incredibly interesting asset that was at the beginning of this incredible innovation of actually anti-TNFs and we made that investment. It was big at the time and again, put 40% of the portfolio into Humira.

But what's happened more recently is that portfolio now is so big that even if we make an investment like we did in cystic fibrosis, $3 billion, by that point, the business was so big that we actually did not concentrate ourselves too much into CF, it was more like 20% of the portfolio. But obviously, it gave us a great asset. So the way I ended up approaching this early on was realizing that was really important for us to gain scale and to be able to write big checks because I realized that the most attractive royalties are the bigger royalties in blockbuster drugs.

So even if we have a single digit royalty, 3%, 5%, 7%, a drug that is going to be several billion dollars in sales, that is going to be worth $1 billion or more. And I realized I'm going to -- I need that to be able -- need scale to be able to buy the bigger royalties that are in more attractive assets. So yes, all of these decisions that were made at the time, like creating the permanent capital vehicle, being able to use leverage, scale so we can make bigger investments. And why does scale matter? Because then big pharma pays attention to us, right? When we're having discussions with them and we can commit $0.5 billion to $1 billion, it matters to them, and we have access to the best drugs that we have scale. So anyway, maybe I extended myself a little bit, but I think that's it.

Unidentified Analyst

Okay. I love that explanation. I was just thinking, as you're speaking about your cost of capital and other companies that might have succeeded. Recently, in your comments on BridgeBio or any other company I can think of to use structure to lower the cost of capital. Obviously, it's not necessarily working very well for them as a case study.

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

They might succeed in over time lowering their cost of capital, but that's much more of a conventional biotech, life sciences company, right, where they're going to end up focusing on a few assets. Over time, maybe the portfolio will expand and they will have more assets. But obviously, it's a business which has significant development risk and very different to us. I mean, we are obviously putting a lot of money into things that are not approved, but it's a portfolio. And I think -- I mean, just think about Royalty Pharma from one perspective, okay? Look at this ecosystem where there's -- as I pointed out before, $3 trillion that will be invested over the next 10 years to fund this ecosystem, okay? So when I think about it from this perspective, what is the highest risk investment in this industry? What happens at academia, right? That's the highest risk, and there's $1 trillion going there. We're not involved there, okay? And then things move into biotech, which does early-stage development. Again, very risky. A lot of things fail at Phase 1, Phase 2. And then things get into Phase 3, a lot less risk, you need scale there because Phase 3 costs a lot of money. And then a product is approved.

When you look at Royalty Pharma, 60% of our money is -- and if you look at how much capital we deployed since we started to invest in late-stage products in 2012 when we decided to make that switch and start to create the synthetics, we deployed about $25 billion since 2012, okay? 60% of our money is invested in things that are approved. What's the risk there? Super low. Things are -- we're investing in Evrysdi, which is -- last year, which is a $2 billion drug tracking to $3 billion. We made the first investment in Evrysdi after Phase 3 data before approval. Very low risk, not yet approved, but very low risk.

So a significant -- very significant portion of our capital is really investing in things that are approved, where we're targeting high single digit, low double-digit returns. That's what we guided to when we did our IPO. And in fact, what has happened over the last two, three years is that the returns are more in the 11%, 12%, 13%, not single digit when you look at all the things that we've invested in.

So that part of the business is much lower risk, and we have scale and we can make really large investments. Then we go to the things that -- the investments we're making in unapproved, which is about 40% of the $25 billion. What are we doing there? We're coming in at a stage where the assets are highly derisked. It's post Phase 2. In many cases, some of the assets already have some Phase 3 data, and maybe on another trial has to be run. But again, it's the lowest risk part of the whole development when you're in clinical development, at the time we come in.

And that's where we deploy 40% of our capital, and we do it very selectively, right? So we can actually pick the best opportunities of the entire ecosystem that exists out there, the 8,000 companies that are developing drugs, biotechs and 30 big pharmas, and we're looking at 400 opportunities per year, and we're selecting the best things we can find where the upside is the highest and the risk is lower.

So I think the way the business is structured is allowing us to play in this incredible ecosystem with a huge amount of innovation and an incredibly attractive risk/reward profile because of the investments we make in approved and then focusing on the late stage, it's actually on the later stage with a lot of data. When you think of companies like the one you mentioned, I think they take a lot more risk, there's clinical risk, and they're much more concentrated. So it's a very different approach.

Stephen Scala - *TD Cowen, Research Division - MD & Senior Research Analyst*

I'd like to argue the side of the scale debate that you're articulating. So you've built this great business. You're far ahead of any competition. You're going to invest roughly $20 billion over the next seven years. If the business is a...

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

The guidance is 15 to 20, by the way, but -- and we might exceed that, and I hope there's so many things out there that I think it's a conservative guidance.

Stephen Scala - *TD Cowen, Research Division - MD & Senior Research Analyst*

But if the business and the opportunity is so large, why is it 15 to 20? Why isn't it $50 billion, $75 billion? Why don't you double your staff, double the amount of investment every year, double everything if the opportunity is so large. What's the rate-limiting step?

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

I think that for us to deliver the returns that we want to deliver to our investors, which are double-digit returns and teens consistently, at least my personal feeling is that today, there's not an opportunity for us to deploy in a very risk-mitigated way, $50 billion to $75 billion over the next seven years. .

Look, the industry might absorb that, right? And the industry might need that, but a lot of that investment is going to go to waste, not waste, but it will be made and money will be lost, right? Because that's what happens here. So for us to actually approach this from a perspective of being very disciplined and really picking the best opportunities, I think our business has the right scale today.

Now there could be opportunities that we haven't tapped on the M&A side on other things where maybe there's an opportunity for us to do one transaction that could be very significant. I don't know if it could be $4 billion, $6 billion, $8 billion, but there could be. And that might change the equation here. And we're totally prepared to address those opportunities with the team we have. And will we grow that team? And maybe, Marshall, you -- I mean, like what I just shared with you was my view, but maybe...

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

Yes. No, I agree. I think like we have always talked about consistently is product quality and product importance is where we start, right? We show our deal funnel every year. And clearly, we could have deployed if we just left sort of quality and returns aside, way more capital than we have and easily. But the business has been built and it has been built the right way, which is by building on quality products. Like Pablo said, good things happen to good products, right? And so that's why we want to continue to build the business at the right pace with attractive returns for our investors in that way. And I think we -- from the scale where we are, I think there's lots and lots of headroom to continue to scale the business, but we want to continue to add the right kind of products.

Stephen Scala - *TD Cowen, Research Division - MD & Senior Research Analyst*

Although those answers are implying that there's this group of products at the top, which is the blue chip and everything below that is kind of dicey.

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

I don't know that it's so sort of black and white as you're saying. I think one of the things that we've done well is to kind of think about product quality and product importance to patients, physicians, the system, payers in a flexible way, right? And find opportunities that way. So a great example of that is an investment we made a couple of years ago with a company called BioCryst in an oral drug, the first oral drug for HAE, right? And the dominant narrative at the time was the efficacy isn't as good as what's out there, and this is not going to be successful product.

And I think we took a step back and saw it differently and said this is addressing a patient need, right, a very significant patient need. And yes, its efficacy isn't as good, right? But this is going to be a successful product, and it's been a super successful launch. So I think I would agree with you. There absolutely is a scarcity value to quality products. I think our definition of that, maybe we think of that in a little bit of a different context than you might sort of from a kind of typical approach.

Michael Nedelcovych - *TD Cowen, Research Division*

Last question, and we're just out of time.

Unidentified Analyst

M&A, is there a world in which Royalty Pharma acquires all of it, other than the royalty, and markets it?

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

And markets it, no. We're not going to market products. We don't want to have the infrastructure required to market product. Could we buy a company that has attractive assets to develop them, give them the capital to develop them and then outlicense them, find partners. Yes, that is a possibility, but not us marketing the product.

I think just one final thought sharing with all of you that I think we're young biopharma company, new kind of by pharma company, went public three years ago. We've been in business for 27 years, and I think we have an incredibly interesting business that is able to capture the most attractive aspects of life sciences and it is not exposed to many of the drawbacks. I think many investors have been actually on the side lines focused on things that are sort of immaterial for the business. What's going to happen with cystic fibrosis and that investment, we have their interest rates. And I think a lot of investors have missed the big picture, which is this is a unique business with a very well-diversified portfolio that is able to deliver consistently double-digit, top line and bottom-line growth and returns.

And there's not many businesses in this ecosystem that are able to deliver that kind of predictable growth and returns. Our business will deliver those returns. There's no question about it. I've been doing it for over two decades. And the future is so bright for us that the level of confidence we have in delivering those very predictable high returns is very high. And if investors start to think about those attributes, I think they will see how this business is a very attractive business to actually get involved with. But thank you for your time and listening to us and for being here to listen to the story.

Stephen Scala - *TD Cowen, Research Division - MD & Senior Research Analyst*

Please join me in thanking Pablo and Marshall.
