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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. Welcome to Royalty Pharma third-quarter earnings conference call. I would like now to turn the conference call over to George Grofik, Senior Vice President, Head of Investor Relations and Communications. Please go ahead, sir.

George Grofik *- Royalty Pharma PLC - Senior Vice President, Head of Investor Relations & Communications*

Good morning and good afternoon to everyone on the call. Thank you for joining us to review Royalty Pharma's third-quarter 2025 results. You can find a press release with our earnings results and slides of this call on the Investors page of our website at royaltypharma.com.

On slide 2, I'd 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 from these statements. We refer you to our most recent 10-K on file with the SEC for a description of these risks.

All forward-looking statements are based on information currently available to Royalty Pharma, and we assume no obligation to update any such forward-looking statements. Non-GAAP liquidity measures will be used to help you understand our financial results and the reconciliations of these measures to our GAAP financials is provided in the earnings press release available on our website.

And with that, please advance to slide 3. Our speakers on the call today are Pablo Legorreta, Chief Executive Officer and Chairman of the Board; Marshall Urist, EVP, Head of Research and Investments; Chris Hite, EVP, Vice Chairman; and Terry Coyne, EVP, Chief Financial Officer.

Pablo will discuss the key highlights, after which Marshall will provide a portfolio update. Chris will then discuss our development stage pipeline, and Terry will review the financials. Following concluding remarks from Pablo, we will hold the Q&A session. And with that, I'd like to turn the call over to Pablo.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Thank you, George, and welcome to everyone on the call. I am delighted to report another successful quarter of execution on our goal to be the premier capital allocator in life sciences with consistent compounding growth. Slide 5 summarizes our strong business momentum in the third quarter. Starting with the financials, we delivered 11% growth in both Portfolio Receipts, our top line, and Royalty Receipts, which are recurring cash flow. The sustained momentum was driven by the strength of our diversified portfolio. We're also now starting to report on a quarterly basis our Return on Invested Capital and Return on Invested Equity. In the third quarter, we maintained strong returns in our business with Return on Invested Capital of 15.7% and Return on Invested Equity of 22.9% for the last 12 months.

Turning to capital allocation. We deployed capital of $1 billion in the quarter on value-creating royalty transactions, taking our total to $1.7 billion in the first nine months. And we repurchased 4 million shares in the quarter, taking the total value of share repurchases to $1.15 billion in the first nine months.

Looking at our portfolio, we remain very active in the growing market for royalties. We acquired a royalty interest on Amgen's lung cancer drug, Imdelltra, for up to $950 million. We entered into a funding agreement for up to $300 million with Zenas Biopharma for its development-stage autoimmune drug obexelimab. And since the quarter ended, we acquired a royalty on Alnylam's Amvuttra, a blockbuster therapy for TTR amyloidosis for $310 million. We're excited by each of these three transactions, and Marshall will take you through the details momentarily.

On the back of this busy year, our development-stage pipeline has expanded to 17 therapies, and as Chris will highlight, we're looking forward to multiple pivotal readouts in the relatively near future. Lastly, we're pleased to raise our full-year 2025 top-line guidance. This is the third time we have raised guidance this year and the 14th since our IPO in 2020. We now expect Portfolio Receipts to be between $3.2 billion and $3.25 billion, which represents impressive growth of around 14% to 16%, driven by our diversified portfolio. Consistent with our standard practice, our guidance is based on our current portfolio and does not include the benefit of any future transactions. Slide 6 is one I keep coming back to as it demonstrates our consistent double-digit growth on average since our IPO. As you heard at our Investor Day in September, we have delivered this impressive record year in and year out regardless of the market backdrop. This reflects our ability to execute successfully and consistently against our strategy.

With that, I will hand it over to Marshall.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President, Head of Research and Investments*

Thanks, Pablo. We've had a busy last few months, and I want to provide more color on our recent deal activity. The breadth of these transactions totaling approximately $1.6 billion in announced value across three very different disease areas really highlights the power of Royalty Pharma's therapeutic area agnostic investment approach that focuses on innovative important new medicines to drive our diversified, sustainable and attractive growth profile.

Slide 8 takes you through our Imdelltra transaction. This is a great example of a large investment in the kind of transformational medicines that are the foundation of our market-leading portfolio. Amgen's Imdelltra was approved in 2024 as a first-in-class targeted immunotherapy for small cell lung cancer, where median survival is only one year after initial therapy. We acquired an existing royalty of about 7% of sales from BeOne for up to $950 million, including an upfront of $885 million. BeOne has the option to sell an additional portion of the royalty to us for up to $65 million.

Imdelltra has strong clinical data in the second-line setting, and looking ahead, we have high conviction for expansion into newly diagnosed patients with the ongoing Phase 3 trials beginning to read out in 2027. Imdelltra has had a strong launch, currently annualizing at over $700 million with consensus sales reaching $2.7 billion by 2035. Based on this outlook, we expect the transaction to deliver an unlevered return in the low-double-digit range, consistent with our target for transactions on approved products.

On slide 9, I want to turn to our most recent transaction in which we acquired Blackstone's 1% royalty on Alnylam's Amvuttra for $310 million. Amvuttra is approved for TTR amyloidosis, a progressive, debilitating, and fatal rare disease and is already a blockbuster medicine. The clinical data shows a compelling patient benefit with dosing once a quarter and an approximately 35% reduction in all-cause mortality for patients with the most common form of the disease, TTR cardiomyopathy.

Alnylam recently reported very strong third-quarter sales with TTR franchise guidance rising to between $2.475 billion and $2.525 billion for 2025 with Amvuttra just in its third year on the market. Consensus sales are expected to reach over $8 billion in 2030. We expect an unlevered IRR in the low-double digits or better, that factors in significant potential competition from Alnylam's follow-on therapy, nucresiran.

The third transaction is our agreement with Zenas Biopharma for obexelimab, an exciting Phase 3 product for autoimmune disease. Slide 10 sets out the key elements. Obexelimab is potentially the first nondepleting B-cell modulating therapy for a rare autoimmune disorder called IgG4-related disease with Phase 3 results expected around the end of this year. We will provide up to $300 million to acquire a 5.5% synthetic royalty on worldwide obexelimab sales.

Importantly, consistent with our careful approach to risk management, this investment is staged with an upfront of $75 million and the remainder to be paid on the achievement of certain clinical and regulatory milestones. The Phase 2 proof-of-concept data in IgG4-RD are strong, and Zenas' recent Phase 2 results in relapsing multiple sclerosis, which showed an impressive near complete suppression of active inflammatory disease further increases our conviction in obexelimab's mechanism of action.

Commercially, we see blockbuster potential in IgG4-RD given a patient population of more than 20,000 and still low uptake of advanced therapies. As a result, we expect to deliver an unlevered IRR in the teens, consistent with our target for development-stage therapies. So to close, three very different transactions but all consistent with our commitment to creating value for shareholders by investing in innovative therapies with high patient impact.

With that, let me hand it over to Chris.

Christopher Hite - *Royalty Pharma PLC - Executive Vice President, Vice Chairman*

Thanks, Marshall. It's my pleasure to provide an update on our development-stage pipeline. As a reminder, at our Investor Day, we highlighted that our pipeline is expected to generate over $36 billion in cumulative peak sales, which translates to over $2 billion in peak royalties to Royalty Pharma. So there's really significant potential in this pipeline.

Slide 12 illustrates that three of our five royalty transactions this year have been on development-stage therapies, namely litifilimab, daraxonrasib, and obexelimab. This expands our total pipeline to 17 therapies, most of which have become -- most of which have multi-blockbuster potential. Without going into the details of each deal, there are a few key takeaways. First, all three transactions include a synthetic royalty component. This speaks to the growing recognition of this attractive, nondilutive funding paradigm which we pioneered and allows us to tailor solutions for our partners.

At our Investor Day, we presented findings from the Deloitte survey, which highlighted that the biopharma industry is evolving towards a more diversified funding model in which royalties, and particularly synthetic royalties, are becoming a growing part of the capital structure. Our deal activity in 2025 underscores this point. We have so far this year announced synthetic royalty transactions of up to $1.8 billion, which have already far exceeded 2024 as our best year ever.

The second point here is about risk mitigation. Each of these three therapies is in Phase 3 development, which carries a lower risk profile. We only consider development-stage investments if there is a compelling proof-of-concept data in an area of unmet patient need and if the range of commercial scenarios we model supports returns in the teens or better.

Third, the broad spread of indications highlights our therapy area agnostic approach. In fact, since 2020, we have invested in 60 different disease areas. Without the therapy area constraints of most biopharma companies, we view the entire biopharma market as our pipeline of opportunities.

Slide 13 shows the balance of our capital deployment between approved and development stage investments. The mix varies significantly on a year-to-year basis given the timing of opportunities but has typically been a roughly 65-35 split over time between approved products and development stage therapies. We see this as generally a good rule of thumb for our capital deployment mix. However, this split does not tell the whole story. In fact, as a result of our success rate and development stage investment, our portfolio risk is low overall.

For example, 86% of our current capital at work is related to approved products, and this ratio has been very stable, averaging around 90% since 2012. Only 11% of our capital -- current capital at work is related to development-stage products, of which around 2% have already received positive pivotal readouts.

Slide 14 expands on my earlier comments on risk mitigation. Here you see the industry probability of approval at each phase of development. Importantly, and in contrast with biopharma, we don't invest in Phase 1 or Phase 2. Instead, we focus our investments where industry success rates are highest. By following this disciplined risk reward approach, and by layering on top additional risk mitigation through deal structuring, we've built a strong track record of success. This explains why we continue to beat industry benchmarks with around 90% of our development-stage investments going on to receive approval.

On slide 15, I want to close by highlighting the multiple pivotal readouts that we expect for our development-stage investments over the next couple of years. In the fourth quarter of 2025 and 2026, we expect six Phase 3 readouts with deucrictibant first up in hereditary angioedema, followed by obexelimab in IgG4-related disease. Additionally, 2026 readouts include the first outcomes trial for our investment in the Lp(a) class of drugs with Novartis' pelacarsen as well as Phase 3 results for litifilimab in lupus, and aficamten in nonobstructive hypertrophic cardiomyopathy.

Among these six therapies, three have the potential to generate peak annual royalties of up to $200 million, while daraxonrasib for pancreas cancer could be well above $200 million. For 2027, we expect pivotal readouts from a host of potential blockbusters, including our second Lp(a) investment olpasiran, as well as frexalimab in MS, and daraxonrasib in lung cancer, to name just three.

To conclude, the next few years we'll see multiple events that have the potential to unlock substantial value from our development-stage pipeline. And with that, I'd like to hand it over to Terry.

Terrance Coyne - *Royalty Pharma PLC - Executive Vice President, Chief Financial Officer*

Thanks, Chris. Let's move to slide 17. This slide shows how our efficient business model generates substantial cash flow to be reinvested. As you heard from Pablo, Royalty Receipts grew by 11% in the third quarter, reflecting the excellent momentum of our diversified portfolio. Key drivers were the strong growth of Voranigo, Tremfya, and the cystic fibrosis franchise.

Milestones and other contractual receipts were modest, both in this quarter and the prior year quarter. As a result, we also delivered 11% growth in Portfolio Receipts, our top line to $814 million. As we move down the column, operating and professional costs equated to 4.2% of Portfolio Receipts. This reflected cash savings from the internalization transaction and compares with over 12% in the first six months of the year. Net interest paid was $123 million in the quarter, reflecting the semiannual timing of our interest payment schedule with payments primarily in the first and third quarters and the interest we received for our -- the cash on our balance sheet.

Moving further down the column. We have consistently stated that when we think of the cash generated by the business to then be redeployed into value-enhancing royalties, we look to Portfolio Cash Flow, which is Adjusted EBITDA less net interest paid. This amounted to $657 million in the quarter, equivalent to a margin of around 81% and reflects a high underlying level of cash conversion and efficiency.

Capital deployment in the quarter was just over $1 billion. This primarily included the $885 million upfront from Imdelltra, $75 million upfront for obexelimab, and R&D funding for litifilimab. Lastly, our weighted average share count declined by 33 million shares versus the third quarter of 2024, reflecting the impact of our share buyback program.

On slide 18, I am pleased to share our first quarterly update on portfolio returns. We introduced these new metrics at our Investor Day, and I hope the message came across loud and clear. We are in the returns business, and every capital allocation decision we make is in an effort to create economic value for shareholders. Return on Invested Capital has been remarkably stable at around 15% on average from 2019 to 2024. And in the third quarter was 15.7% for the last 12-month period ending September 30.

Return on Invested Equity, which shows the impact of conservative leverage on our equity returns has been consistently in the low 20% range and was 22.9% for the last 12-month period ending September 30. We believe these new metrics facilitate a deeper understanding of the cash yield for our business and demonstrate that we are continuing to invest at attractive returns that will drive long-term value for our shareholders.

Slide 19 shows that we continue to maintain the financial flexibility to execute our strategy and return capital to shareholders. At the end of the third quarter, we had cash and equivalents of $939 million. In terms of borrowings, we have investment-grade debt outstanding of $9.2 billion, including the $2 billion of notes we issued in the third quarter and a weighted average duration of around 13 years.

Our leverage now stands at around 3.2 times total debt to Adjusted EBITDA or 2.9 times on a net basis. We also have access to our $1.8 billion revolver, which is undrawn. Taken together, we have access to approximately $2.9 billion of financial capacity through cash on our balance sheet, the cash our business generates and access to the debt markets.

Turning to our capital allocation framework. We have deployed $1.7 billion of capital on attractive royalty deals in the first nine months of 2025. We have also returned a record $1.5 billion to our shareholders in the first nine months of this year, including share repurchases of $1.15 billion and our growing dividend.

On slide 20, we are raising our full-year 2025 financial guidance by approximately 4% at the midpoint. We now expect Portfolio Receipts to be in the range of $3.2 billion to $3.25 billion, an increase from $3.05 billion to $3.15 billion previously, representing growth of around 14% to 16%. The increase from our previous guidance primarily reflects the strong momentum of our diversified portfolio.

Milestones and other contractual receipts are now expected to be around $125 million compared with $110 million previously. Importantly, and consistent with our standard practice, this guidance is based on our portfolio as of today and does not take into account the benefit of any future royalty acquisitions.

Turning to operating costs. Payments for operating and professional costs are still expected to be 9% to 9.5% of Portfolio Receipts in 2025. As a reminder, costs in the first half of the year were greater than 12% of Portfolio Receipts, driven by approximately $70 million of one-time expenses related to the internalization and other one-time items. Collectively, these items are expected to impact full-year cost by a little more than 2% of Portfolio Receipts.

Lastly, interest paid in 2025 is expected to be around $275 million with around $7 million to be paid in Q4. This guidance does not take into account interest received on our cash balance, which was $28 million in the first nine months. In summary, we delivered a strong third quarter and nine months, which puts us on track to achieve another year of strong financial performance in 2025, reflected in our raised guidance.

To close, I want to highlight a few factors for 2026 to help with your modeling. First, we expect minimal royalties from Promacta next year, which is facing the launch of generics in the United States and Europe in 2025. And second, we currently anticipate interest paid to be between $350 million to $360 million in 2026, which includes interest payments on the $2 billion of senior secured notes issued in September 2025.

We plan to provide full-year 2026 guidance when we report fourth-quarter 2025 earnings early next year. Consistent with our standard practice, this guidance will exclude contributions from any future investments. With that, I would like to hand the call back to Pablo.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Thanks, Terry. To conclude, I'm delighted with our performance in the quarter. We maintained our double-digit momentum, we expanded our portfolio, and we again raised our guidance. We also hosted a successful Investor Day where we were thrilled to share our plans for shareholder value creation.

On that note, I want to close by reiterating some of the key messages from the day. We're the clear leader in an expanding market with strong fundamental tailwinds reflecting huge demand for funding life sciences innovation in even more creative ways. We have a best-in-class platform for investing in the most exciting and innovative products marketed by premier biopharma companies and expect to remain the undisputed leader.

We have announced an outstanding track record of delivering consistent and attractive returns, including an IRR and Return on Invested Capital in the mid-teens, and Return on Invested Equity of over 20%.

Lastly, we're on track to deliver strong low volatility growth through 2030 and beyond. Together, we think this adds up to a very attractive investment proposition with a potential for annualized total shareholder returns at least in the mid-teens over the next five years. With that, we would be happy to take your questions.

George Grofik - *Royalty Pharma PLC - Senior Vice President, Head of Investor Relations & Communications*

We will now open up the call to your questions. Operator, please take the first question.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Asad Haider, Goldman Sachs.

Asad Haider - *Goldman Sachs Group Inc - Analyst*

Congrats on all the progress. Just maybe a couple on the external environment. Recently, we are seeing a bit of an uptick in biotech M&A and we're also moving into a lower interest rate environment. So could you perhaps speak to the pushes and pulls that these changing backdrop across these external factors presents for royalty-driven deal activity and how you're thinking about the opportunity set and your target returns?

And then just second, just any updated thoughts on how you're thinking about the China opportunity that you discussed at your Investor Day back in September. Any updates or insights around your China strategy as it relates to the types of investments that you're considering there would be helpful and how, if at all, the external environment impact that?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Thank you for the question. Chris, why don't you take this question, both of them.

Christopher Hite - *Royalty Pharma PLC - Executive Vice President, Vice Chairman*

Thanks for the question. You're right, there has been an uptick in the M&A marketplace. And that really has very little impact on anything that we're doing. What you've seen is, obviously, large pharma is looking to fill some of their pipelines and LOE exposure. And we actually see that as beneficial to what we're doing. I think in the sense of it's just the companies out there need a lot of capital. There's a variety of ways in which they can get capital. We're clearly providing a key source of capital in the sector, which we're super excited about. So increased M&A uptick really doesn't impact the royalty market.

In the sense of China, you're right. We're super excited. That's going to be -- and we've seen a lot of growth in the out licensing out of China to multinationals. We see that as another leg of growth on the existing royalty marketplace. As you know, we spend a lot of time looking at companies and investing companies post proof of concept. I made some remarks in the prepared remarks about what stage of development we invest in. A lot of those deals out of China have been early-stage development deals. We're going to track those transactions and those molecules as they progress with the companies that in-license them. And there certainly will be opportunities to acquire those royalties as there's more known about the compounds that were out-licensed to the multinationals. So we're super excited. We've had multiple teams go to China this year, multiple

times, building relationships for that opportunity set. So we're excited about the opportunity. We see it just as another leg of growth on the existing royalty marketplace.

Operator

Hardik Parikh, JPMorgan.

Hardik Parikh - *JPMorgan Chase & Co - Analyst*

This is Hardik Parikh in for Chris Schott. Just wondering, I know Merck had recently announced a royalty deal with one of your peers. And you guys have also done a couple of R&D collaborations with Biogen and Merck in the past. Do you think the frequency of these types of collaborations with large pharma will increase as those names head towards their patent cycles? What type of factors drive these deals from pharma's perspective?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Yes. Thank you for the question. And I think I'll start by just saying that as the largest royalty buyer in the market, you can sort of assume that we look at every deal. This product is also a competitor to Trodelvy, where we have a royalty, we funded the Phase 3, so we're very familiar with the space. And regarding the deal specifically, what I would say is that it's just great to see how this idea of using royalties to fund trials, not only with biotech companies, but also with big pharma is really becoming mainstream, which speaks to the big opportunity that we have in front of us. And I think this is going to just continue to grow, and it's a really big opportunity if you think of the scale of capital needed required by these companies. So we're very optimistic about these transactions continuing to happen. And I think with respect to the transaction specifically, as I said, we actually looked at it but decided at the end that it was not for us, and continue to be very active with many big pharmas to talk about this kind of funding.

Operator

Geoff Meacham, Citi.

Geoffrey Meacham - *Citibank Cameroon SA - Analyst*

I guess, Terry or maybe Pablo, on the IRR, I'm assuming that's likely to tick up. And by the way, thanks for presenting that data. It's likely to tick up as you hit a tipping point of new launches. I guess the bigger picture is, does that change Royalty's willingness to look to maybe moderately earlier programs or maybe just take bigger risks. I know you're not obviously going to materially change the model, but the question is more of a tilt going forward on the risk side.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Sure. Why don't you take that question, Terry. But I think just one very top-level comment about it. You can imagine that we've been actually tracking this for three decades. And it really doesn't change much our behavior. If we see an attractive transaction in an approved product or an attractive transaction in a product that is in development, we will do it. And the fact that this calculation, these returns are going to move up and down a little bit, will not really impact our behavior in terms of us looking at transactions and deploying capital. But go ahead, Terry.

Terrance Coyne - *Royalty Pharma PLC - Executive Vice President, Chief Financial Officer*

Yeah, Pablo, that's exactly the point. And I would say on the specifics on the Return on Invested Capital and Return on Invested Equity metrics that we've started to highlight, I think the thing that we're most proud of really is the stability and the consistency. And so as we've continued to scale our investments, it's remained remarkably stable. And we think that it's going to bounce around a little bit quarter in and quarter out. But it should

remain for return on invested capital in that mid-teens range for the foreseeable future, which we think really speaks to the value creation of our business model.

Geoffrey Meacham - *Citibank Cameroon SA - Analyst*

Thanks, guys.

Operator

Umer Raffat, Evercore.

Michael DiFiore - *Evercore ISI - Analyst*

This is Mike DiFiore in for Umer. Two for me. I want to drill down on the Amvuttra deal. You mentioned significant competition from nucresiran potentially, but could you provide any color on the range of scenarios that factor in significant competition from this asset. And in the scenario where it does get approved and launches in 2030, how quickly might you see Amvuttra eroding?

And quickly, separately, any updates on the market for synthetic royalties in the obesity space?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Marshall, why don't you take both questions?

Marshall Urist - *Royalty Pharma PLC - Executive Vice President, Head of Research and Investments*

Sure. Mike, thanks for the question. So specifically on how we thought about Amvuttra over its whole product life cycle. As we highlighted at the beginning of the call, we are really excited about this product. It's completely consistent with the kind of products that we've invested in in the past. And I think the strong launch in Alnylam's strong execution behind it are all examples of that.

Specifically to your question, as we always do, we looked at a pretty broad range of scenarios for both timing and the slope of how nucresiran might enter the market. We obviously have a case study, a very recent case study of the Onpattro to Amvuttra transition to sort of to help us and guide us as one scenario. But we certainly looked at a lot of sensitivities around that as well with the message being and why we talked about that, that we're confident in an IRR of low-double digits or better when we look across that range of scenarios even baking in that range of nucresiran scenarios.

Second, on the obesity market. So it continues to be -- I think message is very consistent with what we've said in the past, certainly on our radar looking for the right opportunities there. We don't just want to have a royalty on an obesity product for the sake of it, we want it to be an important product that differentiates itself in this space, and we'll be disciplined in waiting to find the right thing that creates value for our shareholders.

Michael DiFiore - *Evercore ISI - Analyst*

Great. Thank you.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn - *Morgan Stanley - Analyst*

Two for me. First, congrats on the Amvuttra deal. I think Blackstone originally signed a deal with Alnylam back in 2020. And Pablo, given your comments that you guys look at everything, I'm assuming you had a look at it back then. So I'm just wondering what's different now versus that 2020 deal?

And then on the Lp(a) front, probably a question for Marshall. Amgen, as I'm sure you guys heard last night talked about the olpasiran Phase 3 event rate tracking slower than expected. Just any thoughts there on your views on implications for probability of success here for this study?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Sure. Marshall will take the second part of the question, but maybe to provide some color on the first one regarding Amvuttra? Yes, it is part of a larger deal that was done in 2020, which was about $1 billion. That actually related much more to inclisiran. And this small royalty 1% on Amvuttra was sort of an add-on to the transaction. It was sort of a $70 million part of the overall transaction. And we did look at that -- the whole deal at the time. But again, we decided it was not for us.

And I think one thing I will comment on because obviously, I think this provides some color regarding this question that we've had for -- since we went public five years ago about competition. And obviously, regarding the motivations of why Blackstone sold, you should ask them, but they've been in this investment for five years, and it's an attractive return given the investment they made specifically on this.

But I think one thing to comment on, as we highlighted in our Investor Day is that we do have a very unique structure as a company now, ongoing business. Perpetual versus many of our competitors that are structured as closed end funds where they have investment horizons that are much shorter than ours. And as you know, royalties are very, very long. It can be 10, 15 years. So what's very unique about Royalty Pharma is that were structured to actually invest in assets that are very long and hold them to maturity. And I think this really speaks to the differences in the business models where we are really set up to own royalties that are going to cash flow for 10, 15, or longer than that. And so we have sort of different investment horizons.

And I think the last thing I would say is that this transaction also highlights something unique about Royalty Pharma, which is that given our diligence process that has been honed over decades, we were able to develop a differentiated view about the sales trajectory and importantly, the persistence and duration of the Amvuttra royalties that maybe differs from other people's perspectives. And that's why we think this is a very attractive investment that will deliver attractive returns for us.

But the other question for you, Marshall.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President, Head of Research and Investments*

Sure, Terence. Thanks for the question on Lp(a). So specifically, Amgen did talk about a slower event rate in that study last night. I think that probably shouldn't come necessarily as a surprise given our other -- given Novartis where we also have an investment in their Lp(a) product had a similar observation from their trial.

I think when we did the initial diligence when you're running a first-in-class outcome study for a target in a population where there's not a lot of precedent, I think we were eyes open about the fact that there ultimately would be some uncertainty around timing and the exact event rate.

So what that means to us -- to your question is it doesn't change our view of the probability of success? And we continue to be really excited about having two royalties in the two leading therapies in this class that we think could be a very large, many multibillion-dollar class in the future, and we're really excited to be a part of it.

Operator

Mike Nedelcovych, TD Cowen.

Michael Nedelcovych - *Cowen and Company LLC - Equity Analyst*

I have two. My first is also on the Lp(a) space. And specifically, I'm wondering if the HORIZON trial fails in 2026, to what extent do you think differences in trial design could ride to the rescue as it relates to olpasiran's prospects in 2027?

And my second question is on obexelimab. This agent posted some very interesting Phase 2 MS data right after Royalty Pharma announced its deal. So I'm just curious if that has changed your thinking at all around peak potential or was MS upside already taken into account?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Sure. To answer the question again, this is for you, Marshall.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President, Head of Research and Investments*

Sure. Mike, thank you for the question. So specifically, your question on Lp(a), just for everyone very quickly who might not be familiar with all the details here. So Mike, your question is if the first outcomes trial that will read out HORIZON from Novartis were not to be positive, what would the implications be for the second one coming, which is Amgen's trial for olpasiran.

And I think there are certainly some differences in trial design. There are some differences in depth of Lp(a) lowering. So we are optimistic about both trials. But certainly, there are differences in the trial design, which could differentiate the olpasiran outcome from HORIZON and pelacarsen. Hard to comment really specifically on that right now until we see the details in what happens. So we are certainly optimistic and excited to see the first one next year.

Your second question on obexelimab. So yeah, we were, the MS data that Zenas reported looked great. And I think as we highlighted in the prepared remarks, it really kind of validates the underlying kind of scientific and clinical question here, which is if you have a non B-cell depleting but B-cell activity modulating antibody, what would be -- what would that mean for activity in various autoimmune diseases. And I think the MS data and really showing very strong suppression of disease activity is very validating of the view that this is a new and different way of treating autoimmune disease, which is exciting.

The near-term launch, and I think what we were really working with Zenas on funding is certainly focused on IgG4-related disease. And so that was really the -- that was the focus of the deal because I think in a lot of ways, from a commercial perspective, that drives the near-term capital need. But they have a great team over there at Zenas and excited to see what they do with obexelimab in addition to IgG4-related disease.

Operator

Thank you. I show no further questions in the queue at this time. I would now like to turn the call back over to Pablo for closing remarks.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Founder & Chief Executive Officer*

Thank you, operator, and thanks to everyone on the call for your continued interest in Royalty Pharma. If you have any follow-up questions, please feel free to reach out to George Grofik. Thanks.

Operator

This concludes today's conference call. Thank you for participating, and you may now disconnect.