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UCB.BR - Full Year 2022 Ucb SA Earnings Call

EVENT DATE/TIME: FEBRUARY 22, 2023 / 1:00PM GMT

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PRESENTATION

Antje Witte - UCB SA - Head of Investor Relations

Welcome to the UCB Full Year 2022 Capital Market Call. My name is Antje here, and I'm heading Investor Relations at UCB. Before I introduce you to the agenda today and hand over to the speakers, I'd like to make two remarks. This video conference is being recorded. This presentation and the following Q&A session are covered by the disclaimer and safe harbor statement as stated on Slide two of the deck. Please kindly read this carefully. With this, I'd like to introduce you to our speakers today. We will start with our CEO, Jean-Christophe Tellier, followed by our Chief Medical Officer, Iris Loew-Friedrich and she will hand over to our Head of Neurology, Charl van Zyl, who will then turn it to the Head of Immunology, Emmanuel Caeymaex. And the conclusion will be done by our -- the financial conclusion will be done by our Chief Financial Officer, Sandrine Dufour. Jean-Christophe will then finally briefly conclude this presentation before we hand over to the Q&A session. For the Q&A session, please turn up your questions into the chat or if you prefer, e-mail it to me under antje.witte@ucb.com. I will ask the question on your behalf to presenters. With this, I kindly hand over to Jean-Christophe, over to you.

Jean-Christophe Tellier - UCB SA - CEO & Executive Director

Thank you, Antje, and good morning, good afternoon, everyone. It's a pleasure to welcome you at our call, and thank you for your interest at UCB. Next slide, please. In a challenging year, UCB demonstrated resilience delivered strong results and is now ready to execute on the multiple launch ahead. As we communicated earlier, the result that you see here on the top of the slide is at the high end of the guidance, even a little bit above with revenues at EUR 5.5 billion and underlying profitability at EUR 1.6 billion. These strong results are built first on the success of our core growth drivers, such as Briviact in epilepsy or Cimzia, which have reached already two years ahead of the plan, peak sales of more than EUR 2 billion of revenue.

But there are also the consequences of the successful acquisitions and integrations of Zogenix, which gave us Fintepla, and Fintepla contributed already in 2022 to our growth and our revenue with an amount of EUR 116 million. Finally, the cost control rigor and discipline in our resource allocation, gave us the ability to protect the investments towards future launches while being able to deliver the results that you see here. And we are now ready to move full speed into the execution mode of the launches, as you can see on the bottom of the slide with the various indications for Bimzelx and the three new assets that we have already with fintepla or we will launch in Myasthenia Gravis.

The solid performance, the strength of the platform that we have built year after year as well as the confidence in the future give us the guidance that we share with you today of revenue expected between 5.15% and 5.35% and adjusted EBITDA between 22.5% and 23.5%. Next slide, please. Sustainable performance is also the result of progress on extra financial elements and a key component of that is to continue to ensure access to our solutions to a broader population of patients who need our solution. As you can see here, we have made good progress in all of the three indicators that we are continuously monitoring to evaluate our access for our medicine for the patients. These are, of course, key components as our objective is, of course, to deliver value for patients wherever they are.

Next slide. Sustainable performance is also the result and the consequences of other key financial elements such as the value for our people, the value for the community where we operate and the value for the planet. You can see here some of the key components of all of these three indicators

that we are monitoring year after year to make sure that we are integrating that into an overall performance evaluation. Both pillars, financial and extra financial are key for the long-term success of the company.

Next slide, please. So in a nutshell, continuing to focus on the patients' value that we want and aim to deliver following our objective of being inspired by patients and driven by science, with the strong platform that we have and the confidence in the future, we are ready to start a new phase of growth after years of transitions linked to the loss of exclusivity of certain of our products. And as you can see here, we have three products to launch in the neurology space, and we have new indications within the rheumatology and dermatology environment. We are very confident that with the good preparation that we have, we will be able to move full speed into this phase. And with that, I would like to thank you and hand over to Iris she will go deeper into these evolutions of the pipeline. Thank you.

Iris Loew-Friedrich - UCB SA - Executive VP, Chief Medical Officer and Head of Development & Medical Patient Value Practices

Yes. Thank you very much, Jean-Christophe. What a unique phase in UCB's history. We are so excited as we turn the many positive Phase III results of last year into regulatory submissions around the world. Finally, this high intensity of regulatory submissions and reviews will translate into many launches. We are very thrilled by the opportunity to make an impact on the life of so many patients.

Next slide, please. Just take a look at this slide and the abundance of regulatory events. In the middle bar, we cover our ongoing regulatory reviews in the U.S., European Union, and Japan, which we expect to translate into approval soon. At the bottom, you see the upcoming regulatory submissions. So, we have two huge waves rolling, covering four molecules and eight patient populations. Amongst them are bimekizumab in several indications, rozanolixizumab, and zilucoplan for patients living with generalized myasthenia gravis. And FINTEPLA for patients with Lennox-Gastaut syndrome just approved in Europe. So please, do enjoy with us the prospect of several expected approvals and launches every quarter and new submissions following on the heels of the approvals expected to lead to more approvals and more launches in the future. Can you imagine so many important events in such a short period of time?

Next slide, please. In addition, we are enjoying a very remarkable clinical stage pipeline with five Phase III development programs, four innovative Phase II programs, and new assets moving into Phase I. With that to wealth of opportunities, please allow me to focus on a few milestones. Following the very strong results in generalized myasthenia gravis, rozanolixizumab development is progressing in patient populations that have no proven specific treatment options and serious unmet needs. So, we are very hopeful that patients living with MOG autoantibody disease and patients living with LGI1 autoimmune encephalitis will benefit from rozanolixizumab in the future, based, of course, on the data that we are currently generating. These programs are ongoing as planned. We have added a study in severe fibromyalgia to the portfolio of new indications with rozanolixizumab. Nonclinical data suggest a role of autoantibodies in the disease biology of fibromyalgia. However, as always, please remember that proof-of-concept studies are there to explore novel mechanisms of action in uncharted therapeutic territory. So, with a completely open outcome.

To bring the benefit of FINTEPLA to patients with unmet medical needs, we are recruiting children with CDKL5 deficiency disorder into a Phase III study. These children are suffering from catastrophic seizures developmental delays and have no valid treatment opportunity today. The combination of doxycitine and doxribtimine, we abbreviated as doxTM. And you might remember that we previously referred to this combination as MT1621. So, doxTM ensures survival of patients suffering from ultrarare TK2 deficiency disorder. We have now reached alignment with FDA and EMA on the submission strategy for doxTM, so that regulatory submissions can commence and will commence in 2024.

Our Phase III program with dapirolizumab for people living with systemic lupus erythematosus and with Staccato Alprazolam for the acute termination of stereotypical prolonged epileptic seizures are ongoing as planned. Top line results for these two programs are expected in the first half of next year. Patient recruitment has been completed for our disease-modifying proof of concept studies in neurodegenerative diseases. With anti-tau antibody bepranemab in patients with mild Alzheimer's disease and with the small molecule alpha-synuclein misfolding inhibitor, UCB0599, in patients with early Parkinson's disease. We are now expecting top-line results in Q4 2024. Both are very comprehensive proof-of-concept studies now with dose-ranging embedded in both studies. 450 patients participate in each study, and we have 18 months observation period. That's actually really what it takes for proof of concept in neurodegeneration. And again, as recruitment is completed, we will have results in the end of next year.

In addition, I am very pleased to inform you that we have initiated two Phase I programs with two molecules with different mechanisms of action in atopic dermatitis. This illustrates that we have a growing number of promising preclinical molecules. We are able to replenish the pipeline from the very early stages while also delivering on our differentiation ambition.

Next slide, please. Let's focus for a moment on our two near-term opportunities to serve patients with generalized myasthenia gravis, gMG. Please remember that the unpredictability of exacerbations and the fluctuating nature of the disease belong to the most burdensome token of gMG. Planning activities of everyday life is impossible for patients because they never know when and how their disease will take control of their lives. In addition, patients are very severely impacted by fatigue, so badly that they often cannot get up in the morning, and fatigue preventing them from working and from participation in social activities. Walking, talking, and eating - all these basic activities can be massively impacted by gMG and contribute to patients severely reduced quality of life. So, what can we offer them?

Next slide, please. The MG-QoL 15r score is a widely recognized patient-reported outcome measure. The 15 questions cover all dimensions of gMG from walking, eating, to working, socializing, driving, well-being, and depression. It is a very patient-focused instrument. The graph illustrates the longitudinal course of the MG-QoL 15r over time in patients treated with zilucoplan, initially for 12 weeks versus placebo. Then the patients on placebo switched over to active and showed similar efficacy. For all patients, the profound improvement with zilucoplan continued throughout the entire treatment period. These are very meaningful results and very much in line with expectations from the mechanism of action. The data directly reflect the positive long-term impact of zilucoplan on relevant activities of daily living. And that's what truly matters to patients.

Next slide, please. Let's have a look at rozanolixizumab. MG-ADL is the primary endpoint of our registration study, and we have measured the difference from baseline to day 43, the end of the first 6-week treatment cycle. The overall results are very strong and robust. You know that already. These graphs illustrate now the two different patient populations in the study. Those who are positive for acetylcholine receptor antibodies on the left and those who are positive for MuSK antibodies on the right. The patients with MuSK autoantibodies represent about 15% of the overall gMG population. The efficacy in both patient populations is strong across both doses of rozanolixizumab tested. However, it is the first time ever that efficacy of this magnitude has been observed in patients who are most positive. And the efficacy is consistent across all efficacy parameters in the study with the largest number of MuSK-positive patients recruited to date. So, what you see is unprecedented efficacy of rozanolixizumab in a very relevant subpopulation.

Next slide, please. I mentioned before that debilitating fatigue is one of the key symptoms of gMG that has huge impact on patients' ability to function effectively. In UCB, together with patients and with experts from academia, we developed patient-reported outcome measures that explore the different types of fatigue. There's, of course, muscle fatigability that you would expect in a disease where the neuromuscular junction is affected. However, there's also physical fatigue, the deep lack of motivation and energy that is so frustrating for patients. And there is bulbar muscle weakness that results in inability to swallow in difficulties to articulate and to speak properly, in weak jaw and face muscles, impacting mimics and facial expression. All these are very critical factors contributing to quality of life. And you see in this graph, the profound impact that rozanolixizumab has on all three dimensions of fatigue, very visible during the 6-week treatment cycle. These are huge and very meaningful improvements uniquely demonstrated for rozanolixizumab, clearly indicating the promise of this treatment opportunity for people living with gMG. And with these prospects and attributes, I hand over the baton today and in the long term for successful launches to Charl. Charl, please, over to you.

Charl van Zyl - UCB SA - Executive VP of Neurology Solutions & Head of EU/International

Thank you, Iris, and also thank you, everyone, for joining today's call. Of course, it's my pleasure to share with you our progress in Neurology. And before we go deeper into some of the results, I want to leave you with two very important messages. The first one being leadership in epilepsy, in our view, is secured for the next decade. And of course, we are very pleased also with the progress we're making on preparing our launches in the space of myasthenia gravis that will roll out in the second half of this year.

So, if we go to the next slide and we go a bit deeper into the results. Of course, we are very pleased with the results that we see in epilepsy with strong growth that we see from Briviact and of course, Nayzilam that are important areas of protected spaces in our portfolio. So, strong growth against competition there and really foundational, of course, for our future growth in epilepsy. We have also, of course, gone through the loss of exclusivity of Vimpat and Keppra. We see a large component of that in a sense behind us as an effect of 2022. There will be a remainder of the loss of exclusivity in the first half of this year. And of course, we returned to growth more in the second half of this year as an enterprise. We've also

done some rigorous resource reallocation to, of course, our growth drivers in epilepsy, but also to prepare for the launches in myasthenia gravis. And of course, also very pleased with the progress we've made on the integration of Zogenix and the performance we see of FINTEPLA in the market, and I will speak more to that in short order.

So, very solid results, solid foundation, this transition we are going through, and very pleased, of course, with the growth that we see from our protected portfolio. If we go to the next slide. Again, I want to remind you of our very diversified strategic position, we, in a sense, have in neurology. We have a very core focus on epilepsy. And with the advance of science and the better understanding of the genetic pathways, we are seeing a greater movement into the spaces of rare epilepsies with the advances of science. And this is an area we will continue to explore and, of course, also be important component of our research focus in the future. The second important area of future growth will be a new space for us, of course, in the space of myasthenia gravis with neuroinflammation. But of course, there are other patient populations that Iris have mentioned that will, of course, expand our growth opportunity in this space.

In the third pillar of our strategy, neurodegeneration, where disease modification is a key component of outcome. Here, we have essentially partnered our great science with, of course, two important partnerships with Roche in Alzheimer's and with Novartis in Parkinson's. So, if we go to the next slide, I really want to build here a bit further on what leadership looks like in epilepsy. And of course, what you see here is a history of 20 years, the large number of patients we serve, the breadth of our clinical programs, the focus on publications. So, really a presence that we have built, a legitimacy that we have built over a significant time. Underpinning all of this leadership is essentially key components that I just want to highlight very briefly. A very compelling portfolio we have with Nayzilam, Briviact, and Fintepla being important growth drivers now going forward. Keppra and Vimpat, of course, facing loss of exclusivity but still serving a large volume and of population of patients. We have, of course, made very strategic and smart acquisitions with Zogenix and of course, with Engage Therapeutics that brought us Staccato Alprazolam into our pipeline.

In the space of discovery and early work on future spaces of rare epilepsies, we have engaged in different academic partnerships to continue to further our understanding of the space and potentiate our pipeline for the long term in the spaces of rare epilepsies, where there's still a high degree of unmet need. And in the broader sense, we also focused on how we can help patients with the overall disease management with very smart investments in digital health that essentially help patients to monitor seizures, but also in potential to be able to detect seizures in the future. So, this is a clear picture of our future in epilepsy and one that, of course, we were part of and very confident that we can continue to see this as a cornerstone for epilepsy and for UCB in the future.

If we now go to the next slide, I wanted to just build on what Iris had mentioned in terms of FINTEPLA. And here, you see the three core patient populations that will be the cornerstone of our future in FINTEPLA. And what makes us very confident in the ability to realize our peak sales and predict 800 million peak sales as we've done earlier this year. The common theme with all these patient populations is a high degree of uncontrolled state with a high frequency of seizures. The second important component that is, of course, very severe here is the risk of sudden death in epilepsy. So, the importance here of having a solution that is reducing seizures is, of course, key. And this is what we have in Fintepla. It's really establishing itself as a foundational therapy in Dravet. We are now launching Lennox-Gastaut and rolling that out as a new patient population where we see significant potential. And in CDKL5 deficiency, we are able to read out our results in Phase III in the first -- in the second half of 2024. So very important foundational elements, which make us very confident to predict an \$800 million peak sales as we have stated earlier this year. So if we go to the next slide, I want to just spend a little bit of time on our preparation for myasthenia gravis with the launches that are coming up in the near term.

So, first of all, I think we started the year with great news. The priority review status for rozimab with the FDA. This is a clear signal of the quality of our submission and our data. And so of course, we are pleased with that accelerated review and, of course, accelerated launch potential as well. We are working across four key levers. There's, of course, a very high unmet need in this space, and we know others have entered. But with our targeted solutions, we see the potential to continue to address a large number of patients with high unmet need. We have a very differentiated portfolio with two assets that I will speak to in a short while that give us really the potential for patients to take control of their disease as opposed to the disease taking control of them. We are also working closely with sustainable access. We know this is important in the space. This is a chronic condition and how we can ensure that there is sufficient reimbursement and affordability for patients to have access to these medicines.

And finally, the patient experience is very important. This is a chronic condition, a lifelong condition and that relationship with our solutions and with the patient is very important, and we want to make this seamless for patients when they are on our treatments going forward. So, very pleased

with the progress. Of course, a more accelerated launch potential now in the U.S. that we are gearing up for, but confident with where we are and how we see that rolling out in the second half of this year.

Then as we go to the final slide, I just want to again emphasize a few points, which we've shared with you in the past around the positioning of our two assets. And on the left-hand side, you see the standard of care today, which is often high doses of steroids or nonsteroidal immunosuppressants, and with chronic use of these high doses, of course, there are many side effects. And this is, in a sense, the testament of these treatments really not being targeted to the underlying cause of the disease. Now, with the entrance of these two mechanisms of action, complement inhibition and FcRn, we are able to really address different needs for patients with clear needs of preference that patients might have or preference that physicians might have for how they would choose these two therapies. For zilucoplan, we see a very strong foundational maintenance therapy potential to manage control of the disease. Whereas with FcRns, as Iris had indicated also, we see a more cyclical use of these treatments, and we see these FcRns in particular, rozimab being also a disruptor of course, to IVIg today. And the important differentiation of having also a MuSK-positive indication will be an important component that we see that will differentiate rozimab in this space.

So again, I want to thank you for today's attendance and leave you with these two important messages again that we're feeling very confident with our leadership position in epilepsy and of course, gearing up with great confidence also in launching Myasthenia Gravis in the second half of this year. So with that, it's my pleasure to hand over to Emmanuel.

Emmanuel Caeymaex - UCB SA - Executive VP of Immunology Solutions & Head of US

Thank you. Thank you very much, Charl and welcome, everyone. It's going to be my pleasure now to give you some details as to our expanding portfolio in immunology with three growth drivers. Cimzia, of course, and you heard about us exceeding the EUR 2 billion peak sales target that we had said several years ago with continued strong volume growth. Also, Evenity. Evenity is a brand which last year really had an inflection in its growth rate. And then finally, the largest momentum with Bimzelx now detail some of the strong exit numbers that gives us a lot of confidence for the performance with Bimzelx in 2023.

So, moving to the next slide, just looking at the portfolio again. Starting with Cimzia, of course. So we drove growth in volumes by 8% last year and 5% at constant currency. So, it is a brand which continues to grow in volumes at an accelerated rate, in particular, in the international markets, but also in the U.S. and Europe. With having exceeded EUR 2 billion, of course, we're looking forward to continuing that growth. And the goal, of course, will be to maintain volume growth ahead of price erosion for the next year or two. Then with Benzenes, we've had strong expansion in access this year and the strong launch momentum, which I'll detail in a few minutes. And finally, with Evenity, you have perhaps heard from the Amgen investor call recently that the brand now is an \$850 million brand, if you look at in-market sales across the world. So, it's really contributing significantly to UCB in the other operating income line, and the contribution has increased by close to 60% in '22 versus '21. We've launched in Europe, and we've booked some major access gains towards the end of the year, in particular, in Spain, which is the third largest bone builder market in the world. So with this, we're really confident about this portfolio growing with three drivers for 2023.

Now, let's focus on Cimzia on the next slide. And so you see here how we've grown Cimzia over the years to exceed EUR 2 billion and in fact, exceed 1 million patient-years of exposure. You can see in value that, of course, the U.S. represents more than half of our sales, and that is about 58% with a prefilled syringe and in close to 40% with the lyophilized formulation. As mentioned earlier, we enjoyed strong growth in international markets as well as Japan. Now, Cimzia has established a level of leadership in women of childbearing age, where about 40% of our new patients joining Cimzia of that demographic. And just to take an example, in U.S. rheumatology, the existing patient base is about 1/3 women of childbearing age, which is more than double what you would expect based on rheumatoid arthritis and spondyloarthritis demographic facts. A lot of the growth with Cimzia comes from psoriasis, AxSpA and PSA, and that sets us up for success with Bimzelx, of course, as we're interacting with the same audiences.

So, let's move to the next slide and dive a little deeper in timely. So I have three slides to show you. So first of all, what you're seeing here is the uptake in number of patients cumulative over the first 9 to 16 months in Europe, in Canada and in Japan. And you can see that Bimzelx, in terms of uptake is situated somewhere between the last 2 IL-17 launches and the two large IL-23 launches. Of course, this was a launch that occurred in the pandemic for the first market, namely Germany, the U.K. and Japan, which is still somewhat under restrictive conditions. And we see those curves starting to lift up even in the first months when we're adding the numbers of patients relative to other launches that we've been able to

gather in countries like France, Belgium, and other European mid-markets and soon the south of Europe. So, if we want to have a kind of a more recent view, I would suggest we turn to the next slide, which is actually showing you how we're performing in the IL-17 segment. Now you remember from a year ago that our goal is first to lead in the psoriasis IL-17 segment and from there on to expand and displace other products in psoriasis and also expand beyond psoriasis with psoriatic arthritis and AxSpA, which are to come this year in Europe and in Japan.

So, in July, I shared figures with you in terms of the dynamic share of Bimzelx in this IL-17 psoriasis segment. For example, we had more than 15% share in Germany, more than 20% in the U.K. So you see those numbers have evolved, and we're now at 30% dynamic share in Germany, 25 in the U.K., 33 in Canada, where Bimzelx is actually leading in terms of new patients in the IL-17 segment of psoriasis and is also growing the IL-17 segment as a proportion of the total. And in France, we've had an impressive launch with more than 20% of the new patients in the IL-17 segment, just 4 months after launch. And of course, we fully expect all those numbers to continue growing. So this gives us a lot of confidence that we are on track to become the leader with Bimzelx in psoriasis IL-17 products. And we've achieved this in a number of markets. I mentioned Canada, there's also Belgium, Sweden, and there's more to come in the next few months. Now of course, the question is to what extent are those patients accumulating to transform this leadership in new prescriptions in total prescriptions and in values?

And the next slide is an attempt to give you a bit of a lead indicator to that. And that is the actual persistence in real life practice, as measured by pharmacy data in 1 of the 2 markets where we have the most patients, namely Germany. And so you can see that in Germany after six months, 88% of the new starters on bimekizumab were still on bimekizumab and that was close to 70% at month 12. Now, first, it's probably a conservative measure, but the measure is the same for all interlockings. And in this case here, we've plotted the IL-17s and the IL-23s. And you can see that Bimzelx in clinical practice truly has different characteristics than other IL-17s as we've seen in clinical studies. And you can also see that the persistence rates are remarkably similar with the IL-23 persistence showing that patients are happy to stay on the drug. And with more data, I think this will be confirmed over the longer term. So, that gives us a lot of confidence ahead of launching in the U.S., both the fact that the intention to use Bimzelx very high. The dynamic share is high, and the retention rate seems to be very competitive as well.

Now, let's move to Evenity, the third growth driver for the UCB immunology portfolio. So our goal with Evenity is first to achieve leadership in the bone builder segment, right? So think Forteo, Tymlos et cetera. So that's been achieved in a number of markets in the U.S., in South Korea, Australia, Canada, Belgium, Denmark, and the Netherlands. And we're getting closer in markets like Germany, for example, but also Japan where we should be nearing that status, give or take a half year or so. As I mentioned earlier that the total market sales are \$850 million. And in terms of the net sales in Europe, they now stand at EUR 25 million for this year. The big wins for the second half of this year in Europe where the uptake of Evenity in what we call kind of midsized markets such as Switzerland, Belgium, et cetera. So we really had very rapid uptake there. But also unlocking access in Italy, in Spain and gaining the nice HT endorsement. Those are big wins. These were easy to obtain and to get the value recognized of a bone builder in osteoporosis is not easy, even with stellar data like the ones we have with Evenity, but we've now achieved this, and that sets up Evenity for very robust growth into 2023 as we will now be able to approve patients across most of the continent.

The next step, of course, with Evenity will be to expand the size of the bone builder market, and we do this with our fracture liaison services, ensuring that patients that had a fragility fracture first get treated to increase bone mineral density before then being put on an antiresorptive. And we, of course, activate patients as well through our partnership with Amgen with use of DTC in the U.S. And all these things combined should lead to continued strong growth for Evenity for many years to come. And with this, I would like to hand over to Sandrine, our CFO. Thank you.

Sandrine Dufour - UCB SA - Executive VP & CFO

Thank you, Emmanuel. Good morning, good afternoon, everyone. I'm pleased to report on our '22 results. This was a year of multiple headwinds, both external macro environment and our agenda, but we managed to deliver financial results at the upper end, slightly above the upper end of our financial guidance as we had revised it back in June. So, let me start on the next page with an overview of the net sales. And this page is actually a recap of what Charl and Emmanuel has already explained. I will not go through all lines, but the total net sales reached EUR 5.4 billion. It's a 6% decrease, 8% decrease at constant rate.

Overall, we were pleased with the underlying solid growth, excluding the impact of loss of exclusivity with healthy volume growth for Cimzia, for Briviact, for Evenity as well as the launch dynamics with the strong launch uptake for Bimzelx that Emmanuel just presented and the integration of Fintepla. The impact of the loss of exclusivity of 2 products more than offset this growth. It represented a headwind of more than EUR 800 million

since the infection point of their respective peak sales. Vimpat LOE trajectory was according to plan while E-Keppra generic erosion in Japan was stronger than expected due to the multiple generics and the governmental support to generics.

Now, moving to the next page, and before diving in the full P&L, I wanted to highlight how we contained the impact of lower net sales and profitability, while continuing to invest behind the launches and the prelaunch activities. We successfully integrated Zogenix, we managed to limit the dilution to two percentage points of EBITDA margin at slightly less than anticipated. We had planned for a 2.5 percentage point dilution, and we confirm that the acquisition will be earnings accretive this year. We have also been very intentional on our costs to create the necessary space to adequately resource our ongoing and upcoming launches by being extremely cost disciplined and particularly because we were also hit by higher inflation. We are executing our transversal program that we call focus for growth internally that aims at driving sustainable efficiencies and allowing value-based resource allocation. And in '23, we are expanding the scope of the cost categories which are covered by the program and the program itself will be fully deployed. As mentioned, we had to face unexpected inflation on our cost base, including particularly the high indexation on Belgium wages. And this coupled with the impact of the complete response letter back in May that led to a company-wide reinforced cost discipline throughout 2022.

So, we've pulled some marketing and selling resources from more mature products. We've reallocated them behind the new products. And so what does that mean when we look at the P&L, and we can go now to the next page? So, net sales evolution was the key driver and the revenues of EUR 5.5 billion decreased by 4%, adjusted gross profit of EUR 4.2 billion decreased by 6%. This is in line with the net sales performance. Adjusted gross margin decreased by around one percentage points to 77% with the write-off of some Bimzelx inventory.

Total OpEx grew by 5%. It's only 1% at constant rate. That takes into account as well the integration of Zogenix. Marketing and selling expenses grew by 11%. It's 3% at constant rate. And as mentioned before, we've reduced the investment behind mature and generalized products to create space for reinvestments in launches of FINTEPLA, of Evenity, of Bimzelx, and the preparation for myasthenia gravis. R&D was EUR 1.670 billion, was flat at constant rate. The total represented 30% of revenues, and it reflected the progressing pipeline, the multiple regulatory reviews with the nine clinical stage programs as well as the earlier clinical development. The termination cost of ITP were also integrated in this number. Now other operating income integrated the net contribution from Amgen in the commercialization of Evenity. So Emmanuel highlighted this. This is EUR 240 million, a growth close to 60%, and this was partly compensated among other by some write-offs of receivable. So overall, adjusted EBITDA ended up at EUR 1.26 billion, corresponding to a 22.8% margin, of which two percentage point dilution linked to the Zogenix integration, and that is a 23% decrease versus '21. Below EBITDA, the profit decreased to EUR 48 million. It was impacted by the acquisition of Zogenix with the higher amortization of intangible assets due to the addition of FINTEPLA, higher restructuring expenses relating to the acquisition and higher net financial expenses, which are linked to a higher net debt, but also financial expenses being impacted by higher interest rates. On the other hand, the tax expenses decreased in '22 compared to '21, and the average effective tax rate was 17.8%.

Core EPS based on core profit, excluding one-off and other adjustments were EUR 4.37 and decreased by 33%. So all in all, we managed to contain the impact of net sales decrease and other headwinds on the overall profitability. Now, if I move to the next page, and we look at balance sheet and cash flow. So, balance sheet remains strong with, of course, the impact of Zogenix on the net debt. Net debt ended at EUR 2 billion and a ratio of net debt on EBITDA at 1.6x. If I exclude Zogenix, we had a very good cash flow generation. And you can see on the bottom right chart, our cash position ended up at a comfortable level close to EUR 900 million. And our Board of Directors will propose EUR 1.33 of gross dividend to our next AGM. It's a two percentage growth versus last year dividend, and it is in line with our dividend policy. It also shows our confidence in the future.

Now, moving to the next page on the extra financial performance. We were again recognized this year for ESG performance by key ESG rating agencies. In '22, we improved the MSCI rating moving from A to AA. we maintained our low-risk sustainability score of 16.8. We are among the top-rated companies in our industry. And we also maintain the scores of the other ESG ratings. And last week, we have been selected to be part of the BELESG Index, which was newly created by Euronext, which is based on our good Sustainability rating. If I move to the next page, and now I look at 23 and our financial guidance. We are expecting revenues to be between EUR 5.515 to EUR 5.35 billion. EBITDA margin range of 22.5% to 23.5%. And if I start with the revenues, -- we are expecting revenues to be between -- sorry, the trends. I will start looking at the trends. I will start by the positive supporting trends. We will see an increasing contribution from the ongoing launches and the expected multiple launches, including the launch of Bimzelx in the U.S. for people living with psoriasis. We also expect the continued solid growth of Cimzia, Briviact, Nayzilam, Evenity. And on the other side, revenues will be impacted by the annualized impact of impact loss of exclusivity both in the U.S. and Europe. And I also

want to indicate that the LOE effect will be more pronounced in H1 comparing year-over-year, while H2 should benefit from higher contribution from launches and this contrasting trends will drive very different top line trajectories in H1 and H2.

Now, EBITDA margin is expected between 22.5% to 23.5%. This is taking into account a positive earnings contribution from Zogenix. It is in line with what we had guided when we made the acquisition, and I will come back in a minute on how we intend to manage the year. And this translates into a core EPS guidance of EUR 3.40 to EUR 3.80 per share, with a tax rate expected around 20% as well as higher financial expenses, which is linked to the increased interest rates and the higher cost of debt. Now, on the right part of the page, you can see the achievements in peak sales for Cimzia that has been delivered ahead of plan. The estimated peak sales for the future sales of Briviact and Fintepla that we have announced at the beginning of the year, expected to reach EUR 800 million by '27. Now, closing a bit on how we intend to manage the year, looking at the next page. '23 is a year of execution. Execution with multiple launches and launch preparation. And the first key message is that we have adequately resourced all these plans to be successful to maximize the impact of our drugs. We know as well that we will take the Vimpat LOE annualized revenue drop and inflation net impact is expected to be higher in '23 than in '22 year-over-year. This is why we will continue to actively manage costs to create further efficiencies to absorb inflation and to be very disciplined in resource allocation. And beyond cost management, we continue to manage our portfolio as we have regularly done in the past and we will focus on our core growing assets.

So in January, we have sold an established brand portfolio of five medicines, which were commercialized in Europe. And this sale has a small positive impact on the margin, which is reflected in the guidance. Last, we expect R&D to be about the same in '23 as in '22, after the successful completion of six Phase III, we are progressing six of the Phase III programs. We're progressing our earlier stage pipeline, and we have rich submission and post-approval activities, as Iris explained.

So overall, we expect '23 to be the platform on which to build a stronger midterm growth. And that takes me to the next page where we are reconfirming our '25 ambition. We're confident about the future and the '25 ambition is at least EUR 6 billion revenues based on new product performance overcompensating the LOE impact, Bimzelx in 5 indications, Fintepla in 2 indications with the peak sales we've mentioned, rozimab, zilucoplan in generalized myasthenia gravis and a low to mid adjusted EBITDA margin, which is driven by the mix, the product mix, which is going to improve the adjusted gross margin and the operating leverage where we are expecting marketing and sales and R&D to decrease as a percentage of revenue, and I want to continue to highlight the strong Evenity margin as well.

So, we are also expecting to continue to improve our ESG rating performance. And with this, let me hand over to Jean-Christophe for closing remarks.

Jean-Christophe Tellier - UCB SA - CEO & Executive Director

Thank you, Sandrine. Thank you very much. At the end of this call, I would like to leave you with a few very simple messages. The first one is that in 2022, we have managed a headwind with resilience, rigor, and discipline. And because of that, we have been able to deliver strong and solid results as well as we have been in situation possible to prepare future launches. We are now on track to make sure that we can move into this execution phase and deliver future growth with this new portfolio in our end. So, this confidence in the future as well as the strength of the platform that we have built and the solid foundation that we have on the portfolio should give you the confidence that UCB is ready for the next phase of growth now in the future and delivering value for all stakeholders. With that, I would like to thank you for your attention and open the floor to the questions and get back to Antje.

QUESTIONS AND ANSWERS

Antje Witte - UCB SA - Head of Investor Relations

Thank you so much to all presenters. Thank you, Jean-Christophe. I have a lot of questions for you. So stay tuned. The first question is coming from Stacy Ku, Cowen. How should we think about the higher or lower range of your '23 revenue guidance? What are the different dynamics we should consider? Is it Bimzelx, Cimzia, et cetera? Second, could you discuss the investments into the commercial infrastructure for Bimzelx and myasthenia gravis launches? And can you provide some additional details around recruiting talent, what sort of background they might have to execute on

these launches. Third question, if I may, for Stacy. As we await approval within the U.S. for Bimzelx, can you speak to the payer preparation that is ongoing for commercialization, position in formularies, and what do you need for additional indications? Do you need to wait for additional indications for better positioning? And the last one, for Fintepla launch in Dravet syndrome and Lennox-Gastaut syndrome, what are the patients coming from? Are these patients switching from other branded agents or generic drugs? Would you be willing to comment on early penetration rates for Fintepla in Dravet and Lennox-Gastaut and how should we think about the competitive dynamics? So I think the first question goes to Sandrine and the second as well, you might want to share a little bit with the talent recruitment with Charl and then it goes to a Emmanuel on Bimzelx and ends up with Charl. But you can merge is as you like it. So Sandrine?

Sandrine Dufour - UCB SA - Executive VP & CFO

Yes. Thank you. Thank you for the question. So I will start by the underlying dynamics of the revenue guidance. So I mentioned the key supporting trends with the launches, the continuous growth of our portfolio, and on the negative, the annualized effect of the loss of exclusivity. Now, how do we look at the range. We always enter the year with a list of risks and opportunities. Of course, with the launch, there is always some trajectory questions. There are always also some potential price or gross-to-net effect. I want also to maybe point the FX potentially where, as you know, we have a policy to hedge one year in advance our cash flow to protect the EBITDA guidance in terms of our real rates, but we are still exposed at the level of the top line. And so, we also take this into account when we calibrate the range of the guidance. But I would like to say that versus the previous year, the width of the guidance is narrower because we're not in the same situation. We are now the trends and trajectories of the LOE behind us. So this is less of a risk.

So, on your second question on the investments into the commercial infrastructure. I think in the recruitment, I will let my colleagues comment on that. What I want to insist upon is that it's definitely something for which we have prepared and planned in the plan for the OpEx in '23. So, no doubt that we are fully equipped to hit the ground and be very effective in the market. So I don't know, Charl and Emmanuel, if you want to comment on the recruiting talent.

Charl van Zyl - UCB SA - Executive VP of Neurology Solutions & Head of EU/International

Yes. Thank you, Sandrine. I'm happy to comment on myasthenia Gravis. So first of all, of course, in the rare disease space, we've been able to attract 70% to 80% of our talent coming from other rare disease companies with rare disease experience. So, we're very pleased in a way that we are attracting top talent, especially also in the U.S. environment. We have resourced to lead in this patient population. So, we are confident with what we have now. We have, of course, mapped out the key centers, the coverage we need to have, and the infrastructure on the ground, and this is well-funded and in place to be ready to launch in the second half of this year. I don't know, Emmanuel, if you want to build anything further on that?

Emmanuel Caeymaex - UCB SA - Executive VP of Immunology Solutions & Head of US

Yes. Thank you. I'll build on that and take the U.S. access question. So in terms of talent, we've built out our dermatology teams a while ago now. And of course, most of those teams are now launching their made internal talent and people with specific dermatology, and autoimmune experience. Or at times also autoimmune in the broader sense. We've also acquired talent with consumer marketing experience, in particular, in the U.S. when it comes to DTC and specialty pharmacy and patient services programs as well as digital and people with payer experience as well.

Then the way to think about this is that for psoriasis and AxSpA and PSA from a fixed cost point of view, most of those costs have been in our P&L for this year. Of course, it could increase a bit as we launched in PSA and AxSpa. And then variable is mostly going to be driven by the U.S. and potentially DTC costs, which will income before the end of this year if we were to gain approval towards Q2. Then in terms of U.S. payers and BimzlX, so indeed, first-line access today is very expensive in the U.S. and one really needs to build volume to be able to accrue the bargaining power to get decent rates for first-line access. So in that sense, additional indications will help, although it's not a necessary condition. So, the strength of the uptake will be an important factor. But at this point, we would expect the vast majority of our patients to be patients who have already failed on one or several biologics or newer oral drugs. And therefore, our focus has been to obtain single or double-step edited access with all the large players and also to make sure that the new-to-market block is removed, meaning that there is coverage for the majority of lives from the approval

onwards. And it's looking good in that sense. I think the payers have had the opportunity to learn about Bimzelx data and experience, not only in psoriasis, but also our most recent data sets in other indications. So I hope that answers your question.

Antje Witte - UCB SA - Head of Investor Relations

Thank you. Charl, would you mind to continue on the Fintepla question?

Charl van Zyl - UCB SA - Executive VP of Neurology Solutions & Head of EU/International

Sure. Thank you. So thank you, Stacy, for that question. So first of all, typically, in these patient populations, these treatments are more add-on treatments. So, patients are already on a number of antiepileptic drugs. In this case, for Dravet, we are positioned as a second add-on where patients are not failing or not able to control seizures. And in Lennox-Gastaut, we typically third line after Epidiolex. Now, what we learned certainly in LGS, which is a larger patient population and more heterogeneous that about 1/3 of those patients anyway have significant seizures. And so, we see our share of that patient population, of course, as important because of the seizure potential -- or seizure reduction potential that we see with FINTEPLA. Just to make a few quick comments on our penetration so far. We expect at least at peak that we have 40% share in Dravet and 15% patient share in LGS and where we stand today on a blended basis, and we can go a bit more in detail in the future call, is that we are roughly between 3% and 5% penetration so far. So very good with the early launches. But of course, this is predominantly U.S. and we expect Europe and other territories to come on board as well as we go forward.

Antje Witte - UCB SA - Head of Investor Relations

Thank you very much. The next question is from Richard Parkes, Exane BNP Paribas, and this goes to you, Iris. He says, I know you won't disclose specifics on the HS data, but maybe you could discuss broadly how you think it compares to other approved and development-stage biologics. We have seen this in any differentiation you see. And this continues -- the atopic dermatitis market is getting quite competitive. I know you won't disclose the target necessarily. But could you talk about what you're seeing these assets bring to the table in terms of differentiation versus what's already out there? And his last question goes to Sandrine. Guidance is for a 20% tax rate for '23. How do you expect that to evolve going forward? Thank you.

Iris Loew-Friedrich - UCB SA - Executive VP, Chief Medical Officer and Head of Development & Medical Patient Value Practices

Yes. Thank you, Antje and Richard. So, in the light of the HS data, I think what you will see when they go public is that they follow the bimekizumab scheme that we have seen all along, deep efficacy and long-term maintenance of efficacy. And we see that patients are improving. We see that patients stay on Bimzelx in the long term as evidenced by the high rollover rates into our open-label extension. So for me, it's a continuation of what we have seen with BIMZELX all along.

In terms of atopic dermatitis, yes, it's a little bit too early to disclose our mechanisms of action. You know that it's very important for us that we address unmet needs in a meaningful and well-differentiated way. And this is how we select the mechanisms of actions that we target, and this is how we select our molecules. And please rest assured that this has also been our guidance as we chose the assets for atopic dermatitis. And the fact that we are bringing two forward shows you that we really have access to novel, and in our view exciting, mechanisms. Thank you.

Sandrine Dufour - UCB SA - Executive VP & CFO

So I continue on the question on the tax. And maybe before answering beyond '23, I just want to comment on '23 guidance, as I read, there were also questions on that. So the tax rate in '23 is expected to around 20%. And there are no major changes with us '22 in terms of regulation. It's mainly driven by lower pretax earnings and the earnings mix, and that has an impact on the tax rate. Now beyond '23, as you know, there is this new international tax measures with a minimum 15% effective tax rate in the key jurisdiction, which is, of course, expected to have an upward impact on the effective tax rate. Now, the new global rules do not foresee the abolition of the R&D incentives. And so far as well, the possibility to

use the carry-forward tax losses or patent box is confirmed, but the legislation itself is not voted yet. So, it's premature to give any guidance. However, what I can say is that if these were voted, it could help the tax rate in the near future, considering the unused tax losses and innovation income reduction that we have accumulated.

Antje Witte - UCB SA - Head of Investor Relations

Okay. Then I'm continuing with Richard Foster JPMorgan and say stay on Sandrine. He's asking for if you could give him more details on the product already disposed in '23, how much revenue should we remove and what so of gain should we model, and what is the anticipated level of future investments in '23? Perhaps we start with Sandrine, then we go continue with Charl and Emanuel.

Sandrine Dufour - UCB SA - Executive VP & CFO

Okay. So, we built that very regularly in the past. So we continue to optimize our portfolio and realize the value of some established brands, if and when it makes sense when they become too complex to manage or erodement is there. We manage the tail of our portfolio. And so as I said, we did this at the beginning of the year. The effect, which is captured in the guidance is very moderate lower sales. And on the bottom line, small positive impact. We are not commenting on potential future sales as this is something that we may do opportunistically, but there is nothing which is big in the forecast that we have given to you today.

Antje Witte - UCB SA - Head of Investor Relations

Thank you. Yes, I saw other questions, which I want to have this reassurance. So thanks for having this cleared. Then Richard also likes to know from Emmanuel. What level of Bimzelx sales do you anticipate in '23 in the U.S. and ex U.S. How do you see the U.S. environment in which you are launching Bimzelx, given we have seen Cosentyx from Novartis has gone ex growth already given the pricing pressure. And then he continues into Cimzia on the U.S. rebates from the availability of HUMIRA biosimilars this year, what additional pricing pressure are you expecting from payers? And of course, it goes back to Bimzelx now. On the Bimzelx-U.S. approval, do you need a further manufacturing investigation or I think, inspection priority approval? And if so, has it happened already. So Emmanuel, please.

Emmanuel Caeymaex - UCB SA - Executive VP of Immunology Solutions & Head of US

Yes. Thank you. So, in terms of the U.S. environment that we will launch in, as I mentioned earlier, I think there's a lot of competition for personnel and formulary placements, but a lot of the patients are cycling, and we see a big opportunity with Bimzelx and the kind of efficacy data, speed depth and durability that we've seen to enjoy fast adoption in the segment of patients that have already failed on at least one drug and syndicated market research bears that out. So you see about close to 40% of biologic prescribing dermatologists would see using Bimzelx in the first three months after launch and close to 60% within six months. So, I think the option will be quite fast. The understanding of the mode of action is there. And from an access point of view, I think we have a good plan so that's how we see it starting. Now, we're not giving indications as to the sales level for this year. But what I mentioned earlier about the access that's been unlocked in Europe, including in Southern Europe over the last few months means that we're really going to fire from all cylinders there. And I think the sales for Europe, Japan, and Canada will be a multiple of what we've seen this year just because we're accumulating patients that fail the drug with opening new markets and with an increased capture rate of those patients.

Then other than that, in terms of the access climate and the rebates, what I would say is that seems like Cimzia's relatively immune to the pricing pressures generated by the changes on the Humira and adalimumab upfront in the sense that about half of our patients are Iyo patients. We have first line in two populations in the U.S. in the commercial segment. One is the non-radiographic axspa patients where HUMIRA doesn't have an indication. And then the other one is with Optum, and those rates are already quite deep. So, we don't necessarily see any expansion of the gross to net there. So I think for this year, the changes on the Humira front have been, in a way, an opportunity for health plans and PBMs to address the net cost of the class. First, we'll need to see what that means for '24 and '25. But I'm not seeing any additional significant changes to what we've been working with over the last years.

Antje Witte - UCB SA - Head of Investor Relations

Thank you, Emmanuel, stay tuned. Florent Cespedes from Societe Generale would like to continue, and he's again pushing for you to give some guidance for Bimzelx in '23. How confident are you with the consensus for Bimzelx in '23, and he's quoting EUR 207 million. And he continues why despite good market penetration across the different markets, as shown on Slide 27, you have been able to generate only EUR 34 million for '22. Our products are not fully reimbursed. Any color he would appreciate.

Emmanuel Caeymaex - UCB SA - Executive VP of Immunology Solutions & Head of US

Yes. Yes. Thank you. So, let me start with the second question. So there is indeed -- in some markets, we have a bridge, right? So patients are enjoying Bimzelx and are then transferred to commercial coverage. And the example here is Canada, where we have about 1,000 patients on Bimzelx already. So, what we're seeing is that the time to transfer to paid commercial coverage or pay public coverage that takes a while. We have secured access in the vast majority of Canadian life now. And so, we're expecting the majority of those patients to convert quite rapidly. So that's one example. I think the other point maybe concerning Europe is that it's scenario under the curve question, right? So our exit in terms of dynamic share is very strong. So you've seen the difference between July and December. But of course, we haven't been able to enjoy this level of new patient acquisition in the first half of the year. And so it really ramped up after the pandemic restrictions were lifted. And also, frankly, with more activity, a better understanding of what Bimzelx means in real life, right? So the feedback of patients about the clear skin within weeks of treatment has been very impressive. So that's explaining why you see the numbers that you see. But it's also, I think, giving us a lot of confidence for how 2023 will look like, as I described earlier. And then what was the first question Antje. It was related to the U.S.

Antje Witte - UCB SA - Head of Investor Relations

How confident you are for Bimzelx's consensus of EUR 207 million for '23, and if you want to comment on that?

Emmanuel Caeymaex - UCB SA - Executive VP of Immunology Solutions & Head of US

Yes. So -- and I'll take the previous question on the inspection as well because my answer here is that I'm very confident about that number. Of course, it all depends on the date of approval. And so, if we are hitting our PDUFA within Q2, then I think we are well positioned. And in terms of the inspection, so it's the FDA's decision whether they want to inspect or not. And so we're waiting to hear from the FDA and -- but it's all within the 6-month period that they've given themselves to be able to conduct an inspection if they so decide.

Antje Witte - UCB SA - Head of Investor Relations

Okay. Thank you. The next question is coming from Graham Parry from Bank of America. Sandrine, EPS guide is below consensus despite better revenue and EBITDA guide. Can you talk through interest and tax expectations? And what percentage of your debt is on fixed versus floating rates? And if you had hedges in '23, could this worsen when they roll off into '24.

Sandrine Dufour - UCB SA - Executive VP & CFO

Yes. Thanks for the question. So, the key really to understand is the net financial income and expense, which will increase materially given the increase of the interest rates. It's indeed partly mitigated by interest rate hedges. So on average, in '23, we have around 60% of our net debt, which is hedged at fixed rates. However, the cost of the outstanding debt is expected to increase by around two percentage points year-over-year. So, that you can see it's quite significant. This is the major impact. The tax rate increase is kind of a marginal impact compared to that. And of course, the hedges are coming to maturity. So, when we roll them over, we are faced with the current condition of the market. And most -- the majority of our debt is denominated in U.S. dollar.

Antje Witte - UCB SA - Head of Investor Relations

And if I may continue with you, Sandrine, Kerry Holford from Berenberg. She goes on the margin outlook for '23. Your full year '23 guidance suggests '23 margins could be below 22%, what scenario would drive this? And she's coming back on the noncore assets, and I see that in the chart several times, perhaps you could reemphasize on the noncore assets, you reference selling noncore assets within your guidance comment, how much of this is baked into '23 guidance? And which assets are now considered noncore?

Sandrine Dufour - UCB SA - Executive VP & CFO

Right. So on the margin, I think it's largely also the effect of the top line. And one of the key element, which has an impact on the margin in '23 is linked to the effect year-over-year of the LOE and also the inflation element. So, even though we're going to work on managing our costs. These are elements that we cannot fully absorb and that the launches will not necessarily compensate for. So, I think that's going to be the key element of the drivers. Now, on the sale of the drug, as I said, we sold five drugs, which were commercialized in Europe. And just to reiterate what I said on the impact, it's a very small, lower sales impact because as of January, we will not continue to book the revenue that these drugs were generating in '22. So, very marginally low sales impact. And the gain will be booked and have an impact on bottom line, but that's a small -- again, a small positive impact, which is captured in the guidance that we've just given on the margin. And then, we have not defined what we call noncore in a way, but we get to these decisions when we see that within the established brand. And again, it's something I've looked -- we've done this, except last year, we've done this over the five or six previous year, regularly exiting some products as the management of these drugs was becoming too cumbersome for the return that they were generating. And we do this when it's only making sense financially, looking at the expected value, the value creation the future cash of these drugs.

Antje Witte - UCB SA - Head of Investor Relations

Okay. Thank you. Simon Baker from Redburn. I had a question for Charl. Can you give us an update on your view on the dynamics and opportunity in the myasthenia gravis category as the vyvgart sales evolve. And yeah --

Charl van Zyl - UCB SA - Executive VP of Neurology Solutions & Head of EU/International

Perfect. Thank you, Simon, for that question. So what we see certainly with this market is one that is still very underserved. So a large number of patients that are not well controlled. So with the entrance -- like the first entrant that has come in, there has been, of course, a broad awareness in the market of myasthenia gravis, and it's maybe activated the larger pool of patients to seek treatment. What we will bring in is really a choice for physicians and for patients, the preference that they would have for at home or in office administration. And we see with our combined portfolio of these two mechanisms of action that have both been proven to be targeted for the underlying cause of the disease that we can essentially manage the disease control for patients. What I would say over time, that we will see this market, of course, growing as a result of these targeted therapies now coming into the market. So we will all benefit from that growth with especially the first three entrants ourselves, Argenx and also Alexion. And we see over time that this market will further disrupt and displace IVIG. And on the other hand, also move earlier into the space of standard of care, which are really nontargeted therapies like steroids or immunosuppressants. So, with this growth and expansion, we feel we will all benefit in the significant unmet need in this market.

Antje Witte - UCB SA - Head of Investor Relations

Thank you. And if I may, I'm transitioning exactly to the question from Charles Pitman from Barclays. On rozanolixizumab, can you speak to the confidence that you have on the MuSK patients will be included in the expected label? And how have conversations been with the FDA. I think Iris this goes to you.

Iris Loew-Friedrich - UCB SA - Executive VP, Chief Medical Officer and Head of Development & Medical Patient Value Practices

Yes. Of course. Thank you. I hope I have expressed the confidence that we have in our MuSK-positive data. Of course, this is the decision of the regulatory agencies, including FDA. So I'm very confident that, again, have to declare that in the end, this will be a decision by the agency. If you look at our data, this is the largest database in MuSK positive patients in the registration study and very convincing results. Thank you.

Antje Witte - UCB SA - Head of Investor Relations

Thank you. I will continue with Charles' question, to you, Sandrine. -- on margins. How much of the '23 EBITDA margin expansion is expected to be driven by the Zogenix acquisition turning accretive? And can you speak to your confidence on delivering expanded margins despite investing in several product launches?

Sandrine Dufour - UCB SA - Executive VP & CFO

Yes. Well, thanks for the question. So we said that it would be earnings accretive and language matters here, which means it's not margin accretive in '23 for zogenix, but we're very confident that at some point, looking beyond that, it will really help midterm on the margin as will Fintepla. And then -- sorry, Antje, what was the second question?

Antje Witte - UCB SA - Head of Investor Relations

The confidence in delivering expanded margins despite investing in several product launches. But beyond on Zogenix, it's now going toward general in '23.

Sandrine Dufour - UCB SA - Executive VP & CFO

Here, I think, as highlighted the underlying component of that, but you should have in mind also the efforts that the entire company is doing on this transversal cost category management. So, in '22, we benefited from already strong effort, but we are aiming to more than double the impact in '23. And that's why we are in a position to reallocate this resource and support the growth and the preparation for the launch. --

Antje Witte - UCB SA - Head of Investor Relations

All right. Stay tuned Sandrine. Dominic Lunn from Credit Suisse is asking, you have reiterated 25 targets over EUR 6 billion sales and low to mid-30 margins. What assumptions on European pricing and reforms are built into this midterm guidance. Consensus is on sales, but at the lower end on margin. Would it be fair to say the outlook in Europe now looks a bit tougher when you originally set this guidance? What is this offset by higher growth is this -- sorry, is this offset by higher leverage on marketing and selling and R&D decreasing than previously expected?

Sandrine Dufour - UCB SA - Executive VP & CFO

So, we have not changed the overall 25 guidance. I would say that probably my colleagues are better positioned than I to comment on our view on the European pricing environment. But we usually take into account in the various geographies, what we see, depending on the positioning and the access that we have for our products that is reflected in our plan. And then again, the key expected growth of the margin in '25 will largely be a function of the top line evolution, the ramp-up of the new launch products. And I think we do expect to see an improvement, which is going to be more pronounced as we back and loaded expansion of the margin as we go towards '25. I don't know, Charl or Emmanuel, if you want to comment on European pricing? Charl?

Charl van Zyl - UCB SA - Executive VP of Neurology Solutions & Head of EU/International

Yes, I'm happy to just make a very brief comment. Of course, pricing in Europe generally is set at the time of launch and negotiated on a central level. So, there is not an annual price inflation that you would see typically maybe if you compare that to the U.S. market. So the price that we have at launch is very much set and then, of course, the volume and access we generate for patients with that price is what is the main focus, of course, in Europe.

Antje Witte - UCB SA - Head of Investor Relations

Charl, the very last question, as I have you, Rossie Turner from Jefferies, what is the potential in terms of Zilucoplan in additional indications? Is the aim to have them in other indications that Roza is or other areas? And do you expect sales in all gMG patients day one? Or will it be mainly MuSK? Do you have anticipate a significant price premium to IBIG in myasthenia gravis? Just a short answer.

Charl van Zyl - UCB SA - Executive VP of Neurology Solutions & Head of EU/International

Yes, very quick on complement inhibition. Of course, this class has been well studied with this mechanism of action. So, we do see other patient populations in zilucoplan. And when we are ready with those, of course, we will disclose them to you, but we see more potential there. When it comes to the MuSK patients, of course, as we mentioned in our label, that might be an obvious first area to go for rozimab, but we see the broad indications we will have across acetylcholine receptor positive and MuSK patients. So, our positioning will be broad, and we want to capture the full share of that market. Hopefully, that's answering the question for you Antje.

Antje Witte - UCB SA - Head of Investor Relations

Thank you. I know that you know where to find us for all your other questions. We have kept your questions, and we will get back to the individual analyst with a full answer. So sorry if we couldn't do everything, but we are cognizant of the time. Thank you so much for listening in. Thanks for presenting, and have a good day. Thank you, and bye-bye.

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