# UCB | FY 2024 Results | Capital Market Earnings Call | February 27, 2025

**Antje Witte – Head of Investor Relations**

Welcome to the UCB full year 2024 Capital Market call. My name is Antje. I'm the Head of Investor Relations at UCB. Before I introduce you to the agenda and hand over to the speakers today, I'd like to make some remarks. This video conference is being recorded. You can find the presentation in our download center on our website if you dial in by phone. So presentation and the following Q&A session are intended for institutional capital market participants only. If you're not, please disconnect now. This presentation and the following Q&A session are covered by the disclaimer and the Safe harbor statement as stated on slide two of the slide deck. Please read this carefully. With this I'd like to introduce you to our speakers for today. Our CEO, Jean-Christophe Tellier, Emmanuel Caeymaex, Executive Vice President Immunology and... No, sorry, Chief Commercial Operating Officer, our CFO, Sandrine Dufour. And in the Q&A session they will be joined by Alistair Henry, our Chief Scientific Officer and Fiona du Monceau, Head of Patient Evidence. With this, Jean-Christophe, over to you.

**Jean-Christophe Tellier – Chief Executive Officer**

Thank you Antje, and good morning and good afternoon, good evening everyone. It's a pleasure to welcome you on this call and thank you for joining us. If I may have the next slide please. 2024 has been a remarkable year for UCB and I think it illustrates the ability that we have to focus on innovation on one side and at the same time to have a strong discipline in execution. And this is what you see here on the top right-hand side of the slide. In our last year for our full year 2023 results, we shared with you a decline of our revenue of minus 6%, which has been translated this year at a growth of plus 17%, and actually plus 19% in constant rate. So you see the switch and the balance and the swing between last year and this year provide a very solid platform for our entry into the decade plus of growth that UCB has started now.

On the left-hand side, you can see that these growth is supported by our five key growth drivers. These five products already have reached together more than 1.3 billions of revenue plus they tripled versus last year. Each of them, as you can see, have a specific element that provide a unique value for the people suffering from chronic disease that they are aim to treat. And these four products, these five products give also for these patients an ability to have sustainable relief in the future. So we are entering in this period of growth in this decade of growth, and this decade of growth followed the last decade where you can see on the bottom right-hand side of this slide that we have had a strong revenue growth, more than 80%, an adjusted EBITDA growing 130%, and a market cap which have tripled. So we are in a very solid and good positions to enter into this growth period. Next slide please.

Focus on innovation and discipline in execution was also the outcome of our R&D achievements, where you see here that our success rate is at 29% where the industry is on average at 8%. And the success of the period of growth is a result of these achievements.

And it's also the fact that we have these five products at the same time. We have also multiple indication for these products that we can benefit from. And we have also multiple geographies we have been able to file and to get an approval in US, in Europe and in Japan for these products. 2024 also have seen the progress of our pipeline, the continuous focus on innovation. We get some learnings and we stopped certain programs, but we had also very significant progress during 2024. One is Dapirolizumab Pegol in lupus. Now we are very pleased with this positive first phase three clinical trial because it's only the third positive phase three trial in patients suffering from lupus. It's a very difficult disease to treat. Two, you can see also here the second block, which is Doxecitine and Doxribtimine, which is our nucleoside treatment for TK2 deficiency, which is a mitochondrial ultra-rare disease, which has been now fine in Europe and in the US and granted with priority reviews. So we are very pleased with that. We are also pleased with the encouraging data that we get for Bepranemab in Alzheimer's disease. This is a demonstration that we have now a proof of mechanism for our anti-tau, at least in certain patient's population that we are getting to explore in the near future. Finally, last but not least, we get a positive proof of concept for Galvokimig, our first of our two assets in atopic dermatitis. Next slide please.

And as you can see here in the middle column, we have actually now two assets which are bi-specific in atopic dermatitis, Galvokimig and Donzakimig. And I would like just to highlight why we have this asset and why we are confident with this asset. One, we know the targets, we know the areas of immuno-inflammation and we think that it makes sense to combine these assets together into a bi- specific. Two, antibody engineering, as you know, is one of our strengths. So binding together these different targets and building this bi-specific in immuno-inflammation, we think we are very well positioned to try to develop the next generation of assets which can give additional medical benefit for patients suffering from atopic dermatitis.

The last thing I want to see in the progress of the pipeline that we are expecting in '25 and beyond is the one that you can see in green, Bimekizumab starting a fourth superiority clinical trial, versus standard of care, versus this time risankizumab, an IL-23 inhibitors in psoriatic arthritis. This demonstrate the confident that we have to continue to demonstrate the superiority of our assets towards competition. So in a nutshell, a very solid and positive 2024, an illustration of the success of our innovation strategy, combined with strong execution and disciplined execution, a continuous progress of the pipeline that will continue to deliver for the near future. And so we are very well positioned for this decade of growth. And with that, thank you for your attention and I give the floor to Emmanuel.

**Emmanuel Caeymaex – Chief Commercial Officer**

Thank you very much JC, and hello everyone. Thank you for joining this call. It's my pleasure to update you on the launch execution and the launch results of what indeed was a very pivotal year in terms of setting up our assets for growth with impressive launch curves and uptakes. And it will really transform UCB. It will also elevate the lives of patients that we've been treating. And I'll take you through BIMZELX as well as our assets in rare neuromuscular and developmental encephalopathies. And so we have more now than 50,000 patients on BIMZELX, and for the rare assets we're close to 10,000. So starting in dermatology with BIMZELX, you know that our target is to lead in the IL-17 segment. It's a goal that we have been achieving outside of the US. And in the US last year, remember we launched in November 2023, in the US last year we exited the year with about 25% IL-17 dynamic share. So clearly on track to capture that leadership over time.

The main hurdle that our customers, our physicians and nurses have been sharing with us was a hurdle of access and paperwork. And so we really focused in the second half of last year, to improve our access and in fact make it the best access in psoriasis from the IL-17 agents. And you can see here that across the main payers we have a mix of first line, single step and double step edited access, which really is a fair representation of how we believe the product is going to be used in 2025 in psoriasis. In addition,

Medicare and Medicaid patients have very wide access to BIMZELX, usually as a second medicine, sometimes a third one.

So the big news of course in the second half of last year was our approval, and our launch of hidradenitis suppurativa in the US and the continued success in Germany, which is really the one market where we've obtained reimbursement and now have more than six months of experience. And so suffice it to say that this is going to be a very important growth driver. Currently, we're seeing that in Germany for every two psoriasis patients that are joining on BIMZELX, there is one HS patients. So it is a dynamic category and you can see on the right-hand panel there that in a single month the US added a very significant number of patients, and it is by far the most dynamic market in the world. So we're very optimistic that HS will be a very significant indication for BIMZELX, and that BIMZELX will make a big difference for HS patients. Indeed, it really is perceived as a best in disease drug across the world. And in fact, in Japan where it was approved in September, it is the only drug approved next to Humira. And so it's becoming really a very central drug around the world.

Now if we look at the evidence generation in HS, there's really good data that continue to reinforce the profile. There's some long-term data, two years data, which UCB was the first company to publish on an IL-17 agent, showing that more than half of the patients that started with moderate to severe HS in two years reach mild status. And also that more than 80% of patients can benefit from a lack of flares, which really is one of the key symptoms or the key facts that physicians want to avoid. So very strong position in dermatology with two big drivers. And of course reimbursement will come in a lot of markets in Europe and in intercontinental markets this year.

Now you remember on the next slide we launched in rheumatology as well, and last year we just had a few European markets. Now, what you see here is that rheumatology is a very important contributor to BIMZELX, with more than 10,000 patients with psoriatic arthritis, ankylosing spondylitis, and non-radiographic axspa. And at the bottom of the slide there you can see that we're well on our way to lead the IL-17 segment, with more than half the market in Japan and Australia, and about a third in Europe and still growing as we expand the number of markets where this product is reimbursed. In the US, we got off to a very fast start, both in terms of use, where after just two or three months, our NBRx's crossed or exceeded those of Taltz and Skyrizi. So really a great start in rheumatology, building on our heritage and the trust that physicians, PAs, and nurses have in UCB.

In addition, we've been able to piggyback on the psoriasis-expanded access to ensure that the product would be used where it typically would be used in rheumatology. Mostly after an anti-TNF, sometimes after an IL-17 with a mix of single-step and double-step edited positions, which I think really represents how BIMZELX will be utilized in 2025 in the United States in rheumatology offices. So I think we have a very strong foundation. It's also clear that with the approval of BIMZELX that the IL-17 class has regained traction and is now seen as the class to treat psoriatic arthritis. And it is of course our aim to lead within this segment. That in itself will drive a lot of growth in that indication.

So let's move to the next slide now and really speak about our portfolio, which currently is focused on myasthenia gravis, as well as our asset Fintepla in developmental and epileptic encephalopathies.

So first of all, it's really a great pleasure and we're very proud to see that we're treating close to 10,000 patients suffering from those various diseases already, pretty rapidly after launch. Rystiggo and Zilbrysq, a unique portfolio in the field of myasthenia gravis are now approved in more than 30 countries. We have good numbers for several reasons. So first of all, our patient capture is competitive, and that is really anchored in two things. First, the fact that clinically they're really performing well. So we see with Rystiggo that the efficacy is broad, of course, with acetylcholine receptor positive patients, but also with the MuSK positive patients. But that the efficacy is really robust and that it does well over time. In addition, we see with Rystiggo that there's a flexibility that is quite predictable, which is very attractive.

So essentially you have a cycle with six weeks of treatment and then an average of six weeks without treatment, and the median is actually eight weeks. So it's very convenient for patients, for many of them close to two months without treatment at all. And then returning to the physician who then has the flexibility to decide whether to continue to dose or not. I just remind everybody that it's really a snowflake disease that requires a high level of personalization.

With Zilbrysq, we have a product that works really fast. The efficacy is sustained, so the results and the deep efficacy is sustained over one or two years. I mean, the data now reach over two years. And the empowerment that it provides to patients in terms of having that daily control over their disease makes it the patient's preferred complement C5 inhibitor, and that has really supported a rapid patient acquisition. I just remind everybody that Zilbrysq has been approved much more recently than Rystiggo in the United States and in Europe.

And then finally Fintepla. So it's my pleasure to say that our market shares continue to increase, and Fintepla now treats 18% of patients with Dravet syndrome, is well positioned first line. Lennox-Gastaut is more prevalent but more heterogeneous, and Fintepla has a key role to play here to inhibit seizures that are the seizures that are associated with the highest danger and the most morbidity. And in fact, in Q4 last year, we had more patients on Lennox-Gastaut with Fintepla than on Dravet. So we see that there's a continued high potential for growth with Fintepla in the US and of course beyond the United States as well.

So I look forward to answer any questions you may have later, and I would like to thank you and hand over to Sandrine who will take us through our financials.

**Sandrine Dufour – Chief Financial Officer**

Thank you. Thank you Emmanuel, and good morning, good afternoon, everyone. It's my pleasure to present our '24 results, which reflects our strong execution with a top line double-digit growth. And I will also present our guidance for this year, where we will continue to deliver strong revenue growth as well as a significant profitability improvement. And I will directly go to next page to start with the net sales and the extra financial performance in '24. So in '24 net sales were 5.6 billion euro, 15% growth, 17% at constant rate. And you can see on this page the key drivers of growth. We are very pleased with the trajectory of our five key assets. And I also want to call our Briviact that did perform very well on top of the five key assets. So I will not come back on BIMZELX, which net sales quadrupled in '24 to 607 million euro, with HS indication only approved as Emmanuel said in September in Japan and November in the US. It contributed to more than half of the growth of the net sales in '24. It is now by far the largest growth driver of UCB. If I move to Fintepla, Fintepla continues to perform impressively and delivered 50% growth year over year. It was the third-biggest growth contributor in '24. It led our promoted non-generic epilepsy portfolio, along with Briviact and Nayzilam. Fintepla is now the biggest growth driver in our epilepsy portfolio ahead of Briviact. Now, Rystiggo and Zilbrysq, so the launch of the two brands in myasthenia gravis has been very promising. It delivered more than 250 million growth last year. The first full year for Rystiggo, while Zilbrysq was only launched in April '24 globally. And we continue to deploy focused resources to drive growth of our differentiated myasthenia gravis portfolio in a marketplace that is competitive.

Moving to Evenity. Evenity net sales grew by 71% in Europe. And what you see in the top line is only the Europe net sales. Our total economic exposure is larger, and the net contribution from our partners reached 481 million euros in '24. It's a growth of 31%. And beyond the recently launched assets, Briviact has grown by 19%. It's increased net sales to 686 million euros. The peak sales guidance, which was given a long time ago, soon after the launch, was at least 600 million euros to be achieved in 2026. And this peak sales guidance has been exceeded two years in advance. And please note as well that Briviact

was approved in Japan in June last year. Cimzia has surpassed 2 billion net sales for the third consecutive year. It remains the fastest growing branded TNF in all major markets in volume. The 5% volume growth that it recorded last year is now more than offset by pricing pressure and gross to net specifically in the US, notably with the impact of a 340B.

And at the bottom of the page, you can see the progress in our extra financial performance, starting with the improved access medicine. So we obtained reimbursement for our medicines in an increasing number of geographies, and we improved the results for our access coverage. We progressing to remove the affordability barrier for patients by working to get all our indications for our patented products financially covered by health insurances in the countries where we operate. And we were able to progress as our products are differentiating. They bring an incremental value than the existing treatments, and this is recognized by insurances. We also advanced our $CO_2$ reduction efforts, and we achieved science- based target initiative validation for our net-zero targets. And overall, we continue to be rated in the ESG top leaders in our industry by Sustainalytics, where UCB is number one of biotech sector. And by CDP, Carbon Disclosure Project, they awarded UCB an A- score for both climate and water security.

So let's now move to the next page and look at the full P&L. I'll start with the revenues which achieved 6.150 billion, a 17% increase and 19% at constant rate. We achieved our guidance of at least 6 billion revenues one year in advance. And within the revenues, the other revenues totaled 461 million euro. It grew by 50%, and they included, as we had announced last November, the sale of rights to two established brands, Atarax and Nootropil, for 157 million euro. And our strategy, as you know, is to continue to evolve the positioning of our portfolio on growth assets. Other revenues also included additional 92 million euro, linked to the termination of minzasolmin development program. And remember, this asset was developed in partnership with Novartis and UCB had received $150 million of upfronts, which more than covered our expenses. And the termination of the contract accelerates the recognition of the revenues as well as the termination expenses, which are recognized in the R&D expenses line. Moving to adjusted gross profit. It was 4.8 billion with a growth of 19% and 22% at constant rate. And adjusted gross margin improved by 1.5 percentage points from 76.8 in '23 to 78.3% in '24. And the main driver of this margin expansion was the improved product mix, as key growth drivers come with a higher individual margin. Operating expenses total 3.564 billion, it's an increase of 23%. And maybe before commenting on each line of the OPEX, I'd just like to say that the strong share price performance in 24 has increased the total OPEX by 82 million and it has impacted all the different lines. It's the accounting treatments linked to the LTI, and proportionately it has impacted more the G&A line and to a certain extent as well the R&D line. So let me start with the marketing and sales first. Marketing and sales grew by 30% in '24. And as we had announced, we significantly invested behind all the launch activities in all geographies and resources dedicated to BIMZELX represents a significant proportion of the growth. That includes direct to consumer investment in the US in connection to the PSO, but also a portion of costs such as fees for service and distribution costs, for example, which are directly linked to the growth of volumes. And this will continue to expand as the franchise grows.

Now moving to R&D expenses, they grew by 9% to 1.781 billion. A large part of this increase is, as I said, the combination of stopping the Minzasolmin program and the LTI accounting effect for this 2023. The rest reflects the continued investment in the innovative R&D pipeline with 10 different study programs that Jean-Christophe commented as well as early research. And R&D ended up representing 29% of our revenue. G&A grew by 18%. Again, a significant portion of that growth linked to the accounting effect of LTI as well as the one-off implementation costs of our new growth organization model last year.

The other operating income was stable with a positive contribution of 564 million. And within this number 481 million Euro corresponds to the net contribution from Evenity partners with a growth of 31%. And in '23 in this line, there was also the sale of a portfolio of established brands in Europe for a

total of 145 million. So all of this leads to an adjusted EBITDA, which increased by 9%, 18% at constant rate to 1.476 billion as a result of strong revenue growth. And EBITDA margin reached 24% after 25.7% in '23, and it ended in the upper part of our initial guidance. As we had announced back in November, it reflected the substantial increase in marketing and sales specifically behind BIMZELX in the US and partly compensated by an improved adjusted gross margin and lower R&D as a percentage of revenues.

Now if I move to profit, profit of the group amounted to 1.065 billion in '24. That compares with 343 million in '23. And while net financial expenses and income tax expenses were roughly flat, profit reflected the gain on the divestment of UCB mature neurology and allergy portfolio in China for 578 million Euro. We also recorded an impairment charge of 73 million, which was largely due to the termination of Minzasolmin. And as a consequence of the divestment in China, the effective tax rate ended up at 8%. And if we correct for this divestment in China, the effective tax rate would be 14%. And it included the use of R&D incentives and additional recognition of different tax assets on losses.

And finally, core EPS was 4.98 Euro per share after 4.20 euro in 2023, it's an increase of 19% and of course it excludes the net China divestment impact.

So in summary, we delivered a robust financial performance. We were able to support both product launches growth trajectory as well as the continued investment in breakthrough innovations.

Now if I move to the next page, to the '25 financial guidance, which we have detailed on this page, we are expecting revenues to be between 6.5 and 6.7 billion euro and an EBITDA margin to reach 30% of revenue. Of course, we are monitoring the potential evolution of tariffs that could be imposed on export goods to the US. However, at this stage we will not speculate how this could affect UCB products. We do not have any details of when and how it would apply. It's very speculative at this stage and we have not factored in any impact in the guidance.

And starting with the revenues, it's important to call out the significant like for like revenue growth of between 14 to 17% that you can see on the chart on the left, adjusting '24 revenues with 427 million euros. Why 427 million euro? This is the sum of the proceed of the two established brands, the Minzasolmin termination impact that I mentioned earlier, but also the '24 net sales which have been disposed of. Which came from the two established brand and the China neurology and allergy portfolio. And these net sales in '24, they totaled 180 million euro, half of which were generated on Keppra in China.

This revenue growth remains very strong between 14 and 17%. And this despite the expected negative effects of the Part D redesign and the 340B impact in '25, and the key underlying drivers of growth for the revenues will be coming from the same assets as in '24 with the increasing contribution from BIMZELX, but also Zilbrysq, which has in '25 a full year in many markets, and Rystiggo, Fintepla, Briviact and Evenity. We do expect as well some pricing pressure on Cimzia that will more than offset the expected volume growth. The expected erosion on Cimzia is more in the high single digit to low double-digit decline in the US, while there is still no biosimilar on the horizon.

Now if I move to EBITDA margin, we expect a 600 basis point margin improvement year over year from 24% to 30% in '25. Again, we deliver on our commitment on a guidance which was formulated many years ago. So 600 basis points margin improvement, I will remind the three drivers of margin improvements that we have regularly explained. The first one is another improvement of the adjusted gross margin. With the evolution of the mix of our portfolio, the expected volume growth is exceeding the effect of net price decrease. Second, operating leverage, with total OPEX not growing as fast as revenues. And detailing that in absolute we will continue to increase marketing and sales. The HS sales force was recruited in the last quarter of '24, for example, and we'll have new DTC activity as well. And we have this sales driven costs which are growing in line with volume growth as we saw in '24. For R&D expense, we expect them to be relatively stable in absolute and decreasing as a percentage of revenues.

And the third driver of margin expansion is Evenity contribution which will continue to grow and support the EBITDA margin expansion. With this revenue range and EBITDA margin core EPS is expected in the range of 6.80 euros to 7.40 euros, with financial expenses slightly lower than in '24 and a tax rate of around 15% including the recognition of some deferred tax assets. This concludes the financial part of the presentation. And with this, let me thank you and hand over to Jean-Christophe.

**Jean-Christophe Tellier – Chief Executive Officer**

Thank you very much, Sandrine. I think you have had a nice overview of what we have been able to deliver in '24, thanks to Emmanuel and Sandrine presentation. And I think you understand better what I have said in my introduction to say 2024 has been a remarkable year. Next slide please. A year where we have been able to demonstrate the resilience of the organizations, the ability to deliver on our commitment and the focus on innovation that we have focused on over the last 10 years or so and even more.

So before moving into the Q&A session, I just would like you to keep three messages in your mind. The first one is the long-term success of UCB remain on the focus on execution and on the focus on innovation. Our objective is to make sure that all of the work that we are doing, by better understanding the human biology can be translated into differentiated medicine that can deliver sustained value for people suffering with chronic disease. And by doing so, we will deliver superior value to our patients, our communities, our shareholders now and in the future. And 2024 has been, I think, a very good and strong illustrations of the strategy in action. And with that, I would like to thank you and get back to Antje for the Q&A. Thank you.

**Antje Witte – Head of Investor Relations**

Thank you so much. Thanks for your attention. And we are now starting the question and answer session. I hand over to the operator to kick it off. Thank you for all that you raised your hand and we have a nice queue. So please start Jennifer.

**Moderator:**

Ladies and gentlemen, we will now begin our Q&A session. If you have a question, we ask that you please use the raise hand function at the bottom of your Zoom screen. Once you, your name has been announced, you can ask a question, please limit yourself to two questions. You can also email your question to UCB's IR under sahar.yazdian@ UCB.com. We'll ask the question on your behalf to the presenters. If you want to withdraw your question, please lower your hand using the raise hand function. Thank you. And a moment for the first question, please. Our first question comes from Richard Parks with BNPP Exane. Please unmute your line and ask your question.

**Richard Parks – BNPP Exane**

Hi. Thanks very much for taking my questions. First one is, and I'm assuming you're not going to give people guidance about how to think about levels of rebates and free drug on BIMZELX, but if you are, then go ahead. But my question is more about your attitude towards those rebate discussions. And I'm just thinking you're obviously getting quite attractive price in the second, third line setting relative to what we're assuming Novartis is gaining on Cosentyx via rebates to get to first line. So how do you think about balancing that? And are you prioritizing getting first line use in psoriasis or do you want to still retain the premium price in order to reflect the real value that BIMZELX is bringing to patients? So just trying to get a sense of where rebates are likely to come out at that level of rebates.

And then secondly, on the IL-13, 17 BI-specific, just whether you could talk about what gives you confidence that you're able to raise the bar in AD based on the data that you've seen and give us some sense. You've obviously used the words convincing in that proof of concept data. So what is it that's giving you some confidence that and what we will likely next steps be? Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

Yeah, Richard, thank you very much for your question. And the way we are looking at this is really, BIMZELX has a portfolio of indications and also a portfolio of channels and payers to work with. So I think the fate of this medicine is not to be kind of pigeonholed as a third line product. This being said, as we expand access, it comes at as a cost in particular in psoriasis. And so we need to do this responsibly to make sure that we continue to remove hurdles for patients and physicians. That we continue to expand the platform on which the product will move from a secondary medicine to really a core medicine in the field of dermatology and rheumatology. And what I mentioned earlier in rheumatology and in HS is that BIMZELX, I believe is really seen as a product that ideally physicians would like to use first line, over time.

In psoriasis, of course it's a busier market. The IL23s are pretty entrenched. So personally I'd be happy to have a mix of coverage. It's important we continue to build volumes so that our future negotiations can also rest on a higher absolute volume. But at the same time, since the market is quite competitive and busy with potential new entrants as well, it's important that we start opening up those opportunities. And that's what we've been focusing on. And I do think that the trends that we're observing in the beginning of this year are confirming that there is that appetite for broader and deeper BIMZELX use. So we'll see mid-year where that leaves us, but for now I'm reasonably confident that it was the right thing to do to be assertive in expanding the access for BIMZELX in the US.

**Antje Witte – Head of Investor Relations**

Thank you. Fiona, you take the next question?

**Fiona du Monceau – Head of Patient Evidence**

Yes, thank you very much. Thank you, Richard, for your question on our IL-13. IL-17. This is one of the two immune-inflammation assets that we have built on our trybe platform. As you know, we've got a long history of antibody engineering at UCB. We also believe that if we really want to make a difference in the immune-inflammation space, it is important to target more than one cytokine pathway. IL-13 has already been clinically and validated as an important inflammatory pathway in atopic dermatitis. We are excited about the combination of the two, 13 and 17. Based on the results, it has also further validated our platform from a trial perspective. And we are now analyzing the data and looking at which patient population this combination will benefit most. But thank you very much.

**Richard Parks – BNPP Exane**

Thank you.

**Moderator**

Next question comes from Charles Pitman King with Barclays. Please unmute your line and ask your question.

**Charles Pitman King - Barclays**

Hi guys. Thank you very much for taking my questions. Just maybe a question on Rystiggo. I mean you're obviously not taking FM forward despite the positive results mentioned in the release. I understand this is kind of a preference to deploy your R&D capital allocation when you see the greatest return. So maybe if you could just give us a little bit more information about what the assets and indications you are preferring to invest behind given the potential blockbuster status of Rystiggo on its own and increasing competition coming from FCRNs around trying to maintain wrist to go's upside. And maybe just within that touching on the justification for running these head-to-head BIMZELX trials if pursuing first line isn't necessarily the drivers Emmanuel was just touching on.

And then to second, I brought question on capital allocation. I was wondering if you could just confirm your expected dividend growth policy and thoughts around potential M&A given after FY '25 we're going to be moving beyond the launch focus and you've got a fair amount of earnings coming in. So love your thoughts on that. Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

So Charles, I'm happy to take your question on the head-to-head superiority study that has started comparing BIMZELX with Skyrizi. So there's really, if you think about the psoriatic arthritis population, half of them are treated by rheumatologists and half of them are treated by dermatologists as their disease usually starts with skin manifestations. And what we're observing is that in rheumatology there's a readiness to consider the L-17 inhibitors and in particular BIMZELX as being the first line go-to agents ideally. But the reality is that from an access point of view, many times the TNF biosimilar will have to be gone through by patients before reaching an L-17. We've seen though that the market share and the dynamic share of IL-23s have expanded year after year in psoriatic arthritis rheumatology. And so I think it was needed, there was a need in the community to really see in a head-to-head fashion how those modes of actions compared and potentially the best one on each side. In dermatology, the situation is a bit different. There, the IL-23s are really entrenched as first-line agents. And if you think about the position for an L-17, it really should be a first-line agent for people that suffer from skin and joint symptoms. And I think that's generally understood, but it's been eroding over time, I would say with mostly on marketing grounds. Although some KOLs would qualify the IL-23 inhibitors as competent in psoriatic arthritis in psoriasis patients. And so the ability to deliver that proof, I think will really enable us to solidify the lead that we're aiming for in the subset of psoriasis patients that suffer from psoriatic arthritis, which is a meaningful segment. And from there we'll be able to continue to grow. It'll probably take a while, but I think that evidence generation will be very supportive in achieving that.

**Antje Witte – Head of Investor Relations**

And Sandrine, you'll continue on the capital allocation?

**Sandrine Dufour – Chief Financial Officer**

Yeah, happy to do so. So first with the dividend. So we stick to our policy, which is sustained dividend policy consistent with the long-term growth of the company. So that's why you see a steady growth of the dividend that we offer to shareholders. And regarding inorganic, the objective is that we want to deliver sustainable growth over time. The short-term focus is on our organic assets, but as we progress, we'll certainly have opportunities to strengthen the pillars where we have good capabilities like what we've done in the past, ie, not necessarily going outside of our areas of expertise. We can also reinforce

our R&D discovery engine, potentially going in new platform if we think this is necessary. But from a timing standpoint, there's not a tremendous necessity in terms of growth in the coming years with the visibility we have on our organic portfolio, which mean that we could be considering earlier stage assets at some point. Thank you.

**Moderator**

Our next question comes from Stacy Ku with Cowen. Please unmute your line and ask your question.

**Stacy Ku - Cowen**

Thanks so much for taking our questions and congratulations on the great progress. So we have a few questions for Emmanuel, I suppose, on the BIMZELX launch and HS. So just first big picture, as the launch progresses, can you talk about the current size of the US HS market and what is your experience telling you about what the size of the market could become? So that's the first question. And then the second is related to reimbursement and access. In our early KOL checks, HS specialists are very excited for BIMZELX that are mainly treating more severe patients as reimbursement is requiring bio-experienced patients. So we expect major formulary updates will happen next year. But just help us understand the current reimbursement dynamics, how they could change over the course of the year. And if you could talk about the level of access for HS as it relates to psoriasis on the onset of approval, to just help us understand new to market blocks, any type of approval as we think about the different launch dynamics. And if we could sneak in a third question just as we think about BIMZELX assumptions for '25 and reimbursement, just help us understand your views and what's embedded in consensus. Thank you. In your guidance. Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

Stacy, Thank you very much. So on HS, in terms of the market expansion, we see the markets in the US, the current market is probably about 45,000 patients treated. If you apply a 15% CAGR to that, within less than 10 years, we'll reach 160,000 patients. I think that's very realistic, and there's probably some upside to that. Plus, of course, the loss of exclusivity of BIMZELX is going to run quite a few years later than '33. So we're potentially looking at the 200,000 treated patients market as a base for us at peak, with potential upside to that.

Now, in terms of BIMZELX access for HS, right now we have one of the big three that is covering HS patients in single step edit, and that is Ascent Express Scripts. And, of course, the two others are looking closely at BIMZELX. My sense is that for the first year, a clear majority of patients will be patients that will have been exposed to HUMIRA and/or COSENTYX, and I think there's really those two groups. So, single step is great, even double step would be very playable within this year, and of course, comes with a lower rate of rebates, which could be very attractive. Over time, of course, what we are hearing from physicians is that they see the healing with BIMZELX and the rapid relief of pain as two very important differentiators. Which means that for patients that are known to have chronic, difficult to control disease, or patients that need rapid relief, BIMZELX would naturally be the go-to drug. And then, of course, in an ideal world without hurdles like this, it would probably be the drug to start with for the vast majority of patients. But it means that over time, there's an opportunity for BIMZELX clinically to be positioned and to be reimbursed first line. Right now, I think for this year, I would guide towards a step-edited access that will improve over time. But as we speak, most patients that come with a medical exception request are getting through. So payers are not blocking the use of BIMZELX in HS, recognizing the clinical profile and the massive unmet need in this disease.

Now, you'd do well to think about the coverage for HS as a comparison to what it was for psoriasis last year. My best sense today is that we're going to see a pretty similar curve, starting with fairly good reimbursed access, but, of course, far less than 50%, and improving that over time to end the year with more than half of the patients being covered and us being paid for that, which will definitely continue to improve as we get into next year. Just remember, this product was only approved in November, so it was after the contracting season, but several payers have kept an eye on HS and BIMZELX, and we'll update their formularies as we go during the year. So I hope that's answering your question, Stacy. And if not, happy to take more questions offline.

**Moderator**

Our next question comes from Brian Balchin with Jefferies. Please unmute your line and ask your question.

**Brian Balchin - Jefferies**

Thanks, yeah. I'm not sure if this one's been asked, but just on the free-to-pay bime script, the footnote on slide nine says that you exceeded the 50% ceiling that was your guidance for 4Q. So did that exit at around 55%? Can you just give us some color there, and how should we be thinking about that for 2025?

And then maybe just on the atopic derm, seriously, if you could just share some more color on the subcut dosing for both, and if greater than one month makes sense for Donzakimig, given the albumin component. And then finally, if you can just talk about potential indication expansion for both. Should we be thinking about psoriasis, HS, or is it something else? Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

Thank you very much. On the free-to-pay ratio to start with, yeah, indeed, we ended the year with a fair number of percentage points above our target. We're actually moving forward. We're not going to report anymore on that particular question in isolation, because I think it was really a key question that everybody had as we entered last year and really wanted to assure everybody that we were on the usual curve that new launches go through in autoimmune where you start with a minority of patients being covered, and five years into it, it's a small minority, as is the case with with Cimzia for example. So, we're on the right side, I would say, of that average curve that we've observed with interleukins. And so we don't really think this will be the main driver anymore with the access that we've expanded in the way that I described earlier. But we're in a good position, and I think that the traction for the product and the eagerness of payers to consider BIMZELX coverage rapidly after approvals in the three rheumatology indications and in HS, I think, means that we'll continue to err on, let's say, the favorable side of where that ratio typically lies in year two and in year three as well. Thank you.

**Antje Witte – Head of Investor Relations**

Thank you. Fiona, you'll take the next part of the question, I think.

**Fiona du Monceau – Head of Patient Evidence**

Yeah. Thank you, Brian, for your question on the Galvokimig. So as you know, it's designed to bind and neutralize both the IL-13 and IL-17 A&F. It has potential applications in several patient populations. We're working through that. We're not commenting for the moment based on the phase two on dosing and on which populations we feel best. But thank you very much.

**Moderator**

Our next question comes from Thomas Vranken with KBC. Please unmute your line and ask your question.

**Thomas Vranken - KBC**

Hi, thanks for taking my question. I wanted to zoom in a little bit deeper on the RYSTIGGO readout with regards to fibromyalgia. I was wondering if you can provide a bit more granularity there perhaps on what your current thinking is why this program is being terminated. Is there more of a biology rationale with regards to the disease, or is it more related to the design of the trial? And linked to that, given the exit from fibromyalgia with RYSTIGGO, will there be any other indications to be pursued there? And maybe if I can sneak in a second question with regards to BRIVIACT, now that the peak sales target has been reached, how do you think about growth moving forward there? Thanks.

**Antje Witte – Head of Investor Relations**

So Fiona starts and Emanuel on BRIVIACT. Okay?

**Fiona du Monceau – Head of Patient Evidence**

Yep. So Emmanuel starts or I start?

**Antje Witte – Head of Investor Relations**

You start. You start. Sorry.

**Fiona du Monceau – Head of Patient Evidence**

Okay, great. Well, thank you very much for the question. As you know, fibromyalgia is quite a heterogeneous disease impacting patients differently. While it did meet the primary endpoint, it did not meet our predefined criteria for progression. We have quite a rich pipeline and need to decide on how we allocate and which programs we push forward, and we're trying to do that in the most efficient way. But as you know, RYSTIGGO is currently being developed for MOG. That study is ongoing. There's no other treatments out there for that population, and we look forward to seeing the results in 2026. Emmanuel?

**Emmanuel Caeymaex – Chief Commercial Officer**

Yeah, thank you, Fiona. So Thomas, on BRIVIACT, as you've noted, BRIVIACT has a very healthy growth rate, and we see that continuing this year as we basically have the sum of the US continued growth, which is strong. You have a good trend line based on last year, plus the fact that in Japan, we'll soon reach the point where BRIVIACT will be able to be prescribed for more than a two-weeks period, which typically happens 12 months into approval, and that usually unleashes the use of a drug. And of course, UCB is ideally positioned in Japan to launch a new anti-epileptic drug. So therefore, we're quite bullish about the BRIVIACT growth rate for this year. And of course, next year, we will reach a point towards the month of April where it'll lose its exclusivity in the United States. So that will be a different story, but certainly a great contributor for 2025. Thank you.

**Moderator**

Our next question comes from Richard Vosser with JP Morgan. Please unmute your line and ask your question.

**Richard Vosser JP Morgan**

Hi. Thanks for taking my questions. Two, please. First one, just on further product disposals, could we think about those in 2025? Are they factored into the guidance? Are there any gains reflected in either other revenues or other operating income guidance? And then secondly, just going back to RYSTIGGO, obviously, Emmanuel, you mentioned the broader label, that your competitor I think will have a broader label at some point towards the end of this year. How are you thinking about that affecting your commercial ability, what's going on in the market today, and how do you think doctors will react? I suppose one part of the question is are you basically expanding the market to be much larger, and so you still expect growth? Thanks.

**Sandrine Dufour – Chief Financial Officer**

So I guess I'll start. Thank you, Richard. So as we have regularly done in the past, we continue to optimize our portfolio and realize the value of our established brands if and when it makes sense. We manage the tail of the portfolio, we want to position the portfolio and growth assets rather than locking capital and marginally decreasing established brands. We think it's a better use of our resources. And in '25, as in '24, as in '23 and previous years, there will be contribution from this as well. Probably too early to say from an accounting point of view what to expect. But what I can add is that it's not expected to be a contributor to the growth expansion of the margin. So it's not going to be a driver of the margin growth, even if it is part of regularly doing this as we've done in the past.

**Emmanuel Caeymaex – Chief Commercial Officer**

Thank you, Sandrine, and Richard on RYSTIGGO, I'll answer this question looking at the US and then other markets. So in the US, it is true that we have probably a two to three times MUSK positive prevalence proportion of patients on RYSTIGGO today. So the entry of agents that have an equally or broader label will probably blunt at that difference a bit. But this being said, in absolute terms, it's probably about 15% of our patients all in, so I don't foresee a major impact.

What one needs to take into consideration as well is the fact that RYSTIGGO is a pretty powerful drug that is actually very easy and flexible to use. So you have this combination between a great benefit risk profile and the flexibility and ease of use that comes with the cyclical dosing initially with six weeks on, six weeks off, six weeks on, and then freedom. So I'm not necessarily convinced that we're going to see a huge impact in the short term of new entrants. And again, the efficacy bar is pretty high with RYSTIGGO to reach.

Now, if I think about out of US markets, there are a proportion of MUSK positive patients is probably prevalence level, so I wouldn't expect a big impact there. And it's, of course, early days, but we're seeing that the source of business for RYSTIGGO across US and non-US markets is really a mix of patients that either haven't been exposed to any targeted therapy yet or have been exposed to a complement C5 inhibitor. We see quite a few Ultomiris patients switching to RYSTIGGO, and occasionally also, in particular outside the US, patients that have been treated with Vyvgart. So net-net, of course with more products, we're going to see a continued expansion of the market, and I think your conclusion is right, the market will expand and RYSTIGGO will expand with the market. And as we gain coverage and reimbursement in more markets, I think you will see RYSTIGGO expand at a fairly good rate in 2025.

**Richard Vosser – JP Morgan**

Thanks very much.

**Moderator**

Our next question comes from Xiang Deng with UBS. Please unmute your line and ask your question.

**Xiang Deng - UBS**

Hi. Thank you so much for taking my questions. So I guess the first one is kind of on HS, please. So of course, just understand that the negotiation is still ongoing with formularies, but just given the dosing frequency is every four weeks versus every eight weeks for psoriasis in terms of the maintenance. So just wondering for modeling purposes, just wondering, should we assume HS will have basically two times pricing, or should we assume flat pricing across all indications, as in you would prefer to negotiate HS separately. And also just wondering what have you actually baked into your full-year '25 guidance in terms of HS assumptions? So that's kind of the first part of the question.

So the second one is kind of a follow-on question with the 50% paid script question before. I understand you won't give us any particular guidance on this anymore, but just wondering in terms of gross to net, if you think about gross to net as a combination of freebies and also rebate from your end, just directionally now you are getting into a front line, presumably you will have bigger rebate but presumably a bit less sampling or bridging. But just wondering in the near term, directionally, should we always assume kind of relatively 50% gross to that, or do you think in the near term, it will actually be quite volatile, especially in the beginning part of the year? Thank you very much.

**Emmanuel Caeymaex – Chief Commercial Officer**

Yeah, thank you for those questions. So let me start with BIMZELX in hidradenitis and the dosing and the price relationship. So indeed, our experience so far is that the vast majority of patients treated for HS get administered a dose by the label, which is essentially double the dose in psoriasis and also in rheumatology, although rheumatology doesn't have the same induction as psoriasis. So that is true. Now, the answer to your question depends on the type of payer. So many payers don't have the means to price by indication, and that is true in the US and outside the US. So what typically would happen is that they will derive the value that BIMZELX represents for HS, function of the clinical results as well as relative to the options they otherwise have and the place in the treatment algorithm that they're prepared to reimburse for. So once they've done that, they will adjust the overall price, or in the US you could say rebate, for BIMZELX to take that into account.

And so it means that with that new price, which can be in Germany, with the US PBM, et cetera, with that new price, indeed, a HS patient will count double in terms of euros or dollars than a patient with one of our other indications. Now, some payers have the ability to essentially agree on a specific price for HS, so they're the minority of patients, and there, my expectation would be that we wouldn't see a full double the net price per patient. It would probably be somewhere in between 1X and 2X, very much a function of the market, the health technology assessment methods that is used. But with that, indeed, big picture-wise, globally, HS patients will be assorted with a higher BIMZELX revenue than other indications.

Now in terms of the gross to nets and rebates, et cetera, so I think the way to think about this in the US is as follows. So some of the bridge patients indeed are associated with, let's say, cost us in terms of gross to net. Then in addition to that, there are the rebates, which of course the rebates are now covering more indications in earlier lines, so they would've gone up between '24 and '25. And so to that,

one then needs to add the gross to net items that relate to distribution, prompt pay, et cetera, et cetera. So net-net, I'm not sure you're going to see a lot of volatility, but you're going to see an increase between this year and last year and probably also between '26 and '25 if we continue to increase coverage.

So hopefully, it is something you can work with. I'm not going to give you a gross to net percentage, but I'll just remind everybody that one needs to think about rebates, some bridge, which of course is decreasing as a proportion, and then other lines in your typical gross-to-net P&L items. Thank you.

**Moderator**

Our next question comes from Kerry Holford with Berenberg. Please unmute your line and ask your question.

**Kerry Holford - Berenberg**

Thank you very much. Two questions from me, please. Firstly on margin, no surprises with the margin I guess last year and also the guidance this year, but wondering, you touched on it a little bit in your intro, I would just love to hear a little more about the mid long-term vision for margin at UCB directionally, and what really would you see as an appropriate margin for a company like UCB? Secondly, AD, excuse me, atopic dermatitis, so following that positive readout for Galvokimig, I wonder if you can comment as to whether your plan is now to move to phase IIb or straight to phase III. And indeed, do you plan to wait for the phase II indicators for the second molecule before you move into the next phase development? Is one dependent on the other here, or could you take both forward potentially. And then quick one to squeeze in here also on AD, just would love to understand the biologic rationale for an IL-17, IL-22. Thank you very much.

**Sandrine Dufour – Chief Financial Officer**

Okay. So thanks for the question, and I'll start with your question on the margin. Well, first, I'd like to say that we don't want to give a midterm margin guidance as we did in the past. We were in such a different situation when we issued the '25 ambition back in the earlier part of the decade. So we are in a very different position. What's key now is the growth of the drivers, the de-risked, so this is this visibility on the growth of a decade-plus, and this is what we are focusing on now.

If I look at the margin, we have had this long- standing ambition of a 30% margin in '25. We've focused on delivering that. We've always said that we are at the beginning of earnings growth because we have these five growth drivers, and so long-term, we certainly have the ambition to maintain peak comparable profitability levels. What I want to highlight, though, is that we certainly will continue to commit to our R&D and innovation strategy, i.e., we'll have an above industry level of R&D ratio. Of course, lower than what we had in the past, but I think it's really the core of UCB to be an innovative company, and this is something that we intend to continue to invest behind. Fiona?

**Fiona du Monceau – Head of Patient Evidence**

Thank you very much for your question. We're looking at both assets separately and looking at maximizing each one of them. As you know, they're targeting different cytokines which have different impact from a biology perspective, and we're evaluating where that differentiation has the most impact on patient population. We will come back to you when we have the next steps. Thank you.

**Moderator**

Our next question comes from Florent Cespedes with Bernstein. Please unmute your line and ask your question.

**Florent Cespedes - Bernstein**

Good afternoon. Thank you very much for taking my questions. Two quick ones please. First, pipeline-related question. Could you give us an update on your strategy behind your Alzheimer's disease product as you have already outlined results, and also on your Parkinson's disease as well, as you have now one product remaining in your portfolio. Is the strategy to find a partner or, as you have now years of good visibility and growth, develop the products internally? And my second question is to follow up on the M&A and Sandrine comments as you're entering, again, a area with good visibility. We understand that you could look for new technology platforms, but could be also an opportunity to look for early assets and eventually in adjacent areas you have good visibility and cash flow. It could be an occasion to take a little bit more risks or look a little bit beyond your existing franchises. Thank you.

**Antje Witte – Head of Investor Relations**

Fiona, you want to start on the-

**Fiona du Monceau – Head of Patient Evidence**

Yes. So, maybe on D1PAM. So, the clinical trial is progressing well. We've fully recruited there and we look forward to the results later on this year. On the Bepranemab, as you know, we presented our data back in October 2024, and it showed encouraging results. It was the first time that evidence was shown from a biological and a clinical perspective on the role of tai. While we didn't meet our primary endpoints, we did meet key secondary endpoints, and we did also see that a predefined patient subpopulation had consistent treatment benefit both across the primary and the secondary endpoints. So, we're really evaluating the data and preparing the next steps. As you know, we got back the rights from Roche and working on the next steps there. Thank you.

**Sandrine Dufour – Chief Financial Officer**

On the second question, unless Jean-Christophe wants to chime in, what I can complement is to say first it's early. As I said, focus is organic growth. But, if we consider inorganic, I think the way we want to look at it is to build on our strong knowledge of human biology in the areas where we have the expertise, where we have knowledge of the pathway, we have knowledge of the population, also potentially knowledge of the platform. So, we tend to think that this is where we can be best at assessing the potential asset that we would put in our portfolio.

So, that's really how we look at it. Now, of course, in terms of platform, if it makes sense, remember in the past we did some small acquisition to complement our technology in pieces here and there, then we would consider enrich our discovery engine and potentially go into new areas if we think this is necessary. And again, as I said in terms of timing, if you look at the next years, we have visibility on growth well beyond the next decade. So, there's no rush for us to make an acquisition in terms of late phase. And that's why potentially we could be indeed considering earlier stage assets as we think in terms of the next decade shape of the growth.

**Moderator**

Our next question comes from Yifeng Liu with HSBC. Please unmute your line and ask your question.

**Yifeng Liu - HSBC**

Hello. Thanks for taking my question. We've got two one on Bepranemab. So just wondered what's your plan for phase three going forward? Do you have a concrete plan on phase three, or if your R&D guidance actually factored in any more research projects on the assets? And how do you think about the subgroup of low-tail burden and APOE4 non-carrier prognosis and how that factored, if any, in your further development plans? And secondly, on Cimzia, could you please describe how you see the dynamic between international markets and the EU in terms of volume and pricing going forward in 2025 and onwards? Thank you.

**Antje Witte – Head of Investor Relations**

Fiona, your start?

**Fiona du Monceau – Head of Patient Evidence**

Yes, thank you. As I was saying, the results are pretty new and we shared them back in October 2024. The results are encouraging behind Bepranemab and we see some really interesting results in that predefined subpopulation. We are working on the next steps, we need to work with regulators and when we're ready, we will come back with UCB's next steps. Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

Yes, and on Cimzia, I think the simple guidance here would be that volume growth will equal out price erosion for Europe plus intercontinental with probably reasonable volume growth outside of Europe as the asset essentially is a little younger than it is in Europe. And I just would like to come back to what Sandrine mentioned earlier about the U.S. So, '25 will be the first year where we have the usual, if not higher price erosion that is linked to the reimbursement price in Medicare part B. So, you have that LYO segment that's really subject to mechanical price erosion, which not much can be done about anymore at this point. But, then on top of that, you of course have the increased usage of the 340B channel, which is still going on, as well as the impact of IRA. And of course the TNF market is largely biosimilar. And I'll remind everybody that Cimzia is growing by about 8% in a class that's decreasing by 3% to 4%. So, there's a few percentage points erosion as well, which are linked to the rebates to keep Cimzia covered and reimbursed at a good level in the U.S. So, when you put all of that together, you understand that from a U.S point of view, the price erosion will be much more significant in 2025 than what it's been in the past. Whereas for the rest of the world, I think, we're going to see low single digit erosion as well as volume growth. Now, whether the volume will grow in the U.S or not, we'll see. We're pretty neutral at this point. As of course most of our efforts are focused on BIMZELX. Thank you.

**Moderator**

Our next question comes from Sarita Kapila with Morgan Stanley. Please unmute your line and ask your question.

**Sarita Kapila – Morgan Stanley**

Hello, thanks for taking my questions. It would be great to get your thoughts on some of the emerging competition in HS and how you see those positioning relative to BIMZELX. So, this year we have data from Incyte's oral JAK inhibitor, MoonLake's Sonelokimab, so your thoughts there would be helpful. And then secondly, just on your atopic dermatitis assets, could you help us understand why the IL-13, 22, has

been slower to recruit? Does that reflect some of the strength of the on-market medicines and thus harder to find points of differentiation? Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

Thank you very much for your question. And indeed the HS market is a market, which medium term we'll see a number of new entrants and probably starting shorter term with the Incyte JAK inhibitor product. So, my sense is that there are advantages to oral therapy, however, what physicians really are looking for, for HS patients is deep efficacy. And I was mentioning earlier how essentially the reduction in pain, the healing, so the impact on draining tunnels, and the ability to achieve high rates on the high score 75 and high score 90s, really what is being looked at.

And so, it's classical, right? So, for a disease with a high burden, it's really all about efficacy, and in particular, sustained efficacy, which is probably where the gap was before BIMZELX entered the market. In addition, you have the fast efficacy and the efficacy across comorbidities including joint pain, which is frequent in HS patients, which BIMZELX is very well positioned in. So I don't think that Incyte's product will necessarily score as high on all those metrics. It will probably touch on a broader set of biology, but not as deep. And so, we'll see how it gets used. Maybe it's going to be a different type of population than the population that BIMZELX is typically being used for.

In terms of MoonLake's Sonelokimab, it's a great mode of action. We're pleased to see that others strongly believe in the IL-17 A and F dual inhibition and the role it plays in a disease like HS. Honestly, to date, we haven't really seen a kind of clear sign of differentiation. So, there's a lot of noise, a lot of work on the data, but anything pre-clinical would need to be translated into clinical data, which we haven't seen yet in any indication.

So, therefore the impact of MoonLake will, if they make it to the HS market, likely be aligned, best case, with one what could see with a second entrant into an indication. Bearing in mind that in certain markets like the U.S for example, having a broad set of indications including psoriasis, which is the largest indication in this space, is really important in order to be able to gain access rapidly or access altogether. And so, there again, I think that BIMZELX will be ideally positioned with five indications and a set of injection devices that offers maximum flexibility, and frankly most convenience in terms of the number of shots that a patient would need to take in a given year. So, I see a lot of clear advantages and benefits with BIMZELX, and like you, I'm waiting to see what the results will be with other agents, but I do believe that we've set a pretty high bar here. Thank you.

**Antje Witte – Head of Investor Relations**

Fiona.

**Moderator**

Our next question comes from... Apologies.

**Fiona du Monceau – Head of Patient Evidence**

So, for the second part of the question, so I wouldn't try and read anything into donzakimig timelines, IV formulations make it more challenging to recruit, and it will be different when we'll have our sub queue. But yeah, I wouldn't read anything into the delay of the trial. Thank you.

**Antje Witte – Head of Investor Relations**

Thank you. So, we can have the next question now.

**Moderator**

Our next question comes from Emmanuel Papadakis from Deutsche Bank. Please unmute your line and ask your question.

**Emmanuel Papadakis – Deutsche Bank**

Thanks for taking the question. Just a couple left. Maybe one on Fintepla. We've seen a lot of competitive development activity in the space, and indeed corporate activity. So you reiterated your 800 million '27 ambition or guidance. Could you just talk about the sustainability of that peak sales target and remind us when you are assuming loss of exclusivity. And then a separate question perhaps Sandrine, on tariff sensitivities, I understand your unwillingness to discuss scenarios given the uncertainties, but just to help us think about potential impact, you talk a little bit about the distribution of your manufacturing footprint from both an API and self-finished perspective. Thank you.

**Emmanuel Caeymaex – Chief Commercial Officer**

Emmanuel, thank you very much for your question on Fintepla. So, our assumption for loss of exclusivity is 2033. And indeed within that timeline, we're expecting to see a number of potential entrants, predominantly in the Dravet syndrome space. So, I think, Fintepla really is kind of a gold standard treatment by now in Dravet, and positioned as such in guidelines. So, it'll probably take a little while for that first line position to be challenged by new entrants, especially as the data are pretty convincing. And, I think, from a REMS point of view, we have operations that are running very smoothly, which also for similar modes of actions would there be such a program, of course is a very important hurdle to jump over. I mentioned that we're expanding the use rapidly in Lennox-Gastaut syndrome and are currently in the process beyond the U.S to also gain reimbursement for that disease.

So, Fintepla is more than Dravet, and as was mentioned earlier, we have development that's currently running in CDKL5, which could be a third indication if all goes well and there's potential for more. So, I think, that when it comes to our peak guidance, we're well on track to achieve that number. And, I think, that those new treatments will contribute to expand the market, the treatment rates, and let's not forget those developmental epileptic encephalopathies are hard to treat. So, one needs many treatments sometimes to cycle through before finding the one that will really help the patient, often the child. And, I think, that's what we're seeing with Fintepla as well. It's a great treatment for many, it's not for everyone, and we welcome new treatments to help those patients and families.

**Antje Witte – Head of Investor Relations**

Thank you. Jean-Cristophe f, you're going to take the next question?

**Jean-Christophe Tellier – Chief Executive Officer**

Yeah, thank you. Thank you, Emmanuel, for the question, and I will not say a lot more than what Sandrine have said earlier on the topic, but maybe you will hear the same thing with a different voice. So, as Sandrine has said, basically it's very early stage. We really don't know how what has been announced will be implemented, what is the perimeter, what are the modalities, what are the ability to implement. Does it will be for the same thing for a different type of product? And as you know, the supply chain of pharma in particular is relatively complex and global. So, it's really highly speculative at this stage to try to elaborate some potential impact based on the information that we have received so far. But, we are of course, with a lot of attention, we are monitoring the information that's coming from a new administrations, and as soon as we get something ready, we'll get back to you. Thank you.

**Moderator**

Our next question comes from Maxine Stranart with ING, please unmute your line and ask your question.

**Maxine Stranart - ING**

Hi, good afternoon. Just one on my end. If we look at Evenity, the EBIT contribution growth has slowed down quite materially in the second half compared to the first half. While if we look at Amgen results, the growth in terms of sales was roughly the same. Could you elaborate a bit on the drivers of such slowed down growth for the EBIT of Evenity?

**Sandrine Dufour – Chief Financial Officer**

I'm happy to take this one, Antje, if you allow me. The answer is pretty simple actually. We turn breakeven in the second part of the year in Europe. And now the line that you see is the net contribution from the partners, which is what they send us, but where we send them as a portion of our European sales. So, the total net contribution of Evenity for UCB is even larger than the number you see, and it's growing faster, much more in line with what Amgen has published.

**Moderator**

Our next question comes from Graham Parry with Bank of America, please unmute your line and ask your question.

**Graham Parry - BofA**

Great, thanks for taking my questions. So, just going back to the question on divestment gains, Sandrine, I think you said there are no divestment gains assumed in your 30% '25 margin guidance. So, just to clarify that, so you think you'd reach 30% with no divestment gains, so if you do divestment, any divestment gains would actually be incremental to margin and upside to your guidance. So, that's the first question.

The second is just a relation to what's assumed for BIMZELX sales growth in guidance. Does it actually assume an acceleration or are you seeing the incremental rebates and discounting to expand coverage offsetting the acceleration in prescriptions from new indications? So, consensus has about 1.3 to 1.4 billion euros of sales. Are you comfortable with that that's only got a very small inflection year-on-year in terms of absolute sales growth? And then just one on the IL-13, IL-17 A/F. Just wanted to try to understand how you think this might differentiate versus Dupixent. And when you talk about different populations, are you just saying naive versus DP experienced or are we talking about age groups, ethnicities, etc. So, perhaps just help us to understand a bit more there. Thank you.

**Sandrine Dufour – Chief Financial Officer**

Yeah. So, I will start and thanks for offering the opportunity to clarify, because apparently I was not clear. So, what I said is that as the previous year, we will continue to manage the tail of the portfolio, and this is part of the expected result and the guidance that we've put out. What I was trying to explain, and sorry I was not clear, is that we do not expect that the proceed in '25 is going to be a driver of the margin expansion. I.e, when we said there is a margin expansion from 24 to 30%, what we expect from managing the tail of the portfolio is not helping in the margin percentage gain. So, I hope that clarifies what I tried to explain before.

**Graham Perry - BofA**

So, just to be clear, if there were divestment that would be implemented to the guidance on margin then at 30%?

**Sandrine Dufour – Chief Financial Officer**

Yeah, it does not help on the margin as a percentage, but it's part of the absolute number to make it very clear.

**Graham Perry - BofA**

Yeah.

**Sandrine Dufour – Chief Financial Officer**

Okay.

**Graham Perry - BofA**

Okay.

**Emmanuel Caeymaex – Chief Commercial Officer**

Yeah. As to the BIMZELX question, indeed, I think the description in your question I'm comfortable with. I think that something that's often overlooked when it comes to the U.S markets is that there's of course bridge moving into rebate and things like that, but there's also a background of much more usage in Medicare and Medicaid and the increased impact of 340B. So, when you put all of that together, then one is probably in a scenario that is close to what you described in your question.

**Antje Witte – Head of Investor Relations**

Yeah. And Fiona, if you can repeat?

**Fiona du Monceau – Head of Patient Evidence**

Yeah. And on your question on the IL-13, IL-17 A and F. So, as mentioned, we are really encouraged by the results that we have in the phase 2A as measured by EZ-75. We are analyzing that data, looking at where the combination of IL-13, 17 A and F makes most benefits in atopic dermatitis as well as other indications.

**Antje Witte – Head of Investor Relations**

Thank you.

**Moderator**

Our last question comes from Richard Parks with BNPP Exane. Please unmute your line and ask your question.

**Richard Parks – BNPP Exane**

Hi. Thanks very much for taking my follow-up. It's just on the guidance. So, if you look at the midpoint of your guidance range, does this suggest slight downside to consensus forecasts? I'm just, from your perspective, wondering where you think consensus was too optimistic or what were the things that

people were missing? And then on the margin guidance, I think historically you've given a range, but today it seems to be a flaw. So, how should we think about that? Historically, you've been quite good at meeting and beating guidance ultimately, so how would you set this guidance? Would you see it as conservative and where might be potential for it to be exceeded? Thank you.

**Sandrine Dufour – Chief Financial Officer**

Thanks for the question. We're just setting the guidance. So, as I said, it's very solid like-for-like growth, 14 to 17% in '25, and the key drivers are the same as what we have seen in 2024. Of course, BIMZELX will be amplified. And to your question, does the consensus. We've discussed Cimzia, I think you heard Emmanuel explaining the significant price erosion. And I also have mentioned the disposal of established brands. What I can say is that when I look at the consensus, I'm very confident on the key drivers of growth compared to where we think things will go. That's for the top line. And then on the margin, I think, what's important for us is to deliver on the commitment that we had made on the 30%, it's as I said, 600 basis point increase. So, that's the focus, that's the commitment, and this is what we are working to deliver this year. I think any further comment is premature.

**Richard Parks – BNPP Exane**

Okay, perfect. Thank you.

**Antje Witte – Head of Investor Relations**

Perfect. Thank you, Richard. I like your last words. Thank you so much for your patience with us. It was a very long session. I think we have answered all your questions. For anything else, you know where to find us. The investor relation team at UCB is looking forward to your calls and to your emails. My special thanks go to the presenters and speakers today. Thank you so much. Have a great rest of your day. Bye-bye.