

Q1 2024 results  
Conference call and webcast for investors and analysts  
Wednesday, 1 May 2024 at 12:00 BST

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Introduction | Nick Stone

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Slide 1

Hello everyone. Welcome to today's call and webcast. The presentation was sent to our distribution list by email, and you can also find it on [gsk.com](https://www.gsk.com). Please turn to slide 2.

Slide 2 | Cautionary statement regarding forward-looking statements

This is the usual safe-harbour statement - we will comment on our performance using constant exchange rates or CER unless stated otherwise.

As a reminder, adjusted results are now referred to as core, like many European pharmaceutical peers.

Please turn to slide 3.

Slide 3 | Agenda

Today's call will last approximately one hour, with the presentation taking around 25 minutes and the remaining time for your questions.

Today, our speakers are Emma Walmsley, Luke Miels, Deborah Waterhouse and Julie Brown, with Tony Wood and David Redfern joining for Q&A.

Please ask 1-2 questions so that everyone has a chance to participate.

Turning to slide 4, I will now hand the call to Emma.

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## Strategic summary | Emma Walmsley

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### Slide 4 | Strong start to 2024 with continued pipeline progress

Thanks, Nick, and welcome to everyone joining us today. I'm delighted to be presenting to you all with *another* set of excellent quarterly results for GSK.

Please turn to the next slide.

### Slide 5 | Strong start to 2024

We have had a very strong start to the year.

Sales and profits grew double digits for the quarter, with sales up 13% to 7.4 billion pounds, core operating profit up 35% to 2.4 billion pounds, and core earnings per share up 37% to 43.1 pence (all excluding COVID solutions).

This excellent performance reflects our continued focus on execution, some benefit from phasing in the quarter, and strong delivery of our recent launches. It also demonstrates the great momentum we continue to see across the business.

Demand for our innovative vaccines and specialty medicines was clear, with strong growth across new products.

Our very good sales performance was also underpinned by good cost control. Julie will take you through the details on this in a moment, but I particularly want to highlight our SG&A performance, which was delivered alongside increased investment in R&D - demonstrating continued delivery of effective operating leverage and margin improvement.

These benefits are also delivering improved cashflow - providing funds for investment and returns to shareholders. Our dividend for the quarter was 15 pence.

For the full year, we are upgrading our guidance and looking forward to delivering another year of meaningful growth for shareholders.

Next slide, please.

## Slide 6 | Strong pipeline progress

Alongside our excellent financial performance, we have seen strong pipeline progress across the therapy areas, with phase III data readouts for 4 medicines.

For *Gepotidacin*, further pivotal data that supports regulatory submission of this new antibiotic.

For *Cabenuva*, further evidence of superior efficacy.

For *Jemperli*, potential broader use of this medicine to treat endometrial cancer.

And lastly, encouraging clinical data supporting use of *Blenrep* for the treatment of multiple myeloma. These data will be presented at ASCO. And we look forward to sharing more with you on our plans for oncology at our 'Meet the Management' event in June.

These readouts, together with other R&D achievements this quarter, mean we have strengthened growth prospects in all of our key therapeutic areas.

3 material points I would highlight.

First, we continue to strengthen our innovative Vaccine portfolio this quarter.

With regulatory submission of our new 5-in-1 meningococcal vaccine candidate alongside new expansion opportunities for both *Arexvy* in the US, and *Shingrix* in China.

Second, positive clinical trial findings for an ultra-long-acting formulation of cabotegravir further supporting progression of this medicine, and confidence in the important transition we expect in our HIV portfolio for long-term growth.

And third, in Respiratory we completed the acquisition of Aiolos Bio. A signal of our continued investment and leadership in this disease area where a next important step will be sharing data for depemokimab, which we expect in Q2.

Next slide, please.

## Slide 7 | Delivering health impact sustainably

Alongside delivering stronger shareholder returns, we continue to build trust by delivering across the 6 key areas we prioritise for ESG.

This quarter, we published our ESG Performance Report. 95% of the metrics we target are being met or exceeded.

We also saw the GSK-developed TB vaccine candidate enter phase 3, sponsored by the Gates MRI and Wellcome Foundation - this could potentially be the first new TB vaccine in over 100 years.

So, all in, a very good start to the year.

Let's now hear more from the team on our progress, starting with Luke.

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## Performance | Luke Miels

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### Slide 8 | Performance: growth drivers

Thanks, Emma. Please turn to the next slide.

### Slide 9 | Strong start to 2024 with growth in all product areas and regions

In Q1, we delivered growth across all our product areas and regions, with £7.4 billion of sales, up 13% versus last year, excluding COVID solutions. This includes a strong performance in the US, led by continued contributions from new launch products.

Please turn to slide 10.

### Slide 10 | Vaccines: +22%<sup>1</sup> led by Arexvy and record sales of Shingrix

In Vaccines, we saw strong growth of 22% in Q1, excluding COVID solutions, led by *Arexvy* and *Shingrix*.

Following the outstanding launch last year, *Arexvy* continued to deliver, with sales of £182 million in the quarter. Script data shows a strong brand preference for *Arexvy*, as we receive two of every three retail prescriptions, with US market penetration of around 14%. I'll cover *Arexvy* in more detail on the next slide.

*Shingrix* delivered a record £945 million in the quarter and was up 18%, driven by public funding outside the US, together with early supply to our new partner, Zhifei, in China. Outside the US, *Shingrix* has launched in 39 markets and the majority have less than 5 per cent penetration.

In the US, sales decreased by 4%, reflecting the comparison to Q1 2023 which benefitted from the removal of the co-pay for adults aged 65 and over on Medicare, as well as the prioritisation of other adult vaccines during the viral respiratory season. We are investing in DTC and HCP campaigns as we seek to activate harder-to-reach consumers to continue to grow the cumulative immunisation rate, now at 37% of people aged 50 and older, which leaves more than 75 million Americans still unvaccinated and eligible to receive *Shingrix*.

Our expectation continues to be that *Shingrix* sales will reach more than £4 billion over time, driven by growth outside the US. In addition, we have also recently shared exceptional data demonstrating vaccine efficacy of 82% at year 11.

Turning to our meningitis portfolio, *Bexsero* and *Menveo* sales were up 3% and 41%, respectively, in the quarter, with performance in Brazil and favourable phasing driving the growth in *Menveo*. We're pleased to have received FDA file acceptance for our MenABCWY vaccine in mid-April, and combined, our meningitis portfolio is expected to deliver around £2 billion in peak-year sales.

Across our Vaccines portfolio, we expect sales to increase high-single to low-double digit per cent in 2024.

Next slide, please.

### Slide 11 | Arexvy performance

Focusing on RSV, we vaccinated over 1.3 million people with *Arexvy* in the retail setting during Q1. The launch was exceptional and exceeded our expectations. We now see seasonality similar to flu, impacting use patterns in the first year.

In 2024, we expect the vast majority of sales to be in the US and weighted to the second half in preparation for the 2024/25 RSV season.

This year, we continue to build on our competitive profile with the potential to expand the label, adding at-risk individuals in the 50 to 59 cohort, which could impact approximately 15 million people in the US. This is subject to approval, followed by ACIP review in June.

Last year we presented data supporting an efficacy profile for *Arexvy* of at least two seasons. As the 2023/24 RSV season is coming to an end, later this year, we expect to have additional efficacy data on long-term duration of protection and immunogenicity data over three years.

We plan to present the totality of data at a future public health forum in the second half of this year, and we do not expect public health officials to decide on the frequency of RSV revaccination before 2025.

We are ambitious about growth in an expanding market with increasing competition. Whether a two-season or three-season vaccine profile, we remain very confident that *Arexvy* can achieve more than £3 billion in peak-year sales over time.

Next slide, please.

### Slide 12 | Specialty Medicines: +19%<sup>1</sup> with strong growth in all therapy areas

In Speciality Medicines, including HIV, which Deborah will cover shortly, we increased sales by 19%, excluding COVID solutions.

In respiratory and immunology, our market-leading medicines, *Nucala* and *Benlysta*, continued to deliver good growth.

*Nucala* was up 13% reflecting high patient demand for treatments addressing severe eosinophilic asthma, chronic rhinosinusitis with nasal polyps and EGPA. Our MATINEE trial to confirm the efficacy of *Nucala* in COPD is expected to read out in the second half of this year. We also expect pivotal trial results for our six-monthly IL-5, depemokimab, this year with readouts in asthma in Q2 and chronic rhinosinusitis with nasal polyps before year-end. Combined, we anticipate our IL-5 portfolio to deliver more than £4 billion in peak-year sales.

*Benlysta* continues to show consistent growth and was up 8% in the quarter, with opportunities to drive earlier intervention and increase penetration further in both SLE and lupus nephritis.

In oncology, sales more than doubled in the quarter.

*Ojjaara* has continued to perform well following last year's US launch, and I'll talk more about this on the next slide. We were pleased to receive authorisation from the European Commission for *Omjjara* in late January, and we've since launched in the UK and Germany.

*Jemperli* has also continued to grow strongly, and again, I'll discuss this further on the next slide.

*Zejula*'s performance was driven by increased patient demand and higher volumes due to the new tablet formulation, with further growth from new International launches.

Overall, we expect strong performance for our Specialty Medicines in 2024 with growth of low-double digit per cent.

Please turn to slide 13.

### Slide 13 | Progress in oncology driven by *Ojjaara* launch and lifecycle innovation

*Ojjaara*, which we acquired from Sierra Oncology, has performed exceptionally well following last year's launch and has the strongest uptake curve for a JAK inhibitor in myelofibrosis. *Ojjaara* is establishing market share in both the first-line and second-line settings, and we have seen encouraging data suggesting physicians are anticipating increasing their use of *Ojjaara* in the coming months.

For *Jemperli*, we've demonstrated strong execution in the quarter with our new patient share up to 33%, and we continue to build further clinical evidence in endometrial cancer where we recently presented data demonstrating that *Jemperli* plus chemotherapy is the only IO combination to show statistically significant and clinically meaningful OS data in the all-comers population. Subsequently, the FDA has granted a priority review to our file to expand treatment with *Jemperli* to all adult patients with primary advanced or recurrent endometrial cancer. We also expect this data to be published soon in a peer-reviewed journal.

On *Blenrep*, we're encouraged by the data from DREAMM-7, which showed a tripling of progression-free survival. DREAMM-8 also met its primary end-point and showed a statistically significant and clinically meaningful PFS compared to standard of care in second-line multiple myeloma. In addition, DREAMM-7 and 8 also demonstrated strong overall survival trends, and we will continue to follow up to completion.

We look forward to presenting these data at ASCO in June and are targeting regulatory filing in the second half of the year.

Next slide, please.

### Slide 14 | General Medicines: +1% driven by *Trelegy* and EP<sup>1</sup> in Emerging Markets

Finally, turning to our General Medicines portfolio, sales grew 1% in the quarter, led by *Trelegy*, delivering £591 million, and established products in Emerging Markets.

We have also seen growth owing to stockpiling and patient demand. It's still early in the year, and we are continuing to assess and manage the impact of the AMP Cap removal in the US. As a reminder, there was a 150 million US dollar impact in 2023, and we continue to expect up to 550 million dollars of sales at risk for the full year. The growth outlook for Gen Meds is unchanged.

I'll now hand over to Deborah to cover HIV.

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### Performance | Deborah Waterhouse

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### Slide 15 | HIV: Growing 14% in Q1 2024, with momentum in long-acting (LA) innovation

Thank you, Luke.

We continue to drive HIV market transformation and are pleased to see our growth momentum continuing with HIV sales growing 14% to 1.6 billion pounds in the first quarter. This is driven mainly by increased patient demand for our oral two drug and long-acting injectable regimens and represents an increase of more than 2 percentage points in global market share versus Q1 2023.

This continued strong performance demonstrates our leadership in transforming the HIV marketplace and delivering on individual patient needs.

Looking across our portfolio, *Dovato*, our leading oral two-drug regimen and number one selling HIV medicine, grew sales by 27% versus Q1 2023.

Our long-acting portfolio is also showing strong momentum with *Cabenuva*, growing 73%, and *Apretude* growing over 100%. With more than 60 thousand patients benefitting from these medicines, our ongoing growth is underpinned by strong patient demand and excellent operational execution.

We believe that long-acting options have the potential to change the trajectory of the HIV epidemic and as the leaders in driving this market shift, it is positive to see this portfolio, growing more than 80% versus Q1 2023 and contributing 17% of total portfolio sales. In absolute terms, this resulted in 116 million pounds of growth, representing more than 50% of the total HIV CER growth.

Overall Q1 has been a very strong quarter and puts us firmly on track to deliver a growth rate of high single-to-low double digits in 2024.

We were also pleased by the positive reaction from the scientific and medical community to the comprehensive set of Early phase, as well as phase 3b/4 and real-world evidence data that was presented at CROI in March, demonstrating confidence in our current portfolio and progress towards our pipeline of ultra-long-acting regimens. HIV physicians and healthcare providers reinforce to us time and time again that the long-acting regimens, which they have in their hands today, are really transforming the lives of people living with HIV, liberating people from the daily burden of oral therapy, improving adherence and tackling stigma, which remains stubbornly pervasive.

Data from over 11,000 patients participating in long-acting clinical and real-world evidence trials clearly demonstrates the effectiveness of our long-acting treatment regimen. We were particularly pleased with the interim data from the LATITUDE study indicating that *Cabenuva* has superior efficacy compared to daily oral therapy in individuals living with HIV who have adherence challenges.

We also presented positive phase 1 data from a study of cabotegravir ultralong-acting dosed at intervals of at least every four months and positive phase 2A data from the BANNER study, exploring the use of our novel broadly neutralising antibody – N6LS – for the treatment of people living with HIV.

These data show continued progress towards our ambition to end the HIV epidemic, delivering our ultra-long-acting pipeline, with cabotegravir replacing dolutegravir as our foundational medicine. We remain on track to offer four monthly dosing options for prevention in 2026 and treatment in 2027 as well as extending the dosing interval of our long-acting regimens in treatment and prevention to enable every-six-month dosing towards the end of the decade.

At our September 2023 Meet the Management event, we committed to delivering around 40% of our revenue from long-acting medicines by 2027 and our current performance puts us on the right trajectory to achieve that goal. We are therefore confident in our ability to navigate through the revenue impact associated with the loss of exclusivity of DTG.

With that, I will hand to Julie.

**Slide 16**

Thank you, Deborah, and good morning, everyone.

As a reminder, to align with European pharmaceutical peers, we have changed our naming convention, so I will be referring to 'Core' instead of 'Adjusted' results.

Next slide, please.

**Slide 17 | Strong start to 2024**

Starting with the income statement, with growth rates stated at CER.

**Sales increased 13%, excluding COVID solutions**, and were up 10% overall, reflecting continued strong business performance. As Luke mentioned, growth benefitted from newly launched products *Arexvy*, *Ojjaara* and *Jemperli*, along with earlier-than-expected *Shingrix* sales to our partner Zhifei in China. Together, these added around 5 percentage points of growth in Q1.

**Core operating profit grew 35%, excluding COVID, and 27% overall.** The margin increased to 33.2%, with leverage from gross margin and SG&A.

Cost of goods benefitted from mix effects, including growth of higher margin *Arexvy*, *Shingrix* and Specialty care products. We expect to deliver gross margin leverage in the full year, with benefits predominantly in the first half given anticipated sales phasing and mix dynamics.

At the FY, we discussed our focus on delivering improved operational leverage as we seek to benefit from the investment made over recent years. Against this backdrop, we're pleased 2024 has started well, with underlying LSD percentage SG&A growth. This, together with a one-off benefit from the successful *Zejula* royalty dispute, caused SG&A spend to decrease in the quarter by 2%.

R&D investment continued to grow broadly in-line with sales as expected, mainly within our Vaccines, Respiratory and Infectious Diseases late-stage portfolios.

**Core EPS grew 37% excluding COVID solutions.**

Turning to the **Total results**, operating profit decreased 18% to £1.5 billion, primarily reflecting a charge arising from remeasurements of the ViiV CCL and Pfizer put option, largely resulting from improved longer-term prospects in our HIV business and currency.

Overall, currency was adverse in the quarter due to the strengthening of sterling against the US \$ and emerging market currencies.

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**Slide 18 | Q1 2024 core operating margin significantly higher**

Moving to the **Core operating profit margin**. On this slide, we have shared including and excluding COVID, to provide a review of margin dynamics.

Excluding COVID, the margin improvement was significant at 580 bps at CER, due to two main reasons:

- First, underlying margin benefits contributed 410bps, driven largely by sales growth, favourable product mix and SG&A leverage, partly offset by the impact from the loss of Gardasil royalties and
- Secondly, the *Zejula* royalty dispute contributed 170bps of margin improvement in the quarter.

Including COVID-solutions, there was 460 bps improvement, driven by similar factors.

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### Slide 19 | Q1 2024 free cash flow of £0.3bn - Cash generated from operations of £1.1bn

Cash generated from Operations was £1.1bn, representing an improvement of £0.8bn above Q1 LY. This was driven by higher core operating profit and favourable working capital, with the latter benefiting from higher receivables' collections, particularly in the US vaccines business.

Free cash flow was £289 million in the quarter, relative to an outflow last year, and therefore improving YoY by £978m.

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### Slide 20 | Capital deployment supports business growth and shareholder returns

Slide 20 shares our net debt position since 31 December last year and how we've actively deployed capital in the business in line with our Framework.

Net debt was broadly stable compared to the end of 2023 at £15 billion. This included further monetisation of our stake in Haleon and the completion of the acquisition of Aiolos Bio in the quarter.

With our end 2023 net debt to Core EBITDA ratio of 1.5x and expected cash generation, we have a strong balance sheet to support continued investment in future growth, including through BD, as we look to deploy funds to enhance growth and deliver attractive shareholder returns.

Now, with that, I'll now turn to our full-year expectations.

Next slide, please.

### Slide 21 | 2024 guidance at CER and excl. COVID-19 solutions

Turning to guidance, there is no change to our sales range of 5 to 7 percent, but we are increasingly confident of the FY being towards the upper part of the range.

We are upgrading our operating profit guidance to 9 to 11 per cent, reflecting the strong start to the year and benefits from the *Zejula* patent dispute in the first quarter. We also expect royalty income to be slightly higher, between £550 to £600 million in 2024. These benefits also flow through to our earnings per share, now upgraded to 8 to 10% for the year.

I also wanted to give some colour on anticipated phasing throughout the year, starting with sales.

Continued execution of the successful launches of *Arexvy*, *Ojjaara* and *Jemperli* lifecycle innovation have contributed ~5 percentage points of growth in Q1 and will continue to benefit Q2. However, we will annualise their launches, including the initial channel inventory build in *Arexvy*, in the second half.

This year is also the start of our agreement with Zhifei for Shingrix in China. As Luke said, we had earlier-than-expected sales in Q1, but still expect the majority of 2024 Shingrix China sales to be in Q2.

Taking these factors together, we therefore expect sales growth will be significantly higher in H1 relative to H2.

And turning to the operating profit dynamics, we continue to expect SG&A to increase in the low single-digit range and for R&D to increase broadly in-line with sales for the year. As a result, driven by the sales phasing, operating profit growth will also be significantly higher in H1 given the operating leverage.

In summary, whilst it is still early in the year, we have made an excellent start to 2024 and are confident in delivering the full year guidance and longer-term outlook.

### Slide 22 | IR Roadmap 2024 to 2025

Turning lastly to our IR roadmap, which shares our progress towards major milestones and value unlock opportunities, it's clear that we have had a very positive start to the year, with a number of important pipeline events delivered, as Emma mentioned. The main milestones expected in the next 2 months are the US FDA approval of *Arexvy* in adults aged 50-59, the phase III data readout of depemokimab in severe asthma with an eosinophilic phenotype, and the presentation of *Blenrep* data at ASCO in June.

Turning to R&D milestones, many of the successes since Q4 have been within Oncology, and we look forward to our Meet the Management event June to share a deeper review with you.

I will now hand back to Emma to conclude

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### Summary | Emma Walmsley

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### Slide 23

Thanks, Julie.

So, to summarise.

GSK continues to deliver on its commitments and perform to a new standard. Our excellent performance in Q1 provides us with clear momentum, we are pleased to be upgrading guidance and expect to deliver another year of meaningful growth in sales and earnings in 2024, as we continue to focus on prevention and changing the course of disease for millions of people.

This all bodes well, but it is still early in the year – and we remain very focused on delivering on our commitments - and more - at continued pace for patients, for shareholders and for our people. Combining science, technology and talent to Get Ahead of disease, Together.

With that, I will now open up the call for the Q&A with the team.

**Mark Purcell (Morgan Stanley):** Yes, good morning, good afternoon everyone. Thanks for taking my questions. Two questions on *Shingrix*. Could you help us understand the contribution we might expect from Zhifei for the full-year '24 and then going back to your point of ex-US penetration being less than 5% versus 37% in the US, could you help us understand if there were any leading indicator countries which we could think about in terms of the broader ex-US penetration increasing or other vaccines that could be proxies for how high the ex-US penetration could go?

And then the second one on *Nucala* COPD, there has been some discussion around Dupixent and the potential of delays. The PDUFA Sanofi as trades label breadth for time into the market, so could you help us understand the breadth of the MATINEE trial in terms of the patient population you are addressing? I think you got broncholytic and emphysemic patients in there and it's a broad eosinophilic phenotype as well so it would be helpful to understand the relative breadth of your label and target population.

Thank you.

**Emma Walmsley:** Great, thanks, Mark. We will come first to Luke on the prospects of Zhifei expansion on *Shingrix* and then we will come, Tony, to you on COPD.

**Luke Miels:** Sure, Mark, so I am pleased to say it's falling very much in line with the strategy that we have been outlining over the last few years, so with the contract with Zhifei, it's around £400 million with the contract. As we have said before, we are somewhat limited with supply into China this year, so £400 million is the number that you should use and then £800 million next year and then £1.2 million. The intent of course is to run that relationship significantly beyond the initial three years.

Encouraging start. We are now in the field as of April with Zhifei and their point of vaccination expansion is very encouraging, so good news there.

In terms of analogues, I think in markets like Europe and Japan it is very much about reimbursement penetration, so I think the UK is a good analogue. Spain/Italy, these are good analogues and we are very much at the start of the process in those markets with single-digit penetration overall.

In terms of emerging markets, I think you have a range of markets. Saudi is quite interested in terms of government support with tenders and things like that. We have been very strict on pricing, so that's encouraging. Then out-of-pocket markets like Brazil, and again we are in single digit percentage penetration here, so very early days in those markets at a very tight price corridor.

**Tony Wood:** Hi Mark. In COPD and *Nucala*, MATINEE is the study you referred to. It is ongoing and we expect it to read out at the end of the year.

To get to your questions, it is a broader population and we have included emphysema as well as chronic bronchitis phenotypes. That's important because of the 500 million individuals with COPD, about 30% of them present with an emphysema phenotype. We are also excluding any current or prior diagnosis of asthma. That was important given the nature of the CRL for the previous studies. I think it is worthwhile just pointing you to the data that we disclosed at ATS which was a *post-hoc* analysis of those previous studies, showing that in that broader population we see a 24% reduction in exacerbations.

It is also important to stress that this is a two-year dataset in an area in which quality of life is also important over and above headline reduction of exacerbations.

**Kerry Holford (Berenberg):** Hi there, thank you for taking my questions. On *Arexvy*, just thinking about underlying demand into the next winter season, when does the contracting process start for the upcoming season? Is that something you are already engaged in and how might the arrival of a third competitor in Moderna impact that process and the competitive landscape.

And then just a quick follow-up on *Shingrix*. Can you quantify the exact amount that was booked in Q1 relating to the Zhifei agreement in China? Thank you.

**Emma Walmsley:** Thanks. Luke, I will come to you on those please.

**Luke Miels:** Yes, sure. Underlying demand for *Arexvy*, we remain very confident. If you look at all the market research, whether it's consumer/patient awareness, which is around 86%, if you then look at measures of physician and pharmacy knowledge and confidence to discuss RSV with patients and the potential people for vaccination, it is extremely high – it is in the 90s and high 80s. That continues to be there. There is a confidence and insight there behind that and I think that will ultimately be translated, because there is obviously an ideal synergy with the 'flu season that we can take advantage of. Our overall intent at the time, as we have done with *Shingrix*, is to de-seasonalise that to manage pharmacy workflow, but there are good signs there.

Then of course, if you look at Q1 demand, that was pretty much the same, when you look at in-arm shots as we saw in Q3 2023, so that is a good sign.

In terms of contracting, everyone is very busily doing that but I don't think anything will ultimately be consolidated until we see the June ACIP outcome, which is linked to the other part of your question, which is about the presence of Moderna and the impact there. If you can imagine that you are a pharmacy chain and you want to see whether there are going to be two or three vaccines, does anything come up in terms of subgroups? For example, us, with 50-59, with further discussion on GBS and other topics, and also what is the interpretation of the data that Moderna has? All of these are moving parts and, once we get through that, then I think there will be a race to lock down contracts as we go into the season there.

In terms of the Zhifei split with Q1, we don't break that out for China but the main thing to remember is that if you think about phasing for your modelling, Q1 is where we get orders. There is nothing in Q2 – very limited as we ship – and then in Q3 you will see a bolus and then very little in Q4. Sorry, nothing in Q3, and then a lot in Q4.

**Emma Walmsley:** Yes. With RSV, I don't think we're going to see much in Q2. That would be an important point to make because it has stayed seasonal in its first year, although absolutely we would love to move that over time, as we have done very successfully in *Shingrix* too. Thanks, Luke.

**Graham Parry (Bank of America):** Thanks for taking my questions. First, on *Shingrix*, could you help us understand the US dynamics, because obviously scripts were down. Could you help us understand what was going on in the non-retail segment there? Is that stabilised or even growing again now?

On your peak sales guidance, I think it is still just £4 billion by 2026. It looks as though you have a fighting chance of getting there this year or certainly by 2025, so do you have any thoughts on if and when you might update on that? Do you need to see your supply issues in China sorted, to gain more confidence in Zhifei growth above the contracted volumes?

Then on *Arexvy*, could you help us understand where the total penetration rates that you see are now, between yourselves and Pfizer, in the comorbid and the over-80s population, where risk is greatest. As you go into the new season, how many of these people have actually already had a vaccine, and are you going to have a more difficult-to-reach population there?

**Emma Walmsley:** Those questions all go back to Luke again. I would just say, Graham, that we are not going to update our peak year sales forecast for *Shingrix*: it is more than four over time. Obviously, we have just had another record quarter which is great and we are really excited about what is coming for Zhifei. As Luke said, we are contracted for two-and-a-half over the next few years and we are hoping to be more ambitious with that.

Luke, would you like to comment specifically on *Shingrix*?

**Luke Miels:** Sure. And Graham, on the supply with China, it is a 2024 effect – there was a slight tweak in the process that the Chinese regulator required, and we have done that, and now we are shipping. That is the key thing: we are uncapped in '25, '26 and hopefully beyond.

There are some structural things that have occurred here. The main element, as I said in the earlier part of the call, was that in Q1 2023 you saw a bolus of people who were waiting for the co-pay to be removed, and so that was the highest retail TRX quarter with *Shingrix*, so it is a tough comparator for the TRX retail.

Your question was obviously about non-retail. If you look at the trends, last year we averaged at about 1.3 or 1.4 a quarter, in arm shots, with *Shingrix*, whereas in Q1 it was about 1. What is happening is, because of the administration costs and paperwork around the co-pay, we have just seen a structural shift of positions, just saying to the patient 'look, it's a lot easier if you just go next door to the pharmacy and get your shot there', and so that shift has happened.

We have actually recovered some ground in terms of growth in terms of penetration in the centres beyond the two core ones - the three core ones we had, but pushing against this tide which is just much easier for everyone if they go next door.

Now the challenge is when they go next door in Quarter 1, the pharmacists are very clear in terms of the market research, their priority is 'flu, RSV, so we are a little bit of a victim of our own success there and COVID.

In Quarter 2, we obviously move to the summer months, they are all signalling very strongly that they expect to move *Shingrix* up and we have actually seen that in terms of stocking levels in pharmacies. Wholesale the levels are stable but we have seen the pharmacists start to build the stock up, so when we see that there is clearly an expectation of a shift to start vaccinating those patients, so that's encouraging.

I think I have covered everything.

**Emma Walmsley:** Anything you want to say on *Arexvy* penetration?

**Luke Miels:** Sorry, yes. I think our strategy has been very clear, which has been to concentrate on the comorbid individuals and we have outstanding market research there showing the intent of pharmacists and doctors to discuss this with patients and vaccinate them. When you look at the number one reason someone recommends *Arexvy* its efficacy and its efficacy in these populations, but we are very much in early days.

But that initial penetration, the bulk of that is those high-risk, informed individuals that have gone in there. I don't have the exact percentages in front of me but yes, it's about 80% of those people are comorbid, older individuals, so the 65-plus. There is a lot less in that 60-plus and of course if we can get the 50-59 comorbid, that's a nice growth opportunity for us because they are just as aware of their risk as is their physician with these poly comorbid individuals.

**Emma Walmsley:** And that's another 15 million Americans in the at-risk comorbids for 50-59 which is an exciting prospect.

Okay, next question, please.

**Jo Walton (UBS):** I have three quick ones, please, or two related. Just could you tell us a little bit more about AMP Cap. *Trelegy* did extremely well. Can you confirm that there is no bleed across in terms of rebates, etc that is going to impact that and that that is continued ...

I wonder if you could also just talk about *Zantac* litigation. We have now had one case that has gone to trial where you have previously been settling and you haven't settled that one. We are now seeing lots of potential cases and a Sargon set of cases coming out in California. I am just wondering if there is any timeframe or any updates as to when you might be able to resolve this situation.

**Emma Walmsley:** Okay, I'll come to Luke in a second on AMP Cap and rebates off the back of another quarter of absolutely fantastic dynamics for *Trelegy*.

But let me make some comments on *Zantac* for everybody on the call. First of all, we remain very confident in our position and continue to defend the science and the facts very vigorously. Obviously you know that since 2019 there have been 16 independent studies that have been categoric in showing no causal link between ranitidine and cancer and the extensive reviews of the FDA and the EMA as well.

Now obviously, Jo and others, you would not expect me to comment on the specifics of our legal strategy and especially with ongoing and current cases but I do want to also emphasise and remind everyone that the upcoming Daubert hearing is purely a question of admissibility of evidence. Absolutely nothing whatsoever to do with any judgment on liability and we are very focussed on, as I say, defending our position vigorously and in the meantime, this team and the whole organisation is really all about delivering on our operating performance, our momentum for growth and continuing to invest for growth as well, in line with our capital allocation priorities. That is as much comment as I am going to make on *Zantac* today.

Luke, would you like to come back to AMP Cap?

**Luke Miels:** *Trelegy* is really quite separate from AMP Cap. The drivers there are the momentum around the GOLD guideline changes. In commercial execution, we have a very strong team in the US, and very simple messaging there. We have around 64% of those patients who are on triple therapy with COPD and about 67% with asthma in the US, so there is very strong penetration there. You also still have a sizeable proportion of individuals who are not responding to treatment, so between 40%-60% of patients still exacerbate, depending on which numbers you look at, which is good for *Trelegy* and could be very good for *Nucala* and depemokimab long-term.

In terms of AMP Cap, the numbers we have given in the past are still the same. We had the 150 effect at the end of 2023. If you look at broader exposure for the rest of 2024, it is still around 550. To be fair, we did better than we were expecting in Quarter 1, some of the strategy that we had commercially exceeded our own expectations, which is always nice we prefer that than the other way around. However, there will be a counter-move to those and so I don't think we will see the full effect until we are talking at the half-year results for the total AMP Cap exposure.

Just back on the China question, Nick has just told me that it is about 20% for *Shingrix* sales will be in Q1, and then 60%-80% in half one for your own phasing of that 400.

**Steve Scala (Cowen and Company):** Thank you very much, I have two questions. GSK has had a strong run of under-promising and over-delivering and, for that, it deserves tremendous credit, but why shouldn't we think about the statement that H1 will be stronger as H2 as more a messaging strategy and not a true reflection of

fundamentals, and just assume that H2 will be much stronger than GSK states? I have heard everything you have said about the business, but the business has great momentum. The total turnover comps don't support your statements and so I guess, in the end, the question is, why are you so pessimistic about your own business in H2?

The second question is, why is GSK developing an H5N1 pandemic 'flu mRNA vaccine. Is this a 'just in case', or are you hearing of significant concern from health and government authorities?

Thank you very much.

**Emma Walmsley:** Thanks, Steve. I will come to Tony in a moment on your second question. On your first one, just to re-quote Luke, I would rather that it was that way round. Listen – and I will ask Julie to comment and reiterate the thinking on phasing – I just want to remind everyone that we are at Q1. We are absolutely delighted with the start to the year and really pleased in terms of the progress, with the growth of Vaccines and Specialty, but also, as Luke has just said, the early delivery in Gen Meds as well. Obviously, we intend to keep you updated through the year. There are some very real comparator questions but make no mistake, the whole of this team and all the people who support these teams are very focused on maximising the delivery that we can, whether it is this year or way beyond it.

Julie, would you like to add any more points on the guidance?

**Julie Brown:** Thanks you, and thanks for the comments. The main thing is that we definitely know that we have a benefit with phasing in the first half. As we mentioned, we are going to annualize some very strong launches that we did in the second half last year, including *Arexvy*, *Ojjaara* and *Jemperli*, life-cycle indications. That is definitely a factor. Those alone added five percentage points of growth in our first quarter, just to give you a sense of the numbers.

As Luke mentioned, secondly we have Zhifei in China for *Shingrix*, which is going to be first-half loaded, and we are expecting around 60%-80%, and therefore that also skews the phasing.

Then the final thing to say is that there are two factors of which we are very conscious. One is AMP Cap: Luke gave a good feel about the AMP Cap dynamics and we are waiting to see how that pans out in the second quarter. Then obviously we are entering the main vaccine season and we believe that we have an expanding market for sure. As Emma mentioned, we are going to go all out to win but we also have a third competitor in the ring that we have to be conscious of. That's why we have guided the way we have.

Thank you.

**Tony Wood:** And I'll keep it short on H5N1, it's in response to health authority requests and it's triggered by a change in the transmission associated with that variant very early and I would say in abundance of caution.

**Simon Baker (Redfern Atlantic):** Thank you, Nick. Good afternoon, everyone, thanks for taking my questions.

Two if I may, please; firstly on *Shingrix*, the very strong long-term efficacy data suggests that a general revaccination is still some way away but I just wonder, are there any specific populations where revaccination might be on the horizon?

And then moving on to Oncology, a very strong performance in Oncology. I just wonder, how much is there left in the near-term given the strong share gain, particularly with *Jemperli* in endometrial, the strong performance in *Ojjaara*. The suggestion is that doctors will be using a lot more of it in the next six months and I just wondered if you could give us an idea of what that near-term upside is within Oncology in 2024. Thanks so much.

**Emma Walmsley:** Oncology has obviously started extremely well, so Luke, perhaps you would like to comment to that. Still an emerging business for us but you will definitely hear a lot more at Meet the Management too, but do you want to kick off with that and then, Tony, I'll come to you on *Shingrix*.

**Luke Miels:** Yes, Simon, the short answer is this, that there is plenty left to run. If you look at *Ojjaara* and the launch, you saw the chart there, market research again is very encouraging. The positioning of the product has been very deliberate in terms of targeting individuals with anaemia which is about 40% of subjects in first-line and 70% in second-line.

If you look at barriers to use, the number one barrier which is not a major one is, 'I haven't used the product before' which of course we are happy to assist people in doing that. Then the second one is just access and have it on the tenders, so that's what we are doing.

If you look at early market share, I disclosed those earlier, I think they are quite exciting at 14% and 28% so far, so very encouraging to keep that and of course we are accumulating these patients. They are very long tails once they are on, particularly in first-line, so we had the initial bolus of patients who were more refractory and now we are moving into exactly the universe that we expect to see more durable usage in, which is first-line individuals with haemoglobin levels below about 10.

In terms of *Jemperli*, endometrial is the focus right now. We will cover it a lot more broadly, I don't want to preempt the Meet the Management call, but we will cover more on the life-cycle plans for *Jemperli*. There is some pretty interesting and exciting work going there.

If you look at the perception versus pembrolizumab, pembrolizumab is the easier choice. It is more broadly available, people are more familiar with it, but we are seeing quite a striking shift in terms of physicians' assessment of *Jemperli* and willingness to try it. As we mentioned earlier, the fact that we have a very strong hazard ratio of 0.69 and that's coming out of the FDA hopefully on 5 May, if that then means downstream NCCN guideline changes which you would expect with survival, then that's a further propellant for growth.

And then with *Zejula*, again shift to tablets. That's more of a one-off effect but if we can just hold that business pretty stable in the US which I think we can, following the label changes and then if you look at ex-US, we have good growth in Europe which is heavily volume-driven and emerging markets, we are still in the launch phase with a lot of these smaller markets, so net-net with Oncology I think we are well placed to keep things moving and we will tell you more at the Meet the Management around ASCO.

**Tony Wood:** And probably the only thing to add to that, obviously we have PRIMA OS data coming for *Zejula* soon as well and that will also figure early in the year.

Let me address your question on *Shingrix*, Simon, and for those who haven't followed it, the long-term follow-up data is exceptional with nearly 80% efficacy overall in the 50-plus population. Of course what that does is underscore the value of vaccinating with *Shingrix* from 50 years onwards and so based on the strength of the data we have so far, there is no clear evidence as to when a booster would be warranted, but obviously we are continuing to monitor the nature of breakthrough in particular in at-risk populations.

**James Gordon (JP Morgan):** Thanks for taking the questions. The first question was about *Arexvy* re-vaccination – I want to make sure I have Luke's comments correctly. Was it that the two-year dosing interval re-vaccination data is now going to be in H2, maybe the ACIP meeting in October, and this is the 004 study antibody titer data. Do you now have data that says with the two-year interval there is a much stronger boost on antibody levels, and that's what's giving you the confidence to get the two-year recommendation, even though you won't have clinical data?

The second question was just a couple of one-offs that Luke and Julie mentioned. One was *Shingrix* US was down 4%, but there was some pricing of prior inventory moves. Is that a clean trend or could *Shingrix* in the US still be down teens for the year? Gen Meds looks like there could be a bit of a one-off as well. I think it grew 1%, but you're saying now down mid-single digit, so to the extent that Gen Meds has a one-off. Then just gross margin, that looks pretty good, up 300 bps, but you are going to have higher *Arexvy* sales in H2. Can we say the Q1 gross margin and then give a boost for more *Arexvy* sales in the second half, or is there some one-off there too?

**Emma Walmsley:** There are at least four or five questions in there! I will come to Julie first on gross margin, then Tony, if you could talk about the two-year/three-year data and just clarify that, and then Luke will come back to perhaps repeat on the *Shingrix* and Gen Meds questions that have been re-raised.

**Julie Brown:** Thank you, Emma. It is definitely the product mix, so because we had such a strong half in the second half of last year, largely based on those launches which, as you know, Specialty Care and Vaccines are high margin, because we had *Arexvy* and we also had *Ojjaara* and *Jemperli* life cycle, they significantly changed the gross margin. We will be up against those in the second half of this year because they are new launches, so that changes the dynamic in gross margin overall. We also have the stocking effect of last year.

I think that was gross margin done!

**Luke Miels:** I don't want to repeat myself on *Shingrix* US. The key thing is there is a structural shift out of non-retail to retail, we're addressing that. We've also said as you go up that curve of adoption, you have to work harder for those patients and that's what we're doing, but if you look at it, last year we increased the penetration by 7%, so if we can keep adding 1%-plus each quarter, then it is still big numbers. As I said earlier, you will see pharmacists start to switch on and come back to vaccinating *Shingrix* instead of the respiratory vaccines as we come out of winter in the northern hemisphere.

I think there are still lots of reasons to be balanced, and certainly not double-digit pressure. Then also, the strategy has always been with *Shingrix* to saturate the US and then move into Europe, which again the extended efficacy data helps us which is, when we are negotiating with payers that don't have national tenders like there are in France, the fact that you have this outstanding efficacy at 11 years is really compelling value for money for these governments, so that's very helpful, and also for individuals buying out of pocket. Then of course, we mentioned China.

The strategy that we've had with US, Europe, Emerging Markets, is very much in place –

**Emma Walmsley:** With prices maintained.

**Luke Miels:** Exactly, with very disciplined pricing corridors. Then ultimately, we mentioned booster, which may only be a subset but there's also the exciting work that we're looking into with dementia, which, again, I think you would have re-write the penetration rates in a few years time if we did demonstrate a respective outcome on that one.

In terms of General Medicines, the way we look at AMP Cap is about a 4% drag, so if you factor that in, I think we are still very much in with the range that we talked about. We did see an effect of certain products like *Augmentin*, a good season in Japan with hay fever, so these will start to wash out over the year and the more typical structural effects of General Medicines will keep there. The fact is that, when we get up in the morning, our first priority of course are Vaccines, Specialty Care, General Medicines, in terms of resources, everything by definition has to be third on that priority, so if we can grow in other areas, that's where we're going to spend time, money and effort.

**Emma Walmsley:** And super contribution to the mix. We are now at two-thirds of the business. This is one of the most important structural shifts in the company, and what is helping us drive leverage for us is this move to where

innovation can either be truly unique, sustained and in enormous demand because of its direct returns in prevention and vaccines, or real breakthroughs and step-changes in care and prevention, in specialties that we are seeing with the pipeline that is coming through.

Tony, would you like to talk about that?

**Tony Wood:** Yes, I will walk you through the considerations of season 3 data James. First of all, just to remind you, an ACIP decision is very unlikely before '25, and that is because the first subjects to receive the commercial vaccine are protected through the '25 season. So, whether or not you re-vaccinate, that can wait until the '25/26 season. There are two important data-flows running into that: one is the vaccine efficacy study, 006. That is dependent on the season and the Northern hemisphere '23/24 season has not yet finished. That is a CDC decision: it is global study and that is what is behind the move of the data into the second half.

The second data-flow is the immunogenicity study, which is 004, and that is on track to report out in the second half. It includes a number of different re-vaccination schedules although I don't want to get into the detail on that, save to say that what we are seeing there from early data is as is expected, which is that the longer you wait between vaccinations, the greater the boost.

**Emily Field (Barclays):** Thank you for taking my questions – I will ask two. The first one is that Gilead last week talked about the impact of the Part D redesign on their HIV business, resulting in flat growth for 2025. I was just wondering if you could give any colour on how you are expecting that to impact your own business in 2025?

Secondly, just on *Blenrep*, before it was removed from the peak sales guide, I believe it had been for guidance of over £3 billion in peak sales and now, having DREAMM-8 and DREAMM-7 – waiting on the data from DREAMM-8 – could you talk about expecting when you may add that in, or characterise how that peak sales opportunity may have changed with the new indications? Thank you.

**Emma Walmsley:** Thanks, Emily. Just on the peak year sales from *Blenrep*, we will obviously not be updating that today. It is an interesting reference point to look at '21 when we were talking about earlier lines but we have new data – exciting data that has come through. We will be presenting at ASCO. Tony, Luke and their teams will update you at the Meet the Management about how we see the path forward, but we obviously have a journey to go on with the regulators. We are very engaged in that but, clearly, we are interested in a step-change of impact for patients and that could be very exciting. We will keep you updated along that journey in due course.

Deborah, it is exciting to have a question on HIV. Perhaps you could comment. We don't guide by asset by year, but we have factored this into our broader outlooks and Deborah can give a little more colour to that please.

**Deborah Waterhouse:** Thanks, Emily. The first thing to say is that we are obviously delighted by our growth in Q1, which was 14%, and we are particularly delighted because, as I said earlier, 50% of our growth – our pounds growth – came from long-acting injectables. The momentum behind those medicines is continuing to be extremely important today in driving growth, and will continue to be important until the end of the decade as our pipeline, which is long-acting injectable oriented, continues to make great progress.

In terms of 2025, we believe that the IRA, Medicare Part D re-design, will have an impact of about £200 million next year, so it will be a drag, but actually, as you can see, our growth and our momentum is very strong. It will have a headwind, but we believe that that is manageable and this has already been factored into all of the guidance we have given, including our upgrade last year to our five-year CAGR '21-26 being 6%-8% growth.

**Emma Walmsley:** And more than 7% at a group level.

**Richard Parkes (BNP Paribas):** Thanks for taking my question. I just want to push a little more on the RSV re-vaccination potential. My understanding is that you no longer have vaccine efficacy data for patients having received a booster before season three, and so we will just have immunogenicity data. I am just wondering about how confident you are that ACIP will make a recommendation based on just immunogenicity data when the previous booster data we saw showed no additional benefit from booster after season one.

That's the first question and then second just on *Shingrix* just to round off the discussion, so in Europe, growth has slowed to single digits. I am just wondering, is that just a capacity allocation or could we expect to see a re-acceleration in growth for *Shingrix* in Europe? Thank you.

**Emma Walmsley:** Okay, quick answers, Tony and then Luke.

**Tony Wood:** ACIP won't make a decision this year and it will be on vaccine efficacy from three seasons and immunogenicity when we present those data together.

**Luke Miels:** Yes, it's very much driven and as we open up tenders, we are in discussions with France right now, we have a very good rating in a tough system, and other small European markets are starting to open up, so I would expect growth in the second half to be encouraging.

**Peter Verduyt (Citi):** Thanks. Sorry, two more for Luke. On the IL-5 franchise, Luke, we are assuming biologics penetration in severe asthma currently around 20%-30%. I am just interested to hear whether you have more precise data and your thoughts or hopes where penetration could peak out.

And then secondly, if the mepo COPD data does play out as you hope in terms of target clinical profile, how are you thinking about biologics penetrating in COPD? Can the ramp be quicker than what has been seen in asthma in pulmonologists already being experienced in biologics, or would you take a more cautious view given the novelty of biologics as a treatment option in COPD? Thanks.

**Luke Miels:** Yes, Peter, your numbers are very consistent with what we see in terms of tracking, insurance databases, ATUs, physician surveys etc. If anything, physician surveys tend to overstate their usage. I think this is part historical. There are lots of parallels we have seen of course with TNFs and rheumatologists. When you see more recent graduates that have been trained and employed antibodies throughout their training, they are more comfortable with the utilisation. You also have the evidence trend moving in our favour. There is an emerging, we have done some good studies here and plan to build on this, around the capacity to drive remission through earlier intervention with antibodies, so with IL-5s in particular, *Nucala*, and we have published on that, so that is all working in our favour.

With COPD, my expectation is yes, they would use it more actively because they have had a number of years' experience in asthma subjects, so let's see. Of course it is going to be driven by the strength of the data and of course we have huge synergies with *Trelegy*, *Arexvy* and the COPD treatment group, so yes, let's see.

**Emma Walmsley:** Obviously we are going see the readout in *Nucala* and then we have play in the rest of the longer-acting IL-5s and also the deal we closed this quarter in terms of where other technologies can take us.

**Peter Welford (Jefferies):** Yes, I will stick to one question. I am just curious on *Arexvy* with regards to the 50-59 year olds. Your degree of confidence that you will get a positive CDC ACIP review of that given some of the prior commentary in the earlier ACIP this year. Obviously it's not in the approval but just thinking about the ACIP rather than the FDA and related to that, any commentary that you have on the recent headline data we saw for an 18-

59 year old cohort from your competitor and whether you think there is any commercial risk from the 18-50 year old cohort that there is there.

Thank you.

**Tony Wood:** Just quickly then, Peter, FDA accepted the submission, we have a PDUFA date for June so it will be available for ACIP and as Luke mentioned in the 50-59 population we are focused on high-risk individuals. The data is just as strong as the 60-plus population, so I think we are in good shape for that particular decision.

**Luke Miels:** The other thing to factor in, Peter, is you have seven new ACIP members now and a new Chair, so the question will be will you see a change in behaviour.

Now if you look at the 18-59 with Pfizer and the commercial consequences of that, in the end, the bulk of this volume is going to be driven by retail business, 90%, and that's older individuals and we have seen that pattern again with *Shingrix*. Remember, we have the IC label for 18-plus there and it's small numbers. It does help with contracting but the 50-59 for us also helps with contracting. The younger individuals are more likely to be the non-Medicare population and more likely to be treated in non-retail, e.g. maternal patients, etc, so not too concerned about it at this point.

**Tony Wood:** And we're the first to submit a file in the 50-59 adult population.

**Tim Anderson (Wolfe Research):** On *depemokimab*, your confidence in the level of having compelling data, and your excitement about the commercial opportunity, to me it seems like a twice-year injection would be quite compelling and could make it the category leader and maybe that's unrealistic? I can't ever tell how excited you are about that programme, and it partly cannibalises *Nucala*.

Then just *Blenrep*, it's pretty clear it's coming back to market, do you think we're just completely passed there being any commercial considerations on the eye tox issue? Do you think that could be something to content with given what else is available out there?

**Emma Walmsley:** Thanks, Tim. I'm going to come to Tony and then Luke in a second on *depe*, obviously the readouts are coming this coming quarter. Also, we can hear on *Blenrep* and the commercial impact around eye tox, but let me start by simply saying it is hard for you to understand whether we're excited. I refer everybody to the Meet the Management which was done specifically on Respiratory when we were clear that we thought that peak year sales in IL-5s led by long-acting, and a lot of great data and research that I'm sure Luke can repeat, means we think that this is a very important pillar for us. As Julie mentioned earlier, it is one of the most important 'unlocks' for us to see.

**Tony Wood:** Just to remind you, there is a full dataset available at the end of this half, so we will update you on it next half. Confidence in the data comes from very clear PK/PD relationships from our *Nucala* experience. I'll leave it at that rather than getting into any more details.

**Luke Miels:** It's really interesting. I'm excited about *depemokimab*, this is me being excited, Tim!

**Emma Walmsley:** You have to translate the Australian accent! This is max enthusiasm!

**Luke Miels:** Exactly, max enthusiasm! You have a validated mechanism that physicians are aware of, you have this trend towards remission, you have a Part B component which obviously has certain incentives in the US environment, which is encouraging. The physician has total control over compliance, and we know from our

market research that patients would prefer something twice a year versus 26 times a year, or 12 times a year or six times a year.

The other important thing is, we've compacted the lifecycle management, so all the indications, PGPA, nasal polyps, etc., arriving within two years of launch, with the exception of COP, in contrast to *Nucala*, which is six-plus years. It is quite exciting.

In terms of *Blenrep*, we will present some interesting data at ASCO. As you know, haematologists, oncologists are very comfortable managing toxicity. I think the main question that struck them was around the appropriate dose and the scheduling. We had a lot more insight from that from DREAMM-7 and DREAMM-8, and also some of the Phase 4 work we have done. No doubt we will cover that in more depth, but I think we have a different picture, and then also helpfully the first-line with the EMRD shift with the FDA is also helpful in terms of lifecycle management with *Blenrep* and compression of launch timeframes.

**Tony Wood:** Just to add to that, reversible, transient and manageable. Those are the three words to think about, and I'll point you to a first-line ISS study that was published in the European Myeloma Network in April, if you want to get a sense of what sits behind those three words.

**Nick Stone:** In the spirit of keeping this to time, I think we will have to close the call. Emma, if there is anything you want to add as closing comments?

**Emma Walmsley:** Just to repeat, a very strong start to 2024, another quarter of excellent performance and physically continued pipeline progress. This whole team and all that support them, remain strongly committed to delivering our potential and more.

We look forward to catching up with many of you on calls in the coming days and over the months ahead. Thank you.

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