GSK plc

GSK plc - Q1 2025 Earnings Call

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Event Participants

Executives 6
Constantin Fest, Emma Walmsley, Luke Miels, David Redfern, Julie Brown, Tony Wood

Analysts 7
James Gordon, Kerry Holford, Jo Walton, Graham Parry, Simon Baker, Rajan Sharma, Sarita Kapila

Constantin Fest Executive

Ladies and gentlemen, a very warm welcome to this GSK Q1 2025 Results Call. My name is Constantin Fest , new Head of IR at GSK, and I'm delighted to be joined today by Emma Walmsley, Luke Miels and Julie Brown. I'm pleased to say Deborah Waterhouse, CEO of ViiV, returned this week full time; but David Redfern, Chairman of ViiV, will be covering HIV today. Tony Wood, our CSO, will also be joining us for Q&A.

Today's call will last approximately 1 hour with the presentation taking around 30 minutes and the remaining time for your questions. [Operator Instructions] Before we start, please turn to Slide 3. This is the usual safe harbor statement. We will comment on our performance using constant exchange rates or CER, unless otherwise stated.

I will now hand over to Emma on Slide 4.

Emma Walmsley Executive

Thank you, Constantin, and it's great to have you onboard, and welcome to everybody joining us today. Please turn to the next slide. GSK continues to make strong progress. Group sales were up 4% this quarter. Core operating profit grew 5% and core earnings per share also rose 5% to 44.9p.

This performance was in line with our expectations and again demonstrates the quality, strength and resilience of GSK's portfolio. Sales growth was driven by Specialty Medicines, our largest business, up 17% with strong contributions from Respiratory, Immunology and Inflammation, Oncology and from HIV. As expected, Vaccines sales were down 6% and General Medicines sales were broadly stable.

R&D delivery has continued with 2 out of the 5 FDA product approvals we expect in 2025 now secured. And we completed the acquisition of IDRx, which adds another very promising

oncology asset to our pipeline. Cash generated from operations was over GBP 1 billion, providing further funds to invest in growth and to deliver returns to shareholders. Our dividend for the quarter increased to 16p, and we've commenced the GBP 2 billion share buyback program announced in February. Alongside this, we are proud to have sustained progress with our trust goals and estimate that in the last 4 years, GSK has reached at least 2 billion people with our vaccines and medicines, including through our global health work.

Finally, we're confirming the financial guidance previously given for 2025.

Next slide, please. We continue to make good progress on delivering R&D productivity improvements and future growth opportunities. As we said at the full year, R&D is very focused on delivering the potential of 14 key pipeline opportunities, all of which are expected to launch between 2025 and 2031 and all of which have peak year sales potential of more than GBP 2 billion. This portfolio demonstrates the strategic shift we've made to develop more specialty medicines, many of which offer long-acting preventative type care and better adherence for patients. Along with the recent approvals for Penmenvy and Blujepa, we continue to expect FDA approvals for Nucala COPD imminently, Blenrep in July and depemokimab by the end of the year.

Innovation in our pipeline also continues to be recognized. We received another breakthrough designation for our novel ADC targeting B7H3, and we look forward to sharing more data from our ADC programs later this year. This quarter, we also presented data from our high-potential HIV injectable portfolio at CROI, including positive data from our third-generation entity, which advances our leadership position in the development of long-acting agents to treat as well as prevent HIV infection.

Our #1 priority for investment means growth through innovation organically in R&D and with continued targeted business development, and we're specifically prioritizing investment to key assets in RI&I and Oncology, alongside long-acting HIV and core vaccine opportunities. On a broader investment front, we were also very pleased to break ground on our new state-of-the-art manufacturing facility in Marietta, Pennsylvania this quarter. This is squarely targeted on increasing manufacturing capacity to new pipeline products in the U.S. and means that GSK will have 6 manufacturing sites in America.

Next slide, please. We remain highly confident in our commitments to growth. Whilst there are clearly elevated levels of uncertainty in the macro environment right now, including from possible sector tariffs, we start from a position of strength. Our momentum, together with the strength of our portfolio, the resilience we've built into our supply chain and our proven capability to drive operating leverage mean we have the ability and options to navigate and mitigate this. This underscores our confidence that 2025 will be another year of profitable growth and why we remain on track to deliver our guidance and our outlook.

With that, I'll hand over to Luke.

Luke Miels Executive

Thanks, Emma. Please turn to the next slide. In Q1, we delivered GBP 7.5 billion of sales, up 4% versus last year, demonstrating the resilience of our diverse medicines and vaccines portfolio. As Emma mentioned, growth in the quarter was driven by Specialty Medicines,

which continued to more than offset anticipated headwinds in our Vaccines business.

By region, growth was driven by Europe, up 11% with the U.S. up 4% impacted by a challenging comparator base and the introduction of the IRA which, as previously stated, we anticipate to be a GBP 400 million to GBP 500 million headwind throughout the year.

Next slide, please. Specialty Medicines continued its excellent momentum, growing 17% in Q1 with strong performances across all therapy areas. In addition, 3 of the 5 product approvals we expect this year are in Specialty Medicines, that's Blenrep, Nucala in COPD and depemokimab, and I'll talk about them shortly.

RI&I was up 28% in the quarter. And within that, Benlysta, our treatment for lupus, were 39%; and Nucala anti-IL5 biologic treatment grew 21% with both of these benefiting from strong demand as well as the comparator, which saw U.S. channel inventory reductions in Q1 last year, a benefit of which will not repeat in the remainder of the year.

In Oncology, Q1 sales were up 53% with sales of Jemperli and Ojjaara more than doubling. Jemperli, the only immuno-oncology-based treatment shown across survival benefit in endometrial cancer, continues to see increased patient uptake in the U.S. and Europe, following all-comers approval for primary advanced or recurrent endometrial cancer. And Ojjaara sales were driven by high U.S. volumes and strong uptake following the new market launches in Europe and international.

And this market expansion continued in Q1 with launches in Spain and Italy.

We expect a very strong momentum in our Specialty Medicines portfolio to continue and reconfirm our 2025 sales guidance of low double-digit percent increase.

Next slide, please. Innovation is our priority, and we've got 3 exciting approvals expected in Specialty Medicines this year. Blenrep was approved in the U.K. earlier this month and has an FDA PDUFA date in July with a projected overall survival benefit of 33 months in DREAMM-7 compared to standard of care, manageable safety profile and low treatment burden. Feedback from physicians is that Blenrep could redefine second-line multiple myeloma treatment.

Dose interruptions enable them to manage ocular side effects, and it's an immediate 30-minute infusion administered in a community setting, which is where 70% of the patients are treated in the U.S.

We're also being very thoughtful about the launch which, as I said in the past, will be staged. We'll work hand-in-hand with individual physicians and patients to ensure dose management is understood and the ophthalmic support network is in place. Laying this groundwork will help firmly establish Blenrep in the second-line multiple myeloma market and demonstrate the benefits of this transformative medicine. Turning to Respiratory. GSK has been a leader in the prevention and treatment of respiratory disease for more than 5 decades.

In 2015, we launched Nucala for severe asthma, the first monoclonal antibody to target IL-5. Next week, we're expecting FDA approval for our major new indication to Nucala to treat COPD, the third main cause of death worldwide affecting more than 300 million people

globally. And we've got an experienced skill force in place and are ready to launch. And we expect that the full -- to share the full Phase III MATINEE, the MATINEE trial results very soon, including data on the reduction of most serious exacerbations, which lead to hospital presentations, which are known to be the strongest indicator of disease progression and death. Also in Respiratory, depemokimab, our exciting new anti-IL5 medicine with 6-month dosing, which has been filed in all major markets for approval in both severe asthma and chronic rhinosinusitis with nasal pulps with the U.S.

FDA decision is expected towards the end of the year.

In a pooled analysis of the SWIFT pivotal studies in asthma with type 2 inflammation characterized by blood eosinophil count depemokimab demondstrated a 72% reduction in exacerbations requiring hospitalization, and feedback from the asthma community on these data had been very positive. In a poll of pulmonologists, 86% think depemokimab could become a new standard of care and 82% said they would consider prescribing depemokimab ahead of alternative biologics.

So this is clearly a significant opportunity to increase the to increase the uptake in bio naive patients. Given rates in asthma remain low, we estimate that only around 21% of eligible asthma patients currently receive a biologic with patients potentially benefiting from increased adherence from a twice yearly dosing schedule, and we anticipate that depemokimab will also capture share from shorter acting alternatives. And this underpins our confidence in depemokimab's multi-billion pound peak year sales potential.

I'll now turn over to David to cover HIV.

David Redfern Executive

Thank you, Luke. We continue to deliver strong growth and momentum in HIV treatment and prevention with sales growing 7% driven by competitive execution and strong patient demand for our industry leading innovative portfolio in Dovato, Cabenuva and Apretude, all with gold standard integrase inhibitors at the core. In the U.S., we saw strong double-digit volume growth driven by long acting, partially offset by some impact from the implementation of the IRA and from channel mix.

Our leading oral 2 drug regimen, Dovato, continued to grow strongly in all regions at 19%; while our long acting injectables, Cabenuva and Apretude, grew 38% and 63%, respectively. We remain delighted with the strong and continued momentum of our long acting portfolio. Cabenuva is the first and only approved long acting and general regimen for the treatment of HIV, with 77,000 patients globally now benefiting from this transformative medicine. We shared data at the CROI conference in March, demonstrating Cabenuva's high long term effectiveness in real world studies, including almost 15,000 people living with HIV. These data underline the high patient preference and treatment satisfaction for Cabenuva compared to daily pills.

Apretude, the first and only approved long acting option for HIV prevention, is now benefiting 21,000 individuals in the U.S. We remain confident in the competitive profile and growth of Apretude with strong efficacy at more than 99%, safety, and importantly, overall tolerability across broad populations. At CROI, we also shared implementation study data showing 0

cases of HIV acquisition as well as high persistence addressing adherence challenges some face with orals.

The potential for the long acting market remains significant with the total HIV market today worth more than GBP 22 billion and with treatment accounting for 90% of this. We expect the use of long-acting injectables to continue to rise significantly through strong patient demand, physician belief in their unique benefits and increased infrastructure to support their administration. Given the strong start to the year, we remain confident in our 2025 guidance of mid-single-digit percentage growth driven by strong volume growth, partly offset by pricing dynamics through the IRA and channel mix.

Next slide, please. At CROI, we shared exciting data highlighting our great HIV pipeline progress, including 3 high potential assets in our treatment pipeline. Delivering the best resistance profile of any entity we've seen to date, we were delighted with the Phase IIa data for our third generation INSTI, VH184. Results demonstrated rapid and high potency, positive safety results and no drug resistant mutations. This promising early data supports further development of VH184 as the backbone of our next generation of HIV treatment regimens with IP cover through to 2039.

We also shared Phase IIb data showing our bNAb N6LS achieved high efficacy and tolerability. These results, combined with pharmakinetic data, support progressing this asset to explore 6 monthly dosing. We look forward to seeing Q6M data in the next phase of this study.

Moving on to VH499, our investigational capsid inhibitor. Data from a Phase IIa study also showed potent antiviral activity and favorable safety, again supporting further development of this asset. With these multiple data readouts, we remain on track to confirm the assets that will deliver 6 monthly dosing for treatment in 2026 with our Q6M registrational study start planned in 2027. As you can see in the slide, we expect our Q6M regimen to contain a combination of 1 of 3 long acting entities, CAB ULA, VH184 or VH310 with either bNAb N6LS or VH499, our capsid inhibitor. And then turning to Q4M.

Our PrEP bridging study is fully recruited. We expect data in mid-2026, and we anticipate starting our Q4M treatment registrational study by the end of this year. As pioneers in long acting injectables, we are focused on the next generation of HIV innovation with integrase inhibitors, the gold standard for HIV treatment and prevention, at the core. We remain confident that our pipeline, including 3 new INSTIs in development and 5 planned launches will continue to drive performance over the coming decade. And we will share more at a Meet the Management event in Q2 2026.

With that, I will hand back to Luke.

Luke Miels Executive

Thanks, David. Turning to Vaccines. Sales for Q1 were over GBP 2 billion, down 6% on last year, in line with the expectations. Shingrix sales declined 7%, with growth in Europe partially offsetting lower sales in the U.S. and international.

As anticipated, the pace of penetration in the U.S. is slight with cumulative immunization rate

reaching 41% at the end of 2024. Sales in international were impacted by the annualization of rapid uptake from the National Immunization Program in Australia in quarter 1, 2024 and the agreed lower supply to our co-promotion partner in China.

In Europe, strong growth was driven by the excellent launch in France and good performances in other European markets, including Spain, the Netherlands, Italy and Greece. Shingrix has now launched in 54 markets with recommendations in more than 40 markets and national reimbursement programs in '24. Growth outside the U.S. this year will be supported by expanded funding, the launch in France and a new Japanese national subsidy for shingles vaccination. The average immunization rate across top 10 markets outside the U.S.

is now around 8%, so there's still a significant opportunity for Shingrix ahead.

In meningitis, our portfolio was up 20% in Q1 with strong double digit growth across Europe and international. primarily driven by Bexsero. In February, we received U.S. FDA approval of our new pentavalent vaccine, Penmenvy, and we're pleased to also have to receive an unanimous recommendation from the Advisory Committee on Immunization Practices, or ACIP, to the CDC. And in time, we expect this vaccine to simplify immunization schedules, increasing coverage and protection against a serious life-threatening illness.

Turning to RSV. Arexvy sales were down 57% in the quarter against a challenging comparator and the impact of restricted ACIP recommendations. However, Arexvy continues to be the U.S. market leader, retaining 55% of the older -- adult vaccination share. Few weeks ago, ACIP voted unanimously to recommend adults aged 50 to 59 at an increased risk to receive an RSV vaccine.

We welcome the expanded recommendation, which opens up access to a cohort of around 13 million people in the U.S. Although in the current vaccine environment, you don't expect a significant upside this year. And this market will take time to build. But we remain confident in the long term importance of this vaccine. We also presented a 36 month immune response data from 004 study, and the data provided evidence to support future revaccination with Arexvy, underpinning our strong belief that a revaccination will be required with our base case at 5 years.

We also expect more data on this in 2026. Outside the U.S., Arexvy has launched in 37 markets with recommendations in 18 of these markets and national reimbursement programs in 6 with more to come. Although it's preseason, we are seeing some early access moment outside the U.S. and particularly in Germany, following a recommendation and reimbursement.

As expected, established vaccine sales were impacted by nonrepeating prior year sales partially offset by higher U.S. demand for our measles, mumps and rubella vaccine. Overall, we continue to expect vaccine sales to decrease low single-digit percent in 2025 while remaining confident in the medium- to long-term prospects of this business and pipeline.

Next slide, please. Turning to General Meds. Respiratory sales were up 1%, driven by Trelegy, which was up 15%, which benefited from a continued patient demand, SITT class growth and increased market share. Trelegy is the #1 brand in asthma and COPD worldwide and it's the

cornerstone of our COPD treatment portfolio and is soon to be complemented by a new biologics that are on -- that are an add-on to Trelegy as standard of care, cementing our leadership in the COPD space and reflecting our long legacy of leadership in respiratory health. Overall, General Medicines sales were stable in the quarter with Other General Medicines down around 3%, owing to continued generic competition as expected.

In March, we received FDA approval of Blujepa, a new antibiotic treatment to treat uncomplicated urinary tract infections. We're on track to launch in the second half. We will focus on building access over time. Later this year, we'll be pursuing a regulatory decision for the second indication in urogenital gonorrhea, and we plan to build on our anti-infectious portfolio in the coming years. Overall, for the Gen Meds portfolio, we continue to anticipate sales to be broadly stable in 2025.

I'll now hand over to Julie.

Julie Brown Executive

Thank you, Luke, and good afternoon, everyone. Next slide, please. Starting with the income statement for the quarter with growth rate stated at CER. GSK has started 2025 well, carrying momentum through from 2024 with sales increasing 4% and core operating profit growing 5% against a very strong comparator base of 35% growth last year. Sales benefited from the continued strength of specialty, up 17%, more than offsetting the expected decline in Vaccines.

Volume growth more than offset price erosion, stemming from the Medicare Part D redesign implemented at the start of the year. And as Luke mentioned, the impact of this through the first quarter was in line with our expectations. Turning to the income statement. We have delivered another quarter of operating leverage. Gross profit benefited from product mix as the portfolio continues to transition towards higher-margin Specialty Medicines.

SG&A increased 8% year-on-year but or 4% excluding the Zejula royalty credit last year. And royalty growth was up 21%, driven by prior year true-ups. These factors have supported the delivery of 5% operating profit and EPS growth or 8% operating profit growth, excluding the Zejula credit.

Turning to the total results. The significant growth in operating profit predominantly resulted from lower CCL charges compared to last year and foreign currency movements.

Next slide, please. This chart illustrates the substantial margin progression we have continued to deliver on an underlying basis, driven by benefits from the transition to Specialty Medicines as well as our ongoing disciplined returns-based approach to investment. Core operating margin improved to 33.5%, up 130 bps, excluding the prior year's Zejula credit or 30 bps year-on-year in total. Accretion was driven by mix as gross margin benefited from the strong growth of higher-margin Specialty Medicines, including one-off benefits from Nucala and Benlysta comparator bases, as Luke mentioned. We continue to invest in our key products, including Blenrep, depemokimab and Ojjaara with underlying SG&A rising broadly in line with sales.

And for the full year, we expect SG&A to grow at low single digits as we allocate resources to

support our launches over the coming 12 months. R&D grew marginally below sales this quarter and is expected to accelerate as we progress through 2025, driven by investment in our next wave of key specialty pipeline assets.

Next slide, please. Turning to cash flow with commentary before the one-off impact of Zantac payments. Cash generated from operations was GBP 1.4 billion. CGFO improved GBP 0.2 billion, reflecting higher operating profit and favorable movements in RAR, partially offset by adverse movements in receivables driven by higher Arexvy and Shingrix collections last year. Free cash flow improved by GBP 0.5 billion, excluding Zantac, supported by a favorable CapEx comparator that included upfront BD payments last year to [Hansoh].

Zantac payments this quarter totaled GBP 62 million, and we now expect GBP 1.2 billion of payments to be phased over the remainder of 2025, GBP 0.5 billion expected in Q2.

Next slide, please. Through the quarter, we've continued to deploy cash in line with our capital allocation framework whilst ensuring this remains underpinned by a strong balance sheet. Free cash generation pre-CapEx was over GBP 1 billion, which supported investment in our Oncology pipeline through the purchase of IDRx, as Emma mentioned earlier, and our continuing commitment to shareholder returns. We have rendered over GBP 0.8 billion to shareholders through the dividend and the buyback, where we completed nearly GBP 0.25 billion in Q1. We remain committed to investing for growth and providing attractive and growing shareholder returns.

Next slide, please. We're very pleased with the business performance, which as outlined was driven by strong growth of key products and higher-than-anticipated royalties. These results reinforce our confidence in the delivery of our full year 2025 guidance of 3% to 5% sales growth and 6% to 8% operating profit and EPS growth. Royalty income for the year is now expected to be higher than previously guided at GBP 750 million to GBP 800 million, including an IP settlement related to RSV agreed in April, comprising an upfront to be credited in Q2 and a future royalty stream. This additional income will be reinvested in the pipeline this year with R&D investment growth now expected to be slightly ahead of sales.

In terms of phasing, we continue to expect profit growth to be second half weighted albeit to a lesser extent than previously anticipated with Q2 now benefiting from the IP settlement. More details around phasing and the modeling assumptions are contained within the appendix.

Looking beyond, we remain confident in our medium and longer-term outlooks to 2026 and '31. Should tariffs be imposed, as Emma mentioned, we are well prepared and start from a position of strength. We have identified potential mitigating options in supply chain and increased productivity initiatives, and we remain committed to sustained investment in our pipeline and launches. Next slide, please. Turning to our road map.

On the back of 13 positive Phase III readouts last year, GSK has carried pipeline momentum into Q1 with 2 new U.S. approvals as highlighted. Looking ahead, we expect 3 more approvals for Nucala COPD, Blenrep and depemokimab this year with PDUFA dates in May, July and December, respectively. We expect all 3 to be important growth drivers for GSK. And over the next 2 years, we expect this momentum to continue as our pipeline delivers new growth

drivers, and we look forward to 15 Phase III and pivotal study readouts in respiratory hepatitis, long-acting HIV and oncology.

And with that, I will hand back to Emma for her closing remarks.

Emma Walmsley Executive

Thanks, Julie. So to summarize, GSK is delivering with a good start to the year. Momentum in our portfolio is supporting our ability to continue to deliver mix improvement, operating leverage and cash flow. Despite the environmental uncertainty, we continue to expect 2025 to be another year of profitable growth, and we remain very focused on investing in the pipeline, targeted business development and successful launches to fuel further growth to achieve our potential and more for patients, shareholders and our people.

Thank you very much. And with that, we will now open up the call to Q&A.

Constantin Fest Executive

[Operator Instructions] Now the first question. First question comes from James Gordon from JPMorgan.

James Gordon Analyst

James Gordon, JPMorgan. First question would be new launch expectations. So two important approval decisions coming up, Nucala COPD, May 7 and Blenrep July 23. So assuming things are still operating as normal with FDA and you get the time approvals, what are your latest thoughts in terms of how those launches go? What are the gating factors and best precedence for how they go?

And could we see strong uptake already in H2? Or are these more 2026 stories? I guess, I think for Blenrep, could ocular talks and education around that or other things you need to do around that be a barrier to a fast launch? For Nucala is [Dupi] COPD, the precedent? That's the first question, please.

And the second question was on tariffs. So I heard the comments have been well positioned and also that there could be some mitigating options and productivity offsets. So can you elaborate like what would the impact be, let's say, it's a 25% tariff on bringing product from outside the U.S. into the U.S.? What would the impact be on GSK?

And how quickly could you have these offsets or productivity benefits? Would it be that you'd actually move U.S. manufacturing or something else? And is there like an inventory or other cushion? Is that what you can be referring to?

Emma Walmsley Executive

It's quite in there, but let's start with what matters most, which is the exciting new launches we're bringing. And across that portfolio, Luke, perhaps you'd like to kick off there, and then I'll back on tariff.

Luke Miels Executive

Sure, Emma. Thanks, James. Quite a lot there. So I'll cover order, and Tony jump in if I missed anything. I'll go through Nucala first.

I think I'll touch on Penmenvy because we'll get questions on that on depemokimab and Blenrep. I won't cover Blujepa because I covered that in the opening interim.

I think first with Nucala COPD, I mean, yes, may say that PDUFA is on track. The MATINEE data is going to be published very soon. So it's limited, what I can say. But in big picture terms, in terms of apples-to-apples comparison to the Dupi. I think we're very competitive.

We also had a wide spectrum of patients for emphysema, combined emphysema and chronic bronchitis patients and then singular chronic bronchitis patients as well. So from a physician point of view, that's very appealing because it can be difficult to stratify these patients at time. So that's simpler for their practice.

The important thing when the results are released, the trial was designed to look at hospitalization and emergency department visits, which the GP studies didn't in their protocol design. So that's an important measure when you look at pulmonologists and what they consider to be critical when they're employing a biologic in these refractory patients. If you look at market research, it's very supportive, and that's grown over time. About 83% of pulmonologists when we show them the profile of the product are very motivated to use Nucala in COPD. Now I would counter this with pulomonologists generally are pretty conservative in the usage of biologics, I said earlier, around 21%.

So I think that needs to be in terms of your ramp factored in. The other thing we've that, of course, being second, we're looking very, very closely at Dupi where their access is, their user base, why people are using it. So I think we're very much looking forward to the launch. We've had a whole successful series of indications and expansions with Nucala. So the capacity of doing this is -- I think we've got a good track record.

So we're looking forward to having fun with competing against Sanofi there.

In terms of Penmenvy...

Constantin Fest Executive

Luke, sorry, before you -- just one additional point to stress for the study. And as you say, we're looking forward to presenting the data very soon now. Important to recognize that the study was conducted over a 2-year period. That is critical for a disease whose survival rate of 5 years is only 50%.

Luke Miels Executive

Yes, absolutely. And I think 11% mortality is correct if you are admitted, which again is why when we do the surveys with physicians, they cite hospitalization as a key parameter. Now in terms of Penmenvy, so that's our pentavalent meningitis vaccine. Just as a reminder, we have a very strong position as a global leader in meningitis and with Bexsero, our men B vaccine, we get about 75% market share in the U.S. That's really driven by -- its 110 strain coverage and it's really perceived to be the stronger of the 2 men B vaccines.

That's important because when you deploy or use a pentavalent vaccine, you need to use with the subsequent B follow-up, that I'll explain in a minute, you need to use the B vaccine that was embedded in that pentavalent, which we believe gives us a good position.

So we have passed the first of 2 steps, so FDA approval and then the ACIP recommendation on April 16. The schedule that's signed off is the same as Pfizer's. And I mean it is more complex and ACIP has signaled that they intend to evolve this, which I'll come back to in a minute. But basically, if you look at the numbers today, first shot is with ACWY, which is stipulated as a routine vaccine by ASIP in the U.S. So about 90% of kids in the U.S.

actually get that vaccine. Then when you sort of have these kids progress to 16 to 18 years of age, adolescents, the schedule is that they should have ACWY as a routine. And today, about 60% of those kids get that vaccine. So quite a big drop off. Now the position at that point based on shared clinical decision-making, can either use -- can use a B shot, and around 32% of kids get that shot in the U.S.

And then there's a subsequent follow-up second booster shot with meningitis B. But only about 13% of adolescents or children in the U.S. get that one. So quite a substantial drop-off from 90% down to 13% despite the fact that it's a very, very challenging and potentially lethal strain. So what ACIP signed up on the other day was that instead of that ACWY B combo, after that initial ACWY shot, using clinical decision-making, the pediatrician can elect the use of penta -- pentavaccine like Penmenvy and then follow that up with a B.

So if you're confused at this point. Then again, a lot of pediatricians are confused. They have to stop 4 vaccines. Now where ACIP has indicated where they want to go, and that's the third step. It's a simpler regime where basically it would ACWY initially, but the penta and then B follow-up would be risk-based.

And that's an important shift. Because with risk-based, that supports a broader use. It enables physicians to look specifically into who should be vaccinated. So for example, 18-year-old going after college would be a classic there. And it's an opportunity for us to expand coverage.

So again, initial the launch now with Penmenvy will be relatively small because of this change that pediatricians and payers are waiting for. And the aim is ACIP has signaled that they will look at that in October or early next year. So hopefully, they cover that in October. Okay. Third one?

Anything on that one, Tony?

Tony Wood Executive

No. You're good at that.

Luke Miels Executive

So depemokimab, very, very exciting. I think the more that this product is profiled, remember, we can't promote these products. They're not approved. Physicians get access to the data through academic congresses, publications, et cetera. And again, I think the main problem when you look at biologics is just the lack of penetration despite excellent insurance

coverage and you have a really high burden for these patients in terms of severe disease, exacerbations, hospital admission.

But still, as I said earlier, only 21% of patients get a biologic. And what's interesting is if they do get a biologic, about 65% of them across biologics discontinue in the first 12 months. So to me, that's very, very attractive for an effective or long-acting 2 shots a year, which really reduces patient burden. It gives the physician confidence that the patient has coverage and the shot will be in the U.S. given within the clinic.

So the physician has total control of efficacy in that patient. When we look at market research, it continues to strengthen. So if you -- I think this is a great test. If we ask HCPs in Europe and the U.S., in the U.S., 45% say they use it bio naive immediately, around 54% in Europe. Again, that's without education, promotion, et cetera.

And then 66% of them in both the U.S. and EU would consider switching established patients on biologics across to depemokimab. And then when we look at patients, 6 out of 10 patients say that's clearly easier for them in terms of versus every 2 weeks that they have with dupilumab right now going to twice a year. And 9 out 10 said they switch if their doctor recommended it.

So I think we've got an evolving very, very competitive product here. We have established success in severe eosinophilic asthma. The target is well known. The profile is established. So again, I think that one, we should see an encouraging launch in about -- yes, I mean, in terms of the source of patients, we'll get about -- we're targeting about half of them, that's what we want to target initially, is to get naive patients who don't have obviously complicated histories on the product.

But again, I think the difference, the other 50%, some will come from Nucala, some will come from other products. And then finally, anything on that, Tony?

Finally on Blenrep. I mean, again, on track in terms of the July approval date. I mean, the DREAMM-7 data, I think, is -- when we look at market research is incredibly compelling. I think one note of caution when you do see other surveys, we're not out there promoting the product yet. So we're limited, obviously, and what we can do beyond publications and presentations.

But clearly, I think the progression of daratumumab into the first line opens up a big opportunity for Blenrep in that second line. But I'm cautious in terms of how we introduce it. Because if you look at the options that they have in second line right now, particularly through community-based heme oncologist, who treat 70% of these patients and clearly want to retain these patients in their practice for as long as they can. But Blenrep really is a compelling option. They're not really seeing CAR-T as an option in the community because of the complexity of CAR-T.

And I think as CAR-T has evolved, the benefit-risk profile continues to become more complex. If you look at biospecifics, then again, a very rigorous induction process, hospital admissions, complicated dosing, partly frequent dosing. And I think what's increasingly emerging is this infection risk, which right now when we look at market research, we -- it seems like community-based hem/oncs are underrepresenting that versus what the data has been

published so far. So I think as they start to use those products and get experience with them that will increase.

In contrast, with Blenrep, we've got a very, very well-known benefit risk profile of 7,000 patients being exposed. Clearly, we know the focus needs to be on managing the ocular side effects, which are reversible. I think the stats, Tony, you want to cover that in terms of just how many patients are impacted, how quick it reverses maybe, Tony, give some color on that.

Tony Wood Executive

Yes, let me -- just on some data before I get into that. A reminder for everyone that we have 42% reduction in risk of death in the DREAMM-7 study. That is a projected 33 months of additional life And then just to quickly cover the numbers on the ocular side effects that are important. 66% of the individuals on the DREAMM-7 study had no vision changes. 32% had blurred vision, but that was for only 11% of the total time on treatment.

And only 2% had serious effects, which were all reversible.

Luke Miels Executive

We're busy.

Emma Walmsley Executive

Yes. So I think the headline level, James, these are important launches with meaningful data for patients and prescribers. I think we are cautious in terms of materiality of contribution this year. Luke has often described the Blenrep launches, go slow to go very big. And we know that whether it be there or in our ongoing emergence of Oncology or indeed in Respiratory, these are very material contributors to the next chapter of growth on the '26 and '26 to '31.

Quickly on tariffs. No, I'm not going to add a huge amount to what's already been said. First of all, what's in our guidance for this year is obviously the tariffs that's already been announced. But I'd refer you to our press release where we're very specific that in the face of potential sector-specific tariffs, and we obviously have been very focused on preparation in a lot of detail, and we looked heavily at other 232 reviews, we think we have multiple levers, and we see we have multiple levers at our disposal to both navigate and mitigate this. And the 3 main ways we think about this are, first of all, already through the enormous amount of deliberate work that was done through the separation to create regionally resilient supply chains.

It was good to see, as I said, a break around on the 6 manufacturing site, and most of our U.S. products, in some way, touch the U.S. supply chain as well. And we have dual sourcing when we look across other regions. Obviously, we're delighted, secondly, with the shift in the gross margin through our deliberate intent on more specialty products.

And then thirdly, it's about delivering and accelerating already identified productivity improvements across various areas in the P&L, but we definitely believe we have further opportunity there. So we are prepared. We have a lot of agility and detailed work underpinning this. And we think we can navigate and mitigate in the interest of patients and GSK shareholders, which is where we're confident in our reaffirmation of outlooks.

Next question, please. I'm hoping we've covered an enormous amount on the launches already, which made sure of some of the others.

Constantin Fest Executive

Next question comes from Kerry Holford from Berenberg.

Kerry Holford Analyst

A couple for me, please. Firstly, on vaccines. I wonder if you can talk to your experience so far with the new U.S. administration, vaccine business demand, I guess, given the negative rhetoric. Are you seeing a negative impact on the demand of your vaccines in the U.S., particularly within the pediatric space?

And I'd love to hear your views on whether there is a risk now that RFK Jr. makes it more difficult to secure future approvals perhaps here, indeed, at some point, a booster for Arexvy in the future. So just your feedback and your views on the U.S. vaccines market as it stands today. And then secondly, on Medicare Part D redesign.

I think you did reiterate the GBP 400 million to GBP 500 million headwind for the year. And you did say, Julie, that it was within your expectations in Q1. I wonder if you can quantify that. And also, do we expect around half of it still to be centered on HIV?

Emma Walmsley Executive

Yes. I mean, Julie may add to that. But I would say we are absolutely spot on, on where we thought we would be around the Part D impact and including by product area. So HIV, you're right. Anything else on that?

Julie Brown Executive

Yes. No, I think it's a good summary. Kerry, we were bang on expectations. HIV is the largest part with GBP 150 million to GBP 200 million. Specialty is the next one because they tend to be the more expensive medicines.

And then the balance is across Vaccines in Gen Med. We've treated it on a straight-line basis over the quarters. So the cost of it is evenly spread throughout the year.

Emma Walmsley Executive

Yes. On Vaccines, we get -- Luke may want to add to this, but we gave, as you know, a cautious outlook on the year on vaccines. We're exactly where we thought we would be at this stage. And remember, with a really challenging comparison versus last year on our vaccines business. None of this takes away from our fundamental confidence in the field and our ambition for the pipeline over the medium term.

And we seek to separate between speculation and actual experience. And obviously, it's been good to get the approval of Penmenvy and a double unanimous vote at ACIP. We have to see where CDC comes out. I mean, look, in terms of what we're seeing in terms of consumer behavior or I mean, the pediatric you, commented actually. Would be good to hear anything you'll add.

Luke Miels Executive

Yes, sure. Thanks, Emma. And yes, Kerry, I mean, I think there's a couple of ways I can cover this. I mean, firstly, the facts are that ACIP has just given the green light to a pediatric vaccine with Penmenvy. So I think that's encouraging.

Of course, it needs a signature. But I think that's a good directional sense. If you look at our established vaccines overall, which include a lot of pediatric vaccines like MMRD, they were down a little bit. But that's really due to phasing. So AS03 phasing in Canada, rabipur and some EU clawbacks, whereas our MMRV vaccine in the U.S., I mean, overall is up 25%.

So I think that's also encouraging. If you look more broadly, we do track vaccine hesitancy and attitudes to vaccines. If you look within -- I think one of the numbers I was looking at the other day is within Arexvy. If someone declines Arexvy, right, it's strongly recommended by physicians, particularly the 75 age group -- 75-plus age group. When we look at why does someone decline and not do that, it's only 17% of the cases that they say they're against a vaccine.

So let's see in time. But so far, so good. I think with Arexvy, the impact is more predating the current administration which really ACIP's decision in June of 2024, which no doubt we'll get back to later on. But so overall, I think to Emma's point, cautiously optimistic in terms of the direction that we set.

Emma Walmsley Executive

And in terms to your specific question on revax, you know, our base case for that is 5 years. We -- the data that will be presented on that as much -- is going to be coming through in 2026. And the earliest, if it's a 5-year base case, I mean, let's see, but it isn't until 2028. Honestly, I think this will have the current, if I can say, environmental uncertainty will have settled down pretty clearly by then. And obviously, ongoing questions around COVID vaccination are pertinent for us.

Next question please.

Constantin Fest Executive

Next question comes from Jo Walton from UBS.

Jo Walton Analyst

Can you hear me?

Emma Walmsley Executive

Yes.

Jo Walton Analyst

Excellent. My two questions, I guess, both for Julie. So looking at SG&A, 4% excluding the base comparison. And you've got such a lot of new products to launch, even allowing for the fact that in Respiratory, you've already got people there. As it comes to the antibiotics, as it

comes to camlipixant, et cetera.

I wonder if you can just tell us how long you think you can keep that SG&A growth so low and still be utterly confident that you are giving the very best support that's required for those new products coming through?

And secondly, and it's sort of tariffish related, can you just explain to us or confirm for us that when you ship product around and you ship stuff into the U.S., it's largely at a sort of API-type price so that any tariffs that were put on would presumably be relatively absorbable. We note that in your annual report, you do take quite a big benefit from intellectual property regime elements. So that's presumably an ability to do that in the U.K. and, in particular, in Belgium for vaccines. So I think there is some concern that maybe when you ship your vaccines across to the U.S.

then maybe they go off at a high price including some sort of element of royalty and that would be more difficult to absorb. So it's just the tax sort of and just the confirmation as to how you move your stuff around so that we can do our own work on what broader tariffs might mean to your business initially.

Emma Walmsley Executive

Julie.

Julie Brown Executive

Okay. Thank you very much, Jo, for the questions. In terms of SG&A, obviously, I'm working very closely with Luke and the team on this, and I'll invite him to comment as well. We feel we've got an opportunity. The areas we're launching products in are the areas where we've got a very strong position already possibly with the exception of Oncology, which we're still building.

But we're very strong, as you know, in Respiratory. You've referred to it already. There's a real synergy we found between Arexvy and Trelegy as an example in terms of the launch of Arexvy and the benefit also on Trelegy. So we've worked this through very carefully. We do a multiyear plan.

We look at the launches. We look at how we can reallocate resources from the more mature lines. And we use marketing mix models and various other tools to understand the, I guess, the response rate to the marketing investment that we're making and the field force investment we're making. And our basis is driving continued productivity. And you've seen us drive the P&L quite strongly in terms of the leverage we generated last year, 8 on the top and 13 on the bottom.

And the same this year. We continue to do this. So yes, we're very committed to doing that.

Luke, I don't know if you want to add anything to this.

Luke Miels Executive

Yes. I mean -- I think if you -- if we were having this conversation 5 or 6 years ago, we'd be talking about a primary care structure, et cetera, whereas the reality is we've evolved that

extensively. And when you -- I mean, the products I just covered before, these are dramatically more concentrated, resourcing events, smaller sales forces, less DTC. So yes, very confident that we can support these products and evolve it. And that's really our core bread and butter, our day job to do that.

And again, as the mix moves to more specialty-dominated, that gets easier, of course, because of the factors that Julie has just outlined.

Emma Walmsley Executive

Right. And just on tariff tax.

Julie Brown Executive

On the tariff, yes. In terms of obviously, the supply chain, our supply chain is inherently complex. We've quite frequently, as Emma mentioned, as a result of the demerger, we've got often dual sourcing. The majority of our products are touching the U.S. in some way through the supply chain.

Emma Walmsley Executive

Including vaccines.

Julie Brown Executive

Including vaccines, yes, absolutely. And therefore, we wouldn't be in a position of, obviously, when we're calculating the value of the tariff, if it came. It would all be based on the customs value. And therefore, the API is actually not that relevant in terms of the pricing of this. As Emma mentioned at the beginning, we have done a lot of work on this.

We've looked at multiple scenarios. We're very confident in our position, which really stems from the supply chain dual-sourcing. And it also stems from the productivity initiatives, which are well underway in the company that we're totally committed to delivering.

Constantin Fest Executive

Next question comes from Graham Parry from Bank of America.

Graham Parry Analyst

Just want to follow up on that point on tariffs, actually. So if you've got productivity initiatives there, what's incremental in those? Is R&D, for example, a target? And why wouldn't you have just been doing these before?

Secondly, just wondered on Shingrix. If you could quantify the sales into China where Zhifei with inventory. And actually, do you think you could see some sales this year through the course of the remainder of the year?

And then last one was just on Arexvy. The 36-month booster data that you showed at ACIP on the ISRV conference in Brazil actually showed a lower antibody boost than you saw at the 24-month data. So what gives you the confidence that the vaccine's boostable at all? Because that's sort of staying low and is at the sort of level that saw no incremental efficacy

benefit at the second season.

Emma Walmsley Executive

Thanks. I'll come to Tony to talk about revax where we still have high confidence. That's the most likely scenario. And Luke, may want a sentence on Shingrix. But just to be clear in terms of productivity, of course, this is about our ongoing continuous work to improve the productivity and I would say primarily in SG&A, where we do have sufficient spending, Luke and Julie have really emphasized.

Of course, we all know the best way to drive leverage is better top line, and that's going to be through focusing highly efficiently and effectively on our growth-driving products. But there is always opportunity to do more. By the way, technology is advancing all the time to do -- to enable us to do more.

Now there is ongoing work in terms of continuing improving the productivity of R&D. And likewise, we're going as fast as possible. But as Julie said, our first priority is to continue to increase investment behind the acceleration of the pipeline, whether that be delivered at the current wave or arguably, just as importantly, making sure we set ourselves robustly for ADCs for the next wave of COPD for further life cyle innovation for the accelerated delivery of the BD we're doing, which is why we want to use the settlement we've delivered to increase investments in R&D later this year.

So we're going at all of it as hard and fast as we can. And we see that as one of the levers to pull as we navigate through potential scenarios, which we absolutely do take into account with our modeling forward. But Tony, do you want to quickly comment on revax and Luke a sentence on China.

Tony Wood Executive

Just a couple of great points. And Graham, look, as you appreciate, there's no vaccine efficacy correlate established yet. So just to remind everyone, in terms of the 3-season vaccine efficacy data that we have in the lower respiratory tract population, we got from 83% efficacy in season 1 to 48% in season 3. So we are seeing waning. The immunogenicity point that you raise is a baseline effect.

And if you stratify individuals within that study by the baseline, you see a greater boost with lower baseline.

Emma Walmsley Executive

Go ahead.

Luke Miels Executive

Yes. Thanks, Graham. I mean, on China, look, I've described it as a work in progress, but we are making progress but it takes time. I think the -- we have the right strategic partner. We've reshaped the arrangement.

But I think the macro and POV, point of vaccination, dynamics we're watching very closely, but we are seeing encouraging trends. We had around [GBP 50 million, GBP 54 million] sales in

China in Q1. And we're maintaining a market share of about 2/3 versus [Galway], which is good. Because I think the 1/3 of Galway patients are not our target business anyway because of their out-of-pocket sensitivity. So if we have deliveries and we're watching this closely, there will be from the second half.

Emma Walmsley Executive

Yes. And I think we were pretty cautious in our outlook for China for this year because of the broader macro as you would understand. Next question please.

Constantin Fest Executive

Next question comes from Simon Baker from Redburn.

Simon Baker Analyst

Two if I may, please. Firstly, on the PrEP market. It was a strong performance by Apretude. Gilead reported strong numbers for Descovy and they cited broader awareness of prevention and actually cited your promotional activity. So I wonder if you could just give us an update on the dynamics within the PrEP market in terms of switches versus new to prevention.

And related to PrEP and the U.S. Is there any impact from the shutdown of USAID on clinical trial recruitment? I was thinking of studies like the PALISADE study, which is still showing as ongoing recruiting and others have suggested that USAID is quite handy in terms of trial enrollment and coordination. So any thoughts on that would be helpful. And then one for Tony on camlipixant.

We've got the KALM-1 study coming up in the second half of this year. I just wonder what a good result looks like there. And how relevant is the data that was recently published on the [SOOTHE] study as a road map for the likely outcome of Phase III? And what constitutes a good result?

Emma Walmsley Executive

So David, then Tony, please.

David Redfern Executive

Yes. So thanks, Simon. On the clinical trial side, I mean, there has been some reduction in funding from the federal government to different investigators and different clinical trial networks. That hasn't specifically affected us. It has had some impact across pediatric studies that have been going on.

And obviously, we're working with the community to do what we can there. But there's been no direct impact on GSK or ViiV.

I think on the PrEP market, I mean, through Q1, it's definitely continued to trend. We're very pleased with the performance of Apretude. As I said in my remarks, over 21,000 patients now on Apretude. We continue to build this market. And we know that firstly it is an underdeveloped market.

Only 1/3 of Americans that could potentially benefit from PrEP are getting PrEP. So there's a huge market development opportunity. And we recognize, obviously, competition will go up in the second half of the year, but I think that competition could help expand the market. And there's definitely an opportunity to switch more of the oral patients into long-acting because we know that the persistence and therefore the efficacy is much greater.

And we're very pleased to have 2 real world evidence studies at CROI that I think demonstrated that very clearly in the U.S. and Brazil with the PILLAR and in-PrEP studies that showed 100% efficacy, but importantly, very strong long persistence. So it's always work in progress, and it's a big change for sexual health clinics and physicians to move from oral PrEP to long-acting PrEP in this setup and a whole number of more complex administrative procedures, but progressing well.

Emma Walmsley Executive

Right. Tony, camli?

Tony Wood Executive

Yes. Just on camlipixant and, Simon, I'm not going to disclose what we set as the clinically significant baselines for the [CALM] studies other than to say that both studies were designed with an objective of showing a clinically significant effect on cough. CALM-1 will read out this year. CALM-2 will read out next year. And of course, we won't be disclosing the broader data across those 2 studies until we pull them.

This is typical for our Phase III studies. Just a quick reminder for everyone about why we're interested in camlipixant. This is a molecule whose selectivity profile as many orders of magnitude in excess of related agents. And Simon, to pick up on that, that is very clearly seen in the SOOTHE study in which the taste disturbance which has been a challenge for others was tenfold lower than that for comparator agents.

Just a quick reminder about SOOTHE for you. That was a Phase II study looking at individuals with 25 coughs per hour. And what we were able to show with camlipixant in that study of both the 50- and 200-milligram doses is that a BID regimen achieved a 34% placebo-adjusted reduction in the 24-hour cough frequency.

Julie Brown Executive

Couple more.

Constantin Fest Executive

Yes. Next question comes from Rajan Sharma from Goldman Sachs.

Rajan Sharma Analyst

Just a couple actually. Just ahead of the Blenrep PDUFA, have you had any interactions with the agency on the potential REMS requirement? And if not, could you potentially just talk to your base case assumption for REMS and how potential scenarios here could influence uptake?

And then secondly, just one on capital allocation priorities, just given that valuations are significantly lower than perhaps a year or so ago. Is there a potential for you to be more active on the BD front? Or is the macro backdrop likely to be a limiting factor?

Emma Walmsley Executive

Yes. Very quickly you're absolutely right. Our appetite for BD is -- remains high, and we think there may be some opportunities in this environment. Obviously, we have to be cautious about assumptions on the macro, but that's a question of discipline and returns. But we continue to be busy reviewing and connecting.

So that's still definitely a priority for us. And on the sort of scale of what you see and pace of what you've seen us doing, we're pleased to get IDRx away, but certainly a key priority and capital allocation going forward. Luke, I wonder whether -- well, actually, let's go to Tony first just in terms of FDA, and we're not going to get ahead of ourselves on that, considering it's not very far away, but on your comments on REMS. And Luke, maybe you could just say very briefly how you see that in terms of uptake because I know it's something you really want to invest the time in getting right.

Tony Wood Executive

Yes. And I might just bridge that look with the U.K. approval that we've got And obviously, our regulatory interactions are confidential. So I'm not going to get into the details of those, but it's probably worthwhile stressing, as I'm sure you're aware, that REMS runs are not uncommon for new oncology medicines. You have, for example, for Herceptin, the need for cardiac scans, For Enhertu, the management of interstitial lung disease and doxorubicin on cardiomyopathy.

So within that, it's I think, useful to take a look at the U.K. approval, which requires eye examination for each of the first 4 doses associated with Blenrep. I'll let Luke speak to that and the opportunity for us to set up then relationships with high street providers to complete that. I won't repeat what I said earlier, but the important point is really an understanding of the data in terms of efficacy and resolution of side effects and the severity in the ocular events.

Luke Miels Executive

Sure. Thanks, Tony. I mean, REMS are obviously something familiar to heme oncologists, There's a number of agents used in multiple myeloma that have REMS. I won't break down our assumptions on various REM designs, but I think common sense would say that the less burdensome and more supportive versus the more complicated. But we're spending a lot of time, and let's go back to my earlier point, which is it's really about supporting the physicians.

We understand a lot more about the dosing of this product and dose hold, et cetera. So the behavior of the product and how the ocular dimension can be managed through dose hold and really accessing that overall survival, it's an important component. We're also spending a lot of time on the nuts and bolts of how the patients go through the system? How do you make it as easy as possible for heme oncologists when they've got that patient in front of them who's just progressed on daratumumab, how do you make it as easy as possible that they can put their practice machinery in place in a community setting to get that patient on to

Blenrep? We've also looked at a lot of things like collaborations with optometry groups.

We know that 90% of patients in the U.S. -- or potential patients in the U.S. with multiple myeloma live within half an hour of an eye care professional, which is not surprising because most of them, obviously, the older need some form of glasses like probably a lot of people on this call. So again, we're being very thoughtful about how we navigate that. And I think that's all we can say at this point beyond what Tony has covered with the U.K.

Emma Walmsley Executive

Brilliant. Thanks for the reference to our aging profile. Time for one more last question, I think, Constantin.

Constantin Fest Executive

Yes, that's correct. Last question, please, comes from Sarita Kapila from Morgan Stanley.

Sarita Kapila Analyst

Just a quick one for me on your long-term HIV strategy. Do you have any plans to develop longer-acting orals as we've seen from some of your competitors? And if these long-acting orals are successful, how do you see that impacting your competitive positioning given the double down on injectable pipeline?

Emma Walmsley Executive

David?

David Redfern Executive

Great. Thanks for the question. I think we are primarily focused on generating longer-acting injectables. Very pleased with both the progress with Cabenuva, which obviously is the first mover in long-acting injectable treatment. And great to see the growing momentum there both in the U.S.

and Europe. And we are focused around taking that forward to both 4-month options and then potentially longer options, 6 months and so forth. I'm very excited with the data we've presented at CROI on 184, which really showed rapid and potent antiviral activity, and very importantly, a very broad resistance profile. We have more to say on that next year, but I think we're getting increasingly excited about 184 as being a significant potential medicine.

In terms of the weekly orals and so forth, I mean, we're obviously monitoring that. I think they will likely largely cannibalize daily orals. And we're happy to see how that goes. There's different views and different views and different levels of market research on patient preference and compliance and so forth. But our focus at this point is really building on the first mover, long-acting treatment advantage we have and we see very clear patient preference to go there.

Emma Walmsley Executive

Great. So thanks, David, and thank you, everyone, for joining the call. We are only at Q1, but

it's great to have a strong start for GSK. We're very much on track to deliver our 2025 outlook despite the weather with strong growth in our biggest business, in Specialty Medicines and, of course, most importantly, really exciting continued pipeline progress.

So we look forward to catching up with you in the coming days and months. And thanks for joining the call.