GSK plc

GSK plc presents at 43rd Annual J.P. Morgan Healthcare Conference 2025

Tuesday, January 14, 2025 10:30 AM

Event Participants

Analysts 1
James Gordon

Executives 4
Emma Walmsley, Luke Miels, Tony Wood, David Redfern

James Gordon Analyst

Good morning. I'm James Gordon, JPMorgan European pharma and biotech analyst. And today, it's my pleasure to introduce the GSK presentation. And you're going to hear from GSK CEO, Emma Walmsley. Thanks a lot for joining us today, Emma.

I look forward to the presentation.

Emma Walmsley Executive

Good morning, everyone. Thank you so much. A very Happy New Year to you all. It is wonderful to attend today's conference again and to share the great progress we're making at GSK.

Please turn to Slide 2. This is the usual cautionary statement, and we'll comment on our performance and forward-looking statements using constant exchange rates unless stated otherwise.

Please turn to Slide 3. GSK is a global biopharma company focused on the prevention and treatment of disease. In the first 9 months of 2024, we delivered 9% sales growth and 19% core operating profit growth, reflecting the accelerating momentum we have in Specialty Medicines, and the overall resilience we've built in our portfolio.

And for the full year 2024, we confirmed in October our guidance of sales growth of 7% to 9% and core operating profit growth of 11% to 13%. As we look to this year, we expect to secure 5 product approvals and continue to have very high confidence in delivering the growth outlooks we set out for 2026 and 2031.

Please turn to Slide 4. In 2025, we will mark 3 years since we demerged our consumer

business and created a dedicated biopharma company with a clear focus, benefiting patients and shareholders. Our sales mix is now strongly anchored in Specialty Medicines and Vaccines.

We have a strengthened pipeline of products with significant commercial potential. And we upgraded our short-, medium- and long-term outlooks in 2024. The breadth of our current and future portfolio, positive pipeline data and focus on science, technology and culture are all providing a platform to deliver sustained profitable growth.

Please turn to Slide 5. Our strategy is delivering strong growth and upgraded guidance led by double-digit growth in every therapeutic area in Specialty Medicines. Our HIV business was up 13% at the 9-month checkpoint, Respiratory and Immunology up 15%, and our Oncology business doubled, already surpassing GBP 1 billion in sales.

We expect strong momentum in specialty, the largest part of our business, to continue with growth from our existing assets boosted by our significant launch opportunities in Respiratory and Oncology. The strength of these will overcome short-term Vaccines challenges from external pressures in both the U.S. and China. And we remain confident that Arexvy, Shingrix and our Vaccines pipeline will contribute meaningfully in the medium and longer term.

Please turn to Slide 6. As I just mentioned, we expect to add 5 new products to our portfolio in 2025. And at the forefront of these are BLENREP, our novel ADC treatment for multiple myeloma; and depemokimab, our new long-acting IL-5 medicine for treatment of severe asthma and other eos-related diseases.

In December, we shared extraordinary data for BLENREP at ASH, demonstrating a statistically significant and clinically meaningful overall survival benefit, reducing the risk of death by 42% in patients compared to [Dara]. And while median has not yet been reached in both arms, the projected difference in median overall survival is 33 months. So nearly 3 more years, which is very important to patients.

And with administration possible for the 70% of patients treated in a community setting, we believe that BLENREP will become an important new growth driver for GSK and practice changing for multiple myeloma patients. We have an FDA PDUFA date of July 23 and already have strong field force in place for hematology as proven by the successful launch of our myelofibrosis medicine, [Ajara].

And looking forward, we're optimistic about the opportunity to help even more patients and have already recruited the first patient in our first-line Phase III trial DREAMM-10.

With depemokimab, we're looking for another step change in treatment, this time for severe asthma and nasal polyps. This medicine will not only provide patients with a twice-yearly dosing option, but we believe it will also expand the entire market for asthma biologics.

And we expect to add further to our IL-5 franchise, launching Nucala into COPD this year on the back of positive data demonstrating a significant and clinically meaningful reduction in exacerbations in adults with COPD, including the most difficult-to-treat emphysemic patients. COPD remains the third leading cause of death worldwide. And related hospitalizations have

a high risk of mortality with up to 11% of patients dying in that very first hospital visit and 50% dying within 5 years. Combined, we think our IL-5 franchise with depemokimab and Nucala, including its new indication, has sales potential of greater than GBP 4 billion.

Lastly, as a world leader in infectious diseases, we plan to launch gepotidacin, the first completely new antibiotic to treat uncomplicated urinary tract infections in more than 20 years and our new 5-in-1 MenABCWY vaccine that offers protection against the 5 most common groups of bacteria causing invasive meningococcal diseases further building, of course, our meningitis franchise. These 5 approvals in 2025 are important examples of GSK's pipeline delivering, and they contribute to our confidence that we will continue to grow through the second half of the decade.

Please turn to Slide 7. At the very core of our approach to R&D is building a significant competitive advantage by deepening our understanding of the science of the immune system combined with the use of advanced platform and data technologies and world-class scientific partnerships. This enables us to develop a differentiated pipeline of first or best-in-class specialty medicines and vaccines, bringing innovation that can benefit patients at real scale across a range of significant diseases and ultimately deliver sustainable value to shareholders.

Please turn to Slide 8. In 2024, we announced positive data in 13 Phase III studies, and we made progress in all of our core therapy areas. In Oncology, we advanced BLENREP and JEMPERLI and have plans in place to accelerate clinical development of our 2 antibody drug conjugates targeting B7-H3 and B7-H4 antigens.

B7-H3 has shown promising initial clinical activity for patients in difficult-to-treat cancers and last week was granted breakthrough therapy designation by the U.S. FDA for late-line relapsed or refractory osteosarcoma, which followed similar designations from U.S. and European regulators in 2024 for relapsed or refractory extensive-stage small cell lung cancer.

And B7-H4 has best-in-class potential in ovarian and endometrial cancers with additional opportunities in other solid tumors. So we believe there are very compelling opportunities for these assets in areas of significant unmet need, and we're accelerating development for a potential first launch in 2027.

Alongside Oncology, we're also prioritizing R&D investment to key new assets in Respiratory. Further development of depemokimab obviously remains a priority as we begin Phase III trials for COPD this year. And at the turn of the year, we're looking forward to delivering pivotal data for camlipixant, our potential first-in-class treatment for refractory chronic cough, a condition with limited treatment options and a high patient burden for 28 million people.

Beyond these, we're accelerating research on new medicines targeting the IL-33 and TSLP proteins, which have strong genetic evidence supporting their potential as targets for intervening in COPD with new long-acting solutions. Our work in human genetics and phenotyping is also generating insights that are informing moves into other areas, including liver diseases. Our oligonucleotide GSK 990 has promise in slowing or halting disease progression in MASH and ALD, alcoholic liver disease. And we expect data in 2026 and 2027.

Now whilst we are prioritizing investment in Oncology and Respiratory, inflammation and

immunology, we've also strengthened specialty prospects in HIV and infectious diseases. In HIV, we are the pioneers and the leaders in long-acting innovation. And we are confident in our pipeline for the future, which includes development of new regimens for 4 monthly and 6-month dosing.

In 2024, we started pivotal trials for our 4 monthly long-acting injectable in prevention with plans to file and launch in 2026. We're looking forward to this opportunity to continue to grow in PrEP, which represents a largely incremental growth opportunity for GSK.

On the treatment side, where 90% of the value of the HIV market is today, we've selected long-acting rilpivirine to be paired with our integrase inhibitor cabotegravir for our 4 monthly injection building on existing positive patient and physician experience with these medicines in our current portfolio. Pivotal trials will start in the second half of this year 2025. And we expect to file and launch in 2027.

And lastly, we are really looking forward to extending treatment and prevention options even further with our every 6 monthly regimen selection in 2026 and subsequent pivotal trials to follow shortly thereafter. Lastly, we, of course, continue to invest in the development of vaccines with mRNA and MAPS technologies as clear priorities, both progressing with pivotal data expected as we move through the rest of decade.

Please turn to Slide 9. Disciplined capital allocation to targeted business development opportunities with long-term growth and returns focus has been a very strong feature of our R&D approach, and this will continue in 2025. For example, in just the last 12 months, we've completed transactions to acquire promising oncology, respiratory and immunology assets from Hansoh, of course, yesterday, IDRx, Chimagen Biosciences and Aiolos Biotech.

We've strengthened platform capabilities with the restructure of our collaboration with CureVac to acquire full rights to our mRNA candidate vaccines and the acquisition of LC Buyer Technologies to design and develop oligonucleotides for difficult-to-treat diseases. And in research, among several other new alliances, we entered into collaboration with Flagship providing us with access to their portfolio of more than 40 via platform companies. Looking ahead, we will continue to prioritize capital and resources to pursuing these sorts of opportunities to strengthen GSK's pipeline and development capabilities for the long term.

Please turn to Slide 10. Building trust by delivering across these 6 long term key areas remains a priority for all of us at GSK. On this slide are some recent highlights demonstrating how we're delivering health impact sustainably, including our continued leadership and recognition for GSK in the Access to Medicines index rankings and progression of our new low-carbon inhaler for asthma patients into Phase III trials.

Next slide, please. As shown on this slide, you can see, of course, we continue to make good progress on our investor road map to deliver on our commitments. And we'll continue to keep you all updated on our execution, portfolio, capital allocation and investor events in this way throughout the year.

Last slide, please. So to summarize, we remain strongly committed to delivering growth and returns for shareholders. As we head into 2025, we are very confident in delivering on our short-, medium- and long-term growth commitments. And our innovation progress is

increasingly evident with strong contributions expected from new product launches in the years ahead.

All of this underscores GSK's opportunity to deliver sustained profitable growth through this decade with scale health impact and attractive returns, combining science, technology and the talent of GSK's people and partners to get ahead of disease together.

Thank you very much. Now I think I'm going to have Tony, Luke and David are going to come up and join and help me out for the Q&A. James, thank you very much.

James Gordon Analyst

[Operator Instructions] I've got a couple of questions to kick off with anyway. We've got everyone. Great. Thank you for the presentation. I think first question would be new launches.

I think you mentioned 5 new launches on there for the year. Which are really commercially impactful ones though? Is it depe? Is it BLENREP? And are they slow out the gate?

Do we need to be cautious? Are these big products from the outset?

Emma Walmsley Executive

Well, it is 5 in 2025 for GSK, which we're absolutely delighted about. But I think since they're in the hands of Luke and the global commercial team, I'll ask maybe you to comment. And I think you've raised the 2 with the highest peak year potential, but you want to talk about those launches?

Luke Miels Executive

Sure. Sure. Yes. I mean I think BLENREP is probably the one that's most prominent. And we've been able to reposition that product in terms of the dosing.

I think depemokimab also is going to be quite exciting in terms of transition from Nucala.

James Gordon Analyst

And are these products where there's going to be significant launch costs? Are you going to leverage what you've already got? Or could there be a big ramp-up in spend before the sales come through?

Luke Miels Executive

Look, I think in terms of spend -- sorry, [indiscernible] to come up. In terms of the spend, we'll...

Emma Walmsley Executive

Be competitive.

Luke Miels Executive

Yes. Sorry.

Emma Walmsley Executive

I think that's the best way. I mean, look, this multiple myeloma has a very heavy burden of disease. What matters is a step change in the outcomes for patients. And when you see the kind of data that we've had for BLENREP, obviously, it's a highly competitive. Multiple myeloma is super competitive.

But in the end, when you're delivering 42% of improvement in overall survival and nearly 3 -- sorry, 42% reduction in risk of death and nearly 3 years improvement in terms of overall survival, that's going to matter. I think we've been really encouraged.

Obviously, it's a difficult journey when you're bringing back a launch that's been removed from the market. So I think we'll be cautious in terms of initial uptake.

But results are what matter in oncology. And I think we're very confident about navigating through some of the early ocular questions in terms of side effects. I wouldn't be overly ambitious in terms of ramp, but I think we can be very ambitious as we go into first line for the next progress through.

Luke Miels Executive

Yes. And sorry, had a bit of a rough week last week. So I sort of found my feet. Look, I think when you look at each one of those launches, with BLENREP, when we initially introduced the product, we essentially overdosed it. We didn't have a full understanding of the product.

We went through the process. I think the FDA had very onerous REMS in place. The experience in the team is much deeper now. We went back to square one, really understood the dosing in partnership with Tony's organization. And I think we have a much better understanding of how the product behaves.

And if you look at the ocular profile, I mean, typically, this is blurred vision for most patients. It resolves itself within 3 months. And if you look at physicians with experience of that, particularly in areas in clinics where we've run these studies, they really understand the behavior of the product.

So I think in terms of launch and investment, we're going to be cautious. We need -- obviously, we want physicians, particularly in the community, to get a couple of patients under their belt and understand how to dose this, but we've published a lot on that.

The studies themselves, in contrast, the initial studies enabled back titration. And so we -- ultimately, these patients can be treated out to 12 weeks, which in the community is very, very compelling.

As Emma said, in terms of ADCs, there's a lot of discussion amongst CAR Ts and ADCs with -- in academic settings. You go to conferences, that's overindexed there. But if you look at the physicians who treat most of these patients in the community, they're very enthusiastic about the profile of BLENREP.

On depemokimab, it's twice a year. You contrast that with Dupixent, which is 26 shots and the fact that we've got a broad number of indications coming through very quickly at launch.

Emma Walmsley Executive

I mean you've seen in the depe results, we have an over 70% reduction in the kind of exacerbations that cause hospitalization. When we're -- at a time when we're talking about the burden of cost of health care systems, keeping asthmatics out of hospital, and we've seen it in other fields.

So when we talk about prevention, it's not just vaccines. It's also about keeping people well for longer, and you get better compliance. So we think there's a lot of opportunity there. Those are just 2 of the 5, but we'll use up the entire Q&A session if I start listing the others and what we've got in hand. So...

James Gordon Analyst

Maybe if I switch to the pipeline. So what's the most -- because there were quite a few things on your slide. What's the most...

Emma Walmsley Executive

Lots of pipeline.

James Gordon Analyst

Lots of pipeline just in '25. So what's the most exciting? Will it be camlipixant like a big Phase III readout for a new drug? Is that the most exciting?

Emma Walmsley Executive

Well, the most exciting is trying to get 5 approvals in a single year, and that's what the sort of first catalyst. But I think maybe, Tony, you could talk a bit more about some of the late-stage catalysts that are coming through. Lots going on there and also some emerging stuff in long-acting as well.

Tony Wood Executive

Sure. And like I'm not going to choose from among my children, James, but let's start with camlipixant. Obviously, [COM1, COM2] readout towards the end of the year. Just to remind you all, a molecule with a unique selectivity profile, so critical in the context of refractory chronic cough.

And staying with respiratory, inflammation and immunology, obviously, I'm extremely excited about our long-acting COPD portfolio. Depe, as you mentioned, we'll be starting a Phase III study with there. And I think the twice-yearly dosing offers an even greater advantage in the context of COPD than it does in asthma.

Obviously, we're very well placed with IL-33 and TSLP. And you can think about the spectrum of responses going from low yields all the way through to high yields in that context, starting with IL-3 moving to TSLP and then depe.

We're very well placed, as I said, to begin to examine particularly the subgroups of patients who are most likely to respond in detail and then to configure what ultimately will be Phase III

studies and potential combinations with those. I shouldn't forget, by the way, that whilst we're talking about TSLP, we also have the low T2 asthma population as an opportunity as well.

And then 990 in ALD, leading cause of liver transplantation in the U.S., 26 million individuals. Really a great example of the intersection of genetics and more detailed phenotyping for patients that allows us to understand how and when to treat with what will ultimately be probably, again, a long-acting agent where we already have good evidence of target knockdown and initial indications of reduction of liver injury biomarkers.

And then just building on the ADC conversation, B7-H3 and H4. As you mentioned, I won't repeat the early and exciting data that we have there. It's worthwhile mentioning the continued momentum for JEMPERLI and of course, in both of those instances, the opportunity to build on the progress we're making with JEMPERLI in both women's cancers, gynecological cancers in particular and other solid tumors, particularly colorectal.

And whilst I'm venturing into colorectal and associated gastrointestinal tumors, obviously, delighted with the announcement we made at the beginning of the week and the IDRx deal with the opportunity for molecule leaders on best-in-class we feel in GIST, both in terms of first- and second-line opportunities. We'll be accelerating the second-line Phase III study and looking to position a first-line study to exploit the safety profile of that molecule as well as its fantastic drive around resistant mutant coverage.

So lots more to talk about on that. So I'm very excited about it. And then moving into Vaccines for mRNA, where you're confident in the profile of our platform there, particularly in flu. And you should expect us to see a focus on a Phase III start in high-dose flu and as the beginning of our efforts in mRNA at the end of the year.

And whilst I'm on new platforms, we continue to be very confident in the underpinnings of the MAPS technology. And what you'll see there is an increased focus on our 30-plus valent platform, recognizing our confidence in the technology and the developing competitive environment.

That takes me nicely into infectious diseases and key for me alongside David is obviously the Q4 pivotal treatment start, Q4 treatment pivotal study start this year. And David, I'm sure you're going to want to add more on HIV.

David Redfern Executive

Yes. No, thanks, Tony. I mean just to expand on that. So firstly, in HIV, incredibly pleased with the commercial performance in 2024 as Emma showed 13% growth through the 9 months. But actually even more pleased about the great progress we've made with R&D in HIV.

Everything we do in HIV R&D is really around 2 principles. All our investment is in long-acting therapies and prevention therapies because we know there is a very, very strong patient preference to not -- for a lot of patients to move to long-acting and not be reminded every day of their status.

And secondly, everything we're doing has an integrated at the heart. That is standard of care, has very strong resistance profile, very strong efficacy.

And the great progress in 2024 is we now have a 4-month version of cabotegravir. That is in its pivotal study already for prevention. And later this year, we will combine it with a reformulated version of rilpivirine to move Cabenuva to effectively a 4-month regimen, which I think will be great for patients, so just 3 times a year. And we expect that to be on the market in 2027. So really building on our first-mover advantage in long-acting treatment.

And then we've got some increasingly validated and exciting next-generation integrated options to go out to 6 months, which I really think can move a lot of the market towards long-acting. And we can combine that with different options, potentially broadly neutralizing antibodies or a capsid that we've got that's progressing. And we'll probably make a decision on exactly what regimen to do there in about a year's time.

So real progress. We're building on our long-acting portfolio, and I'm pretty confident we're going to get to 6 months in the not-too-distant future.

James Gordon Analyst

So a lot going on in the pipeline.

Emma Walmsley Executive

We've got a lot coming. It's the point of the company, isn't it?

James Gordon Analyst

And maybe if I could just ask a follow-up on the IDRx deal. Can you help frame like what is the commercial potential there? Is this really a product where the base case is it's for people who have already failed a drug like [Sutent]? Or could this actually be a more effective drug even in frontline as well?

Emma Walmsley Executive

We are looking at frontline, but I'm going to ask the owner and champion of this deal, right, the way directly on Christmas Day, I think when you went in there. But Luke, do you want to talk about this because I think you're very ambitious for it.

Luke Miels Executive

Yes. Thanks, Emma. I mean I think this is a first-line agent. That's where we ultimately want to target it. If you look at imatinib, I mean it was a dramatic improvement 20 years ago over chemotherapy.

But there are some gaps there. It's active.

If you look at most of these patients, 80% of them, these stromal, gastric stromal patients, 80% of them have a KIT mutation, but 90% of them subsequently progress. It's about 6,000 patients over the time frame that we're looking at in the U.S., a sizable population.

And the initial mutation is driven by exons 9 and 11, which imatinib is active against. But you've got these escape mutations, typically 13 and 17 and imatinib doesn't address. These patients normally progress in about 19 months through a combination of escape mutation or

toxicity. There's about 40% Grade 3 tox with imatinib.

And so we really saw an opportunity and looked at the work that IDRx had done, and we're very impressed by it. I mean it's a classic analog and TKIs. If you look at TAGRISSO, ARC, BTKs, et cetera, where you have these subsequent mutations that the original molecule doesn't address.

The next option for patients is products like [Sutton], which have 60% Grade 3 tox, and so they keep progressing quite rapidly. So this is a molecule that can suppress those 4 primary components of the disease, but also has a really attractive tox profile.

And so that combination means that we can dose patients for a long period of time. It's an early stage product, of course. But if you look at what IDRx has been able to achieve, there's over 200 patients that have been treated with this drug. About 150 of those are third line, but more than 40 are second line and a small handful in first line. So we get a pretty good understanding of the profile of this product.

If you look at the kinase selectivity, it's highly selective. So it's a lot more selective than Gleevec and certainly a lot more selective than Sutent. So you put all these things together, you're going to be able to put patients on drug and keep them on drug for long periods of time. And so that adds up to a very complementary product.

There's about 1,000 physicians that treat these patients. They all overlap with the emerging colorectal business that we're developing with JEMPERLI. And yes, so it made a lot of strategic sense. We looked at that in December and decided if we left it until JPM probably wouldn't be there. So hence, the effort over the Christmas break.

James Gordon Analyst

Maybe shifting to the base business, and you showed about 1/3 of the business is in our specialty. And so in 2024, the guidance is that, that's going to grow in high teens. Why has specialty been growing quite so quickly? What are the constituents? And is that something a bit one-off?

Or could that be sustained into '25?

Emma Walmsley Executive

Yes, we really think -- I mean it was an incredibly deliberate strategy when we started out on the transformation of GSK to prioritize -- first of all, increase our investment in R&D and prioritize within that Specialty Medicines and Vaccines, more than 1/3 of the business. But -- and it's growing incredibly well.

And across the full portfolio, in oncology, in respiratory, immunology, respiratory, inflammation and urology because we're broadening it out with this fibrosis scientific underpinnings and of course, in HIV, where we continue to lead the way in long-acting. So it's still where the largest part of our capital allocation in R&D is going.

It is absolutely core to the shift in mix for the company in that '21 to '26 horizon. As we set out as a pure-play biopharma company, we're delivering competitive growth, but we're also

showing a 500 basis point improvement in our operating margin and creating this oxygen to reinvest in more growth.

We see phenomenally exciting science here. That should not be understood as a lack of enthusiasm for our Vaccines business. We obviously were operating in the environment we are. We are cautious, and we expressed that at Q3 about vaccines this year.

But no shift in our enthusiasm either for the core big sell products we have, whether it's RSV or Shingrix or indeed for the pipeline that will come through and contribute later in the decade. But certainly, as we look right now into '25 and some of our BD prioritization and capital allocation, it's in specialty meds.

James Gordon Analyst

Well, actually, you mentioned the margin. So the 2024 guide would imply about a 29% core EBIT margin, and you've given a '26 guide already for at least 31%.

Emma Walmsley Executive

Yes.

James Gordon Analyst

So how should we think about the progress you're going to make there? Is '25 a year of progress? And why are margins still going to keep increasing?

Emma Walmsley Executive

I very much encourage you, James, to come to our Q4 results when we will be specific on the margin prospects for '25. But I think you've seen us talk about delivering more than 7% top line, more than a 31% margin, so more than 11% operating profit progress. I'm very confident in that.

But I do think it's important to remember that the #1 priority and purpose of our industry and our company is to develop the pipeline. So I want to maintain capacity to invest in these really exciting things that are coming through.

If we're going to be moving into -- with the ADC data that will continue to emerge, there's going to be some chunky Phase III trials to do. And we want to be able to do them and want to be able to launch in 2027 with the first ones that are coming through.

So I'm -- we will do at least 31% margin, not a waiver in delivering that. Thankfully, for the resilience of the portfolio, we've been able to digest some of this vaccine's pressure, and I'm not worried precisely because we're growing specialty that creates the oxygen. But that's as far as we'll go, and we'll update you for '25 in a few weeks.

James Gordon Analyst

Sure. What about capital allocation? And so since a year ago, Zantac has been tidied up. You've got growing earnings. You've announced the deal yesterday, but it doesn't look like a deal that's going to make the balance sheet very stressed.

So what are you going to do with the optionality?

Emma Walmsley Executive

Well, I refer you to the capital allocation framework that Julie, our CFO, laid out and confirmed when she came in. #1 priority, just as I reiterated, is to invest in the future competitive, sustainable, profitable growth of the company through a pipeline, whether that's organic or inorganic. I couldn't be more pleased, frankly, with this -- the delivery of this trio in partnership in terms of, I think, 20 deals.

That's partly why we're here with our friends at JPMorgan as for all the meetings that are going on and the opportunities to engage. And we have completely reset the balance sheet of the company over the last few years, which creates this capacity to do these 20 deals or so have emerged.

That's #1 priority. But my goodness, of course, we're really thoughtful about the shareholder experience and shareholder returns. Our first priority there is the dividend. We've set a competitive framework for that and are back to a progressive dividend.

We underpin everything with a strong balance sheet, and that is the [indiscernible]. And then excess returns, we look at it as a consideration set that is part of it. But the #1 priority is investing in future growth.

James Gordon Analyst

I can see we're almost out of time. So maybe I'll just ask one final question, which would be a new U.S. administration, what might that mean for GSK. Is GSK well positioned, but industry level and GSK specifically.

Emma Walmsley Executive

Well, exciting times for GSK in this country. Make no mistake. It's the #1 priority for us. It's more than 50% of the business. We just invested another GBP 800 million in Pennsylvania in manufacturing for medicines and vaccines.

We have 15,000 people here. The majority of our business development is still here in some of the most exciting cities for innovation. So we're all in on the U.S.

And there's been a lot of commentary about what is or isn't going to happen. And I think let's stay calm and remember that this industry matters for this country, both in terms of the service of public health but also in terms of its contribution to GDP. And this country leads the world as the best market for innovation. It needs to stay that way with the protection of IP and the incenting of value recognition.

It's also the only country in the world where we still have 0.50 on the dollar going through a variety of other parties. And I think it's going to be interesting to see what comes through in terms of potential reform there.

But what matters to us is innovation and access being supported. And the commentary on vaccines, let's wait and see. But there is categorically no better return on health care budgets and no better intervention in public health than stopping disease before it starts, then

keeping people out of hospital.

And any debate or questions around the efficacy of vaccination, the quality of vaccination is one we completely welcome. I think we need to run towards these conversations with transparency and trust.

And I'm optimistic when we look across the administration for all of the different appointments that are in there that everyone has a shared agenda whichever part of the industry you work in. And that is to improve outcomes for patients, to continue to lead the way in innovation and make sure we deliver returns to shareholders with an ecosystem that sustains this leadership position in science for impact.

James Gordon Analyst

Great. Thank you very much. In that case, thanks, GSK.

Emma Walmsley Executive

Good to see everyone. Thank you.