REFINITIV STREETEVENTS

EDITED TRANSCRIPT

REGN.OQ - Q1 2025 Regeneron Pharmaceuticals Inc Earnings Call

EVENT DATE/TIME: APRIL 29, 2025 / 12:30PM GMT

OVERVIEW:

Company Summary

REFINITIV

CORPORATE PARTICIPANTS

Ryan Crowe Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Leonard Schleifer Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

George Yancopoulos Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Scientific Officer

Marion McCourt Regeneron Pharmaceuticals Inc - Executive Vice President - Commercial

Christopher Fenimore Regeneron Pharmaceuticals Inc - Chief Financial Officer, Executive Vice President - Finance

CONFERENCE CALL PARTICIPANTS

Tyler Van Buren TD Cowen - Analyst

Alexandria Hammond Wolfe Research - Analyst

Christopher Schott JPMorgan - Analyst

Terence Flynn Morgan Stanley - Analyst

Akash Tawari Jeffries - Analyst

Carter Gould Cantor Fitzgerald - Analyst

William Pickering Bernstein - Analyst

Evan Seigerman BMO Capital Markets - Analyst

Salveen Richter Goldman Sachs - Analyst

David Risinger Leerink Partners - Analyst

PRESENTATION

Operator

Welcome to the Regeneron Pharmaceuticals first-quarter 2025 earnings conference call.

My name is Josh, and I will be your operator for today's call.

(Operator Instructions)

Please note that this conference call is being recorded.

I will now turn the call over to Ryan Crowe, Senior Vice President, Investor Relations. You may begin.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Thank you, Josh.

Good morning, good afternoon, and good evening to everyone listening around the world.

Thank you for your interest in Regeneron and welcome to our first quarter 2025 earnings conference call.

An archive and transcript of this call will be available on Regeneron's Investor Relations website shortly after the call ends.

Joining me on today's call are Dr. Leonard Schleifer, Board Co-Chair, Co-Founder, President, and Chief Executive Officer; Dr. George Yancopoulos, Board Co-Chair, Co-Founder, President and Chief Scientific Officer; Marion McCourt, Executive Vice President of Commercial; and Chris Fenimore, Executive Vice President and Chief Financial Officer.

After our prepared remarks, the remaining time will be available for Q&A.

I would like to remind you that remarks made on today's call may include forward-looking statements about Regeneron. Such statements may include but are not limited to those related to Regeneron and its products and business, financial forecasting, guidance, development programs and related anticipated milestones, collaborations, finances, regulatory matters, payer coverage and reimbursement, intellectual property, pending litigation, and other proceedings, and competition. Each forward-looking statement is subject to risks and uncertainties that could cause actual results and events to differ materially from those projected in that statement. A more complete description of these and other material risks can be found in Regeneron's filings with the United States Securities and Exchange Commission, including its Form 10-Q for the quarter ended March 31, 2025, which was filed with the SEC this morning. Regeneron does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise. In addition, please note that GAAP and non-GAAP financial measures will be discussed on today's call. Information regarding our use of non-GAAP financial measures and a reconciliation of those measures to GAAP is available in our quarterly results press release and our corporate presentation, both of which can be found on the Regeneron Investor Relations website. Once our call concludes, the IR team will be available to answer any further questions.

With that, let me turn the call over to our President and Chief Executive Officer, Dr. Leonard Schleifer. Len?

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Thanks, Ryan and thanks to everyone joining today's call.

For my remarks, I will review some of our key performance drivers, then briefly discuss some pipeline advances we've made this year. I will then hand the call over to George, who will provide additional insights on our pipeline.

From there, Marion will review our first quarter 2025 commercial performance, and finally, Chris will detail our financial results and provide an update on our 2025 financial outlook.

Let's get to it. Regeneron's performance in the first quarter was mixed with some difficult news related to our retinal franchise offset by encouraging news relating to the rest of our commercial portfolio, as well as advances in our robust pipeline of differentiated clinical candidates.

Beginning with EYLEA and EYLEA HD. On a macro basis, in the first quarter of 2025, the overall size of the branded anti-VEGF category contracted due to an increase in the usage of low cost off-label, repackaged Avastin likely driven by patient affordability issues because of a funding gap at copay assistance foundations.

With respect to EYLEA, first quarter of 2025 US net sales were $736 million, down 39% compared to the first quarter of last year, and down 38% compared to the fourth quarter of 2024. However, physician unit demand decreased by 14% sequentially with the balance of the decline primarily attributable to lower wholesale inventory levels, which ended the quarter in the normal range.

With respect to EYLEA HD in the United States, first quarter of 2025 sales were $307 million, up 54% compared to the first quarter of last year and were essentially flat on a sequential basis. Compared to the fourth quarter of 2024, EYLEA HD physician unit demand grew by 5%, which was offset primarily by a modest wholesaler inventory drawdown.

On the regulatory front, last Wednesday, we were disappointed with the FDA's decision to issue a complete response letter for our submission seeking approval for the EYLEA HD prefilled syringe. Since receiving the CRL, we have held several teleconferences with the FDA to better understand the contents of the CRL.

And believe the key outstanding issue relates to a question posed by the FDA to a third party component supplier. This component supplier has expeditiously responded to FDA requests for information. The CRL did not identify any issues with respect to the safety or efficacy of EYLEA HD, the usability of the device, proposed labeling, or pre-approval inspection findings.

We also recently announced that the FDA had accepted for priority review an sBLA for EYLEA HD to treat macular edema following retinal vein occlusion or RVO and for monthly dosing in approved indications following the use of a priority review voucher.

We believe these product enhancements will strengthen EYLEA HD's position in the competitive anti-VEGF category if approved.

Moving to Dupixent. First quarter 2025 net product sales grew 20% globally on a constant currency basis versus the first quarter of 2024, reflecting strong growth across all approved indications in all groups, in all age groups, I should say, and in all geographic regions.

In the US, where net product sales grew 19%, Dupixent now leads in both new to brand prescription share and total prescription share across all of its approved indications, with the only exception being chronic spontaneous urticaria or CSU, which was approved by the FDA only 11 days ago.

The COPD launch in the US continues to gain momentum with prescribers increasingly appreciating the role of Type 2 inflammation in certain patients with COPD coupled with greater urgency to identify and treat eligible patients.

Payers are increasingly recognizing the value that Dupixent offers and have implemented broad and favorable coverage decisions for commercial and Medicare patients. With those pieces in place, we now look to drive patient awareness in Dupixent as a new treatment option for COPD through a recently launched direct to consumer campaign.

Libtayo in the US grew 21% compared to the first quarter of last year and has established itself as a cornerstone therapy for advanced non-melanoma skin cancer, while its share of the lung cancer market continues to increase.

In the highly competitive first line advanced non-small cell lung cancer market, Libtayo is now second in new to brand prescription share despite launching years after other competing therapies, reflecting its differentiated clinical profile and our commercial strategy.

We expect Dupixent, EYLEA HD and Libtayo to continue delivering significant growth for the foreseeable future through additional penetration in approved indications, potential future indications, potential combinations with other pipeline candidates, as well as other potential product enhancements.

Now briefly moving to our pipeline, which now includes approximately 45 product candidates in clinical development. We continue to make significant investments in R&D which have yielded notable progress across several key programs so far this year, including four regulatory approvals and nine regulatory submissions.

For the remainder of 2025, we anticipate US regulatory approvals for linvoseltamab in relapsed/refractory multiple myeloma, odronextamab in late line follicular lymphoma, Libtayo in adjuvant CSCC, Dupixent in bullous pemphigoid, as well as differentiated enhancements to the EYLEA HD US label.

We also now expect to read out pivotal or proof of concept data across programs in immunology, oncology, hematology, internal medicine, and rare diseases, programs that George will discuss in a minute.

In closing, Regeneron remains in a very strong position, scientifically, commercially and financially, enabling us to invest heavily in R&D and deliver scientific breakthroughs, maximize growth opportunities from our inline brands, successfully launch new products and indications, and return capital directly to shareholders through dividends and share repurchases.

We look forward to providing updates on these efforts as we move through the remainder of 2025.

With that, I'll turn the call over to George.

George Yancopoulos - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Scientific Officer

Thanks, Len.

2025 is shaping up to be an exciting year for advancing our broad and differentiated pipeline, and we look forward to reporting several pivotal or proof of concept data sets from multiple programs.

I'd like to briefly highlight these significant opportunities and discuss additional pipeline advancements, starting with Dupixent, which continues to set a high bar across multiple Type 2 allergic diseases. Earlier this month, Dupixent was approved for the treatment of adults and adolescents with chronic spontaneous urticaria, who remain uncontrolled despite antihistamine treatment.

This approval marks the seventh Type 2 allergic disease for which Dupixent has been approved by the FDA and is the first new treatment option for CSU patients in over a decade. Dupixent was also accepted for priority review for the treatment of bullous pemphigoid with a PDUFA date of June 20.

Bullous pemphigoid represents yet another first in class opportunity for Dupixent, which is the only biologic to achieve significant improvements in disease remission and symptoms in this setting. And finally, Dupixent became the first ever biologic medicine to be approved for COPD in Japan, marking the 45th country in which the COPD indication has been approved.

We are eagerly awaiting the pivotal readout for itepekimab, our interleukin-33 antibody for COPD and former smokers regardless of eosinophil levels, with data expected in the middle of 2025. In addition to COPD, we recently initiated a Phase 3 program for itepekimab in chronic rhinosinusitis with nasal polyps, an indication with strong genetic validation as well as a Phase 2 study in chronic rhinosinusitis without nasal polyps.

In addition, next year, we are expecting proof of concept data for itepekimab in non-cystic fibrosis bronchiectasis.

Turning now to oncology efforts. We recently submitted US and EU regulatory filings for Libtayo in adjuvant CSCC where Libtayo became the first immunotherapy to show a benefit in a high-risk population. In early June, these data will be presented in an oral presentation at the American Society of Clinical Oncology, or ASCO annual meeting, highlighting a 68% reduction in the risk of disease recurrence or death compared to placebo with no new safety signals identified.

This data set underscores our belief that Libtayo provides the best in class foundation for combinations with our other oncology assets. And in this regard, Libtayo is being tested in combination with fianlimab, our LAG-3 antibody in several solid tumor settings.

In melanoma, early clinical data have suggested that this combination can provide substantial additive benefit compared to PD-1 monotherapy without exacerbating safety. An ongoing Phase 3 trial in first line metastatic melanoma, evaluating this combination compared to KEYTRUDA monotherapy is expected to read out in the second half of this year.

We reiterate that if these data confirm best in class activity in melanoma, it will increase our confidence for this combination in other cancer settings. In first line advanced non-small cell lung cancer, a pre-planned interim analysis was conducted this month on two ongoing Phase 2 studies evaluating this combination.

Due to limited follow-up, the Phase 2 portion of the studies will continue unchanged until additional data are available. The next analysis for these studies are expected in the first quarter of 2026, in which a decision whether to advance to Phase 3 will be made.

No new safety signals were observed in either study.

Turning to our CD3 bispecifics. The European Commission recently granted conditional marketing authorization for Lynozyfic, or linvoseltamab, our BCMA by CD3 bispecific for the treatment of adult patients with relapsed/refractory multiple myeloma who have received at least three prior therapies, marking Lynozyfic's first global regulatory approval.

In the US, our resubmission of the linvoseltamab BLA for relapsed/refractory multiple myeloma was accepted by the FDA with the PDUFA date of July 10. We believe linvoseltamab has the potential to be the best in class BCMA by CD3 bispecific due to its differentiated clinical profile, dosing, and administration.

A broad clinical program in earlier lines emphasizes monotherapy and limited combinations and continues to advance with the confirmatory Phase 3 LINKER-MM3 study in relapsed/refractory multiple myeloma now fully enrolled.

At ASCO, also in oral presentations, we will present initial results from the Phase 1/2 LINKER-MM2 trial, evaluating linvoseltamab in combinations with carfilzomib, and with bortezomib in patients with relapsed/refractory multiple myeloma.

Both combinations demonstrate a high rate of deep and durable responses with a safety profile consistent with the individual drugs, supporting further development.

For odronextamab, our CD20 by CD3 bispecific. The FDA has accepted the BLA resubmission for relapsed/refractory follicular lymphoma with a PDUFA date of July 30. Odronextamab has demonstrated potentially best in class efficacy in this late-line setting and our differentiated clinical development plan focuses on monotherapy and limited novel combinations in earlier line and continues to advance.

Turning to hematology. We are rapidly advancing our Factor XI program, where we are investigating two different antibodies that target different Factor XI domains to create a tailored approach to anticoagulation, offering the potential for improved blood clot prevention and lower bleeding risk.

We remain on track to enroll patients in pivotal studies this year, both in settings with large patient populations and longer follow-up, as well as in settings with smaller populations and shorter follow-up that may provide a quicker path to market.

Moving to our obesity efforts. Regeneron has decades of experience in muscle biology, growth factors, signaling pathways and genetics. We are capitalizing on this expertise to position ourselves as a key player in the rapidly expanding obesity market by investigating agents that enhance GLP-1 weight loss by maintaining muscle mass.

Our muscle-sparing Phase 2 COURAGE study is investigating the addition of Trevogrumab, our GDF8 antibody to semaglutide, with and without garetosmab, our anti-activin antibody with the goal of improving the quality of weight loss.

We expect to report data for the 26 week primary endpoints, including percentage of weight loss and percentage of fat loss compared to baseline in the second half of this year. At the upcoming American Diabetes Association meeting in June, we anticipate that LLY will present Phase 2 data from a very related program evaluating semaglutide combined with an antibody that binds to activin Type 2 receptors, which blocks myostatin and activin signaling.

The weight loss, lean mass preservation, and overall metabolic profile, along with safety and tolerability, will help inform next steps for our programs as well.

And finally, moving to our Regeneron Genetics medicines pipeline. Our novel C5 siRNA and antibody combination has demonstrated rapid, complete, and uninterrupted inhibition of C5, as seen in an ongoing pivotal program in patients with paroxysmal nocturnal hemoglobinuria.

These profound findings increase our confidence in seeing robust improvement in generalized myasthenia gravis, where pivotal results from an ongoing Phase 3 program are expected in the second half of this year. Our unique mechanism of action provides more complete C5 inhibition than observed with other C5 approaches that are approved in this indication, as well as the potential for more convenient subcutaneous regimens.

In summary, Regeneron continues to deliver scientific firsts and drive innovation. Our unique R&D capabilities have allowed us to build one of the most prolific pipelines in our industry, and we look forward to reporting multiple impactful readouts later this year.

With that, let me turn it over to Marion.

Marion McCourt - Regeneron Pharmaceuticals Inc - Executive Vice President - Commercial

Thank you, George.

Despite a challenging environment in the first quarter, our commercial teams are positioned to capitalize on multiple near-term opportunities across the portfolio, including product enhancements and launches of both new medicines and new indications for previously approved medicines.

Looking to the future, as George highlighted, our pipeline is poised to deliver the next wave of significant commercial opportunities that may provide innovative medicines to even more patients. Beginning with our first quarter results for EYLEA HD and EYLEA , combined US net sales were $1.04 billion, down 30% sequentially, primarily reflecting lower wholesaler inventory levels for both products, which declined during the quarter to the normal range, as well as continued competitive pressures.

In aggregate sequential physician unit demand for EYLEA HD and EYLEA declined by 11%. We believe there was a significant negative impact in the branded anti-VEGF category due to an ongoing funding gap at not-for-profit patient assistance foundations that provide copay support for eligible patients with retinal diseases.

Consequently, low cost off-label repackaged Avastin increased its anti-VEGF category share by approximately 6 percentage points to 32%. Despite these challenges, EYLEA HD and EYLEA captured 41% of the anti-VEGF category, maintaining market leadership.

For the first quarter, EYLEA US net sales were $736 million, primarily due to lower wholesaler inventory levels, lower physician demand, as well as increased competition. While we expect competitive pressures for EYLEA to persist, our focus remains on promoting the ongoing adoption of EYLEA HD, which has the potential to become the new standard of care.

EYLEA HD was the only branded medicine in the anti-VEGF category to maintain US net sales quarter over quarter, achieving $307 million and growing 54% year over year. In August, we anticipate potential FDA approvals of EYLEA HD in retinal vein occlusion and for every four week dosing across all approved indications.

If approved in RVO, EYLEA HD would be the first and only treatment that can be dosed up to every eight weeks, which is twice as long as any other product in the category. In addition, with the potential approval of every four week dosing, EYLEA HD would offer physicians the most flexible dosing options in the category.

With these label enhancements and anticipated approval of the prefilled syringe, we expect to see an acceleration in EYLEA HD demand.

And now to Dupixent. In the first quarter, Dupixent achieved global net sales of $3.7 billion, representing a 20% year over year increase on a constant currency basis. In the US, net sales grew 19% to $2.6 billion based on robust demand across all approved indications.

In the first quarter, US net price was unfavorably impacted by the annual reset of commercial insurance deductibles and the implementation of Medicare Part D redesign. Dupixent continues to live up to its potential to dramatically improve patients' lives with approvals in seven indications, four of which have achieved blockbuster status globally.

Dupixent's unique mechanism of action makes it the only medicine that addresses the underlying drivers of disease and treats multiple comorbid Type 2 conditions. Despite increasing competition in established indications, Dupixent remains the market leader.

In atopic dermatitis, increased promotional spend from competitors has accelerated market growth, with Dupixent continuing to capture the vast majority of new patients. In asthma, Dupixent continues to lead all biologics in new to brand share and is now the category leader in total prescriptions.

Momentum in new indications continues to build, and COPD uptake is accelerating. Most pulmonologists have extensive experience in prescribing Dupixent for asthma and are increasingly prescribing it for COPD. Many have remarked on Dupixent's ability to reduce exacerbations, rapidly and meaningfully improve lung function, and reduce the need for oxygen therapy.

With physician and patient awareness building and strong reimbursement established, the COPD launch has outperformed all other Dupixent indication launches in cumulative new to brand prescriptions with the exception of atopic dermatitis.

Earlier this month, Dupixent was approved to treat patients with chronic spontaneous urticaria, or CSU, where we estimate there are more than 300,000 patients in the US with a disease inadequately controlled by antihistamines.

Dupixent is the first new targeted treatment for CSU in over 10 years, providing a new treatment for patients that previously had limited options. The launch is underway, and early feedback has been favorable. Our Dupixent team is also preparing for potential approval in bullous pemphigoid, which would represent the fourth approval in a chronic and debilitating skin disease driven by Type 2 inflammation.

Nearly 30,000 adults in the US suffer from this difficult to treat condition where current care is limited to corticosteroids and immunosuppressants. These treatments have poor clinical efficacy as well as safety concerns, particularly in older patients.

If approved, Dupixent would be the first and only targeted medicine to treat this disease. In summary, Dupixent is now firmly established as the standard of care across a range of Type 2 conditions and has substantial growth opportunities in both existing and new indications.

Turning now to Libtayo. First quarter, global net sales grew 8% year over year on a constant currency basis to $285 million with US net sales reaching $193 million, up 21%. First quarter results reflect typical seasonality dynamics and the timing of shipments and lower inventory levels.

In the US, demand continues to increase across both non-melanoma skin cancer indications, and lung cancer, and we are seeing growth in approved indications internationally. We look forward to the potential FDA approval of Libtayo for adjuvant treatment of high risk cutaneous squamous cell carcinoma, where we estimate there are approximately 10,000 patients in the US who may benefit from this treatment.

Our oncology teams are excited about the potential to launch two new hematology products later this year, linvoseltamab in relapsed/refractory multiple myeloma and odronextamab in relapsed/refractory follicular lymphoma.

Both have demonstrated best in class clinical profiles in these later line settings.

In summary, our commercial portfolio is well-positioned to capitalize on many near term growth opportunities, enabling us to deliver more treatments to more patients.

With that, I'll turn the call over to Chris.

Christopher Fenimore - Regeneron Pharmaceuticals Inc - Chief Financial Officer, Executive Vice President - Finance

Thank you, Marion.

My comments today on Regeneron's financial results and outlook will be on a non-GAAP basis unless otherwise noted. First quarter of 2025 total revenues were $3 billion inclusive of higher Sanofi collaboration revenue driven by Dupixent growth and higher US net sales of EYLEA HD compared to the prior year.

First quarter diluted net income per share was $8.22 on net income of $928 million. Beginning with collaboration revenue, revenues from the Sanofi collaboration were approximately $1.2 billion, of which $1 billion related to our share of collaboration profits.

Regeneron's share of profits grew 27% versus the prior year driven by volume growth from Dupixent and higher collaboration margins. The Sanofi development balance was approximately $1.5 billion at the end of the first quarter, reflecting a reduction of approximately $180 million from the end of 2024.

Moving to Bayer. First quarter net sales of EYLEA and EYLEA 8 mg outside the US were $858 million, up 5% versus the prior year on a constant currency basis and inclusive of $146 million of EYLEA 8 mg sales. Total Bayer collaboration revenue was $344 million of which $317 million were related to our share of net profits outside the US.

Now to our operating expenses. R&D expense was $1.2 billion in the first quarter. Modest growth versus the prior year was driven by continued investments to support Regeneron's innovative pipeline, including higher personnel expenses and clinical manufacturing costs.

First quarter SG&A was $537 million, down 8% from the prior year. The decline was driven by lower general and administrative expenses while selling expenses were flat year over year. First quarter 2025 gross margin on net product sales was 85%.

The lower gross margin versus the prior year reflects higher inventory write-offs in the first quarter of 2025 and a changing product mix. Our effective tax rate increased versus the prior year, primarily driven by a lower benefit from stock-based compensation deductions.

Regeneron generated $816 million in free cash flow in the first quarter and ended the quarter with cash and marketable securities of $17.6 billion and debt of approximately $2.7 billion. We continue to monitor developments regarding pharmaceutical sector tariffs.

While we do not expect previously enacted tariffs to have a material impact on our business, any potential impact from sector-specific tariffs is not quantifiable at this time due to uncertainty around the details of implementation.

Regardless of any potential tariffs, Regeneron has always been committed to making significant investments in the United States to expand our R&D and manufacturing capabilities. We recently announced a new agreement with FUJIFILM Diosynth Biotechnologies in North Carolina to invest over $3 billion to nearly double our US large scale manufacturing capacity.

This agreement, along with our $3.6 billion expansion of our Tarrytown, New York R&D and preclinical manufacturing facilities, our fill/finish facility in Rensselaer, New York, and the acquisition of an additional property in Saratoga Springs, New York represent planned US investments of over $7 billion.

These investments will enable us to continue to grow in the US and support our differentiated R&D engine while significantly increasing our ability to manufacture both clinical and commercial supply. Beyond these investments, we continued to return capital to shareholders in the first quarter both through share repurchases and the payment of our recently initiated quarterly dividend.

We repurchased approximately $1.1 billion worth of our shares in the first quarter with approximately $3.9 billion remaining available for share repurchases as of March 31. We continue to see share repurchases as an efficient use of capital and remain opportunistic buyers of our shares.

In addition to share repurchases, our newly initiated dividend program allows us increased flexibility to return capital to shareholders. We paid our first quarterly dividend last month, and the Board of Directors has declared the next dividend of $0.88 per share, which will be paid in June.

Finally, we have updated our 2025 gross margin guidance to be in the range of 86% to 87%. This change is primarily driven by higher than expected inventory write-offs in the first quarter. A full summary of our latest guidance can be found in our press release issued earlier this morning.

In conclusion, Regeneron's strong financial position will allow us to continue to invest in our differentiated R&D capabilities and pipeline to deliver new medicines to patients and long-term value to shareholders.

With that, I'll pass the call back to Ryan.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Thank you, Chris.

This concludes our prepared remarks.

We will now open the call for Q&A.

To ensure we are able to address as many questions as possible, we will answer one question from each caller before moving to the next.

Josh, can we go to the first question, please?

QUESTIONS AND ANSWERS

Operator

Tyler Van Buren, TD Cowen.

Tyler Van Buren - TD Cowen - Analyst

Regarding the EYLEA HD CRL for the prefilled syringe, can you elaborate further on the question posed by the FDA? And perhaps more importantly, compare the situation to the original EYLEA HD CRL as that speed to resolution was very quick, about 2.5 months if I'm not mistaken, which would still be ahead of the RVO and every four-week dosing PDUFA in August.

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Right. It's Len speaking.

I think you have to understand a little bit of detail on the processes and what happens. And that when you're reviewing -- when the FDA is reviewing your submission for an approval of a new device, we don't necessarily make all the components and in this case, we don't make all the components.

You might be buying a stopper from somebody, some glass from somebody else, a needle from somebody else, and so forth. And we have the design and then we have an assembly. When the FDA has questions about one of the components, it's -- that's what it's referred to as a drug master file.

They go to the holder of that drug master file. Let's say it's somebody who makes one of the components. The FDA has a question, well, how do you guys do this? And then the holder of the master file responds to the FDA.

By rule, we are not party to that up and back between the FDA and the third-party component supplier. The reason we're not party is because most of the time, these questions relate to general practices where in which the supplier is not only supplying Regeneron, they might be supplying 20 other pharmaceutical companies, which is in fact the case in some of these DMFs we're dealing with here.

So that's the general tone of things. The questions get asked. In this particular case, based on our phone calls, after we received the CRL last Wednesday, we realized that nobody had gotten these questions until the day of the CRL or the day before or literally after the CRL.

In any case, based on our conversation with the FDA, we believe that there's one key issue that is left to resolve. There are a few other minor ones which I think were just clarifications, but the one key issue relates to a supplier.

And the supplier has told us that the FDA asked for some data. They have all the data. They expeditiously supplied it. Now of course, we don't know the data because we can't be involved by rule in that process. We take it, that word that they think that they have satisfied the agency.

Of course, the FDA has to review this. They could be up and back. You said this. Well, we really wanted that. Maybe you have more of this, and so forth. So that leads to a little bit of uncertainty on how fast this could all get resolved.

We do have commitments from the FDA that they will move expeditiously as well. That doesn't mean they'll approve it. But they will review quickly the data that's submitted and have an up and back because they recognize, I think, the importance in advance of the prefilled syringe being a better way of administering the product than that of a vial for patients getting intravitreal injections.

So boil all that down, how long can this take? It could go quickly, as you said. The last time this happened, it took a few months. It could go longer. We don't think there's a reinspection involved. It's not an issue related to that.

So we don't think there will be these internal long timelines for that. But we'll know more in the coming weeks or months. And we will hopefully get it across the finish line in a short while. But we'll try and keep you posted once we know what the FDA is really up to.

I'm sorry that that's a little indefinite, Tyler, but that's the nature of the process.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question, please, Josh.

Operator

Alexandria Hammond, Wolfe Research.

Alexandria Hammond - Wolfe Research - Analyst

I want to pivot a little bit, and I'm curious on the pipeline. So on your factor XI antibodies, how you prioritize which indications to go after? And how should we think about the timing of launches? Can you provide any follow up too on your discussions with regulatory authorities on aligning trial design?

George Yancopoulos - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Scientific Officer

How do we prioritize -- I couldn't hear --

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Factor XI indications.

George Yancopoulos - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Scientific Officer

Indications. Well, we're doing a combination of indications that are maybe to be expected and will take a little bit longer, as well as some indications that we haven't disclosed that we think we might be able to get across the finish line sooner.

In terms of our approaches, what we're trying to prioritize are indications and studies where we'll be able to show the benefit not only of the anticoagulation profile but of the differentiated bleeding risk profile of both of these antibodies.

And the hope is to actually show that one or both of these antibodies have very favorable anticoagulation as well as substantially lower bleeding risks than available options for patients. So we haven't disclosed all the indications.

We haven't shown the timing of them. But there's a variety of them. And there -- some of them will be coming in sooner. Some of them will be taking a little bit longer. And we hope that they will be emphasizing, as I said, the potential for really addressing what's holding back a lot of patients in this field from receiving anticoagulation therapy, which is minimizing the bleeding risk that these people invariably suffer from.

As we've announced, we are beginning to enroll Phase 3 studies this year.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question, please.

Operator

Chris Schott, JPMorgan.

Christopher Schott - JPMorgan - Analyst

I just had one on EYLEA and the foundation funding. I appreciate the color on the call, but just any updated thoughts on when we could think about the foundation reopening and how quickly once it's reopened, we could think about some of these volumes moving from the generic Avastin back to branded agents?

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Chris, thanks for the question.

Just for the benefit of everybody, let me just remind everybody how all this works. When you're under commercial insurance and you're younger than 65, if you have a copay in your insurance program, sponsors that, people like Regeneron can directly to a patient supply copay assistance in the form of a coupon, et cetera, et cetera.

When a patient turns 65 and if they go on Medicare, which most of our patients getting intravitreal injections are, those patients that are responsible for a copay, typically around 20% if they're in plain old Medicare, it varies somewhat if they're in Medicare Advantage.

Some people -- many people have insurance, supplemental gap insurance, AARP, whatever you want to call it, which covers these copays. But there are still others who don't have the insurance and can't afford the copay associated with an injection of an anti-VEGF agent, for example.

The government has indicated that companies can be part of this safety net, if you will, to help patients who need financial assistance. And the way this works is that companies and others can support independent charitable foundations who then assist patients with retinal disease regardless of the drug they need.

The foundations take in financially eligible patients and give out the assistance that they can afford to give out on a first come, first serve basis. And so there is no direct relationship. If we give money to a foundation, it could go to support VABYSMO. It could go to support PAVBLU. It could go to support EYLEA.

It could go to support -- in fact, in these funds, as they're constructed today, it could go to support the drugs for geographic atrophy. There's no connection as there shouldn't be in what we give and then what the -- how the foundations dole out the resources.

We would like to help as many patients as we can. It turns out we -- were the if not the sole, the vast supporter of these foundations in the recent history. We're talking about having given large sums of money in the neighborhood of over $400 million last year to do this charitable work.

As our commercial outlook in the field has changed, as our resources have changed, we looked at this and said, we'd like to continue doing this, but we can't do it all ourselves. We'd like to help as many people as possible.

And so we're trying to come up with a way where others and Regeneron could make sure that people in need get the drug, copay support without regard to what drug they actually choose or their doctors choose. And one of the things that we've come up with is sort of a standard thing that's done that we all have seen this in our charitable philanthropic efforts, we're considering a matching program where Regeneron would put up and say we'll put up X dollars to some amount and that people depending upon other people putting up, we would match their contributions.

We would hope that this might stimulate others to be more philanthropic than they've been. We are working through the mechanics of this with the foundation. When this all can get launched, we hope in the not too distant future.

Whether or not others will step up to the plate, I'm not sure, but we certainly hope because patients do need this. I hope that that answers your question. And since this is such an important issue, because if I haven't answered it, we'll give you another question to drill down on this a little further.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

We'll move on for now. Chris, if you'd like to ask another question, please hop back in the queue. Josh, let's move to the next question, please.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn - Morgan Stanley - Analyst

Just wanted to ask an additional one on the prefilled syringe. Len, thanks for all the details. But can you confirm that this component is something that's used in your prefilled syringe that's already approved in Europe, or is this a different component or is the component used in any other prefilled syringes?

Just trying to understand the novelty here and why this might be a hang up.

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Yes, this is the same device, same design, and the same components that was approved in Europe last year and has been safely used for months. So we don't think there's any issue whatsoever with the approvability of this.

But the FDA has their own set of questions. They want to know did you do this or where's the data for that and that sort of thing. And they don't just automatically approve it just because Europe has approved it. But yes, your question is a good one, Terence.

It gives us all some confidence that these issues should be resolvable because they were resolved for European approval.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question, please.

Operator

Akash Tewari, Jefferies.

Akash Tawari - Jeffries - Analyst

So you mentioned $400 million in patient assistance to Good Days. Can you comment on what percent of your US patient base received funding in 2024? Is 25% a fair estimate? And just to kind of drill into the specifics, from what you've seen in Q1, what percentage of those patients are dual covered or have supplemental insurance so they would be able to get back onto EYLEA without help from Good Days?

And then Len, assuming that other -- Roche and some of these other players don't -- aren't receptive to this matching program, what are you -- what is your team going to do, right? Is there a situation where funding to Good Days doesn't return at any point in 2025?

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

A lot of questions embedded in there, but the first series of questions, we can't answer. We don't do any correlations about our contributions and the implications for EYLEA usage. That's not permitted. It's not appropriate and the people who make the decisions at Regeneron on are not the commercial people.

This is not a conduit of any shape, matter or form, and that's not permissible under the rules. So we don't -- we can't answer any of those questions about EYLEA . In terms of what our game plan is, well, I think you've heard it.

We want to stimulate a community of givers. You mentioned one. It doesn't have to be. It could be somebody else. If Elon Musk wants to give, that's good by us too. We're not targeting anybody in particular. We're just saying that we would like to stimulate others, and I should just leave it at that.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question, please.

Operator

Carter Gould, Cantor.

Carter Gould - Cantor Fitzgerald - Analyst

Sorry to come back to the regulatory operations, and I appreciate all the color and nuance on the prefilled syringe. But Len, this is your fourth CRL and as well as a delay in the past sort of 12 months. Is there acknowledgement this performance is unsatisfactory across the regulatory group? And maybe you could highlight any steps you've taken to improve regulatory performance?

I recognize the idiosyncrasies. And if I'm being unfair, please correct me, but the rate of CRLs and delays really stands out versus peers.

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Well, that's a tough one. Well, if anybody's going to take responsibility, it's going to be me. I'm not putting this on a regulatory group whatsoever because I think they've done a spectacular job as a manufacturing group. We have a lot of activity at the FDA. I can't remember what we said, nine submissions and we -- so we're going to have more than our share of regulatory interactions.

I think our team is first-rate. The kinds of issues that have come up are reflecting, in my view, an increased scrutiny by the FDA post-COVID on contract manufacturers performing a variety of functions. All of our CRLs, -- I should say not all, but for the vast majority of our CRLs, they relate to these issues at third party suppliers which the FDA recognized were woefully behind the times during COVID.

There wasn't enough of them. They were flunking inspections. And so I think the FDA is trying to step up the game if you will of these contract manufacturers. And since we're so active, we see more. I don't think it's a -- I'll acknowledge for sure that we're unhappy about this.

And if there's a blame, I'm happy to take it personally. But it's certainly not the reflection on a regulatory group and/or manufacturing people who are working really hard to get this right. Now in some cases, the rules have changed sort of midgame.

We had a CRL where we hadn't quite enrolled enough people. And why did the FDA change that sort of approach was because other manufacturers weren't bothering to enroll anybody over a 10 year period. And so they've said, we're not going to do these accelerated approvals.

So we got caught up in that. But we've rectified that. And we're expecting that approval to come. There was another CRL related to a manufacturing thing with -- originally with EYLEA, out of our control. We got that. I don't want this to sound like excuses.

We own the issues because it's our product, but it is reflective, I think, more of what is going on at the level of the contract manufacturers.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question, please.

Operator

Brian Abrahams, RBC.

Unidentified Participant

This is Joe on for Brian.

So for itepekimab, has there been any further evolution of the understanding in IL-33 as a therapeutic target since it's Phase 2 COPD data and the mechanistic rationale behind itepekimab's more pronounced benefit in former smokers?

And as you expand itepekimab development, how will the COPD results guide the further expansion?

George Yancopoulos - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Scientific Officer

Well, a lot of our insights into IL-33 come from genetics in the pathway. As you know, from our Regeneron Genetics Center, we have a large number of human sequence. We can actually see variation in the IL-33 pathway.

And what we actually see is that patients who are genetically deficient in this pathway are protected from COPD and those who have excess IL-33 activity are more prone to COPD as well as a series of other diseases, some of which we've described we're investigating with additional clinical trials.

So that's where the whole rationale and the whole idea comes from which indications we go after. As we've already said, our Phase 2 study showed an overall reduction in exacerbations that was driven by this former smoker population.

We think we might be understanding a little bit about that mechanism, but nothing definitive and new up until this point. And I do remind you that these Phase 3 studies did pass an interim analysis about halfway through the program, which gives us additional hope and confidence.

So the genetics is strong here. The Phase 2 data was strong here. And the fact that we passed an interim efficacy barrier gives us confidence here. But obviously, we'll be getting the data in a short period of time, and that will be definitive.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Any thoughts on future indications based on the COPD results?

George Yancopoulos - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Scientific Officer

Well, we announced, as I just described in my comments, a few ongoing studies and a few studies that we're initiating. We're also very excited about the opportunity in asthma because the data is very strong there. And I think that depending on the COPD results, we might be considering moving into that space as well because the genetics there is also very, very strong.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question, please.

Operator

William Pickering, Bernstein.

William Pickering - Bernstein - Analyst

On the EYLEA HD monthly dosing submission, the ELARA safety trial just completed enrolling in March, and I believe that you submitted the filing before that. So what percent of the total enrollment was included in the submission?

Did you have alignment with the FDA? This would be sufficient? And what's your overall level of confidence in this submission at this point?

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

I don't think we're going to get into the details of all of that. Suffice to say that they've accepted our submission and therefore, there's no deficiency, say like we didn't have enough numbers or something like that.

Now it's a review issue. And we'll see how that process goes. And we'll let you know when we know something. But in terms of whether or not we've satisfied the requirement for evaluation, we did pass that hurdle because it was accepted for review.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to the next question.

Operator

Evan Seigerman, BMO Capital Markets.

Evan Seigerman - BMO Capital Markets - Analyst

I want to pose one for you, Len. Hypothetically speaking, if you could redesign a way to provide patient assistance without the use of charities and current legislation aside, how would you structure that program for Medicare?

Would it be direct kind of co-payments for patients who need it or other kind of mechanisms? How do you think about that?

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Yeah. That is a great question, and I addressed that, I think, recently on a CNBC interview that I gave. But let me revisit it. Just to level set everybody, remember the point being is that we cannot do direct patient assistance to people who are having their drugs paid for by government funding.

I suggested with the stroke of a Presidential pen that they could choose to allow sponsors to provide copay assistance directly the way we do for commercial patients. The notion that somebody is going to take an expensive drug that requires treatment for cancer, let's say, or an injection in the eye or something like that because they get copay assistance seems to me ill-founded.

And maybe it might increase utilization perhaps. But far more importantly, it means patients will get the best drug that they and their doctors choose for them. There is lots of evidence. And we just had it this quarter that we -- most retinal specialists will tell you that Avastin is not the best drug to treat patients with a variety of retinal diseases, yet people who are poor, who can't afford copays wind up getting that in a disproportionate number as you saw when there was no copay assistance here.

And that's really the wrong that needs to be righted. And were I designing this, I would allow copay assistance by directly from sponsors to patients. I think one could literally do this. If the President wanted to do this, he would get millions and millions of seniors would be greatly appreciative that they weren't fussing and worrying and figuring out, well, am I getting the best treatment that's going to make me not lose my vision or am I getting the right cancer treatment so that I can live to see the next year and so forth.

I think that that would be a great thing for the President to do.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Let's move to one more -- next question, please.

Operator

Salveen Richter, Goldman Sachs.

Salveen Richter - Goldman Sachs - Analyst

You tightened your capital expenditure guidance for this year. Can you help us understand this in the context of your recent manufacturing announcements and cadence here for forward spend noting the current environment?

Christopher Fenimore - Regeneron Pharmaceuticals Inc - Chief Financial Officer, Executive Vice President - Finance

Yeah. Thanks, Salveen for the question.

We lowered the top end of the range by $25 million. There's nothing really to look through that other than just some timing of the way we see the expenditures going out. But we're committed to our capital plans and nothing has changed accordingly.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

I think we have time for one more question.

Operator

David Risinger, Leerink Partners.

David Risinger - Leerink Partners - Analyst

Well, I'm hoping you can address a big picture question. The industry is facing three major US government risks, specifically actions that are harming biopharma innovation, including FDA disruption, questioning of proven medical science, evisceration of the NIH, in addition, tariff threats, and then finally, the Trump administration's agenda to take down drug prices more than the Biden administration.

So considering what appears to be a lack of appreciation in Washington of the benefits that the biopharmaceutical industry brings to Americans, could you please comment on how you and your executive team and Board are engaging differently today with Washington leadership to change the political agenda for the better?

Leonard Schleifer - Regeneron Pharmaceuticals Inc - Co-Chairman of the Board, President, Chief Executive Officer, Founder

Great question, David.

Look, I think during this transition period, there is a lot of disruption in Washington. There is loss of personnel, reduction in force, new people in charge, new focuses, and so forth. I told the President that I thought that RFK Jr., while he thinks outside the box, needed some assistance on the science front.

I said that straight out and offered to provide that. And I think that there are others who feel similarly as I do that we can't lose the ability to do science. Does that mean that the way science has been done in this country, the way grants have been given out, is done exactly right?

No, there is room for improvement across all of what we do. We saw that during COVID when one of our antibodies didn't get the kind of indication it clearly should have based on the science. Why that happened? Somebody wasn't following the science.

So there's room for improvement. But of course, there's risk, David, as you pointed out. If we take a path where we just stop following science and we give up on tried and true methodologies, I think we could be in trouble.

If we take a fresh look at things but still get guided by scientific principles, I think things could improve. Obviously, experience does matter, and I really hope that we do not lose really good people at the FDA in the rank and file or even at the policy level.

I think that would be deleterious. So I think that we don't get to set the policy. We hopefully get to influence a little bit and we try and work through it. But the company spends a fair amount of effort trying to keep people on a path that will serve the health of our citizens as best it can.

Ryan Crowe - Regeneron Pharmaceuticals Inc - Senior Vice President of IR & Strategic Analysis

Okay. Thank you and thanks to everyone who dialed in today for your interest in Regeneron. We apologize to those remaining in the Q&A queue who we did not have a chance to hear from today. As always, the Investor Relations team is available to answer any remaining questions you may have.

Thank you once again and have a great day.

Operator

Thank you. This concludes the conference. Thank you for your participation. You may now disconnect.
