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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. Welcome to the Royalty Pharma third quarter earnings conference call. I would now like to turn the call over to George Grofik, Senior Vice President, Head of Investor Relations and Communications. Please go ahead, sir.

George Grofik *- Royalty Pharma PLC - Senior Vice President, Head of Investor Relations and Communications*

Good morning, and good afternoon to everyone on the call. Thank you for joining us to review Royalty Pharma's third quarter 2024 results. You can find the press release with our earnings results and slides of this call on the Investors page of our website at royaltypharma.com.

Moving to slide 3. I would like to remind you that information presented in this call contains forward-looking statements that involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from these statements. I refer you to our most recent 10-Q on file with the SEC for a description of these risks.

All forward-looking statements are based on information currently available to Royalty Pharma, and we assume no obligation to update any such forward-looking statements. Non-GAAP liquidity measures will be used to help you understand our financial results. The reconciliation of these measures to our GAAP financials is provided in the earnings press release available on our website.

And with that, please advance to slide 4. Our speakers on the call today are Pablo Legorreta, Founder and Chief Executive Officer; Marshall Urist, EVP, Head of Research and Investments; Chris Hite, EVP, Vice Chairman; and Terry Coyne, EVP, Chief Financial Officer.

Pablo will discuss key highlights, after which Marshall and Chris will provide portfolio updates, focusing on our progress with synthetic royalty transactions. Terry will then review the financials. And following concluding remarks from Pablo, we will hold a Q&A session. And with that, I'd like to turn the call over to Pablo.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Thank you, George, and welcome to everyone on the call. I am delighted to report another excellent quarter of execution against our strategy as the leading funder of innovation in life sciences. Slide 6 summarizes our continued business momentum in the third quarter. In terms of the financials, we delivered 15% growth in Portfolio Receipts, our top line, and also in Royalty Receipts.

As a reminder, Royalty Receipts represents our recurring cash inflows and are driven by our high-quality portfolio of more than 35 commercial products. Turning to capital allocation, we continue to be very active in acquiring new royalties and our pipeline remains robust. On a year-to-date basis, our capital deployment now stands at approximately $2.6 billion.

In addition, as part of our balanced capital allocation strategy and given our strong fundamental outlook, we repurchased another $95 million of our shares in the quarter. Looking at our portfolio, we have recently acquired royalties on three novel therapies. Two of these came through synthetic royalty transactions, an important opportunity, which Marshall and Chris will expand on.

We're also delighted to see our portfolio progress nicely with the FDA approvals of Cobenfy in schizophrenia and Voranigo in glioma and Tremfya in ulcerative colitis. We expect each of these to be important new growth drivers for Royalty Pharma.

Lastly, I am happy to report we're raising our full year 2024 guidance following our strong performance in the first nine months of the year, driven by the momentum of our diversified portfolio. We now expect Portfolio Receipts to be between $2.75 billion and $2.8 billion.

This update is based on expected growth in Royalty Receipts of around 11% to 13%, which compares with our previous guidance of 9% to 12%. Consistent with our standard practice, this guidance is based on our current portfolio and does not include the benefit of future transactions.

Slide 7 shows that our unique business model has powered strong growth since our IPO. As I noted earlier, we delivered 15% growth in Royalty Receipts in the third quarter, which brings our year-to-date growth to 14%. This consistent track record of strong growth speaks to our ability to execute successfully against our strategy in the growing market for biopharma royalties. With that, I will hand it over to Marshall.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President - Research and Investments*

Thanks, Pablo. I want to focus today on three exciting recent royalty transactions. Slide 9 summarizes our transaction with Syndax announced this week to acquire a synthetic royalty in Niktimvo in the US. Niktimvo is the first FDA-approved anti-CSF-1R antibody for chronic graft versus host disease, or chronic GvHD, and launch is expected no later than early in the first quarter of 2025.

Incyte is already the market leader in chronic GvHD with Jakafi and will co-commercialize the therapy with Syndax. We paid $350 million upfront in return for a 13.8% royalty on US net sales of Niktimvo, and we expect the royalty will have a duration extending to the late-2030s and project an IRR in the low double-digits.

Turning to slide 10. For those less familiar, chronic GvHD is a serious immune-driven, multi organ disorder that is estimated to develop in about 42% of stem cell transplant recipients. Importantly, it can cause severe symptoms for patients and even mortality. With nearly 50% of chronic GvHD patients requiring at least three lines of therapy, there is clear unmet need for additional treatment options like Niktimvo, which has a differentiated mechanism of action and demonstrated impressive efficacy and encouraging safety in Phase 3.

Based on the unmet need and compelling clinical results in third-line chronic GvHD, the FDA approved Niktimvo in August, and we see an attractive commercial opportunity based on the current label. We also note that the most recent new medicine for chronic GvHD Sanofi's Rezurock, which launched in 2021, is annualizing at greater than $500 million in sales.

Slide 11 summarizes a couple of additional smaller recent transactions totaling around $300 million in announced value. Both therapies address an unmet patient need, have a compelling differentiated profile, and the consensus projects each to be a blockbuster generating attractive returns for Royalty Pharma. The synthetic royalty on Yorvipath marks our second transaction with Ascendis. The product is FDA-approved for

hypoparathyroidism, and we look forward to launch next year. In the second transaction shown here, we acquired a pre-existing royalty from BRAIN Biotech AG on a promising oral therapy, Deucrictibant, for hereditary angioedema in Phase 3 development by Pharvaris.

Across the two transactions, the combined peak royalty potential based on consensus would be greater than $100 million annually to our Royalty Receipts, providing additional momentum to the already attractive long-term growth outlook for our portfolio. And with that, I'll hand it over to Chris.

Christopher Hite - *Royalty Pharma PLC - Vice Chairman, Executive Vice President*

Thanks, Marshall. Having just heard about two recent examples of synthetic royalties, I wanted to drill down a little further on this opportunity. Slide 13 describes why we believe synthetic royalties are such an attractive funding modality. We pioneered this innovative solution in which we create new royalties as a non-dilutive funding solution for our partners.

There are many reasons why this approach has benefits for our partners, whether they are small biotechs or big pharma companies. Not only does this allow us to tailor a solution to meet our partners' needs, it provides independent validation of the asset and allows the partner to retain operational control. Furthermore, it aligns our long-term interest with those of our partners. And lastly, we can add value through our proprietary analytics, like claims analysis or real-world evidence data, something that we're really investing in and feel will be very important in the future. It's a true win-win approach, and we believe synthetics will be increasingly utilized in the coming years. Slide 14 shows that historically biopharma funding has been dominated by equity, licensing deals, and debt. Synthetic royalties have been a small part, just 3% of the overall funding picture over the last five years. From our ongoing partnership discussions, we now see these synthetic royalties are being routinely discussed at the Board level and C-suites as an important and growing funding modality. Our expectation is that synthetics will continue to be a fast-growing business opportunity in the coming years.

Consistent with this growing opportunity, we announced synthetic royalty transactions of $775 million in 2023, which represented a doubling since the year of our IPO. In 2024, we have already achieved another record year with the value of synthetic transactions at $800 million. With the advantages I described and the huge funding required for life sciences innovation, we see tremendous scope for further growth in the synthetic royalty funding. With that, I'd like to hand it over to Terry.

Terrance Coyne - *Royalty Pharma PLC - Chief Financial Officer, Executive Vice President*

Thanks, Chris. Let's move to slide 16. This slide shows how our efficient business model generates substantial cash flow to be reinvested. As you heard from Pablo, Royalty Receipts grew by 15% in the third quarter, reflecting the strength of our diversified portfolio.

The key drivers of growth were the strong performance of Trelegy, Evrysdi, the cystic fibrosis franchise, and Tremfya. There was minimal income from Milestones and other contractual receipts, so Portfolio Receipts, our top line, also grew by 15% to $735 million.

As we move down the column, operating professional costs equated to 7.5% of Portfolio Receipts. Net interest paid of $62 million reflected the semi-annual timing of our interest payment schedule with payments in the first and third quarters. This does not reflect interest on the $1.5 billion of incremental debt that we raised this past summer, with the first interest payments for those new tranches expected in the first quarter of 2025.

Moving further down the column, we have consistently stated that when we think of the cash generated by the business to then be redeployed into value-enhancing royalties, we look to Portfolio Cash Flow, which is Adjusted EBITDA less net interest paid.

This amounted to $617 million in the quarter, equivalent to a margin of around 84%. This high level of cash conversion once again underscores the efficiency of our business model. Capital deployment in the third quarter was $1.2 billion, which in addition to the transaction we just announced with Syndax, takes our total for the year to approximately $2.6 billion.

Slide 17 shows that we continue to maintain significant financial capacity for future royalty acquisitions. In total, we have approximately $3 billion available through a combination of cash on our balance sheet, the cash our business generates, and access to the debt markets.

At the end of the third quarter, we had cash and equivalents of $950 million. In terms of our borrowing position, we have investment-grade debt outstanding of $7.8 billion. As a reminder, we have a weighted average cost of debt of 3.1% and a weighted average maturity of around 12 years, which closely aligns with the duration of our royalty portfolio.

Our leverage now stands at around three times total debt to Adjusted EBITDA. We also have undrawn financial capacity from our $1.8 billion revolver. As Pablo noted, we continue to take advantage of the fundamental disconnect in our share price and repurchased $95 million of our shares in the quarter, taking our total spend on buybacks to $180 million through the first nine months of 2024.

Slide 18 is a reminder of our capital allocation strategy and how we expect this to drive shareholder value creation. At our Investor Day in 2022, we outlined that over a five-year period through a combination of cash generation and our debt capacity, we expected to have access to around $20 billion of capital.

As you can see on this slide, we expect to deploy the majority of our capital on value-enhancing royalty acquisitions with a target of $10 billion to $12 billion invested over the period. As of today, we are on track to meet or exceed this target, having announced transactions of $10 billion with actual capital deployment of $7.2 billion in less than three years.

We aim to balance this primary focus on royalty acquisitions with returning capital to shareholders through a combination of dividends and share repurchases. Regarding the latter, the Board authorized a multiyear share buyback program of up to $1 billion in March 2023, of which we have spent approximately $484 million through the third quarter.

While investing in royalties is our number one priority, we use our share buyback program tactically for repurchases when we see a disconnect between our intrinsic value and the stock price. By executing against this capital allocation strategy, we are confident we'll continue to deliver our mission of accelerating innovation in life sciences, while generating strong returns and creating significant shareholder value.

Slide 19 provides our raised full year 2024 financial guidance. We now expect portfolio receipts to be in the range of $2.75 billion to $2.8 billion. Let me walk through our assumptions. First, within our overall top-line guidance, we expect to deliver in royalty receipt -- growth in Royalty Receipts of around 11% to 13%.

The increase from our previous guidance of 9% to 12% reflects the strong momentum of our diversified portfolio. Second, when we moved to Portfolio Receipts, we faced a high base of comparison as a result of the $525 million of accelerated Biohaven-related payments we received last year. Milestones and other contractual receipts are, therefore, expected to decline from around $600 million in 2023 to approximately $30 million in 2024.

Lastly, our guidance assumes a negligible foreign exchange impact. Importantly, and consistent with our standard practice, this guidance is based on our portfolio as of today and does not take into account the benefit of any future royalty acquisitions.

Turning to operating costs. Payments for operating professional costs are now expected to be approximately 8.5% of Portfolio Receipts in 2024. Interest paid for full year 2024 is expected to be around $160 million with a de minimis amount to be paid in Q4.

This does not take into account any interest received on our cash balance, which was $37 million for the first nine months of the year. It also does not reflect interest payments on the $1.5 billion of notes issued in June of 2024, for which the first payment will be paid in the first quarter of 2025.

My final slide drills down further on our expected Portfolio Receipts and Royalty Receipts performance in 2024. Starting with the left-hand side, you can see the high base of comparison due to the approximately $600 million of milestones and other contractual receipts we received in 2023, which was primarily due to the accelerated Biohaven-related payments.

However, if we start from Royalty Receipts, which we consider the recurring cash inflows of our business, you see a base of $2.45 billion in 2023. Importantly, we expect strong underlying Royalty Receipts growth of between 11% to 13%, driven primarily by the performance of our diversified portfolio.

To close, we delivered another strong quarter of financial performance, and we are pleased to be able to raise guidance based on the excellent momentum of our royalty portfolio. With that, I'd like to hand the call back to Pablo.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Thanks, Terry. Let me begin my concluding remarks by saying how pleased I am with our performance in the first nine months of 2024. We delivered double-digit growth in Royalty Receipts. We raised our guidance twice. We significantly strengthened our portfolio, and we maintained our leadership position in the fast-growing royalty market.

My final slide highlights that we have announced transactions worth up to $10.1 billion since the start of 2022, with actual capital deployed of $7.2 billion today. What you see here, too, is the healthy balance between approved and development-stage therapies.

This extraordinary level of activity highlights the power of our business model as well as the powerful secular tailwinds in our industry. It also puts us on track to meet or exceed our five-year capital deployment target of $10 billion to $12 billion.

Given this incredible record of delivery against our strategy, I have never been more confident that Royalty Pharma is well-positioned to deliver attractive compounding growth over the remainder of the decade and beyond. With that, we will be happy to take your questions.

George Grofik - *Royalty Pharma PLC - Senior Vice President, Head of Investor Relations and Communications*

We will now open up the call to your questions. Operator, please take the first question.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Chris Schott, JPMorgan.

Hardik Parikh - *J.P. Morgan Securities LLC - Analyst*

This is Hardik Parikh in for Chris Schott. Congratulations on the results. Just wondering on the recent Cobenfy, KarXT label -- avoided the kind of the typical black box that you see with kind of other antipsychotics. I'm just wondering, how does that compare to your base case scenario?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Marshall, this question is for you.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President - Research and Investments*

Thank you for the question. So we were really happy to see the Cobenfy approval. And we thought the label looked great and are really excited to see the launch unfold in the quarters to come. If you take a step back about what Cobenfy says about how we approach building our portfolio, I think it's a great example of identifying an area where there's lots of unmet patient need, having a product that has differentiated -- very differentiated

efficacy, and as you point out, safety and tolerability is really going to be able to add value and change the market in a patient population that's badly in need of innovation, so really exciting to have this as part of the portfolio. As we've mentioned before, also the fact that now it's in Bristol's hands, and they'll then be able to really maximize its benefit for patients and its commercial value is exactly the kind of things that we look for and hope to happen and hope to happen with our products.

So to answer your question, we're really happy with the label and excited about it as a new part of our portfolio.

Operator

Geoff Meacham, Citi.

Geoff Meacham - *Citi - Analyst*

Just had a couple. Terry, when I look at the growth in the CF business, it's moderated a bit over the past few years, and that could continue going forward or perhaps even get worse. So the question is, does this change the urgency that you guys have for newer deals or how you look at the magnitude of newer investments. I wasn't sure if the CF contribution had any impact on your thinking there.

And second question for Marshall, I guess, when you look at the -- some of the more rapid high impact launches past couple of years, like I'm thinking about COVID or GLP-1s, the commercial piece for those categories came together pretty quickly. Has your process or sort of your filter evolved to capture more of these types of opportunities that could inflect faster or has it changed at all?

Terrance Coyne - *Royalty Pharma PLC - Chief Financial Officer, Executive Vice President*

Yeah. So Geoff, on your CF question, CF has been obviously a great contributor for Royalty Pharma and been a consistent outperformer versus sort of expectations over the last couple of years. Certainly, there's sort of the law of big numbers at play here, but we still think it has nice growth ahead of it.

So I think we still see it as a nice contributor for Royalty Pharma longer term. And as far as urgency to invest away, I think as assets mature and things roll off, or that's just sort of the natural cycle of any pharmaceutical business. And I think that what we've shown is the ability to sort of have a lot of resilience in the face of any of those typical headwinds that businesses do.

And I think that it's been by doing the same thing we've been doing, which is this consistent approach of identifying great assets, deploying capital consistently, and focusing on the highest quality assets that will drive the next wave of growth. I think that we've added things like that to our portfolio over the last couple of years with the Evrysdi and Tremfya, Trelegy, Cobenfy. So I think that we'll keep doing more of the same. We feel really good about the opportunity ahead and feel really good about our ability to continue to grow.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Geoff, maybe just add one other perspective here. It's Pablo. But I will ask you the question, how many businesses do you know in pharma, life sciences, with the kind of diversification we have and really robust portfolio that have an ability to actually deliver double-digit growth consistently over a long period of time?

And obviously, you have situations that we all know about. Some -- Lilly or Novo that have benefited from obesity drugs that grew significantly over a period of time, but many of those companies always face very significant cliffs on their products. And in our case, we have more than actually close to three decades now of consistent double-digit growth in the top line, and that's really unique.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President - Research and Investments*

And then, Geoff, your second question on ramp. So I don't think it's changed because of the ramp of those products. The reason for that is the shape of the launch has always been something we thought a lot about because if you think about royalty investments, the two biggest drivers are, of course, the peak sales and the launch trajectory and the shape that which you get there, and both of those make a very significant contribution to value.

So thinking about the ramp and how products ramp has always been fundamental to our process. And so there's been no change there in reality. Some things can launch quickly, like the examples you point out, and some we have to think a lot about can't structurally either because of the payer channel that they're in and getting access or that patients need to be identified or other sorts of issues.

So that's always something our business has demanded that we spend a lot of time thinking about, so no change. But certainly, when we see things that, of course, have the opportunity to both have a really attractive peak sales and a faster launch, that's obviously a more attractive profile.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

And Geoff, maybe adding also here an additional comment because it seems to me that the question you asked was in relation to business models that exist in life sciences, where there's new opportunities to invest in, new novel therapies that are going to drive significant growth.

And you should just think how much easier it is for Royalty Pharma to actually take advantage of those new ways of innovation and add to our portfolio over a very short period of time. We can do it over a year or two, whereas many of the bigger companies, it can take them five years or 10 years to actually participate in a new exciting class of drugs. And in our case, we can do it much, much faster given the flexibility of our business model.

Operator

Umer Raffat, Evercore.

Mike DiFiore - *Evercore ISI - Analyst*

This is Mike DiFiore in for Umer. Congrats on the quarter. A quick question on Niktimvo. Maybe could you outline the expected timeline for US market penetration and ramp to peak sales following its early 2025 launch as well as any thoughts on how we should think about its probability of success in IPF?

Marshall Urist - *Royalty Pharma PLC - Executive Vice President - Research and Investments*

Yeah. Thanks, Mike. So we are really excited as we talked about in the prepared remarks about Niktimvo. And specifically, in terms of the launch and market penetration, this is an area with a lot of unmet patient need. We highlighted a recent precedent product, which had a really nice launch as well.

And so through our team's extensive diligence, talking to physicians about their patient, the patients that they're caring for and the unmet need. We are hopeful that there will be material demand for this as the product launches and we certainly have a benefit of having insight as in the market.

As I'm sure you know, they have a very significant presence here and really did a lot did a lot to develop the GvHD market with Jakafi. So we are -- and we are excited about it. And then specifically on IPF, IPF is still early. There are certainly some mechanistic reasons to be hopeful about it. But it's still early in a Phase 2 trial. We always like opportunities like this where there are opportunities for upside to our forecast based on something like IPF or also, you didn't mention it, but Niktimvo is being studied in earlier lines of therapy for GvHD. So our base case and the base investment

thesis here was focused on the current approval, and that's going to generate an attractive investment for us. But certainly, things like IPF and earlier lines of therapy in GvHD are exciting as well.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn - *Morgan Stanley - Analyst*

Great. I know you guys aren't going to provide guidance yet for '25. But maybe, Terry, you could just talk high level about some of the puts and takes here. And then, Chris, maybe just how you think about the deal environment shaping up for 2025. And any implications from the election here as you think about your business model on the forward.

Terrance Coyne - *Royalty Pharma PLC - Chief Financial Officer, Executive Vice President*

Yeah. So Terence, I think it's probably premature to start talking much about 2025 at this point. I think that we feel really good about the portfolio that we have. I think that there's a lot of assets in there that have nice growth ahead of them.

A few that are maturing, but I think that overall, we feel really good about the portfolio and really good about the opportunity to add great assets as we've been doing throughout this year. I think that as we usually do, I think we'll probably really delve into 2025 on our fourth quarter call.

Christopher Hite - *Royalty Pharma PLC - Vice Chairman, Executive Vice President*

And Terence, your question about deal environment. We are super excited about what we see. Obviously, this year, we've done $2.6 billion already year to date. Pablo gave the numbers since 2022, we've announced $10.1 billion in deal volume since 2022. And we've announced $15.5 billion since 2020. So we see just an ever-increasing opportunity out there.

Obviously, the demand for capital in the biopharma sector with large pharma all the way down to small and mid-cap biotech are immense. And so we can play an increasing role in that, whether that's existing royalties or synthetic royalties. So we're super excited about that. As it relates to the new administration that would come in next year, too soon to tell, I think, is what I would say. But we don't really -- we've shown the ability to invest a lot of capital regardless of the administration, just given the needs of the sector for capital. And so we're looking forward to the continued strong environment in the deal sector.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Just one quick thing about next year and then the following years is that we're going to start to see really exciting readouts of some of the investments we have in our pipeline in pelacarsen, for example, and Cobenfy. So maybe that's one thing to pay attention to.

Operator

Michael Nedelcovych, TD Cowen.

Michael Nedelcovych - *TD Cowen - Analyst*

I have two. My first relates to Cobenfy. I'm curious if you have an expectation for the upcoming emraclidine readout from AbbVie. And if that agent ends up showing a clinical profile similar to Cobenfy, would you view that as a competitive threat or more of a rising tide, lifts all boats type scenario?

And then my second question is on Tremfya in UC, in remodeling, do you assume significant uptake in frontline you see? Or do you think that Tremfya will primarily compete in sort of second or third line biologics space?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Do you want to take those two questions, Marshall?

Marshall Urist - *Royalty Pharma PLC - Executive Vice President - Research and Investments*

Sure. So your line was a little rough, but I think I got both of the questions. So specifically on the upcoming readout for a competitive product at AbbVie, emraclidine to Cobenfy in schizophrenia. So our approach when we think about new classes like this, especially where there are multiple development programs, is we do think a lot about the competition. And in this case, certainly, we assumed that there would be competition in this space, in this sector, given the importance of the mechanism and the unmet needs. So that was in our base case. And certainly, we expect it to be multiple members of this class, like we've seen before in multiple classes in psychiatry.

And I think given the scale of the unmet need to have two companies investing and developing this next generation of agents and developing the market beyond what's available today is a good thing. So that was how we thought about emraclidine.

And then for Tremfya, I think our view here is you have a great combination of one of the strongest marketers in the world in inflammatory bowel disease, a great product, Tremfya with strong data behind it. And so we think, and I think some of Janssen's comments support this, that IBD and UC within that are going to be a significant growth driver for the product.

So I think if you think about first line versus second and third line, it's hard to generalize about simply just because of the access situation and the payers. But I think the important thing for Royalty Pharma as we look forward is, of course, that we do see a very meaningful opportunity for Tremfya in IBD.

Operator

Chris Shibutani, Goldman Sachs.

Chris Shibutani - *Goldman Sachs & Company, Inc. - Analyst*

Great. With the synthetic royalties and the opportunity there that you announced, particularly with Syndax, and then juxtaposing this against the fact that historically, you've been able to adapt some of the deal structures and expand upon relationships. Can you just educate us a little bit in terms of some of the parameters that were set up here, in particular, the 2.35 times cap and how that is defined in the context of potential additional opportunities for Niktimvo. And is it structured in a way that lets you to continue to specifically adopt the opportunity with Niktimvo? Or if you were to go back essentially to Syndax and do another deal, would it have to be for another product?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Sure. Thank you for the question. Chris, do you want to take that question?

Christopher Hite - *Royalty Pharma PLC - Vice Chairman, Executive Vice President*

Yeah, sure. Thanks for the question, Chris. The synthetic royalty opportunity is, as I mentioned in my prepared remarks, we try to tailor every transaction to really create a win-win situation for our partners. And one of the things I didn't mention in the prepared remarks is how many sort of repeat deals we do with existing partners.

So if you think of the number of deals we do with Biohaven or Cytokinetics or PTC or BioCryst over the years, there are a number of times where we really try to create win-win situations and the partners come back to us for more capital. And so in the Syndax specific situation, you're correct that there is a 2.35 cap. So basically, that -- once we were -- if we -- when we achieve a 2.35, that would end their obligations to us. But every deal is different. Many of our transactions are not cap transactions, most are not. And we just see a tremendous opportunity in that sector to continue to fund partners and new partners out there.

Operator

Ash Verma, UBS.

Ash Verma - *UBS - Analyst*

Just going back to Niktimvo. What are your thoughts on the IV administration and whether that becomes a bottleneck for adoption? Are these GvHD patients develop the disease effectively more than 100 days after the transplant? So majority of these patients don't necessarily need to visit the hospital. So do you think that the deep penetration of orals will be an impediment for Niktimvo adoption?

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Sure. Thanks for the question. Marshall, why don't you take this.

Marshall Urist - *Royalty Pharma PLC - Executive Vice President - Research and Investments*

Thanks for the question. So the core of the question is Niktimvo is IV administered. Some of the other options in the space are oral. And how will that impact the launch? And so clearly, that was something that we thought a lot about and talked to physicians about. And I think the key takeaways were, one, certainly, the fact that it's IV administered was reflected in our forecast and our expectations. I think second is that a lot of patients have already experienced the options that are out there, and that was sort of the core of our view is that you have a significant number of patients who are still carrying a significant symptom burden and so are in need of further therapy.

And so this is a serious condition. It can cause a pretty heavy symptom burden for patients. And so if you need another treatment, Niktimvo is going to be kind of the only option if you've been through steroids and Jakafi and Rezurock. So that's kind of the core of our view. And so that's how the IV administration was something that we thought about, but we're excited about the commercial opportunity there and given the unmet patient need for patients who have failed other therapies.

Operator

I'm showing no further questions at this time. I'd like to turn the call over to Pablo Legorreta for any closing remarks.

Pablo Legorreta - *Royalty Pharma PLC - Chairman of the Board, Chief Executive Officer*

Thank you, operator, and thank you to everyone on the call for your continued interest in Royalty Pharma. If you have any follow-up questions, please feel free to reach out to George. Thank you, everyone.

Operator

Thank you for your participation. This does conclude the program, and you may now disconnect. Everyone, have a great day.