

Analysts

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Current Price: \$718.33

Target Price: \$793.23

Company Overview

Regeneron Pharmaceuticals (REGN), founded in 1988, is a biotechnology company headquartered in Tarrytown, New York. It engages in medication discovery, invention, development, manufacture, and commercialization. It specializes in Ophthalmology, Immunology & Inflammation, Oncology, Hematology, and Internal Medicine & Genetic Pharmaceuticals. They have over 15,100 employees worldwide.

Key Share Statistics

52-Week Range	\$476.49-\$800.99
Beta Value	0.78
Average Daily Volume	96,875K
Market Capitalization	\$73,000M
Shares Outstanding	109M
Book Value per share	\$2.39
EPS (FY2024)	\$40.90
P/E Ratio	17.16
Dividend Yield	0.5%
Dividend Payout Ratio	6.33%

Financial Ratios & Metrics Highlights

ROA	12.43%
ROE	15.95%
Sales	\$14.2B
Current Ratio	4.73
Debt to Equity	10.01%

Valuation

DCF & EP Model Valuation	\$1,138.35
Dividend Discount Model Valuation	\$869.92
Relative EV/EBITDA Valuation (2026)	\$780.45

REGN has a Neutral Outlook

- Top-Line Growth Potential for Top-End Drugs:** Regeneron saw promising growth from their recent Eylea HD earnings. Their U.S. sales increased 10% in Q3. However, global sales for the two combined decreased due to patent cliffs and recent pricing pressures from the IRA. Dupixent has patent expirations a lot later into the future than Eylea and others, making them more protected against biosimilar competition. Dupixent sales also rose 27% to \$4.86 billion in Q3, and we expect this trend to continue.

- Above-Average R&D Spending & Innovative Pipeline:** Regeneron has an extremely strong research and development pipeline and invests an amount well above the industry average to maintain it. Whereas competitors allocate anywhere from 16-20% to their innovation of new products, Regeneron spends close to 36%, cementing their competitive advantage.

- Forward-Thinking CRISPR & Joint Venture Investments:** Over the last few years, CRISPR technology has been gaining popularity among biotech manufacturers, and can contribute to future innovations and research. For Regeneron, by continuing their partnerships with other companies like Sanofi, they can get involved in the newest innovation for R&D.

- Reliance on Collaborations for Commercial Success:** The strength of Regeneron's research and development pipeline comes at the cost of its independence, as it often relies on its collaboration agreements with competitors to market its products. It often allows its partners to take a large portion of a drug's international revenue, giving up a key steppingstone in the race to the top.

- Patent Expiration Risk:** Patent expirations could be a major risk for Regeneron which has a drug pipeline of a few high-revenue drugs, who are nearing the end of exclusivity. Biosimilar competition is continuing to emerge which is expected to contribute to serious losses to revenue in the coming years. To sustain growth, Regeneron must continue heavy investment in innovation and discovery.

One Year Stock Performance



Company Overview

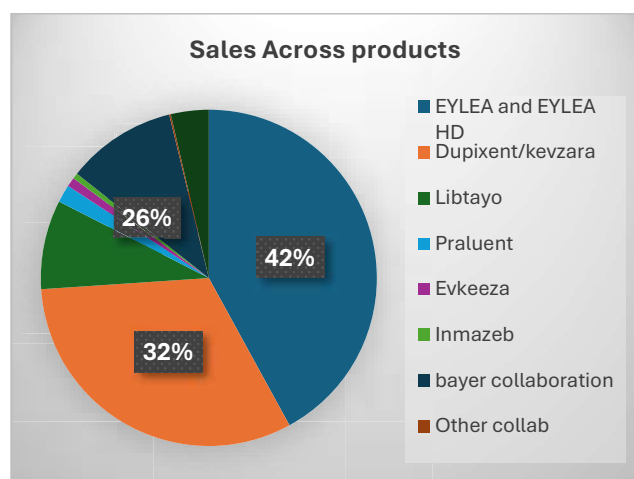
Regeneron pharmaceuticals, inc. was founded in 1988 and headquarters in Tarrytown, New York. Named for its initial focus of regenerative capabilities, it has since expanded into many areas of medicine. It is a leading biotechnology company which invents, develops, manufactures, and commercializes drugs for people with serious diseases.

Their treatment areas are mainly for those with eye diseases, allergic and inflammatory diseases, cancer, cardiovascular and metabolic disease, neurological diseases, hematologic conditions, infectious disease, and rare diseases. Their main product portfolio consists of medications like Eylea, Dupixent, Libtayo, Praluent, and Kevzara. Regeneron prides itself on its internal research and will continue to innovate in the field of medical research.

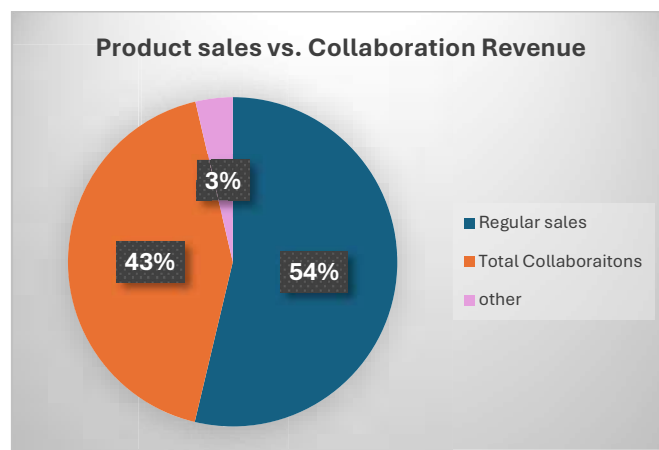
Revenue Analysis

Regeneron's revenues in total were \$14.2 billion in 2024 and \$13.1 billion in 2023. Their revenue comes from a combination of both internally developed products, as well as collaboration revenue with Sanofi, Bayer, and Roche, being the biggest collaborators. Regeneron reports earnings based on product type, not disease type. Most notably, EYLEA and EYLEA HD and the collaboration of Sanofi and Regeneron to develop and commercialize Dupixent, make up the majority of Regeneron's total revenue.

They have a diverse disease treatment split mostly between non-system specific biopharmaceuticals and system-specific biopharmaceuticals, having a market share of 9.12% and 58.79%, respectively. System-specific include their ophthalmology (like EYLEA) and endocrinology medications. Their non-system specific drugs treat oncology (like Libtayo) and "other" areas of treatments.



The table above breaks down the different drugs and their percentage of total revenue. EYLEA/ EYLEA HD and Dupixent/Kevzara had the largest shares with 42% and 32% of revenue, respectively. The rest was shared among the other collaborations/drugs at the remaining 26%.



The table above shows the amount of revenue coming from regular sales, versus collaborations with other companies.

Regeneron differs from many other biopharma companies, as they report their revenues either by individual drug, or by collaboration vs. regular product sales. As you can see above, their collaborations make up a very substantial part of their revenues.

EYLEA and EYLEA HD:

EYLEA is an injection that treats serious eye diseases. It represents a significant portion of Regeneron's total product sales. For the fiscal years of 2024 and 2023, EYLEA and EYLEA HD represented 42% and 45% of total revenues, respectively. This presents a unique challenge and dependence on patent protections and FDA regulation of biosimilar products.

In May 2024, the U.S. regulatory exclusivity period for EYLEA expired, making room for many biosimilar versions to be subsequently approved by the FDA. Regeneron is uncertain what the future implications of these biosimilars have, but for the time being, the revenues should continue to be strong in the U.S. market.

Dupixent

Another medicine that dominates the total revenue of Regeneron is Dupixent, under the collaboration with Sanofi. For the fiscal years 2024 and 2023, Dupixent represented 32% and 29% of the total revenues, respectively. If Regeneron can't continue to gain approvals for Dupixent or they experience difficulties

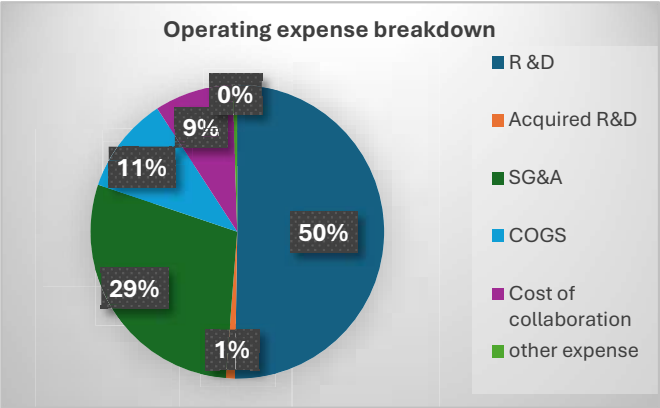
with commercialization, this could have a large impact on revenues.

Other Revenues (Libtayo):

There are various other drugs that Regeneron commercializes, but most notably is Libtayo. For the fiscal years 2024 and 2023, Libtayo had 6% and 4% of Regeneron’s total revenue, respectively. Libtayo represents Regeneron’s share of the oncology market. It targets cancerous T-cells and treats solid tumors and blood cancers. The competition for the oncology market is significant in the United States, so if Regeneron struggles with commercialization or advancement, they could see declining profits.

Expense Analysis

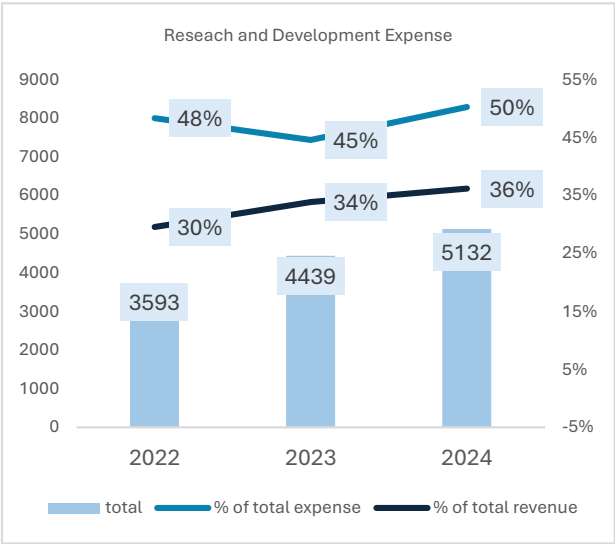
Operating Expense Breakdown:



The most significant operating expenses include Research and development, Sales general and administrative expenses, and cost of goods sold.

Research and Development:

Regeneron’s direct research and development primarily relates to costs paid to third parties for product development activities, including preclinical, clinical trial, and reimbursements to collaborators. The indirect research and development refer to the costs to maintain facilities, staff compensation, and other costs.



Research and development has seen an increase in total volume but also has maintained a significant share of the company’s total expenses. The table above visualizes this well because as Regeneron’s total expenditure increases, so does the percentage of total revenue, which shows a proportional growth pattern.

Future Outlook:

Like the trendline seen in the table above, we expect the spending on research and development to stay constant as a percentage of revenue. Naturally, with our revenue growth, we expect these expenses to steadily increase over the future years. With constant competition in the biotechnology and pharmaceutical industries, Regeneron will have to continue to invest very significant portions of their revenue to research and development of developing new medicines.

On our forecast, we took the average of historical trends for research and development as a percentage of revenue. We took the most accurate estimate of this average, eliminating outliers like 2021, during the COVID-19 pandemic. This equaled 36.51%, that of which we straight lined through the end of our forecast period.

SG&A and COGS Expenses:

There was little information on the company’s Sales, General, and administrative expenses included in their financial statements. But based on other biopharma companies, I would expect it would include costs like sales/marketing, legal (especially patent law), and general operating costs expected with running such a large company.

For cost of goods sold, I would expect anything having to do with the manufacturing process of these drugs. When

constructing the financial statements, we also decided to back out depreciation and amortization.

Patents:

Regeneron has thousands of patents on many of their portfolio drugs, but below I will highlight the patents for some of their major revenue-driving drugs.

EYLEA and EYLEA HD:

Regeneron holds a very wide range of patents on EYLEA and EYLEA including composition of matter, formulations, methods of treatment, and manufacturing. The core composition of matter patent expired in June of 2023. Some of the formulation patents are extended through 2027, while method-of-treatment patents are extended until 2032. Eylea HD (8mg) is a dose-strength variant, which has extended patents. In May of 2024, Regeneron's market exclusivity of Eylea ended (after 12 years). This gave way for a couple of biosimilars to enter the market including Biocon which recently settled litigation with Regeneron to wait until 2026 for launching their biosimilar.

Dupixent:

Regeneron holds patents for the composition-of-matter of Dupixent, which has a patent expiration in March 2031. They also have many formulation patents that expire around that same time.

Libtayo:

Regeneron recently gained full global rights to Libtayo from Sanofi. Their U.S. composition-of-matter patents expire in 2035. Their method-of-treatment patents are estimated to expire around 2037, and their formulation patents expire in 2038. Since they now have full control, they no longer pay a collaboration fee to Sanofi.

Balance Sheet Items:

Capital Expenditures:

For capital expenditures, we took an average of the previous year's values and used the current inflation percentage to increase it year over year. We assume that the capital expenditures will grow proportional to the growth of Regeneron's revenues, so assuming it keeps investing similar amounts every year, we must account for future inflationary pressures.

Although it is not accounted for in the model, Regeneron recently announced its future build of a 1 million square foot, \$2 billion facility in Saratoga County. This could be

a strong investment as it's projected to add 1000 jobs and could be a way to move some of the supply chain into the United States.

Debt and Capital Structure:

Regeneron is unique in the fact that they don't like to hold a ton of debt. Their Debt-to-equity ratio has steadily decreased over the past 5 years, being at a high of 0.56 in 2020, then decreasing to 0.27 by 2024. Since 2022, the number has consistently been between 0.27 and 0.30. S&P global ratings maintain a stable outlook for Regeneron, at a BBB+ rating. They back this up through a strong market position with Eylea, low historical debt balances, and a history of innovation. Assuming there is no drastic changes, they should maintain this rating.

Recent Earnings Announcement:

Regeneron's recent Q3 earnings call came out on October 28th, 2025. These are the key numbers:

- Earnings increase 1% to \$3.75 billion vs. Q3 2024
- Dupixent global net sales (rec. by Sanofi) increased 27% to \$4.86 billion
- EYLEA HD U.S. sales increased 10% to \$431 million, and EYLEA and EYLEA HD global sales decreased 28% to \$1.11 billion

Analysts had a bullish outlook across the board but differed in their views on EYLEA's regulatory duties, Dupixent's patent risk, and general valuation. Jeffries was most optimistic, raising their target to \$870 on expectations that EYLEA HD will be very strong in 2026. Analysts from Oppenheimer cut their target to \$750 over risk of EYLEA HD's regulatory hurdles. There were a couple more opinions, but these stuck out. They are also adamant about continuing M&A activity.

Looking ahead (management expectations):

- Q4 revenues +1.1%, EPS +\$0.38 or +4%
- FY25 revenues +0.5% and EPS +\$0.73 or +1.8%
- FY26 revenue +0.3% and EPS +\$0.13

Industry Analysis

Comparable Companies:

General information (in billions):

COMPANY	MARKET CAP	SALES	EBITDA
REGN	\$75	\$14	\$4
AMGN	\$184	\$36	\$15
PFE	\$146	\$63	\$26
SNY	\$128	\$43	\$15

ABBV	\$417	\$60	\$27
GILD	\$157	\$29	\$14
VRTX	\$112	\$12	\$5
BMV	\$97	\$48	\$19

Companies in this sector are unique because there are a few very large companies that dominate the market. AbbVie has the largest market cap, Pfizer has the largest number of sales, and AbbVie has the largest EBITDA value. Pfizer and AbbVie are all very mature, well-established companies in this industry which explains these larger values. The larger cap companies also have more diverse drug pipelines.

Valuation:

COMPANY	P/E	EV/S ALES	EV/EBITDA
REGN	\$16.60	\$4.08	\$13.35
AMGN	\$26.03	\$6.19	\$14.16
PFE	\$14.61	\$3.08	\$7.32
SNY	\$12.88	\$3.07	\$8.79
ABBV	\$176.56	\$8.06	\$17.56
GILD	\$19.22	\$5.89	\$12.13
VRTX	\$30.59	\$8.53	\$21.08
BMV	\$15.81	\$2.68	\$6.78

The valuation comparison shows some relatively close values. AbbVie has the highest P/E number, and Sanofi has the lowest. However, it is difficult to compare these values, as the biotech/pharmaceutical industry is so dependent on future expectations.

Profitability Ratios:

COMPANY	GPM%	OPM%	NPM%
REGN	81.7%	26.9%	32.1%
AMGN	70.5%	28.6%	19.5%
PFE	69.5%	31.4%	15.6%
SNY	65.4%	24.9%	15.5%
ABBV	69.7%	31.9%	3.9%
GILD	78.7%	39%	27.9%
VRTX	86.3%	38.8%	31.3%
BMV	64.3%	29.2%	12.6%

Vertex Pharmaceuticals has the highest gross profit margin and operating margin, falling short with their net profit margin behind Regeneron. An interesting thing to point out is AbbVie's differences in their margins, having a 69.7% Gross profit margin, but only a 3.9% net profit margin. These ratios could point to how each company performs with expense management.

Industry-Specific Ratios:

(\$ values in billions)

COMPANY	R&D (total)	R&D % OF REVENUE
REGN	\$5.1	36%
AMGN	\$6.8	19%
PFE	\$10.1	16%
SNY	\$8.4	16%
ABBV	\$8.8	19%

GILD	\$5.7	20%
VRTX	\$3.9	34%
BMV	\$9.7	20%

These metrics are interesting because they are more industry specific. The total R&D spent is somewhat proportional with the company's sizes, with Pfizer taking the top spot. However, Regeneron comes out with the most dollars spent on R&D as a percentage of their revenue. This may signal that they feel confident in their cash flows to dedicate so much to R&D, and that they are innovating fast.

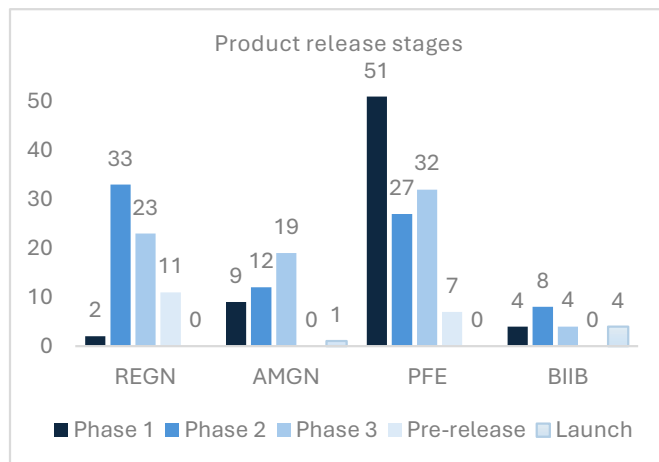
Financing & Ratings:

(\$ values in billions)

COMPANY	D/E	TOTAL DEBT	CREDIT RATING
REGN	8.7%	\$1.99	BBB+/Baa2
AMGN	567%	\$54.59	BBB+/Baa1
PFE	66.5%	\$61.71	A/A1
SNY	31.8%	-	AA/Aa3
ABBV	-	\$68.74	A-/A3
GILD	115.8%	\$24.94	A-/A3
VRTX	10.6%	-	-
BMV	275.1%	\$48.98	A/A2

These ratios are also hard to compare, as many of these companies have very low, or non-existent debt balances.

Phases of Clinical Trials:



The table above shows the number of products in each of the clinical trial stages. Many of these firms have products spread throughout each of the phases, showing continued innovation and discovery across the board.

Industry Drivers

Inflation Reduction Act:

Passed in 2022, the inflation reduction act was passed to reduce consumer pharmaceutical prices. It allows Medicare to negotiate prices for higher costing drugs. It includes two policies impacting the biotechnology industry specifically. As of March 2024, 41 prescription drugs have seen reduced rates because of it. For example, some of the most effects have been seen in the obesity space, as GLP-1 therapy drugs are being targeted.

First, the government negotiates prices for some higher costing drugs under Medicare. This impacts single-source drugs without generic or biosimilar competitors. Additionally, it will affect small-molecule drugs 9 years past FDA approval and biologic drugs more than 13 years past. Second, the act will require Medicare drug manufacturers to pay rebates if they raise prices faster than inflation.

The effects of this act could seriously impact company's bottom-line revenues in the industry.

Biosimilars in the United States:

Biosimilar drugs are near copies of branded biologic drugs with no clinically meaningful difference from reference products. In the United States, there is a very large bipartisan push to increase the use of biosimilar products in the United States. Although these products are just as safe and effective as their brand-name counterparts, a lot of providers and patients have been hesitant because it doesn't have this brand attached.

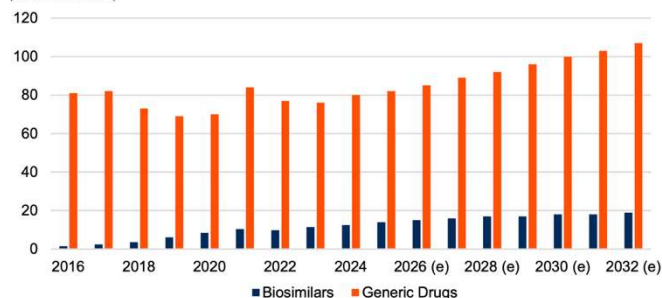
President Trump recently signed an executive order to lower prescription drug prices, emphasizing the need for biosimilar products to make it happen if more of the United States adopted these.

Facts about biosimilars in the U.S.:

- The FDA approved 19 biosimilar products (vs. 2023's 5)
- Biosimilars are priced at a 30% discount
- Since 2006, 132 biosimilars have been approved in the EU, versus 70 approved since 2015 in the U.S.

Biosimilars have the potential to be very successful in the United States, however, the number of approvals remains low. The main issue remains the competitive market entry barriers, as many of these larger players have put in measures like patents, rebates, and bundled pricing to protect themselves against the competition.

WORLDWIDE GENERIC DRUGS AND BIOSIMILARS SALES
(USD, in billions)



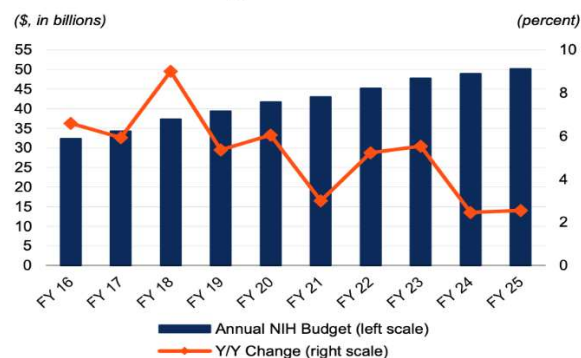
Biosimilars: 2016-2024 CAGR: 26.3%, 2025 (e)-2032 (e) CAGR: 3.9%
Generic Drugs: 2016-2024 CAGR: -0.1%, 2025 (e)-2032 (e) CAGR: 3.4%
Source: Evaluate.

NIH Budget Cuts:

In August of 2025, the Trump administration cut \$1.8 billion in NIH funding, with proposals in 2026 including potential 43% cuts. This could impact biotechnical companies, especially small to medium sized firms, who heavily rely on research and development conducted by the NIH to help reduce the costs of internal R&D. They also rely on the grants from the NIH to conduct internal research. This will have an impact on the entire market, leading to a potential decline in new medical innovations.

Larger companies are now relying more on private funding options and smaller companies may have to move away from more expensive R&D ventures for the time being.

Annual NIH Budget



Note: Fiscal years for NIH end in September
Source: National Institute of Health.

Aging Population:

Greater life expectancies and an expanding number of people aged 65+ is increasing the demand for prescription drugs. The speed at which developments and innovation is happening is not following suit with the amount of demand there is, which may pose issues to some of these biotech companies already facing pressure from other regulatory, political, and macroeconomic forces.

Data drivers:

- From 1955-2025, the average life expectancy at birth increased from 47 to 73.2. (UNFPA)
- From 2010 to 2025, it rose from 70 to 73.2.

Globally, there have been improvements in infant mortality rates, healthcare innovations, and living conditions in general, and as these things continue to improve, we will see the life expectancy increase, which will in turn, increase demand for prescription drugs and medical treatments.

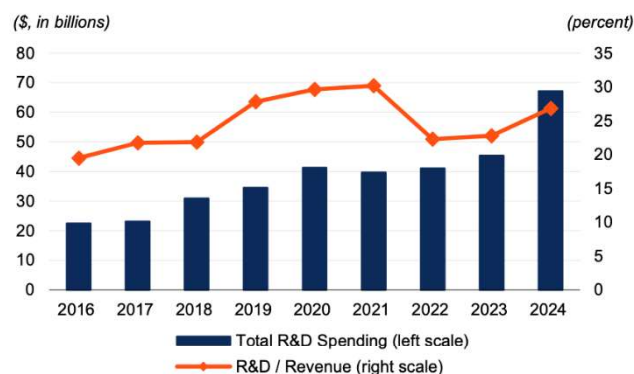


Research and development spending:

Aggregate spending for biotechnology companies saw an increase in 2024, which has been a trend for the past decade. This is primarily because more spending improves innovations and keeps companies afloat in competitive environments.

According to Evaluate, R&D spending is expected to grow at CAGR of about 2.7% from 2025 through 2030. Due to outside pressures and technological innovations that make research cheaper, we aren't seeing some of the higher increases year over year that we have seen in the past.

Aggregate R&D Spending*



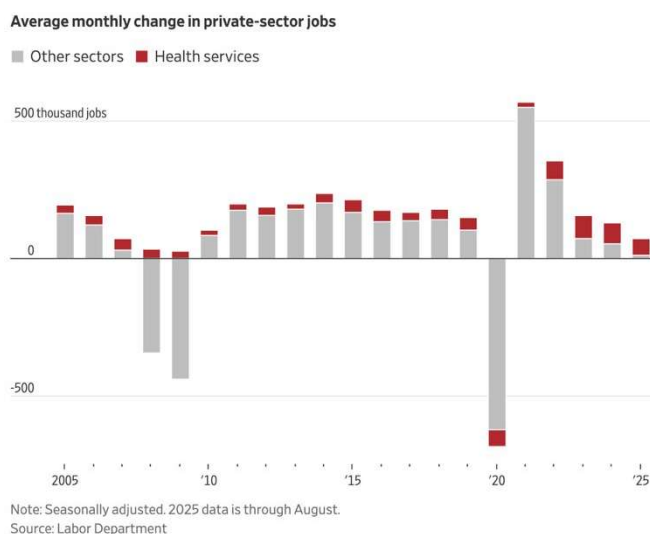
*Constituents in the S&P Composite 1500 Biotechnology index.
Source: S&P Global Market Intelligence.

Mergers and Acquisitions:

Investors expect M&A activity to pick up, especially because of patent cliff risks, as well as the need to stay competitive. For larger biotech firms with upcoming patent cliffs, a way they can avoid this is through M&A of smaller companies' portfolios or research. This can also be a way for these companies to diversify their existing drug pipelines. We expect this to increase for the industry, which could drive continued growth.

Employment:

According to the Bureau of labor statistics, reported on September 5, 2025 (BLS), unemployment rate rose from 4.2% to 4.3%. However, healthcare jobs were a "rare bright spot" in the disappointing data. Of the mere 22,000 total jobs added in the month of august, 46,800 jobs were added in the healthcare and social assistance sectors.



CRISPR:

CRISPR gene-editing technology, which allows for very precise DNA splicing and modification using certain enzymes (like Cas9), which is reshaping cancer research and pharma innovation. Early human trials have been taking place in the U.S. and Europe, but have been limited because of ethical concerns. This technology can be a stepstone towards faster and more efficient research among biotech and pharmaceutical firms, which could be another factor contributing to the growth of the industry.

Patent Expiration Risk:

Patents are crucial in the biotechnology and pharmaceutical industry, as they protect their assets from being replicated and commercialized by others. With rising usage of biosimilars and other competitive

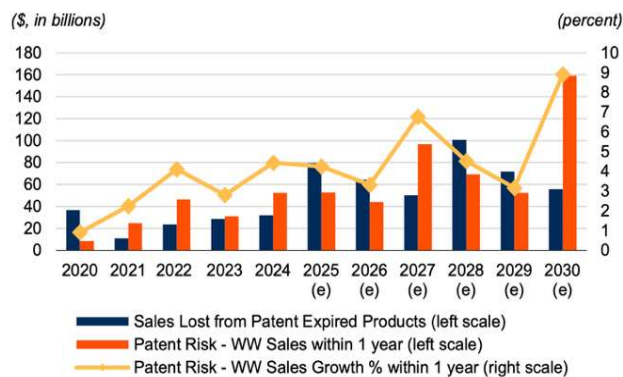
pressures, patent risk is at an all time high. This could have a serious impact on companies' revenue in the industry due to lost exclusivity.

Evaluate predicts that lost sales due to patent expirations will be almost \$200 billion from 2025-2030.

Some of the drugs at high risk include (expiration 2027-2028):

- Merck & Co's Keytruda
- Bristol-Myers Squibb's Opdivo
- Pfizer's Eliquis
- Regeneron's Dupixent

Worldwide Sales at Risk from Patent Expiration



e-Estimate.
Source: Evaluate.

Looking to the Future:

The biotechnology industry has a somewhat uncertain outlook in the coming years. With new changes in government and threats like the inflation reduction act and cuts to the NIH, companies in this industry must be resilient. Research and development expenditure must rise to maintain innovation and maintain patents.

Economic Analysis (REGN)

In this section, I will discuss important variables from the section above as it relates to Regeneron specifically.

Patent Expiration Risk:

Patent expiration remains of the most significant risks for Regeneron, given that the company relies on a few high-revenue biologics. As many of these products are approaching the end of their exclusivity periods, biosimilar competition can stress revenues, especially because Regeneron has been the dominator for many of their products already. The industry already predicts nearly \$200 billion in lost revenue in the coming years because of patent years, and Regeneron is part of this with

many of its key products like Dupixent or Eylea facing erosion. In the coming years, Regeneron must rely on continued innovation and discovery to drive growth.

Inflation Reduction Act:

The inflation reduction act's effect really creates these longer-term pricing and margin pressures because it enables Medicare to negotiate prices for biologics more than 13 years post-approval AND penalizes manufacturers who have prices rise faster than inflation. Regeneron has a portfolio dominated by very expensive medications with very heavy Medicare usage, so the company will face reduced pricing pressures as the drugs mature. The newer drugs like Dupixent and Libtayo won't face as much pressure as their mature drugs like Eylea and Eylea HD. This act will limit pricing flexibility, and force Regeneron to rely more on innovation and faster drug pipeline turnover to offset this long-term revenue impact.

Biosimilars in the United States:

There is bipartisan push towards more biosimilar adoption across the U.S., which poses a competitive and financial challenge for Regeneron, who's business rely on its protective biologic patents. Despite some of the hesitancy in the market to adopt these drugs, coupled with patent defenses and expanded protections, we have seen a major shift in encouraging adoption of these drugs. This will increase competitive pressure, as other companies will be able to enter markets where Regeneron had previously dominated. Biosimilars could also deflate prices for many of these revenue-driving drugs, so Regeneron must rely on future innovation and maintain their strong drug pipeline to compete in this changing market.

NIH Budget Cuts:

Reductions in the funding to the NIH weaken scientific research that a lot of these early-stage companies rely on for research and development. While Regeneron is more established than a lot of these early-stage companies due to its internal R&D investing, it still depends on outside academic innovation, discovery, and talent personnel that these labs produce. With cuts so high, new scientific discoveries in the fields of oncology, immunology, and genetic diseases could reduce the amount of high-quality research the company can build on. Overall, these budget cuts will likely have a large impact on the whole sector, with Regeneron among those effected.

Aging Population:

The aging population is a light in all of the uncertainty Regeneron must face in the coming years. Regeneron treats many chronic illnesses that are often seen with age

including retinal disorders, inflammatory diseases, and various cancers. Having longer life expectancies and advanced medicine has steadily increased the demand for pharmaceuticals. Some of Regeneron's highest valued assets fit into a lot of these high-demand categories like ophthalmology and oncology, so even in the face of pricing pressures, this aging population will ensure a steady growth in demand for medicines, ultimately supporting our revenue growth predictions.

Research and Development Spending:

Throughout the industry, R&D spending continues to rise, creating a high-innovation and high-competition environment for companies with capabilities for investing in R&D. Regeneron has differentiated itself through antibody and genetic technologies like VelociGene and VelocImmune, so as the industry shifts toward more investment, Regeneron is prepared to maintain this advantage. However, they must continue to meet revenue expectations to keep up with the demand for innovation.

Valuation Analysis

Revenues & Expenses:

We expect promising results for Regeneron's revenues, growing at an average of 8.6%, year over year in total. Regeneron's portfolio consists of 6 major products and streams of revenue, including EYLEA (and EYLEA HD), Dupixent, Libtayo, Praluent, Evkeeza, and Immazebl.

EYLEA and EYLEA HD:

EYLEA and EYLEA HD is the most profitable product for Regeneron, taking 42% of their total sales in 2024. The patents for EYLEA (2mg) expired in May of 2024 and biosimilars such as Yesafili and Opuviz were approved subsequently. However, Regeneron completed litigation against these developers, extending many of the Eylea (2mg) patents through 2027 and even some into 2032. This should help Regeneron maintain solid revenue growth for the coming years. For Eylea HD (8mg), there is ongoing litigation, which makes patent expiration uncertain. However, despite this, we predict these drugs to maintain revenue growth at about 7.4% year over year.

Dupixent and Kevzara:

In a collaboration with Sanofi, Dupixent and Kevzara also make up a very large portion of Regeneron's revenue, taking 32% of 2024's revenue share. Regeneron's patent for Dupixent is set to expire in June of 2034, and Kevzara is set to expire around 2030, giving them many years to have strong market share and revenue growth. We expect

a bit stronger growth from these drugs, having a 7.74% year over year growth rate.

Libtayo:

Libtayo is in the oncology space and contributes to Regeneron's profits. The patents in the U.S. market are set to expire between 2035 and 2038, making it a growth-stage drug. We expect revenues to continue growing substantially at about 19.21% year over year. In the past, there has been higher growth, but we see this 19% as a good spot because of the competitive pressures in the oncology market.

We did keep in mind patent expirations, which would reduce Eylea and Eylea HD's profits starting in 2027 and continuing to decrease by 10% year over year from 2028 through the end of our forecast. For Dupixent/Kevzara, we expect a decrease in revenues year over year by 2031.

Research and Development:

We expect research and development to remain strong, staying at about 36% of revenue every, which should stay in-line with revenue growth. We also expect Acquired in-process research and development to be 1.1% of revenue per year, as Regeneron seeks to diversify its portfolio and spend less on internal R&D investment.

SG&A, COGS, COCM:

We expect that sales, general, and administrative expenses should not have much volatility in the future, but increase proportional to the yearly revenues, so we will keep them constant at 21.67% of revenue per year.

For cost of goods sold, we backed out depreciation and amortization when constructing the model. For depreciation, we straight lined the average of the historical data at 7% of revenue per year. For amortization, management expected to have about \$102 million per year for the next 5 years, so we assumed this could be carried out through the rest of the model as well. For cost of goods sold itself, we took an average of historical data and used 3.22% of revenue per year. We did the same for cost of collaboration and contract manufacturing, using 6.34% of revenue per year.

Profits:

We expect Regeneron to remain a profitable company, with revenue increasing in line with sales and expenses. The profitability will depend heavily on how expenses are managed, especially research and development and cost of goods sold.

WACC:

For the WACC, we got a final answer of 7.33%, which fits in a reasonable range when looking at FactSet's estimate of 7.88%. For our risk-free rate, we used the 10-year treasury bond yield at 4.07%. For our Beta, we used a 2 year weekly raw beta versus S&P500. For our equity risk premium, we used 4.33%, which has been the implied ERP for the U.S. equity market (1961-2024). For our cost of debt, we used the 10-year value taken from the Bloomberg yield curve. Our market value weights were 97.46% equity and 2.54% debt, making the WACC 7.33%.

Valuation Analysis

DCF and Economic Profit:

Our results for our DCF/EP valuations are as follows:

- Intrinsic value last FYE: \$1,068.64
- Implied price as of today: \$1,138.35
- Percent increase (decrease): 6.5%

Our model states that the current price is undervaluing Regeneron. We believe many things contributed to this. First, our NOPLAT continued to grow, keeping our free cash flow increasing. We also used a CV growth rate of 3%, which fits in the average of between 3-5%, but on the lower end of that. Our WACC was 7.33%. We assumed a 9% normal cash percentage, meaning we added back \$766.82 in total.

Dividend Discount Model:

Our results for our DDM valuation is as follows:

- Intrinsic value last FYE: \$816.65
- Implied price as of today: \$869.92
- % increase (decrease): 6.5%

Regeneron paid a recent dividend at \$3.52, which was in line with management's previous expectations. In the past, they have not paid much of a dividend at all, so this may indicate they are very confident about the cash they are generating. We are assuming that with a positive revenue outlook, comes a higher dividend payout, so take the \$3.52 expected dividend (now paid), then divide it by the earnings per share, we get 10.27%.

We then use that 10.27% and multiply it by the following year's earnings per share to get the following year's expected dividend payment.

However, there is a discrepancy in our data because the DCF/EP and the DDM models do not match and give us different valuations.

Relative Peer Valuation:

We valued Regeneron based on a peer group of other biopharma companies including Vertex, Bristol-Myers Squibb, Sanofi, Pfizer, Amgen, Roche, AbbVie, and Gilead. After removing outliers, the entire group has an average P/E multiple of 14.25x on projected 2025 earnings and 14.24x on 2026 earnings. Regeneron has a projected EPS of \$34.28 in 2025 and \$36.73 in 2026, so the implied relative value based on this is between \$488 and \$523 based on their P/E ratios. The group also has average EV/EBITDA ratios of 9.83x and 13.57x for 2025 and 2026, respectively. We can then apply this to our EBITDA projections of \$4.8 billion and \$5.2 billion for 2025 and 2026, respectively. After accounting for non-operating assets and liabilities and dividing by share price, we arrive prices per share of \$561.04 for 2025 and \$780.45 for 2026. With the exception of the 2026 EV/EBITDA multiple, our analysis suggests that Regeneron is trading at a premium and its fair value under relative valuation is suggesting potential overvaluation versus its peers.

A relative valuation in this industry can be misleading. For one, a lot of these companies are very late-stage legacy companies like Pfizer and AbbVie with very stable cash flows and many patents to rely on. Other companies like Vertex and Regeneron have heavy R&D models that can make it hard to compare these two types.

Also, value for these companies doesn't come from earnings alone, it also comes from optimism about future drug approvals, stages of clinical trials, and patent expirations. Comparing companies with similar P/E ratios may have different future outlooks based on the factors I discussed. For a lot of these companies, their R&D spending is very high, which may artificially deflate earnings and the subsequent valuation.

Our Thoughts:

For this research, we believe the DCF/EP and the DDM models provide the best range of valuation for Regeneron because the value of a biopharma comes from future cash flows, stemming from optimism about intangible assets like patents, and expectations for R&D investments, rather than the current values that can be misleading in this industry.

Sensitivity Analysis:

We then created six sensitivity tables for Regeneron, testing variables and their effects on the stock price. The more desirable stock prices are highlighted in green, slowly fading to red as they become more undesirable.

Revenue retention after patent expiration vs. NOPLAT CV growth rate:

The figure below tests Regeneron's price per share, derived through a Discounted Cash Flow analysis, against a range of assumptions for Percentage of Revenue Retained after Patent Expiration and Continuing Value Growth Rate in NOPLAT. Varying these metrics results in a share price anywhere from **\$866.27** to **\$1,159.71**. This range highlights that our current valuation of Regeneron assumes a relatively high value for both metrics, and that revenue retention even after the expiration of Regeneron's key patents will be crucial for its continued success.

% Revenue Retained After Patent Expiration								
	1,138.35	65%	70%	75%	80%	85%	90%	95%
NOPLAT CV Growth	1.50%	866.27	882.58	898.89	915.20	931.51	947.82	964.13
	1.75%	887.65	904.61	921.57	938.54	955.50	972.46	989.42
	2.00%	911.03	928.71	946.38	964.06	981.74	999.41	1,017.09
	2.25%	936.72	955.18	973.64	992.10	1,010.56	1,029.02	1,047.48
	2.50%	965.06	984.39	1,003.71	1,023.04	1,042.37	1,061.69	1,081.02
	2.75%	996.50	1,016.78	1,037.07	1,057.36	1,077.64	1,097.93	1,118.22
	3.00%	1,031.56	1,052.92	1,074.28	1,095.64	1,116.99	1,138.35	1,159.71

Normal Cash vs SG&A% of sales:

The figure below tests Regeneron's price per share, derived through a Discounted Cash Flow analysis, against a range of assumptions Normal Cash as a Percentage of Revenue and Selling, General, and Administrative Costs as a Percentage of Revenue. Varying these metrics results in a share price anywhere from **\$1,017.56** to **\$1,259.14**. This range conveys that our current valuation of Regeneron assumes relatively median values for both metrics, and that our model's assumption for Selling, General, and Administrative Costs as a Percentage of Revenue has a much greater impact on the final price per share than Normal Cash as a Percentage of Revenue.

SG&A% of Sales	Normal Cash							
	1,138.35	14.4%	12.6%	10.8%	9.0%	7.2%	5.4%	3.6%
	24.67%	1,017.56	1,023.65	1,029.74	1,035.83	1,041.92	1,048.01	1,054.10
	23.67%	1,051.74	1,057.83	1,063.92	1,070.00	1,076.09	1,082.18	1,088.27
	22.67%	1,085.91	1,092.00	1,098.09	1,104.18	1,110.27	1,116.36	1,122.44
	21.67%	1,120.08	1,126.17	1,132.26	1,138.35	1,144.44	1,150.53	1,156.62
	20.67%	1,154.25	1,160.34	1,166.43	1,172.52	1,178.61	1,184.70	1,190.79
	19.67%	1,188.43	1,194.52	1,200.61	1,206.70	1,212.78	1,218.87	1,224.96
	18.67%	1,222.60	1,228.69	1,234.78	1,240.87	1,246.96	1,253.05	1,259.14

Dupixent & Kevzara Revenue growth rate vs. economies of scale assumptions:

The figure below tests Regeneron's price per share, derived through a Discounted Cash Flow analysis, against a range of assumptions for the year-over-year sales growth of Dupixent and Kevzara, and the percentage of prior year SG&A cost that Regeneron would retain due to economies of scale. Varying these metrics results in a share price anywhere from **\$1,048.67** to **\$1,244.42**. This sensitivity test indicates that our model is greatly affected by the assumption we make for sales growth, and that our current assumption lies near the middle of the range for both metrics.

		Dupixent & Kevzara Revenue Growth Rate						
		1,138.35	4.74%	5.74%	6.74%	7.74%	8.74%	9.74%
Economies of Scale Assumption	98.75%	1,048.67	1,067.96	1,088.53	1,110.44	1,133.78	1,158.62	1,185.04
	98.50%	1,057.45	1,076.93	1,097.69	1,119.82	1,143.38	1,168.45	1,195.13
	98.25%	1,066.17	1,085.83	1,106.79	1,129.12	1,152.90	1,178.21	1,205.14
	98.00%	1,074.82	1,094.66	1,115.81	1,138.35	1,162.35	1,187.90	1,215.08
	97.75%	1,083.41	1,103.43	1,124.77	1,147.51	1,171.73	1,197.51	1,224.93
	97.50%	1,091.92	1,112.12	1,133.66	1,156.60	1,181.04	1,207.04	1,234.71
	97.25%	1,100.38	1,120.75	1,142.47	1,165.62	1,190.27	1,216.51	1,244.42

Eylea revenue growth rate vs. Equity risk premium:

The figure below tests Regeneron's price per share, derived through a Discounted Cash Flow analysis, against a range of assumptions for sales growth of Eylea and the Equity Risk Premium. Varying these metrics results in a share price anywhere from **\$967.59** to **\$1,377.76**. The test indicates that our assumptions lie in the middle of a reasonable range for both metrics, but that the model's final value is especially sensitive to the Equity Risk Premium.

EYLEA Revenue Growth Rate								
	1,138.35	6.50%	6.80%	7.10%	7.40%	7.70%	8.00%	8.30%
Equity Risk Premium	5.23%	967.59	975.52	983.59	991.82	1,000.21	1,008.75	1,017.46
	4.93%	1,010.32	1,018.71	1,027.26	1,035.97	1,044.84	1,053.88	1,063.10
	4.63%	1,057.38	1,066.27	1,075.34	1,084.58	1,093.99	1,103.58	1,113.36
	4.33%	1,109.43	1,118.89	1,128.53	1,138.35	1,148.36	1,158.56	1,168.95
	4.03%	1,167.31	1,177.39	1,187.67	1,198.15	1,208.82	1,219.70	1,230.78
	3.73%	1,232.04	1,242.83	1,253.82	1,265.02	1,276.44	1,288.07	1,299.93
	3.43%	1,304.90	1,316.48	1,328.27	1,340.29	1,352.55	1,365.03	1,377.76

After-tax cost of debt vs. Beta:

The figure below tests Regeneron's price per share, derived through a Discounted Cash Flow analysis, against a range of assumptions for the After-Tax Cost of Debt, and Beta. Varying these metrics results in a share price anywhere from **\$1,038.62** to **\$1,247.94**. The test indicates that our assumptions lie in the middle of a reasonable range, and that our model is more sensitive to Beta than it is to the After-Tax Cost of Debt.

After-Tax Cost of Debt								
Beta	1,138.35	5.16%	4.66%	4.16%	3.66%	3.16%	2.66%	2.16%
	0.87	1,038.62	1,041.32	1,044.03	1,046.76	1,049.51	1,052.27	1,055.04
	0.84	1,065.34	1,068.19	1,071.06	1,073.94	1,076.83	1,079.75	1,082.68
	0.81	1,093.59	1,096.60	1,099.63	1,102.67	1,105.73	1,108.81	1,111.91
	0.78	1,123.49	1,126.68	1,129.88	1,133.10	1,136.34	1,139.61	1,142.89
	0.75	1,155.19	1,158.57	1,161.96	1,165.38	1,168.82	1,172.28	1,175.76
	0.72	1,188.86	1,192.44	1,196.05	1,199.68	1,203.34	1,207.01	1,210.71
	0.69	1,224.68	1,228.49	1,232.33	1,236.20	1,240.09	1,244.00	1,247.94

Risk free rate vs. COGS% of sales:

The figure below tests Regeneron's price per share, derived through a Discounted Cash Flow analysis, against a range of assumptions for the Risk-Free Rate and the Cost of Goods Sold as a Percentage of Revenue. Varying these metrics results in a share price anywhere from **\$1,026.39** to **\$1,395.89**. This test indicates that our assumptions lie on the higher end of a reasonable range, and that our model is more sensitive to changes in the Risk-Free Rate than it is Cost of Goods Sold as a Percentage of Revenue.

	Risk-Free Rate							
	1.138.35	4.27%	4.17%	4.07%	3.97%	3.87%	3.77%	3.67%
COGS % of Sales	8.34%	1,026.39	1,047.71	1,070.00	1,093.34	1,117.79	1,143.43	1,170.37
	7.34%	1,059.08	1,081.12	1,104.18	1,128.31	1,153.59	1,180.11	1,207.95
	6.34%	1,091.76	1,114.54	1,138.35	1,163.27	1,189.39	1,216.78	1,245.54
	5.34%	1,124.45	1,147.95	1,172.52	1,198.24	1,225.19	1,253.45	1,283.13
	4.34%	1,157.14	1,181.36	1,206.70	1,233.21	1,260.99	1,290.12	1,320.72
	3.34%	1,189.82	1,214.78	1,240.87	1,268.18	1,296.79	1,326.80	1,358.31
	2.34%	1,222.51	1,248.19	1,275.04	1,303.14	1,332.59	1,363.47	1,395.89

Conclusion

Regeneron remains a leading player in the biotechnology industry with high innovation, industry-leading R&D investment, and several high-revenue and high-growth assets such as Eylea HD, Dupixent, and Libtayo. Through our analysis, we have shown healthy revenue growth, solid profitability, and a drug pipeline that is very capable for supporting long-term growth, especially given rising demand from an aging population. These strengths, however, are balanced by some risk. Regeneron has high concentration in a few key drugs whos upcoming patent expirations and exclusivity deadlines create uncertainty about future revenues, especially as biosimilar competition and IRA-driven price pressure intensify.

Our valuation shows mixed numbers. While our DCF/EP and DDM models suggest serious upside, our relative valuation signals that REGN currently trades at a premium to the peers. Our target price currently sits at \$793.23, which is modestly above the current price, mostly because we believe that this near-term risk versus reward is balanced.

Ultimately, with that all combined, we recommend a **HOLD recommendation**, which reflects our optimism in long-term growth potential, but also caution about patent expirations, regulatory pressure, and valuation constraints.

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This report was created by students enrolled in the Security Analysis (6F:112) class at the University of Iowa. The report was originally created to offer an internal investment recommendation for the University of Iowa Krause Fund and its advisory board. The report also provides potential employers and other interested parties an example of the students' skills, knowledge and abilities. Members of the Krause Fund are not registered investment advisors, brokers or officially licensed financial professionals. The investment advice contained in this report does not represent an offer or solicitation to buy or sell any of the securities mentioned. Unless otherwise noted, facts and figures included in this report are from publicly available sources. This report is not a complete compilation of data, and its accuracy is not guaranteed. From time to time, the University of Iowa, its faculty, staff, students, or the Krause Fund may hold a financial interest in the companies mentioned in this report.

Regeneron Pharmaceuticals, Inc.
Revenue Decomposition

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
<u>Global Product Revenue</u>																		
US	-	3,323.1	3,701.9	4,076.7	4,644.2	4,947.2	5,792.3	6,264.6	5,885.4	5,968.2	6,409.8	6,884.2	7,393.6	7,940.7	8,528.3	9,159.4	9,837.2	10,565.2
ROW	1,413.3	1,872.3	2,226.9	2,688.9	2,897.4	2,961.5	3,592.4	3,382.8	3,495.2	3,576.8	3,841.5	4,125.8	4,431.1	4,759.0	5,111.1	5,489.3	5,895.6	6,331.8
EYLEA HD & EYLEA	1,413.3	5,195.4	5,928.8	6,765.6	7,541.6	7,908.7	9,384.7	9,647.4	9,380.6	9,545.0	10,251.3	11,009.9	11,824.7	12,699.7	13,639.5	14,648.8	15,732.8	16,897.0
Growth Rate		267.61%	14.12%	14.11%	11.47%	4.87%	18.66%	2.80%	-2.77%	1.75%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%
Dupixent & Kevzara	-	-	-	-	2,811.0	4,394.5	6,536.3	9,039.2	11,974.0	14,606.7	15,737.26	16,955.32	18,267.66	19,681.58	21,204.94	22,846.20	24,614.49	26,519.66
Growth Rate						56.33%	48.74%	38.29%	32.47%	21.99%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%
Libtayo	-	-	-	14.8	175.7	270.7	306.3	447.5	863.1	1,216.8	1,450.55	1,729.20	2,061.38	2,457.37	2,929.43	3,492.17	4,163.02	4,962.73
Growth Rate				1087.16%	54.07%	13.15%	46.10%	44.75%	92.87%	40.98%	19.21%	19.21%	19.21%	19.21%	19.21%	19.21%	19.21%	19.21%
Praluent	-	-	-	-	-	150.9	170.0	130.0	182.4	241.7	286.97	340.72	404.54	480.31	570.27	677.08	803.90	954.47
Growth Rate						12.66%	-23.53%	40.31%	32.51%	18.73%	18.73%	18.73%	18.73%	18.73%	18.73%	18.73%	18.73%	18.73%
Evkeeza	-	-	-	-	-	-	18.4	48.6	77.3	125.7	132.01	138.64	145.60	152.91	160.58	168.64	177.11	186.00
Growth Rate							164.13%	62.61%	59.05%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%	5.02%
Immzeab	-	-	-	-	-	-	-	3.0	69.8	76.8	85.60	95.41	106.35	118.53	132.12	147.26	164.13	182.94
Growth Rate								2226.67%	10.03%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%	11.46%
<u>Regeneron's Share of Revenues</u>																		
EYLEA HD & EYLEA (US)	-	3,323.1	3,701.9	4,076.7	4,644.2	4,947.2	5,792.3	6,264.6	5,885.4	5,968.2	6,409.8	6,884.2	7,393.6	7,940.7	8,528.3	9,159.4	9,837.2	10,565.2
Share of ROW	580.5	744.3	938.1	1,076.7	1,145.6	1,186.1	1,409.3	1,430.7	1,487.5	1,499.0	1,569.5	1,685.7	1,810.4	1,944.4	2,088.3	2,242.8	2,408.8	2,587.0
Revenue Share %	41.07%	39.75%	42.13%	40.04%	39.54%	40.05%	39.23%	42.29%	42.56%	41.91%	40.86%	40.86%	40.86%	40.86%	40.86%	40.86%	40.86%	40.86%
EYLEA HD & EYLEA	580.5	4,067.4	4,640.0	5,153.4	5,789.8	6,133.3	7,201.6	7,695.3	7,372.9	7,467.2	7,979.4	8,569.9	9,204.0	9,885.1	10,616.6	11,402.3	12,246.0	13,152.2
Share of Dupixent & Kevzara	-	-	-	-	403.6	1,186.4	1,902.2	2,855.7	3,799.5	4,531.4	4,949.2	5,332.2	5,745.0	6,189.6	6,668.7	7,184.9	7,741.0	8,340.1
Revenue Share %					14.36%	27.00%	29.10%	31.59%	31.73%	31.02%	31.45%	31.45%	31.45%	31.45%	31.45%	31.45%	31.45%	31.45%
Total Collaboration Revenue	1,339.4	1,403.0	1,815.3	2,187.8	1,549.2	2,372.5	3,673.3	4,914.1	5,503.1	6,057.8	6,518.7	7,017.9	7,555.4	8,134.0	8,757.0	9,427.7	10,149.7	10,927.1
Revenue Share %	5.58%	8.48%	18.64%	19.05%	11.23%	23.48%	7.66%	7.43%	9.74%	8.50%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
Other Revenue	74.8	119.0	338.4	416.8	174.0	557.0	281.2	365.1	536.1	515.0	543.1	584.7	629.5	677.7	729.6	785.5	845.7	910.5
Revenue (without Patent Expirations):											15,426.8	16,790.8	18,296.4	19,961.6	21,807.3	23,857.8	26,140.8	28,688.9
<u>Patent Expirations</u>																		
US	-	3,323.1	3,701.9	4,076.7	4,644.2	4,947.2	5,792.3	6,264.6	5,885.4	5,968.2	6,409.85	6,884.18	7,394.68	7,940.7	8,528.3	9,159.4	9,837.2	10,565.2
ROW	1,413.3	1,872.3	2,226.9	2,688.9	2,897.4	2,961.5	3,592.4	3,382.8	3,495.2	3,576.8	3,841.48	4,125.75	4,431.1	4,759.0	5,111.1	5,489.3	5,895.6	6,331.8
EYLEA HD & EYLEA	1,413.3	5,195.4	5,928.8	6,765.6	7,541.6	7,908.7	9,384.7	9,647.4	9,380.6	9,545.0	10,251.33	11,009.93	11,824.7	12,699.7	13,639.5	14,648.8	15,732.8	16,897.0
Growth Rate		267.61%	14.12%	14.11%	11.47%	4.87%	18.66%	2.80%	-2.77%	1.75%	7.40%	7.40%	-1.30%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Dupixent & Kevzara	-	-	-	-	2,811.0	4,394.5	6,536.3	9,039.2	11,974.0	14,606.7	15,737.26	16,955.32	18,267.66	19,681.58	21,204.94	22,846.20	24,614.49	26,519.66
Growth Rate						56.33%	48.74%	38.29%	32.47%	21.99%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%	7.74%
Total Collaboration Revenue	1,339.4	1,403.0	1,815.3	2,187.8	1,549.2	2,372.5	3,673.3	4,914.1	5,503.1	6,057.8	6,518.7	7,017.9	7,555.4	8,134.0	8,757.0	9,427.7	10,149.7	10,927.1
Revenue Share %	5.58%	8.48%	18.64%	19.05%	11.23%	23.48%	7.66%	7.43%	9.74%	8.50%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%
Other Revenue	74.8	119.0	338.4	416.8	174.0	557.0	281.2	365.1	536.1	515.0	543.1	584.7	629.5	677.7	729.6	785.5	845.7	910.5
Revenue (with Patent Expirations):											14,883.69	16,206.07	16,921.27	17,011.34	17,312.43	17,836.21	17,580.85	16,726.49
Difference:											543.14	584.74	1,375.09	2,950.25	4,494.91	6,021.56	8,559.97	11,962.45
Revenue Retained:											488.83	526.26	1,237.58	2,655.22	4,045.42	5,419.40	7,703.97	10,766.20
Forecasted Revenue:											15,372.52	16,732.33	18,158.85	19,666.56	21,357.86	23,255.62	25,284.82	27,492.69

Regeneron Pharmaceuticals, Inc.
Income Statement

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Revenues:																		
Total Revenue	4,103.7	4,860.4	5,872.2	6,710.8	6,557.6	8,497.1	10,071.7	12,172.9	13,117.2	14,202.0	15,372.5	16,732.3	18,198.9	19,668.6	21,357.9	23,258.6	25,284.8	27,402.7
Revenue Growth (%)		18.4%	20.8%	14.3%	-2.3%	29.6%	69.1%	-24.3%	7.8%	8.3%	6.2%	8.8%	8.0%	8.3%	8.6%	8.9%	8.7%	8.7%
Expenses:																		
Research and development	1,620.6	2,052.3	2,075.1	2,186.1	2,450.0	2,647.0	2,860.1	3,592.5	4,439.0	5,132.0	5,611.9	6,108.3	6,629.1	7,179.5	7,796.9	8,489.7	9,230.5	10,036.5
Acquired in-process research and development	-	-	-	-	-	88.00	48.00	255.10	196.10	101.00	170.94	195.08	201.52	218.69	237.49	258.60	281.16	306.71
Selling, general, and administrative	838.5	1,177.7	1,320.4	1,556.2	1,341.9	1,346.0	1,824.9	2,115.9	2,631.3	2,954.4	3,331.2	3,625.9	3,935.0	4,163.4	4,431.0	4,728.3	5,038.0	5,368.4
Depreciation	74.9	104.7	142.2	144.1	205.2	230.8	281.1	303.9	328.8	354.1	353.0	376.9	400.5	423.8	446.9	469.8	492.6	515.4
Depreciation Rate	8%	8%	8%	8%	7%	7%	8%	8%	8%	8%	7%	7%	7%	7%	7%	7%	7%	7%
Amortization	0.01	0.05	3.3	4.1	5.1	5.1	5.1	179.0	92.2	128.9	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0
Cost of goods sold	166.8	89.9	57.0	31.8	152.0	256.0	1,486.9	317.1	511.1	604.4	494.6	538.4	584.3	620.1	660.0	704.3	750.4	799.6
Cost of collaboration and contract manufacturing	151.0	105.1	194.6	254.1	402.8	628.0	664.4	760.4	883.7	883.2	974.6	1,060.8	1,151.3	1,246.9	1,327.0	1,416.0	1,508.8	1,607.7
Other operating / income expense, net	-	-	-	-	(209.2)	(280.4)	(45.6)	(89.9)	(2.1)	53.4	-	-	-	-	-	-	-	-
Total costs and expenses	2,851.8	3,529.7	3,782.6	4,176.4	4,347.8	4,920.5	7,124.9	7,434.0	9,070.1	10,211.3	11,038.3	11,998.4	13,004.1	13,994.4	15,001.3	16,168.6	17,403.5	18,735.3
Income from operations	1,251.9	1,330.7	2,079.6	2,534.4	2,209.8	3,576.6	8,946.8	4,738.9	4,047.1	3,990.7	4,334.2	4,733.9	5,154.8	5,712.2	6,356.6	7,087.0	7,881.4	8,757.4
Other income (expense):																		
Other income / expense, net	(12.6)	6.3	24.0	47.3	249.5	290.7	436.3	179.3	225.2	844.4	632.1	639.7	708.1	781.3	860.3	943.3	1,029.2	1,162.1
Interest expense	(14.2)	(7.2)	(25.1)	(28.2)	(30.2)	(56.9)	(57.3)	(59.4)	(73.0)	(55.2)	(129.3)	(190.1)	(197.1)	(204.4)	(212.0)	(220.1)	(229.0)	(238.3)
Interest and other expense, net	(26.8)	(0.9)	(1.1)	19.1	219.3	233.8	379.0	119.9	152.2	789.2	502.9	449.6	511.0	576.9	648.3	723.1	800.2	923.7
Income before income taxes	1,225.1	1,329.8	2,078.5	2,553.5	2,429.1	3,810.4	9,325.8	4,858.8	4,199.3	4,779.9	4,837.1	5,183.5	5,665.8	6,289.1	7,004.9	7,810.1	8,681.6	9,681.1
Income tax expense	589.0	434.3	880.0	109.1	313.3	297.2	1,250.5	520.4	245.7	367.3	1,136.1	1,219.6	1,333.0	1,479.7	1,648.1	1,837.5	2,042.6	2,277.7
Net income	\$ 636.1	\$ 895.5	\$ 1,198.5	\$ 2,444.4	\$ 2,115.8	\$ 3,513.2	\$ 8,075.3	\$ 4,338.4	\$ 3,953.6	\$ 4,412.6	\$ 3,699.1	\$ 3,964.0	\$ 4,332.8	\$ 4,809.4	\$ 5,356.8	\$ 5,972.6	\$ 6,639.0	\$ 7,403.4
Net income per share - basic	\$ 6.2	\$ 8.6	\$ 11.3	\$ 22.7	\$ 19.4	\$ 32.7	\$ 76.4	\$ 40.5	\$ 37.1	\$ 40.9	\$ 34.3	\$ 36.7	\$ 40.1	\$ 44.6	\$ 49.6	\$ 55.3	\$ 61.5	\$ 68.6
Weighted average shares outstanding - basic	103.06	104.70	106.30	107.90	109.20	107.60	105.70	107.10	106.70	107.90	107.92	107.87	107.72	107.42	106.92	106.18	104.43	102.47

Regeneron Pharmaceuticals, Inc.
Common Size Income Statement

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Revenues:																		
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Expenses:																		
Research and development	39.49%	42.22%	35.34%	32.58%	37.36%	31.15%	17.80%	29.51%	33.84%	36.14%	36.51%	36.51%	36.51%	36.51%	36.51%	36.51%	36.51%	36.51%
Acquired in-process research and development	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%	0.30%	2.10%	1.42%	0.71%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%
Selling, general, and administrative	20.43%	24.23%	22.49%	23.19%	20.46%	15.84%	11.35%	17.38%	20.06%	20.80%	21.67%	21.67%	21.67%	21.67%	21.67%	21.67%	21.67%	21.67%
Depreciation	1.83%	2.15%	2.42%	2.15%	3.13%	2.72%	1.75%	2.50%	2.51%	2.49%	2.30%	2.25%	2.21%	2.15%	2.09%	2.02%	1.95%	1.87%
Amortization	0.00%	0.00%	0.06%	0.06%	0.08%	0.06%	0.03%	1.47%	0.70%	0.91%	0.66%	0.61%	0.56%	0.52%	0.48%	0.44%	0.40%	0.37%
Cost of goods sold	4.06%	1.85%	0.97%	0.47%	2.32%	3.01%	9.25%	2.60%	3.90%	4.26%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%
Cost of collaboration and contract manufacturing	3.68%	2.16%	3.31%	3.79%	6.14%	7.39%	4.13%	6.25%	6.74%	6.22%	6.34%	6.34%	6.34%	6.34%	6.34%	6.34%	6.34%	6.34%
Other operating / income expense, net	0.00%	0.00%	0.00%	0.00%	-3.19%	-3.30%	-0.28%	-0.74%	-0.02%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total costs and expenses	69.49%	72.62%	64.59%	62.23%	66.30%	57.91%	44.33%	61.07%	69.15%	71.90%	71.81%	71.71%	71.61%	70.95%	70.24%	69.53%	68.83%	68.15%
Income from operations	30.51%	27.38%	35.41%	37.77%	33.70%	42.09%	55.67%	38.93%	30.85%	28.10%	28.19%	28.29%	28.39%	29.05%	29.76%	30.47%	31.17%	31.85%
Other income (expense):																		
Other income / expense, net	-0.31%	0.13%	0.41%	0.70%	3.80%	3.42%	2.71%	1.47%	1.72%	5.95%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%
Interest expense	-0.35%	-0.15%	-0.43%	-0.42%	-0.46%	-0.67%	-0.36%	-0.49%	-0.56%	-0.39%	-0.84%	-1.14%	-1.09%	-1.04%	-0.99%	-0.95%	-0.91%	-0.87%
Interest and other expense, net	-0.65%	-0.02%	-0.02%	0.28%	3.34%	2.75%	2.36%	0.98%	1.16%	5.56%	3.27%	2.69%	2.81%	2.93%	3.04%	3.11%	3.16%	3.36%
Income before income taxes	29.85%	27.36%	35.40%	38.05%	37.04%	44.84%	58.03%	39.91%	32.01%	33.66%	31.47%	30.98%	31.20%	31.98%	32.80%	33.58%	34.34%	35.21%
Income tax expense	14.35%	8.94%	14.99%	1.63%	4.78%	3.50%	7.78%	4.28%	1.87%	2.59%	7.40%	7.29%	7.34%	7.52%	7.72%	7.90%	8.08%	8.28%
Net income	15.50%	18.42%	20.41%	36.42%	32.26%	41.35%	50.25%	35.64%	30.14%	31.07%	24.06%	23.69%	23.86%	24.45%	25.08%	25.68%	26.26%	26.93%

Regeneron Pharmaceuticals, Inc.
Balance Sheet

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
ASSETS																		
Current Assets:																		
Cash and cash equivalents	\$ 809.10	\$ 535.20	\$ 812.70	\$ 1,467.70	\$ 1,617.80	\$ 2,193.70	\$ 2,885.60	\$ 3,105.90	\$ 2,730.00	\$ 2,488.20	2,150.35	3,518.25	4,997.90	6,623.06	8,339.29	10,116.49	13,199.12	16,762.81
Marketable securities	236.12	503.48	596.80	1,342.20	1,598.50	1,393.30	2,809.10	4,836.40	8,114.80	6,524.30	6,754.54	6,992.91	7,239.69	7,498.18	7,759.68	8,033.52	8,317.03	8,610.53
Receivables	1,467.79	1,811.62	1,974.30	2,243.20	2,785.60	4,114.70	6,036.50	5,328.70	5,667.30	6,211.90	6,656.25	7,245.05	7,862.73	8,515.56	9,247.89	10,069.61	10,948.25	11,904.25
Inventories	238.58	399.36	726.10	1,151.20	1,415.50	1,916.60	1,951.30	2,401.90	2,580.50	3,087.30	3,236.97	3,523.30	3,823.68	4,141.16	4,497.29	4,896.90	5,324.19	5,789.09
Prepaid expenses and other current assets	163.50	130.53	225.10	243.30	273.70	160.80	332.40	411.20	386.60	349.20	450.11	489.93	531.70	575.84	625.36	680.93	740.35	804.99
Total current assets	2,915.10	3,180.19	4,335.00	6,447.60	7,689.10	9,779.10	14,014.90	15,884.10	19,479.20	18,660.90	19,248.22	21,769.44	24,455.70	27,350.80	30,469.52	33,797.45	38,528.93	43,871.68
Non-current Assets:																		
Marketable securities	632.16	864.26	1,486.50	1,755.00	3,256.80	3,135.60	6,838.00	6,591.80	5,396.50	8,900.10	9,221.93	9,555.39	9,900.92	10,258.93	10,629.90	11,014.27	11,412.55	11,825.23
Property, plant, and equipment, net	1,594.12	2,083.42	2,358.60	2,575.80	2,890.40	3,221.60	3,482.20	3,763.00	4,146.40	4,599.70	4,911.71	5,219.06	5,522.67	5,823.40	6,122.07	6,419.44	6,716.24	7,013.15
Intangible assets, net	-	-	-	-	-	-	6.70	915.50	1,038.60	1,148.60	1,046.60	944.60	842.60	740.60	638.60	536.60	434.60	332.60
Deferred tax assets	461.90	825.30	506.30	828.70	824.20	858.90	876.90	1,723.70	2,575.40	3,314.10	6,009.33	6,009.33	6,009.33	6,009.33	6,009.33	6,009.33	6,009.33	6,009.33
Other assets excluding intangible assets, net	5.80	20.30	77.90	127.40	144.70	168.10	216.10	336.40	444.10	1,136.00	724.07	789.10	856.37	927.48	1,007.24	1,096.74	1,192.43	1,296.56
Total assets	\$ 5,609.13	\$ 6,973.47	\$ 8,764.30	\$ 11,734.50	\$ 14,805.20	\$ 17,163.30	\$ 25,434.80	\$ 29,214.50	\$ 33,080.20	\$ 37,759.40	\$ 41,162.78	\$ 44,286.92	\$ 47,587.58	\$ 51,110.54	\$ 54,876.05	\$ 58,873.83	\$ 64,294.08	\$ 70,348.54
LIABILITIES AND STOCKHOLDERS' EQUITY																		
Current Liabilities:																		
Accounts payable	\$ 644.11	\$ 879.10	\$ 178.20	\$ 218.20	\$ 418.10	\$ 475.50	\$ 564.00	\$ 589.20	\$ 606.60	\$ 789.50	\$ 829.98	\$ 903.40	\$ 980.42	\$ 1,061.82	\$ 1,153.14	\$ 1,255.60	\$ 1,365.16	\$ 1,484.37
Accrued expenses and other current liabilities	-	-	637.20	772.10	1,211.40	1,644.20	2,206.80	2,074.20	2,357.90	2,527.10	2,786.50	3,032.98	3,291.56	3,564.86	3,871.43	4,215.43	4,583.25	4,983.46
Deferred revenue, current	153.49	231.66	320.10	452.50	467.10	577.70	442.00	477.90	458.90	627.70	606.92	660.60	716.92	776.45	843.22	918.15	998.26	1,085.43
Finance lease liabilities, current portion	-	129.56	-	-	-	-	719.70	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	811.16	1,241.50	1,135.50	1,442.80	2,096.60	2,697.40	3,932.50	3,141.30	3,423.40	3,944.30	4,223.40	4,596.99	4,988.90	5,403.13	5,867.79	6,389.17	6,946.67	7,553.25
Non-current Liabilities:																		
Long-term debt	-	-	-	-	-	1,978.50	1,980.00	1,981.40	1,982.90	1,984.40	3,257.24	3,403.87	3,555.91	3,714.36	3,885.51	4,070.87	4,266.04	4,474.00
Finance lease liabilities	362.92	351.57	703.50	708.50	713.90	717.20	-	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00
Deferred revenue, noncurrent	664.68	830.77	629.20	464.20	587.30	57.80	73.30	69.80	126.70	185.70	151.35	164.74	178.79	193.63	210.28	228.97	248.95	270.68
Other long-term liabilities	115.50	100.40	152.00	361.70	317.70	687.10	680.20	638.00	854.10	1,571.40	1,053.99	1,147.22	1,245.03	1,348.40	1,464.36	1,594.48	1,733.61	1,884.99
Total liabilities	1,954.30	2,524.22	2,620.20	2,977.20	3,715.50	6,138.00	6,666.00	6,550.50	7,107.10	8,405.80	9,405.98	10,032.82	10,688.63	11,379.53	12,147.95	13,003.49	13,915.26	14,902.92
Stockholders' Equity:																		
Additional paid-in capital	3,099.63	3,030.10	3,513.00	3,911.70	4,426.70	6,716.30	8,087.60	9,949.40	11,354.10	12,856.00	12,857.23	12,858.45	12,859.68	12,860.90	12,862.13	12,863.35	12,863.47	12,863.47
Retained earnings	852.70	1,748.22	2,946.70	5,254.30	7,379.80	10,893.00	18,968.30	23,306.70	27,260.30	31,672.90	34,992.14	38,549.02	42,437.05	46,753.47	51,562.66	56,927.52	62,895.72	69,563.37
Accumulated other comprehensive loss	8.57	(12.84)	0.60	(12.30)	21.10	29.30	(26.20)	(238.80)	(80.90)	(7.90)	544.17	1,116.00	1,708.31	2,321.81	2,957.28	3,615.50	4,297.27	5,003.46
Treasury stock, at cost; 28.2 shares in 2024 and 25.5 shares in 2023	(306.07)	(316.24)	(316.20)	(396.40)	(739.90)	(6,613.30)	(8,260.90)	(10,353.30)	(12,560.40)	(15,167.40)	(16,636.76)	(18,269.38)	(20,106.08)	(22,205.17)	(24,653.37)	(27,536.03)	(29,677.65)	(31,984.69)
Total stockholders' equity	3,654.84	4,449.25	6,144.10	8,757.30	11,089.70	11,025.30	18,768.80	22,664.00	25,973.10	29,353.60	31,756.78	34,254.09	36,898.95	39,731.01	42,728.70	45,870.34	50,378.81	55,445.62
Total liabilities and stockholders' equity	\$ 5,609.13	\$ 6,973.47	\$ 8,764.30	\$ 11,734.50	\$ 14,805.20	\$ 17,163.30	\$ 25,434.80	\$ 29,214.50	\$ 33,080.20	\$ 37,759.40	\$ 41,162.78	\$ 44,286.92	\$ 47,587.58	\$ 51,110.54	\$ 54,876.05	\$ 58,873.83	\$ 64,294.08	\$ 70,348.54

Regeneron Pharmaceuticals, Inc.
Common Size Balance Sheet

Fiscal Years Ending Dec. 31

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
ASSETS																	
Current Assets:																	
Cash and cash equivalents	19.72%	11.01%	13.84%	21.87%	24.67%	25.82%	17.95%	25.51%	20.81%	17.52%	13.99%	21.03%	27.52%	33.68%	39.05%	43.50%	52.20%
Marketable securities	5.75%	10.36%	10.16%	20.00%	24.35%	16.40%	17.48%	38.09%	61.86%	45.94%	43.94%	41.79%	39.67%	36.11%	36.33%	34.54%	32.89%
Receivables	35.77%	33.36%	33.62%	33.49%	42.48%	48.42%	37.56%	43.78%	43.21%	43.14%	43.30%	43.30%	43.30%	43.30%	43.30%	43.30%	43.30%
Inventories	5.81%	8.22%	12.36%	17.15%	21.59%	22.56%	12.14%	19.73%	19.67%	21.74%	21.00%	21.06%	21.06%	21.06%	21.06%	21.06%	21.06%
Prepaid expenses and other current assets	3.98%	2.69%	3.63%	3.63%	4.17%	1.89%	2.07%	3.38%	2.95%	2.46%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%
Total current assets	71.04%	65.43%	73.62%	96.06%	117.25%	115.09%	87.20%	130.49%	148.50%	131.40%	125.21%	130.10%	134.68%	139.07%	142.66%	145.33%	152.38%
Marketable securities	15.40%	17.78%	25.31%	26.15%	49.66%	36.90%	42.55%	54.15%	41.14%	62.67%	59.99%	57.11%	54.52%	52.16%	49.77%	47.36%	45.14%
Property, plant, and equipment, net	38.85%	42.87%	40.17%	38.36%	44.08%	37.91%	21.67%	30.91%	31.61%	32.39%	31.95%	31.19%	30.41%	29.61%	28.66%	27.60%	26.55%
Intangible assets, net	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	7.52%	7.92%	8.09%	8.81%	9.65%	4.64%	3.77%	2.96%	2.31%	1.72%
Deferred tax assets	11.26%	16.98%	8.62%	12.35%	12.57%	10.11%	5.46%	14.16%	19.63%	23.34%	39.09%	35.91%	33.09%	30.56%	28.14%	25.84%	23.77%
Other assets excluding intangible assets, net	0.14%	0.42%	1.33%	1.90%	2.21%	1.98%	1.34%	2.76%	3.39%	8.00%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%	4.72%
Total assets	136.68%	143.46%	149.25%	174.86%	225.77%	201.95%	158.26%	240.00%	252.19%	265.87%	267.77%	264.68%	262.06%	259.89%	256.94%	253.16%	255.88%
LIABILITIES AND STOCKHOLDERS' EQUITY																	
Current Liabilities:																	
Accounts payable	10.15%	18.09%	3.03%	3.25%	6.38%	5.60%	3.51%	4.84%	4.62%	5.96%	5.40%	5.40%	6.40%	5.40%	5.40%	5.40%	5.40%
Accrued expenses and other current liabilities	0.00%	0.00%	10.85%	11.51%	19.47%	19.30%	13.73%	17.04%	17.96%	17.79%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%
Deferred revenue, current	3.74%	4.77%	5.45%	6.74%	7.12%	6.80%	2.75%	3.93%	3.50%	4.42%	3.96%	3.95%	3.95%	3.95%	3.95%	3.95%	3.95%
Finance lease liabilities, current portion	0.00%	2.67%	0.00%	0.00%	0.00%	0.00%	4.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total current liabilities	19.77%	25.54%	19.34%	21.55%	31.97%	31.74%	24.47%	25.81%	26.10%	27.77%	27.47%	27.47%	27.47%	27.47%	27.47%	27.47%	27.47%
Long-term debt	0.00%	0.00%	0.00%	0.00%	0.00%	23.28%	12.32%	16.28%	15.12%	13.97%	21.19%	20.34%	19.68%	18.89%	18.19%	17.50%	16.87%
Finance lease liabilities	8.84%	7.22%	11.98%	10.56%	10.89%	8.44%	0.00%	5.91%	5.40%	5.07%	4.68%	4.30%	3.97%	3.66%	3.37%	3.10%	2.85%
Deferred tax liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Deferred revenue, noncurrent	16.20%	17.09%	10.71%	6.92%	8.96%	0.68%	0.46%	0.57%	0.97%	1.31%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%
Other long-term liabilities	2.81%	2.07%	2.59%	5.36%	4.84%	8.09%	4.23%	5.24%	6.51%	11.06%	6.98%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%
Total liabilities	47.62%	51.93%	44.62%	44.36%	56.66%	72.24%	41.48%	53.81%	54.18%	58.19%	61.19%	60.95%	59.69%	57.86%	56.28%	55.32%	54.21%
Stockholders' Equity:																	
Additional paid-in capital	75.53%	62.34%	59.82%	58.29%	67.54%	79.04%	50.32%	81.73%	86.56%	90.52%	83.64%	76.85%	70.82%	65.36%	60.22%	55.31%	50.87%
Retained earnings	20.78%	35.97%	50.18%	78.30%	112.54%	126.20%	118.02%	191.46%	207.82%	223.02%	227.63%	230.39%	233.70%	237.73%	241.42%	244.79%	248.75%
Accumulated other comprehensive loss	0.21%	-0.26%	0.01%	-0.18%	0.32%	0.34%	-0.16%	-1.96%	-0.62%	-0.06%	3.54%	6.67%	9.41%	11.81%	13.85%	15.55%	17.00%
Treasury stock, at cost, 28.2 shares in 2024 and 25.5 shares in 2023	-7.46%	-6.51%	-3.88%	-5.91%	-11.28%	-77.83%	-51.40%	-85.05%	-85.76%	-106.80%	-108.22%	-106.19%	-110.22%	-112.81%	-115.42%	-118.41%	-117.37%
Total stockholders' equity	89.06%	91.54%	104.63%	130.50%	169.11%	129.73%	116.78%	186.18%	198.01%	206.69%	206.58%	204.72%	203.30%	202.03%	200.66%	197.74%	199.25%
Total liabilities and stockholders' equity	136.68%	143.46%	149.25%	174.86%	225.77%	201.95%	158.26%	240.00%	252.19%	265.87%	267.77%	264.68%	262.06%	259.89%	256.94%	253.16%	255.88%

Regeneron Pharmaceuticals, Inc.
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash Flows from operating activities:										
Net income	\$ 636.06	\$ 895.50	\$ 1,198.50	\$ 2,444.40	\$ 2,115.80	\$ 3,513.20	\$ 8,075.30	\$ 4,338.40	\$ 3,953.60	\$ 4,412.60
Non-Cash Adjustments										
Depreciation and amortization	74.91	104.70	145.50	148.20	210.30	235.90	286.20	341.40	421.00	482.90
Stock-based compensation expense	459.05	559.90	507.30	427.40	464.30	432.00	601.70	725.00	885.00	982.80
(Gains) losses on marketable and other securities, net					(131.50)	(221.80)	(387.00)	36.80	266.40	(118.30)
Other non-cash items, net					102.20	86.80	568.70	368.00	(0.10)	23.50
Deferred income taxes	(121.62)	(360.10)	318.80	(140.00)	(130.60)	75.60	(147.10)	(746.40)	(837.80)	(757.30)
Acquired in-process research and development						-	-	195.00	-	12.60
Changes in assets and liabilities:										
(Increase) decrease in accounts receivable	(491.42)	(143.80)	(362.70)	(236.40)	(523.70)	(1,356.10)	(1,927.40)	707.80	(338.80)	(554.00)
Increase in inventories	(111.83)	(149.80)	(314.20)	(387.90)	(335.50)	(529.40)	(494.30)	(696.50)	(271.70)	(619.70)
Increase in prepaid expenses and other assets	(79.48)	36.10	(113.30)	(88.10)	(79.80)	114.90	(240.70)	(148.60)	(120.10)	(407.50)
Increase in deferred revenue	608.89	244.30	(113.10)	(43.40)	139.50	148.10	(120.20)	32.40	37.90	227.80
Increase (decrease) in payables & liabilities	303.66	254.00	(23.20)	58.80	599.00	118.90	866.10	(138.40)	598.60	735.10
Total adjustments	694.72	590.40	108.60	(249.30)	314.20	(895.10)	(994.00)	676.50	640.40	7.90
Net cash used in / provided by operating activities	1,330.78	1,485.90	1,307.10	2,195.10	2,430.00	2,618.10	7,081.30	5,014.90	4,594.00	4,420.50
Cash flows from investing activities:										
Purchases of marketable and other securities	(557.11)	(809.40)	(1,277.20)	(1,845.50)	(3,202.40)	(3,241.00)	(7,048.10)	(7,487.90)	(11,646.00)	(16,617.40)
Sales or maturities of marketable and other securities	327.44	274.50	544.60	775.60	1,604.20	3,785.00	2,215.30	5,550.50	9,442.20	15,027.30
Capital expenditures	(677.93)	(511.90)	(272.60)	(383.10)	(429.60)	(614.60)	(551.90)	(590.10)	(718.60)	(755.90)
Proceeds from sale of property, plant, and equipment								-	-	20.10
Payments for libtayo intangible asset						-	-	(1,026.80)	(207.80)	(125.70)
Asset acquisition, net of cash acquired						-	-	(230.30)	(54.90)	(16.50)
Other		-	-	(10.00)						
Net cash used in / provided by investing activities	(907.60)	(1,046.80)	(1,005.20)	(1,463.00)	(2,027.80)	(70.60)	(5,384.70)	(3,784.60)	(3,185.10)	(2,468.10)
Cash flows from financing activities:										
Proceeds from issuance of common stock	206.36	126.70	240.20	114.50	211.80	2,575.20	1,672.30	1,519.50	1,145.50	1,465.30
Employee Tax Withholding Payments	(160.54)	(143.20)	(301.70)	(187.20)	(188.00)	(680.80)	(1,032.70)	(445.70)	(700.60)	(1,029.10)
Repurchase of common stock	-	-	-	(4.40)	(275.90)	(5,846.80)	(1,645.40)	(2,082.80)	(2,235.00)	(2,603.30)
Other								-	-	(33.40)
Proceeds from issuance of long-term debt				-	-	1,981.90				
Proceeds from bridge loan facility				-	-	1,500.00				
Repayment of bridge loan facility				-	-	(1,500.00)				
Principal payments on lease obligations	26.02	(27.70)	37.10							
Repayments of convertible senior notes	(166.47)	(12.90)								
Payments in connection with reduction of warrants	(573.49)	(643.40)								
Excess tax benefit from stock-based compensation	405.32									
Net cash provided by / used in financing activities	(262.80)	(700.50)	(24.40)	(77.10)	(252.10)	(1,970.50)	(1,005.80)	(1,009.00)	(1,790.10)	(2,200.50)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash							-	-	(0.40)	(0.70)
Net (decrease) increase in cash, cash equivalents, and restricted cash	160.38	(261.40)	277.50	655.00	150.10	577.00	690.80	221.30	(381.20)	(248.10)
Cash and cash equivalents at beginning of period	648.72	809.10	547.70	825.20	1,480.20	1,630.30	2,207.30	2,898.10	3,119.40	2,737.80
Cash and cash equivalents at end of period	\$ 809.10	\$ 547.70	\$ 825.20	\$ 1,480.20	\$ 1,630.30	\$ 2,207.30	\$ 2,898.10	\$ 3,119.40	\$ 2,737.80	\$ 2,489.00

Regeneron Pharmaceuticals, Inc.
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Net Income	\$ 3,699.05	\$ 3,963.96	\$ 4,332.78	\$ 4,809.40	\$ 5,356.78	\$ 5,972.56	\$ 6,638.99	\$ 7,403.37
Depreciation	352.95	376.89	400.48	423.77	446.85	469.77	492.59	515.36
Amortization	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00
Stock-based compensation expense	1.23	1.23	1.23	1.23	1.23	1.23	0.12	-
Change in deferred taxes	(2,695.23)	-	-	-	-	-	-	-
Changes in net working capital:								
(Increase) decrease in accounts receivable	(444.35)	(588.79)	(617.68)	(652.83)	(732.33)	(821.72)	(878.64)	(956.00)
(Increase) decrease in inventories	(149.67)	(286.33)	(300.38)	(317.48)	(356.13)	(399.61)	(427.29)	(464.91)
(Increase) decrease in prepaid expenses & other current as	(100.91)	(39.82)	(41.77)	(44.15)	(49.52)	(55.57)	(59.42)	(64.65)
Increase (decrease) in accounts payable	40.48	73.42	77.02	81.40	91.32	102.46	109.56	119.21
Increase (decrease) in accrued expenses & other current lia	259.40	246.49	258.58	273.29	306.57	344.00	367.82	400.21
Increase (decrease) in short-term deferred revenue	(20.78)	53.69	56.32	59.53	66.77	74.92	80.11	87.17
Increase (decrease) in long-term deferred revenue	(34.35)	13.39	14.05	14.84	16.65	18.68	19.98	21.74
Increase (decrease) in other long-term liabilities	(517.41)	93.23	97.81	103.37	115.96	130.12	139.13	151.38
Cash from operating activities	\$ 492.40	\$ 4,009.35	\$ 4,380.42	\$ 4,854.38	\$ 5,366.14	\$ 5,938.84	\$ 6,584.96	\$ 7,314.88
Capital expenditures	(664.96)	(684.24)	(704.09)	(724.51)	(745.52)	(767.14)	(789.38)	(812.28)
(Increase) decrease in other assets	411.03	(64.13)	(67.27)	(71.10)	(79.76)	(89.50)	(95.70)	(104.12)
Cash from investing activities	\$ (253.93)	\$ (748.37)	\$ (771.36)	\$ (795.61)	\$ (825.28)	\$ (856.64)	\$ (885.08)	\$ (916.40)
Change in finance lease liabilities	-	-	-	-	-	-	-	-
Issuance (payment) of long-term debt	1,272.84	146.63	152.04	158.45	171.15	185.35	195.17	207.96
Payment of dividends	(379.81)	(407.08)	(444.75)	(492.98)	(547.59)	(607.70)	(670.80)	(735.72)
Repurchases of common stock	(1,469.36)	(1,632.62)	(1,836.70)	(2,099.09)	(2,448.20)	(2,882.66)	(2,141.63)	(2,307.03)
Cash from financing activities	\$ (576.33)	\$ (1,893.07)	\$ (2,129.41)	\$ (2,433.61)	\$ (2,824.64)	\$ (3,305.01)	\$ (2,617.25)	\$ (2,834.79)
Beginning of period cash balance	\$ 2,488.20	\$ 2,150.35	\$ 3,518.25	\$ 4,997.90	\$ 6,623.06	\$ 8,339.29	\$ 10,116.49	\$ 13,199.12
Net change in cash	\$ (337.85)	\$ 1,367.91	\$ 1,479.65	\$ 1,625.16	\$ 1,716.23	\$ 1,777.20	\$ 3,082.63	\$ 3,563.69
End of period cash balance	\$ 2,150.35	\$ 3,518.25	\$ 4,997.90	\$ 6,623.06	\$ 8,339.29	\$ 10,116.49	\$ 13,199.12	\$ 16,762.81

Regeneron Pharmaceuticals, Inc.
Value Driver Estimation

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
NOPLAT:																		
Operating Revenues	4,103.73	4,860.40	5,872.23	6,710.80	6,557.60	8,497.10	16,071.70	12,172.90	13,117.20	14,202.00	15,372.52	16,732.33	18,158.85	19,666.56	21,357.86	23,255.62	25,284.82	27,492.69
Less: Research and development	(1,620.58)	(2,052.30)	(2,075.14)	(2,186.10)	(2,450.00)	(2,647.00)	(2,860.10)	(3,592.50)	(4,439.00)	(5,132.00)	(5,611.92)	(6,108.34)	(6,629.10)	(7,179.51)	(7,796.94)	(8,489.74)	(9,230.52)	(10,036.53)
Less: Acquired in-process research and development	-	-	-	-	-	(88.00)	(48.00)	(255.10)	(186.10)	(101.00)	(170.94)	(186.06)	(201.92)	(218.69)	(237.49)	(258.60)	(281.16)	(305.71)
Less: Selling, general, and administrative	(838.53)	(1,177.70)	(1,320.43)	(1,556.20)	(1,341.90)	(1,346.00)	(1,824.90)	(2,115.90)	(2,631.30)	(2,954.40)	(3,331.22)	(3,625.90)	(3,935.02)	(4,163.41)	(4,431.03)	(4,728.26)	(5,038.01)	(5,368.37)
Less: Depreciation	(74.91)	(104.70)	(142.20)	(144.10)	(205.20)	(230.80)	(281.10)	(303.90)	(328.80)	(354.10)	(352.95)	(376.89)	(400.48)	(423.77)	(446.85)	(469.77)	(492.59)	(515.36)
Less: Amortization	(0.01)	(0.05)	(3.27)	(4.10)	(5.10)	(5.10)	(5.10)	(179.00)	(92.20)	(128.90)	(102.00)	(102.00)	(102.00)	(102.00)	(102.00)	(102.00)	(102.00)	(102.00)
Less: Cost of goods sold	(166.79)	(89.85)	(57.04)	(31.80)	(152.00)	(256.00)	(1,486.90)	(317.10)	(511.10)	(604.40)	(494.62)	(538.37)	(584.27)	(620.13)	(659.99)	(704.26)	(750.40)	(799.60)
Less: Cost of collaboration and contract manufacturing	(151.01)	(105.10)	(194.55)	(254.10)	(402.80)	(628.00)	(664.40)	(760.40)	(883.70)	(883.20)	(974.62)	(1,060.83)	(1,151.27)	(1,246.86)	(1,327.01)	(1,416.02)	(1,508.78)	(1,607.72)
Less: Other operating / income expense, net	-	-	-	-	209.20	280.40	45.60	89.90	2.10	(53.40)	-	-	-	-	-	-	-	-
Plus: Implied Interest on Operating Leases	-	-	-	-	-	-	-	4.19	11.20	8.14	8.86	9.62	10.41	11.31	12.32	13.39	14.56	-
EBITA	1,251.91	1,330.71	2,079.59	2,534.40	2,209.80	3,576.60	8,946.80	4,738.90	4,051.29	4,001.80	4,342.39	4,742.81	5,164.40	5,722.60	6,367.86	7,099.30	7,894.75	8,771.95
Income Tax Expense	589.04	434.30	880.00	109.10	313.30	297.20	1,250.50	520.40	245.70	367.30	1,138.06	1,219.56	1,333.03	1,479.67	1,648.08	1,837.54	2,042.57	2,277.74
Marginal Tax Rate	58.70%	59.74%	26.99%	9.76%	18.27%	5.82%	14.99%	26.07%	25.80%	23.53%	23.53%	23.53%	23.53%	23.53%	23.53%	23.53%	23.53%	23.53%
Plus: Tax on Interest expense	8.36	4.30	6.78	2.75	5.52	3.31	8.59	15.49	18.84	12.99	30.41	44.73	46.38	48.09	49.87	51.79	53.88	56.07
Less: Tax on Non-operating income	7.38	(3.76)	(6.49)	(4.61)	(45.59)	(16.91)	(65.39)	(46.75)	(58.11)	(198.67)	(148.73)	(150.51)	(166.61)	(183.81)	(202.40)	(221.93)	(242.15)	(273.40)
Less: Adjusted Taxes	(604.78)	(434.84)	(880.29)	(107.24)	(273.22)	(283.60)	(1,193.70)	(489.14)	(206.43)	(181.62)	(1,019.19)	(1,113.79)	(1,212.80)	(1,343.95)	(1,495.55)	(1,667.40)	(1,854.30)	(2,060.41)
Plus: Change in Deferred Taxes	(121.62)	(360.10)	318.80	(140.00)	(130.60)	75.60	(147.10)	(746.40)	(837.80)	(757.30)	(2,695.23)	-	-	-	-	-	-	-
NOPLAT	525.50	535.77	1,518.10	2,287.16	1,805.98	3,368.60	7,606.00	3,503.36	3,007.06	3,062.88	627.41	3,629.02	3,951.60	4,378.66	4,872.31	5,431.89	6,040.45	6,711.54
Invested Capital (IC):																		
Normal cash	369.34	437.44	528.50	603.97	590.18	764.74	1,446.45	1,095.56	1,180.55	1,278.18	1,383.53	1,505.91	1,634.30	1,769.99	1,922.21	2,093.01	2,275.63	2,474.34
Accounts receivable	1,467.79	1,611.62	1,974.30	2,243.20	2,785.60	4,114.70	6,036.50	5,328.70	5,667.30	6,211.90	6,656.25	7,245.05	7,862.73	8,515.56	9,247.89	10,069.61	10,948.25	11,904.25
Inventory	238.58	399.36	726.10	1,151.20	1,415.50	1,916.60	1,951.30	2,401.90	2,580.50	3,087.30	3,236.97	3,523.30	3,823.68	4,141.16	4,497.29	4,896.90	5,324.19	5,789.09
Prepaid expenses & other current assets	163.50	130.53	225.10	243.30	273.70	160.80	332.40	411.20	386.60	349.20	450.11	489.93	531.70	575.84	625.36	680.93	740.35	804.99
Operating current assets	2,239.21	2,578.94	3,454.00	4,241.67	5,064.98	6,956.84	9,766.65	9,237.36	9,814.95	10,926.58	11,726.86	12,764.19	13,852.40	15,002.55	16,292.75	17,740.45	19,288.42	20,972.68
Accounts payable	644.11	879.10	178.20	218.20	418.10	475.50	564.00	589.20	606.60	789.50	829.98	903.40	980.42	1,061.82	1,153.14	1,255.60	1,365.16	1,484.37
Accrued expenses	-	-	637.20	772.10	1,211.40	1,644.20	2,206.80	2,074.20	2,357.90	2,527.10	2,786.50	3,032.98	3,291.56	3,564.86	3,871.43	4,215.43	4,583.25	4,983.46
Deferred revenue	153.49	231.66	320.10	452.50	467.10	577.70	442.00	477.90	458.90	627.70	606.92	660.60	716.92	776.45	843.22	918.15	998.26	1,085.43
Less: Operating current liabilities	(797.60)	(1,110.76)	(1,135.50)	(1,442.80)	(2,096.60)	(2,697.40)	(3,212.80)	(3,141.30)	(3,423.40)	(3,944.30)	(4,223.40)	(4,596.99)	(4,988.90)	(5,403.13)	(5,867.79)	(6,389.17)	(6,946.67)	(7,553.25)
Plus: Net Property, Plant, and Equipment	1,594.12	2,083.42	2,358.60	2,575.80	2,890.40	3,221.60	3,482.20	3,763.00	4,146.40	4,599.70	4,911.71	5,219.06	5,522.67	5,823.40	6,122.07	6,419.44	6,716.24	7,013.15
Intangible assets, net	-	-	-	-	-	-	6.70	915.50	1,038.60	1,148.60	1,046.60	944.60	842.60	740.60	638.60	536.60	434.60	332.60
Operating lease ROU assets	-	-	-	-	-	-	-	-	78.00	217.40	232.15	231.00	230.05	229.24	228.55	227.96	227.45	227.01
Plus: Net other operating assets	-	-	-	-	-	-	6.70	915.50	1,116.60	1,366.00	1,278.75	1,175.60	1,072.65	969.84	867.15	764.56	662.05	559.61
Deferred revenue, long-term	664.68	830.77	629.20	464.20	587.30	57.80	73.30	69.80	126.70	185.70	151.35	164.74	178.79	193.63	210.28	228.97	248.95	270.68
Less: Other operating liabilities	(664.68)	(830.77)	(629.20)	(464.20)	(587.30)	(57.80)	(73.30)	(69.80)	(126.70)	(185.70)	(151.35)	(164.74)	(178.79)	(193.63)	(210.28)	(228.97)	(248.95)	(270.68)
Invested Capital	2,371.05	2,720.83	4,047.90	4,910.47	5,271.48	7,423.24	9,962.75	9,789.26	10,411.25	11,396.28	12,263.82	13,221.52	14,207.38	15,229.20	16,336.75	17,541.75	18,809.04	20,161.89
Free Cash Flow:																		
NOPLAT	-	535.77	1,518.10	2,287.16	1,805.98	3,368.60	7,606.00	3,503.36	3,007.06	3,062.88	627.41	3,629.02	3,951.60	4,378.66	4,872.31	5,431.89	6,040.45	6,711.54
Change in IC	-	349.78	1,327.07	862.57	361.01	2,151.76	2,539.51	(173.49)	621.99	985.03	867.54	957.70	985.86	1,021.81	1,107.55	1,205.00	1,267.29	1,352.86
FCF	-	185.99	191.03	1,424.59	1,444.96	1,216.84	5,066.48	3,676.85	2,385.08	2,077.85	(240.13)	2,671.32	2,965.73	3,356.84	3,764.76	4,226.90	4,773.16	5,358.68
Return on Invested Capital (ROIC):																		
NOPLAT	-	535.77	1,518.10	2,287.16	1,805.98	3,368.60	7,606.00	3,503.36	3,007.06	3,062.88	627.41	3,629.02	3,951.60	4,378.66	4,872.31	5,431.89	6,040.45	6,711.54
Beginning IC	-	2,371.05	2,720.83	4,047.90	4,910.47	5,271.48	7,423.24	9,962.75	9,789.26	10,411.25	11,396.28	12,263.82	13,221.52	14,207.38	15,229.20	16,336.75	17,541.75	18,809.04
ROIC	-	22.60%	55.80%	56.50%	36.78%	63.90%	102.46%	35.16%	30.72%	29.42%	5.51%	29.59%	29.89%	30.82%	31.99%	33.25%	34.43%	35.68%
Economic Profit (EP):																		
Beginning IC	-	2,371.05	2,720.83	4,047.90	4,910.47	5,271.48	7,423.24	9,962.75	9,789.26	10,411.25	11,396.28	12,263.82	13,221.52	14,207.38	15,229.20	16,336.75	17,541.75	18,809.04
x (ROIC - WACC)	-	15.27%	48.46%	49.17%	29.45%	56.57%	95.13%	27.83%	23.39%	22.09%	-1.83%	22.26%	22.56%	23.49%	24.66%	25.92%	27.10%	28.35%
EP	-	361.95	1,318.64	1,990.41	1,445.99	2,982.14	7,061.80	2,772.99	2,289.41	2,299.64	(208.05)	2,729.96	2,982.33	3,337.12	3,755.86	4,234.25	4,754.46	5,332.65

Regeneron Pharmaceuticals, Inc.
Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:		<i>ASSUMPTIONS:</i>
Risk-Free Rate	4.07%	10 Year Treasury Bond
Beta	0.78	2 Year Weekly Beta vs S&P
Equity Risk Premium	4.33%	Implied ERP for US Equity Market, 1961-2024
Cost of Equity	7.43%	
Cost of Debt:		
Risk-Free Rate	4.07%	10 Year Treasury Bond
Implied Default Premium	0.71%	
Pre-Tax Cost of Debt	4.78%	10 Year Taken from Bloomberg Yield Curve
Marginal Tax Rate	24%	
After-Tax Cost of Debt	3.66%	

Market Value of Common Equity:		MV Weights
Total Shares Outstanding	107.9	
Current Stock Price	\$ 712.52	
MV of Equity	76,880.37	97.48%
Market Value of Debt:		
Short-Term Debt	0	
Current Portion of LTD	0	
Long-Term Debt	1,984.40	
PV of Operating Leases		
MV of Total Debt	1,984.40	2.52%
Market Value of the Firm	78,864.77	100.00%

Estimated WACC	7.33%
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Regeneron Pharmaceuticals, Inc.

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	3.00%
CV Year ROIC	35.68%
WACC	7.33%
Cost of Equity	7.43%

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
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DCF Model:

Free Cash Flow (FCF)	(240.13)	2,671.32	2,965.73	3,356.84	3,764.76	4,226.90	4,773.16	5,358.68
Continuing Value (CV)								141,936.57
PV of FCF	(223.73)	2,318.86	2,398.59	2,529.48	2,643.09	2,764.84	2,908.91	86,500.42

Value of Operating Assets: 101,840.46

Non-Operating Adjustments

(add) Excess cash	766.82
(add) Marketable securities	15,976.47
(add) Other assets excluding intangible assets, net	724.97
(less) long term debt	(3,257.24)
(less) ESOP	(3.92)
(less) Finance lease liabilities	(720.00)

Value of Equity 115,327.56

Shares Outstanding 107.92

Intrinsic Value of Last FYE \$ 1,068.64

Implied Price as of Today \$ 1,138.35

EP Model:

Economic Profit (EP)	(208.05)	2,729.96	2,982.33	3,337.12	3,755.86	4,234.25	4,754.46	5,332.65
Continuing Value (CV)								123,127.54
PV of EP	(193.84)	2,369.77	2,412.01	2,514.61	2,636.84	2,769.65	2,897.51	75,037.62

Total PV of EP 90,444.18

Invested Capital (last FYE) 11,396.28

Value of Operating Assets: 101,840.46

Non-Operating Adjustments

(add) Excess cash	766.82
(add) Marketable securities	15,976.47
(add) Other assets excluding intangible assets, net	724.97
(less) long term debt	(3,257.24)
(less) ESOP	(3.92)
(less) Finance lease liabilities	(720.00)

Value of Equity 115,327.56

Shares Outstanding 107.92

Intrinsic Value of Last FYE \$ 1,068.64

Implied Price as of Today \$ 1,138.35

Regeneron Pharmaceuticals, Inc.*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<i>Fiscal Years Ending</i>	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
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EPS	\$ 34.28	\$ 36.73	\$ 40.15	\$ 44.56	\$ 49.64	\$ 55.34	\$ 61.52	\$ 68.60
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Key Assumptions

CV growth of EPS	3.00%
CV Year ROE	19.22%
Cost of Equity	7.43%

Future Cash Flows

P/E Multiple (CV Year)									19.07
EPS (CV Year)									\$ 68.60
Future Stock Price									\$ 1,308.05
Dividends Per Share	\$ 3.52	\$ 3.77	\$ 4.12	\$ 4.58	\$ 5.10	\$ 5.68	\$ 6.32		
Discounted Cash Flows	\$ 3.28	\$ 3.27	\$ 3.33	\$ 3.44	\$ 3.56	\$ 3.70	\$ 3.83	\$ 792.26	

Intrinsic Value as of Last FYE	\$ 816.65
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Implied Price as of Today	\$ 869.92
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Regeneron Pharmaceuticals, Inc.
Key Management Ratios

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Liquidity Ratios:																		
Current Ratio	3.59	2.56	3.82	4.47	3.67	3.63	3.56	5.06	5.69	4.73	4.56	4.74	4.90	5.06	5.19	5.29	5.55	5.81
Quick Ratio	3.30	2.24	3.18	3.67	2.99	2.91	3.07	4.29	4.94	3.95	3.79	3.97	4.14	4.30	4.43	4.52	4.78	5.04
Cash ratio	1.29	0.84	1.24	1.95	1.53	1.33	1.45	2.46	3.17	2.28	2.11	2.29	2.45	2.61	2.74	2.84	3.10	3.36
Asset-Management Ratios:																		
Working Capital Turnover Ratio	3.83	4.72	3.28	3.06	2.76	2.43	3.15	2.43	2.52	2.49	2.51	2.51	2.51	2.51	2.51	2.51	2.51	2.51
Total Assets Turnover Ratio	N/A	0.77	0.75	0.65	0.49	0.53	0.75	0.45	0.42	0.40	0.39	0.39	0.40	0.40	0.40	0.41	0.41	0.41
Inventory turnover ratio	0.70	0.28	0.13	0.03	0.12	0.17	0.92	0.15	0.22	0.22	0.17	0.16	0.17	0.16	0.16	0.16	0.15	0.15
Financial Leverage Ratios:																		
D/E Ratio	0.53	0.57	0.43	0.34	0.34	0.56	0.36	0.29	0.27	0.29	0.30	0.29	0.29	0.29	0.28	0.28	0.28	0.27
D/A Ratio	0.35	0.36	0.30	0.25	0.25	0.36	0.26	0.22	0.21	0.22	0.23	0.23	0.22	0.22	0.22	0.22	0.22	0.21
Interest Coverage Ratio	87.91	184.82	82.79	89.87	73.17	62.86	156.14	79.78	55.44	72.30	33.53	24.90	26.15	27.95	29.99	32.19	34.42	36.74
Profitability Ratios:																		
Return on Equity (NI/Beg TSE)		0.36	0.47	0.42	0.28	0.34	0.85	0.26	0.19	0.18	0.16	0.16	0.17	0.17	0.18	0.18	0.19	0.19
Operating profit margin	31%	27%	35%	38%	34%	42%	56%	39%	31%	28%	28%	28%	28%	29%	30%	30%	31%	32%
Gross profit margin	94%	96%	97%	97%	94%	94%	89%	93%	93%	92%	94%	94%	94%	94%	94%	95%	95%	95%
Net profit margin	15%	18%	20%	36%	32%	41%	50%	36%	30%	31%	24%	24%	24%	24%	25%	26%	26%	27%
Research and development																		
Payout Policy Ratios:																		
Dividend Payout Ratio (Dividend/EPS)											0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Total Payout Ratio ((Divs. + Repurchases)/NI)											0.50	0.51	0.53	0.54	0.56	0.58	0.42	0.41

Regeneron Pharmaceuticals, Inc.

Relative Valuation Models

Ticker	Company	Price	EPS 2025E	EPS 2026E	P/E 25	P/E 26	Enterprise Value	EBITDA 2025E	EBITDA 2026E	EV/EBITDA 25	EV/EBITDA 26
VRTX	Vertex Pharmaceuticals	\$ 436.34	\$18.48	\$20.28	23.61	21.52	\$100,084.50	\$5,403.00	\$6,291.00	18.52	15.91
BMJ	Bristol-Myers Squibb	\$ 47.31	\$6.50	\$5.97	7.28	7.92	\$128,658.30	\$18,617.00	\$17,439.00	6.91	7.38
SNY	Sanofi	\$ 50.73	\$4.50	\$4.90	11.27	10.35	\$132,537.40	\$15,800.00	\$16,964.00	8.39	7.81
PFE	Pfizer	\$ 25.17	\$3.13	\$3.11	8.04	8.09	\$193,477.10	\$24,999.00	\$25,372.00	7.74	7.63
AMGN	Amgen	\$342.19	\$21.24	\$21.73	16.11	15.75	\$224,758.20	\$18,028.00	\$17,942.00	12.47	12.53
ABBV	AbbVie	\$234.36	\$10.63	\$14.29	22.05	16.40	\$480,467.30	\$25,711.00	\$32,537.00	18.69	14.77
GILD	Gilead Sciences	\$125.49	\$8.17	\$8.69	15.36	14.44	\$171,114.60	\$15,976.00	\$15,447.00	10.71	11.08
Average					14.25	14.24					
										9.83	13.57
REGN	Regeneron Pharmaceutical	\$712.52	\$34.28	\$36.73	20.8	19.4	\$101,840.46	\$4,789.20	\$5,212.84	21.26	19.54

Implied Relative Value:

P/E (EPS25)	\$	488.36
P/E (EPS26)	\$	522.87
EV/EBITDA (25)	\$	561.04
EV/EBITDA (26)	\$	780.45

Regeneron Pharmaceuticals, Inc.
Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares): 13
Average Time to Maturity (years): 6.10
Expected Annual Number of Options Exercised: 2

Current Average Strike Price: \$ 588.47
Cost of Equity: 7.43%
Current Stock Price: \$712.52

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	2	2	2	2	2	2	0			
Average Strike Price:	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47	\$ 588.47
Increase in Common Stock Account:	1,225	1,225	1,225	1,225	1,225	1,225	123	-	-	-
Share Repurchases (\$)	1,469	1,633	1,837	2,099	2,448	2,883	2,142	2,307	-31,985	0
Expected Price of Repurchased Shares:	\$712.52	\$ 765.42	\$ 822.26	\$ 883.32	\$ 948.92	\$ 1,019.38	\$ 1,095.08	\$ 1,176.39	\$ 1,263.75	\$ 1,357.59
Number of Shares Repurchased:	2	2	2	2	3	3	2	2	(25)	-
Shares Outstanding (beginning of the year)	107.90	107.92	107.87	107.72	107.42	106.92	106.18	104.43	102.47	127.78
Plus: Shares Issued Through ESOP	2.08	2.08	2.08	2.08	2.08	2.08	0.21	0.00	0.00	0.00
Less: Shares Repurchased in Treasury	2	2	2	2	3	3	2	2	(25)	-
Shares Outstanding (end of the year)	107.92	107.87	107.72	107.42	106.92	106.18	104.43	102.47	127.78	127.78

Regeneron Pharmaceuticals, Inc.*Valuation of Options Granted under ESOP*

Current Stock Price	\$712.52
Risk Free Rate	3.65%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	40.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	13	588.47	6.10	\$ 362.44	\$ 4,603
Total	13	\$ 588.47	6.10	\$ 362.44	\$ 4,603
In millions				\$	4