

**Horizon Therapeutics plc**  
**First-Quarter 2020 Conference Call**  
**May 6, 2020**

**Tina Ventura**  
**Senior Vice President, Investor Relations**

Thank you, Chris. Good morning, everyone, and thank you for joining us.

On the call with me today are:

- **Tim Walbert**, Chairman, President and Chief Executive Officer;
- **Liz Thompson, Ph.D.**, Group Vice President, Clinical Development and External Search;
- **Paul Hoelscher**, Executive Vice President, Chief Financial Officer;
- **Vikram Karnani**, Executive Vice President, Chief Commercial Officer; and
- **Andy Pasternak**, Executive Vice President, Chief Strategy Officer

Tim will provide a high-level review of the first quarter, including an update on COVID-19, our TEPEZZA™ launch and guidance. Liz will then provide a review of our R&D programs, followed by Paul, who will discuss our financial performance and guidance in more detail. After closing remarks from Tim, we will then take your questions.

As a reminder, during today's call we will be making certain forward-looking statements, including statements about financial projections, our business strategy and the expected timing and impact of future events. Our actual results could differ materially due to a number of factors, including the extent and duration of the effects of the COVID-19 pandemic; as well as other factors outlined in our latest Forms 10-K, 10-Q and any 8-Ks filed with the Securities and Exchange Commission.

You are cautioned not to place undue reliance on these forward-looking statements and Horizon disclaims any obligation to update such statements.

In addition, on today's conference call, non-GAAP financial measures will be used. These non-GAAP financial measures are reconciled with the comparable GAAP financial measures in our earnings press release and other filings from today that are available on our investor website at [www.horizontherapeutics.com](http://www.horizontherapeutics.com).

I will now turn the call over to Tim.

**Tim Walbert**  
**Chairman, President and Chief Executive Officer**

Thank you, Tina, and good morning, everyone.

During my remarks, I will discuss the first quarter business performance and the remarkable initial launch we have had with our thyroid eye disease medicine, TEPEZZA. However, I would like to start with a few thoughts about the COVID-19 pandemic.

**COVID-19**

It goes without saying that these are unprecedented times. I want to recognize and thank the healthcare professionals showing such incredible dedication and tireless effort through this pandemic. I also applaud our employees who are helping patients access and maintain their medicines. It is with the commitment and support of so many people that we will get through this together.

Our priority at Horizon has been to safeguard the health, safety and welfare of patients and our employees as well as support the communities in which COVID-19 has made such an impact. Our commercial organization and patient services teams have done a tremendous job responding – doing everything possible to support patients and physicians during this period. This is a true testament to who we are as a company, always willing to go to incredible lengths to make a difference. We are also supporting our communities. We have donated more than \$1.5 million to COVID-19 response efforts in our locations around the world.

With the diversity of our portfolio, and the fundamentals of our businesses intact, we are in a strong position as a company. We have a strong cash position with \$755 million at quarter end, and a modest level of debt leverage following the numerous improvements we made to our capital structure last year. This strength and confidence in our future has allowed us to complete three transactions in the last month alone, including the addition of HZN-825, a new pipeline candidate for a rare, rheumatic disease, and two transactions to acquire payment rights related to future TEPEZZA royalties and milestones. Given the TEPEZZA performance this quarter and our significantly raised expectations, we believe the two TEPEZZA rights transactions will pay back quickly.

We have business continuity plans in place across our supply chain to support the availability of our medicines at this time and do not foresee any disruptions in supply from COVID-19 moving forward.

Regarding the impact of COVID-19 on our business, while it impacts all of our medicines to some degree, it differs greatly by medicine, and we have done our best to estimate that impact in our updated full-year guidance. TEPEZZA has proven very durable in this environment based on the severity of disease and the unmet need for patients that have gone for years without a treatment. Our rare disease medicines have also been stable given the serious diseases they treat. We are seeing more of an impact to KRYSTEXXA® and our inflammation medicines as well, as COVID-19 has reduced physician visits, and stay-at-home orders have impacted patient comfort levels with accessing their treatment. As it relates to KRYSTEXXA, we are seeing deferred demand from COVID-19 and expect it to begin to return as healthcare activity returns, which we have assumed will happen in the second half of this year. Paul will discuss the expected impact from COVID-19 in more detail.

Moving on to the first-quarter results, including the launch of TEPEZZA, we had an exceptionally strong first quarter, with better-than-expected performance across all of our business units, well exceeding our expectations for net sales and adjusted EBITDA. First-quarter net sales were \$356 million, a year-over-year increase of 27 percent driven by orphan segment net sales growth of 47 percent. Adjusted EBITDA

was \$107 million, up 21 percent. TEPEZZA had a fantastic launch quarter, significantly outperforming our expectations.

As a result, we are increasing our TEPEZZA net sales guidance for the full year to greater than \$200 million. We are also raising our full-year net sales guidance to range between \$1.40 billion and \$1.45 billion, driven by significantly higher TEPEZZA net sales, which is more than offsetting the estimated impact of COVID-19 on our other medicines. We have also revised our adjusted EBITDA guidance to range between \$450 million and \$500 million, which reflects the additional commercial investments we are making to support the higher-than-expected demand for TEPEZZA, our new TEPEZZA R&D programs we announced this morning and our recently acquired development-stage candidate, HZN-825.

### **TEPEZZA Launch Progress**

The highlight of the first quarter was the extremely successful launch of TEPEZZA, which we initiated shortly after receiving FDA approval in January, almost two months before the scheduled PDUFA (Prescription Drug User Fee Act) action date. The response to the medicine has been overwhelmingly positive from both patients and physicians, with uptake far exceeding expectations.

First-quarter net sales for TEPEZZA were \$23.5 million. To put this into context, our full-year initial guidance for TEPEZZA was for \$30 million to \$40 million.

Three factors drove TEPEZZA outperformance:

- first, the severity of thyroid eye disease, or TED, and its debilitating, painful and vision-threatening symptoms, is a highly motivating factor for patients to seek out therapy;
- second, our pre-launch efforts were incredibly successful; and
- third, the TEPEZZA launch execution has been stellar.

The severity of TED is an important factor contributing to the strong uptake. We've heard countless stories from patients about how challenging it is to live with TED and the success they have had with TEPEZZA. One came from a woman with rapidly progressing TED. In the month leading up to treatment, the disease had worsened to the point that she was on the verge of having to quit her job due to her double vision and other debilitating symptoms. Our patient services group immediately reached out to help her accelerate her treatment schedule, and she was able to start treatment in early April. By Easter Sunday, she was able to watch TV, drive, and – very importantly – regain her ability to work. The broad indication we received at approval has also allowed patients with fibrotic disease, which is also known as inactive disease, to be prescribed TEPEZZA. One such patient with fibrotic TED was diagnosed as legally blind in one eye. Shortly after beginning TEPEZZA treatment, he rapidly recovered sight in the eye. In another case, a woman whose disease had been fibrotic for more than a year experienced a significant reduction of proptosis after taking TEPEZZA. Results like these are generating strong interest in TEPEZZA for the treatment of fibrotic TED, which is one of the reasons we are moving quickly into our planned new clinical program in fibrotic TED, which Liz will discuss in more detail shortly.

The execution of our commercial strategy and significant pre-launch investment resulted in approximately 200 patients starting therapy in the first quarter. We have also generated more than 1,500 patient enrollment forms, or PEFs, year to date. PEFs are a leading indicator of demand. As we evaluate our launch metrics, we continue to make great progress:

- We continue to see significant use of TEPEZZA by our top-tier physician targets. In line with our expectations, about 90 percent of prescribers are ophthalmologists or oculoplastic surgeons. Patients are well-diversified across the country.
- Our current payor mix is roughly 50 percent commercial and 50 percent government. We expect the mix to shift to more commercial patients over time.

- Our site of care team activated more than 500 infusion centers in the first quarter. Activated sites are those infusion centers that are ready to administer TEPEZZA provided the payor approves coverage. More than 150 infusion centers administered TEPEZZA in the first quarter.
- Our payor team has met with payors representing nearly 90 percent of covered lives. Final policies have been published for more than half of those covered lives, with favorable policies for more than 70 percent of those covered lives. We are therefore seeing favorable access much sooner than we expected.

As it relates to COVID-19, after very rapid growth in February and March, the growth of our patient enrollment forms of TEPEZZA have slowed. Our significantly increased guidance to greater than \$200 million incorporates that impact. Accordingly, our guidance this year would have been substantially higher if it weren't for the impact of COVID-19. We've continued to see a similar number of new-patient starts in April as we did in March, which gives us confidence in our full-year guidance and even more confidence in our greater than \$1 billion peak U.S. net sales expectation.

With KRYSTEXXA, our biologic medicine for uncontrolled gout, we also delivered a better than expected first quarter, with net sales of \$93 million, growing 78 percent versus 2019.

As we've discussed in the past, we see three drivers of growth for KRYSTEXXA, which all contributed to our performance this quarter: expanded uptake in existing accounts and adding new accounts; increased use of KRYSTEXXA with immunomodulators such as methotrexate and continued acceleration of growth in nephrology.

As it relates to immunomodulation specifically, physicians are using immunomodulators more frequently, as they continue to see evidence that it dramatically increases the KRYSTEXXA patient response rate. This includes the 79 percent response rate data generated by the MIRROR open-label trial, as well as numerous published case studies with similar or better results. In fact, we just learned of positive data generated from the RECIPE trial, which is an investigator-initiated, placebo-controlled trial evaluating KRYSTEXXA with the immunomodulator mycophenolate mofetil, or MMF. Liz will discuss this further in her remarks.

Based on data like these that continue to be presented and published, physician use of immunomodulators with KRYSTEXXA has grown to double-digit rates. We expect the adoption of the use of immunomodulators with KRYSTEXXA to continue and do not believe their use with KRYSTEXXA has been significantly impacted long-term by COVID-19. In fact, based on a market research survey we conducted in March, approximately 75 percent of physicians have stated they continue to be interested in using KRYSTEXXA plus immunomodulation therapy despite COVID-19.

As it relates more specifically to the impact of COVID-19 on KRYSTEXXA, the vast majority of patients who started therapy prior to the mid-March impact of COVID-19 have maintained that therapy. However, due to stay-at-home guidelines that began in mid-March, many first-time patients have delayed the start of their infusions. In addition, patient visits to physicians have substantially declined, with rheumatology office visits reduced approximately 50 percent across the board. This has resulted in a reduction in new patient generation. We see this resulting in deferred demand for KRYSTEXXA that we anticipate will begin to return to pre-COVID-19 levels following the return of healthcare activity in the second half of this year. As we evaluate that deferred demand, we have a database of more than 1,500 uncontrolled gout patients who are currently pending treatment with KRYSTEXXA. We are continually engaging with these patients to help them get treated when appropriate for them given their individual and their physicians' circumstances.

The fundamentals of this market are intact and there is a significant unmet need for the 100,000-plus patients who are not being treated for their chronic and painful uncontrolled gout. Unfortunately, the health of these patients will continue to decline as they defer their treatment. We remain highly confident in our peak U.S. net sales expectation of more than \$1 billion for KRYSTEXXA.

Demand for our rare disease medicines remains steady, driven by first-quarter combined average shipping patient year-over-year growth in the mid-single digits for RAVICTI<sup>®</sup>, PROCYSBI<sup>®</sup> and ACTIMMUNE<sup>®</sup>. And compliance and adherence have improved even more so during this environment.

I will now turn the call over to Liz for an update on our R&D programs.

**Elizabeth Thompson, Ph.D.**  
**Group Vice President, Clinical Development and External Search**

Thank you, Tim, and good morning, everyone.

The first quarter was also very productive for Horizon from an R&D perspective. We received FDA approval for TEPEZZA and presented new TEPEZZA data; we announced several new R&D programs with both TEPEZZA and KRYSTEXXA; and finally, we acquired a development-stage candidate, HZN-825. I'll review these developments and also provide our thinking about COVID-19 as it relates to our clinical programs.

**HZN-825**

I will begin with HZN-825, the development-stage pipeline candidate we recently acquired in the Curzion transaction. HZN-825 is an LPAR<sub>1</sub> antagonist that we will be exploring in diffuse cutaneous systemic sclerosis, which is a type of scleroderma and is a rare, chronic and sometimes fatal autoimmune disease with high unmet need. In addition to skin thickening, these patients can suffer extensive fibrosis that causes internal organ damage, including interstitial lung disease, kidney disease and bowel disease. There are roughly 30,000 patients diagnosed with this type of scleroderma in the United States, primarily managed by rheumatologists, and there are no currently approved treatments for this disease.

Mechanistic rationale and early clinical evidence are promising for LPAR<sub>1</sub> antagonism. This includes positive signals observed in an eight-week placebo-controlled Phase 2a trial of HZN-825, as well as continued improvement in the 16-week open-label extension period. While the results showed evidence of potential clinical benefit in patients with scleroderma, the timeframe was likely too short to show statistically significant clinical benefit.

We plan to conduct a pharmacokinetic trial this year to support new-product formulation, and we also plan to discuss the registrational program with the FDA later this year. We expect to initiate a Phase 2b pivotal trial in the first half of 2021 and are excited about the potential of HZN-825 for treating this debilitating disease.

**TEPEZZA**

The approval of TEPEZZA in January was the culmination of a great deal of effort and dedication on the part of our whole R&D organization. However, it represented only the beginning of our clinical work with the medicine. Our strategy for TEPEZZA is to maximize its long-term potential. As such, today we announced two new TEPEZZA development programs – one to evaluate TEPEZZA in the fibrotic phase of TED, sometimes referred to as inactive disease, and another to explore the potential for subcutaneous administration.

Our trial for TEPEZZA in fibrotic, or inactive, TED will evaluate TEPEZZA in patients whose disease is no longer progressive or inflammatory. Once the pain and inflammation of active or progressive TED subside, the inflamed tissue behind the eye becomes fibrotic. While the disease is no longer active, fibrotic TED patients may continue to experience proptosis, diplopia and other debilitating eye symptoms that can impair their quality of life. As Tim mentioned, we've heard that physicians are using TEPEZZA in this patient population with positive outcomes. We anticipate initiating a single-arm, open-label trial early next year.

Our other new program is intended to explore the potential for subcutaneous dosing of TEPEZZA, which is currently administered via infusion. Such options could provide greater flexibility for patients and physicians. We anticipate initiating a pharmacokinetic trial to explore this dosing option later this year.

We have decided to delay the start of our TEPEZZA exploratory trial in diffuse cutaneous systemic sclerosis to later this year, reflecting the environment and the demands placed on the healthcare system by COVID-19.

And finally, we presented new TEPEZZA data during the first quarter from the pooled TEPEZZA Phase 2 and Phase 3 clinical trials that showed that TEPEZZA significantly reduces proptosis in TED patients regardless of age, gender and smoking status.

#### **KRYSTEXXA**

Moving to KRYSTEXXA, first, as Tim referenced, we've recently learned of the data from the RECIPE trial. RECIPE is an investigator-led, randomized, double-blind, placebo-controlled study to assess preliminary efficacy and safety of administering the immunomodulator mycophenolate mofetil, or MMF, with KRYSTEXXA. Thirty-two patients with chronic refractory gout were randomized 3 to 1 to receive MMF or placebo in addition to all patients receiving KRYSTEXXA. The primary efficacy endpoint was the proportion of participants achieving and maintaining serum uric acid target levels below 6. After 12 weeks of co-administration, all patients continued on KRYSTEXXA alone for an additional 12 weeks without combination MMF therapy to evaluate the longer-term efficacy and safety of this approach. The results are consistent with previously reported open label studies of KRYSTEXXA with methotrexate in which response rates were greater than the rates observed for KRYSTEXXA alone in the Phase 3 program. RECIPE adds to the growing body of evidence regarding the use of KRYSTEXXA with immunomodulation. We anticipate that the full results and dataset will be released in future investigator-generated abstracts or publications.

Earlier in the quarter we announced the positive results of our MIRROR open-label trial, the precursor to the MIRROR randomized clinical trial. We anticipate sharing the detailed results of the open-label trial at the upcoming Annual European Congress of Rheumatology, also known as EULAR, in early June. We are also looking forward to additional presentations on the results of independent investigator trials and datasets using methotrexate and other immunomodulators with KRYSTEXXA.

Enrollment in the MIRROR randomized controlled trial, which we initiated in July of last year, is going well with approximately 80 percent of planned patients enrolled to date. There has been a relatively minor impact to this trial from COVID-19, and we expect to complete enrollment in the second half of the year, with results expected toward the middle of 2021.

Turning to PROTECT, our trial evaluating the use of KRYSTEXXA in kidney transplant patients with uncontrolled gout, here we are seeing more of an impact to enrollment from COVID-19, which we believe is due to the at-risk nature of the patient population. We therefore expect enrollment in PROTECT to be completed by the end of this year.

Regarding our previously announced KRYSTEXXA shorter-infusion trial, again, we have decided to delay the start of this trial to later this year due to COVID-19.

In summary, we continued to advance our strategy to maximize the value of our on-market medicines as well as expand our pipeline, making significant strides in both respects during the quarter. During this time, we also remain diligently focused on the safety, health and welfare of everyone involved in our clinical trial programs.

With that, I'll now turn the call over to Paul. Paul?

**Paul Hoelscher**  
**Executive Vice President, Chief Financial Officer**

Thanks, Liz.

My comments this morning will primarily focus on our non-GAAP results, unless otherwise noted. I will begin with the first quarter, and then comment on how we are thinking about the rest of the year, including the impact of COVID-19 on our business.

**First-Quarter 2020 Financial Results**

First-quarter net sales were \$356 million. Our orphan segment generated net sales of \$245 million, a year-over-year increase of 47 percent, driven by TEPEZZA, KRYSTEXXA, RAVICTI and ACTIMMUNE.

Orphan segment operating income was \$54 million, which reflects our significant investment in the commercial launch of TEPEZZA.

Net sales for the inflammation segment were \$111 million, with segment operating income of \$52 million. As we noted previously, beginning this quarter, RAYOS is now included in this segment. We continue to reinvest the cash flow generated from this segment into our key growth drivers, TEPEZZA and KRYSTEXXA, as well as our pipeline.

Our non-GAAP first-quarter gross profit ratio was 90 percent of net sales.

Non-GAAP operating expenses were \$214 million. This included non-GAAP R&D expense of \$21 million and non-GAAP SG&A expense of \$193 million, both in line with our expectations.

First-quarter adjusted EBITDA was \$107 million, which significantly exceeded expectations driven by the strong net sales performance across our portfolio.

The non-GAAP income tax rate for the first quarter was 12.8 percent, in line with expectations.

Non-GAAP net income was \$83 million, and non-GAAP diluted earnings per share were \$0.40. The weighted average shares outstanding, used to calculate first-quarter 2020 non-GAAP diluted EPS, were 213 million shares.

**Cash Flow and Balance Sheet**

Moving on to our first-quarter cash flow, the decrease in operating cash flow versus the prior year was driven by three main factors:

- first, we invested in working capital, primarily receivables and inventories, related to the launch of TEPEZZA;
- second, receivables increased due to significantly higher gross sales of KRYSTEXXA versus the prior year; and
- finally, accrued trade and discounts decreased significantly due to reductions for VIMOVO related to the generic launch, along with lower accruals across other medicines due to the timing of invoices and payments.

As of March 31, cash and cash equivalents were \$755 million, giving us significant flexibility to manage our business, invest in our growing operations, expand our pipeline and execute other strategic transactions. Our net-debt-to-last-12-month adjusted EBITDA leverage ratio is 1.3 times.

In the first quarter, we paid \$105 million in milestone payments to River Vision and Roche related to the FDA approval of TEPEZZA, and \$112 million to purchase our new U.S. office campus in Deerfield, Illinois.

Financial strength is a valuable asset during this period, and we are benefiting from the actions we took last year to significantly improve our capital structure. We reduced our gross debt by \$575 million, extended our debt maturities out to the 2026/2027 timeframe and lowered our annualized net interest expense by more than 40 percent. Importantly, we have no maintenance covenants on our debt.

In terms of managing and allocating our capital, particularly during this environment, our balance sheet is strong. We are confident in our ability to generate substantial operating cash flow, and this confidence was underscored by the three strategic transactions we completed in the last month alone. Our business development activity remains focused on development-stage acquisitions like Curzion, and we expect to continue to pursue transactions to enhance our future growth prospects.

## **2020 Guidance**

I will now turn to our 2020 guidance and provide comments on how we see the rest of the year playing out. While it is difficult to predict the overall impact of COVID-19, given the uncertainty of the scope and magnitude of the pandemic, we are providing the best estimates we have at this time along with some of the assumptions associated with our updated expectations.

We are increasing our full-year 2020 net sales guidance range to \$1.4 billion to \$1.45 billion, reflecting the significant increase in our expectations for TEPEZZA net sales this year to more than \$200 million, which more than offsets our expected impact of COVID-19 to our other medicines.

We are also updating our adjusted EBITDA range to \$450 million to \$500 million, which reflects additional investments behind TEPEZZA to support our commercial efforts given the faster-than-expected uptake, as well as to support our new TEPEZZA R&D programs we announced this morning and our recently acquired development-stage candidate, HZN-825.

We have widened both our net sales and adjusted EBITDA guidance ranges to factor in the greater expectations for TEPEZZA and accommodate for the uncertainty of the impact of COVID-19. Our updated guidance assumes that healthcare activity starts to return in the second half of this year.

For TEPEZZA, we anticipate a significant, sequential increase in net sales from the first quarter to the second quarter. However, we expect the slowing growth of patient enrollment forms we saw in April from COVID-19 to have some impact on full-year TEPEZZA net sales, which we now project to be more than \$200 million. This expectation would have been substantially higher without the impact from COVID-19. Given the successful launch and the tremendous uptake, we remain more confident than ever in our peak U.S. net sales expectation of TEPEZZA of more than \$1 billion.

For KRYSTEXXA, our first-quarter performance significantly exceeded expectations, with net sales growth of 78 percent. However, given the COVID-19 impact on new patient starts, we expect a sequential net sales decline for KRYSTEXXA from the first quarter to the second quarter in the 25 to 30 percent range. For the full year, we expect KRYSTEXXA net sales to be in the range of 2019 net sales. We have a database of roughly 1,500 patients currently pending treatment with KRYSTEXXA and will be working to bring them onto therapy. Given this, and the continued uptake of immunomodulation that we expect, we remain highly confident in our peak U.S. net sales expectation for KRYSTEXXA of more than \$1 billion.

For our rare disease medicines, we anticipate a limited disruption from COVID-19, given how important it is for patients to remain compliant on therapy, which we believe they understand and are motivated to

do. For the full-year, we expect net sales growth to be in the low single digits, given the limited opportunity to generate new patients until healthcare activity starts to return, which we anticipate happens in the second half.

For our inflammation medicines, we have experienced reduced demand related to COVID-19 since mid-March, particularly from new prescriptions, due to the absence of in-person engagement with physicians, as well as a reduction in patient visits to their physicians. We expect this impact to be somewhat offset by the virtual engagement of our sales representatives, as well as the use of telemedicine by many physicians, which allows them to continue to treat patients and prescribe our medicines. Based on what we are seeing today, for the second quarter we are anticipating a sequential net sales decline of 30 to 40 percent for our inflammation segment. We anticipate a relatively quick return to pre-COVID-19 demand levels, once healthcare activity starts to return.

Moving on to our full-year expectations for the rest of the income statement, our non-GAAP gross profit ratio is expected to be approximately 89 percent, which is modestly lower than our prior 90 percent expectation. This is primarily due to the impact of royalties associated with significantly higher net sales expectations for TEPEZZA this year.

We expect full-year 2020 operating expenses to increase modestly versus our prior expectations, driven by additional SG&A investment in TEPEZZA to support the significantly higher patient demand, including investment required for patient pull-through. As part of this higher operating expense, we also anticipate our R&D expense to increase driven by investment in HZN-825 and the new TEPEZZA R&D programs that Liz discussed. We now expect our non-GAAP R&D expense as a percentage of sales to be in the high single digits for 2020.

We expect full-year non-GAAP net interest expense to be approximately \$50 million, as a result of the capital structure improvements we made in 2019.

For our tax rate, we continue to expect a full-year non-GAAP tax rate in the high single digits. As we see every year, we anticipate some variability in our non-GAAP tax rate on a quarterly basis.

Our 2020 cash tax rate is now projected to be in the mid to high single digits, lower than our prior estimate of low double digits, as a result of some benefits arising from the CARES Act.

We expect our full-year 2020 weighted average diluted share count to be in the range of 213 million to 215 million shares, which, as we said last quarter, assumes the potential conversion of our \$400 million of exchangeable notes into ordinary shares.

With that, I will turn it over to Tim for his concluding remarks.

**Tim Walbert**  
**Chairman, President and Chief Executive Officer**

Thanks, Paul.

We had a great start to 2020, highlighted by the rapid uptake of TEPEZZA shortly after its early approval in January, a result of our pre-launch activities throughout last year and the tremendous execution of the TEPEZZA commercial organization. Our continued focus on execution drove excellent KRYSTEXXA growth and resulted in our acquisition of the development-stage candidate HZN-825.

We increased our full-year net sales guidance for TEPEZZA to more than \$200 million given the significantly higher-than-expected uptake. We also increased our total company full-year net sales guidance to \$1.40 billion to \$1.45 billion, reflecting our higher full-year net sales TEPEZZA guidance, which more than offset the impact we expect from COVID-19.

We revised our adjusted EBITDA guidance range to \$450 million to \$500 million, as Paul said, to incorporate the additional investment we are making in TEPEZZA to support the stronger demand, as well as our new TEPEZZA R&D programs and HZN-825.

Our priority in the current COVID-19 environment is to safeguard the health, safety and welfare of patients and our employees. We are working to support our communities in their COVID-19 response efforts and at the same time are making every effort as a company to help minimize the spread of COVID-19, and we're working to ensure continued patient access to our medicines.

The fundamentals of our business are strong, with our robust cash position and strong balance sheet thanks to the improvements we made last year to our capital structure. We continue to be very well positioned for the long term.

With that, we will open it up for questions.

**Tina Ventura**  
**Senior Vice President, Investor Relations**

Thank you, Chris. That concludes our call this morning. A replay of this call and webcast will be available in approximately two hours. Thank you for joining us.