



Paris, January 9, 2020

Pre-quarterly Results Communication

Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q4 2019 results.

Q4 2018 sales and business EPS

In Q4 2018, Sanofi consolidated sales were €8,997 million. In Q4 2018, business net income was €1,364 million and business EPS was €1.10, up 4.7% at CER*.

Business Items

Vaccines

In Q3 2019, vaccines sales decreased 9.8% to €1,929 million, impacted by the timing of flu vaccines delivery in the U.S., which will be significantly weighted towards the fourth quarter due to the roughly one-month delay in strain selection by the WHO at the beginning of 2019. Consequently, Q3 2019 flu vaccines sales fell 28.5% to €735 million.

As stated on the Q3 2019 earnings call, Sanofi expects 2019 flu vaccines sales to exceed prior year (at CER). In Q4 2018 and full-year 2018, flu vaccines sales were €596 million and €1,708 million, respectively.

CHC

In Q3 2019, Consumer Healthcare (CHC) sales increased 0.4% to €1,136 million, impacted by strengthening regulatory requirements, particularly in Europe, as well as the continued effect of non-core divestments. As stated on the Q2 2019 earnings call, Sanofi expects these factors to have a dampening effect on CHC performance through the first part of 2020.

Additionally, in October Sanofi decided to conduct a precautionary voluntary recall of Zantac® in the U.S. and Canada. In Q3 2019, Zantac® sales were down 58.1% to €14 million, reflecting the impact of this recall. Zantac® sales (mainly generated in the U.S.) were €34 million in Q4 2018 and €127 million in 2018, respectively.

Diabetes

In Q3 2019, Admelog® sales were €51 million. In the U.S., the product sales were €47 million, up 80% versus Q3 2018, but down 34% versus Q2 2019 due to the WAC price adjustment of -44% which took effect on July 1.

Praluent®

In Q3 2019, Praluent® (collaboration with Regeneron) sales decreased 11.8% to €61 million, reflecting lower sales in the U.S. (down 31.7% to €29 million) which were impacted by significantly higher rebates. In Europe, Praluent® sales in Germany have been suspended following the Regional Court of Dusseldorf ruling in the ongoing patent litigation in August.

Lovenox®

In Q3 2019, Lovenox® sales decreased 5.4% to €334 million, reflecting lower Mature Markets sales (down 16.2% to €191 million) due to ongoing biosimilar competition in several countries in Europe.

Eloctate®

In Q3 2019, Eloctate® sales were €162 million, down 17.6% at CS**. In the U.S., sales of the product decreased 23.5% to €122 million, reflecting ongoing competitive pressure. As stated on the Q2 2019 earnings call, Sanofi expects competitive pressure to continue.

* CER : constant exchange rates.

** Sales of products to SOBI were initially recorded in "other revenues" in H1 2018 and in sales from H2 2018; the H1 2018 reclassification was reflected in Q3 2018. H1 2018 and Q3 2018 sales were adjusted accordingly for calculation of CS. Unaudited data.

China

As announced in the Q3 2019 earnings release, Sanofi expects the nationwide implementation of the VBP program to begin in December. As a result, Q4 2019 sales of Plavix® and Aproveil® family products are expected to decrease significantly due to net price adjustments of inventory in the channel. In China, Q3 2019 Plavix® and Aproveil®/Avapro® sales were €209 million and €74 million, respectively.

Financials

Other operating income net of expenses

This line includes the share of profit to Regeneron of the monoclonal antibodies Alliance, reimbursement of development costs by Regeneron and the reimbursement of commercialization-related expenses incurred by Regeneron. As stated on the Q3 2019 earnings call, this combined outflow was -€207 million in Q3 2019 versus -€160 million in Q2 2019.

In Q4 2018, the “other operating income net of expenses” line also included charges related to a legal contingency provision, as well as a capital gain on an associate company and other accruals, which in aggregate represented a net charge of €72 million.

Net financial expenses

In Q4 2018, net financial expenses were -€60 million and included an increase of €22 million in the market value of a financial investment.

Effective tax rate

In Q4 2018, the effective tax rate was 20.0%. In the first 9 months of 2019, the effective tax rate was stable at 22.0%.

Foreign Currency Impact

The main currency variations were:

EUR/...	Q4 2018	Q4 2019	Variation
Developed Markets			
U.S. Dollar	1.14	1.11	-3.0%
Japanese Yen	128.82	120.37	-6.6%
Canadian Dollar	1.51	1.46	-3.0%
Australian Dollar	1.59	1.62	1.9%
British Pound	0.89	0.86	-3.0%
Swiss Franc	1.14	1.10	-3.5%
Emerging Markets			
Chinese Yuan	7.90	7.80	-1.2%
Brazilian Real	4.35	4.56	5.0%
Mexican Peso	22.63	21.33	-5.8%
Argentine Peso	42.38	65.73	55.1%
Russian Ruble	75.91	70.56	-7.0%
Turkish Lira	6.29	6.42	2.0%
South African Rand	16.29	16.29	0.0%
Indian Rupee	82.25	78.86	-4.1%
Egyptian pound	20.46	17.89	-12.6%

Based on this evolution of foreign currencies, Sanofi estimates that the favorable currency impact will be approximately between +1.5% and +2.5% on Q4 2019 sales and approximately between +3% and +4% on Q4 2019 business EPS.

The full year 2019 business EPS sensitivity to the U.S. Dollar, Japanese Yen, Chinese Yuan, Brazilian Real and Russian Ruble are the following:

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	+0.05 USD/EUR	-EUR 0.10
Japanese Yen	+5 JPY/EUR	-EUR 0.02
Chinese Yuan	+0.2 CNY/EUR	-EUR 0.02
Brazilian Real	+0.4 BRL/EUR	-EUR 0.01
Russian Ruble	+10 RUB/EUR	-EUR 0.03

Share Buyback

In Q4 2019, Sanofi did not repurchase shares.

Number of Shares

The average number of shares for the calculation of EPS is expected to be around 1,253.1 million in Q4 2019 versus 1,245.6 million in Q4 2018 and around 1,249.9 million in 2019 versus 1,247.1 million in 2018.

Investor News Flow:

All press releases issued during Q4 2019 are available on our website:

<https://mediaroom.sanofi.com/en/press-releases/>

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Forward-Looking Statements

This document contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans” and similar expressions. Although Sanofi’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Sanofi, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the absence of guarantee that the product candidates if approved will be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi’s ability to benefit from external growth opportunities, to complete related transactions and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic conditions, the impact of cost containment initiatives and subsequent changes thereto, the average number of shares outstanding as well as those discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in Sanofi’s annual report on Form 20-F for the year ended December 31, 2018. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.