Paris, July 6, 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 Q2 2020 results.

Q2 2019 sales and business EPS

In Q2 2019, Sanofi consolidated sales were €8,628 million (€17,019 million in H1 2019). In Q2 2019, Sanofi business net income was €1,546 million (3,240 million in H1 2019) and business EPS was €1.24 (€2.6 in H1 2019), which includes the IFRS 16[(1)] impact and reflects the restatement excluding the equity method of accounting for Regeneron investment.

On May 29, 2020, Sanofi announced the sale of its equity investment in Regeneron, excluding 400,000 Regeneron shares, which Sanofi is retaining, for total gross proceeds amounting to $11.7 billion.

As a result of this sale, Sanofi's Q2 2020 non-GAAP business net income statement will exclude the effect of the equity method of accounting for the Regeneron investment in the share of profit/loss of associates and joint ventures line. The effect of the equity method of accounting for the Regeneron investment up to May 29, 2020 will be presented as a reconciling item between IFRS net income and business net income. In addition, Sanofi has restated its previously reported business net income statement for 2019 by quarter and for Q1 2020.

You will find on Sanofi's investor website an Excel file reflecting 2019 and Q1 2020 restated business P&L:
https://www.sanofi.com/en/investors/company-overview/key-financial-data

Business Items

COVID-19

As communicated in the Q1 2020 earnings release, Sanofi expects the favorable first-quarter COVID-19 impact on sales and business EPS to be mainly offset during Q2 2020. As a reminder, COVID-19 stocking in the channels and at patients level explained about half of Sanofi's sales growth (of 6.6% at CER[(2)]) and roughly half of business EPS growth (of 15.6% at CER) in Q1 2020.

On the Q1 2020 earnings call, Sanofi announced that Q2 2020 sales are expected to decline at a low single-digit rate at CER versus Q2 2019, as the first-quarter impacts of COVID-19 reverse. This expectation included the following assumptions on business dynamics in Q2 2020:

- Pharmaceuticals: Reduction of in-channel inventory build.
- Vaccines: Travel vaccines and immunization negatively impacted while China recovery and flu demand expected to continue.
- CHC: Consumer stocking to unwind and lower pharmacy traffic.
- OPEX: Continue to deliver on efficiencies.

Specialty Care

In Q1 2020, **Specialty Care** sales were up 31.3% at CER to €2,695 million. This performance included an estimated 3 percentage points contribution from the impact of COVID-19.

(1) The new lease accounting standard (IFRS16) impact mainly comes from the amortization of the lease asset recognized on a straight-line basis while the interest expense decreases over the life of the lease. IFRS16 standard is effective as of 1 January 2019.

(2) CER: constant exchange rates.

General medicines

In Q1 2020, **General medicines** sales were down 3.8% at CER to €4,069 million. This decrease included an estimated 2 percentage points of positive contribution from COVID-related buying.

Diabetes

In Q1 2020, global **Diabetes** sales decreased 1.2% at CER to €1,282 million, due to lower glargine sales in the U.S. which were partly offset by increased sales in the Rest of the World and patient stockpiling due to the COVID-19 pandemic, notably in Europe.

As announced in the Q4 2019 earnings release, Sanofi expects lower Admelog® sales in 2020 due to the full-year impact of the U.S. WAC price adjustment (-44% which took effect on July 1, 2019). In Q1 2020, Admelog® sales were €50 million (down 27.3%).

Cardiovascular and Established Rx Products

In Q1 2020, **Cardiovascular and Established Rx Products** sales decreased 5.0% at CER to €2,787 million, primarily reflecting the decline in Plavix® and Aprovel® family sales in China (see below paragraph on China). Excluding China, Cardiovascular and Established Rx Products sales increased 0.6% at CER in Q1 2020 and benefited from a favorable impact from COVID-19 on sales of chronic disease treatments, which reflected longer duration prescriptions and patient stocking despite lower sales of hospital-administered therapies.

In Q2 2019, **Praluent®** sales were €66 million of which €24 million were generated in the U.S. Since April 1, 2020, Sanofi has sole responsibility for Praluent® outside the U.S. while Regeneron has sole responsibility for Praluent® in the U.S. Consequently, Sanofi no longer consolidates Praluent® sales in the U.S. with effect from April 1, 2020. In Germany, Praluent® sales were suspended following the Regional Court of Dusseldorf ruling in the ongoing patent litigation in August 2019.

In Q1 2020, **Lovenox®** sales decreased 2.9%at CER to €329 million, reflecting lower European sales (down 13.2% at CER to €171 million) due to biosimilar competition in several countries in Europe. In the Rest of the World, Lovenox® sales grew 12.4% at CER to €150 million.

Vaccines

On the Q1 2020 earnings call, as noted above, Sanofi announced that it expects in Q2 2020 travel vaccines and immunization negatively impacted while China recovery and flu vaccines demand expected to continue.

Separately, in Q2 2019, Vaccines sales increased strongly by 24.7% at CER to €1,021 million. This growth was driven by the strong performance of Polio/Pertussis/Hib vaccines in Emerging Markets, together with the timing of CDC purchases in the U.S. and the performance of Boosters and Hexaxim® in Europe.

CHC

In Q1 2020, CHC sales increased 4.2% to €1,300 million which included approximately a 6 percentage point contribution from COVID-related pantry loading mainly seen in the Allergy, Cough and Cold and Pain categories, driven by especially strong demand in Europe

On the Q1 2020 earnings call, as noted above, Sanofi announced that it expects in Q2 2020 consumer stocking to unwind and lower pharmacy traffic.

As stated on the Q4 2019 earnings call, Sanofi expects the voluntary recall of Zantac®, changing regulatory requirements, particularly in Europe, as well as the continued effect of non-core divestments to have a roughly €120m negative impact on H1 2020 CHC sales.

In Q2 2019, CHC sales were €1,148 million.

China

As previously announced, Sanofi expects sales of Plavix® and the Aprovel® family in China to decline by around 50% in 2020 due to implementation of the VBP program. Additionally, the second wave of the nationwide bidding process for the VBP program included glimepiride (compound name for Amaryl®) in 2020 and Sanofi has opted not to participate with Amaryl®. In China, Amaryl® sales were €136 million (up 3.1% at CER) in 2019, and Sanofi expects sales of Amaryl® in 2020 to decline significantly due to the expanded VBP program.

Financials

Other operating income net of expenses

In Q2 2019, **other current operating income net of expenses** was -€91 million which included the share of profit to Regeneron for the monoclonal antibodies Alliance, reimbursement of development costs by Regeneron and the reimbursement of commercial-related expenses incurred by Regeneron (this combined outflow related to the monoclonal antibodies Alliance was -€160 million in Q2 2019).

Share of profits from associates

Following the sale of its Regeneron stake at the end of May 2020 (as discussed above), Sanofi has restated its previously reported non-GAAP indicator (Business Net Income) and excluded the effect of equity method of accounting for Regeneron investment in 2019 and Q1 2020. The Q2 2020 business P&L will also not include any effect of the equity method of accounting for Regeneron investment in the line “Share of profits from associates”.

After restatement, Q2 2019 share of profit from associates was €7 million.

Effective tax rate

In Q2 2019, the effective tax rate was 22%. As announced in the Q4 2019 earnings release, Sanofi expects its effective tax rate to be around 22% in 2020.

Foreign Currency Impact

The main currency variations were:

EUR/…	Q2 2019	Q2 2020	Variation
Developed Markets			
U.S. Dollar	1,12	1,10	*-2,0%*
Japanese Yen	123,48	118,31	*-4,2%*
Canadian Dollar	1,50	1,53	*+1,5%*
Australian Dollar	1,61	1,68	*+4,4%*
British Pound	0,87	0,89	*+1,4%*
Swiss Franc	1,13	1,06	*-5,8%*
Emerging Markets			
Chinese Yuan	7,68	7,81	*+1,7%*
Brazilian Real	4,40	5,92	*+34,5%*
Mexican Peso	21,51	25,65	*+19,3%*
Argentine Peso	49,38	74,51	*+50,9%*
Russian Ruble	72,56	79,66	*+9,8%*
Turkish Lira	6,60	7,56	*+14,6%*
South African Rand	16,17	19,74	*+22,1%*
Indian Rupee	78,17	83,50	*+6,8%*
Egyptian pound	19,11	17,51	*-8,4%*

Based on this evolution of foreign currencies, Sanofi estimates that the currency impact will be approximately between -1% and -2% on Q2 2020 sales and between -2% and -3% on Q2 2020 business EPS.

The full-year 2020 business EPS sensitivities 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 0.13
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 Q2 2020, Sanofi did not repurchase any shares. In H1 2020, Sanofi repurchased 3,982,939 shares for an amount of €360 million

Number of Shares

The average number of shares for the calculation of EPS is expected to be around 1,252.2 million in Q2 2020 versus 1,248.5 million in Q2 2019 and to be around 1,251.7 million in H1 2020 versus 1,247.2 million in H1 2019.

Investor News Flow:
All press releases issued during Q1 2020 are available on our website:
https://mediaroom.sanofi.com/en/press-releases/
Investor Relations Contact:
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Forward-Looking Statements

This press release 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 fact that product candidates if approved may not 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 and market conditions, cost containment initiatives and subsequent changes thereto, and the impact that COVID-19 will have on us, our customers, suppliers, vendors, and other business partners, and the financial condition of any one of them, as well as on our employees and on the global economy as a whole. Any material effect of COVID-19 on any of the foregoing could also adversely impact us. This situation is changing rapidly and additional impacts may arise of which we are not currently aware and may exacerbate other previously identified risks. The risks and uncertainties also include the uncertainties 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, 2019. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.