



Paris, December 2020

Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q4 2020 results.

Restated business P&L following the sale of the equity investment in Regeneron

On May 29, 2020, Sanofi announced the sale of its equity investment in Regeneron, excluding 400,000 Regeneron shares. As a result of this sale, Sanofi's non-GAAP business net income statement excludes the effect of the equity method of accounting for the Regeneron investment in the share of profit/loss of associates and joint ventures line from Q1 2020 onwards. An Excel file reflecting the 2019 and Q4 2019 restated business P&Ls can be found here: <https://www.sanofi.com/en/investors/company-overview/key-financial-data>

Management guidance and previous commentary

As a reminder Sanofi's Q3 communications can be found at <https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q3-results-2020>

During Q3 2020 results, Sanofi announced that in Q4 2020 the company will continue to deliver efficiencies in sales and marketing while R&D spend in the second half is likely to be similar to the second half of 2019 at CER⁽¹⁾.

As already highlighted, Sanofi expects a significant negative currency impact on sales and business EPS in Q4 2020 (see below in the foreign currency impact section for further details). This impact reflects unfavorable evolution of the U.S. Dollar as well as many other currencies (especially in Emerging Markets) versus the Euro.

The company's gross margin ratio is typically lower in the second half than in the first half of the year due to a higher proportion of seasonal Vaccines sales in the second half.

The effective tax rate is expected to be around 22% in 2020.

At Q3 2020 results, Sanofi communicated on the expected business dynamics for Q4 2020, which assumed some local confinements may occur during the quarter:

- **Pharmaceuticals:** New patient starts for Specialty Care products are expected to be around 80% to 90% of pre-COVID levels. General Medicines is expected to be impacted from U.S. Diabetes rebating and the COVID environment, partially offset by growth in China. Elective procedures are expected to be impacted by regional lockdowns.
- **Vaccines:** Strong influenza vaccines sales expected to continue and PPH sales expected to return to pre-COVID levels; while travel, adult boosters and meningitis vaccines continued to be impacted by COVID pandemic.
- **CHC:** In-person pharmacy traffic expected to be subdued and Zantac voluntary withdrawal annualizes.

Business Items

Please note the following previously communicated product performances:

Specialty Care

- **Dupixent®** in Japan saw a governmental price decrease of 20% implemented in April 2020. In the US, in-office patient visits with dermatologists and allergists remained at ~80% pre-COVID levels in Q3 2020.
- **Aubagio®** took a WAC⁽²⁾ price increase of 5% as of January 2020 in the U.S. as well as a price increase in Germany.
- **Cerezyme®** sales in the Rest of the World benefited from favorable order phasing in Q3 2020.
- **Fabrazyme®** in Japan saw a governmental price decrease of approximately 10% implemented in April 2020.
- **Myozyme®/Lumizyme®** sales benefited from inventory build in the U.S. as well as favorable order phasing in the Rest of the World in Q3 2020.

(1) CER: constant exchange rates; (2) WAC: Wholesale acquisition cost

- **Eloctate[®]** and **Alprolix[®]** sales in the Rest of the World benefited from phasing in Q3 2020 following changes to the supply relationship with Sobi. Eloctate[®] and Alprolix[®] sales to Sobi are expected to be volatile for the foreseeable future.

General Medicines

- **U.S. Diabetes** performance is expected to be impacted in Q4 2020 primarily due to business mix weighted towards government channels, including typical year-end true ups.
- **Plavix[®]** and **Aprovel[®]/Avapro[®]** in China are affected by net price adjustments following implementation of the VBP program. However, this impact is to annualize in Q4 2020. 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.
- **Amaryl[®]** sales in China are expected to decline significantly in 2020 reflecting the second wave of the VBP program.
- **Lovenox[®]** sales growth in Q3 2020 was driven by Rest of the World, reflecting recent guidelines recommending the use of low molecular weight heparins in hospitalized COVID-19 patients.
- **Praluent[®]**: Effective April 1, 2020, Sanofi has sole responsibility for this product outside the U.S. and Regeneron has sole responsibility in the U.S. Both companies have entered into agreements to support manufacturing needs in the near term and Sanofi will book some sales of Praluent[®] in 2020 in the U.S.

Vaccines

- As communicated at Q3 2020 results, influenza vaccines sales in Q3 2020 represented about half of global influenza vaccines sales expected in H2 2020 at CER. Increased flu and PPH vaccines sales in Q4 2020 are expected to be partially offset by travel, adult boosters and meningitis vaccines sales due to the COVID pandemic.
- Overall, the business dynamics in Vaccines in Q3 2020 are expected to be similar in Q4 2020.

Financials

OPEX

In Q4 2020, Sanofi will continue to deliver efficiencies in sales and marketing while R&D spend in the second half is expected to be similar to the second half of 2019 at CER.

Other current operating income net of expenses

In Q4 2019, other current operating income net of expenses were -€70 million. This line included -€241 million related to the monoclonal antibodies Alliance, which reflects 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. This line also included one-time, non-cash income related to a change in French supplementary pension regulations (see below).

One-time items recorded in Q4 2019

In Q4 2019, Sanofi recognized several one-time items which did not meaningfully affect Sanofi Business Operating Income:

- A one-time non-cash income due to a legislation change related to supplementary pension plans in France recorded in the line “other current operating income net of expenses”.
- In Vaccines, one-off provisions in the cost of sales, along with a higher rate of product return in the U.S.

Share of profits from associates

Following the sale of its Regeneron stake at the end of May 2020, Sanofi has restated its previously reported non-GAAP indicator (Business Net Income) and excluded the effect of the equity method of accounting for the Regeneron investment in 2019, and Q1 2020. After the restatement, Q4 2019 Share of profit/loss from associates was a loss of €13 million.

Share Buyback

From October 1 through December 15, 2020, Sanofi repurchased 2.37 million shares for an amount of €200.6 million. Between January 1 and December 15, 2020, Sanofi repurchased 6.35 million shares for an amount of €561.7 million.

Number of Shares

The estimated average number of shares for the calculation of EPS is expected to be around 1,255.2 million in Q4 2020 versus 1,253.1 million in Q4 2019 and to be around 1,253.6 million in 2020 versus 1,249.9 million in 2019.

Impact from foreign currency

The main currency variations were:

EUR/...	Q4 2019	Q4 2020 Until December 15	Variation
Developed Markets			
U.S. Dollar	1.11	1.19	7.5%
Japanese Yen	120.37	124.48	3.4%
Canadian Dollar	1.46	1,55	6,2%
Australian Dollar	1,62	1,63	0,9%
British Pound	0,86	0,90	5,0%
Swiss Franc	1,10	1,08	-1,7%
Emerging Markets			
Chinese Yuan	7,80	7,87	0,9%
Brazilian Real	4,56	6,42	40,8%
Mexican Peso	21,33	24,47	14,7%
Argentine Peso	65,73	95,01	44,6%
Russian Ruble	70.56	90.72	28.6%
Turkish Lira	6.42	9.44	47.1%
South African Rand	16.29	18.70	14.8%
Indian Rupee	78.86	87.86	11.4%
Egyptian pound	17.89	18.68	4.4%

Based on this evolution (until December 15, 2020) of foreign currencies, Sanofi preliminary estimate of currency impact is approximately between -6% and -7% on Q4 2020 sales and between -11% and -13% on Q4 2020 business EPS. For the full-year 2020, Sanofi preliminary estimate of currency impact is approximately between -3.5% and -4.5% on sales and between -6% and -7% on business EPS (in line with the estimate provided at Q3 earnings).

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

Investor News Flow:

All press releases issued during Q4 2020 are available on our website:

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

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Forward-Looking Statements

This memorandum 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.