



Paris, March 2021

Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q1 2021 results.

Changes to GBU sales presentation format and allocation of expenses in the business P&L

Following the Capital Market Day in February 2021, Sanofi has changed the presentation of its General Medicines and Consumer Health Care (CHC) GBUs sales in the first quarter of 2021 as well as reallocated expenses within its segment P&L.

- The sales presentation of Appendix 1 of the quarterly earnings press release will reflect these changes for General Medicines and CHC.
- The company's segment business P&L as shown in Appendix 2 of the quarterly earnings press release will reflect the following changes:
 - The costs related to projects led by the new Digital organization will be centrally allocated. Approximately €350 million of Information Technology expenses will be reported in the "Others" segment that were previously allocated to Pharmaceuticals, Consumer Healthcare and Vaccines segments.
 - The CHC segment will include approximately €30 million of expenses previously mainly allocated to Pharmaceuticals to reflect the ongoing implementation of the standalone structure.

Tables reflecting the above changes (as well as 2020 General Medicines core and non-core assets quarterly sales and industrial sales breaking out EUROAPI sales) 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 Q4 communications can be found at <https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q4-results-2020>

Sanofi expects a significant negative currency impact on sales and business EPS in Q1 2021 due to the unfavorable evolution of the U.S. Dollar as well as many other currencies (especially in Emerging Markets) versus the Euro. See below in the foreign currency impact section for further details.

At Q4 2020 results, Sanofi communicated on the expected business dynamics for 2021, suggesting that business EPS growth will be weighted to the second half of the year:

2021 tailwinds:

- Strong sales growth from Dupixent® and Vaccines and continued efficiency benefits
- Annualization of the China VBP impact from Plavix® and CoAprovel®
- Gross margin ratio improvement from the 70.1% for the full year of 2020
- The effective tax rate is expected to decrease from 22% in 2020 to 21% in 2021

2021 headwinds:

- COVID environment continues to impact Sanofi in H1 2021 with potential gradual normalization in H2
- Adverse impact of foreign currencies, primarily in H1 2021
- Continued U.S. diabetes price erosion

Operating expenses are expected to increase in 2021 due to investments in the expanding pipeline and launch activities.

COVID-19 effect in Q1 2020

Q1 2021 will compare to a high basis due to the COVID-19 business related dynamics in the first quarter of last year. On a constant exchange rate basis, Q1 2020 sales and business EPS grew by 6.6%^(1,2) and 15.6%^(1,2), respectively. About half of the first quarter sales and profit growth resulted from COVID-19 related dynamics:

- Specialty Care – an estimated 3 percentage point incremental sales growth⁽¹⁾
- General Medicines – an estimated 2 percentage point contribution to sales growth⁽¹⁾
- CHC – an estimated 6 percentage point positive contribution to sales growth⁽¹⁾
- Vaccines – sales growth broadly unaffected

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 U.S., Q4 2020 patient visits continued to be approximately 80% of pre-COVID levels and outside the U.S. local lockdowns prevented many patients from visiting their doctors.
- **Aubagio**[®] sales, as communicated on the Q4 2020 earnings, reached their peak at €2.0 billion following the entry of competition.
- **Jevtana**[®] is expected to face generic competition at the end of March 2021 in Europe.
- **Fabrazyme**[®] in Japan saw a governmental price decrease of approximately 10% implemented in April 2020.
- **Alprolix**[®] and **Eloctate**[®] industrial sales to Sobi are expected to be significantly lower in 2021. Industrial sales to Sobi were higher than usual in Q4 2020 and full-year 2020 due to a change in the supply agreement (in 2020, sales to Sobi represented 17% and 11% of Alprolix[®] and Eloctate[®] sales, respectively). Due to order patterns, quarterly variations of sales to Sobi can be expected.

General Medicines

- The 2020 divestments impact on Q1 2021 sales represents around €50 million (based on Q1 2020 sales)
- As a reminder, the impact of VBP program on **Plavix**[®] and **Aprovel**[®]/**Avapro**[®] in China annualized in Q4 2020.
- **Amaryl**[®] Q1 2020 sales in China reflected the anticipated net price adjustments and inventory reduction in the channel due to the second wave of the nationwide VBP.
- **Lovenox**[®] sales growth in Q4 2020 reflected recent guidelines recommending the use of low molecular weight heparins in hospitalized COVID-19 patients which more than offset biosimilar competition in several European countries.
- **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 booked some sales of Praluent[®] in 2020 in the U.S. In Q1 2021, Sanofi will book limited Praluent[®] supply sales in the U.S.
- **Tail products** of the Established Rx Products portfolio faced some headwinds from the COVID environment in Emerging Markets and were also impacted from divestments in Q4 2020.

CHC

- The 2020 divestments impact on Q1 2021 sales represents around €10 million (based on Q1 2020 sales).
- In Q4 2020, CHC sales decreased primarily reflecting a weak cough and cold season due to social distancing measures. Sales were also impacted by divestments of non-core products and product suspensions due to changing regulatory requirements.

Vaccines

In Q4 2020, Vaccines sales were impacted by lower sales of travel vaccines and adult boosters due to the COVID-19 pandemic.

(1) At CER: constant exchange rates

(2) Before restatement following the sale of the equity investment in Regeneron

Financials

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, Q1 2020 Share of profit/loss from associates was a profit of €9 million.

Tax rate

The 2021 effective tax rate is expected to be around 21% versus 22% in 2020.

Share Buyback

From January 1 through March 15, 2021, Sanofi repurchased 1.76 million shares for an amount of €140.5 million.

Number of Shares

The estimated average number of shares for the calculation of EPS is expected to be around 1,249.3 million in Q1 2021 versus 1,251.3 million in Q1 2020.

Impact from foreign currency

The main currency variations were:

EUR/...	Q1 2020	Q1 2021 until March 15	Variation
Developed Markets			
U.S. Dollar	1,10	1,21	9,6%
Japanese Yen	120,15	127,66	6,3%
Canadian Dollar	1,48	1,53	3,5%
Australian Dollar	1,68	1,56	-6,9%
British Pound	0,86	0,88	1,6%
Swiss Franc	1,07	1,09	2,2%
Emerging Markets			
Chinese Yuan	7,71	7,82	1,4%
Brazilian Real	4,91	6,61	34,6%
Mexican Peso	22,04	24,61	11,7%
Argentine Peso	67,78	106,70	57,4%
Russian Ruble	73,67	89,68	21,7%
Turkish Lira	6,74	8,85	31,3%
South African Rand	16,93	18,12	7,0%
Indian Rupee	79,89	88,17	10,4%
Egyptian pound	17,38	18,87	8,6%

Based on this evolution (until March 15, 2021) of foreign currencies, Sanofi preliminary estimate of currency impact is approximately between -6.5% and -7.5% on Q1 2021 sales and between -10% and -11% on Q1 2021 business EPS.

The full-year 2021 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 0.02

Investor News Flow:

All press releases issued during Q1 2021 are available on our website:

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

Investor Relations Contact:

arnaud.delepine@sanofi.com / +33 1 53 77 42 25

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, 2020. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.