

BUSINESS MODEL, VALUE CREATION AND VALUE DISTRIBUTION

EXECUTIVE SUMMARY

Facing changes in the industry, Sanofi has continued its transformation in 2019 in order to fulfill its mission as a leader in Healthcare, at the cutting edge of innovation.

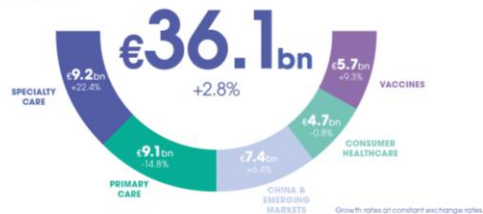
The arrival of Paul Hudson as Chief Executive Officer, in September 2019, has led to the definition of a new strategy that was implemented during the first quarter of 2020, which is structured around four main priorities that will boost the company's growth and innovation potential: focus on growth, accelerate scientific innovation, increase operational efficiency and rethink ways of working.

This factsheet gives a global vision of Sanofi's business model and how it creates value at each step of its value chain and how this value is distributed for the benefit of its stakeholders.

STRUCTURE

Our business model

2019 COMPANY SALES



ORGANIZATION BY GLOBAL BUSINESS UNIT (GBU)
In 2019, our Primary Care and Specialty Care GBUs were focused exclusively on mature markets. Sales of Specialty Care and Primary Care products in emerging markets were included within the net sales of our China & Emerging Markets GBU.

In December 2019, Sanofi announced plans for a new GBU organization. From the first quarter of 2020, Sanofi will be organized into three core GBUs (subject to completion of consultation with employee representatives): Specialty Care, Vaccines, and General Medicine. The Consumer Healthcare GBU will become a standalone business unit (for further information please refer to page 13).

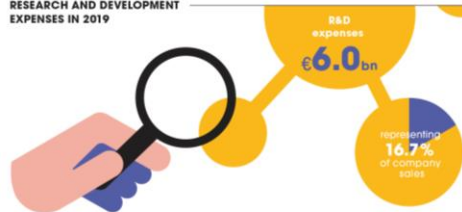
BUSINESS NET INCOME



BUSINESS EARNINGS PER SHARE



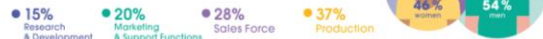
RESEARCH AND DEVELOPMENT EXPENSES IN 2019



WHERE WE ARE



WORKFORCE



CUSTOMERS



VALUE CHAIN



SUPPLIERS



All figures as of December 2019, unless otherwise indicated. All growth rates are expressed of constant exchange rates (CER). On a reported basis, some were up 4.8%, business net income was up 9.8% and business EPS was up 9.3%. For the definition of financial indicators, please consult the press release issued on February 6, 2020.

