



Paris, June 2021

Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q2 2021 results.

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

Following its Capital Markets Day in February 2021, Sanofi has changed the presentation of its General Medicines and Consumer Healthcare (CHC) GBU sales as well as reallocated expenses within its segment P&L. This presentation format remains unchanged from the Q1 2021 earnings materials.

For modeling purposes, tables reflecting the above changes to prior year's Appendix 1 and 2 of the quarterly earnings press release 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 Q1 communications can be found at <https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q1-results-2021>

Sanofi expects a significant negative currency impact on sales and business EPS in Q2 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 the table below for the impact from foreign currency.

As part of the 2021 guidance provided during the full-year 2020 earnings call in February, Sanofi highlighted the following expected business dynamics for 2021:

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 to improve from the 70.1% for the full year of 2020
- Effective tax rate 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.

As stated on the Q1 earnings call, uncertainties remain, mainly related to the pandemic.

COVID-19 effect in Q2 2020

In Q2 2020, Sanofi sales decreased 3.4% at CER⁽¹⁾ and business EPS increased 4.8% at CER. When excluding the gain on the revaluation of the retained Regeneron shares, a one-time event, business EPS decreased 2.4% at CER (to €1.18). Q2 2020 results were meaningfully impacted by the COVID-19 environment with slower new patient adds, deferral of elective procedures and vaccinations, and lower pharmacy traffic, compounded by the reversal of the Q1 2020 COVID related inventory build.

(1) At CER: constant exchange rates

Business Items

Please note the following previously communicated product performances:

Specialty Care

- **Dupixent**[®]: Q1 2021 patient visits continued to be approximately 80% of pre-COVID levels in the U.S. and outside the U.S. local lockdowns prevented many patients from visiting their doctors.
- **Aubagio**[®] sales reached peak in 2020 at €2.0 billion following the entry of competition.
- **Jevtana**[®] began facing generic competition in some European countries at the end of March 2021.
- **Alprolix**[®] and **Eloctate**[®] sales performance in Q1 was marked by the anticipated lower industrial sales to our collaboration partner, Sobi. Industrial sales to Sobi were higher than usual in 2020 due to a change in the supply agreement. Sanofi expects the lower sales to Sobi to dampen Alprolix[®] and Eloctate[®] performance throughout the remainder of the year.

General Medicines

- In Q2 2020, General Medicines sales were significantly impacted from deferrals of elective procedures and channel destocking with a sales decline of 12.7% at CER.
- In Q1 2021, **Lovenox**[®] sales growth 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 and postponed procedures.
- In Q1 2021, **tail products** of the Established Rx Products portfolio faced some headwinds from the COVID environment in Emerging Markets and were also impacted by divestments of non-strategic products.
- The **impact from divestments** on Q2 2021 sales is expected to represent around €30 million.

CHC

- In Q2 2020, CHC sales declined 8.0% at CER reflecting the reversal of consumer stocking and lower pharmacy traffic as well as the **Zantac**[®] voluntary recall.
- Sales in Q1 2021 decreased 7.3% due to COVID related stocking in Q1 2020 and low demand for cough and cold brands in Europe driven by social distancing measures. As highlighted on the Q1 2021 earnings call, the overall COVID environment is expected to have a continued impact on the 2021 market growth rate.
- Zantac[®] 360 with famotidine is available throughout the U.S. as of June 2021.
- The impact from divestments on Q2 2021 sales represents around €5 million.

Vaccines

- In Q2 2020, Vaccines sales were down 6.8% at CER, affected by global confinements more than offsetting +72% growth of **Pentaxim**[®] in China following the reopening of vaccine centers.
- In Q1 2021, Vaccines sales were impacted by lower sales of travel vaccines and adult boosters due to the COVID-19 pandemic.
- **Vaxelis**[™], the first and only hexavalent combination vaccine in the U.S. was launched in June 2021. Vaxelis[™] was developed as part of a joint venture between Sanofi and Merck. Vaxelis[™] market sales will not be consolidated within Sanofi net sales.
- **MenQuadfi**[™], a quadrivalent meningococcal vaccine indicated for all patients above 2 years of age, was launched in the U.S. in March 2021.

Financials

R&D

As stated on the Q1 2021 earnings call, Sanofi expects its R&D expenses to increase meaningfully in the remainder of the year to advance its broad development programs for its late-stage pipeline.

Impact of revaluation on retained Regeneron shares in Q2 2020

In Q2 2020, **other current operating income net of expenses** was -€8 million and included a gain of €157 million related to a revaluation of retained Regeneron shares. This revaluation had an impact of 10 cents on Q2 2020 Business EPS. Excluding this revaluation Q2 2020 business EPS was €1.18.

Tax rate

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

Share Buyback

From April 1 through June 18, 2021, Sanofi did not repurchase any shares. In H1 2021 (until June 18), 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 1,251.3 million in Q2 2021 versus 1,252.2 million in Q2 2020 and to be around 1,250.3 million in H1 2021 versus 1,251.7 million in H1 2020.

Impact from foreign currency

The main currency variations were:

EUR/...	Q2 2020	Q2 2021 until June 18	Variation
Developed Markets			
U.S. Dollar	1.10	1.21	9.8%
Japanese Yen	118.31	132.08	11.6%
Canadian Dollar	1.53	1.48	-2.9%
Australian Dollar	1.68	1.56	-6.7%
British Pound	0.89	0.86	-2.7%
Swiss Franc	1.06	1.10	3.5%
Emerging Markets			
Chinese Yuan	7.81	7.79	-0.2%
Brazilian Real	5.92	6.41	8.1%
Mexican Peso	25.65	24.15	-5.8%
Argentine Peso	74.51	113.48	52.3%
Russian Ruble	79.66	89.66	12.6%
Turkish Lira	7.56	10.12	33.8%
South African Rand	19.74	16.99	-13.9%
Indian Rupee	83.50	88.95	6.5%
Egyptian pound	17.51	18.91	8.0%

Based on this evolution (until June 18, 2021) of foreign currencies, Sanofi preliminary estimate of currency impact is approximately between -5.5% and -6.5% on Q2 2021 sales and between -9% and -10% on Q2 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 Q2 2021 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, 2020. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.