



Paris, September 2021

Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q3 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 Q2 communications can be found at:

<https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q2-results-2021>

Sanofi expects a moderate negative currency impact in Q3 2021. See the table below for the impact from foreign currency.

As part of the raised 2021 guidance announced at Q2 2021 earnings, Sanofi highlighted the following expected business dynamics for H2 2021⁽¹⁾:

- **Pharmaceuticals:** Specialty Care expected to grow with Dupixent® the key driver; GenMed core assets to grow overall with Lovenox® growth slowing; additional divestitures; China VBP Wave 5 implementation and uncertainties around mechanism for insulin class inclusion.
- **Vaccines:** Record flu sales, further recovery of meningitis franchise, continued weakness of travel vaccines, and lower PPH sales following Vaxelis™ launch and lower birth rates.
- **Consumer Healthcare:** Further progress on business simplification, continued expansion in e-commerce, and cough & cold franchise to at least stabilize.

Business Items

Please note the following previously communicated product performances:

Specialty Care

- **Dupixent®:** Q2 2021 patient visits continued to be approximately 80% of pre-COVID levels in the U.S.
- **Aubagio®:** sales reached peak in 2020 at €2.0 billion due to increased competition as a result of new market entrants.
- **Jevtana®** began facing generic competition in some European countries at the end of March 2021.
- **Alprolix®** and **Eloctate®** sales performance in H1 2021 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 H1 2021, **Lovenox®** sales growth reflected the recovery in hospital procedures and continued benefit from the WHO guidelines recommending the use of low molecular weight heparins in hospitalized COVID-19 patients, which began in Q3 2020, more than offsetting biosimilar competition in Europe. As communicated at Q2 earnings call, Lovenox® growth rates are expected to slow in H2 2021.

(1) Growth are at CER: constant exchange rates

- In China, VBP Wave 5 is expected to be implemented during the remainder of the year. Wave 5 includes oxaliplatin and docetaxel. Sanofi participated successfully in the VBP Wave 5 tender for oxaliplatin (Eloxatin®). As communicated at Q2 earnings, inventory reduction in the channel is likely to occur in Q3 2021 for both products in China.
- In H1 2021 **Aprovel®/Avapro®** sales decreased significantly reflecting a short-term supply constraint which is expected to last in Q3 2021.
- The **impact from divestments** on Q3 2021 General Medicines sales is expected to represent around €30 million.

CHC

- As highlighted at prior earnings calls, the overall COVID environment is expected to have a continued negative impact on the 2021 CHC market growth rate.
- Cough & cold franchise is expected at least to stabilize in H2 2021.
- Digestive Wellness performed particularly well in Q2 2021 led by Enterogermina, Dulcolax, as well as Essentiale in liver care.
- The **impact from divestments** on Q3 2021 CHC sales is expected to represent around €5 million.

Vaccines

- In 2020, **Flu vaccines** sales were lower in Q3 vs Q4. In H2 2021, Flu vaccines sales are expected to be slightly higher in Q3 than Q4.
- In Q2 2021, **PPH** sales decreased reflecting lower birth rates globally. In China, Pentaxim® sales decreased as a result of the ongoing COVID vaccination campaign. Polio vaccines in the Rest of World region were lower because a negative phasing effect.
- **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 are not consolidated within Sanofi net sales.
- In Q2 2021, **Meningitis** sales were up significantly mainly reflecting a recovery of meningitis vaccinations in the U.S. combined with the launch of MenQuadfi® in March 2021.
- In H1 2021, Vaccines sales were impacted by lower sales of **travel vaccines** due to the COVID-19 pandemic.

Financials

Gross margin ratio

As stated on the Q2 2021 earnings call, Sanofi expects continued improvement in gross margin in H2 2021.

R&D

As stated on the Q2 2021 earnings call, Sanofi expects an increase in R&D spend in H2 2021 as a result of incremental investments in its innovative pipeline and recent acquisitions.

Tax rate

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

Share Buyback

From July 1 through to September 17, 2021, Sanofi did not repurchase any shares. In the first nine months of 2021 (until September 17), 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 1,254.5 million in Q3 2021 versus 1,255.7 million in Q3 2020 and to be around 1,251.7 million in the first nine months of 2021 versus 1,253.0 million in the first nine months of 2020.

Impact from foreign currency

The main currency variations were:

EUR/...	Q3 2020	Q3 2021 until September 17	Variation
Developed Markets			
U.S. Dollar	1,17	1,18	0,8%
Japanese Yen	124,05	129,89	4,7%
Canadian Dollar	1,56	1,49	-4,7%
Australian Dollar	1,63	1,60	-1,9%
British Pound	0,91	0,86	-5,5%
Swiss Franc	1,08	1,08	0,7%
Emerging Markets			
Chinese Yuan	8,09	7,64	-5,6%
Brazilian Real	6,29	6,15	-2,1%
Mexican Peso	25,82	23,60	-8,6%
Argentine Peso	85,79	114,73	33,7%
Russian Ruble	86,28	86,74	0,5%
Turkish Lira	8,47	10,05	18,7%
South African Rand	19,79	17,17	-13,2%
Indian Rupee	86,98	87,40	0,5%
Egyptian pound	18,60	18,55	-0,3%

Based on this evolution (until September 17, 2021) of foreign currencies, Sanofi preliminary estimate of currency impact is approximately between 0% and -1% on Q3 2021 sales and 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 Q3 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.