

**Paris, September 2022.** Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q3 2022 results.

### *Management guidance and previous commentary*

As a reminder, Sanofi's Q2 2022 communications can be found at:

<https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q2-results-2022>

Sanofi expects a positive currency impact in Q3 2022. See the table below for the impact from foreign currency.

At Q2 2022 results, Sanofi communicated on the expected business dynamics for 2022:

- **Specialty Care:** Growth driven by Dupixent®; Neurology & Immunology slightly down; all other franchises growing.
- **GenMed:** Core assets expected to continue to grow; overall GBU sales stable.
  - **EUROAPI:** Deconsolidation of sales from May
- **Consumer Healthcare:** Growth of priority brands above market in key geographies.
- **Vaccines:** record flu season sales.

### *Business Items*

Please note the following product performances:

#### **Specialty Care**

- **Kevzara®:** Q2 2022 sales growth was driven by a temporary increased global demand for IL-6 receptor blockers.
- **Libtayo®:** Following the grant of worldwide exclusive license rights to Regeneron, Sanofi discontinued reporting Libtayo® sales from July 1<sup>st</sup>, 2022.
- **Rare Disease:** In Q2 2022, Rare Disease sales in the Rest of the World region benefitted from favorable purchasing patterns.

#### **General Medicines**

- **Lovenox®** sales decreased in Q2 2022, reflecting the high base of comparison in 2021 due to a COVID-19 related demand and increased biosimilar penetration.
- The **transplant franchise** is expected to continue its growth path in 2022 benefitting also from the launch of **Rezurock®\***.
- In the beginning of April, a mandatory price decrease for **Plavix®** came into effect in Japan.
- **Praluent®** U.S sales reported in Q2 2022 were related to a gross to net true-up. In the U.S. sales are consolidated by Regeneron since the restructuring of the alliance in 2020.
- Glargine insulin (**Toujeo®/Lantus®**) in China: Q3 will be the first full quarter impacted by the Volume Based Procurement (VPB) for insulins (implemented in May 2022). As announced at Q2 results, Sanofi expects its total glargine sales to decrease not more than 30% in China in 2022.
- **Eloxatin®** and **Taxotere®** (non-core assets) in China: The VBP Wave 5 (implemented in Q4 2021) is expected to have a negative impact on sales of Eloxatin® and Taxotere® in 2022\*.

*Growth is at CER: constant exchange rates*

- The impact from **divestments** on General Medicines sales in Q3 2022 is expected to be around €35 million.
- **EUROAPI spin off:** EUROAPI third-party sales were €130 million in Q3 2021. Sanofi deconsolidated EUROAPI from May 10, 2022. As a reminder, the accounting impact from EUROAPI spin-off transaction can be found at:

<https://www.sanofi.com/dam/jcr:c3a70030-5e87-4365-8384-d18ca18e3c21/Presentation.pdf>

## Vaccines

- **Polio/Pertussis/Hib vaccines:** In Q2 2022, PPH vaccines sales were sustained by Europe and the Rest of the World region which benefitted from strong growth of Pentaxim® in China due to market gains and some inventory building.
- **Booster vaccines:** In Q2 2022, Booster vaccines sales growth was driven by progressive recovery in the U.S. and Europe following the COVID-19 pandemic.
- **Travel vaccines:** in Q2 2022, Travel and endemic vaccines continued to recover reflecting growth across all geographies.
- **Flu vaccines sales:** In H2 2021, Flu vaccines sales were split around 55-45 between Q3 and Q4. As highlighted before, Sanofi expects another record year of flu vaccines sales with Northern Hemisphere sales split 60/40 over Q3 and Q4.

## CHC

- **CHC market:** As highlighted at Q2 earnings call, after a very robust performance in H1 2022, Sanofi expects the CHC market to return to a more moderate growth trend resulting from high base of comparison for Sanofi CHC in the remaining quarters of 2022.
- In Q2 2022, **CHC sales** reflected a strong demand for Cough & Cold products driven by a strong season, including COVID-19.
- The **impact from divestments** on Q3 2022 CHC sales is expected to be around €20 million.

## Financials

### Gross margin ratio

Gross margin improvement is expected in 2022 due to product mix and efficiencies. Sanofi expects this improvement to be weighted towards the first half of 2022\*.

As highlighted at the accounting call in May, EUROAPI deconsolidation is expected to have a positive impact of 0.3 ppt on Sanofi 2022 gross margin.

### R&D

To further strengthen the pipeline, an increase in R&D spend is expected in 2022\*. R&D expenses will also reflect the recent acquisitions, especially Translate Bio in Vaccines.

### Other Operating Income

As announced on June 2, 2022, Regeneron will accelerate reimbursement of the **development balance** associated with Regeneron and Sanofi's Antibody Collaboration. Regeneron will increase from 10% to 20% the share of its profits that are paid to Sanofi to reimburse Sanofi-funded development expenses, until Regeneron's share of the total cumulative development costs incurred under the collaboration has been reached. The development balance was €2,9 billion at the end of 2021.

The Q3 Other Operating Income will also include a true-up for the increased development balance with retroactive effect in Q2. (In H1 2022, the development balance was €97 million).

From April 1 onwards, Sanofi receives 11% royalties on **Libtayo**® sales. A true-up of Q2-related royalties will be recorded in the Q3 Other Operating Income with retroactive effect.

As a reminder, the amended and restated license and collaboration agreement can be found at: <https://www.sanofi.com/en/media-room/press-releases/2022/2022-06-02-11-30-00-2455080>

In 2022, **capital gains** from product disposals are expected to reach approximately €600 million\* (versus €318 million in 2021), the majority in H2 2022 (net capital gains related to portfolio streamlining were €256 million in H1 2022).

### BOI margin

As highlighted at the accounting call in May:

- EUROAPI deconsolidation is expected to have a slightly accretive impact on Sanofi 2022 BOI margin.
- Equity accounting of EUROAPI share of profit/loss are excluded from BOI (Business Operating Income) and BNI (Business Net Income) (non-GAAP financial measure).

Sanofi expects BOI margin to reach 30% in 2022\*.

### Tax rate

The 2022 effective tax rate is expected to be around 19% versus 20.9% in 2021\*.

### Libtayo® license agreement

**The upfront payment of \$900 million** will be a one-time income recorded in the Q3 IFRS P&L and excluded from the business P&L.

### Share Buyback

From July 1 through to September 16, 2022, Sanofi did not repurchase any shares. In the first 9M of 2022 (until September 16), Sanofi repurchased 3.98 million shares for an amount of €359 million.

### Number of Shares

The estimated average number of shares for the calculation of EPS is expected to be around 1,253.5 million in Q3 2022 versus 1,254.5 million in Q3 2021 and to be around 1,251.2 million in the first 9M of 2022 versus 1,251.7 million in the first 9M of 2021.

### Impact from foreign currency

The main currency variations were:

EUR/...	Q3 2021	Q3 2022 Until September 16	Variation
<b>Developed Markets</b>			
U.S. Dollar	1.18	1.01	-14.4%
Japanese Yen	129.79	139.55	7.5%
Canadian Dollar	1.48	1.31	-11.6%
Australian Dollar	1.60	1.47	-8.2%
British Pound	0.86	0.85	-0.2%
Swiss Franc	1.08	0.98	-9.9%
<b>Emerging Markets</b>			
Chinese Yuan	7.63	6.91	-9.4%
Brazilian Real	6.16	5.29	-14.1%
Mexican Peso	23.61	20.43	-13.5%
Argentine Peso	114.63	136.32	18.9%
Russian Ruble	86.60	60.44	-30.2%
Turkish Lira	10.07	18.11	79.8%
South African Rand	17.24	17.13	-0.6%
Indian Rupee	87.35	80.42	-7.9%
Egyptian pound	18.52	19.30	4.2%

Based on this evolution of foreign currencies, Sanofi preliminary estimate of currency impact on Q3 2022 sales is approximately between +10% and +11% and on Q3 business EPS is approximately between +12% and +13%.

The full-year 2022 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 0.15
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

*\*As previously announced*

#### Investor News Flow:

All press releases issued during Q3 2022 are available on our website:

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

**Investor Relations Contact:** [arnaud.delepine@sanofi.com](mailto: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, 2021. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.*