



Paris, January 2022

Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q4 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 Q3 communications can be found at:

<https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q3-results-2021>

Sanofi expects a positive currency impact in Q4 2021. See the table below for the impact from foreign currency.

On October 28, Sanofi raised its 2021 guidance and highlighted expected business dynamics for Q4 2021. In summary, Specialty Care expected to grow with Dupixent® as key driver, GenMed core assets also expected to grow overall, Consumer Healthcare is expected to grow in line with the respective market. All growth at constant exchange rate.

As of today, for Vaccines, Sanofi continues to expect a record flu season for the FY 2021. The Q3/Q4 2021 influenza sales distribution is now expected to be around 55%/45%. Overall Q4 2021 Vaccines sales are now expected to be below the same quarter last year.

Business Items

Please note the following previously communicated product performances:

Specialty Care

- **Dupixent®**: Q3 2021 patient visits were approximately 85% 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.
- **Kevzara®**: As a result of the continued increase in worldwide demand for IL-6 driven by the inclusion of IL-6 receptor blockers in the updated WHO guidelines for the treatment of patients with severe COVID-19, supply of Kevzara® is expected to be constrained until early 2022.
- **Jevtana®** began facing generic competition in some European countries at the end of March 2021.
- **Alprolix®** and **Eloctate®** sales performance in 9M 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.

Growth are at CER: constant exchange rates

General Medicines

- In Q3 2021, **Lovenox**[®] continued to benefit from inclusion of low molecular weight heparins in WHO guidelines for the treatment of hospitalized severe COVID-19 patients, more than offsetting biosimilar competition in Europe. Growth of Lovenox[®] started to slow in Q3 2021 due to the high base of comparison in Q3 2020.
- In China, the implementation of VBP Wave 5 is expected to have a negative impact on **Eloxatin**[®] and **Taxotere**[®] sales in China in Q4 2021. Sanofi participated successfully in the VBP Wave 5 tender for oxaliplatin (Eloxatin[®]).
- In 9M 2021 **Aprovel**[®]/**Avapro**[®] sales decreased significantly reflecting a supply constraint which is expected to last in Q4 2021.
- On November 9, the acquisition of Kadmon was completed. All costs as well as **Rezurok**[®] sales are consolidated from this date.
- The **impact from divestments** on Q4 2021 General Medicines sales is expected to represent around €30 million.

CHC

- Q3 2021 CHC performance was driven by the performance of the **Digestive Wellness** category, as well as the **Pain Care** category which also benefited from COVID-19 vaccinations. **Cough & Cold and Flu category** was back to growth, although from a low 2020 base.
- The **impact from divestments** on Q4 2021 CHC sales is expected to represent around €10 million.

Vaccines

- Q3 2021 Vaccines performance was driven by **Influenza vaccines** which benefited from earlier shipments in the U.S and a strong increase in differentiated influenza vaccines in Europe driven by Germany which adopted a preferential recommendation for Efluelda[®] for people above 60 years old.
- Q3 2021 vaccines sales also benefited from the recovery of **meningitis vaccination** in the U.S. and in Middle East.
- The Translate Bio acquisition was closed on September 14; since then, all cost lines are consolidated from this date.

Financials

Gross margin ratio

As stated on the Q3 2021 earnings call, Sanofi expects continued improvement in gross margin in Q4 2021 compared to Q4 2020.

R&D

As stated on the Q3 2021 earnings call, Sanofi expects an increase in R&D spend in Q4 2021 as a result of recent acquisitions.

Tax rate

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

Share Buyback

From October 1 through December 31, 2021, Sanofi repurchased 2.77 million shares for an amount of €242 million. Between January 1 and December 31, 2021, Sanofi repurchased 4.52 million shares for an amount of €382 million.

Number of Shares

The estimated average number of shares for the calculation of EPS is expected to be around 1,254.9 million in Q4 2021 versus 1,255.1 million in Q4 2020 and to be around 1,252.5 million in 2021 versus 1,253.6 million in 2020.

Impact from foreign currency

The main currency variations were:

EUR/...	Q4 2020	Q4 2021	Variation
Developed Markets			
U.S. Dollar	1.19	1.14	-4.1%
Japanese Yen	124.54	130.06	4.4%
Canadian Dollar	1.55	1.44	-7.3%
Australian Dollar	1.63	1.57	-3.8%
British Pound	0.90	0.85	-6.1%
Swiss Franc	1.08	1.05	-2.1%
Emerging Markets			
Chinese Yuan	7.88	7.31	-7.2%
Brazilian Real	6.44	6.39	-0.8%
Mexican Peso	24.51	23.72	-3.2%
Argentine Peso	95.47	114.93	20.4%
Russian Ruble	90.90	83.11	-8.6%
Turkish Lira	9.40	12.74	35.6%
South African Rand	18.64	17.63	-5.4%
Indian Rupee	87.97	85.71	-2.6%
Egyptian pound	18.71	17.98	-3.9%

Based on this evolution of foreign currencies, Sanofi preliminary estimate of currency impact on Q4 2021 sales and business EPS is approximately between +1.5% and +2.5%.

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 Q4 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.