



Sanofi H1 2020 business EPS⁽¹⁾ growth of 9.2%⁽²⁾ driven by transformation

Q2 2020 sales results reflect the strong performance of Dupixent[®] more than offset by COVID-19 related negative effects on Vaccines, General Medicines and CHC

- Net sales were €8,207million, down 4.9% on a reported basis and a decline of 3.4%⁽²⁾ at CER.
- Specialty Care sales grew 17.4% driven by strong performance of Dupixent[®] (+70% to €858 million).
- Vaccines sales (-6.8%) were affected by global confinements while in Southern Hemisphere demand for flu vaccines was strong.
- General Medicines sales down 12.7% partly due to confinement related deferrals of elective procedures and channel destocking.
- CHC sales declined 8.0% reflected unwinding of consumer stocking and lower pharmacy traffic as well as Zantac[®] voluntary recall.

Q2 2020 business EPS⁽¹⁾ benefits from share revaluation gain and effective cost management

- Q2 2020 business net income increased 3.6% to €1,601 million and 5.6% at CER.
- Q2 2020 business EPS⁽¹⁾ was €1.28, up 4.8% at CER (€1.18 excluding revaluation on retained Regeneron shares).
- During the first half of 2020, cost savings of €990 million⁽³⁾ were realized.
- Q2 2020 IFRS EPS was €6.07, reflecting capital gain from sales of Regeneron shares.

R&D transformation, milestones and regulatory achievements

- Dupixent[®] approved as the first biologic in China for moderate-to-severe atopic dermatitis in adults - first prescription on July 22.
- Dupixent[®] approved for moderate-to-severe atopic dermatitis in children (6 to 11 years) in U.S. and positive CHMP opinion in EU.
- Sarclisa[®] approved in EU for certain adults with relapsed and refractory multiple myeloma.
- Pivotal IKEMA study evaluating Sarclisa[®] in relapsed multiple myeloma met primary endpoint at first planned interim analysis.
- Libtayo[®] demonstrated clinically meaningful and durable responses in advanced basal cell carcinoma.
- FDA granted priority review to sutimlimab in cold agglutinin disease.
- Collaboration agreements with Translate Bio, Kiadis Pharma and Kymera Therapeutics.

Full-year 2020 business EPS⁽¹⁾ guidance revised upward

- Sanofi now expects 2020 business EPS⁽¹⁾ to grow between 6% and 7%⁽⁴⁾ at CER, barring unforeseen major adverse events. Applying average July 2020 exchange rates, the currency impact on 2020 business EPS is estimated to be between -3% to -4%.

Sanofi Chief Executive Officer, Paul Hudson, commented:

“I’m proud of what the team delivered in the second quarter. Even with some headwinds from the COVID-19 pandemic, we achieved business EPS growth supported by continued outstanding sales from Dupixent[®], a focus on efficiency and smart spending, and the commitment of our people to patients and our strategic priorities. We also met important regulatory milestones, forged new R&D alliances, and accelerated our efforts to develop potential COVID-19 vaccines. With four new appointments, the management team at Sanofi is now complete and together we are focused on delivering our full-year 2020 guidance.”

	Q2 2020	Change	Change at CER	H1 2020	Change	Change at CER
IFRS net sales reported	€8,207m	(4.9%)	(3.4%)	€17,180m	+0.9%	+1.6%
IFRS net income reported	€7,598m	—	—	€9,281m	nm	—
IFRS EPS reported	€6.07	—	—	€7.41	nm	—
Free cash flow ⁽⁵⁾	€2,010m	+56.5%	—	€3,568m	+69.6%	—
Business operating income	€2,146m	+3.3%	+5.3%	€4,683m	+8.8%	+9.8%
Business net income ⁽¹⁾	€1,601m	+3.6%	+5.6%	€3,521m	+8.7%	+9.8%
Business EPS ⁽¹⁾	€1.28	+3.2%	+4.8%	€2.81	+8.1%	+9.2%

(1) In order to facilitate an understanding of operational performance, Sanofi comments on the business net income statement. Business net income is a non-GAAP financial measure (definition in Appendix 10). The consolidated income statement for Q2 2020 is provided in Appendix 3 and a reconciliation of reported IFRS net income to business net income is set forth in Appendix 4; (2) Changes in net sales are expressed at constant exchange rates (CER) unless otherwise indicated (definition in Appendix 10); (3) Including around €110M related to COVID-19; (4) 2019 restated business EPS was €5.64, reflecting the discontinuation of equity method accounting for Regeneron investment; (5) Free cash flow is a non-GAAP financial measure (definition in Appendix 10).

2020 second-quarter and first-half Sanofi sales

Unless otherwise indicated, all percentage changes in sales in this press release are stated at CER⁽⁶⁾.

In the second quarter of 2020, Company sales were €8,207 million, down 4.9% on a reported basis. Exchange rate movements had a negative effect of 1.5 percentage points, mainly driven by the decrease of the Brazilian real, Argentine peso and Mexican peso which offset the strength of the U.S. dollar and the Japanese yen. At CER, Company sales decreased 3.4%.

First-half Company sales reached €17,180 million, up 0.9% on a reported basis. Exchange rate movements had a negative effect of 0.7 percentage points. At CER, Company sales were up 1.6%.

Global Business Units

The tables below present second-quarter and first-half 2020 sales by Global Business Unit, including Consumer Healthcare, and by reporting region.

Net sales by GBU (€ million)	Q2 2020	Change at CER	U.S.	Change at CER	Europe	Change at CER	Rest of the World	Change at CER
Specialty Care	2,707	+17.4 %	1,709	+21.1 %	526	+8.6 %	472	+15.5 %
Dupixent	858	+70.0 %	697	+69.5 %	84	+84.8 %	77	+59.6 %
Multiple Sclerosis/ Neurology/Other I&I	608	+1.7 %	428	+2.9 %	135	-2.9 %	45	+4.4 %
Rare Disease	738	-0.5 %	283	— %	232	-4.1 %	223	+2.5 %
Oncology	189	+18.2 %	90	+18.7 %	65	+20.4 %	34	+13.3 %
Rare Blood Disorder	314	+6.2 %	211	-6.4 %	10	+150.0 %	93	+38.8 %
General Medicines	3,549	-12.7 %	716	-16.5 %	1,012	-16.4 %	1,821	-9.1 %
Diabetes	1,194	-5.7 %	391	-17.4 %	293	-5.7 %	510	+4.7 %
Cardiovascular and Established Rx Products	2,355	-15.9 %	325	-15.5 %	719	-20.2 %	1,311	-13.5 %
Vaccines	927	-6.8 %	203	-40.9 %	128	-22.4 %	596	+20.4 %
Consumer Healthcare	1,024	-8.0 %	281	-5.2 %	297	-13.0 %	446	-6.2 %
Total net sales	8,207	-3.4 %	2,909	— %	1,963	-10.8 %	3,335	-1.4 %

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