

# GENERAL MEETING 2018

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May 2, 2018





# Introduction

Serge Weinberg  
Chairman of the Board of Directors

# Forward Looking Statements

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This presentation 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 absence of guarantee that the product candidates if approved will be commercially successful, the future approval and commercial success of therapeutic alternatives, Sanofi's ability to benefit from external growth opportunities 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 conditions, the impact of cost containment initiatives and subsequent changes thereto, the average number of shares outstanding as well as those 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, 2017.

Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

# Agenda

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## **Introduction & Governance**

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Serge Weinberg, Chairman of the Board of Directors

## **Compensation Policy**

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Patrick Kron, Chairman of the Compensation Committee

## **Strategic Outlook**

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Olivier Brandicourt, Chief Executive Officer

## **Progress in Research & Development**

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Elias Zerhouni, President, Global R&D

## **2017 Financial Performance**

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Jérôme Contamine, Executive Vice-President,  
Chief Financial Officer

## **Reports by Statutory Auditors at the Combined General Meeting**

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PricewaterhouseCoopers Audit  
ERNST & YOUNG et Autres

## **Questions & Answers**

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## **Vote on the Resolutions**

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# Governance

Serge Weinberg  
Chairman of the Board of Directors

# An Independent, Experienced and Diversified Board of Directors

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- **Board of Directors composed of 16 directors**

- Widely independent (11 out of 14<sup>(1)</sup>) and gender sensitive (43%<sup>(2)</sup>)
- International (6 non-French directors, i.e. 38%)
- 2 directors representing employees

- **Further implementation of roadmap with a controlled and progressive renewal**

- More scientific and pharmaceutical expertise
- Development of competences in the digital area
- Preservation of key competences
- Restricted number of directorships allowing an enhanced participation and dedication



## **Renewal of the terms of:**

- Olivier Brandicourt
- Christian Mulliez
- Patrick Kron

## **Appointment of:**

- Emmanuel Babeau

# A Dedicated and Active Board of Directors

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## In 2017

- A sustained level of activity: 9 meetings
- Activities related to:
  - financial statements and financial matters
  - compensation matters
  - appointment and governance matters
- Review of significant proposed alliances, acquisitions and strategic opportunities
- Review of key businesses
- Evaluation of the activities of the Board and its Committees
- 3 executive sessions

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**High directors'  
attendance rate**

**> 95 %**

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# Four Specialized Committees

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## 1 Audit Committee

- Chaired by **Robert Castaigne**<sup>(1)</sup>
- 3 financial experts
- 3 independent members out of 4
- 7 meetings in 2017
  
- Review of the annual, half-year and quarterly financial results
- Review of the main risks that may affect the results
- Review of the draft financial resolutions
- Update on the implementation of IFRS 15 and IFRS 9 accounting standards

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**Attendance rate: 93%**

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## 2 Compensation Committee

- Chaired by **Patrick Kron**
- 3 independent members out of 4
- 3 meetings in 2017
  
- Review of the fixed and variable compensation of the CEO, the Chairman of the Board, and the members of the Executive Committee
- Determination of the amount of directors' attendance fees
- Update on changes in « say on pay » requirements
- Launch of a new employee share-ownership plan

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**Attendance rate: 100%**

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# Four Specialized Committees (cont'd)

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## 3 Appointments and Governance Committee

- Chaired by **Serge Weinberg**
- 3 independent members out of 3
- 3 meetings in 2017
  
- Succession planning
- Follow-up of the discussions held with main shareholders and proxy advisors on governance matters
- Evaluation of the activities of the Board and its Committees
- Changes in the Board's composition

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**Attendance rate: 100%**

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## 4 Strategic Committee

- Chaired by **Serge Weinberg**
- 2 independent members out of 4
- 10 meetings in 2017
  
- Review of external growth opportunities
- Review of the strategy
- Global environment
- Research and development
- Long range financials

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**Attendance rate: 100%**

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# A Fifth Specialized Committee in 2018

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**Creation  
in 2018**

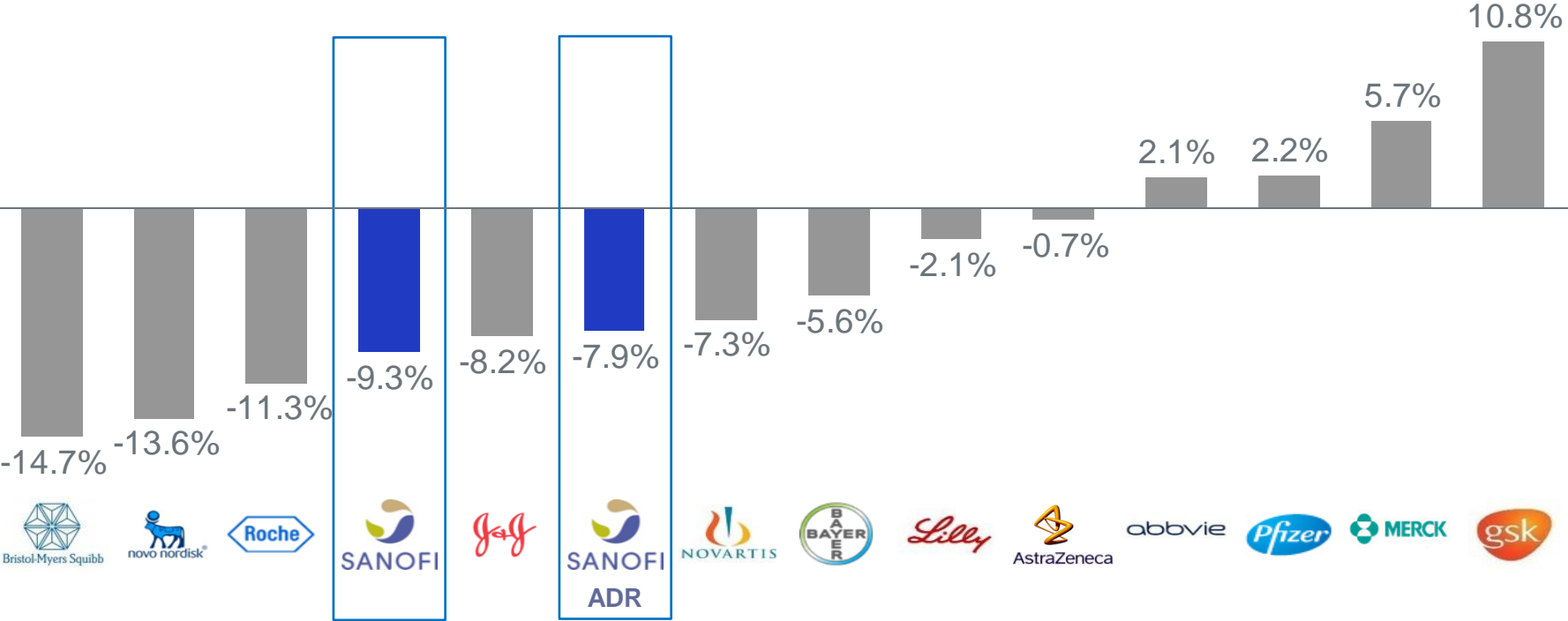


## **5** Scientific Committee

- Decision of the Board of Directors on March 6, 2018, upon recommendation of the Appointments and Governance Committee
- Scientific Committee in charge of assisting the Board on the strategic orientations in the field of R&D
- Thomas Südhof appointed Chairman of the Committee

# Sanofi Share Performance vs. Pharma Company Peers since January 2018

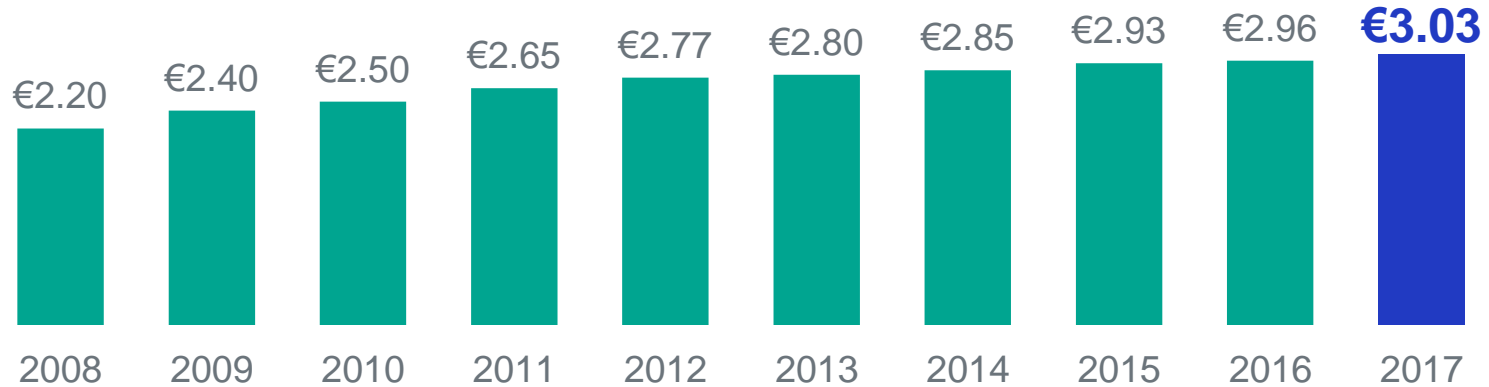
## Stock Performance in local currencies



# Dividend: A Crucial Element of the Return to Shareholders

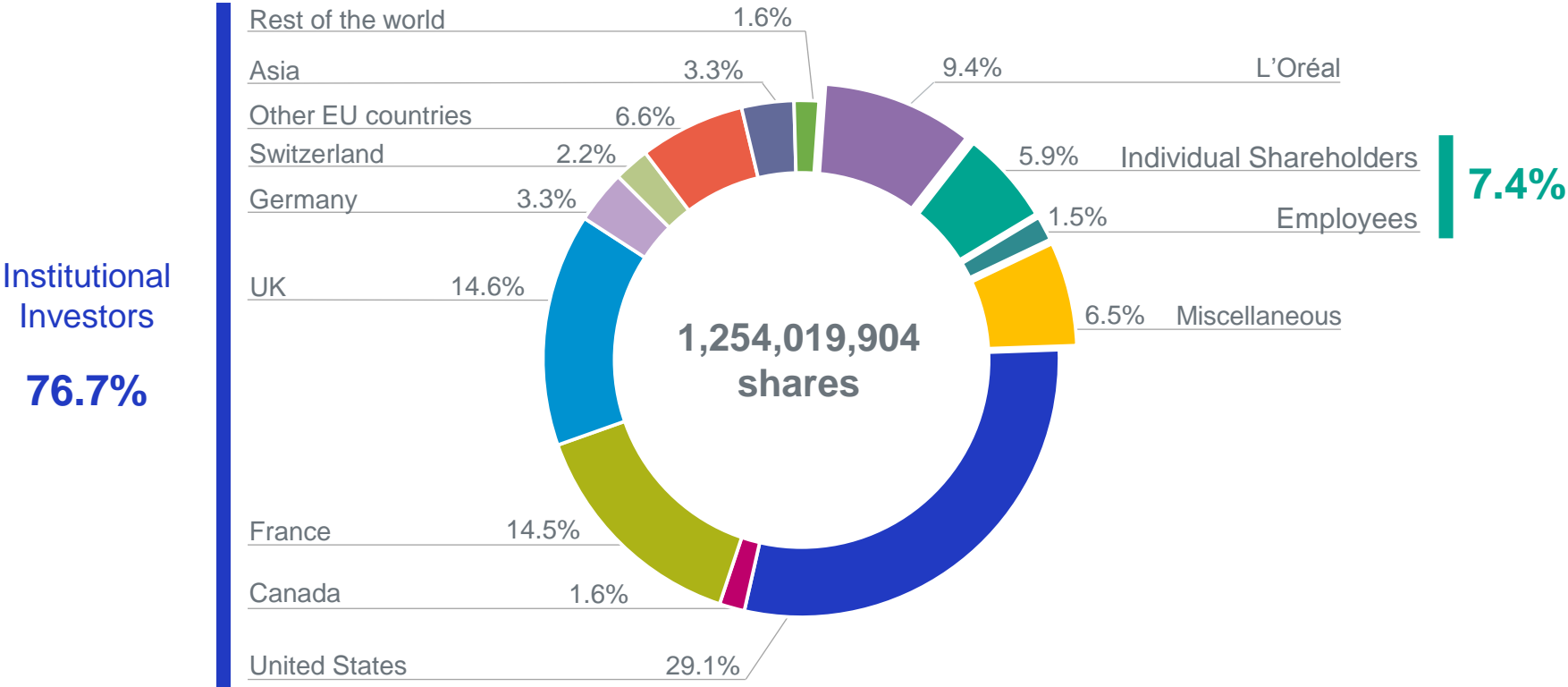
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## Evolution of Dividend



- 2017 dividend proposed by the Board of Directors: €3.03 per share<sup>(1)</sup>
- 24<sup>th</sup> consecutive year of dividend increase

# An International and Diversified Shareholder Base



# Strengthen Employee Share Ownership

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## 3 initiatives since 2013

### Action 2013

>1.6 million  
shares  
subscribed

### Action 2016

>1.7 million  
shares  
subscribed

### Action 2017

>1.5 million  
shares  
subscribed



## Sanofi wants to strengthen its employee share ownership

- **22<sup>nd</sup> resolution** voted by the AGM of May 10, 2017
- For an implementation in **June 2018**
- In more than 70 countries



# Compensation Policy

Patrick Kron  
Chairman of the Compensation Committee

# Compensation Policy for the Chairman of the Board

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- **Stable annual fixed gross compensation**
- No attendance fees
  - No annual variable compensation
  - No equity compensation
  - No compensation payable upon termination of office
  - No pension entitlement
  - No exceptional compensation



# Compensation Elements of Serge Weinberg in 2017

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	Amounts	Comments
Fixed compensation	€700,000	Fixed compensation unchanged since his appointment on May 17, 2010
	€8,353	Company car
<b>Total</b>	<b>€708,353</b>	

# Compensation Policy for the Chief Executive Officer

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- **Annual fixed compensation**
- **Annual variable compensation**
- **Equity compensation**
  - Options to subscribe for shares
  - Performance shares

- No Director's attendance fees
- No exceptional compensation

- 
- **Compensation on leaving office**
    - Termination benefit
    - Top-up pension benefit subject to fulfillment of a performance condition (voluntary implementation of the Macron law as of January 2017)
    - Non-compete undertaking

# Compensation Elements of Olivier Brandicourt in 2017

	Amounts	Comments
Fixed compensation	€1,200,000	Same compensation since his appointment in 2015
Variable compensation	€1,792,800 <sup>(1)</sup>	From 0% to 250% of the target fixed compensation to 150% of the fixed compensation Achieved rate: 149.4% of fixed compensation
Options	220,000 options to subscribe for shares	Exercise price: €88.97
Performance shares	50,000 performance shares	
Benefits in kind	€318	Social benefit in relation to social contribution payment made by Sanofi on CEO's behalf

# Variable Compensation of Olivier Brandicourt in 2017

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- **40% based on financial indicators**

- **60% based on specific individual objectives**

- External growth (14%)
- Excellence of product launches (10%)
- Operational transformation (12%)
- Organization and staff relations (12%)
- New product pipeline (12%)

- **Quantitative criteria account for 76% of the overall annual gross variable compensation objectives**



## Attainment

99.6% of the  
150% target,  
*i.e.* 149.4% of the  
fixed compensation

# Equity Compensation of Olivier Brandicourt in 2017

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## 2017 Grant

- **220,000** options to subscribe for shares
- **50,000** performance shares



## Plan Conditions

- **Performance conditions measured over 3 years**

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- **3 performance criteria**
  - Business Net Income (50%)
  - Return On Assets or ROA (30%)
  - Total Shareholder Return or TSR (20%)

## 2015 Plan

- **Allocation rate of 81.12%**
- **Definitive acquisition in June 2019**



## Plan Conditions

- **Performance conditions measured over 3 years (2015-2017)**

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- **3 performance criteria**
  - Business Net Income (50%) – 102.2%
  - Return On Assets or ROA (30%) – 100%
  - Total Shareholder Return or TSR (20%) – 0%



# Strategic Outlook

Olivier Brandicourt  
Chief Executive Officer

# Sanofi, a Health Journey Partner







# For 3 Years: Strategic Transformation for Better Healthcare and Continued Value Creation

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1

**An unprecedented effort in Research & Development**

2

**Refocusing on our strengths**

3

**A new operational model**

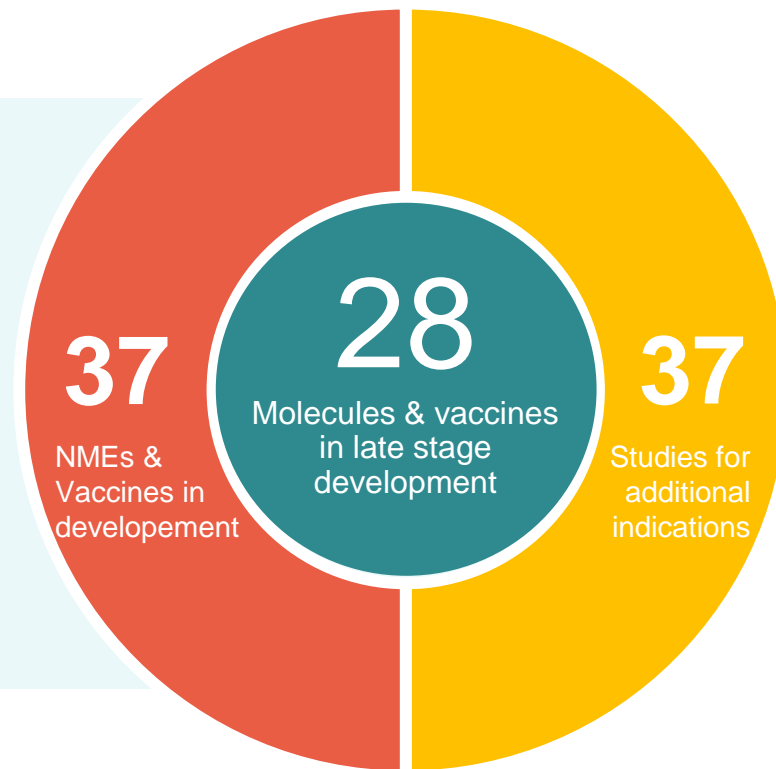
4

**Impact of digital opportunities**



## A Robust R&D Pipeline in 6 Therapeutic Areas

- **€5.5bn invested in R&D in 2017**
  - 15.6% of company sales
- **74 projects in development**
  - Immunology
  - Multiple Sclerosis & Neurology
  - Oncology
  - Rare Diseases & Rare Blood Disorders
  - Diabetes & Cardiovascular
  - Vaccines



# Dupixent<sup>®</sup> Launched in Atopic Dermatitis A Product with Multiple Potential Indications

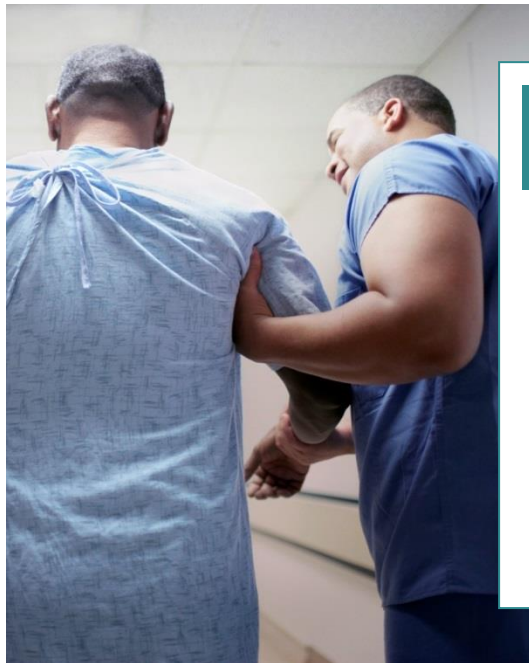
- **Moderate-to-Severe Atopic Dermatitis**
  - Strong launch in the U.S.
  - Ongoing or planned launches in 20 countries in the coming months
- **Moderate-to-Severe Asthma**
  - Regulatory submissions in the U.S. and Europe
- **Significant commercial potential in multiple diseases<sup>(1)</sup>**
  - Nasal Polyposis, Eosinophilic Esophagitis, Chronic Obstructive Pulmonary Disease, Allergies...

2017 Sales:  
**€219m**



Pictures of a patient from a Phase 3 clinical trial before and after treatment with dupilumab. Results may vary

# Two Promising Products in Oncology



## cemiplimab

- PD-1 inhibitor monoclonal antibody
- Being evaluated by European and U.S. health authorities in Cutaneous Squamous Cell Carcinoma
- Phase 3 studies ongoing in other cancers

## isatuximab

- Anti-CD38 monoclonal antibody
- Pivotal studies in Multiple Myeloma (bone marrow cancer) ongoing; submission planned in 2018

**1** An unprecedented effort in Research & Development

# Praluent<sup>®</sup> Significantly Reduces Risk of Cardiovascular Events in High-Risk Patients



Praluent<sup>®</sup> significantly reduced the risk of major adverse cardiovascular events<sup>(1)</sup>



Associated with a reduction in all-cause mortality<sup>(2)</sup>



A more pronounced effect observed in patients with baseline LDL-C levels  $\geq 100$  mg/dL



Approved in more than 60 countries

Focus on patients with the greatest health risk



Praluent<sup>®</sup> (alirocumab) is developed in collaboration with Regeneron  
For more information: consult the press release from March 10, 2018  
(1) HR=0.85, IC : 0.78-0.93, p=0.0003  
(2) HR=0.85; IC: 0.73-0.98, nominal p value = 0.026

# For 3 Years: Strategic Transformation for Better Healthcare and Continued Value Creation

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1

An unprecedented effort in Research & Development

2

Refocusing on our strengths

3

A new operational model

4

Impact of digital opportunities



# Consolidating our Leadership in Rare Diseases

**Building a center of expertise  
in rare blood disorders**



**Three complementary moves**

1



**Restructuring of the  
alliance with Anylam**

- Global rights obtained on fitusiran, currently in Phase 3 in hemophilia

# Bioverativ: a Leading Hemophilia Portfolio, a New Platform in Other Rare Blood Disorders



## U.S. biotechnology company

- 2017 Revenues: \$1,168m, +31.7%

## Leadership position in the large hemophilia market

- Two marketed products



## R&D programs

- Cold agglutinin disease, hemophilia and other rare blood disorders



# Ablynx: Provides a Leading Technology Platform and Strengthens R&D Pipeline<sup>(1)</sup>

3



## Belgian biotechnology company

- An innovative Nanobody<sup>®</sup> platform which strengthens Sanofi's multi-targeting R&D strategy

## Expanding rare blood disorders franchise<sup>(2)</sup>

- Caplacizumab: submitted in Europe for the treatment of Acquired Thrombotic Thrombocytopenic Purpura

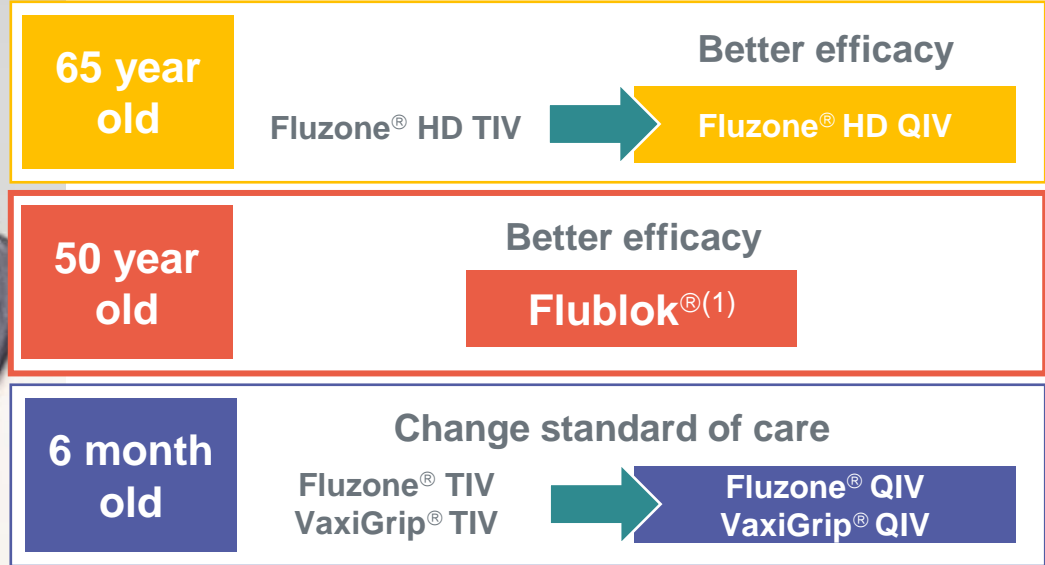
## Complementary R&D programs

- Hematology, inflammatory diseases, immuno-oncology, respiratory diseases

# Flu Vaccines: Protein Sciences Broadens our Portfolio with Flublok<sup>®</sup>



## Age-related product differentiation



# For 3 Years: Strategic Transformation for Better Healthcare and Continued Value Creation

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- 1 An unprecedented effort in Research & Development
- 2 Refocusing on our strengths
- 3 **A new operational model**
- 4 Impact of digital opportunities



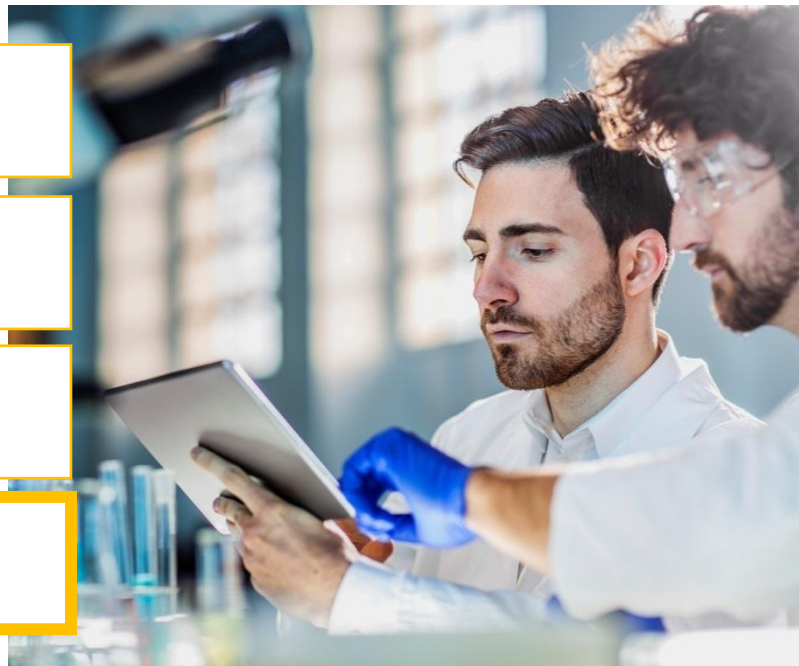
# An Organization Based on Five Global Business Units (GBUs)



# For 3 Years: Strategic Transformation for Better Healthcare and Continued Value Creation

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- 1 An unprecedented effort in Research & Development
- 2 Refocusing on our strengths
- 3 A new operational model
- 4 **Impact of digital opportunities**



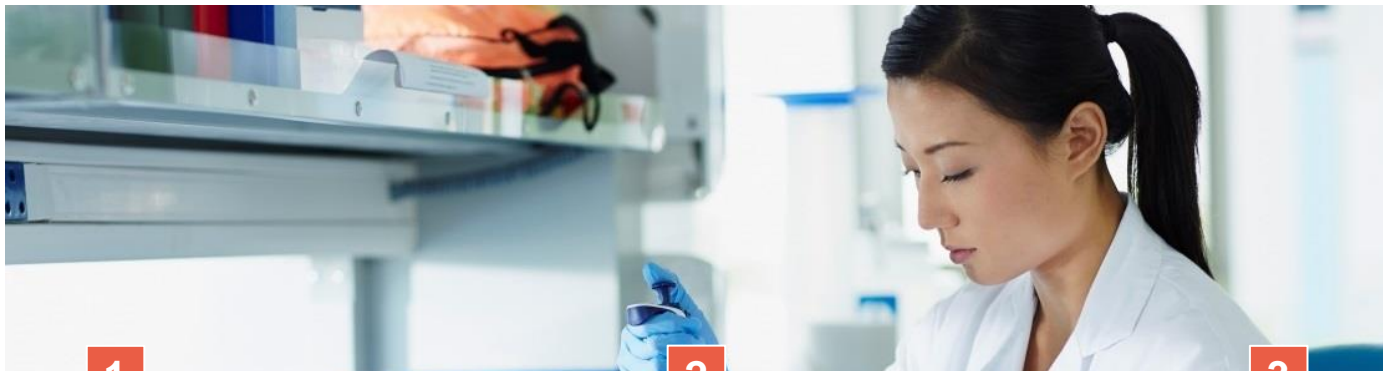
## Digitalization Offers Enormous Potential

- Accelerating research
- Better diabetes management, beyond medicines
- Better interaction with patients, physicians and payers
- Digitalization of the industrial tool



# A diversified and strong model based on three categories of activity

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**1**

**High scientific  
content  
Strong added value**

**2**

**Diabetes  
and cardiovascular  
disease**

**3**

**Predictable  
and  
profitable growth**

# Sanofi Genzyme – Specialty Care

## Success of the New Immunology Franchise



### Immunology

- Successful launch of Dupixent®
- Kevzara® launch progressing well



### Multiple Sclerosis

- Strong, growing franchise



### Rare Diseases

- Bioverativ acquisition and Ablynx planned acquisition strengthen leadership position<sup>(1)</sup>



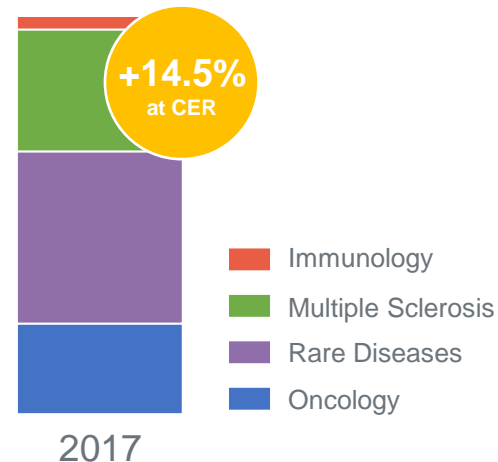
### Oncology

- Significant expansion of development pipeline

## Global Specialty Care Franchise Sales

**€6,678m**

19% of company sales





# Sanofi Pasteur – Vaccines

## A Global Leader in a Growing Market



### Leading vaccines in 5 areas:

- Influenza
- Pediatric Combinations
- Meningitis
- Adult Boosters
- Travelers and other vaccines for endemic countries

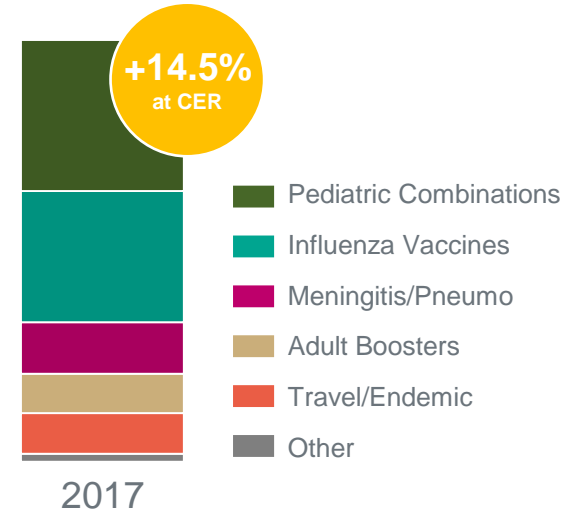


### A strengthened product portfolio with the acquisition of Protein Sciences

### Global Vaccines Franchise Sales

**€5,101m**

14.6% of company sales



# Diabetes and Cardiovascular Diseases



## Diabetes Franchise

- Global sales down 11.1% at CER in 2017
- Decrease in U.S. sales partly offset by performance in Emerging Markets
- Success of Toujeo® in 2017: sales up 27% to €816m

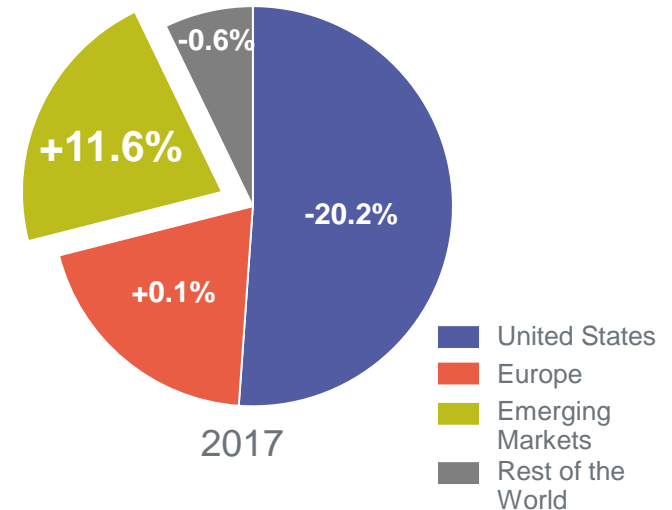
## Cardiovascular Franchise

- Praluent®: positive results of ODYSSEY OUTCOMES

## Global DCV Franchise Sales

€6,905m

19.7% of company sales



# Sanofi is One of the Top 3 Players in Consumer Healthcare<sup>(1)</sup>



## Integration of Boehringer Ingelheim CHC business completed

Allergies,  
Cough & Cold



Pain



Digestive

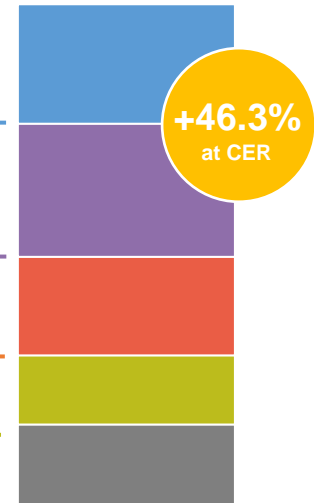


Nutritionals



Other

Global CHC  
Franchise Sales  
**€4,832m**  
13.8% of company sales



2017

# General Medicines & Emerging Markets: Leading Position in Emerging Countries Due to an Adapted Product Portfolio



## 2017 GEM Business Unit Sales

€14,048m

40% of company sales

### Established Products

- Account for nearly one third of company sales

**Plavix**  
clopidogrel bisulfate

**Lovenox**  
Enoxaparin sodium

**APROVEL**  
irbesartan

### Emerging Markets<sup>(1)</sup>

- Sanofi ranks #1<sup>(2)</sup>
- 2017 sales: €10,258m, +6.0%<sup>(3)</sup>
- Supported by strong sales growth in China: €2.2bn, +15.1%<sup>(3)</sup>

# Progress in Protecting the Environment


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- **Water saving**

- Objective: reduce water consumption between 2010 and 2020 by 25 %

- **Carbon footprint**

- Objective: reduce greenhouse gas emissions by 50 % in 2025



- 22%  
water  
consumption  
at the end  
of 2017

- 23%  
greenhouse gas  
emissions  
since 2010

# Access to Healthcare for Those Most in Need in Emerging Countries

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**Polio**  
Number of  
cases down  
**99%**  
in 30 years

- **Commitment against infectious diseases**
  - Malaria: >450 million treatments provided in 10 years
  - Tuberculosis
  - Poliomyelitis: world leader in polio vaccine
- **Fight against tropical neglected diseases**
  - Sleeping sickness
    - In 15 years: reduction from 30,000 to 2,000 cases
    - Fexinidazole, developed with DNDi, would be the first all-oral treatment

# Take Action for Disadvantaged Children and Educate them About Health

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55  
projects in  
42  
countries

Actions in  
175 schools,  
>60,000  
children

- **Sanofi Espoir Foundation – My Child Matters**
  - For 12 years, enabling children with cancer in low-income countries to benefit from better care
- **Kids**
  - Preventing diabetes in children at school and encourage healthy lifestyles
  - Program launched in Brazil, the United Arab Emirates, Egypt, Japan, India, Pakistan and Poland

# In France: Promoting Access to Healthcare for Those in Need

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- **Women in vulnerable situations**
  - Pregnancy monitoring at the *Maison des femmes de St Denis*
- **Those who live on the street**
  - Partnerships with: *Samu social, Croix Rouge Française, Emmaüs, Médecins du Monde*
- **Migrants**
  - A new program prepared by Sanofi Espoir Foundation





SANOFI 

Progress in R&D

Elias Zerhouni  
Président, Global R&D

# Key Achievements in R&D in 2017



## Product approvals

- **Dupixent**<sup>®(1)</sup> in Atopic Dermatitis in adult patients
- **Kevzara**<sup>®(1)</sup> in Rheumatoid Arthritis
- **Suliqua**<sup>®</sup> in Diabetes (Europe)



## Regulatory submissions

- **Dupixent**<sup>®(1)</sup> in Asthma in adult patients (U.S.)
- **VaxiGrip**<sup>®</sup> **QIV IM** in 6-35 month-olds (EU)



## Pivotal study starts

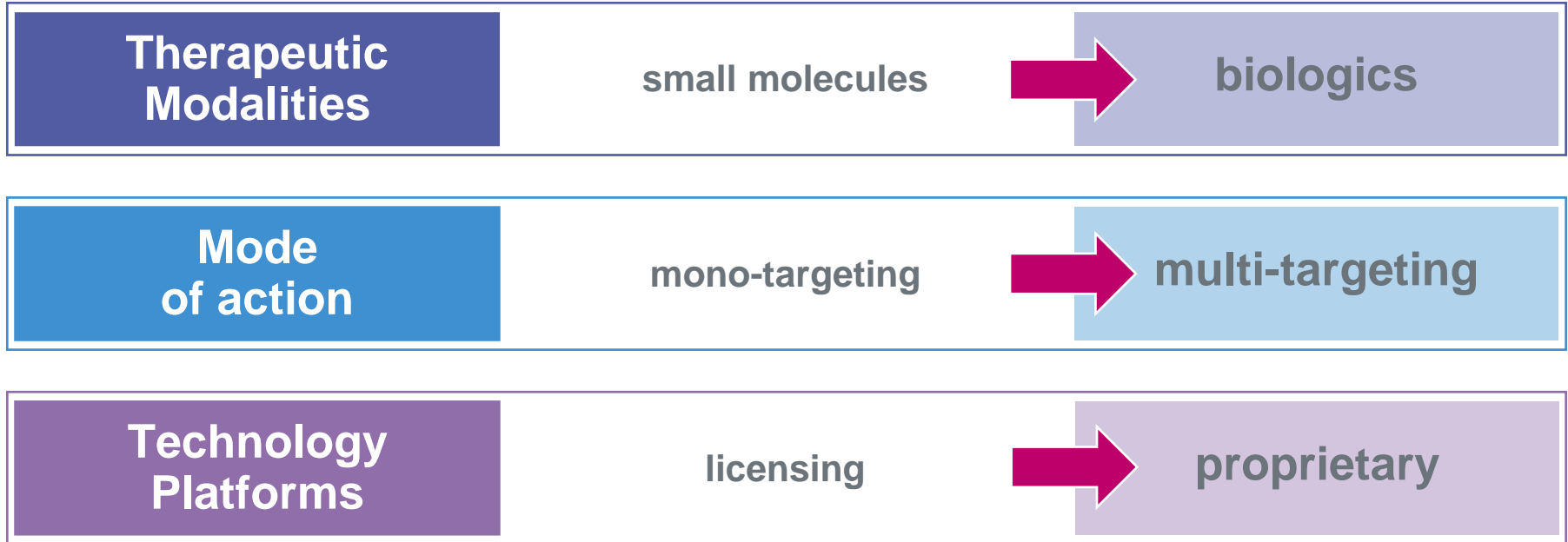
- **Dupixent**<sup>®(1)</sup> in Asthma in patients aged 6-11 year-old
- **Dupixent**<sup>®(1)</sup> in Atopic Dermatitis in patients 6-11 years-old, 12-17 years-old, 6 month-5 years-old
- **Dupilumab**<sup>(1)</sup> in Nasal Polyposis
- **Efpeglenatide**<sup>(2)</sup> in type 2 Diabetes
- **Sotagliflozin**<sup>(3)</sup> in combination therapies in type 2 Diabetes
- **Isatuximab** in Multiple Myeloma and other cancers
- **Cemiplimab**<sup>(1)</sup> in Non-small Cell Lung Cancer, Basal Cell Carcinoma and Cervical Cancer
- **Fluzone**<sup>®</sup> **QIV HD**

# Key R&D Milestones in 2018

		Q1	Q2	Q3	Q4
Potential submissions	<b>Cemiplimab</b> <sup>(1)</sup> in Cutaneous Squamous Cell Carcinoma	✓			
	<b>Sotagliflozin</b> <sup>(2)</sup> in Type 1 Diabetes	✓			
	<b>Dupilumab</b> <sup>(1)</sup> in Asthma in adolescents/adults (EU)	✓			
	<b>Praluent</b> <sup>®(1)</sup> ODYSSEY OUTCOMES label update				
	<b>Dupilumab</b> <sup>(1)</sup> in Atopic Dermatitis in adolescents				
	<b>Isatuximab</b> in Multiple Myeloma in combination with PomDex (U.S.)				
Expected pivotal trial read-outs	<b>Praluent</b> <sup>®(1)</sup> ODYSSEY OUTCOMES	✓			
	<b>Cemiplimab</b> <sup>(1)</sup> in Basal Cell Carcinoma				
	<b>Dupilumab</b> <sup>(1)</sup> in Nasal Polyps				
Expected start of pivotal studies	<b>Mavacamten</b> <sup>(3)</sup> in Obstructive Hypertrophic Cardiomyopathy				
	<b>Fitusiran</b> in Hemophilia A & B as prophylactic treatment	✓			
	<b>Isatuximab</b> in 1 <sup>st</sup> line Multiple Myeloma in Stem Cell Transplant eligible patients				
	<b>Venglustat</b> in Autosomal Dominant Polycystic Kidney Disease				
	<b>Sotagliflozin</b> <sup>(2)</sup> in Worsening Heart Failure in Diabetes patients				
	<b>Dupilumab</b> <sup>(1)</sup> in Eosinophilic Esophagitis				
	<b>Dupilumab</b> <sup>(1)</sup> in Chronic Obstructive Pulmonary Disease				
<b>Alemtuzumab</b> in Primary Progressive Multiple Sclerosis					

# New R&D Model Based on Three Strategical Transformations


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# Sanofi Focuses on Leading Technology Platforms

## Addressing Multiple Disease Targets with Single Complex Molecules


**Multispecific Antibodies**  
(bi- & tri-specific)



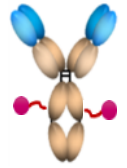
**siRNA Conjugates**




**Trigonal Peptides**



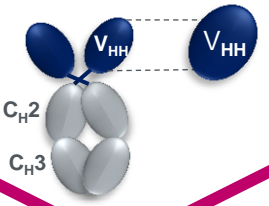
**PRR Antibody Conjugates**



**BioNTech mRNA Mixture**



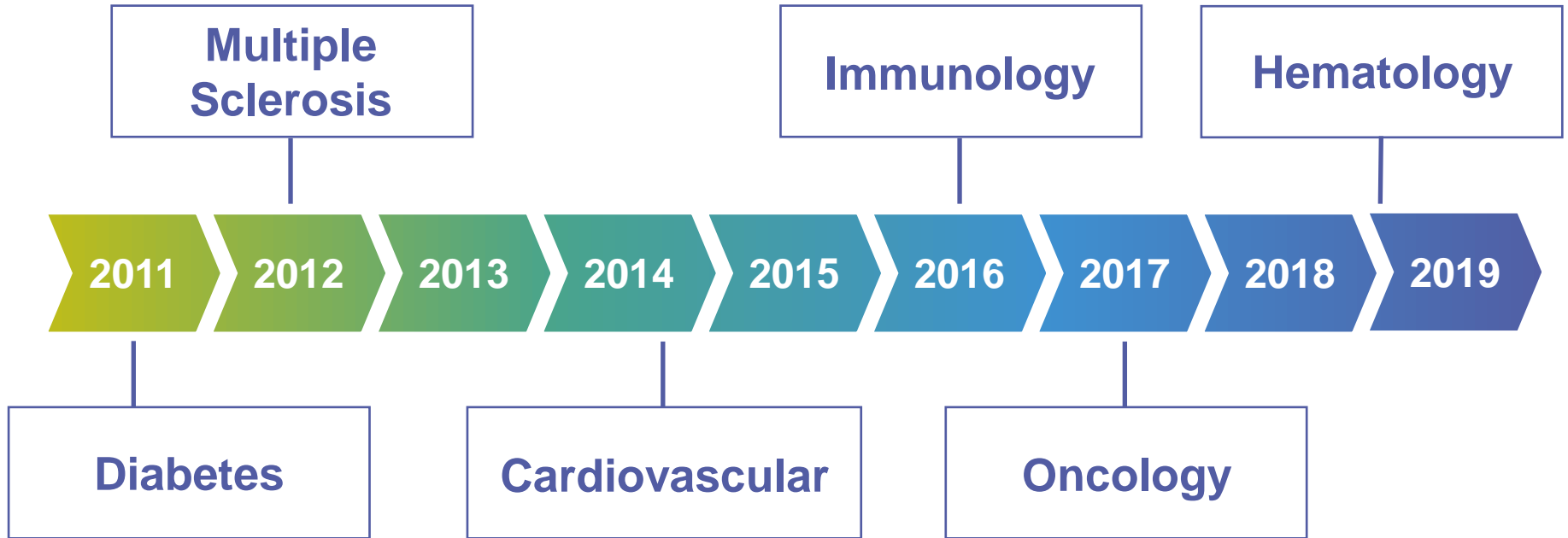
**Ablynx Nanobodies®**



Acquisition of Ablynx internalizes platform for Nanobodies®, a novel class of next-generation biologics

# Build New Foundations for Growth

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# Dupilumab – A Pipeline in a Product Being Developed in Multiple Indications

## Atopic Dermatitis



- Breakthrough therapy in moderate-to-severe AD
- First-in-class biologic treatment

## Asthma



- Efficacy in 3 pivotal trials
- Largest Phase 3 program of a biologic therapy in asthma

## Nasal Polyposis



- Positive Proof of Concept data
- No currently approved biologic
- Phase 3 fully enrolled

## Eosinophilic Esophagitis



- Positive Proof of Concept data
- No currently approved biologic
- Phase 3 expected to start in Q4 2018

**dupilumab**

# ODYSSEY OUTCOMES Provides Strong Clinical Evidence of Patient Benefit from Long-Term Therapy with Praluent<sup>®</sup>(1)

**Praluent<sup>®</sup>**  
(alirocumab) Injection 75mg/mL  
150mg/mL

**ODYSSEY**  
OUTCOMES

Long-term trial  
~19,000 patients



## Positive Results

- Significant reduction in major adverse cardiac events of 15%<sup>(2)</sup>
- Associated with 15% reduction in all-cause mortality<sup>(3)</sup>
- Safety profile consistent with previous findings



## Patient Impact

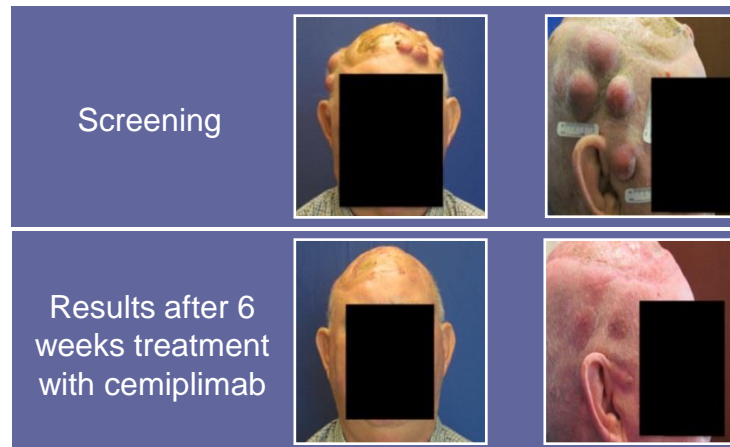
- Greatest clinical benefit shown in high risk post-ACS patients
- In highest risk patients with LDL-C  $\geq 100$ mg/dL, Praluent<sup>®</sup> was associated with a 24% reduction of major adverse cardiovascular events and 29% reduction in all-cause death<sup>(4)</sup>



# Cemiplimab: Promising Results in Treatment of Cutaneous Squamous Cell Carcinoma

## Cutaneous Squamous Cell Carcinoma - Results from Phase 2 Pivotal Study

- **One of the most common cancers globally with significant unmet needs**
  - 200K to 400K new cases/year in the U.S.<sup>(1)</sup>
  - Severe morbidity and mortality with recurrence
    - ~3,900 – 8,800 deaths/year in the U.S.<sup>(1)</sup>
- **Pivotal studies in other indications**
  - Non-Small Cell Lung Cancer
  - Basal Cell Carcinoma
  - Cervical Cancer



# Isatuximab: a Significant Opportunity in Large and Growing Multiple Myeloma Market

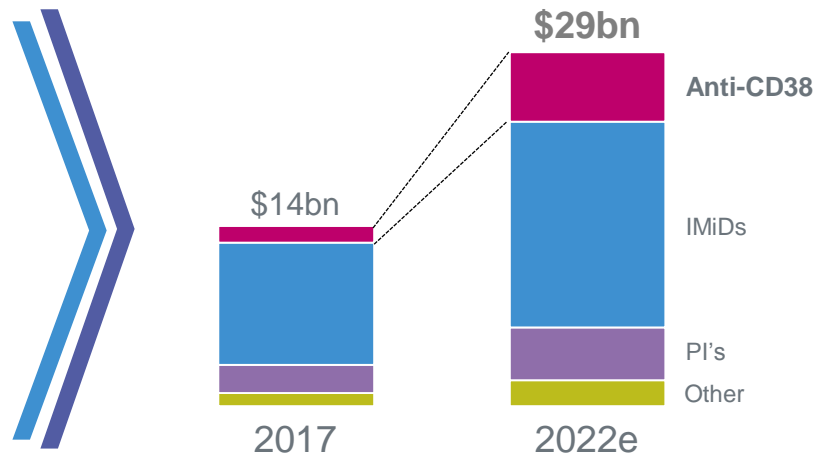
- **Worldwide Multiple Myeloma market expected to reach \$29bn in 2022<sup>(1)</sup>**

- Double/triple branded combination use
- New options with prolonged progression free survival benefit
- Globally ~114k new cases diagnosed annually

- **Anti-CD38 class rapidly becoming standard of care**

- Combinability without increased toxicity
- Unprecedented progression free survival prolongation

- **Proof of concept studies to evaluate combination use of isatuximab in 9 other cancers**



# A continuous innovation flow<sup>(1)</sup>

New molecular entities

<b>isatuximab</b> anti-CD38 mAb 3L RRRM (ICARIA) - U.S.		<b>avalglucosidase alfa</b> Neo GAA Pompe Disease - U.S./EU		<b>GZ389988</b> TRKA antagonist Osteoarthritis - U.S./EU	<b>SAR422459</b> ABCA4 gene therapy Stargardt Disease -- U.S./EU	Combination <b>ferroquine / OZ439<sup>(**)</sup></b> Antimalarial - U.S./EU
<b>cemiplimab<sup>(2)(*)</sup></b> PD-1 inhibitor mAb Advanced CSCC - U.S./EU		<b>olipudase alfa</b> rhASM ASD <sup>(6)</sup> - U.S./EU		<b>SAR156597</b> IL4/IL13 bi-specific mAb Systemic Scleroderma - U.S./EU	<b>venglustat</b> Oral GCS inhibitor GrPD <sup>(9)</sup> - U.S./EU	<b>SP0232 mAbs<sup>(10)(**)</sup></b> Respiratory syncytial virus U.S.
<b>sotagliflozin<sup>(**)</sup></b> Oral SGLT-1&2 inhibitor Type 1 Diabetes - U.S./EU	<b>SAR341402</b> Rapid acting insulin Type 1/2 Diabetes - EU <sup>(4)</sup>	<b>fitusiran<sup>(7)</sup></b> siRNA inhibitor Hemophilia A/B - U.S./EU		<b>SAR440340<sup>(**)</sup></b> Anti-IL33 mAb Asthma - U.S./EU	<b>SAR425899</b> GLP-1/GCG dual agonist Obesity/Overweight in T2D U.S./EU	<b>Tuberculosis</b> Recombinant subunit vaccine
		<b>BIVV009<sup>(8)</sup></b> Anti Complement C1s mAb Cold Agglutinin Disease		<b>SAR566658</b> Maytansin-loaded anti-CA6 mAb Triple Negative Breast Cancer	<b>SAR407899</b> rho kinase Microvascular Angina - U.S./EU	<b>HIV</b> Viral vector prime & rgp120 boost vaccine
			<b>efpeglenatide<sup>(**)</sup></b> Long acting GLP1-R agonist Type 2 Diabetes - U.S./EU			

Additional Indications

2018	2019	2020	2021	2022 and beyond
<b>dupilumab<sup>(9)(**)</sup></b> Anti-IL4Rα mAb Asthma adults & adoles. - EU	<b>Dupixent<sup>(9)(**)</sup></b> Anti-IL4Rα mAb AD 6 - 11 years old - U.S./EU	<b>sotagliflozin<sup>(**)</sup></b> Oral SGLT-1&2 inhibitor Type 2 Diabetes - EU <sup>(6)</sup>	<b>sarilumab<sup>(**)</sup></b> Anti-IL6R mAb Polyarticular Juvenile Idiopathic Arthritis - U.S./EU	<b>Shan 6</b> DTP-HepB-Polio-Hib Pediatric hexavalent vaccine
<b>Dupixent<sup>(9)(**)</sup></b> Anti-IL4Rα mAb AD 12 - 17 years old - U.S./EU	<b>dupilumab<sup>(9)(**)</sup></b> Anti-IL4Rα mAb Nasal Polyposis Adult - U.S./EU	<b>Fluzone<sup>(9)</sup> QIV HD</b> Quadrivalent inactivated Influenza vaccine - High dose	<b>cemiplimab<sup>(2)(**)</sup></b> PD-1 inhibitor mAb 2L Cervical Cancer - U.S./EU	<b>Pediatric pentavalent vaccine</b> DTP-Polio-Hib (Japan)
<b>Praluent<sup>(8)(**)</sup></b> Anti-PCSK9 mAb CV events reduction - U.S./EU	<b>cemiplimab<sup>(2)(**)</sup></b> PD-1 inhibitor mAb Advanced BCC - U.S./EU	<b>Men Quad TT</b> Adv. generation meningococcal U.S. & EU - 10 Yrs +	<b>isatuximab</b> Anti-CD38 mAb 1-3L RRRM (IKEMA) - U.S./EU	<b>dupilumab<sup>(9)(**)</sup></b> Anti-IL4Rα mAb Asthma 6 - 11 years old U.S./EU
	<b>cemiplimab<sup>(2)(**)</sup></b> PD-1 inhibitor mAb 1L NSCLC - U.S./EU		<b>Aubagio<sup>(8)</sup></b> teriflunomide Relapsing MS - Ped. - U.S./EU	<b>isatuximab</b> Anti-CD38 mAb (IMROZ) 1L Newly Diagnosed MM U.S./EU
				<b>sotagliflozin<sup>(**)</sup></b> SGLT 1/2 inhibitor Worsening Heart Failure in Diabetes - U.S./EU
				<b>Dupixent<sup>(9)(**)</sup></b> Anti-IL4Rα mAb AD 6 months - 5 years old U.S./EU
				<b>venglustat</b> Oral GCS inhibitor Fabry Disease - U.S./EU
				<b>venglustat</b> Oral GCS inhibitor Gaucher Disease Type 3 U.S./EU
				<b>Adacel+</b> Tdap booster
				<b>Rabies VRVg</b> Purified vero rabies vaccine

- Immuno-inflammation
- Oncology
- Rare Diseases
- Rare Blood Disorders
- MS, Neuro, Gene therapy
- Diabetes
- Cardiovascular & metabolism
- Infectious Diseases
- Vaccines

(1) Excluding Phase 1 - Data related to all studies published on clinicaltrials.gov

(2) Also known as SAR439684 and REGN2810

(3) Also known as SAR231893

(4) Submission strategy for the U.S. under evaluation

(5) Submission for the U.S. expected in 2020

(6) Acid Sphingomyelinase Deficiency

(7) Following the Alnylam/Sanofi strategic restructuring of the RNAi therapeutics rare disease alliance announced in January 2018, Sanofi now has global rights on fitusiran

(8) Currently operating as separate entities. Reported dates are based on prior Bioverativ disclosure of study completion date

(9) Gaucher Related Parkinson's Disease

(10) Also known as MEDI8897

(\*\*) Partnered and/or in collaboration - Sanofi may have limited or shared rights on some of these products

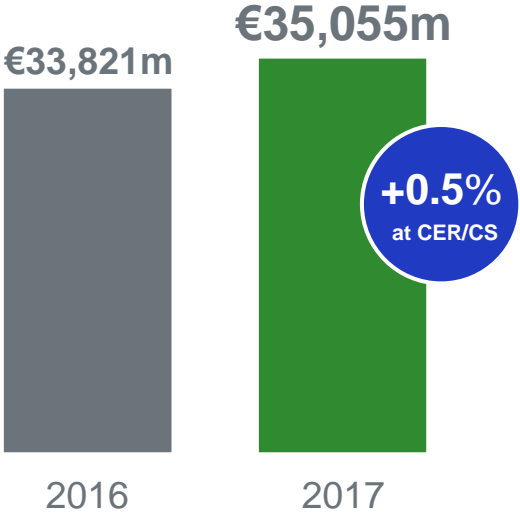


# 2017 Financial Performance

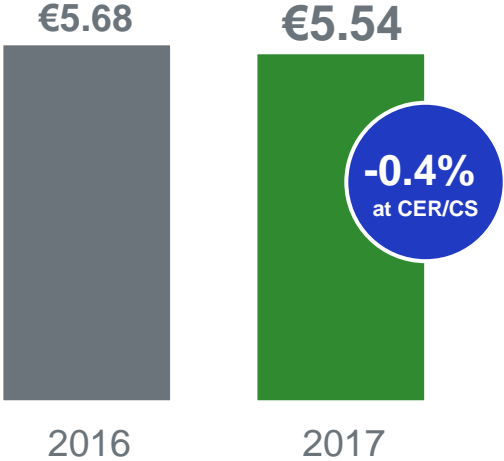
Jérôme Contamine  
Executive Vice-President, Chief Financial Officer

# 2017 Business EPS in-Line with Expectations

## Sales



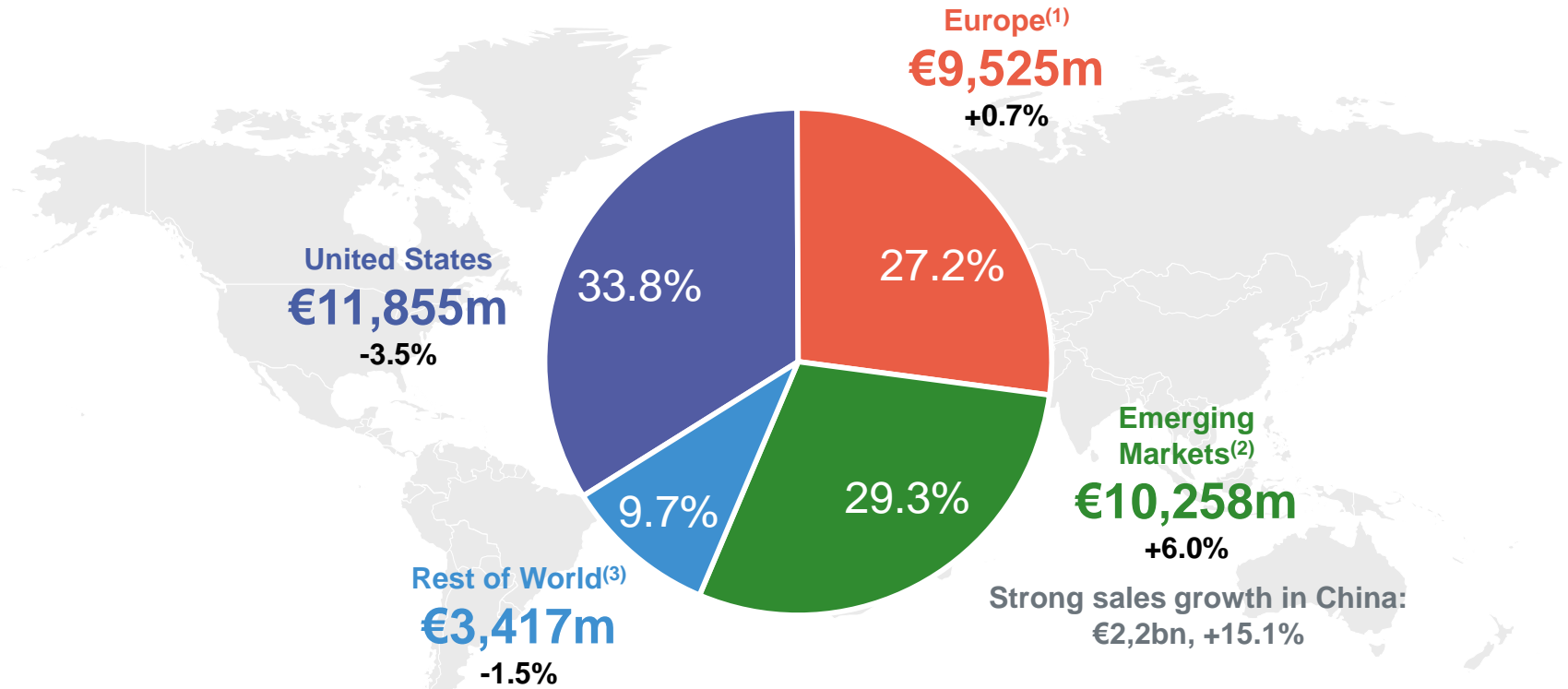
## Business EPS



# 2017: A Year of Transition Supported by Solid Growth Drivers

	% of Sales			Growth at CER	Growth at CER/CS
	<b>71.6%</b>	<b>Pharmaceuticals</b>	<b>€25,122M</b>	-1.2%	-1.3%
	19.7%	<b>Diabetes &amp; Cardiovascular</b>	€6,905M	-9.6%	-9.6%
	19.1%	<b>Specialty Medicines</b>	€6,678M	<b>+14.5%</b>	+14.6%
	27.7%	<b>Established Rx Products</b>	€9,761M	-3.4%	-3.8%
	5.1%	<b>Others</b>	€1,778M	-3.3%	-3.1%
	<b>13.8%</b>	<b>Consumer Healthcare</b>	<b>€4,832M</b>	<b>+46.3%</b>	+2.1%
	<b>14.6%</b>	<b>Vaccines</b>	<b>€5,101M</b>	<b>+14.5%</b>	+8.3%

# A Balanced Geographic Breakdown of Sales



All growth at CER (constant exchange rates) / CS (constant structure), adjusted for BI CHC business, termination of SPMSD and others  
 (1) Western Europe & Eastern Europe (excluding Eurasia)

(2) World excluding U.S., Canada, Europe, Japan, South Korea, Australia, New Zealand and Puerto Rico  
 (3) Japan, South Korea, Canada, Australia, New Zealand and Puerto Rico

# Sanofi Met 2017 Financial Performance Objectives

	Objectives	FY 2017 Results
✓ Gross margin	70-71% at CER	70.6%
✓ OpEx growth rate at CER	At similar rate as in 2016 <sup>(1)</sup>	+2.0%
✓ Tax rate	24-25%	23.5%
✓ Business EPS guidance at CER	Broadly stable	-0.4%
✓ Dividend growth	Progressive	+2.4%

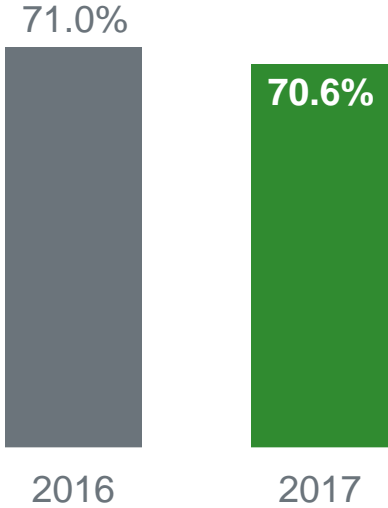


# Business Operating Income Up 3% at CER in 2017

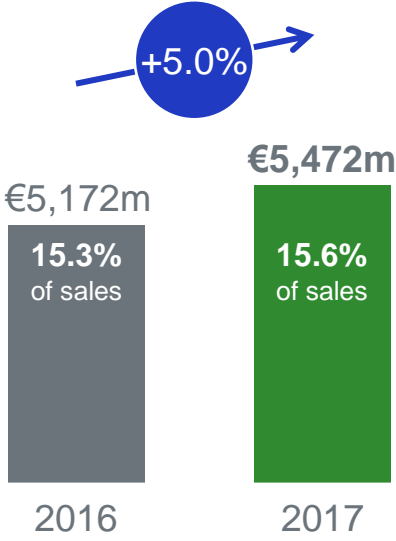
€m	2017	2016	%Change (reported €)	% Change (CER)	% Change (CER/CS)
<b>Sales</b>	<b>35,055</b>	<b>33,821</b>	<b>+3.6%</b>	<b>+5.6%</b>	<b>+0.5%</b>
Other revenues	1,149	887	+29.5%	+32.9%	+36.6%
Gross profit	24,759	24,006	+3.1%	+5.3%	+0.4%
R&D expenses	(5,472)	(5,172)	+5.8%	+7.0%	+5.0%
SG&A expenses	(10,058)	(9,486)	+6.0%	+7.8%	+0.4%
<b>Business operating income</b>	<b>9,343</b>	<b>9,285</b>	<b>+0.6%</b>	<b>+3.0%</b>	<b>-1.1%</b>
<i>Effective tax rate</i>	23.5%	23.3%	-	-	-
Business net income excluding Animal Health	6,964	6,832	+1.9%	+4.2%	-
Business net income of Animal Health	-	476	-100.0%	-100.0%	-
<b>Business net income</b>	<b>6,964</b>	<b>7,308</b>	<b>-4.7%</b>	<b>-2.6%</b>	

# Continued Investment in R&D and Strict Cost Management

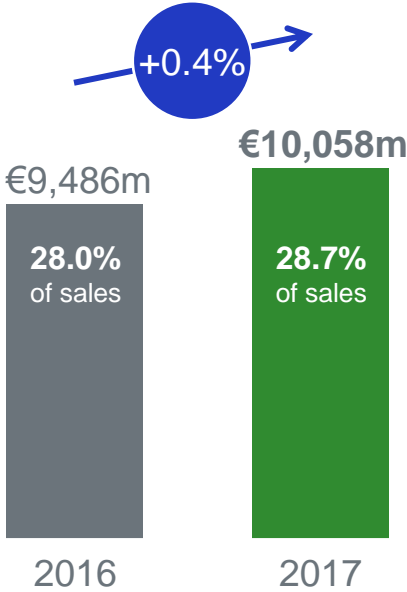
## Gross Margin



## R&D Expenses



## SG&A Expenses



# Net Income Benefited From Gain on the Disposal of the Animal Health Business

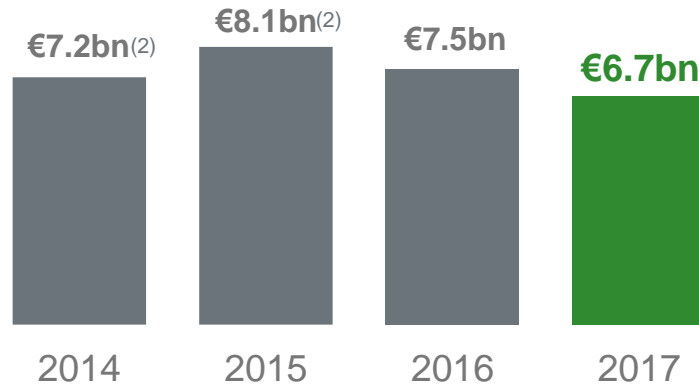
€m	2017	2016	% Change (reported €)
<b>Business net income</b>	<b>6,964</b>	<b>7,308</b>	<b>(4.7%)</b>
Amortization of intangible assets	(1,866)	(1,692)	
Impairment of intangible assets	(293)	(192)	
Fair value remeasurement of contingent consideration liabilities	(159)	(135)	
Expenses arising from the impact of acquisitions on inventories	(166)	-	
Restructuring costs and similar items	(731)	(879)	
Other gains and losses, and litigation	(215)	211	
Tax effect of items listed above	1,126	841	
Other tax items	(742)	(113)	
Associates and non-controlling interests	(127)	31	
Animal Health items	4,643	(162)	
Others <sup>(1)</sup>	-	(509)	
<b>Net income attributable to equity holders of Sanofi</b>	<b>8,434</b>	<b>4,709</b>	<b>79.1%</b>

# Strong Balance Sheet on December 31, 2017

	December 31, 2017 (€bn)	Change vs. December 31, 2016
<b>ASSETS</b>	Intangible assets	+2.2
	Other non-current assets	-0.3
	WCR <sup>(1)</sup>	+0.2
	Net cash (B)	+0.0
<b>LIABILITIES &amp; EQUITY</b>	Equity attributable	+0.6
	Provisions and other non-current liabilities	-0.7
	Financial debt (A) <sup>(2)</sup>	-3.0
	<b>Net Debt (A-B)</b>	<b>5.2</b>

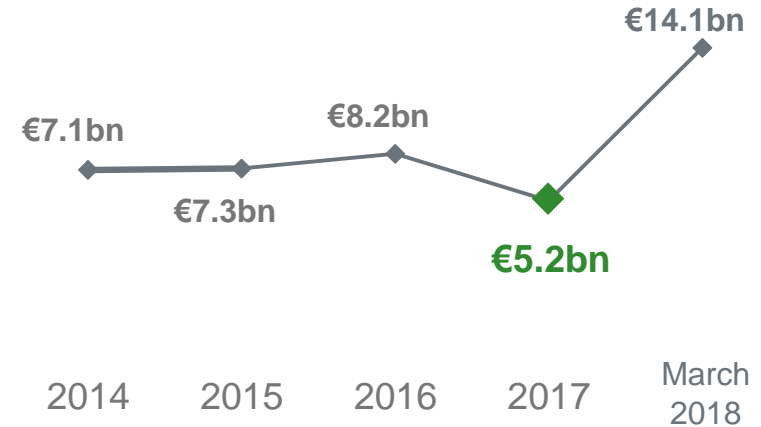
# High and Strong Cash-Flow Allows to Finance our Acquisitions at Excellent Conditions

## Free Cash Flow<sup>(1)</sup>



- **Strong long-term credit ratings**
  - Moody's A1; S&P AA

## Net Debt



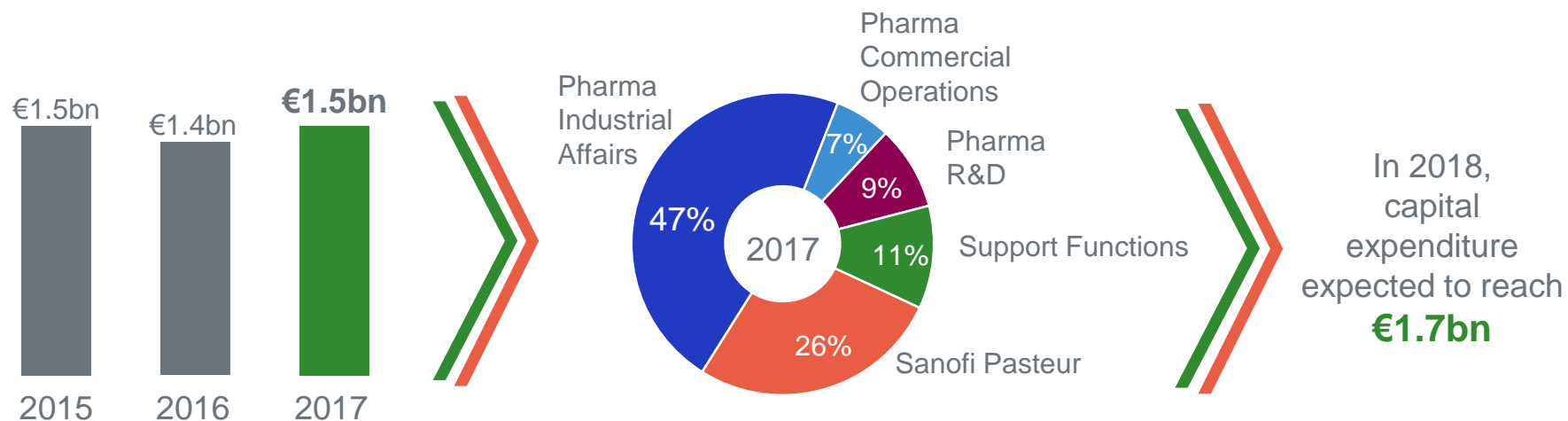
- **Successful bond issues in March 2018**
  - €8bn; average cost of 0.96%

# Strategically and Financially Compelling Acquisitions to Enhance Sanofi's Growth Profile and Create Value

	Value	Value Creation <sup>(1)</sup>	Build Leadership Position	Strengthen Pipeline	Immediate EPS Accretion <sup>(2)</sup>
	\$11.6bn	✓	✓	✓	✓
	€3.9bn	✓	✓	✓	~

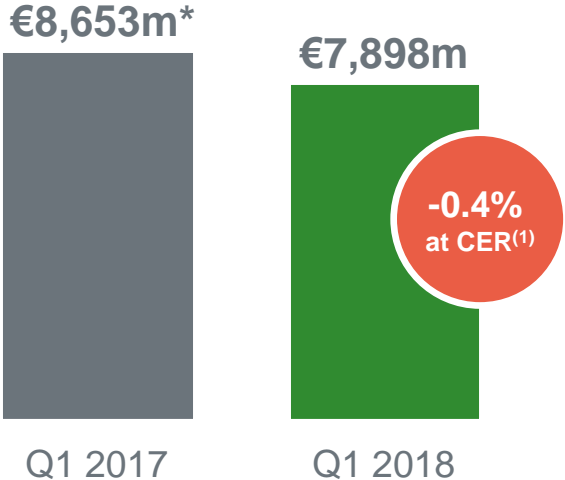
# €1.5bn Capital Investments in 2017: Further Expansion in Biologics Production Capacity

## Capital Expenditure Evolution and Breakdown in 2017

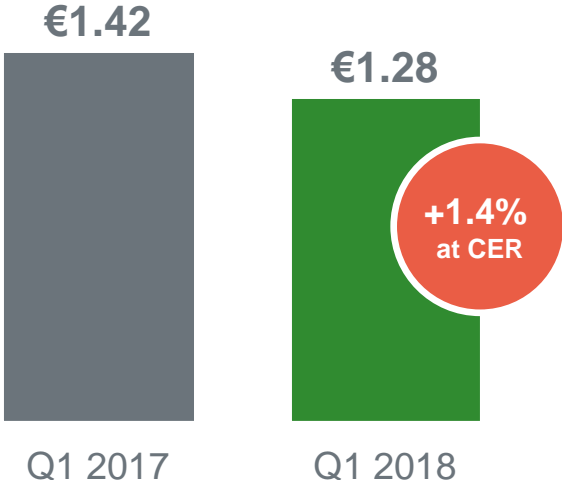


# Q1 2018: Performance of Specialty Care and Emerging Markets Offsets U.S. Lantus<sup>®</sup> and Sevelamer Loss of Exclusivity

## Sales



## Business EPS





# Expected Return to Growth in H2 2018

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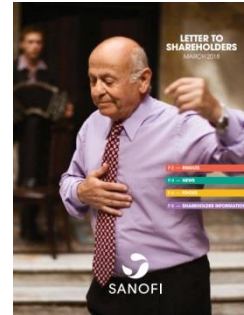
- 1 First quarter in line with 2018 guidance
- 2 Impact of exchange rates movements
- 3 Progress of new products
- 4 Establishment of a leadership in rare blood disorders
- 5 Strong long-term credit ratings confirmed

**Expected evolution of Business EPS in 2018: +2% to +5% at CER<sup>(1,2)</sup>**

# An Active Communication with our Individual Shareholders

## Your publications

- Shareholder Handbook
- Letter to Shareholders
- Fact Sheet



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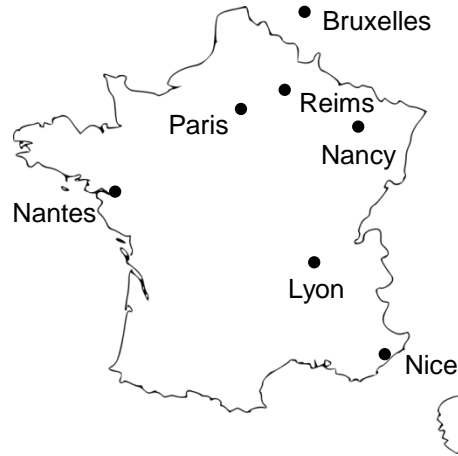
## Your online information

- [www.sanofi.com/shareholders](http://www.sanofi.com/shareholders)
- Sanofi IR mobile app
- Social Media



# Meetings with Shareholders

## Meetings planned in 2018



- Salon Actionaria 2018
  - November 22-23: Paris



## Shareholders Committee



- 4 events planned in 2018
- Visit of Marcy-l'Etoile Sanofi Pasteur industrial site
- Meetings with management and the Chairman



## Reports by Statutory Auditors at the Combined General Meeting

PricewaterhouseCoopers Audit, ERNST & YOUNG et Autres

# Reports and Statements Prepared by the Statutory Auditors and Made Available to Shareholders

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- **Financial statements**

- Statutory Auditors' report on the statutory financial statements (1<sup>st</sup> resolution)
- Statutory Auditors' report on the consolidated financial statements (2<sup>nd</sup> resolution)

- **Related-party agreements and commitments**

- Statutory Auditors' special report on related-party agreements and commitments (4<sup>th</sup> resolution)

- **Social, environmental and societal information**

- Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated human resources, environmental and social information included in the management report

- **Profit forecasts**

- Statutory Auditors's report on forecasted business net income per share

- **Other statements**

- Statutory Auditors' statement on compensation
- Statutory Auditors' statement on the information provided in accordance with Article L.225-115-5° of the French Commercial Code with respect to the total amount of payments made pursuant to paragraphs 1 and 4 of Article 238 bis of the French Tax Code



SANOFI 

Questions & Answers



SANOFI 

Vote on the Resolutions