

Paris, January 4, 2023. Sanofi (EURONEXT: SAN, NASDAQ: SNY) has compiled the following items for consideration to assist in the financial modeling of the Company's Q4 2022 results.

Management guidance and previous commentary

As a reminder, Sanofi's Q3 2022 communications can be found at:

<https://www.sanofi.com/en/investors/financial-results-and-events/financial-results/Q3-results-2022>

Sanofi expects a positive currency impact in Q4 2022. See the table below for the impact from foreign currency.

At Q3 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 slightly down.
 - **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

- **Dupixent®:** Q3 2022 U.S. sales growth accelerated and benefitted from the launch of the EoE indication and penetration in younger populations.
- **Kezvara®:** Q3 2022 sales decreased due to a high base in the third quarter of 2021 which benefitted from 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 1st, 2022, affecting oncology franchise sales. Sanofi receives 11% royalties on Libtayo® sales which are recorded in the line "other current operating income net of expenses".
- **Cerezyme®:** Q3 2022 sales growth was driven by the Rest of the World region, reflecting favorable purchasing patterns and sustained new patient accruals.

General Medicines

- **Lovenox®:** Q3 2022 sales decreased reflecting a high comparative base in 2021 due to COVID-19 related demand, leading to a decrease of the Low Weight Molecular Heparins market. At the same time competition of biosimilars increased.
- **Lantus®:** As announced at Q2 results, Sanofi expects its total glargine (**Toujeo®/Lantus®**) sales to decrease not more than 30% in China in 2022 due to the Volume Based Procurement (VBP) for insulins (implemented in May 2022). In the U.S., Lantus® Q3 sales were impacted by formulary losses as well as by erosion of the basal insulin market.
- The **transplant franchise** is expected to continue its growth path in 2022 benefitting also from the launch of **Rezurock®***. Rezurock® started to be consolidated from November 2021.
- In the beginning of April, a mandatory price decrease for **Plavix®** came into effect in Japan.

Growth is at CER: constant exchange rates

- The impact from **divestments** on General Medicines sales in Q4 2022 is expected to be around €20 million.
- **EUROAPI spin off:** EUROAPI third-party sales were €131 million in Q4 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

- **Flu vaccines sales:** As highlighted before, Sanofi expects another record year of flu vaccines sales with Northern Hemisphere sales split approximately 70/30 over Q3 and Q4 2022. In H2 2021, flu vaccines sales were split 55/45 between Q3 and Q4.
- **Polio/Pertussis/Hib vaccines:** In Q3 2022, PPH vaccines sales were sustained by the Rest of the World region benefitting from favorable purchasing patterns in public markets. **Vaxelis**® Q3 market share continued to grow in the U.S. (sales not consolidated).
- **Meningitis:** Q3 2022 sales increase reflected favorable CDC inventory fluctuation in the U.S.
- **Booster vaccines:** Q3 2022 sales were still below pre-pandemic levels*.
- In Q4 2022, Sanofi finalized the divestment of its **Japanese encephalitis vaccine** (Q4 2021 and full-year 2021 sales of €10 m and €31 m, respectively).

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 Q3 2022, **Sanofi CHC** sales growth was exclusively driven by price. In the **U.S.**, CHC sales decreased due to Q3 2021 high basis related to post Covid sales rebound, as well as a broad market slow down starting in August.
- The **impact from divestments** on Q4 2022 CHC sales is expected to be around €10 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* (up 13.1% at CER in the first 9M of 2022), reflecting also recent acquisitions.

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).

At Q3 2022 results, Sanofi communicated on the expected profitability levers in Q4 2022:

Tailwinds:

- Dupixent®
- Capital gains from divestitures:

- In 2022, capital gains from product disposals are expected to reach approximately €600 million* (versus €318 million in 2021). Capital gains related to portfolio streamlining were €388 million in the first nine months of 2022 and €257 million in the same period of 2021. In Q4 2021, capital gains from divestments were €61 million.
- Lower marketing & selling expenses.

Headwinds:

- Flu vaccines phasing
- Macroeconomic headwinds such as increased cost of energy and transportation as well as labor costs.

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® regulatory milestone payment

The \$100 million regulatory milestone payment triggered by the FDA approval of Libtayo® in combination with chemotherapy as first line treatment for advanced non-small cell lung cancer (NSCLC) will be recorded in the IFRS Q4 2022 P&L (line Other Operating Income/Expense) and excluded from business P&L.

Share Buyback

In Q4 2022 and full-year 2022, Sanofi repurchased 1.51 million shares (for an amount of €137 million) and 5.49 million shares (for an amount of €497 million), respectively.

Number of Shares

The average number of shares for the calculation of EPS is expected to be around 1,254.0 million in Q4 2022 versus 1,254.9 million in Q4 2021 and to be around 1,251.9 million in 2022 versus 1,252.5 million in 2021.

Impact from foreign currency

The main currency variations were:

EUR/...	Q4 2021	Q4 2022	Variation
Developed Markets			
U.S. Dollar	1.14	1.02	-10.8%
Japanese Yen	130.06	144.20	10.9%
Canadian Dollar	1.44	1.39	-3.8%
Australian Dollar	1.57	1.55	-1.1%
British Pound	0.85	0.87	2.5%
Swiss Franc	1.05	0.98	-6.8%
Emerging Markets			
Chinese Yuan	7.31	7.26	-0.7%
Brazilian Real	6.39	5.37	-15.9%
Mexican Peso	23.72	20.09	-15.3%
Argentine Peso	114.93	165.97	44.4%
Russian Ruble	83.11	64.07	-22.9%
Turkish Lira	12.74	19.01	49.2%
South African Rand	17.63	17.98	2.0%
Indian Rupee	85.71	83.87	-2.1%
Egyptian pound	17.98	23.64	31.5%

Based on this evolution of foreign currencies, Sanofi preliminary estimate of currency impact on:

- Q4 2022 sales is approximately between +4.5% and +5.5% and on Q4 business EPS is approximately between +6% and +7%;
- full-year 2022 sales is approximately between +6.5% and +7.5% and on full-year business EPS is approximately between +8% and +9%.

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

Zantac U.S. litigation update

Sanofi remains confident in its legal defenses and was pleased with the federal Multi-District Litigation (MDL) court's determination in early December that there is insufficient evidence that ranitidine can cause plaintiffs' alleged cancers. This ruling significantly decreased the scope of the litigation and substantiates Sanofi's scientific defenses to the claims being asserted. In mid-December, Sanofi reached a favorable agreement to resolve Mr. Goetz's claims against it (California court case). Sanofi settled this case not because it believes these claims have any merit, but rather to avoid the expense and distraction of a trial in California. With this settlement, Sanofi is not a defendant in any of the other California cases set for trial in 2023. As to the respective indemnification rights and obligations of Sanofi in the context of its acquisition of the product from Boehringer Ingelheim, those obligations are being disputed between the parties in the arbitration. The arbitration award is **now expected to be rendered some time in 2023**, the earliest at the end of Q1.

Investor News Flow

All press releases issued during Q4 2022 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, 2021. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.