



# General Meeting 2021

April 30, 2021



SANOFI

Eloise, athlete in the French national fencing team, patient with atopic dermatitis

# Forward-looking statements

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 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.

# Agenda

Introduction & Governance

Compensation policy

Driving growth with strategic choices

Our new contract with society

Our people ambitions

2020 financial performance

Reports by Statutory Auditors

**Serge Weinberg** Chairman of the Board of Directors

**Patrick Kron** Chairman of the Compensation Committee

**Paul Hudson** Chief Executive Officer

**Sandrine Bouttier-Stref** Head of CSR

**Natalie Bickford** Chief People Officer

**Jean-Baptiste de Chatillon** Chief Financial Officer

**PricewaterhouseCoopers Audit, ERNST&YOUNG and others**



Q&A | Resolutions and voting results



# Introduction & Governance

Serge Weinberg

Chairman of the Board of Directors

SANOFI 

# Current membership of the Board of Directors



**Serge Weinberg**  
Chairman of the Board,  
Independent  
Director



**Paul Hudson**  
CEO,  
Director



**Laurent Attal**  
Director



**Christophe Babule**  
Director



**Bernard Charlès**  
Independent  
Director



**Rachel Duan**  
Independent  
Director



**Lise Kingo**  
Independent  
Director



**Patrick Kron**  
Independent  
Director



**Fabienne Lecorvaisier**  
Independent  
Director



**Melanie Lee**  
Independent  
Director



**Carole Piwnica**  
Independent  
Director



**Gilles Schnepf**  
Independent  
Director



**Diane Souza**  
Independent  
Director



**Thomas Südhof**  
Independent  
Director



**Marion Palme**  
Director  
representing  
employees



**Christian Senectaire**  
Director  
representing  
employees

# Directors movements

## Directors leaving the Board effective AGM 2021



**Laurent Attal**  
Director

Reason: **Resignation** due to retirement.



**Bernard Charlès**  
Independent Director

Reason: **Non-renewal**. Bernard Charlès did not seek reappointment.

## New Director appointment



**Barbara Lavernos**  
Director  
*French and German, aged 53*

In-depth knowledge of the management of international groups as well as technological knowledge.

# Directors ratified and put forward for renewal – Board of Directors



**Gilles  
Schnepf**  
Independent  
Director

Coopted by  
the Board on May  
22, 2020



**Fabienne  
Lecorvaisier**  
Independent  
Director



**Melanie Lee**  
Independent  
Director

# An independent, experienced and diversified Board of Directors

- Post 2021 AGM  
15 directors
  - Widely independent (10 out of 13<sup>(1)</sup>) and gender sensitive (54%<sup>(2)</sup>)
  - International (8 non-French directors, i.e. 54%)
  - 2 directors representing employees
- Maintenance of key competencies and strengthening of the Board's skills in the following areas:
  - Maintenance of key skills
  - Deepening technological knowledge



Renewal of the terms of Fabienne Lecorvaisier and Melanie Lee, ratification of the co-opting of Gilles Schnepf and appointment of Barbara Lavernos



# A dedicated and active Board of Directors

- **A sustained level of activity in 2019:**
  - 14 meetings, including
    - 1 *executive session*
    - 1 strategic seminar
- **Activities related to:**
  - *Play to win* strategy
  - Review of activities
  - Governance matters (gender balance)
  - Situation regarding the COVID-19 pandemic - progress in vaccine research
  - New CSR strategy
- **A formalized evaluation for continuous improvement**

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**Average attendance rate**  
**Board of Directors & Committees:**

**98.5%**

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**Board of Directors:**

**98%**

**Committees:**

**99%**

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# Five specialized committees (year 2020)

## 1 Audit Committee

- Chaired by **Fabienne Lecorvaisier**
- 4 financial experts
- 75% of independent members
- 6 meetings in 2020



- Review of annual, half-yearly and quarterly results
- Review of the main risks that could affect the results
- Cybersecurity update
- Intellectual property strategy
- Review of the personal data protection compliance program
- Supply chain monitoring update
- Business ethics update

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**Attendance rate : 93%**

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## 2 Compensation Committee

- Chaired by **Patrick Kron**
- 3 members (100% being independent)
- 3 meetings in 2020



- Analysis of the shareholder vote at the General Meeting of April 28, 2020 - review of the application methods for *Say on Pay* - reflection on changes to the compensation policy of the Chief Executive Officer
- Review of share-based compensation plans
- 2020 employee shareholding plan update

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**Attendance rate : 100%**

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# Five specialized committees (year 2020) (cont'd)

## 3 Appointments, Governance and CSR Committee

- Chaired by **Serge Weinberg**
- 3 members (100% being independent)
- 5 meetings in 2020



- Changes in the composition of the Board of Directors and its committees
- Succession plan for the Chief Executive Officer and the Chairman
- Follow-up of discussions with Sanofi's main shareholders and voting advisory agencies
- Formalized assessment of the activities of the Board of Directors and its committees
- Review of the CSR policy and reflections on new orientations

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**Attendance rate : 100%**

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## 4 Strategy Committee

- Chaired by **Serge Weinberg**
- 2 members (50% being independent)
- 6 meetings in 2020



- Digital update
- Review of disposal and acquisition projects & business development priorities
- Realization of the *Play to Win* strategy
- Sanofi's ambitions in France
- Partnership opportunities

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**Attendance rate : 100%**

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# Five specialized committees (year 2020) (cont'd)

## 5 Scientific Committee

- Chaired by **Thomas Südhof**
- 4 members (75% being independent)
- 5 meetings in 2020



- Update on rare diseases
- Principia Biopharma acquisition project
- Gene therapy strategy
- Oncology strategy
- Update on COVID-19 vaccine candidates
- Update on Immuno-inflammatory diseases
- R&D pipeline

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**Attendance rate : 100%**

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## 1 strategic seminar in 2020

- *Play to Win* strategy for 2020-2025
- Change of R&D strategy
- Situation of General Medicine update
- Vaccine update
- Growth of Dupixent® and Specialty Care opportunities
- Digital strategy review
- Financial trajectory

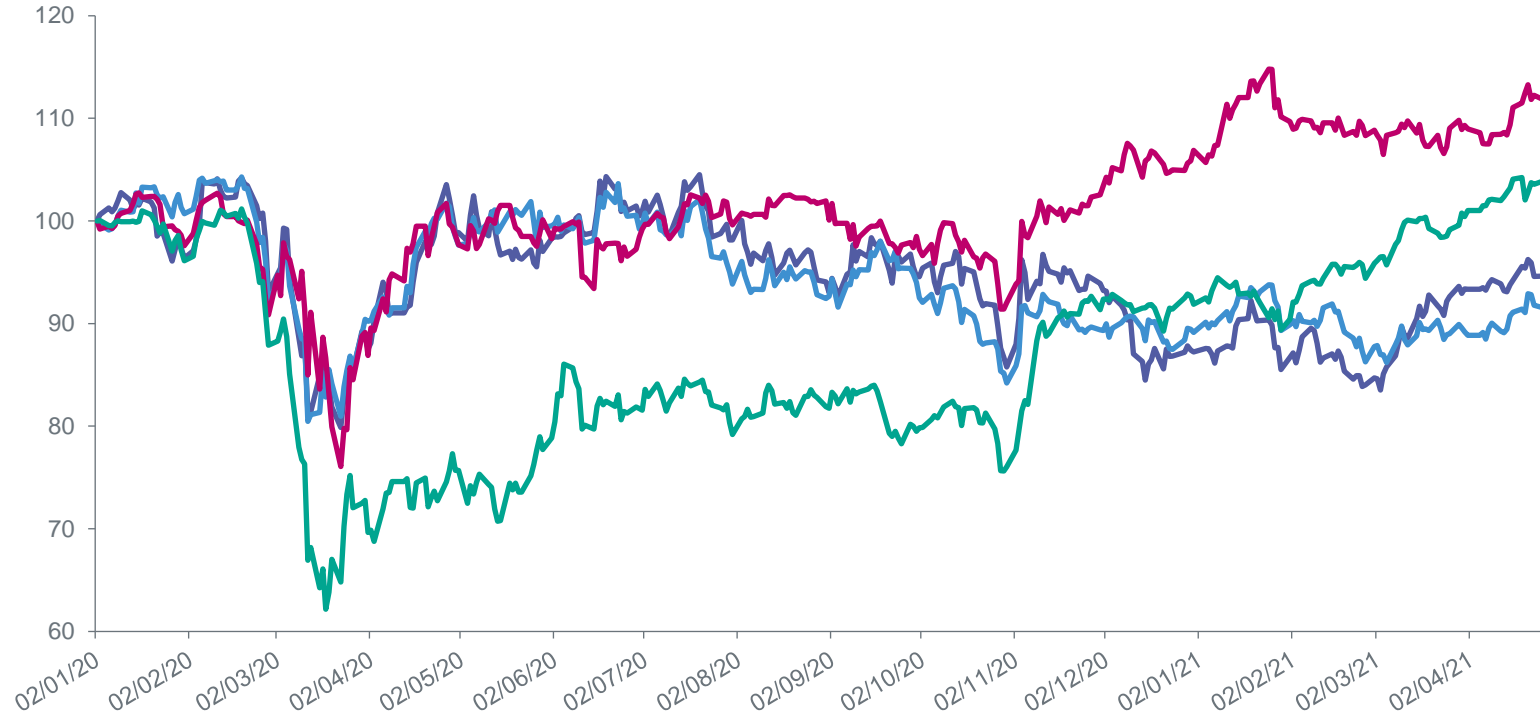
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**Attendance rate : 100%**

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# Sanofi share performance vs. CAC 40 and Pharmaceutical Sector since January 3, 2020

Evolution of the share on a basis of 100



  
**Pharma US**  
**+10.9%**

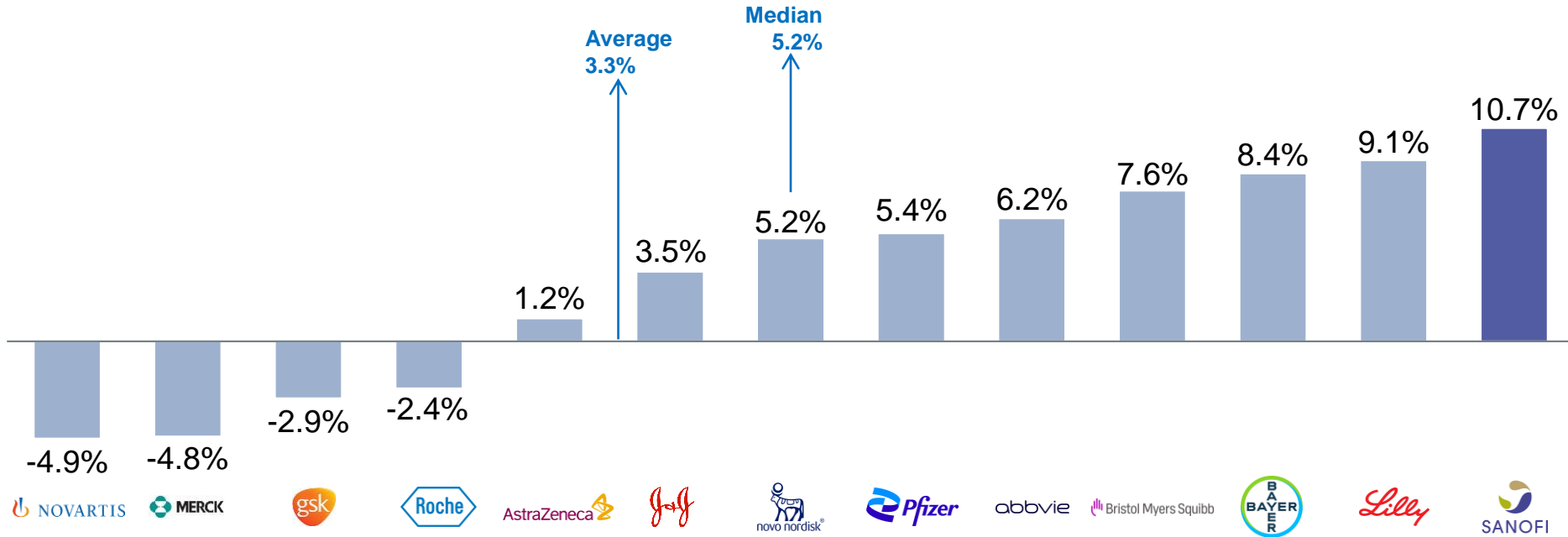
  
**CAC 40**  
**+4.4%**

  
**SANOFI**  
**-3.1%**

  
**Pharma Europe**  
**-9.3%**

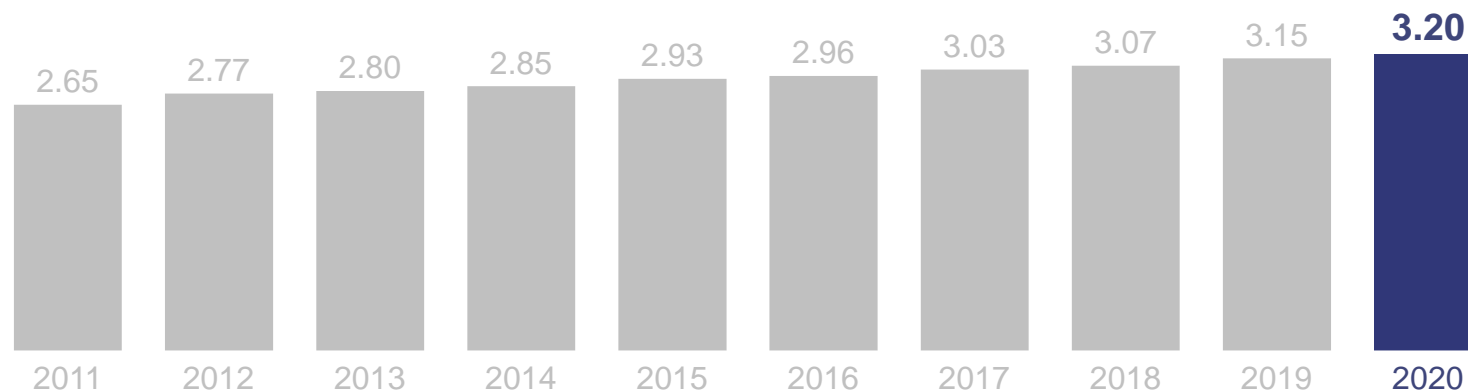
# Sanofi share performance vs. Pharmaceutical Company Peers since January 4, 2021

Performance on capital markets in local currencies



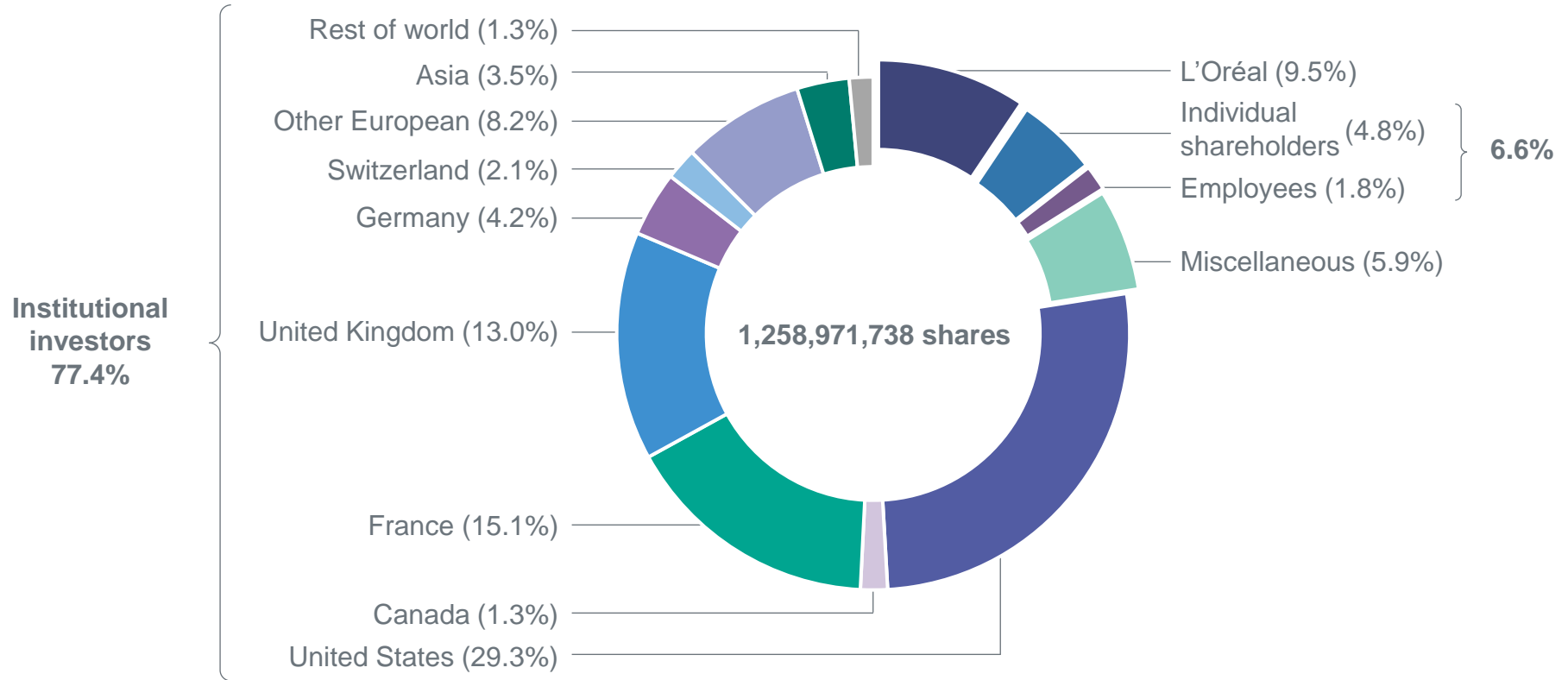
# Dividend – An important element of shareholder return

## Evolution of dividend



- 2020 dividend proposed by the Board of Directors: €3.20 per share<sup>(1)</sup>

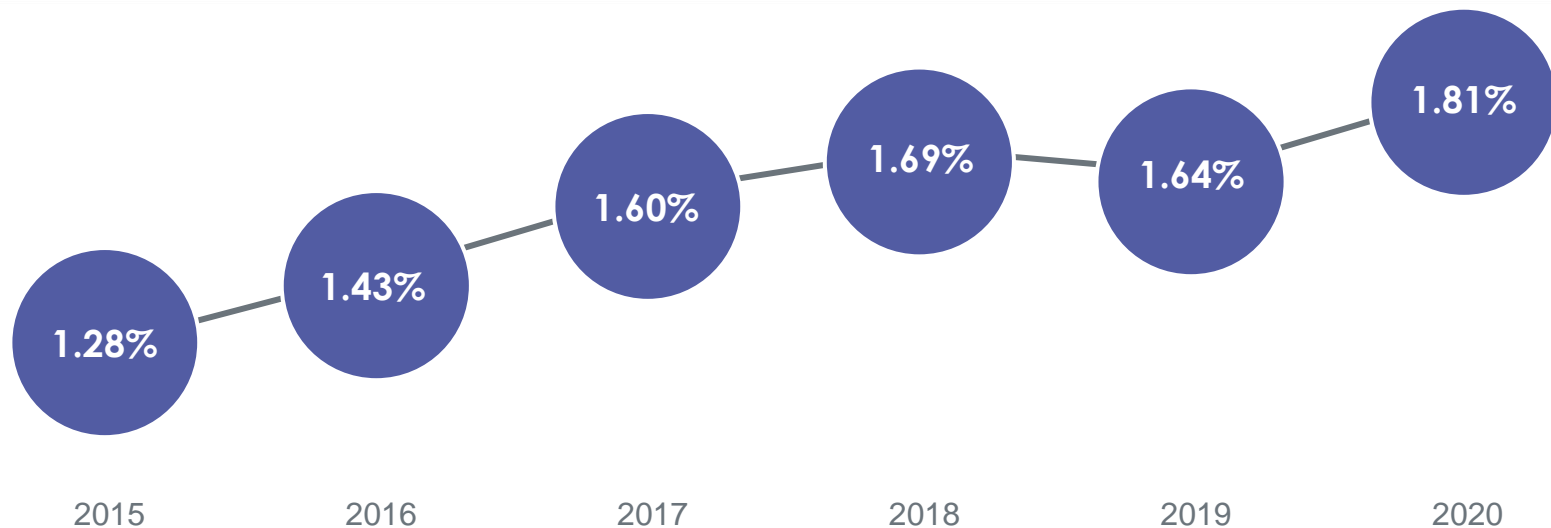
# An international and diversified share ownership





# Strengthen employee share ownership

Evolution of employee share ownership between 2015 and 2020<sup>(1)</sup>



***Sanofi wants to strengthen its employee share ownership<sup>(2)</sup>***



# Compensation Policy

Patrick Kron

Chairman of the Compensation Committee

SANOFI 

# Compensation policy for Directors

- Subject to shareholders' approval of Resolution no.11, Directors' compensation will be adjusted as follows:
  - From the 2021 financial year, taking into account the health constraints, the implementation of adapted technical tools and the practices observed at the other issuers, the administrator who participates by video-conference will receive a compensation equivalent to that of a director residing in France and participating in person
  - Compensation of committee chairs would remain unchanged
  - No other change envisaged

# Compensation policy for the Chairman of the Board

- Annual fixed gross compensation

- No compensation for his mandate as director
- No annual variable compensation
- No incentive in shares
- No compensation payable upon termination of office
- No right to a supplementary pension
- No exceptional compensation

**Unchanged compensation's structure**

# Compensation elements of Serge Weinberg in 2020

	Amounts	Comments
Fixed compensation	€800,000	Fixed compensation is increased from €700,000 to €800,000. It had remained unchanged since the start of his term as President (2009).
	€7,715	Company car
<b>Total</b>	<b>€807,715</b>	

# Compensation policy for the Chief Executive Officer

- Gross annual fixed compensation
- Gross annual variable compensation
- Equity compensation
  - Performance shares(The CEO cannot be granted stock options)

- No compensation for his mandate as director
- No exceptional compensation

- 
- Compensation on leaving office
    - Termination benefit in the event of forced departure
    - Supplementary defined contribution pension plan, subject to the fulfillment of a performance condition
    - Non-compete undertaking

Unchanged compensation structure

# Adjustments to the compensation policy for the Chief Executive Officer

2021

- **Annual variable compensation:**
  - The quantitative part of the objectives (financial and non-financial) has been changed from 60% to 67% minimum,
  - The Company now publishes the level of achievement of non-financial objectives (ex post), on an ex post basis.
- **Equity compensation:**
  - In case of retirement from the legal age before the end of the vesting period, the overall allowance rate is prorated to reflect the actual presence of the Director General in the group during the period acquisition.

# Compensation elements of Paul Hudson in 2020

	Amounts	Comments
Fixed compensation	€1,300,000	Annual fixed compensation (unchanged since his arrival in 2019).
Variable compensation	€2,213,250 <sup>(1)</sup>	Annual variable compensation for 2020, paid in 2021.
Performance shares	€5,708,250	Paul Hudson was granted 75,000 performance shares for fiscal year 2020.
Indemnity for taking up duties	€2,011,750	Bonus for 2020 (1 <sup>st</sup> Tranche of the Phantom Stock Units plan)
Supplementary pension plan	€439,156	Annual contribution up to 25% of compensation - submitted of the achievement of a performance condition
Benefits in kind	€168,842	Housing costs for its installation period until August 2020.



# Variable compensation of Paul Hudson in 2020

	Criteria	Weighting	Payout rate
<b>Financial goals (40%)</b>	Sales growth	10%	9.2%
	Business net income	10%	10.6%
	Free Cash Flow	10%	13.5%
	Operating margin of activities	10%	11.3%
<b>Individual goals (60%)</b>	Growth of new key assets	10%	10.5%
	Business transformation	15%	17.3%
	Organization and human capital	10%	12%
	Development portfolio	10%	14%
	CSR	15%	15%
		100%	113.5%

Target bonus: €1,950,000  
 Bonus awarded (113.5% & target): €2,213,250

# Compensation elements of Paul Hudson in 2021

- **Gross annual fixed compensation set at €1,300,000**
- **Variable compensation in a range between 0% and 250% of the fixed compensation, with a target of 150%, and subject to both quantitative and qualitative criteria**
  - 50% based on financial criteria:
    - Sales growth (10%), Business net income (10%), Free cash flow (10%), Operating margin from activities (10%) and growth in new assets (10%)
  - 50% based on specific individual objectives:
    - Business transformation (15%), Organization and people (7.5%), Pipeline (12.5%) and CSR (15%)
      - Quantitative part around 1/2
- **Grant of 75,000 performance shares**
  - Contingent upon both internal (Business net income and Free cash flow) and external (based on the Total Shareholder Return) criteria
  - 3-year Vesting Period - 2021 to 2023
- **Phantom Stock Units - Sign-on bonus**
  - Cash bonus, subject to the fulfillment of performance conditions and an attendance condition
  - Reference period for the 2<sup>nd</sup> Tranche: January 1, 2020 to December 31, 2021



# Driving growth with strategic choices

Paul Hudson

Chief Executive Officer

SANOFI 



Nous



sommes



ici pour



vous,

restez

chez

vous !





# Sanofi committed to the fight against COVID-19



## Two complementary vaccine approaches

### Recombinant protein-based COVID-19 vaccine candidate

- In collaboration with GSK and BARDA
- Potential availability of vaccine end of 2021

### Novel mRNA COVID-19 vaccine candidate

- In collaboration with Translate Bio
- Phase 1/2 started in March 2021

## Ensuring global access to potential recombinant vaccine

### Pre-orders signed with major countries and regions

- Europe: up to 300 million doses
- U.S.: 100 million doses, further option for additional 500 million doses
- UK: up to 60 million doses
- Canada: up to 72 million doses

### Sanofi and GSK to support COVAX Facility

- COVAX Facility: up to 200 million doses

## Continuous commitment to patients and society

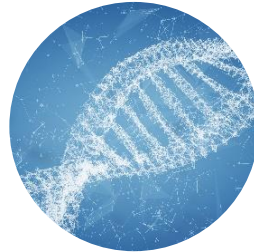
- Largely maintained clinical trials
- **Ensured manufacturing** and delivery of medicines and vaccines
- **Supported patients**, healthcare workers and health authorities
- **Investigated existing medicine** as potential treatment for COVID-19
- **Provide manufacturing support** to BioNTech and Johnson & Johnson for their COVID-19 vaccines

# Our 'Play to Win' strategy



## Focus on growth

Portfolio prioritization to strengthen profile



## Lead with innovation

Bring transformative therapies to patients



## Accelerate efficiency

Decisive actions to expand margins

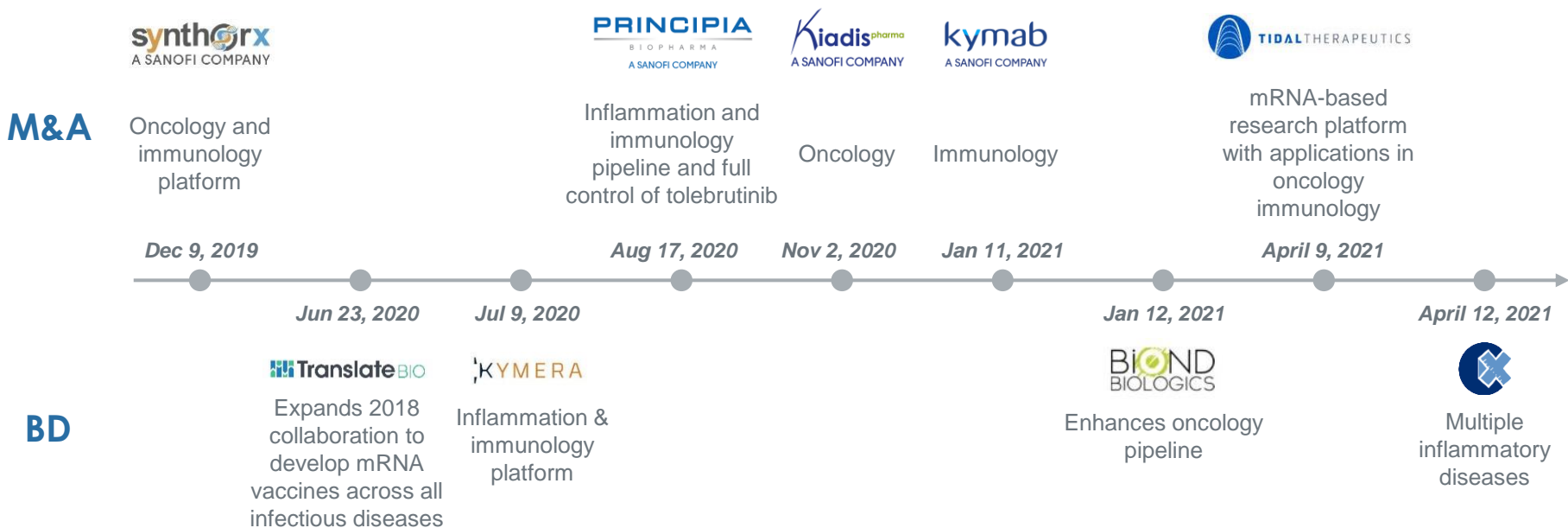


## Reinvent how we work

Empowerment and accountability





# Clear capital allocation priorities to strengthen R&D



*Sale of equity investment in Regeneron to support execution of 'Play to Win' strategy*

# Immunology: focused on unmet needs in heterogenous patient populations

		Atopic dermatitis	Asthma	COPD
Type 2 target		<b>DUPIXENT</b> <sup>®</sup>  (dupilumab)	<b>DUPIXENT</b> <sup>®</sup>  (dupilumab)	dupilumab
Type 2 plus	SC	Anti-OX40L	Anti- IL-13/TSLP	itepekimab
	Oral	IRAK4 degrader   rilzabrutinib	rilzabrutinib	

*Leveraging deep understanding across Type 2 pathway and beyond*

# Committed to excellence in manufacturing and supply



## Enabling greater stability in quality drug supply

### EUROAPI – A new industry champion

- Standalone company combining our API business with 6 of our European API production sites
- Expected sales of €1bn by 2022
- Expected to rank world #2
- Headquartered in France
- 3,100+ employees with a presence in 13 countries and sales in 80+ countries
- Karl Rotthier appointed Chief Executive Officer

## Expanding technological leadership in bioproduction

### Evolute Vaccines Facility – First state-of-the-art production site

- €490m invested over five years
- Expected to create 200 jobs
- Located in Neuville-sur-Saône, France
- Carbon-neutral

### Strengthening regional hubs with further investments

- North America: new influenza vaccine facility in Toronto
- Asia: new Evolute Vaccines Facility in Singapore

## Rolling out the digitalization of our network

### Framingham – Overall Facility of the Year 2020<sup>(1)</sup>

- One of the first fully digital facilities of its kind in the world
- Located in Framingham, Massachusetts, US

### Sisteron – Creation of a fully automatized and digitalized chemistry unit

- Accelerate the launch of new chemical molecules from our R&D portfolio that intend to bring breakthrough therapeutic solutions to patients

# Our key growth drivers are delivering



## Dupixent<sup>®</sup>

Maximize patient benefits with ambition to achieve >€10 billion peak sales across type 2 inflammatory diseases

**€3.5bn**

sales in 2020,  
3 years  
after launch



## Vaccines

Expected mid-to-high single-digit growth<sup>(1)</sup>, through differentiated products, market expansion, launches

**8.8%**

growth in 2020



## Pipeline

Prioritize and accelerate portfolio of potentially transformative therapies

**12**

projects entered  
Phase 3  
in 2020

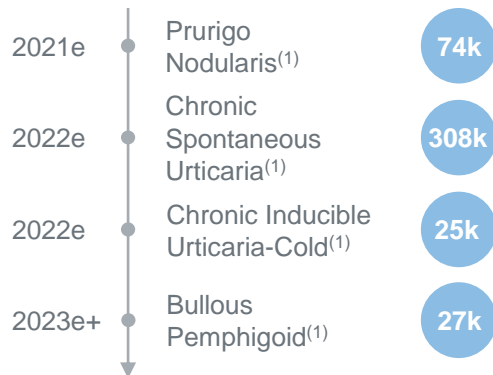
# Dupixent®: Building a megabrand



## Dermatology

Expected U.S. submission date

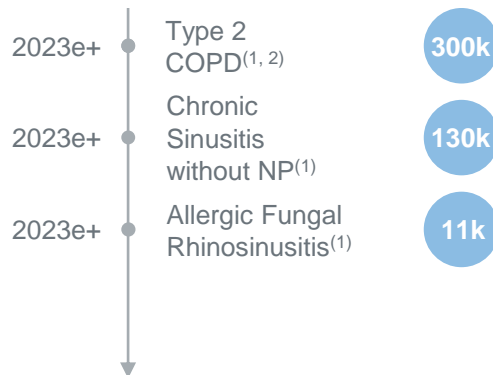
U.S. biologics eligible population



## Respiratory

Expected U.S. submission date

U.S. biologics eligible population



## Other Type 2 indications

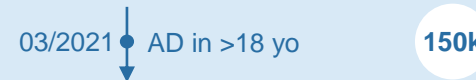
Expected U.S. submission date

U.S. biologics eligible population



## China

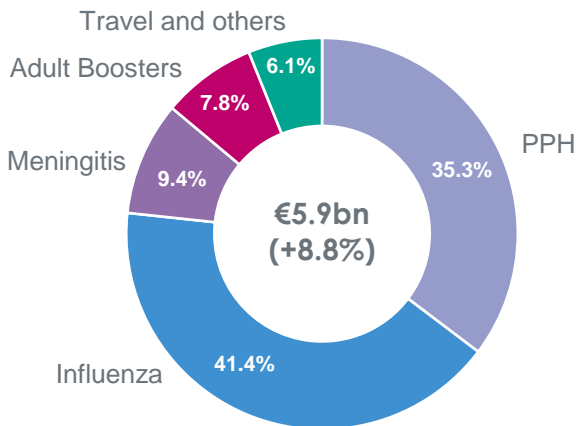
NRDL accessible population<sup>(3)</sup>



Sales were up 73.9% to €3.5bn in 2020, well on track to achieve >€10bn peak sales target

# Vaccines: mid-to-high single-digit growth<sup>(1)</sup> objective driven by three core franchises & RSV

## FY 2020 sales in % of total sales



## Growth drivers

### PPH & Adult Boosters

- Hexaxim<sup>®</sup>
- Booster acceleration

### Influenza

- Fluzone<sup>®</sup> HD QIV<sup>(2)</sup> global launch
- Supemtek<sup>®(3)</sup> launch in Europe
- Pipeline

### Meningitis

- Men ACWY expansion
- MenQuadfi<sup>®</sup> launch in Europe

### Nirsevimab (RSV)<sup>(4)</sup>

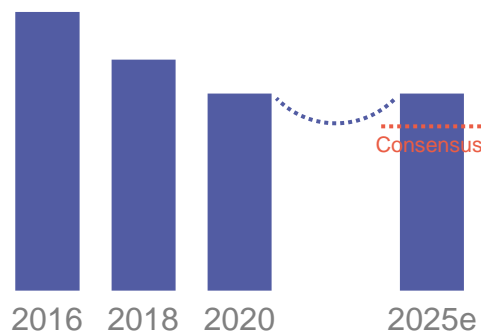
- Potential 1<sup>st</sup> prophylaxis for all infants

# General Medicines: Actively managing a resilient business

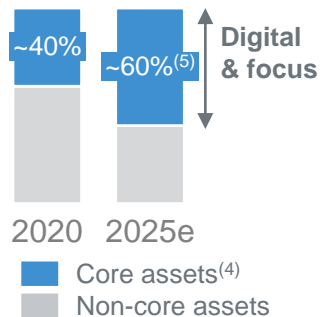
Stabilize sales and maintain current profitability<sup>(1,2)</sup>

## General Medicines sales<sup>(3)</sup>

Illustrative



## Simplification of portfolio

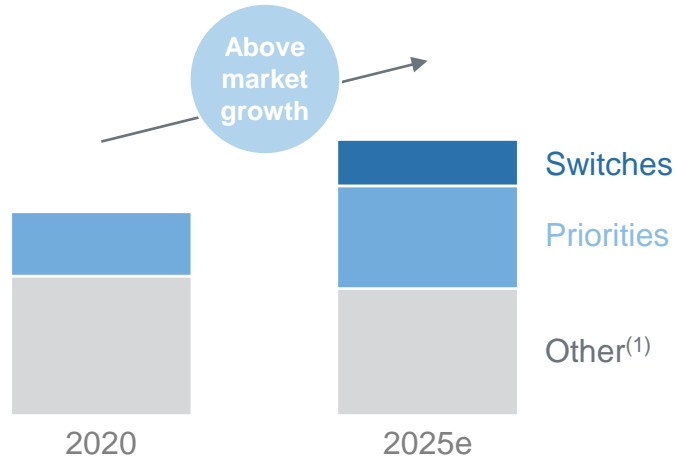


## • Drivers to maintain profitability

- Core assets expected to grow to ~60%<sup>(5)</sup> of sales by 2025
- Focus on key markets
- Continued divestments
- COGS improvement

## Funding the Specialty Care pipeline








# Consumer Healthcare: Invest in focused brands and geographies for best-in-market growth in 2024/2025




- Ambition for best-in-market growth with switches from 2024/2025
- Grow priority brands above market growth as early as 2022 in key geographies
- Supported by consumer insights, digital and e-commerce channels and a standalone model with dedicated support functions



# Status update of our late-stage priority assets

Asset	Key progress	Planned initial submission <sup>(1)</sup>
 Dupixent <sup>®(2)</sup>	3 new indications announced and in Phase 3; AD EU 6-11 years <b>approval</b> ; asthma 6-11 years pivotal results	Launched
Amcenestrant	2L/3L mBC Phase 3 (AMEERA-3) data expected in <b>H1 2021</b> ; 1L mBC combo Phase 3 (AMEERA-5) <b>first patients enrolled</b>	 2021e
Fitusiran <sup>(3)</sup> & BIVV001 <sup>(4)</sup>	Fitusiran FDA <b>fast track designation</b> ; patient dosing resumed after voluntary pause; BIVV001 Phase 3 enrollment completed <sup>(5)</sup>	 2022e
Venglustat	ADPKD Stage 1 of Phase 3 fully enrolled and <b>Stage 2 on-going</b> GBA-PD development halted	 2022e
 Nirsevimab <sup>(6)</sup>	<b>NEJM</b> publication of Phase 2b results; Phase 3 ongoing	 2023e
Tolebrutinib	<b>Enrollment on-going</b> in all four pivotal studies	 2024e

 Breakthrough designation

Investigational uses of priority assets have not been approved by regulators for the uses being investigated.

AD: moderate to severe atopic dermatitis; mBC: metastatic breast cancer; ADPKD: autosomal dominant polycystic kidney disease; GBA-PD: Glucocerebrosidase – Parkinson's Disease

(1) First submission for assets with multiple potential indications; (2) Breakthrough designation for AD 6-11 years. Dupixent<sup>®</sup> in collaboration with Regeneron; (3) Fitusiran 2022 submission subject to future discussion with regulators (4) BIVV001 in collaboration with Sobi, recommended INN: efanesoctocog alfa; (5) Enrollment completed to meet the end of study criterion; (6) In collaboration with AstraZeneca



# Our renewed commitment to society

Sandrine Bouttier-Stref

Head of CSR

SANOFI 

# Sanofi expands its societal commitments



## AFFORDABLE ACCESS

- Non-profit business unit *Sanofi Global Health* to provide 30 essential medicines to 40 of the world's poorest countries
- 100,000 vials to be donated to patients with rare diseases
- Global access plan for all new products two years after launch



## VULNERABLE COMMUNITIES

- Eradicate Polio
- Eliminate sleeping sickness by 2030
- Develop innovative medicines to eliminate cancer deaths in children



## HEALTHY PLANET

- 100% eco-design for all our new products by 2025
- 100% blister-free vaccines by 2027
- 100% renewable electricity on all sites by 2030
- 100% carbon neutral car fleet by 2030



## INCLUSIVE WORKPLACE

- A senior leadership community representative of society by 2025
- Social impact integrated in leaders' career development
- Social & economic engagement in all communities where we operate

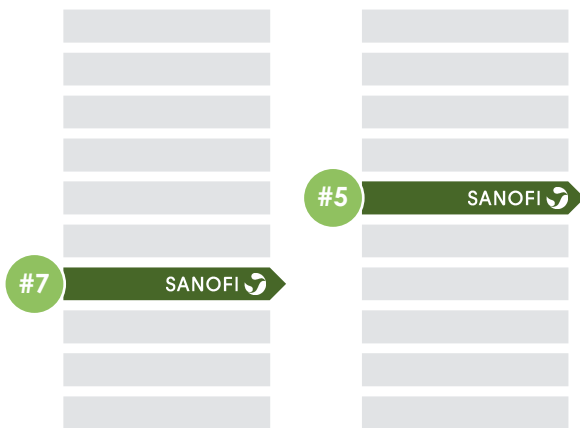
# Creation of Sanofi Global Health

## Expanding affordable access to those most in need

access to  
medicine  
index

2018

2021



**SANOFI GLOBAL HEALTH**  
Global non-profit unit





# Our people ambitions

Natalie Bickford

Chief People Officer



# Our business imperative

## What we need to successfully deliver the 'Play to Win' strategy



# Our 'Play to Win' 2025 people ambitions



## Healthy organization

Sanofi is an agile and competitive organization meeting patient and market needs, with a robust talent pool and the right capabilities



## Purposeful experience

Employees own their career journey, stretching themselves through compelling work experiences



## Winning culture

Our culture allows our people to thrive and enables business success



## Diversity edge

Our business outperforms through our ability to fully leverage the diversity of our people and our partners



# 2020 Financial performance

Jean-Baptiste de Chatillon

Chief Financial Officer

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# Sanofi pioneers sustainable finance in the pharma sector

First sustainability-linked revolving credit facilities for a total amount of €8 billion



AFFORDABLE ACCESS



VULNERABLE COMMUNITIES



HEALTHY PLANET



INCLUSIVE WORKPLACE

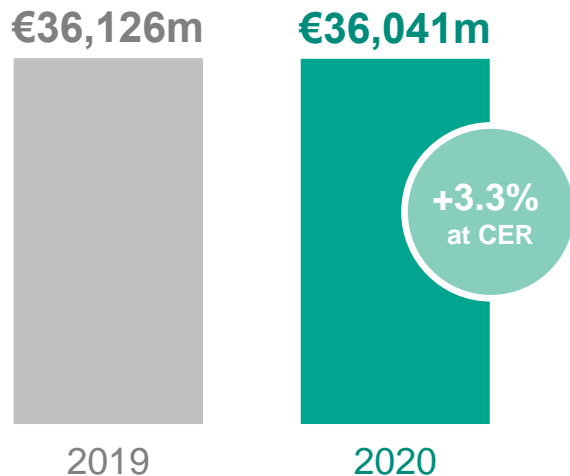
- Contribute to Polio eradication

- Reduce Sanofi's carbon footprint according to a 1.5°C scenario

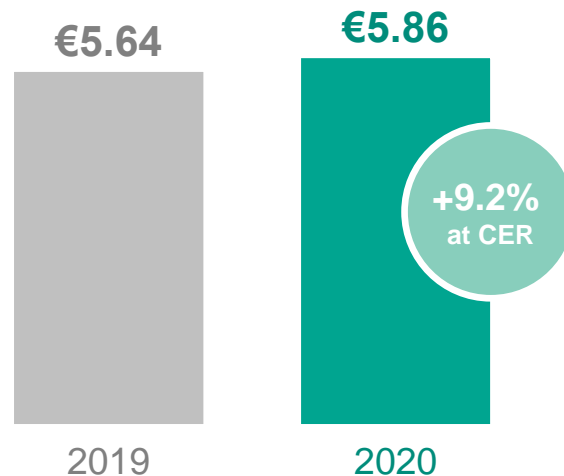
Two core ESG commitments linked to long-term financing

# Sanofi delivers strong business EPS growth in 2020




## Sales








## Business EPS



# Sanofi met 2020 financial performance objectives

	Objectives	2020 Results
<b>Tax rate</b>	~22%	22.0% 
<b>Business EPS guidance at CER</b>	Between +7% and 8% <sup>(1)</sup>	+9.2% <sup>(1)</sup> 
<b>Dividend growth</b>	Progressive	+1.8% 

# 2020 sales supported by Specialty Care and Vaccines

% of sales		Change at CER		
	<b>71.2%</b>	<b>Pharmaceuticals</b>	<b>25,674</b>	<b>+3.1%</b>
	30.4%	Specialty Care	10,954	+22.4%
	40.8%	General Medicines	14,720	-7.6%
	<b>12.2%</b>	<b>Consumer Healthcare</b>	<b>4,394</b>	<b>-1.9%</b>
	<b>16.6%</b>	<b>Vaccines</b>	<b>5,973</b>	<b>+8.8%</b>

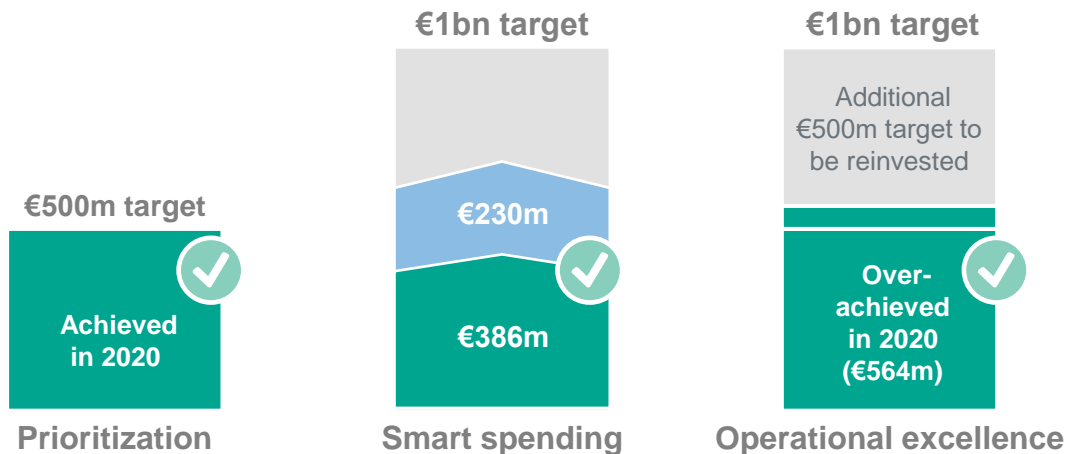
# Business net income grew 9.6% at CER in 2020

M€	2020	2019 <sup>(1)</sup>	% Change (reported)	% Change (CER)
<b>Sales</b>	<b>36,041</b>	<b>36,126</b>	<b>-0.2%</b>	<b>+3.3%</b>
Gross profit	25,265	25,658	-1.5%	+1.7%
<i>As % of net sales</i>	70.1%	71.0%	-	-
R&D expenses	(5,529)	(6,018)	-8.1%	-6.8%
SG&A	(9,390)	(9,883)	-5.0%	-2.4%
Other current operating income/expenses	(562)	(382)	-	-
Share of profit/loss of associates <sup>(1,2)</sup> and joint-ventures	16	9	-	-
<b>Business operating income</b>	<b>9,762</b>	<b>9,349</b>	<b>+4.4%</b>	<b>+9.7%</b>
<i>As % of net sales</i>	27.1%	25.9%	-	-
<i>Effective tax rate</i>	22.0%	22.0%	-	-
<b>Business net income</b>	<b>7,347</b>	<b>7,050</b>	<b>+4.2%</b>	<b>+9.6%</b>

**25.9% of Specialty Care and Vaccines sales invested in R&D**

# 60% of €1.7 billion total savings reinvested in 2020

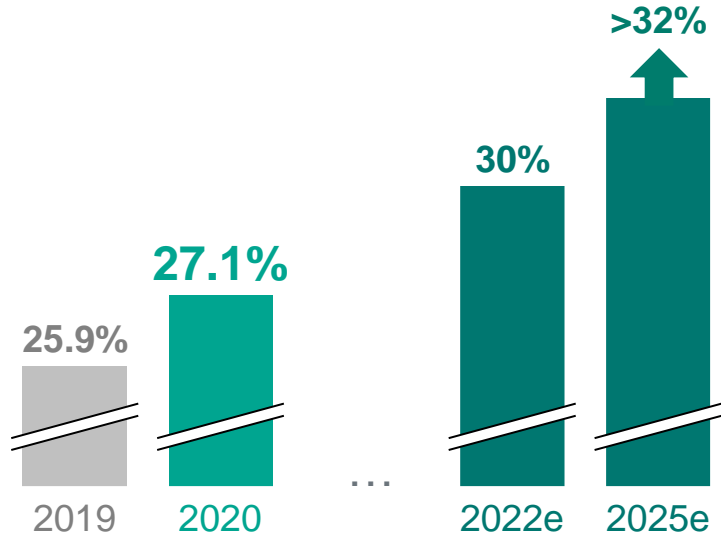
- Target remaining
- COVID related
- Efficiencies realized in FY 2020



2022 savings target increased from €2.0bn<sup>(1)</sup> to €2.5bn

# BOI margin up 120bps in 2020 tracking toward 2022 target

## Sanofi expected BOI margin evolution



### Expected margin drivers to reach 2022 goal

- Sales growth
  - Improved mix
  - Smart spending
  - Resource reallocation
  - Operational excellence
- 
- Launch costs
  - Accelerate pipeline

**Dupixent® to become accretive to BOI margin by end of 2022**

# Reconciliation of business net income to IFRS net income reported

M€	2020	2019	% Change (reported)
<b>Business net income</b>	<b>7,347</b>	<b>7,050</b>	<b>+4.2%</b>
Amortization of intangible assets	(1,681)	(2,146)	
Impairment of intangible assets	(330)	(3,604)	
Fair value remeasurement of contingent consideration liabilities	124	238	
Expenses arising from the impact of acquisitions on inventories and other expenses related to acquisitions	(53)	(3)	
Restructuring costs and similar items	(1,064)	(1,062)	
Other gains and losses, and litigation	136	327	
Gain on sales of Regeneron shares on May 29, 2020	7,225	-	
Tax effect of items listed above and other tax items	264	1,857	
Share of items listed above attributable to non-controlling interests	3	4	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	30	(165)	
Effect of discontinuation of use of equity method for Regeneron investment	313	411	
Animal Health items	-	(101)	
<b>Net income attributable to equity holders of Sanofi</b>	<b>12,314</b>	<b>2,806</b>	<b>+338.8%</b>

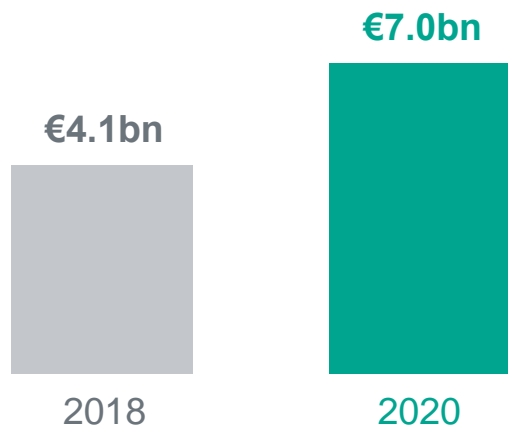


# Strong balance sheet on December 31, 2020

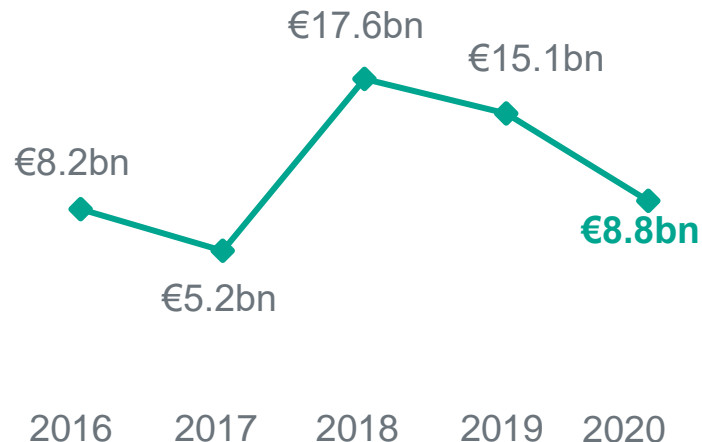
	December 31, 2020 (€bn)	Change vs. December 31, 2019
<b>ASSETS</b>	Intangible assets	+1.7
	Other non-current assets	-5.0
	Working Capital Requirement <sup>(1)</sup>	+0.3
	Net cash <sup>(1)</sup> (B)	+4.4
<b>LIABILITIES &amp; EQUITY</b>	Equity attributable	+4.0
	Provisions and other non-current liabilities	-0.7
	Financial debt(A) <sup>(2)</sup>	-1.9
<b>Net debt (A-B)</b>	<b>8.8</b>	<b>-6.3</b>

# Growing Free cash flow

## Free cash flow<sup>(1)</sup>



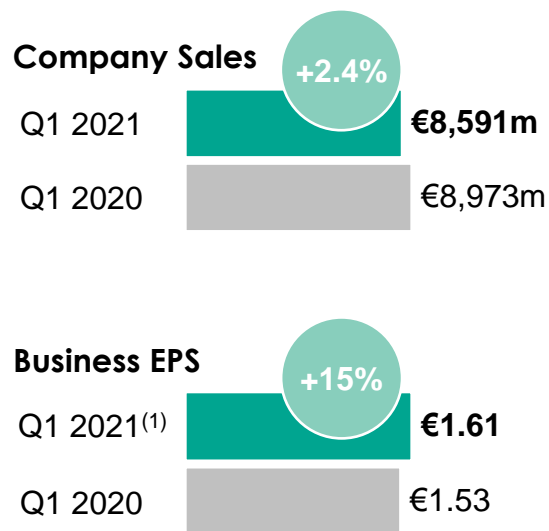
## Net debt



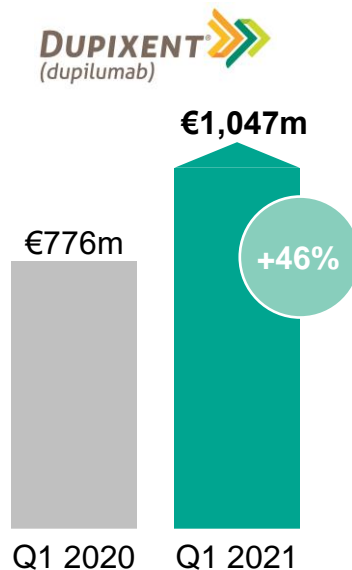
- Average cost of debt in 2020: 1.3%
- Solid credit ratings
  - Moody's A1/stable ; S&P AA/stable ; Scope AA/stable

# Q1 financial performance fueled by growth drivers

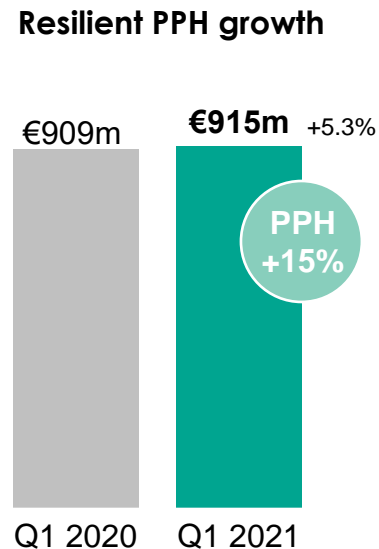
## Sales and EPS growth



## Dupixent® sales strong



## Vaccines delivered



# FY 2021 business EPS guidance

**Business EPS**

**High  
single-digit  
growth**

at CER<sup>(1,2)</sup>

**FX impact**

*on business EPS*

Approximately **-4% to -5%**<sup>(3)</sup>  
based on January 2021 average exchange rates

(1) Compared to FY2020 and barring major unforeseen adverse events

(2) Base for FY 2020 Business EPS growth is €5.86 and excluding the effect of the equity method of accounting for the Regeneron investment in the share of profit/loss of associates and joint ventures line

(3) Difference between variation on a reported basis and variation at CER



# Reports by Statutory Auditors at the Annual General Meeting

ERNST & YOUNG et Autres,  
PricewaterhouseCoopers Audit

SANOFI 

# Reports and statements issued by the Statutory Auditors and made available to the shareholders

- Financial statements
  - Report on the individual company financial statements (1<sup>st</sup> resolution)
  - Report on the consolidated financial statements (2<sup>nd</sup> resolution)
- Related party agreements and commitments
  - Special report on related party agreements (4<sup>th</sup> resolution)
- Other statements
  - On compensation
  - 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 Article 238 *bis*, paragraphs 1 and 5, of the French Tax Code
- Share capital transactions
  - Report on the share capital reduction (15<sup>th</sup> resolution)
  - Report on the issue of shares and other securities with or without preemptive rights (16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> resolutions)
  - Report on the issue of shares and/or securities granting access to the share capital, reserved for members of a company savings plan (23<sup>rd</sup> resolution)
  - Report on the authorization to allot shares to employees and corporate officers, free of consideration (24<sup>th</sup> resolution)
- Social, environmental and societal data
  - Independent third-party report on the consolidated non-financial statement included in the management report



# Questions & Answers

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## Resolutions and voting results

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# General Meeting 2021

April 30, 2021



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Eloise, athlete in the French national fencing team, patient with atopic dermatitis