



Q2 2019 Results

July 29, 2019

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 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, 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 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, 2018. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

Agenda

Key Highlights	Olivier Brandicourt	Chief Executive Officer
Financial Results	Jean-Baptiste de Chatillon	Executive Vice President, Chief Financial Officer
R&D Update	John Reed	Executive Vice President, Global Head of R&D
Q&A Session	Olivier Charmeil Karen Linehan David Loew Alan Main Bill Sibold Dieter Weinand	Executive Vice President, China & Emerging Markets Executive Vice President, Legal Affairs and General Counsel Executive Vice President, Sanofi Pasteur Executive Vice President, Consumer Healthcare Executive Vice President, Sanofi Genzyme Executive Vice President, Primary Care



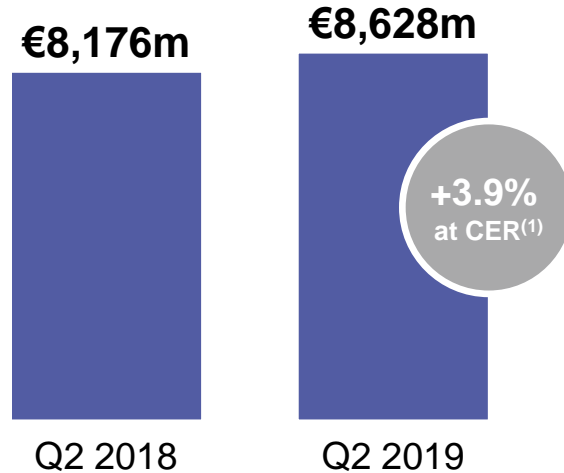
Key highlights

Olivier Brandicourt
Chief Executive Officer

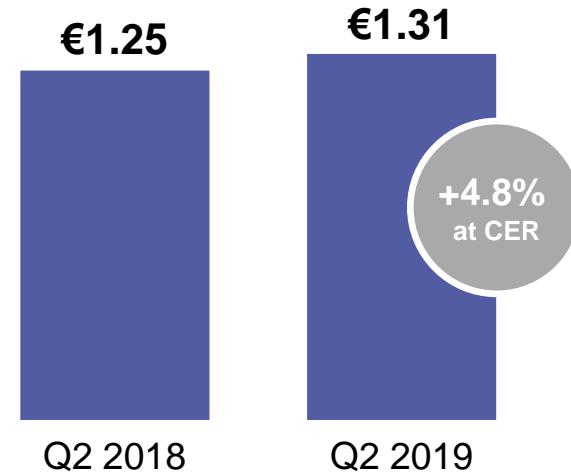


Sanofi continued to deliver sales and Business EPS growth in Q2

Company sales

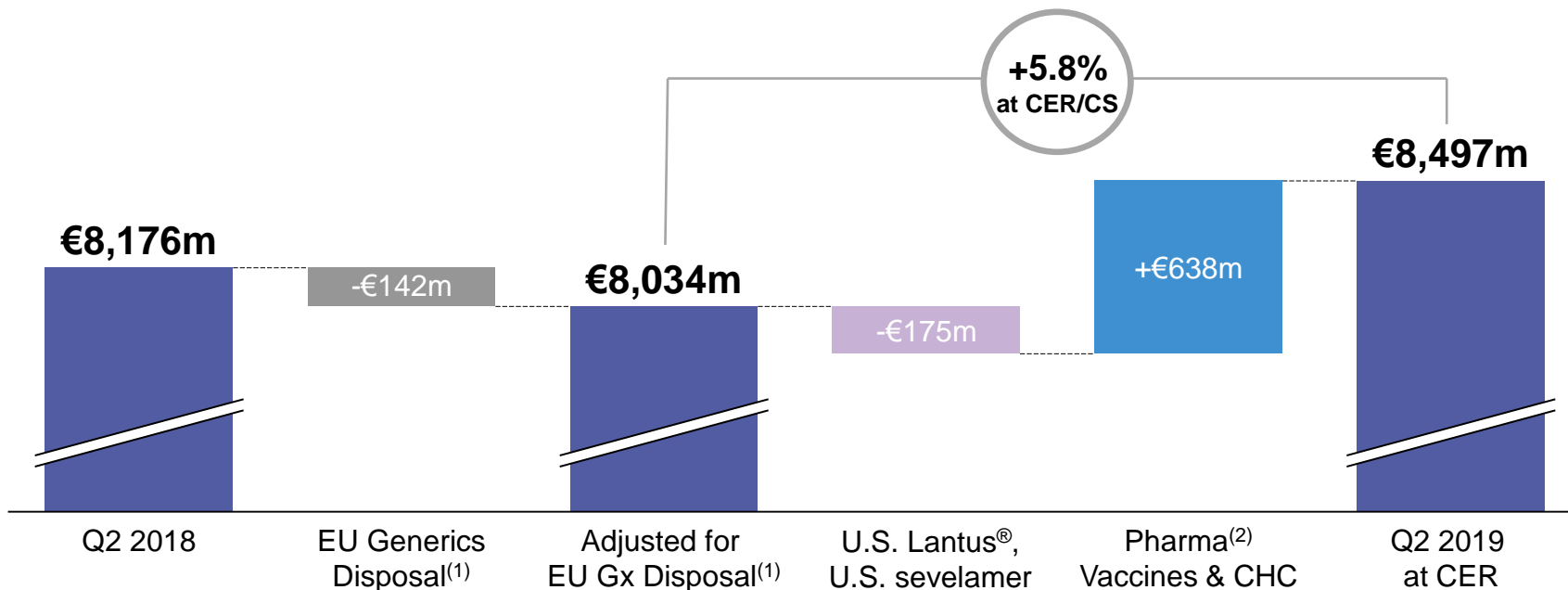


Business EPS



Solid sales growth rate at constant structure in Q2 2019

Q2 2019 Company sales



CER: Constant Exchange Rates; CS: Constant Structure

(1) Includes adjustments for EU generics disposal of -€156m and +€14m for product sold to Swedish Orphan Biovitrum AB (SOBI) recorded in "other revenues" in H1 2018 and then in sales from H2 2018

(2) Excludes U.S. Lantus® and U.S. sevelamer

Strong momentum of Specialty Care and Vaccines in Q2 while Primary Care GBU performance declined

Q2 2019 sales by Global Business Unit

		Growth at CER/CS ⁽¹⁾
Company Sales	€8,628m	+5.8%
 Sanofi Genzyme (Specialty Care)⁽²⁾	€2,292m	+20.9%⁽³⁾
 Sanofi Pasteur (Vaccines)⁽⁴⁾	€1,021m	+24.7%
 Primary Care⁽²⁾	€2,281m	-10.4%
 Consumer Healthcare⁽⁴⁾	€1,143m	+1.1%
 China & Emerging Markets^(5,6,7)	€1,891m	+7.0%

CER: Constant Exchange Rates; CS: Constant Structure

(1) Growth at Constant Exchange Rates and Constant Structure adjusting for disposal of EU Generics business and sales of product to Swedish Orphan Biovitrum AB (SOBI)

(2) Does not include Emerging Markets sales

(3) At CER growth rate was 21.8% reflecting product sales to Swedish Orphan Biovitrum AB (SOBI) which had been included in other revenues in 2018

(4) Includes sales in Emerging Markets






(5) Emerging markets: World excluding U.S., Canada, Western & Eastern Europe (except Eurasia), Japan, South Korea, Australia, New Zealand and Puerto Rico


(6) Includes EM sales for Primary Care and Specialty Care

(7) Excludes Global Consumer Healthcare and Vaccines

Double-digit growth in Emerging Markets supported by portfolio shift to Specialty Care and Vaccines

Q2 2019 sales by geography

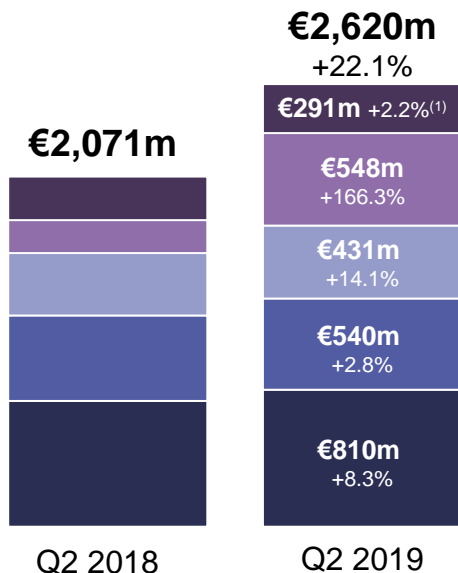
	 Specialty Care	 Primary Care	 Vaccines	 Consumer Healthcare	SANOFI  Total sales Growth at CER/CS
Global Sales	€2,620m +22.1%	€3,844m -5.2%	€1,021m +24.7%	€1,143m +1.1%	€8,628m +5.8%
Mature Markets	€2,292m +20.9%	€2,281m -10.4%	€578m +15.8%	€753m +1.5%	€5,904m +3.8%
Emerging Markets	€328m +30.0%	€1,563m +3.1%	€443m +37.7%	€390m +0.3%	€2,724m +10.0%

 China & Emerging Markets GBU

Specialty Care and Vaccines demonstrated impressive growth across geographies

Outstanding performance of Dupixent® drives accelerated growth of Specialty Care in Q2

Specialty Care franchise highlights in Q2



Rare Blood Disorder

Cablivi® sales reflect strong U.S. launch; Eloctate® impacted by U.S. competition



Immunology

Dupixent® annualizing at ~€2bn due to asthma launch and strong uptake in AD



Oncology⁽²⁾

Franchise grew double-digits in mature (+10%) and emerging markets (+24%)



Multiple Sclerosis

Double-digit growth (+11%) of Aubagio® continued despite new market entrants



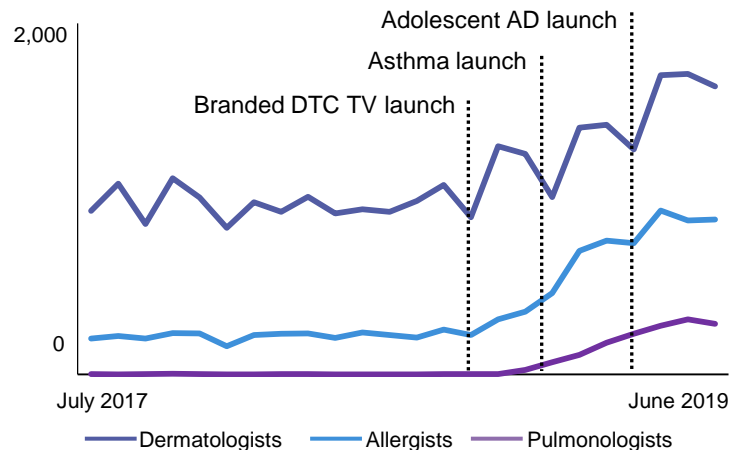
Rare Disease

Patient accruals drove growth in Gaucher (+10%), Fabry (+10), and Pompe (+11%)

Dupixent[®] continues to see strong double-digit growth in NBRx from all specialties in the U.S.

- Strong sequential NBRx growth⁽²⁾ across all specialists:
 - +23% dermatologists
 - +22% allergists
 - +69% pulmonologists
- Deeper HCP penetration in atopic dermatitis
 - >40% of prescribers have written Rx's for ≥ 5 patients
- Asthma NBRx outpacing recent analog launches
- CRSwNP approved by FDA June 26, launch underway
 - ~55K patients with highest need who failed one surgery

U.S. NBRx by specialist⁽¹⁾



- NBRx growing across all HCPs, >1,150 per week⁽¹⁾

Rx: Prescription; NBRx: New-to-Brand Prescriptions; CRSwNP: Chronic Rhinosinusitis with Nasal Polyps, HCPs: healthcare providers. Dupixent[®] in collaboration with Regeneron.

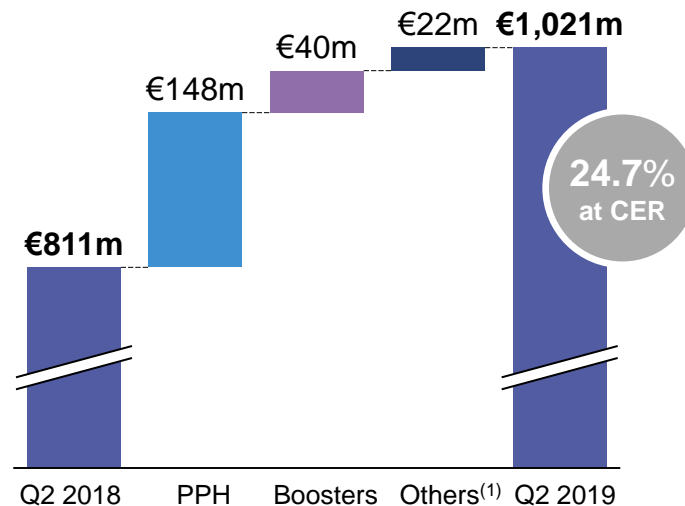
(1) IQVIA NPA, Patient Insights (through Jun'19)

(2) Growth is quarter over quarter

High growth of Vaccines in Q2 largely due to continued recovery of Pentaxim[®] in China and strong Booster sales

- Vaccines sales of €1,021m, up 24.7%
- PPH vaccines sales grew 41.5% to €502m
 - China Pentaxim[®] sales of €83m reflects recovery and growth
 - U.S. Pentacel[®] up 50% due to low basis for comparison
- Booster vaccines sales of €134m up 38.3% reflecting strong performance across all regions
- MenQuadfi[™], a meningococcal vaccine, accepted for FDA review with action date April 25, 2020
- Flu vaccine sales expected to be significantly weighted towards Q4 as a result of delayed WHO A(H3N2) strain selection

Q2 2019 Vaccines sales evolution

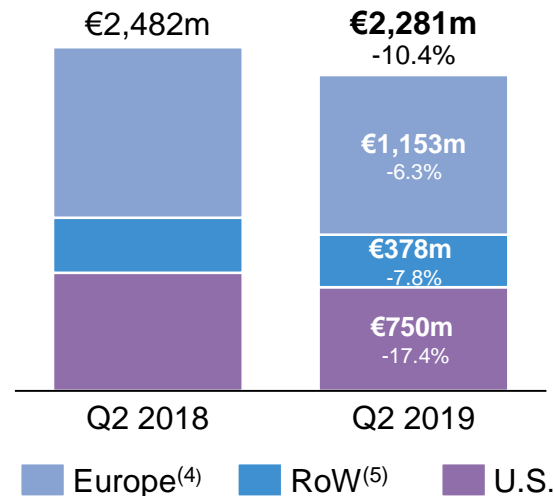


Primary Care GBU sales decline in Q2 reflects pricing pressures and remaining impact from LoEs in U.S. market

- Primary Care GBU sales €2,281m, down 10.4%
- Diabetes⁽¹⁾ sales €865m down 13.3%
 - U.S. sales down 17.5% to €461m; U.S. Lantus[®] sales -33.7%
 - U.S. Admelog[®] sales (€73m) expected to be lower in subsequent quarters in 2019 due to WAC price adjustment of -44% in July
- Praluent^{®(2)} sales down 1.7% to €61m
 - German Court granted an injunction due to adverse court ruling⁽³⁾
 - Germany sales were €20m in H1 2019 and €30m FY2018
- Established Rx Products sales €1,275m, down 8.9%⁽⁶⁾

Primary Care GBU sales

(by geography at CER/CS)



All growth at Constant Exchange Rates (CER) and constant structure (CS) adjusting for the EU generics disposal, unless otherwise specified

(1) Includes Adlyxin[®], Admelog[®], Amaryl[®], Apidra[®], Insuman[®], Lantus[®], Soliqua[®], Toujeo[®] and others

(2) In collaboration with Regeneron

(3) Court ruling is currently under appeal

(4) Q2 2018 Europe excludes €156m of generics revenues divested in Q3 2018; Europe growth rate of -6.3% at constant structure. At CER, Europe declined -16.9%

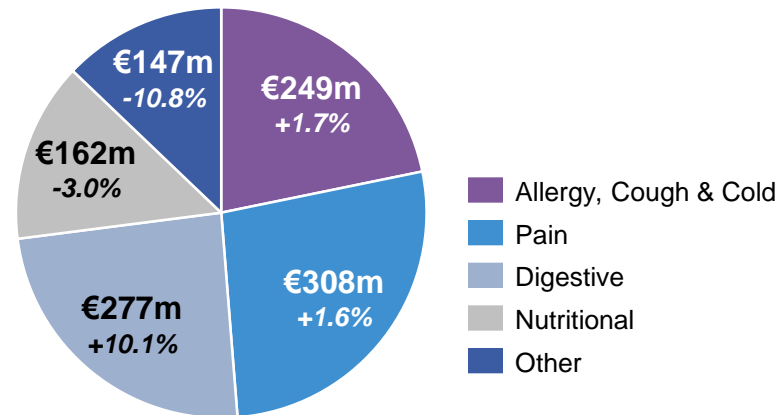
RoW: Japan, South Korea, Canada, Australia, New Zealand and Puerto Rico

(6) At constant structure. At CER, Established Rx Products declined -18.2% due to divestment of EU Generics in Q3 2018

CHC growth rate moderated by non-strategic brand divestments offsetting solid performance in Digestive

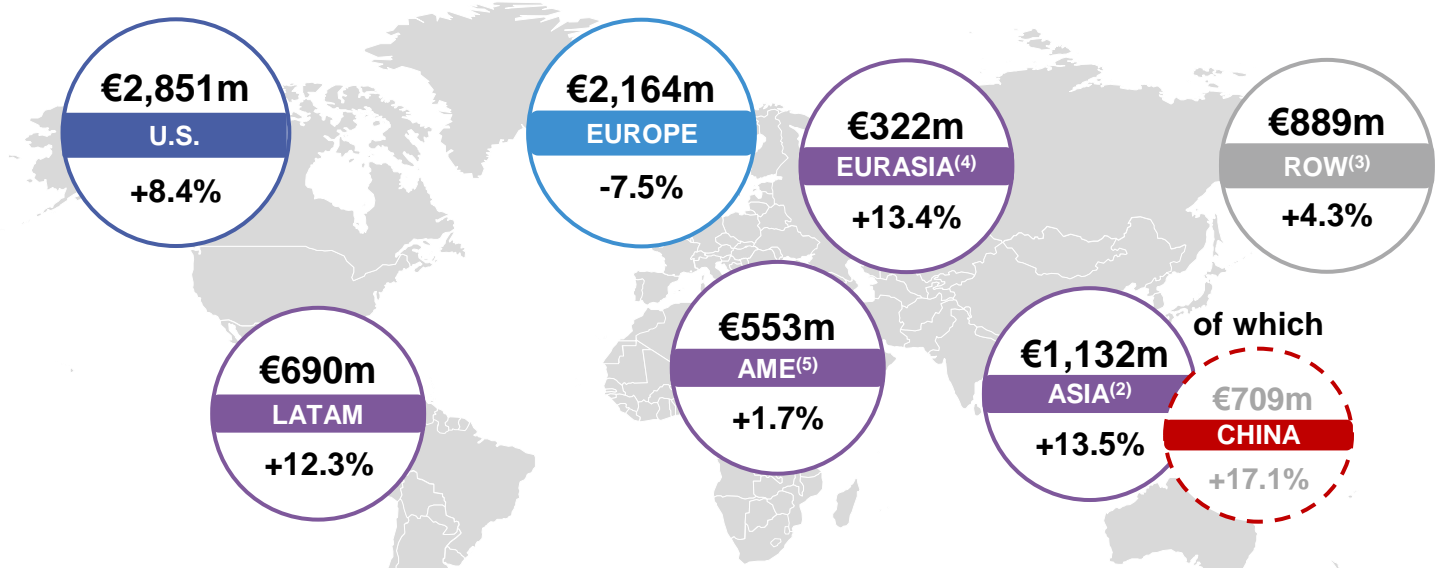
- CHC sales up 1.1% to €1,143m reflecting growth in the U.S. (+5.5%) offset by lower Europe sales (-2.8%)
- Digestive category growth up 10.1% driven by strong growth across most regions
- Growth in Allergy, Cough & Cold and Pain
 - Strong sales in the U.S. driven by Xyzal®
 - Weak cough and cold season continued in Europe
- Divestments of non-strategic brands and increased regulatory requirements, particularly in Europe, impacted sales by ~2%

Q2 2019 CHC sales by categories



Another strong quarter in Emerging Markets⁽¹⁾ in Q2 2019

Geographic breakdown of Q2 2019 sales

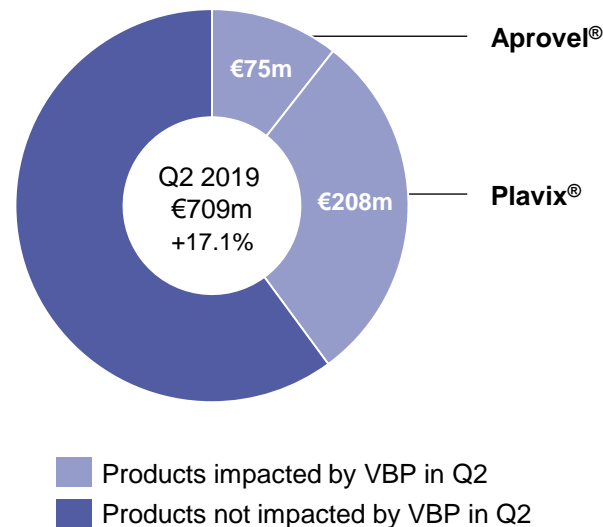


Emerging Markets sales of €2,724m, up 10.0% at CER in Q2 2019

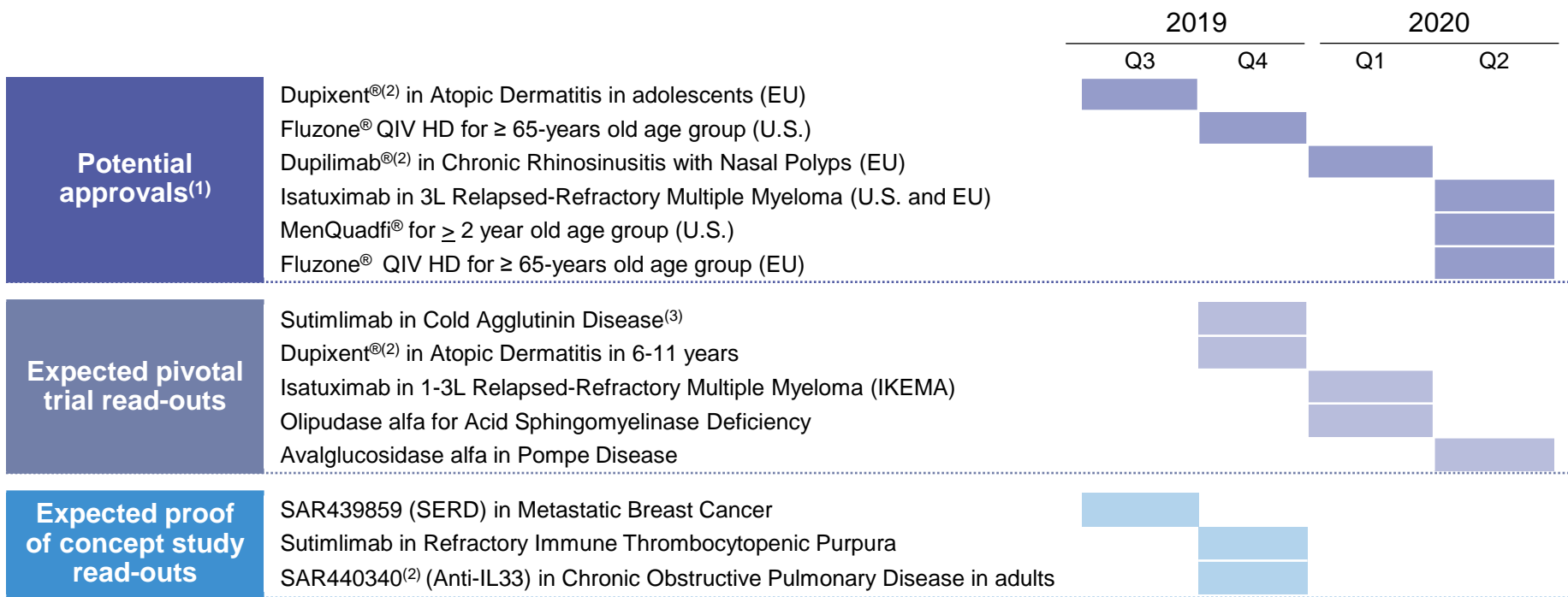
Strong growth in China continued in Q2 due to diversified portfolio with Specialty Care and Vaccines as key drivers

Sanofi China Q2 sales breakdown

- China sales €709m, up 17.1%
 - Vaccines and Specialty Care strong contributors
- Stable sales of Plavix® and Aprovel® despite impact from VBP program in large '4+7 cities'
 - Plavix® and Aprovel® sales expected to decline during remainder of 2019 based on geographic expansion of VBP
- In May, 6 Sanofi products⁽¹⁾ listed by NMPA as medicines of urgent medical needs including Dupixent®
 - Total submissions of >10 products planned by end of 2020
- Rapidly expanding revenue base outside key cities by leveraging dedicated sales force in China's counties



Several potential approvals for new drugs and additional indications over next 12 months





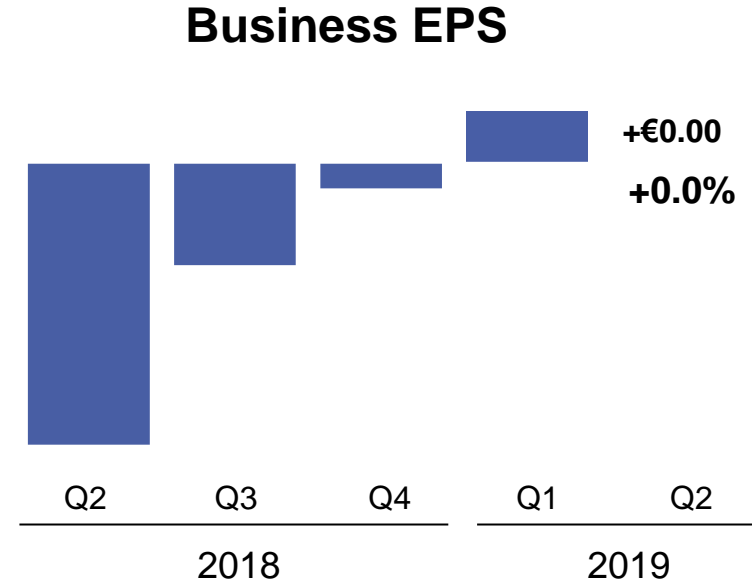
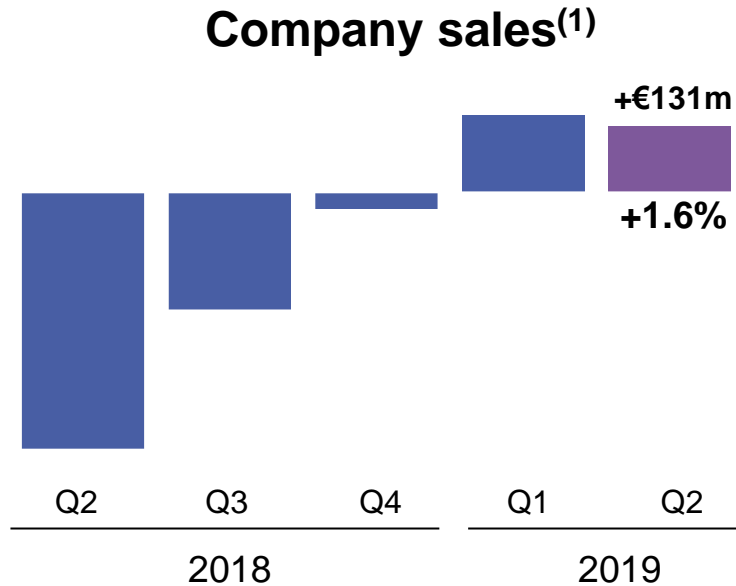
Financial results

Jean-Baptiste de Chatillon
Executive Vice President, Chief Financial Officer



FX benefit on sales in Q2 mainly attributable to strengthening U.S. dollar

Currency impact

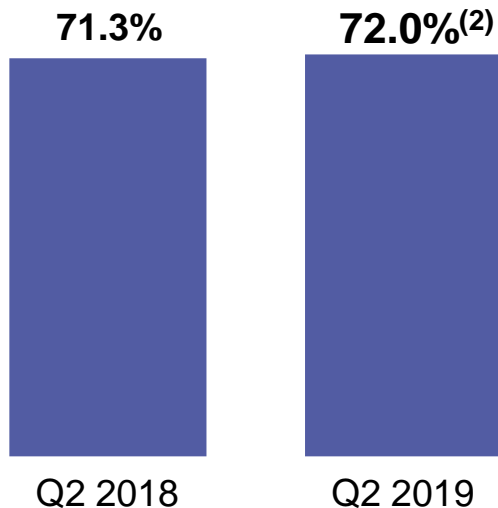


Improved BOI in Q2 despite increased Other Operating Expense as mAb collaboration reached breakeven

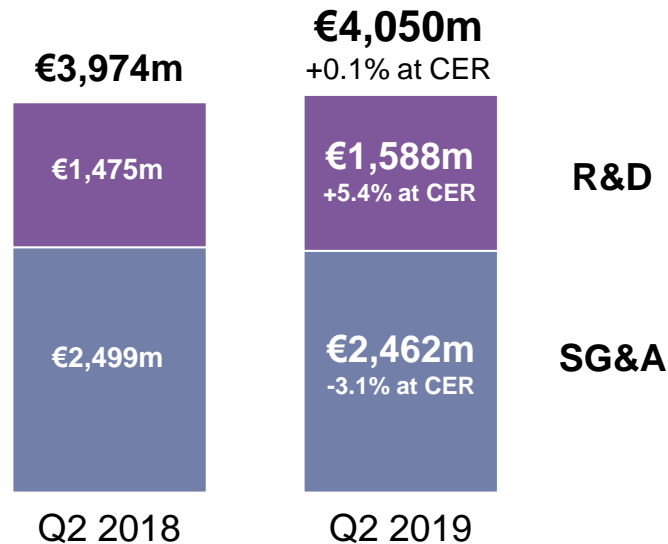
€m	Q2 2019	Q2 2018	% Change (CER)
Net Sales	8,628	8,176	+3.9%
Other revenues	352	305	+9.2%
Gross Profit	6,211	5,830	+4.7%
<i>Gross margin %</i>	<i>72.0%</i>	<i>71.3%</i>	
R&D	(1,588)	(1,475)	+5.4%
SG&A	(2,462)	(2,499)	-3.1%
Other current operating income & expenses	(91)	189	-
Share of profit/loss from associates	98	75	-
Minority interests	(5)	(28)	-
Business Operating Income	2,163	2,092	+3.0%
<i>Business operating margin</i>	<i>25.1%</i>	<i>25.6%</i>	

Q2 gross margin benefited from favorable geographic and product mix; R&D growth compensated by SG&A control

Gross margin ratio⁽¹⁾



Operating expenses



FY 2019 business EPS guidance increased

FY 2019

SANOFI 

Business EPS

Approximately +5% at CER^(1,2)

FX impact on Business EPS

Between +1% and +2%⁽³⁾
based on July 2019 average exchange rates



Increasing Focus in R&D

John Reed
Executive Vice President, Global Head of R&D



Next chapter in the evolution of Sanofi R&D



Vision

- An industry innovation leader bringing transformative solutions to patients



Strategy

- Allocate resources to priority therapeutic areas
- Leverage multiple therapeutic modalities
- Accelerate early development



Long-term objectives⁽¹⁾

- 80% first or best in class
- 70% biologics
- 70% internally derived

Continued financial discipline
R&D investment ~€6bn⁽²⁾

Significant progress made on executing our R&D strategy in H1 2019

Prioritization

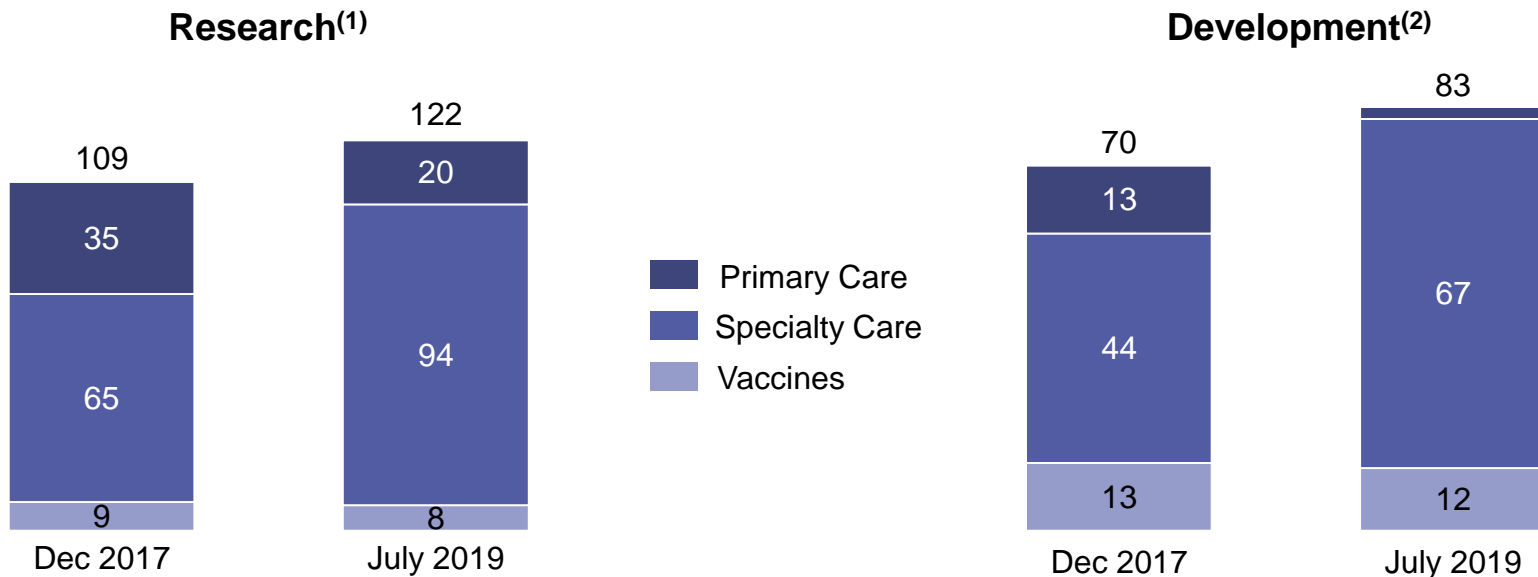
- Announced discontinuation of 13 development and 32 research projects
- 92% of development projects now in specialty care and vaccines
- Refocus of CV and diabetes research^(1,2)
- Restructured Regeneron IO, Alnylam, and Voyager collaborations
- Discontinued Myokardia agreement

Capabilities

















- Reallocated resources to biologics and gene therapy⁽²⁾
- Filled vacant position of Head of Development
- Expanded Verily digital partnership to accelerate recruitment and RWE
- Partnership with Cegedim on Real World Data

Increased research focus on Specialty Care and Vaccines while rigorously prioritizing our development spend




Evolution of pipeline projects



Majority of NMEs are wholly-owned and expected to result in improved Corporate profitability

	NME	Mechanism of Action	Initial Indication	Submission Timing (2)
	 isatuximab	anti-CD38 mAb	3L RRMM (ICARIA)	2019
	 fitusiran ⁽¹⁾	RNAi therapeutic targeting anti-thrombin	Hemophilia A & B	2020
	 sutimlimab	anti-complement C1s mAb	Cold agglutinin disease	2020
	 avalglucosidase alfa	enzyme replacement therapy	Pompe disease	2020
	 olipudase alfa	enzyme replacement therapy	ASMD	2020
	 venglustat	oral GCS inhibitor	ADPKD	2021
	 efpeglenatide	Once weekly	Type 2 diabetes	2021
	 nirsevimab ⁽¹⁾	anti-RSV mAb	Respiratory syncytial virus	2023
	 SAR440340 ⁽¹⁾	anti-IL33 mAb	Asthma, COPD, AD	2023
	 SAR408701	anti-CEACAM5 ADC	Non-squamous NSCLC	2023
	 BIVV001	rFVIIIIFc-vWF-XTEN	Hemophilia A	2023
	 SAR439859	Selective Estrogen Receptor Degradar	Metastatic breast cancer	2023

Building pipeline momentum with recent positive data read-outs⁽¹⁾ across multiple assets in Q2

Franchise	Program	Data read-out	Scientific Forum
 Oncology	isatuximab	<ul style="list-style-type: none"> ICARIAmm phase 3 results⁽²⁾ Phase 1b optimized infusion time⁽³⁾ 	ASCO, EHA EHA
	anti-CEACAM5	<ul style="list-style-type: none"> Proof of concept results⁽⁴⁾ 	ASCO
 Rare Blood Disorder	fitusiran	<ul style="list-style-type: none"> Phase 2 OLE interim results⁽⁵⁾ 	ISTH
	BIVV001	<ul style="list-style-type: none"> Proof of concept final data read-out⁽⁶⁾ 	ISTH
 Vaccines	nirsevimab	<ul style="list-style-type: none"> Phase 2b topline results⁽⁷⁾ 	ESPID

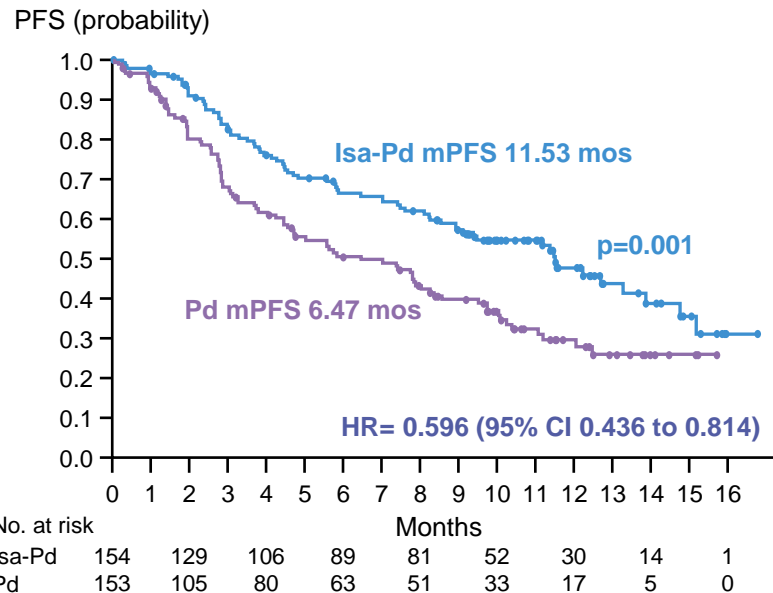
ASCO: American Society of Clinical Oncology; EHA: European Hematology Association; ISTH: International Society of Thrombosis and Haemostasis; ESPID: European Society of Paediatric Infectious Diseases

(1) Presented at a scientific meeting in Q2 2019
 (2) Richardson et al, oral presentation, ASCO 2019
 (3) Usmani et al, poster, EHA, 2019
 (4) Gazzah et al, poster, ACSO 2019

(5) Pasi et al, oral presentation at ISTH, July 2019
 (6) Konkle et al, oral presentation at ISTH, July 2019
 (7) Oral presentation at a satellite symposium, ESPID congress, May 2019

Isatuximab met primary endpoint of prolonging PFS in RRMM demonstrated by pivotal ICARIAmm⁽¹⁾ study

- ICARIAmm is first phase 3 trial to evaluate an anti-CD38 in combination with Pd in RRMM
 - Longest PFS observed in this population
 - Consistent PFS results across all major sub-populations
 - Reversal of significant renal dysfunction⁽²⁾
 - No need for post-infusion medication
 - Manageable safety profile and maintained patients' QoL
- Filed in the EU and U.S.; PDUFA date of April 30, 2020
- Clinical studies of SC formulation expected in H2 2019
- Isatuximab development program with modern SOC



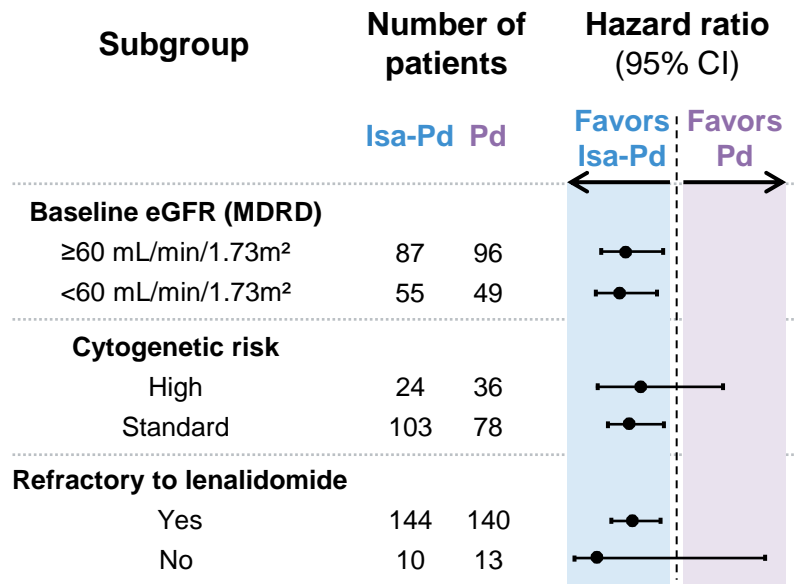
Isatuximab is an investigational agent and has not been approved by any regulatory authority

Pd: pomalidomide-dexamethasone; PFS: Progression free survival; RRMM: Relapsed Refractory Multiple Myeloma; SC: subcutaneous

SOC: standard of care; mAb: monoclonal antibody

(1) Richardson et al, ASCO 2019 oral presentation. (2) Richardson et al, EHA 2019 oral presentation

Isatuximab demonstrated a positive and consistent effect on progression-free survival in all subgroups in ICARIAmm⁽¹⁾



Isatuximab was associated with reversal of significant renal dysfunction⁽²⁾

	Isa-Pd (n=154)	Pd (n=153)
Patients with eGFR <50 ml/min/1.73m ² at baseline	32*	21*
Complete renal response	71.9%	38.1%
Sustained complete renal response	31.3%	19.0%

- ICARIAmm patient population was reflective of real-world RRMM patient population

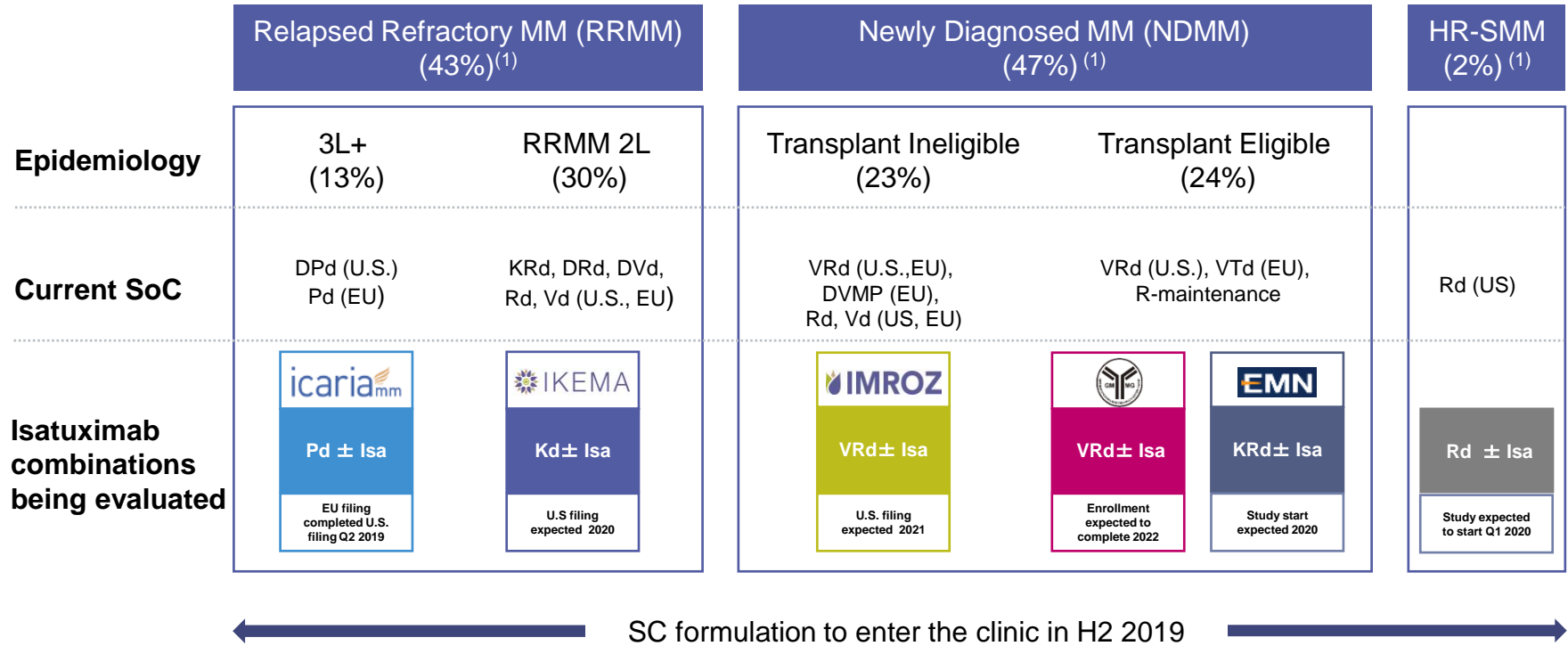
- Isatuximab is the only anti-CD38 mAb with randomized phase 3 data in this population

Isatuximab is an investigational agent and has not been approved by any regulatory authority

Data cut-off 11 Oct, 2018, *Number of patients with both baseline and at least one post-baseline assessment

d: dexamethasone; Isa: isatuximab; P: pomalidomide, Complete renal response: defined as an improvement from <50ml/min/1.73m² at baseline to at least one assessment ≥ 60 ml/min during treatment, Sustained complete renal response: defined as an improvement from <50ml/min/1.73m² at baseline to at least one assessment ≥ 60 ml/min during treatment for at least 60 days. (1) Richardson et al, ASCO 2019 oral presentation. (2) Richardson et al, EHA 2019 oral presentation; mAb: monoclonal antibody

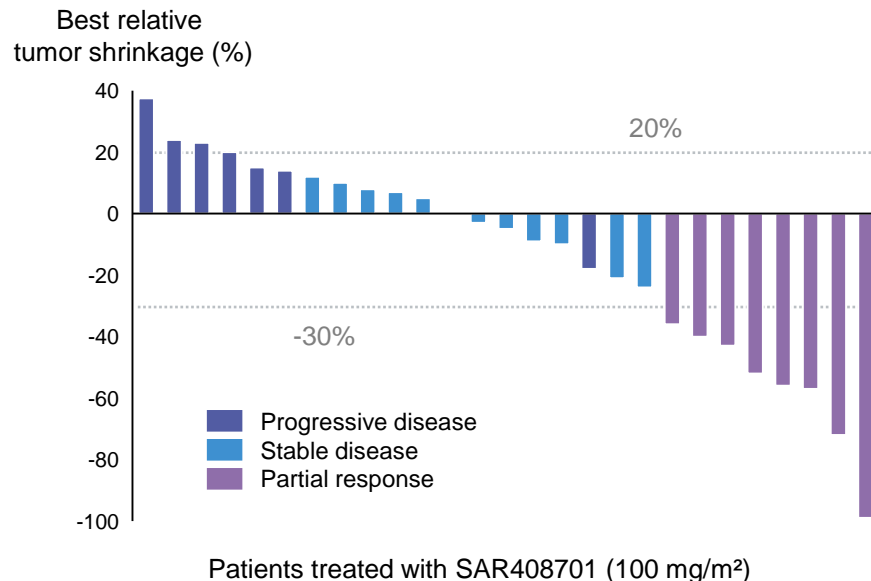
Isatuximab is being developed with the standard of care across the multiple myeloma treatment continuum



Anti-CEACAM5 achieved positive PoC; phase 3 expected to start by the end of 2019

- Interim analysis in heavily pre-treated patients⁽²⁾ with NSQ-NSCLC CEACAM5 \geq 50%
 - ORR = 25%, DCR (PR + SD) = 62.5%
 - 10.5% grade \geq 3 treatment related AEs
 - <5% grade 1 neutropenia
 - Keratopathy, reversible without treatment discontinuation
- Results compare favorably to standard of care (25% ORR compared to 9-13% ORR for docetaxel⁽³⁻⁵⁾)

Best relative tumor shrinkage CEACAM5 \geq 50⁽¹⁾



Fitusiran has the potential to be the first treatment indicated for Hemophilia A and B with or without inhibitors



Program update

- Durable efficacy and low ABR (median 1.08)⁽¹⁾
- >60 subjects treated with fitusiran⁽²⁾
- >25 subjects have >1 year exposure⁽²⁾
- Bleeding episodes successfully treated with low dosing of factor/BPA⁽²⁾
- Risk mitigation plan implemented to manage risk of thrombosis⁽²⁾



Potential differentiated profile

- Fitusiran utilizes RNAi to down-regulate anti-thrombin and restore coagulation pathway homeostatis
- SC, monthly, fixed dose \geq 12 years of age
- Small Injection volume 0.8ml
- Potentially stable at room temperature
- Less likely to interfere with assays
- Antidote available for reversal

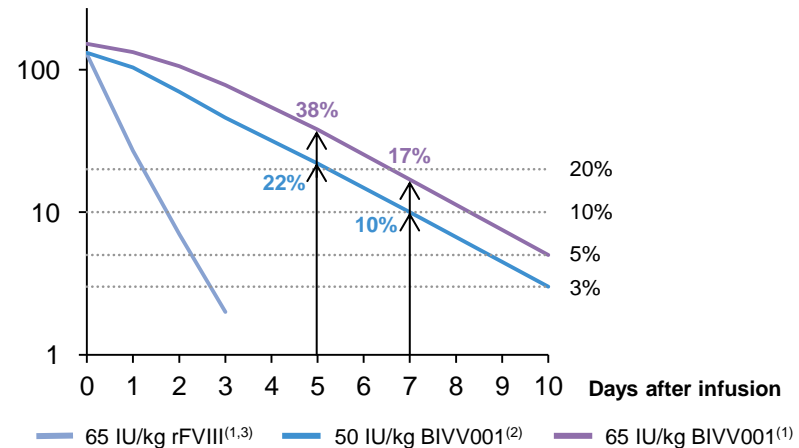
ATLAS phase 3 ongoing global regulatory submission expected in 2020

BIVV001 is a potential best-in-class factor therapy for hemophilia A patients

- First FVIII to break the VWF-imposed $t_{1/2}$ ceiling
- Novel fusion rFVIII protein with XTEN polypeptides and FVIII binding VWF D3 domain
- Proof of Concept achieved⁽¹⁾
 - Well tolerated, no subjects developed inhibitors to FVIII
 - 3 fold higher $t_{1/2}$ versus rFVIII (>40 hours vs 13 hours)^(1,2)
 - Mean FVIII activity at 7 days was $\geq 10\%$ ^(1,2)
- Sustained, high FVIII activity has the potential to provide extended protection against all bleed types with weekly dosing

BIVV001 Factor VIII activity^(1,2)

Mean plasma FVIII activity (IU/dL)



Phase 3 program to be initiated in H2 2019

Nirsevimab⁽¹⁾ is being developed with the ambition to be the first RSV-preventative immunization for all infants

- 90% of children worldwide expected to be infected with RSV before the age of 2, >80% of infants hospitalized are otherwise healthy
- Expected to provide passive immunity to all infants entering first RSV season and high risk infants⁽²⁾ for first two seasons
- One dose provides protection for entire season
- U.S. FDA breakthrough designation and PRIME in Europe
- Phase 3 started in July 2019

Strong Phase 2b data in healthy pre-term infants 29-35 weeks⁽³⁾

Endpoint	Relative Risk Reduction (95% Confidence Interval)		P-value
	Placebo N=484	Nirsevimab N=969	
RSV-confirmed Medically Attended LRTI	70.1% (52.3%, 81.2%)		<0.0001
RSV-confirmed Hospitalizations	78.4% (51.9%, 90.3%)		0.0002

Nirsevimab is an investigational agent and has not been evaluated by any regulatory authority
RSV: Respiratory Syncytial Virus; LRTI: lower respiratory tract infection; FPI: First patient in

(1) Collaboration with Medimmune, also known as as MEDI8897 and previously SP0232

(2) Infants with congenital heart disease and chronic lung disease

(3) Phase 2b results presented at a satellite symposium at 2019 ESPID congress,

R&D momentum driven by execution on strategy and positive data read-outs



Accelerating transformation of R&D with shifting focus to specialty care and vaccines



Building capabilities in digital platforms, gene therapy and biologics



Positive data on priority programs in Rare Blood Disorder, Oncology, and Vaccines



Rich news flow of clinical data expected over the next 12 months



Key highlights

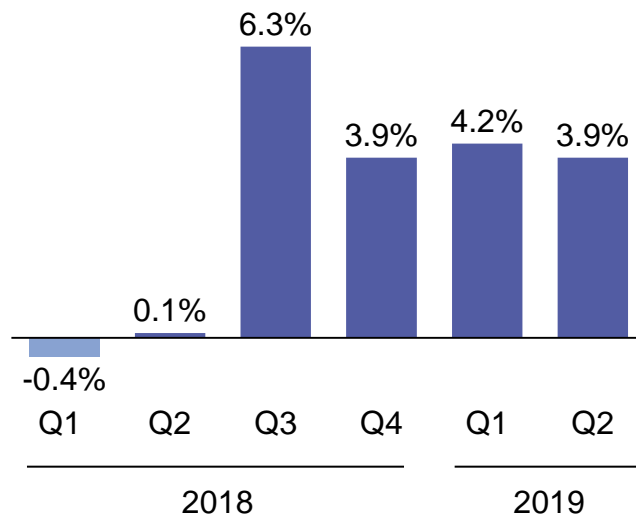
Olivier Brandicourt
Chief Executive Officer



Q2 performance drives continuation of new growth phase

- ✓ Important R&D milestones achieved in the quarter
- ✓ Improved growth profile extended into Q2 2019
- ✓ Accelerated growth contribution from Dupixent[®]
- ✓ Opex growth of 1% in H1 2019
- ✓ FY 2019 guidance increased to ~5% growth⁽¹⁾

New growth phase net sales
(in % at CER)

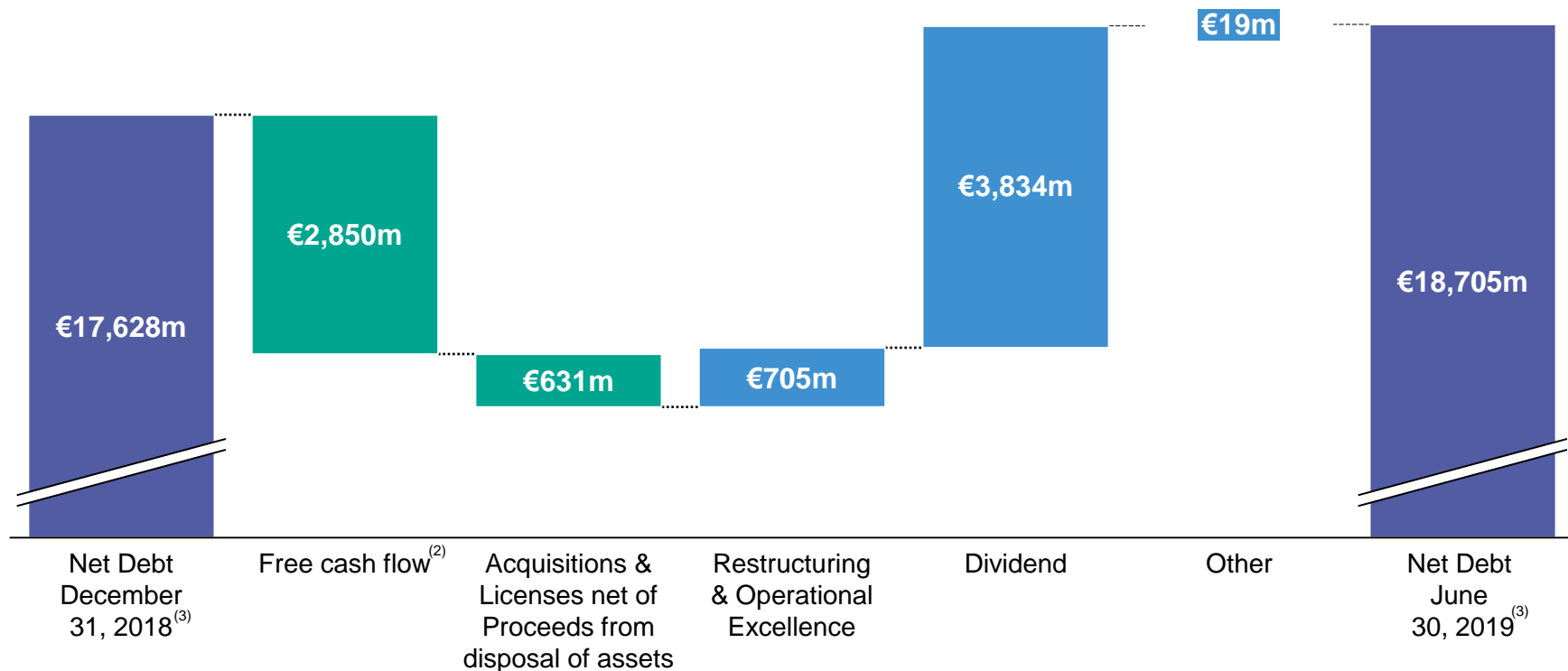




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Finance appendices

Net debt evolution in H1 2019⁽¹⁾

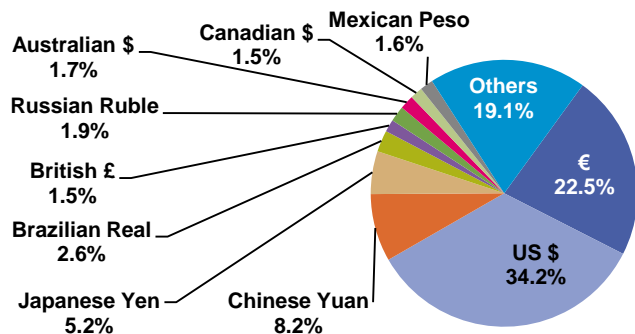


2019 currency sensitivity and Q2 2019 currency exposure

2019 Business EPS Currency Sensitivity

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	+ 0.05 USD/EUR	- EUR 0.10
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 0.03

Currency Exposure on Q2 2019 Sales



Currency Average Rates

	Q2 2018	Q2 2019	% change
EUR/USD	1.19	1.12	-5.7%
EUR/JPY	130.15	123.48	-5.1%
EUR/CNY	7.60	7.68	+1.1%
EUR/BRL	4.30	4.40	+2.5%
EUR/RUB	74.02	72.56	-2.0%

Business Net Income Statement – H1 2019

First Half 2019	Pharmaceuticals			Consumer Healthcare			Vaccines			Others ⁽¹⁾			Total Group		
	€ million	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change	H1 2019	H1 2018	Change	H1 2019	H1 2018
Net sales	12,726	12,199	4.3%	2,399	2,353	2.0%	1,894	1,522	24.4%	-	-	-	17,019	16,074	5.9%
Other revenues	129	134	(3.7%)	1	-	-	544	399	36.3%	-	-	-	674	533	26.5%
Cost of Sales	(3,242)	(3,230)	0.4%	(773)	(763)	1.3%	(1,259)	(1,068)	17.9%	(111)	(105)	5.7%	(5,385)	(5,166)	4.2%
<i>As % of net sales</i>	<i>(25.5%)</i>	<i>(26.5%)</i>		<i>(32.2%)</i>	<i>(32.4%)</i>		<i>(66.5%)</i>	<i>(70.2%)</i>					<i>(31.6%)</i>	<i>(32.1%)</i>	
Gross Profit	9,613	9,103	5.6%	1,627	1,590	2.3%	1,179	853	38.2%	(111)	(105)	5.7%	12,308	11,441	7.6%
As % of net sales	75.5%	74.6%		67.8%	67.6%		62.2%	56.0%					72.3%	71.2%	
Research and development expenses	(2,306)	(2,113)	9.1%	(70)	(58)	20.7%	(302)	(268)	12.7%	(295)	(316)	(6.6%)	(2,973)	(2,755)	7.9%
<i>As % of net sales</i>	<i>(18.1%)</i>	<i>(17.3%)</i>		<i>(2.9%)</i>	<i>(2.5%)</i>		<i>(15.9%)</i>	<i>(17.6%)</i>					<i>(17.5%)</i>	<i>(17.1%)</i>	
Selling and general expenses	(2,654)	(2,648)	0.2%	(777)	(788)	(1.4%)	(358)	(326)	9.8%	(1,053)	(1,047)	0.6%	(4,842)	(4,809)	0.7%
<i>As % of net sales</i>	<i>(20.9%)</i>	<i>(21.7%)</i>		<i>(32.4%)</i>	<i>(33.5%)</i>		<i>(18.9%)</i>	<i>(21.4%)</i>					<i>(28.5%)</i>	<i>(29.9%)</i>	
Other operating income/expenses	(234)	132		105	82		(6)	-		(58)	(56)		(193)	158	
Share of profit/loss of associates* and joint-ventures	169	150		-	-		-	(1)		-	-		169	149	
Net income attributable to non controlling interests	(9)	(52)		(6)	(6)		-	-		-	-		(15)	(58)	
Business operating income	4,579	4,572	0.2%	879	820	7.2%	513	258	98.8%	(1,517)	(1,524)	(0.5%)	4,454	4,126	7.9%
As % of net sales	36.0%	37.5%		36.6%	34.8%		27.1%	17.0%					26.2%	25.7%	
Financial income & expenses													(130)	(105)	
Income tax expenses													(918)	(865)	
<i>Tax rate**</i>													<i>22.0%</i>	<i>22.0%</i>	
Business net income													3,406	3,156	7.9%
As % of net sales													20.0%	19.6%	
Business earnings / share (in €)***													2.73	2.53	7.9%

* Net of tax.

** Determined on the basis of Business income before tax, associates, and non-controlling interests.

*** Based on an average number of shares outstanding of 1,247.2 million in the first half of 2019 and 1,247.8 million in the first half of 2018.

(1) Other includes the cost of global support functions (Medical Affairs, External Affairs, Finance, Human Resources, Information Solution & Technologies, Sanofi Business Services, etc.).

Consolidated Income Statements

€ million	Q2 2019	Q2 2018	H1 2019	H1 2018
Net sales	8,628	8,176	17,019	16,074
Other revenues	352	305	674	533
Cost of sales	(2,767)	(2,720)	(5,385)	(5,265)
Gross profit	6,213	5,761	12,308	11,342
Research and development expenses	(1,587)	(1,475)	(2,972)	(2,755)
Selling and general expenses	(2,459)	(2,507)	(4,835)	(4,819)
Other operating income	209	298	273	323
Other operating expenses	(300)	(109)	(466)	(165)
Amortization of intangible assets	(559)	(541)	(1,116)	(999)
Impairment of intangible assets	(1,835)	(98)	(1,840)	(101)
Fair value remeasurement of contingent consideration	130	66	190	10
Restructuring costs and similar items	(426)	(416)	(747)	(607)
Other gains and losses, and litigation ⁽¹⁾	317	(18)	317	(67)
Operating income	(297)	961	1,112	2,162
Financial expenses	(138)	(107)	(244)	(202)
Financial income	42	-	94	97
Income before tax and associates and joint ventures	(393)	854	962	2,057
Income tax expense	242	(110)	(13)	(297)
Share of profit/(loss) of associates and joint ventures	69	45	116	75
Net income excluding the exchanged/held-for-exchange Animal Health business	(82)	789	1,065	1,835
Net income/(loss) of the exchanged/held-for-exchange Animal Health business	-	1	-	-
Net income	(82)	790	1,065	1,835
Net income attributable to non-controlling interests	5	28	15	57
Net income attributable to equity holders of Sanofi	(87)	762	1,050	1,778
Average number of shares outstanding (million)	1,248.5	1,247.4	1,247.2	1,247.8
Earnings per share excluding the exchanged/held-for-exchange Animal Health business (in euros)	(0.07)	0.61	0.84	1.42
IFRS Earnings per share (in euros)	(0.07)	0.61	0.84	1.42

(1) In 2019, net gain related mainly to litigation. In 2018, separation costs for the European Generics business divestiture.

Reconciliation of Consolidated Net Income Attributable to Equity Holders of Sanofi to Business Net Income – Q2 2019

€ million	Q2 2019	Q2 2018	Change
Net income attributable to equity holders of Sanofi	(87)	762	(111.4%)
Amortization of intangible assets ⁽¹⁾	559	541	
Impairment of intangible assets ⁽²⁾	1,835	98	
Fair value remeasurement of contingent consideration	(130)	(66)	
Expenses arising from the impact of business combinations on inventories	-	69	
Other expenses related to business combinations	-	8	
Restructuring costs and similar items	426	416	
Other gains and losses, and litigation ⁽³⁾	(317)	18	
Effects of IFRS 16 on Lease contracts ⁽⁴⁾	5	-	
Tax effect of items listed above:	(678)	(290)	
<i>Amortization & impairment of intangible assets</i>	<i>(573)</i>	<i>(153)</i>	
<i>Fair value remeasurement of contingent consideration</i>	<i>28</i>	<i>17</i>	
<i>Expenses arising from the impact of business combinations on inventories</i>	<i>-</i>	<i>(17)</i>	
<i>Other expenses related to business combinations</i>	<i>-</i>	<i>1</i>	
<i>Restructuring costs and similar items</i>	<i>(102)</i>	<i>(131)</i>	
<i>Other tax effects</i>	<i>(31)</i>	<i>(7)</i>	
Other tax items ⁽⁵⁾	-	(27)	
Restructuring costs of associates and joint-ventures, and expenses arising from the impact of acquisitions on associates and joint-ventures	28	30	
Animal Health items	-	(1)	
Business net income	1,641	1,558	5.3%
IFRS earnings per share ⁽⁶⁾ (in euros)	(0.07)	0.61	

(1) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €533 million in the second quarter of 2019 and €509 million in the second quarter of 2018.

(2) In 2019, mainly related to Elocatate impairment.

(3) In 2019, net gain related mainly to litigation. In 2018,

(4) separation costs for the European Generics business divestiture.
Impact of new lease standard IFRS16, is effective January 1, 2019 using the modified retrospective transition method (no restatement of prior period), since Business Net Income remains reported as previously under IAS 17 and related interpretations for comparison

purposes.
(5) In 2018, adjustments made to our preliminary analysis of the direct and indirect impacts of US tax reform.

(6) Based on an average number of shares outstanding of 1,248.5 million in the second quarter of 2019 and 1,247.4 million in the second quarter of 2018.

Reconciliation of Consolidated Net Income Attributable to Equity Holders of Sanofi to Business Net Income – H1 2019

€ million	H1 2019	H1 2018	Change
Net income attributable to equity holders of Sanofi	1,050	1,778	(40.9)%
Amortization of intangible assets ⁽¹⁾	1,116	999	
Impairment of intangible assets ⁽²⁾	1,840	101	
Fair value remeasurement of contingent consideration	(190)	(10)	
Expenses arising from the impact of acquisitions on inventories	3	99	
Other expenses related to business combinations	—	10	
Restructuring costs and similar items	747	607	
Other gains and losses, and litigation ⁽³⁾	(317)	67	
Effects of IFRS 16 on Lease contracts ⁽⁴⁾	9	—	
Tax effect of the items listed above:	(905)	(475)	
<i>Amortization and impairment of intangible assets</i>	<i>(711)</i>	<i>(275)</i>	
<i>Fair value remeasurement of contingent consideration</i>	<i>24</i>	<i>11</i>	
<i>Expenses arising from the impact of acquisitions on inventories</i>	<i>—</i>	<i>(23)</i>	
<i>Restructuring costs and similar items</i>	<i>(197)</i>	<i>(183)</i>	
<i>Other tax effects</i>	<i>(21)</i>	<i>(5)</i>	
Other tax items ⁽⁵⁾	—	(93)	
Share of items listed above attributable to non-controlling interests	—	(1)	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	53	74	
Business net income	3,406	3,156	7.9%
IFRS earnings per share⁽⁶⁾ (in euros)	0.84	1.42	

(1) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combination: €1,060 million in the first-half of 2019 and €934 million in the first-half of 2018.

(2) In 2019, mainly related to Elocatate impairment.

(3) In 2019, net gain related mainly to litigation. In 2018, separation costs for the European Generics business divestiture.

(4) Impact of new lease standard IFRS 16, is effective January 1, 2019 using the modified retrospective transition method (no restatement of prior periods), since Business Net Income remains reported as previously under IAS 17 and related interpretations for comparison purposes.

(5) In 2018, adjustments made to our preliminary analysis of the direct and indirect impacts of US tax reform.

(6) Based on an average number of shares outstanding of 1,247.2 million in the first-half of 2019 and 1,247.8 million in the first-half of 2018.



SANOFI 

Research & Development appendices

R&D Pipeline – New Molecular Entities(*)

Phase 1 (Total : 19)		Phase 2 (Total : 7)		Phase 3 (Total : 6)	Registration (Total : 2)
SAR441344 ^{(**)(1)} Anti-CD40L mAb Multiple Sclerosis	BIVV001 ^{(**)(5)} rFVIII Fc – vWF – XTEN ⁽⁶⁾ Hemophilia A	SAR440340 ^{(**)(12)} Anti-IL33 mAb Atopic Dermatitis	SAR422459 ^{(**)(14)} ABCA4 gene therapy Stargardt Disease	avalglucosidase alfa Neo GAA Pompe Disease	isatuximab Anti-CD38 mAb 3L RRRM (ICARIA) (U.S., EU)
SAR408701 Maytansin-loaded anti-CEACAM5 mAb, Solid Tumors	ST400 ^{(**)(7)} Ex Vivo ZFN Gene-Edited Cell Therapy, Beta thalassemia	SAR156597 IL4/IL13 bispecific mAb Systemic Sclerosis	SAR442168 ^{(**)(15)} BTK inhibitor Multiple Sclerosis	venglustat Oral GCS inhibitor ADPKD ⁽¹⁶⁾	SAR341402 (insulin aspart) Rapid acting insulin Type 1/2 Diabetes (EU)
SAR439459 anti-TGFb mAb Advanced Solid Tumors	BIVV003 ^{(**)(7)} Ex Vivo ZFN Gene-Edited Cell Therapy, Sickle Cell Disease	olipudase alfa rhASM AS Deficiency ⁽¹³⁾	HIV Viral vector prime & rgp120 boost vaccine	fitusiran RNAi targeting anti-thrombin Hemophilia A and B	
REGN5458 ^{(**)(2)} Anti-BCMA-CD3 bispecific mAb Relapsing Refractory MM	SAR443060 ^{(**)(8)} RIPK1 inhibitor ⁽⁹⁾ Amyotrophic Lateral Sclerosis	SAR339375 miRNA-21 Alport Syndrome		sutimlimab Anti Complement C1s mAb Cold Agglutinin Disease	
REGN4018 ^{(**)(2)} Anti-MUC16-CD3 bispecific mAb Ovarian Cancer	Next Gen PCV ^{(**)(10)} Pneumococcal Conjugate Vaccines			efpeglenatide ^{(**)(17)} Long-acting GLP-1 agonist Type 2 Diabetes	
SAR439859 SERD Metastatic Breast Cancer	Herpes Simplex Virus Type 2 HSV-2 therapeutic vaccine			nirsevimab ^{(**)(18)} Respiratory syncytial virus Monoclonal Antibody	
SAR442720 ^{(**)(3)} SHP2 inhibitor Solid Tumors	Respiratory syncytial virus Infants 4-month and older Vaccines				
SAR440234 T cell engaging multi spe mAb Leukemia	SAR441169 ^{(**)(11)} RORC (ROR gamma T) antagonist, Psoriasis				
SAR441000 ^{(**)(4)} Cytokine mRNA Solid tumors	SAR441255 Trigonal GLP1R/GIPR/GCGR agonist Obesity / Type 2 Diabetes				
SAR441236 Tri-specific neutralizing mAb HIV					

- R** Registrational Study (other than Phase 3)
- O** Opt-in rights products for which rights have not been exercised yet
- Immuno-inflammation
 - Oncology
 - Rare Diseases
 - Rare Blood Disorders
 - MS & Neuro
 - Diabetes
 - Cardiovascular & metabolism
 - Vaccines

- (1) Developed in collaboration with Immunext
 (2) Regeneron product for which Sanofi has opt-in rights
 (3) Developed in collaboration with REVOLUTION Medicines
 (4) Developed in collaboration with BioNtech
 (5) Sanofi product for which Sobi has opt-in rights in SOBI territories
 (6) Recombinant Coagulation Factor VIII Fc – von Willebrand Factor – XTEN Fusion protein
 (7) Developed in collaboration with Sangamo
 (8) Developed in collaboration with Denali
 (9) Receptor-interacting serine/threonine-protein kinase 5
 (10) Developed in collaboration with SK
 (11) Developed in collaboration with Lead Pharma

- (12) Developed in collaboration with Regeneron
 (13) Acid Sphingomyelinase Deficiency also known as Niemann Pick type B
 (14) Identification of out-licensing partner ongoing
 (15) Developed in collaboration with Principia
 (16) Autosomal Dominant Polycystic Kidney Disease
 (17) Developed in collaboration with Hanmi
 (18) Developed in collaboration with AstraZeneca
 (*) Phase of projects determined by clinicaltrials.gov disclosure timing
 (**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

Additional Indications(*)

Phase 1 (Total : 5)	Phase 2 (Total : 17)	Phase 3 (Total : 23)	Registration (Total : 4)
SAR439459 + cemiplimab ⁽¹⁾ Anti-TGFβ mAb + PD-1 inh mAb Advanced Solid Tumors	dupilumab ⁽¹⁾ Anti-IL4Rα mAb Grass Immunotherapy	isatuximab + cemiplimab ⁽¹⁾ Anti-CD38 mAb + PD-1 inh mAb Relapsing Refractory MM	Dupixent ⁽¹⁾ dupilumab Asthma 6 - 11 years old
O cemiplimab ⁽¹⁾ + REGN4018 ⁽²⁾ PD-1 inh mAb + Anti-MUC16-CD3 bispe mAb - Ovarian Cancer	R sarilumab ⁽¹⁾ Anti-IL6R mAb Polyarticular Juvenile Idiopathic Arthritis	isatuximab + cemiplimab ⁽¹⁾ Anti-CD38 mAb + PD-1 inh mAb Advanced Malignancies	isatuximab Anti-CD38 mAb Newly Diag. MM Te ⁽⁹⁾ (GMMG)
SAR439859 + palbociclib ⁽³⁾ SERD + CDK4/6 inh Metastatic Breast Cancer	sarilumab ⁽¹⁾ Anti-IL6R mAb Systemic Juvenile Arthritis	isatuximab + cemiplimab ⁽¹⁾ Anti-CD38 mAb + PD-1 inh mAb Lymphoma	Aubagio [®] teriflunomide RMS – Pediatric
sutimlimab Anti Complement C1s mAb Immune Thrombocytopenic Purpura	SAR440340 ⁽¹⁾ Anti-IL33 mAb COPD	isatuximab + atezolizumab ⁽⁶⁾ Anti-CD38 mAb + PD-L1 inh mAb mCRC	Fluzone [®] QIV HD Quadrivalent inactivated Influenza vaccine - High dose
SAR443060 ⁽¹⁾ RIPK1 inhibitor ⁽⁵⁾ Multiple sclerosis	dupilumab ⁽¹⁾ Anti-IL4Rα mAb Peanut Allergy - Pediatric	isatuximab + atezolizumab ⁽⁶⁾ Anti-CD38 mAb + PD-L1 inhibitor mAb Solid Tumors	Lemtrada [®] alemtuzumab RRMS - Pediatric
	SAR440340 ⁽¹⁾ Anti-IL33 mAb Asthma	isatuximab + atezolizumab ⁽⁶⁾ Anti-CD38 mAb + PD-L1 inhibitor mAb Solid Tumors	Cerdelga [®] Eliglustat Gaucher T1, ERT switch Pediatric
	R cemiplimab ⁽¹⁾ PD-1 inhibitor mAb 2-L Basal Cell Carcinoma	venlgustat Oral GCS inhibitor Fabry Disease	Praluent [®] ⁽¹⁾ Alirocumab LDL-C reduction - Pediatric
	isatuximab Anti-CD38 mAb 1-2L AML / ALL pediatrics	venlgustat Oral GCS inhibitor Gaucher Type 3	MenQuadfi TM Advanced generation meningococcal ACYW conjugate vaccine EU 1y+, US/EU 6w+
		SP0173 Tdap booster US	Pediatric pentavalent vaccine DTP-Polio-Hib Japan
		cemiplimab ⁽¹⁾ + chemotherapy PD-1 inh mAb + chemotherapy 1L NSCLC	Shan 6 DTP-HepB-Polio-Hib Pediatric hexavalent vaccine
		cemiplimab ⁽¹⁾ PD-1 inhibitor mAb 2L Cervical Cancer	VerorabVax [®] (VRVg) Purified vero rabies vaccine
		cemiplimab ⁽¹⁾ PD-1 inhibitor mAb adjuvant in CSCC	isatuximab Anti-CD38 mAb 1L Newly Diag. MM T ⁽⁷⁾ (IMROZ)
		fitusiran RNAi targeting anti-thrombin Hemophilia A and B pediatric	

- Immuno-inflammation
- Oncology
- Rare Diseases
- Rare Blood Disorders
- MS & Neuro
- Diabetes
- Cardiovascular & metabolism
- Vaccines

R Registrational study (other than Phase 3)

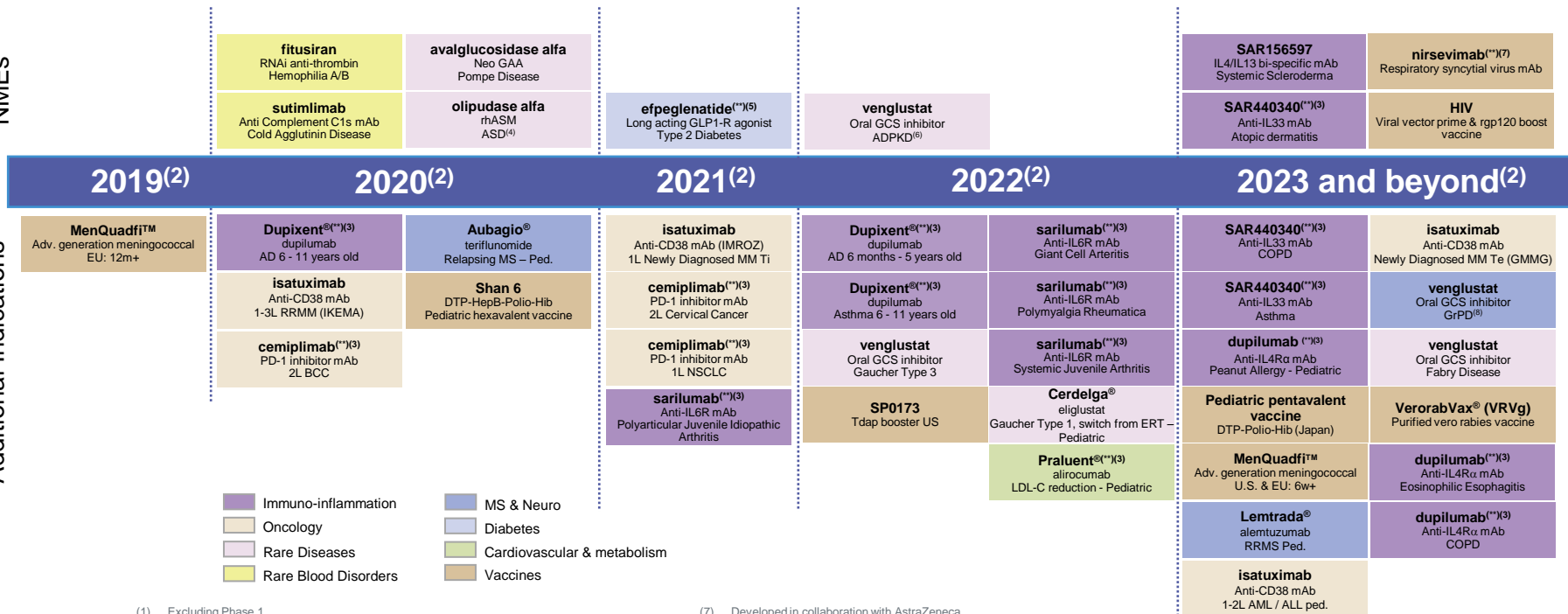
O Opt-in rights products for which rights have not been exercised yet

- | | |
|---|--|
| (1) Developed in collaboration with Regeneron | (6) Studies in collaboration with Roche (atezolizumab) |
| (2) Regeneron product for which Sanofi has opt-in rights | (7) Transplant ineligible |
| (3) Pfizer product (palbociclib) | (8) Transplant eligible |
| (4) Developed in collaboration with Denali | (9) Chronic rhinosinusitis with nasal polyps |
| (5) Receptor-interacting serine/threonine-protein kinase 1 | |
| (*) Phase of projects determined by clinicaltrials.gov disclosure timing | |
| (**) Partnered and/or in collaboration - Sanofi may have limited or shared rights on some of these products | |

Expected Submission Timeline⁽¹⁾

NIMES

Additional Indications



- Immuno-inflammation
- Oncology
- Rare Diseases
- Rare Blood Disorders
- MS & Neuro
- Diabetes
- Cardiovascular & metabolism
- Vaccines

(1) Excluding Phase 1
 (2) Projects within a specified year are not arranged by submission timing
 (3) Developed in collaboration with Regeneron
 (4) Acid Sphingomyelinase Deficiency
 (5) Developed in collaboration with Hanmi
 (6) Autosomal Dominant Polycystic Kidney Disease
 (7) Developed in collaboration with AstraZeneca
 (8) Gaucher related Parkinson's Disease
 (**) Partnered and/or in collaboration – Sanofi may have limited or shared rights on some of these products

Pipeline Movements Since Q1 2019

	Additions / Moves	Removals from Sanofi pipeline
Registration	<p>isatuximab Anti-CD38 mAb 3L RRMM (ICARIA) (U.S.,EU)</p> <p>MenQuadfi™ Advanced generation meningococcal ACYW conjugate vaccine 2y+ (U.S.)</p>	<p>SAR341402, insulin aspart Rapid acting insulin Type 1/2 Diabetes (EU)</p> <p>Zynquista™^{(**)(3)} (sotagliflozin) Oral SGLT-1&2 inhibitor Type 1 Diabetes (U.S.)</p>
Phase 3	<p>dupilumab^{(**)(1)} Anti-IL4Rα mAb COPD</p> <p>nirsevimab^{(**)(2)} Respiratory syncytial virus Monoclonal Antibody</p> <p>fitusiran RNAi targeting anti-thrombin Hemophilia A and B pediatric</p>	<p>cemiplimab^{(**)(1)} PD-1 inhibitor mAb adjuvant in CSCC</p> <p>VerorabVax® (VRVg) Purified vero rabies vaccine</p> <p>sotagliflozin^{(**)(3)} Oral SGLT-1&2 inhibitor Type 2 Diabetes</p> <p>sotagliflozin^{(**)(3)} Oral SGLT-1&2 inhibitor Worsening Heart Failure in Diabetes</p>
Phase 2		
Phase 1	<p>SAR441236 Tri-specific neutralizing mAb HIV</p>	<p>SAR441255 Trigonal GLP1R/GIPR/GCGR agonist Obesity / Type 2 Diabetes</p>

R&D Pipeline Summary – Total Projects⁽¹⁾

	Phase 1	Phase 2	Phase 3	Registration	TOTAL
Immuno-inflammation	2	8	7	2	19
Oncology	11	7	7	1	26
Rare Diseases	0	4	3	0	7
Rare Blood Disorders	4	0	3	0	7
Multiple Sclerosis and Neurology	3	3	2	0	8
Diabetes	1	0	1	1	3
Cardiovascular Disease	0	0	1	0	1
Vaccines	3	2	5	2	12
TOTAL	24	24	29	6	

48
35

83
Total Projects

Expected R&D Milestones

Products	Expected milestones	Timing
SAR439859 (SERD)	Proof of concept study read-out in metastatic Breast Cancer	Q3 2019
Dupixent®(**)(1)	EU regulatory decision in Atopic Dermatitis in adolescent patients	Q3 2019
sutimlimab	Proof of concept study read-out in refractory Immune Thrombocytopenic Purpura	Q4 2019
Fluzone® QIV HD	U.S. regulatory decision for ≥ 65-year old age group	Q4 2019
sutimlimab	Pivotal trial read-out in Cold Agglutinin Disease	Q4 2019
Dupixent®(**)(1)	Pivotal trial read-out in Atopic Dermatitis in 6-11 years	Q4 2019
SAR440340 (Anti-IL33 mAb)(**)(1)	Proof of concept study read-out in Chronic Obstructive Pulmonary Disease	Q4 2019
dupilumab(**)(1)	EU regulatory decision in Chronic Rhinosinusitis with Nasal Polyps	Q1 2020
isatuximab	Pivotal trial read-out in 1-3L RRMM (IKEMA)	Q1 2020
olipudase alfa	Pivotal trial read-out in Acid Sphingomyelinase Deficiency	Q1 2020
isatuximab	U.S. regulatory decision in 3L Relapsed-Refractory Multiple Myeloma	Q2 2020
isatuximab	EU regulatory decision in 3L Relapsed-Refractory Multiple Myeloma	Q2 2020
MenQuadfi™	U.S. regulatory decision for > 2 year old age group	Q2 2020
Fluzone® QIV HD	EU regulatory decision for ≥ 65-years old age group	Q2 2020
avalglucosidase alfa	Pivotal trial read-out in Pompe Disease	Q2 2020