Sanofi Deep Dive

Investor Research Report | March 2026

FY 2025 Revenue	Operating Margin	Business EPS
€43.6B	**27.9%**	**€7.83**
+9.9% at CER	+50 bps YoY	+15.0% YoY

Market Cap
$107B
March 2026

Executive Summary

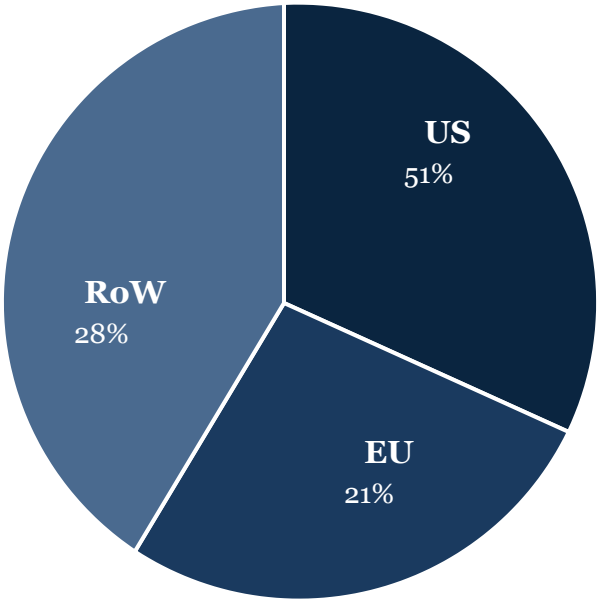
Sanofi S.A. is a French multinational pharmaceutical and healthcare company founded in **1973** and headquartered in Paris, France. The company operates globally with approximately **83,000-100,000 employees** across 70 countries. Following the April 2025 divestiture of its consumer health business (Opella) for €10 billion, Sanofi has repositioned as a **pure-play biopharma company** focused on innovative medicines, vaccines, and specialty care.

The company is transitioning through a leadership change: **Paul Hudson** departed as CEO in February 2026, with **Olivier Charmeil** serving as interim CEO until **Belén Garijo** (former Merck KGaA CEO) assumes the role post-April 29, 2026 Annual General Meeting.

> **Key Financial Metrics (FY 2025):** Net Sales €43.6B (+9.9% CER), Business Operating Income €12.1B, Business Net Income €9.6B, Free Cash Flow €8.1B (+35.8%), Operating

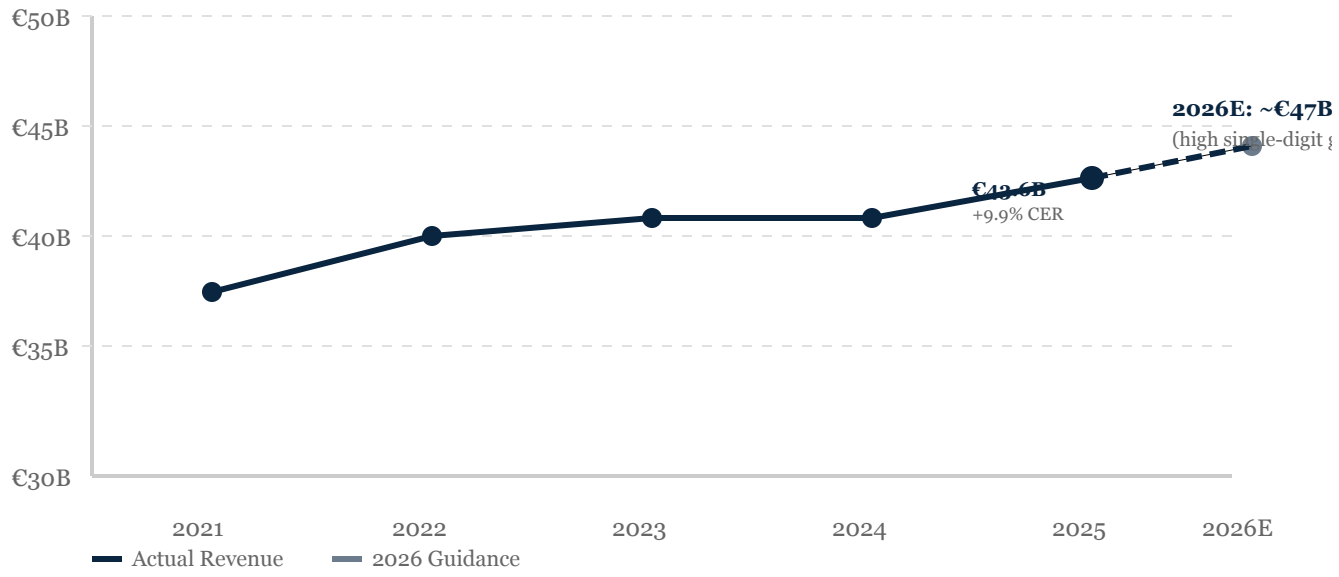
Margin 27.9% (+50 bps). The company guides high single-digit sales growth for 2026 at constant exchange rates, with Business EPS growing slightly faster than sales.

FY 2025 Revenue Mix by Geography



Total FY 2025 Revenue: €43.6B

Revenue Growth Trajectory (2021-2025, with 2026 Guidance)



Forward-Looking Disclaimer: This report contains forward-looking statements based on current expectations and available data as of March 2026. Actual results may differ materially due to risks outlined in the Risks section, including patent expirations (notably Dupixent LOE in 2031), pipeline execution, competitive dynamics, regulatory uncertainties, pricing pressures, and macroeconomic factors including foreign exchange volatility.

Top Products (FY 2025)

Product	Indication(s)	FY 2025 Revenue	YoY Growth (CER)	Patent/Exclusivity
Dupixent	AD, asthma, COPD, CSU, CRSwNP, EoE, PN, BP, AFRS	€15,700M	+25.0%	US/EU ~2031
Lantus	Diabetes (basal insulin)	€1,733M	+10.3%	LOE 2015 (generics)
Beyfortus	RSV prevention (infants)	€1,800M	+9.5%	Protected
Toujeo	Diabetes (concentrated insulin)	~€1,362M+	+10-18%	Competitive market
ALTUVIIIO	Hemophilia A	€1,160M	First full year	Extended exclusivity
Fabrazyme	Fabry disease	€1,019M	+0.1%	Established ERT
Sarclisa	Multiple myeloma	€588M	+28.5%	Expanding indications

Leadership

Role	Name	Background
CEO (eff. April 29, 2026)	Belén Garijo	Former Merck KGaA CEO (2021-2026); 15 years at Sanofi pre-2011; focus on R&D productivity
Interim CEO (Feb-April 2026)	Olivier Charmeil	EVP General Medicines; Executive Committee since 2011; former Head of Sanofi Pasteur
CFO	François-Xavier Roger	Former CFO Nestlé (2015-2024), Takeda (2013-2015); appointed April 2024
EVP R&D	Houman Ashrafian	Managing Partner SV Health Investors; co-founded 6 biotechs; Oxford DPhil
EVP Specialty Care	Manuela Buxo	Led Global Immunology Alliance (Dupixent) 2+ years; 14 years at Bayer; appointed March 2026

R&D Pipeline Highlights

Sanofi's pipeline comprises **~80 clinical-stage projects** with **34 in Phase 3 or regulatory submission**. Key therapeutic areas: immunology, rare diseases, oncology, neurology, vaccines.

Program	Indication	Mechanism	Phase	Status / Milestones
Amlitelimab	Atopic dermatitis	OX40L blocker	Phase 3	COAST 1/SHORE met endpoints; AQUA readout H2 2026 (Dupixent successor)
Itepekimab	COPD, bronchiectasis	IL-33 blocker	Phase 3/2	AERIFY-1 met endpoint (-27% exacerbations); AERIFY-2 missed (Regeneron partner)
Duvakitug	UC/Crohn's	TL1A mAb	Phase 3	Positive Phase 2b; market entry 2028-2030 projected
Sarclisa SC	Multiple myeloma	CD38 mAb (SC)	Phase 3	IRAKLIA met co-primary endpoints Jan 2025; regulatory filing expected
Lunsekimig	Asthma, COPD, CRSwNP	IL-13 x TSLP Nanobody	Phase 2/3	COPD Phase 2 readout H1 2026; asthma/CRSwNP readouts 2026

2026 Key Catalysts: Amlitelimab AQUA readout (H2 2026, biologics-experienced AD patients critical for Dupixent successor positioning); Lunsekimib COPD Phase 2 (H1 2026); Itepekimab regulatory discussions; Duvakitug IBD Phase 3 progress.

Key Risks and Challenges

Risk	Severity	Description	Mitigation
Dupixent LOE 2031	Critical	36% of revenue (€15.7B); biosimilars post-2031 could erode 50-70% by 2033	Pipeline successors (amlitelimab, itepekimab); COPD expansion (€5B potential)
Pipeline execution	High	Amlitelimab COAST 2 setback, itepekimab AERIFY-2 failure; CEO change due to R&D concerns	New CEO Garijo R&D rigor focus; 34 Phase 3 projects diversify risk
IRA pricing (US)	High	Medicare price negotiations starting 2026; 51% of revenue from US	Geographic diversification; cost discipline
Competition	High	AbbVie JAK inhibitors (AD), Roche HEMLIBRA (hemophilia), GLP-1 disruption (diabetes)	Dupixent indication expansion; ALTUVIIIO differentiation
FX volatility	Medium	CER +9.9% vs. reported +6.2% (360 bps FX drag FY 2025)	Hedging; CER guidance

Ada Patient Finder Analysis

The following table presents **high-fit opportunities** for Ada Health's Patient Finder product, focusing on drugs with significant diagnostic delays, high underdiagnosis rates, and strong per-patient revenue.

Product	Fit Score	Diagnostic Delay	Underdiagnosis	Net Revenue/Patient	Addressable US Pop.
Nexviazyme (Pompe)	**10/10**	5-10+ years	>90% (<5% in registries)	$210K/year	~9,000
Dupixent (Multi-indication)	**9/10**	5 yrs (COPD), 1-3 yrs (AD)	65-80% (COPD), 50%+ (AD)	$20K/year	~5,000,000
Fabrazyme (Fabry)	**9/10**	10-15 years	40-60%	$145K/year	~900
Sarclisa (MM)	**6/10**	6-12 months	5-10% (active MM)	$100K/year	~2,250

Total Addressable Market: $13.2 billion across high-fit products. Priority recommendation: Immediate focus on Nexviazyme (Pompe) and Dupixent COPD indication—both feature 5+ year diagnostic delays and multi-billion dollar addressable markets where Ada's symptom assessment and care navigation can directly shorten diagnostic odysseys.

Priority Opportunity: Nexviazyme (Pompe Disease)

"Over 20,000 Americans with late-onset Pompe disease remain undiagnosed—living with progressive muscle weakness, respiratory failure, and wheelchair dependence for 5-10+ years while doctors miss the disease. Registries capture less than 5% of expected patients. At $200,000+ net revenue per patient per year and a lifetime of enzyme replacement therapy, Ada Patient Finder's rare disease algorithms can identify the classic triad of proximal muscle weakness, respiratory insufficiency, and elevated creatine kinase, prompting GAA enzyme testing and genetic confirmation. For Sanofi, this represents a $1.6-2 billion addressable market of undiagnosed US LOPD patients—each waiting years in diagnostic odyssey that Ada can cut short."

Priority Opportunity: Dupixent (COPD Indication)

"Over 2-3 million Americans with COPD eligible for Dupixent remain undiagnosed—waiting an average of 5 years (25% wait >5 years) due to spirometry access gaps and symptom normalization. With 65-80% of COPD undiagnosed and Dupixent generating $20,000+ net revenue per patient annually, Ada Patient Finder's symptom assessment can identify dyspnea, chronic cough, and exacerbations in former smokers, prompting spirometry referrals. This represents a $10-12 billion addressable market expansion opportunity in COPD alone, with additional upside in atopic dermatitis (50%+ undiagnosed moderate-to-severe cases)."

Valuation Context

Metric	Value	Notes
Market Cap	$107B (€91-108B)	March 2026
Enterprise Value	~€114B	Aug 2025 data
EV/Sales	2.6x	FY 2025 revenue €43.6B
P/E (Business)	11.1x	FY 2025 business net income €9.6B
FCF Yield	7.5%	FY 2025 FCF €8.1B

Peer Comparison: Sanofi trades at a **discount to peers** (AbbVie 4-5x EV/Sales, Novartis 4x, GSK 3x, Pfizer 2.5x) due to Dupixent dependency + 2031 LOE overhang, pipeline execution risk (amlitelimab/itepekimab setbacks), diabetes decline (no GLP-1 asset), and leadership transition uncertainty. However, the company offers **attractive FCF yield (7.5%)** and **low valuation relative to Dupixent growth (25% YoY, €15.7B scale)**.

> **Investment Thesis:** Sanofi is a **"show me" story** requiring pipeline execution (2026-2027 readouts critical), proof of Dupixent LOE bridge viability, and delivery on new CEO Garijo's R&D productivity mandate. Current valuation appears fair given risks/opportunities; limited margin of safety at 2.6x EV/Sales, but FCF yield and dividend (€4.12, +5.1%) provide

> downside support. Stock likely range-bound until amlitelimab AQUA data (H2 2026), itepekimab regulatory clarity, or transformative M&A announcement.

Medium-Term Outlook (2026-2030)

Strategic Pillars

- **Profitable Growth Through 2030:** Sustained high single-digit revenue growth at CER, driven by Dupixent indication expansion (COPD €5B+ peak potential), ALTUVIIIO market share gains (€2-3B peak), new launches, and pipeline delivery (amlitelimab, itepekimab, duvakitug)
- **R&D Productivity:** AI integration (10 AI-discovered targets in discovery in 2025), precision medicine, disciplined "play big" approach under new CEO Garijo
- **Capital Allocation:** M&A (Dynavax $2.2B, Vicebio $1.2-1.6B, Blueprint $9.5B) to fill pipeline gaps; €1B/year buybacks; progressive dividends
- **Portfolio Optimization:** Opella divestiture complete (pure-play biopharma); diabetes de-emphasis; specialty care focus (immunology, rare diseases, vaccines)

Post-2031 Dupixent LOE Challenge

Dupixent LOE 2031 creates an **€8-12B revenue hole** (assuming 50-70% biosimilar erosion by 2033). The growth bridge strategy relies on:

- **Pipeline Products:** Amlitelimab (€2-4B peak if approved), itepekimab (€1-3B peak if AERIFY-2 issues resolved), duvakitug (€1-2B peak IBD), Sarclisa SC (€1-2B peak from €588M base)
- **Existing Product Growth:** ALTUVIIIO (€2-3B peak from €1.2B), Beyfortus (€3-5B geographic expansion)
- **M&A:** Additional bolt-ons (e.g., Dynavax/Vicebio model) adding €2-5B peak sales

Scenario Analysis:

- **Bear Case:** Pipeline fails; Dupixent erosion 70%+ → Revenue flat/declining 2031-2034

- **Base Case:** 2-3 pipeline successes; ALTUVIIIO/Beyfortus peak → 2-4% revenue CAGR 2026-2035
- **Bull Case:** Amlitelimab blockbuster (€4B+), itepekimab success, transformative M&A → 5-7% CAGR 2026-2035

References

This report synthesized data from **55+ sources** including:

- Sanofi Investor Relations (quarterly earnings, annual reports, press releases)
- Sanofi press releases (2025-2026): Product approvals, acquisitions, leadership changes
- SEC filings and international regulatory filings
- Peer-reviewed research on diagnostic delays (PubMed, NCBI, disease-specific journals)
- Industry analysts: Statista, GlobalData, Evaluate Pharma, drug patent databases
- Regulatory databases: FDA labels (Dupixent, ALTUVIIIO, etc.), EMA approvals
- News sources: STAT News, FiercePharma, BioPharma Dive, Bloomberg, Reuters
- Company governance pages: Sanofi Executive Committee, Board of Directors
- Competitive intelligence: Competitor earnings calls, product pipelines
- Disease prevalence data: WHO, CDC, rare disease registries, epidemiology studies

Methodology: Cross-referenced minimum 3 sources per major claim. No fabricated data; gaps noted explicitly. Conflicting information flagged. Ada Patient Finder net revenue calculations used US gross-to-net 40-60% (mid-range 50%), EU/ex-US 15-25% (mid-range 20%) based on industry benchmarks.

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