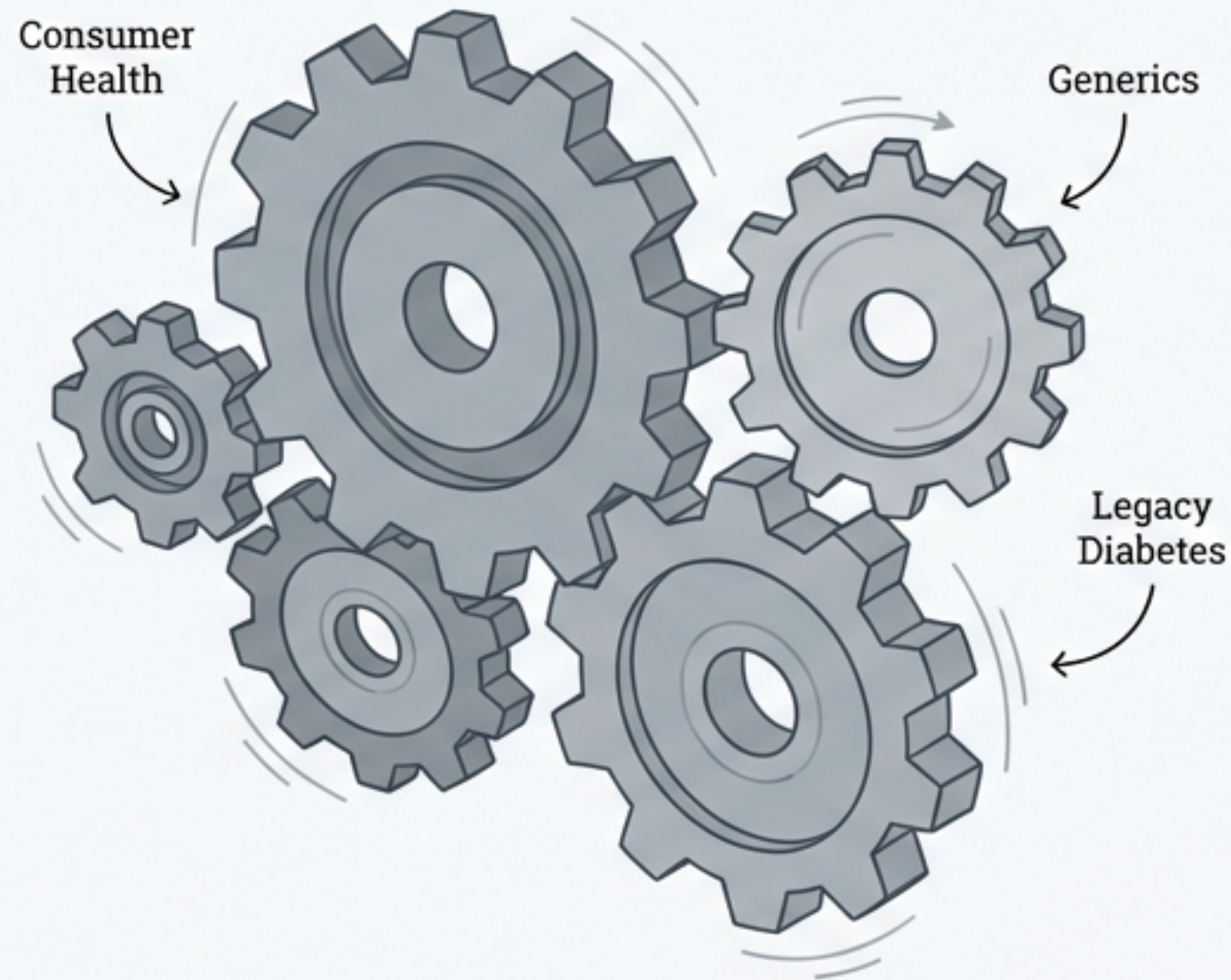


Sanofi (SNY): The Great Recalibration

Pursuing "Pure-Play" Premium in a Post-Conglomerate Era



Legacy Structure:
Conglomerate Model



Future State:
Pure-Play Biopharma

The 'Play to Win' Paradox: Commercial Excellence vs. Pipeline Anxiety

Commercial Excellence



Financial Bridge Built

- FY2025 Sales
€43.6B (+9.9%)
- Business EPS
€7.83 (+15%)
- Dupixent Super-Cycle
(€15.7B Sales)

Developmental Volatility



R&D Engine Sputtering

- **Tolebrutinib Failure**
(CRL in MS)
- **M&A Reliance**
(€15B Spent)
- 2031 Patent Cliff Looming

The Strategic Equation: Sanofi is generating massive cash today to buy its survival for tomorrow.
Verdict Tease: A defensive 'Buy' for yield/GARP investors; a 'Pass' for pure Alpha seekers.

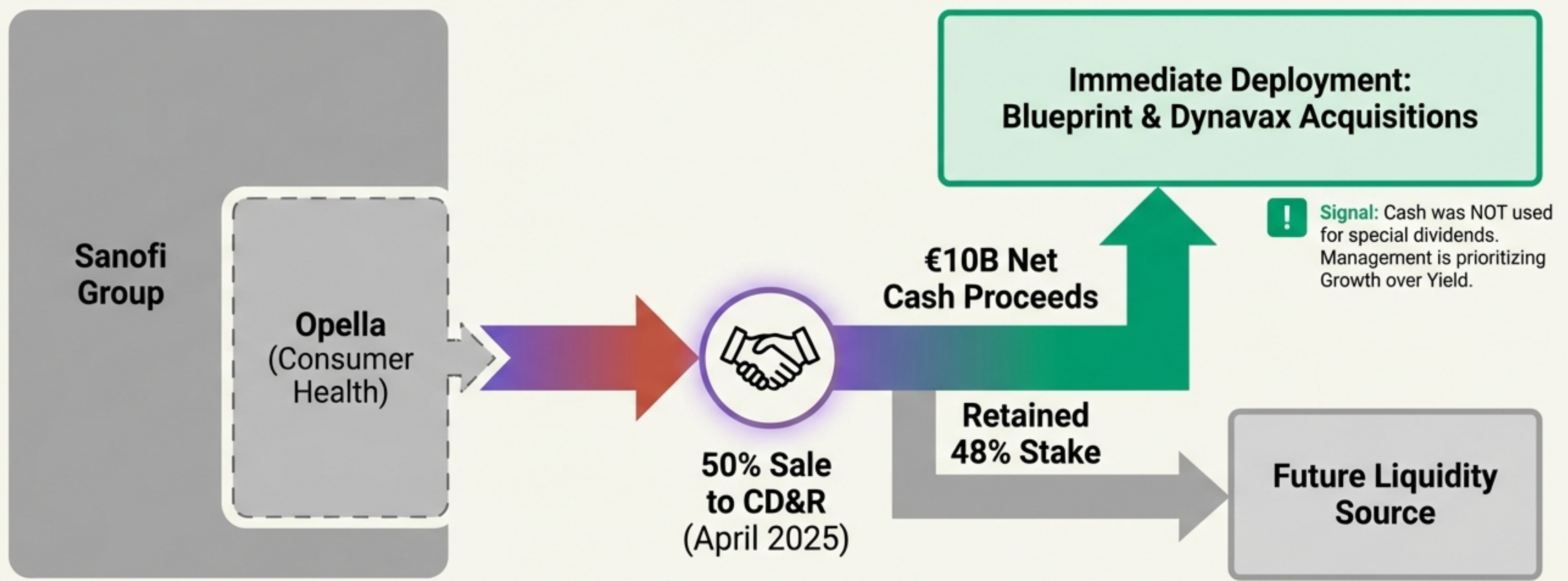
De-Conglomeration Unlocks the Balance Sheet

Trading low-growth consumer volume for high-margin specialty capital

Enterprise Value: ~€16B

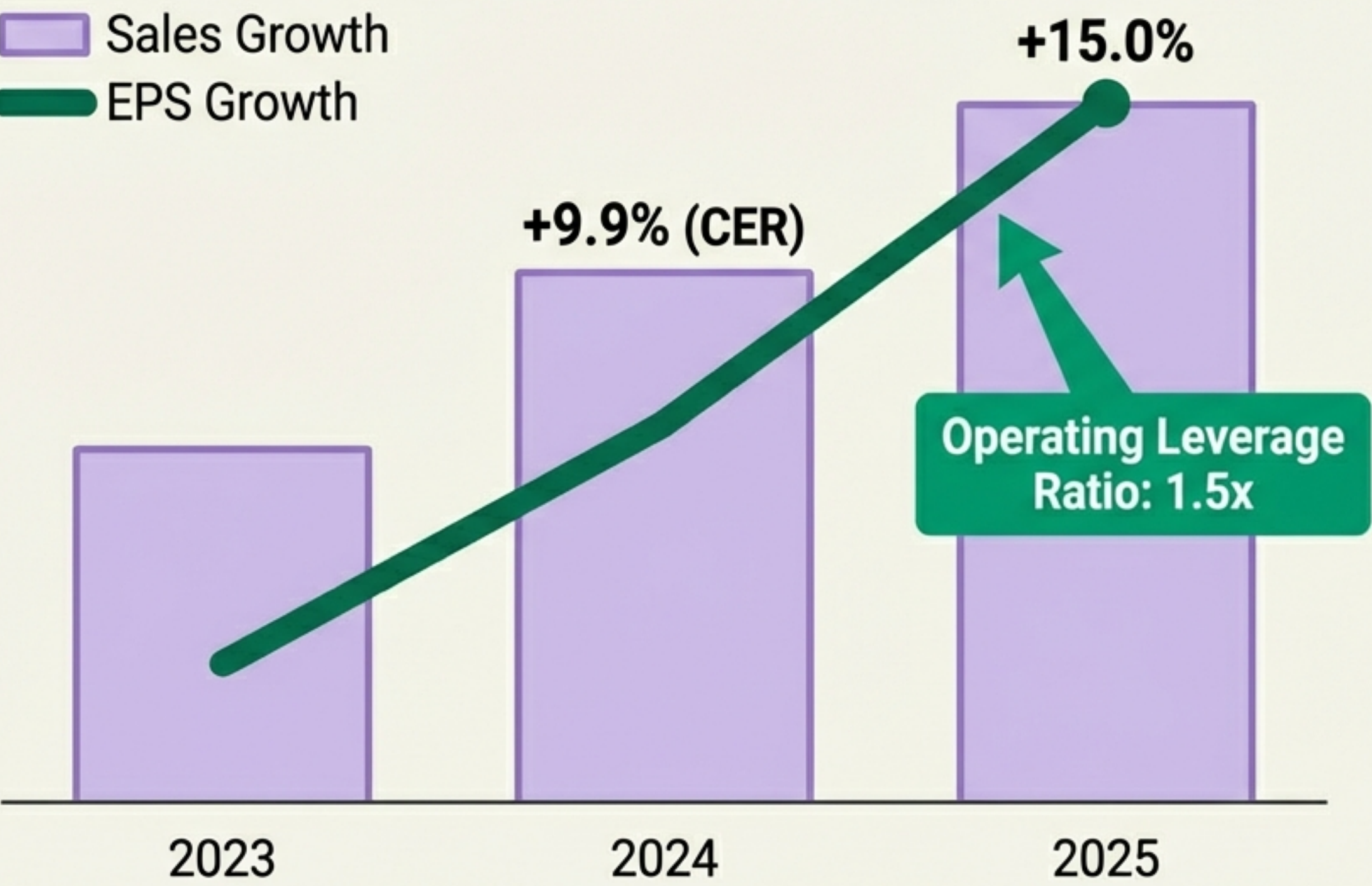
Growth Profile Swap: Exiting 2-3% growth for double-digit Biopharma potential.

Process Flow



Pure-Play Pivot Drives 15% EPS Growth

The 'J-Curve' Effect: Operating leverage is accelerating as the product mix shifts.



Margin Expansion Drivers

Gross Margin: 77.5% (+1.8pp)
Exit of low-margin Consumer Health (Opella).

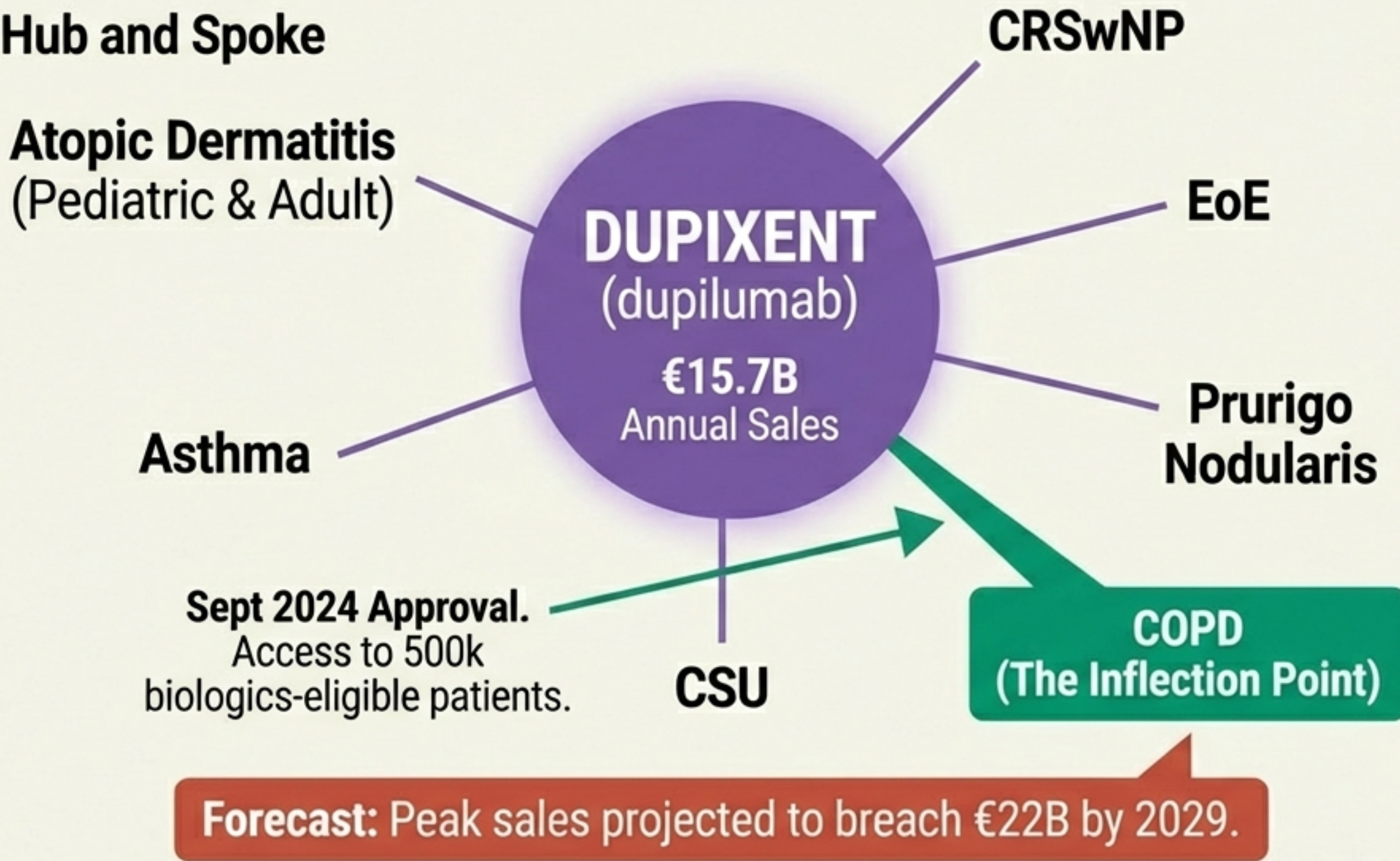
Mix Shift
Generic Diabetes decline replaced by high-margin Biologics.

Efficiency
SG&A scaling efficiently against Dupixent volume.

The Dupixent Super-Cycle: A Pipeline-in-a-Product

The Dupixent Super-Cycle: onyxating with the b with on the product maurination.

Hub and Spoke



The Wide Moat Analysis

Why it wins

1. Safety Profile.
No "Black Box" warnings.
Superior to JAK inhibitors.

2. Mechanism.
IL-4/IL-13 targeting
addresses root
pathophysiology.

3. Momentum.
Q4 2025 Growth: +32.2%.

Beyond Dupixent: The Launch Phase Support Cast

Beyfortus (RSV)



Blockbuster (€1.7B Sales)

Key Insight:

Securing the Infant Market.
Single-dose protection
creates a high barrier
against competition.

Altuviio (Hemophilia A)



Blockbuster (>€1B Sales)

Key Insight:

Standard of Care Disruption.
Once-weekly dosing is
taking share from Roche
& Takeda.

Vaccines (The Floor)



Defensive Revenue Floor

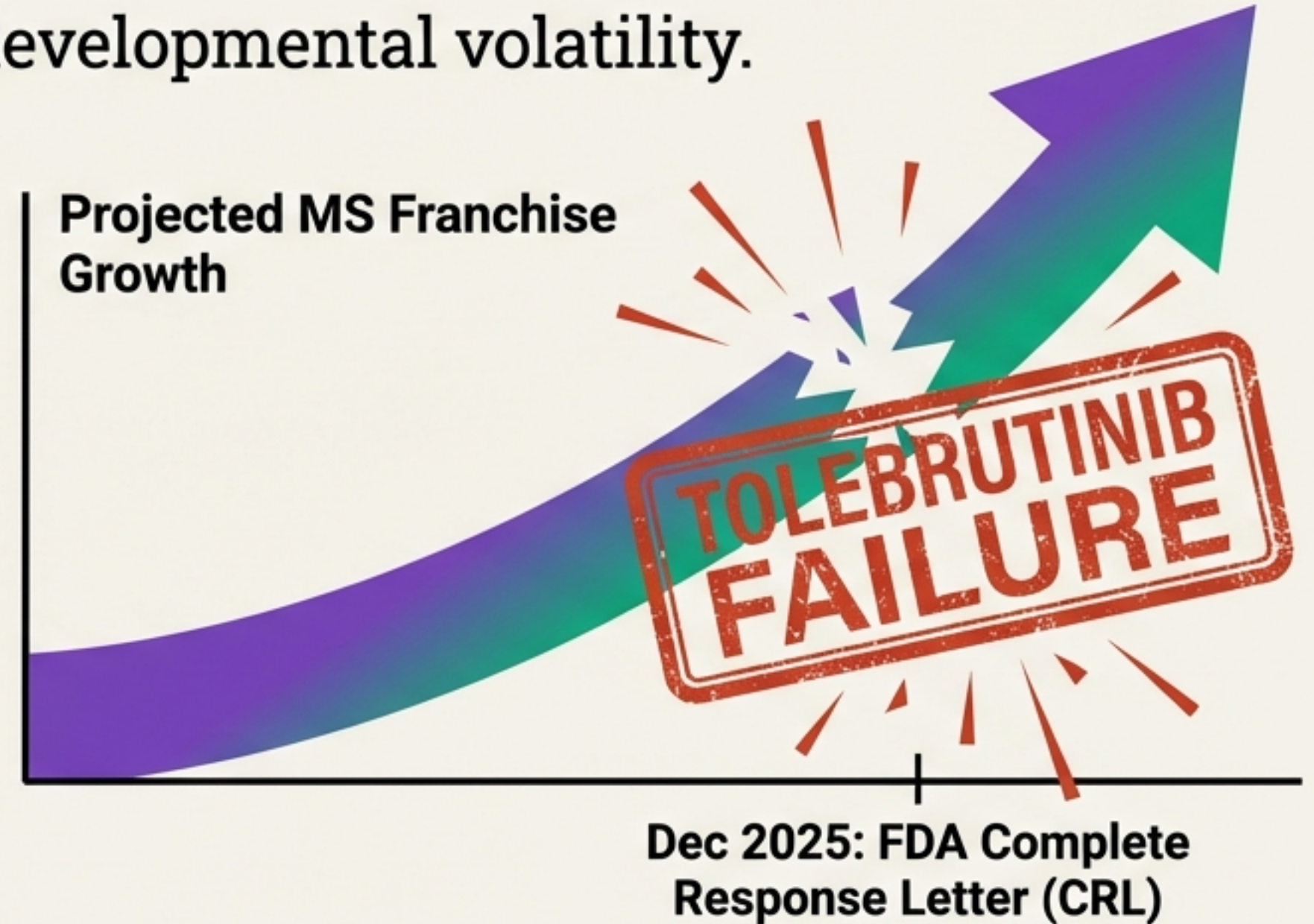
Key Insight:

Fluzone High-Dose remains
the gold standard for elderly
elderly (>65). Mitigates
seasonal volatility.

The Achilles Heel: Internal R&D Attrition

Commercial excellence is masked by developmental volatility.

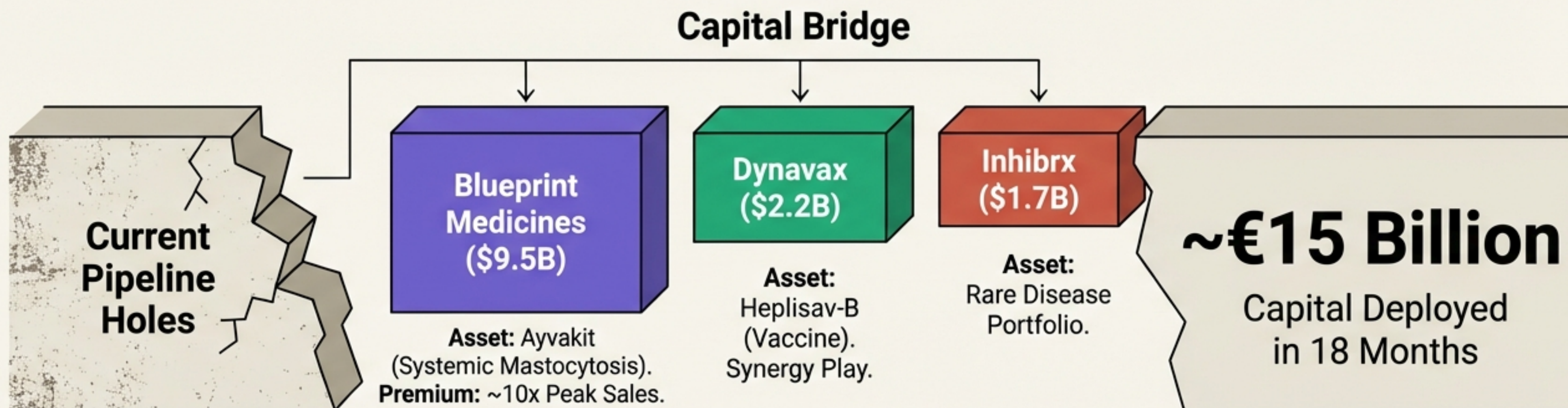
- **The Event:** Rejection in nrSPMS due to liver injury risks.
- **The Cost:** Material destruction of value. Likely write-down of the \$3.7B Principia acquisition asset.
- **The Implication:** Proves inability to develop early-stage assets internally.



Strategic Consequence: This failure neutralizes organic growth in Neurology, forcing the expensive pivot to late-stage M&A.

The Inorganic Pivot: Buying to Survive

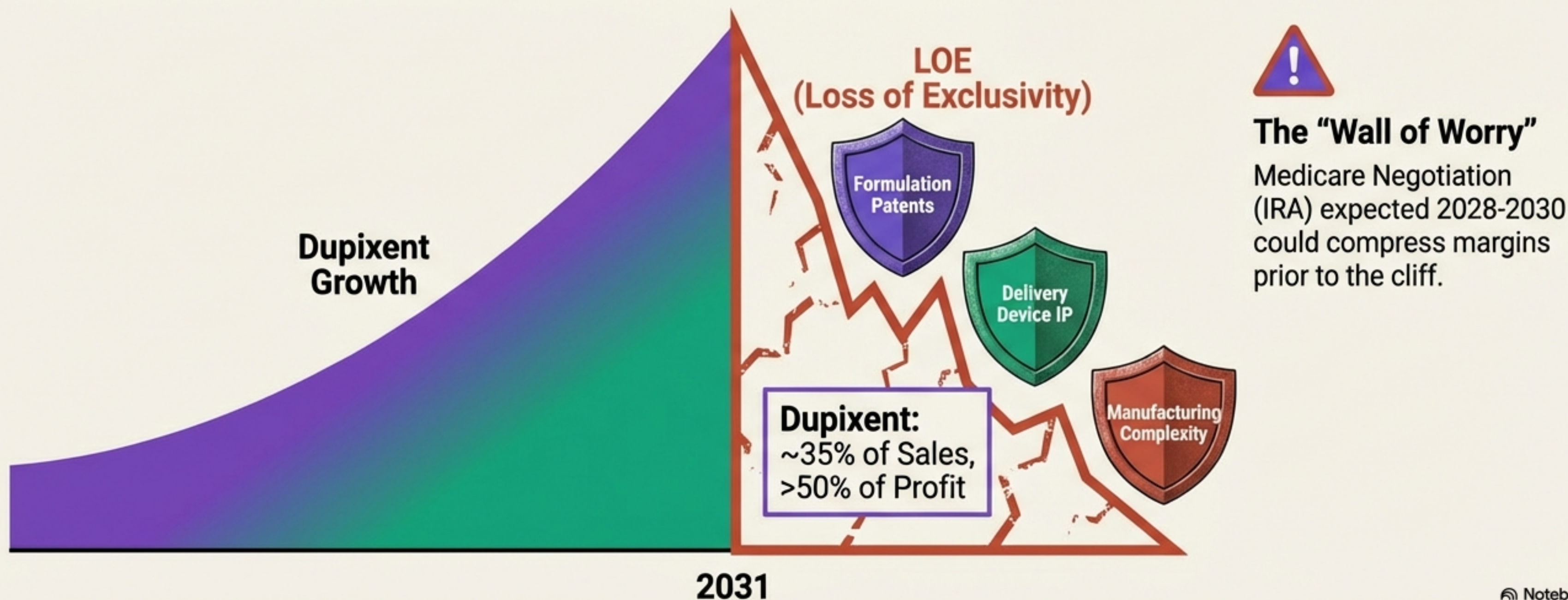
Aggressive capital deployment to backfill the post-2030 revenue gap.



Risk Analysis: High premiums put immense pressure on execution. Sanofi is currently “renting” innovation rather than creating it.

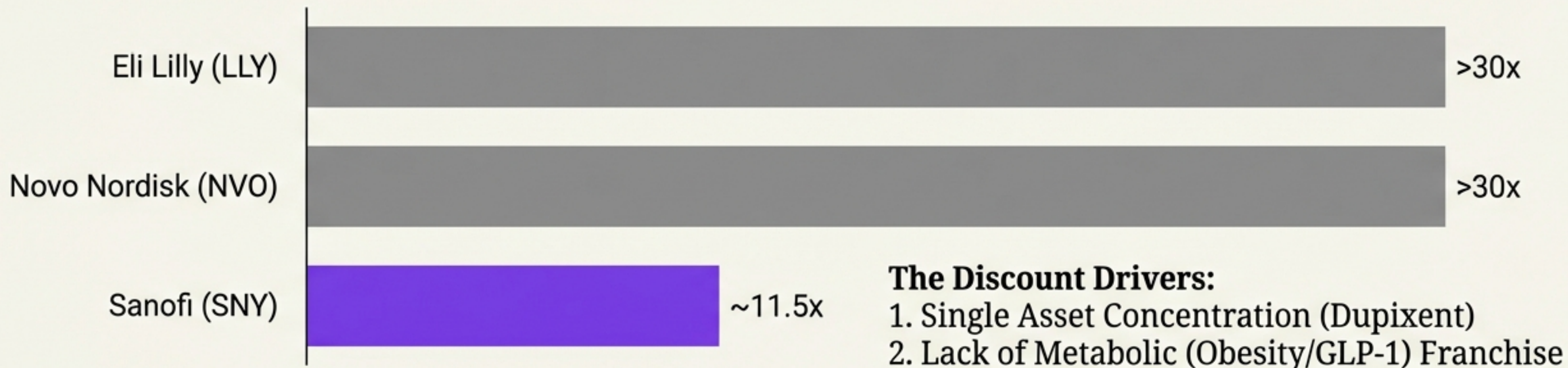
The Existential Threat: The 2031 Patent Cliff

The impending loss of exclusivity for Dupixent poses a critical challenge to Sanofi's future, demanding a robust defense strategy.



Valuation: The “Pipeline Penalty” Discount

Forward P/E Ratio

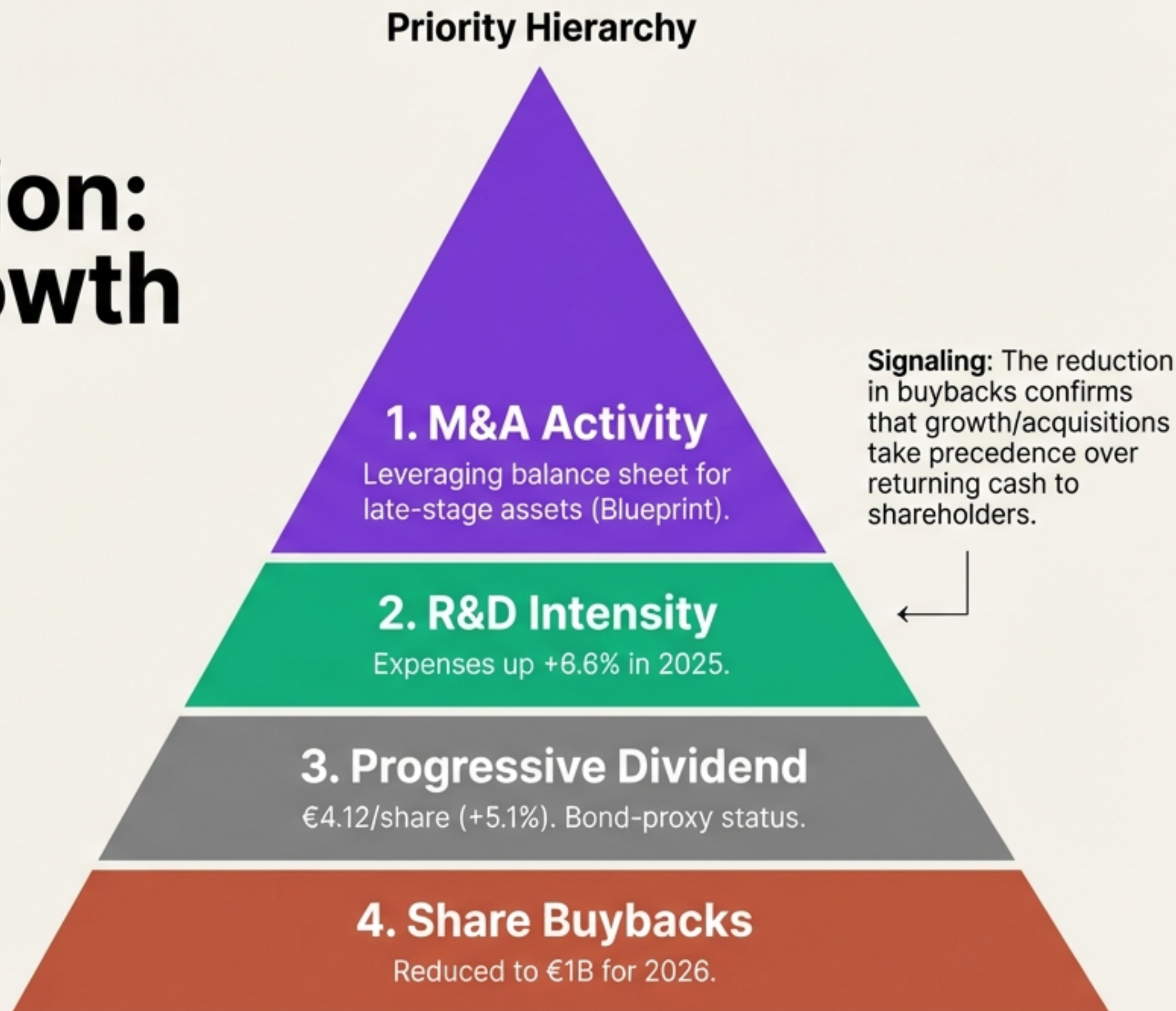


The Value Opportunity **PEG Ratio < 1.0**

Market is pricing SNY as a 'yield trap,' ignoring ~15% EPS growth.
Significant upside potential if M&A integration succeeds.

Capital Allocation: Aggressive Growth Over Buybacks

Cash use signals a clear preference
for asset acquisition.



Verdict: A 'One-Drug Wonder' or a Value Play?

THE BULL CASE (Defensive Growth)

💰 **Yield:** 4.6% (Safe)

📈 **Valuation:** 11.5x P/E (Low)

📋 **Execution:** Flawless commercialization of Dupixent.

✅ **Recommendation:** BUY for Value/Income.

THE BEAR CASE (Binary Risk)

💡 **Innovation:** No internal engine.

➡ **Horizon:** Looming 2031 Patent Cliff.

💰 **Opportunity Cost:** No exposure to GLP-1/Obesity boom.

⚠ **Recommendation:** AVOID for Alpha/High-Growth.

Final Thought: Sanofi is a leveraged bet on immunology execution. Success depends entirely on building the post-Dupixent bridge before 2031.