LSEG STREETEVENTS

EDITED TRANSCRIPT

SASY.PA - Q1 2026 Sanofi SA Earnings Call

EVENT DATE/TIME: APRIL 23, 2026 / 11:00AM GMT

LSEG DATA & ANALYTICS

CORPORATE PARTICIPANTS

Thomas Larsen *Sanofi SA - Head of Investor Relations*

Olivier Charmeil *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Francois-Xavier Roger *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

Houman Ashrafian *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Manuela Buxo *Sanofi SA - Head of Specialty Care, Member of the Executive Committee*

Roy Papatheodorou *Sanofi SA - Executive Vice President, General Counsel, Member of the Executive Committee*

CONFERENCE CALL PARTICIPANTS

James Gordon *Barclays Services Corp - Equity Analyst*

Florent Cespedes *Oddo BHF SCA - Equity Analyst*

Luisa Hector *Joh Berenberg Gossler & Co KG - Analyst*

Steve Scala *Cowen and Company LLC - Analyst*

Sachin Jain *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

Richard Vosser *JPMorgan Chase & Co - Analyst*

Sarita Kapila *Morgan Stanley - Analyst*

Seamus Fernandez *Guggenheim Securities LLC - Equity Analyst*

Graham Parry *Citi Infrastructure Investments LLC - Analyst*

Peter Verdult *Exane Bnp Paribas - Analyst*

David Risinger *Leerink Partners LLC - Analyst*

Matthew Weston *UBS AG - Analyst*

Simon Baker *Redburn Partners LLP - Analyst*

Rajesh Kumar *Hsbc International - Analyst*

PRESENTATION

Thomas Larsen - *Sanofi SA - Head of Investor Relations*

Hello, everyone. This is Thomas Larsen from the Sanofi IR team. Welcome to the first-quarter 2026 conference call for investors and analysts. As usual, you will find the slides on sanofi.com. Please turn to slide number 3.

Here, we have the usual forward-looking statements. We would like to remind you that information presented in this call contains forward-looking statements, which are subject to substantial risks and uncertainties that may cause actual results to differ materially. We encourage you to read the disclaimer in our slide presentation. In addition, we refer you to our new Form 20-F on file with the US SEC since February in our French Universal Registration Document for a description of these risk factors.

As usual, we'll be making comments on our performance using constant exchange rates and other non-IFRS measures. Numbers used are in millions of euros and for the first quarter, unless stated otherwise.

Please turn to slide number 4. First, we have a short presentation, then we'll take your questions. We aim at keeping it all to one hour, including the questions. We are mindful that other companies are also reporting today. For the Q&A, we have Manuela and Thomas to cover our global businesses as well as Roy, our General Counsel; and Brendan, Head of Manufacturing and Supply.

(Operator Instructions) With that, I'll now hand you over to Olivier, our Interim CEO.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Hello, everyone, and thank you for joining our conference call. As Thomas mentioned, I'm the interim CEO before our new CEO, Belén Garijo, joins Sanofi in May after next week Annual General Meeting. Before we get started, I also want to thank Paul Hudson for his work as CEO from 2019 to 2026 and his work with the management team here at Sanofi.

Now on results, I'm pleased to report that we delivered a strong start in 2026 with double-digit sales growth and earnings growth, reflecting strong performance across our company. Pharma launches performed well, driven by Ayvakit, ALTUVIIIO, and Sarclisa. This exemplifies our ability on the commercial side. Modest vaccine growth was led by our expanded PPH portfolio, which now includes the hepatitis B vaccine, Heplisav-B, following the Dynavax acquisition that closed in February. Other medicines were impacted by the ongoing divestment of legacy medicines and modest contraction in older medicines in the rest of the world.

Dupixent continued its strong performance with continued underlying volume growth across indications and market, while dollar growth was boosted from a lower base of comparison in the US in 2025. Overall, the first quarter demonstrated solid progress across our key growth drivers and sets up well for the remainder of the year with guidance unchanged.

Turning now to slide 6. Our launches continue to drive strong momentum and represented 14% of total sales. The performance was led by ALTUVIIIO with EUR325 million in sales, up 42%, followed by Beyfortus with EUR284 million, reflecting continued global expansion. Sarclisa grew by 30% to EUR167 million, driven by higher demand in all geographies, reflecting increased use in the frontline setting.

We saw medicines and vaccines from our recent acquisition contribute meaningfully to growth. Ayvakit delivered EUR170 million and Heplisav-B contributed EUR46 million since the completion of the Dynavax acquisition. Recently launched Wayrilz, Qfitlia and Myqorzo continued to make progress as we expand access for patients. Overall, our launch portfolio grew by 44% versus last year or approximately 22%, excluding acquisitions. The performance of our launches reflects our continued focus on commercial delivery across the business.

Turning now to slide 7. Dupixent continued to deliver exceptional sales growth with first quarter sales approaching EUR4.2 billion. Strong year-over-year growth was driven by continued market penetration across existing and new indications as well as a lower basis of comparison in the US last year. As shared previously, we anticipate volume-driven growth to continue with some normalization in the second half of the year as new launches annualize and comparisons are getting tougher.

Dupixent remains the number one prescribed biologic medicine across top specialists in the US, reflecting the confidence of physicians in Dupixent's efficacy and safety profile. This performance underscores our ability to successfully launch and scale across multiple indications and geographies. With the US approval in February in allergic fungal rhinosinusitis, Dupixent is now approved in nine indications and reached more than 1.4 million patients.

Moving now to slide 8, where we outline the multiple options we have in place to sustain value creation for the Dupixent franchise. Let me walk you through each of the three pillars. First, Defend. We have a robust patent portfolio of issued patents and pending application with expiration dates running from 2031 to 2045. We have a vigorous defense plan with the expectation to protect Dupixent innovations beyond the US compound patent expiration in March 2031.

Second, Extend. We have the potential to extend Dupixent's dosing interval to every four weeks to improve patient convenience. We will pursue this through two approaches: a higher dose approach in asthma where development is currently ongoing and a co-formulation approach for which clinical studies are expected to start in the second half of 2026. And third, Innovate. We can potentially pursue new

molecules to leverage our existing alliance infrastructure to bring new medicines to patients. Together, these three pillars represent multiple complementary options for continued value creation to sustain the long-term durability of the Dupixent franchise.

Turning now to slide 9. Rare diseases are named rare as they affect relatively few people, fewer than 5 in 10,000 people according to the EU. And in the US, rare disease affects fewer than 200,000 people. But collectively, rare disease impact hundreds of millions of individuals worldwide. Many people face years of misdiagnosis and limited treatment options.

Sanofi has built a deep differentiated expertise across rare disease, spanning from lysosomal storage disease, rare blood disorders and more recently, systemic mastocytosis disorders. With this, we now have a very sustainable and competitive business.

In Q1, this business reached nearly EUR1.8 billion, and grew by 20%, led by Ayvakit and ALTUVIIIO. Our growth is fueled by innovation and by new launches, which contribute to almost half of sales. Sanofi's mission in this space is clear, to bring transformative therapies to patients faster and to remain a long-term partner to the rare disease communities we serve.

On slide 10, vaccine sales reached EUR1.3 billion in the first quarter, reflecting solid underlying fundamentals. Following the consolidation of Dynavax in February, PPH and booster now include Heplisav-B, which grew by 18% on a market pro forma basis.

Now I want to share some recent headlines. A new study published in the Lancet Infectious Diseases showed for the first time the benefit of Beyfortus in the second season. On top of an 86% reduction in RSV LRTI hospitalization in the first season. It demonstrated a 55% reduction in hospitalization for infants immunized in the first season. This underscores Beyfortus differentiated clinical profile and long-term value for patients.

Additionally, Nuvaxovid, our non-mRNA COVID-19 vaccines continues to differentiate on tolerability as supported by the data presented at ESCMID, a key advantage that could help drive higher COVID immunization rates. In the first quarter, our vaccine business demonstrated resilience and depth.

We continue to deliver on our commercial priorities, strengthen our pipeline through disciplined business development and build real-world evidence that supports the long-term value. This gives us confidence in the trajectory ahead. Before moving to the financials, I'm pleased to highlight Sanofi's 25 years partnership with the WHO to eliminate sleeping sickness, a neglected disease affecting vulnerable population in Africa.

Since 2001, we have achieved three major milestones. In 2009, together with partner, we introduced the first effective and safe combined therapy to treat late-stage sleeping sickness. Then we co-developed with DNDI the first oral treatment, which is approved in 2018. These efforts helped reduce new cases by 98% between 2001 and 2024.

In February, Acoziborole also co-developed with DNDI, received a positive CHMP opinion. Acoziborole is the first single-dose treatment and requires no hospitalization or lumbar puncture. Due to its simplicity, it can be easily administered in remote village, supporting the WHO goals to eliminate the disease by 2030. Through the Sanofi Foundation, we donate these medicines free of charge to patients. Thank you.

And I will now hand over to François, our CFO, for more details on the financials.

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

Thank you, Olivier, and hello to everyone. Starting withslide 13. Net sales grew by 13.6% to EUR10.5 billion in the first quarter. Our growth was supported by three main drivers, Dupixent, our recent launches and recent acquisitions as well. On a like-for-like basis, group sales increased by 12%. At constant exchange rates, both gross profit and margins were up, supported by favorable product mix and continued operational efficiencies.

Operating expenses increased by 7%. This was driven by increased SG&A spend due to 2025 BD and M&A activity, including Blueprint and Dynavax as well as some one-off items. As a percentage of sales, OpEx came down by 1.9 percentage points, showing the ongoing impact of our efficiency programs.

BOI was up by 10.9% and BOI margin was slightly down due to higher profit sharing and the phasing of capital gains, which were approximately EUR230 million last year versus only EUR40 million this year. Our tax rate was in line with the rate of the first quarter of 2025 with a similar additional French corporate income tax contribution in both years. Finally, business EPS grew strongly at 14%, driven by operational leverage.

Turning to our 2026 outlook onslide 14. We confirm our guidance of high single-digit sales growth at constant exchange rates with business EPS expected to grow slightly faster than sales. Please note that we have a tougher comparison base in H2 with Dupixent's new indication launches and the consolidation of Ayvakit, which started in July 2025.

We now expect approximately EUR400 million of capital gains from divestments in 2026. In March, we signed an agreement to divest Medley, our Brazilian generics business under very favorable market conditions. This incoming disposal will be booked below BOI and is subject to antitrust approvals.

We expect to close this transaction at the earliest around the end of 2026. Profit sharing will continue to grow faster than Dupixent sales and financial expenses are expected to increase this year with higher debt level from BD and M&A activities last year and potentially further deals this year.

Finally, I'm pleased to confirm that we will complete our EUR1 billion share buyback program in the coming days. I will now hand over to Houman for an update on our pipeline.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Thank you, François. The first quarter demonstrated continued momentum across our portfolio. Let me walk you through some of the key highlights. Dupixent received multiple label expansions in the EU for chronic spontaneous urticaria children, in Japan for bullous pemphigoid, and in the US for allergic fungal rhinosinusitis, further advancing our commitment to reach more patients through new indications.

We also obtained EU approval for Rezurock in third-line chronic graft versus host disease, marking an important milestone for patients with limited treatment options. And finally, we are pleased with the US label expansion for Tzield to delay the onset of Stage 3 type 1 diabetes in children as early as 1 year of age that were received just yesterday.

We reported a positive Phase III result for venglustat where the primary endpoint was achieved in type 3 Gaucher's disease, rare disease, while the Phase III study in Fabry's disease did not meet its primary endpoint. We initiated a new Phase III study for frexalimab in kidney transplantation, expanding the CD40 ligand mechanism of action in transplant biology.

On the regulatory front, Wayrilz received orphan designation in Japan for wAIHA and IgG4-related disease, along with breakthrough designation in the US Venglustat was also granted breakthrough therapy in the US for type 3 Gaucher's disease.

After a solid start to the year, now let's explore each of these areas in more detail. Starting with dermatology, where we presented the amlitelimab data at the recent AAD medical meeting. Across all three pivotal studies, COAST 1, COAST II and SHORE and across both primary endpoints, IGA and EASI, amlitelimab showed continuous improvement for both every 4 and 12-week dosing schedules versus placebo through week 24 with no evidence of plateau.

There was further -- this was further supported by the ATLANTIS Phase II results through week 52. In addition, itch reduction was similar across both dosing schedules, enabling the potential of very infrequent dosing. On safety, amlitelimab was well tolerated with low rates of conjunctivitis, pyrexia, chills and headache that were observed with other molecules.

No cases of Kaposi's sarcoma were observed in these Phase III studies. However, as reported, there was one observed in ATLANTIS, the Phase II study and observed in the ESTUARY Phase III extension study. These cases are both cutaneous in nature, and both patients are recovering after discontinuation of treatment.

In general, overall rates of malignancy were similar to placebo. We look forward to share more data from the ESTUARY Phase III extension study as we approach the regulatory submission anticipated at some point in H2 2026. In atopic dermatitis, we plan to prioritize efforts on amlitelimab and our first STAT6 inhibitor that recently entered Phase I with our partner, Recludix.

Now moving to our respiratory portfolio on slide 18. We are building a differentiated and innovative pipeline and have made further progress this quarter. We reported top line results of lunsekimig, our anti-IL-13 TSLP bispecific when used on top of background inhaled therapies in two distinct key indications. In moderate to severe asthma, the AIRCULES Phase II study demonstrated statistically significant and clinically meaningful reduction in exacerbations regardless of biomarker status over 48 weeks and similarly, a statistically significant and clinically relevant improvement in lung function as measured by pre-bronchodilator FEV1 also at 48 weeks.

The ongoing AIRLYMPUS Phase II study will further expand the use in patients with high-risk asthma and suffering from high exacerbation rates despite symptom control. In inadequately controlled chronic sinusitis -- chronic rhinosinusitis with nasal polyps, the DUET Phase II study of lunsekimig demonstrated statistically significant and clinically meaningful changes also in nasal polyps scores, patient-reported nasal congestion and obstruction and the Lund-Mackay CT score at week 24. Both studies showed acceptable safety profile.

We are pleased with lunsekimig's results in asthma and chronic rhinosinusitis with nasal polyps and look forward to discussing Phase III studies soon. The results are encouraging, and we look forward to lunsekimig's ongoing PERSEPHONE and THESEUS replicated Phase II/III studies in inadequately controlled COPD patients with an eosinophilic phenotype.

Recall our December late-stage pipeline review, we made the decision to prioritize medicines to specific indications where the mechanisms may work best. Amlitelimab was deprioritized in asthma to focus resources on the most promising opportunities. As for itepekimab, the CEREN 1 and 2 Phase III studies in chronic rhinosinusitis with nasal polyps are ongoing with readouts anticipated next year.

In COPD, we're in discussions with the regulatory authorities and with our partner, Regeneron, on a potential Phase III study. There is no final decision made yet, and it will be subject to overall portfolio prioritization. Overall, our portfolio is advancing and lunsekimig is emerging as a potentially important medicine across multiple respiratory indications.

Turning now to slide 19. With the RELIEVE UCCD Phase II study, following fortnightly 900-milligram induction, duvakitug achieved ulcerative colitis clinical remission placebo-adjusted rate of 27% and Crohn's disease endoscopic response placebo adjusted rate of 35%. During monthly maintenance and induction responder patients, duvakitug demonstrated UC clinical remission rates of 58% and CD endoscopic response rates of 55%.

The maintenance response suggests robust sustained efficacy with a convenient monthly subcutaneous dosing. Consistent benefits were observed across clinical endoscopic and patient-reported endpoints and the safety profile was well tolerated and consistent with the induction study. These data support our ongoing Phase III programs and potential life cycle management.

Then on business development, we've added two molecules to potential use in chronic versus host disease and other immune indication. Rovadicitinib, a JAK/ROCK inhibitor from Sino Biopharm is already approved in China for first-line myelofibrosis, which fits with our focus on rare blood diseases with an ongoing Phase III study in third-line graft-versus-host disease. Sanofi is responsible for the Phase II development in second line, extending our presence alongside Rezurock.

From Kali Therapeutics, we licensed in the CD19xBCMAxCD3 T-cell engager currently in Phase I in immune-mediated disease with Sanofi responsible for the Phase II development. These additions reflect our focused approach to business development in areas of high unmet medical need within our strategic scope.

Now pivoting to slide 20 with rare diseases, which remains a core pillar of our strategy with historic presence across lysosomal storage diseases and a deep commitment to our patients. As previously mentioned, venglustat met its primary endpoint in the LEAP2MONO Phase III study in type 3 Gaucher's disease, representing a significant milestone for patients with this debilitating neurological form of the disease and can potentially augment our established medicine, Cerezyme and Cerdelga. It was also designated US breakthrough therapy, which was announced recently.

In Fabry's disease, the PERIDOT Phase III study did not meet its primary endpoint. The CARAT Phase III study is ongoing as we evaluate the path forward in Fabry's. Across acid sphingomyelinase deficiency or Niemann-Pick disease, type 1 mucopolysaccharidosis and Pompe disease, our established portfolio reflects our long-term commitment to that.

On slide 21, now let me share an update on the key mid- and late-stage pipeline developments by using this slide from our December late-stage pipeline review. Our immunology pipeline has progressed by having delivered most of amlitelimab's Phase III program in AD and by lunsekimig's positive results in asthma and CRS with NP.

In neurology, tolebrutinib is still under review with the EU for SPMS, frexalimab in Phase III for RMS and SPMS and riliprubart in Phase III for CIDP, the latter two with data next year. In rare diseases and oncology, Wayrilz is advancing with its life cycle management plan beyond ITP and the designations discussed earlier. Venglustat for GD3 and Sarclisa expanding with a subcutaneous formulation with recent positive EU recommendations. Our vaccines portfolio awaits future data across pneumococcal disease and other opportunities.

Finally, on slide 22, let me cover the expected '26 and '27 key news flows. For the remainder of this year, we expect the last Phase III for amlitelimab in AD required for regulatory submission. We also anticipate multiple regulatory submissions based on data we already received last and this year as regulatory decisions for medicines and vaccines under review. Next year, we'll get the IIb data for brivekimig in HS, followed by Phase III studies of frexalimab in RMS and riliprubart CIDP.

My sincere thanks to all Sanofi R&D colleagues and more broadly, Sanofi colleagues who share my commitment to advance science in Sanofi, improve our pipeline from research to regulatory approval and create new medicines for patients who need them. With this, I hand back to Olivier for Q&A.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Thank you, Houman. We will now open the call to your questions.

(Event Instructions) Now we will take the first question.

QUESTIONS AND ANSWERS

Operator

James Gordon, Barclays.

James Gordon - *Barclays Services Corp - Equity Analyst*

James Gordon from Barclays. One question was on monthly Dupixent. I've seen clinical studies to start in H2. But can you clarify what are you going to co-formulate Dupi within AD? And what would the development pathway and time lines look like? And when could this come to market? And would it be quicker for asthma versus AD? That's the first question, please.

And then the second question would be for lunsekimig. So the Phase II headlines look very encouraging, so your TSLP IL-13 in asthma. But are you confident you've demonstrated a materially stronger profile than existing TSLP monotherapies such as Tezspire already on the market? Would you develop this against -- like with the study against Tezspire or just against placebo? So is this a much better product or really just another TSLP?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Yes. So maybe, James, thank you for your question. And maybe we start by the first question on Dupixent AD, Manuela.

Manuela Buxo - *Sanofi SA - Head of Specialty Care, Member of the Executive Committee*

Yes. So I would ask Houman also to complement here. So first of all, your question was on the LCM profile of Dupixent. And we are evaluating strategic options, a broad set of strategic options as Olivier reiterated in his remarks, one is on IP. The other part is on formulations.

Houman will talk a little bit about the formulations. But there are broader options for Dupixent that we're looking at and that we're considering, including co-formulation, including higher doses with the Q4W dosing to basically provide more options for patients and also elevate and enhance the patient experience. Houman, maybe over to you.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes, Manuela, thank you for that. Very quickly, James, I think just to be super clear, with a high dose weight going into asthma, the development plan for that will be relatively conventional, and we'll give you more details of that alongside our partner, Regeneron, going forward. Importantly, with the formulation, we anticipate going relatively broadly. The formulation has been well worked out and we'll be germane and pertinent to many relevant atopic -- I'm sorry, Dupixent indications. The clinical development of those are just being worked out.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

On the second question related to the lunsekimig Phase II result, differentiated product, Houman?

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes. So again, stated rather simply, we're enthusiastic by the results, as I've just called out, in severe asthma and CRS with NP, both of which are strongly type 2 disorders, and we've been excited by the results we've seen, albeit recognizing that this is -- these are early studies, Phase IIb studies.

Just to be very specific, as you asked the specific asthma study, I'll make three points. Number one is we comfortably hit our primary endpoint, both statistically and clinically in all comers as anticipated. Number two, speaking to differentiation, as called out, on FEV1 and PROs, we were specifically differentiated.

Number three, further details of differentiation in the overall population and in the relevant subgroups will be presented at a medical meeting in a relatively near future. I just want to caveat that while we are excited about lunsekimig in the trial of codependent diseases of asthma, COPD and CRS with NP, we remain thoughtful about how we go forward with these diseases as this was a relatively early study, but it does provide a foundation for our role in respiratory disease.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Next question.

Operator

Florent Cespedes, ODDO.

Florent Cespedes - *Oddo BHF SCA - Equity Analyst*

Florent Cespedes from ODDO BHF. So two quick ones. First, on Dupixent. In Q1, the drug was less impacted by pricing pressure in the US. Maybe could you give us more color on why this happened?

And how do you see the next discussions with the payers? And my second question is to follow up on lunsekimig. Just I would just like to know if you will wait for the Phase II results on the high-risk asthma next year before taking a decision to launch a Phase III program or if you could decide in the near future for the next step for lunsekimig?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So first question, Manuela, on price pressure on Q1.

Manuela Buxo - *Sanofi SA - Head of Specialty Care, Member of the Executive Committee*

Thank you, Florent. So first of all, we're very pleased with Dupixent's continued strong performance, the 31% of growth that we have shown in Q1, which is largely driven by underlying demand -- strong underlying demand across established indications, but also driven by strong uptake in recent launches.

As you rightly pointed out, the Q1 performance partly reflects a low basis of comparison due to higher gross to net price adjustments in Q1 2025. But again, if you correct for that, the sales growth is largely driven by volume demand. You know that GTN fluctuates from quarter-to-quarter due to many different factors. Q1 in the US usually is highest because of the annual insurance benefit resetting.

But to your question on payer pressure, we have a robust GTN strategy in place, which we continuously evolve to ensure long-term profitable growth while maintaining a favorable patient access for Dupixent in general. One thing to note, though, we expect the strong demand growth to continue. But at the same time, we will -- we expect some moderation in the second half of the year as recent launches will annualize.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So going to the question on lunsekimig and the development strategy.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes, very straightforwardly, two bullet points. Number one is we do not anticipate waiting for the AIRLYMPUS results before we move forward. Number two is progression to Phase III will solely be subject to, obviously, internal portfolio decision-making, but currently a regulatory conversation.

Operator

Luisa Hector, Berenberg.

Luisa Hector - *Joh Berenberg Gossler & Co KG - Analyst*

I wanted to follow up on the longer-acting Dupixent, please. Could you comment on the actual technology? Is this with a partner? Are there additional payaways? And can we assume the financials with Regeneron remain the same? And perhaps just a question, could you stretch it even longer than every four weeks?

And then second question, Olivier, great to have you on the call. So thank you. We've had you just for a few weeks as Interim CEO, but obviously, you have an impressive amount of experience at Sanofi and you've made a contribution to the significant transformation over the past five years. So the question for you is what advice might you give to Belén when she arrives in a week or so?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So on the first question related to the longer-acting Dupixent, I give it to Houman.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes, I'll be short because we want to hear Olivier's response. Luisa, thank you for your thoughtful question. Yes, the technology is pretty straightforward. It is with a partner. It is precedented, and we see it being used in -- across the -- majority of Dupixent indications. Olivier?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So on the -- thank you for your question, Luisa. First, I'm very happy to work again with of course, Belén, with whom I have worked in the past, and I know pretty well. I would be very cautious in the advice that I would give her. But the first one is to take some time to make the right diagnostic. I think the company has considerably changed in the last 5 to 10 years. The way the company has modernized is, of course, very impressive.

I think in the last few years, a lot of -- we have gained a lot in terms of better prioritization, internalization of the company. We have also significantly increased our capabilities, notably in the US in terms of marketing and commercial. Of course, it's going to be a period after the diagnostic where she needs, of course, to be decisive and knowing her, I know that she will make the right choices. She will examine, of course, and review the portfolio.

I can tell you that in order that she gets prepared, I have prepared with my team a solid program so that she can, when she joins early May, be up and running from day one and clearly work on the topics that really matter for the future of Sanofi.

Operator

Steve Scala, TD Cowen.

Steve Scala - *Cowen and Company LLC - Analyst*

I am just curious why a year ago, Sanofi wouldn't speak to Dupixent LOE extension, but now includes slides in the deck. It seems that there are four possible reasons for this change. The first is that Sanofi now has more confidence, and I'm wondering why. Second, the outlook for the pipeline assets expected to form the next generation is unclear. Third, the LOE is near.

Or fourth, a change in communication strategy may be related to the CEO change. In the absence of any other information, I think we have to assume it's the pipeline. I'm wondering if you would push back on that.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So we can start maybe on the question that is related strictly to the LOE with our General Counsel.

Roy Papatheodorou - *Sanofi SA - Executive Vice President, General Counsel, Member of the Executive Committee*

Thanks for the question. We've always been consistently saying that we have a very strong patent portfolio and that we intend to vigorously defend Dupixent and that we expect it to go beyond the compound calendar year, which is March 31. I think you see it on the slide for the first time because you see some other things there regarding the future of the alliance, and it was just put in writing. We had the same question last quarter, and I answered it. François, on the slide maybe...

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

Yes. No, Steve, I think that, anyway, there is a logic that we talk about it because we get nearer to the LOE. And we see that there is a very strong appetite from the investor community to understand what's coming after the LOE of Dupixent. It's a major product for us. So I think we see that there is an interest, and we need to answer to the investor community.

This has been done, by the way, perfectly aligned with our partner as well, Regeneron met some communication about it as well at JPMorgan. So there is a logic that we talk about it as well. So I don't think there is any defensive view on that matter.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Yes. And the last point, Steve, and thank you for your question, it has nothing to do with the change of CEO. Paul took the commitment in H1 to make an update on the Dupixent LOE.

Operator

Sachin Jain, BofA.

Sachin Jain - *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

Just another one on the Dupi extension slide, if I may. So I wonder if you could just provide a bit more detail on the right-hand Dupi innovation column and where you are with other assets being discussed within the alliance of the IL-4 receptor and then level of progress on discussions around whether each party would put other assets into the collaboration and when we might hear on that?

And then I just wanted to go back to a prior question. There was a question on the Q4 week Dupi and whether you could extend beyond that. I wonder if you could just address that. Just wondering whether Q4 week is enough of an extension relative to existing given the competitive landscape by the time you launch it.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So Houman, you take the two questions. Maybe you start by the Q4 week extension.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes, Sachin, thanks for that. We'll answer to the question. At the moment, we're very focused around the Q4, and we are confident that the Q4 -- let's just take a step back, 1.4 million patients are dosed with Dupi. It is the immunology molecule of the EPOC. Moving to Q4 is an engineering innovation that we -- that will serve patients. So number one is, at the moment, we're focused on the Q4 and providing that in multiple indications, et cetera.

And then we'll move forward on any further innovations. And you wouldn't expect us at this point to show our hand too much on those further innovations. And to question one, we work very closely along the alliance, specifically with the teams in George and Len on those various, I think you call them right-hand column indications, whether it's super Dupi or other molecules that we've talked about and those molecules are being progressed together. Certainly, those are in the alliance. And we're excited about moving those forward.

We'll tell you more about those over the next few years.

Operator

Richard Vosser, JPMorgan.

Richard Vosser - *JPMorgan Chase & Co - Analyst*

A couple of questions, please. Firstly, just on amlitelimab, I wondered if you could give us a bit of color from feedback on physicians from AAD around the data you presented and in particular, the Kaposi's sarcoma events. any concerns you're hearing from physicians around use of amlitelimab because of those events? And then a second question also on the pipeline. You mentioned an outstanding Phase III decision on itepekimab.

We've seen another IL-33 from a competitor have a couple of positive Phase IIIs or maybe three Phase III trials positive. Just what sort of impact does that have on your thinking around pursuing a further trial given the time required to do such a trial?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Houman, maybe start by the last question on itepekimab before moving to amlitelimab. And maybe Manuela, you take the question.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Perfect. On number one, listen, we are -- as you say, there's an outstanding question about the IL-33, itepekimab molecule. We are in the midst of a regulatory discussion and discussions with our partners, and we will come forward relatively soon, I guess, with a decision, which will be a portfolio decision. Importantly, we take into account all the data, both in the private and public domain regarding molecules that target the same pathway.

And let me -- why don't I just pick up the amlitelimab on as well, Manuela as long as you're happy for me just to do that while I've got the microphone. With respect to amlitelimab, we -- out of an abundance of desire to demonstrate the manifest benefit risk of this molecule, we presented the data at AAD super clearly.

Let me be clear on three things. AAD still represents an area which is substantially biologic underpenetrated with significant heterogeneity in disease, and there are opportunities for novel mechanisms of action, point number one, the efficacy has been laid out. I won't repeat it, but COAST 1, COAST 2, SHORE.

And ATLANTIS have been extent and showed that there is no plateau effect at 24 weeks. And with ATLANTIS, there's an improvement up to 52 weeks. And thirdly, we've now put as much safety data in blinded and unblinded data that we've got in the public domain up to 4,500 patients approximately, and we remain confident in the benefit risk ratio of this molecule.

You asked a question, and I'll be very succinct about physician and other responses. We've seen no impact on enthusiasm of physicians and payers, particularly physicians and patients for this drug based on the data we presented at AAD.

Operator

Sarita Kapila, Morgan Stanley.

Sarita Kapila - *Morgan Stanley - Analyst*

So you talked about extending the Dupi LOE beyond March 31. Which patents are you most confident in for extension? So is it the method of treatment patents, so potentially extending exclusivity to 2034. And then the second question was on riliprubart. Could you help us understand what's driven the one or two delays to the readout?

One of your competitors has alluded to recruitment issues given the trial design and the lack of a Part A component. So I was wondering if you could give us some more color, please.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Okay. Maybe we start by the question related to Dupi patents.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Thanks a lot. Picking one patent out of tens of patents is not a good testament to the amount of innovation we've done for Dupixent over the years. We have multiple strong patents going up to 2045. We believe we have a very strong patent portfolio and intend to seriously defend all of them.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So now moving to riliprubart recruitment.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes, very quickly. Really had a great set of Phase II results in both patients with standard of care responsive and nonresponsive. We moved straight to Phase III. I think we've learned as we initiated those Phase IIIs, what works best and what doesn't work best, particularly at the screening stage of those studies, and I'm pleased to say that the recruitment is picking up. So as you articulated, we needed to learn something from the screening of those patients, and now we're moving on.

We are optimistic about the impact riliprubart can have on patient outcomes based on the totality of the data in the public domain.

Operator

Seamus Fernandez, Guggenheim. Seamus?

Seamus Fernandez - *Guggenheim Securities LLC - Equity Analyst*

So first on the patent side, just hoping to get a little bit more clarity on how we should be thinking about the timing of potential resolution of the result. Typically, we see something like a major series of settlements two to three years before. Can you say that you're proactively working on that kind of an outcome to happen sooner rather than later? Or should we anticipate a standard extended process in the courts, particularly in the US?

And then the second question is, really, can you just update us on -- I believe you were studying lunsekimig in atopic dermatitis. Hoping to get a better understanding of where or when we're likely to see those data and if the data there happens to be something that you remain encouraged by or if you're likely to move on?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Maybe we start my second question. Seamus, thank you for question. The lunsekimig AD, Houman.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes. Thanks for the question. We've been delighted by the lunsekimig results in, as I said, the triad of the respiratory disorders and our focus is in respiratory disease at the moment. We will make a decision on atopic dermatitis at a later point, but our priority is respiratory disease.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Now moving to the question related to Dupixent patent.

Roy Papatheodorou - *Sanofi SA - Executive Vice President, General Counsel, Member of the Executive Committee*

Yes. Thanks. I'm sure you are experienced in following how other drugs have evolved over time. Reminder that this is a biologic. You're asking me about settlements, and we are sitting here with a patent of 50-plus patents in the US, none of which have yet been challenged.

So if and if we wanted to give clarity to our investors of the strength and even if we have people lining up to discuss. There is nobody at the moment because nobody has challenged our patents. Typically, this happens closer for biologics. This happens closer to launch. We do intend to vigorously defend all these patents to the extent we feel at some point that people understand the strength of our case, and we want to give people clarity, we will do that, but we are quite away before that because we have not been challenged at this stage.

Operator

Graham Parry, Citi.

Graham Parry - *Citi Infrastructure Investments LLC - Analyst*

So just going back to the Q4 weekly Dupixent. Can you just confirm if it's hyaluronidase co-formulation, who the partner is and what commercial payways you might have on that? And what formulation studies have been completed to date? And if there's any public data or if you intend to share any public data on that? And then if there is more IP extension you think the co-formulated Q4 weekly might they give you on the asset overall?

And then secondly, on the IL-4 receptor alpha, what are the milestones for that in terms of data points? And what would be the threshold for a decision for the collaboration to invest fully in that project going forward because -- given it's already covered by the collaboration.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Okay. So Houman, on the first question on the Q4 formulation.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes, I can confirm that it is hyaluronidase with a partner. We won't disclose any more than that at this stage. And then on the second question, we don't disclose the milestones for internal decisions around the IL-4 receptor alpha.

Graham Parry - *Citi Infrastructure Investments LLC - Analyst*

On the Q4 new patents, any --

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Protect every innovation. I think the objective here is patient convenience, and we'll see what that means.

Operator

Peter Verdult, BNP Paribas Exane.

Peter Verdult - *Exane Bnp Paribas - Analyst*

Peter Verdult, BNP. Two questions, please, one on the pipeline, one on capital allocation. I'm sorry to labor the point, but going back to the itepekimab question. What are the exact go-forward plans? Because it seems to be dragging somewhat.

I think we all thought that AERIFY would have begun quite a number of months ago. So can you just clarify when, in fact, AERIFY might begin in recruitment? Or does the developments across the pond or across the channel at Astra sort of change your thinking about the commercial potential here?

And then on capital allocation, just for Olivier or François, is EUR10 billion to EUR15 billion is the right characterization of Sanofi's firepower for BD given you want to maintain a AA rating. And given your comments and you're clearly signaling that you're doubling down on rare diseases, is this the area where we should expect future BD?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Houman, first question on itepekimab.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

So I just want to make sure that I was clear on the last question on the IL4 receptor alpha point. I just want to be clear that while we don't disclose the exact stage gates and milestones within the nature of the alliance, it is within the alliance, and we are moving forward with it. So that will -- we will tell you more about that as we go forward.

Pete, to your question about itepekimab, there's no slight of hand on itepekimab. We have to get regulatory approval before -- and a regulatory opinion before we move forward. We have to align with our partner, Regeneron. I'd like to reassure everybody that it's high on our dashboard, Manuela and I on this side of the alliance are partnered, and we will come back to you as soon as we can. As I said earlier, we're taking the totality of data, not just AstraZeneca's data is one, but there's a number of IL-33 data points that we need to take into account before we move forward with COPD.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

François, do you want to take the question on BD, M&A?

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

So on capital allocation, I said last time when we discussed our full year disclosure that we could invest up to EUR15 billion this year and retain our AA rating in BD and M&A. By the way, it depends on what we buy. Because if we buy commercialized asset, it would go probably even maybe potentially up to EUR10 billion more. If we were only buying Phase I, Phase II assets, it would be probably significantly less than that because it would weigh on our BOI.

So we are looking at opportunities anyway. Time flies. So as soon as we get one quarter, the amount increases to a certain extent as well because we generate additional cash flow and we have a strong growth profile as well, given that we grew double digit. In terms of areas and therapeutic areas, exactly as we did last year. You could see that last year, we invested in three of our four main therapeutic areas, namely immunology, rare disease and vaccines.

So we are targeting as a priority, I would say, the same three therapeutic areas, while we don't eliminate either the possibility to invest in white spaces as we did as well last year, for example.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Next question.

Operator

David Risinger, Leerink.

David Risinger - *Leerink Partners LLC - Analyst*

Can you hear me?

Operator

Yes.

David Risinger - *Leerink Partners LLC - Analyst*

I just have one. So François, can you discuss the quarterly EPS progression ahead, including the impact of the Dupixent alliance R&D reimbursement step down?

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

Are you talking about Q1 or for the full year?

David Risinger - *Leerink Partners LLC - Analyst*

Looking out to later in the year when the reimbursement is eliminated.

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

Okay. So you know that we are coming to the end of the R&D reimbursement from Regeneron. We will have a negative impact on BOI of probably a good EUR400 million this year. We expected initially to have another negative impact of EUR800 million next year, which will be a bit less because we are anticipating.

This is partly linked to the fact that since Dupixent is growing faster than we expected, we are anticipating a bit faster the end of the reimbursement. So probably net around EUR400 million negative impact BOI this year and maybe EUR700 million next year negative again on the top of what we get this year.

It may accelerate a bit depending on what we do this year with Dupixent, but that's what is likely to happen. We expect the balance to be fully reimbursed around Q2 2026. But obviously, this is the reason why it will have an impact on up to Q2 2027. You may remember as well that we said that in spite of that, our BOI will increase both in margin and in absolute value, both in '26 and '27. So we'll be able to absorb it through our growth profile and profitable growth as well.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Next question.

Operator

Matthew Weston, UBS.

Matthew Weston - *UBS AG - Analyst*

Took forever to get the signal. Two questions, please. First, in your opening comments, you said was you were concerned over the Kaposi's sarcoma cases because the rates of malignancy faced in the control arm. Kirin observed exactly the same, but said that sarcoma being mechanistic was a reason to kill the program. Why is you right and Kirin wrong?

And then secondly, on Blueprint, a key element of Blueprint acquisition, as I recall, was as a foundation of Sanofi's stand-alone immunology commercial efforts beyond Dupi. Now there's a lot of talk about reinventing the original alliance, that mean you're deemphasizing investment in stand-alone immunology.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So the line was pretty bad. So maybe on the first question on Amli.

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes. Matthew, thank you for your question. I'm not -- I wouldn't speculate on the decision-making within Kyowa Kirin and Amgen. From our own perspective, all I can tell you is that the benefit risk of amlitelimab is differentiated. We are consistently with the opinion that we bring that to patients.

Just to be very specific, our rates of fevers, chills and pyrexia are extremely low and lower than any other molecule in the OX40 pathway.

Number two is that we've, as I said, about 4,500 patients in blind and unblinded studies demonstrated two cases of Kaposi's, both of which were cutaneous, both of which are improving. And then number three is across our other side effects and other issues, they're balanced across placebo and treatment arm. So overall, we remain confident at present around the value of amlitelimab in patients with -- the benefit-risk patients with atopic dermatitis. Olivier, over to you.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Yes. So Blueprint has several dimensions. There is an immunology dimension, but there is also a rare disease dimension. And this is why we have positioned it in our rare disease franchise because we think that it's the best home for Blueprint. Next question.

Operator

So the next question is from Michael Leuchten from Jefferies who wrote the question. So on slide 8, you talk about innovation, new assets and new assets to leverage the GV infrastructure. Can you clarify how that links with BD and how you would work with both parties having an economic stake? And then the second one is for François, is BD on pause until Belén arrives? Or is capital deployment in flight or on an ongoing strategy?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

We want to start by the first question. I think we have been pretty active, including in the last few weeks on the BD side, but you might want to complement.

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

No. But I mean, obviously, we are looking forward to welcoming Belén in a few days, but business goes on in the meantime. So we have not stopped working. We have not stopped being active in the market, including in BD. So as Olivier said, we have been very active.

And we have an acting CEO as well with Olivier. We have the Board of Directors and the entire management is totally mobilized to continue business while waiting for Belén's arrival in a couple of days.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

On -- Michael, on your question regarding any potential joint venture, I would say that, of course, everything is subject to discussion with Regeneron.

Operator

Simon Baker, Redburn. Simon?

Simon Baker - *Redburn Partners LLP - Analyst*

Two quick ones, if I may, please. Going back to Florent's question right at the beginning. We get a lot of debate now about the competitive landscape within immunology. I just wondering if you could give us a little more detail on an indication-by-indication basis, how you're seeing that evolve. Overall, clearly, Dupixent is outpacing our expectations, but any color on that would be very helpful.

And then a quick one for François. On net financial expense, you did guide for the full year being a little higher than last year because of higher debt. In Q1, it was a lot lower than we were expecting. So I was just wondering if you could give us some pointers on the evolution and cadence of net financial expenses as the year goes on.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Simon, very -- thank you for the question. So François, a little bit more color on the financial expenses.

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

On net financial expenses, you probably remember that anyway, last year, Q1 was before we received the proceeds from Opella. So we had a rather still relatively high level of net and gross debt, which is the reason why we had a level of finance cost that was relatively high. We gave a guidance at the beginning of the year on the fact that our finance costs would increase this year, that -- and we mentioned immediately that would be subject to additional BD and M&A. We have not been -- we have not bought large assets in Q1, so -- which is the reason why there was no impact in Q1.

So it may, BD and M&A for more significant amounts, if any, if any, I insist, may come a bit later in the year than maybe what we were anticipating when we were doing our budget. So you can probably factor the fact that there might be a little bit less than what we thought initially for the full year. That being said, I still expect an increase in terms of financing costs versus last year, but maybe a bit more moderate than we thought due to sometime delay in BD and M&A.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Manuela, on the broad question on immunology.

Manuela Buxo - *Sanofi SA - Head of Specialty Care, Member of the Executive Committee*

Yes. And I'll keep it short because we're almost at time. I think the question is a really good one, more competition in immunology. But at the same time, you also have to look at how nascent some of these therapeutic areas still are. Let's just take atopic dermatitis as an example, we're barely above 18% advanced therapy penetration.

And new entrants and new mechanisms of actions in all of these categories, more competitors, more players is actually helping to create more awareness and more adoption of advanced treatments. So that's what we're looking for. And there's definitely in all of those spaces, there's still significant unmet needs that we're trying to meet ourselves, but also with additional MOAs. So yes, more competition, but we're actually welcoming it.

Operator

Rajesh Kumar, HSBC. Rajesh?

Rajesh Kumar - *Hsbc International - Analyst*

Just a bit of clarification on capital deployment strategy. You indicated that if you were to buy a late-stage asset, the firepower could be greater than EUR15 billion. Are you thinking of buying a late-stage asset? That's the first question.

Second question I have is, obviously, Dupixent, you are going to work on life cycle management. Itepekimab, we don't know what you're going to do. You're dependent on what the regulators are saying. Amlitelimab, you are a lot more confident than others. So if I take all of those, how are you thinking the R&D investments in these projects are factored into your capital allocation framework? Truly appreciate what sort of risk weighting you put to these different scenario outcomes.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So Rajesh, thank you. On the first question on late-stage asset related to capital allocation.

Francois-Xavier Roger - *Sanofi SA - Chief Financial Officer, Member of the Executive Committee*

Yes. Rajesh, I cannot comment on what we are looking at today because it's obviously confidential by nature. But we -- I think we have a duty to look broadly at the asset that makes sense from a strategic point of view, from a scientific point of view, from a financial point of view. So we are looking at a certain number of assets, including late-stage assets, although speaking, we have said it over the last couple of quarters, our interest is more for early-stage assets. But we are not eliminating or discounting any opportunity either in late-stage assets.

As I said, if we were buying late-stage assets, as for example, or commercialized assets as we did with Blueprint last year, obviously, it adds some BOI. And as a consequence of that, it does give us a little bit more opportunity in terms of leverage. But -- so we -- once again, we are looking at a fairly broad spectrum of assets as we always do, and I think we have a duty to do that.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Rajesh, maybe getting back to your second question, can you be a little bit more precise with your question on Dupixent life cycle management and allocation of resources?

Rajesh Kumar - *Hsbc International - Analyst*

Basically, you're going to -- sorry, you're going to do some development expenditures there, right, for different formulations, and you're going to come up with a strategy to manage the life cycle. So you're going to spend money on R&D, right? So how much of that was already factored into your earlier medium-term R&D spending run rate? And how much is incremental and new?

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

So Houman, how much is incremental or how much is already factored in our plan?

Houman Ashrafian - *Sanofi SA - Executive Vice President, Head of Research and Development, Member of the Executive Committee*

Yes. Much of it is factored in. And of course, it's part of the alliance relationship with Dupixent. And so that's pretty straightforward. Thanks, Rajesh, for the question.

Olivier Charmeil - *Sanofi SA - Executive Vice President - General Medicines, Member of the Executive Committee*

Okay. So thank you, Rajesh, for this last question. So we had a very strong start to 2026 with double-digit sales and EPS growth. Sales advanced by 13.6%, supported by pharma launches and recent acquisition and business EPS was up by 14%. We obtained five regulatory approvals, all in immunology, achieved one positive Phase III study readout for venglustat in rare disease and reported encouraging Phase II data for lunsekimig in respiratory disease. And finally, we reiterate our guidance for 2026 and the commitment to deliver profitable growth. With this, I would like to thank you for the interest in Sanofi, and we will now close the call.

Thomas Larsen - *Sanofi SA - Head of Investor Relations*

I will now close the session. Everybody, have a great day.
