



sanofi



Financial Analysis and Evaluation

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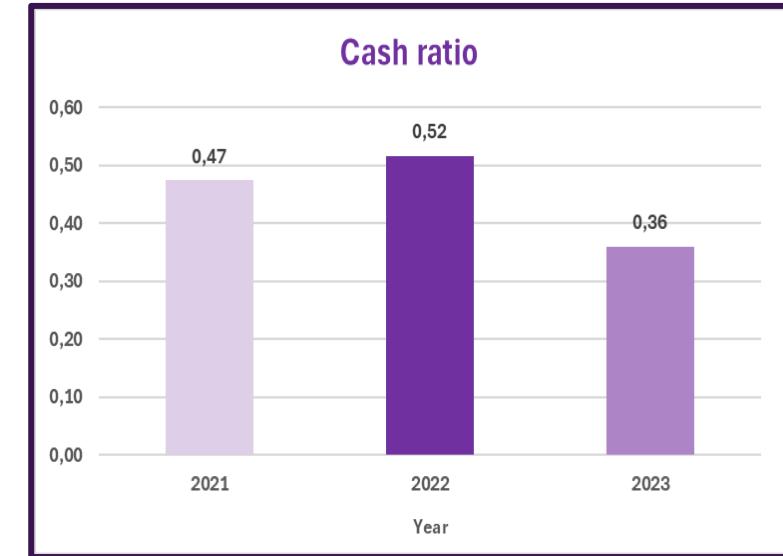
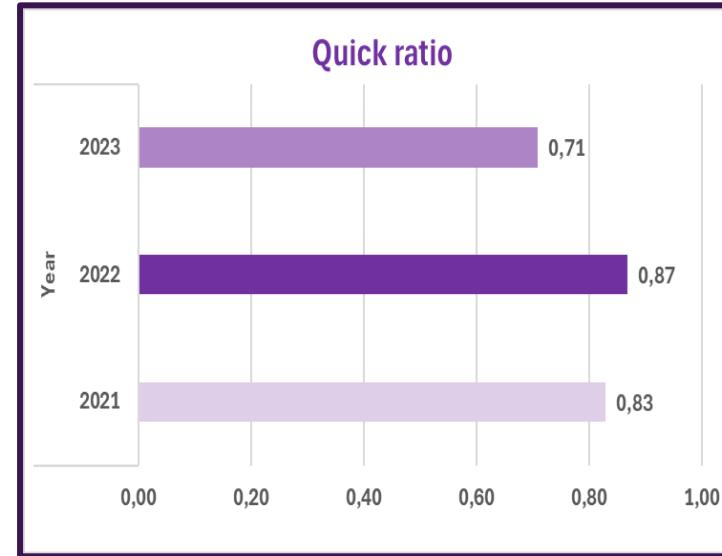
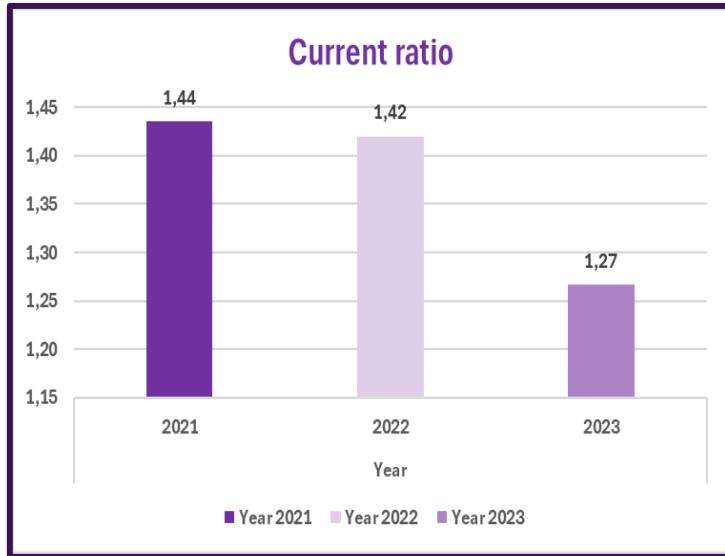
INTRODUCTION

Health is one of humanity's major concerns.

Discovering innovative solutions is essential to ensuring good health for all. This is where Sanofi plays a crucial role. Specializing in three key areas **vaccines, treatments for rare and chronic diseases, and consumer healthcare products**. Sanofi operates in more than 100 countries and continues to drive medical innovation globally.

In this presentation, we will analyze Sanofi's **financial performance, growth potential, and investment valuation**, providing insights into its long-term sustainability and position as a leader in the pharmaceutical industry.

Liquidity Analysis



In overall analysis, all three ratios show a deterioration in 2023, suggesting a decline in the company's ability to effectively manage its short-term financial obligations.

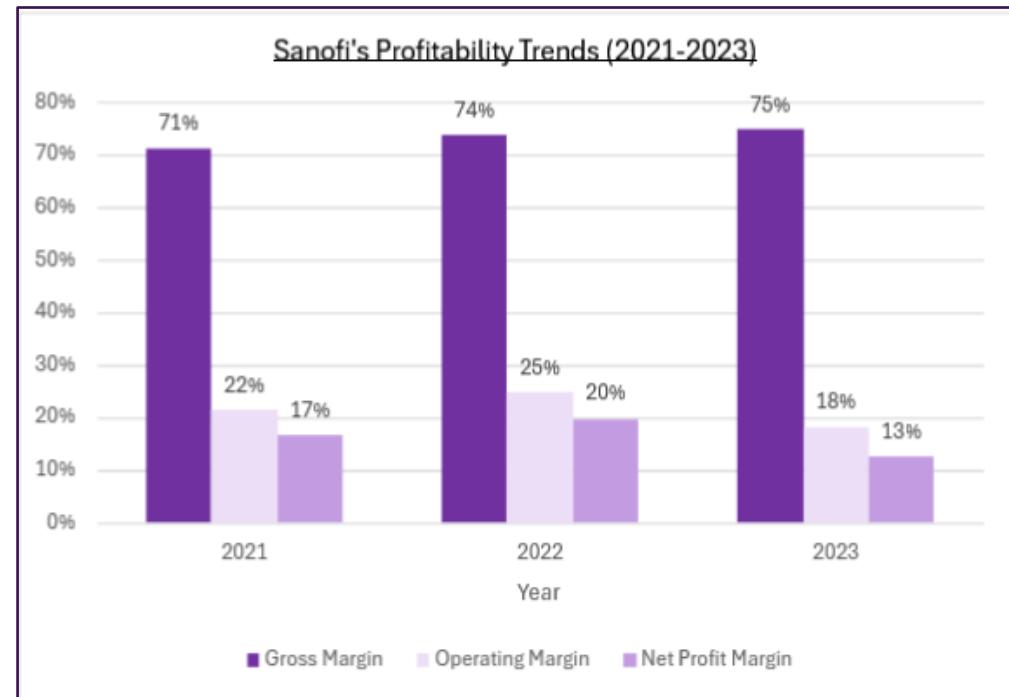
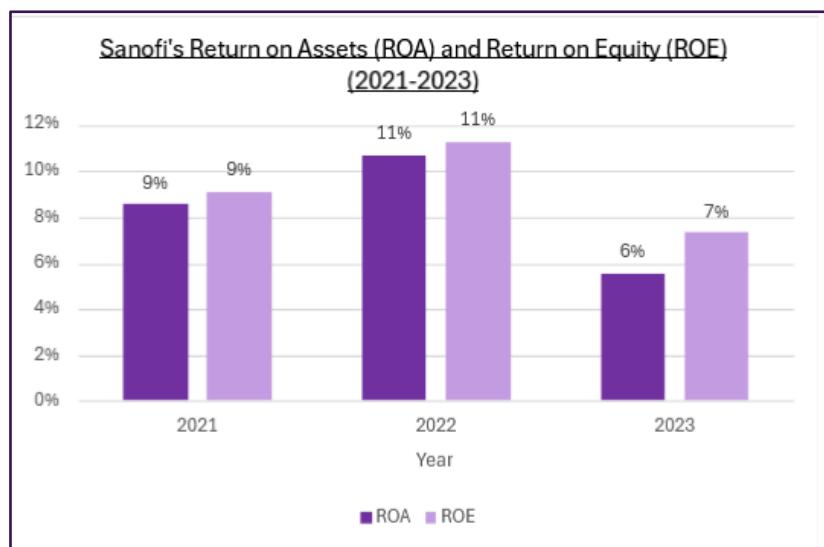
Profitability and Operating Returns

sanofi

A. Profitability Section

Year	Profitability Ratios		
	Gross Margin	Operating Margin	Net Profit Margin
2021	71%	22%	17%
2022	74%	25%	20%
2023	75%	18%	13%

B. Operating Return Section



Operating Returns		
Year	ROA	ROE
2021		9%
2022		11%
2023		7%

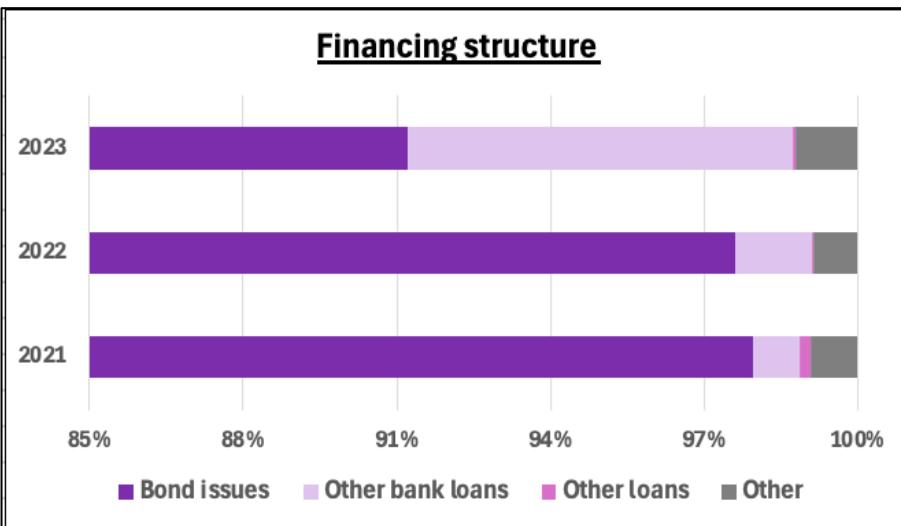
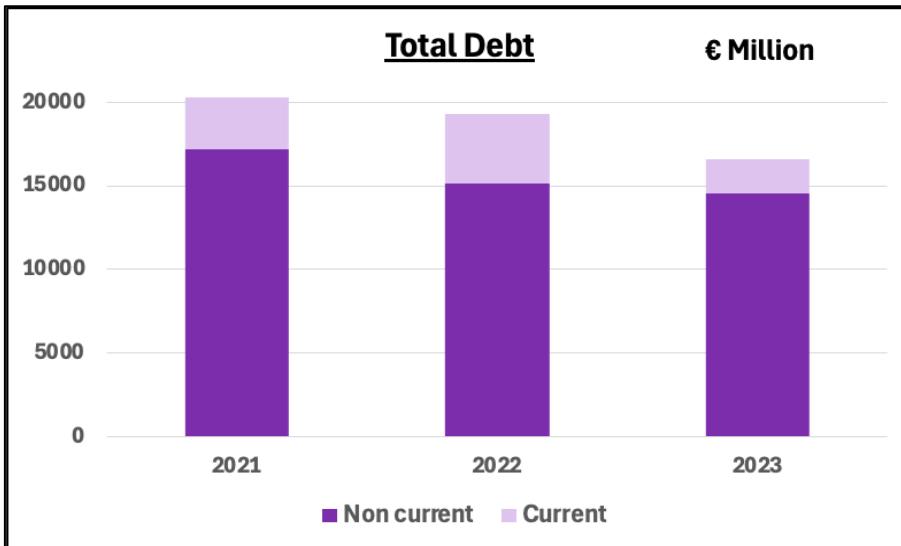
Liquidity

Profitability &
Operating Returns

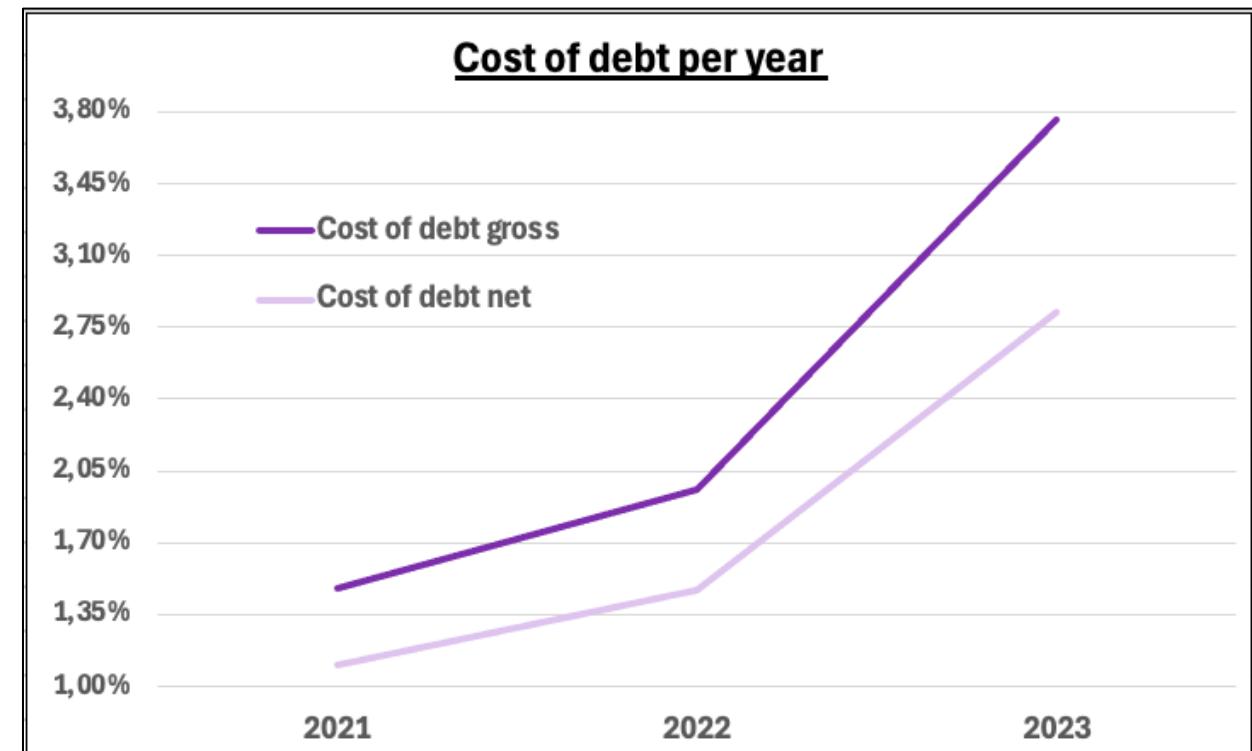
Leverage

Valuation

Financial Leverage



	2021	2022	2023
Debt / EBITDA Ratio	1,89	1,38	1,32
Debt / Equity Ratio	0,29	0,26	0,22



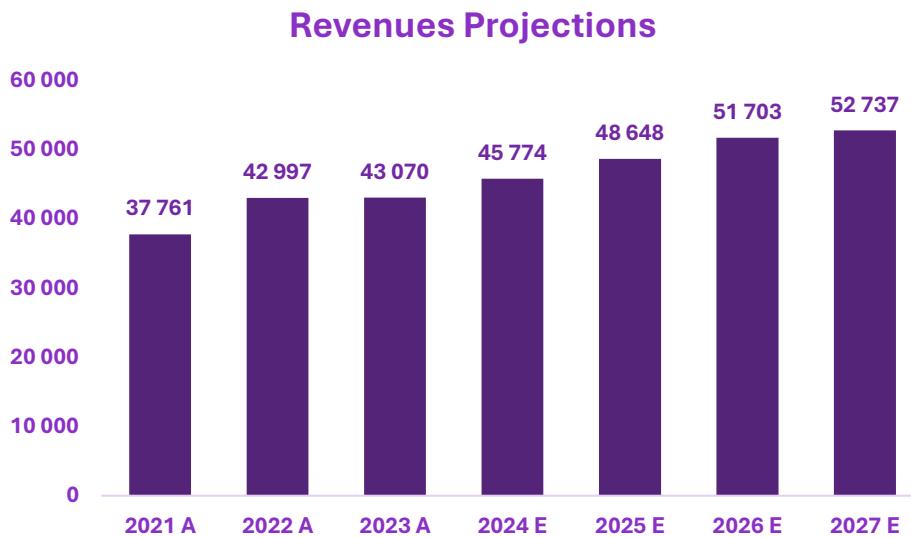
Liquidity

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Growth Forecasts and Valuation



6.3% Revenue Growth 2024-2026

6.5% WACC

2% Terminal Growth Rate 2027

€ 100 B

Terminal
Value

€ 125 B

Enterprise
Value

€ 117 B

Equity
Value

Hold

€ 93.68
Implied
Share
Price

Liquidity

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Valuation Ratio and Sensitivity Analysis

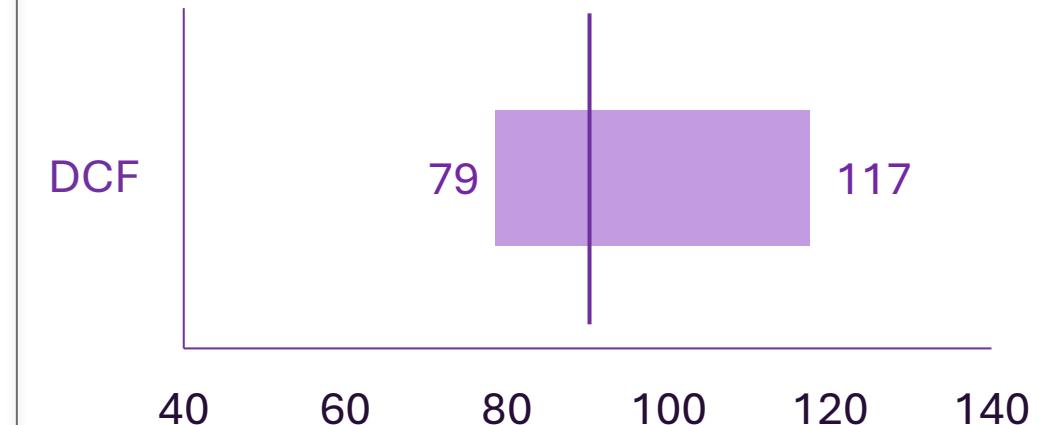


Sensitivity Table of Enterprise Value (€B)

		Terminal Growth Rate					
		EV	1.0%	1.5%	2.0%	2.5%	3.0%
WACC	5.5%	132	147	166	192	228	
	6.0%	117	128	141	158	181	
	6.5%	106	115	125	138	155	
	7.0%	97	107	112	122	135	
	7.5%	89	95	102	110	120	

Implied Share Prices

DCF (WACC 6.5% and g 2%)



Valuation Ratio

EV/Revenue	2.9x
EV/EBITDA	10x
P/E Ratio	21x

The EV could range from approx. € 107B to € 158B which correspond to implied share prices range from € 79 to € 117.

Valuation ratios demonstrate Sanofi's comparatively strong market position and potential growth.

Liquidity

Profitability &
Operating Return

Leverage

Valuation

CONCLUSION

To conclude this financial analysis of Sanofi, we have examined several key aspects of the company's performance, including its liquidity, profitability, financial leverage, and growth prospects. These analyses highlight a solid financial position, supported by a consistent strategy and significant investments in research and development.

The evaluation, based on the discounted cash flow (DCF) method, estimates the enterprise value at €125 billion and the implied share price at €93.68. These results demonstrate Sanofi's ability to create sustainable value while adapting to market dynamics.

This analysis thus underscores Sanofi's financial strength and strategic potential, reaffirming its position as a leader in the global pharmaceutical industry.