



Press conference *Investor Day*

May 11, 2017

01

Vision and Strategy

David Meek

Chief Executive Officer

VISION

To be a leading global
biotech company focused on
innovation and Specialty Care

01 Ipsen well positioned in dynamic healthcare environment

Healthcare industry trends

- Aging population
- Pricing pressure increasing globally
- Intensified competition (branded and generics) including new players leveraging digital
- Uncertainties in Emerging Markets
- Importance of health outcomes research for reimbursement

Ipsen momentum accelerating

- Unmet medical needs remain high
- Speed of scientific innovation
- Increased purchasing power in Emerging Markets
- More targeted treatments
- Transformation in R&D and business development

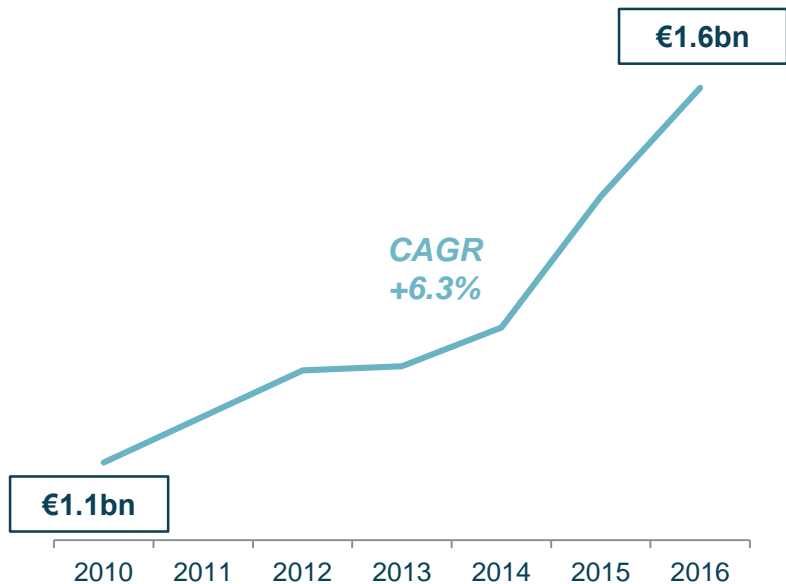
With **great people**, **great products** and **great science**,
Ipsen embraces the future with confidence



Board and management team alignment on growth and innovation

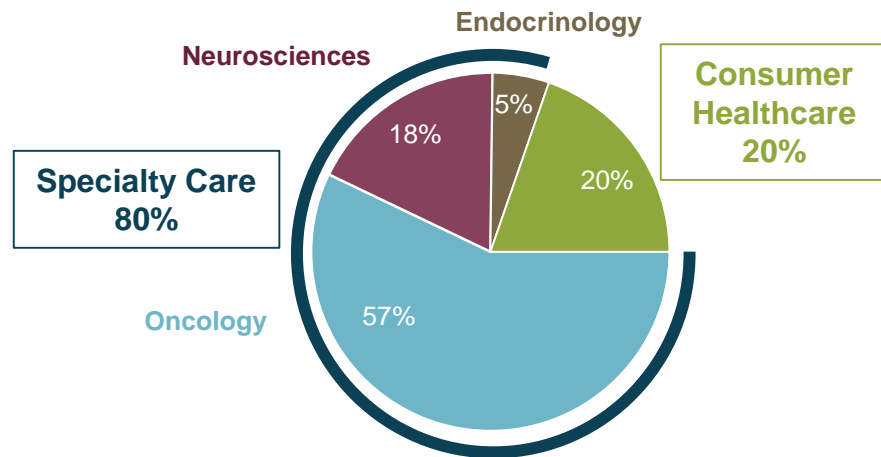
01 Ipsen momentum fueled by Specialty Care growth

Sales approaching €2.0 billion



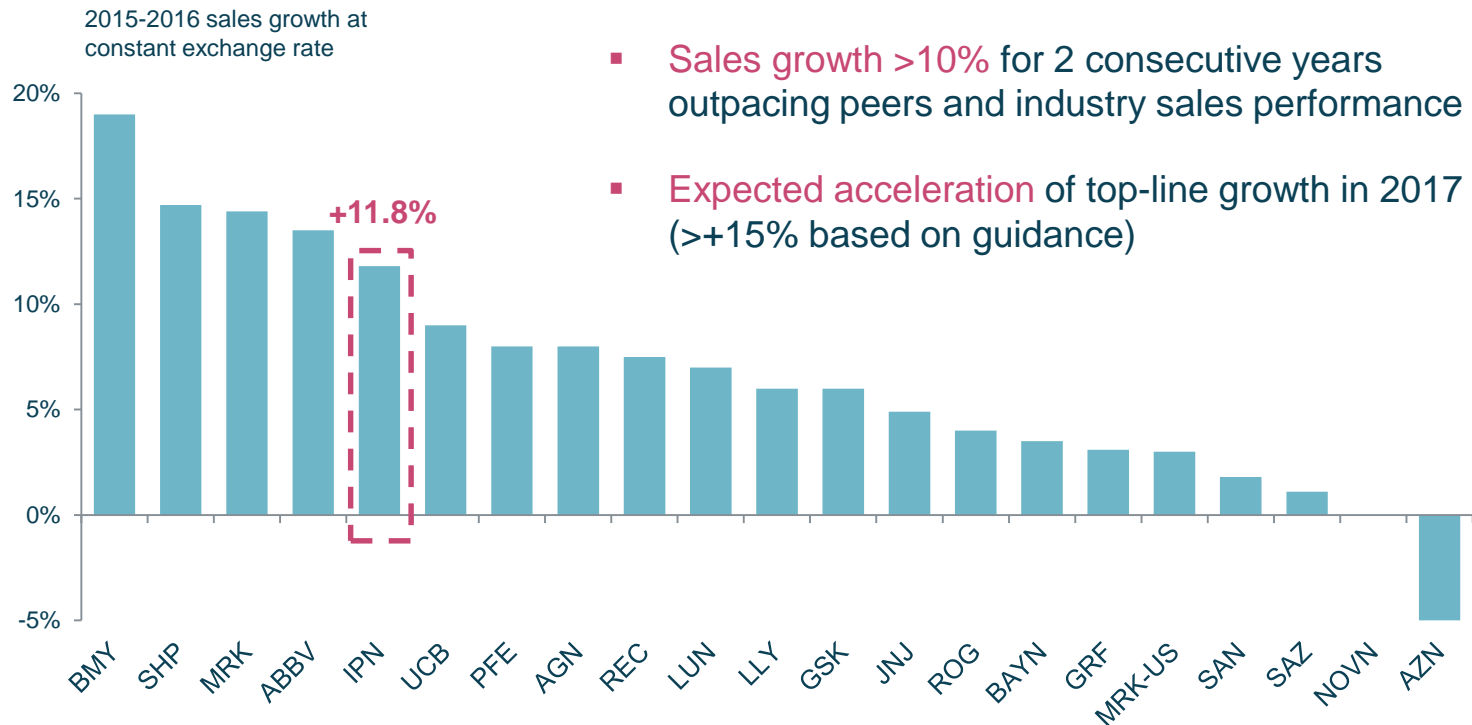
Specialty Care led business

2016 sales by therapeutic area



Market leader position or #2 for key products

01 Sales growth at high end of peer group... and increasing



01 Specialty Care growth driving top-line



- Volume growth in Europe
- Market growth and new indications in China



- Double-digit toxin market growth
- Successful partnership with Galderma in Aesthetics

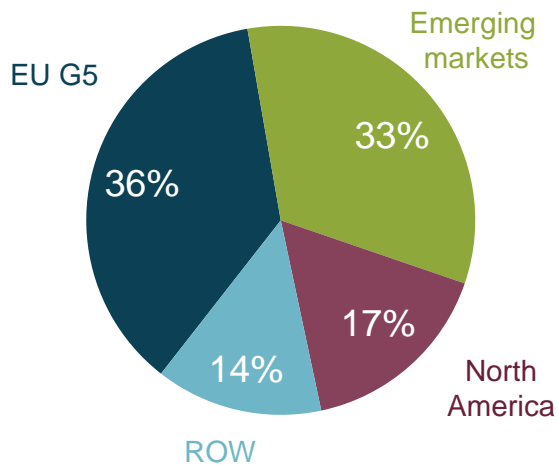


- Neuroendocrine tumor launch in the U.S.
- Continued market penetration in Europe

Specialty Care
CAGR 2010-2016:
>+10%

01 Geographic diversification: rapid expansion of U.S. footprint

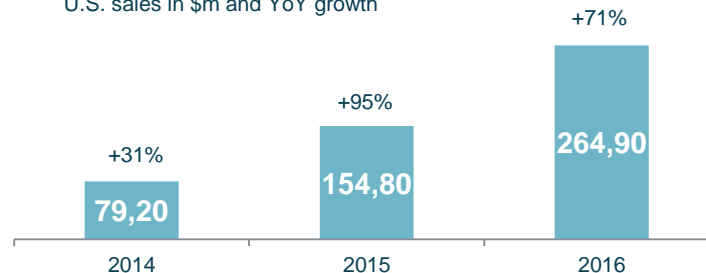
U.S. fastest growing and #1 affiliate



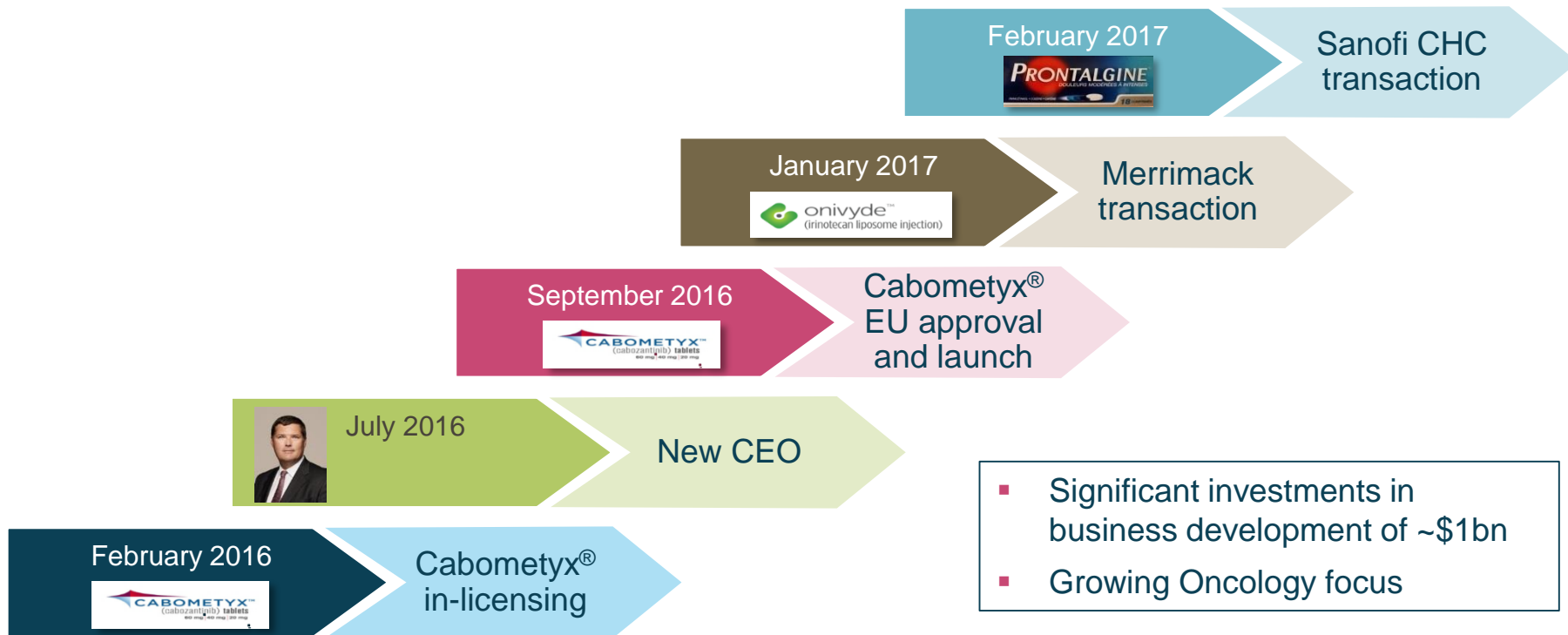
Expanding U.S. market opportunity

- Somatuline[®] growing market share in NET indication
- Dysport[®] spasticity market expansion of indications
- Onivyde[®] launch in metastatic pancreatic cancer by experienced and proven Oncology commercial team in 2017

U.S. sales in \$m and YoY growth



01 Key milestones propelling Ipsen forward over last 18 months



01 Management team



Aymeric Le Chatelier
Chief Financial
Officer



Harout Semerjian
Specialty Care



David Meek
Chief Executive
Officer



Cynthia Schwalm
North America
Commercial Operations



Alexandre Lebeaut
Chief Scientific
Officer



Benoit Hennion
Consumer Healthcare



Jonathan Barnsley
Technical Operations



Francois Garnier
General Counsel



Christophe Jean
Strategy and Business Development

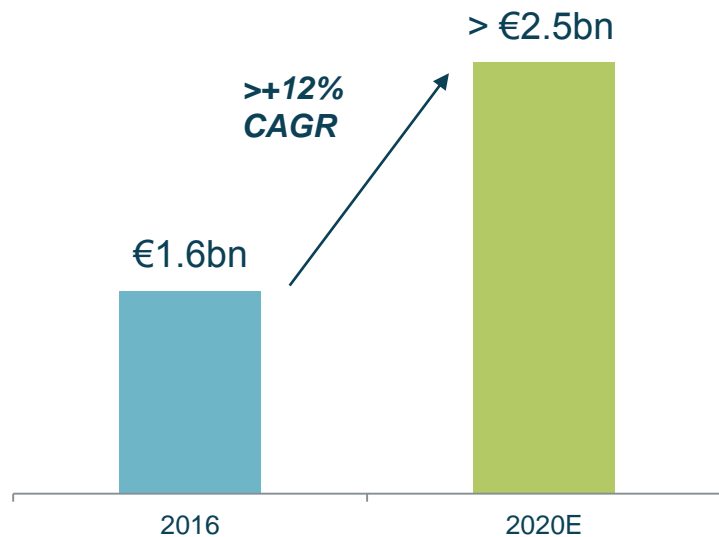


Stephane Bessette
Human Resources

Proven management team with 200 cumulative years of experience within the pharma industry, of which more than 100 years in oncology and significant launch and entrepreneurial experience

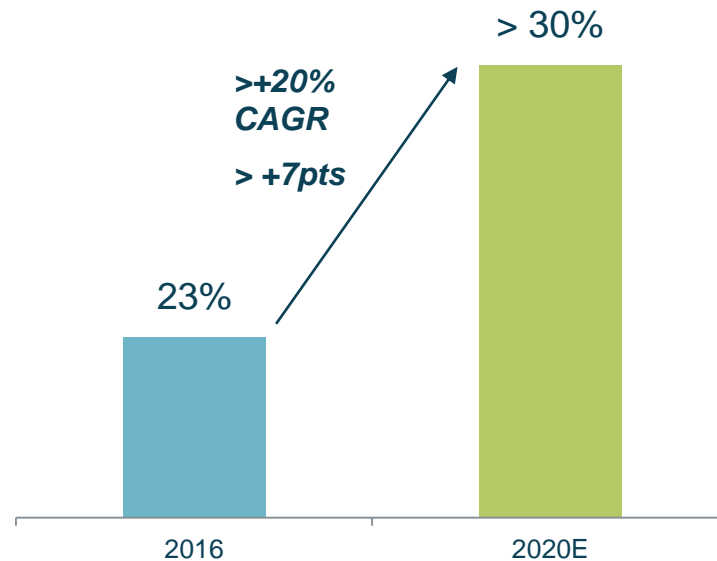
01 Improved 2020 financial guidance⁽¹⁾

Group sales



Core Operating Income margin

In percentage of net sales



01 Focus on key therapeutic areas

Oncology



Neurosciences

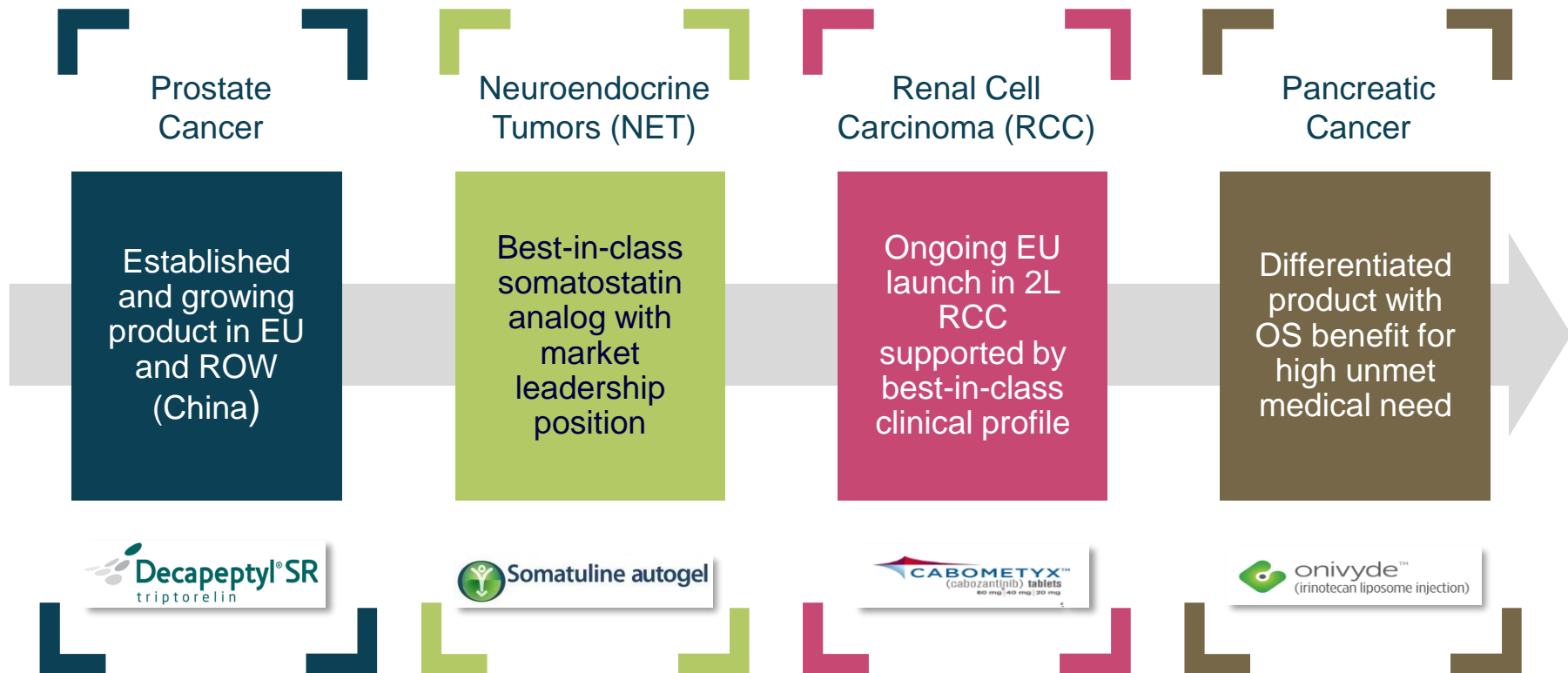


Rare diseases



- Establish leadership position in specialty therapeutic areas
- Leverage expertise from development to commercialization
- Provide solutions along entire treatment paradigm

01 Establishing global leadership in specialty Oncology markets



01 Building capabilities in Rare Diseases

Current portfolio

- Established Rare Diseases assets in Endocrinology (Nutropin[®], Increlex[®], Somatuline[®] in acromegaly); Oncology (Somatuline[®] in Neuroendocrine Tumors, carcinoid syndrome) and Neurosciences (Dysport[®] in pediatric spasticity)
- Pipeline includes further Rare Diseases assets (eg. telotristat ethyl)



Capabilities/ Factors for success

- Business model highly patient-centric (patient finding, advocacy groups, reimbursement assistance)
- Specialized, non-traditional skill-set in clinical/regulatory
- Scope to expand Ipsen Rare Diseases portfolio via targeted Business Development
- Agile and attractive global partner now with significant U.S. presence



01 R&D pipeline highlights: Oncology and Neurosciences

Expanded late-stage development programs (from recent acquisitions)



- 1L renal cell carcinoma (RCC)
- 2L hepatocellular carcinoma (HCC)
- Combination therapy with immuno-oncology



- 1L metastatic pancreatic cancer
- Small-cell lung cancer (SCLC)

Lifecycle Management/ Expansion of portfolio

Neuroendocrine Tumors

- Somatuline® prolonged-release formulation (PRF)
- Telotristat ethyl
- Peptide Receptor Radionuclide Therapy (PRRT) theranostic program

Neurotoxins

- Dysport® additional indications (ALL, PUL in U.S.)
- Next-generation toxins

01 R-D-C Innovation model to accelerate growth in Specialty Care

R esearch investment with selective focus

- Methodically and regularly review R&D pipeline to assess potential of ongoing projects
- Strategically expand pipeline via external innovation model

D evelopment powerhouse


- Launch a new drug or indication/registration every year
- Improve product governance to accelerate programs

C ommercial powerhouse in Specialty Care

- Focus on Oncology to increase market share for Somatuline[®], competitive execution on Cabometyx[®] and Onivyde[®] launches
- Develop competitive capability to execute on regular and sustained high-quality launches

01 Transformation of R&D model

Objective: Ensure sustainable growth through replenished R&D pipeline delivering steady state of innovation and value



Nearer term

- Accelerate focused internal projects
- Prioritize portfolio
- Externally source early to mid-stage assets

Longer term

- M&A to bring in de-risked late-stage assets

Launch at least one new drug/ valuable indication every year

01 Consumer Healthcare

Establish a sustainable and growing Consumer Healthcare business
Transformation to OTx model

Capture
Emerging Market
opportunities
(China, Russia)

Strengthen position in
key European
markets
(France, Italy)

Leverage brand
extensions

Reinforce and strengthen core portfolio
Challenging environment and market dynamics

01 Innovation and Business development strategy



Transaction criteria

- Strategically aligned
- Financially viable
- Ability to integrate / synergies

Longer-term targets

- Earlier/ innovative best-in-class assets
- De-risked late-stage assets

01 ONE Ipsen company culture

4 action principles to become:



A leading global biotech company, focused on innovation and Specialty Care

TEAM SPIRIT



AGILITY



RESULT ORIENTATION



ACCOUNTABILITY



02

Financials

Aymeric Le Chatelier
Chief Financial Officer

AMBITION

To drive the financial performance
and support the successful transformation
of Ipsen

02 Significant shareholder return since 2015

Rebased share price to 100 (January 2015 – May 2017)

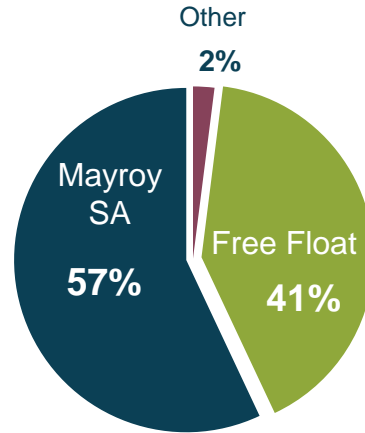


Share price increase on average by +49% per year since early 2015 to current (May 2, 2017)
Stable dividend of €0.85 with average distribution rate of 34%

02 Ipsen shareholding structure

Mayroy SA, holding structure of the Beaufour family

- 57% capital
- 72 % voting rights
- Board fully supportive and aligned with Ipsen management



Free Float

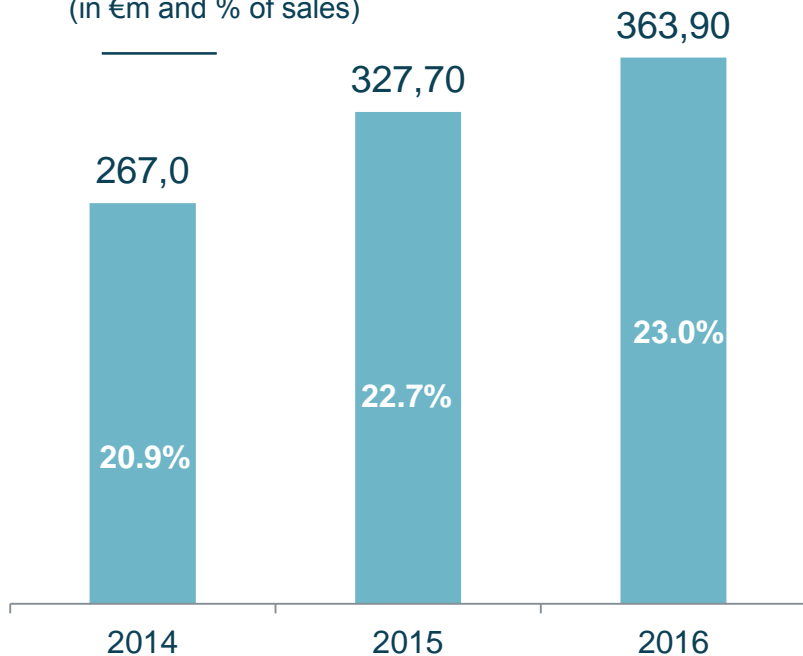
Top countries



- French investors largest shareholder base
- Growing U.S. investor base
- Balance of growth and value investors

02 Growing Core Operating Income and Improving margin 2014-16

Core Operating Income (in €m and % of sales)



Strong business performance (+2 pts in 2 years)

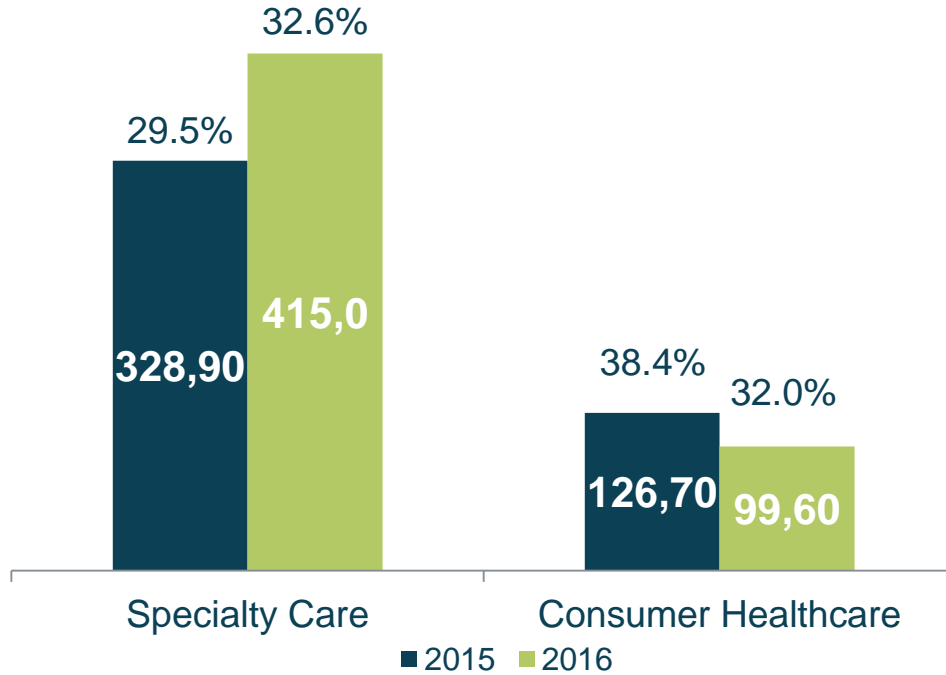
- Solid performance of Somatuline® in the U.S. and Europe driving COI margin enhancement
- Significant contribution from Galderma partnership for Dysport®

While investing to support business growth

- Somatuline® and Dysport® in the U.S.
- Cabometyx® launch in Europe
- New OTx commercial model for Consumer Healthcare in China, Russia and France

02 Specialty Care and Consumer Healthcare margins converged in 2016

Core Operating Margin
in €m and as % of net sales⁽¹⁾



Specialty Care

- Margin enhancement driven by Somatuline[®] growth in the U.S. and Europe
- Margin impacted by investments in 2016 for Cabometyx[®] launch in Europe
- New products Cabometyx[®] and Onivyde[®] to leverage future margin

Consumer Healthcare

- Margin deterioration due to lower sales and investment support OTx commercial model
- Consumer model to drive sales growth but lower level of margin, in line with CHC peers

02 Confident in ability to achieve 2017 objectives

Strong Q1 2017 Results

Specialty Care sales: +25.4%⁽¹⁾

Consumer Healthcare sales: -5.3%⁽¹⁾

FY 2017 Guidance*

Specialty Care sales > +18%⁽¹⁾

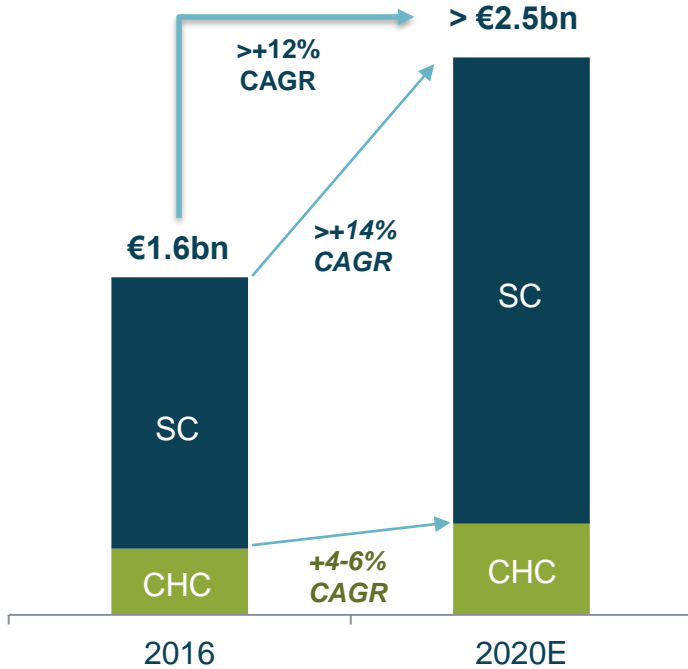
Consumer Healthcare sales > +4%⁽¹⁾

Core Operating Margin > 24%

* after completion of acquisitions of Onivyde and Sanofi CHC Assets

02 Specialty Care driving 2020 top-line growth

Group sales



Key drivers for sales growth

Specialty Care to grow >14% per year

- Contribution from existing products (Somatuline[®], Dysport[®] and Decapeptyl[®]) and recent acquisitions (Cabometyx[®] and Onivyde[®])
- Limited sales from expected pipeline (telotristat ethyl, Dysport[®] solution)

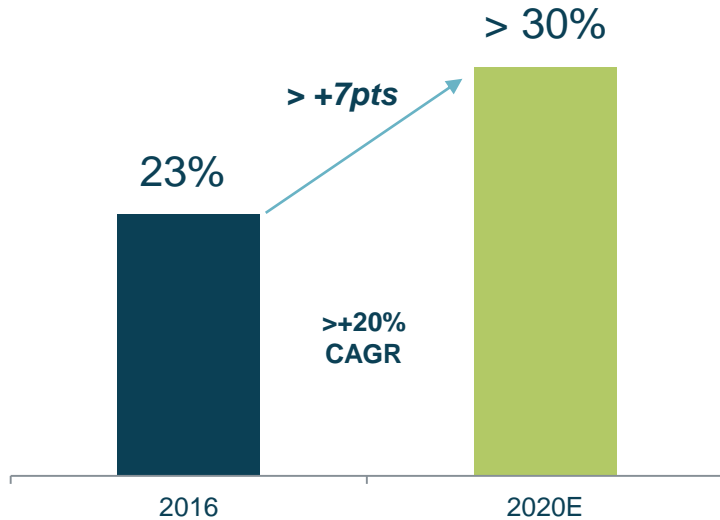
Consumer Healthcare to grow by 4-6% per year

- Contribution from Prontalgine[®] & Buscopan[®] (Sanofi transaction) and Akkadeas Pharma (Italy)
- Growth from OTx commercial strategy (mainly Smecta[®]) including launch of new products

Assuming no impact from business development and covering the impact of potential Somatuline[®] competitive threats

02 Operating leverage to achieve 2020 margin guidance

Core Operating Income margin



Key drivers for margin evolution

Gross Margin: Broadly stable

Benefits from Somatuline[®] & Onivyde[®] growth and manufacturing efficiencies offset Cabometyx[®] higher royalties

Sales & Marketing: Significant reduction as % of sales

Commercial synergies and streamlining of commercial organization from Cabometyx[®] and Onivyde[®]

R&D: Increase as % of sales

Support of existing programs (including Cabometyx[®] and Onivyde[®]) and new R&D assets as pipeline refilled

G&A: Decrease as % of sales

Limited growth in support functions and streamlining of operations

02 Strict capital allocation principles

Capex

- Need investment to support capacity expansion for Dysport® and Somatuline® growth (>€100m per year)

Dividends

- Policy to increase dividend in line with mid-term growth while supporting external growth strategy

Share buyback

- Policy to cover management incentive plans against any future dilution (~€25m per year)

Other assets

- Expected cash-in from Ipsen out-licensed assets (Rythm, Radius, OBI-1, ...)

Business development

- Significant financing capacity to support acquisition of early-stage and late-stage assets
 - >€1bn by 2020 while remaining at a leverage of ~1.0x EBITDA
 - Opportunities to further leverage balance sheet
- Strict financial discipline based on IRR, value creation and probability of success
- Level of synergies and accretion to group earnings

02 A virtuous cycle for long-term growth and profitability

- Strong **sales growth** and financial discipline...
- to increase **profitability** and cash generation...
- allowing for **external acquisitions** ...
- to fuel **long-term growth** and optimize operating performance.



02 Finance roadmap

- Deliver 2020 financial guidance (sales >€2.5bn and COI margin >30%) through sales growth and operating leverage including cost discipline and effective R&D investment
- Maintain solid balance sheet, strong cash generation and financial discipline to support business development (including R&D assets)
- Increase total shareholder return through increased dividend payment and capital appreciation of share price

03

Conclusion

David Meek

Chief Executive Officer

03 Ipsen roadmap

- Deliver double-digit growth and improving profitability
- Implement R&D transformation with focus on innovative and differentiated assets
- Bolster external sourcing model/ business development to expand innovative Specialty Care pipeline
- Accelerate Consumer Healthcare business to sustainable and profitable growth
- Deliver superior value to patients and shareholders

Q&A

THANK YOU