



FY 2020 Results

February 11, 2021

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- All product names listed in this document are either licensed to the Ipsen Group or are registered trademarks of the Ipsen Group or its partners.
- The implementation of the strategy has to be submitted to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation.
- In those countries in which public or private health cover is provided, the Group is dependent on prices set for drugs, pricing and reimbursement regime reforms and is vulnerable to the potential withdrawal of certain drugs from the list of reimbursable products by governments, and the relevant regulatory authorities in its locations. In light of the economic crisis caused by the Covid-19 pandemic, there could be increased pressure on the pharmaceutical industry to lower drug prices
- The Group operates in certain geographical regions whose governmental finances, local currencies or inflation rates could erode the local competitiveness of the Group's products relative to competitors operating in local currency, and/or could be detrimental to the Group's margins in those regions where the Group's drugs are billed in local currencies.
- In a number of countries, the Group markets its drugs via distributors or agents: some of these partners' financial strength could be impacted by changing economic or market conditions, including impacts of the COVID-19 pandemic, potentially subjecting the Group to difficulties in recovering its receivables. Furthermore, in certain countries whose financial equilibrium is threatened by changing economic or market conditions, including impacts of the COVID-19 pandemic, and where the Group sells its drugs directly to hospitals, the Group could be forced to lengthen its payment terms or could experience difficulties in recovering its receivables in full.
- The Group is also facing various risks and uncertainties inherent to its activities identified under the caption "Risk Factors" in the company's Universal Registration Document.
- All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Agenda

01 **FY 2020 Business overview**

David Loew
Chief Executive Officer

02 **FY 2020 Financial performance
2021 Guidance**

Aymeric Le Chatelier
Chief Financial Officer

03 **Conclusion**

David Loew

04 **Q&A**

David Loew
Aymeric Le Chatelier



01

FY 2020 Business overview

Our Vision

**To be a leading global mid-size
biopharmaceutical company
with a focus on transformative medicines
in oncology, rare disease & neuroscience**

Focus. Together. For patients & society.

Bring the full potential of
our innovative medicines
to patients

Group sales growth of +3.0%¹

reaching **€2,592m**, driven by Specialty Care growth of **+5.9%¹**

Build a high-value
sustainable pipeline

Advancing late-stage pipeline

resulting in upside potential for Cabometyx and Onivyde & progress toward palovarotene filing

Deliver efficiencies to
enable targeted
investment & growth

Core Operating Income growth of +6.0%

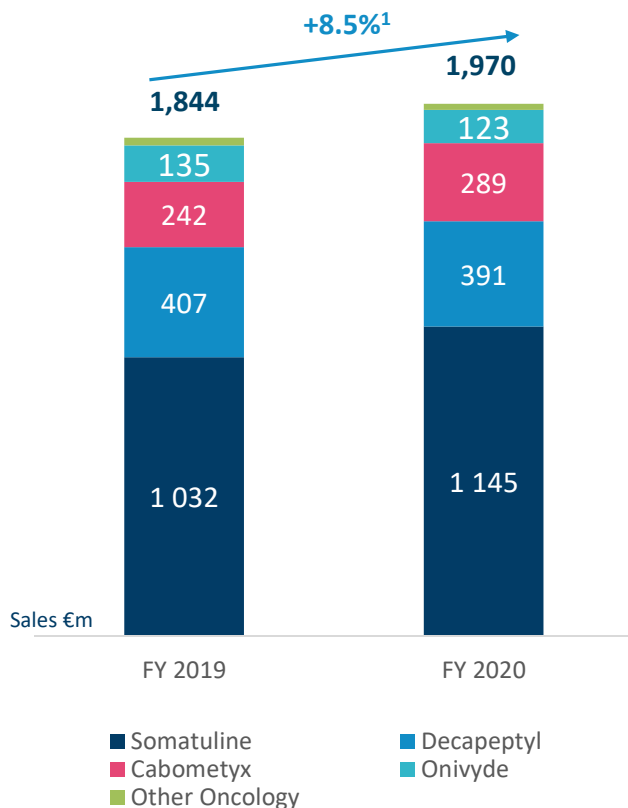
reaching **€829m** and core operating margin of **32.0%**

Boost culture of
collaboration &
excellence

Engaged workforce

delivering for patients in COVID-19 environment

Oncology resilience driving Specialty Care growth



+8.5%¹ sales growth despite COVID-19

Oncology 76% of Group sales

Somatuline sales +13%¹, driven by market share gains worldwide

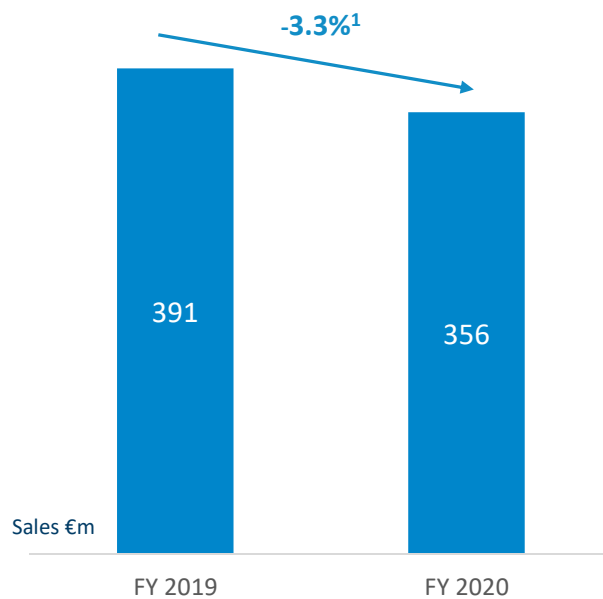
- North America: +17%
- Ex-NA: +8%, despite entrance of octreotide generics in EU

Cabometyx sales +21%¹ reflecting steady volume growth and market share gains across all geographies

Onivyde sales -7%¹ reflecting lower sales to ex-U.S. partner, steady U.S. growth

Decapeptyl sales -3%¹ reflecting competitive pressure in China, market share gains ex-China

Neuroscience negatively impacted by COVID-19



-3.3%¹ sales decrease

Neuroscience 14% of Group sales

Dysport market share maintained across geographies

Weakness across neurotoxin market due to COVID-19

- Therapeutics market impacted by center closures and fewer injections
- Stronger recovery in aesthetics market vs. therapeutics market in H2 2020

Excluding COVID-19, **attractive underlying market dynamics** remain

Limited impact from increased competitive environment in the U.S. aesthetics market

Rare Disease: Palovarotene program on track



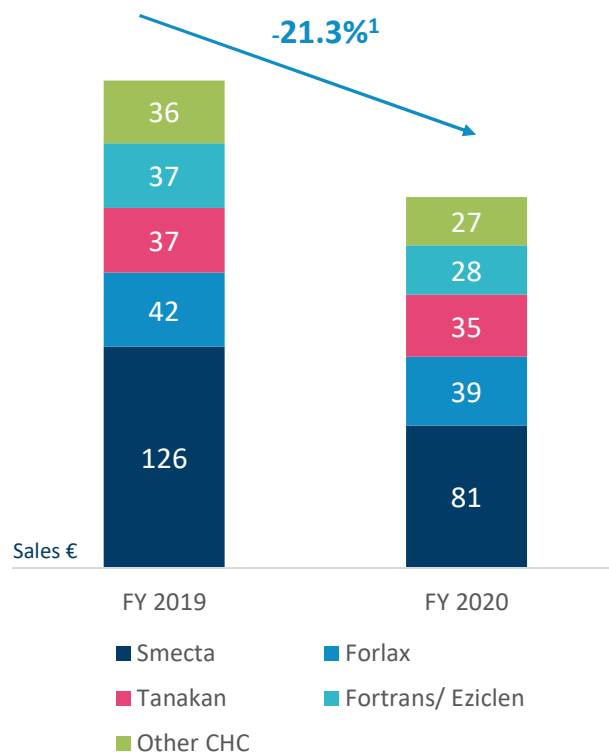
Palovarotene

- On track to file with FDA and EMA in H1 2021
- Most patients ≥ 14 years of age re-initiated on therapy in both the ongoing Phase II extension and Phase III MOVE trials
- Launch preparations ongoing

IPN60130 (BLU-782) – Phase II program planned to be initiated in 2021

Strong commitment to FOP patient community

Consumer Healthcare significantly impacted by COVID-19



-21.3%¹ sales decrease

CHC 8% of Group sales

Smecta sales -33%¹ impacted by social distancing and less travel, China hospital central procurement policy and generic competition in France

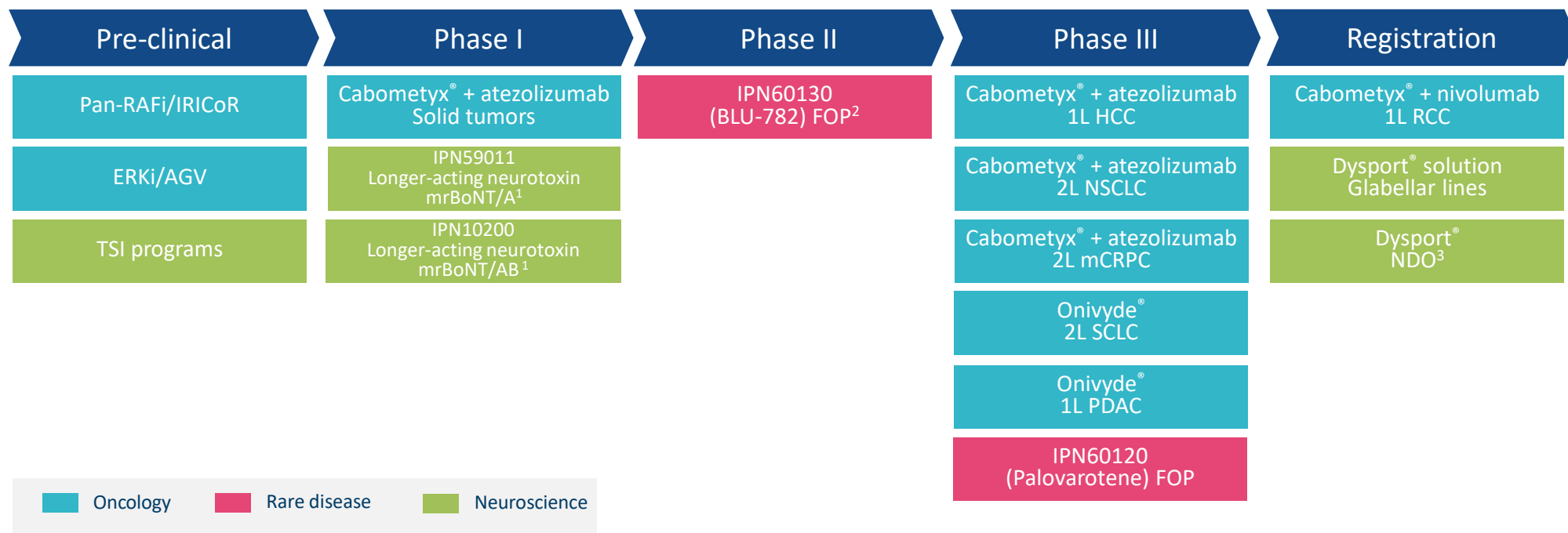
Tanakan sales +1%¹ driven by positive market dynamics in Russia

Fortrans/Eziclen sales -21%¹ mainly due to impact of COVID-19 in China, Russia and Eastern Europe

Strategic review of the CHC business ongoing

Advancing pipeline

Pipeline end of 2020



Priority to execute on external innovation strategy



Prioritizing as Group objective with a refined and disciplined approach



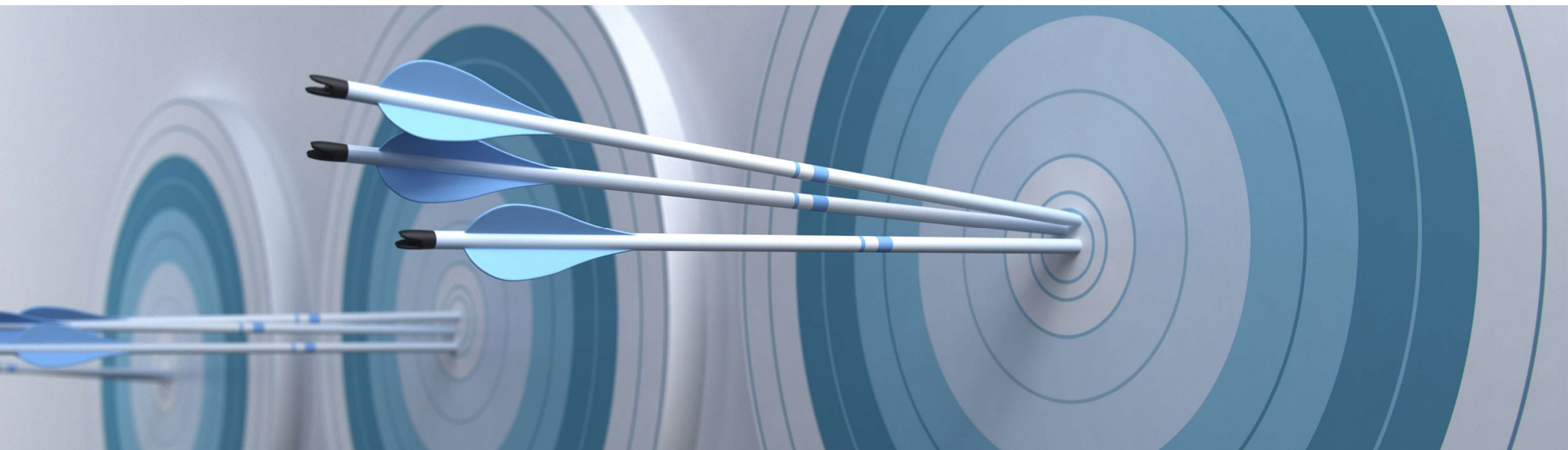
Targeting small to mid-sized transactions across three core therapeutic areas



Strengthening team to broaden scope & geographical footprint



Executing on transactions with firepower of €1.3bn at the end of 2020



02

FY 2020 Financial performance FY 2021 Guidance

Investments reflect strategy to focus and optimize resources

In €m	FY 2020	FY 2019	% Change
Net sales	2,591.6	2,576.2	0.6%
Other Revenues	94.5	116.5	-18.9%
COGS	(490.6)	(488.0)	0.5%
<i>as % of net sales</i>	<i>18.9%</i>	<i>18.9%</i>	
Selling expenses	(784.0)	(838.6)	-6.5%
<i>as % of net sales</i>	<i>30.3%</i>	<i>32.6%</i>	
R&D Expenses	(405.6)	(388.8)	4.3%
<i>as % of net sales</i>	<i>15.6%</i>	<i>15.1%</i>	
G&A Expenses	(187.8)	(181.4)	3.5%
<i>as % of net sales</i>	<i>7.2%</i>	<i>7.0%</i>	
Other Core operating income and expenses	11.2	(13.2)	N.A.
Core Operating Income	829.3	782.6	6.0%
Core Operating Margin	32.0%	30.4%	

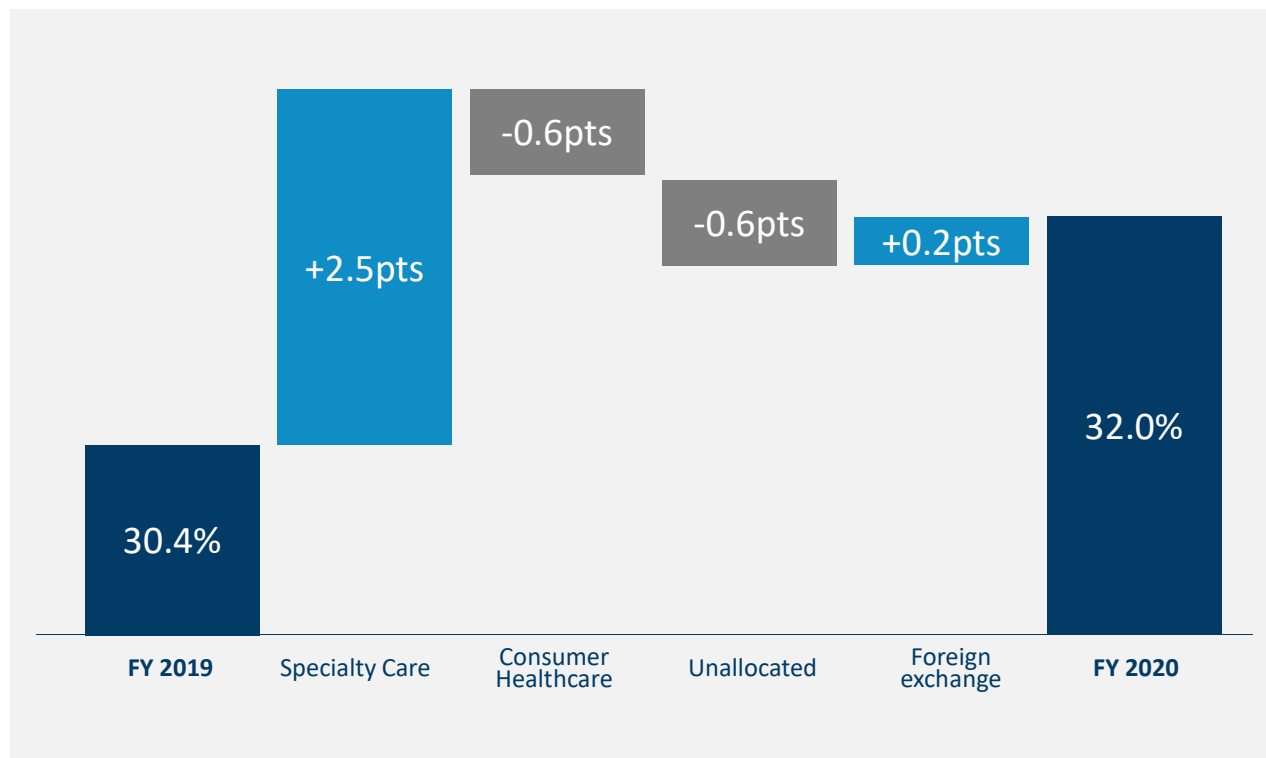
COGS: Favorable product mix offset by an increase of royalties

Selling expenses: Initiatives to optimize operating efficiencies and activities postponed or cancelled due to COVID-19

R&D expenses: Continued investments in internal pipeline including late-stage lifecycle management programs in Oncology, Neurotoxins and Rare Disease

G&A expenses: Incremental increase with limited COVID-19 related savings

Operating leverage driving core operating margin expansion



Core Operating Income **margin expansion to 32%** of net sales

Group margin expansion **driven by Specialty Care growth**, including COVID-19 related savings and R&D investments to support growth

Consumer Healthcare lower profitability from declining sales, despite restructuring initiatives and lower commercial investments due to COVID-19

Slight positive impact of currencies on profitability driven by hedging strategy

Core Operating Income to Consolidated Net Profit

In €m	FY 2020	FY 2019	Change
Core Operating Income	829.3	782.6	+6.0%
<i>Core Operating margin</i>	<i>32.0%</i>	<i>30.4%</i>	<i>+1.6pts</i>
Amortization of intangible assets	(86.5)	(83.8)	-2.7
Restructuring / Other Operating income and expense	(68.0)	(63.5)	-4.5
Impairment gain / (loss)	(153.9)	(668.8)	+514.9
Operating Income / (loss)	521.0	(33.4)	554.4
Net financing costs	(24.7)	(28.0)	+3.3
Other financial income / (expense)	32.5	22.8	+9.7
Income taxes and other	20.1	(11.7)	+31.8
Consolidated Net Profit / (loss)	548.9	(50.2)	+599.2
Core consolidated Net Profit	610.5	563.4	+8.4%
Core EPS fully diluted	7.31	6.74	+8.4%

Operating Income

Impairment loss of €154 million before tax mainly related to the termination of MO-PED trial, Systemic Radiation Therapy, solid tumor programs and other intangible assets related to non-core products

Restructuring and Other Operating costs mainly from the Group's transformation programs including Consumer Healthcare restructuring and R&D program deprioritization

Consolidated Net Profit

Other financial income related mainly to the accounting gain from the Clementia CVR revaluation following MO-PED termination

Income taxes due to Tax gain from losses generated by Group legal restructuring

Core EPS

Higher growth than Core Operating Income driven by lower effective tax rate (at 22%) and lower cost of financing

Strong Cash Flow generation to fund external innovation strategy

Strong 2020 Free Cash Flow at €646m (+38% versus FY 2019)

- Solid EBITDA of €933m (+7%)
- Reduction in capital expenditures and working capital and lower financing costs

Net Debt at €525m at the end of 2020 (a decrease of €590m versus 31 December 2019)

- Driven by strong free cash flow, Clementia CVR write-off, favorable impact of foreign currencies

Net debt to EBITDA at 0.6x by the end of 2020

Proposed **dividend of €1.00 per share**¹ for the 2020 financial year, consistent with the prior year

Solid financial position to fuel external innovation

€1.3bn business development firepower
(based on 2.0x Net Debt to EBITDA at end of 2020)

2021 guidance



Sales growth

> +4.0% at constant currency

- Expected impact of -3.0% from currencies based on the level of exchange rates at the end of January 2021



Core Operating margin

> 30.0% of net sales

- Excluding any potential impact of incremental investments from external innovation

Key assumptions:

- SSA generic
 - Phased launch of lanreotide generic in Europe by mid-2021
 - Limited impact in case of a potential launch of octreotide or lanreotide generics in the U.S.
- Assuming a progressive recovery from COVID-19 by H2 2021



03

Conclusion

2021 Objectives



Maximize our brands

- Capture full potential of core products and innovative oncology portfolio
- Drive excellence in execution
- Expand geographical presence



Strengthen pipeline

- Execute on external innovation strategy with a refined and disciplined approach
- Accelerate key internal development programs
- Continue to generate data to drive differentiation



Drive efficiencies

- Focus on high impact activities and leverage procurement
- Simplify operations and streamline processes
- Accelerate transformations, including manufacturing and R&D



Focus on culture

- Develop and retain highly-engaged talent
- Drive culture of focus and performance
- Deliver on CSR commitments: employees, community, environment

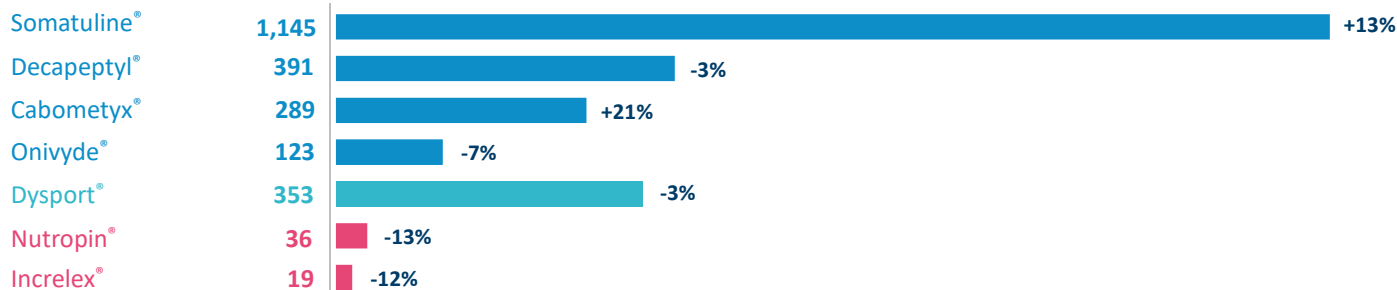


Thank you

FY 2020 sales growth driven by Specialty Care

Net sales of key products in FY 2020 in million euros – % excluding foreign exchange impact

Specialty Care



Consumer Healthcare



Group sales
€2,591.6m
+3.0%¹

Specialty Care
€2,381.1m
+5.9%¹

Consumer Healthcare
€210.6m
-21.3%¹

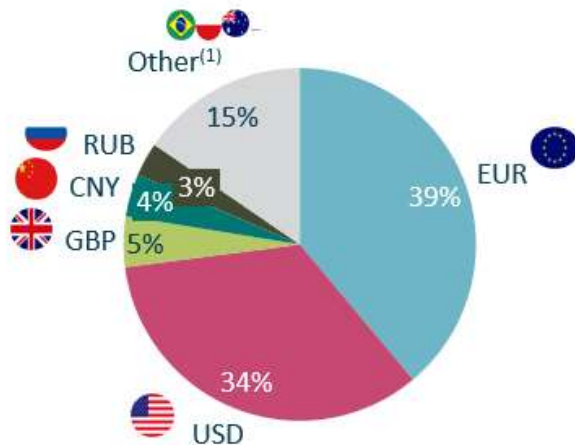
Diapositive 22

ME14 Wording de la footnote différent du wording des premières slides "year-on-year growth..."
Manon ESPITALIER; 02/02/2021

FY 2020 sales negatively impacted by foreign exchange rates

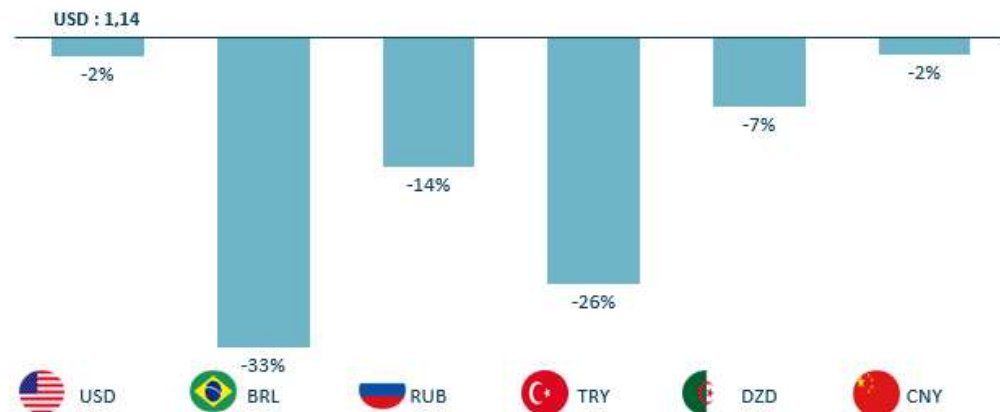
61% of sales in non-EUR currencies
USD representing 34% of sales

2020 sales by currency



Currency evolution in 2020

Average rates change (2020 vs. 2019)



Negative impact on Sales with -2,4% mainly from lower USD, BRL, RUB and TRY

Oncology ongoing clinical trial highlights

Trial	Population	Patients	Design	Endpoints	Status	Addressable population in Ipsen territories
Cabometyx Phase 3 COSMIC 312 NCT03755791	1L HCC	740	<ul style="list-style-type: none"> cabozantinib 40 mg oral, qd + atezolizumab 1200 mg infusion, q3w sorafenib 400 mg bid 	<ul style="list-style-type: none"> Primary: PFS, OS 	Recruiting	~26K patients (ex-China)
Cabometyx Phase 3 CONTACT-01	2L NSCLC	350	<ul style="list-style-type: none"> cabozantinib in combination with atezolizumab Docetaxel 	<ul style="list-style-type: none"> Primary: OS Secondary: PFS, ORR, duration of response 	Recruiting	
Cabometyx Phase 3 CONTACT-02	2L CRPC	580	<ul style="list-style-type: none"> cabozantinib in combination with atezolizumab second novel hormonal therapy (either abiraterone and prednisone or enzalutamide) 	<ul style="list-style-type: none"> Primary: OS, PFS 	Recruiting	
Cabometyx Phase 1b NCT03170960	Solid tumors	1732	<ul style="list-style-type: none"> cabozantinib + atezolizumab 	<ul style="list-style-type: none"> Primary: MTD, ORR Secondary: safety 	Recruiting	
Cabometyx Phase 1b NCT03299946	1L HCC	15	<ul style="list-style-type: none"> cabozantinib 40mg daily for 8 weeks + nivolumab 240mg intravenously every 2 weeks 	<ul style="list-style-type: none"> Primary: safety 	Recruiting	~26K patients (ex-China)

Oncology ongoing clinical trial highlights

Trial	Population	Patients	Design	Endpoints	Status/ Other
Onivyde Phase 3 NAPOLI 3 NCT04083235	1L PDAC	750	<ul style="list-style-type: none"> Arm 1: Onivyde (nanoliposomal irinotecan) + 5-FU/LV + oxaliplatin Arm 2: Nab-paclitaxel + Gemcitabine 	<ul style="list-style-type: none"> Primary: OS Secondary: PFS, ORR 	Recruiting/ ~28K addressable patients in Ipsen territories
Onivyde Phase 3 RESILIENT NCT03088813	2L SCLC	486	<ul style="list-style-type: none"> Onivyde (nanoliposomal irinotecan) Topotecan 	<ul style="list-style-type: none"> Primary: OS Secondary: PFS, ORR, safety 	Recruiting/ ~14K drug-treated addressable patients in Ipsen territories
Onivyde Phase 1 NCT01770353	Breast cancer (ER/PR positive, TNBC, active brain metastasis)	45	<ul style="list-style-type: none"> Onivyde (nanoliposomal irinotecan) IV on Days 1 and 15 every 4 weeks + ferumoxytol 5 mg/kg IV once on Day 1 	<ul style="list-style-type: none"> Primary: tumor levels of irinotecan and SN-38 Secondary: safety, tumor response rate 	Ongoing
Satoreotide trizoxetan ⁶⁸ Ga-IPN-01070 Phase 2 NCT03220217	GEP-NET	25	<ul style="list-style-type: none"> Satoreotide trizoxetan 	<ul style="list-style-type: none"> Primary: Difference in relative lesion counts Secondary: Difference in image quality 	Recruiting
IPN01087 Phase 1 NCT03525392	NTSR1 solid tumors	320	<ul style="list-style-type: none"> IPN01087 	<ul style="list-style-type: none"> Incidence DLT and organ exposure to radiation 	Recruiting

Rare Diseases ongoing clinical trial highlights

Trial	Population	Patients	Design	Endpoints	Status	Addressable population in Ipsen territories
Palovarotene Phase 3 MOVE NCT03312634	FOP (chronic)	90	<ul style="list-style-type: none"> Palovarotene - 5 mg once daily and upon flare-up, 20 mg once daily for 28 days followed by 10 mg for 56 days 	<ul style="list-style-type: none"> Primary: Change in HO volume 	Dosing restarted in patients >14 years of age/ partial clinical hold on patients <14 years of age	~9K WW based on epidemiology