

Servier Group – Financial Year 2018/19

Financial results and R&D pipeline

- Consolidated revenue of 4.615 billion euros, with growth of 10.5%¹.
- This revenue is split between 3.232 billion euros for the brand-name activities² (+11.8%) and 1.383 billion euros for generic activities (+7.5%).
- A strong international presence: 78% of Group revenue (95% of revenue for brand-name activities only).
- A confirmed leading position in cardiology with 2.439 billion euros, or 53% of Group revenue.
- A significant increase in oncology activities (+120%), mainly due to sales of Oncaspar[®] and Onivyde[®], and the growth of biosimilars.
- A promising brand-name pipeline, with 30 drug candidates in development and 32 research projects, the result of a strong and consistent investment in R&D (23% of brand-name revenue).
- More than 100 million patients worldwide are treated with Servier Group medicines on a daily basis.

Paris (France), February 20, 2020 – Servier, independent international pharmaceutical company announces its results for the 2018/19 financial year and presents its Research and Development pipeline.

Growth in double figures

The Group revenue in the 2018/19 financial year was 4.615 billion euros, an increase of 10.5%. The brand-name revenue (€3.232 billion) represents 70% of the consolidated revenue and generics represent 30% (€1.383 billion). The operating income dropped by 34.2% to €202 million, affected in particular by the impact of the acquisition of Oncaspar^{®3} and Onivyde^{®4} as well as the cost of setting up the Group's American subsidiary in Boston. It is also worth noting that during the financial year, exchange rates had a low impact on sales (€-22 million) in comparison with the previous year (€-160 million).

¹ Figures are presented in real exchange rates.

² Brand-name: medicines promoted and distributed by Servier; Generics: medicines promoted and distributed by Biogaran, Egis, Pharlab and Swipha, Servier Group subsidiaries.

³ Oncaspar[®] (pegaspargase). Servier holds international rights for Oncaspar[®].

⁴ Onivyde[®] (pegylated liposomal irinotecan formulation). Servier holds the rights for Onivyde[®] excluding the United States and Taiwan.

"The results of the 2018/19 financial year exceeded our objectives. This growth was driven by the momentum of the brand-name activities, with good increases in sales, particularly in China, Russia, and Brazil, but also in the area of oncology, in the United States in particular, with the sales of Oncaspar®. The generic activities, with an increase of 7.5%, also contributed to the growth," commented Dominique Brissy, Executive Vice President, Finance and Information Systems of the Servier Group.

Key figures (at 30 September 2019)

(in millions of euros)	2017/18	2018/19	Variation: constant exchange rates	Variation: real exchange rates	% of revenue
Group revenue	4176	4615	11.1%	10.5%	100%
Brand-name revenue	2890	3232	12.3%	11.8%	70%
Generic revenue	1286	1383	8.4%	7.5%	30%
Operating income	307	202	-	(34.2%)	4.4%
EBITDA	488	518	-	6.2%	11.2%

A steady increase in brand-name medicines revenue

In 2018/19, revenue from brand-name medicines reached 3.232 billion euros, showing an increase of 11.8%, mainly due to a positive volume effect of sales of Group brand-name medicines, increasing by 4.4%, which helped compensate for certain losses of patents and price drops.

Top 6 brand-name medicines in 2018/19 (in revenue)

- Diamicon® (€497M)
- Dafion® (€442M)
- Coversyl® (€335M)
- Vastarel® (€299M)
- Preterax® (€258M)
- Coveram® (€250M)

Maintaining a leading position in cardiology

With Group revenue of 2.4 billion euros (53% of Group revenue), the Servier Group maintains its leading position in cardiology: 2nd European and 6th internationally⁵. The Group has excellent prospects in cardiology with, in particular Omecamtiv mecarbil⁶, currently in phase III, and the launch of new fixed drug combinations.

Strong growth in oncology

Group revenue in oncology (€578 million) increased by 120%, driven by the sales of two brand-name medicines, Oncaspar® and Onivyde®, and the increase in revenue from biosimilars. Lonsurf⁷ also showed a good increase in revenue with growth of +15.5%.

⁵ Source: IQVIA, Analytics Link – MAT Q3-2019: 74 pays

⁶ Omecamtiv mecarbil is being developed under a collaboration between Amgen and Cytokinetics, with funding and strategic support from Servier.

⁷ Lonsurf® was discovered and developed by Taiho Pharmaceutical. In June 2015, Servier and Taiho Pharmaceutical finalized an agreement for an exclusive license for the co-development and commercialization of Lonsurf® in Europe and other countries, excluding the US, Canada, Mexico, and Asia.



In 2019, the Group took an important step in oncology with, in particular, the authorization in Europe of a new indication for Lonsurf[®], the launch of Asparlas[®] in the United States, and the acquisition of the worldwide rights for Pixuvri[®]. A promotional partnership was signed in Japan in preparation for the market launch of Onivyde[®] by the local Servier subsidiary in 2020.

Expanding generic activities

Generic medicines are produced by four Group subsidiaries in France, Eastern Europe, Brazil, and Nigeria. Today, the Group has 1500 generic medicines that cover the majority of diseases.

The generic activities' share of the Group's revenue is €1.383 billion. With an increase of 7.5%, this activity continues to develop in a sustained way and to diversify, in particular in the area of OTC medicines⁹ and biosimilars¹⁰.

In 2018/19, sales of biosimilar medicines increased by 42%, with 11.8% of Biogaran revenue in France.

In France, in 2018/19, Biogaran launched 59 medicines.

Subsidiary generics revenue in 2018/19

- Biogaran : €874 M
- EGIS : €468 M
- Other subsidiaries : €41 M

511 million of boxes of generic medicines distributed

Internationally driven growth

The Group's international revenue is 3.580 billion euros and represents 78% of consolidated revenue.

The Group achieved revenue greater than 100 million euros in 11 countries. More than half the Group's revenue is generated in Europe.

Respectively first and second international subsidiaries of the Group, China (€440 million in revenue, 20% growth), and Russia (€376 million in revenue, 6% growth), continue to offer strong growth potential. It is also worth noting that the United States is becoming the 4th market for the Group, and its American subsidiary Servier Pharmaceuticals, is celebrating its first year of activity.

Today, 9 out of 10 boxes of Servier's brand-name medicines are distributed internationally.

FOCUS FRANCE

Brand-name and generic sales in metropolitan France in 2018/2019 were €1.035 billion and represent 22% of the consolidated revenue.

In 2018/19, the Group invested €128 million* in France.

*excluding strategic partnerships.

⁸ Pixuvri[®] (pixantrone): October 1, 2019 Servier and CTI Biopharma finalized an asset contract which transfers the global rights of Pixuvri to Servier.

⁹ Medication that is freely available for sale, also called an over-the-counter medicine or OTC, a medicine that can be sold without prescription from a health care professional

¹⁰ Medicines that are similar to a biological medicine, so-called reference brand, whose patent has fallen into the public domain.



R&D Servier: accelerating innovation to meet patient needs and health care challenges

Servier is concentrating its R&D activities in therapeutic areas with a high medical need: cardiovascular, immune-inflammatory and neurodegenerative diseases, cancers, and diabetes. The Group is energetically reinforcing its pipeline as a result of sustained capital investments, investing close to a quarter of its revenue (excluding generic activities) each year in R&D, and as a result of a dynamic policy of open innovation: today more than 80% of Servier R&D is performed in partnership.

The 2018/19 period was marked by concrete advances in several of the Group's research projects:

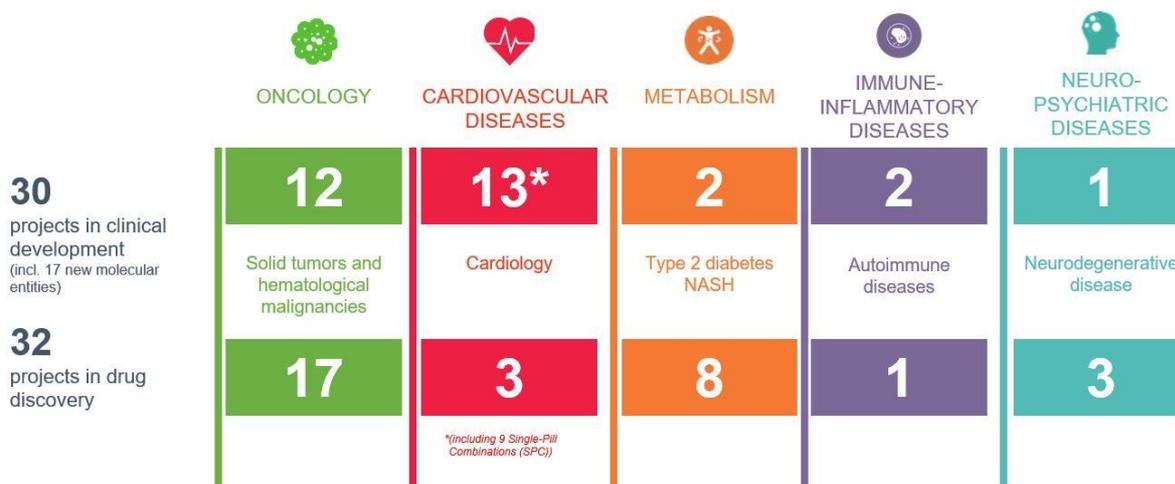
- Launch of 5 clinical studies in oncology:
 - In the area of hematology: Bcl-2 (with Novartis)
Combination Mcl-1/Venetoclax (with Novartis); phase I study UCART 19 / ALLO-501 (with Allogene Therapeutics and Cellectis); phase I study on CAR-Ts (with Precision BioSciences)
 - In the area of solid tumors: phase III study on Lonsurf®.
- The end of patient recruitment for the global clinical phase II study ROCCELLA, led by a partnership with Galapagos.
- Launch of the IMI IMMUcan consortium in immuno-oncology.

"In 2018/19, we intensified the development of our R&D portfolio with the acceleration of key programs, in particular in oncology, and the signing of new strategic research partnership. The pursuit of our open innovation strategy and the acceleration of the transformation of our R&D remain major objectives in order to reinforce our portfolio of drug candidates and ensure added value for patients," declared Claude Bertrand, Executive Vice-President R&D of the Servier Group. "The future Servier Paris-Saclay Research Institute, due to open in 2022, perfectly illustrates the innovation dynamic of the Group and will embody its new way of imagining R&D."

A promising pipeline of drug candidates and research programs

Today the Group has a promising pipeline of 30 drug candidates and 32 research projects. Two molecules are currently in phase III clinical study:

- Omecamtiv mercabil, being developed under a collaboration between Amgen and Cytokinetics, with funding and strategic support from Servier.
- Bumétanide, co-developed with Neurochlore.



Data at the end of January 2020

Oncology, a main research priority

To meet patient needs, the Servier Group made a major shift by making oncology one of its main research priorities. This is evidenced by the growing number of research programs and partnerships, as well as the share of the Group's R&D investment in this area: during the 2018/19 financial year, oncology represented 36% of the Group's R&D budget, with the objective of reaching 50% for the Group's investment in R&D.

This major investment in the fight against cancer today translates, in terms of results, into six treatments¹¹ available to patients, 12 drug candidates currently in clinical development, and 17 research projects. Servier Research in oncology is focused on treatments targeting the restoration of programmed cell death of cancerous cells (apoptosis) and mobilizing the immune system against cancerous cells (immuno-oncology).

A collaborative approach to accelerate innovation for the benefit of patients

To accelerate innovation, provide patients with new therapeutic solutions, and meet unmet medical needs, Servier is pursuing a dynamic policy of open innovation by collaborating with partners throughout the world, including renowned academic institutions, laboratories, biotechs, and start-ups.

WeHealth™ Digital Medicine

The e-health division of the Servier Group

In a spirit of open innovation, WeHealth™ Digital Medicine identifies promising start-ups in digital health to codevelop solutions in the Group's therapeutic areas.

- 3 solutions currently under licence in the areas of cardiology and oncology.
- 3 new partnerships signed in 2018/19.

¹¹ Asparlas®, Lonsurf®, Muphoran®, Oncaspar®, Onivyde®, Pixuvri®.



During the 2018/19 period, the Group signed 8 new research partnerships with academic institutions (in France, the United Kingdom, and the United States), biotechs, and pharmaceutical companies, bringing to 45 the total number of strategic research partnerships established by the Group.

This collaborative approach also translates into a major commitment in international research projects in the area of CAR-Ts, with the Innovative Medicines Initiative (IMI), or noncommunicable diseases (NCD), as member of the Access Accelerated initiative. Since 2017, Servier has also been an active member of the *Paediatric Strategy Forums*, jointly organized by ACCELERATE and the European Medicine Agency (EMA), which focuses on cancers in children and teenagers.

Towards a new R&D model to accelerate innovation

The Servier Group anticipates a major evolution in its R&D model, with the continued objective of reinforcing the pipeline of drug candidates to meet patient needs.

The construction of the future Servier Paris-Saclay Research Institute, which will include a start-up incubator, reflects the desire to imagine a more open and agile approach to research.

It is also a way of capitalizing on the advantages of digital technologies and their integration into all levels of the Group's R&D value chain. By combining the most advanced data processing technologies with the Group's expertise, the R&D teams will be able to accelerate iteration cycles and molecule identification. Digital technologies will also allow the Group to develop complete solutions, combining therapeutic treatments and services personalized for patients.

It is with this objective in mind that the Group initiated, in 2019, a program of digital transformation and the "data driven" program with R&D, particularly in the area of clinical trials, to accelerate the trials and to be as close to patients as possible during their disease.

Finally, focusing on science and translational research to accelerate therapeutic innovation and concentrating on projects with a strong added value for patients, are the two other pillars of the evolution of the Group's R&D model.

Perspectives 2019/20

Within the framework of its strategic orientation, the Servier Group aims to pursue its dynamic growth internationally, in particular by strengthening its oncology portfolio with the acquisition of a medicine that would ensure a presence on the United States market.

In parallel, the Group is pursuing an emphasis on partnerships, within the framework of its *open innovation* policy, in order to reinforce its pipeline of projects and drug candidates in R&D.

The industrial model will be progressively adapted to the evolution of the medicines portfolio and the challenges of the pipeline.

The Group will escalate the deployment of its digital strategy.

These objectives will be driven by a desire to improve performance in order to finance, notably as a result of a loan, the development of the Group.



Finally, the Group will continue its strong commitment to Corporate Society Responsibility (CSR), in particular via the objective to reduce the Group's CO₂ emissions by 25% by 2030, versus approximately 1 million tons of CO₂ equivalent emitted in 2016.

"The Group's results for 2018/19 and the reinforcement of the R&D pipeline are aligned with the deployment of our strategic plan: improve our overall performance in order to continue to invest in therapeutic progress in the long term," concluded Olivier Laureau, President of Servier.

About Servier

Servier is an international pharmaceutical company governed by a non-profit foundation, with its headquarters in France (Suresnes). With a strong international presence in 149 countries and a turnover of 4.6 billion euros in 2019, Servier employs 22 000 people worldwide. Entirely independent, the Group reinvests in average 25% of its turnover (excluding generics) in research and development and uses all its profits for development. Corporate growth is driven by Servier's constant search for innovation in five areas of excellence: cardiovascular, immune-inflammatory and neurodegenerative diseases, cancer and diabetes, as well as by its activities in high-quality generic drugs. Servier also offers eHealth solutions beyond drug development.

More information: www.servier.com

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