

Servier: 2017-2018 Financial Figures

- Sales of €4.2 billion and 4.5% growth at constant exchange rate that confirm the increase in the number of patients treated with our drugs worldwide. Servier's sales comprise €2.9 billion for brand drugs (+3% at constant rate) and €1.3 billion for generic drugs (+8% at constant rate).
- An operating income that is 7.4% of sales is explained by Servier's ambition to drive its development by investing internationally and by patent expiries.
- 22 000 employees, 5000 in France and 17 000 internationally.
- An international presence accounting for 93% of sales, excluding generics.
- An acknowledged leader in cardiology, with €2.1 billion, i.e., 71% of consolidated sales, excluding generics.
- Implementation of Servier's strategic priorities, notably our acquisition of the oncology branch of Shire (for \$2.4 billion), which enables us to establish a direct business presence in the United States and to grow our range of cancer drugs. In France, progress in projects concerning the *Institut de Recherche Servier de Paris-Saclay* and the biopharmaceutical production unit at Gidy also illustrate the implementation of Servier's strategic priorities.

Paris, France - 31 January 2019 – Servier, an independent international pharmaceutical company, announced its sales figures for the 2017-2018 financial year and reviewed the highlights of its business activities.

Sustained growth in sales volume

Servier Group's sales for the 2017-2018 financial year were €4.2 billion. This figure results, notably, from an 8% increase in the volume of sales of our drugs, attenuated by unfavorable effects of pricing and foreign currency rates, due to Servier's strong presence outside the eurozone, and by patent expiries, notably in Canada and in all countries for Procoralan®. This explains that at the real exchange rate, sales growth was 0.6%.

Brand drug sales (€2.9 billion) account for 69% of consolidated sales and sales of generics for 31% (€1.3 billion).



Two new brand drugs have performed very well: sales of Lonsurf^{®1}, used for the treatment of metastatic colorectal cancer, have grown by over 62%, and Triplixam[®], a cardiovascular drug, has seen sales increase by 39%.

Key figures (as of 30 September 2018)

(in millions of euros)	2016/17	2017/18	Growth (constant exchange rates)	Growth (real exchange rates)	% of sales
Total Servier sales	4152	4176	4.5%	0.6%	-
Brand drug sales	2945	2890	3%	(2%)	69%
Generic sales	1207	1286	8%	7%	31%
Operating income	525	307	-	(42%)	7.4%
EBITDA	623	402	-	(35%)	9.6%

* Excluding tax credit for research

Implementation of the Group's strategic priorities

[The acquisition of the oncology branch of Shire](#) on 31 August 2018 was the highpoint of the financial year and an essential part of Servier's ambitions. It meets two objectives: to establish a direct commercial presence in the United States and to grow our cancer drug portfolio, with the marketing of two new drugs (Oncaspar^{®2} and Onivyde^{®3}) in countries where Servier is already present. This major operation represents an investment of 2.4 billion dollars, funded at over 50% by equity capital, complemented by a loan from a pool of banks. It illustrates the implementation of the Group's strategy, which is designed to extend its geographical footprint and to become a major player in oncology.

"In 2018, we implemented one of Servier's strategic priorities by establishing a direct business presence in the United States and a larger portfolio of cancer drugs to meet the needs of patients and health professionals more effectively. These results are in line with the implementation of our 5- and 10-year plans," declared Olivier Laureau, President of the Servier Group.

People are central to Servier's strategy. In 2018, several of the Group's subsidiaries, including Poland (Egis), Servier Italy, and Servier Central America, received endorsements of their human resources policies. Servier also received approval from [Happy Trainees](#) and came 4th in the list of top international companies endorsed by students and young graduates for the quality of their internship policy. These seals of approval illustrate Servier's commitment to the integration of young people into the workplace and to the development of its employees.

¹In June 2015, Taiho Pharmaceutical and Servier concluded an exclusive licensing agreement for the co-development and marketing of Lonsurf in Europe and in other countries, excluding the United States, Canada, Mexico, and the Asian continent. In Asian countries, Japan apart, TTY Biopharm, the commercial partner of Taiho Pharmaceutical, marketed Lonsurf in Taiwan in July 2018, and Jeil Pharmaceutical is preparing to market Lonsurf in South Korea.

² ONCASPAR[®] (pegaspargase). Servier holds the worldwide rights to Oncaspar.

³ ONIVYDE[®] (pegylated liposomal irinotecan). Servier holds the worldwide rights to Onivyde, excluding the United States and Taiwan.



Maintaining our position as a leader in cardiology

With sales of €2.1 billion (71% of sales of brand drugs), Servier is still a leader in cardiology – 2nd in Europe and 8th worldwide – with the largest range of brand drugs on the market, covering most patient needs.

Growth driven by international sales

Servier drugs are used to treat nearly 100 million patients daily, in 149 countries. Sales outside France amount to €3.2 billion and account for 76% of consolidated sales. Eleven countries make sales above €100 million. Sales outside the European Union represent 48% of consolidated sales. Outside the European Union, the main contributing countries are China, Russia, Canada, and Brazil.

A sustainable presence and long-term investment enable Servier to be a major presence in various high-potential countries. China, Brazil, Turkey, and Ukraine have all shown growth of 10% or more in local currency and are in our top twenty countries in terms of sales.

Over 9 out of 10 boxes of Servier brand drugs are used to treat patients outside France.

In 2018, Servier continued its international development with the opening of its commercial subsidiary, *Servier Pharmaceuticals*, and of [Servier BioInnovation](#) in the United States. Located in the heart of the life sciences hub in Cambridge (Boston) Massachusetts, *Servier BioInnovation* will enhance our corporate visibility, attract talent, and establish research and development partnerships through a dedicated presence in one of the world's leading centers of innovation.

An open innovation strategy to accelerate research and grow the portfolio

With 33 research projects and 33 drug candidates in development, Servier is adding to its drug pipeline by developing more partnerships. During the last financial year, Servier established various partnerships, particularly in the fields of neurodegenerative diseases with [Treventis](#), autoimmune diseases with [ImmunoQure](#), and metabolic diseases with [Scandicure](#).

Our investment in cancer research has yielded 16 innovative cancer drug candidates which are undergoing clinical development (there are 33 ongoing programs), and the acquisition of two new drugs (Oncaspar^{®4} and Onivyde^{®5}).

WeHealth by Servier is increasing the Group's commitment to digital health by creating and co-developing with start-up companies around the world complementary solutions for Servier's therapeutic areas and drugs. *WeHealth* launched in Europe *Cardioskin*^{™6}, a connected solution with CE marking, which records cardiac activity continuously. During the last financial year, *WeHealth* signed new partnerships in oncology, with [Deeplink Medical](#), and in diabetes, with the [Peter Sheehan Diabetes Care Foundation](#). In the United States, *WeHealth* has also established a partnership with the [University of California](#) (UCSF, San Francisco) to identify the most promising eHealth start-ups.

Overall, Servier now has 50 research alliances with public and private partnerships.

⁴ ONCASPAR® (pegaspargase). Servier holds the worldwide rights to Oncaspar.

⁵ ONIVYDE® (pegylated liposomal irinotecan). Servier holds the worldwide rights to Onivyde, excluding the United States and Taiwan.

⁶ Cardioskin was developed in partnership with BioSerenity.



Growth in generic sales

Four subsidiaries, in France, Eastern Europe, Brazil, and Nigeria, produce generics for Servier, which today has 1500 generic drugs covering most diseases.

Sales of generic drugs amounted to €1.3 billion (31% of consolidated sales), with 8% growth at constant exchange, and Servier's generics business is increasing and diversifying, notably in terms of over-the-counter drugs⁷ and biosimilars⁸. In France, the Servier group launched 80 new generic drugs in 2018.

A strong French base

The sales of all brand drugs and generics in metropolitan France amounted to €985 million.

95% of the active ingredients of Servier brand drugs are produced in France. This policy is designed to create jobs and increase investment in France. In 2018, Servier accounted for 36.6%, i.e., €1.4 billion, of the French trade surplus in the pharmaceutical and fine chemicals sector.

Servier has maintained its value creation in France by continuing to invest in its production and research and development, notably in its facilities for [preparative chromatography at Bolbec](#) (Normandy).

Investment in the future *Institut de Recherche Servier Paris-Saclay* (€290 million) and in the creation of a [biopharmaceutical production](#) unit (€50 million) at Gidy (Loiret) reaffirms Servier's commitment to increasing value creation in France. Biopharmaceutical production and the laying of the foundation stone of the future research institute are scheduled for 2019.

Outlook

Servier's priorities in terms of its strategic orientations are as follows:

- Strengthen its presence in the United States in the field of oncology;
- Increase its global presence in cardiology and oncology;
- Accelerate its oncology research and development programs, notably in the field of CAR-T therapy;
- Extend implementation of its digital strategy;
- Attract and develop talent to support the development of the Group;
- Increase the involvement of patients in all our actions, by working with and for patients, so as to provide innovative therapeutic solutions to meet their needs more effectively.

Servier's strategy to reach its goals for 2021 is to launch a new molecular entity every three years and to become a key player in oncology, while maintaining our position in cardiology and diabetes. In terms of sales figures, our target for 2021 is €5 billion in sales and an operating income that is 8% of sales.

Generic sales

▪ Biogaran	: €798 million
▪ EGIS	: €454 million
▪ Other affiliates	: €34 million

⁷ Medicines that do not require a prescription from a healthcare professional and which are sold directly to the consumer.

⁸ A biosimilar is a version of a biological product that is similar to an originator product for which the patent has expired.



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 4.2 billion euros in 2018, Servier employs 22 000 people worldwide. Entirely independent, the Group reinvests 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.

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