



Sanofi SA (SNY)

Updated February 2nd, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$47	5 Year Annual Expected Total Return:	14.1%	Market Cap:	\$115 B
Fair Value Price:	\$65	5 Year Growth Estimate:	4.0%	Ex-Dividend Date:	5/08/26 ¹
% Fair Value:	73%	5 Year Valuation Multiple Estimate:	6.6%	Dividend Payment Date:	6/12/26 ²
Dividend Yield:	4.7%	5 Year Price Target	\$79	Years Of Dividend Growth:	30 ³
Dividend Risk Score:	B	Sector:	Health Care	Rating:	Buy

Overview & Current Events

Sanofi, a global pharmaceutical leader, incorporated in 1994. The company develops and markets a variety of therapeutic treatments and vaccines. Pharmaceuticals account for the majority of sales, with vaccines making up the remainder. Sanofi is truly a global leader, with about half of sales coming from the U.S., about a quarter each coming from Europe and emerging markets/rest of the world. Sanofi produces annual revenues of about \$51 billion. Sanofi is incorporated in France, but U.S. investors have access to the company through an American Depositary Receipt, or ADR. Two ADR shares equal one share of the underlying company.

On January 29th, 2026, Sanofi announced fourth quarter and full year results for the period ending December 31st, 2025. Unless otherwise noted, all figures are listed in U.S. dollars and at constant exchange rates. For the quarter, revenue grew 23% to \$13.5 billion, which topped estimates by \$235 million. The company's earnings-per-share per ADR of \$0.91 compared favorably to \$0.68 in the prior year and was \$0.06 more than expected. For the year, revenue grew 4.8% to \$50.7 billion while earnings-per-share per ADR of \$4.53 compared to 4.11 in 2024.

Dupixent, which treats patients with moderate-to-severe asthma, had revenue growth of 32.2% during the period due to additional launches and gains across indications and geographies. The product is approved for use in adults in more than 60 countries and in adolescents in ~20 countries. Sanofi estimates that the product can be launched in ~50 additional countries. More than 1 million patients worldwide have been prescribed the product. Vaccine revenue declined 2.5%, though the Influenza and Covid-19 sales were up 31.5%. By region, the U.S. grew 22.6%, Europe was up 0.2%, and Rest of World was up 8.0%. China was higher by 6.2%. Sanofi has 80 products in development, with as many as 40 new potential new medicines and vaccines. The company announced in December of 2025 that it had agreed to purchase Dynavax Technologies Corporation for \$2.2 billion. The deal is expected to close in the first quarter of 2026.

Sanofi provided an outlook for 2026 as well. The company expects revenue to grow at a high single-digit percentage with EPS increasing at a slightly higher rate. We expect the company to earn \$4.97 per share in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.78	\$2.36	\$3.19	\$3.33	\$3.44	\$3.84	\$4.27	\$4.40	\$4.11	\$4.53	\$4.97	\$6.05
DPS	\$1.66	\$1.64	\$1.86	\$1.74	\$1.70	\$1.93	\$1.92	\$1.90	\$2.04	\$2.20	\$2.20	\$2.68
Shares⁴	2584	2508	2500	2500	2500	2500	2507	2507	2498	2425	2425	2375

Sanofi saw earnings growth during the last recession, though there has been some variance in results in the past few years. This is the case with many ADRs and is often a result of currency fluctuations. We expect the company's pharmaceutical segment to continue to show growth in the coming years, leading to a 4% annual increase in earnings and dividends per share through 2031. The fluctuations in dividends received for the ADR is, again, due largely to

¹ Estimated ex-dividend date.

² Estimated dividend payment date.

³ In local currency.

⁴ In millions.

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currency exchanges, as Sanofi has increased its dividend for 30 consecutive years in its local currency. Sanofi pays an annual dividend, usually in May or June.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.6	19.5	21.3	33.9	8.2	13.0	11.3	11.3	11.7	10.7	9.5	13.0
Avg. Yld.	4.1%	3.6%	4.3%	3.9%	3.4%	3.9%	4.0%	3.8%	4.2%	4.5%	4.7%	3.4%

Shares of Sanofi have declined \$4, or 7.8%, since our October 27th, 2025 report. We reaffirm our 2031 target price-to-earnings ratio of 13 as this is more in-line with peers. Based off estimates for earnings-per-share for 2026, shares trade with a price-to-earnings ratio of 9.5 today. Reaching our target valuation by 2031 would add 6.6% to annual returns over this period. The stock's 4.7% yield is ahead of the long-term average of 4.0%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

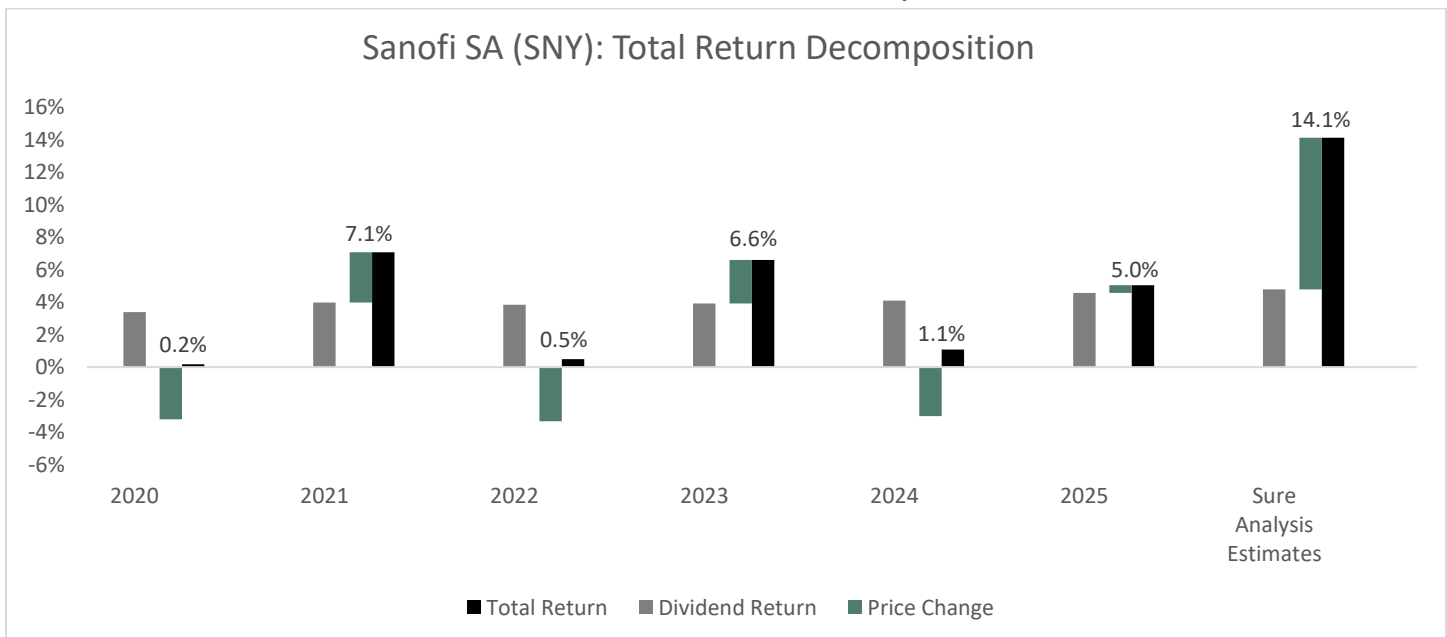
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	93%	70%	58%	52%	49%	50%	45%	43%	50%	49%	44%	44%

Sanofi's specialty care division, especially in the areas of rare disease and immunology, have demonstrated high rates of growth. These areas are likely to be continued sources of strength for the company. Several of these products, such as *Dupixent*, are just starting to gain traction. Sanofi has also showed a willingness to use acquisitions to fund its growth. Given Sanofi's products are used to treat diseases, and thus, should not be dependent upon strong economic conditions, we see Sanofi as a defensive play for when the next recession strikes.

Final Thoughts & Recommendation

Sanofi is now expected to return 14.1% annually through 2031, up from our prior estimate of 10.4%. Our projected return stems from a 4% earnings growth rate, the starting yield of 4.7%, and a mid-single-digit contribution from multiple expansion. Sanofi's products largely continue to perform well, especially *Dupixent*. We have raised our five-year price target \$8 to \$79 due to EPS estimates for the year and we continue to rate shares of Sanofi as a buy due to projected returns and the company's long dividend streak.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	37,413	39,559	40,658	40,434	41,086	44,633	45,189	40,885	44,437	49,235
Gross Profit	23,581	24,224	24,468	24,462	25,190	28,148	28,526	24,998	28,117	34,509
Gross Margin	63.0%	61.2%	60.2%	60.5%	61.3%	63.1%	63.1%	61.1%	63.3%	70.1%
SG&A Exp.	10,493	11,361	11,631	11,062	10,705	11,294	11,027	11,559	9,933	10,770
D&A Exp.	3,652	3,518	4,058	4,164	3,717	3,688	3,867	4,788	3,879	
Operating Profit	7,446	6,786	5,994	6,803	8,286	10,245	10,542	8,419	10,283	16,083
Op. Margin	19.9%	17.2%	14.7%	16.8%	20.2%	23.0%	23.3%	20.6%	23.1%	32.7%
Net Profit	4,962	4,392	5,218	3,288	14,056	7,422	8,916	5,512	6,008	5,617
Net Margin	13.3%	11.1%	12.8%	8.1%	34.2%	16.6%	19.7%	13.5%	13.5%	11.4%
Free Cash Flow	6,749	6,117	4,212	6,635	5,953	9,942	8,733	7,706	6,324	12,132
Income Tax	1,467	1,942	567	156	2,060	1,842	2,108	1,099	1,302	1,177

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	110403	119855	127356	126546	139990	136739	135244	139698	137512	148927
Cash & Equivalents	10,949	12,386	7,916	10,935	17,026	11,483	13,592	9,745	7,824	8,993
Acc. Receivable	7,711	8,665	8,299	8,909	9,166	8,606	8,991	9,316	7,950	
Inventories	7,269	8,187	8,547	8,973	10,219	9,911	9,563	10,678	9,766	
Goodwill & Int.	53,967	64,055	75,590	68,575	76,723	78,993	76,343	81,438	68,356	79,347
Total Liabilities	49,518	49,922	59,870	60,197	62,598	58,237	55,038	57,564	56,891	64,707
Accounts Payable	4,532	5,563	5,763	5,964	6,479	7,028	7,271	8,095	7,819	26,927
Long-Term Debt	17,756	17,216	25,162	23,998	25,582	21,869	18,184	18,091	14,183	18,776
Total Equity	60,705	69,730	67,304	66,153	77,213	78,104	79,813	81,788	80,258	
LTD/E Ratio	0.32	0.27	0.42	0.44	0.38	0.33	0.28	0.25	0.23	0.28

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.5%	3.8%	4.2%	2.6%	10.5%	5.4%	6.6%	4.0%	4.3%	3.9%
Return on Equity	8.0%	6.7%	7.6%	4.9%	19.6%	9.5%	11.2%	6.8%	7.4%	6.8%
ROIC	6.1%	5.2%	5.7%	3.4%	13.9%	7.1%	8.6%	5.4%	6.0%	5.4%
Shares Out.	2584	2508	2500	2500	2500	2500	2507	2507	2498	2425
Revenue/Share	14.43	15.61	16.20	16.08	16.30	17.74	17.98	16.27	17.69	
FCF/Share	2.60	2.41	1.68	2.64	2.36	3.95	3.47	3.07	2.52	

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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