



Ipsen H1 2017 Results

Roadshow – September 2017

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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.

The Group operates in certain geographical regions whose governmental finances, local currencies or inflation rates could be affected by the current crisis, which could in turn 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 the crisis, potentially subjecting the Group to difficulties in recovering its receivables. Furthermore, in certain countries whose financial equilibrium is threatened by the crisis 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.

Finally, in those countries in which public or private health cover is provided, the impact of the financial crisis could cause medical insurance agencies to place added pressure on drug prices, increase financial contributions by patients or adopt a more selective approach to reimbursement criteria.

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 H1 2017 Overview

David Meek, CEO

02 H1 2017 Financial Performance/
FY 2017 Financial Guidance

Aymeric Le Chatelier, CFO

03 R&D Update & Conclusion

David Meek, CEO

01 H1 2017 Overview

David Meek
Chief Executive Officer



01 Strong financial performance in H1 2017

- Robust **sales growth** of +19%⁽¹⁾ driven by Specialty Care
- Continued **margin improvement** to reach 26% of sales while supporting launches of new products Cabometyx[®] and Onivyde[®]
- **Upgraded 2017 full year guidance** based on strong momentum for Specialty Care
- Ipsen on track to achieve **2020 financial targets**

01 H1 2017 highlights – Strong momentum with a clear focused strategy



Strategic business development

- Acquisition of Onivyde®
- Acquisition of CHC portfolio
- Equity stake in Akkadeas Pharma



Corporate strategy execution

- Accelerate Specialty Care growth
- Consumer Healthcare back to sustainable growth
- R&D transformation



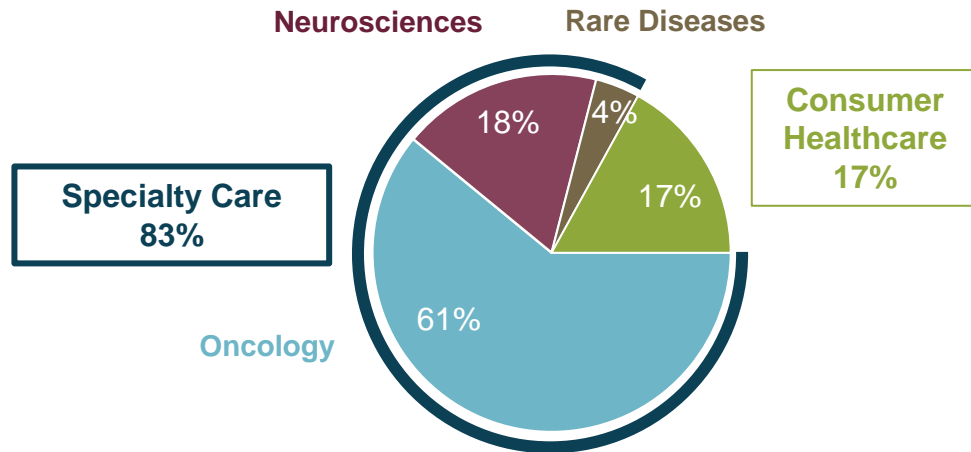
R&D achievements

- R&D project prioritization
- Internal reorganization
- Advancement of the portfolio

01 Momentum fueled by Specialty Care growth and the U.S.

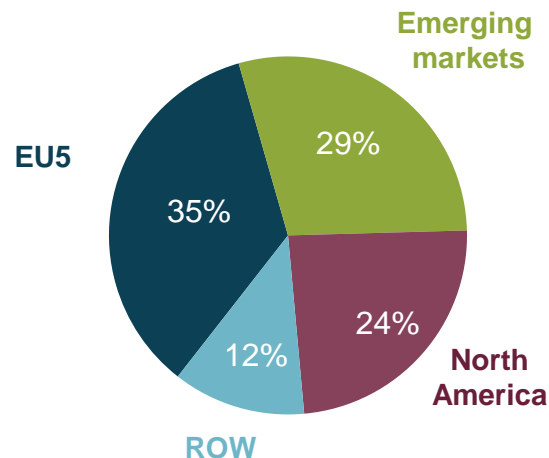
Specialty Care led business

H1 2017 sales by therapeutic area



U.S. fast growing and representing 24% of sales

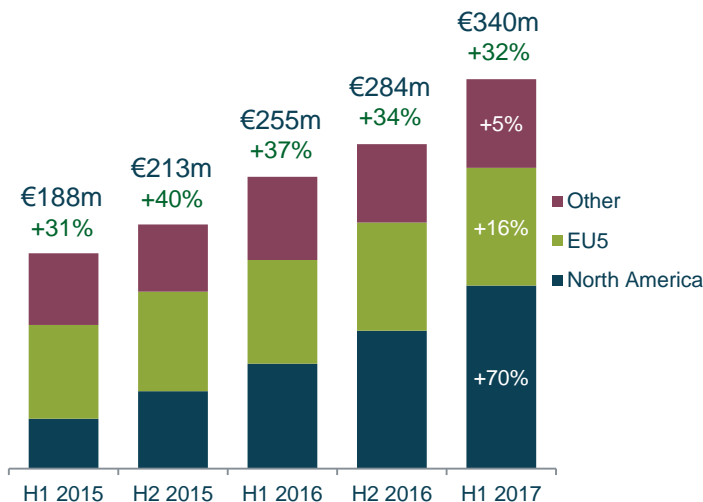
H1 2017 sales by geographical area



01 Exceptional Somatuline[®] performance driving Specialty Care business

Sales growth (2015 – H1 2017)

Ipsen reported sales (€m)



Momentum continuing in H1 2017

- U.S. driving 3/4 of Somatuline[®] growth
 - Positive synergies from enlarged oncology salesforce
 - Volume growth as key driver
 - New patients
 - Previously untreated patients
- Europe growing double-digits
- Market share increasing in U.S. and Europe

01 Cabometyx[®] launch progressing well

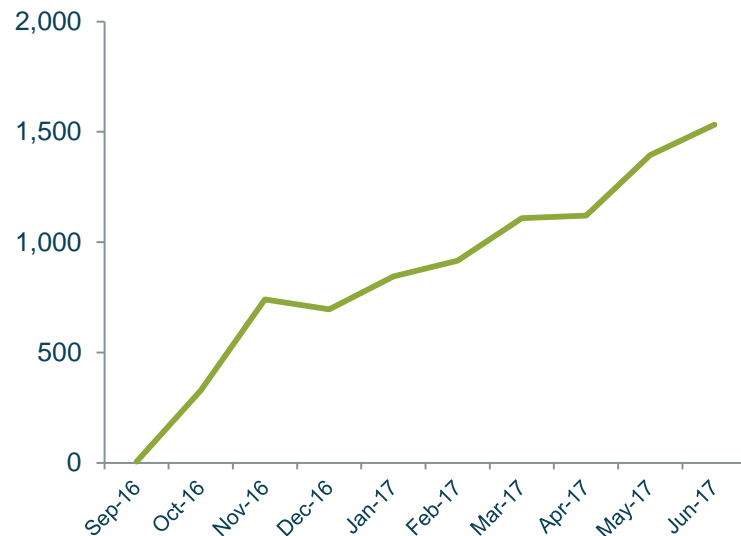
Europe reimbursement for patient access

- Recent approvals in UK (NICE) and Spain
- Approvals in France and Italy expected by end of Q3 2017
- 18 Health Technology Assessment/ Pricing & Reimbursement dossiers being negotiated in Europe

Launch execution

- Dedicated & experienced oncology teams across major markets
- Investments in medical affairs to support launch
- Successful partnership with Exelixis to maximize new indications and global value

Total volume (units) of Cabometyx[®]



01 Onivyde[®] launch strategy to drive rapid uptake

Field force

- 3x expansion complete, activities initiated 2nd half of April
- ~275 new accounts ordered, over 30K calls expected in H2 2017
- Performance-driven compensation
- New marketing tools/promotional programs

Market positioning

- Become standard of care in post-gemcitabine treated patients
- Move earlier in treatment pathway
- Optimize dose to maximize duration of therapy

Value and access

- Drive breadth/ depth in institutions
- Optimizing price
- Clinic/GPO contracts signed
- J-code awareness campaign underway

Medical/HEOR

- Advance scientific differentiation
- Real world analysis initiated
- Enhance value proposition story
- Engage thought leader community

01 Transformation of R&D model

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

Internal reorganization

- Alexandre Lebeaut appointed Head of R&D in April 2017
- Ongoing intensive review and prioritization of R&D projects
- Termination of peptide discovery platform for Oncology and Endocrinology

VC fund incubator model

- Augment R&D pipeline through portfolio of investments and project focused companies
- Enhance business development and licensing opportunities through proximity to biotech, academia & venture community

Business development

- Near-term targets: early to mid-stage assets in core therapeutic areas, global rights, best-in-class
- Transaction criteria: strategically aligned, financially viable, ability to integrate

01 Growth drivers to sustain momentum



02

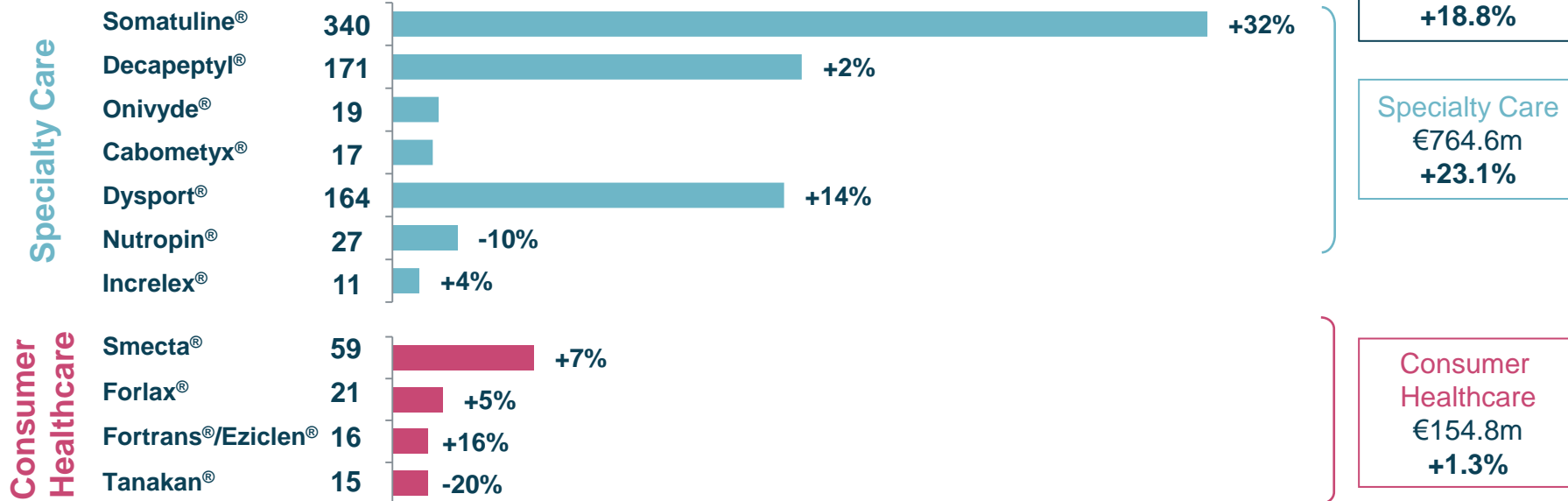
Financials

Aymeric Le Chatelier
Chief Financial Officer



02 H1 2017 sales growth driven by Specialty Care business

Net sales HY 2017 in million euros – % excluding foreign exchange impact



Specialty Care growth driven by Somatuline® and contribution of new products Cabometyx® and Onivyde®

CHC growth reflects good performance of Smecta® and contribution from acquisitions of OTC portfolio and Akkadeas Pharma

02 H1 2017 performance highlights for key products

Established Specialty Care

Somatuline®

- Momentum driven by volume growth in the U.S.
- Positive performance across Europe

Dysport®

- Continued strength of Galderma in aesthetics (excl. Brazil)
- Good growth in most markets in therapeutics (incl. U.S.)

Decapeptyl®

- Volume growth in Europe offset by price pressure in China

New product launches

Cabometyx®

- Launch progressing well
- Sales primarily in Germany and France
- Early access programs in major markets

Onivyde®

- Q2 first quarter of sales
- Smooth and well-executed integration after transaction close
- Clear and focused strategy to accelerate the launch trajectory

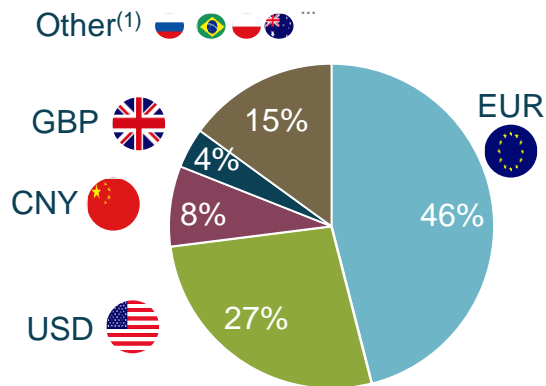
Consumer Healthcare

- **Solid Q2** driving business back to growth in H1
- Contribution from **new acquisitions** of OTC portfolio (incl. Prontalgine®) and Akkadeas Pharma in Italy
- **Smecta®** growth driven by OTx strategy in China and a good dynamic in Russia
- **Emerging markets** exposure impacting sales in Russia (Tanakan®) and Algeria (Bedelix®)

02 H1 2017 positively impacted by currencies

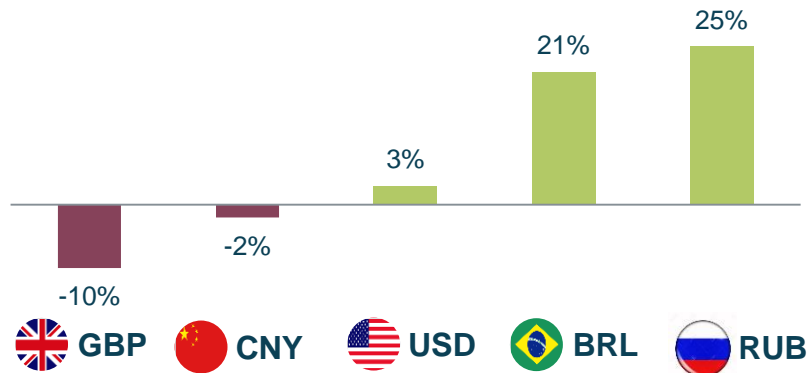
More than 50% of sales in non-EUR currencies

H1 2017 sales by currency



H1 2017 sales positively impacted by currency

Average rates change (June 2017 vs. June 2016)

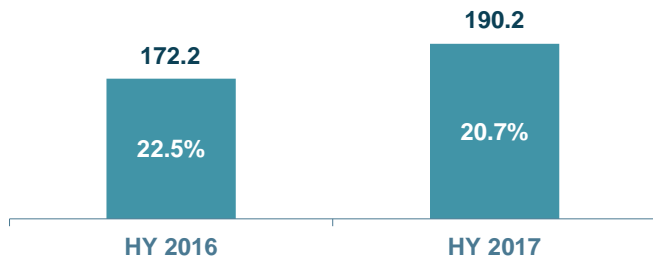


Exposure to USD increased to 27% of sales with Somatuline[®] growth and Onivyde[®] launch

Global exposure mitigated by hedging of key currencies and cost base in local currency

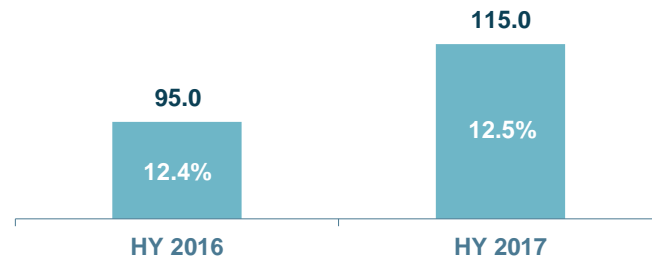
02 Operating costs reflect R&D investment and support for launches

COGS (€m)



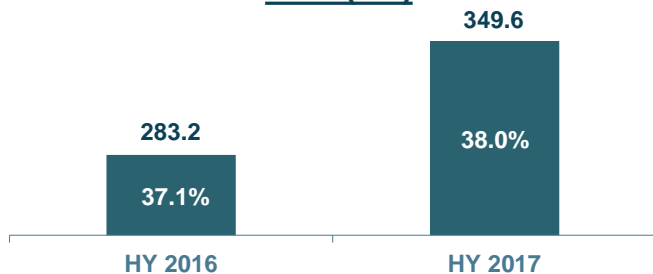
Positive mix effect from growing Specialty Care business

R&D (€m)



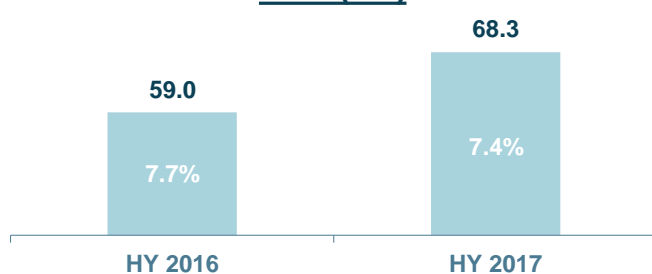
Lifecycle programs and new oncology capabilities

S&M (€m)



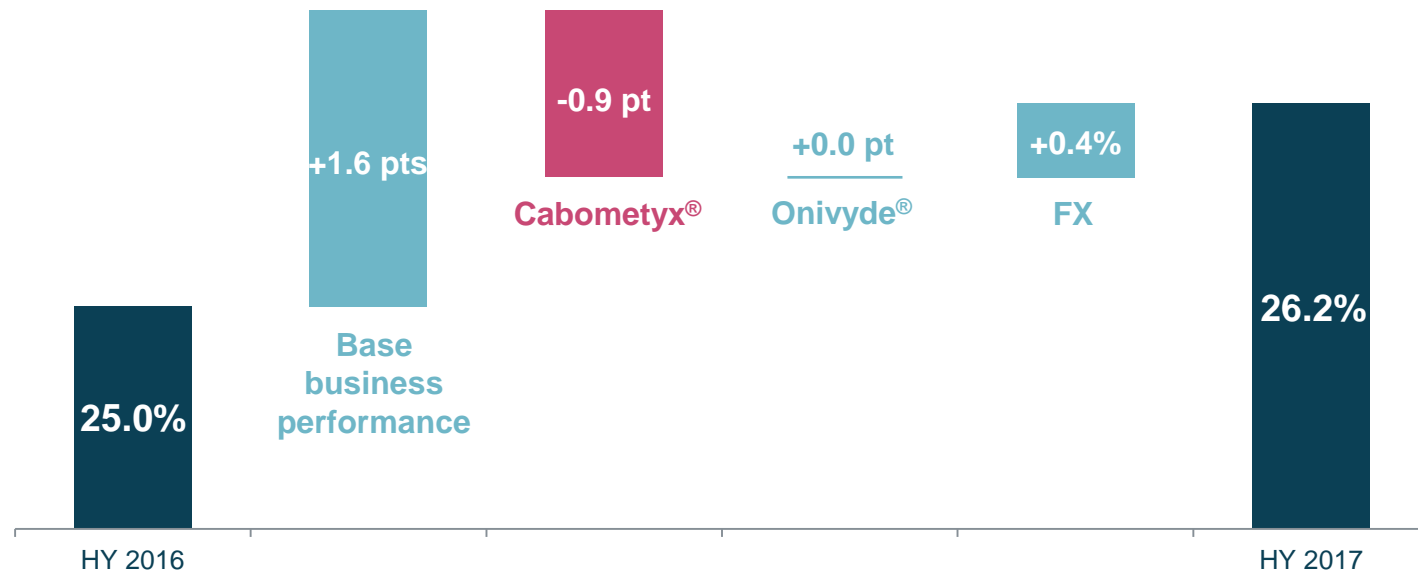
Significant investment to support of Cabometyx® & Onivyde® launches

G&A (€m)



Including impact of increased variable compensation

02 Operating margin expansion



Margin expansion driven by Specialty Care growth and favorable foreign exchange currencies, despite impact of investments for Cabometyx®

02 Core Operating Income to EPS

In million euros

	H1 2017	H1 2016	Change	% Change
Net sales	919.5	763.8	+155.7	+20.4%
Core Operating Income	240.5	191.3	+49.2	+25.7%
Core Operating margin	26.2%	25.0%	+1.2 pts	
Amortization of intangible assets	(21.5)	(2.2)	-19.3	
Other operating income/expense	(34.8)	(5.8)	-29.0	
Restructuring costs	(7.9)	(0.4)	-7.5	
Impairment gain / (losses)	(0.0)	(8.4)	+8.4	
Operating Income	176.4	174.6	+1.8	+1.0%
Other financial income and expense	(11.7)	(2.9)	-8.8	
Income taxes	(41.4)	(39.4)	-2.0	
Consolidated net profit	125.9	133.3	-7.4	-5.5%
EPS – fully diluted (€)	1.52	1.61	-0.09	-5.9%
Core EPS – fully diluted (€)	2.04	1.76	+0.28	+15.7%

Core Operating Income +25.7%

- Strong Specialty Care sales growth
- Increased commercial investments for Cabometyx® and Onivyde®
- Positive impact of FX

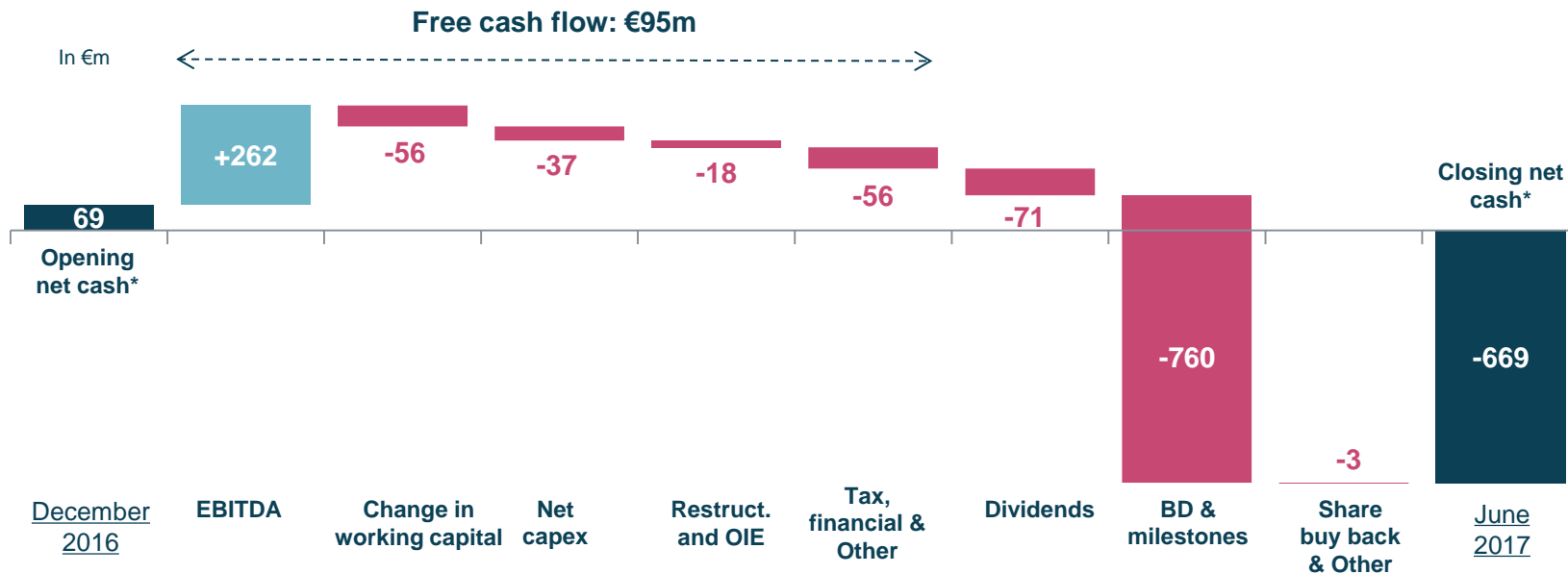
Operating Income +1.0%

- Amortization of intangible assets for Cabometyx® and Onivyde®
- Restructuring costs related to Onivyde® acquisition (transaction and reorganization costs), R&D structure and programs

Consolidated net profit -5.5%

- Impact of interests paid on debt from recent acquisitions
- Effective tax rate at 25%
- **Core EPS growth of +15.7%**

02 Generating solid cash flow



Strong free cash flow of €95 million, up 29% compared to H1 2016

Net closing debt at €669 million after acquisitions and dividend

02 FY 2017 guidance upgraded

	Previous FY 2017 guidance	Updated FY 2017 guidance
Specialty Care sales growth <i>At constant currency</i>	> +18.0%	> +24.0% based on strong momentum for Somatuline® and Cabometyx® launch
Consumer Healthcare sales growth <i>At constant currency</i>	> +4.0%	> +0.0% reflecting lower sales expected in H2 from Prontalgine® following French decree on codeine
Core Operating margin	> 24.0%	> 25.0% assuming additional investments to support the Cabometyx® and Onivyde® launches, increased R&D spend and higher employee variable compensation

02 Key H1 2017 financial takeaways

- Group sales growth at **+19%**⁽¹⁾ driven by the strong performance of the Specialty Care business
- Core Operating Income growing by **+26%** and margin reaching 26.2%, up 1.2 pts
- Solid cash flow conversion with free cash flow growing by **+29%**
- Strong balance sheet to support future growth

03

R&D update / Conclusion

David Meek

Chief Executive Officer



03 R&D portfolio achievements YTD / milestones in H2 2017



Approval of ALL (U.S.)



Initiation of IO combo trials – Phase 3 in 1L RCC and Phase 1 in solid tumors



Positive CHMP opinion for carcinoid syndrome in EU



Regulatory submission for CABOSUN 1L RCC (EU)

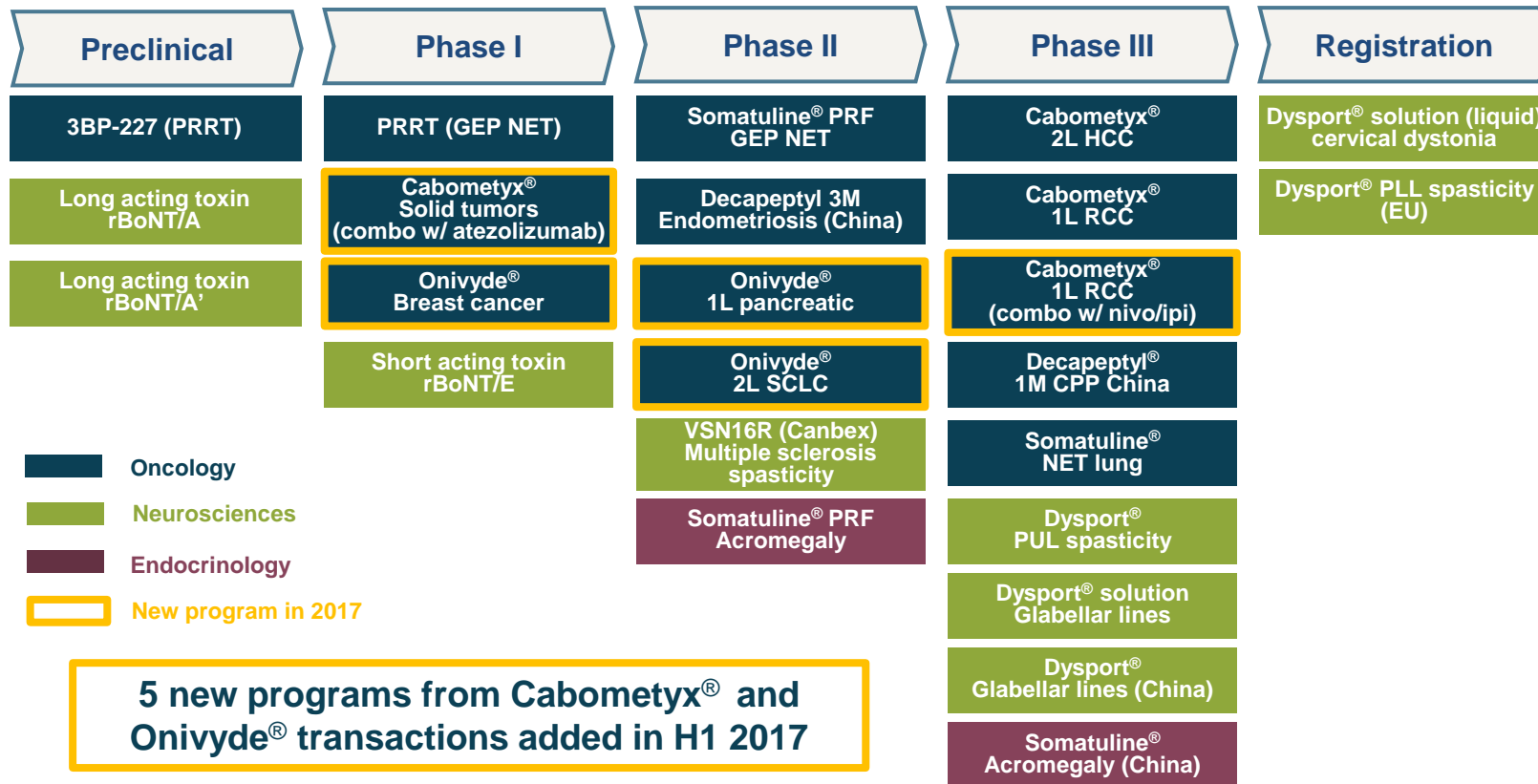


Regulatory decision for symptom control (U.S.)



Results for Phase 3 CELESTIAL trial in 2L HCC

03 Building sustainable R&D pipeline



03 2017 Ipsen roadmap

- Deliver 2017 revised guidance with accelerated sales growth and significant improved profitability
- Execute successful commercial launches of Cabometyx[®] and Onivyde[®]
- Accelerate transformation of R&D and external innovation model
- Consumer Healthcare back to sustainable and profitable growth
- Continue to drive Ipsen transformation through leadership and people

Deliver superior value to patients and shareholders

MERCI