

## Servier, buoyed by high-performance R&D, confirms its 2025 trajectory to achieve its 2030 ambition

- Consolidated sales revenue of €5.327 billion, up 9.2% (+12% at CER<sup>i</sup>) compared to 2021-2022, driven by strong growth in international sales
- Performance fueled by growth in sales volumes of both brand-name medicines (€4.041 billion, +9.4%) and generics (€1.286 billion, +8.8%)
- Strong performance in oncology sales, which exceeded the symbolic €1 billion mark
- Major breakthroughs in oncology, addressing high unmet medical needs
- A promising and robust R&D pipeline, bringing hope to patients

**Suresnes (France), February 7, 2024** - Servier, an independent international pharmaceutical group, has published its financial results for the 2022/23 financial year and highlighted the milestones that marked the year, particularly in R&D.

### Excerpt from the audited consolidated income statement

(IFRS, for the year ending September 30, 2023)

(in € millions)	2022-2023	2021-2022	Change	Growth at CER <sup>i</sup>
Group revenue	5,327	4,876	+9.2%	+12.0%
Brand-Name revenue	4,041	3,694	+9.4%	+13.2%
Generics revenue	1,286	1,182	+8.8%	+9.4%
EBITDA	1,015	859	+18.1%	-
<i>EBITDA Margin</i>	19.1%	17.6%	+1.5 pts	-
Recurring operating income	529	442	+19.7%	-
Net income	- 623	192	N/A	-

<sup>i</sup> CER: Constant Exchange Rates (Group-wide revenues restated to reflect exchange rates in force during the reporting year)

**Olivier Laureau, President of Servier, said:** *“In 2022-2023, Servier performed well on the strength of an innovative portfolio in oncology and a strong incremental innovation strategy in cardiometabolism and venous diseases. These efforts have been further bolstered by a number of marketing authorization approvals, and our innovation prospects have been strengthened by a promising, focused pipeline, primarily in oncology. I would like to thank all the Group's employees for their daily commitment to serving patients. We are confident that we will achieve our 2025 objectives, and we are pursuing our Servier 2030 strategic plan with determination and optimism.”*

Servier Group consolidated revenue for the 2022-2023 financial year increased by +9.2% compared to the 2021-2022 financial year, reaching €5.327 billion. Performance was driven primarily by the +11.4% growth in sales volumes of the Group's brand-name and generic medicines worldwide, despite an unfavorable currency impact on revenue of -2.7% (or -132 million euros in FY 2022-2023 against a positive impact of €140 million the previous year). However, the Group was able to align the pricing of its medicines with inflation in certain countries, with a positive impact of +0.6% for the year, compared with a negative impact of -1% in 2021-2022.

Overall revenue from brand-name medicines amounted to €4.041 billion for the 2022-2023 financial year, up 9.4% relative to 2021-2022. Compared to the previous year, generics revenue grew by 8.8% to reach €1.286 billion in 2022-2023.

For the 2022-2023 financial year, EBITDA stood at €1.015 billion, for a 19.1% margin, compared with 17.6% in 2021-2022, resulting in an increase of €156 million. This increase is due mainly to higher sales, combined with tight cost control across the Group during the year. For the 2022-2023 financial year, consolidated net income showed a loss of 623 million euros, mainly due to the Court of Appeal's decision on the Mediator trial on December 20, 2023, the increase in income tax expense for the year, and the impact of key milestones as part of the Group's latest acquisitions.

**Pascal Lemaire, Executive Vice President Finance at Servier, said:** *“The 2022-2023 annual results confirm that the Group is on track to 2025 that is a key step toward the second stage of our 2030 strategy. The Group has the capacity to reach its 2025 targets: €6 billion in revenue and EBITDA of €1.3 billion, or 21.7% of revenue. Our ambition is to achieve €8 billion in revenue by 2030, with an EBITDA margin of over 30%. The Group thus intends to step up its transformation dynamic in order to safeguard its independence and value creation over the long term.”*

## Significant growth in international sales, with the Group's No. 1 subsidiary located in the United States

Outside the European Union, international revenue accounted for 56.6% of consolidated revenue, an increase of 10.1%. The American continent is growing, with revenues up by €244 million (+27.9%) to reach a total revenue of €1,119 billion that represents 21% of Group revenue. The US subsidiary remains the Group's leading entity, with brand-name medicine sales of €635 million in 2022-2023. In the European Union, revenue accounted for 43.4% of consolidated revenue, up 8.1% over the previous year.

In France, brand-name medicine revenue amounted to €181 million, or 3.4% of the Group's consolidated revenue, whereas this country accounted for 59%<sup>1</sup> of the Group's capital expenditure for the year, primarily in R&D and manufacturing. Most of the active ingredients in the Group's brand-name medicines — 96.5% — are produced in France. Over the last five years, the Group has invested more than €800 million in France, a figure that illustrates Servier's ongoing commitment to creating long-term value in the country.

Backed by an industrial network of 16 production sites in various countries around the world, the Group marketed more than 1.2 billion boxes of medicines worldwide during the 2022-2023 financial year.

## The Group strengthens its position in hard-to-treat cancers

The 2022-2023 financial year was marked by major advances in oncology, confirming the Group's commitment to developing breakthrough innovations for patients with rare and hard-to-treat cancers. As a result, the proportion of oncology revenues has risen significantly, and now stands at 20.2% of consolidated revenue for 2022-2023, compared with 17.4% in 2021-2022. Performance in oncology sales has enabled the Group to achieve revenue of €1.075 billion in this area, two years ahead of the target set for the strategic route to 2025.

This performance is the result of a significant 48.1% increase in sales volume for Tibsovo<sup>®</sup> compared with the previous year (sales of €379 million). Tibsovo<sup>®</sup> is a targeted therapy that specifically aims at mutated forms of isocitrate dehydrogenase 1 (IDH1). Tibsovo<sup>®</sup> has already been approved for the treatment of acute myeloid leukemia (AML) and cholangiocarcinoma (CCA) worldwide, including in the United States, the European Union, Australia, and China (except for CCA).

Tibsovo<sup>®</sup> also received a marketing authorization from the European Commission in May 2023 for two indications. The first is in combination with azacitidine for the treatment of adult patients with newly diagnosed AML with an IDH1 mutation, and not eligible for standard induction chemotherapy. The second is as a monotherapy for the treatment of adult patients with locally advanced or metastatic CCA with an IDH1 mutation and previously treated with at least one line of systemic therapy. The European Commission's authorization covers the 27 countries of the European Union, as well as Iceland, Liechtenstein, and Norway. It is the first and only therapy targeting IDH1 gene mutations in Europe in these two indications.

The growth in oncology was also driven by the robust growth in sales of 30.7% for Oncaspar<sup>®</sup> (a treatment indicated for acute lymphoblastic leukemia) for a total of €379 million, and of Lonsurf<sup>®</sup> (a

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<sup>1</sup> Brand-name business in France excluding Biogaran

therapy indicated for previously treated metastatic colorectal cancer and previously treated metastatic gastric cancer recording sales of €174 million for the year.

Combined, these indicators underpin the Group's growth strategy in oncology. With almost 70% of its R&D budget allocated to oncology, Servier now has a portfolio of seven medicines available to patients targeting cancers with a high unmet medical need. In addition, the Group's major investments have resulted in a promising pipeline of 35 oncology R&D projects (as of January 2024).

### **World leader in chronic diseases, committed to therapeutic adherence**

Servier is the world's 5th leading pharmaceutical company in cardiology and 2nd in hypertension<sup>2</sup>. The Group's cardiometabolic and venous diseases business accounts for 52.8% of consolidated revenue. This business is the perfect illustration of the performance of sales in this area, driven largely by incremental innovation and the development of single pill combinations (fixed-dose combinations), which enable patients with multiple, chronic conditions to take their various treatments in just one tablet.

In July 2023, the World Health Organization (WHO) published an updated list of medicines it considers essential to meet the priority health needs of the global population. For the first time, this list now includes one of Servier's fixed-dose combinations, Triveram<sup>®</sup>. Used to treat multiple cardiovascular diseases with a single pill, Triveram<sup>®</sup> is a combination of perindopril, amlodipine, and atorvastatin. Triplixam<sup>®</sup>, another fixed-dose combination and the world's most frequently prescribed triple therapy<sup>3</sup> for hypertension, achieved revenues of €253 million in 2022-2023.

In line with its vocation as a pharmaceutical company committed to therapeutic progress to serve patient needs, Servier intends to leverage all the drivers that enable improvements in patient adherence to treatment. In this respect, the Group carried out close to 50 projects in collaboration with patient organizations around the world in 2023. Servier also works with external partners to develop "digital companions" — applications or monitoring tools — that provide support to patients throughout their treatment journey, from diagnosis to medical follow-up.

In addition, for the third year running, Daflon<sup>®</sup> (a treatment for venous insufficiency) remains the Group's leading medicine, with sales of €594 million for the 2022-2023 financial year. Daflon<sup>®</sup> is the world's leading veinotonic by value and volume<sup>4</sup>.

### **Generics business with local leaders**

Despite the impact of the safeguard clause in France and new regulations in Hungary, the Group's Generics business also grew by 8.8% (to reach revenue of €1.286 billion) in the year, illustrating the success of the Group's strategy in this area. Today, Servier has a range of more than 1,500 generic medicines covering most medical conditions, distributed in certain regions of the world by four subsidiaries: EGIS in Eastern Europe, Pharlab in Brazil, Swipha in Nigeria, and Biogaran, France's leading generics company.

In France, Biogaran affirmed its leadership for the fourth year in a row, recording a market share of 32%<sup>5</sup> for the 2022-2023 financial year. This performance is the result of a sustained dynamic of launches (27

<sup>2</sup> Source IQVIA, Analytics Link / World 75 countries / Mat Q3-2023

<sup>3</sup> In number of boxes per year

<sup>4</sup> Source IQVIA, Analytics Link / World 75 countries – MAT Q3-2023

<sup>5</sup> Source GERS Data: Sell-in to end November 2023 year-to-date

specialties launched in 2023), a solid brand, and a strategic focus on rendering its medicines available to patients against a background of global tension supported by mainly French (50%) and European (90%) manufacturing. Biogaran intends to pursue unprecedented diversification, focusing primarily on the OTC (Over The Counter) and technical plasters markets. It also seeks to become a major stakeholder in the biosimilars market with a solid product portfolio, in the positive context introduced by the 2024 PLFSS (French Social Security Financing Bill), of automated substitution rights by pharmacists.

### High-performance R&D to foster innovation to serve patient needs

To achieve sustainable innovation, Servier has built an R&D strategy that draws on its expertise as well as scientific, digital, and medical collaborations to continually provide a better response to unmet patient needs. It is based on four key drivers:

#### 1. Build on the Group's portfolio through increasingly ambitious and focused R&D

The current R&D trajectory places Servier in a position to launch a new molecule by 2025.

With 36 projects in clinical development and 25 in research (as of January 2024), Servier is concentrating its R&D efforts in all its therapeutic areas where there are major needs. To date, more than 50% of the Group's R&D projects have the potential to become "first in class" medicines (medicinal products with a new and unique mechanism of action).

With 35 projects in clinical development and research in the field of oncology, Servier has built up a high-quality pipeline capable of fueling its transformation trajectory and thereby becoming a major, innovative leader in rare and hard-to-treat cancers.

Presented at ASCO in June 2023, the findings of the Indigo phase 3 trial of vorasidenib (a dual inhibitor of IDH1 and IDH2) in low-grade glioma (brain tumor) are a further example of the accelerated development led by the Group's R&D teams. It offers hope to patients who have had no therapeutic alternative for over 20 years. In light of this breakthrough innovation, Servier has submitted a marketing authorization application to the Food and Drug Administration (FDA) and the European Medicines Agency (EMA).

#### 2. Improve the life cycle of medicinal products to serve patient needs

To cover new needs and uses, the Group's medicines are part of an incremental innovation strategy. For example, Servier is developing single pill combinations (SPCs), which combine several active ingredients in a single formulation to make it easier for patients to adhere to their treatment.

The Group is also looking for new indications for existing treatments in order to better address unmet patient needs. In the summer of 2023, the European Commission granted the authorization to use Lonsurf® when combined with bevacizumab for patients with refractory metastatic colorectal cancer. As such, the combination of Lonsurf® with bevacizumab is the first approved for third-line treatment of metastatic colorectal cancer, and also the first to show significant clinical results compared with active treatment.

#### 3. Leverage cross-functionality and collaboration to make Servier's R&D model even more agile

Bringing all 1,200 employees together at the Servier Research and Development Institute in Paris-Saclay in May 2023 was a major step in the transformation of the Group's R&D. Involving an investment of close to €400 million, the Institute illustrates Servier's ambition to build open, dynamic, productive, and innovative research to serve patient needs. As the heart of the Group's global R&D organization, the new facility works cross-functionally with the other R&D centers in Budapest (Hungary), Ballerup (Denmark), and Boston (USA), as well as with the three clinical research hubs (Europe, Asia-Pacific, America).

At the end of September 2023, the Group had established more than 70 scientific partnerships and collaborations around the globe. Over the past year, Servier has signed new partnerships and reached important milestones in collaborative studies. In this regard, in October 2023 the Group entered into a research agreement with Owkin, a French-American biotech company specializing in the application of artificial intelligence (AI) to discover and develop new drugs and diagnostic tools.

#### 4. Harness digital technology to enhance the therapeutic performance of our projects

The Group aims to harness the power of digital technology, data, and artificial intelligence to accelerate drug discovery, optimize diagnostics, develop personalized medicine, improve treatment adherence, and collect real-world data.

To expedite the development and marketing of new medicines and services, the Group is stepping up its in-house expertise and collaborating with external expert partners. In 2023, Servier entered into a strategic collaboration with AITIA, a leader in the development and application of digital twin and causal AI technology, to discover and simulate innovative therapeutic solutions for treating pancreatic cancer, and more recently Parkinson's disease, using artificial intelligence.

Digital technology opens up tremendous prospects to serve patient needs and healthcare professionals, not only in the discovery of new drugs, but also in prevention, diagnosis, and treatment compliance. It is an essential driving force behind the Group's development and performance.

**Claude Bertrand, Executive Vice President Research & Development at Servier, said:** *"This year, we have clearly demonstrated our ability to fast-track the discovery process and make innovative therapies available to patients, as demonstrated by the development of Lonsurf® and Tibsovo® and the excellent results of our phase 3 study on vorasidenib. The success of this work reflects the commitment of our R&D teams to patients through strategic partnerships and the increased use of digital technologies."*

Research and development expenditures allocated to the Group's brand-name medicine businesses amounted to €868 million for the 2022-2023 financial year, or 21.5% of brand-name product revenue. These substantial financial resources dedicated to R&D reflect the unwavering priority given to therapeutic innovation.

#### Patient and CSR commitments central to the Group's strategy

Servier is committed to therapeutic progress to serve patient needs and includes the patient's voice at every stage of the medicine life cycle. In 2023, Servier ranked second in the PatientView 2022 survey by oncology patient organizations on the reputation of pharmaceutical companies.

During the previous financial year, Servier also took steps to reduce its environmental footprint and contribute to fighting climate change. The Group's efforts focused on all aspects of operations, such as eco-designing medicines, decarbonizing the supply chain, and preserving biodiversity. Servier has undertaken a program to reduce its carbon footprint, aiming to cut its Scopes 1 and 2 greenhouse gas emissions by 42% by 2030, and its Scope 3 emissions by 25%. Over the 2022-2023 financial year, the Group managed to reduce its Scopes 1 and 2 emissions by 11% compared with 2021-2022. The percentage of renewable electricity in its energy mix has risen to 13% over the 2022-2023 financial year, and five of the Group's industrial sites are supplied with 100% renewable electricity: Arklow in Ireland, Toledo and Madrid in Spain, and Jacarepaguá and Pharlab in Brazil.

True to its mission "committed to solidarity," the Mécénat Servier Charity Fund has once again responded to the challenges of corporate social responsibility on behalf of the Servier Group, embodying



its convictions as a socially responsible company in 24 countries and through 22 organizations that received financial support. Over 4,200 hours of skills sponsorship were recorded during the 2022-2023 financial year, and more than €55,000 was raised thanks to *L'ARRONDI sur salaire* and Mécénat Servier's matching funds in France. Lastly, Mécénat Servier has also mobilized to take action in emergency situations, including in Turkey, Morocco and Ukraine.

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### About Servier

Founded to serve health, Servier is a global pharmaceutical group governed by a Foundation that aspires to have a meaningful social impact, both for patients and for a sustainable world. With its unique governance model, it can fully serve its vocation with a long-term vision: being committed to therapeutic progress to serve patient needs. The 21,900 employees of the Group are committed to this shared vocation, a source of inspiration every day.

As a world leader in cardiology, Servier's ambition is to become a focused and innovative player in oncology by targeting hard-to-treat cancers. That is why the Group allocates over 70% of its R&D budget to developing targeted and innovative therapies in oncology.

Neuroscience and immuno-inflammatory diseases are the future growth drivers. In these areas, Servier is focused on a limited number of diseases in which accurate patient profiling makes it possible to offer a targeted therapeutic response through precision medicine.

To promote access to quality care for all at a lower cost, the Group also offers a range of quality generic drugs covering most pathologies, relying on strong brands in France, Eastern Europe, Brazil and Nigeria.

In all these areas, the Group includes the patient voice at each stage of the life cycle of a medicine.

Headquartered in France, Servier relies on a strong geographical footprint in over 150 countries and achieved a revenue of €5.3 billion in 2023.

More information on the new Group website: [servier.com](https://servier.com)

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