

REGENERON



2016 FINANCIAL OVERVIEW

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NOTE REGARDING FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

This presentation includes forward-looking statements that involve risks and uncertainties relating to future events and the future performance of Regeneron Pharmaceuticals, Inc. ("Regeneron" or the "Company"), and actual events or results may differ materially from these forward-looking statements. Words such as "anticipate," "expect," "intend," "plan," "believe," "seek," "estimate," variations of such words and similar expressions are intended to identify such forward-looking statements, although not all forward-looking statements contain these identifying words. These statements concern, and these risks and uncertainties include, among others, the nature, timing, and possible success and therapeutic applications of Regeneron's products, product candidates, and research and clinical programs now underway or planned, including without limitation EYLEA® (aflibercept) Injection, Praluent® (alirocumab) Injection, sarilumab, dupilumab, fasinumab, REGN 2222, and the immuno-oncology program; unforeseen safety issues resulting from the administration of products and product candidates in patients, including serious complications or side effects in connection with the use of Regeneron's product candidates in clinical trials; the likelihood and timing of possible regulatory approval and commercial launch of Regeneron's late-stage product candidates and new indications for marketed products, including without limitation EYLEA, Praluent, sarilumab, dupilumab, fasinumab, and REGN 2222; ongoing regulatory obligations and oversight impacting Regeneron's marketed products (such as EYLEA and Praluent), research and clinical programs, and business, including those relating to patient privacy; determinations by regulatory and administrative governmental authorities which may delay or restrict Regeneron's ability to continue to develop or commercialize Regeneron's products and product candidates; competing drugs and product candidates that may be superior to Regeneron's products and product candidates; uncertainty of market acceptance and commercial success of Regeneron's products and product candidate; the ability of Regeneron to manufacture and manage supply chains for multiple products and product candidates; coverage and reimbursement determinations by third-party payers, including Medicare and Medicaid; unanticipated expenses; the costs of developing, producing, and selling products; the ability of Regeneron to meet any of its sales or other financial projections or guidance and changes to the assumptions underlying those projections or guidance, including without limitation those relating to EYLEA U.S. net sales and the Company's expectations regarding non-GAAP unreimbursed R&D, non-GAAP SG&A, cash tax payments, non-GAAP pre-tax income, and capital expenditures; the potential for any license or collaboration agreement, including Regeneron's agreements with Sanofi and Bayer HealthCare LLC, to be cancelled or terminated without any further product success; and risks associated with third party intellectual property and pending or future litigation relating thereto. A more complete description of these and other material risks can be found in Regeneron's filings with the U.S. Securities and Exchange Commission, including its Form 10-K for the fiscal year ended December 31, 2014 and its Form 10-Q for the quarterly period ended September 30, 2015, in each case including in the sections thereof captioned "Item 1A. Risk Factors." Any forward-looking statements are made based on management's current beliefs and judgment, and the reader is cautioned not to rely on any forward-looking statements made by Regeneron. Regeneron does not undertake any obligation to update publicly any forward-looking statement, including without limitation any financial projection or guidance, whether as a result of new information, future events, or otherwise.

This presentation uses non-GAAP unreimbursed R&D, non-GAAP SG&A, and cash tax as a percentage of non-GAAP pre-tax income, which are financial measures that are not calculated in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). Regeneron believes that the presentation of these non-GAAP measures is useful to investors because they exclude, as applicable, (i) non-cash share-based compensation expense, which fluctuates from period to period based on factors that are not within the Company's control, such as the Company's stock price on the dates share-based grants are issued, (ii) non-cash interest expense related to the Company's convertible senior notes, since this is not deemed useful in evaluating the Company's operating performance, (iii) loss on extinguishment of debt, since this non-cash charge is based on factors that are not within the Company's control, and (iv) estimate of income tax expense that is not payable in cash, as there is a significant difference between the Company's effective tax rate and actual cash income taxes paid or payable. Non-GAAP unreimbursed R&D represents non-GAAP R&D expenses reduced by R&D expense reimbursements from the Company's collaboration partners. Non-GAAP pre-tax income represents GAAP pre-tax income less non-GAAP adjustments. Management uses these non-GAAP measures for planning, budgeting, forecasting, assessing historical performance, and making financial and operational decisions, and also provides forecasts to investors on this basis. However, there are limitations in the use of these and other non-GAAP financial measures as they exclude certain expenses that are recurring in nature. Furthermore, the Company's non-GAAP financial measures may not be comparable with non-GAAP information provided by other companies. Any non-GAAP financial measure presented by Regeneron should be considered supplemental to, and not a substitute for, measures of financial performance prepared in accordance with GAAP.

2016 FINANCIAL OVERVIEW

LATE-STAGE ANTIBODIES

PRODUCT LAUNCHES

EARLY PROGRAMS

CAPITAL EXPENDITURES



- Committing investments to drive long-term shareholder value
- Significant expenses associated with Praluent[®], sarilumab, dupilumab, fasinumab and REGN2222 are incurred offshore

2016 FINANCIAL OVERVIEW

LATE-STAGE ANTIBODIES



PRODUCT LAUNCHES

EARLY PROGRAMS

CAPITAL EXPENDITURES

Sanofi collaboration antibodies:

Regeneron funds 20% of an antibody's Phase 3 costs after the first positive results in a Phase 3 study for that antibody:

- Praluent®: OUTCOMES study
- Sarilumab: MONARCH and EXTEND studies
- Dupilumab: Atopic Dermatitis and Asthma Phase 3 programs

Unpartnered antibodies:

Regeneron incurs 100% of the costs for unpartnered antibodies:

- Fasimumab* and REGN2222

**Partnered with MTPC in Japan and certain other Asian countries*

2016 FINANCIAL OVERVIEW

LATE-STAGE ANTIBODIES

PRODUCT LAUNCHES



EARLY PROGRAMS

CAPITAL EXPENDITURES

Regeneron's ~50% share of commercialization expenses for partnered antibodies:

- Praluent®
 - Our share of 3Q15 loss was ~\$75M
 - First full year launch for Praluent® in 2016 will include additional country launches
- Sarilumab
 - Anticipated 4Q16 launch requires investment
- Dupilumab
 - Ready for launch in atopic dermatitis

2016 FINANCIAL OVERVIEW

LATE-STAGE ANTIBODIES

PRODUCT LAUNCHES

EARLY PROGRAMS

CAPITAL EXPENDITURES



EYLEA + ANG2

EARLY PROGRAMS / TECHNOLOGIES

REGN1979 IMMUNO-ONCOLOGY

REGENERON GENETICS CENTER

EYLEA + PDGFR REGN1500

REGN1908-1909

REGN1033

2016 FINANCIAL GUIDANCE

Non-GAAP Unreimbursed R&D: **\$875MM - \$950MM**

Non-GAAP SG&A: **\$925MM - \$1,000MM**

This includes REGN incurred commercial-related expenses for Sanofi collaboration antibodies

Cash Tax as a % of Non-GAAP Pre-tax Income: **35% - 45%**

Includes one-time ~\$222 million tax payment related to the 3Q15 immuno-oncology upfront payment from Sanofi

Capital Expenditures: **\$580MM - \$680MM**

Expanding manufacturing facilities in Rensselaer, NY and Raheen, Ireland, as well as the continued expansion of the Tarrytown, NY campus

OVERVIEW OF SANOFI I/O COLLABORATION MODELING

IMMUNO-ONCOLOGY COLLABORATION

SANOFI WILL PROVIDE UP TO \$2.17 BILLION INVESTMENT

- \$640 million in upfront payments to be amortized, currently, over eight years
- \$1 billion of funding from discovery through proof of concept, to be split 75/25 between Sanofi and Regeneron
- \$650 million to fund development of PD-1, to be split 50/50
- Additional \$75M transferred from antibody collaboration discovery funding to immuno-oncology collaboration

3Q15 EARNINGS

Sanofi Collaboration Revenue	Three Months Ended September 30,	
	2015	2014
Antibody:		
Reimbursement of Regeneron research and development expenses	\$ 205,114	\$ 140,497
Reimbursement of Regeneron commercialization-related expenses	53,341	1,688
Regeneron's share of losses in connection with commercialization of antibodies	(74,865)	(12,830)
Other	2,561	2,561
Total Antibody	186,151	131,916
Immuno-oncology:		
Reimbursement of Regeneron research and development expenses	18,584	—
Other	20,000	—
Total Immuno-oncology	38,584	—
ZALTRAP®:		
Regeneron's share of losses in connection with commercialization of ZALTRAP	—	(1,008)
Reimbursement of Regeneron research and development expenses	—	1,261
Other	—	756
Total ZALTRAP	—	1,009
	\$ 224,735	\$ 132,925

2016 FINANCIAL OVERVIEW

2016 TAX COMMENTARY

- Intellectual property associated with our late stage antibody pipeline (e.g., Praluent[®], sarilumab, dupilumab, etc.) has been migrated outside the U.S.
- When we recognize losses in lower tax jurisdictions, we experience a higher tax rate because these offshore expenses cannot be used to reduce U.S. taxable income
- If and when these late-stage assets become profitable, our tax rate will be lowered as a result (see slide 10 for illustrative example)
- In 2016, we expect our late-stage antibodies to operate at a loss, resulting in a higher tax rate

ILLUSTRATIVE EXAMPLE OF THE EVOLUTION OF TAX

Profits in U.S. only

	U.S.	Ex-U.S.	Consolidated
Revenue	\$2,000	\$0	\$2,000
Non-GAAP Expenses	1,000	0	1,000
Non-GAAP EBIT	1,000	0	1,000
Non-GAAP Tax	400	0	400
Cash Tax ⁽¹⁾	40%	N/A	40%
Non-GAAP Profit	\$600	\$0	\$600



U.S. Profits, ex-U.S. Losses

	U.S.	Ex-U.S.	Consolidated
Revenue	\$2,000	\$0	\$2,000
Non-GAAP Expenses	1,000	500	1,500
Non-GAAP EBIT	1,000	(500)	500
Non-GAAP Tax	400	0	400
Cash Tax ⁽¹⁾	40%	N/A	80%
Non-GAAP Profit	\$600	(\$500)	\$100



Profits in U.S. & ex-U.S.

	U.S.	Ex-U.S.	Consolidated
Revenue	\$2,000	\$1,000	\$3,000
Non-GAAP Expenses	1,000	500	1,500
Non-GAAP EBIT	1,000	500	1,500
Non-GAAP Tax	400	50	450
Cash Tax ⁽¹⁾	40%	10%	30%
Non-GAAP Profit	\$600	\$450	\$1,050

Time

PLEASE NOTE ALL NUMBERS ARE ILLUSTRATIVE AND ARE NOT TO BE USED AS GUIDANCE

(1) Cash Tax as a % of Non-GAAP

Q&A