



## Healthcare

### SANOFI (BUY, FV EUR92) | Zantac impurities: not a big deal for Sanofi's economics

- Like for valsartan, few months ago, the FDA and EMA stated that the carcinogen compound NDMA was found in Zantac (ranitidine) OTC and generic version.
- Sanofi sells Zantac OTC version in the US and is among other manufacturers of the generic version. We believe that the active compound of Zantac, ranitidine, is not manufactured by Sanofi which probably buys it to some contract manufacturers. Most of the latter are in China and India.
- If Zantac should be withdrawn from the market, it will not be a big deal for Sanofi since the OTC version had just EUR127m in sales last year. We don't have the figure for generic version, but it should not represent a big amount.
- We keep our Buy rating waiting for the next CMD in December following the arrival of Paul Hudson recently. We remain convinced that the new CEO will form a skilled managing team with new CFO and new head of R&D (without forgotten the other talented members of the Executive committee). If we don't expect major strategic announcements during this CMD, we are curious to understand the strategy Paul Hudson will want to implement and to have some mid-term (next 3 years) target whatever it is (EPS level, margin, EPS CAGR...).

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## Distribution of stock ratings

BUY ratings 49,4%

NEUTRAL ratings 42,9%

SELL ratings 7,6%

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