

Ipsen presents strong full-year 2021 results and enters into exclusive negotiations to divest its Consumer Healthcare business

- Strong 2021 financial performance with total-sales growth of 12.3% at CER¹ (growth of 10.7% as reported) and a core operating margin of 35.2% (IFRS operating margin of 29.6%)
- Exclusive negotiations with Mayoly Spindler to divest Ipsen’s Consumer Healthcare (CHC) business with a total enterprise value up to €350m and an anticipated closing of the transaction by the end of Q3 2022
- Full-year 2022 guidance, excluding CHC, with total-sales growth greater than 2.0% at CER¹ and a core operating margin greater than 35.0% of total sales
- Updated 2024 outlook, excluding CHC, with a total-sales 2020-24 CAGR² between 4% and 6% at constant currency and cumulative remaining firepower of €3.5bn by 2024, including the divestment of CHC
- Proposed dividend of €1.20 per share for the 2021 financial year³, a 20% increase versus the prior year

Paris (France), 11 February 2022 - Ipsen (Euronext: IPN; ADR: IPSEY), a global specialty-driven biopharmaceutical company, presents its financial results for FY 2021 and provides an update on the strategic review of its CHC business.

Extract of audited consolidated results for FY 2021 and FY 2020⁴

	FY 2021	FY 2020	Change	
	€m	€m	Actual	CER ¹
Total Sales	2,868.9	2,591.6	10.7%	12.3%
Specialty Care	2,643.3	2,381.1	11.0%	12.7%
Consumer Healthcare	225.6	210.6	7.1%	8.1%
Core Operating Income	1,011.3	829.3	21.9%	
Core operating margin	35.2%	32.0%	3.2% points	
Core Consolidated Net Profit	758.1	610.5	24.2%	
Core EPS ⁵ (fully diluted)	€9.09	€7.31	24.5%	
IFRS Operating Income	849.5	524.8	61.9%	
IFRS operating margin	29.6%	20.2%	9.4% points	
IFRS Consolidated Net Profit	646.7	548.9	17.8%	
IFRS EPS ⁵ (fully diluted)	€7.76	€6.57	18.1%	

David Loew, Chief Executive Officer, commented:

“The strong results in 2021 are aligned with our strategic intent, with improving levels of commercial execution reflecting in excellent performances from every major brand. As the replenishment of our pipeline gathered pace, it was an exciting year for business development and our key clinical programs. Furthermore, sharpening our focus on Specialty Care, I am pleased that we have entered into exclusive negotiations to divest our Consumer Healthcare business.

We will continue to grow our business in 2022, and beyond, through our core and innovative brands as we manage the gradual erosion of Somatuline® while in addition, supporting growth through external innovation. Based on our strategy and our improved execution, we are pleased to update our mid-term outlook, underpinning the strength of Ipsen’s growth story built on our culture and an unrelenting focus on patients.”

¹ At constant exchange rates (CER), which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

² Compound annual growth rate.

³ Decided by the Ipsen SA Board of Directors; to be proposed at the annual shareholder’s meeting on 24 May 2022.

⁴ Basis of preparation for reported Financial Statements including the CHC business as continuing operations.

⁵ Earnings per share.

Exclusive negotiations to divest the Consumer Healthcare business

Following the decision of its Board of Directors held on 10 February 2022, Ipsen has entered into exclusive negotiations with Mayoly Spindler for the divestment of its global CHC business. This is a major step forward in the Company's execution of its strategic roadmap presented in December 2020 towards building a more-focused Ipsen, centring on Specialty Care.

The combination of Ipsen's and Mayoly Spindler's respective CHC businesses will create a global consumer-healthcare platform with a critical size and the capacity to support its growth. The consideration for Ipsen's CHC business represents an enterprise value of €350m, including an earnout contingent payment of €50m.

The proposed transaction will be submitted to the relevant employee-representation bodies and is expected to close before the end of Q3 2022, subject to regulatory approvals and customary closing conditions.

Delivering on strategy

Ipsen delivered successfully on its first year of the implementation of its strategy: *Focus. Together. For patients and society*. The key Specialty Care brands grew across all geographies, and alongside its expanding footprint in 2021, Ipsen began to invest in, and prepare for, a number of future launches.

It was a strong year of advancement of key R&D programs in Oncology, Rare Disease and Neuroscience, enhanced by the completion of seven external-innovation agreements. Ipsen also initiated a global program to drive efficiencies across the entire cost base, which started to deliver savings in 2021.

Further accomplishments were made in the Company Social Responsibility agenda, across the pillars of Employees, Communities and Environment. Ipsen increased the proportion of female leaders, now representing 42% of the full Global Leadership Team. Ipsen also announced the halving of absolute greenhouse-gas emissions of facilities and fleet (Scopes 1 and 2) by 2030, and will work closely with partners to deliver science-based Scope 3 emissions reductions by 2030.

Those achievements were the result of Ipsen's evolving culture, underpinned by the strengthening of the Executive Leadership Team and the establishment of an asset-centric model. These successes provide excellent platforms for a culture of high performance, improved execution and a better and faster decision-making process.

Comparison of 2021 performance to guidance

Ipsen exceeded its full-year 2021 guidance, upgraded in October 2021:

	FY 2021 guidance	FY 2021 actuals
Total-sales growth	Greater than 11.0% ⁶	12.3% ⁶
Core operating margin	Around 34%	35.2%

Full-year 2022 guidance

Ipsen has set its financial guidance for FY 2022, excluding any contribution from the CHC business⁷:

- Total-sales growth greater than 2.0%, at constant currency. Based on the level of exchange rates in January 2022, Ipsen anticipates an additional favorable impact of 2% from currencies
- Core operating margin greater than 35.0% of total sales, excluding any potential impact of incremental investments from future external-innovation transactions

This guidance incorporates expectations for Somatuline of further launches of generic lanreotide in other countries in the E.U., as well as increased competition in the U.S.

⁶ At CER, which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

⁷ Assuming presentation of the CHC business as discontinued operations starting in 2022 and comparing to the FY 2021 operating performance excluding the contribution of the CHC business (as presented in the section 'Core Measures excluding contribution from CHC' thereafter).

Update of mid-term 2020-24 outlook

Ipsen today updates its outlook for 2020-24 to exclude any contribution from the CHC business⁸ and based on the strong performance delivered in 2021:

- Total-sales 2020-24 compound annual growth rate between +4% and +6%⁹ at constant currency and assuming risk-adjusted potential additional indications
- Continued commitment to invest in R&D supported by SG&A efficiencies:
 - Reduced SG&A expenses as a percentage of total sales, driven by further focus and optimization
 - Higher R&D expenses as a percentage of total sales, driven by the external-innovation strategy

To support the external-innovation strategy, Ipsen anticipates cumulative remaining firepower of €3.5bn by 2024, including the divestment of the CHC business. The calculation is based on net debt at 2.0 x EBITDA.

Palovarotene

In January 2022, Ipsen announced the first regulatory approval for palovarotene worldwide with Health Canada approving *Sohonos*TM (palovarotene capsules). Ipsen plans to make a resubmission for palovarotene in fibrodysplasia ossificans progressiva to the U.S. FDA in H1 2022 and to continue the review process with the European Medicines Agency after the 'clock-stop' period. Discussions are progressing with other regulatory authorities around the world.

Business development

In December 2021, Ipsen announced an exclusive licensing agreement for elafibranor, which is in Phase III development in primary biliary cholangitis (PBC), as part of a long-term global partnership with GENFIT. PBC is a rare, progressive, chronic autoimmune disease of the liver. Data from the ELATIVE Phase III trial are anticipated in 2023. Under the agreement, Ipsen will pay GENFIT up to €480m, including an upfront cash payment of €120m.

In total, seven external-innovation agreements were completed in 2021, covering preclinical to late-stage clinical development as well as each therapeutic area, namely Oncology, Rare Disease and Neuroscience.

Galderma arbitration

Galderma initiated arbitration proceedings against Ipsen at the ICC International Court of Arbitration; arbitrators were appointed in the fourth quarter of 2021. This request for arbitration is related to Galderma-developed liquid toxin, QM-1114 for which Ipsen, in its capacity as marketing-authorization holder and owner of the intellectual property since 2014, has a different view to the regulatory-submission strategy. There is also a difference of opinion on the territorial scope of the partnership under the 2007 agreement. The outcome of the cases cannot be predicted at this preliminary stage of the proceedings. Ipsen intends to fully defend and vindicate its rights against Galderma's allegations.

Consolidated financial statements

The Board of Directors approved the consolidated financial statements on 10 February 2022. Ipsen's auditors performed an audit of the full-year 2021 consolidated financial statements. Ipsen's Comprehensive audited Financial Statements will be available on 16 February 2022 on [ipсен.com](https://www.ipсен.com) (regulated-information section).

⁸ Assuming presentation of the CHC business as discontinued operations starting in 2022 and comparing to the FY 2020 operating performance, excluding the contribution from the CHC business (as presented in the section 'Core Measures excluding contribution from the CHC business' thereafter).

⁹ Prior outlook, outlined in December 2020, included a total-sales 2020-24 compound annual growth rate of 2% to 5% at CER.

Conference call

A conference call and webcast for investors and analysts will begin at 2pm Paris time today. Participants are encouraged to dial in to the call early and can register [here](#); a recording will be available on ipsen.com, while the webcast can be accessed [here](#). The event ID is 2182326.

Calendar

Ipsen intends to publish its first-quarter sales update on 27 April 2022.

Notes

All financial figures are in € millions (€m). The performance shown in this announcement covers the twelve-month period to 31 December 2021 (the year or FY 2021) and the three-month period to 31 December 2021 (the fourth quarter or Q4 2021), compared to twelve-month period to 31 December 2020 (FY 2020) and the three-month period to 31 December 2020 (Q4 2020) respectively, unless stated otherwise. Commentary is based on the performance in FY 2021, unless stated otherwise.

Ipsen

Ipsen is a global, mid-sized biopharmaceutical company focused on transformative medicines in Oncology, Rare Disease and Neuroscience; it also has a well-established Consumer Healthcare business. With total sales of €2.9bn in FY 2021, Ipsen sells more than 25 medicines in over 100 countries, with a direct commercial presence in more than 30 countries. The Company's research and development efforts are focused on its innovative and differentiated technological platforms located in the heart of leading biotechnological and life-science hubs: Paris-Saclay, France; Oxford, U.K.; Cambridge, U.S.; Shanghai, China. Ipsen has around 5,700 colleagues worldwide and is listed in Paris (Euronext: IPN) and in the U.S. through a Sponsored Level I American Depositary Receipt program (ADR: IPSEY). For more information, visit ipsen.com.

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2021 Financial Statements' basis of preparation:

As of 31 December 2021, the management did not consider the sale of the Consumer Healthcare business as highly probable within 12 months. Therefore, the CHC business has not been presented as discontinued operations in Group 2021 financial Statements in accordance with IFRS 5. The financial metrics hereafter include CHC as continuing operations.

Total sales by therapeutic area and product

	Fourth Quarter				Full Year			
	2021 €m	2020 €m	% change Actual CER ¹⁰		2021 €m	2020 €m	% change Actual CER ¹⁰	
Total Specialty Care	731.0	633.5	15.4%	13.2%	2,643.3	2,381.1	11.0%	12.7%
Oncology	588.1	523.2	12.4%	10.1%	2,153.5	1,969.8	9.3%	10.8%
Somatuline®	328.3	310.1	5.9%	3.6%	1,202.7	1,145.2	5.0%	7.1%
Decapeptyl®	127.0	102.5	23.9%	21.9%	459.6	390.5	17.7%	17.5%
Cabometyx®	96.0	75.3	27.4%	26.3%	354.6	288.9	22.7%	22.8%
Onivyde®	34.4	33.3	3.3%	-0.8%	127.4	123.3	3.3%	7.2%
Other Oncology	2.4	2.1	15.4%	14.2%	9.1	21.8	-58.2%	-58.5%
Neuroscience	131.1	97.6	34.3%	32.3%	440.7	356.1	23.8%	27.1%
Dysport®	129.3	96.3	34.4%	32.4%	434.6	353.2	23.1%	26.3%
Rare Diseases	11.8	12.6	-6.2%	-7.6%	49.1	55.2	-11.0%	-10.4%
NutropinAq®	7.5	8.4	-11.3%	-11.7%	32.0	36.2	-11.5%	-11.8%
Increlex®	4.3	4.2	4.0%	0.3%	17.1	19.0	-10.1%	-7.8%
Total Consumer Healthcare	60.2	56.6	6.3%	3.5%	225.6	210.6	7.1%	8.1%
Smecta®	25.2	22.9	10.0%	5.8%	88.8	80.9	9.7%	10.1%
Tanakan®	8.6	8.6	0.4%	-3.1%	36.6	35.2	3.9%	5.7%
Forlax®	10.1	9.0	12.1%	13.1%	36.0	39.0	-7.9%	-6.8%
Fortrans/Eziclen®	9.9	9.1	9.8%	5.8%	35.9	28.1	28.1%	29.1%
Other Consumer Healthcare	6.2	7.0	-10.9%	-11.0%	28.4	27.4	3.7%	5.1%
Total Sales	791.2	690.1	14.6%	12.4%	2,868.9	2,591.6	10.7%	12.3%

Specialty Care

Specialty Care sales amounted to €2,643.3 million, an increase of 12.7%¹⁰, and comprised 92.1% of total sales (FY 2020: 91.9%).

Oncology

Oncology sales of €2,153.5 million represented a growth of 10.8%¹⁰ and comprised 75.1% of total sales (FY 2020: 76.0%).

- a) **Somatuline (lanreotide)** sales of €1,202.7 million, an increase of 7.1%¹⁰, with a 7.4%¹⁰ growth in North America reflecting strong volumes, even with the residual impact of COVID-19 on patient diagnoses and treatments. The performance was also a result of continued market-share gains in most other

¹⁰ At CER, which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

geographies with a limited impact from generic octreotide and lanreotide in Europe.

- b) **Decapeptyl** (*triptorelin*) sales of €459.6 million reflected a growth of 17.5%¹¹, mainly driven by the performance in China, which significantly recovered from the impact of COVID-19, along with market-share gains in other countries including in the rest of Asia, France and Italy.
- c) **Cabometyx** (*cabozantinib*) sales of €354.6 million, up by 22.8%¹¹, driven by a strong volume uptake across most geographies in both renal cell carcinoma and hepatocellular carcinoma indications.
- d) **Onivyde** (*irinotecan liposome injection*) sales of €127.4 million, growing by 7.2%¹¹, driven by higher volumes in the U.S. and to Ipsen's ex-U.S. partner despite negative impact from COVID-19 on patients.

Neuroscience

Neuroscience sales increased by 27.1%¹¹ to €440.7 million and comprised 15.4% of total sales (FY 2020: 13.7%).

Dysport (*botulinum toxin type A*) sales reached €434.6 million, up by 26.3%¹¹, driven by a solid recovery from the COVID-19 pandemic in most geographies and a strong performance both in aesthetics markets including in markets operated by Ipsen's partner, Galderma and in therapeutics markets in Europe and North America.

Rare Disease

Rare Disease sales declined by 10.4%¹¹ to €49.1 million and comprised 1.7% of total sales (FY 2020: 2.1%).

NutropinAq (*somatropin*) sales of €32.0 million, a decline of 11.8%¹¹, reflected a slowdown in the market and competitive pressures across Europe. **Increlex** (*mecasermin*) sales of €17.1 million, a decrease of 7.8%¹¹, resulting from lower demand in the U.S., along with COVID-19 impact.

Consumer Healthcare

Sales of €225.6 million, an increase of 8.1%¹¹, driven by the growth of **Smecta** (*diosmectite*) and **Fortrans/Eziclen** (*macrogol 4000*) by 10.1%¹¹ and 29.1%¹¹ to €88.8 million and €35.9 million respectively, mainly driven by the COVID-19 recovery and the performance in Europe and China, as well as the growth of **Tanakan** (ginkgo biloba extract) by 5.7%¹¹ to €36.6 million, driven by the performance in Vietnam.

Consumer Healthcare sales comprised 7.9% of total sales (FY 2020: 8.1%).

¹¹ At CER, which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

Total sales by geographical area

	Fourth Quarter				Year To Date			
	2021	2020	% change		2021	2020	% change	
	€m	€m	Actual	CER ¹²	€m	€m	Actual	CER ¹²
Major Western European Countries	224.8	208.8	7.6%	6.6%	883.8	824.5	7.2%	6.8%
France	81.2	77.2	5.1%	4.5%	314.3	297.3	5.7%	6.0%
Germany	48.6	44.9	8.4%	8.4%	198.9	191.0	4.1%	4.1%
Italy	33.4	26.1	27.9%	27.9%	130.0	109.1	19.2%	19.2%
Spain	35.4	29.9	18.5%	18.5%	124.6	110.9	12.3%	12.3%
U.K.	26.1	30.6	-14.8%	-20.1%	116.1	116.2	-0.1%	-3.4%
Other European Countries	161.9	136.6	18.5%	17.8%	556.1	500.9	11.0%	13.5%
Eastern Europe	76.0	61.5	23.6%	20.0%	261.4	219.4	19.2%	22.5%
Others Europe	85.9	75.1	14.4%	16.0%	294.7	281.5	4.7%	6.4%
North America	266.5	234.2	13.8%	10.0%	916.3	857.6	6.8%	10.5%
Rest of the World	138.0	110.4	25.0%	21.7%	512.6	408.6	25.4%	26.0%
Asia	63.2	57.3	10.5%	5.8%	252.2	192.9	30.7%	28.9%
Other Rest of the World	74.7	53.2	40.6%	38.4%	260.4	215.7	20.7%	23.4%
Total Sales	791.2	690.1	14.6%	12.4%	2,868.9	2,591.6	10.7%	12.3%

Major Western European countries

Sales reached €883.8 million, an increase of 6.8%¹². Major Western European countries comprised 30.8% of total sales (FY 2020: 31.8%).

- a) **France**: sales of €314.3 million, an increase of 6.0%¹², reflecting continued market-share gains for Decapeptyl and Somatuline, along with a solid performance and recovery from the pandemic for Dysport.
- b) **Germany**: sales reached €198.9 million, up by 4.1%¹², mainly driven by continued market-share gains for Cabometyx and Somatuline with only a limited impact from the launch of generic lanreotide.
- c) **Italy**: sales of €130.0 million, up by 19.2%¹², mainly a result of a solid Cabometyx and Decapeptyl performance.
- d) **Spain**: sales of €124.6 million reflected growth of 12.3%¹², driven by market-share gains for Somatuline and Decapeptyl.
- e) **U.K.**: sales reached €116.1 million, a decrease of 3.4%¹², mainly due lower volumes of Decapeptyl despite positive performance of Somatuline.

Other European countries

Sales reached €556.1 million, an increase of 13.5%¹², driven by a strong Dysport performance in Russia and Turkey, market-share gains and successful launches of Cabometyx, along with growing Consumer Healthcare sales in Eastern Europe.

Other European countries sales comprised 19.4% of total sales (FY 2020: 19.3%).

¹² At CER, which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

North America

Sales of €916.3 million reflected a growth of 10.5%¹³ driven by continued strong Somatuline, Onivyde and Cabometyx demand, despite a residual impact of COVID-19 on patient diagnoses and treatments. Solid Dysport sales reflected good performances in both aesthetics and therapeutics markets.

North America sales comprised 31.9% of total sales (FY 2020: 33.1%).

Rest of the World

Sales reached €512.6 million, an increase of 26.0%¹³, driven by the China recovery that resulted in strong Decapeptyl and Consumer Healthcare sales, a solid Dysport performance in Latin America and the Middle East, continued good Decapeptyl performance in South Korea and Taiwan, along with strong Cabometyx volume growth in Brazil and Mexico.

Rest of the World sales comprised 17.9% of total sales (FY 2020: 15.8%).

¹³ At CER, which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

Comparison of core consolidated income statement

Core financial measures are performance indicators. Reconciliation between these indicators and IFRS aggregates is presented in Appendix 4 'Bridges from IFRS consolidated net profit to Core consolidated net profit'.

	FY 2021		FY 2020		% change
	€m	% of sales	€m	% of sales	
Sales	2,868.9	100.0%	2,591.6	100.0%	10.7%
Other revenue	130.2	4.5%	94.5	3.6%	37.8%
Revenue	2,999.1	104.5%	2,686.2	103.6%	11.6%
Cost of goods sold	(538.0)	(18.8)%	(490.6)	(18.9)%	9.6%
Selling expenses	(835.7)	(29.1)%	(784.0)	(30.3)%	6.6%
Research and development expenses	(428.4)	(14.9)%	(405.6)	(15.6)%	5.6%
General and administrative expenses	(199.6)	(7.0)%	(187.8)	(7.2)%	6.3%
Other core operating income	13.9	0.5%	11.8	0.5%	N.A.
Other core operating expenses	(0.1)	—	(0.6)	—	N.A.
Core Operating Income	1,011.3	35.2%	829.3	32.0%	21.9%
Net financing costs	(21.3)	(0.7)%	(24.7)	(1.0)%	(13.8)%
Core other financial income and expense	(14.3)	(0.5)%	(19.6)	(0.8)%	(27.2)%
Core income taxes	(217.9)	(7.6)%	(172.9)	(6.7)%	26.0%
Share of net profit/(loss) from equity-accounted companies	0.4	—	(1.5)	(0.1)%	(124.5)%
Core consolidated net profit	758.1	26.4%	610.5	23.6%	24.2%
- Attributable to shareholders of Ipsen S.A.	758.0	26.4%	609.6	23.5%	24.3%
- Attributable to non-controlling interests	0.1	—	0.9	—	(86.5)%
Core EPS fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	9.09		7.31		24.5%

Reconciliation from core consolidated net profit to IFRS consolidated net profit

	FY 2021	FY 2020
	€m	€m
Core consolidated net profit	758.1	610.5
Amortization of intangible assets (excluding software)	(61.7)	(62.9)
Other operating income and expenses	(36.5)	(13.4)
Restructuring costs	(14.7)	(32.7)
Impairment losses	(6.5)	(109.2)
Others	8.1	156.6
IFRS consolidated net profit	646.7	548.9
IFRS EPS fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	7.76	6.57

Total sales

Total sales grew by 10.7% as reported to €2,868.9 million.

Other revenue

Other revenue totaled €130.2 million an increase of 37.8%, reflecting the growth in royalties paid by partners, mainly by Galderma in respect of Dysport.

Cost of goods sold

Cost of goods sold of €538.0 million represented 18.8% of total sales (FY 2020: €490.6 million, 18.9%), reflecting a growth of 9.6% thanks to the favorable mix impact from Specialty Care growth, despite an increase of royalties paid to partners, notably for Cabometyx.

Selling expenses

Selling expenses increased by 6.6% to €835.7 million, compared to lower 2020 baseline impacted by COVID-19 restrictions. The increase is driven by inflation, the commercial efforts deployed to support Specialty Care growth offset by the impact of the Company's efficiency program. Selling expenses represented 29.1% of total sales, an improvement of 1.1 points.

Research and development expenses

Research and development expenses totaled €428.4 million, representing a growth of 5.6% driven by investment in Oncology mainly for Onivyde and Cabometyx, in Rare Disease for palovarotene and in Neuroscience notably for next-generation neurotoxins. R&D expenses represented 14.9% of total sales, a decline of 0.7 points.

General and administrative expenses

General and administrative expenses increased by 6.3% to €199.6 million, to support growth platforms in the organization. General and administrative represented 7.0% of total sales, an improvement of 0.3 points.

Other core operating income and expenses

Other core operating income and expenses amounted to an income of €13.8 million (FY 2020: income of €11.2 million), primarily reflecting the impact of Ipsen's currency-hedging policy.

Core operating income

Core operating income amounted to €1,011.3 million, representing growth of 21.9% and comprised 35.2% of total sales (FY 2020: 32.0%).

Core net financing costs and other financial income and expense

The Group incurred net financial expenses of €35.6 million, versus €44.4 million in 2020.

Net financing costs decreased by €3.4 million to €21.3 million, driven by lower costs mainly attributable to the reduction of the Revolving Credit Facility ("RCF").

Other financial income and expense decreased by €5.3 million to €14.3 million, mainly from lower hedging costs.

Core income taxes

Core income tax expense of €217.9 million, an increase of 26.0% resulted from a Core effective tax rate of 22.3% (FY 2020: 22.0%).

Core consolidated net profit

Core consolidated net profit increased by 24.2% to €758.1 million with €758.0 million fully attributable to Ipsen S.A. shareholders. This compares to Core consolidated net profit of €610.5 million in 2020, with €609.6 million fully attributable to Ipsen S.A. shareholders.

Core EPS¹⁴

Core EPS fully diluted came to €9.09, representing growth of 24.5% (FY 2020: €7.31).

From core financial measures to IFRS reported figures

Reconciliations between IFRS results and the Core financial measures are presented in Appendix 4.

The main reconciling items between Core consolidated net profit and IFRS consolidated net profit were:

Amortization of intangible assets (excluding software)

Amortization of intangible assets (excluding software) amounted to €82.3 million before tax, compared to €86.5 million before tax in 2020.

Other operating income and expenses

Other non-core operating income and expenses amounted to an expense of €50.6 million before tax, mainly related to costs arising from the Group's transformation programs.

Other non-core operating income and expenses in 2020 totaled €18.6 million before tax, mainly related to the Group's transformation programs and the discontinuation of deprioritized research programs.

Restructuring costs

Restructuring costs came to €19.8 million before tax, mainly impacted transformation projects mostly in France and in the U.S.

Restructuring costs in 2020 amounted to €45.6 million before tax including mainly the Consumer Healthcare transformation projects and the cost of the transfer of Onivyde manufacturing site.

¹⁴ Earnings per share.

Impairment losses

The Group recognized an impairment loss of €9.1 million before tax following an unfavorable result of a clinical study.

In 2020, the Group recognized impairment losses of €153.9 million before tax, including €55.8 million on the intangible assets of palovarotene, €52.1 million on deprioritized R&D programs and €42.0 million on intangible assets related to some commercialized non-core products.

Others

Other items amounted to an income of €8.1 million.

Other items in 2020 amounted to an income of €156.6 million, driven by a tax income of €134.2 million resulting from the recognition of tax losses generated by Group legal restructuring.

IFRS financial measures

Operating income

Operating Profit amounted to €849.5 million compared to a €524.8 million in 2020. This increase mainly resulted from the non-recurring impairment in 2020 of the intangible assets of palovarotene and some commercialized non-core products.

Consolidated net profit

2021 Consolidated net profit was €646.7 million with €646.6 million fully attributable to Ipsen S.A. shareholders, compared to a net profit of €548.9 million in FY 2020.

EPS¹⁵

2021 Fully diluted EPS was a net profit per share amounting to €7.76 per share compared to €6.57 net profit per share in 2020.

Operating segments: core operating income by therapeutic area

Segmental information is presented according to Ipsen's two operating segments, Specialty Care and Consumer Healthcare. All costs allocated to these two segments are presented in the key performance indicators. Corporate overhead expenses and the impact of the Company's currency-hedging policy are not allocated to the two operating segments.

Core operating income is the indicator used by Ipsen to measure operating performance and to allocate resources. Total sales, total revenue and core operating income are presented by therapeutic area for 2021 versus 2020 in the following table:

¹⁵ Earnings per share.

	FY 2021 €m	FY 2020 €m	Change	
			€m	%
Specialty Care				
Total sales	2,643.3	2,381.1	262.2	11.0%
Total revenue	2,748.6	2,453.6	295.1	12.0%
Core operating income	1,186.6	1,014.3	172.3	17.0%
Core operating margin	44.9%	42.6%		
Consumer Healthcare				
Total sales	225.6	210.6	15.0	7.1%
Total revenue	250.5	232.6	17.9	7.7%
Core operating income	31.7	15.6	16.1	103.0%
Core operating margin	14.1%	7.4%		
Total Unallocated				
Core operating income	(207.1)	(200.6)	(6.5)	3.2%
Total				
Total sales	2,868.9	2,591.6	277.2	10.7%
Total revenue	2,999.1	2,686.2	312.9	11.6%
Core operating income	1,011.3	829.3	181.9	21.9%
Core operating margin	35.2%	32.0%		

Specialty Care sales grew to €2,643.3 million, an increase of 11.0% (12.7% at CER¹⁶), reaching 92.1% of total sales (FY 2020: 91.9%). Core operating income for Specialty Care increased by 17.0% to €1,186.6 million, representing 44.9% of total sales (FY 2020: 42.6%), reflecting the contribution from continued sales growth of all key products and an increase in selling expenses and research & development investment.

Consumer Healthcare sales grew to €225.6 million, an increase of 7.1% (8.1% at CER¹⁶). Core operating income for Consumer Healthcare amounted to €31.7 million, representing 14.1% of total sales (FY 2020: 7.4%), reflecting higher sales driven by the COVID-19 recovery and a good cost management.

Unallocated core operating income amounted to a negative €207.1 million (FY 2020: negative €200.6 million) with a limited growth of 3.2%.

Core measures excluding contribution from Consumer Healthcare business

	FY 2021 €m	FY 2020 €m	Change	
			€m	%
Group excluding contribution from CHC				
Total sales	2,643.3	2,381.1	262.2	11.0%
Total revenue	2,748.6	2,453.6	295.1	12.0%
Core operating income	979.5	813.7	165.8	20.4%
Core operating margin	37.1%	34.2%		

¹⁶ At CER, which exclude any foreign-exchange impact by recalculating the performance for the relevant period by applying the exchange rates used for the prior period.

Net cash flow and financing

The Group had a net debt decrease of €398.8 million over 2021, bringing closing net debt to €126.4 million.

	FY 2021 €m	FY 2020 €m
Opening net cash / (debt)	(525.3)	(1,115.6)
Core Operating Income	1,011.3	829.3
Non-cash items	157.0	132.7
Change in operating working capital requirement	15.7	53.8
(Increase) decrease in other working capital requirement	(13.1)	(55.6)
Net capital expenditures (excluding milestones paid)	(121.0)	(117.9)
Dividends received from entities accounted for using the equity method	—	—
Operating Cash Flow	1,049.8	842.3
Other non-core operating income and expenses and restructuring costs	(63.6)	(41.3)
Financial income	(28.6)	(43.3)
Current income tax	(150.4)	(118.4)
Other operating cash flow	0.1	7.2
Free Cash Flow	807.4	646.4
Distributions paid	(83.1)	(83.5)
Net investments (business development and milestones) ⁽¹⁾	(220.5)	(39.0)
Share buyback	(36.7)	(36.4)
FX on net indebtedness and change in earn-out	(68.3)	101.2
Other ⁽¹⁾	—	1.6
Shareholders return and external growth operations	(408.6)	(56.1)
CHANGE IN NET CASH / (DEBT)	398.8	590.4
Closing net cash / (debt)	(126.4)	(525.3)

⁽¹⁾ Proceeds received in 2020 from businesses sold before 2020 were reclassified from "Profit from discontinued operations" to the "Other operating income" line item for €3.8 million.

Operating cash flow

Operating cash flow totaled €1 049.8 million, an increase of €207.6 million (+24.6%) versus 2020, mainly driven by higher Core Operating Income (up €182 million) and higher non-cash items (up €24.3 million).

Non-cash items reached €157.0 million versus €132.7 million in 2020, mainly impacted by an increase in amortization of tangible assets and higher provisions.

Operating working capital requirement decreased by €15.7 million mainly from higher trade payables by €83.5 million partially offset by higher trade receivables by €67.3 million.

Other working capital requirement increased by €13.1 million, driven by an increase in tax receivables.

Net capital expenditures amounted to €121.0 million, compared to €117.9 million in 2020 including projects at industrial sites, corporate investments in IT and digital projects, and new lease contracts and extensions.

Free cash flow

Free cash flow totaled €807.4 million, an increase of €161.0 million versus 2020, mainly driven by higher Operating cash flow and lower financial expenses due to lower hedging and financing costs, slightly offset by higher non-core expenses and restructuring costs, and higher current income tax.

Shareholders' return and external growth operations

Distribution payout to Ipsen S.A. shareholders amounted to €82.9 million in 2021.

Net investments amounted to €220.5 million, mainly driven by investments in external innovation including

upfront payment and purchase of GENFIT shares for a total of €148 million. It also includes Onivyde's commercial milestones received for €20.8 million, the proceeds from the divestiture in equity-accounted companies for €24.0 million, partly offset by additional milestones payments for Cabometyx to Exelixis for €51.3 million.

Net investments in 2020 amounted to €39.0 million, including additional milestones of €17.6 million for IPN60130 paid to Blueprint Medicines Corporation, and of €24.1 million for Cabometyx paid to Exelixis.

Foreign Exchange on net indebtedness and change in earn-out included mainly the negative impact of higher U.S. Dollar versus Euro on the indebtedness.

Reconciliation of cash and cash equivalents and net cash

	FY 2021 €m	FY 2020 €m
Current financial assets (derivative instruments on financial operations)	0.6	0.2
Closing cash and cash equivalents	809.1	639.6
Non-current loans	(562.8)	(542.7)
Other non-current financial liabilities (excluding derivative instruments) (**)	(209.3)	(218.9)
Non-current financial liabilities	(772.2)	(761.6)
Credit lines and bank loans	—	(199.0)
Other current financial liabilities (excluding derivative instruments) (**)	(164.0)	(204.5)
Current financial liabilities	(164.0)	(403.5)
Debt	(936.2)	(1,165.2)
Net cash / (debt) (*)	(126.4)	(525.3)

(*) Net cash / (debt): derivative instruments booked in financial assets and related to financial operations, cash and cash equivalents, less bank overdrafts, bank loans and other financial liabilities and excluding financial derivative instruments on commercial operations.

(**) Financial liabilities mainly exclude €10.7 million in derivative instruments related to commercial operations in 2021, compared with €4.4 million in 2020.

Analysis of cash

- Ipsen S.A. issued in June 2016 €300 million in unsecured, seven-year public bonds.
- Ipsen S.A. issued also in July 2019 \$300 million through U.S. Private Placement (“USPP”) in two tranches of 7 and 10-year maturities.
- Ipsen S.A. has signed in May 2019 an initially five-year Revolving Credit Facility (RCF) of €1,500 million, which has been extended in 2020 to May 2025 and in 2021 to May 2026.
- The Group has to comply with a Net Debt / EBITDA covenant to remain below 3.5 times at each financial closing in both RCF and USPP and the RCF includes also specific indicators linked to Corporate Social Responsibility (“CSR”) to be assessed annually.
- The Group was fully complying with its covenant ratio for the RCF and the USPP.
- On 31 December 2021, the RCF was fully reimbursed and Ipsen S.A. program of emission of NEU CP – Negotiable European Commercial Paper of €600 million was drawn for €80 million.

Appendix 1: consolidated income statement

	FY 2021 €m	FY 2020 €m
Sales	2,868.9	2,591.6
Other revenues	130.2	94.5
Revenue	2,999.1	2,686.2
Cost of goods sold	(538.0)	(490.6)
Selling expenses	(835.7)	(784.0)
Research and development expenses	(428.4)	(405.6)
General and administrative expenses	(199.6)	(187.8)
Other operating income ⁽¹⁾	53.1	34.0
Other operating expenses	(172.2)	(127.9)
Restructuring costs	(19.8)	(45.6)
Impairment losses	(9.1)	(153.9)
Operating Income	849.5	524.8
Investment income	2.4	2.3
Financing costs	(23.7)	(27.1)
Net financing costs	(21.3)	(24.7)
Other financial income and expenses	(13.6)	32.5
Income taxes	(168.2)	17.8
Share of net profit/(loss) from equity-accounted companies	0.4	(1.5)
Net profit (loss) from continuing operations	646.7	548.9
Net profit (loss) from discontinued operations ⁽¹⁾	—	—
Consolidated net profit (loss)	646.7	548.9
- Attributable to shareholders of Ipsen S.A.	646.6	548.0
- Attributable to non-controlling interests	0.1	0.9
Basic earnings per share, continuing operations (in euros)	7.82	6.61
Diluted earnings per share, continuing operations (in euros)	7.76	6.57
Basic earnings per share, discontinued operations (in euros)	—	—
Diluted earnings per share, discontinued operations (in euros)	—	—
Basic earnings per share (in euros)	7.82	6.61
Diluted earnings per share (in euros)	7.76	6.57

⁽¹⁾ Proceeds received in 2020 from businesses sold before 2020 were reclassified from "Profit from discontinued operations" to the "Other operating income" line item for €3.8 million.

Appendix 2: consolidated balance sheet before allocation of net profit

	31 December 2021 €m	31 December 2020 ⁽¹⁾ €m
ASSETS		
Goodwill	623.2	592.8
Other intangible assets	1,392.0	1,121.1
Property, plant & equipment	647.5	646.6
Equity investments	106.9	84.5
Investments in equity-accounted companies	26.2	19.1
Non-current financial assets	0.1	23.1
Deferred tax assets	253.1	243.2
Other non-current assets	4.3	3.8
Total non-current assets	3,053.0	2,734.2
Inventories	219.4	213.9
Trade receivables	564.3	476.2
Current tax assets	122.8	83.6
Current financial assets	54.1	48.9
Other current assets	178.6	113.7
Cash and cash equivalents	814.7	642.5
Assets of disposal group classified as held for sale	—	—
Total current assets	1,953.8	1,578.8
TOTAL ASSETS	5,006.8	4,313.0
EQUITY AND LIABILITIES		
Share capital	83.8	83.8
Additional paid-in capital and consolidated reserves	1,983.9	1,558.9
Net profit (loss) for the period	646.6	548.0
Foreign exchange differences	37.2	(59.6)
Equity attributable to Ipsen S.A. shareholders	2,751.5	2,131.2
Equity attributable to non-controlling interests	2.5	2.7
Total shareholders' equity	2,754.0	2,133.8
Retirement benefit obligation	40.7	47.4
Non-current provisions	64.0	32.0
Other non-current financial liabilities	772.2	761.6
Deferred tax liabilities	101.8	79.9
Other non-current liabilities	45.8	45.1
Total non-current liabilities	1,024.4	966.0
Current provisions	41.6	45.7
Current financial liabilities	174.8	408.6
Trade payables	594.7	495.2
Current tax liabilities	10.0	10.8
Other current liabilities	401.7	250.0
Bank overdrafts	5.5	2.8
Liabilities related to assets held for sale	—	—
Total current liabilities	1,228.4	1,213.1
TOTAL EQUITY & LIABILITIES	5,006.8	4,313.0

⁽¹⁾ The financial statements as of 31 December 2020 were restated with retroactive application of the IFRIC agenda decision on Employee Benefits starting on 1 January 2020.

Appendix 3.1: consolidated statement of cash flow

	FY 2021	FY 2020
	€m	€m
Consolidated net profit	646.7	548.9
Share of profit/(loss) from equity-accounted companies	(0.4)	—
Net profit/(loss) before share from equity-accounted companies	646.3	548.9
Non-cash and non-operating items:		
- Depreciation, amortization, provisions	237.0	234.7
- Impairment losses included in operating income and net financial income	9.1	153.9
- Change in fair value of financial derivatives	0.8	(5.0)
- Net gains or losses on disposals of non-current assets	5.8	(5.7)
- Unrealized foreign exchange differences	1.1	4.6
- Change in deferred taxes	16.2	(136.3)
- Share-based payment expense	28.7	22.5
- Other non-cash items	(3.6)	(36.3)
Cash flow from operating activities before changes in working capital requirement	941.4	781.4
- (Increase)/decrease in inventories	(0.5)	(7.1)
- (Increase)/decrease in trade receivables	(67.3)	56.3
- Increase/(decrease) in trade payables	83.5	4.5
- Net change in income tax liability	(32.8)	(66.9)
- Net change in other operating assets and liabilities	(15.1)	3.0
Change in working capital requirement related to operating activities	(32.2)	(10.1)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	909.2	771.3
Acquisition of property, plant & equipment	(96.0)	(81.4)
Acquisition of intangible assets	(331.7)	(59.3)
Proceeds from disposal of intangible assets and property, plant & equipment	1.1	15.0
Acquisition of shares in non-consolidated companies	(28.4)	(5.9)
Payments to post-employment benefit plans	(2.5)	(2.3)
Impact of changes in the consolidation scope	14.7	—
Change in working capital related to investment activities	96.1	(29.8)
Other cash flow related to investment activities	2.4	—
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	(344.2)	(163.7)
Additional long-term borrowings	30.8	11.8
Repayment of long-term borrowings	(0.9)	(0.9)
Net change in short-term borrowings	(310.6)	(194.9)
Capital increase	—	—
Treasury shares	(36.7)	(36.4)
Distributions paid by Ipsen S.A.	(82.9)	(83.2)
Dividends paid by subsidiaries to non-controlling interests	(0.2)	(0.3)
Change in working capital related to financing activities	(0.7)	(3.6)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(401.2)	(307.5)
CHANGE IN CASH AND CASH EQUIVALENTS	163.7	300.1
OPENING CASH AND CASH EQUIVALENTS	639.6	339.0
Impact of exchange rate fluctuations	5.8	0.5
CLOSING CASH AND CASH EQUIVALENTS	809.1	639.6

Appendix 3.2: consolidated net cash flow statement

	FY 2021 €m	FY 2020 €m
Opening net cash / (debt)	(525.3)	(1,115.6)
CORE OPERATING INCOME	1,011.3	829.3
Non-cash items	157.0	132.7
(Increase) /decrease in inventories	(0.5)	(7.1)
(Increase) / decrease in trade receivables	(67.3)	56.3
Increase / (decrease) in trade payables	83.5	4.5
Change in operating working capital requirement	15.7	53.8
Change in income tax liability	(32.8)	(66.9)
Change in other operating assets and liabilities (excluding milestones received)	19.7	11.4
Other changes in working capital requirement	(13.1)	(55.6)
Acquisition of property, plant & equipment	(96.0)	(81.4)
Acquisition of intangible assets (excluding milestones paid)	(31.5)	(26.6)
Disposal of fixed assets	(0.1)	—
Change in working capital related to investment activities	6.5	(9.9)
Net capital expenditures (excluding milestones paid)	(121.0)	(117.9)
Dividends received from entities accounted for using the equity method	—	—
Operating Cash Flow	1,049.8	842.3
Other non-core operating income and expenses and restructuring costs	(63.6)	(41.3)
Financial income	(28.6)	(43.3)
Current income tax	(150.4)	(118.4)
Other operating cash flow	0.1	7.2
Free Cash Flow	807.4	646.4
Distributions paid (including payout to non-controlling interests)	(83.1)	(83.5)
Acquisition of shares in non-consolidated companies ⁽¹⁾	(10.6)	(6.4)
Acquisition of other financial assets	—	—
Impact of changes in consolidation scope ⁽²⁾	13.7	—
Milestones paid ⁽³⁾	(260.3)	(52.1)
Milestones received ⁽⁴⁾	25.2	2.7
Other Business Development operations	11.5	16.8
Net investments (Business Development and milestones)	(220.5)	(39.0)
Share buyback	(36.7)	(36.4)
FX on net indebtedness and change in earn out	(68.3)	101.2
Other	—	1.6
Shareholders return and external growth operations	(408.6)	(56.1)
CHANGE IN NET CASH / (DEBT)	398.8	590.4
Closing net cash / (debt)	(126.4)	(525.3)

⁽¹⁾ Acquisition of shares in non-consolidated companies mainly reflected investments in external innovation funds.

⁽²⁾ In 2021, impact of change in consolidation scope includes the proceeds from the divestiture in equity-accounted companies for €24.0 million and the purchase of an equity investment in BAKX Therapeutics Inc. for €10.3 million.

⁽³⁾ Milestones paid in 2021 correspond to payments subject to the terms and conditions set out in the Group's partnership agreements including €148 million related to the partnership with GENFIT and €51.3 million milestones paid to Exelixis.

Milestones paid in 2020 correspond to payments subject to the terms and conditions set out in the Group's partnership agreements including €24.1 million milestones paid to Exelixis and €17.6 million milestone paid to Blueprint Medicines Corporation.

⁽⁴⁾ Milestones received in 2021 include Onivyde's commercial milestones for €20.8 million.

Appendix 4: bridges from IFRS Consolidated Net Profit to Core Consolidated Net Profit

FY 2021	IFRS						CORE
	FY 2021	Amortization of intangible assets (excl software)	Other operating income or expenses	Restructuring	Impairment losses	Other	FY 2021
	€m	€m	€m	€m	€m	€m	€m
Sales	2,868.9	—	—	—	—	—	2,868.9
Other revenues	130.2	—	—	—	—	—	130.2
Revenue	2,999.1	—	—	—	—	—	2,999.1
Cost of goods sold	(538.0)	—	—	—	—	—	(538.0)
Selling expenses	(835.7)	—	—	—	—	—	(835.7)
Research and development expenses	(428.4)	—	—	—	—	—	(428.4)
General and administrative expenses	(199.6)	—	—	—	—	—	(199.6)
Other operating income	53.1	—	(39.2)	—	—	—	13.9
Other operating expenses	(172.2)	82.3	89.8	—	—	—	(0.1)
Restructuring costs	(19.8)	—	—	19.8	—	—	—
Impairment losses	(9.1)	—	—	—	9.1	—	—
Operating Income	849.5	82.3	50.6	19.8	9.1	—	1,011.3
Net financing costs	(21.3)	—	—	—	—	—	(21.3)
Other financial income and expense	(13.6)	—	—	—	—	(0.7)	(14.3)
Income taxes	(168.2)	(20.5)	(14.1)	(5.0)	(2.6)	(7.4)	(217.9)
Share of profit/(loss) from equity-accounted companies	0.4	—	—	—	—	—	0.4
Net profit/(loss) from continuing operations	646.7	61.7	36.5	14.7	6.5	(8.1)	758.1
Net profit/(loss) from discontinued operations	—	—	—	—	—	—	—
Consolidated net profit	646.7	61.7	36.5	14.7	6.5	(8.1)	758.1
– Attributable to shareholders of Ipsen S.A.	646.6	61.7	36.5	14.7	6.5	(8.1)	758.0
– Attributable to non-controlling interests	0.1	—	—	—	—	—	0.1
Earnings per share fully diluted – attributable to Ipsen S.A. shareholders (in € per share)	7.76	0.74	0.44	0.18	0.08	(0.10)	9.09

The reconciliation items between core consolidated net profit and IFRS consolidated net profit are described in the paragraph ‘From core financial measures to IFRS reported figures’.

FY 2020	IFRS						CORE
	FY 2020	Amortization of intangible assets (excl software)	Other operating income or expenses	Restructuring	Impairment losses	Other	FY 2020
	€m	€m	€m	€m	€m	€m	€m
Sales	2,591.6	—	—	—	—	—	2,591.6
Other revenues	94.5	—	—	—	—	—	94.5
Revenue	2,686.2	—	—	—	—	—	2,686.2
Cost of goods sold	(490.6)	—	—	—	—	—	(490.6)
Selling expenses	(784.0)	—	—	—	—	—	(784.0)
Research and development expenses	(405.6)	—	—	—	—	—	(405.6)
General and administrative expenses	(187.8)	—	—	—	—	—	(187.8)
Other operating income ⁽¹⁾	34.0	—	(22.2)	—	—	—	11.8
Other operating expenses	(127.9)	86.5	40.8	—	—	—	(0.6)
Restructuring costs	(45.6)	—	—	45.6	—	—	—
Impairment losses	(153.9)	—	—	—	153.9	—	—
Operating Income	524.8	86.5	18.6	45.6	153.9	—	829.3
Net financing costs	(24.7)	—	—	—	—	—	(24.7)
Other financial income and expense	32.5	—	—	—	—	(52.2)	(19.6)
Income taxes	17.8	(23.6)	(5.2)	(12.9)	(44.7)	(104.4)	(172.9)
Share of profit/(loss) from equity-accounted companies	(1.5)	—	—	—	—	—	(1.5)
Net profit/(loss) from continuing operations	548.9	62.9	13.4	32.7	109.2	(156.6)	610.5
Net profit/(loss) from discontinued operations ⁽¹⁾	—	—	—	—	—	—	—
Consolidated net profit	548.9	62.9	13.4	32.7	109.2	(156.6)	610.5
– Attributable to shareholders of Ipsen S.A.	548.0	62.9	13.4	32.7	109.2	(156.6)	609.6
– Attributable to non-controlling interests	0.9	—	—	—	—	—	0.9
Earnings per share fully diluted – attributable to Ipsen S.A. shareholders (in € per share)	6.57	0.75	0.16	0.39	1.31	(1.88)	7.31

⁽¹⁾ Proceeds received in 2020 from businesses sold before 2020 were reclassified from "Profit from discontinued operations" to the "Other operating income" line item for €3.8 million.

Forward-looking statements

The forward-looking statements, objectives and targets contained herein are based on Ipsen's management strategy, current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. All of the above risks could affect Ipsen's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today. Use of the words 'believes', 'anticipates' and 'expects' and similar expressions are intended to identify forward-looking statements, including Ipsen's expectations regarding future events, including regulatory filings and determinations. Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by Ipsen. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably the fact that a promising medicine in early development phase or clinical trial may end up never being launched on the market or reaching its commercial targets, notably for regulatory or competition reasons. Ipsen must face or might face competition from generic medicine that might translate into a loss of market share. Furthermore, the research and development process involves several stages each of which involves the substantial risk that Ipsen may fail to achieve its objectives and be forced to abandon its efforts with regards to a medicine in which it has invested significant sums. Therefore, Ipsen cannot be certain that favorable results obtained during preclinical trials will be confirmed subsequently during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safe and effective nature of the medicine concerned. There can be no guarantees a medicine will receive the necessary regulatory approvals or that the medicine will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Other risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and healthcare legislation; global trends toward healthcare cost containment; technological advances, new medicine and patents attained by competitors; challenges inherent in new-medicine development, including obtaining regulatory approval; Ipsen's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of Ipsen's patents and other protections for innovative medicines; and the exposure to litigation, including patent litigation, and/or regulatory actions. Ipsen also depends on third parties to develop and market some of its medicines which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to Ipsen's activities and financial results. Ipsen cannot be certain that its partners will fulfil their obligations. It might be unable to obtain any benefit from those agreements. A default by any of Ipsen's partners could generate lower revenues than expected. Such situations could have a negative impact on Ipsen's business, financial position or performance. Ipsen expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. Ipsen's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers. The risks and uncertainties set out are not exhaustive and the reader is advised to refer to Ipsen's 2020 Universal Registration Document, available on [ipсен.com](https://www.ipсен.com).