Q1 2019 results

Conferences and roadshows
Forward-looking statements

In order, among other things, to utilise the 'safe harbour' provisions of the US Private Securities Litigation Reform Act 1995, we are providing the following cautionary statement: this document contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group, including, among other things, statements about expected revenues, margins, earnings per share or other financial or other measures. Although we believe our expectations are based on reasonable assumptions, any forward-looking statements, by their very nature, involve risks and uncertainties and may be influenced by factors that could cause actual outcomes and results to be materially different from those predicted. The forward-looking statements reflect knowledge and information available at the date of preparation of this document and AstraZeneca undertakes no obligation to update these forward-looking statements. We identify the forward-looking statements by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Important factors that could cause actual results to differ materially from those contained in forward-looking statements, certain of which are beyond our control, include, among other things: the loss or expiration of, or limitations to, patents, marketing exclusivity or trademarks, or the risk of failure to obtain and enforce patent protection; effects of patent litigation in respect of IP rights; the impact of any delays in the manufacturing, distribution and sale of any of our products; the impact of any failure by third parties to supply materials or services; the risk of failure of outsourcing; the risks associated with manufacturing biologics; the risk that R&D will not yield new products that achieve commercial success; the risk of delay to new product launches; the risk that new products do not perform as we expect; the risk that strategic alliances and acquisitions, including licensing and collaborations, will be unsuccessful; the risks from pressures resulting from generic competition; the impact of competition, price controls and price reductions; the risks associated with developing our business in emerging markets; the risk of illegal trade in our products; the difficulties of obtaining and maintaining regulatory approvals for products; the risk that regulatory approval processes for biosimilars could have an adverse effect on future commercial prospects; the risk of failure to successfully implement planned cost reduction measures through productivity initiatives and restructuring programmes; the risk of failure of critical processes affecting business continuity; economic, regulatory and political pressures to limit or reduce the cost of our products; failure to achieve strategic priorities or to meet targets or expectations; the risk of substantial adverse litigation/government investigation claims and insufficient insurance coverage; the risk of substantial product liability claims; the risk of failure to adhere to applicable laws, rules and regulations; the risk of failure to adhere to applicable laws, rules and regulations relating to anti-competitive behaviour; the impact of increasing implementation and enforcement of more stringent anti-bribery and anti-corruption legislation; taxation risks; exchange rate fluctuations; the risk of an adverse impact of a sustained economic downturn; political and socio-economic conditions; the risk of environmental liabilities; the risk of occupational health and safety liabilities; the risk associated with pensions liabilities; the impact of failing to attract and retain key personnel and to successfully engage with our employees; the risk of misuse of social medial platforms and new technology; and the risk of failure of information technology and cybercrime. Nothing in this presentation / webcast should be construed as a profit forecast.
Agenda

Overview

**Oncology**

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Summary
2013 strategic priorities

1. Achieve scientific leadership
2. Return to growth
3. Be a great place to work
2019 strategic priorities

The new strategic priorities

- Deliver growth and therapy area leadership
- Accelerate innovative science
- Be a great place to work
Q1 2019: strong start

Double-digit sales growth; compelling operating leverage

Business and financials

**Product sales** up by 14%
- Strong performance of new medicines\(^1\) (+83%); $0.9bn incremental sales vs. Q1 2018
- Oncology (+59%), New CVRM\(^2\) (+19%) and Respiratory (+14%)
- Emerging markets (+22%) with China (+28%)

**Total revenue** up by 11%; very limited Collaboration Revenue

**Core operating costs** up by 5%; strong operating leverage

**Core operating profit** up 96%; **Core EPS** $0.89, including 23% tax rate

**Guidance** reiterated

**Pipeline** continued to progress in Q1 2019; intense news flow anticipated in H2 2019. Sustainable sales growth and Oncology further strengthened through collaboration on trastuzumab deruxtecan

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1. Tagrisso, Imfinzi, Lynparza, Calquence, Farxiga, Brilinta, Lokelma, Fasenra and Bevespi; absolute value at constant exchange rates (CER) and compared to Q1 2018.
2. New Cardiovascular, Renal and Metabolism incorporating Diabetes, Brilinta and Lokelma.

Absolute values at actual exchange rates; changes at CER and for Q1 2019, unless otherwise stated. Guidance at CER.
# Q1 2019: continued pipeline progress

## Highlights from late-stage development

### Pipeline news

<table>
<thead>
<tr>
<th>Oncology</th>
<th>Lynparza</th>
<th>breast cancer ($BRCA_m^1$)</th>
<th>Regulatory approval (EU)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>pancreatic cancer ($BRCA_m$)</td>
<td>Regulatory submission (CN)</td>
</tr>
<tr>
<td></td>
<td>selumetinib</td>
<td>NF1$^2$</td>
<td>Met primary endpoint</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Breakthrough Therapy Designation (US)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New CVRM, Respiratory, Other medicines</th>
<th>Farxiga</th>
<th>T1D$^3$ T2D$^4$ CVOT$^5$</th>
<th>Regulatory approval (EU, JP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Brilinta</td>
<td>coronary artery disease w/T2D</td>
<td>Regulatory submission acceptance (US, EU)</td>
</tr>
<tr>
<td></td>
<td>Duaklir</td>
<td>COPD$^6$</td>
<td>Met primary endpoint</td>
</tr>
<tr>
<td></td>
<td>PT010</td>
<td>COPD</td>
<td>Regulatory approval (US) (by partner)</td>
</tr>
<tr>
<td></td>
<td>saracatinib</td>
<td>idiopathic pulmonary fibrosis</td>
<td>Regulatory submission acceptance (US, EU)</td>
</tr>
</tbody>
</table>

1. Breast cancer susceptibility genes 1/2 mutation
2. Neurofibromatosis type 1
3. Type-1 diabetes
4. Type-2 diabetes
5. Cardiovascular (CV) outcomes trial
6. Chronic obstructive pulmonary disease.

Status since the last results announcement on 14 February 2019.
Q1 2019: sales off to a strong start
14% sales growth; new medicines +83%

Strong sales growth continued

New medicines remain the key sales drivers

Q1 2019:
+0.9bn
incremental sales of new medicines compared to Q1 2018

Changes (product sales growth) at CER.

Oncology  New CVRM  Respiratory
Absolute values at CER.
Q1 2019: sales growth across all main therapy areas
Diversified business across all therapy areas and geographies

<table>
<thead>
<tr>
<th>Product sales</th>
<th>Q1 2019 $m</th>
<th>% change</th>
<th>% product sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product sales</strong></td>
<td>5,465</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td><strong>Oncology</strong></td>
<td>1,892</td>
<td>59</td>
<td>35</td>
</tr>
<tr>
<td><strong>New CVRM</strong></td>
<td>1,033</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td><strong>Respiratory</strong></td>
<td>1,283</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td><strong>Other medicines</strong></td>
<td>1,257</td>
<td>(21)</td>
<td>23</td>
</tr>
<tr>
<td><strong>Emerging markets</strong></td>
<td>2,004</td>
<td>22</td>
<td>37</td>
</tr>
<tr>
<td><strong>- China</strong></td>
<td>1,242</td>
<td>28</td>
<td>23</td>
</tr>
</tbody>
</table>
### Oncology: strategy further evolved

**A leading, diversified oncology business**

<table>
<thead>
<tr>
<th>Lung cancer</th>
<th>Multiple cancers</th>
<th>Multiple cancers</th>
<th>Blood cancers</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Stage IV NSCLC(^1) T790Mm(^2) / EGFRm(^3)</td>
<td>• Unresectable, Stage III NSCLC</td>
<td>• Ovarian, breast cancers</td>
<td>trastuzumab deruxtecan</td>
</tr>
<tr>
<td>• Next: adjuvant, Stage III</td>
<td>• Next: early / advanced stages in several cancers</td>
<td>• MRK collaboration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Next: pancreatic, prostate cancers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• DS(^4) collaboration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Next: HER2(^5)-pos. breast, gastric cancers; HER2-low cancers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• First AstraZeneca medicine in heme</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• MCL(^6) launched</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CLL(^7)data H2 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Next: combos</td>
<td></td>
</tr>
</tbody>
</table>

‘What’s next’: rich early to mid-stage pipeline, including combinations

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1. Non-small cell lung cancer  
2. Substitution of threonine (T) with methionine (M) at position 790 of exon 20 mutation  
3. Epidermal growth factor receptor mutation  
4. Daiichi Sankyo  
5. Human epidermal growth factor receptor 2  
6. Mantle cell lymphoma  
7. Chronic lymphocytic leukaemia.
Agenda

Overview

Oncology

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Summary
Oncology
Establishing new standards of care

Total Oncology sales up by 59% in Q1 2019

New medicines Lynparza, Tagrisso, Imfinzi and Calquence added $0.7bn

- **Tagrisso**: now the no.1 AstraZeneca medicine
- **Imfinzi**: continued US uptake; ex-US use increasing
- **Lynparza**: consolidating global PARP\(^1\) leadership in ovarian and breast cancers; lifecycle work continues
- **Calquence**: US uptake continues; more ex-US MCL approvals. CLL Phase III data anticipated in H2 2019

Absolute values and changes at CER and for Q1 2019, unless otherwise stated.

1. Poly-ADP ribose polymerase.
Lung cancer: Tagrisso

1st-line standard of care in US, JP; EU + RoW launches continue

Strong performance in all markets: +92% in Q1 2019

Worldwide approvals: 83 countries (2nd-line use) and 67 countries (1st-line use)

- **US +76%**
  60%+ adoption in new EGFR patients; 80%+ among TKI-treated. Inventory reduction, but sequential Q4 to Q1 mid single-digit percentage increase in demand

- **Established RoW +163%**
  Japan (+153%); highest global penetration (~2/3 of patients)

- **Europe +55%**
  1st-line launches underway (DE, FR, IT) with increasing penetration rates (35-50%). More reimbursements and launches underway

- **Emerging markets +108%**
  Very strong 2nd-line uptake in China post NRDL\(^1\) listing. 1st-line regulatory decision in Q2 2019

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1. National Reimbursement Drug List.
Lung cancer: *Imfinzi*

Opportunity outside the US starting to unfold in 2019

**US peak sales are expected at >$1bn**

- **PACIFIC (unresectable, Stage III NSCLC) becoming new SoC**
  - 45 global approvals obtained
  - **US $231m**
    - Increasing CRT\(^2\) rates overall; increasing *Imfinzi* use post CRT
  - **Ex-US $64m**
    - Increasing access, reimbursement; launched in DE, FR, UK (priv.), CH

Rapid uptake in Japan ($34m)

**US patient infusions continue to increase**

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**Source:** proprietary market research.

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2. Chemoradiotherapy; a combination of chemotherapy and radiotherapy.
Lynparza
Leading PARP inhibitor treating more patients

- **US +80%**
  Consolidating PARP-inhibitor leadership in ovarian and breast cancer; strong launch of 1st-line BRCAm ovarian cancer

- **Established RoW $27m**
  Continued ovarian and breast cancer launches in Japan ($22m)

- **Europe +62%**
  BRCAm ovarian cancer; increasing adoption of broad 2nd-line use. Breast cancer to launch

- **Emerging markets $26m**
  Strong launch of ovarian cancer in China

Seven quarters of strong growth: +105% in Q1 2019

Leading PARP inhibitor approved in 64 countries in ovarian and in 38 countries in breast cancer

Absolute values at actual exchange rates; changes at CER and for Q1 2019, unless otherwise stated.
BioPharma (New CVRM and Respiratory)
Improving business across all major medicines

- **Farxiga**: continued global growth in attractive class with unique CV outcomes data. Heart failure trial upcoming
- **Brilinta**: continued global growth. THEMIS data in diabetic patients will add to cardioprotective benefits
- **Fasenra**: US, EU, JP launches ongoing. Novel biologic-medicine leadership in markets where already launched
- **Symbicort/Pulmicort**: combined, a growing, global inhaled respiratory business
- **Lokelma**: launched in some EU markets; US H2 2019

Absolute values and changes at CER and for Q1 2019, unless otherwise stated.
New CVRM

Blockbusters *Farxiga* and *Brilinta* sustained strong performances

Strong Diabetes growth, in particular in Europe and Emerging markets

**Farxiga** +23%
- US (+3%)
  SGLT2 class growth offset by competitor formulary change
- Ex-US (62% of total)
  Strong SGLT2 class, improved access. Europe (+30%), Emerging markets (+51%)

**Bydureon** +4%
- Supply constraints of new *BCise* device expected to ease in 2019

Continued growth in *Brilinta* sales

- **Brilinta** +24%: growth across all major regions; benefit of Chinese NRDL inclusion in 2017

Absolute values at actual exchange rates; changes at CER and for Q1 2019, unless otherwise stated.
Respiratory
Sales growth 14%; Fasenra and Pulmicort pulling ahead

Respiratory delivered strong performance

$\text{m} \\
\hline
1,500\quad +14\% \\
1,250\quad +8\% \\
1,000\quad +16\% \\
750\quad -3\% \\
500\quad Q1 2019 \\
250

Diverse performance across geographies

US +28%
- Symbicort (-4%); market-share gain, volume growth and government order offset by price

Europe -7%
- Symbicort market competitive

Established RoW -5%
- Japan (+11%) from Fasenra

Emerging markets +26%
- China (+31%); largest national respiratory market in the quarter

Fasenra sales now annualising >$0.5bn

US $93m
- Leading new-patient volume share among novel biologic medicines

Europe $18m
- Leading new-patient market share in Germany; more EU launches (ES, FR, IT, UK)

Japan $16m
- Leading new-patient market share

Source: IQVIA, other market research.

Symbicort Pulmicort Fasenra Other
Absolute values at actual exchange rates; changes at CER and for Q1 2019, unless otherwise stated.
Emerging markets
China consistently outperforming

- China continued very strongly (+28%)
- Ex-China growth (+13%) picking up

Sales continued to grow ahead of the long-term ambition of mid to high single-digit growth

- **Ex-China growth +13%**
  Growth ex-China improved significantly from Q4 2018; continued in Q1 2019

Main therapy areas

- **Oncology +46%**: Tagrisso ($138m) now biggest Oncology medicine. Zoladex, Lynparza, Iressa, provided next-largest incremental sales
- **New CVRM +40%**: Brilinta (+38%); Forxiga (+51%)
- **Respiratory +26%**: Pulmicort (+23%, $314m); Symbicort (+13%, $133m)

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Absolute values at actual exchange rates; changes at CER and for Q1 2019, unless otherwise stated.
Webcast for investors and analysts on China and Emerging markets

On 13 December 2018, the Company hosted a webcast for investors and analysts on China and Emerging markets.

For more information, please visit the website.
Agenda

Overview

Oncology

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Summary
# Reported profit and loss

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019 $m</th>
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<th>% total revenue</th>
</tr>
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<tbody>
<tr>
<td><strong>Product sales</strong></td>
<td>5,465</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td><strong>Collaboration revenue</strong></td>
<td>26</td>
<td>(86)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>5,491</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>79.3%</td>
<td>2.8 pp&lt;sup&gt;1&lt;/sup&gt;</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>3,858</td>
<td>5</td>
<td>70</td>
</tr>
<tr>
<td>- R&amp;D expenses</td>
<td>1,266</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>- SG&amp;A expenses</td>
<td>2,514</td>
<td>7</td>
<td>46</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>593</td>
<td>27</td>
<td>11</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1,097</td>
<td>68</td>
<td>20</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>26%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$0.47</td>
<td>90</td>
<td>-</td>
</tr>
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1. Percentage points  
2. Includes distribution expenses.  
Absolute values at actual exchange rates; changes at CER.  
Gross margin reflects gross profit derived from product sales, divided by product sales.
## Core profit and loss

<table>
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<td>5,491</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>80.5%</td>
<td>2.4 pp</td>
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<tr>
<td><strong>Operating expenses</strong></td>
<td>3,369</td>
<td>5</td>
<td>61</td>
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<tr>
<td>- R&amp;D expenses</td>
<td>1,225</td>
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<td>22</td>
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<tr>
<td>- SG&amp;A expenses</td>
<td>2,066</td>
<td>6</td>
<td>38</td>
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<tr>
<td><strong>Other operating income</strong></td>
<td>594</td>
<td>n/m</td>
<td>11</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>1,650</td>
<td>96</td>
<td>30</td>
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<tr>
<td><strong>Tax rate</strong></td>
<td>23%</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>EPS</strong></td>
<td>$0.89</td>
<td>100</td>
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</table>

1. Includes distribution expense.

Absolute values at actual exchange rates; changes at CER.

Gross margin reflects gross profit derived from product sales, divided by product sales.
Finance priorities
Q1 results supportive

Deleveraging / dividend growth
- Q2 2019: reduction in net debt anticipated
- As cash flow improves, deleveraging and progressive dividend policy

Sales growth
+14% growth in product sales in Q1 2019

Cash-flow growth
- Q1 2019: impacted by legacy deals; improvement over 2019
- 2020: anticipated improvement in cash flow

Profit growth
- 30% core operating profit margin
- 100% growth in core EPS

Changes at CER.
2019 guidance confirms the growth outlook

Product sales
A high single-digit percentage increase

Core EPS
$3.50 to $3.70
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Summary
R&D productivity 2014-2018
Progress to sustain sales growth

~10x
increase in the number of high-impact\(^1\) papers published

33%
increase in the number of Phase II projects

30
projects with validated proof of mechanism

50+
regulatory designations in major markets\(^2\)

23
regulatory approvals in 2018\(^3\)

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1. High-impact journal designated as 15 or more impact factor points, between 2014 and 2018.
2. US, EU, Japan and China.
3. Includes new medicines (NME) and new uses of existing medicines (LCM).
Source: internal analysis based on public and internal data sources.
Respiratory
Progress across portfolio; expanding *Fasenra* lifecycle programme

**Regulatory and other milestones**

- **Duaklir**
  - COPD: regulatory approval (US) (by partner)

- **PT010**
  - COPD: regulatory submission acceptance (US, EU)

- **saracatinib**
  - idiopathic pulmonary fibrosis: Orphan Drug Designation (US)

**Fasenra**

**Strong efficacy in asthma - extensive lifecycle programme**

<table>
<thead>
<tr>
<th>Indication</th>
<th>Phase</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Nasal polyps (OSTRO trial)</td>
<td>III</td>
<td>Data 2020</td>
</tr>
<tr>
<td>Asthma (MIRACLE trial, CN)</td>
<td>III</td>
<td>Data 2020+</td>
</tr>
<tr>
<td>Nasal polyps (JP, CN)</td>
<td>III</td>
<td>FPCD H2 2019</td>
</tr>
<tr>
<td>COPD</td>
<td>III</td>
<td>FPCD H2 2019</td>
</tr>
<tr>
<td>EGPA (eosinophilic granulomatosis with polyangiitis)</td>
<td>III</td>
<td>FPCD H2 2019  ODD (US)</td>
</tr>
<tr>
<td>HES (hypereosinophilic syndrome)</td>
<td>III</td>
<td>FPCD H2 2019  ODD (US)</td>
</tr>
<tr>
<td>EOE (eosinophilic esophagitis)</td>
<td>III</td>
<td>FPCD H2 2019</td>
</tr>
</tbody>
</table>

28-51% reduction in the annual asthma exacerbation rate vs. placebo

116-159mL significant improvement in lung function as measured by FEV\(_1\) vs. placebo

75% reduction in median OCS\(^2\) dose from baseline (vs. 25% for placebo) and discontinuation of OCS use in 52% of eligible patients

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1. Forced expiratory volume in one second.
2. Oral corticosteroids.
3. First patient commenced dosing.

Source: summary of product characteristics, AstraZeneca data on file.
New CVRM

Farxiga anticipated to reach more patients and in new uses

Regulatory milestones

- **Farxiga**
  - T1D: regulatory approval (EU, JP)
  - T2D CVOT: regulatory submission acceptance (US, EU)

- **Bydureon**
  - T2D: regulatory approval for CVOT safety data (US)

- **Brilinta**
  - coronary artery disease w/T2D: met primary endpoint

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**Farxiga DECLARE trial**

Subgroup analysis: CV death/HHF\(^1\)

HFrEF\(^2\) vs. not HFrEF subgroup

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### DECLARE-TIMI 58 now included in US treatment guidelines\(^5\)

1. Cardiovascular death and hospitalisation for heart failure.
2. Heart failure with reduced ejection fraction.
3. Heart failure with preserved ejection fraction.
5. ACC/American Heart Association, American Diabetes Association and American Association of Clinical Endocrinology/American College of Endocrinology.

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**Farxiga**

Expanding on the DECLARE trial - extensive lifecycle programme

- **DAPA-HF** trial - HFrEF - anticipated data readout now in H2 2019

- **DELIVER** trial - HFpEF\(^3\) - anticipated data readout in 2020+

- **DAPA-CKD** trial - CKD\(^4\) - anticipated data readout in 2020+
‘What’s next’: roxadustat in anaemia of CKD

Pooled safety analysis is on track with data anticipated in Q2 2019

Q2 2019
Pooled safety analysis

Totality of evidence
3x trials in pre-dialysis
4x trials in dialysis

H2 2019
Regulatory submission
Oncology
Another successful quarter; preparing for a very busy H2 2019

**Regulatory milestones**
- *Lynparza*
  - breast cancer (*BRCAm*): regulatory approval (EU), regulatory submission (CN)
  - pancreatic cancer (*BRCAm*): met primary endpoint
- *selumetinib*
  - NF1: Breakthrough Therapy Designation (US)

**Lynparza pancreatic cancer: Regulatory submission in H2 2019**

**ASCO 2019 anticipated main data presentations**
- *Tagrisso*
  - NSCLC (1L, EGFRm)
- *Imfinzi*
  - head & neck, NSCLC unresectable, Stage III and NSCLC 1L
- *Lynparza*
  - pancreatic cancer (*BRCAm*), ovarian cancer (3L, *BRCAm*)
- *capivasertib*
  - breast cancer

**Very busy news flow in H2 2019**
- *Imfinzi*
  - NSCLC 1L: POSEIDON, NEPTUNE
  - SCLC\(^1\)
  - head & neck cancer 1L
  - bladder cancer 1L
- *Lynparza*
  - ovarian cancer 1L: PAOLA-1
  - prostate cancer 2L, castration-resistant
- *Calquence*
  - front-line CLL
  - relapsed/refractory CLL: ASCEND\(^2\)

**Nine pivotal Phase III data readouts in H2 2019**

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2. Trial also known as ACE-CL-309.
‘What’s next’: breast cancer
Strategic expansion well underway

Trastuzumab deruxtecan (DS-8201)
Differentiated antibody-drug conjugate

• Phase II - data from H2 2019
  - DESTINY-Breast01 (3L HER2+)
    w/Breakthrough Therapy
    Designation (US)
  - DESTINY-Gastric01 (3L HER2+)
    w/SAKIGAKE designation (JP)

• Phase III - data in 2020+
  - DESTINY-Breast02 (3L HER2+)
  - DESTINY-Breast03 (2L HER2+)
  - DESTINY-Breast04 (HER2 low)

Other cancer types underway

20.7
months duration of response

59.5%
overall response rate

Seven
median prior lines of treatment

Unprecedented data in advanced
HER2-pos. breast cancer (Phase I)

First regulatory submission
anticipated in H2 2019 (US)

Source: Iwata et al, abstract TPS 1102 (trial J101), ASCO 2018 (April 2018 data cut-off) and updated by Daiichi Sankyo data on file, 12 December 2018 (n=111).
Late-stage pipeline events in the 2019, 2020 timeframe
Busy news flow continues; underpinning consistent sales growth

<table>
<thead>
<tr>
<th>Q2 2019</th>
<th>H2 2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory decision</td>
<td><em>Tagrisso</em> - NSCLC 1L EGFrM (CN)</td>
<td><em>Imfinzi</em> - unresectable, Stage III NSCLC (CN)</td>
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<td><em>Lynparza</em> - ovarian cancer 1L BRCAm (SOLO-1)</td>
<td>(EU, JP, CN)</td>
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<td><em>(EU, JP, CN)</em></td>
<td><em>Farxiga</em> - T1D (US)</td>
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<td><em>Symbicort</em> - mild asthma (EU)</td>
<td><em>Bevespi</em> - COPD (JP, CN)</td>
</tr>
<tr>
<td>Regulatory submission and/or acceptance</td>
<td><em>Imfinzi</em> + treme - NSCLC 1L (NEPTUNE)</td>
<td><em>Imfinzi</em> +/- treme - NSCLC 1L (POSEIDON), SCLC, head &amp; neck cancer 1L, bladder cancer 1L</td>
</tr>
<tr>
<td></td>
<td><em>Lynparza</em> - ovarian cancer 3L BRCAm, pancreatic cancer BRCAm</td>
<td><em>Farxiga</em> - heart failure CVOT</td>
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<td><em>trastuzumab deruxtecan</em> - breast cancer 3L HER2+</td>
<td><em>Lokelma</em> - hyperkalaemia (CN)</td>
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<td><em>Calquence</em> - CLL</td>
<td><em>selumetinib</em> - NF1</td>
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<td><em>Brilinta</em> - CAD/T2D CVOT</td>
<td><em>Brilinta</em> - stroke (THALES)</td>
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<tr>
<td></td>
<td><em>Lokelma</em> - hyperkalaemia (JP)</td>
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<td></td>
<td><em>roxadustat</em> - anaemia of CKD; pooled safety</td>
<td></td>
</tr>
</tbody>
</table>

1. Includes pivotal Phase II trials.
2. Myelodysplastic syndrome.
‘What’s next’: aiming for sustainable sales growth
Rich mid-stage pipeline; selected new molecular entities

### Oncology

- **capivasertib** (AKT\(^1\) inhibitor)
  - breast, prostate cancers
  - Phase III start in H1 2019

- **adavosertib** (WEE1\(^2\) inhibitor)
  - solid tumours
  - Phase II

- **AZD6738** (ATR\(^3\) inhibitor)
  - solid tumours
  - Phase II

- **AZD9833** (SERD\(^4\), oral)
  - breast cancer
  - Phase I

- **AZD5991** (MCL1\(^5\) inhibitor)
  - blood cancers
  - Phase I

- **AZD2811** (Aurora B inhibitor)
  - SCLC - Phase II

### New CVRM

- **trastuzumab deruxtecan** (HER2 ADC) - breast, gastric, other - Phase III/II

- **monalizumab** (NKG2a\(^6\) mAb\(^7\))
  - head & neck, colorectal
  - Phase II

- **oleclumab** (CD73\(^8\) mAb)
  - lung, pancreatic cancers
  - Phase II

- **AZD4635** (A2AR\(^9\) inhibitor)
  - solid tumours
  - Phase II

- **danvatirsen** (STAT3\(^10\) inhibitor)
  - bladder, head & neck, lung
  - Phase I/I

- **MED5752** (PD-1/CTLA-4) - solid tumours - Phase I

- **cotadutide** (GLP-1\(^11\)/glucagon co-agonist) - NASH\(^12\)
  - Phase Ila start in H2 2019

- **AZD5718** (FLAP\(^13\) inhibitor)
  - coronary artery disease
  - Phase Ila; IIb start in H2 2019

- **AZD4831** (MPO\(^14\) inhibitor)
  - heart failure (HFpEF)
  - Phase Ila

- **AZD8601** (VEGF-A mRNA\(^15\))
  - heart failure - Phase Ila

### Respiratory

- **PT027** (SABA/ICS\(^16\))
  - asthma
  - Phase III start in H1 2019

- **AZD1402** (IL-4R\(^17\) antagonist)
  - asthma
  - Phase I; II start in H2 2019

- **MEDI3506** (IL-33\(^18\) mAb)
  - COPD
  - Phase I

- **AZD0449** (inhaled JAK\(^19\) inhibitor)
  - asthma - Phase I

- **AZD8154** (inhaled PI3K\(^20\) inhibitor)
  - asthma - Phase I

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Agenda

Overview

Oncology

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Summary
Q1 2019: strong start
Double-digit sales growth; compelling operating leverage

**Product sales** up by 14%
- Strong performance of new medicines (+83%); $0.9bn incremental sales vs. Q1 2018
- Oncology (+59%), New CVRM (+19%) and Respiratory (+14%)
- Emerging markets (+22%) with China (+28%)

**Total revenue** up by 11%; very limited Collaboration Revenue

**Core operating costs** up by 5%; strong operating leverage

**Core operating profit** up 96%; **Core EPS** $0.89, including 23% tax rate

**Guidance** reiterated

**Pipeline** continued to progress in Q1 2019; intense news flow anticipated in H2 2019. Sustainable sales growth and Oncology further strengthened through collaboration on trastuzumab deruxtecan

Absolute values at actual exchange rates; changes at CER and for Q1 2019, unless otherwise stated. Guidance at CER.
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Q1 2019 results

Conferences and roadshows