

# What science can do

AstraZeneca Annual Report and Form 20-F Information 2019



In the first full year of our return to Product Sales growth, we made good progress in line with our strategy. We anticipate 2020 to be another year of progress.



“Looking ahead, ...we will maintain our focus on executing a strategy centred on science and patients.”

# \$2.80

Full-year dividend of \$2.80 per share

### Broad-based progress

AstraZeneca's financial performance in 2019 reflected a year of innovation for patients. Results from our New Medicines<sup>1</sup> and Emerging Markets accompanied positive news for patients and growing sales in all three of our therapy areas. This balance across our medicines and regions is matched by a balance across primary and specialty care treatments, which, together with our healthy pipeline of candidate medicines, forms a firm foundation for what we believe will be growth in the coming years.

### Responding to a changing world

Our return to Product Sales growth also reflects our success in responding to a changing world. It is a world of economic growth and increasing wealth, of a growing and ageing global population and challenged by an increasing burden of chronic and non-communicable diseases.

It is also a world of pricing pressures and of strong competition in which unparalleled scientific and technological advances are transforming both the pharmaceutical sector and people's ability to manage their own health.

Success will come to those companies able to grasp the opportunities offered and overcome the challenges faced. The Board and I are encouraged by AstraZeneca's re-emergence as a science leader, and how it is embracing those opportunities and driving change in the industry.

Nowhere is change more evident than in the US, where we are working with policymakers to ensure patients continue to have access to the medicines they need. We are actively supporting solutions that provide access and affordability while continuing to support scientific innovation. These include efforts to reform the system of rebates, ensuring patients are benefiting from the discounts we provide and the broader implementation of value-based reimbursement models.

### Working with stakeholders

We are only able to achieve this because of the strong team Pascal has assembled at AstraZeneca. But driving change only happens as a result of engaging successfully with a wide range of stakeholders beyond our shareholders – employees and patients, healthcare providers and governments, suppliers and the communities in which we operate. We report on how we do that in the Corporate Governance Report from page 104 and I have seen this with my own eyes when representing AstraZeneca across the world.

### Leading in sustainability

Leading in science means we have a responsibility to take a lead in applying the science to the world in which we live. It is why I am proud of our Ambition Zero Carbon strategy announced at the World Economic Forum in January 2020 to eliminate emissions by 2025 and be carbon negative across the entire value chain by 2030.

### 2019 performance and what's next

With Product Sales in 2019 up by 12% (15% at CER), we delivered a year of strong revenue growth. Good progress was also made with a pipeline that produced an extensive number of regulatory approvals and data readouts. Of course, seeking to lead and push the boundaries of science means that sometimes we do not succeed and our results in 2019 reflect an intangible asset impairment following the closure of the Phase III STRENGTH trial for *Epanova* due to its low likelihood of demonstrating a benefit to patients.

So far as 2020 is concerned, we anticipate another year of progress for AstraZeneca with continued focus on improving operating leverage and cash generation. In light of this, the Board reaffirmed its commitment to the progressive dividend policy; with a second interim dividend of \$1.90 per share taking the unchanged full-year dividend per share to \$2.80.

Our outlook for 2020 reflects our assessment of the Covid-19 virus outbreak and assumes an unfavourable impact lasting up to a few months.

Looking ahead, and as we reinforce our commitment to achieving our long-term climate change and decarbonisation targets, we will maintain our focus on executing a strategy centred on science and patients.

Leif Johansson  
Chairman