Full-year and Q4 2019 results

Roadshow and conferences
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 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**

BioPharmaceuticals, Emerging markets

Finance

Pipeline update, news flow

Summary
AstraZeneca

The new strategic priorities

- Deliver growth and therapy area leadership
- Accelerate innovative science
- Be a great place to work
2019: strong and sustainable growth in revenue
Faster strategic transition will enable operating leverage

**Headline news**

**Total revenue** up by 13%; including **product sales** up by 15% (+9% in Q4); lower collaboration revenue (-20%)

Strong **sales performance** across the board: new medicines¹ (+62%); Oncology (+47%), New CVRM² (+12%), Respiratory (+13%) and Emerging markets (+24%)

**Core operating profit** up by 13% despite lower total of CR/OOI³ (-24%)

**Core EPS**⁴ $3.50, including 20% tax rate

**Guidance** (depending on the impact of the Covid-19 epidemic)
**Total revenue** expected to increase by a high single-digit to a low double-digit percentage
**Core EPS** expected to increase by a mid- to high-teens percentage

**Pipeline** with strong 2019 news flow, busy 2020/2021 and more opportunities from new R&D organisation

1. Tagrisso, Imfinzi, Lynparza, Calquence, Farxiga, Brilinta, Lokelma, Fasenra, Bevespi and Breztri.
2. New Cardiovascular, Renal and Metabolism incorporating Diabetes, Brilinta and Lokelma.
3. Collaboration revenue and other operating income
4. Earnings per share.

Absolute values at actual exchange rates; changes at constant exchange rates (CER) and for 2019, unless otherwise stated. Guidance at CER.
# Q4 2019: strong, recent news flow continued

Unlocking significant value for patients and company

## Pipeline news

### Oncology

<table>
<thead>
<tr>
<th><strong>Imfinzi</strong></th>
<th>unresectable, Stage III NSCLC&lt;sup&gt;1&lt;/sup&gt;</th>
<th>regulatory approval (CN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+/- treme</td>
<td>NSCLC (1st line) (POSEIDON)</td>
<td>regulatory submission (JP), acceptance (EU), Priority Review (US)</td>
</tr>
<tr>
<td>Tremelimumab</td>
<td>HCC&lt;sup&gt;5&lt;/sup&gt;</td>
<td>met Phase III primary endpoint (PFS&lt;sup&gt;4&lt;/sup&gt;)</td>
</tr>
<tr>
<td>Lymparza</td>
<td>OC&lt;sup&gt;6&lt;/sup&gt; (1st line, BRCAm&lt;sup&gt;7&lt;/sup&gt;) (SOLO-1)</td>
<td>Orphan Drug Designation (US)</td>
</tr>
<tr>
<td></td>
<td>OC (1st line) (PAOLA-1)</td>
<td>regulatory approval (CN)</td>
</tr>
<tr>
<td></td>
<td>pancreatic cancer (1st line, BRCAm)</td>
<td>regulatory submission (JP), acceptance (EU), Priority Review (US)</td>
</tr>
<tr>
<td></td>
<td>prostate cancer (2nd line)</td>
<td>regulatory approval (US)</td>
</tr>
<tr>
<td></td>
<td>breast cancer (3rd line, HER2&lt;sup&gt;+&lt;/sup&gt;)</td>
<td>met Phase II primary and key secondary (OS&lt;sup&gt;9&lt;/sup&gt;) endpoint</td>
</tr>
<tr>
<td></td>
<td>gastric cancer (3rd line, HER2&lt;sup&gt;+&lt;/sup&gt;)</td>
<td>regulatory approval (US), submission (JP), acceptance (EU)</td>
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</table>

### BioPharmaceuticals

<table>
<thead>
<tr>
<th><strong>Farxiga</strong></th>
<th>HF&lt;sup&gt;12&lt;/sup&gt; CVOT&lt;sup&gt;13&lt;/sup&gt;</th>
<th>regulatory submission (JP, CN), acceptance (EU), Priority Review (US)</th>
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</thead>
<tbody>
<tr>
<td>Qtrilmet</td>
<td>T2D&lt;sup&gt;14&lt;/sup&gt;</td>
<td>regulatory approval (EU)</td>
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<tr>
<td>Brilinta</td>
<td>CAD&lt;sup&gt;15&lt;/sup&gt;/T2D CVOT stroke</td>
<td>submission (JP, CN)</td>
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<tr>
<td>Lokelma</td>
<td>hyperkalaemia</td>
<td>met Phase III primary endpoint</td>
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<tr>
<td>Epanova</td>
<td>mixed dyslipidaemia</td>
<td>regulatory approval (CN)</td>
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<tr>
<td>roxadustat</td>
<td>anaemia from CKD&lt;sup&gt;16&lt;/sup&gt;</td>
<td>Phase III terminated as unlikely to meet primary endpoint</td>
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<tr>
<td>cotadutide</td>
<td>NASH&lt;sup&gt;17&lt;/sup&gt;</td>
<td>regulatory submission acceptance (US) (by FibroGen)</td>
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<tr>
<td>Symbicort</td>
<td>mild asthma</td>
<td>met Phase III pooled safety objectives</td>
</tr>
<tr>
<td>Breztri</td>
<td>COPD&lt;sup&gt;18&lt;/sup&gt;</td>
<td>Fast Track designation (US)</td>
</tr>
</tbody>
</table>

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1. Non-small cell lung cancer  
2. Small cell lung cancer  
3. Extensive-disease stage  
4. Progression-free survival  
5. Hepatocellular carcinoma (liver cancer)  
6. Ovarian cancer  
7. Breast cancer susceptibility genes 1/2 mutation  
8. Human epidermal growth factor receptor 2 positive  
9. Overall survival  
10. Chronic lymphocytic leukaemia  
11. Neurofibromatosis type 1  
12. Heart failure  
13. Cardiovascular (CV) outcomes trial  
14. Type-2 diabetes  
15. Coronary artery disease  
16. Chronic kidney disease  
17. Non-alcoholic steatohepatitis (non-alcoholic fatty liver disease)  
2019: sales showed persistent growth
15% sales growth; new medicines up by 62%

Strong sales growth continued

New medicines now 42% of total sales

2019: $+3.8bn
incremental sales of new medicines compared to 2018

Changes at CER.

1. Tagrisso, Imfinzi, Lynparza, Calquence, Farxiga, Brilinta, Lokelma, Fasenra, Bevespi and Breztri; not all displayed. Absolute values at CER.
## 2019: double-digit growth in all therapy areas, EMs

<table>
<thead>
<tr>
<th>Product sales</th>
<th>Q4 2019 $m</th>
<th>change %</th>
<th>ratio %</th>
<th>2019 $m</th>
<th>change %</th>
<th>ratio %</th>
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<tbody>
<tr>
<td>Oncology</td>
<td>2,274</td>
<td>29</td>
<td>36</td>
<td>8,667</td>
<td>47</td>
<td>37</td>
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<tr>
<td>New CVRM</td>
<td>1,168</td>
<td>7</td>
<td>19</td>
<td>4,376</td>
<td>12</td>
<td>19</td>
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<tr>
<td>Respiratory</td>
<td>1,537</td>
<td>14</td>
<td>25</td>
<td>5,391</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Other medicines</td>
<td>1,271</td>
<td>(16)</td>
<td>20</td>
<td>5,131</td>
<td>(13)</td>
<td>22</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>2,091</td>
<td>20</td>
<td>33</td>
<td>8,165</td>
<td>24</td>
<td>35</td>
</tr>
<tr>
<td>- EMs ex China</td>
<td>902</td>
<td>11</td>
<td>14</td>
<td>3,285</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>- China</td>
<td>1,189</td>
<td>28</td>
<td>19</td>
<td>4,880</td>
<td>35</td>
<td>21</td>
</tr>
</tbody>
</table>

1. Emerging markets.

Absolute values at actual exchange rates; changes at CER.
Ambition Zero Carbon

• AstraZeneca aims to eliminate CO$_2$ emissions by 2025 and become carbon negative by 2030

• $1bn programme will include the launch of next-generation respiratory inhalers and a wide range of energy initiatives to reduce climate impact to zero

• AstraZeneca has joined the Sustainable Markets Council to drive climate policy change

• Reforestation plans for 50 million trees


Mt-CO$_2$ = metric tons of carbon dioxide.
Oncology: 47% sales growth in 2019; annualising ~$9bn

2020 is anticipated to be another year of significant growth in sales

As anticipated, Q4 growth temporarily offset by Faslodex US generics; Tagrisso price/adjustments

New medicines Tagrisso, Imfinzi, Lynparza and Calquence added $2.9bn in 2019

- **Tagrisso**: global expansion in 1st-line use continued
- **Imfinzi**: US growth eased; ex-US continued to expand
- **Lynparza**: now blockbuster status; global PARP\(^1\) leadership
- **Calquence**: extensive US use in MCL\(^2\); strong launch in CLL
- **Faslodex**: fast US erosion after loss of exclusivity

Growth in new medicines in Q4 2019: +58% year-on-year; +3% sequentially

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

1. Poly-ADP ribose polymerase (inhibitor).
Lung cancer: *Tagrisso*

1st-line standard of care in US, JP; reimbursements underway elsewhere

- **US +46% (40% of total)**
  Sequential growth reduced by higher Q3 inventory; Q4 GtN\(^1\) adjustments

- **Europe +59%**
  Growth driven by top-4 EU; many reimbursement decisions to come

- **Emerging markets +130%**
  Strong 2nd-line use in many countries, incl. China following the NRDL\(^2\) listing

- **Established RoW +106%**
  Japan: +97%; 15% price cut in Q4 at ¥35bn in sales

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**Strong growth**

+74% in 2019

- **Approved in 80 countries (1st-line use) and 87 countries (2nd-line use)**

- **1st-line NRDL listing in China anticipated by year-end 2020**

- **Only 18 reimbursements out of 80 1st-line approvals**

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Source: AstraZeneca proprietary market research based on specialty data; total prescriptions per quarter.

\(^1\) Gross-to-net.
\(^2\) National Reimbursement Drug List.
Lung cancer: Imfinzi
Continued expansion in ex-US countries

US peak sales above $1bn p.a.

PACIFIC (treatment of unresectable, Stage III NSCLC) becoming new SoC¹

• Approved in 61 countries plus 15 countries in bladder cancer²

• US $1,041m (71% of total) unresectable CRT³ rate ~2/3; ~2/3 adoption post CRT

• Global use expanding; ex-US $428m
Europe: sales in four of top-5 EU; broader reimbursements in 2020
Japan: >60% adoption post CRT
China: approval in December 2019; NRDL listing anticipated from 2021

2020 to provide new growth opportunities

• PACIFIC opportunities
  1) Increase CRT rates
  2) Extend duration of treatment
  3) Expand reimbursement to more countries

• Regulatory decisions for use in SCLC (ED) (US, EU, JP) anticipated in 2020

• Phase III data readouts approaching
  Head & neck cancer (1L)
  Bladder cancer (1L) (DANUBE)
  Unresect., Stage III NSCLC (PACIFIC-2)
  Liver cancer (1L)

2. Urothelial carcinoma (bladder cancer); 2nd-line use.
3. Chemoradiotherapy; a combination of chemotherapy and radiotherapy.

Absolute values at actual exchange rates.
Lynparza

The leading PARP inhibitor globally; more than 30,000 patients treated

- Approved in 73 countries (ovarian)
  58 (breast) and 1 (pancreatic cancer)

  - US +81% (52% of total)
    Growth primarily from use in 1st-line BRCAm ovarian cancer (SOLO-1 trial)

  - Europe +59%
    Growth mostly from launch in 1st-line BRCAm ovarian cancer (SOLO-1 trial)

  - Emerging markets +177%
    China: launched in ovarian cancer

  - Established RoW +148%
    Japan: +167%; fast uptake in ovarian, breast cancer

- Merck\(^1\) collaboration:
  $2.6bn revenue received; $5.3bn future potential

**Ten quarters of strong growth: +89% in 2019**

- US +81% (52% of total)
  Growth primarily from use in 1st-line BRCAm ovarian cancer (SOLO-1 trial)

- Europe +59%
  Growth mostly from launch in 1st-line BRCAm ovarian cancer (SOLO-1 trial)

- Emerging markets +177%
  China: launched in ovarian cancer

- Established RoW +148%
  Japan: +167%; fast uptake in ovarian, breast cancer

\(^1\) Merck & Co., Inc., Kenilworth, NJ, US, known as MSD outside the US and Canada.
Oncology: new launch medicines
Strong launches of Calquence, Enhertu

**Calquence**
Now approved in 3 countries (CLL) and 12 countries (MCL)

- Global $164m; US $162m
- US CLL
  Demand from bolus/‘warehoused’ and de-novo CLL 1st-line patients
  ~60% of new-patient starts in CLL from new Calquence prescribers
- US MCL
  Calquence now a widely used BTK\(^1\)-inhibitor in relapsed/refractory MCL

**Enhertu** (trastuzumab deruxtecan)

- US approval on 20 December 2019
  First sales from Daiichi Sankyo to wholesalers on 31 December 2019;
  $0.1m booking incurred by AstraZeneca
- First infusion on 2 January 2020
  Officially launched on 6 January 2020

Global CLL launch to continue in H2 2020 with more regulatory decisions

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1. Bruton’s tyrosine kinase.
Source: AstraZeneca proprietary market research.

Absolute values at actual exchange rates.
BioPharmaceuticals: a thriving and energised business unit

New Cardiovascular, Renal and Metabolism

$9.8bn product sales

+13% sales growth

Respiratory

Absolute values at actual exchange rates; changes at CER and for 2019, unless otherwise stated.
BioPharmaceuticals: New CVRM and Respiratory

Increasing growth across all major medicines

13% growth in 2019

$\text{Solid franchises with strong growth in 2019}$

- **Farxiga**: strong position in growing class; unique CV data, including in HF
- **Brilinta**: global growth continued
- **Fasenra**: strong US, EU and Japan launches; new-patient market leader of novel biologics in severe asthma
- **Symbicort/Pulmicort**: solid, growing inhaled respiratory business
- **Breztri**: launched in Japan
- **Lokelma**: launched in EU, US; US leader in new patients

Other include Symlin, Qtern in New CVRM and Daliresp, Bricanyl, Nebula, Duaklir, Eklira/Tudorza, Bevespi and a number of smaller medicines in Respiratory.

Absolute values and changes at CER and for 2019, unless otherwise stated.
BioPharmaceuticals: New CVRM
Blockbusters *Farxiga* and *Brilinta* continued global growth

Diabetes growth of 6% driven by *Farxiga*

- **Farxiga +14%**
  - US (-9%): volume growth offset by gross-to-net rebates (~$50m)
  - Positive feedback on CVOT DECLARE

- Ex-US (65% of total):
  - Europe: +25%; volume growth in growing SGLT2 class
  - Emerging markets: +48%; *Forxiga* leading above-market growing SGLT2 class. China NRDL listing

Continued growth in *Brilinta* sales in 2019

- **Brilinta +23%**: continued solid growth across all major regions
BioPharmaceuticals: Respiratory
Sales growth of 13%; Fasenra, Pulmicort, EMs leading

Performance supported by portfolio mix across regions
Symbicort back to stability in 2019

- **US +17%**
  Fasenra (+121%) offset by Symbicort (-4%); Q4 growth and increasing volume against competitor/generics to competitor. Authorised generic in January 2020

- **Established RoW +4%**
  Japan: +17%; Fasenra growth offset transfer of Symbicort distribution

- **Europe -5%**
  Lower Symbicort volumes in competitive markets; remained market leader overall

- **Emerging markets +27%**
  Strong Pulmicort and Symbicort. Pulmicort passed the blockbuster mark in China

Respiratory delivered strong performance

Absolute values at actual exchange rates; changes at CER and for 2019, unless otherwise stated.
BioPharmaceuticals: new launch medicines

Portfolio of new medicines across uses and markets

**Fasenra**

- **Now approved in 52 countries; reimbursed in 36**
  - **US $482m**
    Leading new biologic medicine in new-to-brand prescription volume share
  - **Europe $118m**
    Leading new biologic medicine in DE, ES, FR, IT and UK
  - **Japan $86m**
    Leading biologic overall in new-patient market share (>40%)

**Breztri**

- **COPD**
  - **Japan**
    Initial uptake ahead of previous LABA/LAMA\(^1\) launches offset by Ryotanki\(^2\) restriction
  - **Rest of world**
    Regulatory approval (CN); under regulatory review (US, EU). Global launch anticipated from H2 2020

**Lokelma**

- **Hyperkalaemia**
  - **Global $14m; Q4 $8m**
    Majority in the US; good payer access. Surpassed competitor in new-to-brand prescriptions. Broad European launch awaiting reimbursement
  - **Rest of world**
    Regulatory approval (CN); under regulatory review (JP)

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DE = Germany, ES = Spain, FR = France, IT = Italy, UK = United Kingdom.
Market-share measures include only approved indication in severe, uncontrolled asthma. Source: IQVIA, other market research.

1. Long-acting beta2 agonist/long-acting muscarinic antagonist.
2. Ryotanki: regulation in Japan that restricts prescriptions for medicines in their first year on the market to just two weeks.

Source: AstraZeneca proprietary market research.
Emerging markets
Broad performance from diverse portfolio of countries

Total EMs +24% - ex-China EMs +12% - China +35%
Diversified growth: AP\(^1\) +10% - MEA\(^2\) +8% - LA\(^3\) +16% - Russia +40%

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

- **New medicines +84%**
  23% of total sales; $0.9bn\(^4\) in incremental sales

- **Therapy areas**
  Oncology +52%: Tagrisso ($762m)
  New CVRM +41%: Forxiga (+48%); Brilinta (+49%)
  Respiratory +27%: Pulmicort (+24%, $1,190m); Symbicort (+17%, $547m)

- **2019 China NRDL additions**
  Tagrisso 2nd-line use added at the beginning of the year
  Kombiglyze added and Symbicort, Nexium restrictions lifted
  Lynparza, Forxiga and roxadustat added from January 2020

1. Asia Pacific  2. Middle East, Africa and other  3. Latin America.
Absolute values at actual exchange rates; changes at CER and for 2019, unless otherwise stated.

4. Absolute value at CER.
Emerging markets

Over the mid term, average sales growth in Emerging markets is anticipated to be as high as a low double-digit percentage per year.
Finance and IT achievements in 2019

Transformation programme
Daiichi Sankyo collaboration
Information technology
# Reported profit and loss

<table>
<thead>
<tr>
<th></th>
<th>2019 $m</th>
<th>change %</th>
<th>% total revenue</th>
<th>Q4 2019 $m</th>
<th>change %</th>
<th>% total revenue</th>
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<tbody>
<tr>
<td>Product sales</td>
<td>23,565</td>
<td>15</td>
<td>97</td>
<td>6,250</td>
<td>9</td>
<td>94</td>
</tr>
<tr>
<td>Collaboration revenue</td>
<td>819</td>
<td>(20)</td>
<td>3</td>
<td>414</td>
<td>(36)</td>
<td>6</td>
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<tr>
<td>Total revenue</td>
<td>24,384</td>
<td>13</td>
<td>100</td>
<td>6,664</td>
<td>5</td>
<td>100</td>
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<tr>
<td>Gross margin</td>
<td>79.1%</td>
<td>2.1 pp²</td>
<td></td>
<td>78.0%</td>
<td>5.1 pp</td>
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<td>Operating expenses¹</td>
<td>18,080</td>
<td>14</td>
<td>74</td>
<td>5,209</td>
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<td>- R&amp;D expenses</td>
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<td>2,091</td>
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<td>- SG&amp;A expenses</td>
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<td>3,026</td>
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<td>Other operating income</td>
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<td>(38)</td>
<td>6</td>
<td>500</td>
<td>(50)</td>
<td>8</td>
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<td>Operating profit</td>
<td>2,924</td>
<td>(16)</td>
<td>12</td>
<td>577</td>
<td>(56)</td>
<td>9</td>
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<td>Tax rate</td>
<td>21%</td>
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<td>EPS</td>
<td>$1.03</td>
<td>(44)</td>
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<td>$0.24</td>
<td>(78)</td>
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1. Includes distribution expenses  2. Percentage points.

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>
<thead>
<tr>
<th></th>
<th>2019 $m</th>
<th>change %</th>
<th>% total revenue</th>
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<td>(20)</td>
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<td>414</td>
<td>(36)</td>
<td>6</td>
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<tr>
<td>Total revenue</td>
<td>24,384</td>
<td>13</td>
<td>100</td>
<td>6,664</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Gross margin</td>
<td>79.8%</td>
<td>(0.2) pp</td>
<td></td>
<td>77.5%</td>
<td>(2.4) pp</td>
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<td>Operating expenses¹</td>
<td>14,748</td>
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<td>60</td>
<td>4,211</td>
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<td>63</td>
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<td>- R&amp;D expenses</td>
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<td>1,494</td>
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<td>- SG&amp;A expenses</td>
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<td>37</td>
<td>2,625</td>
<td>9</td>
<td>39</td>
</tr>
<tr>
<td>Other operating income</td>
<td>1,561</td>
<td>(26)</td>
<td>6</td>
<td>501</td>
<td>(50)</td>
<td>8</td>
</tr>
<tr>
<td>Operating profit</td>
<td>6,436</td>
<td>13</td>
<td>26</td>
<td>1,545</td>
<td>(33)</td>
<td>23</td>
</tr>
<tr>
<td>Tax rate</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

**EPS**

|         | $3.50 | -       | $0.89 | (46)   |

¹. 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.
Cash flow
13% improvement in operating cash flow

Net debt reduced to $11.9bn

Cash-flow headlines 2019 versus 2018

- **Net cash from operating activities**
  - $2,969m versus $2,618m
  - Improved ‘organic’ profit
  - Lower disposals
  - Improvements in working capital
  - Higher taxes paid

- **Cash before financing activities**
  - $2,312m versus $3,581m
  - Higher one-off payments for past business development agreements
  - Purchase of intangible assets, including *Enhertu*

Absolute values at actual exchange rates.
Finance priorities
FY results supportive

Deleveraging / dividend growth
- As cash flow improves, deleveraging and progressive dividend policy

Cash-flow growth
- 2019: slight improvement in cash flow from operating activities
- 2020: anticipate further improvement in cash flow from operating activities

Revenue growth
+13% growth in total revenue in 2019

Operating leverage
- 60% ratio of core operating expenses to total revenue (from 64% in 2018)
- 13% growth in core operating profit, after ~2%-point Epanova impact
- 26% core operating profit margin despite large reduction in collaboration revenue and other operating income

Changes at CER.
2020 guidance confirms strong operating leverage

Total revenue
Increase by a high single-digit to a low double-digit percentage\(^1\)

Core EPS
Increase by a mid- to high-teens percentage\(^1\)

All guidance assumes an unfavourable impact from China lasting up to a few months as a result of the recent novel coronavirus (Covid-19) outbreak. The Company will monitor closely the development of the epidemic and anticipates providing an update at the time of the Q1 2020 results. Guidance at CER.
2019: another year of very significant news flow

Positive pipeline progression supports sustainable growth

<table>
<thead>
<tr>
<th>Approvals of new medicines or life-cycle management indications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Forxiga</strong> T1D(^1) approval (EU)</td>
</tr>
<tr>
<td><strong>Breztri</strong> COPD approval (JP)</td>
</tr>
<tr>
<td><strong>roxadustat</strong> anaemia CKD approval (CN)</td>
</tr>
<tr>
<td><strong>Calquence</strong> CLL relapsed/refractory approval (US)</td>
</tr>
<tr>
<td><strong>Lynparza</strong> panc. cancer 1L approval (US)</td>
</tr>
<tr>
<td><strong>Lynparza</strong> pancreatic cancer Phase III pos.</td>
</tr>
<tr>
<td><strong>Imfinzi</strong> SCLC Phase III pos.</td>
</tr>
<tr>
<td><strong>Lynparza</strong> OC 1L (PAOLA-1) Phase III pos.</td>
</tr>
<tr>
<td>**Imfinzi +/- treme NSCLC 1L (POSEIDON) (IFS) Phase III pos.</td>
</tr>
<tr>
<td><strong>Farxiga</strong> T1D CRL(^6) (US)</td>
</tr>
</tbody>
</table>

1. Type-1 diabetes  
2. Lower respiratory tract infection caused by cytomegalovirus  
3. Hypereosinophilic syndrome  
4. Eosinophilic oesophagitis  
5. Idiopathic pulmonary fibrosis  

Indications used above are not complete indications as per medicine label. Analysis based on stock-exchange announcements published on astrazeneca.com.
Regulatory and other milestones

- **Imfinzi**
  Unresectable, Stage III NSCLC: regulatory approval (CN)
  SCLC (ED): regulatory submission (JP), acceptance (EU), Priority Review (US)
  NSCLC (1L) (POSEIDON) (+/- treme): met Phase III primary endpoint (PFS)

- **Imfinzi, tremelimumab**
  HCC: Orphan Drug Designation (US)

- **Lynparza**
  Ovarian cancer (1L, BRCam)(SOLO-1): reg.appr.(CN)
  Pancreatic cancer (1L, BRCam): reg. appr. (US)
  OC (1L) (PAOLA-1): regulatory submission (JP), acceptance (EU), Priority Review (US)
  Prostate cancer (2L): regulatory submission acceptance (EU), Priority Review (US)

- **selumetinib** - NF1: regulatory submission acceptance, Priority Review (US)

---

**Calquence**

Broad CLL approval (US); regulatory submission (JP), acceptance (EU)

1. **Efficacy and consistent safety in mono and combo therapy**

<table>
<thead>
<tr>
<th>Trial/milestone</th>
<th>Phase</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE-CL-309 ASCEND in relapsed/refractory CLL</td>
<td>III</td>
<td>Approved (US)</td>
</tr>
<tr>
<td>ACE-CL-007 ELEVATE TN in previously untreated CLL</td>
<td>III</td>
<td>Approved (US)</td>
</tr>
<tr>
<td>Calquence regulatory submission in CLL (EU, JP)</td>
<td>-</td>
<td>Achieved</td>
</tr>
<tr>
<td>Calquence regulatory decision in CLL (EU, JP)</td>
<td>-</td>
<td>H2 2020/2021</td>
</tr>
<tr>
<td>ACE-CL-006 ELEVATE RR in relapsed/refractory high-risk CLL</td>
<td>III</td>
<td>Data 2021+</td>
</tr>
<tr>
<td>ACE CL-311 in previously untreated CLL w/venetoclax</td>
<td>III</td>
<td>Data 2021+</td>
</tr>
</tbody>
</table>

**Hazard ratios (95% CI)**

- **Calquence + obinutuzumab vs chlorambucil + obinutuzumab**
  0.10 (0.06, 0.17) p=0.0001

- **Calquence vs chlorambucil + obinutuzumab**
  0.20 (0.13, 0.30) p=0.0001

---

1. Confidence interval.

Source: AstraZeneca data on file.
Breast cancer: *Enhertu* approved and available to patients

Impressive efficacy in later lines of HER2+ metastatic breast cancer

**US approval four months early**

Approved based on tumour response

*Best % change from baseline in the sum of diameters of measurable tumours*

Overall safety profile consistent with previously-reported data from the Phase I trial; ILD management and monitoring programme in place

**Confirmed ORR** 60.9% (95% CI, 53.4%–68.0%)

11 complete responses

**Unprecedented efficacy in heavily-pretreated women**

**Median DoR**: 14.8 months

(95% CI, 13.8-16.9)

**Median PFS**: 16.4 months

(95% CI, 12.7-NE)

**Median OS**: not reached

**Gastric cancer and upcoming news flow**

- **Gastric cancer (3L, HER2+)**
  - Met Phase II primary and key secondary (OS) endpoint; regulatory submissions in H1 2020

- **Breast cancer**
  - **H1 2020**: regulatory decision (JP)
  - **H2 2020**: regulatory submission (EU)
  - **2021 data readouts**
    - DESTINY-Breast02 (3L, HER2+) (Ph III)
    - DESTINY-Breast03 (2L, HER2+)
    - DESTINY-Breast04 (HER2 low)

**New trials to start throughout 2020**

1. Four months earlier than the designated Prescription Drug User Fee Act date.
2. Interstitial lung disease.
3. Objective response rate.
4. Duration of response.

Source: San Antonio Breast Cancer Symposia 2019, abstract # GS1-03.
### ‘What’s next’ in Oncology

**Good progress across Phase I/II**

<table>
<thead>
<tr>
<th><strong>Oncology</strong></th>
<th><strong>Phase III</strong></th>
<th><strong>Phase II</strong></th>
<th><strong>Phase I</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>capivasertib (AKT(^1) inhibitor)</td>
<td>breast, prostate cancers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adavosertib (WEE1(^2) inhibitor)</td>
<td>solid tumours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ceralasertib (ATR(^3) inhibitor)</td>
<td>solid tumours / blood cancers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZD9833 (SERD(^4), oral)</td>
<td>breast cancer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZD5991 (MCL1(^5) inhibitor)</td>
<td>blood cancers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZD2811 (Aurora B inhibitor)</td>
<td>solid tumours / blood cancers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>monalizumab (NKG2a(^6) mAb(^7))</td>
<td>head &amp; neck, colorectal cancers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>oleclumab (CD73(^8) mAb)</td>
<td>lung, pancreatic cancers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZD4635 (AZAR(^9) inhibitor)</td>
<td>solid tumours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>danvatirsen (STAT3(^10) inhibitor)</td>
<td>bladder, head &amp; neck, lung cancer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEDI5752 (PD(^1)-(^11)/CTLA-4(^12))</td>
<td>solid tumours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AZD0466 (Bcl-2(^13)/xL)</td>
<td>blood cancers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New CVRM: portfolio of opportunities
Exploring new treatment options across diseases

New CVRM portfolio

- NASH
cotadutide

- Diabetes
onglyza
Roxadustat
Roxadustat

- CV diseases
farxiga®
(dapagliflozin)

- HF

- CKD
Roxadustat
Roxadustat

Illustrative.
BioPharmaceuticals: New CVRM

Progress across portfolio; roxadustat met Phase III pooled safety objective

### Regulatory and other milestones

- **Farxiga**
  HF CVOT: regulatory submission (JP, CN), acceptance (EU), Priority Review (US)
  T2D (Qtrilmet combo): reg. approval (EU)

- **Brilinta**
  CAD/T2D CVOT: reg. submission (JP, CN)
  Stroke: met Phase III primary endpoint

- **Epanova**
  Mixed dyslipidaemia: Phase III terminated; unlikely to meet primary endpoint

- **Lokelma**
  Hyperkalaemia: regulatory approval (CN)

- **Roxadustat**
  Anaemia from CKD: reg. subm. acceptance (US) (by FibroGen); met Phase III pooled safety objectives

- **Cotadutide** - NASH: Fast Track designation (US)

---

**Roxadustat**

CKD estimated to effect ~200m adults worldwide

### Source:

*late-breaking session #FR-OR131, American Society of Nephrology, 2019.*

**ITT analysis = intent-to-treat analysis evaluation period to include on-treatment and off-treatment long-term follow-up, until end of trial. MACE = major adverse cardiovascular events (all-cause mortality, myocardial infarction and stroke). MACE+ = all above plus unstable angina requiring hospitalisation and congestive heart failure requiring hospitalisation.*
BioPharmaceuticals: Respiratory (and immunology)
Progress with inhaled medicines; anifrolumab success at ACR

Regulatory and other milestones

- **Symbicort**
  Mild asthma: regulatory submission (CN)

- **Breztri**
  COPD: regulatory approval (CN)

- **brazikumab** (MEDI2070, IL23 mAb)
  IBD¹: global rights recovered²

---

**Trial/milestone** | **Phase** | **Status**
--- | --- | ---
Subcutaneous-use trial | II | Detailed results presented at ACR 2019³
Regulatory submissions in moderate-to-severe SLE⁵ | - | Anticipated H2 2020
TULIP LTE⁶ | III | Data anticipated 2021+
TULIP-LN’1 | II | Data anticipated 2021

**Early and sustained BICLA³ response seen in Phase III TULIP 2 trial**

**anifrolumab**

**Good efficacy with steroid sparing**

- **Source:** Morand E et al., abstract L17, American College of Rheumatology (ACR) 2019.
- **Illustration of Breztri device as available in Japan; approved in 2019.**

---

1. Inflammatory bowel disease
2. Subject to regulatory approvals associated with AbbVie’s proposed acquisition of Allergan.
4. Bruce I et al., abstract 2563, ACR 2019
5. Systemic lupus erythematosus
6. Long-term extension
7. Lupus nephritis.
### ‘What’s next’ in BioPharmaceuticals

**Early to mid-stage pipeline progressing well**

#### New CVRM

<table>
<thead>
<tr>
<th>New CVRM</th>
<th>Phase</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>cotadutide (GLP-1/glucagon agonist) - NASH²</td>
<td>Phase II</td>
<td>Phase II started; Fast Track (US)</td>
</tr>
<tr>
<td>AZD5718 (FLAP³ inhibitor) coronary artery disease</td>
<td>Phase II</td>
<td></td>
</tr>
<tr>
<td>AZD4831 (MPO⁴ inhibitor) HF (HFpEF)</td>
<td>Phase II</td>
<td></td>
</tr>
<tr>
<td>AZD8601 (VEGF-A mRNA⁵) HF</td>
<td>Phase II</td>
<td></td>
</tr>
<tr>
<td>MEDI7219 (GLP-1, oral) T2D</td>
<td>Phase I</td>
<td></td>
</tr>
<tr>
<td>AZD2693 (PNPLA3⁶ inhibitor) NASH</td>
<td>Phase I</td>
<td></td>
</tr>
</tbody>
</table>

#### Respiratory

<table>
<thead>
<tr>
<th>Respiratory</th>
<th>Phase</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT027 (SABA/ICS⁷) asthma</td>
<td>Phase III</td>
<td></td>
</tr>
<tr>
<td>AZD7594 (inhaled/nebulised SGRM⁸) - asthma, COPD</td>
<td>Phase II</td>
<td></td>
</tr>
<tr>
<td>MEDI3506 (IL33⁹ mAb) multiple indications</td>
<td>Phase I/II</td>
<td></td>
</tr>
<tr>
<td>AZD1402 (IL4R¹⁰ antagonist) asthma</td>
<td>Phase II</td>
<td>Phase II started H2 2020</td>
</tr>
<tr>
<td>AZD0449 (inhaled JAK¹¹ inhibitor) asthma</td>
<td>Phase I</td>
<td></td>
</tr>
<tr>
<td>AZD8154 (inhaled PI3Kδ¹² inhibitor) - asthma</td>
<td>Phase I</td>
<td></td>
</tr>
</tbody>
</table>

---

1. Glucagon-like peptide
2. Non-alcoholic steatohepatitis
3. Lipoxigenase-activating protein
4. Myeloperoxidase
5. Vascular endothelial growth factor A modified messenger RNA
6. Patatin-like phospholipase domain-containing protein
7. Short-acting β-agonist/inhaled corticosteroid
8. Selective glucocorticoid receptor modulator
9. Interleukin-33
10. Interleukin-4 receptor
11. Janus kinase
12. Phosphoinositide 3-kinase gamma/delta.
Late-stage pipeline events in the 2020-2021 timeframe

Busy news flow continues; underpinning consistent sales growth

### H1 2020

- **Imfinzi** - SCLC (ED) (US)
- **Lynparza**
  - OC (1L) (PAOLA-1) (US)
  - breast cancer (BRCAm) (CN)
  - prostate cancer (2L) (US)
- **Enhertu** - breast cancer (3L, HER2+) (JP)
  - selumetinib - NF1 (US)
- **Forxiga**/**Farxiga**
  - TZD CVOT (CN)
  - HF CVOT (US)
- **Lokelma** - hyperkalaemia (JP)
- **Bevespi** - COPD (CN)

### H2 2020

- **Imfinzi** - SCLC (ED) (EU, JP)
- **Lynparza**
  - OC (1L) (PAOLA-1) (EU)
  - pancreatic cancer (1L, BRCAm) (EU)
  - prostate cancer (2L) (EU)
- **Calquence** - CLL (EU)
- **Forxiga** - HF CVOT (EU, JP, CN)
- **Brilinta/Ibrilique** - CAD/T2D CVOT (US, EU)
  - roxadustat - anaemia from CKD (US)
- **Symbicort** - mild asthma (CN)
- **PT010** - COPD (US, EU)

### 2021

- **Calquence** - CLL (JP)

### Regulatory decision

**Imfinzi**
- tremor - bladder cancer (1L) (DANUBE)
- head & neck cancer (1L)
- selumetinib - NF1 (EU)

**Lynparza**
- OC (3L, BRCAm) (US)

**Enhertu**
- breast cancer (3L, HER2+) (EU)

**anifrolumab** - lupus (SLE)

### Regulatory submission and/or acceptance

- **Imfinzi**
  - LA (US, JP)
  - neo-adjuvant NSCLC; unresectable, Stage III NSCLC (PACIFIC-2)
  - HCC (JP)
  - NSCLC (1L) (POSEIDON)

- **Lynparza**
  - adjuvant breast cancer; prostate cancer (1L, castration-resistant)

- **Lynparza**
  - cediranib - OC (2L)

- **Enhertu**
  - breast cancer (3L, HER2+) (Phase III)

### Key Phase III data readouts

- **Imfinzi**
  - tremor - bladder cancer (1L) (DANUBE)
  - head & neck cancer (1L)
  - selumetinib - NF1 (EU)

- **Lynparza**
  - cediranib - OC (2L)

- **Fasenra** - nasal polyposis

- **Tezepelumab** - severe asthama

1. Limited disease stage.
   
   Status as of 14 February 2020.
Updated epidemiology data

First update since 2017 and takes account of many new indications

Contains current, best AstraZeneca estimates of patient numbers in key indications and countries relevant for approved and potential new medicines

Spreadsheet available at astrazeneca.com/investors/results-and-presentations

Epidemiology data based on external market research. The top-eight countries listed in the spreadsheet comprise China, France, Germany, Italy, Japan, Spain, the UK and the US, 2020.
Increasingly balanced and diversified company

Nearly half of sales now in specialty care

More than one third of sales generated in Emerging markets

Nine blockbusters: reduced reliance on single medicines

Specialty care  Primary care
Specialty-care medicines comprise Oncology, Brilinta, Lokelma and Fasenra. Per cent of sales at actual exchange rates.

Emerging markets  Established markets
Per cent of sales at actual exchange rates.

Blockbuster medicines are medicines with sales at $1bn or above.
AstraZeneca

Global presence
Balanced specialty and primary care franchises
Leading Emerging markets presence with R&D base

Strong pipeline
17 Phase III medicines and significant lifecycle projects
Advancing early and mid-stage pipeline

Improving financials
Nine blockbuster medicines
Returned to sustainable revenue and earnings growth
Focus on operating leverage and cash flow

Innovative medicines in Oncology - CVRM - Respiratory Experience and proven team

1. In 2019, speciality-care medicines contributed 47% of total sales.
2. Cardiovascular, Renal and Metabolism.
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