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.
On the podium

Pascal Soriot  
Executive Director and  
Chief Executive Officer

Dave Fredrickson  
Executive Vice President,  
Oncology

Ruud Dobber  
Executive Vice President,  
BioPharmaceuticals

Marc Dunoyer  
Executive Director and  
Chief Financial Officer

José Baselga  
Executive Vice President,  
R&D Oncology (Q&A)

Mene Pangalos  
Executive Vice President,  
R&D BioPharmaceuticals
Agenda

Overview

Oncology

New CVRM, Respiratory, Emerging markets

Financials

Pipeline update and news flow

Closing and Q&A
Strategic priorities from 2013

1. Achieve scientific leadership
2. Return to growth
3. Be a great place to work
AstraZeneca returned to sustainable growth in sales
Pipeline-driven transformation has delivered on the promises

**Business and financials**

**Product sales** increased by 8% in Q4 and by 4% in the year
- Strong performance of new medicines\(^1\) (+81%) and $2.8bn incremental sales vs. 2017
- Oncology (+49%), New CVRM\(^2\) (+12%) and Respiratory (+3%)
- Emerging markets (+13%) and China (+25%)

**Total revenue** declined by 2% and **core operating costs** increased by 4%, in line with sales. **Core EPS** $3.46, in line with guidance

**2019 operating leverage** and mid-teens percentage increase in core operating profit

**Guidance** of high single-digit percentage sales increase and core EPS of $3.50-3.70

**Pipeline** continues to progress well; recent **organisational refinements** will improve speed and efficiency; the business **sustainability** agenda progressed further; majority of **employee engagement** scores ahead of Pharma peers

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1. Tagrisso, Imfinzi, Lynparza, Calquence, Lumoxiti, Farxiga, Brilinta, Lokelma, Fasenra and Bevespi. Absolute growth at constant exchange rates (CER) and compared to FY 2017.
2. New Cardiovascular, Renal and Metabolism incorporating Diabetes, Brilinta and Lokelma.

Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated. Guidance at CER.
### Q4 2018 late-stage pipeline news

**Continued progress across medicines**

<table>
<thead>
<tr>
<th>Pipeline news</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oncology</strong></td>
<td></td>
</tr>
<tr>
<td>• Tagrisso</td>
<td>EGFRm(^1) NSCLC(^2) 1L Priority review (CN)</td>
</tr>
<tr>
<td>• Imfinzi</td>
<td>unrectable, Stage III NSCLC Regulatory submission (CN)</td>
</tr>
<tr>
<td>• Imfinzi +/- treme</td>
<td>NSCLC 1L (MYSTIC) Regulatory submission acceptance (OS(^3) data) (US) Did not meet OS primary endpoints</td>
</tr>
<tr>
<td>• Lynparza</td>
<td>HNSCC(^4) 2L Did not meet OS primary endpoints</td>
</tr>
<tr>
<td></td>
<td>ovarian cancer 1L maintenance (SOLO-1) Approval (US)</td>
</tr>
<tr>
<td></td>
<td>ovarian cancer 3L Priority review (CN) Met response rate primary endpoint</td>
</tr>
<tr>
<td><strong>New CVRM, Respiratory, Other</strong></td>
<td></td>
</tr>
<tr>
<td>• Forxiga</td>
<td>type-1 diabetes CHMP(^5) positive opinion (EU)</td>
</tr>
<tr>
<td>• roxadustat</td>
<td>anaemia in dialysis patients Regulatory submission acceptance (US)</td>
</tr>
<tr>
<td>• Bevespi</td>
<td>anaemia of CKD(^6) Approval (CN) Met primary efficacy endpoints</td>
</tr>
<tr>
<td>• Fasenra</td>
<td>severe eosinophilic asthma; self administration Approval (EU)</td>
</tr>
<tr>
<td></td>
<td>self administration Regulatory submission acceptance (US, EU)</td>
</tr>
<tr>
<td></td>
<td>eosinophilic granulomatosis with polyangiitis Orphan Drug Designation (US)</td>
</tr>
<tr>
<td></td>
<td>hypereosinophilic syndrome Orphan Drug Designation (US)</td>
</tr>
<tr>
<td></td>
<td>COPD Priority review (CN)</td>
</tr>
<tr>
<td>• PT010</td>
<td>lower respiratory tract infection Breakthrough Therapy Designation (US)</td>
</tr>
<tr>
<td>• MEDI8897</td>
<td>inflammatory bowel syndrome PRIME designation (EU)</td>
</tr>
<tr>
<td>• Linzess</td>
<td>Approval (CN)</td>
</tr>
</tbody>
</table>

Sales: inflection point reached
Strong sales growth set to continue

**Encouraging return to growth**

**Key medicines driving growth in 2019**

- **Tagrisso**
  - ongoing launches in EGFRm NSCLC 1L

- **Lynparza**
  - ongoing launches of tablet in ovarian, breast cancer

- **Farxiga**
  - continued global growth and the DECLARE trial

- **Imfinzi**
  - ongoing launches in unresect., Stagell NSCLC

- **Brilinta**
  - continued strong global growth

- **Fasenra**
  - ongoing launches in severe, eosinophilic asthma

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Changes (product sales growth) at CER.

Guidance at CER.
Sales: new medicines drove return to growth
FY 2018: $2.8bn in incremental sales; growth of 81%

Q4 2018: +$1.0bn
incremental sales of new medicines compared to Q4 2017

FY 2018: +$2.8bn
incremental sales of new medicines compared to FY 2017

Oncology  New CVRM  Respiratory
Absolute values at CER.
Sales: growth across all main therapy areas
Oncology, New CVRM, China all performed strongly

<table>
<thead>
<tr>
<th>Product sales</th>
<th>Q4 2018 $m</th>
<th>% change</th>
<th>% product sales</th>
<th>FY 2018 $m</th>
<th>% change</th>
<th>% product sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oncology</td>
<td>1,767</td>
<td>61</td>
<td>31</td>
<td>6,028</td>
<td>49</td>
<td>29</td>
</tr>
<tr>
<td>New CVRM</td>
<td>1,103</td>
<td>11</td>
<td>19</td>
<td>4,004</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>Respiratory</td>
<td>1,362</td>
<td>5</td>
<td>24</td>
<td>4,911</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td>1,536</td>
<td>(21)</td>
<td>27</td>
<td>6,106</td>
<td>(23)</td>
<td>29</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>1,766</td>
<td>16</td>
<td>31</td>
<td>6,891</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>- China</td>
<td>948</td>
<td>22</td>
<td>16</td>
<td>3,795</td>
<td>25</td>
<td>18</td>
</tr>
</tbody>
</table>

Product sales values at actual exchange rates; changes at CER.
2019: strong growth in underlying business

• Top-line growth driven by new medicines

• Productivity programmes support cost management

• Core operating profit to increase by a mid-teens percentage

Indications at CER; this slide does not constitute formal guidance.
New, simplified organisation

Increase focus on main therapy areas

Agile decision-making and resource allocation

Collaboration between R&D and business
Agenda

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Closing and Q&A
Oncology
Establishing new standards of care

New medicines *Lynparza*, *Tagrisso*, *Imfinzi* and *Calquence* added $1.9bn

- **Tagrisso** quickly moving ahead to become the no. 1 AstraZeneca medicine in 2019
- **Imfinzi** strong US uptake; ex-US opportunity underway
- **Lynparza**, the leading PARP inhibitor in ovarian and breast cancers; ovarian 1st line combo, pancreatic and prostate data in 2019
- **Calquence** first ex-US approvals in MCL\(^1\); CLL\(^2\) Phase III data in H2 2019. *Faslodex* became $1bn blockbuster

Absolute values and changes at CER and for FY 2018, unless otherwise stated.

1. Mantle cell lymphoma.
2. Chronic lymphocytic leukaemia.
Lung cancer: Tagrisso
1st-line standard of care in US, JP; EU + RoW launches underway

Strong performance in all markets: +98% in Q4

Worldwide approvals: >80 countries (2nd-line use) and ~60 countries (1st-line use)

- **US** +115%
  Most-prescribed medicine in 1st-line setting; new standard of care
  Encouraging 60%+ of new-patient starts

- **Europe** +61%
  Majority of sales in 2nd line
  1st-line launches in several countries; more to come in 2019, 2020

- **Established RoW** +43%
  Japan (+43%); strong 1st-line uptake and already standard of care with 50%+ of new patients

- **Emerging markets** $347m
  Strong 2nd-line momentum offset by inventory-price adjustment before China NRDL\(^1\) listing
  China 1st-line regulatory decision now expected in H1 2019

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US  Europe  Established RoW  Emerging markets

Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated.

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

Strong uptake; US peak sales now expected to be >$1bn

- **US peak sales now expected at >$1bn**

  - ~40 global approvals obtained
  - Sales $633m; $262m in Q4
  - Lung cancer >95% of sales
  - US $564m; $216m in Q4
  - More patients being treated post CRT\(^2\), and increasingly with IO
  - Non-US $69m; $46m in Q4

  Europe launch in Germany, France, UK (private)

  Rapid uptake in Japan ($35m; $26m in Q4)

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1. **Standard of care.**
2. **Chemoradiotherapy:** a combination of chemotherapy and radiotherapy.

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Source: proprietary market research.
Leading PARP inhibitor treating more patients

Six quarters of strong growth: +113% in Q4

Leading PARP inhibitor approved in >60 countries across indications in ovarian and breast cancer

- **US +145%**
  Broad label in 2nd-line ovarian cancer maintenance, launch in breast and approval in 1st-line \( BRC\)Am\(^1 \) ovarian cancer maintenance

- **Europe +41%**
  Broad label in 2nd-line ovarian cancer maintenance, where reimbursed; high testing rates and \( BRC\)Am label adoption elsewhere

Breast cancer regulatory decision H1 2019

- **Established RoW $61m**
  Successful ovarian and breast cancer launches in Japan ($48m; $23m in Q4)

- **Emerging markets $51m**
  Early, encouraging ovarian cancer launch in China

---

1. Breast cancer susceptibility genes 1/2 mutation.

Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated.
Haematology: *Calquence* and *Lumoxiti*

Building momentum in US; global MCL expansion underway

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**Calquence highlights**

- **Sales** $62m, US only

- **Continued good uptake**
  ~40% BTK\(^1\) inhibitor new-patient share in approved indication
  ~3/4 of use in BTK-naïve patients

- **Expanding patient benefit**
  First ex-US approvals: UAE\(^2\), Brazil

- **Lifecycle plans underway in larger indications**
  CLL Phase III data in H2 2019;
  new venetoclax combo Phase III

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**Lumoxiti**

- First sales recorded in Q4 2018

- 3rd-line hairy cell leukaemia (HCL); small indication with
  ~1,000 new US patients per year and ~500 patients in labelled indication

- Collaboration and out-licensing to Innate Pharma

---

Absolute values at actual exchange rates.

1. Bruton’s tyrosine kinase.
2. United Arab Emirates.
New CVRM and Respiratory
Strong businesses with several blockbusters, now and in the future

Combined sales:
+7% FY, +8% Q4

Strong franchises and encouraging launches

- **Farxiga**: leading SGLT2 inhibitor with differentiated CV\(^1\) outcomes data, global growth and more data next year
- **Brilinta**: strong clinical benefit across CV disease, with more data in 2019 and 2020
- **Fasenra**: strong launch in US, Japan and Germany; global roll-out underway
- **Symbicort/Pulmicort**: combined a robust, global inhaled respiratory business
- **Lokelma**: launches now underway in Europe; US to follow mid-2019

Absolute values and changes at CER and for FY 2018, unless otherwise stated.

1. Cardiovascular.
Blockbusters *Farxiga* and *Brilinta* sustained strong performances.

**Farxiga** +30%
- US (+21%): market and SGLT2 class growth compounded by some market share gain
- Ex-US (58% of total)
  - SGLT2 class and overall volume growth continued, e.g. Europe (+24%), Emerging markets (+52%)

**Bydureon** +1%, but -5% in Q4
- Year-end production constraints of new BCise device

**Brilinta** +21%: growth across all major regions; Q4 benefit of Chinese NRDL inclusion in 2017

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Good Diabetes growth, with Q4 reduced by US gross-to-net adjustments in 2017

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Farxiga</em></td>
<td>+4%</td>
<td>+8%</td>
</tr>
<tr>
<td><em>Onglyza</em></td>
<td>-5%</td>
<td>-11%</td>
</tr>
<tr>
<td><em>Bydureon</em></td>
<td>-15%</td>
<td>+30%</td>
</tr>
<tr>
<td><em>Byetta</em></td>
<td>+24%</td>
<td></td>
</tr>
<tr>
<td><em>Other</em></td>
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</tr>
</tbody>
</table>

Continued growth in *Brilinta* sales

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Brilinta</em></td>
<td>+29%</td>
<td>+21%</td>
</tr>
<tr>
<td><em>US</em></td>
<td>+16%</td>
<td>+13%</td>
</tr>
<tr>
<td><em>Europe</em></td>
<td>+48%</td>
<td>+13%</td>
</tr>
<tr>
<td><em>Established RoW</em></td>
<td>+108%</td>
<td>+15%</td>
</tr>
<tr>
<td><em>Emerging markets</em></td>
<td>+13%</td>
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</tr>
</tbody>
</table>

Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated.
Respiratory

**Fasenra and Pulmicort sales offsetting the Symbicort performance**

**Respiratory delivered improved performance**

**Symbicort**, leading ICS+LABA medicine globally by volume

**US -6%**
- **Symbicort (-22%)**: volume, market-share gain offset by price; now the leading ICS/LABA\(^2\) in the US

**Europe -4%**
- Competitive **Symbicort** market

**Established RoW +4%**
- Japan (+17%) from **Fasenra**

**Emerging markets +18%**
- China (+24%); 2nd-largest national respiratory market

**Fasenra sales now annualising at $0.5bn**

**US $218m, with $89m in Q4**
- Leading novel biologic medicine in new prescriptions\(^2\)

**Europe $32m, with $15m in Q4**
- Germany majority of sales
- Early launch in rest of Europe

**Japan $45m, with $19m in Q4**
- Market leadership by value

---

1. Inhaled corticosteroid/long-acting \(\beta\) adrenoceptor agonists.
2. IQVIA.

---

**Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated.**
**Fasenra: strong launch success on all metrics**

Focus on expanding benefit in a large, growing market

**US**

**New-patients market share**

<table>
<thead>
<tr>
<th>Month</th>
<th>US, market share, new-to-brand Rx</th>
<th>Germany, dynamic market share</th>
<th>Japan, dynamic market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-17</td>
<td>21%</td>
<td>28%</td>
<td>60%</td>
</tr>
<tr>
<td>Dec-17</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Jan-18</td>
<td>28%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>Feb-18</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Mar-18</td>
<td>28%</td>
<td>34%</td>
<td>60%</td>
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<tr>
<td>Apr-18</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>May-18</td>
<td>28%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>Jun-18</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
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<tr>
<td>Jul-18</td>
<td>28%</td>
<td>34%</td>
<td>60%</td>
</tr>
<tr>
<td>Aug-18</td>
<td>28%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>28%</td>
<td>34%</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Total market share**

<table>
<thead>
<tr>
<th>Month</th>
<th>US, market share</th>
<th>Germany, market share</th>
<th>Japan, market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-17</td>
<td>12%</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Dec-17</td>
<td>20%</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Jan-18</td>
<td>20%</td>
<td>20%</td>
<td>35%</td>
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<tr>
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<td>20%</td>
<td>20%</td>
<td>35%</td>
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<td>20%</td>
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<td>35%</td>
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<tr>
<td>May-18</td>
<td>20%</td>
<td>20%</td>
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<tr>
<td>Jun-18</td>
<td>20%</td>
<td>20%</td>
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<tr>
<td>Jul-18</td>
<td>20%</td>
<td>20%</td>
<td>35%</td>
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<tr>
<td>Aug-18</td>
<td>20%</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>20%</td>
<td>20%</td>
<td>35%</td>
</tr>
</tbody>
</table>

**Notes**

- **Fasenra** Main IL-5 mAb competitor
- Source: IQVIA. Dynamic market share defined as new patients and patients switching medicine.
Emerging markets
China consistently outperforming

China continued very strongly (+25%)
Ex-China growth (+1%) impacted by divestments

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

- **Ex-China growth +1%**
  Growth ex-China improved significantly in Q4 (+10%), but still reduced by a low single-digit percentage by divestments

  - **Focus on main therapy areas paying off**
    - **Oncology +37%**: *Tagrisso* ($347m) now second-biggest Oncology medicine. *Zoladex*, *Faslodex*, *Lynparza* and *Iressa* providing most incremental sales
    - **New CVRM +44%**: *Brilinta* (+48%); *Forxiga* (+52%)
    - **Respiratory +18%**: *Pulmicort* (+17%, $995m); *Symbicort* (+14%, $495m)

Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated.
Agenda

Overview

Oncology

New CVRM, Respiratory, Emerging markets

Financials

Pipeline update and news flow

Closing and Q&A
# Reported profit and loss

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 $m</th>
<th>% change</th>
<th>% total revenue</th>
<th>Q4 2018 $m</th>
<th>% change</th>
<th>% total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product sales</strong></td>
<td>21,049</td>
<td>4</td>
<td>95</td>
<td>5,768</td>
<td>8</td>
<td>90</td>
</tr>
<tr>
<td>Externalisation revenue</td>
<td>1,041</td>
<td>(55)</td>
<td>5</td>
<td>649</td>
<td>126</td>
<td>10</td>
</tr>
<tr>
<td>Total revenue</td>
<td>22,090</td>
<td>(2)</td>
<td>100</td>
<td>6,417</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>76.6%</td>
<td>(3) pp¹</td>
<td>-</td>
<td>71.6%</td>
<td>(6) pp</td>
<td>-</td>
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<tr>
<td><strong>Operating expenses</strong></td>
<td>16,294</td>
<td>(1)</td>
<td>74</td>
<td>4,705</td>
<td>3</td>
<td>73</td>
</tr>
<tr>
<td>- R&amp;D expenses</td>
<td>5,932</td>
<td>3</td>
<td>27</td>
<td>2,012</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>- SG&amp;A expenses</td>
<td>10,031</td>
<td>(3)</td>
<td>45</td>
<td>2,600</td>
<td>(12)</td>
<td>41</td>
</tr>
<tr>
<td>Other operating inc. &amp; exp.</td>
<td>2,527</td>
<td>38</td>
<td>11</td>
<td>1,002</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>3,387</td>
<td>(7)</td>
<td>15</td>
<td>1,077</td>
<td>54</td>
<td>17</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>(3)%</td>
<td>-</td>
<td>-</td>
<td>(38)%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$1.70</td>
<td>(29)</td>
<td>$0.82</td>
<td>(22)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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>
<thead>
<tr>
<th></th>
<th>FY 2018 $m</th>
<th>% change</th>
<th>% total revenue</th>
<th></th>
<th>Q4 2018 $m</th>
<th>% change</th>
<th>% total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,049</td>
<td>4</td>
<td>95</td>
<td>5,768</td>
<td>8</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>Externalisation revenue</td>
<td>1,041</td>
<td>(55)</td>
<td>5</td>
<td>649</td>
<td>126</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>22,090</td>
<td>(2)</td>
<td>100</td>
<td>6,417</td>
<td>14</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td></td>
<td>(2) pp</td>
<td>-</td>
<td>78.6%</td>
<td>(1) pp</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Operating expenses¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- R&amp;D expenses</td>
<td>14,248</td>
<td>4</td>
<td>64</td>
<td>3,995</td>
<td>11</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>- SG&amp;A expenses</td>
<td>5,266</td>
<td>(3)</td>
<td>24</td>
<td>1,466</td>
<td>3</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Other operating inc. &amp; exp.</td>
<td>8,651</td>
<td>9</td>
<td>39</td>
<td>2,436</td>
<td>15</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Total operating costs</td>
<td>3,247</td>
<td>(17)</td>
<td>26</td>
<td>2,192</td>
<td>23</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>5,672</td>
<td>(17)</td>
<td>26</td>
<td></td>
<td>2,192</td>
<td>23</td>
<td>34</td>
</tr>
<tr>
<td>Tax rate</td>
<td>11%</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>$3.46</td>
<td>(19)</td>
<td></td>
<td>$1.58</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</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.
Externalisation revenue
Q4 underpinned by Merck collaboration

**Significant Q4 revenue highlights the importance and ongoing nature of the Merck collaboration**

- Significant Q4 externalisation revenue from Merck collaboration
  - $400m option payment
  - $150m sales milestone
  - $70m approval milestone; received earlier than anticipated (Q4 2018 vs. H1 2019)
- Merck collaboration a steady, ongoing revenue source:
  - Regular milestones; approval (~1/3) and sales-related (~2/3); mono and combo therapy
  - Remaining $100m option payment possible in 2019

Absolute values at actual exchange rates.
Total core operating expenses increased by 4%
Growth in line with sales; operating leverage from 2019

Core R&D: benefitting from productivity initiatives

Core SG&A: investing for growth

Operating expenses remain in focus, with leverage from 2019

- Core R&D expenses
  - FY 2018: declined by 3%. Continued high activity level and new trials offset by productivity improvements, improved resource utilisation and simplification

- Core SG&A expenses
  - FY 2018: increased by 9%. Investment in launches and growth, including in China and Emerging markets

2019 indication: core operating expenses expected to increase by a low single-digit percentage

Absolute values and changes at CER.
Cash flow
Net debt stable in the year

Development in net debt position

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>EBITDA</th>
<th>Contingent and intangible assets</th>
<th>Capex</th>
<th>Dividends</th>
<th>Other operating cash, disposals (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 net debt</td>
<td>$12.7bn</td>
<td>$7.1bn</td>
<td>$0.6bn</td>
<td>$1.5bn</td>
<td>$1.0bn</td>
<td>$1.5bn</td>
</tr>
<tr>
<td>2018 net debt</td>
<td>$13.0bn</td>
<td>$3.5bn</td>
<td>$0.7bn</td>
<td>$1.0bn</td>
<td>$1.0bn</td>
<td>$1.5bn</td>
</tr>
</tbody>
</table>

Other key cash flow observations

- **Net cash flow from operations reduced**
  - Provisions related to legal settlements
  - Launch support for new medicines

- **Net cash inflow before financing activities increased**
  - $2.3bn improvement vs. FY 2017, reflecting:
    - Additional disposals of intangible assets
    - $1.5bn payment re Acerta Pharma in FY 2017

Net debt: $13.0bn
Reported EBITDA: $7.1bn

1. Comprises cash flow from operating activities excluding EBITDA and movement in working capital, plus disposal of intangible assets.
2. Comprises payment of contingent consideration from business combinations and purchase of intangible assets.
Readiness for the UK leaving the EU (Brexit)
Significant preparations to handle different scenarios

Safeguarding access to medicines for patients

- EU medicines testing standards accepted in the UK if no deal/no transition period
- Completing variations to licences and packaging-material changes
- Duplicating critical testing processes, both in the UK and the EU
- Outreach to EU and member-state governments, calling on EU to accept UK testing standards

Securing product supply chain

- Additional stock moved to EU distribution centres
- Additional finished-pack stock build - six weeks in the UK, four weeks in the EU
- Working to ensure suppliers are prepared
- Use of alternative transport routes
2019 guidance confirms the growth outlook

Product sales
A high single-digit percentage increase

Core EPS
$3.50 to $3.70
Financial priorities

- Deleveraging / dividend growth
- Sales growth
- Cash-flow growth
- Profit growth
Agenda

Overview

Oncology

New CVRM, Respiratory, Emerging markets

Financials

Pipeline update and news flow

Closing and Q&A
Pipeline update and news flow
Continued progress with focus on oncology and biopharmaceuticals

Welcome to Dr. José Baselga
R&D Oncology

Available for Q&A today
2018 year-end pipeline update
Significant news flow supports sustainable growth

Approvals

2018: year of significant news flow to sustain return to growth

Data, designations, regulatory submissions and/or acceptances

Approvals

Favourable news
1. Cardiovascular outcomes trial.
2. Eosinophilic granulomatosis with polyangiitis.
Successful quarter; important progress across all key medicines

**Oncology**

### Regulatory milestones

- **Tagrisso** - EGFRm NSCLC 1L: priority review (CN)
- **Imfinzi** - unresectable, Stage III NSCLC: submission (CN), acceptance (OS data) (US)
- **Imfinzi +/- treme** - NSCLC 1L (MISTIC), HNSCC 2L (EAGLE) did not meet OS primary endpoints
- **Lynparza** - ovarian cancer 1L maintenance (SOLO-1) approval (US), priority review (CN); 3L (SOLO-3) met response rate primary endpoint
- **Calquence** - MCL 2L first approvals outside US (UAE, Brazil)

### Lynparza SOLO-1 in 1st-line maintenance ovarian cancer

- **Progression-free survival.**
- **Hazard ratio.**
- **Overall response rate**
- **Complete response.**
- **Partial response**
- **Duration of response.

**Source:** American Society of Hematology meeting, 2018.

<table>
<thead>
<tr>
<th>Events</th>
<th>Median PFS¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lynparza</td>
<td>102 (39.2)</td>
</tr>
<tr>
<td>Placebo</td>
<td>96 (73.3)</td>
</tr>
</tbody>
</table>

**PFS HR² = 0.30**

95% CI (0.23,0.41); p<0.0001

### Calquence data highlights at the ASH 2018 meeting

- **MCL Phase II ACE-LY-004**
  - 81% ORR³; 43% CR⁴ + 38% PR⁵
  - median follow-up 26 months; 40% of patients on treatment at the time of analysis

- **CLL Phase I/II ACE-CL-001**
  - 97% ORR; 5% CR + 92% PR
  - 98% 36-month DOR⁶ rate
  - 97% 36-month PFS rate
  - median time 42 months; 89% of patients on treatment at the time of analysis

### Two Phase III trials to report in H2 2019

1. Progression-free survival.
2. Hazard ratio.
3. Overall response rate
4. Complete response
5. Partial response
6. Duration of response.

**Source:** European Society of Clinical Oncology meeting, 2018.
New CVRM and Respiratory
Leading position in cardiovascular and respiratory diseases

DECREASE trial
Statistically-significant reduction in CVD/hHF vs. placebo
4.9% vs. 5.8%
HR 0.83 (0.73-0.95)
P (superiority) 0.005

Significant potential for Farxiga to benefit many more patients

- **Farxiga** - add-on indications (metformin / insulin for type-2 diabetes): approval (CN)
- **Farxiga** - type-1 diabetes: CHMP positive opinion (EU); regulatory submission acceptance (US)
- Phase III data in CKD and heart failure anticipated in 2020

Farxiga lifecycle programme well on track and advancing

Other major milestones

- **roxadustat** - anaemia of CKD: two Phase III trials met primary efficacy endpoints (pooled safety data in H1 2019); approval (CN, in dialysis patients)
- **Fasenra** - severe eosinophilic asthma; self administration: regulatory submission acceptance (US, EU). Eosinophilic granulomatosis with polyangiitis and hypereosinophilic syndrome: Orphan Drug Designation (US)
- **PT010** - COPD: priority review (CN)

1. Cardiovascular death.
Source: American Heart Association meeting, 2018.
Late-stage pipeline events in the 2019, 2020 timeframe
Busy news flow continues; underpinning consistent sales growth

<table>
<thead>
<tr>
<th>Regulatory decision</th>
<th>H1 2019</th>
<th>H2 2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tagrisso</strong> - EGFRm NSCLC 1L (CN)</td>
<td><strong>Imfinzi</strong> - unresectable, Stage III NSCLC (CN)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Lynparza</strong> - breast cancer (EU)</td>
<td><strong>Lynparza</strong> - ovarian cancer 1L(SOLO-1)(EU, JP, CN)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Forxiga</strong> - type-1 diabetes (EU, JP)</td>
<td><strong>Farxiga</strong> - type-1 diabetes (US)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Duaklir</strong> - COPD (US)</td>
<td><strong>Symbicort</strong> - mild asthma (EU)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Bevespi</strong> - COPD (JP, CN)</td>
<td><strong>Lynparza</strong> - ovarian cancer 1L (PAOLA-1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Fasenra</strong> - self administration (US, EU)</td>
<td><strong>Imfinzi</strong> - neoadjuvant NSCLC</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulatory submission and/or acceptance</th>
<th>Key Phase III data readouts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Imfinzi +/- treme</strong> - head &amp; neck cancer 1L</td>
<td><strong>Tagrisso</strong> - EGFRm NSCLC 1L (final OS)</td>
</tr>
<tr>
<td><strong>Farxiga</strong> - type-2 diabetes CVOT</td>
<td><strong>Imfinzi +/- treme</strong> - NSCLC 1L (NEPTUNE)</td>
</tr>
<tr>
<td><strong>roxadustat</strong> - anaemia (US)</td>
<td><strong>Imfinzi +/- treme</strong> - NSCLC 1L (NEPTUNE)</td>
</tr>
<tr>
<td><strong>Lynparza</strong> - pancreatic cancer</td>
<td><strong>Imfinzi +/- treme</strong> - NSCLC 1L (POSEIDON)</td>
</tr>
<tr>
<td><strong>Calquence</strong> - CLL</td>
<td><strong>Imfinzi +/- treme</strong> - small-cell lung cancer</td>
</tr>
<tr>
<td><strong>selumetinib</strong> - NF1</td>
<td><strong>Imfinzi +/- treme</strong> - bladder cancer 1L</td>
</tr>
<tr>
<td><strong>Brilinta</strong> - CAD/type-2 diabetes CVOT</td>
<td><strong>Lynparza</strong> - pancreatic cancer</td>
</tr>
<tr>
<td><strong>Lokelma</strong> - hyperkalaemia (JP)</td>
<td><strong>Calquence</strong> - CLL</td>
</tr>
<tr>
<td><strong>PT010</strong> - COPD (US, EU)</td>
<td><strong>selumetinib</strong> - NF1</td>
</tr>
<tr>
<td><strong>Fasenra</strong> - nasal polyps</td>
<td><strong>Farxiga</strong> - type-2 diabetes CVOT</td>
</tr>
<tr>
<td><strong>Epanova</strong> - hypertriglyceridaemia CVOT</td>
<td><strong>Lokelma</strong> - hyperkalaemia (JP)</td>
</tr>
<tr>
<td><strong>roxadustat</strong> - anaemia of CKD</td>
<td><strong>Epanova</strong> - hypertriglyceridaemia CVOT</td>
</tr>
<tr>
<td><strong>Imfinzi</strong> - neo-adjuvant NSCLC</td>
<td><strong>roxadustat</strong> - anaemia of MDS²</td>
</tr>
</tbody>
</table>

1. Coronary artery disease.
2. Myelodysplastic syndrome.
Status as of 14 February 2019.
## Oncology

<table>
<thead>
<tr>
<th>Compound</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>capivasertib</td>
<td>(AKT1 inhibitor) breast, prostate cancers</td>
<td>Phase III start in H1 2019</td>
</tr>
<tr>
<td>adavosertib</td>
<td>(WEE12 inhibitor) solid tumours</td>
<td>Phase II in H1 2019</td>
</tr>
<tr>
<td>AZD6738</td>
<td>(ATR3 inhibitor) solid tumours</td>
<td>Phase II in H1 2019</td>
</tr>
<tr>
<td>AZD9833</td>
<td>(SERD4, oral) breast cancer</td>
<td>Phase I ongoing</td>
</tr>
<tr>
<td>monalizumab</td>
<td>(NKG2a6 mAb6) head &amp; neck, colorectal cancers</td>
<td>Phase I/II ongoing</td>
</tr>
<tr>
<td>oclclumab</td>
<td>(CD736 mAb) lung, pancreatic cancers</td>
<td>Phase I/II ongoing</td>
</tr>
<tr>
<td>AZD4635</td>
<td>(A2AR8 inhibitor) solid tumours</td>
<td>Phase I ongoing</td>
</tr>
<tr>
<td>danvatirsen</td>
<td>(STAT39 inhibitor) bladder, head &amp; neck, lung</td>
<td>Phase I/II ongoing</td>
</tr>
</tbody>
</table>

## New CVRM

<table>
<thead>
<tr>
<th>Compound</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>cotadutide</td>
<td>(GLP-110/glucagon co-agonist) - NASH11</td>
<td>Phase Ib start in H2 2019</td>
</tr>
<tr>
<td>AZD5718</td>
<td>(FLAP12 inhibitor) coronary artery disease</td>
<td>Phase Ila; IIb start in H2 2019</td>
</tr>
<tr>
<td>AZD4831</td>
<td>(MPO13 inhibitor) heart failure (HFPF14)</td>
<td>Phase Ila ongoing</td>
</tr>
<tr>
<td>AZD8601</td>
<td>(VEGF-A mRNA15) heart failure</td>
<td>Phase Ila ongoing</td>
</tr>
</tbody>
</table>

## Respiratory

<table>
<thead>
<tr>
<th>Compound</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT027</td>
<td>(SABA/ICS16) asthma</td>
<td>Phase III start in H1 2019</td>
</tr>
<tr>
<td>AZD1402</td>
<td>(IL-4R17 antagonist) asthma</td>
<td>Phase I; II start in H2 2019</td>
</tr>
<tr>
<td>MEDI3506</td>
<td>(IL-3318 mAb) COPD</td>
<td>Phase I ongoing</td>
</tr>
<tr>
<td>AZD0449</td>
<td>(inhaled JAK19 inhibitor) - asthma</td>
<td>Phase I ongoing</td>
</tr>
<tr>
<td>AZD8154</td>
<td>(inhaled PI3Kg520 inhibitor) - asthma</td>
<td>Phase I ongoing</td>
</tr>
</tbody>
</table>

### 'What’s next'?

Rich mid-stage pipeline; selected new molecular entities underway

Agenda

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Oncology

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Closing and Q&A
AstraZeneca returned to sustainable growth in sales
Pipeline-driven transformation has delivered on the promises

**Product sales** increased by 8% in Q4 and by 4% in the year
- Strong performance of new medicines\(^1\) (+81%) and $2.8bn incremental sales vs. 2017
- Oncology (+49%), New CVRM\(^2\) (+12%) and Respiratory (+3%)
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**Total revenue** declined by 2% and **core operating costs** increased by 4%, in line with sales. **Core EPS** $3.46, in line with guidance

2019 operating leverage and mid-teens percentage increase in core operating profit

**Guidance** of high single-digit percentage sales increase and core EPS of $3.50-3.70

**Pipeline** continues to progress well; recent **organisational refinements** will improve speed and efficiency; the business **sustainability** agenda progressed further; majority of **employee engagement** scores ahead of Pharma peers

---

\(^1\) Absolute values, changes and guidance all at CER.
Q&A
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Absolute values, changes and guidance all at CER.
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FY 2018 results

Presentation, conference call and webcast for investors and analysts

14 February 2019