Q1 2019 results

Conference call and webcast for investors and analysts

26 April 2019
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.
Speakers

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

Mene Pangalos
Executive Vice President, R&D BioPharmaceuticals

José Baselga
Executive Vice President, R&D Oncology
Agenda

Overview

**Oncology**

**BioPharma, Emerging markets**

Finance

**Pipeline update, news flow**

Closing and Q&A
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>selumetinib</td>
<td>pancreatic cancer ($BRCA_m$)</td>
<td>Regulatory submission (CN)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NF1$^2$</td>
<td>Met primary endpoint</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>Regulatory approval (US) (by partner)</td>
</tr>
<tr>
<td></td>
<td>PT010</td>
<td>COPD</td>
<td>Regulatory submission acceptance (US, EU)</td>
</tr>
<tr>
<td></td>
<td>saracatinib</td>
<td>idiopathic pulmonary fibrosis</td>
<td>Orphan Drug Designation (US)</td>
</tr>
</tbody>
</table>

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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%

New medicines remain the key sales drivers
Q1 2019: +0.9bn
incremental sales of new medicines compared to Q1 2018

Strong sales growth continued

Changes (product sales growth) at CER.

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></td>
<td>100</td>
</tr>
<tr>
<td>Oncology</td>
<td>1,892</td>
<td>59</td>
<td>35</td>
</tr>
<tr>
<td>New CVRM</td>
<td>1,033</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Respiratory</td>
<td>1,283</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>Other medicines</td>
<td>1,257</td>
<td>(21)</td>
<td>23</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>2,004</td>
<td>22</td>
<td>37</td>
</tr>
<tr>
<td>- China</td>
<td>1,242</td>
<td>28</td>
<td>23</td>
</tr>
</tbody>
</table>

Product sales values at actual exchange rates; changes at CER.
# 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><img src="image1" alt="TAGRISSO® osimertinib" /></td>
<td><img src="image2" alt="IMFINZI™ durvalumab" /></td>
<td><img src="image3" alt="Lynparza™ olaparib" /></td>
<td><img src="image4" alt="CALQUENCE™" /></td>
</tr>
<tr>
<td>• Stage IV NSCLC¹ T790Mm² / EGFRm³</td>
<td>• Unresectable, Stage III NSCLC</td>
<td>• Ovarian, breast cancers</td>
<td>• First AstraZeneca medicine in heme</td>
</tr>
<tr>
<td>• Next: adjuvant, Stage III</td>
<td>• Next: early / advanced stages in several cancers</td>
<td>• MRK collaboration</td>
<td>• MCL⁶ launched</td>
</tr>
<tr>
<td><img src="image5" alt="image5" /></td>
<td><img src="image6" alt="image6" /></td>
<td><img src="image7" alt="image7" /></td>
<td><img src="image8" alt="image8" /></td>
</tr>
<tr>
<td>• Next: early / advanced stages in several cancers</td>
<td>• Ovarian, breast cancers</td>
<td>• Next: pancreatic, prostate cancers</td>
<td>• CLL⁷ data H2 2019</td>
</tr>
<tr>
<td><img src="image9" alt="image9" /></td>
<td><img src="image10" alt="image10" /></td>
<td><img src="image11" alt="image11" /></td>
<td><img src="image12" alt="image12" /></td>
</tr>
<tr>
<td><img src="image13" alt="image13" /></td>
<td><img src="image14" alt="image14" /></td>
<td><img src="image15" alt="image15" /></td>
<td><img src="image16" alt="image16" /></td>
</tr>
</tbody>
</table>

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

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  

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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  
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Agenda

Overview

Oncology

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Closing and Q&A
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

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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 NRDL¹ 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 SoC¹
    - 45 global approvals obtained
    - US $231m
      - Increasing CRT² 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)

  ![Graph showing US patient infusions](image)

  **Source:** Proprietary market research.

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¹. Standard of care.
². Chemoradiotherapy; a combination of chemotherapy and radiotherapy.
Lynparza
Leading PARP inhibitor treating more patients

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

- **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

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

**BioPharma sales up 16% in Q1 2019**

- **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

**Solid franchises with strong growth**

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

Blockbusters *Farxiga* and *Brilinta* sustained strong performances

**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

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales (m)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>+14%</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>+8%</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>+16%</td>
<td></td>
</tr>
<tr>
<td>Emerging</td>
<td>-3%</td>
<td></td>
</tr>
</tbody>
</table>

### 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

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Source: IQVIA, other market research.

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

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)

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

Overview

Oncology

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Closing and Q&A
# Reported profit and loss

<table>
<thead>
<tr>
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<th>Q1 2019</th>
<th>% change</th>
<th>% total revenue</th>
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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 pp¹</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating expenses</strong>²</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>
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</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>Q1 2019 $m</th>
<th>% change</th>
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<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>80.5%</td>
<td>2.4 pp</td>
<td>-</td>
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<tr>
<td><strong>Operating expenses</strong>¹</td>
<td>3,369</td>
<td>5</td>
<td>61</td>
</tr>
<tr>
<td>- R&amp;D expenses</td>
<td>1,225</td>
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<td>22</td>
</tr>
<tr>
<td>- SG&amp;A expenses</td>
<td>2,066</td>
<td>6</td>
<td>38</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>594</td>
<td>n/m</td>
<td>11</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1,650</td>
<td>96</td>
<td>30</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>23%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$0.89</td>
<td>100</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.
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
2019 guidance confirms the growth outlook

Product sales
A high single-digit percentage increase

Core EPS
$3.50 to $3.70
Agenda

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Closing and Q&A
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>
</tr>
</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 H22019</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 (hyper eosinophilic 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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Farxiga
Expanding on the DECLARE trial - extensive lifecycle programme

- **DAPA-HF** trial - HFrEF\(^2\) - 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+

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

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1. Cardiovascular death and hospitalisation for heart failure.
2. Heart failure with reduced ejection fraction.
Source: American College of Cardiology (ACC) 2019.

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1. Heart failure with preserved ejection fraction.
2. Chronic kidney disease.
3. ACC/American Heart Association, American Diabetes Association and American Association of Clinical Endocrinology/American College of Endocrinology.
‘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
  - 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

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

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

- 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)

• 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

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>
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</thead>
<tbody>
<tr>
<td><strong>Regulatory decision</strong></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) (EU, JP, CN)</td>
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<td><em>Farxiga</em> - T1D (US)</td>
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<td><em>Symbicort</em> - mild asthma (EU)</td>
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<td><em>Bevespi</em> - COPD (JP, CN)</td>
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<td><em>Fasenra</em> - self administration / autoinjector (US, EU)</td>
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<td>PT010 - COPD (JP, CN)</td>
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<tr>
<td><strong>Regulatory submission and/or acceptance</strong></td>
<td>-</td>
<td><em>Imfinzi</em> + treme - NSCLC 1L (NEPTUNE)</td>
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<td><em>trastuzumab deruxtecan</em> - breast cancer 3L HER2+</td>
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<td><em>selumetinib</em> - NF1</td>
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<td><em>Brilinta</em> - CAD/T2D CVOT</td>
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<td><em>Lokelma</em> - hyperkalaemia (JP)</td>
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<td><em>roxadustat</em> - anaemia of CKD (US)</td>
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<tr>
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<td><em>Symbicort</em> - mild asthma (CN)</td>
</tr>
<tr>
<td><strong>Key Phase III data readouts</strong></td>
<td><em>roxadustat</em> - anaemia of CKD; pooled safety</td>
<td><em>Tagrisso</em> - NSCLC 1L EGFRm (final OS)</td>
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<td>PT010 - COPD (ETHOS)</td>
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</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

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<tr>
<th>Oncology</th>
<th>New CVRM</th>
<th>Respiratory</th>
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<td>capivasertib (AKT1 inhibitor) breast, prostate cancers Phase III in H1 2019</td>
<td>cotadutide(GLP-1/glucagon co-agonist) - NASH Phase Ia in H2 2019</td>
<td>PT027 (SABA/ICS) asthma Phase III in H1 2019</td>
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<tr>
<td>adavosertib (WEE12 inhibitor) solid tumours Phase II in H1 2019</td>
<td>trastuzumab deruxtecan (HER2 ADC) - breast, gastric, other Phase III/II</td>
<td>AZD1402 (IL-4R17 antagonist) asthma Phase I; II start in H2 2019</td>
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<td>AZD6738 (ATR inhibitor) solid tumours Phase II in H1 2019</td>
<td>monalizumab (NKG2a mAb) head &amp; neck, colorectal Phase II</td>
<td>MEDI3506 (IL-33 mAb) COPD - Phase I</td>
</tr>
<tr>
<td>AZD9833 (SERD, oral) breast cancer - Phase I</td>
<td>oleclumab (CD73 mAb) lung, pancreatic cancers Phase I/II</td>
<td>AZD0449 (inhaled JAK19 inhibitor) asthma - Phase I</td>
</tr>
<tr>
<td>AZD5991 (MCL1 inhibitor) blood cancers - Phase I</td>
<td>AZD4635 (A2AR inhibitor) solid tumours - Phase I</td>
<td>AZD8154 (inhaled PI3Kδ20 inhibitor) asthma - Phase I</td>
</tr>
<tr>
<td>AZD2811 (Aurora B inhibitor) SCLC - Phase II</td>
<td>AZD8601 (VEGF-A mRNA15) heart failure - Phase Ia</td>
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</table>
Agenda

Overview

Oncology

BioPharma, Emerging markets

Finance

Pipeline update, news flow

Closing and Q&A
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

Conference call and webcast for investors and analysts

26 April 2019