AstraZeneca
What science can do

Q1 2017 Results

Conference call and webcast for investors and analysts, London, UK

27 April 2017

Forward-looking statements

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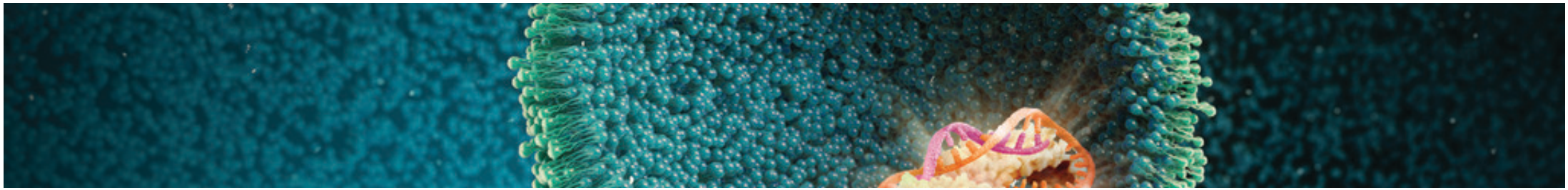
Presenters

Pascal Soriot
Executive Director and
Chief Executive Officer

Mark Mallon
Executive Vice President,
Global Portfolio and Product
Strategy, Global Medical
Affairs, Corporate Affairs and
International West



Marc Dunoyer
Executive Director and
Chief Financial Officer

Sean Bohen
Executive Vice President,
Global Medicines Development
and Chief Medical Officer

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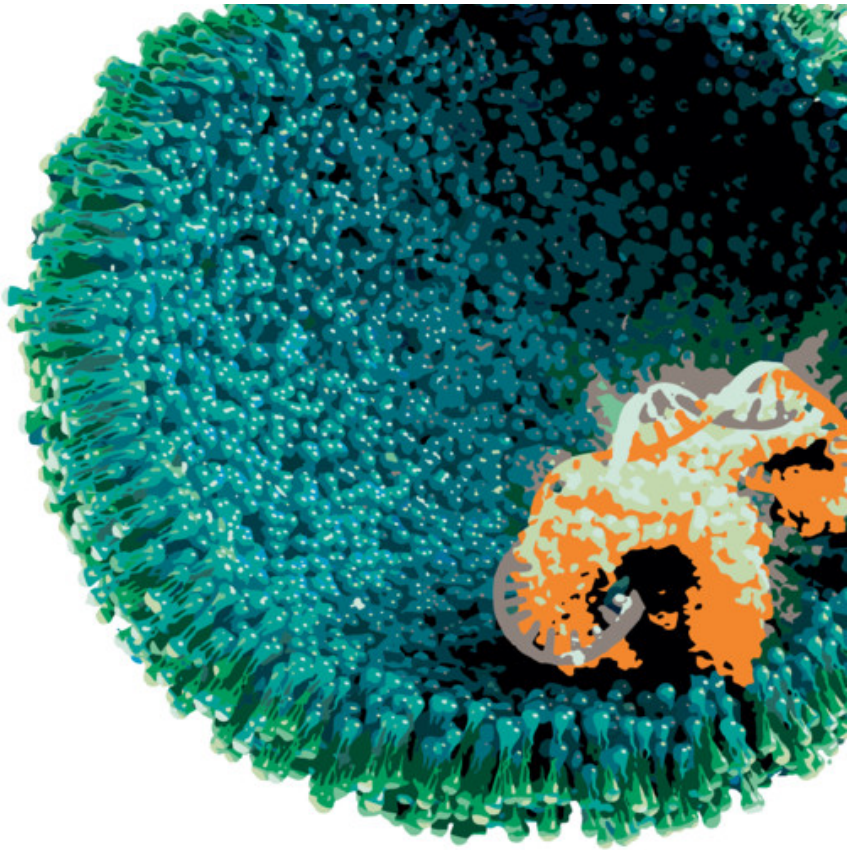
Overview

Growth Platforms

Finance

Pipeline and news flow

Closing and Q&A



Highlights
A good start to 2017

Business & financials

Total Revenue declined, primarily reflecting tail of *Crestor* US loss of exclusivity

'New AstraZeneca' Product Sales grew by 6% in Q1

- Emerging Markets up 9%; now the largest sales region
  - China: *Tagrisso* approved and launched; *Forxiga* approved
- Respiratory sales stable; *Symbicort* global volume-share leader
- *Brilinta* and *Farxiga* continued strong growth trajectories
- *Tagrisso* continued impressive launch in the US, EU and Japan
- Japan back to growth in the quarter, despite 2016 price cuts

EPS supported by cost management

2017 guidance confirmed

Growth at Constant Exchange Rates (CER) and for Q1 2017 unless otherwise stated. Guidance at CER.

Highlights, continued

Pipeline-driven transformation continues

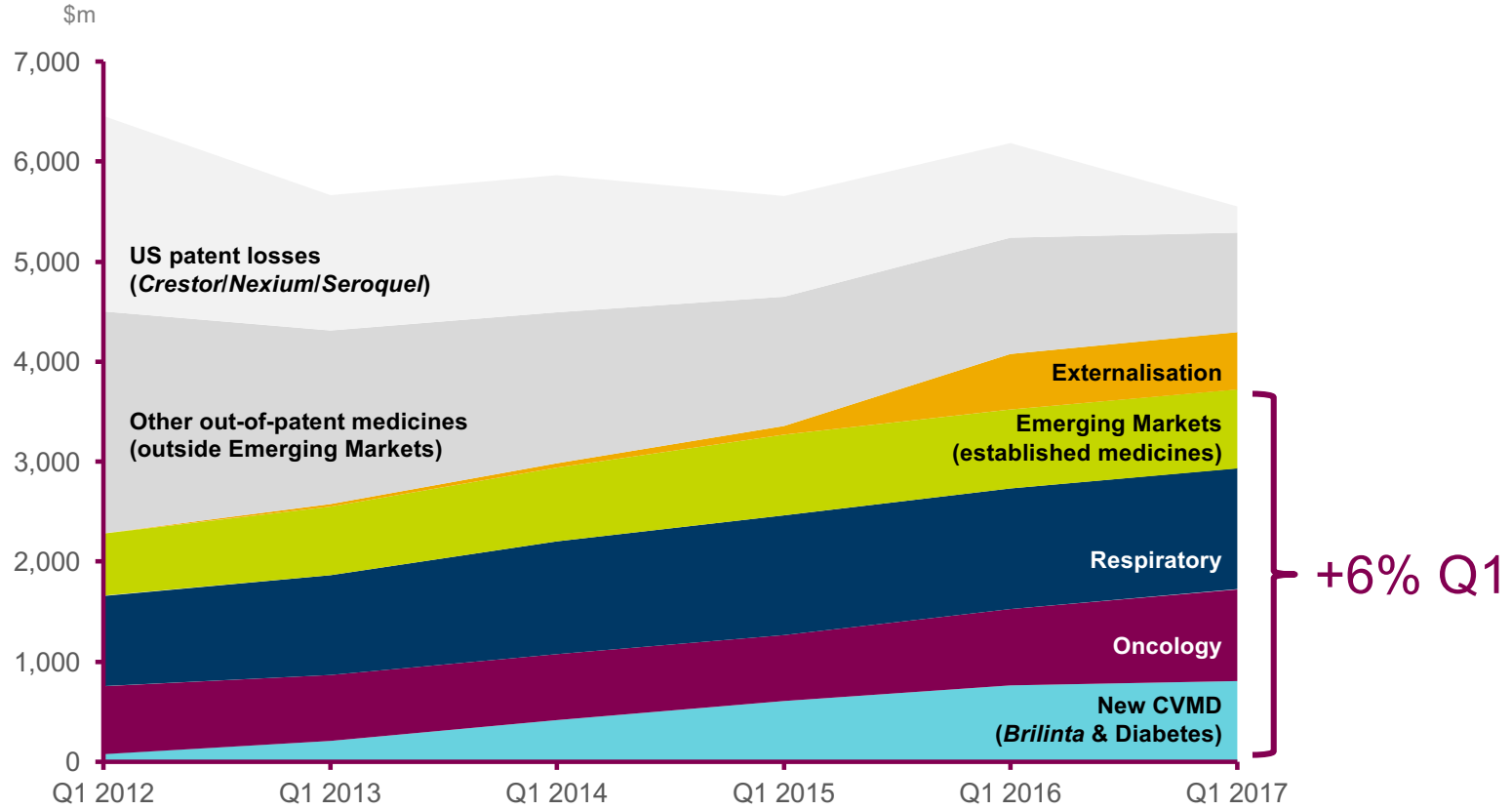
Pipeline

Oncology	• *Tagrisso*	lung cancer	Approval (US, EU; full approval, CN)
	• *Lynparza*	ovarian cancer	Reg. submission (2L) (US) (Priority Review)
			Orphan Drug Designation (JP)
		breast cancer	Positive Phase III trial
Cardiovascular & Metabolic Diseases	• *Forxiga*	type-2 diabetes	Approval (CN)
			Positive major data (CVD-REAL real-world study)
	• *Qtern*		Approval (US)
	• *Bydureon*		Reg. submission (autoinjector) (US)
	• ZS-9	hyperkalaemia	Complete Response Letter (US)
Respiratory	• *Symbicort*	COPD exacerbations	Reg. submission (US)
	• benralizumab	severe, uncontrolled asthma	Reg. submission (JP)
Other	• *Siliq*	psoriasis	Approval (US; by partner)
	• inebilizumab	neuromyelitis optica spectrum disorder	Orphan designation (EU)

Status since the results announcement on 2 February 2017.

Total Revenue: An inflection point approaching

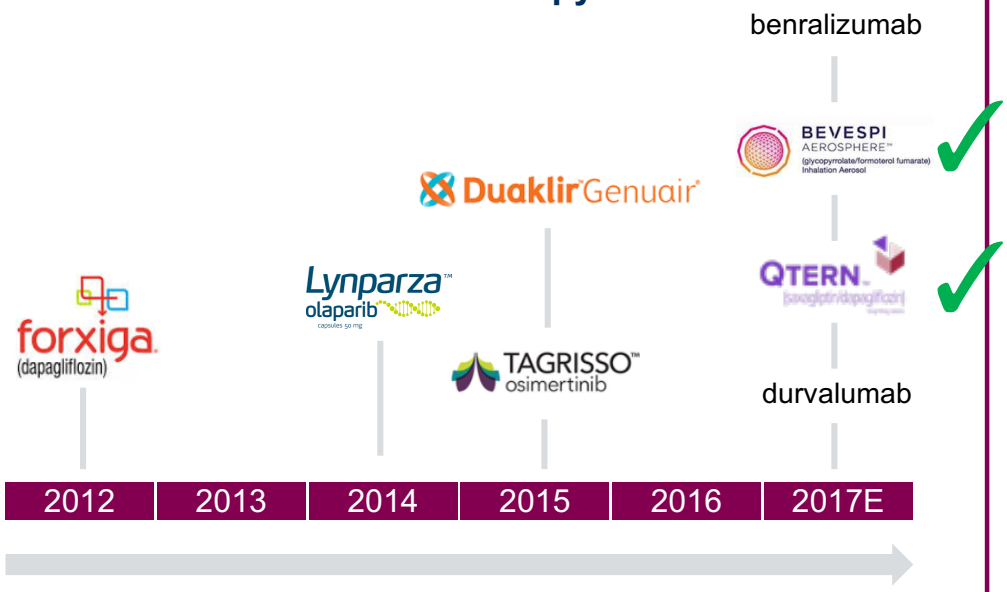
New AstraZeneca emerging strongly from patent losses



Absolute values at CER. Growth at CER and for Q1 2017 unless otherwise stated.

2017: Potential to be a defining year

Launches of new medicines from main therapy areas



Some of the key news flow opportunities in 2017

durvalumab
bladder cancer
reg. decision

ZS-9
hyperkalaemia
reg. decision

benralizumab
asthma
reg. decision

durvalumab / durva + treme
NSCLC[1] 1L
MYSTIC data

Tagrisso
NSCLC 1L
FLAURA data

Lynparza
multiple cancers
data readouts

acalabrutinib
blood cancers
fast-to-market
opportunity

1. NSCLC = Non-Small Cell Lung Cancer.

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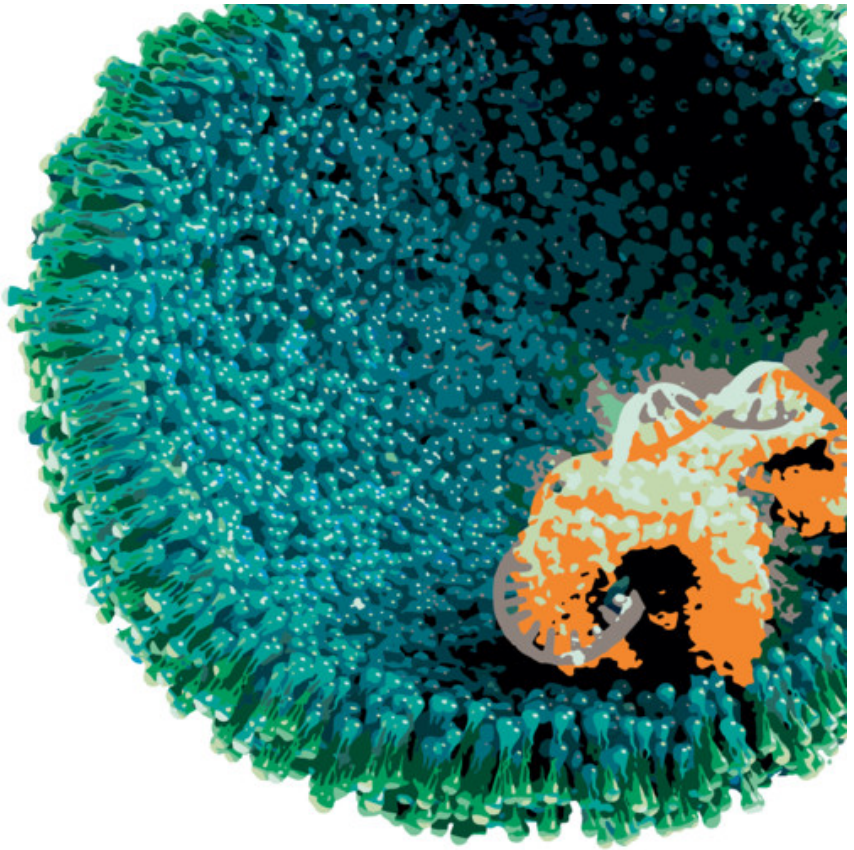


Growth Platforms: Good start to 2017

Respiratory stable; growth in all other areas

	Q1 2017 $m	% change	% Total Revenue
Growth Platforms	3,572	5	66
Emerging Markets	1,562	9	-
Respiratory	1,181	0	-
New CVMD[1]	798	6	-
Japan	450	3	-
New Oncology[2]	236	139	-

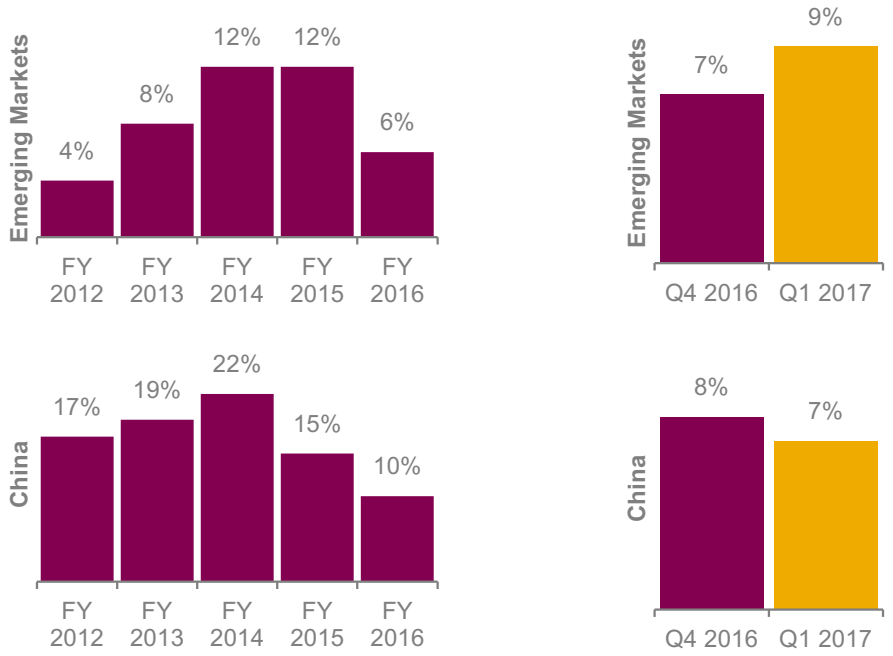
Primary focus today

1. New CVMD comprises *Brilinta* and Diabetes.
2. New Oncology comprises *Lynparza*, *Iressa* (US) and *Tagrisso*.

Absolute values at actual exchange rates. Growth at CER and for Q1 2017 unless otherwise stated.

Emerging Markets
Higher growth overall

Product Sales growth
Long-term target: Mid to high single-digit



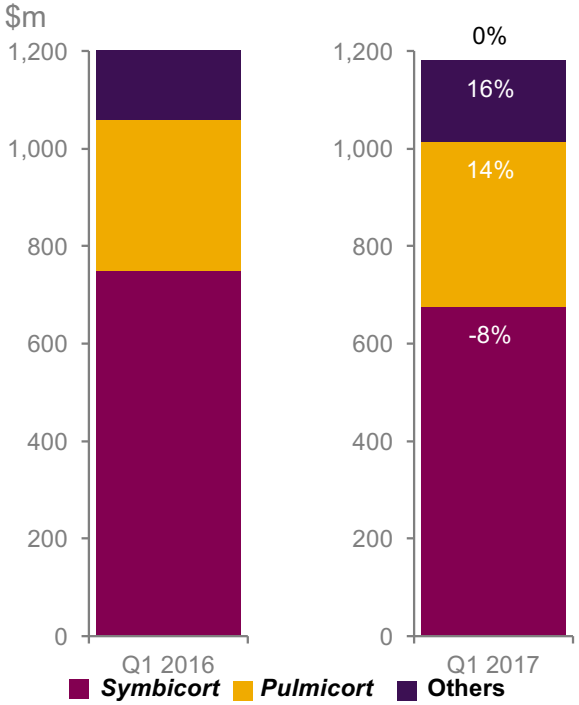
An encouraging performance; successful execution

- Overall growth improved in Q1 2017
  - Faster pace many markets, in particular Middle-East/Africa
  - Underlying growth >10%, when adjusting for partnerships and divestments
- **Oncology +16%**: Legacy medicines supported by launches. *Tagrisso* approved and launched in China
- **New CVMD +34%**: *Brilinta* +54%. *Forxiga* +90% and approved in China
- **Respiratory +17%**: Continued strong growth for *Pulmicort* +28% and *Symbicort* +10%

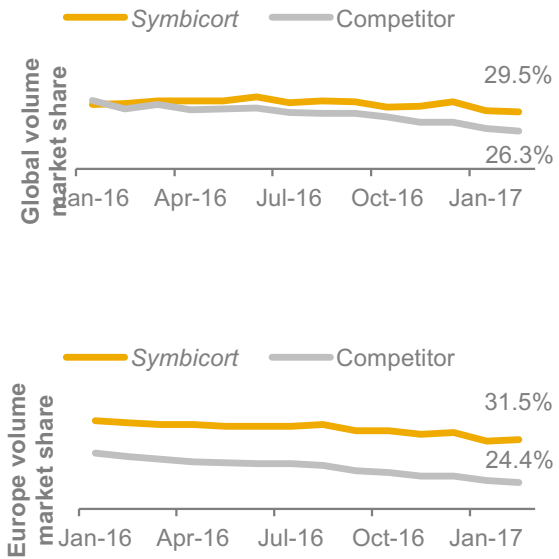
Growth at CER and for Q1 2017 unless otherwise stated.

Respiratory
A stable performance

Stable Q1 2017 Product Sales



Symbicort global leader; Europe volume relatively stable



US, Europe competitive; Emerging Markets growth

US -18%
- *Symbicort* competitive pricing environment continued; regained market share
- *Bevespi* launched with good access; tracking in line with similar launches

Europe -1%
- Volume growth; overall relatively stable competitive environment
- New medicines continue roll-out

Emerging Markets +17%
- Increase in market uptake continued
  - *Pulmicort* +28%
  - *Symbicort* +10%

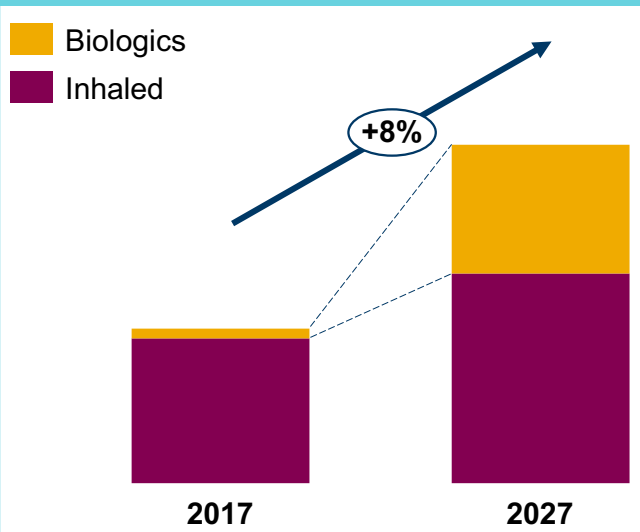
Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

Source: QuintilesIMS.

Respiratory - strategy

Therapy area with potential for biopharmaceutical leadership

Drivers of market growth



Strength in inhaled

Backbone of care

Established medicines
Symbicort, *Pulmicort*, *Bevespi*, *Duaklir*, *Daliresp*/*Daxas*

New paradigms
PRN *Symbicort*, PT027, PT010, PT009, Aerosphere platform

Next generation
iSGRM, MABA, abediterol, iENAC

Leading biologics portfolio

Transforming outcomes

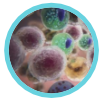
Benralizumab
Direct, rapid and near-complete depletion of eosinophils

Tralokinumab
Blocks binding and signalling of IL-13 to IL-13 receptors

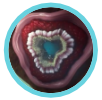
Tezepelumab
First-in-class targeting thymic stromal lymphopoietin (TSLP), an upstream driver of airway inflammation

Disease modification

Early intervention


Epithelium


Immunity

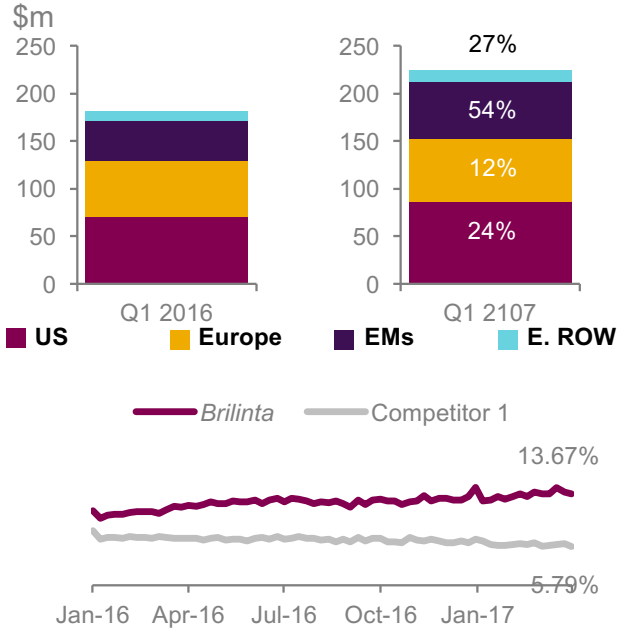

Regeneration

Source: External market research and internal estimates.

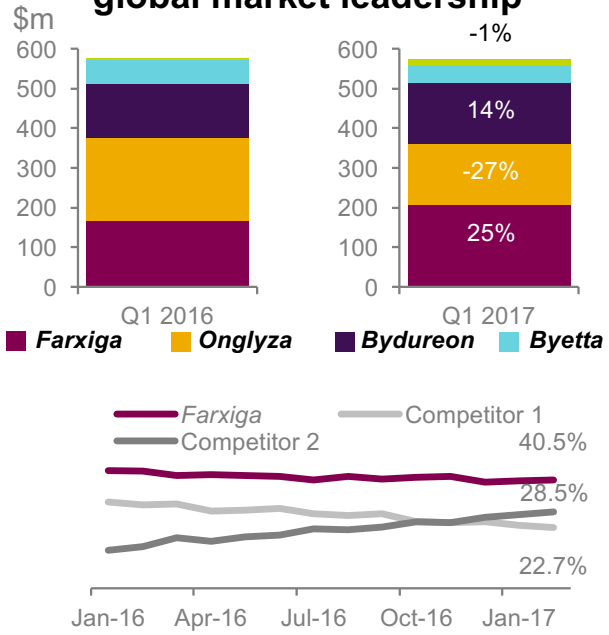
New CVMD

Focus on *Brilinta* and *Farxiga*

Brilinta: Growth in all markets



Diabetes: *Farxiga* growth drives global market leadership



Key observations

Brilinta

- Continued growth across all markets

Diabetes, key medicines

- *Farxiga*: Growth continues; global market leader. US growth subdued due to affordability programmes and managed-care access. Approved in China
- *Onglyza*: Continued competitive pressures globally
- *Bydureon*: Encouraging growth; new autoinjector accepted for regulatory review in the US

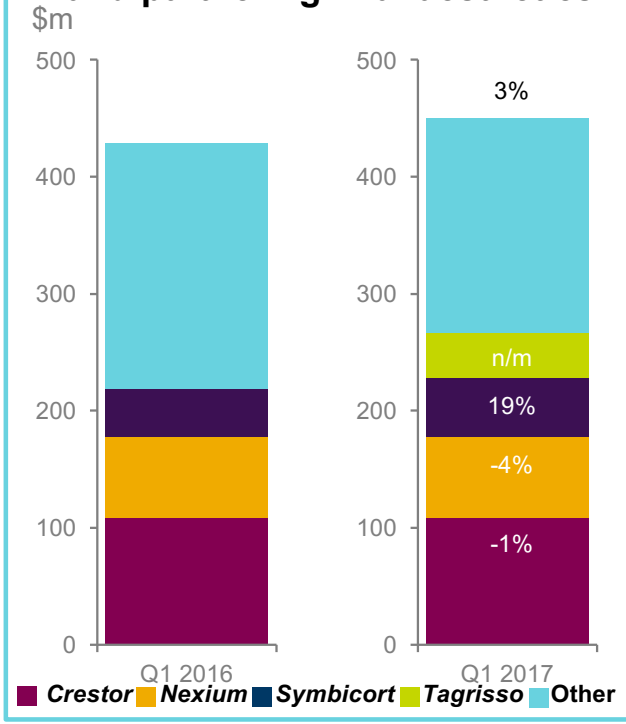
Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

Source: QuintilesIMS.

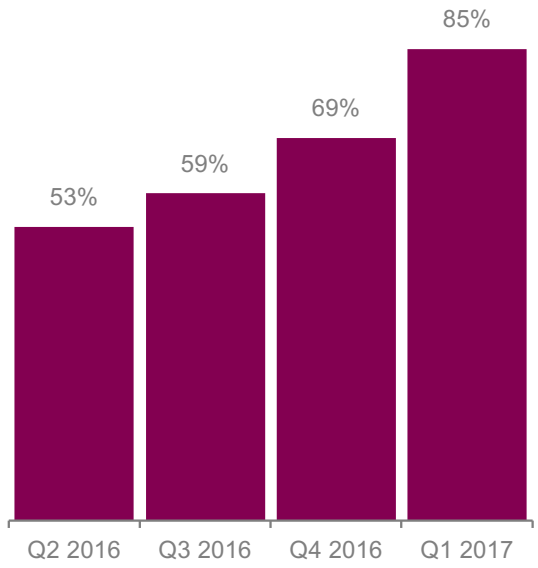
Japan

Back to growth; *Tagrisso* helping to change the business

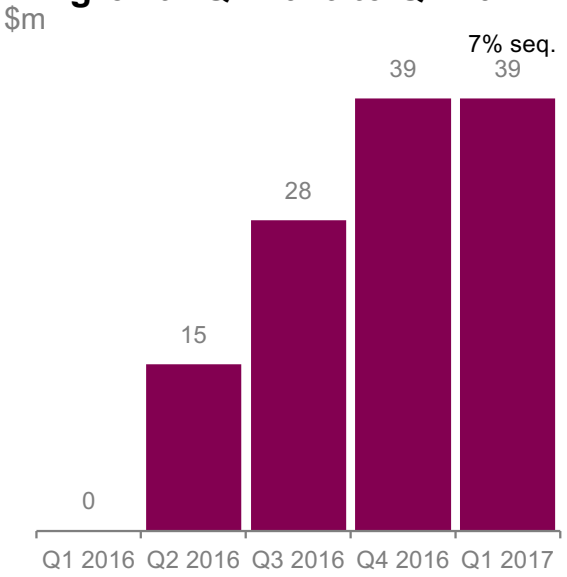
Up 3% despite ~6% price cut and partnering in anaesthetics



***Tagrisso*: Further increase in T790M-mutation testing**



***Tagrisso*: 7% sequential CER growth Q4 2016 to Q1 2017**



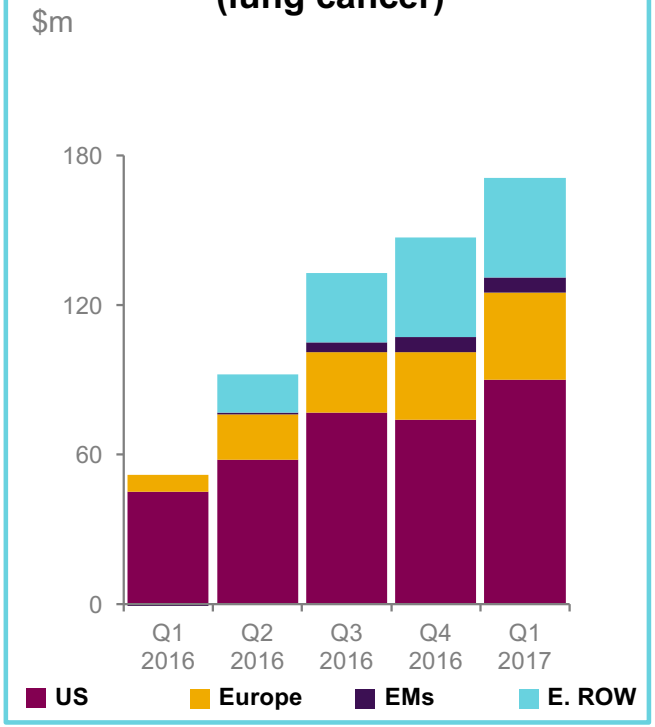
Long-term target for Japan overall
Low single-digit growth

Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

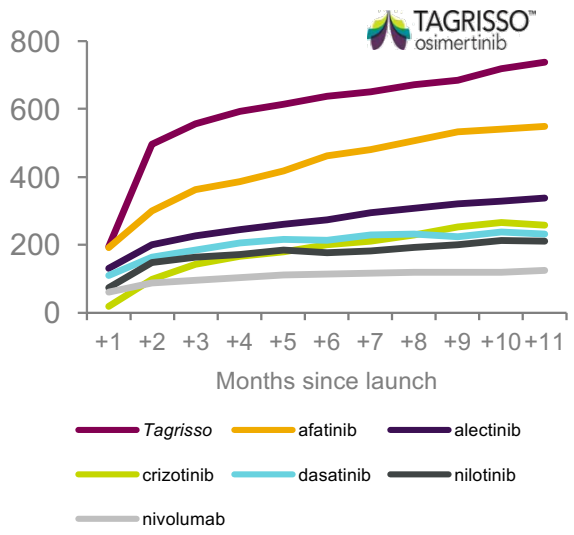
Source: External market research.

New Oncology
Important growth

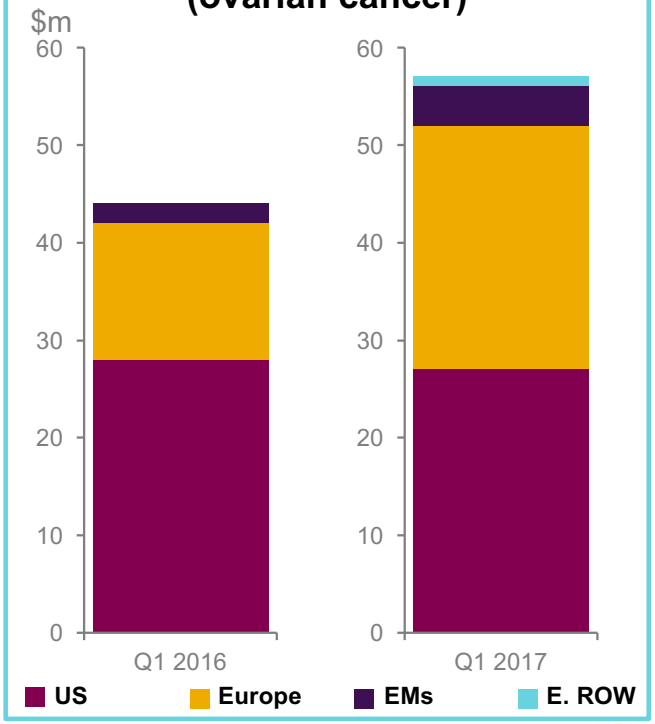
Tagrisso (lung cancer)



Commercial execution: *Tagrisso* JP account openings



Lynparza (ovarian cancer)



Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

Source: External market research and internal data.

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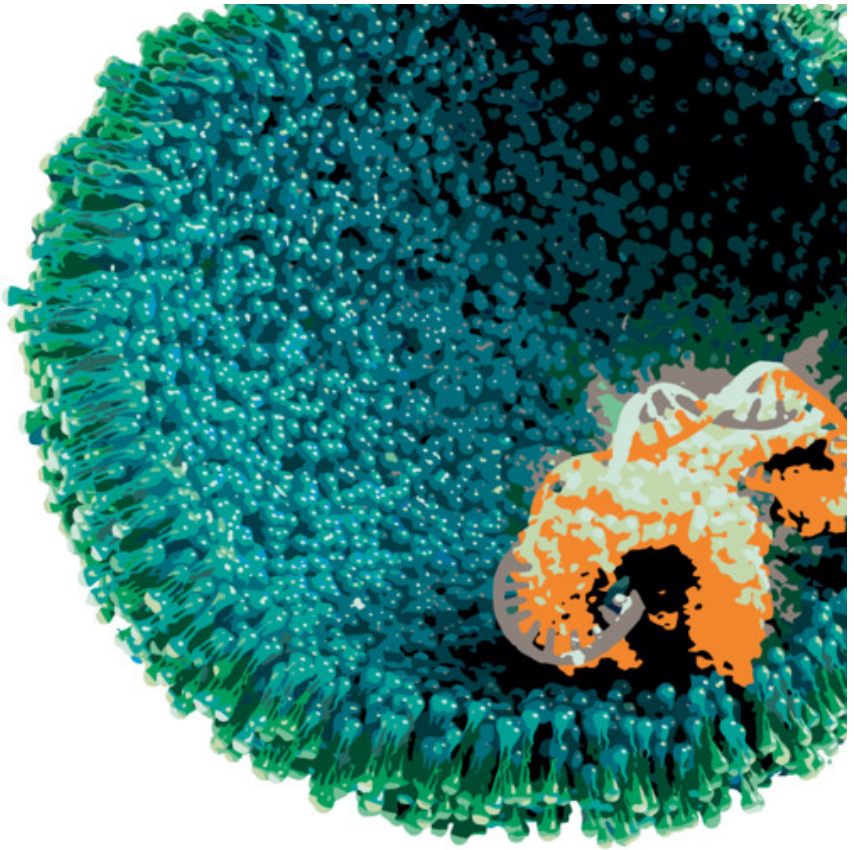


Reported Profit & Loss

	Q1 2017 $m	% change	% Total Revenue
Total Revenue	**5,405**	**(10)**	**100**
- Product Sales	4,843	(12)	90
- Externalisation Revenue	562	3	10
Gross Margin	82.3%	(2)	-
R&D Expenses	1,453	2	27
SG&A Expenses	2,300	(8)	43
Other Operating Income	236	n/m	4
Tax Rate	12%	-	-
EPS	**$0.42**	**(35)**	

Absolute values at actual exchange rates. Growth at CER and for Q1 2017 unless otherwise stated.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.

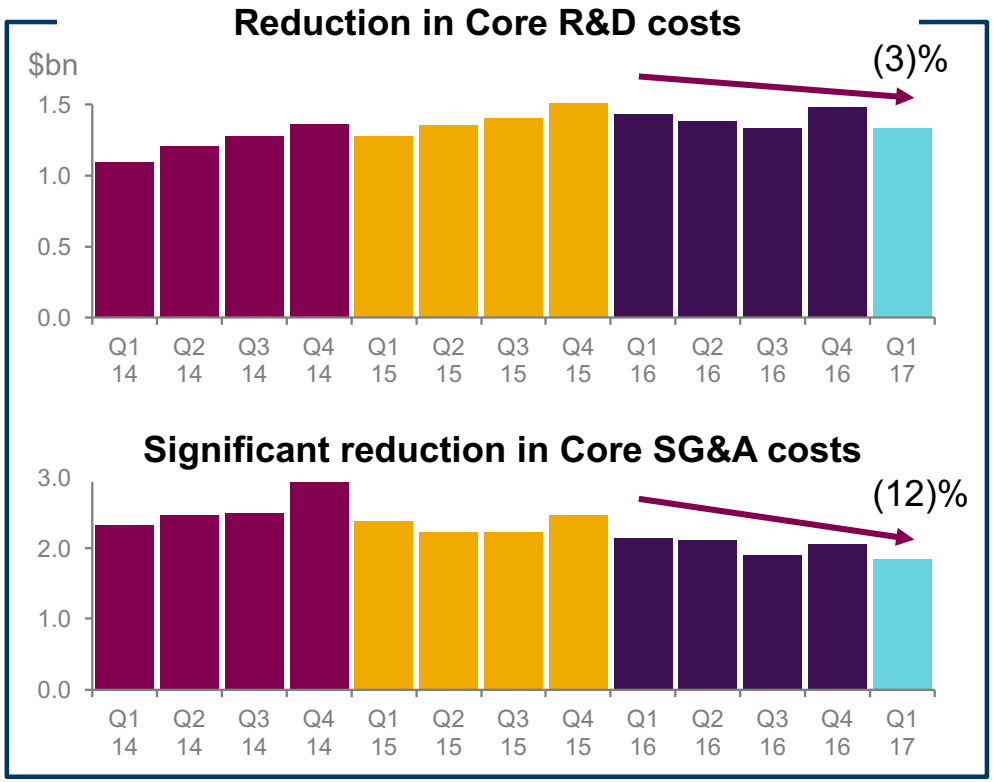
Core Profit & Loss

SG&A reduction larger than anticipated for FY17

	Q1 2017 $m	% change	% Total Revenue
Total Revenue	**5,405**	**(10)**	**100**
- Product Sales	4,843	(12)	90
- Externalisation Revenue	562	3	10
Gross Margin	83.6%	(1)	-
R&D Expenses	1,338	(3)	25
SG&A Expenses	1,829	(12)	34
Other Operating Income	333	n/m	6
Tax Rate	17%	-	-
EPS	**$0.99**	**(4)**	

Absolute values at actual exchange rates. Growth at CER and for Q1 2017 unless otherwise stated.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.

Continued progress and focus on cost discipline



- Reduction in Core R&D costs
  - Q1 2017: Down by 3%
  - FY 2017: Core R&D costs are expected to be broadly in line with those in FY 2016
- Very significant reduction in Core SG&A costs
  - Q1 2017: Down by 12%
  - FY 2017: Further reduction in Core SG&A costs from FY 2016

Absolute values and growth at CER; growth rates for Q1 2017 unless otherwise stated.

FY 2017 guidance and capital-allocation priorities

Guidance

Total Revenue
Low to mid single-digit percentage decline

Core EPS
Low to mid teens percentage decline

Capital-allocation priorities

- Investment in the business
- Progressive dividend policy
- Strong, investment-grade credit rating
- Immediately earnings-accretive, value-enhancing opportunities

Guidance at CER.

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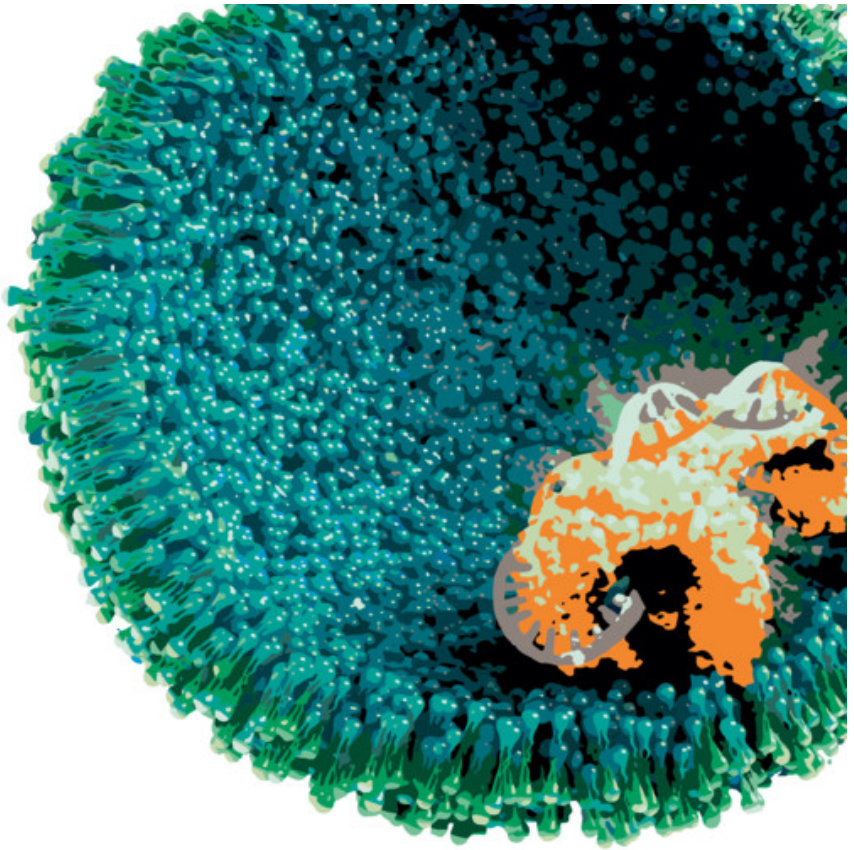


Q1 2017 late-stage pipeline highlights

Main therapy areas

Oncology

- ***Lynparza***
  Ovarian
  -Regulatory submission (2L) (US) (Priority Review)
  -Data presentation SGO
  -Orphan Drug Designation (JP)

  Breast
  -Positive Phase III trial
- ***Tagrisso*** - lung cancer: Approval
  - US, EU (full approval)
  - CN

Cardiovascular & Metabolic Diseases

- ***Forxiga*** - type-2 diabetes: Approval (CN); major data CVD-REAL real-world study
- ***Qtern*** - type-2 diabetes: Approval (US)
- ***Bydureon*** - autoinjector: Regulatory submission (US)

- **ZS-9** - hyperkalaemia: Complete Response Letter (US)

Respiratory

- ***Symbicort*** - COPD[1] exacerbations: Regulatory submission (US)
- **benralizumab** - severe, uncontrolled asthma: Regulatory submission (JP)

Other - Autoimmunity

- ***Siliq*** - psoriasis: Approval (US; by partner)
- **inebilizumab** - neuromyelitis optica spectrum disorder: Orphan designation (EU)

1. COPD = Chronic Obstructive Pulmonary Disease.
Status since the prior results announcement on 2 February 2017.

Oncology highlights from recent meetings

Progress across launched and pipeline medicines

ASCO GU	**Immuno-Oncology** Updated Phase I/II efficacy and safety data from Study 1108 for patients with locally-advanced or metastatic urothelial bladder cancer	
ASCO-SITC	**Immuno-Oncology** Further concordance between PD-L1 diagnostic assays for patients with NSCLC using 500 additional tumour samples	
SGO Society of Gynecologic Oncology	***Lynparza*** Phase III SOLO-2 data presentation in BRCA-mutated 2L ovarian cancer as maintenance treatment	
AACR	**Immuno-Oncology** Phase I data on TLR7/8 agonist MEDI9197 in solid tumours	**DNA Damage Response** Phase I/II data on *Lynparza* and temozolomide in 2L SCLC[1]

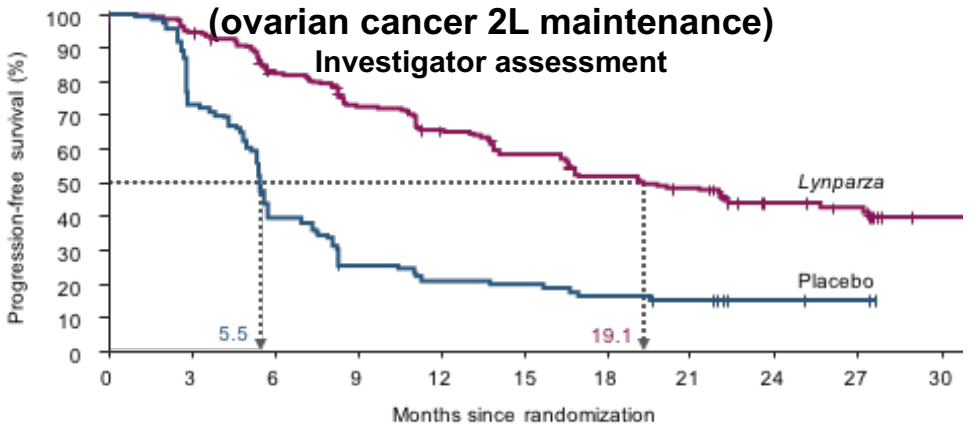
1. SCLC = Small-Cell Lung Cancer.

Lynparza: Ovarian cancer

Compelling efficacy and safety

Compelling efficacy data from SOLO-2 (ovarian cancer 2L maintenance)

Investigator assessment



PFS[1]	*Lynparza* (N=196)	Chemotherapy (N=99)
Investigator, HR (95% CI)	0.30 (0.22; 0.41) p<0.0001	
Investigator, median PFS, months	19.1	5.5
BICR, HR (95% CI)	0.25 (0.18; 0.35) p<0.0001	
BICR[2], median PFS, months	30.2	5.5

Compelling safety data, patient convenience

% (events, n)	Anemia Grade ≥3	Neutropenia Grade ≥3	Thrombocytopenia Grade ≥3
SOLO-2	19.5% (38)	5.1% (10)	1.0% (2)
Interpretation	>10%	<10%	<<10%

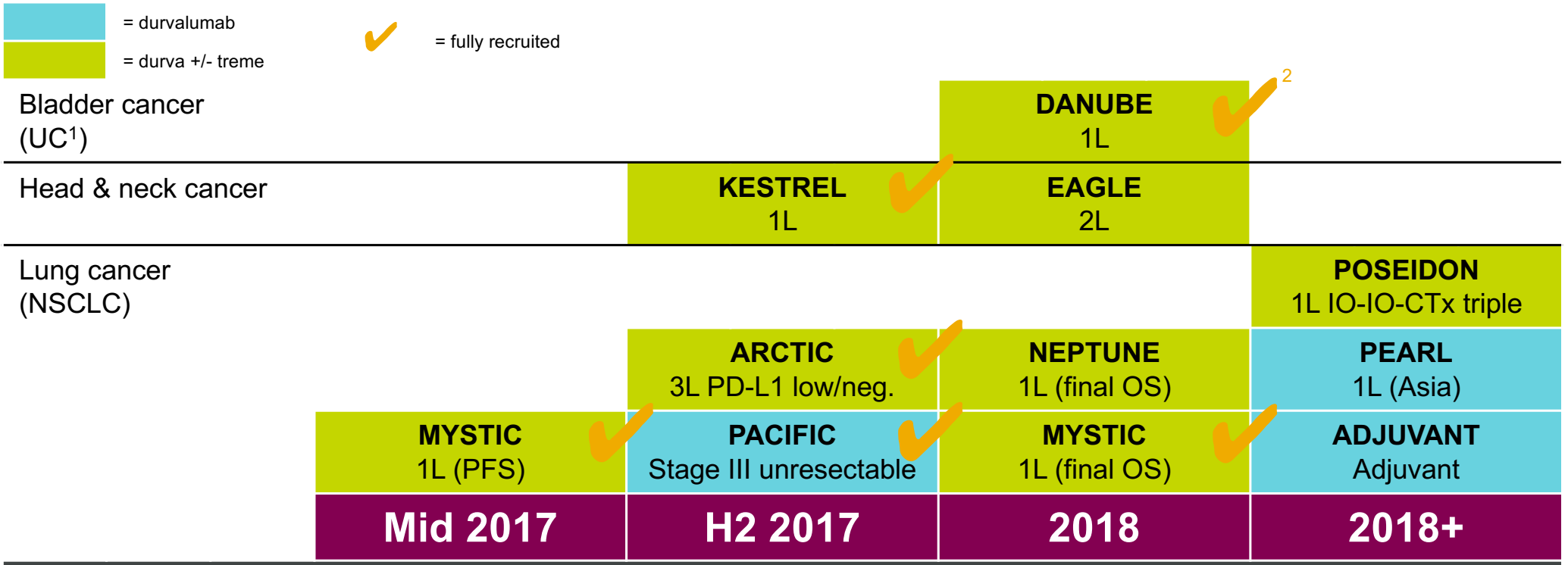
Reducing burden for patients; from 16 capsules to 4 tablets

1. PFS = Progression-Free Survival.
2. BICR = Blinded Independent Central Review.

Source: Presentation at SGO 2017.

Durvalumab and durva + treme

Phase III news flow; 2017 a key year



Potential leadership in IO & IO-IO combinations across multiple cancer types

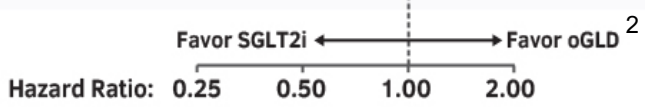
1. Urothelial Carcinoma.
2. Global trial excluding China.

CV[1] outcomes: SGLT2 class reduced morbidity/mortality

Farxiga strengthened by first real-world study in >300,000 patients

CVD-REAL study
Hospitalisation for heart failure or all-cause death

Database	N	# of events	HR (95% CI)
US	143,264	424	0.44 (0.36, 0.54)
Norway	25,050	622	0.58 (0.50, 0.69)
Denmark	18,468	477	0.57 (0.48, 0.67)
Sweden	18,378	364	0.50 (0.41, 0.63)
UK	10,462	96	0.66 (0.44, 1.00)
Total	215,622	1983	0.54 (0.48, 0.60)



46% risk reduction in hospitalisation for heart failure or all-cause death

Key ongoing CV outcomes trials

Bydureon
Phase III **EXSCEL** trial
Data, regulatory submission now expected in Q3 and H2 2017, respectively

Farxiga
Phase III **DECLARE** trial
Data, regulatory submission expected in 2019 at the latest (final analysis)

Phase III **Dapa-HF** trial
Heart failure trial; started Q1 2017
Phase III **Dapa-CKD** trial
Chronic kidney disease trial; started in Q1 2017

1. CV = Cardiovascular.
2. oGLD = Other glucose-lowering drugs.
Data are on treatment, unadjusted.
Source: Presentation at ACC 2017.

Late-stage pipeline news flow in 2017 and 2018

Unlocking and realising the potential of new medicines

	Q2 2017 / mid-2017	H2 2017	2018
Regulatory decision	***Faslodex*** - breast cancer (1L) (JP) **durvalumab** - bladder cancer (US)	***Faslodex*** - breast cancer (1L) (US, EU) ***Lynparza*** - ovarian cancer (2L) (US) **benralizumab** - severe, uncontrolled asthma (US)	***Bydureon*** - autoinjector (US) **benralizumab** - severe, uncontrolled asthma (EU,JP)
Regulatory submission	***Lynparza*** - ovarian cancer (2L) (EU) **acalabrutinib** - blood cancer (US)[1] ***Bevespi*** - COPD (EU)	***Lynparza*** - breast cancer **durvalumab** - lung cancer (PACIFIC) (US) **durva +/- treme** - lung cancer (MYSTIC) - lung cancer (ARCTIC) ***Bydureon*** - CVOT[2]	***Lynparza*** - ovarian cancer (1L) ***Tagrisso*** - lung cancer (1L) **durva +/- treme** - head & neck cancer (KESTREL) - head & neck cancer (EAGLE) - bladder cancer (DANUBE) **moxetumomab** - leukaemia **selumetinib** - thyroid cancer **roxadustat** - anaemia[3] **benralizumab** - COPD **tralokinumab** - severe, uncontrolled asthma ***Duaklir*** - COPD (US) **PT010** - COPD
Key Phase III/II* data readouts	**durva +/- treme** - lung cancer (MYSTIC) **(mid-2017)** **acalabrutinib** - blood cancer*[1]	***Lynparza*** - ovarian cancer (1L) ***Tagrisso*** - lung cancer (1L) **durvalumab** - lung cancer (PACIFIC) **durva +/- treme** - lung cancer (ARCTIC) - head & neck cancer (KESTREL) **moxetumomab** - leukaemia ***Bydureon*** - CVOT **tralokinumab** - severe, uncontrolled asthma	**durva +/- treme** - lung cancer (NEPTUNE) - head & neck cancer (EAGLE) - bladder cancer (DANUBE) **selumetinib** - thyroid cancer **roxadustat** - anaemia **benralizumab** - COPD **PT010** - COPD **anifrolumab** - lupus

1. Potential fast-to-market opportunity ahead of randomised, controlled trials.
2. CVOT = Cardiovascular Outcomes Trial.
3. AstraZeneca-sponsored trials.

Agenda

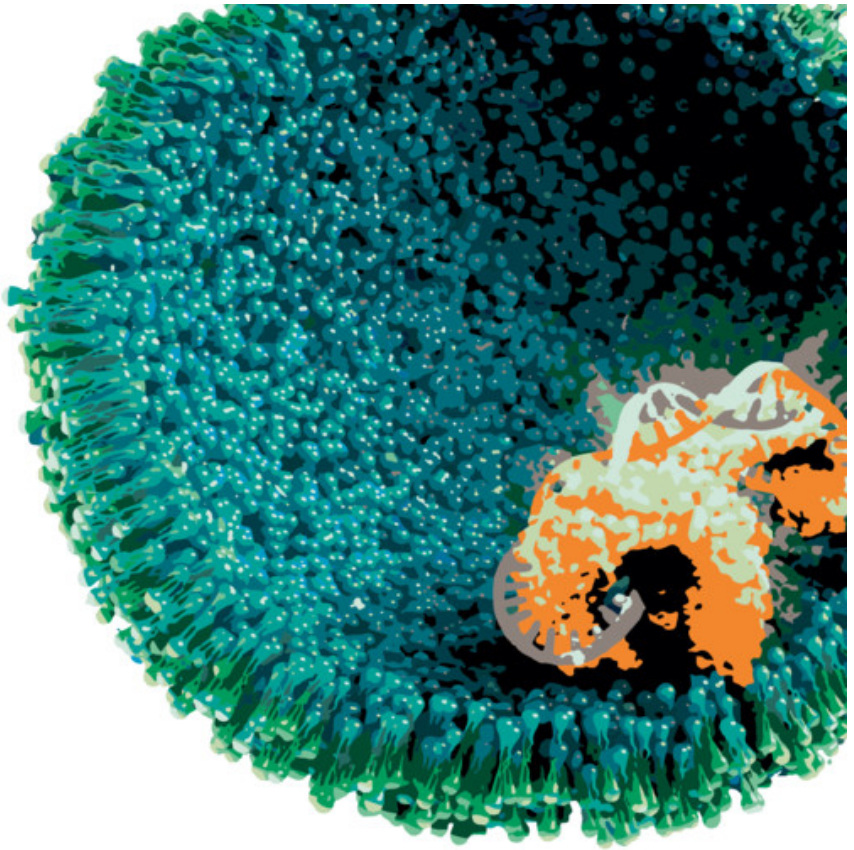

Overview


Growth Platforms


Finance


Pipeline and news flow


Closing and Q&A



Pipeline-driven transformation on track

New AstraZeneca steadily emerging this year

- **Good start to 2017**
  - Financials on track
  - Guidance confirmed
  - Strong pipeline news flow
- **12 new potential medicines in Phase III/under registration**
- **Oncology progressing ahead of expectations**
  - *Tagrisso*, *Lynparza* and Immuno-Oncology
- **Busy pipeline news flow over next 3-9 months**

Q&A

Use of AstraZeneca webcast, conference call and presentation slides

AstraZeneca
What science can do

Q1 2017 Results

Conference call and webcast for investors and analysts, London, UK

27 April 2017