

FY 2018 results

Presentation, conference call and webcast for investors and analysts

14 February 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 media 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



What we set out to do....

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 medicines¹ (+81%) and \$2.8bn incremental sales vs. 2017
- Oncology (+49%), New CVRM² (+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

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

Pipeline news

Oncology	• <i>Tagrisso</i>	EGFRm ¹ NSCLC ² 1L	Priority review (CN)
	• <i>Imfinzi</i>	unresectable, Stage III NSCLC	Regulatory submission (CN)
	• <i>Imfinzi +/- treme</i>	NSCLC 1L (MYSTIC)	Regulatory submission acceptance (OS ³ data) (US)
	• <i>Lynparza</i>	HNSCC ⁴ 2L ovarian cancer 1L maintenance (SOLO-1)	Did not meet OS primary endpoints Did not meet OS primary endpoints Approval (US)
		ovarian cancer 3L	Priority review (CN) Met response rate primary endpoint
New CVRM, Respiratory, Other	• <i>Forxiga</i>	type-1 diabetes	CHMP ⁵ positive opinion (EU) Regulatory submission acceptance (US)
	• roxadustat	anaemia in dialysis patients anaemia of CKD ⁶	Approval (CN) Met primary efficacy endpoints
	• <i>Bevespi</i>	COPD ⁷	Approval (EU)
	• <i>Fasenra</i>	severe eosinophilic asthma; self administration eosinophilic granulomatosis with polyangiitis	Regulatory submission acceptance (US, EU) Orphan Drug Designation (US)
	• PT010	hypereosinophilic syndrome COPD	Orphan Drug Designation (US) Priority review (CN)
	• MEDI8897	lower respiratory tract infection	Breakthrough Therapy Designation (US) PRIME designation (EU)
	• <i>Linzess</i>	inflammatory bowel syndrome	Approval (CN)

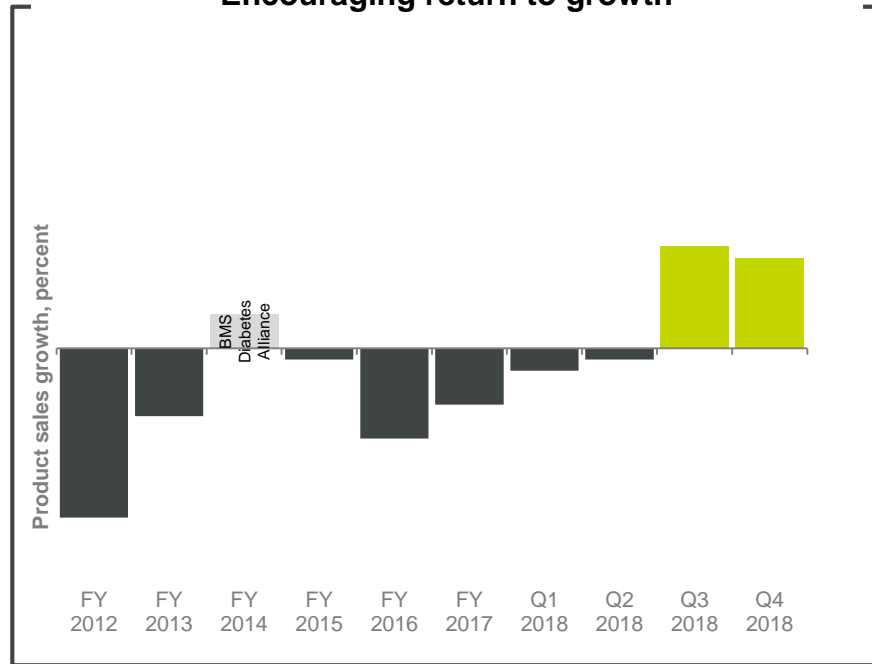
1. Epidermal growth factor receptor mutation. 2. Non-small cell lung cancer 3. Overall survival 4. Head and neck squamous cell carcinoma 5. Committee for Medicinal Products for Human Use of the European Medicines Agency (EMA)
6. Chronic kidney disease 7. Chronic obstructive pulmonary disease. Status since the last results announcement on 8 November 2018.



Sales: inflection point reached

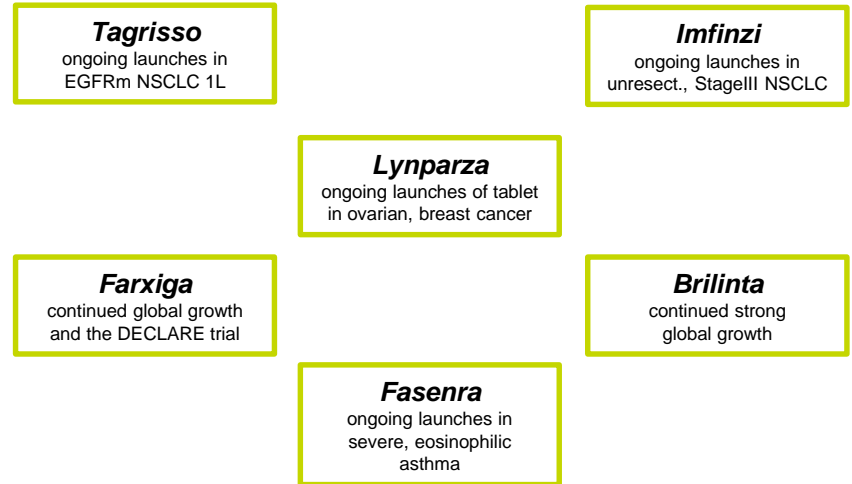
Strong sales growth set to continue

Encouraging return to growth



Changes (product sales growth) at CER.

Key medicines driving growth in 2019



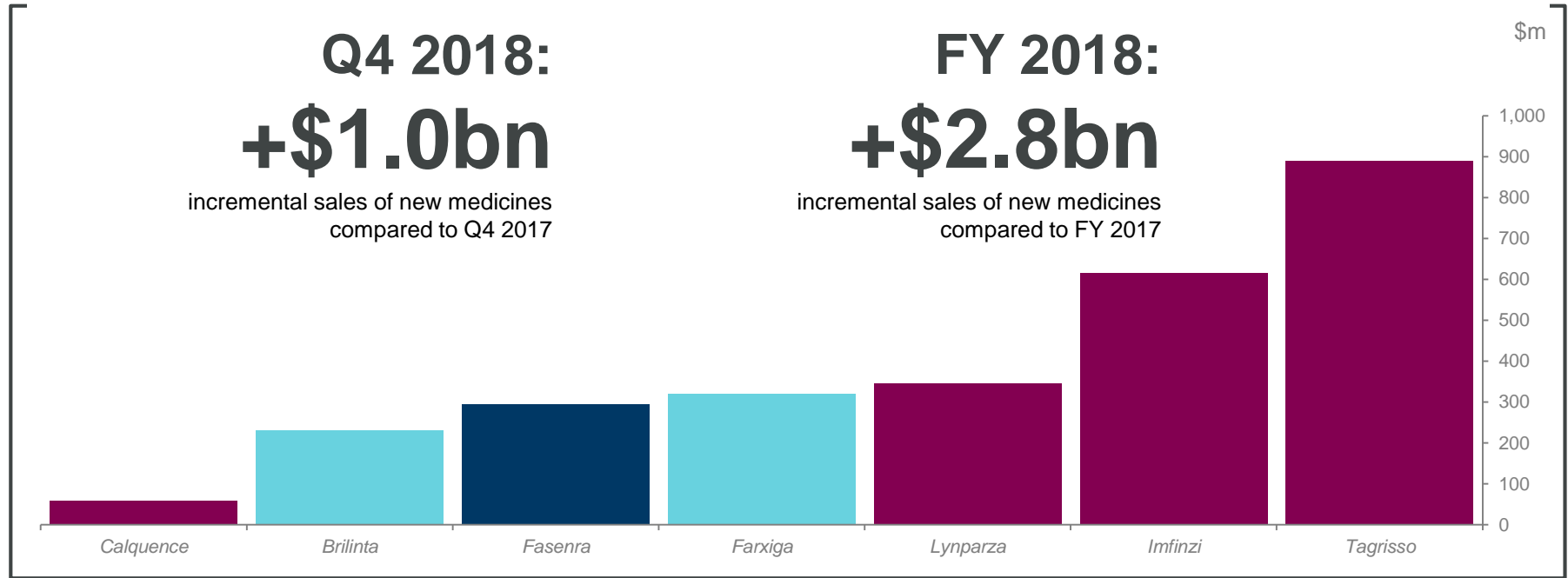
2019 guidance: high single-digit sales growth

Guidance at CER.







Sales: new medicines drove return to growth

FY 2018: \$2.8bn in incremental sales; growth of 81%



Sales: growth across all main therapy areas

Oncology, New CVRM, China all performed strongly

	Q4 2018 \$m	% change	% product sales	FY 2018 \$m	% change	% product sales
Product sales	5,768	8	100	21,049	4	100
 Oncology	1,767	61	31	6,028	49	29
 New CVRM	1,103	11	19	4,004	12	19
 Respiratory	1,362	5	24	4,911	3	23
Other	1,536	(21)	27	6,106	(23)	29
 Emerging markets	1,766	16	31	6,891	13	33
- China	948	22	16	3,795	25	18

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**

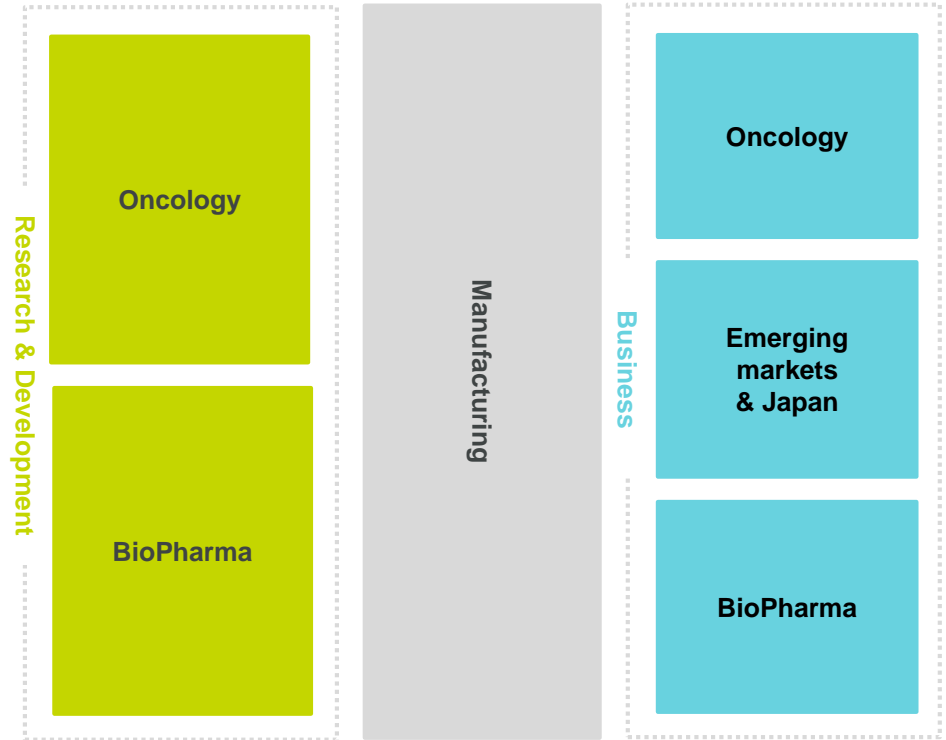


New, simplified organisation

Increase focus on main therapy areas

Agile decision-making and resource allocation

Collaboration between R&D and business



Agenda



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New CVRM, Respiratory, Emerging markets



Financials



Pipeline update and news flow



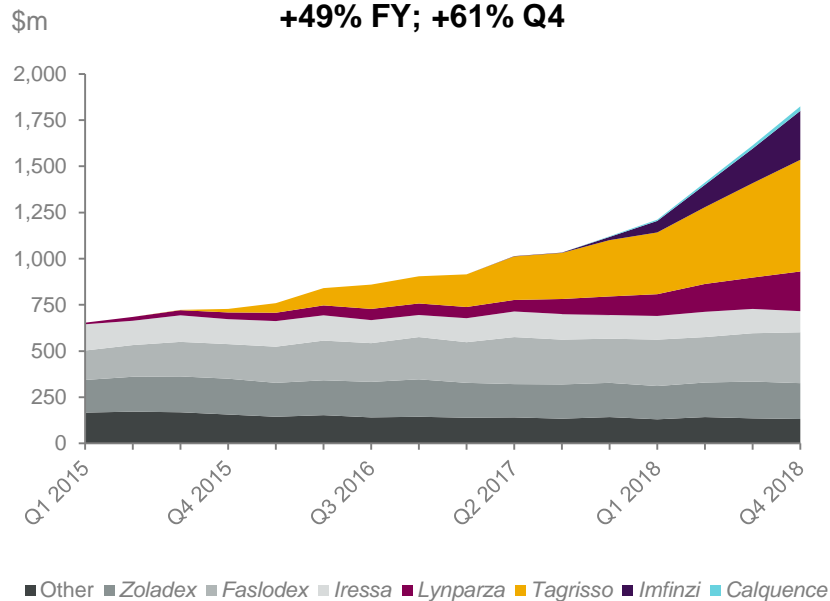
Closing and Q&A



Oncology

Establishing new standards of care

Total Oncology sales +49% FY; +61% Q4



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 MCL¹; CLL² Phase III data in H2 2019. **Faslodex** became \$1bn blockbuster

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

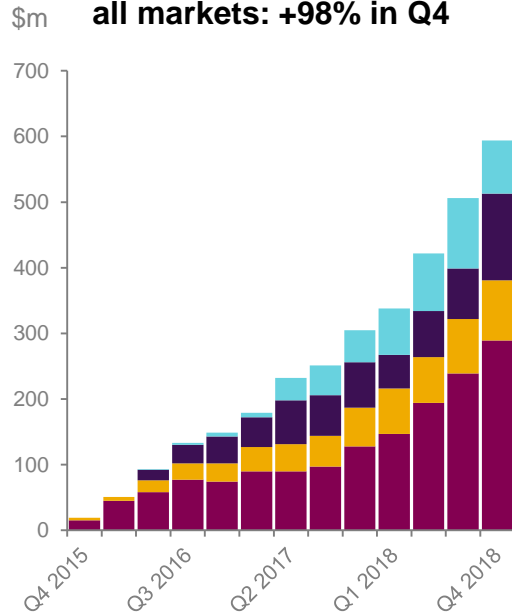
1. Mantle cell lymphoma.
2. Chronic lymphocytic leukaemia.



Lung cancer: *Tagrisso*

1st-line standard of care in US, JP; EU + RoW launches underway

Strong performance in all markets: +98% in Q4



US Europe Established RoW Emerging markets

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

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 NRDL¹ listing

China 1st-line regulatory decision now expected in H1 2019

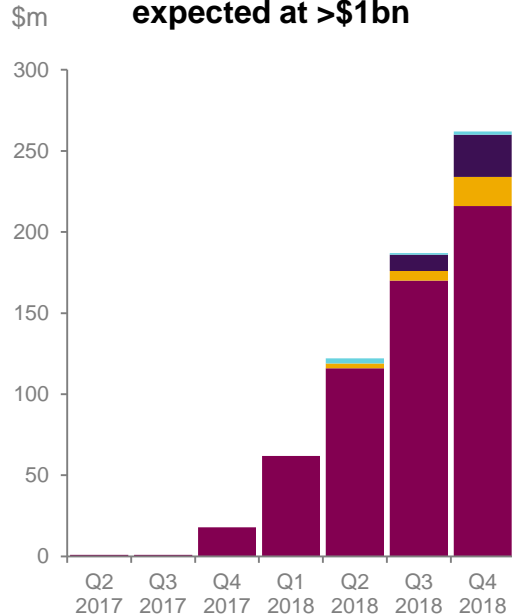
1. National Reimbursement Drug List.



Lung cancer: *Imfinzi*

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

US peak sales now expected at >\$1bn



US Europe Established RoW Emerging markets

Absolute values at actual exchange rates.

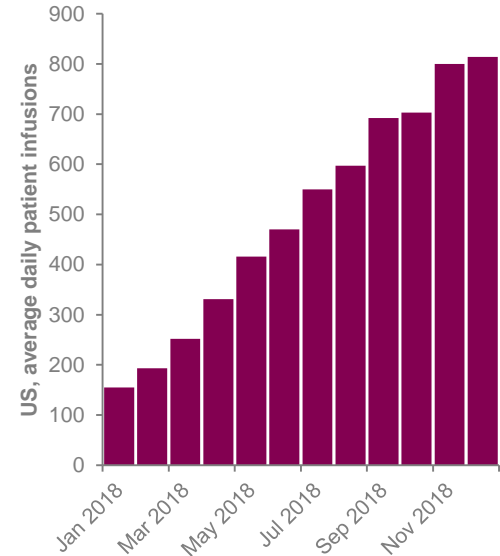
PACIFIC (unresectable, Stage III NSCLC) becoming new SoC¹

- ~40 global approvals obtained
- Sales \$633m; \$262m in Q4
Lung cancer >95% of sales
- US \$564m; \$216m in Q4
More patients being treated post CRT², 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)

1. Standard of care.

2. Chemoradiotherapy; a combination of chemotherapy and radiotherapy.

US patient infusions continue to increase

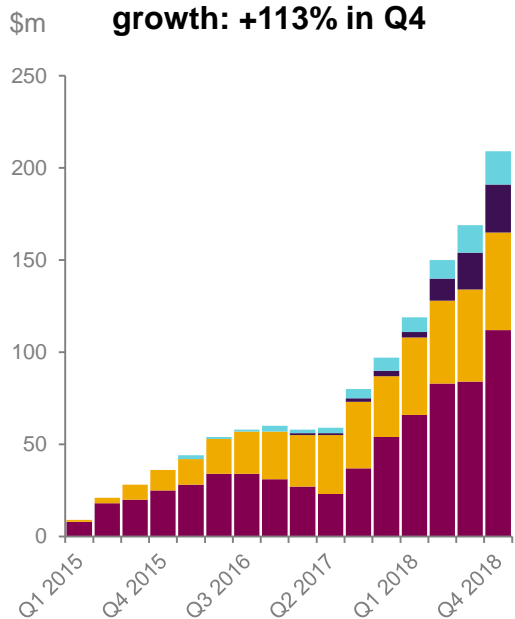


Source: proprietary market research.



Leading PARP inhibitor treating more patients

Six quarters of strong growth: +113% in Q4



US Europe Established RoW Emerging markets
 Absolute values at actual exchange rates; changes at CER and for FY 2018, unless otherwise stated.

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 *BRCAM*¹ ovarian cancer maintenance
- Europe +41%**
 Broad label in 2nd-line ovarian cancer maintenance, where reimbursed; high testing rates and *BRCAM* label adoption elsewhere
- 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

Breast cancer regulatory decision H1 2019



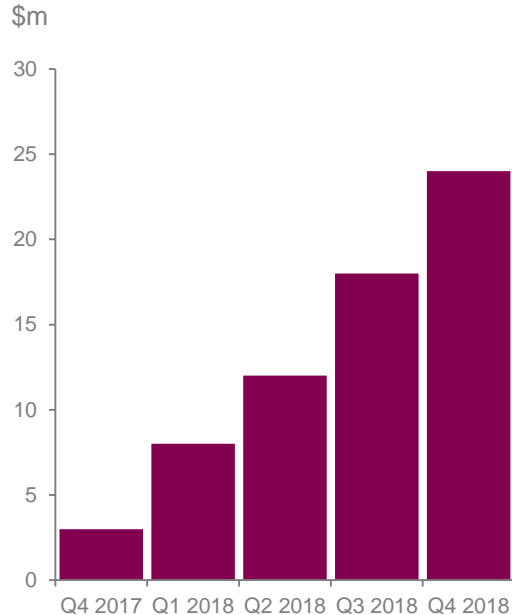
1. Breast cancer susceptibility genes 1/2 mutation.



Haematology: *Calquence* and *Lumoxiti*

Building momentum in US; global MCL expansion underway

Calquence highlights



- **Sales \$62m, US only**
- **Continued good uptake**
~40% BTK¹ inhibitor new-patient share in approved indication
~3/4 of use in BTK-naïve patients
- **Expanding patient benefit**
First ex-US approvals: UAE², Brazil
- **Lifecycle plans underway in larger indications**
CLL Phase III data in H2 2019;
new venetoclax combo Phase III

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.

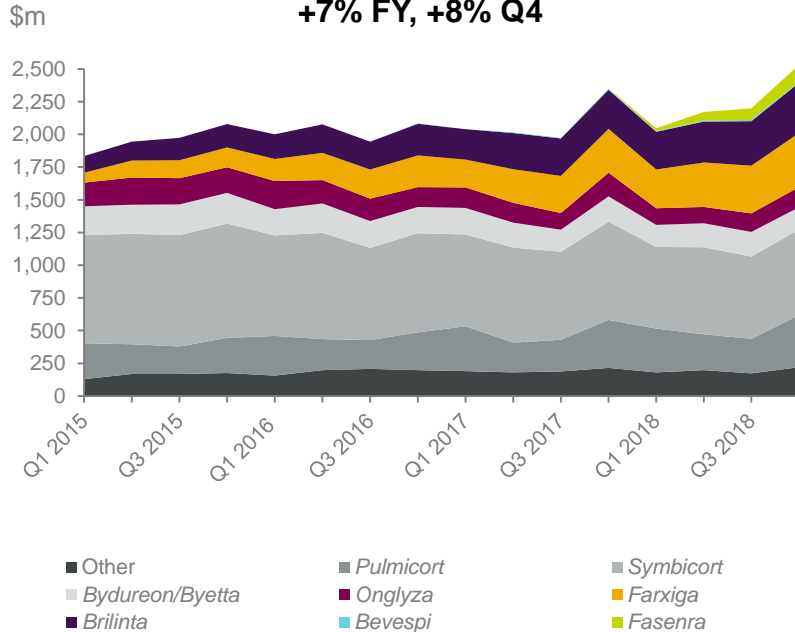
1. Bruton's tyrosine kinase.
2. United Arab Emirates.



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

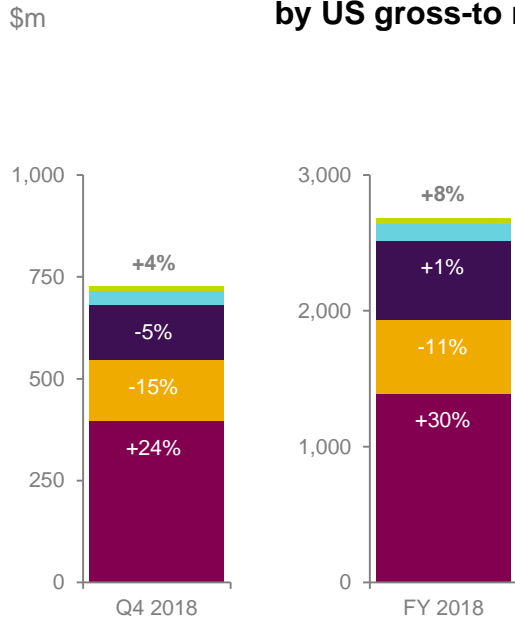
- **Farxiga:** leading SGLT2 inhibitor with differentiated CV¹ outcomes data, global growth and more data next year
- **Brilinta:** strong clinical benefit across CV disease, with more data in 2019 and 2020
- **Fasenna:** strong launch in US, Japan and Germany; global roll-out underway
- **Symbicort/Pulmicort:** combined a robust, global inhaled respiratory business
- **Lokelma:** launches now underway in Europe; US to follow mid-2019



New CVRM

Blockbusters *Farxiga* and *Brilinta* sustained strong performances

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



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

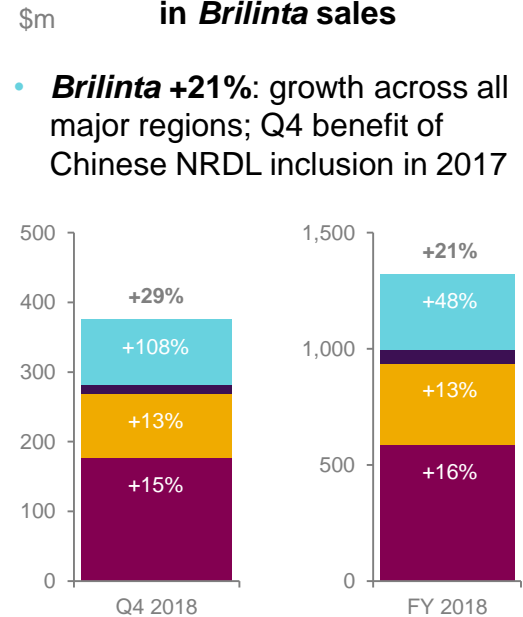
- Year-end production constraints of new *BCise* device



Farxiga Onglyza Bydureon Byetta Other

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

Continued growth in *Brilinta* sales



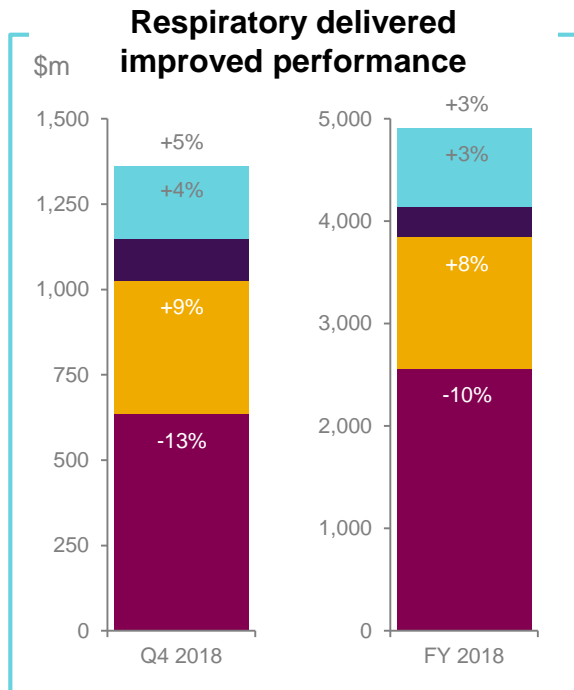
- *Brilinta* +21%: growth across all major regions; Q4 benefit of Chinese NRDL inclusion in 2017

US Europe Established RoW Emerging markets



Respiratory

Fasenra and Pulmicort sales offsetting the Symbicort performance



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

Symbicort, leading ICS+LABA medicine globally by volume

US -6%

- Symbicort (-22%); volume, market-share gain offset by price; now the leading ICS/LABA² 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 prescriptions²

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



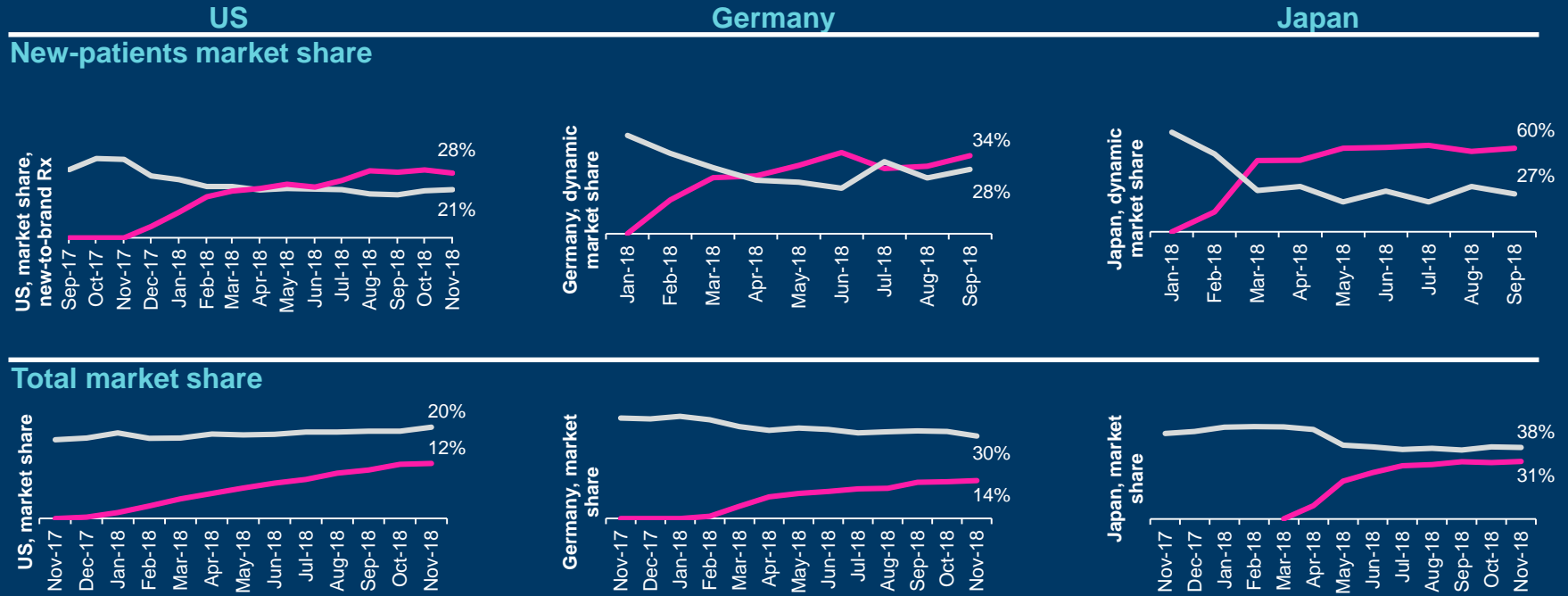
1. Inhaled corticosteroid/long-acting β adrenoceptor agonists.

2. IQVIA.



Fasenra: strong launch success on all metrics

Focus on expanding benefit in a large, growing market



Fasenra Main IL-5 mAb competitor

Source: IQVIA. Dynamic market share defined as new patients and patients switching medicine.

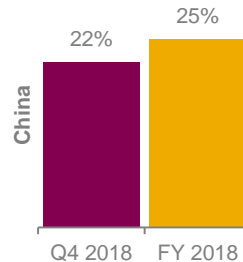
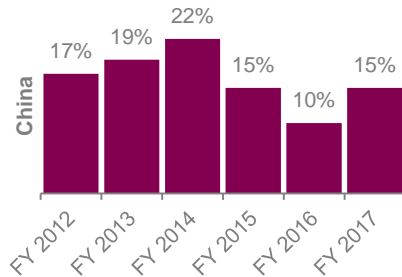
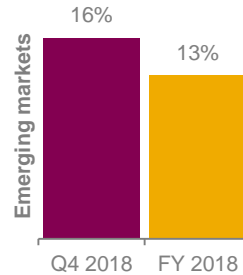
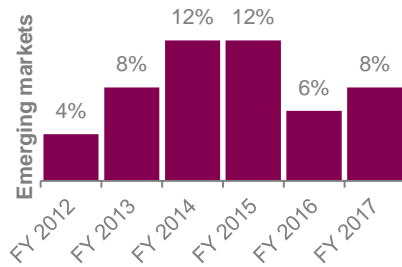


Emerging markets

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)



Agenda



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Financials



Pipeline update and news flow



Closing and Q&A



Reported profit and loss

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

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

	FY 2018 \$m	% change	% total revenue	Q4 2018 \$m	% change	% total revenue
Product sales	21,049	4	95	5,768	8	90
Externalisation revenue	1,041	(55)	5	649	126	10
Total revenue	22,090	(2)	100	6,417	14	100
Gross margin	79.5%	(2) pp	-	78.6%	(1) pp	-
Operating expenses ¹	14,248	4	64	3,995	11	62
- R&D expenses	5,266	(3)	24	1,466	3	23
- SG&A expenses	8,651	9	39	2,436	15	38
Other operating inc. & exp.	2,147	10	10	1,004	18	16
Operating profit	5,672	(17)	26	2,192	23	34
Tax rate	11%	-	-	0%	-	-
EPS	\$3.46	(19)		\$1.58	22	

1. Includes distribution expense.

Absolute values at actual exchange rates; changes at CER.

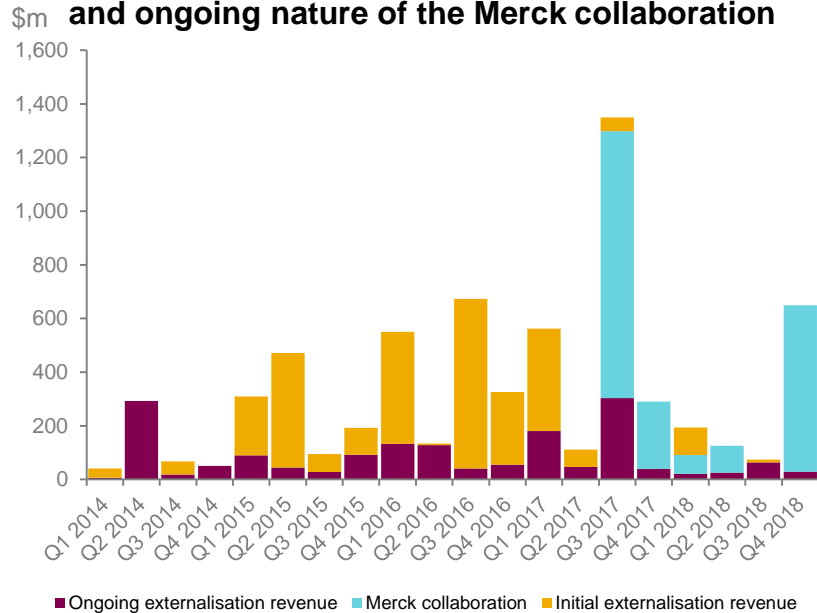
Gross margin reflects gross profit derived from product sales, divided by product sales.



Externalisation revenue

Q4 underpinned by Merck collaboration

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



Highlights from externalisation revenue

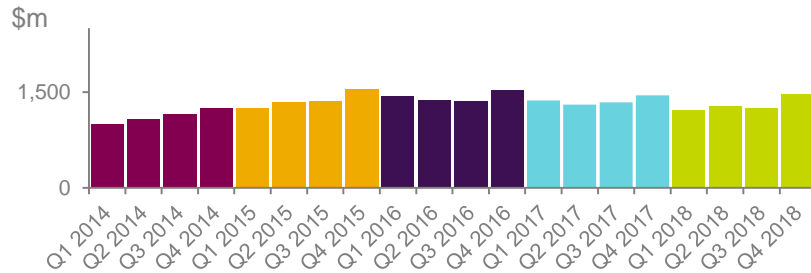
- Significant Q4 externalisation revenue from Merck collaboration
 - \$400m option payment
 - \$150m sales milestone
 - \$70m approval milestone; received earlier than anticipated (Q4 2018 vs. H1 2019)
- Merck collaboration a steady, ongoing revenue source:
 - Regular milestones; approval (~1/3) and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



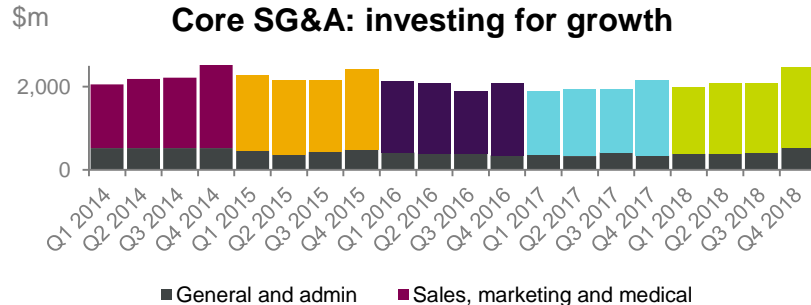
Total core operating expenses increased by 4%

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

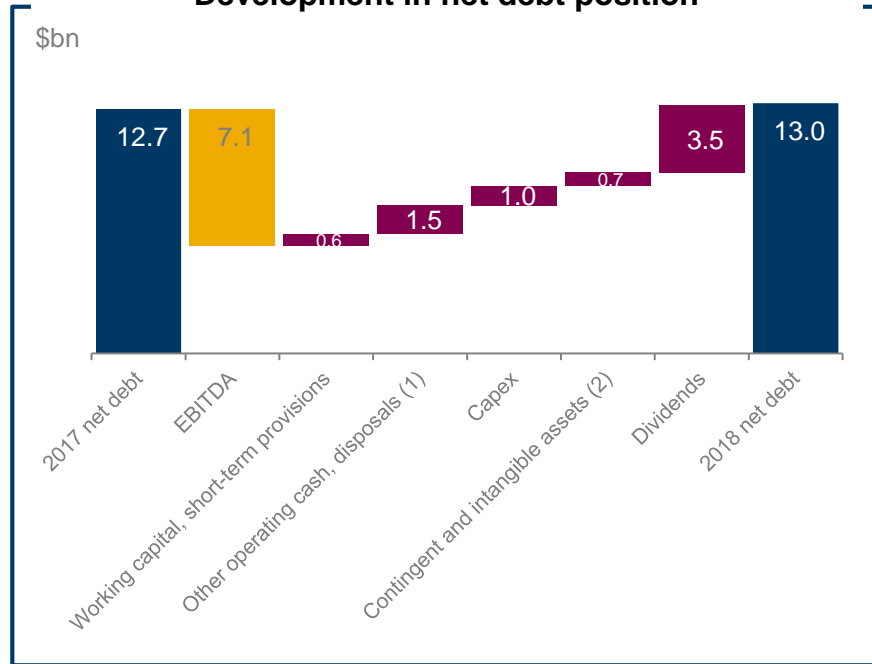
2019 indication: core operating expenses expected to increase by a low single-digit percentage



Cash flow

Net debt stable in the year

Development in net debt position



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.

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



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



Agenda



Overview



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Pipeline update and news flow



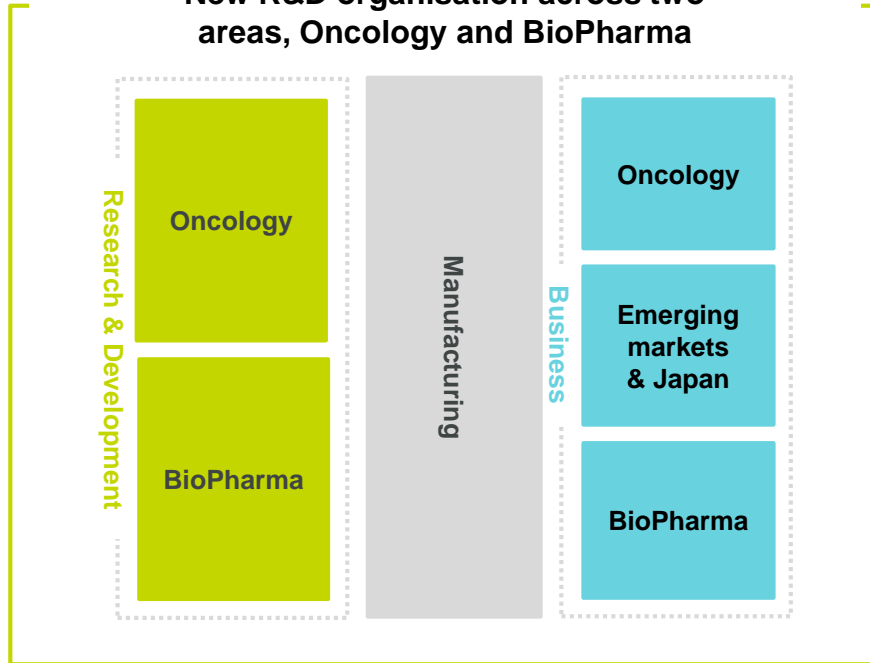
Closing and Q&A



Pipeline update and news flow

Continued progress with focus on oncology and biopharmaceuticals

New R&D organisation across two areas, Oncology and BioPharma



Welcome to Dr. José Baselga
R&D Oncology



Available for
Q&A today



2018 year-end pipeline update

Significant news flow supports sustainable growth

Lynparza breast cancer approval (US)	Fasenra severe asthma approval (EU)	Lynparza ovarian cancer 2L approval (EU)	Imfinzi unr. SIII NSCLC approval (US)	Lynparza breast cancer approval (JP)	Imfinzi unr. SIII NSCLC approval (JP)	Lynparza ovarian cancer 2L approval (CN)	Tagrisso EGFRm NSCLC approval (JP)	Lumoxiti HCL 3L approval (US)	Lynparza ovarian cancer 1L approval (US)
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Lynparza ovarian cancer 2L approval (JP)	Fasenra severe asthma approval (JP)	Tagrisso EGFRm NSCLC approval (US)	Lokelma hyperkalaemia approval (EU)	Tagrisso EGFRm NSCLC approval (EU)	Lokelma hyperkalaemia approval (US)	Bevespi COPD pos. opinion (EU)	Imfinzi unr. SIII NSCLC approval (EU)	Bydureon BCise type-2 diabetes approval (EU)	Bevespi COPD approval (EU)	roxadustat anaemia-dialysis approval (CN)
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Approvals

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

Data, designations, regulatory submissions and/or acceptances

PT010 COPD Phase III pos.	Forxiga type-1 diabetes regulatory submission (JP)	Forxiga type-1 diabetes regulatory submission (EU)	selumetinib NF1 orphan designation (EU)	Symbicort mild asthma regulatory submission (EU)	Duaklir COPD regulatory submission (US)	Lynparza ovarian cancer 1L reg. submission (EU, JP, CN)	Fasenra EGPA ² orphan designation (US)	Farxiga type-1 diabetes reg. submission (US)	Imfinzi unr. SIII NSCLC regulatory submission (CN)
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Imfinzi + treme NSCLC 3L Phase III neg.	Ilanabecestat Alzheimer's disease Phase III neg.	Fasenra COPD Phase III neg.	Lynparza ovarian cancer 1L Phase III pos.	selumetinib thyroid cancer orphan Phase III neg.	Farxiga CVOT ¹ Phase III pos.	anifrolumab lupus Phase III neg.	Imfinzi +/- treme NSCLC 1L Phase III neg.	Lynparza ovarian cancer 3L Phase III pos.	roxadustat anaemia of CKD Phase III pos.
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selumetinib NF1 orphan designation (US)	Imfinzi unr. SIII NSCLC (OS) Phase III pos.	Lynparza breast cancer regulatory submission (EU)	Lynparza pancreatic cancer orphan designation (US)	tezepelumab severe asthma breakthrough designation (US)	Tagrisso EGFRm NSCLC regulatory submission (CN)	Bevespi COPD reg. submission (JP, CN)	PT010 COPD reg. submission (JP, CN)	Imfinzi +/- treme head & neck cancer 2L Phase III neg.
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Favourable news Unfavourable news

1. Cardiovascular outcomes trial.
2. Eosinophilic granulomatosis with polyangiitis.



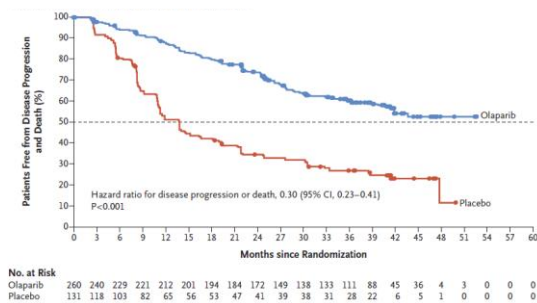
Oncology

Successful quarter; important progress across all key medicines

Regulatory milestones

- **Tagrisso** - EGFRm NSCLC 1L: priority review (CN)
- **Imfinzi** - unresectable, Stage III NSCLC: submission (CN), acceptance (OS data) (US)
- **Imfinzi +/- treme** - NSCLC 1L (MYSTIC), 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



	Events	Median PFS ¹
Lynparza	102 (39.2)	Not reached
Placebo	96 (73.3)	13.8 months

PFS HR² = 0.30
95% CI (0.23,0.41); p<0.0001

1. Progression-free survival.

2. Hazard ratio.

Source: European Society of Clinical Oncology meeting, 2018.

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

3. Overall response rate 4. Complete response. 5. Partial response

6. Duration of response.

Source: American Society of Hematology meeting, 2018.

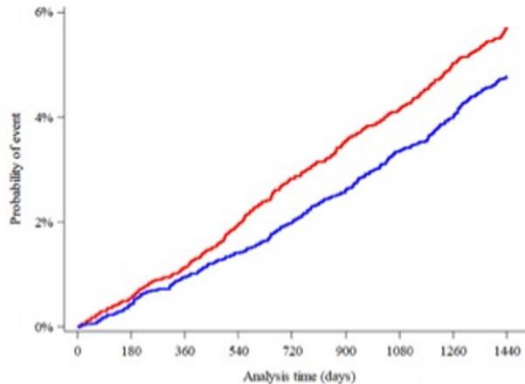


New CVRM and Respiratory

Leading position in cardiovascular and respiratory diseases

Significant potential for *Farxiga* to benefit many more patients

DECLARE trial
Statistically-significant reduction
in CVD¹/hHF² vs. placebo
4.9% vs. 5.8%
HR 0.83 (0.73-0.95)
P (superiority) 0.005



- **Forxiga** - add-on indications (metformin / insulin for type-2 diabetes): approval (CN)
- **Forxiga** - 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.




2. Hospitalisation for heart failure.

Source: American Heart Association meeting, 2018.



Late-stage pipeline events in the 2019, 2020 timeframe

Busy news flow continues; underpinning consistent sales growth

	H1 2019	H2 2019	2020
 Regulatory decision	<p>Tagrisso - EGFRm NSCLC 1L (CN) Lynparza - breast cancer (EU)</p> <p>Forxiga - type-1 diabetes (EU, JP)</p> <p>Duaklir - COPD (US)</p>	<p>Imfinzi - unresectable, Stage III NSCLC (CN) Lynparza - ovarian cancer 1L(SOLO-1)(EU, JP, CN) Farxiga - type-1 diabetes (US) Symbicort - mild asthma (EU) Bevespi - COPD (JP, CN) Fasenra - self administration (US, EU) PT010 - COPD (JP, CN)</p>	-
 Regulatory submission and/or acceptance	<p>Imfinzi +/- treme - head & neck cancer 1L</p> <p>Farxiga - type-2 diabetes CVOT</p> <p>roxadustat - anaemia (US)</p>	<p>Imfinzi + treme - NSCLC 1L (NEPTUNE) Imfinzi +/- treme - NSCLC 1L (POSEIDON) - small-cell lung cancer - bladder cancer 1L Lynparza - pancreatic cancer Calquence - CLL selumetinib - NF1 Brilinta - CAD/type-2 diabetes CVOT Lokelma - hyperkalaemia (JP) Symbicort - mild asthma (CN) PT010 - COPD (US, EU)</p>	<p>Lynparza - ovarian cancer 1L (PAOLA-1) - prostate cancer 2L, castration-resistant</p> <p>Brilinta - stroke Farxiga - heart failure CVOT Lokelma - hyperkalaemia (CN)</p> <p>Fasenra - nasal polyps</p>
 Key Phase III data readouts	<p>Imfinzi +/- treme - head & neck cancer 1L</p> <p>Lynparza - pancreatic cancer</p> <p>Brilinta - CAD¹/type-2 diabetes CVOT</p> <p>roxadustat - anaemia of CKD; pooled safety</p>	<p>Tagrisso - EGFRm NSCLC 1L (final OS) Imfinzi + treme - NSCLC 1L (NEPTUNE) Imfinzi +/- treme - NSCLC 1L (POSEIDON) - small-cell lung cancer - bladder cancer 1L Lynparza - ovarian cancer 1L (PAOLA-1) - prostate cancer 2L, castration-resistant Calquence - CLL PT010 - COPD (ETHOS)</p>	<p>Imfinzi - neo-adjuvant NSCLC</p> <p>Brilinta - stroke Farxiga - heart failure CVOT - CKD Epanova - hypertriglyceridaemia CVOT roxadustat - anaemia of MDS²</p> <p>Fasenra - nasal polyps tezepelumab - severe asthma</p>

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



'What's next'?

Rich mid-stage pipeline; selected new molecular entities underway

Oncology

capivasertib (AKT¹ inhibitor)
breast, prostate cancers
Phase III start in H1 2019

adavosertib (WEE1² inhibitor)
solid tumours
Phase II start in H1 2019

AZD6738 (ATR³ inhibitor)
solid tumours
Phase II start in H1 2019

AZD9833 (SERD⁴, oral)
breast cancer
Phase I ongoing

monalizumab(NKG2a⁵ mAb⁶)
head & neck, colorectal
Phase II ongoing

oleclumab (CD73⁷ mAb)
lung, pancreatic cancers
Phase I/II ongoing

AZD4635 (A2AR⁸ inhibitor)
solid tumours
Phase I ongoing

danvatirsen(STAT3⁹ inhibitor)
bladder, head & neck, lung
Phase I/II ongoing

New CVRM

cotadutide(GLP-1¹⁰/glucagon
co-agonist) - NASH¹¹
Phase IIb start in H2 2019

AZD5718 (FLAP¹² inhibitor)
coronary artery disease
Phase IIa; IIb start in H2 2019

AZD4831 (MPO¹³ inhibitor)
heart failure (HFpEF¹⁴)
Phase IIa ongoing

AZD8601 (VEGF-A mRNA¹⁵)
heart failure
Phase IIa ongoing

Respiratory

PT027 (SABA/ICS¹⁶)
asthma
Phase III start in H1 2019

AZD1402 (IL-4R¹⁷ antagonist)
asthma
Phase I; II start in H2 2019

MEDI3506 (IL-33¹⁸ mAb)
COPD
Phase I ongoing

AZD0449 (inhaled JAK¹⁹
inhibitor) - asthma
Phase I ongoing

AZD8154 (inhaled PI3Kγ²⁰
inhibitor) - asthma
Phase I ongoing

1. Protein kinase B 2. Tyrosine kinase WEE1 3. Ataxia telangiectasia and rad3-related kinase 4. Selective estrogen receptor degrader 5. Inhibitory cell surface receptor covalently bound to CD94 6. Monoclonal antibody 7. 5'-nucleotidase 8. G protein-coupled receptor 9. Signal transducer and activator of transcription 3 10. Glucagon-like peptide-1 11. Nonalcoholic steatohepatitis 12. 5-Lipoxygenase-activating protein 13. Myeloperoxidase 14. Heart failure with preserved ejection fraction 15. Vascular endothelial growth factor A messenger RNA 16. Short-acting β-agonist/inhaled corticosteroid 17. Interleukin-4 receptor 18. Interleukin-33 19. Janus kinase 20. Phosphoinositide 3-kinase gamma/delta.



Agenda



Overview



Oncology



New CVRM, Respiratory, Emerging markets



Financials



Pipeline update and news flow



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 medicines¹ (+81%) and \$2.8bn incremental sales vs. 2017
- Oncology (+49%), New CVRM² (+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



Q&A



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FY 2018 results

Presentation, conference call and webcast for investors and analysts

14 February 2019

