

AstraZeneca (AZN LN)

FUNDAMENTAL VIEW ¹

As of 26 Aug 2025

- AZN enjoys one of the strongest growth profiles in our coverage, reflecting a portfolio of innovative medicines, particularly in Oncology. The addition of Alexion supports AZN's growth prospects, bringing strong assets in immune-mediated rare diseases.
- AZN also enjoys relatively strong diversification, with core sales coming from multiple therapeutic areas and with depth across its Oncology and Biopharma platforms.
- AZN's capital allocation priorities include investment in the business, the pursuit of value-enhancing M&A, and support for the dividend.

RISKS & CATALYSTS

As of 26 Aug 2025

- Given that AZN's leverage has been largely restored to pre-Alexion levels, we expect limited deliberate improvement from here. However, we expect future shareholder rewards and business development to be managed somewhat conservatively.
- AstraZeneca has shown discipline with respect to leverage and capital allocation in recent years. While AstraZeneca pays a relatively aggressive dividend (~32% of LTM FCF), the company has historically been very conservative with share repurchases and has even used share issuance to fund certain acquisitions.
- AZN recently lost a patent-infringement lawsuit against Samsung Biologics regarding a biosimilar version of Soliris.

CREDIT QUALITY SCORE (CQS) ²

As of 23 Sep 2025

CURRENT CQS

88

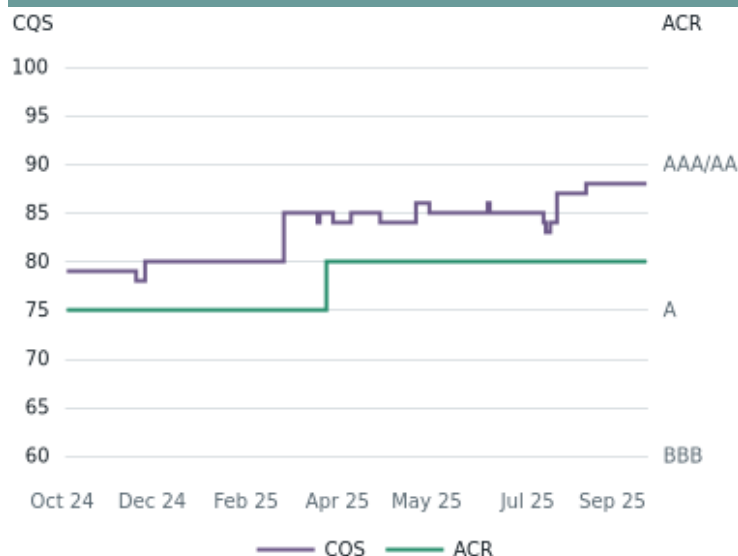
CQS OUTLOOK ³

NEGATIVE

STABLE

POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) ⁴ VS CQS



KEY METRICS

As of 26 Aug 2025

\$ MN	Y20	Y21	Y22	Y23	Y24	LTM Q25
Revenue	26,617	37,417	44,351	45,811	54,073	56,501
Gross Profit	21,318	24,980	31,960	37,543	43,866	45,981
R&D	(5,991)	(9,736)	(9,762)	(10,935)	(13,583)	(14,499)
SG&A	(11,294)	(15,234)	(18,419)	(19,216)	(19,977)	(19,909)
Adj. EBITDA	8,680	11,506	14,507	15,641	18,208	19,236
Total Debt	19,699	29,794	28,279	27,494	28,843	31,206
Gross Leverage	2.3x	2.6x	1.9x	1.8x	1.6x	1.6x
Interest Coverage	11.8x	16.0x	17.1x	14.5x	13.9x	14.2x

BUSINESS DESCRIPTION

As of 26 Aug 2025

- AstraZeneca is a UK-based pharmaceutical company that researches, develops, and manufactures drugs with a focus in (i) Oncology, (ii) Cardiovascular, Renal and Metabolism (CVRM), (iii) Respiratory and Immunology, (iv) Rare Disease, and (v) Vaccines and Immune.
- AstraZeneca operates in five primary segments: Oncology, CVRM (cardiovascular, renal, and metabolism), Respiratory and Immunology, Rare Diseases, and V&I (Vaccines and Immune). AstraZeneca reported FY24 revenues of \$54.1 bn, with ~41% from Oncology, ~23% from CVRM, ~15% from Respiratory and Immunology, and ~16% from Rare Diseases.
- In recent years, AstraZeneca has acquired Alexion for ~\$39 bn, CinCor for ~\$1.8 bn, Fusion for ~\$2 bn, Neogene for \$320 mn, TeneoTwo for ~\$100 mn with future contingent milestone payments of up to \$1.1 bn, Gracell for ~\$1 bn, Icosavax for ~\$800 mn and Amolyt for \$800 mn.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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