

# Investor Intelligence Report AstraZeneca PLC

**"Voice of the Shareholder"**

3Q 2023 at September 8th

Brendan Wood International  
First Intelligence

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Brendan Wood & Partners

## The Brendan Wood Shareholder Confidence Panel

**BWI Panel**  
**Institutional**  
**&**  
**Private Wealth Investors**

**Secondary Markets**  
**Professionals**  
**Research, Sales & Trading**

**GLOBAL PANEL**  
 2000+ Debriefs with Decision  
 Makers  
 >\$56 Trillion in Assets  
 70% Sector Specialists  
 30% Generalists  
 Average 9 Yrs Professional  
 Experience, 25% more than 15  
 Years

+/- 600 Professionals, including...  
 +/- 400 TopGuns

**GLOBAL RESOURCES PANEL**  
 350+ Debriefs with Decision  
 Makers  
 >\$15 Trillion in Assets  
 80% Sector Specialists  
 20% Generalists  
 Average 11 Yrs Professional  
 Experience, 35% more than 15  
 Years

+/- 100 Professionals, including...  
 +/- 100 TopGuns

Geographic Breakdown of the BWI Panel 2023:

US	42%
Canada	21%
Europe/Middle East/Africa	32%
Pacific Rim	4%
Latin America	1%+

Global Resources Panel:

35%
34%
27%
3%
1%+

# WHAT DO BRENDAN WOOD COMPANY SCORES MEAN?

## METHODOLOGY

The core mission of BWI performance and quality metrics is to illustrate and explain the emerging investor “commitment to own” particular stocks.

Eleven critical performance metrics are used to determine the relative strength of investor commitment to a company as an investment target. To help investors rate companies in a sector on a relative basis “one metric at a time”, a visual technique is used. For example, the visual tool shows investors a consensus vertical hierarchy representing how each investment target company in a sector is rated by investors against a criterion such as “Quality of Strategy” ... AS AN INFLUENCE ON THE INVESTOR COMMITMENT TO OWN THE NAME. The investor is then asked to adjust the consensus rating hierarchy to match their own particular view of how each company scores against the “Quality of Strategy” criterion. They may agree or disagree with the consensus. The investor then makes their personal adjustments which are added to our cumulative data instantly. To make this task fast and accurate the visual scoring hierarchy is broken down into top decile, four quartiles and a bottom decile, therefore six potential levels of performance against each investment selection criterion. The quartile display is instantly recognizable by investors as indicating both absolute and relative bases of the influence of a company’s level of competitive performance against a critical investment selection criterion.

The above methodology forces the (dependent variable) absolute benchmark of “commitment to own” on each quality of a corporate investment target.

## WHY A COMPANY SCORE MAY BE FIRST IN ITS SECTOR BUT RATE IN THE SECOND QUARTILE?

This means that the sector itself (all companies included) ranks in the second quartile or below of investor selection attractiveness against a particular criterion of investability.

## ADVANTAGE OF BRENDAN WOOD INTERNATIONAL METHODOLOGY?

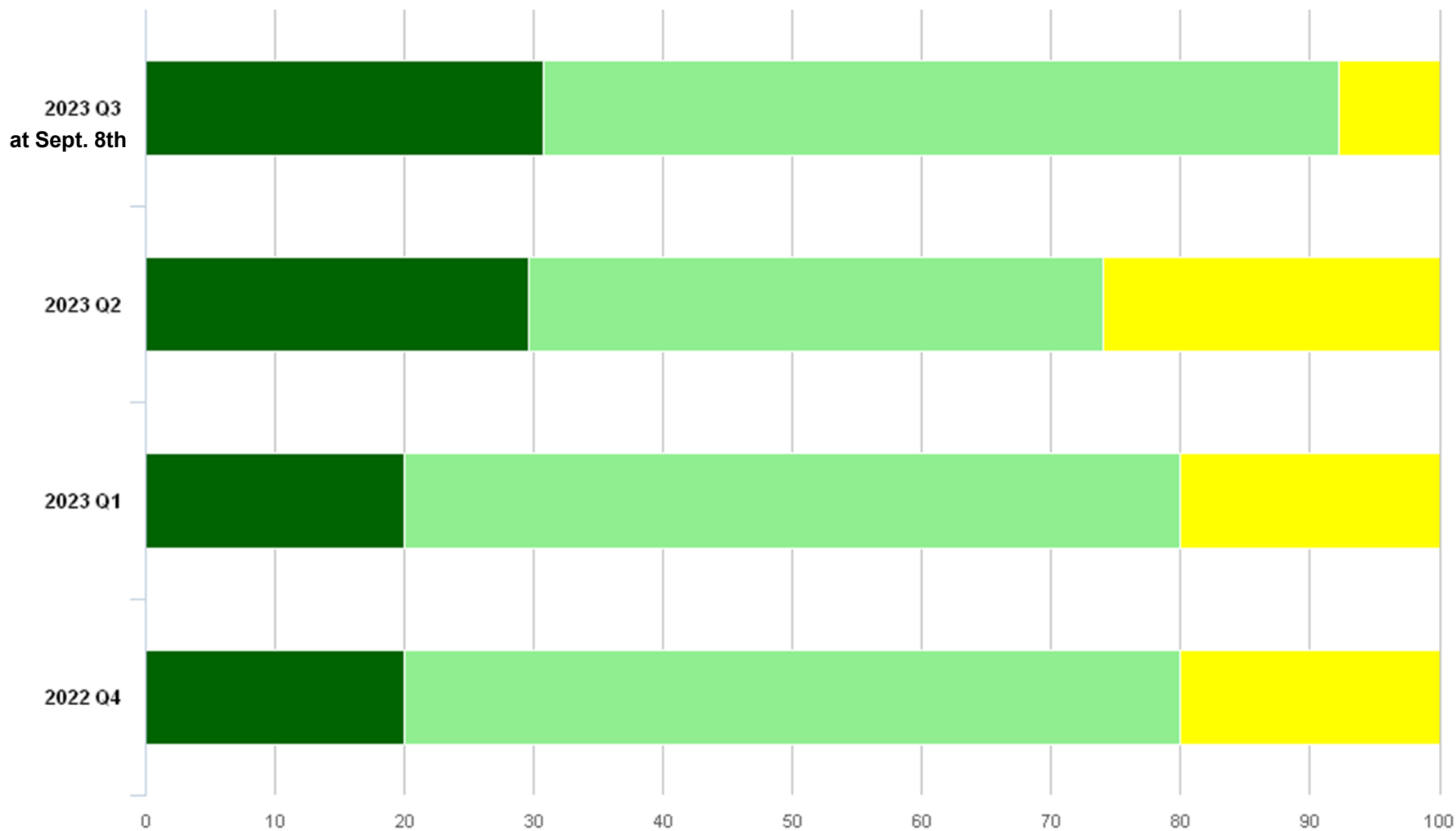
This process identifies the emerging competitiveness of individual sectors, sub-sectors and most importantly of companies as investment targets on both an absolute and relative ‘best in sector’ basis against investors’ selection criteria for the year ahead. Such calibrated data allows BW partners to help corporate management to accurately analyze their company’s attractiveness as a target for the year ahead as an individual story and relative to its comparables and sector. The isolation of performance against individual metrics enables management to identify and address the key metrics which drive the “commitment to own” their particular stock.

## APPARENT CONTRADICTION BETWEEN QUARTERLY RESULTS AND ROLLING YEAR RESULTS?

Quarterly results = the results in the quarter. Rolling years results = the results for a full year of data.

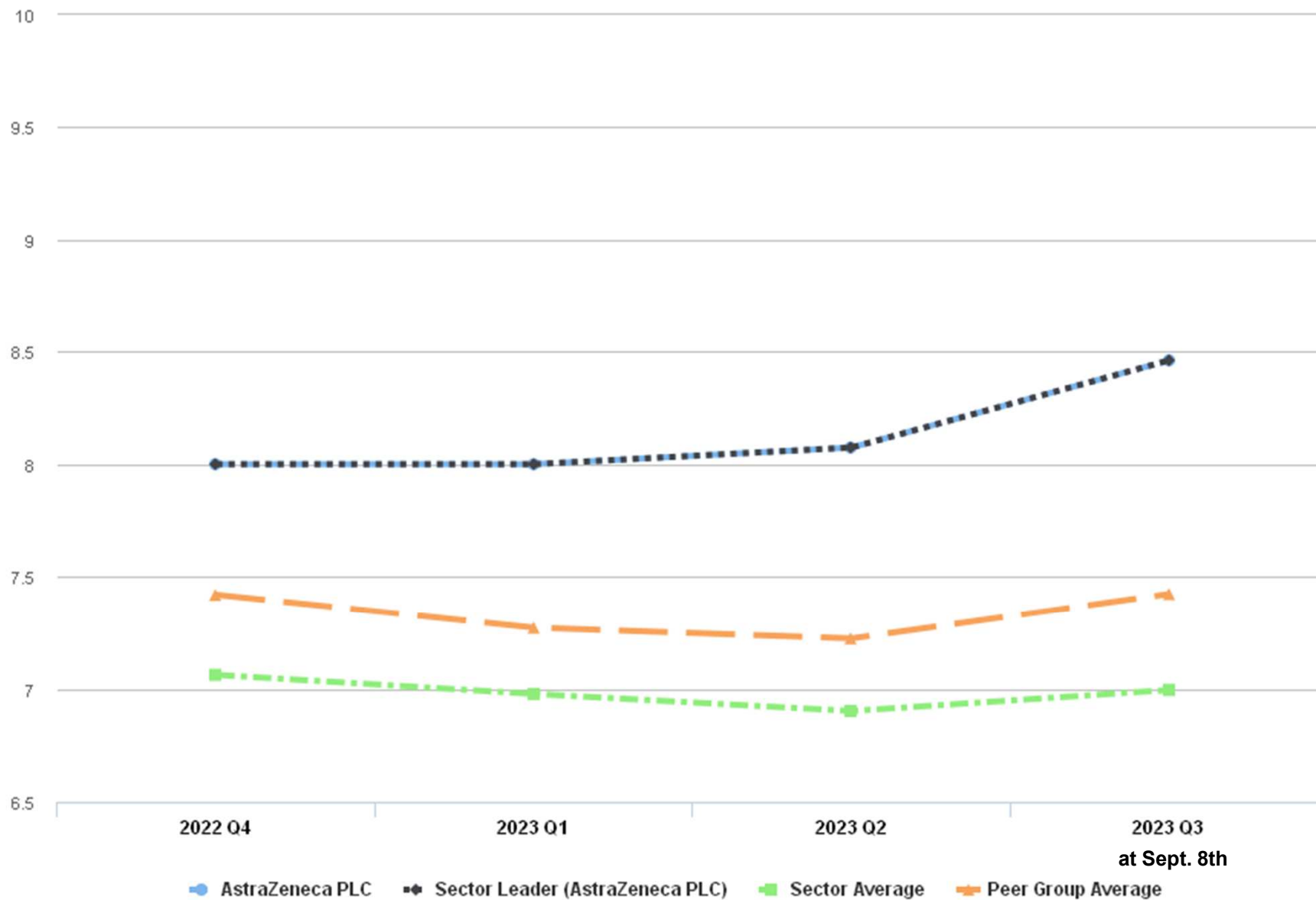
## What is Your Commitment to Own This Stock in The Year Ahead?

### AstraZeneca PLC



- 1. Do not Own, Serious Lack Confidence in the Company
- 2. Do not Own, Lack Confidence in the Company
- 3. Own it, Selling it due to Decreasing Confidence
- 4. Neutral, Benchmark it but DO NOT see company as a Target
- 5. Own it with Confidence BUT DOWNSIZING to re-weight portfolio
- 6. Own it or Intend to Own it
- 7. Own it with Increasing Confidence

## What is Your Commitment to Own This Stock in The Year Ahead?



## Shareholder Confidence Metrics

# AstraZeneca PLC's Performance Vs AstraZeneca PLC Peer Group

### AstraZeneca PLC Peer Group

AstraZeneca PLC

Bayer AG

GSK plc

Novartis AG

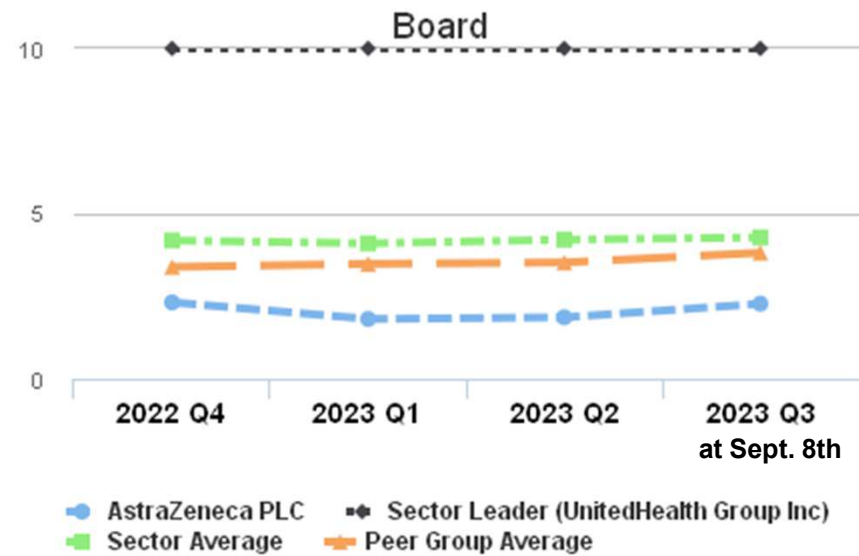
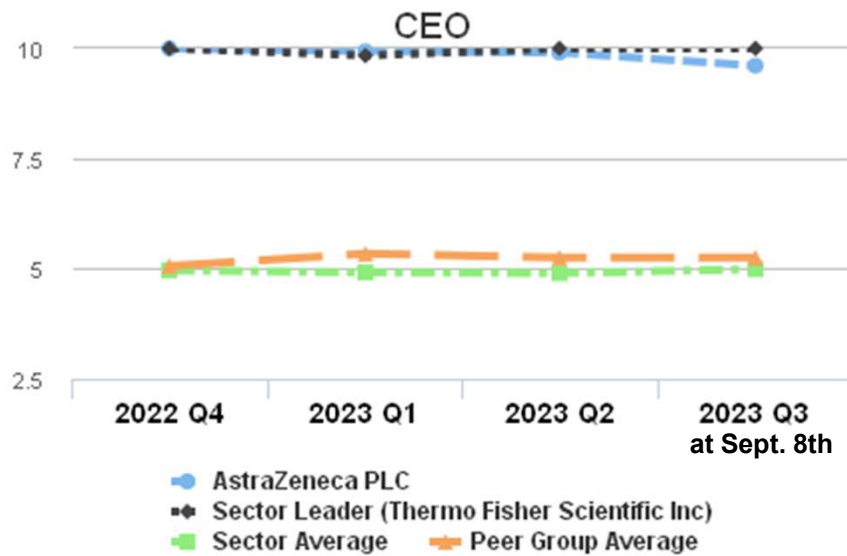
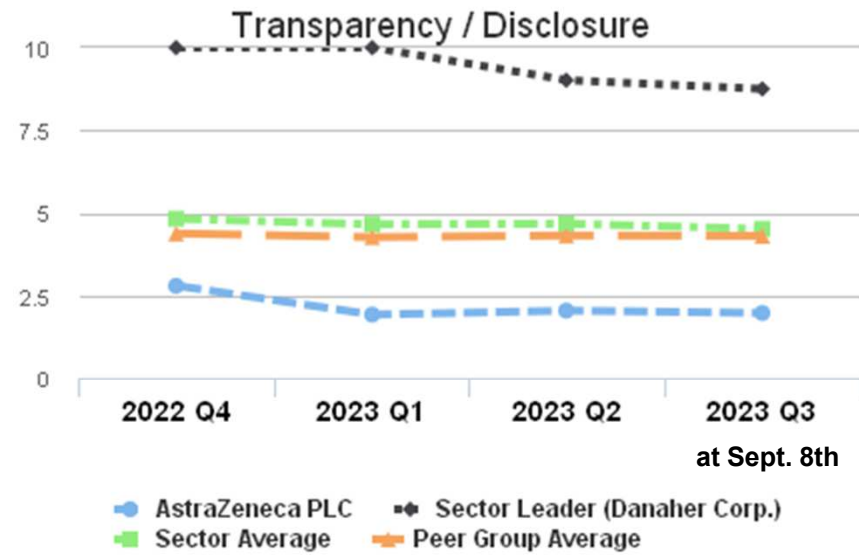
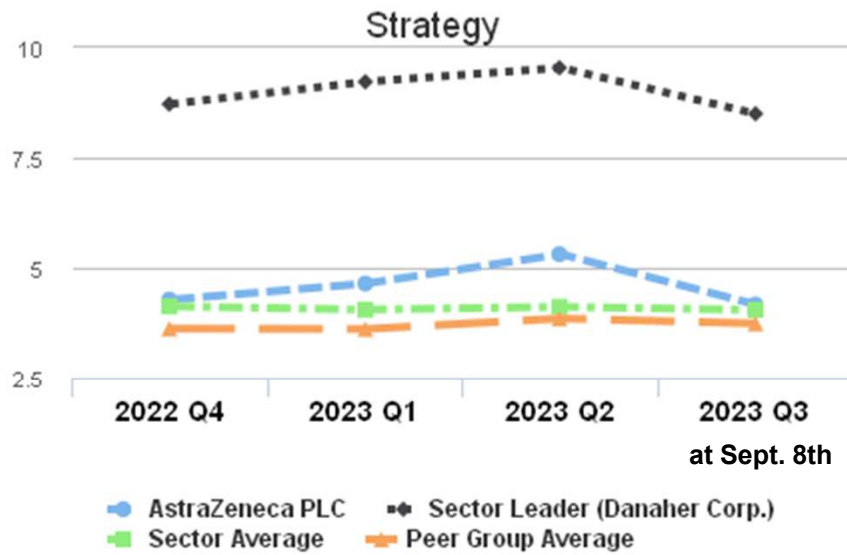
Novo Nordisk A/S

Roche Holding AG

Sanofi

## Shareholder Confidence Metrics Forecast for the Year Ahead

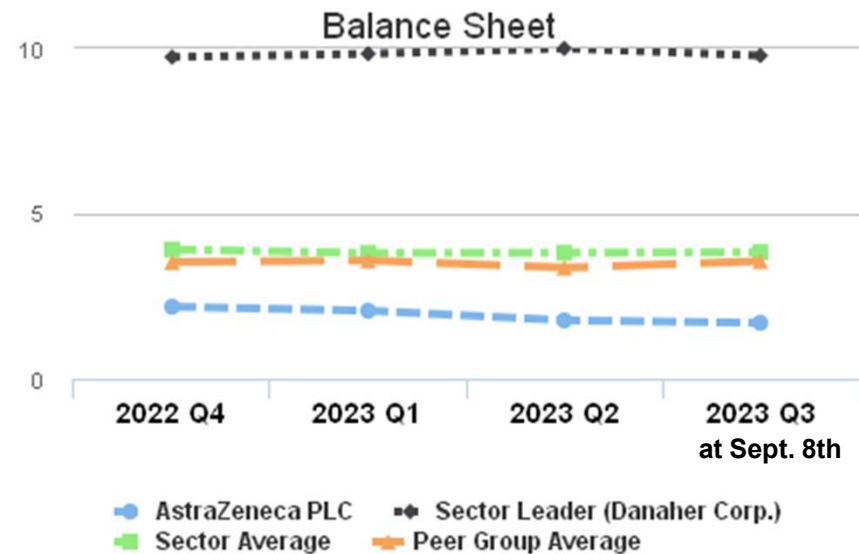
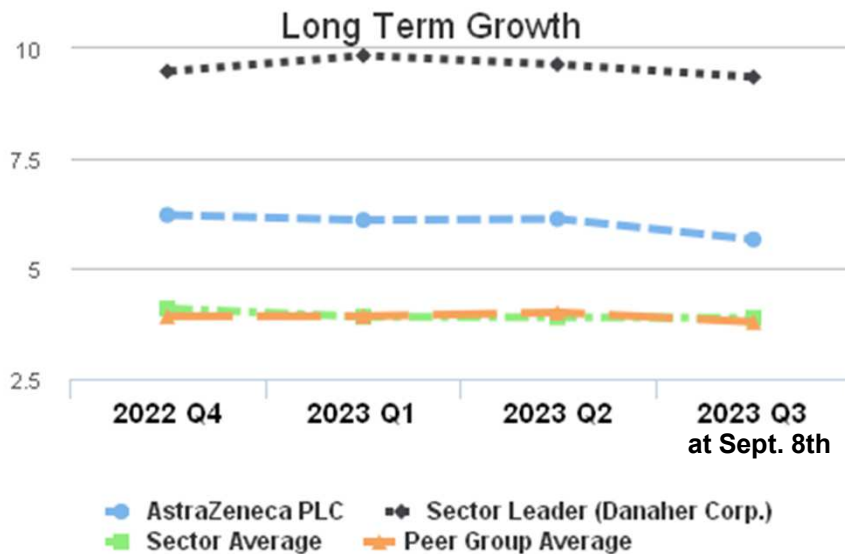
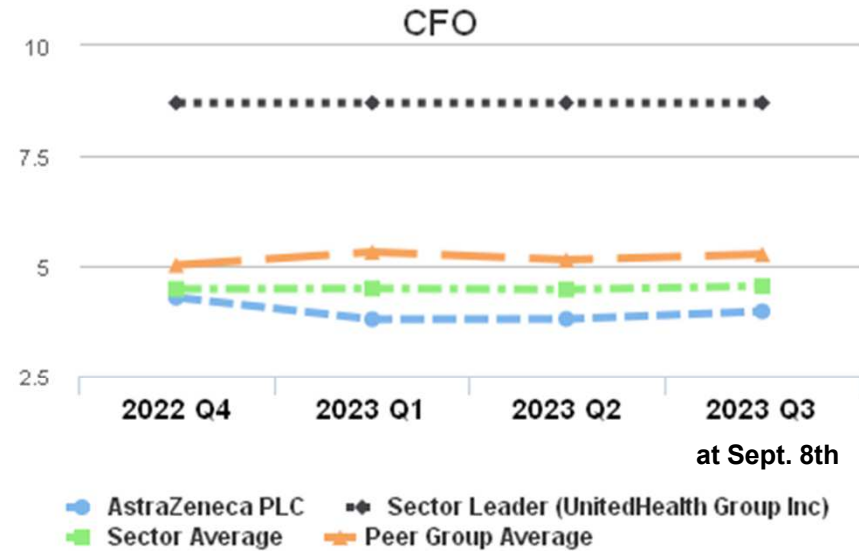
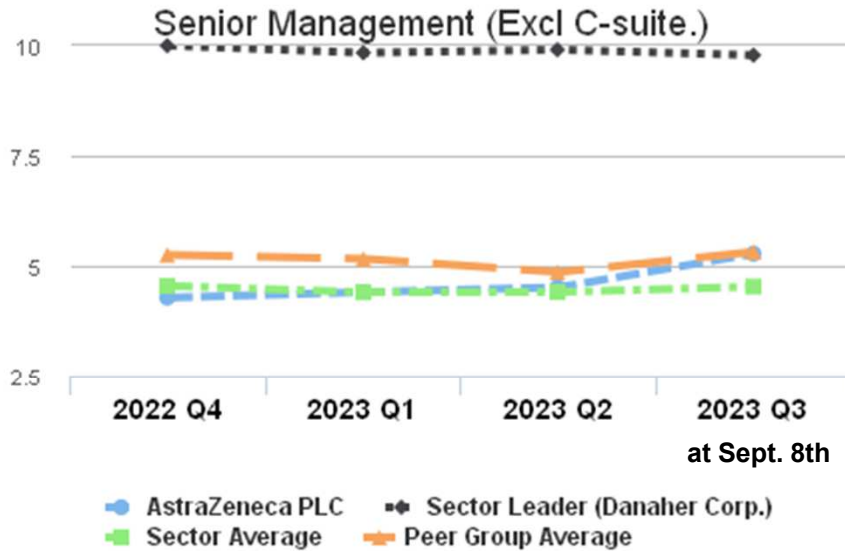
**Quarter over Quarter Results**





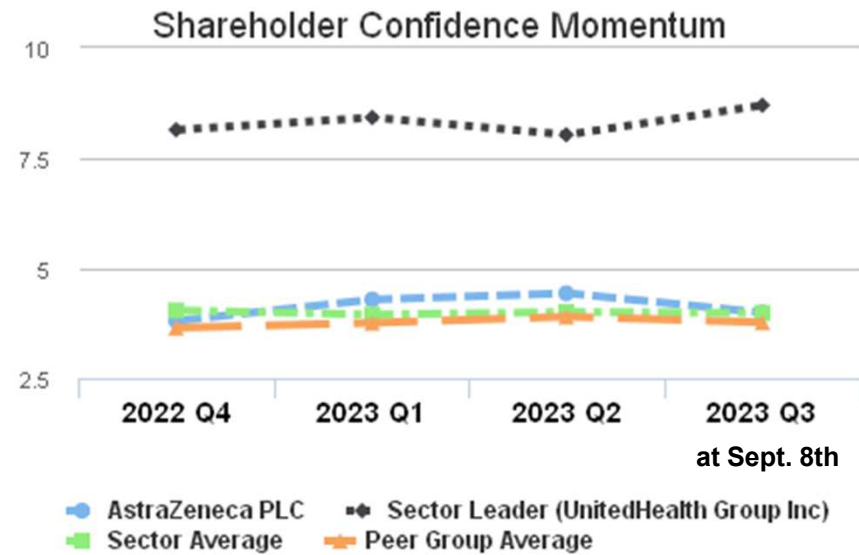
## Shareholder Confidence Metrics Forecast for the Year Ahead

**Quarter over Quarter Results**



## Shareholder Confidence Metrics Forecast for the Year Ahead

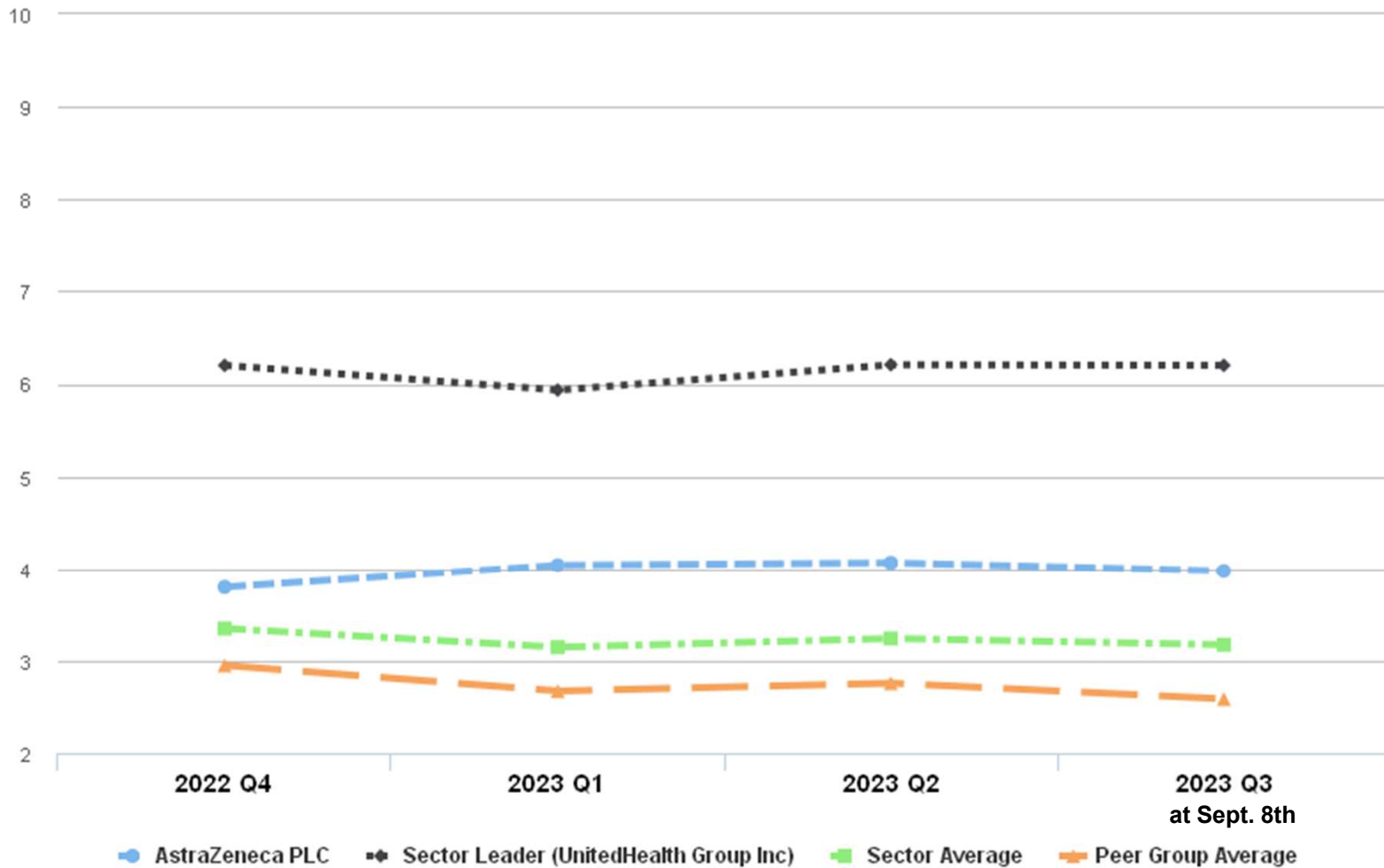
**Quarter over Quarter Results**



## Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results

### Price Appreciation Potential



## Typical Investor Verbatim

### Positive Momentum Verbatim

“AstraZeneca's China business is not looking as bleak as it used to. They might have more resilience than people are thinking at the moment. You also have all these base effects from COVID.”

“AstraZeneca's CEO, Pascal Soriot, managed a turnaround, which happens once every 10 years in the industry.”

“AstraZeneca's CFO, Aradhana Sarin, had a tough start, but she is getting better.”

“AstraZeneca has quality people on the bench.”

“I like the AstraZeneca board. They did some good deals.”

“AstraZeneca's senior management team is very good.”

“People complain about AstraZeneca's reporting, but they are transparent. If you want to adjust the earnings, you can adjust the earnings.”

“I don't think anyone would complain about AstraZeneca's Daiichi Sankyo transaction. They paid for \$3 billion for a potentially \$10 billion plus drug. People are positive on that for good reason.”

“AstraZeneca CEO, Pascal Soriot, is the only CEO in the sector who has really made a difference to the company. The others are all good talkers, but have they really changed the long-term profile?”

“AstraZeneca is going to grow really strongly in the next 12 months.”

## Typical Investor Verbatim

### Positive Momentum Verbatim

“Every quarter, AstraZeneca gives exposure to the head of R&D and the head of commercial on both biopharma and oncology. They also have events where you get access to some more people there.”

“AstraZeneca's head of IR is very good in terms of being responsive. They put on a lot of events and give good access to management.”

“AstraZeneca's CFO, Aradhana Sarin, had a rough start. However, we knew her from Alexion, and she was pretty good. She's starting to pick it up.”

“AstraZeneca has a good senior management team beyond the lead two.”

“AstraZeneca tends to get managers who are one level below the corporate executive committee to do the road show meetings. They do a good job of letting investors know who the bench is.”

“AstraZeneca's board holds Pascal Soriot to account.”

“AstraZeneca tends to give you three, if not four, columns of sales data in their reporting, which is important. You want more data, so that you can make more assumptions. The more assumptions you make, the less sensitive your earnings are to any given assumption.”

“It seems like no matter what AstraZeneca does, no one gives them credit for the balance sheet. They did Alexion to lift the margins. They have acquired an incredibly profitable company at a single-digit PE partly to accrete their overall group margin. They did the deal with something like 40% stock, but they are not getting any credit for that.”

## Typical Investor Verbatim

### Positive Momentum Verbatim

“AstraZeneca's head of oncology, Susan Galbraith, is great. Their head of development, Cristian Massacesi, is great but he maybe hasn't had as much exposure to investors. The head of commercial, Dave Guiga, is seen as the most obvious potential successor to Pascal Soriot partly because he is just charismatic. He is very knowledgeable as well.”

“AstraZeneca's head of IR, Andy Barnett, is doing an amazingly good job. Unfortunately, he is probably going to get some criticism for the communication around the most recent pipeline drug. I wouldn't lay the blame with him necessarily.”

“AstraZeneca has a lot going on and a lot more to come in terms of the pipeline.”

## Typical Investor Verbatim

### Neutral Momentum Verbatim

“I was super impressed with AstraZeneca's previous Chairman of the board, Leif Johansson. He had such vision and industry knowledge, and then they replaced him. I thought okay, he was quite old, maybe they needed a younger guy. The new one comes across just as old and less visionary. It is sad that the Chairman I so admired is gone, but the board has done a lot of things right, and Astra's fate could have been very different if you had looked at the company in 2010 or something.”

“Pascal Soriot is a good CEO, but he has made some strategic and tactical blunders. I don't think he is so far ahead of everybody else.”

“AstraZeneca gives so much detail on the individual drugs, but some of their reporting with their partly owned drugs has been a bit of a nightmare.”

“AstraZeneca has made some mistakes with the balance sheet, but it isn't that bad.”

“People still love Pascal Soriot even though he was at the helm when AstraZeneca acquired Alexion. From a balance sheet perspective, investors are saying it was not a good idea to buy Alexion. It was his idea to bring all these Alexion people into leading positions.”

“People are disappointed with AstraZeneca's recent data. People tend to reduce a stock to one idea. In this case, it's datopotamab, but that is just a small piece of it.”

“I don't know if AstraZeneca's board has been good or bad really. From what I can see externally, there is nothing that they have needed to step into.”

“AstraZeneca's reporting is sort of mixed. It makes sense that investor confidence is low.”

## Typical Investor Verbatim

### Neutral Momentum Verbatim

“AstraZeneca's CEO, Pascal Soriot, is doing a good job, but there is still more to prove out.”

“AstraZeneca had a bit of a blip in terms of the communication around their smart chemotherapy drug. We have to wait and see the data.”

“AstraZeneca has had a lot of growth, but you haven't seen as strong of a cash conversion as the company has promised.”

“There are a lot of things going on at AstraZeneca in the next few months in terms of catalysts. If confidence returns on the smart chemotherapy thematic, that will be positive.”

“There is an argument that AstraZeneca has a massive difference between core and reported earnings. If that was such a valid argument, why has the stock doubled in five years?”

“AstraZeneca used to have a great IR team. Then Chris Sheldon took over, and he never struck me as an IR person. He came from business development. I wasn't surprised when he moved on.”

“The recent news from AstraZeneca may end up changing people's fundamental view on the company.”



## Typical Investor Verbatim

### Negative Momentum Verbatim

“AstraZeneca's IR team used to be brilliant, but they have had way too much turnover.”

“The market does not have high confidence in Aradhana Sarin.”

“AstraZeneca has really dropped the ball on IR. It's good that the story speaks for itself. There has been a lot of turnover on the team. They are not doing a fabulous job, but luckily, it doesn't matter too much.”

“People are not that convinced by AstraZeneca's CFO, Aradhana Sarin.”

“AstraZeneca's reporting is incredibly complicated.”

“AstraZeneca have a lot of one-time gains in their reporting. I agree that their reporting is not great.”

“AstraZeneca's data for the lung cancer trial wasn't that great but you also have to wait for the overall survival, which could be a positive surprise. We don't know. It doesn't make a lot of difference in the short term. It's more negative for the long term because datopotamab deruxtecan would have contributed more longer term.”

“AstraZeneca has lost a lot of momentum since Thomas Larsen left IR. They have a lot of turnover, and it's taking them a long time to rebuild the team.”

“People are very confident in AstraZeneca's medium term growth, but like all companies, they do face patent expiries. Also, the data for one of their major new drug opportunities is not as good as people had hoped for.”

## Typical Investor Verbatim

### Negative Momentum Verbatim

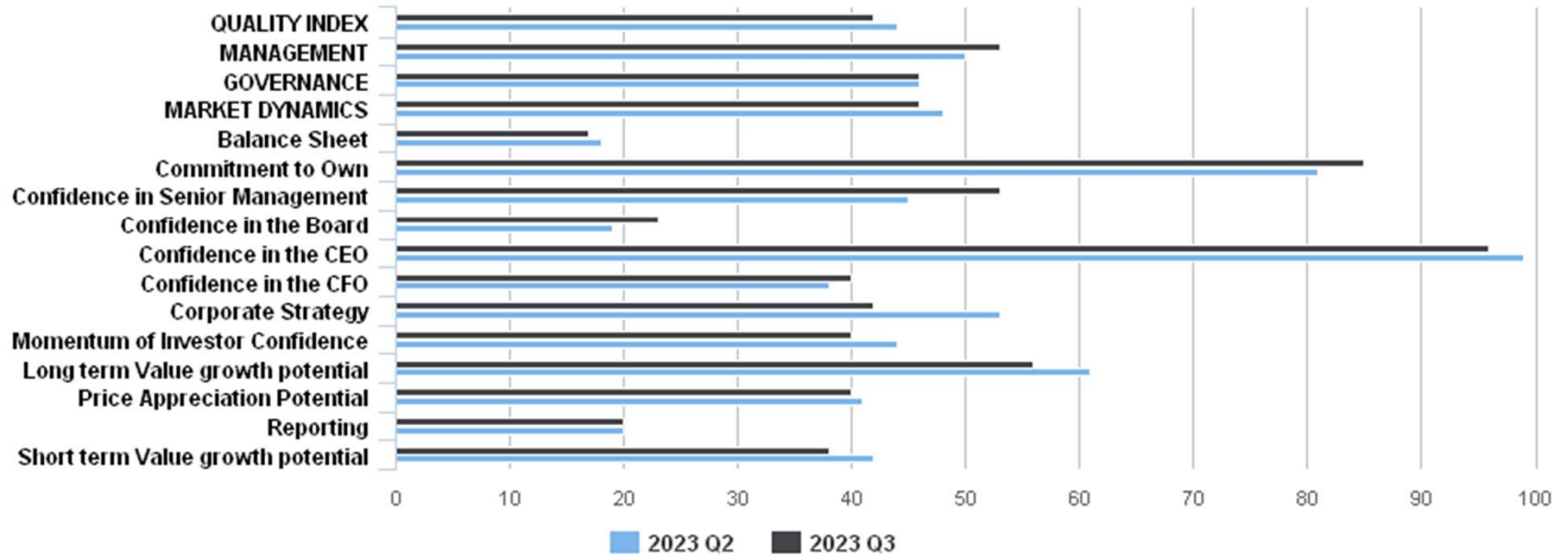
“AstraZeneca has done some weird, dodgy accounting. They were the ones that introduced externalization to the market.”

“AstraZeneca has lots of work to do to change the opinion around the CFO, Aradhana Sarin.”

Quarter over Quarter Results

## Forecast for the Year Ahead

### AstraZeneca PLC



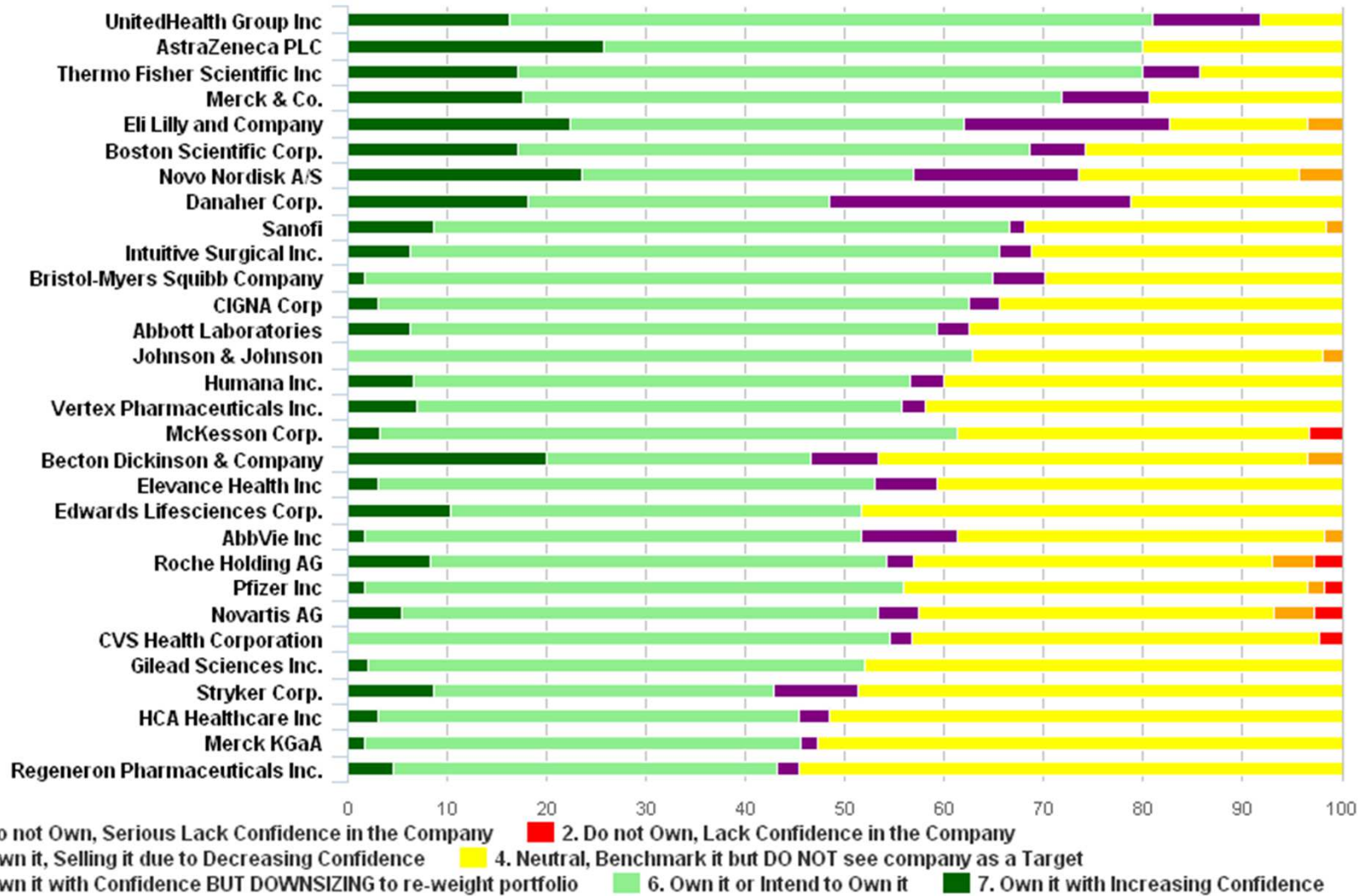
# Rolling Year Data\*

\*Rolling Year Data = Accumulation of the rolling 12 month intelligence from the  
BWI Shareholder Confidence Panel

# What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

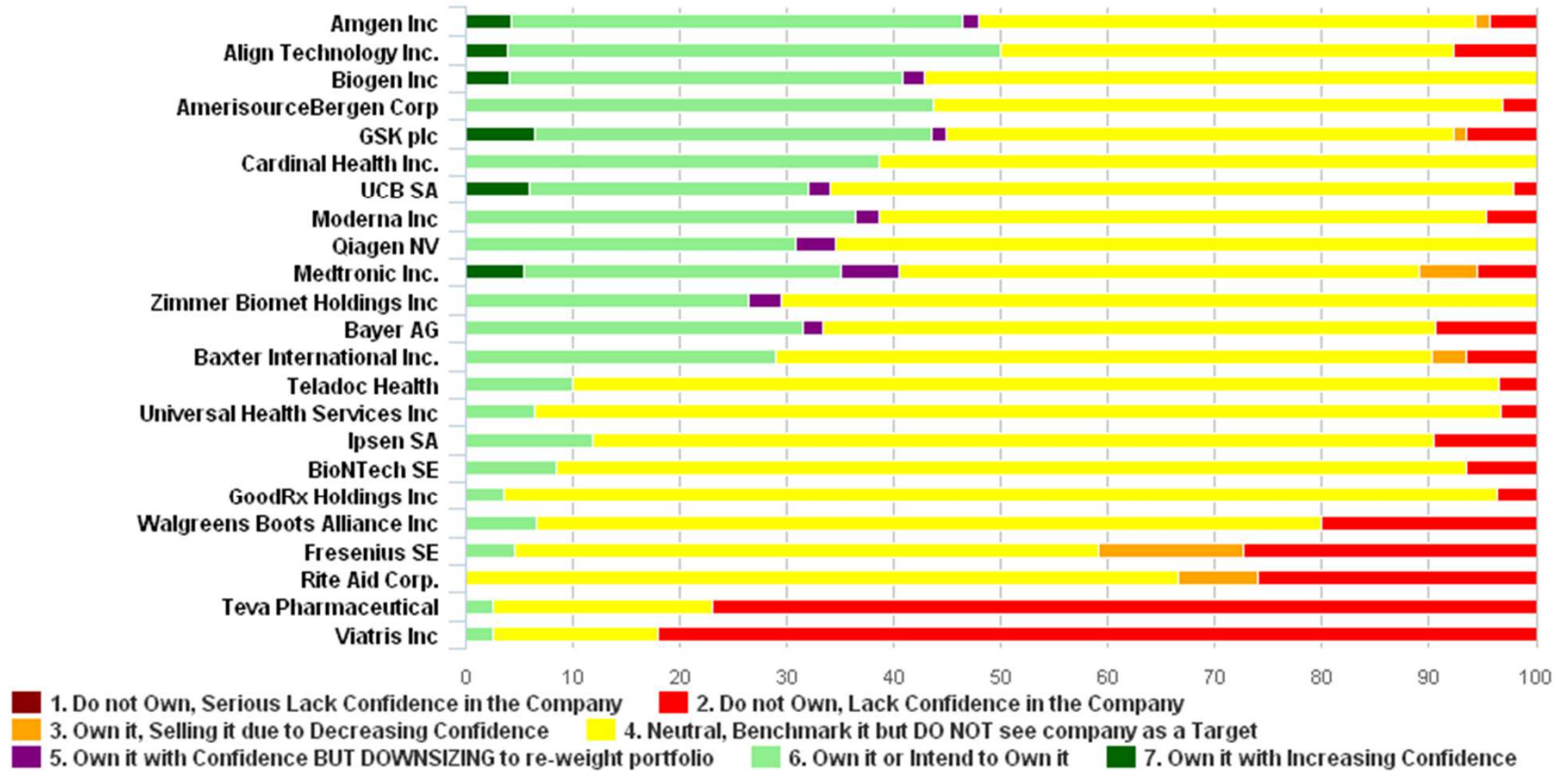
Buyers/Sellers by Sector



# What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

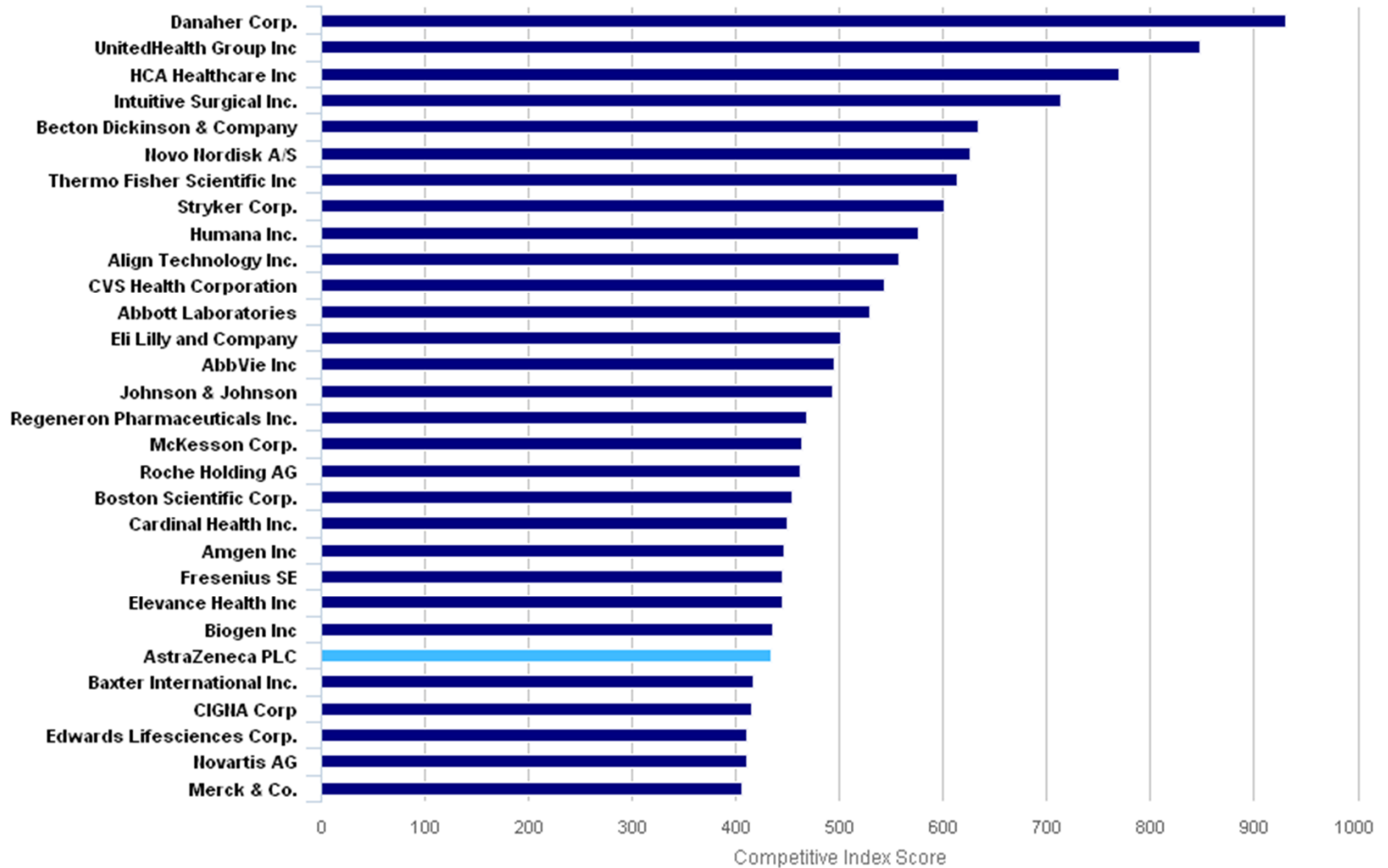
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# Shareholder Confidence Competitive Index

Rolling Year Data

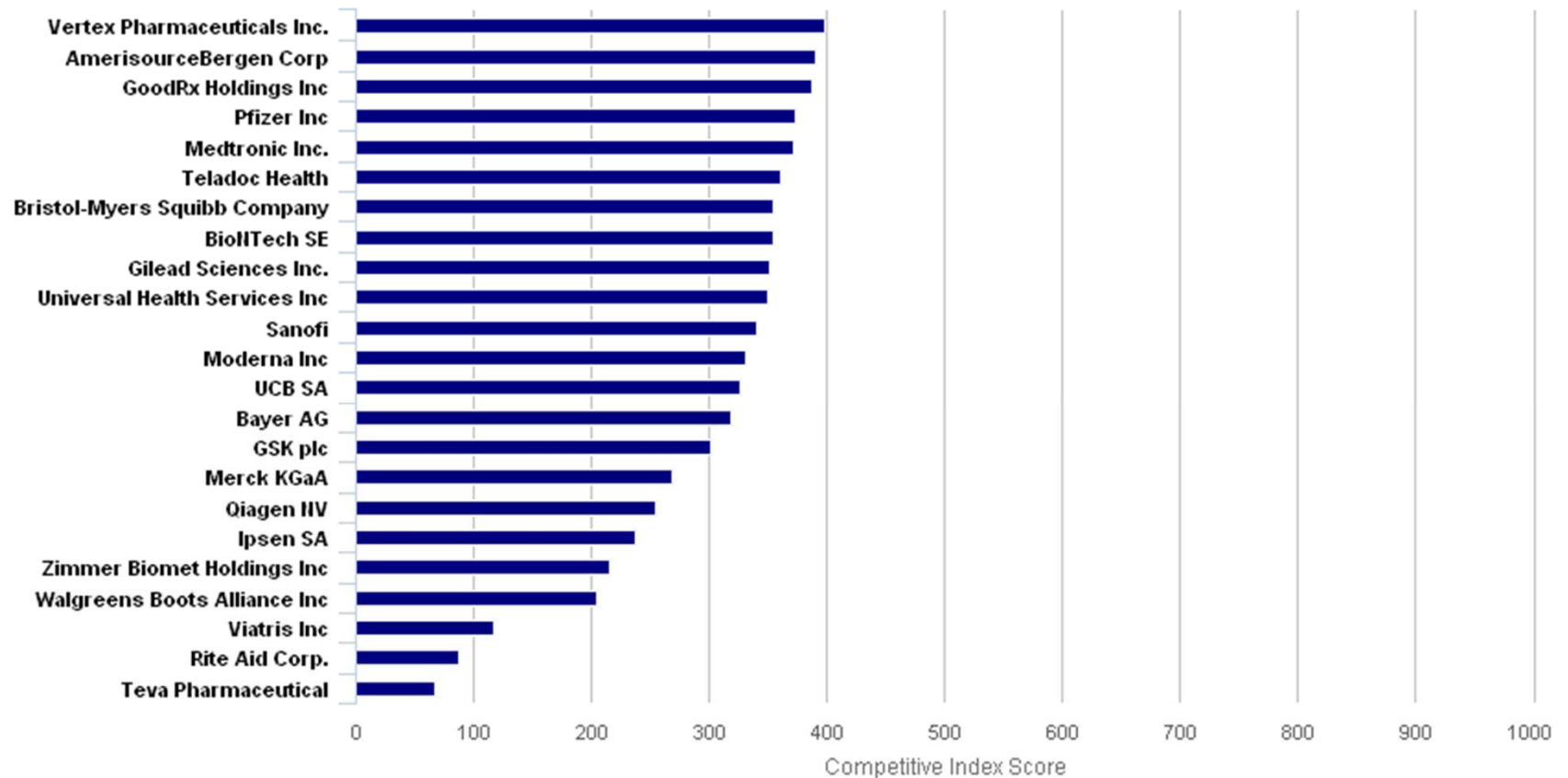
## Global Investors - Investment Quality Index



# Shareholder Confidence Competitive Index

Rolling Year Data

## Global Investors - Investment Quality Index

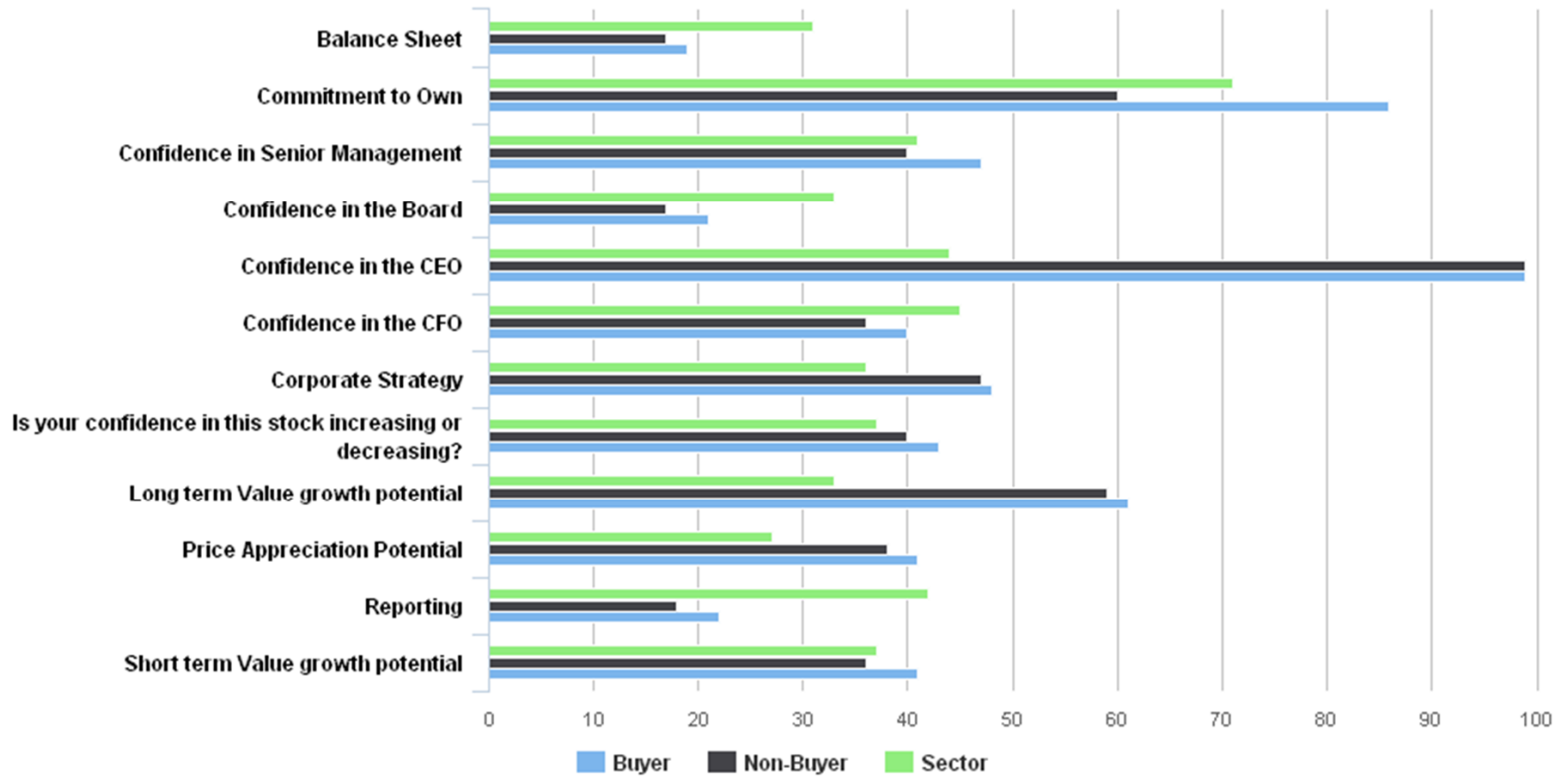




## Investment Target: Buyer Ratings Vs Non-Buyer Ratings Forecast for the Year Ahead

Rolling Year Data

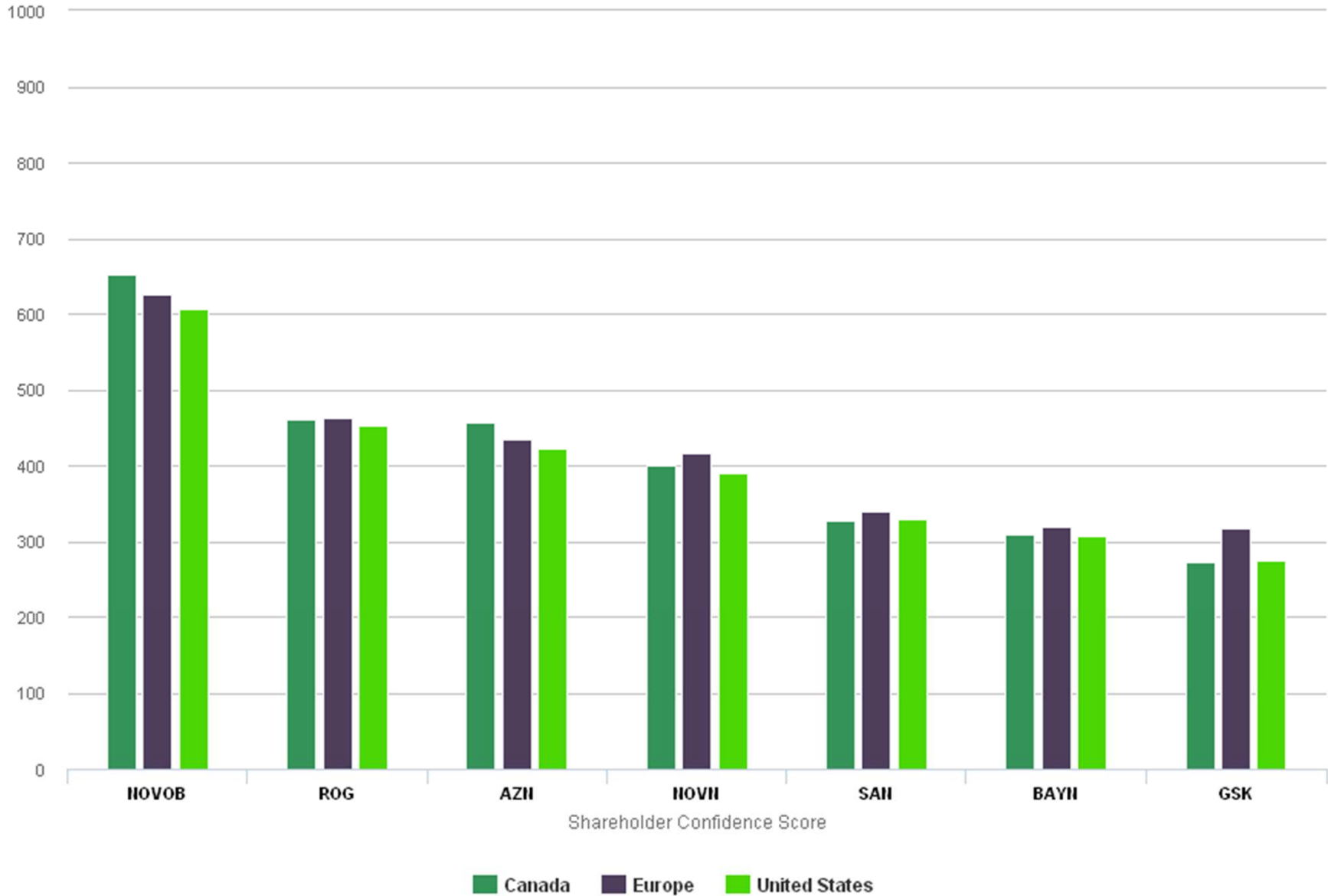
### AstraZeneca PLC



# How Does Overall Investor Confidence in AstraZeneca PLC Peer Group Vary Per Region?

Rolling Year Data

## Forecast for the Year Ahead



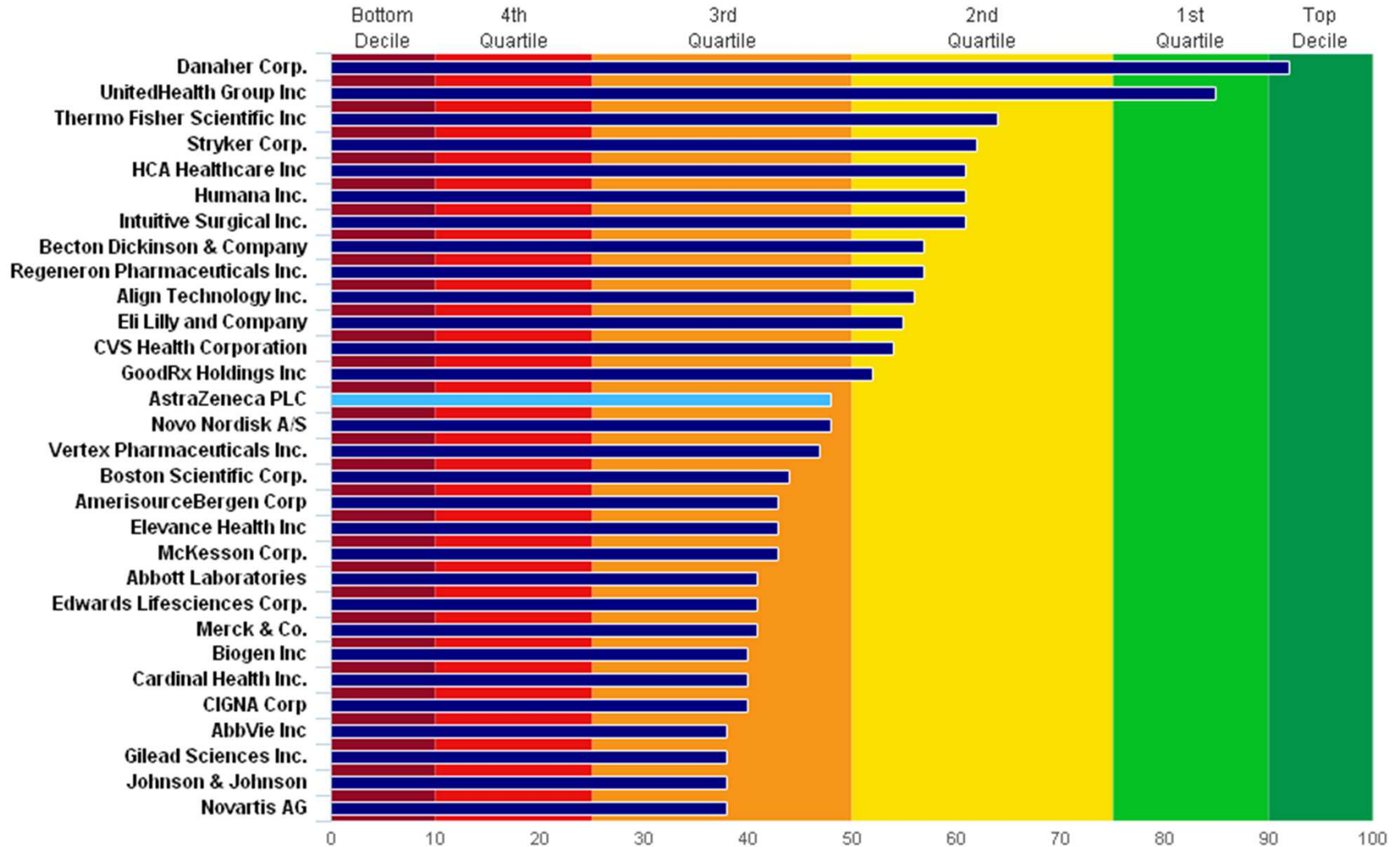
## Advance Proxy Poll - Strategy Forecast for the Year Ahead

Rolling Year Data

**What is Your Vote or Recommended Vote\* to Retain/Replace the Existing Strategy?**

(\*Applies to cases where compliance/administration executes the proxy.)

(TD: Very Strong Vote to Retain, Q1: Strong Vote to Retain, Q2: Vote to Retain, Q3: Vote to Replace, Q4: Strong Vote to Replace, BD: Very Strong Vote to Replace)



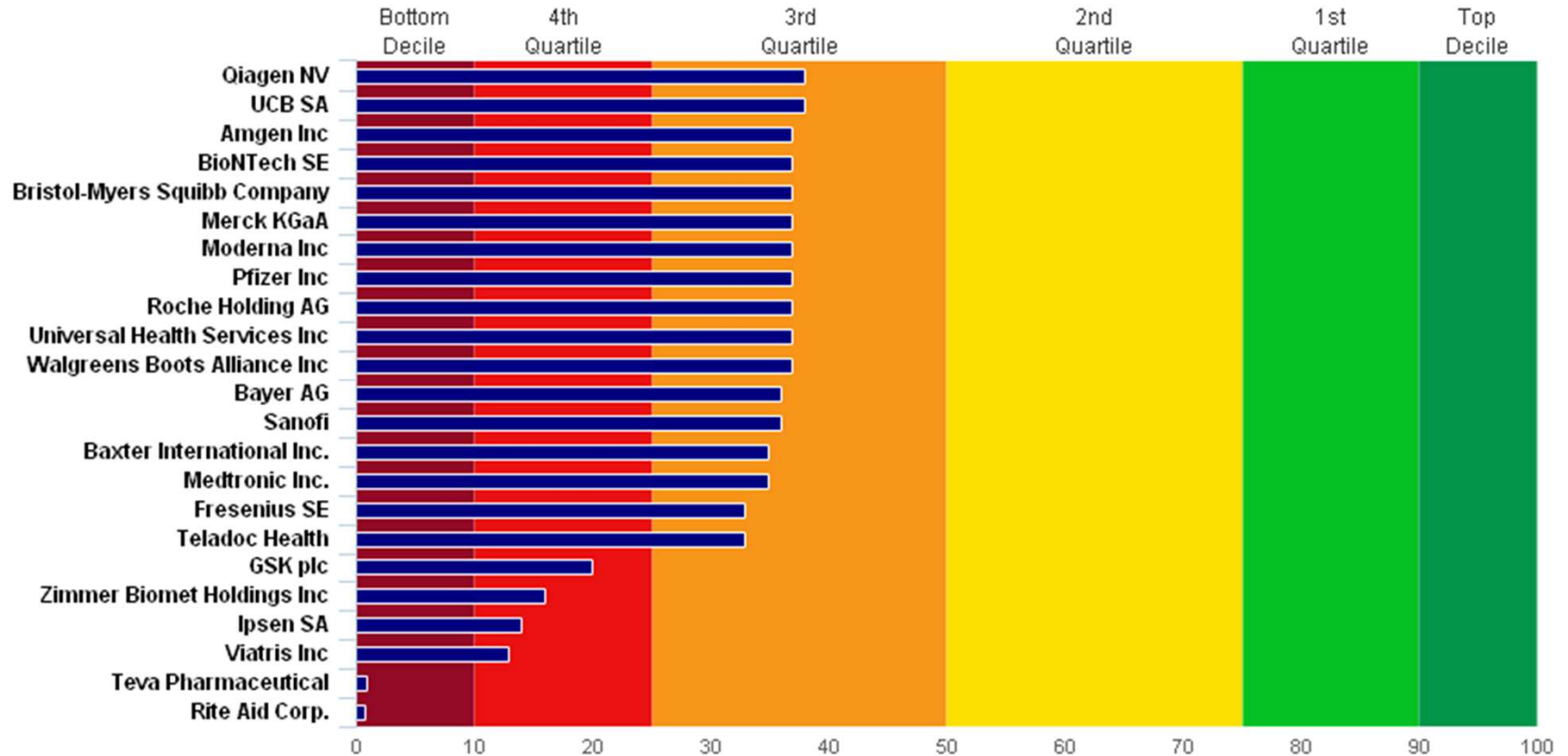
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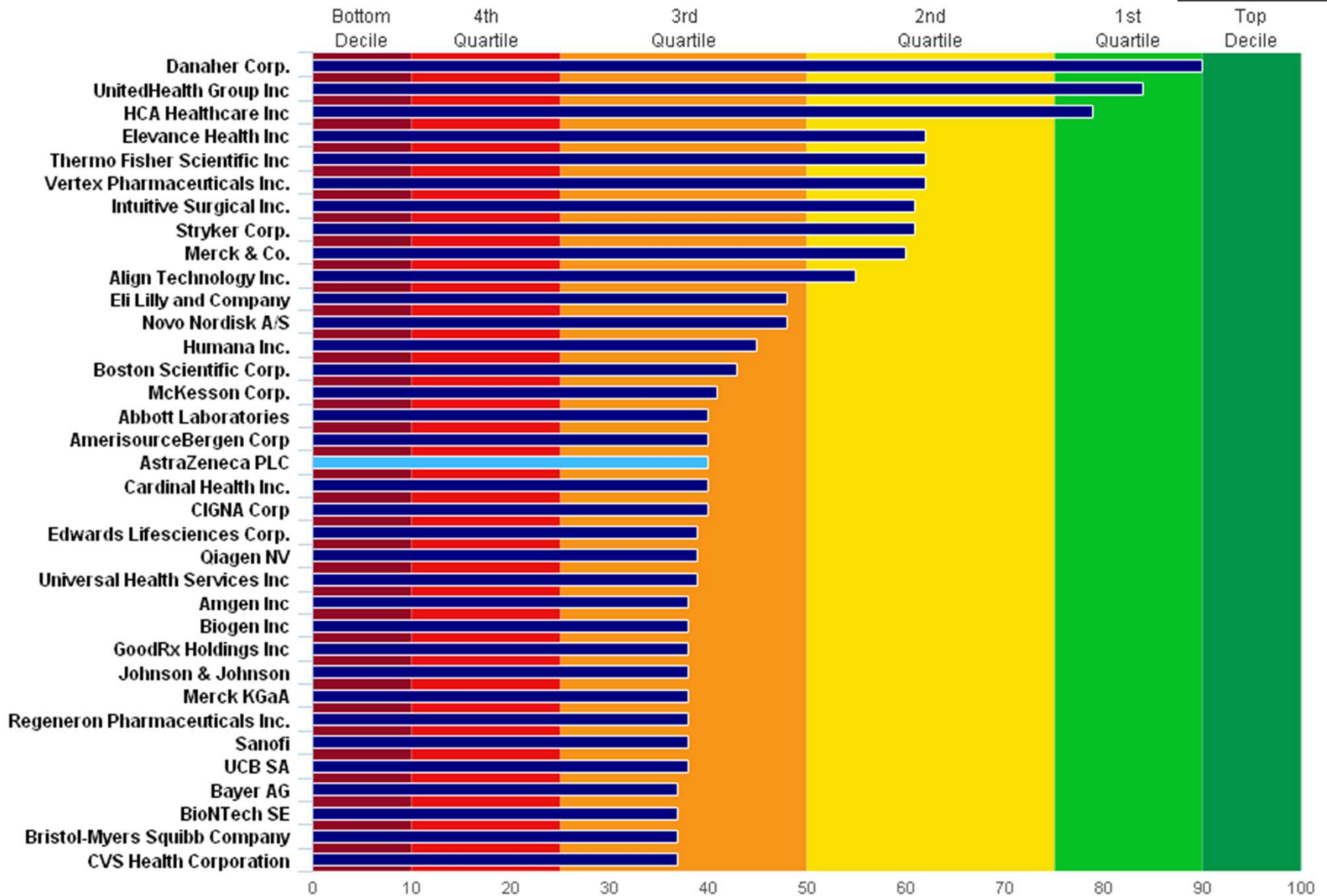
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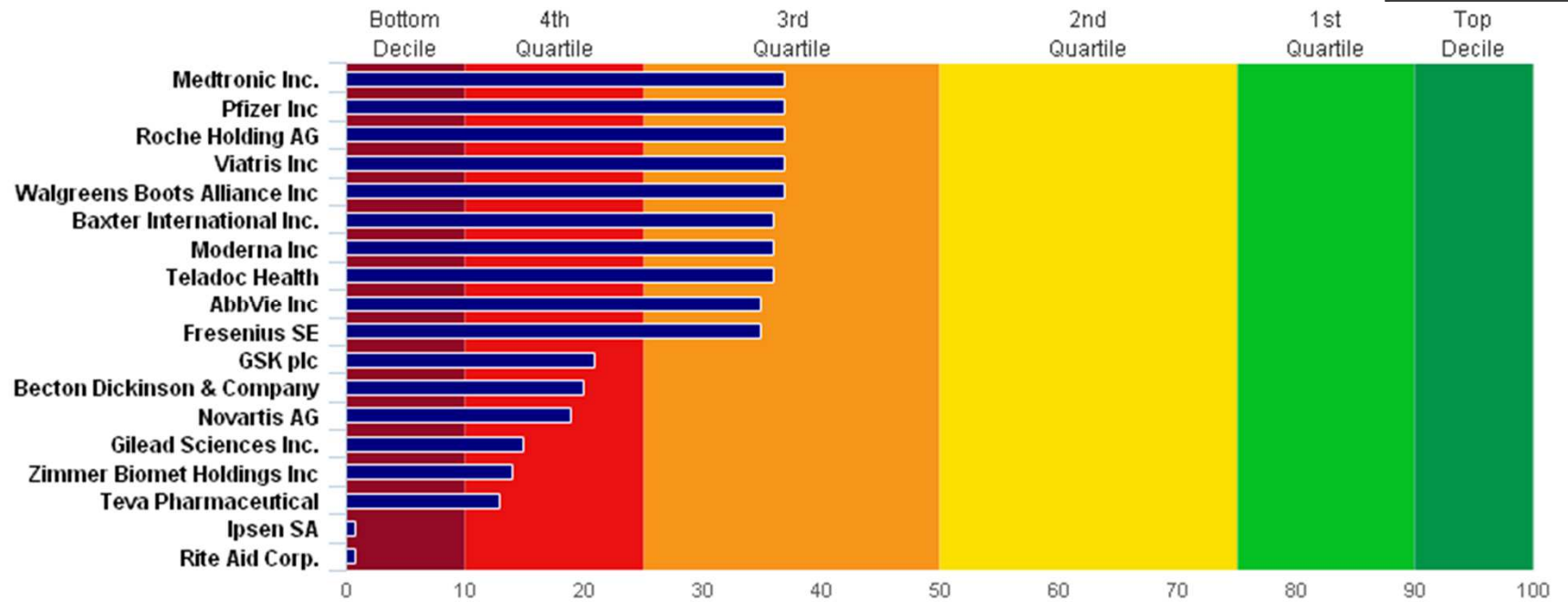
## Confidence in Short Term Growth Forecast for the Year Ahead

Rolling Year Data



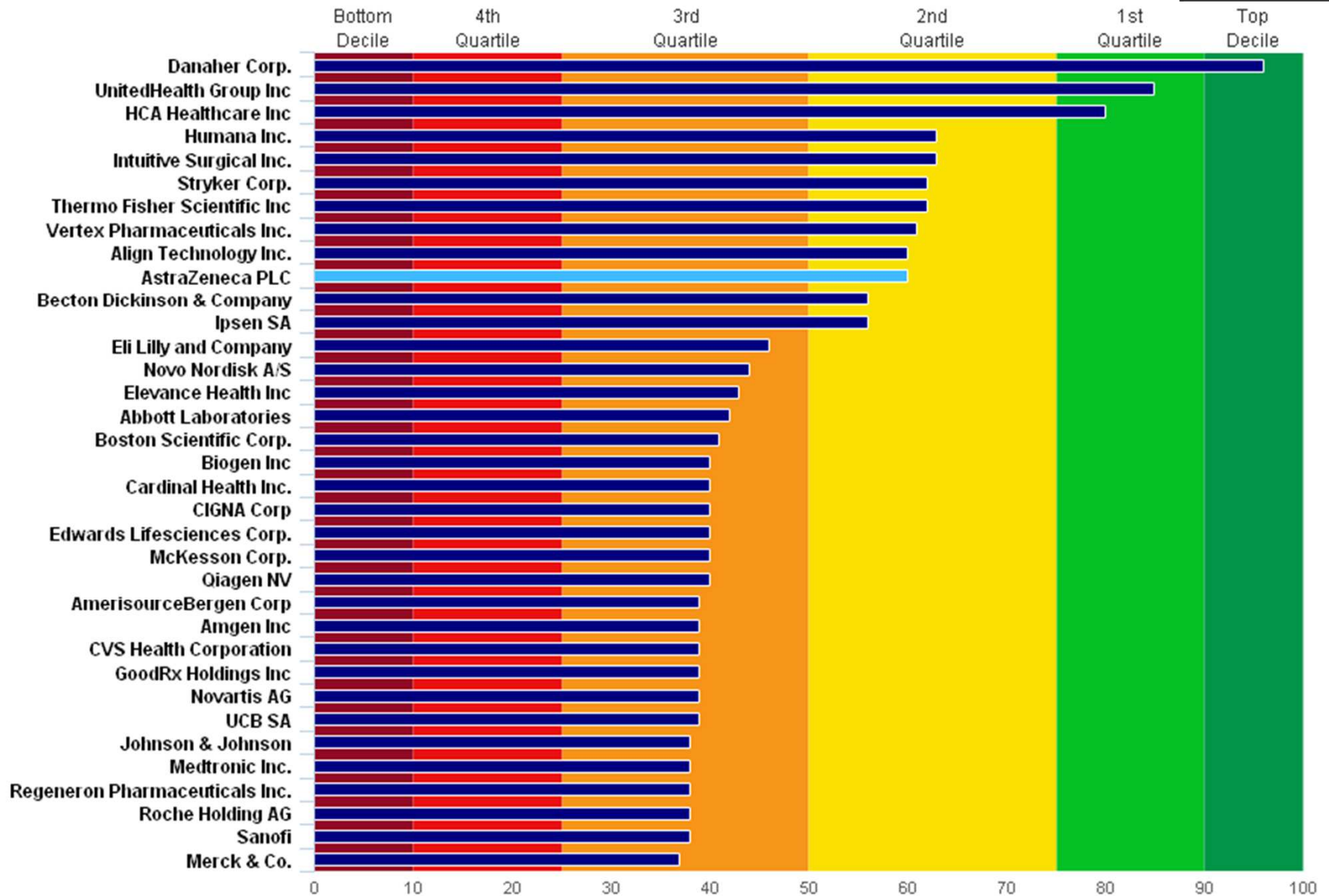
## Confidence in Short Term Growth Forecast for the Year Ahead

Rolling Year Data



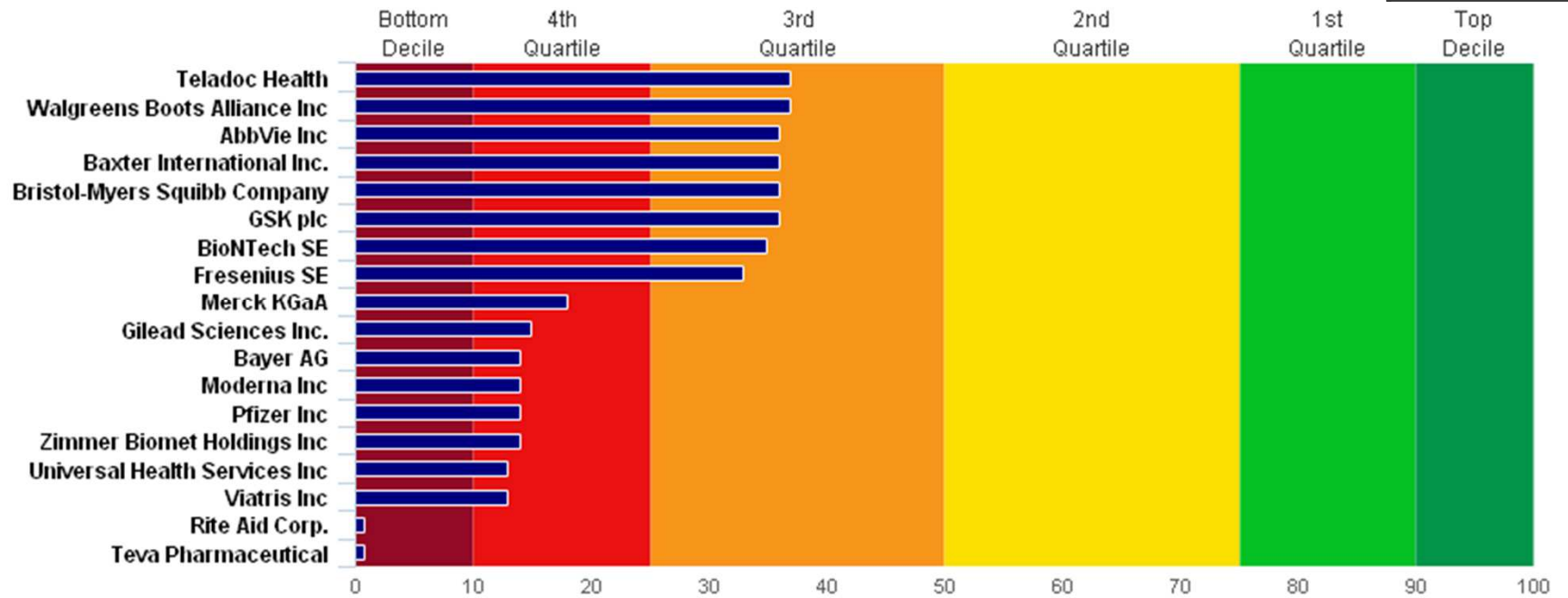
## Confidence in Long Term Growth Forecast for the Year Ahead

Rolling Year Data



## Confidence in Long Term Growth Forecast for the Year Ahead

Rolling Year Data





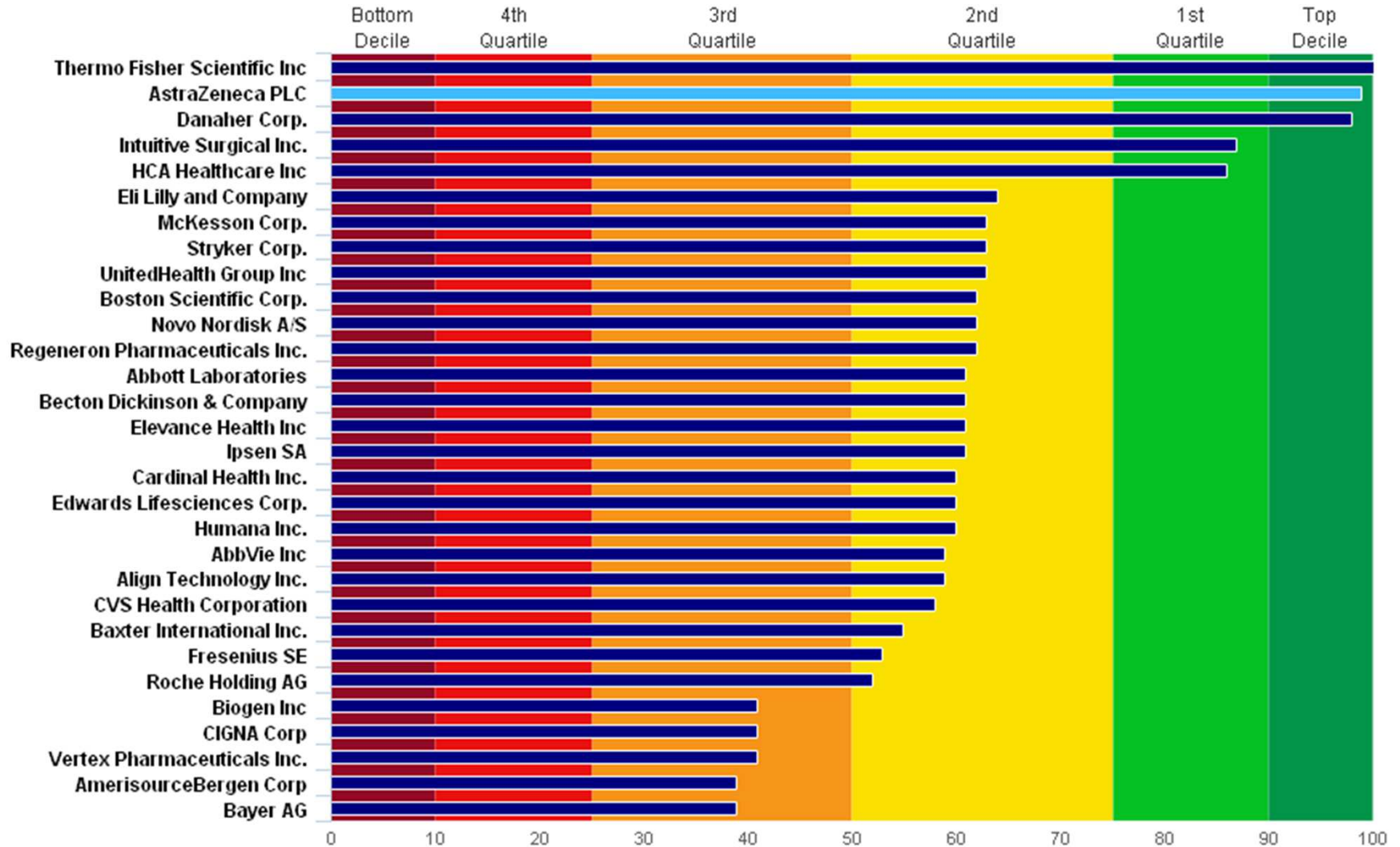
## Advance Proxy Poll - CEO Forecast for the Year Ahead

Rolling Year Data

**What is Your Vote or Recommended Vote\* to Retain/Replace the Existing CEO?**

(\*Applies to cases where compliance/administration executes the proxy.)

(>80 Very Strong Vote to Retain, 70-80 Strong Vote to Retain, 60-70 Neutral, 50-60 Strong Vote to Replace, <50 Very Strong Vote to Replace)



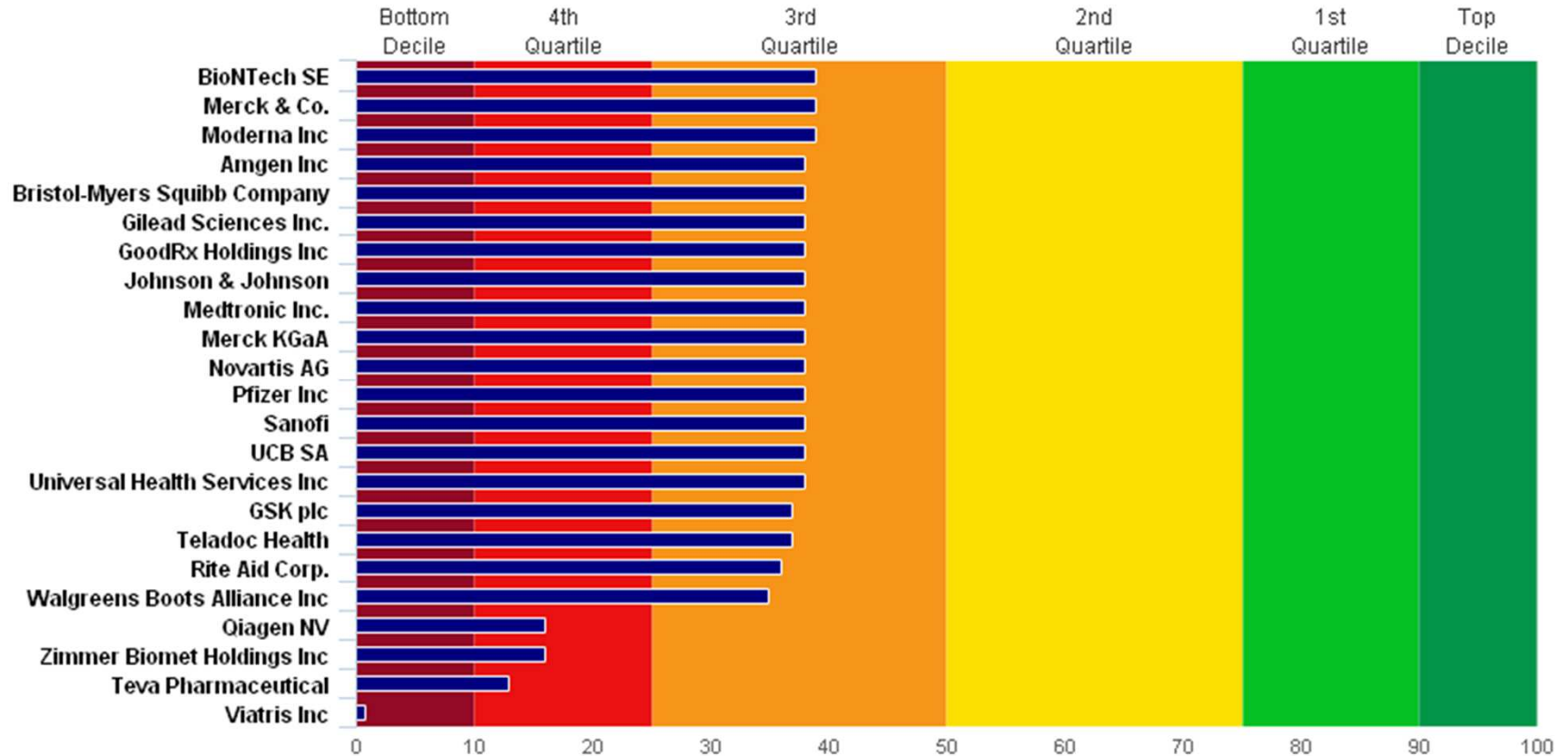
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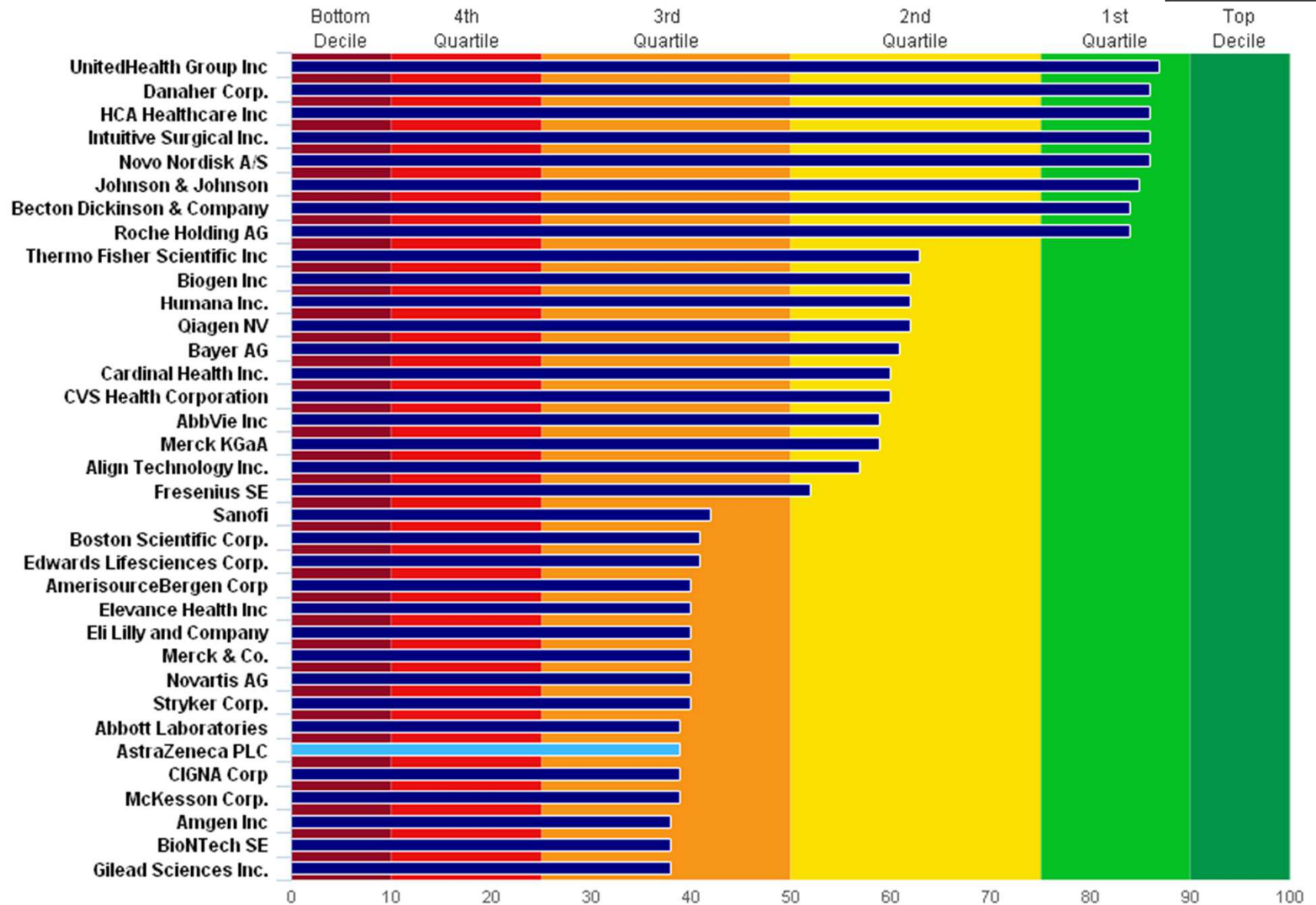
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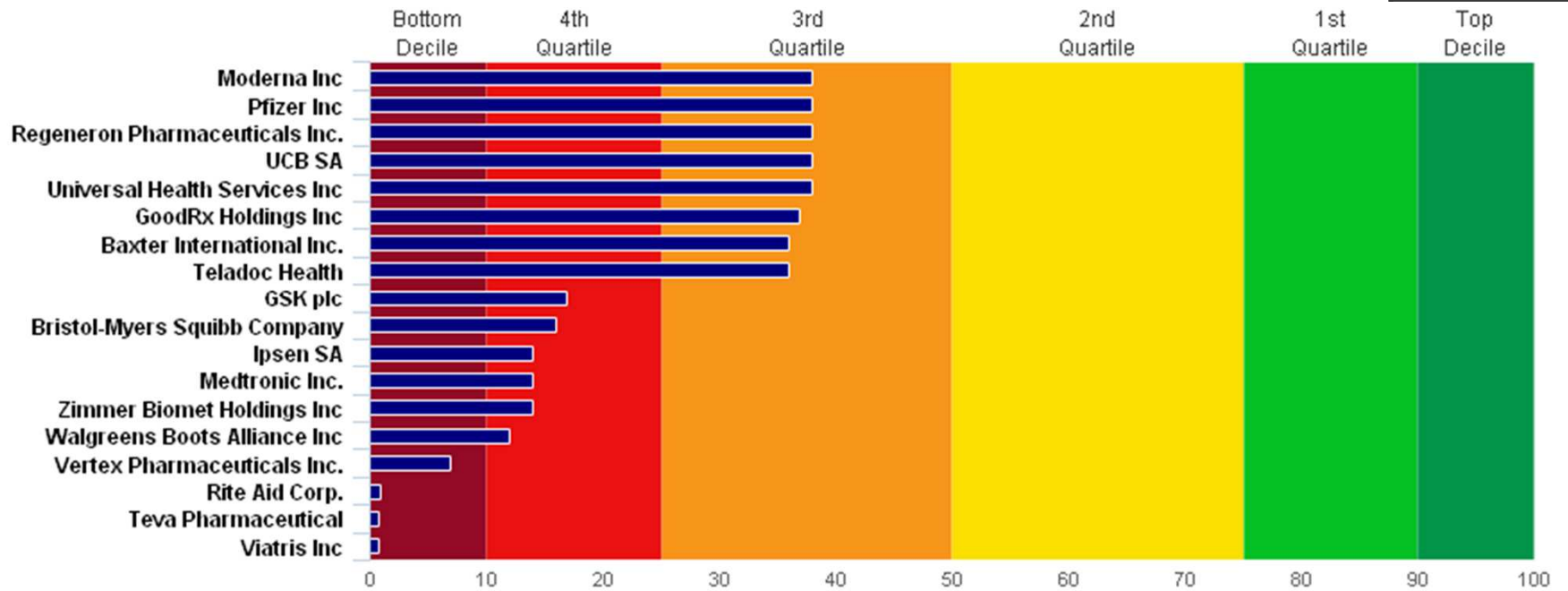
## Confidence in CFO Forecast for the Year Ahead

Rolling Year Data



## Confidence in CFO Forecast for the Year Ahead

Rolling Year Data



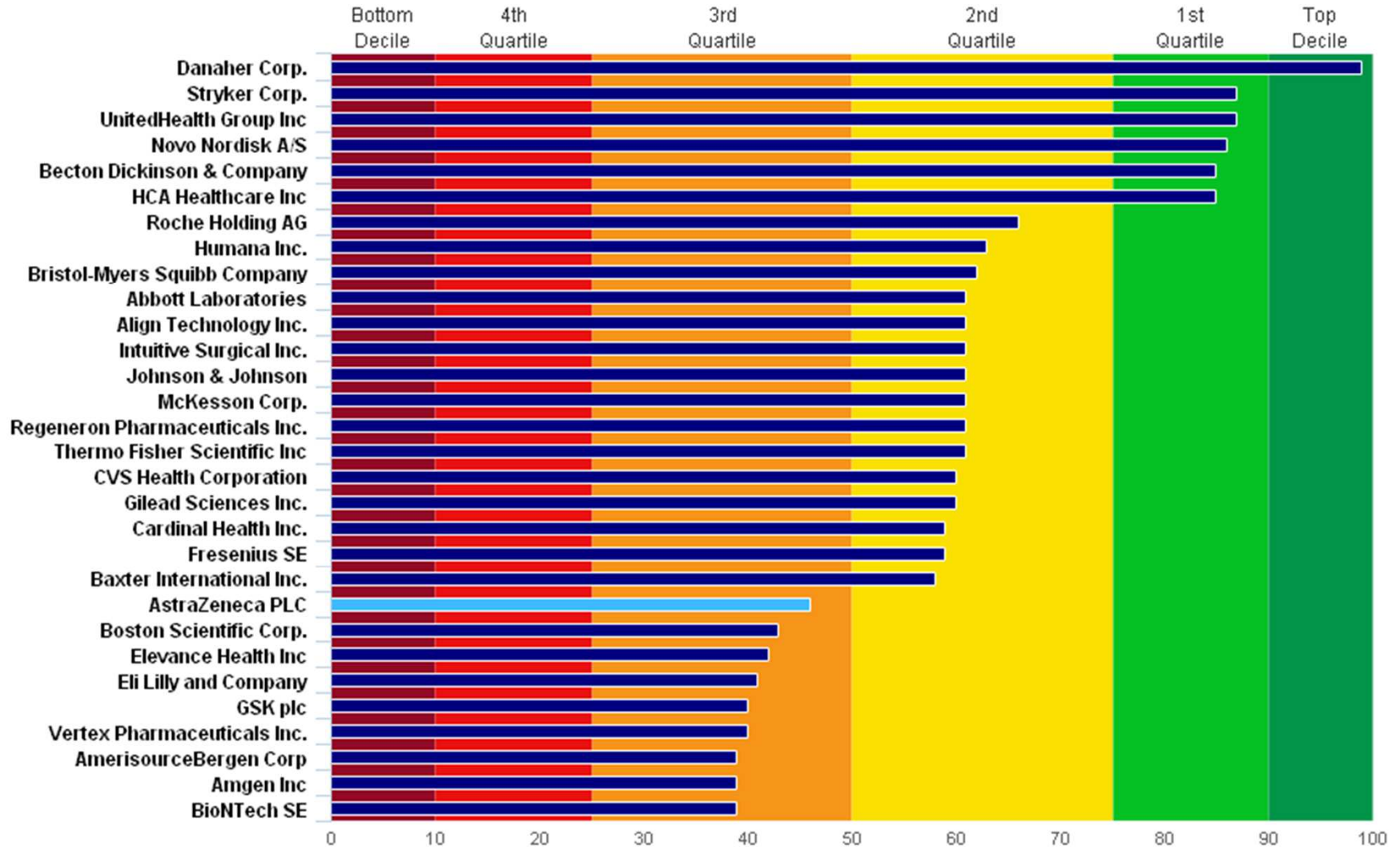
## Advance Proxy Poll - Senior Management Forecast for the Year Ahead

Rolling Year Data

**What is Your Vote or Recommended Vote\* to Retain/Replace the Existing Senior Management?**

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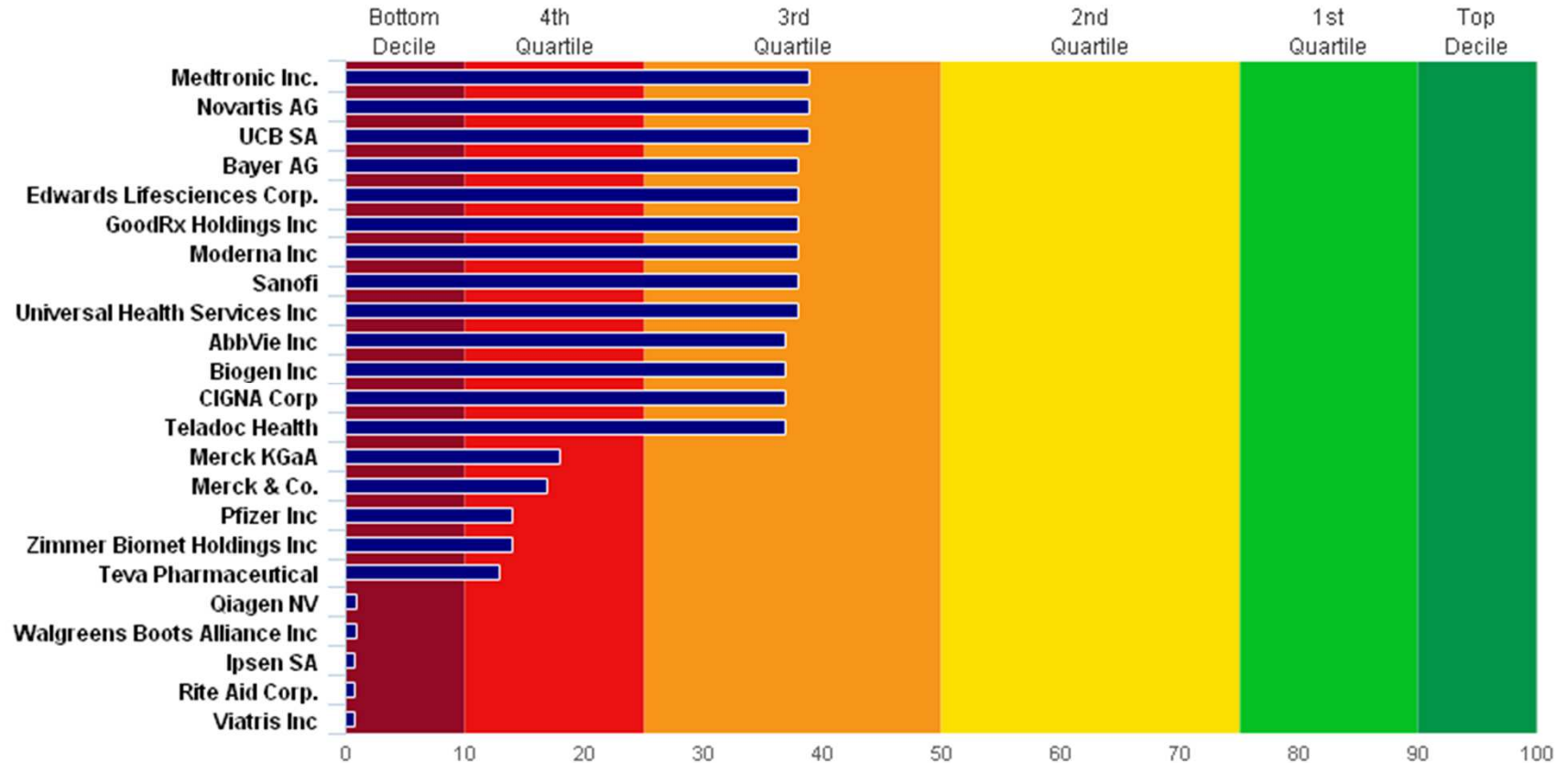
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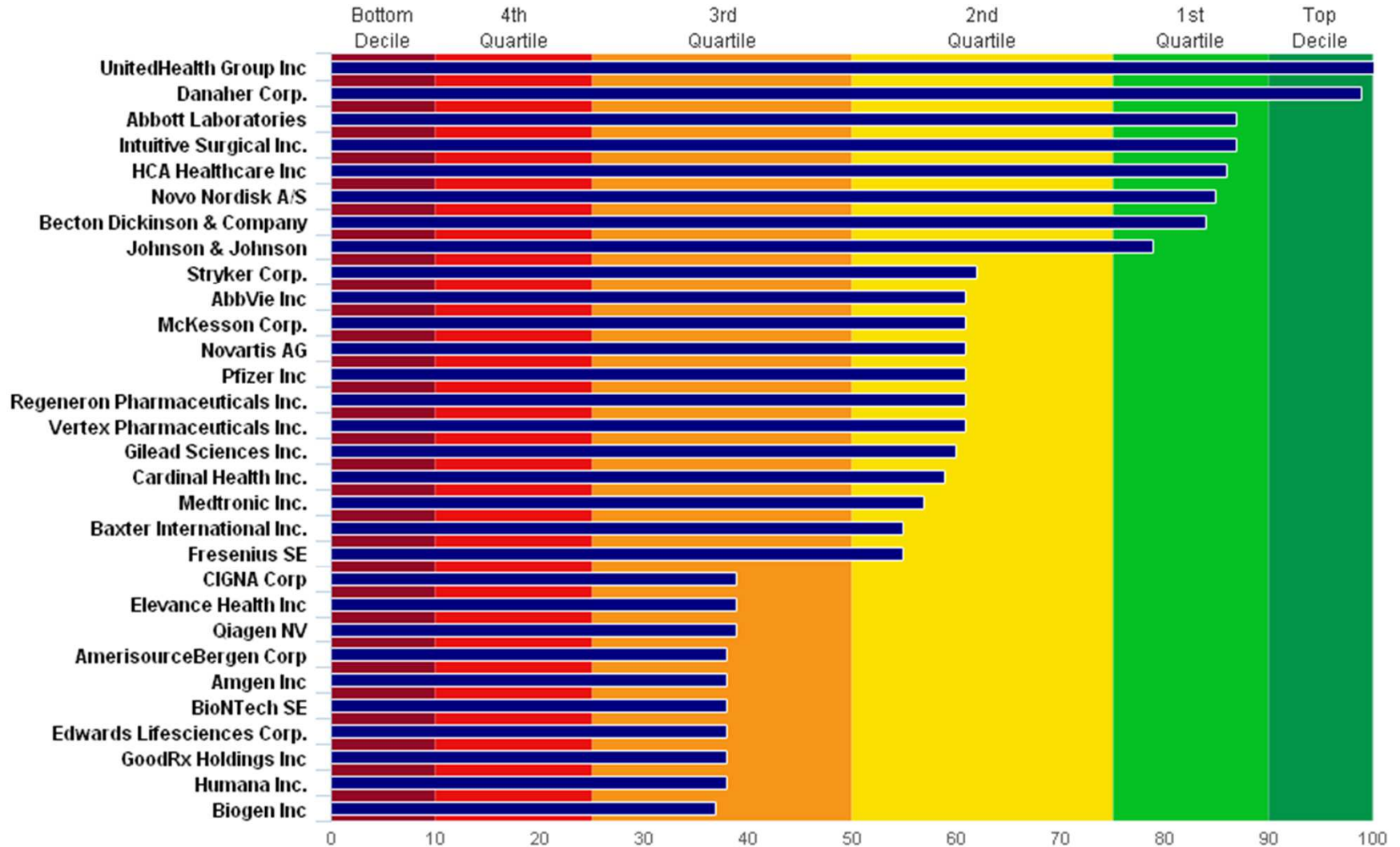
## Advance Proxy Poll - Board Forecast for the Year Ahead

Rolling Year Data

**What is Your Vote or Recommended Vote\* to Retain/Replace the Existing Board?**

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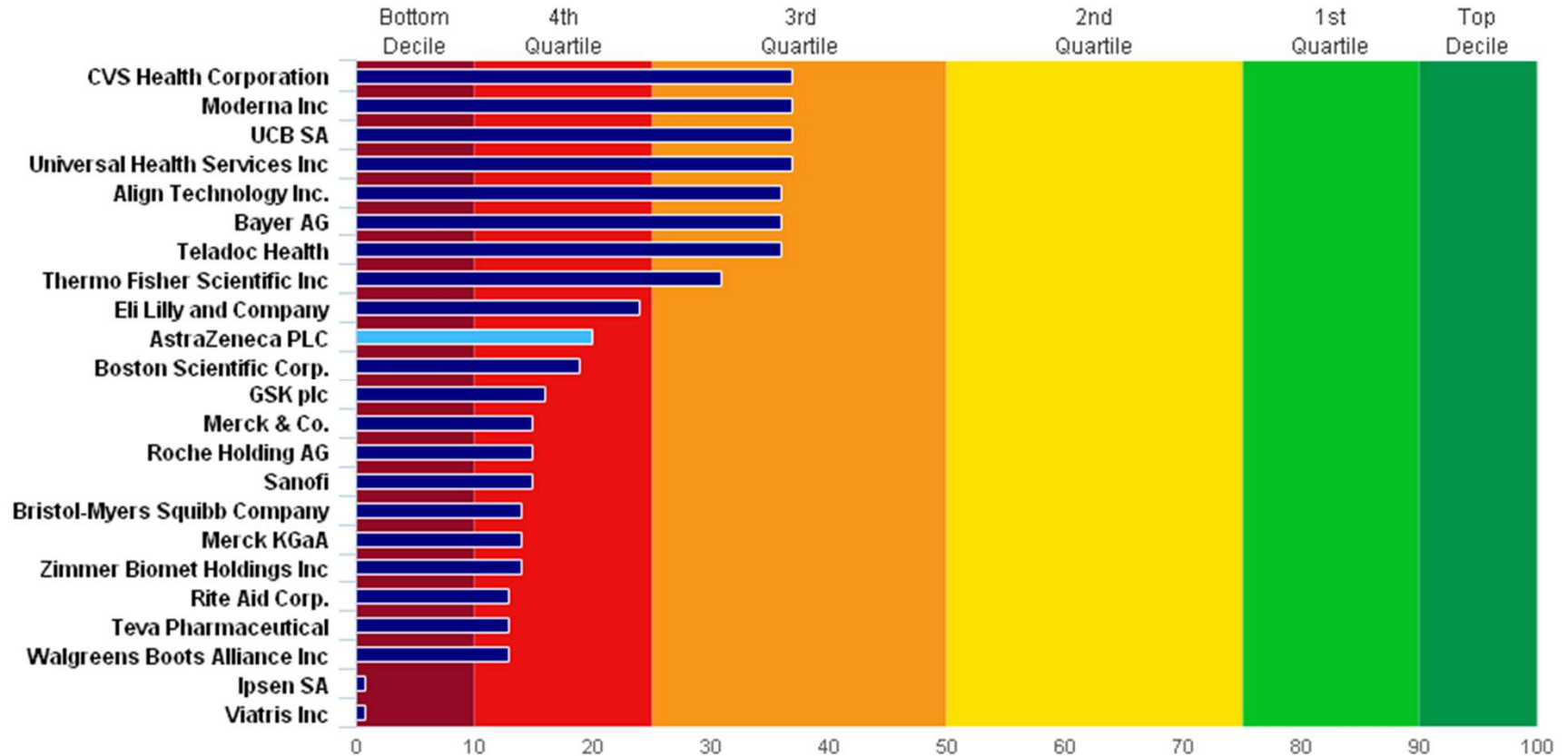
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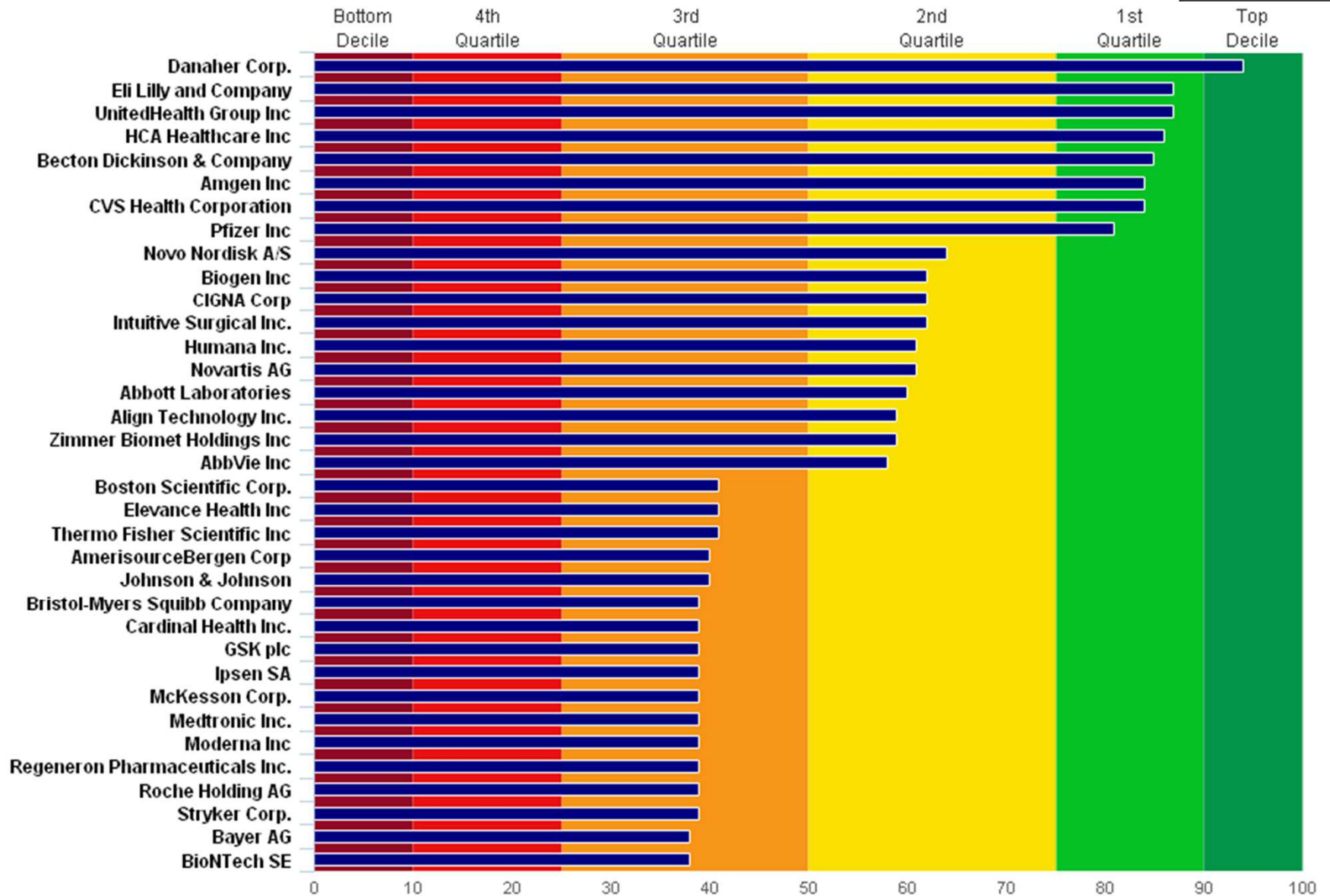
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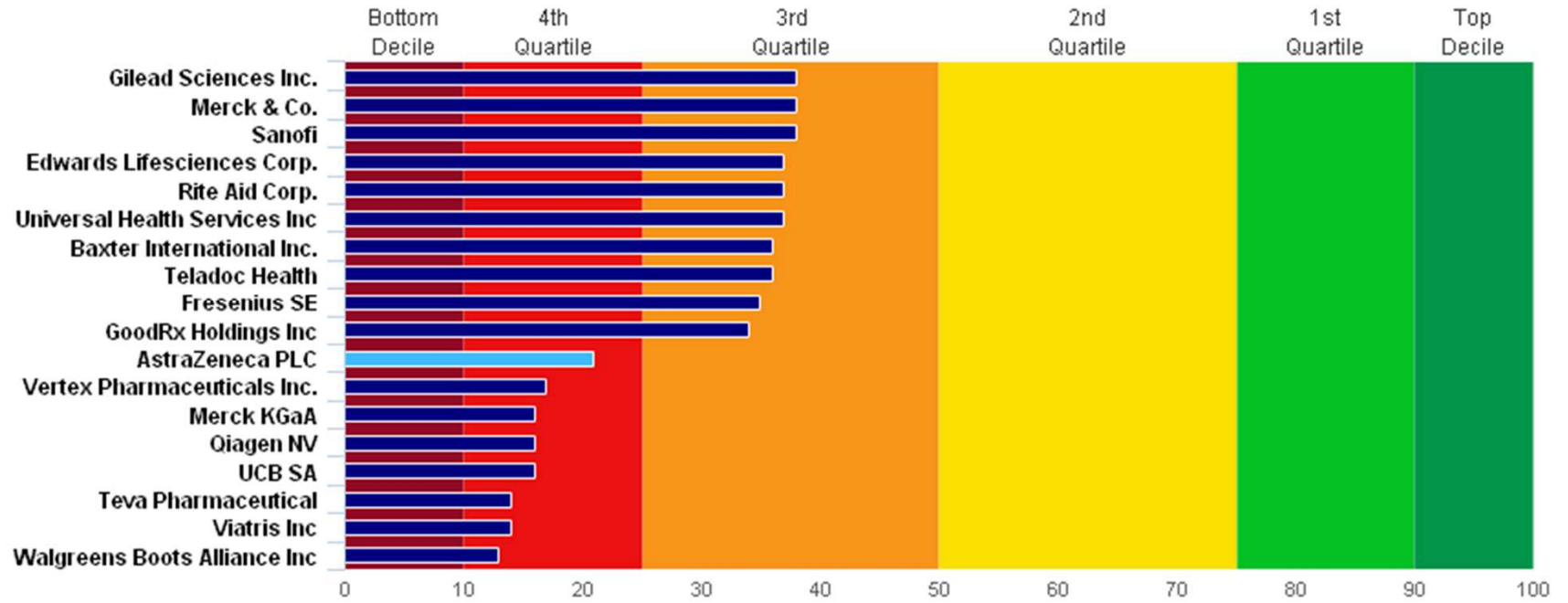
## Confidence in Reporting Forecast for the Year Ahead

Rolling Year Data



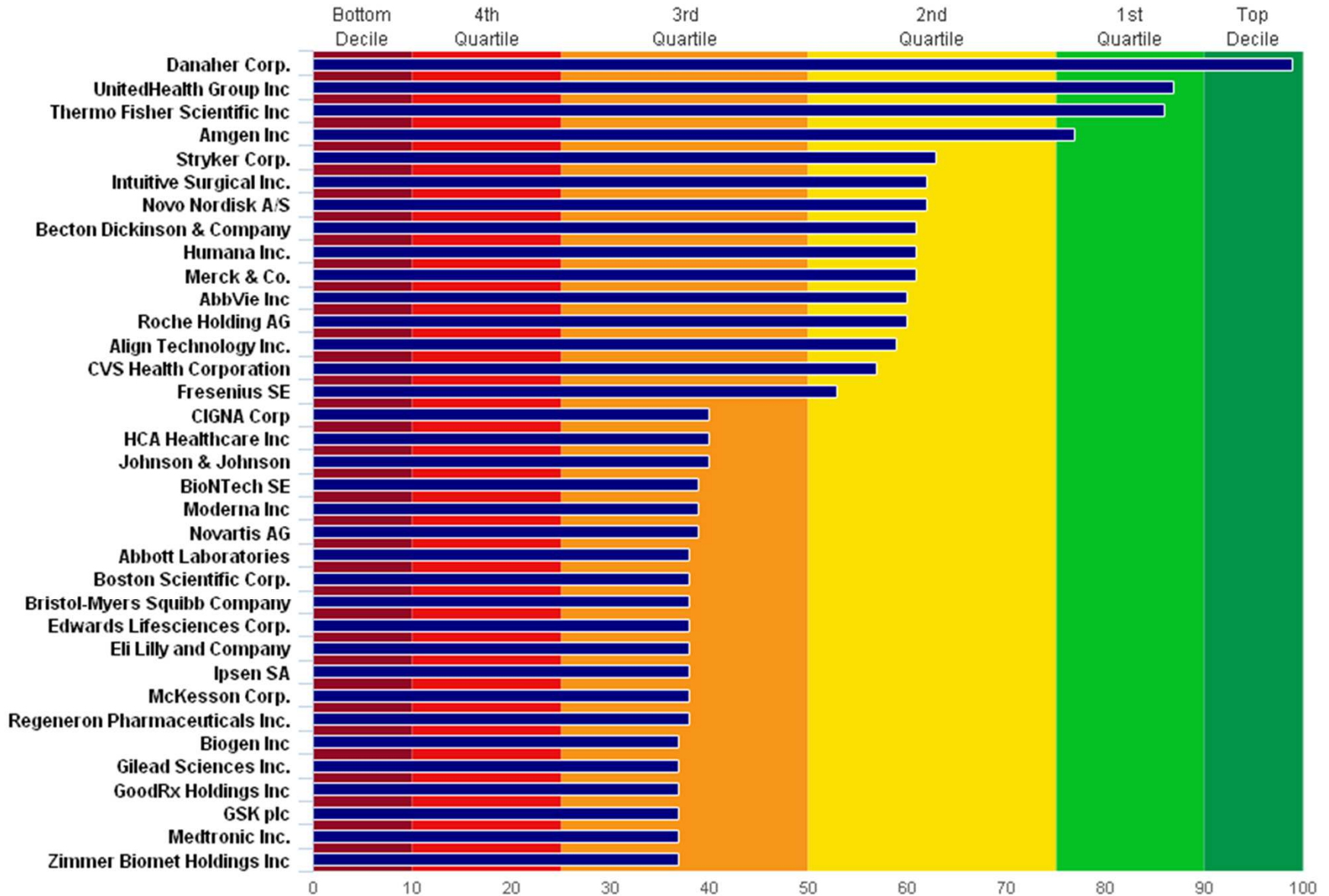
## Confidence in Reporting Forecast for the Year Ahead

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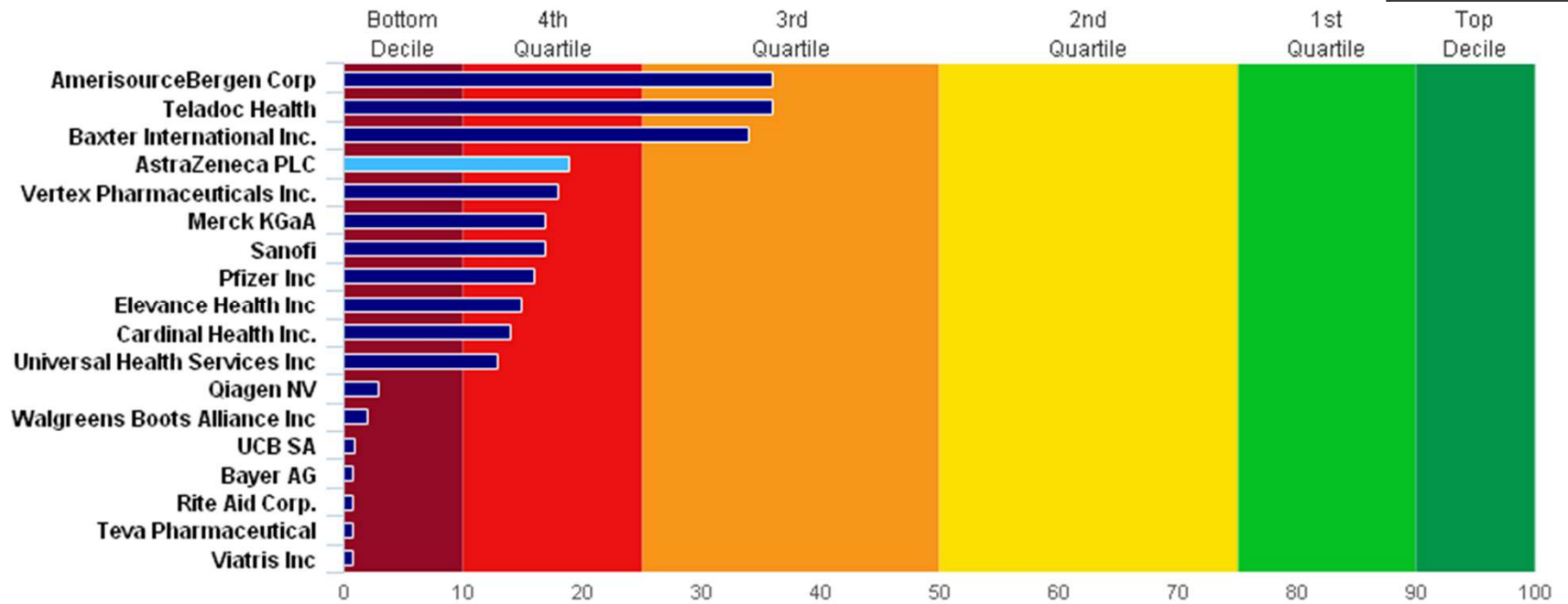
## Confidence in Strength of Balance Sheet Forecast for the Year Ahead

Rolling Year Data



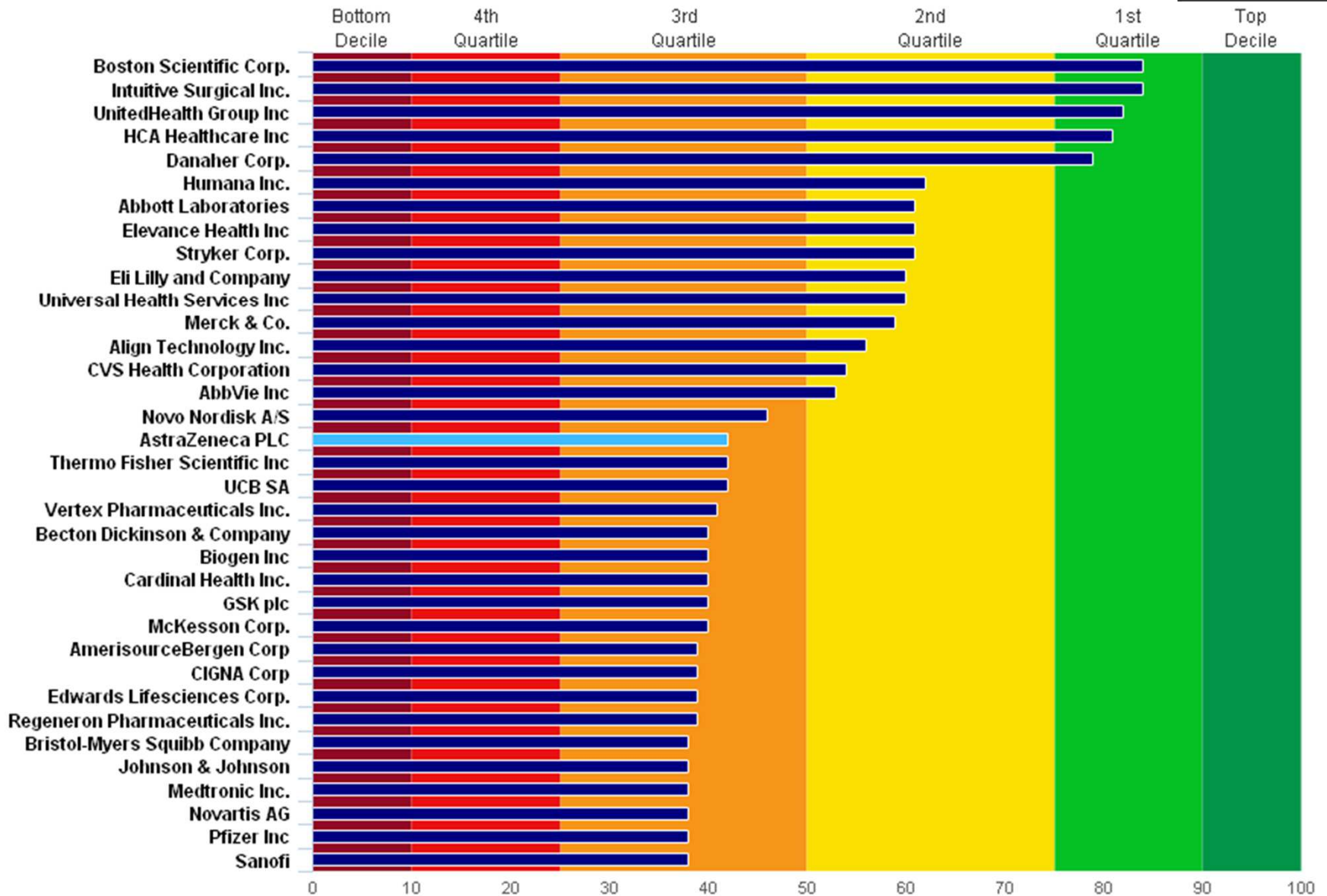
## Confidence in Strength of Balance Sheet Forecast for the Year Ahead

Rolling Year Data



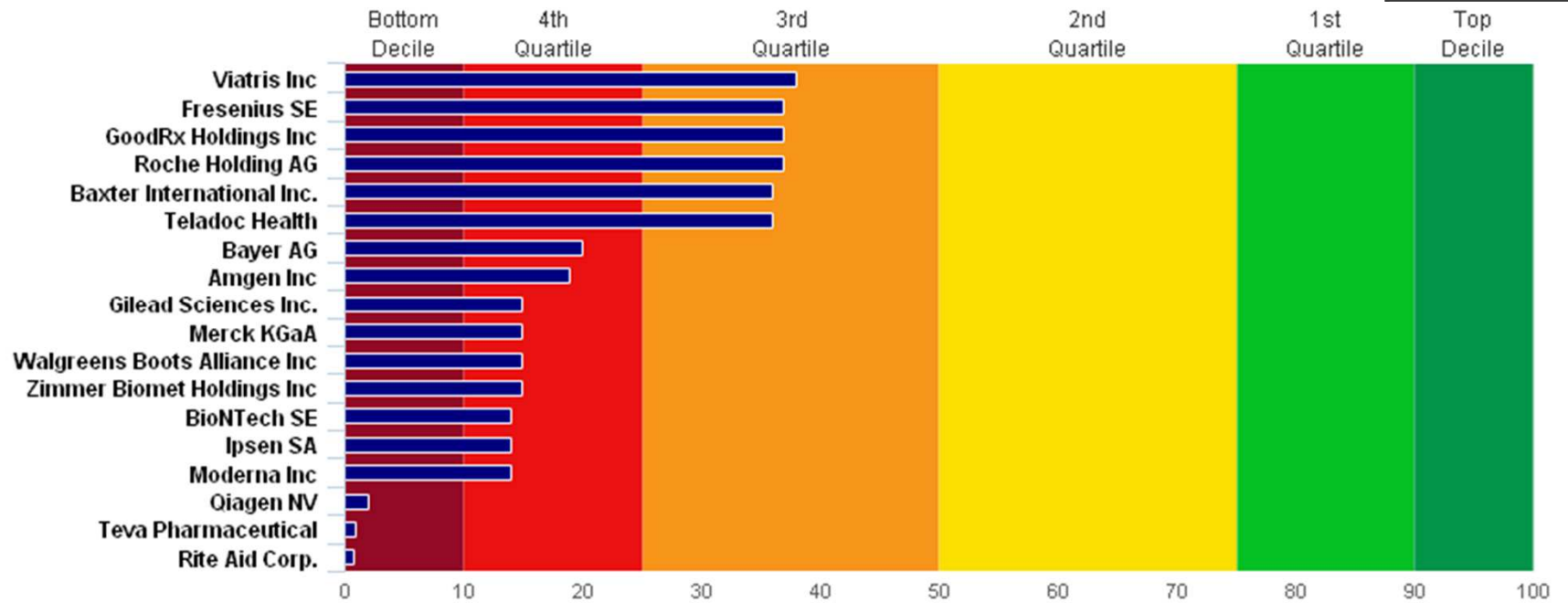
## Momentum of Investor Confidence Forecast for the Year Ahead

Rolling Year Data



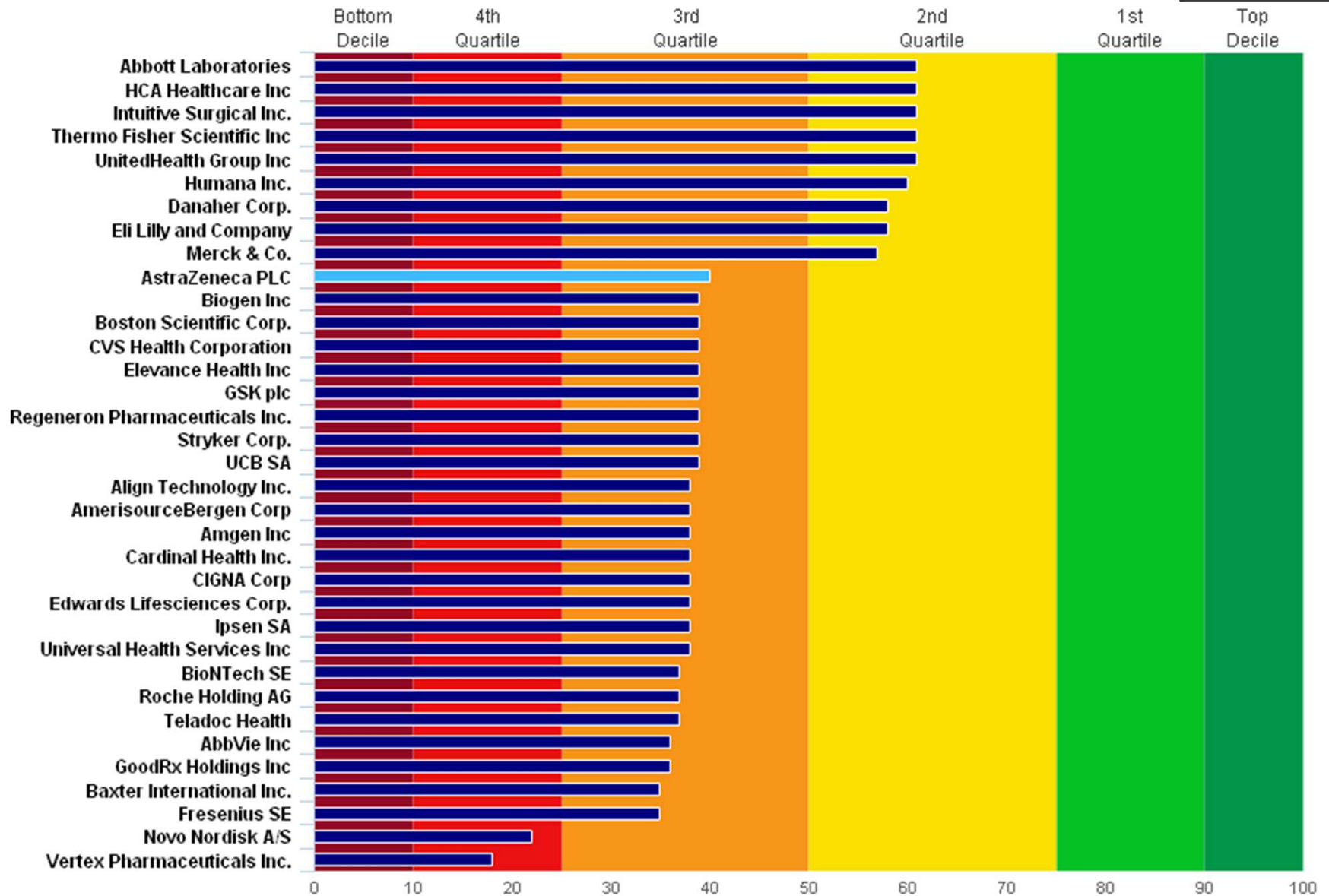
## Momentum of Investor Confidence Forecast for the Year Ahead

Rolling Year Data



## Price Appreciation Potential Forecast for the Year Ahead

Rolling Year Data



## Price Appreciation Potential Forecast for the Year Ahead

Rolling Year Data

