AstraZeneca

13,930p As of Sun 8 Nov 2026, 12:00 UTC

LSE:AZN	Healthcare	Ctry	United Kingdom	PE (Fwd Adj)	16.52	TSR 10Y CAGR	14.90%	Div yield	1.71%	ROE	22.60%
Drug Manufacturers (General)		Beta (5Y)	0.16	PE TTM	26.51	TSR TTM	13.62%	Mkt cap	£216.1B	ROIC	17.91%

SE Grade™	★☆☆
Value	★☆☆
Quality	★★★
Moat	★☆☆

Consensus	Reference
16,283p	*10,663p*
16.89%	(23.46%)

Buy 15|5|5|0|0



	4Q25	1Q26	2Q26	3Q26
Earnings per share				$
	1.48	1.97	1.61	**2.00**
	53.94%	5.35%	2.55%	23.46%
Revenue				$B
	15.50	15.29	15.38	**16.21**
	4.11%	12.51%	6.41%	6.70%
Next earnings				30 Oct

TTM	FYE 31 Dec	USD	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	Trend	5Y	10Y	Peers
62.38	Revenue	$B	23.00	22.46	22.09	24.38	26.62	37.42	44.35	45.81	54.07	58.74	*63.36*		17.15%	10.98%	80
7.32	*Revenue growth*	*%*	–	*(2.33)*	*(1.67)*	*10.38*	*9.16*	*40.58*	*18.53*	*3.29*	*18.03*	*8.63*	*7.86*		*18.03*	*9.16*	53
81.88	*Gross margin*	*%*	*82.63*	*81.58*	*79.61*	*80.12*	*80.29*	*67.92*	*80.52*	*82.44*	*82.18*	*81.71*	*82.31*		*81.71*	*81.05*	90
25.68	*Operating margin*	*%*	*16.98*	*16.41*	*7.84*	*12.58*	*16.42*	*7.74*	*19.87*	*21.17*	*23.91*	*24.33*	*26.01*		*21.17*	*16.70*	43
17.68	*Net margin*	*%*	*15.21*	*13.36*	*9.76*	*5.47*	*12.01*	*0.30*	*7.41*	*13.00*	*13.01*	*17.41*	*18.50*		*13.00*	*12.50*	62
26.51	P/E ratio (avg)	x	21.22	26.08	42.46	81.14	41.67	1,409	59.71	35.89	31.96	23.43	*18.36*[adj]		35.89	38.78	57
19.94	EV/EBIT	x	22.78	25.79	62.61	40.42	33.84	63.78	25.10	24.49	19.33	18.44	*18.79*		24.49	25.45	37
3.49	*FCF yield (avg)*	*%*	*3.63*	*2.88*	*1.72*	*1.84*	*2.88*	*3.09*	*4.44*	*4.20*	*4.42*	*4.91*	*3.17*		*4.42*	*3.36*	40
16.37	*FCF margin*	*%*	*11.73*	*10.02*	*7.13*	*8.16*	*14.42*	*13.02*	*19.65*	*19.61*	*18.38*	*20.03*	*14.42*		*19.61*	*13.72*	30
0.926	FCF / Net income	x	0.771	0.750	0.731	1.491	1.201	43.50	2.651	1.509	1.413	1.151	*0.779*		1.509	1.307	33
17.91	*ROIC*	*%*	*12.66*	*12.02*	*5.67*	*8.36*	*11.87*	*6.00*	*13.75*	*13.42*	*16.27*	*17.03*	*17.86*		*13.75*	*12.34*	40
22.60	*Return on equity*	*%*	*23.56*	*20.13*	*15.71*	*10.43*	*22.23*	*0.41*	*8.62*	*15.63*	*17.60*	*22.86*	*22.31*		*15.63*	*16.66*	64
9.20	*Return on assets*	*%*	*5.60*	*4.74*	*3.55*	*2.18*	*4.79*	*0.11*	*3.41*	*5.89*	*6.76*	*8.96*	*9.64*		*5.89*	*4.76*	48
7.07	EPS	$	2.76	2.37	1.70	1.03	2.43	0.08	2.11	3.81	4.50	6.55	*10.21*[adj]		21.88%	10.05%	–
17.43	*EPS growth*	*%*	–	*(14.30)*	*(28.19)*	*(39.67)*	*137.21*	*(96.78)*	*2585.43*	*80.88*	*18.06*	*45.44*	*11.43*[adj]		*45.44*	*18.06*	57
33.16	Bookvalue per sh	$	11.73	11.81	9.84	10.09	11.90	27.52	23.74	25.06	26.09	31.16	*34.65*		21.23%	11.46%	–
6.54	FCF per share	$	2.13	1.78	1.24	1.53	2.92	3.41	5.59	5.75	6.36	7.53	*5.93*		20.84%	15.05%	–
3.20	Dividend per sh	$	2.80	2.80	2.80	2.80	2.80	2.87	2.90	2.90	3.10	3.20	*3.33*		2.71%	1.49%	–
1.71	*Div yield (avg)*	*%*	*4.77*	*4.53*	*3.88*	*3.36*	*2.76*	*2.60*	*2.30*	*2.12*	*2.15*	*2.09*	*1.78*		*2.15*	*2.68*	29
–	*Payout ratio*	*%*	*101.45*	*118.14*	*164.71*	*272.87*	*114.94*	*3633.65*	*137.44*	*76.12*	*68.89*	*48.93*	*43.72*		*76.12*	*116.54*	42
1.551	Shares (diluted)	B	1.266	1.267	1.267	1.301	1.313	1.427	1.560	1.562	1.563	1.562	*1.540*		3.53%	2.36%	46
0.06	*Buyback yield*	*%*	–	*(0.08)*	–	*(2.68)*	*(0.92)*	*(8.68)*	*(9.32)*	*(0.13)*	*(0.06)*	*0.06*	*1.41*		*(0.13)*	*(0.13)*	46
0.662	D/E ratio	x	1.130	1.181	1.494	1.399	1.452	0.849	0.840	0.757	0.745	0.610	*0.642*		0.757	0.990	48
319.4	Enterprise value	$B	88.99	95.07	108.4	124.0	147.9	184.8	221.2	237.5	249.9	263.6	*309.6*		12.26%	12.82%	80
28.91	LT debt	$B	16.52	17.39	19.20	18.38	20.29	30.47	24.63	23.26	27.73	26.14	*28.91*		5.19%	5.23%	67

Peers (US$290.7B)	Cap (US$)	PE
GSK plc	102.0B	17.72x
Haleon plc	40.09B	18.72x
Roivant Sciences Ltd.	28.08B	–
Novartis AG	308.2B	30.48x

Capital	TTM	5Y	10Y
Leverage x	1.234	1.666	2.111
EBIT/Int x	10.97	9.215	6.126
Own earn %	–	19.41	13.52
Sh yield %	1.77	1.99	1.99

Owners			
Insiders/Inst	%	0.04	74.85
Short interest	%		–
SBC / revenue	%		0.59

Record	10Y
Profitable years	10/10
Revenue growth years	7/9
EPS growth years	5/9
Dividend streak yrs	1
Op margin range %	8–24
$1 test x	–
Incr. ROIC %	19

AstraZeneca's third quarter was a story of new medicines outrunning old ones. Revenue rose 6.7% year on year, well short of the 17.2% five-year compound rate. Oncology led, carried by Tagrisso, Imfinzi, Imjudo, Calquence and Enhertu, while Tezspire and Breztri drove respiratory and immunology. Those gains offset Farxiga and Brilinta losing exclusivity, with Farxiga also hit by China's volume-based procurement. Diluted EPS climbed 23.5%. Even so, the shares price in more than the cash flows support: SE fair value of £107 is 23.5% below the price.

Management maintained every core 2026 target: mid-to-high single-digit revenue growth, low double-digit core EPS growth, a core gross margin stable to slightly higher with the second half below the first, and R&D at the upper end of the low 20s as a share of revenue. Only capital spending moved, lowered to a low-teens rise. The CEO pointed to "more than 20 high-value trial readouts." Pressed on margin expansion alongside heavy pipeline spending, management declined long-term margin guidance and deferred to February's 2027 outlook. Revenue growth held steady against the second quarter, consistent with consensus.

Analysts expect adjusted EPS to grow 11.4% in FY2026 and 11.2% in FY2027, on revenue growth of 7.9% this year. Reported EPS runs well below the adjusted figures, so reported growth is not comparable. The price implies revenue growth of 10.7% a year, 2.9pp above that 7.9% consensus, a gap the forecasts do not close. Execution has been dependable, with EPS beating in 8 of the last 8 quarters, but beating estimates of high single-digit sales growth is not the same as delivering low double digits for five years.

Profitability has improved sharply. ROE moved from 8.6% in FY2022 to 22.9% in FY2025, and net margin from 7.4% to 17.4% over the same span. ROA rose from 3.4% to 9.0%, showing the gains reach the whole asset base, not just the equity line. Gross margin has held steady at 81.9%, giving no sign that generic erosion is squeezing pricing at the gross level. What holds the quality picture back is durability: the company's five-year return ranks low among comparable companies, so the recent strength has a short record behind it.

SE fair value of £107 is 23.5% below the price, with medium confidence, while the star- and recency-weighted average target of 16 analysts sits 16.9% above it. On reported earnings the trailing P/E of 26.5x is below its 10-year median of 38.8x, a reading reported EPS distorts, while SE fair value points the other way. For the price to hold, revenue must grow 2.3x in ten years, an outcome only about one in ten very large companies achieve. Sales growth settling into mid single digits as Farxiga and China pressures persist would show it is not.

The SE Score is 1 of 3. Quality earns three stars because ROIC of 17% sits well above a 6.0% cost of capital, backed by interest cover of 11.0x. Moat earns one star, as ROIC has topped 15% in only 2 of the last 10 years, a short record against a ten-year median of 12%. Value earns one star: the price stands above SE fair value, and that left the overall score where the business scores placed it, rather than lifting it.

Q3 2026

AstraZeneca PLC is a biopharmaceutical company that discovers, develops, manufactures and commercializes prescription medicines across oncology, cardiovascular, renal and metabolism, respiratory and immunology, vaccines and immune therapies, and rare diseases. It serves primary and specialty care physicians through distributors and local representative offices in United Kingdom, USA, rest of Europe, Asia, Africa and Australasia.

Revenue by segment	Revenue	Trend	7Y CAGR	Rel growth	Revenue by region	Top 3 93%	Trend	Reinvestment returns	10Y median	Trend
Oncology	43.61%		22.96%	1.60×	Americas	46.91%		Reinvestment rate	(8.92%)	
BioPharmaceuticals:…	21.75%		9.63%	0.72×	Rest of Europe	22.91%		Return on capital	12.34%	
Rare Disease	15.54%		-	-	Asia, Africa & Australasia	22.76%		Spread over hurdle	4.92%	

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