AstraZeneca (AZN)

United Kingdom/Sweden | Big Pharma | Mega Cap (USDbn) 317,85

5 April 2026

Recommendation: Hold

Target Price: 194,80
Current Price: 203,49
Upside: -4,27%

Company description

AstraZeneca is a worldwide big-pharma company and has their headquarter in Cambridge, United Kingdom. AstraZeneca was made between a merger with the Swedish company Astra, and the United Kingdom company Zeneca. AstraZeneca is known to be a traditional big-pharma company but on later years it's has been high growing innovator machine with focus specialized medication.

AstraZeneca's core segments:

Oncology: is the company's biggest engine. They are world leading in lungs, breast and blood cancer with their great seller Tagrisso and the next generation ADC-technology.

CVRM: (Heart, vascular, kidneys, metabolism) focuses on people diseases like diabetes and heart failure. The blockbuster medicine Farxiga has expended from diabetes to treat heart failure and chronic kidney disease.

R&I: is the section that's focus on asthma and COPD. The segment is on a transformation phase where old medicine is shifted out to new medicine like Fasenra and Tezspire.

Analyst:

Philip Bengtsson Hörnebrant

Figure 1: Market Data

Exchange	Nasdaq
1Y High/Low	212,71/122,48
Shares (m)	1562
Market Cap (USDbn)	317,85
Enterprise Value	341,22

Source: Börsdata, Avanza

Figure 2: Valuation Results

DCF-Terminal Growth	200,76
Comps-EV/EBITDA	141
Target Price	194,80
Implied Return	-4,27%

Source: Marketscreener and Analyst

Figure 3: Relative Valuation and EPS

Metrics & Drivers	26E	27E	28E
EV/EBIT	15,1x	13,2x	11,7x
EV/EBITDA	13,9x	12,3x	10,8x
P/E	24,3x	21,3x	18,4x
PEG	1,1x	1,5x	1,2x
EPS	7,97	9,13	10,55

Source: Marketscreener

Rare Disease: Can be describe as a strategic anchor after the acquisition of Alexion (2021) that has given the opportunity rare diseases. Which is a high-margin field with low competition.

Vaccines: This section has nowadays stabilized since the pandemic and is their smallest section.

Investment Thesis

Thesis #1: The future growth engine and expansion in China

AstraZeneca has over 20+ studies in phase 3 with between the different segments. Creating a diversified pipeline of potential blockbusters. They are also well placed for further expansion in China and are investing 15 billion dollars through 2030.

Thesis #2: Proven track-record

The company has a proven track record when it comes to delivering and their profit has grown more than their revenue. Profit growing more than revenue can give a negative NWC, which AstraZeneca has. They have also succeeded in good cost control and showing the ability to integrate big acquisitions (Alexion).

Thesis #3: Dominance in oncology (cancer)

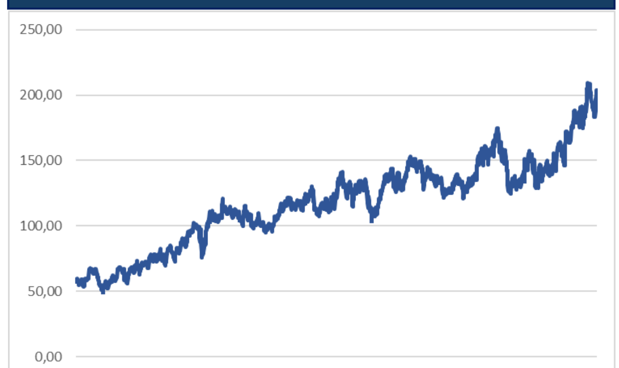
AstraZeneca has established a global leading position in oncology. Through their groundbreaking initiatives in ADC (Antibody-Drug Conjugates) that works like “missile seeking cell poisons”. With ADC they have set new standards in treating breast cancer and lung cancer. With long patents life they can generate cashflow beyond 2030.

Figure 4: Valuation Results

Forecast, USDbn	26E	27E	28E
Total Revenue	62,26	66,02	70,55
YoY Revenue Growth	5,99%	6,05%	6,10%
EBIT	14,75	15,89	17,32
YoY EBIT	7,30%	7,74%	8,99%
Margin	23,68%	24,06%	24,72%

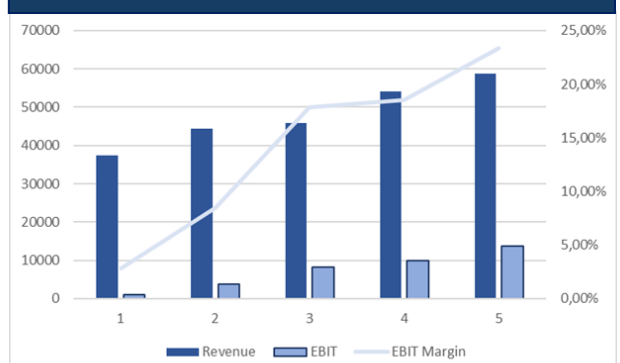
Source: Analyst

Figure 5: AstraZenecas Stockprice 2016-2026



Source: Börsdata

Figure 6: Financial Overview, Revenue/EBITDA



Source: Börsdata

Industry Overview

The global medicine market is expected to grow between 5-8% CAGR until 2029, reaching 2,4 trillion dollars. The drivers in the expected growth are oncology, immunology, endocrinology, especially diabetes and obesity. Oncology is one of the biggest drivers and has an expected CAGR between 10,5-13,5% but the growths is expected to slow down.

Regions like Latin America and Asia, including China are estimated to grow faster than any other regions in the world. In Asia they are shifting focus from volumes to value medicines.

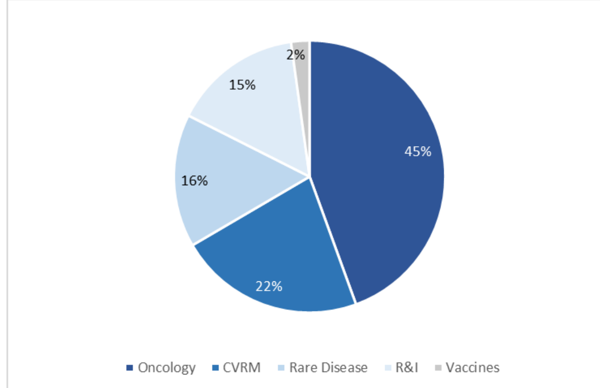
Global spending is estimated to grow by 35% through 2029 and the global use of medicine is only expected to grow by 4% through 2029. Spendings in oncology is expected to reach $441bn but the growth of spending is expected to slow down.

Valuation

Scenario #1: Base

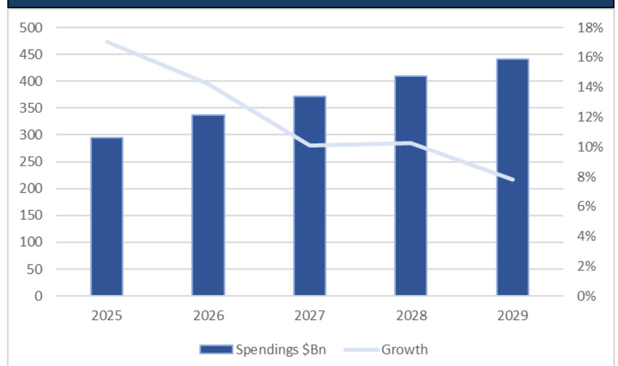
The analysis was conducted on both an intrinsic and relative valuation, and the target price is $194,80. The methodology in this scenario assigns 90% on our DCF and 10% on our comparable company analysis. AstraZeneca sets of with expected revenue 2030 with $78,95bn and is expected to grow with the market. Their growth is also expected to be more than their nearest competitors.

Figure 7: Core Segments Revenue (Percent)



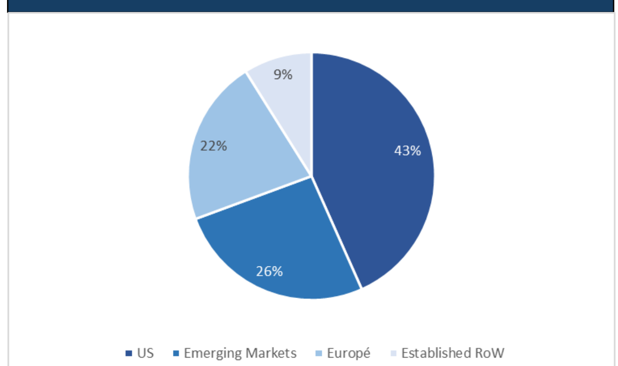
Source: Company Q4 2025 filings

Figure 8: Expected Spendings in Oncology (USDbn)



Source: IQVIA Institute 2025

Figure 9: Region Revenue (Percent)



Source: Company Q4 2025 Filings

Scenario #2: Bear

In the Bear scenario the methodology was conducted 70% on our DCF and 30% on our comparable company analysis with a target price on $152,44. The expected revenue 2030 is $74,70bn and the company will grow in the lower than the market. Their growth is expected to slow down after 2027 like some of their competitors.

Scenario #3: Bull

In the Bull scenario the methodology was conducted 95% on our DCF and 5% on our comparable company analysis with a target price on $242,91. The expected revenue 2030 is $82,44bn and the company will grow in the higher region of expected market growth. Their growth is expected to take off after 2027.

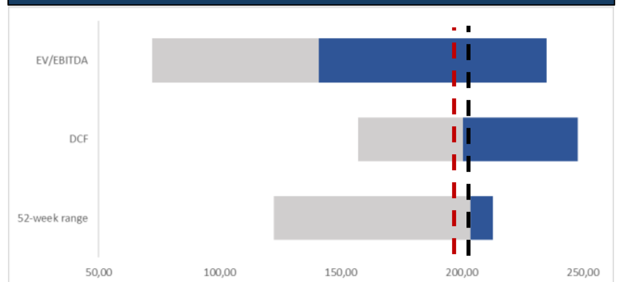
Risk and (Catalysts)

Potential blockbuster medicine can generate a great amount of revenue, but this can be also the point where the growth stops. If their new medicines aren't good enough or if they are not making it through phase three the growth will slow down.

Their high knowledge of oncology and patents sets their monopoly standards but there are always threats from competition. Sooner or later their patents will go out and there is potential of losing revenue.

Risk of policymaking under the new American administration and with the Inflation Reduction Act (IRA) the government can directly set high pressure on the margins.

Figure 10: Target Price Ranges



Current 203,49

Target 194,80

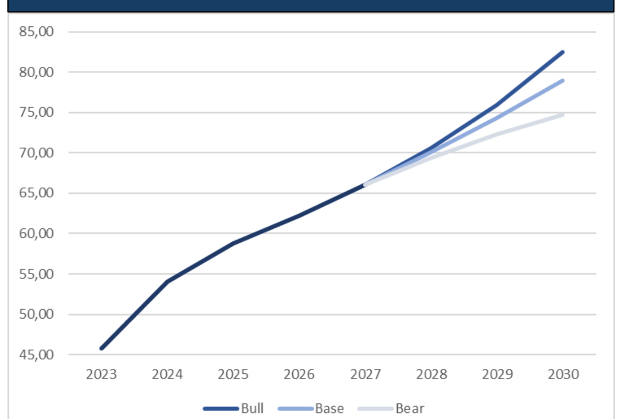
Source: Analyst

Figure 11: Case Scenarios (2025-2030)

Criteria	Bear	Base	Bull
Revenue CAGR	4,09%	5,05%	5,81%
EBITDA Margins (2030)	->31%	->33%	->35%
Implied Return	-25,09%	-4,27%	19,37%

Source: Analyst

Figure 12: Estimated Revenue, Bear, Base and Bull



Source: Company and Analyst

Summary

AstraZeneca has proven historic stability, future pipeline of potential blockbusters and technical monopoly on oncology creating a great opportunity for further growth. AstraZeneca is well established on the market and can face the risk of potential risk with the Inflation Reduction Act with their hedge in Europe and China. The analysis sets the recommendation to hold with a fair value of 194,80 and the potential to reach the Bull scenario, which is in line with the company's goal, to reach over 80 billion dollars in revenue 2030.

Figure 13: Weighted Average Cost of Capital

Net Debt	23,37
% of Total Capital (Debt)	6,85%
Cost of debt	4,00%
Tax Rate	25,00%
Equity Value	317,85
% of total Capital (Equity)	93,15%
Cost of Equity	7,69%
Risk- Free Rate	4,00%
Beta	0,67
Market Risk Premium	5,50%
Total Capital	341,22
WACC	7,36%

Source: Company, Börsdata and Analyst

Appendix

Base DCF:

DCF	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
USDbn								
Revenue	45,81	54,07	58,74	62,26	66,02	70,05	74,35	78,95
%growth		18,03%	8,63%	5,99%	6,05%	6,10%	6,14%	6,19%
EBIT	8,19	10,00	13,74	14,75	15,89	17,32	18,94	20,65
%margin	17,88%	18,50%	23,40%	23,68%	24,06%	24,72%	25,47%	26,16%
Taxes	0,94	1,65	2,17	2,42	2,62	2,88	3,17	3,48
% of EBIT	14%	19%	17%	18%	18%	18%	18%	18%
NOPAT	**7,08**	**8,10**	**11,34**	**12,09**	**13,03**	**14,20**	**15,53**	**16,94**
D&A (+)	5,39	6,88	5,73	5,80	5,90	5,80	5,60	5,40
%of sales	11,76%	12,72%	9,76%	9,32%	8,94%	8,28%	7,53%	6,84%
CapEx (-)	1,52	2,22	3,27	4,35	4,80	4,60	4,40	4,20
%of sales	3,31%	4,10%	5,57%	6,99%	7,27%	6,57%	5,92%	5,32%
Change in NWC (-)	-1,31	0,378	1,242	-0,523	-0,308	-0,3	-0,3	-0,337
%of sales	-2,86%	0,70%	2,11%	-0,84%	-0,47%	-0,43%	-0,40%	-0,43%
Unlevered FCF	**9,64**	**12,39**	**12,56**	**14,07**	**14,44**	**15,70**	**17,03**	**18,47**
Present Value of FCF				**13,10**	**12,52**	**12,68**	**12,81**	**12,95**
Terminal Value								389,30
Present Value of Terminal Value								272,9
EV								336,96
(+) cash								
(-) debt								23,37
Equity Value								313,59
Shares								1,562
Share Price								200,76

Assumptions	
WACC	7,36%
Terminal Growth Rate	2,50%

Bear DCF:

DCF	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
USDbn								
Revenue	45,81	54,07	58,74	62,26	66,02	69,41	72,33	74,70
%growth		18,03%	8,63%	5,99%	6,05%	5,13%	4,21%	3,28%
EBIT	8,19	10,00	13,74	14,75	15,56	16,41	17,18	17,76
%margin	17,88%	18,50%	23,40%	23,68%	23,56%	23,64%	23,76%	23,77%
Taxes	0,94	1,65	2,17	2,69	2,85	3,02	3,17	3,29
% of EBIT	14%	19%	17%	20%	20%	20%	20%	20%
NOPAT	**7,08**	**8,10**	**11,34**	**11,80**	**12,45**	**13,13**	**13,75**	**14,21**
D&A (+)	5,39	6,88	5,73	5,80	5,90	5,80	5,60	5,40
%of sales	11,76%	12,72%	9,76%	9,32%	8,94%	8,36%	7,74%	7,23%
CapEx (-)	1,52	2,22	3,27	4,35	4,80	4,60	4,40	4,20
%of sales	3,31%	4,10%	5,57%	6,99%	7,27%	6,63%	6,08%	5,62%
Change in NWC (-)	-1,31	0,378	1,242	-0,523	-0,308	-0,3	-0,3	-0,337
%of sales	-2,86%	0,70%	2,11%	-0,84%	-0,47%	-0,43%	-0,41%	-0,45%
Unlevered FCF	**9,64**	**12,39**	**12,56**	**13,77**	**13,85**	**14,63**	**15,25**	**15,74**
Present Value of FCF				**12,83**	**12,02**	**11,82**	**11,48**	**11,04**
Terminal Value								299,36
Present Value of Terminal Value								209,8
EV								269,02
(+) cash								
(-) debt								23,37
Equity Value								245,65
Shares								1,562
Share Price								157,27

Assumptions	
WACC	7,36%
Terminal Growth Rate	2,00%

Bull DCF:

DCF	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
USDbn								
Revenue	45,81	54,07	58,74	62,26	66,02	70,55	75,96	82,44
%growth		18,03%	8,63%	5,99%	6,05%	6,85%	7,68%	8,53%
EBIT	8,19	10,00	13,74	14,75	16,22	18,19	20,61	23,45
%margin	17,88%	18,50%	23,40%	23,68%	24,56%	25,78%	27,13%	28,45%
Taxes	0,94	1,65	2,17	2,42	2,68	3,04	3,47	3,99
% of EBIT	13,60%	18,99%	17,49%	18,00%	18,00%	18,00%	18,00%	18,00%
NOPAT	**7,08**	**8,10**	**11,34**	**12,09**	**13,30**	**14,91**	**16,90**	**19,23**
D&A (+)	5,39	6,88	5,73	5,80	5,90	5,80	5,60	5,40
%of sales	11,76%	12,72%	9,76%	9,32%	8,94%	8,22%	7,37%	6,55%
CapEx (-)	1,52	2,22	3,27	4,35	4,80	4,60	4,40	4,20
%of sales	3,31%	4,10%	5,57%	6,99%	7,27%	6,52%	5,79%	5,09%
Change in NWC (-)	-1,31	0,378	1,242	-0,523	-0,308	-0,3	-0,3	-0,337
%of sales	-2,86%	0,70%	2,11%	-0,84%	-0,47%	-0,43%	-0,39%	-0,41%
Unlevered FCF	**9,64**	**12,39**	**12,56**	**14,07**	**14,71**	**16,41**	**18,40**	**20,77**
Present Value of FCF				**13,10**	**12,76**	**13,26**	**13,85**	**14,56**
Terminal Value								490,20
Present Value of Terminal Value								343,6
EV								411,15
(+) cash								
(-) debt								23,37
Equity Value								387,78
Shares								1,562
Share Price								248,26

Assumptions	
WACC	7,36%
Terminal Growth Rate	3,00%

Sensitivity Analysis Base:

	TGR					
		1,50%	2,00%	2,50%	3,00%	3,50%
WACC	9,36%	121,43	128,57	136,75	146,21	157,29
	8,36%	141,98	151,79	163,28	176,92	193,35
	7,36%	169,56	183,71	200,76	221,73	248,12
	6,36%	208,52	230,28	257,68	293,22	341,17
	5,36%	267,69	304,60	354,40	425,26	534,14

Forward Multiple:

Forward Multiple, Implied Share Price	
EBITDA	25700
Average	9,49
EV	243893
Net Debt	23374
Equity Value	220519
Shares	1562
Share Price	**141**

Peer Table:

Peer table	EV	Market Cap	Revenue	Revenue CAGR	EBIT Margin	EV/EBITDA			EV/Sales			PEG		
	MSEK	MSEK	FY 2025A (MSEK)	´25A-´28E	FY 2028E	26E	27E	28E	26E	27E	28E	26E	27E	28E
Merck & CO INC	296 032	261258	65011	5%	35%	16x	14,7x	13,7x	4,73x	4,31x	3,89x	(1,7x)	2,9x	3,24x
Roche (CHF)	278 258	262 098	61 516	2%	37%	11,9x	10,9x	10,1x	4,24x	3,99x	3,81x	N/A	2,02x	2,67x
Novartis	289 870	266 003	56 674	3%	39%	14x	12,8x	11,6x	5,65x	5,33x	4,93x	11,57x	1,5x	1,4x
Pfizer	192 773	141 574	62 579	-3%	32%	7,55x	7,78x	8,67x	3,16x	3,21x	3,39x	0,2x	(1,85x)	(1,2x)
Bristol-Myers Squibb	143852	109809	48194	-4%	35%	8,46x	8,1x	8,91x	3,14x	3,10x	3,34x	0,3x	7,49x	(1,66x)
Johnsson & Johnsson	528042	500242	94193	5%	38%	16x	14,7x	13,7x	5,87x	5,45x	5,09x	(1,7x)	2,9x	3,24x
GSK (GBX)	87654	73201	32667	3%	32%	7,8x	7,1x	6,82x	2,69x	2,49x	2,36x	1x	1,48x	2,59x
Sanofi (EUR)	111663	100655	43626	5%	29%	7,17x	6,61x	5,92x	2,19x	2x	1,89x	3,85x	1,32x	0,7x
Abbvie	463570	403830	61160	6%	51%	13,2x	11,6x	10,4x	6,55x	5,89x	5,34x	0x	0,7x	0,9x
Average	265 746	235 408	58 402	2%	36%	11,34x	9,78x	9,49x	4,18x	3,99x	3,87x	2,82x	2,54x	2,11x
Median	278 258	261 258	61 160	3%	35%	11,9x	9,33x	8,91x	4,24x	3,99x	3,81x	0,65x	1,76x	2,59x
AstraZeneca	311187	287813	58789	5%	36%	13,9x	12,3x	10,8x	4,98x	4,57x	4,17x	1,1x	1,5x	1,2x

Source: Marketscreener