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AstraZeneca To Remain In Vaccines For The Long Haul

Posts Strong Q3 Numbers

by Kevin Grogan

The highs and lows experienced with its COVID-19 vaccine Vaxzevria have not deterred the UK giant from keeping a presence in the field and CEO Pascal Soriot told *Scrip* that the path could mirror the decade-long journey AstraZeneca had in oncology before it achieved sustained success.

AstraZeneca PLC CEO Pascal Soriot has ended rumors that the company could exit the vaccines space now that sales of its COVID-19 jab Vaxzevria are declining by telling *Scrip* that the UK major will be in the space for years to come.

Soriot had suggested over the summer that AstraZeneca may not stay in the vaccine game for the long term. The company played a leading role when the COVID-19 pandemic struck, delivering a not-for-profit vaccine at speed but Vaxzevria never got approval in the US and despite positive data, governments in the EU and elsewhere decided to plump for the mRNA-based vaccines such as *Pfizer Inc.*/*BioNTech SE*'s Comirnaty and *Moderna, Inc.*'s Spikevax for their booster campaigns.

Vaxzevria sales in the third quarter sank 83% as expected to $180m compared with the like, year-earlier period. Soriot confirmed that the firm will not carry on with a filing in the US as demand was declining and the market was well served with the current mRNA vaccines. "To be

AstraZeneca's Enthusiasm For Vaccines On The Wane

By Kevin Grogan

honest, it didn't make any sense for us to continue pursuing this application, we have many other things we can do that will have a much bigger impact on helping patients and creating value for the company," he said

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As an intranasal formulation of Vaxzevria flops in a Phase I study, the attractiveness of investing any more in vaccines R&D could be wearing off for AstraZeneca.

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However, Soriot stressed that "we continue to look at vaccines and what we want to do is come up with innovative differentiated products that will help patients better than what exists out there." He told *Scrip* that AstraZeneca was working on new vaccine technologies but "we're at the beginning of this journey, just like 10 years ago when we were at the beginning of our oncology journey."

He added that "we have a couple of internal discoveries that gives us good hope we could come up with new vaccines in the years to come ... but that will take three, four or five years before we can really get the proof of this. We haven't given up, we are really giving our best to try and to develop a portfolio of vaccines."

Soriot also mentioned the *Sanofi*-partnered antibody-based respiratory syncytial virus (RSV) vaccine Beyfortus (nirsevimab) which was approved in the EU last week. He said that babies "are protected immediately after they receive the injection all the way up to six months, so they are covered for the entire season. It's a fantastic product." (Also see "*RSV Market Shake Up Starts As Sanofi And AZ's Beyfortus Wins First Approval*" - Scrip, 4 Nov, 2022.)

The CEO was speaking as AstraZeneca posted an impressive set of financials for the third quarter, "one of our strongest on record, with 19 major regulatory approvals since our last earnings call," that saw revenues come in at just under $11bn, up 11% despite currency headwinds. Core earnings per share increased 55% to $1.67 and the firm said full-year EPS at constant exchange rates is now expected to increase by a high twenties to low thirties percentage, versus previous guidance of a mid-to-high twenties rise.

AstraZeneca's oncology portfolio enjoyed a very strong quarter, up 20% to $4.04bn. Tagrisso (osimertinib), Imfinzi (durvalumab) and Lynparza (olaparib) all recorded double-digit growth (*see table*), while the keenly-watched *Daiichi Sankyo Co., Ltd.*-partnered antibody-drug conjugate Enhertu (trastuzumab deruxtecan), which has approvals in HER2 mutated metastatic non-small cell lung cancer and HER2-low metastatic breast cancer, contributed $387m.

Farxiga Flying

Once again, Farxiga/Forxiga (dapagliflozin) performed strongly, enjoying its third consecutive

quarter of sales topping $1bn. The SGLT2 inhibitor, originally approved for diabetes, moved into heart failure and renal disease, significantly increasing the number patients eligible for treatment with the class, which also includes *Boehringer Ingelheim GmbH* and *Eli Lilly and Company*'s Jardiance (empagliflozin).

Soriot declined to give *Scrip* guidance on peak sales for Farxiga, which analysts have put at around $8-$10bn. "Let me just say on this one, it's going to be big," he said, adding that "the biggest indication here is kidney disease and this product is really excellent for patients who have declining kidney function - there are about 800 million of those people in the world." (Also see "*Farxiga Matches Jardiance And Cements SGLT2 Benefits In Heart Failure*" - Scrip, 29 Aug, 2022.)

When kidney function starts to worsen, "you better do something because it declines quite rapidly over a five-year period, you can get into a difficult state and need dialysis. Farxiga brings hope to those patients," Soriot said. Earlier this month, BI and Lilly presented data from the 6,600-patient EMPA-KIDNEY trial which showed that Jardiance reduced kidney disease progression or cardiovascular death by 28% versus placebo in people with chronic kidney disease but Soriot argued that the data were not as good as Farxiga's results "therefore we believe the potential is quite large, but I won't quote a number." (Also see "*Boehringer Will Go 'Wide, Broad, Fast, Strong' If Jardiance Hits CKD Bullseye*" - Scrip, 2 Aug, 2022.)

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