REFINITIV STREETEVENTS

EDITED TRANSCRIPT

PFE.N - Pfizer Inc at Cowen Healthcare Conference (Virtual)

EVENT DATE/TIME: MARCH 01, 2021 / 8:20PM GMT

REFINITIV

CORPORATE PARTICIPANTS

Angela Hwang *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Charles E. Triano *Pfizer Inc. - SVP of IR*

CONFERENCE CALL PARTICIPANTS

Stephen Michael Scala *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

PRESENTATION

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Good afternoon, and welcome once again to Cowen's 41st Annual Healthcare Conference. We're very pleased to have with us, again, this year, Pfizer. Representing the company, Angela Hwang, Group President of Pfizer Biopharmaceuticals Group.

We, at Cowen, are recommending Pfizer stock. And we like it because of the improved innovation in the lab, which is bringing forth many value-added products to the market. And of course, it's Angela's job to make them commercially successful. So this is a great opportunity to spend some time with a key person at the company.

Chuck Triano needs to read an important statement. So I'll give him a chance to do that, and then we'll head into the questions.

Charles E. Triano - *Pfizer Inc. - SVP of IR*

Great. Thanks, Steve.

Just a quick reminder on forward-looking statement. Of course, Angela will be making some forward-looking commentary and statements here. And as you're all familiar, actual results could be different than those. And we've got a whole list of what could contribute to that in all of our 10-Ks and 10-Qs.

So thanks for that, Steve. And get cracking, and I turn it back to you.

QUESTIONS AND ANSWERS

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Great. Thank you.

Angela, again, thank you for being with us. We'd like to start out with one of the most exciting products that you have coming up the pipeline, and that is abrocitinib. So the PDUFA date is in April. Can you explain what drives your confidence in its market potential?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Well, thanks, Steve, and thank you for having me here. So let's dive into abro. Well, as you said, you talked about the PDUFA date, which -- and so as a result, we are in a period now where our NDA has been submitted and is being evaluated by the FDA.

So of course, in the end, what we're going to discuss here is a function of our submission and the fact that both our 100 and 200 dose was submitted. The attractive profile that we saw in both of these, which demonstrated that we saw a 90% skin clearing or more, which is more than the standard

of care today of 75% skin clearing. We saw rapid itch relief, and this attribute, in fact, is something that we're very excited about because this often is the most burdensome of all symptoms for patients and that we were able to see flare reduction. So all of this coming together is the product that we hope to have.

And of course, when you look at atopic dermatitis, this is a very heterogeneous disease and one of significant unmet need. And actually, Steve, herein lies the opportunity. The opportunity is actually much more about the market size rather than the individual products in the way that we see it.

And so let's talk a little bit about that because I don't think we've spent much time really talking about the market size, how we see it and why we see this as the most important opportunity. But today, globally, there are 60 million people suffering from atopic dermatitis globally. 30 million of those people are treated today with some sort of prescription medicine.

So let's just take that, take the 30 million people today that have some sort of Rx. Today, 4 million of those are treated with some sort of systemic. But actually, herein lies the big growth opportunity. We think that these 4 million people can actually grow to 8 million people, a doubling of this population. And the reason that -- behind this doubling is the introduction of these meaningful new treatments for atopic dermatitis. By the end of this year, we could have up to 5 different treatments.

And so here at Pfizer, we recognize that this is a massively competitive market, that it's going to be crowded. But actually, at the same time, this is what we believe will drive the growth in this market. So say this market grows to 8 million treated with a

(technical difficulty)

and systemics will take a long

(technical difficulty)

Of the eight. There, just there alone is a $30 billion potential for advanced systemics. So that's one aspect of where we see the value. And then if we would take it one level down, as you heard me say, we believe that this is going to be a very crowded and competitive market. But this, in fact, is the engine of growth.

So let's take the 4.8, and let's just say we split it between the biologics and the JAKs. And for the purposes of this exercise, we even say that the JAKs are a smaller percentage of the advanced systemic pie than the biologics. So let's just give them a 25% market share. With a 25% market share of the advanced systemics market, which is about 1.2 million prescriptions, that is an $8 billion potential for the JAK market. And so then you peel that further down and say, "Okay, of the JAKs, how do we look at the different products that are going to be within the JAK class? And how do they compete?" But I think if you look at these 2 big numbers that we've talked about, the market for advanced systemics being as high as $30 billion in potential, the market for JAKs being as high as $8 billion in potential, those are the drivers of how we see the market going versus any one particular product by itself.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Great. So clearly, the opportunity here is the size of the market. But let me ask a question along these lines. So I know Pfizer doesn't speak to ongoing FDA discussions and deliberations, but is there anything about the dialogue to date that would call into question or alter the product profile which you envision?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Yes. So again, as you can imagine, it is a -- this time that we're in right now, leading up to our PDUFA date, is a very important one, and one that is confidential with the FDA. So I'm unable to share anything with you as regards to our conversations, but rest assured that as soon as we do have anything to share, we will.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay. So we on Wall Street, maybe we're a little bit too hyperfocused on the potential JAK safety issues. So how do you view them? And do you believe that in any way they could inhibit abrocitinib from being a first-line agent?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Yes. So let me take that question in sort of 2 bits. First of all, abro was designed to be a first line agent. And so the trials that we ran at the -- both doses, all of that was with that view in mind. And so this is the discussion that we're going through with our submission, right, is to really understand with the FDA whether that is going to be something that we can have in our label. So let's -- so that's the question around abro.

As it pertains to your other question, which is what does the data that we've seen in 1133, what does this mean to -- I mean, the JAK data that we've seen? And what does this mean to maybe abro? I think that the only way to answer it is to really focus on each JAK because the data that we have collected around 1133 was, in fact, very specific. It was very specific to a population, which is rheumatoid arthritis. It was very specific, in fact, to a subpopulation within RA, which is those who are over 50 already on immunosuppressants and have CV risk factors. So this was a highly enriched population, a high-risk population. And so that's very specific even within RA.

And then -- and so I think when you look at that data, it is, therefore, very difficult to automatically say that you can extrapolate that to another JAK because the population that, that next JAK treats -- so in this case, let's take abro, but you can pick any JAK in our portfolio really. Each one of them, the selectivity is different, right, because the molecule is different. But over and above that, we're also studying them in different populations. So in abro, again, a completely different population than the one that we saw in RA even, never mind 1133.

So I think that, in the end, there is -- there are a lot of learnings around each and every single one of these molecules. But I think that they are not directly relatable and extrapolatable. And that we really need to look at each molecule vis-à-vis the population it serves and the risk-benefit profile for that particular population.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

I see. Maybe we can move on to another very exciting product that Pfizer has, this one on the market and this being VYNDAQEL. I think you said on the fourth quarter call that 80% of the TTR population has yet to be diagnosed. So the question is, when we think about VYNDAQEL over the next 5, 6, 7, 8 years, is it going to be a steady, slow upward trajectory as these patients are being diagnosed? Or is there the opportunity for spikes or quantum leaps in growth perhaps as guidelines are updated or technology comes along that can identify these patients?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Yes. Well, I think if we look at the performance of VYNDAQEL since the time that it was launched, and certainly, if you look at the number of people that we've been able to diagnose, I don't think it's been -- it hasn't been slow. So I think today -- or actually, as of last quarter, we were able to diagnose, what, 21% of this population, which is significant, being that we've only been in market for just around 1 year or so -- over 1 year. So I think that, that's very telling around what the opportunities are.

So I would say that it is a -- it's smooth and steady, but I think rather rapid growth and not spike at all in the way that we see it. And the reason is that I think we're learning a lot about the diagnosis and what it takes to diagnose, and that the successes that we've had in terms of educating our

physicians, educating our patients for the signs and symptoms of ATTR-CM, all of that is creating an environment where people are able to screen much better for these patients who potentially have the disease. And then to be able to couple that with a noninvasive imaging technique that allows us to diagnose the disease. These 2 things coming together is what is enabling us to find them.

And so if I think about what is it that we're doing in the future to drive this further and to drive this growth, it's really about using artificial intelligence to enrich and to find the populations of people that may be at risk so that we can really screen them better and then have them be diagnosed. It's really for -- coming from mechanisms and tools and different resources that we can use to suspect and detect this disease. And so for that reason, I don't see it being slow, but I see it being steady. And that I think that our expertise and our tool sets will only get better and increase with time.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Great. Another very important franchise to Pfizer, but it's been on the market a number of years is Eliquis. What -- I don't think Pfizer has really spoken a lot about the life cycle management of this product. When it goes off patent, whether it be 2026 or '30 or whatever, is it over? Or does Pfizer have stuff in the pipeline that could sustain your presence here? And maybe you could throw out -- or maybe I could throw on top of that, how much of a threat do you think the Bristol Factor Xla could be to the Eliquis franchise over time?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Yes. Well, I think the success that we have seen in Eliquis has been really extraordinary, the numbers of people that have been treated with it. The fact that when it began, we really operated in the world where we were looking at sort of market share within the novel anticoagulants, oral anticoagulants. And today, in many countries, we are the leading oral anticoagulant. And so I think what we've seen from Eliquis is one where it certainly demonstrated its value. People see the value and it's one where, even today, with the incredible success that we've had with Eliquis, we still see tremendous opportunities for growth.

And just to put this in perspective, just in the U.S. alone, we think that there are about over 3 million patients that are still undiagnosed and asymptomatic for -- that could be put on full -- or would be eligible for Eliquis. We think that there are another 2 million people who are diagnosed and not on orals. And then we think there are another 1 million on warfarin, so on and so forth.

So I think that in the time that we have, I want to share sort of our perspective on how we see this market continuing to grow. And that this market is one about cardiology, it's one around primary care. And so as we think through life cycle or even sort of like what goes on beyond this, I think it goes beyond just the product. And we think about our presence in the specific therapeutic areas and in the specific specialties and what it is that we're doing to continue to build our presence in these specialties rather than the product alone.

So I think there's opportunities in both areas. I think still a lot to do on the product, while we have it on patent. And then beyond that, looking at how we can deepen our offerings in these specialties.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Got it. Okay. Do you think tanezumab is going to be one of the bigger products you ultimately sell? Or would you urge us to be more cautious on that? And maybe I can add on top of that, what is your best guess on the nature of the questions that the FDA is going to ask you later this month?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Well, we are actually looking forward to the AdCom. And the reason is that tanezumab represents probably the biggest filing and the most amount of data that we've ever submitted for any submission to date here at Pfizer. So we know that there is a lot to understand about tanezumab, and we appreciate having a venue like the AdCom to be able to discuss the data and for the public to understand our data. So in that regard, we see this as being a good thing.

I think when you ask the question about the opportunity, the way we see it is as follows. There are just an extraordinary amount of people suffering from moderate to severe osteoarthritis that are in severe need of better options. Just to put this in perspective, there's 31 million adults, just in the U.S. alone, that have moderate to severe OA, 11 -- excuse me, have OA, of which 1 -- 11 million of them have moderate to severe. And all of those -- 80% of those patients have failed 3 or more analgesics. So if you look at just sort of this patient funnel and how people are cycling through one agent after another and then, of course, the need for non-opioid therapy, we really do see a role for tanezumab in this patient population.

And so I think this AdCom will help us to understand the role that it plays, again, the risk-benefit profile that has and its relevancy to this population. But one thing is for sure, there are a large number of patients that need an alternate option, and we think that t-mab provides that.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay. How would you articulate your level of confidence that you'll get an approval recommendation?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

I think that, that's really difficult to say. And I cannot really speculate and get ahead of that. I really think that we need to let the science play out and really go through the AdCom. And like we do with any filing and any submission, have a rigorous discussion with the FDA to really understand the data.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay. Maybe we can move to the COVID vaccine. So Pfizer, of course, is leading the charge here in saving us all against this horrible virus. So thank you for that. Pfizer must have projections, I would imagine, on the path forward for the pandemic. Can you share your own thoughts about the outlook? I mean is this something that we will have dealt with in 6 months and will largely be history? Or will it be another year? Or will it be an infinite situation where we're talking about COVID-19?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

So I think maybe just to start, the one aspect of COVID that is just so prevalent in the news right now, and what everyone is talking about, but what we're seeing in real life is the emergence of variants, right, and changes to the original virus. We saw it starting in certain countries, and we have it here now here in America. So I think that what we're seeing globally is that the existence and the emergence of these variants are real. And that they need to be dealt with.

And so when we sit back then and think about -- well, like, so what does that mean to where we are in this pandemic? I think that what this tells us is that a scenario where we're going to continue to see changes in this virus is going to be a part of our reality. And therefore, this is going to be a multiyear journey. And we do believe this to be a likely scenario.

Now in this multiyear journey, what happens? I do think that what happens is that at least in 2021, we believe the crisis that we're in right now to be over. And we believe that we have the ability and the possibility for this to be over because of the availability of the vaccines.

Now that all depends on how many people get vaccinated, right? Because we can have vaccines available, but unless they're actually landing in people's arms and that we begin to really get a large proportion of the public vaccinated and begin to build herd immunity, that is actually what it is that we need to be able to either slow or to end the pandemic. So I think that a lot of this depends on the vaccination rates that we will see.

But assuming that people get vaccinated because of what it is that we're seeing now, I think that this sort of crisis will be over by 2021, and that will be behind us. But what will still be ahead of us is a world where we will continue to see emergence of these variants. And so we believe that

having revaccinations, in the form of boosters, is going to be important as one of the means to contain the variants and to contain and to slow down the transmission.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

And may I ask, what is the -- what is Pfizer's specific strategy for addressing variants?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

So as you know, we've -- because we've published this recently, we have done in vitro studies of our vaccine vis-à-vis the new variants, and we have seen effectiveness in vitro. But of course, all these needs to play out in reality and in clinical trials. So actually, last week, we also announced that we are initiating clinical trials of a booster dose of our vaccine in those who've already been vaccinated. So this will be the third dose.

You've been -- you have your primary dose, your secondary dose, and then the trial will be looking at a third dose that is administered 6 to 12 months after your second dose and really measuring the impact of that vis-à-vis the variance. So I think we have in vitro data that give us the basis to believe that immunity or neutralizing antibodies can be built quite effectively, really. And now we're going to play this out in these clinical trials.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Great. Two questions on Prevnar, very -- another very important product to Pfizer. How do you expect Prevnar to be impacted by the pandemic in 2021? Will people delay their Prevnar shot? Has the CDC made any recommendations? It's probably something I should know, but I don't. And then -- why don't you answer that and then will come -- and then I'll ask another one.

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

So the CDC did make a recommendation that in the time they -- that the public is receiving the COVID vaccine that they would like to see a 2-week sort of break between 1 vaccine and the other. And so in this moment, while COVID vaccinations are actively taking place, I think that the public is carefully planning around that and trying to plan around when they would receive the pneumococcal versus when they would receive the COVID and sort of timing that. And so I think that, that needs to play out over the next several months because this -- sort of the first half of 2021 is when I do believe quite a large majority of COVID vaccines are going to be administered to the public.

But then again, pneumococcal vaccines traditionally are ones that have a higher pickup towards end of the year. So typically, sort of like our peak vaccination happens September, October, November of every single year. And I do believe that as we look at our Prevnar vaccinations or pneumococcal vaccinations through time, smooth out over the year, we're feeling very confident that Prevnar is going to be an important vaccination.

I think the whole awareness of the importance of vaccinations has been heightened, and especially one around respiratory disease. And so we're feeling really good about where we're going to be at with Prevnar.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Great. So you have a 15-valent competitor who will be coming to market. Of course, Pfizer has the 20. Frank has said in the past that he thinks it's a winner-take-all market. So 1 of these 2 will win. Presumably, he believes Prevnar 20. I'm wondering what your view of the emerging competition is.

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Yes. So we are obviously just so excited about Prevnar PCV20, both for adults as well as for pediatrics. And the reason is in the data that we have demonstrated with the 7 additional serotypes we have over PCV13 or the 5 additional serotypes that we have over PCV15. And consistently, what we've been able to show is that the 5 additional serotypes over 15 are serotypes that are meaningful. These are serotypes that are hugely burdensome, they had -- are associated with a high rate of mortality. And so tackling these 5 serotypes is important. And in fact, leads to a 33% increase in coverage in IPD compared to 15 alone.

So we think that this is clinically meaningful. And that this will play out in the end in demonstrating a differentiating profile for Prevnar for PCV20 compared to 15. Of course, all of this will play out again over the next several months. But we are very confident around our data and that there is value to be created for the public here over and above what is currently available and also over and above PCV15.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Okay. Let's move on to yet another very important franchise at Pfizer, and this is IBRANCE. So Pfizer said on the fourth quarter call, they made the point -- in fact, it may have been you, that the majority of patients in the marketplace today are metastatic, but I would assume that, that's going to evolve and change over time. So how do you see the IBRANCE franchise trending? Do you see it as a growth opportunity through its recently extended patent, which I think is '27 or '28? Do you see it growing through that time period? Or do you see a leveling? Or do you see it starting to dip as more patients in the pool are adjuvant patients?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

So first of all, we do see this, and we continue to see IBRANCE as a tremendous growth opportunity for us, and we see this as being hugely valuable for patients. We have seen growth throughout 2020. And even in the early months of 2021, I think the data are playing out and demonstrating that the value -- of the value that patients and physicians see for IBRANCE in metastatic breast cancer.

I think first of all, to your question around where is this growth going to come from? We have talked about this before and it remains true, which is that the CDK class is still has room to grow. In the U.S., it's really only 53% of all first-line use for new patients. And if you look at the wealth of data and how compelling they are for CDKs, there is -- this would be the first opportunity, which is to grow the class. And so if you think about -- it's 53%, which means that most of the opportunity still exists. And so I would say that, that has been our focus, and it will continue to be our focus around the world to help drive the growth of the CDK class, which is going to be a critical driver in this market.

And then the second comes from our defense of our market share, which also is high. I think currently, we have -- and it has been stable like this for a number of quarters now over the last year, we have an -- over 85%, 86% market share of all first-line patients in the CDK class, and that has been unchanged despite the release of the monarchE data.

So I think what this is telling us is that the -- tell us a few things: that number one, treatment of early breast cancer and treatment of metastatic breast cancer from the perspective of our prescribers and our KOLs, they see this being different. And that the one is -- has different attributes and needs different things from the other. And then as we think about metastatic breast cancer and the role that IBRANCE has, I think we have tremendous experience. We've been on the market for a really long time. We have the trust as well as the experience of our prescribers as well as our KOLs. We have the science that backs us up in our clinical trials. But most importantly, we also have real-world data. And that it's this real-world data that continues to be a source of new evidence and new validation of how important IBRANCE is.

And that the data that we have published around our real-world studies demonstrated an overall survival benefit, which is undisputable. And so I think that, in this regard, we are going to continue to study IBRANCE and to generate data in metastatic breast cancer that will secure our leadership. And so that's how we see this. We really need to grow the CDK class, and that's where the engine of growth is. And that we continue to see great opportunities there, U.S. as well as ex-U.S. and maintain our market leadership.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

We are out of time, but I do have one e-mailed question, so let me pose this. When will we see the first data on the CDK2/4/6? And how will Pfizer prioritize the asset versus the selective CDK2?

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

This is an early question. It's data that is emerging. Of course, we see the current CDKs we have as being backbone treatment for metastatic breast cancer. And we see the opportunity to have the 2/4/6 as an extension of that and to help us to build an enduring franchise. And so again, early data, I wish I could say more, but sort of overall and from a strategy perspective, that's how we see it.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

We did get one more e-mail question, thoughts on COVID vaccine price in the endemic phase.

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Right, right. Well, as we've said all along that in the pandemic phase, we really priced the vaccine to be one where it would have broad access around the world and that it would be free to all who would want it. And our pricing framework was based on volume. It was based on affordability, equity to all countries. And we also had a price tier that really separated high countries -- excuse me, high-income countries from mid-income countries, middle-income countries from low-income countries and low-income countries paying a non-for profit price, right? So that was the framework in a pandemic phase.

We also said from early on that when we move into a more business as usual and when the pandemic is over, we would look at our pricing again and consider more market-based factors to drive our pricing. And so when the time comes, we will take a look at the analysis and take a look at the market factors. But really, today, we are pricing this vaccine significantly below the value that it brings. And -- but we felt that, that was important for the time that we were in.

Stephen Michael Scala - *Cowen and Company, LLC, Research Division - MD & Senior Research Analyst*

Great. Well, this has been great, Angela. And thank you for your time. We covered a lot of ground, lots of good stuff going on at Pfizer and even more good stuff yet to come. So thank you for your time today, and we wish you the best.

Angela Hwang - *Pfizer Inc. - Group President of Biopharmaceuticals Group*

Thank you, Steve. Thanks for your time, too.
