



Fourth Quarter 2019 Earnings Teleconference

January 28, 2020

Breakthroughs that
change patients' lives



Introduction

Chuck Triano

Senior Vice President, Investor Relations



Forward-Looking Statements and Non-GAAP Financial Information

- Our discussions during this conference call will include forward-looking statements about, among other things, our anticipated future operating and financial performance, expectations for our product pipeline, in-line products and product candidates, including anticipated regulatory submissions, data read-outs, study starts, approvals, revenue contribution, growth, performance, timing of exclusivity and potential benefits, strategic reviews, capital allocation objectives, the benefits anticipated from the reorganization of our commercial operations in 2019, plans for and prospects of our acquisitions and other business development activities, including our proposed transaction with Mylan N.V. (Mylan) to combine Upjohn and Mylan to create a new global pharmaceutical company, our acquisition of Array BioPharma Inc. and our transaction with GlaxoSmithKline plc which combined our respective consumer healthcare businesses into a new consumer healthcare joint venture, our ability to successfully capitalize on growth opportunities and prospects, manufacturing and product supply and plans relating to share repurchases and dividends that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Additional information regarding these factors can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in our subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results", as well as in our subsequent reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission and available at www.sec.gov and www.pfizer.com. The forward-looking statements in this presentation speak only as of the original date of this presentation and we undertake no obligation to update or revise any of these statements.
- Also, the discussions during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Additional information regarding non-U.S. GAAP financial measures can be found on slide 18 and in Pfizer's Current Report on Form 8-K dated January 28, 2020. Any non-U.S. GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by U.S. GAAP, have no standardized meaning prescribed by U.S. GAAP and may not be comparable to the calculation of similar measures of other companies.



Opening Remarks

Albert Bourla

Chairman and Chief Executive Officer



FY 2019 Performance Highlights - Biopharma

IBRANCE™
palbociclib

\$4,961M +23% op

Approved in more than 90 countries;
Nearly 90% share of CDK class in U.S.

Xtandi®
(enzalutamide)
capsules

\$838M +20% op

Ex-U.S. royalties of \$329M;
Only oral treatment for 3 types of PC

ELIQUIS™
apixaban

\$4,220M +26% op

Now the oral anti-coagulant leader in
12 markets around the world

XELJANZ®
[tofacitinib]

\$2,242M +29% op

Positive uptake across RA, PsA, UC;
Launching PsA & UC in new markets

Vyndaqel®
(tafamidis)

\$473M +225% op

ATTR-CM diagnosis rate in U.S. at 9%;
>3,000 patients have received the drug

Pprevnar 13®
Pneumococcal 13-valent Conjugate Vaccine
(Diphtheria CRM₁₉₇ Protein)

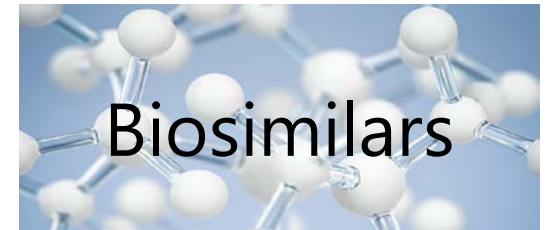
\$5,847M +3% op

Updated ACIP recommendation for
adults age 65+ was published in Nov.



Sterile Injectables

Made good progress on supply in '19;
>80% of injectables portfolio in-stock



Biosimilars

\$911M +22% op

+70% in the U.S.; Zirabev/Ruxience
launched; Trazimera to launch in Feb.

Biopharma Revenues Grew 8% Operationally in FY 2019; Driven by Volume, Not Price

Breakthroughs that
change patients' lives

FY 2019 Performance Highlights - Upjohn



Revenues \$10,233M (16%) op

Decline driven primarily by Lyrica LOE in the U.S.

China growth +7% op

Driven by Viagra and Celebrex, as well as Lipitor in provinces that had not yet implemented the volume-based procurement program

Upjohn-Mylan Combination

Integration planning progressing well;
Remain on track for a mid-year 2020 close

Breakthroughs that
change patients' lives

Key Pipeline Highlights to Watch for 2020

Ibrance in Early Breast Cancer

PENELOPE-B and PALLAS Phase 3 readouts expected in late 2020 and early 2021, respectively

Abrocitinib in Atopic Dermatitis

JADE COMPARE top line results expected in the coming months, with regulatory filings projected by YE 2020

Gene Therapy Platform

Planning for potential Phase 3 starts in Hemophilia A and DMD this year, joining our ongoing Phase 3 trial in Hemophilia B



Braftovi/Mektovi in 1L Colorectal Cancer

ANCHOR-CRC (Phase 2, open-label, single-arm) study results expected to be presented at a medical congress in 2H20

Immunokinase POC Readouts

TYK2/JAK1: PsA & Psoriasis/Atopic Derm
Oral JAK3/TEC: Vitiligo
Oral TYK2: Psoriasis

PCV20 Adult Vaccine

20-valent vaccine candidate in adults is on track for an expected BLA submission by YE 2020

Maternal RSV Vaccine Candidate

Expecting a POC readout in Q2 2020, and potentially moving quickly to Phase 3

Anticipating Up to 15 Proof of Concept (POC) Study Readouts, Up to 10 Pivotal Study Starts and Up to 5 Pivotal Study Readouts in 2020



Financial Review

Frank D'Amelio

Chief Financial Officer and Executive Vice President,
Business Operations & Global Supply



Quarterly Income Statement Highlights

TOTAL COMPANY REVENUE

\$12.7B  **(8%) op**

Excluding the impact of Consumer, total revenue declined (1%) op

ADJ. COST OF SALES⁽¹⁾
as a % of REVENUE
20.5%  **(1.3) ppts**

Favorability driven primarily by the Consumer separation and lower inventory write-offs, partially offset by the U.S. Lyrica LOE & FX

BIOPHARMA REVENUE

\$10.5B  **+9% op**

Driven primarily by Eliquis, Vyndaqel & Ibrance; 2nd straight quarter of Hospital/sterile inj. growth

DILUTED EPS/(LPS)
Reported⁽¹⁾ -\$0.06  **+9%***
Adjusted⁽¹⁾ \$0.55  **(13%)**

Favorable change in Reported LPS⁽¹⁾ is primarily driven by lower restructuring and asset impairment charges

UPJOHN REVENUE

\$2.2B  **(32%) op**

Driven primarily by U.S. Lyrica LOE; China down (1%) op due mainly to the VBP program

FX IMPACTS
Revenue (\$158M)  **(1%)**
Adj. Dil. EPS⁽¹⁾ (\$0.03)  **(4%)**

In FY19, FX negatively impacted Revenue by (\$1.4B) and Adjusted Diluted EPS⁽¹⁾ by (\$0.10)

⁽¹⁾ See Slide 18 for definitions

* Reported Loss Per Share decreased by \$0.01 or 9% in Q4 2019 compared to Q4 2018, although there was a loss in both periods

Quarterly Performance of Key Growth Drivers



\$1,283M +15% op

Retained 80% share of 1L CDK U.S.
patient starts



\$244M +29% op

Ex-U.S. royalties of \$104M



\$1,099M +22% op

U.S. +20%; EM +40% op



\$213M +443% op

\$104M in U.S. in 2nd full quarter since launch



\$607M +11% op

U.S. +1%; DevEU +58% op



\$161M +125% op

U.S. +249%; EM +118% op

2019 Financial Guidance

	Guidance	Results	
Revenues	\$51.2 to \$52.2 billion	\$51.8 billion	✓
Adjusted Cost of Sales ⁽¹⁾ as a Percentage of Revenues	19.3% to 19.8%	19.4%	✓
Adjusted SI&A Expenses ⁽¹⁾	\$13.5 to \$14.0 billion	\$14.0 billion	✓
Adjusted R&D Expenses ⁽¹⁾	\$7.7 to \$8.1 billion	\$8.0 billion	✓
Adjusted Other (Income)/Deductions ⁽¹⁾	Approximately \$200 million of income	\$300 million of income	✓
Effective Tax Rate on Adjusted Income ⁽¹⁾	Approximately 16.0%	15.0%	✓
Adjusted Diluted EPS ⁽¹⁾	\$2.94 to \$3.00	\$2.95	✓

Met or Exceeded All Components of 2019 Financial Guidance

⁽¹⁾ See Slide 18 for definitions

2020 Revenue and Adjusted Diluted EPS⁽¹⁾ Guidance Bridge

Total Company⁽¹⁾

	Full-Year 2019 Results	2019 Revenues Generated from Consumer Healthcare ⁽¹⁾ Segment	2019 Results Excluding Consumer Healthcare ⁽¹⁾ Revenues	2020 Financial Guidance at 2019 FX Rates	Impact of Mid-January 2020 FX Rates Compared to 2019 FX Rates	2020 Total Company ⁽¹⁾ Financial Guidance
Revenues (\$ in billions)	\$51.8	(\$2.1)	\$49.7	\$48.7 to \$50.7	(\$0.2)	\$48.5 to \$50.5
Adjusted Diluted EPS ⁽¹⁾	\$2.95	—	\$2.95	\$2.84 to \$2.94	(\$0.01)	\$2.82 to \$2.92

Total Company⁽¹⁾ Revenue Guidance Midpoint Implies Flat Revenues Operationally After Excluding Consumer, Despite An Anticipated \$2.4B in LOE Headwinds in 2020

⁽¹⁾ See Slide 18 for definitions and Slide 19 for additional information regarding Pfizer's 2020 financial guidance

2020 Financial Guidance for Total Company⁽¹⁾

Revenues	\$48.5 to \$50.5 billion
Adjusted Cost of Sales ⁽¹⁾ as a Percentage of Revenues	19.9% to 20.9%
Adjusted SI&A Expenses ⁽¹⁾	\$12.0 to \$13.0 billion
Adjusted R&D Expenses ⁽¹⁾	\$8.1 to \$8.5 billion
Adjusted Other (Income)/Deductions ⁽¹⁾	Approximately \$800 million of income
Effective Tax Rate on Adjusted Income ⁽¹⁾	Approximately 15.0%
Adjusted Diluted EPS ⁽¹⁾	\$2.82 to \$2.92

Total Company⁽¹⁾ Financial Guidance Reflects a Full Year of Revenue and Expense Contributions from Biopharma and Upjohn

⁽¹⁾ See Slide 18 for definitions and Slide 19 for additional information regarding Pfizer's 2020 financial guidance

2020 Financial Guidance for New Pfizer⁽¹⁾

Revenues	\$40.7 to \$42.3 billion
Adjusted IBT Margin ⁽¹⁾	Approximately 37.0%
Adjusted Diluted EPS ⁽¹⁾	\$2.25 to \$2.35
Operating Cash Flow	\$11.0 to \$12.0 billion

<i>(\$ billions, except per share amounts and percentages)</i>	Financial Targets Provided in July 2019 (at Mid-January 2019 FX Rates)	Operational Improvements Since July 2019	Guidance Reflecting Operational Improvements Since July 2019	Impact of Shift in Reporting of Meridian and Mylan-Japan to Upjohn	Guidance Excluding Meridian and Mylan-Japan	Impact of Mid-January 2020 FX Rates vs. Mid-January 2019 FX Rates	2020 New Pfizer ⁽¹⁾ Financial Guidance
Revenues	Approx \$40.0	\$1.8 to \$3.3	\$41.8 to \$43.3	(\$0.6)	\$41.2 to \$42.7	(\$0.6)	\$40.7 to \$42.3
Adjusted IBT Margin ⁽¹⁾	Mid-30%s	200 bps	Approx 37.0%	--	Approx 37.0%	--	Approx 37.0%
Adjusted Diluted EPS ⁽¹⁾	--	--	\$2.31 to \$2.41	(\$0.02)	\$2.29 to \$2.39	(\$0.05)	\$2.25 to \$2.35
Operating Cash Flow	\$11.0 to \$12.0	\$0.4	\$11.4 to \$12.4	(\$0.2)	\$11.2 to \$12.2	(\$0.2)	\$11.0 to \$12.0

After Adjusting to Exclude Meridian and Mylan-Japan, the Midpoint of Revenue Guidance Implies 8% Volume-Driven Operational Growth Compared to 2019 Biopharma Revenues

⁽¹⁾ See Slide 18 for definitions and Slide 19 for additional information regarding Pfizer's 2020 financial guidance

2020 Financial Guidance for Upjohn⁽¹⁾

Revenues \$8.0 to \$8.5 billion

Adjusted EBITDA⁽¹⁾ \$3.8 to \$4.2 billion

(\$ in billions)	Financial Targets Provided in July 2019 (at Mid-January 2019 FX Rates)	Guidance Unchanged Since July 2019	Impact of Shift in Reporting of Meridian and Mylan-Japan to Upjohn	Guidance Including Meridian and Mylan-Japan	Impact of Mid-January 2020 FX Rates Compared to Mid-January 2019 FX Rates	2020 Upjohn ⁽¹⁾ Financial Guidance
Revenues	\$7.5 to \$8.0	\$7.5 to \$8.0	\$0.6	\$8.1 to \$8.6	(\$0.1)	\$8.0 to \$8.5
Adjusted EBITDA ⁽¹⁾	\$3.8 to \$4.1	\$3.8 to \$4.1	\$0.1	\$3.9 to \$4.3	(\$0.1)	\$3.8 to \$4.2

Excluding the Shift of Meridian and Mylan-Japan from Biopharma to Upjohn, There Have Been No Operational Changes to the Upjohn Financial Targets Provided in July 2019

⁽¹⁾ See Slide 18 for definitions and Slide 19 for additional information regarding Pfizer's 2020 financial guidance

Key Takeaways

- ✓ Delivered a strong quarter, with our Biopharma business growing 9% operationally; this represents the base business that will remain with Pfizer after the pending combination of Upjohn and Mylan is completed
 - Biopharma growth was driven primarily by Eliquis, Vyndaqel, Ibrance, Inlyta, Plevnar, Xeljanz and Xtandi
- ✓ Provided 2020 financial guidance⁽¹⁾ for Total Company⁽¹⁾, New Pfizer⁽¹⁾ and Upjohn⁽¹⁾
- ✓ Key product and pipeline milestones achieved since our previous quarterly update
 - FDA approved Xtandi for the treatment of patients with metastatic castration-sensitive prostate cancer (mCSPC)
 - FDA approved Xeljanz XR extended-release 11 mg and 22 mg tablets for the once-daily treatment of adult patients with moderately to severely active ulcerative colitis, after an inadequate response or intolerance to TNF blockers
 - FDA approved Abrilada (adalimumab-afzb) as a biosimilar to Humira^{®(2)}; current plans are to launch Abrilada in the U.S. in 2023
 - Announced with partner Merck KGaA the Phase 3 JAVELIN Bladder 100 study met its primary endpoint of overall survival (OS) at a planned interim analysis; in the study, Bavencio and best supportive care (BSC) significantly improved OS compared to BSC alone
 - Presented with partner Sangamo follow-up results from the Phase 1/2 Alta study of PF-07055480 (SB-525), an investigational gene therapy in patients with severe hemophilia A, which demonstrated sustained increased Factor VIII levels following treatment through to 44 weeks
- ✓ Returned \$16.9 billion to shareholders in FY 2019 through a combination of dividends and share repurchases

We Remain Committed to Delivering Attractive Shareholder Returns in 2020 and Beyond

⁽¹⁾ See Slide 18 for definitions and Slide 19 for additional information regarding Pfizer's 2020 financial guidance

⁽²⁾ Humira[®] is a registered U.S. trademark of AbbVie Biotechnology Ltd.

A decorative background consisting of a grid of small blue dots. The dots are arranged in a regular pattern, with some dots appearing slightly larger or more prominent than others, creating a subtle texture.

Fourth Quarter 2019 Earnings Teleconference

Q&A Session

January 28, 2020

Footnotes (1 of 2)

Financial Definitions Footnotes

- (1) The following acquisitions and divestitures impacted financial results for the periods presented:
 - On July 31, 2019, Pfizer and GlaxoSmithKline plc (GSK) completed a transaction that combined the two companies' respective consumer healthcare businesses into a joint venture (JV), operating under the GSK Consumer Healthcare name. In exchange for contributing its Consumer Healthcare business to the JV, Pfizer received a 32% equity stake in the JV and GSK owns the remaining 68% of the JV.
 - On July 30, 2019, Pfizer announced the successful completion of its acquisition of Array BioPharma Inc.
 - On July 1, 2019, Pfizer announced the successful completion of its acquisition of the privately held clinical-stage biotechnology company, Therachon Holding AG.
- (2) Reported net income/(loss) is defined as net income/(loss) attributable to Pfizer Inc. in accordance with U.S. GAAP. Reported diluted earnings per share (EPS) and reported loss per share (LPS) are defined as diluted EPS or LPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP.
- (3) Adjusted income and its components and Adjusted diluted EPS are defined as reported U.S. GAAP net income/(loss)⁽²⁾ and its components and reported diluted EPS/(LPS)⁽²⁾ excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items (some of which may recur, such as gains on the completion of joint venture transactions, restructuring charges, legal charges or net gains and losses on investments in equity securities, but which management does not believe are reflective of ongoing core operations). Adjusted cost of sales, Adjusted selling, informational and administrative (SI&A) expenses, Adjusted research and development (R&D) expenses and Adjusted other (income)/deductions are income statement line items prepared on the same basis as, and therefore components of, the overall Adjusted income measure.
- (4) Financial guidance for Total Company reflects a full-year 2020 contribution from Biopharma and Upjohn, the current construct of the company, and excludes any impact from the pending Upjohn combination with Mylan.
- (5) Financial guidance for New Pfizer reflects a full-year 2020 pro forma view of the company assuming the pending Upjohn combination with Mylan was completed at the beginning of 2020. Therefore, New Pfizer reflects contributions from the Biopharma business as it is presently being managed, which excludes contributions from Pfizer's Meridian subsidiary and the Pfizer-Mylan strategic collaboration in Japan (Mylan-Japan). Pfizer's Meridian subsidiary and Mylan-Japan were managed by Pfizer's Biopharma business in 2019. Financial guidance for New Pfizer also includes the full-year effect of \$12 billion of net proceeds from Upjohn to be retained by Pfizer, which Pfizer will use to repay its own existing indebtedness and other transaction-related items, such as income from transition services agreements between Pfizer and Viatri. In addition, 2020 financial guidance for New Pfizer Adjusted IBT Margin⁽⁸⁾ and Adjusted diluted EPS⁽³⁾ reflects Pfizer's share of the earnings generated by the Consumer Healthcare JV⁽¹⁾ in fourth-quarter 2019 (to be recorded by Pfizer in first-quarter 2020) as well as Pfizer's share of the JV's projected earnings during the first three quarters of 2020.
- (6) Financial guidance for Upjohn assumes a full-year 2020 contribution from the Upjohn business as it is presently being managed, which includes contributions from Pfizer's Meridian subsidiary and the Pfizer-Mylan strategic collaboration in Japan (Mylan-Japan). Pfizer's Meridian subsidiary and Mylan-Japan were managed by Pfizer's Biopharma business in 2019.
- (7) Pfizer, Upjohn and Mylan are in the process of negotiating the terms on which Pfizer would transfer the Meridian business and/or certain Pfizer assets that currently form part of the Mylan-Japan collaboration to Viatri following the completion of the proposed combination of Upjohn and Mylan. There can be no assurance that any agreement or transaction will result from these negotiations and if the parties are unsuccessful in their efforts to negotiate the terms of such potential transactions, the Meridian business and/or the Pfizer assets that currently form part of the Mylan-Japan collaboration will remain with Pfizer.
- (8) Adjusted income⁽³⁾ before tax margin (Adjusted IBT margin) is defined as revenue less the sum of Adjusted cost of sales⁽³⁾, Adjusted SI&A expenses⁽³⁾, Adjusted R&D expenses⁽³⁾, and Adjusted amortization of intangible assets⁽³⁾ plus Adjusted other (income)/deductions⁽³⁾ as a percentage of revenue. Adjusted IBT Margin is presented because management believes this performance measure supplements investors' and other readers' understanding and assessment of the financial performance of Biopharma (New Pfizer). Adjusted IBT margin is not, and should not be viewed as, a substitute for U.S. GAAP income before tax margin.
- (9) Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is defined as reported U.S. GAAP net income/(loss)⁽²⁾, and its components, adjusted for interest expense, provision/(benefit) for taxes on income/(loss) and depreciation and amortization, further adjusted to exclude purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items (some of which may recur, such as gains on the completion of joint venture transactions, restructuring charges, legal charges or net gains and losses on investments in equity securities, but which management does not believe are reflective of ongoing core operations). Adjusted EBITDA is presented because management believes this performance measure supplements investors' and other readers' understanding and assessment of the financial performance of Upjohn. Adjusted EBITDA as defined is not a measurement of financial performance under GAAP, and should not be considered as an alternative to net income/(loss)⁽²⁾ or cash flow from operations determined in accordance with GAAP.

Footnotes (2 of 2)

2020 Financial Guidance Footnotes

- (10) Pfizer does not provide guidance for GAAP Reported financial measures (other than revenues) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP Reported financial measures on a forward-looking basis because it is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, acquisition-related expenses, net gains or losses on investments in equity securities and potential future asset impairments without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP Reported results for the guidance period.
- (11) The 2020 financial guidance for Total Company reflects the following:
- Does not assume the completion of any business development transactions not completed as of December 31, 2019, including any one-time upfront payments associated with such transactions.
 - Includes Pfizer's pro rata share of the Consumer Healthcare JV⁽¹⁾ anticipated earnings, which is recorded in Adjusted other (income)/deductions⁽³⁾ on a one-quarter lag. Therefore, 2020 financial guidance for Adjusted other (income)/deductions⁽³⁾ and Adjusted diluted EPS⁽³⁾ reflects Pfizer's share of the JV's earnings that were generated in fourth-quarter 2019 (to be recorded by Pfizer in first-quarter 2020) as well as Pfizer's share of the JV's projected earnings during first three quarters of 2020.
 - Reflects an anticipated negative revenue impact of \$2.4 billion due to recent and expected generic and biosimilar competition for certain products that have recently lost or are anticipated to soon lose patent protection.
 - Exchange rates assumed are as of mid-January 2020. Reflects the anticipated unfavorable impact of approximately \$0.2 billion on Revenues and approximately \$0.01 on Adjusted Diluted EPS⁽³⁾ as a result of changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2019.
 - Adjusted Diluted EPS⁽³⁾ guidance assumes diluted weighted-average shares outstanding of approximately 5.65 billion shares, which assumes no share repurchases in 2020.