



First Quarter 2020 Earnings Teleconference

April 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, business plans and prospects, 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, our efforts to respond to COVID-19, our expectations regarding the impact of COVID-19 on our business, operations and financial results 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. These statements are subject to risks, uncertainties and other factors that may cause actual results to differ materially from past results, future plans and projected future results. Additional information regarding these and other factors can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 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. Potential risks and uncertainties also include the impact of COVID-19 on our sales and operations, including impacts on employees, manufacturing, supply chain, marketing, research and development and clinical trials. 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 April 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

Pfizer's Role in the Fight Against COVID-19



Maintaining the Supply of Medicines

With hospitals and global healthcare systems under tremendous strain, supply of medicines is critical

- Focused on the safety and well-being of the colleagues who manage our supply
- Implemented measures designed to keep our people safe while also keeping our manufacturing sites and distribution channels operational, without any significant supply disruption to date



Finding Medical Solutions

Multiple projects are underway to potentially develop novel approaches to prevent and treat COVID-19

- Received approval in Germany to start a trial of mRNA-based vaccine candidates with BioNTech
- Aiming to bring lead antiviral to clinic by Q3 2020
- Providing clinical/regulatory help to small biotechs
- Several Pfizer medicines subject of novel research projects for investigation in COVID-19 patients

Biopharma Revenues Grew 12% Operationally



\$1,248M +11% op

U.S. \$852M, +15%

Int'l \$396M, +5% op (+25% volume)



\$209M +25% U.S.

Ex-US royalty: \$47M

Holds 38% TRx share in adv. PC



\$1,300M +29% op

U.S. \$805M, +34%

Int'l \$495M, +23% op



\$231M; \$127M U.S.⁽¹⁾

>13K patients diagnosed, but new diagnoses slowing due to COVID-19



\$451M +8% op

U.S. \$286M, (4%)

Int'l \$166M, +38% op



\$1,450M (1%) op

U.S. \$794M, (10%)

Int'l \$656M, +11% op



\$1,407M +15% op

COVID-19 causing higher demand; >90% of products currently in stock



\$288M +63% op

U.S. growth driven by Retacrit and Inflectra; 3 launches in oncology

Net Impact of COVID-19 on Biopharma Revenues in Q1 2020 was +1%

⁽¹⁾ Presented figures include sales of both Vyndaqel and Vyndamax.

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Upjohn Q1 2020 Performance



Revenues \$2,022M (37%) op

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

China Revenues (41%) op

Primarily driven by Lipitor and Norvasc declines due to the implementation and expansion of the volume-based procurement program

Upjohn-Mylan Combination

Anticipated close timing pushed back to 2H 2020 due mainly to COVID-19-related delays; industrial logic for the deal remains attractive

Pipeline Updates Since Previous Earnings Call

PCV20 Adults

Phase 3 top line results announced; U.S. filing planned by early Q4 2020

Abrocitinib

Top line results from third Phase 3 trial (COMPARE) announced; U.S. filing planned in 2020

ACC/DGAT2

Positive preliminary results in proof-of-concept study for NASH; data to be shared at an upcoming congress

DMD Gene Therapy

Preliminary Phase 1b results support Phase 3 start; will share more data on May 15 at ASGCT

RSV Vaccine

Maternal Phase 2 study read out with preliminary positive data; expecting Phase 3 start within months

Tanezumab

Regulatory filings accepted by FDA and EMA; U.S. PDUFA in Dec.; EU decision expected in 2021

ANGPTL3

Phase 1/2a successfully completed; advanced toward Phase 2b

COVID-19 Impact

Most key programs continue to progress despite a brief pause due to COVID-19

Excited to Reschedule Our Investor Day Once COVID-19 Guidelines are Clear

Incremental Factors Impacting FY 2020 Financial Guidance

R&D Investments

Increasing projected R&D expenses for FY 2020 by \$500M for COVID-19 research

Foreign Exchange

Absorbing \$600M on Revenues and \$0.04 on Adj. Diluted EPS⁽¹⁾ compared to previous guidance

Other Operational and COVID-19-Related Expectations

Q2 expected to be negatively impacted

- Fewer office visits
- Less diagnostic testing
- Fewer elective surgeries

Expected overall economic recovery

- Beginning in 2H 2020
- Healthcare activity expected to approach pre-COVID-19 levels later in 2020

Product impacts expected to vary

- New vs. continuing patients
- Oral & self-injected vs. physician-administered
- Specialty medicines with direct delivery likely to benefit

Projected 2020 Adjusted SI&A expenses⁽¹⁾ reduced by \$500M:

- Lower spend during Q1
- Indirect SI&A reduction initiatives in 2020

Reaffirming Revenue & Adjusted Diluted EPS⁽¹⁾ Guidance Ranges Despite Absorbing Incremental Negative R&D and FX Impacts

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



Financial Review

Frank D'Amelio

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

CFO Comments on COVID-19

Business Fundamentals

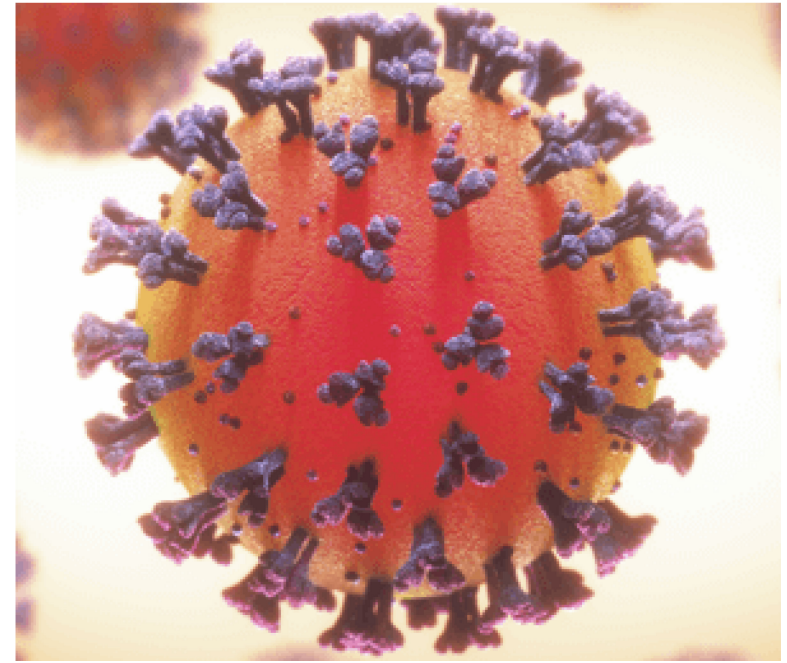
Demand for our innovative medicines and vaccines remains strong

Balance sheet and cash flow strength expected to allow us access to capital markets, as needed

Manufacturing and Supply

Have not experienced any significant disruptions to our manufacturing or supply chain to date

Implemented enhanced safety measures at plants



Recognizing our Colleagues

As they always do, our colleagues have risen to this challenge with tremendous courage and passion

Our culture and people are a source of great pride

Quarterly Income Statement Highlights

TOTAL COMPANY REVENUE

\$12.0B  **(7%) op**

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

BIOPHARMA REVENUE

\$10.0B  **+12% op**

Driven primarily by Eliquis, Vyndaqel, Ibrance & Inlyta; emerging markets grew 15% op

UPJOHN REVENUE

\$2.0B  **(37%) op**

Driven primarily by U.S. Lyrica LOE, as well as declines from Lipitor and Norvasc in China

ADJUSTED SI&A EXPENSES⁽¹⁾

\$2,745M  **(16%) op**

Favorability driven primarily by the Consumer separation, reduced Upjohn selling costs and lower indirect spending on corporate functions

DILUTED EPS


Reported⁽¹⁾ \$0.61  **(10%)**

Adjusted⁽¹⁾ \$0.80  **(5%)**

Declines in Reported and Adjusted Diluted EPS⁽¹⁾ were primarily driven by lower revenues, partially offset by lower SI&A spending

FX IMPACTS

Revenue (\$134M)  **(1%)**

Adj. Dil. EPS⁽¹⁾ (\$0.02)  **(2%)**

Driven primarily by USD strengthening against the euro, Argentinian peso and Chinese yuan

⁽¹⁾ See Slide 18 for definitions

Key Assumptions Related to COVID-19 in FY 2020 Financial Guidance⁽¹⁾

- Patient visits with physicians, vaccinations and elective surgical procedures will rebound starting in 2H 2020 and align more closely with historical levels
- New-to-brand prescription trends for certain key products and vaccination rates will resume on a trajectory similar to that observed in 2019, beginning in 2H 2020
- Access to prescribers for sales force colleagues will be restored in 2H 2020
- Clinical trial enrollment, including new study starts, will fully resume by 2H 2020
- Manufacturing and supply chain activities will not be materially disrupted
- Investments in potential treatments and a vaccine for COVID-19 will continue throughout 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	19.5% to 20.5% <i>(previously 19.9% to 20.9%)</i>
Adjusted SI&A Expenses ⁽¹⁾	\$11.5 to \$12.5 billion <i>(previously \$12.0 to \$13.0 billion)</i>
Adjusted R&D Expenses ⁽¹⁾	\$8.6 to \$9.0 billion <i>(previously \$8.1 to \$8.5 billion)</i>
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

Reaffirmed Total Company⁽¹⁾ Revenues and Adjusted Diluted EPS⁽¹⁾ Financial Guidance Ranges, Despite Unfavorable FX Changes Since January

⁽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⁾ and Upjohn⁽¹⁾

NEW PFIZER ⁽¹⁾	Current Guidance	Previous Guidance	Difference
Revenues	\$40.7 to \$42.3 billion	\$40.7 to \$42.3 billion	No Change
Adjusted IBT Margin ⁽¹⁾	Approximately 37.0%	Approximately 37.0%	No Change
Adjusted Diluted EPS ⁽¹⁾	\$2.25 to \$2.35	\$2.25 to \$2.35	No Change
Operating Cash Flow	\$10.0 to \$11.0 billion	\$11.0 to \$12.0 billion	(\$1.0 billion)

UPJOHN ⁽¹⁾	Current Guidance	Previous Guidance	Difference
Revenues	\$8.0 to \$8.5 billion	\$8.0 to \$8.5 billion	No Change
Adjusted EBITDA ⁽¹⁾	\$3.8 to \$4.2 billion	\$3.8 to \$4.2 billion	No Change

Operating Cash Flow Guidance for New Pfizer⁽¹⁾ was lowered by \$1.0 Billion to Reflect a Voluntary Pension Contribution of \$1.25 Billion Expected to be Made in 2H 2020

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

Key Takeaways

- ✓ Delivered a strong start to 2020, including 12% operational revenue growth from our Biopharma business, despite the challenges of operating in the midst of the current global health crisis
 - All of our manufacturing facilities around the world are operational and product supply has not been significantly impacted to date
- ✓ Reaffirmed financial guidance ranges for Revenues and Adjusted Diluted EPS⁽¹⁾, absorbing unfavorable FX changes
- ✓ Key product and pipeline milestones achieved since our previous quarterly update
 - FDA approved Braftovi in combination with cetuximab for the treatment of adult patients with metastatic colorectal cancer with a BRAF^{V600E} mutation, as detected by an FDA-approved test, after prior therapy
 - EC approved Vyndaqel, a 61 mg once-daily oral capsule, for the treatment of wild-type or hereditary ATTR-Cardiomyopathy
 - FDA accepted for review a BLA for tanezumab to treat patients with chronic pain due to moderate-to-severe osteoarthritis
 - Announced final overall survival results from the PROSPER trial of Xtandi in men with non-metastatic CRPC, demonstrating a significant improvement in patients treated with Xtandi plus androgen deprivation therapy (ADT) versus placebo plus ADT
 - Announced positive top-line results from the Phase 3 JADE COMPARE study of abrocitinib (JAK1 inhibitor) in adults with moderate-to-severe atopic dermatitis
 - Announced Phase 3 top-line results for PCV20 in adults age 18 or older not previously vaccinated against pneumococcal disease
- ✓ Paid \$2.1 billion in dividends to shareholders in Q1 2020

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



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Q&A Session

April 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 is defined as net income attributable to Pfizer Inc. in accordance with U.S. GAAP. Reported diluted earnings per share (EPS) is defined as diluted EPS 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⁽²⁾ and its components and reported diluted EPS⁽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 gains and losses from 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 but were moved to Upjohn in 2020. 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 Viatris. In addition, 2020 financial guidance for New Pfizer Adjusted IBT Margin⁽⁷⁾ and Adjusted diluted EPS⁽³⁾ reflects Pfizer's share of the earnings generated by the Consumer Healthcare JV⁽¹⁾ in fourth-quarter 2019 (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 reflects 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 but were moved to Upjohn in 2020.
- (7) 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⁾, Adjusted amortization of intangible assets⁽³⁾ and 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 New Pfizer⁽⁵⁾. Adjusted IBT margin is not, and should not be viewed as, a substitute for U.S. GAAP income before tax margin.
- (8) Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is defined as reported U.S. GAAP net income⁽²⁾, and its components, adjusted for interest expense, provision for taxes on income 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 gains and losses from 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⁽²⁾ or cash flow from operations determined in accordance with GAAP.

Footnotes (2 of 2)

2020 Financial Guidance Footnotes

- (9) 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, gains and losses from 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.
- (10) In addition to the assumptions outlined on slide 13 of this presentation, the 2020 financial guidance for Total Company⁽⁴⁾ reflects the following:
- Does not assume the completion of any business development transactions not completed as of March 29, 2020, 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 (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.
 - 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 a blend of actual exchange rates in effect through first-quarter 2020 and mid-April 2020 rates for the remainder of the year. Financial guidance reflects the anticipated unfavorable impact of approximately \$0.9 billion on Revenues and approximately \$0.06 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.
 - Guidance for Adjusted diluted EPS⁽³⁾ assumes diluted weighted-average shares outstanding of approximately 5.6 billion shares, which assumes no share repurchases in 2020.