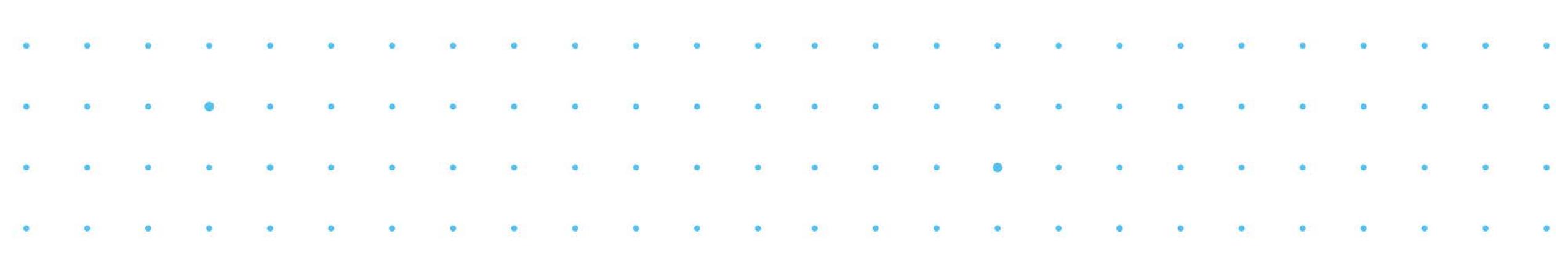




# **Second Quarter 2020 Earnings Teleconference**

July 28, 2020

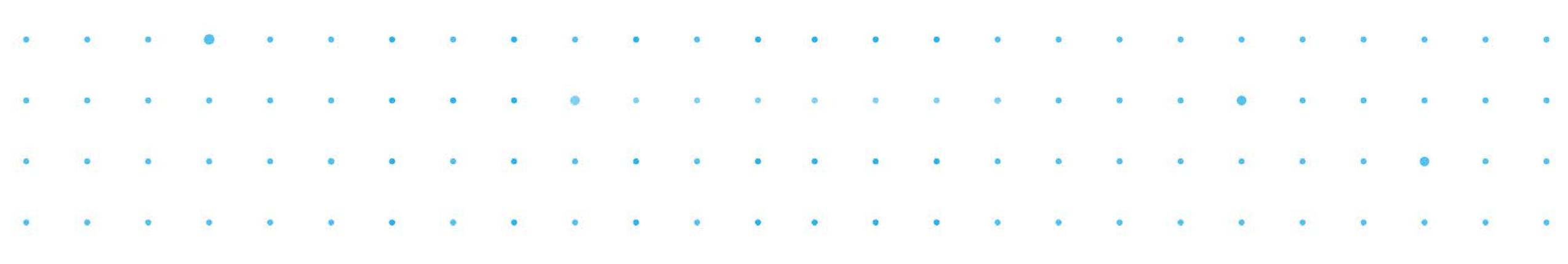
Breakthroughs that  
change patients' lives



# Introduction

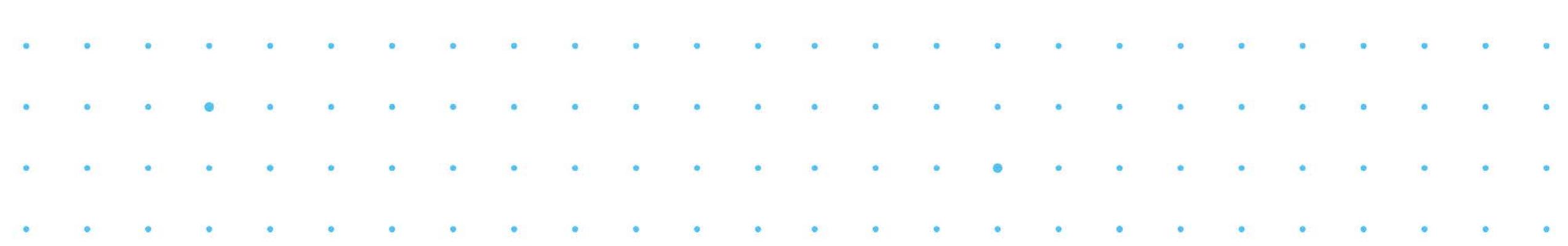
Chuck Triano

Senior Vice President, Investor Relations



# Forward-Looking Statements and Non-GAAP Financial Information

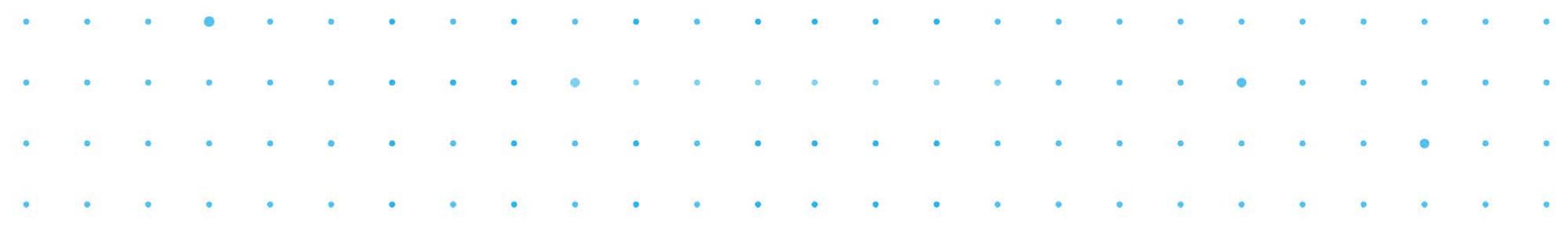
- Our discussions during this conference call will include forward-looking statements about, among other things, our anticipated future operating and financial performance, business plans and prospects, expectations for our product pipeline, in-line products and product candidates, including anticipated 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 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, including our investigational vaccine candidate against SARS-CoV-2, 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](http://www.sec.gov) and [www.pfizer.com](http://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 slides 18-19 and in Pfizer's Current Report on Form 8-K dated July 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



# Q2 2020 Biopharma Revenues Grew 6% Operationally



**\$1,349M +9% op**

U.S. \$927M, +11%

Int'l \$422M, +3% op (+18% volume)



**\$195M +89% op**

U.S. \$132M, +120%

Int'l \$63M, +48% op



**\$277M; \$145M U.S.<sup>(1)</sup>**

>15K patients diagnosed; >10K got prescription; >6,200 received drug



**\$289M +36% op**

Oncology: \$139M +120% op, including U.S.+181%; Int'l +61% op



**\$266M +32% U.S.**

\$108M ex-U.S. royalty

Strong demand across indications



**\$1,272M +19% op**

U.S. \$722M, +15%

Int'l \$550M, +25% op



**\$635M +5% op**

U.S. \$458M, +0% (+14% volume)

Int'l \$177M, +20% op



**\$1,116M (2%) op**

U.S. \$481M, (22%)

Int'l \$636M, +18% op

**Sterile Injectable Supply Continues to Improve; >95% of Portfolio Currently in Stock**

<sup>(1)</sup> Presented figures include sales of both Vyndaqel and Vyndamax.

# Adapting to a COVID-19 Environment



## Promotional Activities

Quickly increased the scale of remote customer engagement using our existing digital capabilities

- All U.S. representatives digitally enabled
- Virtual detailing/remote sampling
- Two-thirds of reps across 75 markets used virtual communications
- Approximately 70% of our HCPs reached
- Digital to remain important tool going forward



## Patient-Physician Engagement

Significant decreases in office visits and physician engagement this quarter, particularly in the U.S.

- Q2 2020 still expected to be the "low point"
- Healthcare activity anticipated to gradually improve from Q2 2020 levels, beginning in Q3 2020
- Not yet seen a return to pre-COVID trends
- These conditions impact some business units and brands more than others

# Upjohn Q2 2020 Performance



**Revenues \$2,006M (31%) op**

Decline driven primarily by Lyrica LOE in the U.S.  
Excluding U.S. Lyrica, revenues declined 6% op

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**China Revenues +17% op**

Driven by Lipitor and Norvasc

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**Upjohn-Mylan Updates**

Mylan shareholders approved the combination;  
Upjohn raised debt to pay required \$12B dividend  
to Pfizer; Transaction close expected in Q4 2020

Breakthroughs that  
change patients' lives

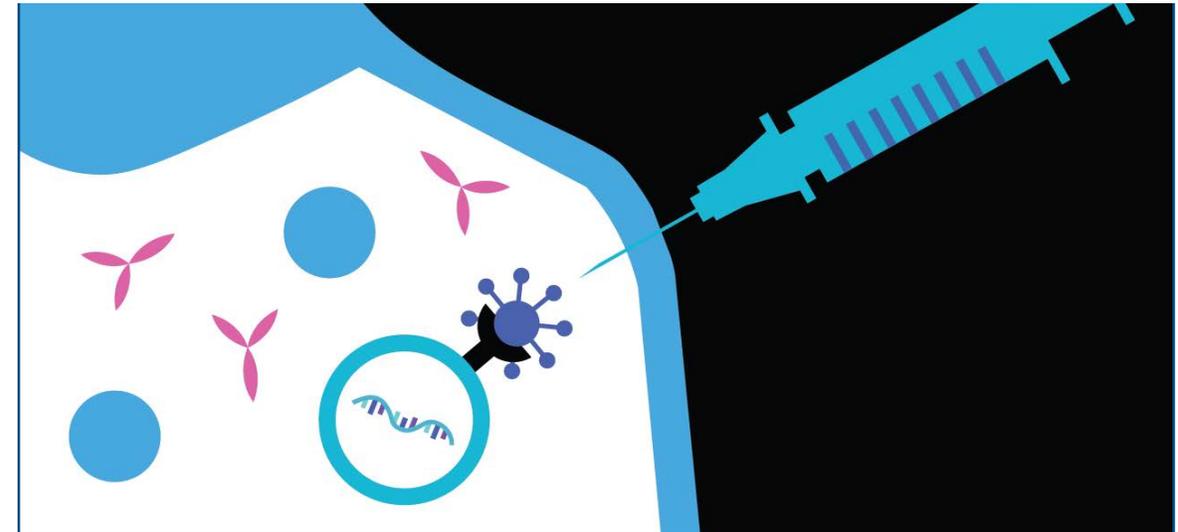
# Updates on COVID-19 Vaccine Collaboration with BioNTech

## Initiated Phase 2/3 Trial on July 27

- BNT162b2 selected to advance to pivotal study
  - 30µg dose; 2-dose regimen
  - BNT162b2 has FDA Fast Track designation
  - Encodes optimized full length spike glycoprotein

## BNT162b2 vs. BNT162b1 Decision

- Both constructs emerged as strong candidates
- With input from FDA and global health authorities, BNT162b2 was chosen over BNT162b1 based on:
  - The totality of available data, including select immune response and tolerability parameters
  - A favorable overall tolerability profile with generally mild-to-moderate and transient systemic events



## Government Agreements

- Agreed with United Kingdom for 30M doses
- Agreed with U.S. for up to 600M doses
  - U.S. would pay \$1.95B for 100M approved/authorized doses
  - U.S. can acquire up to 500M additional doses

# Other Selected Pipeline Updates

## VACCINES

- **Initiated four new Phase 3 studies**
  - *20vPnC*: 2 studies of a 4-dose series in infants, starting at 2 months of age
  - *RSV*: 1 study in pregnant women to evaluate the safety and efficacy in infants born to women who are immunized during pregnancy
  - *Meningococcal ABCWY*: 1 study of a pentavalent candidate in adolescents and young adults
- **Valneva agreement**
  - *Lyme disease*: Phase 2 candidate, VLA15

## RARE DISEASE

- **Duchenne Muscular Dystrophy gene therapy**
  - Presented encouraging preliminary data from 9 ambulatory boys at the American Society of Gene & Cell Therapy
  - Dosed 6 more boys (at high dose) since the first 9 with no serious safety events observed
  - Expect 2H 2020 Phase 3 start
- **Giroctocogene fitelparvovec (Hemophilia A gene therapy)**
  - Encouraging data presented at the World Federation of Hemophilia
  - Phase 3 dosing study expected to begin in 2H 2020

**Investor Day to be Held Virtually on September 14-15**

# Other Selected Pipeline Updates (Continued)

## INTERNAL MEDICINE

- **Oral GLP-1**
  - Presented encouraging Phase 1 data at the American Diabetes Association
  - Reductions in glucose & body weight observed
  - Aspire to develop the most efficacious oral therapy for type 2 diabetes (T2D) and the first small molecule oral GLP-1 for both obesity and T2D
  - Open to explore further in NASH

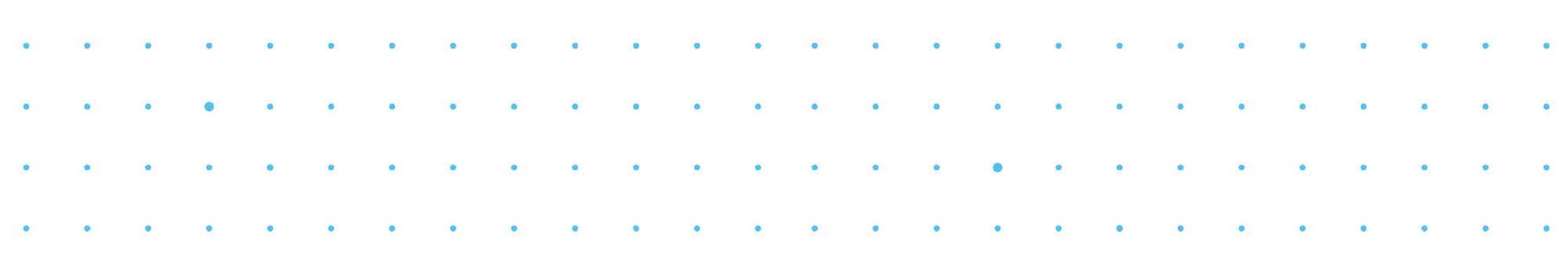
## INFLAMMATION & IMMUNOLOGY

- **Abrocitinib (JAK1)**
  - Consistently shown meaningful efficacy across adolescents and adults with moderate-to-severe atopic dermatitis
  - Phase 3 COMPARE study results, showing superiority in itch at Week 2 for the 200mg dose, indicate abrocitinib can demonstrate a clinical benefit over dupilumab
  - Intend to file with FDA in Q3 2020

## ONCOLOGY

- **Bavencio**
  - FDA approved for first-line (1L) maintenance treatment for locally advanced or metastatic urothelial carcinoma (UC)
  - Only FDA-approved immunotherapy with a demonstrated overall survival benefit in the 1L setting in UC
  - Potential new standard of care in this setting

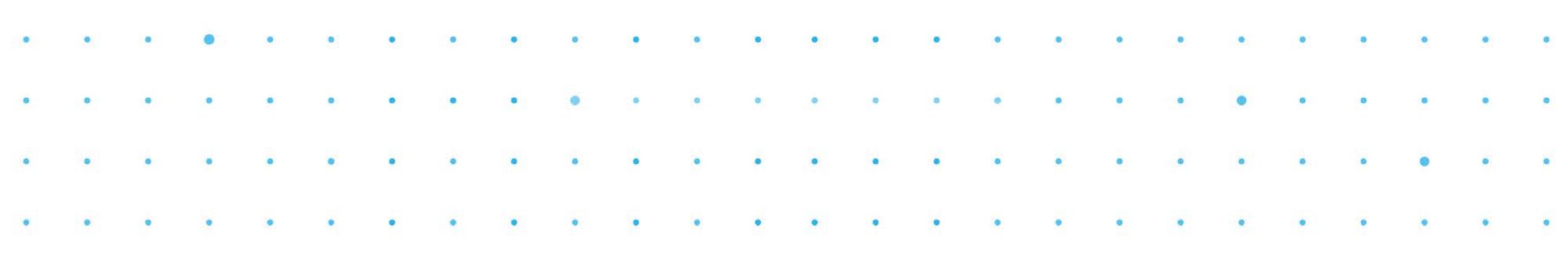
**Investor Day to be Held Virtually on September 14-15**



# Financial Review

Frank D'Amelio

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



# Quarterly Income Statement Highlights

## TOTAL COMPANY REVENUE

**\$11.8B**  **(9%) op**

Excluding the impact of Consumer, total revenue declined 3% op

## ADJUSTED SI&A EXPENSES<sup>(1)</sup>

**\$2,808M**  **(17%) op**

Favorability driven primarily by the Consumer separation, reduced sales/marketing costs due to COVID and lower enabling function spending

## BIOPHARMA REVENUE

**\$9.8B**  **+6% op**

Op. growth reflects +8% volume and (2%) price; U.S. growth of +8% driven entirely by volume

## DILUTED EPS

Reported<sup>(1)</sup> **\$0.61**  **(31%)**

Adjusted<sup>(1)</sup> **\$0.78**  **(2%)**

Decline in Reported Diluted EPS<sup>(1)</sup> was primarily driven by the non-recurrence of a one-time favorable tax settlement in Q2 2019

## UPJOHN REVENUE

**\$2.0B**  **(31%) op**

Declines driven by the LOE of Lyrica in the U.S., partially offset by higher sales in China

## FX IMPACTS

Revenue (\$277M)  **(2%)**

Adj. Dil. EPS<sup>(1)</sup> **(\$0.02)**  **(3%)**

Driven primarily by U.S. dollar strengthening against the euro, Chinese yuan, Argentine peso and Brazilian real

<sup>(1)</sup> See Slide 18 and 19 for definitions

## Key Assumptions Related to COVID-19 in FY 2020 Financial Guidance<sup>(1)</sup>

- Patient visits with physicians, vaccination rates and elective surgical procedures will gradually increase from Q2 2020 levels, beginning in Q3 2020
- New-to-brand prescription trends for certain key products will gradually improve from Q2 2020 levels, beginning in Q3 2020
- Gradual improvement in access to U.S. healthcare professionals for sales force colleagues
- Clinical trial enrollment, including new study starts, will continue throughout 2020
- Manufacturing and supply chain activities will continue to not be materially disrupted
- Investments in potential treatments and a vaccine for COVID-19 will continue throughout 2020
- Guidance does not include any revenue from a potential COVID-19 vaccine in 2020

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

# 2020 Financial Guidance for Total Company<sup>(1)</sup>

Revenues	\$48.6 to \$50.6 billion <i>(previously \$48.5 to \$50.5 billion)</i>
Adjusted Cost of Sales <sup>(1)</sup> as a Percentage of Revenues	19.5% to 20.5%
Adjusted SI&A Expenses <sup>(1)</sup>	\$11.5 to \$12.5 billion
Adjusted R&D Expenses <sup>(1)</sup>	\$8.6 to \$9.0 billion
Adjusted Other (Income)/Deductions <sup>(1)</sup>	Approximately \$800 million of income
Effective Tax Rate on Adjusted Income <sup>(1)</sup>	Approximately 15.0%
Adjusted Diluted EPS <sup>(1)</sup>	\$2.85 to \$2.95 <i>(previously \$2.82 to \$2.92)</i>

**Raised Total Company<sup>(1)</sup> Revenue and Adjusted Diluted EPS<sup>(1)</sup> Guidance Ranges;  
Reaffirmed All Other Components of 2020 Financial Guidance**

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

## 2020 Financial Guidance for New Pfizer<sup>(1)</sup> and Upjohn<sup>(1)</sup>

NEW PFIZER <sup>(1)</sup>	Current Guidance	Previous Guidance	Difference
Revenues	\$40.8 to \$42.4 billion	\$40.7 to \$42.3 billion	+\$0.1 billion
Adjusted IBT Margin <sup>(1)</sup>	Approximately 37.0%	Approximately 37.0%	No Change
Adjusted Diluted EPS <sup>(1)</sup>	\$2.28 to \$2.38	\$2.25 to \$2.35	+\$0.03
Operating Cash Flow	\$10.0 to \$11.0 billion	\$10.0 to \$11.0 billion	No Change
UPJOHN <sup>(1)</sup>	Current Guidance	Previous Guidance	Difference
Revenues	\$8.0 to \$8.5 billion	\$8.0 to \$8.5 billion	No Change
Adjusted EBITDA <sup>(1)</sup>	\$3.8 to \$4.2 billion	\$3.8 to \$4.2 billion	No Change

**Raised New Pfizer<sup>(1)</sup> Revenue and Adjusted Diluted EPS<sup>(1)</sup> Guidance Ranges;  
Reaffirmed All Components of Upjohn<sup>(1)</sup> Financial Guidance**

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

# Key Takeaways

- ✓ Delivered a solid quarter in Q2 2020, highlighted by 6% operational revenue growth from our Biopharma business
- ✓ Raised Revenue and Adjusted Diluted EPS<sup>(1)</sup> guidance for Total Company<sup>(1)</sup> and New Pfizer<sup>(1)</sup>; Upjohn<sup>(1)</sup> guidance reiterated
- ✓ Upjohn raised sufficient funding to pay the required \$12B dividend to Pfizer at the close of the Upjohn/Mylan transaction
- ✓ Key product and pipeline milestones achieved since our previous quarterly update
  - FDA approved Bavencio for the maintenance treatment of patients with locally advanced or metastatic urothelial carcinoma that has not progressed with first-line platinum-containing chemotherapy
  - EC approved Daurismo in combination with low-dose cytarabine for the treatment of newly diagnosed (de novo or secondary) acute myeloid leukemia in adult patients who are not candidates for standard chemotherapy
  - FDA approved Nyvepria, a biosimilar to Neulasta<sup>®(2)</sup>; expected U.S. launch later this year
  - Announced positive top-line Phase 3 results for abrocitinib in patients 12 to under-18 with moderate to severe atopic dermatitis
  - Announced start of the Phase 2/3 trial of investigational BNT162b2 mRNA-based vaccine against SARS-CoV-2
  - Announced the initiation of four Phase 3 vaccine trials, including a pentavalent meningococcal vaccine candidate, a maternal respiratory syncytial virus vaccine candidate and two studies of a 20-valent pneumococcal conjugate vaccine candidate in infants
- ✓ Paid \$4.2 billion in dividends to shareholders in 1H 2020

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

<sup>(1)</sup> See Slide 18 and 19 for definitions and for additional information regarding Pfizer's 2020 financial guidance    <sup>(2)</sup> Neulasta<sup>®</sup> (pegfilgrastim) is a registered trademark of Amgen, Inc.

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

# Second Quarter 2020 Earnings Teleconference

**Q&A Session**

July 28, 2020

# Footnotes (1 of 2)

## Financial Definitions Footnotes

- (1) The following acquisitions and other business development activity impacted financial results for the periods presented:
  - On June 8, 2020, Valneva SE (Valneva) announced that the antitrust-related condition precedent was met and, consequently, the agreement between Valneva and Pfizer that was previously announced in April 2020 became effective.
  - On April 9, 2020, Pfizer signed a global agreement with BioNTech to co-develop a potential first-in-class, mRNA-based coronavirus vaccine program, BNT162, aimed at preventing COVID-19 infection.
  - 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<sup>(2)</sup> and its components and reported diluted EPS<sup>(2)</sup> 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) 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 Viatrix. 2020 financial guidance for New Pfizer Adjusted IBT Margin<sup>(7)</sup> and Adjusted diluted EPS<sup>(3)</sup> reflects Pfizer's share of the earnings generated by the Consumer Healthcare JV<sup>(1)</sup> in fourth-quarter 2019 (recorded by Pfizer in first-quarter 2020) and first-quarter 2020 (recorded by Pfizer in second-quarter 2020), as well as Pfizer's share of the JV's projected earnings during second-quarter 2020 and third-quarter 2020 (to be recorded by Pfizer in third-quarter 2020 and fourth-quarter 2020, respectively). Financial guidance for New Pfizer operating cash flow includes a \$1.25 billion voluntary contribution to the U.S. qualified pension plans, planned for the second half 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<sup>(3)</sup> before tax margin (Adjusted IBT margin) is defined as revenue less the sum of Adjusted cost of sales<sup>(3)</sup>, Adjusted SI&A expenses<sup>(3)</sup>, Adjusted R&D expenses<sup>(3)</sup>, Adjusted amortization of intangible assets<sup>(3)</sup> and Adjusted other (income)/deductions<sup>(3)</sup> 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<sup>(5)</sup>. Adjusted IBT margin is not, and should not be viewed as, a substitute for U.S. GAAP income before tax margin.

# Footnotes (2 of 2)

## Financial Definitions (continued)

(8) Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is defined as reported U.S. GAAP net income<sup>(2)</sup>, 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<sup>(2)</sup> or cash flow from operations determined in accordance with GAAP.

## 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<sup>(4)</sup> reflects the following:

- Does not assume the completion of any business development transactions not completed as of June 28, 2020, including any one-time upfront payments associated with such transactions.
- Includes Pfizer's pro rata share of the Consumer Healthcare JV<sup>(1)</sup> anticipated earnings, which is recorded in Adjusted other (income)/deductions<sup>(3)</sup> on a one-quarter lag.
- 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 second-quarter 2020 and mid-July 2020 rates for the remainder of the year. Financial guidance reflects the anticipated unfavorable impact of approximately \$0.6 billion on Revenues and approximately \$0.05 on Adjusted diluted EPS<sup>(3)</sup> 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<sup>(3)</sup> assumes diluted weighted-average shares outstanding of approximately 5.6 billion shares, which assumes no share repurchases in 2020.