



Fourth Quarter 2020 Earnings Teleconference

February 2, 2021



Breakthroughs that change patients' lives ®

The background features a series of overlapping, curved, three-dimensional shapes in shades of blue and purple. These shapes create a sense of depth and movement, with some surfaces appearing to be lit from above, casting soft shadows. The overall effect is a modern, abstract graphic design.

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 that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. We include forward-looking statements about, among other topics, our anticipated 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, dividends and share repurchases, reorganizations, plans for and prospects of our acquisitions, dispositions and other business development activities, and our ability to successfully capitalize on these opportunities, manufacturing and product supply, our efforts to respond to COVID-19, including the Pfizer-BioNTech mRNA vaccine (BNT162b2) for COVID-19 and our investigational protease inhibitor, and our expectations regarding the impact of COVID-19 on our business, operations and financial results. 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 slides 17-18 and in our earnings release furnished with Pfizer's Current Report on Form 8-K dated February 2, 2021. 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.



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Opening Remarks

Albert Bourla

Chairman and Chief Executive Officer

FY 2020 Revenues Grew 8% Operationally, Excluding the Impact of Consumer and BNT162b2



\$1,288M +170% op⁽¹⁾

>20,500 patients diagnosed;
>14,500 got prescription;
>8,500 received drug



\$4,949M +18% op

U.S. \$2,688M, +15%
Int'l \$2,260M, +22% op



\$1,527M +68% op

Oncology: \$866M +203% op, incl.
U.S.+269%; Int'l +129% op



\$5,392M +9% op

U.S. \$3,634M, +12%
Int'l \$1,758M, +5% op.



\$5,850M +1% op

U.S. \$2,930M, (9%)
Int'l \$2,920M, +13% op



\$787M +66% op

U.S. \$523M, +78%
Int'l \$264M, +47% op



\$2,437M +9% op

U.S. \$1,706M, +4% (+12% volume)
Int'l \$731M, +23% op



\$1,024M +22% U.S.

\$386M ex-U.S. royalty income
Strong demand across indications

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

Updates on BNT162b2

First COVID-19 Vaccine Authorized For Use in Developed Markets

- Pfizer and BioNTech announce collaboration to develop a COVID-19 vaccine on April 9, 2020
- Pfizer and BioNTech submit request to FDA for EUA of BNT162b2 on Nov. 20, 2020; EUA received on Dec. 11

Manufacturing and Distribution

- As of January 31, 2021, we have supplied 65M doses globally, of which 29M doses supplied to U.S. Gov't
- Continue to work closely with U.S. Gov't on production, release and forward-looking shipping schedules; expect to deliver 200M doses to the U.S. by end of May
- Can potentially deliver ~2B doses by end of 2021 based on the updated 6-dose label, expansion at our current facilities, and contingent upon adding more suppliers and contract manufacturers



Potentially Durable, Long-Lasting Need for COVID-19 Vaccines

- Likely need to boost regularly to maintain immune response and to counter emerging variant strains
- Flexibility of mRNA platform to potentially address new strains of virus not well covered by BNT162b2
- Potential for follow-on applications of mRNA platform



5-Year Clinical Trial Success Rate Improvement

Clinical Trial Success Rates (<i>new molecular entities only</i>)	Phase 1 (3-year avg.)	Phase 2 (5-year avg.)	Phase 3/Reg. (5-year avg.)	End-to-End Success Rate
Pfizer (through 2020)	48%	52%	85%	21%
Industry ⁽¹⁾ (through 2019)	40%	29%	72%	8%
Pfizer (through 2015)	48%	15%	70%	5%

**End-to-End Clinical Success Rate Through 2020 More than 2.5x
the 2019 Industry Benchmark**

⁽¹⁾ See Slides 17 and 18 for definitions



Selected Pipeline Updates

RARE DISEASE

- **Marstacimab**
 - Dosed first participant in Phase 3 BASIS study for treatment of severe hemophilia A or B
- **Duchenne muscular dystrophy gene therapy**
 - Dosed first participant in Phase 3 ClFFREO study
 - Expected to enroll 99 ambulatory male patients, ages 4-7, across 55 clinical trial sites in 15 countries

INFLAMMATION & IMMUNOLOGY

- **Ritlecitinib (JAK3-TEC selective)**
 - Reported positive results in two Phase 2 studies for vitiligo and ulcerative colitis
 - Data from both studies to be presented later this year
- **Abrocitinib (JAK1)**
 - FDA and EMA accepted filings for treatment of moderate to severe atopic dermatitis
 - FDA has set priority review PDUFA goal date in April

VACCINES

- **20-Valent Pneumococcal Conjugate Vaccine (20vPnC) candidate in adults ages 18 or older**
 - FDA accepted BLA for priority review with PDUFA goal date in June
 - If approved, potential new standard of care in this setting

**Reaffirm Projected Revenue CAGR of At Least 6% Through 2025,
Excluding BNT162b2 Contribution**

Selected Pipeline Updates (Continued)

INTERNAL MEDICINE

- **Vupanorsen**
 - Initiated Phase 2b clinical trial to evaluate potential to reduce cardiovascular risk and treat severe hypertriglyceridemia
- **Oral GLP-1**
 - Phase 2 trial for diabetes enrolling and Phase 2 trial for obesity expected to initiate soon
 - Proof of concept readout expected in Q3 to inform next step, potential pivotal Phase 3 program

ONCOLOGY

- **Encorafenib (Braftovi)**
 - Encouraging data in Phase 2 ANCHOR 1L colorectal cancer study; initiated Phase 3 trial
- **Talazoparib**
 - Positive readout in Phase 2 TALAPRO-1 trial for DDR+ metastatic castrate-resistant prostate cancer
- **Elranatamab (BCMA/CD3 bispecific monoclonal antibody)**
 - Encouraging data from Phase 1 trial for treatment of multiple myeloma and FDA Fast Track Designation granted
 - Phase 2 trial initiated and anticipate first patient to be dosed this month

**Reaffirm Projected Revenue CAGR of At Least 6% Through 2025,
Excluding BNT162b2 Contribution**

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Financial Review

Frank D'Amelio

Chief Financial Officer and Executive Vice
President, Global Supply

Quarterly Income Statement Highlights

REVENUES

\$11.7B  **+11% op**

Primarily driven by Vyndaqel, Prevnar 13, BNT162b2, Eliquis, Ibrance, Xeljanz

ADJUSTED SI&A EXPENSES⁽¹⁾

\$3.6B  **(2%) op**

Favorability primarily driven by lower spend on sales/marketing due to COVID-19

ADJUSTED COST OF SALES⁽¹⁾

\$2.9B  **+31% op**

Primarily driven by negative impact of unfavorable changes in product mix, COVID-19 related expenses, and cash flow hedging on inventory

DILUTED EPS

Reported⁽¹⁾ **\$0.10** ⁽²⁾
Adjusted⁽¹⁾ **\$0.42**  **+14%**



Reported Diluted EPS⁽¹⁾ was favorably impacted by lower asset impairment charges

ADJUSTED R&D EXPENSES⁽¹⁾

\$3.1B  **+24% op**

Primarily driven by higher spending to develop potential COVID-19 vaccines and therapeutics

FX IMPACTS

Revenue **\$100M**  **+1%**
Adj. Dil. EPS⁽¹⁾ **(\$0.01)**  **(3%)**

Primarily driven by USD weakening against the Euro

⁽¹⁾ See Slides 17 and 18 for definitions

⁽²⁾ The percentage growth in Reported diluted EPS compared to the prior year quarter was greater than 100%, and not deemed meaningful

2021 Financial Guidance⁽¹⁾

Revenues	\$59.4 to \$61.4 billion
Adjusted Cost of Sales ⁽¹⁾ as a Percentage of Revenues	32.0% to 33.0%
Adjusted SI&A Expenses ⁽¹⁾	\$11.0 to \$12.0 billion
Adjusted R&D Expenses ⁽¹⁾	\$9.2 to \$9.7 billion
Adjusted Other (Income)/Deductions ⁽¹⁾	Approximately \$2.2 billion of income
Effective Tax Rate on Adjusted Income ⁽¹⁾	Approximately 15.0%
Adjusted Diluted EPS ⁽¹⁾	\$3.10 to \$3.20 <i>(previously \$3.00 to \$3.10)</i>

**Midpoint of Revenue Range Reflects 41% Op Growth Compared to 2020 Revenues;
Midpoint of Adjusted Diluted EPS⁽¹⁾ Range Reflects 38% Op Growth Compared to 2020**

⁽¹⁾ See Slides 17 and 18 for definitions and for additional information regarding Pfizer's 2021 financial guidance



Assumptions Related To BNT162b2 within 2021 Financial Guidance⁽¹⁾

Revenues for BNT162b2

Approximately \$15 billion

Adjusted Income⁽¹⁾ Before Tax (IBT)
Margin For BNT162b2

High-20s as a Percentage of Revenues

- Revenue estimate primarily includes only those doses currently under contract to be delivered in 2021
- Continue to expect we can potentially deliver up to 2 billion doses by end of 2021 based on the updated 6-dose label, expansion at our current facilities, and contingent upon adding more suppliers and contract manufacturers. Therefore revenue assumption could change if additional contracts are signed
- Adjusted Cost of Sales⁽¹⁾ for BNT162b2 includes manufacturing and distribution costs, a royalty payment allowance and a 50% gross margin split with BioNTech

⁽¹⁾ See Slides 17 and 18 for definitions and for additional information regarding Pfizer's 2021 financial guidance

Selected 2021 Financial Guidance⁽¹⁾ Ranges Excluding BNT162b2

Revenues	\$44.4 to \$46.4 billion
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Adjusted Cost of Sales ⁽¹⁾ as a Percentage of Revenues	21% to 22%
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Adjusted Diluted EPS ⁽¹⁾	\$2.50 to \$2.60
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Midpoint of Revenue Range Reflects 6% Op Growth Compared to 2020 Revenues Excluding All Revenue Impacts of BNT162b2; Midpoint of Adjusted Diluted EPS⁽¹⁾ Range Reflects 11% Op Growth Compared to Prior Year

⁽¹⁾ See Slides 17 and 18 for definitions and for additional information regarding Pfizer's 2021 financial guidance



Key Takeaways

- ✓ Delivered a solid quarter, highlighted by 11% operational revenue growth. With the Upjohn Business separation complete, FY 2020 revenues grew 3% op; excluding the impact from Consumer and \$154 million of BNT162b2 sales, revenues grew 8% op
- ✓ Provided 2021 financial guidance⁽¹⁾, selected 2021 financial guidance ranges excluding BNT162b2 as well as assumptions related to BNT162b2 contribution within guidance
- ✓ Key product and pipeline milestones achieved since our previous quarterly update
 - BNT162b2 has been granted a conditional marketing authorization, EUA or temporary authorization in more than 50 countries worldwide, including the U.K., the U.S. and the 27 member states of the EU
 - European Commission approved Bavencio as monotherapy for 1L maintenance treatment of adult patients with locally advanced or metastatic urothelial carcinoma who are progression-free following platinum-based chemotherapy
 - Announced positive top-line results from the fifth Phase 3 trial of abrocitinib, JADE REGIMEN, a 52-week study which investigated abrocitinib in patients 12 and older with moderate to severe atopic dermatitis
 - Announced that the FDA accepted for priority review a BLA for its 20-valent pneumococcal conjugate vaccine candidate for the prevention of invasive disease and pneumonia in adults ages 18 years and older
- ✓ Paid \$8.4 billion in cash dividends to shareholders in FY 2020

We Remain Committed to Delivering Attractive Shareholder Returns in 2021 and Beyond

⁽¹⁾ See Slides 17 and 18 for definitions and for additional information regarding Pfizer's 2021 financial guidance



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Q&A Session

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Footnotes (Page 1 of 2)

- (1) The following acquisitions and other business development activity impacted financial results for the periods presented:
- On December 28, 2020, Myovant Sciences (Myovant) and Pfizer announced a collaboration to jointly develop and commercialize relugolix in advanced prostate cancer and women's health in the U.S. and Canada, beginning in early 2021. Under the terms of the agreement, Myovant is entitled to receive up to \$4.35 billion in total milestone payments -- including a \$650 million up-front payment -- if certain regulatory and commercial milestones are achieved.
 - On November 16, 2020, Pfizer completed the transaction to spin off its Upjohn Business and combine it with Mylan N.V. (Mylan) to form Viatris Inc. Under the terms of the transaction, which was structured as an all-stock Reverse Morris Trust, Upjohn Inc. was spun off to Pfizer stockholders by way of a pro rata distribution and immediately thereafter combined with Mylan. As a result of this transaction, historical contributions from the Upjohn Business are being treated as a discontinued operation.
 - On September 30, 2020, Pfizer and CStone Pharmaceuticals (CStone) announced the formation of a strategic collaboration between CStone and multiple subsidiaries of Pfizer which encompasses a \$200 million equity investment by Pfizer in CStone, a collaboration for the development and commercialization of CStone's PD-L1 antibody (sugemalimab) and a framework between the companies to bring additional oncology assets to the Greater China market.
 - 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. Under the terms of the agreement, the companies will co-develop and commercialize Valneva's Lyme disease vaccine candidate VLA15, which is currently in Phase 2 clinical studies.
 - On April 9, 2020, Pfizer signed a global agreement with BioNTech to co-develop a 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. (Array).
 - On July 1, 2019, Pfizer announced the successful completion of its acquisition of the privately held clinical-stage biotechnology company, Therachon Holding AG.
- (2) Adjusted income and its components and Adjusted diluted EPS are defined as reported U.S. GAAP net income/(loss)⁽³⁾ and its components and reported diluted EPS or LPS⁽³⁾ 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.
- (3) Revenues is defined as revenues in accordance with U.S. generally accepted accounting principles (GAAP). Reported net income/(loss) and its components are defined as net income/(loss) attributable to Pfizer Inc. and its components 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.

Footnotes (Page 2 of 2)

- (4) Financial guidance for full-year 2021 reflects the assumptions listed on Slides 12-14 and the following:
- Does not assume the completion of any business development transactions not completed as of December 31, 2020, including any one-time upfront payments associated with such transactions.
 - Includes Pfizer's pro rata share of the Consumer Healthcare joint venture⁽¹⁾ anticipated earnings, which is recorded in Adjusted other (income)/deductions⁽²⁾ on a one-quarter lag.
 - Reflects an anticipated negative revenue impact of \$1.0 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 2021. Financial guidance reflects the anticipated favorable impact of approximately \$1.4 billion on revenues and approximately \$0.09 on Adjusted diluted EPS⁽²⁾ as a result of changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2020.
 - Guidance for Adjusted diluted EPS⁽²⁾ assumes diluted weighted-average shares outstanding of approximately 5.7 billion shares, which currently assumes no share repurchases in 2021.
 - Guidance for Adjusted Other (Income)/Deductions⁽²⁾ includes an estimated benefit of approximately \$300 million resulting from an anticipated change in pension accounting policy to begin recognizing actuarial gains and losses immediately through GAAP earnings compared to how they would have been recognized under the current accounting methodology. This anticipated change is expected to go into effect in the first quarter of 2021 and will require recasting prior period amounts to conform to the new accounting policy.
- (5) Success rates are based on a 5-year rolling average for Phase 2 and Phase 3 studies, and a 3-year rolling average for Phase 1 studies, with the cut-off for the Pfizer analysis ending on fiscal year-end 2020 and the cut-off for the industry's analysis ending on fiscal year-end 2019, which is the most recent information available. The analysis includes only studies involving new molecular entities. The "industry" in this analysis was based on the Pharmaceutical Benchmarking Forum's participant companies: AbbVie, Inc.; Allergan PLC (which was acquired by AbbVie, Inc. in May 2020); Bayer AG; Bristol-Myers Squibb Company; Eli Lilly and Company; Gilead Sciences, Inc.; Johnson & Johnson Corporation; Merck & Co, Inc.; Novartis AG; Pfizer; Roche, Inc. and Sanofi S.A.
- (6) Pfizer's fiscal year-end for international subsidiaries is November 30 while Pfizer's fiscal year-end for U.S. subsidiaries is December 31. Therefore, Pfizer's fourth quarter and full year for U.S. subsidiaries reflects the three and twelve months ended on December 31, 2020 and December 31, 2019 while Pfizer's fourth quarter and full year for subsidiaries operating outside the U.S. reflects the three and twelve months ended on November 30, 2020 and November 30, 2019.
- (7) References to operational variances in this presentation pertain to period-over-period growth rates that exclude the impact of foreign exchange rates. Although exchange rate changes are part of Pfizer's business, they are not within Pfizer's control. However, they can mask positive or negative trends in the business; therefore, Pfizer believes presenting operational variances excluding exchange rates provides useful information to evaluate Pfizer's results.
- (8) 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.
- (9) BNT162b2 has not been approved or licensed by the U.S. Food and Drug Administration (FDA), but has been authorized for emergency use by the FDA under an Emergency Use Authorization (EUA) to prevent Coronavirus Disease 2019 (COVID-19) for use in individuals 16 years of age and older. The emergency use of this product is only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of the medical product under Section 564 (b) (1) of the FD&C Act unless the declaration is terminated or authorization revoked sooner. Please see the EUA Fact Sheet for Healthcare Providers Administering Vaccine (Vaccination Providers) including full EUA prescribing information available at www.cvdvaccine.com.
- The information contained on our website or any third-party website is not incorporated by reference into this earnings release.

