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PFE.N - Pfizer Inc at JPMorgan Healthcare Conference (Virtual) - Fireside Chat

EVENT DATE/TIME: JANUARY 12, 2021 / 3:00PM GMT

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PRESENTATION

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Good morning, everybody, and thanks for joining us. I'm Chris Schott at JPMorgan, and I'm pleased to be hosting a fireside chat with Pfizer's Chairman and CEO, Albert Bourla, this morning. Albert, thanks for joining us.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Thanks.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. And maybe just to open up, there's a lot to dig into in the story between COVID and your pipeline progression, et cetera. But I think maybe you should make some opening remarks in terms of Pfizer's positioning and priorities as we think about 2021.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Thank you very much, Chris. Thank you for the opportunity to talk to you. And let me also just quickly remind everyone that, of course, I will be making forward-looking statements and that actual results may be different. We always do that, but it is always very prudent to remind people and investors as they are looking at our statement.

Look, I mean, it was a fascinating year for us. It was a very difficult year for the world, obviously. And it was a year that, I would say, helped me grow as a CEO in an accelerated mode. And I'm very happy in the situation that we are right now. I think after COVID, we will find ourselves in the right part of history. And right now, we are looking forward to the future. And our future, of course, involves that we will be able to deliver on the COVID promises. But the fundamental, it is that we will be able to fulfill our purpose, which is breakthroughs that change patients' lives.

So the way I see our priorities and our promise to the world is that the world will see many more breakthroughs that would be defined as first and best in class that would change patients' lives like COVID just did. We will do that by deploying our capital in a way that it is enhancing its mission. We will utilize our operations that have proven that they can operate by utilizing the scale, at the same time, having agility in bringing the world innovation. And the result of all of that will be for patients to see significant advancement for their lives. For investors would be to see top line revenue growth in this company that would be at least 6% for our base business and at least double digit for our bottom line, all of that excluding the COVID impact, but clearly, it will be significant.

QUESTIONS AND ANSWERS

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Absolutely. Certainly, Pfizer's development of a COVID vaccine, that was one of the clear bright spots of a very difficult 2020 for the world. I know that's something I know you and the organization must be incredibly proud of. Can you just maybe update us in terms of where we are in terms

of ramping manufacturing? And I know this week, your partner announced an increase in capacity targets for the year. And just talk a little bit of what's enabled you to be able to kind of produce even more product than we initially anticipated with the vaccine.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Yes. We are now expecting that we will produce in 2021 around 2 billion doses. And as you know, we say what we mean and we mean what we say. So when we say something, we feel confident that we will be able to do that. It was very, very challenging to be able to come to that point. And I have to say that I have admiration for our manufacturing team as much as I have for our research team because it's almost equally difficult to scale up manufacturing at that level so fast as it was to develop the vaccine. And both teams can rise to the occasion.

One was that we were able, first of all, to have now registrations across the world almost of 6 doses per vial. That, of course, provides an additional 20% capacity, which is very welcome. And right now, as I say this almost all regulatory authorities, they have reviewed the data that we submitted because it's not in rumors that they have done it. And they have all approved this. Europe, FDA, Switzerland, WHO, Israel, you name it.

But also, the significant higher improvement versus a very aggressive target was based on doing things very differently and very out-of-the-box in manufacturing. And we do things very differently and out of the box in the way that we treat partners in raw materials so that we can have manufacturing of specialized raw materials at the scale that is needed. We are doing in the way that we flow our operations in manufacturing so that we can improve dramatically our capacity. We did in the way that we enable third parties to be part of this manufacturing process, which is very, very complicated. We do that by designing new equipment that is much more efficient and working with manufacturers of equipment to deliver this in record speed and timing.

So it's so many initiatives that we have put in place. And right now, as I said, we feel comfortable that these initiatives will deliver 2 billion doses in 2021.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Wow. That's great. In terms of your upcoming '21 guidance, how do we think about vaccine contribution and the type of margins we can think about with the vaccine revenues?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Look, clearly, it's complicated. And clearly, there are a lot of dynamics that are happening right now. So when we provide guidance, which is expected in the last quarter earnings, somewhere, I think, at the end of January, a few weeks, we will try to separate the 2. So still, I think we will treat of it as a separate from base business, although there are more and more indication that we should start seeing as part of the core business, given everything we have so far. But still, we will treat it separately.

So we will provide details about COVID vaccine and the rest of the business, and we will separate margins and we'll separate contributions, I mean, and profits. But the people will have to wait until we do that.

Right now, I do think that all inclusive, 2021, we see EPS around from $3.00 to $3.10 per share. Of course, as I said, this is a dynamic situation. This is only for the new Pfizer because I have seen our partners that they forgot to remove from expectations the Upjohn contribution, it is completely out, but includes COVID. And that could change, of course, but right now -- because of the dynamics. But right now, I just want to give you a preview of how we feel things are.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Sure. And that $3 to $3.10 number, that's reflecting this kind of expanded 2 billion doses or so of the COVID vaccine, is that -- it's probably -- there's a lot of moving parts, obviously, in the number, but...

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I don't think that the expansion is what -- a lot of moving parts, let me put it this way. So either way, until we give more specifics, in few weeks. So a little bit of patience. Already, I did something that's very, very rare, we gave a preview...

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Very helpful color.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Of our EPS in an exclusive to you, Chris.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

There we go. We appreciate that. And I guess, just a couple more on COVID. Obviously, a lot in the core business to talk about from there. But when we think about the longer-term dynamics with the COVID vaccine, I think we're seeing very different pricing strategies from participants in the market. Can you just talk about Pfizer's approach and how you think about price evolving over time? And it seems like this COVID virus, unfortunately, is going to be around for a while, and we'll be dealing with this in some fashion for an extended period of time.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Yes. Clearly, there were very different approaches in all facets, in the ways developed, in the technology that were used, in the way that was funded and the way that was priced, which is appropriate. Particularly when it comes to price, this is what antitrust authorities are expecting, but everyone is doing it their own. But there is a common element, I think, you know, that everybody has priced their vaccine well below the value it brings to society, well below, right? That includes us because this is a specific situation, which is a pandemic.

As I said, we need to see how things will evolve. But one possible scenario, it is that after the pandemic phase is done, we will have a repeated business out there because there are COVID around that we want to keep control or because there are new strains or because of many different reasons.

If that happens and we have a continuation of this business after the pandemic, I think that we could likely see more normal volumes rather than this that the entire world is vaccinated at once, but more prices that reflect the cutting-edge technology. So should be similar prices like other vaccines with similar, let's say, technology. But for the time being, for the whole pandemic, of course, we are going to use everybody's pricing, very low.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. And then just -- it seems like COVID clearly validated mRNA as a viable technology platform within the vaccine kind of market. Where else do you see applicability of that? And can we think about Pfizer expanding its efforts on our mRNA kind of development over time beyond just COVID?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I think it's a must. I don't think how after all this know-how that we have developed together with our partner, BioNTech in the RNA technology, that we will not utilize it to be able to provide medical solutions for other devastating diseases.

Already, we are working years now, 3 years almost, in a flu vaccine. We think that mRNA can completely disrupt the flu market because you can have -- can do things in weeks instead of months. So as the flu market is changing every year with a new variant, this technology is ideal to be able to adjust to the latest news of the current strength and be much more effective as a result. Also, has proven how effective it is, by the way, this technology. So we will do that. And of course, we are thinking other areas of viral diseases that we can develop vaccines on it.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. So stay tuned, it sounds like, in terms of another avenue for the company's pipeline.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I think within the year, we accumulated scientific knowledge and technology and know-how of years. (inaudible) we have developed infrastructure that normally would take years to be able to develop, we develop in months. Everything, as I said, happened in (inaudible) times. So it's time to use it for the better of humanity.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes, absolutely. On the core portfolio, there's been a lot of activity over the past years in terms of pipeline readouts, et cetera. The company, as I think you mentioned before, issued long-term sales targets of at least 6% revenue CAGR through 2025, and that excludes the vaccine sales. And there's about that growth that seems like it's a bit above what we think for the rest of the industry. Just would be interested in your confidence in that guidance today, given what you've learned on the pipeline over the last year or 2 since you provided the guidance. Just how confident are you in hitting that target?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I'm very confident. And let -- remind all that we said up to 6%. So the 6% is not the ceiling, it's the floor. And clearly, there will be leverage on the bottom line. So that's why I said, we'll be at least double digit on the bottom line. I'm very confident and more confident than I was very confident a year ago. I'm even more confident now that we will be able to deliver that.

Our all emphasis is how to sustain that for the -- not the for foreseeable future, but for the last part of the decade, and we are working -- I'm feeling more and more comfortable on that as well.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. When we think about the metrics that you provide, obviously, you've got this significant COVID sales coming in, in 2021. Should we think about that target evolving to maybe incorporate the vaccine sales or a different set of metrics that we could see from the company over time? Or you kind of stay at this core number? Yes.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I think for January, we will clearly separate the 2. So because there is a lot of uncertainty and people -- one is very predictable or, let's say, is more predictable than the other. But as I said, there are so many indications that, that can become. So I don't think that will be forever, at a certain point, that the whole means.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Okay. And then the company recently completed separation of the Upjohn business. Can you just talk about what that separation enables? And then also as part of that, how do you think about your capital deployment priorities with now the more focused organization that you have?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

No, the separation of Upjohn enables the generation of the company, but it is much more focused, singularly focused, I would say, on science. And this creates very -- it requires very different mentality, very different risk-taking, very different culture. And I think that we are -- I couldn't think of a better start of this new journey for Pfizer than with the demonstration of what our scientific machine can do. To be frank, it's -- I couldn't dream it, something like that. That's not the only one. I think after we have done our Research Day with investors, it became very obvious to me by all analysts, and even more importantly, by speaking to all investors, that there were a lot of aha moments. And people now have much better appreciation of the depth and breadth of our pipeline.

So now a singularly focused company will have a capital allocation, but all those -- the principles already we have declared before the separation. One, dividend is an important part of our investment thesis. We increased our dividend just recently, and now we will wait for the big Viatris announcement of their first dividend. And we will adjust ours so that our shareholders will stay whole. This means it will be a small reduction. And then from there, we will continue our principles of having an increased dividend. But the dividend will grow at the beginning not as fast as our profits, so that -- which means that we will come to much more reasonable payout because it will be higher right now.

Now on the remaining of the capital, we are -- we never say never to anything. But of course, we invest in business and in our manufacturing and research side, but also we will invest to acquire. And in business development, again, we never say never, but nothing has changed. We are focusing on Phase 2, Phase 3-ready assets that could become medicines around '23, '24, '25, '26, '27, all this area. So that we will complement our already impressive, I think, pipeline that is coming.

And the goal is one: top line growth, sustainable, for high top line growth, sustainable for the future.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. On that business development priorities, are there specific verticals that you're more focused on versus others? Or is it really just looking for interesting assets that fit that criteria of that, let's say, 2023 through 2026, 2027 launch time lines?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

No. Clearly, we're looking for interesting assets and we never say never, but there are some priorities. There are some bias. The biases are they need to be in the therapeutic areas that we believe we master right now. We have 6 areas, including anti-infectives but we are very good. We will select by making fewer mistakes in this area, and we will develop it by making fewer mistakes so the chances that we will generate value in our hands is much much higher. So that's one bias.

As I said, Phase 2, Phase 3, it is what we are looking because we want to enhance the growth predominantly post '26. I would say that we have -- Pfizer is now focusing mainly in the first and best-in-class. So you should expect most of them to be cutting-edge technological, let's say, project that could -- that they have enough indications that they have good chances to become first and best.

So all of that are -- of course, not everything will be like that, right? So there will be some exceptions, particularly when you have a good fit commercially that we can corporate something that we can generate significant value. But this is a strategy right now and we feel that actually so far has been proven.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Is there any...

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

It's many. So I think we will continue.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Great. Is there any size limitations as we think about the company post-Upjohn? So it sounds like from what you're talking about, this is probably not going to be big diversified companies being acquired. But when we think about these kind of tuck-in Phase 2, Phase 3-ready assets, is there an upper bound of size that we should be keeping in mind? Or is that not really what you're looking at? Okay.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I don't have an upper bound. And frankly, we have the ability to -- basically, to do everything that exists out there if we wanted to. It's just that we are not going to do anything that exists out there, unless we are very confident that produce significant value for Pfizer.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes, yes. Excellent.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Not for the acquired party, for Pfizer.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

For Pfizer, yes. Is that challenging in this environment? Because I guess when I look at it, it seems like there's a lot of really interesting science out there. The valuations seem challenging at times. So how do you think about that?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I think the valuations are very challenging at the time, and they are very expensive. But I think also us, if we believe in something, we are ready to pay the full price, so that we can get it. I don't think that will stop us. But we are very careful with how we manage the capital.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Great. Digging into some specific products. First on IBRANCE. This is obviously one of your largest and most successful products. How much more growth do you see in the metastatic breast cancer market for the CDKs? I guess just maybe give us a snapshot of where penetration is today and where you see penetration going over time?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Look, in terms of, let's say, within the CDK class, we have the dominant market share right now. We are at the 86% to 87% stable in total scripts for IBRANCE and then 13 to 14 for everybody else in total scripts. Also in new scripts, at least 8 of 10 new scripts are coming from IBRANCE for metastatic and the remaining come from everybody else.

So I think in terms of maintaining ourself within the CDK class, I feel quite comfortable not only based on the belief of our product, best and first-in-class and all of that, but also now backed up with the reaction of the market.

Now in terms of growth, capacity. I think the CDK penetration is quite low right now compared to what it could be. There's still a significant amount of chemo, a significant amount of monotherapies that are happening out there. And the last couple of years, our main emphasis has been switched into that, to be able to make sure that the physicians and patients understand the opportunity, have better care for their patients by moving to CDK IBRANCE than to pay with the chemo or with one of them. And that works very well. So I think -- I'm expecting that this will continue the growth.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Great. And can you just come back to the point on the share within the class? Because I know that's probably one of my top, I'd say, non-COVID questions on Pfizer is just as we think about one of your competitors launching an adjuvant and the implications to your share in metastatic, can you just explain a little bit in terms of your confidence in holding that share? I know the drug has been on the market and it's well regarded by physicians, but -- and there's still some skepticism out there. So can you talk a little bit about just what gives you that confidence you can hold share?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Sure. I -- first of all, I thought a lot about it. And clearly, it was a scenario that I was trying to understand in my mind. I feel very, very comfortable now. I feel, as I said, very comfortable not only because we keep doing market research, and we are examining what the preference of physicians would be now that they have data from, let's say, competition on the adjuvant. And -- but also I see it in terms of how scripts are moving. So I think that in the metastatic breast cancer, we will maintain stable our market share. And I think, collectively, altogether, we will grow the CDK market.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Can you also juggle like you've got several other CDK programs in development you highlighted at the analyst meeting? Which of those do you see most impactful, and when do we start thinking about more data from those assets?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Yes. There are plenty of stuff that are happening right now in oncology and both actually, our sites in La Jolla that we are having mainly the biological targets, research of oncology, but also our new site in Boulder, Colorado are very, very active right now. So a lot of stuff are coming out from the collaboration of these 2 major sites. But coming to the CDK, I think the CDK2/4/6 is, for me, the most exciting, and I expect that we'll have more data this year. So...

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Great. So thinking about your franchise for IBRANCE, I know we've got a patent expiration later part of the decade. But is your anticipation that we'll have some assets that can effectively replace that or kind of build upon that by the time we get to the LOE?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

This is clearly what we are working for. And I hope for the benefit also of the patients that we'll find some that will be better than IBRANCE by that time. For time being, IBRANCE is the best option that patients have according to my opinion.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Great. Moving over to, I guess, the JAK pipeline. You highlighted abrocitinib as one of your largest launch opportunities at the analyst meeting. Can you talk about the market dynamics as we think about atopic derm and how you see the JAKs gaining share in the space? As it does seem, obviously, a huge market opportunity. I just want to understand a little bit better how we think about the category evolving.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Yes. I think abrocitinib has some characteristics that make it unique for the life of these patients. First of all, it's fast and profound release in itch, fast and profound release in the itch. Then they are reducing significantly the risk of flares, which is very important for them. And also, they are help to skin -- even more important than everything, I think, to help to clean the skin beyond the current standards, than it typically is, which is around 75%, right? We are pretty much better than that. There is a sizable part of our patient population that they had 90% cleared. And there is a part of the population that almost -- they got almost 100% complete, let's say, disappears.

These are very important characteristics for a pool of patients. But eventually altogether, globally, it's 60 -- in the developed world, globally, it is 60 million patients. This is a very, very big number. And in the number of patients, they are underserved right now with the current solution. So I believe that when new solutions that are offering like the JAK1 that we are bringing now, the market will expand.

So clearly, even if there is competition, which I know many people are asking about it, and the relevant, if we are better or worse or the same, which I believe we have advantages over competition, clearly. But I think the markets will grow because there is the significant mean.

And that would not be the one. I mean you asked also about other JAKs. Our franchise is moving very dynamically right now. And I expect that we have JAK3 in -- because this is JAK1 that we spoke, right, in atopic dermatitis, in alopecia and the like. And we will have, this year, Phase III data for alopecia and we have this year proof of concept for vitiligo. So it's significant. And also, we are coming with a topical for atopic dermatitis that can complement, which will be a TYK2/JAK1. In general, we have almost 10 indications with 5 different molecular entities for testing right now.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. A lot going on there. Just going back to abrocitinib. It seems like the existing market leader, I think it's been really focusing on safety as a point of differentiation. What do you think the JAKs need to do to overcome maybe the safety perceptions on the category? Certainly, your data doesn't suggest there's a lot of risk there. But it seems like dermatologists might need a little bit of education. So how do you think about approaching that challenge and getting physicians comfortable with the profile?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

First of all, there is already JAKs, and we have a lot of experience with Xeljanz that we did have to address, concerns and market -- to address the concerns and now there is a very high comfort level by utilizing that. We will develop the data because in this country, you need to bring data, and this is the beautiful thing about science in this country.

So we will -- and we will educate. We have excellent relations with dermatologists. We have developed experience with dermatologists by launching other products, so we are visiting them. And we will explain to them the data and then they should make their decisions. But I feel that the benefits that they bring clearly will outweigh any potential risks in the mind of all because the data are strong.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. And certainly, your point about the market being underserved is a great one since it seems like all of these immunology categories, we add new mechanisms, you've seen really tremendous growth. And it feels like atopic derm is one of kind of the last remaining ones where we still have such low penetration.

I guess especially, I do get from a competitive standpoint, though, as we think about the other JAK, RINVOQ in this setting, and I think AbbVie has taken a different approach of having 1 drug with many indications, does that -- how do you think about that competitive dynamic where it seems from a payer standpoint, having that bundled indication might help a bit versus you taking an approach of just trying to find the best asset for each indication? So how do you see that playing out from an access perspective as the market evolves? So is this the open category? Or do you think that there will be efforts to restrict, like, formula is just one of the JAKs that are available?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

No. I think that they're always in the category. For example, we are facing it with Xeljanz how to penetrate because there was this type of behaviors in exclusive rebate that were excluding manufacturers, right? But what happened? So that's something that we have addressed and we continue to address and that actually we have also to take legal actions. But for new entries, I think next year [inaudible]. So if you are a new one and like us and a competitor that is coming, the fact that you have broader label or a narrow label means anything in getting access.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. So you're not seeing that as a hurdle at all for...

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

And results to get access. The time is switching very dynamically into a value -- show me the value. So now you are good, you have a value. We are reasonable to negotiate the price that reflects this value, you will get access.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Okay. Helpful. I know there's a lot of other stuff going on in the pipeline. We'd love just to hear what conveys in your broader pipeline you're most excited about as you think back to what you shared in September and as we think about data in the next few years. What are the assets you highlight to us that we should be watching most closely?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I think number one, it is and what means I'm going to speak about them, there are many. I kept saying there is no saliva anymore in my mouth saying that our -- at least 6% projections are de-risked because they are based on significant number of assets that some will go well, some will not. But on average, provided that you have a decent research machine, will provide quite predictable results. I think we have right now best-in-class research machine based on data again, Phase 2 success, Phase 3 success, Phase 1 success, time to market, all of that, new breakthrough designations. With all of that in mind, we are demonstrating that this is a very, very serious research machine.

So going back, vaccines, one of the most fascinating areas. We are expecting to get our first and best-in-class 20-valent for adults. We have, I think, a PDUFA date or, let's say, an action date around June of this year. So we come to the market hopefully on time for the full vaccinations. So that's one. But -- and we are working with the pediatric as well, 20-valent, that is progressing very nicely.

And COVID isn't delayed because that would be -- we are moving, okay? But also, we are having to see that we are expecting this year to have conclusive results that if it's successful, first and best, to us, we are waiting -- we are working on a pentavalent meningococcal vaccine. This will be first again and hopefully, best in class. We are working in an RSV vaccine, but we have to see because it's -- but first and best is what I'm hoping to do in this technology at least. We are working on a Lyme disease, a vaccine.

So it's so rich, the portfolio of vaccines that do not exist competition right now. We'll be the first that I'm very, very excited with that. And of course, we are working on COVID, next generations and on mRNA technology on the flu vaccine and on other viral disease. But we will speak about that a little bit late. So that's on the vaccine side.

We spoke a little bit about the oncology, but I wanted also to emphasize the recent acquisition -- or not acquisition, partnership, that we did that will allow us to have a very fascinating entry into the complement in the prostate cancer, where we have, let's say, significant resources deployed right now. That is nice, very, very nice, so very excited about it.

Rare diseases. As I said multiple times, we are working (inaudible), let's say, rare diseases that they have very high, I think, probabilities of success, hemophilia A, hemophilia B and the Duchenne muscle dystrophy. I think Duchenne muscle dystrophy has great potential to be first and best-in-class, not only best. We are already in Phase 3, and we already have excellent results in managing the first side effects that we had seen. So all boys now are progressing very, very nicely in terms of that. We are very optimistic about that. We have (inaudible). But rare disease in terms of those 3 are very big-ticket items, all of them.

We spoke about immuno inflammation with 1 launch coming now, but with 5 different molecules in 10 different indications, strategy that I hope will produce, again, best in class. We have in internal medicines, the data that we presented both about NASH. So it's very, very, very rich pipeline that I thought good progresses very, very well right now.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes, absolutely. Can you just maybe update us a little bit? You mentioned rare disease and Duchenne. Just some of the updates from your competitor, how does that -- does that change at all how you're thinking about your program or thinking about the opportunity set there, I guess?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

No, no, no. And I don't want to comment on anything on Sarepta, which is a competitor. They're a great company. And (inaudible), and I hope they would be successful. What I can comment is only on our program, and our program is progressing very nicely.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Yes. Great. One last one on the pipeline. The 20-valent launch, is that -- I think when you move from the 7-valent to 13, there was an opportunity to increase price a bit. Do you see a similar opportunity as we move to 20-valent given the additional value you're delivering with the vaccine that you can see a higher price, I guess, for that product versus the current Prevnar? Is that a reasonable assumption?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

It's too early to speak about the pricing strategy given the register right now. But clearly, this vaccine will provide significant more benefit. And clearly, as a result, I think, we'll have significant volumes that will be utilized. Keep in mind that when we launched the adult 13 and we had spectacular results, there were a lot of theories that the adults maybe are protected for the 13 from the pediatric. Now the addition of 7, they are not, right? Because they don't exist in pediatric. So I think the potential for higher volumes is there. And so we would just end catch-up opportunity. So when time comes, we'll discuss about it.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Okay. Great. Maybe just in the last couple of minutes here, I want to talk a bit about health care reform and how you're thinking about drug pricing. It does seem like patient out-of-pocket is an area of significant focus and concern for kind of the broader kind of world. What do you see Pfizer, and more broadly, the pharma industry doing to help address rising cost of patient out-of-pocket and kind of this growing gap that we're seeing between maybe list and net prices in the industry?

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

I think it has become a unanimous, almost, concern for all of us. I think it is -- if you ask any of my peers and good friends, they will tell you that one of the highest concerns, it is in the U.S., patients are getting their medicines like if they don't have insurance, although they do have it. Very expensive, right? So -- and that's the result of a system that was driven by the rebates, and we're stimulating wrong behaviors. We have arrived in a situation, but we need to reform. That needs to change. And we are advocating a lot about that. And we believe that the #1 priority for any health care reform, it is to reduce the out-of-pocket cost for patients.

That's the #1, and everybody should contribute to that. We should contribute, insurance companies should contribute, the states should contribute, everybody should contribute to that. But this is a must because that's not sustainable situation, and that creates a lot of animosity. This is the fundamental base of why things are so tense right now in the health care section. That's the fundamental and can easily fixed. So I think we will work with the new administration, all of us and with the new Congress, to pro innovation, pro patient solutions. We need to have a vibrant, innovative biopharmaceutical industry. And I don't think I need to explain why after what happened with COVID.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Absolutely.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Because the cost that we paid without having it is going to be not multiple, it will be on the exponential higher. But also we need all these breakthroughs. It don't make anyone any good if they don't reach the patient. So we need kind of pro patient policies, things like that.

Christopher Thomas Schott - *JPMorgan Chase & Co, Research Division - Senior Analyst*

Excellent. We're just about out of time. Really appreciate all the comments today, and we'll be watching the vaccine rollout and the broader pipeline as we go through '21. But Albert, again, thanks for joining us today. Very helpful.

Albert Bourla - *Pfizer Inc. - Chairman & CEO*

Thank you very, very much.

Editor

The following transcript contains forward-looking statements about our anticipated future financial performance that involve substantial risks and uncertainties. You can identify these statements by the fact that they use future dates or use words such as "will," "may," "could," "likely," "ongoing," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "assume," "target," "forecast," "guidance," "goal," "objective," "aim," "seek" and other words and terms of similar meaning. Factors that could cause actual results to differ materially from past results and future plans and projected future results are described in our Form 8-K furnished with the U.S. Securities and Exchange Commission on January 12, 2021 and linked here, which also contains information regarding our use of preliminary financial guidance.