Second Quarter 2019
Earnings Teleconference

July 29, 2019
Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Second Quarter 2019 Earnings
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 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, business-development plans, the benefits anticipated from the reorganization of our commercial operations into three businesses which became effective at the beginning of our 2019 fiscal year, our acquisitions and other business development activities, including our recently-announced proposed transaction with Mylan N.V. (Mylan) to combine Upjohn and Mylan to create a new global pharmaceutical company, our recently announced pending acquisition of Array BioPharma Inc. and our proposed transaction with GSK to combine our respective consumer healthcare businesses into a new consumer healthcare joint venture, our ability to successfully capitalize on growth opportunities and prospects, manufacturing and product supply and plans relating to share repurchases and dividends that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Additional information regarding these factors can be found in Pfizer’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in our subsequent reports on Form 10-Q, including in the sections thereof captioned “Risk Factors” and “Forward-Looking Information and Factors That May Affect Future Results”, as well as in our subsequent reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission and available at www.sec.gov and www.pfizer.com. The forward-looking statements in this presentation speak only as of the original date of this presentation and we undertake no obligation to update or revise any of these statements.

Also, the discussions during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found in Pfizer’s Current Report on Form 8-K dated July 29, 2019. 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
Chief Executive Officer

Second Quarter 2019 Earnings
CEO Perspectives

- Solid performance in the second quarter and first half of 2019
  - Revenues up 2% operationally in Q2 2019, driven by volume partially offset by price

- Pfizer Biopharmaceuticals Group grew revenues 6% operationally
  - Ibrance: up 27% operationally, including very strong growth in international markets and 12% growth in the U.S.
  - Xtandi: up 18% operationally in the U.S., driven by increased prescriptions for new patients with CRPC
  - Inlyta: up 34% operationally (+82% in the U.S.), largely due to recent combination approvals in 1L advanced RCC
  - Xeljanz: up 36% operationally, including growth in rheumatoid arthritis and launches in ulcerative colitis and psoriatic arthritis
  - Eliquis: up 26% operationally, and is now the #1 oral anticoagulant in ten countries, including the U.S. and U.K.
  - Vyndaqel: launch has been in line with our expectations, adding 500 commercial patients to the 900 previously taking the drug
  - Prevnar 13: negatively impacted by government purchasing patterns in Q2 2019, but performing as expected in the YTD period
  - Sterile Injectables: making steady progress toward significantly improving our manufacturing supply issues by YE 2019

- Upjohn revenues were down 7% operationally
  - China: 20% operational decline in the quarter, primarily due to the volume-based procurement program implemented in March; expect low-to-mid-single digit operational growth for Upjohn in China for FY 2019
  - U.S.: 9% decline, primarily due to continued Viagra generic competition and wholesaler destocking of Lyrica in anticipation of generic competition

- Consumer revenues grew 1% operationally (+4% in international markets; -2% in the U.S.)
Recent Product Approvals

**U.S. FDA Approvals (since April 30)**
- Vyndaqel/Vyndamax (ATTR-Cardiomyopathy)
- Zirabev (Biosimilar to Avastin\(^1\); Cancer)
- Inflectra (Biosimilar to Remicade\(^1\); Pediatric UC)
- Ruxience (Biosimilar to Rituxan\(^1\); Cancer/Autoimmune)
- Bavencio+Inlyta (1L advanced Renal Cell Carcinoma)

**European Commission Approvals (since April 30)**
- Talzenna (gBRCA-mutated locally advanced or metastatic Breast Cancer)
- Lorviqua (ALK+ advanced NSCLC)

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\(^1\) See slide 14 for definition.
R&D Pipeline Update

**VACCINES**
- 20-valent Next-Gen Pneumococcal: Phase 2 pediatric proof-of-concept data readout expected in the coming months
- Multivalent Group B Streptococcus: Started Phase 2 trials in pregnant women

**RARE DISEASE**
- DMD gene therapy: Presented initial Phase 1b data
- Hemophilia A gene therapy: Updated results from Phase 1/2 Alta Study
- TFPI in hemophilia A/B: Advancing to pivotal studies
- Rivipansel (SCD): Pivotal data readout expected in Q3'19

**INFLAMMATION & IMMUNOLOGY**
- Abrocitinib (JAK1): Announced positive top-line Phase 3 results in atopic dermatitis (JADE Mono-1)
- Data from another Phase 3 study of abrocitinib in atopic dermatitis patients (JADE Mono-2) expected later this year

**INTERNAL MEDICINE**
- Tanezumab: Pfizer and Eli Lilly have decided to pursue a U.S. regulatory submission for tanezumab 2.5 mg subcutaneous for OA, expected in Q4 2019 or early 2020
- Currently, regulatory submissions are not planned for CLBP or the 5 mg dose in OA

**ONCOLOGY**
- Array Biopharma: Pending acquisition fits well in Pfizer’s existing business
- Expecting solid contributions to Pfizer’s growth from Array’s portfolio of marketed assets, royalty streams and research platform

Committed to Working on Common Sense Solutions to Improve Patient Affordability for These Potential Breakthroughs and All Other Medicines
Financial Review

Frank D’Amelio
Chief Financial Officer and Executive Vice President, Business Operations & Global Supply

Second Quarter 2019 Earnings
## Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Revenues</td>
<td>$13,264</td>
<td>$13,466</td>
</tr>
<tr>
<td>Reported Net Income(1)</td>
<td>5,046</td>
<td>3,872</td>
</tr>
<tr>
<td>Reported Diluted EPS(1)</td>
<td>0.89</td>
<td>0.65</td>
</tr>
<tr>
<td>Adjusted Income(1)</td>
<td>4,520</td>
<td>4,593</td>
</tr>
<tr>
<td>Adjusted Diluted EPS(1)</td>
<td>0.80</td>
<td>0.77</td>
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Q2 2019 Reported Results Favorably Impacted Primarily by a Lower Effective Tax Rate, Higher Operational Revenues, Lower Acquisition-Related Costs and Fewer Shares Outstanding; Unfavorably Impacted Primarily by Lower Net Gains on Equity Securities and Foreign Exchange Impacts

(1) See slide 14 for definition.
## Impact of Foreign Exchange on Revenues and Select Adjusted Income\(^{(1)}\) Components

($ Millions, Except Percentages)

### Favorable / (Unfavorable)

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>$13,264</td>
</tr>
<tr>
<td><strong>Adjusted Cost of Sales(^{(1)})</strong></td>
<td>2,556</td>
</tr>
<tr>
<td><strong>COS as a Percentage of Revenues</strong></td>
<td>19.3%</td>
</tr>
<tr>
<td><strong>Adjusted SI&amp;A Expenses(^{(1)})</strong></td>
<td>3,464</td>
</tr>
<tr>
<td><strong>Adjusted R&amp;D Expenses(^{(1)})</strong></td>
<td>1,825</td>
</tr>
<tr>
<td><strong>Total Adjusted Costs &amp; Expenses(^{(2)})</strong></td>
<td>$7,845</td>
</tr>
</tbody>
</table>

Foreign Exchange Had a $0.03 Negative Impact on Adjusted Diluted EPS\(^{(1)}\) Compared to the Year-Ago Quarter

\(^{(1)}\) See slide 14 for definition.

\(^{(2)}\) Totals may not add due to rounding.
## Updated 2019 Financial Guidance(1)

<table>
<thead>
<tr>
<th>Category</th>
<th>Range</th>
<th>Previous Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$50.5 to $52.5 billion</td>
<td>$52.0 to $54.0 billion</td>
</tr>
<tr>
<td>Adjusted Cost of Sales(1) as a Percentage of Revenues</td>
<td>20.1% to 21.1%</td>
<td>20.8% to 21.8%</td>
</tr>
<tr>
<td>Adjusted SI&amp;A Expenses(1)</td>
<td>$13.0 to $14.0 billion</td>
<td>$13.5 to $14.5 billion</td>
</tr>
<tr>
<td>Adjusted R&amp;D Expenses(1)</td>
<td>$7.9 to $8.3 billion</td>
<td>$7.8 to $8.3 billion</td>
</tr>
<tr>
<td>Adjusted Other (Income)/Deductions(1)</td>
<td>Approximately $200 million of income</td>
<td></td>
</tr>
<tr>
<td>Effective Tax Rate on Adjusted Income(1)</td>
<td>Approximately 16.0%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Diluted EPS(1)</td>
<td>$2.76 to $2.86</td>
<td>$2.83 to $2.93</td>
</tr>
</tbody>
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(1) See slide 14 for definitions and additional information regarding Pfizer's 2019 financial guidance.

**Updated 2019 Financial Guidance Ranges Primarily for the Anticipated August 1, 2019 Formation of the Consumer Healthcare Joint Venture and the Anticipated Near-Term Completion of the Array BioPharma Inc. Acquisition**
Delivered another quarter with solid financial performance, including 2% operational Revenue growth for the total company and 6% operational Revenue growth in our Biopharmaceuticals Group, and 4% Adjusted diluted EPS(1) growth

Updated 2019 financial guidance ranges primarily for the anticipated August 1, 2019 formation of the Consumer Healthcare joint venture and the anticipated near-term completion of the Array BioPharma Inc. acquisition

- Excluding changes resulting from pending business development activities, financial guidance is unchanged

Accomplished multiple product and pipeline milestones since our previous quarterly update

- Received FDA approval for Bavencio in combination with Inlyta for the first-line treatment of patients with renal cell carcinoma
- Received EMA approval for Lorviqua (Lorbrena in U.S., Canada and Japan) for the treatment of certain patients with ALK+ NSCLC
- Received EMA approval for Talzenna for the treatment of certain patients with gBRCA-mutated locally adv./met. breast cancer
- Received FDA approval for Vyndaqel and Vyndamax for the treatment of wild-type or hereditary ATTR-CM in adults
- Received FDA approval for Zirabeve, a biosimilar to Avastin®(1)
- Announced positive top-line results from a Phase 3 pivotal study (JADE MONO-1) of our JAK1 inhibitor, abrocitinib, in patients aged 12 and older with moderate-to-severe atopic dermatitis
- Pfizer and Eli Lilly plan to pursue a U.S. submission for tanezumab 2.5 mg SC in patients with moderate-to-severe OA in Q4 2019 or early 2020

Returned $12.9 billion to shareholders through Q2 2019 through a combination of dividends and share repurchases

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We Remain Committed to Delivering Attractive Shareholder Returns in 2019 and Beyond

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(1) See slide 14 for definition.
Financial Definitions Footnotes

(1) Reported net income is defined as net income attributable to Pfizer Inc. in accordance with U.S. GAAP. Reported diluted earnings per share (EPS) are defined as diluted EPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP.

(2) Adjusted income and its components and Adjusted diluted EPS are defined as reported U.S. GAAP net income(1) and its components and reported diluted EPS(1) excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items (some of which may recur, such as restructuring charges, legal charges or net gains and losses on investments in equity securities, but which management does not believe are reflective of ongoing core operations). Adjusted cost of sales, Adjusted selling, informational and administrative (SI&A) expenses, Adjusted research and development (R&D) expenses and Adjusted other (income)/deductions are income statement line items prepared on the same basis as, and therefore components of, the overall Adjusted income measure.

2019 Financial Guidance Footnotes

(3) The 2019 financial guidance reflects the following:

- Pfizer does not provide guidance for GAAP Reported financial measures (other than revenues) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP Reported financial measures on a forward-looking basis because it is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, acquisition-related expenses, net gains or losses on investments in equity securities and potential future asset impairments without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP Reported results for the guidance period.

- Does not assume the completion of any business development transactions not completed as of June 30, 2019 (except for the anticipated near-term completion of the Consumer Healthcare joint venture with GSK and the anticipated near-term acquisition of Array), including any one-time upfront payments associated with such transactions.

- Includes revenues and expenses associated with Pfizer’s Consumer Healthcare business through July 31, 2019 as well as Pfizer’s pro rata share of the anticipated earnings from the Consumer Healthcare joint venture with GSK from August 1, 2019, which will be recorded on a quarterly basis in Adjusted other (income)/deductions(2). Pfizer will record its share of the joint venture’s anticipated earnings on a one-quarter lag; therefore, updated 2019 financial guidance for Adjusted other (income)/deductions(2) and Adjusted diluted EPS(2) reflects Pfizer’s share of two months of the joint venture’s earnings that are expected to be generated in third-quarter 2019, which will be recorded by Pfizer in fourth-quarter 2019.

- 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 the actual exchange rates in effect through second-quarter 2019 and mid-July 2019 rates for the remainder of the year. Reflects the anticipated unfavorable impact of approximately $1.2 billion on Revenues and approximately $0.08 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 2018.

- Adjusted Diluted EPS(2) guidance assumes diluted weighted-average shares outstanding of approximately 5.7 billion shares, which reflects the weighted-average impact of share repurchases totaling $8.9 billion executed in first-quarter 2019. Dilution related to share-based employee compensation programs is currently expected to offset the reduction in shares associated with these share repurchases by approximately half.

Referenced Competitor Trademarks

(4) AVASTIN is a registered trademark of Genentech, Inc.; REMICADE is a registered trademark of Janssen Biotech, Inc.; RITUXAN is a registered trademark of Genentech, Inc.