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PRESENTATION

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay. Well, my last session, my last fireside for our 2022 Healthcare Conference. Pleasure to have Pfizer management join us. I'll turn it over to our old friend, Chris, from the buy side to kick things off and introduce the management.

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

Thanks so much, Umer. So I'm very pleased to introduce you to my colleagues, Angela Hwang. She's our Chief Commercial Officer and President of the Global Biopharmaceutical business; Kevin Sullivan, the President of our Specialty Care business. And finally, Navin Katyal, who's the Head of our mRNA business, especially focusing on mRNA vaccines. So thank you for your time and for your kind introduction.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Outstanding. Angela, perhaps it would be great if you could kick things off and just orient the discussion, and we'll jump right into it.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Great. Thank you. Well, thanks, Umer, and thank you, everyone, for joining us today. We are really looking forward to the discussion this afternoon and looking forward to especially having 2 of our colleagues here today, Navin, who represents our mRNA franchise; and Kevin Sullivan, who represents 3 of our franchises, Rare Diseases, I&I as well as Hospital. I think between all of us, we're looking forward to answering your questions and having a good discussion about the very exciting Pfizer portfolio that we represent.

But before I start, I thought it might be useful just to walk through how we are thinking about growth here at Pfizer. Unequivocally, our plans and our strategy are all driven towards in growth. And the way we see this growth happening is in the following ways. I think first of all, there's this period of time from 2020 to 2025, where we have been very vocal about the fact that we see a 6% compounded annual growth rate for this time period. And we remain confident and want to reaffirm that this, in fact, is the plan and that we are able to deliver it. And so this is up till 2025.

I know that there's also been a lot of questions around, well, what happens after 2025. And do you really have the growth substrate to continue to deliver growth in the back office of the decade. And so what I was hoping to show you here, and this is something that we discussed during our third quarter earnings is the different value pools and the different revenue pools that we are activating to ensure that not only do we make up the LOE, but that we can deliver growth beyond that.

So we acknowledge that there is a $17 billion negative revenue impact from LOEs. However, there are 3 different ways that we are mitigating that and, in fact, bringing growth into the company. So first of all, this comes from business development deals that we have already done in 2022, and we'll continue to do over the short and midterm. And just if you look at the deals that we did in 2022 alone, those give us $10 billion of the $25 billion that we are aspiring to have. So I think first, I wanted to convey sort of the confidence that you should have around our ability to deliver the $25 billion because we are 40% of the way there just with the 4 that we did this year. And -- but certainly, with the firepower available to Pfizer, this continues to be an area of great interest to us. We've discussed this a lot in our earnings as well as I know you've heard Albert, Dave Denton and Aamir talk about our continued strategy in BD.

The next bucket comes from imminent launches, right? So imminent in the next 18 months, in this bucket of $20 billion are 15 molecules that are off all intents and purposes de-risked, right? So these are the launches that we're looking forward to in 2023 and early 2024. Those constitute this $20 billion of revenue that we believe that we can attain. And then there is another bucket after that, which is launches beyond the 18-month period, right? So that includes things like GLP-1 that will come a little later on. Things like gene therapy that come in the '24, '25 time frame and beyond. So -- and there's many more in there as well, but put it in sort of a cash a hash box because I think that there's another pool of revenue that we haven't fully captured yet because they are still in early development or earlier development but those will also pan out and will help to contribute to this growth that we're talking about.

So the reason I wanted to share this was just to convey first and foremost, our conviction behind a growth story for Pfizer, a growth story that spans the current from now to 2025, which is a 6% CAGR and also importantly, the '25 to 2030. And where these revenue pools will come from and how we have already actualized much of this revenue towards the back half of the decade.

So with that as an intro, Umer, I'll hand it back over to you to get the questions.

QUESTIONS AND ANSWERS

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

All right. So there is so much to talk about Angela. And maybe just to kick things off, one of the buckets you mentioned is BD. I think on the prior earnings call, you guys mentioned you're about 1/3 of the way through sort of the revenue number that you guys are hoping to bring in? And one of the questions that comes up -- and I ask sort of in a more broad setting and less so on any specific deal. One of the questions that comes up is any meaningful size deal that gets thrown around in the media. The first question is, oh, it must be Pfizer because they're operating under such high urgency to get something done. And I'm just curious. I know you're smiling and so is Chris, how do you react to that? And is that the way you guys are operating?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

I think that it's an expected question, which is why I'm smiling. But actually, we are very focused on BD and it's consistent with all the messages that we have been sharing through all our investor meetings and our earnings. But the way we're going about it is in a very focused way. So not everything falls into this bucket. But you just heard me talk about the importance of '25 to '30 growth, right? So rand we're looking at these goals with a view along a number of criteria. First is does this solve the problem or the opportunity, I should say, right, which is, does this give us growth from '25 to '30. If it doesn't or it doesn't give us enough of that, then probably it's not something we should be looking at.

There are also other operational elements, right? If you look at some of the deals that we've done, most of the deals that we've done, they have been done with the purpose of great synergies with our current capabilities, right, because that gives us the right to win.

Think about what we've done just recently with Biohaven and NURTEC, right? It's a perfect sweet spot with our capabilities in primary care. That means that we can bring great primary care capabilities and skills to NURTEC and, in fact, drive more value. So it's really important to us that when we look at these deals, that these deals really fit into our wheelhouse and allows us to create value. And that -- and when I say create value, that can happen along the entire stage of our development, right? From early -- are these platforms, discovery platforms that will allow us to strengthen

our R&D machine, are these molecules that are in sort of like a Phase II period that have a great strategic fit with our own capabilities with our scientific expertise and fit into our franchises and our disease areas.

And then if you look at later-stage things like a Biohaven right, which was de-risked because it was already a product in market, it was perfect fit because this is what we do today. And I think that those themes will continue -- you will continue to see a consistent playing out of those themes as we look at the deals that we're doing.

And then there always -- you never say never and you're always open-minded to the things that make sense to us, right? So there's always that too, that we have to -- we have to be creative and continue to keep an eye out on what is going to give us that growth from '25 to '30.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Right. Okay. Makes sense. Let's turn to sort of the crux of the conversation, and there's so many questions right now, Angela, around the COVID business and the durability of it. And I was looking up sort of where the numbers stand, right? And in general, consensus has sort of your $50 billion plus COD business of 2022 shrinking to sort of mid-teens and kind of hanging out there mid- to low teens. And I'm talking more sort of 2025 onwards.

I'm not necessarily looking for any sort of guidance, but in general, how do you guys envision the size of your COVID business, perhaps even if you could break it down a little bit into pill versus vaccine on a more normalized basis. And I'm not even asking 2023 really, but the direction you see it going.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. Well, I'm so happy we have Navin here. He heads up our mRNA franchise. So he can talk more specifically about what we're seeing on the vaccine side. But let me just make some general comments. I know that everyone wants to know what we think about COMIRNATY and PAXLOVID. And I just wanted to let you know that we will certainly be discussing this in greater detail in our quarter -- our first quarter earnings. And the reason is that right now, we're just in the middle of the winter, right? We're in the middle of so many sort of dynamic considerations that make it really difficult for us to give you an accurate forecast at all of what things might look like. So I think what we need is just a couple of months of sort of more line of sight in terms of finalizing certain contracts.

There's certain contracts still that are in motion, finalizing and really understanding each government's desire to sort of how they want to handle the trends, do they want to transition, do they not want to transition into commercial. There's a whole range of possibilities. And so -- and they range quite widely actually, country by country. And so I think maybe what is true that we absolutely believe COVID is a disease that is here to stay. And you see that already, right? It's here. It just emanates in different forms. And you continue to see mutations, you continue to see variants and infections are a real thing. And so we are very much supportive and continue to invest in this franchise as an opportunity and the disease of unmet need. And then if you think about sort of the longevity of this, of course, we are looking at various ways that we can play into making this increasingly consumer-friendly, getting this into channels that are more easily accessible by people and by patients.

So all of this -- Navin can talk a little bit about in terms of like how we're going to transition. But I think suffice to say that '23 and '24 are transition years because -- what is true is that there's going to be demand for this product.

However, how each country wants to play out how they want to service the market is going to be different. So I'm going to pick the U.S. The U.S. is very clear that they want to transition into a commercial market. So we're actively working with them to figure out what that looks like. Every other country has a different time frame in terms of their contracts with us and also their -- I guess, their readiness and their comfort with moving commercial.

So that's why it's really difficult like right now to really explain like what '23 might look like, and we need just a couple of months of additional data to help us. But that's sort of the broad context for what's going on in COVID, sustainable, here to stay and a range of demand scenario that's going to play out in '23 and even in '24, just given what governments are and their level of readiness to move into a private market.

So Navin, over to you to fill out maybe a few more of the specifics.

Navin Katyal - *Pfizer Inc. - U.S. Commercial and Global Business Lead for mRNA Portfolio*

Great. Yes. So I think maybe just to build on what Angela said, I think just to reinforce, as Angela said, COVID clearly here to stay. And so on that basis, right, we see this as a large and, frankly, durable franchise over the long term.

I think when we think about sort of Pfizer's position in this long durable franchise. I think we also are very opining about our continued leadership in this space for a variety of reasons. First, the mRNA platform has demonstrated, right, the ability to be agile. And I think Pfizer, in particular, just given what we were able to accomplish this past year with the strain change to into the BA.4/5 bivalent. We've a leading, I think, capability in terms of leaning into the agility and having, I think, a position of strength sort of in the marketplace as a result of that capability.

And then I think, as Angela highlighted, we're going to be moving into commercialization in key markets starting in 2023 and then probably not until '24, '25 in other markets because we'll have a mix of sort of contracting dynamics with a bunch, right, a large portion of our ex-U.S. still government contracted and then key markets like the U.S. where we'll enter into commercial market. And even there, I think we have even more optimism about our ability to be successful because while we have been successful in a pandemic environment, I think we even more sort of optimistic about succeeding and sort of being a leader on a commercial (inaudible). So I think we're very optimistic and think about this as a big source of durable business.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

And maybe lumen a little bit. I know there's a lot of confusion around both on PAXLOVID and on the vaccine doses, for example, on PAXLOVID, there is a sense that U.S. might be sitting on 10 million courses, which could possibly last a good part of next year. And similarly, on the vaccine side, I think there's about 100 million doses being shipped to the U.S. government right now, which in one scenario could be the equivalent of the amount of flu shots that are administered, meaning it could cover all of next year. So is there a scenario where there's minimal COVID sales for next year? And how do you also think about that from a guidance perspective? So I guess this question is for all 3 of you, really.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Navin, do you want to tackle the...

Navin Katyal - *Pfizer Inc. - U.S. Commercial and Global Business Lead for mRNA Portfolio*

I can start on the vaccine side. Yes. So as you noted, we have a contract with the U.S. for over 100 million doses. And we expect to deliver all those doses or the vast majority, I should say, by the end of this year. So that's the first piece. And then I think in terms of impact to next year, early days, right? But -- we do expect that we'll likely move into an environment in which we have sort of a recommendation for a broad-based vaccination campaign again in the fall and the U.S. government has sort of signaled this in numerous times in the past few months. So that will sort of approximate the flu model is the expectation.

We also have seen, right, that COVID is evolving very, very rapidly. Even within the Omicron space, we've seen all these new mutations with escape potential. And so we're expecting that there's going to likely be another strain change that's going to be needed. And so even if you have a significant amount of doses, there's not going to be a scenario in which every dose needs to be sort of drawn down before we just sort of have to shift into

that new model. And so we're expecting the combination of the strain change and then sort of the flu type model where we have a fall campaign, we'll likely have, I think, a strong business.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Navin, that's -- what you just said is very interesting. Governments are not forcing you guys to swap the old vaccine -- so if I'm like a country in Europe, and I'm sitting on 50 million courses and I'm not using them. Am I not saying, hey, you met the new one, I already paid for this?

Navin Katyal - *Pfizer Inc. - U.S. Commercial and Global Business Lead for mRNA Portfolio*

So every individual country is different, right? But in the U.S., for example, we're going to be -- we're going to have satisfied our contract by the end of this year. So in the U.S. and we're going to be moving into a commercial market. So that won't be the case. And then you just have to look at country by country. But I think bottom line is we're expecting, right, that where we have contracts moving forward, we're just going to shift into the new variant as those...

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

How much unused doses with U.S. Like how much of the 100 million have you shipped? And how much unused are they already sitting on?

Navin Katyal - *Pfizer Inc. - U.S. Commercial and Global Business Lead for mRNA Portfolio*

We've shipped the vast majority. I think we have probably 10 million to 15 million doses remaining on that contract.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

So the unused is how much with the U.S. right now. My understanding was they've only used -- I was hearing a number 40 out of -- they've only use 30% to 40% of the total across Pfizer and Moderna something like that.

Navin Katyal - *Pfizer Inc. - U.S. Commercial and Global Business Lead for mRNA Portfolio*

Yes. I think that there's still, I think, ways to go to consume. But I think what we're seeing is U.S. is continuing to invest in making sure that they're driving uptake. So there's probably going to be, right, residual supply as we go into sort of the first quarter of the year. And then what we're expecting is a possibility that we'll have a strain change, at some point, supporting the fall campaign, which is going to approximate the flu model.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Got it. Angela, what about PAX?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

I think in a very similar way, the PAX is also something -- again, it has the interest of the U.S. government to turn commercial in 2023. And in the same way that we're working with them as well just to determine what is the timing of that. I think what the PAX utilization is really at -- I think it's driven by 3 things. One is infection rates. I think the second is just accessibility and the ability for people to be diagnosed and to be able to get it. And then thirdly is just sort of the distribution, like where is it available? And so the U.S. government is extremely, extremely focused on making

sure that all eligible people can get it. So I think that the continued drawdown of PAXLOVID will definitely continue through the winter and all the different versions, right, of the variance that we have.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

They have 10 million courses unused, correct, currently?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

I'm not clear exactly how many unused they have. I mean, we ship it to them and then they draw it down in the various ways across the states. So it's a bit of a difficult number to nail down accurately, right, because it very (inaudible). Yes.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

And Chris, how do you think about it from -- sorry, go ahead.

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

No, please.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

From guidance like would you guys guide ex-COVID -- like because it creates a lot of confusion. These are 2 completely separate businesses. There's an underlying business and then there's like a lot of mean we don't know when the next wave happens, whether a strain happens to Navin's point, there's a lot of assumptions that are going to that, but it's such a meaningful part of EPS now.

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

Yes. I think Dave has talked about several different potential approaches. But his goal is to give enough clarity to allow you to evaluate our performance and how we've done based on things that we can impact our management team can impact versus things are outside of our control.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

So do you guys intend on giving 2 business guidances?

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

We haven't specified yet.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay. Got it. Jessica, is there anything else you wanted to touch upon on this before we move on?

Jessica Hui - *Evercore ISI Institutional Equities, Research Division - Security Analyst*

I guess just on PAXLOVID, is there any update to like the 10-day course? Is that -- any update to that moving forward?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. I mean, basically, what we're doing is we're doing a trial to study those patients who do rebound. And if they do, whether they can initiate a new 5, right? So you did 5 and for those who rebound, what happens when you do another 5.

So it's not 10 continuous days. It's 5 days of each. So there is that trial. But then in addition to that, we are all looking at a 10-day course for those who are immunocompromised and at highest risk. So I think those data will play out.

Jessica Hui - *Evercore ISI Institutional Equities, Research Division - Security Analyst*

And just to follow up, are you guys considering to reprice PAXLOVID as well?

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Yes, I was going to ask that, too.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. Well, the -- when you move from an EUA and to a full approval, that is the moment when you would then look at what your co-pricing is. So those analyses are ongoing now, and we will take a look and review what that looks. I think for both COMIRNATY as well as for PAXLOVID. Though, I think the underlying theme and the context here is that these therapies provide benefit to society. And the way they will be priced is the usual way that we price. Like the way we price it for the pandemic was not usual.

Then you've heard Albert talk a lot about this, right? That was -- it was priced for the crisis, and that's -- we didn't use any sort of like value models, pharmacoeconomic models, cost effectiveness models like all the usual things that we would typically do to price it. But we get your NDA or your BLA and you are now supplying the commercial market, this is what we would typically do. And so we would then do what we normally do, which is go through the analytical efforts, whether that's in the HTA market, in the -- ex-U.S. or the usual cost-effectiveness analysis that we would do hearing us to determine what the range of pricing is. So it will follow a regular launch pricing approach.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Angela, do you want COVID business to be at least $20 billion no matter what happens?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

This is a franchise that we absolutely believe in. It does carry high unmet need. There is -- high infection rates will continue to emerge. So we want this to be a part of Pfizer's future, and we're working on it with that understanding and that belief that this is a sustainable part of our growth and of our business.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Got it. Okay. Makes sense. And just 1 last -- well, I guess it's too premature. I was going to ask how this $100 for COVID changes if flu comes in, it becomes $200, but maybe it's too premature right now. So -- let's keep moving. Let's talk about Prevnar. The market share has been so remarkable

versus Merck. How do you think that changes with the infant approvals coming in, knowing by the way that the Prevnar 20 data on the infants was a little weaker?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

I mean I think -- first and foremost, we think that Prevnar 20 is an incredible innovation. You've seen that demonstrated in the adult. And equally, we see that demonstrated in the infants. I mean, your ability to achieve 40-plus percent more IPD reduction when you compare the serotypes in 20 versus 15, all of those things have been demonstrated. So there's value there and there's benefit to our pediatric population.

I think it's also important to remember that we have some other indications as well that are not in other pneumococcal vaccines such as otitis media. And so these are other important elements of a vaccine for pediatric patients that -- or pediatric subjects that we can't ignore and there's value there as well. So I think our PCV20 is incredibly effective, and I think it's going to compete really, really well when we're able to launch it.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Got it. So it sounds like you expect dominant, dominant share sort of in the '90s, even perhaps in the infant indication as well.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Well, I mean, we have to be realistic that we are launching after Merck. And I think less important to focus on the exact number of market share, but more important to focus on the fact that this is our sweet spot. This is an area of legacy for Pfizer, our relationships with pediatricians, the trust that we've built over decades and decades in this business, the scientific expertise, the relationships that we have. But importantly, I think a vaccine that has additional serotype and additional coverage that is important to infants. And all of those things are going to give us the ability to compete to have a leadership position.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

This is very interesting. What you just said, coupled with what you said at the start of the conversation around sort of the long-term numbers, it looks like you guys continue to model the Prevnar 20 franchise doing extremely well into late 2020s. And the confusion for a lot of investors has been if 1 of the reasons for Prevnar20 success is the Broadridge then with the Vaxcyte and potential Affinivax, GSK, competition coming down the road, how do you guys think about the continued strength and/or perhaps even just the durability of it because there is a scenario where if broader spectrum wins, there are next-gen constructs that will be more competitive potentially.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Right. I think the answer to that is just this is, again, it is our legacy. It's where we've been. We have deep, deep, deep expert more than any in this area in pneumococcal disease. And so I think we're confident about our ability to continue to innovate in this area and to create great vaccines. So that's certainly what we're going to continue to do. And I think that the programs will play out in the future.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Angela, I guess the question would be -- we've seen a couple of examples like the Gardasil versus the competitor. We've seen examples like Shingrix versus competitor where the newer flare was able to displace the incumbent in the vaccine space given the strength of coverage or whatever the case. May be again data is very different on each of these situations, which makes me wonder, is it some sort of a winner-take-all type of situation or not really in your opinion when broader spectrum vaccines come out down the road?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. I mean you have to look. I don't think it's fair to just sit here and say that broader is the only reason to make it better. It's like what is a broader with? You have to look at the serotypes. You have to look at the efficacy and the effectiveness that was generated by the immunity that was generated, the immunogenicity that was generated at each of these serotypes. So you can add all of this up before you can make a claim statement that this is clinically better, equal or worse.

So I think like the clinical profile needs to play out before we can make these claims. And the clinical profile played out in Prevnar 20, right? It wasn't just 5. These were like 5 good ones. So I think we just have to all wait and see, recognizing it is competitive, but recognizing too that we know a lot about this and that we do believe we can be competitive.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Chris, can you remind us because there's a lot of questions on it after what Michael said sort of in a conversation in the past around, is Prevnar 20 the last stop in terms of how broad you guys will go?

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

No, absolutely not. As Angela alluded to that we innovated with Prevnar, the original 7 valent, and Prevnar 13 and Prevnar 20. And you can expect that we're going to continue to be innovating across essentially different approaches and products in the pneumococcal space. So again, very little of what we're doing is in the public domain right now and that may stay that way for a little while. But we're not standing by and just waiting for competition to come at all interesting.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

And Chris, just to be clear, you said different approaches, which means sort of the traditional CRM197 that you guys might attempt different adjuvants or different approaches, et cetera, as well or just not commenting on how you're going about the broader than 20 valent.

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

Yes, we can't comment on them.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay. Got it. Is there an IND or anything Chris, we should be thinking about at a certain timeframe just like a 2023 IND or we're not ready to discuss that yet?

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

Yes, not ready to discuss.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay. Chris, this is actually -- since we're on topic and this would have been a topic on your upcoming investor day as well. Could you just -- and this has been a question from a lot, could you remind us what's the agenda and the focus for the Investor Day and the types of topics that will be covered and the types of topics that won't be covered because there's a lot of on-demand topics that come up on your earnings call?

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

Yes. Well, Angela is actually the host. So I let her describe what we're doing on the 12.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay, great. There we go.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. So Umer, we really want to focus on our launches. And our near-term pipeline. It's the -- it's bar #1, 2 and 3 that you saw in the previous page, right? So the imminent launches in the next 18 months. some of the products that we just brought in through BD and why we see the growth that we see. And then we'll do a little bit at the end of the day about future, maybe like some a few earlier pipeline things. So I think it's the focus is going to be in the nearer term. And to give you confidence around when we talk about our growth profile to 2025, but also '25 and beyond why you should believe in.

So it's not just COVID, that maybe actually just add that. So we're not -- because if we talked about COVID, that could be the entire day. So we really, really want to give time to these important products and these launches that are going to fuel our growth. So we're purposely focusing on that.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Got it. Okay. One of the launches that's important for you, that's ongoing right now is obviously the Biohaven launch. And correct me if I'm wrong, I don't think there was a disclosure around the sales for NURTEC in the last quarter. Was -- Chris, am I missing anything?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

No. Because we were in the middle of the acquisition and the close. So.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

So the percentage that belong to Pfizer was little, so it didn't make the cut something like that?

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

No, it's actually a little bit more complicated than that. It gets kind of wanky. Normally when you think about an acquisition, you take over that company's books and records, so you can say what the revenues were technically for a host of reasons, the books and records stayed with new Biohaven, which is essentially their neurological programs.

So we don't have the right to say what those revenues were. We can talk about what the growth metrics were like for those products in terms of descriptions and things like that. We can't give you a revenue number.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Angela, there's a lot of confusion on the Biohaven program around the gross to net, given how much bridge program and those types of things that were out there, meaning great on TRx, but how is it on actual sales. Can you speak to that dynamic? Because I feel like Pfizer is going to get evaluated on gross to net improve. How much in actual sales do you produce out of the TRx that we're doing. Can you speak to some of that.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Well, I mean, I think the gross-to-net impact is something that is not all that atypical when you see an early launch, right, because you're trying to -- you bring gaining access on to formularies and payers and getting reimbursement, right, coverage and reimbursement. So I think some of the gross-to-net impact that you're seeing is consistent with what you should be seeing in an early launch and with products that are in the stage of their life cycle.

So that's one. I think the second thing that is -- that also is playing out in this gross to net is the mix because we have 2 packs in NURTEC. There's the 1x a pack, there's a 2x a pack. And those packs are -- and then the mix of those packs can also create some different considerations and make the calculation sort of like not so clean to understand.

And so that's why gross to net or not, we -- that's something that's going to have to settle in, right, just because of the timing that we're in. But what's most important is about the volume, like we've got to be driving growth and we've got to be driving utilization. And on that front, I want to say that we've been really pleased with what we've seen so far.

I think we just finished the integration, and we've now -- no drug is here. But what we've seen from a growth perspective is really strong, right, like 74% TRx growth in Q3 year-to-date, 99% growth, more than 50% NB new-to-brand prescriptions, so these are really strong metrics and strong indicators of demand and demand, as you know, will really improve the gross to net as well, right? And the more we pull through, the better off you are.

So I think those are the kinds of things that we're more focused on right now because the gross to net is just -- I don't think -- it's not really in a stable place, not at this early stage of the brand.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay. Makes sense. That makes a lot of sense. Maybe also I feel like another launch that could be relevant here is the Arena launch. Is there any lessons, Angela, from what Bristol is going through?

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

(inaudible) was supposed here, Umer? I'm sorry, okay?

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Yes. Yes. On (inaudible), exactly.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

So we have our Head of Specialty here, Kevin. So Kevin, would you like to take that?

Kevin Sullivan - *Pfizer Inc. - Global Specialty Care & U.S. President*

Sure. Be happy to. So thanks, Umer, for the question. Well, maybe I should start by saying, we, of course, have our own experience in research, given our knowledge in the GI space to learn from and to leverage. So I can't comment specifically to the other company's product, but based on what we know, we know this area very well. We know any new treatment coming in. We must understand the ingrained behaviors and routines that could impact uptake.

And -- for us, what we're looking for, it actually connects to the fact that UC is a very complex disease to treat. There are multiple treatment options that exist and there clearly still a need that isn't being solved by today's therapies. If you look at the amount of patients, over 50% living with the disease don't achieve or maintain remission given heterogeneity of the condition.

So patients need more options. So there's significant unmet need. On top of that, there's a significant growth forecasted for this space, up to 50% over the next 5 years in inflammatory bowel disease as a whole. So having more advanced treatments on the horizon is a good thing. Now take that backdrop and why we're so excited about etrasimod is because it really has the potential to deliver on that breakthrough promise. The Phase III results have exceeded our expectations.

We've had a treat-through trial designed that showed continuous improvement at 12 and 52 weeks. The safety profile supports the potential for no boxed warning. It's also an oral once-daily oral, so it carries that convenience. So bottom line, we feel really -- patients are looking for that kind of a profile, physicians are seeking an effective proven oral therapy with a favorable profile that could be an attractive first-line therapy. So we feel really excited. We've got a great option on our hands.

And when you look at that big picture of that treatment landscape, and we believe what etrasimod has, it stacks up very favorably. And when you put it all together, we think we have a blockbuster potential here.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

But Kevin, just a glide follow-up. -- doesn't most of that -- doesn't everything you just said apply to ZEPOSIA too?

Kevin Sullivan - *Pfizer Inc. - Global Specialty Care & U.S. President*

Well, I mean, I would say that from the UC side, the oral side, yes, there is, I would say, given the heterogeneity of the condition, and given what patients are looking for and knowing that people can cycle on and off. I would say that from our Phase III one difference in having a treat-through trial. So what a treat-through trial design is patients enter the study, they're randomized with etrasimod or placebo.

And after a 12-week induction period, primary and secondary endpoints are assessed and then patients regardless of the response, continue on their treatment. And this is in contrast to, let's say, a re-randomized trial design where after the induction period only clinical responders are then re-randomized from a maintenance study. So we went through a treat-through trial design. And based on that we saw continuous improvement, which made us feel really comfortable with how we designed the program.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Kevin, an important attribute shared by Arena used to be something very simple, which was ZEPOSIA was priced for MS over $90,000, whereas the biggest drug in the space you are launching into ENTYVIO, which is a $50,000 drug, is it reasonable to assume you guys are looking at ENTYVIO, not ENTYVIO $50,000 like price point, not a $90,000 price point here? Because that could be a very important commercial driver.

Kevin Sullivan - *Pfizer Inc. - Global Specialty Care & U.S. President*

So I mean you're right on your point that ZEPOSIA was originally launched for MS. So it was priced higher than other available UC medications. And I believe that managed accordingly. I would say, when we look at our treatment. We're obviously looking like we look at with everything. We look for -- what is the benefit profile that it gives to the patient, to the healthcare community. I won't comment on specifically the pricing.

We're still assessing that. But your comparison on ZEPOSIA and its original pricing within us is....

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

But this is not lost on you guys, this whole consideration.

Kevin Sullivan - *Pfizer Inc. - Global Specialty Care & U.S. President*

Right.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Okay. Excellent. Last one before I just move on to a couple of investor questions. Angela, some of these launches are so important from an investor sentiment perspective because people are gauging, okay, you paid x for Biohaven. Let's make sure this is actually accomplishing some of the numbers that Pfizer laid out. And same expectations on Arena as well, so I'm curious, how are you and your organization -- like is there certain benchmarks or expectations in place from an internal perspective even from an incentive perspective on achieving certain numbers on some of these high-profile ones, especially like a Biohaven and Arena?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. Well, whenever we -- I mean, whenever we make these acquisitions, we set internal goals, right? For what it is that we hope to achieve. And so I think we're all very clear about what those goals are on each of the teams, the brand teams are -- they know what the goals are and what we've set in our budgets and what we hope to achieve. And it's not just the 1 year, like we have our LRF, the 10-year plan mapped out for (inaudible).

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Angela, did that -- because I asked because Pfizer is in a particularly acquisitive mode right now. And this is one of the things Gilead walked into where there was a lot of deals and then some of the deals underwhelmed and Chris might remember a conversation we hosted with investors. There's a loud and clear feedback from all shareholders that we just don't -- we just want to avoid that type of set up. So my question to you is, there have been disappointments on things like Anacor and Array in the past. And I wonder sort of what are the takeaways from that on how some of the expectations, et cetera, are set up even from an internal perspective on execution on these launches?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. Well, I mean, I think for all launches, you have to ensure that, number one, you have the clinical profile that is differentiated and that you have a commercial engine that can support that differentiation and be able to execute in the market, right? So the full fledge machine adviser needs to be brought to bear for each and every single one of these launches. And I think that that's exactly what we're doing. I mean, you're always learning lessons, right?

It's not even just what you acquired is every single day. Our operations are opportunities for insights and learning. And so I think having an organization that is acutely focused on these launches, which is what we are now having a leadership team that is entirely focused on making sure

that we're tracking each and every single one of these, adjusting along the way, what we need and importantly, I think a particular, I think, advantage at Pfizer is the scale that we have I mean, the scale of this organization to support the diversity and the portfolio of products that we have is something that we can really leverage.

So I think on a number of levels, strategically, executionally from a science perspective, from a marketing perspective, all of these are going to be brought to bear. And I think we need to get close to our customer and really understand what our customers and our patients need and how we can compete well.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Makes sense. So Angela, this is for you...

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

Maybe if I can add briefly, Umer. I fully take what you're saying about Anacor not having been our best acquisition, totally fair. But I would say for something like Array, I think it's I think that's a little bit unfair. We talked about 1 to 2 new INDs entering the clinic every year. And since the time that we've acquired them, we've been right on track with that, so from our perspective, it's delivering exactly what we expected them to. It's a great team.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Got it. We have just about a minute or so left, but this was #1 question all day, and I'm not talking from SMID investors. I'll tell you, Chris, is many of these investors even came from some of your former peers. So the TL1A, this was an asset that was flagged on Pfizer slides. This was also an asset that you guys spoke very highly of and sort of right around and the data was due that we're seeing a divestiture, and it's making a lot of people basically ask the question.

First of all, what changed and what were they not saying at the time versus what was actually happening. So there were almost questions being raised about what Pfizer was saying and versus what was happening et cetera. So if you could clarify what happened. And now the new disclosure that turns out there was a backup TL1A moving along, meaning was there an issue with the first one in the first place?

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Yes. So I'll make some general comments and I also ask Kevin to fill in the blanks since it's a product that is under his portfolio. If you think about what we have achieved at Pfizer and the size of our R&D engine, right? So just think 5 years ago, we were looking at maybe an R&D budget of around $6 billion. 2022 this year, we have an R&D budget of $11 billion.

Think about the pipeline, the 25 by '25 that we've talked about, 19 launches in 2023 alone. It's just there is a lot sitting in our pipeline. And so it necessarily creates it creates a, I guess, a situation for us, which is a happy situation, which is that we just have more than we can prosecute on our own. And so it's incumbent upon us every single day to be taking a look at what is in our pipeline and how we maximize it.

And maximizing it and making sure that we get the best out of this asset does not mean that we have to do this alone all the time. right? And so this is exactly what happened with TL1A, and I can unequivocally say that we are super excited about this program and about our partnership with Roivant. In this situation, this was one of the programs. So we said, you know what, this is a great partner. We already have an established relationship with them. We have a number of deals. We know their skill.

We know what it is that they bring to the table. And in this instance, it was a partnership that we felt could bring the best skills and the best knowledge and the best capabilities to make the most out of TL1A. And we -- so all to say that this -- the deal, there's nothing behind the deal other than it was a good thing, and it was a partnership that we believe could bring the best of both companies to maximize this asset.

And so Kevin, I don't know if you want to add more to that?

Kevin Sullivan - *Pfizer Inc. - Global Specialty Care & U.S. President*

Sure. Happy to. And just building on what you said, Angela. So the creation and the collaboration also allows the Pfizer team, the I&I team to focus on the successful launches of etrasimod, as you mentioned that we were talking about and the advancement of ritlecitinib, the INF beta, among others, and really helps us deliver on our breakthrough promise to patients.

At the same time, Roivant's capable management can continue to advance the TL1A molecule. So we built into the collaboration, value-sharing opportunities. So we have equal share and skin in the game. Pfizer owns 25% equity, maintains commercial rights outside the U.S. of the U.S. and Japan and is on the board.

But we remain committed to the needs of the patients in I&I and continue to pursue the breakthroughs. But bottom line, as Angela said, it's a great development. It complements our existing investments already in IBD, which you know is an area of unmet need, as we talked about a second ago. And as Angela said, we're excited -- still excited about the TL1A program and excited about the data that we've shared in the past. So if it's successful in future development, it's ultimately going to enable us to even bring more innovative breakthroughs to the patients.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Got it. Okay. Excellent. I won't -- I can ask -- I can go on this, but I want to be respectful of everyone's time. Thank you so much for making time. Angela, this is great. Thank you again, as always, and I will -- looking forward to being in touch with you guys.

Kevin Sullivan - *Pfizer Inc. - Global Specialty Care & U.S. President*

Thank you.

Angela Hwang - *Pfizer Inc. - Chief Commercial Officer & President of Global Biopharmaceuticals Business*

Thanks, Umer. Thanks, everyone.

Christopher J. Stevo - *Pfizer Inc. - Senior VP & Chief IR Officer*

See you on 12/12. Thank you.

Umer Raffat - *Evercore ISI Institutional Equities, Research Division - Senior MD & Senior Analyst of Equity Research*

Sounds great. Thank you, guys.