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OVERVIEW:

Company Summary

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CONFERENCE CALL PARTICIPANTS

Terence C. Flynn *Morgan Stanley, Research Division - Equity Analyst*

PRESENTATION

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. Well, thanks for joining us, everybody. I'm Terence Flynn, the U.S. biopharma analyst here at Morgan Stanley, and we're very pleased to be hosting Pfizer today. For important disclosures, please see the Morgan Stanley research disclosure website at www.morganstanley.com/researchdisclosures. Today from the company, we have Angela Hwang, who is CCO and President of the Biopharma segment at Pfizer; and Suneet Varma, who is Global Oncology and U.S. President, also within the Biopharma Group.

Thanks so much both for joining us today. Really appreciate the time.

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Thank you.

QUESTIONS AND ANSWERS

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

I thought maybe to start off, a question we get a lot from investors is just the 6% revenue growth guidance that you guys have put out there. And so maybe, Angela, you could just talk about kind of the key drivers that you see as you think about achieving that guidance?

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

Sure. Well, thanks for having us, Terence, and hello to everyone. The 6% guidance is the way I would think about it, Terence, is think about it in these 3 buckets. It's growth that is coming off of 3 contributors: one, the product that we're bringing in through business development; two, the products that we are launching, where we've talked a lot about the 19 launches that Pfizer has over the next 18 months; and then the third comes from our in-line portfolio, the portfolio that we have today. And so certainly, when I think about just 2023 and 6% -- the 6% to 8% guidance that we've given for growth this year, that's where the growth is going to come from.

Now in terms of breakdown of that growth, about 40% from the products that we acquired through BD, about 40% of the growth will also come from the launch products and about 20% from the in-line. So you see the importance of the BD products as well as the launches in terms of contributing towards our growth. You also know that many of these launches happen in the second half of 2023, right? So in our earnings calls, we've talked a lot about how the -- in the second half of the year is when you should anticipate to see our growth pick up. And so that's consistent with how our budgets are running today and how we are seeing things. So that's for 2023.

That same sort of logic applies between now and 2025 as well. If you're looking at our growth over a longer period of time in the midterm between now and '25, right, we've also talked about that. It's a multiyear -- it's a growth rate for multi years. I would think about the growth in exactly the same way, what -- how much growth is coming from BD, how much from launch products, how much from in-line. In the -- between now and 2025,

you're going to see the same impact of many of these products. The big in-line products that you know and that you know well today, the Eliquis and the VYNDAQEL. Those products continue to contribute significantly as we move on between now and 2025. And same with business development as well as for in-line except between now and '25, we also launch additional products.

So you see the growth can pick up there as well. And so -- and then we've also talked about from '25 to '30, the same 6%. So I would say that if you look at the BD that we've done, the launches that are taking place, the launches that we're anticipating, these are all -- they're all the same contributors. But through time, you have different ways of each of these bringing growth to Pfizer.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

And maybe just one follow-up there. The 40-40-20 I know those are for '23, that holds for the out years as well? Because I thought you guys saw about 1/3, 1/3, 1/3? Or is it still -- is that just for '23? Or what the seasonality...?

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

This is just for '23, just for '23.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. So as you think about the mix of growth from those different buckets, is it still 1/3, 1/3, 1/3 run rate?

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

I mean, with everything, right, you have to look at what else we acquire. We have big Seagen, hopefully, coming up soon. So that's going to shift the percentage. So I think you have to look at when did we say that, what changed since the day we said that and then what does that look like. I mean, clearly, what has changed is there's a greater right now in this moment of '23 and where we are, the BD products and the growth -- the launch products are -- I mean, driving a larger percentage of that growth.

So I think you'll have to look at what else we buy, what do the launches look like, what else we launch, all of those will sort of change percentages, but they're pretty even percentages. And I would just -- I would say that definitely keep thinking about it in those 3 buckets.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Okay. Great. I think the other big picture topic is the IRA, just given the list, the initial 10-drug list was posted about a week ago now. Pfizer had 2 drugs on their IBRANCE and Eliquis. So maybe just any insight in terms of kind of how we expect this negotiation process to unfold here over the next 1.5 years or so?

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

Yes, sure. Well, we all know that in September of 2024 is when the actual negotiations will complete. So we have about a year, as you say, to go through the negotiation. As you correctly said, in fact, only one of our current products, which is Eliquis, is in the IRA price negotiation for this season. And that is -- and because this Eliquis is also being driven by BMS. So they will certainly be the leaders in driving that negotiation specifically. But I think that there's a lot to learn, honestly, in terms of what is that negotiation is going to look like, what are the inputs and the parameters that the CMS is going to be using to determine some of these prices. And as all of us know, this is the first time that it's being done. It is not entirely clear yet, right, what all the inputs are going to be.

So I think that this is a conversation that we're going to have to have over the course of the next several months as we go through the negotiation, then actually really learn about what data are they asking for, how are they thinking about what are comparable therapeutic alternatives as an example that we know will weigh heavily into how they think about pricing. But it's just a slew of things that we don't know and having had the experience yet. So it's a complex, and I would say, still a relatively opaque process, and it will take maybe one round of us going through it to really learn what does it actually mean, what are the inputs, what data are they looking for and how do they finally calculate the price.

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Terence, can I add more point?

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Sure. Yes.

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Just to be clear, as Angela clarified, there are no oncology products on the Pfizer list in the first round of IRA. And so we don't see any material impacts in this, let's say, decade between now and 2030, either on the Pfizer Oncology side or on the Seagen Oncology side as we've modeled it.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. What will we learn in terms of the actual discount, is that going to be something where, on September 1, there's like a press release out from CMS? Or do you think we're only -- we're going to have to wait until we see like a company's results and we'll see the discount show up there? Do you think they will be disposed?

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

So I think they said that they're going to publish it. They're going to publish it September 1, 2024, to be implemented January 1, 2026. So again, that's sort of what we're hearing. So we'll have to wait and see.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Got it. Understood. The other segment I want to move to before we move to oncology is vaccines. Obviously, Pfizer has a broad portfolio here. You've been a leader in pneumococcal vaccines, RSV launch coming up, obviously COVID. So maybe just as we think about -- we'll start with RSV here, just as you think about the launch prep, competitive positioning, what are you doing as an organization? And then the second part of the question is what's going to be required to move away from the shared decision-making to a more routine recommendation for RSV?

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

Yes, yes. I mean, look, certainly, RSV is an incredibly exciting area for us, and we're just so proud of the fact that not only do we have a vaccine for older adults, but we also have the indication for maternal. And that's really a unique attribute of the Pfizer RSV vaccine. And so I think that, that is clearly a competitive advantage for us and something that we're going to leverage over the course of the next several months. First, to launch the older results, but maternal is coming straight behind that, and we're going to learn a lot from this market.

I think we have a very attractive clinical profile. As you saw, our efficacy is excellent, but equally, as excellent is our tolerability. And in a world where it takes older adults as an example, right, in this respiratory, in this fall season where we know that for adequate protection of older adults, they're

going to need multiple vaccines. You want a vaccine that has excellent tolerability, because up to now, people are doing co-administration of vaccines together, getting 2 or 3 at once. So I would not underestimate the importance of an excellent tolerability profile when it comes to choosing your vaccine.

But right now, we're in the moment of obviously stocking, right? So you're getting wholesalers now, we stock all the wholesalers. The wholesalers are in the throes of stocking their pharmacies. And so that is what has been going on throughout the month of August until now. And I think that you'll slowly start to see the demand pick up. Obviously, between the 2 companies, we have different stocking times, different ordering times. So it's very difficult until we kind of get to a -- for the next few months to get to a steady state. But obviously, we're going to leverage the incredible footprint that has been created for our respiratory vaccines through our work in Prevnar, through our work in COVID. I mean all of this is completely synergistic with RSV. So you get the same machinery applied to RSV.

But also, I think it's also unique for Pfizer, the only company to have all 3 respiratory vaccines from 1 company. So the relationships that we have, the contracting that we're doing all of this as sort of like leverage one and other. So I think that we're coming into a very exciting fall season for the Pfizer respiratory vaccine portfolio. And certainly, I think the advantages of this portfolio will be played out across all 3, not just for RSV.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. What on the shared decision making, any color in terms of what's going to be required to move away from that to a recommendation?

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

Sure. I mean I think the CDC was very clear that they want to see more data into sort of 2 levels. One was just increasing our confidence on building a robust safety database. And secondly, to really understand the performance of RSV in diverse populations, right? And so on both of those fronts, our trials are continuing. Our Phase 3 trial that we began that is going to continue, and we're going to be able to follow that to better understand -- just get additional efficacy points and additional safety points.

We also have studies in immunocompromised that will help us to understand the utilization and the efficacy of -- about RSV vaccine in a younger population. As you know, today, it's 60 plus, but we're going to be studying at 18 to 59. And we're going to be continuing to look at subpopulations through the long-term safety studies that were -- the post-marketing commitment studies that we conduct. We'll be able to analyze that and really look at different populations and really understand sort of this diverse population, how are they receiving it, what does it mean to them? And so I think it's this composite and this full package of data that we will be able to bring to the CDC in a year or so is what we're anticipating that will enable us to have another conversation.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. So you'll have that data in a year from now and then they would make a recommendation subsequent to that?

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

Yes.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Okay. Got it. Great. And then maybe, again, before we move to Oncology, just on COVID. Obviously, we've seen the kind of uptick in cases here. I know XBB.1.5 is the current kind of go-forward strain composition right now. So maybe just talk to us about kind of the work you're doing right now to prepare for the next rollout? And then what -- how are we going to be able to track this launch? Is there going to be CDC data available?

Is it IQVIA data? We're used to having a lot of visibility, I guess, in the launch historically, but how should we think about tracking this launch? So a two-part question there.

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

Yes, yes. Well, first of all, we are very much looking forward to receiving the approval for our booster this fall, and it's anticipated very, very shortly. And then we'll have ACIP, the usual will happen, right? You get the approval, then you have the ACIP recommendation. That will then set the parameters for who gets vaccinated this fall. And it's really happening very, very shortly.

I think second to that, it's looking at the vaccinations and how we're going sort of our go-to-market to really drive vaccination rates. As you just heard me saying, this is something that we've been doing for the last several years now, right? We started off with Prevnar adult vaccinations and really built our capabilities with COVID. And I think the machinery is working very well, and that will be what will drive the vaccination rates in the uptake, both from an education perspective but also access in various locations to be able to administer the vaccine. So we're definitely leveraging that machinery to do that.

And I think we've learned a lot about how to educate people where -- which populations need more attention. So we'll be, for sure, identifying what are the different targets and making sure that we have an education plan that gets out to everyone. So I think it will be an exciting fall season.

But your first point was also about the XBB and our particular vaccine. And what we were able to do is to actually confirm. And through in vitro studies that not only -- excuse me, through our mouse studies, that not only does the vaccine of the season work against XBB, but also other variants thereof. So the new EB variant that also emerge, it's efficacious against that. So I think that what we have is a monovalent vaccine this season that I think will serve the needs of the population very well.

Then you had a second part...

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Sure. It was just about the -- how to think about -- how we're going to track this? Again, we're used to having a lot of visibility in metrics, but how easy is it going to be to track the launch?

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

Yes, you're right. I mean, typically, we've relied heavily on CDC data over the pandemic, which -- but at the end of the pandemic, they declared that they will no longer be tracking it. So we'll just track it the way we normally track Prevnar and all of our other vaccines, right? It will be a combination of IQVIA, but also our own databases and our own analytics. So we'll continue to get a good sense of what the infection rates look like and also vaccination rate, yes.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And are you also having a build at the wholesale you talked about a stocking build for RSV. Are you -- is there going to be a similar build for COVID?

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

Yes. That's usually what happens, right? Like your wholesalers will place their orders and then from there, they will redistribute to all the different points. So it's that -- it just turns into a process like any other launch.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Right. Okay. And how are you thinking about back half of the year? I think there's still some debate about the guidance for second half in terms of how it plays out, because there are so many moving pieces on the COVID franchise. So as you think about that, I mean, how confident are you in hitting those -- the guidance that you outlined?

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

Do you mean the vaccine or...

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

The COVID franchise broadly for back half of the year, both PAXLOVID and vaccine.

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

So vaccine as well as PAXLOVID. Well, I mean, I think that, again, what we've been saying all along is we'll provide you guidance as soon as we know what it is. We're now in this moment of getting the approval. So I think we have to watch it for a little bit. Certainly, you can look forward to our next earnings call when we can see whether it will be the right time to provide you with guidance. But on the COMIRNATY side, that moves to a normal sort of commercial launch of the vaccine. So very much that's going to be dependent on uptake and vaccination rates, right? That will drive what that looks like for the rest of the year.

For PAXLOVID, we've talked a lot about how we really need to have the agreement from the U.S. government as to when they plan to exit the market and when they want us to enter. And we're still in the middle of that discussion with them. So I don't have more to provide you on that front. That's just guidance we'll have to receive from them.

But I will say is that COVID infection rates have really picked up. And I -- you can tell and you can really follow COVID infection rates by just looking at PAXLOVID doses and how much is prescribed every single week. And we went from a high of in January of like over 300,000 doses a week of PAXLOVID 350, 370, then it went all the way down to 50,000 several months ago, and now we're back to 200,000.

And so what the U.S. government has purchased, that inventory is definitely being used and being used well particularly now in a relatively high COVID-infection time.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Maybe Suneet, over to you on oncology. I know one of the key launches here is your BCMA bispecific. And again, I can never pronounce the new name, so apologies. But I know you recently received FDA approval. There are 2 other bispecifics that have reached the market now. So maybe talk to us about differentiation and go-to-market strategy for your BCMA bispecific?

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Yes, absolutely. And, well, you could keep asking Angela more questions, I'm fine with that. I'm very relaxed up here. But the brand name is ELREXFIO and the molecule name was elranatamab. So you might hear it referred to both those ways. But you're right, super exciting. We got that approved in mid-August. And now we've moved out into the marketplace with launch and stocking and REMS. So the initial signs are showing is going very well here.

And in Europe, I should say, it's also going well. We have the accelerated access program in France, which even has more patients started than we have in the U.S. because it got going earlier. And we got the Swiss approval last week, which is one of the countries that allows us for it to have accelerated approvals in more markets faster, essentially. So we're really happy about that.

I think when it comes to your question, Terence, about the differentiation, I really look at it in 3 domains, which is the efficacy domain, the safety or tolerability domain and the third is the convenience domain. And I think what we see first in the efficacy space is deep and durable response, and we're really happy about that. The overall response rate we're seeing is about more than 60%. And the -- let's say, complete response rate is in the mid-30s. So we feel really good about those, and those are good numbers. Keep in mind that not only 10 years ago, but not even 5 years ago there weren't any treatments for patients in this space. So this has really been sort of a renaissance with the BCMA-targeted activities.

But more importantly, when you think about progression-free survival and overall survival, at our 15-month readout, we had not achieved maturity. That means we have not reached our median PFS or OS, which means we're still going. And that's essentially the longest that we're seeing in this space with bispecifics or BCMA or even non-BCMA. So we're very excited to see what the next time point readout will be. And hopefully, we'll see some new data before the end of this year. So pretty excited about that efficacy data.

On the safety and tolerability side, of course, we feel good about where we are in terms of the manageable profile, the CRS, the grade of the CRS being lower and manageable. I would go one step further and say we're also happy about the hospitalization that we see at the initiation 3 doses, a few days apart each. Other products require 48 hours, 48 hours and 48 hours each -- for each dose. We are 48, 24 and 0. So literally half the hospitalization time at initiation of other bispecifics. So really good about that. And that makes it very, let's say, broadly accessible even in community spaces and other places where hospitalization could be a hurdle to initiation.

And then the third domain, which is the convenience and the dosing, flat dosing, no weight based, off the shelf and really happy about that. And then after 6 months, every other week dosing. And that every other week dosing allows for a longer duration of use, management of infections with good efficacy, robust efficacy we're seeing. In fact, 80% of the patients maintained their response through or past that 6-month point.

And I will say that the hurdle for switching to every other week is not as high. For us, if you have a partial response for 2 months, you're eligible to switch to the every other week dosing. You don't require a complete response. We don't require 6 months of response. So it's really built into our study design, and it's going -- it's gone into our label as well. So really happy about those points of differentiation across those 3 domains.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Great. Maybe just in the interest of time here, I'll switch over to one on Seattle Genetics. I've been getting a lot of questions on the EV-302 trial and how that compares to kind of the Phase 2 trial? And so as you think about confidence in the readout of EV-302, maybe just you could provide your perspective on it?

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Yes, absolutely, super exciting. And one of the products in the portfolio, where this is PADCEV in combination with pembro and it's in the bladder cancer space for folks that are following it. We got the -- in spring of this year, we got the first-line metastatic urothelial cancer approval. So that was a big move. As we know, in oncology, we move up in earlier lines of use and being first line is a great outcome for that. However, that was limited to cisplatin ineligible patients.

And so in EV-302, which is the -- which has a study design modification, we are including ineligible and eligible patients. So basically, our belief is that this would broaden the application of the product to all patients regardless of cisplatin eligibility status and essentially gobble the applicable patient population. So that's really, let's say, good news.

We've also -- Seagen, we -- we're 2 separate companies so to be clear. But through the course of integration planning, I've learned quite a bit about Seagen and how they're operating. What I would say is that they've also augmented their sample size for frontline maintenance with avelumab

with additional patients. And essentially, that means that when this reads out, if successful, it would also be applicable to more or all frontline maintenance patients. So if you can think about this, you say, great news on the first-line metastatic, but now applicable to all patients front-line maintenance regardless of eligibility status, and that is a dramatic uptick in the value and the impact of that medicine.

I'll just make one more comment, which is when we modeled the deal, we look at all the knowns and the available public information, and we say what's going to happen. However, we don't know everything that's going to happen. So we also put in risk adjustment factors for unknown events in clinical programs and other pipeline assets. And of course, this would be in that pool of unknowns. But what I can say is that we've appropriately accounted for those variables. Some will be a drop ahead, some will be a drop off. But net-net, our model holds, and we feel good about where we're going.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

So that comment is meant to say if 302 doesn't pan out, you still feel good about the return on Seagen?

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

We do.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Understood. The other one that I want to touch on quickly is just the lung cancer space. Obviously, a lot of developments here. You -- or Seattle Genetics announced moving B6A into Phase 3 for lung cancer. Maybe just how do you see that market evolving because we have TIGIT on one hand, we have TROP2, now you've got B6A. So where does that fit in the paradigm?

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Yes, absolutely. Let me just say this, lung cancer is still the biggest cancer out there. And worldwide the most patients and the most -- lot of R&D activity, lot of R&D directed targets in this space. And by the way, Pfizer Oncology is no different. We had XALKORI for ALK-positive and now we have LORBRENA, which is also an exciting product. What I would say is it's not a surprise, and it's only a validation of the companies, including Seagen would be pursuing areas in lung cancer. And actually, there's a lot of, let's say, expansionary work in this space.

What we like about B6A in their pipeline is that essentially this is, I want to say, agnostic to the patient type and therefore, be broadly applicable to many different patients type, not limited to ALK positive, but in fact, you can look at all the variants of patients and all the precision medicine applications or approaches that are being taken. And B6A could work theoretically with any of those other treatments on any of those types of patients.

So we see B6A as being, frankly, of not only a blockbuster potential in terms of the new combined oncology business should this eventuate, but rather a medicine that would be available to treat many types of patients across the lung cancer spectrum. So as we watch that evolution and we see the different modalities emerging, we see that B6A could have a role in many of those approaches.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. so should we expect more Phase 3 trials like a broader program here? I know the first one is a second-line trial, but I assume you're going to...

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Yes, I think for that one, we're going to have to talk to Seagen until the deal closes. And after it closes, we'll be happy to share with you what our future plans are for that. But I will say that we're excited about the pipeline there and elsewhere in Seagen.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Great. Well, I think we're up against time. But thank you so much. I appreciate the time.

Suneet Varma - *Pfizer Inc. - Global & U.S. President of Oncology*

Thank you, Terence.

Terence C. Flynn - *Morgan Stanley, Research Division - Equity Analyst*

Thank you.

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

Thank you.
