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OVERVIEW:

Company Summary

LSEG DATA & ANALYTICS

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PRESENTATION

Operator

Good day, everyone, and welcome to Pfizer's fourth-quarter 2025 earnings conference call. Today's call is being recorded. At this time, I would like to turn the call over to Francesca DeMartino, Chief Investor Relations Officer and Senior Vice President. Please go ahead, ma'am.

Francesca DeMartino - *Pfizer Inc - Chief Investor Relations Officer, Senior Vice President*

Good morning, and welcome to Pfizer's earnings call. I'm Francesca DeMartino, Chief Investor Relations Officer. On behalf of the Pfizer team, thank you for joining us. This call is being made available via audio webcast at pfizer.com. Earlier this morning, we released our results for the fourth quarter and full year 2025 via a press release that is available on our website at pfizer.com.

I'm joined today by Dr. Albert Bourla, our Chairman and CEO; and Dr. Chris Boshoff, our Scientific Officer -- Chief Scientific Officer; and Dave Denton, our CFO. Albert, Chris and Dave have some prepared remarks, and we will then open the call for questions.

Members of our leadership team will be available for the Q&A session. Before we get started, I want to remind you that we will be making forward-looking statements and discussing certain non-GAAP financial measures. I encourage you to read the disclaimers in our slide presentation, the press release we issued this morning and the disclosures in our SEC filings, which are all available on the IR website on pfizer.com. Forward-looking statements on the call are subject to substantial risks and uncertainties speak only as of the call's original date and we undertake no obligation to update or revise any of the statements.

With that, I will turn the call over to Albert.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Francesca. So 2025 was a very good year for Pfizer. I'm very pleased with strong execution to deliver and, frankly, over deliver on our financial commitments. We exceeded expectations for revenues and Adjusted diluted EPS while also returning $9.8 billion to shareholders via our quarterly dividend. We grew overall operational revenue for full year 2025 when excluding COVID-19 products, achieved solid double-digit growth in recently launched and acquired products and expanded Adjusted gross margins.

Strategic actions in 2025 helped us resolve significant uncertainty, including achieving greater clarity on pricing and tariffs and demonstrating the underlying resilience of our business to deliver EPS despite the lowest ever COVID-19 season. We achieved 4 key approvals, 8 critical readouts and initiated 11 pivotal studies. And our Metsera, YaoPharma and 3SBio deals help strengthen our robust pipeline.

Overall, 2025 reinforced how well Pfizer can execute. We strengthened a foundation, positioning us for growth towards the end of the decade, continued impact for patient and long-term shareholder value. We have once again defined strategic priorities for the year ahead, which we presented at JPMorgan.

2026 is an important year in a pivotal investment period as we strive for industry-leading growth after several key products lose patent for regulatory exclusivity in the next few years. Seagen, Metsera and Biohaven are the most significant strategic acquisitions in recent years. They have transformative potential for Pfizer, and we are focused on maximizing the value of in-line product portfolios and accelerating pipeline development.

We made continued progress last year, integrating legacy Seagen products into our commercial portfolio. I'm also pleased with notable advances in our development programs, including a recent FDA approval for PADCEV in combination with pembro for patients with muscle-invasive bladder cancer who are ineligible for cisplatin-containing chemotherapy. We are encouraged by the opportunity to build on this with an expected regulatory decision for patients with cisplatin-eligible MIBC.

If successful we will substantially expand the US addressable population with up to approximately 22,500 additional patients across both cis-eligible and cis-ineligible muscle invasive bladder cancer, up from about 19,000 patients in metastatic urothelial cancer. We have a clear strategy aiming for Pfizer leadership in the next generation of therapies for chronic weight management with a highly differentiated Metsera pipeline portfolio, our YaoPharma exclusive global collaboration and licensing agreement and other Pfizer programs such as our oral GIPR antagonist candidate.

Since closing our Biohaven acquisition a few years ago, we have globally scaled a leading migraine portfolio. It strengthened our product mix to drive significant impact both for patients and our commercial performance. Nurtec has a strong market leadership position in the oral CGRP class in 2025. In Q4, we captured 83% of new CGRP writer volume and remain the leader in new patient starts.

I expect 2026 to be also a very rich year for key catalysts and we intend to deliver on our critical R&D milestones. This year, we anticipate progress with approximately 20 recently initiated and planned key pivotal studies, with 10 of them in the Metsera portfolio; and 4, with our anti-PD-1xVEGF bispecific. Among 8 expected key readouts, we anticipate, 1, for SV, our novel potential first in-class integrin beta 6-targeting

vedotin ADC. The readout will be in second line plus non-squamous metastatic non-small cell lung cancer, which affects about 50,000 patients in the US and more than 200,000 patients globally.

We are also expecting key Phase 3 readouts for ELREXFIO in double class exposed relapsed-refractory multiple myeloma and for our Lyme disease vaccine candidate. The foundation of our strategy in obesity and adjacent condition is targeting breakthrough medicines in what could be a $150 billion market.

Earlier today, we announced encouraging results from our VESPER-3 study, which previously was known as Metsera-097i, the ultra-long acting investigational next-generation injectable GLP-1 receptor agonist. In a few moments, Chris Boshoff, our Chief Scientific Officer will walk through additional details and our plans for advancing our obesity portfolio this year.

Oncology is another source of strength, and I'm excited by opportunities for significant progress in 2026, that was built on our established presence in breast, in genitourinary, in thoracic and gastrointestinal cancer and of course, blood cancer.

In addition to promising programs, such as the SV, our Oncology team is moving quickly with a robust program for '4404, the bispecific antibody licensed last year from 3SBio. We have seven near-term plans or recently started trials for '4404, including two large global Phase 3 studies, anchoring our efforts to establish this investigational medicine as a potential backbone therapy across multiple tumor types.

We're also pleased that the FDA has granted HYMPAVZI breakthrough therapy designation for investigation in younger pediatric patients aged 6 to 11 in hemophilia B with or without inhibitors. That's an important innovative medicine today, and we are investigating the full potential of HYMPAVZI to support more patients living with hemophilia.

Our third strategic priority is investing to maximize post-2028 growth. We are committed to fully supporting a robust and accelerated approach to R&D, the successful commercial launch of new products and bolt-on business development while maintaining our robust dividend.

And finally, we are scaling artificial intelligence across R&D, manufacturing, commercial and patient engagement to improve productivity and accelerate innovation. We have been setting the foundation with AI-ready data, agentic workflows and compute capacity. To meet the growing AI demand over the next two years, we are expanding to more than 1,200 GPUs, largely driven by R&D application of AI.

In R&D, we are embedding AI across discovery, development, regulatory and medical to increase productivity and accelerate the pipeline and timelines. AI is optimizing supply planning and manufacturing, contributing to our manufacturing optimization program goals. In commercial, AI is helping to accelerate new product launches delivering insights for dynamic targeting and supporting personalized messaging and real-time marketing content.

So with that and after I described the four priorities, which describe the full picture of what we plan to do in 2026, I will turn it over to Chris to discuss for the news of the day, which are the Metsera long-acting announcement of VESPER-3. Chris?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you, Albert. It is my pleasure to discuss the VESPER-3 study results today and provide more color to our press release this morning. These data are an important advancement in our obesity portfolio because they increased significantly our confidence in the Phase 3 monthly dosing study that we expect to start later this year.

To start, I'd like to review how the structure of PF'3944 drives its long half-life. Prior GLP-1 receptor agonists that rely on albumin binding to extend half-life require dissociation from the albumin protein for optimal receptor engagement, '3944 binds the GLP-1 receptor while still bound to albumin due to lipidation of the terminal end of the amino acid chain rather than in the middle. This allows for reduced clearance without reduced receptor engagement resulting in a half-life exceeding other agents that require albumin dissociation for binding.

A key differentiator of '3944 is this extended half-life, which supports monthly dosing. Furthermore, given '3944 length of 41 amino acids, the molecule is considered a biologic and would be eligible for regulatory review by the BLA pathway. The right side of the slide shows previously reported data from the Phase 2b VESPER-1 study, evaluating '3944 dosed weekly and without titration. These data show dose-dependent placebo-adjusted weight loss of up to 14.1% at week 28, demonstrating the molecule's potential to deliver efficacy that is competitive with the standard of care and potentially best in class among mono agonists.

In our currently ongoing weekly Phase 3 study of '3944 VESPER-4, we are also testing a higher dose of 2.4 milligrams weekly. With VESPER-3, we aim to achieve two key objectives: first, to demonstrate that we could achieve continued weight loss when switching from weekly to monthly subcutaneous injections and maintain '3944 efficacy while reducing the dosing frequency four-fold. And second, to demonstrate that '3944 could switch to a four-fold equivalent monthly dose while maintaining a well-tolerated and favorable safety profile.

Today, I will walk you through these data, which demonstrate we've successfully achieved both. The VESPER-3 Phase 2b study was designed to evaluate '3944 with monthly maintenance dosing following a titration period of up to 12 weeks. This study compares 4 different dosing regimens versus placebo with a prespecified interim tolerability analysis at week 12 and a primary reporting milestone at week 28. Arm 1 and Arm 3 are low and medium dose regimens that we plan to advance to Phase 3, and these two study arms are the focus of the data we are sharing today.

Starting with our first objective. I'm pleased to share that we observed robust statistically significant weight loss across all doses tested. At week 28, placebo-adjusted weight loss was 10% and 12.3% for our planned low and medium Phase 3 doses, respectively. These results are shown in the blue bars and represent the trial's efficacy estimate.

In the teal bars are our model predictions of the potential efficacy we would expect with monthly maintenance dosing of '3944 in the study of adults with obesity or overweight and without Type 2 diabetes, similar to VESPER-3. A model-based meta-analysis approach was used to generate these predictions. This approach uses a mathematical model to capture the weight loss trajectory over time and the dose response relationship.

This model was built, taking into account the observed data from the VESPER-3 trial, the available data from other '3944 clinical studies and data from published trials of other weight loss. For the low and medium dose regimens, we see excellent concordance between our VESPER-3 clinical data in blue and our model predictions in teal, applying the same model to project the potential efficacy of the planned Phase 3 high-dose regimen of 9.6 milligrams monthly, we predict placebo-adjusted weight loss of nearly 16% at week 28.

Note the high dose is already being studied in the VESPER-4 Phase 3 study as a 2.4-milligram weekly dose. Collectively, our clinical data model predictions show that '3944 can deliver robust weight loss after switching to monthly administration and suggest that we can potentially achieve increased efficacy with a higher dose.

Moreover, VESPER-3 data do not show a weight-loss plateau reached at week 28, projecting continued weight loss is expected as the study continues through week 64. With these results, we are confident that '3944 has the potential to deliver efficacy that is competitive with the standard of care and potentially best-in-class among monoagonists with a differentiated monthly dosing format.

Next, I'll turn your attention to the second objective of VESPER-3 demonstrating a well-tolerated and favorable safety profile for '3944 when switching to a four-fold equivalent monthly dose. Similar to our first objective, I'm pleased to report that here too '3944 delivered. In VESPER-3 '3944 has displayed a well-tolerated and favorable safety profile that is consistent with what has been observed with weekly GLP-1 receptor agonists, observed gastrointestinal treatment-emergent adverse events were predominantly mild or moderate with no more than one instance of severe nausea or vomiting in any dose group, and no instances of severe diarrhea.

Treatment discontinuation rates for VESPER-3 weekly and monthly phases both show a compelling profile. Across the dose regimens planned for inclusion in Phase 3, five participants discontinued due to adverse events in each of the weekly and monthly phases. There were no discontinuations due to adverse events in the placebo group. We're encouraged by these results as they serve as an important

proof of concept for the delivery of our four-fold equivalent monthly dose that maintains competitive tolerability, particularly given the study protocol did not limit down titration.

The totality of tolerability data support our plans to evaluate a higher monthly dose of 9.6 milligrams in Phase 3, which is the monthly equivalent to the 2.4 milligram weekly dose currently being studied in the ongoing VESPER-4 trial. Today's encouraging results bolster our expansive obesity program. This year, we plan to advance 20-plus obesity trials, including 10 Phase 3 studies of '3944 that span chronic weight management, obesity associated comorbidities and opportunities to increase patient optionality and access.

We are targeting the first of a series of potential approvals in 2028. Looking to our early-stage programs, we are enthusiastic about Phase 2 studies with our ultra long-acting amylin analog which we believe has the potential for class-leading efficacy and combinability with '3944 in a monthly dosing format. We previously reported positive early data from the single ascending dose combination study, which showed well-tolerated starting doses and additive weight loss. We plan to show updated combination data later this year.

We continue to advance our potentially first-in-class oral GIPR antagonist that is in Phase 2 and additional Phase 1 studies of agents with diverse modalities and mechanisms. These include an injectable ultra-long-acting GIPR agonist a potential quarterly dose injectable GLP-1 receptor agonist and oral candidates.

To summarize, today's results are clear. VESPER-3 achieved its two main objectives: reinforcing '3944 potential potent and tolerable monthly profile. The ultra-long acting GLP-1 receptor agonist serves as a foundation to our differentiated investigational obesity portfolio, delivering robust weight loss with no plateau served at week 28 in VESPER-3, while also maintaining competitive tolerability when switching to a four-fold equivalent monthly dose.

We are primed to execute across an expansive Phase 3 program of '3944, targeting potential approval starting in 2028. And we are pursuing differentiated combination approaches with earlier-stage agents that have the potential to deliver greater optionality to address the diverse unmet needs of patients.

With that, I'll turn it back to Albert.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Chris. And I just wanted to say that today's results provide a compelling validation of our unique proprietary ultra long-acting peptide platform. For the first time, we have shown that the GLP-1 receptor agonist peptides can be administered monthly while maintaining the potential for competitive efficacy and safety. We are pleased with this important milestone for the platform that reinforces both the differentiation of our technology and the significant long-term value creation opportunity that represents.

And with that now, I will turn it over to Dave that he will discuss the excellent results of the quarter. So Dave?

David Denton - *Pfizer Inc - Chief Financial Officer, Executive Vice President*

Great. Thank you, Chris and Albert, and good morning, everyone. Let me begin today by highlighting that our strong financial performance for both the fourth quarter and the full year directly reflects our continued disciplined execution of our key strategic priorities. We resolved certain and significant uncertainties in our business and made strategic investments aimed at driving revenue growth later this decade and beyond. Looking ahead, Pfizer is approaching an exciting phase, where recently launched and acquired products and a strong pipeline are anticipated to spur growth towards the end of this decade.

With that said, this morning, I'll provide our full year and fourth quarter -- full year and fourth quarter 2025 results, then I'll touch on our cost improvement initiatives as well as our capital allocation priorities. I'll finish with a few comments on our '26 guidance, which we are reaffirming today. For the full year 2025, we recorded revenues of $62.6 billion versus $63.6 billion last year representing a 2% operational decline.

Importantly, our operational revenue growth when excluding contributions from our COVID-19 projects was 6%. Full year 2025 Adjusted gross margins expanded to 76%, in line with our expectations. We will continue to drive cost improvements going forward across our manufacturing network. And on the bottom line, we reported full year 2025 diluted EPS of $1.36, versus $1.41 last year and Adjusted diluted earnings per share of $3.22 versus $3.11 LY, ahead of expectations.

Pfizer's recently launched and acquired set of products delivered $10.2 billion in revenues for the full year of '25 while growing approximately 14% operationally versus last year. We plan to continue to invest behind these two product groups to drive their future performance to enable the company to partially offset our LOEs over the next several years.

Now turning to the fourth quarter of '25, we recorded revenues of $17.6 billion, a decrease of 3% operationally versus the same period of LY largely driven by an approximate 40% operational year-over-year decline in our COVID products. The decline was primarily due to Comirnaty receiving a narrow recommendation for vaccines in the US and Paxlovid, which experienced reduced demand from lower infection rates. Having said that, our non-COVID product performance was solid, growing 9% operationally versus the same period of last year.

Our results demonstrate the effectiveness of our refined commercial strategy. We saw solid contributions across our product portfolio, primarily driven by ABRYSVO, ELIQUIS, Prevnar and the Vyndaqel family. Adjusted gross margin for the fourth quarter was approximately 71%, primarily reflecting the product mix in the quarter, including lower commodity sales versus fourth quarter of '24 as well as continued strong cost management.

Future improvements in our manufacturing footprint remained a top priority going forward. As a reminder, over the past two years, our Adjusted gross margins have generally remained in the mid- to upper 70s. Excluding Comirnaty, which has a 50-50 profit split with our partner, BioNTech, we achieved approximately $600 million in savings from Phase 1 of our manufacturing optimization program through 2025 and with additional savings expected in '26 and '27.

Total Adjusted operating expenses were $7.4 billion for the fourth quarter of '25, in line with last year. But looking at the components, adjusted SI&A expenses decreased 5% operationally, primarily driven by focused investments and ongoing productivity improvements that drove a decrease in marketing and promotional spend for various products and lower spending in corporate-enabling functions.

Adjusted R&D expense increased 4% operationally, primarily driven by the increase in spending in oncology and obesity product candidates, partially offset by a net decrease in spending due to pipeline focus and optimization, including the expansion of our digital capabilities.

Now turning to the bottom line. In the fourth quarter, our reported diluted GAAP performance was a loss per share of $0.29. Our Adjusted diluted earnings per share performance was a profit of $0.66, ahead of our expectations due to our overall gross margin and cost management performance.

In support of our goal to enhance R&D productivity and focus on high-impact medicines, our fourth quarter GAAP results reflect strategic decisions in our development plans and updated long-range revenue forecast for certain products and pipeline assets. As a result, we recorded approximately $4.4 billion of non-cash intangible asset impairments related to several medicines in development as well as in-line products.

It is important to note that one of the asset indications we deprioritized was disitamab vedotin in bladder cancer is largely the result of the recently strong study readouts, expanded indications and related higher long-term revenue projections for PADCEV.

PADCEV is an asset we will continue to invest behind and thus diminishing the value of DV in bladder cancer. I will also mention, while impairment decisions are based on current valuations of individual assets, overall, the Seagen portfolio is progressing ahead of our expectations. These decisions highlight our focus on delivering future growth as well as innovation.

We are on track to deliver the majority of the anticipated $7.2 billion in total net cost savings from our productivity programs by the end of 2026. We expect additional savings of $700 million in '26 and $200 million in '27 from Phase 1 of the Manufacturing Optimization Program for a total of $1.5 billion in savings by the end of '27.

In addition, we exceeded our savings targets through '25 from our cost realignment program and as previously communicated, the R&D savings achieved in '25 under the cost realignment program is expected to be reinvested in '26 and is reflected in our '26 R&D guidance range.

We remain committed to achieving the expected $5.7 billion of total net savings from our cost realignment program by the end of '26, at which time we will have met our savings commitment under the program. Going forward, we will continue to focus on identifying further productivity opportunities and efficiencies.

Now let me quickly touch upon our capital allocation strategy, which is designed to enhance long-term shareholder value. Our strategy consists of maintaining and over the long term, growing our dividend, reinvesting in our business at the appropriate level of financial return and in the future, the potential to make value-enhancing share repurchases.

And in '25, we returned $9.8 billion to shareholders via the quarterly dividend, invested $10.4 billion in internal R&D, invested approximately $8.8 billion in business development transactions, primarily reflecting the Metsera acquisition and the 3SBio licensing deal. And as a reminder, our leverage is expected to end 2025 at near a 2.7 times target following the close of the Metsera transaction.

However, given the next few years of LOE headwinds, we expect the leverage to remain at this current level or slightly higher through the LOE period. Additionally, the planned sale of our stake in ViiV will further improve our balance sheet. When including the ViiV proceeds, we have approximately $7 billion in BD capacity. Now let me turn quickly to our full year '26 guidance, again, which remains unchanged.

We expect total company full year '26 revenues to be in the range of $59.5 billion to $62.5 billion and full year '26 Adjusted diluted earnings per share to be in the range of $2.80 to $3 a share, which reflects our expectations of strong contributions across our product portfolio, mid-70s Adjusted gross margin, continued focus on strong cost management, all while prioritizing investments in our business to drive growth by the end of this decade.

Our COVID products are expected to trend lower again in '26 with revenues of approximately $5 billion. We continue to expect stable revenue contributions from our non-COVID product portfolio, which incorporates an expectation of approximately $1.5 billion in revenue compression due to products impacted by anticipated generic entry in '26. Revenues at the midpoint, excluding COVID and LOE products are expected to grow approximately 4% operationally year-over-year. And lastly, I will mention that we will continue to monitor currency fluctuation as the year progresses.

In closing, let me continue to emphasize that over the next few years, our focus is on investing in key assets and managing upcoming LOEs, mainly from 2026 to 2028. At the end of the decade, growth is expected to be driven by our advancing R&D pipeline, the business development initiatives we've already executed and the ongoing progress of products we've recently launched or acquired. Our goal is to invest strategically balancing cost savings with funding high-value products designed to ensure long-term and sustainable growth potential for our shareholders.

And with that, I'll turn it back to Albert and begin the Q&A.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, David, and congratulations for an excellent quarter. Now operator, please assemble the queue.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Chris Schott, JPMorgan.

Christopher Schott - *JPMorgan Chase & Co - Analyst*

Great. Thanks so much for the question. Just had maybe a two-parter on the VESPER-3 data. I guess, first, can you just elaborate any more on the tolerability you saw here? And maybe just specifically, is there anything more you can say about vomit rates or any differences you saw between the mild or moderate dosing arms?

And then just maybe bigger picture, if we consider the two doses that are moving forward from VESPER-3, it seems like you have a drug that clearly had solid weight loss. It's got monthly dosing. At the same time, that weight loss might be a bit below what you saw in the weekly or Zepbound. I just wanted to get your views on what role you see that type of profile playing in the market. Thanks so much.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Excellent. And of course, I will start with Chris, which I suspect will be the one who will receive most of the questions today, and I love it. So -- and then maybe we'll ask of course the commercial guys to speak a little bit about it. So Chris, why don't you start?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yeah. Thanks for the question. So obviously, we will share the full tolerability data at our oral presentation at ADA in June. We are really encouraged by the observed distribution of AEs across weekly and monthly. And you could have expected potentially that when patients switch to a four-fold higher dose, we're going to have a higher number of sudden discontinuations and nausea and vomiting, we did not, nicely distribution between the monthly as well as the weekly.

Just to remember for this study, there was no step-down titration was allowed, which is unusual for obesity trials. But that will obviously not happen in the Phase 3 study, we will allow down-titration. Regarding the different doses, as we pointed out, low and medium was presented today. The higher dose is already being tested in VESPER-4 because previous prediction models indicated that it will be well tolerated and we should test 2.4 milligrams weekly, which is happening now. And in the monthly study we'll test 9.6 milligrams as pointed out.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

All right. Why don't we go -- Aamir, how do you see this play in commercial and then Alexandre?

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, Executive Vice President*

I think when you look at the clinical data, I think what it suggest to us, clearly, is that '3944 from an efficacy perspective has the potential to deliver efficacy that's competitive with the standard of care and potentially best-in-class against [monotherapy] So we think when you take that efficacy and then you combine it with a lower medication burden through a monthly dose, that's a value proposition that's going to resonate with patients, with providers and with payers because persistency and simplicity matter. And it also gives us the opportunity to switch patients from weekly onto monthly therapy.

So we think '3944 is going to be a compelling therapy full stop. And then you add to that the opportunity that exists from the other assets that we have in our portfolio with our commercial capabilities to execute in US and international, and I think it gives us a lot of confidence around the commercial potential.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Yeah. Thank you, Aamir. The surprise, I think, so far with this market, it is how well it is performing outside the US. So Alexandre, what's your take?

Alexandre De Germay - *Pfizer Inc - Chief International Commercial Officer, Executive Vice President*

That's right. Just -- what's really interesting in this category is actually the size of the market, ex-US is projected to be $150 billion and 40% of that is actually ex-US. There are two things that are really interesting in this category that are unique and that reinforce the potential of these assets. First, is the out-of-pocket category. Because in most countries, when we introduced innovation, we have to go through reimbursement negotiation and often translate into price reduction in this category.

We see that there are high willingness to pay out of pocket across all mature markets, either be in Europe or in Australia or Canada, and we see price point being across 250 to 350 which is higher than what we had expected. And when we look at the latest release from our competitors in this category, we see that there is higher willingness to pay from all those geographies, including actually also emerging markets where we also see high prevalence.

The second is the time to market because it's going to be mostly an out-of-pocket category, the time after approval at the EMEA will be instant and where we will be able to actually commercialize those products. So that will drive also rapid penetration in the market.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Alexandre. Next question, please.

Operator

Vamil Divan, Guggenheim Securities.

Vamil Divan - *Guggenheim Securities LLC - Equity Analyst*

Thanks for taking the questions. So just maybe building off this, Chris, you just talked a little bit about this in a prior question around down titration in Phase 3. Can you just elaborate a little bit more on that kind of how you are designing your Phase 3s and allowing for flexibility of the patient maybe you're dealing with any sort of side effects and maybe that improves overall the profile you see from Phase 2?

And then my other question is actually is beyond VESPER-3. You mentioned this at ADA. I'm curious what other data we may get from either your internal programs or from the Metsera portfolio at ADA vis-a-vis your internal GIPR. Do you expect to provide that Phase 2 data there? Thank you.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you very much for the question. Just a reminder again for the VESPER-3 data we presented today is only two step-up doses. You used to four, five step-up doses to get to the desired dose in this study, there's only two step-up doses. So the Phase 3 design for VESPER-6

will test different titrations as well as, as we pointed out, the additional dose of 9.6 milligrams which is currently being tested in VESPER-4 as 2.4 milligrams weekly.

Regarding the next -- the rest of the portfolio, we're obviously excited about the platform in general. It's a very differentiated platform. As you know, we previously presented data for the ultra-long-acting amylin '3945 also called MET-233, where the observed additive weight loss when combining '3944 and '3945 was 5% at day 8 and single agent ultra-long amylin previous data showed at day 36, 8.4% placebo-adjusted weight loss. So we should share later this year, including ADA, updated date on amylin and potential early data for the combination of the amylin plus '3944.

We also, as you know, in our portfolio, excited about the rest of the Phase 2 programs, which including a first in -- potential first-in-class GIPR antagonist oral that was discovered, conceptualized internally, that's currently in the randomized Phase 2 experience and also the more broader Phase 1 program of peptides, including an ultra-long GLP-1 that's potentially monthly quarterly, that's currently in Phase 1 as well as our additional oral portfolio, including the oral GLP-1 recently acquired from YaoPharma.

Operator

Steve Scala, TD Cowen.

Steve Scala - *Cowen and Company LLC - Analyst*

Thank you so much. In the VESPER-3 data, did the placebo arm gain weight or lose weight? And the second question is not on obesity, but Pfizer has been quite adamant about no life beyond December '28 for Vyndaqel. Should we completely rule out any sort of strategy whatsoever such as settlement with generic companies on patents Pfizer holds?

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Steve. Let me take the Vyndaqel because I have been asked multiple times. Right now, we are assuming that the patent will be lost at the end of 2028. And I don't have any other comments to make on that. These are very sensitive topics. So I'm moving to Chris now to talk about the placebo arm of what was the weight lost there.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Again, the full data will present at ADA, but in this case, as VESPER-3, actually, the placebo arm was very stable, not really up or down, but you'll see the data at ADA.

Operator

Geoff Meacham, Citibank.

Geoffrey Meacham - *Citibank Cameroon SA (Douala Branch) - Analyst*

Hey, guys. Morning and congrats on the data today, again, a few on the new data today. So when you look at the PK/PD, are you guys set with monthly being the longest dosing interval to preserve efficacy? Or is it potentially -- is it feasible to extend to every two-month dosing?

And then on your Phase 3 plans, is it your sense these are likely to be the standard type of metabolic studies that we'd expect to do? Or would you pursue any maybe inflammation or neuropsych indications? Or would you pursue GLP-1 active comparator studies? Just trying to think of how you could separate yourself in a broad Phase 3 program. Thank you.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Yeah. Thank you, Geoff. So Chris, monthly or more and then additional studies.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

So thank you for the question. So '3944 is, as we demonstrated the first peptide that can be administered monthly. And potentially, yes, we can go longer, but for '3944, our aim is as a monthly maintenance therapy. As I mentioned, we do have another molecule, a peptide currently in Phase 1, which has a prodrug propeptide with a potential for three monthly administrations. That's currently in Phase 1, and we should, in the next couple of months, get additional PK/PD data from that molecule, which will be a potential opportunity to go to three monthly.

The second question, the initial Phase 3 programs VESPER-4, VESPER-5 and VESPER-6. VESPER-4 is the one in patients without Type 2 diabetes that's currently ongoing with weekly testing, including the high dose of 2.4 milligram weekly, VESPER-5 in patients with Type 2 diabetes and VESPER-6, the study that will include monthly dosing. Beyond that, we plan to start seven studies. We haven't showed or revealed what these studies are going to be. But you're absolutely correct that beyond cardiovascular metabolic, we are looking at other opportunities to differentiate and also to differentiate with our combinations, for instance with Amylin or with the GIPR currently in Phase 1.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn - *Morgan Stanley - Analyst*

Hi. Thanks for taking the questions. Maybe two also for me on the VESPER-3 data. I know you want to hold a lot of data until ADA, but just was wondering if you can provide any high-level details on the baseline characteristics, so either BMI or gender mix. I know sometimes those can vary across studies.

And then on the tolerability side, again, one question when you have longer dosing intervals is the duration of GI side effects. And so any qualitative commentary there, if that's longer than one or two days. Thank you.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thanks. Chris, again, that goes to you.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Okay. Just to start with the demographics. The study was conducted in the US only. And I think, as you know, there are differences, especially in AE and tolerability, discontinuations between US-only patient populations. So that's one. The rest of the detailed demographics will be presented at ADA, but it's as expected from a small US-based Phase 2 study. The next question was?

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

What was the next question? Tolerability?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

On tolerability. As we said it before, we are encouraged by the overall tolerability. It is similar to what you expect for GLP-1 class, but Specifically, we can move to monthly with a distribution of AEs across weekend monthly. That didn't give us alarm that's switching to monthly, suddenly, there's a cluster of discontinuations or significant AEs.

As I pointed out earlier as well, there's no -- there's only one severe nausea, one severe vomiting across the whole program, no severe diarrhea. So overall, we're very encouraged by the safety profile. And again, ADA will share the whole AE profile.

Operator

Akash Tewari, Jefferies.

Akash Tewari - *Jefferies LLC - Analyst*

Hey. Thanks so much. So the data in second-line plus NSCLC has been pretty underwhelming so far versus docetaxel. Is your team confident that you can deliver a superior profile with your upcoming Phase 3 with B6A. Or are you going to need to enrich in B6A high-expressing patients. Can you help frame expectations for this readout?

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Chris?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

So you're referring to sigvotatug vedotin, yes?

Akash Tewari - *Jefferies LLC - Analyst*

Yeah.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Correct. Okay. So this is a second-line study, I should point out against docetaxel, the Phase 3 study, there's also additional Phase 3 study ongoing, just a reminder, which is first line, which is sigvotatug vedotin plus pembrolizumab versus pembrolizumab in the TPS high PD-L1 high population. In the single agent activity we've seen was the response rate was over 30% with a median overall survival in the Phase 1 study, which approached 16.3 months.

So overall, we're encouraged by the data with the combination study with SV plus pembrolizumab. We saw overall response at 57% with disease control rate of over 90%. So we are confident in the two studies. I agree with you that the second-line study against docetaxel, none of the ADCs have really showed a benefit over docetaxel, but everything we've seen so far, so gives us confidence in the trial. That will be the first study to read out.

And the second study to read out will be the one with pembrolizumab versus pembrolizumab. It's an even-driven study. Events are slower than we expected. So that could mean either ARM are performing better, but we should update you on the study results in the coming months -- first half of this year.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Excellent, Chris. So the next question, please.

Operator

Asad Haider, Goldman Sachs.

Asad Haider - *Goldman Sachs Group Inc - Analyst*

Great, and thanks for all the detail on the clinical catalysts. Maybe just one on portfolio realignment, Albert, with respect to just this recent divestment of your stake in the HIV joint venture with Glaxo. Just broadly, what innings are we in, in terms of just portfolio pruning or realignment, noting that you've also recently announced a new reorganization incorporating your global Hospital and biosimilars business? Thanks.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

I think Chris can also comment on that, but let me given that you address the question to me. I think we have done most of our pruning of our pipeline right now. So the things that we are continuing right now at large are things that we believe they are the ones to invest and we keep investing very, very few exceptions of things that were already there and we had some issues to discontinue or to divest. So I think -- from that aspect, I think we are doing very well. Chris, anything to add there?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yeah, we're focusing just on the four therapeutic areas, and we're doing 2025 significant prioritization and focus the program. And as you know, identified up to $500 million savings in R&D, which is now reinvested in Phase 3 programs. And this year, as Albert pointed out, we plan to start approximately 20 Phase 3 programs driving the portfolio.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

And maybe -- Dave also can add a little bit color on that. But I just wanted to say that when you speak about creating synergies or creating cost savings in R&D that we reinvest, we don't mean going forward with discontinuation of program, actually, with increase of programs. It's going to be by deploying AI, which already happened in 2025 with excellent results that creates significant productivity gains. This is where we are reducing the cost of R&D. And we all reinvested to more programs that, as you see, we are starting 20 pivotal studies in '26. Dave?

David Denton - *Pfizer Inc - Chief Financial Officer, Executive Vice President*

Yeah, I just would just add on to that. As we look at our in-line portfolio of products, we always continue to look to see how we can maximize the value. ViiV is just a good example of a non-strategic asset for us, monetizing that in such a way that we can redeploy that capital at higher returns in the future. As you pointed out, we did create a sterile injectable and biosimilar set of products, of which we're focused on driving productivity across that set of product portfolio. And we will continue to do that as we think about our product portfolio going forward.

Operator

Courtney Breen, Bernstein.

Courtney Breen - *Sanford C Bernstein & Co LLC - Equity Analyst*

Thanks so much for the question today. Just perhaps building on the conversation that was just taking place. As you talk about the 20-plus pivotal studies that are starting this year, we're seeing kind of a midpoint $11 billion guide for R&D in '26. How do we think about '27 as you study start to annualize?

And then kind of combining that with the element that you just raised out a bit of the AI investment, the 1,200 GPU deployment that you're making kind of when and where will we begin to see impact from that strategy? And will that impact anything in the operations of R&D of the pivotal trials? Or should we be thinking more about innovation on the research side over the long run? Thank you so much.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Courtney, that's a very good question. As you can understand, we don't give guidance for 2027. But I will ask Dave to give some color.

David Denton - *Pfizer Inc - Chief Financial Officer, Executive Vice President*

Yeah. I guess contextually, if you just think about R&D, as we cycled from '25 into '26, with the business development transactions that we've done, we've actually increased the burden and the load of work that needs to be done within our R&D infrastructure. At the same time, we're investing about $11 billion in R&D. So we are being able to be more productive in the infrastructure across R&D and take on more substrate to be able to focus on creating medicines for the end of the decade and beyond.

So I think what we're trying to do is continue to refresh improve the productivity across our R&D platform to invest those dollars back into R&D to continue to forward advance the programs that we have underway and the programs that we're developing. As you know, 2026 is a big start year for us from a science perspective. We will continue to focus on those investments going forward.

Operator

Umer Raffat, Evercore ISI.

Umer Raffat - *Evercore Inc - Equity Analyst*

Hi, guys. Two quick ones, if I may. First, on the GLP monotherapy. Could you remind us if the 9.6 milligram monthly dose was the reaction to the data today? Or is that already being contemplated? And then secondly, on the emerging tolerability data for your GLP amylin combo, how are you feeling on that? And do you think you can fit the GLP plus amylin in a single pill? Thank you.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Okay. Thank you, Umer. So on the first question, a reminder that the 2.4 milligrams is already being tested as a weekly regimen as a high dose in VESPER-4, and that decision was made based on the modeling based meta-analysis. And as we showed today, our modeling predicts very well between what we actually observed and by the modeling predicted for 3.2 milligrams and 4.8 milligrams. So we have confidence in the modeling also for 9.6 milligrams or the 2.4 milligrams

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

And which basically what you say is that the 9.6 milligrams, it is the 2.4 milligrams.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Correct.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

4 times weekly, it is 9.6 milligrams monthly.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Correct, yes. Any other -- what was the second part?

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Combination.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

So just a reminder that the combination is monthly, it's amylin plus GLP-1 ultra-long monthly subcutaneous. So it's not pill. We do have an oral portfolio, and we do have some other oral medicines discovered internally, which we've not revealed yet, but currently, our oral medicines, GLP-1 and GIPR, not the amylin as oral.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

And how do you feel about this day?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

And we'll show data for the amylin plus GLP-1 monthly data for the ultra long-acting monthly data at ADA. The earlier data we've shown reminder of the combination of '3944 plus '3945 was 5% at day 8. That was early data that was shown and we'll update those data later this year.

Operator

Jason Gerberry, Bank of America.

Jason Gerberry - *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

Hey, guys. Good morning. Thanks for taking my question. I apologize for the background noise. But just based on today's VESPER-3 update, just kind of curious how you're thinking about the value add of the GLP-1 amylin injectable combination relative to the monotherapy? And are you really looking to kind of compete in that ultra-high efficacy tier with agents like Lilly's triple G? Or is the value-add potentially more

in GLP-1 non-responders? Just sort of curious because it seems like what you have with the monotherapy approach to make you competitive with Zepbound and MariTide? So just sort of curious how you think about the combo and where that fits.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Why don't I ask Chris to give a little bit of science behind this combination and then I will ask Aamir and Alexandre to comment on how that can be marketed.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yes, we will have optionality because we are developing in Phase 3 both the single agent '3944 as well as the combination '3944 plus '3945. Everything we've seen thus far suggests us to us, to your point, that we should get increased efficacy for the combination. And that's why we hope to update data later this year, start the Phase 2 study this year and then next year start the Phase 3 study for the combination.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

And then, Aamir, how do you see this playing as portfolio

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, Executive Vice President*

Yeah, Jason. So I think the quick answer would be, look, I think we're in the very early innings of a large market where there is still significant unmet need, right? There's more convenient dosing that's needed, higher weight loss for certain BMI patients, GI tolerabilities need to improve, maintenance strategies, friction in the patient journey. So our belief is that there's not going to be one single asset that serves all those patients. People are going to have different starting points hold preferences on their dosing and route of administration comorbidities, their willingness to pay.

And what you need to win in a market like that is, one, you need a great portfolio of products that can serve all those patients and two, you need really differentiated capabilities. And I think with Chris describing not only our data today, but some of the other things that we have in our portfolio, we have the first piece in place and emerging.

And we feel very confident about our commercial capabilities, whether it's our field forces that are the top ranked in the US and already are seeing the majority of GLP-1 prescribers or the digital platforms that we're building like Pfizer For All that have touched over 25 million patients. So when you put that all together, we have a lot of confidence in our ability to win commercially in this market with these assets.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you. And Alexandre, any additional?

Alexandre De Germay - *Pfizer Inc - Chief International Commercial Officer, Executive Vice President*

No.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Okay. Let's go to the next question, please.

Operator

Michael Yee, UBS.

Michael Yee - *UBS AG - Analyst*

Thank you. Two questions, one for Chris and one for Dave. On the oral GLP-1 that you guys recently in-licensed, can you just remind us how much information you knew or what data you already had? I believe there's already a large Phase 1 going. So that should add some comfort there but tell us about what you knew already on that molecule.

And then for Dave, you reiterated $7 billion of capacity. Can you just talk about the ability to do more in the context of the recent dividend pause or at least dividend growth pause recently given that, that does not happen very often and how you think about your dividend. Thank you.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Okay. Let me start with Dave at this time and then we go to Chris.

David Denton - *Pfizer Inc - Chief Financial Officer, Executive Vice President*

Yeah. So clearly, our focus is maintaining our dividend at the moment and growing our dividend over time. So it's a very important and critical structure and component of our capital allocation program. And again, we do have -- coming into this year, we had $6 billion in BD capacity. It's actually gone up a bit as we've announced the pending liquidation of the ViiV asset. So that actually is a good example of how we're looking at the set of assets that we have within Pfizer and understanding how we can best monetize them over time. So with that, I'll turn it over to Chris.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you very much. 5002 is the YaoPharma oral small molecule, which is not done at Lupron Scaffold. It's currently in Phase 1, and we've acquired it through an exclusive global collaboration and license agreement with YaoPharma. And we plan to conduct Phase 1 studies and also combination studies with our GIPR antagonist that's currently in the randomized experience in Phase 2. And we're currently transitioning all the work to the US to start Phase 1 studies in the US, including manufacturing in the year.

Operator

Alex Hammond, Wolfe Research.

Alexandria Hammond - *Wolfe Research LLC - Equity Analyst*

Thanks for taking the question. So one of the key readouts guided for '26 is that Lyme disease vaccine VALOR study but a few on this. When could we expect an update and what are expectations for the launch if positive. What does vaccine contracting look like and what channels will be the key target for you? And I guess, finally, how big could this opportunity really be?

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Yes, Lyme diseae?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yeah. Thank you. I'll start. So thank you very much. This could be a first-in-class vaccine for Lyme disease, the Phase 3 VALOR trial. It's a multivalent protein subunit vaccine targeting all 6 out of surface proteins of Verallia burgdorferi. The study we expect to read out first half of this year. Just a reminder, approximately 400,000 people in the US and 132,000 people in Europe, affected by Lyme disease. And as you know, significant long-term morbidity and long-term sequelae. So a vaccine specifically in certain regions of the world could be very, very important.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Chris. We're very, very waiting to see the date of that. That would be a huge solution for an unmet medical need. Let's move to the next question, please.

Operator

Mohit Bansal, Wells Fargo.

Mohit Bansal - *Wells Fargo Securities LLC - Analyst*

Great. Thank you very much for taking my question, and one more on the VESPER program here. Would like to understand what kind of target profile you are looking at from the Phase 3 trial? I'm asking because with the GLP-1, you kind of see mid- to high teens kind of weight loss, there's an optimized GLP-1? And if you try to push it beyond that, you could probably start to run into tolerability issues. What makes you think that this longer acting GLP-1 could provide higher weight loss than that vis-a-vis better tolerability or do you think that monthly is probably the biggest differentiator here? Thank you.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Chris?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you very much. So it's both. We expect competitive weight loss and the data we show today, including with the predictions, but to expect from the 9.6 milligrams at 16 milligrams weight loss, we are predicted at week 28 is highly competitive, tolerable to be highly competitive and then, of course, monthly dosing, which will be highly differentiated. Just to point out, we are also planning a Phase 3 study which will evaluate switching. So patients already on weekly therapy doing well to switch those basins to monthly dosing.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Chris. And this is not only ours, of course, weekly to monthly, but also any other GLP-1s that are in the market and they want to move after they achieve a weight loss into a maintenance with only one injection rather than with four. Of course, there is also the oral solutions, but that's going for one weekly to one daily pill. Some will do it, but I think our research shows that most would like, if they are already used needle, and they would like to switch mostly to a more convenient needle, which is once a month.

Operator

Evan Seigerman, BMO Capital Markets.

Evan Seigerman - *Bank of Montreal - Analyst*

Hi, guys. Thank you so much for taking my question. I just wanted to touch on your comments around investment in AI. How -- what are the metrics you're putting around that? And more broadly, I just want to ensure that this is going to drive a good return on your adjustment versus just kind of feeding into the hype?

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Yeah. It's a very good question, and let me start, but then I will last specific marketing achievements and R&D achievements through AI. In general, there are things in AI, but the technology is ready now. And those are deploying very, very fast. And certainly, I cannot do everything, but certainly can do more than what it is used right now to do.

And that has to do with how successful you are in implementing it, embedding it into your organizational footprint, embedding it into your business processes and also creating AI literacy among the employees that eventually are using this AI. With that, clearly affects everything from enabling functions and maybe Dave can speak a little bit about the things that we are doing there.

I mean when I say enabling functions from finance, HR, legal, you name it. And of course, in R&D, where we have seen already significant productivity enhancements. In marketing that it is helping us to maximize the ROI right now and in manufacturing were a very big part of the savings that were achieved successful deployment of AI use case that is called the Golden Batch. Chris, do you want to give some specific examples?

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Yeah. Thank you very much for the question. So as you pointed out, in R&D, we're embedding AI in each function, meaning in discovery, medical, regulatory, safety, pharmacovigilance, clinical trial execution, and we're recruiting and embedding AI engineers in each of those functions to work with the scientists and the clinicians how to measure success, productivity, productivity, speed and cost, to be bring costs down by embedding AI and obviously, accelerating speed.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

What about in commercial?

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, Executive Vice President*

Yeah. Evan, I think metrics are at the heart of everything that we're doing with AI. I'll give you two very specific examples. One is our field force productivity. We're using AI to not only help train our field forces, but also help make their time with physicians maximize. So we invest more time with physicians rather than behind screens. Second is on the marketing side, we measure MROI.

And you've seen us be very disciplined, as Dave alluded to, in our SI&A spend, particularly as we're trying to grow revenue for a lot of our launch and acquired brands, and AI has absolutely helped us increase our MROI by being much, much more targeted about where we invest.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Alexandre, you did fantastic things also in international with AI.

Alexandre De Germay - *Pfizer Inc - Chief International Commercial Officer, Executive Vice President*

Yeah, that's right. I mean every step of the way when we interact with our customer is subject to an improvement with AI. Let me give you an example, critical planning for our rep is actually done better when it is done with AI. The quality of the interaction is listened, so that we can rerun those interactions that we can improve the quality of the interaction. We can also do targeting better way so that we have advanced targeting, thanks to AI.

And finally, imagine that operating globally with very different regulatory requirements require every country to redo and reassess every promotional pieces. With AI, we can do that instantly in all those markets. We don't need to rerun all those activities at every country. So that has massive impact on productivity and speed to market.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

And Dave, maybe --

David Denton - *Pfizer Inc - Chief Financial Officer, Executive Vice President*

Yeah. Maybe just 2 points. From an enabling functions perspective, I think about AI in us leveraging our vendors because we have big vendor technology platforms across our enterprise. And as they make investments in their platform, we're taking advantage of those and embedding those within our process, which is increasing our productivity.

And then secondly, think about our business model, we have routine transactions, but we have a large number of products that are across literally hundreds of markets. So AI is allowing us to use those data sets to essentially automate some of those transactions to make it very efficient that today, we deploy resources to be able to do that. So now the technology is enabling us to be a lot more productive.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Yeah. So in closing, Evan, that's why we put it as one of the four imperatives strategic priorities we plan to do, which is to scale up because we have some big success. Many people are asking us, how is possible that Pfizer was able to take so much cost out of its operations without affecting the top line.

And the answer is yes. We didn't just cut cost, what we did is we improved productivity. And the main lever, of course, there was simplification efforts that also took place. But the main lever was the successful deployment of AI, where basically we are reducing the cost without that being seen in the activity. So very excited about the prospects of AI.

Next question, please.

Operator

Dave Risinger, Leerink Partners.

David Risinger - *Leerink Partners LLC - Analyst*

Yes. Thanks very much and thanks for all the updates. So my question is for Chris. Chris, could you talk a little bit more about MET-233i, which I believe is now numbered '3945 Specifically, the bias of amylin relative to calcitonin, the implications for the efficacy and tolerability profile and the data we should expect at ADA? Thanks very much.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you very much for the question. So this is an ultra-long-acting amylin, which was previously shown to have a monotherapy efficacy of 8.4% placebo-adjusted weight loss at day 36. It's a deal molecule, so it's not biased to the one. It's placebo-like tolerability was previously shown with the monotherapy. And that gave confidence for the -- starting the combination of '3944 and '3945.

previously, early data shown a day 8, 5% weight loss, but obviously, that's very early. So we will update those data later this year. This is an important combination for us because we believe with this combination, we can have best-in-class efficacy with a monthly dosing, which will be highly differentiated for this combination.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Chris. And now it's time for the last question.

Operator

Louise Chen, Scotiabank.

Louise Chen - *Scotiabank GBM - Analyst*

Hi. Thanks for taking my questions. I wanted to ask you first, it's been a couple of years since you completed the acquisition of Seagen. And I'm just curious how that integration has gone? And then how is that deal really increase your leadership in oncology? And then just a second quick question on your PD-1xVEGF. It's becoming a more crowded market. So just curious where you expect to stand out with respect to your pipeline. I mean there's some indications that are coming before you but is there anything special that you would like to call out. Thank you.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Louise. And clearly Seagen has been integrated on research, commercial, manufacturing and multiple other levels. But given that Chris was the leader that drove the integration during the first sensitive year, Chris, maybe you want to make a comment on how the integration of Seagen went and is continue doing.

Chris Boshoff - *Pfizer Inc - Chief Scientific Officer and President, Research & Development*

Thank you very much for the question. So firstly, we have a vibrant community of scientists and clinicians in Seattle. I believe we're one of the biggest employers for -- in the biotech or biopharma industry in that region. Most of the colleagues actually remained at Pfizer, which is just a testament of our culture and the success of the integration.

A number of programs have started and being accelerated, including, as you've seen, the readout with 303 and 304 for PADCEV. We are planning an additional Phase 3 study for PADCEV. It will start later this year. It's an important study for us and for patients because that is to -- study to potentially replace cystectomy, which, as you know, leads to significant morbidity and mortality.

We also accelerated a number of other programs into Phase 3, including SV with two Phase 3 studies ongoing and an additional Phase 3 study that's going to start. PDL1V, another Phase 3 program ongoing in non-small cell lung cancer and a number of Phase 1 ADCs that's differentiated, including using the integrin beta 6 antigen as a marker with new payloads, including TOPO 2 and new orastatin based payload. So integration, overall, of Seagen going very, very well.

Regarding '4404, it is a differentiated molecule. What we've seen in the preclinical data was a 100-fold increase for the affinity for PD-1 in the presence of VEGF and binding to all isoforms of VEGF-A. It's a preclinical data highly encouraging overall encouraged by the field now. As you know, we've recently seen from China first line non-small cell lung data that was positive. The data we've seen with a combination of '4404 with chemotherapy are highly encouraging.

And as we accelerate the program, as you've seen in we started Phase 3 programs already for colorectal cancer. And earlier this year, we'll also start with first-line Phase 3 with non-small cell lung cancer and then endometrial cancer and bladder cancer, including combinations with our ADC portfolio.

Albert Bourla - *Pfizer Inc - Chairman & Chief Executive Officer*

Thank you, Chris. Very exciting. So thank you very much, everyone. Clearly, I'm very proud of what we achieved in 2025 in multiple horizons. The last piece of the puzzle was revealed today with the fourth quarter results, which were stellar. We beat with a significant margin, revenues and earnings in the phase of the lowest-ever COVID season that generated the lowest ever revenues because of the way that this strain was mild.

Now we are already in 2026. And this is a pivotal year because it marks the first year of an LOE cycle, but already started this year. And we've been preparing for that for many years with the acquisitions we have done strategic and licensing agreements, while also it was sharpening our focus on the most impactful internal programs. Our US and international commercial organizations have refined models to strengthen leadership with key product portfolios, streamlining and financial discipline are, of course, ongoing priorities.

We will continue strategic investment in future growth and value creation for our shareholders, including by maintaining and over the long term, growing our dividend. Our 2026 strategic agenda is clear, and I'm confident in the progress we will achieve. Thank you for your interest in Pfizer, and we look forward to continuing to share our progress with you in the year ahead.

Operator

Thank you. This brings us to the end of today's meeting. We appreciate your time and participation. You may now disconnect.
