Second Quarter 2017

Earnings Teleconference

August 1, 2017

Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Second Quarter 2017 Earnings

Forward-Looking Statements and Non-GAAP Financial Information

- Our discussions during this conference call will include forward-looking statements about, among other things, our anticipated future operating and financial performance, business plans and prospects, in-line products and product candidates, including anticipated regulatory submissions, approvals, performance and potential benefits of Pfizer's products and product candidates, strategic reviews, capital allocation, business-development plans, the benefits expected from our acquisitions and other business development activities and plans relating to share repurchases and dividends that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Additional information regarding these factors can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, including in the sections thereof captioned "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results", as well as in our subsequent reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission and available at www.sec.gov and www.pfizer.com. The forward-looking statements in this presentation speak only as of the original date of this presentation and we undertake no obligation to update or revise any of these statements.

- Also, the discussions during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found in Pfizer's Current Report on Form 8-K dated August 1, 2017. Any non-U.S. GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by U.S. GAAP, have no standardized meaning prescribed by U.S. GAAP and may not be comparable to the calculation of similar measures of other companies.

Opening Remarks

Ian Read
Chairman and Chief Executive Officer

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CEO Perspectives

- Another strong quarter for the Innovative Health business
  - Ibrance, Eliquis and Xeljanz are performing well, with continued market penetration in their current indications and the potential for new indications for Xeljanz and Ibrance
  - Xtandi underlying demand was strong this quarter, with total net sales up 10% vs. Q1 2017, and we remain enthusiastic about its potential in non-metastatic prostate cancer
  - Talazoparib's Phase 3 EMBRACA study is anticipated to read out by January 2018
  - Eucrisa prescription demand was up 2.5x this quarter compared to Q1 2017
  - Establishing recommendation and reimbursement for Prevnar-13 Adult in the E.U. has taken longer than anticipated
- Building on the strengths of the Essential Health portfolio
  - Emerging markets and biosimilars delivered good operational growth in Q2 2017
  - Inflectra reimbursement coverage in the U.S. has been mixed; we are working to enable greater access
  - Biosimilars portfolio remains on track to file 6 biosimilar assets in the U.S. in 2017-2018
  - PEH is refining and strengthening its portfolio to ultimately pivot the business to growth
- Strong pipeline, with potential for multiple blockbusters in the next 5 years (see next slide)

Near Term Focus is to Maximize In-Market Opportunities While Advancing Our Pipeline and Managing Our Costs to Deliver Attractive Financial Performance

Potential for Multiple Blockbuster Approvals over Next 5 Years

Approximately half potentially receiving approval by 2020

New Molecular Entities & Combos

Oncology

- Xtandi non-metastatic PROSPER/EMBARK
- Ibrance Intermediate / High Risk eBC
- IO-Target / IO-Chemo
- IO-IO: Doublet / Triplet
- Targeted Cancer Agents

Vaccines

- Pneumococcal Next-gen
- Clostridium *Difficile*
- Staphylococcus *Aureus*

Inflammation & Immunology

- Xeljanz Psoriatic Arthritis & Ulcerative Colitis
- JAK1 Atopic Dermatitis
- JAK3, TYK2/JAK1 Alopecia

Rare Disease & Internal Medicine

- domagrozumab Duchenne Muscular Dystrophy
- rivipansel Sickle Cell
- tafamidis Cardiomyopathy
- tanezumab Pain

Plus: 14 Biosimilar Assets Currently in Development, 8 Mid-to-Late Stage

Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

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Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

	Second Quarter		
	2017	2016	Change
Revenues	$12,896	$13,147	(2%)
Reported Net Income[(1)]	3,073	2,047	50%
Reported Diluted EPS[(1)]	0.51	0.33	53%
Adjusted Income[(2)]	4,063	3,929	3%
Adjusted Diluted EPS[(2)]	0.67	0.64	5%

Reported Results Favorably Impacted Primarily by Lower Asset Impairment Charges, Higher Gross Margins and Lower Legal Charges; Unfavorably Impacted Primarily by a Higher Effective Tax Rate and Higher Purchase Accounting Adjustments

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

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

Impact of Foreign Exchange on Revenues and Select Adjusted Income[1] Components

($ Millions, Except Percentages)
Favorable / (Unfavorable)

	Second Quarter			
	2017	2016	FX Impact	
Revenues	**$12,896**	**$13,147**	**($202)**	**(2%)**
Adjusted Cost of Sales[1]	2,595	3,062	191	6%
COS as a Percentage of Revenues	*20.1%*	*23.3%*	*1.1 ppts*	*5%*
Adjusted SI&A Expenses[1]	3,385	3,443	44	1%
Adjusted R&D Expenses[1]	1,771	1,740	12	1%
Total Adjusted Costs & Expenses[2]	**$7,750**	**$8,246**	**$247**	**3%**

Foreign Exchange Had a ~$0.01 Positive Impact on Adjusted Diluted EPS[1] Compared to the Year-Ago Quarter

(1) See slide 8 for definition.
(2) Totals may not add due to rounding.

2017 Financial Guidance[1][2]

Revenues	$52.0 to $54.0 billion
Adjusted Cost of Sales[3] as a Percentage of Revenues	20.0% to 21.0%
Adjusted SI&A Expenses[3]	$13.7 to $14.7 billion
Adjusted R&D Expenses[3]	$7.5 to $8.0 billion
Adjusted Other (Income) / Deductions[3]	Approximately $200 million of income *(previously approximately $100 million of deductions)*
Effective Tax Rate on Adjusted Income[3]	Approximately 23.0%
Adjusted Diluted EPS[3]	$2.54 to $2.60 *(previously $2.50 to $2.60)*

Raised 2017 Guidance for Adjusted Other (Income)/Deductions[3] and the Midpoint of Adjusted Diluted EPS[3]; Reaffirmed All Other 2017 Financial Guidance Components

[1] Exchange rates assumed are a blend of the actual exchange rates in effect through June 2017 and mid-July 2017 exchange rates for the remainder of the year. [2] Pfizer does not provide guidance for GAAP Reported financial measures (other than Revenues) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP Reported financial measures on a forward-looking basis because it is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, acquisition-related expenses and potential future asset impairments without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP Reported results for the guidance period. Does not assume the completion of any business development transactions not completed as of July 2, 2017, including any one-time upfront payments associated with such transactions. Reflects an anticipated negative revenue impact of $2.4 billion due to recent and expected generic and biosimilar competition for certain products that have recently lost or are anticipated to soon lose patent protection. Reflects the anticipated negative impact of $0.2 billion on Revenues and $0.01 on Adjusted Diluted EPS[3] as a result of unfavorable changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2016. Adjusted Diluted EPS[3] guidance assumes diluted weighted-average shares outstanding of between 6.0 and 6.1 billion shares. [3] See slide 8 for definition.

Key Takeaways

- Delivered solid Q2 2017 financial results, with 2% operational revenue growth versus Q2 2016, excluding HIS from both periods, led by strong growth from Ibrance, Eliquis and Xeljanz, as well as the contribution from recently-acquired products including Xtandi
- Raised midpoint of 2017 adjusted diluted EPS[1] guidance range by $0.02 to $2.54 to $2.60
- Accomplished several product and pipeline milestones since our previous quarterly update
  - FDA approved Bavencio (avelumab) for the treatment of patients with locally advanced or metastatic urothelial carcinoma whose disease progressed during or following platinum containing chemotherapy or progressed within 12 months of neoadjuvant treatment with platinum containing chemotherapy
  - European Commission approved Besponsa (inotuzumab ozogamicin) for the treatment of adults with relapsed or refractory CD22-positive B-cell precursor acute lymphoblastic leukemia
  - FDA accepted for review two filings for Xeljanz for the treatment of patients with active psoriatic arthritis (PDUFA: Dec. 2017) and moderately to severely active ulcerative colitis (PDUFA: Mar. 2018)
  - Amended the protocol for the PROSPER trial of Xtandi in patients with non-metastatic castration-resistant prostate cancer; top-line results are now expected this year vs. June 2019 previously
- Returned $8.9 billion to shareholders in the first six months of 2017 through a combination of dividends and a $5.0 billion accelerated share repurchase agreement

Remain Committed to Delivering Attractive Shareholder Returns in 2017 and Beyond

(1) See slide 8 for definition.

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Q&A Session

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