Fourth Quarter 2017

Earnings Teleconference

January 30, 2018

Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Fourth 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, data read-outs, approvals, performance, timing of exclusivity 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, manufacturing and product supply and plans relating to share repurchases and dividends that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Additional information regarding these factors can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in our subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results", as well as in our subsequent reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission and available at www.sec.gov and www.pfizer.com. The forward-looking statements in this presentation speak only as of the original date of this presentation and we undertake no obligation to update or revise any of these statements.

- Also, the discussions during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found in Pfizer's Current Report on Form 8-K dated January 30, 2018. 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

- Pfizer Innovative Health had another strong year with 8% operational revenue growth
  - Ibrance, Eliquis, Xeljanz, Chantix, Lyrica and Xtandi are all contributing to PIH growth
- Pfizer Essential Health, although revenues declined for the year, achieved operational revenue growth of 7% in emerging markets and 66% in biosimilars
  - Growth was more than offset by declines in sterile injectables due to capacity constraints and technical issues; expect to make substantial progress on reducing shortages in 2018
- Anticipating declining impacts from LOEs combined with strengthening of our R&D pipeline
  - Annual LOE headwinds expected to remain in the $2 billion range through 2020, then ~$1 billion in 2021, and then $500 million or less from 2022-2025
  - Achieved 10 FDA approvals in 2017, significantly more than any year in the past decade
  - Advancing multiple oncology filings: talazoparib, Xtandi, lorlatinib, dacomitinib, glasdegib
  - Strongest immuno-kinase franchise in the industry, with 7 ongoing JAK clinical programs
  - Vaccines trials for *C. Difficile*, next-gen Prevnar and *Staph aureus* are progressing well
  - Taking steps to become a leader in gene therapy, which we believe holds great promise
- The new U.S. tax code helps level the playing field with our foreign competitors, and we are currently reviewing our capital allocation opportunities under the new tax code

Delivered on our 2017 Strategy by Growing our New Brands, Gaining Product Approvals, Advancing our Pipeline and Positioning Pfizer to Deliver Shareholder Value in 2018

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)

	Fourth Quarter			Full Year		
	2017	2016	Change	2017	2016	Change
Revenues	$13,703	$13,627	1%	$52,546	$52,824	(1%)
Reported Net Income[(1)]	12,274	775	*	21,308	7,215	*
Reported Diluted EPS[(1)]	2.02	0.13	*	3.52	1.17	*
Adjusted Income[(2)]	3,772	2,894	30%	16,085	14,761	9%
Adjusted Diluted EPS[(2)]	0.62	0.47	32%	2.65	2.40	11%

Q4 2017 Reported Results Favorably Impacted Primarily by a Lower Effective Tax Rate and Lower Restructuring and Implementation Costs; Unfavorably Impacted Primarily by Higher Losses on Retirement of Debt

(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), including significant changes resulting from tax legislation such as the Tax Cuts and Jobs Act ("TCJA"). 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.

* Indicates calculation result is greater than 100%.

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

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

	Fourth Quarter			
	2017	2016	FX Impact	
Revenues	**$13,703**	**$13,627**	**$114**	**1%**
Adjusted Cost of Sales[1]	3,062	3,046	(81)	(3%)
COS as a Percentage of Revenues	*22.3%*	*22.4%*	*(0.4 ppts)*	*(2%)*
Adjusted SI&A Expenses[1]	4,318	4,402	(37)	(1%)
Adjusted R&D Expenses[1]	2,300	2,505	(9)	—
Total Adjusted Costs & Expenses[2]	**$9,679**	**$9,953**	**($127)**	**(1%)**

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

(1) See slide 7 for definition.
(2) Totals may not add due to rounding.

2017 Financial Guidance[1][2]

	Guidance	Results
Revenues	$52.4 to $53.1 billion	$52.5 billion
Adjusted Cost of Sales[3] as a Percentage of Revenues	20.0% to 20.5%	20.5%
Adjusted SI&A Expenses[3]	$14.0 to $14.5 billion	$14.5 billion
Adjusted R&D Expenses[3]	$7.5 to $7.8 billion	$7.6 billion
Adjusted Other (Income) / Deductions[3]	(~$500 million of income)	($699 million of income)
Effective Tax Rate on Adjusted Income[3]	~23.0%	20.0%
Adjusted Diluted EPS[3]	$2.58 to $2.62	$2.65

Met or Exceeded All Components of 2017 Financial Guidance

[1] Exchange rates assumed were a blend of the actual exchange rates in effect through September 2017 and mid-October 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. Did not assume the completion of any business development transactions not completed as of October 1, 2017, including any one-time upfront payments associated with such transactions. Reflects the previously estimated negative revenue impact of $2.3 billion due to recent and expected generic and biosimilar competition for certain products that have recently lost patent protection. Reflects the previously estimated negative impact of $0.1 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 assumed diluted weighted-average shares outstanding of between 6.0 and 6.1 billion shares. [3] See slide 7 for definition.

2018 Financial Guidance[1][2]

Revenues	$53.5 to $55.5 billion
Adjusted Cost of Sales[3] as a Percentage of Revenues	20.5% to 21.5%
Adjusted SI&A Expenses[3]	$14.0 to $15.0 billion
Adjusted R&D Expenses[3]	$7.4 to $7.9 billion
Adjusted Other (Income) / Deductions[3]	Approximately $400 million of income
Effective Tax Rate on Adjusted Income[3]	Approximately 17.0%
Adjusted Diluted EPS[3]	$2.90 to $3.00

Guidance Midpoints Imply 4% Growth in Revenues and 11% Growth in Adjusted Diluted EPS Compared to 2017 Actual Results

[1] Exchange rates assumed are as of mid-January 2018. [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 December 31, 2017, including any one-time upfront payments associated with such transactions. Reflects an anticipated negative revenue impact of $2.0 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. Assumes no generic competition for Lyrica in the U.S. until June 2019, which is contingent upon a six-month patent-term extension granted by the FDA for pediatric exclusivity, which the company is currently pursuing. Reflects the anticipated favorable impact of $900 million on Revenues and $0.06 on Adjusted Diluted EPS[3] as a result of favorable changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2017. Adjusted Diluted EPS[3] guidance assumes diluted weighted-average shares outstanding of approximately 6.0 billion shares,which reflects anticipated share repurchases totaling $5.0 billion in 2018. Dilution related to share-based employee compensation programs is expected to offset by approximately half the reduction in shares associated with these anticipated share repurchases. Guidance reflects a full year contribution from Consumer Healthcare. Guidance for the effective tax rate on Adjusted income[3] reflects the enactment of the Tax Cuts and Jobs Act. Additional information related to Pfizer's 2018 financial guidance can be found in Pfizer's Current Report on Form 8-K dated January 30, 2018. [3] See slide 7 for definition.

Key Takeaways

- Achieved solid Q4 2017 financial results, with 2% operational revenue growth, excluding revenues for Hospira Infusion Systems from the prior-year quarter, primarily driven by Eliquis globally and Xeljanz primarily in the U.S.
- Issued 2018 financial guidance, representing 4% revenue growth and 11% adjusted diluted EPS growth at the midpoints compared to 2017 actual results
- Accomplished multiple product and pipeline milestones since our previous quarterly update
  - FDA approved Xeljanz/Xeljanz XR for the treatment of adults with active psoriatic arthritis
  - FDA approved Steglatro (ertugliflozin) and two fixed dose combinations: Steglujan (ertugliflozin and sitagliptin) and Segluromet (ertugliflozin and metformin hydrochloride) for adults with type 2 diabetes
  - FDA approved expanded indications for both Bosulif (adults with newly-diagnosed chronic phase Ph+ CML) and Sutent (adjuvant treatment of adults at high risk of recurrent RCC following nephrectomy)
  - Announced positive results for the Phase 3 EMBRACA trial of talazoparib, an investigational PARP inhibitor, in patients with gBRCA+ locally advanced or metastatic breast cancer
- Returned $12.7 billion to shareholders in 2017 through a combination of dividends and a $5.0 billion accelerated share repurchase agreement

Remain Committed to Delivering Attractive Shareholder Returns in 2018 and Beyond

(1) See slide 7 for definition.

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Q&A Session

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