Second Quarter 2018

Earnings Teleconference

July 31, 2018

Introduction

Chuck Triano

Senior Vice President,

Investor Relations

Second Quarter 2018 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, study starts, 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, 2017 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 July 31, 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

- Innovative Health (IH) business posted another solid quarter, growing Revenues by 5% operationally in Q2 2018 compared to Q2 2017
  - IH growth was driven by strong performances from Ibrance, Xtandi, Xeljanz and Eliquis
- Essential Health (EH) business saw strong growth this quarter in emerging markets, which grew 10% operationally, and biosimilars, which grew 44% operationally
  - Overall, EH revenues declined due to ongoing sterile injectable supply shortages, product LOEs and a decline in the U.S. Legacy Established Products portfolio
- Believe our pipeline has the largest and most promising array of late-stage prospects in decades
  - Tafamidis: received breakthrough therapy designation from the FDA
  - Tanezumab: first Phase 3 study met all co-primary endpoints in patients with osteoarthritis; potential to be the first in a new class of non-opioid treatments
  - Four oncology assets under priority review: lorlatinib, dacomitinib, talazoparib & glasdegib
  - Ten immuno kinase programs: includes a JAK1 for atopic dermatitis, Xeljanz in ankylosing spondylitis, a topical JAK (PF-06763809) for psoriasis and a next-gen JAK inhibitor for alopecia areata
  - Next-generation 20-valent pneumococcal vaccine candidate achieved proof of concept
  - Three gene therapy programs ongoing; Hemophilia B, Duchenne Muscular Dystrophy & Hemophilia A
- Believe our new structure in fiscal 2019 better positions each business to accelerate growth

Believe We Are Well Positioned to Deliver New Medicines to Patients, Enhance Shareholder Value and Prepare the Company for Accelerated Growth in the Future

Updates and Next Steps for Select 'Up to 15 in 5' Cohort

Oncology

Xtandi® PROSPER – Approved July 2018

Next Step: Launch ongoing

Dacomitinib – Priority Review Granted

Next Step: FDA Action Date Sep 2018

Talazoparib EMBRACA – Priority Review Granted

Next Step: FDA Action Date Dec 2018

Glasdegib AML 1L – Priority Review Granted

Next Step: FDA Action Date Dec 2018

Bavencio® / Inlyta®– Combo in mRCC -Phase 3 Ongoing, Breakthrough Granted

Next Step: Pivotal Readout H1 2019

Inflammation & Immunology

Xeljanz® UC (US) – Approved May 2018

Next Step: 5mg and 10mg launch ongoing

Xeljanz® UC (EU) – Encouraging CHMP Feedback

Next Step: Potential Action Date Q3 2018

JAK1 Atopic Dermatitis – Phase 3 ongoing, Breakthrough Granted

Next Step: Phase 3 Monotherapy TLR H1 2019

Vaccines

S. Aureus – Encouraging FDA AdComm

Next Step: Phase 2/ Phase 3 Readout 2020

C *Difficile* – Phase 3 recruitment ahead of schedule

Next Step: Phase 3 Readout 2020

Pneumococcal Next Gen Adult – POC achieved

Next Step: Potential Phase 3 start H1 2019

Rare Disease & Internal Medicine

Tafamidis® TTR CM – Positive Phase 3 Readout; Breakthrough Granted

Next Step: Potential Regulatory Submission

Tanezumab – Positive Phase 3 readout in OA Pain

Next Step: Further Phase 3 Study Readouts

Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

Second Quarter 2018 Earnings

Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

	Second Quarter		
	2018	2017	Change
Revenues	$13,466	$12,896	4%
Reported Net Income[1]	3,872	3,073	26%
Reported Diluted EPS[1]	0.65	0.51	28%
Adjusted Income[1]	4,827	4,063	19%
Adjusted Diluted EPS[1]	0.81	0.67	21%

Q2 2018 Reported Results Favorably Impacted Primarily by Higher Other Income, a Lower Effective Tax Rate, Higher Revenues and Foreign Exchange Impacts; Unfavorably Impacted Primarily by Higher Cost of Sales

(1) See slide 13 for definition.

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

($ Millions, Except Percentages)

Favorable / (Unfavorable)

	Second Quarter				
	2018	**2017**	**FX Impact**		
Revenues	**$13,466**	**$12,896**	**$377**	↑	**3%**
Adjusted Cost of Sales[1]	2,876	2,592	(126)	↑	(5%)
COS as a Percentage of Revenues	*21.4%*	*20.1%*	*(0.3 ppts)*		*(2%)*
Adjusted SI&A Expenses[1]	3,507	3,390	(84)	↑	(2%)
Adjusted R&D Expenses[1]	1,789	1,777	(17)	↑	(1%)
Total Adjusted Costs & Expenses[2]	**$8,173**	**$7,759**	**($228)**	↑	**(3%)**

Foreign Exchange Had a ~$0.02 Positive Impact on Adjusted Diluted EPS[1] Compared to the Year-Ago Quarter

(1) See slide 13 for definition.
(2) Totals may not add due to rounding.

2018 Financial Guidance[1]

Revenues	$53.0 to $55.0 billion *(previously $53.5 to $55.5 billion)*
Adjusted Cost of Sales[1] as a Percentage of Revenues	20.5% to 21.5%
Adjusted SI&A Expenses[1]	$14.0 to $15.0 billion
Adjusted R&D Expenses[1]	$7.7 to $8.1 billion *(previously $7.4 to $7.9 billion)*
Adjusted Other (Income)/Deductions[1]	Approximately $1.0 billion of income *(previously approximately $400 million of income)*
Effective Tax Rate on Adjusted Income[1]	Approximately 16.0% *(previously approximately 17.0%)*
Adjusted Diluted EPS[1]	$2.95 to $3.05 *(previously $2.90 to $3.00)*

Raised 2018 Guidance Range for Adjusted Diluted EPS[1] by $0.05; Lowered Midpoint of Revenue Guidance Range by $500M Solely to Reflect Recent Unfavorable Changes in Foreign Exchange Rates

(1) See slide 13 for definitions and additional information regarding Pfizer's 2018 financial guidance.

Key Takeaways

- Delivered strong Q2 2018 financial results, with 2% operational Revenue growth and Adjusted diluted EPS[1] up 21% compared to the same period last year
- Raised 2018 financial guidance for Adjusted diluted EPS[1] by $0.05 to a range of $2.95 to $3.05; lowered midpoint of Revenue guidance range by $500 million solely to reflect recent unfavorable changes in FX Rates
- Announced plans to begin operating under a new business structure beginning in 2019
- Accomplished several product and pipeline milestones since our previous quarterly update
  - FDA approved Xtandi for the treatment of non-metastatic castration-resistant prostate cancer patients
  - FDA approved Xeljanz for adults with moderately to severely active ulcerative colitis
  - EMA approved Xeljanz for adults with active psoriatic arthritis who have had an inadequate response or who were intolerant to a prior DMARD therapy
  - Announced positive topline results from the first of six Phase 3 trials of tanezumab
  - Achieved proof of concept for our next generation 20-valent pneumococcal vaccine candidate
- Returned $10.1 billion to shareholders in 1H 2018 through a combination of dividends and share repurchases

Remain Committed to Delivering Attractive Shareholder Returns in 2018 and Beyond

(1) See slide 13 for definition.

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Q&A Session

July 31, 2018

Footnotes

Financial Definitions Footnotes

(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.

Financial Guidance Footnotes

(3) The 2018 financial guidance reflects the following:

- 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 1, 2018, including any one-time upfront payments associated with such transactions.
- Guidance for Adjusted other (income)/deductions does not attempt to forecast unrealized net gains or losses on equity securities. Pfizer is unable to predict with reasonable certainty unrealized gains or losses on equity securities in a given period. Net unrealized gains and losses on equity securities are now recorded in Adjusted other (income)/deductions during each quarter, reflecting the adoption of a new accounting standard in the first quarter of 2018. Prior to the adoption of the new standard, net unrealized gains and losses on virtually all equity securities with readily determinable fair values were reported in Accumulated other comprehensive income.
- Exchange rates assumed are a blend of the actual exchange rates in effect through second-quarter 2018 and mid-July 2018 exchange rates for the remainder of the year.
- Reflects an anticipated negative revenue impact of $1.9 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 a full year contribution from Consumer Healthcare. Pfizer continues to expect that any decision regarding strategic alternatives for Consumer Healthcare will be made during 2018.
- Reflects the anticipated favorable impact of approximately $500 million on Revenues and approximately $0.03 on Adjusted Diluted EPS(2) 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(2) guidance assumes diluted weighted-average shares outstanding of approximately 6.0 billion shares, which reflects share repurchases totaling approximately $6.1 billion already completed in 2018. Dilution related to share-based employee compensation programs is expected to offset by approximately half the reduction in shares associated with these share repurchases.
- Given the significant changes resulting from and complexities associated with the Tax Cuts and Jobs Act (TCJA), the estimated financial impacts associated with the TCJA that were recorded in fourth-quarter 2017 are provisional and subject to further analysis, interpretation and clarification of the TCJA, which could result in changes to these estimates during 2018.