Third Quarter 2018

Earnings Teleconference

October 30, 2018

Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Third 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 plans to organize our commercial operations into three businesses effective at the beginning of the company's 2019 fiscal year, the benefits expected from our acquisitions and other business development activities, our ability to successfully capitalize on growth opportunities, 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 October 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

- Innovative Health had another solid quarter with 5% operational growth; pleased with the performances of Ibrance, Xtandi, Eliquis, Xeljanz, Prevnar 13 and the Consumer healthcare business
- Essential Health saw strong growth in emerging markets and biosimilars, but overall revenues declined due to sterile injectables supply issues and product LOEs, as well as decreases in the Legacy Established Products portfolio in developed markets
- Strengthening and advancing the pipeline
  - *Rare Disease*: Positive results presented from the ATTR-ACT Phase 3 study of tafamidis; rolling NDA submission expected to be completed during the current quarter
  - *Internal Medicine*: Positive results for Study 1056, the first Phase 3 read-out from the current global clinical development program for tanezumab; additional Phase 3 readouts expected in 1H 2019
  - *Oncology*: Recent FDA approvals for Vizimpro (dacomitinib) and Talzenna (talazoparib); lorlatinib and glasdegib are under FDA priority review with expected decisions before YE 2018; positive data for Bavencio + Inlyta in RCC recently presented
  - *Inflammation & Immunology*: Two JAK inhibitors received breakthrough therapy designations this year (JAK1 in atopic dermatitis & JAK3 for alopecia areata), and development for both is advancing
  - *Vaccines*: Breakthrough therapy designation for our 20-valent pneumococcal vaccine candidate with Phase 3 trials expected to start in the months ahead; *C. Difficile* vaccine candidate and *Staph. aureus* vaccine candidate continue to advance
- Continuing to work with the Administration to strengthen the healthcare system, with a focus on providing more access and relieving the burden on patients at the point of sale

Remain Well-Positioned to Deliver New Medicines for Patients, Prepare the Company for Accelerated Growth and Create Enhanced Shareholder Value

Successor CEO Remarks

Albert Bourla
Chief Operating Officer

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Successor CEO Remarks

- We are preparing for an expected era of continued growth following the impact of the loss of exclusivity of Lyrica in the U.S.
  - Wide range of opportunities to grow our core brands
  - Our strong, deep R&D pipeline represents a competitive advantage

- Making the necessary adjustments for a potential pivot to growth
  - Organizing the company into three businesses to take advantage of their unique growth opportunities
  - Growth prospects for the Innovative Medicines business are strong
    - We will need to increase investments to maximize our R&D opportunities and to deliver on potential commercial opportunities
    - We plan to partially offset these investments by simplifying the organization and reducing bureaucracy
  - The Established Medicines business has the potential to generate sustainable modest revenue growth
    - We believe we are well-positioned to be a leader in rapidly growing emerging markets, where urbanization is leading to additional access to medicines for hundreds of millions of people
    - We are focused on standing this business up to operate as a true stand-alone division within Pfizer
  - The Consumer Healthcare business is well-positioned to continue its growth
    - We continue exploring options for this business and expect to make a decision by year-end

Due to Thoughtful Succession Planning, When We Transition Leadership in January, We Will Have a Clear Strategy, a New Organization, and a Strong Executive Team

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)

	Third Quarter		
	2018	2017	Change
Revenues	$13,298	$13,168	1%
Reported Net Income[1]	4,114	2,840	45%
Reported Diluted EPS[1]	0.69	0.47	46%
Adjusted Income[1]	4,661	4,059	15%
Adjusted Diluted EPS[1]	0.78	0.67	16%

Q3 2018 Reported Results Favorably Impacted Primarily by a Lower Effective Tax Rate, Higher Other Income and Higher Revenues

(1) See slide 14 for definition.

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

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

	Third Quarter			
	2018	**2017**	**FX Impact**	
Revenues	**$13,298**	**$13,168**	**($113)**	**(1%)**
Adjusted Cost of Sales[1]	2,673	2,696	212	8%
COS as a Percentage of Revenues	*20.1%*	*20.5%*	*1.4 ppts*	*7%*
Adjusted SI&A Expenses[1]	3,471	3,482	24	1%
Adjusted R&D Expenses[1]	1,998	1,857	1	—
Total Adjusted Costs & Expenses[2]	**$8,143**	**$8,036**	**$236**	**3%**

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

(1) See slide 14 for definition.
(2) Totals may not add due to rounding.

2018 Financial Guidance[1]

Revenues	$53.0 to $53.7 billion *(previously $53.0 to $55.0 billion)*
Adjusted Cost of Sales[1] as a Percentage of Revenues	20.8% to 21.3% *(previously 20.5% to 21.5%)*
Adjusted SI&A Expenses[1]	$14.0 to $14.5 billion *(previously $14.0 to $15.0 billion)*
Adjusted R&D Expenses[1]	$7.7 to $8.1 billion
Adjusted Other (Income)/Deductions[1]	Approximately $1.3 billion of income *(previously approximately $1.0 billion of income)*
Effective Tax Rate on Adjusted Income[1]	Approximately 16.0%
Adjusted Diluted EPS[1]	$2.98 to $3.02 *(previously $2.95 to $3.05)*

Updated and Narrowed Certain Components of 2018 Financial Guidance; Midpoint of Adjusted Diluted EPS[1] Guidance Remains Unchanged

[1] See slide 14 for definitions and additional information regarding Pfizer's 2018 financial guidance.

Key Takeaways

- Delivered solid Q3 2018 financial results, with 2% operational Revenue growth and Adjusted diluted EPS[(1)] up 16% compared to the same period last year
- Updated and narrowed certain components of 2018 financial guidance; midpoint of Adjusted diluted EPS[(1)] guidance was unchanged
- Accomplished multiple product and pipeline milestones since our previous quarterly update
  - Received EC approval for Xeljanz (tofacitinib) for the treatment of certain patients with moderately to severely active ulcerative colitis
  - Received FDA approval for Talzenna (talazoparib), a PARP inhibitor for the treatment of certain patients with gBRCA-mutated HER2-negative locally advanced or metastatic breast cancer
  - Received FDA approval for Vizimpro (dacomitinib) for the 1L treatment of certain patients with EGFR+ metastatic NSCLC
  - Presented the primary results from the ATTR-ACT study, which showed tafamidis significantly reduced the hierarchical combination of all-cause mortality and frequency of cardiovascular-related hospitalizations compared to placebo over a 30-month period
  - Presented positive results from the pivotal Phase 3 JAVELIN Renal 101 study evaluating Bavencio in combination with Inlyta, compared with Sutent, in 1L renal cell carcinoma patients
  - Announced PF-06651600 (JAK3 inhibitor) received Breakthrough Therapy designation from the FDA for the treatment of patients with alopecia areata
  - Announced the 20-valent pneumococcal conjugate vaccine candidate received Breakthrough Therapy designation from the FDA
- Returned $15.0 billion to shareholders to date in 2018 through a combination of dividends and share repurchases

We Remain Committed to Delivering Attractive Shareholder Returns in 2018 and Beyond

(1) See slide 14 for definition.

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Q&A Session

October 30, 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 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 September 30, 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 third-quarter 2018 and mid-October 2018 exchange rates for the remainder of the year.
- Reflects an anticipated negative revenue impact of $1.8 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 $350 million on Revenues and approximately $0.02 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 anticipated share repurchases totaling approximately $12 billion in 2018, including $9.0 billion of share repurchases already completed to date in 2018. Dilution related to share-based employee compensation programs is expected to offset the reduction in shares associated with these share repurchases by approximately half.
- 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 further changes to these estimates during the fourth quarter of 2018.