Fourth Quarter 2018

Earnings Teleconference

January 29, 2019

Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Fourth 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 the reorganization of our commercial operations into three businesses effective at the beginning of our 2019 fiscal year, our acquisitions and other business development activities, our proposed transaction with GSK to combine our respective consumer healthcare businesses into a new consumer healthcare joint venture, our ability to successfully capitalize on growth opportunities and prospects, 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 January 29, 2019. 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

Albert Bourla
Chief Executive Officer

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2018 Performance

- Pfizer had a solid year in 2018, with revenues up 2% operationally, reflecting:
  - Continued growth in several important medicines and vaccines, emerging markets, and biosimilars
  - Offsetting some of this growth was $1.7 billion in LOE impacts and decreases in our Legacy Established Products portfolio in developed markets and our Sterile Injectables portfolio
- Pfizer Innovative Health grew 6% operationally, driven by strength in key brands
  - Ibrance: sales were up 32% operationally in 2018
    - The current main growth driver is international developed markets, where Ibrance has maintained >90% share of the total CDK class volume despite increasing competition
  - Xtandi: combination of alliance revenues and royalty income on ex-U.S. sales totaled nearly $1 billion in 2018
    - Xtandi is now the only FDA-approved oral medication for both metastatic and non-metastatic CRPC
    - Phase 3 ARCHES data in metastatic HSPC further differentiates Xtandi from both branded and generic competitors
  - Xeljanz: up 33% operationally driven by growth in RA, as well as new indications which we expect to contribute more in 2019
  - Eliquis: another strong year in 2018, with combined alliance revenue and direct sales growing 35% operationally
  - Consumer Healthcare: grew 3% operationally in 2018
    - Entered into a definitive agreement with GSK to create a new consumer healthcare joint venture in December 2018
    - We expect the transaction to close in the second half of 2019

2018 Performance, (Continued)

- Pfizer Essential Health revenues declined in 2018, but with strong growth in emerging markets and biosimilars
  - Emerging markets revenue was up 11% operationally in 2018, driven by Lipitor, Norvasc and Sterile Injectables
  - Biosimilars grew 41% operationally in 2018
    - FDA approved two biosimilars in 2018, with the potential for up to four more approvals in 2019
  - Growth was more than offset by lower sales of Legacy Established Products and Sterile Injectables
    - Our U.S. Sterile Injectables business continues to be impacted by supply constraints
    - We expect significant improvement by the end of 2019, and we continue to expect that this business will become a solid contributor to growth in the future

- As of the beginning of 2019, Pfizer is now organized into three businesses
  - Pfizer Biopharmaceuticals Group (Angela Hwang, Group President): A science-based innovative medicines business
  - Upjohn (Michael Goettler, Group President): An off-patent branded and generic medicines business
  - Consumer Healthcare (Chris Slager, Group President): An over-the-counter consumer health business, which is preparing to combine with GSK's consumer business into a new joint venture

Pipeline Update

- Received 7 key approvals in 2018, including both new molecular entities and line extensions
- Key milestones achieved since our previous earnings call include:
  - FDA accepted our NDA filings for tafamidis in ATTR-cardiomyopathy; PDUFA date is in July 2019
  - FDA approved Lorbrena (ALK inhibitor for lung cancer) and Daurismo (for acute myeloid leukemia)
  - Received positive CHMP opinion for Zirabev, our potential biosimilar bevacizumab (Avastin[(1)])
  - Initiated clinical studies for a second cancer vaccine and a second CDK inhibitor for Ibrance-resistant cancer
  - Started Phase 3 trials for our next generation 20-valent pneumococcal vaccine candidate for adults 18 years of age and older
  - Began a pivotal Phase 2b/3 trial for our JAK3 inhibitor in moderate-to-severe alopecia areata
  - With our partner Eli Lilly, we announced positive top-line results from our second Phase 3 study of tanezumab in osteoarthritis
- Potential pipeline events/readouts in 2019 include:
  - Potential FDA approval of Bavencio + Inlyta in 1L RCC
  - Up to four potential biosimilar approvals, which could represent a blockbuster opportunity in the aggregate
  - Potential Phase 3 readouts for rivipansel (sickle cell disease) and our JAK1 (atopic dermatitis)
  - Potential additional Phase 3 readouts for tanezumab (osteoarthritis and chronic low back pain)

(1) Avastin® is a registered U.S. trademark of Genentech, Inc.

Our Strategy for Growth

- Following the impact of the upcoming Lyrica LOE in the U.S., we expect to enter an era of sustained top-line growth, with the potential for even higher growth rates on the bottom-line, driven by:
  - Macro trends potentially increasing demand for access to our innovative and established medicines
  - Expected advances in our pipeline, which we believe is the best in our history
  - Significantly reduced expected LOE headwinds from 2021 until the second half of the decade
- Innovating for Growth (including both scientific innovation and commercial innovation)
  - Reorganized our operations in an effort to simplify, improve effectiveness and create capacity for more value-creating work
  - Initiating digital efforts across the organization to attempt to speed up drug development, enhance customer experience and access, and leverage technology to simplify and automate our processes
  - Investing more aggressively in profitable growth drivers, while reducing resources in areas of lower strategic importance
  - Continuing to allocate capital to shareholder-friendly initiatives, including growing our dividend and, as appropriate, repurchasing our shares or pursuing smaller, "tuck-in" acquisitions and licensing opportunities
- Continuing to work with governments, policymakers, payers and others to advocate for pro-innovation policies that will benefit patients and our industry

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

Financial Review

Frank D'Amelio

Chief Financial Officer and Executive Vice President,
Business Operations & Global Supply

Fourth Quarter 2018 Earnings

Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

	Fourth Quarter		
	2018	2017	Change
Revenues	$13,976	$13,703	2%
Reported Net Income[(1)]	(394)	12,274	*
Reported Diluted EPS/(LPS)[(1)]	(0.07)	2.02	*
Adjusted Income[(1)]	3,802	3,772	1%
Adjusted Diluted EPS[(1)]	0.64	0.62	3%

Q4 2018 Reported Results Unfavorably Impacted Primarily by a Higher Effective Tax Rate, Higher Asset Impairment Charges, and Higher Restructuring/Implementation Costs; Favorably Impacted Primarily by the Nonrecurrence of Net Losses on Early Retirement of Debt and Higher Revenues

(1) See slide 17 for definition.

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

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

	Fourth Quarter			
	2018	2017	FX Impact	
Revenues	**$13,976**	**$13,703**	**($383)**	**(3%)**
Adjusted Cost of Sales[1]	3,044	3,059	310	10%
COS as a Percentage of Revenues	*21.8%*	*22.3%*	*1.6 ppts*	*7%*
Adjusted SI&A Expenses[1]	3,968	4,321	88	2%
Adjusted R&D Expenses[1]	2,436	2,305	11	—
Total Adjusted Costs & Expenses[2]	**$9,448**	**$9,685**	**$408**	**4%**

Foreign Exchange Had a Negligible Impact on Adjusted Diluted EPS[1] Compared to the Year-Ago Quarter

(1) See slide 17 for definition.
(2) Totals may not add due to rounding.

2018 Financial Guidance[1]

	Guidance	Results	
Revenues	$53.0 to $53.7 billion	$53.6 billion	✓
Adjusted Cost of Sales[1] as a Percentage of Revenues	20.8% to 21.3%	20.7%	✓
Adjusted SI&A Expenses[1]	$14.0 to $14.5 billion	$14.2 billion	✓
Adjusted R&D Expenses[1]	$7.7 to $8.1 billion	$8.0 billion	✓
Adjusted Other (Income)/Deductions[1]	(Approximately $1.3 billion of income)	($1.3 billion of income)	✓
Effective Tax Rate on Adjusted Income[1]	Approximately 16.0%	15.5%	✓
Adjusted Diluted EPS[1]	$2.98 to $3.02	$3.00	✓

Met or Exceeded All Components of 2018 Financial Guidance[1]

[1] See slides 17 and 18 for definitions and additional information regarding Pfizer's 2019 and 2018 financial guidance.

2019 Financial Guidance[1]

Revenues	$52.0 to $54.0 billion
Adjusted Cost of Sales[1] as a Percentage of Revenues	20.8% to 21.8%
Adjusted SI&A Expenses[1]	$13.5 to $14.5 billion
Adjusted R&D Expenses[1]	$7.8 to $8.3 billion
Adjusted Other (Income)/Deductions[1]	Approximately $100 million of income
Effective Tax Rate on Adjusted Income[1]	Approximately 16.0%
Adjusted Diluted EPS[1]	$2.82 to $2.92

Guidance Reflects Anticipated Unfavorable Impacts of Approximately $0.9 Billion on Revenues and Approximately $0.06 on Adjusted Diluted EPS[1] Resulting from Changes in FX Rates

[1] See slides 17 and 18 for definitions and additional information regarding Pfizer's 2019 and 2018 financial guidance.

2019 Revenue and Adjusted Diluted EPS[(1)] Guidance Bridge

	Full-Year 2018 Results	2018 (Gains) on Equity Investments	2018 Results Excluding Gains on Equity Investments	2019 Financial Guidance at 2018 FX Rates	Impact of Mid-January 2019 FX Rates Compared to 2018 FX Rates	FY 2019 Guidance
Revenues ($ in billions)	$53.6	--	**$53.6**	**$52.9 to $54.9**	($0.9)	$52.0 to $54.0
Adjusted Diluted EPS[(1)]	$3.00	($0.08)	**$2.92**	**$2.88 to $2.98**	($0.06)	$2.82 to $2.92

Guidance Range Midpoints Imply Comparable Operational Performance in 2019 for Revenues and Adjusted Diluted EPS[(1)] Versus 2018 Results (Excluding Gains on Equity Investments and FX)

(1) See slides 17 and 18 for definitions and additional information regarding Pfizer's 2019 and 2018 financial guidance.

Key Takeaways

- Delivered strong Q4 2018 financial results, with 5% operational Revenue growth and 3% Adjusted diluted EPS(1) growth compared to the same period last year
- Issued 2019 financial guidance ranges, the midpoints of which imply comparable operational performance for Revenues and Adjusted diluted EPS(1) versus 2018 results, despite an anticipated $2.6B of LOE impacts to 2019 (~$0.9B higher than 2018)
- Accomplished multiple product and pipeline milestones since our previous quarterly update
  - Received FDA approval for Lorbrena (lorlatinib), a third-generation ALK tyrosine kinase inhibitor for patients with ALK+ metastatic NSCLC
  - Received FDA approval for Daurismo (glasdegib) for the treatment of newly-diagnosed AML in patients who are at least 75 years old or who have comorbidities that preclude use of intensive induction chemotherapy
  - Announced positive Phase 3 top line results for Xtandi in patients with metastatic hormone-sensitive prostate cancer
  - Announced positive Phase 3 results for PF-05280586, a proposed biosimilar to rituximab
  - Announced the initiation of a Phase 3 program for the company's 20-valent pneumococcal conjugate vaccine candidate
  - Announced that the FDA accepted for filing two NDAs for tafamidis for the treatment of transthyretin amyloid cardiomyopathy; PDUFA for tafamidis meglumine (20mg capsule) is in July 2019; PDUFA for tafamidis free acid form (61mg capsule) is in November 2019
  - Announced this morning positive top-line Phase 3 results for tanezumab in osteoarthritis patients treated for 24-weeks with an additional 24-week safety follow-up period
- Returned $20.2 billion to shareholders in 2018 through a combination of dividends and share repurchases

We Remain Committed to Delivering Attractive Shareholder Returns in 2019 and Beyond

(1) See slide 17 for definition.

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Q&A Session

January 29, 2019

Footnotes (1 of 2)

Financial Definitions Footnotes

(1) Reported net income/(loss) is defined as net income/(loss) attributable to Pfizer Inc. in accordance with U.S. GAAP. Reported diluted earnings per share (EPS) and reported loss per share (LPS) are defined as diluted EPS or LPS 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.

2019 Financial Guidance Footnotes

(3) The 2019 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, net gains or losses on equity securities 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, 2018, including any one-time upfront payments associated with such transactions.
- Reflects a full year of revenue and expense contributions from Consumer Healthcare.
- Reflects an anticipated negative revenue impact of $2.6 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.
- Exchange rates assumed are as of mid-January 2019. Reflects the anticipated unfavorable impact of approximately $0.9 billion on Revenues and approximately $0.06 on Adjusted Diluted EPS[(2)] as a result of changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2018.
- Adjusted Diluted EPS[(2)] guidance assumes diluted weighted-average shares outstanding of approximately 5.7 billion shares, which reflects share repurchases totaling $12.2 billion in 2018 and the weighted-average impact of an anticipated approximately $9 billion of share repurchases in 2019. Dilution related to share-based employee compensation programs is currently expected to offset the reduction in shares associated with these share repurchases by approximately half.

Footnotes (2 of 2)

2018 Financial Guidance Footnotes

(4) The 2018 financial guidance reflected 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.
- Did 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 did 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 were recorded in Adjusted other (income)/deductions during each quarter of 2018, 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. Beginning in Q1 2019, unrealized gains and losses on equity securities will be excluded from Adjusted results.
- Exchange rates assumed were 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 the previously anticipated negative revenue impact of $1.8 billion due to recent and expected generic and biosimilar competition for certain products that have recently lost patent protection. Assumed no generic competition for Lyrica in the U.S. until June 2019, which was contingent at the time on a six-month patent-term extension for pediatric exclusivity which was granted by the FDA in November 2018.
- Reflected a full year contribution from Consumer Healthcare.
- Reflected the previously 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 assumed diluted weighted-average shares outstanding of approximately 6.0 billion shares, which reflected previously anticipated share repurchases totaling approximately $12 billion in 2018.