

Pfizer Provides Full-Year 2025 Financial Guidance

December 17, 2024



Introduction

Francesca DeMartino

Chief Investor Relations Officer,
Senior Vice President

Forward-Looking Statements and Non-GAAP Financial Information

- Our discussions during this conference call will include forward-looking statements that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. We include forward-looking statements about, among other topics, our anticipated operating and financial performance, including financial guidance and projections; changes to Pfizer's commercial organization; reorganizations; business plans, strategy, goals and prospects; our Environmental, Social and Governance (ESG) priorities, strategy and goals; expectations for our product pipeline, in-line products and product candidates, including anticipated regulatory submissions, data read-outs, study starts, approvals, launches, clinical trial results and other developing data, revenue contribution and projections, potential pricing and reimbursement, potential market dynamics, including demand, market size and utilization rates and growth, performance, timing of exclusivity and potential benefits; strategic reviews; capital allocation objectives; an enterprise-wide cost realignment program (including anticipated costs, savings and potential benefits); a manufacturing optimization program to reduce our cost of goods sold (including anticipated costs, savings and potential benefits); dividends and share repurchases; plans for and prospects of our acquisitions, dispositions and other business development activities, including our December 2023 acquisition of Seagen, and our ability to successfully capitalize on growth opportunities and prospects; manufacturing and product supply; our ongoing efforts to respond to COVID-19, including our plans and expectations regarding our COVID-19 products and our expectations regarding the impact of COVID-19 on our business, operations and financial results; and other statements about our business, operations and financial results. Among other things, statements regarding revenue and earnings per share growth; anticipated operating and financial performance; the development or commercial potential of our product pipeline, in-line products, product candidates and additional indications or combinations, including expected clinical trial protocols, the timing and potential for the initiation and progress of clinical trials and data read-outs from trials; the timing and potential for the submission of applications for and receipt of regulatory approvals; the timing and potential for product launches and commercialization; expected profile and labeling; potential revenue; anticipated COVID-19 vaccination rates and Paxlovid treatment courses sold; expected breakthrough, best or first-in-class or blockbuster status or expected market entry of our medicines or vaccines; the regulatory landscape; and the competitive landscape are forward-looking and are estimates that are subject to change and subject to, among other risks, assumptions and uncertainties, clinical trial, regulatory and commercial success, demand, availability of supply, excess inventory write-offs, product recalls, withdrawals and competitive and market dynamics. These statements may be affected by underlying assumptions that may prove inaccurate or incomplete, and are subject to risks, uncertainties and other factors that may cause actual results to differ materially from past results, future plans and projected future results. Additional information regarding these and other factors can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and its 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 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. Potential risks and uncertainties also include global economic and/or geopolitical instability, foreign exchange rate fluctuations and inflationary pressures and the uncertainties regarding the impact of COVID-19. 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.
- 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). Additional information regarding non-U.S. GAAP financial measures can be found on slide 15; in our press release dated December 17, 2024; and the "Non-GAAP Financial Measure: Adjusted Income" section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Pfizer's 2023 Annual Report on Form 10-K. 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.
- Today's discussions and presentation are intended for the investor community only; they are not intended to promote the products referenced herein or otherwise influence healthcare prescribing decisions. Definitive conclusions cannot be drawn from cross-trial comparisons or anticipated data as they may be confounded by various factors and should be interpreted with caution. All trademarks in this presentation are the property of their respective owners.
- Certain of the products and product candidates discussed during this conference call are being co-researched, co-developed and/or co-promoted in collaboration with other companies for which Pfizer's rights vary by market or are the subject of agreements pursuant to which Pfizer has commercialization rights in certain markets.

Opening Remarks

Albert Bourla

Chairman and Chief Executive Officer

5 Strategic Priorities

Executing with excellence against our strategic goals



- Achieve world-class Oncology leadership
- Deliver the next wave of pipeline innovation
- Maximize performance of our new products
- Expand margins by realigning our cost base
- Allocate capital to enhance shareholder value

Financial Review

David Denton

Chief Financial Officer,
Executive Vice President

Reaffirms 2024 Financial Guidance¹

Revenues	\$61.0 to \$64.0 Billion
Adjusted² SI&A Expenses	\$13.8 to \$14.8 Billion
Adjusted² R&D Expenses	\$11.0 to \$12.0 Billion
Effective Tax Rate on Adjusted² Income	~13.0%
Adjusted² Diluted EPS	\$2.75 to \$2.95

1. Last updated on [October 29, 2024](#). 2. See slide 15 for definitions, including with respect to non-GAAP financial measures.

2024 Baseline – Financial Guidance¹

	2024 Guidance	2024 Non-Recurring Items	2024 Guidance ¹ (Baseline excluding Non-Recurring Items)
Reported Revenues	\$61.0 – \$64.0B	~(\$1.2B)	\$59.8 – \$62.8B
Adjusted ² Diluted EPS	\$2.75 – \$2.95	~(\$0.30)	\$2.45 – \$2.65

2024 Non-Recurring Items

- 2024 benefit from one-time Paxlovid USG true-up and stockpile build (~\$1.2B Revenue)
- Haleon equity income to be removed from Adjusted² earnings in 2025
- 2024 tax rate favorably impacted by Pillar 2 timing, and, to a lesser extent, audit settlements

1. Pfizer reaffirms 2024 Guidance (last updated on [October 29, 2024](#)) as of the publication of this December 17, 2024 announcement. Within this presentation and other related materials, all references to Pfizer's 2024 baseline guidance indicates our 2024 Guidance excluding 2024 non-recurring items. Our 2024 baseline Revenue guidance range excludes \$1.2 billion in non-recurring 2024 Paxlovid revenues, and our baseline Adjusted⁽¹⁾ Diluted EPS guidance range excludes an anticipated favorable impact in 2024 of approximately \$0.30 from non-recurring items, as outlined on this slide. 2. See slide 15 for definitions, including with respect to non-GAAP financial measures.

2025 Financial Guidance¹: Revenue and Adjusted¹ Diluted EPS

	2024 Guidance ² (Baseline excluding non-recurring items)	2025 Financial Guidance ¹	Operational Growth ³
Reported Revenues	\$59.8 – \$62.8B <i>(midpoint \$61.3B)</i>	\$61.0 – \$64.0B	~ flat to ~ 5%
Adjusted ¹ Diluted EPS	\$2.45 – \$2.65 <i>(midpoint \$2.55)</i>	\$2.80 – \$3.00	~ 10% to ~18%

1. See slide 15 for definitions, including with respect to non-GAAP financial measures, and additional information regarding Pfizer's 2025 financial guidance. 2. Pfizer reaffirms 2024 Guidance (last updated on [October 29, 2024](#)) as of the publication of this December 17, 2024 announcement. Within this presentation and other related materials, all references to Pfizer's 2024 baseline guidance indicates our 2024 Guidance excluding 2024 non-recurring items. Our 2024 baseline Revenue guidance range excludes \$1.2 billion in non-recurring 2024 Paxlovid revenues, and our baseline Adjusted⁽¹⁾ Diluted EPS guidance range excludes an anticipated favorable impact in 2024 of approximately \$0.30 from non-recurring items, as outlined on slide 8. 3. Expected operational growth percentage, on a year-over-year basis, represents lower and upper end of the 2025 guidance range versus the midpoint of the 2024 baseline guidance range.

Inflation Reduction Act (IRA) Impact in 2025

2025 IRA Part D Redesign Items Impacting Our Business

- \$2,000 annual out-of-pocket cap and new Prescription Payment Plan



- Sunsetting of the Coverage Gap Discount Program and addition of new manufacturer discounts in the initial and catastrophic coverage phases



Total Expected Net Impact of IRA Part D Redesign



**These Items are Expected to Have a ~\$1 Billion, or 1.6%¹,
Net Unfavorable YoY Impact on Topline Revenue**

1. Calculation performed on 2024 Revenue at the midpoint of our 2024 baseline Revenue guidance range, which excludes \$1.2B in non-recurring 2024 Paxlovid revenues.

2025 Key Product Assumptions and Considerations

Comirnaty*	Materially stable vaccination rates and market share in U.S. and revenue phasing similar to 2024, primarily concentrated in the back-half of the year with the distribution between Q3 and Q4 dependent on the timing of strain selection and approvals by regulatory agencies. Advance purchase agreements remain in place outside the U.S., mostly in European Union.
Paxlovid	Utilization to follow infection rates and stable market share; revenues may fluctuate based on the timing, duration and severity of COVID cases. Certain Medicaid and Medicare patients to transition out of PAP in first quarter of 2025 with associated additional revenues recognized on a cash-basis.
Abrysvo*	International market expansion in both adult and maternal indications. Competition and a narrowing opportunity in the U.S. given current Advisory Committee on Immunization Practices (ACIP) recommendations.
Prevnar*	Pediatric market (~2/3 of overall PCV revenues) largely consistent with stable market share expected through end of the decade. Expected competition in PCV Adult (~1/3 of overall PCV revenues); limited additional catch-up opportunity in the 65+ population in the U.S.; partially offset by expanded opportunity in ages 50 - 64 in U.S. International market growth from continued PCV20 Adult and Pediatric indication roll-out.
Oncology	Padcev benefit from continued uptake in 1L la/mUC; Lorbrena expected to continue to benefit from share expansion into 1L treatment and long duration of therapy; lbrance competitive pressures across markets as well as generic entry in select markets. Overall growth rate mathematically dampened due to overlapping of Seagen acquisition.
Vyndaqel	Unfavorable impact of Inflation Reduction Act (IRA) Part D Redesign in 2025 and new competition in the U.S. International - continued expansion benefiting from increases in diagnosis and treatment rates.
Eliquis	Continued growth through market and share expansion.
Nurtec	Continued benefit from commercial execution, Health Care Provider and patient engagement and education, and, to lesser extent, uptake in International markets.
Xeljanz	Continued competitive & pricing pressure in the U.S. including IRA Medicare Part D Redesign, plus patent expiry in the U.S. (Dec-25) and Japan (Nov-25).

2025 Financial Guidance¹: Other Components

Reported Revenues	\$61.0 to \$64.0 Billion
Adjusted¹ SI&A Expenses	\$13.3 to \$14.3 Billion
Adjusted¹ R&D Expenses	\$10.7 to \$11.7 Billion
Effective Tax Rate on Adjusted¹ Income	~15.0%
Adjusted¹ Diluted EPS	\$2.80 to \$3.00

1. See slide 15 for definitions, including with respect to non-GAAP financial measures, and additional information regarding Pfizer's 2025 financial guidance.

Key Takeaways

- Expect modest operational revenue growth in 2025 compared to the midpoint of our 2024 baseline guidance¹
- Expect meaningful ~ 10% to ~ 18% operational growth² in Adjusted³ Diluted EPS in 2025 compared to the midpoint of our 2024 baseline guidance¹
- Maintain our strong commitment to both maintaining and growing our dividend
- Expect to meet our de-levering target of 3.25x by the end of 2025

2025 plans include continued focus on commercial execution, R&D innovation and pipeline progression, and operating margin expansion to drive shareholder value through 2030 and beyond

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Q&A Session

Questions

Answers

Footnotes

- (1) Pfizer does not provide guidance for U.S. generally accepted accounting principles (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 unusual gains and losses, certain acquisition-related expenses, gains and losses from equity securities, actuarial gains and losses from pension and postretirement plan remeasurements, potential future asset impairments and pending litigation without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP Reported results for the guidance period.

Financial guidance for full-year 2025 reflects the following:

- Does not assume the completion of any business development transactions not completed as of December 16, 2024.
- Reflects an anticipated negative revenue impact of approximately \$0.6 billion due to recent and expected generic and biosimilar competition for certain products that have recently lost patent or regulatory protection or that are anticipated to lose patent or regulatory protection.
- Exchange rates assumed are actual rates at mid-November 2024.
- Guidance for Adjusted⁽²⁾ diluted EPS assumes diluted weighted-average shares outstanding of approximately 5.74 billion shares, and assumes no share repurchases in 2025.

Our reaffirmed financial guidance for full-year 2024 reflects assumptions that are consistent with those outlined in Note (1) within Pfizer's Q3-24 Earnings Release.

- (2) Adjusted income and Adjusted diluted earnings per share (EPS) are defined as U.S. GAAP net income attributable to Pfizer Inc. common shareholders and U.S. GAAP diluted EPS attributable to Pfizer Inc. common shareholders before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations, and certain significant items. Adjusted income and its components and Adjusted diluted EPS measures are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS⁽⁶⁾, have no standardized meaning prescribed by U.S. GAAP and may not be comparable to the calculation of similar measures of other companies. See the *Non-GAAP Financial Measure: Adjusted Income* section of Management's Discussion and Analysis of Financial Condition and Results of Operations in Pfizer's 2023 Annual Report on Form 10-K for a definition of each component of Adjusted income as well as other relevant information.
- (3) References to operational variances in this presentation pertain to period-over-period changes that exclude the impact of foreign exchange rates. Although exchange rate changes are part of Pfizer's business, they are not within Pfizer's control and because they can mask positive or negative trends in the business, Pfizer believes presenting operational variances excluding these foreign exchange changes provides useful information to evaluate Pfizer's results.
- (4) Pfizer reaffirms 2024 Guidance (last updated on October 29, 2024) as of the publication of this December 17, 2024 announcement. Within this presentation and other related materials, all references to Pfizer's 2024 baseline guidance indicates our 2024 Guidance excluding 2024 non-recurring items. Our 2024 baseline Revenue guidance range excludes \$1.2 billion in non-recurring 2024 Paxlovid revenues, and our baseline Adjusted⁽²⁾ diluted EPS guidance range excludes an anticipated favorable impact in 2024 of approximately \$0.30 from non-recurring items, as outlined on slide 8.
- (5) Revenues is defined as revenues in accordance with U.S. GAAP. Reported net income and its components are defined as net income attributable to Pfizer Inc. common shareholders and its components in accordance with U.S. GAAP. Reported diluted EPS is defined as diluted EPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP.