

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended June 30, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13  
OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 1-3619

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**PFIZER INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

13-5315170  
(I.R.S. Employer Identification No.)

66 Hudson Boulevard East, New York, New York 10001-2192  
(Address of principal executive offices) (zip code)  
(212) 733-2323  
(Registrant's telephone number including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.05 par value	PFE	New York Stock Exchange
1.000% Notes due 2027	PFE27	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

At July 31, 2024, 5,666,695,064 shares of the issuer's voting common stock were outstanding.



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## DEFINED TERMS

Unless the context requires otherwise, references to “Pfizer,” “the Company,” “we,” “us” or “our” in this Form 10-Q (defined below) refer to Pfizer Inc. and its subsidiaries. Pfizer’s fiscal quarter-end for subsidiaries operating outside the U.S. is as of and for the three and six months ended May 26, 2024 and May 28, 2023, and for U.S. subsidiaries is as of and for the three and six months ended June 30, 2024 and July 2, 2023. References to “Notes” in this Form 10-Q are to the Notes to the Condensed or Consolidated Financial Statements in this Form 10-Q or in our 2023 Form 10-K. We also have used several other terms in this Form 10-Q, most of which are explained or defined below:

<i>2023 Form 10-K</i>	Annual Report on Form 10-K for the fiscal year ended December 31, 2023
<i>AbbVie</i>	AbbVie Inc.
<i>ALK</i>	anaplastic lymphoma kinase
<i>Alliance revenues</i>	Revenues from alliance agreements under which we co-promote products discovered or developed by other companies or us
<i>Astellas</i>	Astellas Pharma Inc., Astellas US LLC and Astellas Pharma US, Inc.
<i>ATTR-CM</i>	transthyretin amyloid cardiomyopathy
<i>Bain Capital</i>	Bain Capital Private Equity and Bain Capital Life Sciences
<i>Biohaven</i>	Biohaven Pharmaceutical Holding Company Limited
<i>BioNTech</i>	BioNTech SE
<i>Biopharma</i>	Global Biopharmaceuticals Business
<i>BMS</i>	Bristol-Myers Squibb Company
<i>BOD</i>	Board of Directors
<i>CDC</i>	U.S. Centers for Disease Control and Prevention
<i>Cerevel or Cerevel Therapeutics</i>	Cerevel Therapeutics Holdings, Inc.
<i>Comirnaty*</i>	Unless otherwise noted, refers to, as applicable, and as authorized or approved, the Pfizer-BioNTech COVID-19 Vaccine; Comirnaty (COVID-19 Vaccine, mRNA) original monovalent formula; the Pfizer-BioNTech COVID-19 Vaccine, Bivalent (Original and Omicron BA.4/BA.5); the Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula); Comirnaty (COVID-19 Vaccine, mRNA) 2023-2024 Formula; Comirnaty Original/Omicron BA.1; Comirnaty Original/Omicron BA.4/BA.5; Comirnaty Omicron XBB.1.5; and Comirnaty JN.1.
<i>COVID-19</i>	novel coronavirus disease of 2019
<i>Developed Markets</i>	Includes, but is not limited to, the following markets: Western Europe, Japan, Canada, Central Europe, Australia, Scandinavian countries, South Korea, the Balkans, New Zealand and Finland
<i>DMD</i>	Duchenne muscular dystrophy
<i>EMA</i>	European Medicines Agency
<i>Emerging Markets</i>	Includes, but is not limited to, the following markets: Asia (excluding Japan and South Korea), Latin America, Africa, the Middle East, certain Eastern European countries and Turkey
<i>EPS</i>	earnings per share
<i>ESG</i>	Environmental, Social and Governance
<i>EU</i>	European Union
<i>EUA</i>	emergency use authorization
<i>Exchange Act</i>	Securities Exchange Act of 1934, as amended
<i>FASB</i>	Financial Accounting Standards Board
<i>FDA</i>	U.S. Food and Drug Administration
<i>Form 10-Q</i>	This Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024
<i>GAAP</i>	Generally Accepted Accounting Principles
<i>GSK</i>	GSK plc
<i>Haleon</i>	Haleon plc
<i>HIPAA</i>	Health Insurance Portability and Accountability Act of 1996
<i>Hospira</i>	Hospira, Inc.
<i>HRR</i>	homologous recombination repair
<i>IPR&amp;D</i>	in-process research and development
<i>IRA</i>	Inflation Reduction Act of 2022
<i>IRS</i>	U.S. Internal Revenue Service
<i>JV</i>	joint venture
<i>King</i>	King Pharmaceuticals LLC (formerly King Pharmaceuticals, Inc.)
<i>mCRC</i>	metastatic colorectal cancer
<i>mCRPC</i>	metastatic castration-resistant prostate cancer
<i>mCSPC</i>	metastatic castration-sensitive prostate cancer
<i>MD&amp;A</i>	Management’s Discussion and Analysis of Financial Condition and Results of Operations
<i>MDL</i>	Multi-District Litigation
<i>Meridian</i>	Meridian Medical Technologies, Inc.

<i>Moody's</i>	Moody's Investors Service
<i>mRNA</i>	messenger ribonucleic acid
<i>Mylan</i>	Mylan N.V.

<i>NDA</i>	New Drug Application
<i>Nimbus</i>	Nimbus Therapeutics, LLC
<i>nmCRPC</i>	non-metastatic castration-resistant prostate cancer
<i>nmCSPC</i>	non-metastatic castration-sensitive prostate cancer
<i>NSCLC</i>	non-small cell lung cancer
<i>ODT</i>	oral disintegrating tablet
<i>ORD</i>	Oncology Research and Development
<i>OTC</i>	over-the-counter
<i>Paxlovid*</i>	an oral COVID-19 treatment (nirmatrelvir tablets and ritonavir tablets)
<i>PCI</i>	Pfizer CentreOne
<i>Pharmacia</i>	Pharmacia LLC (formerly Pharmacia Corporation)
<i>PP&amp;E</i>	Property, plant and equipment
<i>PRD</i>	Pfizer Research and Development
<i>Prevnar family</i>	Includes Prevnar 20/Apexxnar (pediatric and adult) and Prevnar 13/Prevenar 13 (pediatric and adult)
<i>PsA</i>	psoriatic arthritis
<i>QTD</i>	Quarter-to-date or three months ended
<i>RA</i>	rheumatoid arthritis
<i>RCC</i>	renal cell carcinoma
<i>R&amp;D</i>	research and development
<i>RSV</i>	respiratory syncytial virus
<i>S&amp;P</i>	Standard & Poor's
<i>Seagen</i>	Seagen Inc. and its subsidiaries
<i>SEC</i>	U.S. Securities and Exchange Commission
<i>Takeda</i>	Takeda Pharmaceutical Company Limited
<i>UC</i>	ulcerative colitis
<i>U.K.</i>	United Kingdom
<i>Upjohn Business</i>	Pfizer's former global, primarily off-patent branded and generics business, which included a portfolio of 20 globally recognized solid oral dose brands, including Lipitor, Lyrica, Norvasc, Celebrex and Viagra, as well as a U.S.-based generics platform, Greenstone, that was spun-off on November 16, 2020 and combined with Mylan to create Viatris
<i>U.S.</i>	United States
<i>Viatris</i>	Viatris Inc.
<i>ViiV</i>	ViiV Healthcare Limited
<i>Vyndaqel family</i>	Includes Vyndaqel, Vyndamax and Vynmac
<i>YTD</i>	Year-to-date or six months ended

\* The Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula) and certain uses of Paxlovid have not been approved or licensed by the FDA. The Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula) has been authorized for emergency use by the FDA under an EUA to prevent COVID-19 in individuals aged 6 months through 11 years of age. Paxlovid has been authorized for emergency use by the FDA under an EUA for the treatment of mild-to-moderate COVID-19 in pediatric patients (12 years of age and older weighing at least 40 kg) who are at high risk for progression to severe COVID-19, including hospitalization or death. The emergency uses are only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of the medical product during the COVID-19 pandemic under Section 564(b)(1) of the U.S. Federal Food, Drug and Cosmetics Act, unless the declaration is terminated or authorization revoked sooner. Please see the EUA Fact Sheets at [www.covid19oralrx.com](http://www.covid19oralrx.com) and [www.cvdvaccine-us.com](http://www.cvdvaccine-us.com).

This Form 10-Q includes discussion of certain clinical studies relating to various in-line products and/or product candidates. These studies typically are part of a larger body of clinical data relating to such products or product candidates, and the discussion herein should be considered in the context of the larger body of data. In addition, clinical trial data are subject to differing interpretations, and, even when we view data as sufficient to support the safety and/or efficacy of a product candidate or a new indication for an in-line product, regulatory authorities may not share our views and may require additional data or may deny approval altogether.

Some amounts in this Form 10-Q may not add due to rounding. All percentages have been calculated using unrounded amounts. All trademarks mentioned are the property of their owners.

The information contained on our website, our Facebook, Instagram, YouTube and LinkedIn pages or our X (formerly known as Twitter) accounts, or any third-party website, is not incorporated by reference into this Form 10-Q.

Certain of the products and product candidates discussed in this Form 10-Q 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.

**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

PFIZER INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

(MILLIONS, EXCEPT PER SHARE DATA)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Revenues:</b>				
Product revenues <sup>(a)</sup>	\$ 10,871	\$ 10,766	\$ 23,314	\$ 26,988
Alliance revenues <sup>(a)</sup>	2,067	1,967	4,240	4,028
Royalty revenues <sup>(a)</sup>	345	273	608	477
<b>Total revenues</b>	<b>13,283</b>	<b>13,007</b>	<b>28,162</b>	<b>31,492</b>
<b>Costs and expenses:</b>				
Cost of sales <sup>(b)</sup>	3,300	3,237	6,679	8,122
Selling, informational and administrative expenses <sup>(b)</sup>	3,717	3,497	7,212	6,914
Research and development expenses <sup>(b)</sup>	2,696	2,648	5,189	5,153
Acquired in-process research and development expenses	6	33	6	55
Amortization of intangible assets	1,307	1,184	2,615	2,287
Restructuring charges and certain acquisition-related costs	1,254	214	1,356	222
Other (income)/deductions—net	1,107	(75)	1,787	200
Income/(loss) from continuing operations before provision/(benefit) for taxes on income/(loss)	(103)	2,269	3,318	8,539
Provision/(benefit) for taxes on income/(loss)	(134)	(71)	159	644
<b>Income from continuing operations</b>	<b>31</b>	<b>2,340</b>	<b>3,159</b>	<b>7,895</b>
Discontinued operations—net of tax	17	(2)	12	(1)
<b>Net income before allocation to noncontrolling interests</b>	<b>48</b>	<b>2,338</b>	<b>3,171</b>	<b>7,894</b>
Less: Net income attributable to noncontrolling interests	7	11	15	24
<b>Net income attributable to Pfizer Inc. common shareholders</b>	<b>\$ 41</b>	<b>\$ 2,327</b>	<b>\$ 3,156</b>	<b>\$ 7,870</b>
<b>Earnings per common share—basic:</b>				
Income from continuing operations attributable to Pfizer Inc. common shareholders	\$ 0.01	\$ 0.41	\$ 0.56	\$ 1.40
Discontinued operations—net of tax	—	—	—	—
<b>Net income attributable to Pfizer Inc. common shareholders</b>	<b>\$ 0.01</b>	<b>\$ 0.41</b>	<b>\$ 0.56</b>	<b>\$ 1.40</b>
<b>Earnings per common share—diluted:</b>				
Income from continuing operations attributable to Pfizer Inc. common shareholders	\$ 0.01	\$ 0.41	\$ 0.55	\$ 1.38
Discontinued operations—net of tax	—	—	—	—
<b>Net income attributable to Pfizer Inc. common shareholders</b>	<b>\$ 0.01</b>	<b>\$ 0.41</b>	<b>\$ 0.55</b>	<b>\$ 1.38</b>
Weighted-average shares—basic	5,666	5,646	5,662	5,640
Weighted-average shares—diluted	5,696	5,713	5,696	5,720

<sup>(a)</sup> See [Note 1A](#).

<sup>(b)</sup> Exclusive of amortization of intangible assets.

See Accompanying Notes.

PFIZER INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)  
(UNAUDITED)

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net income before allocation to noncontrolling interests	\$ 48	\$ 2,338	\$ 3,171	\$ 7,894
Foreign currency translation adjustments, net	(70)	242	70	343
Unrealized holding gains/(losses) on derivative financial instruments, net	127	109	343	112
Reclassification adjustments for (gains)/losses included in net income <sup>(a)</sup>	(147)	(163)	(159)	140
	(21)	(54)	184	251
Unrealized holding gains/(losses) on available-for-sale securities, net	(25)	26	(77)	113
Reclassification adjustments for (gains)/losses included in net income <sup>(b)</sup>	100	16	86	(493)
	74	42	9	(379)
Reclassification adjustments related to amortization of prior service costs and other, net	(28)	(30)	(56)	(59)
Reclassification adjustments related to curtailments of prior service costs and other, net	—	(7)	—	(12)
	(28)	(37)	(56)	(72)
Other comprehensive income/(loss), before tax	(44)	193	207	143
Tax provision/(benefit) on other comprehensive income/(loss)	22	9	76	(53)
Other comprehensive income/(loss) before allocation to noncontrolling interests	\$ (67)	\$ 184	\$ 131	\$ 196
Comprehensive income/(loss) before allocation to noncontrolling interests	\$ (19)	\$ 2,522	\$ 3,302	\$ 8,091
Less: Comprehensive income/(loss) attributable to noncontrolling interests	(2)	8	1	18
Comprehensive income/(loss) attributable to Pfizer Inc.	\$ (17)	\$ 2,514	\$ 3,302	\$ 8,072

<sup>(a)</sup> Reclassified into *Other (income)/deductions—net* and *Cost of sales*. See [Note 7E](#).

<sup>(b)</sup> Reclassified into *Other (income)/deductions—net*.

See Accompanying Notes.



PFIZER INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(MILLIONS)	June 30, 2024 (Unaudited)	December 31, 2023
<u>Assets</u>		
Cash and cash equivalents	\$ 1,052	\$ 2,853
Short-term investments	6,048	9,837
Trade accounts receivable, less allowance for doubtful accounts: 2024—\$468; 2023—\$470	11,393	11,566
Inventories	11,447	10,189
Current tax assets	3,694	3,978
Other current assets	4,190	4,911
Total current assets	<u>37,825</u>	<u>43,333</u>
Equity-method investments	8,029	11,637
Long-term investments	3,119	3,731
Property, plant and equipment, less accumulated depreciation: 2024—\$16,572; 2023—\$16,045	18,957	18,940
Identifiable intangible assets	61,240	64,900
Goodwill	68,445	67,783
Noncurrent deferred tax assets and other noncurrent tax assets	7,867	3,706
Other noncurrent assets	10,710	12,471
Total assets	<u>\$ 216,193</u>	<u>\$ 226,501</u>
<u>Liabilities and Equity</u>		
Short-term borrowings, including current portion of long-term debt: 2024—\$3,745; 2023—\$2,254	\$ 11,944	\$ 10,350
Trade accounts payable	5,106	6,710
Dividends payable	2,380	2,372
Income taxes payable	2,884	2,349
Accrued compensation and related items	2,566	2,776
Deferred revenues	2,528	2,700
Other current liabilities	16,410	20,537
Total current liabilities	<u>43,819</u>	<u>47,794</u>
Long-term debt	57,506	61,538
Pension and postretirement benefit obligations	2,040	2,167
Noncurrent deferred tax liabilities	2,227	640
Other taxes payable	6,532	8,534
Other noncurrent liabilities	16,095	16,539
Total liabilities	<u>128,218</u>	<u>137,213</u>
Commitments and Contingencies		
Common stock	480	478
Additional paid-in capital	93,197	92,631
Treasury stock	(114,757)	(114,487)
Retained earnings	116,596	118,353
Accumulated other comprehensive loss	(7,816)	(7,961)
Total Pfizer Inc. shareholders' equity	<u>87,700</u>	<u>89,014</u>
Equity attributable to noncontrolling interests	275	274
Total equity	<u>87,975</u>	<u>89,288</u>
Total liabilities and equity	<u>\$ 216,193</u>	<u>\$ 226,501</u>

See Accompanying Notes.

**PFIZER INC. AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(UNAUDITED)**

(MILLIONS, EXCEPT PER SHARE DATA)	PFIZER INC. SHAREHOLDERS									
	Common Stock			Treasury Stock		Retained Earnings	Accum. Other Comp. Loss	Shareholders' Equity	Non-controlling interests	Total Equity
	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost					
Balance, March 31, 2024	9,592	\$ 480	\$ 92,997	(3,925)	\$ (114,755)	\$ 121,318	\$ (7,758)	\$ 92,282	\$ 276	\$ 92,558
Net income/(loss)						41		41	7	48
Other comprehensive income/(loss), net of tax							(58)	(58)	(9)	(67)
Cash dividends declared, per share: \$0.84										
Common stock						(4,760)		(4,760)		(4,760)
Share-based payment transactions	—	—	200	—	(2)	(2)		196		196
Other										
Balance, June 30, 2024	9,592	\$ 480	\$ 93,197	(3,925)	\$ (114,757)	\$ 116,596	\$ (7,816)	\$ 87,700	\$ 275	\$ 87,975

(MILLIONS, EXCEPT PER SHARE DATA)	PFIZER INC. SHAREHOLDERS									
	Common Stock			Treasury Stock		Retained Earnings	Accum. Other Comp. Loss	Shareholders' Equity	Non-controlling interests	Total Equity
	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost					
Balance, April 2, 2023	9,560	\$ 478	\$ 92,153	(3,915)	\$ (114,473)	\$ 131,101	\$ (8,289)	\$ 100,970	\$ 266	\$ 101,236
Net income/(loss)						2,327		2,327	11	2,338
Other comprehensive income/(loss), net of tax							187	187	(3)	184
Cash dividends declared, per share: \$0.82										
Common stock						(4,630)		(4,630)		(4,630)
Share-based payment transactions	1	—	176	—	(8)	(4)		164		164
Other										
Balance, July 2, 2023	9,561	\$ 478	\$ 92,329	(3,916)	\$ (114,482)	\$ 128,796	\$ (8,102)	\$ 99,019	\$ 274	\$ 99,293

(MILLIONS, EXCEPT PER SHARE DATA)	PFIZER INC. SHAREHOLDERS									
	Common Stock			Treasury Stock		Retained Earnings	Accum. Other Comp. Loss	Shareholders' Equity	Non-controlling interests	Total Equity
	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost					
Balance, January 1, 2024	9,562	\$ 478	\$ 92,631	(3,916)	\$ (114,487)	\$ 118,353	\$ (7,961)	\$ 89,014	\$ 274	\$ 89,288
Net income						3,156		3,156	15	3,171
Other comprehensive income/(loss), net of tax							145	145	(14)	131
Cash dividends declared, per share: \$0.84										
Common stock						(4,760)		(4,760)		(4,760)
Share-based payment transactions	30	1	566	(10)	(270)	(153)		144		144
Other										
Balance, June 30, 2024	9,592	\$ 480	\$ 93,197	(3,925)	\$ (114,757)	\$ 116,596	\$ (7,816)	\$ 87,700	\$ 275	\$ 87,975

(MILLIONS, EXCEPT PER SHARE DATA)	PFIZER INC. SHAREHOLDERS									
	Common Stock			Treasury Stock		Retained Earnings	Accum. Other Comp. Loss	Shareholders' Equity	Non-controlling interests	Total Equity
	Shares	Par Value	Add'l Paid-In Capital	Shares	Cost					
Balance, January 1, 2023	9,519	\$ 476	\$ 91,802	(3,903)	\$ (113,969)	\$ 125,656	\$ (8,304)	\$ 95,661	\$ 256	\$ 95,916
Net income						7,870		7,870	24	7,894
Other comprehensive income/(loss), net of tax							202	202	(6)	196
Cash dividends declared, per share: \$0.82										
Common stock						(4,630)		(4,630)		(4,630)
Share-based payment transactions	42	2	527	(12)	(512)	(101)		(85)		(85)
Other										
Balance, July 2, 2023	9,561	\$ 478	\$ 92,329	(3,916)	\$ (114,482)	\$ 128,796	\$ (8,102)	\$ 99,019	\$ 274	\$ 99,293

See Accompanying Notes.

PFIZER INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

(MILLIONS)	Six Months Ended	
	June 30, 2024	July 2, 2023
<u>Operating Activities</u>		
Net income before allocation to noncontrolling interests	\$ 3,171	\$ 7,894
Discontinued operations—net of tax	12	(1)
Net income from continuing operations before allocation to noncontrolling interests	3,159	7,895
Adjustments to reconcile net income from continuing operations before allocation to noncontrolling interests to net cash provided by/(used in) operating activities:		
Depreciation and amortization	3,467	3,060
Asset write-offs and impairments	431	327
Deferred taxes	(1,224)	(1,471)
Share-based compensation expense	426	253
Benefit plan contributions in excess of expense/income	(338)	(322)
Other adjustments, net	260	(317)
Other changes in assets and liabilities, net of acquisitions and divestitures	(6,871)	(9,423)
Net cash provided by/(used in) operating activities	(691)	4
<u>Investing Activities</u>		
Purchases of property, plant and equipment	(1,341)	(2,053)
Purchases of short-term investments	(1,254)	(21,006)
Proceeds from redemptions/sales of short-term investments	1,712	12,594
Net (purchases of)/proceeds from redemptions/sales of short-term investments with original maturities of three months or less	3,538	(11,217)
Purchases of long-term investments	(108)	(92)
Proceeds from redemptions/sales of long-term investments	312	172
Proceeds from partial sale of investment in Haleon <sup>(a)</sup>	3,491	—
Acquisition of business, net of cash acquired	—	(25)
Other investing activities, net	(18)	(543)
Net cash provided by/(used in) investing activities	6,332	(22,170)
<u>Financing Activities</u>		
Proceeds from short-term borrowings	6,014	14
Payments on short-term borrowings	(4,852)	—
Net (payments on)/proceeds from short-term borrowings with original maturities of three months or less	(1,101)	22
Proceeds from issuance of long-term debt	—	30,831
Payments on long-term debt	(2,250)	(1,269)
Cash dividends paid	(4,752)	(4,618)
Other financing activities, net	(449)	(576)
Net cash provided by/(used in) financing activities	(7,390)	24,403
Effect of exchange-rate changes on cash and cash equivalents and restricted cash and cash equivalents	(46)	(7)
Net increase/(decrease) in cash and cash equivalents and restricted cash and cash equivalents	(1,794)	2,229
Cash and cash equivalents and restricted cash and cash equivalents, at beginning of period	2,917	468
Cash and cash equivalents and restricted cash and cash equivalents, at end of period	\$ 1,123	\$ 2,698
<u>Supplemental Cash Flow Information</u>		
Cash paid/(received) during the period for:		
Income taxes	\$ 2,686	\$ 2,025
Interest paid	1,553	821
Interest rate hedges	(2)	31

<sup>(a)</sup> See [Note 2B](#).

See Accompanying Notes.

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**Note 1. Basis of Presentation and Significant Accounting Policies**

A. Basis of Presentation

We prepared these condensed consolidated financial statements in conformity with U.S. GAAP, consistent in all material respects with those applied in our 2023 Form 10-K. As permitted under the SEC requirements for interim reporting, certain footnotes or other financial information have been condensed or omitted.

These financial statements include all normal and recurring adjustments that are considered necessary for the fair statement of results for the interim periods presented. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our 2023 Form 10-K. Revenues, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be representative of those for the full year.

Pfizer's fiscal quarter-end for subsidiaries operating outside the U.S. is as of and for the three and six months ended May 26, 2024 and May 28, 2023, and for U.S. subsidiaries is as of and for the three and six months ended June 30, 2024 and July 2, 2023.

We manage our commercial operations through three operating segments, each led by a single manager: Biopharma, PC1 and Pfizer Ignite. Biopharma is the only reportable segment. See [Note 13A](#).

We have made certain reclassification adjustments to conform prior-period amounts to the current presentation for:

- in the first quarter of 2024, we reclassified royalty income (substantially all of which is related to Biopharma) from *Other (income)/deductions—net* and began presenting *Royalty revenues* as a separate line item within *Total revenues* in our consolidated statements of operations, and reclassified the associated royalty receivables from *Other current assets* to *Trade accounts receivable, less allowance for doubtful accounts* in our consolidated balance sheet;
- in the fourth quarter of 2023, we began presenting *Product revenues* and *Alliance revenues* as separate line items within *Total revenues* in our consolidated statements of operations; and
- segment reporting and geographic information in connection with the commercial reorganization that went into effect on January 1, 2024 (see [Note 13](#)).

Business development activities, including the December 2023 acquisition of Seagen, impacted financial results in the periods presented. See [Note 2](#) below, as well as [Notes 1A](#) and [2](#) in our 2023 Form 10-K.

B. New Accounting Standard Adopted in 2024

On January 1, 2024, we adopted a new accounting standard which clarifies that contractual sale restrictions are not considered in measuring equity securities at fair value. The new guidance is consistent with our existing policy; therefore, it had no impact on our consolidated financial statements.

C. Revenues and Trade Accounts Receivable

*Customers*—Our prescription biopharmaceutical products, with the exception of Paxlovid in 2023, are sold principally to wholesalers, but we also sell directly to retailers, hospitals, clinics, government agencies and pharmacies. We principally sold Paxlovid globally to government agencies in 2023. Our vaccines in the U.S. are primarily sold directly to the federal government (including the CDC), wholesalers, individual provider offices, retail pharmacies and integrated delivery systems. Our vaccines outside the U.S. are primarily sold to government and non-government institutions. Certain products in our portfolio are subject to seasonality of demand and Paxlovid revenues trend with infection rates.

*Deductions from Revenues*—Our accruals for Medicare, Medicaid and related state program and performance-based contract rebates, chargebacks, sales allowances and sales returns and cash discounts are as follows:

(MILLIONS)	June 30, 2024	December 31, 2023
Reserve against <i>Trade accounts receivable, less allowance for doubtful accounts</i>	\$ 1,578	\$ 1,770
<b><i>Other current liabilities:</i></b>		
Accrued rebates	6,726	5,546
Other accruals	529	902
<b><i>Other noncurrent liabilities</i></b>	<b>569</b>	<b>796</b>
Total accrued rebates and other sales-related accruals	\$ 9,401	\$ 9,014

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*Trade Accounts Receivable*—Trade accounts receivable are stated at their net realizable value. The allowance for credit losses reflects our best estimate of expected credit losses of the receivables portfolio determined on the basis of historical experience, current information, and forecasts of future economic conditions. In developing the estimate for expected credit losses, trade accounts receivables are segmented into pools of assets depending on market (U.S. versus international), delinquency status, and customer type (high risk versus low risk and government versus non-government), and fixed reserve percentages are established for each pool of trade accounts receivables.

In determining the reserve percentages for each pool of trade accounts receivables, we considered our historical experience with certain customers and customer types, regulatory and legal environments, country and political risk, and other relevant current and future forecasted macroeconomic factors. When management becomes aware of certain customer-specific factors that impact credit risk, specific allowances for these known troubled accounts are recorded.

During the three and six months ended June 30, 2024 and July 2, 2023, additions to the allowance for credit losses, write-offs and recoveries of customer receivables were not material to our condensed consolidated financial statements. For additional information on our trade accounts receivable, see *Note 1G* in our 2023 Form 10-K.

**Note 2. Acquisition and Equity-Method Investment**

***A. Acquisition***

*Seagen*—On December 14, 2023 (the acquisition date), we acquired Seagen, a global biotechnology company that discovers, develops and commercializes transformative cancer medicines, for \$229 per share in cash. The total fair value of the consideration transferred was \$44.2 billion (\$43.4 billion, net of cash acquired). The combination of certain Pfizer and Seagen entities may be pending in various jurisdictions and integration is subject to completion of various local legal and regulatory steps.

The following table summarizes the provisional amounts recognized for assets acquired and liabilities assumed as of the acquisition date, including adjustments made in the first six months of 2024 (measurement period adjustments) with a corresponding change to goodwill. The estimated values are not yet finalized (see below) and are subject to change, which could be significant. We will finalize the amounts recognized as soon as possible but no later than one year from the acquisition date.

(MILLIONS)	Amounts Recognized as of Acquisition Date (as previously reported as of December 31, 2023)	Measurement Period Adjustments <sup>(a)</sup>	Amounts Recognized as of Acquisition Date (as adjusted)
Working capital, excluding inventories	\$ 736	\$ (184)	\$ 552
Inventories <sup>(b)</sup>	4,195	(891)	3,304
Property, plant and equipment	524	(233)	291
Identifiable intangible assets, excluding in-process research and development <sup>(c)</sup>	7,970	(575)	7,395
In-process research and development	20,800	(50)	20,750
Other noncurrent assets	174	(106)	67
Net income tax accounts	(6,123)	1,313	(4,810)
Other noncurrent liabilities	(167)	50	(117)
Total identifiable net assets	28,108	(677)	27,431
Goodwill	16,126	677	16,803
Net assets acquired/total consideration transferred	\$ 44,234	\$ —	\$ 44,234

<sup>(a)</sup> The changes in the estimated fair values are primarily to better reflect market participant assumptions about facts and circumstances existing as of the acquisition date. The measurement period adjustments did not result from intervening events subsequent to the acquisition date.

<sup>(b)</sup> As adjusted, comprised of \$1.2 billion current inventories and \$2.1 billion noncurrent inventories.

<sup>(c)</sup> As adjusted, comprised mainly of \$6.9 billion of finite-lived developed technology rights with an estimated weighted-average life of approximately 18 years.

The measurement period adjustments did not have a material impact on our earnings.

The following items are subject to change:

- Amounts for certain balances included in working capital (excluding inventories), and certain legal contingencies, pending receipt of certain information that could affect provisional amounts recorded. We do not believe any adjustments for legal contingencies will have a material impact on our consolidated financial statements.
- Amounts for identifiable intangible assets, inventories, contractual commitments, PP&E, and operating lease right-of-use assets and liabilities, pending finalization of valuation efforts and the completion of certain physical inventory counts.

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- Amounts for income tax assets, receivables and liabilities, pending the filing of Seagen’s pre-acquisition tax returns and the receipt of information, including but not limited to that from taxing authorities, which may change certain estimates and assumptions used.

The following table provides unaudited U.S. GAAP supplemental pro forma information as if the acquisition of Seagen had occurred on January 1, 2022:

(MILLIONS, EXCEPT PER SHARE DATA)	Unaudited Supplemental Pro Forma Consolidated Results			
	Three Months Ended		Six Months Ended	
		July 2, 2023		July 2, 2023
Revenues	\$	13,611	\$	32,616
Net income attributable to Pfizer Inc. common shareholders		1,389		6,040
Diluted earnings per share attributable to Pfizer Inc. common shareholders		0.24		1.06

The unaudited supplemental pro forma consolidated results do not purport to reflect what the combined company’s results of operations would have been had the acquisition occurred on January 1, 2022, nor do they project the future results of operations of the combined company or reflect the expected realization of any cost savings associated with the acquisition. The actual results of operations of the combined company may differ significantly from the pro forma adjustments reflected here due to many factors.

The unaudited supplemental pro forma financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and the liabilities assumed from Seagen. The historical U.S. GAAP financial information of Pfizer and Seagen was adjusted, primarily for the following pre-tax adjustments for the three and six months ended July 2, 2023:

- Additional amortization expense of approximately \$143 million and \$285 million, respectively, related to the preliminary estimate of the fair value of identifiable intangible assets acquired.
- Additional expense related to the preliminary estimate of the fair value adjustment to acquisition-date inventory estimated to have been sold of approximately \$224 million and \$449 million, respectively.
- Additional estimated interest expense of approximately \$303 million and \$791 million, respectively, related to the debt issued by Pfizer and the commercial paper borrowings to partially finance the acquisition.
- Elimination of interest income of approximately \$263 million and \$330 million, respectively, associated with money market funds under the assumption that a portion of these funds would have been liquidated to partially fund the acquisition.

The above adjustments were then adjusted for the applicable tax impact using an estimated weighted-average statutory tax rate applied to the applicable pro forma adjustments.

*B. Equity-Method Investment*

*Haleon*—We owned 32% of Haleon as of December 31, 2023. In March 2024, we sold approximately 30% of our investment in Haleon through the sale of 791 million ordinary shares in a global public offering, and the sale of 102 million ordinary shares directly to Haleon for total consideration of \$3.5 billion. We recognized a gain on the sale of our Haleon shares of \$150 million during the first quarter of 2024 in *Other (income)/deductions—net* (see [Note 4](#)). After the share sale, we owned approximately 23% of the outstanding voting shares of Haleon as of June 30, 2024.

The fair value of our investment in Haleon as of June 30, 2024, based on quoted market prices of Haleon stock, was \$8.4 billion. Haleon is a foreign investee whose reporting currency is the U.K. pound, and therefore we translate its financial statements into U.S. dollars and recognize the impact of foreign currency translation adjustments in the carrying value of our investment and in other comprehensive income. We record our share of earnings from Haleon on a quarterly basis on a one-quarter lag in *Other (income)/deductions—net*.

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The following table summarizes the change in the carrying value of our investment in Haleon:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Beginning carrying value reported in <i>Equity-method investments</i>	\$ 7,922	\$ 10,980	\$ 11,451	\$ 10,824
Carrying value of shares sold	—	—	(3,312)	—
Dividends	(157)	(88)	(157)	(88)
Currency translation adjustments and other <sup>(a)</sup>	1	185	(130)	274
Basis difference adjustments and amortization <sup>(b), (c)</sup>	(1)	—	(101)	(1)
Pfizer share of Haleon investee capital transaction <sup>(b), (d)</sup>	(91)	—	(91)	—
Pfizer share of Haleon earnings <sup>(b)</sup>	121	151	136	219
Ending carrying value reported in <i>Equity-method investments</i>	\$ 7,796	\$ 11,228	\$ 7,796	\$ 11,228

- <sup>(a)</sup> See [Note 6](#).  
<sup>(b)</sup> Included in *Other (income)/deductions—net*.  
<sup>(c)</sup> Adjustments in the six months ended June 30, 2024 are associated with (i) the impact of Haleon’s brand divestitures and impairments of intangible assets and (ii) changes in Haleon’s tax rates on intangible asset-related deferred tax liabilities. See [Note 4](#).  
<sup>(d)</sup> Amounts for the three and six months ended June 30, 2024 relate to Pfizer’s share of an investee capital transaction recognized by Haleon for treasury stock Haleon purchased in the first quarter of 2024.

Summarized financial information for Haleon for the three and six months ending March 31, 2024, the most recent period available, and for the three and six months ending March 31, 2023, is as follows:

(MILLIONS)	Three Months Ended		Six Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Net sales	\$ 3,699	\$ 3,627	\$ 7,133	\$ 6,889
Cost of sales	(1,370)	(1,392)	(2,966)	(2,888)
Gross profit	\$ 2,329	\$ 2,235	\$ 4,167	\$ 4,001
Income from continuing operations	559	504	618	730
Net income	559	504	618	730
Income attributable to shareholders	536	473	583	684

**Note 3. Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives**

**A. Realigning our Cost Base Program**

In the fourth quarter of 2023, we announced that we launched a multi-year, enterprise-wide cost realignment program that aims to realign our costs with our longer-term revenue expectations. We expect costs associated with this multi-year effort to continue primarily through 2024 and to total approximately \$2.3 billion, primarily representing cash expenditures for severance and implementation costs, of which \$1.7 billion is associated with our Biopharma segment. From the start of this program through June 30, 2024, we incurred costs under this program of \$1.5 billion, of which \$1.2 billion is associated with our Biopharma segment (substantially all of which represents restructuring charges).

**B. Manufacturing Optimization Program**

In the second quarter of 2024, we announced that we launched a multi-year, multi-phased program to reduce our costs of goods sold, which is expected to include operational efficiencies, network structure changes, and product portfolio enhancements. The first phase of this program is focused on operational efficiencies and we expect costs for this first phase to total approximately \$1.7 billion, primarily representing cash expenditures for severance and implementation costs, all of which is associated with our Biopharma segment. These costs will be recorded primarily in 2024, with cash outlays expected primarily in 2025 and 2026. From the start of this program through June 30, 2024, we incurred costs under this program of \$1.3 billion, all of which is associated with our Biopharma segment and substantially all of which represents restructuring charges.

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*C. Key Activities*

The following summarizes costs and credits for acquisitions and cost-reduction/productivity initiatives:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Restructuring charges/(credits):				
Employee terminations	\$ 1,014	\$ 96	\$ 984	\$ 61
Asset impairments	41	15	66	4
Exit costs	49	27	63	29
Restructuring charges/(credits) <sup>(a)</sup>	1,104	138	1,114	94
Transaction costs <sup>(b)</sup>	—	8	5	8
Integration costs and other <sup>(c)</sup>	150	68	237	120
<i>Restructuring charges and certain acquisition-related costs</i>	1,254	214	1,356	222
Net periodic benefit costs/(credits) recorded in <i>Other (income)/deductions—net</i>	2	(2)	5	(7)
Additional depreciation—asset restructuring recorded in our condensed consolidated statements of operations as follows <sup>(d)</sup> :				
<i>Cost of sales</i>	1	4	5	22
<i>Selling, informational and administrative expenses</i>	3	—	3	—
Total additional depreciation—asset restructuring	4	4	8	23
Implementation costs recorded in our condensed consolidated statements of operations as follows <sup>(e)</sup> :				
<i>Cost of sales</i>	49	13	65	27
<i>Selling, informational and administrative expenses</i>	36	67	65	126
<i>Research and development expenses</i>	20	19	33	30
Total implementation costs	105	98	163	183
Total costs associated with acquisitions and cost-reduction/productivity initiatives	\$ 1,364	\$ 313	\$ 1,532	\$ 420

<sup>(a)</sup> Primarily represents cost-reduction initiatives. Amounts associated with our Biopharma segment: charges of \$1.1 billion for both the three and six months ended June 30, 2024 (including charges of \$1.3 billion for our Manufacturing Optimization Program for both periods presented and credits of \$113 million for the three months and \$199 million for the six months ended June 30, 2024 for our Realigning our Cost Base Program). Amounts associated with our Biopharma segment for the three and six months ended July 2, 2023 were not material.

<sup>(b)</sup> Represents external costs for banking, legal, accounting and other similar services.

<sup>(c)</sup> Represents external, incremental costs directly related to integrating acquired businesses, such as expenditures for consulting and the integration of systems and processes, and certain other qualifying costs.

<sup>(d)</sup> Represents the impact of changes in the estimated useful lives of assets involved in restructuring actions.

<sup>(e)</sup> Represents external, incremental costs directly related to implementing our non-acquisition-related cost-reduction/productivity initiatives.

The following summarizes the components and changes in restructuring accruals:

(MILLIONS)	Employee Termination Costs	Asset Impairment Charges	Exit Costs	Accrual
Balance, December 31, 2023 <sup>(a)</sup>	\$ 1,978	\$ —	\$ 11	\$ 1,988
Provision/(credit)	984	66	63	1,114
Utilization and other <sup>(b)</sup>	(592)	(66)	(45)	(703)
Balance, June 30, 2024 <sup>(c)</sup>	\$ 2,370	\$ —	\$ 29	\$ 2,399

<sup>(a)</sup> Included in *Other current liabilities* (\$1.3 billion) and *Other noncurrent liabilities* (\$663 million).

<sup>(b)</sup> Other activity includes adjustments for foreign currency translation that are not material to our condensed consolidated financial statements.

<sup>(c)</sup> Included in *Other current liabilities* (\$1.0 billion) and *Other noncurrent liabilities* (\$1.4 billion).



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**Note 4. Other (Income)/Deductions—Net**

Components of *Other (income)/deductions—net* include:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Interest income	\$ (130)	\$ (316)	\$ (259)	\$ (493)
Interest expense	778	508	1,568	826
Net interest expense <sup>(a)</sup>	648	192	1,310	333
Net (gains)/losses recognized during the period on equity securities	342	(135)	317	316
Income from collaborations, out-licensing arrangements and sales of compound/product rights	(22)	(7)	(24)	(74)
Net periodic benefit costs/(credits) other than service costs	(106)	(88)	(209)	(168)
Certain legal matters, net <sup>(b)</sup>	169	139	377	175
Certain asset impairments <sup>(c)</sup>	240	—	349	264
Haleon equity method (income)/loss <sup>(d)</sup>	(40)	(156)	48	(224)
Other, net <sup>(e)</sup>	(124)	(20)	(381)	(423)
<i>Other (income)/deductions—net</i>	\$ 1,107	\$ (75)	\$ 1,787	\$ 200

<sup>(a)</sup> The increase in net interest expense in the second quarter and first six months of 2024 reflects (i) higher interest expense driven by our \$31 billion aggregate principal amount of senior unsecured notes issued in May 2023, as well as \$8 billion of commercial paper issued in the fourth quarter of 2023 as part of the financing for our acquisition of Seagen and (ii) a decrease in interest income due to lower investment balances after completion of our \$43.4 billion Seagen acquisition in December 2023.

<sup>(b)</sup> The second quarter and first six months of 2024 primarily include certain product liability expenses related to products discontinued and/or divested by Pfizer. The second quarter and first six months of 2023 primarily included certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer.

<sup>(c)</sup> The second quarter and first six months of 2024 include a \$240 million intangible asset impairment charge, associated with our Biopharma segment that represents IPR&D related to a Phase 3 study for the treatment of DMD, which reflects unfavorable clinical trial results. The first six months of 2023 primarily represented intangible asset impairment charges, including (i) \$128 million associated with Other business activities, related to IPR&D and developed technology rights for acquired software assets and reflected unfavorable pivotal trial results and updated commercial forecasts, and (ii) \$120 million associated with our Biopharma segment resulting from the discontinuation of a study related to an out-licensed IPR&D asset for the treatment of prostate cancer.

<sup>(d)</sup> See [Note 2B](#).

<sup>(e)</sup> The second quarter of 2024 primarily includes, among other things, dividend income of \$74 million from our investment in ViiV. The first six months of 2024 includes, among other things, a \$150 million gain on the partial sale of our investment in Haleon and dividend income of \$135 million from our investment in ViiV. The first six months of 2023 primarily included, among other things, dividend income of \$211 million from our investment in Nimbus resulting from Takeda's acquisition of Nimbus's oral, selective allosteric tyrosine kinase 2 (TYK2) inhibitor program subsidiary, and \$183 million from our investment in ViiV.

Additional information about the intangible assets that were impaired during 2024 follows:

(MILLIONS)	Amount	Fair Value <sup>(a)</sup>			Six Months Ended
		Level 1	Level 2	Level 3	June 30, 2024
					Impairment
Intangible assets—IPR&D <sup>(b)</sup>	\$ —	\$ —	\$ —	\$ —	\$ 240
Intangible assets—Developed technology rights <sup>(b)</sup>	102	—	—	102	109
Total	\$ 102	\$ —	\$ —	\$ 102	\$ 349

<sup>(a)</sup> The fair value amount is presented as of the date of impairment, as this asset is not measured at fair value on a recurring basis. See also [Note 1E](#) in our 2023 Form 10-K.

<sup>(b)</sup> Reflects intangible assets written down to fair value in 2024. Fair value was determined using the income approach, specifically the multi-period excess earnings method, also known as the discounted cash flow method. We started with a forecast of all the expected net cash flows for the asset and then applied an asset-specific discount rate to arrive at a net present value amount. Some of the more significant estimates and assumptions inherent in this approach include: the amount and timing of the projected net cash flows, which includes the expected impact of competitive, legal and/or regulatory forces on the product; the discount rate, which seeks to reflect the various risks inherent in the projected cash flows; and the tax rate, which seeks to incorporate the geographic diversity of the projected cash flows.

**Note 5. Tax Matters**

**A. Taxes on Income from Continuing Operations**

Our effective tax rate for continuing operations was 130.2% for the second quarter of 2024, compared to (3.1)% for the second quarter of 2023, and was 4.8% for the first six months of 2024, compared to 7.5% for the first six months of 2023. The increase

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in the effective tax rate for the second quarter of 2024, compared to the second quarter of 2023, was primarily due to the non-recurrence of tax benefits related to global income tax resolutions in multiple tax jurisdictions spanning multiple tax years in the second quarter of 2023, partially offset by a favorable change in the jurisdictional mix of earnings in the second quarter of 2024.

We elected, with the filing of our 2018 U.S. Federal Consolidated Income Tax Return, to pay our initial estimated \$15 billion repatriation tax liability on accumulated post-1986 foreign earnings over eight years through 2026. The sixth annual installment was paid by its April 15, 2024 due date. The seventh annual installment is due April 15, 2025 and is reported in current *Income taxes payable* as of June 30, 2024. The remaining liability is reported in noncurrent *Other taxes payable*. Our obligations may vary as a result of changes in our uncertain tax positions and/or availability of attributes such as foreign tax and other credit carryforwards.

For the year ended December 31, 2023, our cash paid for income taxes, net of refunds, was \$3.1 billion, of which \$1.9 billion was paid in the U.S.

*B. Tax Contingencies*

We are subject to income tax in many jurisdictions, and a certain degree of estimation is required in recording the assets and liabilities related to income taxes. All of our tax positions are subject to audit by the local taxing authorities in each tax jurisdiction. These tax audits can involve complex issues, interpretations and judgments and the resolution of matters may span multiple years, particularly if subject to negotiation or litigation.

The U.S. is one of our major tax jurisdictions, and we are regularly audited by the IRS. With respect to Pfizer, tax years 2016-2018 are under audit. Tax years 2019-2024 are open but not under audit. All other tax years are closed. In addition to the open audit years in the U.S., we have open audit years and certain related audits, appeals and investigations in certain major international tax jurisdictions dating back to 2012.

See *Note 5D* in our 2023 Form 10-K.

*C. Tax Provision/(Benefit) on Other Comprehensive Income/(Loss)*

Components of *Tax provision/(benefit) on other comprehensive income/(loss)* include:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Foreign currency translation adjustments, net <sup>(a)</sup>	\$ 18	\$ 20	\$ 42	\$ (5)
Unrealized holding gains/(losses) on derivative financial instruments, net	26	25	70	28
Reclassification adjustments for (gains)/losses included in net income	(23)	(33)	(26)	(12)
	3	(8)	44	16
Unrealized holding gains/(losses) on available-for-sale securities, net	(3)	3	(9)	14
Reclassification adjustments for (gains)/losses included in net income	12	2	11	(62)
	9	5	1	(47)
Reclassification adjustments related to amortization of prior service costs and other, net	(9)	(7)	(13)	(14)
Reclassification adjustments related to curtailments of prior service costs and other, net	1	(1)	1	(3)
	(7)	(8)	(12)	(17)
<i>Tax provision/(benefit) on other comprehensive income/(loss)</i>	\$ 22	\$ 9	\$ 76	\$ (53)

<sup>(a)</sup> Taxes are not provided for foreign currency translation adjustments relating to investments in international subsidiaries that we intend to hold indefinitely.

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**Note 6. Accumulated Other Comprehensive Loss, Excluding Noncontrolling Interests**

The following summarizes the changes, net of tax, in *Accumulated other comprehensive loss*:

(MILLIONS)	Net Unrealized Gains/(Losses)			Benefit Plans		Accumulated Other Comprehensive Income/(Loss)
	Foreign Currency Translation Adjustments <sup>(a)</sup>	Derivative Financial Instruments	Available-For-Sale Securities	Prior Service (Costs)/Credits and Other		
Balance, December 31, 2023	\$ (7,863)	\$ (217)	\$ (9)	\$ 128	\$ (7,961)	
Other comprehensive income/(loss) <sup>(b)</sup>	41	140	8	(44)	145	
Balance, June 30, 2024	\$ (7,822)	\$ (77)	\$ (1)	\$ 84	\$ (7,816)	

<sup>(a)</sup> Amounts do not include foreign currency translation adjustments attributable to noncontrolling interests.

<sup>(b)</sup> Foreign currency translation adjustments include net gains related to the impact of our net investment hedging program and net losses related to our equity-method investment in Haleon (see [Note 2B](#)).

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**Note 7. Financial Instruments**

*A. Fair Value Measurements*

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis and Fair Value Hierarchy, using a Market Approach:

(MILLIONS)	June 30, 2024			December 31, 2023		
	Total	Level 1	Level 2	Total	Level 1	Level 2
<b>Financial assets:</b>						
<b>Short-term investments</b>						
Equity securities with readily determinable fair values:						
Money market funds	\$ 975	\$ —	\$ 975	\$ 5,124	\$ —	\$ 5,124
Available-for-sale debt securities:						
Government and agency—non-U.S.	1,120	—	1,120	817	—	817
Government and agency—U.S.	2,073	—	2,073	2,601	—	2,601
Corporate and other	1,208	—	1,208	982	—	982
	4,401	—	4,401	4,400	—	4,400
Total short-term investments	5,376	—	5,376	9,524	—	9,524
<b>Other current assets</b>						
Derivative assets:						
Foreign exchange contracts	421	—	421	298	—	298
Total other current assets	421	—	421	298	—	298
<b>Long-term investments</b>						
Equity securities with readily determinable fair values <sup>(a)</sup>						
	2,210	2,210	—	2,779	2,772	7
Available-for-sale debt securities:						
Government and agency—non-U.S.	63	—	63	124	—	124
Corporate and other	6	—	6	26	—	26
	69	—	69	150	—	150
Total long-term investments	2,280	2,210	70	2,929	2,772	156
<b>Other noncurrent assets</b>						
Derivative assets:						
Interest rate contracts	19	—	19	144	—	144
Foreign exchange contracts	354	—	354	258	—	258
Total derivative assets	374	—	374	402	—	402
Insurance contracts <sup>(b)</sup>	872	—	872	790	—	790
Total other noncurrent assets	1,246	—	1,246	1,191	—	1,191
Total assets	\$ 9,322	\$ 2,210	\$ 7,112	\$ 13,943	\$ 2,772	\$ 11,170
<b>Financial liabilities:</b>						
<b>Other current liabilities</b>						
Derivative liabilities:						
Interest rate contracts	\$ 33	\$ —	\$ 33	\$ 16	\$ —	\$ 16
Foreign exchange contracts	139	—	139	404	—	404
Total other current liabilities	172	—	172	420	—	420
<b>Other noncurrent liabilities</b>						
Derivative liabilities:						
Interest rate contracts	375	—	375	275	—	275
Foreign exchange contracts	682	—	682	725	—	725
Total other noncurrent liabilities	1,056	—	1,056	1,000	—	1,000
Total liabilities	\$ 1,228	\$ —	\$ 1,228	\$ 1,420	\$ —	\$ 1,420

<sup>(a)</sup> Long-term equity securities of \$119 million as of June 30, 2024 and \$130 million as of December 31, 2023 were held in restricted trusts for U.S. non-qualified employee benefit plans.

<sup>(b)</sup> Includes life insurance policies held in restricted trusts for U.S. non-qualified employee benefit plans. The underlying invested assets in these contracts are marketable securities, which are carried at fair value, with changes in fair value recognized in *Other (income)/deductions—net* (see [Note 4](#)).

*Financial Assets and Liabilities Not Measured at Fair Value on a Recurring Basis*—The carrying value of Long-term debt, excluding the current portion, was \$58 billion as of June 30, 2024 and \$62 billion as of December 31, 2023. The estimated fair value of such debt, using a market approach and Level 2 inputs, was \$54 billion as of June 30, 2024 and \$61 billion as of December 31, 2023.

The differences between the estimated fair values and carrying values of held-to-maturity debt securities, private equity securities, long-term receivables and short-term borrowings not measured at fair value on a recurring basis were not significant as of June 30, 2024 and December 31, 2023. The fair value measurements of our held-to-maturity debt securities and short-term

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borrowings are based on Level 2 inputs. The fair value measurements of our long-term receivables and private equity securities are based on Level 3 inputs.

B. Investments

*Total Short-Term, Long-Term and Equity-Method Investments*

The following summarizes our investments by classification type:

(MILLIONS)	June 30, 2024	December 31, 2023
<b>Short-term investments</b>		
Equity securities with readily determinable fair values <sup>(a)</sup>	\$ 975	\$ 5,124
Available-for-sale debt securities	4,401	4,400
Held-to-maturity debt securities	673	313
<b>Total Short-term investments</b>	<b>\$ 6,048</b>	<b>\$ 9,837</b>
<b>Long-term investments</b>		
Equity securities with readily determinable fair values <sup>(b)</sup>	\$ 2,210	\$ 2,779
Available-for-sale debt securities	69	150
Held-to-maturity debt securities	54	47
Private equity securities at cost <sup>(b)</sup>	786	755
<b>Total Long-term investments</b>	<b>\$ 3,119</b>	<b>\$ 3,731</b>
<b>Equity-method investments</b>	<b>8,029</b>	<b>11,637</b>
Total long-term investments and equity-method investments	\$ 11,149	\$ 15,368
Held-to-maturity cash equivalents	\$ 317	\$ 207

<sup>(a)</sup> Represent money market funds primarily invested in U.S. Treasury and government debt.

<sup>(b)</sup> Represent investments in the life sciences sector.

*Debt Securities*

Our investment portfolio consists of investment-grade debt securities issued across diverse governments, corporate and financial institutions:

(MILLIONS)	June 30, 2024							December 31, 2023			
	Amortized Cost	Gross Unrealized		Fair Value	Contractual or Estimated Maturities (in Years)			Amortized Cost	Gross Unrealized		Fair Value
		Gains	Losses		Within 1	Over 1 to 5	Over 5		Gains	Losses	
<b>Available-for-sale debt securities</b>											
Government and agency—non-U.S.	\$ 1,184	\$ 4	\$ (6)	\$ 1,183	\$ 1,120	\$ 63	\$ —	\$ 953	\$ 2	\$ (14)	\$ 941
Government and agency—U.S.	2,073	—	—	2,073	2,073	—	—	2,601	—	—	2,601
Corporate and other	1,213	2	(2)	1,214	1,208	6	—	1,006	4	(2)	1,007
<b>Held-to-maturity debt securities</b>											
Time deposits and other	942	—	—	942	892	28	21	561	—	—	561
Government and agency—non-U.S.	102	—	—	102	98	4	1	4	—	—	4
<b>Total debt securities</b>	<b>\$ 5,515</b>	<b>\$ 6</b>	<b>\$ (7)</b>	<b>\$ 5,514</b>	<b>\$ 5,391</b>	<b>\$ 101</b>	<b>\$ 22</b>	<b>\$ 5,126</b>	<b>\$ 6</b>	<b>\$ (16)</b>	<b>\$ 5,115</b>

Any expected credit losses to these portfolios would be immaterial to our financial statements.

*Equity Securities*

The following presents the calculation of the portion of unrealized (gains)/losses that relates to equity securities, excluding equity-method investments, held at the reporting date:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net (gains)/losses recognized during the period on equity securities <sup>(a)</sup>	\$ 342	\$ (135)	\$ 317	\$ 316
Less: Net (gains)/losses recognized during the period on equity securities sold during the period	(2)	(14)	(216)	(47)
<b>Net unrealized (gains)/losses during the reporting period on equity securities still held at the reporting date<sup>(b)</sup></b>	<b>\$ 344</b>	<b>\$ (121)</b>	<b>\$ 533</b>	<b>\$ 363</b>

<sup>(a)</sup> Reported in *Other (income)/deductions—net*. See [Note 4](#).

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<sup>(b)</sup> Included in net unrealized (gains)/losses are observable price changes on equity securities without readily determinable fair values. As of June 30, 2024, there were cumulative impairments and downward adjustments of \$306 million and upward adjustments of \$214 million. Impairments, downward and upward adjustments were not material to our operations in the second quarters and first six months of 2024 and 2023.

C. Short-Term Borrowings

Short-term borrowings include:

(MILLIONS)	June 30, 2024	December 31, 2023
Commercial paper, principal amount	\$ 7,964	\$ 7,965
Current portion of long-term debt, principal amount	3,750	2,250
Other short-term borrowings, principal amount <sup>(a)</sup>	320	252
Total short-term borrowings, principal amount	12,034	10,467
Net fair value adjustments related to hedging and purchase accounting	—	5
Net unamortized discounts, premiums and debt issuance costs	(90)	(121)
Total <i>Short-term borrowings, including current portion of long-term debt</i> , carried at historical proceeds, as adjusted	\$ 11,944	\$ 10,350

<sup>(a)</sup> Primarily includes cash collateral. See [Note 7F](#).

D. Long-Term Debt

The following summarizes the aggregate principal amount of our senior unsecured long-term debt, and adjustments to report our aggregate long-term debt:

(MILLIONS)	June 30, 2024	December 31, 2023
Total long-term debt, principal amount	\$ 57,193	\$ 60,982
Net fair value adjustments related to hedging and purchase accounting	773	1,039
Net unamortized discounts, premiums and debt issuance costs	(460)	(483)
Total long-term debt, carried at historical proceeds, as adjusted	\$ 57,506	\$ 61,538

E. Derivative Financial Instruments and Hedging Activities

**Foreign Exchange Risk**—A significant portion of our revenues, earnings and net investments in foreign affiliates is exposed to changes in foreign exchange rates. Where foreign exchange risk is not offset by other exposures, we manage our foreign exchange risk principally through the use of derivative financial instruments and foreign currency debt. These financial instruments serve to mitigate the impact on net income as a result of remeasurement into another currency, or against the impact of translation into U.S. dollars of certain foreign exchange-denominated transactions.

The derivative financial instruments primarily hedge or offset exposures in the euro, U.K. pound, Chinese renminbi, Japanese yen and Swedish krona, and include a portion of our forecasted foreign exchange-denominated intercompany inventory sales hedged up to two years. We may seek to protect against possible declines in the reported net investments of our foreign business entities.

**Interest Rate Risk**—Our interest-bearing investments and borrowings are subject to interest rate risk. Depending on market conditions, we may change the profile of our outstanding debt or investments by entering into derivative financial instruments like interest rate swaps, either to hedge or offset the exposure to changes in the fair value of hedged items with fixed interest rates, or to convert variable rate debt or investments to fixed rates. The derivative financial instruments primarily hedge U.S. dollar fixed-rate debt.

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The following summarizes the fair value of the derivative financial instruments and notional amounts:

(MILLIONS)	June 30, 2024			December 31, 2023		
	Notional	Fair Value		Notional	Fair Value	
		Asset	Liability		Asset	Liability
<i>Derivatives designated as hedging instruments:</i>						
Foreign exchange contracts <sup>(a)</sup>	\$ 22,740	\$ 678	\$ 704	\$ 18,750	\$ 403	\$ 916
Interest rate contracts	6,750	19	408	6,750	144	290
		698	1,112		546	1,206
<i>Derivatives not designated as hedging instruments:</i>						
Foreign exchange contracts	\$ 22,055	97	116	\$ 25,609	154	214
Total		\$ 795	\$ 1,228		\$ 700	\$ 1,420

<sup>(a)</sup> The notional amount of outstanding foreign exchange contracts hedging our intercompany forecasted inventory sales was \$5.6 billion as of June 30, 2024 and \$4.9 billion as of December 31, 2023.

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The following summarizes information about the gains/(losses) incurred to hedge or offset operational foreign exchange or interest rate risk exposures:

(MILLIONS)	Gains/(Losses) Recognized in OID <sup>(a)</sup>		Gains/(Losses) Recognized in OCI <sup>(a)</sup>		Gains/(Losses) Reclassified from OCI into OID and COS <sup>(a)</sup>	
	Three Months Ended					
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Derivative Financial Instruments in Cash Flow Hedge Relationships:</b>						
Interest rate contracts	\$ —	\$ —	\$ —	\$ 68	\$ —	\$ —
Foreign exchange contracts <sup>(b)</sup>	—	—	117	6	137	126
Amount excluded from effectiveness testing and amortized into earnings <sup>(c)</sup>	—	—	10	34	10	37
<b>Derivative Financial Instruments in Fair Value Hedge Relationships:</b>						
Interest rate contracts	(36)	(45)	—	—	—	—
Hedged item	36	45	—	—	—	—
<b>Derivative Financial Instruments in Net Investment Hedge Relationships:</b>						
Foreign exchange contracts	—	—	81	(70)	—	—
Amount excluded from effectiveness testing and amortized into earnings <sup>(c)</sup>	—	—	31	9	40	33
<b>Non-Derivative Financial Instruments in Net Investment Hedge Relationships<sup>(d)</sup>:</b>						
Foreign currency long-term debt	—	—	8	(1)	—	—
<b>Derivative Financial Instruments Not Designated as Hedges:</b>						
Foreign exchange contracts	(13)	99	—	—	—	—
	\$ (13)	\$ 99	\$ 247	\$ 47	\$ 187	\$ 196

(MILLIONS)	Gains/(Losses) Recognized in OID <sup>(a)</sup>		Gains/(Losses) Recognized in OCI <sup>(a)</sup>		Gains/(Losses) Reclassified from OCI into OID and COS <sup>(a)</sup>	
	Six Months Ended					
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Derivative Financial Instruments in Cash Flow Hedge Relationships:</b>						
Interest rate contracts	\$ —	\$ —	\$ —	\$ 68	\$ —	\$ —
Foreign exchange contracts <sup>(b)</sup>	—	—	327	(47)	142	(230)
Amount excluded from effectiveness testing and amortized into earnings <sup>(c)</sup>	—	—	17	90	17	90
<b>Derivative Financial Instruments in Fair Value Hedge Relationships:</b>						
Interest rate contracts	(224)	3	—	—	—	—
Hedged item	224	(3)	—	—	—	—
<b>Derivative Financial Instruments in Net Investment Hedge Relationships:</b>						
Foreign exchange contracts	—	—	315	(283)	—	—
Amount excluded from effectiveness testing and amortized into earnings <sup>(c)</sup>	—	—	52	76	76	67
<b>Non-Derivative Financial Instruments in Net Investment Hedge Relationships<sup>(d)</sup>:</b>						
Foreign currency long-term debt	—	—	26	(17)	—	—
<b>Derivative Financial Instruments Not Designated as Hedges:</b>						
Foreign exchange contracts	42	116	—	—	—	—
	\$ 42	\$ 116	\$ 737	\$ (113)	\$ 235	\$ (73)



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<sup>(a)</sup> OID = Other (income)/deductions—net, included in *Other (income)/deductions—net* in the condensed consolidated statements of operations. COS = Cost of Sales, included in *Cost of sales* in the condensed consolidated statements of operations. OCI = Other comprehensive income/(loss), included in the condensed consolidated statements of comprehensive income/(loss).

<sup>(b)</sup> The amounts reclassified from OCI into COS were:

- a net gain of \$38 million in the second quarter of 2024;
- a net gain of \$70 million in the first six months of 2024;
- a net gain of \$55 million in the second quarter of 2023; and
- a net gain of \$146 million in the first six months of 2023.

The remaining amounts were reclassified from OCI into OID. Based on quarter-end foreign exchange rates that are subject to change, we expect to reclassify a pre-tax gain of \$157 million within the next 12 months into income. The maximum length of time over which we are hedging our exposure to the variability in future foreign exchange cash flows is approximately 19 years and relates to foreign currency debt.

<sup>(c)</sup> The amounts reclassified from OCI were reclassified into OID.

<sup>(d)</sup> Long-term debt includes foreign currency borrowings, which are used in net investment hedges; the related carrying values as of June 30, 2024 and December 31, 2023 were \$799 million and \$824 million, respectively.

The following summarizes cumulative basis adjustments to our long-term debt in fair value hedges:

(MILLIONS)	June 30, 2024			December 31, 2023		
	Carrying Amount of Hedged Assets/Liabilities <sup>(a)</sup>	Cumulative Amount of Fair Value Hedging Adjustment Increase/(Decrease) to Carrying Amount		Carrying Amount of Hedged Assets/Liabilities <sup>(a)</sup>	Cumulative Amount of Fair Value Hedging Adjustment Increase/(Decrease) to Carrying Amount	
		Active Hedging Relationships	Discontinued Hedging Relationships		Active Hedging Relationships	Discontinued Hedging Relationships
<i>Long-term debt</i>	\$ 7,175	\$ (355)	\$ 924	\$ 7,196	\$ (131)	\$ 957

<sup>(a)</sup> Carrying amounts exclude the cumulative amount of fair value hedging adjustments.

**F. Credit Risk**

A significant portion of our trade accounts receivable balances are due from wholesalers and governments. For additional information on our trade accounts receivables with significant customers, see [Note 13C](#) below and [Note 17C](#) in our 2023 Form 10-K.

As of June 30, 2024, the largest investment exposures in our portfolio consisted primarily of U.S. government money market funds, as well as sovereign debt instruments issued by the U.S.

With respect to our derivative financial instrument agreements with financial institutions, we do not expect to incur a significant loss from failure of any counterparty. Derivative financial instruments are executed under International Swaps and Derivatives Association master agreements with credit-support annexes that contain zero threshold provisions requiring collateral to be exchanged daily depending on levels of exposure. As a result, there are no significant concentrations of credit risk with any individual financial institution. As of June 30, 2024, the aggregate fair value of these derivative financial instruments that are in a net payable position was \$775 million, for which we have posted collateral of \$764 million with a corresponding amount reported in *Short-term investments*. As of June 30, 2024, the aggregate fair value of our derivative financial instruments that are in a net receivable position was \$281 million, for which we have received collateral of \$288 million with a corresponding amount reported in *Short-term borrowings, including current portion of long-term debt*.

**Note 8. Other Financial Information**

**A. Inventories**

The following summarizes the components of *Inventories*:

(MILLIONS)	June 30, 2024	December 31, 2023
Finished goods	\$ 3,220	\$ 3,495
Work-in-process	7,072	5,688
Raw materials and supplies	1,156	1,007
<i>Inventories</i> <sup>(a)</sup>	\$ 11,447	\$ 10,189
Noncurrent inventories not included above <sup>(b)</sup>	\$ 2,918	\$ 4,568

<sup>(a)</sup> The increase from December 31, 2023 reflects higher inventory levels for certain products mainly for supply recovery and network strategy.

<sup>(b)</sup> Included in *Other noncurrent assets*. The decrease from December 31, 2023 is primarily driven by an adjustment to the fair value step-up of acquired Seagen inventory. Based on our current estimates and assumptions, there are no recoverability issues for these amounts.

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B. Comirnaty Gross Profit Split

Amounts due from BioNTech for the Comirnaty gross profit split totaled \$275 million in *Other current assets* as of June 30, 2024, and amounts payable to BioNTech for the Comirnaty gross profit split totaled \$2.0 billion in *Other current liabilities* as of December 31, 2023. The change in the first six months of 2024 is primarily due to a decline in Comirnaty sales and the timing of gross profit split settlements with BioNTech.

C. Supplier Finance Program Obligation

We maintain voluntary supply chain finance agreements with several participating financial institutions. Under these agreements, participating suppliers may voluntarily elect to sell their accounts receivable with Pfizer to these financial institutions. As of June 30, 2024 and December 31, 2023, respectively, \$593 million and \$791 million of our trade payables to suppliers who participate in these financing arrangements were outstanding.

**Note 9. Identifiable Intangible Assets and Goodwill**

A. Identifiable Intangible Assets

The following summarizes the components of *Identifiable intangible assets*:

(MILLIONS)	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Identifiable Intangible Assets, less Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Identifiable Intangible Assets, less Accumulated Amortization
<u>Finite-lived intangible assets</u>						
Developed technology rights <sup>(a)</sup>	\$ 99,449	\$ (62,905)	\$ 36,543	\$ 99,267	\$ (60,493)	\$ 38,773
Brands <sup>(b)</sup>	1,749	(933)	816	922	(877)	45
Licensing agreements and other	2,761	(1,527)	1,234	2,756	(1,458)	1,297
	<u>103,959</u>	<u>(65,365)</u>	<u>38,594</u>	<u>102,944</u>	<u>(62,828)</u>	<u>40,116</u>
<u>Indefinite-lived intangible assets</u>						
Brands <sup>(b)</sup>	—	—	—	827	—	827
IPR&D <sup>(c)</sup>	21,976	—	21,976	23,193	—	23,193
Licensing agreements and other	670	—	670	763	—	763
	<u>22,646</u>	<u>—</u>	<u>22,646</u>	<u>24,784</u>	<u>—</u>	<u>24,784</u>
<i>Identifiable intangible assets</i> <sup>(d)</sup>	<u>\$ 126,605</u>	<u>\$ (65,365)</u>	<u>\$ 61,240</u>	<u>\$ 127,728</u>	<u>\$ (62,828)</u>	<u>\$ 64,900</u>

<sup>(a)</sup> The increase in the gross carrying amount includes the transfer of IPR&D to developed technology rights of \$727 million for talazoparib (Talzenna), partially offset by \$385 million of measurement period adjustments related to our acquisition of Seagen (see [Note 2A](#)) and impairments of \$109 million (see [Note 4](#)).

<sup>(b)</sup> The changes in the gross carrying amounts reflect the transfer of \$827 million from indefinite-lived brands to finite-lived brands for Depo-Medrol.

<sup>(c)</sup> The decrease in the gross carrying amount reflects the transfer of IPR&D to developed technology rights of \$727 million for talazoparib (Talzenna), \$250 million of measurement period adjustments related to our acquisition of Seagen (see [Note 2A](#)) and impairments of \$240 million (see [Note 4](#)).

<sup>(d)</sup> The decrease is primarily due to amortization expense of \$2.6 billion, measurement period adjustments related to our acquisition of Seagen of \$625 million (see [Note 2A](#)) and impairments of \$349 million (see [Note 4](#)).

B. Goodwill

The following summarizes the changes in the carrying amount of *Goodwill*:

(MILLIONS)	Total <sup>(a)</sup>
Balance, January 1, 2024	\$ 67,783
Additions <sup>(b)</sup>	677
Impact of foreign exchange	(16)
Balance, June 30, 2024	<u>\$ 68,445</u>

<sup>(a)</sup> All goodwill is assigned within the Biopharma reportable segment. As a result of the organizational changes to the commercial structure within the Biopharma operating segment effective in the first quarter of 2024 (see [Note 13A](#)), our goodwill is required to be reallocated amongst impacted reporting units. The allocation of goodwill is a complex process that requires, among other things, that we determine the fair value of each reporting unit under our old and new organizational structure and the portions being transferred. Therefore, we have not yet completed the allocation, but it will be completed in the current year.

<sup>(b)</sup> Additions primarily represent measurement period adjustments related to our acquisition of Seagen (see [Note 2A](#)).

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**Note 10. Pension and Postretirement Benefit Plans**

The following summarizes the components of net periodic benefit cost/(credit):

(MILLIONS)	Pension Plans				Postretirement Plans	
	U.S.		International			
	Three Months Ended					
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Service cost	\$ —	\$ —	\$ 23	\$ 22	\$ 4	\$ 3
Interest cost	139	147	77	72	6	5
Expected return on plan assets	(208)	(194)	(80)	(76)	(13)	(11)
Amortization of prior service cost/(credit)	—	—	1	—	(29)	(30)
Actuarial (gains)/losses	—	5	—	—	—	—
Curtailments	—	—	—	—	—	(7)
Special termination benefits	—	5	2	—	—	—
Net periodic benefit cost/(credit) reported in income	\$ (69)	\$ (37)	\$ 23	\$ 18	\$ (33)	\$ (39)

(MILLIONS)	Pension Plans				Postretirement Plans	
	U.S.		International			
	Six Months Ended					
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Service cost	\$ —	\$ —	\$ 44	\$ 43	\$ 7	\$ 6
Interest cost	277	295	155	143	12	11
Expected return on plan assets	(416)	(389)	(160)	(152)	(25)	(22)
Amortization of prior service cost/(credit)	1	1	2	—	(59)	(60)
Actuarial (gains)/losses	—	14	—	3	—	—
Curtailments	—	—	(2)	(1)	—	(12)
Special termination benefits	—	6	6	—	—	—
Net periodic benefit cost/(credit) reported in income	\$ (139)	\$ (73)	\$ 46	\$ 36	\$ (65)	\$ (77)

The components of net periodic benefit cost/(credit) other than the service cost component are primarily included in *Other (income)/deductions—net* (see [Note 4](#)).

For the six months ended June 30, 2024, we contributed \$83 million to our U.S. Pension Plans and \$98 million to our International Pension Plans from our general assets, which include direct employer benefit payments.

**Note 11. Earnings Per Common Share Attributable to Pfizer Inc. Common Shareholders**

The following presents the detailed calculation of *EPS*:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>EPS Numerator</b>				
Income from continuing operations attributable to Pfizer Inc. common shareholders	\$ 24	\$ 2,329	\$ 3,144	\$ 7,871
<i>Discontinued operations—net of tax</i>	17	(2)	12	(1)
<i>Net income attributable to Pfizer Inc. common shareholders</i>	<u>\$ 41</u>	<u>\$ 2,327</u>	<u>\$ 3,156</u>	<u>\$ 7,870</u>
<b>EPS Denominator</b>				
Weighted-average number of common shares outstanding—Basic	5,666	5,646	5,662	5,640
Common-share equivalents	29	67	35	80
Weighted-average number of common shares outstanding—Diluted	<u>5,696</u>	<u>5,713</u>	<u>5,696</u>	<u>5,720</u>
Anti-dilutive common stock equivalents <sup>(a)</sup>	23	3	24	2

<sup>(a)</sup> These common stock equivalents were outstanding for the periods presented, but were not included in the computation of diluted EPS for those periods because their inclusion would have had an anti-dilutive effect.

## **Note 12. Contingencies and Certain Commitments**

We and certain of our subsidiaries are subject to numerous contingencies arising in the ordinary course of business, including tax and legal contingencies, guarantees and indemnifications. The following outlines our legal contingencies, guarantees and indemnifications. For a discussion of our tax contingencies, see [Note 5B](#).

### A. Legal Proceedings

Our legal contingencies include, but are not limited to, the following:

- Patent litigation, which typically involves challenges to the coverage and/or validity of patents on various products, processes or dosage forms. An adverse outcome could result in loss of patent protection for a product, a significant loss of revenues from a product or impairment of the value of associated assets. We are the plaintiff in the majority of these actions.
- Product liability and other product-related litigation related to current or former products, which can include personal injury, consumer, off-label promotion, securities, antitrust and breach of contract claims, among others, and often involves highly complex issues relating to medical causation, label warnings and reliance on those warnings, scientific evidence and findings, actual, provable injury and other matters.
- Commercial and other asserted or unasserted matters, which can include acquisition-, licensing-, intellectual property-, collaboration- or co-promotion-related and product-pricing claims and environmental claims and proceedings, and can involve complexities that will vary from matter to matter.
- Government investigations, which often are related to the extensive regulation of pharmaceutical companies by national, state and local government agencies in the U.S. and in other jurisdictions.

Certain of these contingencies could result in increased expenses and/or losses, including damages, royalty payments, fines and/or civil penalties, which could be substantial, and/or criminal charges.

We believe that our claims and defenses in matters in which we are a defendant are substantial, but litigation is inherently unpredictable and excessive verdicts do occur. We do not believe that any of these matters will have a material adverse effect on our financial position. However, we could incur judgments, enter into settlements or revise our expectations regarding the outcome of matters, which could have a material adverse effect on our results of operations and/or our cash flows in the period in which the amounts are accrued or paid.

We have accrued for losses that are both probable and reasonably estimable. Substantially all of our contingencies are subject to significant uncertainties and, therefore, determining the likelihood of a loss and/or the measurement of any loss can be complex. Consequently, we are unable to estimate the range of reasonably possible loss in excess of amounts accrued. Our assessments, which result from a complex series of judgments about future events and uncertainties, are based on estimates and assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions.

Amounts recorded for legal and environmental contingencies can result from a complex series of judgments about future events and uncertainties and can rely heavily on estimates and assumptions. For proceedings under environmental laws to which a governmental authority is a party, we have adopted a disclosure threshold of \$1 million in potential or actual governmental monetary sanctions.

The principal pending matters to which we are a party are discussed below. In determining whether a pending matter is a principal matter, we consider both quantitative and qualitative factors to assess materiality, such as, among others, the amount of damages and the nature of other relief sought, if specified; our view of the merits of the claims and of the strength of our defenses; whether the action purports to be, or is, a class action and, if not certified, our view of the likelihood that a class will be certified by the court; the jurisdiction in which the proceeding is pending; whether related actions have been transferred to multidistrict litigation; any experience that we or, to our knowledge, other companies have had in similar proceedings; whether disclosure of the action would be important to a reader of our financial statements, including whether disclosure might change a reader's judgment about our financial statements in light of all of the information that is available to the reader; the potential impact of the proceeding on our reputation; and the extent of public interest in the matter. In addition, with respect to patent matters in which we are the plaintiff, we consider, among other things, the financial significance of the product protected by the patent(s) at issue. Some of the matters discussed below include those which management believes that the likelihood of possible loss in excess of amounts accrued is remote.

### A1. Legal Proceedings—Patent Litigation

We are involved in suits relating to our patents (or those of our collaboration/licensing partners to which we have licenses or co-promotion rights), including but not limited to, those discussed below. We face claims by generic drug manufacturers that

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patents covering our products (or those of our collaboration/licensing partners to which we have licenses or co-promotion rights and to which we may or may not be a party), processes or dosage forms are invalid and/or do not cover the product of the generic drug manufacturer. Also, counterclaims, as well as various independent actions, have been filed alleging that our assertions of, or attempts to enforce, patent rights with respect to certain products constitute unfair competition and/or violations of antitrust laws. In addition to the challenges to the U.S. patents that are discussed below, patent rights to certain of our products or those of our collaboration/licensing partners are being challenged in various other jurisdictions. Some of our collaboration or licensing partners face challenges to the validity of their patent rights in non-U.S. jurisdictions. For example, in April 2022, the U.K. High Court issued a judgment finding invalid a BMS patent related to Eliquis due to expire in 2026. In May 2023, the Court of Appeal dismissed BMS's appeal and in October 2023, the Supreme Court refused BMS's permission to appeal. Additional challenges are pending in other jurisdictions. Also, in July 2022, CureVac AG (CureVac) brought a patent infringement action against BioNTech and certain of its subsidiaries in the German Regional Court alleging that Comirnaty infringes certain German utility model patents and certain expired and unexpired European patents. Additional challenges involving Comirnaty patents may be filed against us and/or BioNTech in other jurisdictions in the future. Adverse decisions in these matters could have a material adverse effect on our results of operations. We are also party to patent damages suits in various jurisdictions pursuant to which generic drug manufacturers, payors, governments or other parties are seeking damages from us for allegedly causing delay of generic entry.

We also are often involved in other proceedings, such as inter partes review, post-grant review, re-examination or opposition proceedings, before the U.S. Patent and Trademark Office, the European Patent Office, or other foreign counterparts, as well as court proceedings relating to our intellectual property or the intellectual property rights of others, including challenges to such rights initiated by us. Also, if one of our patents (or one of our collaboration/licensing partner's patents) is found to be invalid by such proceedings, generic or competitive products could be introduced into the market resulting in the erosion of sales of our existing products. For example, several of the patents in our pneumococcal vaccine portfolio have been challenged in inter partes review and post-grant review proceedings in the U.S. Patent and Trademark Office, as well as outside the U.S. The invalidation of any of the patents in our pneumococcal portfolio could potentially allow additional competitor vaccines, if approved, to enter the marketplace earlier than anticipated. In the event that any of the patents are found valid and infringed, a competitor's vaccine, if approved, might be prohibited from entering the market or a competitor might be required to pay us a royalty.

We are also subject to patent litigation pursuant to which one or more third parties seek damages and/or injunctive relief to compensate for alleged infringement of its patents by our commercial or other activities. If one of our marketed products (or a product of our collaboration/licensing partners to which we have licenses or co-promotion rights) is found to infringe valid patent rights of a third party, such third party may be awarded significant damages or royalty payments, or we may be prevented from further sales of that product. Such damages may be enhanced as much as three-fold if we or one of our subsidiaries is found to have willfully infringed valid patent rights of a third party.

**Actions In Which We Are The Plaintiff**

**Xeljanz (tofacitinib)**

Beginning in 2017, we brought patent-infringement actions against several generic manufacturers that filed separate abbreviated new drug applications (ANDAs) with the FDA seeking approval to market their generic versions of tofacitinib tablets in one or both of 5 mg and 10 mg dosage strengths, and in both immediate and extended release forms. To date, we have settled actions with several manufacturers on terms not material to us. The remaining actions continue in the U.S. District Court for the District of Delaware as described below.

In October 2021, we brought a separate patent-infringement action against Sinotherapeutics Inc. (Sinotherapeutics) asserting the infringement and validity of our patent covering extended release formulations of tofacitinib that was challenged by Sinotherapeutics in its ANDA seeking approval to market a generic version of tofacitinib 11 mg extended release tablets. In November 2022, we filed an additional patent-infringement action against Sinotherapeutics relating to its challenge of our extended release formulation and method of treatment patents in its ANDA seeking approval to market a generic version of tofacitinib 22 mg extended release tablets.

In June 2024, we brought a separate patent-infringement action against Biocon Limited, Biocon Pharma Limited and Biocon Pharma, Inc. (collectively, Biocon) asserting the infringement and validity of our patent covering the composition of matter patent that was challenged by Biocon in its ANDA seeking approval to market a generic version of tofacitinib 11 mg and 22 mg extended-release tablets.

**Mektovi (binimetinib)**

Beginning in August 2022, several generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of Mektovi. The companies assert the invalidity and non-infringement of two method of use patents

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expiring in 2030, a method of use patent expiring in 2031, two method of use patents expiring in 2033, and a product by process patent expiring in 2033. Beginning in September 2022, we brought patent infringement actions against the generic filers in the U.S. District Court for the District of Delaware, asserting the validity and infringement of all six patents.

In August 2022 we received notice from Teva Pharmaceuticals, Inc. (Teva) that it had filed an ANDA seeking approval to market a generic version of Mektovi. Teva asserts the invalidity and non-infringement of two method of use patents expiring in 2033 and a product by process patent expiring in 2033. In June 2023, we brought a patent infringement action against Teva in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the three patents.

**Vyndaquel-Vyndamax (tafamidis/tafamidis meglumine)**

Beginning in June 2023, several generic companies notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of tafamidis capsules (61 mg) or tafamidis meglumine capsules (20 mg), challenging some or all of the patents listed in the FDA's Orange Book for Vyndamax (tafamidis) and Vyndaquel (tafamidis meglumine). Scripps Research Institute (Scripps) owns the composition of matter patent and the method of treatment patents covering the products, and Pfizer is the exclusive licensee. Pfizer separately owns the crystalline form patent. Beginning in August 2023, we and Scripps brought patent infringement actions against the generic filers in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the patents in suit. Pfizer is the sole plaintiff in actions that assert only the infringement and validity of the crystalline form patent.

**Oxbryta (voxelotor)**

In January 2024, Zydus Pharmaceuticals (USA) Inc., Zydus Lifesciences Limited, and Zydus Worldwide DMCC (collectively, Zydus) and MSN Pharmaceuticals Inc. and MSN Laboratories Private Ltd. (collectively, MSN) separately notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of voxelotor tablets, challenging some of the patents listed in the FDA's Orange Book for Oxbryta (voxelotor tablets in 300 mg and 500 mg strengths and/or for oral suspension) on non-infringement grounds. In March 2024, we filed patent infringement actions against both generic filers in the U.S. District Court for the District of Delaware, asserting the validity and infringement of the challenged patents. Zydus and MSN have not challenged our composition of matter patents or method of treatment patents for Oxbryta.

**Nurtec (rimegepant)**

In April 2024, Rubicon Research Private Limited, Teva Pharmaceuticals, Inc., Changzhou Pharmaceutical Factory, Natco Pharma Limited and Natco Pharma, Inc., MSN, Aurobindo Pharma Limited, Apitoria Pharma Private Limited and Aurobindo Pharma U.S.A. Inc. (collectively, Aurobindo) and Apotex Inc. and Apotex Corp. (collectively, Apotex) notified us that they had filed ANDAs with the FDA seeking approval to market generic versions of rimegepant orally disintegrating tablets, claiming noninfringement and/or challenging the validity of some or all of the patents listed in the FDA's Orange Book for Nurtec (rimegepant orally disintegrating tablets Eq 75 mg base). In May 2024, we filed patent infringement actions against all the generic filers in the U.S. District Court for the District of Delaware.

**Actions in Which We are the Defendant**

**Comirnaty**

In March 2022, Alnylam Pharmaceuticals, Inc. (Alnylam) filed a complaint in the U.S. District Court for the District of Delaware against Pfizer and Pharmacia & Upjohn Company LLC, our wholly owned subsidiary, alleging that Comirnaty infringes a U.S. patent issued in February 2022, and seeking unspecified monetary damages. In July 2022, Alnylam filed a second complaint in the U.S. District Court for the District of Delaware against Pfizer, Pharmacia & Upjohn Company LLC, BioNTech and BioNTech Manufacturing GmbH, alleging that Comirnaty infringes a U.S. patent issued in July 2022, and seeking unspecified monetary damages. In May 2023, Alnylam filed a separate complaint in the U.S. District Court for the District of Delaware against Pfizer and Pharmacia & Upjohn Company LLC alleging that Comirnaty infringes four additional U.S. patents issued on various dates in 2023 and seeking unspecified monetary damages.

In August 2022, ModernaTX, Inc. (ModernaTX) and Moderna US, Inc. (Moderna) sued Pfizer, BioNTech, BioNTech Manufacturing GmbH and BioNTech US Inc. in the U.S. District Court for the District of Massachusetts, alleging that Comirnaty infringes three U.S. patents. In its complaint, Moderna stated that it is seeking damages for alleged infringement occurring after March 7, 2022. In March 2024, the U.S. Patent Office Patent Trial & Appeal Board instituted a review of two of the three patents in suit.

In August 2022, ModernaTX filed a patent infringement action in Germany against Pfizer and certain subsidiary companies, as well as BioNTech and certain subsidiary companies, alleging that Comirnaty infringes two European patents. In September 2022, ModernaTX filed patent infringement actions in the U.K. and in the Netherlands against Pfizer and certain subsidiary companies, as well as BioNTech and certain subsidiary companies, on the same two European patents. In its complaints, ModernaTX stated that it is seeking damages for alleged infringement occurring after March 7, 2022. In November 2023, one of the European patents was revoked by the European Patent Office. In December 2023, the other European patent was declared

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invalid by a court in the Netherlands (the invalidity decision is limited to the Netherlands). In July 2024, the U.K. court revoked one patent, ruling that it is invalid, and held that the other patent was valid and infringed. ModernaTX has also filed additional patent infringement actions against Pfizer and BioNTech in certain other ex-U.S. jurisdictions.

In April 2023, Arbutus Biopharma Corporation (Arbutus) and Genevant Sciences GmbH (Genevant) filed a complaint in the U.S. District Court for the District of New Jersey against Pfizer and BioNTech alleging that Comirnaty and its manufacture infringe five U.S. patents, and seeking unspecified monetary damages.

In April 2024, GlaxoSmithKline Biologicals SA and GlaxoSmithKline LLC sued Pfizer and Pharmacia & Upjohn Company LLC, BioNTech, BioNTech Manufacturing GmbH and BioNTech US Inc. in the U.S. District Court for the District of Delaware, alleging that Comirnaty infringes five U.S. patents and seeking unspecified money damages.

**Paxlovid**

In June 2022, Enanta Pharmaceuticals, Inc. filed a complaint in the U.S. District Court for the District of Massachusetts against Pfizer alleging that the active ingredient in Paxlovid, nirmatrelvir, infringes a U.S. patent issued in June 2022, and seeking unspecified monetary damages.

**Abrysvo**

In August 2023, GlaxoSmithKline Biologics SA and GlaxoSmithKline LLC (collectively, GSK Group) filed a complaint in the U.S. District Court for the District of Delaware against Pfizer alleging that the active ingredient in Abrysvo infringes four U.S. patents. The complaint seeks unspecified monetary damages and a permanent injunction against sales of Abrysvo for use in adults over 60 years of age. In November 2023, GSK Group amended its complaint to assert infringement of two additional patents. In addition, we have challenged certain of GSK's RSV vaccine patents in certain ex-U.S. jurisdictions, including the U.K., the Netherlands and Belgium, and GSK has asserted that Abrysvo infringes these patents.

**Matters Involving Pfizer and its Collaboration/Licensing Partners**

**Comirnaty**

In July 2022, Pfizer, BioNTech and BioNTech Manufacturing GmbH filed a declaratory judgment complaint against CureVac in the U.S. District Court for the District of Massachusetts seeking a judgment of non-infringement for three U.S. patents relating to Comirnaty. In May 2023, the case was transferred to the U.S. District Court for the Eastern District of Virginia. Also in May 2023, CureVac asserted that Comirnaty infringes the three patents that were the subject of our declaratory judgment complaint, and in May and July 2023, CureVac asserted that Comirnaty infringes a number of additional U.S. patents.

In the U.K., Pfizer and BioNTech have sued CureVac seeking a judgment of invalidity of several patents and CureVac has made certain infringement counterclaims.

*[A2. Legal Proceedings—Product Litigation](#)*

We are defendants in numerous cases, including but not limited to those discussed below, related to our pharmaceutical and other products. Plaintiffs in these cases seek damages and other relief on various grounds for alleged personal injury and economic loss.

**Asbestos**

Between 1967 and 1982, Warner-Lambert owned American Optical Corporation (American Optical), which manufactured and sold respiratory protective devices and asbestos safety clothing. In connection with the sale of American Optical in 1982, Warner-Lambert agreed to indemnify the purchaser for certain liabilities, including certain asbestos-related and other claims. Warner-Lambert was acquired by Pfizer in 2000 and is a wholly owned subsidiary of Pfizer. Warner-Lambert is actively engaged in the defense of, and will continue to explore various means of resolving, these claims.

Numerous lawsuits against American Optical, Pfizer and certain of its previously owned subsidiaries are pending in various federal and state courts seeking damages for alleged personal injury from exposure to products allegedly containing asbestos and other allegedly hazardous materials sold by Pfizer and certain of its previously owned subsidiaries.

There also are a small number of lawsuits pending in various federal and state courts seeking damages for alleged exposure to asbestos in facilities owned or formerly owned by Pfizer or its subsidiaries.

**Effexor**

Beginning in 2011, actions, including purported class actions, were filed in various federal courts against Wyeth and, in certain of the actions, affiliates of Wyeth and certain other defendants relating to Effexor XR, which is the extended-release formulation of Effexor. The plaintiffs in each of the class actions seek to represent a class consisting of all persons in the U.S. and its territories who directly purchased, indirectly purchased or reimbursed patients for the purchase of Effexor XR or generic Effexor XR from any of the defendants from June 14, 2008 until the time the defendants' allegedly unlawful conduct ceased.

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The plaintiffs in all of the actions allege delay in the launch of generic Effexor XR in the U.S. and its territories, in violation of federal antitrust laws and, in certain of the actions, the antitrust, consumer protection and various other laws of certain states, as the result of Wyeth fraudulently obtaining and improperly listing certain patents for Effexor XR in the Orange Book, enforcing certain patents for Effexor XR and entering into a litigation settlement agreement with a generic drug manufacturer with respect to Effexor XR. Each of the plaintiffs seeks treble damages (for itself in the individual actions or on behalf of the putative class in the purported class actions) for alleged price overcharges for Effexor XR or generic Effexor XR in the U.S. and its territories since June 14, 2008. All of these actions have been consolidated in the U.S. District Court for the District of New Jersey.

In 2014, the District Court dismissed the direct purchaser plaintiffs' claims based on the litigation settlement agreement, but declined to dismiss the other direct purchaser plaintiff claims. In 2015, the District Court entered partial final judgments as to all settlement agreement claims, including those asserted by direct purchasers and end-payor plaintiffs, which plaintiffs appealed to the U.S. Court of Appeals for the Third Circuit. In 2017, the U.S. Court of Appeals for the Third Circuit reversed the District Court's decisions and remanded the claims to the District Court. In April 2024, the parties reached agreements to settle the litigation. Certain of the settlements are subject to court approval.

**Lipitor**

Beginning in 2011, purported class actions relating to Lipitor were filed in various federal courts against, among others, Pfizer, certain Pfizer affiliates, and, in most of the actions, Ranbaxy Laboratories Limited (Ranbaxy) and certain Ranbaxy affiliates. The plaintiffs in these various actions seek to represent nationwide, multi-state or statewide classes consisting of persons or entities who directly purchased, indirectly purchased or reimbursed patients for the purchase of Lipitor (or, in certain of the actions, generic Lipitor) from any of the defendants from March 2010 until the cessation of the defendants' allegedly unlawful conduct (the Class Period). The plaintiffs allege delay in the launch of generic Lipitor, in violation of federal antitrust laws and/or state antitrust, consumer protection and various other laws, resulting from (i) the 2008 agreement pursuant to which Pfizer and Ranbaxy settled certain patent litigation involving Lipitor and Pfizer granted Ranbaxy a license to sell a generic version of Lipitor in various markets beginning on varying dates, and (ii) in certain of the actions, the procurement and/or enforcement of certain patents for Lipitor. Each of the actions seeks, among other things, treble damages on behalf of the putative class for alleged price overcharges for Lipitor (or, in certain of the actions, generic Lipitor) during the Class Period. In addition, individual actions have been filed against Pfizer, Ranbaxy and certain of their affiliates, among others, that assert claims and seek relief for the plaintiffs that are substantially similar to the claims asserted and the relief sought in the purported class actions described above. These various actions have been consolidated for pre-trial proceedings in a MDL in the U.S. District Court for the District of New Jersey.

In September 2013 and 2014, the District Court dismissed with prejudice the claims of the direct purchasers. In October and November 2014, the District Court dismissed with prejudice the claims of all other MDL plaintiffs. All plaintiffs appealed the District Court's orders dismissing their claims with prejudice to the U.S. Court of Appeals for the Third Circuit. In addition, the direct purchaser class plaintiffs appealed the order denying their motion to amend the judgment and for leave to amend their complaint to the Court of Appeals. In 2017, the Court of Appeals reversed the District Court's decisions and remanded the claims to the District Court. In April 2024, the parties reached agreements to settle the litigation. Certain of the settlements are subject to court approval.

Also, in 2013, the State of West Virginia filed an action in West Virginia state court against Pfizer and Ranbaxy, among others, that asserts claims and seeks relief on behalf of the State of West Virginia and residents of that state that are substantially similar to the claims asserted and the relief sought in the purported class actions described above.

**EpiPen (Direct Purchaser)**

In February 2020, a lawsuit was filed in the U.S. District Court for the District of Kansas against Pfizer, its current and former affiliates King and Meridian, and various Mylan entities, on behalf of a purported U.S. nationwide class of direct purchaser plaintiffs who purchased EpiPen devices directly from the defendants. Plaintiffs in this action generally allege that Pfizer and Mylan conspired to delay market entry of generic EpiPen through the settlement of patent litigation regarding EpiPen, and thereby delayed market entry of generic EpiPen in violation of federal antitrust law. Plaintiffs seek treble damages for alleged overcharges for EpiPen since 2011. In July 2021, the District Court granted defendants' motion to dismiss the direct purchaser complaint, without prejudice. In September 2021, plaintiffs filed an amended complaint. In August 2022, the District Court granted Pfizer's motion to dismiss the complaint, and plaintiffs appealed to the U.S. Court of Appeals for the Tenth Circuit. In October 2023, the parties reached an agreement to settle the litigation on terms not material to Pfizer, which was approved by the court in July 2024.



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**Docetaxel**

• *Personal Injury Actions*

A number of lawsuits have been filed against Hospira and Pfizer in various federal and state courts alleging that plaintiffs who were treated with Docetaxel developed permanent hair loss. Hospira is a wholly-owned subsidiary that we acquired in September 2015. The significant majority of the cases also name other defendants, including the manufacturer of the branded product, Taxotere. Plaintiffs seek compensatory and punitive damages. Additional lawsuits have been filed in which plaintiffs allege they developed blocked tear ducts following their treatment with Docetaxel.

In 2016, the federal cases were transferred for coordinated pre-trial proceedings to a MDL in the U.S. District Court for the Eastern District of Louisiana. In 2022, the eye injury cases were transferred for coordinated pre-trial proceedings to a MDL in the U.S. District Court for the Eastern District of Louisiana.

• *Mississippi Attorney General Government Action*

In 2018, the Attorney General of Mississippi filed a complaint in Mississippi state court against the manufacturer of the branded product and eight other manufacturers including Pfizer and Hospira, alleging, with respect to Pfizer and Hospira, a failure to warn about a risk of permanent hair loss in violation of the Mississippi Consumer Protection Act. The action sought civil penalties and injunctive relief. In June 2024, the Attorney General of Mississippi voluntarily dismissed the case.

**Zantac**

A number of lawsuits have been filed against Pfizer in various federal and state courts alleging that plaintiffs developed various types of cancer, or face an increased risk of developing cancer, purportedly as a result of the ingestion of Zantac. The significant majority of these cases also name other defendants that have historically manufactured and/or sold Zantac. Pfizer has not sold Zantac since 2006, and only sold an OTC version of the product. In 2006, Pfizer sold the consumer business that included its Zantac OTC rights to Johnson & Johnson and transferred the assets and liabilities related to Zantac OTC to Johnson & Johnson in connection with the sale. Plaintiffs in these cases seek compensatory and punitive damages.

In February 2020, the federal actions were transferred for coordinated pre-trial proceedings to a MDL in the U.S. District Court for the Southern District of Florida (the Federal MDL Court). Plaintiffs in the MDL filed against Pfizer and many other defendants a master personal injury complaint, a consolidated consumer class action complaint alleging, among other things, claims under consumer protection statutes of all 50 states, and a medical monitoring complaint seeking to certify medical monitoring classes under the laws of 13 states. In December 2022, the Federal MDL Court granted defendants' Daubert motions to exclude plaintiffs' expert testimony and motion for summary judgment on general causation, which has resulted in the dismissal of all complaints in the litigation. Plaintiffs have appealed the Federal MDL Court's rulings.

In addition, (i) Pfizer has received service of Canadian class action complaints naming Pfizer and other defendants, and seeking compensatory and punitive damages for personal injury and economic loss, allegedly arising from the defendants' sale of Zantac in Canada; and (ii) the State of New Mexico and the Mayor and City Council of Baltimore separately filed civil actions against Pfizer and many other defendants in state courts, alleging various state statutory and common law claims in connection with the defendants' alleged sale of Zantac in those jurisdictions. In April 2021, a Judicial Council Coordinated Proceeding was created in the Superior Court of California in Alameda County to coordinate personal injury actions against Pfizer and other defendants filed in California state court. Coordinated proceedings have also been created in other state courts. The large majority of the state court cases have been filed in the Superior Court of Delaware in New Castle County.

Many of these Zantac-related cases have been outstanding for a number of years and could take many more years to resolve. From time to time, Pfizer has explored and will continue to explore opportunistic settlements of these matters. As of July 2024, Pfizer had settled, or entered into definitive agreements or agreements-in-principle to settle, subject to certain conditions, a substantial majority of the cases filed in state courts in which the plaintiff alleges use of a Pfizer product. The remaining unresolved state court cases continue in various state courts.

**Chantix**

Beginning in August 2021, a number of putative class actions have been filed against Pfizer in various U.S. federal courts following Pfizer's voluntary recall of Chantix due to the presence of a nitrosamine, N-nitroso-varenicline. Plaintiffs assert that they suffered economic harm purportedly as a result of purchasing Chantix or generic varenicline medicines sold by Pfizer. Plaintiffs seek to represent nationwide and state-specific classes and seek various remedies, including damages and medical monitoring. In December 2022, the federal actions were transferred for coordinated pre-trial proceedings to an MDL in the U.S. District Court for the Southern District of New York. Similar putative class actions have been filed in Canada and Israel, where the product brand is Champix.

*A3. Legal Proceedings—Commercial and Other Matters*

**Monsanto-Related Matters**

In 1997, Monsanto Company (Former Monsanto) contributed certain chemical manufacturing operations and facilities to a newly formed corporation, Solutia Inc. (Solutia), and spun off the shares of Solutia. In 2000, Former Monsanto merged with Pharmacia & Upjohn Company to form Pharmacia. Pharmacia then transferred its agricultural operations to a newly created subsidiary, named Monsanto Company (New Monsanto), which it spun off in a two-stage process that was completed in 2002. Pharmacia was acquired by Pfizer in 2003 and is a wholly owned subsidiary of Pfizer.

In connection with its spin-off that was completed in 2002, New Monsanto assumed, and agreed to indemnify Pharmacia for, any liabilities related to Pharmacia's former agricultural business. New Monsanto has defended and/or is defending Pharmacia in connection with various claims and litigation arising out of, or related to, the agricultural business, and has been indemnifying Pharmacia when liability has been imposed or settlement has been reached regarding such claims and litigation.

In connection with its spin-off in 1997, Solutia assumed, and agreed to indemnify Pharmacia for, liabilities related to Former Monsanto's chemical businesses. As the result of its reorganization under Chapter 11 of the U.S. Bankruptcy Code, Solutia's indemnification obligations relating to Former Monsanto's chemical businesses are primarily limited to sites that Solutia has owned or operated. In addition, in connection with its spin-off that was completed in 2002, New Monsanto assumed, and agreed to indemnify Pharmacia for, any liabilities primarily related to Former Monsanto's chemical businesses, including, but not limited to, any such liabilities that Solutia assumed. Solutia's and New Monsanto's assumption of, and agreement to indemnify Pharmacia for, these liabilities apply to pending actions and any future actions related to Former Monsanto's chemical businesses in which Pharmacia is named as a defendant, including, without limitation, actions asserting environmental claims, including alleged exposure to polychlorinated biphenyls. Solutia and/or New Monsanto are defending Pharmacia in connection with various claims and litigation arising out of, or related to, Former Monsanto's chemical businesses, and have been indemnifying Pharmacia when liability has been imposed or settlement has been reached regarding such claims and litigation. In 2018, Bayer AG acquired Monsanto Company (New Monsanto), which is now a subsidiary of Bayer AG. Since the acquisition, New Monsanto has continued to defend and indemnify Pharmacia for these liabilities.

**Environmental Matters**

In 2009, as part of our acquisition of Wyeth, we assumed responsibility for environmental remediation at the Wyeth Holdings LLC (formerly known as Wyeth Holdings Corporation and American Cyanamid Company) discontinued industrial chemical facility in Bound Brook, New Jersey. Since that time, we have executed or have become a party to a number of administrative settlement agreements, orders on consent, and/or judicial consent decrees, with the U.S. Environmental Protection Agency, the New Jersey Department of Environmental Protection and/or federal and state natural resource trustees to perform remedial design, removal and remedial actions, and related environmental remediation activities, and to resolve alleged damages to natural resources, at the Bound Brook facility. We have accrued for the currently estimated costs of these activities.

We are also party to a number of other proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, and other state, local or foreign laws in which the primary relief sought is the cost of past and/or future remediation.

**Contracts with Iraqi Ministry of Health**

In 2017, a number of U.S. service members, civilians, and their families brought a complaint in the U.S. District Court for the District of Columbia against a number of pharmaceutical and medical devices companies, including Pfizer and certain of its subsidiaries, alleging that the defendants violated the U.S. Anti-Terrorism Act. The complaint alleges that the defendants provided funding for terrorist organizations through their sales practices pursuant to pharmaceutical and medical device contracts with the Iraqi Ministry of Health and seeks monetary relief. In July 2020, the District Court granted defendants' motions to dismiss and dismissed all of plaintiffs' claims. In January 2022, the Court of Appeals reversed the District Court's decision. In June 2024, the U.S. Supreme Court issued an order granting certiorari, vacating the Court of Appeals' decision, and remanding the case to the Court of Appeals.

**Allergan Complaint for Indemnity**

In 2019, Pfizer was named as a defendant in a complaint, along with King, filed by Allergan Finance LLC (Allergan) in the Supreme Court of the State of New York, asserting claims for indemnity related to Kadian, which was owned for a short period by King in 2008, prior to Pfizer's acquisition of King in 2010. This suit was voluntarily discontinued without prejudice in January 2021.

**Viatrix Securities Litigation**

In October 2021, a putative class action was filed in the Court of Common Pleas of Allegheny County, Pennsylvania on behalf of former Mylan N.V. shareholders who received Viatrix common stock in exchange for Mylan shares in connection with the spin-off of the Upjohn Business and its combination with Mylan (the Transactions). Viatrix, Pfizer, and certain of each

company's current and former officers, directors and employees are named as defendants. An amended complaint was filed in January 2023, and alleges that the defendants violated certain provisions of the Securities Act of 1933 in connection with certain disclosures made in or omitted from the registration statement and related prospectus issued in connection with the Transactions, as well as related communications. Plaintiff sought damages, costs and expenses and other equitable and injunctive relief. In November 2023, the parties reached an agreement to settle the litigation on terms not material to Pfizer, which was approved by the court in June 2024.

**Breach of Contract – Comirnaty**

In 2023, Pfizer and BioNTech Manufacturing GmbH initiated separate formal proceedings against the Republic of Poland, the Republic of Romania and Hungary in Belgium's Court of First Instance of Brussels. Pfizer and BioNTech are seeking an order from the Court holding those countries to their commitments for COVID-19 vaccine orders, which were placed as part of their contracts signed in 2021.

*A4. Legal Proceedings—Government Investigations*

Like other multi-national pharmaceutical companies, we are subject to extensive regulation by government agencies in the U.S., other developed markets and multiple emerging markets in which we operate. Criminal charges, substantial fines and/or civil penalties, limitations on our ability to conduct business in applicable jurisdictions, corporate integrity or deferred prosecution agreements, as well as reputational harm and increased public interest in the matter could result from government investigations in the U.S. and other jurisdictions in which we do business. These matters often involve government requests for information on a voluntary basis or through subpoenas after which the government may seek additional information through follow-up requests or additional subpoenas. In addition, in a qui tam lawsuit in which the government declines to intervene, the relator may still pursue a suit for the recovery of civil damages and penalties on behalf of the government. Among the investigations by government agencies are the matters discussed below.

**Greenstone Antitrust Litigation**

In May 2019, Attorneys General of more than 50 states and territories filed a complaint in the District of Connecticut against a number of pharmaceutical companies, including Greenstone and Pfizer. Greenstone is a former Pfizer subsidiary that sold generic drugs. The matter was transferred for coordinated pre-trial proceedings to a MDL in the U.S. District Court for the Eastern District of Pennsylvania. As to Greenstone and Pfizer, the complaint alleges anticompetitive conduct in violation of federal and state antitrust laws and state consumer protection laws. In June 2020, the State Attorneys General filed a new complaint against a number of companies, including Greenstone and Pfizer, making similar allegations, concerning different drugs. This complaint was transferred to the MDL in July 2020. The MDL also includes civil complaints filed by private plaintiffs and state counties against Pfizer, Greenstone and a number of other defendants asserting allegations that generally overlap with those asserted by the State Attorneys General. In April 2024, the two cases naming Greenstone and Pfizer filed by the State Attorneys General were remanded to the District of Connecticut.

**Subpoena relating to Tris Pharma/Quillivant XR**

In October 2018, we received a subpoena from the U.S. Attorney's Office for the Southern District of New York (SDNY) seeking records relating to our relationship with another drug manufacturer and its production and manufacturing of drugs including, but not limited to, Quillivant XR. We have produced records in response to this request.

**Government Inquiries relating to Meridian Medical Technologies**

In February 2019, we received a Civil Investigative Demand (CID) from the U.S. Attorney's Office for the SDNY. The CID seeks records and information related to alleged quality issues involving the manufacture of auto-injectors at the Meridian site. In August 2019, we received a HIPAA subpoena issued by the U.S. Attorney's Office for the Eastern District of Missouri, in coordination with the Department of Justice's Consumer Protection Branch, seeking similar records and information. We have produced records in response to these and subsequent requests.

**Docetaxel—Mississippi Attorney General Government Investigation**

See *Legal Proceedings—Product Litigation—Docetaxel—Mississippi Attorney General Government Action* above for information regarding a government investigation related to Docetaxel marketing practices.

**U.S. Department of Justice Inquiries relating to India Operations**

In March 2020, we received an informal request from the U.S. Department of Justice's Consumer Protection Branch seeking documents relating to our manufacturing operations in India, including at our former facility located at Irrungattukottai in India. In April 2020, we received a similar request from the U.S. Attorney's Office for the SDNY regarding a civil investigation concerning operations at our facilities in India. We are producing records pursuant to these requests.

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**U.S. Department of Justice/SEC Inquiry relating to China Operations**

In June 2020, we received an informal request from the U.S. Department of Justice's FCPA Unit seeking documents relating to our operations in China. In August 2020, we received a similar request from the SEC's FCPA Unit. We have produced records pursuant to these requests.

**Zantac—State of New Mexico and Mayor and City Council of Baltimore Civil Actions**

See *Legal Proceedings—Product Litigation—Zantac* above for information regarding civil actions separately filed by the State of New Mexico and the Mayor and City Council of Baltimore alleging various state statutory and common law claims in connection with the defendants' alleged sale of Zantac in those jurisdictions.

**Government Inquiries relating to Biohaven**

In June 2022, the U.S. Department of Justice's Commercial Litigation Branch and the U.S. Attorney's Office for the Western District of New York issued a CID relating to Biohaven. The CID seeks records and information related to, among other things, engagements with healthcare professionals and co-pay coupons cards. In March 2023, the California Department of Insurance issued a subpoena seeking records similar to those requested by the CID. Biohaven is a wholly-owned subsidiary that we acquired in October 2022. We have produced records in response to these requests.

**U.S. Department of Justice Inquiry relating to Mexico Operations**

In March 2023, we received an informal request from the U.S. Department of Justice's FCPA Unit seeking documents relating to our operations in Mexico. We have produced records pursuant to this request.

**Government Inquiries relating to Xeljanz**

In April 2023, we received a HIPAA subpoena issued by the U.S. Attorney's Office for the Western District of Virginia, in coordination with the Department of Justice's Commercial Litigation Branch, seeking records and information related to programs Pfizer sponsored in retail pharmacies relating to Xeljanz. We have produced records pursuant to this request.

**B. Guarantees and Indemnifications**

In the ordinary course of business and in connection with the sale of assets and businesses and other transactions, we often indemnify our counterparties against certain liabilities that may arise in connection with the transaction or that are related to events and activities prior to or following a transaction. If the indemnified party were to make a successful claim pursuant to the terms of the indemnification, we may be required to reimburse the loss. These indemnifications are generally subject to various restrictions and limitations. Historically, we have not paid significant amounts under these provisions and, as of June 30, 2024, the estimated fair value of these indemnification obligations is not material to Pfizer.

In addition, in connection with our entry into certain agreements and other transactions, our counterparties may be obligated to indemnify us. For example, our global agreement with BioNTech to co-develop a mRNA-based coronavirus vaccine program aimed at preventing COVID-19 infection includes certain indemnity provisions pursuant to which each of BioNTech and Pfizer has agreed to indemnify the other for certain liabilities that may arise in connection with certain third-party claims relating to Comirnaty.

See *Note 7D* in our 2023 Form 10-K for information on Pfizer Inc.'s guarantee of the debt issued by Pfizer Investment Enterprises Pte. Ltd. (a wholly-owned finance subsidiary of Pfizer) in May 2023. We have also guaranteed the long-term debt of certain companies that we acquired and that now are subsidiaries of Pfizer.

**C. Contingent Consideration for Acquisitions**

We may be required to make payments to sellers for certain prior business combinations that are contingent upon future events or outcomes. See *Note 1D* in our 2023 Form 10-K.

**Note 13. Segment, Geographic and Other Revenue Information**

**A. Segment Information**

We manage our commercial operations through three operating segments, each led by a single manager: Biopharma, PC1 and Pfizer Ignite. Biopharma is engaged in the discovery, development, manufacture, marketing, sale and distribution of biopharmaceutical products worldwide. PC1 is our contract development and manufacturing organization and a leading supplier of specialty active pharmaceutical ingredients. Pfizer Ignite is an offering that provides strategic guidance and end-to-end R&D services to select innovative biotech companies that align with Pfizer's R&D focus areas. Prior to June 2024, PC1 and Pfizer Ignite were managed together by a single manager as part of the former Business Innovation operating segment. Biopharma is the only reportable segment. Our commercial divisions market, distribute and sell our products and global operating functions are responsible for the research, development, manufacturing and supply of our products. Each operating segment is supported by our global corporate enabling functions. Our chief operating decision maker uses the revenues and earnings of the operating

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segments, among other factors, for performance evaluation and resource allocation. We regularly review our segments and the approach used by management to evaluate performance and allocate resources.

At the beginning of 2024, we made changes in our commercial organization to incorporate Seagen and improve focus, speed and execution. Specifically, within our Biopharma reportable segment we created the Pfizer Oncology Division, the Pfizer U.S. Commercial Division, and the Pfizer International Commercial Division:

- Pfizer Oncology Division combines the U.S. Oncology commercial organizations, global Oncology marketing organizations and global and U.S. Oncology medical affairs from both Pfizer and Seagen.
- Pfizer U.S. Commercial Division includes the U.S. Primary Care and U.S. Specialty Care customer groups, the Chief Marketing Office, the Global Chief Medical Affairs Office and Global Access & Value.
- Pfizer International Commercial Division includes the ex-U.S. commercial and medical affairs organizations covering Pfizer’s entire product portfolio in all international markets.

Beginning January 1, 2024, Biopharma’s earnings include costs related to R&D, medical and safety, manufacturing and supply, and sales and marketing activities that are associated with products in our Biopharma segment. Prior to 2024, costs associated with R&D and medical and safety activities managed by our global ORD and PRD organizations and overhead costs associated with our manufacturing operations were presented as part of Other business activities. We have reclassified our prior period segment information to conform to the current period presentation.

*Other Business Activities and Reconciling Items*—Other business activities include the operating results of PC1 and Pfizer Ignite as well as certain pre-tax costs not allocated to our operating segment results, such as costs associated with corporate enabling functions and other corporate costs as well as our share of earnings from Haleon. Reconciling items include the following items, transactions and events that are not allocated to our operating segments: (i) all amortization of intangible assets; (ii) acquisition-related items; and (iii) certain significant items, representing substantive and/or unusual, and in some cases recurring, items that are evaluated on an individual basis by management and that, either as a result of their nature or size, would not be expected to occur as part of our normal business on a regular basis.

*Segment Assets*—We manage our assets on a total company basis, not by operating segment, as our operating assets are shared or commingled. Therefore, our chief operating decision maker does not regularly review any asset information by operating segment and, accordingly, we do not report asset information by operating segment. Total assets were \$216 billion as of June 30, 2024 and \$227 billion as of December 31, 2023.

**Selected Statement of Operations Information**

The following provides selected information by reportable segment:

(MILLIONS)	Three Months Ended				Six Months Ended				
	Total Revenues		Earnings <sup>(a)</sup>		Total Revenues		Earnings <sup>(a)</sup>		
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	
Reportable Segment:									
Biopharma <sup>(b)</sup>	\$ 12,991	\$ 12,690	\$ 5,897	\$ 5,042	\$ 27,595	\$ 30,863	\$ 13,519	\$ 14,559	
Other business activities <sup>(c)</sup>	292	317	(1,985)	(910)	567	630	(3,992)	(2,225)	
Reconciling Items:									
Amortization of intangible assets			(1,307)	(1,184)			(2,615)	(2,287)	
Acquisition-related items			(617)	(387)			(1,125)	(550)	
Certain significant items <sup>(d)</sup>			(2,091)	(293)			(2,469)	(958)	
	\$ 13,283	\$ 13,007	\$ (103)	\$ 2,269	\$ 28,162	\$ 31,492	\$ 3,318	\$ 8,539	

<sup>(a)</sup> *Income/(loss) from continuing operations before provision/(benefit) for taxes on income/(loss)*. As described above, in connection with the organizational changes effective in the first quarter of 2024, costs associated with R&D and medical and safety activities managed by our global ORD and PRD organizations and overhead costs associated with our manufacturing operations are now included in Biopharma’s earnings. We have reclassified \$2.0 billion and \$3.4 billion of net costs in the second quarter and first six months of 2023, respectively, from Other business activities to Biopharma to conform to the current period presentation.

<sup>(b)</sup> Biopharma’s revenues and earnings in the first six months of 2024 reflect a non-cash favorable product return adjustment of \$771 million recorded in the first quarter of 2024 (see [Note 13C](#)). Biopharma’s earnings also include dividend income from our investment in ViiV of \$74 million in the second quarter of 2024 and \$91 million in the second quarter of 2023, and \$135 million in the first six months of 2024 and \$183 million in the first six months of 2023.

<sup>(c)</sup> Other business activities include revenues and costs associated with PC1 and Pfizer Ignite as well as costs that we do not allocate to our operating segments, per above.

<sup>(d)</sup> Certain significant items are substantive and/or unusual, and in some cases recurring, items (as noted above). Earnings in the second quarter and first six months of 2024 includes, among other items, restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring of \$1.2 billion (primarily recorded in *Restructuring charges and certain acquisition-related costs*). See [Note 3](#).

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B. Geographic Information

The following summarizes revenues by geographic area:

(MILLIONS)	Three Months Ended			Six Months Ended		
	June 30, 2024	July 2, 2023	% Change	June 30, 2024	July 2, 2023	% Change
United States	\$ 7,892	\$ 6,458	22	\$ 17,406	\$ 15,169	15
International:						
Developed Markets	3,164	4,125	(23)	6,362	9,759	(35)
Emerging Markets	2,227	2,423	(8)	4,394	6,564	(33)
<b>Total revenues</b>	<b>\$ 13,283</b>	<b>\$ 13,007</b>	<b>2</b>	<b>\$ 28,162</b>	<b>\$ 31,492</b>	<b>(11)</b>

C. Other Revenue Information

*Significant Customers*

In October 2023, we announced an amended agreement with the U.S. government, which facilitated the transition of Paxlovid to traditional commercial markets in the U.S. starting in November 2023. In connection with this agreement, we recorded a non-cash revenue reversal of \$3.5 billion in the fourth quarter of 2023 related to the expected return of an estimated 6.5 million treatment courses of EUA-labeled U.S. government inventory. In the first quarter of 2024, we recorded a non-cash favorable final adjustment of \$771 million to reflect 5.1 million EUA-labeled treatment courses returned through February 29, 2024, which were converted to a volume-based credit that will support continued access to Paxlovid through a U.S. government patient assistance program operated by Pfizer. We also agreed to create, in 2024, a U.S. Strategic National Stockpile of 1.0 million treatment courses to enable future pandemic preparedness through 2028, which will be managed and supplied by Pfizer at no cost to the U.S. government or taxpayers. While we are recognizing revenue as the estimated 6.1 million treatment courses are delivered, there is no remaining cash consideration for these treatment courses.

Revenues from the U.S. government comprised 7% and 9% of total revenues for the six months ended June 30, 2024 and July 2, 2023, respectively. Revenues from the U.S. government as a percentage of total revenues for the three months ended June 30, 2024 and July 2, 2023 were not material. For information on our significant wholesale customers, see *Note 17C* in our 2023 Form 10-K.

Significant Revenues by Product

The following provides detailed revenue information for several of our major products:

(MILLIONS)	PRIMARY INDICATION OR CLASS	Three Months Ended		Six Months Ended	
		June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>TOTAL REVENUES</b>		<b>\$ 13,283</b>	<b>\$ 13,007</b>	<b>\$ 28,162</b>	<b>\$ 31,492</b>
<b>GLOBAL BIOPHARMACEUTICALS BUSINESS (BIOPHARMA)</b>		<b>\$ 12,991</b>	<b>\$ 12,690</b>	<b>\$ 27,595</b>	<b>\$ 30,863</b>
<b>Primary Care</b>		<b>\$ 4,952</b>	<b>\$ 5,884</b>	<b>\$ 12,163</b>	<b>\$ 17,444</b>
Eliquis <sup>(a)</sup>	Nonvalvular atrial fibrillation, deep vein thrombosis, pulmonary embolism	1,877	1,762	3,917	3,636
Prevnar family	Active immunization to prevent pneumonia, invasive disease and otitis media caused by Streptococcus pneumoniae	1,359	1,431	3,050	3,033
Paxlovid <sup>(b)</sup>	COVID-19 in certain high-risk patients	251	143	2,286	4,212
Comirnaty	Active immunization to prevent COVID-19	195	1,488	548	4,552
Nurtec ODT/Vydura	Acute treatment of migraine and prevention of episodic migraine	356	247	533	414
Abrysvo	Active immunization to prevent RSV infection	56	—	201	—
Premarin family	Symptoms of menopause	108	95	193	207
FSME-IMMUN/TicoVac	Active immunization to prevent tick-borne encephalitis disease	100	101	165	146
All other Primary Care	Various	651	616	1,269	1,244
<b>Specialty Care</b>		<b>\$ 4,083</b>	<b>\$ 3,656</b>	<b>\$ 7,926</b>	<b>\$ 7,272</b>
Vyndaqel family	ATTR-CM and polyneuropathy	1,323	782	2,460	1,468
Xeljanz	RA, PsA, UC, active polyarticular course juvenile idiopathic arthritis, ankylosing spondylitis	303	469	497	706
Enbrel (Outside the U.S. and Canada)	RA, juvenile idiopathic arthritis, PsA, plaque psoriasis, pediatric plaque psoriasis, ankylosing spondylitis and nonradiographic axial spondyloarthritis	179	219	338	419
Sulperazon	Bacterial infections	144	177	311	497
Zavicefta	Bacterial infections	150	132	275	248

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(MILLIONS)	PRIMARY INDICATION OR CLASS	Three Months Ended		Six Months Ended	
		June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Zithromax	Bacterial infections	74	44	274	194
Inflectra	Crohn's disease, pediatric Crohn's disease, UC, pediatric UC, RA in combination with methotrexate, ankylosing spondylitis, PsA and plaque psoriasis	97	74	255	252
Genotropin	Replacement of human growth hormone	119	74	239	222
BeneFIX	Hemophilia B	103	106	206	215
Octagam	Primary humoral immunodeficiency, chronic immune thrombocytopenic purpura in adults, and dermatomyositis in adults	104	66	179	111
Oxbryta	Sickle cell disease	92	77	176	148
Cibinco	Atopic dermatitis	47	38	89	54
All other Hospital <sup>(c)</sup>	Various	1,114	1,213	2,188	2,365
All other Specialty Care	Various	234	185	440	373
<b>Oncology</b>		<b>\$ 3,956</b>	<b>\$ 3,149</b>	<b>\$ 7,505</b>	<b>\$ 6,146</b>
Ibrance	HR-positive/HER2-negative metastatic breast cancer	1,130	1,247	2,184	2,391
Xtandi <sup>(d)</sup>	mCRPC, nmCRPC, mCSPC, nmCSPC	495	423	913	763
Padcev	Locally advanced or metastatic urothelial cancer	394	—	735	—
Oncology biosimilars <sup>(e)</sup>	Various	279	363	543	775
Adcetris	Hodgkin lymphoma and certain T-cell lymphomas	279	—	536	—
Inlyta	Advanced RCC	252	262	489	521
Lorbrena	ALK-positive metastatic NSCLC	169	121	332	234
Bosulif	Philadelphia chromosome-positive chronic myelogenous leukemia	167	154	313	304
Braftovi/Mektovi	Metastatic melanoma in patients with a BRAF <sup>V600E/K</sup> mutation and for metastatic NSCLC in patients with a BRAF <sup>V600E</sup> mutation; and, for Braftovi, in combination with Erbitux (cetuximab) <sup>(f)</sup> for the treatment of BRAF <sup>V600E</sup> -mutant mCRC after prior therapy	148	113	264	215
Tukysa	Unresectable or metastatic HER2-positive breast cancer; RAS wild-type, HER2-positive unresectable or metastatic colorectal cancer	121	—	227	—
Tivdak	Recurrent or metastatic cervical cancer	33	—	60	—
Talzenna	In combination with Xtandi (enzalutamide) for adult patients with HRR gene-mutated mCRPC; treatment of BRCA gene-mutated, HER2-negative, inoperable or recurrent breast cancer	32	12	55	22
All other Oncology	Various	457	455	853	923
<b>PFIZER CENTREONE<sup>(g)</sup></b>		<b>\$ 278</b>	<b>\$ 307</b>	<b>\$ 535</b>	<b>\$ 615</b>
<b>PFIZER IGNITE</b>		<b>\$ 15</b>	<b>\$ 10</b>	<b>\$ 32</b>	<b>\$ 14</b>
<b>BIOPHARMA</b>		<b>\$ 12,991</b>	<b>\$ 12,690</b>	<b>\$ 27,595</b>	<b>\$ 30,863</b>
PFIZER U.S. COMMERCIAL DIVISION (U.S. Primary Care and U.S. Specialty Care)		4,911	4,200	11,764	10,815
PFIZER ONCOLOGY DIVISION		2,918	2,167	5,490	4,150
PFIZER INTERNATIONAL COMMERCIAL DIVISION		5,163	6,323	10,341	15,898
<b>Total Alliance revenues included above</b>		<b>\$ 2,067</b>	<b>\$ 1,967</b>	<b>\$ 4,240</b>	<b>\$ 4,028</b>
<b>Total Royalty revenues included above</b>		<b>\$ 345</b>	<b>\$ 273</b>	<b>\$ 608</b>	<b>\$ 477</b>

<sup>(a)</sup> Primarily reflects Alliance revenues and product revenues.

<sup>(b)</sup> The first six months of 2024 includes a \$771 million favorable final adjustment recorded in the first quarter of 2024 to the estimated non-cash revenue reversal of \$3.5 billion recorded in the fourth quarter of 2023, reflecting 5.1 million EUA-labeled treatment courses returned by the U.S. government through February 29, 2024 versus the estimated 6.5 million treatment courses that were expected to be returned as of December 31, 2023.

<sup>(c)</sup> Includes, among other Hospital products, amounts previously presented as All other Anti-infectives and Ig Portfolio.

<sup>(d)</sup> Primarily reflects Alliance revenues and royalty revenues.

<sup>(e)</sup> Biosimilars are highly similar versions of approved and authorized biological medicines. Oncology biosimilars primarily include Retacrit, Ruxience, Zirabev, Trazimera and Nivestym.

<sup>(f)</sup> Erbitux is a registered trademark of ImClone LLC.

<sup>(g)</sup> PCI includes revenues from our contract manufacturing and our active pharmaceutical ingredient sales operation, as well as revenues related to our manufacturing and supply agreements with legacy Pfizer businesses/partnerships.

**Remaining Performance Obligations**—Contracted revenue expected to be recognized from remaining performance obligations for firm orders in long-term contracts to supply Comirnaty and Paxlovid to our customers totaled approximately \$6 billion and \$2 billion, respectively, as of June 30, 2024, which includes amounts received in advance and deferred, as well as amounts that will be invoiced as we deliver these products to our customers in future periods. Of these amounts, current contract terms provide for expected delivery of product with contracted revenue from 2024 through 2028. Remaining performance obligations

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are based on foreign exchange rates as of the end of our fiscal second quarter of 2024 and exclude arrangements with an original expected contract duration of less than one year. Remaining performance obligations associated with contracts for other products and services were not significant as of June 30, 2024 or December 31, 2023.

*Deferred Revenues*—Our deferred revenues primarily relate to advance payments received or receivable from various government or government sponsored customers for supply of Paxlovid and Comirnaty. The deferred revenues related to Paxlovid and Comirnaty totaled \$4.3 billion as of June 30, 2024, with \$2.5 billion and \$1.8 billion recorded in current liabilities and noncurrent liabilities, respectively. The deferred revenues related to Paxlovid and Comirnaty totaled \$5.1 billion as of December 31, 2023, with \$2.6 billion and \$2.5 billion recorded in current liabilities and noncurrent liabilities, respectively. The decrease in Paxlovid and Comirnaty deferred revenues during the first six months of 2024 was primarily driven by a \$771 million favorable final adjustment recorded in the first quarter of 2024 to the estimated non-cash Paxlovid revenue reversal recorded in the fourth quarter of 2023, as well as amounts recognized in *Product revenues* as we delivered the products to our customers, partially offset by additional advance payments received in the first six months of 2024 as we entered into amended contracts. During the second quarter and first six months of 2024, we recognized revenue of approximately \$200 million and \$1.2 billion, respectively, that was included in the balance of Paxlovid and Comirnaty deferred revenues as of December 31, 2023, including the aforementioned \$771 million non-cash Paxlovid adjustment. The Paxlovid and Comirnaty deferred revenues as of June 30, 2024 will be recognized in *Product revenues* proportionately as we transfer control of the products to our customers and satisfy our performance obligations under the contracts, with the amounts included in current liabilities expected to be recognized in *Product revenues* within the next 12 months, and the amounts included in noncurrent liabilities expected to be recognized in *Product revenues* from 2025 through 2028. Deferred revenues associated with contracts for other products were not significant as of June 30, 2024 or December 31, 2023.



## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### GENERAL

The following MD&A is intended to assist the reader in understanding our financial condition and results of operations, including an evaluation of the amounts and certainty of cash flows from operations and from outside sources, and is provided as a supplement to and should be read in conjunction with the condensed consolidated financial statements and related notes in [Item 1. Financial Statements](#) in this Form 10-Q.

References to operational variances pertain to period-over-period changes that exclude the impact of foreign exchange rates. Although foreign exchange rate changes are part of our business, they are not within our control and because they can mask positive or negative trends in the business, we believe presenting operational variances excluding these foreign exchange changes provides useful information to evaluate our results.

In the first quarter of 2024, we reclassified royalty income (substantially all of which is related to our Biopharma segment) from *Other (income)/deductions—net* and began presenting *Royalty revenues* as a separate line item within *Total revenues* in our consolidated statements of operations. Prior-period amounts have been recast to conform to the current presentation.

### OVERVIEW OF OUR PERFORMANCE, OPERATING ENVIRONMENT, STRATEGY AND OUTLOOK

**Our Business and Strategy**—Pfizer Inc. is a research-based, global biopharmaceutical company. We apply science and our global resources to bring therapies to people that extend and significantly improve their lives. Our 2024 key priorities are:

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

One way we believe we will be more efficient, effective and able to execute on these five strategic priorities is through technology, including artificial intelligence.

We manage our commercial operations through a global structure consisting of three operating segments: Biopharma, PC1 and Pfizer Ignite. Biopharma is the only reportable segment. See [Note 13A](#).

In the fourth quarter of 2023, we announced that we launched a multi-year, enterprise-wide cost realignment program (Realigning Our Cost Base Program) that aims to realign our costs with our longer-term revenue expectations. In the second quarter of 2024, we announced that we launched a multi-year, multi-phased program to reduce our costs of goods sold (Manufacturing Optimization Program), which is expected to include operational efficiencies, network structure changes, and product portfolio enhancements. See [Note 3](#). For a description of anticipated savings related to these programs, see the [Costs and Expenses—Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives](#) section within MD&A.

For additional information about our business, strategy and operating environment, see the *Item 1. Business* section and *Overview of Our Performance, Operating Environment, Strategy and Outlook* section within MD&A of our 2023 Form 10-K.

**Our Business Development Initiatives**—We are committed to strategically capitalizing on growth opportunities, primarily by advancing our own product pipeline and maximizing the value of our existing products, but also through various business development activities. For a description of the more significant recent transactions through February 22, 2024, the filing date of our 2023 Form 10-K, see [Note 2](#) in our 2023 Form 10-K. Our significant recent business activities include the transactions discussed in [Note 2](#) and the following:

[AbbVie's Acquisition of Cerevel Therapeutics](#)—On August 1, 2024, AbbVie acquired all outstanding shares of Cerevel for \$45 per share in cash. Cerevel was created through an arrangement between Bain Capital and us, under which we outlicensed the global development, manufacturing and commercialization rights to a portfolio of our neuroscience assets to Cerevel in exchange for an equity ownership stake, as well as potential future regulatory and commercial milestone payments and royalties. In connection with the closing of the acquisition, we received \$1.2 billion in merger consideration for our Cerevel shares. We will recognize a gain of approximately \$100 million in the third quarter of 2024 in *Other (income)/deductions—net*. Our rights under the outlicense are not affected by the acquisition of Cerevel.

## Our Second Quarter 2024 and First Six Months of 2024 Performance

**Total Revenues**—Total revenues increased \$277 million, or 2%, in the second quarter of 2024 to \$13.3 billion from \$13.0 billion in the second quarter of 2023, reflecting an operational increase of \$447 million, or 3%, partially offset by an unfavorable impact of foreign exchange of \$170 million, or 1%. The operational increase was primarily driven by revenues from legacy Seagen products acquired in December 2023 as well as growth from the Vyndaqel family, Eliquis, Paxlovid, and Nurtec ODT/Vydura, partially offset by declines in Comirnaty and, to a much lesser extent, Xeljanz and Ibrance. Excluding contributions from Comirnaty and Paxlovid, Total revenues increased \$1.6 billion, or 14%, operationally.

Total revenues decreased \$3.3 billion, or 11%, in the first six months of 2024 to \$28.2 billion from \$31.5 billion in the first six months of 2023, reflecting an operational decrease of \$3.1 billion, or 10%, as well as an unfavorable impact of foreign exchange of \$278 million, or 1%. The operational decrease was primarily driven by declines in Comirnaty and Paxlovid. Excluding contributions from Comirnaty and Paxlovid, Total revenues increased \$2.9 billion, or 13%, operationally, reflecting revenues from legacy Seagen products acquired in December 2023 as well as continued growth from the Vyndaqel family and Eliquis.

See the [Total Revenues by Geography](#) and [Total Revenues—Selected Product Discussion](#) sections for more information, including a discussion of key drivers of our revenue performance. Certain of our vaccines, including Comirnaty, are subject to seasonality of demand, with a greater portion of revenues anticipated in the fall and winter seasons. See also *The Global Economic Environment—COVID-19* section below for information about our COVID-19 products. For information regarding the primary indications or class of certain products, see [Note 13C](#).

**Income/(Loss) from Continuing Operations Before Provision/(Benefit) for Taxes on Income/(Loss)**—Loss from continuing operations before provision/(benefit) for taxes on income/(loss) in the second quarter of 2024 was \$103 million, compared to income of \$2.3 billion in the second quarter of 2023, primarily due to (i) an increase in restructuring charges and certain acquisition related costs, (ii) net losses on equity securities in 2024 versus net gains on equity securities in 2023 and (iii) higher net interest expense.

The decrease in *Income from continuing operations before provision/(benefit) for taxes on income* of \$5.2 billion, to \$3.3 billion in the first six months of 2024 from \$8.5 billion in the first six months of 2023, was primarily due to (i) lower revenues, (ii) an increase in restructuring charges and certain acquisition related costs and (iii) higher net interest expense, partially offset by (iv) a decrease in *Cost of sales*.

See the [Analysis of the Condensed Consolidated Statements of Operations](#) section within MD&A and [Note 4](#). For information on our tax provision and effective tax rate, see the [Provision/\(Benefit\) for Taxes on Income/\(Loss\)](#) section within MD&A and [Note 5](#).

**Our Operating Environment**—We, like other businesses in our industry, are subject to certain industry-specific challenges. These include, among others, the topics listed below, as well as in the *Item 1. Business—Government Regulation and Price Constraints* and *Item 1A. Risk Factors* sections, and the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment* section of the MD&A of our 2023 Form 10-K.

**Intellectual Property Rights and Collaboration/Licensing Rights**—The loss, expiration or invalidation of intellectual property rights, patent litigation settlements and judgments, and the expiration of co-promotion and licensing rights can have a material adverse effect on our revenues. Certain of our products have experienced patent-based expirations or loss of regulatory exclusivity in certain markets in the last few years, and we expect certain products to face increased generic competition over the next few years. While additional patent expiries will continue, we expect a moderate impact of reduced revenues due to patent expiries from 2024 through 2025. We anticipate a more significant impact of reduced revenues from patent expiries in 2026 through 2030 as several of our in-line products experience patent-based expirations. We continue to vigorously defend our patent rights against infringement, and we will continue to support efforts that strengthen worldwide recognition of patent rights while taking necessary steps to help ensure appropriate patient access.

For additional information on patent rights we consider most significant to our business as a whole, see the *Item 1. Business—Patents and Other Intellectual Property Rights* section of our 2023 Form 10-K. For a discussion of recent developments with respect to patent litigation involving certain of our products, see [Note 12A1](#).

**Regulatory Environment/Pricing and Access—Government and Other Payor Group Pressures**—Governments globally, as well as private third-party payors in the U.S., may use a variety of measures to control costs, including, among others, legislative or regulatory pricing reforms, drug formularies (including tiering and utilization management tools), cross country collaboration and procurement, price cuts, mandatory rebates, health technology assessments, forced localization as a condition of market access, “international reference pricing” (i.e., the practice of a country linking its regulated medicine prices to those of other countries), quality consistency evaluation processes and volume-based procurement. We anticipate that these and similar initiatives will continue to increase pricing and access pressures globally. In the U.S., we expect to see continued focus by Congress and the Presidential Administration on regulating drug pricing regardless of which party comes to power following

the upcoming November 2024 elections. Implementation of the drug pricing provisions of the IRA, which was signed into law in August 2022, will continue over the next several years. In August 2023, the Biden Administration unveiled the first ten medicines subject to the Medicare Drug Price Negotiation Program (the Program), which requires manufacturers of select drugs to engage in a process with the federal government to set new Medicare prices which would go into effect in 2026. Eliquis was among the first ten medicines subject to the Program. We expect the government to publicly disclose the new Medicare price for Eliquis by September 1, 2024. We continue to evaluate the impact of the IRA on our business, operations and financial condition and results as the full effect of the IRA on our business and the pharmaceutical industry remains uncertain. In addition, changes to the Medicaid Drug Rebate Program or the 340B Drug Pricing Program (the 340B Program), including legal or legislative developments at the federal or state level with respect to the 340B Program, could have a material impact on our business. See the *Item 1. Business—Pricing Pressures and Managed Care Organizations* and *—Government Regulation and Price Constraints* and the *Item 1A. Risk Factors—Pricing and Reimbursement* sections, and the *Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment* section of the MD&A of our 2023 Form 10-K.

**Impact of the July 2023 Tornado in Rocky Mount, North Carolina (NC)**—Our manufacturing facility in Rocky Mount, NC was damaged by a tornado in July 2023. The facility is a key producer of sterile injectables and is responsible for manufacturing nearly 25 percent of all our sterile injectables, including anesthesia, analgesia, and micronutrients. While manufacturing has resumed, the supply of medicines impacted by the tornado is expected to be affected through 2024.

We incurred losses in 2023 and in the first six months of 2024 that were partially offset by insurance recoveries received in 2023. We expect to record additional insurance recoveries in future periods, but we are unable to predict the timing of receipt with certainty.

**Product Supply**—We periodically encounter supply delays, disruptions and shortages, including due to voluntary product recalls and natural or man-made disasters. In response to requests from various regulatory authorities, manufacturers across the pharmaceutical industry, including Pfizer, are evaluating their product portfolios for the potential presence or formation of nitrosamines. In 2021, Pfizer recalled all lots of Chantix in the U.S. due to the presence of a nitrosamine, N-nitroso-varenicline, at or above the FDA interim acceptable intake limit. Regulatory authorities have issued updated guidance on nitrosamine acceptable intake levels. With this guidance, which included an updated intake level for N-nitroso-varenicline, we expect to make regulatory submissions in the second half of 2024 to potentially enable Chantix to return to market in the U.S. and in certain international markets.

Except for the impact of the tornado in Rocky Mount, NC discussed above, we have not seen a significant disruption of our supply chain in the first six months of 2024 and through the date of filing of this Form 10-Q, and all of our manufacturing sites globally have continued to operate at or near normal levels. We continue to monitor industry demand for certain components and raw materials and implement mitigation strategies in an effort to reduce any potential risk or impact to product supply, including active supplier management, qualification of additional suppliers and advanced purchasing to the extent possible. For information on risks related to product manufacturing, see the *Item 1A. Risk Factors—Product Manufacturing, Sales and Marketing Risks* section of our 2023 Form 10-K.

**CIFFREO Study Readout**—In June 2024, we announced that CIFFREO, a Phase 3 study evaluating fordadistrogene movaparvec in ambulatory patients with DMD did not meet its primary endpoint and that key secondary endpoints also did not show a significant difference between participants treated with fordadistrogene movaparvec and placebo. See the **Product Developments** section within MD&A. As a result, we recorded a \$240 million intangible asset impairment charge in the second quarter of 2024 (see **Note 4**). Additionally, we expect to record a charge of approximately \$400 million in the third quarter of 2024 after a decision to sell one of our facilities was made in July 2024 as a result of the discontinuation of the DMD program.

**The Global Economic Environment**—In addition to the industry-specific factors discussed above, we, like other businesses of our size and global extent of activities, are exposed to economic cycles. See the *Overview of Our Performance, Operating Environment, Strategy and Outlook—The Global Economic Environment* section of the MD&A of our 2023 Form 10-K.

**COVID-19**—In response to COVID-19, we developed Paxlovid and collaborated with BioNTech to jointly develop Comirnaty. As part of our strategy for COVID-19, we are continuing to make significant investments in breakthrough science. This includes continuing to evaluate Comirnaty and Paxlovid, including against new variants of concern, developing variant adapted vaccine candidates and developing potential combination respiratory vaccines and potential next generation vaccines and therapies. We are also evaluating Paxlovid for additional populations. See the **Product Developments** section within MD&A.

In 2023, we principally sold Comirnaty globally under government contracts. In September 2023, Comirnaty transitioned to traditional commercial market sales in the U.S., triggered by the expiration of contracts and the COVID-19 vaccines from Pfizer and BioNTech purchased through them becoming either depleted or not used following the introduction of a new variant vaccine. Internationally, sales of Comirnaty in international developed markets were generally under government contracts in 2023, and in emerging markets, under a combination of private channels and government contracts; in both cases, we started transitioning to commercial markets in 2024. Due to the commercial market transition as well as the anticipated seasonality of

demand for COVID vaccinations, we expect approximately 90% of our 2024 global revenues for Comirnaty to be recorded in the second half of the year, mostly in the fourth quarter.

In 2023, we principally sold Paxlovid globally to government agencies. On October 13, 2023, we announced an amended agreement with the U.S. government, which facilitated the transition of Paxlovid to traditional commercial markets in the U.S. in November 2023, with minimal uptake of NDA-labeled commercial product before January 1, 2024 (see [Note 13C](#)). Internationally, for Paxlovid, most markets have now transitioned to commercial markets, and we are expecting most revenue for Paxlovid to be generated through commercial channels in 2024.

For information on risks associated with our COVID-19 products, including certain assumptions made for purposes of our operational planning and financial projections and the uncertainty of future developments, as well as COVID-19 intellectual property disputes, see the *Item 1A. Risk Factors—COVID-19, —Intellectual Property Protection* and *—Third-Party Intellectual Property Claims* sections of our 2023 Form 10-K, as well as [Notes 12A1](#) and [13](#) and the [Forward-Looking Information and Factors that May Affect Future Results](#) section of this Form 10-Q.

[Israel/Hamas Conflict](#)—Our local operations have been impacted by the armed conflict between Israel and Hamas that began on October 7, 2023. For both the six months ended June 30, 2024 and the fiscal year ended December 31, 2023, the business of our Israeli subsidiary represented less than 1% of our consolidated revenues and assets. We are closely monitoring developments in this conflict, including evaluating potential impacts to our business, customers, suppliers, employees, and operations in Israel and elsewhere in the Middle East that may impact global operations. At this time, longer term impacts to the Company are uncertain and subject to change.

[Russia/Ukraine Conflict](#)—Our local operations have been impacted by the armed conflict between Russia and Ukraine. For both the six months ended June 30, 2024 and the fiscal year ended December 31, 2023, the business of our Russia and Ukraine subsidiaries represented less than 1% of our consolidated revenues and assets. While we are monitoring the effects of the conflict between Russia and Ukraine, the situation continues to evolve and the long-term implications, including the broader economic consequences of the conflict, potential additional sanctions, and actions by our customers or suppliers (including financial institutions) are difficult to predict at this time.

For information on risks associated with these conflicts, see the *Item 1A. Risk Factors—Global Operations* section of our 2023 Form 10-K.

## **SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

For a description of our significant accounting policies, see *Note 1* in our 2023 Form 10-K. Of these policies, the following are considered critical to an understanding of our consolidated financial statements as they require the application of the most subjective and the most complex judgments: Acquisitions (*Note 1D*); Fair Value (*Note 1E*); Revenues (*Note 1G*); Asset Impairments (*Note 1M*); Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives (*Note 1N*); Tax Assets and Liabilities and Income Tax Contingencies (*Note 1Q*); Pension and Postretirement Benefit Plans (*Note 1R*); and Legal and Environmental Contingencies (*Note 1S*).

For a discussion about the critical accounting estimates and assumptions impacting our consolidated financial statements, see the *Significant Accounting Policies and Application of Critical Accounting Estimates and Assumptions* section within MD&A of our 2023 Form 10-K. See also *Note 1C* in our 2023 Form 10-K for a discussion about the risks associated with estimates and assumptions.

For a discussion of a recently adopted accounting standard, see [Note 1B](#).

## ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

### Total Revenues by Geography

The following presents worldwide *Total revenues* by geography:

(MILLIONS)	Three Months Ended						World- wide	U.S.	Inter- national
	Worldwide		U.S.		International				
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023			
<b>Operating segments:</b>									
Biopharma	\$ 12,991	\$ 12,690	\$ 7,828	\$ 6,367	\$ 5,163	\$ 6,323	2	23	(18)
Pfizer CentreOne	278	307	49	82	229	225	(10)	(40)	2
Pfizer Ignite	15	10	15	10	—	—	47	47	—
<b>Total revenues</b>	<b>\$ 13,283</b>	<b>\$ 13,007</b>	<b>\$ 7,892</b>	<b>\$ 6,458</b>	<b>\$ 5,391</b>	<b>\$ 6,548</b>	<b>2</b>	<b>22</b>	<b>(18)</b>

  

(MILLIONS)	Six Months Ended						World- wide	U.S.	Inter- national
	Worldwide		U.S.		International				
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023			
<b>Operating segments:</b>									
Biopharma	\$ 27,595	\$ 30,863	\$ 17,254	\$ 14,965	\$ 10,341	\$ 15,898	(11)	15	(35)
Pfizer CentreOne	535	615	120	190	416	425	(13)	(37)	(2)
Pfizer Ignite	32	14	32	14	—	—	*	*	—
<b>Total revenues</b>	<b>\$ 28,162</b>	<b>\$ 31,492</b>	<b>\$ 17,406</b>	<b>\$ 15,169</b>	<b>\$ 10,756</b>	<b>\$ 16,323</b>	<b>(11)</b>	<b>15</b>	<b>(34)</b>

\* Indicates calculation not meaningful.

The following provides an analysis of the worldwide change in *Total revenues* by geographic areas in the second quarter of 2024 compared to the second quarter of 2023:

(MILLIONS)	Worldwide	U.S.	International
<b>Operational growth/(decline):</b>			
Revenues from legacy Seagen, which was acquired in December 2023	\$ 845	\$ 806	\$ 39
Worldwide growth from the Vyndaqel family, Eliquis, Nurtec ODT/Vydura, Xtandi and Abrysvo, partially offset by worldwide declines from Xeljanz, Ibrance, the Prevnar family and Inlyta	595	431	164
Worldwide growth from Paxlovid	112	68	45
Worldwide decline from Comirnaty	(1,290)	41	(1,331)
Decline in oncology biosimilars, largely due to lower net price in the U.S.	(80)	(82)	2
Other operational factors, net	266	170	95
Operational growth/(decline), net	447	1,434	(986)
Unfavorable impact of foreign exchange	(170)	—	(170)
<b>Total revenues increase/(decrease)</b>	<b>\$ 277</b>	<b>\$ 1,434</b>	<b>\$ (1,157)</b>

The following provides an analysis of the worldwide change in *Total revenues* by geographic areas in the first six months of 2024 compared to the first six months of 2023:

(MILLIONS)	Worldwide	U.S.	International
<b>Operational growth/(decline):</b>			
Worldwide decline from Comirnaty	\$ (3,998)	\$ (169)	\$ (3,829)
Worldwide decline from Paxlovid	(1,918)	(92)	(1,825)
Decline in oncology biosimilars, largely due to lower net price in the U.S.	(228)	(223)	(5)
Decreased revenues from Sulperazon, largely driven by lower demand in China in the first quarter of 2024 as compared to the first quarter of 2023	(172)	—	(172)
Revenues from legacy Seagen, which was acquired in December 2023	1,586	1,518	68
Worldwide growth from the Vyndaqel family, Eliquis, Xtandi, Nurtec ODT/Vydura and the Plevinar family, partially offset by declines from Xeljanz, Ibrance and Inlyta	1,220	956	264
Revenues from Abrysvo, primarily driven by the launch of the older adult indication in the U.S. in July 2023	201	172	29
Other operational factors, net	256	75	181
Operational growth/(decline), net	(3,052)	2,237	(5,289)
Unfavorable impact of foreign exchange	(278)	—	(278)
<b>Total revenues increase/(decrease)</b>	<b>\$ (3,330)</b>	<b>\$ 2,237</b>	<b>\$ (5,567)</b>

See the [Total Revenues—Selected Product Discussion](#) section within MD&A for additional analysis.

**Product Revenue Deductions**—Our gross product revenues are subject to a variety of deductions, which generally are estimated and recorded in the same period that the revenues are recognized. These deductions represent estimates of the related obligations and, as such, knowledge and judgment are required when estimating the impact of these product revenue deductions on gross sales for a reporting period. Historically, adjustments to these estimates to reflect actual results or updated expectations, have not been material to our overall business and generally have been less than 1% of revenues. Product-specific rebates, however, can have a significant impact on year-over-year individual product revenue growth trends.

The following presents information about product revenue deductions:

(MILLIONS)	Three Months Ended		Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Medicare rebates	\$ 757	\$ 207	\$ 1,477	\$ 432
Medicaid and related state program rebates	516	411	1,126	822
Performance-based contract rebates	1,666	1,229	3,048	2,421
Chargebacks	2,911	2,305	5,662	4,589
Sales allowances	1,592	1,594	3,085	3,109
Sales returns and cash discounts	533	238	350	751
<b>Total<sup>(a)</sup></b>	<b>\$ 7,976</b>	<b>\$ 5,984</b>	<b>\$ 14,749</b>	<b>\$ 12,125</b>

<sup>(a)</sup> The increase in revenue deductions in the second quarter and first six months of 2024 is primarily driven by the transition of Paxlovid and Comirnaty to commercial markets, our acquisition of Seagen in December 2023, and higher sales of other recently acquired products, partially offset in the first six months of 2024 by a \$771 million favorable final adjustment recorded in the first quarter of 2024 to the estimated non-cash Paxlovid revenue reversal of \$3.5 billion recorded in the fourth quarter of 2023 (see [Note 13C](#)).

Product revenue deductions are primarily a function of product sales volume, mix of products sold, contractual or legislative discounts and rebates.

For information on our accruals for product revenue deductions, including the balance sheet classification of these accruals, see [Note 1C](#).

**Total Revenues—Selected Product Discussion**

*Biopharma*

(MILLIONS)		Revenue				% Change		Operational Results Commentary
Product	Period	Global Revenues	Region	June 30, 2024	July 2, 2023	Total	Oper.	
Eliquis	QTD	\$1,877	U.S.	\$ 1,262	\$ 1,152	10		Growth driven primarily by continued oral anti-coagulant adoption and market share gains in the non-valvular atrial fibrillation indication in the U.S. and certain markets in Europe, partially offset by declines due to loss of patent-based exclusivity and generic competition in certain international markets.
		Up 8%	Int'l.	615	610	1	4	
		(operationally)	Worldwide	\$ 1,877	\$ 1,762	7	8	
	YTD	\$3,917	U.S.	\$ 2,675	\$ 2,413	11		
		Up 9%	Int'l.	1,242	1,223	2	4	
		(operationally)	Worldwide	\$ 3,917	\$ 3,636	8	9	
Pevnar family	QTD	\$1,359	U.S.	\$ 832	\$ 868	(4)		QTD declines primarily driven by fewer adult vaccinations in the U.S. and lower pediatric indication sales in certain emerging markets and Japan, partially offset by growth in the pediatric indication in the U.S. as a result of the Pevnar 20 launch in 2023, as well as strong uptake of the adult indication in certain international markets.
		Down 4%	Int'l.	527	563	(6)	(3)	
		(operationally)	Worldwide	\$ 1,359	\$ 1,431	(5)	(4)	
	YTD	\$3,050	U.S.	\$ 1,981	\$ 1,953	1		
		Up 2%	Int'l.	1,069	1,081	(1)	2	
		(operationally)	Worldwide	\$ 3,050	\$ 3,033	1	2	
Vyndaqel family	QTD	\$1,323	U.S.	\$ 861	\$ 434	98		Growth largely driven by continued strong demand, primarily in the U.S. and international developed markets.
		Up 71%	Int'l.	462	348	33	36	
		(operationally)	Worldwide	\$ 1,323	\$ 782	69	71	
	YTD	\$2,460	U.S.	\$ 1,612	\$ 818	97		
		Up 68%	Int'l.	848	650	30	32	
		(operationally)	Worldwide	\$ 2,460	\$ 1,468	68	68	
Paxlovid	QTD	\$251	U.S.	\$ 68	\$ —	*		QTD growth primarily driven by: <ul style="list-style-type: none"> <li>• no second quarter 2023 U.S. sales in anticipation of transition to commercial markets in the second half of 2023; and</li> <li>• increases in infections and demand in certain international markets in the second quarter of 2024.</li> </ul>
		Up 79%	Int'l.	184	143	29	31	
		(operationally)	Worldwide	\$ 251	\$ 143	76	79	
	YTD	\$2,286	U.S.	\$ 1,868	\$ 1,960	(5)		
		Down 46%	Int'l.	418	2,252	(81)	(81)	
		(operationally)	Worldwide	\$ 2,286	\$ 4,212	(46)	(46)	
Ibrance	QTD	\$1,130	U.S.	\$ 741	\$ 850	(13)		Declines primarily driven by lower demand due to competitive pressure globally and price decreases in certain international developed markets, partially offset by increased clinical trial supply orders in certain international developed markets versus prior year.
		Down 8%	Int'l.	390	397	(2)	1	
		(operationally)	Worldwide	\$ 1,130	\$ 1,247	(9)	(8)	
	YTD	\$2,184	U.S.	\$ 1,420	\$ 1,600	(11)		
		Down 8%	Int'l.	765	791	(3)	(1)	
		(operationally)	Worldwide	\$ 2,184	\$ 2,391	(9)	(8)	
Xtandi	QTD	\$495	U.S.	\$ 495	\$ 423	17		Growth largely driven by strong demand due to uptake of the nmCSPC indication following approval in the fourth quarter of 2023.
		Up 17%	Int'l.	—	—	—	—	
		(operationally)	Worldwide	\$ 495	\$ 423	17	17	
	YTD	\$913	U.S.	\$ 913	\$ 763	20		
		Up 20%	Int'l.	—	—	—	—	
		(operationally)	Worldwide	\$ 913	\$ 763	20	20	
Padcev	QTD	\$394	U.S.	\$ 387	\$ —	*		Growth driven by the acquisition of Seagen in the fourth quarter of 2023 as well as strong demand.
		*	Int'l.	7	—	*	*	
		(operationally)	Worldwide	\$ 394	\$ —	*	*	
	YTD	\$735	U.S.	\$ 721	\$ —	*		
		*	Int'l.	14	—	*	*	
		(operationally)	Worldwide	\$ 735	\$ —	*	*	





(MILLIONS)			Revenue			% Change		Operational Results Commentary	
Product	Period	Global Revenues	Region	June 30, 2024	July 2, 2023	Total	Oper.		
Comirnaty	QTD	\$195	U.S.	\$ 58	\$ 16	*		Declines largely driven by lower contractual deliveries and demand in international markets (as well as lower U.S. volumes YTD), reflecting the anticipated seasonality of demand for vaccinations and as certain markets, including the U.S., transition to traditional commercial market sales.	
		Down 87%	Int'l.	137	1,471	(91)	(90)		
		(operationally)	Worldwide	\$ 195	\$ 1,488	(87)	(87)		
	YTD	\$548	U.S.	\$ 176	\$ 345	(49)			
		Down 88%	Int'l.	373	4,207	(91)	(91)		
		(operationally)	Worldwide	\$ 548	\$ 4,552	(88)	(88)		
Adecetris	QTD	\$279	U.S.	\$ 271	\$ —	*		Growth driven by the acquisition of Seagen in the fourth quarter of 2023.	
		*	Int'l.	7	—	*	*		
			Worldwide	\$ 279	\$ —	*	*		
	YTD	\$536	U.S.	\$ 524	\$ —	*			
		*	Int'l.	12	—	*	*		
			Worldwide	\$ 536	\$ —	*	*		
Nurtec ODT/Vydura	QTD	\$356	U.S.	\$ 339	\$ 244	39		QTD growth primarily driven by strong demand in the U.S. as well as recent launches in international markets.	
		Up 44%	Int'l.	17	4	*	*		
		(operationally)	Worldwide	\$ 356	\$ 247	44	44		
	YTD	\$533	U.S.	\$ 506	\$ 406	25			YTD growth primarily driven by strong demand in the U.S. as well as recent launches in international markets, partially offset by lower net price in the U.S. due to unfavorable changes in channel mix.
		Up 29%	Int'l.	27	7	*	*		
		(operationally)	Worldwide	\$ 533	\$ 414	29	29		
Xeljanz	QTD	\$303	U.S.	\$ 181	\$ 333	(46)		Declines driven primarily by decreased prescription volumes globally resulting from ongoing shifts in prescribing patterns related to label changes, as well as lower net price in the U.S. due to unfavorable changes in channel mix and the impact of regulatory exclusivity expiry in Canada.	
		Down 34%	Int'l.	122	136	(11)	(7)		
		(operationally)	Worldwide	\$ 303	\$ 469	(35)	(34)		
	YTD	\$497	U.S.	\$ 255	\$ 423	(40)			
		Down 29%	Int'l.	242	284	(15)	(12)		
		(operationally)	Worldwide	\$ 497	\$ 706	(30)	(29)		
Inlyta	QTD	\$252	U.S.	\$ 151	\$ 168	(10)		Declines primarily driven by lower demand in the U.S. as well as lower volumes and lower net price in international developed markets, partially offset by higher demand in China.	
		Down 2%	Int'l.	101	94	8	11		
		(operationally)	Worldwide	\$ 252	\$ 262	(4)	(2)		
	YTD	\$489	U.S.	\$ 292	\$ 323	(9)			
		Down 5%	Int'l.	197	199	(1)	2		
		(operationally)	Worldwide	\$ 489	\$ 521	(6)	(5)		
Abrysvo	QTD	\$56	U.S.	\$ 41	\$ —	*		Growth primarily driven by the launch of the older adult indication in the U.S. in July 2023.	
		*	Int'l.	15	—	*	*		
			Worldwide	\$ 56	\$ —	*	*		
	YTD	\$201	U.S.	\$ 172	\$ —	*			
		*	Int'l.	29	—	*	*		
			Worldwide	\$ 201	\$ —	*	*		

*Pfizer CentreOne*

(MILLIONS)			Revenue			% Change		Operational Results Commentary
Operating Segment	Period	Global Revenues	Region	June 30, 2024	July 2, 2023	Total	Oper.	
PC1	QTD	\$278	U.S.	\$ 49	\$ 82	(40)		Declines primarily driven by lower manufacturing of divested and other third-party products under manufacturing and supply agreements, partially offset by growth in manufacturing-related services.
		Down 9%	Int'l.	229	225	2	3	
		(operationally)	Worldwide	\$ 278	\$ 307	(10)	(9)	
	YTD	\$535	U.S.	\$ 120	\$ 190	(37)		
		Down 13%	Int'l.	416	425	(2)	(2)	
		(operationally)	Worldwide	\$ 535	\$ 615	(13)	(13)	

\* Indicates calculation not meaningful.

See the *Item 1. Business—Patents and Other Intellectual Property Rights* section of our 2023 Form 10-K for information regarding the expiration of various patent rights, [Note 12](#) for a discussion of recent developments concerning patent and product litigation relating to certain of the products discussed above and [Note 13C](#) for additional information regarding the primary indications or class of the selected products discussed above.

## Costs and Expenses

Costs and expenses follow:

(MILLIONS)	Three Months Ended			Six Months Ended		
	June 30, 2024	July 2, 2023	% Change	June 30, 2024	July 2, 2023	% Change
<i>Cost of sales</i>	\$ 3,300	\$ 3,237	2	\$ 6,679	\$ 8,122	(18)
Percentage of <i>Total revenues</i>	24.8 %	24.9 %		23.7 %	25.8 %	
<i>Selling, informational and administrative expenses</i>	3,717	3,497	6	7,212	6,914	4
<i>Research and development expenses</i>	2,696	2,648	2	5,189	5,153	1
<i>Acquired in-process research and development expenses</i>	6	33	(81)	6	55	(88)
<i>Amortization of intangible assets</i>	1,307	1,184	10	2,615	2,287	14
<i>Restructuring charges and certain acquisition-related costs</i>	1,254	214	*	1,356	222	*
<i>Other (income)/deductions—net</i>	1,107	(75)	*	1,787	200	*

\* Indicates calculation not meaningful.

### Second Quarter of 2024 vs. Second Quarter of 2023 and First Six Months of 2024 vs. First Six Months of 2023

#### Cost of Sales

*Cost of sales* increased \$63 million in the second quarter of 2024, primarily due to:

- an impact of \$500 million from our Seagen acquisition, inclusive of the amortization of the fair value step-up of inventory, partially offset by:

- a favorable change in sales mix of \$500 million, primarily driven by lower sales of Comirnaty.

*Cost of sales* decreased \$1.4 billion in the first six months of 2024, primarily due to:

- a favorable change in sales mix of \$2.3 billion, primarily driven by lower sales of Comirnaty,

partially offset by:

- an impact of \$910 million from our Seagen acquisition, inclusive of the amortization of the fair value step-up of inventory.

*Cost of sales* as a percentage of *Total revenues* was relatively flat in the second quarter of 2024 and reflects favorable changes in sales mix primarily driven by lower sales of Comirnaty, which resulted in a lower related charge for the 50% gross profit split with BioNTech and applicable royalty expenses; offset by the amortization of the fair value step-up of inventory related to the Seagen acquisition.

The decrease in *Cost of sales* as a percentage of *Total revenues* in the first six months of 2024 was mainly driven by a favorable change in sales mix, primarily driven by lower sales of Comirnaty and, to a lesser extent, a favorable impact of foreign exchange, partially offset by the amortization of the fair value step-up of inventory related to the Seagen acquisition.

Certain of our vaccines, including Comirnaty, are subject to seasonality of demand, with a greater portion of revenues and related cost of sales anticipated in the fall and winter seasons. See also *The Global Economic Environment—COVID-19* section for information about our COVID-19 products.

#### Selling, Informational and Administrative Expenses

*Selling, informational and administrative expenses* increased \$220 million in the second quarter of 2024, primarily due to an increase of \$180 million in marketing and promotional expenses for recently launched and acquired products.

*Selling, informational and administrative expenses* increased \$297 million in the first six months of 2024, primarily due to:

- an increase of \$420 million in marketing and promotional expenses for recently launched and acquired products; and
- an increase of \$145 million for corporate enabling functions primarily driven by digital costs from our December 2023 acquisition of Seagen,

partially offset by:

- a decrease of \$270 million in marketing and promotional expenses for Paxlovid.

#### Research and Development Expenses

*Research and development expenses* were relatively flat in the second quarter and the first six months of 2024, primarily due to:

- increased spending of \$220 million in the second quarter and \$475 million in the first six months mainly to develop certain medicines acquired from Seagen,
- offset by lower spending of \$235 million in the second quarter and partially offset by \$400 million in the first six months primarily as a result of our cost realignment program; and

- for the first six months, lower spending of \$80 million related to certain ongoing vaccine programs.

#### Amortization of Intangible Assets

Amortization of intangible assets increased \$123 million in the second quarter of 2024 and \$328 million in the first six months of 2024, primarily driven by:

- increases of \$140 million in the second quarter and \$270 million in the first six months from our December 2023 acquisition of Seagen; and
- increases of \$120 million in the second quarter and \$240 million in the first six months related to assets reclassified in 2023 from IPR&D to developed technology rights,

partially offset by:

- decreases of \$160 million in the second quarter and \$250 million in the first six months related to changes in asset lives and fully amortized assets.

#### Restructuring Charges and Other Costs Associated with Acquisitions and Cost-Reduction/Productivity Initiatives

*Realigning our Cost Base Program*—This program is expected to deliver net cost savings of at least \$4 billion, to be achieved primarily from 2023 through 2024.

*Manufacturing Optimization Program*—The first phase of this multi-phased program is expected to deliver savings of approximately \$1.5 billion by the end of 2027, some of which is expected to begin being realized in 2025.

Certain qualifying costs for these programs in all periods since inception were recorded and reflected as Certain Significant Items and excluded from our non-GAAP measure of Adjusted Income. See the [Non-GAAP Financial Measure: Adjusted Income](#) section within MD&A.

For a description of our programs, as well as the anticipated and actual costs, see [Note 3A](#). The program savings discussed above may be rounded and represent approximations. In addition to these programs, we continuously monitor our operations for cost reduction and/or productivity opportunities, especially in light of patent-based and regulatory exclusivity expiries as well as the expiration of collaborative arrangements for various products. Improvement of operating margin will continue to be an important focus for the Company.

*Seagen acquisition*—In connection with our acquisition of Seagen, we are focusing our efforts on achieving an appropriate cost structure for the combined company. We expect to generate approximately \$1 billion of annual cost synergies, to be achieved by 2026. The one-time costs to generate these synergies are expected to be approximately \$1.5 billion, incurred primarily from 2023 through 2025.

#### Other (Income)/Deductions—Net

The unfavorable period-over-period change of \$1.2 billion in the second quarter of 2024 was primarily driven by (i) net losses on equity securities in the second quarter of 2024 versus net gains on equity securities in the second quarter of 2023, (ii) higher net interest expense and (iii) intangible asset impairment charges recorded in the second quarter of 2024.

The unfavorable period-over-period change of \$1.6 billion for the first six months of 2024, was primarily driven by (i) higher net interest expense, (ii) equity losses from our investment in Haleon in the first six months of 2024 versus equity income in the second quarter of 2023, (iii) lower dividend income and (iv) higher charges for certain legal matters. See [Note 4](#).

#### Provision/(Benefit) for Taxes on Income/(Loss)

(MILLIONS)	Three Months Ended			Six Months Ended		
	June 30, 2024	July 2, 2023	% Change	June 30, 2024	July 2, 2023	% Change
Provision/(benefit) for taxes on income/(loss)	\$ (134)	\$ (71)	89	\$ 159	\$ 644	(75)
Effective tax rate on continuing operations	130.2 %	(3.1)%		4.8 %	7.5 %	

For information about our effective tax rate and the events and circumstances contributing to the changes between periods, as well as details about discrete elements that impacted our tax provisions, see [Note 5](#).

Cash paid for income taxes, net of refunds, consisted of:

(MILLIONS)	Year Ended December 31,		
	2023	2022	2021
United States	\$ 1,923	\$ 3,867	\$ 4,455
International	1,224	4,000	2,972
Total	\$ 3,147	\$ 7,867	\$ 7,427

*Changes in Tax Laws*—Many countries outside the U.S. have enacted legislation for global minimum taxation resulting from the Organization for Economic Co-operation and Development’s (OECD) Base Erosion and Profit Shifting “Pillar 2” project. The EU has approved a directive requiring member states to incorporate the OECD provisions into their respective domestic laws, and countries outside the EU are also enacting the provisions into their domestic law. The provisions are generally effective for Pfizer in 2024, though significant details and guidance around the provisions are still pending. Income tax expense could be adversely affected as the legislation becomes effective in countries in which we do business, and such impact could be material to our results of operations. We continue to monitor pending OECD guidance and legislation enactment and implementation by individual countries.

## PRODUCT DEVELOPMENTS

A comprehensive update of Pfizer’s development pipeline was published as of July 30, 2024 and is available at [www.pfizer.com/science/drug-product-pipeline](http://www.pfizer.com/science/drug-product-pipeline). It includes an overview of our research and a list of compounds in development with targeted indication and phase of development, as well as mechanism of action for some candidates in Phase 1 and all candidates from Phase 2 through registration.

This section provides information as of the date of this filing about significant marketing application-related regulatory actions by, and filings pending with, the FDA and regulatory authorities in the EU and Japan.

The table below includes filing and approval milestones for products that have occurred in the last twelve months and generally does not include approvals that may have occurred prior to that time. The table includes filings with regulatory decisions pending (even if the filing occurred outside of the last twelve-month period).

### Products

PRODUCT	INDICATION OR PROPOSED INDICATION	APPROVED/FILED*		
		U.S.	EU	JAPAN
COVID-19 Vaccine (pediatric) <sup>(a)</sup>	Active immunization to prevent COVID-19 caused by SARS-CoV-2 for individuals 6 months through 4 years of age	Authorized September 2023	Approved August 2023	Approved September 2023
	Active immunization to prevent COVID-19 caused by SARS-CoV-2 for individuals 5 through 11 years of age	Authorized September 2023	Approved August 2023	Approved September 2023
Comirnaty (COVID-19 Vaccine) <sup>(b)</sup>	Active immunization to prevent COVID-19 caused by SARS-CoV-2 in individuals 12 years of age and older	Approved September 2023	Approved August 2023	Approved September 2023
Prevnar 20/Prevenar 20 (Vaccine)	Active immunization to prevent pneumonia invasive disease caused by <i>Streptococcus pneumoniae</i> in adults ages 18 years and older	Approved June 2021	Approved February 2022	Filed September 2023
	Active immunization to prevent pneumonia and invasive disease in infants and children six weeks through 17 years of age, and for the prevention of otitis media in infants six weeks through five years of age caused by the original seven serotypes contained in Prevnar <sup>(c)</sup> .	Approved April 2023	Approved March 2024	Approved March 2024
TicoVac (Vaccine)	Active immunization to prevent tick-borne encephalitis in individuals 1 year of age and older	Approved August 2021		Approved March 2024
Nurtec ODT/Vydura (rimegepant)	Acute treatment of migraine with or without aura in adults	Approved February 2020	Approved April 2022	
	Prevention of episodic migraine in adults	Approved May 2021	Approved April 2022	
Litfulo/Ritfulo (ritlectinib)	Severe alopecia areata for individuals 12 years of age and older	Approved June 2023	Approved September 2023	Approved June 2023
Zavzpret (zavegepant) (intranasal)	Acute treatment of migraine with or without aura in adults	Approved March 2023		
Penbraya (PF-06886992) (Vaccine)	Active immunization to prevent serogroups ABCWY meningococcal infections in adolescents and young adults 10 through 25 years of age	Approved October 2023	Filed June 2023	

PRODUCT	INDICATION OR PROPOSED INDICATION	APPROVED/FILED*		
		U.S.	EU	JAPAN
Abrysvo (Vaccine)	Active immunization of pregnant individuals for the prevention of lower respiratory tract disease caused by RSV in infants from birth through 6 months of age	Approved August 2023	Approved August 2023	Approved January 2024
	Active immunization for the prevention of lower respiratory tract disease caused by RSV in individuals 60 years and older	Approved May 2023	Approved August 2023	Approved March 2024
	Active immunization for the prevention of lower respiratory tract disease caused by RSV in individuals 18-59 years of age	Filed July 2024	Filed June 2024	
Velsipity (etrasimod)	Moderately to severely active ulcerative colitis in adults	Approved October 2023	Approved February 2024	Filed June 2024
Braftovi (encorafenib) and Mektovi (binimetinib) <sup>(d)</sup>	BRAF <sup>V600E</sup> -mutant metastatic non-small cell lung cancer in adult patients	Approved October 2023	Filed October 2023	
Elrexfio (elranatamab)	Triple-class relapsed/refractory multiple myeloma in adult patients	Approved August 2023	Approved December 2023	Approved March 2024
Talzenna (talazoparib)	Combination with Xtandi (enzalutamide) for adult patients with HRR gene-mutated mCRPC <sup>(e)</sup>	Approved June 2023	Approved January 2024	Approved January 2024
	Treatment of adult patients with germline breast cancer susceptibility gene (gBRCA)1/2-mutations, who have human epidermal growth factor receptor 2-negative (HER2-) locally advanced (LA) or metastatic breast cancer (MBC)	Approved October 2018	Approved June 2019	Approved January 2024
Beqvez/Durveqtix (fidanacogene elaparvec) <sup>(f)</sup>	Moderate to severe hemophilia B in adults	Approved April 2024	Approved July 2024	Filed June 2024
Xtandi (enzalutamide) <sup>(g)</sup>	nmCSPC with biochemical recurrence at high risk for metastasis (high-risk BCR)	Approved November 2023	Approved April 2024	
marstacimab (PF-06741086)	Hemophilia A and B	Filed December 2023	Filed October 2023	Filed February 2024
Emblaveo (aztreonam-avibactam) <sup>(h)</sup>	Treatment of infections in adult patients caused by Gram-negative bacteria with limited or no treatment options		Approved April 2024	
Padcev (enfortumab vedotin-ejfv) <sup>(i)</sup>	In combination with Keytruda <sup>®(j)</sup> (pembrolizumab) for locally advanced or metastatic urothelial cancer in adults	Approved December 2023	Filed January 2024	Filed January 2024
Tivdak (tisotumab vedotin-tftv) <sup>(k)</sup>	Recurrent or metastatic cervical cancer with disease progression on or after first-line therapy	Approved <sup>(l)</sup> April 2024	Filed February 2024	
2024-2025 COVID-19 Vaccine (JN.1 strain)	Active immunization to prevent COVID-19 caused by SARS-CoV-2 for individuals 6 months of age and older		Approved July 2024	Filed July 2024
Ngenla (somatropin) <sup>(m)</sup>	Adult growth hormone deficiency		Filed June 2024	
Adcetris (brentuximab vedotin) <sup>(n)</sup>	Relapsed/refractory diffuse large B-cell lymphoma	Filed July 2024		

\* For the U.S., the filing date is the date on which the FDA accepted our submission. For the EU, the filing date is the date on which the EMA validated our submission.

<sup>(a)</sup> In September 2023, Pfizer and BioNTech announced the FDA granted EUA for the Omicron XBB.1.5-adapted monovalent COVID-19 vaccine for individuals 6 months through 4 years of age and 5 through 11 years of age (Pfizer-BioNTech COVID-19 Vaccine (2023-2024 Formula)).

<sup>(b)</sup> In September 2023, Pfizer and BioNTech announced the FDA approved a regulatory application for their Omicron XBB.1.5-adapted monovalent COVID-19 vaccine for individuals 12 years of age and older (Comirnaty (COVID-19 Vaccine, mRNA, 2023-2024 Formula)).

<sup>(c)</sup> For EU, approved indications are pneumococcal invasive disease pneumonia and otitis media. For Japan, approved indication is invasive pneumococcal disease.

<sup>(d)</sup> Pierre Fabre is the Marketing Authorization Holder for Braftovi (encorafenib) and Mektovi (binimetinib) in the EU.

<sup>(e)</sup> Listed indication applies to U.S. only. EU indication (all comers): mCRPC in whom chemotherapy is not clinically indicated; Japan indication: BRCA gene-mutated mCRPC.

<sup>(f)</sup> Being developed in collaboration with Spark Therapeutics, Inc. As of July 2024, Durveqtix has received Conditional Marketing Authorization in the EU.

<sup>(g)</sup> Being developed in collaboration with Astellas.

<sup>(h)</sup> Being developed in collaboration with AbbVie. AbbVie has the exclusive commercialization rights to this investigative therapy in the U.S. and Canada; Pfizer leads the joint development program and has commercialization rights in all other countries.

<sup>(i)</sup> Being developed in collaboration with Astellas.

<sup>(j)</sup> Keytruda<sup>®</sup> is a registered trademark of Merck Sharp & Dohme Corp., a subsidiary of Merck & Co., Inc.

<sup>(k)</sup> Being developed in collaboration with Genmab A/S.

<sup>(l)</sup> April 2024 approval date in the U.S. refers to the conversion of a prior accelerated approval to full approval

<sup>(m)</sup> Being developed in collaboration with OPKO Health, Inc.

<sup>(n)</sup> Being developed in collaboration with Takeda. Takeda has ex-U.S./Canada rights.

The following provides information about additional indications and new drug candidates in late-stage development:

	PRODUCT/CANDIDATE	PROPOSED DISEASE AREA
<b>LATE-STAGE CLINICAL PROGRAMS FOR ADDITIONAL USES AND DOSAGE FORMS FOR IN-LINE AND IN-REGISTRATION PRODUCTS</b>	Ibrance (palbociclib) <sup>(a)</sup>	ER+/HER2+ metastatic breast cancer
	Talzenna (talazoparib)	Combination with Xtandi (enzalutamide) for DNA Damage Repair-deficient mCSPC
	Braftovi (encorafenib) and Erbitux® (cetuximab) <sup>(b)</sup>	First-line BRAF <sup>V600E</sup> -mutant mCRC
	Paxlovid (nirmatrelvir; ritonavir)	COVID-19 in high-risk children (6-11 years of age; >88lbs)
	Litfulo (ritlecitinib)	Vitiligo
	Elrexio (elranatamab)	Multiple myeloma double-class exposed
		Newly diagnosed multiple myeloma post-transplant maintenance
		Newly diagnosed multiple myeloma transplant-ineligible
		2nd line + relapsed refractory multiple myeloma
	Oxbryta (voxelotor)	Sickle cell disease (pediatric)
		Leg ulcers in patients with sickle cell disease
	Eliquis (apixaban) <sup>(c)</sup>	Venous thromboembolism (pediatric)
	Padcev (enfortumab vedotin) <sup>(d)</sup>	Cisplatin-ineligible/decline muscle-invasive bladder cancer
		Cisplatin-eligible muscle-invasive bladder cancer
Tukysa (tucatinib)	HER2+ adjuvant breast cancer	
	2nd line/3rd line HER2+ metastatic breast cancer	
	1st line HER2+ maintenance metastatic breast cancer	
	1st line HER2+ metastatic colorectal cancer	
<b>NEW DRUG CANDIDATES IN LATE-STAGE DEVELOPMENT</b>	giroctocogene fitelparvovec (PF-07055480) <sup>(e)</sup>	Hemophilia A
	PF-06425090 (vaccine)	Immunization to prevent primary clostridioides difficile infection
	sasanlimab (PF-06801591)	Combination with Bacillus Calmette-Guerin for non-muscle-invasive bladder cancer
	VLA15 (PF-07307405) vaccine <sup>(f)</sup>	Immunization to prevent Lyme disease
	PF-07252220 (quadrivalent mRNA-based vaccine)	Immunization to prevent influenza
	vepdegestrant (PF-07850327) <sup>(g)</sup>	Breast cancer metastatic - 2nd line ER+/HER2-
	inlacumab (PF-07940370)	Sickle cell disease
	Ibrance + vepdegestrant <sup>(g)</sup>	ER+/HER2- metastatic breast cancer
	dazukibart (PF-06823859)	Dermatomyositis, polymyositis
	disitamab vedotin <sup>(h)</sup>	1st line HER2 (≥IHC1+) metastatic urothelial cancer
	PF-07926307 (COVID/flu combo vaccine) <sup>(i)</sup>	Immunization to prevent COVID infection and influenza
	sisunatovir (PF-07923568)	Respiratory syncytial virus infection (adults)
	sigvotatug vedotin (PF-08046047)	2nd line non-small cell lung cancer
	osivelotor (PF-07940367)	Sickle cell disease
	atirmociclib (PF-07220060)	2nd line metastatic breast cancer

<sup>(a)</sup> Being developed in collaboration with The Alliance Foundation Trials, LLC.

<sup>(b)</sup> Erbitux is a registered trademark of ImClone LLC. In the EU, we are developing in collaboration with the Pierre Fabre Group. In Japan, we are developing in collaboration with Ono Pharmaceutical Co., Ltd.

<sup>(c)</sup> Being developed in collaboration with BMS.

<sup>(d)</sup> Being developed in collaboration with Astellas.

<sup>(e)</sup> Being developed in collaboration with Sangamo Therapeutics, Inc.

<sup>(f)</sup> Being developed in collaboration with Valneva SE.

<sup>(g)</sup> Vepdegestrant is being developed in collaboration with Arvinas, Inc.

<sup>(h)</sup> Being developed in collaboration with RemeGen Co., Ltd.

<sup>(i)</sup> Being developed in collaboration with BioNTech.

CIFFREO, a Phase 3 global, multicenter, randomized, double-blind, placebo-controlled study evaluating the investigational mini-dystrophin gene therapy, fordadistrogene movaparvovec, in ambulatory patients with DMD did not meet its primary endpoint of improvement in motor function among boys 4 to 7 years of age treated with the gene therapy compared to placebo. Key secondary endpoints, including 10-meter run/walk velocity and time to rise from floor velocity, also did not show a significant difference between participants treated with fordadistrogene movaparvovec and placebo. A decision to cease development of fordadistrogene movaparvovec has been endorsed, and it has been removed from the table above.

In July 2024, the EMA initiated a referral procedure under Article 20 of Regulation (EC) No 726/2004 for Oxbryta (voxelotor). This review relates to a potential safety concern arising from observations in two ongoing clinical trials. The EMA will assess the information from these studies, taking into account all the available data on the benefits and risks of Oxbryta. Pfizer will be working with the EMA throughout the review process, and with other regulators globally in relation to this matter.

For additional information about our R&D organization, see [Note 13](#) and the *Item 1. Business—Research and Development* section of our 2023 Form 10-K. For additional information regarding certain collaboration arrangements see the *Item 1. Business—Collaboration and Co-Promotion Agreements* section of our 2023 Form 10-K.

#### NON-GAAP FINANCIAL MEASURE: ADJUSTED INCOME

Adjusted income is an alternative measure of performance used by management to evaluate our overall performance as a supplement to our GAAP Reported performance measures. As such, we believe that investors' understanding of our performance is enhanced by disclosing this measure. We use Adjusted income, certain components of Adjusted income and Adjusted diluted EPS to present the results of our major operations—the discovery, development, manufacture, marketing, sale and distribution of biopharmaceutical products worldwide—prior to considering certain income statement elements as follows:

Measure	Definition	Relevance of Metrics to Our Business Performance
Adjusted income	<i>Net income attributable to Pfizer Inc. common shareholders</i> <sup>(a)</sup> before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items	<ul style="list-style-type: none"> <li>• Provides investors useful information to: <ul style="list-style-type: none"> <li>◦ evaluate the normal recurring operational activities, and their components, on a comparable year-over-year basis</li> <li>◦ assist in modeling expected future performance on a normalized basis</li> </ul> </li> <li>• Provides investors insight into the way we manage our budgeting and forecasting, how we evaluate and manage our recurring operations and how we reward and compensate our senior management<sup>(b)</sup></li> </ul>
Adjusted cost of sales, Adjusted selling, informational and administrative expenses, Adjusted research and development expenses and Adjusted other (income)/deductions—net	<i>Cost of sales, Selling, informational and administrative expenses, Research and development expenses and Other (income)/deductions—net</i> <sup>(a)</sup> , each before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items, which are components of the Adjusted income measure	
Adjusted diluted EPS	<i>EPS attributable to Pfizer Inc. common shareholders—diluted</i> <sup>(a)</sup> before the impact of amortization of intangible assets, certain acquisition-related items, discontinued operations and certain significant items	

<sup>(a)</sup> Most directly comparable GAAP measure.

<sup>(b)</sup> The short-term incentive plans for substantially all non-sales-force employees worldwide are funded from a pool based on our performance, measured in significant part versus three budgeted metrics, one of which is Adjusted diluted EPS (as defined for annual incentive compensation purposes), which is derived from Adjusted income and accounts for 40% of the bonus pool funding tied to financial performance. Additionally, the payout for performance share awards is determined in part by Adjusted net income, which is derived from Adjusted income. Since 2022, we no longer exclude any expenses for acquired IPR&D from our non-GAAP Adjusted results but we continue to exclude certain of these expenses for our financial results for annual incentive compensation purposes. The bonus pool funding, which is largely based on financial performance, may be adjusted by our R&D pipeline performance, as measured by three metrics, and performance against certain of our ESG metrics, and may be further modified by our Compensation Committee's assessment of other factors.

Adjusted income and its components and Adjusted diluted EPS are non-GAAP financial measures that have no standardized meaning prescribed by GAAP and, therefore, are limited in their usefulness to investors. Because of their non-standardized definitions, they may not be comparable to the calculation of similar measures of other companies and are presented to permit investors to more fully understand how management assesses performance. A limitation of these measures is that they provide a view of our operations without including all events during a period, and do not provide a comparable view of our performance to peers. These measures are not, and should not be viewed as, substitutes for their most directly comparable GAAP measures of *Net income attributable to Pfizer Inc. common shareholders*, components of *Net income attributable to Pfizer Inc. common shareholders* and *EPS attributable to Pfizer Inc. common shareholders—diluted*, respectively.

We also recognize that, as internal measures of performance, these measures have limitations, and we do not restrict our performance-management process solely to these measures. We also use other tools designed to achieve the highest levels of performance. For example, our R&D organization has productivity targets, upon which its effectiveness is measured. In addition, total shareholder return, both on an absolute basis and relative to a publicly traded pharmaceutical index, plays a significant role in determining payouts under certain of our incentive compensation plans.

#### Adjusted Income and Adjusted Diluted EPS

*Amortization of Intangible Assets*—Adjusted income excludes all amortization of intangible assets.

*Acquisition-Related Items*—Adjusted income excludes certain acquisition-related items, which are composed of transaction, integration, restructuring charges and additional depreciation costs for business combinations because these costs are unique to each transaction and represent costs that were incurred to restructure and integrate businesses as a result of an acquisition. We



have made no adjustments for resulting synergies. Acquisition-related items may include purchase accounting impacts such as the incremental charge to cost of sales from the sale of acquired inventory that was written up to fair value, depreciation related to the increase/decrease in fair value of acquired fixed assets, amortization related to the increase in fair value of acquired debt, and the fair value changes for contingent consideration.

**Discontinued Operations**—Adjusted income excludes the results of discontinued operations, as well as any related gains or losses on the disposal of such operations. We believe that this presentation is meaningful to investors because, while we review our product portfolio for strategic fit with our operations, we do not build or run our business with the intent to discontinue parts of our business. Restatements due to discontinued operations do not impact compensation or change the Adjusted income measure for the compensation in respect of the restated periods, but are presented for consistency across all periods.

**Certain Significant Items**—Adjusted income excludes certain significant items representing substantive and/or unusual items that are evaluated individually on a quantitative and qualitative basis. Certain significant items may be highly variable and difficult to predict. Furthermore, in some cases it is reasonably possible that they could reoccur in future periods. For example, although major non-acquisition-related cost-reduction programs are specific to an event or goal with a defined term, we may have subsequent programs based on reorganizations of the business, cost productivity or in response to generic or biosimilar entry or economic conditions. Legal charges to resolve litigation are also related to specific cases, which are facts and circumstances specific and, in some cases, may also be the result of litigation matters at acquired companies that were inestimable, not probable or unresolved at the date of acquisition, or legal matters related to divested products or businesses. Gains and losses on equity securities and pension and postretirement actuarial remeasurement gains and losses have a very high degree of inherent market volatility, which we do not control and cannot predict with any level of certainty, and we do not believe including these gains and losses assists investors in understanding our business or is reflective of our core operations and business. Unusual items represent items that are not part of our ongoing business; items that, either as a result of their nature or size, we would not expect to occur as part of our normal business on a regular basis; items that would be non-recurring; or items that relate to products we no longer sell. See the *Reconciliations of GAAP Reported to Non-GAAP Adjusted information—Certain Line Items* below for a non-inclusive list of certain significant items and the *Non-GAAP Financial Measure: Adjusted Income* section within MD&A of our 2023 Form 10-K.

**Reconciliations of GAAP Reported to Non-GAAP Adjusted Information—Certain Line Items**

	Three Months Ended June 30, 2024				
	Cost of sales <sup>(a)</sup>	Selling, informational and administrative expenses <sup>(a)</sup>	Other (income)/deductions—net <sup>(a)</sup>	Net income attributable to Pfizer Inc. common shareholders <sup>(a), (b)</sup>	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
<b>GAAP Reported</b>	<b>\$ 3,300</b>	<b>\$ 3,717</b>	<b>\$ 1,107</b>	<b>\$ 41</b>	<b>\$ 0.01</b>
Amortization of intangible assets	—	—	—	1,307	
Acquisition-related items	(445)	(10)	(18)	617	
Discontinued operations	—	—	—	(20)	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring <sup>(c)</sup>	(50)	(36)	—	1,215	
Certain asset impairments <sup>(d)</sup>	—	—	(240)	240	
(Gains)/losses on equity securities	—	—	(342)	342	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	(2)	2	
Other <sup>(e)</sup>	(37)	(3)	(247)	292	
Income tax provision—non-GAAP items				(635)	
<b>Non-GAAP Adjusted</b>	<b>\$ 2,768</b>	<b>\$ 3,669</b>	<b>\$ 258</b>	<b>\$ 3,400</b>	<b>\$ 0.60</b>

Data presented will not (in all cases) aggregate to totals.

(MILLIONS, EXCEPT PER SHARE DATA)

## Six Months Ended June 30, 2024

*Data presented will not (in all cases) aggregate to totals.*

(MILLIONS, EXCEPT PER SHARE DATA)

	Cost of sales <sup>(a)</sup>	Selling, informational and administrative expenses <sup>(a)</sup>	Other (income)/deductions—net <sup>(a)</sup>	Net income attributable to Pfizer Inc. common shareholders <sup>(a), (b)</sup>	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
<b>GAAP Reported</b>	<b>\$ 6,679</b>	<b>\$ 7,212</b>	<b>\$ 1,787</b>	<b>\$ 3,156</b>	<b>\$ 0.55</b>
Amortization of intangible assets	—	—	—	2,615	
Acquisition-related items	(762)	(16)	(21)	1,125	
Discontinued operations	—	—	—	(20)	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring <sup>(c)</sup>	(71)	(65)	—	1,198	
Certain asset impairments <sup>(d)</sup>	—	—	(349)	349	
(Gains)/losses on equity securities	—	—	(317)	317	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	(5)	5	
Other <sup>(e)</sup>	(42)	(8)	(541)	599	
Income tax provision—non-GAAP items				(1,271)	
Non-GAAP Adjusted	\$ 5,804	\$ 7,123	\$ 555	\$ 8,074	\$ 1.42

## Three Months Ended July 2, 2023

*Data presented will not (in all cases) aggregate to totals.*

(MILLIONS, EXCEPT PER SHARE DATA)

	Cost of sales <sup>(a)</sup>	Selling, informational and administrative expenses <sup>(a)</sup>	Other (income)/deductions—net <sup>(a)</sup>	Net income attributable to Pfizer Inc. common shareholders <sup>(a), (b)</sup>	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
<b>GAAP Reported</b>	<b>\$ 3,237</b>	<b>\$ 3,497</b>	<b>\$ (75)</b>	<b>\$ 2,327</b>	<b>\$ 0.41</b>
Amortization of intangible assets	—	—	—	1,184	
Acquisition-related items	(136)	(2)	(168)	387	
Discontinued operations	—	—	—	3	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring <sup>(c)</sup>	(17)	(67)	—	235	
(Gains)/losses on equity securities	—	—	135	(135)	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	1	(1)	
Other <sup>(e)</sup>	(12)	(8)	(171)	194	
Income tax provision—non-GAAP items				(355)	
Non-GAAP Adjusted	\$ 3,072	\$ 3,419	\$ (278)	\$ 3,839	\$ 0.67

## Six Months Ended July 2, 2023

*Data presented will not (in all cases) aggregate to totals.*

(MILLIONS, EXCEPT PER SHARE DATA)

	Cost of sales <sup>(a)</sup>	Selling, informational and administrative expenses <sup>(a)</sup>	Other (income)/deductions—net <sup>(a)</sup>	Net income attributable to Pfizer Inc. common shareholders <sup>(a), (b)</sup>	Earnings per common share attributable to Pfizer Inc. common shareholders—diluted
<b>GAAP Reported</b>	<b>\$ 8,122</b>	<b>\$ 6,914</b>	<b>\$ 200</b>	<b>\$ 7,870</b>	<b>\$ 1.38</b>
Amortization of intangible assets	—	—	—	2,287	
Acquisition-related items	(233)	(5)	(150)	550	
Discontinued operations	—	—	—	2	
Certain significant items:					
Restructuring charges/(credits) and implementation costs and additional depreciation—asset restructuring <sup>(c)</sup>	(50)	(126)	—	265	
Certain asset impairments <sup>(d)</sup>	—	—	(264)	264	
(Gains)/losses on equity securities	—	—	(317)	317	
Actuarial valuation and other pension and postretirement plan (gains)/losses	—	—	(6)	6	
Other <sup>(e)</sup>	(22)	(14)	(64)	105	
Income tax provision—non-GAAP items				(791)	
Non-GAAP Adjusted	\$ 7,818	\$ 6,769	\$ (601)	\$ 10,876	\$ 1.90

<sup>(a)</sup> Items that reconcile GAAP Reported to non-GAAP Adjusted balances are shown pre-tax. Our effective tax rates for GAAP Reported income/(loss) from continuing operations were 130.2% and 4.8% in the three and six months ended June 30, 2024, respectively, and (3.1)% and 7.5% in the three and six

months ended July 2, 2023, respectively. See [Note 5](#). Our effective tax rates for non-GAAP Adjusted income were 12.9% and 15.1% in the three and six months ended June 30, 2024, respectively, and 6.8% and 11.6% in the three and six months ended July 2, 2023, respectively.

(b) The amounts for the three and six months ended June 30, 2024 and July 2, 2023 include reconciling amounts for *Research and development expenses* that are not material to our non-GAAP consolidated results of operations.

(c) Includes employee termination costs, asset impairments and other exit costs related to our cost-reduction and productivity initiatives not associated with acquisitions. See [Note 3](#).

(d) See [Note 4](#).

(e) For the second quarter of 2024, the total *Other (income)/deductions—net* adjustment of \$247 million includes charges of (i) \$169 million for certain legal matters, primarily representing certain product liability expenses related to products discontinued and/or divested by Pfizer and (ii) \$104 million mostly related to Pfizer's share of an investee capital transaction recognized by Haleon for treasury stock Haleon purchased in the first quarter of 2024. For the first six months of 2024, the total *Other (income)/deductions—net* adjustment of \$541 million primarily includes charges of (i) \$377 million for certain legal matters, primarily representing certain product liability expenses related to products discontinued and/or divested by Pfizer and (ii) \$351 million mostly related to (a) our equity-method accounting pro-rata share of intangible asset amortization, impairments and restructuring costs recorded by Haleon, as well as (b) adjustments to our equity-method basis differences and (c) Pfizer's share of the aforementioned investee capital transaction, partially offset by (iii) a \$150 million gain on the partial sale of our investment in Haleon. For the second quarter of 2023, the total *Other (income)/deductions—net* adjustment of \$171 million primarily included charges of \$139 million for certain legal matters, primarily representing certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer. For the first six months of 2023, the total *Other (income)/deductions—net* adjustment of \$64 million primarily included charges of (i) \$175 million for certain legal matters, primarily for certain product liability and other legal expenses related to products discontinued and/or divested by Pfizer, and (ii) \$70 million mostly related to our equity-method accounting pro-rata share of intangible asset amortization and impairments, costs of separating from GSK and restructuring costs recorded by Haleon, partially offset by dividend income of \$211 million related to our investment in Nimbus resulting from Takeda's acquisition of Nimbus's oral, selective allosteric tyrosine kinase 2 (TYK2) inhibitor program subsidiary.

## ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(MILLIONS)	Six Months Ended		Drivers of change
	June 30, 2024	July 2, 2023	
Cash provided by/(used in):			
Operating activities	\$ (691)	\$ 4	The change was primarily driven by a decrease in net income adjusted for non-cash items and the timing of receipts and payments in the ordinary course of business.
Investing activities	\$ 6,332	\$ (22,170)	The change was driven mainly by \$23.6 billion greater net redemptions of short-term investments in 2024, as well as \$3.5 billion of proceeds from the partial sale of the Haleon investment.
Financing activities	\$ (7,390)	\$ 24,403	The change was driven mainly by \$30.8 billion of proceeds from the issuance of long-term debt in 2023, as well as \$1.0 billion greater repayments of long-term debt in 2024.

## ANALYSIS OF FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES AND MARKET RISK

Our historically robust operating cash flows, which we expect to continue over time, is a key strength of our liquidity and capital resources and our primary funding source. We expect operating cash flows to be significantly below typical levels this year, and were particularly lower in the first half, largely due to the timing of certain payments and one-time expenses. Additionally, with an anticipated heavy weighting of revenue to the fourth quarter of 2024 due to the expected seasonality of certain products in our portfolio, a potentially higher level of cash collections may carry over into the first quarter of 2025. We continue to believe that with our ongoing operating cash flows, together with our financial assets, access to capital markets, revolving credit agreements, and available lines of credit, we have and will maintain the ability to meet our liquidity needs to support ongoing operations, our capital allocation objectives, and our contractual and other obligations for the foreseeable future. For information about the sources and uses of our funds and capital resources, as well as our operating cash flows, see our [Condensed Consolidated Statements of Cash Flows](#), [Condensed Consolidated Balance Sheets](#), [Condensed Consolidated Statements of Equity](#), and the [Analysis of the Condensed Consolidated Statements of Cash Flows](#) section within MD&A. For information on our money market funds, available-for-sale-debt securities and long-term debt, see [Note 7](#).

For information about our diverse sources of funds, off-balance sheet arrangements, contractual and other obligations, global economic conditions and market risk, see the [Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk](#) section within MD&A of our 2023 Form 10-K. For more information on guarantees and indemnifications, see [Note 12B](#).

**Credit Ratings**—The cost and availability of financing are influenced by credit ratings, and an increase or decrease in our credit rating could have a beneficial or adverse effect on financing. Our long-term debt is rated high-quality by both S&P and Moody's.

As of the date of the filing of this Form 10-Q, the following ratings have been assigned to our commercial paper and senior unsecured long-term debt:

NAME OF RATING AGENCY	Pfizer Short-Term Rating	Pfizer Long-Term Rating	Outlook/Watch
Moody's	P-1	A2	Stable Outlook
S&P	A-1	A	Stable Outlook

These ratings are not recommendations to buy, sell or hold securities and the ratings are subject to revision or withdrawal at any time by the rating organizations. Each rating should be evaluated independently of any other rating.

**Debt Capacity—Lines of Credit**—As of the date of the filing of this Form 10-Q, we had access to a total of \$15 billion in committed U.S. revolving credit facilities, consisting of an \$8.0 billion facility maturing in October 2024 and a \$7.0 billion facility maturing in October 2028, which may be used for general corporate purposes including to support our global commercial paper borrowings. In addition to the U.S. revolving credit facilities, our lenders have provided us an additional \$280 million in lines of credit, of which \$250 million expire within one year. Essentially all lines of credit were unused as of the date of the filing of this Form 10-Q.

**Capital Allocation Framework**—Our capital allocation framework is primarily devised to enhance shareholder value and is based on three core pillars: maintaining and growing our dividend over time, reinvesting in the business and making share repurchases after de-levering our balance sheet. In April 2024, our BOD declared a dividend of \$0.42 per share, payable on June 14, 2024, to shareholders of record at the close of business on May 10, 2024. In June 2024, our BOD declared a dividend of \$0.42 per share, payable on September 3, 2024, to shareholders of record at the close of business on July 26, 2024. As of June 30, 2024, our remaining share-purchase authorization was \$3.3 billion, with no repurchases in the first six months of 2024. See *Note 12* in our 2023 Form 10-K for more information on our publicly announced share-purchase plans.

In March 2024, we sold a portion of our investment in Haleon for \$3.5 billion (see *Note 2B*). We expect to resume monetizing our 23% Haleon stake in the future. Once our Haleon ownership is less than 20%, we expect to no longer include Haleon equity-method income in our results of operations.

## NEW ACCOUNTING STANDARDS

### Recently Adopted Accounting Standard

See *Note 1B*.

### Recently Issued Accounting Standards, Not Adopted as of June 30, 2024

Standard/Description	Effective Date	Effect on the Financial Statements
In November 2023, the FASB issued final guidance to improve transparency of <b>segment disclosures</b> . The final guidance requires the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, other segment items by reportable segment and a description of its composition, and requires all current annual disclosures be provided in interim periods.	2024 for annual reports and 2025 for interim reports. Early adoption is permitted.	This new guidance will result in increased disclosures in the notes to our financial statements.
In December 2023, the FASB issued final guidance to improve <b>income tax disclosures</b> . The final guidance requires enhanced disclosures primarily related to existing rate reconciliation and income taxes paid information.	2025 for annual reports. Early adoption is permitted.	This new guidance will result in increased disclosures in the notes to our financial statements.

## FORWARD-LOOKING INFORMATION AND FACTORS THAT MAY AFFECT FUTURE RESULTS

This Form 10-Q contains forward-looking statements. We also provide forward-looking statements in other materials we release to the public, as well as public oral statements. Given their forward-looking nature, these statements involve substantial risks, uncertainties and potentially inaccurate assumptions.

We have tried, wherever possible, to identify such statements by using words such as “will,” “may,” “could,” “likely,” “ongoing,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “assume,” “target,” “forecast,” “guidance,” “goal,” “objective,” “aim,” “seek,” “potential,” “hope” and other words and terms of similar meaning or by using future dates.

We include forward-looking information in our discussion of the following, among other topics:

- our anticipated operating and financial performance, including financial guidance and projections;
- reorganizations, business plans, strategy, goals and prospects;
- 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, dividends and share repurchases;
- plans for and prospects of our acquisitions, dispositions and other business development activities, and our ability to successfully capitalize on growth opportunities and prospects;
- sales, expenses, interest rates, foreign exchange rates and the outcome of contingencies, such as legal proceedings;
- expectations regarding the impact of or changes to existing or new government regulations or laws;
- our ability to anticipate and respond to and our expectations regarding the impact of macroeconomic, geopolitical, health and industry trends, pandemics, acts of war and other large-scale crises; and
- manufacturing and product supply.

In particular, forward-looking information in this Form 10-Q includes statements relating to specific future actions, performance and effects, including, among others, the expected benefits of the organizational changes to our operations; our anticipated operating and financial performance; our ongoing efforts to respond to COVID-19, including our plans and expectations regarding Comirnaty and Paxlovid, and any potential future vaccines or treatments, including anticipated revenue and expectations for the commercial market for Comirnaty and Paxlovid; our expectations regarding the impact of COVID-19 on our business; the expected seasonality of demand for certain of our vaccines, including Comirnaty; expected patent terms; the expected impact of patent expiries and generic and biosimilar competition; the expected pricing pressures on our products and the anticipated impact to our business; the benefits expected from our business development transactions, including our December 2023 acquisition of Seagen; our anticipated cash flows and liquidity position; the anticipated costs, savings and potential benefits from certain of our initiatives, including our enterprise-wide Realigning our Cost Base Program, which we launched in October 2023 and our Manufacturing Optimization Program to reduce our cost of goods sold, which we announced in May 2024; our expectations regarding the impact from the 2023 tornado on our manufacturing facility in Rocky Mount, NC; our planned capital spending; and our capital allocation framework.

Given their nature, we cannot assure that any outcome expressed in these forward-looking statements will be realized in whole or in part. Actual outcomes may vary materially from past results and those anticipated, estimated, implied or projected. These forward-looking statements may be affected by underlying assumptions that may prove inaccurate or incomplete, or by known or unknown risks and uncertainties, including those described in this section and in the *Item 1A. Risk Factors* section in our 2023 Form 10-K.

Therefore, you are cautioned not to unduly rely on forward-looking statements, which speak only as of the date of this Form 10-Q. We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. You are advised, however, to consult any further disclosures we make on related subjects.

Some of the factors that could cause actual results to differ are identified below, as well as those discussed in the *Item 1A. Risk Factors* section in our 2023 Form 10-K and within MD&A. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. The occurrence of any of the risks identified below, in the *Item 1A. Risk Factors* section in our 2023 Form 10-K or within MD&A, or other risks currently unknown, could have a material adverse effect on our business, financial condition or results of operations, or we may be required to increase our accruals for contingencies. It is not possible to predict or identify all such factors. Consequently, you should not consider the following to be a complete discussion of all potential risks or uncertainties:

#### **Risks Related to Our Business, Industry and Operations, and Business Development**

- the outcome of R&D activities, including the ability to meet anticipated pre-clinical or clinical endpoints, commencement and/or completion dates for our pre-clinical or clinical trials, regulatory submission dates, and/or regulatory approval and/or launch dates; the possibility of unfavorable pre-clinical and clinical trial results, including the possibility of unfavorable new pre-clinical or clinical data and further analyses of existing pre-clinical or clinical data; risks associated with preliminary, early stage or interim data; the risk that pre-clinical and clinical trial data are subject to differing interpretations and assessments, including during the peer review/publication process, in the scientific community generally, and by regulatory authorities; and whether and when additional data from our pipeline programs will be published in scientific journal publications, and if so, when and with what modifications and interpretations; and uncertainties regarding the future development of our product candidates, including whether or when our product candidates will advance to future studies or phases of development or whether or when regulatory applications may be filed for any of our product candidates;
- our ability to successfully address comments received from regulatory authorities such as the FDA or the EMA, or obtain approval for new products and indications from regulators on a timely basis or at all;
- regulatory decisions impacting labeling, including the scope of indicated patient populations, product dosage, manufacturing processes, safety and/or other matters, including decisions relating to emerging developments regarding potential product impurities; uncertainties regarding the ability to obtain, and the scope of,

recommendations by technical or advisory committees, and the timing of, and ability to obtain, pricing approvals and product launches, all of which could impact the availability or commercial potential of our products and product candidates;

- claims and concerns that may arise regarding the safety or efficacy of in-line products and product candidates, including claims and concerns that may arise from the outcome of post-approval clinical trials, which could impact marketing approval, product labeling, and/or availability or commercial potential;
- the success and impact of external business development activities, such as the December 2023 acquisition of Seagen, including the ability to identify and execute on potential business development opportunities; the ability to satisfy the conditions to closing of announced transactions in the anticipated time frame or at all; the ability to realize the anticipated benefits of any such transactions in the anticipated time frame or at all; the potential need for and impact of additional equity or debt financing to pursue these opportunities, which has in the past and could in the future result in increased leverage and/or a downgrade of our credit ratings and could limit our ability to obtain future financing; challenges integrating the businesses and operations; disruption to business and operations relationships; risks related to growing revenues for certain acquired or partnered products; significant transaction costs; and unknown liabilities;
- competition, including from new product entrants, in-line branded products, generic products, private label products, biosimilars and product candidates that treat or prevent diseases and conditions similar to those treated or intended to be prevented by our in-line products and product candidates;
- the ability to successfully market both new and existing products, including biosimilars;
- difficulties or delays in manufacturing, sales or marketing; supply disruptions, shortages or stock-outs at our facilities or third-party facilities that we rely on; and legal or regulatory actions;
- the impact of public health outbreaks, epidemics or pandemics (such as COVID-19) on our business, operations and financial condition and results, including impacts on our employees, manufacturing, supply chain, sales and marketing, R&D and clinical trials;
- risks and uncertainties related to our efforts to continue to develop and commercialize Comirnaty and Paxlovid or any potential future COVID-19 vaccines, treatments or combinations, as well as challenges related to their manufacturing, supply and distribution, including, among others, the risk that as the market for COVID-19 products continues to become more endemic and seasonal, demand for our COVID-19 products has and may continue to be reduced or not meet expectations, or may no longer exist, which has and may continue to lead to reduced revenues, excess inventory on-hand and/or in the channel which, for Paxlovid and Comirnaty, resulted in significant inventory write-offs in 2023 and could continue to result in inventory write-offs, or other unanticipated charges; risks related to our ability to develop and commercialize variant adapted vaccines; challenges related to the transition to the commercial market for our COVID-19 products; uncertainties related to the public's adherence to vaccines, boosters, treatments or combinations; risks related to our ability to accurately predict or achieve our revenue forecasts for Comirnaty and Paxlovid or any potential future COVID-19 vaccines or treatments; and potential third-party royalties or other claims related to Comirnaty or Paxlovid;
- trends toward managed care and healthcare cost containment, and our ability to obtain or maintain timely or adequate pricing or favorable formulary placement for our products;
- interest rate and foreign currency exchange rate fluctuations, including the impact of currency devaluations and monetary policy actions in countries experiencing high inflation or deflation rates;
- any significant issues involving our largest wholesale distributors or government customers, which account for a substantial portion of our revenues;
- the impact of the increased presence of counterfeit medicines, vaccines or other products in the pharmaceutical supply chain;
- any significant issues related to the outsourcing of certain operational and staff functions to third parties;
- any significant issues related to our JVs and other third-party business arrangements, including modifications or disputes related to supply agreements or other contracts with customers including governments or other payors;
- uncertainties related to general economic, political, business, industry, regulatory and market conditions including, without limitation, uncertainties related to the impact on us, our customers, suppliers and lenders and counterparties to our foreign-exchange and interest-rate agreements of challenging global economic conditions, such as inflation or interest rate fluctuations, and recent and possible future changes in global financial markets;
- the exposure of our operations globally to possible capital and exchange controls, economic conditions, expropriation, sanctions and/or other restrictive government actions, changes in intellectual property legal protections and remedies, unstable governments and legal systems and inter-governmental disputes;

- the impact of disruptions related to climate change and natural disasters, including uncertainties related to the impact of the tornado at our manufacturing facility in Rocky Mount, NC in 2023;
- any changes in business, political and economic conditions due to actual or threatened terrorist activity, geopolitical instability, political or civil unrest or military action, including the ongoing conflicts between Russia and Ukraine and in the Middle East and the resulting economic or other consequences;
- the impact of product recalls, withdrawals and other unusual items, including uncertainties related to regulator-directed risk evaluations and assessments, including our ongoing evaluation of our product portfolio for the potential presence or formation of nitrosamines;
- trade buying patterns;
- the risk of an impairment charge related to our intangible assets, goodwill or equity-method investments;
- the impact of, and risks and uncertainties related to, restructurings and internal reorganizations, as well as any other corporate strategic initiatives and growth strategies, and cost-reduction and productivity initiatives, including any potential future phases, each of which requires upfront costs but may fail to yield anticipated benefits and may result in unexpected costs, organizational disruption, adverse effects on employee morale, retention issues or other unintended consequences;
- the ability to successfully achieve our climate goals and progress our environmental sustainability and other ESG priorities;

#### **Risks Related to Government Regulation and Legal Proceedings**

- the impact of any U.S. healthcare reform or legislation or any significant spending reduction or cost control efforts affecting Medicare, Medicaid or other publicly funded or subsidized health programs, including the IRA, or changes in the tax treatment of employer-sponsored health insurance that may be implemented;
- U.S. federal or state legislation or regulatory action and/or policy efforts affecting, among other things, pharmaceutical product pricing, intellectual property, reimbursement or access or restrictions on U.S. direct-to-consumer advertising; limitations on interactions with healthcare professionals and other industry stakeholders; as well as pricing pressures for our products as a result of highly competitive biopharmaceutical markets;
- legislation or regulatory action in markets outside of the U.S., such as China or Europe, including, without limitation, laws related to pharmaceutical product pricing, intellectual property, medical regulation, environmental protections, reimbursement or access, including, in particular, continued government-mandated reductions in prices and access restrictions for certain biopharmaceutical products to control costs in those markets;
- legal defense costs, insurance expenses, settlement costs and contingencies, including without limitation, those related to legal proceedings and actual or alleged environmental contamination;
- the risk and impact of an adverse decision or settlement and risk related to the adequacy of reserves related to legal proceedings;
- the risk and impact of tax related litigation and investigations;
- governmental laws and regulations affecting our operations, including, without limitation, the IRA, changes in laws and regulations or their interpretation, including, among others, changes in tax laws and regulations internationally and in the U.S., the adoption of global minimum taxation requirements outside the U.S. generally effective in most jurisdictions since January 1, 2024 and potential changes to existing tax law by the current U.S. Presidential administration and Congress, including the House-passed bill called “Tax Relief for American Families and Workers Act of 2024”;

#### **Risks Related to Intellectual Property, Technology and Security**

- any significant breakdown or interruption of our information technology systems and infrastructure (including cloud services);
- any business disruption, theft of confidential or proprietary information, security threats on facilities or infrastructure, extortion or integrity compromise resulting from a cyber-attack, which may include those using adversarial artificial intelligence techniques, or other malfeasance by, but not limited to, nation states, employees, business partners or others;
- risks and challenges related to the use of software and services that include artificial intelligence-based functionality and other emerging technologies;
- the risk that our currently pending or future patent applications may not be granted on a timely basis or at all, or any patent-term extensions that we seek may not be granted on a timely basis, if at all; and
- risks to our products, patents and other intellectual property, such as: (i) claims of invalidity that could result in patent revocation; (ii) claims of patent infringement, including asserted and/or unasserted intellectual property claims; (iii) claims



we may assert against intellectual property rights held by third parties; (iv) challenges faced by our collaboration or licensing partners to the validity of their patent rights; or (v) any pressure, or legal or regulatory action by, various stakeholders or governments that could potentially result in us not seeking intellectual property protection or agreeing not to enforce or being restricted from enforcing intellectual property rights related to our products, including Comirnaty and Paxlovid.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information required by this item is incorporated by reference from the discussion in the *Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk* section within MD&A of our 2023 Form 10-K.

### ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in alerting them in a timely manner to material information required to be disclosed in our periodic reports filed with the SEC.

During our most recent fiscal quarter, there has not been any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Certain legal proceedings in which we are involved are discussed in [Note 12A](#).

### ITEM 1A. RISK FACTORS

We refer to the [Overview of Our Performance, Operating Environment, Strategy and Outlook—Our Operating Environment](#) and [—The Global Economic Environment](#) sections and the [Forward-Looking Information and Factors That May Affect Future Results](#) section within MD&A of this Form 10-Q and of our 2023 Form 10-K and to the *Item 1A. Risk Factors* section of our 2023 Form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following summarizes purchases of our common stock during the second quarter of 2024:

Period	Total Number of Shares Purchased <sup>(a)</sup>	Average Price Paid per Share <sup>(a)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Value of Shares That May Yet Be Purchased Under the Plan <sup>(b)</sup>
April 1 through April 28, 2024	26,833	\$ 27.55	—	\$ 3,292,882,444
April 29 through May 26, 2024	20,067	\$ 26.43	—	\$ 3,292,882,444
May 27 through June 30, 2024	30,399	\$ 28.47	—	\$ 3,292,882,444
Total	77,299	\$ 27.62	—	

<sup>(a)</sup> Represents (i) 74,429 shares of common stock surrendered to the Company to satisfy tax withholding obligations in connection with the vesting of awards under our long-term incentive programs and (ii) the open market purchase by the trustee of 2,870 shares of common stock in connection with the reinvestment of dividends paid on common stock held in trust for employees who deferred receipt of performance share awards.

<sup>(b)</sup> See the [Analysis of Financial Condition, Liquidity, Capital Resources and Market Risk—Capital Allocation Framework](#) section within MD&A of this Form 10-Q and *Note 12* in our 2023 Form 10-K.

### ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2024, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.



**ITEM 6. EXHIBITS**

[Exhibit 31.1](#)

Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

[Exhibit 31.2](#)

Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

[Exhibit 32.1](#)

Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

[Exhibit 32.2](#)

Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 101:

EX-101.INS

XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

EX-101.SCH

Inline XBRL Taxonomy Extension Schema

EX-101.CAL

Inline XBRL Taxonomy Extension Calculation Linkbase

EX-101.LAB

Inline XBRL Taxonomy Extension Label Linkbase

EX-101.PRE

Inline XBRL Taxonomy Extension Presentation Linkbase

EX-101.DEF

Inline XBRL Taxonomy Extension Definition Document

Exhibit 104

Cover Page Interactive Data File—the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Pfizer Inc.

\_\_\_\_\_  
(Registrant)

Dated: August 5, 2024

/s/ Jennifer B. Damico

\_\_\_\_\_  
Jennifer B. Damico  
Senior Vice President and Controller  
(Principal Accounting Officer and  
Duly Authorized Officer)

**Certification by the Chief Executive Officer Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Albert Bourla, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pfizer Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2024

/s/ ALBERT BOURLA

**Albert Bourla**

**Chairman and Chief Executive Officer**

**Certification by the Chief Financial Officer Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, David M. Denton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pfizer Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2024

/s/ DAVID M. DENTON

**David M. Denton**

**Chief Financial Officer, Executive Vice President**

**Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, I, Albert Bourla, hereby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of Pfizer Inc. for the fiscal quarter ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and that the information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of Pfizer Inc.

/s/ ALBERT BOURLA

**Albert Bourla**

**Chairman and Chief Executive Officer**

August 5, 2024

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

**Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, I, David M. Denton, hereby certify that, to the best of my knowledge, the Quarterly Report on Form 10-Q of Pfizer Inc. for the fiscal quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and that the information contained in that Report fairly presents, in all material respects, the financial condition and results of operations of Pfizer Inc.

/s/ DAVID M. DENTON

**David M. Denton**

**Chief Financial Officer, Executive Vice President**

August 5, 2024

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.