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OVERVIEW:

Company Summary

REFINITIV

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PRESENTATION

Operator

Good day, everyone, and welcome to Pfizer's second-quarter 2024 earnings conference call. Today's call is being recorded.

At this time, I would like to turn the call over to Francesca DeMartino, Chief Investor Relations Officer and Senior Vice President. Please go ahead, ma'am.

Francesca DeMartino - *Pfizer Inc - Chief Investor Relations Officer, Senior Vice President*

Good morning, and welcome to Pfizer's earnings call. I'm Francesca DeMartino, Chief Investor Relations Officer. On behalf of the Pfizer team, thank you for joining us. This call is being made available via audio webcast at pfizer.com. Earlier this morning, we released our results for the second quarter of 2024 via a press release that is available on our website at pfizer.com.

I'm joined today by Dr. Albert Bourla, our Chairman and CEO; and Dave Denton, our CFO. Albert and Dave have some prepared remarks, and we will then open the call for questions. Joining for the Q&A session, we also have Dr. Chris Boshoff, EVP and Chief Oncology Officer; Alexandre de Germay, EVP and Chief International Commercial Officer; Dr. Mikael Dolsten, Chief Scientific Officer and President of R&D; Doug Lankler, EVP and General Counsel; and Aamir Malik, EVP and Chief US Commercial Officer.

Before we get started, I want to remind you that we will be making forward-looking statements and discussing certain non-GAAP financial measures. I encourage you to read the disclaimers in our slide presentation, the press release we issued this morning and the disclosures in our SEC filings, which are all available on the IR website on pfizer.com. Forward-looking statements on the call are subject to substantial risks and uncertainties, speak only as of the call's original date, and we undertake no obligation to update or revise any of the statements.

With that, I will turn the call over to Albert.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Francesca. Good morning, everyone. We are pleased to report that we've had a strong first half of the year, and our business is performing well. We drove progress in the second quarter with solid execution as we continue making a difference in the lives of patients around the world. Through the first six months of 2024, we reached more than 192 million patients with our medicines and vaccines.

Today, I will provide updates about how we continue advancing our key strategic priorities in the second quarter. I will also mention examples from just the past few weeks when we have achieved a series of regulatory approvals, pipeline advances, and other positive developments that we expect to fuel our progress through the rest of the year.

We are pleased with the strong financial results coming from our disciplined execution. In the second quarter, for example, we achieved year-over-year revenue growth for the first time since the fourth quarter of 2022 when our COVID revenues had reached -- had peaked. Dave will talk about this and additional aspect of our financial performance as well, of course, our outlook and then we will take questions.

Before we go further, I will touch on some recent announcements about our leadership team and Board of Directors. I'll start with Mikael Dolsten's coming departure. It's hard to find words that do justice to the substantial impact Mikael has had during his 15-year tenure at Pfizer. Mikael transformed our R&D engine, ultimately delivering 35 approvals that have been meaningful for millions of patients globally. I thank my colleague and my friend for these tremendous contributions to human health. I look forward to working closely with him over the coming months as we search for his successor. Until then, Mikael will continue to lead as our Chief Scientific Officer and President of Pfizer Research and Development.

I want to welcome Andrew Baum, our new Chief Strategy and Innovation Officer. Andrew brings deep clinical, scientific and biopharmaceutical sector expertise. And we are fortunate to have him to help save and guide our strategies. While Andrew is not able to join us today because he's relocating with his family to the United States, he will be with us for future quarterly calls.

I also want to mention the recent addition of Cyrus Taraporevala to our Board. We are committed to strong government supported by directors with a breadth of unique experiences and skills exactly like Cyrus. Cyrus was President and CEO at State Street Global Advisors until he retired two years ago. And he brings vast experience in investment management and financial markets. We are thrilled to have him joining our Board.

Now I will turn to our performance. The five strategic priorities we served at the beginning of the year remain unchanged. With our focus on the most important opportunities for advancing and strengthening our company, we are confident we remain on track in 2024.

In the second quarter, our colleagues moved our business forward in each key strategic area. As a reminder, they are achieving world-class oncology leadership, delivering the next wave of pipeline innovation, maximizing performance of our new products, expanding margins by realizing our cost base, and allocating capital in ways that will enhance shareholder value. We believe we are well positioned to continue creating value for our shareholders. I want to reinforce our commitment to maintaining and growing our dividend over time. And as Dave will discuss in more detail, we are raising our full-year '24 guidance ranges for revenue and Adjusted diluted earnings per share.

Now I'll turn to our progress towards achieving the first one, world-class oncology leadership. Last year, we acted on our bold vision of combining Seagen's transformative ADC medicines with Pfizer's expertise, innovation, and scale. We believe we could help people with cancer live better and longer lives and capture a differentiated opportunity to drive long-term sustainable growth for our company.

At the halfway mark in 2024, we are on track to make this vision a reality, and we are pleased with the continued success of our integration. We've had high rates of colleague retention, and acquired Seagen products are contributing meaningfully to our revenue. In particular, PADCEV is rapidly progressing towards becoming the standard of care for patients with frontline locally advanced or metastatic urothelial cancer. We are pleased with the strength of other key products across our oncology portfolio.

Xtandi, Lorbrena, Braftovi-Mektovi combination, for example, continue as significant growth drivers during this quarter. Our robust oncology commercial performance in the first half of 2024 included full FDA approval for Tivdak and European Medicines Agency approval for the Talzenna plus Xtandi combination. We also received positive CHMP opinion for the Braftovi-Mektovi combination and for PADCEV. The last one is a notable development because Pfizer receives royalty revenues for these products marketed in Europe by our partners.

These highlights illustrate how we are already delivering breakthroughs that dramatically improve the lives of people with cancer. Of course, we are also working to develop future breakthroughs where we have the opportunities to bring the most important new therapies to patients in need. I will review several recent pipeline highlights, starting with obesity.

Earlier this month, we announced our plans to move forward with development of danuglipron, our oral GLP-1 receptor agonist that is the most advanced candidate in our robust clinical and preclinical obesity pipeline. In previously reported results from the Phase 2b study in obesity, danuglipron demonstrated what we believe is good efficacy in its twice-daily formulation. For tolerability, we previously reported the maximum rate of GI adverse events across all doses investigated. Looking at individual dose levels in our Phase 2b study, however, we observed tolerability profiles that are competitive for the class. Our efforts are now focused on developing the once-daily formulation essential to delivering a competitive oral product.

We were encouraged by a pharmacokinetic study evaluating multiple modified release technologies and formulations. This strengthened our confidence in potentially delivering a competitive once-daily pill at those level expected to be efficacious. We plan to conduct dose optimization studies in this second half of this year that are intended to inform our registration-enabling studies.

Obesity represents a growing area of patients in need, and it is a key area of focus for Pfizer's R&D programs. We believe these study results along with learnings from our previous Phase 2 studies and data that we have accumulated from more than 1,400 participant patients leave us well positioned to execute on a registration-enabling study as we work to deliver a competitive product in a rapidly growing market.

When we hosted our Oncology Innovation Day in February, we shared the pipeline milestones that would mark our success over the next year, and we are already demonstrating progress. A highlight was our strong presence at the American Society of Clinical Oncology Annual Meeting last month, which was anchored by three positive Phase 3 readouts. Follow-up data from the Phase 3 CROWN study of Lorbrena in patients with ALK-positive metastatic noncell lung cancer showed 60% of patients on Lorbrena were living beyond five years without disease progression. This strengthens Lorbrena's position as an emerging standard of care in the frontline setting.

Data from the Phase 3 ECHELON-3 study of Adcetris in combination with in lenalidomide and rituximab demonstrated a clinically meaningful improvement in overall survival for patients with relapsed or refractory diffuse large B-cell lymphoma. And data from Phase 3 study evaluating an Adcetris combination regimen showed progression-free data in patients with newly diagnosed classical Hodgkin lymphoma while significantly reducing side effects compared to a standard of care regimen used in Europe in this setting.

We have advanced our oncology clinical pipeline in 2024 with Phase 3 studies for sigvotatug vedotin, our integrin beta-6 directed ADC; atirmociclib, our selective CDK4 inhibitor; Elrexfio in the second-line setting in relapsed refractory multiple myeloma; and mevrometostat, our EZH2 inhibitor, which we are now moving to Phase 3 and anticipate enrollment beginning in August. We will continue working towards our 2030 oncology strategy goals of delivering eight or more blockbuster medicines and doubling the number of patients treated with our innovative cancer medicines.

We also have momentum with our vaccine programs. In our next gen PCV candidate, for example, we have advanced to a Phase 2 program in both adults and pediatrics based on encouraging clinical data that we received that highlights our industry-leading capabilities and expanding valency beyond 20 serotypes.

We expect to be highly competitive by offering the largest serotype coverage in a single vaccine while strategically addressing the persistent medical need across invasive disease, antibiotic resistance, and challenging serotypes.

In RSV with ABRYSVO, I'm pleased to report that yesterday, we received an approval for ABRYSVO's Act-O-Vial presentation in the United States, a presentation that offers significant advantage such as never frozen, unique system-enabling, one-step reconstitution, highly valued by pharmacies. Additionally, we have submitted for label expansion in both the United States and Europe for adults 18 to 59.

In our non-malignant hematology programs, we are also driving progress. Last week, we reported positive results from a Phase 3 study demonstrating the safety and efficacy of our one-time gene therapy candidate for people with hemophilia A. As we continue to advance our pipeline, additional milestones include expected updates later this year about our COVID/flu combination vaccine, about marstacimab for hemophilia A and B, and ponsegromab for cachexia, a wasting disorder associated with chronic diseases.

Now I'll turn to our strength with the commercial execution of our business. Another strategic area of focus is protecting and growing our core product portfolio, while we also maximize the performance of our new products. We continue to see encouraging progress with our team's execution.

NURTEC is an example where we are rising to meet substantial demand. This product delivered strong results in the quarter with 44% year-over-year global operational revenue growth. We see additional opportunities for expanding share in both acute and prevention usage as well as growth opportunities in international markets, where we are making progress with our launches. I hope Alexander will be able to touch base on this during the Q&A session.

Now I will touch on a few additional product portfolio highlights. In the pediatric segment, Prevnar 20 continues to demonstrate strong performance that reinforces a leadership position among pneumococcal vaccines in the United States, where our market share grew to greater than 80%.

During this quarter, the performance of ABRYSVO was in line with seasonal vaccine trends. We remain confident in our full-year performance as we believe we are well positioned to help address the expected rising need later in the year among all the adults at increased risk for RSV.

LITFULO is a product we launched last year, and we are encouraged by strong demand. Approximately one out of every two new patients on advanced systemic therapies is receiving a LITFULO prescription, a position we expect to grow as we continue focusing on execution.

We view VELSIPITY as a promising and much-needed option for adults with moderate to severe active ulcerative colitis. We are encouraged by recently securing preferred coverage for VELSIPITY at our first large national payer. We expect to see the impact of this in 2025. And now we are working to build on this with additional payers.

When we consider core products in our portfolio, we are also seeing positive impact from strong execution. The VYNDAQEL family of products offers a good example of how we are making a difference for patients in our business. We are accelerating growth by working with physicians to drive improvement in identifying appropriate patients with ATTR cardiomyopathy and helping patients to access and stay on the therapy once it is prescribed. With strong growth through the second quarter, we believe there is additional opportunity to identify more patients who could benefit from our VYNDAQEL products because of high unmet need. It is estimated that nearly half of those with this progressive and deadly disease have yet to be diagnosed.

Eliquis was another significant contributor to our results as we continue to claim greater share in a growing oral anticoagulant market.

Now let me briefly wrap up. First, I would like to thank my more than 80,000 colleagues for the dedication they are showing each day to our purpose of delivering breakthroughs that change patients' lives. We are confident in our business. With our focus and execution along with our deep expertise in driving innovation and advancing our pipeline, we believe we are on track to deliver on our full-year financial commitments in 2024.

I walked through our progress with three of our strategic priorities. And now Dave will cover our work to expand margins by realigning our cost base and allocate capital to enhance shareholder value as he discusses our financial performance and outlook.

With that, I turn it to you, Dave.

David Denton - *Pfizer Inc - Executive Vice President, Chief Financial Officer*

Thank you, Albert, and good morning, everyone.

As we close out the first half of the year, I'm very pleased by our second-quarter results. We continue our relentless focus on execution demonstrating our ability to both protect and grow our core brands while also continuing to advance our science-led transformation by investing in key TAs to build durable franchises. Our initiatives to right size OpEx and to reduce cost of goods will result in a more efficient organization, setting the stage for strong capital returns and long-term improved shareholder returns enabling our commitment to both maintain and to grow our dividend.

This morning, I will briefly review our second-quarter results including some one-time items, touch on our capital allocation priorities, and wrap up with an update on our '24 financial guidance, our key priorities, and expectations for the remainder of the year.

Turning first to Q2 performance versus the same period of last year; let's walk down the P&L. Total company revenues for the quarter were $13.3 billion, reflecting operational growth of 3%. Our revenue and cash flow continue to be impacted by the post-pandemic COVID environment on a global basis but to a much lesser extent than prior quarters. Looking at the business excluding our COVID products, we demonstrated strong commercial execution across the enterprise resulting in 14% operational revenue growth in the quarter.

Performance was positively impacted by our continued focus on key products and geographies; refined allocation of commercial field resources globally; and further optimization of our marketing resources into key priority areas. Contributing to this performance was our acquired products from Seagen as well as Nurtec, alongside inline products Vyndaqel, Eliquis, and Xtandi. As expected, dampening our growth in the quarter were Xeljanz and Ibrance.

Adjusted gross margin for the second quarter was 79%, compared to 76% last year and was primarily the result of favorable sales mix from our non-COVID products as well as continued strong cost management across our manufacturing network. Improvements in our gross margin rate will continue to be a focus for the company over the next few years as we execute our recently announced manufacturing optimization program. This new program, and together with our cost realignment program, is focused on returning the company to pre-pandemic operating margins on a mixed adjusted basis excluding Comirnaty.

Phase 1 of the Manufacturing Optimization Program, which focuses on operational efficiencies, is well underway now. This first phase is expected to deliver approximately $1.5 billion in savings by the end of 2027, some of which is anticipated to be realized beginning in 2025. Total Adjusted operating expenses increased by 5% operationally to $6.3 billion and include spending from our legacy Seagen business.

Looking at the components, Adjusted SI&A Expenses increased 8% driven primarily by marketing and promotional expenses for recently launched as well as acquired products. Adjusted R&D expenses increased 2% operationally driven primarily by increased spending related to the acquisition of Seagen, partially offset by lower spending primarily the result of our cost realignment program.

Q2 Reported diluted earnings per share was $0.01, and our Adjusted diluted EPS was $0.60. Unique one-time items included in our GAAP results and excluded from our Adjusted results this quarter include a $1.3 billion charge related to our Manufacturing Optimization Program primarily for severance, and a $230 million charge for IPR&D asset impairment and other related costs associated with the discontinuation of our DMD program.

Additionally, we expect to record a charge of approximately $400 million in the third quarter of '24 after a decision was made in July to sell one of our facilities as a result of the discontinuation of the DMD effort.

Now let me quickly touch upon our capital allocation strategy, which is designed to enhance long-term shareholder value. Our strategy consists of maintaining and growing our dividend over time; reinvesting in our business at an appropriate level of financial return; and finally, making value-enhancing share repurchases after de-levering our balance sheet.

In the first half of 2024, we returned $4.8 billion to shareholders via our dividend; invested $5.2 billion in internal R&D; and as expected, the completed business development activity was minimal. Our commitment to de-levering our capital structure to a gross leverage target of 3.25 times remains a key priority. In support of that goal, year to date, we have paid down approximately $2.25 billion in maturing debt, including $1 billion in May of outstanding notes. And, though we did not monetize any Haleon shares in Q2, we expect to resume monetization our 23% Haleon stake in the future.

I would also note that once our Haleon ownership is less than 20%, our accounting will transition from recording equity income and will no longer be included in our adjusted results. This change is factored into our long-term financial planning as well as our guidance.

As we've previously stated, we expect operating cash flows to be significantly below typical levels this year and particularly during the first half of 2024, due to the timing of certain payments and one-time expenses. We expect heavy weighting of revenues to the fourth quarter as our businesses become more seasonal in nature with the potential that a high level of cash collections may carry over into Q1 of '25. Despite this near-term pressure, clearly, our objective remains to return to a more balanced capital allocation strategy over time.

Now, let me spend just a few minutes on our outlook for the remainder of the year. We entered 2024 focused on delivering on our financial commitments as well as commercial performance. With a successful first half now complete, we believe it is appropriate to update our full-year earnings outlook to reflect our strong business performance. I'll remind you that our revised guidance assumes the seasonal cadence of our product portfolio, and that we expect Paxlovid results to trend with infection rates.

With that said, we are raising our full-year revenue range by $1 billion and our Adjusted diluted earnings per share by 30 cents. We now expect revenues in the range of $59.5 billion to $62.5 billion, and operational revenue growth excluding COVID products is now projected to be 9% to 11%. COVID product revenues are now expected to be $8.5 billion for the year, $5 billion for Comirnaty, and $3.5 billion for Paxlovid.

Our guidance for Adjusted SI&A and Adjusted R&D remains unchanged while our effective tax rate on adjusted income is now expected to be approximately 13%. And lastly, we expect Adjusted diluted earnings per share of of $2.45 to $2.65 primarily reflecting the increase to the topline and the revised tax rate among other items. As a reminder, our EPS guidance includes an anticipated $0.40 of earnings dilution from the Seagen acquisition, largely due to the financing costs.

In closing, we remain on track to deliver at least $4 billion of net savings from our cost-realignment program by the end of the year. This improvement in our cost base alongside our new initiatives focused on manufacturing is expected to put us on strong footing towards margin expansion and improved financial returns. Additionally, our continued focus on execution and recent investments have positioned the company for continued success moving forward. This quarter's results are a testament to the performance of our commercial business and our prudent approach to improving our cost base.

Though we've had a strong first half, we do not take lightly the continuing focus needed to deliver in the second half considering the seasonality of our respiratory products. We are clearly striving to bring about improved performance on both top and bottom lines through focused execution and delivering on our near-term commercial and financial goals. 2024 is clearly a foundation year for Pfizer.

Our achievements to date sets the stage for generating compelling shareholder value. Through our science-led transformation, we will methodically build off this base and with breakthroughs and innovation driving growth in the back half of this decade.

And with that, I'd now like to turn it back over to Albert to start the Q&A.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. Thank you, Dave. Let's start the Q&A session. Operator, please assemble the queue.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Louise Chen, Cantor.

Louise Chen - *Cantor Fitzgerald & Co. - Analyst*

So I wanted to ask you on danuglipron. When do you expect to see the actual efficacy data? And if this product moves forward as anticipated, how hard would it be for you to manufacture?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Mikael, you want to address it very quickly.

Mikael Dolsten - *Pfizer Inc - Chief Scientific Officer & President, Pfizer Research & Development*

Yeah. We are, as Albert said in the oral remarks, doing the dose optimization for PK and formulation to select potential doses for pending data progression to Phase 3, and we expect to share that first quarter.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yeah. Thank you very much. Let's move to the next question.

Operator

Mohit Bansal, Wells Fargo.

Mohit Bansal - *Wells Fargo Securities, LLC - Analyst*

Great. Thank you very much for taking my question. And just thinking about the cost guidance, cost measures here, just wanted to understand, how should we think about the margin expansion for the rest of the year. And then how should we think about it going forward in 2025 and 2026, especially as you head into the IRA territory?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Perfect question for Dave.

David Denton - *Pfizer Inc - Executive Vice President, Chief Financial Officer*

Yeah. So Mohit, just a couple of things. As you recall in my prepared remarks, we are focused on actually launched our Manufacturing Optimization Program, the result of which will begin to yield results in 2025 and to generate over $1.5 billion in savings by 2027. As we think about margin expansion, just given the guidance that I provided for the balance of this year, it would imply that margin -- gross margin rates would actually improve versus the low-70s color that we've given previously to probably mid-70s at this point in time.

We do expect that all these investments, both our cost realignment program and our investments from a Manufacturing Optimization Program are all designed to improve operating margins to get us back to pre-pandemic levels in the near future.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Dave. Operator, the next question, please.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn - *Morgan Stanley - Analyst*

Was just wondering, had two on the new product cycle side, how are you guys thinking about this upcoming RSV season? As we think about patients coming back in for a booster, as well as maybe an existing new group of patients coming in. And then on Elrexfio and myeloma, can you give us any color on the launch, either sales or market share there? And if you're still confident in that $4 billion opportunity.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

RSV, why don't Aamir and then Alexandre speak about the royalty? And then Chris, you covered alerts.

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Hey, Terence, it's Aamir. For Abrysvo, I think we are very well positioned going into the fall season in the US for three main reasons. One is contracting. So we've significantly strengthened our contracting position. Many of those decisions were confirmed shortly after the June ACIP and are set to take effect in August, commensurate with the beginning of the season.

The second is the ACIP guidance itself, with a recommendation for a single dose for all adults over 75 and those 60 to 74 that are at increased risk. We think that is just clear and strengthens the directive for those who are eligible for a vaccine.

And then thirdly is just Abrysvo itself. We've got great data including two seasons of durable efficacy data. As Albert alluded to earlier, we have both our current needle-free reconstitution kit that is never required to be frozen or thawed as well as our new active biosystem which offers many advantages and including 80% storage efficiency, so there's good options for customers.

And I will also remind you that there's many healthcare providers and pharmacies that prefer simplifying their vaccine management by having one vaccine for both older adults and maternal, which only a Abrysvo can offer. So the combination of contracting the ACIP guidance and the value proposition of Abrysvo positions us well in the US.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And Alexandre, what about international markets.

Alexandre De Germay - *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

Yes, Terence, good question on Abrysvo. We are making great progress as well on the international fronts following the approval, remember, in the second half of 2023 in Europe and in the UK. We already are progressing nicely with vaccine technical committee recommending positively Abrysvo. So we got positive recommendation in the UK, in France, in Canada, in Australia and several other markets and in Saudi Arabia as well.

So we are moving very nicely. Delighted that actually UK authority have selected Abrysvo for RSV prevention in older adults as well as in maternal immunization for pediatric for the next two years with an option of additional two years. And we also were selected in Canada specifically also for adult vaccination.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Good news for file and let's go to Chris now.

Chris Boshoff - *Pfizer Inc - Chief Oncology Officer, EVP*

Thank you for the question on Elrexfio. As you saw, we recently demonstrated the updated median overall survival data for Elrexfio in the intent to treat 123 patient population in the late-line disease, where we see an overall survival of 24.3 months, which we believe is differentiated. Elrexfio also have a differentiated profile in terms of the safety profile as well as other factors including subcutaneous administration, flat non-weight-based dosing and a flexible dosing regimen overall. We've now launched in 16 countries and in fact in Japan, we were the first to launch and it's early days.

We've also recently got approval in the EU and UK. In the US, total demand is plus 40% growth sequentially quarter-over-quarter and early next year or during 2025, you'll see the readouts for the bigger opportunities, which is MagnetisMM-5 in the double-class exposed population and then later in the year, potentially MagnetisMM-32, which is post-CD38. So overall, we remain confident that we've got a very differentiated molecule that could become a backbone across the continuum of care for multiple myeloma.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Chris. Operator, next question please.

Operator

Alex Hammond, Bank of America.

Alex Hammond - *Bank of America - Analyst*

On Nurtec, can you walk us through the commercial strategy to expand share and acute and preventive usage, as well as the international markets. You've mentioned focusing on physician awareness in a different way and reducing friction for patient access any more color you can provide there. Thank you.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Great questions. Aamir and then Alexandre.

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Alex, on Nurtec in the US, I think there are a number of things that we've done in the first half of the year to strengthen our demand. So we revamp all of our consumer activation efforts. We sharpened the clinical value proposition and how we communicated that, including, but not only limited to the fact that we have an indication for treatment and prevention. We also realigned our field forces to ensure that we're really maximizing activation of both primary care and neurologist providers.

And then we made a lot of efforts through the co-pay support and other means to just reduce friction in patients actually getting access to Nurtec once a script is written. And so what you see this quarter for us is a combination of all of those things starting to take effect. So Nurtec TRx was up 28% over the prior year. Revenues were up close to 39% in the U.S. We maintain leadership from a TRx and NRx perspective at 49% and 48% share, respectively.

And there were 9,000 new Nurtec writers. So that's about 85% of all new CGRP writers. So as we look forward, we continue to see strength in Nurtec demand. We'll continue to manage the gross to net dynamics of that business, but we are optimistic about where we take it from here.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Alexandre?

Alexandre De Germay - *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

Yes. On the international front, we also have expanded access and the numbers of countries that we have introduced the product. As you know, the growth that you see in the second quarter versus the first quarter of 2024 is really the effect of the introduction of Nurtec in China at the beginning of this quarter. As of today, we have Nurtec reimbursed in 15 countries, including some of our key markets like UK, Spain. And what we see is once we get reimbursement, we had a significant uplift of the demand.

And so our focus now is to increase access and reimbursement in some of our key markets. Moving forward, we see significant growth behind Nurtec. And the reason behind that is there is to the international level, less than half of the diagnosed patients that are treated with prescription medicine. So that's why we think we have an opportunity with Nurtec.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And I believe, Alexandre, that this year, we got almost 55 countries registered Nurtec in international markets, 55 markets. Of course, 15 received already reimbursement, and we are waiting for the remaining 40 to receive reimbursement. Let's move to the next question.

Operator

Akash Tewari, Jefferies.

Akash Tewari - *Jefferies LLC - Analyst*

Hey, thanks so much. On next-gen Prevnar, your team has been fairly quiet on its profile. Let's say that the next-gen product only hits 27 serotypes and not 31 like some of your peers. Why should we feel confident that Pfizer can retain a lion's share position in this market? And you mentioned the next-gen product actually having the largest serotype coverage. Does that imply greater than 31 serotypes of coverage?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Mikael?

Mikael Dolsten - *Pfizer Inc - Chief Scientific Officer & President, Pfizer Research & Development*

As you know, we have worked over several decades in optimizing how to expand the number of serotypes while maintaining strong immune responses for as many as possible. We have not disclosed yet how many serotypes we have. We have recently pursued expansion of that next-gen into Phase 2 of both pediatric and adult and look forward to adult data to come quite soon, which will allow us to move swiftly in that indication.

We have made significant improvement on existing and new serotypes through new technologies. And that is a deep capability. So it's not just about having the highest number of serotypes. It's really to show the consistency and the data before you can draw any conclusion. So we remain very confident in our ability to defend our leadership position and continue to expand it through these new technology tool bots.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you very much, Mikael. Next question, please.

Operator

We'll take our next question from Chris Shibutani with Goldman Sachs.

Chris Shibutani - *Goldman Sachs - Analyst*

I want to ask you about your views on the IRA, in particular, implications on revenue outlook for 2025 and 2026. Obviously, your employees, your partner Bristol on Eliquis made commentary that I think has been interpreted by the Street as being that this is a dynamic that could be manageable. We appreciate your specific reflections on the Pfizer portfolio. Thank you.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

I will ask Aamir to speak a little bit about the Eliquis specifically. And then, Dave, can you cover the general impact of IRA?

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Chris, as you noted, BMS led the discussions with CMS on Eliquis maximum fair price because they are the NDA holder, and they shared their perspective on that process during their earnings call last week. Honestly, we don't have much to add to what they said. We share their view that we have the ability to navigate the impact of IRA on Eliquis. And Eliquis will be an important drug in our portfolio for the foreseeable future.

David Denton - *Pfizer Inc - Executive Vice President, Chief Financial Officer*

Yes. And then I would just add to that, as we look at IRA across our platform, first, I think we were very fortunate Pfizer that we had one product selected. And secondly, if you look at the remaining products that are likely to be - that could potentially be selected, they are nearing the end of their patent protection life. So if you think about it from a net present value perspective, the impact on Pfizer is somewhat muted as you think about it economically.

I will say this is a piece of legislation that clearly is harmful for supporting research and development in the sector. So we're hopeful that this could be changed in the future, but we will continue to actively manage our way through this.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Dave. Operator, next question, please.

Operator

(Operator Instructions)

Dave Risinger, Leerink Partners.

David Risinger - *Leerink Partners - Analyst*

Yes, thanks very much. And I guess I just wanted to start off by saying congratulations and best of luck to you, Mikael. So my questions are, first, could you please comment on your expectations for Phase 1 obesity candidates beyond once-daily danuglipron, including disclosures to watch over the next several months?

And then second, Dave, could you just contextualize the $1.5 billion in COGS reductions relative to the current annual run rate of about $15 billion? It seems like you're going to cut 10%. But how should we think about net reduction i.e., net COGS declines over the next three years? Thanks so much.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. Mikael, why don't you give a little bit on the obesity candidates other than danu?

Mikael Dolsten - *Pfizer Inc - Chief Scientific Officer & President, Pfizer Research & Development*

Yes Yes. As you heard from Albert, danu is the more advanced drug with a large tolerability, safety and efficacy experience. As always, in our projects, we have additional drugs in the same class. It's in Phase 1, performing as expected. We have another mechanism of action that would combine with Oral GLP such as danu later in development of life cycle. And we have other mechanisms to protect part in kidney that could also be part of an internal medicine, larger cardiometabolic franchise. Thank you.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And what about the cost reduction?

David Denton - *Pfizer Inc - Executive Vice President, Chief Financial Officer*

So let me just anchor us on a few facts here. First, the cost reduction effort that we currently have initiated is Phase 1 of a multiple-phase program. So this $1.5 billion savings is only a part of - or a piece of the story. We will tell more of the story as we define the program more specifically so you get more clarity on that.

Secondly, if you look at the $1.5 billion cost improvement effort, and you think about that on our cost of goods sold platform, where it's probably closer to $16 billion versus $15 billion, this is at anchor point.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Operator, next question please.

Operator

Kripa Devarakonda, Truist Securities.

Srikripa Devarakonda - *Truist Securities, Inc. - Analyst*

I have a question on the RSV in maternal market. How have you gained traction in the maternal market? Are you seeing any sort of setbacks? Just wondering if Pfizer needs to educate, build out or do some groundwork before the market really breaks open.

And then a follow-up question on PADCEV, there are other radioligands and ADCs that are targeting Nectin-4. Are there -- how do you see the competitive landscape shaping up?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Aamir about maternal RSV.

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Sure, Kripa. So thanks for the question. I think let me start by just underscoring the interest that we see on maternal vaccination. So when you talk to OB/GYNs, there's a clear preference that they have to vaccinate during pregnancy. And similarly, you hear the same from pregnant mothers. Greater than 60% prefer vaccination versus vaccinating the baby, maternal vaccination.

So our launch on maternal did exceed our expectations. So we saw uptake rates through the end of January with about 11% of eligible mothers taking the vaccine. And that is significantly higher than other maternal immunization at the same point in the life cycle. I think key Tdap was less than 2% at the same time.

So the other thing I will note is it does require education, as you know. And last year's maternal ACIP recommendation occurred just after the RSV maternal vaccination season began. So this season, we have the benefit of using the first half of the year to invest in that education of both HCPs as well as pregnant women, and we look forward to the season ahead.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And international anything to add?

Alexandre De Germay - *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

Yes, very, very few points. Just to say that following the approval, we also have great progress on the vaccine technical committee on vaccination in maternal in the UK we receive positive recommendation as well as in France, in Australia, Belgium, Austria, Argentina, so many other, including an interesting one, which is the power for Latin America.

And now we are progressing into access -- final access into those markets.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And about the competitiveness of PADCEV, Chris?

Chris Boshoff - *Pfizer Inc - Chief Oncology Officer, EVP*

We're very pleased that in this quarter, as you've seen, we printed just shy of $400 million for PADCEV with sequential quarter-over-quarter growth of 15%. Based on the claims data through the end of May, we are seeing US first-line share increasing into the low 50% range. And as you know, the next opportunity is obviously in muscle invasive bladder cancer with two ongoing studies being conducted by Merck, which can expand the population to an additional 28,000 addressable patients.

So overall, we are seeing that Padcev with pembrolizumab is becoming entrenched in the first-line setting as the standard of care and future studies, including future nectin-targeted medicines, radioligands or ADCs will likely have to do studies against Padcev plus pembrolizumab in the first-line setting, which could be challenging.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Chris. Next question, please.

Operator

Trung Huynh, UBS.

Trung Huynh - *UBS - Analyst*

Firstly, on Prevnar, there wasn't so much commentary in your prepared remarks here. Just interested for the quarter, was that impacted by any one-offs? And has there been any stocking dynamics or destocking at play here given the approval of (inaudible) and that anticipated launch?

And then secondly, just at ASCO, we saw some early KAT6 data in breast. The presenter was very, very excited. Can you perhaps talk about the opportunity here? How quickly can we get this through clinical studies? And when can we see the next set of longer-term data? Thanks very much.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Aamir, what about this, the stocking?

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Yes. So on Prevnar, I'll just provide context on the US performance dynamics. So the change year-over-year is predominantly a result of lower adult demand due to shrinkage of the opportunity size in that market. And the quarter-to-quarter change that you see is a function of the CDC order timing for pediatric vaccines, which tends to be quite lumpy as well as some of the adult vaccination dynamics of both shrinkage and seasonality.

And I think it's important to continue to think about these two segments very differently in the US. So with pediatrics, as Albert had mentioned in his remarks, we exited Q2 with a share of 81%, which is up 71% in August.

And then the adult market continues to behave differently in the US in that it is contracting because there are just fewer eligible 65-plus adults and a more difficult-to-activate younger population. And that's the same population that Merck's V116 will be launching into.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

And in the international market?

Alexandre De Germay - *Pfizer Inc - Executive Vice President, Chief International Commercial Officer*

International, as you see first quarter, second quarter together for the first half, we grew by 2%, and this is in line with our expectation. What we see is, of course, we are going to capitalize on the very strong franchise that we are in Prevnar 13 with 140 exclusive NIP around the globe. And so as we get Prevnar 20 pediatric we are going to launch this product and switch from 13 to 20. Now in adults, it's a very interesting dynamic because in adults, our vaccination was in Europe and outside of the country is quite limited.

Now that we see Prevnar 20 registered and validated by VTC, we see significant pickup. And let me give you an example. In Germany, we got VTC recommendations for 60 and above, all-comers and at risk, from 18 to 59. And there, in Germany, since the beginning of the year, we see significant growth. We see that we will have similar trends in other major markets in Europe.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. And Chris?

Chris Boshoff - *Pfizer Inc - Chief Oncology Officer, EVP*

Thank you very much for the question on KAT6. KAT6 is a first in category medicine. We're very proud that this medicine was conceptualized and discovered at our laboratories in Ohio. As you've seen with the most recent data, objective response rate over 35% durable responses and well tolerated. We therefore plan to initiate a Phase 3 program over the next six months, and you'll learn more about that. But thank you for the question. We're also excited about KAT6.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. We are very excited about it. Next question, please.

Operator

Carter Gould, Barclays.

Carter Gould - *Barclays - Analyst*

Good morning. Thank you for taking the question. I guess first one, just a clarification. I guess when we think about the PK danuglipron data, the top line, on a month ago, are we going to see any of that data prior to the dose optimization data reading out early next year? And then as we think about timelines for danuglipron, some of your European peers have talked about potentially moving faster.

And I think some of the timelines that are generally thrown out there, including potentially reaching market as early as 2028. Did Pfizer have sort of similar plans or think such plans would be feasible for danuglipron? Any color on that front would be helpful.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Mikael?

Mikael Dolsten - *Pfizer Inc - Chief Scientific Officer & President, Pfizer Research & Development*

Yes, for your questions, we'll likely present a comprehensive data set on PK after collecting all the data from the two studies, but we are looking into what's the best way to sharing it timely. We have some of the most aggressive timelines when we agree a protocol with regulatory agency and pending data. And as Albert has said, if that becomes the case that we move forward pending data, you can bet that like every Pfizer program, it will be very fast.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Mikael. Next question, please.

Operator

Chris Schott, JPMorgan.

Chris Schott - *JPMorgan - Analyst*

Great. Just two questions for me. Just coming back to danu again. I guess just bigger picture, do you expect the once-daily formulation will have an improved tolerability profile versus the twice daily? And maybe part of it as we think about the additional data you're getting, will you get additional efficacy or tolerability data from these ongoing studies? Or is it really just PK, just as you're trying to make a decision here. I just want to try to better understand what you're going to have available to consider?

And then the second question I had was just on RSV. It sounds like some encouraging contracting updates. But can you just elaborate a bit more on the market as a whole? Is this a market you expect to grow in the US this year. On one hand, I'm balancing more visibility on who should be targeted and covered post ACIP.

But at the same time there's no revax recommendation yet. And there could be maybe some challenges for pharmacies trying to figure out who's high risk and who's not in that 60- to 74-year-old population. So just like balance those two together, do you expect the market as a whole is growing this year?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Chris. Given that, for the interest of time let me tell you about danu. We have said it multiple times that is going to be PK data right now. We have done with danu 1,400 patients, so we feel very comfortable about the profile, we know the product. Right now the question is if we have a formulation

that will allow us to take this product into Phase 3 registration enabling studies. We made an announcement because we feel that what we saw from the first round of testing multiple formulations, we felt encouraged that we have several that can deliver and one, but it was the preferred one and it is the one, but because it was the best of all, and now we are going to test it.

Also, we can't speculate if tolerability will be better or not because of once a day compares to twice a day because we don't have the data, which I said in my prepared remarks for danu. The profile that the danu right now has based on the 1,400 patients that we have seen is very competitive both on tolerability and efficacy with whatever we have seen from others in the oral space so far. And in terms of timing right now, with everything we know, we are the only one with 2b data on an oral GLP-1 after, of course, Lilly. So right now for everything we know, we should be the second after Lilly if danu progresses into registration-enabling studies.

Now let's go to RSV, Aamir.

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

So Chris, what I would say is we are only in the second season now of a expanding market, right. So you had the first season last year, this year with the ACIP recommendation. As I mentioned earlier, we think that that provides clarity and it strengthens the need for those identified in the recommendation to get a vaccine. And we've had another six months plus of opportunity to educate HCPs as well as consumers, and we see growing relevancy and urgency of people to vaccinate. So we do think that the opportunity set expands.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. Operator, next question.

Operator

Tim Anderson, Wolfe Research.

Tim Anderson - *Wolfe Research - Analyst*

Going back to IRA, so CMS is bound to make the disclosure of negotiated prices on this first list of ten drugs a very big production, it will claim it's a major win over the industry. Of course, it depends on how those prices compare to net prices, not list. My understanding is it's possible we get this news from CMS earlier than September 1st, possibly this week ahead of the congressional recess in early August. Do you agree it's possible we might get this news early?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

I don't know. They have the decision making, so they will do what they think. I can't comment on that. I know have discussed that thing, but - so I will emphasize once more, if CMS says that that was a big win for them against the pharma industry, what I would say it was the whole law of IRA. It is a very big loss for innovation and for the crown jewel of American industry, which is the Life Science Technology business. But it is what it is. It is the law of the land.

And we are doing our best to make sure that we minimize any impact, particularly in the future, because for now, as Dave said, we were probably in the next few years, the NPV that are at stake for us, It's quite small because most, we were fortunate not to have up to four products selected only one.

Next question, please.

Operator

Steve Scala, TD Cowen.

Steve Scala - *TD Cowen - Analyst*

Two questions. First, do you expect VYNDAQEL to grow up to the LOE or will competitors pressure sales and take majority share before that? Certainly seems VYNDAQEL faces some significant challenge? And secondly, assuming no booster doses, does Pfizer still peg peak RSV vaccine sales at $2 billion plus? That was guidance first provided in December 2022, and do you think you can capture a majority share this fall?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Aamir, why don't you take the first one?

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Sure. So Steve, on VYNDA maybe what's going on now and then what's to come with competition. So VYNDA is continuing to grow at a very healthy clip. This is a result of multiple factors, a very important one of which is we focused on expanding our HCP base that we're targeting as well as really investing in diagnosing and identifying patients. Diagnosis remains the biggest unmet need in this condition because there's almost half of patients that are still undiagnosed. So we do see a lot of growth opportunity in VYNDA.

Now for this year it may not continue as the same clip that we've seen in Q1 and Q2, because we had a big bolus of enrollment patients in the beginning of the year, partially as a result of some of the IRA reforms, and the incremental diagnoses become harder and harder to find. But we do expect continued growth with VYNDAQEL. As far as competition, there's still a lot that needs to be understood exactly about the competitors, their data, their profile, what actions they're going to take.

But what I will say is that we obviously welcome more treatment options for patients, but there's a lot that we're very confident in with VYNDA. There's a body of clinical evidence that includes five-year follow-up clinical trial data, and real world evidence including statistically significant mortality and CV hospitalization data that is in our label, as well as quality of life benefits that we think continue to position VYNDA well. But of course, with competition coming in, we will take that into consideration and provide further guidance as things evolve.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you. And again, in the interest of time, Steve, for the RSV, when we provided $2 billion was in the frame of a pipeline asset. What is the key potential annually? We don't give once the products are registered, typically projections not even for the next year, not for the peak years, but what I would say if everything - if anything, things have become more promising since the time that we gave this $2 billions, because we were all surprised how much the medical community and the recommended authorities are putting emphasis on the disease.

So that's my comment. Sorry I couldn't be more specific to you. Next question, please.

Operator

Vamil Divan, Guggenheim Securities.

Vamil Divan - *Guggenheim Securities LLC - Analyst*

Great. Thanks for taking my questions. Maybe a couple I could. One, you talked about the aggressive timeline that obesity. I assume for PCV next-gen, it's similarly aggressive. Maybe you just comment on sort of the time you think it would take to get that product to market, given you're now in Phase 2, and then the second one is more related to Paxlovid. In the first quarter, you had the big adjustment and you came in well above expectation, but to not raise the guidance now this quarter, you are raising the guidance.

I'm curious if you can comment on anything you're seeing, sort of in the channels or what driving the confidence to raise the guidance now and then so tied to that, is that the main driver of, sort of the increased gross margin? So expectations. And is that just the product mix and cost management sort of combination, but just seeing if you can maybe parse out some of the main drivers of that impact.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. For the next-gen, I'll make it easy. We announced that we entered into Phase 2 studies, both in pediatric, and so one can calculate, you can't comment how long we take because these are event-driven studies, particularly when you go into Phase 3, right. So we don't know how long that will take, but. And we don't comment at this stage, but let's go to Paxlovid and explain the dynamics, Aamir.

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Yes. So for Pax in the US, you pointed to the momentum in Q1, which I'll remind you was a combination of both the true-up as well as ongoing utilization that was very high given the wave of COVID infection. What happened then is in the first half of Q2 infections were low. And the very clear trend that we see with Paxlovid is when there is a COVID infection wave, we have healthy Paxlovid utilization.

So starting in May, all the way through June, there was increased COVID infection waves and our Paxlovid utilization followed. So we had about 35,000 treatment courses a week in April and May, peaking to about 100,000 in June. So we have seen continued utilization.

Now it is trickier for the wholesalers and end customers to manage utilization around the disease. That's a little bit unpredictable. So we did enter Q2 with higher than normal inventory levels, but the wave of utilization that we've seen in Q2 has helped normalize those inventory levels.

And all of this dynamic combined with the fact that we've built a commercial model to successfully get Paxlovid to those who need it, including very healthy coverage with commercial payers, 90% of pharmacies across the U.S. already participating in our USG PAP program, and a simplified model for delivering that PAP program to patients when there is a COVID infection wave. We're confident about Paxlovid utilization.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yes. Thank you, Aamir.

David Denton - *Pfizer Inc - Executive Vice President, Chief Financial Officer*

And just real quickly, as you think about the guidance, I think your question was, was this, what was driving our improvement and guidance? This was one of many factors because our core business in general is doing quite well and our cost management programs are really taking hold. So this is one of multiple factors that drove that $0.30 raise.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Dave. And also Vamil, I realized that I misspoke before when I said that it is event-driven, the next-gen. It is not. It's immunogenicity. Also, I can offer another point for you to try to estimate the timelines that next year, we expect to have the regulatory discussions about how the

program should look like, and then we will form better understanding when we can have the Phase 3 readout. Next question, please. And I think the last question, operator last question, please. We cannot hear the operator.

Sorry for this technical problem. The technician just told me to wait a moment, please. Otherwise we will stop the call here.

Operator

Evan Seigerman, BMO Capital Markets.

Evan Seigerman - *BMO Capital Markets - Analyst*

Hey, guys, thank you for squeezing me in at the end. I would love for some comments on VYNDAQEL given the strength this quarter; you really came in ahead of consensus. Do you expect this continuing in the back half of the year into '25? And just given the IP in the next couple of years expiring, what can you do to extend this given the strength of this franchise?

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yeah, Aamir?

Aamir Malik - *Pfizer Inc - Chief US Commercial Officer, EVP*

Hey, Evan. So as I mentioned earlier, yes, we do expect to see continued growth momentum for VYNDA in the back half of this year and going forward for the reasons I described earlier. It may not be at the level that we saw in the first half of the year because of the Q1 bolus of patients, but the combination of what we're doing in terms of physician expansion, investment in driving diagnosis, and tailwinds from IRA reform do give us conviction around short-term VYNDAQEL growth.

Albert Bourla - *Pfizer Inc - Chairman of the Board, Chief Executive Officer*

Yeah. And when it comes to, IP right now, it's very difficult, once the product is getting generic, to be able to fight with a new molecule unless you have substantial differentiation. And VYNDAQEL has tremendous efficacy. So we do not expect that the market will continue being as big, particularly for us, after we see generics entering into it. So thank you for the question.

So I want to make some just closing remarks that we had a very strong first half of the year, and we are confident that we will deliver on our full-year financial commitments in '24. We are driving progress with solid execution as we continue to serve patients and grow our business. Execution makes the difference.

Thank you for your interest in Pfizer, and we hope you have a wonderful.

Operator

This does conclude today's program. Thank you for your participation. You may disconnect at any time.